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SENATE

FRIDAY, MARCH 1, 1957

(Legislative day of Thursday, February 28, 1957)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Father Bernard W. Gerdon, national chaplain, the American Legion, of Indianapolis, Ind., offered the following prayer:

United in love and loyalty for our free and beloved America, let us pray:

Almighty God, Father of our Nation, we thank Thee for blessing us as a Nation; guiding, keeping, strengthening, and sustaining us. We thank Thee for the basic human rights with which Thou hast endowed us, and of which none other can deprive us. Gratefully we acknowledge Thy bounty with which Thou hast enriched our America.

Keep her free and prosperous, O God. Through Thee may liberty triumph over the earth and bring that peace which is the tranquillity of order and the product of justice.

Be with the Members of the Senate, to direct their thinking and to guide them in their deliberations.

Strengthen them for the responsibilities of their office.

Grant them vigilant hearts. Give them minds to know Thee, diligence to seek Thee, wisdom to find Thee. Sanctify them with Thy presence; bless them with Thy might; assist them with Thy counsel, that all their endeavors may begin with Thee, and, through Thee, may be happily concluded. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, February 28, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to act on the new reports on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar under the heading "New Reports" will be stated.

UNITED STATES COAST GUARD

The Chief Clerk proceeded to read sundry nominations in the United States Coast Guard.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Coast Guard be considered en bloc.

The PRESIDENT pro tempore. Without objection, the Coast Guard nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the Coast Guard nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the customary morning hour, during which Senators may introduce bills and transact other routine business, subject to a 3-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense, Supply and Logistics, transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with an accompanying report); to the Committee on Banking and Currency.

CONSTRUCTION OF BRIDGES OVER POTOMAC RIVER

A letter from the Board of Commissioners, District of Columbia, Washington, D. C., transmitting a draft of proposed legislation to amend title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes" (with an accompanying paper); to the Committee on the District of Columbia.

AUDIT REPORT ON SOUTHEASTERN POWER ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Southeastern Power System and related activities, Corps of Engineers (Civil Functions), Department of the Army, and Southeastern Power Administration, Department of the Interior, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

JOINT REPORT ON INSTALLATION OF AUTOMATIC RADIOTELEGRAPH CALL SELECTORS ON CERTAIN SHIPS

A letter, signed by the Chairman, Federal Communications Commission, the Commandant of the United States Coast Guard, and the Acting Administrator, Maritime Administration, transmitting, pursuant to law, a joint report on their study and investigation with respect to the need for installing automatic radiotelegraph call selectors on cargo ships of the United States carrying less than two radio operators, and other such safety devices, and the feasibility thereof (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REIMBURSEMENT TO CERTAIN INDIANS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to provide reimbursement to the Tribal Council of the Cheyenne River Sioux Reservation in accordance with the act of September 3, 1954 (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Public Works:

"Resolutions memorializing the Congress of the United States to enact legislation providing for the elimination of pollution in the Merrimack River

"Whereas it is essential for the welfare of the people living in cities and towns bordering or located near the Merrimack River that said river be free from pollution; and

"Whereas the Merrimack River is highly polluted; and

"Whereas said pollution is detrimental to the people living in the vicinity of said river; and

"Whereas the city of Lowell will require the use of said river for drinking purposes in the years to come: Therefore be it

"*Resolved*, That the House of Representatives of the General Court of the Commonwealth of Massachusetts memorializes the Congress of the United States to enact legislation providing for the elimination of pollution in the Merrimack River under the auspices of the United States Corps of Engineers and that the Federal Government assume the full cost of such work as is necessary; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from this Commonwealth.

"House of representatives, adopted February 18, 1957.

"LAWRENCE R. GROVE, *Clerk*.

"A true copy. Attest:

"EDWARD J. CRONIN,
"Secretary of the Commonwealth."

A concurrent resolution of the Legislature of the State of West Virginia; to the Committee on Labor and Public Welfare:

"Senate Concurrent Resolution 17

"Memorializing the Congress of the United States to give favorable consideration to the problem of job opportunities for people in higher age groups up to the age of retirement

"Whereas because of our modern complex, competitive society, business and industry have found it economically desirable to employ people in lower age groups; and

"Whereas business and industry seldom employ persons in the higher age groups except in technical, specialized, high-skilled trades, and executive capacity; and

"Whereas people in the higher age groups now find a dearth of job opportunity and such unemployment has become a national problem: Therefore be it

"*Resolved by the senate (the house of delegates concurring therein)*, That the Congress of the United States is hereby requested to give consideration to this national problem of limited job opportunities for persons in the higher age groups; and, be it

"*Resolved further*, That the secretary of state is hereby directed to forward attested copies of this concurrent resolution to the President of the United States Senate, the Speaker of the House of Representative, and to each member of the West Virginia delegation in the Congress of the United States.

"I hereby certify that the foregoing is a true and correct copy of Senate Concurrent Resolution No. 17, adopted by the senate on February 22 and the house of delegates on February 25, 1957, according to the official records in my office.

"J. HOWARD MYERS,
"Clerk, Senate of West Virginia."

A joint resolution of the Legislature of the State of Colorado; to the Committee on the Judiciary:

"Senate Joint Memorial 7

"Memorializing the Congress of the United States To Submit an Amendment to the Constitution of the United States Granting Women Equality of Rights Under the Law

"*Be it resolved by the Senate of the 41st General Assembly of the State of Colorado (the House of Representatives concurring herein)*, That the Colorado General Assembly respectfully requests the Congress of the United States to propose to the people an amendment to the Constitution of the United States, or to call a convention for such purpose as provided by law, to add to the Constitution an article providing substantially as follows:

"'Article —

"'SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"'SEC. 2. Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation'; be it further

"*Resolved*, That a copy of this memorial be forwarded to the President of the Senate and to the Speaker of the House of Representatives of the United States Congress, and to each of the Senators and Representatives representing the State of Colorado in the United States Congress.

"FRANK L. HAYS,
"President of the Senate.
"MILDRED H. CRESWELL,
"Secretary of the Senate.
"CHARLES R. CONKLIN,
"Speaker of the House of Representatives.
"LEE MATTIES,
"Chief Clerk of the House of Representatives."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Public Works:

"Senate Joint Memorial 6

"Whereas studies by the United States Bureau of Reclamation and the Army engineers, including the district, division, and chief engineers of the United States Army, have shown that construction of a multipurpose dam on the Purgatoire River at a site west of Trinidad is feasible financially from an engineering standpoint, and from the standpoint of the protection of and benefits to the residents of Trinidad and a large area surrounding Trinidad, in and about the valley of the Purgatoire; and

"Whereas, pursuant to a recommendation that said dam be constructed, the Congress of the United States passed the necessary enabling legislation for such dam, which was thereupon vetoed by the President of the United States; and

"Whereas the construction of such dam is not only desirable but necessary for the following reasons:

"1. Geographically the velocity of flood peaks will never change because of the type of nearly vertical topography making up the river basin above Trinidad.

"2. The city will eventually be demolished by these raging torrents which have unusual velocity at peak discharge.

"3. The farmers and ranchers will never be able to make a living in this area when any money above a meager existence must be constantly drained back into repair and reconstruction of diversion dams.

"4. Regulation of the river flow can be had and the flood menace to the city of Trinidad can be abrogated if a multipurpose dam which is feasible is constructed above the city of Trinidad.

"5. The John Martin Dam will not be materially depleted.

"6. The theme on which the Arkansas River pact was written of 'live and let live' will be strictly adhered to.

"7. The people living in this community, both urban and rural, will have an opportunity to become economically stabilized.

"8. The construction of this feasible dam is an absolute must for this community for its survival: Now, therefore, be it

"*Resolved by the Senate of the 41st General Assembly of the State of Colorado (the House of Representatives concurring herein)*, That the Congress and the President of the United States are hereby memorialized to pass and approve legislation making possible construction of such dam, in accordance with recommendations of the said Bureau of Reclamation and Army engineers, as quickly as shall be reasonably possible; be it further

"*Resolved*, That this memorial be spread upon the journals of the senate and the house of representatives, and copies hereof be transmitted to the President of the United States, the Speaker of the House of Representatives, and the President of the Senate of the United States, and Colorado's Senators and Representatives in the Congress of the United States.

"FRANK L. HAYS,
"President of the Senate.
"CHARLES R. CONKLIN,
"Speaker of the House of Representatives.
"MILDRED H. CRESSWELL,
"Secretary of the Senate.
"LEE MATTIES,
"Chief Clerk of the House of Representatives."

The memorial of Julius Maranze, of Dayton, Ohio, remonstrating against the fluoridation of water by the Department of Defense at military bases; to the Committee on Armed Services.

A telegram in the nature of a petition, signed by A. F. Dietrich, of Blytheville, Ark., praying for the early enactment of Senate Joint Resolution 19, to promote peace and stability in the Middle East; ordered to lie on the table.

A telegram in the nature of a petition, signed by Mr. and Mrs. Lloyd T. Jones, of Detroit, Mich., relating to sanctions against Israel; ordered to lie on the table.

A joint resolution of the Legislature of the State of Montana; to the Committee on Appropriations:

"House Joint Resolution 3

"A joint resolution of the Senate and House of Representatives of the State of Montana to the Congress of the United States; to Senators James E. Murray and Mike Mansfield, from the State of Montana; to Congressmen Lee Metcalf and LeRoy Anderson from the State of Montana; to the Honorable Ezra Taft Benson, Secretary of Agriculture of the United States; relating to the need of increased Federal funds for adequate research to combat the heavy infestation of rust and other grain plant diseases in the State of Montana and elsewhere

"Whereas the farmers of the State of Montana have suffered heavy damage during the past several years caused by a heavy infestation of rust and other plant diseases harmful to wheat and other grains; and

"Whereas certain types of grain have been developed which are disease resisting but which will not prove permanently immune to infestation; and

"Whereas an expanding program of disease control and grain plant research must be carried on to combat constantly developing types of infestation, and to produce new and improved varieties of grain which will be tolerant to climatic and soil conditions of Montana; and

"Whereas no one State or region has the necessary funds to carry on an adequate program of disease control and grain plant research on the present Federal and State appropriations; and

"Whereas an adequate program of disease control and grain plant research will benefit all the people: Now therefore be it

"*Resolved by the House of Representatives of the 35th Legislative Assembly of the State of Montana, the Senate concurring*, That we must earnestly and respectfully request and urge that the Congress of the United States recognize the importance of continuous and adequate plant disease control and research, particularly as to grains, by necessary increases to present appropriation of funds for such purposes; and be it further

"*Resolved*, That copies of this resolution be forwarded by the secretary of state of the State of Montana to the Congress of the United States; to Senators James E. Murray and Mike Mansfield from the State of Montana; to Congressmen Lee Metcalf and LeRoy Anderson from the State of Montana; and to the Honorable Ezra Taft Benson, Secretary of Agriculture of the United States.

"EUGENE H. MAHONEY,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

A joint resolution of the Legislature of the State of Montana; to the Committee on Public Works:

"House Joint Memorial 16

"Joint memorial of the Senate and the House of Representatives of the State of Montana to the Congress of the United States; Senator JAMES E. MURRAY, of Montana; Senator MIKE MANSFIELD, of Montana; Congressman LEE METCALF, of Montana; Congressman LEROY ANDERSON, of Montana; requesting the Congress of the United States to provide for the construction and completion of the Lewis and Clark Highway

"Whereas in the event of hostilities involving the Pacific Northwest, highway facilities through the State of Montana in an easterly direction would be of paramount and vital importance both from the standpoint of military defense and for evacuation of civilians; and

"Whereas the Lewis and Clark Highway when completed, will connect Lewiston, Idaho, and Missoula, Mont., by a direct, watergrade route, and thus provide another means of east-west travel between the Pacific Northwest and the Middle West; and

"Whereas the unconstructed portion of the Lewis and Clark Highway is only 25 miles in length and lies entirely within the Selway Wilderness area, a Federal domain; and

"Whereas the Lewis and Clark Highway when completed will traverse or closely parallel the route of the Lewis and Clark Expedition, which opened up the Pacific Northwest over 150 years ago and would be a fitting memorial to those explorers; and

"Whereas the honorable senate and house of representatives of the State of Idaho and of other Western States are likewise memorializing the Congress of the United States with this same request: Now therefore be it

"*Resolved*, That we, the Senate and House of Representatives of the Legislature of the State of Montana concurring, now in its 35th legislative session, do respectfully and earnestly request the Congress of the United States to authorize and appropriate sufficient moneys to provide for the construction and completion of said unfinished link in said Lewis and Clark Highway at the earliest practicable date; be it further

"*Resolved*, That the Secretary of State of the State of Montana be authorized, and he is hereby directed to forward certified copies of this memorial to the President of the United States, the Senate and the House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"EUGENE H. MAHONEY,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

By Mr. BIBLE:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 5

"Memorializing the President, Vice President, the Secretary of Defense, the Nevada congressional delegation, and the Congress of the United States to continue the tungsten program

"Whereas there are extensive deposits of tungsten in Nevada; and

"Whereas a healthy domestic tungsten industry is a key to prosperity and national security, because without such industry the United States cannot be certain of having the stockpile of tungsten necessary to our economy and national defense; and

"Whereas the economy of the tungsten producing areas within the State of Nevada and elsewhere within the United States must be kept prosperous, and the United States itself be kept strong and in a position to weather either short or prolonged periods of world and national crises; and

"Whereas it requires years to develop a productive tungsten mine and constant effort is needed in development, since, if mines and tungsten processing plants be abandoned, the mines become flooded, timbers deteriorate, and skilled and able personnel are dispersed beyond recall, resulting in a crisis when production is to be resumed in an emergency; and

"Whereas the expansion and well-being of the Nevada mining industry is substantially dependent upon continued production of tungsten: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada (jointly)*, That the President of the United States, the Vice President of the United States, the Secretary of Defense, the Speaker of the House of Representatives, the Senators and the Representative from the State of Nevada in the Congress of the United States, and the Congress of the United States are hereby memorialized to immediately and energetically undertake positive action to do everything necessary and proper to continue, encourage, protect, and stimulate the production of tungsten, and, specifically, to continue the purchase and stockpiling of tungsten; and be it further

"*Resolved*, That the Secretary of State of the State of Nevada shall transmit certified copies of this resolution to the President of the United States, the Vice President of the United States, the Secretary of Defense, the Speaker of the House of Representatives, and the Senators and the Representative from the State of Nevada in the Congress of the United States.

"Adopted by the assembly February 6, 1957.

"WILLIAM D. SWACKHAMER,
"Speaker of the Assembly.
"C. V. BASTIAN,
"Chief Clerk of the Assembly.

"Adopted by the Senate February 6, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

RESOLUTIONS OF AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS

Mr. WILEY. Mr. President, I was pleased to receive this morning from Finis E. Engleman, executive secretary of the American Association of School Administrators, a department of the National Education Association, the 1957 resolutions and platform which were adopted by that fine association at its Atlantic City convention between February 15 and 20. More than 20,000 people attended the convention.

I particularly invite attention to resolutions 10, 16, and 17, which emphasize the need for increased finances for the Nation's schools and point up the problem of expanding school-building construction and looking after the particular needs of federally affected areas.

I believe the resolutions will be of the deepest interest to my colleagues. I ask unanimous consent that they may be printed in the RECORD, and thereafter be appropriately referred.

There being no objection, the resolutions were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION 10

NEED FOR INCREASED FINANCES

With mounting enrolments, rising costs, and growing public demand for better education, school financial support must be doubled in a short time. The nation as a whole has the fiscal capacity to support an educational program that will fully meet the needs of the country. Sources of revenue for the additional money the schools need do exist and can be used fairly and equitably by local, State, and Federal Government in meeting the financial needs of the schools. The association urges administrators to help citizens study our changing and expanding economic system and its dependence upon universal education, and further to analyze existing systems and sources of school support to discover additional sources of school revenue and to devise plans for their use. The productivity of this Nation can easily support these expanding costs.

RESOLUTION 16

SCHOOL BUILDING CONSTRUCTION

Even after unprecedented State and local effort during the past 2 years to meet school building needs, a grave shortage of classrooms still exists in almost every part of the country. Therefore, the association, consistent with policies adopted in former resolutions and in our platform, urges the 85th Congress to enact an emergency program of school building construction as recommended by the White House Conference on Education and leaders of the two major political parties. Federal funds for assistance in school building construction should be distributed without Federal control through the United States Office of Education to State departments of public instruction.

RESOLUTION 17

FEDERALLY AFFECTED AREAS

The association advocates continuation of Federal financial assistance in the construction and operation of public schools in districts where the development of Federal projects and the acquisition of property by the Federal Government have unduly affected school enrolment and the local tax base for school support. This assistance should be continued under the general principles embodied in Public Laws 815 and 874 enacted by the 81st Congress.

RESOLUTION OF AMERICANS OF LITHUANIAN DESCENT, MIAMI, FLA.

Mr. SMATHERS. Mr. President, on February 16, Americans of Lithuanian ancestry throughout the United States commemorated the 39th anniversary of the founding of the Republic of Lithuania.

I ask unanimous consent to have printed in the RECORD a resolution adopted by the Lithuanian Council of Miami in commemoration of this anniversary.

We all know how the violent storms of oppression have dimmed the bright flame of freedom for the courageous people of Lithuania, and we hope the day is not too far distant when its brilliant rays will again penetrate the darkness which temporarily prevails.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution unanimously adopted at a mass meeting of Americans of Lithuanian descent of the city of Miami, Fla., sponsored by the Lithuanian Council of Miami and held February 17, 1957, in the Miami Lithuanian American Citizens Club, 3655 North West 34th Street, to commemorate the 39th anniversary of the declaration of independence of Lithuania:

"Whereas Lithuania, motherland of millions of liberty-loving loyal American citizens, has since 1940 been forcibly occupied by the Russian Army; and

"Whereas resistance to this Russian aggression and oppression has been carried on constantly and continuously by the Lithuanian people; and

"Whereas no real peace or security can be achieved in the world while entire nations remain subjugated by the Red army in Eastern Europe: Therefore be it

"*Resolved*, That this meeting of Lithuanian Americans of the city of Miami, Fla., calls upon the President and Government of the United States, and urgently appeals to them to vigorously utilize all available means for the liberation of Lithuania and other Soviet-enslaved countries; be it further

"*Resolved*, That toward this purpose the United States Government bring forth to the United Nations the problem of the enslavement of Lithuania and demand the withdrawal of Soviet troops from Lithuania as from the other subjugated European countries.

"LITHUANIAN COUNCIL OF MIAMI,
"A. D. KAULAKIS, *President*.
"HELEN VERPELA,
"*Resolutions Chairman*."

REPORT ON REVIEW OF ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT—REPORT OF A COMMITTEE (S. REPT. NO. 120)

Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, pursuant to Senate Resolution 171, 84th Congress, 2d session, as extended by Senate Resolution 84, 85th Congress, submitted a report entitled "Trading With the Enemy Act," which was ordered to be printed.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GORE:

S. 1437. A bill to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes; to the Committee on Rules and Administration.

(See the remarks of Mr. GORE when he introduced the above bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 1438. A bill to amend section 544 of title 28, United States Code, relating to the bonds of United States Marshals; and

S. 1439. A bill to amend title 28, United States Code, with respect to fees of United States marshals; to the Committee on the Judiciary.

By Mr. JENNER (for himself and Mr. POTTER):

S. 1440. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 1441. A bill to provide for additional participation in the soil bank through payment in kind and thereby provide more rapid reduction of surplus stocks by amending section 105 of the Soil Bank Act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (for himself and Mr. LONG):

S. 1442. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS (by request):

S. 1443. A bill to amend the Servicemen's Readjustment Act of 1944 to provide that the maximum interest rate on loans made or guaranteed under such act shall not exceed 5 percent; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMATHERS when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 1444. A bill to amend title II of the Social Security Act so as to permit the State of Alabama to provide for the extension of the insurance system established by such title to service performed by certain policemen and firemen in such State; to the Committee on Finance.

By Mr. CASE of South Dakota:

S. 1445. A bill to authorize and direct the construction of highway bridges across the Potomac River under provisions of the Federal-Aid Highway Act of 1956; to the Committee on Public Works.

By Mr. JACKSON:

S. 1446. A bill to amend title 14, United States Code, so as to provide for retirement of certain former members of the Coast Guard Reserve; to the Committee on Interstate and Foreign Commerce.

By Mr. AIKEN:

S. J. Res. 68. Joint resolution providing for the construction and operation of an atomic power prototype reactor demonstration facility in the State of Vermont; to the Joint Committee on Atomic Energy.

(See the remarks of Mr. AIKEN when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. YOUNG:

S. J. Res. 69. Joint resolution to direct the Secretary of Commerce to conduct a particular survey in order to assist in promoting the economic welfare of Indians living on Indian reservations in North Dakota; to the Committee on Interior and Insular Affairs.

By Mr. SMATHERS (for himself and Mr. HOLLAND):

S. J. Res. 70. Joint resolution requesting the President to proclaim the week April 28 to May 4, 1957, inclusive, as National Mental Health Week; to the Committee on the Judiciary.

(See the remarks of Mr. SMATHERS when he introduced the above joint resolution, which appear under a separate heading.)

PRINTING AS A SENATE DOCUMENT REPORT ON OVERSEAS OPERATION OF UNITED STATES GOVERNMENT

Mr. ELLENDER submitted the following resolution (S. Res. 107), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed as a Senate document the report on Overseas Operation of the United States Government, by Hon. ALLEN J. ELLENDER, United States Senator from the State of Louisiana, submitted to the Committee on Appropriations under date of February 1, 1957; and that 2,000 additional copies be printed for the use of the Committee on Appropriations.

REVISION OF LAWS AFFECTING ELECTION OF CANDIDATES FOR PRESIDENT, VICE PRESIDENT, AND MEMBERS OF CONGRESS

Mr. GORE. Mr. President, I introduce, for appropriate reference, a bill to revise existing laws affecting the election of candidates for the offices of President, Vice President, and Members of Congress. The bill is designed to bring under strict governmental regulation and the fullest possible public disclosure this most vital function of a self-governing society—the election of public officials.

The bill recognizes the realities of political life by extending coverage of the law to primary elections and also to party nominating conventions or caucuses, as well as to general elections. It imposes what I regard as realistic and enforceable limitations upon the expenditures which may lawfully be made by or on behalf of candidates for Federal elective office. It provides also for the fullest possible disclosure of campaign contributions and expenditures by means of timely and detailed reports required of candidates, political committees, and others participating in the conduct of Federal elections. Indeed, public disclosure of campaign contributions and campaign expenditures can be regarded as one of the cardinal points of the bill.

A basic feature of the bill is that which imposes upon the candidate himself responsibility for the expenditures made in his behalf by committees supporting his candidacy to the extent the committees have been authorized by him. No limitations, ceilings, requirements, or regulations of election law can be enforceable unless responsibility is definitely fixed.

Upon whom should the responsibility be fixed? I believe it is necessary to fix this responsibility upon the candidates themselves. This control by both the candidate and the Government and by law is achieved by means of procedures under which a candidate may authorize a political committee to make expenditures or contributions in his behalf.

The provisions of the bill I have introduced will perhaps appear to some as stringent. Its provisions were carefully drafted, however, so as to meet in a forthright manner a problem which is of grave concern to the American people, and which, in my opinion, constitutes a threat to a government truly representative of public will.

The bill proposes to fix rigid limitations upon the amount of money which any citizen may contribute for political purposes in any one year. It places limits upon the amount of expenditure. It also requires accurate and full reporting.

The bill is necessarily technical in nature, and I shall not here undertake to describe its details. I believe it is a tough bill to meet a tough and difficult situation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1437) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, introduced by Mr. GORE, was

received, read twice by its title, and referred to the Committee on Rules and Administration.

AMENDMENT OF SOIL BANK ACT, RELATING TO REDUCTION OF SURPLUS CORN STOCKS

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill to permit the use of Government-stored grains to pay corn farmers who put additional acres in the soil-bank acreage reserve above the recent cutback for the corn program.

Many of our corn farmers have been under the impression that they could put 50 acres or 50 percent of their corn allotment into the acreage reserve, as they did last year. Now they are told that they cannot sign up for more than 20 acres or 30 percent of their allotment, whichever is larger.

This new limitation could work a hardship which I believe could be avoided. Also, we want to make it possible for the soil-bank program to achieve its original goals in the reduction of surpluses.

The bill, if enacted, would permit a farmer to sign up for the 20 acres or 30 percent of his allotment, whichever is larger, for a cash contract, and then put in additional acres up to 50 acres or 50 percent of his allotment by agreeing to accept payment in kind for the portion above the 30 percent, which in this case would be Government-owned surplus corn.

The bill provides, of course, that in no case shall the farmer receive less in dollar value in corn than he would receive in cash at the time of payment.

The proposed legislation would help the Government to get rid of the surpluses which are stored, and accomplish the basic purposes of the soil-bank law.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1441) to provide for additional participation in the soil bank through payment in kind and thereby provide more rapid reduction of surplus stocks by amending section 105 of the Soil Bank Act, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. SMATHERS. Mr. President, by request, I introduce a bill for appropriate reference, the purpose of which is to amend the Servicemen's Readjustment Act of 1944 to provide that the maximum interest rate on loans made or guaranteed under such act shall not exceed 5 percent.

Numerous complaints have been received by me, and I am sure such is the case with others of my colleagues, to the effect that veterans desirous of buying homes are unable to do so because the mortgage money is scarce at the existing 4½ percent interest rate.

As my colleagues know, FHA raised its interest rate to 5 percent in December of last year, and this, I am told, has had an adverse effect on the money available for veteran housing. As a result, I am informed, the veterans' housing program has virtually come to a standstill.

Earlier this year I cosponsored proposed legislation with our distinguished majority leader, the Senator from Texas [Mr. JOHNSON], the purpose of which is to provide direct loans from the Veterans' Administration at the 4½ percent interest rate, in an effort to alleviate the situation which presently exists. Many veterans and home builders in my State tell me that such course of action, while helpful to some degree, does not provide a solution because it would be impossible to make a sufficient amount of money available for the purpose.

Frankly, I feel that if we are to have a veterans' housing program it should be a workable program, and for this reason I am most anxious that appropriate committees of the Congress have various proposals of relief before them in order that full consideration can be given to all views and an effective solution to the situation arrived at as quickly as possible.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1443) to amend the Servicemen's Readjustment Act of 1944 to provide that the maximum interest rate on loans made or guaranteed under such act shall not exceed 5 percent, introduced by Mr. SMATHERS, by request, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONSTRUCTION OF ATOMIC POWER PROTOTYPE REACTOR DEMONSTRATION FACILITY IN VERMONT

Mr. AIKEN. Mr. President, progress in the development of electric energy from atomic power seems to be lagging badly. A year ago it appeared that private industry was ready and willing to go ahead with the construction of pilot plants. To date, however, this program has not even left the ground. Unless we are to lag far behind other countries in this field, Government must take a hand.

It is doubtful whether private corporations could, or should, jeopardize their stockholders' investment in expensive experimental projects. Research work in this field is a legitimate function of the Federal Government, and will eventually result in much benefit to private industry.

The Senator from Tennessee [Mr. GORE] has introduced a bill authorizing the Atomic Energy Commission to construct pilot plants. Unfortunately, the Gore bill excludes all New England from any direct benefits which might be derived from such a program.

I therefore introduce, for appropriate reference, a joint resolution providing for the construction of an experimental plant in the State of Vermont.

I have designated the State of Vermont not solely because it is my own State, but because it is well out of the primary target area in the event of war, because there is an abundant supply of clear, cold water available for use in the operation of a pilot plant, and because Vermont has a public power agency which could accept and distribute electric energy produced at an atomic power-plant in the same manner in which it will distribute power produced from the St. Lawrence power project.

It is my hope that the Joint Committee on Atomic Energy will give earnest and prompt consideration to the joint resolution.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 68) providing for the construction and operation of an atomic power prototype reactor demonstration facility in the State of Vermont, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Joint Committee on Atomic Energy.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENTS

Mr. YOUNG (for himself and Mr. LANGER) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which were referred to the Committee on Public Works and ordered to be printed.

PROPOSED NATIONAL POTATO GRADE LABELING ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 26, 1957, the names of Senators JACKSON, THYE, MALONE, and CHURCH were added as additional cosponsors of the bill (S. 1393) to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes, introduced by Mrs. SMITH of Maine, for herself and Senators PAYNE, AIKEN, ALLOTT, BARRETT, BRIDGES, BUSH, CHAVEZ, DWORSHAK, IVES, JAVITS, MAGNUSON, MANSFIELD, MORSE, NEUBERGER, and YOUNG, on February 26, 1957.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO HANDLING OF AGRICULTURAL COMMODITIES—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of February 27, 1957, the name of Mr. HICKENLOOPER was added as a cosponsor of the bill (S. 1418) to amend the Fair Labor Standards Act of 1938, as amended, with respect to handling of agricultural commodities, and for other purposes, introduced by Mr. STENNIS (for himself and Mr. HOLLAND) on February 27, 1957.

AID FOR DEPRESSED AREAS—TIME FOR BILL TO LIE ON TABLE

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent that

received, read twice by its title, and referred to the Committee on Rules and Administration.

AMENDMENT OF SOIL BANK ACT, RELATING TO REDUCTION OF SURPLUS CORN STOCKS

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill to permit the use of Government-stored grains to pay corn farmers who put additional acres in the soil-bank acreage reserve above the recent cutback for the corn program.

Many of our corn farmers have been under the impression that they could put 50 acres or 50 percent of their corn allotment into the acreage reserve, as they did last year. Now they are told that they cannot sign up for more than 20 acres or 30 percent of their allotment, whichever is larger.

This new limitation could work a hardship which I believe could be avoided. Also, we want to make it possible for the soil-bank program to achieve its original goals in the reduction of surpluses.

The bill, if enacted, would permit a farmer to sign up for the 20 acres or 30 percent of his allotment, whichever is larger, for a cash contract, and then put in additional acres up to 50 acres or 50 percent of his allotment by agreeing to accept payment in kind for the portion above the 30 percent, which in this case would be Government-owned surplus corn.

The bill provides, of course, that in no case shall the farmer receive less in dollar value in corn than he would receive in cash at the time of payment.

The proposed legislation would help the Government to get rid of the surpluses which are stored, and accomplish the basic purposes of the soil-bank law.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

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It is doubtful whether private corporations could, or should, jeopardize their stockholders' investment in expensive experimental projects. Research work in this field is a legitimate function of the Federal Government, and will eventually result in much benefit to

cause Vermont has a public power agency which could accept and distribute electric energy produced at an atomic powerplant in the same manner in which it will distribute power produced from the St. Lawrence power project.

It is my hope that the Joint Committee on Atomic Energy will give earnest and prompt consideration to the joint resolution.

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AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO HANDLING OF AGRICUL-

Senate bill 1433, which I introduced yesterday afternoon, to take care of depressed areas, instead of lying on the table until Wednesday, may lie on the table until Tuesday of next week. I am making that request because there is to be a hearing before a committee, and it will save duplication of effort.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JENNER:

Statement prepared by him on the subject of small business.

NOTICE OF CONSIDERATION OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the following nominations:

Andrew H. Berding, of the District of Columbia, to be an Assistant Secretary of State, vice Carl W. McCardle, resigned.

Elbridge Durbrow, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Vietnam, vice G. Frederick Reinhardt, reassigned.

Notice is given that these nominations will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARINGS ON HOUSING BILLS

Mr. SPARKMAN. Mr. President, I desire to give notice that public hearings will be held by the Subcommittee, on Housing of the Committee on Banking and Currency on S. 88, S. 467, S. 537, S. 726, S. 912, S. 929, S. 1090, S. 1230, and related bills that might be referred to the subcommittee. The hearings will begin on Monday, March 18, 1957, at 10 a. m., in room 301, Senate Office Building.

All persons who desire to appear and testify at the hearings are requested to notify Mr. Jack Carter, staff director, Senate Subcommittee on Housing, 15-A, Senate Office Building, Washington, D. C., telephone NAtional 8-3120, extension 2179, as soon as possible, and, in any event, before the close of business on Wednesday, March 13, 1957.

THE SITUATION IN THE MIDDLE EAST

Mr. JOHNSON of Texas. Mr. President, some of the developments in the Middle East situation this morning appear to be encouraging. We seem to be on the edge of breaking through the deadlock; and the great virtues of patience—as opposed to coercion—have once again been demonstrated.

However, this has been a two-sided dispute all along. Such things are never ended by having one side alone yield. We must await the reaction of the other side before we know whether real progress has been made.

Agreement is effective only when both sides live up to their commitments. We must hope the Egyptians will exercise the same restraint the Israelis are displaying.

INTERNATIONAL THEATER MONTH

Mr. PAYNE. Mr. President, the month of March has been designated International Theater Month by the United States National Commission for UNESCO of the Department of State, the American Educational Theater Association, and the National Theater Arts Council. The governors of several States, including the State of Maine, have proclaimed International Theater Month to promote international understanding through drama.

In addressing the Land Grant College and University Association on November 16, 1954, President Eisenhower said:

> There is no aspiration, there is no dream on the horizons of man's hopes and beliefs and faith that is so strong, so vivid as the dream of peace—lasting peace. There are many things that must be understood and many things that must be done if we are to make progress toward the realization of that dream. But there is one thing, I think, that educators cannot afford to forget, and that is the element of understanding as opposed to mere knowledge.

International Theater Month, which was inaugurated in 1950 by UNESCO, has contributed immeasurably to the element of understanding of which the President spoke. In past years, scores of dramatic groups throughout the country and in many foreign lands have participated in the presentation of plays, radio, and television productions, and displays during International Theater Month. These presentations have embodied basic human emotions shared by men everywhere. They have included such universal themes as the dignity and worth of the individual, human rights and personal and political freedom, and the need for tolerance in human understanding.

In these troubled times, when the United Nations is striving, as never before, to create and foster a spirit of universal respect for justice and human rights, such undertakings as International Theater Month should be recognized for the role they are playing in furthering the goals of world understanding.

I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD the proclamation issued by the Honorable Edmund S. Muskie, Governor of Maine, proclaiming March 1957, International Theater Month in the State of Maine.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

Whereas the theater for over 3,000 years has been a valued institution in the life of man; and

Whereas peoples over the entire civilized world are becoming more and more keenly aware of the place theater holds in promoting international understanding and good will through the presentation of plays;

Whereas, in this age of science and technology, theater has a great challenge to prove its worth and value as a cultural institution; and

Whereas, a theater wide production program is being sponsored by the United States National Commission for UNESCO of the Department of State, the American Educational Theatre Association, and the Theatre Arts Council; and

Whereas many schools and colleges in the State of Maine along with professional, community, college, university, school, and children's theaters throughout the United States are planning to emphasize the place of theater in our modern world through productions designed to bring about our better understanding of peoples in the world:

Now, therefore, I, Edmund S. Muskie, Governor of the State of Maine, do hereby proclaim the month of March 1957 to be International Theater Month, and I strongly urge all citizens of Maine to cooperate in the special celebrations planned by educational and theatrical groups.

Given at the office of the Governor at Augusta, and sealed with the great seal of the State of Maine, this 18th day of February, in the year of our Lord 1957, and of the independence of the United States of America, the 181st.

EDMUND S. MUSKIE,
Governor.

ABRAHAM LINCOLN AND LITHUANIAN INDEPENDENCE

Mr. JENNER. Mr. President, on February 12, this Nation celebrated the birthday of a great American, Abraham Lincoln, who was one of our most eloquent spokesmen of freedom.

February 16 marked the 39th anniversary of Lithuania's proclamation of independence, but Lithuania will not celebrate the anniversary of her freedom. The nation has no longer a flag, nor can its people sing their national anthem. Its Independence Day can be marked only by silence and prayer. The deathlike silence of Soviet "peace" envelops this once happy nation.

Americans have not forgotten that our independence was won in the fires of war and preserved by a most bitter fratricidal struggle. We remember Lincoln's words, to the sorrowing Americans of 1863:

> It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, and for the people, shall not perish from the earth.

We send our words of sympathy to the people of Lithuania, out of the memory of our own struggles. We know that the power of Soviet tyranny will be broken and the people of Lithuania will once again enjoy the full light of freedom.

SMALL BUSINESS

Mr. THYE. Mr. President, I have always been concerned with the problems facing the small business firms of our

Nation. During the last 10-year period, these firms have shared an extremely heavy tax burden and have experienced more and more competition from large and small enterprise alike.

I have received many letters from small-business men throughout the Nation. I ask unanimous consent to have printed in the RECORD a letter from Mr. Charles J. Coghlan, of Wahpeton, N. Dak., general manager of Dakota Distributors, Inc.

Mr. Coghlan has done business in the State of Minnesota and in the Dakotas, as well as in Iowa, for the past 25 years. He sets forth in his letter in very clear terms the problems which threaten the continued existence of many small firms throughout the Nation. His letter is further evidence that everyone must do all he can to strengthen the small business firms within our economy. The small enterprise has always played a vital part in the growth and development of our Nation's economy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DAKOTA DISTRIBUTORS, INC.,
Wahpeton, N. Dak., February 16, 1957.

Re small-business conditions, particularly in the distributive fields.

Senator THYE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: We have noted with interest, your frequent inquiries into conditions affecting small business. We believe that the preservation of some segments of small business should be very important to the continuation of our progressive economic system, particularly in the rural and semirural communities.

The writer has been engaged in the various phases of merchandise distribution in Minnesota, Iowa, South Dakota, and North Dakota for the past 25 years; as an employee and employer and in the office-management field of wholesalers, as well as organizing the above wholesale distributor. We are going to liquidate the above organization, although it is very solvent and enjoys an excellent credit reputation. We have found that the dominating and coercive type of wholesale organizations have harnessed groups of independent merchants, have stifled competition, and are gradually eliminating the individuals. I have often wondered why the FTC did not carry their investigations of this further, although I have hesitated in starting the complaint procedure.

Other factors such as discount houses, wholesale catalog houses are merely straws in the wind, indicating some revolutionary and evoluntionary changes in our entire distributive economy. However the end result is the disappearance of the small retailer, and the consolidation of ownership or/and control in the hands of the few. Of course, we have other factors involved, and it is difficult to expect the Government to legislate for segments of our economy, outside of the farmer and labor. The trend is being accentuated, of course, by big government and our inflationary spiral. We have one very important factor existing that is frequently minimized and sometimes overlooked. That is the lack of entrepreneurs coming into the field to replace those going out. The capital requirements are so great, the operating overhead expense is so high, that a new venture can hardly be justified by the potential return. We are further discouraging new blood from entering the small enterprise field, with the higher earnings opportunities in labor unions, railroads, large corporations, etc. We have, of course, also created a much greater interest in retirement pensions, health insurance, vacations, shorter hours, etc.; without any capital investment or risk.

The above factors become much more important in cities of 50,000 and under, predominantly nonmanufacturing communities; where a disappearance of the potential entrepreneur, means an increase of empty buildings on the main streets and greater difficulty in maintaining a sound tax structure.

Further implementation of the Robinson-Patman type of legislation, and more intensive investigation of the segments of our economy by the FTC would all be helpful. Fair-trade legislation was never a basic help, and I always opposed it; it was aimed at the wrong end of the problem. And, of course, we cannot prevent business failures, nor would it be wise to attempt to do so. In the past, in good times and bad, we always had failures for the various reasons; now, however, we are not getting the recruits into private, small business to replace these failures.

May I congratulate you both for your continued efforts on behalf of small business, the bulwark of our economic system. Our voice politically is small; we have so little unification in our solution methods and small business is composed of such varied individuals and types that it is difficult to arrive at a panacea for all of our ills, that I can but marvel at your willingness to continue to try and help us. Personally I am 48 years old, my daughters are attending the university, and I am liquidating my business interests because of the economic situation facing us today. I plan on going farming, accept a job or position with a bank, insurance company, or go into politics or accept a job with the Government. Best of luck to you both.

Sincerely yours,

CHAS. J. COGHLAN,
General Manager.

THE DEBATE ON THE MIDDLE EAST RESOLUTION

Mr. BUSH. Mr. President, during the debate on the Middle East Resolution, I have expressed considerable concern about the delay in coming to a vote. Many people in my State have written to me on the subject.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks an editorial published in the Hartford Courant on Thursday of this week, February 28. The editorial is entitled "Dangerous Delay by an Irresponsible Senate"; also an editorial published in the Stamford Advocate of February 27, 1957, entitled "Who Is Filibustering Now?"

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Hartford Courant of February 28, 1957]

DANGEROUS DELAY BY AN IRRESPONSIBLE SENATE

Democracy is still creaking along through the jet age, in its ox cart, bearing a cargo of too little and too late wrapped in politics. It must, like children, sailors, and drunken men, have the special protection of heaven. For, though it often seems as though its elected representatives did their best to see that democracy lost out to less talkative forms of government, it survives.

At the moment there is no better example than the United States Senate and President Eisenhower's request for military and economic authority in the Middle East. To have maximum effect the resolution should have been passed swiftly, in a spirit of unity and firmness, on the model of the 1955 Formosa Resolution. The Eisenhower Middle East Resolution has been before Congress since January 5. The House passed it, after ample study, on January 30. The Senate has labored in committee, and in due course brought out a slightly watered version on February 13. But it now looks as though there would not be a vote before the end of next week at the earliest.

This is not because the Senate is busy with other things. Senate Leader LYNDON JOHNSON has trouble finding, in the world's most talkative legislative body, one Senator to preside and at the same time another who will discuss the resolution. Often this issue of world moment finds only two or three Senators in the Chamber.

There are two reasons for this deliberate stalling. One is that the Democrats, still pettily resentful of some Dulles statements in last fall's political campaign, and lacking any other stick with which to beat the administration, are playing politics with the resolution. The other is that Senators from both parties who do not like sanctions for Israel are dragging their feet until they see what the United States, and the United Nations, do about sanctions.

All this risks the national interest. This resolution is, as Senator JAVITS put it, "a condition precedent to doing anything really effective with respect to the problems in the area, notably the Arab-Israel conflict." Particularly irresponsible is the Democratic attack on the President's request for authority to proceed with economic aid in the Middle East. A study prepared by the Center for International study at the Massachusetts Institute of Technology reports that if, at the time of the original Egyptian revolt, this country "had made a serious offer to help Egypt tackle her internal economic problems on a meaningful scale, then it is at least conceivable that Egypt would by now be a model for the Middle East." Because the young officers who revolted against the previous corruption and irresponsibility could not attack poverty and stagnation without outside help, the report continues, "it became virtually inevitable that Nasser and his colleagues would choose the other path, the path of pan-Arab adventurism."

The present U. N. attempt to liquidate the Israeli war on Egypt, and to go on from there, is irrelevant to the joint resolution. And that resolution is a minimum necessity in the long and difficult process of keeping the Middle East out of Soviet hands. The Senate's delay serves only to push the Arab nations farther toward Russia.

[From the Stamford Advocate of February 27, 1957]

WHO IS FILIBUSTERING NOW?

The attention of the world and of the United States is almost entirely diverted to the immediate problem of getting Israel to agree to withdraw from the Gulf of Aqaba and the Gaza Strip. This has allowed a group in the Senate of the United States to adopt tactics which are contrary to the interests of the people they represent. Every possible means have been taken to delay giving the President the endorsement of his powers in the Middle East. Because shilly-shally policies led to the slaughter of 30,000 Americans in a Truman police action in Korea and because the open and fully supported policy in Formosa rolled the Red Chinese back on their heels without a shot, there can be no doubt of the need for support of what has been called the Eisenhower doctrine for the Middle East.

The opposition is purely politically inspired and we support the right of the opposition to oppose to the bitter end. This opposition, however, must be based on reason and to promote the interest of the Nation, not to obstruct the reasonable wishes of the people. If the last national election meant

anything it meant that the people of America wanted no return to uncertain hit-and-miss foreign policies. It was an expression of confidence that in an emergency the people wanted President Eisenhower at the controls. The Senate cannot refuse to give him the same expression of confidence.

Nor does the Senate intend to refuse. The delay, which is to all practical purposes a filibuster by Democratic Senators who oppose filibusters, is excused on contradicting arguments. Some say the President has the power to use armed force anyway and the Senate doesn't have to endorse his policy. Others suggest that the endorsement would give the President the right to declare war which the Constitution has given only to Congress. Obviously the opposition can't have it both ways.

The House promptly and overwhelmingly supports the President. Senate committees endorsed his needs after making word changes to show that Democrats controlled the organization of that body. Now it is time to act. Nothing is gained by further delay. The American people are unimpressed by false arguments and it would be most unfortunate if the Communists thought there was any deep diversion among the American people on this issue.

AMENDMENT OF TAX LAW AS IT AFFECTS UNINCORPORATED BUSINESSES

Mr. SPARKMAN. Mr. President, on Monday, January 7, I introduced a bill, S. 350, which would amend the Internal Revenue Code of 1954 so as to permit the proprietor of an unincorporated business to be treated as an employee under a qualified pension, profit-sharing, or stock bonus plan.

Seven of my distinguished colleagues, including a majority of the Select Committee on Small Business, joined me in sponsoring S. 350. My cosponsors are: Mr. HILL, Mr. HUMPHREY, Mr. KEFAUVER, Mr. NEUBERGER, Mr. KENNEDY, Mr. MORSE, Mr. THYE, Mr. SCHOEPPEL, and Mr. KUCHEL. I am delighted to welcome the support of these very able gentlemen to S. 350, and I trust that when I have completed my explanation of this important measure today, the great majority of the Members of this body will join with me and my cosponsors in urging its early enactment into law.

S. 350 is designed to correct what appears to me to be an inequity in our present tax law as it affects unincorporated businesses, particularly small unincorporated businesses. The inequity arises from the fact that section 401 (a) of the 1954 Internal Revenue Code, relating to the qualifications of tax-exempt pension, profit sharing, and stock bonus plans, makes it possible for a sole stockholder of a corporation who is also an officer of the corporation, to qualify for the great benefits bestowed taxwise under that section, while the partners or proprietors of an unincorporated business do not qualify for the same benefits. This comes about because such plans must be for the exclusive benefit of employees. Officers of corporations, while they may be sole stockholders or majority stockholders in their corporations, qualify as "employees" of the corporation. But the partners or proprietors of an unincorporated business entity are regarded under the present law as "employer" and not as "employees."

These plans to benefit employees through pensions, profit-sharing and stock bonuses are not new, but their growth in recent years has been remarkable. Albert Gallatin, Secretary of the Treasury under Jefferson and Monroe, established a profit-sharing plan at his glass works in 1794. An early study of the subject showed that 23 such plans existed in the United States as of 1899. Even as recently as 1930, however, the number of plans in operation totaled only 110. The phenomenal growth in the number and scope of the plans began following enactment of special provisions in the Revenue Act of 1942. At the end of that year there were 1,947 pension and profit-sharing plans in operation in the United States. By 1950 the number had grown to 12,925, and at the end of 1954, the most recent year for which we have comprehensive statistics, there were 26,573 qualified pension and profit-sharing plans in operation. It has been estimated that new, qualified plans are being established at a rate of 4,000 a year at the present time.

The growth in the size of employer contributions to these plans gives further indication of their popularity. The Treasury Department reports that corporations were claiming deductions in the amount of $835 million for their contributions to these plans in 1946. By 1951 the annual rate of corporate contributions to the plans had grown to $2.3 billion. The Treasury has not published any more recent statistics on these contributions, but it is fair to assume that the size of annual corporate contributions to these tax-exempt plans has not decreased since 1951.

The extent of the investment in these plans is also impressive. A recent study published by the Securities & Exchange Commission on corporate pension funds reflects that the assets of such funds amounted to approximately $1.1 billion in 1940. By 1950 the total investment had grown to $5 billion, and as of the close of 1954, total assets of all corporate pension funds were in the neighborhood of $11.8 billion.

What accounts for the growth of these funds in recent years The principal reason for their growth can be explained in one word—taxes. Present tax rates—both personal and corporate—make these plans extremely attractive to businessmen because the plans qualify for very favorable tax treatment. An employer may deduct from his taxable income up to 15 percent of the compensation normally paid to his employees when he contributes such amounts out of his profits to a profit-sharing plan. He may deduct up to an additional 5 percent on contributions to pension plans. Thus, a corporation paying income tax at the 52-percent level could contribute $10,000 to one of these tax-exempt trusts at an after-tax cost of only $4,800.

Money earned by the trust as a result of its investment of contributed funds is tax exempt. An employee on whose behalf the employer makes a contribution is not taxed on his share of the contribution. And if the employee retires and takes his share of the trust fund in one year, he is taxable only at capital gains rates.

Thus it can readily be seen how great are the benefits accruing to beneficiaries under these plans. As I have previously pointed out, a sole stockholder or a majority stockholder of a corporation serving as an officer of the corporation qualifies for the benefits accruing to employees of his company under one of these plans for the reason that under the present law, he meets the test of an employee. He is an employee of his own corporation. But a partner or the proprietor of an unincorporated business entity does not qualify as an employee and thus is not entitled to the benefits of such a plan established in his unincorporated business.

The value of these benefits is very great in terms of security and opportunities for savings. These savings are particularly important for the proprietors of small, unincorporated businesses. Oftentimes their life savings are tied up in the brick and mortar of their businesses. When they die, the impact of the Federal estate tax forces liquidation of the business, frequently a sale of the business to a larger competitor, in order to raise the liquid funds necessary to meet the estate tax. The sole stockholder-president of a corporation having a qualified plan has a ready source of liquid funds—his equity in the plan.

The same situation arises when the time comes for normal retirement. The beneficiary of a tax-exempt pension or profit-sharing plan has at his disposal a fund which has appreciated very greatly in value simply because of the tax benefits which I have already cited. The partner or proprietor of an unincorporated business has a much lesser sum available for his retirement years—only the after-tax dollars which he has managed somehow to set aside for retirement purposes. This is undoubtedly the reason why we find so many more executives of unincorporated businesses continuing their active participation in the business right down to the day of death. They have not been able to accumulate the savings which would be sufficient to enable them to retire comfortably. They simply cannot afford retirement such as their corporate brothers enjoy, because they have not had the benefits of these tax-exempt plans.

Stated in its simplest terms, S. 350 would put the small partner or proprietor on an even footing with his corporate counterpart. It would enable him to save some of the profits of his business for his own retirement and for meeting the cost of estate taxes on his death. The enactment of S. 350 would be a great step in the direction of helping small-business men. It would eliminate the present discrimination in favor of corporate executives and stockholders in closely held corporations.

The staff of the Joint Committee on Internal Revenue Taxation informs me that it is unable to estimate the effect this measure would have on the Federal revenues for the reason that basic data on this subject, so far as it relates to unincorporated business entities, has never been compiled. I venture to state, however, that the increased morale among small-business men which would

result from the enactment of S. 350, the greater productivity of their businesses, and the increased profits which would therefore flow from those businesses, would create even more taxable revenue for the Federal Treasury and thus would not, in the long run, result in any revenue loss.

In my opinion, the present law discriminates unfairly against the executive in the small, unincorporated business enterprise. In fairness to him he should be entitled to the same benefits accorded his corporate competitor. I earnestly hope that the great majority of this body will agree with me, and that we can bring about early and favorable action on S. 350.

ADDITIONAL AMERICAN BUSINESSMEN PRAISE HOOVER-STYLE FEDERAL TAX COMMISSION

Mr. WILEY. Mr. President, I send to the desk the text of additional letters which I have received from leading American businessmen praising my bill, S. 769, for the setting up of a Hoover-style Federal Tax Commission. This group would make a thorough study of the entire American tax structure.

I ask unanimous consent that the text of these letters be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WESTERN UNION TELEGRAPH CO.,
New York, N. Y., February 25, 1957.

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: Thank you for your letter of February 12, with which you were good enough to send me a reprint from the CONGRESSIONAL RECORD describing your proposal for the creation of a Commission on Federal Taxation, which would have as its objectives the study of the present tax structure of the Federal Government and the preparation of recommendations looking to its improvement.

Such a program as you have proposed is, in my opinion, long overdue, and its successful implementation should prove to be of real and lasting benefit to the tax-paying public, the business community, and the Federal Government itself. Certainly the impressive results achieved by the various Hoover Commission task forces have demonstrated that in the complex area of governmental activities and functions, objective analyses and recommendations by outside groups especially selected for the task can make important contributions to the effectiveness of governmental operations. Our present tax structure, touching as it does on almost every aspect of personal and business life, urgently requires the over-all type of review you have proposed, and I should like to extend to you every good wish for the success of the important bill you have introduced.

With kindest regards, I am,

Sincerely yours,

W. P. MARSHALL.

WABASH RAILROAD CO.,
St. Louis, Mo., February 23, 1957.

The Honorable ALEXANDER WILEY,
United States Senate, Washington, D. C.

DEAR SENATOR WILEY: I favor a commission to study Federal taxation. Either the tremendous national debt or the unsettled condition of the world would alone require substantial revenues to the Federal Government. The combination of the two makes for a staggering burden upon the national economy.

All that you say concerning the Federal tax structure is true. To avoid the destruction of the system which enables the United States to continue as the leading nation of the free world, our tax structure must not only be fair, but should also stimulate progress. There must be a review so that maximum revenues can be produced with a minimum erosion of the total economy.

With every wish for success in your program, I am

Very truly yours,

A. K. ATKINSON.

CHRYSLER CORP.,
Detroit, Mich., February 22, 1957.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: I have discussed with several of my associates your letter of January 31 proposing a Hoover-type commission to deal with the complex problems of Federal taxation.

Certainly our Federal tax structure, which has been built up little at a time over so many years, should be reevaluated thoroughly and conscientiously to steer future legislation in curing injustices and safeguarding the economy.

If Congress should choose to adopt the study-commission method of having this evaluation done, undoubtedly the result would be of great value.

With best regards,

Sincerely,

L. L. COLBERT.

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD CO.,
Chicago, Ill., February 21, 1957.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: As a taxpayer and a businessman, I am pleased to see your concern over the complex American tax structure and the crippling effect of its cumulative burden on individuals and corporations alike.

I would favor a Hoover-type tax commission such as you propose in your resolution S. 769, if it were to get bipartisan support, and if its membership were of such caliber as to command the respect of the entire country.

I commend you for your interest in this vital matter of taxation, and I hope that it will be shared by the majority of your colleagues in the Congress.

Very truly yours,

J. P. KILEY.

EVANS PRODUCTS CO.,
Plymouth, Mich., February 26, 1957.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Certainly, we in industry feel that taxes are too high and we are greatly concerned with the tremendous expenditures that are being made at the present time by our Federal Government.

I wonder how many times people have actually sat down and listed the numerous things they pay taxes on, such as telephones, gasoline, cosmetics, amusements, luggage, etc.

In my opinion, we have a hodge-podge tax structure which has grown like Topsy with no apparent attention having been given to the terrific confusion that new taxes create without adequate thought.

I welcome such a Commission that you speak of and I hope that out of your Commission will come a semblance of orderliness which has been lacking for so many years.

Good luck to you.

Sincerely,

E. S. EVANS, Jr.

BROWN & BICKLOW,
St. Paul, Minn., February 27, 1957.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: It's good to know that a few men in Washington think of the people who pay the bills. I believe that a type of commission approach to our problem is the only answer countless thousands of oppressed taxpayers have to their problem.

The Congress should represent the people, and not set itself up as a milking machine for the benefit of increasingly overlapping bureaucracies.

Yours sincerely,

CHARLES WARD, *President.*

INTERNATIONAL AGREEMENTS FOR THE USE OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, from time to time I have introduced into the RECORD some of the agreements for cooperation between the United States and other nations relating to the peaceful uses of atomic energy. These agreements are required to lie before the Joint Committee on Atomic Energy for 30 days, in accordance with the provisions of section 123 of the Atomic Energy Act of 1954.

The most recent agreement for cooperation to be submitted to the Joint Committee on Atomic Energy is the proposed agreement with the Government of Norway. It was received at the offices of the Joint Committee on February 26. The agreement is the first of the new power agreements, in that while it provides for the transfer of 500 kilograms of Uranium-235 to fuel a power reactor in Norway, it does not require any transfer of restricted data. The new declassification policy with the Atomic Energy Commission no longer makes it necessary to have restricted data transmitted to a nation that desires to build a power reactor.

I ask unanimous consent that the proposed agreement for cooperation with Norway be published in full at this point in the RECORD, together with correspondence relating to the agreement.

There being no objection, the proposed agreement and the correspondence were ordered to be printed in the RECORD, as follows:

DEAR MR. DURHAM: Pursuant to section 123c of the Atomic Energy Act of 1954, there is submitted with this letter:

1. A proposed agreement for cooperation with the Government of Norway.

2. A letter from the Commission to the President recommending approval of the proposed agreement.

3. A letter from the President to the Commission approving the agreement, containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security; and his authorization to execute the proposed agreement.

The proposed agreement will permit cooperation between the Government of Norway and the United States in matters relating to the development of peaceful uses of atomic energy with particular emphasis on the development of nuclear power. No restricted data will be exchanged under this agreement. The agreement will permit the Commission to sell to the Government of Norway uranium enriched in the isotope U-233 in a net amount not to exceed 500 kilograms of contained U-233 enriched, except as noted below, up to a maximum of 20

percent during the period of the agreement for use as fuel in the operation of defined research, experimental, demonstration power, and power reactor projects in Norway. The Commission at its discretion may make a portion of the foregoing 500 kilograms available as material enriched up to 90 percent for use in a materials testing reactor capable of operating with a fuel load not to exceed 6 kilograms of contained U-233 in uranium. The quantity of uranium enriched in the isotope U-233 transferred to the Government of Norway for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continued operation of the reactor or reactors while replaced fuel elements are radioactively cooling in Norway or while fuel elements are in transit. You will note that article X of the agreement incorporates provisions designed to minimize the possibility that material or equipment transferred under the agreement would be diverted to nonpeaceful purposes. Source or special nuclear material received from the United States under the agreement would be reprocessed in the United States in Commission facilities or in facilities acceptable to the Commission.

Article VI of the agreement would permit the transfer of limited amounts of special nuclear materials, including U-235, U-233, and plutonium, for defined research projects related to the peaceful uses of atomic energy. In article VII the parties affirm their common interest in the establishment of an international atomic energy agency to foster the peaceful uses of atomic energy and express their intention to reappraise the agreement in the event such an agency is established.

Sincerely yours,

LEWIS L. STRAUSS,
Chairman.

THE WHITE HOUSE,
Washington, February 4, 1957.

The Honorable L. L. STRAUSS,
Chairman, Atomic Energy Commission,
Washington, D. C.

DEAR MR. STRAUSS: Under date of January 15, 1957, the Atomic Energy Commission recommended that I approve a proposed agreement for cooperation concerning the civil uses of atomic energy between the Government of Norway and the Government of the United States of America.

I have examined the recommended agreement. It calls for cooperation between the two Governments with respect to the development, design, construction, and operation of research, experimental, demonstration power, and power reactors, including related health and safety problems; and the use of radioactive isotopes in biology, medicine, agriculture, and industry. The agreement contains all of the guaranties prescribed by the Atomic Energy Act and provides that no restricted data will be exchanged.

The proposed agreement provides that the Commission will sell to the Government of Norway for use as fuel in defined reactors, uranium enriched in the isotope U-235 in a net amount not to exceed 500 kilograms of contained U-235 in uraninum enriched up to a maximum of 20 percent, except that a quantity of uranium, enriched up to 90 percent, may be made available for use in a materials testing reactor. The agreement provides for appropriate safeguards against the diversion of materials and equipment for unauthorized uses.

The agreement also affirms the interest of the United States and Norway in the establishment of an international atomic energy agency which would foster the peaceful uses of atomic energy. Accordingly, pursuant to the provisions of section 123 of the Atomic Energy Act of 1954 and upon the recommendation of the Atomic Energy Commission, I hereby

(1) Approve the attached proposed agreement for cooperation concerning the civil uses of atomic energy between the Government of the United States of America and the Government of Norway,

(2) Determine that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States, and

(3) Authorize the execution of the proposed agreement for the Government of the United States by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., January 15, 1957.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed "Agreement for Cooperation Between the Government of Norway and the United States of America," and authorize its execution by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

This agreement has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Norway in accordance with the policy which you have established. As you will note, the agreement is designed to facilitate cooperation between the two countries with respect to the development, design, construction, operation, and use of research, experimental, demonstration power and power reactors, health and safety problems related to the operation and use of such reactors, and the use of radioactive isotopes and radiation in physical and biological research, medical therapy, agriculture, and industry.

Norway, if it desires to do so, may engage United States companies to construct research, experimental, demonstration power and power reactors, and private industry in the United States will be able, under the agreement, to render other assistance to Norway. No restricted data would be communicated under the agreement, and the Government of Norway has signified its agreement to the guaranties prescribed by the Atomic Energy Act of 1954 which are a part of this agreement.

This agreement will permit the Commission to sell to the Government of Norway uranium enriched in the isotope U-235 in a net amount not to exceed 500 kilograms of contained U-235 enriched, except as noted below, up to a maximum of 20 percent during the period of the agreement for use as fuel in the operation of defined research, experimental, demonstration power, and power reactor projects in Norway. The Commission, at its discretion, may make a portion of the foregoing 500 kilograms available as material enriched up to 90 percent for use in a materials testing reactor capable of operating with a fuel load not to exceed 6 kilograms of contained U-235 in uranium. The quantity of uranium enriched in the isotope U-235 transferred to the Government of Norway for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling in Norway or while fuel elements are in transit.

The U-235 to be transferred under this agreement is being made available in accordance with your announcement that the United States is prepared to make up to 20,000 kilograms of U-235 available to friendly countries to facilitate the development of nuclear power for peaceful purposes, and you will note that article X of the agreement incorporates provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes. In addition, article VIII of the agreement provides that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed by the Atomic Energy Commission in Commission facilities, or in facilities acceptable to the Commission.

Article VI of the agreement would permit the transfer of limited amounts of special nuclear materials, including U-235, U-233 and plutonium, for defined research projects related to the peaceful uses of atomic energy. In article XII the parties affirm their common interest in the establishment of an international atomic energy agency to foster the peaceful uses of atomic energy and express their intention to reappraise the agreement in the event such an agency is established.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities of Norway and the United States and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954.

Respectfully yours,

LEWIS L. STRAUSS,
Chairman.

AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF NORWAY CONCERNING CIVIL USES OF ATOMIC ENERGY

Whereas the peaceful uses of atomic energy hold great promise for all mankind; and

Whereas the Government of the United States of America and the Government of Norway desire to cooperate with each other in the development of such peaceful uses of atomic energy; and

Whereas reactors are useful in the production of research quantities of radioisotopes, in medical therapy and in numerous other research and experimental activities and at the same time are a means of affording valuable training and experience in nuclear science and engineering useful in the development of other peaceful uses of atomic energy including civilian nuclear power; and

Whereas the Government of Norway desires to pursue a research and development program looking toward the realization of the peaceful and humanitarian uses of atomic energy and desires to obtain assistance from the Government of the United States of America and the United States industry with respect to this program; and

Whereas the Government of the United States of America, represented by the United States Atomic Energy Commission, desires to assist the Government of Norway in such a program;

The parties therefore agree as follows:

ARTICLE I

For purposes of this agreement:

(A) "Commission" means the United States Atomic Energy Commission.

(B) "Equipment and devices" and "equipment or device" means any instrument, apparatus, or facility and includes any facility, except an atomic weapon, capable of making use of or producing special nuclear material, and component parts thereof.

(C) "Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency or government

corporation but does not include the parties to this agreement.

(D) "Reactor" means an apparatus, other than an atomic weapon, in which a self-supporting fission chain reaction is maintained by utilizing uranium, plutonium, or thorium, or any combination of uranium, plutonium, or thorium.

(E) "Restricted data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear materials; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the category of restricted data by the appropriate authority.

(F) "Atomic weapon" means any device utilizing atomic energy exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype or a weapon test device.

(G) "Special nuclear material" means (1) plutonium, uranium enriched in the isotope 233 or in the istotope 235, and any other material which the Commission determines to be special nuclear material; or (2) any material artificially enriched by any of the foregoing.

(H) "Source material" means (1) uranium, thorium, or any other material which is determined by the Commission or the Government of Norway to be source material; or (2) ores containing one or more of the foregoing materials, in such concentration as the Commission or the Government of Norway may determine from time to time.

(I) "Parties" means the Government of the United States of America and the Government of Norway, including the Commission on behalf of the Government of the United States of America. "Party" means one of the above "Parties."

ARTICLE II

This agreement shall enter into force on the day on which each government shall receive from the other government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such agreement and shall remain in force for a period of 10 years.

ARTICLE III

(A) Restricted data shall not be communicated under this agreement, and no materials or equipment and devices shall be transferred and no services shall be furnished under this agreement if the transfer of any such materials or equipment and devices or the furnishing of any such service involves the communication of restricted data.

(B) Subject to the provisions of this agreement, the availability of personnel and material, and the applicable laws, regulations, and license requirements in force in their respective countries, the parties shall assist each other in the achievement of the use of atomic energy for peaceful purposes.

(C) This agreement shall not require the exchange of any information which the parties are not permitted to communicate because the information is privately owned or has been received from another government.

ARTICLE IV

Subject to the provisions of article III, information in the specific fields set out below shall be exchanged between the Commission and the Government of Norway with respect to the application of atomic energy to peaceful uses, including research and development relating to such uses, and problems of health and safety connected therewith:

(A) The development, design, construction, operation and use of research, experimental, demonstration power, and power reactors;

(B) Health and safety problems related to the operation and use of research, experimental, demonstration power, and power reactors;

(C) The use of radioactive isotopes and radiation in physical and biological research, medical therapy, agriculture, and industry.

ARTICLE V

The application or use of any information (including design drawings and specifications) and any material, equipment, and devices, exchanged or transferred between the parties under this agreement shall be the responsibility of the party receiving it, and the other party does not warrant the accuracy or completeness of such information and does not warrant the suitability of such information, materials, equipment, and devices for any particular use or application.

ARTICLE VI

(A) Research materials: Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy as provided by article IV and under the limitations set forth in article III, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes will be exchanged for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially. In no case, however, shall the quantity of special nuclear materials under the jurisdiction of either party, by reason of transfer under this article, be, at any one time, in excess of 100 grams of contained U-235, 10 grams of plutonium, and 10 grams of U-233.

(B) Research facilities: Subject to the provisions of article III, and under such terms and conditions as may be agreed, and to the extent as may be agreed, specialized research facilities and reactor materials testing facilities of the parties shall be made available for mutual use consistent with the limits of space, facilities, and personnel conveniently available, when such facilities are not commercially available.

ARTICLE VII

It is contemplated that, as provided in this article, private individuals and private organizations in either the United States or Norway may deal directly with private individuals and private organizations in the other country. Accordingly, with respect to the subjects of agreed exchange of information as provided in article IV, persons under the jurisdiction of either the Government of the United States or the Government of Norway will be permitted to make arrangements to transer and export materials, including equipment and devices, to and perform services for the other Government and such persons under its jurisdiction as are authorized by the other Government to receive and possess such materials and utilize such services, subject to:

(a) The limitations in article III;

(b) Applicable laws, regulations and license requirements of the Government of the United States and the Government of Norway.

ARTICLE VIII

(A) During the period of this agreement, the Commission will sell to the Government of Norway uranium enriched in the isotope U-235 in a net amount not to exceed 500 kilograms of contained U-235 in uranium. This net amount shall be the quantity of contained U-235 in uranium sold to the Government of Norway less the quantity of contained U-235 in recoverable uranium resold to the United States of America or transferred to any other nation or international organization with the approval of the United States of America in accordance with this agreement. This material may not be enriched above 20 percent U-235 except as hereinafter provided. Such material will be sold subject to the terms and conditions of this article and other provisions of this agreement as and when required as initial and replacement fuel in the operation of defined research, experimental, demonstration power and power reactors which the Government of Norway in consultation with the Commission decides to construct or authorize private organizations to construct in Norway and as required in experiments related thereto. The Commission may, upon request, and in its discretion, make a portion of the foregoing 500 kilograms available as material enriched up to 90 percent for use in a materials-testing reactor capable of operating with a fuel load not to exceed 6 kilograms.

(B) The quality of uranium enriched in isotope U-235 transferred by the Commission under this article and in the custody of the Government of Norway shall not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project which the Government of Norway or persons under its jurisdiction decide to construct as provided herein, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling in Norway or while fuel elements are in transit, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

(C) Each sale of uranium enriched in the isotope U-235 shall be subject to the agreement of the parties as to the schedule of deliveries, the form of material to be delivered, charges therefor and the amount of material to be delivered consistent with the quantity limitations established in paragraph B. It is understood and agreed that although the Government of Norway will distribute uranium enriched in the isotope U-235 to authorized users in Norway, the Government of Norway will retain title to any uranium enriched in the isotope U-235 which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U-235.

(D) It is agreed that when any source or special nuclear materials received from the United States of America require reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel elements shall not be altered after their removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

(E) With respect to any special nuclear material produced in reactors fueled with materials obtained from the United States of America which are in excess of Norway's need for such materials in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agreement for cooperation with the Government of the United States of America and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

ARTICLE IX

As may be necessary and as may be mutually agreed in connection with the subjects

of agreed exchange of information as provided in article IV, and under the limitations set forth in article III, and under such terms and conditions as may be mutually agreed, specific arrangements may be made from time to time between the parties for lease, or sale and purchase, of quantities of materials, other than special nuclear material, greater than those required for research, when such materials are not available commercially.

ARTICLE X

The Government of the United States and the Government of Norway emphasize their common interest in assuring that any material, equipment, or device made available to the Government of Norway pursuant to this agreement shall be used solely for civil purposes.

(A) Except to the extent that the safeguards provided for in this agreement are supplanted, by agreement of the parties as provided in article 12, by safeguards of the proposed international atomic energy agency, the Government of the United States of America, notwithstanding any other provisions of this agreement, shall have the following rights:

1. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any—

(i) Reactor; and

(ii) Other equipment and devices the design of which the Commission determines to be relevant to the effective application of safeguards, which are to be made available to the Government of Norway or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction, or which are to use, fabricate, or process any of the following materials so made available: source material, special nuclear material, moderator material, or other material designated by the Commission;

2. With respect to any source or special nuclear material made available to the Government of Norway or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or device so made available:

(i) source material, special nuclear material, moderator material, or other material designated by the Commission;

(ii) reactors;

(iii) any other equipment or device designated by the Commission as an item to be made available on the condition that provisions of this subparagraph A2 will apply;

(a) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in insuring accountability for such materials; and

(b) to require that any such material in the custody of the Government of Norway or any person under its jurisdiction be subject to all of the safeguards provided for in this article and the guaranties set forth in article XI;

3. To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph A2 of this article which is not currently utilized for civil purposes in Norway and which is not purchased pursuant to article VIII, paragraph E (a) of this agreement, transferred pursuant to article VIII, paragraph E (b) of this agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the parties;

4. To designate, after consultation with the Government of Norway, personnel who, accompanied, if either party so requests, by personnel designated by the Government of Norway, shall have access in Norway to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph A2 of this article to determine whether there is compliance with this agreement and to make such independent measurements as may be deemed necessary;

5. In the event of noncompliance with the provisions of this article or the guaranties set forth in article XI and the failure of the Government of Norway to carry out the provisions of this article within a reasonable time, to suspend or terminate this agreement and require the return of any materials, equipment, and devices referred to in subparagraph A2 of this article;

6. To consult with the Government of Norway in the matter of health and safety.

(B) The Government of Norway undertakes to facilitate the application of the safeguards provided for in this article.

ARTICLE XI

The Government of Norway guarantees that:

(A) Safeguards provided in article X shall be maintained.

(B) No material, including equipment and devices, transferred to the Government of Norway or authorized persons under its jurisdiction pursuant to this agreement, by lease, sale, or otherwise, and no special nuclear material produced as a result of such transfer will be used for atomic weapons or for research on or development of atomic weapons or for any other military purposes, and that no such material, including equipment and devices, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of Norway except as the Commission may agree to such transfer to another nation and then only if in the opinion of the Commission such transfer falls within the scope of an agreement for cooperation between the United States and the other nation.

ARTICLE XII

The Government of the United States of America and the Government of Norway affirm their common interest in the establishment of an international atomic energy agency to foster the peaceful uses of atomic energy. In the event such an international agency is created:

(A) The parties will consult with each other to determine in what respects, if any, they desire to modify the provisions of this agreement for cooperation. In particular, the parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the international agency of those conditions, controls, and safeguards, including those relating to health and safety standards, required by the international agency in connection with similar assistance rendered to a cooperating nation under the aegis of the international agency.

(B) In the event the parties do not reach a mutually satisfactory agreement following the consultation provided in paragraph A of this article, either party may by notification terminate this agreement. In the event this agreement is so terminated, the Government of Norway shall return to the Commission all source and special nuclear materials received pursuant to this agreement and in its possession or in the possession of persons under its jurisdiction.

In witness whereof, the parties hereto have caused this agreement to be executed pursuant to duly constituted authority.

Done at Washington, in duplicate, this 25th day of February 1957.

For the Government of the United States of America:

C. BURKE ELBRICK,
Assistant Secretary of State for European Affairs.

LEWIS STRAUSS,
Chairman, United States Atomic Energy Commission.

For the Government of Norway:

WILHELM MORGENSTIERNE,
Ambassador of Norway.

FEDERAL ACTION AND LOCAL ISSUES

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an excellent article by Mr. David Lawrence entitled "Federal Action and Local Issues: New Criticism of United States Court Injunction in Clinton, Tenn., School Case Is Cited." This article appeared in the February 28, 1957, issue of the Washington Evening Star, and I believe it deserves the attention of all who love liberty.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL ACTION AND LOCAL ISSUES: NEW CRITICISM OF UNITED STATES COURT INJUNCTION IN CLINTON, TENN., SCHOOL CASE IS CITED

It is a matter of news importance when the American Civil Liberties Union, known for its persistent defense of liberal causes, criticizes a Federal court injunction in a desegregation case.

After the Supreme Court of the United States issued its order throwing out State laws that permitted segregation, the school authorities of Clinton, Tenn., interpreted this to mean they had to bring about a forced association of the races, and they complied with the Court's order. But various people in the town spoke in criticism, and some of them allegedly attempted to interfere with the school board's operation. A riot took place near the school grounds, which should have been handled by local police under State laws. But the Federal judge issued an injunction of such broad scope that the Department of Justice arrested 16 citizens and made them defendants on the ground that they had engaged in a conspiracy to violate the injunction. Some of them had merely criticized the injunction and the court decision. Others happened to witness the disturbance. One of them merely offered bail for a defendant and was promptly arrested as a coconspirator.

"Mere advocacy, in the Clinton case," says the American Civil Liberties Union statement, "urging the ignoring of the law or judicial orders, should not be prohibited. As we said at the beginning of this statement, the ACLU supports the Supreme Court decision and urges all citizens to obey it. But if some citizens choose to oppose the decision by peaceful means, through speech, they have the constitutional right to do so. Mere picketing to express a point of view, in the absence of intimidation, should not be enjoined. So we believe the blanket prohibition against picketing of the Clinton High School is invalid. Without direct incitement to definite acts of indivdual or joint obstructiveness or interference, coupled with a clear and present danger that these acts will take place immediately, the injunction is too broad and interferes with free speech.

"However, the prohibition in the injunction as to overt acts of 'hindering' or 'obstructing' the integration order is different. Such overt acts cannot claim the protection of free speech. Whether or not such acts have occurred is a matter of proof to be determined at the contempt hearing."

This correspondent a few weeks ago called attention to this very defect in the court's injunction and also to the unlawful usurpation by a Federal court of a duty and task that should be performed by local police agencies and State law. There is no evidence that the persons arrested exercised any influence whatsoever on the school board or attempted to interfere with its operations in bringing about a forced association of pupils. All the citizens did was to criticize the injunction and the Supreme Court decision. When an altercation occurred some distance from the school building, it was certainly a usurpation of authority for a Federal court to attempt to apply an injunction to every citizen in the school district as to what he might say in his own home to his friends in criticism of forced association in the schools.

There are some rumors that the Department of Justice now regrets the arrest ordered under the Federal judge's injunction. In the first place, if the judge at the contempt trial charges conspiracy, he will have to convince the public that the conspirators selected a point in front of a police station to carry out their conspiracy to do an unlawful thing. This would be difficult. If they did not all participate and the preacher was struck by a man acting impulsively and, as he claims, because he was shoved aside by the preacher, it will be a hard thing to sentence the bystanders and make such a decision stand up on appeal. In any event, it is difficult to see how the judge can tie up this incident, which occurred some distance from the school, with a violation of his order prohibiting interference with pupils who attended the school.

The American Civil Liberties Union has interested itself often in cases involving arrests for picketing in labor disputes and, as pointed out in these dispatches when the Clinton injunction was issued, precedents are being made which can rise to plague labor unions.

Under the 14th amendment, Congress is empowered to pass legislation to enforce the prohibition against abridgment by a State of the liberties and privileges of a citizen—the basis on which the Supreme Court denounced racial segregation in the schools. But Congress has never acted. The amendment is not self-executing but contains a specific grant of power to Congress. Hence, until Congress does act, neither the Supreme Court nor any lower court can do any legislating and at the same time obey the spirit of the Constitution itself. It is the obligation of the States to preserve order, and they have ample means to do so.

CONSTITUTIONAL POWERS OF THE PRESIDENT AND THE CONGRESS

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD a very thoughtful and scholarly letter I have received from Prof. Arthur E. Sutherland, of the Law School of Harvard University, concerning the constitutional powers of the President and the Congress with particular reference to the Mid East resolution currently under debate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., February 15, 1957.

Senator JOHN F. KENNEDY,
The Senate Office Building,
Washington, D. C.

DEAR SENATOR KENNEDY: Your extremely interesting letter of February 14, asking my opinion about certain questions of Presidential power to use troops abroad, reached me this morning, and I am answering it as best I can. My letter is necessarily written in haste, and I obviously have not had time to engage in any research. It may be that research would not necessarily turn up any very decisive information. And obviously, it seems to me, the question of the President's power in foreign affairs cannot be resolved by examining judicial precedents alone; the practice of the Presidency throughout our history; the acceptance by the people of action taken by the President in various emergencies; the attitude of the Congress toward such moves; all are of an importance equal to, and perhaps greater than, the somewhat infrequent judicial discussions.

That very wise and now lamented man, Justice Robert Jackson, writing in the Steel Seizure case in 1952, said:

"A judge, like an executive adviser, may be surprised at the poverty of really useful and unambiguous authority applicable to concrete problems of Executive power as they actually present themselves. Just what our forefathers did envision, or would have envisioned had they foreseen modern conditions, must be divined from materials almost as enigmatic as the dreams Joseph was called upon to interpret for Pharaoh. A century and a half of partisan debate and scholarly speculation yields no net result, but only supplies more or less apt quotations from respected sources on each side of any question. They largely cancel each other. And court decisions are indecisive because of the judicial practice of dealing with the largest questions in the most narrow way.

"The actual art of governing under our Constitution does not and cannot conform to judicial definitions of the power of any of its branches based on isolated clauses or even single articles torn from context. While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity. Presidential powers are not fixed but fluctuate, depending upon their disjunction or conjunction with those of Congress." (See *Youngstown Sheet and Tube Co.* v. *Sawyer* (343 U. S. 579 (1952) at p. 635).)

My great respect for the opinion of Mr. Justice Jackson relevant to the present subject is derived from his experience not only as judge, but as the Attorney General advising President Roosevelt during the international crisis before the outbreak of war in 1941. His opinion about executive problems is particularly valuable.

In his Youngstown Sheet & Tube opinion he points out that a president may act in three different sorts of circumstances relative to congressional authorization.

First, he may act pursuant to an expressed or implied authorization of Congress and here his authority is at its maximum for it includes all that he possesses in his own right and everything that the Congress can delegate. Speaking of such a situation, in which President Roosevelt, pursuant to a joint resolution of the Senate and House, had declared an embargo on the sale of arms and munitions of war to countries engaged in armed conflict in the Chaco region in South America, Mr. Justice Sutherland, in an opinion written for the Court and upholding the Presidential order, wrote (*United States* v. *Curtiss-Wright* (299 U. S. 304 (1936) at p. 321)):

"When the President is to be authorized by legislation to act in respect of a matter intended to affect a situation in foreign territory, the legislator properly bears in mind the important consideration that the form of the President's action—or, indeed, whether he shall act at all—may well depend, among other things, upon the nature of the confidential information which he has or may thereafter receive, or upon the effect which his action may have upon our foreign relations. This consideration, in connection with what we have already said on the subject, discloses the unwisdom of requiring Congress in this field of governmental power to lay down narrowly definite standards by which the President is to be governed. As this Court said in *Mackenzie* v. *Hare* (239 U. S. 299, 311, 60 L. ed. 297, 301, 36 S. Ct. 106, Ann. Cas. 1916E, 645), 'As a government, the United States is invested with all the attributes of sovereignty. As it has the character of nationality it has the powers of nationality, especially those which concern its relations and intercourse with other countries. [We should hesitate long before limiting or embarrassing such powers.]'" (Matter in brackets supplied.)

Mr. Justice Jackson, in his steel seizure opinion takes up as the second of his three situations, that in which the President acts in the absence of a congressional grant or denial of authority. The justice speaks of a "zone of twilight in which he and Congress may have concurrent authority in which its distribution is uncertain," and adds "In this area, an actual test of power is likely to depend on the imperatives of events and contemporary imponderables rather than on abstract theories of law."

Finally, Mr. Justice Jackson points out the obvious third point that when the President takes measures incompatible with the express or implied will of Congress, his power is at its lowest ebb for then he can rely only upon his own constitutional powers, minus any constitutional powers of Congress over the matter.

As you, of course, have in mind, our Presidents have from time to time acted in respect to foreign affairs without express, specific congressional mandate when some emergency faced the Nation. The use of armed forces in Korea is one example. President Jefferson's dispatch of a fleet into the Mediterranean where it engaged in a naval battle with the Tripolitan fleet in 1801 is another example. President Lincoln in the early days of the war of 1861–65 took a large number of drastic steps without specific congressional authorization; a number of them are described in Clinton Rossiter's admirable book Constitutional Dictatorship, at page 223, and following pages. One of the most drastic of these moves was the institution of a blockade of ports in the possession of the Confederacy. The President's action, and seizures taken under it were upheld in the *Prize Cases* (2 Black 635 (1863)). And certainly in the history of vigorous action one should recall the measures taken by President Roosevelt in 1941, such as the occupation of Iceland, the Atlantic Charter, the initiation of American convoys, the shoot-at-sight order of September 1941, and the destroyer deal of 1940.

The wording of the Constitution does not contain any express statement of the President's powers to act in a situation like that now facing us in the Middle East. Certainly it is impossible, in any constitution, to define with any sort of precision, all the powers which an executive like the President of the United States will need in the multitude of crises which may face the Nation. I suppose that our present constitutional concern arises out the fact that under modern conditions, it is difficult to point out the precise difference between a state of quiescent war and the uneasy armed-peace which is forced on us by the continual threat of hostilities by Soviet Russia and her Communist associates. The Congress and the people would surely not want a continuous and permanent declaration of war, and yet the Nation must be ready to take whatever action is necessary for self-protection at any time. Furthermore, the conception of war as located in one defined geographical area is tending to disappear because of worldwide mobilization in war, and the capabilities of modern weapons which have ranges of great length. Under these circumstances, the President, in the performance of his duties as the Nation's principal constitutional representative in foreign affairs, as commander in chief, and as the executive officer sworn to take care that the laws be faithfully executed, cannot under all circumstances refrain from the use of military force until a formal declaration of war shall have occurred. On the other hand, the President, with that proper profound respect which he should give toward Congress which

represents the will of the national electorate, will certainly be most reluctant to involve the Nation in any hostilities, even very small ones, without congressional authorization. The fact is, I suppose, that a government of constitutionally separated powers such as ours cannot have a completely clear separation of the legislative and executive duties, cannot effectively operate without a large measure of cordial cooperation between the three branches, and particularly between the executive and the Congress.

With this general background I shall attempt to answer the three questions in your letter.

Question 1: "Does the President have authority to use American troops abroad where American nationals, bases, treaties, or other direct interests are not endangered or involved in the absence of a congressional declaration of war? Is a mere declaration of national interest or danger to national security sufficient?"

If this question is to be taken as asking whether the President has constitutional authority to use troops abroad in a situation in which no substantial American interest whatever is involved (if one could suppose such a use of our forces by any President with any regard for his responsibility to the people of the United States) then the answer would be no; but I hasten to say that I do not take the question to contemplate any such situation. In today's world various events abroad involve direct interests of the Nation which would not have involved these interests a century and a half ago. Troublesome questions of the degree of involvement of our national interests must continually beset every President in a time of crisis, and Soviet Russia faces us with a crisis which has now become chronic. In the exercise of his constitutional duty, the President should certainly use armed military resources when the safety of the nation demands it, and this is a matter which will always involve somewhat debatable judgment. In the last analysis, the President must have the capability to exercise such power, and ultimately justification or condemnation is made by the next election or by the process of impeachment.

Question No. 2 is as follows: "If the President does not have authority to take this step, does Congress—in the absence of a formal declaration of war—possess such authority, and can Congress transfer it to the President or otherwise authorize him in advance to take such action? Is the situation any different with respect to congressional ratification after the act, or approval by resolution short of a declaration of war before the act?"

My answer to this is that, as Mr. Justice Jackson pointed out in the Steel Seizure case, in his quotation which I have given above, the cumulation of congressional and Presidential authority certainly strengthens the President's hands. At the present time the difference between a formal state of war, and our present half peace, is becoming blurred. Under these circumstances the President's authority is certainly strengthened by a previous congressional resolution. The difference between a previous resolution and a ratification after the act is principally, it seems to me, in the assurance that the President receives from the Congress that his executive action represents the common will of the legislative and executive branches. It also has an important effect abroad in demonstrating the united stand that our country is taking. The President can act with more confidence, as Mr. Jackson points out, if he is in a position in which he thus has previous congressional backing.

Your third question reads as follows: "In view of your findings on the above, what would be the status under the Constitution of an act of Congress which contained any of the clauses listed on the attached sheet (and what alternative language could you suggest)? Your comments on the meaning and effect of each alternative, and its separate clauses, would be helpful" [This question relates to the following six clauses]:

1. "If the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation."

2. "The President is authorized to employ the Armed Forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation."

3. "The President is authorized to employ the Armed Forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation provided that such employment shall be consonant with the Constitution."

4. "When the President determines that such employment is essential to the national security of the United States, Congress approves the exercise of the President's authority to employ the Armed Forces of the United States as he deems necessary."

5. "The Congress approves the use of the full constitutional power of the President in assisting any nation."

6. "The President should reaffirm the determination of the United States to employ the Armed Forces of the United States, if necessary, in * * * self-defense under article 51 of the United Nations Charter."

I shall comment on these clauses out of the numerical order given in your sheet. Clause 3, authorizing the President to act "provided that such employment shall be consonant with the Constitution" seems to me, by the last words, to state only what would be true in any event. Certainly the President would never be authorized to employ the Armed Forces in an unconstitutional manner, and therefore the proviso constitutes only a reminder of an ever-present obligation, to which the President swore when he assumed his office.

Clause 4 seems to me to well state the President's duty under the Constitution. His duty is, of course, to protect the national security of the United States, and the question whether the employment of our troops in the Middle East or elsewhere is essential to the national security presents one of the troubling questions of degree which must constantly beset the President in carrying out his duties. Clause 5 has the merit of brevity, and incorporates by reference the various powers of the President as Commander in Chief, as principal officer in charge of foreign relations, and as the executive charged with the enforcement of the laws. It is a short way to restate the provisions of paragraphs 3 and 4. Paragraph 6 has the merit of containing a reminder that we assume certain obligations by the United Nations Charter which, of course, is a multilateral treaty. Paragraphs 1 and 2, while undoubtedly containing the implied proviso that assistance to another nation would be undertaken solely in order to protect the interests of the United States, are still both subject to the comment that this proviso is not expressly stated.

An alternative clause might be a combination of 4, 2, and 6, in substance as follows:

"Congress approves the exercise of the President's authority to employ the Armed Forces of the United States when the President determines that such employment is essential to the national security of the United States, to secure and protect the integrity and political independence of any such nation, in the exercise of the self-defense of the United States, pursuant to his constitutional obligations, and under the provisions of the United Nations Charter."

This is a long letter, and for its length I apologize. The subject is not one which can be treated in a few words. I repeat that I am sorry that there has been no time to give long research to this matter, but again I am not sure that weeks spent in a library would add anything to my ideas.

All thoughtful people are aware of the conscientious thought which you are giving to the grave questions presented by your letter. I only wish that I could be of some better help.

With my sincere good wishes, I am,

Very truly yours,

ARTHUR E. SUTHERLAND.

PROGRESS IN HUMAN RELATIONS IN MINNESOTA

Mr. HUMPHREY. Mr. President, we in Minnesota are particularly proud of the record of our State in the field of human relations. We appreciate the attention which has been paid to the Minnesota record across the country, and we hope that record will always deserve the high esteem which it presently enjoys on the part of so many observers and commentators in the human relations field nationally.

In addition to the continuing effectiveness of the mayor's commission on human relations, which I shall always regard as one of the leading achievements of my own term as mayor of Minneapolis, and in addition to the splendid achievements of the Governor's fair employment practices commission, the cause of civil rights in Minnesota will always be indebted to the crusading newspaper, the Minneapolis Spokesman.

Under the spirited, conscientious, effective leadership of its editor-publisher, Cecil Newman, the Minneapolis Spokesman continues to point the way to an expanded democratic life for all the citizens of Minnesota. I pay tribute again today, Mr. President, to the special, indeed indispensable, value of the kind of patient, dedicated, local leadership which men like Cecil Newman and papers like the Minneapolis Spokesman are providing for the enrichment of our community life.

Last Friday, February 22, 1957, an editorial in the Minneapolis Spokesman summarized the progress in the human-relations field in Minnesota for the past year. I ask unanimous consent that the editorial, entitled "Progress in 1956," be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROGRESS IN 1956

The year 1956 was a good year for Americans of Negro ancestry. Nationally the bronzed American did very well for himself. His earnings increased, he spent more, and saved more than he did in the preceding year.

The national trend was duplicated in Minnesota, where the Negro Minnesotan continued to obtain wider job opportunities, purchase more homes, and increase his savings. He became more sought after politically, both on the local and national levels.

As the racial tensions have increased in some sections of the country, wide publicity, more of it factual than ever before, has given the Nation as a whole a picture of the race problem which the majority of the Nation's people know must be changed, in the common interest of the country's unity, peace, and future.

Except for the States of the feudal, backward, deep South, Negroes have improved their lot greatly during the past year. Even in the South a new leadership, a new Negro

is rising, who will continue to quietly, but firmly, insist on his basic rights. His courageous battle is really in behalf of the country as a whole. Each violation of the spirit of the Constitution makes this Negro more determined that he will achieve freedom and full citizenship during his lifetime.

Perhaps he sees that every year, because right is on his side, the time draws nearer when those who would give him less of everything because of his color, will be in full retreat before the wrath of American commonsense.

The passive resistance technique used so wisely and well by the Negroes of Montgomery, Ala., spread in 1956 throughout the South and way over into South Africa where Ghandi first conceived its usefulness and validity. The southern white who wants the Negro-American to remain in a subservient position no matter what his ability, right, and contribution is fast losing ground, for time is fast running out on nations as well as individuals who try to keep men down because of the accident of birth, creed, or color.

Minnesota, with three municipal fair employment practices laws and a good State law, and the continued interest of large numbers of the majority group in ending any racial restrictions in all areas, including private housing, leads the Nation in the removal of barriers to Negro progress.

If the Negro in Minnesota doesn't make advances in employment, education, politics, labor, business, the professions, religion, the Armed Forces, music, literature, sports, and for that matter, any field, much of his failure may be charged to him, alone.

It can be said with truthfulness that today, Minnesota's Negro man or woman who prepares, may in this State aspire to almost any job "in the book." That too many of our young people do not realize this fact is regrettable and to the discredit of those of us, parents included, who have not convinced our youth of the truth that opportunity is here for him who will prepare and persevere.

Home ownership among Negroes all over the Nation in 1956 had a phenomenal increase. In many areas, because of the ghetto patterns the hurried "sellers market" and a number of inequities which face the urban Negro who seeks a decent home, the colored citizen found he had to pay more for less house, than his white fellow citizen, but despite this handicap, he continues to acquire property.

Minnesota Negroes, because of a slum-clearance program in both of the two principal cities had some severe housing problems. Most of them have been settled, fairly well, in spite of the complications which face members of minority groups seeking homes. The climate of understanding of the problem facing the Negro citizen home buyer has been increasingly understood by the real estate people, the home mortgage banks and the building and loan associations.

To insure a tighter check on such discrimination that does exist, the Minneapolis Mayor's Commission on Human Relations, the Minneapolis Urban League and the Minneapolis NAACP has helped organize a campaign to obtain "open occupancy" legislation on the State level.

The St. Paul NAACP had already gotten the St. Paul City Council to consider an "open occupancy" ordinance which would prohibit rental or real estate transactions on the basis of race, color, religion or national origin.

If the St. Paul measure passes (it has good support from both major political parties) it will set a milestone for community housing and sooner or later rid the Saintly City of racial or religious ghettos—which are the festering grounds of racial and religious bigotry and misunderstanding.

The same result will come if the State legislature enacts the proposed "open occupancy" bill which now awaits sponsors.

There have been so many occurrences of progress and good will in the everyday life of Minnesota that it would take a full editorial page to relate only a portion of them. This year's Progress edition confines itself more to the national picture than heretofore, because a glimpse of the entire situation from coast to coast allows for a larger perspective.

The fact that many States point to Minnesota as an influential factor in human relations and interracial cooperation is a source of great pride to this newspaper. It is its hope that Minnesota Negroes will begin more aggressively to take advantage of the interest, friendship and opportunity that this State offers, and thereby justify the faith and confidence that many leaders in business, industry, and in the labor movement have had in the group all along.

Yes, progress was here in 1956. Let us strive to make 1957 and each succeeding year one of achievement and real progress.

REDUCTION IN PRICE SUPPORTS FOR EIGHT FARM PRODUCTS

Mr. HUMPHREY. Mr. President, recently the press carried reports of the action by the Secretary of Agriculture relating to price supports for oats, rye, barley, flaxseed, grain sorghums, soybeans, cotton, and cottonseed.

On each commodity, the price-support levels were reduced from 5 to 6 percent of parity below the 1956 figures. The only major crop which seems to have the same price-support level as in 1946 is wheat—and that at an inadequate, low price, $2 a bushel.

I ask unanimous consent that an article which appeared in the Minneapolis Sunday Tribune for February 10, entitled "Benson Cuts Supports on Eight Farm Products," be printed at this point in my remarks. The election is over, and price supports go down.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENSON CUTS SUPPORTS ON EIGHT FARM PRODUCTS

(By Charles Bailey)

WASHINGTON.—The Agriculture Department Saturday cut price supports for the 1957 crops of eight important farm products.

At the same time, it announced that dollars-and-cents supports for dairy products will be continued through the coming year at their present levels.

Secretary of Agriculture Benson announced supports for oats, rye, barley, flaxseed, soybeans, grain sorghums, cotton and cottonseed at 5 to 6 percent of parity below the 1956 figures.

The result will be a cut of 5 cents a bushel in oats support, a drop of 8 cents a bushel for barley, 12 cents a bushel for rye, 6 cents a bushel for soybeans, and 17 cents a bushel for flaxseed.

Here are details of the price-support announcements:

Dairy products: The Department will continue to pay $3.25 per hundredweight for manufacturing milk and 56.6 cents per pound for butterfat in the marketing year beginning April 1.

This level is intended to reflect 88 percent of the current parity equivalent price for milk and 80 percent of parity for butterfat. Because parity prices have climbed in the past year, these figures are lower than the 84 and 81 percent levels provided this year by the same dollar level of support.

Oats: The 1957 support will be at a national average of 60 cents per bushel, compared to 65 cents in 1956. The new figure is 70 percent of current parity, while the 1956 figure represented 76 percent of parity.

Barley: Support will be 94 cents per bushel, representing 70 percent of parity. This compares with 1956 support of $1.02 per bushel, or 76 percent of parity.

Rye: Support will be $1.15 per bushel, or 70 percent of parity, compared with 1956 support of $1.27 per bushel or 76 percent of parity.

Grain sorghums: Support will be $1.83 per hundredweight, or 70 percent of parity, compared to $1.97, or 76 percent of parity, in 1956.

Soybeans: Support will be at an average of $2.09, or 70 percent of current parity, compared with 1956 props of $2.15, which represented 75 percent of parity.

Flaxseed: Supports will be $2.92 per bushel, or 65 percent of parity, compared with 1956 levels of $3.09, or 70 percent of parity.

Cottonseed: Supports on this competing oilseed crop also were dropped, from 70 to 65 percent of parity.

Cotton: Supports on this basic southern crop in 1957 will be at 77 percent of parity, compared to a level of 82.5 percent in 1956.

Benson already had announced wheat price supports in 1957 would be at the same level—$2 a bushel—as in 1956. Wool and mohair props also were held steady.

BULGARIAN LIBERATION DAY

Mr. HUMPHREY. Mr. President, the occasion of Bulgarian liberation day, March 2, offers an opportunity for Americans everywhere to join in commemorating the valid struggle for Bulgarian independence. It is altogether fitting and proper that we should remember those Bulgarian patriots who have sacrificed their lives for freedom and liberty—once from Turkish oppression, and now from Communist tyranny.

We all know, Mr. President, that the regime in Bulgaria today has been one of the most slavish in its relation to the Soviet Union. Economically, culturally, and politically the present Bulgarian regime is completely subordinate to goals set in Moscow. We know, too, however, of the continuing opposition of the Bulgarian people, and it is to them, as well as to the heroes of yesterday and the refugees of today, that we consecrate our efforts in the interest of future Bulgarian freedom.

HUMBLE OIL & REFINING CO.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Mr. Hines H. Baker, president of the Humble Oil & Refining Co. Mr. Baker takes exception to a remark which I made during my speech on the 22d of February with respect to his testimony, and to my interpretation of the relationship between the Humble Oil Co. and the Standard Oil Company of New Jersey.

I gladly acknowledge that Mr. Baker is right, and when I said that he had acknowledged that Humble takes its orders from Standard of New Jersey, I must confess I was in error, as he says.

However, I did insert in the RECORD an exhibit from the files of the Standard Oil Company of New Jersey, in which it was pointed out particularly that the increase in the price of crude announced

by Mr. Baker would result in an increase in earnings to Humble by about $46 million, and that this was a declaration by the company which holds 80 percent of its stock.

Mr. Baker did not acknowledge that Humble was controlled, but there is no doubt about the fact that Humble is owned more than 80 percent by Standard Oil of New Jersey.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Wyoming to have the letter printed in the RECORD?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HUMBLE OIL & REFINING CO.,
Houston, Tex., February 27, 1957.

Hon. JOSEPH C. O'MAHONEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'MAHONEY: My attention has been called to the CONGRESSIONAL RECORD for February 22, 1957, No. 30, at page 2180 covering remarks by you in the Senate concerning a document taken from the files of Standard Oil Company (New Jersey), in the course of which you say:

"I handed this document to the president of the Humble Oil Co. when he was on the stand before our committee yesterday afternoon. I read it to him first. Then I handed it to him. He had no doubt about the authenticity of the document. However, he said he had never seen it before. He did acknowledge that Humble takes its orders from Standard of New Jersey."

I call attention particularly to the following part of your statement:

"He did acknowledge that Humble takes its orders from Standard of New Jersey."

This statement is clearly in error, as I made no such acknowledgment, but on the contrary testified that Humble did not and does not take orders from Standard of New Jersey. In this connection I invite your attention to the following excerpts from the record of my testimony before the subcommittee of the Interstate and Foreign Commerce Committee of the Senate on Thursday, February 21, 1957, as reported in the transcript for that date, at page 1598, covering examination of me by Mr. McHugh as follows:

"Mr. MCHUGH. Now, Mr. Baker, previous to the January 3 increase that was put into effect by Humble, did you have any conferences or any discussions or instructions at all from Standard Oil of New Jersey?

"Mr. BAKER. We had no instructions from the Standard of New Jersey at any time. I had a discussion with Mr. Rathbone in the latter part of December in which I told him that we were contemplating an advance in crude oil prices."

Also, I call your attention to the transcript, pages 1689 to 1690, covering my replies when you were questioning me regarding the very document to which you refer in your statement upon the floor of the Senate:

"Senator O'MAHONEY. Since you say you never have seen the document, that, of course, I accept as altogether correct. It is altogether unlikely that you ever did see it. It didn't come from your files. It came from the Jersey files. But the New Jersey is the majority owner of Humble Oil.

"Mr. BAKER. It doesn't operate Humble Oil, and these figures are not Humble Oil figures.

"Senator O'MAHONEY. No. I judge from your testimony here, and from your very evident acquaintance with the oil business, that you are a pretty good operator."

These are the only references in the record upon this point. There is nothing anywhere in the record to indicate an acknowledgment by me that "Humble takes its orders from Standard of New Jersey." The testimony I gave is exactly to the contrary.

In fairness I would hope that you will insert this letter in the CONGRESSIONAL RECORD and otherwise acknowledge the error which I feel quite sure was purely an error unintentionally made.

Sincerely,

HERBERT H. BAKER,
President.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from California will state it.

Mr. KNOWLAND. What is the pending question?

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment, as modified, proposed by the Senator from Georgia [Mr. RUSSELL], for himself, the Senator from Virginia [Mr. BYRD], and the Senator from Mississippi [Mr. STENNIS], as a substitute for the committee amendment, as amended.

Mr. FLANDERS obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. The Senator is about to make a very important speech. I wonder if he would yield for a quorum call.

Mr. FLANDERS. I shall be glad to yield, with the understanding that I will not lose the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Payne
Allott	Hayden	Purtell
Beall	Hickenlooper	Revercomb
Blakley	Jenner	Robertson
Butler	Johnson, Tex.	Russell
Byrd	Knowland	Schoeppel
Clark	Kuchel	Smith, N. J.
Cotton	Laüche	Thurmond
Ervin	McCarthy	Watkins
Flanders	Morse	Williams
Frear	Mundt	Young

The PRESIDENT pro tempore. Thirty-three Senators have answered to their names. A quorum is not present. The clerk will call the names of absent Senators.

The Chief Clerk called the names of absent Senators, and Mr. BARRETT, Mr. BENNETT, Mr. BRICKER, Mr. BUSH, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. DWORSHAK, Mr. GREEN, Mr. HILL, Mr. HRUSKA, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MORTON, Mr. MURRAY, Mr. PASTORE, Mr. POTTER, Mr. SALTONSTALL, Mr. SCOTT, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. TALMADGE, Mr. THYE, and Mr. WILEY answered to their names when called.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. KNOWLAND. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from New York [Mr. IVES], and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

The Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. COOPER], the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], and the Senator from Nevada [Mr. MALONE] are detained on official business.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. A quorum is present.

Mr. FLANDERS. Mr. President, I desire to address myself briefly to the pending question.

In order to come to a clear conclusion in my own mind as to supporting the Mid-East resolution, I have had to consider it as a part of the larger picture rather than as an isolated crisis. The larger picture seems to me to be the major factor in the consideration of the resolution.

We have before us and around us the continuing world crisis. This crisis has never ceased to surround us since the day when Archduke Ferdinand was shot in the streets of Sarajevo. At no time since that date has the continuing crisis been resolved. There have been wars and military victories, but at no time for 43 years has the world had peace. We have played a deciding part in two of the

great military victories, and have endured the slow agony of a bloody stalemate in a distant Asiatic peninsula. The ending of the two World Wars and the ending of the Korean struggle solved no problems. The only result yielding the seeds of hope lies in the establishment of the United Nations. Even that has yet to prove its continuing worth and effectiveness in the continuing crisis of history.

Despite the continuing disturbances and the unsolved problems, it yet seems to me, Mr. President, that at this time the opportunities of moving toward a peace which is based on freedom and justice are nearer than at any time in this century. Furthermore, it seems to me that the wise handling of the situation in the Middle East offers an opportunity to advance this great undertaking of peace with justice and freedom. It is as a hopeful effort to meet the larger problem that we should view the restricted area to which the pending resolution is addressed.

First, let me briefly give the grounds for hope. We continue properly to keep ourselves in a strong defensive posture. We seek likewise to help maintain that same posture among the nations whose ultimate purposes are the same as ours. We and the whole free world should have learned that this is defensive only. In the words of the great strategist of a past generation, Admiral Mahan:

> The purpose of military power is to provide time for moral ideas to take root.

If we are to accept this judgment, as we should, we will recognize that the authority to use armed force in this emergency, ambiguously given in the resolution in my judgment, is a necessary provision, but one of very limited usefulness. The best it can do for this particular period and in this given area is "to provide time for moral ideas to take root."

The best way to advance moral ideas is to put them in terms of self-interest. For it is a part of my own experience and my philosophy that the results from the practice of moral principles and of long-range self-interest cannot be distinguished from each other. Let me mention briefly the hopeful elements of self-interest which we can bring into the whole confused area of Europe and Africa.

First, it is to the self-interest of the Russian people that they should be permitted to devote their labor and their natural resources to increasing their own well-being. It will become evident at some time, and in the not too distant future, that power and authority in the Soviet empire can best be maintained by those rulers who devote themselves to the interests of the people. Beginnings have already been made, even though for the present the government in Moscow has attempted to erase those beginnings. Malenkov proposed them and was demoted. New promises have been made. The eyes of the people of Russia have been opened by the short-lived dethronement of Stalin. Their eyes have further been opened as to the true nature of their relations with the enslaved satellites, by such information as has reached them from the bloody reconquest of Hungary. Furthermore, the objective, factual, intense educative processes to which their young technicians, scientists, and engineers are subjected are tearing away from their eyes and from their minds the fallacies in which they have been raised. They are learning to face the facts. This is hopeful.

There is a further cause for hope in the relationship between Western Germany, its unredeemed territory in the east, and the captor of that territory, the Soviet Government. The people of West Germany ever more strongly are becoming conscious of the obvious fact that rearmament does not lead to reunion except through warfare—and they are sick of warfare. It is increasingly evident that the groundwork has been laid in the minds of the people for reunion on the basis of a retreat of Soviet power toward its old boundaries negotiated in return for neutrality of the Austrian type. This constitutes a second hopeful element in our present situation.

The third to which I would refer is the experience of our friends, the British and the French, in their endeavor to free the Suez Canal from the control of Nasser. That endeavor met with a result which might have been predicted. The modern dictator, at the height of his power, is absolutely reckless. The complete blockage of the canal by sinking ships and blowing up bridges was predictable. It should be noted down in the treatises on international policy for future reference.

That enterprise was undertaken without political forethought as well as without military forethought. The nations involved should have recognized, and we must recognize, the intensity of the passion for nationality and independence on the part of the Arab peoples. Had the Suez expedition been successful, had Nasser been demoted, had a puppet been installed in his place, that puppet could have been maintained in that place only by tanks, guns, and bloody murder. It is too late in the history of the world for the old, settled, free nations to attempt to hold in bondage, no matter how benevolently, the organized peoples of other races. The expedition to Suez was doomed to failure, and it is fortunate that it ended as soon as it did.

But we are talking about hopeful situations, and not about disasters. That undertaking had a beneficent result in bringing into sharp focus what we must not and cannot do and in bringing up for sharp decision more practical solutions.

The situation as it is today is that Israel, which, under great provocation, joined in the invasion, seems willing to return to its boundaries as fast as United Nations troops will occupy its captured positions. This gives to the thorny Palestinian problem, again in the words of Admiral Mahan, "time for moral ideas to take root." As to the canal problem, we are now free to consider the self-interest of Colonel Nasser in proposals which will be advantageous to him as well as to his Arab neighbors, Western Europe, ourselves, and the whole seafaring world. Solutions can be found which will meet these large-scale requirements. Negotiations toward achieving these solutions can now be undertaken with all the facts of the situation staring us in the face instead of remaining hidden in what unfortunately has been a sort of shadowland of moral law. In facing this law we are facing the facts of life, and those facts have been brought to light by the ill-starred undertaking whose debris we are now so painfully clearing up.

It is because success in our undertaking in the Middle East lies in the realm of negotiations for long-range self-interest, and therefore of international morality, that I conceive the military part of this resolution, while important, to be of less importance than the authority given to spend considerable sums of money in other ways.

There is evidently fear on the part of many Members of the Senate that there lurks somewhere in the recesses of the State Department a plan for applying the money mentioned in the resolution, or a part of it, to beginning the construction of the Aswan Dam, which Colonel Nasser had hoped to erect as his monument and his contribution to the well-being of the people of Egypt. Well, Mr. President, let us face that possibility. Perhaps that idea does lurk somewhere within the dark chambers of the State Department. Let us get hold of it and drag it into the light of day. That dam would be a colossal affair. It has complications and implications beyond the simple physical factors involved. It touches on the rights and interests of Ethiopia. It submerges fertile and irrigated land and opens the way to irrigation of other fertile lands. It is in the long run a potential expander of the agricultural resources for the production of food and fiber in the great Nile Valley downstream from its location. Recognizing these facts, should we debar ourselves from examining to see whether there may not be found in such an expenditure as this some means of coming to a settlement of all the problems affecting this area?

Things that should now be clear are these: The Arab States, including Egypt from now on, are out of leading strings. They are on their own. Their people and their rulers have emotional reactions to world affairs which will have to be recognized. They also have self-interests which can likewise be recognized and which can be satisfied in ways which will help rather than hinder the legitimate interests of the rest of the world. This is where we start.

Here is the area for negotiation. Egypt's sovereignty over the canal would be recognized provided some effective recognition were made concurrently of the interests of the maritime world in the continuance of free, unobstructed, universal access to passage from the Red Sea to the Mediterranean and vice versa. That this interest is of a vital sort and that it must be recognized is a point that must be made with the Egyptian Government, and with whoever at the moment is the head of that Government. On the basis of the

recognition of sovereignty affected by world commercial interests, it would be possible to start the operation of the canal at a profit to the Egyptian Government and the mercantile world alike, and one which would within a reasonable time redeem the equity of its private owners as promised by Nasser at the beginning of the crisis. Such a solution should be accepted by, and maintained by, commercial and military powers of the world preferably, I think, through the United Nations. The use of the U. N. forces in this emergency is a valuable precedent. It should be continued in time, and, if necessary, expanded in size.

This solution would be of value to every party to such an agreement. It would require the relinquishment of arbitrary management of the canal by the Egyptian Government. This they should be glad to do, but in view of the emotional backgrounds of the situation, the tension between the Arab world and the Western World, it might become necessary to go a little further in the negotiations. If assistance on the Aswan Dam would clinch the bargain, why not offer it?

Mr. President, can we be so besotted with military action as a solution to international problems that we neither know its ineffectiveness, nor count its costs in billions of dollars? Why not experiment in this case with other means to see if we cannot reap benefits at a fraction of the military cost and which military action can never provide?

In private business matters, even though emotions run high, it is considered to be the prudent thing to see what negotiation can do before placing complete and final reliance on court action. Why is it that in international affairs we let pride and frustration of policy and other similar crippling influences interfere with a composition of differing interests in a negotiated settlement?

The resolution as reported by the committees contains adequate safeguards for formal publicity and appropriate control for any use proposed to be made of the funds which it sets aside. Furthermore, we have the word of the Secretary of State that none of the $200 million will be used upon the Aswan Dam. In spite of the sentiments which I am now expressing, I do not propose to offer any amendments giving the administration wider discretion than is given by the wording of the resolution before the Senate. What I am doing, Mr. President, is trying to bring this body into the state of mind where they will prefer to accept a reasonable settlement on honorable terms, as against specifying so narrow a range within which negotiations must be carried on that the possibility of a desirable settlement will be foreclosed.

The purposes of this talk are, then, two: First, to oppose those amendments, including the one presently before the Senate, which cut out economic aid, and second, to ask for what, in my judgment, is a more reasonable point of view toward any future undertakings of the Department of State in the settlement of this very difficult but not unsolvable situation.

How does this resolution fight communism? It does so by tying us in with hesitating governments by the bonds of self-interest. There is no cheaper way; there is no better way.

Mr. AIKEN. Mr. President, will my colleague yield?

Mr. FLANDERS. I yield.

Mr. AIKEN. I wish to compliment my colleague upon his remarks, especially on what he said in the beginning of them. He has demonstrated the utter fallacy of putting all our hopes for peace and stabilization in the Middle East in the one basket of military assistance, which contains the seeds of force and violence, and possibly war.

I point out that one reason why the resolution is before the Senate, and possibly the reason which instigated it in the first place, is a desire to assure the four nations of Pakistan, Iran, Iraq, and Turkey that they will not be left alone, either economically or militarily, should they be put under great pressure from the Communist country to the north. Those four countries are considered to be very friendly to the United States and, very probably, to the Western outlook on life.

One reason why they are friends today and are friendly to our point of view is that economic and technical assistance programs have done immense good in those four countries. In other words, such programs have succeeded in those countries.

In Iraq, for instance, our programs of economic and technical assistance have succeeded so well that this year we have allocated only $2,300,000 to such programs in Iraq, while the Iraqi Government has allocated $238 million of its own money, or 99 percent of the total amount. That shows how our technical and economic assistance programs have worked, and indicates that we have made friends and allies among the nations.

I believe that in Jordan and Egypt our programs have not worked so well, and that those countries are not considered to be as stanch allies of the United States as are the four countries to which I have just referred. But the proper solution is not to eliminate economic and technical assistance programs in Jordan and Egypt; the solution is to make the economic and technical assistance programs work in those countries as well as they have worked in Iraq, Turkey, Pakistan, and, I might add, the small country of Lebanon. The solution is to make such programs work where they are not working today, and not to abandon them.

Mr. FLANDERS. I thank my colleague, the senior Senator from Vermont. I suggest, in support of his point of view, that we know that Russia, while always preserving its military strength in the background, has been making its defenses by the very means which we, from time to time, propose to eliminate. We had better watch the operation of those policies on the part of the Soviet Government.

Mr. AIKEN. Russia's main line of infiltration has been in the economic and technical fields.

Mr. CASE of South Dakota. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield.

Mr. CASE of South Dakota. I desire to ask the able Senator from Vermont, to whose address I have listened with so much interest, whether or not it was true, during the consideration of this question by the Committees on Foreign Relations and Armed Services, that many times the point was brought up that the $200 million which would be available for military and economic assistance was not assigned to specific items. Some persons would say that if we simply have a military proposal, we do not begin to solve the problem. Is it not a fact that the purpose of the reference to the $200 million is to enable the funds to be used in such a way as to contribute to the solution of the existing problems so that military force will not have to be used?

Mr. FLANDERS. That is a very clear statement of the right way in which to view the Middle East situation. I thank the Senator from South Dakota for bringing it out so clearly.

Mr. CASE of South Dakota. Has the Senator from Vermont had occasion to examine the table showing the amount of emergency funds which were made available to President Roosevelt and President Truman in previous years?

Mr. FLANDERS. I have not closely examined the figures, but I have a very clear recollection that they were of considerable magnitude.

Mr. CASE of South Dakota. Let me invite the attention of the Senator from Vermont to a table which I placed in the RECORD only a short time before the Senate took a recess yesterday. The table appears on page 2776 of the CONGRESSIONAL RECORD. I believe it will be of interest to Senators generally to note from the table the fact that months before Pearl Harbor, Congress made emergency funds available to the then President.

If the Senator from Vermont will examine page 2776 of the RECORD, he will find that in the Navy Department Appropriation Act approved June 11, 1940, 18 months before Pearl Harbor, $34 million was made available to the President.

Again, on June 13, 1940, $66 million—making a total of $100 million—was made available to President Roosevelt as an emergency fund for him to use as he saw fit. That also was done 18 months before Pearl Harbor.

Again, on September 9, 1940, 15 or 16 months before Pearl Harbor, another $100 million was made available as an emergency fund for the President.

Again, on March 1, 1941, an urgent deficiency appropriation act, another $5 million was made available in the same way; also, on May 24, 1941, another $15 million. On October 8, 1940, $29,500,000 was made available; and on October 14, 1940, $10 million was made available; and in the Independent Offices Appropriation Act of 1942, approved April 5, 1941, $500,249 was made available.

They aggregate in excess of $250 million, which was made available to President Roosevelt for emergency expenditures, without the usual restrictions of

reporting and auditing—all that being done in the name of giving the President some emergency funds with which to deal with a festering international situation.

Mr. CASE of New Jersey. Mr. President, will the Senator from Vermont yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Vermont yield to the Senator from New Jersey?

Mr. FLANDERS. I yield.

Mr. CASE of New Jersey. First, Mr. President, let me express to the Senator from Vermont my appreciation of his customarily wise and reasonable statement.

Then let me ask him this question: In his opinion, is it not essential in this instance that the economic and military provisions of the joint resolution be enacted in the form in which they have been reported by the committees, for the reason that in this area of tension and emotions it is necessary that the negotiations for the projects which the money is designed to further, be conducted quietly, and not in front of television cameras and not in a situation in which no one can yield publicly without losing face and prestige at home—so that, therefore, an utter stalemate would result?

Mr. FLANDERS. I agree with the Senator from New Jersey. It seems to me that very poor results would be obtained in this situation from goldfish-bowl operations. We did not request such procedure in connection with preceding Democratic administrations, as has been so ably set forth by the Senator from South Dakota [Mr. CASE].

Mr. CASE of New Jersey. I thank the Senator from Vermont.

Mr. BUSH. Mr. President, will the Senator from Vermont yield to me?

Mr. FLANDERS. I yield.

Mr. BUSH. I wish to join the Senator from South Dakota, the Senator from New Jersey, and other Senators who have complimented the Senator from Vermont on the splendid statement he has made today, which I think is the most telling statement which has been made in support of the committee amendment and in opposition to the pending amendment offered to it by the Senator from Georgia [Mr. RUSSELL], on behalf of himself and other Senators.

I wonder whether the Senator from Vermont will agree to the following: Yesterday afternoon we listened to the very distinguished Senator from Virginia [Mr. BYRD] address himself to the pending question; and that led him into a discussion of our budget, to which he referred as the biggest peacetime budget in the history of the United States, and so forth.

One who has been around the Capitol any time at all hesitates to take issue with the Senator from Virginia about any matter affecting the fiscal affairs or the budget of the United States. However, I particularly ask the Senator from Vermont whether he agrees with me that to call a budget which is approximately two-thirds devoted to preparedness and security acts, both at home and abroad, a peacetime budget, is hardly a fair presentation of the facts. If this were indeed a peacetime budget, then the proportion set aside for defense, if similar to the proportion set aside for the same purpose in former years, when we were actually at peace, would not be 65 or 64 percent, but would be a very much smaller amount—perhaps 20 percent, or at the most 25 percent. So I ask the Senator from Vermont whether he agrees with me that in considering this very vital matter, which really disturbs many of our friends on the other side of the aisle, we should include both the military-aid and the economic-aid sections of the joint resolution as definite weapons of our foreign policy in a war which fortunately is not a shooting war, but is really a cold war, and that those weapons really are deterrent weapons which may lead us farther along the road to peace.

Mr. FLANDERS. In answer to that question, let me say, first, that I join the Senator from Connecticut and the Senator from Virginia in deep concern over the size of this cold-war budget. It is enormous. We must find means of cutting it down safely and constructively. I think the way to do so is to begin to place more reliance on the less expensive means, such as those called for in the part of the joint resolution which the pending amendment to the committee amendment proposes to eliminate. We can more surely and more safely reduce the tremendous military expenditures by doing a little better work—at not greatly increased expense—on the economic assistance and other political measures, as distinguished from the military measures.

Mr. BUSH. I think the Senator from Vermont has expressed that point very well indeed. I congratulate him on the statement he has made.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Vermont yield to me?

Mr. FLANDERS. I yield.

Mr. SMITH of New Jersey. I wish to commend the distinguished Senator from Vermont, as have other Senators; and I desire to do so especially because it seems to me that today he has presented us with a most important supplement to the remarks made by other Senators regarding the vital need of having economic-aid provisions included in the joint resolution. I believe the Senator from Vermont has set forth most ably the point that military might alone is not the solution or even a step toward the solution of these problems, and certainly is not a step toward peace. Both military and economic aid together constitute a plan by the President of the United States and the Secretary of State, who presented this matter so ably to the committees, to lead to peace, because the two elements together are a deterrent to war, rather than the opposite. Is not that a correct statement?

Mr. FLANDERS. Yes, it is a correct statement.

Mr. SMITH of New Jersey. I thank the Senator from Vermont for his contribution.

Several Senators addressed the Chair.

Mr. FLANDERS. Mr. President, I have concluded my statement, and at this time I shall yield.

Mr. McCARTHY. Mr. President, I rise to a point of order. I would not do so except for the fact that a committee hearing which is going on at this moment is of vital concern to me.

I had an understanding that I would be recognized following the morning hour. Therefore, I shall insist on the regular order—in other words, that the Senator from Vermont not yield to other Senators for the purpose of permitting them to make short speeches, but that he yield only for questions.

Therefore, Mr. President, I call for the regular order.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Under the circumstances, the Senator from Vermont may yield only for a question.

Mr. WILEY. Mr. President, will the Senator from Vermont yield to me? I assure my colleague that I shall not make a speech.

Mr. FLANDERS. I yield.

Mr. WILEY. I merely wish to say that I have listened with great interest to the very remarkable and challenging statement made today by the Senator from Vermont, and also to the interchange of ideas which has occurred on the floor. Both have been most valuable to us.

Now, Mr. President——

Mr. McCARTHY. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The regular order has been requested.

Mr. FLANDERS. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont has yielded the floor.

Mr. McCARTHY. Mr. President, I may say that the only reason why I insisted on the regular order was that we have a very important committee hearing in progress this morning, and I desire to get back to it. Arrangements had been made whereby I was to have the floor after the morning hour.

Mr. President, this is not the first time I have taken the floor for the purpose of protesting against executive encroachments on the constitutional powers of Congress. Nor, I fear, will it be the last. A steady erosion of Congress' rightful place in our National Government is plainly observable, and the process is gaining momentum every day. We must never cease trying to reverse this trend.

But, frankly, I am not optimistic. To me nothing is so discouraging, nothing so frightening, as that only a small minority of this body is resisting this latest attempt by the executive branch, perhaps the most blatant yet, to usurp congressional prerogatives. Of course, I refer to the Middle East resolution now before the Senate.

I do not propose, at this stage of the debate on the resolution, to undertake a detailed survey of recent events in the Middle East. The historical facts which have led up to the present crisis in that area are not in dispute. Nor do I think there is any substantial disagreement as to the nature of the problem these

facts have created. The problem can be stated in terms of these propositions:

First, the deterioration of British and French influence and power in the Middle East, which began after the Second World War and was consummated by the humiliating withdrawal of British and French troops from Suez last December, creating a power vacuum in that area.

Second, the Soviet Union, which has long sought to dominate and communize the Middle East, is now successfully exploiting that power vacuum. By skillfully playing off Arab against Jew, and Arab against Arab, the Communists have succeeded in making several Middle East States dependent, militarily and politically, upon the Soviet Union. Egypt and Syria have already cast their lot, irrevocably it would seem, with the Kremlin. And, of course, the penetration continues. By infiltration, by subversion, by intrigues, by shipments of arms to pro-Soviet regimes, the Communists are making alarming progress toward conquest of the entire Middle East area.

Third, Communist conquest of the Middle East would, as we know, be a severe blow to the free world, perhaps a mortal blow. The economies of Western Europe are dependent upon the oil reserves in the Middle East, and upon the Suez Canal. American air bases in that area, moreover, are an integral and vital part of our own defense arrangements.

Therefore, fourth, the United States is faced with the immediate necessity of finding means of checking the spread of Soviet influence in the Middle East.

I do not recite these propositions, Mr. President, for the purpose of educating anyone. They are, I think, self-evident. I state them by way of preface, for I want the record to be absolutely clear that my opposition to the resolution which we are considering is not the result of an underestimation of the gravity of the situation in the Middle East, or of a misunderstanding of the nature—although there is a question on that point—of the problem that confronts the United States. I want the record to show that it is precisely on the basis of this analysis of the Middle East situation that I have vigorously opposed the administration's Middle East policies since the seizure of the Suez Canal last July.

I believed last July, and I so stated, that Egypt had fallen within the Soviet orbit—and there can be no question about that—and that Colonel Nasser had become a tool of Soviet policy.

I believed throughout the succeeding months, and have so stated repeatedly—and I may say sometimes those statements have not made me too popular with those at the other end of Pennsylvania Avenue, in the White House, although that does not concern me too much—that the way to prevent the Soviet Union from filling the power vacuum in the Middle East was to encourage Britain and France to reestablish their influence in the area, by armed force if necessary, rather than to stab them in the back, as we did.

I believed, and so stated, that when Britain and France decided to bring Nasser to heel last November this was perhaps the last chance of maintaining a Western foothold in the Middle East. I perhaps should say a foothold by the free world, rather than the Western World.

And when the United States decided to join hands with the Soviet Union in a successful effort to force the British and French to retreat, I believed, and so stated at that time, that we committed one of the greatest blunders in our diplomatic history.

Mr. President, an elementary understanding of the power factors involved in the Middle East indicates a need for a United States policy that supports the British and French position rather than attempts to undermine it. But undermine it we did, and, I am afraid, once and for all.

It is now up to the United States to develop a new policy that will salvage the ruins—ruins that have been, in large measure, of our own making. The question now before the Senate is whether the Middle East Resolution, the so-called Eisenhower doctrine, is such a policy. I maintain that it is not. Furthermore, it strikes a blow at the very heart of our system of constitutional government.

The Eisenhower doctrine—I hesitate to refer to it as the Eisenhower doctrine; I should refer to it as the palace guard doctrine—is not a solution to Middle East problems. It is simply a device by which Congress would delegate to the executive branch of its own responsibility to find solutions to those problems.

The President, by this resolution, is asking Congress to do two things: first, to make additional funds available for assistance programs in the Middle East; second, to authorize the President to send American armed forces into battle at the discretion of the palace guard. This second request is by all odds the more important, and my remarks this afternoon will be devoted primarily to this subject.

Let us note, to begin with, that this request for authority to use American troops whenever and wherever the President wants to do so does not go to the heart of the problem in the Middle East. The major danger in the Middle East is not an armed invasion by the Soviet Union, but, rather, the traditional tactics of Communist conquest—namely, intrigue, subversion, and infiltration. To suggest that our problems in the Middle East will be solved by sending American armed forces into action is to misunderstand the problem altogether. It is like trying to fight termites with a sledgehammer.

There is, of course, always the possibility that the Red army will march into the Middle East. But granting that possibility, no explanation has ever been given by administration spokesmen as to why Congress could not be consulted when and if such an invasion occurs. It would take the President roughly 3 to 4 minutes to drive in his limousine from the White House to Capitol Hill, and request, if he thought it were necessary, a declaration of war. Let us remember that the President is not asking for standby authority while Congress is out of session. He is suggesting, while Congress is in session, that it abdicate its constitutional responsibility to decide whether or not this country should go to war.

If this is true—if Congress can cope with an invasion if it occurs, why this extraordinary request for Presidential authority to send American troops into battle at his discretion? The answer given by administration spokesmen is that if the Russians really were planning a military invasion, an expression of Congressional intention to resist overt Communist aggression in the Middle East would be valuable as a deterrent.

This argument, I concede, makes a certain amount of sense—not a great deal, mind you—as I do not believe the Kremlin leaders were ever in doubt as to what the United States would do in the event of a Soviet invasion of the Middle East.

But as I say, let us concede that there is some merit in the contention that an explicit expression of Congress' intentions would be valuable as a deterrent. Very well; why did the President not ask for that? Why did he not suggest that Congress resolve that Congress regard the independence and territorial integrity of the Middle East states as vital to the security of the United States, and that Congress is prepared to use American armed forces to resist a Soviet attack. Why did the President request that Congress give him the authority to resist the attack, or not to resist it, as his palace guard sees fit? I have no confidence in the palace guard, while I do have some confidence in the President. This—in the light of the administration's past record of appeasement and retreat—would provide a lesser deterrent to Soviet aggression, in my opinion, than if Congress were to state, unqualifiedly, that it is determined to resist Communist aggression in the Middle East, come what may—without, however, letting the ultimate power of decision out of Congress' hands.

The men in the Kremlin are not likely to forget that the administration concluded an armistice in Korea in the face of the unanimous judgment of our military commanders that we could have won that war if it were not for the political decision by our Government to appease the Communists. The Kremlin is not likely to forget that the administration supported the surrender of half of Indochina to the Communists, an agreement that consigned 12 million human beings to Communist slavery. The Kremlin is not likely to forget that the administration took the lead in pressuring Britain and France to retreat from Suez when victory over Nasser was within their grasp. I firmly believe that we would give the Soviet Union a far stronger warning against attempting an invasion of the Middle East if we were to leave the power of ultimate decision in Congress' hands rather than authorize the White House palace guard to appease the Soviet Union in the event the administration should decide, once again, to knuckle under.

If this resolution is passed, as it now stands, there is no guaranty against additional American men being sent overseas under the infamous Status of Forces Treaty and similar executive agreements. As you know, Mr. President, I have always been thoroughly opposed to these agreements which deprive our servicemen of their constitutional rights when they are serving their country overseas, and subject them to the frequently unjust and barbaric criminal procedures of foreign lands. But the problem becomes even more serious when we are contemplating sending large numbers of troops into the Arabic nations of the Middle East.

In one Arabic country—and I call this particularly to the attention of the Senate and to every mother in the country whose boy we may draft—the penalty for stealing an orange from a goat cart is cutting off the hand of the thief. We would turn our boys over to that kind of a system of justice.

How can I, a United States Senator, justify a vote for sending American boys abroad when our Government deliberately permits foreign governments to subject our boys to cruel and unjust punishment without lifting a finger to protect them?

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an article written by Representative FRANK T. BOW and published in the American Legion magazine of January 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE LEARNED ABOUT JAP PRISONS FROM THE INSIDE—WHAT HAPPENS WHEN GI'S ARE SURRENDERED TO FOREIGN COURTS

(As told to Congressman FRANK T. BOW)

"When I stretched out my arms I could reach across my cell from wall to wall, and lying on the floor with arms over my head I could touch one end with my toes. There was a narrow bed, a washbasin on the wall, and a bucket to use for a toilet. This private cell of mine was in death row, next to the gallows, of Fukuoka Prison, Japan, where I spent the first 4 months of my sentence of imprisonment in solitary confinement."

Ed was describing to me the cell in which he started to serve the sentence imposed upon him by a Japanese court, which tried him for assault and robbery. He and Bill had called at my office to give me the story of their experiences in Japan at first hand. Bill is from my congressional district and when I first learned he had been tried and convicted in Japan I endeavored to persuade him to appeal his case, but he refused. Now he wanted to explain why.

Neither boy made any effort to excuse his offense. Each had been drinking, probably to the point where their actions are not now too clear to them. With a companion or two, and no money, they engaged transportation; one a rickshaw, the other a taxi. At some point there was a scuffle with the driver of each vehicle over payment, and the drivers claimed to have been robbed. Assault and robbery of taxi drivers is a popular accusation in both Japan and France.

Ed said he never saw the rickshaw driver again, although he heard his name mentioned in court.

The day he went to trial he was handed a piece of paper in Japanese with a typewritten translation in English which stated the charges against him. He had been visited the day before by an American officer, accompanied by a Japanese lawyer who had been appointed by the court. This lawyer was in a great hurry, saying he would have only one chance to plead for Ed and would have to have all his argument written out in advance to hand the court; therefore he wanted to get it done.

"There were a lot of statements on paper to be read in court by the prosecutor," Ed said. "Then the court interpreter was supposed to translate these to me. He was an old man and I could not understand him. Everything was in writing. There were no witnesses in court to testify except my own character witnesses. There were three judges, some of whom seemed to be sleeping part of the time. At noon there was a recess, and after that one of the judges did not come back and another judge took his place. The last three found me guilty and sentenced me about 5 days later. I think I was the first American to be sentenced in Japan."

Ed was sentenced to 5 years' imprisonment and did not appeal his case. He thought instead of spending time in jail waiting for an appeal to be heard he had better start to serve the sentence. Bill confirmed the possibility of delay. After he was tried and convicted, he did appeal his case and lost. But it had taken 6 months for this appeal. That was the reason he would not go further when I urged him to do so.

The story of Bill's trial is similar to Ed's except that the taxi driver appeared in court and Bill's trial was stretched out in several short sessions over a month's time. He was not given a copy of the charges against him until the day of the trial, and the interpreter was not understandable. Two companions of Bill's were not tried, a fact which still puzzles him. His sentence was 3 years.

"I was really scared that first 4 months in solitary in Fukuoka Prison," said Ed. "When I first arrived I was given a 2-hour talk on the rules I had to observe and was told repeatedly that I would be punished severely if I broke any rule. I didn't know what the punishment might be. But almost every day I could hear and see through the peephole in my door the Japanese guards beating up a Japanese prisoner who was in solitary across the corridor from me. This man had a leather muzzle fastened over his mouth and his hands were handcuffed behind him. In solitary in this condition I could not see how he could break any rules; so I was mighty careful.

"There was snow on the ground when I was taken to Fukuoka Prison in March, and there was no heat in my cell. All my clothing had been replaced with thin cotton pants and shirt. My socks and boots were taken from me, and I was given some paperlike soles which fastened on my feet with thongs. During the day I tried to keep warm by putting my blankets around me, but when a guard discovered this my blankets were taken away each morning and returned at night.

"No one in the Army visited us until after the provost marshal at the airbase learned there were Americans in the prison. He came on his own, bringing magazines and books. When a major in the Army Medical Corps visited the prison we wished he hadn't. I happened to be in the corridor when he was talking to a guard who complained about the cost of taking care of the Americans. He mentioned the one egg and bottle of milk we had been getting each morning as an example. The major told him that this was unnecessary, that one egg every 3 days was sufficient. After that we got fried, boiled, or raw onions 2 out of 3 days, and finally no egg at all.

"I was allowed out of solitary every day for about 20 minutes to walk up and down the corridor between the cells, and was taken once a week to bathe. All my meals were brought to me by a Japanese prisoner; so the food was usually cold. We had cabbage, potatoes, bread, and rice for the main meal, with fish at times or animal intestines. For a brief spell we had a small piece of meat three times a week which didn't taste bad. When I asked what it was the guard said it was dog; so I didn't eat it any more. Then they quit giving it out."

Ed said he was kept in solitary confinement because the Japanese said they were afraid of the Americans. Later they claimed they could not find work for him. It was not part of his sentence to be a solitary. They finally put him to work in a basket factory and then he got his army boots back.

Regrettably our own Defense Department does not admit confinement in this type of cell to be extra punishment. In excusing Japanese prisons to Congress the Department referred to this type of cell as an "individual" cell as if it were a privilege to occupy one. The report the Defense Department made to Congress on the prison at Fuchu is filled with inaccuracies.

Bill first met Ed in Fuchu Prison. Bill was starting to serve his sentence and Ed was transferred there as part of a program to confine all Americans in one prison. Bill had a month of solitary confinement before being put to work in an ink factory. He had several other periods in solitary.

When the bread which was baked in the prison got so dirty and full of foreign matter as to be unfit to eat, Bill and Ed and six other Americans refused to eat it. The Japanese considered this as a strike and sent 6 of the 8 to solitary. The two that were not sent were colored boys. "The Japanese thought they could work up some prejudice that way," Bill said.

"While working in the kitchen I once asked a guard for some soap to wash mess dishes because they were so greasy. When he refused I jokingly called him 'Kitchinbo.' I think that is a word for 'cheap' or 'tight.'" Bill explained. The guard got mad and told the head guard, which got me another 6 or 7 days in solitary.

"If you were working at Fuchu you lived in a large cell with seven others and ate in a mess hall," Bill continued. "There was a large table in the center of each cell with eight chairs around it. We slept on the floor on pads about an inch thick which were rolled up with the blankets during the day and arranged in rows, four bundles on each side of the room. The beds had to be made up each night and were so close to each other we had difficulty in avoiding stepping on each other if we moved around. The toilets in Fuchu cells were flush toilets, sunk in the floor, discharging on the ground outside right under the window."

The cells were not heated at Fuchu, though there were stoves in the workrooms. In March, after the winter was almost over, the Japanese started to issue hot water bottles to the prisoners. "They started filling these bottles about 3 o'clock and they were delivered to the cells at 5," Ed explained. "You got to bed as early as you could to keep warm, but usually about 7 o'clock; so there wasn't much heat left in a bottle then. I've kicked mine out on the floor many times. I've known water to freeze in the cells."

Fuchu was damp as well as cold. Ed said some of his possessions got moldy. The boys didn't think that the blankets were ever washed while they were there, although Bill said they were taken away in summer.

Other food besides the bread was pretty bad too. Bill remarked, "At dinner and supper we would have some kind of ground stuff in a patty. It might be ground beef intestines, or whale, but it smelled so bad you couldn't eat it." Ed said he could see trucks delivering food at times from where he was working in the cell blocks, and "Some of it was so rotted it had turned green. It was mostly intestines, whale, squid or something like that."

Prisoners are not allowed to smoke in Japanese prisons. This brought Ed another 57 days in solitary confinement in Yokusuka Prison. This was the prison which was said to have central heat and to which all Americans were to be transferred from Fuchu. Because he had been working in the cell blocks at Fuchu, Ed was one of those selected to go ahead and clean up and prepare the new quarters. There he got some cigarettes from a Japanese guard. About a month later he was told that his violation was known, and he was confined alone for 14 days of investigation. This was followed by a 10-day sentence and a long wait until the Japanese condescended to put him to work.

Here was revealed the attitude of Japanese toward Americans. Bill mentioned, "I had a number of conversations at my cell door with the assistant custody officer about my application for work which I had sent to his superior. He said he knew his chief had it on his desk but that I should keep on making the applications. I told him this would look as if I was begging and I wouldn't do it. He said, 'Sometimes it pays to beg.' The Japanese tried to make Americans beg for everything, but I never would."

The Japanese like their role of jailers, possibly the more because they had so recently been a conquered nation. By claiming that the Americans were dangerous, and then reducing them to supplicants, they could pose as lion tamers. This was evident whenever the prisoners could be exhibited to the public.

"The Japs never moved an American outside the prison without first handcuffing him," Ed said. "Then a rope was tied around his waist and fastened to the handcuffs. The prisoner could then only move his hands a few inches. If more than one prisoner was moved, they would be fastened to each other by ropes. When I was moved to Fuchu, two of us traveled this way for 24 hours on the train, with 4 guards, and we were paraded through the railroad station in Tokyo manacled and roped together.

There were 55 Americans in Fuchu Prison when it was decided to move them to Yokusuka. The Japanese made a continuing production of the transfer, moving a few prisoners at a time by bus, about a 4-hour trip. "I was one of the first four moved," commented Ed. "We were manacled and roped together, in a bus with seven Japanese guards and prison officials. The bus was preceded by a motorcycle policeman and an armored car, with two other cars loaded with guards and another policeman following us."

Ed and Bill did not know anything about House Joint Resolution 309, which I had introduced in the House of Representatives in May 1955, which would have directed the President to try to reclaim the criminal jurisdiction over our troops abroad. When our diplomats arranged to surrender this jurisdiction to the Japanese, they gave no thought to prison conditions in Japan or to the laws and procedure to which our boys might fall victim. When the House Foreign Affairs Committee arranged hearings on my resolution, the Defense Department paid more attention to our boys in prison or awaiting trial abroad. The move to Yokusuka Prison was probably one result of this, in an effort to provide a little warmth for American prisoners. Then, too, the criminal laws of Japan were finally translated by the Defense Department shortly before this move.

The so-called central heating in Yokusuka prison was a disappointment, the boys said. Running through the cells was a single 3-inch pipe to which small metal fins were attached for a space of about 2 feet in each cell. The steam was turned on at about 4 o'clock each afternoon and there was some warmth in the pipe for several hours, barely taking the chill off. Ed often sat on the pipe for warmth.

The steampipes really had too much cold to overcome. The floors in Yokusuka were wood, with many large cracks through which you could see the ground. The light and cold came through holes in the foundation. The men had beds to sleep on here, with rice straw mattresses. They were fortunate to get off the floor for enormous rats would come up through the wooden floors into the cells. Several rats had to be killed in the cells.

The fact that the Defense Department stepped up the visits by officers who were to check the prison conditions and consult with the prisoners did the American prisoners little good. Some officers were easily hoodwinked. One major was shown the food served to the guards; the Japs claimed it was prison fare. The major called the men liars when they described the dirty and rotted food they were getting. Another officer told our prisoners that everything was fine, that he could see nothing wrong, that he thought they were better off than they would have been in an American detention area or in prison at home.

Bill was criticized by one of these visitors for not having any pride in his appearance. The officer ignored the fact that Bill was not allowed to bathe or shave oftener than once a week, a period shortened in summer to every 5 days. Bill was caught with his whiskers out!

Ed reported that two different American officers were not deceived. Each found conditions as described by the men to be true, and each complained to the prison authorities and promised action from American headquarters. Neither of these officers was allowed to make more than two visits. They were replaced by other officers more concerned about the good will of the Japanese than the conditions surrounding the prisoners. Bill and Ed can scarcely be criticized for the belief that the higher command in Japan was not very sympathetic to their situation.

The American prisoners, having gotten nowhere through their own visiting officers, tried to present their grievances to the warden. He refused to see them. Finally they all staged a sitdown strike by refusing to leave the messhall on one occasion. It was then arranged that a committee of three might see the warden in his office. Ed was one of the committee. They took with them a Japanese-American who had been a civilian employee of the Army and was then serving a 5-month sentence for a traffic violation. The nisei translated to the warden a long list of requested improvements, which included more recreation, more reading material, increased mailing privileges, better food, permission to bathe and shave more frequently. The warden promised everything, Ed said, but did nothing.

Ed thinks his being one of this committee and his refusal at all times to act as a beggar probably delayed his release from prison at least 7 months. He became eligible for parole under Japanese regulations long before they would grant him a hearing.

The report made by Ed and Bill must be curtailed in this narrative. I shall only refer to the indifference of the Japanese to the health of the prisoners, the inadequate and incompetent medical and dental treatment furnished them. I am also going to skip over the beatings of American prisoners which occurred on slight provocation. It seems that any guard who felt affronted by an American could by a blast of his whistle have as many as 30 guards converge on the hapless prisoner. Each guard apparently felt that face saving then required him to push or strike the prisoner with anything available. Some men still carry scars on their wrists where the manacles cut into the flesh as they struggled through such beatings.

Ed and Bill don't think that all Americans are together in one prison now. Before they left Yokusuka the Japanese had shipped six Americans back to Fuchu on the ground that they were troublemakers. There are other Americans in jails scattered around Japan who are waiting the results of appeals or serving sentences.

Of course, I have not referred to Ed and Bill by their true names. They are having enough difficulty getting jobs because of their conviction and imprisonment abroad, and I feel they should not have the finger of shame pointed at them unnecessarily. Both boys, however, are willing, and even anxious, to appear before any congressional committee that may be interested in hearing the truth about the treatment of our soldiers in Japan. I hope that in the next session of Congress there will be such a committee, and that a resolution such as House Joint Resolution 309 will be presented to Congress for action.

I wish that the State Department representatives, who made the Agreement with Japan and the NATO Status of Forces Agreement, might have been in my office to answer Ed's last question: "What happened to my constitutional rights?" he asked. "Right after I was arrested an army officer told me that I had lost my constitutional rights. We had ancestors who fought for those rights. Soldiers have always fought for them. I was willing to fight for them. I think they're great. I was deprived of them. I can't understand why soldiers should lose them anywhere. If you can take them away from men who are defending these rights, then isn't everybody in the United States in danger of losing them?"

Perhaps the 19 members of the House Foreign Affairs Committee who voted against reporting House Joint Resolution 309 to the House for action should ponder Ed's question, too.

Mr. McCARTHY. While the Status of Forces Treaty, the part of it which gives criminal jurisdiction over our uniformed men to foreign nations, is in existence—I refer not only to the Status of Forces Treaty but also to the executive agreements covering other nations—while they are in existence I shall never under any circumstances vote to send an American boy to a foreign soil.

I believe every American uniformed man drafted into the service must know that he carries the full prestige and power of this Nation on his shoulders when he goes overseas. We owe the same duty to our soldiers that they owe to their country. I wish I could say that our country has a record of honoring its duty to our fighting men. But as everyone knows, 467 American servicemen—and they are the forgotten men, and 467 is the latest number by sworn testimony of officials of the Department of Defense and the Department of State—are now languishing in Communist dungeons or have not been accounted for, because our Government has not had the moral courage to enforce the terms of the Korean armistice.

Until that blight on our national honor has been wiped out, and until the infamous Status of Forces Treaty and similar executive agreements are repealed, I for one will never vote for a resolution which would authorize the President or anyone else to send additional troops overseas without the protection of our Constitution.

Let me now turn to the third reason I am opposed to this delegation of the warmaking powers of Congress, namely, that it violates the Constitution.

The Committee on Foreign Relations made a change in the original language of the resolution, which was intended, evidently, to overcome the constitutional objections to the resolution. However, if that was the intention, I submit it was wholly unsuccessful. Let me read the relevant part of the resolution as it now stands:

> The United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end if the President determines the necessity thereof, the United States is prepared to use armed forces.

In other words, Congress is being asked to say, first, that it regards the independence of the Middle East states as vital to the United States interests, and, second, that if the President—which does not mean Ike; I have no quarrel with him; it means the palace guard—decides we should go to war to protect these interests, the United States will, thereupon, do so. What is this but a clear-cut grant to the President of the right to decide whether the United States should go to war? Yet, does not our Constitution provide that Congress, and only Congress, shall have the power to declare war?

I am not denying, of course, that the President, as Commander in Chief, has, in some circumstances, the power to send American forces into action without the prior sanction of Congress. But, as I read the Constitution and the Supreme Court decisions interpreting the Constitution, the line separating what the Commander in Chief may do and may not do is very clear. He may employ the Armed Forces of the United States to defend American lives and American property.

He may not, however, undertake offensive operations or operations to defend a foreign nation. If such operations are to be undertaken, Congress must make the decision. This, in the constitutional context, amounts to one thing, that is, that without the prior approval of Congress the palace guard cannot commit the sons of American mothers to engage in war in foreign lands.

The President is clearly within his rights in ordering American armed forces to fight back when they are under attack, or when American property is under attack. There can be no question about that. To go further than that and to maintain that the President has the power to use our Armed Forces to "protect American interests," as the phrase goes, is to obliterate altogether the distinction between defensive and offensive operations. For any offensive war, any war to defend a foreign nation, can obviously be justified in terms of "protecting American interests." Once we acknowledge the right of the palace guard to send American forces into battle whenever they believe "American interests" to be in danger, we will have rendered utterly meaningless the constitutional provision giving Congress alone the power to declare war.

This resolution is not restricted to the defense of American lives and American property. It contemplates that the President will send our armed forces into action in the event a foreign country is attacked by the Soviet Union. It attempts, in other words, to give to the President a power that the Constitution gave to Congress. But Congress cannot divest itself of its constitutional powers.

Such an alteration of the constitutional scheme can be accomplished only by an amendment to the Constitution.

Since it is for Congress, not for the President, to decide when and if we should go to war, I am offering an amendment to the resolution which would delete the phrase: "If the President determines the necessity thereof." The resolution would then read:

> The United States regards as vital to the national interests and world peace the preservation and independence of the nations of the Middle East. To this end, the United States is prepared to use armed forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism.

I am offering this amendment not because it will make the resolution more palatable to me, but because I think it will improve it.

The language I propose states, as plainly as it is possible to state it, the determination of Congress to oppose Soviet aggression in the Middle East. Thus, the deterrent requested by the administration is provided, but without an unconstitutional delegation of congressional powers.

I might add that this is substantially the language recommended by the Speaker of the House, Mr. RAYBURN, several weeks ago.

Let me make my position clear: If this amendment, in substance, is not adopted, I can, under no circumstances, support the resolution. My oath of office requires that I exercise continuing discretion in matters that are the proper concern of Congress. I am not empowered, indeed, I am forbidden, to delegate that discretion to anyone.

And I wonder, Mr. President, how any Member of this body can justify this delegation of power?

I know it is very likely that my good friends of the press will headline my statement as a fight against President Eisenhower. Nothing can be further from the truth. I have no personal animosity toward him. I have raised my right hand and taken about the same oath that the President has taken to defend this country against all enemies, foreign and domestic. I must fulfill that oath regardless of who is in the White House. Even if my great and good friend the late Bob Taft were President, I imagine there would be a number of occasions when I would feel I had to oppose some of his policies—and being acquainted with the rights and duties of a United States Senator, that is exactly what he would want me to do.

As a matter of fact, when we were in the Senate together I did oppose Taft on a matter very close to his heart. I thought that Taft's housing bill was, in some respects, inadequate, and, in others, too costly and unrealistic. As a result, I rewrote the entire housing act, which, incidentally, passed the Senate without a single dissenting vote. Bob Taft bore me no ill will for that; in fact, as I have indicated, he ended up supporting my bill. I do not, obviously, insist that President Eisenhower adopt my views. But I do insist that the differences of opinion between us be resolved on the merits of the issues that separate us.

I mention this, Mr. President, to spike any statements that, so far as I am concerned, this is a personal contest with the President of the United States. I do not care who temporarily passes across the public scene; while I am here I shall abide by my oath. And that is what I am doing today.

It has been argued that the President has promised to consult congressional leaders should he deem it necessary to use American armed forces. I am wondering if the President had reference to the kind of consultation with Congress that took place last week when the President flew back from his Georgia vacation to discuss the question of imposing sanctions on Israel. The President conferred with congressional leaders and found, so it has been reported, that they were unanimously opposed to imposing sanctions on Israel as long as Russian aggression in Hungary and Indian aggression in Kashmir went unpunished.

Yet, Mr. President, within a matter of hours—and I should like to have the attention of the very able Senator from Virginia [Mr. BYRD], because I am sure this is something which may concern him—within a matter of hours the President went before the American people, in the face of this determined congressional opposition, and declared that the administration was prepared to support sanctions against Israel.

That is the type of consultation we are being promised now as Members of Congress.

Yes, Congress may be consulted, pro forma; but what reason is there to suppose that the administration has any intention of deferring to the views of Congress?

When we come down to it, Mr. President, why should the administration pay any attention to Congress, once this resolution is adopted? If we pass the resolution as it now stands, the President will, as a matter of law, be entitled to lead this country into war or not, as he sees fit. We will have given the administration what it wants; namely, a guaranty that Congress will stay out of the picture for the duration of the Middle East crisis.

Let me hasten to add that the administration is not asking for an entirely free hand in this matter. While it wants to be free of congressional control, it is evidently determined to subject American foreign policy to United Nations control. Let me read a paragraph from the President's address to Congress on January 5:

> These measures—
>
> Meaning the employment of American armed forces—
>
> would have to be consonant with the treaty obligations of the United States—including the Charter of the United Nations, and with any action or recommendations of the United

Nations. They would also, if armed attack occurs, be subject to the overriding authority of the United Nations Security Council in accordance with the charter.

I invite any Senator to read any different meaning into those incredible words than that in the event of an armed attack in the Middle East by the Soviet Union, the administration's decision to resist or not to resist that attack would be subject to a decision of the United Nations Security Council, which, of course, would be subject to the Soviet veto.

It has been suggested, however, that the President did not really mean what he said. What the President really meant, Secretary Dulles has said, was that, in the event of a Soviet attack, he would take the matter to the United Nations Security Council—not to Congress, mind you, but to the United Nations Security Council—to see if the Security Council would support collective action against the aggression. If such a motion were vetoed by the Soviet Union, according to Dulles, the administration would be prepared to go ahead on its own under article 51 of the charter. I do not know what the President meant; I know only what he said in a formal address to Congress which was presumably gone over extremely carefully, word by word, comma by comma, by the President, or if not by him, by his staff. On the basis of that statement, I am unwilling to run the risk of voting for a resolution that is intended to subordinate American foreign policy to the veto power of Communist Russia.

But putting that point aside, no claim has been made that the President did not mean what he said in the first sentence of that paragraph when he asserted that any action we would take under this resolution would have to be consonant with "any action or recommendations of the United Nations." That statement can have no other meaning than that if the General Assembly of the United Nations should decide by a resolution that Soviet aggression should not be opposed, the administration would feel obliged not to resist the aggression.

Is there not something wrong here, Mr. President? Is there not something wrong when we are told (a) that the situation is so urgent in the Middle East that the Congress must be deprived of its right to participate in the making of American foreign policy and must surrender its war powers, but (b) that American policy must be subject to a veto of the United Nations, including Soviet Russia—that aimless, hypocritical, pettifogging organization in which the balance of power is held by Communists and neutralists? Did anyone in this body believe, when the Senate ratified the United Nations Charter, that the United Nations was to be given a veto over American foreign policy? If ratification of the charter had been understood to mean that, I feel it would have been rejected by the Senate.

Mr. President, I may say that I am increasingly disturbed by the apparent recognition of Dag Hammarskjold as the Secretary of State of the United States. The United States does nothing in foreign policy unless Dag Hammarskjold is first consulted. I always thought the position of Secretary of State was so important that the man who was acting as the Secretary of State would come before the Senate to have his nomination either confirmed or rejected. But that is not the situation as of today.

Now the United Nations has become a power superior to the Government of the United States. The administration is urging—and it does so increasingly, day after day, on almost all matters of foreign policy—that the United States must subordinate its own policy to the decisions of the United Nations. The administration maintains that we must follow the lead of the United Nations as a matter of moral principle. But what kind of principle is that that equates morality with a majority resolution by the United Nations? Are we henceforth to settle all questions of right and wrong on the basis of what the United Nations decides—the United Nations, which has cravenly and hypocritically refused to take any action against Soviet brutality in Hungary or Indian aggression in Kashmir, but is quite prepared to punish a nation like Israel, which is weak, and relatively friendless, and which has committed, if any, a far less serious crime?

What I am saying, Mr. President, is that the United Nations has not earned our admiration or our confidence or our trust; it has earned nothing but contempt from men who are interested in defeating world communism and in promoting international morality and justice. In the circumstances, I find the proposal that the United States subordinate its foreign policy to United Nations policy insufferable.

There is no way in which Congress can prevent the administration from trotting to the United Nations for U. N. approval before it puts its policies into effect. But we can refuse to give the administration any official sanction for doing so, and we can put the palace guard on notice that we as individual Senators are totally opposed to weakening American policy by tying it to the United Nations.

Finally, let me comment very briefly on the request for additional funds for assistance to Middle East nations. I am opposed to this request at this time for two reasons: First, there are already substantial funds available which could be spent on the Middle East, but which have not been spent so far because the administration has not yet thought up projects on which they might be spent.

For example, as will be recalled, approximately 2 years ago we appropriated $100 million, to be used in the Middle East at the discretion of the administration. How much of that money was used? Mr. President, I do not have the exact figure at hand; but, as I recall, approximately $7 million was used. The balance of the appropriation was not used, because our spenders could not find projects on which to spend the money.

But at this time we are asked for another $400 million; and when the witnesses came before the committees, they said, "We do not know how to spend it. But give it to us, and in the future we shall decide how to spend it."

Second, assuming that in the future there will be a need for greater funds than those now available, there is no reason to make more funds available until such time as the administration has definitely established a need for them. Time and again, Secretary Dulles was asked by members of the Committee on Foreign Relations and the Armed Services Committee how he intended to spend this money. His answer, invariably, was that the administration had not yet made up its mind. Mr. President, if the administration has not made up its mind, it has no business coming before Congress and requesting funds. The sensible and orderly procedure, it seems to me, is for the administration first to determine what projects are necessary in the Middle East, and then to come before Congress and request funds for the projects.

The Secretary of State has said on a number of occasions that it would be unwise to explain these projects publicly, because that would be tipping our hand to the Communists. Very well; then let him come before the appropriate congressional committees in executive or secret session. I think the members of the Armed Services Committee and the Committee on Foreign Relations are good security risks—as good, at least, as the bureaucrats in the executive branch—and can be counted on not to betray our secrets to the Communists.

Mr. LONG. Mr. President, will the Senator from Wisconsin yield to me?

Mr. McCARTHY. I am glad to yield.

Mr. LONG. I certainly agree with the point the Senator from Wisconsin has made in that respect. It seems to me that Senators of the caliber of the senior Senator from Georgia [Mr. RUSSELL], the chairman of the Armed Services Committee, are excellent security risks, and are entitled to know the plans in connection with this matter, and that it would not be too great a security risk to let them be informed of the plans our country is making with foreign powers about how the money is to be spent.

Mr. McCARTHY. I thank the Senator from Louisiana for making that point. I agree with him very strongly that the Chairman of the Armed Services Committee, the senior Senator from Georgia [Mr. RUSSELL], and all the other members of that committee can be told about how it is proposed to spend the $400 million. If they are not so told, I do not think the Congress should authorize the spending of one red cent, in view of the fact that there is still roughly—I admit that the figure I use may not be entirely accurate—$95 million available.

Mr. LONG. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. McCARTHY. I am glad to yield.

Mr. LONG. I formerly was a member of the Armed Services Committee, and at the present time I am a member of the Foreign Relations Committee. I would not insist that something of a secret nature, if involved in this matter, be told to me. But if we have reached the point where not one Member on this side of the aisle—not even a Member who has been entirely faithful in keeping secrets when they should be kept—can be told about this matter, that is going too far, particularly when such Senators have kept things secret when they should be kept secret, whereas, on the other hand, some members of the palace guard seem to have a way of letting secret matters be made available to Time magazine, Life magazine, the New York Herald Tribune, and certain other publications. But apparently some Members of Congress who experience has shown can be trusted, are not trusted with the information, whereas the palace guard has the information, and leaks it to certain members of the press.

Mr. McCARTHY. Mr. President, I could not agree more fully with any statement recently made on the floor of the Senate. I feel that when a Senator, such as the Senator from Louisiana [Mr. LONG], formerly a member of the Armed Services Committee, and now a member of the Foreign Relations Committee, has been elected by the people of his sovereign State, he has received from them their vote of confidence, and certainly he is entitled to the information, over and above the palace guard, many of whom could not even be elected dog catcher, if they ran for the job. However, for some unknown reason they come before the Senator's committee and say, "We cannot tell you what we are going to do. We cannot trust you with the information. All we want from you is that you sign a blank check."

Mr. President, the people of Louisiana, who elected the Senator from Louisiana—and I believe they were wise in doing so—could certainly expect that in connection with the making of this decision, the Senator from Louisiana would have the information which members of the palace guard have.

Mr. LONG. Mr. President, will the Senator yield again to me?

Mr. McCARTHY. I yield.

Mr. LONG. To the best of my information—I have been seeking to ascertain whether the statement is true; and I believe it is true—it seems that not a single Member on this side of the aisle, which is the majority side of the Senate, has been entrusted with any information regarding what is to be done if the strings are removed from this money and if the administration is permitted to parcel it out without making any accounting whatsoever, and with the foreign rulers being relieved of the responsibility of telling us what they are doing with the money. I am curious to know whether a single Member on the Republican side of the aisle has been entrusted with the information, for I should like to know whether a single Member of the United States Senate is in the confidence of the administration, to the extent that he has any idea whatever of a single project for which the money is to be used or how it is to be used, along the line of the information which was printed in the New York Herald Tribune, and which apparently was derived from Arabian sources.

Mr. McCARTHY. Mr. President, let me say that I am not exactly on a "Dear Milt—Dear Joe" basis with Milton Eisenhower, so that information has not been given to me. But I am sure all other Senators will agree when I say that information which could well be considered to be of a secret nature has constantly been "leaked"—not by Members of Congress, either Democrats or Republicans. I do not know of a single Democrat or Republican Member who has "leaked" any secret information, but we do read information of this type in some of the so-called—I do not like to use the word "liberal"—in some of the leftwing newspapers and magazines. I think it has been proven that the Senator from Louisiana is 100-percent correct; that so far as the Members of the Senate are concerned, we respect absolutely any confidence which is reposed in us.

Mr. LONG. Mr. President, if the Senator from Wisconsin will yield further, I should like to make it clear that I do not expect the administration or any Senator to make available to me any information which it or he possesses, because it is very clear that the administration does not want the junior Senator from Louisiana to know anything about how the money is to be spent or about how much of it any particular nation would receive. But I am curious to know whether any Senator on the Republican side of the aisle knows—inasmuch as, so far as I can determine, no Member on the Democratic side has been entrusted with the information.

Mr. McCARTHY. I do not know of any Senator on either side of the aisle who has been entrusted with the information. I may say that I have read articles—the last one I believe was on January 29—to the effect that "Galloping Harold," who is supposed to be head of disarmament, was urging that we unilaterally quit experimenting with long-range, intercontinental guided missiles. I believe that, in fairness to the Senate and the members of the committee to which the Senator from Louisiana belongs, they should know why. I think we should know why a man in that high position urges so strongly that we should stop experimenting with the only weapon which may decide who will win the next war. I would much rather entrust such information to the members of the Senator's committee than to some of the bureaucrats.

Mr. LONG. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I am glad to yield.

Mr. MORSE. The Senator is aware, is he not, that in the recent past the President of the United States, the Secretary of State, and others had conferences in Washington with King Saud of Arabia and his entourage?

Mr. McCARTHY. I am fully aware of that.

Mr. MORSE. Is the Senator under the impression, based upon newspaper accounts, that it is to be assumed, as a result of those conferences, an agreement of some kind was reached between the President and King Saud of Arabia in regard to the relationships between our two countries?

Mr. McCARTHY. I may say to the able Senator I can only guess at that. My guess would be of no great value, but, in line with the thought of the Senator from Oregon, we know that the conversations, the possible agreements, were not divulged to the American people. For example, one of the matters I read about, which was leaked, was that we could not use the airbases, which we built in Saudi Arabia at tremendous cost, if we allowed any Jewish personnel on those airbases. There has been no confirmation or denial of that statement. There should be either a confirmation or denial, because I do not believe this country should bend and scrape and bow its knee and let a foreign nation decide that, because of race, religion, or color, we cannot have our citizens on bases, which we have paid for, in other countries. I may have gotten off the Senator's question slightly.

Mr. MORSE. Not at all; not at all.

Taking up another facet of my question, if arrangements were entered into, in agreement between the President of the United States and the King of Saudi Arabia, with respect to the use of airbases or with respect to any other economic understanding, does the Senator know of any member of the Foreign Relations Committee or the Armed Services Committee of the Senate who has been informed as to the specifics of those agreements?

Mr. McCARTHY. I may say I do not attend the conferences at the White House as yet; but, so far as I know, the answer is "No." However, some of the leaders on both sides of the aisle would be in a better position to answer that question.

Mr. MORSE. Does the Senator from Wisconsin think it fair to assume that, whatever agreements were entered into between the President of the United States and the King of Saudi Arabia, in all probability the members of the Arab entourage who accompanied the King of Saudi Arabia to the United States know more about that particular phase of American foreign policy than do Members of the United States Senate?

Mr. McCARTHY. I fear the Senator's statement is correct. But I hope that at an early date at least the members of the Foreign Relations Committee and the leadership on both sides of the aisle will be told very frankly, as they should be, what, if any, agreements were made or proposed.

Mr. MORSE. Does the Senator from Wisconsin agree with me that the refusal of this administration to accept any amendment to the pending resolution that would place a requirement upon the President to get the approval of the Congress of the United States for any specific grant to any of the countries of the Middle East, or for any specific project, is further evidence on the part of the administration that we are being led down the road toward government by secrecy?

Mr. McCARTHY. I am sorry. I did not get the entire question.

Mr. MORSE. Does the Senator from Wisconsin agree with me that the refusal on the part of the administration, through its chief spokesman on the pending resolution, the Secretary of State,

to accept any amendment to the resolution which would require the administration to get the approval of the Congress for the use of funds for any specific project in the Middle East is but additional evidence that we are being led down the road toward government by secrecy in the United States?

Mr. McCARTHY. And also, I might add, there is a request that Congress abdicate its constitutional power—not only its power, but its duty. Under the Constitution, we have the duty to determine where American boys will fight. It is not merely our power; it is our duty to determine that. So far as I am concerned, I spent considerable time in one war. I personally would be glad to spend additional time fighting the Communist conspiracy any place else in the world. Let me say—and I am not sure if this is an answer to the question of the Senator—I will not vote to send American boys to a foreign land unless they have the assurance that they pack all the power, all the dignity, of this Nation, on their shoulders, and that never again will we see what we are witnessing as of this moment—not as of yesterday or the day before, but as of this moment—the spectacle of 467 uniformed men, according to the sworn testimony of officials of the State Department and the Defense Department, who are either in Communist dungeons or unaccounted for.

If I may digress a minute from the answer to the question, the question is what we should do. The sands in the hourglass of time are rapidly running out. We have lost our dignity as a nation. There was a time, as the Senator well knows, when no nation would dare place his foot on the neck of an American uniformed man.

For example, in 1904, when Teddy Roosevelt was President, Raisuli, a Moroccan bandit, captured Tangier and seized several foreigners whom he held for ransom. Among the prisoners was Ion H. Perdicaris, a native of Greece, who had become a naturalized American citizen. Samuel R. Gummere, the American Consul at Tangier, demanded the release of Perdicaris, but the Sultan of Morocco, who apparently did not wish to offend Raisuli, delayed action by negotiations.

One June 22, 1904, Secretary of State John Hay, after consultation with President Roosevelt, sent a message to Gummere containing the following sentence: "Perdicaris alive or Raisuli dead."

This was, perhaps, the shortest note in diplomatic history.

I think if we tore a page from Teddy Roosevelt's book, the Senator and I would feel better about the Congress voting to send American boys to foreign lands.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. McCARTHY. I yield.

Mr. MORSE. In the course of his speech the Senator referred to the request in this resolution being not merely a request for $200 million, but, in effect, a request for $400 million. Does the Senator from Wisconsin agree with me that when we come to vote upon the joint resolution to give this unlimited discretionary power to the President of the United States to use the $200 million mentioned in the resolution in any way he deems desirable, we also must face the fact that that will be a precedent for further requests upon the part of the President? He has already indicated in one public statement that he will ask for an additional $200 million for each of the years 1957 and 1958. Is that the Senator's understanding?

Mr. McCARTHY. I think the Senator has stated the situation very well. I am not optimistic about this resolution receiving deep and thorough study. I am not optimistic about this fantastic resolution being defeated. I am afraid that in the Senate we shall do what we have done so often before, namely, roll over and play dead. I know that I shall hear on this floor the argument which I have heard so often in the past when the President asked for authority. The argument will be, "You must vote the authority. Otherwise you are not expressing confidence in the President." I should like to express a bit of confidence in the United States Senate instead, with no reflection on the President.

Mr. MORSE. Returning to my question for a moment for further comment on what the Senator has just said, does the Senator from Wisconsin share my fear that if we vote this $200 million, to be followed by further requests on the part of the President, as already announced by him, we shall find ourselves, in the not distant future, as the Senator from Arkansas has said in the debate, dealing with requests for not $200 million, $400 million, or $600 million, but several billion dollars, to be spent at the arbitrary discretion of a President? I speak not of this President, but of the office of the Presidency. Does the Senator think there is that danger?

Mr. McCARTHY. I could not more heartily agree with the Senator.

Mr. MORSE. Does the Senator agree with me that if we establish that kind of precedent we may even lose what has always been described in the past as one of the great strengths of the Congress, namely, its control of the purse strings?

Mr. McCARTHY. The Senator is correct. I may go a step further and say that if we continue to abdicate our duty and turn it over to a President we may as well go back to our home States and take up some other occupation. I think we are violating our duty when we turn over to a President—I am not speaking about Eisenhower, but any President, because we have seen this encroachment over the years—the power which the Constitution vests in the Congress.

Mr. MORSE. Does the Senator from Wisconsin agree with me that if we refuse to grant the President the authority he has asked for under this resolution we shall, in fact, be strengthening the Office of the President of the United States, because we shall be protecting it in respect to its full constitutional responsibilities?

Mr. McCARTHY. Let me phrase my answer in different language. I think we would be strengthening the Government of the United States.

Mr. MORSE. Finally, on the question of lack of confidence, I have listened to some of my colleagues, in speeches off the floor of the Senate, give every reason why we should not vote for this resolution and then close their speeches by saying, "But——." I am always interested in the "but" clauses. Many such speeches end with the words, "But what can we do? If we do not vote for this, our President will stand naked before the world."

Let me say to my colleagues on this side of the aisle that I think it is about time the Democratic Party stopped providing the clothes for Dwight D. Eisenhower.

Mr. McCARTHY. I thank the Senator very much. I gather he was not calling for an answer to that observation.

Let me say also to the Senator, when we are talking about the Democrat or the Republican side, that I am a Republican, root and center. I always have been. I feel that I should support Republican principles. However, I will not support the principles of any man, whether Democrat or Republican, at any time when I feel that what he is doing is wrong. I am sure the Senator would agree with me in that position.

Mr. MORSE. I merely submit my record.

Mr. McCARTHY. In closing, let me say that if the appropriate Senate committees are satisfied that the projects are worth while, if they have been given information, and not a lot of gobbledygook, and if they are satisfied that currently authorized funds are not adequate, then there will be some force to the argument that we should authorize additional funds. But, so far as I know, no such information has been given to any congressional committee up to this time.

The electorate of my State did not send me to the United States Senate to sign blank checks, and I assure not only the people of Wisconsin, but the people of the United States, that I do not intend to sign any blank checks.

On the question of funds, as with all other aspects of the resolution, the fundamental question is whether Congress will discharge its constitutional and moral responsibilities, or will abdicate to the President. Let us not try to avoid this question, Mr. President, for the fate of representaive government in our country hangs in the balance.

Mr. President, I regret I have held up for so long consideration of the Russell amendment, which is before the Senate. I shall either vote for it, or pair with one of my good friends who is absent from the Senate, in favor of the amendment, not because I intend to vote for the resolution as an end result, but because I think the Russell amendment is better than the resolution as reported.

However, there are two phrases in the Russell amendment to which I object. The first is on page 1, line 4—"if the President determines the necessity thereof."

To make it a sensible resolution, that phrase should be stricken.

On page 2, lines 6 and 7, the phrase "created by action of the United Nations" makes it a bad resolution. Some

of my friends may wonder why I shall vote for it. I shall vote for the Russell amendment in the nature of a substitute. I shall not vote for the resolution when it comes up for final passage. I shall vote for the Russell amendment only, because I think it is an improvement over the resolution.

Mr. LONG. Mr. President, I believe the Senator made reference to page 2. I wonder whether he was referring to the same line I had in mind. I refer to line 2 on page 2, to the phrase "with the Charter of the United Nations."

Mr. McCARTHY. I was referring to lines 6 and 7 on page 2. The phrase on line 2 is equally objectionable, but I believe that has been stricken.

Mr. LONG. Yes. That is what I had in mind.

Mr. McCARTHY. I am referring to lines 6 and 7, which have not been stricken.

PROPOSED UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. JOHNSON of Texas. Mr. President, it is my intention, as soon as we are able to obtain a quorum, to suggest to the Senate, on behalf of the distinguished minority leader and myself, a unanimous-consent agreement. I should like to read it for the information of the Senate and for the information of the staff.

Mr. REVERCOMB. Mr. President, will the Senator speak louder?

Mr. JOHNSON of Texas. Yes; or the Senator might move closer. It is difficult for me to speak too loud.

I should like to read the proposed agreement for the information of Senators and for the information of the staff; and to suggest to the staff that they proceed to notify each Senator that we will have a quorum call at the conclusion of my very brief statement, and that the clerk will then be called upon to read the unanimous-consent agreement.

I read the proposed unanimous-consent agreement as follows:

Ordered, That, effective on Thursday, March 7, 1957, at 10 o'clock a. m., during the further consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said joint resolution shall be received.

Ordered further, That if and when the committee amendment in the nature of a substitute, whether or not amended, is agreed to, the Committees on Foreign Relations and Armed Services jointly shall be deemed to be discharged from the further consideration of House Joint Resolution 117, the companion House measure; that said joint resolution shall be deemed to be amended by striking out all after the enacting clause, and in lieu thereof inserting the text of Senate Joint Resolution 19, as amended; and that the amendment to the said House joint resolution shall be deemed to have been engrossed and the joint resolution shall then be read the third time.

Ordered further, That on the question on the final passage of the said joint resolution, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders or either of them, may, from the time under their control on the passage of the joint resolution, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. President, I am prepared to change the day from Thursday to Wednesday or from Wednesday to Tuesday or from Tuesday to Monday, or from Monday to Saturday. I have previously announced that I plan to be absent from the Senate on Wednesday, and I may have to arrange with the distinguished minority leader to find me a pair on his side of the aisle.

The proposed unanimous-consent request is submitted at the suggestion of the able junior Senator from Louisiana [Mr. LONG], who believes that certainly between now and next Thursday we will have ample opportunity to discuss the legislation and that every Senator will have an opportunity to express himself. This agreement would permit Senators to go ahead and firm up their schedules and make their arrangements with some certainty as to when the vote will take place.

The Senator from Texas has no preference in the matter other than to try to accommodate the wishes of Senators.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. The distinguished majority leader had consulted with me on this subject, as he has courteously done on other matters of this kind. I have joined with him in proposing the unanimous-consent request because of indications that Thursday would probably be the first day with reference to which we could get a unanimous-consent agreement applying to the whole resolution.

I might say that it would be my preference, as the distinguished majority leader has said it would be his preference, to be able to enter into an agreement which would apply today or tomorrow or Monday or Tuesday or Wednesday. However, I have learned, in almost 12 years of service in the Senate, that we cannot always get what we would like to have; therefore, it is necessary to accommodate ourselves to what can finally be worked out among 96 Members of the Senate.

I should like to make one clarifying point for the RECORD and for the information of the Senators. We now have pending before the Senate, upon which we have now had at least 2 days of debate, if not longer, the so-called Russell amendment. There are other amendments at the desk, and still others may be proposed.

I should like to have an understanding, if the proposed unanimous-consent agreement should be entered into, that the agreement would not prevent a vote on either the pending amendment prior to the effective date of the unanimous-consent agreement, or on other amendments as they might be offered, but that the unanimous-consent agreement would fix the date so far as voting on the resolution itself is concerned and on any amendments which should be offered at that time.

Mr. JOHNSON of Texas. I see nothing in the proposed agreement which would prevent a vote on the pending amendment or on any amendment thereto at any time the Senate is ready and willing to vote. However, the agreement would begin to run on Thursday, March 7, at 10 o'clock a. m. if we have not already disposed of the resolution by that time.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. ANDERSON. I merely wish to compliment the majority leader and the minority leader on their patience in this matter, and to express the hope that this agreement will be entered into.

Mr. THYE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. THYE. I, like the majority leader, have made a commitment. I have made a commitment for Thursday of next week, March 7. The majority leader has a commitment for Wednesday, the 6th of March. I would find it extremely embarrassing if a vote on this important question should come up on Thursday of next week, because I had agreed several months ago to address the annual national meeting of the REA at Chicago on Thursday morning. I hope it will be possible for a vote to be taken before that date. I believe that we would have ample time to discuss the question and begin voting even as early as Tuesday of next week.

Mr. JOHNSON of Texas. Does the Senator object?

Mr. THYE. No; I do not wish to object, because I think the patience of the majority leader and the minority leader has been tried in their endeavor to bring the question to a vote. I hesitate to raise any question, and, therefore, I shall adjust myself to the convenience of the Senate, and if I am not present when the vote is had, I shall later state my position. If some Senator would be willing to pair with me I should be delighted to have him do so.

Mr. JOHNSON of Texas. I thank the Senator from Minnesota for his fine attitude at this time as always.

Mr. McCARTHY. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCARTHY. Mr. President, in view of the fact that the Senator from Texas is going to suggest the absence of a quorum and is discussing it now to get a complete picture, would the Senator object if I suggested the absence of a quorum?

Mr. JOHNSON of Texas. I was going to do it. I thought if any Senator was going to object he would so indicate by asking questions.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. Mr. President, I have just had a discussion with the distinguished Senator from Massachusetts [Mr. SALTONSTALL] concerning one point which may require some clarification. I think the Senator has already made it clear that nothing in the agreement, if it should be entered into by the Senate, would prevent a vote on the pending amendment or such other amendments as might be offered, prior to Thursday, if that is the date which is accepted. I should also like to ask if there is anything which would preclude supplementary unanimous-consent requests confined to individual amendments if the Senate by unanimous consent decided to fix an hour on amendments so that Senators might be advised of the time of voting.

My own answer would be that there is nothing in the unanimous-consent request which would prevent such supplementary agreements, but I wanted to get the opinion of the distinguished Senator from Texas, the majority leader.

Mr. JOHNSON of Texas. I share the minority leader's viewpoint.

I would ask the Chair if he will advise the Senate on that point.

The PRESIDING OFFICER (Mr. COTTON in the chair). The Chair is informed by the Parliamentarian that the Senate by unanimous consent can enter into other agreements without in any way, shape, or manner affecting the pending unanimous-consent request.

Mr. CHAVEZ. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. Mr. President, I understand that nothing in the proposed agreement would prevent the Senate from voting on the Russell amendment today or any other day prior to the 7th of the month. Is that correct?

Mr. JOHNSON of Texas. That is correct.

Mr. CHAVEZ. I also understand that the Senate will convene on the 7th of March at 10 o'clock a. m.

Mr. JOHNSON of Texas. That is my hope.

Mr. CHAVEZ. And, also, that there will be a morning hour?

Mr. JOHNSON of Texas. No; that is not planned.

Mr. CHAVEZ. The request calls for 6 hours of debate on the Russell amendment, if it is still pending——

Mr. JOHNSON of Texas. Not to exceed 6 hours.

Mr. CHAVEZ. That would mean, then, that we would hardly be voting on Thursday, March 7, until——

Mr. JOHNSON of Texas. I would say that the request provides not to exceed 3 hours on the resolution; that is, 3 hours to each side. Time could be yielded on any or all amendments.

Mr. CHAVEZ. Will the Senate vote on the Russell amendment if it is still pending that day?

Mr. JOHNSON of Texas. I hope the Russell amendment can be voted on today.

Mr. CHAVEZ. The Senator from Texas cannot hurt my feelings by bringing that about.

Mr. JOHNSON of Texas. I am attempting to avoid hurting the Senator's feelings.

Mr. CHAVEZ. The Senator always does.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. CHAVEZ. I am trying to adjust my time. In case we have to go to the 7th, when does the Senator think a vote will be taken?

Mr. JOHNSON of Texas. I do not have that kind of crystal ball. I hope we can vote on the Russell amendment today, and that, then, any other amendment which may be pending will be called up, and that we can vote with as much dispatch as is possible in the event action on the amendment is not concluded today. Certain Senators have suggested that to me because they desire to make plans, and this procedure will permit them to do it. I am doing it largely as a courtesy to them, because I think they have that right.

Mr. PASTORE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. PASTORE. For all practical purposes, if the Russell amendment is voted upon today and adopted, will this matter not be all over?

Mr. JOHNSON of Texas. I would not so consider it.

Mr. McCARTHY. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCARTHY. Mr. President, I ask unanimous consent that my name be placed on the quorum call. An important committee meeting is to be held beginning at 2 o'clock this afternoon——

Mr. JOHNSON of Texas. Mr. President, I would have to object to that, in order to maintain the procedure which we have in the Senate.

Mr. McCARTHY. Does the Senator object to that?

Mr. JOHNSON of Texas. I must object. The absence of a quorum has not yet been suggested, and may not be.

Mr. MORSE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. Mr. President, I yield to my friend from Oregon.

Mr. MORSE. Mr. President, I must object to the unanimous-consent request.

I speak somewhat with a feeling of sadness about it, Mr. President, because I do not think we need to become involved in this type of parliamentary controversy at this time. But we are in it; so, for the record, I want to make this very brief observation as to my reasons for objecting.

First, as to this specific case, I think our foreign policy is in such a state of flux in these critical hours that we should not be laboring under any misapprehensions in the debate in the Senate. I think we should keep ourselves free at every moment to take, from a parliamentary standpoint, whatever turn new facts developing in foreign policy might warrant.

Second, Mr. President, in 12 years I have been in many discussions concerning unanimous-consent agreements. As a matter of general policy, I think unanimous-consent agreements are a bad policy in conducting Senate business. Many times when unanimous-consent requests have been denied in the Senate we have closed the debate a considerable length of time ahead of the time at which it would have been closed if we had been operating under the unanimous-consent agreement. I think that is true in this instance. If we would go ahead and debate the question and start voting on amendments, my guess is that we would be through with the whole program long before Thursday of next week.

Mr. President, I now wish to address myself to a very sensitive point which is involved in this discussion, because we know that many of these unanimous-consent requests are made in order to accommodate colleagues.

I have been accommodated many times, as has every other Member who has served any length of time in the Senate. Yet I cannot escape the fact, after 12 years of observation of this procedure, that transacting business in the Senate by unanimous consent as the rule—and it has almost become that—has done harm to debate in the Senate. It has done injury to what I think is the primary historic purpose of the Senate, that is, for the elected representatives of a free people from the various sovereign States of the Nation to come onto the floor, to exchange their respective points of view on the merits of an issue, and to vote. I have said many times that in order to perfect that system the Senate ought to adopt a rule of germaneness; but that is another matter.

What is actually happening—and no one can successfuuly deny it in this discussion—is that when we accept a unanimous-consent agreement to vote as of a certain time on any question, we not only accommodate X, Y, or Z, who may find himself in a position where he must go to his home or somewhere else so as to take care of some personal matter, but also we proceed to accommodate the whole Senate, or a large segment of the Senate, in a practice of absenteeism.

I do not ask any Senator to share my view about this—I know many Senators do not—but one of the reasons for the unanimous-consent rule in the Senate is to give the individual Members of the Senate the right to exercise their honest opinion as to what they consider their duty to be. I feel that that we need to do something to restore what I believe to be a very sound historic practice in the Senate, namely, that the Senate vote in accordance with the rule of the regular order, with the exception that unanimous consent may be given to limit the available time of debate for emergency purposes.

I made a study a couple of years ago, when this matter was previously before the Senate, and I intend to bring it up to date as soon as I can, of the whole history of unanimous-consent agreements. There were decades in the Senate when such agreements were a rarity; but I think also in those decades the opinions were formed on the floor of the Senate more than they are now, on the basis of evidence presented in debate.

So I object to this request not only because I believe in this particular in-

stance we ought to keep ourselves in a state of flux on the resolution before the Senate, and should not be tied down by the straitjacket of a unanimous-consent agreement, but also because some of us should raise our voices in protest against this growing change in the historic policy of the Senate, a policy which I think is doing the Senate great damage. I do not think that Members of the Senate have the right constantly to ask for personal accommodations to the detriment of what I consider to be a very important, historic practice in the Senate.

I am not saying that I shall object to all unanimous-consent agreements, but I am saying that a much stronger case for a unanimous-consent agreement will have to be made than has been made to date for this one before I shall agree to it. Therefore, I object.

The PRESIDING OFFICER. It is not yet in order to object to the unanimous-consent agreement, because the Senator from Texas has not yet offered it. He merely has served notice that he intends to offer it.

Mr. MORSE. I beg the Senator's pardon; I thought the unanimous-consent agreement was at the desk.

Mr. JOHNSON of Texas. No. I merely expressed the hope that Senators would give consideration to it and would try to approach it with an open mind. If it seemed to appeal to them, we could then have a quorum call. It is the practice always to have a quorum call before a unanimous-consent agreement is proposed.

Mr. KENNEDY obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Massachusetts yield to me for two purposes: First, that I may propose an order that when the Senate concludes its business today, it stand in adjournment until 11 o'clock tomorrow morning; and second, for the purpose of suggesting the absence of a quorum, with the understanding that the Senator from Massachusetts will not lose the floor?

Mr. KENNEDY. I shall be glad to yield for those purposes.

ORDER FOR ADJOURNMENT UNTIL 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Eastland	Monroney
Allott	Flanders	Morse
Anderson	Gore	Mundt
Beall	Green	Murray
Blakley	Hayden	Payne
Bush	Hennings	Purtell
Carlson	Hill	Robertson
Carroll	Humphrey	Russell
Chavez	Javits	Smathers
Church	Johnson, Tex.	Stennis
Clark	Kefauver	Wiley
Cooper	Kennedy	Williams
Cotton	Long	Young
Curtis	Mansfield	
Dworshak	McClellan	

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Forty-three Senators have answered to their names. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BUTLER, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. DIRKSEN, Mr. DOUGLAS, Mr. EASTLAND, Mr. ERVIN, Mr. FREAR, Mr. GOLDWATER, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KUCHEL, Mr. LAUSCHE, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. NEUBERGER, Mr. PASTORE, Mr. POTTER, Mr. SALTONSTALL, Mrs. SMITH, of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. THYE, and Mr. WATKINS answered to their names when called.

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

In accordance with the understanding before the quorum call, the junior Senator from Massachusetts [Mr. KENNEDY] has the floor.

Mr. KENNEDY. Mr. President, I desire to address the Senate very briefly on the two major questions pending before it:

(a) Should the President's Mid-East resolution, as amended in committee, be passed; and

(b) Should the economic and military-aid provisions in the resolution be stricken, as urged by a pending amendment?

I

I intend to vote for the resolution, as amended by the committee, despite my very real dissatisfaction with it. Permit me to explain my position further.

I believe the resolution to have been unsatisfactorily worded, particularly in the original version prior to the amendment of the Senator from Montana [Mr. MANSFIELD] and the Senator from Minnesota [Mr. HUMPHREY] for it dodges—and may obscure further—grave constitutional questions of presidential and congressional powers, leaving any future occupant of the White House in doubt as to whether his office has been strengthened by this broad grant of authority, weakened by a precedent that requires congressional approval of inherent Executive powers, or left untouched.

I believe the resolution to have been unsatisfactorily designed; for it lumps together in unwieldy fashion an unnecessary repetition of existing economic and military aid authorizations, a vague and restrictive restatement of our determination to resist Communist aggression, and a more technical and temporary waiver of existing aid limitations—which waivers, I suspect, constitute all that the administration really desired in the first place, but which they felt needed a cloak of arms and crisis to pass the Congress.

I believe the resolution to have been unsatisfactorily presented to Congress and the world—through worldwide revelation before congressional consultation, a dramatic Saturday session, urgent pleas for speed and unanimity, exaggerated justifications and evasive testimony, without any demonstration of critical need.

Finally, I believe this resolution—and the time we have devoted to it—to have been largely unnecessary in terms of the real problems in the Middle East, for the resolution offers solutions to neither the immediate crises of Gaza and Aqaba, nor the more long-range crises of Communist subversion, arms traffic, Suez, refugees, boundaries, and other factors in the continuing Arab-Israeli dispute.

In short, it could well be argued that this entire undertaking was an unnecessary error from the time it was first conceived and submitted. Existing aid programs were already under way. The Soviets were already on notice of our determination to resist attack. A simple suspension of the three limitations on economic aid might have been more readily forthcoming had Congress been approached with more candor at the beginning.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Tennessee.

Mr. GORE. I find the statement of the able and distinguished Senator from Massachusetts quite provocative. He has said that the resolution was unsatisfactorily presented; that, in his opinion, it was unnecessary; that, indeed, its mere presentation may have been an error. Would the Senator go so far as to add also that thus far it has been unproductive and unfruitful, and contains no promise of being so?

Mr. KENNEDY. As the Senator knows, we already have military commitments, through NATO or SEATO, with Pakistan and Turkey. The President and his secretary, Mr. Hagerty, on several occasions have indicated our close ties with Iran, and that we would view any attack in that area as a threat to the United States. Admiral Radford indicated there was no doubt in the Soviet's mind that the United States Government would act if Russia moved into Iran. These countries border on Russia. If a direct attack were made by Russia, Russia would have to go through those countries. Therefore, I say the resolution is unnecessary if it is intended to put Russia on notice that we would regard an attack in that area as a threat to ourselves.

Mr. GORE. Will the Senator yield further?

Mr. KENNEDY. Yes.

Mr. GORE. Is it fair to conclude that the Senator has said that the resolution

as such, insofar as it serves notice on the Soviet Union, contains nothing new?

Mr. KENNEDY. That is correct. It formalizes our view, but, in my opinion, Presidential statements have made our policy clear.

The fact remains, however, that the resolution has been presented to Congress—and all the world knows it. It thus seems to me that we are no longer able to consider this resolution on its merits alone. We have been forced by the President's action to consider also the effects of the resolution's passage or defeat by this body.

What are the ill effects that could result from passage of the resolution? It is said that little or nothing will be accomplished—Arab unity will not be increased, friendly governments will still fall, Communist influence will still grow, and American prestige will still decline—but this is no worse than the status quo. It is said that passage of the resolution will leave unsolved the major problems of the Middle East—but they are unsolved today. It is said that the resolution grants vast powers to the President should he feel an emergency threatens our national security—but practically all constitutional authorities agree he would possess such powers in any event. It is said that the resolution grants the President unprecedented discretion to spend vast sums in foreign aid—but, as I shall detail in a moment, this resolution does not add one penny to the foreign-aid bill; it grants no flexibility to the President in the use of foreign-aid funds substantially different from that which we have previously extended; and, on the contrary, it adds new conditions of congressional review which its defeat would deny to us. No country is to receive aid that is not already eligible to receive it; no types of projects are to be supported that could not already be supported under existing law.

In short, while this resolution may accomplish very little, while it may have originally been unnecessary, unjustifiable, and erroneous, it is difficult to demonstrate any new major ill effects that will flow from its passage.

On the other hand, if Congress defeats the resolution, we shall have gained nothing—save the political embarrassment of the President and Mr. Dulles, if that is considered a gain—for the President will still possess great constitutional and statutory powers, as the Senator from Arkansas [Mr. FULBRIGHT], among other Senators, has pointed out, to make whatever financial and military commitments he feels the national security requires. But we will have repudiated the Executive on a major foreign-policy issue before the eyes of the world, in a manner that would certainly cause the fall or resignation of any government under a parliamentary system. We will have demonstrated domestic dissension, disunity, and a lack of confidence in our Chief Executive at the very time he is involved in critical negotiations with other nations. We will have blunted our warning to the Soviets to stay out of the Middle East, and dismayed those friendly Middle Eastern nations who favor this approach.

For the reasons I believe Congress would be ill-advised to defeat this resolution, now that it has been publicized and submitted, however ill-advised that original submission may have been. Many of us would prefer not to vote for this resolution; but we dare not, under present world conditions, vote against it. And we can, perhaps, seek consolation in the words of Abraham Lincoln:

> There are few things wholly evil or wholly good. Almost everything, especially of Government policy, is an inseparable compound of the two, so that our best judgment of the preponderance between them is continually demanded.

I shall vote for passage of the resolution, therefore, because of my belief that the evil flowing from its defeat would be preponderantly greater than the good.

Permit me to turn now to the second and more difficult question as to whether all economic and military assistance should be stricken from the resolution. Passage of the measure without these provisions would, of course, still serve as a warning to the Communists and as a declaration of our concern for the Middle East, and the President's request would not be wholly ignored.

But the rejection of so vital a part of the President's proposal would still have grave psychological effects on the prestige of our Government and Chief Executive abroad. It would be interpreted, moreover, with disastrous effects on our leadership in the area, and by our friends as well as by Communist and anti-American agitators, as proof of the charge that we think of the Middle East only in terms of guns and bases and military allies against communism, not in terms of friendly people and their economic well-being and stability.

Moreover, what would such an amendment accomplish? It is said that this resolution provides vast sums of money for wasteful Middle Eastern projects that could be better spent at home, but the truth of the matter is that this measure does not provide, appropriate, or authorize one additional dollar of foreign aid. Deletion of these provisions would not save the American taxpayer one cent—for the money has already been authorized and appropriated, it is already available, and can undoubtedly be obligated regardless of whether those provisions remain. Nothing more is sought by these provisions than to relieve Mr. Richards and the administration from three restrictions imposed last year which the delays caused by Middle East hostilities have outmoded, and which, if not temporarily suspended, would only cause a more hasty, wasteful expenditure of funds. Senators understand, of course, that very little of the money we appropriated for the Middle East for this fiscal year has been obligated because of the outbreak of war. Failure to pass these three waivers will still not save any of this money, but simply require the administration to rush to obligate 30 percent of it before April 30, long before Mr. Richards can make a thorough examination of actual needs.

Whatever wasteful projects Members may fear will be forthcoming, it should be recalled that passage of this resolution is not necessary for these purposes. The money is already available, from funds appropriated for the Middle East, from the President's discretionary fund under section 401 (b), and from other sources which he can transfer under sections 401 (a) and 501 of the foreign-aid bill. The only major difference would be that Congress and its committees would not have the review of these projects that it would have under section 3 of this resolution. Though it may be argued that this is only a right of report and review, not disapproval, the administration, in the absence of this resolution, would be able to spend the same amount of money anyway without even report or review; and it would be required, moreover, to spend it in a manner and on projects which, in its judgment, are not as useful as the expenditures that could be made once these three outmoded restrictions are waived.

Furthermore, it should be remembered that Mr. Richards has a very fine reputation in the Congress and, also, a reputation for being strict in connection with foreign aid. I think he led the fight in the House for a cut of almost $1 billion last year.

Moreover, these projects must be reported to the Congress at the very time when we shall be considering foreign aid for the fiscal year 1958. Obviously, if the projects are wasteful, it seems to me that Congress can then take suitable action in considering appropriations for 1958. However, the important point is that the administration can spend this money under the present law without making a report, however unsatisfactory the report procedure may be, as the Senator from Oregon argued in the committee.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. I think the distinguished Senator from Massachusetts was on the floor yesterday when I asked questions of the Senator from Wisconsin on that very point.

Mr. KENNEDY. Yes.

Mr. PASTORE. As I recall I asked the question whether or not the use of this $200 million would be broader than was originally intended with respect to the appropriation of $750 million. I think the answer was in the affirmative. Do I correctly understand now from the distinguished Senator that such is not the case?

Mr. KENNEDY. Will the Senator rephrase his question, as to whether the powers are broader?

Mr. PASTORE. I mean wider purposes than those originally intended, and including other nations that might have been intended when the $750 million was appropriated.

Mr. KENNEDY. Other nations. That is correct. There is no doubt about it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MORSE. Is it not also true that under the power proposed to be granted the President by this resolution, he could use the funds for other purposes?

Mr. KENNEDY. There is no doubt that he could use the money for other

purposes. However, the point I intended to make in response to the Senator was that of the $750 million we are discussing—and I say this without revealing classified information—more than two-thirds is intended for countries with which the United States has had intimate treaty relations. In the case of at least one of those countries, I think the administration might today argue that money which they thought could be wisely spent during this fiscal year, because of circumstances within that country, cannot be wisely spent. If we do not pass this joint resolution there will be nothing to prevent the administration from spending that money in that country, even though it does not believe it could be wisely spent.

On the other hand, instead of doing what they would consider to be wasteful, under this plan they could spend it in other areas more satisfactorily, but would be required to make a report to the Congress before obligating the funds.

In answer to the observation of the Senator from Oregon, I should say that on the one hand, taking X country, for which a large sum of the money is intended, when the administration indicates that it cannot be wisely spent in X country, it will still be possible, if we adopt the Russell amendment, for the administration to spend it unwisely in that country.

Under the resolution as it now stands, it would be possible for the administration to spend it in ways it considers more satisfactory; and the administration would have to make a report to the Congress. So it seems to me we would have more control under the resolution as it stands than if we did not pass the resolution.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. KENNEDY. I yield.

Mr. MORSE. Is it not true that if the administration does not think the money can be spent wisely at the present time, it is not compelled to spend it at all?

Mr. KENNEDY. No; there is no obligation to spend it; but it is a question of their judgment. It seems to me that we would be suggesting, by the Russell amendment, that we do not have confidence in their judgment, and that we believe they would not provide for projects which were wise and economical. On the other hand, they still have authority to spend the money unwisely and uneconomically, so we are trusting their judgment to that extent.

Mr. MORSE. Does the Senator know what the money is to be spent for?

Mr. KENNEDY. No; but the purpose of the Richards Commission is to find out. Under the act which Congress passed last year, the administration is entitled to spend the money with rather broad discretion. It seems to me that by passage of the resolution in its present form, the Congress would have greater control, because the administration would be obliged to make a report to us, while under the present act it is not obliged to make such a report.

Mr. MORSE. Will the Senator permit me to raise a question with respect to his comment as to whether we have confidence in the judgment of members of the administration? How can we have any feeling one way or the other until we know what they are going to spend the money for? Certainly the language of the revised resolution that the President must report his proposed expenditures 15 days before he spends the money is no effective check upon the President. The language does not provide the requirement that they must obtain our approval before they spend it. The 15-day report requirement is only a gesture. They can file a report and then go ahead and spend the money. They could wait 15 days and then go ahead and spend it anyway. Why does not the Senator support an amendment requiring the administration to obtain approval for specific expenditures after it has made its report?

Mr. KENNEDY. Under this resolution Mr. Richards, in whom we have great confidence, and who has a reputation in this field for being strict and careful, is required to approve the project himself. He is obliged to submit it to the Congress. Projects for which the money will be spent will be reported to us. They will be reported to us at the time when we are considering foreign aid for the fiscal year 1958, which will give us a sanction not only with respect to the $250 million, but also with respect to the $4 billion or more recommended for the fiscal year 1958.

On the other hand, we have the money appropriated last June, with respect to which the State Department does not need to make a further report to us. It can spend it in any way it wishes, within the limitations authorized last year. In at least one country they do not feel the money could be wisely spent, but they could spend it there without making a report.

Mr. MORSE. Why not stop that wrong rather than add another to it? We should not have taken such action last year.

Mr. KENNEDY. We are talking about an action which Congress took last year. Perhaps the time to review the projects more carefully was last year. Nevertheless, Congress has acted. It is now March 1, and this question is before us. The point I wish to make is that I hope no Senator will vote for the Russell amendment with the expectation that it will, if finally adopted, give the Congress more control over the expenditure of money. In my opinion, the result will be substantially less control.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. KENNEDY. I yield.

Mr. MORSE. I would respectfully say that what the Senator from Massachusetts is saying, in effect, if I understand his argument, is that we may have made a mistake last year, but that he will vote for a continuation of the mistake that was made last year. In my opinion, now is the time to stop a continuation of what we did last year and require the administration to tell us what they are going to do with the taxpayers' money before they commit the money. I believe we have that obligation to the taxpayers, instead of giving authority to the President, blanket authority, to spend it for purposes of his own choosing in such amounts as he wants to spend it.

Mr. KENNEDY. I would agree with the Senator if we were confronted with an ideal condition. However, that is not the situation. I agree that Congress does not have satisfactory control over the expenditure of foreign aid funds. For some time I have been investigating the matter and have tried to arrive at some figures regarding it. However, there is no doubt that for all practical purposes Congress has lost control over the expenditure of a substantial amount of these funds. One of the problems arises from the fact that we must appropriate money far in advance of the time when it will be spent. Conditions change from time to time. For example, substantial sums of money might be appropriated for use in country X. Those funds would have been appropriated on the expectation that country X would do certain things which would make the expenditure of the money satisfactory and useful. However, X country has not done those things. That condition exists. The point I make is that the State Department and the executive branch of the Government as a whole would still be afraid to go ahead in X country because they believed it would be wasteful to do so. Therefore, we are confronted by actual conditions, not theoretical conditions; and it seems to me that we would have much more control under the resolution than otherwise.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. KENNEDY. I yield.

Mr. MORSE. I thank the Senator for his graciousness. It seems to me that what he is asking me to do is to vote blanket authority to the President of the United States because, if I do not vote it now, the money will be spent unwisely in some country of the Middle East. I cannot accept that line of logic. It seems to me that if the Government went ahead and spent the money unwisely we would take care of the situation when we later discovered what the money had been spent for. I believe now is the time to put a stop on the expenditure, and that now is the time when the administration should tell us what it intends to spend the money for. I say that, because I am very much worried about what could be done with the $200 million in the Middle East in the hands of certain Arab leaders. It might be used in such a way as to endanger the future security of many thousands of American boys who might have to go to that area.

Mr. KENNEDY. I should think that the time to have put a stop to it would have been last year in the appropriations for this fiscal year.

Mr. MORSE. I did not have enough votes in support of my position, including the vote of the Senator from Massachusetts.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MONRONEY. I have been following the very cogent debate of the distinguished junior Senator from Massachusetts. I wish he would clarify in my

mind a point which is not very clear to me. The Senator is now referring to $95 million. Is that what is left in the President's confidential unlimited funds?

Mr. KENNEDY. No; the testimony has indicated that practically all of that has been spent for refugees and for other purposes. What I am talking about is the $95 million, or perhaps I should say $120 million, which could be used out of the $250 million which has been authorized for the worldwide development assistance.

Mr. MONRONEY. The President still has many millions of dollars, perhaps $95 million, which he may spend without any strings attached to it, and which are considered as free funds. Therefore, actually, the resolution frees $120 million from legislative restrictions. Is that correct?

Mr. KENNEDY. I will say to the Senator that the President has much more money than that, potentially, to be accurate about it. I believe the President could transfer from $50 million to $75 million, which remain unobligated from the President's discretionary fund.

He could also transfer from other funds which have been appropriated for other areas, under section 401, $100 million to $150 million. Then he could transfer from other areas, under section 501, for use in the Middle East, $50 million or more.

He could also obligate about $65 million of funds already appropriated for use in the Arab States and in Israel, but which has not as yet been obligated due to the crisis in the area.

He could spend from the worldwide economic development fund an estimated $120 million.

There are also other funds which could possibly be transferred.

However, we are making it much easier to transfer funds if we pass the resolution.

Mr. MONRONEY. In other words, the resolution would put a ceiling of $250 million on the transfer; is that correct?

Mr. KENNEDY. No; because previous acts which Congress has passed give the President some discretionary authority to transfer funds from one section to another. The point I am making is that there are some limitations involved on these funds. The President's discretionary fund is not subject to the 80 percent restriction; nor is the transfer of funds from other areas, under section 401, from $100 million to $150 million. Then there is the unobligated portion of the $65 million obligated to the Arab States and Israel. That is subject to the 80-percent limitation. Then there is the money which is in the worldwide economic development fund, which was originally $95 million, but which now is almost $120 million. That is subject to a percentage being made in the form of loans. I believe it is 80 percent, in round figures.

Mr. SALTONSTALL. Mr. President, will my colleague yield?

Mr. KENNEDY. I am glad to yield to my colleague.

Mr. SALTONSTALL. Is there not also a limitation that not more than $35 million may be spent in any one of the countries, and would not the resolution free the President from that restriction?

Mr. KENNEDY. I am anticipating that by the end of June not more than $35 million will be used in any one country. In any case that restriction continues in the present resolution. In any case, I believe the Government will be hard-pressed to spend more than $100 million. Therefore that is not too important.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. It is my opinion that we are more or less overemphasizing the transfer of the $200 million. Here we have reported a resolution, and there is also before the Senate the Russell amendment. Does the distinguished Senator from Massachusetts understand that the President could employ the Armed Forces on his own, as Commander in Chief of the Armed Forces?

Mr. KENNEDY. Yes; there is no doubt that he could employ the Armed Forces and then come to Congress later. The Senator from Arkansas [Mr. FULBRIGHT] developed that point very clearly.

Mr. PASTORE. Are we not actually arguing that it may be necessary to use American blood and American bodies—because the provision for the use of military force is contined in the Russell amendment, as well as in the resolution—but, although we are pledging American blood, we do not want to give the President the authority to transfer $200 million? In other words, we are placing a greater emphasis on $200 million than on the possible use of American Armed Forces.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KENNEDY. I believe the statement of the Senator from Rhode Island is completely correct. I now yield to the Senator from Colorado.

Mr. CARROLL. It seems to me the remarks of the Senator from Rhode Island [Mr. PASTORE] are extremely pertinent to the discussion, because, as I have followed the argument of the Senator from Massachusetts, he has pointed to the emphasis on the use of military force and military alliances, whereas greater emphasis should be placed on the desire of the people who live in that area for economic stability, through which peace will come, not through arms, as the distinguished Senator from Rhode Island has so well suggested.

As I recall the Senator from Georgia [Mr. RUSSELL] indicated that approximately three hundred to four hundred millions of dollars were committed to what he called military hardware, and I believe the RECORD shows that the commitment was to Iran, Iraq, and Turkey.

Mr. KENNEDY. Iran, Iraq, Pakistan, and Turkey.

Mr. CARROLL. My understanding of military hardware is that it means tanks, guns, uniforms, and so forth, and there has been committed to such armament $300 or $400 million. The Senator from Rhode Island has in a few words, it seems to me, demolished the whole argument against the $200 million item about which we have been talking. I was not here at the time Congress made that commitment, but the President is now asking for a transfer, not of new money, but money which has been appropriated, to the program which the distinguished Senator from Rhode Island has discussed.

Mr. PASTORE. Mr. President, will the Senator from Massachusetts yield further?

Mr. KENNEDY. I yield.

Mr. PASTORE. Does it not actually boil down to this: The proposal is either all good or all bad? If there is a likelihood that we have to commit American boys to service in the Middle East, why are we now talking about $200 million for programs in the Middle East, when we have already spent $59 billion of the taxpayers' money on foreign aid? Why start at this point? There may be a time when we can do away with these programs; but is it not a fact that if we believe the statement of the President that a crisis exists, then we must believe he needs the $200 million? We cannot half believe him and half disbelieve him.

Mr. CARROLL. Mr. President, let me say to the Senator from Massachusetts and to the Senator from Rhode Island, that the Russell amendment provides:

> That the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

If it is vital in our own self-interest—let me say, our enlightened self-interest—it is vital that we have troops in that area——

Mr. KENNEDY. There are some troops in Saudi Arabia and Iran.

Mr. CARROLL. I think it is in furtherance of the protection of our own national interests that we support the statements and the arguments so ably presented by the Senator from Massachusetts.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. It seems to me that the real point that is being made should be underlined. It is not a fact that what we are dealing with here is people like Saud in the Middle East, who, if fortified a bit, might ultimately fight on our side? We also ought to have an appeal to the people of the Middle East. As the Senator from Rhode Island has said, what is wrong with appealing to them? What they are suffering from is their low standard of living, and we are holding out some hope for them. Two hundred million dollars is a bag full of money to do something with in any important area where the President chooses to put it. So we add to the romance and to the psychological situation in that area, and also provide something which the people of that area can see, grab hold of, and can understand.

Mr. PASTORE. Mr. President, will the Senator from Massachusetts yield further?

Mr. KENNEDY. I yield.

Mr. PASTORE. Is it not a fact that Senators who will vote against the Russell amendment will do so because they do not want to be placed in such a posi-

tion that the President later could say, "If you had given me the money I asked for I would not have had to use one American boy."

If the resolution passes at all it should pass on the recommendation of those who have suggested it, because if they are wrong the responsibility is theirs.

Mr. KENNEDY. That is correct.

Mr. AIKEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. AIKEN. With reference to the statement of the Senator from Rhode Island, I would say that we are not arguing about $200 million which has already been appropriated. We are arguing about the amount which may be left unallocated. We are arguing about what is left of $200 million that can be used in the Middle East.

Mr. CARLSON. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. CARLSON. I wish to commend the Senator from Massachusetts for stressing a point which is most important in this debate. This afternoon there has been developed, through the able Senator from Rhode Island [Mr. PASTORE], the very point which I think must be stressed. It seems to me it would be absurd to vote to have our boys sent to foreign lands, without first giving the President $200 million with which to take other steps to protect ourselves. I think that is the main issue raised by the Russell amendment, and I expect to vote against it on that very basis.

Mr. MORSE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. MORSE. I shall speak on this matter at some length later, but I wish to put into the RECORD my point of view at this juncture.

Some of us who will vote for the Russell amendment will do so because we do not intend to give to any President authority to send American funds and boys into the Middle East when we do not know the purpose for which he is sending them. I do not propose to vote a dollar that can be used to bribe Arab leaders. American boys are too precious to be sent to the Middle East to die without the representatives of the people knowing the purpose for which the President is sending them there. I have confidence in no President when it comes to giving him authority which the Congress under the Constitution ought to retain. The Senator from Rhode Island and the Senator from Massachusetts cannot escape this constitutional question, because it is involved in the $200 million, as well as in the troops issue.

Mr. KENNEDY. Mr. President, this question was gone into in great detail in the committee. I know the Senator from Arkansas made the point very clearly that the President of the United States, if he felt the national interest were at stake, could take the United States into war without consent of the Congress, although he would subsequently be obliged to come to the Congress for approval. But there is nothing that lessens the authority of the President to use United States forces if he thinks the best interests of the United States are at stake.

Mr. MORSE. I think the Senator is as dead wrong as he can be, because what will happen under the resolution will be that we will give the President predated authority, when what we ought to say to him is, "You will have to tell us what the facts are which, in your opinion, justify the sending of American boys into the Middle East. Then, under article I, section 8, of the Constitution, Congress will decide whether you shall send them there. If you have already done so, because you thought there was a great emergency that could not await a report to Congress then Congress will decide whether you should bring those boys back."

But I am not going to vote to give the President any power to make war in the Middle East by a predated declaration of war.

Mr. KENNEDY. How does the power granted in the resolution hinder the President's powers to declare war or, as Commander in Chief, to protect the security of the Nation?

Mr. MORSE. I think the Senator from Massachusetts knows very well that after Congress gives the President the power, it is not likely to take it away from him. The Senate cannot escape the fact that once this predated approval is given to any President no Congress is likely to renege on it. What we ought to do is to prevent Congress from getting into such a position that it can be said, "after all, Congress gave the President advance authority and now it is not fair after a President has relied upon it to attempt to take it away." I am against giving the President any advance authority to send boys into war in the Middle East prior to a declaration of war by Congress.

Mr. KENNEDY. Where in the resolution as it is presently drawn is there any provision for advance authority? Where in the resolution is there a provision for a predated declaration of war? Will the Senator read the language?

Mr. MORSE. Yes; I covered it at some length in my speech the other day on the floor of the Senate. The language used in the Humphrey-Mansfield amendment does not in any way change the fact that Congress will be authorizing the President of the United States, by a predated grant of authority, to commit an act of war. We will be giving tacit approval to the President in advance to send American boys into action in the Middle East. I do not propose to vote for any resolution which contains any language that could be subject to such an interpretation by any President. If the Senator will just read the resolution as modified by the committee he will see that the language still permits the President to commit an act of war with the tacit advance approval of Congress.

Mr. KENNEDY. The United States can get into war in the Middle East in one of two ways: Either by the President coming before Congress and asking for a declaration of war, or second, by the President taking action as the Commander in Chief, without coming to Congress for authority, because of an emergency, and therefore committing the United States to war, and then being obliged under the Constitution to come to Congress to get the approval by Congress of his action, and be subject to impeachment if Congress should think his action was improper.

It seems to me that the passage of the resolution will not affect the basic constitutional situation. It will only increase the great interest of the United States in maintaining a non-Communist Middle East. That is my view.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. I have the highest respect for the very facile, astute mind of my distinguished friend from Oregon; but the fact of the matter is that I asked the Senator from Massachusetts if under either the resolution which was reported by the committees or under the Russell amendment the President of the United States would have the authority to employ American armed forces without coming to Congress. I think the Senator's answer was in the affirmative.

Mr. KENNEDY. That is correct. I think in the case of Korea we have the clearest example. The President never came to Congress during the 3 years of that war.

Mr. PASTORE. As a matter of fact, the only essential difference between the committee resolution and the Russell amendment is that the Russell amendment deletes the provision for aid.

Mr. KENNEDY. It indicates that the Senator from Georgia thinks that the constitutional powers of Congress and the President are not affected by the passage of the resolution.

Mr. PASTORE. The language of the Russell amendment is identical with that part of the committee amendment, which pledges the United States to use its armed forces if that should become necessary.

Mr. KENNEDY. That is correct.

Mr. PASTORE. So we are giving the President that confidence under whichever form the resolution is passed. If we adopt the Russell amendment, we shall be giving the President the authority insofar as it affects the use of American armed forces.

Mr. KENNEDY. The Senator from Oregon is against the whole resolution.

Mr. MORSE. I was about to make the point that I shall go along with the elimination of the blanket grant of authority to the President on the economic provision. Then, I may say to my friend from Rhode Island, I shall vote against the resolution as amended by the Russell amendment. That has been my position consistently. I have announced it on the floor of the Senate again and again. Until there shall have been written into the resolution the constitutional guarantee for which I have been fighting throughout the debate, and which I shall offer in due course of time, I shall not vote to give to the present President or to any other President the kind of broad power which will be conferred by the present resolution.

Mr. KENNEDY. It does not seem to me that the passage of the resolution will affect the constitutional powers of

the President or the constitutional powers of Congress to declare war.

Mr. JAVITS. Mr. President, will the Senator yield on the question of law?

Mr. KENNEDY. I yield.

Mr. JAVITS. The argument as to constitutionality tends to defeat itself. If a constitutional power is involved, no resolution passed by Congress can relinquish it, because the Constitution can be amended only as provided in the Constitution itself, by amendment ratified by the States. On the other hand, if the resolution is saying that we are going to back the President in our foreign policy—which is all we are doing—and which is all we are saying—then we are only dealing with a policy; we are not giving up any constitutional power.

If it is a constitutional power to declare war that we are allegedly trying to give up, we could not do it if we tried. That is the end of the matter.

I think the Senator has put his finger on the two main points. If one is in favor of the resolution at all, he ought to be in favor of both parts; the notice to the Kremlin and the economic aid. Second, if one has any doubts of the constitutional power or authority, they can be resolved by the fact that even if we tried to do so, we could not give up constitutional power; therefore it is not being given up in this resolution.

Mr. KENNEDY. I think the Senator from New York has stated the position correctly.

Mr. MORSE. I may say to my friend from New York that, in my judgment, this is a request by the administration for the delegation of power that cannot be delegated. If we go through the motion of passing a resolution with this Presidential power in it, then it is going to be very difficult, psychologically, to get Congress to do anything about it thereafter. Now is the time to establish clearly the constitutional principle, before we pass the resolution requiring congressional approval before our troops are sent into war and before the President can give away taxpayers' dollars to Arab dictators. It can be done by the addition of the proper amendment to the resolution such as I shall propose.

If it is said by Senators on both sides of the argument that we do not want to give up any constitutional rights, then let us make that crystal clear by placing in the resolution language which will make it certain that we are not giving up our constitutional rights. But when I offered such a proposal to the Secretary of State, he rejected it. That is all I need to know about this administration's tendency to play fast and loose with constitutional rights of the Congress.

Mr. DWORSHAK. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. DWORSHAK. I wish to read from a brief United Press dispatch from Cairo, and then to ask the Senator from Massachusetts a question. The dispatch reads:

CAIRO.—The semiofficial Middle East News Agency said today the leaders of Saudi Arabia, Egypt, Jordan, and Syria had reached a unified position on the Eisenhower doctrine and cabled their stand to Washington.

The agency quoted Jordan's Premier Suleiman Nabulsi as saying Jordan would accept any foreign economic aid which was offered without any strings attached and that "Jordan won't be hostile either to the East or the West except inasmuch as neither bloc is hostile to the Arabs."

Nabulsi's statement was interpreted as an indication the four Arab governments would tell the American Ambassador here they were ready to accept United States economic aid without committing themselves in favor of the West against the East.

Does the Senator from Massachusetts consider this information as being adequate evidence of the type of aid which the United States would receive in the Middle East in case of an involvement in some kind of war? Have not those nations merely expressed their desire for neutrality, and said that they will not take a position alongside the Western World?

Mr. KENNEDY. Is the Senator from Idaho asking me whether, in view of that statement, it is improper for us to give a guaranty of the type we are asked to give?

Mr. DWORSHAK. Only partially. I am asking the Senator whether he is willing, if the dispatch is accurate, to accept neutrality from those countries which are destined to receive aid from us. Is he willing merely that they shall retain their neutrality without being more vigorous in their support of the nations of the west?

Mr. KENNEDY. I should hope we would have their support. Is Saudi Arabia a signatory to that statement?

Mr. DWORSHAK. Yes.

Mr. KENNEDY. The Saudi Arabians have permitted us to build an airbase at Dhahran, which the Chiefs of Staff consider to be vitally important in the Middle East. So I think it would be necessary to examine into the degree of neutrality, which I am certain varies from country to country.

But as to the press report, it does not seem to me that we are now in a position to form any judgment as to the ultimate position which those countries will take.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JACKSON. I commend the distinguished junior Senator from Massachusetts for a very excellent statement. It occurs to me that it is in the national interest of the United States, and our own security, to have strong, independent, and free states in the world, even though they are not necessarily joined with us by an alliance. The other alternative might well be that those states would join the Communist bloc. I do not believe that our security is necessarily to be measured, in the last analysis, by the total number of states which are joined with us in an alliance. Our security can also be served by strong, independent, healthy states which are willing to defend their own territorial integrity. After all, if the world were composed only of strong, independent, peaceful states, we could live in a climate of peace and freedom, and other nations could do likewise.

Mr. KENNEDY. I must say that I think the Senator from Washington has put the matter as precisely as it could be put, and I really appreciate the statement he has made.

Mr. O'MAHONEY. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. KENNEDY. I yield.

Mr. O'MAHONEY. Let me say to the Senator from Massachusetts that I have seldom been so disturbed as I have been about the pending joint resolution. That is why I have sought to have it amended. I find it difficult to comprehend some of the arguments being made here, and I should like to interrogate the Senator from Massachusetts about them.

We are told that we must pass this joint resolution regardless of whether we deem the resolution, as reported by the committees, to be unconstitutional. We are told that, regardless of that, the Constitution is above all of us. However, Mr. President, if the Congress disregards the Constitution, and passes a measure about which there is some doubt, there will be no possible way, in a case of this kind, to retrieve the loss of constitutional action, if we have acted unconstitutionally.

We are also told that the same is true in respect to the expenditure of money. However, I do not wish to go into that question with the Senator from Massachusetts.

I should like to ask him to turn to page 4 of the joint resolution as reported by the committees.

Mr. KENNEDY. Before the Senator from Wyoming begins to interrogate me, I wish to say that I have no objection to amendments which may be offered, if they seek to make the joint resolution conform more closely to the Constitution. If the Senator from Wyoming should present such an amendment, I would have no objection. I am not wedded to the language of the joint resolution as it now stands. But I am wedded to the idea of having the Congress pass a measure which will put the Congress on record in support of the President's desire to maintain the freedom of the countries of the Middle East.

Mr. O'MAHONEY. I thought that was the desire of the Senator from Massachusetts; and it is my desire, too.

I have no desire to harass the President or the Secretary of State; but I am confronted with the language which has been reported by the two committees, and I should like to have the Senator from Massachusetts give his interpretation of it. I refer to the second sentence of section 2, on page 4, reading as follows:

Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

If it be the exclusive power and authority of the President in the conduct of the foreign affairs to determine what is in the national interest, what is the reason for including that language in the joint resolution?

If the argument which is made to us—namely, that we should lie quiet, raise no objection, and merely pass the joint resolution—is valid, and if no constitutional question is involved, why are we asked now to determine—for no one knows how long a period—that in our opinion "the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East."

We do not know what the conditions next year or next month will be. In fact, I am advised that only today in the General Assembly of the United Nations, the representative of India, Mr. Krishna Menon, exploded a bombshell when he declared that the Gulf of Aqaba is territorial water, not international water, and that the Israelis should have no right to have their shipping travel freely up and down the Gulf of Aqaba. Our Department of State is of the opinion that the Gulf of Aqaba is international water.

Does not the Senator from Massachusetts believe that in the language to which I have referred we shall be making, as the Senator from Oregon has so well stated, an advance declaration of Congressional opinion which within a year may prove to be utterly wrong.

Mr. KENNEDY. Of course, it is possible to end the life of the joint resolution either—

When the President shall determine—

And so forth, or—

by a concurrent resolution of the two Houses of Congress.

Mr. O'MAHONEY. Yes; of course that is true. However, I was referring to the particular sentence I read. Does the Senator from Massachusetts think that sentence is essential to the joint resolution?

Mr. KENNEDY. I regard the sentence as essential, because I believe it places the United States on record as to its position in regard to events in the Middle East; and I am not opposed to doing that.

Mr. SPARKMAN. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield to the Senator from Alabama.

Mr. SPARKMAN. As a matter of fact, is not that sentence merely a recognition of the policy which has been stated time after time by the executive branch of the Government—in particular, by the Secretary of State, in testimony given by him before our committee, although not in connection with the pending joint resolution?

The distinguished Senator from Vermont (Mr. AIKEN), who now is on the floor, will recall that during the past year or two, and, in fact, in open hearings, the Secretary of State has said time after time that it was a part of our policy to help preserve the national integrity of the countries of the Middle East.

If I may go a step further, let me say that in 1950 the Tripartite Agreement set forth that principle.

So this question is not one of having the Congress write something new; it simply involves a recognition of the policy which has been existing for some time.

Personally, I should say that we cannot always get everything we want included in such a measure. If in the joint resolution we were stating a principle on the part of the Congress, and if we were seeking to state something which perhaps would be a departure from what had previously been stated, then I should like to see this measure include language which would carry out the meaning of its title. The distinguished Senator will remember that in the committee the original title of the joint resolution was changed to a short title—namely, to preserve peace and stability in the Middle East, I believe.

Mr. O'MAHONEY. That was a Madison Avenue title.

Mr. SPARKMAN. I do not know about that. I should like to ask the distinguished Senator from Georgia, who, as I recall, submitted the amendment. I do not believe he went to Madison Avenue to get the title.

Mr. KENNEDY. Mr. President, in support of what the Senator from Alabama has said, I would say that the United States, particularly the President of the United States, in many cases in recent years has indicated that this is the policy of the United States. Mr. George Allen, in May 1955, stated that we, the United States, would be strongly opposed to the side which started a war, and would be favorably disposed to that side which proved its desire to maintain peace.

In addition, we established a liaison with the Baghdad Pact in which Iran is a member; and on April 3, 1956, the Secretary of State asserted that the United States forces might be utilized in the Middle East "without Congressional authority in the event of an emergency."

And then, on April 9, Secretary Hagerty, speaking for the President, pledged the United States to oppose aggression within the Middle East, within constitutional means, to assist a victim of aggression.

In addition, we established, in 1956, military liaison with the Baghdad Pact.

Then on November 14, President Eisenhower stated the United States would oppose through the United Nations any Soviet military intervention in the Middle East.

Then on November 29, we reaffirmed our support of the Baghdad Pact, and stated that a threat to the territorial integrity or political independence of any of the countries of that area would be viewed by the United States with the utmost gravity.

So it seems to me that this measure is in line with the policy of the United States.

Mr. AIKEN. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. AIKEN. If some persons believe that the provisions of section 2 of the committee amendment might be regarded as authorizing the giving of assistance to neutral nations, let me ask whether it is not clear both to the countries of the Middle East and to the Communist world that neutral nations would automatically exempt themselves from the benefits of the joint resolution, because it provides that the benefits and the assistance may be given only to nations requesting assistance from armed aggression from any country controlled by international communism. So, Mr. President, so long as countries declare their neutrality, they automatically exempt themselves from application of the provisions of the joint resolution.

Mr. KENNEDY. In answer to what the Senator from Wyoming stated a moment ago, I should like to state that I wrote to Professor Sutherland, a noted constitutional authority at Harvard Law School, about the question of constitutional powers in this case. He replied as follows:

The wording of the Constitution does not contain any express statement of the President's powers to act in a situation like that now facing us in the Middle East. Certainly it is impossible, in any constitution, to define with any sort of precision, all the powers which an Executive like the President of the United States will need in the multitude of crises which may face the Nation. I suppose that our present constitutional concern arises out of the fact that, under modern conditions, it is difficult to point out the precise difference between a state of quiescent war and the uneasy armed peace which is forced on us by the continual threat of hostilities by Soviet Russia and her Communist associates. The Congress and the people would surely not want a continuous and permanent declaration of war, and yet the Nation must be ready to take whatever action is necessary for self-protection at any time. Furthermore, the conception of war as located in one defined geographical area is tending to disappear because of worldwide mobilization in war, and the capabilities of modern weapons which have ranges of great length. Under these circumstances, the President, in the performance of his duties as the Nation's principal constitutional representative in foreign affairs, as Commander in Chief, and as the Executive Officer sworn to take care that the laws be faithfully executed, cannot under all circumstances refrain from the use of military force until a formal declaration of war shall have occurred. On the other hand, the President, with that proper profound respect which he should give toward Congress which represents the will of the national electorate, will certainly be most reluctant to involve the Nation in any hostilities, even very small ones, without congressional authorization. The fact is, I suppose, that a government of constitutionally separated powers such as ours cannot have a completely clear separation of the legislative and Executive duties, cannot effectively operate without a large measure of cordial cooperation between the three branches, and particularly between the Executive and the Congress.

Mr. O'MAHONEY. Mr. President, will the Senator yield on that point?

Mr. KENNEDY. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. In order that I may draw a distinction between the theoretical discussion in the professor's letter to the Senator from Massachusetts and the facts which are before the Senate, let me say that we are being asked to declare a policy in the words and figures contained in the resolution. Let me again call to the attention of the Senator, before I ask him to respond, what the second sentence in section 2 states, and

I am also calling this to the attention of the Senator from Alabama:

> Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

Does that not mean all the nations? Does that not mean the independence and integrity of Egypt? Does it not mean the independence and integrity of Saudi Arabia?

Mr. KENNEDY. Yes.

Mr. O'MAHONEY. Does it not mean the independence and integrity of every single one of those nations?

Mr. KENNEDY. Yes.

Mr. O'MAHONEY. Suppose the Pan-Arab League, which has been sitting in the United Nations during the past week, should decide to absolve Egypt. Suppose it should attempt to establish a United Arab League. Would we not by these words be declaring against such a development, and authorizing our President, whoever he might be, to take action? How can we, in advance of the developments, say that it would be of vital interest to the United States that there should be no Pan-Arab League?

Mr. KENNEDY. The next sentence does not begin a separate paragraph; it follows the sentence before it, which the Senator has just read. It seems to me to be very clear that it must be a country dominated by international communism.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SPARKMAN. Is it not also true that under the resolution we would extend assistance only to nations asking for it? If I may, I should like to say that, while I may be in error, I have been under the impression that the Senator from Wyoming——

Mr. O'MAHONEY. Mr. President, I was attempting to get some information from the Senator from Massachusetts, who has the floor.

Mr. SPARKMAN. But the Senator from Massachusetts yielded to me, after he had given the Senator from Wyoming some information, in order that I might give the Senator from Wyoming additional information.

Mr. O'MAHONEY. I think the Senator from Massachusetts is capable of giving the information to me himself.

Mr. SPARKMAN. The Senator from Massachusetts yielded to me. I thought the Senator from Wyoming was seeking information.

Mr. O'MAHONEY. I am seeking information from the Senator from Massachusetts.

Mr. SPARKMAN. I will ask the Senator from Massachusetts if it is not true that under the pending resolution the President is limited, so far as the expression of Congress is concerned, to giving assistance to nations requesting it, for the purpose of staving off aggression prompted by international communism?

Mr. KENNEDY. Yes. I would say, first, there would have to be a situation where a country was dominated by international communism. And the President would have to determine the necessity for action.

Mr. SPARKMAN. And the nation would have to request the assistance.

Mr. KENNEDY. Yes. In the first place, unless an emergency situation existed, the President would have to come to Congress for a declaration of war.

Mr. SPARKMAN. I should like to ask the Senator another question. Am I correct in my understanding that an amendment to the resolution has been offered by the distinguished Senator from Wyoming which would strike out the words "Charter of the United Nations" and write in the words "Constitution of the United States"?

Mr. O'MAHONEY. I may say that not only has the amendment been offered, but it has already been adopted by unanimous vote.

Mr. SPARKMAN. Is it not true that the language of the resolution has been changed and a proviso has been put in which reads:

> *Provided*, That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States.

Under that language, is there any inference that the present Congress is willing to go along with the performance by the President of his duty in an unconstitutional way?

Mr. KENNEDY. No.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I thank the Senator from Alabama, and I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. I believe the colloquy has been very beneficial, and I am glad the Senator from Alabama has participated in it. What struck me with particular force was a sentence, if I correctly understood the Senator from Massachusetts, in which he said, while the Senator from Alabama was attempting to instruct him, that, in his opinion, the President would have to come to Congress to obtain a declaration of war.

Mr. KENNEDY. He certainly would, unless an emergency situation arose threatening United States security, in which case the President would have authority, as Commander in Chief, to take action, in any event. But even in that case he would have to come back to the Congress for a ratification of his act.

Mr. O'MAHONEY. Is the Senator of the belief that the amendment which was unanimously adopted yesterday nails down that proposition?

Mr. KENNEDY. I would go further. Of course, nothing we can do in the Congress could affect the President's constitutional powers as Commander in Chief; but I have no objection to having written into the resolution, within that limitation and within the limits of national security, that it is our wish that he comes to Congress for a declaration of war. That is my position, and I believe the position of the Senate.

Mr. O'MAHONEY. I shall not bother the Senator from Massachusetts with any more questions, but state my own opinion with relation to the so-called constitutional powers of the President. These powers have been exercised from time to time. President Jefferson sent our naval vessels against the Barbary pirates. That was not intervening in any warfare among the states of the Mediterranean area; it was done to defend the commerce of the United States, which was being subjected to blackmail by the Barbary pirates. All the nations of Europe were being blackmailed by the Barbary pirates, and some of the nations preferred to pay the blackmail rather than to resist the Barbary pirates. But Jefferson refused to pay the blackmail, and sent our Armed Forces for the defense of the freedom of the seas and our right to sail the seas.

The constitutional provision that the President is the Commander in Chief of the Armed Forces of the United States, according to my reading of the Constitution and of the debates in the Constitutional Convention, was merely a declaration by the constitutional fathers that the President of the United States—who, it was expected, would be chiefly a civilian—would be the man in charge as Commander in Chief of the Army and the Navy, but that he would not necessarily be empowered, as Commander in Chief, to send our soldiers to the ends of the earth for any reason that might appeal to him to be advisable. That is why I say I am very happy that the Senator from Massachusetts has made the interpretation which he has made. I am very grateful to him.

Mr. BUTLER and Mr. JACKSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. KENNEDY. I am concerned about the compliments I have just received from the Senator from Wyoming. I am not sure that I deserve them, and I am not sure exactly what he is congratulating me for. Will he restate the reason for his congratulations?

Mr. O'MAHONEY. I am congratulating the Senator for his statement that, in the circumstances described here, the President, under this resolution as it was amended by the unanimous vote of the Senate yesterday, before embroiling our boys in the burning oil pots of the Middle East, would have to come back to Congress for a declaration of war.

Mr. KENNEDY. I did not say exactly that. I say that whenever it is possible, within his constitutional responsibilities as Commander in Chief and his responsibilities with respect to the security of the United States, he should do so. But if it is not possible to come to Congress in advance, he should come to the Congress immediately afterward.

Mr. O'MAHONEY. Does the Senator believe that the present conditions in the Middle East are such, and will be such during the remainder of the term of the present President of the United States, that we should now declare, in advance of whatever develops in the next 4 years, that the President has the authority, under his powers as Commander in Chief, to send troops into such warfare as might develop in the event Syria's submergence by Communist infiltration should be so great that, for example, Israel, which is anti-Communist, and a people's government, should seek to invade Syria, and that

we should have to defend the Communist state against the free state?

Mr. KENNEDY. Obviously the resolution does not contemplate that.

Mr. O'MAHONEY. Of course, it does not.

I thank the Senator again, and again I compliment him.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. BUTLER. Did Professor Sutherland refer in his letter to any Supreme Court decisions which have defined the Presidential power as Commander in Chief?

Mr. KENNEDY. Yes. He referred to the steel-seizure case.

Mr. BUTLER. Did he refer to some of the earlier cases?

Mr. KENNEDY. He referred to the Youngstown Sheet & Tube case, and he referred to the Prize cases.

Mr. BUTLER. In the Prize cases did the Supreme Court hold that power to be the usual, ordinary power possessed by the first ranking military officer, for example?

Mr. KENNEDY. I did not hear the Senator.

Mr. BUTLER. Did Professor Sutherland refer to any cases which have held—and I think there are such cases—that the power of the President as Commander in Chief of the Armed Forces of the United States is only that possessed by the first ranking military or naval commander? At least that was an early conception.

Mr. KENNEDY. I am not prepared to agree with that statement. In his letter, Professor Sutherland says:

> One of the most drastic of these moves was the institution of a blockade of ports in the possession of the Confederacy. The President's action and seizures taken under it were upheld in the Prize cases (2 Black, 635, 1863). And certainly in the history of vigorous action one should recall the measures taken by President Roosevelt in 1941, such as the occupation of Iceland, the Atlantic Charter, the initiation of American convoys, the shoot-at-sight order of September 1941, and the destroyer deal of 1940.

Mr. BUTLER. The Prize cases are more nearly my conception of what that constitutional power is. Any general in charge of forces in the field would have the right to cut off the supplies of the enemy. But would a general in command of forces in the United States have the right to exercise his independent judgment as to what developments in Saudi Arabia, for example, might affect the United States and its safety and to dispatch forces abroad without coming to the Congress?

Mr. KENNEDY. I am not prepared to say that the President has only the power which a senior general in the field may have.

I will say, in answer to the Senator's question, that Professor Sutherland quoted Mr. Justice Jackson in the steel case, speaking of a zone of twilight in which the President and the Congress could have concurrent authority.

Mr. BUTLER. Mr. President, will the Senator further yield?

Mr. KENNEDY. I yield.

Mr. BUTLER. I do not think the President of the United States, on his independent judgment and without consulting the Congress, can say, "I consider the situation in the Middle East to be such that I am going to dispatch troops there." As a matter of fact, I do not believe that the present occupant of the White House feels that he has such power. I think that is one of the chief reasons why he has sent this resolution to the Congress, so that there may be no question about his power. He has asked us to act in concert with him, so that the world may know that the President is not acting unilaterally, but that we are acting as a Nation united in this effort.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JACKSON. Is it not a fact that two constitutional provisions are involved? Referring again to Professor Sutherland's letter, on the one hand we have the responsibility of the President, under the Constitution, to preserve, protect, and defend the United States. On the other hand, we have the constitutional responsibility of the Congress to declare war.

The junior Senator from Washington would like to ask this question: Would it be wise for the President to come to Congress and ask for a declaration of war before he acted if failure on his part to take action might result in the destruction of our country?

Mr. KENNEDY. No doubt the Senator is correct.

Mr. JACKSON. I have in mind, of course, the air-atomic age in which we live. We know that in the case of all-out war, if our response is to be decisive and effective and if we are to be saved, the President of the United States, rather than the Congress, will have to take initial action. Is that not correct?

Mr. KENNEDY. The Senator is correct.

Mr. JACKSON. Is it not also true that when we get into the court question relating to the power of the President in this area, they will be settled in a rather moot fashion? In other words, we shall not get a court decision until after something has happened. I do not know that anyone knows the exact powers of the President in this kind of situation. We can read old cases, but old cases are not much help, because the world has moved a long way in a short period of time.

I think the paramount point at issue here is the ability of the President of the United States to carry out his obligation as President to preserve, protect, and defend the United States. Failure on his part to discharge that duty would be a far greater sin, in my judgment, than his failure to come to Congress immediately and request a declaration of war.

Mr. KENNEDY. I think the Senator is correct. In response to what the Senator has said, the air age and the hydrogen age have placed new responsibilities on the President in this area.

Mr. JACKSON. I think the American people are sensible enough to know that in the air-atomic age the authority to take final and decisive action, if a disaster should befall us, must often be in the hands of the President.

Retaliatory action can be taken by an officer in the field, and it can be taken immediately.

Mr. KENNEDY. That is correct.

Mr. BUTLER. Mr. President, will the the Senator yield?

Mr. KENNEDY. I yield.

Mr. BUTLER. There is no doubt at all that if a hostile force is approaching the United States, not only the President but the commander on the spot would have to take immediate action. What I have in mind is a situation in which, say, volunteers infiltrate Saudi Arabia, would the President be authorized without the consent of Congress to send American boys to Saudi Arabia because it may affect security?

Mr. KENNEDY. It does not seem to me that the passage of the resolution lessens the responsibility of the President to come to Congress for authority to declare war.

Mr. BUTLER. No; it coalesces the two responsibilities. We act in unity.

Mr. CHURCH. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. CHURCH. I should like to commend the Senator from Massachusetts for what I consider to be a profound statement on the resolution now pending before the Senate.

Mr. KENNEDY. I thank the Senator.

Mr. CHURCH. Aside from the colloquy which has dealt largely with the constitutional question, it seems that the statement of the Senator from Massachusetts has contributed most as it has been directed toward the Russell amendment. It seems to me that the Senator has answered the two major arguments which I have heard propounded on the floor of the Senate in support of the Russell amendment.

In order that I may be clear in my own mind as to the nature of these answers, I should like to ask the Senator two questions.

First, the major argument I have heard in support of the Russell amendment is that Congress ought not to shirk its duty but should tightly hold the purse strings, because it is Congress that has control over public money.

The answer which the Senator from Massachusetts has suggested, as I understand, is that the $200 million with which we are dealing may be spent with less congressional control and less congressional knowledge as to the manner in which it is spent, if the Russell amendment is passed, than if the Russell amendment is defeated. Am I correct?

Mr. KENNEDY. I would say that that is correct, as a practical matter, because of the situations which have developed in the countries of the Middle East during the past 8 months.

Mr. CHURCH. The second argument which has been made in support of the Russell amendment, and which was so persuasively made by the distinguished Senator from Georgia, is that the time has come when we should begin to taper off on foreign-aid spending.

The answer which has been suggested by the Senator from Massachusetts, I

understand, is that if we adopt the Russell amendment we will not necessarily save 1 cent of the $200 million. Is that correct?

Mr. KENNEDY. That is correct. It seems to me that the statement which the Senator from Georgia has made could be addressed, as it was addressed last year, during consideration of fiscal 1957, to the appropriations for fiscal year 1958, when that appropriation bill comes before the Senate.

Mr. CHURCH. Would the Senator agree with me that if the time has come—and I have listened with great respect to arguments advanced by the Senator from Georgia in that regard—to taper off our foreign-aid spending, the logical time to do it is when Congress considers the foreign-aid measure, which will come before it in the spring?

Mr. KENNEDY. The Senator is absolutely correct.

I should like to point out that if the Russell amendment should be adopted, the American people should not be under the misapprehension that $200 million will have been saved. Of course the Senator from Georgia for several years has been attempting to cut expenditures in foreign aid, and therefore his position is wholly consistent.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Colorado.

Mr. ALLOTT. I should like to address myself for a moment, if the Senator will permit me to do so, to the proposition advanced by the Senator from Washington [Mr. JACKSON], who had to leave the floor. I am sorry that he was called out.

It seems to me that his argument was based upon what I consider to be a false premise. My view, I believe, is shared by many other people.

We have now reached the point, as has Russia also, where the horrors of hydrogen warfare and atomic warfare have been described even in the funny papers, and where it is impossible to pick up a newspaper or magazine without reading about them.

Many of us, I among them, believe that there is almost an equal chance that if we should become involved in war, it will not be by the route of atomic warfare. I say that because so long as we keep a great striking potential available, Russia will not put any sizable number of planes in the air which could achieve an overall knockout, without our being able to place a large number of planes in the air at the same time; and because approximately the same number of American planes would get through to the heart of Russia as Russian planes would get through to the heart of the United States.

We may therefore find ourselves in the position in which we found ourselves at the beginning of World War II. At that time we had great stocks of mustard gas and a great many refinements of other gases, which had been developed after World War I. By the time World War II came along, although we had great stocks on hand—in fact, one of the first things I saw on arriving in France was a Quartermaster depot where a great many gases were stocked—none of the gases were used by either Japan or Germany. The war was fought, for the most part, with conventional weapons.

We may, therefore, find ourselves in the same situation. It seems to me we are making a big mistake if in our thinking about the protection of our country we premise the protection completely upon the possibility of nuclear warfare. With the potential threat which Soviet Russia and the United States can pose at the same time, it seems to me very likely that if we should get into another war—and such a war might grow out of a situation similar to the one in Korea or in the Far East from the situation in the Malay Peninsula—there is the possibility that we might not get into an atomic war.

Mr. KENNEDY. I thank the Senator. I hope events bear out his view.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KENNEDY. I am glad to yield.

Mr. CARROLL. I think it might be well to clear the record on one point. At least, I should like to know what the Senator from Massachusetts has to say about it. I was under the impression that Senate Joint Resolution 19, which is now under consideration by the Senate, contains a considerably watered-down authorization to employ the Armed Forces.

Mr. KENNEDY. That is correct.

Mr. CARROLL. It was my impression that originally the resolution authorized the President to employ the Armed Forces of the United States, and that authorization has been stricken.

Mr. KENNEDY. Yes. The reason it has been stricken, as the Senator probably knows, from the forceful argument made by the Senator from Mississippi [Mr. STENNIS] and other Senators is that it would limit and affect the President's powers; and it was the desire of the members of the committee that his powers should not be so limited.

Mr. CARROLL. In other words, the Senator would have the record show that his understanding is that the President now has the same powers he has always had. Is that correct?

Mr. KENNEDY. That is correct. While nothing that could be done could affect his constitutional powers, nevertheless the present language is much more satisfactory.

Mr. CARROLL. Therefore, if he has the same powers he has always had, Congress is not called upon to delegate any other powers. Is that correct?

Mr. KENNEDY. That is correct. All we are doing is joining him in declaring the United States interest in maintaining the security of the Middle East.

To show how vast the President's powers are, on November 14, when it seemed as though Russian volunteers would come into the area, he made the statement that such action would be opposed by the United States through the United Nations.

Congress was not called into session, and there is every reason to believe that if the Russians had intervened, the President voluntarily could have taken us into a military action in that area if the emergency situation so dictated.

Mr. CARROLL. The resolution is not asking us to delegate any warmaking power. It leaves the President in the same position in which he was before, and we, as a Congress, are in our identical position.

Mr. KENNEDY. Exactly. The President would still be free to use his constitutional powers to protect the security of the United States.

Mr. CARROLL. One further question, if the Senator will permit.

As the Senator has discussed the question today, his conclusion is, from a consideration of all the points he has made, that what is proposed is really psychology on our part; that is to say, we should not give the impression to the people of America and to the world that we are more concerned with our pocketbook than we are with the real spiritual aspects—spiritual in the sense of the economic stability of the people of the Middle East. That is of equal importance to our military program in that area.

Mr. KENNEDY. That is correct.

Mr. CARROLL. I wish to commend the Senator for his most thought-provoking speech, one with which I should like to associate myself. I think he has done a magnificent job here today. I am sorry that more Senators have not been on the floor to hear his wonderful speech.

Mr. KENNEDY. I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. SPARKMAN. First, Mr. President, I should like to commend the distinguished Senator from Massachusetts for having done a very fine job and for making the speech he has made over the period of time he has had in which to present it to the Senate. I am sure he has clarified the thinking of many Senators.

With reference to the amendment offered by the distinguished Senator from Georgia [Mr. RUSSELL], I should like to ask the Senator from Massachusetts if the effect of the substitute, if it is agreed to, would be, first, to drop out any and all economic phases?

Mr. KENNEDY. That is correct.

Mr. SPARKMAN. Would it not also drop out the military assistance program?

Mr. KENNEDY. Yes.

Mr. SPARKMAN. Would it not retain merely the proposal that if the President saw fit to do so, he could intervene with our armed forces?

Mr. KENNEDY. That is correct.

Mr. SPARKMAN. And it would not enable us to help any of those countries that might require military assistance to receive any beyond what is already authorized under the Mutual Security Act?

Mr. KENNEDY. The Senator is correct.

Mr. SPARKMAN. Does not the Senator believe that aside from all the practical operations of the program, that would be very bad psychology throughout the world?

Mr. KENNEDY. It would be a rejection of what the President considers an important feature of his program. It would not save the taxpayers a single dollar. In my opinion, it would set back the President and achieve such minor advantages at best that it seems to me it would be unwise for the Senate of the United States to do it at this time.

Mr. SPARKMAN. The Senator from Massachusetts has taken advantage of the opportunities he has had to travel in many different parts of the world, and he has had ample opportunity to observe the propaganda which has been issued over the years by Russia and by the international Communist movement. Is it not true that there has been a constant stream of propaganda by the Kremlin and the Communists that the United States is interested only in building up great military power in different parts of the world and that we are not interested in the economic welfare of peoples?

Mr. KENNEDY. I am going to show on the next page of my speech how little we have done for the countries of the Middle East, the so-called Arab countries. Israel, Iran, Pakistan, and Turkey have had, of course, very close ties with the United States.

Mr. SPARKMAN. I did not intend to anticipate the Senator's speech, but I think this is most important. The Senator knows from our work in the committee and the various amendments proposed there that I did not like some of the provisions of this resolution. I do not yet like them. I should like to see them changed. I should like to see the provision dealing with economic aid changed so that it would spell out more specifically the type of economic program we seek to put into operation. I should like to see it spelled out in such a way as to emphasize the good old point 4 program, or technical assistance, as being very basic for the establishment of any kind of a future economic program. It does not meet with my complete approval. But we do not have the opportunity of getting always exactly the type of legislation we want.

But the Senator, as I understand his statements here this afternoon, takes the view, as I do, that the committees worked on the matter and now, apparently, the Senate is going to work on it; that we need something, and it is up to us to take the best we can get; and that it would be psychologically bad throughout the world simply to reject it in toto.

Mr. KENNEDY. The Senator is correct. Most of the arguments made are in reality arguments against spending any money in the Middle East—but the time for making those arguments was last summer, or later this spring when the new foreign-aid bills come before us. As far as all the money now under debate is concerned, these arguments were made last summer, and they lost—Congress did provide aid to the Middle East—and the pending resolution simply seeks to carry out the intent of Congress by waiving certain restrictions which are no longer valid.

That is not, as has been argued, a dangerously unprecedented grant of authority. Congress has traditionally given the President a certain flexibility of discretion in a program of this nature as in sections 401 (a), 401 (b), and 501 earlier mentioned. This time we are balancing the flexibility with more careful congressional supervision—and I cannot believe that any future Congress will be so weak kneed as to accept any and all waivers, regardless of circumstances, simply because it was necessary for the last few months of fiscal 1957 to waive restrictions made unworkable by military and political emergencies in the area which Congress could not have foreseen when it appropriated these funds and imposed these restrictions a year ago.

Finally, complaint has been made that we should not be pouring vast sums into the coffers of oil-rich Arab potentates. Permit me to read exactly how much the 8 Arab States, including those with and without oil, have received from us since the very beginning of the aid program over 5 years ago, covering assistance of all kinds including the sending of certain specialists under technical assistance:

Total actual expenditures under economic and technical assistance, through June 30, 1956:	*Million*
Saudi Arabia	$2
Yemen	None
Egypt	$27
Sudan	None
Iraq	$8
Jordan	$22
Lebanon	$14
Syria	None

Total military assistance grants, same period:	*Million*
Saudi Arabia	[1] None
Yemen	None
Egypt	[1] None
Sudan	None
Iraq	([2])
Jordan	None
Lebanon	None
Syria	None

[1] Some United States military equipment sold on reimbursable basis.

[2] Classified, but even less than economic aid.

In short, the total amount received by all 8 Arab States in approximately 5 years has been only $73 million worth of economic and technical assistance, and no military assistance grants to speak of.

The bulk of our aid to the Middle East, with actual economic-assistance expenditures of $237 million, has gone to Israel. It is true that Congress has authorized a total amount of expenditures for the Arab States of approximately $170 million, but for various reasons, particularly because those States were not able to meet our technical standards, only $73 million has been expended in the Arab countries in a period of 5 years, and practically none at all has gone or is going to countries having great resources in oil.

Iran, a non-Arab country, which was salvaged both from the Russians and its own antiwestern fanatics, is in a separate category, as are Turkey and Pakistan, because we have obligations to them under the NATO and SEATO treaties.

But surely $73 million or $200 million or even $750 million is not an unprecedented sum with which to bolster the economic and political stability of an entire area against the spread of Soviet imperialism. We have spent more than $2 billion for this purpose in Greece alone, roughly $2.5 billion in Korea—not counting the war—and almost $2 billion in Formosa and Free China. The amount under debate for the entire Middle Eastern area is less than the amount we spent for similar purposes each year—mostly in economic aid—in either Vietnam, Korea, or Formosa alone. I know of few Members of this body who feel we should withdraw all aid from Vietnam, Korea, or Formosa, or who feel that our economic support of Greece was a mistake.

Adoption of the amendment deleting all economic-assistance provisions, therefore, will only diminish congressional review of aid projects, encourage hasty and inefficient expenditures, hamper the Richards mission, embarrass our Government, and dismay friendly Middle Eastern nations. No money will be saved, no unprecedented grants of discretion will be stopped, and no economic ratholes will be plugged. If we can but consider these hard facts, apart from party bias or popular prejudice, there can be no mistaking our course. In the words of Woodrow Wilson:

> The tragic events of * * * turmoil through which we have just passed have made us citizens of the world. There can be no turning back. Our own fortunes as a nation are involved—whether we would have it so or not.

Mr. ALLOTT. Mr. President, I wish to take this opportunity to congratulate the Senator from Massachusetts on what I consider to be a very fair and able presentation of the question before the Senate. It is not all white or all black. But I think the manner in which the Senator has presented his views has served to clarify the air and to settle many of the questions in the minds of some persons who have wondered about the situation. I did not want the opportunity to pass without so stating.

Mr. KENNEDY. I am most appreciative of the compliment of my friend from Colorado.

During the delivery of Mr. KENNEDY's speech,

Mr. HENNINGS. Mr. President, I ask unanimous consent that a statement I have prepared relating to the Middle East resolution be printed in the body of the RECORD, at the conclusion of the statement by the distinguished Senator from Massachusetts.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

The Members of the Senate are now confronted with the necessity of deciding whether or not to support the President's proposal for a program of American assistance to the nations of the Middle East, and if so, in what form.

Shortly after the pending resolution was introduced in the Congress, I expressed my opinion that it would not solve any of the really serious problems of the Middle East,

such as those which now engage the full attention of our top policymakers.

I said at that time that I would strongly have preferred that the administration had not suggested that such a resolution be introduced. Irrespective of its wording, I feared that it would create endless confusion as to the real sources of Middle East instability, as well as to our own role with respect to local disputes and local conditions which ultimately provide the vehicle for Communist penetration.

However, the resolution had been introduced and the President pledged his word that he was dealing with matters of the greatest urgency. I then felt that the Senate would be well advised to clarify the resolution, to limit its scope, and to pass it.

In terms of concrete criticism, the resolution as originally introduced was unacceptable to me, first, because of the language by which the Congress would authorize the President to use the Armed Forces when our vital interests were threatened, and secondly, because of the request for an unprecedented freedom of spending authority. These features of the resolution involved important constitutional questions and raised serious constitutional doubts. The outstanding issue involves the question of congressional authorization. I believe the President has the necessary authority under the Constitution, and the Congress can confer no additional authority upon him in this regard.

My objections were shared by many of my colleagues, and they have been met by the action of the Senate Foreign Relations and Armed Services Committees in rephrasing the provisions which relate to the use of our Armed Forces and the use of funds for economic and military assistance. The new language joins the President and the Congress in a clear statement of policy, which affirms that the United States is prepared to use armed force in defending a Middle Eastern nation against Communist armed attack, if that nation so requests.

On the basis of these alterations, I am now prepared to vote for the resolution.

However, if a further amendment were adopted which restored the original word "authorize," a great constitutional problem would be revived, and I would have the gravest doubts about voting for the resolution.

I state with satisfaction that the enlightened discussion now being conducted in the Senate on the resolution, as well as recent events, has begun to focus American attention on little-known nations and their little-understood problems. However, Mr. President, I deeply regret the attacks on the amended proposal which have been made by those who believe that the United States can and should stand more or less alone in a turbulent and hostile world, without using its powers to bring about economic progress and peaceful adjustment of disputes between other nations.

The objections from that side relate in large measure to the $200 million fund. The proponents of that point of view would like to see all reference to the fund eliminated from the resolution. With this suggestion, I disagree. I also emphatically disagree with the idea that the bulk of our aid in the Middle East should take the form of military assistance.

Yet, while I advocate the approval of the use of the $200 million fund—which has already been appropriated—I wish it to be clearly understood that the administration's vague plans for the employment of this money do not fully satisfy me and leave in my mind a large area of questions and doubts.

In the first place, it is the amount involved. We certainly do not believe that this sum of money is large enough to make even a good beginning in tackling the economic problems of the Middle East.

Furthermore, I originally had thought that the $200 million would be channeled into economic projects, aimed at reducing the misery and poverty of the region. I found instead that it will be used largely for so-called budgetary assistance to keep local governments operating in the absence of their normal revenues. My criticism, then, has not been made in an attempt to lower the amount involved. It has been directed at the fact that Congress would not know how the money would be spent, and that apparently so little of it would find its way into direct economic development.

I have stated repeatedly, and I state again, that even if the resolution were passed unanimously, bringing all the psychological impact we can muster, it would not solve the problems of the Middle East. I trust that the administration will not use it as an excuse for lapsing back into inactivity. Let the administration never forget that the hard work is only now beginning. We need to reduce western dependence on the Suez Canal, for example by building alternative pipelines through Israel and other areas. It is absolutely essential to intensify our efforts to solve the Arab refugee problem. Every human effort must be bent to encouraging acceptance of a multiple-purpose project to develop most efficiently all of the resources of the whole Jordan Valley. There is no lack of things to do, but I sense at times a lack of the will and the skill to do them.

If the administration comes to Congress with a constructive, well-defined program incorporating this type of assistance, I assure them they will have my support.

Mr. KEFAUVER obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield so that I may suggest the absence of a quorum, without his losing the floor?

Mr. KEFAUVER. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ellender	Morse
Allott	Ervin	Morton
Beall	Flanders	Murray
Bible	Hennings	O'Mahoney
Blakley	Hickenlooper	Payne
Bush	Humphrey	Potter
Case, N. J.	Javits	Purtell
Chavez	Jenner	Russell
Church	Kefauver	Sparkman
Clark	Kennedy	Talmadge
Cooper	Knowland	Thurmond
Cotton	Kuchel	Wiley
Curtis	Lausche	Williams
Dirksen	Mansfield	
Douglas	Monroney	

The PRESIDING OFFICER. Forty-three Senators having answered to their names, a quorum is not present.

The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. BARRETT, Mr. BENNETT, Mr. BRICKER, Mr. CARLSON, Mr. CARROLL, Mr. CASE of South Dakota, Mr. DWORSHAK, Mr. GREEN, Mr. HAYDEN, Mr. HRUSKA, Mr. JOHNSTON of South Carolina, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. NEUBERGER, Mr. PASTORE, Mr. ROBERTSON, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, and Mr. THYE answered to their names, when called.

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present.

The Senator from Tennessee has the floor.

WITHDRAWAL OF ISRAELI FORCES FROM GAZA STRIP AND GULF OF AQABA

Mr. CASE of New Jersey. Mr. President, will the Senator from Tennessee yield to me, in order that I may make a brief statement at this time?

Mr. KEFAUVER. I yield.

Mr. CASE of New Jersey. I thank the Senator from Tennessee.

Mr. President, newspaper reports of the withdrawal of the Israeli forces from the Gaza Strip and the Gulf of Aqaba area are welcomed by all the peaceful nations of the world. To this country, it is evidence of the wisdom of maintaining a firm policy of justice toward all nations. It justifies the confidence the people of the country have in the President's conduct of foreign policy.

The withdrawal under the honorable conditions which have reportedly been arranged makes it possible for this Nation to continue its friendly and close relations with the country of Israel which it helped create. These conditions are based on justice and equity, and I am confident that the Arab nations, too, will realize that this is true. Israel has done its full part. The responsibility now rests squarely on the Arab nations. A renewal of the dispute cannot do either side any real good.

Now we must move forward and seek to eliminate the root causes of the continuing conflict and confusion in the Middle East. The President's Middle East resolution is the next essential step, and the military-economic aid sections of the proposed legislation are critical to the success of the joint resolution. Without this, our Nation will be hindered in achieving its goal of helping all the nations in the Middle East to resist communism and to enjoy the fruits of a durable peace and economic progress.

The economic aid section of the joint resolution especially can help meet the basic problems of the area which must be settled if we are to get away from the situation of moving from crisis to crisis, and if we are to make real progress toward lasting peace.

President Eisenhower's Middle East resolution can be the forerunner for a cooperative program of economic development which all the nations of the area can, with our help, carry forward to their mutual benefit.

I feel that with the withdrawal of the Israeli forces and with the forthcoming enactment of President Eisenhower's Middle East resolution, there is finally a real chance to achieve lasting peace in this vital part of the world. We must move unceasingly toward this goal.

Mr. President, I thank the Senator from Tennessee for yielding to me.

PROCEDURE ON QUORUM CALLS

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield briefly to me?

Mr. KEFAUVER. I yield.

Mr. ANDERSON. Mr. President, I wonder what is happening in connection with quorum calls and yea-and-nay votes. I am one of a large number

of Senators who have come to the Chamber in response to the recent quorum call. If the quorum calls are to be ended soon after they are begun, so that it is impossible for us to come to the Chamber and answer to our names, we might just as well remain in our offices.

My office is a considerable distance from the Senate Chamber; it is in a far corner of the Senate Office Building, and it is a long way from here. By the time I am able to reach the Chamber, after the bells for a quorum call are rung, I find that the quorum call has ended.

On other occasions I have known quorum calls to last a long time; and sometimes after votes, I have known Senator after Senator to rise and ask how he was recorded—in order to give a delayed Senator time to arrive. On many occasions that procedure has continued for 10 minutes or longer, until Senators were able to reach the floor.

In the present case we were delayed because of a delay in the electric-car service in the subway. I wish to inquire whether there is any way of showing how long a quorum call has lasted.

A number of us were in our offices when the quorum bell rang; and we came as quickly as we could, although, as I have said, there was delay in the electric-car service in the subway. On our car were the Senator from Washington [Mr. JACKSON], the Senator from Florida [Mr. SMATHERS], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. SYMINGTON], the Senator from Utah [Mr. WATKINS], and myself.

Mr. HILL. Mr. President——

Mr. ANDERSON. And on the second car were—among others—the Senator from Alabama [Mr. HILL], and the Senator from North Dakota [Mr. YOUNG]. We came as rapidly as we could, but we could not reach here before the quorum call had ended.

Mr. WATKINS. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. WATKINS. I have asked the Senator to yield, in order to have the RECORD show that I am here.

Mr. SYMINGTON. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. SYMINGTON. Mr. President, I was on the floor for approximately 2 hours today, and left only a few minutes ago, to go to my office and do some work.

Mr. ANDERSON. Mr. President, at the time when the bells for the quorum call rang, I was in my office, holding a conference in regard to a very important matter which is to come before the Finance Committee. As soon as the quorum bells rang, I told the gentlemen with whom I was conferring that it was necessary for me to answer the quorum call, and that I would have to hurry, and that I regretted that I was compelled to ask them to leave. Then I came here; but upon arriving here, I now find that the quorum call has been ended.

I wonder how we can act in order to have our names included on the list of Senators who have come to the Chamber.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the name of every Senator now in the Chamber who has just missed the quorum call be included on the roll.

Mr. KNOWLAND. Mr. President, I am very sorry, but I shall have to object to that request. The majority leader is not present at this time. The same issue was raised earlier in the day. I think we would get into a difficult position on rollcalls if such requests were granted, and I must object.

Mr. ANDERSON. I am going to suggest the absence of a quorum, then, so we will have another chance to show who is here.

The PRESIDING OFFICER. Will the Senator from Tennessee yield for that purpose?

Mr. ANDERSON. I do not wish to ask for another quorum call. I think we should have some information as to whether we are to have live quorums, and whether the calls are to be completed in 2 minutes. I do not think such a procedure will contribute to the present debate, when Senators try to get to the Chamber, and on arrival are told that the quorum call has been closed.

The PRESIDING OFFICER. Under the announcement of the majority leader, the request of the Senator from Missouri [Mr. SYMINGTON] can be granted only by unanimous consent. The Chair understood the Senator from California to object to the unanimous-consent request.

Mr. HUMPHREY. Mr. President, I should like to add that the situation alluded to by the Senator from New Mexico is one which has caught several of us short on quorum calls. I regret that is the case. I think our constituents will have to accept the fact that we are here, as they can determine by reading the RECORD.

VISIT TO THE SENATE BY MARY LOU ERICKSON

Mr. KEFAUVER obtained the floor.

Mr. THYE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. THYE. The people of Minnesota are very fortunate in having as one of their citizens Miss Mary Lou Erickson, who was chosen the Aquatennial Queen. That festival in the State of Minnesota commences on July 19 and runs through July 28.

I invite the attention of Senators to the fact that Mary Lou Erickson is sitting in the gallery, and I ask that she be permitted to stand.

[Miss Erickson rose in her place in the gallery, and was greeted with applause.]

Mr. THYE. I thank the Senator from Tennessee for yielding to me.

Mr. KEFAUVER. I may say that it is a great pleasure to yield for such a purpose.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the Joint Resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. KEFAUVER. Mr. President, I rise to oppose Senate Joint Resolution 19, the so-called Middle Eastern resolution of the President. I do so reluctantly.

In matters of foreign policy, my ordinary inclination is to support the President when he comes to Congress and asks for support. I cannot bring myself to do so on this resolution.

In the first place, I think that the people of Tennessee, when they elected me, knew that, as a Member of Congress, I would vote "yes" or "no," if the time should ever unhappily arise, on the question of whether this Nation should go to war.

In this resolution, despite the changes that have been made in its wording by the Foreign Relations and Armed Services Committees, we are delegating the authority to someone else to decide whether or not we shall go to war.

The someone else is not necessarily the President. It is not necessarily Mr. Dulles or any other member of the Cabinet. It may very well be some commander of troops in the field whom we do not even know.

This resolution is ostensibly for the purpose of assisting any nation that requests such assistance from Communist aggression. Try as you may, Mr. President, you cannot find out from the administration how it will be determined whether it is the aggression of the nations or whether it is Communist aggression. I had long colloquies with Secretary Dulles during the course of the hearings on this resolution. I never could find out. But I did learn that, in his opinion, the most likely testing of this doctrine—to determine if we would react—would come in the air. And in that case the decision would be delegated to the commanders of the Air Force in the Middle East.

I want to be perfectly fair and perfectly accurate about this, and therefore I desire to read the exact exchange with Mr. Dulles from the record of the hearings. We had previously discussed how action might come about under the resolution, and Mr. Dulles said it would most likely be through an action in the air.

Our colloquy, which I am reading, comes from the record of the hearings, pages 252 and 253, volume I.

Senator KEFAUVER. Is it contemplated that we will have airbases with planes manned by American airmen, in the Middle East?

Secretary DULLES. Well, we have bases already in parts of the area, and there are friendly fields available to us in the area, and it might very well be that there would be an invasion by air of the area of some of our friendly countries there, to see whether we reacted or not.

Senator KEFAUVER. Would it be the intention to react if there were Soviet planes doing that?

Secretary DULLES. Yes, sir; I would think if a Soviet plane started what looked like an airborne operation, that there would presumably be a reaction.

Senator KEFAUVER. Who would determine whether it was a friendly invasion, I mean just planes flying over or whether it was an armed invasion by air?

Secretary DULLES. That would be determined by the President.

Senator KEFAUVER. By the President?

Secretary DULLES. Yes, sir.

Senator KEFAUVER. Would that be a determination that the matter would be delegated to the commanders of the Air Force in the Middle East?

Secretary DULLES. Under safeguards; yes.

Senator KEFAUVER. In other words, these men out there would have it within their power to substantially determine whether when planes came over, Soviet planes came over, to determine whether it was hostile or whether it was not?

Secretary DULLES. The situation in that respect would be precisely the same as it is in the North Atlantic Treaty areas and as it is in the western Pacific, where that situation already exists.

Senator KEFAUVER. But in the North Atlantic Treaty, we have French, British, and a lot of others there with us; do we not?

Secretary DULLES. Well, we have different areas, but if there is an invasion of our area, the people who are there have a limited discretion to act.

The same way in the case of Japan, Korea, Okinawa, the Philippines, Indochina.

Senator KEFAUVER. But in any event, whatever may be the situation, the area commander in the Middle East, the air commander, would have a certain right delegated to him to determine whether it was the type of air invasion that he should use American men and planes to combat?

Secretary DULLES. You can get more detail on that from Admiral Radford. What I would say is that it would create here precisely the same situation that already exists over a good many thousands of miles around the perimeter of the Soviet-Chinese Communist orbit.

Senator KEFAUVER. I am not talking about what exists somewhere else. I just want to know what is going to happen here.

Secretary DULLES. Well, as I say, you can get more detail from Admiral Radford. I do not know just exactly what the command instructions are, but it would be the same here as in the case elsewhere.

Senator KEFAUVER. All right, thank you, Mr. Secretary.

There is not one word of testimony anywhere in the record to indicate otherwise than that the question of whether we are going to react to something that happens in the Middle East will not be determined directly by the President or by the Secretary of State, but by some commander there, who may not even have been given an appointment at this time.

I know that the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY], which was agreed to yesterday, and which I approved, seeks to assure that the Congress eventually will have the authority to vote on a state of war. Whether that will be satisfactory to the Secretary of State or the President I do not know.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. O'MAHONEY. A very curious development took place yesterday with respect to the question which the Senator raises. A letter dated February 28 was addressed to the Senator from Rhode Island [Mr. GREEN], chairman of the Foreign Relations Committee, by the State Department, saying that the amendment was objectionable. Later in the afternoon, however, immediately after that letter had been handed to me, the Senator from California [Mr. KNOWLAND] reported to the Senate that he had personally communicated with the State Department, and the State Department advised that it had no objection to the amendment. I inserted in the RECORD yesterday, after the vote was taken, the letter of condemnation from the Department of State. I did so in order to make it clear that the first view of the State Department, in the morning hours of yesterday, had been rejected by the State Department in the afternoon hours, with the hope that when the resolution goes to conference the members of the conference on the part of the Senate will bear in mind that the amendment, with the approval of the Secretary of State, overruling an Assistant Secretary, was approved unanimously by the 82 Members of the Senate who were present.

Mr. KEFAUVER. I thank the Senator. He points up one of the difficulties we have had in the Middle East, and in connection with this resolution. The administration, in its handling of policies and problems in the Middle East, and even in connection with this resolution, frequently changes its opinion. I saw the letter which the Senator placed in the RECORD, indicating opposition to his amendment. Now we hear that it is satisfactory. What the opinion of the State Department with respect to it may be tomorrow, there is no way of telling. The opinion of the Department changes from time to time.

Mr. O'MAHONEY. Perhaps it might be wise for us to suggest to the State Department that there should be within the Department a plan of hour-by-hour consulation.

Mr. KEFAUVER. At least there should be more consultation, and more direct agreement reached upon great basic problems with which the Department is dealing. I am sure the Department will consider the proposal of the Senator from Wyoming.

As I have said, the O'Mahoney amendment seeks to assure that Congress eventually will have the authority to vote the question of declaring a state of war to exist.

Whether that will be satisfactory to the Secretary of State or the President I do not know. The whole thrust of what they said they wanted was an unequivocal statement. That is what they testified they demanded in the committee hearings. The fact that there is an attempt to retain Congress' constitutional powers, under the amendment of the Senator from Wyoming [Mr. O'MAHONEY] may not be considered unequivocal by the executive department.

The House has already passed a resolution on this subject. We do not know what will happen in conference.

Nor does this change the fact that under this resolution the conditions are created which would make it impossible for Congress to do other than declare war, if there should be a test of the resolution somewhere in the Middle East and a reaction to the test by the air force commander in the Middle East.

In other words, this resolution sets up a condition under which we can be placed in a position in which the constitutional right reserved to Congress may be meaningless.

When we approve the creation of such conditions, then we are bound to agree in so doing that we will take the further step that naturally follows. Despite what the amendment says, in approving the resolution we approve the consequences.

I cannot bring myself, Mr. President, to vote for a resolution which by its very wording abandons any control Congress may have over the decision to send American troops into action and abandons this decision to some unknown individual who may not have been appointed to his post as yet.

Let me say, in this connection, that I do not question the authority the President already has to order the Armed Forces to take any action he deems necessary in the defense of the Nation. I do not question that if an aggressive act occurs in the Middle East to which the President deems it necessary to react for the protection of the United States, then he can so react.

But I am not going to vote "yes" to some vague thing which is called a doctrine but which is not a doctrine at all, which brings about a set of circumstances increasing rather than diminishing the possibility of war.

For let us make no mistake about it—the minute the field commander reacts, that will be war. Congress may later be asked to recognize that a state of war exists. But it will be no more than recognition of a fact that exists.

But Congress by this resolution will already have delegated its right to determine whether in the light of certain conditions we should or should not go to war. I am not willing to make, and I do not think the Constitution contemplated that I should make such a delegation. Under some circumstances I might be willing to vote for war, under others I might not, but under this resolution the decision would be made for me, perhaps by some military commander none of us know who is yet to be assigned to the Middle East.

In my opinion the passage of this resolution will make much more likely the occurrence of an incident to which our troops would react.

As a result of this resolution, we—the United States—may be accelerating a dangerous arms race in the Middle East. We are authorizing the expenditure of funds under this resolution to arm the nations of the Middle East. Surely, we are not so naive as to believe that this will not be met with countermoves from the Soviet bloc. We would be met, gun for gun, tank for tank, jet for jet. Soon one side would be outdoing the other—2 guns for 1, 2 tanks for 1, 2 jets for 1. We have the conscience of the world with us—or we did have when the Czechoslovak Communist operation sent arms to Egypt—but we will not have the conscience of the world or world opinion with us if we are the ones who precipi-

tate a further arms race. Throwing these arms into an already unstable and explosive area is hardly the road to peace.

Rather than contributing to an arms race, we should be leading the way to arms limitation agreements. I was interested in reading an article in Monday's Washington Post and Times Herald, a statement by a seasoned observer of foreign affairs, Mr. Chester Bowles, former Ambassador to India, who has been visiting this whole turbulent area.

Mr. Bowles makes the point that when we send a flood of the most modern arms to one country, we antagonize the others, increase the divisions among them all, and upset the balance of power in the entire region. He makes the equally valid point that this forces the nations whose great need is to increase the standard of living of their own people, to devote more and more of their incomes to arming themselves.

Mr. President, I am impressed by the fact that this so-called doctrine fails to meet any of the problems of the Middle East. When this doctrine comes to face a practical problem, such as the internationalization of the Suez, the prevention of further hostilities from the Gaza Strip, the guaranty of free passage in the Gulf of Aqaba, the doctrine, like a piece of cotton candy, disappears into nothing but air.

These are our problems—and these are the things we should be working to solve. I cannot vote for a resolution which will lead the people to think that some bold new plan which will lead to peace in the Middle East has been evolved, when, in fact, it has not.

Another thing worries me: If we should get into trouble as a result of this policy, who will stand with us?

It is quite clear, as a result of the hearings, that in drafting this policy, our Nation conferred with no one. It is truly a go-it-alone document.

I asked Mr. Dulles long questions about it. Of course, other nations were told what we were going to do, but they were never conferred with in connection with the formation of our policy, or in trying to get them to join with us to any extent whatever.

One of the overriding necessities for the resolution, Mr. Dulles testified, is to assure Western Europe of an oil supply. We did not however confer with Britain and France or the other nations of Western Europe before producing the resolution. The NATO alliance, which has been allowed to decay through the years, was not strengthened by this action. We did not confer with the Baghdad Pact countries—the only prowestern, multilateral group in the whole area of the Middle East. The Baghdad Pact was not strengthened by this action.

The purpose of the Baghdad Pact is to prevent Communist aggression. At least it has some substantial nations as members, among them England, Turkey, Pakistan, Iran, and Iraq, who would join in fighting aggression if we were members of it; and we might be, if it were revised. However, we elected to go alone.

I have heard no one give an answer to the statement that the resolution benefits the people of Western Europe, in their need for oil. There are 15 nations in Europe, not including Austria, with a population of over 280 million. Yet we made no effort whatever to get any of those nations, who are the beneficiaries of this program, to join with us directly or indirectly in carrying the burdens placed on us by the resolution.

Instead, all alone, we propose arming various nations of the Middle East, without knowing in which direction the arms may eventually be turned. All alone, we propose the use of our troops, to protect the oil supply of Western Europe.

And just how much protection, Mr. President, would that be if a war should erupt in the area? The Suez Canal is certainly vulnerable, as has been shown. The pipelines are vulnerable. The passage of tankers around the Cape of Good Hope, should there be a war, would be a veritable shooting gallery. In other words, strategically the Middle East is not a very certain source of oil. Yet, as we all know, the Middle East and oil are indivisible. The two are so entwined that intelligent discussion of one cannot possibly proceed without an understanding of the other. The question now at issue is, therefore, whether the foreign policy of the United States with respect to the Middle East will, under this resolution, be determined largely by the interests of the major oil companies, which may or may not represent the true long-range interests of this country and our people.

In this connection I call attention to an editorial in the Washington Post of February 26, 1957, which says in part:

> The international oil companies may or may not have behaved well in the Suez emergency; certainly the confusion of statistics and the unfortunate price increases have been legitimate complaints. It would be wrong to permit the oil companies to dominate American policy even though it is entirely right to consult them about matters within their special competence. But a failure to take into account the strategic importance of oil in the Near East would be a gross dereliction in policy just as bad as toadying to the companies.

I wish to place myself on record as being in full agreement with these views. It would indeed be wrong to fail to take into account the strategic importance of oil in the Near East; it would also be wrong to fail to consult the oil companies about matters within their special competence. But it would be equally wrong to permit them to dominate American policy.

If the past is to serve as any guide to the future, there are more than sufficient grounds to be concerned over the prospect that the major oil companies will, in point of fact, dominate our Middle East foreign policies. I need not dwell upon the possible consequences here, which range all the way up to and including the precipitation of a third world war in order to protect what the oil companies may consider to be their legitimate rights and interests.

In the recent past there has been no lack of instances in which the policy of the United States Government has been directly geared to promoting the interests of the oil companies, even at times at the expense of our national security. If this has been true of the past, why should it not also be true of the future? I should like to recite just a few examples of oil-company domination of Government policy.

My first example is the action by the present administration in virtually bringing to an end the Government's program to produce oil from oil shale and coal in the United States. When this administration came into power, the Government had in operation two development plants, one at Louisiana, Mo., and the other at Rifle, Colo. The plant in Missouri was engaged in experimental work in converting coal into liquid fuel; the plant in Colorado was engaged in similar work on oil shale. Considerable progress had been made in both plants in finding economical alternatives to crude oil as a source of petroleum products. In both plants costs had been brought down to a point not far above the prevailing petroleum prices and further progress was, of course, anticipated. As we all know, the reserves of coal in this country are virtually inexhaustible. Similarly, the reserves of oil shale are enormous. It has been estimated that there are available in Colorado, Utah, and Wyoming accessible bodies of oil shale representing a potential reserve of over 500 billion barrels of recoverable oil.

Now, what has been the fate of these promising developments under this administration? The plant in Missouri has been closed down altogether; operations in the Colorado plant have been greatly curtailed, awaiting the time when it will be taken over by one of the other large oil companies, if ever. The case of the Colorado installation is particularly interesting in view of the fact that processing oil shale is a relatively simple operation and costs are less than in the case of coal. On June 30, 1954, Mr. Felix Wormser, Assistant Secretary for Mineral Resources, wrote a letter to Mr. Walter Hallanan, president, National Petroleum Council, Pittsburgh, Pa. Speaking of the experimental work on oil shale which had been carried on at the Rifle plant, Mr. Wormser asked the National Petroleum Council to "give us the benefit of its advice as to the action we should take in light of the committee's recommendation." In a report dated January 25, 1955, the National Petroleum Council gave its answer:

> The committee therefore concurs in the recommendation of the Interior Department Committee to the Secretary of the Interior to the effect that the experimental work done solely by the Bureau of Mines on the production of oil shale and oil from shale at Rifle, Colo., should be discontinued at present and that the facilities now on the site be maintained in a standby condition.

This recommendation has substantially been followed by the present administration.

In recent years about one-fifth of this country's total oil consumption has consisted of imports, and the proportion has been steadily rising. Russia, it is reported, now has at least 400 submarines, many of them equipped with the snorkel underwater breathing device.

It takes no great stretch of the imagination to see what could happen to our imports if a true emergency developed. We could very readily be confronted with the absolute necessity of supplementing our domestic oil production with gasoline produced from other sources. Yet the development plants which were in the process of supplying us with the invaluable know-how to meet such a problem have been closed down. And they have been closed down because the big oil companies regarded them as a possible competitive threat and did not want them to continue operations. It is difficult to conceive of a more clear-cut case of oil-company domination of the policy of the United States Government. Commenting on the recommendation for closing the plants by the National Petroleum Council, the Denver Post, in an editorial of October 5, 1954, stated:

If a jury of railroad presidents was asked to decide whether the trucking industry should be allowed to use public highways, there would not be much doubt what the verdict would be.

We do not leave decisions on whether the Government should subsidize airlines to committees composed of bus-company executives.

Coal companies would be considered prejudiced, so we do not leave it to them to advise the Government on imports of fuel oil or the building of domestic pipelines.

We expect our Government, in passing on any matter involving Government authority, to act in the best interest of the people, not to line up with one group of competitors against another.

But Secretary of the Interior McKay, in an almost unbelievable action, has asked the liquid-petroleum industry, as represented by the National Petroleum Council, to advise the Government on whether Federal appropriations for oil-shale experimental work should be stopped. * * * The oil industry is just about as anxious to have competition from shale oil as the Republicans are to have the Democrats win the November elections.

What the oil companies wanted, the oil companies got.

Mr. President, my second example of oil-company domination concerns the formation of the so-called Consortium in 1954, an arrangement formed to absorb within the framework of the international petroleum cartel, the increased output resulting from the resumption of production in Iran. Since the Consortium would have been an illegal price-fixing arrangement, an exemption for it was secured under the antitrust laws. The background of the Consortium was the action taken by the Government of Iran under the then leadership of Premier Mossadegh in nationalizing its oil industry. The Anglo-Iranian Oil Co., which operated the huge refinery at Abadan, as well as the other major oil companies, bitterly opposed this action by the Iranian Government. Unable to market its products and unable to operate its refinery without key foreign technicians, the oil industry in Iran shut down. Economic distress and political unrest swept the country, culminating in the possibility of seizure of the country by Communist elements. Premier Mossadegh was ousted and imprisoned. The Shah of Iran was returned to power. But before oil production could be resumed, there had to be worked out an arrangement by which the increased output would, in effect, be handled by the established major oil companies. The arrangement finally arrived at was the so-called Consortium. Its principal architect was Herbert Hoover, Jr., who on September 12, 1953, was appointed special adviser to Secretary of State Dulles on problems dealing with worldwide petroleum matters.

The basic purpose and reason for the Consortium was to make sure that none of this increased output would get into the hands of outside or independent enterprises which might inject a little competition into the world petroleum markets. Its architects went to considerable lengths to be sure that no such eventuality might materialize, as is indicated by what happened to the cooperatives in their efforts to become a member.

Mr. President, in connection with making quite sure that no little independent company got in, that only the big international oil companies had a chance of securing any of this oil, I refer Senators to House hearings before the Committee on the Judiciary of the 84th Congress, entitled "Antitrust Problems," part 2, beginning at page 685. The entire matter is discussed in full and in detail there.

I also refer Members of the Senate and the public to an extremely well-documented recent book entitled "Middle East Oil and the Great Powers," by Benjamin Shwadran. This book, Mr. President, contains facts and figures; and these two documents are a part of the basis for my statement, and they are not controverted.

After the Consortium was divided up among the leading international companies, there remained 5 percent which was to be made available at cost to other American companies. Among the applicants for part of this 5-percent share was the International Cooperative Petroleum Association, which sought to obtain the modest share of one-half of 1 percent. Its application, however, was denied on the technical grounds that, inasmuch as it had affiliations with cooperative organizations in other countries, it was not an American company and, therefore, not entitled to participate. Protesting its exclusion, Howard A. Cowden, president of the Consumers Cooperative Association, issued a statement on May 18, 1955, saying:

We have seen a demonstration of the tremendous power the big international oil companies wield. They became, for all practical purposes, the spokesmen of our Government and the British Government in negotiations with Iran. They saw to it that cooperatives were barred from any participation, and I can understand their reasons. Cooperatives are opposed to their tight control of the markets in Europe. Cooperatives, with a chance to handle oil from the low-cost fields and refineries in the Middle East, might have shown the public just how much profit there is in transporting this to Europe and selling it at present prices.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield.

Mr. MORSE. I wonder if the Senator from Tennessee would permit me to place in the Record at this point some oil statistics which I think are of interest.

Mr. KEFAUVER. I should be happy to have the Senator from Oregon do so.

Mr. MORSE. I have been advised that the M. A. Hanna Co. holds 482,256 shares of the common stock of Standard Oil Company of New Jersey, having a current market value of $26,885,772; and that it holds 187,500 shares of stock of Seaboard Oil Co., valued at $11,671,875.

The Senator from Tennessee knows, I am certain, that M. A. Hanna Co. is the company with which the Secretary of the Treasury, Mr. George Humphrey, is closely associated.

I happen to think, as a legislator, that I have to give at least passing notice to such facts for whatever cause-to-effect implications they may bear to United States foreign policy.

Mr. KEFAUVER. I thank the Senator from Oregon. That is information which should be made public, for it shows the interests of this great company, which is substantially dominated by the present Secretary of the Treasury, in the international oil field. It is information which the public should have.

I think it would be very interesting at some later time to bring out the facts concerning the other tremendous holdings of M. A. Hanna Co. in the United States, Brazil, and other countries of the world.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. O'MAHONEY. I was very much interested in having had brought out the fact that the Iranian consortium which was arranged and agreed to while former Under Secretary of State Herbert Hoover, Jr., was acting for our Government, resulted in squeezing the small independent companies in favor of the gigantic companies, which now operate the oil lift to Europe.

It seems to me to be amazing that our eyes have been so blinded to what is going on that we do not realize that we are permitting the gigantic corporations to take over not only the concentrated economic control of the business, but to take a place which gives the point and direction to the foreign policy of the United States.

The Senator will remember, I am certain, the testimony given yesterday before our subcommittee by Mr. Lester Clark, an independent operator, of Breckenridge, Tex. He told us in his testimony that today more than 8,000 wells in the State of Texas are unconnected to pipelines. Without the pipelines, without the huge tank trucks, and without the tanker ships at some gulf port and transportation by pipeline to the gulf port, such independent operators are barred from the market.

I was prompted to say to the witness, "If I understand your testimony correctly, you are telling our subcommittee that the independent operators of Texas and elsewhere in the United States are just as effectively blockaded from their market by the giant companies as the giant companies were blockaded by Nasser when he sank vessels in the Suez

Canal. There is no difference between the blockades which have been erected by concentrated industry against private enterprise in this country and by the consortium throughout the world, and the blockade which Nasser has established in the Suez Canal."

I may say that the witness agreed with that statement, and said it was exactly a parallel situation.

Mr. KEFAUVER. I appreciate the statement made by the Senator from Wyoming. When we speak about the abuses of power and control which have been exercised over the Government and the people by the big oil companies, many persons may think we are including the small independent companies also. The large companies try to use the small companies as fronts in order to do their business; but we know, of course, that the operations of the large integrated companies have always thwarted and held down the chances of success of the smaller companies. That was brought out by the testimony of Mr. Clark, as the Senator from Wyoming has so well stated.

The full testimony and statement of the Consumers' Cooperative Association, which tried to get a small part of the Iranian oil, is set forth in the House hearings of which I spoke, beginning at page 703. A reading of that testimony will show that the small companies never had a chance in competition with the large international oil companies.

Some idea of the profitability of the consortium to its members can be gained from an article entitled "A Profitable Headache," written by Wanda Jablonski and published in Petroleum Week of May 13, 1955. Miss Jablonski is an outstanding writer on the subject of petroleum problems and is on the staff of the National Journal of Commerce. Her article in Petroleum Week observes:

> Each barrel of crude oil should carry a profit of somewhere around 70 to 80 cents. The posted Iranian export price is roughly $1.90 per barrel. Current initial costs are about 70 cents lower; around $1.20 per barrel (80 cents total payments to the Iranian Government, 10 cents consideration payments to the former Anglo-Iranian Oil Co., and about 30 cents actual production costs). It is generally expected, however, that producing costs will drop substantially to below 20 cents per barrel once output volume picks up.

Miss Jablonski then goes on to estimate that by the third year of operations the annual profit per 1 percent share will range from $900,000 to $1¾ million. She adds that

> Such returns on an original capital investment of only $1.5 million per 1 percent share in the consortium are nothing to sneeze at, particularly since most of this income will, to all intents and purposes, be tax-free (after deducting depletion allowance and credits for taxes paid to Iran).

The whole Iranian matter, and the way the Government's policy was largely dictated, including Mr. Hoover's policy, of which he was, of course, the spokesman for the Government, is set forth in a chapter of the book written by Mr. Shwadran, to which I have referred.

The parallelism between the two cases is remarkable. In each, a somewhat novel situation existed; in one, the existence of promising synthetic fuel plants; and in the other, the potential resumption of Iranian production. In each case the interest of the established oil companies was obvious—to shut down the synthetic plants and to keep in their hands the distribution and marketing of the resumed Iranian output. But what is most significant here is that in each case the government agency involved not only acceded to the wishes of the oil companies, but became an active instrument in putting those wishes into effect. It was the Department of the Interior, under Secretary McKay, which curtailed the operations of the synthetic plants; and it was the State Department, under Secretary Dulles, which sent Mr. Herbert Hoover, Jr., to Tehran, for the purpose of devising an arrangement which would keep the control of Iranian production firmly in the hands of the members of the international oil cartel. Again, what the oil companies wanted, the oil companies got, despite the fact that in both cases consumers were denied advantages which a properly operating competitive system is supposed to provide, for in one case they were denied the benefits of advancing technological progress, while in the other case they were denied the benefits of low-cost natural resources.

Mr. MORSE. Mr. President, at this point will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. KEFAUVER. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Does the Senator from Tennessee believe that if we would be more insistent on having all Middle East policies handled through the United Nations, rather than by way of unilateral action on the part of the United States, through the so-called Eisenhower doctrine, it would be a little more difficult for the international cartel to influence foreign policy in the Middle East.

Mr. KEFAUVER. There is no question about that. Today, our Government is doing what the oil companies want. On the other hand, if more nations were involved in making the policy and if the views of more persons were considered, the chances of having our Government do what the oil companies want would certainly be less. Undoubtedly that is true.

Mr. MORSE. I wish to congratulate the Senator from Tennessee for the courageous speech he is making on this subject. I know as well as he does what happens to liberals when we make the type of plea the Senator from Tennessee is making to protect the public interest against monopolistic combines. Of course, the Senator from Tennessee must be ready to be accused and castigated by a reactionary press which will say a great many unkind things about him for making this speech. But the liberals who have served the country before him have withstood abuse of that sort, and have left a record which subsequent generations in the Senate have quoted with approval.

I wish to say that the speech the Senator from Tennessee is making today will be turned to many times a decade from today, and probably will be given even more heed 10 years from now than it will receive in this hour of hysteria.

Mr. KEFAUVER. I thank the Senator from Oregon; his statement gives me much encouragement.

I think I should say that I have been delighted that a few newspapers—and their number is increasing—which are thinking about the public interest have not wholly taken the position of the large international companies in connection with their domination of Middle Eastern governmental policy or in connection with their greed and their desire to impose on the consuming public unjustified price increases. I hope that more newspapers will consider further the effect this matter is having upon the future of the country and upon American consumers.

However, insofar as the criticism of me is concerned, the Senator from Oregon and I have received such criticism for a long time, and we are still here.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I am happy to yield to my friend, the Senator from Colorado.

Mr. CARROLL. In view of the testimony which has been developed within the past several weeks, I wish to say to the Senator from Tennessee that I can see no valid reason why any alert, intelligent newspaper should criticize the Senator from Tennessee or the Senator from Wyoming, because there has been overwhelming evidence of the far-reaching influence by the international oil cartel on American foreign policy. Also, there has been overwhelming evidence of their control not only of the Middle East market but also of the United States oil market. Almost without exception, the evidence has established the fact that that domination has increased the cost of fuel oil and gasoline not only to individuals, but also to industrial plants throughout the Nation and to private power utilities in Florida and California. It is estimated that the recent gasoline-fuel oil price increases will add over $1 billion to the cost of the consumers in 1957.

At this time I rise to pay special tribute to the Senator from Tennessee for his wisdom and experience and his questioning of the witnesses and for helping to bring out these facts. I agree with him that there is a growing awareness on the part of the press of the importance of getting this message to the people. If the committee on which the distinguished Senator from Tennessee serves accomplishes nothing more than to bring this matter to the attention of the people, the committee will have performed a great service, as the able Senator from Tennessee is doing today in his magnificent speech.

Mr. KEFAUVER. Mr. President, I appreciate the comments of the Senator from Colorado. I wish to say that, as a member of the Committee on Interior

and Insular Affairs, he has been in attendance at all the joint committee hearings, and he has been participating in the questioning, and he has shown a thorough understanding of the entire problem. I agree with him that if any newspaper which wishes to do the fair thing and what is right for the consumers of the country, and which wishes our country to have a foreign policy which is not dominated and conducted by the international oil companies, will get the facts and will print them, I do not think there will be a great deal of disagreement with the conclusions I reach here.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield further, to permit me to make a brief statement?

Mr. KEFAUVER. I yield.

Mr. CARROLL. Beyond question of a doubt—at least, in my opinion, as a new Senator, and as a new member of the committee—when I study the financial structure of the major integrated oil companies of the United States and their influence upon our own economy and our own foreign policy, I am amazed that the information has not previously been made public. It is a lesson to me: to learn that one corporation—I need not mention its name—had a net profit of $174 million, plus the depletion allowance, plus receiving the benefit of other tax loopholes which were created in the tax law. Eighty-seven percent of that company is owned by one of giant international oil companies, which, in turn, has enormous profits.

Another great oil company—and its name is unimportant, because we are talking of the matter of the financial structure—has operations extending through the 48 States, and has a net worth of $1 billion. Its actual worth probably amounts to $3 billion or $4 billion. But the evidence clearly shows that the officials and lawyers of these great groups sat in with the State Department, to help formulate the policy we are debating and discussing in this Chamber today.

Mr. KEFAUVER. Yes, Mr. President; and I think it is unfortunate that information about those meetings and what happened at them has not been given to the public. However, I think it should be said that, as the Senator from Colorado so well knows, in the case of all these important governmental meetings, even those Mr. Dulles attended, and several which Mr. Herbert Hoover, Jr., attended, with the heads of the Government agencies concerned and with representatives of the big international oil companies—meetings to discuss this program—strangely enough, no minutes were made of what occurred at the meetings. We have not been able to obtain any minutes of them. In the case of almost any important meeting, and even in the case of small, informal meetings, minutes or memorandums are prepared. But they very studiously avoided making any minutes or memorandums in regard to what took place at these meetings; and we have to find out about them the hard way, and pick up pieces of information here and there, in order to get the true picture. However, at last we are getting the picture.

The American people are wondering why so much of the joint resolution relates to the wishes of the international oil companies. Before we get through this afternoon, I think we shall be able to throw some light on that matter.

A third example of oil-company domination of governmental policy has recently been disclosed in the joint hearings held before the Antitrust and Public Lands Subcommittees of the Judiciary and Interior Committees.

At this point I wish to commend the Senator from Colorado [Mr. CARROLL] for the part he has played in bringing out some of these important matters. Many of them are not carried in the press, and their full meaning has not been properly interpreted or understood. However, they are of tremendous importance.

The third example, to which I referred a moment ago, concerns the complete failure of the present administration to do anything, or indeed even to say anything, about the recent price increase in gasoline, crude oil, and other petroleum products. These price increases, it has been estimated, will cost the American public in the neighborhood of $1 billion a year. The price increase in gasoline alone will cost nearly $500 million a year. Officials of the Armed Forces have testified that the cost of the price increase to the Defense Department will be in the neighborhood of $85 million, a cost which of course will have to be borne by the taxpayer.

It should be pointed out that this increased cost to the Government does not include the increased cost to the General Services Administration, and it does not include increased cost of oil to the NATO troops in Europe.

Furthermore, the price increase has the effect of reducing the amount of oil which England and France will be able to secure from us with their dwindling supply of dollars.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. CARROLL. Reverting again to what the increases will cost our military establishment, I was astounded to learn, because I did not really understand how comprehensive our great Navy is, that the cost of petroleum products for 1 year, as I recall the evidence, is $1 billion. That is what the taxpayers spend. I am not complaining of it; I am merely stating what the facts show.

Mr. KEFAUVER. I believe all the oil for the armed services is purchased by the Navy, and that includes the Army, Navy, and Air Force.

Mr. CARROLL. I understand that, as a result of the recent price increase, the increased cost will be approximately $85 million.

Mr. KEFAUVER. That is true. That does not include the tremendous amount of oil which is purchased by other Government agencies.

Mr. CARROLL. I thank the Senator for yielding.

Mr. KEFAUVER. Mr. President, by no stretch of the imagination can it be contended that the major oil companies are really in need of a price increase in order to secure reasonable earnings. Indeed, their earnings, even before the recent price increase, were extremely comfortable. According to the figures which the committee has obtained from the Federal Trade Commission—which are not disputed, Mr. President—the rate of profit, after taxes on stockholders' investment for the four largest companies in the petroleum refining industry, averaged 14.1 percent in 1955. This was a gain over the 1954 showing of 13.2 percent. That is to say, in 1955 the four largest companies earned an average profit rate, after paying all expenses and taxes, which would pay off their entire investment in only 7 years.

Humble Oil Co., which increased its price, is making an increased profit this year over its profit of last year. The Texas Co. did not even have a cost justification; it simply followed suit. The oil companies are squeezing the last cent they can from the consumers of the United States.

The officials of the administration in charge of the Middle East Emergency Committee were warned as long ago as September 19 of last year that prices were going to be increased. On that date, the minutes of meeting No. 4 of the Middle East Emergency Committee reveal, the chairman of the committte, Mr. S. P. Coleman, vice president of Standard Oil Company of New Jersey, "turned to discussion of the impact on crude prices and stated that it was the view of the committee these these prices would go up substantially at the sources closest to Europe, and pointed out, however, that United States gulf prices would be the most affected and that such domestic questions were outside the scope of the committee."

Consider the last few words "and that such domestic questions were outside the scope of the committee." Later testimony has clearly revealed that the governmental representatives on the committee were fully in agreement with that point of view. The matter of a price increase which costs the American consumers the slight amount of only a billion dollars a year was indeed outside the scope of their interests. In the hearings they have taken the position that, while they do have authority to enter into a voluntary agreement with respect to supply, production, transportation—and secure exemption from the antitrust laws as to supply, production, transportation, the pooling of tankers, and so forth—they have no authority to enter into a voluntary agreement with respect to holding the price line. The head of the anti-trust division testified to exemptions from the anti-trust laws for the purpose of enabling the companies to transport oil, but stated the companies could not do so for the purpose of holding the price line. The statement had been made that they leave that severely alone. Mr. Wormser said he would not do anything about it if the price of gasoline went up to 50 cents a gallon.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Colorado.

Mr. CARROLL. As a matter of fact, does the record not show that at least

4 months before the seizure of the Suez Canal, the Oil and Gas Division of the Department of the Interior, and the Department of State, were in consultation about the possibility of a breakdown in the oil station in the Middle East?

Mr. KEFAUVER. Yes, they certainly were.

Mr. CARROLL. After 4 months of planning, and after the Suez Canal was seized, as the Senator has indicated, there was no forcible action on the part of any member of the executive branch of the Government to protect the consuming public when the so-called voluntary agreement was made for the transportation of oil, was there?

Mr. KEFAUVER. The Senator is correct. I may say the attitude of governmental officials, in not even suggesting that they were interested, was an invitation to the oil companies to do substantially anything they wanted to and to raise prices, if they wished.

Mr. CARROLL. As a matter of fact, is it not true that some of the oil officials, as the Senator has indicated, stated that, because of the enormous size of the program and its impact on our economy, there would be a price increase?

Mr. KEFAUVER. Yes. They said there would be pressure upward in the price picture, and warned about it.

Mr. CARROLL. Does the Senator not recall from the testimony that nowhere, at any time, was the Federal Trade Commission called for consultation in the formulation of the so-called voluntary agreement concerning the shipment of oil?

Mr. KEFAUVER. I think that is true. I believe it was said that somebody from the Interior Department called somebody in the Trade Commission on the telephone, but it was not known who the person talked to was. It was stated by Mr. Gwynne that there was really no consultation in connection with the matter. That is what he said in a letter.

Mr. President, I return to my statement. Suffice it to say that the present voluntary agreement, which is in the form of an amendment to a 1953 voluntary agreement, completely bypasses the 1955 amendments, and is in no way limited by their restrictions.

Quite apart from trying to secure a formal voluntary agreement not to raise prices, the Government agencies had another weapon at their disposal, one which could have been used without any possible legal barrier. This would have been a simple appeal to hold the price line; but this weapon was ignored. In the past, appeals to hold the price line which have been made without the backing of specific statutory authority have, on several occasions, achieved a fair measure of success in arresting inflationary price increases. Thus, in World War II specific statutory authority to control prices was not granted by Congress until 2 months after Pearl Harbor. Yet for nearly 2 years prior to that time Government agencies had been achieving considerable success in holding down price increases merely by making voluntary appeals and establishing voluntary price ceilings. Again, at the outbreak of the Korean hostilities, voluntary appeals helped hold the price line before specific price control authority was granted by Congress. Yet, no member of this administration made even the slightest suggestion to the oil companies that they abstain from advancing their prices. The question was left severely alone, to quote Mr. Wormser.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. KEFAUVER. I yield.

Mr. CARROLL. Again recalling the statement of the Senator a few moments ago, notwithstanding the enormous profits the major companies had been making, the Government should have understood what the market situation was. Their financial situation is published openly. But there was no "jawbone" enforcement, and no appeal was made, so far as we have been able to determine from the record. Is that true?

Mr. KEFAUVER. That is true. We have been suggesting for some time that an appeal be made, but to no avail.

There are only two possible explanations for this flagrant neglect of the public interest—either they regarded the price increase as a matter of only minor consequence, or they were so overawed in the presence of the oil company executives that the thought of bringing up such an unpleasant subject as prices never entered their minds. A careful reading of the transcript would suggest that the latter is probably the truer explanation. The Government officials of this administration have become so accustomed to sneezing whenever the oil companies take snuff that the very thought of doing otherwise never enters their heads. It is not a case in which there is a pulling and hauling between the Government and the private interest, with the private interest winning out. It is a case, rather, in which the pulling and hauling never takes place. What is good for the oil companies is simply, automatically, inevitably, immediately, and instantaneously assumed to be good for the country. Again what the oil companies wanted, the oil companies got.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. KEFAUVER. I yield.

Mr. CARROLL. The Senator's reference to snuff and sneezing calls to my mind the testimony of representatives of the Texaco Co. before our committee.

Mr. KEFAUVER. I remember it very well.

Mr. CARROLL. The Humble Oil Co. increased the price of crude oil on January 3 about 35 cents a barrel, I believe.

Mr. KEFAUVER. That is correct.

Mr. CARROLL. On January 7 Texaco issued a statement that swept through 48 States, asking their refineries, their tanker operators, and their distributors to make a similar price increase, and to make it retroactive to January 3. So when Humble took snuff, as the Senator says, the other major companies all over the country sneezed, to the great detriment of the consumers of the Nation, whether they used gasoline or fuel oil.

Mr. KEFAUVER. The Senator is correct. However, it was not difficult to make them sneeze. They were waiting for Humble to raise the price, and they were so eager to follow suit, to meet competition—meeting competition by raising the prices unusual—that they even made the increase retroactive.

Another interesting point in this connection is that Humble is owned 86 percent by Standard Oil Company of New Jersey. So we have an example of a very convenient method of having a subsidiary raise the price, and the major company following along, doing the same thing.

Mr. CARROLL. Does Standard Oil Company of New Jersey have extensive holdings in the Middle East?

Mr. KEFAUVER. Yes. Standard Oil Company of New Jersey and the Texas Co. have very extensive holdings in the Middle East. The companies making up the MEEC have extensive holdings in the Middle East.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article entitled "Oil From the Mid-East: How the Concessions Operate," written by J. H. Carmical.

The PRESIDING OFFICER. Without objection, the article may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. KEFAUVER. It is interesting to note that there has been an increase, as time has gone on, in the percentage of oil owned by American interests in the Middle East. According to the article by Mr. Carmical, to which frequent reference has been made, and which is accurate, in 1946 American companies owned 35.3 percent of the Middle Eastern oil. In 1955 American companies had 58.4 percent. The British ownership had gone down from 49.9 percent to 28.4 percent during the same time. So the stake of these large companies in the Middle East is very substantial, and, as we shall see, their influence upon Government policy is great and decisive.

There are, of course, other examples of oil-company domination of our national policy. I need but mention two such well-known cases as tidelands and the natural-gas bill, both of which were energetically supported by the present administration. With the exception of the latter, which escaped enactment only because of the arrogant and blatant excesses of political activity on its behalf, I can think of nothing during the last 5 years which the oil companies have wanted that they did not get.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. CARROLL. Does the Senator remember some of the testimony in the committee with reference to the Humble Oil Co.?

Mr. KEFAUVER. Yes; I remember it very well.

Mr. CARROLL. In connection with the tidelands situation, since the passage of the tidelands bill that company has acquired extensive leases in the tidelands.

Mr. KEFAUVER. That is true.

Mr. CARROLL. The Senator will recall that I asked questions along that line. This company, which is a subsidiary of Standard Oil of New Jersey, had 3 billion barrels of oil in reserve. I asked about its gas reserves. They amounted to between 16 and 17 trillion cubic feet.

The reason I mention this subject to the Senator is that in connection with the gas bill I asked whether or not, if the Harris-Fulbright bill became law, that company would cease to be intrastate, and would then begin to move interstate, swelling the enormous profits they were already making. I commend the Senator for bringing out this point, so that we can get it into the RECORD.

Mr. KEFAUVER. A great many chapters and passages in Mr. Benjamin Shwadran's book document the fact that in the past 5 years this country has been doing exactly what the big oil companies wanted. I hope that many of these references will be made public. On page 178, after discussing Mossadegh's demise, the author relates how this country exerted pressure to get him out and get a new premier in. I quote from the book:

> To exist at all as well as to receive United States aid, Premier Zahedi had to show how completely and utterly his predecessor had failed, and thus pave the way for a solution which would meet with British-United States approval.

Our aid was being used for the purpose of propping up and restoring the positions wanted by the big oil companies operating in Iran at that time.

This, then, is a substantial reason for my opposition to the present resolution. We have on the basis of the past every reason to assume that domination of our national policy by the oil companies will continue in the future. In the Middle East particularly the potential consequences of oil-company domination are frightening.

The question has been raised in recent weeks as to the real need and purpose for this Middle East resolution. Beneath those which appear on the surface, there are two underlying purposes to be served by the resolution: The first is to warn the Arab countries not to nationalize oil concessions held by American oil companies; the second is to permit immediate intervention in the event such nationalization does take place, without any delay being imposed by congressional opposition or debate.

To understand these purposes, it is necessary to go back a few years in history. The oil companies are, of course, highly sensitive to the desire and wishes of the rulers of the areas in which this fabulously profitable black gold is to be found.

Their sensitivity has been sharpened by the chilling prospect that their immensely valuable concessions might be nationalized. This is the real club which the Middle Eastern countries hold over the head of the oil companies and thus the present administration.

None of us likes nationalization; but I am not willing to go to war in the Middle East simply to sustain the position of these oil companies. That is what is contained in the resolution.

To help improve relationships with the Arab countries, the administration went out of its way to help build up a dictator in Egypt. But having been created with our aid and assistance, Colonel Nasser got out of hand. He became something of a Frankenstein. When we pulled the rug out from under him by canceling aid for the construction of the Aswan Dam, he did the very thing which the oil companies fear most. He resorted to nationalization. If he could nationalize something of great value to his country, the rulers of the other Middle East countries might be strongly tempted to follow suit. Indeed, it was not so long ago that one of those countries did in fact nationalize its oil industry. At that time Iran was not strong enough to be able to produce and market its own products, but since then the Middle East countries have been gaining in strength and independence. With each passing day their ability to nationalize and get away with it increases.

Nationalization of Middle East oil concessions would not only adversely affect the particular company involved; it would have a widespread effect upon the entire oil industry, since one of its probable consequences would be the sale of the nationalized oil in world markets at a price below, and possibly well below, the established cartel price. Just for rough purposes of contrast, may I point out that actual costs, excluding royalties, of producing oil in the Middle East have been estimated to be as low as 20 cents a barrel, as contrasted to the present price of around $3. There is plenty of room to sell Middle East oil at lower prices and still reap a handsome profit.

That the prospect of nationalization of the Middle East concessions is very much on the minds of the oil companies is clearly apparent from their own statements. For example, the magazine, The Lamp, published by Standard Oil Company of New Jersey, has an editorial-article in the winter issue, entitled "What the Middle East Means to Us." The article states that most of the countries in the Middle East are newcomers as sovereign powers and that their people are "burning with national pride, reveling in their new-found authority."

I wish to read an excerpt from that publication of the Standard Oil Company of New Jersey, one of whose officials is chairman of the MEEC:

> There arise from time to time in the Middle East politicans who hope to achieve or hold power on a platform of hatred of foreigners. Such men have no scruples about breaking solemn agreements with the citizens or governments of other countries.

The article continues:

> It would be helpful, for example, if the United States Government were to issue, in conjunction with expressions of support for self-determination and freedom from foreign domination, a firm, unequivocal public statement, somewhat in the following vein:
>
> "Any government which by unilateral action, abrogates an agreement made by that government, may expect the United States, either singly, in conjunction with other countries, or through the United Nations, to take such economic measures and abrogate any agreements with the offending nation as the United States may see that the circumstances warrant."
>
> Such a statement would tell other nations what we are for. It would let them know that neither government agreements nor private contracts are to be entered into lightly, or quickly abandoned when abandonment seems expedient. It would reaffirm our national belief that signed contracts have a validity of their own, and that when a sovereign nation has become a party to a contract it may not repudiate its pledged word with impunity.

I submit, Mr. President, that the oil companies concerns for these private contracts, their proposal of a firm unequivocal statement by this government is being quickly followed by a statement which the President now asks Congress to ratify—the Middle Eastern Resolution.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my colleague.

Mr. GORE. I have followed with interest the development by my senior colleague from Tennessee of the thesis that the oil of the Middle East constitutes a motivation for the resolution which is now before the Senate.

Mr. KEFAUVER. That has been the burden of my argument.

Mr. GORE. At page 66 of the hearings the Secretary of State, John Foster Dulles, is quoted in a very meaningful way. It happened that I was in the committee room, listening to the testimony, when this statement was made. I may say to my able colleague that I was favorably impressed by the statement. It does have a bearing upon the thesis which my able colleague is developing. I should like to read an excerpt from that testimony if the Senator will yield to me to that extent.

Mr. KEFAUVER. I am very happy to yield for that purpose.

Mr. GORE. The question was submitted to the Secretary of State by the distinguished majority leader, the Senator from Texas [Mr. JOHNSON]:

> Senator JOHNSON. Mr. Secretary, it seems to me that the Congress is being asked to take a very extraordinary step. That step can be justified only if a serious threat exists.
>
> Now, what can you say to the people of our country, within the bounds of security, which indicates that there is a present dangerous threat to the security of the Middle East?
>
> Secretary DULLES. I would say, Senator, if asked—and I gather you have asked me—that this is the most serious threat that we have faced over the past 10 years.
>
> I say it for several reasons. In the first place, there is a threat which, if it led to an international Communist control of this area, would mean that the Communists could win without open war areas which are endangered, but which probably the Communists or the Soviet Union would not want to risk open war to get.
>
> I refer particularly to Western Europe.
>
> They are very eager, of course, to get control of Western Europe. The vast manpower, industry, raw materials that exist there would, if it fell under their control, decisively alter to their advantage and our disadvantage the balance of power in the world.
>
> Now, there are two ways of their getting that control. One is by fighting to get it. The other is to get control of its economy so that it cannot exist except on Soviet Communist terms.
>
> And if international communism gets control of the Middle East, they will be in precisely that position. They can, in effect, have their hand on the throttle which can either give or can cut off what is the lifeblood of Europe.
>
> And I would not expect under those conditions it would be feasible for Europe to stay independent of Soviet Communist control.

The Secretary proceeded further with his reply, but it was that first point to

which I wished to call the attention of the able Senator. So, if I may give my own interpretation of what the Secretary said, it is that if the Communists should gain control of the oil in the Middle East, they would indirectly be able to gain economic control and domination over Western Europe. The Secretary gives that as the first reason why this is the most dangerous threat we have faced in 10 years.

I wished to call that to the Senator's attention. I doubt that it is offered in the same context in which the able Senator is speaking, but it does dramatize the importance of the oil of the Middle East as a factor in this entire issue.

Mr. KEFAUVER. I appreciate my colleague's reading the question and the answer. Previously in my address, while the Senator was necessarily away from the Chamber attending an important meeting, I had talked about two things in connection with the question and the answer. One of my objections to the resolution is that, although it is for the purpose of helping Western Europe, it is singularly strange that we should assume the entire responsibility, that we should go it alone, and not even suggest that any nation whose people would be the beneficiaries of the program should sign up with us.

I pointed out, also, that the transportation of oil can very readily be stopped in the Middle East. The Suez Canal can be closed, pipelines can be blown up, and submarines can operate.

I shall point out later that we have alternatives to strengthen our position in the Middle East without adopting this resolution. We have alternatives of economic assistance of a kind that would not involve merely guns and ammunition. I think they would do more good than would any money which is going to be spent for guns and ammunition there.

I think we are also fortunate in that the Middle Eastern nations need Western Europe as their market. Russia, of course, is an oil exporting nation. It would not be able for a long time to buy oil from the Middle East, and would have no way of transporting very much of it.

So there is every reason why oil from the Middle East should go to Europe.

What I am objecting to is the involvement of the United States in a foreign policy which seems to me to evidence too much dictation from the oil companies in its preparation.

Mr. GORE. Mr. President, will my colleague from Tennessee yield further?

Mr. KEFAUVER. I yield.

Mr. GORE. I was not present on the floor during the first part of the able Senator's address. I did not, therefore, know that he had already addressed his attention to that particular point of view expressed by the Secretary of State. Therefore, I apologize to the Senator for burdening him with a second reply to that particular point.

Mr. KEFAUVER. I am glad the Senator brought it up, because it enabled us to discuss it more fully. I have dealt with it only very generally in my previous statement.

Mr. GORE. I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. SPARKMAN. I regret that I had to leave the floor and did not have an opportunity to hear all the Senator's address, and I may be asking him in reference to something he has already discussed.

I wish to ask particularly for the Senator's view with reference to the pending substitute which would have the effect of skeletonizing the resolution and leaving in it only the implied use of troops, and removing all economic aid and military assistance.

Does the Senator believe that it would be wise to adopt a resolution which has in it only one thing, namely, the use of armed forces?

Mr. KEFAUVER. My feeling is that this resolution got started on the wrong kind of a basis. It is like our policy in the Middle East beginning with the time when we urged the British to get out of the Suez Canal zone without some guaranty of passage, and we have directly or indirectly contributed to neutralizing the free forces in the Middle East against the British and the Israelis and pulling them out to go in ourselves.

On the general basis of the resolution, I do not think it could be of tremendous aid. I would be happy to go along with a program which would meet the specific issues, get at the real difficulty that exists, and strengthen our hand in dealing with the United Nations. That idea is contained in the Fulbright amendment and in the Mansfield amendment.

But I do not think we got started on the right foot in the Middle East. I do not like the basis of the resolution.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. Is there anything in the Russell amendment, in the opinion of the Senator from Tennessee, which would prevent the Congress of the United States from proceeding with a foreign-aid program in the Middle East?

Mr. KEFAUVER. There is nothing that I see in it which would do so. In fact, I think the purpose is to let it come up in the usual way, to have the provisions presented and justified, and let Congress vote on it as it usually does.

Mr. MORSE. I think this is an appropriate place to make a very brief comment, if the Senator will permit.

I have been very much impressed at the number of opponents of the Russell amendment, leaving the impression in the record that the adoption of the amendment would bring to an end economic aid in the Middle East.

What it makes very clear is that we serve notice on Russia that if she follows an aggressive course of action she will be met with the armed might of the United States, which is pretty much in line with the earlier suggestion by the Senator from Arkansas [Mr. FULBRIGHT] in this historic debate, to the effect that he thought a so-called advisory resolution should be adopted. But there is nothing in the Russell amendment which would in any way bring to an end the foreign-aid program in the Middle East, if Congress wanted to adopt one.

What the Senator from Georgia is pointing out is that with regard to an unusual extension of authority which the President of the United States is asking for in the field of foreign aid, we should bring to an end—and those of us who are supporting the Russell amendment are seeking to make it clear that we ought to bring to an end—the kind of extraordinary economic authority for which the President is asking, when he will not even send the Secretary of State to us with instructions to give us one specific fact concerning how he intends to use the money. That is the whole thing in a nutshell.

Yet while I was watching the news ticker this afternoon, I discovered that the opponents of the Russell amendment are succeeding in giving to the press the impression that we who are supporting the Russell amendment are seeking to bring to an end all economic aid in the Middle East. That simply is not so, and somebody ought to say so for the RECORD. I now do.

Mr. KEFAUVER. I am glad the Senator has made his statement. I remember specifically in the committee hearings that it was not some economic aid program to which the Senator from Georgia [Mr. RUSSELL] objected, or to which the Senator from Oregon [Mr. MORSE] and other Senators objected. It was the fact that the Senator from Georgia and other Senators had been unable to ascertain from Mr. Dulles or anyone else any project which was to be approved, or what was to be done with the money. The members of the committee went both ways around. First they asked if there was any particular project for which the money would be used. Being unable to get an answer to that question, they went around the other way by trying to have the Secretary exclude any projects for which the money might be used. They could not get an answer to that question either.

So a vote for the Russell amendment certainly would not be a vote against some economic aid program. It is only a matter of congressional direction and control of the program which is involved.

Mr. President, I wish to revert to the line of reasoning or the argument I was making with reference to the handling of the present crisis in the Middle East by the Government, and the part which the oil companies played in formulating our policy.

I submit that the concern of the oil companies for the private contracts and their proposal of a "firm, unequivocal statement" by the Government is being quickly followed by a statement which the President now asks Congress to ratify—the Middle Eastern resolution.

This concern of the oil companies with the prospect of nationalization is also revealed in documents procured in the course of the investigation conducted by the Antitrust Subcommittee. As far back as August 13, a meeting was held of the Foreign Petroleum Supply Committee, at which were present representatives of the major oil companies and officials of various Government agencies.

The telegram calling for the meeting, signed by Hugh A. Stewart, chairman, cautioned members that "this meeting not open to observers, no publicity authorized."

Minutes of the meeting—and I have them here—state that Secretary Dulles "spoke for about 15 minutes on matters involved in the current Middle East crisis. At the conclusion of his remarks he volunteered to answer questions. For about 10 minutes he responded to questions asked by some of the members."

Unfortunately the minutes do not give any indication of what Secretary Dulles actually said. However, the representative of one of the major oil companies who had been present wrote a memorandum describing what had transpired at the meeting, a copy of which has been secured by the Committee. This memorandum—and I have a photostatic copy of it here—is signed by A. C. Ingraham, of the Socony Vacuum Oil Co., Inc., and is dated August 15, 1956.

On the nationalization issue the memorandum summarizes what Secretary Dulles had to say in the following words:

> He then stated that he recognizes the oil companies were very much interested in the nationalization issue and wanted to put forth his views and what line he expected to take at the London Conference. He indicated that the United States would not acquiesce in the rights of nationalization that would affect any other facilities in our own economic interests.
>
> He commented that international law recognizes the right to nationalize if adequate compensation is paid, but he admits that actually adequate compensation is never really paid and nationalization in effect thereby becomes confiscation.
>
> The line he expected to take on the problem at the London Conference, and which was written up in his communique, was to the effect that the United States felt it was "O. K." to nationalize only if assets were not impressed with international interest.

Mr. President, I call attention to the fact that the cause "assets were not impressed with international interest" is underscored:

> What he meant by international interest was where a foreign government had made promises of fixed duration in the form of concessions or contracts, upon which other nations would rely on fixing their courses of action and their own economies on the basis that these certain promises would be fulfilled. Therefore, he indicated, nationalization of this kind of an asset impressed with international interest goes far beyond compensation of shareholders alone and should call for international intervention.

In essence, Secretary Dulles was indicating his awareness of the oil companies' concern over the prospect of nationalization of their properties; he was acknowledging the general right of sovereign countries to nationalize properties; but he was making two qualifications to that right: First, that adequate compensation would have to be paid; and second, that properties "impressed with international interest" could not be nationalized. Parenthetically, it may be observed that oil properties could certainly qualify as assets "impressed with international interest." That was the idea of the gentlemen who attended the meeting.

The Secretary's conclusion is worth repeating:

> Therefore—
>
> He indicated—
>
> nationalization of this kind of an asset impressed with international interest was far beyond compensation of shareholders alone and should call for international intervention.

Assuming that this is a correct account of what Secretary Dulles said, the Congress of the United States, before it passes the resolution, has a right to know what Secretary Dulles meant by stating that nationalization of a type of property—such as presumably an oil concession—"goes far beyond compensation of shareholders alone and should call for international intervention."

Who, for example, is going to do the intervening? There is no indication that United States troops would not be used for this purpose. And what, may I ask, would Russia's reaction be to that?

If the resolution is passed, the Congress would, in effect, be giving up its right to debate the question of whether our national interest does, in fact, warrant intervention by United States troops to prevent the nationalization of concessions held by giant oil companies. It may well be that such intervention should be undertaken. But what I am objecting to is the fact that the resolution would bind the hands of Congress before the fact.

When, as, and if intervention to protect oil-company property in the Middle East becomes a tangible prospect, should the Congress of the United States be denied the right to consider whether the cost is worth the gain?

Should we approve in advance the landing of American troops in Middle East countries for the purpose of protecting private interests? Should we now sign a blank check which may prove to be our ruination?

According to the minutes of the meeting on August 13, Mr. Dulles was of the opinion that there should be international intervention. That might even have meant war. I do not know what he meant. I do not know what kind of international intervention would be required to prevent the nationalization of the property of some of the oil companies.

I might be willing to go to war under some circumstances in connection with oil, but I am not going to sign a blank check when it is indicated that Mr. Dulles wants to bring about international intervention which might include going to war simply for the purpose of protecting the enormous profits and holdings of some of the international oil companies.

If, for whatever reason, any one of the oil-producing countries in the Middle East were to nationalize its oil industry, it would follow, as night follows day, that the oil company involved would immediately call upon our Government to protect its interests, by way of intervention. If we may reason from the past record of the administration—from its record on the synthetic plants, on the consortium, on the recent price increase, on tidelands, on the natural-gas bill—we can only conclude that such a demand for action would immediately be followed by actual intervention. As in the past, what the oil companies want, the oil companies would get. How will the Members of this body feel, if our troops land, when we realize that by having passed their resolution, we had in advance committed ourselves not to object or even to debate the issue?

I do not want to have any property nationalized; I hope there is no nationalization of the property of these large oil companies. But, Mr. President, I am unwilling to vote to send the United States into war just on the issue of nationalization, particularly when I do not know what may be the justification for nationalization.

In summary, Mr. President, I reluctantly oppose this resolution because:

First. I am unwilling to delegate my constitutional responsibility to determine whether the circumstances of any given situation are such that we, as a Nation, should go to war.

Second. I think that passage of this resolution will contribute to and will accelerate the arms race in the Middle East, which would increase, rather than diminish, the possibility of world war III.

Third. Economic assistance is subordinated to military assistance; and I was not able to learn, through the testimony of Secretary Dulles and other officials, of any well-thought-out economic program to attack the problems of this area.

Fourth. The purpose of the resolution, we were told, is primarily to assure an oil supply for western Europe. Yet we studiously avoided asking the assistance or advice of any other nation in undertaking this responsibility.

Fifth. The resolution does not attack the real problems of the Middle East—namely, the internationalization of the Suez, the rights of free passage in the Gulf of Aqaba, or the whole area of Arab-Israeli tension, which is not a Communist nor non-Communist problem at all.

Sixth. There is too much evidence that the cloth of this program is primarily cut to fit the needs of the international oil companies; and that instead of oil being a factor in the formation of foreign policy, oil has, instead, become the dominating influence.

The Senate today is not called upon to propose an alternative program. We are called upon either to approve or to disapprove this one. But let me say in closing that there are alternatives, and they are useful alternatives.

We could explore with other nations, including—but not necessarily limited to—the Baghdad Pact nations, the possibilities of multilateral agreements within the framework of the United Nations. We could even attempt to revise the tripartite agreement of 1950. Admittedly the tripartite agreement between Great Britain, France, and the United States was for the purpose of preventing an arms race among the Middle Eastern countries and to stabilize the territorial limits or boundaries of those countries. But we had a community of action on those matters in the Middle

East, and there might be a chance of changing its limits or application, so that Britain and France would also be included.

We could seek agreements covering the Suez, the gulf, and the Israeli-Arab peace. We could work out economic assistance programs, both on our own and through the United Nations, the purpose of which would be to improve the economic standards and the living conditions of the people of these countries, to the end that they would not be such fertile areas for Communist propaganda.

Mr. President, that is what the people of the Middle East really need—namely, to have economic aid and to have a type of point 4 program which would improve their agriculture and their living standards. But, Mr. President, that will not come about as a result of enactment of the pending joint resolution. I am afraid that the money provided under the joint resolution will be used largely to prop up rulers who give the big international oil companies favorable contracts, so as to keep them in power. We have seen and learned by experience that very little of the royalties which these potentates are getting really reaches the people. But the people are the ones who need relief.

Mr. President, I wish to read the concluding chapter of a book entitled "The Middle East Oil and the Great Powers," by Benjamin Shwadran. The book is a very recent one. The author talks about the amount of the money that will trickle down to the people, in the present situation, with the big, international oil companies doing business with the shahs and certain of the other rulers in that part of the world. I read now from page 440:

> Great as are the amounts the rulers and governments received from the oil resources of their countries—and these have run in the last few years into hundreds of millions of dollars—the profits of the companies have been many times greater; in fact, they have been of such magnitude as to stagger the imagination. Exclusively motivated by profit considerations, all the companies' activities have been directed toward that objective. Even their undertakings in the fields of education, health, and economic projects have been as much for their own advantages as for the improvement of the life of the natives, and the cost of these undertakings has been insignificant in comparison with the profits reaped.

So, Mr. President, that is where our aid would really do some good. To provide more and more arms for an arms race will not do very much good for the economy of the people of the Middle East, who in the long run must have their standard of living improved. Their living conditions and their agriculture and their health and their educational opportunities must be improved if we are to have real and lasting peace in the Middle East. I favor a program which will do something about that.

I find many good suggestions in the amendments the Senator from Montana [Mr. MANSFIELD] proposes, and I shall support them. Furthermore, I think a great deal of good would be done under the provisions of the substitute offered by the Senator from Arkansas [Mr. FULBRIGHT] in the committee, which I also supported.

In other words, we can exercise leadership; but the leadership should be directed toward the problems of the area, and without the dangerous and undesirable implications of the Middle East Resolution.

[From the New York Times of February 17, 1957]

EXHIBIT 1

OIL FROM THE MID-EAST: HOW THE CONCESSIONS OPERATE

(By J. H. Carmical)

(EDITOR'S NOTE.—Just as the economy of the world's industrial nations is tied to the world's oil resources, so the economies of the Mideastern nations are tied to the world's dependence on oil. The mechanism that connects the two is the oil concessions, by which an oil-rich nation permits producers to drill for oil in return for a share of the profits. What follows is a description of those concessions in the Middle East and their effect on the nations there.)

Last year up to the time the Suez Canal was closed and the Iraq-Mediterranean pipelines were sabotaged, Europe and North Africa were receiving some 3,100,000 barrels of oil daily from the Middle East.

This huge flow of oil—roughly as much as 40 percent of the United States total production—came from oil concessions in the Middle East owned almost entirely by American, British, Netherlands, and French interests. If politics permits, it appears certain that the flow of oil from these concessions will continue to expand, since they are being developed by large international companies using the best known methods of oil production. Since 1945, the oil output of the Middle East has been expanded six times, with production reaching a peak of about 3,650,000 barrels a day immediately before the Suez crisis.

FIFTY-FIFTY PATTERN

With slight variations depending upon local conditions, the profits from oil operations are split 50–50 between the governments and the oil companies. Generally a stated royalty payment is made to the Government and, at the year-end, a tax is levied to bring the Government's total take up to 50 percent of the company's net profits for the year.

Payments are generally made in either sterling or dollars. In the case of Saudi Arabia, payments to the Government are in currencies earned by the company and in the same proportion.

In some instances, by the terms of the concession, the concessionaire specifically agrees not to interfere in the political or religious life of the country.

Virtually the entire foreign investment in the Middle East area is in oil installations or facilities needed for the handling, processing, and shipping of petroleum. The total gross investments probably exceed $2.5 billion, excluding the tank ships needed for transporting the oil to foreign markets.

INDIRECT REVENUE

In addition to direct revenues received from the oil companies, indirect benefits are received from oil operations. These include wages paid to native employees and expenditures made in the country by foreign employees and by the companies. Allied industries provide employment for many thousands more. It is estimated that these indirect benefits add an additional income equal to one-half of the direct payments.

Before the development of the oil resources, the countries in the Middle East had little trade and commerce, virtually no industry and low agricultural production. The population in some of the countries was mostly nomadic.

Now the populations are more stationary. Modern roads and port terminals have been built. Schools and hospitals have been constructed. Irrigation projects are underway in most of the countries and the agricultural output has been increased measurably. In the towns and cities, public utilities have been installed. Commerce and trade have expanded and the estimated imports of merchandise by the oil-producing countries have increased to around $700 million a year.

These are the major concessions in which oil is now being produced:

IRAN

Interest in the oil producing possibilities of the Middle East started around the turn of the century. In 1901, the English explorer, W. K. D'Arcy, obtained a concession in Persia, now Iran. After oil was discovered, the concession was taken over in 1909 by the Anglo-Iranian Oil Co., now the British Petroleum Co.

About the start of World War I, Winston Churchill, then First Lord of the Admiralty, bought a controlling stock interest in the company for the British Government in order to secure a source of oil for the British Navy, which then was converting from coal to fuel oil.

In 1951, the assets of the company in Iran were nationalized by the Iranian Government and all oil deposits throughout Iran were vested in the National Iranian Oil Co.

In October 1954, a group of oil companies concluded an agreement with the Iranian Government through which the operation of the oil installations formerly held by Anglo-Iranian were turned over to the group to operate under a contract for 25 years with provisions for 3 extensions of 5 years each, or a total of 40 years.

The international consortium consists of the British Petroleum Co., which has a 40-percent interest, the American group of 8 large companies and 9 independent companies with a similar interest, the Royal Dutch-Shell group with a 14-percent interest, and a French company with a 6-percent interest.

KUWAIT

The little sheikdom of Kuwait has the largest production of any of the political divisions in the Middle East. Its output before the Suez crisis approximated 1,150,000 barrels a day, or nearly one-third of the entire area's output. The concession is owned jointly by the Gulf Oil Corp. and the British Petroleum Co. Obtained in 1934, the concession was extended in 1951 to run to 2026. Kuwait is a British protectorate.

SAUDI ARABIA

The Saudi Arabian concession is held by a group of American companies. Operations are by the Arabian-American Oil Co. (Aramco), with 30-percent interests held by the Standard Oil Co. (New Jersey), the Texas Co., and the Standard Oil Company of California. The remaining 10 percent is held by the Socony Mobil Oil Co., Inc. The original concession, obtained in 1933, expires in 1999. Other concessions run to 2005.

Crude oil production in Saudi Arabia before Suez was around 1 billion barrels a day.

IRAQ

With one exception the concessions in Iraq are owned by an international group in which the British Petroleum Co. holds a 23¾ percent interest. Similar interests are held by the Royal Dutch-Shell group, a French group and an American group. The C. S. Gulbenkian interests hold the remaining 5 percent. Standard of New Jersey and Socony Mobil jointly hold the American interest. The major concession was obtained in 1925 and runs to 2000.

Iraq's total production was about 750,000 barrels a day before the Suez crisis. However, production was cut hard because of the disruption of the flow through the Iraq pipeline to the Mediterranean.

QATAR

The concession covering Qatar, a sheikhdom protected by Britain, is held by the same companies holding the major concessions in Iraq. This concession was obtained in 1935 and expires in 2010. Production is around 125,000 barrels a day.

BAHREIN

The concession covering the island of Bahrein is owned jointly by the Texas Co. and the Standard Oil Company of California. Obtained in 1925, it has been extended to 2024. Production is about 40,000 barrels a day.

NEUTRAL ZONE

In the so-called Neutral Zone between Saudi Arabia and Kuwait, the concession is held entirely by an American group. It is operated jointly by the American Independent Oil Company, consisting of 10 independent oil companies and the Pacific Western Oil Corp. Output is some 25,000 to 35,000 barrels a day.

Direct payments made to the six political subdivisions in 1955 by the operating companies are placed at about $900 million. Despite the reduction in output in the final 2 months of 1956, it is estimated that payments last year were approximately the same amount, as the rate of production was running much higher in the first 10 months of the year.

In Iraq, revenues from oil production have enabled the Government there to embark on irrigation and road-building projects and the construction of schools and hospitals.

Saudi Arabia has constructed a 357-mile railroad from Riyadh to the Persian Gulf at a cost of $70 million.

With a population of only 200,000, Kuwait has gone through virtually a social upheaval in the post-war period. With his huge revenues from oil, the ruling sheikh has instituted programs in health, education, fresh-water supply and civic improvements.

In Bahrein, social and economic programs have been stressed in the post-war period. As in Qatar, the ruling sheikh has stressed economy in government and a reserve fund has been established. In both sheikhdoms, civic improvements are being carried forward on a limited scale, including electrification.

Mr. CHAVEZ. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Tennessee yield to the Senator from New Mexico?

Mr. KEFAUVER. I yield to my friend, the Senator from New Mexico.

Mr. CHAVEZ. I was interested in the quotation the Senator from Tennessee read from the book to which he referred a moment ago. Only some 2 weeks ago, one of our well known national magazines compared what the Senator from Tennessee has in mind, as between different countries which produce oil and receive oil revenues. In the article, reference was made to Iraq. Evidently the author of the article was thinking along the same lines the Senator from Tennessee is thinking. Iraq is getting irrigation districts and flood-control projects and schools and sanitation and medicine. But in some of the other countries, which possibly produce even more oil than does Iraq, nothing of that sort is being done.

I had hoped that something along that line might be suggested by the resolution. We cannot force it, but, in return for supplying the money, I think we can at least suggest something, along the lines that the Senator has in mind, which might be brought about for the common people.

Mr. KEFAUVER. I thank the Senator from New Mexico, who has always understood, and fought for the protection and benefit of, the common, little people.

Iraq has made a better record than have some of the other countries in the Middle East area. I agree with the Senator that is the kind of record our aid program ought to be aimed at. Also, I hope that somewhere in the program we can take definite steps toward trying to get a resettlement of the Arab refugees from the Gaza Strip, because until that problem is settled we are not going to have lasting peace in the Middle East. The very point the Senator has mentioned gives rise to one of the objections made to the resolution. Neither Mr. Dulles nor any other member of the administration will name one project for which the $200 million is to be spent—not a single one.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to my good and distinguished friend from Illinois.

Mr. DOUGLAS. Without necessarily agreeing with everything that my good friend from Tennessee has said, I think he has performed a public service in calling attention to the big revenues which the rulers of the Persian Gulf states obtain from oil, and the profits which American oil companies make from that region. I was very glad that he quoted from the book, "The Middle East, Oil and the Great Powers," by Mr. Shwadran, because it so happens that I myself have been studying that book during recent days.

It is my understanding that American companies—and I should like to have the Senator from Tennessee correct me if I am wrong—have 100 percent of the oil concession in Saudi Arabia. This is the Aramco Co., and it is owned by Standard Oil of New Jersey, Standard Oil of California, and Standard Oil of New York, plus the Texas Co. It is my further understanding that in the year 1955 they paid royalties of approximately $300 million to the King of Saudi Arabia, and retained as profits an equal amount, plus profits from the so-called tapline. Am I correct in that?

Mr. KEFAUVER. Yes. I know the Senator is correct with respect to the ownership by the companies. I did have a table showing the exact amount King Saud received from the oil concession. My impression was that it was in the neighborhood of $250 million.

Mr. DOUGLAS. I think that rose to approximately $300 million in the last year.

Mr. KEFAUVER. Generally I fully agree with the Senator.

Mr. DOUGLAS. Am I correct that in the final agreement which was made in Iran that the United States consortium of 5 companies took over 40-percent ownership of the Iranian fields, and that the British company, the Anglo-Persian Co., was left with approximately 40 percent, while the remaining 20 percent was given to the Dutch and France?

Mr. KEFAUVER. I am sure those figures are correct. I gave the chart I had to the clerk, and I do not have it before me.

Mr. DOUGLAS. At the moment the income from Persia or Iran to the international consortium amounts to not far from $150 million a year.

Mr. KEFAUVER. The Senator is correct.

Mr. DOUGLAS. And the prospects are that in the future, as the refinery at Abadan gets into full operation, profits will increase.

Mr. KEFAUVER. That is correct.

Mr. DOUGLAS. Am I further correct in understanding that a group of American oil companies, the same 3 Standard Oil companies, plus Gulf and Texas, plus 2 others, own 23½ percent of the oil consortium in Iraq?

Mr. KEFAUVER. The Senator is correct.

Mr. DOUGLAS. There is also a mysterious area in that part of the world called the Sheikdom of Kuwait, which is little known to the world. Mr. Shwadran says that the revenues paid to the Sheik of Kuwait amounted in 1954 to $217 million.

Mr. KEFAUVER. Yes; that is what it says in the book, and I understand that in 1956 the amount went up to $250 million.

Mr. DOUGLAS. And there are only 170,000 people in the shiekdom of Kuwait.

Mr. KEFAUVER. I understand there are 200,000.

Mr. DOUGLAS. Am I correct in understanding that the Gulf Oil Co. owns approximately half of the concession in Kuwait, and the British interests the other half?

Mr. KEFAUVER. Yes, it is owned 50–50 between American ownership and British ownership.

Mr. DOUGLAS. I think it is Gulf which is the American company.

Mr. KEFAUVER. It is Gulf, which in turn has subsidiaries here in the United States.

Mr. DOUGLAS. Since profits, excluding pipeline profits, are split 50–50 with the local rulers, it follows, when we give figures for the royalties for local rulers, that the profits of the companies are at least in equal amounts. Is that correct?

Mr. KEFAUVER. Equal or larger.

Mr. DOUGLAS. They are at least of an equal amount. If it follows that the profits in Saudi Arabia are at least $300 million, that, on a 40-percent basis, the profits in Iran are at least $60 million, that, on a 50-percent basis, the profits in Kuwait are $108 million, that 23½ of the Iraqi profits would be at least $60 million, from all those sources, so far as we can tell, the profits of the American companies in that area amount to not far from $530 million a year. Is that correct?

Mr. KEFAUVER. Yes. I think the figures show something in addition to that amount, but the profits are at least that much.

Mr. DOUGLAS. And the 5 companies that have the biggest interest are Standard Oil of New Jersey, Standard Oil of California, Standard Oil of New York, Gulf, and Texas, the 3 Standard Oil companies having a larger interest,

in all places except in Kuwait, than Gulf and Texas.

Mr. KEFAUVER. Socony Mobiloil has an interest.

Mr. DOUGLAS. That would be Standard Oil of New York.

Mr. KEFAUVER. That would be Standard Oil of New York.

Mr. DOUGLAS. I want to say I am not one who thinks this is necessarily bad.

I am not one who charges that this influence is necessarily decisive in terms of American foreign policy, but it certainly should be taken into account as an important influence. In addition to the danger which the Senator from Tennessee has pointed out, is it not also true that these companies, in their anxiety to avert nationalization, would not wish to have the United States adopt any policy which would estrange the Arab States?

Mr. KEFAUVER. That is entirely true. Undoubtedly one reason why they are so strong for this policy and program, and have worked so hard for it, is that they know that Mr. Dulles thinks there should be international intervention in the event of nationalization of some property which is invested with any international public functions.

Mr. DOUGLAS. Is there not a further consequence? All the Arab States, and particularly Saudi Arabia, are very antagonistic to Israel.

Mr. KEFAUVER. The Senator is correct.

Mr. DOUGLAS. Does it not follow that the economic interest of these companies would be such that they would not want the American policy toward Israel to be one which would make the Arab States seriously angry at the United States, and hence increase the danger of nationalization?

Mr. KEFAUVER. That certainly would be the case; and I think it is only fair to say that there has been a shifting of the position of the United States Government, from being fairly friendly with Israel before the present administration came in, to one of greater friendliness toward the Arab nations, and less toward Israel since the new administration has been in power. Undoubtedly that is following the line which international companies would want to see this Nation follow.

Mr. DOUGLAS. In justice we should also say that in the past few days, under pressure from the country and the Senate, there has been something of a shift in the policy of the United States Government. This afternoon the United States advocated, on the floor of the United Nations, a policy which some of us have been urging for more than a month, namely, that there should be United Nations occupation of the regions controlling the Gulf of Aqaba and the Gaza Strip. I hope this is final and that there is no more backing and filling on our part.

Mr. KEFAUVER. Yes.

Mr. DOUGLAS. Should not all this be added to indicate that public opinion still operates in a democracy, even though we may have a Department of State strongly prejudiced in a given direction?

Mr. KEFAUVER. Yes; I think in fairness that should be stated. I am glad the administration finally changed somewhat its position with respect to voting for sanctions against Israel; but undoubtedly a position of hostility was apparent some time ago. It was only because of great public pressure, and the position of many leading Members of the United States Senate, in my opinion, that a change of heart in the administration was brought about. The administration is to be complimented upon the change of position it has made. However, I think that does not change the basic point, namely, that this administration does largely what the big international oil companies want. That is reflected in the changed position in connection with Israel and the Arab States from what was a very friendly position toward Israel. This administration has reversed that position, and is more friendly toward the Arab nations. That fits exactly the attitude which the international oil companies follow.

Mr. DOUGLAS. While not agreeing with all the implications in the statement of the Senator from Tennessee, and disagreeing with respect to some of the conclusions which he draws, I think he has performed a very valuable service in making this speech this afternoon. I wish to congratulate him.

Mr. KEFAUVER. I appreciate the comments of my distinguished friend. He has been very kind to sit and listen all afternoon to this long discussion.

Mr. MORSE. Mr. President, will the Senator yield in order that I may address a question to the Senator from Illinois?

Mr. KEFAUVER. I yield.

Mr. MORSE. The Senator from Illinois has made a very great contribution to this debate by the colloquy he has just had with the Senator from Tennessee in connection with the penetrating questions he has asked.

The Senator from Illinois could make a further great contribution—because he is the best qualified Member of the Senate to discuss this point with the Senator from Tennessee—if he would discuss with the Senator from Tennessee, for a very brief time, the tax benefits which American oil companies get as a result of their Middle East operations. I wonder if the Senator from Illinois would direct the attention of the Senator from Tennessee to that subject.

Mr. KEFAUVER. It is a very interesting subject. As the Senator from Oregon has said, no one is better able to give a brief summary of it than the Senator from Illinois, if he has the time to do so this afternoon. Perhaps he may wish to defer discussion of the subject until some later time.

Mr. DOUGLAS. Mr. President, I intend to discuss that subject later. I do not wish to make premature charges, and I should like to reserve the subject for a later time, when a definitive analysis can be made.

Mr. MORSE. That is entirely satisfactory. I wish the Senator from Illinois to know that I shall await the discussion with great interest, and I shall be the direct beneficiary of his discussion of that subject when he presents it in his speech.

Mr. DOUGLAS. I thank the Senator.

Mr. KEFAUVER. Mr. President, I yield the floor.

TRANSPORTATION AND SLAUGHTERING OF LIVESTOCK AND POULTRY IN INTERSTATE AND FOREIGN COMMERCE

Mr. WATKINS. Mr. President, I have prepared, for insertion in the RECORD, a statement dealing with S. 1213, to promote the development and use of improved methods for the humane handling, transportation, and slaughtering of livestock and poultry in interstate and foreign commerce. I ask unanimous consent that the statement may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

On February 14, 1957, my colleague, Senator WALLACE F. BENNETT, introduced for me a bill now designated as S. 1213. This bill is designed to promote and encourage the development and use of improved methods of humane handling, transportation, and slaughtering of livestock and poultry in interstate and foreign commerce.

It is to be noted that S. 1213 does not use the expression "to require." This has been done advisedly, because at the present time we appear not to have sufficient facts to set up a specific bill of particulars, fair to all parties concerned, requiring that the handling, shipping, and especially slaughtering of livestock shall be done thus and so.

Basically, the problem involved is how to develop humane but economical methods of handling, shipping, and slaughtering. Other problems raised at the hearings held last May by the Senate Committee on Agriculture and Forestry included these:

1. Although certain developed methods are humane, their mandatory use at present would appear to result in a loss of potential food product and deterioration in the quality of the end food product.

2. Under present economic conditions, arbitrary imposition of several known methods of humane slaughter would appear to work an economic hardship upon some firms, especially the size of operation which does not permit ready introduction of new innovations.

3. Certain religious groups have followed rites for untold centuries that otherwise might be proscribed, were uniform methods to be required without further study and possible modification.

S. 1213 is a step in the direction of finding solutions to these economic and social problems. This is important, because in the interest of equity, they must be reconciled with the concern the general public has for the humane treatment of animals. Under these circumstances, S. 1213 should have the wholehearted support of all groups concerned, including interested social and religious groups and the meatpacking and processing industry.

To this end, the bill directs the Secretary of Agriculture to conduct, assist, and foster research, investigation, and experimentation which will lead to and encourage the adoption of improved methods of handling, transporting, and slaughtering livestock and poultry. He is authorized to establish an advisory committee, composed of not more than eight members, exclusive of the chairman who is to be an official of the United States Department of Agriculture designated by the Secretary.

Membership on the committee would include (1) representatives of the public, including groups concerned with the humane treatment of animals; (2) producer and industry groups; and (3) scientific and professional groups. The committee will meet upon call of the Secretary of Agriculture or the chairman. It will be required to make its first report to the Congress by January 1, 1959, and thereafter, the Secretary would be required to report annually concerning the progress being made.

DIFFICULTIES OF UNITED STATES PROTESTANT MISSIONARIES IN COLOMBIA

Mr. MORSE. Mr. President, I invite the attention of Senators to a situation which has disturbed me for some time. I refer to the difficulties which many United States Protestant missionaries have experienced, and regrettably are still experiencing, in Colombia.

This has been the subject of almost constant negotiation between the United States Government and the Colombian Government over a period extending back several years. At times the situation has appeared to be improving, and at times it has seemed to be worsening. During 1956, it seemed definitely to be getting better, and I address myself to the subject at this time primarily because I fear that the hopes and promises of 1956 may not be fully realized.

The basic difficulty stems from the Colombian Government's interpretation of an agreement which it made with the Vatican in 1953, and which gives the Roman Catholic Church special privileges and support in areas designated as "mission territories." These territories now cover between two-thirds and three-fourths of the entire country. In 1955, the Colombian Government issued regulations interpreting this agreement as prohibiting Protestant missions from acting on behalf of Colombians in the mission territories and as limiting Protestant pastors to services for Protestant foreigners. Protestant schools in mission territories had been closed earlier, and now Protestant churches were either closed or prohibited from receiving Colombian congregations.

Among the Protestant pastors and Protestant establishments affected by this order were American missionaries and American property. Some of these missionaries and pastors are from my own State, and they have brought this matter to my attention.

In April 1956 the Foreign Minister of Colombia sent a note to Secretary Dulles setting forth the rights of Protestants in Colombia. This note offered a very hopeful basis for a solution to the difficulties of American Protestant missionaries in Colombia. Unfortunately, this solution has not been achieved. On the contrary, isolated further acts of violence against American lives and property have occurred.

In December 1956 the Colombian Foreign Minister again stated to the American Ambassador that he hoped a method could shortly be found to permit the closed churches to reopen.

As the chairman of the Subcommittee on American Republics Affairs of the Foreign Relations Committee, Mr. President, I rise today to underline that hope. There is much that is close and harmonious and understanding in American-Colombian relations. Colombia is always at the forefront of the United Nations seeking just and peaceful solutions to world problems and supporting the actions which the U. N. takes in regard to those problems. Colombian troops fought with distinction in Korea. Colombian troops were among the first components of the U. N. emergency force in the Middle East. Colombia is becoming increasingly attractive as a field of American private investment, to the benefit of both Colombia and the United States.

In a word, Mr. President, our political, economic, and cultural relations with Colombia are so warm and friendly in so many ways that it is a great pity for the diplomats of our two countries to be so constantly preoccupied with the irritating question of the rights of American missionaries in Colombia. It is for this reason that I very much hope a solution to this question can be promptly found and the irritant removed.

I ask unanimous consent that there may be printed at this point in the RECORD the note of April 13, 1956, from the Colombian Foreign Minister to the Secretary of State and the Secretary's replies of April 27 and September 12, 1956.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Is there objection?

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

Bogotá, April 13, 1956.

His Excellency JOHN FOSTER DULLES,
Secretary of State of the United States of America, Washington, D. C.

EXCELLENCY: For the safekeeping of the excellent relations between our two Governments and with a view to dispelling the doubts that may prevail in the United States of America about the situation of Protestants in Colombia, I am addressing this note to Your Excellency.

In order to prevent erroneous interpretations, incidents, and conflicts, and to contribute toward preservation of the cordial friendship between the peoples of Colombia and the United States of America, in which an understanding of and respect for each other's civilization, culture, and traditions have been leading factors, it is appropriate to state clearly the rights which Protestants have under the Constitution and laws of the Republic and under treaties now in force, these being rights that will continue to be fully guaranteed and protected by the authorities and rigorously respected by private individuals.

(A) In accordance with paragraph 2, article XIV, of the Treaty of Peace, Amity, Navigation, and Commerce concluded between Colombia and the United States and signed on December 12, 1846, "the citizens of the United States in Colombia may exercise their religion, publicly or privately, within their own dwelling houses, or in the chapels and places of worship appointed for that purpose, agreeably to the laws, usages, and customs of New Granada," which includes the right to construct such chapels or places of worship. [Translator's note: According to the English version of this treaty, as given in Malloy's Treaties, Conventions, International Acts, Protocols, and Agreements, vol. I, page 306, the above quotations occur, in slightly different wording, in paragraph 1 of article XIV, while paragraph 2 refers to similar privileges for citizens of New Granada in the United States.]

(B) Protestants continue in full enjoyment of the right of the process, according to law, with respect to any complaints and accusations which they may lodge before the authorities by reason of acts contrary to the provisions of the said Treaty, or of any crime, abuse, or attack of which they might be the victims.

(C) In order that accusations or complaints may be handled without difficulty, the Ministry of Justice will continue to study with all due care any reports on this subject that come to its knowledge, as well as any special reports submitted to it by representatives officially appointed by the Protestants, so that all suitable measures may be taken, under Colombian legislation, to have investigation conducted properly and appropriate penalties imposed by competent judges.

(D) In schools directed by Protestants, the latter have had and do have the right to give Protestant religious instruction to Protestant students or to children of Protestant families. To Catholic students being educated in such schools, religious instruction will be given by Catholic teachers, who are not appointed by but appointed after consultation with the bishop of the diocese; obviously, the reason for this is that the church could not entrust instruction in the doctrine to teachers who belong to another religion or who might not be qualified to perform their duties.

(E) Protestants continue to enjoy the right of being admitted to official schools and colleges in accordance with the respective regulations, without discrimination against them and without their being compelled to engage in acts contrary to their religious beliefs.

(F) Protestants have always had and will continue to have the right to present and explain their doctrine, under the constitution and pursuant to treaties and legislation now in force.

(G) With a view to preventing acts of violence and to proceeding in accordance with the determination of the Government of Colombia to maintain peace and harmony in the territory of the Republic, the appropriate authorities will accept the cooperation of representatives duly accredited by the Protestants themselves, to furnish factors of judgment that will permit the said authorities to study adequate and effective measures leading to a solution, within the law, of deplorable conflicts or acts, as well as all other matters relating to the operation and faithful observance of the points in reference.

(H) Colombian Protestants have the same rights as foreign Protestants insofar as the practice of their religion and all related activities are concerned.

I feel sure that this note fully accomplishes the purpose that prompted it.

I avail myself of this opportunity to convey to Your Excellency the assurances of my highest and most distinguished consideration.

EVARISTO SOURDIS.

APRIL 27, 1956.

His Excellency Dr. EVARISTO SOURDIS,
Minister of Foreign Affairs of Colombia.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of April 13, 1956, informing me that the Government of Colombia, with a view to maintaining the cordial relations existing between our two Governments and to dissipating certain doubts that may be held in the United States regarding the situation of United States Protestants in Colombia, desires further to define the rights enjoyed by the latter in Colombia.

Your Excellency's note is receiving very careful consideration and you will receive a reply thereto in the early future.

Meanwhile, in sending Your Excellency this interim reply, I take the opportunity of expressing not only my personal satisfaction at this welcome evidence of a new approach to an old problem but also the sincere gratification of the Government of the United States for the effort which the Government of Colombia is making to find a permanent amelioration of an unhappy situation.

JOHN FOSTER DULLES,
Secretary of State of the United States of America.

SEPTEMBER 12, 1956.

His Excellency Senor Dr. EVARISTO SOURDIS,
Minister of Foreign Relations of Colombia, Bogota.

EXCELLENCY: I have the honor to refer again to Your Excellency's communication of April 13, 1956, stating that the Government of Colombia, in keeping with the excellent relations existing between our two Governments and with a view to dispelling doubts that may prevail in the United States concerning the status of United States Protestants in Colombia, deems it advisable to set forth rights enjoyed by the latter within the territory of Colombia. I also refer in this connection to my interim response of April 27, 1956.

I am particularly gratified at the attempt toward a restatement of rights enjoyed by Protestants in Colombia since, as Your Excellency is aware, the difficulties experienced by American nationals of the Protestant faith have been owing in considerable measure to a lack of clarity regarding the extent of such rights and the corresponding obligations on the part of Colombia. To the extent, therefore, that Your Excellency's restatement of the problem tends to clarify the situation, it may be considered that marked progress is made by the contemplated statement, it being understood, of course, that United States nationals will in the future enjoy no less rights with respect to religious freedom, and with respect to resort to the courts, than those which they are now entitled to enjoy by virtue of the Treaty of Peace, Amity, Navigation and Commerce of 1846, the Constitution of Colombia, international law, or otherwise.

I am disturbed to learn that unprovoked attacks on United States Protestants and Protestant missions have been continuing. I refer particularly to the attacks on the establishments of the Mennonite Brethren in Christ at La Cumbre, Valle, on the night of July 5 and July 8, in which American property and American lives were threatened and endangered.

I am also particularly disturbed over the situation prevailing in regions of Colombia designated as Mission Territory. The closing of Protestant churches in that area and in other parts of Colombia, including many of United States ownership or affiliations, has been the subject of numerous communications to me from many conscientious and high-minded people of Protestant faith, complaining of the uprooting of establishments that have existed unquestioned and unmolested in Colombia for many years and represent a considerable investment in property and personnel. It is difficult to reconcile these unfortunate developments with the provisions of articles XIII and XIV of the Treaty of 1846 between the United States and Colombia, guaranteeing special protection to American persons and property and security of conscience and freedom of worship throughout Colombian territory.

I refer in this connection to the frank and cordial conversation I was privileged to have recently with His Excellency, President Gustavo Rojas Pinilla, concerning the Protestant situation in general and the closing of Protestant churches and schools in particular, and to the President's assurance that he was working to try to diminish the problem. I sincerely hope that one result of these efforts will be the reopening of Protestant churches in the near future as well as permission for such churches again to function normally.

It is my devout hope that the steps contemplated by Your Excellency's Government will contribute materially to the preservation of the amity so long prevailing between our two peoples by so resolving the problem that the rights of United States nationals of Protestant faith, under the principles set forth in the proposed declaration, and in conformity with the Treaty of 1846 between our two countries, the Constitution of Colombia, and international law, will be fully assured.

Accept, Excellency, the assurances of my highest consideration.

JOHN FOSTER DULLES,
Secretary of State of the United States of America.

Mr. MORSE. Mr. President, in closing, I wish to say, as chairman of the Subcommittee on South American Affairs of the Committee on Foreign Relations, I intend to maintain a very close and constant interest in this matter. I shall later in the year, if necessary, present to the members of my subcommittee the suggestion that we have an executive session, at least—not a public session—with the appropriate officials from the State Department in attendance, so that we may discuss the question of our relationship with Columbia, if the situation continues to worsen, as I feel it has in recent months.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. MORSE. Mr. President, I believe we had an exceedingly interesting debate in the Senate this afternoon on the pending joint resolution. However, I fear that the arguments of some of my colleagues have left two very serious false impressions, which I believe should be corrected before we close the debate this evening.

One is that some of the speakers seem to have left the impression, so far as the press is concerned, as shown by the news ticker, that one of the results of the adoption of the Russell amendment would be to bring an end to foreign aid in the Middle East. There is not one word in the Russell amendment which would accomplish that result. The foreign-aid program of the United States, so far as our general program is concerned, is not affected by the Russell program. We would continue to decide the question of what foreign aid should be granted to the Middle East at the appropriate time in connection with the consideration of this year's foreign-aid bill.

The Russell amendment does not in any way take away from the administration the Middle East foreign-aid funds that have already been authorized and appropriated. What the Russell amendment does is to say that we believe the time has come to call a halt to giving the President blanket authority to spend the money he is requesting as he sees fit on projects that we do not have a chance to approve. It is just that simple.

As I said on last Wednesday, I am a true friend of a sound point 4 program which will benefit the very countries the Senator from Utah [Mr. WATKINS]—whom I see now walking toward me—talked about in his speech on Wednesday afternoon: Jordan, Israel, and Egypt. Those of us who have been in favor of foreign aid to help the people of those countries believe we are the real friends of foreign aid in the Senate in the sense that we are insisting that the foreign aid be granted for specific projects and purposes and that the President be required to obtain the approval of the Congress for the specific expenditures to be covered by any foreign-aid program. That point is just as simple as that, too.

It was said in debate this afternoon—and I judge from the ticker that such is the impression that has been received by the press—that the Russell amendment means that only the military program will go ahead in the Middle East and that no foreign economic-aid program will be permitted. The Senator from Alabama [Mr. SPARKMAN] seemed to be laboring under that misapprehension only a few moments ago when I replied to him. The Russell amendment does not bring to an end foreign economic aid in the Middle East. The Russell amendment does not leave us in the situation where only military aid will be available to the Middle East. What the Russell amendment does, in effect, is to carry out what the Senator from Arkansas [Mr. FULBRIGHT] said earlier in the debate. It, in effect, serves notice, by way of an advisory resolution, on Russia that the United States is going to use armed force, if necessary, to meet any Russian military aggression in the Middle East.

Mr. President, it is important to make that point clear, as we close the debate this afternoon.

I should like to make one more point before I close. Earlier this afternoon in the debate, the Senator from Massachusetts [Mr. KENNEDY] wanted me to present substantiation of my point that the so-called modified committee amendment does not clear up the constitutional objections to the original resolution.

I shall speak at some length on the subject tomorrow. However, I believe I have already covered the point in my speech on Wednesday afternoon, as I told the Senator from Massachusetts in colloquy this afternoon. Therefore, for the benefit of the Senator from Massachusetts, and so that it may appear in the CONGRESSIONAL RECORD on the same day that the Senator from Massachusetts made his speech, I ask unanimous consent to insert at this point in my remarks certain key paragraphs out of my speech of Wednesday which sustain my thesis that the resolution which was reported by the committee does not change in any way the unconstitutional features of the original resolution. It still leaves the President without an adequate check, and free to commit an act of war without first getting the approval of

Congress, or without being required forthwith, after ordering American troops into action in case of an emergency, to come before Congress and get the approval of Congress.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

There is little doubt that the resolution as presented to the Congress by the President proposed an unconstitutional delegation of the power to declare war.

Article I, section 8 of the Constitution expressly empowers the Congress to declare war and there is no question that this power is exclusive with the Congress. Many Members of the Senate and House challenged the constitutionality of that provision of the original resolution which purported to authorize the President to employ the Armed Forces of the United States. During the debate on the resolution in the House several Members expressed their strong opposition to the resolution on this ground, among others.

Such distinguished constitutional authorities as the junior Senator from Wyoming [Mr. O'MAHONEY] and the senior Senator from North Carolina [Mr. ERVIN] presented challenging and conclusive arguments to this attempted usurpation of the exclusive power of the Congress, in speeches already delivered in the Senate.

I was among the first to discuss the constitutional objection to the resolution. So, on January 25, more than a month ago, I said on the Senate floor:

"I turn to my fifth and last point. It is a constitutional question. The Secretary of State, under examination, admitted that the Congress cannot delegate the power to declare war. But he is a very interesting witness. After making that admission, then, typical of his testimony, he seeks to divert attention away from that admission by saying, 'Wars are not declared any more, after all. A state of war is upon us, and what we do is recognize that a state of war exists.'

"How important that is in our constitutional system, because it is at that point, Mr. President, that the Constitutional Fathers guaranteed to the American people a check upon the President of the United States. The remark might be made, 'O Mr. Senator, you speak hypothetically, speculatively. It must be assumed that when the situation of an attack exists, a declaration of war is going to follow.' I think so, too, Mr. President. Yet it is of vital importance that the Congress exercise that check, because it is conceivable that something might happen to these democratic processes of ours in the decades ahead whereby, sometime in the future, we might have a President against whom that check should be exercised. But here, Mr. President, as I said in the hearings and as I said at the time of the discussion of the Formosa resolution—the President is asking for predated action by the Congress of the United States. He is asking for approval in advance. He is asking for a blank check, knowing that if he gets it, whatever decision he renders, Congress will consider itself estopped from imposing a check. I think that is constitutionally dangerous.

"I am talking here about a constitutional abstraction of vital importance to the welfare of the American people in terms of constitutional history. I am raising my voice today, as I will in the weeks ahead, forewarning the American people that these precious checks of the Constitution should not be given up for a Dwight Eisenhower or any other President of the United States at any time."

* * * * *

The strict limitation of the Executive in relation to the war power was very much in the minds of the drafters of the Constitution. So, for example, in No. 69 of the Federalist papers Hamilton wrote:

"Secondly, the President is to be Commander in Chief of the Army and Navy of the United States. In this respect his authority would be nominally the same with that of the King of Great Britain, but in substance much inferior to it. It would amount to nothing more than the supreme command and direction of the military and naval forces, as first general and admiral of the Confederacy; while that of the British King extends to the declaring of war and to the raising and regulating of fleets and armies, all of which, by the Constitution under consideration, would appertain to the legislature."

We ought to learn from history, Mr. President. What I have just read into the RECORD makes perfectly clear Hamilton's view, which was typical of the views held by the other constitutional fathers, who were very careful to place a check on any warmaking power of any President of the United States. Yet, in 1957, the President of the United States is willing to send to the Congress of the United States a resolution which beclouds, to say the least, this great constitutional check. It is an exceptionally dangerous precedent he is asking for. I shall never vote to give it to him, because I believe it violates the spirit and the intent of the Constitution itself. I think all one needs to do is to cite the Hamilton quotation in support of the thesis for which I am contending.

Mr. President, applying the Hamilton force and logic against the original language of the resolution in regard to the use of the Armed Forces had its effect, and the Senate committees attempted—I submit, unsuccessfully—to remove the objection that some of us raised.

So, for example, the committee report states:

"The joint committee gave extensive and serious consideration to the question of the use of American Armed Forces to repel Communist aggression in the Middle East. Various views were strongly held and vigorously expressed as to the constitutional powers of the President and of Congress in this respect and as to the proper constitutional procedure to be followed.

"After exhaustive consideration of the principles and concepts involved by a vote of 15–13, the joint committee agreed to the following language:

"'Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use Armed Forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism: *Provided*, That such employment shall be consonant with the treaty obligations of the United States and with the Charter of the United Nations.'

"This language has the virtue of remaining silent on the question of the relationship between the Congress and the President with respect to the use of the Armed Forces for the objective stated in the resolution."

COMMITTEE AMENDMENT DOES NOT CURE CONSTITUTIONAL DEFECT

But, Mr. President, this is a dubious virtue indeed. Congress is considering a precedent-shattering resolution which is out of all proportion to the actual gravity of the situation. It may well be that the precedent will be of greater importance than any action which may be taken under the resolution. Is it then a virtue that the resolution, as amended, is supposedly "silent on the question of the relationship between the Congress and the President with respect to the use of the Armed Forces"? To the contrary, where the basic fabric of the Government and the integrity of the checks and balance system are at issue, nothing less than gemlike clarity will suffice.

But let us see whether the resolution as amended is actually as silent as is claimed by the majority of the committees in the report. I submit to the Senate that the new language is far from silent, although the words muffle and obscure what is to be done.

In the language I have just quoted for which a majority of the committee claims magical silence, it is expressly provided that under certain circumstances the United States is prepared to use Armed Forces. Does any proponent of the amended resolution have the temerity to claim that such use of the Armed Forces would be less than an act of war? That question will echo through this Chamber and across the country until it receives a forthright answer from the proponents of the resolution, an answer the people are entitled to have. I solemnly warn the Senate tonight that such use of the Armed Forces, absent an overt attack upon the territory, property, or citizens of the United States would be an act of war committed by the United States.

How then would this act of war come about? On this point the amended resolution is unfortunately clear. It expressly provides that the act of war would be undertaken "if the President determines the necessity thereof." Under this language Congress would yield all of its power to the President to determine the use of our Armed Forces.

The original constitutional objection to the delegation of Congress' power to declare war has not been removed one whit from the resolution. It is there and is not obscured by any magical silence on the part of the majority of the committees. It cannot be made to disappear because the majority of the joint committee claims it is no longer there. Their saying it is no longer there does not make it so. If this resolution is given the force of law by the approval of the Congress, the delegation of the war power will remain as a precedent to haunt future generations of Americans.

To those who would dispute this analysis of the language I submit that the only alternative is that the language of the resolution on the United States Armed Forces is meaningless insofar as any mention of the President is concerned. If the language relating to the President were stricken, the resolution would read:

"The United States is prepared to use Armed Forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism."

Obviously this would leave the decision on the use of United States Armed Forces entirely within the power of any nation that requested armed aid against an aggressor controlled by communism.

This reductio ad absurdum demonstrates that the sole power to decide upon the use of Armed Forces of the United States—that is, to decide upon an act of war—is granted by the resolution to the President of the United States.

Mr. MORSE. Mr. President, I shall offer a series of amendments in due course that seek to protect the constitutional powers of the Congress. The administration has opposed those amendments in committee. For example, I asked the Secretary of State if he would accept an amendment requiring the President to ask for specific approval to send our troops into action in the Middle East based upon the facts existing at the time of his request. The Secretary of State rejected my amendment. He replied in effect that the Pres-

ident in his speech had assured us that the President in such a crisis would be in hourly contact with Congress.

As I said then, the President's speech is not a part of the resolution. If we were to suggest to the Secretary of State that he make the President's speech an amendment to the resolution, binding the President to the statements he made in his speech, I am sure the Secretary of State would not accept that either.

The real test of this matter is not the collateral statements on the part of the Secretary of State, in which he said that the President would not do this or the President would not do that. The real test is will this administration agree to the writing of a congressional check on the use of troops into the resolution itself. We know that Dulles, speaking for the President, has rejected flatly such a congressional check.

So my reply to the Senator from Massachusetts, as I said earlier this afternoon, is that the resolution he is supporting has not changed one whit the unconstitutionality of the original resolution.

I say, good naturedly, that I was very much interested in the speech of the Senator from Massachusetts [Mr. KENNEDY], which was exactly the type of speech to which I referred earlier in the afternoon before he took the floor. At that time, I referred to the type of speech made by many of my colleagues on this side of the aisle, not only in this debate but from platforms off the the Senate floor, which would give the American people every reason for their voting against the resolution, until they get to the "but" clause of their speech. When they reach their rationalizing "but" clause they announce that they are going to vote for the resolution. When we analyze their "but" clause it seems to add up to the conclusion of the "butters" that if we do not vote for the resolution the President will be placed in an embarrassing position standing "naked" before the eyes of the world. Therefore they say that we simply must back up and cover up for our President.

I again say good naturedly, Mr. President—and I think it summarizes the whole thing—that I think it is about time for the Democrats to stop worrying about the President standing naked before the world. At least, Democrats should stop supplying the President with coverup foreign policy clothing in order to get him out of this embarrassing situation. He got into this difficulty without prior consultation with the Congress. He sent the resolution up to us, and we have a clear duty not to delegate to the President a power which, in my judgment, under the Constitution, cannot be delegated.

That is the constitutional issue; and I want to say to my friend from Massachusetts and to other Senators who take the same position, that if the resolution is as bad as he points out in the first part of his speech, then, so far as I am concerned, he has cast my vote for me against the resolution for those reasons. I am not interested in the "but" rationalization that follows thereafter in his speech.

Mr. President, it has been suggested by the acting minority leader [Mr. ALLOTT] that, pending securing some information for the Senate, I withhold a motion that the Senate, in accordance with the previous order, take a recess until tomorrow at 11 o'clock a. m.

Mr. ALLOTT. Mr. President, I wonder if the Senator from Oregon will yield to me in order that I may suggest the absence of a quorum.

Mr. MORSE. I shall be happy to yield to the Senator for that purpose.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Curtis	Morse
Allott	Dworshak	Morton
Anderson	Ervin	Neuberger
Barrett	Flanders	Pastore
Bennett	Green	Payne
Blakley	Hayden	Potter
Bricker	Hickenlooper	Revercomb
Bush	Hill	Robertson
Butler	Jackson	Smith, Maine
Carlson	Javits	Thurmond
Carroll	Jenner	Watkins
Case, N. J.	Knowland	Wiley
Church	Lausche	Williams
Clark	Mansfield	Young
Cooper	Martin, Iowa	
Cotton	Martin, Pa.	

The PRESIDING OFFICER (Mr. CLARK in the chair). Forty-six Senators having answered to their names, a quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. BIBLE, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. GOLDWATER, Mr. GORE, Mr. HRUSKA, Mr. JOHNSON of Texas, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. LONG, Mr. MONRONEY, Mr. MUNDT, Mr. RUSSELL, Mr. SCHOEPPEL, Mr. SMATHERS, Mr. SMITH of New Jersey, Mr. STENNIS, Mr. SYMINGTON, and Mr. THYE answered to their names, when called.

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present.

Mr. JENNER. Mr. President, I presume that all Senators have read today the following item from the news ticker:

CAIRO.—The semiofficial Middle East news agency said today the leaders of Saudi Arabia, Egypt, Jordan, and Syria had reached a unified position on the Eisenhower doctrine and cabled their stand to Washington.

The agency quoted Jordan's Premier Suleiman Nabulsi as saying Jordan would accept any foreign economic aid which was offered without any strings attached and that Jordan won't be hostile either to the East or the West except inasmuch as neither bloc is hostile to the Arabs.

Nabulsi's statement was interpreted as an indication the four Arab governments would tell the American Ambassador here they were ready to accept United States economic aid without committing themselves in favor of the West against the East.

Of course, that is exceedingly decent of those governments, and I believe all Senators will wish to know of their attitude.

Mr. President, today I learned from the Senate Internal Security Subcommittee some information which I believe the Members of this body will find most pertinent to our discussion of the Middle East resolution.

We know the story of the American State Department officers in China who spread false information and propaganda helpful to the Communists during the critical years when the Communists were working busily to capture China and make it a satellite of the Soviet Union.

We brought out the story in the hearings on the Institute of Pacific Relations, on interlocking subversion in government, and in other reports of the subcommittee.

Let me refer to the record of one of these men, John K. Emmerson. General Wedemeyer told us he had four State Department advisers: John Service, John K. Davis, Raymond Ludden, and John K. Emmerson. General Wedemeyer said if he had followed their advice, China would have fallen to the Communists long before it did.

Their reports, said General Wedemeyer, were strongly slanted in favor of Communist aims, contrary to fundamental American policy, and harmful to our fighting ally, the Nationalist Government.

I learned today that, among other recommendations, John K. Emmerson sometime before December 8, 1944, prepared a memorandum outlining a plan to have the American Government work with Susumu Okano and the Japanese People's Emancipation League, as it operated in Communist China, in making wartime and postwar American policy for Japan.

The league, said Mr. Emmerson in his official report, "has an estimated membership of 450 Japanese prisoners in north and central China. Its declared principles are democratic. It is not identified with the Communist Party."

Mr. President, any qualified observer would have deduced that this organization, working in Communist China according to an all-too-familiar pattern, was Communist. But we have the official word of the House Committee on Foreign Affairs, in its report on The Strategy and Tactics of World Communism, that the Japanese People's Emancipation League was, as the committee says, "a Communist organization, at Yenan, China."

This House report gives the entire record of Mr. Emmerson's friend, Okano Susumu, also known as Nozaka Sanzo. They listed him as being, after the war, a member of the political bureau, the secretariat, and central committee, chief of propaganda and investigation section, and director of the party school of the Japan Communist Party. He was no ordinary Communist.

I call to your attention, Mr. President, the fact that Mr. Emmerson did not say Mr. Okano's organization was not Communist. He said it was not "identified with the Communist Party." We must always read between the lines.

Mr. Emmerson recommended that Mr. Okano and his league should be used by the United States Government to organize chapters among Japanese prisoners of war and internees in the United States, India, Australia, and elsewhere for "a

wide dissemination of democratic ideas, the creation of a powerful Japanese propaganda organization, and the stimulation of a force useful at the time of invasion and in postwar Japan."

He also proposed that Mr. Okano and his organization be employed to train units of Japanese "for activity with the American pacification operations and with Military Government officials during the occupation."

This memorandum was distributed by John Davies, of our Embassy in Chungking, to Irving Friedman, of the Treasury Department, who sent it to Harry White and Harry Hopkins; and members of the State Department also had copies.

Now hear this, Mr. President: John K. Emmerson is today counselor of Embassy at Beirut, Lebanon.

Another member of this State Department group was Robert C. Strong. He was consul general in Taiwan in the critical year 1949, and was responsible for a mess of erroneous intelligence reports out of Formosa, unfriendly to Nationalist China and helpful to the Communists.

He insisted on keeping all other members of American intelligence agencies off the island of Formosa, including General Fortier, the representative of General MacArthur, who was in charge of our forces in the Far East.

Admiral Cooke, formerly chief of staff to Admiral King in the Pacific, knew some of the intelligence reports were wrong. He checked the information, and found it was incorrect; but the erroneous reports continued to be sent out. This story is told in detail in testimony given under oath by Admiral Cooke, and reported by our subcommittee.

Now hear this: Mr. Strong is now counselor of Embassy for the United States at Damascus, Syria.

I do not know how many of this group of State Department officials in China may be in the outlying parts of the area vaguely called the Middle East, that is, in Iran or Afghanistan or India or Indonesia or Uganda or Tanganyika. But I can tell the Senate that Raymond Ludden, whom General Wedemeyer included in the list of State Department officials who fought to help Red China, is today in the office of personnel of the State Department.

We can be sure, Mr. President, that the termites are hard at work today, as they were in the 1940's.

Now we know they are hard at work right in the center of things, in the Middle East.

Is the President of the United States relying on the reports of such officials in making plans for the defense of the vast Middle East area with the lives of our sons?

I think the Senate is entitled to know where these men are.

ORDER FOR ADJOURNMENT TO 10 O'CLOCK A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

VOTING PROSPECTS ON THE MIDDLE EAST RESOLUTION

Mr. JOHNSON of Texas. Mr. President, I should like to give my colleagues as much information as I have been able to obtain about the likelihood of a vote on the Russell amendment tomorrow. I do not expect any vote today. I have asked the 49 Senators on my side of the aisle to give me their best estimate as to the time they will require to discuss, first, the Russell amendment, and, second, any other amendments, including the resolution itself. As best we can estimate, Senators on the respective sides of the aisle will require in the neighborhood of 4 or 5 hours each, or a total of from 8 to 10 hours. Of course, Senators may change their minds and may change their plans, but we do not expect any lengthy discussion on the Russell amendment. We do expect to vote on the Russell amendment tomorrow. There is every indication that we can vote on it. We are asking Senators to return to town in order to be prepared for a vote. We do not think we can hold in 1 day the 10 hours of discussion that may be required by Senators on both sides of the aisle before a final vote. We think that will require all of Monday, and perhaps we can start voting early Tuesday. That is the hope of the majority leader. I believe that optimism is shared by the minority leader.

With the cooperation of the Senate, it will be possible to vote on the Russell amendment tomorrow. We hope to have a final vote on the other amendments, including the resolution itself, on Tuesday.

I may say to the Senators, so far as I know, there will be no yea-and-nay votes and no quorum calls tonight. We shall do our best to protect them so far as tonight is concerned.

DISASTER AREA IN OREGON

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram which we have received today from the Governor of Oregon with respect to an exceedingly serious flood disaster situation now prevailing in my State. In the telegram the Governor asks us to seek to have that section of the State of Oregon declared a disaster area.

I also ask unanimous consent to have inserted in the RECORD, following the telegram from the Governor, the joint telegram the junior Senator from Oregon [Mr. NEUBERGER], Representative ULLMAN, from the district in Oregon particularly affected, and I sent to the Governor.

The joint telegram was sent to the Secretaries of Agriculture, Interior, Army, Federal Civil Defense Administration, Small Business Administration, Bureau of Public Roads, Housing and Home Finance Agency, and the Department of Health, Education, and Welfare. It calls attention to the very serious situation in Oregon, and asks that the Government agencies render every possible service, within their jurisdiction, which they are capable of rendering. We have been advised that in the last few hours the White House has declared the affected section of the State a disaster area.

I am pleased to say on the floor of the Senate that the quick action of the new Governor of my State is further indication of his great leadership, and his action reporting on the situation to members of the Oregon delegation is a further demonstration of the fine cooperation that exists between the Governor and the congressional delegation.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SALEM, OREG., *February 28, 1957.*

Senator WAYNE L. MORSE,
United States Senate,
Washington, D. C.:

The following wire sent to the President today: As suggested in my telegram of February 26. I am now respectfully requesting you declare Malheur County and possibly sections of Baker, Union, and Wallowa Counties in Oregon as a disaster area as a result of the continuing flooding of rivers there. Existing conditions have resulted in hardship and suffering, so severe to the people of that portion of Oregon that Federal assistance is required. Careful appraisal of our State agencies of civil defense soil conservation and irrigation districts indicate 50,000 acres of land are extensively damaged that roads and bridges are seriously damaged and hundreds of people affected. These agencies are producing the maximum effort toward relief from the disaster. This is to assure you that all available State, county, and local funds are or will be committed for the purpose. Suggest that $500,000 initially be allocated to the State of Oregon from funds available under authority of Public Law 875 of the 81st Congress to assist the State and local effort.

ROBERT D. HOLMES,
Governor of Oregon.

FEBRUARY 28, 1957.

Hon. ROBERT HOLMES,
Governor of Oregon,
State Capitol, Salem, Oreg.

Following is copy of wire transmitted to Secretaries of Agriculture, Interior, Army, and Federal Civil Defense Administration, Small Business Administration, Bureau of Public Roads, Housing and Home Finance Agency, and Department of Health, Education, and Welfare:

"Governor Holmes of Oregon has today requested President to declare Malheur County, Oreg., a disaster area due to extensive flood damage to homes and farm lands, highways and bridges in that county. Appreciate all possible assistance that can be rendered by your department to relieve distress caused by this disaster. WAYNE MORSE, United States Senate; RICHARD L. NEUBERGER, United States Senate; AL ULLMAN, Member of Congress."

Regards,

WAYNE MORSE.

AMERICA'S MENTALLY ILL

Mr. SMATHERS. Mr. President, once again I rise to speak in behalf of a very large group of our citizens whose plight demands the attention and consideration of every adult American. Specifically,

I refer to the tragic plight of America's 10 million mentally ill.

It is my very great pleasure to come before the Senate this year with some very heartening news—news of the progress which is being made to combat this disease.

I have been informed by the National Association for Mental Health that the steep, 25-year climb of our mental hospital rolls is showing evidence of slowing down. This climb may, as a matter of fact, have actually been broken. In 1955, the association points out, the number of resident patients in the Nation's mental hospitals rose by only 6,000, compared with an average annual rise of 12,000 in the previous 10 years, and an average rise of 10,000 for the entire period of 1930 to 1955.

There is further evidence that when the figures for 1956 are complete, they will actually show a decrease in total hospital rolls. If this happens, it will be the first time in the entire history of recorded mental hospital statistics that this has happened.

Until about 1954 and 1955, a State-by-State review of hospital figures produced the same monotonous evidence year after year—evidence that hospital rolls continued to increase without any sign of letup. Then, in 1954 and 1955, the picture began to change. First one State and then another, and then another, began to report that the rise was slacking off, that discharges were beginning to exceed admissions, that end-of-the-year figures were lower than for the previous year. At first, this evidence came from only a few States. Now we find, for 1956, that this is not simply an accidental occurrence, that it is happening in many States, and that actually a national trend may be developing. This is heartening news, and I know we all hope the trend will continue.

What conclusions can we draw from these data? According to the National Association for Mental Health, the trend is attributable to two main factors:

First, the effectiveness of modern treatment methods such as the tranquilizing drugs, psychotherapy, and electroshock; and, secondly, the fact that many more patients are now getting treatment instead of mere custodial care.

With regard to the tranquilizing drugs, this may be said on the basis of existing evidence: They are effecting improvement and recovery in thousands of cases. They are being hailed by mental hospital directors as the most important development in years in the treatment of mental patients. The use of these drugs has completely changed treatment for the mentally ill, and has altered the atmosphere in mental hospitals. Wards formerly disorderly are now tidy and clean. Once indifferent patients are showing an interest in hospital life and recreation. Patients who could not have been trusted a year ago with a knife or fork are now using saws and hammers, files and chisels in occupational therapy.

There is no question about the fact that the use of tranquilizing drugs has in part been responsible for the increased rates of discharge of mental hospital patients, and ultimately in the reduction of mental hospital rolls.

But here a warning needs to be given, a warning sounded broadly by the mental hospital administrators themselves. So enthusiastic has been the public response to the use of these drugs and their valuable effects, that unfortunately an illusion has developed. It is that these drugs are the answer and cure-all of the mental health problem. There is a great danger in this illusion, for if we believe that the drugs represent the solution to the Nation's most serious health problem, then we will naturally be inclined to lose interest in the mentally ill and in their plight. This must not be allowed to happen.

The truth is that these drugs will work only in the case of some mental disorders and not in others; with some patients and not with others. Then, too, the doctor cannot give a patient a few doses of these drugs and, on the first signs of recovery, discharge him. These drugs have to be administred with care, under constant observation and with considerable follow-up both inside the hospital and outside the hospital after the patient has been discharged. In many cases the drugs do not do the entire job by themselves, but merely make the patient accessible to other forms of treatment such as psychotherapy, occupational therapy and group therapy. The truth is that in many States only a very small percentage of the patients who might be helped in any way by these drugs are being helped. This is because there is not enough money to purchase the drugs, or not enough professional staff to administer them and to supervise the follow-up care, or not enough staff to administer the other forms of treatment in conjunction with the drugs.

Thus it is evident that the advent of drug treatment for the mentally ill provides only a partial answer to the entire problem.

It is my belief that the answer lies in making available to all mental patients all the known forms of treatment which have been proved successful, including drug therapy as well as others. Even this will not guarantee that all, or even most, of the patients now in mental hospitals will be cured. But it will guarantee that everyone who can be helped by existing treatment methods and techniques will be helped, and that tens of thousands of patients now languishing in mental hospitals, will have a chance to get better and be restored to their families and communities.

There is evidence, as the National Association for Mental Health points out, that in the past year or two more mental patients are getting treatment instead of mere custodial care. This is a major factor accounting for the increased discharges and reduced mental hospital rolls in many States. But here again we must deal with the truth rather than with an illusion. More patients are getting treatment today than in years past, but not many more. Hospitals are spending more money for staff and supplies for treatment but not very much more than before and not in too many places.

For many years the National Association for Mental Health has been urging that a relatively small increase in expenditures for these purposes, will pay off tenfold in terms of increased discharges and reduced mental hospital rolls. The evidence for this contention is now available to us in the mental hospital statistics of the past 2 years. If so small an improvement has brought so great a change, then I say it is folly for us not to expand and intensify this improvement even a little more in order to bring about an even greater change.

We who have watched the progress in mental health during the past few years are very keenly aware of the fact that changes do not come about by themselves. It takes continued public education, professional guidance, and coordinated citizen action in the communities. We have observed how from a small band of interested citizens, the National Association for Mental Health has grown into a large, national citizens organization with great influence in the Nation and in the communities. We have observed, too, how this organization has brought hundreds of thousands and even millions of citizens in their communities into action for the improvement of the plight of the mentally ill. It is on this organization and its affiliates that we must rely heavily to provide leadership for expanded progress in this field.

This great organization has not only concerned itself with the plight of the hospitalized mentally ill. It has worked for and helped to establish hundreds of community mental health clinics, the first aid stations for mental health. It has worked for and helped to establish information services to serve friends and relatives of the mentally ill and to ease their anxiety, doubt, and fear. It has helped to establish rehabilitation services for discharged mental patients. It has helped to establish in schools and industry, mental health programs for early detection and treatment of mental disorders. It has helped establish programs in the practice of mental health principles for the guidance of teachers, foremen, supervisors and personnel administrators for the improvement of mental health and the prevention of mental illness. It has helped to take the skeleton of mental illness out of the closet and dissipate the fear, mystery, and stigma which have surrounded mental illness and for so many years retarded progress in the fight against it. These untiring efforts have convinced America that the mentally ill do come back, improved, healthy, ready and capable to take their place again with their families and in their communities.

This year the slogan for Mental Health Week, which will take place April 28 to May 4, is "The Mentally Ill Can Come Back—Help Them." This appeal is made to the entire Nation. This appeal calls for participation of millions of Americans in the observance of Mental Health Week and in the fund-raising drive of the National Association for Mental Health.

It is therefore important that the American people be aroused to the plight of the mentally ill—be made aware of the hopeful outlook—be organized in their communities in citizens mental

health associations to combat this disease in every way possible and be stimulated to cooperate wholeheartedly with the National Association for Mental Health, which nationally and through its local and State mental health associations, has been leading the fight against mental illness.

To express the sense of the Congress concerning this serious problem with which the Nation is confronted, I desire to introduce at this time for appropriate reference, the following joint resolution, which is cosponsored by my able and distinguished colleague (Mr. HOLLAND), and request that it be permitted to lie at the desk for 5 days in order to permit such other of my colleagues who desire to do so, to join as cosponsors:

Whereas there is presently a great need for nationwide action for the prevention, treatment, and cure of mental illness; and

Whereas the National Association for Mental Health and the State and local mental health organizations associated therewith are working diligently in the fight against mental illness; and

Whereas the mental health fund campaign is in dire need of public support in order to improve conditions in mental hospitals, provide more adequate treatment for the mentally and emotionally ill, carry on research in the field of the prevention, treatment, and cure of mental illness, and promote mental health education: Now, therefore, be it

Resolved, That the President of the United States is authorized and requested to issue a proclamation designating the week beginning April 28 and ending May 4, 1957, as National Mental Health Week, and urging the people throughout the Nation to cooperate in the fight for the prevention, treatment, and cure of mental illness, inviting the communities of the United States to observe such week with appropriate ceremonies and activities.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the desk, as requested by the Senator from Florida.

The joint resolution (S. J. Res. 70) requesting the President to proclaim the week April 28 to May 4, 1957, inclusive, as National Mental Health Week, introduced by Mr. SMATHERS (for himself and Mr. HOLLAND), was received, read twice by its title, and referred to the Committee on the Judiciary.

ADJOURNMENT

The PRESIDING OFFICER (Mr. FREAR in the chair). Pursuant to the order previously entered, the Senate will stand adjourned until 10 o'clock a. m. tomorrow.

Thereupon (at 6 o'clock and 26 minutes p. m.), the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Saturday, March 2, 1957, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received March 1 (legislative day of February 28), 1957:

DEPARTMENT OF STATE

Andrew H. Berding, of the District of Columbia, to be an Assistant Secretary of State, vice Carl W. McCardle, resigned.

DIPLOMATIC AND FOREIGN SERVICE

Elbridge Durbrow, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Vietnam.

DEPARTMENT OF THE NAVY

Thomas Sovereign Gates, Jr., of Pennsylvania, to be Secretary of the Navy, vice Charles Sparks Thomas, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 1 (legislative day of February 28), 1957:

UNITED STATES COAST GUARD

The following-named persons to the rank indicated:

To be captains

Richard D. Schmidtman
John T. Stanley
James D. Craik
Anthony J. DeJoy
Loren H. Seeger
George D. Synon
Irvin J. Stephens
Donald T. Adams
Theodore J. Fabik
Reinhold R. Johnson
Hollis M. Warner
Walter B. Millington
John P. German
Joseph B. Feder
Oscar C. Bohnke
Karl O. A. Zittel
Gilbert L. Lynch
George R. Leslie
Albert A. Lawrence
Jerry B. Hoag
Joseph A. Brennan
Carl H. Stober
John R. Kurcheski
Frederick O. Wild

To be commanders

Benjamin M. Chiswell, Jr.
Joe L. Horne
Helmer S. Pearson
Donald M. Morell
Robert D. Brodie IV
Peter Olsen
Robert E. Reed-Hill
Ernest M. Espelie
Chester A. Richmond, Jr.
James M. McLaughlin
Henry F. Rohrkemper
Charles F. Scharfenstein, Jr.
Robert P. Cromwell
Kenneth R. Goodwin
James W. Kincaid
Kingdrel N. Ayers
Victor A. G. Schmidt
Elmer A. Crock
James A. Palmer
Bernhard R. Henry
Robert C. Gould
Raphael T. A. McKenzie
Ernest D. Murray
Peter Madison
Alfred M. Haynes
David H. Douglas
Wilber S. Doe
John L. Barron
William E. Ehrman
Gordon H. MacLane
William J. L. Parker

To be lieutenant commanders

Burton V. Weston, Jr.
Manson E. Meekins
Gordon L. Bates
Carleton W. Wahl
Walter J. Felton
Leonard A. Wardlaw, Jr.
Bruce H. Jensen
Caleb M. Sickles
David Block
Harold J. McCormack
Earl B. Cooper
Rayner C. Burke
William H. Monger
Joseph E. Gould
Robert W. Smith
James P. Fleeson
Robert A. Adamson
David Gershowitz
Dono W. Moore
Eric G. Grundy
Jay P. Dayton
Richard H. Hagadorn
Robert J. Carson
Hugh C. McCaffrey
Merle L. Harbourt
Edwin W. Coleman
Robert D. Fuller
Robert S. Capp
Leslie F. Cool
John D. Roberts
Raymond J. Evans
Scott P. Berryman
Willis G. Partridge
William O. Blandford
Albert G. Jones
Stanley G. Perret
John R. Allums
Norman E. Dion
Daniel J. Garrett
William A. Montgomery

To be lieutenants

Charles W. Lockwood
Dudley C. Goodwin, Jr.
Arthur K. Lawrence, Jr.
Ralph B. Pruett
Benjamin F. Rush
Harry J. Gardner, Jr.
Walter Folger
Frederick O. Wooley
Lyle W. Lemos
Frederick W. Folger
John V. Caffrey
Karl F. Peterson
John E. Wesler
William R. Fearn
Laurence J. Hoch
James S. Gracey
Richard T. Penn, Jr.
Charles L. Blaha
Thomas E. Hawkins
Ernest R. Tindle
John A. Flynn
Neal E. Williams, Jr.
Frank L. Shelley
William T. Adams II
Arne J. Soreng
David F. Louth
William H. Stewart
Charles E. Larkin, Jr.
Henry A. Cretella
Donald B. Russell
William S. Schwob, Jr.
Anthony F. Fugaro
Reginald W. Raynor, Jr.
Norman B. Binns
Harold A. Paulsen
Richard S. Dolliver
Sidney A. Wallace
Jules B. DuPeza
Joseph W. E. Ward
Robert Schuerch, Jr.
Herbert M. Hartlove
Nicholas Jesnovsky
Herbert H. Mulvany
Royce A. Lewis
Harry H. Keller, Jr.
Wilfred H. Shaw
Paul W. Meyer

To be chief warrant officers, W-4

Peter J. Byrne
Harry H. Eckels
Henry C. Wear, Jr.
Ezekiel D. J. Fulcher
Clarence J. Pare, Jr.
Melvin Handley
Maurice L. Kambarn
Robert C. Preston
Albert H. Hauser
George E. Cote
Norman A. Cooper
Carl D. Miller
Ralph C. Sidebottom
Donald T. Cook
William O. Adams
Arnold H. Peterson
Robert P. Chirnside
Toivo R. Juntunen
Herbert E. Mister
John Atherton
Milo A. Jordan
Rene J. Chevrier
Joseph Etienne
James A. Hadley
Royce O. Tackett
Lowell D. Mead
Wilber E. Harris
Benjamin F. Lombard
Samuel R. Randolph

To be chief warrant officers, W-3

Hugh S. Hanna
Richard V. Bercaw
John F. Malley
Joseph N. Alewine
Peter F. Ashton
Peter D. Shost
Lavine Hubert
Eugene P. Farley
Eugene C. Colson
Joseph M. Donovan
Escol J. Parker
Joseph C. Daniels
William H. Reed
Harry A. Lessey
Alfred R. Marsh
William H. Mattson
Anthony F. Glass, Jr.
George H. Jenks
Finis C. Key
Franklin H. Wix
Milton L. Black
Gentry J. Cooke
Harold G. Welchert
William H. Magowan
Phillip M. Collins
Milo A. Cornelius
James J. Morsey
Frank L. Ryman, Jr.
Ernest E. Fuller
William R. Jenkins

To be chief warrant officers, W-2

George H. Corston
Arnold A. Adams
John A. Flynn
Alfred A. Kolb
Emmett Gossen
Charles R. Smith
Frank M. Miller, Jr.
John J. Gunson
Albert L. Lingenfelter
Arthur F. Myers
William H. Hudson
George F. Weadon
Frank Bartling
Mitchel K. Opaitnik
Raymond W. Olson
George F. W. Ehrsam
Roy E. Needles
Warren G. Tubbs
Herbert L. Simpson
Wallace E. Hulteen
Harold E. DeYoung
George R. Peck
William T. Dickinson
Starr C. Burgess
Harold A. C. DuChene
Frank B. Wright
Michael O'Connell
David F. Ray
Claude A. Robinson
Herbert S. Lyman
Paul Schuttpelz, Jr.
James P. Avila
Maltire N. O'Neal
Fred A. Shabo
Frank H. Monty
George Mathews
Walter F. Shepich
Randall H. Spooner
Harold W. Collins
Herbert L. Gordon
Raymond L. Williams
James R. Kane
Thomas J. Hushion
Robert Malausena
Charles E. Holden
Earl A. Boles
James M. Mauldin
Marvin E. Ginn
Gustave F. Scholz
Norman L. Cales
Anthony H. Halko
Raymond W. Trevett
Charles W. Griffiths
James C. Rosemergy
Charles H. Agee
Henry T. Hutchins
Thomas E. Hurt
Harold B. Winther
Albert Solberg
Raymond J. White
Burton B. Watkins
Charles J. Volpe, Jr.
Dominic G. Swider
Herman J. Lentz
John C. Horton
William O. Caverly
Richard R. Spencer
Frank E. Smith
Thurman T. Cook
Curtis J. Olds
Joseph W. Ellis
Wendell M. Cahill
Joseph A. Yeager
Lyle E. Cable
James A. Wooley
John H. Forbing
Dewey H. Scarborough, Jr.
Phillip M. Griebel
Seymour Alexander
Robert J. Hanson
Harold Ryeld
Walter P. Stipcich

EXTENSIONS OF REMARKS

Small Business

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, March 1, 1957

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I have prepared pertaining to my cosponsorship of S. 808.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JENNER

The growing seriousness of the need for small business consideration in the midst of this record high economy we boast of has prompted me to join with my colleague from Indiana, the Senator from Delaware and the Senator from Florida, in sponsoring S. 808.

I am sure that if the other Senators who are interested in the strengthening of the backbone of America's economy—small business—will study the problems that category of business faces, they, too, will see the need for full study of the effects of S. 808.

My personal investigation of the facts involved in the need for correction of the Western Hemisphere Trade Corporation Act reveals that serious discrimination exists today in the tax benefits afforded by the act between big business and small business.

Since a Treasury Department interpretation of the act several years ago, large corporations have been enjoying the 14-point tax benefits on exports to Western Hemisphere countries, whereas, small business has found it next to impossible to comply with the requirements of the Treasury Department's interpretation.

The record shows that at the time of passage of the act it was not the intention of Congress to create such a discrimination. On the contrary, the Senate Finance Committee report at that time made it quite clear that the act was designed to make it possible for all United States businesses, engaged in export business to Western Hemisphere countries, to compete on a fair basis with low labor-cost countries for Western Hemisphere business.

The Senate committee report said, in part:

"American companies trading in foreign countries within the Western Hemisphere are placed at a considerable competitive disadvantage with foreign corporations under the tax rates provided by the bill [Internal Revenue Code]. To alleviate this competitive inequality, the committee bill relieves such corporations from surtax liability."

It was never the intention of the Senate or the Congress that the Senate amendment should relieve only a portion of our companies, thereby correcting an inequality by creating another inequality.

Nevertheless, several years ago someone in the Treasury Department held that the "source of revenue" theory required that any company doing business under the provisions of the Western Hemisphere Trade Corporation Act must change title to goods outside Continental United States in order to quality for the tax benefits.

Changing title outside the United States is no problem for big business with its agencies and warehouses in practically every country of the Western Hemisphere.

But it has been historical with small business in the United States that the title to export goods changes hands at the banks where the purchasers hold lines of credit.

This bill, S. 808, would establish by law what Congress originally intended—that all who wished to compete for Western Hemisphere business would have equal opportunity. The Small Business Administration has formally stated that this bill would be an important step toward helping small business in its present strange position of having a tough time of it in the midst of great prosperity.

In fact, a recent publication by the Small Business Administration cited a correction of this act as one of several steps which would give small business an overall program of help.

We have talked long and loud about helping small business to maintain its important position in this country's economy, but we have permitted this inequality of tax benefits to continue on the basis of misinterpretation of congressional intent.

By spelling out that intent by the passage of S. 808 and its companion bill in the House, which was introduced by Congressman THOMAS B. CURTIS, a member of the Ways and Means Committee, we would only be giving small business its rightful chance to enjoy the benefits that have been enjoyed for years by big corporations.

This bill would eliminate the change-of-title requirement established by the Treasury Department interpretation and yet safeguard our revenue interests from nondeserving operations. It would also insure the ultimate end use of the products exported.

I hope the Senate Finance Committee can work out some arrangement with the House Ways and Means Committee to assure consideration of this bill and to hold hearings. Those hearings, I am sure, will produce interesting evidence of the inequality which now exists.

SENATE

SATURDAY, MARCH 2, 1957

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, our Father, in whose keeping are the destinies of men and nations: In Thy everlasting mercy another day for service is added to our lives. Sanctify it, we pray, to Thy glory. Endue with Thy wisdom our fallible minds. Give us spiritual stature to match the days in which our lot is cast, lest the fearful forces of nature may destroy us utterly. Teach Thy willful children that it is Thy purpose that the new power, now in their hands, may prove the keys to open the doors of plenty for the whole earth. So distill upon our restless spirits the dews of quietness and tranquillity, that in simple trust and deeper reverence we may be found steadfast, always abounding in the work of the Lord, knowing that in Him and for Him and with Him, our labor is not in vain. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Friday, March 1, 1957, was approved, and its reading was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Charles E. Whittaker, of Missouri, to be Associate Justice of the Supreme Court of the United States, vice Stanley Reed, retired, which was referred to the Committee on the Judiciary.

NOMINATION OF CHARLES E. WHITTAKER TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. SYMINGTON. Mr. President, it is with great pleasure that I announce that Charles E. Whittaker, of Missouri, has been nominated by the President of the United States to be an Associate Justice of the Supreme Court of the United States, vice Stanley Reed, retired.

Judge Whittaker is highly thought of by all Missourians, and especially by his colleagues at the bar. He will be the first jurist ever to serve on the Supreme Court by appointment from our State. We are pleased that the President has seen fit to recognize our great State by this appointment.

Mr. CARLSON. Mr. President, the President is to be commended for again submitting the name of an outstanding lawyer and jurist, Charles Evans Whittaker, of Kansas City, Mo., to the Senate for confirmation as an Associate Justice of the United States Supreme Court.

Judge Whittaker was born in Troy, Kans., and comes from one of the outstanding families of that section of the State. He is a young man, 56 years of age, an ex-serviceman, a Republican, and has made an outstanding success in his professional career as a lawyer.

He is past president of the Missouri Bar Association and received his appointment to the Federal district court on the retirement of Judge E. Albert Reeves in 1954. Later he was appointed to the United States Court of Appeals of the Eighth Circuit. The eighth circuit is comprised of the States of Minnesota, Iowa, Arkansas, Nebraska, and North and South Dakota.

Judge Whittaker has the background, the experience, the character, and the judicial temperment to become one of the outstanding members of the United States Supreme Court. He will serve with ability and dignity, in keeping with this the greatest judicial body in our Nation.

Mr. SYMINGTON. I thank the Senator from Kansas for his kind remarks with respect to this nominee.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TUNGSTEN PURCHASE PROGRAM—JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD Senate Joint Resolution No. 5 of the Nevada State Legislature, together with a letter of transmittal, signed by the secretary of the Senate of Nevada, Robert E. Rowntree.

There being no objection, the letter and joint resolution were referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

SENATE, NEVADA LEGISLATURE,
February 27, 1957.

The Honorable GEORGE W. MALONE,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR MALONE: The Senate of the 48th session of the Nevada Legislature has directed me to forward to you Senate Joint Resolution No. 5, file No. 6.

Sincerely yours,
HERBERT E. ROWNTREE,
Secretary of the Senate.

(See joint resolution printed in full when presented by Mr. BIBLE on March 1, 1957, p. 2851, CONGRESSIONAL RECORD.)

RESOLUTION FROM LA CROSSE COUNTY (WIS.) BOARD OF SUPERVISORS

Mr. WILEY. Mr. President, I received this morning from Esther M. Domke, county clerk of La Crosse, Wis., a resolution adopted by the Board of Supervisors of La Crosse County, pointing out the need for Federal funds for the development of the harbor area for the purpose of promoting the recreational values, particularly for pleasure craft.

All over our Nation there is similar interest in the matter of new facilities to fulfill the tremendous interest in boating. Some 25 million boat enthusiasts are crowding the Nation's waters, and Wisconsin yields to no State, either in its lake or river interests or in its desire to serve our people in wholesome ways.

I present the resolution, and ask unanimous consent that it may be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

To the Honorable Chairman and Board of Supervisors, La Crosse County, Wis.

GENTLEMEN: Whereas transient traffic and the use of small boats for pleasure purposes has increased considerably during the past few years; and

Whereas there presently exists a shortage of public docking and service facilities for such small boats within La Crosse County; and

Whereas La Crosse County is interested in the expansion of small-boat harbor facilities for the promotion of public recreation and general welfare; and

Whereas that portion of Catgut Slough south of Clinton Street Road to French Island and its connection with Black River, in the town of Campbell, La Crosse County, appears to have all the necessary elements for such a harbor; and

Whereas it appears additional Federal funds may be made available for improvement of such facilities if Federal approval is obtained: Now, therefore, be it

Resolved, That La Crosse County encourage and seek the establishment of a small-boat harbor on Catgut Slough and that efforts be made to secure Federal approval and aid and the cooperation of the Corps of Engineers; and be it further

Resolved, That a copy of this resolution be sent to United States Representative GARDNER R. WITHROW and United States Senators ALEXANDER WILEY and JOSEPH MCCARTHY and to the city of La Crosse asking their cooperation where necessary.

Dated at La Crosse, Wis., this 21st day of February 1957.

HENRY REHMAN.

Presented February 21, 1957.

Referred February 21, 1957, to park committee, planning committee, and publicity committee.

ESTHER M. DOMKE,
County Clerk.

FUNDS FOR NATIONAL INSTITUTE OF DENTAL RESEARCH—LETTER

Mr. WILEY. Mr. President, I have long been in favor of sound expansion of the health-research facilities of our Nation. That is evidenced, in part, by my past cosponsorship of legislation for funds for the National Institute of Dental Research.

Today I received from Dr. E. E. Kraus, president of the Greater Milwaukee Dental Association, a letter pointing out that unfortunately funds for a building for the National Institute of Dental Research have not thus far been approved by the Bureau of the Budget, despite the fact that authority has been granted by the Congress for this purpose.

I certainly agree with Dr. Kraus' letter. I ask unanimous consent that it may be printed in the RECORD, and be thereafter appropriately referred, to encourage action along the lines recommended.

There being no objection, the letter was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

GREATER MILWAUKEE
DENTAL ASSOCIATION, INC.,
Milwaukee, Wis., February 27, 1957.

Senator ALEXANDER WILEY,
United States Senate Building, Washington, D. C.

DEAR SENATOR WILEY: We are apprised of the fact that even though Congress last year enacted the necessary authorizing legislation for the National Institute of Dental Research Building, the Bureau of the Budget has again refused to recommend the expenditure of the $3,700,000 needed to construct the building.

Please refer to Senate Report No. 1719, 84th Congress, Senate Committee on Labor and Public Welfare, which states unanimously that the present Dental Institute is overcrowded, that postponement of building is costly and poses a threat to the progress of dental health.

On behalf of the Greater Milwaukee Dental Association's 815 members, I wish to state that only through expanded research can this Nation improve materially the health and well-being of the American people, and we urge you to do all in your power to secure an appropriation of $3,700,000 for the building of a new National Institute of Dental Research Building.

Very truly yours,
E. E. KRAUS, D. D. S.,
President, Greater Milwaukee Dental Association.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 1447. A bill to amend the Federal Employees' Group Life Insurance Act of 1954, as amended, to include employees of the Agricultural Stabilization and Conservation County Committees; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (by request):

S. 1448. A bill to restrict discrimination against shippers and communities in Alaska by prohibiting the unfair diminution of carrier revenues, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. THYE (for himself and Mr. CAPEHART):

S. 1449. A bill to provide for a minimum acreage allotment for corn, and other purposes; to the Committee on Agriculture and Forestry.

By Mr. WATKINS:

S. 1450. A bill conferring jurisdiction on the Court of Claims to make a certain finding with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the United States Air Force, and to provide for payments of amounts so determined to such individuals; to the Committee on the Judiciary.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

PROPOSED AMENDMENTS TO INTERSTATE COMMERCE ACT RELATING TO RESTRICTION OF DISCRIMINATION AGAINST CERTAIN SHIPPERS AND COMMUNITIES IN ALASKA

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to restrict discrimination against shippers and communities in Alaska by prohibiting the unfair diminution of carrier revenues, and for other purposes. I ask unanimous consent that a letter from the Chairman of the Interstate Commerce Commission, requesting the proposed legislation, to-

gether with an index of the amendments to the bill, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and index will be printed in the RECORD.

The bill (S. 1448) to restrict discrimination against shippers and communities in Alaska by prohibiting the unfair diminution of carrier revenues, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter and index presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D. C., February 11, 1957.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate,
Washington, D. C.

DEAR CHAIRMAN MAGNUSON: Your committee in its report No. 2802, of the 84th Congress, 2d session, discussed the transportation problems of Alaska and the Pacific Coast States and concluded with the following statement (pages 7 and 8):

"RECOMMENDED ACTION

"The committee realizes that Alaska is beset by a number of chronic transportation problems that will require the attention of Congress and of the people of Alaska for many years if solutions are to be achieved. There is likewise an acute transportation problem which needs immediate attention and action: that of regulation of competition among carriers serving Alaska. According to the testimony, this situation is particularly unhealthy as between motor carriers on one hand and the Alaska Railroad on the other. At the present time, this competition is unrestricted by regulatory statute; consequently, there is neither restriction on discrimination against shippers and communities, nor provisions of law forbidding unfair diminution of carrier revenues. Such a state of affairs mitigates against the orderly economic development of Alaska.

"The committee believes that transportation within Alaska and between Alaska and the United States should be subjected in the public interest to a reasonable measure of clearly drawn regulation which will allow carriers a fair return for their efforts and insure the shippers and communities of Alaska reasonable and nondiscriminatory rates.

"Therefore, the committee requests that the Interstate Commerce Commission draw up and present to the committee by January 1, 1957, a plan of economic and safety regulation for Alaska to carry out these objectives for rail, motor, and inland water transportation. It is realized that the exact plan of regulation which exists in the United States probably cannot be transplanted in its entirety to apply suitably to the Alaskan situation; consequently, the ICC, in drawing up its report, should keep foremost in mind that the regulatory plan proposed should be adapted to the needs of Alaska. Serious consideration should be given to including a provision of law calling for a thorough and complete study and general investigation by the Interstate Commerce Commission of rates and charges now in effect both within Alaska and between Alaska and points outside the Territory.

"If regulation of rates within Alaska is to be effective, recommendations for regulation of joint and proportional rates for service between points in Alaska and points outside Alaska will need to be a part of the plan. Whether both contract and common carrier regulation is necessary will be for the ICC to determine. Private transportation is not to be subjected to economic regulation.

"The plan should include specific amendments to the law that are considered necessary. All departments of Government are requested to cooperate with the ICC in the formulation of this plan of regulation. Committee counsel shall stand ready to lend assistance to the ICC in formulating the plan."

In compliance with the directions in the above quoted provisions, a study has been made of this subject and the Commission is pleased to submit herewith drafts of proposed amendments to the Interstate Commerce Act and other acts which, in the opinion of the Commission, are appropriate and desirable. You have been furnished a copy of proposals on this subject submitted to the Commission by Associate General Counsel James A. Murray. We agree, generally, with his recommendations. The purpose of this letter is to give an outline and an explanation of the plan which these amendments are intended to effectuate.

Alaska has an area of approximately 590,884 square miles. One writer refers to it as one-third greater in size than the Atlantic States from Maine to Florida. Delegate BARTLETT, in testifying before your committee, stated that 99½ percent of the land is owned by the United States Government. Governor Heintzleman stated that the Territory has 3,860 miles of highways of which about 950 miles is paved or blacktopped. Another witness testified that the population of Alaska is 280,000 of which 23½ percent are military personnel.

The principal transportation agency in the Territory is the Government-owned Alaska Railroad operating 585.9 miles of road and representing an investment of approximately $165 million, with an annual operating revenue of about $17 million. In addition to the Alaska Railroad there are the Pacific and Arctic Navigation Co. (20 miles of railroad, transportation revenue $1,032,673), the Yakutut & Southern Railway (11 miles), and the White Pass and Yukon Railroad (a Canadian railroad which operates in Alaska for 20 miles or less).

The Alaska Steamship Co. and several other water carriers operate between the States and Alaska. There are an unknown number of small water carriers operating between points in Alaska.

There is no accurate information concerning the number of trucking companies operating in Alaska. One witness, Paul Gagnon, in testifying before your committee made a casual reference to "about 100 other trucking operators in the Territory" (page 55). Truck registrations in Alaska in recent years have averaged about 16,500 per year. Registrations are without regard to whether the truck will be used in private carriage or for hire carriage. This figure presumably includes some trucks from the States which engage in transportation in Alaska only in the summer.

Several freight forwarders and the Railway Express Agency operate into Alaska.

The Alcan Highway, constructed during the recent war, extends from Sweetgrass, Mont. through Dawson Creek, B. C., to Fairbanks, Alaska, a distance of 1,500 miles. It is a 26 foot gravel, all-weather highway, with moderate curves and grades. This highway provides a means of direct motor carrier transportation between the States and Alaska, through Canada. It is understood that no burdensome restrictions upon the use of this highway are imposed by Canada or any of the Provinces and that a number of motor carriers operate over the highway, the exact number, however, is not ascertainable.

With the exception of the Government-owned and operated Alaska Railroad, the Commission now has jurisdiction over railroads in Alaska under part I of the Interstate Commerce Act, (49 U. S. C. 1 et seq.), the Railroad Safety Appliance Acts (45 U. S. C., chs. 1 and 3), and the act relating to the transportation of explosives and combustibles (18 U. S. C. 831–835). *I. C. C. v. United States ex rel. Humbolt Steamship Co.* (224 U. S. 474); *Humbolt Steamship Company v. White Pass & Yukon Route, et al.* (25 I. C. C. 136); *The Alaska Investigation* (44 I. C. C. 680); *Porto Rico v. Dedricksen* (227 U. S. 145). This jurisdiction does not include the Government owned and operated Alaska Railroad (48 U. S. C. 301; 34 Opp. Atty. Gen. 232.) This railroad is operated by the Department of the Interior under authority delegated to that Department by the President. (48 C. F. R. 5.1.)

The Commission does not have jurisdiction over water transportation between points in Alaska nor between the States and Alaska. The Federal Maritime Board has certain jurisdiction over common carriers engaged in this water transportation under the Shipping and Intercoastal Acts. (46 U. S. C., chs. 23–23A.) Jurisdiction over air transportation within Alaska and between Alaska and the States is in the Civil Aeronautics Board.

The Commission has no jurisdiction over motor carrier transportation within Alaska and prior to 1950 it had no jurisdiction over motor transportation within the States on commerce between the States and the Territories and possessions of the United States. *United Van Lines, Extension to Alaska* (42 M. C. C. 451, 452). By a 1950 amendment to part II of the Interstate Commerce Act (64 Stat. 574), the Commission was given jurisdiction over motor transportation in commerce between points in the States and points in Territories and possessions, including Alaska, but only insofar as such transportation takes place in the States. Section 203 (a) (11) of the Interstate Commerce Act (49 U. S. C. 303 (a) (11)).

The Territorial Government of Alaska has established some regulation of bus lines within Alaska, including the issuance of certificates of public convenience and necessity, and it has established some highway regulations respecting safety and weight limits for motor vehicles. It has not undertaken the economic regulation of truck transportation within Alaska and, obviously, it would have no authority to regulate such transportation between the States and Alaska.

Practically all of the commerce between Alaska and the rest of the world is with the States of the United States. This fact, together with the fact that direct motor highway transportation between the States and Alaska is available, suggests that the objective should be to integrate transportation within Alaska and between the States and Alaska with the transportation system of the States, to the extent that this is practicable, and at the same time to give to the people of Alaska the greatest degree of control over transportation within Alaska that will be consistent with this objective. We are, therefore, recommending various amendments to the Interstate Commerce Act and other statutes which, in general, extend the Interstate Commerce Act to transportation within Alaska and between the States and Alaska.

There are, however, three most important and basic facts which must be borne in mind. The first is that since the Alaska Railroad is the most important transportation facility in the Territory, no economic regulation of transportation in that area could be successful that did not include that unit within the system. Our recommendations, therefore, include an amendment to the Alaska Railroad Act which will subject that railroad to economic regulation along with the other carriers of the Territory.

The second important fact is that, according to the best available information, more than 50 percent of the traffic involved is traffic of the United States Government, much

of it military traffic. This immediately suggests the question whether there can be any effective economic regulation with the view to preserving a sound economic condition in the transportation industry and insuring responsible and adequate service if the carriers are to be free to cut rates on this large volume of Government traffic. In our opinion, economic regulation would not be a success if 50 percent or more of the traffic is to be exempt. We have, therefore, included in our proposals an amendment to section 22 of the Interstate Commerce Act (which by reference will apply to carriers subject to all four parts of the act) which eliminates the privilege of reduced rates for Governments on traffic to and from Alaska, and within Alaska, except in time of war or other national emergency declared by Congress or the President. The Commission in its annual reports has previously recommended modifications of section 22 as to all carriers.

The third important fact is that the Alaska Railroad was established by and must be maintained with public funds of the United States to the extent that it fails to yield operating expenses, maintenance, and interest on the investment. These facts, together with the fact that more than 50 percent of the traffic is United States Government traffic, in our opinion, militates against placing jurisdiction solely in a local Alaskan board. The Government-owned Federal Barge Lines was subject to regulation by this Commission and Government-owned merchant ships have been regulated by the Federal Maritime Board, but we do not believe that it would be desirable to give to a board representing local interests control over the charges the Government would have to pay for transportation where this traffic constitutes such a large percentage of the whole, or over the charges that may be collected by an extensive Government establishment such as the Alaska Railroad. Furthermore, even if jurisdiction over rates and charges within Alaska were given to an Alaskan board, there would remain the problem of regulating transportation between the States and Alaska and of coordinating and integrating that transportation with transportation within the States. For these reasons we have concluded against a plan of vesting sole jurisdiction in an Alaskan board. We have, however, proposed amendments to section 17 of the Interstate Commerce Act, designated section 17 (2a), creating a nonpartisan Alaskan board of 3 members, appointed by the Governor of Alaska with the advice and consent of the Alaskan Senate, which would exercise initial jurisdiction under the Interstate Commerce Act equivalent to that of a division of the Commission, in matters pertaining to transportation within Alaska. The decisions of this board would be subject to reconsideration, rehearing, oral argument, etc., by the Commission in the same manner as if they were decisions of a division of the Commission. Provisions are included, also, which are expected to bring about a large degree of uniformity between regulations applicable in the States and those applicable in Alaska, but would allow differences which are necessary because of different conditions. Authority would be vested in the Commission to make the necessary orders and regulations to correlate and coordinate the procedure of the Commission and the board.

The Alaskan Board would not have jurisdiction in matters relating to transportation between Alaska and the States. This would be in the Commission to be exercised in the normal manner. A proposed amendment to section 205 (a) would exclude State joint boards from handling matters involving transportation between the States and Alaska. An alternative would be to include Alaska in the State joint board procedure. We do not believe it worth while to extend the joint board procedure, particularly where, as here, it would involve members from such widely separated areas as Alaska and the States.

At the present time, the Federal Maritime Board regulates as to rates, transportation by water carriers between United States ports and ports in Alaska and, at least, some of the water carriers operating between places in Alaska. Because of the desirability of through routes and joint rates between the States and Alaska and between various types of carriers within Alaska it seems that water transportation between the States and Alaska and within Alaska should be placed under the same regualtion as the other transportation involved. It is our belief that the transfer of economic regulation of this water transportation to the Commission would not affect any other activity of the Federal Maritime Board such as shipbuilding, insurance, grants, etc. In accordance with the view that it seems desirable, so far as practicable, to integrate transportation between the States and Alaska and within Alaska with transportation within the States, we propose amendments which would place jurisdiction over this water transportation under the Interstate Commerce Act and eliminate the jurisdiction of the Maritime Board to the extent that the Commission is given jurisdiction. Under the proposed amendments the common carrier operators of vessels would become subject to part III of the Interstate Commerce Act with all the duties and responsibilities imposed by that part, including the establishment of through routes and joint rates with railroads.

In addition to regulating the operators of vessels, the Maritime Board has undertaken the regulations, as water carriers, of certain persons who do not operate vessels, but who appear to be in the category of freight forwarders as defined in part IV of the Interstate Commerce Act. The proposed amendments are intended to place each operator in its proper category under the Interstate Commerce Act, and grandfather clauses are provided in part III and IV for the protection of such persons who are now under the Maritime Board, as well as others. The Federal Maritime Board does not issue certificates or permits. Under the proposed amendments certificates as water carriers or permits as freight forwarders would be issued to such persons by the Commission. Provision is made for the transfer of tariffs and other records from the Maritime Board to the Commission.

Amendments have been proposed changing the various definitions of interstate and foreign commerce in the Interstate Commerce Act to include transportation by water and motor vehicle between the States and Alaska and between places in Alaska. These amendments involve changes in sections 203 (a) (10) and (11), 303 (i) and 402 (a) (6). The amendment to section 203 (a) (11) proposes that the Commission exercise jurisdiction over the through motor carrier service between the States and Alaska as to rates, fares and charges, but not as to any other matters to the extent that it would conflict with any requirement of Canada. We think this is within the power of the United States and we do not see why there should be any objection from Canada. Under the present act the United States does not regulate transportation between places in Canada through the United States, nor even transportation between Canada and Mexico through the United States, except by a recent amendment the Commission is authorized to regulate such transportation with respect to safety, insurance for the protection of the public, and with respect to the designating of agents for service of process. As we do not have any substantial interest in the economic regulation of transportation between places in Canada, even though it takes place, in part, in the United States, it seems that Canada (likewise would have no interest in the economic regulation of transportation between the United States and Alaska. We suggest, however, that if your committee is interested in the proposal, it may wish to have the State Department submit it to the Canadian Government for comment.

Grandfather clauses are provided in sections 206 (a) (4) and 209 (a) (4) for motor carriers operating between the States and Alaska and within Alaska. Under the 1950 amendment to the Interstate Commerce Act the Commission was given jurisdiction over transportation in commerce between places in the United States and places in Territories and possessions of the United States, but this jurisdiction was limited to regulating such transportation to the extent that it takes place within the States. This amendment also gave to all holders of existing certificates and permits authority to handle traffic destined to or originating in Territories and possessions. In view of this recent fact two grandfather clauses are provided. Under one, carriers which hold such authority under the 1950 amendment are given under the grandfather clause, authority to serve all territory or places in Alaska which they have in fact served and, on the United States end, are given all the routes, points, and territory, and all the commodities, named in their certificates or permits, to the extent that they could have lawfully transported from or to those points, the named commodities, to or from Alaska. Such a carrier must, however, show actual operations into Alaska by its own motor vehicles. In our opinion, such liberal grandfather grants are warranted under the circumstances, where the carriers are few and the traffic sparse. If grandfather rights were too restricted, transportation might be impeded and carriers might be reluctant to spend the time and money necessary to obtain extensions of their operating rights because of the small amount of traffic and the risks involved. The pattern proposed also is intended to eliminate unnecessary gateways being established by the grandfather grants. A carrier may pass into Canada en route to Alaska at any place where its present authority allows it to reach the Canadian boundary with the commodity. The grandfather clauses omit mention of routes, but provide for grants in terms of places or territory. Of course, a carrier could be authorized to serve all points on a given highway, but that would not prevent it using any other highway it may find convenient. The other motor carrier grandfather clauses in sections 206 (a) (5) and 209 (a) (5) follow the line of past grandfather clauses and apply principally to motor carriers operating within Alaska which are not now subject to any regulation.

In drafting the grandfather clauses, care was taken to omit any requirement of an oath on the applications. Provision also was made that where a carrier operated both within Alaska and between the States and Alaska, its entire rights may be determined by the Commission in one proceeding, rather than have the Alaskan board determine the intra-Alaskan operations and the Commission the States-Alaskan portion.

A most important matter is the extent to which the regulating authority shall have power to require the establishment of through routes and joint rates between different types of carriers. Common carriers by rail and water are now required to establish reasonable through routes and joint rates with other such carriers of the same class and with each other. Through routes between motor common carriers and railroads and between motor common carriers and water carriers are permitted but not required. Likewise, motor common carriers are permitted to establish through routes and joint rates with each other but the Commission may not compel such establishment.

It seems to us that in a sparcely settled area such as Alaska there may arise a real need for through routes and joint rates between all types of carriers in order to assure through service to the public and to prevent large carriers from discriminating between connecting lines. We accordingly propose amendments to sections 1 (4), 216 (c), and 305 (b) which would authorize the Commission, after hearing, to require the establishment of through routes and joint rates between all connecting carriers within Alaska, whether motor, water, or rail. This power extends only to carriers which operate into or within Alaska, except that railroads in the States may be compelled to participate in through routes and joint rates with motor carriers in Alaska where there is included an intermediate connecting water carrier operating between the States and Alaska which has through routes and joint rates with Alaskan motor carriers. Through routes and joint rates between motor carriers operating within the States and not operating into Alaska, and railroads and water carriers could not be compelled.

One obstacle to the establishment of through routes and joint rates between motor common carriers and other common carriers is the fact that motor carriers often are small and their resources limited. Under section 20 (11) of the Interstate Commerce Act (made applicable to motor common carriers by section 219) a shipper or consignee may recover from either the originating or the delivering line for loss, damage, or injury to the property transported, regardless as to which carrier participating in the through service was responsible for the loss, damage or injury. Section 20 (12) (also made applicable to motor common carriers by section 219) provides that the carrier paying such a claim shall be subrogated to the rights of the shipper against the carrier responsible for the loss, damage or injury. Under section 215 of the Interstate Commerce Act motor common carriers have been required by the Commission to provide cargo insurance for the protection of shippers to the extent of $1,000 for the cargo on a truck at any one time (maximum $2,000 for any one loss). This cargo insurance would be available for the protection of connecting lines but frequently it would cover only a small portion of the possible risk which at times may reach $100,000 per truckload. The Commission would, of course, consider these matters before requiring the establishment of through routes and joint rates, but if the committee thinks it desirable, a provision might be added at the end of section 215 providing that in requiring motor common carriers to establish through routes and joint rates with other motor common carriers or in requiring water carriers or railroads to establish through routes and joint rates with motor carriers, the Commission, if it appears necessary for the protection of such other carriers, may require the motor common carrier to furnish a bond, cargo insurance, or other security for the protection of such connecting lines.

In the provision in all four parts of the act relating to the filing of annual and other reports, changes are made for the filing of the reports, or copies thereof, with the Alaskan Board. In making these proposals, we suggest the elimination of the requirement of an oath on annual reports, as to all carriers. The requirement of an oath on such papers has been a source of trouble with motor carriers for some time and probably would be a source of even greater trouble with small motor and water carriers in Alaska. There is no real need for an oath for purposes of enforcement. A provision of the United States Code (18 U. S. C. 1001) provides punishment for any person making a false report to a Government agency, regardless as to whether the statement was under oath. The Bureau of Internal Revenue has discontinued the requirement of an oath on income-tax returns.

Amendments to the suspension provisions of the act preclude the suspension of initial rates filed within 180 days after the enactment of the amendment. Likewise provisions allow new carriers 180 days within which to file tariffs and grandfather applications. The tariff filing requirements are proposed to be amended to require that certain carriers file copies of certain tariffs with the Alaskan Board.

The exemptions in section 203 (b) relating to certain motor-carrier operations are proposed to be continued as to motor transportation between Alaska and the States and within Alaska, except a slight revision of section 203 (b) (8) relating to passenger-carrier operations within commercial zones is required because of the absence of intrastate authorities within Alaska. Similarly the exemptions in section 303 applicable to certain water carriers will be applicable to water transportation between the States and Alaska and between points in Alaska.

An amendment to section 27 of the Merchant Marine Act, 1920, as amended (46 U. S. C. 883), is proposed to allow Alaska the same privileges with respect to transportation by foreign vessels between points in Alaska and between Alaska and the States as is allowed with respect to such transportation between places in the States.

An amendment to the Explosives Act (18 U. S. C. 831–835) is proposed to make clear that this act applies to persons transporting dangerous articles between points in Alaska who are not transporting in interstate or foreign commerce. This seems doubtful under the present act.

A provision is included calling for a general investigation by the Commission of the lawfulness of rates, fares, and charges for transportation between the States and Alaska, and between places in Alaska, to be made as soon as practicable after the date by which application for operating rights, tariffs, and schedules are required to be filed.

It is not possible to ascertain with accuracy the increased workload which would fall on the Commission should the proposed legislation become law. We will, if possible, absorb this increased workload with our present staff and within our present appropriations. If it should develop that the workload is more than can be absorbed, a request for supplemental or additional appropriations will be submitted through the proper channels to the Congress.

The Commission will be glad to render any further assistance your committee may desire in connection with this matter.

Yours very truly,

OWEN CLARKE, *Chairman.*

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REFERENCE OF CLAIMS OF CERTAIN SHEEPHERDERS TO COURT OF CLAIMS

Mr. WATKINS. Mr. President, I introduce for appropriate reference a bill to correct a technical injustice to five sheep operators in northern Utah whose businesses have been terminated or seriously curtailed by cancellation of grazing permits on the Newfoundland Mountains Air Force Range in Utah.

Grazing permits for a total of 10,830 sheep owned by these 5 families were terminated by the Air Force on April 30, 1956. The operators and the number of sheep involved in the cancellation are Claudius C. Toone, Morgan, Utah, 1,950 head of sheep: W. E. and David Dearden, Henefer, 5,050 head of sheep; Robert Byram and sons, Ogden, 1,020 head of sheep; Joseph O. Fawcett, Henefer, 1,900 head of sheep; W. E. and David Dearden, sons, Henefer, 910 head of sheep.

The holders of these permits have been grazing sheep on the winter range of the public domain in the Lakeside area of Box Elder County, Utah, for many years. The Federal permits in question were first issued in 1935, after passage of the Taylor Grazing Act.

In the fall of 1940, when the Nation stepped up its defense buildup, the acreage covered by the five permit holders was included in a large military withdrawal by Executive order, for establishment of an aerial bombing and gunnery range. However, use of this area for training was extremely limited and grazing was permitted all during World War II. In fact, 10-year grazing permits for the area were issued by the Department of the Interior in 1943 and 1944 and extended on a year-to-year basis since their expiration.

Meanwhile, a large number of livestock operators throughout the West were put out of business or seriously damaged in the early 1940's by such large-scale military withdrawals. The hardships suffered by such individuals throughout the public domain States led to passage on July 9, 1942, of an amendment to the Taylor Grazing Act. This amendment authorized payment of a reasonable compensatory amount to livestock operators whose business operations were adversely affected by cancellation of permits occasioned by the defense effort. This was a recognition of the fact that even though the livestock operator utilizes the public grazing lands on a permit basis, he has to build up a considerable capital investment in buildings and supplemental lands and property to sustain an economic livestock operation. Compensation for the extreme shock of the business adjustment forced by the military acquisition, therefore, was assigned by the Congress as a legitimate defense cost.

The permit holders in this Northern Utah area have been ruled by the Air Force to be ineligible for such compensation because of a technicality. The Air Force, which understandably would like to forego payment of such compensation from its appropriations, has ruled that these operators now hold only temporary Air Force grazing permits and not Taylor grazing permits, as covered under the 1942 amendment, which was passed 2 years after the lands were acquired by the military.

There is no doubt in my mind that there is an equitable entitlement to compensation in this case, in spite of such apparent legal technicalities, and I am introducing this measure to give these individuals the same treatment which has been extended to their fellow-livestock men in Arizona, New Mexico, Utah, and other States. Actual adjudication of the compensation allowable will be made by the United States Court of Claims, under terms of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1450) conferring jurisdiction on the Court of Claims to make a certain finding with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the United States Air Force, and to provide for payments of amounts so determined to such individuals, introduced by Mr. WATKINS, was received, read twice by its title, and referred to the Committee on the Judiciary.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CLARK:

Address delivered by Senator DOUGLAS at the National Roosevelt Day Dinner of Americans for Democratic Action, in New York City, on February 28, 1957.

By Mr. NEUBERGER:

Summary of the Kelley bill providing aid to schools.

NOTICE CONCERNING CERTAIN NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Donald C. Moseley, of Louisiana, to be United States marshal for the western district of Louisiana for a term of 4 years, vice Louis E. LeBlanc, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, March 8, 1957, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ANNOUNCEMENT OF WITHDRAWAL OF ISRAELI FORCES FROM DISPUTED TERRITORY

Mr. JOHNSON of Texas. Mr. President, the Israeli announcement of an early withdrawal from the Middle Eastern territory that is in dispute will be welcomed by all Americans.

It was a wise move, a prudent move, a move that opens the road to peace rather than to war. It required strength and courage on the part of the Israeli Government, which now faces a difficult internal situation.

There is another factor which will appeal to thinking people. It is that this move came about without any hard or fast conditions. It was the culmination of a position of flexibility.

But the developments, welcome as they are, do not constitute a cause for jubilation.

In the first place, the Israeli withdrawal does not constitute a settlement of the very real and very explosive issues in the Middle East. At best, it merely paves the way to negotiations that may bring about a settlement.

In the second place, the withdrawal imposes upon the whole world—and upon the United Nations in particular—a tremendous responsibility. There may have been no stated conditions for the Israeli move. But certainly there are moral obligations.

From the beginning of this particular deadlock, I have held the view that there was only one immediate solution. It was for the Israelis to get out and the United Nations to get in. Underlying that view was the feeling that Israel, like every other nation, was entitled to reasonable guaranties of its security. The withdrawal could not be permitted to become the prelude to bloodshed.

Mr. President, wisdom and statesmanship have produced the events which this morning appear so bright and hopeful. For this, congratulations are in order to our officials and to the leaders of all the nations who helped bring about this result.

But wisdom and statesmanship must continue. They must be exercised to mobilize the moral force of the world and to bring it to bear upon the problems of the Middle East in such a way that a just and lasting peace can be established.

This morning, two of our most influential newspapers—the New York Times and the New York Herald Tribune—commented editorially and to the point on these developments. I ask unanimous consent that the editorials be inserted in the body of the RECORD, as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 2, 1957]

ISRAEL WITHDRAWS

A difficult and explosive problem which could have set the whole Middle East aflame has been put on the way to an equitable solution as a result of Israel's announcement of its readiness to comply with United Nations demands and complete a "full and prompt" withdrawal of its forces to the 1949 armistice lines. When completed, this withdrawal will mark the final liquidation of Israel's invasion of Egypt, which led in turn to British and French military intervention.

The withdrawal, by which Israel will surrender the last strong points it holds beyond the armistice lines in Gaza and on the Strait of Tiran, will not by itself resolve the Middle Eastern problem. But it is an essential step toward any kind of solution, and the circumstances surrounding it provide a new and more promising basis for further negotiations than was offered by the unstable and precarious conditions of the past.

For the withdrawal is to take place on the basis of a compromise which meets all the demands made on Israel by the United Nations, but which also accords to Israel a greater measure of even-handed justice than was vouchsafed at the start of the crisis and provides it with at least some assurance of national security. This compromise marks a triumph of statesmanship and diplomacy for which credit and thanks are due to all who made it possible—in particular Secretary Dulles, Secretary General Hammarskjold, Ambassador Eban, and, by no means least, Canada's Mr. Pearson, who did much to correct the balance of right and wrong as between Egypt and Israel.

Technically, Israel's withdrawal is to be unconditional, which complies with the General Assembly resolutions and with President Eisenhower's insistence that no nation invading another in the face of United Nations disapproval should set conditions for its withdrawal, lest it destroy the foundations of the United Nations. Technically, the withdrawal is also without any reward, against which Egypt and the Arab States inveighed so vociferously. And technically it is even without the precise guarantee for which Israel fought so stubbornly to safeguard itself against Egyptian resumption of guerrilla warfare and belligerent blockades under a unilaterally proclaimed state of war.

In fact, Israel not only surrenders the conquests of a dramatically successful military campaign. It also resumes recognition of the 1949 armistice agreement, which it formerly declared to be abrogated, and relinquishes its plan for an Israeli administration of the Gaza Strip.

But, as its statement before the General Assembly emphasizes, Israel's undertaking to withdraw is predicated on certain assumptions which make it an act of faith in the assurances given by Mr. Hammarskjold and by the United States and some other powers.

These assurances, expressed in Mr. Hammarskjold's report endorsed by the General Assembly resolution of February 2, in the American memorandum of February 11, and in other public and private declarations, provide for the stationing of United Nations police forces in both Gaza and along the Gulf of Aqaba to prevent further Egyptian belligerent acts as well as Israeli retaliation. They also provide for freedom of innocent passage through the Strait of Tiran and the Aqaba Gulf, a freedom that is to be proclaimed and enforced by the United States and other maritime powers and which Israel proposes to enforce for its shipping, if necessary, by meeting Egyptian attacks by counterforce under the right of self-defense guaranteed by the charter. Finally, the assurances provide for United Nations responsibility for the administration of the Gaza Strip, and, should Egypt make good its threat to expel the United Nations police after the Israeli withdrawal, for immediate notice by Mr. Hammarskjold so that the United Nations can meet the resulting situation.

These assurances, promptly affirmed by Ambassador Lodge, impose a grave responsibility on the United Nations and the United States to see to it that they are fulfilled. At the same time, the Israeli withdrawal nullifies the Arab demand for sanctions and imposes an equally grave responsibility on Egypt to observe the armistice agreement which, under the Security Council ruling of 1951, bars any assertion of belligerent rights. The way will then be open for a permanent settlement for Palestine and other Middle Eastern problems. Israel has again expressed its fervent desire for this, and it is up to the Arab States to take the hand that is offered them.

[From New York Herald Tribune of March 2, 1957]

THE RIGHT WAY

The announcement by Mrs. Golda Meier, Israel's Foreign Minister, that there would be a "full and prompt withdrawal" of Israeli forces from the Gaza Strip and posts on the Gulf of Aqaba should provide the beginning of a general, fair, and peaceable settlement for this sorely tried region. It can be only considered a beginning, since there are many difficulties ahead. But the method that has been chosen to arrange this step is the right way, and, if the same spirit persists, the great end can be achieved and a return to the old, dangerous status quo ante averted. As Ambassador Henry Cabot Lodge, Jr., said soon after Mrs. Meier's statement: "We have reached a turning point in the long efforts of the United Nations to bring order and stability to this troubled area in the Near East."

The Israeli decision did not require prior conditions of the United Nations. It was based on certain assumptions—that the United Nations as such, and some of its principal members, including the United States, would safeguard Israel against use of the Gaza Strip for fedayeen raids and against interference with shipping in the Gulf of Aqaba. There have been protests against these assumptions (one of them from India's Ambassador V. K. Krishna Menon), and it will not be easy to put them into effect. But they must be made effective because they are just, and because the conscience of the world demands that Israel's sacrifice of positions its armies won does not entail the sacrifice of the lives of its people and the rights of its commerce.

Mrs. Meier stated the case with precision: "We place our trust in the vigilant resolve of the international community that Israel, equally with all member states, enjoy its basic rights of freedom from fear of attack; freedom to sail the high seas and international waterways in peace; freedom to pursue its national destiny in tranquillity without the constant peril which has surrounded it in recent years." It devolves upon the world community, and particularly upon the United States, which has taken the initiative in pressing for Israel's departure from Egyptian soil, to insure that that trust is well grounded.

Mr. JAVITS. Mr. President, I heard with great interest the statement of the majority leader on the announcement of compliance with the U. N. General Assembly resolutions of Israel's Foreign Minister yesterday; and I heard him say that we should congratulate the leaders of the governments concerned, as indeed we should and of our Government upon the result. I think we should congratulate also the majority leader and the minority leader of the Senate, who had a very important part, in this result, and whose part should be recognized as being that of the finest in bipartisanship and statesmanship.

Mr. President, by way of observation upon the event itself, let me say that I believe that millions of Americans will be gratified by the announcement we have just heard described, will join in the expectation of its implementation as intended. In my opinion, it is important to note, in respect to the announcement, because it has great influence upon the policy of our country, that reliance is being placed upon moral responsibility, not upon bargains or conditions. It is a fact that this moral responsibility rests necessarily in large measure upon the United States, for we are the leader of the free world, which otherwise might well be at the mercy of the Soviet Union and the Communist bloc. This moral responsibility includes, as well, Israel, which is a member of the free world and the United Nations.

The assumptions upon which Israel is acting according to the declarations of its Foreign Minister are the exercise of "free and innocent passage in the Gulf of Aqaba and through the Strait of Tiran"; and, second, that, as the armistice agreement having broke down as regards the Gaza Strip, the United Nations Emergency Force will be deployed there to safeguard life and property and to assure and guarantee "good civilian administration" until "a definitive agreement on the future of the Gaza Strip" is reached. These are moral responsibilities of the United Nations and of our Government that are already clearly engaged. We have these responsibilities in the interests of international peace, which the United Nations and its members are pledged to maintain.

Mr. President, we are witnessing not an isolated liquidation of an international crisis but a key to United States policy in the Middle East. We have taken an honorable and moral position in respect of the Gulf of Aqaba—namely, that these are international waters, even by admission of Egypt itself, made in 1950—and hence freedom of peaceful commerce through the Gulf of Aqaba is indispensable to a peaceful world. The same is true for the Suez Canal; and what happens in the Gulf of Aqaba is very likely to be a decisive precedent for the Suez Canal.

As for the Gaza Strip, a territory administered by any power may not be used as a base for raids into the territory of another power. That, too, is elementary in a peaceful world.

Mr. President, our test now will be whether we allow ourselves to be influenced in carrying out these and other moral responsibilities essential to world peace by the opposition and bitterness of any state because that state can muster support, on a particular proposition, of the Arab Nations or of the Arab-Asian bloc of nations, thereby jeopardizing the ability to get a two-thirds majority upon a particular proposition before the General Assembly of the United Nations.

It is essential that, so far as possible, our foreign policy be free from action or inaction which is dictated by other than inherent needs, responsibilities, and justice; and it should not be dictated by the veto of others.

Mr. President, we now have an enormous opportunity really to make this Mid-East doctrine work. This is an auspicious beginning. I hope very much that our Government will follow through in that spirit in the most constructive way, in recognition of the fact that what plagues this area is grave economic and social underdevelopment, and that we can make a very great contribution to the solution of these problems in an atmosphere of peace with justice to the powers there.

WISCONSIN AAA RECOMMENDS PROTECTION OF FEDERAL INTERSTATE HIGHWAY SYSTEM

Mr. WILEY. Mr. President, one of the grand organizations performing service for the American people is the American Automobile Association. The fruits of its efforts on behalf of millions of motorists, in particular, are available for all to see. But directly and indirectly, there is scarcely a single American who has not been helped by the AAA's forward-looking leadership.

Today I was pleased to receive from Mr. Stuart B. Wright, general manager of the Wisconsin division of the AAA, including its 17 enterprising motor club offices, a message concerning the importance of protecting the scenic attractions along the Federal Interstate Highway System.

This is a matter in which I know there is very deep interest in my State, as reflected by mail which has come to me, following public references which have been made on this subject in the course of my weekly reports to my constituents.

I believe that Mr. Wright's letter will be of interest to my colleagues. I send it to the desk and ask unanimous consent that it be printed at this point in the body of the RECORD, preceded by the list of offices and members of the advisory board of the Wisconsin Division of AAA.

There being no objection, the letter and names were ordered to be printed in the RECORD, as follows:

(Stuart B. Wright, general manager; Harold H. Haysen, assistant manager; Glenn W. Stephens, Madison, chairman; Everett Yerly, La Crosse, vice chairman; Paul L. Frederick, Beloit; Orville Christianson, Eau

Claire; Armin B. Mauthe, Fond du Lac; Wilbur M. Jorgensen, Green Bay; Ralph S. Kingsley, Kenosha; Dean F. H. Elwell, Madison; Leo W. Bruemmer, Manitowoc; George B. Skogmo, Milwaukee; Erwin M. Spoo, Oshkosh; Lee J. Wolf, Racine; H. Bellschneider, Sheboygan; John Weber III, Waukesha; W. B. Stimpson, Minocqua; Lyman Powell, Superior, advisory board.)

AMERICAN AUTOMOBILE ASSOCIATION,
WISCONSIN DIVISION,
Madison, Wis., February 28, 1957.

Re roadside protection.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: The AAA has long urged the States, through legislation and regulation to protect the roadside from uncontrolled commercial development and unlimited access from side roads.

Now we understand that the Secretary of Commerce will soon present Congress with recommendations for Federal legislation to protect the roadsides and provide for control of access along the 41,000-mile National System of Interstate and Defense Highways.

We urge your support for legislation of this type. No one wants to waste any part of the billions of dollars being spent for our badly needed new highways. Ribbon development along these new roads would constitute a hazard to safety, reduce traffic capacity, and result in highway blight.

The AAA recently published a special booklet entitled, "Roadside Protection—A Study of the Problem and Suggested Approaches to Betterment." We should be happy to provide you with a copy upon request.

Please call on us whenever we, or any of our 17 motor club offices in Wisconsin may be of service to you in any way.

Cordially,

STUART B. WEIGHT,
General Manager.

SCHEDULE FOR TODAY

Mr. JOHNSON of Texas. Mr. President, following the conclusion of the morning hour, it is my intention to suggest the absence of a quorum. Thereafter, any Senators who care to speak on the pending Russell amendment to the committee amendment to the Middle East joint resolution will be given an opportunity to do so. Then I hope the Senate will proceed to vote at a reasonably early hour today. If we are able to obtain the vote at such an hour, then I should like to ask the Senate to take a recess until Monday. If we are unable to obtain the vote at an early hour today, then the Senate will remain in session until at least 4 or 5 or 6 p. m., in an effort to obtain one.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business which is Senate Joint Resolution 19.

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment, as modified, proposed by the Senator from Georgia [Mr. RUSSELL], for himself, the Senator from Virginia [Mr. BYRD], and the Senator from Mississippi [Mr. STENNIS], as a substitute for the committee amendment, as amended.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Mundt
Allott	Flanders	Neely
Anderson	Frear	Pastore
Beall	Gore	Payne
Bible	Hayden	Potter
Blakley	Hickenlooper	Purtell
Bush	Hill	Revercomb
Capehart	Hruska	Russell
Carlson	Jackson	Saltonstall
Carroll	Javits	Scott
Case, N. J.	Johnson, Tex.	Smathers
Case, S. Dak.	Johnston, S. C.	Smith, Maine
Chavez	Kefauver	Smith, N. J.
Church	Knowland	Stennis
Clark	Kuchel	Symington
Cooper	Lausche	Talmadge
Cotton	Martin, Iowa	Thurmond
Curtis	Martin, Pa.	Watkins
Dirksen	McClellan	Wiley
Douglas	Monroney	Williams
Dworshak	Morton	

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from New York [Mr. IVES], and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

The Senator from Wyoming [Mr. BARRETT], the Senator from Utah [Mr. BENNETT], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Indiana [Mr. JENNER], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. McCARTHY], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Minnesota [Mr. THYE], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The PRESIDENT pro tempore. A quorum is present.

FORTIETH ANNIVERSARY OF THE GRANTING OF AMERICAN CITIZENSHIP TO THE PEOPLE OF PUERTO RICO

Mr. MURRAY. Mr. President, today, March 2, is the 40th anniversary of the attainment of United States citizenship by the people of Puerto Rico. As such it is a day of great significance, both to the people of Puerto Rico and to their fellow American citizens here on the mainland.

Appropriately, the distinguished Governor of Puerto Rico, Hon. Luis Muñoz-Marín, who has three times been elected to that office, has designated today as Friendship Day. President Eisenhower has sent a personal representative, Hon. Christopher Del Cesto, to the island to bring his greetings and a message of friendship on behalf of all of the people on the mainland.

As chairman of the Committee on Interior and Insular Affairs, I take this occasion to congratulate the people of Puerto Rico, both on the great event of 40 years ago and on the way they have taken advantage of that political attainment since then.

The people of Puerto Rico have made outstanding contributions to the development of free government in the Caribbean area and to the development of that area's natural resources. They, the people of Puerto Rico, have succeeded in a marked degree in raising the standards of living of Latin American peoples, both economically and politically and spiritually.

PRACTICING WHAT WE PREACH

The anniversary of the day we celebrate is of special significance to Americans on the mainland because it commemorates a very specific example of our putting into practice our ideals and theories of democracy. The Members of the Senate will recall that a bare 19 years before March 2, 1917, we had taken possession of the island of Puerto Rico by force of arms in the Spanish-American War. Our Armed Forces met with little resistance from the Spanish armed forces on the island, and we were hailed by the population as liberators. Puerto Rico was ceded to the United States by the Treaty of Paris which terminated the Spanish-American War.

The second paragraph of article IX of the treaty, which was ratified by the 55th Congress in 1899, provided that the Congress should determine the civil rights and political status of the native inhabitants of the areas ceded. Just 18 years later, on March 2, 1917, the 64th Congress determined that the inhabitants of the island that was so recently conquered enemy territory, legally speaking, should have the civil rights and political status of American citizens.

Public Law 368 of that Congress provided in section 5 that—

> All citizens of Puerto Rico * * * are hereby declared, and shall be deemed and held to be, citizens of the United States: *Provided*, That any person hereinbefore described may retain his present political status by making a declaration, under oath, of his decision to do so within 6 months of the taking effect of this act before the district court in the district in which he resides.

Thus, we did not force American citizenship on anyone who did not want it. I am informed that as a matter of fact a fairly substantial number of persons did take advantage of the option accorded by the act and elected to remain subjects of the then King of Spain.

COMMONWEALTH STATUS AND FEDERAL TAXES

The act of March 2, 1917, that granted citizenship also provided for civil rights and a civil government. It was the Organic Act of Puerto Rico. I might point out more or less parenthetically that this law of 40 years ago exempted Puerto Rico from the internal revenue laws of the United States and provided that the Federal taxes collected on articles of Puerto Rican origin should be covered into the insular treasury. This provision merely carried on a similar tax system that was made applicable to Puerto Rico in 1900.

Thus the exemption of Puerto Rico from Federal taxes, of which the opponents of statehood for Alaska and Hawaii make so much in advocating a commonwealth status for those incorporated Territories, has been an integral part of our policy toward Puerto Rico from the very beginning. It has no inherent connection with commonwealth status, as such.

The next great political advance in Puerto Rico came in 1947, when we provided for the election of the Governor of Puerto Rico by popular vote every 4 years, and empowered him to appoint heads of the executive departments of the insular government with the advice and consent of the popularly elected Territorial senate. In the election held the following year, Governor Muñoz-Marin was elected and he has been reelected at every election since that time by overwhelming majorities.

I was a member of the Interior and Insular Affairs Committee which handled the legislation just described, and I am proud of my part in it, just as I am proud of my part in the establishment of commonwealth status for the island. Commonwealth status for Puerto Rico came about only 5 years ago, after the Interior and Insular Affairs Committee reported Senate Joint Resolution 151, 82d Congress, and it became Public Law 447.

This is the measure that gave the approval of the Congress to the constitution for local self-government in Puerto Rico which the people of Puerto Rico themselves drew up and had adopted. Under it the people of Puerto Rico, whose island only a little over half a century ago was an island possession of the Kingdom of Spain, now enjoy a government of the people, by the people, and for the people—a government of their own making and choosing, while at the same time enjoying the protection and the privilege of American citizenship.

INDEPENDENCE OFFERED

It is significant that there has been no movement for any change in that status that has seemed to have any popular support. In 1953 the Government of the United States announced to the world through the United Nations that Puerto Rico could have full and complete independence if she wished it. There has been no action on the part of any responsible group in Puerto Rico to accept that offer.

As so often happens, the political development attained by the people of Puerto Rico has been accompanied by outstanding economic development, also. But today we are celebrating the anniversary of an historic development that has commanded the attention of the entire world.

ALL AMERICANS PROUD OF PUERTO RICO

Today, Puerto Rico is a part of the United States of America of which all American citizens everywhere can be justly proud. And I, personally, am proud to be chairman of the committee of the Senate that has had an important role in this development.

I know I speak for all of the Members of the Senate when I congratulate our fellow American citizens in Puerto Rico, and wish them continued political and economic progress. I am certain they will continue to make splendid use of the grant of American citizenship 40 years ago today. This action was good indeed for the people of Puerto Rico and good indeed for all of the people of the United States of America.

Mr. CHAVEZ. Mr. President, I wish to associate myself with the remarks of the Senator from Montana, and to congratulate the people of Puerto Rico on their 40th anniversary of American citizenship. I believe I know the people of Puerto Rico intimately, both the native Puerto Rican and the continental American now residing there. They live in freedom and are happy, and fully assume their responsibilities.

More than 100,000 ex-servicemen live in Puerto Rico. They are veterans of the First World War, the Second World War, and the Korean war. Puerto Rico has always made its contribution toward the preservation of the freedom of our country. I therefore am happy to associate myself with the remarks of the chairman of the committee in extending congratulations to the people of Puerto Rico.

Mr. SMATHERS. Mr. President, I wish to associate myself with the remarks which have been made by the Senator from Montana [Mr. MURRAY] and the Senator from New Mexico [Mr. CHAVEZ], in congratulating the people of Puerto Rico on the 40th anniversary of their attainment of United States citizenship. I doubt that there is any other area of the world where in recent years a people have made such great progress under a democratic form of government as in Puerto Rico.

I ask unanimous consent that there be printed at this point in the RECORD remarks which I had prepared for delivery on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMATHERS

March 2 of this year marks the 40th anniversary of the passage of the second organic act, commonly known as the Jones Act, by which American citizenship was bestowed upon the inhabitants of Puerto Rico.

The Puerto Rican people by their increasing ability and integrity in local government have proved themselves worthy of the citizenship that was conferred upon them. The 40 years following the Jones Act have brought them ultimately to a status that was recognized in 1952 when Puerto Rico became a commonwealth. The Commonwealth of Puerto Rico today enjoys a double advantage: On the one hand, complete independence from the Federal Government in its domestic affairs, and on the other hand, complete protection by the Federal Government in foreign relations, trade and defense.

Moreover, under the very able leadership of popularly elected Gov. Luis Muñoz-Marin, Puerto Rico is proving itself daily ever more capable in dealing with the complex problems of modern politics and economics. By the much publicized Operation Bootstrap, Puerto Rico has accomplished the almost impossible. Since 1940 the net income of our insular neighbors has quadrupled—going from $227 million in 1939–40 to $982 million in 1954–55. Average family income has increased from $660 in 1940 to $2,360 in 1955. Productivity per worker has been doubled. Even more dramatic has been the increase in life expectancy between 1940 and 1950, rising from 46 to 61 years. This is the most rapid rate of increase known in the world. Moreover, at the same time the annual death rate has been reduced from 18.4 deaths per 1,000 population in 1940 to 7.1 in 1955. Tuberculosis and malaria have been almost completely eliminated; and the general death rate in Puerto Rico is now lower than the national average. Comparable achievements have been made in the field of education where school enrollment has doubled and expenditures for education have been multiplied by five in the past 15 years.

But perhaps the most significant element in the story of modern Puerto Rico is that these remarkable changes have all taken place in a free society, where constructive self-help, not government dictatorship has provided the initiative. Governor Marin himself pointed out the importance of Puerto Rico's accomplishment for the whole world when he said:

"The answer to the Communist challenge lies in the ability of the Western Powers to show the less fortunate countries of the world that a greater transformation can be achieved, at an even faster rate and on sounder economic foundations, without shattering or ignoring the fabric of political and individual liberties."

The tremendous progress which has been made by the Puerto Rican people is due in no small part to the illustrious leadership of Governor Marin and their capable Resident Commissioner, A. FERNÓS-ISERN. Through the efforts of these great public servants, Puerto Rico is making an ever-increasing contribution to the Nation and world peace. I am proud and happy to recall to the minds of my colleagues the occasion 40 years ago when the people of Puerto Rico first became citizens of the United States.

In recognition of this 40th anniversary, which is so significant to the people of Puerto Rico, Governor Marin has proclaimed March 2 as Friendship Day in the Island.

I know that the Members of the Senate join with me in extending best wishes to the people of Puerto Rico on this great occasion.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to join with my colleagues in congratulating the people of Puerto Rico on the 40th anniversary of their American citizenship. Two weeks ago I spent several days in Puerto Rico. I was astonished and amazed by the amount of building which has been done there during recent years. A great deal of that building has been in the form of small family-type housing. They are cheap homes, of the type so greatly needed at the time, and many of them sell for

as little as $3,950. The people there certainly need more of that type of homes.

I was glad to learn that a builder from South Carolina, L. D. Long Construction Co., of Charleston, S. C., constructed $86 million worth of buildings in Puerto Rico. While there I made an inspection of the various edifices.

I wish to join other Senators in congratulating the people of Puerto Rico.

Mr. JAVITS. Mr. President, I should like to associate myself with the remarks of my colleague, the Senator from Montana. I had the privilege of addressing a joint session of Puerto Rico's Legislature on Lincoln Day some years ago, and I was tremendously impressed with their Operation Bootstrap. It is under the leadership of one of the most outstanding leaders in the whole free world, Gov. Luis Muñoz-Marín.

We are indebted to Puerto Rico for the number of its people now citizens in New York City who are making great progress and are integrating themselves as useful and good citizens of the great State of New York.

Finally, Mr. President, the Government of Puerto Rico has cooperated closely, effectively, and intelligently with the authorities of the city and State of New York in respect of this migration and integration process with credit to all and to our country.

FARM ECONOMIC SITUATION

Mr. SYMINGTON. Mr. President, yesterday the distinguished junior Senator from Minnesota [Mr. HUMPHREY] reported to the Senate that the Secretary of Agriculture had reduced the price supports for oats, rye, barley, flaxseed, grain sorghums, soybeans, cotton, and cottonseed. On each of the commodities, he said, the price-support levels were reduced from 5 to 6 percent of parity below the 1956 figures; and he added that the only major crop which seems to have the same price-support level as in 1946 is wheat; and that that support is at the inadequate low price of $2 a bushel.

Mr. President, I regret to report to the Senate that farm prices have again gone down. The index of prices received has gone down from 238 in January to 234 in February.

The parity index, taking into consideration interest, taxes, and wage rates, indicates that during the same period prices paid by farmers have gone up from 292 to 294. The parity ratio as of February 15 is 80, having dropped from 82 for the previous month. This parity figure of 80 is lower than any annual average since 1939.

Mr. President, to clarify the record as to just what is going on, I should like to cite briefly some pertinent figures regarding the farmer's situation in 1956 as compared with his situation in 1955.

Farmers' net income, adjusted for inventory change, was less in 1956 than in 1955—$11.7 billion in 1955, $11.6 billion in 1956.

Farm prices received averaged the same in 1956 as they did in 1955. The index was 236 in 1955, and 236 in 1956.

Farm parity was lower in 1956 than it was in 1955. It was 84 in 1955, and 83 in 1956.

Farm costs were higher in 1956 than in 1955. The cost index was 281 in 1955, and 286 in 1956.

The purchasing power of farmers' net income was less in 1956 than it was in 1955. The wholesale price index in 1955 was 110.7, and is 114.3 in 1956. The consumer price index was 114.5 in 1955. It was 116.2 for 1956.

Therefore, Mr. President, when the Secretary of Agriculture or anyone else tries to paint a favorable picture of the farmers' situation in 1956 as against that of 1955, by picking out one month in 1956 and comparing it with one month in 1955, instead of taking a whole year, or by taking net income before inventory adjustment instead of using the properly adjusted figure used in all official tables of national income breakdown, I maintain this is not right.

Mr. President, the figures I have just presented prove this point conclusively.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I shall be glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to express appreciation to the Senator for his thoughtful analysis of these statistical tables which have been presented by the Secretary of Agriculture and by the Department of Agriculture. I think the Senator has made it abundantly clear that the tables as presented by the Department and by the President's Economic Council are accurate. It is the interpretation of the figures made by the Secretary which has been misleading. The Senator from Missouri has again and again on this floor tried to pinpoint the differences which come from the factual tables as compared with those which come from the rhetorical dissertations by the Secretary of Agriculture. The Senator has performed a great service, and I wish to associate myself with the tenor of his remarks this morning.

Mr. SYMINGTON. I thank the distinguished Senator from Minnesota. There is no one from whom I would rather receive approbation in discussion of the grave problems which confront so many of the farmers of America.

Mr. President, in the RECORD last week I placed considerable information in an effort to prove that we were not being given all the facts with respect to our defense position. Certainly the figures show this morning that we are not being given all the facts about our agricultural position.

Mr. President, about a year and a half ago our distinguished majority leader, the great senior Senator from Texas [Mr. JOHNSON], stated in an address that the strength of a nation depends upon the will of the people; and that under a democratic form of government, their will can function only if the people are informed.

Mr. President, that quotation just about sums this problem up.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

Mr. CASE of South Dakota. Mr. President, I wish to address an inquiry to the distinguished Senator from Indiana [Mr. JENNER], relative to the matter which he brought to the attention of the Senate last night.

Does the Senator from Indiana know whether any steps are being taken to investigate the reasons why the persons to whom he referred last night have been assigned as consuls or to other United States Government positions in the Middle East?

Mr. JENNER. No; of course, I do not know what is going on in the executive departments, but I have asked our staff to make a study of the names of other persons who have been involved, to ascertain where they are now assigned. But I assume that Mr. Raymond Ludden, who is in charge of personnel in the Department of State, is taking pretty good care of his friends.

Mr. CASE of South Dakota. I expect to vote against the pending amendment to the joint resolution, and I expect to vote for the resolution on final passage. However, I certainly want the RECORD to show that I do not believe the funds provided in the resolution should be administered, allocated, or used under the guidance of the advisers who the Senator from Indiana indicated are in positions of responsibility in Lebanon, Syria, and other countries in the Middle East.

Mr. JENNER. Let me ask the Senator from South Dakota where he thinks the State Department will get its advice in Beirut, Lebanon, and in Syria, if it does not get it from our official representatives there?

Mr. CASE of South Dakota. I wish to add my word of caution or warning to what the Senator from Indiana said last night. I suggest that the State Department and the President would be well advised to determine the character of the persons there, and to be certain that the manner in which the $200 million may be used will not be dependent upon the advice of certain individuals who have an unsavory record concerning affairs in the Far East.

ATTENDANCE OF SENATORS ON QUORUM CALLS

Mr. HUMPHREY. Mr. President, I notice on page 2864 of the CONGRESSIONAL RECORD of Friday, March 1, 1957, following the quorum call, an announcement to the effect that a certain number of Senators were, according to the statement, absent on official business. Then I notice that among the names is that of the junior Senator from Minnesota. There are at least 20 other names.

I want the RECORD to be clear in showing that I was not absent. I was here. I was not present at the time the second call of the roll was made; but since a point was made of this yesterday, I might say that Senators have other things to do besides being in the Senate Chamber. There are many other duties which all of us have to perform.

So that the RECORD may be abundantly clear, one of the duties of United States Senators is to take care of constituents when they come to the city, particularly when they are mayors of municipalities, representatives of State legislatures, regents of universities, or persons visiting in other official capacities.

I regret that upon the ringing of the bells some of us do not have the automatic reflexes which brings us here as rapidly as the situation may necessitate.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. JOHNSON of Texas. Mr. President, so far as I am aware, all Senators who wished to speak on the unfinished business have had an opportunity to do so. I am informed that there may be 2 or 3 very brief speeches to be made on the Russell amendment before it is voted upon.

If any Senators desire to address themselves to the unfinished business at this time, there is an opportunity now for them to do so. If not, I shall suggest the absence of a quorum, in the hope that shortly thereafter a vote may be taken.

Mr. YOUNG. Mr. President, I desire to speak for only a few minutes on the Russell amendment.

I have vast respect for the sponsors of the amendment, the Senator from Georgia [Mr. RUSSELL], the Senator from Virginia [Mr. BYRD], and the Senator from Mississippi [Mr. STENNIS], as I have also vast respect for their judgment on matters such as this. After a very careful examination, however, I fail to see much difference, so far as the result is concerned, between the provisions of the amendment and those of the resolution itself. In fact, I think Congress perhaps would have a little more control over the funds to be expended in the Middle East if the amendment were not approved.

When the resolution was first presented, I thought it was much on the order of the resolution which was passed about a year ago with respect to Formosa. That resolution was one of the best resolutions Congress had ever passed. I think the President of the United States should be commended for asking for such a resolution, and that Congress should be commended for passing it.

At that time it appeared to be almost certain that Communist China would attack Formosa. I think war was averted in that area largely, perhaps entirely, because of the joint action by the President and the Congress at that time.

I firmly believe that if a similar resolution had been passed in April 1950, war would have been avoided in Korea. I think the position of the President and the Congress should have been made abundantly clear at that time.

I will go so far as to say that if the President and Congress, previous to World War I, and even previous to World War II, had made the position of the United States Government as clear as it was made in the case of the Formosa resolution, those wars might also have been averted.

In my judgment, the joint resolution will go a long way toward preventing war in the Middle East. I intend to vote, reluctantly, against the Russell-Byrd-Stennis amendment, and I intend to vote for the resolution on final passage.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The question is on agreeing to the amendment, as modified, offered by the Senator from Georgia [Mr. RUSSELL], for himself and the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Mexico [Mr. ANDERSON], as a substitute for the committee amendment, as amended.

Mr. KNOWLAND. Mr. President, I shall not detain the Senate for more than a few minutes. I speak in opposition to the pending amendment. There is no Member of the Senate for whom I have higher respect and regard than I do for the distinguished senior Senator from Georgia [Mr. RUSSELL]. He has been an able Member of the Senate for many years. I was privileged to serve under his chairmanship when I was a member of the Committee on Armed Services. I know he is deeply dedicated to the defense of the United States in all its aspects. The fact that we may have an honest difference of opinion on this particular amendment does not, of course, lessen by one iota the high respect in which he is held by all his colleagues in the Senate.

The Senator from Georgia in his able speech the other day pointed out that his amendment would give the President the same backing in regard to the use of United States forces in the critical area of the Middle East as would the amendment proposed by the committee itself. So what we are basically discussing, concerning the differences between the so-called Russell amendment and the recommendations of the combined committees on Foreign Relations and Armed Services, has to do with the military assistance and the economic aid features of the resolution.

We all hope and pray that by the adoption of the resolution and by putting the Soviet Union and international communism on notice, they will not blunder to trouble in the Middle East, for there is a great body of opinion among the historians and scholars to the effect that World War I and World War II, and, indeed, the Korean war, might have been averted had the aggressor understood the vital stake of the United States and the rest of the free world in those areas, as we hope they will know it in this case.

However, if by chance they should determine to commit an overt act of aggression, then under both the Russell amendment and under the resolution as reported by the committees, Congress and the Executive would be joined together in having served such notice. In that event, it seems to me it would be highly important to have in that area of the world nations which could both preserve order internally and contribute something to the common defense. It is that factor which would be eliminated to a considerable extent, at least; and certainly flexibility in that field might be jeopardized by adoption of the Russell amendment.

Mr. President, I believe this to be an important issue. The President of the United States has great responsibilities under the Constitution. Of course, no man is infallible; no one has a crystal ball which can enable him to know what the men in the Kremlin may determine. But this is a foreign-policy issue in which the President of the United States under the Constitution has grave and peculiar responsibilities, which, of course, cannot be shifted to any other person.

The President has felt that in the conduct of foreign affairs and in the establishment of this policy, in the eyes of the world—which knows of our constitutional system—his hands would be greatly strengthened by having a coordinate branch of the Government—the Congress of the United States, which, under the Constitution, has the legislative powers, including the power to raise and support armies and the power to declare war—associated with him in this declaration regarding the Middle East.

For those reasons, Mr. President, I hope the amendment submitted by the Senator from Georgia [Mr. RUSSELL], on behalf of himself and other Senators, to the committee amendment, will be rejected, and that the joint resolution as reported by the committee will subsequently be passed.

I should like to read a letter I have received from the President of the United States:

THE WHITE HOUSE,
Washington, February 28, 1957.

The Honorable WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: I appreciate your request for my views on the amendment which would strike economic and military assistance provisions from the Middle East resolution.

Elimination of these features would gravely impair our ability to help these nations preserve their independence. The resolution is directed against two dangers, direct armed aggression and indirect subversion. To counter one and not the other would destroy both efforts.

This I emphasize once again: We cannot wage peace with America arms alone. We must understand other national needs. We must respond to human wants. We must help nations and peoples satisfy those needs and wants in order to wage peace successfully.

The pending amendment ignores the danger of subversion. This we must not do. These nations need effective security forces. Their peoples need hope for improving economic conditions. The present resolution serves these ends. Thus economic and military assistance provisions are more than desirable. They are essential to our efforts to bring peace to this area.

I trust it is clearly understood that these provisions do not make available one additional dollar. They simply authorize us to adapt these funds to the new conditions resulting from recent military action in the area and its economic consequences. It is hardly reasonable to insist that these funds, which are already appropriated, be spent only for programs approved before such drastic changes occurred.

And this I consider even more serious—the worldwide interpretation of such action. Approval of the amendment would suggest that our country wants only to wage peace in terms of war. This is neither the purpose nor the spirit of our Nation's foreign policy. I should deplore any action by the

Senate that could give the world a contrary impression.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. President, I hope the pending amendment to the committee amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Georgia [Mr. RUSSELL], on behalf of himself and other Senators, to the committee amendment, as amended.

Mr. LAUSCHE. Mr. President, I know we have listened patiently for a period of approximately 10 days, at least, to the arguments, both affirmative and negative, dealing with the course we should follow with regard to the Middle East.

I hope my colleagues will indulge me while I, the junior Senator from Ohio, express the judgment I have reached, predicated upon the arguments I have heard and the limited knowledge I had on the subject prior to my appearance in this Chamber.

I humbly say to you, Mr. President, that my judgment is rooted primarily on the arguments which my distinguished colleagues have made in this Chamber. In a measure, I am in the position of one standing in the distance, looking, listening intently, and honestly wanting to formulate a judgment which will best serve his country. It is in that light that I address the Senate this morning.

If I utter any words which are not in accord with views and judgments expressed by my colleagues, I hope they will not interpret them as an affront upon the sincerity of their approach. I have an abiding conviction that each Member of the Senate has given expression to his thoughts, hoping that in the end, when the pending joint resolution is voted upon, the United States will have taken a position which will in the best degree possible insure the security and the life of our country.

Mr. President, I have profound respect for the senior Senator from Georgia [Mr. RUSSELL]; he is one of the distinguished Americans of our history. I should like very much to give my support to his amendment. However, I regret to say that I do not see my way clear to do so.

At this time I should like to give to the Senate my views regarding the use of our armed forces. I have listened to the legalistic arguments which have been advanced; and I have come to the conclusion that, try hard as my colleagues might, they could not have used more innocuous language and weaker language in declaring support of the President if he should determine that our armed forces should be used to stop the expansion of communism and to give protection to the nations who stand with our cause and want our help.

What is the language of the joint resolution? I realize that to read it now will be repetitious, but it is worthy of repetition:

> Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East.

Who can disagree with that, in face of the conditions which prevail in the world? I cannot.

I read further from the joint resolution:

> To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism.

What do we say?

> The United States is prepared to use armed forces.

I cannot see how we could have used less severe language if we tried. If there is to be aggression by Communists against a friendly nation of the world, having a harmful effect upon our country, we declare we are prepared to use armed forces. What is wrong with that, may I ask? And how can that be construed to be a commitment? We declare an intention, and only an intention.

Now may I utter a word about the wish of the President. I recognize the gravity of his responsibilities and his powers. There are 96 Members of the Senate. Let each one visualize himself as occupying the office of the President. Visualize himself in a position, under certain circumstances, to use the might and the destructive energy of the hydrogen bomb and the atomic bomb. Would he want some help from a coordinate branch of the Government in telling the world what action he might have to take?

He would not occupy the Presidential chair and flippantly say, "I will follow this course." A dictator might do that. A man indifferent to human beings might do it. But a person having love for his fellow men, recognizing his power and the destructive consequences that might come from its exercise, would turn to the United States Senate and say, "Senators, give me help in this matter. I have a grave decision to make, and if I have to make it, I want some moral support." That, in my opinion, is the position any of us would take if we were in the position occupied by the President of the United States.

I have nothing but the deepest compassion for Harry Truman. He used the power of his office, and then from all sides came criticism that he usurped the powers of the Congress of the United States. I think President Eisenhower wants to avoid that. He does not want it to be said that he usurped any powers, but he wants some assurance from us that if the circumstances demand it and force is needed, he will have advance expression that, under certain circumstances, the Senate will approve what is done.

One word now about the $200 million item. I say to the Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Mississippi [Mr. STENNIS], and the disciple and proponent of thrift, the senior Senator from Virginia [Mr. BYRD] that in their fight to cut the budget I will stand with them foursquare in every respect. One of the menaces to our country is the huge debt and the constant advance in spending, not only by the Federal Government, but by State, county, and municipal governments.

I listened to the argument about the $200 million being made available to the President free from any restraints, and I should like to give Senators my judgment on that matter. The money is already appropriated. It is in the control of the administrative branch of the Government, subject to investment on the basis of the conditions contained in the Mutual Security Act. It is my understanding that $750 million was appropriated, the expenditure of which was restricted except when certain conditions exist. One hundred million dollars was appropriated to the President without any restraints whatever imposed upon its investment or expenditure. What strikes me as significant is that since July 1, 1956, the President has had at his disposal the sum of $100 million, free from any restraints, to be used by him in helping foreign nations that are friendly to our cause. Nine months have passed, and only $5 million of that $100 million have been expended. That fact is significant to me, because it indicates prudence on the part of the President in handling the money. If he were giving it away, as is sometimes implied, the $100 million fund would not have $95 million remaining in it. The $850 million have already been appropriated. After the expiration of 4 months the appropriations will lapse. The President has not asked for any new money. He has asked that $200 million of the $750 million be liberated from the restraints Congress imposed upon it in the Mutual Security Act.

I agree with the Senator from Massachusetts [Mr. KENNEDY] in his argument of yesterday that if the restrictions are retained on the $200 million, the probability of imprudent expenditure is much greater than if they are removed.

The Senator from Louisiana [Mr. ELLENDER] said to me yesterday that the appropriation will lapse. I understand that to be a fact; but if prudence is exercised, as has thus far been demonstrated by the amount of money left unexpended and unreserved, I am willing, in this emergency, to trust the administration in the use of the $295 million which will be available to it without conditions being attached.

I wish, of course, to taper off the granting of aid to nations which use it unwisely, and I will make the fight to do so; but my principal fight will be made when the final foreign-aid bill comes before the Senate.

The situation in the Middle East is critical. It has become increasingly menacing in the past 6 months since the Mutual Security Act of 1957 went into effect. Conditions today are different from what they were last July 1; and, being different, they require a different allocation of the moneys which were made available.

Mr. President, I have given my views. I give them, as I stated in the beginning, as a man sitting at a distance listening and watching and coming to the conclusion I have stated as to what course I ought to follow. I say to my colleagues that the judgment which I expressed was finally reached only 5 minutes before I started to speak. It is the consequence of the impacts made by the sincere and

able arguments to which I have listened for the past 2 weeks.

I have indicated how I shall cast my vote; and I hope and pray to God that my judgment may be right.

Mr. RUSSELL. Mr. President, I shall not detain the Senate long. I think my colleagues would acquit me of any charge of extended speaking on the floor of the Senate. In this session of Congress I think I have consumed, in my own right, about 2 hours. That amounts to about 1 hour a month.

I wish to express my personal appreciation to the distinguished minority leader [Mr. KNOWLAND] and to the distinguished Senator from Ohio [Mr. LAUSCHE] for their kind references to me. I am grateful indeed for their kindness, but I must observe that I have noticed for many years in the Senate that our respect for our colleagues sometimes increases greatly just as we are prepared to vote against some proposal which they urge. However, I am grateful for the longtime friendship I have enjoyed with the Senator from California. The good opinion which I entertained of the Senator from Ohio before he came to this body has been increased since I have listened to his very excellent speech on the subject before the Senate. I should like to add my regrets to those expressed by the two Senators to whom I have referred, that our views are not in accord.

EXTENT OF DEBATE NOT DISPROPORTIONATE TO IMPORTANCE OF SUBJECT

My objections to the joint resolution as reported are neither captious nor political. I have observed in the press during the past few days considerable criticism of the Senate leadership because of the fact that greater progress has not been made in expediting the passage of the pending joint resolution. Some of the delay has been attributed to the Democrats. I happen to be a member of the Democratic Party. However, the proposal I have urged in this connection has not been urged from any partisan standpoint. I have urged it as a Senator of the United States.

If I desired to go into detail, I could point out that there had been objections on both sides of the aisle to voting earlier on the joint resolution. I believe the joint resolution has been before the Senate for 11 days. That is not a lengthy time for debate in the Senate on such a grave and important issue. In times past—for example, on the issue of sending American troops to Europe to be stationed there—the Senate has taken a much greater length of time debating the question without provoking great criticism from the metropolitan press. The leadership has been exceedingly diligent in handling the matter and the debate has been germane.

ISSUE FAR TRANSCENDS $200 MILLION

I assume that every other Member of the Senate will vote his honest convictions on the issues involved, as I shall vote mine. This is a question which we should consider carefully, because there is a great deal more involved than a mere $200 million. On the determination of this issue may well rest the success or failure of efforts to bring the expenditures of this Government within controllable limits. I have never been more convinced of anything in my life than I am of the correctness of that statement; and I am willing to leave it to time to determine whether or not I am vindicated in making it.

We are told that the joint resolution applies only to $200 million and only 4 months of time. It is agreed that the President has $750 million available under the limitations of Congress, and $95 million available from a fund of $200 million with no limitations, to expend in this area. He has already spent more than half of his emergency fund. It was not $100 million at the outset. It was $200 million. In the presentation to the committee, representatives of the administration claimed that they had committed all of that but $20 million, but they had not spent it. They were advised to hold up further expenditures or commitments to await the outcome of the action on the joint resolution. So $180 million of a $200 million appropriation had been allocated.

Again and again the point has been urged that only 4 months remain, and that only $200 million is involved. That is one thing that frightens me. What I am about to say is in the nature of reiteration, but the administration should be able to tell the Congress something about how it proposes to spend the money in that short space of time. We were told that if the limitations were removed, additional nations would be brought into the program, although information as to the particular nations was culled from the RECORD because it was classified.

Is there any Member of the Senate so naive as to believe that we can start a 4-month, $10 million program in a country and then cut it off on July 1? We all know, as practical men, that any expansion of our foreign-aid program will continue next year and will continue to expand. When we once release the program from the very modest limitations which Congress was finally able to impose over a period of years, we cannot recapture control. It is gone; and every argument made here today against the amendment confirms that statement.

RESPECT FOR PRESIDENT NOT IN QUESTION

I repeat that I have as much respect for the present occupant of the White House as has any other Member of this body. I have not known him so intimately as have some other Senators. When I first met him, Dwight Eisenhower was a major in the United States Army. He appeared before the Appropriations Committee some 24 or 25 years ago, immediately after I became a member of the committee. He was an aide to the then Chief of Staff, Gen. Douglas MacArthur. I have known him for a long period of years, and I have great respect for him and great confidence in him. However, my belief in the nature of our form of government and the necessity of preserving our system of checks and balances is greater than my respect or admiration or affection for any one man, even though he may be one of my own beloved blood brothers.

PROCEDURE URGED COULD LOGICALLY BE EXTENDED TO ENTIRE BUDGET

Mr. President, the argument that is made in the letter which the distinguished minority leader read, that the President wishes to wage peace, not war, and that our amendment ignores the dangers within those countries, can be made in favor of the proposition to take off all limitations and all restraints on the 7 or 8 billion dollars which are now available for spending in the foreign aid field. It applies with equal cogency to the entire program.

Mr. President, it means absolutely a breakdown of all congressional control of all appropriations. This is the entering wedge. This is the camel's nose. This is the foot in the door. I shall watch with great interest as Senators undertake to get the camel's nose out. Or, rather, I shall watch to see Senators get the camel out, because the whole camel will be in here by the time the new appropriation bill rolls around in July. I shall watch with interest how Senators will get this foot out of the door.

The amendment does not ignore the dangers of subversion. It recognizes that the President has $850 million available in current appropriations that he can use to combat subversion.

I have said it on the floor, and I reiterate, that if the President will come to Congress and give us a program for the expenditure of this money, which is the kind of explanation we are entitled to have and will demand, if we are really a coordinate branch of the Government and not just a "ja" body, such as the German Reichstag was under Hitler, I shall support the President as vigorously as any other Senator, if the President's argument has any cogency.

Why this secrecy? It has been 2 months since the program was proposed. Two months are left before the controls apply. The administration and the State Department have not told Congress how the Government proposes to spend a nickel of that money though they have had ample time to formulate and present a definite program.

The argument that has been made can apply with equal cogency to the whole mutual security program. Any Senator who can console himself with the belief that this money has already been appropriated and that it will not result in any increase in appropriations in the years to come, as the programs in the new States are increased, is very naive indeed. If he has really convinced himself that it means no increase, he has a shock coming.

Mr. President, I am truly concerned about the size of the national budget. I have been a member of the Committee on Appropriations for many years. I have been a member of it since we started the mutual security spending program. I have seen the resistance of strong men, who were opposed to approving certain expenditures in our country, broken down by the argument, "If you can increase the foreign aid spending, why can't you approve this little program here at home?"

LEGISLATIVE BRANCH MUST HAVE INFORMATION FOR PROPER DISCHARGE OF ITS FUNCTIONS

Mr. President, I do not desire to labor the issue. It is fundamental, in maintaining the position of the legislative

branch of the Government under our system, that we are entitled to some information. No one has told us that the money is intended to be used for bribing anyone, or anything of that sort. It is referred to as a program of aid. The State Department does not go into that kind of business, even if such a procedure were desirable.

Mr. President, I believe the debate on the issue has already accomplished much good. It has brought forth a letter from the Secretary of State, stating the care he will exercise in starting new programs. However, I submit that it is impossible to bring in a new country between now and the first of July and then suddenly saw it off. We will be confronted with an increased appropriation for foreign aid, and we will be confronted with the argument that we have started a program here, there or elsewhere—I could name some countries, but I shall not do so inasmuch as that information is classified and it has been deleted from the record of the committee hearings—and that it is impossible to reduce it or cut it out now without losing the friendship of such country.

VOLUME OF FOREIGN SPENDING HAS EXPANSIVE EFFECT ON DOMESTIC BUDGET

Mr. President, until Congress shows some determination to taper off and reduce foreign aid spending, we will not be able to say no to friendly powers other than in the Middle East when they come to us and ask for money from the American Treasury—money that has been taken from the American taxpayer.

There is no way in which we can ever get the finances of the country back on an even keel without showing some determination to reduce this program, instead of voting for measures which we know in our hearts will bring about increases in foreign spending.

I am no Cato, who rose every day in the Roman senate with his "Delenda est Carthago"—"Carthage must be destroyed." But I wish again to repeat that it is impossible to level off domestic spending, much less to reduce our present burdensome taxes, unless we have the ingenuity and the fortitude to start reductions in the foreign spending. Fiscal stability can only come by tapering off on the billions spent each year in foreign lands. I fear my colleagues will not heed my words, as the Roman senate finally did Cato's warnings. But I shall repeat again and again, that it is basic under our political system, subject as we are to pressures of groups in this country, that we cannot keep our national budget on a firm foundation when we lay the predicate, day by day, for vast increases in our foreign spending.

I submit it does not cripple the program to support the pending amendment. The money is available. The State Department wants new countries brought in. If so, let them tell Congress about it. If they want to authorize new projects, I, for one, say that Congress is entitled to some information as to where the money will be spent.

It is not $200 million. We are asked to plant the seed by taking off restrictions, and that seed will grow and grow. It may not be more than $200 million next year. However, over a period of years it could amount to billions of dollars. In addition, Mr. President, by going along with that kind of program, Senators will find themselves disarmed later when they are confronted by demands for worthy purposes within the United States and by requests from the few nations not already on the list of our benefactions.

They will find themselves disarmed when veterans' organizations come and say, "Our veterans have bared their breasts in defense of our country, and we want you to increase their pensions and benefits. If you can spend billions of dollars overseas, you ought to be able to give some help to the veterans who have saved our land." I shall wait to see Senators stand up against that kind of argument and say, "No; I am willing to increase foreign-aid spending, but I will vote against veterans."

When these groups come before Senators with their pleas for increased appropriations for highly desirable and laudable purposes, such as old-age assistance, and aid for dependent children and for the crippled and the halt, and with pleas to expand those programs, and when a Senator's opponent is on the stump and is saying the Senator voted for increased billions of dollars to be spent overseas, how are Senators going to vote for fiscal stability in this Nation?

I could canvass many new fields of domestic spending already planned. We already have 18 new ones in the present budget, according to the Senator from Virginia [Mr. BYRD].

When Senators vote for these measures, which they know will increase our foreign-aid spending, I hope they will have the courage to remember pleas of the American taxpayer for some little reduction in his taxes and steel themselves to tell their constituents they cannot have a tax reduction because you have supported increased foreign spending.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. YOUNG. If the Senator would change his amendment to provide for a rescission of the $200 million, or even a rescission of $2 billion of the unexpended $6 billion in the fund, I would support him.

However, right or wrong, I am of the opinion that whether the Senator's amendment is adopted or whether the joint resolution as such is passed, the money we are talking about will be spent anyway. I subscribe fully to the Senator's belief that the foreign-aid spending must be reduced.

RESTRICTIONS ARE REASONABLE AND WAIVER IS BAD PRECEDENT

Mr. RUSSELL. Under the restrictions which have been imposed, should we not know about its expenditure? We were told by witness after witness, and it is generally agreed, that some of the nations to be included do not like some of the conditions which are attached. We had a point 4 program in Saudi Arabia, but because some of our representatives asked for some information about the Treasury of that country, which happened to be the King's pocketbook, the King of Saudi Arabia invited them to leave. The record shows that other countries refused to accept money under the conditions which Congress had prescribed. The conditions are mild and modest. We say to them, "You must show that you want to keep the peace, and you must let us see whether you are spending the money for the purpose for which you requested it."

I notice in the press report of the meeting of the Arab leaders that they specifically state they will accept the money if it has no conditions attached to it.

Mr. CASE of South Dakota. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. I do not disagree with the Senator with reference to his statement about domestic spending, but as to the $200 million, the purpose is a recapture of the $200 million and a reallotment of it to purposes which, in the judgment of the President, would be to our best interest.

Mr. RUSSELL. The rulers of the Middle Eastern States say today they are willing to accept the money without limitation. So, Mr. President, we are planting a seed which will bear fruit that will be poisonous to the American taxpayers and to the economy of our country.

How are we going to protect the world against communism if we pursue a course which will surely weaken us?

There is before the Congress a budget of $72 billion, which is the greatest in peacetime history. There are programs pending which will increase it beyond that amount. Yet we are asked to go ahead and follow this reckless course. The amendment does not in anywise cast any reflection on the President. It does not take away from him any power he has. We owe a responsibility to the American taxpayer. We say to the administration, "If you must spend the money, please tell us what you have in mind."

That is all this amendment does, Mr. President.

Mr. MORSE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. MORSE. With reference to the point made by the Senator from South Dakota, the President does not need to spend the money, does he?

Mr. RUSSELL. Indeed not.

Mr. LONG. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LONG. Mr. President, so far as I can determine, the principal restriction is that which enables our Government to know that the money is being spent in the proper way. During the time I had the honor of serving on the Senator's committee, I found that under our procurement program we had great difficulty in finding out whether the nations concerned would be willing to let us see the weapons and tanks which they were to manufacture. They did not want an American inspector to see the tanks and the guns we were paying for.

Mr. RUSSELL. If we remove the conditions which apply to the Middle East,

what are we going to tell the French and the British and others who have been associated with us for years when they say, "You have taken off all these conditions for the Middle East; certainly you should take them off for us."

Mr. LONG. The people of France and of other countries have pipelines in all directions in order to determine who is getting a better bargain than they are getting. How can we remove all conditions in the case of the Middle East and expect our older and more reliable friends to be satisfied with the situation?

Mr. RUSSELL. I agree with the Senator that we cannot. That is one of the vices of the committee resolution which I seek to eliminate.

Mr. CASE of South Dakota. Mr. President, will the Senator from Georgia yield further?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. It is not a question of whether we spend the money at all. The question is whether we spend it for the lesser or the greater purpose.

Mr. RUSSELL. Mr. President, I wish to conclude with the statement that we cannot protect America against any outside enemy unless we protect the integrity of the American economy. We cannot save the free world unless we have fiscal stability in the United States. This we cannot do while increasing the foreign-aid spending.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the Russell amendment.

The yeas and nays were ordered.

INTERNATIONAL SOCIALIST PROGRAM

Mr. MALONE. Mr. President, I wish to join with the distinguished Senator from Georgia [Mr. RUSSELL] in warning that we are destroying the economic structure of this country with continual increasing taxes. The foreign spending program, coupled with the division of American markets among the low-wage nations of the world, has established a perfect international Socialist program.

NATIONAL SECURITY VERSUS PHILLIP MOWRY M'KENNA AND THE WASHINGTON DAILY NEWS

In his recent propaganda statement in the Washington Daily News, Mr. Phillip Mowry McKenna has shown himself in favor of importing the products of the sweatshop foreign mining labor and for the protection of his Pennsylvania tungsten-carbide business with a tariff.

He is opposed to the employment of American labor through the 1953 Malone-Aspinall Mineral Purchase Act, as extended, which in the absence of an adequate tariff, fixed a price per unit on tungsten, fluorspar, asbestos, and columbium-tantalum enough above the world price to make the difference in the wages and cost of doing business here and in the chief competing country of each product.

MR. M'KENNA'S PROTECTED PRODUCTS

Mr. McKenna enjoys a tariff of 42 cents per pound plus a 12½-percent ad valorem on tungsten-carbide products, without which he could not operate 60 days.

Such a tariff or duty is necessary to take the profit out of the underpaid foreign labor at the water's edge on tungsten-carbide products, and I approve of the tariff principle.

SECURITY OF THIS NATION

Mr. McKenna approves the historical program of Harry Dexter White and Algier program of making this Nation dependent upon foreign nations across major oceans for the critical minerals and materials without which this Nation cannot fight a war or live in peace—to destroy our warmaking capacity and the economic structure of the Nation.

His self-aggrandizement in the tungsten-carbide business however was not quite accurate.

FALSE CLAIMS

Mr. McKenna's claim that he invented tungsten-carbide is erroneous—it was a German invention assigned to Krupp prior to 1930 and the American rights were purchased by General Electric Co. Mr. McKenna did, however, patent a variation of tungsten-carbide, called Kennametal, which is quite a different matter among mining and steel men.

He also made the claim that 1 pound of Kennametal would replace 60 pounds of other types of tungsten-carbides, a claim which is considered to be both foolish and absurd among engineers.

FREE TRADE ON PURCHASED PRODUCTS—TARIFF ON PRODUCTS TO BE SOLD

It is good business for any American producer to favor free trade on materials he must buy and an adequate tariff on the articles they manufacture, to take the profit out of the foreign sweatshop-labor-produced competitive products.

HIGHER HEAT-RESISTANT ALLOYS

It is now well known that if we are to increase the heat-resistant alloys for use in jet engines from 1,650° F. to above 2,000° F., more than 50 percent tungsten must be utilized in such alloys, which would reduce our stockpile of tungsten to 2 years or less.

AMERICAN PRODUCERS VERSUS FOREIGN PRODUCERS

The record shows that the foreign producers of the critcial minerals and materials connive to put American producers out of business, and then to charge the American consumers what the traffic will bear.

When the 1953 Malone-Aspinall Act was first put into operation, the average foreign price for tungsten was $43.50 per unit. When the American producers got underway the average 1955 foreign unit price dropped to $31.62.

When the Malone-Aspinall Act was extended in 1956 under Public Law 733, the guaranteed price was lowered to $55 per unit, to again equal the difference between the foreign and American labor cost in the going concern tungsten production.

The unit price of tungsten went to above $75 in 1950 and 1951, when we were caught without sufficient metal on hand and with few "going-concern" producers.

The foreign sweatshop-labor-produced tungsten unit price has now been dropped to $22, and will stay at a low price until Congress acts on the appropriation bill.

If Congress approves the appropriation to maintain a going-concern mining industry in the tungsten and other metals included in the act, then the foreign price will go to $35 or $40 per unit, so as to just undersell the domestic product in the American market.

However, if Congress does not approve the appropriation to maintain a "going-concern" industry in these metals, then the foreign price will again be raised to $60 or $70, or whatever the market will bear per unit, as the domestic industry passes out of the picture.

MR. PHILLIP MOWRY M'KENNA—A SMART OPERATOR

Mr. Phillip Mowry McKenna would then again be able to operate his American tungsten property in Nevada, which he purchased to beat the $70 per unit tungsten cost during the Korean war. At that time he started selling the product to the Government when the foreign price dropped sufficiently below that amount, and closed the mine when the Government appropriation was exhausted in December of 1956.

THE LONG-RANGE CRITICAL MINERAL PROGRAM

My Senate bill 34, now before the Senate Finance Committee, would remove the 17 critical minerals from the jurisdiction of the General Agreements on Tariffs and Trade at Geneva, and would put them under the Tariff Commission, an agent of Congress, the tariff to be adjusted to take the profit out of the foreign sweatshop mining labor, just as in the case of Mr. McKenna's tungsten-carbide products.

ORGANIZATION FOR TRADE COOPERATION (OTC)

Mr. President, the matter of the approval of the Organization for Trade Cooperation is now before the Senate Finance Committee for consideration.

If that organization is approved by Congress, it will mean that the legislative body of this Government has approved the regulation of the foreign trade and national economy of this Nation by the 35 nations which are members of the General Agreement on Tariffs and Trade (GATT), operated at Geneva, Switzerland.

The United States has one vote out of 35, therefore this Nation is merely participating in the division of the American markets between the 34 foreign "sweatshop" labor nations.

THE 1934 TRADE AGREEMENTS ACT

The markets of the United States are being divided among 34 foreign nation members through the simple expedient of a continual lowering of the duties and tariffs which normally represent the difference between the effective foreign and American wages and the cost of doing business here and in the chief competitive nations on each product.

CONGRESS TAKE BACK CONSTITUTIONAL RESPONSIBILITY

The 1934 Trade Agreements Act will expire in June 1958. If it shall not be extended, then the constitutional responsibility for regulating our foreign trade and the national economy will revert to Congress under article I, section 8, of the Constitution; and the Tariff Commission, an agent of Congress, will then adjust the duties and tariffs on the basis of fair and reasonable competition.

The flexible tariff will be adjusted to take the profit out of the foreign "sweatshop" labor at the water's edge. Then American labor and American investors will be back in business.

Mr. ELLENDER. Mr. President, I wish to reemphasize some of the arguments which have been advanced and to repeat, to some extent, a few of the points I have heretofore made on the Senate floor with regard to the United States foreign-aid program.

When the program was begun 9 years ago the advocates of it stated that the plan envisioned for Western Europe could be done for about $14 billion or $15 billion. As I demonstrated a few days ago, we spent in excess of $37 billion in Western Europe, and we are still being asked for assistance and our planners are seeing to it that aid in some way or other is being given. There is no end to it, and unless Congress takes a firm stand we will continue to drain our life blood.

Mr. President, let us not make another mistake. The plan for the distribution of aid which is proposed to be applied to the Near East is a new method, a new approach. As has been pointed out, most of the restrictions which have been heretofore imposed on countries which have received our assistance are going to be lifted so far as the Middle East is concerned. Although we have had a program there for some time which could have been put into operation for the asking, our planners could not obtain the consent of the Mideast countries to meet our conditions.

In 1954, when I was at Jidda, I saw thousands upon thousands of dollars' worth of material stacked up in the United States Embassy compound, material which had been intended to be used in order to carry out a program, which was then in the offing, with King Saud of Arabia. But suddenly negotiations ended and the contract intended was not entered into. Why? Simply because the conditions which we sought to impose under the existing law were not acceptable to the ruler of Saudi Arabia. As a result, the machinery, the many tons of materials which were piled up in our compound at Jidda had to be crated and sent somewhere else, all at a great cost to us. Our eager beavers were so certain that the program was going through that they wasted no time in shipping the necessary equipment. Quite a few Americans and locals had been employed and we had to bear their expenses.

Mr. President, our administrators have been trying for the past 4 or 5 years to inaugurate a foreign-aid program in Syria; but the Government of Syria has consistently and insistently refused. The Government's answer was: "We do not want your aid because we do not propose to comply with the requirements which you propose to impose on us." Syria offered to borrow money, but our planners refused to let her have funds at reasonable rates of interest.

One of the purposes of the joint resolution now under consideration is to start a brandnew program in that area, a program which is different from the types of programs which have been in existence there for a number of years. An effort is being made to change the rules so that our planners can give away funds rather than loan them or make grants with a few reasonable requirements attached. To listen to some of the Members of the Senate, one would imagine that the United States had not spent a dollar in that area. Up to the present time we have spent in the same area in excess of $3,500,000,000. We have more available to spend there. But the recipients of our aid do not like the conditions we seek to impose.

Consider, Mr. President, for instance, the furnishing of arms in that area—a most volatile and explosive area—where war can be started almost at the drop of a hat, because of the hatred existing between the Israelis and the Arabs, without having the recipients to comply with existing restrictions. And what are some of those restrictions? First, we desire to inspect the arms when in the hands of those who receive them to make certain that they are taken care of and to be certain they will be used for the purposes intended. If the pending joint resolution as reported by the committees is enacted, the United States will not have the right to inspect and to determine how and under what conditions the arms will be used. Another restriction which previously has been imposed is that the arms must be used by their recipients to fight for the establishment of a free world. That restriction will also be removed if the joint resolution as reported by the committees is enacted. Think of what might happen in that area if we pour in arms for the Israelis and the Arabs. We are going to be creating armed camps. Should we help one side more than the other, I can see Russia stepping in and offering arms to those who will pay for them. Mr. President, we are making trouble.

Mr. President, let there be no mistake or misunderstanding. Enactment of the pending joint resolution, without inclusion of the Russell amendment, I repeat, will mean the beginning in that area of a brand new program. As was pointed out a while ago, if we begin a new program in that area, we shall be compelled to do the same in other areas. In the past, our program was based on need; but today, in fact for some time, that no longer is true. Instead, today our program is based on what we give to one country as opposed to what we give to another. When I was in Bangkok, last September, I learned from reading some of the press reports which were translated for my benefit, and I also learned from talking to some of the officials there, that it does not pay for Thailand, for instance, to cooperate to the fullest extent with the United States at the United Nations, because Thailand is penalized if she does.

The officials cited India as an illustration. India has opposed us in the United Nations; India has seldom voted there with us; on the other hand Thailand has consistently voted with us. However, it was pointed out to me that because Thailand voted with us in the United Nations, she is receiving less aid than India has received, and that is because India has voted against us. Such an argument is nonsense, but yet it registers with many of the peoples of that area. Many of our so-called friends believe that we should reward them in direct proportion to the way they cooperate with us in our attempts to maintain world peace.

Mr. President, I will again and again repeat, if the joint resolution as reported by the committees is enacted, it will mean the beginning of a brandnew program in that area; and the good Lord knows that financially and economically we cannot stand such a program.

As I pointed out some time ago, when speaking on the floor of the Senate, when our national debt was only $267 billion, it would require 47 years of the time of every Member of the Senate to count that debt, if each Senator were to count at the rate of two $1 bills a second, or one hundred and twenty $1 bills per minute, and if he worked continuously, without stopping for anything at all, for 24 hours a day if all would work with equal speed. Imagine that, Mr. President. That process would require 96 of us to work 47 years to count our national debt. As I also pointed out, if we were to take the dollar bills and attach one to the other, and make a ribbon of them, the ribbon would go around the world 1,000 times, or it would reach the moon 256 times.

Mr. President, during the 20 years I have been a Member of the Senate, the carrying charge on our public debt alone has reached the total amount which was appropriated by Congress in 1937 to operate all the departments of the Government. Mr. President, any man with common sense should know that we cannot continue indefinitely on that road and expect to maintain our way of life.

If any Member of this body wishes to cause a saving in our foreign aid program, now is the time to start; because if we consent to the inauguration of the program now proposed, we shall be establishing new rules and regulations as to how the money is to be spent; we are broadening the program instead of contracting it; and if we do that for the countries of the Middle East, we shall be called upon to do likewise for every other country, lest we incur their hatred and displeasure.

Therefore, Mr. President, I believe it to be incumbent upon us, if we are desirous of beginning to taper off our foreign aid, to start to do so by voting for the Russell amendment.

Mr. CAPEHART. Mr. President, I shall take only a few minutes. Unfortunately, I have been at home, ill, during the last 3 days, with intestinal influenza. That enforced absence gave me a chance to do a great deal of thinking.

It seems to me that possibly I am in as good a position to discuss this matter, particularly the proposed economic aid, as is any other Member of the Senate, because I year ago I voted against the appropriation in which the $200 million was provided.

For the past 12 years I have repeatedly been very, very critical of our foreign-aid programs. I have voted against many of them. I have not been particularly critical of the principle involved, namely, that of having our Nation try to help other nations. My criticism has been, chiefly, of the method.

As my colleagues know, for many years I have been insisting that any foreign aid provided by the United States should be placed on a loan basis, and that our Military Establishment—in other words, the Department of Defense—should be allowed to handle the military phases of our foreign aid under the budget for the military branch of our Government.

If that were done—if those in charge of the Department of Defense felt they should spend X amount of money and that they should have X number of bases scattered around the world—that decision would be their responsibility. The responsibility should be theirs, because if we go to war we shall have to depend upon them to defend the country.

I have urged that the economic aid be placed on a loan basis. A year ago, in the Foreign Relations Committee, I offered an amendment providing that foreign aid be placed on a loan basis, to be handled through the Export-Import Bank. So I am in a sound position to discuss the pending issue, it seems to me.

Mr. BARRETT. Mr. President, at this point will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Indiana yield to the Senator from Wyoming?

Mr. CAPEHART. I yield.

Mr. BARRETT. I wish to commend the Senator from Indiana for the excellent statement he is making.

Let me say that I, too, voted against the mutual aid bill a year ago.

I may say to the Senator from Indiana that the senior Senator from Idaho [Mr. DWORSHAK] and the junior Senator from South Dakota [Mr. CASE] have joined me in sponsoring an amendment which provides that $100 million of the $200 million shall be expended under conditions requiring repayment of the principal by the nations receiving it, under such terms as the President may determine.

The Senator from Indiana well knows that the testimony given before the committees was to the effect that approximately one-half of the $200 million would be expended for military assistance and approximately one-half would be expended for economic aid.

The purpose of our amendment is to provide that the principal sum of the economic aid shall be covered by loans and shall be used by the President under such terms as he may direct. It seems to me that with such an amendment included in the joint resolution, we shall be attaching some strings to the $850 million which was made available a year ago in the Mutual Security Act, whereas the pending amendment of the senior Senator from Georgia to the committee amendment does not attack the problem in the way in which we believe it should be attacked.

Mr. CAPEHART. I thank the able Senator for his contribution.

As I have said, I have been attempting to put economic aid on a loan basis and to have the administration of military aid placed in the hands of our Military Establishment. I am a member of the Foreign Relations Committee. I sat through the executive hearings on the Middle East policy. I listened to many of the speeches. I think I have read practically all of them.

I shall vote for the resolution, and I shall tell my colleagues why I shall vote for it. I shall vote for it because I am trying to be realistic. It is not because I like the idea. I am certain the President does not like the idea, but he feels it is in the best interests of the United States to do it. I am sure the Secretary of State does not like the idea. I am sure no one relishes or likes the idea that we must take this action. But I am being realistic, and I say in this instance we are dealing with a situation as it exists, rather than one I personally would like to see exist.

I have done the best I could, during the past 12 years, since I have been a Member of the Senate, to warn this body and the country that we were doing many things which would eventually get us into trouble. I believe nobody else has a better record than I have in that respect. Nevertheless, we have done many of these things anyway. So today I think we must be realistic.

I am only trying to be factual. Let us review together what has happened during the past 12 years in the matter of assistance to foreign countries. I do not know that I can remember all that has been done, but I shall try.

We started with lend-lease. Then we gave to Britain, as I recall, 50 destroyers in World War II. Under the administrations of Mr. Roosevelt and Mr. Truman the national debt rose to $275 billion. It was Mr. Truman who advocated the Greece-Turkey loan. It was Mr. Truman who advocated the Marshall plan. It was Mr. Truman who advocated the point 4 plan. It was under Mr. Truman's administration that we spent and gave away an amount I have heard estimated as being anywhere from $55 billion up to $91 billion. It was the war, and the threat of war, and the giving away of all that money, that built up the $275-billion debt.

I believe it was under Mr. Truman that we entered into the agreement with NATO, an agreement with the Western European nations that if they were attacked, we would go to their rescue militarily, and if we were attacked, they would come to our rescue. We have such an agreement today with 43 nations throughout the world. We must be realistic. I believe we must do what the President is asking us to do in the present instance, or cancel the agreements we have with the 43 nations, because I do not believe we shall be able to defend or help defend those 43 nations if we lose the Middle East.

I presume I shall never be a good politician, for the reason that I do not know how to beat around the bush when I talk. However, it seems to me, and I believe my facts are correct, we have not any choice but to do whatever is necessary in order to keep the Communists from taking over the oil of the Middle East. If the Communists should take over the Middle East oil, we would not be able to defend Western Europe. We would lose the cold war, and we would lose a hot war. We have already entered into agreements with the 43 nations. We have already spent $55 billion. We have given it away to Western Europe to enable them to prepare to defend themselves against Russia.

The only place from which the Western European nations can get for any period of time the oil which they must have is the Middle East. Shall we throw to the winds the $55 billion investment we have made in Western Europe? Shall we say to the 43 nations we have agreed to defend, "We are going to let you down"?

Western Europe cannot live without oil from the Middle East. This is not a matter of oil companies. I am not interested in the oil companies as such. The oil companies could lose all the oil in the Middle East, and probably the loss could not be found in their financial statements. I am not disturbed about the oil of the King of Saudi Arabia, because he could get along without the oil. But I am interested in the oil from the standpoint of its use by tractor owners, car owners, truck owners, and diesel engine owners in Western Europe.

Western Europe has been denied Middle East oil only for a few weeks' time, and we have had to supply them oil from the United States to a large extent. I believe we are supplying them with 80 percent of their oil. I do not know how long we can continue to supply Europe with oil, because I do not know what the oil reserves of the United States are, and nobody else knows. But I do know that if we must continue to supply Europe with oil, it will cost every American automobile and tractor owner more money for his gasoline, crude oil, and diesel oil. When the oil arrives in Western Europe the price will be vastly increased. The price will be so high that it will force automobile and tractor owners to lay aside their automobiles and tractors. Western Europe will be so weakened that it will allow the mortal enemy to move in. We may as well call a spade a spade.

I am interested in this question from the practical standpoint. I have been against give-aways. I think the foreign-aid program has been handled wrongly. It should have been handled on a more practical basis. Even if it had been, I do not believe so much money should have been spent. However, knowing what has happened throughout the world, knowing the mistakes which have been made, how can my colleagues who say that it was perfectly honest and right, proper and practical to have entered into these arrangements with 43 other nations, now contend that the resolution should be rejected?

If we had a map before us, we would be able to see that Russia is surrounded

by nations with whom we have agreements or treaties to defend in case they are attacked, except for the small Middle East countries. What were those who voted for the original program thinking about when they put $55 billion or $91 billion—whatever the figure may have been—into Western Europe and failed to enter into agreements with the small Middle Eastern countries, and failed to give them at least $10 billion of the $55 billion or $91 billion? They knew the Middle East had the oil. We knew that the world is dependent on oil. We knew that Western Europe could not defend itself against an enemy unless it had oil. We know today that Western Europe is using up its military reserve supply of gasoline.

Think of the situation in the world today. Think of all the money, all the effort, and all the time we have invested in giveaways to foreign nations. We have almost bankrupted our own Nation.

Now we have reached the point at which we know Western Europe cannot defend itself unless it has oil. We know that we cannot indefinitely supply oil from the United States. We know that even though we could supply the oil from the United States, Western Europe does not have the dollars with which to buy the oil. We would either have to lend them dollars, give them dollars, or permit them to sell goods in the United States to earn the dollars.

So why are we arguing about $200 million, which was authorized and appropriated last year? Again, I do not like the idea. I do not know what we were thinking about. I wish we had been more consistent in years gone by.

Perhaps other Senators have a set of facts which I do not have. Perhaps there are certain facts or situations which I do not understand.

I will go along with the effort to cut down foreign aid, and I shall continue to do so. But I feel that I owe it to myself and to my own conscience to bring to the attention of the Senate and the country the situation as I see it with respect to oil.

Whether we like it or not, we must be realistic. We cannot live, we cannot protect ourselves, and we cannot protect our friends, unless we have sufficient oil to make gasoline and to develop power. There is no use in trying to make anything else out of the problem.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Georgia [Mr. RUSSELL] on behalf of himself and other Senators, to the committee amendment in the nature of a substitute.

THE SECRETARY OF STATE AND HIS TWILIGHT

Mr. O'MAHONEY. Mr. President, I came to the floor today without any intention of speaking again on the pending joint resolution. But I find, from telephone communications, from personal conversations with other Members of the Senate, and from reading the speeches which they have delivered, that this body has never been so deeply concerned over any question as it is with respect to the request which is made of us. The speech of the Senator from Indiana [Mr. CAPEHART] is an indication of the deep patriotic concern which Members of the Senate have with respect to this question. I know of no Member of the Senate on either side of the aisle who is motivated by a mere desire to make partisan capital or personal capital against the President or the Secretary of State. But every Member of the Congress knows that we are dealing with a constitutional question which is deeper by far than any issue which has been before Congress since the Federal Union was preserved.

Senators cite previous occasions, from the beginning of our Government, when the President of the United States has directed the use of armed forces outside the continental United States. Those occasions are used as proof that the President has the power to authorize war without the consent of the Congress.

UNPRECEDENTED REQUEST

The argument is not a sound one, because here we have an unusual situation. Never before has a President of the United States asked the Congress to authorize the use of armed forces of this country at the request of a foreign nation. I had great difficulty in the beginning in seeking to have written into the joint resolution a provision that our armed services could be employed only in consonance with the Constitution of the United States. But the country is not aware of what happened. The newspapers paid little attention to what happened.

I testified before the joint meeting of the Armed Services Committee and the Committee on Foreign Relations, and pointed out that the proposal was to allow foreign nations to send American boys into military action, and that there was no mention of the constitutional power of the Congress to declare war. I asked members of the committees to point out a single instance in which Congress had ever tolerated, or any President had ever requested, the power to send armed forces into military conflict at his discretion when a foreign nation asked that it be done.

NOTIFY DRAFT BOARDS

I say to Senators, "Please notify the draft boards in your community that they may be calling into the armed services boys who, in a few months, or within a year, may be carrying their military equipment in the Middle East because a foreign nation requests it and the President agrees, even though the Congress has not declared war."

When I proposed an amendment to the effect that the action of the President and the commitment of our armed services under the joint resolution should be in consonance with the Constitution of the United States, I thought that would be sufficient to convince Members of the Senate and the executive department that it should be done.

When my amendment was adopted on the floor of the Senate, after the committee had rejected it, how many newspapers told their readers, so that the boys who were about to be drafted might know, that on that very day the Department of State wrote a letter to the chairman of the Committee on Foreign Relations, the distinguished senior Senator from Rhode Island [Mr. GREEN], indicating that the State Department was opposed to the amendment?

I inserted that letter in the RECORD after the vote was taken. It reads, in part:

DEPARTMENT OF STATE,
Washington, February 28, 1957.

The Honorable THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR MR. CHAIRMAN: The staff of the Senate Foreign Relations Committee has requested the comments of the Department of State on two amendments proposed by Senator O'MAHONEY to Senate Joint Resolution 19, as reported by the joint committees. Our comments are as follows:

1. Senator O'MAHONEY's amendment to strike "the Charter of the United Nations" from the proviso at the end of section 2 and to substitute instead the words "the Constitution of the United States."

This proposal would seem to be both unnecessary and undesirable. It is unnecessary to provide that the action of the President should be "consonant with * * * the Constitution of the United States" since presumably the legislation is intended to authorize only constitutional actions and Congress is entitled to assume that the President can be depended upon to act in accord with the Constitution which he is sworn to uphold and defend.

DANGEROUS PRESUMPTION

How can we dare to act upon the presumption that only constitutional action will be taken, when it is clear that the State Department was opposed to my amendment? However, when it rapidly became apparent that no Senator on the floor was willing to vote against inserting my amendment, the telephone lines from the State Department began to burn; and the word came that the amendment was acceptable to Secretary Dulles.

We all know that after the resolution is passed it will have to go to conference with the House of Representatives, which passed the joint resolution in practically the form in which it was originally presented.

Our two committees were so disturbed by the authority being given to the President of the United States in the joint resolution passed by the House, that they spent weeks taking testimony, and they finally rewrote it.

I had put before the committees the suggestion that none of the $200 million which was to be expended by the President in his own discretion, free from any limitations contained in the Mutual Security Act of 1954, should be spent without prior submission to Congress of complete information with respect to such expenditure.

The committees did not adopt my amendment, but they did write language into the joint resolution which was intended, in part, at least, to obtain the objective I had in mind. I am grateful for their action in doing so. The resolution was improved when it was provided in section 3:

None of the additional authorization contained in this section shall be used until 15 days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committees on Appropriations of the Senate and the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and the House of Representatives have been furnished a report showing the object of the proposed use, the country for the benefit of which such use is intended, and the particular appropriation or appropriations for carrying out the provisions of the Mutual Security Act of 1954, as amended, from which the funds are proposed to be derived.

RESTRAINING HAND

That was an improvement. It was a restraining hand by Congress upon the expenditure of public funds. But the language is still a little vague; it is still a little indeterminate. As I said yesterday or the day before, we are not dealing with $200 million of appropriated funds under the Mutual Security Act; we are dealing with $400 million additional which the President in his message frankly told the Senate and House it would be his intention to ask for; and we are setting a precedent.

When my amendment, designed to make a bow to the Constitution of the United States and to the power of Congress thereunder, after being rejected by the committee, then rejected by the State Department, and then accepted by Secretary Dulles in a telephone message, was adopted by a vote of 82 to 0, we began to hear the voices of those who said, in tones of ridicule, "Why, every bill the Congress passes is supposed to be constitutional."

UNCONSTITUTIONAL ACTS

Who does not know that the Supreme Court of the United States has time and time again asserted that acts passed by the Congress were unconstitutional? I was a Member of the Senate when the NRA decision was handed down by the Supreme Court, holding that the legislation which Congress had passed at that time, for the purpose of stopping the depression, was unconstitutional. I remember when in order to wage war against the economic depression, the President of the United States, Franklin D. Roosevelt, a great man and a great President, asked Members of Congress to vote for some of the bills he proposed—and I particularly recall those with respect to the Department of Agriculture—regardless of whether or not they were considered to be constitutional. Congress yielded at that time and passed the bills. They were unconstitutional. Congress had to devise new and different bills to solve the question.

FLESH AND BLOOD

Mr. President, we are not dealing with agriculture; we are not dealing with crops and the prices of crops; we are dealing with the flesh and blood of the men who constitute our armed services. That is the reason why there is so much concern here, and that is the reason why today I venture to trespass upon the time of the Senate to discuss the lightheartedness with which some Members have spoken about the presumption that the laws passed by Congress are constitutional. That is the important fact which ought to be conveyed to every constituent of every Member of this body. A man may go into the courts as an individual citizen to test the constitutionality of an act which affects his economic welfare, but I am unaware of a method by which he can go into court to test the action of a President of the United States who has violated the Constitution of the United States by sidetracking the Congress.

The books are full of cases of this kind. I might recall to the attention of my western friends from the mining areas of the United States that Congress long ago enacted a law to enable miners to establish mining claims. That law was on the statute books and had been followed for many years. It was followed in the State of Nevada from which comes the able Senator who now presides over this body with such ability and charm [Mr. BIBLE]. Our States in the West were built on this very law, passed by the Congress and signed by the President of the United States, under the Constitution, which provides that the Constitution and treaties of the United States are the supreme law of the land.

Because the executive branch of the Government wanted to change that mining law, but was unable to secure the approval of Congress, the then President of the United States, William Howard Taft, issued an Executive order by which all the lands which Congress had made subject to the filing of mining claims in many areas where there was oil were withdrawn.

I see the Senator from Massachusetts [Mr. KENNEDY] pass by. I applaud him again for his statement that the language in the resolution is not satisfactory and is not clear. The Senator is moved by the same motive which I think actuates every other Senator, namely, we hesitate to do a thing which would lose face for the President in dealing with foreign relations.

AMENDMENTS TO CLARIFY

But I say to the Senator, to the Senate, to the Secretary of State, and to the President, that the way to avoid that is to suggest amendments to the resolution which will make it clear. Then they will not be playing with the lives of the boys whose numbers are coming up before the draft boards all across the country.

Mr. MORSE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. Rather than to embarrass the President before the world, will we not, by voting against the resolution, demonstrate to the world what we mean by a constitutional system of checks and balances?

Mr. O'MAHONEY. We will be showing to the world that this is a representative government and what we can do when war is undertaken at the request of unnamed and unknown foreign nations anywhere in the Middle East.

Mr. MORSE. Does the Senator agree with me that much of the argument we have heard from some of our colleagues throughout this debate about protecting the President and seeing to it that he is not embarrassed, amounts, in fact, to an admission on the part of these Senators that they are willing to abdicate their clear constitutional duty in order to protect from embarrassment the President who has sent to us a resolution which is unconstitutional?

THE GOVERNMENT AT HOME

Mr. O'MAHONEY. I am compelled to say that I am in sympathy with what the Senator from Oregon has just said. But I feel very deeply that these Senators are troubled, and that if this matter is placed before them in the clearest possible manner—I am not the first to try to do it—they will realize that they are asking us to defend free government abroad while we are destroying it at home.

Mr. ERVIN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. ERVIN. I should like to ask the distinguished Senator from Wyoming if he does not interpret this resolution as undertaking to authorize the President of the United States to commit the Armed Forces of the United States to offensive warfare as distinguished from defensive warfare, in the Middle East.

Mr. O'MAHONEY. That is correct.

Mr. ERVIN. I should like to ask the Senator if in his judgment the Constitution of the United States does not contemplate that before the United States is committed to offensive warfare, the 96 Senators and 435 Representatives shall pass upon the question whether the facts warrant the United States engaging in offensive warfare.

Mr. O'MAHONEY. Personally, I have no doubt about it, and I want to show the Senate before I conclude today precisely what is proposed to us by the words of Secretary Dulles himself.

Before the Senator from North Carolina asks me another question I wish to say, before I forget it, because I have skipped over it, that I have no hesitation whatever in saying that the telephone communications which have come from the State Department do not represent the purpose of the State Department as expressed by the Assistant Secretary, who, on the 28th of February last, sent a letter to the chairman of the Foreign Relations Committee condemning my amendment making reference to the Constitution.

Why should a Secretary of State, or anyone in the Department of State, say that a mere mention of the Constitution in the resolution is undesirable, if it is not their will and intention to disregard it?

Mr. ERVIN. I wish to thank the distinguished Senator from Wyoming for yielding, and I ask him to yield for one final question.

Mr. O'MAHONEY. Very well.

Mr. ERVIN. I ask the Senator this question: If Congress passes this resolution, will not Congress be abdicating its authority to declare war?

SACRIFICE OF POWER

Mr. O'MAHONEY. I have said it over and over again, but I will go further and say to the young men of draft age that if Congress passes the resolution as it is now written, the use of those boys in the armed services will never again be protectible by the Congress of the United States, because we shall have sacrificed the superior power to legislate which the Constitution gave the Congress.

Mr. ERVIN. Does not the Senator think that the people of the United States are entitled to have the benefit of the collective judgment of the 96 Senators and of the 435 Representatives of the United States before any commitment to offensive warfare is made by the President of the United States?

Mr. O'MAHONEY. It seems to me that nobody under heaven can contend to the contrary. Representative government will be gone when that is the practice. I will prove that, as I have said, out of the mouth of the Secretary of State. The Secretary was testifying before the meeting of the Committees on Foreign Relations and Armed Services and was being interrogated by the junior Senator from Louisiana [Mr. LONG]. The date was January 25, 1957, and the Secretary's testimony, which I shall read, appears on page 307 of the hearings:

Senator LONG. I was under the impression that the State Department spoke for the President in this matter, and that you are testifying here as his spokesman, that you are reflecting his views and what the President feels about this matter.

I hope the Members of the Senate will listen, now, to these words of the Secretary of State. I hope that those who occupy seats in the gallery as the guests of the Senate will also listen to these words, because they come from the very lips of the spokesman of the President:

Secretary DULLES. On the general philosophy of acting with or without congressional sanction, the attitude of Presidents has historically differed.

If it be true, as the Secretary of State tells us, that the attitude of Presidents on the question of the power to send our troops overseas has historically differed, how can anyone deny that I am speaking the truth when I say that the time has come for us to make no doubt about the matter that the precedent from now on shall be that the President must act with the sanction of Congress, and not without it?

The Secretary continues by saying:

And I think it is fair to say that in the light of my judgment, at least, whatever the constitutional view may be, President Eisenhower is very reluctant to use the Armed Forces of the United States in a way which could engage the United States in war unless he has the authority of the Congress.

That is a laudable position for the President to take. But is not the position of the President merely that he is asking for an advance approval of some action he is going to take in the future? When, where, and how, is something which is nowhere explained in the resolution or in the report of the committees. Is this not an approval—and authorization—in advance? Of course it is. The Secretary goes on to say:

And I think, frankly, that the President, President Eisenhower, is more scrupulous, holds that view more strongly, perhaps, than some other Presidents have done.

WHY NO AMENDMENT?

If it be true that there has been a variation in the opinions of the Presidents, and if it be true that President Eisenhower is scrupulous to have the approval of Congress, then why does not the Department of State send to Congress, in black and white, a written amendment which will make it positively certain that neither the President of the United States nor the Secretary of State is asking for a blank check for the future use of the Armed Forces in the defense of the area of the Middle East?

Bear in mind that the resolution and the report, throughout their texts, speak not of nations but of an area—the area of the Middle East, an area which no one has defined. They go even further, the Senator from North Carolina [Mr. ERVIN] points out to me, and sometimes refer to the "general area." That may take us north of the Black Sea, beyond the Caspian Sea, and up the Volga River. It might take us all the way across North Africa. It might even take us to the Aswan Dam. The Secretary proceeds:

There is, and always has been, I think, an area under our Constitution which is not wholly clear, and where there is a sort of a twilight zone, and within that twilight zone different Presidents often take different approaches; and I think that is an historical fact, and that it influences the situation, irrespective of the views of one or another lawyer as to what is the precise constitutional position.

The Secretary of State has told us exactly where we are: we are in the twilight zone. He said it. Does the President know he said it?

TWILIGHT ZONE

Let the newspapers tell the world that Secretary Dulles, testifying before the joint committees, made it clear to the committees and to Congress:

There is and always has been, I think, an area under our Constitution which is not wholly clear, and where there is a sort of a twilight zone; and within that twilight zone, different Presidents often take different approaches.

What approach is the present President of the United States taking in this twilight zone, which we all know exists?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Will the Senator from Oregon pardon me for a moment?

Mr. MORSE. Certainly.

Mr. O'MAHONEY. I was about to say to my colleagues that we cannot fail by our votes to express our belief, when we undertake to join in an authorization to use the Armed Forces of the United States, that there shall be no twilight zone, and that the Commander in Chief should not hold his purposes in secret, but should tell us where he is leading the soldiers, sailors, and airmen who wear our uniform. Are not they entitled to know what the twilight zone of which Secretary Dulles speaks? Mr. President, a reading of this document makes it almost clear. I say "almost," because I like to give the Secretary of State an opportunity to answer. Dare he answer? Will he answer after we have finished? I should like to ask him: "Secretary Dulles, tell us, pray, are you operating in a twilight zone? Do you want to drag us in after you? Let us know what you have in mind, before you expect the Senate to vote for this resolution."

Now I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Wyoming has asked what is the position of the administration regarding the twilight zone. The Senator from Wyoming recalls, does he not, that the Secretary of State—presumably speaking for the President—refused to accept an amendment under which the President would be obliged to come before the Congress, before he sent American troops to their death in the Middle East, and request congressional approval, based upon the facts then existing.

Mr. O'MAHONEY. I know the Senator from Oregon made such a proposal before the committees when the Secretary of State was testifying there, and I know the Secretary of State regarded that proposal as undesirable.

Mr. MORSE. Next, let me ask whether the Senator from Wyoming recalls that I also asked the Secretary of State, who I presume was the spokesman for the President of the United States, whether he would accept an amendment to the effect that if the emergency were so great that, in view of the time factor, the President could not wait for the 20 minutes required to travel from the White House to the Congress, to present the facts to the Congress, or could not wait for the 24 hours required to have the Congress convene in special session—and today 24 hours are sufficient for that, in view of modern methods of transportation——

Mr. O'MAHONEY. Mr. President, on that point let me say that on one day the Vice President of the United States was in this Chamber, and the next day he was in Africa, on the Gold Coast. But now we are talking about a journey only from the White House to the Capitol.

Mr. MORSE. That is correct.

I desire to be fair to the administration and to its intentions. Sometimes time is of the essence. So I asked whether the Secretary of State would accept an amendment to the effect that if the President had to order the troops into action first, he would then be required to come before the Congress and present the facts which he believed justified his course of action, and request congressional approval or disapproval. However, the Secretary of State rejected that proposal.

Under the circumstances, Mr. President, I can reach only one conclusion; namely, that the present President of the United States, Dwight D. Eisenhower, refused to accept such an amendment

which would place that check upon him. From that circumstance others can draw any conclusion they may wish; but the conclusion I draw is that under this joint resolution, Dwight D. Eisenhower does not want to be controlled by the Constitution of the United States.

Mr. O'MAHONEY. Mr. President, I shall proceed with the reading of the argument the Secretary of State has made regarding the necessity for the action the Senator from Oregon [Mr. MORSE] and I have been urging ever since this matter came before the Senate. I turn now to page 308 of the hearings. The Senator from Louisiana [Mr. LONG] brought up the action taken by President Truman in sending troops to Korea. Secretary Dulles responded as follows:

Senator, I hope the resolution is not going to get bogged down into a constitutional discussion as to whether or not President Truman was justified in sending American troops into Korea. It would take a long while to settle that one; and, indeed, nothing that the Congress can do can itself settle it except as an expression of opinion.

NO RESPONSE

Of course the Secretary of State was correct in that answer; but he was not responding to the question asked by the Senator from Louisiana, as the Senator from Louisiana immediately explained. The Senator from Louisiana then said:

All I am asking you, Mr. Secretary, is to answer a question that previous Secretaries had to answer, and that is, what is the power of the President to send forces outside of the United States?

If you do not care to answer the question, you can just tell me, and I will go on to the next question.

Then the Secretary of State made a statement which amounts to four paragraphs, which also are to be found on pages 308 and 309 of the hearings. In order to save time, I shall read only the third paragraph, inasmuch as the first two were designed, it seems to me, to enable the Secretary of State to get his thoughts settled, so that he would make an acceptable record. This is the third paragraph:

And when you contemplate action which may involve a major war, the President feels, President Eisenhower feels, rightly or wrongly, that he does not want to assume the sole responsibility in that respect; and also, which is a very practical matter, that a good many people abroad who are not experts on the United States Constitution, are impressed far more if the Congress has spoken and it is not just the President.

"WE DO NOT KNOW"

So there the Secretary of State told us that President Eisenhower does not want to assume the sole responsibility for this action. What is the action, Mr. President? Will some member of the committees tell me what the action is? It is, an action based upon a contingency at sometime in the future, namely, that some foreign nation may ask the President to send our troops into action. Is that the manner in which the Commander in Chief of the armed services of the United States should request the authority of Congress? The President is requesting blank-check authority. The President says to Congress, "I want your cooperation: Here, sign on the dotted line. We do not know what we are going to do. We do not even know how we are going to spend the money. We do not know where or how or when we are going to spend the lives of American soldiers, sailors, marines, and airmen. We do not know."

Mr. President, under the Constitution of the United States the Congress has the right to know; the people have the right to know.

Now I read from page 309:

Senator LONG. In your judgment, did President Truman have any right to send American forces or any power to send American forces into Korea?

Secretary DULLES. I never studied that as a lawyer.

In other words, he never had a case which required him to study that proposition as a lawyer. However, the answer to which the Senate is entitled is, not his answer as a lawyer, but his answer as the United States Secretary of State in charge of foreign relations. But the Secretary of State never studied it, he said; he does not know what the President's powers are.

Now I read from page 310:

Senator LONG. And what I am asking you—

He was still addressing the Secretary of State—

is, does this state your position? Is this your opinion, or is this not your opinion? And if I understand your answer, your answer is "I haven't even thought about these matters." Is that correct?

Asked the Senator from Louisiana, Secretary Dulles responds:

No, sir. I said I had not given a legal opinion, given legal thought as a lawyer, to the three cases you put to me. You put to me three concrete cases and asked me whether I thought in those particular cases the President had or had not the power.

I said to you that as a constitutional lawyer, I never studied the question.

Mr. President, what a spectacle to have a Secretary of State, who urges us to act promptly, speedily, without thought, upon emotions, confess that he never studied these matters of the President's power as Commander in Chief. Is this record not sufficient in itself to condemn the resolution until the Secretary answers the question?

CHALLENGE TO ANSWER

Mr. President, I challenge him now to answer those questions for the Senate before we vote. It is idle to put the pressure on. It is idle to say, "Oh, stand by the President. Don't let him lose face abroad. What will the world think of us if we state honestly what our views are?"

That is no way to conduct the foreign relations of the United States, and certainly that is no way for the Senate of the United States, which has been given the power to ratify the treaties of the United States, to act. This body itself has a share in international policy. It is being denied to us, and if it is denied now, when the question that arises is one which, as Secretary Dulles himself has admitted, is in the twilight zone, then I have no hesitation in saying, my friends, you will never get out of the twilight zone.

Do Senators think it is possible that a Secretary of State could not have given thought to these matters? He may have forgotten what he said on a previous occasion. He may have forgotten what he told foreign nations in Europe. He may have forgotten what he said in a special document issued by the Department of State.

I hold in my hand, under the imprint of the Department of State and the seal of the United States, a document entitled "Nine-Power Conference, London, September 28–October 3, 1954. Reprint from the Department of State Bulletin." On page 523 of this document, which, of course, is an extract from a more comprehensive Department of State bulletin, I read from the statement of the United States Secretary of State, the Honorable John Foster Dulles, at the fourth plenary meeting, September 29, 1954, at this Nine-Power Conference.

SECRETARY FORGETS

Of course, that was 2½ years ago, and perhaps the Secretary cannot remember, but I am going to put it in the RECORD so that the Members of the Senate may know what was said and so that the Secretary of State may explain it to us. Remember, we are dealing, Mr. President, with the flesh and blood of the citizens of the United States. We are dealing with the men and the women who go into our armed services, in patriotic response to the call of duty. This is no partisan attack upon the Secretary. It will be so described, I know, by those who do not care to listen to what the Secretary said 2½ years ago, or interpret it side by side with what he said this year before the Committees on Foreign Relations and Armed Services.

I begin on page 523, second column, about the middle of the page:

I should perhaps explain—

This is an explanation, not to the Congress of the United States; this is an explanation to the Nine-Power Conference—

I should perhaps explain that under our constitutional system the President of the United States is Commander in Chief of the Armed Forces of the United States and, as such, has the right to determine their disposition.

WHAT DID HE MEAN?

What did the Secretary of State mean when he testified before the joint committee that he never studied these matters as a lawyer? He did not say he had never studied them as Secretary of State; he said he had never studied them as a lawyer.

The law business of Sullivan & Cromwell probably never included any such problem as this, so he may not have studied them as a lawyer, but he was telling the Nine Power Conference what he thought:

That is a right which cannot be impaired by action of the Congress. Also, while Congress has no authority to deprive the President of his right as Commander in Chief of the Armed Forces to make such disposition

of those forces as he believes to be in the interest of the security of the United States, it is equally the case that one President of the United States is not constitutionally able to bind his successors in this matter.

Each President of the United States comes into office enjoying the right to dispose of the Armed Forces of the United States as he thinks best serves the interests of the United States in accordance with the advice which he gets—

From Congress? No. From any Member of the Senate? No. From any committee of the Senate? No. From the people of the United States? No. That is not what the Secretary was talking about. What he said in that connection was this:

Each President of the United States comes into office enjoying the right to dispose of the Armed Forces of the United States as he thinks best serves the interests of the United States in accordance with the advice which he gets from his military advisers.

SURRENDER TO GENERALS

Are we going to bypass the power of Congress to declare war and turn it over to the generals who surround the President of the United States? That is the question which must be answered before we can pose before the world as the champion of free government. Here is a statement by the Secretary of State which cannot be misunderstood—that the President has the constitutional power to dispose of the armed services as he deems proper, upon the advice of his military advisers.

I say to this body, to the Congress, and to the country that it was the purpose of the framers of the Constitution in making the President the Commander in Chief to make certain that military advisers would not have it in their power to declare war. They were thinking of the necessity of having a civilian President, and they thought that George Washington, though a great general, was a civilian President. He resigned his commission as soon as he won the war. There is no question about that. He was a member of the Order of the Cincinnati. Everyone knows who Cincinnatus was. He was a Roman general who believed that the civilian authority in a republic was the superior authority.

But that is a policy which Mr. Dulles has utterly forgotten. He tells us that the President and his military advisers will tell the mothers and fathers of America where their sons can be sent into conflict when some unknown, undescribed foreign nation calls, when the President deems it to be necessary.

NO RULE

There is no rule. There is nothing to guide him except the advice of the military. I am happy to acknowledge that President Eisenhower has not always followed the advice of the military. They would have advised him to send our Armed Forces down into Indochina when the French were being attacked by the Communist. He would not do that. What has happened, that he is now willing to ask authority to send troops, in the words of the Secretary of State, "in accordance with the advice which he gets from his military advisers"?

I continue reading from the Secretary's statement:

Therefore it is not constitutionally possible for the United States by treaty, by law, or in any other way to make a legally binding, fixed commitment to maintain any predetermined quota of armed forces in any particular part of the world for any particular period of time.

That, of course, was an understandable statement. He was telling the Nine-Power Conference that the President of the United States could not constitutionally, at the request of the European nations, keep a quota of American armed forces in Europe to help them. If on the 29th of September 1954, Mr. Dulles thought that the President did not have the constitutional power, does it not become clear now why we are being asked to give advance authority, when we do not know the facts?

Mr. MORSE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. It would appear that the Secretary of State had studied that much of the constitutional problem involved, would it not?

Mr. O'MAHONEY. I do not think he got the right answer.

Mr. MORSE. At least he had studied it.

Mr. O'MAHONEY. He had studied it; yes.

Mr. MORSE. He indicated to us in committee that he had not.

Mr. O'MAHONEY. That is correct.

Mr. MORSE. I say, good naturedly, as an old teacher, that I never gave a very high grade to a student who studied only a small part of a problem.

Mr. O'MAHONEY. The Secretary of State is a good lawyer.

The next paragraph of the statement, which is the last I shall read, is as follows:

It is nevertheless possible for the President to define a policy which in his opinion makes it appropriate to maintain certain elements of the armed forces of the United States in certain areas in pursuance of that policy.

Is he asking us to follow that opinion, that finding, that statement which he made to the Nine-Power Conference—

It is nevertheless possible for the President to define a policy which in his opinion makes it appropriate to maintain certain elements of the Armed Forces of the United States in certain areas in pursuance of that policy.

Where is that policy? Where is the area? Where is the nation? Where are the boys going to serve? Did the Secretary of State ever consult the President about this interpretation of the power of the President? Is this the sort of position the President wishes to take? I do not believe it. I believe it is true that the President desires to work with the Congress, but I cannot read these excerpts from the language of the Secretary of State and not come to the definite conclusion that he wants to have us establish a precedent never before undertaken by any President, whereby our armed services can be sent abroad at the demand of another nation. Surely this is an action which we shall never, never take—or should I say that we should never take?

ARMS RACE

I say to my friends who believe in economic aid rather than military aid that I share their feeling. I have long felt that by shipping arms abroad into the hands of unknown governments, unknown military leaders, we are only promoting war. We are not working for peace. We are only engaged in an arms race which may wreck the world. If we authorize this deployment of our armed forces in the Middle East, do we blind our eyes to the facts which are being given to us from official sources, sources which cannot be challenged, to the effect that the progress of Russia in building up its military power is steadily gaining upon us?

We came out of the World War with the largest submarine fleet and the largest Air Force in all the world, and we were willing to use them for peace. Now we are reliably informed that Russia has more submarines than we have. We are advised that her airpower has been magnified over and over again in the years during which we have been following the leadership of Secretary Dulles.

Do we not know that Soviet Russia has never abandoned its policy to conquer the world? Can anyone deny for a minute that if we commit our forces in the Middle East, we are only helping Soviet Russia to prepare for the big cataclysm, world war III, which we want to avoid?

Oh, the report comes to us with a pleasant title, one which appeals to the heart and to the sentiment of the people of the United States. I read the title from Report No. 70, 85th Congress, 1st session. I give that number so that anyone who wants a copy of the report will know that by writing to the Superintendent of Documents at the Government Printing Office or by writing to his Senator or Representative, he may get a copy of the report. It is entitled "To Promote Peace and Stability in the Middle East."

Apparently we promote peace by military assistance; apparently we promote peace by promulgating a new doctrine of constitutional powers, under which the President may order the armed services wherever he pleases, provided only that a foreign nation in the general area of the Middle East shall ask for the assistance.

SUBSTITUTES PRESIDENTIAL GOVERNMENT

Mr. President, I feel as deeply on this subject as I have ever felt on any matter which has come before the Senate since I first became a Member of it, on the 1st day of January 1934. It rises above partisanship. It rises above personalities. It lies at the basis of the maintenance of government of the people, by the people, for the people, and substitutes government by the President.

Mr. MORSE. Mr. President, knowing that the Senator is about to conclude his remarks, I do not want him to close without first giving me a minute to make a comment. Will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. I commend the Senator for the great argument he has made in the Senate against the resolution. I wish to say to him something I have never told him privately, and which I desire first to say to him publicly; namely, that the Senator from Wyoming, great lawyer that he is, has been one of my fountains of inspiration during my service in the Senate.

I have followed the Senator from Wyoming in one great constitutional argument after another. As one who tries to be a student of government, I particularly wish to thank him for the leadership he has given the Senate during this historic debate.

I fear that much of the weight of the Senator's argument, and the unanswerable premises he has advanced, are falling pretty much on a Senate that has steeled itself to ignore the great constitutional issue involved in the resolution.

However, I must say that when students of the future come to study this historic debate, the constitutional arguments of the Senator from Wyoming will stand out in all their crystal clearness and their unanswerability. I thank him very much for the courage he has displayed in the debate, in warning the Senate and the American people that, in considering the issue, we are confronted, unfortunately, with leaders, both in the executive branch of the Government and in the legislative branch, who are not giving heed to their constitutional responsibilities and obligations. When I come to vote against the resolution, I shall know that I am voting to support the oath I took when I became a Member of the Senate, to sustain the Constitution. The pending resolution cannot be reconciled with the Constitution.

Mr. O'MAHONEY. The Senator is very kind. Mr. President, I yield the floor.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	Morton
Allott	Frear	Mundt
Anderson	Goldwater	Murray
Barrett	Gore	Neely
Beall	Hayden	Neuberger
Bennett	Hennings	O'Mahoney
Bible	Hickenlooper	Pastore
Blakley	Hill	Payne
Bricker	Hruska	Potter
Bush	Humphrey	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Kefauver	Scott
Case, S. Dak.	Kennedy	Smathers
Chavez	Knowland	Smith, Maine
Church	Kuchel	Smith, N. J.
Clark	Lausche	Stennis
Cooper	Long	Symington
Cotton	Magnuson	Talmadge
Curtis	Malone	Thurmond
Dirksen	Mansfield	Thye
Douglas	Martin, Iowa	Watkins
Dworshak	Martin, Pa.	Wiley
Eastland	McClellan	Williams
Ellender	Monroney	Young
Ervin	Morse	

The PRESIDING OFFICER. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I may say, for the information of the Senate, that I expect the Senator from Minnesota [Mr. HUMPHREY] to speak for a very few minutes. Then I am very hopeful that we may have a quorum call and a vote on the Russell amendment. If we are able to accomplish that, I assure the Senate, so far as I am able to protect them in this respect, that there will be no other yea-and-nay votes this afternoon.

Mr. HUMPHREY. Mr. President, as has been indicated by the majority leader, I shall confine my remarks to the amendment in the nature of a substitute offered by the Senator from Georgia for himself and on behalf of other Senators. I shall also refer to some of the press commentary relating to the delay in the Senate concerning the consideration of this all-important piece of proposed legislation.

There are those who have said that the "Democratic Senate," as the words are printed, was guilty of undue delay in the consideration of the Eisenhower resolution, or the Middle East resolution. I am convinced that an effort has been made, through what are called background meetings and planted stories, to tell the American public that the resolution has been delayed beyond a reasonable time, and that the responsibility for the delay rests upon the leadership of the Senate, and, in particular, upon the Democratic membership of the Senate.

Speaking only for myself, I think it is fair to state that the majority leader and, yes, the minority leader have both sought to expedite action on the resolution.

Furthermore, whenever a request has been made for unanimous consent, Members of the Senate have exercised their prerogatives in either granting or not granting such consent. It is to be presumed that when a Senator does not want to agree to a unanimous consent agreement, he has good reason for so doing and that his motives are not to be questioned. I feel that to indicate to the contrary would be doing a disservice to this body.

In examining the RECORD, it will be found that the resolution was presented in a most unorthodox manner. I shall not burden my colleagues with a repetition of that unfortunate story. But prior to the delivery by the President of his message on January 5, concerning the situation in the Middle East, there had been for several days newspaper stories which carried the text, almost to the word, of the resolution which was ultimately presented.

The President addressed Congress in extraordinary session on January 5 concerning the Middle East situation, prior to the delivery of his state of the Union message. It will be noted that the proposal was introduced as Senate Joint Resolution 19 on January 9, 1957. It was immediately considered by the Committee on Foreign Relations, and hearings were set, by a unanimous vote of the Democrats and Republicans on the committee, to begin on January 14.

Open public testimony was taken starting on January 14. Every day was used in taking valuable testimony and in having the issues discussed openly before the American people. It should be noted that the public hearings were concluded on February 11.

On February 12 and February 13, following the conclusion of the public hearings, the Senate Committees on Foreign Relations and Armed Services met in joint session to consider the resolution.

The resolution was ordered reported to the Senate on February 13, 1957, by a vote of 20 to 8, and was actually reported to the Senate on February 14. The debate on the resolution commenced in the Senate on February 19.

I cite this chronology because the Senate has actually had the resolution under consideration since February 19. We have actually had before us for a little more than 2 weeks a resolution which has consequences of the gravest import, a resolution which pledges the Armed Forces of the United States for use in the Middle East, if they are needed there to resist Communist aggression; a resolution which pledges the lives, fortunes, honor, and integrity of 170 million Americans and the whole substance of this Republic; and, let me add, a resolution which fundamentally alters the economic and military assistance programs.

All I am saying, Mr. President, is that it would have been unworthy of the Senate to have taken less time.

Furthermore, let me say that during this period there have been some very critical decisions to be made in the United Nations, as regards the overall foreign policy of our country and other countries in the case of the Middle East. In addition the leaders of this body have been called to the White House, and they have been in consultation with the Secretary of State. All of this has had its effect upon the time required for our consideration of so important a measure.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I am happy to yield.

Mr. DOUGLAS. Is it not also true that the period from approximately February 13 to February 23, namely, the period during which our friends on the other side of the aisle address Lincoln Day dinners in various parts of the country, has always been set aside as one during which yea-and-nay votes are not to be taken on important questions?

Mr. HUMPHREY. That is the general understanding. In this instance, however, I wish to say there was so complete an understanding on both sides of the aisle that the joint resolution required much discussion, that such an

agreement was not arrived at in this instance. But the Senator from Illinois has stated what is the general pattern.

Mr. DOUGLAS. But is it not a part of the general procedure of the Senate that the period from approximately February 10 to February 23 is set aside in order that our friends on the other side of the aisle may make Lincoln Day speeches in various places of the country; and is it not also true that a similar courtesy is extended to Members on this side of the aisle when the somewhat movable date of the Jefferson-Jackson Day dinners arrives and those dinners are held?

Mr. HUMPHREY. That is correct.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. I should like to say that I wish the RECORD to show that following the President's message, the distinguished minority leader, the senior Senator from California [Mr. KNOWLAND], informed me that he had notified all Senators on his side of the aisle that this year they could not expect to be away from the Senate on Lincoln's Birthday, and that he would not make such a request of the leadership.

Mr. HUMPHREY. Yes, Mr. President; and I wish to have the RECORD show that I said I knew of no such agreement in this instance.

As a matter of fact, I am not complaining about the debate on the pending measure. I think we owe a debt of gratitude to every Senator who has participated in the debate on it.

Mr. CARLSON. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CARLSON. I think the RECORD should show, as the majority leader has just stated, that the minority leader wrote to every Member on this side of the aisle a letter saying that we should forget the customary observance of Lincoln's Birthday, and should not expect to be away from the Senate during the holiday.

Mr. JOHNSON of Texas. I want the RECORD to show that the minority leader did not say they should forget Lincoln; he simply said they should not expect to be away during that period of time. [Laughter.]

Mr. HUMPHREY. Mr. President, certainly no one has tried more than have the majority leader and the minority leader to expedite the taking of action on this measure.

My point is that it is not good to have the country told that, in the case of a measure so important as this one—regardless of what may be a Senator's view or regardless of how he may intend to vote on the measure—any Senator who takes some time to debate it is engaging in foot dragging and in delaying action.

The fact is that the Senator from Rhode Island [Mr. GREEN] and the Senator from Georgia [Mr. RUSSELL], the chairmen of the Foreign Relations Committee and the Armed Services Committee, respectively, attended every session of the hearings. Important witnesses appeared at every meeting the committees held. As all members of the committees will recall, although the discussion in the committees was not heated, yet there was great interest in it.

So I believe it is a disservice to the processes of democracy to say that when a body such as the United States Senate decides to go meticulously into every part of an important measure, there is undue delay.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Minnesota will yield further to me, I should like to state for the RECORD that in the Senate of the United States we have now debated this very far-reaching and all-enveloping and important measure for 11 days, whereas in a previous Congress, the debate on the troops-to-Europe question took some 20 days.

Mr. GORE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. GORE. I appreciate the statements the able junior Senator from Minnesota [Mr. HUMPHREY] has made. However, I must say in all candor that I do not feel that any defense of the record of the Senate in connection with this debate is necessary. I call to the attention of the Senate the fact that on yesterday and today the debate has been particularly elucidating. Both yesterday and today, Members have reached their final conclusions on the floor of the Senate, as a result of the debate. Instead of feeling that some defense should be made, I believe the Senate is to be commended for the careful, scrutinizing debate which has been conducted upon this issue.

Mr. HUMPHREY. I thank the Senator from Tennessee.

Mr. JOHNSON of Texas. Mr. President, let me say that I trust that is a bipartisan commendation, because, as the Senator pointed out earlier today, we attempted to arrive at an agreement as to when debate on the joint resolution should end and when voting should begin, but objections came from both sides of the aisle. First, the Senator from Oregon [Mr. MORSE] objected, and then the Senator from Nevada [Mr. MALONE] objected, and then the Senator from Wisconsin [Mr. MCCARTHY] objected. So we have had bipartisan objection; and if the Senate is to be commended, I think the commendation should also be bipartisan.

Mr. HUMPHREY. Yes. Furthermore, I have said that Members who object have a right to do so, and undoubtedly have good reason for doing so, because they are experienced legislators. So there is no necessity for anyone to try to pressure them or bludgeon them; and no such attempt has been made.

Mr. JOHNSON of Texas. That is the position of the majority leader, and that has been his position when objection has been made.

Mr. HUMPHREY. That is correct.

Mr. GORE. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. GORE. I have not objected; but I must say, in all candor, that the record of attendance of Senators during the debate on yesterday and today illustrates, I believe, there is some value in having uncertainty as to the time when the vote will be taken. If we had had a unanimous-consent agreement that the Senate would vote next Thursday, I daresay we would not see one-half of the Senate in attendance at this moment. But here we are, attending to the debate, and participating in it.

I believe that no defense is necessary for the objections to proposed unanimous consent agreements or for other objections. The Senate is to be commended; and, so far as I am concerned, it may be a bipartisan commendation.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from Tennessee realizes that to some extent the attendance of Senators is due to the quorum calls which have been had and to the fact that Senators could not be recorded as present unless they were present.

Mr. WILEY. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. WILEY. An American philosopher once said, "Why explain? Your friends do not need it; and your enemies will not believe you, anyway." [Laughter.]

Mr. HUMPHREY. That was Elbert Hubbard.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield to the Senator from Oregon.

Mr. MORSE. I had stepped out of the Chamber momentarily, and I missed the beginning of what I am sure was another one of the great contributions of the Senator from Minnesota to the forensic history of the Senate.

Mr. HUMPHREY. The Senator from Oregon is correct. [Laughter.]

Mr. MORSE. But from what I heard the Senator from Minnesota say, I judged that some Members had interpreted his remarks as being a defense of the objections which some of us have made to proposals that debate on the pending measure be closed. If that is what the Senator from Minnesota was doing, let me say that I appreciate his spirit and his sentiment; but so far as I am concerned, I do not ask for any defense, and I want no defense. I intend to keep right on objecting to proposed unanimous-consent agreements.

Mr. HUMPHREY. Mr. President, I wish to say for the Senator from Oregon that he never leaves anyone in doubt. [Laughter.] That is always a reassuring and, let me say, a refreshing experience in political life.

I wish to assure him that no defense was being made. Instead of defending or offending, I was merely asserting.

Mr. President, this morning I listened to one Member of the Senate say that it would be politically unpopular for Senators to vote for more economic assistance or to vote for the economic assistance section of the joint resolution. I really think that is true. Nevertheless, Mr. President, some of us will run that risk.

I have also heard it said that the pending amendment of the Senator from Georgia [Mr. RUSSELL] to the committee amendment does not cripple the foreign-aid program. I think that is true, and I do not believe anyone should interpret the Russell amendment as being one which would cripple the foreign-aid program.

However, Mr. President, my feeling is that the economic-aid section of the joint resolution has a particularly important relationship to the tone and the whole body of the joint resolution and its impact upon the world, particularly upon the Middle East. One of the witnesses said, I believe, that in part that impact was psychological. I think that should be repeated; I think it is true that in part the impact of the economic-aid section of the joint resolution is psychological.

I should like to say to my friends in the administration that to present an economic-aid program in the manner in which the joint resolution presents one is seriously to jeopardize in the future any truly effective economic-aid policy. I cannot help but say that the administration has done a great disservice to long-term economic aid by the kind of loose, undocumented presentation represented in the resolution before the Senate. I believe it has actually fed the fires of opposition to economic aid. I hope that at some time we may arrive at a truly long-term foreign economic policy.

I desire to make my views perfectly clear. There is no foreign economic policy on the part of this Government. We have not had one since the Marshall plan. It has become a policy of political and economic expediency. It has become, as was stated by the late beloved Senator from Connecticut [Senator McMahon], a checkbook reflex. That is not what we ought to have in fighting the cold war with the Communist areas of the world. We are going to need a foreign economic policy.

Later, in the final consideration of the resolution, I shall present my views in more detail than I do now. I now add only that the protections to be found in the particular section under discussion are protections in the economic field. The Senator from Texas [Mr. JOHNSON] in committee offered an amendment which was agreed to, providing that no expenditures shall be made until there is a 15-day notice to the appropriate committees of Congress. Furthermore, the Senator from Virginia [Mr. BYRD] offered another amendment which required that the authorizations go only to the end of the fiscal year. I say that if the battle can be fought on the mutual security bill, that is where the fight should be made. I regret to say that those who may vote against the Russell amendment now, from the statements made, unless they change their minds, may vote against a sound mutual security economic policy in the days to come. I hope they will be charitable and not make up their minds so quickly.

Mr. President, I know Senators have waited to vote, and that some have commitments they desire to keep. I shall yield the floor at this time so the Senate may vote.

ORDER FOR RECESS TO MONDAY AT 11 A. M.

Mr. JOHNSON of Texas. Mr. President, I remind Senators that the Senate will not vote on the resolution today. We plan to vote on only the Russell amendment. However, the Senate will be in session the rest of the day, and will be in session on Monday, when the resolution or other amendments may be discussed.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 11 o'clock a. m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement explaining my reasons for opposing the Russell amendment. In brief, my reasons are essentially these: If it is wrong for us to be in the Middle East with $200 million in economic aid, then it is many times as wrong to authorize American soldiers to fight there.

I ask unanimous consent that my statement may be printed in the RECORD following my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

This amendment poses for me a somewhat disturbing set of values. We are asked to separate from the Middle East resolution that section which would authorize the administration to use in this area some $200 million in funds for economic aid. These funds, incidentally, have already been appropriated. Their separation from the resolution would presumably save the Treasury no money.

But if it is wrong for us to be in the Middle East with $200 million in economic aid, then it is many times as wrong to authorize American soldiers to fight there. If the danger of war and of Communist aggression in the Middle East is sufficiently imminent to warrant the use of our troops in that part of the world, is the Senate going to say that $200 million should not accompany the troops or precede them? On which is the higher value placed, blood or dollars?

I am not an expert on this—far from it. But I have been greatly puzzled by a philosophy which can bring about a prolonged debate concerning $200 million in funds already appropriated, but which can devote apparently less discussion to the alleged need for American soldiers to assure the peace.

President Eisenhower has asked for permission to use $200 million in appropriated funds, as he and his aides deem fit, in the Middle East area for a period of 120 days. He also has requested authority to employ American troops in that area to stem Communist aggression, if necessary. If we are to accept the President's statement that our soldiers may be needed, are we to cavil now about the $200 million? I would authorize many times $200 million—speaking for just one Senator—if in the slightest degree it would serve to forestall or prevent the need for sending American soldiers into combat in that troubled and strife-torn section of our globe.

I am opposed to any suggestion that this country be isolationist with dollars, and internationalist with soldiers. If we are sending troops to these distant areas, can we then hold back on money? We have to follow one policy consistently with respect to our men and to our dollars.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	Morton
Allott	Frear	Mundt
Anderson	Goldwater	Murray
Barrett	Gore	Neely
Beall	Hayden	Neuberger
Bennett	Hennings	O'Mahoney
Bible	Hickenlooper	Pastore
Blakley	Hill	Payne
Bricker	Hruska	Potter
Bush	Humphrey	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Kefauver	Scott
Case, S. Dak.	Kennedy	Smathers
Chavez	Knowland	Smith, Maine
Church	Kuchel	Smith, N. J.
Clark	Lausche	Stennis
Cooper	Long	Symington
Cotton	Magnuson	Talmadge
Curtis	Malone	Thurmond
Dirksen	Mansfield	Thye
Douglas	Martin, Iowa	Watkins
Dworshak	Martin, Pa.	Wiley
Eastland	McClellan	Williams
Ellender	Monroney	Young
Ervin	Morse	

The PRESIDING OFFICER. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I ask that, for the benefit of the Members of the Senate, the pending amendment on which the Senate is about to vote may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk read the amendment, as modified, offered by Mr. RUSSELL, for himself and other Senators, in the nature of a substitute for the committee amendment, as amended, as follows:

In lieu of the matter proposed to be inserted by the committee amendment, insert the following:

"That the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism: *Provided*, That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States.

"SEC. 2. This joint resolution shall expire when the President shall determine that the

peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise except that it may be terminated earlier by a concurrent resolution of the two Houses of Congress."

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. As I understand, if a Senator favors the Russell amendment, he should vote "yea"; and if he opposes it, he should vote "nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. Did not the Senator from Georgia, at my suggestion, modify his amendment the other day by inserting the word "such" before the words "nation" and "nations" on page 1, line 6?

The PRESIDING OFFICER. The amendment was modified on page 2, line 2, only.

The question is on agreeing to the modified amendment offered by the Senator from Georgia [Mr. RUSSELL] on behalf of himself and other Senators as a substitute for the committee amendment, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Florida [Mr. HOLLAND], the Senator from Oklahoma [Mr. KERR], the Senator from Michigan [Mr. McNAMARA], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from Florida [Mr. HOLLAND].

If present and voting, the Senator from Rhode Island would vote "nay" and the Senator from Florida would vote "yea."

The Senator from Oklahoma [Mr. KERR] is paired with the Senator from Michigan [Mr. McNAMARA].

If present and voting, the Senator from Oklahoma would vote "yea" and the Senator from Michigan would vote "nay."

I further announce, if present and voting, the Senator from Alabama [Mr. SPARKMAN] would vote "nay."

Mr. DIRKSEN. I announce that on this vote the Senator from New Hampshire [Mr. BRIDGES], who is absent because of illness, is paired with the Senator from Wisconsin [Mr. McCARTHY], who is detained on official business. If present and voting the Senator from New Hampshire [Mr. BRIDGES] would vote "nay" and the Senator from Wisconsin [Mr. McCARTHY] would vote "yea."

On this vote the Senator from New York [Mr. IVES], who is absent because of illness, is also paired with the Senator from North Dakota [Mr. LANGER], who is absent because of illness. If present and voting, the Senator from New York [Mr. IVES] would vote "nay" and the Senator from North Dakota [Mr. LANGER] would vote "yea."

The result was announced—yeas 28, nays 58, as follows:

YEAS—28

Anderson	Bruska	Neely
Bible	Jenner	Robertson
Byrd	Johnston, S. C.	Russell
Chavez	Long	Scott
Curtis	Magnuson	Smathers
Eastland	Malone	Stennis
Ellender	Mansfield	Talmadge
Ervin	McClellan	Thurmond
Frear	Morse	
Goldwater	Murray	

NAYS—58

Aiken	Dworshak	Mundt
Allott	Flanders	Neuberger
Barrett	Gore	O'Mahoney
Beall	Hayden	Pastore
Bennett	Hennings	Payne
Blakley	Hickenlooper	Potter
Bricker	Hill	Purtell
Bush	Humphrey	Ravercomb
Butler	Jackson	Saltonstall
Capehart	Javits	Schoeppel
Carlson	Johnson, Tex.	Smith, Maine
Carroll	Kefauver	Smith, N. J.
Case, N. J.	Kennedy	Symington
Case, S. Dak.	Knowland	Thye
Church	Kuchel	Watkins
Clark	Lausche	Wiley
Cooper	Martin, Iowa	Williams
Cotton	Martin, Pa.	Young
Dirksen	Monroney	
Douglas	Morton	

NOT VOTING—10

Bridges	Ives	McNamara
Fulbright	Kerr	Sparkman
Green	Langer	
Holland	McCarthy	

So Mr. RUSSELL's amendment, as modified, to the committee amendment, was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The question is on agreeing to the motion of the Senator from California.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the committee substitute, as amended.

Mr. JOHNSON of Texas. Mr. President, I may say, for the information of the Senate, that we expect the Senate to be in session for some time, but the leadership will attempt to protect Senators from any further rollcalls this afternoon.

The Senate will meet at 11 o'clock on Monday next, under the previous order. I tell Senators frankly that I do not expect any rollcalls on Monday, and I shall do all I can to see that none occur.

INTERMOUNTAIN SCHOOLS FOR INDIANS

Mr. WATKINS. Mr. President, I ask unanimous consent that an article which appeared in the New York Times of February 24 be printed in the RECORD at the conclusion of my remarks.

This article is entitled Navajo Students Get Pick of Jobs, and deals particularly with those Navajo students who are now studying or are about to graduate from what is known as the Intermountain Indian School at Brigham City, Utah. The school is the largest Indian boarding school operated by the Bureau of Indian Affairs, and we were most fortunate in being able to acquire this facility for these Navajo children.

It was originally built, as the article states, to house the Bushnell General Hospital, and in 1949 was declared surplus, and was about to be disposed of for a very few cents on the dollar. At my suggestion the townspeople at Brigham City and the Bureau of Indian Affairs held conferences to discuss the possibility of having this hospital equipped as a boarding school for thousands of the Navajo children who in 1949 could not be educated because of a lack of sufficient facilities. To accomplish this purpose I sponsored legislation which authorized the General Services Administration to transfer the hospital plant to the Bureau of Indian Affairs. Later I secured a $3,750,000 appropriation which made it possible to convert the plant into an Indian school.

The conversion from hospital to boarding school was accomplished in record time, and now 2,300 Navajo children are housed there from early fall until graduation time, the first of May. This school, incidentally, is one of the largest boarding schools in the world.

This New York Times article fairly presents the situation, and gives plaudits to the career people who have made such a success of this very worthwhile undertaking.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NAVAHO STUDENTS GET PICK OF JOBS—EMPLOYERS BID FOR GRADUATES OF UTAH VOCATIONAL SCHOOL—2,300 IN CLASSES

BRIGHAM CITY, Utah, February 23.—Vocational training given at the Intermountain School for Indians here has proved so successful that employers are competing for the services of graduates.

Special skills of the 200 seniors in the 1957 class, who will be graduated April 30, range from body and fender repair to upholstering for the boys, and from hospital ward to film library service for girls.

Instruction covers a much broader range than the specialties the students pursue. Dr. George A. Boyce, school superintendent, says that language, mathematics, science, and other subjects are taught to help the young people "cope with life no matter what their changing circumstances may be."

Twenty-three hundred young Navahos now are studying on the 300-acre campus. Expansive as this layout may seem by normal collegiate standards, it seems somewhat restricted, at first, to the students. They come from a 15-million-acre reservation that takes in a large part of Arizona, New Mexico, Colorado, and Utah.

TWENTY-SEVEN DORMITORIES ON CAMPUS

But the youngsters, most of them reared in hogans, a kind of mud hut, are amazed at facilities of the school. These facilities include 27 dormitories, 24 vocational shops, dining halls, a 900-seat auditorium, a hospital, and other school buildings.

The school's big swimming pool strikes a luxury note many of these newcomers, fresh from the parched reservation, cannot even understand.

"Is this all to be drunk?" one asked.

Most of the students suffer, on arrival, from shyness, undernourishment, and lack of formal schooling. Dr. Boyce and a staff of 450, over 100 of them teachers, seek to overcome these deficiencies while imparting the ways of the white men.

"We expose them consciously to a great variety of problems, social, economic, aesthetic, ethical, and personal," Dr. Boyce says, "so they will know how to solve problems. For example, language, mathematics, science, emotional skills become tools, rather than objectives in themselves."

Midway in their sophomore year, students make a tentative selection of the vocations they think they might like to follow. They give first, second, and third preferences. At the end of the sophomore year they make their actual choice but also give second and third choices.

START VOCATIONAL TRAINING

When they return in the fall for their junior year, they embark on vocational training. Aptitude tests are used in helping the youngsters make a decision.

Girls can study home service, store clerking, hospital ward work, restaurant duties, dormitory award work and film library service. For boys, the 20 areas of training include automobile mechanics, welding, farming, building trades, cooking, sheet metal work, and business courses.

Intermountain is a grade school in academic achievement—from the first through the sixth grades.

Dr. Boyce says that the demand for graduates of the school proves the Navahos are good workers. He has been superintendent of the school since it was founded in 1949.

Originally, the Bushnell General Hospital occupied the grounds. This Army facility was turned over to the Bureau of Indian Affairs after World War II. Many of the hospital structures, remodeled and reequipped, readily were converted to school use.

The superintendent was director of Navaho schools at Window Rock, Ariz., for almost a decade. He started in Government service in 1938 as a curriculum specialist of the Indian School Bureau at Lawrence, Kans. A graduate of Trinity College at Hartford, Conn., he has a master's degree from Cornell University and a doctorate from Columbia University.

SUPREME COURT DECISIONS OVERRULED BY SUBSEQUENT DECISIONS

Mr. STENNIS. Mr. President, on February 18, when I introduced Senate Resolution 96 to prescribe certain qualifications for the office of Associate Justice of the Supreme Court, I referred to the increasing number of Supreme Court cases being overruled by the Supreme Court itself in recent years. I pointed out that from 1789 until 1932, 29 cases had been overruled by the Supreme Court, and that since 1932, 37 such cases had been overruled.

I should like at this time to ask unanimous consent that a list of such cases, prepared by the Library of Congress, be printed in the RECORD.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD,

OVERRULING CASES

1789–1932

1. *Hudson* v. *Guestier* ((1810) 6 Cr. 281, 285).
2. *Gordon* v. *Ogden* ((1830) 3 Pet. 33, 34).
3. *Louisville Railroad Co.* v. *Letson* ((1844) 2 How. 497, 554-558).
4. *The Genesee Chief* ((1851) 12 How. 443, 456).
5. *Gaines* v. *Philip's Lessee* (20 How. 372, 377-378 (1858)).
6. *Mason* v. *Eldred* ((1868) 6 Wall. 231, 232).
7. *The Belfast* ((1869) 7 Wall. 624, 641).
8. *Legal Tender Cases* ((1871) 12 Wall. 457, 552).
9. *Hornbuckle* v. *Toombs* ((1874) 18 Wall. 648, 652-653).
10. *U. S.* v. *Phelps* ((1883) 107 U. S. 320, 323).
11. *Kountze* v. *Omaha Hotel Co.* ((1883) 107 U. S. 378, 387).
12. *Morgan* v. *U. S.* ((1885) 113 U. S. 476, 495).
13. *Leloup* v. *Port of Mobile* ((1888) 127 U. S. 640, 647).
14. *Leisy* v. *Hardin* ((1890) 135 U. S. 100, 118).
15. *Roberts* v. *Lewis* ((1894) 153 U. S. 367, 377).
16. *Pollock* v. *Farmers' Loan and Trust Co.* ((1895) 158 U. S. 601).
17. *Brenham* v. *German American Bank* ((1892) 144 U. S. 173, 187).
18. *Garland* v. *Washington* ((1914) 232 U. S. 642, 646).
19. *U. S.* v. *Nice* ((1916) 241 U. S. 591, 601).
20. *Pennsylvania Railroad Co.* v. *Towers* ((1917) 245 U. S. 8, 17).
21. *Rosen* v. *U. S.* ((1918) 245 U. S. 467, 470).
22. *Boston Store* v. *American Graphene Co.* ((1918) 246 U. S. 8, 25); and *Motion Picture Co.* v. *Universal Film Co.* ((1917) 243 U. S. 502, 518).
23. *Terral* v. *Burke Construction Co.* ((1922) 257 U. S. 529, 533).
24. *Alpha Cement Co.* v. *Massachusetts* ((1925) 268 U. S. 203, 218).
25. *Lee* v. *Chesapeake and Ohio Ry.* ((1923) 260 U. S. 653, 659).
26. *Gleason* v. *Seaboard Air Line Ry. Co.* ((1928) 278 U. S. 349, 357).
27. *Farmers Loan Co.* v. *Minnesota* ((1930) 280 U. S. 204, 209).
28. *East Ohio Gas Co.* v. *Tax Commission* ((1931) 283 U. S. 465, 472).
29. *Chicago and E. I. R. Co.* v. *Commission* ((1932) 284 U. S. 296).

1933–1956

30. *West Coast Hotel Co.* v. *Parrish* ((1937) 300 U. S. 379).
31. *Helvering* v. *Producers Corp.* ((1938) 303 U. S. 376).
32. *Erie R. Co.* v. *Tompkins* ((1938) 304 U. S. 64).
33. *Graves* v. *N. Y. ex rel. O'Keefe* ((1939) 306 U. S. 466).

Sources: Brandeis, Justice, dissenting in *Burnet* v. *Coronado Oil & Gas Co.* ((1932) 285 U. S. 393, N. 406-409), Emmet E. Wilson, Stare Decisis, Quo Vadis? Geo. L. J. (1945) 33:251, 254 N. 17; 2651, William O. Douglas, Stare Decisis (1949) 49 Col. L. R. 735-743, 756-758.

OVERRULED CASES

Boos v. *Barry* ((1808) 4 Cr. 241).

Wilson v. *Daniel* ((1799) 3 Dall. 401).

Commercial and Railroad Bank v. *Slocomb* ((1840) 14 Pet. 60); and qualifying *Bank of the U. S.* v. *Deveaux* ((1809) 5 Cr. 61).

The Thomas Jefferson ((1825) 10 Wheat. 428); *The Orleans* v. *Phoebus* ((1837) 11 Pet. 175).

Brown's Lessee v. *Clements* ((1845) 3 How. 650).

Sheehy v. *Mandeville* ((1810) 6 Cr. 253).

(In part) *Allen* v. *Newberry* ((1888) 21 How. 244).

Hepburn v. *Griswold* ((1870) 12 Wall. 603).

Orchard v. *Hughes* ((1864) 1 Wall. 73, 77).

Noonan v. *Lee* ((1863) 2 Bl. 499).

Murphy v. *Kleinsmith* ((1871) 11 Wall. 610).

Shelton v. *The Collector* ((1867) 5 Wall. 113, 118).

Stafford v. *Union Bank of Louisiana* ((1853) 16 How. 135).

Texas v. *White* ((1869) 17 Wall. 700).

Osborne v. *Mobile* ((1873) 16 Wall. 479).

Pierce v. *New Hampshire* ((1847) 5 How. 504).

Giles v. *Little* ((1821) 104 U. S. 291).

Hylton v. *U. S.* ((1796) 3 Dall. 171).

Rogers v. *Burlington* ((1866) 3 Wall. 654).

Mitchell v. *Burlington* ((1867) 4 Wall. 270).

Crain v. *U. S.* ((1896) 162 U. S. 625).

Matter of Heff ((1905) 197 U. S. 488).

(In part) *Lake Shore Railway Co.* v. *Smith* ((1899) 173 U. S. 684).

U. S. v. *Reed* ((1851) 12 How. 361).

Henry v. *A. B. Dick Co.* ((1912) 224 U. S. 1).

Doyle Continental Insurance Co.

Security Mutual Life Insurance Co. v. *Prewitt* ((1906) 202 U. S. 246).

Baltic Mining Co. v. *Massachusetts* ((1914) 231 U. S. 68).

Ex Parte Wisner ((1906) 203 U. S. 449); and qualifying: *In Re Moore* ((1908) 209 U. S. 490).

(In part) *Friedlander* v. *Texas and Pacific Ry Co.* ((1889) 130 U. S. 416).

Blackstone v. *Miller* ((1903) 188 U. S. 189).

Pennsylvania Gas Co. v. *Public Service Commission* ((1920) 252 U. S. 23).

Erie R. R. Co. v. *Collins* ((1920) 253 U. S. 77); *Erie R. R. Co.* v. *Szary* ((1920) 253 U. S. 86).

Adkins v. *Children's Hospital* ((1923) 261 U. S. 525).

Gillespie v. *Oklahoma* ((1922) 257 U. S. 501);

Burnet v. *Coronado Oil and Gas Co.* ((1932) 285 U. S. 393).

Swift v. *Tyson* ((1842) 16 Pet. 1).

Collector v. *Day* ((1871) 11 Wall. 113).

N. Y. ex rel. Rogers v. *Graves* ((1937) 299 U. S. 401).

OVERRULING CASE—Continued

1933–1956—continued

34. *O'Malley* v. *Woodrough* ((1939) 307 U. S. 277).

35. *Madden* v. *Kentucky* ((1940) 309 U. S. 83).

36. *Helvering* v. *Hallock* ((1940) 309 U. S. 106).

37. *Tigner* v. *Texas* ((1940) 310 U. S. 141).

38. *U. S.* v. *Darby* ((1941) 312 U. S. 592).

39. *U. S.* v. *Chicago, M., St. P. and R. Co.* ((1941) 312 U. S. 592).

40. *Nye* v. *U. S.* ((1941) 313 U. S. 33).

41. *California* v. *Thompson* ((1941) 313 U. S. 109).

42. *Olson* v. *Nebraska* ((1941) 313 U. S. 236).

43. *Alabama* v. *King and Boozer* ((1941) 314 U. S. 1).

44. *State Tax Comm'n* v. *Aldrich* ((1942) 316 U. S. 174).

45. *Williams* v. *North Carolina* ((1942) 317 U. S. 287).

46. *Brady* v. *Roosevelt S. S. Co.* ((1943) 317 U. S. 575).

47. *Jones* v. *Opelika* ((1943) 319 U. S. 103).

48. *Oklahoma Tax Comm'n* v. *U. S.* ((1943) 319 U. S. 598).

49. *Board of Education* v. *Barnette* ((1943) 319 U. S. 624).

50. *Federal Power Comm'n* v. *Hope Gas Co.* ((1944) 320 U. S. 591).

51. *Mercoid Corp.* v. *Mideontinent. Co.* ((1944) 320 U. S. 661).

52. *Mahnich* v. *Southern S. S. Co.* ((1944) 321 U. S. 96).

53. *Smith* v. *Allwright* ((1944) 321 U. S. 649).

54. *U. S.* v. *Underwriters' Ass'n.* ((1944) 322 U. S. 533).

55. *Girouard* v. *U. S.* ((1946) 328 U. S. 61).

56. *Angel* v. *Burlington* ((1947) 330 U. S. 183).

57. *Sherrer* v. *Sherrer* ((1948) 334 U. S. 343).

58. *Lincoln Union* v. *Northwestern* ((1949) 335 U. S. 525).

59. *Commissioner* v. *Church* ((1949) 335 U. S. 632).

60. *Oklahoma Tax Commission* v. *Texas Co.* ((1949) 336 U. S. 342).

61. *U. S.* v. *Rabinowitz* ((1950) 339 U. S. 56, 66, 85).

62. *Joseph Burstyn, Inc.* v. *Wilson* ((1952) 343 U. S. 495, 502).

63. *Stein* v. *New York* ((1953) 346 U. S. 156, 190–191n.35, 198, 200–201, 206–208).

OVERRULED CASE—Continued

Miles v. *Graham* ((1925) 268 U. S. 501).

Colgate v. *Harvey* ((1935) 296 U. S. 404).

Helvering v. *St. Louis Trust Co.* ((1935) 296 U. S. 39);

Becker v. *St. Louis Trust Co.* ((1935) 296 U. S. 48).

Connolly v. *Union Sewer Pipe Co.* ((1902) 184 U. S. 540).

Hammer v. *Dagenhart* ((1918) 247 U. S. 251);

Carter v. *Carter Coal Co.* ((1936) 298 U. S. 238 (limited)).

(In part) *U. S.* v. *Lynch* ((1903) 188 U. S. 445).

Toledo Newspaper Co. v. *U. S.* ((1918) 247 U. S. 402).

Di Santo v. *Pennsylvania* ((1927) 273 U. S. 34).

Ribnik v. *McBride* ((1928) 277 U. S. 350).

Pankandle Oil Co. v. *Knox* ((1928) 277 U. S. 218);

Graves v. *Texas* ((1936) 298 U. S. 393).

First National Bank v. *Maine* ((1932) 284 U. S. 312).

Haddock v. *Haddock* ((1906) 201 U. S. 562).

Fleet Corp. v. *Lustgarten* ((1930) 280 U. S. 320).

Jones v. *Opelika* ((1942) 316 U. S. 584 (reversed on reargument)).

Childers v. *Beaver* ((1926) 270 U. S. 555).

Minersville School Dist. v. *Gobitis* ((1940) 310 U. S. 586).

(In part) *United Railways* v. *West* ((1930) 280 U. S. 234).

Leeds and Catlin Co. v. *Victor Talking Machine Co.* (No. 2) ((1909) 213 U. S. 325; limited).

(In part) *Plemals* v. *Pinardel Rio* ((1928) 277 U. S. 151).

Grovey v. *Townsend* ((1935) 295 U. S. 45).

(In part) *Paul* v. *Virginia* ((1869) 5 Wall. 168).

U. S. v. *Schwimmer* ((1929) 279 U. S. 644);

U. S. v. *McIntosh* ((1931) 283 U. S. 605);

U. S. v. *Bland* ((1931) 283 U. S. 636).

Lupton's Sons Co. v. *Automobile Club* ((1912) 225 U. S. 489 (rendered obsolete by prior change in law);

(In part) *Andrews* v. *Andrews* ((1903) 188 U. S. 14).

Adair v. *U. S.* ((1908) 208 U. S. 161);

Coppage v. *Kansas* ((1915) 236 U. S. 1).

May v. *Heiner* ((1930) 281 U. S. 238).

Choctaw and Gulf R. Co. v. *Harrison* ((1914) 235 U. S. 292);

Indian Oil Co. v. *Oklahoma* ((1916) 240 U. S. 522);

Howard v. *Gypsy Oil Co.* ((1918) 247 U. S. 503);

Large Oil Co. v. *Howard* ((1919) 248 U. S. 549);

Oklahoma v. *Barnsdall Corp.* ((1926) 296 U. S. 521);

Trupiano v. *U. S.* ((1948) 334 U. S. 699).

Mutual Film Corp. v. *Ohio Industrial Commission* ((1915) 236 U. S. 230).

Bram v. *U. S.* ((1897) 168 U. S. 532);

Malinski v. *New York* ((1945) 324 U. S. 401, 404);

Stroble v. *California* ((1952) 343 U. S. 181, 190);

Lyons v. *Oklahoma* ((1944), 322 U. S. 596–597).

Haley v. *Ohio* ((1948), 332 U. S. 596, 599, 601).

OVERRULING CASE—Continued

1933–1956—continued

64. *Kern Limerick Inc.* v. *Scurlock* ((1954), 347 U. S. 110, 124, 126–127).

65. *Brown* v. *Board of Education* ((1954), 347 U. S. 483, 491, 494–495).

66. *Ryan Co.* v. *Pan-Atlantic Corp.* ((1950), 350 U. S. 124).

Mr. STENNIS. Mr. President, at the time when I introduced the bill I also listed 10 cases in recent years where legislation was specifically enacted to overcome the opinions of the Supreme Court involving misinterpretation of Federal law.

The case of *U. S.* v. *South East Underwriters Association, et al.* (322 U. S. 533 (1944)), dealing with the Federal regulation of insurance companies, has the dubious distinction of being on both lists. In this case, the Supreme Court sought to establish the principle of Federal regulation of fire insurance companies, and in so doing overruled its well-established doctrine that regulation of these companies was a matter for the States affected. Subsequent legislation enacted the next year, and now titled 15 United States Code 1011, reversed the rule announced in this case, in this language:

Congress declares that the continued regulation and taxation by the Several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States." (Mar. 9, 1945, ch. 20, sec. 1, 59 Stat. 33.)

PROPOSED REVISION OF THE IMMIGRATION AND NATIONALITY ACT

Mr. WATKINS. Mr. President, many people have the impression that residents of the interior part of the country, away from the influences of the coastal port areas, have little or no interest in such matters as refugees and immigration.

Such is not the case. In fact, I might suggest that my own State of Utah, in spite of its location some 700 miles from the west coast, is extremely cosmopolitan in its background and in its public opinion on such matters.

In evidence, I hereby request unanimous consent to introduce at this point in my remarks a recent editorial from the Salt Lake Tribune, entitled, "Remember Fugitives From Red Tyranny?"

OVERRULED CASE—Continued

Gallegos v. *Nebraska* ((1951), 342 U. S. 55, 63).

Watts v. *Indiana* ((1949), 338 U. S. 49).

Turner v. *Pennsylvania* ((1949), 338 U. S. 62).

Harris v. *South Carolina* ((1949), 338 U. S. 68).

NOTE.—Only the judges in the dissenting minority advanced the contention that the doctrines of the aforementioned cases had been rejected.

Alabama v. *King and Boozer* ((1941), 314 U. S. 1).

NOTE.—Only the dissenting judges were of the belief that the aforementioned case was overruled.

Cumming v. *County Board of Education* ((1899), 175 U. S. 528).

Gong Lum v. *Rice* ((1927), 275 U. S. 178).

Seas Shipping Co. v. *Sieracki* ((1946), 328 U. S. 85).

NOTE.—The four dissenting judges were of the belief that the aforementioned case "in effect" had been "rejected."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune of February 26, 1957]

REMEMBER FUGITIVES FROM RED TYRANNY?

Remember the wave of sympathy and hospitality that swept this country during and immediately after the revolt in Hungary last fall?

Even some of the Nation's most hard-bitten anti-immigration spokesmen called for welcoming the victims of Communist tyranny to this country.

In the first month after the October uprising more than 100,000 Hungarians fled to Austria, placing an intolerable burden on that small country. The Government at Washington first agreed to take 5,000 refugees, using for the purpose a block of visas still available under the Refugee Act of 1953. Last December the President increased the number to 21,500, of whom 6,500 would receive permanent immigrant visas and 15,000 would be "paroled" under the permanent immigration act.

After Vice President NIXON's visit to Austria, his pleas for humanitarianism and generosity were applauded all over the country.

By the end of January, Austria had admitted more than 168,000 Hungarian fugitives and of that number 105,000 had been evacuated to other countries. More than 34,000 refugees had entered the United States, the majority as parolees. Many are skilled people.

Early in February President Eisenhower delivered a special message to Congress asking for emergency legislation to allow the entry every year, under the so-called parole provision of the McCarran-Walter Act utilized for the Hungarians, of about 67,000 fugitives from that country. He asked also for discretionary power to permit parolees to remain as permanent residents. In addition, he recommended revision of the act to raise the allowable total of quota immigration and to authorize pooling and redistribution of unused quota numbers.

Meantime, time has whirled on. Russia put down the revolt in Hungary, sealed up the borders and defied the United Nations. More than 60,000 Hungarians still languish in temporary camps in Austria, creating a heavy burden on that country and a growing problem among themselves. Tired of waiting, and realizing they are all but forgotten, their morale has suffered. Many have become bitter and suspicious of each other as rumors sweep through the camps.

In addition to the fugitives who fled to Austria, many thousands went into Yugoslavia. Here only 1 camp was available, with a capacity of 1,000—about one-tenth of the need. Yugoslavia has been able to do little for these people, and gradually, in disillusionment and desperation, they are shuffling back to their oppressed homeland. Several hundred a week go back to Hungary.

Meantime, Congress marks time. The administration bill, considered by many as going only part way in meeting the tremendous overall problem, is bottled up in committees. Chairman of the Senate group is Senator EASTLAND, of Mississippi. The House committee chairman is Congressman WALTER, of Pennsylvania, who helped write the Immigration Act and opposes any change in it. Neither of these men has registered any interest in opening wider the golden door. Mr. WALTER has registered frank antagonism.

Neither the administration or other sponsors of legislation to liberalize immigration regulations is seeking unrestricted entry into this country. While Mr. Eisenhower would make quotas more realistic and up to date, he has not proposed scrapping the national origins theory so dear to some antiforeigner blocs.

Time is of essence. Our lofty deductions about humanitarianism are beginning to appear more than a little cynical to those waiting in refugee camps and the many concerned with their fate. If for no other reason, Congress should act promptly to give legal status to the refugees the administration has already admitted.

Mr. WATKINS. Mr. President, this hard-hitting editorial makes an extremely good case for expeditious action upon the administration's proposals for revision of the Immigration and Nationality Act of 1952, and I applaud the interest shown by all our major newspapers in the refugee and immigration problem.

However, there is one aspect of this excellent editorial with which I am in disagreement, and I feel obligated to state my position on it so that there be no unfairness or misunderstanding resulting from this otherwise sound and eminently merited editorial statement.

The editorial justifiably demands that action on these needed revisions be expedited, so that the proposal will not die in committee. As a sponsor of remedial measures in both sessions, I have deep personal interest in this matter, and most certainly applaud the newspaper's objectives in demanding congressional action on this vitally needed legislation.

However, the editorial places some of the blame for the delay on my colleague, the Senator from Mississippi [Mr. EASTLAND], and charges that the immigration amendments are bottled up in the Senate Judiciary Committee.

Such is not the case. In all fairness to the Senator from Mississippi, I wish to state publicly that to my knowledge he has taken no such action to hold up consideration of the proposed legislation.

The delay in the Senate this session actually is occasioned by the great volume of work which has flooded upon the Judiciary Committee and its members since the session opened. In fact, one of the time-consuming jobs which has occupied much of our time is the civil-rights hearings, which Chairman EASTLAND and the other members of the committee have given a priority. I happen to be a member of the Constitutional Rights Subcommittee, as well as the Immigration and Nationality Subcommittee; so I think that I am in a position to evaluate committee performance on these two important subjects. I also happen to be a member of the Internal Security Subcommittee, and it has a full schedule of important hearings under Chairman EASTLAND.

It is my hope and my belief that our Immigration Subcommittee can proceed to consideration of the immigration proposals just as soon as committee action is completed on the civil-rights legislation. And it is my opinion that Chairman EASTLAND will cooperate to give this immigration legislation prompt consideration when the other matter is out of the way. The chairman of the Judiciary Committee always comes in for considerable criticism from all parts of the country, whatever he does, but as a minority member of the committee I am pleased to state that the Senator from Mississippi has conducted himself as a fair and efficient chairman of this overworked and overabused committee.

As for the congressional delay of many months in effecting needed improvements in the Immigration Act, as charged by this editorial, is concerned, we must accept the weight of this criticism, for it is most assuredly justified. The Congress failed to enact needed improvements in the Refugee Act of 1953, as requested by the President in May 1955. It similarly has failed to enact needed improvements in the basic Immigration Act, as requested by the President some 13 months ago.

As the Tribune editorial so aptly states—

> Time is of essence. Our lofty deductions about humanitarianism are beginning to appear more than a little cynical to those waiting in refugee camps and the many concerned with their fate. If for no other reason, Congress should act promptly to give legal status to the refugees the administration has already admitted.

I most certainly join this newspaper in saying "Amen" to those conclusions.

THE REGULATION OF IMMIGRATION AND NATURALIZATION

Mr. STENNIS. Mr. President, in our recognition of the gallant stand against Communist oppression made by the Hungarians last year, we have responded in a typical emotional attitude by admitting refugees from that unhappy country on a sympathetic basis rather than by the spirit of the law regulating immigration and naturalization.

With the expiration of the Refugee Relief Act on December 31, 1956, it has been necessary for most of these refugees to be admitted through an unusual, tortured interpretation of the parole provisions of our immigration law. Six thousand three hundred and twenty-two have been admitted under the Refugee Relief Act; 20,382 have been admitted under the parole provision, from November 14, 1956, to February 20, 1957.

Mr. President, I ask unanimous consent that there be printed in the RECORD

at this point in my remarks the pertinent provision of the law dealing with parole.

There being no objection, the provision was ordered to be printed in the RECORD, as follows:

Volume 8, United States Code, section 1182 (d) 5, Immigration and Nationality Act (1952): "The Attorney General may in his discretion parole into the United States temporarily under such conditions as he may prescribe for emergent reasons or for reasons deemed strictly in the public interest any alien applying for admission to the United States, but such parole of such alien shall not be regarded as an admission of the alien and when the purposes of such parole shall, in the opinion of the Attorney General, have been served the alien shall forthwith return or be returned to the custody from which he was paroled and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States."

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. WATKINS. As a member of the Subcommittee on Immigration and Naturalization and also as a member of the Subcommittee on Refugees and Escapees, I should like to call the Senator's attention to the fact that measures have been introduced which will take care of the situation to which he refers. I should also like to call to the Senator's attention the fact that the Refugee Act expired on December 31, 1956.

Mr. STENNIS. If I may interrupt the Senator, I have just stated that the Refugee Act expired on December 31, 1956.

Mr. WATKINS. There are measures pending before the committee, which have not been acted upon, and which will take care of the situation to which the Senator refers.

Mr. STENNIS. That is the proposed legislation I was going to urge, if I may say so. I urge that a long-range program be considered, and that Congress be given an opportunity to enact such legislation, instead of having a continuation of the present practice of admitting refugees under the so-called parole provision.

Mr. WATKINS. I agree with the Senator from Mississippi. I do not believe that the parole clause in the act was ever intended for the purpose for which it is being used. It is apparently being interpreted as being sufficiently broad to make it possible to admit the Hungarian refugees. I appreciate the Senator's comment.

Mr. STENNIS. Let me assure the Senator that my remarks are not in criticism of the committee, but are merely intended as a discussion of the subject, pointing out the need for appropriate legislation. I have had a chance to read S. 7772 which touches on a part of this program. I believe its terms are confined to alien children. I have not made a full study of all the bills which the committee has before it. There is need for a different approach and a long-range approach, which I am urging, rather than a continuation of the parole provision to which the Senator has referred.

Mr. WATKINS. I called the Senator's attention to the measure which I introduced which would take care of the long-range provisions. It contains that which was suggested and called for by the President in his special message to the Congress.

The reason why we have not been able to get hearings on this proposed legislation up to this time is that there is a heavy list of bills now before the committee. We have been holding hearings on civil-rights proposals and what not, and the committee has not had an opportunity to get around to the subject of immigration. I am sure the chairman of the committee will call hearings just as soon as we can reach the point where hearings can be proceeded with.

Mr. STENNIS. I am sure the chairman of the committee will do his part, as will all other members of the committee. I do not believe civil-rights measures should be considered to the exclusion of all other measures, but I know that any bill which is in the hands of the Senator from Utah is in good hands and that he will give it his utmost.

The January 1957 estimate of the Department of Labor places the number of unemployed now in the United States at 2½ million. To be eligible for inclusion in this category, as I understand it, a person must be not only unemployed, but physically able and willing to work.

With the wholesale admission of refugees, it is inevitable that competition for existing and future employment opportunities must arise between residents of this country and the new arrivals being admitted on an emotional basis. To be good and useful citizens of this country, people admitted to this Nation must be given the opportunity to find gainful employment, adequate housing, and other necessities. But our primary responsibility is to the people already here. The fact that 2½ million are unemployed is evidence that we have failed to look after our own.

Mr. President, I come from a section of the country where one of the great problems is the so-called farm problem. Everyone familiar with it knows that thousands of people are finding it necessary to leave their homes on the small farms, persons whose families have made their homes and their living there for a hundred years, in some cases for 200 years. That is one of the most severe and acute problems we have in my area of the country. There are great hordes of displaced farm people. That is not confined to one race, but applies to both races. Instead of becoming better, conditions are becoming worse and more acute. There are not sufficient industrial jobs for the persons who are leaving the farms. We have no long-range policy. Thousands of refugees are being brought into this country, and the result is almost immediate competition, absolutely forcing people away from their farms and their homes.

Further, there is a continuing problem as far as our national security is concerned. A serious question has been raised in Congress and elsewhere as to the adequacy of the screening of refugees already admitted, and there is evidence that this screening was not so thorough as it might have been. A current item from the Washington Post and Times Herald of February 28, 1957, reads as follows:

HUNGARIANS ARRESTED AS RED AGENTS

VIENNA, February 27.—Austrian police have arrested two Hungarians suspected of being secret agents of Premier Janos Kadar's Communist government. They were nabbed a few minutes before boarding a plane for the United States.

Police said the men, identified only as Dr. Kurt J., 55, and Josef S., 35, had faked passports and visas. They are suspected of being connected with a group of forgers turning out false documents for Red Hungarian agents going west.

It was learned the pair had confessed to some of the police accusations.

Austrian police authorities believe a number of excellently forged documents have been distributed to Hungarian Communist agents who made their way into Austria with the hordes of refugees following the anti-Russian rebellion. The police believe many of the Red agents already have moved on to the United States, Australia, and Canada to spy on legitimate refugees or to try to entice them back to Hungary.

Some 8 million American people live in direct contact with our security program—2½ million Government employees, 2½ million military personnel, 3 million industrial employees. While this program itself is under constant study and reappraised, it is a fact of life for these 8 million Americans involved.

I believe that our national safety against subversion and other defections requires no less than that immigration through other than established channels be conducted in such a manner that the screening of the individual immigrant is sufficient to protect our national security. It should be at least as thorough as that to which citizens of the United States are subjected in order to hold Government jobs, work on classified defense contracts, or serve in our Armed Forces.

The best information I can get on the subject is that the screening which is going on is not as thorough and explicit with reference to each individual as is the screening of our own citizens.

Again, let me emphasize that while we all admire the gallant people of the satellite countries in their heroic struggle for freedom and liberty, I do not believe that America can be made more strong or resolute in its determination to stop Communist imperialism by weakening our security structure, nor by disrupting the domestic economy by preempting jobs otherwise available to unemployed American citizens.

Far from being indifferent to their plight, we should concentrate on finding other remedies to the problem, on a voluntary basis, acceptable to all parties concerned.

One matter which deserves serious consideration is establishment of a freedom corps to be composed of escapees from the Iron Curtain countries, formed into combat units, and made an integral part of the NATO forces.

Serious and practical consideration should be given by the executive and legislative branches for the utilization of every manpower resource to bolster the defense of the free world, particularly when this manpower could come from voluntary sources. It no longer seems reasonable to ignore the possibility of organizing thousands of young men who have escaped Communist tyranny into military tactical units, perhaps of battalion strength, composed on a nationality basis, serving under their own officers and their own flags, unified at the top probably by an American officer in command, and integrated into the NATO forces.

It will be recalled, Mr. President, that there has been a law on the books for several years known as the Lodge Act, which permits taking nationals into our Armed Forces and giving them citizenship. The plan is to try to utilize a very high type of young manpower in such a way as greatly to strengthen the military force without imposing a corresponding burden.

There is an abundance of evidence of the intense willingness and ability on the part of these young refugees to participate in such a program. It is probable that military installations might be made available by Western European or other NATO countries under their treaty obligations, and that the cost of maintaining such voluntary units could be shared in some equitable manner among the NATO member countries.

Certainly such forces, homogeneous in composition, would create a serious threat to any Communist plan to employ satellite troops in armed aggression. It is doubtful that such satellite troops would serve against free units of their own nationality. The Communists have learned by experience that when free men associate with the satellite people, Communist ideology cannot be counted upon to prevail.

Perhaps another approach would be the orderly assimilation of refugees in countries whose economy suffers from the lack of special skills which refugees bring with them, and in those underpopulated countries where immigration is encouraged.

I am interested in the work of the Intergovernmental Committee on European Migration, and think that serious consideration should be given to implementing this program by providing more assistance to refugees locating in the participating countries. Special encouragement could be given by the United States, as a member nation of the committee, to the enlargement of its scope and the effectiveness of its operation in the relocation and resettling of these refugees in countries where the economy indicates a need for large-scale immigration.

I offer these two approaches to this problem which is confronting the United States, and I feel that both should be considered seriously by all appropriate agencies of Government. These seem to me to be desirable alternatives to the continuation of the philosophy of the Refugee Relief Act. At the same time they are humanitarian and economically reasonable programs, inuring to the benefit of all individuals and countries concerned, and contributing to the defense and economy of the free world.

SIXTIETH ANNIVERSARY OF NATIONAL CONGRESS OF PARENTS AND TEACHERS

Mr. DOUGLAS. Mr. President, beginning a new page in its history, the National Congress of Parents and Teachers has just celebrated its 60th anniversary. The actual date of the founding was February 17, 1897.

Originally known as the National Congress of Mothers, the congress was the brain child of Mrs. Alice McLellan Birney, of Marietta, Ga., the wife of a Washington attorney. She was aided by Mrs. Phoebe Apperson Hearst, wife of the Senator from California and mother of the famous founder of the well-known newspaper chain.

Between the idea and the execution lay a long road of effort. Countless hours were given to planning. Large numbers of people were talked to; hundreds of letters were written. With the eventful day of the first meeting set, the two founders hoped that at least 50 mothers would come. To their astonishment, thousands of women—even men—flowed into the meeting place like a tidal wave. They filled the ballroom of the Arlington Hotel, sat on the window ledges, blocked the doors. Hundreds were turned away. Today, with its nearly 11 million members, the National Congress of Parents and Teachers is one of the largest voluntary organizations in the world.

What lay back of this surprising demonstration of interest on that day 60 years ago? It was not alone the great names that spoke from the platform or the fact that delegates were to be entertained in the White House.

Underneath the era bustling with growth, there was a current of social unrest. Congressional committees investigated huge trusts. Demands were heard for shorter hours, an end to sweatshops. Safety regulations in factories, workmen's compensation, a tax on incomes, were suggested. Educators called for increased school appropriations, better teacher training, more practical curriculums. A need for educational planning for handicapped children was brought to public attention by the 16-year-old Helen Keller.

In the tenements, children died of neglect. Hundreds of others not yet in their teens worked long hours at menial tasks in mines, factories, and mills, on farms, and in domestic service. The time was ripe for reform, especially for a movement concerned with child welfare. The Congress of Mothers had touched upon basic wants.

Since then, the National Congress of Parents and Teachers has functioned almost without deviation from the plan as laid down by its originators.

Nonmembers of the PTA are sometimes surprised when they hear the National Congress of Parents and Teachers spoken of as a powerful movement in American life. Yet it is perhaps the most truly American of all the groups of its kind in the country. It has developed and continues to develop public awareness of the needs of children and youth. It strives to encourage and formulate public action for the improvement of conditions in any community for the successful growth and development of all children. Its contributions to American life, and its accomplishments, have all been of profound social significance.

On this 60th anniversary, its many friends wish for the PTA an active and fruitful future. The needs for better schools and more of them are acute. The necessity for combatting the influences that cause delinquency and discrimination is clear. Library, recreation, and health services must be expanded. The forgotten children of migrant workers must be cared for. Let us hope the PTA's will help to awaken America from its complacency, so that it will offer a full measure of the opportunities and obligations that go with freedom to all of America's younger citizens.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I am prepared to make an announcement concerning the program for the Senate next week.

On Monday morning, pursuant to the order previously entered, the Senate will convene at 11 o'clock.

Following the approval of the Journal and the transaction of morning business, 1 hour has been set aside, by a special order of the Senate, for the Alexander Hamilton Bicentennial Commission.

It is the intention of the leadership to permit committee meetings to be held on Monday morning. Any committee chairman who desires to have a committee meeting may make his request, and I feel certain the Senate will grant that privilege, although on yesterday it was not thought that such a procedure would be possible.

During Monday there will be a discussion of the unfinished business, with the general understanding that no votes will be taken. I have reached that agreement with the distinguished minority leader and with other Senators on both sides of the aisle.

It is planned to have the Senate convene early on Tuesday morning, perhaps at 10 o'clock, or even at 9:30. If we may have the cooperation of each Member of the Senate, it is hoped that it will be possible to dispose of all the amendments on Tuesday and perhaps reach a vote on Tuesday. If that is possible, by continuing into the evening hours, even until as late as 10 or 11 o'clock, the leadership is prepared to have the Senate stay in session that long.

If it appears that it will be impossible to have a vote on the resolution on Tuesday, it is the plan of the leadership to have the Senate convene early on Wednesday and on each day thereafter until the vote is taken.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Texas has the floor.

ONE HUNDRED AND TWENTY-FIRST ANNIVERSARY OF THE INDEPENDENCE OF TEXAS

Mr. JOHNSON of Texas. Mr. President, on this day 121 years ago Texas became an independent nation. On March 2, 1836, the settlers adopted their Declaration of Independence, separating Texas from Mexico and setting off a chain of events that shaped the history of the entire western part of the United States.

I would not want this day to pass without addressing some words in commemoration of Texas independence. When you understand the significance of this day in the hearts of all Texans, Mr. President, you will understand what it is that makes us feel we have something very special and precious.

Actually, this was just about the darkest hour in Texas history for the folks in 1836, who were homesteading that vast land of indefinite boundaries on the border between Latin and Anglo-America. Those people had come to this land prepared to become permanent citizens of the Republic of Mexico.

But Mexico, itself, had only recently thrown off its Spanish yoke, and in its own new-found independence had entered a bewildering period in which a series of revolutions had made consistent policy on any matter almost impossible. When conditions became intolerable for the colonists, they began to resist.

About this time 121 years ago General Santa Anna and a well-equipped force of soldiers had the Alamo under siege, and the Alamo was to fall a few days later. Texas forces were in retreat, fleeing the army of conquest. The site of the provisional government was constantly changing, and on March 2 the settlers stopped long enough at Washington-on-the-Brazos to hold a convention and declare independence for the Mexican colony of Texas.

This declaration would have been of little consequence had not Sam Houston and his army defeated and captured Santa Anna at San Jacinto on Buffalo Bayou on April 21 of the same year. But those people did not know that on March 2, and the 59 settlers who signed the document fixed their death penalty before a firing squad if the revolution failed.

Sam Houston was one of the signers. There were Anglo-Saxons and people of Spanish origin, all of them bound together in an effort to win those very freedoms on which the United States was established. The signing was done in a small blacksmith shop in Washington-on-the-Brazos, a mere way station in the flight of the convention members.

The document to which they affixed their names concluded:

> We, therefore, the delegates of the people of Texas, in solemn convention assembled, appealing to a candid world for the necessities of our condition, do hereby resolve and declare that our political connection with the Mexican nation has forever ended and the people of Texas do now constitute a free, sovereign and independent republic and are fully invested with all the rights and attributes which properly belong to independent nations. Conscious of the rectitude of our intentions, we fearlessly and confidently commit the issue to the decision of the Supreme Arbiter of the Destinies of Nations.

The colonists thereby rested their cause on Natural Justice and the Eternal Supreme Power. Sam Houston's defeat of the Mexican army 7 weeks later secured those liberties for all time.

So that is why we think of our heritage as something special. It is not the bigness that makes us feel this way. It is neither the bigness nor the wealth nor the resources; it is the spiritual richness that come from the bright, shining memory of how we won our liberty and our Republic.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. MORSE obtained the floor.

Mr. JOHNSON of Texas. Mr. President, I have an engagement with a very distinguished American at 3 o'clock, and I should like to leave the floor now. I have given my colleagues on both sides of the aisle assurance that no business will be transacted which will require their presence for a yea and nay vote or a quorum call.

Will the Senator from Oregon accommodate me by agreeing to move, at the conclusion of his address, that the Senate take a recess, in accordance with the order previously entered, until 11 o'clock on Monday morning?

Mr. MORSE. I shall be glad to oblige the majority leader.

Mr. JOHNSON of Texas. I thank the Senator from Oregon.

Mr. MORSE. Mr. President, in cooperation with the majority leader, I have agreed to make this speech in opposition to the so-called Eisenhower doctrine now. I am delighted to do it this afternoon as an accommodation to the majority leader and my other colleagues. However, this will not be the last speech I shall make in opposition to the resolution, but it is another installment. In the series of speeches I have given, I have sought to discuss various issues involved in connection with this exceedingly dangerous doctrine, one which I am satisfied future historians will record as a very black chapter in the book of the Eisenhower administration. I hope they never have to record it as a red chapter; but one of the reasons why I oppose the joint resolution is my fear that there is a possibility that historians may have to record it as a chapter written in blood. I say that, Mr. President, because in my opinion the Eisenhower doctrine will not be helpful in the promotion of peace in the Middle East—for reasons which I shall set forth later in my speech.

Before I turn to my prepared speech, I wish to place in the RECORD my reply to an argument I heard this afternoon on the floor of the Senate, advanced by a colleague for whom I have great love and affection and the highest of regard, but to whom I am as sincerely opposed, in connection with this joint resolution, as any two men with honest differences of opinion could be opposed. I do not question the sincerity of any of my colleagues who sought to justify, on the basis of the argument to which I shall now reply, their vote against the Russell amendment. On yesterday, I discussed this matter to some extent, when I sought to reply to the Senator from Massachusetts [Mr. KENNEDY]. I did so because the Senator from Massachusetts advanced the thesis. However, he has not been alone; a good many of the Members of the Senate with whom I find myself in agreement on most issues, and who are in the so-called liberal wing of the Senate, are voting differently on the resolution than I am, and did vote differently on the Russell amendment. I think that is good proof that the liberal Members of the Senate are Members of great independence of judgment and deep and honest convictions; and when we disagree, we do not hesitate to express the disagreements on the floor of the Senate.

Mr. President, I am sorry that so many liberals in the Senate are going along with the Eisenhower doctrine, for I am satisfied they will find in the not-too-distant future that they cannot reconcile their votes on the Eisenhower doctrine with sound constitutional liberalism. I think they are going to find that out from the American people, for I am satisfied that they will discover that the American people are becoming more and more informed about the dangers of that doctrine, and recognize that it cannot be squared with constitutional liberalism. They are also going to discover that many persons in the United States are not going to buy the rationalization of those who say, although the resolution is bad in many respects, and should not have been sent here in the first place, yet, inasmuch as it has been sent here, and inasmuch as the President has committed himself to the world in support of the resolution, in some way, somehow, it has become their duty to back up the President in a mistake. Mr. President, I do not want to write that kind of fallacious reasoning into my record. I care not in what logical form those who take that position may try to put their premise—whether in a syllogism or in some other form—regardless of that, when they come to the conclusion they have reached, they cannot reconcile it with their major and minor premises.

Mr. President, the fact is that if the joint resolution is a mistake, then I wish to say on the floor of the Senate that any Senator who thinks it is a mistake should be voting against it, and should not be seeking to alibi and to rationalize a vote for it, on the ground that he is going to back up the President in a mistake. I respectfully point out that what those Members do not seem to realize is that by that argument they really are challenging our form of government; and by that argument, they seem to me to be abdicating what I consider to be the duty of a Senator, namely, to hold the President to the constitutional system.

Mr. President, if any President of the United States—either the present one or

any other President—sends to the Congress a proposal which a Member of the Senate of the United States thinks is a mistake, then Senators do not strengthen our form of government by upholding the hand of the President in that mistake. Instead, under our system of government, with a legislative branch which has the obligation under the Constitution of checking a President in his mistakes, Members of the Senate have the clear duty of voting against a recommendation of a President they believe to be a mistake. So we are wrong if we try to "alibi" a vote in support of a mistaken President.

I hope this statement will make perfectly clear the position I take, for it is the position I shall take on the platforms across America on this issue and on any other issue when any Member of this body tries to follow that kind of argument. That argument has such serious implications that we shall have to find out, from the political platforms of the country in the years immediately ahead, whether we are to stand by our constitutional system or whether we are to have a Congress which will abdicate more and more and more of its constitutional authority, and its constitutional duties and obligations, as well.

So, Mr. President, as a liberal I wish to protest today what I consider to be the weakening of constitutional liberalism in America by Senators who say of the pending measure, "It is a bad resolution, but I shall vote for it so as to uphold the President, because if I do not, I am afraid the President may stand naked before the world."

As I said yesterday on the floor of the Senate, I repeat today and will repeat in a good many places in the months immediately ahead: It is about time that Members of the United States Senate who are members of the Democratic Party stopped supplying Dwight D. Eisenhower with his political clothes. His mistake in this joint resolution is not our mistake; it is his. So it is about time the Members of the Senate who are members of the Democratic Party placed the responsibility for these mistakes right where they belong, namely, on the doorstep of the White House.

As my colleagues know, I never was a political honeymooner with this administration. On inauguration day, I recognized what we could expect from this administration. That is why I stood alone in the Senate and blocked confirmation of a Cabinet which I knew needed the closest of scrutiny by the Senate, when on Inauguration Day in 1953 an attempt was made to steamroller confirmation of that Cabinet through the Senate. There followed days of historic debate which showed at the very beginning of this administration that it was honeycombed with conflicts of interests.

I submit, Mr. President, that the weaknesses of this administration, as shown on Inauguration Day, 1953, are carried forward in the pending resolution. This is an administration which time and time again has sought to increase its arbitrary discretionary powers, at the expense of a system of government by law, and I offer the pending resolution as Exhibit A in the present debate.

As I said in my exchange with the Senator from Wyoming [Mr. O'MAHONEY] a couple of hours ago, I should think all any Senator would have to know about the resolution, as he comes to analyze the great constitutional argument the Senator from Wyoming has been making throughout the course of his historic debate, is that John Foster Dulles, the spokesman of Dwight D. Eisenhower, refused to accept in committee an amendment which would have required the President to report to the Congress, and obtain the approval of the Congress, before he sent American boys, if it became necessary under the resolution, to die in the Middle East. When an administration is not willing to accept an amendment whereby it would be required to have the President come before a joint session of Congress and present facts which, in his judgment, would justify sending American soldiers to their death in the Middle East, we had better take a long look at our duty as Senators under the Constitution before we vote for a resolution that asks for an unchecked power on the part of the President to follow that course of action in the Middle East—even if one does not want to accept my statement that they would go into action to defend Arabian oil.

If that is not enough, Mr. President, then a Senator ought to be on guard when he reads the record and see that the Secretary of State refused to accept another amendment, namely, one which provided that if there should develop an emergency so great that the President felt he could not wait the length of time necessary to enable him to come to Congress and address a joint session, before sending American boys into action in the Middle East, he would agree to come before Congress forthwith thereafter and give us the facts which he felt justified his course of action, and submit the facts to the Senate or House for approval or disapproval. When we offered that amendment to John Foster Dulles, who is Dwight D. Eisenhower's spokesman in this matter, he rejected it.

That is why the Senator from Wyoming [Mr. O'MAHONEY] and that great judge from North Carolina, with his brilliant service on the North Carolina Supreme Court before coming to this body—I refer to the Senator from North Carolina [Mr. ERVIN]—have been outspoken in their opposition to the resolution, on constitutional grounds.

This administration has evidenced in the committee hearings, throughout this issue, that it does not want to submit to any checks. That is why I am greatly concerned when alleged liberals in the Senate are willing to go along with this kind of an undermining of our system of constitutional checks. I am shocked by it. I would be derelict in my obligations under my oath of office under the Constitution if I did not say so, although I know my saying it will not make me popular in some quarters. But we as individuals do not count; what is important is history and the historic course of my country.

In my speech a few days ago I read from statements of Alexander Hamilton shortly after the Constitutional Convention, when the Republic was born. I recommend a reading of his statements by my liberal colleagues who are going along with the resolution, because Alexander Hamilton, in those outstanding statements, as set forth in the Federalist papers, pointed out the purpose of reserving completely to the Congress the power to declare war. He made it very clear that giving the President of the United States the power, as Commander in Chief, over the Armed Forces did not in any way or form give the President any power whatsoever to declare war or to commit an act of war.

That is why I pointed out last Thursday, Mr. President, and that is why I would drive it home again today, that the resolution, both in its original form and in its modified form, still places the President of the United States in a position where he can commit an act of war in the Middle East without first submitting himself to a congressional check. I choose my words very carefully. I want the RECORD to show that, in my opinion, that undermines our constitutional system of government, and I shall be no party to supporting the present President or any other President in an undermining of our constitutional system of government.

In the course of the debate this afternoon my beloved colleague, the junior Senator from Oregon [Mr. NEUBERGER], expressing views not only of himself, but views which have been shared in this debate by other Senators, said, in effect, he would oppose the Russell substitute resolution because, "If it is wrong for us to be in the Middle East with $200 million in economic aid, then it is many times as wrong to authorize American soldiers to fight there." That is a non sequitur, Mr. President. I wish to make it very clear that in favoring the Russell amendment I do not oppose economic aid in the Middle East; I oppose only bad economic aid in the Middle East, based upon a principle of government irreconcilable with constitutional checks on the President. That is the basic issue. The Russell substitute resolution, as I pointed out in debate yesterday, has nothing to do with any proposal to bring to an end economic aid in the Middle East.

Yet the type of argument to which I have just referred seems to imply that the opponents of the Russell amendment—or at least some of them—feel that it would bring to an end economic aid in the Middle East. Our economic aid program would continue, save and except that the Russell amendment would bring to an end the exercise of arbitrary capricious discretionary power on the part of the President of the United States to spend $200 million of the taxpayers' money as he deems necessary or desirable, without being willing to make a single commitment to the Congress of the United States at this time as to what he proposes to do with the $200 million.

I think we must engage in very frank speech on this subject. One cannot cross-examine the Secretary of State, as I did at some length in our joint hearings; one cannot listen to the Secretary of State for days, as I listened to him in

our joint hearings, without forming some very definite impressions.

One impression I formed is that there are very good reasons why the President and the Secretary of State do not want to tell us what they propose to do with this money until they first get it and obtain complete control of it under this resolution. One reason is that if they did tell us, and we wrote into the resolution a reservation designed to check them in the expenditure, they know very well that a good many of their expenditures would be prevented by the Congress. That is my honest belief. It must be speculative, because we could not get a single statement from the Secretary of State with regard to the expenditure of a single dollar. Let us not forget that when he spoke, the President of the United States was speaking to us, because as the Secretary of State, he sat there as the President's spokesman.

The interesting thing about this administration is that it is very careful to engage in all its questionable policies after it obtains a legislative authorization. As I have said in connection with another issue, the natural-resources issue, the administration does its "Teapot Doming" under the law; but the effect on the public is just the same. The public is just as much defrauded so far as its heritage in its own natural resources is concerned. So here, Mr. President, we shall find the administration getting the legal authorization to do what it wants to do in the Middle East with $200 million; but I do not like the idea of what I think it might do with some of the $200 million, and what I honestly believe, in all probability, it will do.

Some of my liberal friends in this debate have said, "Oh, we have the Johnson amendment in the resolution, requiring that 15 days before the administration spends this money it must file with the committees a report as to what it is spending it for."

That is only a gesture. To be fair, however, I must admit that it has at least the advantage of making a record as to what the administration proposes to do with the money. But that is no check. The administration is very careful to avoid the check.

The check should be a requirement that the administration make the report and spend the money only if, after it makes the report, the Congress approves of the expenditure. The 15 days will have expired before many Members of Congress will even know that a report has been filed. This is one of the little procedural devices which is used to draw men to vote for something they are not very happy to vote for and give them a rationalization that they may be able to use back home in explanation to their constituents.

While it is desirable to have a report 15 days ahead, it is many times more desirable to have written into the resolution a checking requirement that, after the administration tells us what it proposes to do with the money, it should then obtain approval for such expenditure.

I say again, as I have said so many times in the past 12 years in protesting the exercise of arbitrary discretion on the part of Presidents, that it is a dangerous thing to build up a White House with that kind of arbitrary discretionary power. I have opposed, under Democratic administrations as well as under this Republican administration, giving to any President this kind of unchecked spending power. Forget about this President. Think about the office of the Presidency for a moment.

In my judgment all we are doing here is setting a precedent for the future when we give to a President X millions of dollars. As the Senator from Arkansas [Mr. FULBRIGHT] has stated several times in this debate, we are setting a precedent, not for the expenditure in the future of $200 million under this legislative device, but expenditures of many billions of dollars. That is what this precedent would lead to. If we give the President the power to spend many millions of dollars and he makes a commitment for some project in Saudi Arabia, Egypt, Iran, Iraq, Jordan, or any other Middle East country that will involve many times $200 million, do Senators think that after we have sunk the first millions into the project some future Congress will not be behind the psychological "eight ball," so to speak, and feel compelled to vote additional sums of money?

The present Presiding Officer of the Senate, the distinguished Senator from Georgia [Mr. TALMADGE] made one of the most brilliant analyses of this subject in his speech the other day, when he pointed out the great dangers of this kind of economic aid in the Middle East. I commended him then. I commend him now for the record he has made. What I am doing in this speech today is developing, in part, some of the points made in the speech of the present Presiding Officer the other day. Running through that speech is the very sound principle of urging that we be on guard against the extension and expansion of unchecked Executive power.

When it is said on the floor of the Senate, in effect—and I know I paraphrase the statement accurately—that if it is wrong to have 200 million American dollars in the Middle East, it is much more wrong to have American boys there, another part of my answer to that non sequitur is that there is a very grave danger, I fear, that this resolution will result in sending boys into the Middle East to die because of unchecked Presidential powers, if the present President or some future President is maneuvered into a warmaking act or position by Arab dictators. It is that problem which alarms me very much.

In the Middle East we are dealing with Arab leaders who simply do not have our conception of human rights. They do not conduct governments based upon the fundamental freedoms inherent in our Bill of Rights. Arab dictators are as totalitarian as are Communist dictators.

So far as the individual is concerned, it makes very little difference whether he is downtrodden by communism or by fascism or by absolute monarchy. I oppose all totalitarianism. To those who make that argument, I say that if it is wrong to put $200 million in the Middle East, it is equally wrong to send American boys to the Middle East.

Serious consideration should be given to the danger, through secret diplomacy—and there are no open covenants in this matter—of having Arab dictators maneuver and manipulate the Middle East until they find themselves in the position where they may be militarily attacked and then, under the Eisenhower doctrine, may make their plea for American boys.

Tell it to American mothers and fathers.

I say to my colleagues, "Go to the crossroads of America and try to sell it to the mothers and fathers of America, and you will get your answer." That is what will happen as the mothers and fathers become more and more aware of the danger inherent in the Eisenhower doctrine.

Those of us who are speaking out, as I am doing, in opposition to it, and who for some time in the immediate future will be abused and castigated for our opposition to the doctrine, will eventually be sustained, on the basis of sound constitutionalism, because we are right. Even our liberal colleagues, who have left us on this issue, tacitly admit in their speeches that we are right on this point; "but," say they, "the fat's in the fire; the President has made a mistake, and we cannot let him remain in the position before the world of not being sustained."

Mr. President, I have always thought one of our duties as Senators, when the President made a mistake, was to give him the opportunity to correct it. That we have done. That is why amendments were offered in committee by some of us. That is why other amendments will be offered on the floor of the Senate before the debate comes to an end. That is the way to handle the problem.

What all of us ought to do is to rally behind the amendments which will get the President out of the fix in which he has put himself. Now is the time to correct his mistake. Have we reached such a point, have we veered so far from the proper concept of our system of government that if the President takes the lead first, we will simply follow, instead of bringing him back to the basic principles of constitutionalism for which the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE], and other Senators have been pleading in the debate?

No, Mr. President, it is not a question of whether it is wrong to expend American money in the Middle East. I am perfectly willing to spend American money in the Middle East under a point 4 program, with all the restrictions and limitations and checks which attach to the authorization and appropriation of money to the Middle East, or for any other part of the world, under a point 4 program, within the provisions of the so-called mutual-security program.

Those who are making the argument to which I have alluded are not correctly stating the position of the proponents of the Russell amendment. It is not a

question of having $200 million available for expenditure in the Middle East. We have available many more millions of dollars than that. It is a question, rather, as to whether we are going to vote to the President the unchecked power to take $200 million of the taxpayers' money and spend it in any way he deems desirable. That is the issue.

The statement that it is equally wrong to subject American boys to service in the Middle East is completely irrelevant to the issue involved in the Russell amendment.

I would have preferred not to make this argument today. I make it in answer to the argument presented by colleagues in the Senate for whom I have the highest regard. My disagreement with them, as every one in the Senate knows, is not a personal disagreement. My disagreement with them is a highly professional one, based upon a great difference of opinion over what I consider to be one of the most vital issues that will confront Congress at this session.

I am fearful of the dangerous implications of the resolution, and I am so fearful of them that I have deemed it my duty to reply to this argument, although I would have very much preferred for personal reasons to have remained silent on the subject.

I now turn to my prepared remarks.

Mr. President, I oppose the pending joint resolution, Senate Joint Resolution 19, entitled, "To Promote Peace and Stability in the Middle East," on two principal grounds:

First, it does not conform to the processes required by the Constitution of the United States; and second, even if it did so conform, it would still not accomplish its stated aims.

Let me discuss these objections in reverse order.

I. THE POLICY CONSIDERATIONS

Leaving aside for the moment the constitutional objections to the resolution, from the point of view of foreign policy alone, the resolution is totally misdirected. The crisis it purports to meet does not exist. The crisis which does exist is not to any degree met by the resolution.

I said on the floor of the Senate January 25:

> I am waiting for the first scintilla of evidence to be presented by the Secretary of State that there is any danger of an armed attack by the Soviet Union in the Middle East.

That was more than a month ago, and I am still waiting.

Again, Mr. President, I said in the Senate January 29, and I repeat now:

> I do not believe we should hasten into action on any resolution on the Middle East issue until the administration comes forward at least with one competent witness who can testify before our committees and submit at least a scintilla of evidence that there is an imminent threat of an armed attack on any Arab country by the Soviet Union.

The resolution illustrates the principal defect in the foreign policy of the administration. This defect is that the policy is essentially negative instead of positive. It has been one of blustering defensive reaction to moves—some real, some imaginery—by the Soviet Union. It has given grossly inadequate attention to the basic problems which lend themselves to Soviet exploitation.

There is a saying among football coaches that "the best defense is a good offense." This is applicable to diplomacy as well as to football. Instead of doing things to put the Soviets off balance, we are constantly allowing ourselves to be thrown off balance.

The present crisis in the Middle East has been in the making for years, and in this respect the Truman administration must share responsibility with the Eisenhower administration. It has been 4 months since the crisis reached such an acute stage that not even the Pollyannas of the present administration could ignore it. One of the troubles with Mr. Dulles, incidentally, is that out of every 4 years he spends 6 months playing Pollyanna and 3½ years playing Cassandra. The policy, or lack of one, embodied in Senate Joint Resolution 19 began to be formulated in the State Department last November or December. It has been formally before Congress since January 5—almost 2 months. In this period, the situation has further deteriorated.

One reason for this deterioration may very well be that, until the last 2 weeks, the whole energy of the administration has been directed to railroading the miscalled Eisenhower doctrine through Congress. As a consequence, the real troubles of the Middle East have been ignored. We would all have been a great deal better off if a comparable amount of time and energy had gone into a search for a solution to these real troubles—the Arab-Israeli conflict, the Suez Canal, the Palestine refugees, and the basic political and economic weaknesses of the area.

It is significant that none of these problems has to do with communism or the Soviet Union directly, though of course the Communists try to exploit them. But if Karl Marx had never been born and the Soviet Union had never existed, we would still be concerned with these very real problems of the Middle East. This points up another defect of our foreign policy—namely, its obsession with communism and its approach to every issue in terms of anticommunism.

It may be argued that we would now be better off if Congress had obligingly passed Senate Joint Resolution 19 with the celerity requested by the administration. This is a specious argument. The further deterioration in the Middle East has not occurred as a result of Soviet aggression, which is what Senate Joint Resolution 19 is designed to meet. Nor has it occurred as the result of any lack of authority by the President to spend foreign-aid appropriations as he sees fit.

It is far past time for United States foreign policy to take more account of the positive interests of the United States It is far past time, in short, for our foreign policy to start being pro-American and stop being simply anti-Russian. It may be, in many cases, that these are simply two sides of the same coin. But the question of emphasis is important. As long as we are simply anti-Russian, we are doomed to a sterile, negative policy of reacting to Russian initiative—and frequently of reacting in the wrong way. In any given situation, we ought to ask ourselves not "how can we counter the Russians?" but "How can we advance our own interests?" If we were to do this we would enormously strengthen our international position. We would present a positive face to the world, much of which is not nearly so excited as we are about the military threat from the Soviet Union. This is precisely what Senate Joint Resolution 19 fails to do, and that is its fatal defect, quite apart from its constitutional defects.

At this point, Mr. President, let me make it perfectly clear that when I call for a pro-American foreign policy, I am talking about one in the enlightened self-interest of the people of the United States generally. I am emphatically not talking about one designed primarily to protect the enormously valuable foreign holdings of a handful of giant American corporations—in this case, specifically, the five major oil companies with substantial interests in the Middle East—Standard Oil of New Jersey, Standard Oil of California, the Texas Co., Socony Mobil, and Gulf. Of course, this Government should take legitimate and proper steps to protect the legitimate and proper interests of its citizens abroad, including the oil companies. But it should never equate the foreign economic interests of five corporations with the national interest.

II. THE AMERICAN NATIONAL INTEREST

Now, Mr. President, what is the true American national interest in the Middle East and what would be a policy well designed to promote that interest?

The true American interest in the Middle East goes far beyond the simple protection of the states of that area against overt Communist aggression. Such protection is a part of the American interest, of course, but no resolution of Congress is necessary to put the world on notice in this regard. On January 29, I said in the Senate:

> Part of the case of the administration is that it must get this blanket authority from the Congress now, so that the world will know, and particularly so that Russia will know, what the United States will do in case of military aggression by Russia. Mr. President, that is an insult to our intelligence and also to the intelligence of our allies. Every thinking person in the world knows what we will do. We do not intend—and we have demonstrated it clearly—to stand by and let freedom be overrun by military aggression by Russia or by any of her puppets or satellites.

Adding to my statement of January 29, I wish to say that any resolution which Congress passes on the Middle East certainly ought to do more than to commit a redundancy.

This illustrates another defect in the Eisenhower-Dulles foreign policy—a defect which has application far beyond the Middle East. In our frantic effort to be anti-Communist, we have too often acted to bolster malodorous local regimes in the name of political and economic stability.

The truth of the matter, Mr. President, is that nothing would so well serve the true national interest of the United States as a thoroughgoing social reform in almost all of the states of Africa and Asia—and some of Latin America and Europe, too, for that matter. Dissatisfaction of the people of these states with the status quo largely explains whatever appeal communism has; yet in the blindness of our misguided policymakers, we have ourselves acted to preserve the status quo and thereby to increase the appeal of communism.

The reason this is so becomes apparent upon an examination of the political, economic, and social structure of a typical state in the Middle East. The characteristics of such a state, briefly put, are an authoritarian government, a gross maldistribution of wealth and income, and rigid social class lines. The population is predominantly rural. Land is held in large holdings by a few wealthy—and in many cases, absentee—landlords, and the great masses of people are tenants—serfs for practical purposes. Rents for tenant farmers are high, amounting sometimes to 70 percent of the crop.

I think I should mention here that I have said several times in this debate that at least in Saudi Arabia human slavery still exists. And the United States Government, in 1957, through its President and Secretary of State, negotiated some kind of an agreement—we do not know what it is—with this slave state. I do not think that is going to be a delightful chapter of history for our descendants to read, even as soon as 25 years from now.

When the tenant tries to market his own meager share of the crop, he is likely to have no buyer except the landowner, who can control the price almost at will. The tenant frequently lives from crop to crop on borrowed money at various rates of interest—and again, the local moneylender is apt to be the landlord, or the landlord's agent.

The government of such a country is usually dominated by the moneyed, landholding class. Although there occasionally arises within this class a farsighted statesman with a social conscience, it is by and large fat, contented, and complacent, alarmed equally by Communist propaganda on the one hand and by democratic movements for economic and social reform on the other.

That is why I said the other day, and I repeat it today, that we have simply got to stop supporting that kind of totalitarianism and feudalism throughout the world. We must start supporting freedom.

I do not become excited and alarmed over all the talk about what is going to happen to the oil-poor King of Saudi Arabia. Let him swim in his oil for a while. Let the other Arab dictators swim in their oil for a while. Then, Mr. President, we might make some progress in applying the American ideals of freedom to the Middle East.

These countries oppose nothing so much as change, whether the change be progress toward a democratic society or retrogression toward totalitarianism.

Unless heroic measures are taken to the contrary, foreign assistance to a country such as I have described is very likely to result only in the rich getting richer while the poor stay poor. Class rigidities are stiffened, social strains are increased, and by trying to preserve the status quo we have only made more certain its ultimate destruction—probably accompanied by more violence and chaos than would have otherwise been the case.

Let me hasten to add, Mr. President, that the typical pattern I have described is by no means universal. In the Middle East, Israel is a glittering exception. So, in South Asia, is India, in many respects, an exception.

There was a chance, once, that Egypt also would become such an exception. When Farouk was overthrown in July 1952, there came to power in Egypt a group of able, honest young men, dedicated to economic progress and social reform. At some subsequent point, the Egyptian revolution turned sour. I do not now know at what point that was, though I hope this will be determined by the Committees on Foreign Relations and Armed Services, in their review of events leading to the present situation in the Middle East. I do know, however, that American diplomacy lost a great opportunity and that the American national interest was poorly served.

The basic difficulty in the Middle East is weakness, a kind of weakness that will not be corrected, but only intensified, by infusions of military weapons or of economic assistance which is not tied down to specific projects. The basic weakness is a weakness stemming from an almost total lack of social and political institutions. There are no political parties in a form which would be recognizable to an American or a West European. There are no labor unions, no chambers of commerce, no professional societies of stature and influence. There are, in a word, no institutional shock absorbers built into the society. Everything is done on a personal basis. And American diplomacy relies much too heavily in this area on local personalities. If these personalities, such as Saud in Saudi Arabia or Nuri Said in Iraq, should disappear from the scene, our whole policy, such as it is, would be cut adrift. It is time we started giving more attention to contributing to sound institutional relationships and less attention to cultivating personal relationships.

I do not want to be misunderstood. I fully realize that in foreign relations we have to deal with governments as we find them. I fully realize, further, that we cannot very well go about instigating revolutions or promoting the overthrow of foreign governments.

All I am saying is that if a foreign government shows a disposition to institute reforms and improve the life of its people, then we should cooperate with it and help it to do so through economic aid and other means. On the other hand, if a foreign government chooses to live in the 15th century, we should respect its choice; but, at the same time, we should refuse to make its life more comfortable.

Such a distinction would certainly reduce the scope of our foreign aid programs, though it would not necessarily affect their overall size to a comparable extent. I also suggest that if we channeled our aid through multilateral agencies, such as the United Nations, or through regional organizations, such as the proposed Middle East Development Authority, we might have a better chance of inducing the kind of social changes we want to see.

III. THE IMMEDIATE TASKS

So much for our long-range national interests in the Middle East, Mr. President. For the immediate future, I suggest the following program as a starting point for negotiations.

Before I make these recommendations, I may say once again that I do not know of any time in 12 years when I have criticized a program of any administration, Democratic or Republican, without being willing to offer an affirmative program which I thought ought to be substituted. That is why in this debate, before it is over, I shall offer a substitute for the resolution, which will provide the checks and the forward-looking policy that I think ought to characterize American foreign policy in the Middle East. Thus, I suggest to the administration that the following program is a good one, for the immediate future, as a starting point for negotiations:

First. Israeli withdrawal from the Sharm-el-Sheikh and the Gaza Strip.

Second. The occupation of these areas by the United Nations Emergency Force, which, by the way, needs to be augmented greatly.

Third. United Nations administration of the Gaza Strip, as a trust territory or otherwise.

Fourth. The resettlement of substantial numbers of Gaza refugees in Israel, with an international loan to Israel to help pay the bill.

Fifth. The resettlement of other Arab refugees in various countries, particularly Syria and Iraq, with an international loan to those countries for basic economic development projects by which the refugees can become self-supporting and the standard of living of the whole population can be raised.

Sixth. Firm international guaranties of freedom of navigation in the Gulf of Aqaba and the Suez Canal, accompanied by a cessation of stalling on the clearance of the canal.

These steps could be expected greatly to reduce tensions in the area and to lead to an Arab-Israeli peace conference at which definitive boundaries could be agreed upon and guaranteed by the United Nations.

I can anticipate the reaction of the administration to these suggestions, Mr. President. The administration is going to pooh-pooh these suggestions as impractical, as something which the countries concerned will never agree to. I do not think that, up to this point, Mr. President, a serious effort has been made to achieve agreement on these points or the points of any other comprehensive plan for settlement of the Mideast difficulties. The whole trouble has been that the administration has not had a plan. There is not a foreign office in the world which knows from one day to

another what the policy of the United States is in regard to these or other matters. I do not take much comfort from the fact that this has the collateral effect of keeping the Kremlin also guessing as to our intentions.

It will be noted that my suggestions place heavy emphasis on the United Nations. The lack of such emphasis is another defect in the Eisenhower policy embodied in this resolution. In essence, this resolution provides a go-it-alone policy for the United States in the Middle East. I have raised by voice against such a policy on many occasions, Mr. President, and I shall do so again. On January 25, I said in the Senate:

> The free nations of the world should act in concert against this (Communist) totalitarianism, and * * * they should act in concert through the United Nations, and not outside the United Nations.

One of my many criticisms of the Secretary of State is that his record is a sorry record of almost invariably, in the first instance, when a new crisis arises, bypassing the United Nations, but finally, on some occasions, finding himself in a position where ultimately he has to try to operate through the United Nations. * * *

I shall never vote for a resolution which puts my Government in a position where unilaterally the United States pledges American boys to save the oil lines for Western Europe without a pledge at the same time by the nations of Western Europe to use their boys.

And again, on January 29, I said:

> We weaken the United Nations when we make unilateral proposals, such as this one, without at least extending the courtesy of trying to get some understanding and, I hope, some agreement among our allies in the United Nations before we take such proposed action.

And again, on February 21, I said:

> I think one of the wrongs, added to the others which the President cannot add up to get a right policy for the United States in the Middle East, is the wrong of the United States in proposing unilateral action, when what we ought to have been doing for many months past was to have used the great prestige of the President of the United States in the United Nations to try to get the free nations of the United Nations to join together in assuring the Arab countries and assuring Israel that if there should be a Russian attack upon them, the free nations would stand together in their defense. That could be done under the United Nations through General Assembly procedures by the free member nations binding themselves together in such a concerted course of action. That is how the United Nations might really be strengthened.

IV. THE CONSTITUTIONAL CONSIDERATIONS

Now, Mr. President, let me turn from the policy to the constitutional aspects of Senate Joint Resolution 19.

According to the committees report on the resolution, the language of section 2 on the use of United States armed forces "has the virtue of remaining silent on the question of the relationship between the Congress and the President with respect to the use of the Armed Forces for the objectives stated in the resolution." Why is silence a virtue in this connection, Mr. President? Does not silence further confuse the constitutional concepts? Why not spell out the proper relationship between Congress and President?

The Constitution is not deliberately vague on this point. Surely the Senate is not going to admit that it is unable to say what the plain language of the Constitution means. The proper procedure for the use of troops, in my judgment, is spelled out in section 1 (b) (ii) of Senate Joint Resolution 42, which I offered in the committee as a substitute for the pending resolution, and which I shall later offer on the floor of the Senate.

This paragraph reads as follows:

> Furthermore, in order to contribute to the maintenance of peace, the President should reaffirm, with particular reference to those areas in the Middle East the peace and security of which is vital to world peace and security, the determination of the United States to employ the Armed Forces of the United States, if necessary, in exercise of the right of individual or collective self-defense under article 51 of the United Nations Charter in the event of any unprovoked armed attack, provided that such employment shall be consonant with the Charter of the United Nations and actions and recommendations of the United Nations. Prior to the employment of armed forces the President shall give notice to Congress. If, in the judgment of the President, an emergency arises in which such notice to Congress is not possible, he shall upon the employment of armed forces forthwith inform Congress and submit his action for its approval or disapproval. Such employment of forces under article 51 shall be immediately reported to the Security Council and the General Assembly, and shall not in any way affect the authority and responsibility of the Security Council or General Assembly to take at any time such action as either body deems necessary in order to maintain or restore international peace or security. The President should arrange with the free allies of the United States with vital interests in the area for their active support in the event it becomes necessary to employ the Armed Forces of the United States.

The American people need to understand that under this joint resolution, only American boys are pledged; under the Eisenhower doctrine, there is no commitment from Great Britain, France, Germany, Italy, Holland, Denmark, Norway, Sweden, or any other European country that they will in any way be obligated to send their boys into the Middle East, to join in the defense of Arabian pipelines or to join in the defense of Arabian oil which is so essential to economic stability in Europe. That is why I have said before that the resolution makes me aghast that any President at any time should request this kind of blanket authority, unchecked subsequently by the Congress of the United States, to send American boys into any territory, anywhere in the world, to defend the integrity of some foreign government, without a commitment from other free nations that they will join with us if the facts show that it is necessary to protect freedom, and thereby our own vital interest.

However, when I offered the Secretary of State such an amendment, he rejected it; and he said the Arab leaders would not like it. He also said that if he were an American boy fighting in the Middle East, he would not want a British soldier, or a French soldier on either his right or his left—because of the attitude of the Arab countries toward Britain and France—apparently not realizing that under the resolution the Arab leaders will be permitted to tell us who shall be our allies in defending their own territory and in guaranteeing a supply of oil to Europe.

In fact, I am convinced that many persons in our own country are not yet aware of that. However, each day my mail shows that increasing numbers of Americans are becoming aware of it; and each day my mail shows that increasing numbers of Americans want none of the Eisenhower doctrine. I say that because my mail is running 9 to 1 against it. Oh, yes, Mr. President; it can be said that because of my vigorous opposition to the Eisenhower doctrine, it should be expected that I would receive a considerable quantity of mail from persons who are opposed to that doctrine. I think there is some merit in that position; but, Mr. President, in speaking from 12 years of experience, let me also tell you that any one who takes this kind of a vigorous stand on any issue, usually receives a great deal of mail, too, from persons who disagree with him—including, I may say, much mail which should come in asbestos envelopes. [Laughter.] But the interesting thing is that during this debate I have not received very much of that kind of mail. The ratio has been 9 to 1 against the Eisenhower doctrine.

Of course, Mr. President, the stand I take is criticized by some uninformed and ill-informed newspaper editors; and that condition of lack of information is characteristic of many of them, because many of them really belong to a nonreading class in America, as is proven by their editorials. They are so busy writing the propaganda their big-business newspaper enterprises dictate to them that they do not keep themselves very well informed. Some days ago, when I discussed what I am satisfied is a grassroots lacks of support of the Eisenhower doctrine, one of the editors who frequently gets some sort of emotional relief out of dipping his pen into my blood, wrote an uncomplimentary editorial in connection with my suggestion that if the President would take this matter to the crossroads of America for a month's debate, and then would submit it to a referendum of the American people, he would be roundly defeated. After that newspaper editor concluded the first part of his uncomplimentary editorial, in which he expressed his view as to what a demagogue he thinks I am, he then went on to say that he thought it was very dangerous to suggest that the average American citizen should have anything to say about American foreign policy.

Mr. President, let me inform that reactionary newspaper editor of one of the facts about his government which he obviously does not know, namely, that the foreign policy of the United States does not belong to the President of the United States. Instead, it belongs to all the people of the United States. So we had better bring an end to the increasing government by secrecy of the Eisenhower administration, and we had better get the Government back to the people. Mr. President, it is the people who by

the millions will do the dying if this "brinkmanship" of Mr. Dulles goes awry in the Middle East, and it is they who are entitled to have something to say about what our foreign policy should be when it involves sending American boys to the Middle East to protect oil lines. So my reply to that editor is, "Write some more editorials like that, because with each one of them, whether you know it or not, you confess that you are greatly worried that if my suggestion had a chance of being voted on by the people of the United States, it would carry."

The American people are much more intelligent than most newspaper editors give them credit for. There is a considerable body of evidence I could offer to sustain that statement. I only offer the results of the last election, when many newspaper editors in many parts of the country, including my own State, found they did not have the influence with the voters they like to think they have, because the voters are seeing through the reactionary propaganda the newspaper editors are trying to feed the voters in their coverup or "snow job" for the Eisenhower administration.

Reasonable men can differ as to the precise point at which the powers of the President as Commander in Chief collide with the powers of Congress to declare war. But certain fundamentals are clear.

To begin with, in normal circumstances, where the pressure of time is not a controlling factor, the President has no power to use the Armed Forces of the United States without the prior approval of Congress.

Under the Constitution, the only time he can possibly justify sending armed forces into action without the approval of Congress is when the emergency is so great that time is not available to reach Congress and explain the situation. But thereafter he is under the clear duty to proceed forthwith to notify the Congress of his course of action and ask for its approval or disapproval. If disapproved, and he refuses to comply with the disapproval of the Congress, we know what section of the Constitution would apply—the impeachment section.

We talk about the constitutional checks and balances, Mr. President, that follow through, step by step, to the last point, the last check so far as the President is concerned. Open defiance on his part of the power of the Congress would and should lead to impeachment. Yet, in the course of this debate, I have been surprised to see the position taken by some of my colleagues that the President, as Commander in Chief, has the authority, anyway, to send the Armed Forces into action. Of course, I deny it, as the outstanding constitutional authorities, in their writings over the decades, have denied it. In the absence of an emergency which justifies the President in exercising his so-called inherent powers to protect American lives, property, and vital interests, he cannot use troops in a manner that would constitute committing an act of war.

The distinguished judge from North Carolina, the senior Senator from that State (Mr. ERVIN), made that clear in his statement in our committee hearings. In fact, I have read, studied, and written on this subject matter for many years, indeed, I taught it for many years, based upon what the constitutional law books show. But I waited for the Senator from North Carolina, to make what I think is the most crystal clear analysis of the so-called constitutional shadow-line problem I have ever heard or read. He put it simply this way, and it is an unanswerable analysis:

The President, under the exercise of his emergency or inherent powers, has the constitutional authority to act defensively—I repeat, to act defensively—in the protection of American lives, property, and vital interests; but he has no emergency power to act offensively. In other words, he has no inherent power to commit an act which would constitute or to direct the use of American troops in such a way as to constitute an act of war. That is the distinction.

Is that distinction drawn in the Eisenhower doctrine? It is not; and all you need to know, Mr. President, is that when we offered to draw that distinction by an amendment to the resolution, the President's spokesman, John Foster Dulles, rejected the amendment. That is why I warn the American people to be on guard. Watch out for the semantics of this administration.

Said John Foster Dulles, when we got to that point:

> I cite what the President said in his speech. The President said he would be in hourly conference with the Congress. That is his intention.

I said, in effect, "Mr. Secretary, are you willing to write it in the resolution? The speech is not in the resolution. You know that the speech has no binding effect. You know that the speech is not a part of the resolution. Do you want to write that into the resolution?"

That is the check I am talking about. He did not want that. In other words, when we pin it down to agreement with or acceptance of this precious constitutional check, the administration takes a walkout powder on us; it does not want to be so restricted.

So I warn the American people: You had better be on guard. You had better be on guard against any administration, Republican or Democratic, that runs away from accepting any constitutional checks in any proposal they make in the legislative halls of the Congress. That is how serious I think this is, and I mean all of the implications of my warning, because we have already gone too far down the road toward executive government in the United States of America. What saddens me is that so many of my colleagues apparently are willing to go further.

What a precious right they have in this body. That is why I am saddened to find that there is even any question about keeping faith with these precious checks and balances. But it is perfectly clear that not only is there serious question about it, but I think the vote this afternoon on the Russell amendment points out what I predicted some weeks ago, that although we would hear many speeches and criticism of the resolution, when we reached the vote there would be a great deal of difference between some of the sentiments expressed in some of the speeches and the votes of some of those expressing such sentiments.

I wish we were not talking in this debate about any given President. I am satisfied that if we could remove from this debate the personification of the Presidency now sitting in the White House, there would be quite a different decision as to the outcome of this resolution. Many of my colleagues say, "There is no doubt that you are correct from the standpoint of constitutional theory." Then they confront me with their "but" clauses again. They say, "But we are satisfied that the possible dangers which might develop will not develop under this President." That is what I call the exit through which one can escape Senatorial responsibility.

My discussion will continue to be based upon basic constitutional principles, without varying one iota because any given President sits in the White House at any given time. Five years from today, when another President will sit in the White House, whoever he may be, if God gives me the privilege of still being a Member of this body and this issue is again raised, I shall rise up in opposition again under that President to any such extension of executive power in conflict with what I consider to be sound constitutionalism as handed down to us by the Founding Fathers of the Republic.

So I repeat, with regard to the exercise of any power on the part of the President to send American troops into action where circumstances are such that the pressure of time does not permit the President to seek and obtain the prior approval of Congress, then he is obligated to submit the issue to the Congress as soon as possible for Congressional approval or disapproval. This is the essential Congressional check. This is the bridle upon Presidential authority. This is what keeps any President from usurping the Congressional power to declare war. This and the power of the purse are the ultimate safeguards against a military dictatorship in this country at any given time.

It may be said that this was not the procedure followed in the Korean case. I submit, however that at the earliest possible opportunity after the outbreak of the Korean war the Senate held a full debate on the subject, and no voice was raised in opposition to what the President had done. This certainly constituted de facto Congressional approval.

On that point I should like to read from the speech which the then Republican leader in the Senate, the late distinguished Senator from Ohio, Robert Taft, delivered at that time. He discussed this subject at some length. On June 28, 1950, Senator Taft said:

> It seems to me that the new policy is adopted at an unfortunate time, and involves the attempt to defend Korea, which is a very difficult military operation indeed. I sincerely hope that our Armed Forces may be successful in Korea. I sincerely hope that the policy thus adopted will not lead to war with Russia. In any event, I believe the general principle of the policy is right, and I see no choice except to back up wholeheartedly and with every available resource the men in our Armed Forces who have been moved into Korea.
>
> If we are going to defend Korea, it seems to me that we should have retained our Armed Forces there and should have given, a year ago, the notice which the President has given today. With such a policy, there never would have been such an attack by the North Koreans. In short, this entirely unfortunate crisis has been produced first, by the outrageous, aggressive attitude of Soviet Russia, and second, by the bungling and inconsistent foreign policy of the administration.

In that speech Senator Taft went on to discuss the situation at some length. But as the Republican leader he said the policy should be supported. I have always been of the opinion that there should have been a resolution of approval or disapproval. I wish now, as I say further on in my manuscript, that I had exercised the foresight at that time that hindsight now makes a bit clearer, although I did say on many occasions at the time that I thought there ought to be official congressional action.

There is no doubt about the fact that the debate itself constituted an acceptance upon the part of Congress of the President's course of action. That debate, as I say, constituted de facto congressional approval of the Korean action. With the benefit of hindsight, I am now convinced that it would have been sounder constitutional practice for the Congress to have passed a joint resolution approving the President's action. I am willing to assume my share of the responsibility for Congress not having done so, but I do not propose to make the same mistake twice. However, the record is clear that Congress did debate the subject, and Congress did approve informally the President's Korean action.

It is important to note also that Congress approached the Korean intervention de novo. Congress had not earlier foreclosed its right to form an independent judgment on the basis of a specific set of circumstances. But under the terms of Senate Joint Resolution 19 Congress would so foreclose itself.

We have heard in this debate frequent references to Korea. The two situations are not comparable. In the Korean situation we did not have a resolution previously passed by the Congress which in effect would foreclose Congressional action. We had a President exercising his emergency powers defensively, because American lives and property and vital interests were at stake in the Korean incident. Then, immediately thereafter, there was in the Senate a full-dress debate of the Korean situation, which lasted for a considerable length of time, with speech after speech in effect saying, "We think a great many mistakes were made previous to this course of action, but, in view of the attack by the North Koreans on the South Koreans, backed up, as we know, by satellite Red China, which really was acting under the domination and control of Red Russia, we believe we can pursue no other course than to support the President in his position."

That is quite a different thing from the Middle East situation, in which the administration is trying to put us in the position, by way of a predated authorization, of approving whatever the President may deem necessary at a subsequent time.

V. CONSTITUTIONAL DEFECTS OF SENATE JOINT RESOLUTION 19

The new language which the joint committee substituted in section 2 of the resolution is less objectionable than what the President requested, but it is not good, by any means. It is, indeed, a masterpiece of obfuscation. Consider what it says:

> The United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation.

And so forth. To what does the phrase "to this end" refer? Does it refer to the national interest? To world peace? Or to the preservation of the independence and integrity of the nations of the Middle East? Incidentally, is it not odd to be talking about integrity, and especially the preservation of integrity in the Arab countries of the Middle East, most of which are completely totalitarian?

What is the meaning of the phrase "if the President determines the necessity thereof"? Does it refer to "this end," whatever that may be? Does it refer to the "preservation of the independence and integrity of the nations of the Middle East"? Or does it refer to the use of American troops?

I find this "if" clause highly objectionable, Mr. President. It seems to me to put a new limitation on the power of Congress to declare war. It strongly implies that American troops will not be used—that is, that Congress will not declare war—unless the President has made a prior determination that such action is necessary.

That is not what the Constitution says. It says Congress shall have the power to declare war. Historically, of course, Congress has exercised this power only in response to a Presidential recommendation. But Congress should certainly not agree that this will be the case into the indefinite future. Is Congress prepared to say it will exercise its taxing power only in response to a Presidential recommendation? Of course not. And neither should it surrender control over its power to declare war.

This is not the end of the difficulties with the language of the resolution as reported by the Foreign Relations and Armed Services Committees. What is the meaning of the phrase "the United States is prepared"? Does it mean that we are willing to consider using armed force, or that we tend to favor using armed force, or that we shall very probably use armed force? Or does it mean simply that our Armed Forces are in a state of physical readiness to be used?

VI. CONCLUSION

In conclusion, Mr. President, let me recapitulate briefly. I will support a foreign policy in the Middle East, along with appropriate congressional action to implement it, if it has these elements:

First. So far as possible use of armed forces is concerned, it must conform with the proper constitutional processes.

Let me leave no room for doubt as to what I mean by that. It must conform to the requirement that the President obtain the approval of Congress to use the Armed Forces before he sends them into action, if time permits or immediately thereafter, if he can show that in an hour of great emergency he had to send them into action.

I cannot understand how anyone in this administration can object to that constitutional check.

The fact that the Secretary of State, speaking for the President of the United States, has rejected it, is all the warning I need to convince me that, if necessary, I must make the fight of my public life on this subject.

As individual Senators we do not count. It is not important that any of us be here or stay here. What is important is that, so long as we have the trust that goes with this desk as a Member of the Senate, we keep faith with the oath to uphold and defend the Constitution we took at the Presiding Officer's desk each time we were sworn into this body.

So long as I believe that any proposal of any administration weakens the Constitution, I will never support the proposal, no matter how naked the President may stand before the world, if he does not get what he asks for. He had better look to his wearing apparel before he appears in the public view.

Second. To the extent that economic or military assistance is involved, it must deal with specific, selected, carefully thought-out and well-planned projects. It should make the maximum use of the United Nations and the U. N. emergency force.

That means simply that I do not intend to give rubber-stamp approval to any President to spend $200 million of American taxpayers' money in the Middle East, or anywhere else in the world, as the President deems desirable. That is why I opposed a similar authority which was sought by a previous President with respect to Asia. I ask the simple question: What is wrong with the elected representatives of the people having a look at it?

I say to the administration: "If your purposes are legitimate, if you have nothing to conceal, let us look at it. If you cannot convince the elected representatives of the people that you ought to spend the money, then you should not have the power to spend it."

That is another one of the constitutional checks which I believe to be so important to the preservation of freedom in a representative government. When Mr. Dulles rejected that amendment, I had all the warning I needed. That is why I am so completely at a loss to understand the attitude of constitutional liberals in the Senate who are going along with a situation which I consider to be an abdication of the powers of Congress and a surrender of congressional duty to an unconstitutional request on the part of the President.

Third. It must concern itself in a constructive manner with the immediate problems of the area—Suez, Gulf of Aqaba, Arab-Israeli relations, Palestine refugees.

Fourth. It must be calculated to unite us with, rather than divide us from, our allies.

Therefore, Mr. President, for the reasons I have set forth in this speech and in previous speeches and for the additional reasons which I shall set forth in future speeches on this subject matter, I shall oppose the pending resolution. I shall oppose it because I believe it embodies one of the most dangerous doctrines ever proposed by any administration in many a decade in the history of this Republic.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an Ottawa report entitled "Oil Pressure—Story Behind Suez Invasion." It is written by Patrick Nicholson, Ottawa bureau of the Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"OIL PRESSURE" STORY BEHIND SUEZ INVASION

(By Patrick Nicholson)

OTTAWA.—Did the subservience of the United States of America Government to the powerful American oil lobby precipitate the Suez crisis?

The secret history of the hectic 10 days before Suez justifies the distrust of United States policies felt in France and Britain.

For several years, North African rebels have been fighting an all-out guerrilla war against the French Government. Paris has offered appropriate and progressive degrees of self-government to Tunisia, Morocco, and Algeria; but Paris also seeks equal protection for Moslems and for French settlers, and for present economic interests, in those countries.

Ben Bella, leader of the Algerian National Liberation Front, has rejected this offer. For 2 years he has directed a campaign of atrocities and skirmishes in Algeria, operating from headquarters in Cairo, where he is alleged to have received increasing military and economic aid.

Just before Suez, a very real attempt was made by other North African leaders to settle the Algerian revolt. Ben Bella and four of his chief counselors were invited to go to Tunis on October 2, to hold talks with the sultan of Morocco and the prime minister of Tunisia, on the future status of Algeria.

The plane carrying the rebel leaders from Rabat to Tunis was intercepted by the French air force, and compelled to land at Algiers. The rebels were taken into custody. On the plane were found 32 pounds of secret documents, decribed by the French government as being of the utmost significance, but their contents have never been published or even hinted at officially.

INTERNATIONAL CRISIS

The very next day French Foreign Minister Pineau flew to London for secret talks with British Foreign Minister Selwyn Lloyd. Later the French Prime Minister Mollet flew to London to confer secretly with Sir Anthony Eden.

A few days later, France supported by Britain, invaded Egypt. Later, Herbert Hoover, Jr., deputising for the sick United States Foreign Secretary Dulles, suddenly resigned.

The foregoing is history; it has all been published in newspapers.

The story of the secret events behind those headlines, as related to me by both Canadian and British authorities, reads like a spy drama. It links together these and many other world-shaking and apparently unrelated events.

The French secret service discovered that the rebel leaders planned to take some sensational documents to their meeting at Tunis. Two agents concealed themselves aboard the plane, which flew over the Mediterranean for greater security. But in flight one agent pulled a gun on the pilot while the other held the passengers at bay. They ordered the pilot to turn shorewards and to land at Algiers. When he refused the pilot was told to look behind, and he saw four French Mystere jet fighters ominously shadowing the plane; he did as ordered.

DOUBLE-CROSS PLOTTED

The documents, which were the real objective of this skyhigh hold-up, disclosed a secret agreement between the Arab rebels and American oil interests, under which the Arabs would sell to the Americans the rights to the immense undeveloped oil deposits in North Africa. This agreement would bring the rebels a fortune in royalties. But first they would have to completely sever North Africa's association with France. This could only be achieved by a successful revolt. The documents revealed that outside military aid reaching the rebels would be increased, and they contained proof that United States authorities were deeply involved.

These startling documents were at once taken to Paris. The French Prime Minister was shocked by this plot by France's ally to steal her oil interests. He immediately launched plans to invade Egypt, to forestall further military aid to the rebels. Then he showed the documents to the British Government.

Photostat copies were flown to Washington, where the United Kingdom Ambassador took them to President Eisenhower with a stern protest. This explosive scandal landed on Ike's doorstep inconveniently on the eve of a presidential election. He flew into a towering rage and fired the officials implicated.

This is the story behind the Suez crisis which is being whispered in substantially the same form in places as far apart as Ottawa and London. It remains officially unpublished, and would no doubt be denied for political reasons. But it has a convincing ring of authenticity due to the exact jigsaw fashion in which it fits in with known facts.

RECESS TO MONDAY

Mr. MORSE. Mr. President, in accordance with the order previously entered, I now move that the Senate stand in recess until 11 a. m. on Monday next.

The motion was agreed to; and (at 4 o'clock and 41 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, March 4, 1957, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate March 2, 1957:

SUPREME COURT OF THE UNITED STATES

Charles E. Whittaker, of Missouri, to be Associate Justice of the Supreme Court of United States, vice Stanley Reed, retired.

EXTENSIONS OF REMARKS

Summary of the Kelley Bill and Other Proposed School Legislation

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Saturday, March 2, 1957

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a summary which Mrs. Neuberger and I have prepared for our monthly newsletter for February 1957, describing the major proposals with reference to Federal aid to education now before Congress. These proposals are found in the so-called Kelley bill, which I am sponsoring in the Senate, and in the administration's program in this field.

It seems to me that the analysis which we have prepared, with the able assistance of school organizations such as the National Education Association and others, demonstrates quite conclusively that the Kelley bill is not only far more adequate, but is also more fair and equitable to States which have made the greatest individual effort in proportion to their income, in order to provide adequate education for their children.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE NO. 1 CHALLENGE TO THE 85TH CONGRESS

The annual rate of Federal spending for armaments has been running about $40 billion. Yet we have been unable to pass legislation to help pay for building even 200,000 new classrooms a year, the bare minimum needed to provide adequate facilities for the training of the next generation of citizens. Since schools are the lanterns which light the way to progress and understanding, passage of a Federal school-aid bill is the No. 1 challenge to this session of Congress.

Congressional action on school aid centers on two different proposals, one offered by the Eisenhower administration and another developed under the leadership of Representative AUGUSTINE B. KELLEY, of Pennsylvania. I am sponsoring in the Senate a bill identical to the Kelley bill, so that the Senate can work on the proposed legislation simultaneously with its progress in the House.

Differences in the two bills are particularly important to Oregon taxpayers, and parents of Oregon schoolchildren should know of the contrasting provisions. In the first place, the State of Oregon would receive 86 percent more annually in Federal school construction aid through the Kelley bill than by terms of the Eisenhower proposal. The administration plan would allocate $325 million a year for each of the next 4 years—a grand total of $1,300,000,000—under a formula predicated largely on need. The Kelley bill would allocate $600 million a year for each of the next 5 years—a total of $3 billion—under a formula mainly based on school population.

Thus, under the Eisenhower program Oregon would receive $3,099,000 annually and Oregon would be required to contribute $3,368,000 annually in matching funds in order to qualify for the Federal grant. On the other hand, Oregon would receive $5,839,000 annually under the Kelley bill and would be required to contribute only the identical sum in matching funds.

The Kelley bill is far better for Oregon and far more fair to Oregon. Oregon is a State where the people have made a heroic and sacrificial effort to provide good schools and sound education. Our State has high local property taxes. Many farmers and homeowners can barely finance these payments. Furthermore, Oregon today carries the heaviest State income tax in the Nation. The bulk of the tax burden goes to finance education.

Yet Oregon, which pays these burdensome taxes, has not kept pace with national prosperity during recent years. In 1952 per capita incomes in Oregon were running at a rate of $97 above the national average; today they are $10 below the national average. Oregon is not a wealthy State; yet the administration proposal calls for Oregon to put up more in matching funds than it would receive in Federal aid.

The formula for distribution of funds under the administration plan would reward the South, where school financial funds have been dissipated through the dual system of separate schools for white and colored students. The Eisenhower formula would send south of the Mason and Dixon's line a disproportionate amount of Federal aid funds. For example, Oregon would receive $8.63 per census child under the administration plan. But Arkansas and South Carolina each would receive $13.51 per child, and Mississippi would receive $12.95.

The basic question is not State wealth but schoolchildren. The problem is to equalize availability of Federal funds with the stresses of school population in the various States. This can best be achieved through the Federal taxing power. There already is a great amount of equalization in the bill which Congressman KELLEY and I are sponsoring. For example, New York State pays 19 percent of Federal taxes but has only 10 percent of school population. These figures show the Kelley bill formula is far better than the proposal that each State be permitted to retain for school-building purposes a percentage of Federal income taxes collected with its boundaries.

Our legislation assures that the country's wealthiest States contribute far more to the Federal-aid fund than they receive in aid. The administration plan goes far beyond this, awarding the South a disproportionate segment of benefits. For instance, oil-rich Texas, already a beneficiary of tideland oil revenues, would get more money than any other State if the Eisenhower school bill is enacted.

In 1952 the Republican platform renounced Federal aid. Now the President himself has endorsed such support. Although his program is not yet adequate, it represents an encouraging reversal. Perhaps this change in viewpoint will help to pass a Federal-aid program; I hope it will be based on the Kelley bill.

The Progressive Spirit in an Age of Conformity—Address by Senator Douglas

EXTENSION OF REMARKS

OF

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, March 2, 1957

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by the distinguished senior Senator from Illinois [Mr. DOUGLAS] on Thursday night at the National Roosevelt Day dinner of Americans for Democratic Action, at the Hotel Commodore, in New York City. Our colleague spoke on the Progressive Spirit in an Age of Conformity. I have found his address to be an unusually clear statement of the liberal view, and I think his remarks will be of interest to all who read the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PROGRESSIVE SPIRIT IN AN AGE OF CONFORMITY

(By Senator PAUL H. DOUGLAS, before the Roosevelt Day dinner, New York, A. D. A., Hotel Commodore, February 23, 1957)

I

We are all familiar with the two opposing qualities in a society, namely the progressive and the conforming. The progressives are the innovators—those who seek for new and better ways of doing things and whose aim is a more abundant life for all. The conformists are the conservatives who seek to guard the established order and who resist innovation.

History is in large part the struggle between these two groups as they compete for the support of the intermediate group or those who are neither completely conservative nor completely progressive, and whose judgment determines the victory.

Both groups, of course, are necessary for a sound society. But there is also little doubt that we advance through the efforts of the progressives. Without new ideas, society would become stagnant and changeless. A half century ago, a little known anthropologist, William Jones, pointed out that not only the development but even the survival of a society depended upon its ability to meet the requirements of a surrounding world and an environment which itself was not static, but always changing.

Recently, Arnold Toynbee has taken up the same theme and finds in stimulus and effective response the key to progress.

As to what makes some men and women progressives, or as we loosely say, liberals, we have a wide variety of explanations. Some, like the inimitable W. S. Gilbert, make it a matter of pure heredity or the arrangement of the genes as he did in these lines:

"I often think it's comical
That Nature always does contrive
That every boy and every gal
That's born into the world alive
Is either a little Liberal
Or else a little Conservative."

The physiologist accounts for the differences by the normal transition from conforming childhood through rebellious adolescence to settled middle age as the result of changes in metabolism and of nerve response. The psychiatrist will explain that each group is reacting against the opposites in their respective parents, conformists rebelling against their progressive parents and progressives in turn revolting against conservative fathers and authoritarians. Libertarians like John Stuart Mill are in this view the result of the authoritarian practices of their parents and authoritarians like Hitler the product of undisciplined fathers.

The economic interpreters of history, however, turn from forces inside to those outside of man. Some say that progress comes as the external conditions of life become less harsh and men have the leisure for inventions. Others, like Hugh Cecil, say that conservatism is the child of enjoyment and that a contented people will always like the familiar and distrust the unknown and hence be conservative and conforming. The business-cycle interpreters follow this lead. Conservatism and conformity, they declare, are the characteristics of prosperity. When all is apparently going well, when incomes are rising and employment relatively full, the mass of people are complacent with things as they are. It is only when a severe recession or a depression sets in that society in desperation is willing to innovate.

All of these theories are partially true. But they leave the answer as to whether one is a conformist or a progressive to forces outside human choice and to be determined for us by fatalistic forces which the individual cannot control.

Man, however, is not a mere puppet. He can make rational choices and that is the justification for adult education, journals of opinion, political parties and such meetings as that which we are having tonight.

I take it that there is little doubt as to which side we of the A. D. A. are on and under which banner we want to range ourselves. It is the standard of the progressives. We recognize that progress, as I have said, comes from the innovators. If mankind had always held to the existing and the familiar and had never dared to launch into the unknown, we would still be naked savages, huddled in caves and living off berries and small game. The whole complex which we call civilization would not exist.

This is true even though the conservatives also perform a valuable function. For they furnish the inertia against which a good idea must test itself. They help to save society from too many mistakes. They provide the stability which prevents the rate of change from being so catastrophically fast as to imperil both the mental health of individuals and the cohesion of society.

And yet when all is said and done, there is seldom any real danger that there will be too few conservatives. Man is indeed so conditioned by the familiar that the danger is all the other way. It is the ranks of the progressives which tend at best to be thin and against whom the heavy pressure of the here and now operates with powerful effect.

If we could, we would like to be the Akhenatons, the Michelangelos, the Beethovens, the Jeffersons, the Darwins, and the Einsteins. Instinctively, we recognize these as beings superior to the uniformity of the traditionalists and conformists.

Yet such innovators as these possess qualities with which few of us are endowed. Are we then to be condemned to mere passivity? By no means. For if we cannot be pathfinders ourselves, we can nevertheless admire those who are and encourage them on their way. Moreover, we can at least be part of the wagon train of humanity as it moves westward toward the horizon into new country and can have the fellowship of shared adventure.

We are all of course aware of the qualifications which we should make. Innovation should not be blind or haphazard. If it is, the results are likely to be disastrous. Innovation should deal with real problems and the proposed answers should be based on accumulated knowledge and experience. Columbus was not a reckless adventurer but instead based his venture upon a variety of observations and much evidence. But probably the innovator or the progressive, like Columbus, does need to be sustained by an inner faith.

In this connection it is well to remember Santayana's sonnet:

"Columbus found a world and had no chart,
Save that which faith deciphered in the skies.
To trust the soul's invincible surmise
Was all his science and his only art."

The innovator must believe that at its heart the universe is friendly and the unknown is as an exciting challenge and not a fearsome adversary. He must believe that we do not know all the secrets of life and that there is much more of truth yet to be

discovered and revealed. With this realization go modesty and an absence of cocksureness.

II

It is sometimes said that America has been progressive in the applied arts but conservative in politics and human affairs. The first is true as our unparalleled material progress abundantly demonstrates. But the second is at best only partially true.

The founding of our country was in itself an innovation, so great a one that John Winthrop, the first Governor of the Massachusetts Bay Colony, wrote in his diary (as he sailed toward the New World), "We are as a city on a hill. The eyes of all men are upon us." And the new Republic which was established after 160 years of experiment, was a noble venture into the future. Inspired no doubt by the great English and French writers of the period, it was nevertheless the first time that statesmen declared that government was designed to promote the innate rights of men to "life, liberty, and the pursuit of happiness," and that its just powers came from the people. This was not merely the pale faith of summer soldiers and of sunshine patriots—it was backed up with blood, in the snow of Valley Forge and the stifling heat of Cowpens. From out of the success of the American Revolution came the great extension over the western world not merely of political but also of social democracy. Jefferson and his great collaborator, Madison, and sturdy George Mason, together with a host of others helped to release upon the world the liberating influences of freedom.

And this yeast still moves upon the waters and in the spirit of man in far off Africa and Asia.

Three-quarters of a century later the North and the West took up arms not merely to preserve the American Union as a physical entity but also to free the slaves and permit the democratic experiment to go on. In the bloodiest war of modern times, this faith was then affirmed.

There followed 40 years of reaction in which the American spirit wandered through the deserts of materialistic conformity. But the seeds sown during this period by the populists and the muckrakers began to take root and to flower in the progressive movement from 1910 to 1916. Reform was in the air—the legal protection of women and children, the development of populist government and more equitable taxation and a myriad of other causes were being vigorously advocated. Under a liberal President, beginnings were made on many of these innovations.

But then came the war, which absorbed all the energies of the Nation. And after it, as after the Civil War, came reaction and materialism. The progressive spirit seemed to be dead and such revolt as there was, was channeled against the prohibitory amendment and along the supposed paths of Sigmund Freud. Articulate America was too much absorbed in getting rich via the stock market to give much thought to the future of our country.

With the economic collapse came an awakening. Under the magnetic and inspired leadership of Franklin D. Roosevelt a host of measures were passed in the 5 years between 1933 and 1938.

Since then in internal affairs a legislative stalemate has set in. A bipartisan coalition of conservative Democrats and Republicans has dominated Congress. Moreover, just as the new Toryism in Great Britain has ceased its open opposition to social reform and no longer seeks to repeal the welfare measures of the past, so has the self-styled modern Republicanism. Quiet administrative sabotage is of course practiced but no open frontal attack is being made. The progressive forces in politics find themselves therefore forced to engage in a whole series of defensive actions on apparently minor issues which because they are complicated do not stir the blood or awaken the support of the people.

We are indeed in a period like the late twenties. The enthusiasm of an earlier period has subsided, people are much better off, the stock market has been booming, there is a rush to the suburbs and to the conforming type of life which the suburbs generally encourage, there is a big demand for tranquilizers so that we can be drugged into a happy state of euphoria, the daily and weekly press of the country is steadily becoming more and more the organ of big business and the purveyor of mental-happiness pills. Big corporations are more and more dominating the scene and imposing their own standards of behavior and opinion not only upon their executives, both junior and senior, but also upon all who aspire to admission into those classes.

In politics there has been such a rush toward the middle of the road that a terrific traffic jam has been created there. The distinguishing mark of a good Senator is said to be "accommodation" and a willingness to bow to the will of the inner club. All this has led to what an observer has termed "the bland leading the bland."

Moreover, with many of the old immediate goals apparently obtained conformists are proclaiming and erstwhile progressives are questioning whether progressivism has not shot its bolt. Is there need, people ask, for any more crusades? Will not our great industrial machine pour out increasing riches for us all without effort or pain—and are we not moving into the best of all possible worlds where we can abandon public effort for private enjoyment?

This is a good question but I hope you will forgive me if I do not give a popular answer. The men and women of my generation have heard all this before. For this is precisely what was being proclaimed and believed in the 1920's and was proved to be terribly false in a few short years.

While I am no such prophet of gloom and doom as Herbert Hoover and George Humphrey, I think I know enough both of history and of the present to believe that no social order, including our own, is perfect, that great improvements can and should be made, and that change and recurring crises, economic, social and military, sweep upon the world and that there are really no happy islands of secure contentment left. The question is whether we progressives should try to perfect our civilization and to prepare for these crises or join the lotus-eating conformists in a thoughtless acceptance of the carefully cultivated mood of the times. There can, I think, be only one answer which forward-minded men and women can make. And that is forward.

III

But in what direction shall we move?

Here I would like to suggest the following lines for needed action which certainly should call for our best thought and most courageous action:

1. The first is the necessary job of guarding the social gains we now have from erosion and making further improvements in them. Here I would emphasize the protection of consumers from the exactions of the big oil and gas combines, the protection of trade and service employees, far better care for our migratory farm laborers and the unfortunate children who follow in their wake, the development of our water resources and of atomic energy, the reform of our taxing system, the adequate development of education to give all a decent chance and to enable the gifted to make especial progress; a relentless war upon the slums and the provision of decent housing for those in the lower and middle income groups.

2. The improvement of race relations and the eradication of racial and religious discrimination as rapidly as possible. Here is something that men and women can work for with all their heart and soul. Legislation in this direction is important but even more important is the development and demonstration of this spirit in the lives of individuals and groups. The Boy Scout slogan of doing a good deed every day is a worthy one. But if each of us would do some concrete act of friendliness toward men and women of other groups only every week, it would sweeten the whole spirit of American life. And from it would flow greater fellowship and friendship within our society and strengthen collective efforts to remove present abuses, as by civil rights legislation that is so long overdue.

3. I would further urge that a concentration of business and power is neither desirable nor inevitable and that what we should seek instead is a broader distribution of property and of power to the end that all may have enough to be secure but not so much as to menace others.

This is the underlying economic and social problem of our times. If the present trend toward bigness continues, then society will become divided between a relatively small group of managers and large groups of petty officials and workers. I am convinced that the economic efficiency of the modern business Goliaths is probably exaggerated and that their advantages are primarily financial and marketing. Their increase threatens indeed to replace democracy with a plutocracy administered by a managerial class. Moreover, as Whyte has pointed out, the type of organization man which develops under this system is not the self-reliant American whom we prize.

European Socialists are content to let these giants become ever larger, believing that ultimately the state will then collectivize them. But even if this did occur, it would not be desirable. For power and control would be within even fewer hands. If the state controls the vast proportion of economic activity and a political party controls the state, how much freedom would there be for opponents? Few political leaders are deeply tolerant by nature. They have to be taught tolerance by the balance of political and economic power within the state. Let that balance become overwhelming or put almost complete power in their hands, then they will almost certainly use that power to coerce opposition. Russia should have taught us the lesson that complete collectivism is ultimately destructive of freedom.

The founders of American progressivism, Jefferson, Jackson, and Lincoln in former times, and La Follette, Norris, and Brandeis in our generation had a sounder vision. They wanted to distribute power more broadly so that initiative would be stimulated and so that men could be more free.

I submit that even in the financial canyons of New York, the great steel mills of Pittsburgh and Gary and the automobile factories of Detroit, this philosophy is still true. We should try to protect small and moderate-size business and the family farm. We should try to democratize the great corporations by developing more stockholders like Lewis Gilbert and promoting minority representation upon boards of directors, as we practice in my home State of Illinois.

At the same time we should seek the further democratization of the big unions which big industry has called into being. In some fields government has a distinct function to perform but our overall goal, I submit, should be distributivism rather than collectivism.

4. Finally, I should like to suggest that our frontiers have long since passed the Pacific and are now worldwide. Although we have only 6 percent of the world's population, we are the most powerful nation on the globe. Are we to go the way of Babylon and Egypt, Greece, and Rome, and the other great empires which have risen and fallen? If we are as selfish as they were, we will. But if we can devote a fraction of our energies into making this a better world for the teeming populations of the earth, we may not only survive but lead the way to a new development of mankind. And it was for such a development that our Founding Fathers believed they had pointed the way. They believed that their principles had universal and not merely national significance. With sober effort on our part we can help to realize their wider aim.

SENATE

MONDAY, MARCH 4, 1957

(Legislative day of Saturday, March 2, 1957)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Dr. Perry F. Webb, pastor, First Baptist Church, San Antonio, Tex., offered the following prayer:

Our Heavenly Father, our Saviour God, in whose name we pray, in whose priesthood alone do we confide, and in whose hands are all the issues of life and the destinies of men: We humbly bow in Thy presence, now to invoke Thy favor and to seek Thy face, with grateful remembrances of Thy loving kindness and tender mercy, which have been over all Thy works. We are deeply conscious of our need of divine guidance and power. We seek Thee, O Lord, in behalf of this, our beloved Nation, and in behalf of the Members of this body, who are charged with the responsibility of great affairs. We pray that Thou wilt be unto them wisdom and righteousness and sanctification and power; that they may seek unto Thee and find; that they may knock and it shall be opened, even as their ears are attuned to the whisperings of Thy spirit; that they shall find that Thou art not far away, but art near at hand. As the eyes of a servant are on his master and the eyes of a maiden unto her mistress, so we turn our eyes unto Thee, O Lord.

In a world of war, may we be at peace in our hearts. In a world of despair, may we have hope. In a world of confusion, may we walk calmly, quietly, and softly in Thy presence. Set a watch at the door of our lips, and guard the meditations of our minds. May our hearts be Thy dwelling place.

Lead us gently by Thy hand, having compassion upon us when we are prone to err and inclined to stray. Help us in our personal lives and all of our obligations, that we shall seek to do justly and walk humbly with our God.

Now we commit ourselves and these, our fellow Americans, to Thy tender care, to Thy divine protection. Direct all of our affairs until Thou shalt bring us at last by Thy mercy to the gates of pearl and to the city of God. Through Christ our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Saturday, March 2, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the transaction of routine business, including the introduction of bills, and so forth, subject to a 3-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there have been no significant developments to report for the month of January, relating to the cooperative program of the United States with Mexico, for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

REPORT ON NUMBER OF OFFICERS ON DUTY WITH DEPARTMENT OF ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the number of officers on duty with the Department of the Army and the Army General Staff on December 31, 1956 (with accompanying papers); to the Committee on Armed Services.

REPORT OF SMALL BUSINESS ADMINISTRATION

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report of that Administration, covering operations between July 1, 1956, and December 31, 1956 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF NATIONAL HOUSING ACT

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation to amend the National Housing Act and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON FINANCIAL CONDITION OF HIGHWAY TRUST FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the estimated receipts, expenditures, and balance of the Highway Trust Fund, for the fiscal year 1956 (with an accompanying report); to the Committee on Finance.

AUDIT REPORT ON COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Commodity Credit Corporation, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

REPORT OF MARITIME ADMINISTRATION

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, from October 1, 1956, through December 31, 1956 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

IMPROVEMENT OF STATE AND LOCAL PROGRAMS TO COMBAT AND CONTROL JUVENILE DELINQUENCY

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to strengthen and improve State and local programs to combat and control juvenile delinquency (with accompanying papers); to the Committee on Labor and Public Welfare.

PROGRESS REPORT ON HIGHWAY COST ALLOCATION STUDY

A letter from the Secretary of Commerce, transmitting, pursuant to law, a progress report, prepared by the Federal Highway Administrator, on the highway cost allocation study, dated March 1, 1957 (with an accompanying report); to the Committee on Finance.

ACQUISITION OR CONDEMNATION OF REAL PROPERTY BY ATOMIC ENERGY COMMISSION

A letter from the Chairman, Atomic Energy Commission, Washington, D. C., transmitting, pursuant to law, a draft of proposed legislation to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes (with an accompanying paper); to the Joint Committee on Atomic Energy.

are as selfish as they were, we will. But if we can devote a fraction of our energies into making this a better world for the teeming populations of the earth, we may not only survive but lead the way to a new development of mankind. And it was for such a development that our Founding Fathers believed they had pointed the way. They believed that their principles had universal and not merely national significance. With sober effort on our part we can help to realize their wider aim.

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PROGRESS REPORT ON HIGHWAY COST ALLOCATION STUDY

A letter from the Secretary of Commerce, transmitting, pursuant to law, a progress report, prepared by the Federal Highway Ad-

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Legislature of the State of Nebraska; to the Committee on Banking and Currency:

"Legislative Resolution 9

"Whereas because the national anti-inflation policies have made it almost impossible for the building industry to secure loans for veterans; and

"Whereas there is pending in Congress the Ayres bill which would increase the allowable interest rate on Veterans' Administration loans to 5 percent; and

"Whereas the Federal National Mortgage Association's purchasing power should be enlarged to authorize the Treasury Department to purchase $250 million of Federal National Mortgage Association stock: Now, therefore, be it

"*Resolved by the members of the Nebraska Legislature in 68th session assembled*, 1. That the Congress of the United States adopt such laws as will enable the veterans to secure loans and that the Representatives and Senators of Nebraska support legislation to make $1 billion available for direct Veterans' Administration loans at not more than 4½ percent simple interest.

"2. That the clerk of the legislature be directed to spread at large on the legislative journal this resolution, and that a copy of said resolution, properly authenticated and suitably engrossed, be sent by the clerk to the Vice President of the United States as presiding officer of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each Member from Nebraska in the Congress of the United States.

"DWIGHT W. BURNEY,
"*President of the Legislature.*

"I, Hugo F. Sra, hereby certify that the above is a true and correct copy of Legislative Resolution 9, which was passed by the Legislature of Nebraska in 68th regular session on the 27th day of February 1957.

"HUGO F. SRA,
"*Clerk of the Legislature.*"

A resolution of the Senate of the State of Georgia; to the Committee on Agriculture and Forestry:

"Senate Resolution 58

"A resolution relative to tobacco production in this State; and for other purposes

"Whereas the United States Department of Agriculture has proposed an acreage poundage formula for tobacco allotment; and

"Whereas such acreage poundage formula will work a hardship upon the tobacco producers in this State in that the quantity of the quality tobacco produced in Georgia and purchased by the Tobacco Stabilization Corporation is much less than the inferior quality of tobacco produced in other States; and

"Whereas the price per pound of tobacco on the acreage going into the soil bank is now set at 18 cents per pound, and to give the producers of tobacco more of an incentive to place more of the tobacco acreage in the soil bank should be increased to not less than 23 cents per pound; and

"Whereas the funds available for the soil bank program are limited to the extent that the acreage that may be placed in the soil bank program is limited: Now, therefore, be it

"*Resolved by the General Assembly of* Georgia, That this body oppose the acreage poundage formula for tobacco allotments; be it further

"*Resolved*, That the Congress of the United States be requested to increase the price per pound of tobacco going into the soil bank program to not less than 23 cents per pound and that the Congress make more funds available for the soil bank program to enable tobacco producers to place more acreage into the program; be it further

"*Resolved*, That a copy of this resolution be transmitted to the Secretary of the Department of Agriculture, the Clerk of the House of Representatives, and to the Clerk of the Senate; be it further

"*Resolved*, That a copy of this resolution be transmitted to each member of the congressional delegation of this State.

"Read and adopted in senate February 20, 1957.

"S. ERNEST VANDIVER,
"*President of Senate.*
"GEORGE D. SHERWOOD,
"*Secretary of Senate.*"

A resolution of the Senate of the State of Nevada; to the Committee on Armed Services:

(See resolution printed in full when presented by Mr. BIBLE on March 1, 1957, p. 2851, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"Resolutions memorializing Congress to increase the maximum ceiling incomes for all Federal housing projects for all family unit classifications

"Whereas many tenants of the Federal housing projects have exceeded the present maximum ceiling income; and

"Whereas these tenants are now faced with eviction proceedings; and

"Whereas it is becoming more difficult to rent vacant apartments of the Federal housing projects due to the present requirements of the maximum ceiling income: Therefore be it

"*Resolved*, That the General Court of Massachusetts memorializes the Congress of the United States to enact legislation providing for an increase in the maximum ceiling incomes for all Federal housing projects for all family unit classifications; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officers of each branch of Congress, and to the Members thereof from this Commonwealth.

"House of representatives, adopted February 18, 1957.

"LAWRENCE R. GROVE, *Clerk.*

"Senate, adopted in concurrence, February 20, 1957.

"IRVING N. HAYDEN, *Clerk.*

"A true copy.
"Attest:

"EDWARD J. CRONIN,
"*Secretary of the Commonwealth.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Appropriations:

"House Joint Memorial 2

"*To the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, the Attorney General, the Postmaster General, the Secretary of the Interior, the Director of the Public Building Administration, the Delegate to Congress from Alaska, Alaska Senators-elect William Egan and Ernest Gruening, Alaska Congressman-elect Ralph Rivers, and the Committee on Interior and Insular Affairs of the United States Senate:*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d regular session assembled, respectfully submits that:

"Whereas the community of Bethel, Alaska, which is situated on the lower Kuskokwim River, services a large area as a trade center and transfer point for mail and commerce, by regular air carriers, to many villages and mining camps in that portion of the Territory of Alaska; and

"Whereas many tons of United States mail must be sorted and rerouted through its local post office, which is a dilapidated old wood-frame building, comparable in size to a one-car garage; and

"Whereas many governmental services, on the Federal level, are maintained for the health and welfare of the people in that given regional area, which are housed under similar conditions as that of the post office and create a great maintenance cost to the respective agencies; and

"Whereas the United States Marshal's Office for one-third of the fourth judicial division is maintained at Bethel, which is housed in an old Army building not adequate to facilitate the means of that office to guarantee safe conduct of a Federal prisoner; and

"Whereas the records of the United States Commissioners Office are of great value and importance to the local area and should be safeguarded from becoming lost or being destroyed by fire or other unforeseen disaster: Now, therefore

"Your memorialist, the Legislature of the Territory of Alaska, respectfully prays that the United States Officers, the Delegate to Congress from Alaska, and the Senators and Congressman-elect from Alaska, to whom this memorial is submitted, lend their united effort toward obtaining a congressional appropriation in the present session, enabling the construction of a fire-proof building to provide facilities for a combined courthouse, jail, post office, and other governmental office space at Bethel, Alaska; and your memorialist will ever pray.

"Passed by the house February 15, 1957.
"Attest:

"RICHARD J. GREUBL,
"*Speaker of the House.*
"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Passed by the senate February 20, 1957.
"Attest:

"VICTOR C. RIVERS,
"*President of the Senate.*
"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"I certify that the above is a true, full, and correct copy of House Joint Memorial 2.

"DOLORES G. GOAD,
"*Chief Clerk of the House.*
"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*"

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 1

"Concurrent resolution requesting the Congress to admit Hawaii as a State

"Whereas the United States of America, throughout its history and especially in the present conflict of political ideologies, has posed as the champion of freedom and has sought to establish the democratic principle of independent self-government throughout the world; and

"Whereas this principle of self-government, with its corollary of 'no taxation without representation,' still remains to be effected within the borders of the United States since its incorporated territories of Hawaii and Alaska do not yet enjoy the full measure of self-government to which they are inherently entitled; and

"Whereas numerous congressional committees have conducted at least 12 separate hearings since 1935 and have compiled over 5,000 pages of testimony on the subject of statehood for Hawaii, and one of the Committees has observed that, 'The record of testimony and information built up around the question of statehood for Hawaii is more complete than was the case for any other State prior to admission'; and

"Whereas the Presidents of the United States have repeatedly expressed their advocacy of statehood for Hawaii, congressional committees have recommended the favorable adoption of pending legislation admitting Hawaii as a State of the Union, the House of Representatives has on three separate occasions and the Senate has once already passed legislation enabling Hawaii to become a State, and public opinion polls have repeatedly shown that the great majority of the American people favor the granting of statehood to Hawaii; and

"Whereas the people of Hawaii have demonstrated their political maturity, their willingness and ability to govern themselves in accordance with the principles of representative government laid down by the United States Constitution, and their ability to maintain themselves as a sound economic unit, and have fully and unequivocably met every requirement and qualification for statehood: Now, therefore, be it

"*Resolved by the Senate of the 29th Legislature of the Territory of Hawaii (the House of Representatives concurring)*, That the Congress of the United States of America is hereby respectfully requested during this session of Congress to enact legislation, substantially in the form of H. R. 49 of the 85th Congress, enabling Hawaii to be admitted as a State of the Union; and be it further

"*Resolved*, That the Legislature of the Territory of Hawaii does hereby reaffirm the desire and will of the people of Hawaii that statehood be granted them, and does hereby reassert that fulfillment of the rights of the people of Hawaii, who as American citizens so willingly perform the duties and obligations of citizenship, requires the enactment of statehood legislation without further delay; and be it further

"*Resolved*, That duly certified copies of this concurrent resolution shall be forwarded to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the chairman of the Senate Committee on Interior and Insular Affairs, the chairman of the House Committee on Interior and Insular Affairs, the Secretary of the Interior, and to the Delegate to Congress from Hawaii.

"We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the 29th Legislature of the Territory of Hawaii on February 20, 1957.

"W. H. HEEN,
"*President of the Senate.*
"WILLIAM S. RICHARDSON,
"*Clerk of the Senate.*

"We hereby certify that the foregoing concurrent resolution was adopted by the House of Representatives of the 29th Legislature of the Territory of Hawaii on February 20, 1957.

"G. VINCENT ESPOSITO,
"*Speaker, House of Representatives.*
"HERMAN P. F. LUM,
"*Clerk, House of Representatives.*"

A declaration in the nature of a petition from Americans of Estonian descent, adopted in New York, N. Y., at the commemoration of the 39th anniversary of the proclamation of independence of the Republic of Estonia; to the Committee on Foreign Relations.

The petition of Opal Dodson, of Smith Center, Kans., praying for an investigation of the Food and Drug Administration in the matter of the Hoxsey treatment for cancer; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from Rockaway Council No. 2672, Knights of Columbus, Rockaway Beach, Long Island, N. Y., relating to the issuance of a special stamp to commemorate the 75th anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

A resolution adopted by the Society of Architectural Historians, of Detroit, Mich., protesting against any alteration of the Capitol Building in Washington, D. C.; to the Committee on Public Works.

RESOLUTIONS OF MASSACHUSETTS HOUSE OF REPRESENTATIVES

Mr. KENNEDY. Mr. President, on behalf of myself and my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL], I present for appropriate reference and ask unanimous consent to have printed in the RECORD the resolutions adopted by the House of Representatives of the Commonwealth of Massachusetts on February 18, 1957, entitled "Resolutions memorializing the Congress of the United States to enact legislation providing for the elimination of pollution in the Merrimack River."

There being no objection, the resolutions were referred to the Committee on Public Works and, under the rule, ordered to be printed in the RECORD, as follows:

Resolutions memorializing the Congress of the United States to enact legislation providing for the elimination of pollution in the Merrimack River

Whereas it is essential for the welfare of the people living in cities and towns bordering or located near the Merrimack River that said river be free from pollution; and

Whereas the Merrimack River is highly polluted; and

Whereas said pollution is detrimental to the people living in the vicinity of said river; and

Whereas the city of Lowell will require the use of said river for drinking purposes in the years to come: Therefore be it

Resolved, That the House of Representatives of the General Court of the Commonwealth of Massachusetts memorializes the Congress of the United States to enact legislation providing for the elimination of pollution in the Merrimack River under the auspices of the United States Corps of Engineers and that the Federal Government assume the full cost of such work as is necessary; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the state secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

House of representatives, adopted, February 18, 1957.

LAWRENCE R. GROVE,
Clerk.

A true copy.
Attest:
[SEAL] EDWARD J. CRONIN,
Secretary of the Commonwealth.

CONCURRENT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. THYE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a concurrent resolution of the Legislature of the State of Minnesota, memorializing the President, the Secretary of Agriculture, and the Congress of the United States to increase sugar beet allotments for Minnesota farmers. I wholeheartedly concur in the resolution.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution 2

Concurrent resolution memorializing the President, the Secretary of Agriculture, and the Congress of the United States to increase sugar beet allotments for Minnesota farmers

Whereas Federal laws have been amended to allow greater allotments of sugar beet acreage for domestic growers; and

Whereas present allotments in other States are not being used because of lack of suitable land and water shortages; and

Whereas there are available in Minnesota, vast tracts of land suitable for sugar beet production, and adequate water resources for growing sugar beets and processing sugar; and

Whereas many farmers in Minnesota desire to grow sugar beets but are not able to do so because they cannot obtain an allotment; and

Whereas production and processing of sugar beets would increase the per acre income of farmers, provide additional employment, and promote the general business economy of the State: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the President of the United States, the United States Secretary of Agriculture, and the Congress of the United States be requested to increase sugar beet allotments for Minnesota farmers with priority to new growers; be it further

Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from the State of Minnesota.

A. I. JOHNSON,
Speaker of the House of Representatives.
KARL F. ROLVAAG,
President of the Senate.

Passed house of representatives February 12, 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.
Passed senate February 18, 1957.
ALF BARRE,
Secretary of the Senate.
Approved February 21, 1957.
ORVILLE L. FREEMAN,
Governor of the State of Minnesota.
Filed February 21, 1957.
JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

ASSISTANCE TO SMALL BUSINESS IN KANSAS

Mr. CARLSON. Mr. President, I have just received a resolution adopted by the Chamber of Commerce of Russell, Kans., in which they memorialize our Government to consider a means of assisting small industries already located in the area, as well as giving aid in securing additional industries in that area.

I cannot stress too strongly the urgency of this matter.

As a result of mechanization in the farming industry and a severe drought of several years, it is essential to the economy of this section of Kansas that the Government give every consideration to the possibility of subletting much of the contract work for our defense program in these areas.

I believe the future stability of our national economy requires that every effort be made to coordinate a program for this type of work in the agricultural sections.

I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the area comprising the Central Kansas Industrial Development Association is in the drought-stricken area of Kansas, and, whereas, this drought condition is of such serious nature that regardless of favorable weather conditions, it will affect the economical condition of this area for not less than 2 years in the future. And whereas, the oil industry which we have enjoyed for the past many years, is rapidly depleting. And whereas many small machine shops which have been tied in with the oil and agriculture, are finding it impossible to stay in business and that such industries are manned with the very best of mechanical help.

Now, therefore, we, the members of the Russell Chamber of Commerce board of directors in regular assembled meeting on this 20th day of February 1957, do hereby memorialize our Government to consider a means of assisting such small industries as well as additional industries, in financing, leasing, and otherwise securing the necessary machine tools to participate in the many subcontracts which the national defense program is creating. Thus furnishing them with the necessary help and information needed to participate in these lettings.

This is one positive way of balancing the economy of this area which is and has been depending entirely on oil and agriculture, and will create part-time employment for many small farmers, who otherwise will have to move off the farm.

JOHN WILLIAMS, Jr.,
President, Russell Chamber of Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 16. A bill for the relief of Lucy Lin and her minor child, Peter Lin (Rept. No. 122);

S. 17. A bill for the relief of Patrick K. Y. Yip (Rept. No. 123);

S. 87. A bill for the relief of Pavel Blaho (Rept. No. 124);

S. 247. A bill for the relief of Max Masak Terian and his wife, Marie Terian (Rept. No. 125); and

S. 626. A bill for the relief of Helen Dolly Argyropoulos (Rept. No. 126).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 91. A bill for the relief of victor Charles Hunt (Rept. No. 127).

REPORT ENTITLED "INTERNAL SECURITY"—REPORT OF A COMMITTEE (S. REPT. NO. 131)

Mr. EASTLAND, from the Committee on the Judiciary, pursuant to Senate Resolution 58, 85th Congress, 1st session, submitted the annual report for 1956 entitled "Internal Security," which was ordered to be printed.

EXTENSION OF TIME FOR FILING CERTAIN REPORT BY COMMITTEE ON THE JUDICIARY—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 110), which was placed on the calendar, as follows:

Resolved, That the time for filing a report by the Committee on the Judiciary, pursuant to Senate Resolution 165, 84th Congress, 2d session, as extended by Senate Resolution 84, 85th Congress, is hereby extended to April 4, 1957.

REPORT ENTITLED "EMIGRATION OF REFUGEES AND ESCAPEES"—REPORT OF A COMMITTEE (S. REPT. NO. 129)

Mr. EASTLAND (for Mr. LANGER), from the Committee on the Judiciary, pursuant to Senate Resolution 168, 84th Congress, 2d session, as extended by Senate Resolution 84, 85th Congress, submitted a report entitled "Emigration of Refugees and Escapees," which was ordered to be printed.

REPORT ENTITLED "JUVENILE DELINQUENCY"—REPORT OF A COMMITTEE (S. REPT. NO. 130)

Mr. KEFAUVER. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 173, 84th Congress, 2d session, I submit a report entitled "Juvenile Delinquency," which contains an interim report of the Subcommittee to Investigate Juvenile Delinquency. I am today submitting a resolution requesting 5,000 additional copies of this report be printed for the use of the Committee on the Judiciary and the Subcommittee to Investigate Juvenile Delinquency.

The report covers the work of the Subcommittee to Investigate Juvenile Delinquency during the time I was chairman and is based on the hearings and investigations of the subcommittee during that time. The development of this report was greatly aided by professional people from all the related fields of delinquency and contains an amalgam of ideas and suggestions from delinquency experts in all areas of the country.

The recommendations in the report are made to the many groups, organizations, and agencies handling delinquents on the one hand, to individual parents on the other. They are based on the knowledge and opinions of recognized authorities in the field of juvenile behavior who have testified or made statements before or who have communicated with the staff of the subcommittee. After carefully sifting all of the information received, we have come up with what are considered the main areas of the delinquency picture and have indicated the remedial actions necessary to improving the social climate that our children are growing up in.

The PRESIDENT pro tempore. The report will be received and printed.

REPORT ENTITLED "ANTITRUST AND MONOPOLY"—REPORT OF A COMMITTEE (S. REPT. NO. 128)

Mr. O'MAHONEY, from the Committee on the Judiciary, pursuant to Senate Resolution 170, 84th Congress, 2d session, as extended by Senate Resolution 84, 85th Congress, submitted a report entitled "Antitrust and Monopoly," which was ordered to be printed.

REPORT ENTITLED "CORPORATE MERGERS AND ACQUISITIONS"—REPORT OF A COMMITTEE (S. REPT. NO. 132)

Mr. O'MAHONEY, from the Committee on the Judiciary, pursuant to Senate Resolution 170, 84th Congress, 2d session, as extended by Senate Resolution 84, 85th Congress, submitted a report entitled "Corporate Mergers and Acquisitions," which was ordered to be printed.

PROPOSED FINANCIAL INSTITUTIONS ACT OF 1957—REPORT OF A COMMITTEE

Mr. ROBERTSON. Mr. President, from the Committee on Banking and Currency, I report an original bill to amend and revise the statutes governing financial institutions and credit, and I submit a report (No. 121) thereon. I ask unanimous consent that the report, together with individual views, to be submitted later today, may be printed. Of course, if the individual views are not submitted today, they cannot be printed with the report.

The PRESIDENT pro tempore. The report will be received and printed; and the bill will be placed on the calendar.

The bill (S. 1451) to amend and revise the statutes governing financial institutions and credit, reported by Mr. ROBERTSON, from the Committee on Banking and Currency, was read twice by its title, and placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency:

Paul W. McCracken, of Michigan, to be a member of the Council of Economic Advisers;

Albert James Robertson, of Iowa, to be a member of the Federal Home Loan Bank Board; and

Gordon Gray, of North Carolina, to be Director of the Office of Defense Mobilization, vice Arthur S. Flemming.

By Mr. EASTLAND, from the Committee on the Judiciary:

William Joseph Brennan, Jr., of New Jersey, to be an Associate Justice of the Supreme Court of the United States; and

D. Malcolm Anderson, Jr., of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice John W. McIlvaine, resigned.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBERTSON:

S. 1451. A bill to amend and revise the statutes governing financial institutions and credit; placed on the calendar.

(See the remarks of Mr. ROBERTSON when he reported the above bill, which appear under the heading "Reports of Committees.")

By Mr. KENNEDY:

S. 1452. A bill for the relief of Francesca Maria Arria; and

S. 1453. A bill for the relief of Ovidio Avo Bruschi; to the Committee on the Judiciary.

S. 1454. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1455. A bill to strengthen and improve State and local programs to combat and control juvenile delinquency; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. KUCHEL:

S. 1456. A bill for the relief of Refugio Guerrero-Monje; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 1457. A bill to amend the Interstate Commerce Act, as amended;

S. 1458. A bill to amend part II of the Interstate Commerce Act, as amended, to clarify and make certain the authority of the Interstate Commerce Commission to issue temporary, or term, certificates of public convenience and necessity;

S. 1459. A bill to amend section 208 (c) of the Interstate Commerce Act, as amended;

S. 1460. A bill to amend parts II and III of the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary authorities and temporary approvals beyond a period of 180 days.

S. 1461. A bill to amend section 212 (a) of the Interstate Commerce Act, as amended;

S. 1462. A bill to amend the Locomotive Inspection Act, as amended; and

S. 1463. A bill to amend the Medals of Honor Act to authorize awards for acts of heroism involving any motor vehicle subject to the motor carrier safety regulations of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. MAGNUSON:

S. 1464. A bill to provide certain allowances and benefits to personnel of the Veterans' Administration who are United States citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines; to the Committee on Finance.

S. 1465. A bill for the relief of school district No. 146, Warden, Wash.; and school district No. 144, Quincy, Wash.; to the Committee on Interior and Insular Affairs.

S. 1466. A bill for the relief of Kasimira Abarona; and

S. 1467. A bill for the relief of Itsumi Kasahara; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1468. A bill for the relief of George K. Jue (Jew Ten); and

S. 1469. A bill for the relief of Norma Coupland; to the Committee on the Judiciary.

By Mr. MONRONEY:

S. 1470. A bill for the relief of George Rudolph Bogdanich; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 1471. A bill to provide that Government surplus property may be donated to 4-H Clubs for the construction, equipment, and operation of camps and centers; to the Committee on Government Operations.

By Mr. SMATHERS:

S. 1472. A bill for the relief of Triantafilia Antul; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 1473. A bill for the relief of Sara F. Meehan and her children, Nicki L. Christakos, Frances A. Christakos, and Christine Christakos; to the Committee on the Judiciary.

By Mr. MONRONEY (for himself and Mr. SMATHERS):

S. 1474. A bill to amend section 401 (e) of the Civil Aeronautics Act, as amended; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

INVESTIGATION OF DELAYS IN DEVELOPMENT OF WASHINGTON METROPOLITAN AREA, BY REASON OF OVERLAPPING JURISDICTION

Mr. BUTLER submitted the following resolution (S. Res. 108), which was referred to the Committee on the District of Columbia:

Whereas there has been established in the Metropolitan Area of the Nation's Capital, embracing the District of Columbia and portions of Virginia and Maryland, certain agencies of the Federal Government, the Government of the District of Columbia and other local governments which have the responsibility to plan and advise respecting the orderly development of aforesaid area; and

Whereas certain of these agencies have arrogated to themselves functions not within their jurisdiction; and

Whereas there exists in certain of these agencies confusion, overlapping of authority, and rivalry which has operated against the orderly development of the metropolitan area; and

Whereas this unhealthy situation has specifically impeded the building of much-needed bridges, the extension of highways, the relocation of Federal establishments, and has caused disruption and uncertainty in essential local planning for residential and business purposes in the aforesaid metropolitan area; and

Whereas it has contributed to the failure of the so-called lease-purchase program designed to provide necessary housing of Federal Government agencies; and

Whereas a continuation of the confusion, overlapping authority and rivalry within these planning agencies will seriously jeopardize the orderly development of the metropolitan area for many years to come: Now, therefore, be it

Resolved, That the Committee on the Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of all matters pertaining to the extent to which overlapping of jurisdiction, and duplication of functions, of agencies of the Federal Government and the government of the District of Columbia, and other local governments, have impeded and delayed planning and development in the District of Columbia and adjoining areas of the States of Maryland and Virginia, and to recommend such legislation as it deems advisable to provide orderly planning and development in these areas without such overlapping of jurisdiction or duplication of functions.

SEC. 2. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1958, inclusive, is authorized (a) to make such expenditures as it deems advisable; (b) to employ on a temporary basis technical, clerical, and other assistants and consultants; and (c) with the prior consent of the heads of the department or agency concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1958.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $50,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 130

Mr. KEFAUVER submitted the following resolution (S. Res. 109), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on the Judiciary 5,000 additional copies of Senate Report 130, 85th Congress, 1st session.

EXTENSION OF TIME FOR FILING REPORT BY COMMITTEE ON THE JUDICIARY

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 110) to extend the time for the filing of a certain report by the Committee on the Judiciary, which was placed on the calendar.

(See resolution 110 printed in full, which appears under the heading "Reports of Committees.")

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT, RELATING TO A SYSTEM OF SAFETY RULES

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes.

The purpose of this bill is to improve safety standards in one of our most hazardous industries—stevedoring. This important objective can be attained if we adopt reasonable safety standards and enforce them. This proposed legislation provides authority for the Secretary of Labor to establish and enforce minimum safety standards, and, therefore, is a logical extension of Congressional policy as embodied in the Longshoremen's Act of 1927 with respect to safety in this industry.

It is true that there have been many improvements in safety conditions in the stevedoring industry since 1927. However, it still remains among our most dangerous occupations, and the social and economic costs of the high accident rates are prodigious. These costs can be materially reduced through an active accident-prevention program, and experience has shown that, where safety standards have been applied in the industry, rapid and dramatic improvements have

been attained. Our concern for the welfare of the workers in this industry would be reason enough for acting favorably on this proposed legislation. But when one adds to this essential reason the fact that workmen's compensation, public liability, and property damage insurance rates would be materially reduced if safety conditions were improved, it seems to me that the case for the proposed legislation is complete.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1454) to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

PROPOSED JUVENILE DELINQUENCY CONTROL ACT

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to strengthen and improve State and local programs to combat and control juvenile delinquency. This proposed legislation is an outgrowth of a bill which I introduced early in the last session of Congress. I ask unanimous consent that the bill, together with a statement prepared by me, and a letter from the Secretary of Health, Education, and Welfare, to the Vice President, in support of it, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, statement, and letter will be printed in the RECORD.

The bill (S. 1455) to strengthen and improve State and local programs to combat and control juvenile delinquency, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 1455

Bill to strengthen and improve State and local programs to combat and control juvenile delinquency

Be it enacted, etc., That this act may be cited as the "Juvenile Delinquency Control Act."

Findings and policies

SEC. 2. (a) The Congress hereby finds and declares that—

(1) juvenile delinquency, since it is a social problem that defects children in their growth toward responsible citizenship, diminishes the strength and vitality of the people of our Nation; and

(2) juvenile delinquency is a steadily mounting problem in both urban and rural communities, and its control requires more concerted and intensive efforts on the part of communities, the States, and the Federal Government.

(b) It shall, therefore, be the national policy to promote coordination and planning among public and voluntary organizations whose programs relate to the control of juvenile delinquency, especially those concerned with the welfare, health (including mental health), and education of children and youth, and to assist the States in strengthening and improving State and community programs to combat and control juvenile delinquency.

TITLE I. STRENGTHENING AND IMPROVEMENT GRANTS

Authorization of appropriations

SEC. 101. For the purpose of assisting the States to strengthen and improve State and local programs for the control of juvenile delinquency, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1958, the sum of $2 million, and for each of the following 4 fiscal years such sums, not to exceed $5 million annually, as the Congress may determine.

Grants to States

SEC. 102. The sums appropriated under section 101 for any fiscal year shall be available for making grants to States to assist them to strengthen and improve, under approved State plans, programs for the control of juvenile delinquency through—

(a) determination of the needs in the State for strengthening and improving State and local programs for the control of juvenile delinquency, and development of plans to meet these needs;

(b) coordination, on a continuing basis, of juvenile delinquency control programs and of plans for strengthening and improving the same;

(c) training of personnel, employed, or preparing for employment in juvenile delinquency control programs, in the furnishing of improved services to delinquent youth, including training in educational institutions or in-service training, or both;

(d) demonstrations of improved services for the location, treatment, and after-care of delinquent youth; and

(e) research and investigations for assessing the causes and extent of juvenile delinquency and the affectiveness of existing control programs, and for developing improved methods for the control of juvenile delinquency.

State plans

SEC. 103. The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall approve any State plan for carrying out the purposes set forth in section 102 if he finds that such State plan—

(a) provides for the administration of the plan by a single State agency directly or, under the supervision of such agency, through arrangements with other State or local agencies;

(b) provides for the establishment of a State advisory council to consult with the State agency in the administration of the State plan, such council to consist of (1) representatives of State agencies concerned with the control of juvenile delinquency, including to the extent feasible the State welfare, education, health, and labor departments, State mental health and vocational rehabilitation authorities, the State employment service, and State agencies responsible for services to, or care of, delinquent youth, and persons representative of juvenile courts, and probation and police services, and (2) persons representative of voluntary organizations responsible for services to delinquent youth, and of professional and civic groups concerned with problems of children and youth, especially the problem of juvenile delinquency;

(c) provides measures designed to achieve effective coordination, on a continuing basis, between the programs of the various State and local agencies concerned with the control of juvenile delinquency, and between such programs and the activities of voluntary organizations providing services for, or concerned with, the control of juvenile delinquency;

(d) provides for financial participation by the State;

(e) provides for carrying out the first four of the five purposes set forth in section 102 or for carrying out all such purposes;

(f) provides such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that (A) the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods and (B) approval of a State plan shall not be withheld by reason of a State law which prevents a State or local agency from providing such methods, if the Secretary finds that such law was enacted prior to the enactment of this act and the plan provides methods assuring that only qualified personnel will be employed) as are necessary for the proper and efficient operation of the plan; and

(g) provides that the State agency administering or supervising the administration of the plan shall make such reports, in such form, and containing such information as the Secretary may from time to time reasonably require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports.

Allotments and payments to States

SEC. 104. (a) From the sums available in any fiscal year for grants to States under section 103, each State shall be entitled to an allotment of an amount which bears the same ratio to such sums as the child population of such State bears to the child population of all the States. The allotment to any State under the preceding sentence for a fiscal year which is less than $30,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than $30,000.

(b) From each State's allotment under this section for any fiscal year the Secretary shall pay to such State an amount equal to its Federal share (as defined in sec. 405 (b)) of the cost of carrying out the purposes set forth in section 103 in accordance with its State plan approved under section 103: *Provided*, That from each State's allotment for the fiscal years ending June 30, 1958, and June 30, 1959, the Secretary shall pay to such State an amount equal to 100 percent of so much of the cost of carrying out such purposes as does not exceed $30,000 for the 2 years combined, and an amount equal to its Federal share (as so defined) of such cost in excess of $30,000 for the 2 years combined.

TITLE II. GRANTS FOR DEMONSTRATIONS AND STUDIES

SEC. 201. (a) For the purpose of demonstrating and developing improved methods for the control of juvenile delinquency, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1958, the sum of $500,000, and for each of the following 4 fiscal years such sums, not to exceed $2 million annually, as the Congress may determine.

(b) The sums appropriated under this title shall be available for grants to States and to public and other nonprofit institutions of higher learning or research for paying part of the cost of demonstrations and studies which, in the judgment of the Secretary, hold promise of making a substantial contribution to the strengthening or improvement of programs for the control of juvenile delinquency in all or several States or toward meeting juvenile delinquency control problems of special national significance or concern. Any grant of funds under this subsection which will be used for direct services to delinquent children must have the prior approval of the State agency administering or supervising the administration of the State plan.

(c) Payments under this title may be made in advance or by way of reimbursement for services performed and purchases made as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this title.

TITLE III. GRANTS FOR TRAINING PERSONNEL

SEC. 301. (a) For the purpose of training personnel employed, or preparing for employment, in programs for the control and treatment of juvenile delinquency, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1958, the sum of $500,000, and for each of the following 4 fiscal years such sums, not to exceed $2 million annually, as the Congress may determine.

(b) Sums appropriated under this title shall be available for grants to States and to public or other nonprofit institutions of higher learning for paying part of the cost of such training, including the development of courses for such training and the maintenance of such fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses) as the Secretary may determine to be necessary.

(c) Payments under this title may be made in advance or by way of reimbursement for services performed and purchases made as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this title.

TITLE IV. GENERAL PROVISIONS

Administration

SEC. 401. (a) In carrying out his duties under this act, the Secretary shall make studies, investigations, and reports with respect to matters relating to the control of juvenile delinquency, including the effectiveness of programs carried out under this act, cooperate with and render technical assistance to States in such matters, provide short-term training and instruction in technical matters relating to juvenile delinquency control, and otherwise promote the strengthening and improvement of programs for the control of juvenile delinquency.

(b) The Secretary is authorized to make regulations governing the administration of this act.

(c) The Secretary shall include in his annual report a full report of the administration of this act.

(d) There are hereby authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer this act.

Federal Advisory Council on Juvenile Delinquency

SEC. 402. (a) There is hereby established in the Department of Health, Education, and Welfare a Federal Advisory Council on Juvenile Delinquency (hereinafter referred to as the Council). The Council shall be composed of the Secretary or his designee, who shall be Chairman, one representative each of the Departments of Justice, Labor, Interior, and Agriculture, designated as such by the head of each such department, who shall be ex officio members, and 21 members appointed by the Secretary. The appointed members shall be persons (including persons from public and voluntary organizations) who are recognized authorities in professional or technical fields related to juvenile delinquency or persons representative of the general public who are leaders in programs concerned with juvenile delinquency. The Council shall advise the Secretary on the administration of this act.

(b) Appointed members of the Council, while attending meetings of the Council or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding $50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 73b-2) for persons in the Government service employed intermittently. Notwithstanding the foregoing or any other provision of law, the Secretary may accept the services of appointed members under this section without payment of compensation therefor (and with or without payment of travel expenses or per diem in lieu of subsistence).

Method of computing and making payments

SEC. 403. The method of computing and paying amounts pursuant to section 104 shall be as follows:

(a) The Secretary shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such section for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Secretary may find necessary.

(b) The Secretary shall pay to the State, from the allotment available therefor, the amount so estimated by him for any period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such section was greater or less than the amount which should have been paid to the State for such prior period under such section. Such payments shall be made in such installments as the Secretary may determine.

Withholding of payments and judicial review

SEC. 404. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a State plan approved under section 103 finds (1) that the State plan has been so changed that it no longer complies with a provision required by section 103 to be included in the plan, or (2) that in the administration of the plan there is a failure to comply substantially with such a provision, the Secretary shall notify the State agency or agencies that no further payments will be made to the State under section 104 (or in his discretion that further payments will not be made to the State for portions of the State plan affected by such failure), until he is satisfied that there will no longer be such failure. Until he is so satisfied, the Secretary shall make no further payments to such State under section 104 (or shall limit payments to portions of the State plan in which there is no such failure).

(b) If any State is dissatisfied with the Secretary's action under subsection (a), such State may appeal to the United States Court of Appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The findings of fact by the Secretary, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence. The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

Definitions

SEC. 405. For the purposes of this act—

(a) The term "State" includes Alaska, Hawaii, the District of Columbia, the Virgin Islands, Puerto Rico, and Guam;

(b) (1) The "Federal share" for any State shall be 100 percent less that percentage which bears the same ratio to 50 percent as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska); except that (A) the Federal share shall in no case be more than 66⅔ per cent or less than 33⅓ percent, and (B) the Federal share for Alaska shall be 50 percent, and for Puerto Rico, the Virgin Islands, and Guam shall be 66⅔ percent;

(2) The "Federal shares" shall be promulgated by the Secretary as soon as possible after enactment of this act and again between July 1 and September 30 of the year 1959, on the basis of the average of the per capita incomes of the States and of the continental United States for the three most consecutive years for which satisfactory data are available from the Department of Commerce: The first such promulgation shall be conclusive for each of the 3 fiscal years in the period beginning July 1, 1957 and ending June 30, 1960, and the second shall be conclusive for each of the 2 fiscal years in the period beginning July 1, 1960 and ending June 30, 1962; and

(c) The term "child population" means the population under the age of 21 years, and the "population" and "child population" of the several States shall be determined on the basis of the latest figures furnished by the Department of Commerce.

Cumulative report to Congress

SEC. 406. Not later than January 1, 1961, the Secretary shall transmit to the President for transmission to the Congress a report of the experience had by Federal, State, and local agencies in the administration of this act, together with his recommendations as to the expiration, continuation, or revision of the act.

The statement and letter presented by Mr. WILEY are as follows:

STATEMENT BY SENATOR WILEY

It is a thorough and effective approach to the long-range solution of the problems of juvenile delinquency which our modern machine civilization is contributing to and having difficulty in allaying.

We were able to secure passage in the Senate of a similar bill during the closing hours of the last session, but there was insufficient time for the House to act upon it.

I believe that this proposed legislation will go far toward aiding our young people and their seniors to help the unfortunate ones who have chosen, we hope only temporarily, the path of anti-social behavior, rowdyism, and often crime.

RAPID RISE OF JUVENILE DELINQUENCY

The serious spread of juvenile delinquency is a comparatively recent phenomenon in America. But, it has been growing by leaps and bounds during the last 7 years.

Since 1948, when juvenile delinquency first began to rise, it has increased by 70 percent. This figure is based upon the number of children involved in court delinquency cases. And in 1955, of 20 million American children between 10 and 17 years of age, about one-half million of them became involved in delinquency charges before a court.

Of course, the number of children in the United States during this 7-year period has increased. But the number of children has increased only 16 percent; whereas, as I just said, the number of child delinquents rose 70 percent.

During 1955, children brought to juvenile court as delinquents rose 9 percent. During 1955, the number of children in the United

States rose only 3 percent; so that the number of delinquents rose three times faster last year than did the number of children in the United States.

Unless we can stop the increasing rate of juvenile delinquency, it has been estimated that we may have, by 1960, 2 million children annually getting in trouble with the police.

That is a state of affairs which we cannot, in justice to future generations and to our American heritage, allow to happen.

THE PROBLEM OF JUVENILE DELINQUENCY

It is often though that juvenile delinquents are only to be found in the slums of our big cities. But, although the most serious problems do seem to arise in the big cities, the number of delinquency cases in cities of less than 100,000 population have increased since 1948 at a higher rate than the national increase.

The students of the problem have also concluded that it is not confined to the poorer cities, but also exists in cities which are well off financially.

It has been well said that no child is born delinquent. His or her environment creates problems which help to lead our girls and boys astray, into paths which bring them into conflict with constituted authority.

Children in good, happy homes seldom get into trouble with the police. It has been pointed out that broken homes are a frequent cause of maladjustment which make it easier for the child to get into trouble. The homes may be broken by desertion or death or by lack of kindly understanding among the parents. The resulting damage to sound parent-child relationships helps to cause the emotional conflicts in the child's mind which tempt him to resist authority and to break the law in order to get what he wants and what he feels he has been unjustly denied.

Besides the home, our churches, our schools, our athletic organizations, our welfare agencies, and the boys and girls movements like the Boy Scouts, the Boys' Clubs, and the Boys' Nation, are all doing their part to keep our youth happily adjusted. And so, most of our young people grow up strong mentally, morally, and physically, and well able to behave themselves in the modern world.

However, there are not enough people trained in the problems of youth to counsel with the families, to initiate their organized youth programs, and to study the causes and suggest the cures for our rapidly growing juvenile delinquency.

Of course, legislation cannot direct an end to juvenile delinquency. But it can help to find a way to buttress the fine work which our homes, churches, schools, and other organizations are doing.

THE DELINQUENT CHILDREN'S ACT

The proposed legislation would authorize programs to operate through the States, by grants-in-aid. They would be administered through the Department of Health, Education, and Welfare. They would be designed to strengthen and expand State and local programs against juvenile delinquency. They would also stimulate the increased training of people who wish to dedicate themselves to helping our youth avoid juvenile delinquency. They would also stimulate research, so that we would have more reliable information as to the causes and prevalence of this social difficulty among our youth.

The States would submit their programs and receive allotments on the basis of their child population.

However, the matching appropriations by the States would be computed on the basis of an inverse ratio to their per capita income.

That would mean that the poorer States would contribute proportionately less than the more well-to-do States. But there would be a minimum amount required to be contributed by each State.

CONCLUSION

In the light of the seriousness of the problem to America and because increasing juvenile delinquency could undermine the moral and physical strength of our country, at a time when we need all our power to face a threatening world, these appropriations are not too much to add to private efforts to help our children succeed and be happy.

There is nothing about our young people which is essentially wrong. They are the best this country has ever had. Some of them, in this uncertain world, have run into difficulties which have never faced youth before. We parents must do our utmost, not only to improve and stabilize our national life, but also to help the States to help wayward youngsters toward a better adjustment to their surrounding circumstances.

I urge prompt and favorable consideration of the bill, in order that the program which it authorizes may start as quickly as possible.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, March 1, 1957.

VICE PRESIDENT RICHARD M. NIXON,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: There is enclosed for your consideration a draft of a bill "to strengthen and improve State and local programs to combat and control juvenile delinquency." This bill is designed to carry out the recommendations of the President of the United States.

In messages to the Congress in 1955, 1956, and in 1957, the President has recommended legislation authorizing grants to assist the States in combating and controlling juvenile delinquency. We continue to regard this legislation as having a high priority.

Delinquency cases handled by juvenile courts increased 9 percent in 1955 (the latest year for which data are available) over 1954. This marked the seventh consecutive year of increase, making a total increase of 70 percent since 1948. During the same period, the child population (10–17 years of age) increased only 16 percent.

An intensified attack on the problem of juvenile delinquency is urgently needed.

Coordination among State and local public and voluntary agencies and organizations working in behalf of delinquent youth is generally inadequate. Services for the control of juvenile delinquency are usually widely scattered among State departments of welfare, health, education, and corrections, State training schools for delinquent youth, State youth authorities, employment agencies, and others. Certain functions, such as judicial probation, police, and often recreation functions, are entirely local in most States and are not represented by a State department. Facilities and services provided by voluntary agencies may or may not be coordinated with the public programs.

Responsibility for providing care and service for individual delinquent youth often shifts back and forth among various agencies and institutions. As a result, many delinquent children do not receive the appropriate care and treatment at the time when it would be most effective.

The 84th Congress had before it several bills, including an administration proposal (S. 894 and H. R. 3771), to provide grants to assist the States in the control of juvenile delinquency. One bill (S. 4267) passed the Senate just before Congress adjourned but was not acted upon by the House. In the preparation of the attached draft bill, the Department has considered the various bills which were before the 84th Congress, and has included what we believe to be the most desirable features of the 84th Congress bills.

The objective of the enclosed bill is to assist the States and localities in strengthening and improving their programs for the control of juvenile delinquency. Particular emphasis is given to effectuating coordination of programs of the various State and local agencies concerned with the control of juvenile deliquency.

This bill authorizes a 5-year program of Federal grants for this purpose. The Secretary of Health, Education, and Welfare would be required to submit to the President, not later than January 1, 1961, for transmission to the Congress a report of the experience had by Federal, State, and local agencies in the administration of this law, together with recommendations as to the expiration, continuance, or revision of the law.

Three types of grants would be authorized: (1) strengthening and improvement grants; (2) grants for demonstrations and studies; and (3) training grants.

STRENGTHENING AND IMPROVEMENT GRANTS

The purpose of these grants is to assist the States to strengthen and improve State and local programs for the control of juvenile delinquency through: (a) determining needs for strengthening and improving State and local programs for the control of juvenile delinquency and developing a plan for strengthening and improving such programs; (b) coordination, on a continuing basis, of juvenile delinquency control programs and of plans for strengthening and improving the same; (c) training of personnel employed, or preparing for employment, in juvenile delinquency control programs in the furnishing of improved services to delinquent youth, including training in educational institutions or in-service training; or both; (d) demonstrations of improved services for the location, treatment, and aftercare of delinquent youth; and (e) research and investigations for assessing the causes and extent of juvenile delinquency and the effectiveness of existing control programs, and for developing improved methods for the control of juvenile delinquency.

An appropriation of $2 million for this type of grant is authorized for the fiscal year 1958, and, for each of the next 4 fiscal years, not to exceed $5 million annually.

Under the formula specified in the law, this amount would be allotted on the basis of child population, with the provision that no State would receive less than $30,000. The full amount would be matched by the States, on a variable matching basis, except that $30,000 of each State's allotment for the fiscal years 1958 and 1959 combined would not need to be matched.

Plans for these funds would be submitted by a single State agency which administers the State plan directly or supervises the administration of the plan through arrangements with other State or local agencies. One of the conditions of plan approval would be that the plan provide for the establishment of a State advisory council to consult with the State agency in the administration of the State plan.

GRANTS FOR DEMONSTRATIONS AND STUDIES

These grants would be for part of the costs of demonstrations and studies holding promise of making a substantial contribution to the strengthening and improvement of programs for the control of juvenile delinquency in all or several States, or meeting juvenile delinquency control problems of special national significance or concern. Such grants may be made to States, to public or other nonprofit institutions of higher learning or to research institutions.

An appropriation of $500,000 for this type of grant is authorized for the fiscal year 1958, and for each of the next 4 fiscal years, not to exceed $3 million annually.

GRANTS FOR TRAINING PERSONNEL

These grants would be for part of the costs of training personnel employed, or preparing for employment, in programs for the control of juvenile delinquency, including the development of courses for such training and the maintenance of such fellowships and traineeships, with such stipends and allowances, as the Secretary may deem to be necessary. Such grants may be made to States and to public or other nonprofit institutions of higher learning.

An appropriation of $500,000 for this type of grant is authorized for the fiscal year 1958, and for each of the next four fiscal years, not to exceed $2 million annually.

In compliance with Public Law 801, 84th Congress, there is attached a statement of cost estimates and personnel requirements which would be entailed by the enactment of the proposed legislation.

We shall appreciate it if you will be good enough to refer the enclosed draft bill to the proper committee for consideration.

The Bureau of the Budget advises that it perceives no objection to the submission of the proposed legislation to the Congress for its consideration and that its enactment would be in accord with the program of the President.

Sincerely yours,

M. B. FOLSOM,
Secretary.

Enclosures.

Mr. WILEY. I welcome a cooperative approach to this problem and I ask unanimous consent that the bill lie on the table for 3 days in order that other members may associate themselves with it by cosponsorship if they so desire.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED TRANSPORTATION ACT OF 1957

Mr. MAGNUSON. Mr. President, by request, I introduce for appropriate reference a bill to amend the Interstate Commerce Act, as amended. I ask unanimous consent that a letter addressed to the President of the Senate by the Secretary of Commerce, requesting enactment of the proposed legislation, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1457) to amend the Interstate Commerce Act, as amended, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, February 28, 1957.

The Honorable RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

The Honorable SAM RAYBURN,
Speaker of the House,
House of Representatives,
Washington, D. C.

DEAR MR. PRESIDENT:
DEAR MR. SPEAKER:

I am transmitting herewith a proposed bill designed to implement the recommendations in the report of the Presidential Advisory Committee on Transport Policy and Organization, a copy of such report being enclosed.

Legislation to carry out the recommendations of the committee was introduced in the 84th Congress as S. 1920, H. R. 6141, and H. R. 6142, and the latter two bills were the subject of hearings in the House of Representatives.

The proposed bill is identical to those of the last Congress except for certain clarifying and technical changes, the majority of which were contained in my testimony of June 20, 1956, before the Committee on Interstate and Foreign Commerce of the House of Representatives.

As was the case when legislation was submitted originally, this draft legislation is intended to provide a useful tool for the Congress in considering the recommendations of the Advisory Committee. Because of the necessity for strengthening our transportation system, it is hoped that action on the legislation can be completed during the present session.

The Bureau of the Budget advises that it interposes no objection to the submission of this legislation.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

PROPOSED AMENDMENTS OF INTERSTATE COMMERCE ACT

Mr. MAGNUSON. Mr. President, by request, I introduce for appropriate reference three bills proposing amendments to the Interstate Commerce Act. I ask unanimous consent that a letter from the chairman of the Interstate Commerce Commission, together with justifications for these proposed measures, may be printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letter and justifications will be printed in the RECORD.

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1458. A bill to amend part II of the Interstaate Commerce Act, as amended, to clarify and make certain the authority of the Interstate Commerce Commission to issue temporary, or term, certificates of public convenience and necessity;

S. 1459. A bill to amend section 208 (c) of the Interstate Commerce Act, as amended; and

S. 1460. A bill to amend parts II and III of the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary authorities and temporary approvals beyond a period of 180 days.

The letter and justifications presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, February 28, 1957.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 20 copies each of draft bills, together with statements of justification therefor, which would give effect to legislative recommendations Nos. 10, 11 and 12 appearing on page 166 of the Commission's 70th annual report to Congress, as follows:

"10. We recommend that section 207 (a) be amended to clarify the Commission's authority to issue temporary, or term, certificates of public convenience and necessity; and that section 212 (a) be amended to provide that such certificates shall remain in effect for the term issued, until suspended or terminated as therein provided.

"1. We recommend that section 208 (c), which gives special or charter service rights to common carriers by motor vehicle, be amended to make it inapplicable to carriers issued certificates in the future.

"12. We recommend that section 210a (a) and (b) be amended so as to authorize the Commission to grant temporary authorities and temporary approvals beyond a period of 180 days."

We would appreciate your assistance in introducing these bills and scheduling early hearings thereon.

With kindest regards, I am

Sincerely yours,

OWEN CLARKE,
Chairman.

JUSTIFICATION FOR S. 1458

The purpose of the attached draft bill is to remove any doubt as to the authority of the Interstate Commerce Commission to issue temporary, or term, certificates of public convenience and necessity under part II of the Interstate Commerce Act.

The Commission has issued certificates of public convenience and necessity to motor common carriers for the transportation of explosives and other dangerous articles limited to a term of 5 years or less. The issuance of such limited term certificates enables the Commission to review a carrier's safety record when and if renewal of operating authority is sought. There are also situations where the need for service may be for only a limited period, as in the case of a construction project. If the Commission has no alternative in such cases except to issue a permanent certificate, which may be of no further use to the holder upon completion of the project, it could result in having a number of dormant certificates outstanding.

Section 207 (a) of the act contains no specific language respecting the authority of the Commission to grant temporary, or term, certificates, and some of the carriers which have been issued certificates of this type have questioned the authority of the Commission to place an expiration date on their certificates. The amendments proposed in the draft bill would clarify and make certain the Commission's authority to grant certificates for a limited period to meet a particular need when the authority to meet such need cannot be granted under the provisions of section 210a (a) of the act.

The proposed changes in sections 208 (a) and 212 (a) are necessary in order to make the provisions of those sections conform to the changes proposed in section 207 (a).

JUSTIFICATION FOR S. 1459

The purpose of the attached draft bill is to require future applicants to the Interstate Commerce Commission for motor common carrier passenger operating authority to show a need for chartered parties instead of acquiring the right to perform such transportation as an incident to obtaining a certificate to transport passengers over a specified route.

Section 208 (c) of the Interstate Commerce Act now permits any regular route common carrier of passengers by motor vehicle to transport, under a certificate issued pursuant to the provisions of part II of the act, special or chartered parties to any place under such rules and regulations as the Commission may prescribe. The phrase "to any place" has been interpreted by the Commission to mean "to any place or point in the United States," the Commission being precluded by the language of the statute from specifying with particularity the destination of such special or charter parties. Ex parte No. MC-29, Regulations Governing Special or Chartered Party Service, 29 M. C. C. 25.

No mention is made in section 208 (c), however, of origin territory. In interpreting

this section and prescribing rules and regulations thereunder, the Commission sought to clarify the term "origin territory" by stating that a common carrier of passengers by motor vehicle subject to the rules promulgated under section 208 (c) may transport special or charter parties (1) which originate at any point or points on the regular route or routes or at any off-route point or points, authorized to be served by such carrier, or (2) which originate at any point or points within the territory served by its regular route or routes. Ex parte No. MC-29, supra. Section 208 (c) is presently applicable to such regular route operations authorized under the first proviso in section 206 (a) or under section 207 (a), and the right to transport special or chartered parties is actually an incident to the right granted under those sections to engage in the transportation of passengers by motor vehicle over regular routes between fixed termini.

In the early days of motor-carrier regulation it was not deemed necessary to limit the expansion of special or charter operators enjoying incidental charter rights. In general, section 208 (c) has resulted in a public benefit, and undoubtedly has contributed to the substantial growth of this segment of the motor-carrier industry. In recent years, however, abuses have been observed. Carriers have frequently applied for the right to transport passengers over a short regular route solely for the purpose of obtaining the incidental charter rights from points on their route to all points in the United States. Some carriers are conducting only token operations over their authorized routes in order to retain the right to engage in transportation charter parties throughout the country from a point on their route.

All that is intended by the proposed amendment is that in the future applicants for common carrier authority to transport passengers by motor vehicle in interstate commerce be required to show a need for the service of transporting special or charter parties instead of obtaining such right upon showing only a need for transportation over a specified route. The proposed change would in no way affect the operations of presently authorized carriers.

JUSTIFICATION FOR S. 1460

The attached draft bill would clarify and make certain the power of the Interstate Commerce Commission to grant temporary operating authorities to motor carriers and water carriers beyond a period of 180 days.

Under sections 210a and 311 of the Interstate Commerce Act, the Commission may grant temporary operating authority to motor carriers and water carriers for a period not to exceed an aggregate of 180 days. In many instances where temporary authority is granted under sections 210a (a) and 311 (a), it is to provide a needed service until action can be taken on an application for a certificate or permit. In all cases in which temporary authority is granted under sections 210a (b) and 311 (b), in which applications for approval of consolidations or mergers, etc., are involved, an application for a certificate or permit is filed before the temporary authority may be granted. It frequently occurs, however, that the Commission cannot make a final determination of the application for a certificate or permit within 180 days as provided in these sections.

The Commission has taken the position that section 9 (b) of the Administrative Procedure Act permits or requires it to grant temporary authorities for periods in excess of 180 days where such extension is necessary to enable it to complete action upon a pending application for a certificate or permit or upon an application for approval of consolidation or merger, etc. Section 9 (b) of the Administrative Procedure Act provides, in part, as follows:

"In any case in which the licensee has, in accordance with agency rules, made timely and sufficient application for a renewal or a new license, no license with reference to any activity of a continuing nature shall expire until such application shall have been finally determined by the agency."

The legality of the Commission's reliance upon section 9 (b) has been considered twice by a three-judge district court in the district of Massachusetts. In both cases the court held that section 9 (b) did not authorize the issuance of such temporary authorities for periods in excess of 180 days as specified in the Interstate Commerce Act. The first of these cases, *Stone's Express, Inc.*, v. *United States* (122 F. Supp. 955), was appealed by the Commission to the Supreme Court, but the appeal was dismissed for mootness. The second of these cases, the Pan-Atlantic Steamship case, has also been appealed to the Supreme Court by the Commission.

In the Stone's Express case the three-judge district court stated at page 959 of its opinion:

"Inconvenience or hardships, if any, that result from following the statute as written, must be relieved by legislation. It is for Congress to determine whether the Commission should have more authority with respect to the granting of temporary approvals under section 210a (b)."

The Commission believes that it would be in the public interest to amend the statute, as proposed, in order to make clear its power to grant temporary authorities beyond a period of 180 days so that continuous service may be provided where an urgent need therefor has been shown.

PROPOSED LEGISLATION RELATING TO INTERSTATE COMMERCE

Mr. MAGNUSON. Mr. President, by request, I also introduce, for appropriate reference, three bills relating to interstate commerce. I ask unanimous consent that a letter from the Chairman of the Interstate Commerce Commission, requesting the introduction of these measures, together with justifications for the proposed legislation, may be printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letter and justifications will be printed in the RECORD.

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1461. A bill to amend section 212 (a) of the Interstate Commerce Act, as amended;

S. 1462. A bill to amend the Locomotive Inspection Act, as amended; and

S. 1463. A bill to amend the Medals of Honor Act to authorize awards for acts of heroism involving any motor vehicle subject to the motor carrier safety regulations of the Interstate Commerce Commission.

The letters and justifications presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, February 20, 1957.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate,
Washington, D. C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 20 copies each of draft bills, together with statements of justification therefor, which would give effect to legislative recommendations Nos. 13, 25, and 26 appearing on pages 167, 174, and 175 of the Commission's 70th annual report to Congress, as follows:

"13. We recommend that section 212 (a) be amended in the following respects: (1) To make motor-carrier operating authorities subject to suspension, change, or revocation for willful failure to comply with any rule or regulation lawfully promulgated by the Commission; (2) to make the revocation procedure therein prescribed conform to the procedure provided in section 410 (f) of the act by eliminating the term "willfully" in the first proviso; and (3) to provide that the Commission may, upon reasonable notice, suspend motor-carrier operating authorities for failure to comply with insurance regulations issued by it pursuant to section 215 thereof.

"25. We recommend that the Locomotive Inspection Act (45 U. S. C., secs. 22–34) be amended so as to eliminate the provisions relating to the appointment of the Director and Assistant Directors of Locomotive Inspection by the President and that these positions be placed in the classified service, and, further, that the detailed requirements relating to the duties of inspectors be eliminated. We also recommend the elimination of the oath requirement in inspection reports.

"26. We recommend the enactment of legislation similar to the Medals of Honor Act (45 U. S. C., secs. 44–46) providing for awards of medals of honor for acts of heroism performed in connection with any wreck or threatened wreck, disaster, or grave accident involving any commercial motor vehicle subject to the Commission's motor-carrier safety regulations."

Your assistance in introducing these bills and scheduling early hearings thereon will be very much appreciated.

With kindest regards, I am,

Sincerely yours,

OWEN CLARKE,
Chairman.

JUSTIFICATION FOR S. 1461

The attached draft is designed to subject motor carrier operating authorities to suspension, change, or revocation for willful failure to comply with any rule or regulation lawfully prescribed by the Commission; to provide uniformly between parts II and IV of the Interstate Commerce Act with respect to revocation procedure, and to permit suspension of motor carrier operating authorities, upon notice, for failure to comply with the Commission's insurance regulations.

Under the provisions of section 212 (a) of the act, a certificate cannot be suspended or revoked except for failure to comply with "any provision of this part or with any * * * regulation of the Commission promulgated thereunder * * *." Regulations under the Transportation of Explosives Act, for example, are not regulations promulgated under any provision of part II of the act. The Commission is therefore without power to revoke the certificate of any carrier for violations thereof, regardless of how willfully it may have violated the Transportation of Explosives Act or the regulations promulgated under the provisions of that act. If section 212 (a) were amended by changing the words "promulgated thereunder" to read "lawfully promulgated by the Commission," the Commission would have the power to revoke or suspend certificates for willful failure to comply with any regulation lawfully promulgated by the Commission, thereby enabling the Commission to deal more effectively, in the public interest, with serious violations of any of its applicable rules and regulations and not only those promulgated under part II.

Under the first proviso of section 410 (f) of the act, a freight forwarder permit may be revoked if the holder thereof fails to comply

with an order of the Commission commanding compliance with the provisions of part IV, or a rule or regulation issued by the Commission thereunder, or any of the Commission's rules and regulations, or the terms, conditions, or limitations of its permit. Under the corresponding provision in section 212 (a), however, a motor carrier must willfully fail to obey such compliance order before its certificate or permit may be revoked. The use of the word "willful" to describe the nature of the violations in section 212 (a), and the use of the word a second time (in the first proviso) to describe the nature of the failure to comply with an order commanding obedience, raises the question of whether a second hearing must be held to determine whether or not the failure to obey the compliance order was willful. The proposed change would eliminate this uncertainty in the statute which may present difficulties in the enforcement of the provisions of part II of the act.

The second proviso of section 212 (a) provides, in general, for suspension of motor carriers' and brokers' operating authorities, upon notice but without hearing, for failure to comply with the brokerage bond regulations, and the provisions of the act requiring the publication of tariffs and schedules by motor common and contract carriers. It does not, however, provide for such suspension on notice for failure to maintain proof of cargo, public-liability, and property-damage insurance under section 215. As indicated, section 410 (f) of the act is a counterpart of section 212 (a) and contains a provision similar to the second proviso of section 212 (a). The second proviso of section 410 (f), however, provides for suspension on short notice of freight forwarder permits for failure to comply with the cargo-insurance provisions under section 403 (c) and the public-liability and property-damage insurance provisions under section 403 (d).

There is as much reason from the point of view of the traveling and shipping public to require motor carriers to keep their cargo and public-liability and property-damage insurance in force by suspending their authorities for failure to comply with such requirements, as there is to require freight forwarders to keep their insurance alive. The Commission should have the authority to suspend, on short notice, motor-carrier rights, when insurance lapses or is canceled without replacement, until compliance is effected. The institution of hearings under section 204 (c) for such violations is not a satisfactory answer, since such proceedings may go on for some length of time, and the public may be adversely affected if losses occur while the complaint proceedings are pending.

JUSTIFICATION FOR S. 1462

The attached draft bill would amend the Locomotive Inspection Act to enable the Interstate Commerce Commission to realize fully the advantages of the consolidation of its former Bureaus of Locomotive Inspection, Safety, and Service.

The Wolf Management Engineering Co., under contract from the Senate Committee on Interstate and Foreign Commerce, pursuant to Senate Resolution 332 (82d Congress), made an investigation and study of the organization and operations of the Interstate Commerce Commission and rendered its report to the committee in December 1952. Among several suggested far-reaching changes in the Commission's organization and operations was a recommendation that the Bureaus of Safety and Locomotive Inspection be consolidated.

In discussing implementation of the recommendations, the Wolf Co. report states as follows (pp. 13–14):

"All the changes in organizational structure, the realinement of administrative activities and of budgetary controls, the delegation of administrative and quasi-judicial responsibilities and authorities, the appointment of a managing director, transportation consultants, technical review committees, and additional employees, as recommended by us, appear to be within the present powers and authority of the Commission under the Interstate Commerce Act, except the consolidation of the Bureaus of Safety and Locomotive Inspection.

"Section 3 of the Locomotive Inspection Act provides—that there shall be appointed by the President, by and with the advice and consent of the Senate, a Director of Locomotive Inspection and two Assistant Directors of Locomotive Inspection * * *.

"We believe that, for reasons of economy and efficiency, the Bureaus of Safety and Locomotive Inspection should be consolidated into one bureau. The logic of this consolidation is supported by the fact that both Bureaus, even now, are administratively supervised by the same Commissioner.

"We recommend, therefore, that steps be taken to revise the Locomotive Inspection Act to permit such a consolidation."

As a result of this recommendation and management studies conducted by the Commission itself, almost all of the Commission's activities relating to the inspection of railroad operations and equipment have been consolidated in a single bureau, known as the Bureau of Safety and Service.

The primary purpose of this reorganization was to obtain a more effective program of railroad safety by coordinating the work of the separate inspection staffs of these former bureaus and by eliminating artificial separations of work between the several types of inspectors. Although experience has indicated that the reorganization has been advantageous, the full benefit of the consolidation cannot be realized, insofar as the work of the former Bureau of Locomotive Inspection is concerned, unless the Locomotive Inspection Act is amended as proposed in the attached draft bill.

At present, inspectors operating under the Locomotive Inspection Act visit railroad yards and enginehouses to inspect locomotives and tenders. At the same time, other Commission inspectors may visit the same yards and inspect the safety appliances and brakes of train cars and locomotives.

To the extent consistent with the nature of the duties and the qualifications of the employees, the Commission should be free to utilize its personnel in the interest of economy and efficiency to perform all duties for which they are qualified and should not be restricted to using employees for only one type or phase of work. Where a function requires special training or particular experience, only those employees possessing the necessary qualifications would, of course, be assigned to perform such a function.

The Commission should also be permitted to select the supervisory personnel for this important function. It has consistently tried to appoint only the best qualified persons as bureau directors and section chiefs, a policy which it would continue to follow with respect to its responsibilities in the field of safety.

To enable the Commission to achieve these desirable results, the draft bill would amend the Locomotive Inspection Act so as to eliminate the provisions relating to the appointment of the director and the assistant directors of locomotive inspection by the President, as well as detailed requirements relating to the duties of inspectors. The present cumbersome restrictions as to geographic divisions or districts would also be removed. Elimination of such requirements and restrictions would permit the Commission to select from its available staff of qualified inspectors the most able and suitable type of employee for promotion to the positions of director and assistant director, and would permit greater flexibility in the assignment of employees to duties for which they are qualified.

In some cases, investigations of accidents by more than one inspector could be eliminated by assigning one qualified inspector to make a comprehensive investigation, thus securing adequate coverage with a minimum number of field employees. It would also enable the Commission to integrate the work performed by locomotive inspectors with that performed by other inspectors in the consolidated bureau.

Thus, the advantages which would result through the interchangeability of qualified personnel could be fully realized, including savings from more effective use of travel funds by sending 1 inspector instead of 2 or 3 when necessary to inspect out-of-town yards. The same number of inspections could be made with fewer employees, or a greater number of inspections made with the present staff. By making safety inspection more all-inclusive, loss of time and inconvenience to the rail carriers would be correspondingly reduced and confined to a minimum. All field inspection personnel involved would remain, as they are now, under the civil service merit system.

The proposed draft bill would enable the Commission to coordinate the locomotive inspection program with other railroad safety programs, provide more adequate supervision of locomotive inspectors in the field, and develop a more versatile field staff able to cope with all railroad safety problems.

The separation of these activities into three different bureaus was due to the passage of three different acts at different times. The reasons for maintaining this separation of activities no longer exist. As evidenced by the language of the act itself, which refers to inspectors as "inspectors of locomotive boilers," the Bureau of Locomotive Inspection at the time the act was first passed was concerned mainly with the inspection of locomotive boilers. With the advent of other types of power-driven locomotives, and the steadily decreasing number of steam-driven locomotives, locomotive inspection has become principally a matter of inspecting modern diesel-electric locomotives.

A further indication that the job of inspecting locomotives is not one which should be performed exclusively by inspectors operating under the Locomotive Inspection Act is evidenced by the fact that during fiscal year 1956 inspectors in the Section of Railroad Safety, formerly the Bureau of Safety, inspected certain safety appliances on 15,797 locomotives in addition to their other duties involving inspection of trains and cars. This further emphasizes the need for reduction in the multiplicity of inspections as between the inspectors of the former Bureau of Locomotive Inspection and the former Bureau of Safety.

Under the present language of the act, each carrier is required to file with the inspector in charge, under oath of the proper officer or employee, a duplicate of the report of each inspection. It has been called to the Commission's attention that notary seals are required on 8 out of 10 of the forms required to be filed under the Locomotive Inspection Act. In order to simplify administrative procedures and to avoid unnecessary expenses on the part of the carrier, the draft bill would eliminate the oath requirement from the inspection reports.

The proposed increase in the penalty provision in the bill from $100 to $500 is deemed necessary and desirable because some carriers presently find it cheaper and easier to violate the law and pay the fine than to comply with the standards prescribed. The increase is in conformity with the Commission's legislation recommendation No. 23, as set forth on page 173 of its 70th annual report, and is explained in greater detail therein.

In summary, the proposed bill would make changes necessary to give effect to one of the recommendations of the Wolf Co. report which congressional committees have strongly advised the Commission to follow.

JUSTIFICATION FOR S. 1463

The attached draft bill is designed to provide the necessary statutory authority for the award of medals of honor for acts of heroism performed in connection with any wreck or threatened wreck, disaster, or grave accident involving a motor vehicle subject to the motor carrier safety regulations of the Interstate Commerce Commission.

The Medals of Honor Act now provides for the award of bronze medals of honor to persons who "* * * by extreme daring, endanger their own lives in saving, or endeavoring to save, lives from any wreck, disaster, or grave accident, or in preventing or endeavoring to prevent such wreck, disaster, or grave accident, upon any railroad within the United States engaged in interstate commerce:". Since the passage of this act on February 23, 1905, there have been 100 applications for medals of honor; 69 medals have been awarded and 40 denied.

Although interstate motor carriers came under Commission regulation in 1935, the Medals of Honor Act has not been extended to include this branch of the transportation industry. The proposed amendment would remedy this omission.

Virtually all of the millions of motor vehicles used in the transportation of passengers and property in interstate or foreign commerce are subject to the regulations established by the Interstate Commerce Commission under section 204 (a) (1), (2), and (3) of the Interstate Commerce Act relating to safety of operation. Many acts of heroism deserving of official recognition have been performed by persons in preventing or endeavoring to prevent serious accidents from occurring on highways within the United States in which motor vehicles subject to the Commission's safety regulations were involved, or in saving or endeavoring to save lives as a result of such accidents. It is the view of the Commission that the Medals of Honor Act should be amended in order that such acts of heroism may be officially recognized.

The proposed amendment to section 3 would make appropriations for the Commission available to carry out the provisions of the Medals of Honor Act. Appropriations for railroad safety functions are no longer made separately, but are included in the Commission's appropriations.

AMENDMENT OF CIVIL AERONAUTICS ACT

Mr. MONRONEY. Mr. President, on behalf of myself, and the Senator from Florida [Mr. SMATHERS], as cosponsor, I introduce for appropriate reference, a bill to amend the Civil Aeronautics Act, so that permanent certification may be given to all-cargo air carriers who previously have been operating on temporary certificates.

These all-cargo carriers, which is the only branch of the air-transport industry which has grown up without subsidy, would continue to operate without subsidy. They have doubled their revenues since 1950, and last year transported 98 million ton-miles of domestic airfreight. At present all-cargo tonnage is showing the most rapid growth in the aviation industry.

The purpose of this bill is to provide an orderly pattern for the continued growth of the airfreight industry through permanent certification, rather than allowing it to drift along, from one temporary permit to another.

Although we first used airplanes to carry mail, a type of cargo, for many years now most operators have gone after profitable passenger traffic. Now that specialized aircraft have been developed to handle airfreight, there have been benefits to our commerce, industry, and national defense. The all-cargo carriers accounted for more than half of all airfreight tonnage carried last year.

The all-cargo carriers have proved themselves and should be recognized with permanent certification. Only then can they have the stability which will permit long-term financing, continuous modernization of their air fleets, and realistic planning for the future.

This bill, if enacted, would permit our sky freight to use its resources for development, rather than for expensive renewal proceedings every year. Its enactment would encourage aircraft manufacturers to make even greater progress on the design and construction of commercial airfreight planes, since the all-cargo carriers would be in position, for the first time, to make long-range commitments.

Certainly the movement of medicines, perishable foods and other cargo items especially suited to transport through the sky has become as essential as the transport of individuals and mail. The President's Air Coordinating Committee has recognized that a healthy and expanding air cargo industry is vital to our economy and national defense.

I believe that our sky "freight trains" should be allowed to develop their air cargo especially on an equal footing with other branches of air transport. This bill for permanent certification should give the all-cargo air carriers the stability they need for further progress, based on the excellent record and the phenomenal growth they have shown during their early years on a more or less hand-to-mouth basis.

The trend toward all-cargo equipment, even on passenger airlines, has been significant. The growth of its use from a total of 34 million ton-miles in 1946 to 173 million ton-miles in 1956, of which the cargo-only carriers transported more than half, is noteworthy. The freight planes, which often fly at night, are valuable not only in peacetime, but they are immediately adaptable to military needs in time of war. They were used effectively in both the Berlin airlift and the Korean war.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1474) to amend section 401 (e) of the Civil Aeronautics Act, as amended, introduced by Mr. MONRONEY (for himself and Mr. SMATHERS), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

REFERENCE OF CLAIMS OF CERTAIN SHEEPHERDERS TO COURT OF CLAIMS—ADDITIONAL COSPONSOR OF BILL

Mr. WATKINS. Mr. President, last Saturday I introduced a bill, designated as Senate bill 1450, conferring jurisdiction on the Court of Claims to make a certain finding with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the United States Air Force, and to provide for payments of amounts so determined to such individuals.

It was my intention to have my colleague the junior Senator from Utah [Mr. BENNETT] as a cosponsor of the bill. However, inadvertently his name was left off the bill. I now ask unanimous consent that his name may be added as a cosponsor of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GORE:

Address on the subject of the Federal highway program delivered by him before the National Crushed Limestone Institute.

NOTICE OF HEARING ON NOMINATION OF CHARLES E. WHITTAKER TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, March 18, 1957, at 9:30 a. m., in room 424, Senate Office Building, upon the nomination of Charles E. Whittaker, of Missouri, to be Associate Justice of the Supreme Court of the United States, vice Stanley Reed, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent.

ATTITUDE OF SOVIET RUSSIA REGARDING WITHDRAWAL OF ISRAELI FORCES FROM DISPUTED TERRITORY

Mr. JOHNSON of Texas. Mr. President, a most important aspect of the news stories from the Middle East today is the clear indication that the Soviet Union is actively fomenting trouble.

This, of course, is not exactly news, but it is somewhat unusual that the Communists should go on record as so blatantly in opposition to a sensible solution of this dispute. To call the Israeli withdrawal and the United Nations occupation a continuation of aggression against Egypt, of course, is absurd. Such a stand is a transparent attempt to keep conflict going, rather than to make peace.

Premier Ben-Gurion is to be congratulated for his order for withdrawal. It is now the obligation of the responsible nations of the world to move as rapidly as possible to bring the difficult problems

of the Middle East to a solution, despite the obstructionist effort of the Soviet Union.

Mr. SALTONSTALL. Mr. President, I should like to add a brief word to the statement made by the distinguished senior Senator from Texas, the majority leader. I agree with him that, as the leader of the free and responsible nations of the world, we must maintain and increase our efforts to bring about a final and peaceful solution to the many problems existing in the Middle East. I certainly am glad that progress has been made in withdrawing the Israeli troops, and I hope that the action of Israel will lead to a greater opportunity for a peaceful solution.

FORTY-FOURTH ANNIVERSARY OF CONGRESSIONAL SERVICE OF SPEAKER SAM RAYBURN

Mr. JOHNSON of Texas. Mr. President, this is a day of many anniversaries. But the one that is closest to me, personally, involves the distinguished gentleman who presides over what we usually refer to as "the other body." I refer to that great and beloved American, Speaker SAM RAYBURN, who today celebrates his 44th anniversary in Congress.

"Mr. Speaker" is one of the few men in history who occupies at the same time the position of a legend and the position of a living force. His personality is stamped on this Nation and on its laws. But at the same time he is still helping to make those laws, and millions of Americans are grateful that he is at the helm.

To me, however, there is a deep personal significance to this occasion. It arises from the fact that before I had even discovered America, Speaker RAYBURN and my father were close friends, serving together in the Texas Legislature. My father stood beside SAM RAYBURN in many of his fights in that body.

When I was a small, but gangling boy whose legs still wobbled like a colt on the range, my daddy impressed upon me that SAM RAYBURN is always a friend. I have never forgotten that early lesson.

I am doubly grateful to SAM RAYBURN for what he has done for our country, and for his everlasting friendship to the Johnson family.

People will come, and people will go, but Speaker RAYBURN will always remain as the promise of the eternal youth and the eternal vigor of the institutions of this Nation.

Mr. MANSFIELD. Mr. President, I wish to join the distinguished majority leader [Mr. JOHNSON], as well as my other colleagues, in extending congratulations and best wishes to "Mr. Democrat," the Speaker of the House of Representatives, the Honorable SAM RAYBURN, of Texas.

As one who learned much at the feet of this great American, while serving in the House, I wish to say that his advice was always sound, his counsel always good, and his understanding as broad and as deep as could be.

I wonder if it is known, Mr. President, that approximately one-third of the Senate membership are graduates of Mr. Sam's school of experience. In this group is our majority leader, the senior Senator from Texas [Mr. JOHNSON], as well as many other Members on both sides of the aisle. This group is a living example of the training achieved under Speaker RAYBURN. Personally, Mr. President, and collectively, we wish to "Mr. Sam" the best of everything in the years ahead. He has represented his district, his State, our Nation, and the free world well.

Mr. SALTONSTALL. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to my friend, the senior Senator from Massachusetts, and the acting minority leader.

Mr. SALTONSTALL. I should like to add a brief word on the personal matter on which the Senator from Texas has spoken.

On that subject I can join him with great enthusiasm. I have known and liked Speaker RAYBURN as a man. I have respected him as a leader of one of the great bodies of the legislative branch of our Government.

Speaker RAYBURN is known, respected, and admired for his honesty, his sterling character, his frankness, and his knowledge of legislative matters.

Let me add that I am confident the father of our majority leader was a wise man in picking his friends, and proved himself to be a good father to our majority leader, because he took him along the paths which would lead to his greater advancement by making friends with a great Texan and a very patriotic American.

So I join wholeheartedly in the sentiments the majority leader has expressed.

Mr. JOHNSON of Texas. I thank my friend, the acting minority leader; and I appreciate very much his genuine statements. He knows, as I do, that the distinguished Speaker of the House of Representatives reciprocates his high esteem.

Mr. SMITH of New Jersey. Mr. President, it is a great pleasure to rise and identify myself wholeheartedly with the statement made by the distinguished majority leader.

During my service on this side of the aisle, I have come to know SAM RAYBURN, and my acquaintance with him has been a very happy one. Both my wife and I have enjoyed his very genial society and the many expressions of kindness which he shows to every Member of both Houses of Congress, regardless of party or of individual views.

Speaker RAYBURN exemplifies the finest type of public servant of his country in the Congress. As one of the most outstanding Members of the House, he recognizes that legislators can differ politically, but remain warm and affectionate friends through it all. He is a fine example of the many outstanding Americans who have contributed most valuable service to the development of the Congress and of the United States itself.

Mr. KNOWLAND. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to any Senators who desire to speak on the subjects I have discussed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, as the Republican leader of the Senate, I should like to join in the expressions of tribute to a great American, Speaker RAYBURN, who is celebrating his 44th anniversary of service to our country in his position as a Member of the House of Representatives. Not only do I do that as a Member of the Senate of the United States who now, for 12 years, has had the opportunity to become familiar with the service rendered by Mr. RAYBURN, either as a Member of the House, as Speaker, or as the minority leader, as he and his good friend JOE MARTIN have alternated the position of Speaker from time to time, but I also have a personal reason for feeling a great affection for Mr. RAYBURN, for he was a Member of the House, one of the very few Members of Congress still remaining, who was serving in the House with my father, who had the privilege of serving as a Member of the body at the other end of the Capitol. One of the other Members, who now presides over the Senate, the President pro tempore [Mr. HAYDEN], was a Member in the House as the first Representative from the State of Arizona, and was serving in the House while my father was a Member of that body.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I might call the attention of my distinguished friend to the fact that I believe this to be the 30th anniversary of the distinguished President pro tempore becoming a Member of the Senate. The other day we paid tribute to him. We were unable to corral him. We wanted him to come and be with us as we addressed ourselves to that subject, but he found out about it in advance and did not come. Since we have him now in the chair and he cannot get away, I think I can accurately say that this is the 30th anniversary of his coming to the Senate. I ask the Chair if that is not correct.

The PRESIDENT pro tempore. The Chair must confess that it is correct.

Mr. KNOWLAND. We are glad to have this double celebration when we can pay proper tribute.

Since I have had the responsibilities of the position of Republican leader, I have had the privilege on numerous occasions, both when Republicans were in the majority in Congress and when they were in the minority, of attending bipartisan conferences, which were also attended by Speaker RAYBURN, as well as the distinguished majority leader of this body. I have always found that in matters pertaining to the destiny of our common country no partisanship entered into the discussions. The persons who attended those meetings acted as they thought in considering the problems confronting us in our position of world leadership.

The country is very fortunate indeed to have a man of the ability and caliber of SAM RAYBURN as the Speaker of the House of Representatives, and I may say, as I have said on numerous occasions, that the Nation is likewise fortunate to

have SAM RAYBURN's colleague from the State of Texas, who sits in the Senate, as the majority leader of this body.

Mr. JOHNSON of Texas. I appreciate very much what my friend, the distinguished minority leader, has said. I yield now to my friend from Tennessee, and I shall then yield to my friend from Illinois, and then my friend from Virginia, so some priority can be established.

Mr. GORE. Mr. President, few men have imprinted themselves so indelibly upon the history of the 20th century as has Speaker SAM RAYBURN. His life and public service have been exemplary in many respects. The confidence he has enjoyed from his colleagues in the House of Representatives is in all respects unexcelled in the history of our Nation. His power of persuasion, his wisdom, his kindness, his patience, are renowned.

Perhaps it might be well at this moment to give recognition to the service he has rendered to the United States Senate. The training he has given, in parliamentary practice and procedure, to many Members of this body when they were Members of the House, has contributed to their usefulness, and parliamentary skill, as well as to the debate and the procedures of the Senate of the United States Congress. Mr. RAYBURN's service has been outstanding in so many ways that in a brief moment of tribute it is impossible to set forth its many facets. He is a truly great Texan, a truly great American, a truly great world leader of our time, who has enjoyed the confidence of the great and the small, the many and the few, the respect of all.

Mr. JOHNSON of Texas. I thank my friend for his very eloquent statement, and I now yield to my colleague from Illinois.

Mr. DIRKSEN. Mr. President, anniversary occasions are high ground where one can stand and look back and see whence he came, survey the contemporary scene, and then look forward to see where the course goes.

This is an anniversary occasion with which I can associate myself, because I think it is the 23d anniversary of the day I became a Member of the House of Representatives, and there I for the first time made the acquaintance of the very distinguished Member from Texas [Mr. RAYBURN] the present Speaker of the House. As I recall Henry T. Rainey, of Illinois, was the Speaker of the House of Representatives at that time; then came Joseph Byrns, of Tennessee; William Bankhead, of Alabama; and SAM RAYBURN, of Texas.

In those early days, Mr. RAYBURN was a member of the Committee on Interstate and Foreign Commerce, and he left his impact on durable legislation which has had a profound effect upon the country. He was one of a great many Texans, who served in the Congress, including Richard Kleberg, of Corpus Christi; Milton West, of Laredo; Lyndon Johnson; James P. Buchanan, who, as I remember, was chairman of the Appropriations Committee; Hatton Sumners, of Dallas, who was chairman of the Judiciary Committee of the House; Vice President Garner; and a great many others.

We can salute the great State of Texas, first because it sends such competent and able persons, and, secondly, because it keeps them here. They grow in the job. They become able legislators. They develop a great perspective.

So I salute at once not only SAM RAYBURN, the great, impartial Speaker that he is, but the great State of Texas as well, whence come our great majority leader. I am happy to immerse myself in this anniversary for the Speaker of the House, which also happens to be an anniversary for myself.

Mr. JOHNSON of Texas. Mr. President, I am deeply touched by the demonstrated partiality which my delightful friend from Illinois shows toward my great State.

I now yield to the distinguished junior Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, like my distinguished colleague from Illinois [Mr. DIRKSEN] I was a member of the class of the 73d Congress. We both started together 23 years ago. In that Congress he, as well as I, looked up to SAM RAYBURN, who had not at that time reached the position of Speaker, but was chairman of the Committee on Interstate and Foreign Commerce, and a very important factor in the House.

At that time the junior Senator from Virginia had the privilege of meeting the present majority leader [Mr. JOHNSON of Texas], who was then secretary to Representative Richard Kleberg, of Texas.

In January of 1937 what was then a rather freshman Member of the House aspired to membership on the largest committee of the House, the Committee on Ways and Means, the only committee whose Democratic members are elected by the vote of the entire Democratic caucus. It was largely through the support of the Texas delegation that the junior Senator from Virginia was elected, in January 1937, to membership on the Ways and Means Committee.

The junior Senator from Virginia could mention many other things which have caused close ties to be formed with his Texas friends. Not the least among these are the many occasions on which he has gone fishing with SAM RAYBURN. That is when one really comes to appreciate a man. I wish I had time to explain how many of the truly great Presidents of the United States have been fishermen. Incidentally, Grover Cleveland, a great Democratic President, said, "The James River"—which is in my county—"is the finest small mouth bass stream in the United States." That was before the days of river pollution.

Mr. JOHNSON of Texas. I thank the distinguished junior Senator from Virginia.

I now yield to the able Senator from Alabama [Mr. HILL].

Mr. HILL. Mr. President, I am happy that our distinguished majority leader, ever thoughtful and ever considerate, has brought to the attention of the Senate this anniversary date, a date which marks such a milestone in the life of our friend, the Speaker of the House of Representatives, SAM RAYBURN.

I had the pleasure and great privilege of serving in the House of Representatives with SAM RAYBURN. I served under him when he was Democratic leader in the House of Representatives. I wish to pay my tribute to him—to his integrity, his wisdom, his devotion to our country, and his outstanding leadership. He is indeed a great Speaker and a magnificent American, and I am proud to have the opportunity to stand here today and pay my tribute to him and to his great State of Texas, which have given us not only the great Speaker of the House of Representatives, but our able and distinguished majority leader, Senator LYNDON JOHNSON.

Mr. JOHNSON of Texas. I thank my friend from Alabama.

I now yield to the Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN of Pennsylvania. Mr. President, I should like to join in tribute to SAM RAYBURN. I have never had the honor of serving with SAM RAYBURN, but I have known him for many years. He is an outstanding American, and all of us have a right to be very proud of his accomplishments.

While I am on my feet, I wish heartily to endorse what the distinguished minority leader [Mr. KNOWLAND] said about SAM RAYBURN on last Saturday. In my opinion, SAM RAYBURN is one of the great men this Nation has produced. He has done much to develop the things which have made America really great.

I should also like to note what the distinguished junior Senator from Virginia [Mr. ROBERTSON] said about Grover Cleveland. I am a stanch Republican, but I think Grover Cleveland was one of the truly great Presidents of the United States. At a time when it required real courage to advocate the gold standard, Grover Cleveland took such a stand. The only foolproof currency is that founded on the gold standard.

I wish to thank the majority leader for bringing to our attention SAM RAYBURN, and also Sam Houston.

Mr. JOHNSON of Texas. I thank the distinguished Senator from Pennsylvania.

I now yield to the junior Senator from Florida.

Mr. SMATHERS. Mr. President, I consider it a privilege to associate myself with the many Senators who are at this time paying tribute to the Speaker of the House, the incomparable SAM RAYBURN. I doubt if, in a review of history, one could find any man who in the past half century has had such a great impact on the legislative well-being of these United States. I doubt if we could find any man who, in the past four decades, has contributed more to the progress of the United States than has SAM RAYBURN, of Texas.

Like several other Senators, it was also my high privilege to serve in the House of Representatives under Mr. Sam. That was one of the great and valuable experiences of my life, one which I shall always appreciate, and one which I shall never forget. No man can be closely associated with SAM RAYBURN and not detect in him that spark of greatness, and that purity of patriotism which is his. He is, indeed, a great man.

I wish to join with other Senators in congratulating the State of Texas for sending a man to the Congress who is capable of making such a great contribution not only to the United States but to the world as well.

The State of Texas seems always to produce just about the very best. Our distinguished majority leader, LYNDON JOHNSON, is cut from the same cloth as SAM RAYBURN. While he has not been here for so long a time as has Mr. RAYBURN, he is nevertheless demonstrating the same high quality of leadership and making the same valuable type of contribution to his country SAM RAYBURN has made.

Mr. President, there is nothing I can add to the luster of SAM RAYBURN's name, but he has honored us all by allowing us a chance to know him.

Mr. JOHNSON of Texas. I appreciate very much my friend's generous references.

I now yield to the Senator from Washington [Mr. JACKSON].

Mr. JACKSON. Mr. President, I, too, should like to associate myself with the remarks which have been made here today about the distinguished Speaker of the House of Representatives, SAM RAYBURN, and the wonderful contribution he has made to our country. He has honored the State of Texas, as has our own majority leader, Senator LYNDON JOHNSON, by his able and brilliant leadership in this body.

I had the privilege and the high honor to serve under SAM RAYBURN's leadership for six terms in the House of Representatives. Next to the distinguished President pro tempore of the Senate, the senior Senator from Arizona [Mr. HAYDEN], he has served longer in the Congress than has any other individual. I believe the distinguished senior Senator from Arizona is ahead of him by approximately 8 months.

In my association with the Speaker of the House of Representatives, I always found that in every great crisis and every great emergency, his country came first. This was true, whether it was under the leadership of a President of his own party, or under the leadership of the man who now occupies the White House. At no time did I ever find the Speaker of the House of Representatives engaged in smalltime, petty, partisan politics. The impact and impression he has made on our country have inured to the benefit of both great political parties. The country and the world are the better because of the tremendous contributions he has made to our country during his long service.

Mr. JOHNSON of Texas. I thank my friend from Florida.

I now yield to my colleague, the junior Senator from Texas.

Mr. BLAKLEY. Mr. President, I wish to associate myself with the remarks of my distinguished colleague, the senior Senator from Texas [Mr. JOHNSON], and to say a few words with reference to my good and great friend, "Mr. Sam," Speaker of the House of Representatives.

I have never served in Congress with the distinguished Speaker, as has been the privilege of several of my colleagues in the Senate. But I am a fellow Texan, and I have felt the effect and benefit of his masterful hand when it came to representing the people and interests of Texas and the people and interests of America.

I have never seen him take a stand for or lend his influence to any effort that was not worth while and outstanding, judged on its own merits. If there be one instance in which his judgment might well be justified, I believe it is in the person and in the record of our distinguished majority leader. He, too, has made a record for himself in Texas, and I am sure elsewhere also, of which we are very proud.

I should like to associate myself also with those who have indicated their pleasure at the privilege of acquaintance with the distinguished senior Senator from Arizona, the President pro tempore of the Senate, who very modestly declined to be recognized on the occasion of his great anniversary of service to our country.

Mr. JOHNSON of Texas. I thank my friends for their kind statements with regard to me and our beloved Speaker of the House.

THE RAINS IN TEXAS

Mr. JOHNSON of Texas. Mr. President, although there have been general rains in Texas within the past 2 weeks, I should like to point out that the problems growing out of 7 years or more of drought have not been instantly solved.

As a matter of fact, there is one problem in particular that becomes more urgent by reason of the rains. I refer to the matter of giving the range pastures, worn down by the long drought, a chance to recover their productivity.

The rain that has come—although much more is needed—will cause some grass to grow. It will not be the abundant crop we have known in the past. Perhaps it will be no more than a green fuzz on the surface of the earth.

Nevertheless, it will offer a strong temptation to our stockmen, who have seen no grass at all for so long a time, to turn their livestock into the pastures.

Mr. President, it is very important that this be avoided. These pastures should be allowed to reseed themselves during the next several years. Otherwise, they are not going to be as productive as in the past. And their full potential productivity will be needed in the years ahead if our livestock industry is to make a comeback from the disaster of the dry years.

A bill I introduced in the Senate, S. 511, would establish a deferred grazing program that would make it economically feasible for the hard-pressed stockmen to keep their livestock off these pastures during this crucial period.

Mr. President, it is my hope that hearings on S. 511 will be held soon by the Committee on Agriculture and that it will be reported to the Senate for action.

PRINTING AS A SENATE DOCUMENT OF REPORT ON OVERSEAS OPERATIONS OF UNITED STATES GOVERNMENT

Mr. ELLENDER. Mr. President, on last Friday I submitted Senate Resolution 107, to authorize printing as a Senate document the report on overseas operations of the United States Government. I have consulted with the majority leader and with the minority leader, and they have no objection to my calling up the resolution at this time.

I therefore ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of the resolution, and that the Senate proceed to its consideration.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. As I understand, Mr. President, we frequently follow the procedure of immediately acting on resolutions of this kind when they are submitted. In view of the fact that such a request was not made when it was submitted, I believe the Senator from Louisiana is justified in asking that the Senate follow the customary procedure with respect to resolutions of this kind. Therefore, I have no objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana?

There being no objection, the resolution (S. Res. 107) was considered and agreed to, as follows:

Resolved, That there be printed as a Senate document the report on Overseas Operation of the United States Government, by Hon. ALLEN J. ELLENDER, United States Senator from the State of Louisiana, submitted to the Committee on Appropriations under date of February 1, 1957; and that 2,000 additional copies be printed for the use of the Committee on Appropriations.

ORDER FOR RECESS TO 11 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate recesses today, it stand in recess until 11 a. m. tomorrow.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Without objection, it is so ordered.

ANNUAL REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Mr. WILEY. Mr. President, I have been pleased to note an announcement from Mr. Lewis G. Castle, Administrator of the St. Lawrence Seaway Corporation, that he and his associates will meet with representatives of the St. Lawrence Seaway Authority of Canada, including the Honorable Lionel Chevrier, president of the Authority, the coming Thursday and Friday, March 7 and 8. I am sure that this conference will be most significant to our two nations in terms of continuing progress on the dual-nation project.

In this connection, I have in my hands the text of the annual report of our own Seaway Corporation for the calendar year ending December 31, 1956. This report, as previously filed with the Senate and House of Representatives, is, I believe, of deep interest to the Nation and, of course, in particular, to us of the Great Lakes region.

I send to the desk the introduction to the report and several of the initial pages

describing the progress to date on the project, which is, of course, proceeding in accordance with the Wiley-Dondero law, Public Law 358, of the 84th Congress. I append to the text the release of the Seaway Corporation describing the United States-Canada meeting later this week. I ask that both items be printed at this point in the body of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNUAL REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR YEAR ENDED DECEMBER 31, 1956

INTRODUCTION

Construction of the epochal St. Lawrence Seaway, Lake Erie to Montreal, was notably advanced during 1956. With the midpoint of the construction period now reached, all major design and construction activity is essentially on schedule.

Dollar value of awarded contracts aggregates about two-thirds of the estimated total project construction cost. Construction work was generally prosecuted on an around-the-clock basis, 6 days a week during the 1955 season, except for restricted operations in the winter months. Of the 7 new seaway locks in the entire project, the 2 United States locks are programed to go into initial operation in July 1958; 1 Canadian lock is due to be placed in service in April 1958; and all of the new facilities are scheduled to be ready for service by deep-draft vessels with the opening of the 1959 shipping season.

Pursuant to legislation approved by President Eisenhower on May 13, 1954, and prior Canadian legislation effective December 21, 1951, this seaway construction is being accomplished jointly by the St. Lawrence Seaway Development Corporation, a United States Government corporation, and a similar Canadian entity, the St. Lawrence Seaway Authority. This joint venture continues to be conducted on a plane of cooperative understanding.

Broadly, the Great Lakes-St. Lawrence Waterway system presently provides a 35-foot depth controlling channel depth from the Atlantic to Montreal (1,000 miles); a 14-foot bottleneck depth in the 114-mile St. Lawrence reach from Montreal upstream to Ogdensburg, N. Y.; and essentially a 25-foot controlling depth in the confined channel reaches from Ogdensburg to the head of the Great Lakes (about 1,100 miles).

The seaway-modernization program will increase the controlling channel depth in the upper St. Lawrence River from 14 to 27 feet and in the Welland Canal from 25 to 27 feet. It will reduce the number of lift locks to be transited between Lake Erie and Montreal from 25 to 14.

In the upper St. Lawrence there are now 18 locks normally navigated by upbound vessels. Controlling lock dimensions are 252 by 44 by 14 feet. These will be supplanted by 7 new seaways locks, having a controlling clear length of 768 feet, width of 80 feet, and sill depth of 30 feet. In the Welland Canal, connecting Lakes Erie and Ontario, the existing 7 lift locks (plus 1 guard lock) remain unchanged. They afford similar controlling dimensions.

With these new facilities, modern ocean-going freighters will be able to ply from the seven seas to the numerous ports along the Great Lakes. Also, the eastern frontier of the Great Lakes shipping fleet will be extended from Ogdensburg, N. Y., 600 miles eastward to Seven Islands, Quebec, and to other points in the St. Lawrence Gulf. Through the present 14-foot restricted reach vessels are now generally limited to carrying some 1,500 tons of general cargo and 2,500 tons of bulk commodities, such as iron ore. With the larger ships that can be accommodated in the future, these cargo limits will be raised generally to 8,000 and 20,000 tons, or more, respectively.

In accordance with an act of Congress signed by the President on March 21, 1956, the United States, through the Corps of Engineers, United States Army, has initiated enlargement of the Great Lakes connecting channels above Lake Erie, from the existing 21- to 25-foot-depth system at low-water datum to at least 27 feet. Major dredging and rock-removal operations are involved in the Detroit River, Lake St. Clair, St. Clair River, St. Marys River, and the Straits of Mackinac. This modernization is scheduled for completion in 1962. It will restore the original overall Atlantic Ocean to Lake Superior concept for the seaway and will extend the 27-foot-depth system from Toledo to Chicago, Milwaukee, and Duluth.

In the 46-mile International Rapids section of the upper St. Lawrence River major power development construction is underway jointly by the Power Authority of the State of New York and the Hydroelectric Power Commission of Ontario. This development is advantageous to the creation of the new seaway in this reach. The power entities are planning to create the new power pool in July 1958 and to place initial electrical output on the line in September 1958.

Work division, Lake Erie to Montreal Seaway

Lake Erie normally stands at 572 feet above sea level and Lake Ontario at 246. The 326-foot head differential is overcome by the 27-mile Welland Canal, which connects the two lakes and bypasses navigation around Niagara Gorge. From Lake Ontario to Montreal the river descends 225 feet. This 182-mile reach is normally divided into the following units:

Thousand Islands section, 68 miles, Lake Ontario to Chimney Point below Ogdensburg, N. Y.

International Rapids section, 46 miles, Chimney Point to St. Regis, Quebec (below Massena, N. Y.).

Canadian section, 68 miles from St. Regis to Montreal, Quebec. This reach includes the Lake St. Francis, Soulanges, and Lachine sections.

Since the boundary between the United States and Canada in this region is contained within the Thousand Islands and International Rapids section of the river, these waters are international.

Following is a breakdown of the principal construction features underway by both countries.

Work by the United States

Thousand Islands section: Channel enlargement between Clayton and Oak Point, N. Y., miles 19 to 45.

International Rapids section:

(1) Construction of the 10-mile Long Sault Canal with its 2 locks (Dwight D. Eisenhower and Grasse River) and appurtenant works near Massena, N. Y. This canal will bypass the power project's principal dams.

(2) Construction of the superstructure of the new International High-Level Highway Bridge across the south channel at Cornwall Island.

(3) Channel enlargement in the south channel.

(4) Ancillary work, including installation of navigation aids in United States waters throughout the Thousand Islands and International Rapids section.

Work by Canada

Welland Canal: Channel enlargement in the canal approaches as well as in the canal proper between existing locks.

Thousand Islands section: Channel enlargement where necessary in the lower sector, miles 45 to 68.

International Rapids section:

(1) Construction of the 1½-mile Iroquois canal and lock, to bypass the power project upper control dam.

(2) Construction of the substructure of the new International High-Level Highway Bridge across the south channel at Cornwall Island.

(3) Channel enlargement in the north and south channels at Cornwall Island.

Canadian section:

(1) In Lake St. Francis, channel enlargement where necessary.

(2) Modification of existing bridges across the 16-mile Beauharnois power (seaway) canal, channel enlargement therein as necessary, together with construction of a short section of new canal with two locks (upper Beauharnois and lower Beauharnois) and appurtenances to carry navigation around the powerhouse at the present lower end of the canal.

(3) On the south side of the river opposite Montreal, bypassing the Lachine Rapids, construction of an 18-mile lateral canal containing two locks (Cote Ste. Catherine and St. Lambert) together with appurtenant work including major bridge and utility alterations.

BASIC DIMENSIONS, LAKE ERIE TO MONTREAL SEAWAY

Controlling channel depth: 27 feet.

Controlling channel bottom width: 450 feet. In the open river reaches, but normally at least 600 feet. Bottom width in lateral canals will vary from 192 feet in the Welland Canal to 442 feet in the Long Sault Canal.

Maximum current anticipated in dredged cuts: 4 feet per second (2.7 miles per hour).

Locks

Number of lift locks requiring transit: 14.

Length between gate hinges generally, 800 feet.

Controlling inner length, gate to fender: 765 feet.

Usable length for lake-type ships (at least): 715 feet.

Width: 80 feet.

Sill depth: 30 feet.

Lift per lock (varies): 4 to 48 feet.

Controlling bridge clearances

Horizontal: 200 feet.

Vertical: 120 feet.

ORGANIZATION

The St. Lawrence Seaway Development Corporation was established by Public Law 358, 83d Congress (68 Stat. 92), approved May 13, 1954. It is subject to the direction and supervision of the President, or the head of such agency as he may designate. By Executive Order 10534, dated June 9, 1954, the Secretary of Defense was designated to exercise this responsibility, and the Secretary of Defense thereafter delegated this supervisory authority to Secretary of the Army Wilber M. Brucker.

The Corporation is authorized (1) to consummate certain arrangements with the St. Lawrence Seaway Authority of Canada relative to construction of the seaway between Lake Erie and Montreal; (2) to construct, maintain, and operate the United States seaway facilities; (3) to finance the United States share of the seaway costs on a self-liquidating basis by the issuance of revenue bonds to the United States Treasury; (4) to establish with the Canadian Authority mutually satisfactory arrangements for the coordinated control and operation of the seaway; (5) to negotiate agreements on tolls and ship measurements with the Canadian Authority; and (6) to coordinate its activities with those connected with the corelated power development.

An instrumentality of the United States, the Corporation operates under the management of an Administrator, a Deputy Administrator, and an Advisory Board, consisting of five members, all of whom are appointed by the President by and with the advice and consent of the Senate.

The officials, key staff members, the Advisory Board, and the Board of Engineering Consultants of the Corporation are—

Office of the Administrator: Lewis G. Castle, Administrator; Martin W. Oettershagen, Deputy Administrator; Guerin Todd, Counsel; George J. Haering, special assistant to the Administrator.

Executive staff: E. Reece Harrill, Assistant Administrator and comptroller-treasurer; Brendon T. Jose, deputy comptroller-treasurer; Edward R. Place, information officer; Burton J. Goodyear, administrative officer; Fay E. Mills, administrative assistant.

Engineering staff: Raymond F. Stellar, chief engineer; Lester W. Angell, assistant chief engineer; Lucius M. Hale, resident engineer; William Grothaus, design engineer, civil and structural; Edward L. Hemenway, design engineer, mechanical-electrical.

Advisory Board: John C. Beukema, North Muskegon, Mich.; Harry C. Brockel, Milwaukee, Wis.; Kenneth M. Lloyd, Youngstown, Ohio; Hugh Moore, Easton, Pa.; Edward J. Noble, New York, N. Y.

Board of Engineering Consultants: C. E. Blee, Knoxville, Tenn.; F. W. Edwards, Muscatine, Iowa; E. Montford Fucik, Chicago, Ill.; Charles M. Wellons, Pittsburgh, Pa.

On September 2, 1954, pursuant to section 8 of Public Law 358, the Corporation designated the Corps of Engineers, United States Army, to serve as its design, contracting, and construction agent. These activities by the Corps of Engineers are subject to the direction, supervision, control, and prior approval of the Corporation, as indicated by the delegation of authority published on page 1793 of the Federal Register of March 24, 1955. Construction is performed by private contractors under competitive bidding.

Officers of the Corps of Engineers concerned with this work include: Maj. Gen. E. C. Itschner, Chief of Engineers, Washington, D. C.; Maj. Gen. Charles G. Holle, special assistant to the Chief of Engineers, Washington, D. C.; Brig. Gen. Paul D. Berrigan, division engineer, Chicago, Ill.; Col. Loren W. Olmstead, district engineer, Buffalo, N. Y., and the contracting officer.

These and other officers of the Corps of Engineers and their civilian staffs continue to participate in engineering planning, preparation of contract plans and specifications, construction scheduling, and construction superintendence.

Pursuant to section 8 of the Seaway Act, the Corporation and the Coast Guard have entered into a memorandum of understanding whereby the Corporation will utilize the technical services of the Coast Guard on a reimbursable basis in developing plans and specifications for the installation of the aids to navigation for the United States waters of the seaway.

Total seaway employment, including contractor employment, at the end of the four quarters for the calendar year 1956, was as follows:

	Mar. 31	June 30	Sept. 30	Dec. 31
Employment at the project site:				
Contractors' employees	550	1,110	2,546	825
Construction agent's employees	67	114	120	80
Seaway Corporation's employees	2	3	6	2
Total employment at the project site	619	1,236	2,672	977
Other seaway employment:				
Construction agent, Buffalo office	131	114	146	145
Seaway Corporation:				
Buffalo office	7	8	6	4
Washington office	17	19	19	19
Total other employment	145	141	171	168
Total seaway employment	764	1,377	2,843	1,145

The Corporation will operate and maintain the locks, canals, channels, and all related navigation facilities, and perform other necessary work, including the collection of tolls. Accordingly, the organization is in the process of expansion to meet these responsibilities.

The President's budget for the fiscal year 1958 provides for mobilization for operation by June 30, 1958, at which time the initial navigation service for the 14-foot draft traffic through the Long Sault Canal will commence.

FINANCING

The Saint Lawrence Seaway Development Corporation's project is created by law as a self-sustaining and self-liquidating undertaking. The Corporation is required to recover from toll revenues all costs of operating and maintaining the works under its administration, including depreciation, payment of interest on the obligations of the Corporation and payments in lieu of taxes. In addition, the Corporation's revenue from tolls must be sufficient to amortize the obligations of the Corporation over a period not to exceed 50 years.

In order to finance the construction of the United States portion of the seaway, the Corporation is authorized and empowered to issue to the Secretary of the Treasury revenue bonds payable from Corporation shipping toll revenues, with the provision that not to exceed $105 million shall be outstanding at any one time. These obligations shall have maturities agreed upon by the Corporation and the Secretary of the Treasury not in excess of 50 years, and shall bear interest at a rate determined by the Secretary of the Treasury.

On December 31, 1956, the status of the Corporation's borrowing authority was as follows:

Total borrowing authority as per Public Law 358, 83d Cong.	$105,000,000
Less:	
Expenditures	37,481,247
Balance of unearned construction and supply contracts	45,962,310
Total	83,443,557
Unobligated borrowing authority	21,556,443

Commitments against the unobligated borrowing authority in the form of contracts scheduled to be awarded before June 30, 1957, including a reservation of Corporation costs, amounted to approximately $19 million at December 31, 1956.

Revenue bonds are issued by the Corporation to the Treasury in amounts sufficient to meet immediate fund requirements. Accordingly, the sums due contractors, vendors, and others at the end of December were generally met by proceeds from the issue of bonds in January. This policy has been adopted to keep the interest cost of the Corporation at a minimum. In the calendar year 1956, the annual interest rate on bonds issued ranged between 2⅞ to 3⅜ percent.

Latest estimated construction cost of the United States seaway project as prepared in December 1956 totals $133 million, exclusive of interest during construction. The Corporation has requested in the 1958 budget, and in proposed legislation, an increase in its borrowing authority of $35 million which will raise the limitation to $140 million, after allowing for $7 million as working capital and operating contingencies.

The financial statement and the summary cost and progress report for the year ended December 31, 1956, appear at the conclusion of this report.

UNITED STATES AND CANADIAN SEAWAY ENTITIES TO CONFER IN WASHINGTON, MARCH 7–8

Administrator Lewis G. Castle, of the St. Lawrence Seaway Development Corporation, announced today that the Corporation will meet with the St. Lawrence Seaway Authority of Canada in Washington next Thursday and Friday, March 7 and 8.

Administrator Castle and his counterpart, Hon. Lionel Chevrier, President of the St. Lawrence Seaway Authority, have arranged an agenda comprising matters of mutual interest:

1. Coordination of work on the high-level highway bridge over the south channel of the St. Lawrence River in the International Rapids section.

2. Coordination of dredging in the north and south channels of the St. Lawrence in the International Rapids section.

3. Dimensions of ships which will use the seaway locks.

4. Tolls to be charged on ships using the new 27-foot draft waterway, Montreal to Lake Erie, scheduled for opening in the spring of 1959.

The meeting will take place at Seaway Corporation headquarters in the Lafayette Building.

Secretary of the Army Wilber M. Brucker, Canadian Ambassador A. D. P. Heeney, and Maj. Gen. Charles G. Holle, special assistant to the Chief of Engineers, United States Army, will join the United States and Canadian seaway officials at a luncheon March 7 at Hotel Statler.

Administrator Castle announced that the following will participate in the meetings: M. W. Oettershagen, Deputy Administrator; E. Reece Harrill, Comptroller; Raymond F. Stellar, Chief Engineer; George J. Haering, Special Assistant to the Administrator; Guerin Todd, counsel; Dr. John L. Hazard, economist; Dr. Charles Taff, member of toll committee; L. W. Angell, assistant chief engineer; Burton J. Goodyear, administrative officer; Edward R. Place, information officer; Col. Loren W. Olmstead, Buffalo district engineer, Corps of Engineers, United States Army.

President Chevrier will be accompanied by the following members of his staff: Charles Gavsie, vice president; C. W. West, member of the authority; A. G. Murphy, chief engineer; L. H. Burpee, deputy chief engineer, D. M. Ripley, river hydraulics engineer; W. M. Sprung, statistician; George A. Scott, department of transport; J. C. Lessard, economist.

ONE HUNDREDTH ANNIVERSARY OF THE INAUGURATION OF JAMES BUCHANAN

Mr. MARTIN of Pennsylvania. Mr. President, today is the 100th anniversary of the inauguration of James Buchanan, of Pennsylvania, as the 15th President of the United States.

I rise to honor his memory and to recall his outstanding service to the Nation.

President Buchanan has been the subject of much critical comment, but no one has questioned his sincerity, his integrity, or his patriotic devotion to duty.

For 20 years he represented Pennsylvania in Congress, 10 years in the House of Representatives and 10 years as a Senator. He served as Minister to Russia, and was Secretary of State in the Cabinet of President Polk. During most of the 4 years preceding his election as President, he was our Minister to Great Britain. Few Presidents have held so many important posts.

At the expiration of his term in 1861 President Buchanan retired to his home at Wheatland, near Lancaster, Pa., where he died at age of 77, on June 1, 1868.

At a recent meeting of the Columbia Historical Society of Washington, D. C., a most interesting paper was read by Dr. Homer T. Rosenberger describing the inauguration of President Buchanan and

the festivities incident to that ceremony. I ask unanimous consent to have an excerpt from Dr. Rosenberger's paper inserted in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE INAUGURATION OF JAMES BUCHANAN, OF PENNSYLVANIA, AS 15TH PRESIDENT OF THE UNITED STATES

March 4, 1857, was a gala day in the District of Columbia. James Buchanan, of Pennsylvania, was inaugurated as President of the United States. Persons from the four corners of the country, and from abroad, were on hand to observe the procession down Pennsylvania Avenue to the Capitol, the inaugural ceremonies on the east portico of the Capitol and the procession to the White House, then called the Executive Mansion.

The Buchanan inauguration attracted far more attention than any previous installing of a President of the United States. The weather was perfect for the occasion, a beautiful warm, sunny day.

THE PROCESSION TO THE CAPITOL

On the morning of March 4, 1857, the bells of the city of Washington were ringing and the streets were thronged. At an early hour there had been a salute from the navy yard and the arsenal. With numerous military companies swarming about, reveille was heard many times. The hotels, public buildings, and many private homes had flags flying. Military companies preparing to enter the procession gave color and life. Nearly 200 marshals and deputies, from all parts of the Union, flitted about, adding to the excitement. Early in the day fire companies and political and civic societies were on the move, positioning themselves for parade. About 9 o'clock the military groups, fire companies, and political and civic organizations started to form on New York Avenue for the procession. The military positioned themselves on 15th Street, close to the White House. There was some confusion, naturally, in forming the line.

The order of the procession, as printed in various newspapers, was as follows:

Marshal in chief with aids.

The military under the command of Gen. J. A. Quitman.

A national flag, with appropriate emblems.

The President of the United States, with the President-elect and suite; with marshals on their left; and the Marshal of the United States for the District of Columbia and his deputies on their right.

A rigged ship—an emblem of national unity and power.

The Committee of Arrangements of the Senate.

The Jackson Democratic Association.

The judiciary.

The clergy.

Foreign ministers.

The corps diplomatique.

Members elect, Members, and ex-Members of Congress, and ex-members of the Cabinet.

Governors and ex-governors of States and Territories, and members of the legislatures of the same.

Officers of the Army, Navy, Marine Corps, and militia.

Officers and soldiers of the Revolution, of the War of 1812, and of subsequent periods.

The corporate authorities of Washington and Georgetown.

Other political and military associations from the District and other parts.

All organized civic societies.

Professors, schoolmasters, and students within the District of Columbia; citizens of the District, and of States and Territories.

The procession was colorful indeed. The marshal in chief and his aids wore yellow scarfs with white rosettes, and blue saddle cloths with gilt edging. The marshals wore blue scarfs and white rosettes and had white saddle covers that were trimmed with blue. They carried a blue baton 2 feet long with gilt ends. Assistant marshals had pink scarfs with white rosettes and their saddle covers were trimmed with pink. They had white batons 2 feet long, with pink ends.

There were military companies from different States, including Massachusetts, New York, Pennsylvania, Maryland, and Virginia, and several companies from the District of Columbia. Also there were on hand detachments of United States Light Artillery from Fort McHenry and a corps of approximately 300 United States Marines.

The Presidential inaugural procession on March 4, 1857, was the first such procession to use symbolic floats. It included two, both being spectacular. They would do justice to a parade today. One of these floats was known as the Goddess of Liberty Car. It was drawn by six horses. On the car was seated a woman dressed as the goddess. The car had a flag pole 50 feet high. The other float was a replica of the full-rigged historic frigate, the *Constitution*. This replica had been made by mechanics at the Washington Navy Yard. The replica was so large that during the parade sailors were climbing about in the rigging.

A small body of old veterans of the War of 1812, in quaint uniforms, was in the parade and attracted much attention.

The procession began to move at about 12 o'clock noon and went down Pennsylvania Avenue toward the Capitol. The crowds on the Avenue cheered as it passed. At the National Hotel the parade halted briefly. An elaborate barouche then joined the procession. It was drawn by four horses and in it were President Franklin Pierce, President-elect James Buchanan, Senator Bigler, of Pennsylvania, and Senator Foot, of Vermont. The crowds cheered tumultuously as Buchanan appeared. His open carriage joined the procession, immediately behind the military. The Vice President-elect also was in an open carriage, with a few other men. The Keystone Club of Philadelphia took a prominent place in the procession. It surrounded both carriages and marched aside of Mr. Buchanan's, acting as his personal bodyguard.

The foremost part of the parade reached the north gate of the Capitol at approximately 1 o'clock, and stopped. The military opened ranks, faced inward, forming a double line of soldiers. The barouche carrying the President and President-elect was driven through, to the gate, where they alighted and were received by a committee of the Senate. President Pierce and President-elect Buchanan were escorted through a specially constructed enclosed passage to the north door of the Capitol, and then to the room of the Vice President.

CEREMONIES AT THE CAPITOL

The Senate had met at 12 o'clock in the semicircular room which it occupied until the present Senate Chamber, then being constructed, was completed. The entire room was filled with dignitaries and guests on that 4th day of March 1857. Members of the House of Representatives were admitted. The Diplomatic Corps was there in resplendent costume. Governors of States and Territories were in attendance. The Chief Justice of the United States and the Associate Justices of the Supreme Court were present in their robes. Army and Navy officers and numerous ladies were in the Chamber. When the announcement was made that the President and the President-elect had arrived, all in the Senate Chamber arose. Breckinridge was quickly installed as Vice President. Almost at once the persons in the Senate Chamber proceeded outdoors to the large platform in front of the east portico.

The crowd in front of the Capitol was described as the largest ever assembled in Washington. The persons who had been in the procession gathered in front of the Capitol but the horses and carriages were excluded.

By the time the President-elect and the others in the Senate Chamber proceeded to the platform the crowd was becoming impatient. The shouts were deafening and prolonged when Buchanan came out on the platform, which was much like the platforms we have seen there each 4 years during the last few decades.

Buchanan had hat in hand. He bowed, and bowed, and bowed in response to the acclaim. He was conducted to a seat on the platform. President Pierce and the Committee on Arrangements were in back of him. The members of the Supreme Court were behind them, then Vice President Breckinridge, who had taken the oath of office a few minutes previously, before coming out of the Capitol. With him were the Members of the Senate. Next was the Diplomatic Corps, and behind it the remainder who had been in the Senate Chamber on that historic and gala day.

At approximately 1:45 p. m., when the crowd quieted down, James Buchanan made his inaugural address. Unfortunately, in those preamplification days only the relatively few who were near could hear what he said. Thousands only saw.

The President-elect was "on the spot" to use a common expression. He was on the spot not only because a large proportion of the vast audience in front of him had waited for several hours, and now would be unable to hear him for want of a public address system, but also because his speech would be printed throughout the Nation, and scrutinized for months into the future. There were conflicting currents. The North and the South were clashing on the extension of slavery to the Territories, particularly in Kansas. The constitutionality of the Missouri Compromise of 1820 (forerunner of the Missouri Compromise of 1850 and of the Kansas-Nebraska Act of 1854) was being questioned in arguments before the Supreme Court. Buchanan straddled the slavery issue, and also the tariff question, and undoubtedly felt he was compelled to do so. What he would say in the inaugural address would be examined closely in the North, in the South, and in the Territories.

Shortly before the inauguration Buchanan had learned that the Supreme Court would soon decide the Dred Scott case in favor of the Southern point of view on slavery. He turned this confidential information to his own purpose.

In the inaugural address, which he had been preparing for some weeks, he condemned slavery agitation and favored popular sovereignty as a means of settling the slavery question in the Territories.

In the address the President-elect said much about the evils of the long agitation over slavery, and touched only lightly on the tariff, scarcely mentioning that explosive word. He spoke of the prosperous conditions of the country, the need to connect the East and West by a route of travel, and emphasized the wisdom of carrying on a direct and frank diplomacy with other nations.

Chief Justice Roger B. Taney then administered the oath of office. This was the sixth time that Taney swore in a President of the United States.

Ex-President Pierce and others congratulated the new President. Meanwhile the crowds were cheering. Guns on Capitol Hill heralded the news that James Buchanan had assumed the Presidency—a 31-gun salute, 1 gun for each of the 31 States of the Union.

THE PARADE FROM THE CAPITOL TO THE WHITE HOUSE

After the congratulations and salutes President Buchanan returned to the Senate

Chamber and was soon in his carriage and on the way to the White House. Ex-President Pierce and Vice President Breckinridge were to ride in the same carriage with him.

The military formed again, and much of the civic procession, too, and escorted Mr. Buchanan to his new residence.

At about the time the parade was leaving the Capitol en route to the White House an additional feature was being provided for the multitude. The Washington Daily National Intelligencer for March 5, 1857, tells us that Mr. Elliot, the aeronaut, rose in a balloon at approximately half past two on the preceding afternoon and that the ascension "formed an interesting object of regard to not a few." The balloon remained stationary over eastern Washington for a time and then passed over nearby Bladensburg.

OPEN HOUSE AT THE EXECUTIVE MANSION

The doors of the White House were thrown open when the procession reached its destination. Buchanan received the greetings and congratulations of the many people who had assembled there. The Washington Daily National Intelligencer for March 5, 1857, stated that "Everything passed off pleasantly, the thousands in attendance being agreeably impressed with the dignity and gracefulness with which, under free institutions, the reins of Government can be peacefully transferred from one set of administrators to another."

THE NATIONAL INAUGURAL BALL

The inaugural ball was held on the night of March 4. It was a magnificent affair, held in an enormous wooden building that had been erected for the occasion. The ball was Washington's great feature of the evening and it surpassed the ball of any previous inaugural in the District of Columbia.

The building in which the ball was held was 225 feet long, 55 feet wide, and 20 feet high. It was in Judiciary Square and adjacent to the city hall, which building is now known as Selective Service Headquarters, 451 Indiana Avenue NW.

The walls of the building in which the ball was held were hung with draperies in the color of the flag—red, white, and blue. The ceiling was white and was studded with stars. Many large chandeliers lighted the room.

When the President arrived at the ball at about 11 o'clock the orchestra of 40 instruments played Hail to the Chief. He was accompanied by Senator Jones of Tennessee and Commodore Lavallette, commandant of the Washington Navy Yard. President Buchanan moved slowly down the crowded room. Accounts seem to indicate there were between 5,000 and 6,000 persons in the ballroom at the time Buchanan entered. This might be correct in view of the report that more than 15,000 tickets were sold and also in view of the fact that the peak of attendance might logically have occurred near 11 p. m. One account stated that the ballroom was so crowded that dancing was almost impossible until many had left.

Supper was served at midnight in an apartment adjoining the ballroom. Ex-President Pierce and President Buchanan participated in the festivity. There were bountiful provisions. Esther Singleton in the Story of the White House, 1907, McClure Co., tells about the supper at the ball. There was a pyramid cake 4 feet high with a flag having the arms of each of the 31 States and of each of the Territories. Among the food items on hand were 400 gallons of oysters, 500 quarts of chicken salad, 1,200 quarts of ice cream, 500 quarts of jellies, 80 saddles of mutton, 4 of venison, 8 rounds of beef, 75 hams, and 125 tongues (vol. 2, p. 42).

Vice President Breckinridge was at the ball. He left with Buchanan approximately a half hour after midnight. Dancing continued until 4 a. m.

THE BUCHANAN MEMORIAL

In Meridian Hill Park, at 16th and Euclid Streets, NW., in Washington, D. C., there is a beautiful marble and bronze memorial to the 15th President of the United States. The heroic bronze statue of James Buchanan is 9½ feet high. It is the gift of Mrs. Harriett Lane Johnston who, as Miss Harriett Lane, came to Washington in March 1857 to be hostess at the White House for her uncle. She was a woman of artistic tastes. The memorial which she gave to the United States is one of great beauty and durability. It was dedicated on June 26, 1930. The exercises were opened by Gen. U. S. Grant 3d, then a lieutenant colonel. The memorial was accepted in the name of the United States by President Herbert Hoover. Music was furnished by the Lancaster (Pa.) Newsie Cadet Band.

THE MAN AND HIS TIMES

James Buchanan, the bachelor President, was born in Franklin County, Pa., April 23, 1791. He was a successful lawyer and an experienced public servant. For 20 years he had represented Pennsylvania in Congress—10 years as a Member of the House of Representatives and 10 as a Senator. He served as Minister to Russia, 1831–33, and was Secretary of State under President Polk. During most of the 4-year period prior to becoming 15th President of the United States he was Minister to Great Britain, during the administration of President Franklin Pierce.

Buchanan arrived back in the United States in the latter part of April 1856. The Democrats were casting about for a Presidential candidate who would not embroil them in the heated slavery issue. Buchanan having been out of the country for several years, and having an excellent record of public service, seemed to be the logical person. The Democratic National Convention met in Cincinnati, Ohio, June 2–6, 1856 and nominated him unanimously, and selected John C. Breckinridge, of Kentucky, as Vice-Presidential candidate.

The campaign of 1856 was bitter. Many "Buck and Breck" clubs were formed in various parts of the country. Buchanan conducted America's first "front porch" political campaign at Wheatland, his home, which is preserved today, at the edge of the city of Lancaster in southeastern Pennsylvania.

Three parties entered the campaign, the Democrats with Buchanan as their standard bearer; the newly formed Republican Party, with John C. Fremont of California, and the American Party with Millard Fillmore of New York, ex-President of the United States, as its candidate. The country then had a population of approximately 26 million people. There were 31 States in the Union but there was no transcontinental railroad to connect the East with the West.

Four million voters went to the polls in November 1856 to elect their Chief Executive. The United States was prosperous but much concerned about the growing sectional division as to whether slavery should or should not be extended to the Territories.

Buchanan carried all but 12 of the 31 States, winning in the South, in the Southwest, in the Middle Atlantic States (except Maryland), and in the Midwest, but losing New England. He secured 174 electoral votes, Fremont 114, and Fillmore 8.

When James Buchanan came to Washington for his inauguration in 1857 the slavery problem was nearing the crisis stage. His 4 years in the White House were exceedingly difficult, but not without significant accomplishments. In 1861, at the end of his term as President of the United States, he returned to Wheatland and remained there until his death in 1868.

THE BLOCKADE OF TEXAS INDEPENDENT OIL OPERATORS

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made by Mr. Lester Clark, of Breckenridge, Tex., before the Antitrust and Monopoly Subcommittee of the Senate Judiciary Committee. Mr. Clark is an independent producer of crude oil, and his testimony was on behalf of the independent producers of the State of Texas.

In his testimony he told the committee that in west Texas there are 8,000 producing wells which are unable to send their oil as a contribution to the European oil lift, because of lack of transportation. This gentleman, in his evidence, brought out more clearly, I think, than has almost any other person, except a witness from Ada, Okla., Mr. William A. Dulaney, that the heart of the petroleum industry of the United States and of the world lies in the ability of the producers who are affiliated as parts of integrated companies with transportation facilities. The pipelines and tankers are the only means, except small tank wagons, of transporting oil to market.

The situation has so developed, Mr. President, that the blockade of the Suez Canal by the sabotage of dictator Nasser is not at all dissimilar to the blockades which the producers of west Texas are suffering by reason of their inability to secure transportation.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Texas. I very much appreciate the deep concern my friend from Wyoming has for the independent oil producer. For many years the Senator from Wyoming has been one of the Members of Congress who has understood the problems and the plight of the individual independent producer who is attempting to operate in this country. I think the testimony which the Senator has taken before his committee will do much to reawaken America not only to the necessity of preserving the independent oil producer, but, Mr. President, of making him a tower of strength upon whom we can rely in case of emergency.

I very much appreciate my friend's inserting in the RECORD a copy of the statement of one of our most distinguished Texans, Mr. Lester Clark.

For many years we have been deeply concerned because of the lack of transportation facilities available for the producers in the far sections of our State. We hope that as a result of the public awakening to this problem we may increase the pipeline connections, and make available more pipelines to the wells.

Mr. O'MAHONEY. I thank the Senator from Texas.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I will ask the Senator to wait a moment.

Mr. President, during the last session of the Congress the Senate, by an almost unanimous vote, passed a bill which the

Judiciary Committee recommended with respect to giving automobile dealers their day in court. That bill was not an attack upon big business; it was only a bill to give small business its day in court.

The facts which are being developed in the oil industry indicate that the executive and legislative branches of the Government of the United States are for small business. But small business is being pushed to the wall by the operations of the gigantic corporations. We cannot close our eyes to this fact. If we do, all the tax relief we talk about giving small business, all the special loans we talk about giving small business, which are administered by the Small Business Administration, will be altogether futile. Such actions cannot protect small business from the unregulated forward march of monopoly.

I hope that Senators will heed the pleas which are being made by independent producers such as Mr. Clark, of Breckenridge, Tex.

To those who are complaining about the increased prices of products of oil I would say that recently we heard testimony from the Texas Oil Co., including the telegrams, which by subpena we had secured from the company, which went from one agent to another agent of the Texas Co., pushing up the price of gasoline not because there was any increase in cost of manufacture but because the company was following the increase initiated by someone else.

I asked the president of the Texas Co., Mr. Foley, who had such a nice name that I smiled at him, why the price of gasoline had been increased. He said, "We raised the price to meet competition."

I said, "That is a sort of an upside down way of meeting competition, is it not? Your competitor raised the price, and instead of holding your price down you followed his price up? That is the abolition of competition."

Mr. President, I am glad the Senator from Texas interrupted me. I had no intention of making a long talk about the matter, but the mind of every Member of the Senate is on this problem. We are approaching it in different ways, but it is necessary for us to reach a fundamental settlement.

There being no objection, the statement of Lester Clark was ordered to be printed in the RECORD, as follows:

STATEMENT OF LESTER CLARK, BRECKENRIDGE, TEX., BEFORE THE ANTITRUST AND MONOPOLY SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE

Mr. Chairman, Members of the Committee: My name is Lester Clark. I am an independent oil operator from Breckenridge, Tex.

I am speaking for myself as an independent, and also, I have been asked to present these views on behalf of four associations in Texas which represent the independent—the Texas Independent Producers & Royalty Owners Association, West Central Texas Oil & Gas Association, North Texas Oil & Gas Association, and the Panhandle Producers & Royalty Owners Association.

IF MONOPOLY GETS CONTROL, INDEPENDENT PRODUCERS WILL GO

We commend this investigation and tender to you our complete cooperation. For a monopoly to exist anywhere within the oil industry, it must have control where the oil comes out of the ground—and that is where the independent stands. We are, as a result, highly sensitive to the problem because if a monopoly gets control, we know we will be the first to go.

That is why I am here. I am no expert on economic principles, foreign policy, or domestic politics, but, as an independent, I do know that my position in the oil industry is being undermined. The only conclusion I can reach is that the forces of monopoly control are at work and that a situation favoring the creation of a monopoly exists. I believe it may be of benefit to your study to see this from the viewpoint of one independent, at least.

RELIANCE ON FOREIGN OIL IS DANGEROUS

Let me say this right here: Independents are concerned about their own well-being, of course, but we are worried, also, about the position of the American consumer and the state of our Nation's security. For a long time, we have been saying that reliance on foreign oil was an unwise and unsafe course. Events since the closing of the Suez Canal have proved our worries were well founded.

Overseas, we have seen our allies—who were entirely dependent on imported oil—placed in great danger. Further, we see the consumer in nations such as Great Britain, for example, paying 75 cents or more per gallon for gasoline. We cannot help but wonder if, here at home, some of the things we have recently seen do not indicate that America is headed—unnecessarily—in the same direction.

The independent had been saying, long before Suez, that the public policies permitting excessive imports of foreign oil were weakening the domestic oil industry. Now, we see the result. For the first time in history, the American oil industry is being accused of failing to meet the oil needs of this Nation and its allies. It is important, I believe, to find out why this has happened.

THERE IS NO SHORTAGE OF OIL HERE

Has there been any shortage of oil here? The answer is "No." From the time of the Suez closing, until now, we have had on hand more than adequate stocks of crude and products and, throughout this period, imports adding to these stocks have been generally increasing rather than decreasing.

So, I raise the question: If there has been a failure, who has failed?

Some are saying—and a good many people seem to believe it—that the independent has failed, and failed willfully. I would remind you that the term, "independent," is a technical term. By definition, it means that I am capable, in my operations, of doing one thing: getting oil out of the ground. There are literally thousands of such operators in the United States. With more than enough oil already above ground and being produced, it was unfair to blame those who could do no more than bring additional quantities to the surface in the oil fields of Texas—but who could not get it out of those fields, much less get it to Europe.

BLAME FOR ANY FAILURE OF OIL LIFT RESTS WITH COMPANIES THAT CONTROL OIL SUPPLY

The failure, if there has been one, rests upon those companies which had—and have—control of the stocks and production made available and which have both the resources and the ability to respond to Europe's needs. My point is that the failure has been in the use made of the oil available, and the responsibility falls upon those who have had that oil in their control.

Who are these companies? What use have they made of this oil?

Let me point out to you, first, that 7 oil companies control and own 70 percent of the free world's known reserves of oil and 50 percent of the world's oil production. Those companies are, in the order of the size of their holdings: Standard Oil Company of New Jersey, Royal Dutch Shell, the Texas Co., Gulf Oil Corp., Socony Mobil, Standard of California, and Creole Petroleum.

There are several important facts I want to emphasize about this:

1. These American companies owe their rank primarily to holdings in foreign lands and are the principal importers of oil into this country.

2. More important, these companies listed have a significant relationship to my operation and the operations of all other domestic producers. When that relationship is understood, it is easier to answer the question of what use has been made of the oil supplies controlled by these firms.

IMPORTING OIL IS STRANGLING DOMESTIC OIL INDUSTRY

Let me make one thing clear. I have no quarrel here with any of the domestic companies, large or small, except insofar as they may be affiliated with or controlled by the large importers in the furtherance of their conduct. It is true that some of the major domestic companies have denied me, and other independents, pipeline connections, as I will mention later, but these are matters which can, and will, I am sure, be resolved by our Railroad Commission.

In fact, I believe that the nonimporting major company is being strangled by imports the same as the independent—indeed, the whole domestic oil industry is. But these nonimporting majors are not, at least not yet, engaged in a life or death struggle, as is the independent.

In the oilfields, wherever an independent operates, these majors, importers and nonimporters alike, are our competitors in the effort to secure ownership of oil in the ground. But, maybe more significantly, they are also our customers—the only customers to whom we can sell the oil we produce. If we had only the nonimporters to compete with, we could get along fine, but the more of their own oil these companies import from abroad, the less of our oil they need or take. I am sure I do not need to underline the opportunity this presents for monopolistic control.

INDEPENDENT PRODUCERS ARE AT MERCY OF IMPORTING COMPANIES

I do want to add, and stress, some details about the independents' position in this relationship.

1. We are in position so that our principal competitors also have, in effect, sole control over our markets, which they can open or shut at their own discretion, obliging their own interests.

2. If we, the independents, find oil, we can market it by pipeline only if these major importers, who own the pipeline facilities, agree to connect our producing property.

3. Connection, in itself, does not guarantee access to market, because, as owners of the pipeline facility, the majors reserve and exercise the right to pro rate the use of the pipeline capacity.

4. By substituting imports for domestically produced oil, these companies can use oil which they themselves produce and not have to buy ratably from others.

5. Finally, and—as I shall discuss later—most important, these companies, which have effective control over our access to market, also control the price we receive for our oil.

These points, I believe, make clear the very weak position in which the independent oil producer operates in the field, against the advantages held by the major importers. It may well be asked, then, how the independent's position has survived at all. The answer to that is the fact that heretofore all producers, without regard to size, have been equals from a competitive standpoint, because of our State conservation laws.

Under those laws of the State of Texas, production is pro rated equitably among all the wells of the State, without regard to ownership of oil. This is an essential safeguard against monopoly. By law, production cannot exceed market demand, thus preventing wasteful production; and whatever the total needs are, all producers share equitably in supplying those needs.

IMPORTING COMPANIES CONTROL PRICE AS WELL AS PRODUCTION

This worked successfully until these importing companies—who are our equals under the law in Texas—acquired their vast new reserves of foreign oil, which they can produce without regulation and bring into the United States without control. What they have been able to do, therefore, is to circumvent the laws under which I must operate by bringing in unlimited quantities of oil and then force down upon me a lower and lower level of production. The importer is able thereby to control the price which I receive as well as how much I can produce.

With that picture in mind, I say that, to an independent oil producer, it seems apparent that the failure of these major oil importers to deliver oil needed in Europe and their continued importing into this country has furthered their control over the domestic oil industry and in particular over the independent.

To support that statement, I want to refer to these facts:

1. Humble, owned more than 80 percent by Standard of New Jersey; Shell, entirely owned by Royal Dutch Shell; and Magnolia, entirely owned by Socony, asked the Texas Railroad Commission to grant to them, in contradiction to Texas law, preferential exemption to ratable, or equitable, take by permitting fields in which they dominate to produce a disproportionate share of oil.

2. The importing companies, through their Texas affiliates, asked also for production in excess of market demand, again in direct contradiction of Texas law, when all the while it was not necessary to increase allowables to increase the flow of oil. By their control over transportation systems from the field, some importing companies have been limiting the amount of oil marketed by independents.

3. The steps the importing companies have taken with regard to the independents' economic position clearly indicate a pattern aimed at tightened control and domination and, basically, a disregard for the development of our domestic industry.

Let me cite three examples: First, more than a month before the price of crude was increased, independents, in my area at least, were notified that the prices we pay for lubricants and other petroleum products were being raised by the importing companies or their affiliates, and in west central and north Texas they had already reduced the price of crude by 7 cents a barrel. Second, when price increases on crude were posted in January of this year, those increases bore no direct relationship to our costs; while those prices were higher, our higher costs of operation far exceed the higher price received. Third, the price increases posted were not uniform. In my area I received no 35- or 45-cent increase. My actual net increases ranged from 18 to 25 cents, and in some instances were as low as 10 cents.

Now, as briefly and as simply as I can, let me spell out to you what this means to the independent's position and what I think it means from the viewpoint of your investigation.

NOW THERE ARE THOUSANDS OF UNCONNECTED WELLS

As I have pointed out to you, the major importing companies have in the field what is clearly a stranglehold on the independent's position. The power to strangle the independent has until now not been exercised because of the equality under State conservation laws and because so long as there was a pressure and necessity to maintain the health of the domestic industry the giant companies had a self-interest in supporting, rather than strangling, the independent.

When an independent brought in a well, the majors had an interest in making a connection, adding that oil to their domestic supply. Today, however, there are more than 8,000 wells unconnected in Texas alone. When it was in the interest of the majors to stimulate development of our domestic oil reserves, the crude prices paid to independents were generally kept in line with the realistic capital needs of the independent. In other words, crude prices were based more on domestic costs than on the financial position of a few international companies. Today, even with the recent crude increase, crude prices which I receive are not adequate to pay replacement costs.

TODAY WE HAVE TWO OIL INDUSTRIES—A TRUE DOMESTIC AND AN INTERNATIONAL

What has happened? As I see it, the heart of the matter is that we now have two oil industries—not one, but two—operating in this country: A true domestic industry, made up of the many independent producers and the refiners and integrated companies which are not importers; and, we have an international oil industry, of which the American importers are a part.

INDEPENDENT INDUSTRY IS BEING SQUEEZED OUT BY IMPORTERS

The problem lies in the fact that the domestic oil industry is operating under effective State laws while the American members of the international oil industry are operating beyond control of effective regulation, on any level. Equality, under the law, at the point of production has been effectively overcome by a few importers of vast size and resources, and, in this situation, the independent is being squeezed out—and the American consumer and America's security are suffering in the process.

I know of no independent who objects to a reasonable amount of imported crude. Unlimited imports, though, give to the importers a two-fold power: First, the power to escape themselves the effect of State conservation laws and, second, the power to turn such regulation against the domestic industry. In this position, they are in the role of regulating themselves and being able to regulate, in effect, their competitors—and it looks to me as though they are using this position to undermine the independent operator such as myself.

Let me cite my own case as an example: During 1956, in my basic operations, we spent $1.1141 per barrel, not including depletion or depreciation, to produce the oil we brought out of the ground; in addition, we put back into the ground—in search for additional reserves—$1.98 for every barrel we took out. For every barrel produced, we spent $3.09 in operating, exploration, and development costs. We received an average of $2.47 per barrel for our oil, so in 1956, our net expenditures were 62 cents per barrel more than our receipts.

Obviously, this is a financial pattern which cannot be sustained indefinitely. Why are we in this position? Our only source of capital is, in effect, the price we receive for the oil we sell, and that price is set for us by our competitor, the major importer, or his affiliate, who thus controls our supply of capital.

CRUDE PRICES UP LESS THAN HALF OPERATING EXPENSES INCREASES

Since 1947, on the national average, wages paid and material used in the oil industry have risen in cost from 50 to 100 percent and more. The price of crude, including the January increase this year, went up only 21 percent.

The companies which control the independents' working capital have, as they have turned more and more to imports, exercised that critical control to slow down and gradually reduce the independents' search for more oil—and the Nation is suffering because of it. Finding more oil and developing more reserves has always been the independent's job— 75 to 80 percent of the oil reserves in American have been discovered by independents. But because of the reduced amount of capital available, America was not able in 1955 and 1956 to maintain the reserves necessary to keep up with increased demand. When the search for domestic oil was competitive, capital was easy to obtain; today, as money has tightened, capital has been made harder to obtain—and the controlled lag in oil prices has further tightened the independent's position.

Why have the importers held down the price of crude? I do not know, of course, but I do know that it is the most effective and most telling control that could be applied to limit competition.

I am, frankly, very much concerned about this recent increase for that reason. The importers allowed, over a period of years, the independent's position to deteriorate. Then, by the timing of their increase, which by their own statements was long overdue, they created a public outcry against the independent, which permits them to argue against the future increases. Yet this increase—for all the furor—is not enough to retrieve the independents' position, but enough to get the majors off the hook.

MANIPULATIONS OF IMPORTERS IN POSTING PRICE INCREASES

I would point out to this committee that in posting this increase, the importers followed a pattern of great significance.

First of all, last July 15, Cities Service imposed a 7-cent price cut in 8 west central Texas counties. By August 1, this crude price cut, which was met by Magnolia, Humble, Sinclair, and Shell, had spread to 25 counties in Texas.

These cuts, I might explain, came in counties where such companies had little production. Some time before, on June 28, there had been a 10-cent per barrel increase in Refugio field, where Atlantic is a large producer; in Webster, Thompson and Hastings fields, in which Humble is the principal producer along with Gulf in Thompson.

In January, this year, when independents like myself were receiving increases from 10 cents to 25 cents, you will find that Humble, for example, increased crude prices 45 cents a barrel in the Texas gulf coast fields—Hastings, Webster, and Thompson; 35 cents in Goose Creek, 32 cents in Lovell's Lake. In all these fields, Humble is a major producer, and both Gulf and Humble operate in the Thompson and Goose Creek fields.

The preferential policy is obvious, and I will not take the committee's time with other examples. I would note that in these areas Humble was asking the Texas Railroad Commission—at public hearings—to disregard State laws and allow them to take a disproportionate share of production, for the purpose, as their spokesman said in January, of selling this oil to Standard of Jersey's affiliates in Europe.

What this means, I think, is that, from a position of great economic power, beyond regulation or control, the major importers are destroying the concept that oil should be produced without regard to ownership and are saying, in effect, that either they produce their own oil preferentially at home or they bring it in from abroad. In other words, one way or another the American consumer is going to use their oil—and nobody else's.

This is not healthy—certainly not for the independent oil producer, but it is not healthy for our economy, for competitive

enterprise, for the consumer, or for our Nation's security.

OIL NEEDS OF EUROPE COULD HAVE BEEN MET

Parenthetically, let me say that at any time these companies could have met the oil needs of Europe by any of three steps:

1. Diverting Venezuelan crude to Europe, which is presently being imported into this country;

2. Changing the refinery yields in this country to make more fuel oil and products needed by Europe rather than the high yield of gasoline presently being produced; or

3. Cutting back all refinery runs only a small percent and sending this crude, thus made available, to Europe.

They did not elect to do any of these things. Instead, they have used this situation to weaken further the position of the domestic industry—and the independent. This pattern—this use that has been of the economic strength of the importers—points up what I regard as the key to the whole picture.

AMERICAN INTERNATIONAL OPERATORS ARE ON PRIVILEGED STATUS

What is wrong, anyway you look at it, is that the American members of the international oil industry now are operating on a privileged basis—a basis which the domestic industry does not enjoy and does not seek. These companies have been granted, by the Federal Government, certain immunity to the laws of the land intended to prevent monopoly and preserve competition. It is apparent to me that they are misusing that exemption.

Furthermore, I understand that these companies have been granted special tax concessions and advantages to fortify their capital position, while they, with total control over the capital position of their domestic competitors, are using their resources to weaken and undermine the ability of the nonimporters to compete. What those tax concessions are, precisely, I cannot tell you, for the reason that these special favors have been granted—and are maintained, I understand—behind a veil of great official secrecy.

This, from the viewpoint of the independent, is a very disturbing concern—to have our own Government conferring upon the few companies high favors in a top-secret atmosphere. I cannot believe this is right or just, or that the Nation will benefit.

AMERICA IS BECOMING DEPENDENT ON FOREIGN OIL

To oblige these few companies, we, like the nations of Europe, are allowing ourselves to become dependent upon foreign oil—at the cost of our domestic oil industry and at the risk of undermining millions of Americans directly or indirectly upon this industry for their livelihood. There is no shortage or scarcity in this country which requires us to pay that price.

THE THREAT TO DOMESTIC OIL INDUSTRY IS GREAT

In summarizing, I wish to make these points:

1. We have today two oil industries in America—a domestic industry, of which the independents are a part, and an international industry, dominated by a few American companies. In this present situation, the failure to supply Europe's needs is the sole responsibility of these international companies.

2. The domestic industry, the independents, are under effective regulation by State laws, but the international companies, with foreign reserves, are, by virtue of special privileges, largely exempt from the effect of those same laws and are, in turn, using their power to weaken systematically the position of the independent.

3. The result of this is that the independents' position is being undermined, the consumer's protection and safeguards are being weakened, and national security is being jeopardized.

4. We have in this country vast reserves of oil which can be developed and utilized if the independents have the capital to continue exploration and development, but the importing companies—by their control over the independents' capital through their control over the price paid to him for his oil—are following a course which retards the proper development of our Nation's reserves.

5. Finally, the policies of these importing companies constitute an effort to impose monopoly control over production and destroy State regulation meant to prevent monopoly since, in effect, they are saying—either they get to produce preferentially at home or they will bypass State conservation laws by bringing in unlimited imports from abroad.

This, I believe, is a situation deserving and requiring the type of study being made by this committee. I am personally grateful to you gentlemen for this opportunity to present our problem—a problem which most independents believe must be resolved for the good of the entire Nation.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am happy to yield to my friend, the distinguished Senator from Pennsylvania, which is one of the original oil States.

Mr. MARTIN of Pennsylvania. I come from the State where oil was first discovered in the United States.

Mr. O'MAHONEY. Has it ever been planned to change the name of the Senator's State from Pennsylvania to "Drakesylvania," in honor of Colonel Drake, who first discovered oil there?

Mr. MARTIN of Pennsylvania. The discovery of oil and the invention of the automobile had more to do with the development of transportation than anything else which has ever been discovered or invented during world history.

I appreciate the Senator's yielding to me, because I wish to make a comment. I am not opposed to big business. There are located in Pennsylvania probably more billion-dollar corporations than in any other State in the Union. Nevertheless, the conservation of oil and gas in the United States is highly important.

Pennsylvania produces more gas today than it did 30 years ago, but there are probably 100 times as many wells in existence today as there were at that time. The gathering of the gas and oil is extremely important. Our wells now—and this statement may be amazing to the distinguished majority leader and the distinguished Senator from Wyoming——

Mr. O'MAHONEY. Mr. President, it is not amazing to me; I know what the Senator is about to say, because I have studied the oil situation in Pennsylvania.

Mr. MARTIN of Pennsylvania. The average well in Pennsylvania now produces less than half a barrel a day. Yet if the oil is collected by the gathering lines, it is still a profitable operation, particularly when the wells are owned by the farmers. The farmers of Pennsylvania do much of the producing of oil and gas. They have bought wells from the large operators at junk prices, and the farmers can operate such wells in conjunction with their farms. But unless they have an opportunity to sell their oil every month, they will junk their wells. If they junk the wells, the farmers probably can get high prices for them, because that kind of junk is very high priced.

Mr. O'MAHONEY. The Senator means the steel, does he not?

Mr. MARTIN of Pennsylvania. It is the tubular steel which is very valuable.

Mr. O'MAHONEY. The casing.

Mr. MARTIN of Pennsylvania. It is the tubular steel. The steel manufacturers do not particularly like to make tubular steel, because it is more expensive than flat steel.

Then consider the matter of gas. I am receiving a great many complaints at present about the difficulty of getting certificates of public convenience so that farmers may be able to sell their gas. They must employ lawyers and accountants to come to Washington to get certificates of public convenience. Many of those small producers are becoming very much discouraged about the situation.

So I think we must do everything within our power, Mr. President, to keep the old wells in operation. I believe that in the West, some of these days instead of abandoning the wells when the production gets down to probably 10 barrels a day, it will be considered wise to conserve the old wells, because the conservation of oil is of extreme importance not only to the United States, but also to the world.

Mr. O'MAHONEY. I may say to the Senator from Pennsylvania, point no finger at the West, nor at Texas, nor at the Rocky Mountain States. In those areas we have tried to conserve oil; and the Federal Government, in the administration of the public lands on which oil and gas are to be found, has adopted conservation policies which are regulated by law. As a matter of fact, in 1946, when I was chairman of the Committee on Public Lands, as I think it was called at that time, I, together with former Senator Hatch, introduced and had passed a bill which was intended to stimulate oil production and, at the same time, to conserve this valuable resource.

With respect to the small wells in Pennsylvania, if the situation becomes such, by reason of inflation or anything else, that the production of oil should be stopped, then the future possible production also will be lost, and oil which should be produced and distributed will remain in the ground.

Mr. MARTIN of Pennsylvania. Mr. President, I apologize for having taken so much time.

Mr. O'MAHONEY. No apology is needed, Mr. President.

EIGHTY-FIRST ANNIVERSARY OF BIRTH OF POPE PIUS XII

Mr. PURTELL. Mr. President, Saturday, March 2d, marked the 81st anniversary of the birth of His Holiness, Pope Pius XII. It was also the 18th anniversary of his ascendancy to the Papacy in 1939.

His Holiness is revered throughout the world, not only by those of the Roman Catholic faith and those denominations in union with Rome, but by millions of men and women of other faiths.

The Pope's spiritual leadership, his wise counsel, his personal and official unswerving struggle against communism, his warm humanitarianism and deep concern for all the peoples of the world, have won for him this worldwide respect, admiration, and affection.

It has been my privilege to become acquainted with His Holiness, and I have talked with him and seen him twice during the past three years. A distinguished statesman, he was Apostolic Nuncio to Bavaria and Papal Nuncio to Germany before becoming Papal Secretary of State in 1930. In 1936, he visited the United States, and that visit served to intensify both his interest in and knowledge of our country, its ideals, and its principles.

When His Holiness was gravely ill a short time ago, the prayers for his recovery were echoed in every language by men and women throughout the world. God, in his wisdom, restored Pope Pius to health, and the world has continued to benefit from his moral leadership.

In marking his 81st birthday, Mr. President, I join with millions of my fellow citizens in extending to His Holiness our best wishes for continued health, and for many more years of his great leadership for the good of all men.

The PRESIDENT pro tempore. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, under the unanimous-consent agreement entered into in the Senate on February 28, it was ordered that on Monday, March 4, after the approval of the Journal, and after the transaction of morning business, 1 hour be set aside for the commemorative program concerning the Alexander Hamilton Bicentennial Commission.

Therefore, if no other Senators desire to participate in the morning hour, and if the morning hour has been concluded, I will suggest the absence of a quorum in order that we may proceed in accordance with the previous order of the Senate, the time for the quorum call not to be taken out of the hour so set aside.

THE ALEXANDER HAMILTON BICENTENNIAL

The PRESIDENT pro tempore. There being no further morning business, under the order of the Senate 1 hour will now be set aside for the commemorative program concerning the Alexander Hamilton Bicentennial Commission.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, under the previous order, I understand that the distinguished chairman of the Alexander Hamilton Bicentennial Commission is now to be recognized.

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. MUNDT. First of all, Mr. President, at this time I should like to offer congratulations to you and to all of the other distinguished Members of the Senate on our 168th birthday.

It was just 168 years ago today, March 4, 1789, in the city of New York, that Congress began its life under the Constitution of the United States. The day before, the curtain had rung down, with a salute of 13 guns, on the old Continental Congress and its government under the Articles of Confederation.

The curtain had rung up on the new Government with a salute of only 11 guns, for I am sure Senators will recall that the States of North Carolina and Rhode Island had not then joined the "More Perfect Union" and consequently were not represented in the early days of the first Congress.

Neither House of the Congress could develop a quorum on March 4, and both merely adjourned from day to day.

But this fact did not diminish the enthusiasm of the people for the new Government. Toasts were drunk, salutes were fired, and celebrations were held in all of the principal cities of our new Nation. One of the newspapers of the day stated that the old Constitution had expired in a blaze of eloquence, and that this phoenix which had sprung from its ashes was to be productive of the greatest happiness.

Little did the writer of those phrases realize how prophetic his words were. The wildest imaginings of the most romantic dreamers could not have conceived of the nation that has grown in this land since that early day. But with all of the salutes and all of the editorials, it was not until April 1 that the House of Representatives could assemble a quorum. Six days later, on April 6, a sufficient number of Senators were on hand to make the first quorum of the Senate.

By reason of that 6-day tardiness of our first distinguished Senators, the House of Representatives must be accorded first place as the oldest functioning branch of our Government; and having remained essentially unchanged for nearly one and three-quarters centuries, it ranks as the oldest popular representative body in the world.

As we pause to commemorate our birthday, I should like to recall that the Constitution was written by a remarkably able group of men united for a common purpose. I must also recall that the campaigns for ratification of the Constitution were in many instances as bitter as any political campaigns ever fought. By the time the Constitution was ratified, a two-party system had begun to emerge.

Nevertheless, both parties, even then, recognized George Washington as Father of our Country. Today, both parties can appreciate and applaud the contributions and ideals of Thomas Jefferson and Abraham Lincoln; and I am confident that before the end of 1957, the 200th anniversary of the birth of Alexander Hamilton, both parties will also recognize the value of his work and will applaud his ideals. It has become generally recognized that Thomas Jefferson, James Madison, and Alexander Hamilton were the "big three" of the formative days of our Constitution.

For some unaccountable reason which has more to do with a hold over of the political passions of the day than with historical or actual fact, Hamilton has always been pictured as Jefferson's implacable enemy. This may be true in some things; but Senators will recall that it was the Federalist Hamilton who brought about the election by the House of Representatives of the Republican Jefferson as President of the United States, although the bulk of the Federalist Party favored Aaron Burr. This action, as we know, increased the enmity between them, and eventually led to Hamilton's death at Burr's hands in the famous duel between the two men. I believe it should be pointed out that it was Hamilton's great respect for Jefferson which, in the election in the House of Representatives, induced Hamilton to cast the deciding vote in support of Thomas Jefferson; and ultimately that vote really led to Hamilton's death.

In connection with our observance of the 200th anniversary of Hamilton's birth, the Kraft Television Theater will present a dramatization of Hamilton's conflict with Burr on this Wednesday night, at 9 p. m., Eastern standard time, on the NBC–TV network. The play, entitled "The Duel," should be well worth watching; because of its historical significance.

I, for one, never have believed there were any major irreconcilable differences between Jefferson and Hamilton, or that the ideals of one destroyed the ideals of the other. I am sure that before this bicentennial year has passed into history, many more of our fellow citizens will share my belief.

The Bicentennial Commission, of which I have the honor to be chairman, has accomplished a number of quite remarkable things. For example, 3 new books on Hamilton have been published. Time, Inc., and the Rockefeller Foundation have made grants to Columbia University, totaling $200,000, to accomplish the editing and publication of a definitive edition of Hamilton's papers, which may total 15 volumes.

An Alexander Hamilton exhibit, which will continue through Labor Day, has been opened in the main Treasury Building. We have on display the greatest collection of memorabilia and documents on Hamilton ever assembled. The entire display was designed, as a public service, by Mr. King Rich, art director of the advertising agency, Albert Frank-Guenther Law, of New York.

The Library of Congress, the national Archives, the New York State Library, the public library in the city of New York, and many other organizations and private individuals, have loaned the Commission material for this exhibit. The collection is so rare that it may truly be called priceless. I sincerely hope that Senators will avail themselves of the opportunity of viewing this exhibit, and that they will suggest to constituents that they, too, should see it. The time of Senators and their constituents will be well rewarded, for seldom has there

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Mr. MUNDT. Mr. President——

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portunity of viewing this exhibit, and that they will suggest to constituents that they, too, should see it. The time of Senators and their constituents will be well rewarded, for seldom has there

been so much of historical significance collected in one location for the benefit of the public.

The Alexander Hamilton Commission has arranged for a program today, at which our distinguished majority leader and our distinguished minority leader will speak to us briefly about some of the accomplishments of this great institution of ours in the past 168 years. So it is an honor and a privilege to yield to the distinguished majority leader, the Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President I appreciate my friend's comments. It is with great pride that I participate in today's program.

Mr. President, this is a day of tremendous significance to all Americans.

It marks not only an anniversary for Alexander Hamilton, but an anniversary for Congress as well.

It was on March 4, just 168 years ago, that the first Congress under the Constitution was called to meet in New York at Federal Hall. It was one of the first acts that ushered in the infant Republic.

Washington was still to be inaugurated as first President of the United States. The Supreme Court was still to be created by the Federal Judiciary Act adopted 7 months later.

It was a modest beginning for a Republic destined to become the leader of the free world.

This was not the first time that a people had launched an experiment in free and democratic government. But it was unprecedented in still another—and perhaps deeper—sense.

It was the first time that a people had attempted to establish a free government on the basis of institutions which would reconcile the contrasting views of strong men. To my mind, that will always be the real genius of our Constitution.

The charter under which the first Congress was called together was the product of joint thinking. It took into account the views of men as widely apart as Hamilton and Jefferson. It represented the ideas of men like Franklin and Madison.

Woven into its fabric were the desires and the dreams of Yankee traders; of southern plantation owners; of sophisticated eastern intellectuals; of uncultured but dynamic mountain frontiersmen.

To the political philosophers of the time, it appeared to be a pipe dream cooked up by John Locke and sold through the wit and charm of a few glib men. They predicted it would soon degenerate into some new form of authoritarian control.

Today—168 years later—we are still in business. We have survived death and disaster; war and destruction; even the strains of internal armed conflict. We have moved the seat of government; but we are still operating on the same premise.

It is that reasonable men can form a strong and stable government which takes into account all responsible views, but which does not allow one group to crush and obliterate the others.

This concept underlies everything that we do in America. And out of it has grown the unity and the amity which are so perfectly demonstrated by the events which we celebrate on this day.

By many, Alexander Hamilton is considered the patron saint—philosophically—of those who sit on the other side of the aisle. With equal force, Thomas Jefferson is considered the founder of the party which I have the honor to represent.

I am not going to enter into a philosophical discussion of the merits of either view. One hundred and sixty-eight years can produce a tremendous amount of history.

The important point is that both of us—Republicans and Democrats alike, can join in paying tribute to both men. And we can do so with unfeigned reverence because both believed in this country and its future, however much they differed in politics.

When their country was in peril, they could unite. And their partisan differences would evaporate like water off the wings of a sea gull.

Mr. President, it is an article of faith with me that this is the character of the Congress which we serve. We have been strengthened—not weakened—by the passage of 168 years, and I am confident that we will always meet our problems in the same spirit of the Founding Fathers.

Mr. President, in connection with the ceremonies conducted by the able Senator from South Dakota [Mr. MUNDT] on the Alexander Hamilton Bicentennial, I ask unanimous consent to have printed in the body of the RECORD, as a part of the ceremonies, a proclamation by the Governor of Texas, Allan Shivers.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

AUSTIN, TEX.

OFFICIAL MEMORANDUM BY ALLAN SHIVERS, GOVERNOR OF TEXAS

Greetings: The President of the United States, in proclaiming the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial, urged the governors of the several States to do honor to Hamilton's memory during that period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

One hundred and eleven years ago, the independent Republic of Texas was admitted as the 28th State of the Union under the Constitution of the United States established more than 56 years earlier.

Alexander Hamilton was the mainspring and principal architect of the Union of the States, and advocate the steady westward expansion and control of navigation of the Mississippi River, and a strong supporter of the constitutionality of the Louisiana Purchase by President Thomas Jefferson, which established the land-link between the United States and the then Spanish Province of Texas.

Therefore, I, as Governor of Texas, in accord with the purposes of the Congress and the President of the United States, do call upon all officials and agencies of the State of Texas and upon all citizens and residents to observe the Alexander Hamilton Bicentennial and to do honor to his memory by activities commemorative of the achievements of this genius of statecraft.

In official recognition whereof, I hereby affix my signature this 9th day of January 1957.

ALLAN SHIVERS,
Governor of Texas.

Mr. JOHNSON of Texas. In conclusion, Mr. President, I desire to express my deep appreciation for the fine, worthwhile, and constructive service rendered by my able colleague, the senior Senator from the State of South Dakota [Mr. MUNDT].

Mr. MUNDT. I thank the majority leader very much indeed. As Chairman of the Alexander Hamilton Bicentennial Commission, which is charged with the presentation of this program, I may say that we are deeply grateful for the very interesting, illuminating, and historical background presented by the majority leader.

Speaking on my own behalf, I suppose if this body were to nominate for itself currently a team to represent the philosophies of Thomas Jefferson and Alexander Hamilton, we would unanimously vote for the Senator from Texas [Mr. JOHNSON] and the Senator from California [Mr. KNOWLAND]. They have demonstrated the same capacity, when the chips are down, to speak for the country, Congress, and the Senate, regardless of party. I think it is the greatest demonstration of the patriotism which on occasions brought Hamilton and Jefferson directly together.

Mr. President, at this time it is my privilege to recognize the spokesman for the other party of the fine and sturdy team, the distinguished minority leader of the Senate, and my good friend from California [Mr. KNOWLAND].

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. KNOWLAND. Mr. President, I, too, am glad to join in paying commemorative tribute to Alexander Hamilton and, through him, to the Constitution which played such an important part in helping to form the Government of his generation. While Hamilton and Jefferson may have divided on matters of public policy, they had a great common devotion to the struggle for independence and for the creation of a lasting and enduring form of government to pass on to future generations of Americans.

Throughout our history there have come down to us stories of the differences between Alexander Hamilton and Thomas Jefferson. And yet I cannot help but agree with the distinguished Senator from South Dakota that perhaps when the final chapters of history are written we may find that these two great Americans, and the man whom they served, George Washington, did not differ so much as some have been led to believe. As a matter of fact, I think each of those men strengthened the others. In human existence, no person is infallible; and the very strength of a free government is that honest men may differ in their viewpoints, and by that very difference may strengthen the cause in which they both believe, and tend, at the same time, to iron out the points of view of the other men, which might, in effect, produce a weakness in the cause

which he seeks to represent. The fact that we had these two great, strong characters, along with their colleagues, did much to lay a firm and sound foundation for the infant republic which was then the United States of America.

The particular subject to which the distinguished Senator from South Dakota has assigned a few brief remarks on the part of the majority leader and the minority leader relates particularly to the institution of the Congress of the United States. The Congress is, of course, one-third of the whole Federal structure. In the very great wisdom of the men who founded the Republic, recognizing the danger of the concentration of power in any single individual, they created three great coordinate branches of the Government, and in the Constitution they happened to name the three branches in this order: the legislative, the executive, and the judicial. Whether there was special significance in naming the legislative branch first, I shall not now dwell upon. But certainly it was created as a coordinate arm of the Government, and it was meant to remain just that.

Of course, the founders of our republic were equally concerned that the Federal Government should not itself assume or usurp too much power, and therefore made the Federal Government one of limited or specified powers, and reserved to the States or to the people thereof all other powers. But I believe that this great Federal structure of ours could never have existed without the spirit of compromise which existed in the Constitutional Convention, and the willingness to find a way whereby to bring together conflicting views of the large and small States of the Union, and the various points of view which were represented.

This was worked out in the peculiar compromise dealing with the establishment of the House of Representatives on the basis of population, and the Senate of the United State, constituted as it is to this day, with each of the States, large or small, having equal representation. It was that compromise which made it possible for the Union to be created, and which has enabled it to survive to this very day.

It is interesting to note, I believe, that of all the sections of the Constitution of the United States, the one section which cannot be amended is that which relates to the Senate of the United States. It provides that no State can be deprived of equal representation in the Senate without its own consent, which I think demonstrates that the framers of the Constitution were entering into an eternal compact, an act of faith, with their fellows in the other States of the Union. They did not want, even by a two-thirds vote of each House of Congress, or even by a three-fourths vote of ratification by the several States of the Union, any amendment which would deprive any State of equal representation in the Senate of the United States. Although from time to time various attacks have been made against the institution of the Senate, I do not believe there is any Member of this body, or any thoughtful citizen elsewhere, who, even

though this were an amendable section, would tamper with the principle of equal representation of the several States.

I conclude by paying my tribute to the outstanding work which has been done by the senior Senator from South Dakota [Mr. MUNDT], who has headed the Bicentennial Commission. I think it is a good thing, in the troubles we have today, to reflect upon the problems and aspirations of our forebears, and upon the great institutions which they established and which have been handed down to us.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the proclamation which was issued by the Governor of California relative to the Bicentennial Commission and the work of Alexander Hamilton.

The PRESIDING OFFICER. Without objection, the proclamation may be printed in the RECORD.

The proclamation is as follows:

A PROCLAMATION, STATE OF CALIFORNIA

On January 11, 1757, Alexander Hamilton was born in the British West Indies. Two hundred years later his teachings and political philosophies represent a major factor in our present-day Government. During this bicentennial of his birth it is well for us to note his ambitions, which were fired by a desire to see that our union was strong. Between the time of the signing of the Constitution of the United States and its adoption great partisan conflicts arose that might well have doomed our right for self-government.

Into those conflicts stepped Alexander Hamilton, a man destined to be the mainspring of the Constitutional Convention; a man who carried a vision of a great Federal Republic that would stretch from the Atlantic to the Pacific and from Canada to the Gulf of Mexico; and a man who worked tirelessly to give a firm foundation to the growth of such a republic.

Engrossed as he was in home affairs, he was nevertheless a deep student of foreign relations, and advocated a position of neutrality on the part of the American Government with regard to the difficulties of nations. Of equal importance was the personality of this man of imagination. He was not popular, nor did he strive after popularity, but his memory and achievements are imperishable. He lived for the public good. Eloquent and refined, able and brilliant, the embodiment of integrity, devotion, and courage, he left as deep a mark upon political institutions as any other statesman the United States has produced.

Therefore I, Goodwin J. Knight, Governor of California, do hereby designate the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial, and do urge my fellow Californians to join in observances designated to demonstrate our gratitude and obligation to Alexander Hamilton.

In witness whereof I have hereunto set my hand and caused the great seal of the State of California to be affixed this 7th day of January A. D. 1957.

[SEAL] GOODWIN J. KNIGHT,
Governor.

Attest:

FRANK M. JORDAN,
Secretary of State.

Mr. COTTON. Mr. President, on behalf of my colleague the distinguished senior Senator from New Hampshire [Mr. BRIDGES], who is unavoidably detained this morning, I ask unanimous consent to have printed in the RECORD a proclamation relating to the ceremonies

in connection with the Alexander Hamilton Bicentennial, issued by His Excellency Lane Dwinell, Governor of the State of New Hampshire.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF NEW HAMPSHIRE—A PROCLAMATION; ALEXANDER HAMILTON BICENTENNIAL

Whereas in these times when so many sacrifices are being made for freedom and liberty throughout the world; and

Whereas we enjoy freedom and a form of government that is the envy and goal of many nations in their struggles today; and

Whereas this gives us more reason for being grateful for the farsightedness of our forefathers in their deliberations and decisions when in the act of laying the foundation of our Nation and Constitution; and

Whereas Alexander Hamilton's contributions to the formation of the Union and the establishment of the Government of the United States were indispensable.

Now, therefore, I, Lane Dwinell, Governor of New Hampshire, urge the citizens of New Hampshire to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial, and to do honor to his memory during the period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

Given at the executive chambers in Concord on this 10th day of December 1956, and of the independence of the United States of America the 181st.

[SEAL] LANE DWINELL,
Governor.

Attest:

ENOCH D. FULLER,
Secretary of State.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD a proclamation issued by the Governor of Alabama, the Honorable James E. Folsom, proclaiming the year beginning January 11, 1957, as the Alexander Hamilton Bicentennial in the State of Alabama.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

A PROCLAMATION BY THE GOVERNOR OF ALABAMA

Whereas President Eisenhower, on September 17, 1956, designated the year beginning January 11, 1957, as the Alexander Hamilton Bicentennial; and

Whereas this great patriot and leader of our early history was foremost among those who recognized the weaknesses innate in the Confederation, and fought strongly to bring the Colonies into a union of States with a stronger Central or Federal Government; and

Whereas under Washington, as the first Secretary of the Treasury, he wrote many reports which greatly influenced the administrative organization of the new Government, and advocated many doctrines which later, through judicial interpretation, gave great strength to the Union of the States; and

Whereas Alabama is historically linked with Hamilton in that his slayer was captured in Washington County, Ala., on February 19, 1807, and returned to Virginia to be tried for treason;

Now, therefore, on this 138th anniversary of our admittance into the Union, for which Hamilton fought so hard and contributed so much, I, James E. Folsom, Governor of Alabama, join with the President and the Governors of the other States in proclaiming the year beginning January 11, 1957, as the Alexander Hamilton Bicentennial and

do request that the schools and patriotic organizations of our State do honor to his memory during this period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

In witness whereof, I have hereunto set my hand and have caused the great seal of the State of Alabama to be affixed at the capitol in the city of Montgomery, on this the 3d day of December 1956.

JAMES E. FOLSOM,
Governor.

Attest:

MARY TEXAS HURT GARNER,
Secretary of State.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a proclamation issued by the Governor of Indiana in connection with the Alexander Hamilton Bicentennial which began on January 11, 1957.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF INDIANA.

A PROCLAMATION: ALEXANDER HAMILTON BICENTENNIAL

To all to whom these presents may come, greeting:

Whereas, 169 years ago, on Monday, September 17, 1787, the Constitution of the United States was signed by the Founding Fathers, and a crucial 9-month campaign for its adoption was begun; and as we celebrate that momentous event, it is fitting that we take notice of Alexander Hamilton, who, at the age of 30, was recognized as one of the principal architects and leaders of the movement for a "more perfect Union" of the States; and

Whereas, 5 years earlier Hamilton's imagination had shown him the noble and magnificent prospect of a great Federal Republic, closely linked in the pursuit of a common interest, tranquil and prosperous at home, and respected abroad; and his vision, together with that of other patriots, brought forth the United States of America under the Constitution; and

Whereas, the opportunity has now come to our generation to demonstrate our gratitude and our obligation to Alexander Hamilton by a fitting celebration of the 200th anniversary of his birth—a happy opportunity for all of us to think afresh of his sincere efforts and inspiring leadership in the work of the men who laid the foundations, raised the structure, and built the sustaining traditions of the Government of the United States;

Now, therefore, I, George N. Craig, Governor of the State of Indiana, do hereby proclaim the year beginning January 11, 1957, to be Alexander Hamilton Bicentennial in Indiana, and urge all citizens to honor his memory during that period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

In testimony whereof, I have hereunto set my hand and caused to be affixed the great seal of the State of Indiana, at the Capitol, in the city of Indianapolis, this 2d day of January 1957.

GEORGE N. CRAIG,
Governor of Indiana.

FRANK A. LENNING,
Secretary of State.

Mr. SMATHERS. Mr. President, on behalf of myself and my distinguished colleague [Mr. HOLLAND], who is absent from the Senate today on official business in Florida, I ask unanimous consent to have printed in the body of the RECORD, a proclamation issued by the Governor of Florida, the Honorable LeRoy Collins, proclaiming the year commencing January 11, 1957, as Alexander Hamilton Bicentennial in Florida, and calling upon the citizens of Florida, and particularly on the institutions of higher learning, the schools and the organizations devoted to historical endeavors, to mark the year with appropriate observance.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF FLORIDA.

Whereas on September 17, 1956, the President of the United States issued a proclamation urging that the year commencing January 11, 1957, be observed as the Alexander Hamilton Bicentennial in order to do honor to the memory of this patriot, and

Whereas although the State of Florida was not a possession of the United States of America until 1821, when the treaty of purchase of Florida from Spain was signed by the Senate of the United States of America, and had no part, as a State, in the formation of our Nation, since that date the people of Florida have enjoyed the advantages of independence resulting from the American Revolution and the privileges inherent in the Constitution of the United States of America and thereby are indebted to Alexander Hamilton and other leaders of our Nation during its formative years;

Now, therefore, I, LeRoy Collins, by virtue of the authority vested in me as Governor of the State of Florida, do hereby proclaim the year commencing January 11, 1957, as Alexander Hamilton Bicentennial in Florida, and call upon the citizens of this State, and particularly on the institutions of higher learning, the schools and the organizations devoted to historical endeavors, to mark the year with appropriate observance.

In witness whereof, I have hereunto set my hand and caused the great seal of the State of Florida to be affixed at Tallahassee, the capital, this 24th day of October A. D. 1956.

LEROY COLLINS,
Governor.

Attest:

R. A. GRAY,
Secretary of State.

Mr. WATKINS. Mr. President, I regret that an appointment makes it impossible for me to remain longer in the Chamber during these ceremonies.

I wish to join in what has been said by the distinguished majority leader and the distinguished minority leader.

I should like to have made a part of the RECORD of these proceedings a proclamation issued by the Governor of the State of Utah, in which some of the virtues of the great American constitutionalist are set forth. I join in the sentiments expressed in the proclamation, and ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

A PROCLAMATION BY THE GOVERNOR OF UTAH

It has been truthfully said that the United States Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man. Great as it is, however, it was ratified only after the statesmen of the Revolutionary era joined together to overcome the hostility toward it.

Prominent among those who led the fight for ratification was Alexander Hamilton, whose two-hundredth anniversary will be observed next month. Not a popular man, Hamilton was, nevertheless, one of the outstanding leaders of his time. One biographical sketch describes him as follows:

"Eloquent and refined, able and brilliant, the embodiment of devotion, integrity, and courage, he left as deep a mark upon political institutions as any other statesman the United States has produced."

As a young man in his early twenties, Hamilton won distinction as an officer in the Continental Army and served for a time as aide-de-camp to General Washington. After the Revolutionary War, he was effective in spearheading the drive to call the convention in Philadelphia to form a Federal Constitution. He later became first Secretary of the Treasury and did a masterful job in bringing order out of the fiscal chaos the Nation's finances were in.

It is appropriate that honor be paid Alexander Hamilton for the great contributions he made to his Nation. Accordingly, I am joining with the President of the United States and other Governors in proclaiming the year beginning January 11, 1957, as Alexander Hamilton Bicentennial and I urge the people of Utah to do honor to his memory during the period with appropriate activities and ceremonies as a tribute to his inspiring role in our national life.

In testimony whereof, I have set my hand and caused the seal of the State of Utah to be affixed.

Done in Salt Lake City, Utah, this 27th day of December 1956.

[SEAL] J. BRACKEN LEE,
Governor of Utah.

/s/ LAMONT F. TORONTO,
Secretary of State.

Mr. YOUNG. Mr. President, in honor of the occasion we are celebrating today, the bicentennial of the birth of Alexander Hamilton, I ask unanimous consent that a proclamation issued by the Governor of North Dakota on January 4, 1957, be printed in the RECORD.

Governor Brunsdale, in his well-chosen remarks, calls attention to the remarkable service performed for this Nation by this great American patriot, one of the Founding Fathers of the Constitution of the United States.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

Whereas January 11, 1957, will mark the 200th anniversary of the birth of Alexander Hamilton, American patriot, statesman, and soldier; and

Whereas he served his country well and honorably throughout his life—during the Revolutionary War as aide-de-camp and military secretary to General Washington, as commander of the American columns in the final assault on Yorktown, and later, as major general and senior officer of the Army; in the Continental Congress, in the Annapolis Convention of 1786, which led to the momentous meeting in Philadelphia the following year, in which meeting in 1787, at the age of only 30, he was recognized as one of the principal architects and leaders of the movement for "a more perfect union" of the States, and through his imagination and vision, together with the wisdom of other patriots, they brought forth the United States of America under the Constitution; and

Whereas during the succeeding months he was untiring in his efforts to secure acceptance of the Constitution by the States, and subsequently served as the first Secretary of the Treasury under the new Government, which proved him to be one of the boldest and most far-sighted of the founders of our Nation; and

Whereas the opportunity has now come to our generation to demonstrate our gratitude to Alexander Hamilton by a fitting observance of the bicentennial anniversary of his birth and his sincere efforts and inspiring leadership in the work of men who laid the foundations, raised the structure, and built

the sustaining traditions of the Government of the United States:

Now, therefore, I, Norman Brunsdale, Governor of the State of North Dakota, do hereby urge all officials and agencies of State government, and do call upon all citizens of North Dakota, to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial, and to do honor to his memory during that period with appropriate exercises and ceremonies commemorative of his inspiring role in our national life.

And I hereby direct that on January 11, 1957, the flag of the United States be appropriately displayed on all State, county, and local government buildings in North Dakota.

Given under my hand and the great seal of the State of North Dakota here in my office in the State Capitol, at Bismarck, N. Dak., this 4th day of January 1957.

NORMAN BRUNSDALE,
Governor.

Attest:

BEN MEIER,
Secretary of State.

Mr. YOUNG. Mr. President, I also wish to associate myself with the well-chosen remarks made on the floor today, as well as with the sentiments expressed by the Governor of North Dakota.

Mr. BARRETT. Mr. President, at the outset let me congratulate and commend the senior Senator from South Dakota [Mr. MUNDT] for his fine services in the observation of this anniversary. It is entirely fitting and proper that we take a little time from our busy day to reflect for a moment on the life and the work of one of the Founding Fathers of our great Republic. Last January we celebrated the 200th anniversary of the birth of Alexander Hamilton. He was but 30 years old when the Constitution was signed on September 17, 1787, but history records that he played an important part first in the drafting and then in reaching an accord in the Convention on the terms, and still later in securing the approval of the States in obtaining ratification of that great document by the several States.

Hamilton had a profound respect and admiration for the immortal George Washington and he rendered valiant service to that beloved first citizen of our country as his aide-de-camp in the Revolutionary War, in the deliberations in the Continental Congress and later in the Constitutional Convention and, more importantly, as the first Secretary of the Treasury.

Of all of the outstanding men of that time, perhaps it can be truthfully said of Hamilton that he was the strongest advocate of a strong judiciary and he, more than any other, is entitled to the credit of conferring upon the Supreme Court the right to rule on the constitutionality of the laws enacted by the Congress, and in this fashion to safeguard the rights of minorities.

Hamilton carved for himself a peculiar place in the first Cabinet of the United States and, indeed, he was often referred to as the prime minister of the new Republic. He used all of the great power and authority placed in his hands by the Father of our County in laying a firm foundation for a strong fiscal policy for our country.

While Secretary of the Treasury he closed a report to the House of Representatives in 1790 with these prophetic words:

Persuaded, as the Secretary is, that the proper funding of the present debt will render it a national blessing, yet he is so far from acceding to the position, in the latitude in which it is sometimes laid down, that "public debts are public benefits"—a position inviting to prodigality and liable to dangerous abuse—that he ardently wishes to see it incorporated as a fundamental maxim in the system of public credit of the United States, that the creation of debt should always be accompanied with the means of extinguishment.

Mr. President, on November 14 last, the Honorable Milward L. Simpson, Governor of Wyoming, the State which my distinguished colleague who is presently presiding over the Senate and I have the honor to represent, issued a proclamation calling upon all the citizens of Wyoming to observe this year as the Alexander Hamilton Bicentennial.

I ask unanimous consent to have printed in the body of the RECORD a copy of Governor Simpson's proclamation.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

Whereas Monday, September 17, 1956, was the 169th anniversary of the signing of the Constitution of the United States; and

Whereas Alexander Hamilton's contributions to the formation of the Union and the establishment of the Government of the United States were indispensable; he was the mainspring in bringing on the Constitutional Convention, a powerful leader in getting the Constitution ratified and the Federalist, mostly by Hamilton, remains the classic exposition of the Constitution of the United States; and

Whereas the year commencing January 11, 1957, marks the 200th anniversary of Hamilton's birth;

Now, therefore, I, Milward L. Simpson, Governor of the State of Wyoming, do hereby call upon all citizens of Wyoming to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial.

In witness whereof, I have hereunto set my hand and caused the great seal of the State of Wyoming to be affixed this 14th day of November 1956.

[SEAL] MILWARD L. SIMPSON,
Governor of Wyoming.

Attest:

EVERETT T. COPENHAVER,
Secretary of State.

Mr. MUNDT. Mr. President, before proceeding further, I should like to ask the Chair to recognize a very distinguished Member of our body—a very modest Member of it—who agreed to participate in this program only after considerable persuasion by the Senator from South Dakota.

We have in our midst a Member of the Senate who, although it cannot be said of him that he was here when the Union was founded, nevertheless he has been in Congress ever since his State became a member of the Union. The latter is a pretty close facsimile of the former.

The distinguished Senator from Arizona [Mr. HAYDEN] came to Congress at the same time Arizona was admitted to the Union. He is the oldest Member of the Senate in point of service. I would appreciate it, therefore, if the Chair would now recognize the distinguished Senator from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. President, with entire approval I read into the CONGRESSIONAL RECORD the following proclamation issued by the Governor of Arizona on December 28, 1956:

PROCLAMATION: ALEXANDER HAMILTON BICENTENNIAL

Whereas the 84th Congress established a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton, one of the leaders of our Nation in the crucial days preceding and following the adoption of our Constitution; and

Whereas his vision, together with that of other great leaders, brought forth the United States of America under the Constitution; and

Whereas it is fitting that we take note of the inspiring leadership of the men who laid the foundation of the Government of these United States,

Now, therefore, I, Ernest W. McFarland, Governor of the State of Arizona, in accordance with the purposes of the National Congress, do hereby designate and proclaim the year commencing January 11, 1957, as Alexander Hamilton Bicentennial and urge the citizens of our State to join in ceremonies commemorative of this great American.

In witness whereof, I have hereunto set my hand and caused the great seal of the State of Arizona to be affixed at Phoenix, the capital, this 28th day of December 1956.

[SEAL] ERNEST W. MCFARLAND,
Governor.

Attest:

WESLEY BOLIN,
Secretary of State.

Mr. HAYDEN. Mr. President, it is true, as Governor McFarland has stated, that the vision and leadership of Alexander Hamilton contributed greatly to the making and adoption of a Constitution for the United States of America which established a form of government that has endured without material change in its concept for 168 years.

The chief reason for its enduring strength is the equitable and practical division of power among its three branches. In my time I have seen serious efforts made by each branch to gain more power, but whatever success was attained was only temporary. As a member of the legislative branch, I have served during the administrations of eight Presidents, but never under any one of them. The Bible says "Put not your trust in kings," and I have yet to see anyone in either branch of the Congress gain any fame or permanent success by being subservient to a President.

Alexander Hamilton and Thomas Jefferson were both aware that a majority vote determined legislative policies in the British Parliament. Each of them must have assumed that congressional majorities should be obtained in the United States by political contests between two great parties, as was the case in Great Britain. There is no evidence that either of them gave thought to the device now known as proportionate representation, which now plagues the governments of so many modern attempts at democracy.

Thomas Jefferson said that there should be "general education to enable every man to judge for himself what will secure his own freedom," and Hamilton

had sound reasons for his fear that a stable government could not be maintained if subject to the passions and whims of an ignorant majority. Each of them greatly influenced the adoption of the final form of the Government under which we live, but credit must go to Hamilton for giving it the strength to endure for more than a century and a half.

To each of them it was fundamental that whoever received the most votes should be chosen to perform for a limited time the functions of the office to which he was elected. He is granted temporary authority to carry out the will of the people as expressed at the ballot box.

This is why for more than 150 years American elections have been a contest between two major political parties. Third parties have sometimes caused candidates to be elected who did not receive a majority of all votes cast. This was true of Abraham Lincoln and Woodrow Wilson, but all agree that they were great Presidents.

It was unstable parliamentary governments in Western Europe caused by the recognition of minority groups under proportional representation which created the demand for a strong man that made it easy for Hitler and Mussolini to wipe out every vestige of democracy.

Much as we despise fascism, even more so must we loathe and detest the Communist governments in this world which give their people no choice of candidates; where there is but a single party, where a vote of "yes" is a meaningless gesture, where a vote in protest is fraught with danger to the individual voter.

I have been in the Congress since 1912, and as the years have passed I have gained greater respect for those who designed the democracy we now enjoy. I am grateful that there were men of great ability like Alexander Hamilton who had time to think; time to find out why all previous attempts at government by the people had degenerated into rule by one man and time to design a form of government which has brought enduring freedom to the American people.

Mr. MUNDT. Mr. President, I express my deep appreciation to my cherished friend from Arizona for his participation in the program. I assure him that the outstanding address he has just delivered more than rewards me for the patient persuasion required to induce him to participate in the program.

Mr. President, under the unanimous-consent agreement entered into, it was decided that, as chairman of the Alexander Hamilton Commission, I should yield time to Senators who wish to participate in the celebration, and to divide the program into two parts this morning, because this is the 168th anniversary of Congress and also the 200th birthday anniversary of Alexander Hamilton.

The speeches up to now have been devoted largely to the fact that this is the 168th anniversary of Congress. It is a sort of birthday salute to ourselves.

I should like to have the Chair now recognize Members of the Senate who are also members of the Alexander Hamilton Commission, only one of whom, unhappily, is unable to be present on the floor at this time. Another Member, the Senator from Missouri [Mr. HENNINGS], has arranged to have the Senator from Oklahoma [Mr. MONRONEY] place his remarks in the RECORD.

Therefore, if the Presiding Officer will be good enough to recognize the Senator from Oklahoma, the Senator will place in the RECORD the remarks of the Senator from Missouri, a member of the Alexander Hamilton Commission.

Mr. MONRONEY. Mr. President, I appreciate the fact that the distinguished chairman of the Commission affords me the opportunity to insert in the RECORD, in behalf of the Senator from Missouri [Mr. HENNINGS], a treatise dealing with the greatness of Alexander Hamilton, particularly with respect to his defense of the freedom of the press and the work he did to build up that great freedom.

I ask unanimous consent that there be printed in the RECORD at this point the statement prepared by the Senator from Missouri, and also, at his request, the proclamation issued by the Governor of Missouri.

There being no objection, the statement and proclamation were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

I am indeed pleased to take part in the Senate's commemoration of the 168th birthday of the Congress of the United States. This is an event of which we should naturally take cognizance.

The Congress of the United States, and especially the Senate, are almost, if not quite, unique in the history of representative government. Not only does the Government of the United States represent the first successful application of the Federal principles of dual sovereignty of State and Nation, but it has always been aimed at the closest thing to perfection that the human mind and effort can achieve.

I am also pleased that the suggestion that the two Houses of Congress commemorating their anniversary came from the Alexander Hamilton Bicentennial Commission of which I am a member on the part of the Senate. I am happy to serve in this capacity.

Some of our fellow Democrats across the country who have their knowledge of Hamilton at second hand might be reluctant to speak praise of Hamilton. I suppose in the main they have not forgiven him for being a political opponent of Thomas Jefferson. Most of them, no doubt, think of him only as the first Secretary of the Treasury who established a public credit where none existed thus providing "the steam for the boiler" of the new Nation.

But Hamilton did not devote all of his energies to fiscal affairs. To those of us familiar with the history of civil liberty, Hamilton's contributions to the freedom of the press is unrivaled.

In 1775, as a young patriot of 18, he was a stanch believer in law and order. When Capt. Isaac Sears led a number of horsemen from New England into New York City and raided the shop of the notorious Tory editor, James Rivington, Hamilton reacted immediately. He wrote to John Jay, a Member of Congress, protesting this mob violence, and this in the heat of public passion.

Hamilton's most enduring contribution to civil liberty is found in the area of freedom of the press. The result of the Croswell case was to change the law of libel in this country. From the common-law notion of "the greater the truth, the greater the libel" it has been changed to the doctrine that truth may be published with good motives and justifiable ends, even though it reflect on government, magistrates, or private persons.

Harry Croswell, publisher of the Hudson, N. Y., Wasp and an unreconstructed Federalist, made the scurrilous charge in his paper that Jefferson had paid James T. Callendar, erstwhile Jeffersonian journalist and victim of the Sedition Act who went over to the opposition, for calling Washington a traitor, robber, and perjurer, and for attacking Adams as an incendiary. He was prosecuted for seditious libel. Chief Justice Lewis, a Jeffersonian, charged the jury, at the trial on the circuit in July 1803, to confine themselves to the fact of publication, and ruled that the truth could not be given in evidence.

Croswell's counsel happened to be Alexander Hamilton, who moved for a new trial in the State supreme court. Hamilton's argument on the motion was careful and reasoned, one of the last of his career. While condemning "this spirit of abuse and calumny as the pest of society" he contended "for the liberty of publishing truth, with good motives and justifiable ends, even though it reflect on government, magistrates, or private persons." For this insistence on good motives, there was no support whatsoever at common law, and Hamilton deserves credit as a notable legal innovator. In his opinion, a judge, appointed by the executive, was not as objective as a jury chosen by lot, and the latter should have power to decide the issue in libel. In 1805 a revised libel bill passed the New York Legislature and incorporated the Hamiltonian formula about good motives and justifiable ends. Hamilton's principle embodied in the act of 1805 was incorporated into the State constitutions of 1821 and 1846 and serves as a source and model for the press guaranties in many of our present-day State constitutions.

A contemporary political opponent of Hamilton, who became justice and then chief justice of the highest court in the State of New York, had this to say about Hamilton:

"Alexander Hamilton was the greatest man this country ever produced. I knew him well. I was in situations often to observe and study him. I saw him at the bar and at home. He argued cases before me while I sat as judge on the bench. Webster has done the same. In power of reasoning Hamilton was the equal of Webster; and more than this can be said of no man. In creative power Hamilton was infinitely Webster's superior. * * * It was he, more than any other man, who thought out the Constitution of the United States and the details of the Government of the Union; and, out of the chaos that existed after the Revolution, raised a fabric every part of which is instinct with his thought. I can truly say that hundreds of politicians and statesmen of the day get both the web and the woof of their thoughts from Hamilton's brains. He, more than any other man, did the thinking of the time."

The proclamation issued by the Governor of Missouri is as follows:

Whereas January 11, 1957, marks the 200th anniversary of the birth of Alexander Hamilton, who, in addition to being the first Secretary of the Treasury, was one of the principal architects and leaders in the establishment of the United States of America. He favored westward expansion, and as early as 1782 foresaw the noble and magnificent prospect of a great Federal Republic extending from the Atlantic to the Pacific and from Canada to the Gulf of Mexico, and 6 years later, as chairman of a committee of the Continental Congress, reported out a resolution for the free navigation of the Mississippi River; and

Whereas it is particularly appropriate in the year of his 200th anniversary to honor this inspiring leader, soldier, and statesman:

Now, therefore, I, Phil M. Donnelly, Governor of the State of Missouri, do hereby proclaim the year commencing January 11, 1957,

as the Alexander Hamilton Bicentennial in Missouri, and request all citizens of this State to join in honoring the memory of this great statesman with appropriate ceremonies and commemorative activities during the year. I also request that the flag of the United States be displayed from all public buildings throughout the State on January 11, 1957.

In testimony whereof, I have hereunto set my hand and caused to be affixed the great seal of the State of Missouri, in the city of Jefferson, this 3d day of January 1957.

[SEAL] PHIL M. DONNELLY,
Governor.

Attest:

WALTER H. TOBERMAN,
Secretary of State.
WILL DAVIS, *Chief Clerk.*

Mr. MUNDT. Mr. President, the senior Senator from New York [Mr. IVES], who is necessarily absent from the Senate today, has asked me to have his statement on Alexander Hamilton printed in the CONGRESSIONAL RECORD at some point in these proceedings. I ask unanimous consent that the remarks of the senior Senator from New York be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES

As a member of the Alexander Hamilton Bicentennial Commission, as an alumnus and trustee of Hamilton College, and as a New Yorker, I am indeed most happy to join in this tribute of the United States Senate to the memory of the youngest of the Founding Fathers of our Nation.

It is highly appropriate that the Senators, busy as they are with the cares of the world today, should set aside an hour from their deliberations on the floor of the Senate to recall the accomplishments of a man who played such a pivotal role in establishing our form of government. As the Government has endured, so has the memory of Hamilton, for he was a man devoted to the public service, and not for his own time alone.

An example of this devotion is symbolized by an imposing bronze statue of Alexander Hamilton which stands today on the hill above Clinton, N. Y., directly in front of the chapel on the beautiful, tree-shaded campus of Hamilton College. I am proud to be so intimately associated with this institution of higher learning. The college was named for Alexander Hamilton. He was the first trustee of the Hamilton-Oneida Academy, established on that hill in 1793 for the education of the Oneida Indians, the academy becoming Hamilton College some 19 years later.

Alexander Hamilton had many burdens during that year, 1793, in which the academy was founded. It was, for example, the year in which the British issued orders in council interfering with neutral shipping, as a result of which American vessels were seized and American seamen impressed and imprisoned. Indignation swept the country, and the Jeffersonian Republicans proposed retaliation by cutting off trade with the United States in British ships. Secretary of the Treasury Alexander Hamilton, however, convinced Washington that such a drastic step, destroying the infant Nation's chief source of tariff revenue, would gravely impair the Nation's credit. Hamilton was to be intimately involved in the ensuing events culminating in the Jay Treaty. Yet the year in which this and many other major issues occupied his attention was also the year in which Hamilton found time to concern himself about the education of Indians in the State of New York.

Nor was this the first occasion when Hamilton had concerned himself with public education in the midst of events which must have seemed vastly more urgent to him at the time. To cite another instance, I might mention the year 1787. That, of course, was the year in which Hamilton represented New York in the Philadelphia Convention, from which the Constitution of the United States emerged. But also, in that year, as a member of the New York Assembly, Hamilton sponsored legislation which established the University of the State of New York and changed the name of King's College to Columbia College. Hamilton became a regent of the State university and a trustee of Columbia.

It was the following year, 1788, that Hamilton, in one of the greatest forensic achievements of all time, obtained New York's ratification of the Constitution in the face of odds which, at the outset of the State convention, were almost 3 to 1 against him. Though a sufficient number of States had already ratified, Hamilton's astonishing one-man feat in winning a 30–27 vote for ratification from the hostile Poughkeepsie Convention closed the land bridge between New England and the States to the south, without which Federal union could not have been effective.

Thus Hamilton, a remarkable man, born 200 years ago last January 11, was truly a public servant. He is perhaps best remembered as a man who, through the Federalist Papers, and his speeches in the Poughkeepsie Convention, did so much to put our Constitution into effect, and as a man who as our Nation's first Secretary of the Treasury was such an outstanding success in placing the Nation's finances on a sound and reputable basis. But I would like to feel, also, that his connection with three of the great educational institutions of my home State of New York, two of them large and one relatively small, will not pass unnoticed. For the generations which have enjoyed the benefits of higher education, due in part to his efforts, are as much a monument to Alexander Hamilton as the institutions of government he helped to found—or the figure in bronze which stands on College Hill.

Mr. MUNDT. Mr. President, there is present a very distinguished member of the Alexander Hamilton Bicentennial Commission, and I should appreciate it if the Chair would recognize the senior Senator from Virginia [Mr. BYRD] at this time.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. BYRD. Mr. President, I am pleased that the Senate is pausing in its work on this, its 168th birthday, to recall its beginnings and the roots from which it is sprung. The Senate in the First Congress broke new ground, planted good seed in fertile soil. Many of the more important precedents for our actions today go back to the beginning.

Then, as now, the Senate and the House of Representatives dealt with matters of supreme importance. As a member, on the part of the Senate, of the Alexander Hamilton Bicentennial Commission, I should like to emphasize a primary aspect of Hamilton's service to our country.

This was the scope and inherent strength of his fiscal policies for establishing and mobilizing the public credit, where none existed. That these policies were bottomed on a clear understanding of the nature and the roots of the public credit, as true today as it was then, will be the conclusion of anyone who reads his great Reports on the Public Credit. These reports should be read today in the light of their own times and of ours.

Honor and integrity in government was the inner core of Hamilton's fiscal policy, as it must be of any good fiscal policy in any nation at any time.

Hamilton has often been charged with the notion that "a public debt is a public blessing." He himself called it a "pernicious doctrine." In one place he said:

> Nothing can more interest the national credit and prosperity than a constant and systematic attention to husband all the means previously possessed for extinguishing the present debt, and to avoid, as much as possible, the incurring of any new debt.

Again in Hamilton's own words:

> There is no sentiment which can better deserve the serious attention of the legislators of a country than the one expressed in the speech of the President, which indicates the danger to every government from the progressive accumulation of debt. A tendency to it is, perhaps, a natural disease of all governments; and it is not easy to conceive anything more likely than this to lead to great and convulsive revolutions of empire.
>
> On the one hand, the exigencies of a nation, creating new causes of expenditure, as well from its own, as from the ambition, rapacity, injustice, intemperance, and folly of other nations, proceed in increasing and rapid succession. On the other, there is a general propensity in those who administer the affairs of a government, founded in the constitution of man, to shift off the burden from the present to a future day—a propensity which may be expected to be strong in proportion as the form of a state is popular. * * *
>
> True patriotism and genuine policy cannot, it is respectfully presumed, be better demonstrated by those of the United States, at the present juncture, than by improving efficaciously, the very favorable situation in which they stand, for extinguishing, with reasonable celerity, the actual debt of the country, and for laying the foundation of a system which may shield posterity from the consequences of the usual improvidence and selfishness of its ancestors, and which, if possible, may give immortality to public credit.

These observations are from Hamilton's final or second report on the public credit in 1795. In that report he recalled that in his first report of January 1790 he suggested the idea of "incorporating as a fundamental maxim in the system of public credit of the United States, that the creation of debt should always be accompanied with the means of extinguishment; that this is the true secret for rendering public credit immortal, and that it is difficult to conceive a situation in which there may not be an adherence to the maxim."

While all of us may wish Hamilton were here today, his wisdom and his knowledge of fiscal affairs of a nation can be read and understood by those who will take the time.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the proclamation issued by Hon. Thomas B. Stanley, the Governor of Virginia, concerning the Alexander Hamilton Bicentennial Commission.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF VIRGINIA,

ALEXANDER HAMILTON BICENTENNIAL

The name of Alexander Hamilton is intimately associated with the formative history of the United States, and his contributions to the adoption of the Constitution, as well as in many other phases of government, constitute a lasting memorial to his unusual abilities.

The President of the United States has proclaimed the year 1957 as the Alexander Hamilton Bicentennial and called upon the citizens of all the 48 States to join in honoring the memory of this great American, on the 200th anniversary of his birth.

Recognizing his service to his country, in the Revolutionary War, in the Continental Congress and the Contitutional Convention, in behalf of the adoption of the Constitution, and as first Secretary of the Treasury, I join with the National Government in inviting the people of Virginia to share in this observance and tribute to Alexander Hamilton, a man of conscientious devotion to principles and philosophies which have been of vast influence on the later development of his country.

[SEAL] THOS. B. STANLEY,
Governor.

Mr. MUNDT. Mr. President, I wish to express my appreciation to the distinguished Senator from Virginia for his remarks, and also to convey to him what I know is the appreciation of the entire country that he has picked up where Alexander Hamilton left off by becoming the watchdog of the public treasury and being so wise an advocate of the protection of the public debt.

Mr. President, Alexander Hamilton also served in a military capacity. We have among us a distinguished Senator who himself has a distinguished military career as a general. I refer to the Senator from Pennsylvania [Mr. MARTIN], who has done so much research in connection with the life of Alexander Hamilton, and I should like at this time to have the Chair recognize the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. Mr. President, first I wish to commend the chairman of the Commission and the members of it for giving us this very fine program. It has been a real inspiration to hear the remarks of the majority and minority leaders on the general affairs of our Government and the part taken therein by men like Alexander Hamilton and Thomas Jefferson.

I was much impressed, Mr. President, by the remarks of the senior Senator from Arizona [Mr. HAYDEN]. It would be well for all of us to read his statement very carefully.

I was also greatly impressed with what the distinguished Senator from Virginia [Mr. BYRD] had to say with reference to Alexander Hamilton; and I think the suggestion of the senior Senator from South Dakota [Mr. MUNDT] to the effect that the senior Senator from Virginia has really taken up where Alexander Hamilton left off, is very apropos.

Mr. President, we generally think of Alexander Hamilton as the great governmental financier and an outstanding field soldier. In addition, he was a great diplomat and a politician of outstanding ability.

In the early 1790's the people of southwestern Pennsylvania, who used the grain grown in their fields in the making of whisky, rebelled against a tax imposed upon that commodity. These devout Scotch-Irish settlers had little money, but they were hard working and were rapidly building a strong and prosperous economy. The grain they raised on their farms was too bulky to carry over the mountains on pack horses, but if distilled into whisky it could be easily transported by that means to their market in the eastern part of the United States. They rebelled against the tax. They felt it was a tax imposed without their representation in Government.

Many of the men in the Whisky Rebellion were soldiers in the Army that fought for the independence of the Colonies. One of the leaders of the insurrection was David Bradford, a deputy attorney general of Pennsylvania, who lived in Washington, Pa. His home was used as a rendezvous on many occasions for the leaders of the insurrection. His home still stands on the main street of Washington, Pa.

The uprising against the Government was so violent that 15,000 troops were called to the colors to repress it. President Washington took command. It is the first and only time in the American history that the President actually took command in the field. He went as far west as Bedford and the house in which he made his headquarters still stands in that prosperous Pennsylvania town.

There was some fighting, burning of buildings, and destruction of property.

Washington sent Alexander Hamilton as his personal representative to talk the matter over with the insurrectionists. By his effort, the insurrection, which was the first real test of the strength of the Republic, was terminated. He seems to have been able to bring about compromises which satisfied the people and at the same time, upheld the prestige of the national authorities.

Deputy Attorney General Bradford left Pennsylvania and for a long time was a resident of New Orleans. Many soldiers were left in the field. They were paid in hard money which was pretty generally distributed in the communities. This gave the settlers and former insurrectionists money with which to pay their taxes. This was a part of Alexander Hamilton's plan.

Hamilton adopted the language of the soldiers, because he had served in the field very gallantly with them, and they had confidence in the promises he made.

Mr. President, I ask unanimous consent that there may be printed at this point in my remarks the proclamation issued by the Governor of the Commonwealth of Pennsylvania, Hon. George M. Leader.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF PENNSYLVANIA.

PROCLAMATION: ALEXANDER HAMILTON BICENTENNIAL YEAR, JANUARY 11, 1957

Whereas January 11 marks the 200th anniversary of the birth of Alexander Hamilton, one of the influential figures in the development of our Nation's Government; and

Whereas Alexander Hamilton, during his brief, yet active life, played a significant role in the Constitutional Convention, became one of the outstanding leaders in the battle for ratification of the Constitution and was the primary author of The Federalist, a classic exposition of the Constitution of the United States; and

Whereas he served as first Secretary of the Treasury in the newly formed United States Government;

Now therefore, I, George M. Leader, Governor of the Commonwealth of Pennsylvania, do hereby proclaim the year of 1957 to be the Alexander Hamilton Bicentennial, and I urge my fellow citizens to take advantage of this opportunity to familiarize themselves with the life and career of this prominent American statesman.

Given under my hand and the great seal of the State, at the city of Harrisburg, this 12th day of December, 1956, and of the Commonwealth the 181st.

GEORGE M. LEADER,
Governor.

HENRY E. HARNER,
Secretary of the Commonwealth.

Mr. MUNDT. Mr. President, I appreciate the contribution which has been made to this program by our friend, the distinguished Senator from Pennsylvania.

It is my pleasure now to yield to the distinguished senior Senator from New Jersey, with whom I have had the privilege of being associated legislatively many times.

Mr. SMITH of New Jersey. I thank the Senator from South Dakota.

Mr. President, before I begin my very brief remarks, I wish to join with my colleagues in expressing appreciation for the outstanding service which the distinguished Senator from South Dakota [Mr. MUNDT] has rendered in organizing the Alexander Hamilton Bicentennial Commission.

I may say also that my remarks will deal with a little-known incident in the life of Hamilton.

Since my early youth, I have been a great admirer of Alexander Hamilton and his era. His differences with Thomas Jefferson, both of whom were in Washington's Cabinet, always seemed to me to constitute the background of the legitimate differences which developed into our great two-party system. I have always admired both of these great men, and I have always felt that both contributed enormously to the understanding of our Federal-State form of government. Certainly no more brilliant contributions were ever made to our political philosophy than the Federalist Papers to which Hamilton made such an outstanding contribution.

From my early youth I have felt that the sad outcome of the duel with Aaron Burr was one of the great tragedies of our early history.

I take pride in the fact that I hold a law degree, and also an honorary degree of doctor of laws from Columbia University, the successor of King's College, where Hamilton had his undergraduate education. Hamilton was truly a Columbia graduate.

Of course, from my standpoint and tradition, I am perhaps sad that Hamilton could not have been a fellow Princetonian with James Madison. He did, however, contribute to Princeton's history.

This is the incident I wish to relate, for it is probably not known by many persons. Hamilton was once responsible for the partial destruction of Princeton's famed Nassau Hall, the bicentennial of which was celebrated last year. Hamilton, who was in charge of an artillery brigade, had driven the British troops to seek refuge in Nassau Hall, so he directed his 4-pounders to open fire on that venerable building. So far as we Princetonians are concerned, however, Hamilton has long since been pardoned for this offense, and also has been universally commended by all of us for what he did.

What a truly great figure this young man was. He was an active participant in most of the crucial events of our country's youth. He fought under Washington, and served him as his aide in the Revolution; he participated in the Constitutional Convention which retrieved our experiment in liberty from the chaos of the Articles of Confederation; he argued most effectively for the ratification of the Constitution; and he contributed greatly to the stability of the country and the Government as Secretary of the Treasury in George Washington's Cabinet. Hamilton's contributions to the success of our Government under the new Constitution were outstanding and indispensable.

Our great Nation and, in fact, the whole world will always honor and rejoice in the accomplishments of this great patriot.

Mr. President, as a part of my remarks, I ask unanimous consent to have printed at this point in the RECORD the text of the proclamation issued by the Governor of my State of New Jersey in commemoration of the bicentennial of the birth of Alexander Hamilton.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY.

Whereas this month we commemorate the date on which New Jersey ratified the Federal Constitution 167 years ago; and

Whereas this is an appropriate occasion to recognize the 200th anniversary of the birth of one of the most brilliant architects of our more perfect union; and

Whereas Alexander Hamilton came to New Jersey early in life and subsequently fought through the battles of Trenton, Princeton, and Monmouth; and

Whereas Hamilton is credited with a leading role in impressing upon the Nation the need for a strong central government and with distinguished service as the first Secretary of the Treasury and with the founding of Paterson, the first planned industrial city in the United States;

Now, therefore, I, Robert B. Meyner, Governor of the State of New Jersey, do call upon all the officials of this State, and upon its citizens, to observe the year commencing January 11, 1957, as Alexander Hamilton Bicentennial with appropriate ceremonies recognizing his outstanding contributions to our national life. And I hereby direct that on January 11, 1957, the anniversary of Alexander Hamilton's birth, the flag of the United States be displayed on all State buildings.

Given under my hand and the great seal of the State of New Jersey this 2d day of January 1957 and in the independence of the United States the 181st.

[SEAL] ROBERT B. MEYNER,
Governor.

EDWARD J. PATTEN,
Secretary of State.

Mr. MUNDT. Mr. President, I deeply appreciate the contribution which has been made on this occasion by the distinguished senior Senator from New Jersey. I am especially pleased that he has placed emphasis on the youth of Alexander Hamilton. I have always felt, in the progress of my work with the Alexander Hamilton Bicentennial Commission, and as I have necessarily pleasurably been forced to learn more and more about Hamilton, that in some manner or other he breathed the spirit of youth into the young Republic in such fashion that, now that the United States has become the oldest of established representative governments, we still have remained the most youthful in spirit, in vision, in enthusiasm, and in zest.

I am certain that Alexander Hamilton's activities as a very young man have contributed to the continuing youth of this Republic.

Mr. SMITH of New Jersey. Mr. President, will he the Senator yield?

Mr. MUNDT. I am glad to yield.

Mr. SMITH of New Jersey. I realize that Alexander Hamilton, who was born in 1757, was only 20 years old when he was participating with Washington in the Revolution in 1777. That was the year in which the famous 4-pounders were aimed at my beloved Nassau Hall. Twenty years was his age when he began his great operations; and much of the magnificent work which he accomplished was done in his twenties.

Mr. MUNDT. That is correct.

Mr. President, now that we have heard about Alexander Hamilton from the vantage points of King's College, Columbia, and Princeton, I think it would be only appropriate if I yielded next to the distinguished senior Senator from Massachusetts, so that we can have the Harvard viewpoint in connection with the ceremony.

Mr. SALTONSTALL. Mr. President, I thank the distinguished senior Senator from South Dakota. Along with other Senators, I should like to express my appreciation of the work done by the Senator from South Dakota [Mr. MUNDT] as chairman of the Alexander Hamilton Bicentennial Commission. I know something about it because as his colleague on the Committee on Appropriations I learned of the part he believes Congress should have in this bicentennial celebration, and I know of his efforts to make the celebration a success.

Mr. MUNDT. I thank the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the only connection I know of that Harvard can play in this celebration is that General Washington, under whom Alexander Hamilton fought and for whom he served later as a Cabinet member, took his oath of command under an elm tree in Cambridge, Mass. Unfortunately, that elm tree is no longer in existence, but I can truthfully say that I have a gavel made from it, as have many other persons.

Mr. MUNDT. That is wonderful.

Mr. SALTONSTALL. Mr. President, Alexander Hamilton lived a remarkably full life in a comparatively short number of years. His service to his country reflected his personal brilliance, his intellectual capacity, and his character.

A man of clear ideas and convictions, his influence on the adoption of our Federal Constitution was notable. His influence on the future of our country, its stability and its financial responsibility, continues today. He insisted that the Government of our young country fulfill its promises to pay its debts. He established that as a firm principle of our youthful Government. That principle is maintained today as are many of his other fundamentals of fiscal policy.

Alexander Hamilton had a quality which is so much needed at the present time, the quality of imagination and the conception of new ways of accomplishment. That is especially true with respect to the leadership which has come to us among the free nations of the world to obtain greater security and opportunity for peace in the world.

Hamilton was one of the great men among the founders of our country. He was a man of great patriotism and vision.

Massachusetts, through a proclamation issued October 15, 1956, by Governor Christian A. Herter, has recognized Hamilton's leadership and I ask unanimous consent that the proclamation be printed in the RECORD as a part of my remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF MASSACHUSETTS.

Last September 17, President Eisenhower issued a proclamation reminding the Nation that 169 years prior, the Constitution of the United States was signed by the Founding Fathers, and a crucial 9-month campaign for its adoption was begun. As the President marked "Constitution Day," he took special notice of Alexander Hamilton, who, at the age of 30, was recognized as one of the principal architects and leaders of the movement for "a more perfect Union" of the States.

Five years before the notable date, September 17, 1787, Hamilton's imagination had shown him the noble and magnificent prospect of a great Federal Republic, closely linked in the pursuit of a common interest, tranquil and prosperous at home, and respected abroad. His vision, together with that of other patriots, brought forth the United States of America under the Constitution.

Alexander Hamilton served his country well throughout his life—during the Revolutionary War as aide-de-camp and military secretary to General Washington, as commander of the American columns in the final assault on Yorktown, and, later, as major

general and senior officer of the Army; in the Continental Congress, in the Assembly of the State of New York, in the Annapolis Convention of 1786, which led to the momentous meeting in Philadelphia the following year, and in that meeting in 1787 during which the Constitution was framed. During the succeeding months he was untiring in his efforts to secure acceptance of the Constitution by the States, and his subsequent service as first Secretary of the Treasury under the new Government proved him to be one of the boldest and most far-sighted of the founders of our Nation.

The opportunity has now come to our generation to demonstrate our gratitude and our obligation to Alexander Hamilton by a fitting celebration of the two-hundredth anniversary of his birth—a happy opportunity for all of us to think afresh of his sincere efforts and inspiring leadership in the work of the men who laid the foundations, raised the structure, and built the sustaining traditions of the Government of the United States.

Now, therefore, I, Christian A. Herter, Governor of the Commonwealth of Massachusetts, following the inspirational lead of President Eisenhower, do hereby call upon all citizens in Massachusetts to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial and to do honor to his memory during the period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

Given at the executive chamber in Boston, this 15th day of October, 1956, and of the Independence of the United States of America, the 181st.

CHRISTIAN A. HERTER,
Governor.

EDWARD J. CRONIN,
Secretary of the Commonwealth.

Mr. MUNDT. I express appreciation for the splendid contribution which the Senator from Massachusetts has made to the program.

The distinguished senior Senator from Michigan has asked me to yield to him now, and I am very happy to do so.

Mr. POTTER. Mr. President, I thank the distinguished senior Senator from South Dakota for yielding to me so that I also may pay tribute to one of America's great former statesmen, Alexander Hamilton.

I wish also to commend the distinguished Senator from South Dakota for his efforts in behalf, first, of the resolution creating the Alexander Hamilton Bicentennial Commission, and second, for the work he has done as the chairman of the Commission. I know that the remarks which are being made today by his colleagues are but a small token of their appreciation for the work which he has done in behalf of the Alexander Hamilton Bicentennial celebration.

In these days when the American people, and certainly the people all over the world, look to our system as probably the ideal form of government compared with the types of governments in other countries, I wonder if it would not be well, in thinking about and in paying tribute to Alexander Hamilton, for us to stop and reflect that Alexander Hamilton and Thomas Jefferson proposed two different methods for the formation of our Government. Thomas Jefferson had a deep conviction concerning the rights of the individual States.

Alexander Hamilton, who had great vision of the future, believed that ours should be a National Government, and that there should be great concentration of powers in the Central Government. If the views of Jefferson had been accepted in toto, I wonder whether our Government would have prospered and grown as much as it has. If most of the power had been left within the individual States, I wonder whether that arrangement would have hampered the growth of the United States. Mr. President, in reflecting upon the views of Alexander Hamilton, I wonder whether, if his views had been accepted in toto, we would have our present system of Government.

But with the fusion of those two views—a procedure which certainly is symbolic of the procedure of our legislative branch of the Government, which is made up of compromise—we certainly have become the greatest Government in the world.

Mr. President, today it is my honor to present to the Senate and to the Alexander Hamilton Bicentennial Commission a proclamation by the Governor of Michigan, the Honorable G. Mennen Williams. I should like to read a portion of the proclamation, which relates to the effect of the life of Alexander Hamilton upon the State of Michigan. I read now from the proclamation by Governor Williams:

Hamilton's vision of a great Federal Republic stretching from the Atlantic to the Pacific was not realized in his lifetime, but his ambitious dream had a direct effect upon the history of Michigan. In 1794 when Hamilton was Secretary of the Treasury he was most anxious to avoid war with England, a conflict that then appeared imminent. He played a leading role in getting a minister off to London, in planning the contents of the treaty, and in supporting the agreement after it was concluded.

The treaty of 1794 provided, in part, that the British evacuate the Northwest posts which they had occupied since 1783 in direct violation of the treaty of Paris ending the Revolutionary War. The British evacuated the posts, including those at Michilimackinac and Detroit. This treaty, which was signed on November 19, 1794, represents what is perhaps the closest link between Michigan history and the life of Alexander Hamilton.

Mr. President, I ask unanimous consent that the entire proclamation be made a part of the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN—PROCLAMATION—ALEXANDER HAMILTON BICENTENNIAL YEAR

In the coming year Americans will be celebrating the bicentennial anniversary of the birth of Alexander Hamilton, one of America's most brilliant and controversial political leaders.

Hamilton's vision of a great Federal Republic stretching from the Atlantic to the Pacific was not realized in his lifetime, but his ambitious dream had a direct effect upon the history of Michigan. In 1794 when Hamilton was Secretary of the Treasury he was most anxious to avoid war with England, a conflict that then appeared imminent. He played a leading role in getting a minister off to London, in planning the contents of the treaty, and in supporting the agreement after it was concluded.

The Treaty of 1794 provided, in part, that the British evacuate the Northwest posts which they had occupied since 1783 in direct violation of the Treaty of Paris ending the Revolutionary War. The British evacuated the posts, including those at Michilimackinac and Detroit. The treaty, which was signed on November 19, 1794, represents what is perhaps the closest link between Michigan history and the life of Alexander Hamilton.

Therefore I, G. Mennen Williams, Governor of the State of Michigan, do hereby proclaim the year beginning January 11, 1957, as Alexander Hamilton Bicentennial Year in Michigan, and call upon all citizens to pay homage to one of the Nation's most important early leaders, a man who helped to found the Republic and to sustain it in its early, trying years.

Given under my hand and the great seal of the State of Michigan, this 21st day of December 1956.

G. MENNEN WILLIAMS,
GOVERNOR.

JAMES M. HARE,
Secretary of State.

Mr. POTTER. I thank the Senator from South Dakota for yielding to me.

Mr. MUNDT. Mr. President, I congratulate my friend, the Senator from Michigan, upon having emphasized the great spirit of American constructive compromise which motivated both Hamilton and Jefferson, and led them to fuse and merge their views, so as to develop the great working mechanism of the Government of the United States of America. Certainly the spirit of constructive compromise, which has been repeated time and time and time again in American history, is followed most frequently in the halls of Congress.

Mr. DWORSHAK. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am happy to yield to my distinguished colleague, the Senator from Idaho.

Mr. DWORSHAK. Mr. President, on this occasion I am happy to join my colleagues in paying tribute to Alexander Hamilton, an outstanding American, and to the enduring services he rendered this Republic. I am sure we can well reemphasize much of his philosophy of government in its application to the solution of many of the problems which confront us today.

Mr. President, it was my good fortune to be in attendance in the National Capital on February 22, at the annual award meeting of the American Good Government Society, when the George Washington Award was presented to the distinguished senior Senator from South Dakota [Mr. MUNDT]. It was a real inspiration to hear the pertinent addresses made on that occasion, and particularly to hear the very impressive message delivered by the senior Senator from South Dakota. I wish to commend him for the very valuable contribution he has made to the cause of good government.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a proclamation issued by the Honorable Robert E. Smylie, Governor of the State of Idaho.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF IDAHO—PROCLAMATION

This year, beginning January 11, 1957, we have the opportunity of paying tribute to

the memory of Alexander Hamilton, who, at the age of 30, was recognized as one of the principal architects and leaders of the movement for a more perfect Union.

Alexander Hamilton served his country well throughout his life—during the Revolutionary War as aide-de-camp and military secretary to General Washington, as commander of the American columns in the final assault on Yorktown, and later as major general and senior officer of the Army; in the Continental Congress, in the Assembly of the State of New York, in the Annapolis Convention of 1786 which led to the momentous meeting in Philadelphia the following year, and in that meeting in 1787 during which the Constitution was framed. During the succeeding months he was untiring in his efforts to secure acceptance of the Constitution by the States, and his subsequent service as first Secretary of the Treasury under the new Government proved him to be one of the boldest and most far-sighted of the founders of our Nation

Now therefore I, Robert E. Smylie, Governor of the State of Idaho, do hereby call upon the citizens of Idaho to observe the year commencing January 11, 1957, as the Alexander Hamilton bicentennial and to do honor to his memory during the period with appropriate activities commemorative of his inspiring role in our national life.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the State of Idaho at Boise, the capitol, the 27th day of December 1956.

ROBERT E. SMYLIE,
Governor of the State of Idaho.

Mr. MUNDT. Mr. President, I deeply appreciate the very generous and encouraging statements made by my good friend, the Senator from Idaho; and I thank him very much for them.

Mr. WILLIAMS. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am happy to yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I wish to join my colleagues in rendering deserved honor to Alexander Hamilton, who—although not born in America—was one of our first great Americans.

He was one of the great architects of our Union.

He was an administrative genius and a master of finance.

He showed extraordinary courage both on the battlefield and in public life.

He helped to give permanent shape to our Constitution, our business methods, and our policy toward other nations.

The Honorable J. Caleb Boggs, Governor of the State of Delaware, chose December 7—Delaware Day—as the time to call attention to the Alexander Hamilton Bicentennial, the national observance of which began on January 11, 1957, 200 years after the American Revolutionary leader's birth.

Governor Boggs said in a proclamation that Hamilton at the age of 30 had been "one of the principal architects and leaders of the movement for a more perfect union among the States."

He declared that 5 years before September 17, 1787, when the Federal Constitution was adopted in Philadelphia, Hamilton had shown, through his imagination, how "the noble and magnificent prospect of a great Federal Republic, closely linked in the pursuit of common interest" could be brought about.

The Governor called for a display of flags on the 200th anniversary of Hamilton's birth, which falls on January 11, and marks the beginning of the year-long bicentennial observance.

Mr. President, I ask unanimous consent that the Governor's proclamation be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

Whereas just 169 years ago today, December 7, 1787, a special constitutional convention in Dover first ratified the Constitution of the United States, and some 9 months later enough States had ratified to assure its adoption; and

Whereas as we mark Delaware Day it is fitting that we take notice of Alexander Hamilton, who, at the age of 30, was recognized as one of the principal architects and leaders of the movement for a more perfect union among the States; and

Whereas 5 years earlier Hamilton's imagination had shown him the noble and magnificent prospect of a great Federal Republic, closely linked in the pursuit of common interests, tranquil and prosperous at home and respected abroad; and

Whereas Alexander Hamilton served his country well throughout his life as soldier, secretary to George Washington in the Continental Congress and in many other capacities including the position of first Secretary of the Treasury; and

Whereas the opportunity has now come to our generation to demonstrate our gratitude to Alexander Hamilton by a fitting observance of the 200th anniversary of his birth: Now, therefore,

I, J. Caleb Boggs, Governor of the State of Delaware, do hereby call upon our citizens to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial.

Let us honor the memory of this great American during the period stated above by calling special attention to his services to the young Nation in our schools and by special events to be planned by various civic organizations.

Let us also mark January 11, 1957, anniversary of Alexander Hamilton's birth, by displaying the flags of our Nation and State in tribute to an outstanding servant of the American people.

Mr. ALLOTT. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am happy to yield to the Senator from Colorado.

Mr. ALLOTT. I thank the Senator from South Dakota.

Mr. President, I believe it is fitting that we take time today to commemorate the 168th anniversary of the institution of the Congress under the Constitution, and at the same time honor the great statesman, Alexander Hamilton, during the bicentennial of his birth, which is being celebrated this year.

Accordingly, Mr. President, I ask unanimous consent to have printed at this point in the RECORD the executive order, which is a proclamation, signed by the Governor of Colorado, the Honorable Edwin C. Johnson, who is held in very high esteem by so many Members of Congress, on the 1st day of October 1956, proclaiming the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial in the State of Colorado.

There being no objection, the executive order was ordered to be printed in the RECORD, as follows:

STATE OF COLORADO—EXECUTIVE ORDER—PROCLAMATION—ALEXANDER HAMILTON BICENTENNIAL

Whereas Alexander Hamilton was one of America's great patriots and contributed much to the formation of the Union and the establishment of the Government of the United States; and

Whereas he was instrumental in bringing about the Constitutional Convention, and having the Constitution ratified; and

Whereas Alexander Hamilton's comprehensive plan for establishing the public credit of the United States remains an essential foundation of the present greatness of this Nation: Now, therefore,

I, Edwin C. Johnson, do hereby proclaim the year commencing January 11, 1957, the 200th anniversary of Hamilton's birth, as the Alexander Hamilton Bicentennial in the State of Colorado and urge our citizens to honor the memory of this great American and his magnificent contribution to our Nation.

Given under my hand and the executive seal this 1st day of October, 1956.

ED C. JOHNSON, *Governor.*

Mr. BUTLER. Mr. President, in the context of the present discussion, I ask unanimous consent to have printed in the body of the RECORD at this point my newsletter of January 14, 1957, dealing with Alexander Hamilton's memorable contributions to our American system of government.

I also ask unanimous consent to have printed in the body of the RECORD at this point a proclamation concerning the Alexander Hamilton bicentennial issued by the Governor of Maryland, Theodore R. McKeldin.

There being no objection, the newsletter and proclamation were ordered to be printed in the RECORD, as follows:

ALEXANDER HAMILTON

WASHINGTON, February 14, 1957.—Alexander Hamilton, the bicentennial of whose birth we are now observing, stands high among our Founding Fathers. As a schoolboy of 17, he began speaking and writing in support of the colonial cause, showing a grasp of issues and a comprehension of the philosophy of government, that made him at once a feared enemy to the loyalist opposition, and a valued member of the band of patriots that sparked the Revolution.

His military skill and boldness early in the Revolutionary War attracted the attention of Washington, who attached him to his own staff. Thus was Hamilton able to give full scope to his grasp of political affairs, and render invaluable aid to the general in chief upon whom fell the duties of Secretary of War and Chief of Staff, as well as commander in the field. Hamilton assisted the organization of the Army, by drafting plans for the correction of defects, and by preparing a comprehensive set of military regulations. In the midst of these military functions, Hamilton was devoting his powerful mind to the problems of government.

After the conclusion of the Revolution, in which Hamilton was privileged to head a brilliant attack, under Lafayette's command, at Yorktown, he served a term in the Continental Congress, confirming by intimate experience his theoretical understanding of the challenge of a new government. Hamilton, more than any other one man, contributed to the adoption of the Constitution as we have it now, through his magnificent contributions in the Federalist papers, and

his political activities in New York to assure the adherence of that powerful State.

A similar victory against apparently insuperable odds was won by Hamilton under the new government, when George Washington again expressed his confidence in him by appointing him Secretary of the Treasury. Against Congressional and administration opposition, he planned and put into effect a complicated system of taxation, finance, and control of credit, from which, as Daniel Webster put it, "abundant streams of revenue gushed forth."

Alexander Hamilton's contributions to the founding of this Nation, his courage and energy, his intellectual keenness, and heartfelt eloquence, his integrity and his wisdom in the science of government, might well serve as a model to all of us in meeting our problems of today.

THE STATE OF MARYLAND—GOVERNOR'S PROCLAMATION—ALEXANDER HAMILTON BICENTENNIAL, 1957

Alexander Hamilton was a mainspring in the formation, establishment, and acceptance of our present Constitution of the United States of America.

Hamilton's keen mind plainly saw the weaknesses of the Government set up by the Articles of Confederation, and he urged the meeting of the Constitutional Convention and was a powerful leader in the great document's ratification. The Federalist, mostly by Hamilton, remains the classic exposition of the Constitution of the United States.

Of equal importance was Hamilton's comprehensive plan for establishing the public credit of the United States, an achievement which still is the essential foundation of the present greatness of this Nation.

Few have done more for our country than this very able man. This year our generation will express its gratitude and appreciation to Alexander Hamilton with a fitting celebration of the 200th anniversary of his birth. Indeed, Maryland has special reason to emphatically observe this occasion.

More than any single American, Alexander Hamilton was responsible for the historic significance of the Annapolis Convention of 1786. Hamilton foresaw the necessity of a uniform system of commerce between the several States to insure their common interests and their permanent harmony within the Confederation.

Although 9 States appointed delegates to the Annapolis Convention, only 5 were actually represented. The convention adopted a report by Hamilton that pointed to the critical situation in the States, and advised all 13 to send delegates to another convention to meet at Philadelphia in May 1787. In his report, Hamilton recommended that the delegates to the Philadelphia Convention devise such further provisions as shall appear "necessary as to render the Constitution of the Federal Government adequate to the exigencies of the Union."

Therefore, Hamilton's report on the Annapolis Convention was the direct inspiration for the Philadelphia Convention that framed our present Constitution.

With this in mind, I, Theodore R. McKeldin, Governor of Maryland, hereby proclaim the year commencing January 11, 1957, as Alexander Hamilton Bicentennial, and I urge my fellow citizens to do honor to his memory during this period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

Given under my hand and the great seal of the State of Maryland, at the city of Annapolis, this 13th day of December 1956.

THEO. R. MCKELDIN,
Governor.

BLANCHARD RANDALL,
Secretary of State.

Mr. MALONE. Mr. President, in connection with the observance of the Alexander Hamilton Bicentennial, I ask unanimous consent that a proclamation issued by the Governor of the State of Nevada be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF NEVADA—A PROCLAMATION BY THE GOVERNOR

Whereas 170 years ago, on Monday, September 17, 1787, the Constitution of the United States was signed. It is fitting that we take notice of Alexander Hamilton, who was recognized as one of the principal architects and leaders of the movement for "a more perfect Union" of the States. His vision, together with that of other patriots, brought forth the United States of America under the Constitution; and

Whereas he was untiring in his efforts to secure acceptance of the Constitution by the States, and his subsequent service as first Secretary of the Treasury under the new Government proved him to be one of the boldest and most farsighted of the founders of our Nation.

Whereas the opportunity has now come to our generation to demonstrate our gratitude and our obligation to Alexander Hamilton: Now, therefore,

I, Charles H. Russell, Governor of the State of Nevada, by the power in me vested, do hereby proclaim the year commencing January 11, 1957, as Alexander Hamilton Bicentennial and to do honor to his memory during that period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

In witness whereof, I have hereunto set my hand and caused the great seal of the State of Nevada to be affixed at the State Capitol in Carson City this 13th day of February 1957.

[SEAL] CHARLES H. RUSSELL,
Governor.

JOHN KOONTS,
Secretary of State.

Mr. MUNDT. Mr. President, in behalf of the Alexander Hamilton Bicentennial Commission, let me say that we deeply appreciate the participation of so many of our colleagues in the proceedings today.

This concludes the formal part of the commemorative program dedicated to the 168th anniversary of Congress and the 200th anniversary of the birth of Alexander Hamilton. It concludes the program and concludes the time allotted to it.

I ask unanimous consent to have printed at this point in the RECORD a statement entitled "Congress Then and Now," which I have prepared in conjunction with the Library of Congress. The statement gives some comparisons between the First Congress, 168 years ago, and the most recent entire session of Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONGRESS THEN AND NOW

FIRST SESSION OF CONGRESS

Pursuant to a resolution of the Continental Congress, the first session of the First Congress convened March 4, 1789. It adjourned on September 29, 1789, having lasted 210 days. The first and second sessions of the First Congress were held in New York City; subsequently, including the first session of the Sixth Congress, Philadelphia was the meeting place; since then Congress has convened in Washington.

MEMBERSHIP

In the First Congress there were 29 Senators (including 3 replacements), and 66 Representatives (including 1 replacement). Their compensation was $6 for each day of attendance. Twenty-five Senators and 58 Representatives had had previous legislative experience. Fifteen Senators and 24 Representatives were lawyers. Eighteen Senators and 38 Representatives had been Members of the Continental Congress.

Of the Members of the First Congress, at least 10 are remembered today for their part in the founding of the Republic. There was Fisher Ames who represented Massachusetts in the first four Congresses, who sat in the State convention that ratified the Federal Constitution, and who was chosen president of Harvard University in 1804, but declined because of ill health. There was Charles Carroll of Carrollton, signer of the Declaration of Independence, Member of the Continental Congress, and Senator from Maryland who lived until 1832 and was the last surviving signer of the Declaration. Another was Elbridge Gerry, great-grandfather of former Senator Gerry of Rhode Island, who also signed the Declaration, was a delegate to the constitutional convention in Philadelphia, sat in the Continental and First and Second Congresses, was twice Governor of Massachusetts, and was elected Vice President in 1812 on the same ticket with James Madison.

We remember Rufus King who served in the Revolutionary War, sat in the Continental Congress and the Constitutional Convention, had been a member of the Massachusetts and New York Assemblies, became a United States Senator from New York, and was twice Minister to Great Britain. There was also Richard Henry Lee of the famous Virginia Lees, who signed the Declaration, served as President of the Continental Congress, and was the author of the first national Thanksgiving Day proclamation issued by Congress after the capture of Burgoyne's army at Saratoga. William Maclay and Robert Morris are recalled, the first Senators from Pennsylvania. After winning fame as signer and delegate, Morris established the Bank of North America, but was later imprisoned for debts incurred in unsuccessful land speculations. Frederick Muhlenberg is well remembered as first Speaker of the House of Representatives, crowning a distinguished career. Among these immortals were James Madison and James Monroe who, after serving the new nation in many key posts, lived to become the fourth and fifth Presidents of the United States. These were the brightest stars in the firmament of the First Congress.

The business of Congress—once relatively limited in scope, small in volume, and simple in nature—has become almost unlimited in subject matter, enormous in amount, and exceedingly complex in character.

The Founding Fathers had expected that Congress would confine itself, for the most part, to the external affairs of the new nation, leaving the conduct of internal affairs to the States and communities. Congress would have little to do, Alexander Hamilton thought, after the Central Government was firmly established and a Federal code formulated. But with the steady expansion of the national domain, the rapid growth of population, and the development of commerce and industry, this expectation proved to be chimerical. As the new Republic grew greater, the demand for congressional action increased apace.

1st and 84th Congresses compared

Points of comparison	1st Cong.	84th Cong.
Number of bills introduced	268	10,000
House of Representatives	142	14,104
Senate	126	4,838
Measures reported	135	5,754
House of Representatives	65	2,698
Senate	70	3,056
Laws enacted	118	1,921
Public acts	108	1,028
Private acts	10	893
Nominations confirmed	211	82,594
Number of Members	91	531
Representatives	65	435
Senators	26	96
Days in session	319	416
Number of committees	3	34
House	2	19
Senate	1	15

BUSINESS OF FIRST CONGRESS

Such legislative statistics afford no measure, however, of the changes in the range and complexity of public problems facing Congress then and now. The First Congress established the State, War, and Treasury Departments; fixed import and tonnage duties and regulated their collection; appropriated revenue and provided for public debt; admitted Kentucky and Vermont to the Union and settled certain State accounts; established courts of justice and fixed the compensation of public officers; provided for the census of 1790 and regulated trade with the Indians; and otherwise dealt with the comparatively simple problems of the Federal Government in that remote age. Many problems in the early days of the Republic were State and local in scope and were left to the States and localities or to the private forces of the frontier to settle. Accordingly, the legislative process in Washington was much more leisurely and the life of a Congressman far more tranquil than it is today.

Of the 96 public laws approved by the First Congress, 18 dealt with foreign affairs (including tariff duties), 16 with relations between the Central Government and the States, and 10 with the defense of the infant Nation. Eighteen were concerned with administrative matters (including salaries), 15 with questions of public finance, and 9 with the judiciary. Only 3 were pension acts and only 2 were for the relief of private claimants.

Mr. MUNDT. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement entitled "Congress and Congressmen During the Early Part of the Nineteenth Century," which I likewise have prepared in conjunction with the Library of Congress. It is quite interesting to compare the functions, services, duties, and ways of life of earlier Congressmen with modern conditions in the city of Washington.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONGRESS AND CONGRESSMEN DURING THE EARLY PART OF THE NINETEENTH CENTURY

The following notes, assembled from various published and manuscript sources, describe Congress and its membership and the conditions of their life and labor during the first two decades of the 19th century. The material is fragmentary, but as complete as could be found within a reasonable period of time.

SOCIAL LIFE AND CONDITIONS

After the seat of the National Government was established in Washington, Members of Congress usually came to the Capital without their families and lived typically in boarding houses and taverns in what were called congressional messes. One such mess was at the northeast corner of New Jersey Avenue and C Street SE. "The Speaker of the House, Theodore Sedgwick of Massachusetts, belonged to this mess, and in recognition of the dignity of his office was allowed a room by himself. But the rest of the Members were obliged to room in pairs. Separate beds, however, were provided, and as the rooms were spacious and the table good, living under such conditions appeared not disagreeable." According to one writer, the lodgings in Georgetown were of a superior order and most of the southern Members lived there.

"The discomforts of living in a new settlement, especially one scattered over such an area as was included within the bounds of Washington, were no doubt unpleasantly in evidence during these early months, although the records left of such experiences by the men and women who passed through them are neither numerous nor extended.

"The variety and interest in life was enjoyed which is always to be found where intelligent men and women are living in the same locality. The mornings were devoted to visiting, and owing to the distances carriages were commonly kept.

"The dinner hour was 2 o'clock in the afternoon, at which time the business in the Government departments apparently ended for the day. Sometimes invitations were extended to a larger company to come in after the dinner for tea, which was served about 6 o'clock." (Source: W. B. Bryan, A History of the National Capital (1914), vol. 1, pp. 320–381.)

According to the printed lists of "Places of abode of Members of both Houses," the early form of the Congressional Directory, in 1805, 18 percent lived in hotels; in 1807, 15 percent; in 1809, 11 percent; and 1816, 20 percent. (Bryan, op. cit., p. 518.)

It was not until after the second war with England that even one Member of either House had his own home establishment within the city of Washington. During the first 7 or 8 years (1800–08) the Members for the most part came without their families and lived in boardinghouses and hotels. (Bryan, op. cit., p. 574.)

Senator William Plumer, of New Hampshire, wrote in 1802 that President Jefferson entertained Members of Congress in blocks of 10, "all Federalists one day, all Democrats another." But party feeling became so intense that in 1806 presidential dinner invitations were not sent to members of the party opposed to the administration. (Bryan, op. cit., p. 577.)

As the years went on, Members of Congress ceased to live like monks in their boardinghouses. In the fall of 1811 Mrs. Madison records, "we have now Members in abundance with their wives and daughters." At that time Washington was a society not of wealth, but of interesting men and women of the country. Card parties, balls, and dinners were the usual forms of entertainment. (Bryan, op. cit., p. 579.)

The first Congress fixed the compensation of Members at $6 a day and mileage. In 1815 their compensation was changed to an annual allowance of $1,500 and mileage, an increase, it was estimated, of 50 percent.

Duelling in the District of Columbia was commonly practiced during these early years and was not outlawed by Congress until 1839. Several Members of Congress engaged in duels, among them John Randolph, of Roanoke, and Henry Clay. (For a list of the duels fought at Bladensburg, see Bryan, op. cit., vol. 2, p. 55 n.)

The length of the season was fixed by the session of Congress. When the National Legislature adjourned, some of the boardinghouses closed up and opened when the next session began. The boardinghouses and hotels, where the transient population of the city lived, so impressed one observer that he spoke of the city as a large tavern, for, he said, "it is nothing more. Everybody is a bird of passage from the President down, and as no one thinks of being at home there, the comfort of home is an unheard-of thing."

This aspect of social life in Washington at that time was held by the National Intelligencer to be largely responsible for the prejudice against the city, especially on the part of Members of Congress, whom the editor said confined themselves to their lodgings and made but few acquaintances and did not enter into the social life of the city. "Separated from their families and friends," the editor observed, "solitary, they naturally form some antipathy towards not only the lodgings but the town. Many, too, come here with high-wrought hopes of office, emoluments, and honors, and when disappointment comes, it is identified with the place." (Bryan, op. cit., vol. 2, p. 63.)

Length of sessions (1803–21)

Congress	Session	Length in days
8th	1st	165
8th	2d	119
9th	1st	141
9th	2d	98
10th	1st	128
10th	2d	117
11th	1st	26
11th	2d	156
11th	3d	81
12th	1st	245
12th	2d	153
13th	1st	71
13th	2d	164
13th	3d	168
14th	1st	143
14th	2d	92
15th	1st	141
15th	2d	106
16th	1st	162
16th	2d	111
Total		2,506
Average length in days		139

Frequency of sessions

Congress	Session	Date began	Date adjourned
8th	1st	Oct. 17, 1903	Mar. 27, 1904
8th	2d	Nov. 5, 1904	Mar. 3, 1905
9th	1st	Dec. 2, 1905	Apr. 21, 1906
9th	2d	Dec. 1, 1906	Mar. 3, 1907
10th	1st	Oct. 26, 1907	Apr. 25, 1908
10th	2d	Nov. 7, 1908	Mar. 3, 1909
11th	1st	May 22, 1909	June 28, 1909
11th	2d	Nov. 29, 1909	May 1, 1910
11th	3d	Dec. 5, 1910	Mar. 3, 1911
12th	1st	Nov. 4, 1911	July 6, 1912
12th	2d	Nov. 2, 1912	Mar. 3, 1913
13th	1st	May 24, 1913	Aug. 2, 1913
13th	2d	Dec. 6, 1913	Apr. 18, 1914
13th	3d	Sept. 19, 1914	Mar. 3, 1915
14th	1st	Dec. 6, 1915	Apr. 20, 1916
14th	2d	Dec. 2, 1916	Mar. 3, 1917
15th	1st	Dec. 3, 1917	Apr. 20, 1918
15th	2d	Nov. 25, 1918	Mar. 3, 1919
16th	1st	Dec. 1, 1919	May 15, 1920
16th	2d	Nov. 15, 1920	Mar. 3, 1921

Average size of congressional district

Period	Number of districts	Total population	Average size
1800–1810	142	5,308,483	37,383
1810–20	186	7,239,881	38,924

OFFICE FACILITIES

Staffing

1. It was not until after the middle of the 19th century that even the more important committees adopted the practice of appointing full-time clerks.

2. "Many a Congressman spent a large part of his time keeping the records of his committee, and doing other writing which its work necessitated. The committee on the defeat of General St. Clair paid $150 to a clerk, March 2, 1793. June 1, 1796, a clerk employed by the committees was allowed $150 for work during the session. In 1808, when a Member moved that the committees collectively should have two clerks, the House refused to consider the resolution. Similar propositions were rejected in 1815 and 1817. With constant pleading on the part of the chairmen, results began to be obtained about 1835 or 1840." (L. G. McConachie, Congressional Committees 1898, p. 65.)

3. The first comprehensive legislative pay act authorizing appropriations for all legislative employees was not enacted until 1924. Evidently Members of Congress had no clerk hire allowance in the period under review.

Offices

1. Members of Congress had no office facilities at the Capitol during the early days. The rooms in the old Capitol were reserved for the use of officials of the House and Senate, for folding rooms, library, etc. In the early days Members did their office work in their homes, hotels, and lodginghouses.

2. The south wing of the Capitol was finished in 1811; burned by the British on August 24, 1814; and reoccupied in 1819.

3. The Old House Office Building was first occupied on January 10, 1908. The Senate Office Building was occupied on March 5, 1909.

CAMPAIGN FUNDS

Prior to 1890 no law was passed in the United States regulating the use of money in elections. The first State Corrupt Practices Act was passed in New York in 1890. No serious public attention was paid to the subject of campaign funds and methods in this country until early in the 20th century. And no discussion of the subject has been found in the literature of the early 19th century. In those early days political campaigns were comparatively cheap and simple events. The population was much smaller than it is today and little money was spent on organization and advertising.

NUMBER OF NEWSPAPERS

Certain events which occurred near the turn of the century mark these years as the beginning of a new period in the history of American journalism. Such were the moving of the National Capital from Philadelphia to Washington, which took place in the summer and fall of 1800, and resulted in the rise of a new series of administration newspapers; the defeat of the Federalists by the Republican-Democrats in the national campaign of 1800 and the inauguration of Thomas Jefferson as President on March 4, 1801, ushering in a second and more blatant phase of American political journalism; and the purchase in 1803 of the vast Louisiana Territory, which extended the field for the expansion of newspapers and offered a challenge for a vigorous new western journalism.

Numbers of papers (1801–33)

Expansion, indeed, was a chief characteristic of the journalism of this period. The total of papers published simultaneously in the United States increased from about 200 at its beginning to about 1,200 at its close. The increase in dailies alone was less rapid: there were about 20 of them at the beginning of the period and more than 65 at its end. This was not only such a growth in journalism as the world had never before seen, but it gave the United States a larger number of newspapers and a larger aggregate circulation of them than any other country could boast. The omnipresence of the American newspaper was a continental wonder to visitors from abroad. Wrote one of them:

"The influence and circulation of newspapers is great beyond anything ever known in Europe. In truth, nine-tenths of the population read nothing else. * * * Every village, nay, almost every hamlet, has its press. * * * Newspapers penetrate to every crevice of the Nation."

A partisan press

"Foreign visitors were, furthermore, impressed by the political activities of the newspapers. 'The American press,' wrote de-Tocqueville, 'is the power which impels the circulation of political life through all the districts of that vast territory. * * * The power of the periodical press is second only to that of the people.'

"Even more than in the preceding period, the newspapers emphasized politics. To be sure, there were still, in the large cities, those prosperous mercantile papers which stressed commercial news rather than politics; but even they took sides in partisan controversy. Other city dailies, and many of the weeklies and semiweeklies in the smaller towns, found their chief interest in politics; not a few of them, indeed, lived by and for political groups. 'The press is now so conditioned in the United States,' wrote Hezekiah Niles, one of the soundest observers of his times, 'that nearly every publisher is compelled to take a side in personal electioneering.'

"So far as scurrility and vulgar attack on personal character were concerned, the period now under consideration exceeded all that had been known before. Some periodicals, like Croswell's Wasp, at Hudson, N. Y., existed only for vituperative political attack, making a kind of nasty humor out of it. Humor, indeed, has always played a considerable part in political lampooning, but vile innuendo and open accusation of personal turpitude are scarcely funny.

"Indeed, the whole period of 1801 to 1833 was in many respects disgraceful—a kind of 'Dark Ages' of American journalism. Few paper were ably edited; they reflected the crassness of the American society of the times. Scurrility, assaults, corruption, blatancy were commonplace. Journalism had grown too fast." (Source: Frank Luther Mott. American Journalism: A History of Newspapers in the United States Through 250 Years: 1690 to 1940 (1941), pp. 167–169.)

ROUTINE LIFE OF A CONGRESSMAN

"We go into bed at 11; we rise at half past 8, eat our breakfast at 9; talk politics till 10; dress ourselves by 11; then go to the Hall and quarrel till 3; return at that hour for dinner; afterwhich we either sit stupidly in our chambers till supper or read newspapers, enjoy the perfume of tobacco smoke, and talk scandal and smut till 9, afterwhich we retire to our chambers to write or read till the hour of rest. It this is not spending the time very poorly, I know nothing about it. It is true that the scene is occasionally diversified by invitations to dine with our acquaintances, etc.; but this is making the thing worse. Upon those occasions we must sit at the dinner table till 9 in the evening and without enjoying much mirth must entail on ourselves a headache for the next day at least. Such is the life of a Member of Congress. There is one place, however, at which I dined last winter to which I have not been invited—it is at the President's. All the Federalists in Congress except Mr. Bayard Rutledge, and myself have been invited; but by some means or other the President has not thought proper to rank us among the number of his friends." (Source: Letter from Representative Roger Griswold, of Connecticut, to Mrs. Fanny. Washington, January 4, 1803. He served as a Federalist in Congress from 1795 to 1805.)

SENATOR PLUMER SKETCHES FEDERAL HOUSE MATES

"At my lodgings there are 16 of us—a numerous family and of course rather more noise than I could wish. However, my chamber is a retreat I often take from the bustle of the dining hall. A better collection or more agreeable society cannot be found in this wilderness city than at Coyle's. There you will find in Pick the stern severity of a Roman Cato; in Tracy genius, wit, poetry, and eloquence; in Dana extensive information, deep erudition, and the correct scholar united with an inexhaustible fund of wit and pleasantry; in Hillhouse a sample of court cunning mingled with the manners of low life; in Mosely a chesterfield in dress and address with a tincture of true attic salt; in Pitkin application and shew united; in Davenport the manners of a blunt unpolished countrymen—the zeal and bigotry of blind superstition; in Smith manners more polished, some knowledge of the world, and much of that which floats on the surface; in Talmadge much of that plain sound sense which is so necessary to render any man what he is, a man of business and honest; in Stedman wit, shrewdness, good sense, and prudence; in Chittenden good sense and frankness who directly pursues the object; in Ellis information, caution, and reserve with the timidity and taciturnity of an old bachelor; in Sturgis plain unsapring commonsense; and of Belton you know what." (Source: Senator William Plumer to Wm. Plumer, Jr., Washington, December 30, 1805 (Plumer Letter book, IV, 507).)

FIVE CONGRESSMEN LOOK LIKE GENTLEMEN

"This undoubtedly is a miserable place, but the elect of all the states are assembled in it, and really such a gang to have the affairs of an empire wanting little of the size of Russia entrusted to them makes one shudder. Imagination is dead in this country. Wit is neither to be found nor is it understood among them. All the arts seem to shrink from it, and you hear of nothing but calculation and speculation in money or in politics * * *. People's depth of reading goes no farther than Tom Paine's muddy pamphlets or their muddier political newspapers. In Congress there are about five persons who look like gentlemen. All the rest come in the filthiest dresses and are well, indeed, if they look like farmers, but most seem apothecaries and attorneys. * * * Randolph alone speaks well; strangest looking demagog you ever set eyes on, but gentlemanlike, and for this country a prodigy. * * * hoped for great forests of fine trees; instead, the land in the city a mere waste; all the trees cut for firewood." (Source: Letter from Augustus Foster, Secretary of the British Legation, to his mother, the Duchess of Devonshire, February 3, 1805 (Foster Papers, vol. 2, 1864).)

REPUTABLE MEN AVOID CONGRESS

"And even to judge from their Congress one should suppose the nation to be the most blackguard society that ever was brought together. But a variety of circumstances, and particularly the dreariness of this city, keep from canvassing a number of the most respectable and rich proprietors; and those who come are mere candidates for $6 a day, their allowance while in session." (Source: Foster, A. J. to Lady Elizabeth, his mother, November 2, 1807 (Foster Papers, vol. 3, f 2083).)

MADISON'S SECRETARY USES HORSEWHIP

"Committees have been appointed in the Senate and House of Representatives to take into consideration parts of the President's message. But the only occurrence that has yet taken place there worthy of notice is that one of the Members of the House of Representatives has been horsewhipped by the President's secretary within the walls of the Capitol and another has been severely

wounded in a duel." (Source: Jackson to Canning. Philadelphia, December 6, 1809 (FO 564, III, 246).)

WIREHEADS AND BLOCKHEADS IN CONGRESS

"To expect from the efforts of a heterogeneous mass composed of 200 wireheads and blockheads, in pursuit of popularity, a correct, well digested political course of proceeding toward the great powers at war, is to my mind irrational. We must have a head and that head must devise and recommend measures as the Constitution unequivocally requires. Otherwise we shall be perplexed with a thousand crude, undigested propositions brought forward to end in vapor and national degradation as heretofore." (Source: Nicholas Gilman to Wm. Plumer, December 30, 1809 (Plumer Papers, LC, v. 6) (Gilman and Plumer were both Senators from New Hampshire).)

SKETCH OF HOUSE IN JANUARY, 1810

"I wish it was in my power to depict Congress to you at this time. You know probably most of the Members of the Senate. * * * But of the House, with all your former acquaintance with Congress, I doubt whether you can form a perfect idea. The active leading Democrats are all younger men under 40 and perhaps something over 30. They are Eppes, Burwell, Bacon, Fisk, Johnson, McKee, Newton, and J. G. Jackson. Bacon you know probably. He is the shrewdest of them. Eppes is the most eloquent; Newton the most conceited and Jackson * * * the most impudent. Burwell has considerable information and seems very candid. Fisk is a long-winded, chuckle-headed fellow. McKee is sprightly and fanciful. There are three stupid, loquacious old fellows, viz. Smillie, Rhea of T., and a man we call Lord Holland of N. C. who feel the weight of the Nation resting on their shoulders. The two latter make long, loud, senseless speeches upon every question.

On the Federal side we have some men of handsome talents, Pitkin, Key, Dana, Quincy, Vandike, Talmage, Gardenier, Emott, Sheffy, and Goold are men of considerable talents. Wheaton, Pickman and Livermore are substantial, sensible, good men. Stanley of N. C. is a man of talents. The contrast is certainly very great between the two sides in point of real respectability." (Source: Rep. E. Whitman to Thatcher of Maine. Washington, January 15, 1810.)

CHARACTER OF THE 11TH CONGRESS (1809–11)

"While it refused to act in harmony with the administration, the 11th Congress was so devoid of talent that it could accomplish nothing in itself. The characteristics of its two sessions were unintelligent discussion and lack of positive action, to which the Annals [of Congress] are a lasting and unpleasant memorial. It had no policy, and the members rambled on indefinitely about foreign relations in general and nonintercourse [with Great Britain] in particular." (Source: Ralph V. Harlow, the History of Legislative Methods in the Period Before 1825 (1917), p. 197.)

CONDITIONS IN THE 14TH CONGRESS (1816–17)

"It was virtually a new Congress, and a new system, not a reincarnation of the old, that was operating so effectively at the end of Madison's second term. The Republican organization had undergone a genuine transformation. In 1807 the President [Jefferson] had furnished the initiative, and had been responsible for the more important measures introduced in Congress. In 1814 leadership was the prerogative, not of the President [Madison], but of prominent Members of the House of Representatives. A readjustment had taken place within the party caucus, the result of which was a transfer of the balance of power from the President to Congress." (Source: Harlow, op. cit., p. 206.)

CHANGES EFFECTED BY HENRY CLAY AS SPEAKER

"Under Henry Clay the speakership became practically a new office. Hitherto Members who had held that position were chairmen rather than directors of the majority party, and during Jefferson's administration the Speaker was subordinate in actual importance to the floor leader. The President's personal representative had guided the deliberations of the House, and when necessary saw that the dictates of the Commander in Chief were obeyed. A weak President could not expect such unconditional submission, and apparently Madison had no personal agent in the House. Clay, however, was both Speaker and leader of the majority party, something that none of his predecessors had ever been."

"This development of the speakership (1811–13, 1815–20) was accompanied by, if it was not actually responsible for, another change of almost equal importance. Under the Clay regime the standing committee system was firmly established, and it was through these subdivisions that the popular Speaker was able to impress the stamp of his theories on legislation. Thus, by 1825, so far as its organization was concerned, the House of Representatives had assumed its present form." (Source: Harlow, op. cit., pp. 207–8.) (For a good description of the Republican system of government during 1801–13, see Harlow, pp. 208–9n.)

Mr. MUNDT. Mr. President, I also ask unanimous consent that there may appear at this place in my remarks a short biographical sketch of Alexander Hamilton, whose memory we honor today.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

ALEXANDER HAMILTON: HIS CONSTITUTIONAL AND FISCAL CONTRIBUTIONS

Alexander Hamilton, born in the British colony of Nevis, January 11, 1957, arrived in New York in 1772 destined to play an important part in the development of the United States. The beginnings of the Revolutionary War interrupted Hamilton's education, but it gave him the opportunity to achieve distinction and recognition. During the years of 1774–75, Hamilton wrote pamphlets in the patriots' cause, and later, with his skill in the campaigns around New York City, he gained the attention of General Washington. Hamilton became Washington's private secretary and served in an administrative capacity.

From his exemplary service in the Revolutionary War, the transition into politics was a natural one. Alexander Hamilton spent a year, 1782–83, in the Continental Congress, but he found it to be a "weak flywheel of a deplorably ramshackle government." In 1786, Hamilton, one of the New York delegates, attended the Annapolis Convention. When it failed to reach an agreement, Hamilton saw his opportunity to prove that political unity was a necessity; he introduced and secured the unanimous adoption of a meeting to be held in Philadelphia the following May "to take into consideration the situation of the United States, to devise such further provisions as shall seem to them necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union." Hamilton looked forward to the adoption of an entirely new Constitution. Alexander Hamilton's role in the Constitutional Convention was not of first importance, but his role in New York was. By his writing and publishing more than half of the Federalist Papers, he accomplished his first preeminent service in the adoption of the Constitution, and the second in securing the adherence of New York despite strong opposition.

With the formation of the new Government, as first Secretary of the Treasury, Alexander Hamilton devised the first United States fiscal program in 1790. Though he had no experience with the management of finances, his labors were marked by his usual rapidity. In his new financial plan, Hamilton drew heavily upon the features of the British financial system as it had been developed up to the time of William Pitt. The most important recommendations of Hamilton's fiscal program were the assumption by the Federal Government of Revolutionary War debts contracted by the States; the supplementation of revenue from duties with an excise tax; the creation of a national bank under the "implied" powers of the Constitution; tariffs for industry; and bounties for agriculture. Not only had Hamilton planned a fiscal system, but he did it in such a way as to strengthen the Central Government and develop the resources of the new Nation. His program brought about a stimulation of trade and capitalistic enterprises and helped create a better balance between agriculture and industry. Alexander Hamilton did much for the new United States. His "political principles were clearly formed by the time he was 25, were pursued unremittingly throughout his life, and have probably laid a clearer impress upon the Republic than those of any other single man." (Sources: Dictionary of American Biography (New York, Scribner, 1932), vol. 8, pp. 171–179. Richard Malone, editor, Encyclopedia of American History (New York, Harper, 1953), pp. 115–120, 669–670.)

Mr. MUNDT. Mr. President, finally I ask unanimous consent that there may appear in the RECORD at this point, a proclamation issued by Gov. Joe Foss, proclaiming in the State of South Dakota the year 1957 as the bicentennial of the birth of Alexander Hamilton.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas on November 2, 1889, South Dakota entered the Union, and as we celebrate that momentous event, it is fitting that we take notice of Alexander Hamilton, who, at the age of 30, was recognized as one of the principal architects and leaders of the movement for a more perfect Union of the States; and

Whereas Alexander Hamilton served his country well throughout his life—during the Revolutionary War as aide-de-camp and military secretary to General Washington, as commander of the American columns in the final assault on Yorktown and, later, as major general and senior officer of the Army; in the Continental Congress, in the Assembly of the State of New York, in the Annapolis Convention of 1786, which led to the momentous meeting in Philadelphia the following year, and in that meeting in 1787 during which the Constitution was framed. During the succeeding months he was untiring in his efforts to secure acceptance of the Constitution by the States, and his subsequent service as first Secretary of the Treasury under the new Government proved him to be one of the boldest and most farsighted of the founders of our Nation; and

Whereas the opportunity has now come to our generation to demonstrate our gratitude and our obligation to Alexander Hamilton by a fitting celebration of the 200th anniversary of his birth, a happy opportunity for all of us to think afresh of his sincere efforts and inspiring leadership in the work of the men who laid the foundations, raised the structure, and built the sustaining traditions of the Government of the United States: Now, therefore,

I, Joe Foss, Governor of the State of South Dakota, do hereby urge all citizens of South Dakota to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial and to do honor to his memory during the period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

And on January 11, 1957, the anniversary of Alexander Hamilton's birth, I hereby direct that the flag of the United States be appropriately displayed on all State buildings in South Dakota.

In witness whereof, I have hereunto set my hand and cause the great seal of the State of South Dakota to be affixed this 7th day of November 1956.

JOE FOSS, *Governor.*

Attest:

GERALDINE ORTHOOT,
Secretary of State.

Mr. BRICKER. Mr. President, I have prepared a statement regarding Alexander Hamilton and his very constructive work regarding the treatymaking power of our Government. I ask unanimous consent that the statement be printed in the body of the RECORD and be included in the report of the Commission which is to be published.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement submitted by Mr. BRICKER is as follows:

STATEMENT BY SENATOR BRICKER

ALEXANDER HAMILTON ON THE TREATYMAKING POWER

I regret that I was unable to be present yesterday during the Senate's commemorative program of the Alexander Hamilton Bicentennial Commission.

To illustrate the wisdom of Alexander Hamilton and the enduring value of the constitutional precedents he helped to establish, I would like to discuss briefly Hamilton's theory of the treatymaking power. Of all the Founding Fathers, Hamilton made the most exhaustive analysis of the treatymaking power and his understanding of it was, in my judgment, the most profound.

During the fight for the adoption of the Constitution, and for years thereafter, it was Hamilton who shouldered the burden of explaining how the treatymaking power, seemingly unlimited, had to be reconciled with other constitutional provisions. Hamilton recognized that the power to make treaties is, in essence, an executive power, even though that power is shared by the President with one-half of the legislative body, and even though the exercise of that executive power has legislative consequences.

Hamilton expressed his concern in these words:

"There is in no part of the Constitution any explanation of this power to make treaties, any definition of its objects, or delineation of its bounds."

Because the treatymaking power was in terms unlimited, Hamilton readily saw that an omnipotent Federal Government could be created if the treatymaking power and the power of legislation were regarded as wholly interchangeable instruments of national policy. He was able to reconcile the treatymaking power with the legislative power in a way that did not jeopardize either the liberties of the people or the ability of the Nation to participate fully and responsibly in foreign affairs.

Hamilton's reconciliation of these two powers appears in The Federalist, No. 75, in these words:

"The power of making treaties * * * relates neither to the execution of the subsisting laws, nor to the enaction of new ones. * * * Its objects are contracts with foreign nations, which have the force of law, but derive it from the obligations of good faith. They are not rules prescribed by the sovereign to the subject, but agreements between sovereign and sovereign."

That understanding of the treatymaking power has been fully vindicated in the nationwide debate of the past 5 years. Hamilton's conclusions, reached more than a century and a half ago, have been accepted by the Eisenhower administration, by the overwhelming majority of American lawyers, and by the general public.

The effort to junk Hamilton's theory of the treatymaking power originated in the United Nations and in some of its specialized agencies. For example, Mr. John P. Humphrey, the first director of the U. N. Commission on Human Rights, admitted in an article written in 1948 that "what the United Nations is trying to do is revolutionary in character." Mr. Humphrey, referring to proposed U. N. treaties on human rights, said:

"Human rights are largely a matter of relationships between the state and individuals, and therefore a matter which has been traditionally regarded as being within the domestic jurisdiction of states. What is now being proposed is, in effect, the creation of some kind of supernational supervision of this relationship between the state and its citizens."

President Eisenhower and Secretary of State Dulles have withdrawn United States support for U. N. treaties which deal with subjects of purely domestic concern and which our Constitution delegates or reserves to our national and State Legislatures. I hope that this administration and all future administrations will adhere to Alexander Hamilton's theory of the treatymaking power. Hamilton, in a letter written over the signature of Camillus in defense of the Jay Treaty in 1795, said: "No two ideas are more distinct than that of legislating and that of contracting."

If Hamilton's vital distinction is kept firmly in mind, the benefits of international cooperation can be achieved without loss of liberty at home.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The PRESIDING OFFICER. The time for the ceremonial prepared by the Alexander Hamilton Bicentennial Commission having been allotted by unanimous consent, and having now expired, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, as we approach a vote on this resolution, I should like to say a few words.

The joint resolution now before the Senate is in essence a declaration of purpose. The world will be notified of America's deep concern that the Middle East remain free from Communist control.

How one votes on this resolution seems to me to come down to this: either one believes it is now wise to signal America's concern in a free Middle East, or one does not believe it is necessary to do so.

Mr. President, if the present administration had conducted a perceptive and steady Middle East policy, this declaration would not be necessary. Our objectives would be clear from the character and consistency of our performance. Effective programs are the best way to convey an impression and to sound a warning. Unfortunately, this administration has presented an indefinite image, and it has spoken with uncertain voice.

While mistakes are bound to occur in the conduct of foreign policy, mistakes in the Middle East have been legion. I regret that the Secretary of State failed to present the case for the administration in forthright manner. Instead, he indulged in calculated evasion. This is hardly the way to advocate a program which is so dependent on bipartisan support for its effectiveness.

As it stands, the resolution is not a happy vehicle for expressing the intent of Congress. It fails to recognize that the immediate threat to peace in the area is the Arab-Israeli conflict, and the opportunity for the Kremlin to move into the area by reason of that conflict.

The resolution contains no guidelines for the executive branch in dealing with the really critical problem in the area. These include a stable settlement of the Arab-Israeli conflict, just arrangements for free access to the Suez Canal for ships of all nations, resolution of the Arab refugee problem, and provisions for the control of arms traffic into the region. I regret that administration leaders have opposed our constructive amendments on these matters.

But, Mr. President, the Senate's critical study of the original resolution has corrected its main fault. Nothing in the revised resolution undermines the traditional power and authority of the President to use the Armed Forces outside the United States in an emergency. The President has the constitutional authority to meet sudden Communist aggression. He needs no special authorization from Congress.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I wish to congratulate the Senator on his statement. Is it not the Senator's opinion that unless there were an attack directly on the security of the United States, which would call for immediate action upon the part of the President—the type of action to which the Senator referred on Friday—the President would come to the Congress for a declaration of war, if he felt it was necessary to use American troops in such a way as to bring on war with another power?

Mr. JACKSON. I am sure he would.

Mr. KENNEDY. There is nothing in this resolution which lessens his obligation to come to Congress to ask for a declaration of war, unless there is an emergency which he feels directly threatens our security.

Mr. JACKSON. That is true.

Mr. KENNEDY. Therefore, in voting for this resolution, we do not lessen our constitutional responsibilities and rights in this field.

Mr. JACKSON. I think the action of the two committees made that point quite clear, by amendments to the measure as it passed the House of Representatives.

Mr. KENNEDY. I thank the Senator.

Mr. JACKSON. I am glad that the resolution includes a section relating to economic aid. No resolution should create the impression that Congress construes the crisis in the Middle East as solely military.

I am still not satisfied with the proposed administration of the economic aid section. In its present form it encourages off-the-cuff decisions, fraught with danger of waste and self-defeating application.

At the same time, nothing in the resolution prejudices the right of Congress to scrutinize future aid programs for the Middle East under normal procedures.

Once the joint resolution is passed, the hard decisions still remain. The resolution may be helpful as a declaration of American intent. It could be another useful warning to the Russians. It could help fortify certain non-Communist elements in the Middle Eastern nations. But it is not a substitute for wise policies.

The executive branch and Congress must take a new, hard look at our forces-in-being and at our defense budget. We should see whether we are in a position to effectively meet armed Communist aggression in the Middle East.

The executive branch and Congress must take a critical look at coming foreign aid budgets. We should see that future aid programs promote efforts for stable settlements, rather than complicate them.

Mr. President, this resolution is only a start on a policy. It is an awkward start. Even so, I believe the national interest will be better served if this resolution passes than if it fails of passage.

The central point at issue is the standing and prestige of the office of the President. In the light of all that has happened, I feel it would be injurious to our position—it would have serious consequences for our future influence in the world—if we fail to support the President at this time.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. MONRONEY. I should like to associate myself with the fine remarks made by the junior Senator from Washington. I quite agree with the presentation of the issue which he has made. It would be very dangerous, indeed, if we were to strip from the President the great leadership which a President must exercise in emergencies such as this. Does the Senator not feel that if we are reluctant to go all out on foreign aid, the attack in connection with the total amounts to be disbursed around the world should be confined largely to the overall foreign aid bill when it comes before us?

Mr. JACKSON. I think that is a sound position.

Mr. MONRONEY. I was glad to vote the same way the distinguished Senator did in preserving the $200 million economic aid provision for the Middle East, to show our interest in the economic development of that area; but the question of the overall program, and the size of the contribution which the United States can afford, must be examined, and will be examined by the same two committees when the issue comes before the Congress later.

Mr. JACKSON. I believe we have the opportunity to maintain an adequate check on this item in the resolution.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to my distinguished colleague from Montana.

Mr. MANSFIELD. I wish to join the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Oklahoma [Mr. MONRONEY] in commending the distinguished junior Senator from Washington on the even temper and constructive nature of his address this afternoon.

I noted that during the course of his speech he referred to this resolution as being not a policy, but a start on a policy. I think that point ought to be brought home, because we should be aware of the fact that this resolution does not mean that a policy or doctrine is being created.

It does mean that a prelude to a policy is being considered. One difficulty which troubles some of us is that we would like to know a little more specifically just what is contemplated with respect to the use of the additional $200 million which is being freed and placed in the hands of the President to use as he sees fit. We would like to point out that what is really contemplated is the expenditure of approximately $295 million, because at the present time $95 million is already at the disposal of the President and can be used as he desires.

I am delighted that the distinguished Senator from Washington has done such an outstanding job in making his views known this afternoon. I wish again to compliment him and commend him for the contribution he has made.

Mr. JACKSON. I thank my distinguished colleague.

Mr. WILEY rose.

Mr. JACKSON. I am delighted to yield to the distinguished ranking minority member of the Committee on Foreign Relations.

Mr. WILEY. I wish to speak in my own right. However, I wish to say that I am very happy that the distinguished Senator, in spite of the statements he has made, will vote for the resolution.

I cannot agree with some of his statements, particularly when he referred to the administration's so-called uncertain voice.

After listening today to various speakers who addressed themselves to the Alexander Hamilton Bicentennial—and I have been a student of Alexander Hamilton all of my life—I suppose the effort to get Hamilton and Jefferson together after about 150 years is a good one.

They were never together in their philosophy, as we know.

Yesterday I had the privilege of viewing a television program which originated in London. I noted that in England people have the same trouble we have, in getting together on what is what.

The university students and the politicians disagreed as to whether or not the British were divided on the issue of the Suez. On this floor we are divided also as to what the facts are. Although we may be divided in that respect, and also in respect to what the purposes of the resolution are, I trust that we are not divided on the thought that it is imperatively necessary to do all that is necessary to be done for the safety of this country.

If the Senator from Washington has concluded his remarks, I should like to discuss the subject of the pending resolution as if the Senate Chamber were filled with Senators. I understand it is hoped to finish the consideration of the pending resolution tomorrow. I have made only one speech on the subject so far, and that was in reply to the distinguished Senator from Georgia [Mr. RUSSELL], who has just come to the floor, and in discussing his amendment. I wish to speak on the general subject of the resolution, which I have not done before, particularly from the standpoint of the constitutional and legal issues involved.

Mr. President, on the 9th of January, after the Senator from Rhode Island [Mr. GREEN] introduced Senate Joint Resolution 19, I stated:

On reading the joint resolution, several questions come to mind:

First. Does the contemplated action set forth in the resolution provide an instrument for the promotion of the security of the United States?

Second. Is this changed world, which is shrunken by man's ingenuity so that every nation is neighbor to every other nation; is this changed world, with its guided missiles, H-bombs, and confused thinking, to be left to drift without continuing our search or quest for a deterrent or answer to a third world war.

Third. Is the Middle East, with its oil and a gateway to the vital and strategic materials of Africa, is the independence of the Middle East vital and necessary to the security of the United States and the free world?

Fourth. Until the race discovers a solvent that will dissolve the hates, intolerance, and misunderstandings among the peoples and the nations, is there any other course open, except to be alert and adequate to meet any and all emergencies?

These questions, I believe, present the issues. May we be guided and directed by wisdom from on high to find the correct answers.

I believe the resolution as originally introduced is better than the resolution reported by the committee. We spent many hours and days in committee listening to evidence and then arguing. The main point of argument was whether the word "authorize" should be changed to "approve." The whole matter finally resulted in the adoption of the Humphrey amendment, which reads as follows:

The United States regards as vital to the national interest and world peace the preservation of the independence and integrity of

the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use Armed Forces to assist any nation or group of nations requesting assistance against armed agression from any country controlled by international communism.

The original language the Humphrey amendment deleted, reads as follows:

He (the President) is authorized to employ the Armed Forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation or group of nations requesting such aid against overt armed aggression from any nation controlled by international communism.

I do not want to spend time quibbling about whether the committee language is better or worse than the original language. It will be remembered, Mr. President, that my questions embraced two inquiries:

First, does it provide an instrument; and, second, in this changing world are we going to go to sleep, or are we going to be adequate? The important point is that when Congress and the President have joined together in stating policy with respect to the use of United States troops abroad, the totality of the power of the United States is represented. The report of the House Committee on Foreign Affairs on the bill now before the Senate referred to the Formosa resolution and to the pending measure, and stated:

In both measures the plenary power and authority of the United States is declared. The division of that power as between the executive branch and the legislative branch is not pertinent here.

I agree fully with that, Mr. President, and I shall say why.

Clearly, the power is in the Federal Government. It is not pertinent to the purposes of this resolution to determine whether the power lies totally in Congress or totally in the President, or both. I repeat, Mr. President, that the power is in the Federal Government.

What was back of the President's purpose in presenting this resolution to the Congress? I believe there is a simple answer. He wanted to demonstrate to the world that the executive and the legislative branches of Government were: (a) Alert to the significance of the Mid-East, to the security of the United States and the free world; and (b) that these two branches of Government were united in their understanding and purpose.

Could he have accomplished the same result by proclaiming a policy? That is debatable. In our executive hearings some stated that the President had the absolute power as commander in chief, and others stated that he did not have the power, and what followed was a difference between these two viewpoints, coupled with the assertion that the legislative branch could not authorize; but it could approve. I take the position that we cannot make the Constitution a fetish. It is a living thing. The clauses of the Constitution which give Congress authority to raise and support armies and to provide and maintain a Navy permit Congress to take measures essential to the national defense in time of peace, as well as during a period of actual conflict. That has been the law in America since its inception, and before the adoption of the Constitution. That provision of the Constitution, I repeat, gave Congress the power in time of peace to be adequate, to be alert, and to recognize the changed and changing world in which we live.

Mr. President, in school I studied Story's Commentaries. Listen to what he said—because some folk have had blind spots:

The doctrine of enumerated powers in the march of time has given way to the concept of resulting powers, those which, rather, be a result from the whole mass of the powers of national government and from the nature of political society than a consequence or incident of the powers expressly enumerated.

What a prophet, Mr. President.

As I shall show later, the Court used the words, not "national defense," but the law of "self-preservation." Thank God, there are men who recognize that we are living in a period which calls for vision, and that the Constitution is not a dead thing.

Under section 8, article I of the Constitution, Congress has the power to make all laws which shall be necessary and proper to carry out the powers vested by the Constitution in the Government of the United States or any department or officer thereof.

Congress has the power to make all laws. Remember, Mr. President, we are talking about the power of Congress to authorize or approve, if you please.

This provision gives Congress a share in the responsibilities lodged in other departments by virtue of its right to enact legislation necessary to carry into operation all powers vested in the National Government.

The Supreme Court in a recent case stated:

It is important also to consider that the surest means of avoiding war is to be prepared for it in peace * * * it will be in vain to oppose constitutional barriers to the impulse of self-preservation.

Yes, Mr. President, we can put blinders on our eyes so that we cannot see the real challenge today. One way of doing that is to say that the Constitution is a dead instrument. It is not. Because of the doctrine of resulting powers, because of the march of events, because of the change in political society throughout the world, the law of self-preservation contains the power which is necessary to preserve America.

I believe that this joint policy of the Legislature and the President in peacetime is an example of legislation having for its object the national defense and the preservation of peace.

In the Curtiss-Wright case, Mr. Justice Sutherland, in referring to the respective powers of Congress and the President and the authority of Congress to delegate power to the President, stated:

In short, the merged powers of the two departments may be put at the President's disposal whenever Congress so desires.

It is a most important thing, in my opinion, that the United States speak loudly, clearly, and with power, about our interests in the Middle East.

Mr. President, I now proceed to answer the questions which I propounded on the floor of the Senate on January 9. In the first place, I believe the passage of the resolution will provide an instrument for the promotion of the security of the United States. We, as public servants, are seeking to prevent a third world war, knowing that if a third world war comes there will be security nowhere, security for no one. We have all heard and read the statements of a number of witnesses, including those of three Presidents, and, what is more, including the statement of the recent Democrat candidate for President. Also, if some of us have read the newspapers this noon, we have noticed that former President Truman is again speaking about the serious situation in the world. The testimony of everyone coincides with the conclusion that the situation calls for adequacy and alertness.

I am receiving a large amount of mail from persons who say that we have no business putting our noses into the Middle East. They ask, Why should the United States get mixed up in the Middle East? Mr. President, whether we like it or not, we are already mixed up in the Middle East. Whether we like it or not, we cannot afford to let the situation drift.

For 3 years, our fleet, the greatest assembly of ships on any sea except one, has been in the Middle East and in Europe. Why? The greatest assembly of our ships is in the Far East. Why?

The record is clear that if the Kremlin were to take over the Middle East, the oil in that region would be controlled by the Kremlin; and that would paralyze Europe. So the vital purpose of the resolution is concerned with the vital interest of our economy. For our own safety and well-being, we cannot permit the Kremlin to absorb a region of the Middle East into its own orbit, as it has absorbed other countries.

In answer to the second question which I asked, I believe it is clear that we cannot drift. We have done too much drifting already. We have heard criticism about the resolution, a resolution which no one else except ourselves has misunderstood. If we had passed it, the voice of America would have been clear and resonant. There would not be any thought, as some newspapers have said, that now there is some uncertainty. In the past we have stubbed our toes, as history shows, by fighting among ourselves. The danger now is that we might again do that very thing.

In the world of today every nation is neighbor to every other nation, and guided missiles and H-bombs are a part of the Kremlin's mighty striking power. Even today, the newspapers report the explosion of, apparently, another H-bomb by the Kremlin.

I believe the answers to my other questions are clear, from this statement. The Middle East is vital and necessary to the security of the United States and the rest of the free world. There is no other course open to us as reasonable men at this time except to make certain

that America is alert and has adequate facilities with which to meet the needs of all emergencies and challenges. No other course is open to us as reasonable men.

Perhaps some day in the far distant future, when man utilizes the solvent of faith to dissolve the hates and intolerances and misunderstandings among peoples and nations, another answer may be found. But that answer is not around the corner of tomorrow.

So I speak in favor of Senate Joint Resolution 19, as amended. It had been my hope, as I have stated, that the original resolution, as submitted to us and as introduced by my colleague, the distinguished Senator from Rhode Island [Mr. GREEN] and myself, would have been approved intact by the committees on Foreign Relations and Armed Services. I think we have missed a chance to demonstrate clearly to the world, without much of the argument which is now being heard, that we can be united in these matters. But there is disagreement on this issue; and thank God that in America we still have the right to disagree.

In the committee, I voted to approve the resolution intact. I voted against the various amendments which were offered. I believe, however, that the amended resolution will satisfy the need, if we will but hurry up and pass it. Therefore, I think the resolution should be approved by the Senate within the next 24 hours.

It has been my feeling from the outset of the 85th Congress that the resolution would be approved; and the vote on Saturday on the Russell amendment confirmed my conviction. The reason for my confidence was simple. I felt that Congress and the President had no alternative except to state clearly to the Soviet Union that she must not attempt to take over the oil in the Middle East, and the Middle East itself. Similarly, we had no alternative except to indicate to the Middle East itself that the United States is indeed interested in helping to raise the standards of living in that region.

I have already indicated that I believe we have wasted much time. Frankly, in my opinion, the considerable amount of "fuss and feathers" over certain of the details of the resolution was not justified.

We should recognize, for example, that the economic phase of the resolution simply involves a wider degree of flexibility through a modest waiving of the present restrictions on the Presidential use of up to $200 million in aid funds.

As Secretary Dulles stated time and again during the committee hearings, the economic phases of the resolution do not actually authorize a single additional dollar. But from all the noise and tumult, one might almost assume that Congress was being asked to approve some new, multi-billion-dollar mutual security bill.

The other day I spoke in opposition to the amendment offered by the Senator from Georgia [Mr. RUSSELL]. I believe sincerely in the right of men in America to differ. I myself feel that by appropriate action we may be able to cut corners on a mutual security bill and in other features of the economic picture as they are presented to us. However, I do not state it with any degree of certainty, because I have not examined closely into that particular subject. It is my hope and belief that there will be an opportunity for curtailment, an idea which I believe was intimated by one of the members of the Cabinet.

On the other hand, I spoke the other day about the economic picture in America. We talk about a $72 billion budget. But also there is a national income of $330 billion. The gross national product of this Nation today is more than $400 billion. With the increasing population and the demand for more goods, the national income will continue to increase.

We may speak of a 50-cent dollar today as compared with the periods when the dollar was worth 100 cents. But we must get all the facts in order to understand clearly what we will be expected to pay.

We speak about $3,500,000,000 in mutual aid. That may be the picture; I do not know. But do not forget, as I said the other day, that much of that money has been spent for military aid; and the evidence shows that if we had dispensed with such aid, our own national defense would have cost us much more than we have spent.

Furthermore, the evidence shows that Turkish soldiers, Korean soldiers, and soldiers of other countries can be maintained at an individual cost of $200 a year. But if American boys were to be stationed in those countries, the individual cost would be between $5,000 and $6,000 a year.

So we must get the facts in their proper relationship. When we do that, we must proceed to apply cuts wherever they can be made with good judgment and without damaging our defense and without weakening our security.

Stated in simple terms, the Eisenhower doctrine does only two things: In the first place, it makes the point that the national interests of the United States are inextricably bound to the future of the Middle East, and that we must prevent that area from coming under Communist domination. In the second place, Mr. President, the resolution gives the President flexibility in the use of $200 million of funds appropriated in the past, to enable him to deal with crisis situations in that area.

AMPLE PRECEDENT FOR THE JOINT RESOLUTION

Mr. President, from some of the arguments which have been made, one might think the President had no power as Commander in Chief of the armed services, to protect the national interests of the United States in this or in a similar strategic area. One might think that Congress was being asked to part from historic precedent in approving the military provisions of this measure. That, too, is not the case. There is more than ample precedent in United States constitutional history for this resolution.

I, for one, sincerely regret that by means of the committee amendment, the committee chose to allow ambiguity and fuzziness to remain as somewhat of a cloud over the President's constitutional powers.

I am satisfied, however, that in any event, if a future emergency were to arise, the President would and could act adequately.

THE PRESIDENT HAS ALWAYS HAD INHERENT POWERS

I should like to reiterate one particular point, one I have made many times during discussions of the respective roles of the President of the United States, the State Department, and the Congress of the United States. That point is that it is not the business of the Congress to try to serve as 531 Secretaries of State. Neither is it the business of the Congress to attempt to take over the powers of the Commander in Chief of the armed services.

The Supreme Court—especially in the famous Curtiss-Wright case—has ruled that the spearheading of foreign policy is definitely an Executive prerogative.

Long before there was a Constitution of the United States, there was an inherent power of the United States to deal with nations overseas. The Supreme Court has so held, at least. It is the inherent Executive power to protect and advance the interests of the United States throughout the world.

In any event no one can now assert correctly that after all the hearings, the two committees did not conduct a thorough review of the problem. The membership of the committees satisfied themselves on a great many points over which they were in doubt. They acted as they saw fit in accordance with their own deep sense of responsibility and judgment.

A SHIELD AGAINST RED AGGRESSION

I believe that when we of the Senate pass this resolution, we may feel reasonably confident that we have created a necessary shield in the Middle East against overt Soviet aggression.

As I stated a short time ago, I heard on the floor of the Senate a statement which I thought was a very unfair and inadequate one: reference was made to "the administration's uncertain voice." Mr. President, there is nothing uncertain about what the President has requested. If the President has not covered everything that someone else might think he himself should cover if he were Secretary of State, certainly that is no reason for saying that the President's voice is uncertain.

No, Mr. President; the President of the United States and the Secretary of State knew, and stated from the outset, that the joint resolution in and of itself will not assure continuity of shipments through the Suez Canal. The joint resolution is a shield. It is not a cure-all; it never was intended as such; and it was not fair or justifiable to criticize it for not being a cure-all.

The resolution will not solve the explosive Arab-Israeli problem at the borders of the Holy Land. However, let us hope it is not so explosive as it was a few days ago. However, the joint resolution was not meant for that purpose. Of course, it was not meant to solve the problem in regard to the Gulf of Aqaba.

It will not solve the Gulf of Aqaba issue. It will not solve the problem of Soviet termitelike infiltration of Mideast countries such as Syria and Egypt. No resolution will do that.

Mr. President, we recall that the Kaiser was the one who said a treaty is only a scrap of paper. However, the resolution, when backed with the firmness of our government and with the United States fleet in the Middle East properly equipped with modern weapons, speaks a different language.

WE MUST HELP BUILD INNER RAMPARTS IN THE MIDEAST

So, Mr. President, when the joint resolution is enacted, we shall have, fortunately, erected at least a necessary shield against external aggression. We shall have erected an outer rampart which the Soviet Union dare not attempt to breach by frontal attack.

The task ahead is to erect inner ramparts, as well, by voluntary cooperation among the Middle East nations themselves. They must build their own inner defenses against Communist subversion, and we must be prepared to help assist those who are eager to do this job.

We propose neither to appease nor to provoke, neither to meddle nor to be indifferent.

BIPARTISANSHIP STILL STRONG

Let me recall that in the early part of the hearings on this issue, considerable fear was expressed as to the effect of the debate on the future of bipartisan or, as some would call it, nonpartisan foreign policy. There were all sorts of scary reports to the effect that bipartisan foreign policy had come to an end, that open war had been declared between the two parties on future American foreign policy. In my judgment, no such reports were ever justified.

In my frank judgment, some of my good friends on the other side of the aisle may not always have carried on their interrogations in the way that I, personally, might have hoped they would. But I had confidence then, as I have confidence now, that from the Democratic Members of the Senate would, in the end, come the same sort of responsible statesmanship which fortunately has characterized both parties on the foreign-policy issue throughout the entire post-war era.

The record will show that every single diplomatic-military step taken by the United States since the close of World War II has been approved literally by overwhelming bipartisan support and votes. The record will show that, despite occasional stresses and strains, we have been united at the water's edge. Certainly, every news report in today's newspapers confirm why we must remain so united. The need today is greater than ever before.

Let us, therefore, give to the President and give to the Secretary of State the confidence and the support they so eminently deserve, while reserving to ourselves our Congressional right of constructive analysis and criticism.

Today, our foe, the Soviet Empire itself, is under internal stresses and strains; but it is still a deadly danger to world freedom and security.

In that connection, Mr. President, let me remind my colleagues of an old maxim among diplomats; namely, when there is trouble internally, then the answer is external war. I hope that is not the answer here. But, Mr. President, we are dealing with a situation on the world stage and with characters who have demonstrated, by many evil acts, that they can do things and succeed by methods to which we must not become indifferent.

So I desire to pay my high respects, Mr. President, to the committees, and to the Senator from Rhode Island [Mr. GREEN], who acted as chairman of the joint committee when we were in session. I must say that he has great endurance in many different situations, and he has shown that he is the chairman of the Foreign Relations Committee. He was assisted in conducting the hearings by the eminent Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee. Our joint committee was indeed fortunate to have such able men in the chair.

I believe we can also agree that our Secretary of State, Mr. Dulles, has shown the same quality. For more than 6 days this man, with all his problems, was subjected to questions by the 30 members of our 2 committees. Indeed, he continued as a witness before the two committees until no Senator had any questions remaining unanswered. This feat almost establishes a record. I could say much more about Mr. Dulles, who has been the target of very unfair treatment. He kept his temper. He had the answers. In spite of what has been said on the floor of the Senate, his answers were correct.

When asked whether or not there was constitutional authority for a certain act, he said, "I do not know." What did he mean? He meant just that, because we ourselves were debating the question as to whether it was a constitutional act. However, it was an act for the preservation of America, when the President sent or sold ships to Great Britain. Whether it was then constitutionally correct in the eyes of some is a debatable question, so the Secretary said, "I do not know."

Mr. President, it seems to me that in considering the President's doctrine we should remember that in some instances the Members of the Senate have been criticising the administration for what they allege has been the lack of a bold, forthright foreign policy. I repeat, the Eisenhower administration does propose such a bold, forthright foreign policy for the Middle East. The resolution which the Senate now has before it gives legislative sanction to his proposal.

I make the plea that the time has come for all of us to submerge some of our differences about the wording of the resolution and unite in support of the general principles it enunciates. Let us remember that the resolution does two important things which most of us agree are essential to the national interest.

In the first place, the resolution makes unequivocally clear that the United States believes the independence of the states of the Middle East is so important to our national security that we are willing to use the Armed Forces of the United States to defend the independence of states in that area from armed aggression. There is nothing ambiguous about that, Mr. President. There should be no mistake on the part of the Soviet Union on this point. The Soviet Union should not make the mistake of believing that our prolonged and careful discussion of the President's proposal indicates any divided attitude so far as our willingness to defend the states in that area is concerned. Our discussions in committee and our proposals on the floor of the Senate do not indicate differences with respect to the fundamental policy involved.

The second thing which, I repeat, the resolution does is give the President additional flexibility to use funds already appropriated in a way to bolster independence and economic development in the Middle East area.

Mr. President, my colleagues know I have stood for a long time on the proposition that the times in which we live are so perilous that the President must have maximum freedom to react to aggression as quickly and forcefully as possible, consistent with the Constitution. During our hearings on the resolution a considerable amount of time was devoted to a discussion as to whether its language constituted a predated declaration of war. This discussion was extremely interesting, but I must confess that it is outdated by the atomic age. As a practical matter, we know, and the Soviet Union knows, that military attack on areas which the United States views as vital to its national interest would bring on world war III. This is true regardless of language in the resolution, and this is a fact we must keep in mind.

I must emphasize that the administration should be complimented for coming to the Congress for advice with respect to United States policy in the Middle East. It might have been possible—and some in the committee said it should have been done that way, indeed there are many Members in this body who have so urged—for the President to have made declarations relating to what the United States would do in that area of the world. The President, however, has looked to Congress for cooperation. I deny that it is only recently that the cooperation has started. For months and years I have attended meetings where both parties have been represented.

The President has looked to Congress for the formulation of and a statement on foreign policy. His action in coming to us in this connection is a prime example of the way in which a President should operate in areas of foreign policy which might later lead to armed conflict. While he has been criticized in some respects for the manner in which the proposal has been handled, I believe that in the hearts of many of us, and in the thinking of the American people, there is great admiration for his wisdom in consulting with Congress while there is yet time to do so.

Mr. President, what is needed now is a decisive vote which will carry conviction abroad. We know the Kremlin has come out against the Eisenhower doctrine, and others also have taken a stand

against it. We know that in the past, when there has been any disunity between the executive and legislative branches, foreign nations have assumed that such disunity meant lack of support of the President by Congress. This point has been stressed in American newspapers by competent editorial writers and columnists who have not forgotten American history. I believe, and I repeat, that a decisive vote might now cure this situation. No one doubts the power of the President to use armed forces outside the United States to defend the country against aggression. No one doubts that he has real war powers. No one doubts that the situation now in this cold war period is such as to cause us to stop, look, listen, and recognize, because the world is so small and the new mechanisms for war are such that we cannot blind ourselves by becoming narrow constructionists.

We recall that in the Curtis-Wright case Justice Sutherland said, "The powers to declare and wage war, conclude peace, to make treaties, belong to the Federal Government as the necessary concomitants of nationality." We must recognize that if we win the cold war, we may stave off a fighting war. Now let the Senate make clear to the world that it is in agreement with the President that if there is armed Communist aggression in the Middle East, we will step in. The language is not important, but making our position clear as a unified Nation is important. If we do a great deal of ballyhooing on a number of amendments, that vagueness and misunderstanding will cause others to wonder.

Let us be clear. The Eisenhower doctrine is not a new thing. Washington told us in his Farewell Address "to be aware and against the insidious wiles of foreign influence." He even told us, in substance, that we may "choose peace or war as our interests, guided by justice, shall counsel."

We expressed an Eisenhower doctrine when we declared the Monroe Doctrine. Then there was the John Hay open-door policy, which carried us into the Far East. The Marshall plan and NATO applied our economic and military strength to the defense of the North Atlantic area. The Truman doctrine announced it as our policy "to support free people who are resisting attempted subjugation by armed minorities or by outside countries." That applied to Greece and Turkey particularly.

Let me repeat, the Eisenhower doctrine is not one of aggression; it is one of peace. It can be applied and will be applied as peacefully as these other doctrines. We never had to use arms to justify the Monroe Doctrine.

I have nearly concluded. I have spoken longer, probably, than I should have spoken. There have been many things said on the floor of the Senate with which I do not agree. But I think we are coming to an understanding, which means, as indicated by one of the previous speakers, the Senator from Washington [Mr. JACKSON], that we differ about some things, but we are in agreement on the basic, underlying necessity for passing the joint resolution, so that the world may know that we are united. In so doing, we hope to God that no one will dare to raise arms and precipitate which might become a third world war.

Mr. NEUBERGER obtained the floor.

Mr. THYE. Mr. President, will the Senator yield to me?

Mr. NEUBERGER. Mr. President, I ask unanimous consent that I may yield briefly to the Senator from Minnesota without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 1957 ACREAGE RESERVE PROGRAM FOR CORN

Mr. THYE. Mr. President, I thank the distinguished Senator from Oregon for allowing me time. The Senate Committee on Agriculture and Forestry has in progress a committee hearing, and I should like to return to it, because it relates to the question of legislating on the corn acreage allotment for the Nation.

Last Saturday, March 2, I introduced a bill, which was referred to the Senate Committee on Agriculture and Forestry. That bill is Senate bill 1449, a bill to provide for a minimum acreage allotment for corn, and other purposes.

The reason I introduced the bill, which was cosponsored by the Senator from Indiana [Mr. CAPEHART], was simply to endeavor to find a way of legislating specifically with respect to the corn acreage. There is before us at the present time a national corn acreage allotment of 37 million acres plus in the commercial corn area. In my opinion, this low corn acreage allotment will not bring about very much compliance; and without compliance there will be too many acres of corn planted, and we shall come through the calendar year 1957 again producing a great deal of corn and feed grains, which will add to the already existing surplus of feed grains in the United States.

The 37 million acres plus allotment is so unrealistic that the acreage allotted to a farmer under the national acreage goal would be too small to enable him actually to comply, in at least a substantial portion of our commercial corn area.

The bill which the Senator from Indiana and I introduced calls for a 51 million acreage allotment. It would continue the minimum support at 75 percent, as is provided in the present law. It would also provide that 15 percent of the farmer's allotment shall go to the soil bank, and that he will then enter into the acreage reserve program.

He may choose, if he desires, to plant his full allotment, and then place 15 percent of his allotted acreage into the conservation phase of the program. That 15 percent would have to be taken out of his tillable acreage.

We believe that this proposal is a realistic approach to the question, and we hope that in the course of the hearing before the Senate Committee on Agriculture and Forestry, this proposal will receive favorable recognition. I would have spoken upon this question at the time the bill was introduced, but at that time many Senators were endeavoring to speak on the pending question, Senate Joint Resolution 19, and I hesitated to take any time. Therefore, I am speaking on the bill today.

I have also requested, in a letter addressed to Secretary of Agriculture Benson, under date of February 28, that he extend the sign-up date, which now is March 8, to a later date for the corn producers within the commercial area, because March 8 is only a few days away, and we could not possibly legislate within the remaining few days.

With the proposed legislation now pending before the Senate Committee on Agriculture and Forestry, the farmer is in a state of confusion as to what he should do. Should he go to his county and sign up for the acreage allotted him under the 37 million acres plus, or should he wait and see what Congress is going to do? Therefore, in my letter to the Secretary of Agriculture, I respectfully urged on him that the sign-up day for the 1957 acreage-reserve program for corn be extended from the present date, March 8, to a latter date.

I shall not take the time of the Senate to read the entire letter. I ask unanimous consent that the letter to Secretary Benson, dated February 28, 1957, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 28, 1957.

The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: I respectfully urge that the sign-up date for the 1957 acreage-reserve program for corn be extended from the present date, March 8, to a later date.

The approximately 37,288,000 national corn-acreage allotment is too low. Not many farmers will be able to comply with this low corn-acreage allotment. If compliance is not obtained, then the soil bank is placed in jeopardy for the year 1957 on the corn acreage, which will result in continued overproduction in our feed grains, thereby further adding to our surplus problems and the possible jeopardy of all livestock, poultry, and dairy prices by increased production.

I had hoped that Congress would have legislated and established a new national corn acreage allotment before this date. This has not been accomplished. All bills introduced in the Senate have been referred to a subcommittee of the Senate Agriculture Committee, chairmaned by OLIN D. JOHNSTON of South Carolina. This committee has scheduled hearings to commence Monday, March 4. The length of hearing has not yet been determined. Therefore, it is imperative that the sign-up date of March 8 be deferred to a much later date.

I regret exceedingly that the farmers are placed in this uncertain position relative to their crop plans. I assure you that I shall endeavor, as I have in the past, to have enacted legislation clarifying the question at the earliest possible date.

With kindest personal regards,
Sincerely yours,

EDWARD J. THYE,
United States Senate.

Mr. THYE. Mr. President, I believe it is an absolute necessity on the part

of the United States Congress that it speedily enact legislation clarifying the corn-acreage question. If we fail to clarify it, and if the planting of seed begins without some specific program, we shall delay for another year full compliance with the soil-bank provision of the existing public law relating to corn acreage. Unless we get compliance, and get some of the tillable land into the soil bank, we shall continue to add to the surpluses which are today weighing down the farmers' markets and the farmers' prices in the marketplace.

There is no reason in the world why we should have low prices today for any agricultural commodity or product, except for the surplus, which is a weight on the market. It is not a question of lack of consumers' buying power. Never before in our history have we had as good buying power as we have today on the part of the average consumer. We have high wages, full employment, and an excellent business situation, both in the retail and wholesale fields. Therefore there is no depression.

It is a fact that the earth has produced more than our needs for domestic consumption and for export. We have more food and fiber than our markets require, and these surpluses are weighing down our markets. There is only one commonsense approach to the problem, and that is by way of reducing the number of acres which are harvested annually. Only in that way will it be possible to reduce the overall surplus, whether it be in food products or in fibers.

The soil bank is a realistic approach to the solution of the problem. It is regrettable that we did not conceive that plan earlier. If we had, we would not be confronted today with the huge surpluses which exist in our country, both in dead storage and in grain bins and warehouses.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to commend the distinguished Senator from Minnesota for his timely statement with regard to steps which I believe must be taken, not only for the benefit of our economy, but for the welfare of the Nation as a whole.

It is very important that Congress enact appropriate corn legislation, and that it be done immediately, because the planting season will soon be here. However, I also urge that the committee give very serious consideration to the suggestion that when we pass such legislation we must also provide assurances that there will be a reduction of the acreage. Otherwise, the soil-bank program will increase production, not decrease it.

Mr. THYE. I would say to the distinguished Senator from Kansas, who is as familiar with the subject of agriculture as anyone else, that he is entirely correct; that we must reduce the acreage.

In the past few years, ever since we began imposing acreage restrictions on some of the basic crops, we have not effected an overall reduction in the annual harvests. In other words, we put restrictions on the number of acres planted to wheat, for instance, but we did not at the same time control the acres diverted from wheat. Instead, we have almost in every instance used the diverted acreage for the growing of other crops, such as barley or oats, if the acreage was located in the Northwest region; or to sorghum grains, if in the Southwest; or, if in the South, the cotton acreage thus diverted was seeded to a feed crop, or planted to soybeans. Oftentimes, in the border regions in the northern section of the Cotton Belt, the acreage was planted to corn. In that way it became competitive with the existing commercial corn or the grain crop.

In other words, if an acre was diverted from corn, it usually went into some kind of feed crop; and at the end of the year just as many acres were harvested as if we had never imposed any acreage restriction or established an acreage program.

The only difference was that geographically a feed crop was planted in a part of the United States in which normally it had not been previously planted.

I believe the soil bank is the most realistic approach we have ever taken to reduce our surpluses. Once the surpluses have been reduced, we will not have to worry about prices, because, with an economy such as the United States is experiencing and enjoying today, our farm products and commodities will enjoy full parity, and even above-parity prices in some seasons and some years.

Mr. CARLSON. Again I wish to commend the Senator for his remarks, because I realize the importance of the subject; and again I wish to say that the present tendency, at least during the past few years, particularly from 1950 to 1956, has been to shift the production of feed grains to various sections of the country where they had not been grown before, instead of bringing about a reduction in acreage. It is most urgent that we try to get a reduction in production, not a shifting of feed grains to other sections. That is what will really help to reduce surpluses.

Mr. THYE. The Senator from Kansas is correct.

NATIONAL 4-H WINNERS

Mr. KEFAUVER. Mr. President, March 2 to March 9 marks National 4-H Club Week.

I have just been present at a luncheon given by the National Committee on Boys and Girls Club Work, Inc., which, in cooperation with the extension service of the Department of Agriculture, has been serving the 4-H Club program since 1920. I am very much impressed, as certainly all of us must be, with the importance of the 4-H Club movement, and with the inspiration and leadership and direction it furnishes to so many young people living in rural America.

I was delighted, in attending the luncheon, to find that of the 6 4-H Club winners, 2 came from my State of Tennessee.

The National 4-H Club winners this year are:

Achievement: Annie Gutierrez, Westmoreland, Calif.; Daniel Davis, Cleveland, Tenn.

Citizenship: Mrs. Patricia Venable Johnson, Jefferson, Ga.; Billy O'Brien, Afton, Tenn.

Leadership: Linda Schermerhorn, Wawaka, Ind.; Earl Davis, Goldsboro, N. C.

I certainly congratulate these young people, and I know that all of us recognize the fine work the 4-H Club movement is doing.

IRVIN MANN

Mr. NEUBERGER. Mr. President, the death of State Representative Irvin Mann, of Adams, Oreg., has deprived the State of Oregon of one of its most able and conscientious public servants. The late Irvin Mann was dedicated to the progress and development of his State. His colleagues in the Oregon State Legislature—members of both Republican and Democratic parties—will attest to his affectiveness and integrity in public life.

As members of the Oregon Legislature, both my wife and I had opportunities to work with Irvin Mann of Umatilla County, on many matters of mutual concern and interest. The memory of the relationship is one which we will long cherish.

A tribute to the accomplishments of Mr. Mann was printed in the February 25, 1957, issue of the East Oregonian of Pendleton, Oreg. Its final sentence is a capsule eulogy to his record. "There was a man," the editorial concluded. I ask unanimous consent to include with my remarks the editorial from the East Oregonian, in which I heartily concur.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IRVIN MANN

The full measure of the place Irvin Mann had in his community and State will be recognized almost immediately. It will be emphasized as time passes.

He was a potent force in any activity in which he participated. The examples are innumerable. He was one of the first men to produce peas on a large scale in this county when many were hesitant about venturing into anything outside of wheat. Unlike many who got in and out of the cattle business with the ups and downs of the market he got in and stayed. And he made the Double-M ranch nationally famous. More recently he and his son started Beef City near Hinkle, a cattle-feeding operation on a large scale. He shared none of the doubts that some of his generation have had about the future of cattle feeding in the agricultural economy of Umatilla County.

In a single session of the legislature he gained the trust and respect of members of both parties. When he was reelected last year the Republicans in the house of representatives chose him as their leader. Democrats applauded the choice.

Last year he was elected to the board of directors of the Round-Up Association with the express purpose that he would serve in the future as Round-Up president.

He had served on the Port of Umatilla Commission and it was a matter of great pride to Elm that his son was elected later to the commission and chosen its chairman. He counseled his son wisely on the development of the port.

Beyond that, Irvin Mann was asked by many in this county for his advice on all types of projects and proposals. He had grown up with the county and his place of leadership was firmly established.

Of Irvin Mann's many fine qualities the one we appreciated most was the complete absence in his soul of narrow partisanship. He judged a man and his case for exactly what they seemed to him to be and on no other basis.

We recall hearing him tell, shortly after he was elected the first time to the legislature, of attending a meeting of organized labor in Portland to which all new members of the legislature had been invited. He said he was advised by several members of his party to refuse the invitation. He explained, "I didn't think that was right. There are a great many working people in this State. I wanted to hear their problems. They told me and they didn't ask me to promise anything. As a member of the legislature it was my duty to hear those people. I would have regretted it if I had not gone."

Some of his closest friends in the legislature, people he particularly admired, were members of the opposition party. He did not permit politics to mix with his estimate of the abilities of people with whom he served as a legislator. Upon his passing, some of the finest tributes to Irvin Mann will be spoken by men who had opposite political beliefs. And they will come straight from the heart. Irvin Mann set high standards for his conduct in public life and they were recognized by all with whom he associated.

He had watched his father's career in public life, so he was not exactly an amateur when was induced to be a candidate for the legislature. But much as he knew about politics he was a poor judge of himself. Told before an election that he'd win by a landslide he never would believe it. He always "ran scared" right up to election day.

When the people of Umatilla County speak of the stalwarts their county has produced they speak of men who will forever be identified with the history of eastern Oregon, men who stood far above the crowd. Irvin Mann has a place in that select company. There was a man.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. NEUBERGER. Mr. President, as the pending resolution will probably be disposed of within the next 24 hours, I desire to speak, very briefly, on one aspect of it, namely, that concerning the military and economic and diplomatic situations in the Middle East.

AMERICAN FOREIGN POLICY MUST BE CONSISTENT AND SOUND IN THIS CRISIS

Mr. President, I trust America is not entering into an era when it will be isolationist with dollars but internationalist with soldiers. I have been troubled during the debate over the Middle East resolution because so much more emphasis has been placed on the President's request for $200 million than on his request to employ American troops. Are we so preoccupied with the financial budget that we have forgotten human matters? Surely there are not Senators who will vote to commit American soldiers to the defense of the Middle East but will refuse to spend $200 million, if that sum might possibly make it less likely that these soldiers should ever have to wage combat in that area.

I realize the vast temptations which exist to make political capital out of opposition to all forms of foreign economic and military aid. Yet I think this attitude is both ironic and inconsistent so long as the Congress indorses a policy of assigning American soldiers and aviators to the military defense of farflung portions of the globe. If it is the judgment of the Commander in Chief of our Army and Navy and Air Forces that foreign aid will help to reduce the likelihood of global war, can we shut off foreign aid while we dispatch our young men to outposts in remote realms of the globe?

Until the opponents of foreign aid face up to that question, they will have dodged the entire issue, as I see it. If they are unwilling to send American dollars abroad, are they going to take the same attitude about American soldiers? I believe it was President Lincoln who said he placed the man above the dollar. I agree with him, thoroughly. So long as I vote for the use of our troops to defend distant regions and countries against communism, I am not going to try to make political capital at home out of declining to bolster with money their opportunity of staying out of global strife and atomic combat. Economy at the possible expense of some American soldier's life is poor economy, indeed. Who wants to balance the budget that way?

DOLLARS ARE LESS IMPORTANT THAN SOLDIERS

Mr. President, I should like to elaborate, somewhat modestly, on what I have just said. I feel that there are many Members of the Congress who have been unable to resist the tempting lure of outright and even blind opposition to all forms of foreign aid. I recognize that this is indeed quite a political magnet and a political opportunity. It is possible to say to every single group in America that, if it were not for foreign aid, they could have fulfilled all possible commitments which they desire from the National Government. We can go to the veterans and say that if it were not for foreign aid they could have larger pensions. We can go to people who want better schools—and I hope all Americans want better schools, because we need them—and say that if it were not for foreign aid we could have better schools. We can go to people in my section of the country and say that if it were not for foreign aid we could take far better care of our priceless and very limited supply of natural resources. Mr. President, we have to take care of our veterans; we have to improve our schools and our educational system, and we certainly have to conserve and husband wisely our national resources.

But I disapprove of political demagoguery which says to every group in the Nation that foreign aid is preventing them from realizing their perfectly legitimate economic and social objectives.

It is my feeling that if the Commander in Chief of the Army, Navy, and Air Force, in whose safekeeping to a substantial degree is entrusted the welfare of our soldiers, airmen, and sailors abroad, tells us that a certain degree of foreign aid will make it less likely that we shall have to wage war abroad, certainly Members of Congress are being highly inconsistent if they are willing to commit our young men to farflung outposts and yet will not authorize financial aid which will perhaps make more secure our military position, and make it less likely that our boys will have to fight in what could be the beginning of an atomic war.

POVERTY IS THE HANDMAIDEN OF COMMUNISM

I think we all recognize that poverty, disease, malnutrition, and the lack of a proper standard of living are the soil in which communism inevitably flourishes. I think it is a general principle that if we raise living standards and improve medical care, if we provide sanitation and help to teach people to have decent and adequate housing, those people are going to be less likely to be lured by the siren song of international communism.

For instance, Mr. President, consider that barren and yet historic area, the Middle East. In the Middle East there are vast realms of sand, absolute waste; and yet it is possible, by distilling sea water and converting it into fresh water and turning it on the land that the entire Middle East might be able to bloom like the legendary and Biblical Garden of Eden.

I urge the Department of the Interior to continue with the scientific experiments which were launched very wisely by former Secretary of the Interior Oscar L. Chapman, who served under the administration of President Truman. He advocated that the Congress of the United States appropriate funds to carry out these experiments on sea water. It is my hope that Secretary Seaton, the present head of the Interior Department, is continuing those needed studies and experiments.

Should we be able to distill and freshen sea water at any time, at feasible economic cost, the entire economy of the Middle East would be revolutionized; the brackish reaches of the seas and the oceans lying off the Middle East could be used to turn those barren wastes into land which will grow cotton, corn, row crops, alfalfa, and all the other ingredients of a prospering and successful agricultural economy. I believe if this were done, the Middle East would be a far less likely habitat in which the seeds of communism and discontent could sprout.

In conclusion, Mr. President, I again wish to emphasize one major point—at least, Mr. President, it seems to me to be a major point. I hope we are not going to be isolationists with dollars but internationalists with our soldiers. Very little has been said on the floor since this debate began about the fact that American troops are committed today to farflung realms all over the world. They are committed to the Middle East, to the Far East, to Eastern Europe, and to Western Europe. They are committed to Iceland; they are committed to the Aleutian Islands; they are committed to the islands of the vast South Pacific Ocean. We even have forces stationed in the Antarctic, studying possible airbases at the very bottom of the world, in some of the most inhospitable climate,

from the standpoint of extreme cold, existing anywhere on this planet.

There is scarcely a place on the face of the globe, except within the direct orbit of the Soviet Union, where American troops are not stationed.

DOCTRINE FOR TROOPS AND MONEY MUST BE SAME

Speaking as one Senator, Mr. President, I should like to emphasize that I am not going to be so inconsistent and so hypocritical as to support legislative measures which commit our men to distant and remote outposts, and then be unwilling to send our dollars to follow them if our dollars will make our position more militarily secure and less likely that we shall have to wage war in which our men may lose their lives.

Again, Mr. President, I wish to say that so far as my own correspondence is concerned, I have received scarcely any letters from home in support of foreign aid. Yet, I have great faith in the ultimate wisdom and the sound judgment of the people of Oregon and of the people of the United States.

It is my very firm conviction that if they fully understand the fact that our soldiers, who are their sons, are assigned to airbases, naval bases, and military cantonments all over the globe, they will be willing to make such financial contributions as are necessary to assure the protection and lives of those men in every way possible. I doubt if any other course makes very much sense.

I can understand the position of a Senator who says we should withdraw completely unto ourselves, both as to money and as to men and military forces. But I do not understand the position of a man or a woman in American public life who is willing, or even anxious, to commit our armed forces to distant places, but will not send our dollars to follow those men and to reinforce their strategic position.

That is why on last Saturday, March 2, I voted in opposition to the so-called Russell amendment to the Middle East resolution. I felt that it was inconsistent to deny the $200 million requested by the President, and at the same time to grant the President the authority to use American troops, if he deemed it necessary, to stem Communist aggression in that area.

THE AMERICAN SYSTEM: THE MONROE DOCTRINE PROTECTION OF AMERICAN WORKINGMEN AND INVESTORS VERSUS FREE TRADE AND PERMANENT COMPACT INVOLVEMENTS

Mr. MALONE. Mr. President, in determining the area where, if invaded, we will start a war, we must first determine our objectives.

We have always assumed that we would start a war whenever and wherever our security was threatened.

However, under Senate Joint Resolution 19, we talk of fuel trade routes to Europe and to the United States, and we talk of preventing Asiatic and European nations from adopting communism as a form of government.

PRESIDENT HAS AMPLE AUTHORITY TO SAFEGUARD NATIONAL INTEREST

Mr. President, I have no difficulty in making a decision on the fundamental problem of defending the United States of America whenever and wherever our security may be threatened. That decision is axiomatic and immediate, and the President of the United States has ample authority for emergency defense.

The Congress of the United States is in session 8 months of the year, and we are within 24 hours of the White House at all times.

EXTENSION OF MONROE DOCTRINE PRINCIPLE ADVOCATED

Therefore, I suggest, as I have continually stated on the Senate floor for 10 years, that the President of the United States should extend the Monroe Doctrine into the Pacific and the Atlantic to include the area where our peace and security would be threatened by any nation seeking to establish their form of government. He should simply state his position to the American people and to the world, just as President Monroe did in 1823, when he said:

> We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

PRESIDENT HAS POWER AS COMMANDER IN CHIEF TO SEND ARMED FORCES WHEREVER NECESSARY

Under the Constitution, the President is the Commander in Chief of the armed services and is empowered to use them to defend our security.

It is left to Congress, then, to declare war as a check on the executive branch, under the balances and checks of a three-branch government.

The Secretary of State has testified a number of times before the Senate Finance Committee that the foreign aid to Europe must be a continuing policy. In the beginning it was started just as the aid is suggested in the pending resolution to the Middle East; then it is planned never to stop.

It is by no means certain that Russia is our greatest threat. We can whip Russia so long as we maintain air supremacy—and we can maintain such supremacy so long as we have the gumption to put the emphasis on this arm of our armed services.

Protecting ourselves from our so-called friends sitting in with some of our Cabinet officials is more difficult.

FOREIGN PACTS FOR 24 YEARS HAVE PERMITTED FOREIGN NATIONS VOICE IN AMERICAN FOREIGN POLICIES

Our 24-year foreign policy has been to involve ourselves with foreign nations in pacts where such foreign nations must agree that our safety is threatened, rather than to remain under the Monroe Doctrine, where we were the judge of when our security was endangered.

We could well profit from the British foreign policy voiced by a great Prime Minister more than a century ago, and followed religiously since that time. As a matter of fact, he did not make the policy; he voiced it. It has been followed long before that date.

A little more than 100 years ago—in 1848, in fact—Britain had a great Prime Minister, Viscount Palmerston, who laid down the policy which Great Britain and practically all of Europe and Asia follow today. Lord Palmerston said:

> We—
>
> England—
>
> have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow.

BRITAIN'S CENTURY-OLD POLICY OF SELF-INTEREST EXPLAINS ACTIONS TODAY

Perhaps that helps to explain why Great Britain has recognized Communist China, and why Great Britain's exports to Russia increased from 6½ million pounds in 1954 to almost 60 million pounds in 1956. It could be that Russia was not a perpetual enemy and was not a perpetual friend; and that explanation could apply to the United States of America, as it did to Nationalist China and Communist China.

POLICIES SINCE 1934 HAVE BROUGHT WARS AND WEAKENED NATION

We say we are dividing our wealth in order to stop war and to bring about universal peace. Since the passage of the 1934 Trade Agreements Act, since the departure from the metal standard for our money, since the spending of the billions of dollars of the taxpayers' money for the European and Asiatic nations, the United States has engaged one world war and in the Korean war, and now we are led to believe that we are on the verge of entering another world War. If that can happen within 24 years, apparently what we have sought to do has weakened America and has not been the best policy.

ONCE STARTED, FOREIGN AID TO MIDDLE EAST WILL NEVER CEASE

Mr. President, it could be that the United States should study the foreign policy of Great Britain. Once we begin supplying dollar aid to the Middle East, there will be no stopping so tremendous an undertaking. Aid will have to continue for the Middle East, just as NATO aid has continued for Europe.

I said on the Senate floor in 1948 that once the Marshall plan was started, it would be perpetual. Mr. Dulles, the Secretary of State, has testified several times before the Senate Committee on Finance, of which I am a member, that that is the case now; that aid must be continued perpetually.

UNITED STATES CITIZENS TAX WEARY FROM BEARING OTHER PEOPLE'S BURDENS ON THEIR BACKS

Money will not solve the problem in the Middle East, nor will it help the people of the Middle East to survive. Now is the time for Congress to demand a program gradually, but finally, to end rather than to increase foreign aid. The American taxpayers are sick of wartime taxes; they are sick of carrying other people's burdens on their own backs.

Yet I assure you, Mr. President, that there is no intention of stopping foreign aid. NATO—the Atlantic Pact—which insured the integrity of the colonial system throughout the world, was established on the premise that American aid must continue indefinitely. If American aid were withdrawn, there is not the slightest doubt that NATO would fall apart overnight.

ATLANTIC PACT A DEVICE TO FOOL UNITED STATES AID INTO FOREIGN COUNTRIES

If United States aid is withdrawn, there is not the slightest doubt that the Atlantic Pact will fall apart overnight. The purpose of the Atlantic Pact is simply to enable the other countries who participate in it to receive United States aid so long as the taxpayers of the United States will stand for it.

Mr. President, I have already outlined to you the foreign policy of the countries of Europe. They have no perpetual friends; they have no eternal enemies. They have only perpetual interests. They believe that it is their duty to follow those interests. That applies to all European nations belonging to the Atlantic Pact.

Our NATO policy has even greater weaknesses. We have taught the NATO people that if war comes, the United States can be depended upon to save them. This is the true impression one gains in Europe, when talking to persons in authority.

However, the truth is that we cannot prevent the occupation of Europe by the Red army; and our leaders know it.

SENATOR RECALLS VISITS TO "STAR BOARDER" AND TO IRON CURTAIN COUNTRIES

Mr. President, when I came to the Senate, I thought it was my duty to visit all of our "star boarders." When I had partially completed that job, I concluded that I would finish it. So I spent 2½ months behind the Iron Curtain, and during that time I saw practically all of the industries of the so-called Iron Curtain countries and of Russia.

Mr. President, if war comes, all of our soldiers and their families will be overrun, not because our units are not well trained and well equipped, but because they will be overwhelmingly outnumbered. All our air bases in Europe are within a few minutes' flight of Red bombers. Our airmen know that they would be fortunate to be able to send one mission from such fields, because of their proximity to the potential enemy.

PROPOSED BASES WITHIN 500 MILES OF RUSSIA

Mr. President, we are speaking now of establishing bases within 500 miles of the Russian border; and for that purpose, it is proposed that we give money to nations which border on Russia. As I have previously stated to you, Mr. President, I have visited all of these nations. In 1947 I spent some time with the old King Ibn Saud, who now is dead. I thought a great deal of him. He was governing his people in the only way they understood, and the only way he thought would be successful—and the only way in which they will be governed during our lifetime, Mr. President.

INSPECTION TOUR OF MID-EAST OILFIELDS MADE BY NEVADA SENATOR

I flew across the desert, and covered the entire petroleum-producing area, including the Abadan plant, then belonging to the British. I went through that plant. Having been in the engineering business for 37 years, I was very much interested in it. I was also interested in the availability of water in that great area. Of course, anyone could tell, and should have known after examining the methods by which the British were securing oil from Iran, that the British operations could not last.

The British were paying a royalty of about 18 or 20 cents a barrel, whereas just across the line the United States plants were paying 50 or 60 cents a barrel; and about 320,000 of the entire population of Iran were profiting from it.

As I anticipated—and as I stated on the floor of the Senate following my return—the British lost those installations. Then we pulled one of our great diplomatic victories by paying the debts of the British and giving those installations back to them. So long as our money lasts, Mr. President, we have a great diplomatic team. However, that is not my test of a good diplomat.

SOVIET BOMBERS AND SOVIET SUBMARINES TWO MAJOR THREATS TO UNITED STATES

There are two mortal threats to the United States. One is from Soviet bombers, from Soviet bases in the Arctic, flying over the North Pole and striking our industrial heart. The other threat, almost as sinister, is from Soviet submarines which have the capability of surfacing off our coastal cities and firing nuclear guided missiles into our cities and harbors. No allied aid can stop or can influence these two threats.

Mr. President, whenever Russia attacks us, the attack will not be through Europe or through Asia. In the event of a Russian attack upon us, it will make little difference what our so-called allies are doing, because the Russian attack will come over the North Pole—over the same area over which we would attack Russia, if we ever do.

Mr. President, only American air supremacy and the ability of our fleets to locate and destroy enemy submarines can defend the United States against these threats. Even an allied ground victory in Europe—which for the foreseeable future is impossible—could not influence these threats.

UNITED STATES TRADE FUTURE IN WESTERN HEMISPHERE

I say to you, Mr. President, that although the administration has its eyes on Europe and Asia, the European nations again have their eyes on South America. With the use of United States money, the countries of Europe are taking over much of the South American trade.

However, Mr. President, if the United States has any trade future, it lies in the Western Hemisphere, not in old Europe or in Asia where the wages paid are from one-fifth to one-tenth or one-fiftieth of the wages paid in the United States. By means of what we call foreign aid, we now are appropriating funds to be used to pay the difference between the cost of production in the United States and the cost of production abroad, where, with the use of the materials we provide and the superintendence and production knowledge we provide, it is possible to produce goods at one-half or one-twentieth of the cost of production in the United States.

SHIPBUILDING INDUSTRY SHIFTED TO JAPAN AND OTHER LOW-WAGE COUNTRIES

In the case of shipbuilding, we have sent the bulk of the shipbuilding which otherwise would have been done in the United States to Japan or to some other low-wage nation; and we have done the same in the case of other industries which we say, religiously, here on the floor of the Senate, we approve of.

Mr. President, when the American people are told that the United States cannot stand without aid from her allies, the American people are not being told the truth. We have a $72 billion budget coming up. We are spending so much for foreign aid and the general arming of our allies that the President was forced to make a cut in the Air Force budget.

It should be pointed out that most of the materials we are sending to Europe are obsolete. They are being manufactured in Detroit, Chicago, and other industrial centers of the United States. We are afraid to shut down those factories—for instance, those producing tanks and other materials which I could mention now, if time permitted—for fear of unemployment.

LONG ERA OF PEACE WOULD FOLLOW RETURN TO POLICY OF FIGHTING ONLY WHEN OWN SURVIVAL THREATENED

Mr. President, we have no business engaging in every controversy on the face of the globe, outside of the area in which a controversy would threaten our security. Yet the policy of the State Department is, in substance, that no longer are there wide lines to war, but that the only safe policy is perpetual war to prevent war. Mr. President, if the United States were to fight only when her survival was threatened—which is the only real excuse for war on our part—we would face a long era of peace. Were we to maintain air supremacy, there would be no real threat to our survival. It is the solemn duty of Congress, in accordance with the oath which all Senators take to support the Constitution, to refuse to permit the United States to go to war unless the survival of the United States is threatened.

CONSTITUTION INCLUDES NO PROVISION FOR TAXING UNITED STATES CITIZENS TO SUPPORT FOREIGN NATIONS

Nowhere in the Constitution, Mr. President, can you find provision for taxing our taxpayers to do anything for a foreign nation in the way of support or to go to war for a foreign nation unless our security is threatened.

Were the Red Army to invade Europe, it would be, in the long run, the downfall of the Kremlin. That would be more than they could digest, Mr. President.

Mr. President, Great Britain lies at the mercy of the Soviet Union. Consequently, it is her foreign policy to take no step which will widen the gap between the United Kingdom and the Soviet Union. This is the unenviable position for which the United States is headed unless the President changes the foreign policy and insures American air supremacy.

Mr. President, European nations will be neutral in the next all-out war. That is their only key to survival.

In order to impress the people in the Mediterranean area we are keeping our great 6th fleet there. If war comes our

6th fleet will either move out of the Mediterranean or be destroyed. I am most apprehensive that we are more eager to show our sea power in the Mediterranean than we are to solve the problem of defending our own coastal cities against the submarine-launched guided missile menace.

WHILE AMING WORLD UNITED STATES LOSING OUR AIR SUPREMACY

Unfortunately, while we are busy endeavoring to hold the world status quo, we are losing air supremacy and neglecting the defenses of our coastal cities. We are bankrupting our people to attain an impossible end.

PACIFIC AND ATLANTIC COASTS VULNERABLE TO ENEMY SUBMARINES

I think it is of interest at this point to note that the national defense administration nearly 2 years ago said there would be no further new war industries on either coast, because it was suddenly realized that a few well-placed submarines off both coasts could destroy about 75 percent of the atomic energy "brains" and war installations in a few minutes.

Mr. President, another fallacy that grew up over the years was emphasized at San Francisco in 1945, when the United Nations were organized. I happened to be an observer sent there by the Senate Military Affairs Committee, just to see what went on. Mr. President, it was an unhappy circumstance. I saw Mr. Alger Hiss lead around by the nose some of our leading Senators, who are no longer on the floor. I saw an organization in which we were outvoted at every turn, accompanied by cheers that it was going to prevent war.

AMERICAN AIR AND ATOMIC SUPREMACY BEST ASSURANCE AGAINST WAR

I want to say at this point there are not 5 major nations, as created in San Francisco at the United Nations meeting. There are not 4 major nations or 3 major nations. There are 2 major nations, and there were 2 at that time—Russia and the United States of America. When any all-out fight starts, if it does, Mr. President, the rest of the Asiatic and European nations will be like children in the back yard when two strong men start fighting. It will be a question of getting out of the way. The other nations will stay out of the way by remaining neutral. But such a war need never come about if we remain strong enough and have the gumption to see to it that we maintain the ability to deliver nuclear bombs and that we remain in the lead in their manufacture. I hope we do not have the idea that the way to remain in the lead is to give all our information to those nations that will either turn to our potential enemy when the fight starts or be neutral. It must become common knowledge that such nations are trading with Russia and Communist China, and that nearly all of them have recognized the government of Communist China.

POWER OF EASTERN HEMISPHERE NOW CENTERED IN RUSSIA

After 2½ months behind the Iron Curtain in 1955, my tentative conclusion was that the Russian people can make themselves self-sufficient in the production of everything they need for war or peace, in a reasonable time, with the area Russia controls, and that they will never sign any agreement not good for Russia, and that the power of Europe and Asia is now centered in Russia. The power of the Eastern Hemisphere is centered in Russia. It is not in Europe. It is not in old Asia. Every nation recognizes that fact but us. If we have recognized it, we have kept it very dark, even in debate on the Senate floor.

Of course, no nation in the world will sign any agreement not good for that nation except us. We are the only nation that will sign any agreement put before us, just so long as it costs our taxpayers money.

COMMUNISM, FASCISM, SOCIALISM HAVE IDENTICAL OBJECTIVES

There is no difference in the final objectives of communism, fascism, or socialism; and socialism is rampant in Europe and Asia. As a matter of fact, the majority of the countries of the world, except those in the Western Hemisphere, have no standard of living. They have no economic system. They do not know what we are talking about when the State Department talks about raising their standard of living or having an economic system.

GOVERNMENT OWNERSHIP GOAL OF ALL FOREIGN ISMS

There is no difference between the different shades of government. The final object is government ownership, with individuals owning nothing. They are governed either by dictators or by Socialist government setups. In Russian and the area under its contral there is Socialist government ownership of property, and government owned and controlled property.

Bulganin said to me, in answer to a direct question, that the Union of Socialist Soviet Republics was operating under a Socialist form of government. They claim they have not yet reached the Communist form. "The difference," he said, under my direct questioning, "between socialism and communism is that under socialism you work according to your ability and get paid according to your work, and under communism you work according to your ability and get paid according to your needs."

COMMUNISTS SHOOT YOU; SOCIALISTS TAX YOU TO ATTAIN SAME OBJECTIVES

I have defined the difference as one of approach, there being no difference in the objectives. A Communist will shoot you to reach his objective, and a Socialist will spend you into it. That is what the Congress has been doing for nearly 24 years; and it shows little sign of changing its direction.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. McCARTHY. I am inclined to think that because of the subject involved and the importance of the speech being delivered by the Senator, we should have a quorum present. I should like to ask the Senator to yield, so that I may suggest the absence of a quorum, with the understanding that he will not lose the floor.

The PRESIDING OFFICER. Does the Senator from Nevada yield for that purpose?

QUORUM CALL DEBATED

Mr. MALONE. I would be happy to yield to my distinguished friend from Wisconsin for any purpose, but I have followed this debate for 2 weeks, and if there is anything that no Senator is interested in listening to, it is another Senator debating this subject. I think Senators will read some of these debates, probably within a short time after the joint resolution has been disposed of; but I believe that at this time there is not very much real consideration or thinking on the floor of the Senate. So I do not think we are quite ready. I appreciate what the Senator from Wisconsin has said, but I believe what we had better do is to make a record and vote.

Mr. McCARTHY. Mr. President, will the Senator further yield?

Mr. MALONE. I yield.

Mr. McCARTHY. I have been disturbed by a number of Senators, one of whom I respect very much, making the statement that they are going to vote for the Middle East Resolution because otherwise the President would lose prestige. I know that the Senator from Nevada is voting on the merits of the resolution, and not on the question as to whether or not someone will lose prestige.

I believe it is a disgrace to the Senate to have this all-important measure debated with only six Senators present. I think we should call for a live quorum to produce the attendance of Senators, in order that they may listen. We might be able to penetrate some of their minds so that all of us will not roll over and play dead, as we so often do in this body. So I again urge the Senator to yield so that I may suggest the absence of a quorum.

PAUCITY OF SENATORS ON FLOOR DURING MIDEAST DEBATE NOTED

Mr. MALONE. I have the highest regard for my distinguished colleague from Wisconsin. I hope he will ask questions as I go along, because I think this is one of the most important debates before Congress in a century. It is proposed to set a precedent.

I was one of two Senators on the floor of the Senate when one of the most distinguised Members of this body was speaking last week. During this debate I have never seen—except, I think, by accident—more than 4 Senators present in the Chamber at one time, until now. My distinguished colleague says there are 6 Senators present. I am glad to have an extra 2 Senators.

FOREIGN AID AND FOREIGN PACT OPPOSITION GAINS

I think what we had better do is to make a record for the benefit of Senators who are busily engaged somewhere else. They have already pretty largely made up their minds as to how they are going to vote. I think the vote on the Russell amendment was indicative as to what the final vote will be. I think there will be about 20 votes on the other side of the aisle, and we shall have 5 or 6. That is

a gain of 26 over 1948, when we were discussing the same subject. Only a few of us voted against the proposal at that time, the Vandenberg resolutions which laid the groundwork for NATO, the great Atlantic Pact which guaranteed the maintenance of the colonial system throughout the world. I debated the subject for 4 or 5 days with the distinguished Senator Vandenberg of Michigan. I expressed my views as to just what I thought we were doing.

I did not get my picture on the cover of Time magazine. Mr. Vandenberg made it a couple of times during that period. Events are developing in practically the way I predicted. Here we are, either supporting or condoning the killing of the people of Africa by the thousand. We are trying to take the part of the Hungarian people following the invasion of their country. I do not know what the quota is, or what the equalizer would be—whether it would be 1 to 1, or 10 colored people to 1 Hungarian. But we are for one and against the other, which weakens our position.

Mr. McCARTHY. Mr. President, will the Senator further yield?

Mr. MALONE. I yield.

Mr. McCARTHY. I shall not renew my request that the Senator give me the right to suggest the absence of a quorum. However, I think it is a disgrace to the Senate, and a reflection upon the people of the United States when we are determining, for 160-odd million American people, whether or not, hit or miss, we can send American boys to any land in the world, and only 5 Senators are present in the Chamber.

I believe we should have quorum call after quorum call, and bring Senators into the Chamber, to see if we cannot penetrate their skulls. I, for one, will object to any unanimous-consent request for committee meetings during sessions of the Senate, until there is a final vote on the passage of this measure.

I am very much disappointed in the Democrat side of the aisle, although this is not a Democrat or Republican issue. On the Democrat side there is only one Member present. It is necessary that at least one Member be present to occupy the chair of the majority leader. Not a single other Democrat is on the floor of the Senate to listen to this all-important debate.

I shall not renew my request at this time, but I wish the Senator would consider the importance of having not merely a quorum call, but a live quorum call, so that we can bring Senators into the Chamber. When they disappear, we should have another live quorum call, to make them come back.

We have before us a proposal which will affect the lives of every American mother's sons for years to come.

If the Senator would prefer not to yield for the purpose of suggesting the absence of a quorum, I take no issue with him. He certainly has been speaking on the side of the subject with which I agree.

MALONE STRESSES IMPORTANCE OF PENDING ISSUE

Mr. MALONE. Let me say to my distinguished colleague from Wisconsin that I believe this issue to be one of the most important issues facing America today, if not the most important.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. MALONE. I shall be glad to yield very soon.

According to the last count I was able to get, we have foot soldiers in 73 foreign countries. Those foot soldiers are sacrificial troops. If a world war started they would be on their way to the salt mines or dead within a week, because even if not attacked, we could not get them home and we could not feed them.

We have airports all over Europe, Asia, and Africa. Those European and Asiatic airports will be gone in minutes after an all-out war starts.

Whom are we fooling? Why are we appropriating large sums of money to send foot soldiers and surface ships all over the world, when they could be destroyed instantly in the event of all-out war? So I say to the distinguished Senator that we are still three Senators ahead. Half the time last week there were only two Senators present. I was one of those present at various times. I think the record is the important thing. I wish to read a part of the RECORD of 1949 in a few minutes, to show exactly what was said on the floor of the Senate at that time, and what is happening now.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Oregon.

Mr. NEUBERGER. I should like to say to the able Senator from Nevada that, of course, I am distressed by the implied criticism of all the Democratic Members of the Senate by the Senator from Wisconsin in his remarks about the alleged lack of attendance during this debate.

As a new Member of the Senate, and as one who is not privileged to be a member of either of the committees, which have actively considered the resolution, I have tried to be present during this debate to as great an extent as I possibly could.

I should like to say, in all candor, that I have not noticed the distinguished Senator from Wisconsin gracing the Senate Chamber very often with his presence during this debate.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be glad to yield in a minute.

Mr. MALONE. Mr. President, I have yielded for a question, not an observation.

Mr. NEUBERGER. Mr. President, I should like to call attention to the fact, as the CONGRESSIONAL RECORD for March 2 shows, that when the Senate voted on the important Russell amendment, the junior Senator from Wisconsin, who has just criticized members of the majority party for lack of attendance, was not present in the Senate.

Mr. McCARTHY. Oh, no——

Mr. NEUBERGER. He was not present.

Mr. McCARTHY. Just a minute, Mr. President. The Senator from Oregon knows that I had a pair with the Senator from New Hampshire [Mr. BRIDGES], and that that pair was recorded in the RECORD. I knew how the vote would result. I was absent at that time in connection with the work of the racketeering committee. The Senator knows that to be a fact. The RECORD shows it.

Mr. NEUBERGER. Did the racketeering committee meet last Saturday?

Mr. McCARTHY. I believe it did.

Mr. NEUBERGER. I am asking the Senator.

Mr. McCARTHY. I said I believe it did. I may be wrong. However, for the Senator's information, I should like to say the reason I was not present at the time the Russell amendment was voted on is that I acceded to the request of the able Senator from New Hampshire, who is ill and who could not be here, to pair with him. I voted for the Russell amendment. If the Senator from Nevada will indulge me further——

Mr. MALONE. I am happy to yield further.

Mr. McCARTHY. I am not reflecting on the Senator from Oregon. I believe he has been in attendance more than perhaps any other Senator. I am not reflecting on the Democrats. The Senator is the only Democrat in the Chamber. We have only four Republicans present. I am reflecting on the fact that the Senate as a whole in this all-important matter does not spend more time on the job before us.

As I say, although I have been tied up in committee hearings, the end has come in that regard; from now on there will be no unanimous-consent agreements entered into for a committee to sit until there is a final vote had on the Middle East Resolution.

Mr. NEUBERGER. I would still like to have an answer from the Senator from Wisconsin.

Mr. MALONE. I do not yield further, except for a question.

Mr. NEUBERGER. I shall clarify the matter later, if the Senator from Nevada declines to yield at this time.

Mr. MALONE. Mr. President, I have just referred to Russia and the——

Mr. McCARTHY. Mr. President, will the Senator yield once more?

Mr. MALONE. For a question?

Mr. McCARTHY. For a brief question. I should like to put this in the form of a question. I read the account in the newspapers which said that when the Zellerbach nomination was acted on—and Zellerbach is one of the most unusual individuals that I have ever seen the Senate confirm—the only vote against his confirmation was the vote cast by McCARTHY.

As the Senator from Nevada is aware, there were only two other Senators on the floor. Therefore, instead of the vote being 95 to 1, as my good friends in the press who wrote the story stated, the vote was actually 2 in favor and 1 opposed. No other Senator was on the floor at the time. That situation happens often. That is why I suggested that we have a quorum call.

Mr. MALONE. I wish to say in that connection, about Mr. Zellerbach, that unfortunately——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at that point?

Mr. MALONE. I am happy to yield.

Mr. JOHNSON of Texas. Would the Senator from Nevada yield for the purpose of letting me suggest the absence of a quorum?

Mr. MALONE. If the Senator from Texas insists, that makes 2 to 1. There are only five of us present. That is pretty close to a quorum on that question alone. If the Senator insists, I will allow the distinguished Senator, the majority leader, to suggest the absence of a quorum. I want to say, however, in that connection——

Mr. JOHNSON of Texas. If the Senator will permit me to do so, it would give me great pleasure. As the Senator knows, I suggested earlier that we have a quorum call. I would be glad to suggest the absence of a quorum at this time. I am now motivated by a double desire to suggest the absence of a quorum.

First, I should like to have Senators on both sides of the aisle hear my delightful friend from Nevada. He is always thorough and interesting. That is one reason I should like to have a quorum present.

Then my colleagues could see the Senator from Wisconsin [Mr. MCCARTHY] on the floor. I am delighted that he is here. Mr. President, I suggest the absence of a quorum.

Mr. MCCARTHY. Mr. President, will the Senator from Nevada yield before the absence of a quorum is suggested?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

Mr. MCCARTHY. Before the Senator from Nevada yields for that purpose, may I say to the Senator——

Mr. MALONE. Mr. President, the RECORD is not too clear, and I yield to the Senator from Wisconsin before I will yield for the suggestion of the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, I understood that the Senator from Nevada yielded to me for the purpose of suggesting the absence of a quorum.

Mr. MCCARTHY. Mr. President——

Mr. JOHNSON of Texas. Did not the Senator from Nevada yield to me?

Mr. MCCARTHY. The Senator from Texas should not object to my correcting the RECORD before he suggests the absence of a quorum.

Mr. JOHNSON of Texas. I should think that the Senator from Wisconsin would desire to be heard by his colleagues.

Mr. MCCARTHY. I should like to say to the Senator from Texas that he may think it is extremely clever to refer to the presence or absence of the Senator from Wisconsin on the floor of the Senate, but——

Mr. JOHNSON of Texas. I understood the Senator from Wisconsin to refer to the absence of other Senators.

Mr. MCCARTHY. The Senator from Texas knows that I am the ranking minority member on four—may I have the Senator's attention?

Mr. JOHNSON of Texas. The Senator has my attention.

Mr. MCCARTHY. I am the ranking minority member on four subcommittees of the Committee on Appropriations; and I am a member of the Racketeering Committee, and of the Investigating Subcommittee.

I have found it necessary, when unanimous consent was granted, at the request of the Senator from Texas, that those committees meet, that I be present at those hearings.

From now on, however, so far as I am concerned, there will be no further unanimous consent given for that purpose.

I will object to such request for unanimous consent until there is a vote had on the pending measure.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. MALONE. I yield to the Senator from Texas for the purpose of suggesting the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, I wish to point our for the RECORD and for the information of the Senator from Wisconsin that, first of all, the select committee of which he is the ranking member, did not meet on Saturday. That is the first point.

Mr. MCCARTHY. I had a conference on behalf of the committee.

Mr. JOHNSON of Texas. Mr. President, I demand the protection of the Chair while I am speaking.

Mr. MCCARTHY. I would suggest that the Senator state the facts.

Mr. JOHNSON of Texas. Mr. President, I demand that the Chair protect me in my rights. The Senator from Nevada has yielded to me.

Secondly, I wish to point out for the RECORD and for the information of my friend from Wisconsin, that the Senator from Wisconsin or any other Senator does not have to give consent for the select committee to meet. That is not required by the rules of the Senate. That has been pointed out time and again to the Senators who were present.

Third, I should like to point out that the Senator makes a great deal of the point that he is a member of the Committee on Appropriations. All Members of the Senate are members of important committees.

The Committee on Appropriations does not obtain such consent each time it desires to sit. That consent is given on a session basis, usually when the session begins. That is known by Members of the Senate. The Senator from Wisconsin makes a point about Senators who have not been present. In that connection, the Senator from Texas would point out that people who live in glass houses should not throw stones.

Neither of those committees ever ask on a day-by-day basis for unanimous consent to meet. One of them is granted the right to meet by law, and the other is given such consent for the session.

The majority leader asked the distinguished Senator from Nevada if he would agree to have a quorum call at this time. He told me he would.

Mr. MCCARTHY. Mr. President, will the Senator——

Mr. JOHNSON of Texas. Will the Senator let me finish?

Mr. MALONE. I have yielded for the purpose of having the Senator from Texas suggest the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, I have been reading about the so-called Democratic delays. My friend from Nevada [Mr. MALONE] told me the other day that he desired to address himself at some length to this subject. I attempted to accommodate myself to the convenience of the Senator from Nevada. The Senator has been most cooperative with the leadership. Before the Senator from Nevada addressed the Senate today I asked him if he desired a quorum. I was prepared to suggest it and to obtain it. I was also prepared to start early in the morning and to move that the Senate come in at 9:30 or 10 o'clock tomorrow morning. But I am accommodating myself to the wishes of some Members on that side of the aisle that the session not begin until 11 o'clock. I was prepared to ask the Senate to remain in session tomorrow evening, but there is a White House reception to be held tomorrow evening for Members of Congress. But I think, Mr. President, the country is entitled to know that the reason a quorum call was not held is because the Senator occupying the floor [Mr. MALONE] did not desire it.

He has now yielded to me for the purpose of suggesting the absence of a quorum, and I will suggest it.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MCCARTHY. Mr. President, a point of personal privilege.

The PRESIDING OFFICER. A quorum call cannot be interrupted without unanimous consent.

Mr. MCCARTHY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. A quorum call can be interrupted only by unanimous consent.

Mr. MCCARTHY. May I ask whether I can correct a misstatement which has just been made on the floor?

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MCCARTHY. I shall correct it later, Mr. President.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Monroney
Allott	Hayden	Morton
Barrett	Hickenlooper	Mundt
Bible	Hill	Neuberger
Bickley	Hruska	O'Mahoney
Byrd	Humphrey	Payne
Carlson	Jackson	Potter
Carroll	Johnson, Tex.	Revercomb
Case, N. J.	Johnston, S. C.	Robertson
Case, S. Dak.	Kefauver	Russell
Church	Kerr	Saltonstall
Clark	Knowland	Smith, Maine
Cooper	Kuchel	Smith, N. J.
Curtis	Lausche	Talmadge
Dirksen	Malone	Thurmond
Dworshak	Mansfield	Watkins
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Young
Flanders	McCarthy	
Frear	McNamara	

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], the Senators from Arkansas [Mr. FULBRIGHT and Mr.

MCCLELLAN], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senators from Florida [Mr. HOLLAND and Mr. SMATHERS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New York [Mr. IVES], and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], and the Senator from New York [Mr. JAVITS] are absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from New Hampshire [Mr. COTTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Connecticut [Mr. PURTELL], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Minnesota [Mr. THYE], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The PRESIDING OFFICER. A quorum is present.

The Chair recognizes the Senator from Nevada [Mr. MALONE].

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. MALONE. I yield for a question.

Mr. MCCARTHY. I should like to ask the Senator a question. To me it is a rather important question. I would not bring it up, except that my truthfulness was impugned by the Senator from Texas [Mr. JOHNSON] when I said I was engaged in the business of the committee on Saturday when the Russell amendment was before the Senate, and had accommodated the Senator from New Hampshire [Mr. BRIDGES] by pairing with him. In view of the fact that the truthfulness of that statement was questioned, I ask the Senator this question. As I say, I certainly would not do it otherwise. Does the Senator know that on Saturday I was in conference with individuals who were giving evidence in connection with the committee investigating labor-management relations; that one of the men whom we had hired as an investigator, and who is now on the payroll, has been indicted for subornation of perjury? The chief counsel, Mr. Kennedy, for whom I have the greatest respect, said that the indictment had been dismissed. Does the Senator know that? Undoubtedly, the very able chief counsel, Mr. Kennedy, and I am sure the chairman [Mr. MCCLELLAN], did not know that the reason the indictment for subornation of perjury was dismissed was that the complaining witness had died, and that that was the only reason it was dismissed. Therefore, I was absent Saturday for two reasons: First, to accommodate the Senator from New Hampshire [Mr. BRIDGES], who is ill; and, second, to get the evidence which I shall submit to the committee, with respect to subornation of perjury. I will say to the Senator that he understands that I would not bring this question up on the floor except for the fact that the Senator from Texas [Mr. JOHNSON] questioned my veracity when I said I was absent on business of the committee. I do not wish, under any circumstances, to indicate that I believe either Senator MCCLELLAN or Mr. Kennedy is responsible for this individual who was charged with subornation of perjury. Senator MCCLELLAN and Mr. Kennedy have the task of recruiting a sizable staff and I am sure they gave the committee all the information they had on this individual.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me very briefly?

Mr. MALONE. I am very happy to yield for a question.

Mr. JOHNSON of Texas. If I questioned the Senator's truthfulness, I did not so intend. The record will speak for itself. I am unable to find that I did so, from the transcript of the remarks which I hold in my hand. I do not care to ask the indulgence of my colleagues to pursue this matter further. They may all read the RECORD and see that I made a factual statement. I said:

> I wish to point out for the record and for the information of the Senator from Wisconsin that the select committee of which the junior Senator from Wisconsin is the ranking member did not meet on Saturday.

I understood that statement to be factually correct.

I further asked if, so far as the chairman of the committee or the counsel of the committee was concerned, any conferences were held, because I observed that the chairman of the committee was present and voting. It could be that I was in error, and that there was a conference, or that there was a committee meeting. I am informed that there was not.

The Senator from Wisconsin is perfectly within his rights to pair with our friend the Senator from New Hampshire. I did not question that. I would have paired with the Senator from New Hampshire myself if he had asked me.

I merely point out that people who live in glass houses should not throw stones. I was attempting, as best I could, to accommodate the entire membership today. First of all, I asked the Senator who agreed to speak today if he cared to have a quorum call. He told me that he did not. At the time I made that request, I did not believe any Senators desired a quorum call. I do not remember that the Senator from Wisconsin was present.

When I returned to the Chamber I found that the Democrats were being blamed again for not being present, and that a colloquy had taken place between the acting majority leader [Mr. NEUBERGER] and the Senator from Wisconsin.

I am sorry to find it necessary to call for a quorum at this late hour, when Senators have had the understanding that it would be unlikely that one would be called. If any speaker wishes a quorum at any time, and will ask the majority leader, he will attempt to accommodate him. That is what I attempted to do in this instance.

Mr. MCCARTHY. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am happy to yield for a question.

Mr. MCCARTHY. Is the Senator aware of the fact that, while the Senator from Texas said that I had not had a conference with the chairman or the chief counsel, I never have claimed to have had a conference with the chairman or the chief counsel? I said I had a conference in regard to an employee of the committee investigating labor-management relations, who was indicted for subornation of perjury. The indictment was dismissed because the complaining witness died. That was a very simple statement of fact. I am sure the able Senator understands it. I am sure the Senator from Texas understands it when he rises and says I had no conference with the chairman on Saturday.

Mr. JOHNSON of Texas. I did not make the statement that the Senator did not have a conference. If the Senator states that he had a conference, that is agreeable to me. I do not question the Senator's statement. I question the statement that the committee met.

Mr. MALONE. Mr. President, when we first discussed the subject of a quorum, the Senator from Nevada agreed to a quorum call, because two-thirds of the Members present asked for it—that is, two Members. That was one more Member than was present during most of last week when I was on the floor of the Senate. Then the request was made that the order for the quorum call be rescinded.

I noticed upon three or four occasions during the past week that I was left off the rollcall because I was in my office doing some work which I considered to be important. Therefore, I was not on the "live" quorum.

WASHINGTON'S WARNING AGAINST ENTANGLING ALLIANCES RECALLED

When the question was first raised, and I was persuaded, by a majority vote, to allow a quorum call, I had been speaking about the permanent foreign policy of all the nations of Europe. I wish to say, for the benefit of some of my colleagues who were not present at the time—and if they do not care to remain and hear it, they can read it in the RECORD—that in George Washington's Farewell Address to this Nation in 1796 he said, among other things:

> It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronising infidelity to existing engagements.

POLICY WASHINGTON WARNED AGAINST FOLLOWED BY SUCCESSORS DURING PAST 84 YEARS

I invite attention to the fact that President Washington did not say we

should not have alliances. He said we should not have permanent alliances; and that is what we have turned to in the past 24 years, especially in the past 10 years. We have turned to permanent alliances.

I wish to say again what the great Prime Minister of England said in 1858, nearly 60 years later. I refer to what Viscount Palmerston said in regard to the foreign policy of England, which is followed by every other nation in Europe. He did not form the policy or fix the policy of England; he voiced it. It had been the policy of England for a century or more. This is what he said:

We [England] have no eternal allies and we have no perpetual enemies; our interests are internal and perpetual, and those interests it is our duty to follow.

PRESENT POLICY IS TO PERMANENTLY DIVIDE UNITED STATES WEALTH WITH FOREIGN NATIONS

That was said only 60 years after George Washington said the same thing about America. Lord Palmerston voiced that policy for England. It is England's policy today. It has never changed.

Therefore I call attention again to the present foreign policy of the United States of America. It is to sign contracts forever binding the United States of America to divide the wealth of the United States with every foreign nation.

What do we do? We send billions to Europe on a permanent program. Mr. Dulles testified before the Committee on Finance that that is our permanent program. That is a permanent program, Mr. President, not a temporary one. That is what he wanted.

TWO HUNDRED MILLION DOLLAR MID-EAST AID MERE BEGINNING OF ENDLESS PROGRAM

I will revert to the RECORD of 1948 and 1949 in a little while, to show where I stood at that time. I said at that time it would be a permanent policy. That should not be news to any Senator. Neither should it be news to any Senator that he is not voting to give $200 million to the Middle East. Two hundred million dollars would not run one of those rulers for 60 days, practicing some of the methods that those rulers practice over there.

It is a foot in the door. It will be made a part of the budget, just as Europe has been made a part of the budget, from now until the taxpayers of America either move on Washington or have a taxpayers' strike. I am not sure but that we are close to it.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. REVERCOMB. Did I understand the Senator to say, in citing Great Britain, that Lord Palmerston had said that the policy of Britain, according to a statement in 1850——

Mr. MALONE. 1848.

Mr. REVERCOMB. In 1848. Did the Senator state that Lord Palmerston had said that policies change from time to time, to meet the needs of the day?

Mr. MALONE. Not the policy. The policy does not change. That is permanent. George Washington first voiced that sentiment in 1796. Lord Palmerston voiced that policy for England in 1848.

What was it? He said:

We have no permanent friendships and no permanent enemies; we have only permanent interests, and those interests it is our duty to follow.

I have paraphrased that statement.

WASHINGTON OPPOSED ANY PERMANENT ALLIANCES

That is the same policy that George Washington enunciated on behalf of the United States of America in 1796. He never said that we should not have temporary alliances. I said on the Senate floor 10 years ago that when a fight starts in the street, we get everyone to stand with us whose interests are with us, and everyone against us whose interests are against us. It does not matter what had been said 10 minutes ago.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield.

Mr. REVERCOMB. Is it not a fact that with respect to the foreign policy of a country, particularly so in this torn world of ours, any government will have to change its policy to meet the exigencies of the occasion? In other words, when danger threatens, do we not have to go out and meet it wherever it may arise? Is it not, therefore, necessary to change the policy to meet the occasion? Is not that the practical way of meeting it?

UNITED STATES MARKETS DIVIDED WITH NATIONS OF WORLD UNDER 1934 TRADE ACT

Mr. MALONE. That is the practical way. However, we have signed contracts with the nations of Europe, and we cannot change the contracts. We must contribute to their welfare. Under our free-trade policies, we have divided the markets of the United States with the nations of the world, on the theory that that is in the interest of peace. The Trade Agreements Act was passed in 1934, to be in effect for 3 years. That was passed as an emergency act. It has been renewed regularly since that time. I had a hand in cutting it to 1 year at one time. In 1955 it was extended for 3 years, until 1958. I say again to the Senator that those compacts never expire, and those obligations will never expire.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. REVERCOMB. I wish to pay tribute to the Senator, particularly upon his stand on the trade agreements. In years past he and I discussed the subject. I said some years ago in the Senate that I shared with him the dangers of that pact, particularly when it does not fluctuate sufficiently to protect the interests of this country from the standpoint of production.

What I am getting at is that, even with respect to the compacts which exist between nations, which have been entered into in order to obtain alliances, which we hope will stand up, is it not necessary from time to time and from year to year, as these dangers threaten in different parts of the world, to shift and change our policy to meet those dangers as they arise, particularly when a madman arises in a country who brings forth an ideal of living which is destructive of our own? Must we not, under such conditions, change our policy to meet the day-to-day threat?

Mr. MALONE. I think it is necessary to do so. However, I will say to the distinguished Senator from West Virginia that we cannot change it after we have signed a permanent pact.

Mr. REVERCOMB. Perhaps a permanent pact is a very good thing for a defensive alliance, so long as it exists. When it does not exist, that pact is ended, and that objective is destroyed, and the pact is no longer in force. The pact is good only so long as it is made with a good ally and with a helpful ally. I do not see how that would prevent us from meeting new dangers that arise elsewhere. That is the point. In other words, some of us have expressed the thought that when the danger does not exist, we ought to have no obligations; but if the danger does arise, is not that the kind of foreign policy that we of necessity must have?

ALLIES IGNORE UNITED STATES PROTESTS TO SERVE OWN SELFISH INTERESTS

Mr. MALONE. Under the kind of foreign policy we have now, we have permanent friends and permanent enemies. We have signed compacts.

Our permanent allies recognize Communist China over our protest. Our permanent allies trade with Communist nations over our protest. Our permanent allies go to war, and our distinguished Secretary of State said he had no knowledge that they were going to war. Incidentally, how he could have had no knowledge of that, with the amount of money he is spending to investigate what is going on in Europe, is hard to believe. I do not believe that he was ignorant of the move, although he said he did not know about it. Our permanent allies do not keep any part of the compacts. That is the point. That is what Lord Palmerston had in mind when he said in 1848:

We [England] have no permanent and no eternal allies, and no permanent enemies; we have but permanent interests, and those interests it is our duty to follow.

Mr. REVERCOMB. Mr. President, will the Senator yield further?

Mr. MALONE. I yield.

Mr. REVERCOMB. During the last several years, in our fast moving history, have not our allies changed and shifted and have we not made new alliances? We have a very good example of that in our relations with Russia. Only about 12 years ago we were allies of Russia. We referred to them then as our permanent friends. However, the picture has changed, and we have had to shift our policy. We have changed our views in order to meet the problems of the day. Is not that the situation, as a matter of record?

DANGER OF PERMANENT ALLIANCES IN FACT THAT ONLY UNITED STATES KEEPS THEM

Mr. MALONE. I think there is a reason why we should make no permanent alliances. We are the only nation which keeps its alliances. I say to the distinguished Senator from West Virginia that we should follow the policy of George Washington and the policy of the Monroe Doctrine. We can extend that policy to every area in the world where our safety and security might be threatened. That threat does not necessarily consist of an armed attack. It can mean establishing a form of government within the area which would threaten our security and our safety. The President has no right to do that at this time. The Monroe Doctrine has been respected all over the world, until we ourselves destroyed it.

PRESIDENT HAS FULL POWER TO FIX OR CHANGE LINE OF DEFENSE

I would not mention the name of any nation. I would establish a line, which would not necessarily be a static line, because weapons of offense and of defense vary in their effectiveness. If the line changed, I would announce that change, because this Nation has no business going to war except for one reason, and that is to protect our security.

Any President of the United States can fix such a line, and he has all the right in the world, under the Constitution of the United States, as the Commander in Chief of the Armed Forces, to do so.

I will say to the distinguished Senator that Congress is in session 8 months of the year. I will acknowledge that we are probably an ineffective body now, because we follow orders rather than anything else.

CONGRESS ALWAYS AVAILABLE WITHIN 24 HOURS TO ACT ON DECLARATION OF WAR

But we are in session 8 months of the year, and we are within 24 hours of reaching the Senate at any time.

So I say the President has the authority to enlarge the Monroe Doctrine as to those areas within which our security, in his opinion, might be threatened.

We can change the line and keep it current. The President can call us into session to meet an emergency by requesting us to declare war.

The powers of the three departments of government were separated not for caprice. They were separated for a purpose. Washington, Franklin, and Jefferson had had everything done to them. They had experienced dictators, kings, and everything else, who had had all of these powers, so they separated them. During the past 24 long years we have been gathering all those powers under one department; and that is dangerous.

Mr. REVERCOMB. I know the Senator is ably arguing his viewpoint, and I agree with him, so that there will be no doubt in his mind, that war should never be declared except for the protection of our security and safety.

I thank the Senator from Nevada.

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from West Virginia one question. Have we, then, come to the point where we are protecting trade routes for fuel to Europe? Have we come to the point where a large amount of wealth is tied up in one part of the world, and we must keep a trade route open all the time? Have we reached a point where we think that to any point in the world where there is wealth to be gained we must protect a trade route to our country or to some other country?

Mr. REVERCOMB. I will say to the Senator that it all goes back to the ultimate consideration of whether it is necessary in the overall picture of the world to do so for the protection of the security of the United States.

Mr. MALONE. I say to the distinguished Senator that Europe is at the mercy of Russia at any time. One can throw a baseball from the Balkan Nations to the Iron Curtain. I did not find much of an Iron Curtain there. I was not hampered very much. We are now proposing to establish bases and to spend money in nations which are within a stone's throw of Russia itself.

Mr. REVERCOMB. Let us have it so that this country is not at the mercy of Russia.

Mr. MALONE. At any time we can destroy the oil in the Middle East so that Russia cannot get it, and Russia can destroy it so we cannot get it. I have been all over the Middle East. I explained that just a while ago, and I am sorry the Senator from West Virginia was not present at that time.

SENATOR QUOTES 1949 WARNING ON IMPLICATIONS OF NATO TREATY

Mr. President, I wish to revert for the benefit of some of the Senators to a reprint from the CONGRESSIONAL RECORD of July 12, 1949, when much the same question was before the Senate. That was the North Atlantic Pact, and this is what I said at that time:

Mr. President, the North Atlantic Pact simply, and without question, guarantees the integrity of the colonial systems throughout Asia and Africa.

If there is any doubt in anyone's mind in the subsequent 9 or 10 years as to what has happened, we have only to look at the RECORD. We have tried to preserve the colonial system.

COLONIAL SLAVERY SYSTEM DEAD

I would say to the Senate that the colonial slavery system in the world today is as dead as Julius Caesar. There will never be another dime made by a colonial-minded nation in its colonies. The colonial slavery system has gone. The First World War shook it, when soldiers moved into foreign nations. The Second World War destroyed it, when airplanes dominated the British fleet. The British fleet is what held together the colonial system for 300 years.

MALONE SPEECH OF JULY 12, 1949, QUOTED FURTHER

The British fleet is just as ineffective as our fleet will be if any war starts.

I said, further, on July 12, 1949:

A decision to ratify the North Atlantic Pact Treaty by a two-thirds majority of the United States Senate will, in the judgment of the junior Senator from Nevada, be a vital link in the chain of events that, taken together, is bound to wreck the economic structure and the wage-living standards of this Nation—the sole objective being to immediately reduce this Nation to one of 58 or more units or states in the commonwealth of nations to be known as the Federation of the World.

It is, therefore, vital that the United States Senate take the necessary time to examine and to add up the administration's postwar proposals—and note the trend.

The Senate and the people of this Nation should be advised whether the five major postwar proposals are really the separate major emergency measures that they have been continually represented to be or whether they are all related, having one objective, that objective being immediately to tie the United States into such a commonwealth of nations—to be known as the Federation of the World, with its wealth and wage-living standards averaged with the Asiatic, European, African, Middle East, Near East, and South Seas countries.

Mr. McCARTHY. Mr. President, will the Senator from Nevada yield for a series of questions?

Mr. MALONE. I yield.

Mr. McCARTHY. Referring to page 4 of the resolution, I read the provision beginning on line 20:

Provided, That, whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended.

Does the Senator agree with me that that provision means that, in addition to the funds we are asked to appropriate, the President would have the right to use $150 million more without regard to the provisions of any other act?

Mr. MALONE. I may say to my colleague, the distinguished Senator from Wisconsin, that the $200 million mentioned in the act or the $150 million mentioned by my distinguished colleague is a drop in the bucket; it is merely the start.

Mr. McCARTHY. I asked the question merely to point out that the $250 million is not binding. When we read the language on page 4, line 20, we find that $150 million more can be used. If we drop down to line 23, unless I am mistaken, the clause—

and without regard to the provisions of section 105 of the Mutual Security Appropriation Act, 1957—

means that there are no restrictions whatsoever, and that the President can use his discretion and spend as much money as has been available under the MSA, regardless of whether it is $200 million or $400 million, or whatever the figure might be.

Mr. MALONE. I agree with the Senator from Wisconsin that it is certainly the intention to do that. Then I expect, as all other Senators do, to have laid before the Senate, before we are very much older, a major foreign expenditure along the line of the Marshall Plan, the ECA, and all the other funny plans to divide the wealth of the United States, in the amount of $4 or $5 billion additional.

Mr. McCARTHY. In view of the provision for military assistance and in view of the executive agreements—I refer to the executive agreements with the Arabic nations—to the effect that our military personnel, if they are accused of any misconduct, shall be turned over for trial to the military authorities of those nations, is the Senator from Nevada aware of the fact that one of those nations, namely, Saudi Arabia, which happens to be a friend of ours now, has a criminal provision that if a person steals an orange from a pushcart, the

punishment can be the chopping off of the person's right arm?

I wonder if the Senator would agree with me that we cannot in good conscience send American boys to countries where they will be subject to the so-called justice of such countries.

MALONE CALLS STATUS OF FORCES TREATY A DISGRACE

Mr. MALONE. I do not agree with the treaty approved by Congress making American boys subject to the rulings of the courts of foreign nations. I think that is a disgrace. But I say again that our soldiers, our boys who are being kept in the 73 foreign nations, are being kept there, in my opinion, mainly for the purpose of spending money for the benefit of the economy of those nations, because we know full well that they are sacrificial troops. If an all-out war started, we could not get them out, and they could not defeat the enemy.

Mr. McCARTHY. Is the Senator from Nevada aware of the fact that representatives of the Department of Defense and the Department of State appeared before the investigating subcommittee and, under oath, told us that, so far as they could determine, 467 uniformed men of the United States were still in Red China, unaccounted for? Is the Senator aware of the fact that since that testimony was given—and my guess as to the time of it is that it was about 2 years ago—not one thing has been done, except that this Government designated Dag Hammarskjold to be our Secretary of State to go to Red China and talk with the officials of that government; and that, further, so far as we know, those 467 men are either dead or are in Chinese dungeons? Is the Senator aware of that fact? I assume he is.

Mr. MALONE. I am aware of the fact that several prisoners of war are still confined in foreign countries, unaccounted for.

NATION WILL REGAIN WORLD PRESTIGE WHEN IT ACHIEVES UNQUALIFIED AIR SUPREMACY

I may say further to the distinguished Senator from Wisconsin that I hope this Nation will someday regain its prestige to such an extent that it will have airpower which will be able to dominate any nation on earth which may threaten us; and that when our Nation does have such airpower, we will have guts enough, no matter in what country American personnel are being kept unjustly, simply to send a cable to that government stating that at a certain time an American plane will be over a certain airport—the closest one we know of to those prisoners. If the prisoners are at the airport, the plane will pick them up. If they are not at the airport, we should announce that an entirely different type of airplane will be over that country the next day, and that will be it. Then, of course, the American prisoners will be at the airport.

Mr. McCARTHY. I gather, then, that the Senator will agree with me that neither he nor I nor any other United States Senator can, in good conscience, vote to send American boys to foreign lands unless they carry all the power and prestige of this Nation on their shoulders.

AMERICANS IN UNIFORM ABROAD MUST BE UNDER UNITED STATES PROTECTION

Mr. MALONE. I think that is axiomatic. Wherever we send our men on errands for this Nation, whether they wear the uniform or not, they must be under our protection. Whenever it is suspected, or, as now confirmed, that we will do nothing to assist them, no matter what happens to them, we will find ourselves just so long in the position we are now in. The foreign countries will keep our personnel prisoners; they will abuse our civilians; they will confiscate our property wherever they desire to do so.

Until we return to the position that this Nation occupied for almost 150 years, that condition will prevail. But we can return to that position.

Mr. McCARTHY. I have one final question. I do not wish to take up all the Senator's time.

Mr. MALONE. I am very happy to have the Senator's questions.

Mr. McCARTHY. I assume the Senator agrees with me that unless we are prepared to use all our military and economic force to rescue any uniformed American man or woman who is held illegally by a foreign country we should not vote to send our personnel there.

Perhaps we should take a page from the book of Teddy Roosevelt. As the Senator will recall, in 1904, when Theodore Roosevelt was President, Moroccan bandits were active. One of the Moroccan bandits, named Raisuli, captured Tangier and seized several foreigners whom he held for ransom.

One of the prisoners was a man named Ion H. Perdicaris, a native of Greece, who had become a naturalized citizen of the United States.

In those days, the United States had some national honor. Teddy Roosevelt, through Secretary of State John Hay, sent what is perhaps the shortest message ever sent in diplomatic history. It read thus:

Perdicaris alive or Raisuli dead.

Will the Senator agree with me that if we would tear a page from the book of Teddy Roosevelt, perhaps we would not be plagued with the imprisonment of young Americans in foreign lands, as is now the case?

Mr. MALONE. I think the Senator is entirely correct. I want to make one comment in addition to that statement.

AIRPOWER IN WORLD WAR III WILL BE AT SONIC SPEED

If we were preparing for world war III, instead of fighting the other wars over again, we would not have a war. But I say to the distinguished Senator from Wisconsin that world war III will be fought with long-range, sonic-speed bombers; with sonic-speed fighters and interceptors; with guided missiles; with undersea atomic-energy-powered submarine, which can emerge from their positions under the Arctic ice, and can launch guided missiles, in the event of attack; and with radar missiles entirely surrounding the Western Hemisphere.

MALONE SAYS ARMED SERVICES WASTING $15 BILLION YEARLY BY NOT CONCENTRATING AIRPOWER

The Western Hemisphere can be defended from North America. The question whether guided missiles will supersede long-range bombers—and all indications are that at a future time they will supersede them—must be answered by our military strategists. That is what they should do, instead of arguing about which branch of the services is to do the job. Yet today that argument is going on; and, as a result, $15 billion is being wasted each year, with five Air Corps—the Air Corps, the Navy Air Corps, the Army Air Corps, the Marine Air Corps, and the Coast Guard Air Corps.

Last year I made a threat, and I may still carry it out, that if the United States were silly enough to continue to have 5 Air Corps, with each one competing with the others as to which should be in charge—and, Mr. President, after all, all of them admit that air superiority is what prevents war, or, if war develops, is what will win the war; but the argument is over who will run the Air Corps—I would introduce a bill to create a Field Artillery Air Corps. The Field Artillery is the branch of the service I was in during World War I, and I see no reason why at this late date we should not have a Field Artillery Air Corps, too, if there are to be the other five Air Corps.

PATTERN OF PERPETUAL FOREIGN AID CITED

Mr. President, I desire to read further from the CONGRESSIONAL RECORD, volume 95, part 7, page 9254.

As time goes on—

That was when the Senate had before it the great North Atlantic Pact, the pact which was supposed to stop war or to stop the threat of war. We were told that all we had to do was to keep on appropriating money for the nations participating in the North Atlantic Pact. However, that is not what the administration said at that time. It then said that the current appropriation would be sufficient. Of course, it only followed the gift-loan to England of $3,750,000,000. It was supposed to cure all the ills of Europe, as the distinguished Presiding Officer of the Senate [Mr. LAUSCHE] will remember. Nothing was said then about more money which had to come after that gift-loan was made.

But then came the Marshall plan, and then the name was changed to ECA, and afterwards the name was changed about three times more. I do not know what name will be given to the $4,500,000,000 or $5,000,000,000 which will be suggested for the next fiscal year.

SENATOR REPEATS 1949 ANALYSIS OF COLONIALISM

But this is what the senior Senator from Nevada stated on July 12, 1949:

As time goes on the aggressive Communist tide will tend to recede, just as the onrushing Moslem tide receded during the Middle Ages.

The people under Soviet control will trend more and more toward an effort to regain their liberties and to evolve a system by which they can live in common dignity and material security, which, of course, is the core of our own vision.

As time goes on the present tense situation will tend to relax and it will certainly calm down in the distant future if we are able to hold fast and reorganize the non-Soviet world so that it can function in today's terms while reducing the present attractive opportunities for Soviet expansion.

AN OUTMODED FEUDAL WORLD

We know that the feudal world of Europe, Asia, and Africa—made up of petty kings, strong-arm despots, and colonial landlords—can no longer survive the conditions imposed by a scientific world.

We know that the colonial landlords of England, France, the Netherlands, and Belgium can no longer keep their serfs deindustrialized in an industrial world and producing only raw materials to be shipped to the master nation in return for which they are forced to buy the necessary manufactured and processed articles to cover their backs and to secure the necessary tools and implements to eke out a bare existence.

We know that some of these landlord nations have lived off the colonial areas of the Near East and the South Seas for more than 300 years.

We know all these things. Yet by our every action, through our national and international hybrid policies and programs, we seek to perpetuate these very European, Asiatic, and African feudal and nationalistic states, many of them living off the colonial countries and areas producing wool, meats, cotton, minerals, and many other products, including manufactured goods, with what amounts to slave or indentured labor in Africa, Asia, and the South Seas, which is intended to compete on even terms—through our free trade policies—with our own workingmen.

This type of a slave labor pool is only a step away from the Russian methods in their forced labor mining, manufacturing, and agricultural areas.

The North Atlantic Pact is simply another step down the road of guaranteeing the status quo in international affairs and holding in subjection the colonial peoples of these areas.

UNITED STATES TAXPAYERS' DOLLARS PRESERVING COLONIALISM IN SOME AREAS OF WORLD

So, Mr. President, as I asked a few moments ago, how do we choose between colonial areas? We say that, by means of the expenditure of the money of the United States taxpayers, we are trying to stop colonialism in one area of the world. However, by the use of the money of the same United States taxpayers, we are trying to perpetuate colonialism in other areas; and we are doing so today.

PRO-EUROPEAN PROGRAM DETAILED

During the debate in the Senate on July 12, 1949, I also said:

The long-range five-part program has been presented to the Congress and to the Senate by the President of the United States to correct the European problems, each as an emergency in its own right; however, taken together they include and interlock the national and international economy. The five-part program includes:

First. The North Atlantic Pact, which was not the first proposal made, but which is before us today. It would have the effect:

A. To guarantee the integrity of the colonial system of all Asia, Africa and Europe, thus extending the political and economic control of France's Indochina, New Caledonia, French West Africa and Morocco;

By the way, Mr. President, some of these areas have already gotten out from under that control—

England's Singapore and Malayan States, East Africa and the Sudan country, South Africa, North Ireland, and many other areas; the Netherlands, Indonesia, and Belgian Congo in Africa.

B. Adding to the power and obligations of the Congress to later pass laws to discharge such obligations of the treaty, under the provisions of article 1, section 8, of the Constitution which automatically become the law of the land upon the approval of such treaty by a two-thirds vote of the United States Senate—and which takes no account of the absence of action of the House in incurring such future obligations, including the implied immediate and automatic declaration of war or other suitable action.

* * * * *

C. It abrogates the 173-year-old right of the United States Congress to alone decide when our ultimate security and safety is threatened, and provides that when the safety of any one of the signatories to the pact is threatened, we are automatically to consider our own safety in danger, regardless of the circumstances or of any independent judgment of our own.

Second. Appropriations to make up the "trade balance" deficits of the European nations each year in cash, currently labeled the ECA, under which our chief export is cash.

That was in 1949, Mr. President.

I read further from my speech on July 12, 1949:

Third. The 3-year extension of the 1934 Trade Agreements Act under which the State Department has adopted a selective free-trade policy of lowering the tariffs and import fees below the differential between the cost of production in this country and that of our foreign competitors, on each particular product, on the theory that the more they divide our markets with the nations of the world, the less their annual trade-balance deficits will be.

Fourth. Approval by the Congress of the International Trade Organization, under which 58 nations with 58 votes, each nation with 1 vote, we would have the same vote as Siam, would meet at least once each year, and would distribute among themselves the remaining production and markets of the world, eventually on a basis of population—we assign to this organization all of our right to fix tariffs or import fees.

ITO, REJECTED IN 1951, IS REVIVED UNDER NEW LABEL

In 1951 the International Trade Organization proposal was brought up in the Senate, was considered by committees, and was rejected by the Senate. All it proposed to do was exactly what I have just read, on a permanent basis.

Last year, to start with, the Senate had before it the proposal on the Organization for Trade Cooperation. It was defeated last year in committee. This year it is before us again. It is exactly the same International Trade Organization. What is the proposal? To make permanent the General Agreement on Tariffs and Trade, with headquarters in Geneva, Switzerland, sitting there with 35 members. I predicted that, if we ever approved it, GATT would have 58 members or more. It will. But we have not yet approved the General Agreement on Tariffs and Trade.

Secretary Dulles testified before the Senate Finance Committee, when the 1934 Trade Agreements Act was before it for extension in 1955, that the administration had all the authority it needed, under the 1934 Trade Agreements Act as extended, to permit us to agree to join the General Agreement on Tariffs and Trade, at Geneva, and fix the regulation of our foreign trade and general economy at Geneva, with 35 nations as members, under which we would have one vote. He testified to that particular fact under my questioning. It should scare a Senator half to death, but I saw no great commotion. I think we are getting closer to it.

OTC'S PURPOSE IS TO DIVIDE WEALTH OF THIS NATION, COULD SIT IN MOSCOW OR PEIPING, CHINA

If we do not defeat the proposal for the Organization for Trade Cooperation this year, we shall be in it permanently, and it will not be necessary to extend the Trade Agreements Act when it expires in 1958. If we do not pass it, we shall have the Trade Agreements Act up for extension in June 1958. The proponents never let up. This is a worldwide organization banging on the door. If we shut the door, they come in through the window. If we shut the window, they come in through the cellar door. They never quit. The purpose is a division of the wealth of the United States of America. That organization is sitting at Geneva. If that can be done at Geneva, it can be done in Moscow, and it may be done there. It can be done in Peiping. The purpose, I repeat, is a division of our wealth.

Mr. President, we are sitting in a poker game, the kind that can be found in almost any little town where 4 or 5 players work together until the "live" one comes in, just out of the mines or off the farm, with a pocket full of money. The 4 or 5 get him into the game. If he does not get in, there is no poker game. If he does, the game lasts until his money is divided between them, and then the game is over. If we withdrew from Geneva, there would be no Geneva, because we have only markets on the list where a person can put 10 cents on the line and buy chewing gum.

FOREIGN NATIONS USE PERMIT SYSTEMS, JUGGLE EXCHANGE TO AVOID GATT RULES

Furthermore, in the General Agreements on Tariffs and Trade there are provisions in effect so that any nation having trouble with its foreign exchange need not abide by the rules. We are the only ones who are not in trouble, so we are the only ones who abide by the rules. How do the others avoid abiding by the rules? By the manipulation of their money values in terms of dollars. They avoid the rules by a permit system with respect to imports and exports and a permit system for exchange.

So if they are not able to manipulate their money or manipulate their imports, then we have to get a permit to ship our products inside their borders. By that time, one who has been hopeful of shipping his products into the country will be pretty well played out. Then he finds he has to get an exchange permit, in order to exchange our money for the money of the other country. If they do not want the products there, he never gets the permit.

Mr. President, I read further from the July 1949, debate on the North Atlantic Treaty. I said:

Mr. President, the problem is not so difficult and complicated as the administration's propaganda machine would have us believe. It can be aproached through a workable American policy which will protect our economy both on the domestic and foreign front while we are working toward a single world community, whose purposes would be controlled by organic law.

As I see it, this American policy must include:

First. An immediate withdrawal from our present commitments to the British Empire objectives and a firm demand for the consolidation into a federation of states—a United States of Europe——

PROPOSED EUROPEAN COMMON MARKET NO MENACE BECAUSE COUNTRIES HAVE SAME LIVING STANDARDS

I think we have heard a little something lately about a proposed common market of states in Europe, where they would write their own tariffs and trade with each other. The wage living standards in those countries are about the same. Therefore, there would be no more danger and no more commotion connected with the formation of such a federation than there was in forming a federation of the United States.

In 1949, and practically every year since that time, the senior Senator from Nevada has proposed that a United States of Europe be the first consideration, and that any aid given to European countries be dependent upon a proposal to have a United States of Europe. If there were a United States of Europe it could be a power, but those countries do not buy each other's goods. Italy cannot sell its oranges in France and England. Other nations cannot sell what they have to sell to neighboring nations.

HOW WE WERE PROPELLED INTO EUROPE'S TRADE WARS

In 1917 we went to war. Our President at that time, Mr. Wilson, was the one who had kept us out of war until he was reelected. That is becoming a habit, I am sorry to say. Every one of our wars since then has gotten into that way, and we are working toward one now, if we continue to pursue the course we are now following.

Mr. Roosevelt said that if we allowed Germany to control Europe, we would be the next victim, and that we certainly had to protect many of the nations across major oceans, in order to be able to get critical materials, without which we could not wage a war or live in peace. Both of those statements were as phony as a $3 bill, I am sorry to say, but we are coming to the point where we are following that policy. Mr. Roosevelt finally said that our frontline was on the Rhine.

What we actually did in 1917 was to join in a 40-year trade war between Germany and England, and we utterly destroyed the only nation in Europe that could hold Russia in check.

FAILURE IN KOREAN CONFLICT TO BOMB MANCHURIA DEPLORED

There is no use in reviewing what Mr. Truman did. Mr. Truman was still running for President, the last I heard. I think he did not even realize that he had been President. He had a war in Korea. What for, no one can determine right now. We could have kept the Chinese in check by turning General LeMay loose to bomb one industry in Manchuria. The Chinese would have known about it the next morning, because they would not have been able to eat or fight. We did not do that. We rushed our boys up and down the snowy hillsides, fighting Chinamen with bayonets.

Mr. President, in a foot of snow with a bayonet, an American is not much better than a Chinaman. There are many ways we can whip them, but that is not one of them, because the Chinese want to kill 50 million of their fellows so they can feed the rest. There are 500 million of them.

FREE TRADE PROMOTED DEPENDENCY ON FOREIGN NATIONS FOR CRITICAL MATERIAL

If each of our boys got 10 of them, we would be out of boys, and they would be just starting to eat regularly. So when people did not like it very well, some of the State Department folk said it was worth it to get the tungsten. We fought for the privilege of paying $60 to $70 a unit for tungsten, of which we have more in the United States than we can use in the next 500 years. But because of a 20-year policy of free trade, in which we competed with the wages of Korea and the wages of North Africa, we were not producing any critical materials in this country. It took 20 long years to rub them out, but they were rubbed out.

During World War I, I was consulting engineer to the Senate Military Affairs Committee and the Secretary of War with respect to critical materials and the examination of military establishments. So I know whereof I speak. We produced all the tungsten we needed after our mines got back into operation during World War II. Immediately following that war, our production was stopped cold by the low-wage countries of the world.

TEXTILES, CROCKERY AMONG MANY INDUSTRIES DAMAGED BY FREE TRADE

Tungsten is only one commodity. We are doing the same thing with respect to many other commodities—for example, textiles in the State of the present occupant of the chair [Mr. LAUSCHE]. The crockery industry is closed down, because it could not compete with the $1 labor and $2 labor employed by its foreign competitors. There is not a crockery concern in the State of Ohio operating today. If there is, it is doing so to keep the boys employed.

That is only 1 out of 5,000 products, every one of which can be produced cheaper in a low-wage country with our machinery and our know-how, and brought back to this country and sold at prices below what we can produce them for here and allow the workingman to live decently, on the standard of living and wages which prevail in the United States.

What is happening in Japan and in Africa? American capital has gone there and bought plants. I do not blame the Americans who have spent $30 billion so as to be able to use cheap labor and to send the products here, while we are living on a war economy, and are afraid to stop because we fear the toughest depression the world has ever seen. I blame Congress which makes such a thing profitable.

CONSTITUTION DECLARES CONGRESS SHALL REGULATE FOREIGN TRADE, NOT GATT

The Constitution of the United States says that the Congress—and the Senate is one body of the Congress—shall regulate foreign trade and the national economy. It does not say that 34 foreign nations in Geneva, Switzerland, shall regulate our foreign trade and national economy, and divide our markets among them. I have never read that in the Constitution of the United States. But in 1934 the Congress, including this great body, voted for such a plan for 3 years, to meet an emergency. Every 3 years it has been extended. I believe that one time I succeeded in committee in having the extension limited to 1 year. But in 1955 it was extended for 3 more years. It will expire in June 1958.

There is always before us the danger that there will come in the window a proposal to make the plan permanent, so that no such extensions will be required.

NEW PROPOSALS AS ABSURD AS THAT OF GATT—OTC

If the people of the United States knew what the Congress has done to them in 24 years, they would move on Washington. They would not wait for an election. What did we do in those 24 years? I have just explained what we moved to Switzerland. The latest thing is a proposal to transfer to the President the power to make war, and to vote that authority away from the Congress, on the excuse that we are going to have peace if only the executive can declare war, and can give all the money any nation asks for, and protect the sovereignty of any nation in the Middle East that asks for such protection.

I have been in many of those countries. I was in Lithuania. It is no bigger than Nye County, Nev. But we can go there and protect their sovereignty and give them money. I have been in every nation in the world. As I stated earlier in my remarks, I had to see all our star boarders, so I have just finished the job and have seen the rest of them.

If we were to turn loose the little nations in the Balkans and in Central Asia, they could not make a living. Austria could not make a living and pay the obligations she has agreed to pay Russia. When one moves from one of those little nations to another, if he goes by car, he accomplishes the journey in 3 or 4 hours, from one capital to the next. If he goes by plane, it is like going from Reno to Tonopah, Nev. He goes up, and almost immediately he goes down again.

LITTLE NATIONS OF EUROPE ALWAYS UNDER THREAT OF GREAT AND GREEDY POWERS

Apparently we believe that those nations are nations like the United States, able, within themselves to make a living. It is impossible. For 2,000 years they have been between Germany, Russia, and Turkey. Even Sweden dominated Finland for a long time. I did not know that until I went to Finland. I had always thought the Swedes were a peaceful people. Poland once occupied Moscow. They have all occupied one another. But in the case of the little nations between Germany, Russia, and Turkey, turning one of them loose would be like turning a minnow loose in a pond full of big catfish. It would be only a question of which one got him.

PERPETUAL FOREIGN AID MEANS INTERNATIONAL SOCIALISM

What do we mean when we say we are going to liberate them? We are going to agree to protect them in perpetuity, and feed them in perpetuity. That is all it amounts to. This scheme, started by the great Atlantic Pact, is a grandiose internationalist socialist system for the division of our wealth.

I have been in a great many States besides my own, and the taxpayers are becoming tired of it. In 1954 a report was made by the Committee on Interior and Insular Affairs, and the Senate printed that report as Senate Report 1627. From President Wilson on, every President had always said that we did not have the necessary critical materials and minerals, such as manganese, tungsten, molybdenum, fluorspar, and perhaps 15 or 20 other materials.

I came to the Senate in 1947. I had been in the engineering business for 37 years. I knew that statement was not true, but I could not prove it with certainty and support my view. I had to come to this great body in order to participate in the report, from which I am about to quote. The testimony occupied 10 volumes, and the report, which is a digest of the 10 volumes of hearings, occupied 1 volume.

FINDINGS IN SENATE REPORT NO. 1627 GIVEN

We determined "the accessibility of the critical raw materials to the United States during a time of war," and recommended, according to the resolution, "methods of encouraging the production of the critical war materials adequate for the expanding economy and the security of the United States." That statement will be found on page 1 of the report, which was submitted on July 9, 1954. It is Report No. 1627, of the 83d Congress.

In those committee recommendations, Mr. President, we say:

1. We recommend the closest cooperation among the nations of the Western Hemisphere, which is the only dependable source of the necessary critical materials in time of war. This area can be defended and can be made self-sufficient in the production of such materials. We recommend that the spirit of the 130-year-old Monroe Doctrine prevail in our relations with the nations of the Western Hemisphere.

2. We recommend that Congress insure that the regulation of foreign trade conforms to the principles thus laid down in article I, section 8 of the Constitution, thus assuring the American workers and investors equal access to American markets.

Is it not necessary that that be done when they are in direct competition with every low-wage nation in the world through the 1934 Trade Agreements Act? That is in direct contravention of the Constitution of the United States in article I, section 8, which provides that Congress shall regulate foreign trade.

NEW SENATE REPORT NO. 83 SUPPLEMENTS PRIOR WORK OF COMMITTEE

Mr. President, in the 84th Congress, Senate Document 83 was submitted on July 28th. That was a year later. It is available to all Senators. It was prepared by the same committee, and is in the nature of a supplement. What does it show? What was the objective? The objective was to determine how best this hemisphere could be made self-sufficient in the production of the critical materials without which this Nation cannot fight a war or live in peace.

CONCLUSIONS IN SENATE REPORT NO. 83 STATED

As chairman of the Minerals, Materials, and Fuels Subcommittee, I said, in my letter of submittal to the chairman of the committee:

The basis for normal world trade relations was destroyed when the nations of the world, in 1931, embarked upon a financial falsefront campaign through the simple expedient of destroying the only common standards of value that money ever had—gold and silver. Most foreign nations immediately proceeded to manipulate the price of their money in terms of the dollar for trade advantage.

Now I turn to page 1 to the "Introduction," and read:

The manipulation of the value of their currencies in terms of the United States dollar, of the permit system for imports and exports, foreign exchange, and the use of multiple currencies for trade advantage forms the basic roadblock to normal trade and the interchange of investments.

Mr. President, that applies to every nation in Europe and Asia, so far as we are concerned. Then we say in the introduction:

Alarming as it may be to American citizens, the United States appears to be the only nation in the Western Hemisphere where the investors and workingmen are not adequately protected by a duty or tariff on imports to equalize the wages and the cost of doing business here and abroad.

There again, Mr. President, that applies to every European nation and every Asiatic nation, to which we are sending our money and sending our soldiers and with which we are signing compacts for their protection.

HONEST CURRENCY EXCHANGE AND FREE CONVERTIBILITY RECOMMENDED

On page 3, under "Recommendations," we say:

A major barrier to legitimate trade and business relations between countries is the longtime practice of sovereign nations to engage in multiple exchange rates and other subterfuges for trade advantage. Common honesty and integrity among sovereign nations in currency exchange is the first ingredient for sound business and trade relations.

Mr. President, today there are not more than two nations in the world who have integrity in their money systems in relation to the United States of America.

We then say in recommendation No. 2:

We recommend convertibility of all currencies of the nations in the Western Hemisphere on the basis of their respective free exchange market values.

For a century the nations had learned that they had to have integrity in their exchange systems with reference to their currencies, and as their currencies related to the currencies of other nations, and they had to make up the difference in one standard, which was gold.

GOLD STANDARD ABANDONED IN 1933; REPLACED BY PRINTING PRESS MONEY

However, in 1933, the nations went off the gold standard. We went off that standard, along with the other countries of the world. From then on we have been printing a great deal of money, just as fast as Congress could appropriate it; and that has been pretty fast. Since then nations have not had to be answerable to anyone, because there was no basis of value as to that paper money. Starting then, at that time, the nations of the world forgot their integrity with reference to money. Every one of the countries assumed that all it had to do was to manipulate the value of its money in terms of the dollar. Then we in the Senate would make up the difference. If a country does not want to import an article, it raises the value of its currency in terms of the dollar, and makes a profit. If it wants to import it, it lowers the value of its currency in terms of the dollar. Then it uses the other manipulations, such as import-export permits, and exchange permits.

EUROPEANS LONG EXPERIENCED IN MANIPULATING FOREIGN TRADE

The people of Europe and of Asia have lived for 200 years from their knowledge of foreign trade. We may learn it sometime. But up to now we have not learned it. We have not exhibited any knowledge as to what the effect is of the manipulations of the currency and what are the rules of the game we have agreed to play at Geneva.

Then we recommend in the report, which is in the nature of a supplement to Senate Report 1627 of the 83d Congress:

We recommend that the United States return to the constitutional method of adjusting duties or tariffs in the regulation of foreign trade and in the interest of the national economy—article I, section 8 of the Constitution.

AMERICAN REPUBLICS AND DOMINIONS LISTED

Mr. President, I should like to make the RECORD at this time, and I ask unanimous consent to have printed in the RECORD the names of the American republics and dominions—42 of them—that make up the Western Hemisphere.

There being no objection, the excerpt from Senate Document 83, 84th Congress, 1st session, was ordered to be printed in the RECORD, as follows:

American Republics: (1) Argentina, (2) Bolivia, (3) Brazil, (4), Chile, (5) Colombia, (6) Costa Rica, (7) Cuba, (8) Dominican Republic, (9) Ecuador, (10) El Salvador, (11) Guatemala, (12) Haiti, (13) Honduras, (14) Mexico, (15) Nicaragua, (16) Panama, (17) Paraguay, (18) Peru, (19) United States of America, (20) Uruguay, (21), Venezuela. Dominion: (22) Canada.

European colonies: British: (23) Bahamas, (24) Barbados, (25) Bermuda, (26) British Guiana, (27) British Honduras, (28) Jamaica, (29) Leeward Islands, (30) Trinidad and Tobago, (31) Windward Islands. Netherlands: (32) Surinam, (33) Curacao, (34) Bonaire, (35) Aruba, (36) St. Martin, (37) St. Eustatious, (38) Saba. Danish: (39) Greenland. France: (40) French Guiana, (41) Guadaloupe, (42) Martinique.

STRATEGIC AND CRITICAL MATERIALS LISTED

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the list of strategic and critical materials found on pages 7 and 8 of the Senate document to which I have just referred.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

STRATEGIC AND CRITICAL MATERIALS

GROUP I

Minerals

Abrasive crude aluminum oxide; aluminum; antimony; asbestos, amosite; asbestos, chrysotile; asbestos, crocidolite; bauxite, metal grade, bauxite, refractory grade; beryl; bismuth; cadmium; celestite; chromite, chemical grade; chromite, metallurgical grade; chromite, refractory grade; cobalt; columbite, copper, corundum, diamonds, industrial; fluorspar, acid grade; fluorspar, metallurgical grade; graphite, amorphous lump; graphite, crucible grade; graphite, lubricant and packing grade; kyanite; lead; magnesium; manganese ore, battery grade; manganese ore, chemical grade; manganese ore, metallurgical grade; mercury, mica, muscovite block, good stained and better; mica, muscovite block, stained (radio tube quality); mica, muscovite film; mica muscovite splitting; mica, phlogopite splitting; molybdenum; nickel, petroleum; platinum group metals, iridium; platinum group metals, platinum; quartz crystals; rare earths; selenium; tin; titanium; tungsten; vanadium; zinc, uranium; and thorium.

Nonminerals

Bristles, hog; castor oil; coconut oil; cordage fibers, abaca; cordage fibers, sisal; cotton, extra long staple; feathers and down, waterfowl; hyoscine; iodine; jewel bearings, instrument jewel except vee jewels; jewel bearings, sapphire and ruby vee jewels; jewel bearings, watch and timing-device jewels; opium; palm oil; pyrethrum; quinidine; quinine; rubber, crude natural; sapphire and ruby; shellac; silk; talc, steatite, block; sperm oil; vegetable tannin extract, chestnut; vegetable tannin extract, quebracho; and vegetable tannin extract, wattle.

GROUP II

Minerals

Bauxite, abrasive; cryolite, natural; graphite, crystalline fines; ilmenite; mica muscovite block, stained and lower; mica, phlogopite block; platinum group metals, osmium; platinum group metals, palladium; platinum group metals, rhodium; platinum group metals, ruthenium; rutile, zirconium ore, baddeleyite; and zirconium ore, zircon.

Nonminerals

Agar; cotton; diamond dies; emetine; optical glass; talc, steatite, ground; and wool.

Mr. MALONE. Mr. President, for 20 years it had been maintained by the Department of the Interior and by our administrations that these materials were not available in the United States and that we must buy them from foreign countries across major oceans.

FOREIGN CURRENCY MANIPULATION DETAILED

With respect to the manipulation of currency values for trade advantages, we say in the report:

After several centuries of complete realization by nations and international traders that money exchange and international trade must be based upon the gold or silver content or the free exchange market value of the nations' currencies—but in 1931 the world embarked upon a financial false-front campaign through the simple expedient of destroying the only common standards of value that money ever had—gold and silver. We followed England off the hard money standard in 1934.

Within a nation, money or the medium of internal exchange is worth whatever that nation stamps upon the paper or metal. The price level of its goods will reflect relative domestic value.

However, whenever that nation, or a citizen thereof, offers such money to another nation or a citizen of another nation in exchange for goods or money of that other nation—it is necessary to offer value for value, either in gold or silver content, or the free and uncontrolled exchange markets of the world.

When any nation then arbitrarily fixes the value of its money in American dollars higher than the world-exchange free market value, or the gold or silver content, no nation or trader will pay the fictitious value so there immediately develops what London bankers were quick to term a "dollar shortage," to cover the false-front value of their currency.

This dollar shortage obtains unless and until either an outside source such as the American taxpayer makes up the difference, or the fixed value is ignored and the relative value on the world-exchange free market is adopted.

The United States has been drawn into a maze of world organizations all persuasive to making up that difference in the real and false values of foreign currencies through the World Bank, the Export-Import Bank, the International Cooperation Administration, or through direct appropriations by the Congress.

Boiled down this is international socialism at its worst—an averaging and leveling of the standards of living of the world through a division of our wealth.

Our living standards being the highest in the world, there is no place for us to go, under this share-and-share-alike system, but down.

This desire on the part of the rest of the world is natural. This desire on our part is incredibly stupid.

THE HARRY DEXTER WHITE TIE-IN WITH MINERALS POLICIES

While I am on the subject, Mr. President, let me say that on page 371 of Senate Report No. 1627, 83d Congress, there will be found a very interesting document which my committee obtained from Princeton University, after talking to the president and librarian of that university. It is a memorandum from Harry Dexter White to Secretary of the Treasury Morgenthau. It contains a very interesting table in which Mr. White estimated the reserves of several of the materials without which we could not fight a war. So he suggested that we loan $5 billion to Russia to buy these materials so it could furnish these critical materials to the United States.

The table is at the top of page 371 of the document which I have just mentioned. The table is as follows:

Reserve domestic supplies

	On basis of our 1938 domestic consumption	On basis of our current consumption 1943
Petroleum	16 years' supply	13 years' supply.
Manganese	9 years' supply	3 years' supply.
Tungsten	23 years' supply	Do.
Zinc	17 years' supply	8 years' supply.
Lead	7 years' supply	6 years' supply.
Chrome	No record	Less than 1 year's supply.
Mercury	3 years' supply	2 years' supply.

HARRY DEXTER WHITE MEMORANDUM QUOTED IN PART

As to tungsten, Mr. President, we have enough in the United States to last this country 500 years—probably longer than that.

But Mr. White suggested that we loan Russia $5 billion to buy these materials. He went on to say:

The U. S. S. R. is richly provided with a wide range of strategic raw materials, including metals, minerals, timber, and petroleum, but the unequal degrees to which these have been developed will limit the number and volume that may be available for export in the immediate post war years.

* * * * *

It therefore appears that a financial agreement whereby the United States would extend a credit of $5 billion to the U. S. S. R. for the purchase of industrial and agricultural products over a 5-year period, to be repaid in full over a 30-year period.

I shall later ask that enough of this report be included in the RECORD so that it can be thoroughly understood.

SENATOR REPEATS CONVERSATION WITH RUSSIA'S BULGANIN

But, first, I wish to say that in my talk with Mr. Bulganin in his office on my inspection tour of Russia—I met him several times at cocktail parties, together with several other top leaders—I said to him, "Mr. Bulganin, we do not like your method of government, and you do not like ours. That is a good starting point."

He said, "We wrote you off several years ago, but we may get around to your grandsons."

Someone suggested that we might trade agricultural products for manganese. I said, "Mr. Bulganin, we do not need your manganese. We might use some of it under certain conditions, but we would not want to become dependent on you for it."

We are now preparing a report on the Eastern Hemisphere which will include an economic setup of each of those nations, just as we have already done with the Western Hemisphere, so that the basis on which they trade with us will be known. It is not going to be very nice.

Mr. President, I ask unanimous consent to include the Harry Dexter White memorandum, which was obtained from Princeton University Library and filed with the Treasury Department. It appears at pages 370, 371, and 372 of Senate Report No. 1627.

HARRY DEXTER WHITE'S COMPLETE MEMORANDUM ON MINERALS, AID TO RUSSIA

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

APPENDIX IV

HARRY DEXTER WHITE MEMORANDUMS OBTAINED FROM PRINCETON UNIVERSITY LIBRARY AND FILES OF TREASURY DEPARTMENT

MARCH 7, 1944.

Subject: Proposed United States Loan to the U. S. S. R.
To: Secretary Morgenthau.
From: Mr. White.

The following memorandum is in reference to your request that the feasibility of the extension of a large credit to the U. S. S. R. in exchange for needed strategic raw materials be explored. Your opinion that such an arrangement might well be feasible appears to us to be supported by our study of the possibilities.

1. Recent confidential reports on our raw material resources prepared for the Under Secretary of Interior disclose an increasing dependence of the United States on foreign

sources of supply for strategic raw materials because domestic reserves have been seriously diminished or virtually depleted.

2. The following table indicates the extent of United States current reserve supplies for some important strategic materials which can be produced in quantity in the U. S. S. R., in terms of pre-war and current-war domestic requirements:

Reserve domestic supplies

	On basis of our 1938 domestic consumption	On basis of our current consumption 1943
Petroleum	16 years' supply	13 years' supply.
Manganese	9 years' supply	3 years' supply.
Tungsten	23 years' supply	Do.
Zinc	17 years' supply	8 years' supply.
Lead	7 years' supply	6 years' supply.
Chrome	No record	Less than 1 year's supply.
Mercury	3 years' supply	2 years' supply.

3. It is evident from the above table that, although our domestic reserves of petroleum, tungsten, and zinc may suffice to meet consumption requirements for the next decade, they will be almost entirely dissipated by the end of that period; in the case of manganese, chrome, mercury, and lead our resources are too limited to satisfy even probable domestic requirements of the next 10 years. The number of strategic materials for which our reserves are very low and which can be produced in the U. S. S. R. is greater than indicated above, and includes platinum, vanadium, graphite, and mica.

4. Although our reserves of strategic materials could be somewhat expanded, given an increase in price to make possible further development of marginal resources, the necessity of growing United States dependence on foreign sources of supply in order to satisfy anticipated postwar industrial requirements and to maintain adequate security reserves, is inescapable. (See attachment I for complete table on United States metal reserves.)

U. S. S. R. UNTAPPED RAW MATERIALS RESERVOIR

1. The U. S. S. R. is richly provided with a wide range of strategic raw materials, including metals, minerals, timber, and petroleum, but the unequal degrees to which these have been developed will limit the number and volume that may be available for export in the immediate postwar years.

2. Rapid economic reconstruction and expanded resources development could greatly enhance the export surplus of the U. S. S. R., could sustain large scale exports of metal and metallic ores, petroleum, and timber at an average annual value of at least $500 million, not including exports of other materials such as furs and semimanufactures.

3. It therefore appears that a financial agreement whereby the United States would extend a credit of $5 billion to the U. S. S. R. for the purchase of industrial and agricultural products over a 5-year period, to be repaid in full over a 30-year period, chiefly in form of raw material exports, would not only be advantageous to the United States, as well as helpful to the U. S. S. R. but would be within the limits of feasible trade between the two countries, since the amount we would wish to purchase would be in excess of the repayment which the U. S. S. R. would be required to make under the proposed loan terms. (See attachment II for suggested terms of U. S. S. R. repayment for United States credits.)

IS THE PROPOSED FINANCIAL AGREEMENT PRACTICAL AND DESIRABLE?

The proposed financial agreement appears practical because:

1. The prewar restricted pattern of trade should not be used to define the potentials of postwar trade between the United States and U. S. S. R. since both economies have been fundamentally restructured by the war. In both the United States and U. S. S. R. the accelerated expansion of production capacity and national output which has been achieved during the last 3 years indicates the new and larger dimensions which foreign trade can assume in both economies in the postwar period. (See attachment III for a summary of United States-U. S. S. R. trade relations during the interwar period 1918–38.)

(a) The low level of prewar international trade relations were both a symptom and a cause of deteriorated economic and political international relations. It is realistic to assume that as compared with prewar years a decreasing proportion of expanding Soviet resources will be devoted to war industries, thereby creating an enlarged export potential through the release of resources.

3. Since the U. S. S. R. has completely state-controlled economy, the extent and character of its surpluses and deficits (i. e., imports and exports) are largely determined by planning decisions covering the allocation of manpower, materials and equipment, it will be possible for the United States to influence the Soviet pattern of anticipated national surpluses and deficits.

4. If United States trade plans are premised on an expanded volume of trade and a correlative increase of United States import requirements, the expansion of trade between the United States and U. S. S. R. need not necessarily involve a reduction in total United States imports from other areas.

The proposed financial agreement appears desirable because:

1. The United States will obtain access to an important source of strategic raw materials which are expected to be in short supply in the United States after the war.

2. The United States will also be assured an important market for its industrial products since the U. S. S. R. represents one of the largest single sources of demand in Europe and is ideally suited to supply us with a large and varied backlog of orders for both producers' and consumers' goods. Such a sustained demand could make an important contribution to the maintenance of full employment during our transition to a peace economy.

3. Moreover, the United States will not only be assured a desirable market because of the anticipated volume of demand the U. S. S. R. will exercise, but because of its superior repayment potential compared with other foreign buyers of American products.

4. An arrangement of this character would provide a sound basis for continued collaboration between the two Governments in the postwar period.

HARRY DEXTER WHITE,
WILLIAM HENRY TAYLOR,
IRVING S. FRIEDMAN,
SONIA GOLD.

Mr. MALONE. Mr. President, Mr. Morgenthau, Secretary of the Treasury at that time, in an undated letter on the letterhead of the Secretary of the Treasury, dated January 10, 1945, sent a memorandum to the President, labeled "Ten Billion Dollar Reconstruction Credit for U. S. S. R." It repeated, almost word for word, what was stated in the report or the memorandum sent to Mr. Morgenthau from Harry Dexter White, who died an acknowledged traitor to this country. I shall not ask that it be included in the RECORD, but it appears in the report from page 372 to page 376.

EFFECTS OF HARRY DEXTER WHITE MEMORANDUM STILL APPARENT

The then President himself, presumably as a result of the two memorandums, repudiated the Buy American Act on July 23, 1946. It received much publicity at the time, and unfortunately many good people still believe that we do not have those materials either in this country or in the Western Hemisphere; that it is necessary for us to obtain those materials from across major oceans.

Right now we are securing eight hundred or nine hundred thousand tons of manganese from India ever year; and India will be on the side of Russia the minute the fighting starts. Those shipments to us would be stopped automatically then; and they could be stopped at any moment during peacetime, just as India stopped the shipment of monazite sands to this country several years ago, when it was under the impression that the United States did not have monazite sands. Well, of course, we did have them.

So we are in the power of those nations in peacetime and can be blackmailed into making more and more agreements.

Of course, in wartime it is impossible to get the material.

Of course, we have laws to punish persons who support the programs of the Harry Dexter Whites and the Alger Hisses, even though Harry Dexter White is dead and Mr. Hiss served a term in our prize penitentiary. But I am certain that such persons do not realize that those are the kinds of programs they are supporting.

Mr. President, many times I have urged on the Senate floor that we revert to the principle of the Monroe Doctrine and extend that doctrine to include those areas in the Atlantic and Pacific which our military strategists say must be defended for the ultimate safety of this Nation.

EXTENSION OF MONROE DOCTRINE LONG URGED BY NEVADA SENATOR

Long before the present Eisenhower doctrine was proposed I suggested that should the Monroe principle be accepted by the administration, it be called the Eisenhower doctrine, simply extending the Monroe Doctrine. This possibility, of course, has now been foreclosed by the advocacy of the proposal now before us, and which differs from the Monroe Doctrine in philosophy and method.

I propose to point out the basic differences between the Monroe Doctrine which has effectively served its purpose in the Western Hemisphere for a century and a quarter, and the doctrine or plan we are now asked to approve, and which is as yet untried and untested.

MONROE DOCTRINE CLEAR, SPECIFIC

Let us see which is positive, clear, and in keeping with the honor and prestige of a great Republic.

"In the wars of the European powers," said Monroe in his message to Congress of December 2, 1823, enunciating the doctrine which bears his name, "in matters relating to themselves we have never taken any part, nor does it comport with our policy so to do."

That statement, of course, holds no longer. Our policy since 1917 has been to involve ourselves in all European wars, and we are committed under the North Atlantic Treaty to involve ourselves in

all future wars that may threaten the sovereignty of any of the NATO signatories. These countries include Iceland, Norway, Denmark, the Netherlands, Belgium, Luxembourg, West Germany, the United Kingdom, France, Italy, Portugal, Algeria, Greece, and Turkey.

Little Iceland caused us quite a lot of fluttering not long ago, when she said she would probably insist that our forces should get out of Iceland. This nation had better look at its cards. Anything which is included in the Western Hemisphere can be defended from North America; and anything within this hemisphere that threatens our security must be taken care of by this Nation in no uncertain terms.

NATO COMMITMENTS CITED

Now here is our commitment to the countries which are signatory to the North Atlantic Treaty, articles 5 and 6.

Article 5 reads:

The parties agree that an armed attack against any one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

The North Atlantic is a meaningless geographic term in this case, as has undoubtedly been noted, because it includes countries which do not touch the Atlantic Ocean at all, but which border on the Mediterranean, north, east, and south. I resume quoting from article 5 of the NATO Treaty:

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

SOVIET PERMANENT U. N. SECURITY COUNCIL MEMBER

I shall refrain at this point from discussing the United Nations Security Council except to remind Senators that Soviet Russia is a permanent member and has a permanent under secretary on the Council.

Soviet Russia's first under secretary on the Council was A. A. Sobolov, the second was Constantin E. Zinchenko, and the present under secretary is Ilya S. Tchernychev. There are other under secretaries, including Dragoslav Protitch, of Yugoslavia, who is the under secretary in charge of the Department of Political and Security Council Affairs. We likewise have an under secretary, the Honorable Ralph J. Bunche, who, like the Russian under secretary, does not head a department.

Any such armed attack upon NATO members and all measures taken as a result thereof shall immediately be reported to the Security Council.

To quote again from article 5 of the NATO treaty, and I presume this report or reports would be equally available to all under secretaries. From then on it is up to the Security Council to take the measures necessary to restore and maintain international peace and security, although it is not unlikely that the peace and security had been broken by one of the Security Council members. That is not all.

COLONIAL SYSTEMS PROTECTED UNDER NATO

We still have article 6 of the NATO treaty which, as I pointed out on the Senate floor when the treaty was under consideration, guarantees the integrity of the colonial systems of old Europe. I quote from it, as follows:

For the purpose of article 5 an armed attack on one or more of the parties is deemed to include an armed attack on the territory of any of the parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any party in Europe, on the islands under the jurisdiction of any party in the North Atlantic area north of the Tropic of Cancer, or on the vessels or aircraft in this area of any of the parties.

MONROE AVOIDED EUROPEAN CONFLICTS

President Monroe in stating the Monroe Doctrine said:

In the wars of the European powers in matters relating to themselves we have never taken any part, nor does it comport with our policy so to do.

That policy has been completely reversed by the present and three previous administrations. From 1917 to 1920 the policy was abandoned in favor of entangling ourselves in European wars. From 1920 to 1933 three Republican administrations adhered to the historic policy of the Nation's founders as enunciated by Washington, Jefferson, and Monroe not to embroil ourselves in Europe's wars, and from 1933 to date we have entangled ourselves in an increasing number of war-breeding pacts and alliances with nations around the world, and now propose to enter into new and distant foreign involvements.

PRESIDENT MONROE QUOTED FURTHER

I shall return to the Monroe Doctrine. President Monroe said further:

It is only when our rights are invaded or seriously menaced that we resent injuries or make preparation for our defense. With the movements in this hemisphere we are, of necessity, more immediately connected, and by causes which must be obvious to all enlightened and impartial observers. The political system of the allied powers is essentially different in this respect from that of America.

It still is, I may interject.

I quote further:

We owe it, therefore, to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

SENATOR ANALYZES MAJOR POINTS OF MONROE DOCTRINE

What did the Monroe Doctrine do, Mr. President?

First, it stated a national policy of nonentanglement in Europe's wars in Europe.

Second, it served notice that if they persisted in waging wars against each other, as they inevitably would do and did, they must keep them out of the Western Hemisphere, and that—war or no war—they would not be permitted to expand their systems on this side of the Atlantic.

Third, it informed the European powers that we had reserved to ourselves all rights of decision as to our course of action in the Western Hemisphere.

Fourth, it stated firmly, and without equivocation, that we were prepared to maintain our rights as a proud, independent, and sovereign Nation, and that we looked to no one to help maintain them for us.

Fifth, we told the countries of Europe, without qualification, that we would not condone their interference with any government in the Western Hemisphere that had obtained its independence; and the Monroe Doctrine included no weaselly proviso that we would act only if one of these invited our intervention. Our Nation then was complete master of its own destiny.

Sixth, President Monroe made no offers of foreign aid to the young, independent governments of the Western Hemisphere which, had such aid been granted, could only have become more tempting targets of European aggression. President Monroe was oldfashioned. Like some of us today, he believed that liberty and freedom are the greatest treasure any country can possess. Impoverished America had fought and won against wealthy Britain. The Latin American countries, poverty-stricken, had fought and won against the stolen riches of imperial Spain. They had fought for independence, that precious intangible which can neither be bought nor sold.

LATIN AMERICAN NATIONS LED BY BOLIVAR, THREW OFF COLONIALISM

Mr. President, at this point let me say that in 1954 I visited every nation in South America. In practically all those countries one sees the statue of Bolivar, the George Washington of South America. The people of South America give Bolivar credit for freeing them from imperial Spain.

Mr. President, you will recall that until Bolivar appeared on the scene in South America, Spain was a great imperial power, with many colonial possessions in South America and elsewhere. Then Bolivar succeeded in separating the countries of South America from Spain. Later, we succeeded in separating Cuba and the Philippines from Spain. Since that time, Spain has been one of the most helpless nations on earth. For 300 years she lived on the means and reputation she had acquired through her colonial system.

Today, the other colonial nations of Europe are doing likewise. They built their empires by means of colonial possessions, from which they squeezed the wealth and the raw materials, paying the workers as low a wage as would permit human existence and forcing the colonies to buy manufactured materials in return. The colonial empires of Europe lived for hundreds of years on that system. But today those former colonial powers have lost their colonies; and now the people of the former colonial powers

cannot eat regularly unless some other nation supports them or provides them with free trade—as the United States is doing today thus enabling those countries to take over our markets. The danger of that situation I need not explain to the distinguished Senator from Ohio [Mr. LAUSCHE] who now is presiding over the Senate.

MONROE DOCTRINE WON RESPECT FOR UNITED STATES; FOREIGN AID ONLY CREATES ANTIPATHY

Mr. President, in all the Monroe Doctrine there is not one word of appeal for the friendship of these Western nations; but there are many words of respect for them. Mr. President, respect, like independence, is not bought with handouts.

Mr. President, I hope that at this time I do not have to explain a matter which I know from personal observation about every one of the European countries to which we have given handouts—namely, that they hate us, and that they will be neutral in any all-out war with Russia. They will have to be. So what are we buying? We are merely postponing the date when a large number of citizens of those European nations must migrate to Africa, Australia, Canada, or some other country, in order to be able to live. That must happen, because for 250 years those European countries have grown and grown on the basis of their colonial systems; and today those European countries have many more people than can eat regularly as a result of what they themselves produce.

MONROE DOCTRINE UNILATERAL—DID NOT REQUIRE COOPERATION

Nor in all the Monroe Doctrine do I find any use of the word "cooperation"—the word which has become so popular under this new policy of entangling our fortunes with those of 42 nations, large and small, around the globe.

The Monroe Doctrine was completely unilateral.

It was aimed directly at the powers of Europe, not at the young governments of Latin America.

It said, in effect: "Europe, stay out."

It did not say to Latin America "Come on, let's all cooperate in trying to keep Europe out."

In fact, it did not ask of Latin America anything at all, which was one way of earning Latin America's respect for us.

DIFFERENCES BETWEEN MONROE DOCTRINE AND PENDING PROPOSAL OUTLINED

Now, let us examine the proposal before us today.

First, it would authorize the United States to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

That is merely an approach to more foreign aid under the fancy label of maintenance of national independence.

Second, it would authorize the Executive to undertake programs of military assistance and cooperation with any nation or group of nations in the area which desires such aid.

Now, what type of deterrent to European powers would the Monroe Doctrine have been had Monroe put in a proviso that we would only consider European intrusion as dangerous to our peace and safety if some government to the south invited our intervention?

SOVIET ATTACK ON UNITED STATES WOULD NOT BE THROUGH EUROPE BUT OVER NORTH POLE

Mr. President, as I said earlier today, the Western Hemisphere can be made self-sufficient in everything we need for war or peace, and it can be defended from North America. If Russia attacks us, it will not be through Europe or Asia; it will be over the North Pole, which is the way we would proceed if we made up our minds to attack Russia. So then, Mr. President, what the United States of America has to do, and soon, is make up its mind where its security is threatened, and what are the new boundaries of the Monroe Doctrine, if they are new, or the extended Monroe Doctrine.

Call it the Eisenhower doctrine, call it the Dulles doctrine, call it anything, but let us maintain the principle that inside that area, whatever it is, we are the judge as to who can move in and who cannot. We would then say, as Monroe said in effect, "We will destroy the warmaking capacity of any nation that seeks to move into that territory, that we consider would be dangerous to our peace and safety."

WHY DRAG AMERICAN BOYS INTO MORE LITTLE WARS

Forget about these little wars, Mr. President. Mr. Truman should have been impeached for the war in Korea, the way it was fought. He murdered those kids. It was not a war. He would not let them win and would not let them lose.

What are we going to do? Start another series of little wars? Are we to furnish nations that we think are friendly to us with obsolete weapons, and let Russia or some other nation furnish the opponents of those nations with some obsolete weapons, and let them fight little wars that will drag us in and send these American kids over there like we did in Korea?

WORLD WAR III WILL BE WON IN AIR, NOT IN THE SANDS OF ARABIA

No, Mr. President, I will never vote for it as long as I am on the Senate floor. Let us get ready for world war III—not fight World War II over again—and say that any nation which invades this area, once it is set, will have its warmaking capacity destroyed by us, and we will do it with long-range bombers, guided missiles, or whatever weapons dominate at the moment. If we keep American kids in the air, and keep them under the sea, and give them guided missiles, they will win anywhere we send them; but put them in the snow, fighting Chinese, or in the Arabian desert, fighting Russians with bayonets, and we do not have enough boys for it, and we do not have enough money, either. The boys come first. It is murder to do that, not war.

ARMAMENT, NOT DISARMAMENT, KEEPS SOVIET IN CHECK

We have a few people who say, "Let us disarm." The only thing that keeps Russia in check is the fact that the Russians know we have the ability to destroy them. People may forget that we fought England twice, first to break away from the colonial slavery system, and in 1812, when she believed she had a right to burn our ships, we fought England again. That is the time the British burned the White House. I guess we got a new White House out of that.

Let us fix the area, Mr. President. Let us not say we are going to give money to every nation in the world that wants it, and that we are going to protect the sovereignty of every nation in the world that wants it. The result we desire can be accomplished by fixing the area the invasion of which would threaten our security. If any nation were thinking about invading the area we would say, "We will destroy your war-making capacity at home." Mr. President, if we did that, we would not have another war for 50 years.

PENDING PROPOSAL PROVIDES AID REQUEST COME FROM FOREIGN NATION

The pending proposal would authorize assistance and cooperation, to include the employment of the Armed Forces of the United States, to secure and protect the territorial integrity and political independence of such nations requesting such aid against overt armed aggression from any nation controlled by International Communist.

The plan, policy, or doctrine, whichever one chooses to call it, is qualified by the proviso that the other nation must first request our aid.

This is not foreign policy. It can scarcely be called a doctrine. What it is actually is an open invitation to the little nations of the Middle East to determine our foreign policy in that area of the world, to dictate whether we come in or stay out, a policy which they would determine in accordance with their interests, not ours.

NATIONAL INTEREST OF UNITED STATES ONLY CRITERIA IN MONROE DOCTRINE

The Monroe Doctrine concerned itself entirely with the interests of the United States. It was in the interest of the United States, President Monroe told Europe, that it stay out of the Western Hemisphere and acquire no more territory over here. It was in the interest of the United States, he said, that the nations of this hemisphere which had won their independence retain it.

PROPOSAL ANOTHER SCHEME TO PROMOTE MORE FOREIGN AID

The pending proposal would further authorize the President to employ sums available under the Mutual Security Act of 1954, without regard to existing limitations, and in addition to these sums, $200 million more, no strings attached.

This is just another way of tapping the taxpayers for more foreign aid without their being told, or Congress being told, what the money was to be used for.

Troops to the burning deserts of the Mideast; more dollars to the Mideast; deeper entanglements with peoples who have been waging their eternal wars for 6,000 years—that might seem to be the gist of the proposal now pending before us, but there is more to it than that.

ENTIRE PROPOSAL SUBJECT TO WHIM OR CAPRICE OF UNITED NATIONS

The President, in his message to the Congress on January 5, stated:

> These measures would have to be consonant with the treaty obligations of the United States, including the Charter of the United Nations, and with any action or recommendations of the United Nations.

I have already explained, Mr. President, that in San Francisco in 1944, with some of our distinguished representatives being led around by the nose by Alger Hiss, we ended up with the least representation of any nation of any size, and we created five major nations, when there were only two then, and are only two now.

NOT AN AMERICAN POLICY BUT A UNITED NATIONS POLICY

In other words, this foreign policy, doctrine, or whatever one may choose to call it, is subject to the will or whim of the United Nations. Any policy conditioned on the action or recommendation of the United Nations cannot be called an American policy. It becomes the policy of the superior authority, to which the Government of the United States proposes to defer.

What are the arguments in behalf of this extraordinary proposal? The principal argument seems to me to be that it is now standard procedure to rush foreign aid, rush into foreign pacts, and, in one instance, to rush into a bootless war whenever there is a threat or potential threat of Communist aggression.

FOREIGN INVOLVEMENTS SINCE 1947 LISTED BY SECRETARY OF STATE

Secretary of State Dulles gave us a rundown of some of these actions when he appeared before a congressional committee. He began conveniently with the year 1947.

I say conveniently because prior to that year the Communists had seized all of mainland China despite a solemn nine-power treaty to respect China's sovereignty, independence, territorial and administrative integrity, which proved to be worth slightly less than the paper it was written on, and also had taken over the following countries: Poland, Hungary, Yugoslavia, Albania, Rumania, Bulgaria, Lithuania, Latvia, Estonia, East Germany and Ruthenia, a portion of Czechoslovakia. In 1948 they took over the rest of Czechoslovakia.

I spent some time in each of those countries, including Lithuania, as I have said. Lithuania is so small that it is difficult to stop a plane in time to get off in Lithuania, but we did.

Most of these countries were gift-wrapped for Stalin in the Yalta Pact while China was a casualty of pro-Communists or traitors in high places in our Government.

SENATOR RECALLS HOW AVIATION GASOLINE WAS PREVENTED FROM REACHING NATIONALIST CHINA

I was instrumental in getting a Communist out of Government. I suppose I was the first Member of this body to get a Communist out of Government. If I am in error in that statement, I am sorry, but in 1948, on a dull afternoon, I took the floor of the Senate and discussed a certain Mr. Lee, who had been in charge of the munitions to be shipped to Nationalist China, for which the Congress had appropriated the money. However, I found, when I was in China, that he had not shipped very much. Gasoline was among the materials to be shipped to Chiang kai-Shek, and the lack of shipments to Chiang kai-Shek made it necessary for MacArthur to send 100,000 barrels of his meager supply to Nationalist China, Chiang kai-Shek.

MR. LEE'S UNSAVORY BACKGROUND

This Mr. Lee had not been a citizen of the United States for very long. He was of Russian origin, and was born in China. He had tried on three previous occasions to become a citizen. Finally he married an American lady, and became a citizen on the fourth try. Almost immediately he showed up in one of the most important offices in the Government. He was in the Department of Commerce, together with that great Communist who was later convicted, Mr. Remington. He was the one who was always found in international meetings, with an assistant Secretary of Commerce.

I was provided with a committee to hear the charges, and the second day I heard the charges. I was the first witness. I insisted that I be sworn, to set the precedent.

HEARINGS BRING RAPID ACTION

On the second day of the hearings the Secretary of Commerce made a deal with the committee—no more hearings if he would fire Lee and Remington. So he fired the two of them. I never could get another hearing in the committee.

In 2 weeks Mr. Remington was indicted in New York, and he was sent to the penitentiary. Before his time was up another convict hit him with a rock in the end of a sock and killed him. Two Assistant Secretaries resigned within 60 or 90 days, for reasons best known to themselves. As I said on the floor of the Senate, I had started, but the hearings were stopped.

ECONOMIC APPROACH TO DESTROY ECONOMY

I was not interested in going ahead. I was concerned with the economic approach to the destruction of our economy, through free trade, billions to Europe, and all the rest of the projects which I have discussed today.

To get back to Mr. Dulles' list, in 1947, he recalls:

> The Congress adopted a major program for military and economic aid to Greece and Turkey, then menaced by Communist aggression.
>
> In 1948 the Congress adopted the European recovery program (Marshall plan) in order to sustain freedom and independence in Europe.
>
> In 1949 we entered the North Atlantic Treaty Alliance.

I have already read for the RECORD today some of the remarks I had to make about that great alliance. All my predictions are now coming true.

Mr. Dulles further stated:

> In 1950 the United States fought in Korea against Communist armed aggression.

UNITED STATES PREVENTED FROM WINNING KOREAN WAR WITH VICTORY IN SIGHT

Mr. Dulles does not add that in that war we had 140,000 casualties, and if we did not actually lose the war, we achieved nothing more substantial than a stalemate.

Of course, we could have won the war with a few well-placed bombs on Mukden and other Chinese mobilization and staging areas, but the British hurried over here and said, "Please don't. It might interfere with our Hong Kong traffic," or words to that effect; and out of deference to our noble ally we did not. And when General MacArthur insisted on being permitted to win the war President Truman fired him.

This raises another point in connection with the pending proposal.

WHAT WOULD BE UNITED STATES ACTION IF IRAN INVADED BY RED?

Let us assume that Iran, which is oil rich and has a common border with Soviet Russia, were to desire the employment of our Armed Forces there to resist overt armed aggression. Would such armed forces, assuming that they were sent, be limited to the area of Iran as they were limited to the area of Korea? It is less than an hour's jet flying time from Soviet Russia to the oil fields of Iran, in which, incidentally, the British have extensive investments. Once the investments were lost, we would pay the cost and turn them back to the British. That is about the same kind of financing we are doing all over the world.

Would our own airplanes be permitted to strike at Soviet airbases in retaliation for their attacks on these fields, or would this question have to be submitted to the overriding authority of the United Nations Security Council and be subject to the action or recommendations of the United Nations?

SECRETARY OF STATE'S LIST OF FOREIGN PACTS CONTINUED

Mr. Dulles passed on from the fighting in Korea and said:

> In 1953 we made a mutual defense treaty with the Republic of Korea.
>
> In 1954 we endorsed the Caracas declaration calling for action in this hemisphere against international communism—

I submit that was superfluous if we still give any credence to the Monroe Doctrine, which banned "foreign political systems" as well as foreign aggression.

> In 1954—

Mr. Dulles continued—

> we signed the southeast Asia collective defense treaty.
>
> In 1955 the Congress authorized the President to employ the Armed Forces of the United States for the protection of Taiwan and Pongbu and related areas, and later that year we ratified a mutual defense treaty with the Republic of China.

Mutual defense treaties, foreign aid, cooperation, cooperation with individual nations, with groups of nations, with the United Nations.

We have now gotten to the point it seems, Mr. President, that this great Nation, the United States of America, dare do nothing on its own.

UNITED STATES NO LONGER MAKES OWN FOREIGN POLICY

We do not make our own foreign policy, as we did in the days of Washington, Jefferson, Madison, Monroe, and Abraham Lincoln but must go crawling to the United Nations or make obeisance to the overriding authority of the United Nations Security Council with its inevitable Communist secretary.

We no longer speak of national security systems but of collective security systems, as if the defense of the world was more important than the defense of the United States.

As President Eisenhower said in his January 5 message to the Congress, and I quote:

> We have joined to create and support the security system of the United Nations. We have reinforced the collective security system of the United Nations by a series of collective defense arrangements. Today we have security treaties with 42 other nations which recognize that their, and our, peace and security are intertwined.

Mr. President, I wish to say at this point, so that there will be no misunderstanding, that I have a high regard for President Eisenhower. I consider him a personal friend. He is a wonderful man. But I also believe that he is being guided by the international Socialists, the one economic worlders, and people who go far beyond the security of the United States of America, in joining through compacts and permanent alliances with nations whose interests may change at any moment, and have changed, and whose interests are not parallel with ours.

IMPORTS FROM JAPAN, UNITED STATES INVESTMENTS IN JAPAN, BOTH INJURE AMERICAN WORKERS

We always ignore one thing in those compacts, and that is, for example, that we allow Japan to send its products to the United States—its textiles and other manufactured goods—in competition with our own products. Japanese products are manufactured by labor that is paid 14 cents to 19 cents an hour. We pay in 1 hour more than they pay in a day. We pay almost as much for social security and for industrial insurance to our working men as the Japanese manufacturers pay their workers in wages. What happens?

The American industrialists, with their investments, go to Japan and they buy factories, or they control them in many cases, and bring those manufactured items to the United States, on a free-trade basis, and in that way displace the workers in the United States of America.

Just how our working men can be sold on that idea is beyond my comprehension. In my opinion, they are getting unsold pretty fast. They are tired of it.

PARTY POLICIES NOT FORMED BY ANY ONE MAN

Therefore, with all my regard for the President of the United States this is what I believe about the party to which we both belong. We both belong to the Republican Party. The policy of that party is not formed by one man. The policy of that party is formed on what the President recommends and what Congress passes and what the President signs, after full debate in Congress. That is the way our policy is formed.

CONSTITUTION GAVE PRESIDENT NO POWER TO DIRECT CONGRESS

Nowhere in the Constitution of the United States is to be found any section stating that the President of the United States is to direct the Senate and the House as to what Congress shall do with respect to passing any kind of legislation. Nowhere is that found in the Constitution of the United States.

It started in 1934, when the President of the United States scared the daylights out of Representatives and Senators by telling them they could not come back to Congress without voting the way they were told to vote by the White House.

I am not saying that is not true today. Perhaps a Member of Congress cannot come back. However, what is he here for in the first place? If he cannot come back to say what he feels, on the floor of the Senate or on the floor of the House, he does not belong here in the first place.

UNITED STATES FOUGHT ONLY AMERICAN WARS FOR FIRST 142 YEARS OF HISTORY

From the outbreak of the Revolution until 1917—142 years—we fought 5 wars, or an average of 1 every 28 years. These were American wars, 2 against England, 1 against Mexico, 1 between ourselves, and 1 with Spain.

Since 1917 to date we have fought 3 collective wars, an average of 1 every 13 years. We fought the first war in Europe, the second in Europe and Asia, and the third in Asia, under the banner of the United Nations.

COLLECTIVE WARS AND COLLECTIVE SECURITY COSTLY IN LIVES AND FINANCES

In these 3 wars we lost 554,219 fine American boys and suffered 1,519,856 casualties. We piled up a war debt of $280,800,000,000, which is 57 times that of 1 nation we whipped, Germany, and 140 times that of the other nation we defeated, Japan.

During World War II in the name of collective security we gave $49 billion to foreign nations, more than half of it to the United Kingdom and nearly $11 billion to Soviet Russia. Since the war, under one pretext or another, including that of collective security, we have handed foreign nations approximately $60 billion. These dollars are, of course, extracted from the pockets of our taxpayers to spare the taxpayers of other nations from paying the full costs of their own defenses. No other nation shares in the costs of our defense, but we, big brother to the world, take the load off the shoulders of foreign taxpayers and shift it to the bent backs of our own. This is called cooperation.

AMERICAN TAX SYSTEM AND TAXPAYERS BEING USED TO FINANCE THE WORLD

One reason why other nations do not cooperate so far as money is concerned is that we have the finest tax laws in the world. We can reach the smallest stenographer out in San Diego and get half of her pay in a week. There are no more than 2 or 3 foreign nations that have any such system like that. As a matter of fact, in China or in India, 90 percent of the population would not even know what a government official is talking about if he talked to them about taxes. They might have to give up a chicken or a dog or a monkey, or some other kind of pet, but the tax collector would get very little else.

It is so easy for us in Congress to get any taxes we want to get from our taxpayers. All we have to do is to raise the taxes. It is a very simple thing to do.

I say to the distinguished occupant of the chair, the Senator from Ohio [Mr. LAUSCHE] that I have worked in the mines. I was a boilermaker's helper at one time, and I know what a man feels like after he has worked 8 or 10 or even 12 hours.

LIPSERVICE GIVEN TO SMALL BUSINESS—THEN TAXED OUT OF BUSINESS

He knows that if he wants to eat regularly, he must have his salary—or wages, as we call them in the mines. Therefore it is time that we in Congress started to look at the whole picture, and not merely tax our people. We give lip service to small business, by setting up a small business organization, and a Small Business Committee, but we still tax small business out of existence.

It is now proposed that we pay for the defense of Middle Eastern areas where kings, sheiks, and shahs bask in fabulous wealth endlessly derived from oil royalties, royalties they would surely lose in the event of any Communist takeover. One might suspect that if they wished to preserve their resources and riches they would do so at their own expense, but the State Department prefers cooperation.

UNCLE SAM MUST BEAR TAX BURDENS ALONE

What foreign nation, I ask you, cooperates with us in easing our defense costs or tax burdens?

A moment ago I referred to the $110 billion we have poured out to foreign nations since the beginning of World War II. I would be remiss if I did not include World War I, which, like World War II, was a collective war, fought at great cost in American lives and treasure to save Great Britain, as George Sokolsky so aptly reminds us in a recent column.

During that war we loaned our allies, principally Britain, $13¾ billion, and after the war we loaned them $3 billion more to cover their deficits and finance their recovery.

Have they repaid it?

$17,882,360,000 WORLD WAR I DEBT UNCOLLECTIBLE

Today the World War I debt to the United States of our European allies, principal plus interest, is $17,882,360,000.

That is merely a book item. We will never get it, and no longer expect to ever get it.

The allies to whom we loaned the money do not intend to repay and, in fact, they never expected to repay the money they borrowed from us when we saved them from defeat by Germany.

Mr. President, in 1947 I was in Birmingham, England, before I went into the coal mines and the steel mills, still believing we wanted to increase production there. I talked with a Mr. Smith, whose full name and title I will furnish for the record. He was in charge of the coal mines in that area. I had about an hour's conference with him. I had very little to say, because I had not yet seen all the areas. In the course of the conversation he finally

said to me, "Do you know what you should do in America?"

I said, "What is it?"

He said, "You should continue lend-lease without hope of repayment."

Of course, Mr. President, that is exactly what we did do. But I was glad to get it "from the horse's mouth," so to speak.

I stated that on the Senate floor in 1948, just as Mr. Smith told it to me. They expected it as their due.

BRITAIN REPUDIATED WAR DEBT BUT BOUGHT FREE TRADE ON SHIPMENTS TO UNITED STATES

When, back in the 1920's we tried to collect a little of the money they owed us—and still owe us—they called us Uncle Shylock.

And Britain, our principal debtor, did something else. She said she could not hope to pay unless we removed our tariffs against British goods and adopted free trade.

British tariffs are among the highest in the world, her quotas and restrictions against our goods among the world's most drastic, and her empire preference system definitely discriminates against American products, but she had the effrontery to demand that we eliminate our tariffs as the price for her making payments on her just debts. Under the administrations in the 20's this black-jack effort on the part of Britain did not succeed.

We did not collect but we did not sacrifice our industries, working men and investors to import competition.

FREE TRADE GRANTED IN 1934 BUT BRITAIN STILL DECLINES TO PAY WAR DEBT

In 1933 a new administration came in and in 1934 we embarked on a policy of free trade, cutting tariffs initially in half.

Then, having substantially achieved her demands on which she had predicated payment of her war debt, did Britain or any other of our World War I Allies pay? Not a one except tiny Finland.

So we lost both the money we had loaned in our first collective war and half of our economic defense against an invasion of low-wage, low-living standard foreign-made goods.

So now, just to support our ungateful allies, our collective wars have cost us, in treasure alone, more than $125 billion cash money down the drain, and in addition losses in untold billions resulting from free trade concessions to these allies which have not been reciprocated.

We call it collective security.

Foreign nations collect and we secure.

UNITED STATES FINANCES FOREIGN DEFICITS—NO NATION HELPS FINANCE OURS

During wars we sacrifice our finest young manhood to secure them. We finance them out of the incomes of our taxpayers.

After these wars we sacrifice our industries, wage-earners, and markets so they may prosper. We finance new or bigger industries in foreign lands so they will be better equipped to compete against our own producers in our own markets. We have given foreign governments billions to meet their deficits, Britain especially.

During most of the postwar years the Treasury of the United States also has had a deficit at the end of the fiscal year, sometimes running into several billions of dollars. Has any nation ever offered to help the United States meet any of its deficits? Of course not.

UNITED STATES STILL FINANCING BRITAIN

After World War II, you will remember the British pleaded they were faced with a deficit and called on the United States to bail them out, although they still owed us their World War I debt running into billions.

So many of our high officials rushed to London.

They worked out an Anglo-American financial agreement, an Anglo-American lend lease and surplus settlement, and an Anglo-American commercial policy agreement.

In the first agreement we loaned them what I have always understood to have been $3¾ billion. Although the New York Herald Tribune as of February 20, 1957, puts the amount at $4,372,000,000. This was, of course, a postwar loan such as the postwar loans we made to Britain after World War I. The added amount may be the accrued interest.

The New York Herald Tribune report states in brief that major changes have been made in this loan of 1945.

The Herald Tribune states:

> The revisions "will allow Britain to postpone the payment of a multimillion-dollar interest charge that came due last December, and will permit Britain to defer the payment of both interest and principal installments whenever it encounters financial difficulties in future years.

Further on the report states:

> Britain requested cancellation of the interest payment to ease the financial impact of the Anglo-French-Israeli attack on Egypt. The 1945 agreement provides for waiving the yearly interest payments when Britain's international financial position is unfavorable.

BRITAIN GETS WAIVERS ON DEBTS, NO SUCH BOON GIVEN UNITED STATES TAXPAYERS

Now that is the kind of an agreement that I imagine any debtor in the United States or any delinquent taxpayer would love to have with his Government. No payment if one's financial position is unfavorable. Of course such an agreement if applied to individuals and taxpayers would destroy the commercial credit and tax systems, but it was extended to Great Britain in Anglo-American agreements of 1945.

Mr. President, there has been a very clever switch of responsibility from World War I to World War II as an aftermath. After World War I New York bankers loaned several billion dollars to European nations on the theory that we would get trade. They would buy materials in the United States with the billions of dollars loaned to them. They were disappointed in one regard, and, I think, in the other regard. None of the money was repaid.

That deficit was passed on to the country bankers who were greatly injured.

Mr. President, those New York bankers are smart. This time, after World War II, instead of loaning money to the European countries themselves, they passed it on to the Government and furnished a great propaganda that we lend-lease this money.

BRITISH SET MARSHALL PLAN COSTS FOR UNITED STATES

A great general by the name of Marshall made a speech at Harvard which had a little paragraph in it—I doubt if he knew it was in it until he had read it—which stated that we must loan money to European countries for recovery. General Marshall had no idea whatever of the cost, and he thought little of it afterward. But Mr. Bevan, of Great Britain, caught the ball on the first bounce, and within 30 days told us exactly how much it was going to cost us.

The Herald Tribune account continued:

> The new arrangement will allow Britain to recapture $81.6 million in interest that it paid into a special account on December 31. A $56.4 million installment on principal that fell due on this same day was paid to the Treasury and will be retained by the United States.

The agreement to waive interest whenever Britain's financial position becomes unfavorable—even when that is due to her own aggressive acts or military fiascos—apparently does not apply to any payments on principal which she might inadvertently make. It will be interesting to note whether Britain makes any more payments on the 1945 loan principal, now that we have kept a payment she did make.

BRITAIN'S SUEZ MISADVENTURE COSTS UNITED STATES MILLIONS

In any event, because Britain succeeded, by staging an abortive military attack on Egypt, in making her international financial position unfavorable, the United States is now short $81.6 million which it had at the beginning of the year. The $200 million which Congress is being asked to vote out of the pockets of American taxpayers will naturally more than make up for this loss, and will give the Government an additional $118,400,000 to play around with in the area in which Britain has lost her international financial shirt.

Mr. President, I have long been intrigued by the London Conference of 1945, at which we loaned Britain the money to pay off her deficit and entered into agreements costly both to our taxpayers and to our producers.

So several years ago I asked the Treasury Department who prepared the agreements and participated in the negotiations with the United Kingdom with respect to them in behalf of the Treasury Department. The Treasury sent me several names, and among those names were three that aroused my particular attention.

UNFAVORY TREASURY TRIO HELPED BRITAIN GET POSTWAR LOAN

Among the Treasury Department officials taking part were Harry Dexter White, V. Frank Coe, and Harold Glasser.

Mr. White was a Soviet spy, and was so described by our present Attorney General in a famous speech delivered in Chicago. Throughout the war White occupied one of the most strategic posts in Washington and availed himself of this

vantage point to peddle secrets to Soviet Russia. I have considerable documentation on Harry Dexter White which I shall be happy to place in the RECORD at some appropriate time.

I have before today placed in the RECORD a memorandum which was prepared by Mr. Harry Dexter White, and submitted to the former Secretary of the Treasury, Mr. Morgenthau, in which White laid the foundation to carry on our commerce with Russia, and schemed to make us absolutely dependent on Russia for the critical materials without which we could not fight a war or live in peace.

PATTERN OF DISASTROUS MISTAKES SINCE 1933 SKETCHED

I have already explained that in 1933 the United States recognized Communist Russia without any safeguards whatever. In 1934 we followed England off the gold standard—off the hard-money standard. In 1934 Congress transferred its constitutional responsibility to regulate foreign trade and the national economy to Geneva, Switzerland, to be under the jurisdiction of 34 foreign nations which have since proceeded to divide our markets among themselves, while we have moved over to a wartime economy, afraid to stop spending money unnecessarily for fear of a depression.

We now have arrived at the point where we are like a man who has been drinking himself to death for 5 years. He is afraid to sober up because he knows he will have to go to the hospital. That is how we are treating our economic system.

CONGRESS NOW BEING ASKED TO CONTINUE DESTRUCTIVE PATTERN

Now we are reaching for more and more areas in which to distribute our money to protect our routes—the fuel routes to Europe and the fuel routes to America—and to protect the 50 million barrels of oil in the Middle East.

But regardless of what we do or try to do, the whole field can be destroyed by Russia in 1 hour's time. If Russia captured the field or made use of it, we could destroy it in an hour's time. Either country could destroy it and keep the other country from using it.

Here we are talking about sending troops into an area which is within 500 miles of Russia, a country which has the greatest standing foot army in the whole world. Who is crazy?

Mr. President, to revert to the Treasury participation in the London Conference.

Mr. Coe and Mr. Glasser both invoked the fifth amendment when they were questioned before congressional committees as to Communist affiliations and whether or not they had engaged in wartime espionage.

All three participated in the financial agreement negotiations and in the lend-lease and surplus settlement: Mr. White and Mr. Coe in those dealing with commercial policy.

WHITE, GLASSER, COE HELPED DRAFT FREE-TRADE SCHEME

Mr. White, Mr. Glasser, and Mr. Coe previously had been the three top men from the Treasury Department in the drafting of what was called "proposals for expansion of world trade and employment," the forerunner of the General Agreement on Tariffs and Trade—GATT—and of the abortive International Trade Organization. Attempts are being made in this Congress and were made in the last Congress to revive the ITO under a new name, the Organization for Trade Cooperation.

Mr. President, is not that a fine background for an organization whose charter is laid before the Senate and the House in all seriousness, a charter which Congress is asked to adopt, and which was written by Mr. White, Mr. Glasser, and Mr. Coe, who were close associates of the small group which wrote it in the first place?

I now quote from part 2 of report No. 160 of the United States Tariff Commission:

> During the war years various interdepartmental committees, composed of United States Government officials and experts having to do with foreign-trade policies, devoted much time to consideration of how to eliminate the arbitrary restrictions, discriminations, and barter arrangements which had grown up in that period and during the depression of the 1930's.

I might add that they still exist in most of the countries of the world, and in some to a greater extent than ever:

> These interdepartmental committees envisaged the creation of an international trade organization for this purpose and prepared a tentative draft of a charter for such an organization.
>
> This draft was made the subject of discussions with representatives of the United Kingdom during the progress of the negotiations which resulted in the "Anglo-American Financial and Commercial Agreements of 1945. The British Government declared itself to be in full agreement on all important points in these proposals and accepts them as a basis for international discussion."

FREE-TRADE PLOT LINKED WITH BRITISH LOAN

So here we are again, Mr. President, a multibillion-dollar loan to Britain linked with a nebulous trade scheme, the United States to give and the United Kingdom to receive in both cases.

Mr. Coe, Mr. Glasser, and Mr. Victor Perlo participated in the preparation of this draft charter, according to my information from the Treasury Department. Mr. Perlo, like Mr. Coe and Mr. Glasser, invoked the fifth amendment when questioned before Congressional committees about Communist affiliations.

Harry Dexter White prepared for the Treasury Department the memorandum advising that $5 million or $10 million be given to Russia, to enable her to furnish the United States with the critical materials without which we could not win a war or live in peace. Mr. President, under such an arrangement, of course, the United States would become entirely dependent upon Russia for those materials. In the same memorandum the Treasury Department adopted Harry Dexter White's recommendation that the "Buy American" clause be outlawed. He recommended that it be outlawed, because, he said, it was not the policy of this Nation to mine and to use the critical materials of the United States. He said that, on the contrary, it was the policy of the United States to save those materials, and to import the ones it needed.

HARRY DEXTER WHITE POLICIES STILL BEING FOLLOWED

Today, Mr. President, Harry Dexter White is dead, and Alger Hiss has served a term in a United States penitentiary; but we continue to carry out the policies formulated by them when they were serving on important commissions. One of them served as an Assistant Secretary of the Treasury, and all four of them participated in the writing of these plans, which still are considered seriously before the Congress of the United States.

DESTRUCTIVE NEW DEAL FREE TRADE PROGRAM EXTENDED BY REPUBLICAN CONGRESS

It is amazing, to say the least, that in 1934 the Congress of the United States was so bamboozled or so scared that it adopted a policy prepared by such men. But it is more amazing that a Republican Congress in 1955 extended one of those more important policies—that of free trade with sweatshop-labor nations, when that policy would utterly destroy the working men of the United States of America.

That Republican Congress extended that program for 3 years, and now it will expire in June 1958. Since its extension in 1955 for 3 years, representatives of one organization have appeared twice before congressional committees, in an effort to make the Geneva regulation of our foreign trade and national economy permanent, so it would not be necessary to extend it in June 1958. I think the advocates of that program are beginning to believe they may have some trouble getting it extended in 1958. I was the only Member of the Senate to vote against the program 10 years ago, but I think next time we shall defeat it.

ITO REJECTED BY CONGRESS

United States membership in the International Trade Organization was proposed to the Congress in 1950. That proposal was rejected by the Congress. Mr. President, the State Department takes the position that in proposing to the Congress that the United States participate in the Organization for Trade Cooperation, it was also proposing that the United States participate in GATT—the General Agreement on Tariffs and Trade. But the proposal for United States participation in the Organization for Trade Cooperation was never submitted to the Congress in that light. The situation is this, Mr. President: If the Congress approves the proposal for United States membership in the Organization for Trade Cooperation, the Congress approves the General Agreement on Tariffs and Trade, with 34 nations dividing our markets. But if Congress does not approve the proposal for United States membership in the Organization for Trade Cooperation, the State Department will go right ahead, under the 1934 Trade Agreements Act, as explained by Mr. Dulles before the Senate Finance Committee under my questioning in 1955. In other words, the situation in connection with the submission to Congress of the proposals that the United States join in these organizations is simply this: Heads, the American people lose; tails, the State Department wins. That is

about the kind of game that is being played with the Congress of the United States.

Mr. White, Mr. Coe, Mr. Glasser, and Mr. Perlo had all been named as participants in the Communist conspiracy by witnesses who appeared and testified voluntarily at committee hearings. Yet each of them held policy-making posts in our Government and, more than that, made policies with which we are stuck today.

Mr. President, how in the name of heaven can sensible persons continue the policies cooked up by such men? Yet today we are proceeding and are operating under programs which those men themselves and their crowd cooked up, beginning in 1933.

COMMUNISTS PROPONENTS OF FREE TRADE FOLLOW VIRGINS OF KARL MARX

Mr. President, someone may inquire why anyone involved in communism would seek to promote free trade in the United States, when the usual conception of Communists or Communist followers is that their objective is to overthrow the Government by force and violence.

As I have often said on the floor of the Senate, there are two approaches to destroy America; one is the violent approach, and one is the economic approach. Karl Marx the father of communism, was an advocate of both approaches. To speed the latter, he championed free trade—not to strengthen nations, but to destroy them. I am aware, Mr. President, that the great majority of free traders are not Communists, and I cast no reflection upon them. But I do submit that all Communists are, and must be free traders.

The father of communism, Karl Marx, declared in 1848:

> Generally speaking, the protective system in these days is conservative, while the free trade system works destructively. It breaks up old nationalities and carries antagonism of proletariat and bourgeoisie to the uttermost point. In a word, the free trade system hastens the social revolution.

Marx added that solely in a revolutionary sense, he was in favor of free trade.

FREE TRADE FURTHERS AIM TO BREAK UP OLD NATIONALITIES

At the London session of 1945, as I have pointed out, the wheels were set in motion to break up old nationalities by putting foreign trade under an international control organization, worked out in part by the persons I have just named.

I quote again from part 2 of report No. 160 of the United States Tariff Commission:

> The financial agreement provided not only that the United States would extend a line of credit (of $3,750,000,000) to assist the United Kingdom in meeting its postwar balance-of-payment difficulties, but also that the two governments would support a program designed to promote a more rapid transition from controlled bilateral to free multilateral trading.

THE GENESIS OF GATT

Mr. President, it is time for the Members of the Senate and the House of Representatives to understand the terms they use. I am sure they could not have understood them when they voted for that.

A year later, another conference was held, again in London, where it was agreed to carry forward the scheme in such a way as to—

> give effect to certain provisions of the charter of the International Trade Organization by means of a general agreement on tariffs and trade.

Several months later a second conference was held in Geneva, Switzerland; GATT was created, and has been functioning ever since.

The secretary of GATT, since its inception, like the secretary of the United Nations Security Council, is a national of one foreign country.

UNITED STATES HAS 1 VOTE IN GATT—FOREIGN COUNTRIES HAVE 34

In the case of GATT the permanent secretary is a Briton. In the case of the Security Council he is a Russian.

GATT is an assemblage of 35 nations, each with 1 vote. The United States has 1 vote, Communist Czechoslovakia has 1 vote, tiny Luxembourg has 1 vote, each of the British Commonwealths has 1 vote, giving the British Empire, in effect, 9 votes. We have one.

The foreign nations have 34 votes. Members of GATT, who call themselves "contracting parties," meet once or twice a year in executive session, and always on foreign soil. At these sessions the 34 foreign nations proceed to divide up our markets among themselves, and do so with our acquiescence.

Now, someone might question whether this discussion of the coalition known as GATT is germane to the debate on the Middle East proposals.

PEACETIME PROSPERITY NOW SUPPLANTED BY PERPETUAL WAR ECONOMY

I contend that it is entirely so.

Throughout the first 140 years of American history, America stood on her own feet, had few wars, expanded, and prospered in times of peace and tranquillity. Since 1940 such prosperity as we have had has been maintained only by means of a perpetual war economy.

Many young men today can scarcely believe that America during most of its existence and growth prospered under an economy geared completely to peace. Many young Americans are unaware that throughout American history until a quarter of a century ago, America was master of her own destiny, proud of her independence, and self-reliant.

Our foreign policy was made in America, by and for Americans.

America regulated its own economy and foreign trade.

America safeguarded her own security with American brains, brawn, morale, and materials, and as the record irrefutably shows, did so magnificently.

Today all that is changed.

PROTECTIVE POLICY MADE NATION GREAT

Let me say, Mr. President, in that connection, that this country established a policy of protecting Americans and American interests at its inception in 1789. The policy built this Nation to the highest standard of living on earth, through establishing duties, specified and laid down, that the Congress shall adjust, according to article I, section 8 of the Constitution. On the basis of what? Fair and reasonable competition, so that the duty or tariff always represented roughly the difference between the wages and the cost of doing business in this country and those in the chief competing nation, on each product. Sometimes the duty may have been adjusted awkwardly, but as time went on, a better system was worked out, until in 1930 a tariff was adopted.

In so many words, Mr. President, Congress instructed the Tariff Commission to fix flexible duties on the basis of what? On the basis of the difference between the cost of manufacturing a domestic article and the cost of manufacturing a like foreign article. That is what Congress said must be done, regardless of whether a member of the Tariff Commission believed the policy or not. The members of the Tariff Commission had to do that, and had to determine what the difference was, and recommend the difference to be the tariff. If the living-wage standard in the competing country rose, the tariff would drop correspondingly.

NINETEEN HUNDRED AND THIRTY TARIFF ACT ENCOURAGES FOREIGN NATIONS TO RAISE THEIR OWN LIVING STANDARDS

That is the kind of free trade we should all look forward to. Whenever a competing nation reaches our standard of living, under that policy, there immediately and automatically would be free trade. But we should not attempt to destroy the living standards of this Nation, and then try to arrive at a tariff.

We do have people who say, "Divide our markets. Divide our cash with all the foreign nations of the world, and raise those living standards up to our living standard."

Mr. President, I stood on this floor 10 years ago, I am sure it must have been, and I said that with our 155 million people at that time, or whatever the number was—the number now is 165 million—to attempt to average our living standards with the remaining 2½ billion people in the world was like taking a glass of water and pouring it into the city reservoir with the idea that we would average the height of the water in the water glass with that in the city reservoir. I said, "Mr. President, you are out of water, and the water in the city reservoir is not disturbed very much." And it is still a good comparison.

Today, as I have pointed out, we no longer shape our own foreign policy, but leave that sovereign function to a hodgepodge of nations collected in organizations like the United Nations, NATO, SEATO, or such other groups which, in returns for millions in gifts or handouts, have joined us in so-called pacts—pacts not to protect us, but to protect themselves with our manpower, arms, and treasure.

UNITED STATES ONLY NATION IN WORLD THAT HONORS ITS PACTS

At this point, Mr. President, I want to remind you that no nation except the United States keeps a pact or treaty that becomes obnoxious to it. That is the history of the world. The other nations will sign anything, but when the showdown comes, if their interests have

changed, they will not keep the treaties. It is as Viscount Palmerston, the great Prime Minister of Great Britain, said in 1858:

> We have no permanent friendships or permanent enemies; we have but permanent interests, and those interests it is our duty to protect.

Mr. President, they have done a magnificent job of protecting their interests. Until the time that the British fleet lost control of their part of the world, through the development of airpower, the colonial slavery system was rampant. Under that system, if a little nation tried to break away from Great Britain, the British would have a cruiser shoot a little grapeshot into the jungle, or whatever was called for, and the insurrection was over. We are the only ones who were successful in breaking away from the British, and we had to do it twice before they were finally convinced.

Now, if all the money were added, we are probably volunteering more money to be paid into the coffers of Europe annually than the British would have had the guts to assess us in taxes.

INTERNATIONAL PROGRAMS REPLACE EXTINCT NATIONAL FOREIGN POLICY

We no longer have what in any precise sense could be called a national foreign policy.

We are parties to collective, cooperative, international foreign policies, any one of which could plunge us into war, not in our own self-defense, but in defense of some other nation, too weak or too dispirited to defend itself.

I have always been eager to render any service I might be able to perform in any war in which America became involved, and I think that has been demonstrated in my record, beginning with World War I. But I deplore participating in some international collective scheme in which the United States has no true interest, which may send my grandson off a few years from now, to fight in the deserts of Arabia.

As I have said, we no longer have an American foreign policy.

We no longer are proud and self-reliant in our own security.

For 20 years we have been propagandized that we can no longer rely on our own security and that we are dependent on countries across major oceans for critical and strategic minerals, materials, and fuels. This campaign to sell America short has been one of the most insidious in history. Harry Dexter White was one of its most persistant advocates.

WESTERN HEMISPHERE HAS AMPLE MINERALS AND FUELS TO ASSURE OUR SECURITY

We have all the minerals, materials, and fuels we shall ever need right here in the Western Hemisphere, but when that fact is pointed out, as it was in Senate Report No. 1627 of the 83d Congress, what do we hear? We are told that we should leave them buried in the ground, that they can be produced in distant parts of the world, where wages are at bare subsistence levels, cheaper than in America.

We have all the oil we shall ever need here in the Western Hemisphere, and, in fact, we can produce sufficient petroleum to supply our needs right here in the United States. We do not need Mid-East oil. We do not want it, and the whole true purpose of this proposal pending before us is to supply oil to Europe.

I should like to say at this point that the United States of America does not need anything for war or peace which is shipped through the Suez Canal. It is not necessary. It may be that a great deal of money can be made on Mid-East oil by reason of our control. That may well be since now it is necessary to ship oil to Europe.

When I visited the European nations in 1947, including the Ruhr in Germany, Birmingham in England, and Frankfurt in Germany, where most of the chemical industries are located, they were then beginning to convert from coal to oil. Those industries are mostly built on the basis of the use of coal, but they converted to oil—oil with respect to which they would have to protect a thousand-mile pipeline across Arabia, and a couple of thousand miles of water transportation to transport it to Europe. The coal is still available in Germany, England, and other spots in Europe. However, at the present time we are taking part in the effort to keep an oil line open to Europe from the Middle East.

EUROPE'S WARS FOR 2,000 YEARS HAVE BEEN TRADE WARS

I am not the least interested in sending American boys to the Middle East to keep an oil pipeline open to Europe, to the United States, or to any other area. These trade wars have gone on for 2,000 years. There are two types of wars, one religious and the other trade. Religious wars are generally very close to trade wars. It will be found on investigation that most of the wars of Europe are trade wars, just like the one in which we took part, a 40-year trade war between Germany and Britain, culminating in the First World War, which we entered in 1917, utterly destroying, as I have said before, the only nation that could hold Russia in check.

OIL FOR EUROPE NEW THEME OF ONE-WORLDERS

It has somehow become our obligation, we are told by the collectivists and one-worlders, some of them in our own State Department, to keep Mid-Eastern oil flowing to the factories of Europe so these factories can turn out more goods with which to undercut us in our own and foreign markets. And to do that they would risk a bloody war.

Today we neither shape our own foreign policy nor regulate our own foreign trade and domestic economy. International organizations make our foreign policy, and our foreign trade also is in international hands.

GATT—the General Agreement on Tariffs and Trade—does that for us.

The United States Constitution give Congress the exclusive power to regulate our foreign commerce, to adjust duties and exercises, and to declare war, but Congress does none of these things any more. Congress has abdicated these constitutional responsibilities.

In the foreign trade field it has turned its authority over to the Chief Executive, who transferred it to the State Department, which shifted it to GATT, sitting in Geneva, Switzerland, in secret session.

As I have said, Mr. Dulles has testified before the Senate Finance Committee that in the 1934 Trade Agreements Act full authority was given the President to transfer the constitutional responsibility of Congress to regulate foreign trade and the national economy to any place on earth where he cared to agree with foreign nations to locate it. In 1947 it was located at Geneva, Switzerland, under the GATT organization, and today 34 foreign nations are dividing our markets among them through the simple expedient of continually lowering tariffs, under authority given them by the Congress of the United States.

GATT NOW HAS POWER TO REMAKE INDUSTRIAL MAP OF AMERICA

The 34 foreign nations which are contracting parties to GATT thus have the power to remake the industrial map of America and to destroy any group of workingmen or investors in this Nation they may choose. They can, and do, invade our markets with impunity, closing American mills, mines and factories, and throwing American workers out of jobs.

How do they do this? By removing our tariff safeguards with the acquiescence of the State Department, and, I might add, Congress. Before GATT got into operation Congress had given its authority to the executive branch to reduce tariffs 50 percent. After GATT was organized Congress gave the green light to the executive branch to reduce tariffs 50 percent of such duties as remained, and since then has approved another 15 percent slash. All of this dissipation of the constitutional powers and responsibility of Congress was at the request of the executive branch, always grasping for more authority to control the economy and resources of the Nation and the lives of citizens.

STATE DEPARTMENT PLAYS SANTA CLAUS WITH UNITED STATES MARKETS

Each time the Congress has yielded to these pressures from the executive branch with respect to trade the State Department has marched off to Geneva and said, in effect, to the 34 foreign members of GATT: "Here boys, are some more American jobs and markets we are willing to give you. Come and grab them." And they grab.

Legislation is pending before this Congress to give this same GATT coalition still more power in the name, believe it or not, of international cooperation—international cooperation aimed at destroying more American industries, displacing more American workers, and ruining more American investors.

For what?

The answer is, to build up more foreign industries and increase foreign output of goods, to be dumped on our markets, and heap up higher profits for foreign capitalists and cartels. All in the name of international cooperation.

Even the new name of the resurrected ITO has been embellished with the word "cooperation." In the original dispatches from Geneva it was called "international organization for trade cooperation," but the word "international"

has since been dropped by its propagandists, probably because it identified it too closely with the old discredited International Trade Organization, which is what it really is.

This new outfit, with the same membership as GATT, and meeting in the same foreign city, would be supernational and self-perpetuating with the power to initiate tariff actions as well as to negotiate.

NEW FREE-TRADE PROPOSAL LIMITLESS—CAN DESTROY ECONOMY

This is no 200- or 400-million-dollar foreign-aid proposal limited to a specific area. It is a limitless proposal for hidden foreign aid to 34 foreign nations scattered around the globe, giving them free access or virtually free access to American markets. The Middle East proposal, if adopted, will only make a dent in our economy. OTC, if approved, can destroy it.

Both are wrong because they invite foreign nations to make or share in making policies which, under the Constitution, can be made only by ourselves and for ourselves.

How can we talk about an American policy, an American foreign policy or an American foreign-trade policy, when we permit foreigners to participate in their making or in their execution?

When we do that, it is no longer an American policy but an international policy.

Several days ago we had the high privilege of hearing the distinguished Senator from Arizona read President Washington's Immortal Farewell Address. It is traditional that this great address be read in the Chamber of the United States Senate each year.

In that address, as we all know, Washington enunciated an American policy for Americans, a policy which since has been abandoned.

I shall repeat only several excerpts from that address, as it was read in its entirety only a few days ago on this floor. But the excerpts I shall quote are pertinent to this debate in which we are now engaged.

WASHINGTON'S GREAT RULE OF CONDUCT

Washington said, and I quote:

> The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible.

He also said, quote:

> It is our true policy to steer clear of permanent alliance with any portion of the foreign world.

And he further stated, quote:

> That it is folly in one nation to look for disinterested favors from another, that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more.

Each year we listen to these admonitions and this wise counsel of the Father of our Country, then promptly ignore them by voting more foreign aid and entangling ourselves further, through political connections with them, in their commercial relations and to our disadvantage.

Thomas Jefferson said, and I quote:

> Our first and fundamental maxim should be never to entangle ourselves in the broils of Europe. Our second, never to suffer Europe to intermeddle with cisatlantic affairs.

EUROPEAN NATIONS RESPONSIBLE FOR PRESENT MID-EAST MUDDLE

The Middle East is not Europe. But the problems of the Middle East were largely created by Europe; it is Europe which is primarily concerned over control of the Suez Canal; two European nations spearheaded the recent aggressions in that part of the world, and it is Europe that wants the Middle Eastern oil.

It is England, principally, and France, secondarily, which created the present difficulties in the Middle East, which provided the excuse or cause, as you prefer, for Arabs to blow up pipelines to the coast, and which now expects us to rectify this damage both financially and by filling their oil needs on their terms.

We are assisting England financially as I have outlined and we are supplying them with a substantial quantity of the types of petroleum product they want, namely crude and fuel oil. We could supply them with a great amount of refined products, but this they do not want, because they want to keep their own refineries in operation. They don't want gasoline, but crude oil and residual fuel oil.

We are doing these things. Why should we go further?

Why should we agree to bail them out of their difficulties in the Middle East which they themselves created, and bail them out not only now, but in perpetuity, and at the risk of war.

USERS OF MID-EAST OIL SHOULD DEFEND MID-EAST FROM AGGRESSION, NOT UNITED STATES

If they are the users of this oil in the Middle East, as they are, let them defend the oilfields from possible aggression, when and if it occurs.

Earlier in my speech I referred to Secretary of State Dulles' list of collective actions the United States has taken beginning with 1947 and the Truman doctrine for Greece and Turkey. The reason we rushed aid to Greece and Turkey, you will remember, is that Britain served notice that she no longer felt obligated in that regard, placing the full responsibility, if it was a responsibility, on our shoulders.

Now it is proposed that we assume far vaster obligations throughout the Middle East, backed by our youth and manpower. To me this is nonsense. I submit that such action simply would not be to our national interest.

On a number of occasions on this floor I have quoted Viscount Palmerston, one of Britain's great prime ministers of the mid-19th century, when England was master of the greatest empire the world had known, and his remarks about Britain's interests.

Lord Palmerston made another significant statement which I have not heretofore quoted. He said:

> The system of purchasing temporary security by lasting sacrifices, and of placing the interests of foreign ministers above those of this country can never be other than fatal to the country.

And at another time and place he said:

> Nations have no cousins.

BRITAIN'S DISINTEGRATION BEGAN UNDER SOCIALIST GOVERNMENTS

In recent years the British Empire has been steadily disintegrating. Its disintegration began under socialist governments.

These socialist governments, and prior to that the so-called liberal or semi-socialist government of Lloyd George, adopted the theory of collectivism, including that of collective security, and sold this theory to us in two world wars. Even the recent aggression in Egypt was undertaken by collective action.

If the action was justified, then England and France let their ally, Israel, down. If it was not justified then whichever nation initiated the action brought odium and humiliation to the nations she had inveigled into joining her.

COLLECTIVE SECURITY LINKED TO SOCIALISM

Collective security is dangerous security. It is a form of international socialism, the strong sharing with the week, the rich sharing with the poor, the just sharing with the unjust, a breaking down of old nationalities, as Karl Marx called it, achieved through international treaties, pacts, yes and resolutions, and breaking down our sovereignty.

What reverses did we suffer, may I ask, during the years when we had an American policy, an American doctrine if you please, in the sole interest of America and her security and prosperity? What were our tax bills? How did our public debt mount up? How many lives did we lose fighting overseas?

From 1916 to 1920 and from 1940 to date we have had collective security, the American doctrine thrown overboard during those years.

What are our present taxes? What is the public debt? How many lives have been lost fighting overseas? What has collective security cost us in blood and treasure—and in sovereignty?

DOMESTIC ECONOMY SACRIFICED FOR WORLD AID

Today we pour billions in foreign aid into distant countries while our taxpayers, our States, our counties, our communities and our industries and schools suffer from insufficient revenues to maintain the necessary services to which all our citizens are entitled.

We build dams and reclamation projects in Africa and in Asia while great areas of the United States starve for water.

We pamper other nations and deny ourselves.

We forfeit our independence to link, through endless pacts, our fortunes with nations that have neither the will nor heart to improve their own fortunes through their own energy and efforts or even to defend themselves.

THE MASTER PLAN TO DESTROY THE UNITED STATES AS A DOMINANT POWER

Mr. President, when we view the 24-year plan—starting in 1933—to destroy the United States as a world power—when we fit the timbers together as Lincoln said in 1858, it is impossible to

believe that there is not a master plan—that there has not been a long-time master plan.

When we view the master painting we should realize that we entered a 40-year trade war between England and Germany in 1917, and utterly destroyed the only nation that could hold the nations of Europe and Russia in check—we transferred, one by one, the constitutional responsibilities of the Congress to the President, including: the control of the money system; the control of our foreign and national economy; the billions of dollars of taxpayers' money to European and Asiatic countries annually; the power to declare war; the control of our own security through the Monroe Doctrine to permanent commitments to foreign nations through compacts—until about all the Congress has left is the power to follow the President in appropriating the American taxpayers' money in any amount he may suggest. This amount has grown from $3½ billion in 1933 to $72 billion in 1958—and to set the tax rate.

The master plan has now developed into a grandiose international socialist plan for the division of the wealth and markets of this Nation between the nations of the world, under the slogan of peace, with all-important constitutional responsibilities of the Congress transferred to the Executive.

These powers are then transferred to the United Nations or, as in the case of the regulation of our foreign trade and national economy, to Geneva, Switzerland, under the General Agreement on Tariffs and Trade. We are now set up for the kill.

Mr. President, now that the 40-year painting for the ultimate destruction of this Nation as a world power is beginning to form before the eyes of the American people, I am reminded of President Lincoln's famous speech in Springfield on June 17, 1858, when he said:

> We cannot absolutely know that all these exact adaptions are the result of preconcert. But when we see a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen, Stephen, Franklin, Roger, and James, for instance, and when we see these timbers joined together, and see they exactly make the frame of a house or a mill, all the tenons and mortises exactly adapted to their respective places, and not a piece too many or too few, not omitting even scaffolding, or, if a single piece be lacking, we see the place in the frame exactly fitted and prepared yet to bring such piece in—in such a case, we find it impossible not to believe that Stephen and Franklin and Roger and James all understood one another from the beginning, and all worked upon a common plan or draft drawn up before the first blow was struck.

Mr. President, it is high time that this Congress revert to the Constitution and again resume the responsibility conferred upon it by the Constitution, as the dominant member of a three-branch government consisting of the Legislative, the Executive, and the Judicial, in the order named.

PRICE OF COLLECTIVE SECURITY IS BIGGEST PEACETIME BUDGET IN HISTORY

There is another odd thing about collective security. The more collective it is the higher the cost to us. We have before us the biggest peacetime defense budget in history.

Should we embark on this collective security scheme for the Middle East the cost will be even higher, our security will be weaker and the risks infinitely greater.

Collective security, as I stated previously, has involved us in 3 foreign wars in the past 40 years.

Why cannot we revert to the Washington doctrine, the Jefferson doctrine, the Monroe Doctrine, the American doctrine if you please?

Name the areas where invasion by another foreign power would endanger our peace and safety. And then say, as President Monroe said, that this Nation proposes to reserve to itself the decision as to when our rights are invaded or seriously menaced.

That is the sovereign way.

That is American, not international, policy.

We have been led into permanent compacts and agreements to defend and finance foreign nations who are committed to the European foreign policy—and who have no eternal allies—including the United States of America.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I am happy to yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Nevada, without losing the floor, may yield to me for the purpose of making a unanimous-consent request.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECESS TO 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 10:30 a. m. tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MALONE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that immediately after the prayer, following the convening of the Senate, tomorrow morning, the Senator from Nevada [Mr. MALONE] be recognized and have the floor for not to exceed 30 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS FOR REMAINDER OF TODAY'S SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Utah [Mr. WATKINS] be recognized at the present time for not to exceed 20 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. WATKINS. I shall try to finish within that time, but I do not want to be put in the position where I cannot exceed that time.

Mr. JOHNSON of Texas. I thought the Senator had agreed with me to that extent.

Mr. WATKINS. I did not expect the majority leader to ask unanimous consent with respect to the matter.

Mr. JOHNSON of Texas. I know the Senator agreed with me in private. I would not want to agree to anything privately that could not be agreed to publicly. Does the Senator wish to make it 25 minutes? I am trying to protect the Senator from Nevada, the Senator from Texas, the Senator now occupying the chair, and several other Senators. We have now had a deluge of discussion at the end of the day.

I have asked the Senator from Nevada, who has a rather extended speech, to agree to accommodate himself, with the understanding that the Senator from Utah would also accommodate himself to the time suggested.

Mr. WATKINS. I shall do my best to finish within that time. I did not know the Senator was going to ask for a unanimous-consent agreement, however.

Mr. JOHNSON of Texas. Mr. President, would the Senator care to make it 30 minutes?

Mr. WATKINS. That is satisfactory.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator be now recognized for not to exceed 30 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR THE COMMITTEE ON APPROPRIATIONS TO SIT DURING THIS SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Appropriations be permitted to sit during the sessions of the Senate for the remainder of this session of this Congress.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

QUESTIONS AND ANSWERS ON MIDEAST CRISIS

Mr. WATKINS. Mr. President, I have a strong feeling that the people of the United States must, by this time, be just as confused as we seem to be in the Congress on the facts and issues involved in the matter of the Mideast resolution.

When I make this statement, I am relying to a certain extent on my mail from the people back home, and on personal contacts with a considerable number of people during a brief visit in my

home State and in Colorado in mid-February. Also newspaper, radio and television comment across the country presents a vast amount of evidence that the facts and issues bearing on the Mid-east crisis are broadly misunderstood.

With the hope, which may be a forlorn one, that I might throw some light on this matter, I have decided to answer as briefly as possible some of the major questions which are being asked by the people across the country.

In attempting this task, I am not assuming the role of an expert—far from it. It is true that I spent some time in the Mid-East in 1953 in the conduct of intensive study of the Arab refugee problem as a representative of the Refugee and Immigration Subcommittees of the Senate Judiciary Committee. As my colleagues know, I have also taken an active interest in foreign affairs during all of the 10 years I have been in the Senate. However, I am also the first to confess my shortcomings in this field.

But I have gained the assurance, as I read the record of the debates in this Chamber and the hearings before the Foreign Relations Committee, that I am not alone with my shortcomings. I have plenty of distinguished company.

Without more ado, then, I shall proceed to discuss some of the major questions.

QUESTION 1. ARE THERE MATTERS OF SPECIAL BACKGROUND THAT MIGHT HELP IN UNDERSTANDING THE MID-EAST CRISIS?

Answer: Mr. President, this is a question that is frequently asked, and it is a matter I gave special attention to during my visit in the Mid-East, and particularly in the countries of Lebanon, Syria, Jordan, Egypt, and Israel.

In considering this question, let us keep in mind that the causes, direct and indirect, which brought on the present crisis did not come into being overnight. Many of them had their genesis centuries ago. I shall not go into these beginnings of an ages-old conflict, but shall confine myself to recent developments, with particular emphasis on the new threat of international communism in the area.

It should help one to understand today's crisis to go back to the era when Israel was proclaimed an independent nation. Two historic movements in that era clashed head on as World War II ended.

The Zionist movement to establish a homeland for Jews reached a climax in the proclamation of the Republic of Israel, following the partition of Palestine by the United Nations.

Immediate recognition of the new republic by the United States and other powerful nations in the so-called Western Bloc gave strong support to the new nation and, at the same time, aroused the deep and intense resentment of the surrounding Arab nations.

This resentment was directed not only at Israel, but also at the nations whom the Arabs believed had been largely instrumental in bringing the new nation into existence. The Arabs were also convinced that the United States and the western nations generally made it possible for Israel to bring about the disastrous defeat of the Arab armies in record time.

This defeat of the Arab armies by the modern Israeli army was a stinging blow to the pride of the Arab nations. But more important, Arab leaders concluded that the emergence of a strong Israel presented a dangerous threat to the new Arab nationalist movement, which was gradually emerging as World War II came to a close. This continuing clash of Zionism and Arab nationalism has played an important part, if not the most important part, in the events which led up to the present crisis in the Mid-East.

In Arab eyes, the United States, as the most powerful Nation in the world, played the "big brother" role in its support of Israel. In this role, we were, in their way of thinking, closely linked with, and were supporters of the colonial powers, Great Britain and France, in their domination of the Mid-East.

The Arab countries point to the fact that during the past 5 years our economic aid for the Mideast has reached a total expenditure of some $237 million—the bulk of which has gone to Israel. This, they claim, was in addition to indirect United States military support given during the Israeli-Arab war.

I learned how strong the feeling was against the United States in my visit to the Mideast in 1953, where I had gone to study the Arab refugee problem as a representative of the United States Senate.

For example, I was advised that it would be dangerous for me to visit the camp of Arab refugees in the Gaza strip without an armed guard.

Accordingly, when I made my investigations in that camp, I was accompanied by an Egyptian armed guard, consisting of a general, a major, and two infantrymen armed with automatic rifles.

Furthermore, in Jordan, I was not permitted to mingle with the refugees in their camps, but only to drive through the camp areas in a closed automobile. I was warned not to stop because of the danger of hostile demonstrations which might result in an all-out riot.

It was to be expected that the anti-American feeling in the refugee camps would be much stronger than that of the nationals of the countries where the refugees were quartered. From the citizens of the Arab States we received courteous but somewhat icy treatment, but nothing like the open hostility of the refugee camps.

Over the centuries, there have been many wars fought over water resources, oases, and the river valleys. Recently, the attempt of Israel to make a large diversion from the Jordan River, north of the Sea of Galilee, agitated the Arabs to the point of desperation. The reactions of Mideast nations are not peculiar to that region. In our own country, contests over water rights in semi-arid areas evoke long and difficult misunderstandings.

Arabs also were angry at the U. N. for all its actions. The U. N. and the United States were both held heavily responsible for what had happened to the Arabs. This was true even though they knew that the U. N. was taking care of 900,000 Arab refugees and that the United States was putting up 70 percent of that cost.

It may be recalled that the American Embassy in one of the Arab States was bombed several years ago, largely as a protest against what was believed to be American partiality to Israel. It was explained to me that the unnamed bombers were careful to do the bombing while the Ambassador and his family were away from the Embassy.

Another state of mind which I found existed in the Arab States at the time of my visit was the fear of the armed might of Israel and the expansionist policies of that country.

Arabs have not forgotten the terrific beating they took from the Israeli forces in 1948. And I note, parenthetically, that Israel's recent striking military victory over Egyptian forces has only given fresh impetus to those old fears.

Whether or not Israel poses the threats the Arabs fear is not the point. The Arabs believe that threat exists, and that accounts, in a measure, for the fact that they are—to state it diplomatically—extremely susceptible to offers of help from Communist Russia or anyone else to defend them against their No. 1 enemy, Israel.

In presenting these matters, I am not attempting to pass judgment on the merits of their claims, or the alleged factual basis on which they are supposed to be based. I merely state facts, or describe deep-seated national attitudes which I observed in the Middle East. And I maintain that this state of mind has been largely responsible for many of the difficulties the United Nations and the United States have had to cope with in trying to settle problems in that area.

With this background in mind, I think it will be much easier for us to understand why the Arabs—or at least some of them—were willing to welcome the offers of Russia and its satellites to help them. They would have been less than human had they reacted otherwise. The big danger of international communism seemed far away to them, as compared with the immediate danger of the Israeli power and the threat of expansion, imaginary or real.

Almost daily clashes, back and forth across the borders of Israel, serve to keep already bitter hatreds at a white heat.

In addition, the strong surge of anti-colonialism, which became rampant in the Mid-East, as well as elsewhere in the Asiatic Continent and adjacent island empires, has added strain and tenseness to animosities against their former colonial overlords with whom the United States is always closely associated in the thinking of Arab nationalists.

QUESTION 2. WHAT IS THE URGENCY WHICH NECESSITATES IMMEDIATE ADOPTION OF THIS RESOLUTION AS REPORTED BY THE JOINT COMMITTEE?

President Eisenhower, in his Middle East address to the Congress, in a few words expressed it thus:

> The proposed legislation is primarily designed to deal with the possibility of Communist aggression, direct and indirect. There is imperative need that any lack of power in the area should be made good, not by external or alien force, but by the increased vigor and security of the independent nations of the area.

Testimony presented at the joint committee hearings strongly suggests that Russia may well achieve her objective in this regard, unless the United States determines otherwise. The hearings certainly made it clear that—

First. There is ample evidence of plottings of assassinations and sabotage to gain Communist ends. Domestic Communists have small arms for local action and street fighting.

Second. The Russians hope to get control of Western Europe and the vast manpower, industry, and raw materials that exist there. If they can gain control of the oil resources of the Middle East and regulate shipping through the Suez Canal, they can cut off what was described at the hearings as the "lifeblood of Europe." Under these conditions, it is doubtful if Europe can stay independent of Communist control.

Third. The poverty, political instability, social tensions, and the complete demise of British and French influence in the Middle East have produced a weakness which, as the committee report makes plain, "has been exploited through increasing Soviet efforts to penetrate the area by means of—arms deals, trade agreements, and cultural missions," page 5.

Fourth. The Soviet Union needs a victory to offset a series of "political" losses. A victory in the Middle East would indeed give them one of great magnitude. Clearly this explains the bitter denunciation by Soviet leaders and their puppets of the President's Middle East proposal, through such means as the Soviet Union-Red China declaration of January 18 on the United States Middle East policy.

In the present situation, as Secretary of State John Foster Dulles indicated in his testimony before the joint committee, "No one can reliably predict whether, and if so, when, there would be Communist armed aggression, but three things are known: First, the Communist capability; second, the temptation; third, the lack of any moral restraints"—hearings, part I, page 5.

Peace in the Middle East is indeed the objective of our foreign policy in that area. Maintenance of that peace depends in my judgment, as I indicated nearly 10 years ago during debate upon the Italian Peace Treaty, upon a willingness to meet Soviet aggression with force if necessary. On that occasion, after referring to the postwar absorption of Hungary by Russia, I concluded:

> If we had served notice on Russia months ago that we would stand for no more aggression, and said it in such a way that Russia would have no doubt that we meant it, the taking over of the Government of Hungary by the Communists would not have happened.

QUESTION 3. HOW DOES SENATE JOINT RESOLUTION 19 PROPOSE TO MAINTAIN THE PEACE IN THE MIDDLE EAST AND PREVENT COMMUNIST AGGRESSION?

Section 1 of the resolution authorizes the President "to cooperate with and assist any nation or group of nations in the general area of the Midle East desiring such assistance in the development of economic strength dedicated to the maintenance of national independence."

Section 2 authorizes the President to undertake in the same area "military assistance programs with any nation or group of nations desiring such assistance." Section 2 also contains an authorization, "if the President determines the necessity thereof," for him to use our Armed Forces "to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism."

Section 3 gives the President authorization to use, during the remainder of fiscal year 1957, for economic and military assistance programs $200 million of any moneys already appropriated and now available for carrying out the purposes of the Mutual Security Act. It would permit the President to spend this money which has already been appropriated, but which, because of the outbreak of fighting in the Middle East, has not been earmarked, or obligated, for specific purposes. This it would do by waiving the present legal restriction that 80 percent of the 250 million already appropriated for 1957 mutual security programs in the general area of the Middle East must be earmarked by May 1.

Such an authorization is necessary in order to give the President time to make a thorough examination of actual needs, and to insure that funds already appropriated will be available for any emergency which may arise anywhere in the Middle East area during the last few weeks of the 1957 fiscal year.

QUESTION 4. WHAT ARE THE PROBABLE CONSEQUENCES IF THE CONGRESS FAILS TO ENACT SUCH A RESOLUTION?

I have no doubt that the situation is serious. The American people, the people of the Middle East whom we hope to assist, and above all, the Soviet Union should clearly understand that "should Communist aggression occur and should American help be requested, help would be forthcoming promptly and forcefully," as the report points out—page 9.

During the course of the hearings, the Secretary of State made it very plain that if the people of the Middle East gained the impression that doubt existed as to what we would do in the event of Soviet aggression, after Congress had considered the President's request, that it would have serious consequences for maintaining the political independence of the nations of that area. The distinguished minority leader undoubtedly will recall Secretary Dulles' reply to these questions, which he asked:

> Now, Mr. Secretary, what in your judgment would be the effect if the Soviet Union got the impression that the Congress in effect had repudiated the request for this authority on the part of the President of the United States in the Middle Eastern situation?
>
> Do you think that that might have a tendency to encourage adventures by the Soviet Union?—part I, page 133.

To these questions, Secretary Dulles replied:

> I am sure that it would, Senator—part I, page 133.

On another occasion, in reply to a question concerning the existence of doubt on the part of Russia "about our determination to meet with force any military aggression that she might commit upon the Middle East," the Secretary of State replied:

> I think that there is doubt, having through some form of congressional action covered most of the areas, and this area now coming into question virtually for the first time as far as the United States position is concerned, I think that they might very well have doubt—part I, page 255.

In an address during the last week in January the distinguished senior Senator from New Jersey [Mr. SMITH], outlined in vivid detail the probable consequences of rejection of this resolution in these terms:

> There would be a continued invitation to the Soviet Union to expand into the Middle East, or if not to expand, to intensify its drive to keep the area in ferment.
>
> Undiminished unrest in the Middle East would mean continued tension between the Afro-Asian nations and the West, between the Arab States and the free Western nations, and between the Arab States and Israel. A source of friction between Russia and the West would continue to fester and the pressures on peace-sustaining agencies would become increasingly more heavy. The Middle East nations would not be able to benefit from the vast petroleum potential which they possess and neither would the rest of the world. In all probability there would be a rapid worsening of the explosive, tragic, status quo and, above all, an irreparable loss to the free nations of the world—CONGRESSIONAL RECORD, February 19, 1957, page 2239.

During his testimony before the joint committee, the Secretary of State not only stated that we face today the gravest problem of the last 10 years in the Middle East situation, but also that unless this resolution is passed by the Congress, our chances of going to war are greater today than they were during the conflict which led to the Berlin airlift—part I, page 156.

A clear statement of our intentions and how they will be carried out, may prove decisive in deterring Soviet aggression. Its pronouncement alone may save the peoples of the Middle East from Communist enslavement. On the other hand, failure to pass this resolution may cost the lives of thousands of American men in resisting such aggression. This is a situation which demands bold action, if need be, such as that contained in the resolution which is before the Senate.

The situation is so serious, the risk so great, that I cannot see how the Senate of the United States by rejecting this resolution dare unilaterally assume the responsibility for taking such a calculated chance when, first, the need for a clear and concise statement of our intention to resist aggression by force is so obvious; and, second, the House of Representatives has provided the same in House Joint Resolution 117. I, for one, do not want it upon my conscience that by failure to adopt this resolution, I had thereby risked the life of one American soldier or that of any citizen of any Middle Eastern country which had, in the absence thereof, to request our assistance to repel aggression encouraged

by such an omission. As the Senator from Kentucky [Mr. COOPER] expressed it during the debate last week:

In the face of continuing danger, it would be hazardous, if not reckless, if the Senate of the United States should deprive the President of any instrument he thinks is needed to help solve the present tense situation, and avoid an outbreak of war—CONGRESSIONAL RECORD, February 28, 1957, page 2783.

QUESTION 5. WHAT ARE THE VITAL INTERESTS OF THE UNITED STATES IN THE MIDDLE EAST WHICH THE RESOLUTION IS DESIGNED TO PROTECT?

Mr. President, as we debate this resolution, I think it desirable that we keep in mind the objectives we hope to attain through its passage. Review of these objectives will, I believe, add perspective to our thinking and soundness to our judgment.

In his Middle East address to the Congress on January 5, President Eisenhower again reaffirmed that—

Our basic national objectives in international affairs remains peace—a world peace based on justice. Such a peace must include all areas, all peoples of the world if it is to be enduring. There is no nation, great or small, with which we would refuse to negotiate, in mutual good faith, with patience, and in determination to secure a better understanding between us. Out of such understandings must, and eventually will, grow confidence and trust, indispensable ingredients to a program of peace, and to plans for lifting from us all the burdens of expensive armaments.

While peace is our primary objective, events of the past few decades have once more reminded us that eternal vigilance is the price of peace. Since the end of World War II, Soviet aggression and international communism have necessitated that we proceed on that premise. As then President Truman stated in his message of March 12, 1947, on the proposed Greek-Turkey loan, "totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States."

Senate Joint Resolution 19 is an expression of our determination to help each free nation of the Middle East preserve its independence by preventing the encroachment of international communism via Soviet aggression. Agreements subsequently signed with nations in this area as a result of the authorization contained in Senate Joint Resolution 19 will have as their objectives the preservation of peace and the political and economic development of this part of the world.

Once again, if we adopt a clear statement of our intention to fight, if need be, it is my belief that we have a good chance of solving, without bloodshed, what the Secretary of State has said is the gravest problem of the past 10 years—hearings, part I, page 156. On the other hand, appeasement, parading under the guise of doubtful intentions on our part, under the circumstances, will surely invite Soviet aggression.

If anyone has any doubt on this score, let him review the results of such appeasement, as I had occasion to do during the debate in April of 1947 on the Greek-Turkish loan. At that time I recalled that—

In the Baltic States when Germany was driven out there was a semblance of a plebiscite to decide if these countries should become a part of the U. S. S. R. But there was no freedom of choice in the way we understand freedom. Russia absorbed those countries. We and Great Britain, who had announced the [Atlantic] charter, did little if anything to restrain our ally. On the contrary, by our failure to act, we acquiesced, we appeased, we retreated, from our stand on the charter.

Later at Teheran and at Yalta we again appeased our ally, Russia. Stripped of verbiage, we acquiesced in her taking part of the territory of our ally Poland as her own without the consent of Poland. Thus we once more retreated from the stand we had taken in the Atlantic Charter.

At these same historic meetings, without the consent of China, Korea, or the people of Manchuria, we promised as a reward either a part of the territory of these countries or a zone of influence therein if Russia would join us in the war upon Japan. And when victory over Japan came, our ally quickly gathered to herself all the rewards, and more, that we had offered. * * *

When VE- and VJ-days came, we thought the war was over, but we have found as a matter of fact that while the shooting stopped, the war of ideologies goes on space as it did before the days of the Atlantic Charter. Instead of dictatorships of Germany and Japan, we now have standing entrenched not only in central Asia, but in Europe and the Far East a dictatorship which by its past history has been shown to be as ruthless and as despotic as those we destroyed in World War II. * * *

In our past history we have lived peaceably with absolute monarchies and dictatorships of various types and kinds, and possibly we could do so again if the one we now face were an ordinary dictatorship. It is not content to keep its ideologies and philosophy of government at home, but it conceives its mission to be the promulgation of this philosophy and ideals of government throughout the world.

The President's Middle East address makes it clear why the Russians hope we will not face up to the challenge of maintaining the peace in that area. It also reveals why they hope we will retreat by not giving the President authority to meet aggression if necessary:

The reason for Russia's interest in the Middle East is solely that of power politics. Considering her announced purpose of communizing the world, it is easy to understand her hope of dominating the Middle East.

This region has always been the crossroads of the continent of the Eastern Hemisphere. The Suez Canal enables the nations of Asia and Europe to carry on the commerce that is essential if these countries are to maintain well-rounded and prosperous economies.

Not only will passage of this resolution give the peoples of the Middle East a clear understanding of what we intend to do without a moment's hesitation if need be to thwart Soviet aggression, but also it will, in my judgment, as the Senator from Massachusetts [Mr. SALTONSTALL] stated it well the other day, "be more possible to create a climate in which the basic problems between Israel and the Arab nations can be approached with a much better chance for their solution and for the establishment of a lasting peace in the Middle East"—CONGRESSIONAL RECORD, February 19, 1957, page 2236.

QUESTION 6. IS THE RESOLUTION DESIGNED TO FORCE THE NATIONS OF THE MIDDLE EAST TO CHOOSE BETWEEN THE EAST AND WEST?

Such military and economic aid as might be extended any such nation or group of nations must lend support to the basic moral principles which underlie Democratic institutions. We must so conduct our affairs that we cannot be accused of interference in the internal affairs of these Middle Eastern Nations. Absolute respect for their right of self-determination, the conduct of their own affairs, and the development of their individual God-given rights in a peaceful environment must prevail. Patience, understanding, and tact must guide our efforts because a liberal application of such virtues not only will assist them but also will help produce an atmosphere in which political maturity can evolve.

Comment from some of the leaders of countries which might ask for assistance reflects such concern. During his recent visit here, King Saud of Saudi Arabia was reported to have said that "there were excellent prospects for good relations between America and the Arab world, provided the United States remained the champion of freedom and self-determination." Prince Abdul Ilah of Iraq, in his speech to the National Press Club about the same time, spoke of three great dangers in the area, foremost of which was the Palestine problem. But while the Prince listed communism as the third danger, he listed as second, "the persistence of some Western Powers in their old imperialist attitudes and policies."

The Communists, upon the President's announcement of the need for rendering assistance to Middle East countries if requested, were quick to denounce it. Krushchev described the Eisenhower doctrine as an example of "American imperialism," and charged that we were rushing into the Middle East to take over "from the British and French imperialisms."

The Joint Committee is to be complimented for clearly setting forth in its report the following statement on the basis upon which our offer of assistance is made:

Both economic and military assistance are to be extended to nations "desiring such assistance." Moreover, economic assistance is to be for the development of economic strength "dedicated to the maintenance of national independence." These points are designed to make clear that the United States has no purpose of forcing its assistance on nations which do not want it. They are further designed to emphasize the overriding concern of this whole resolution with the maintenance and strengthening of the independence of the states of the Middle East. This joint committee is not interested in establishing an American sphere of influence in the Middle East. What the joint committee is interested in—and the national policy which this resolution reflects—is the national independence of the states involved. So long as these states are truly independent—i. e., so long as they do not come under any foreign domination, Communist or otherwise—the national interest of the United States will be well served. (P. 8.)

The sincerity with which we hold to this basic premise of our foreign policy is evidenced in President Eisenhower's

remark in his Middle East address that "seldom in history has a nation's dedication to principle been tested as severely as ours during recent weeks."

Our record, in this respect, when contrasted with that of the Soviet Union in Hungary and elsewhere is as marked as the difference between night and day. For example, whereas we have carried out, in good faith, the obligations which we have assumed by treaty and other agreements, the Russians have broken or ignored promise after promise. Whereas we have entered into such contractual arrangements to enhance the political stability of independent states and to insure peace, Russia has entered into many such agreements purely on a power politics or Trojan horse basis.

If anyone has any doubt on this matter, he need only examine Senate Document No. 125—84th Congress, 2d session—entitled "Soviet Political Agreements and Results," which contains a detailed chronology of Soviet political agreements and the results. Among the more important ones of recent date are the following:

First. Refusal of the Soviet Union even to discuss seriously the reunification of Germany involves a clear break of the directive adopted by the participants at the Geneva Conference held in July 1955.

Second. Violation of the Restoration of Peace in Indochina Declaration signed by Great Britain, France, Russia, and the so-called Chinese People's Republic in July 1954. Walter S. Robertson, Assistant Secretary of State, testified in July of 1955 that in northern Indochina, Red Viet Minh forces had been brought up to 350,000 men and supplied with modern equipment, although the declaration prohibited foreign intervention.

Third. Violation of the U. N. Korean armistice signed in July 1955 by acquiring formable military positions over the forces of the U. N. command and the illegal introduction of additional combat materiel and aircraft into North Korea.

Such broken agreements as well as the recent subjugation of Hungary by naked armed force—twice since the end of World War II, I might add—ought to leave no doubt in the minds of the people of the Middle East area that deceit and the use of force are the basic instrumentalities of Russia foreign policy. Initial favorable response to President Eisenhower's proposal on the part of such countries as Iran, Iraq, Lebanon, Turkey, and Saudi Arabia, is evidence of the concern these governments have over possible Soviet aggression in the Middle East.

As a result of this concern the peoples of these states are squarely on the spot today—no less than is the United States Senate. We dare not, by a failure to pass Senate Joint Resolution 19 by an overwhelming vote, let these people down in a time of painful decision. The die is cast, the fat, so to speak, is in the fire.

QUESTION 7. WHY MUST THE CONGRESS AUTHORIZE THE USE OF THE ARMED FORCES; DOES NOT THE PRESIDENT AS COMMANDER IN CHIEF HAVE THE AUTHORITY TO TAKE WHATEVER ACTION HE DEEMS NECESSARY TO CARRY OUT THE POLICY EXPRESSED IN THE RESOLUTION?

No; he does not, because the possible use of our Armed Forces is contingent upon a request by a Middle Eastern country for assistance "against armed aggression from any country controlled by international communism."—Resolution, section 2. In a few words, the action contemplated is offensive action with respect to Communist aggression outside the territory or jurisdiction of the United States.

During this debate such a contention has been made by several individuals who are opposed to this resolution. For example, the Senator from Montana [Mr. MANSFIELD] stated that it merely "strengthens, reaffirms, and reasserts the constitutional authority of the President as Commander in Chief of the Armed Forces of the United States."—CONGRESSIONAL RECORD, February 21, 1957, page 2397. Others who support the resolution also have taken this view. Typical is the Senator from Massachusetts [Mr. KENNEDY] who concluded that if "an emergency situation arose threatening United States security, the President would have authority, as Commander in Chief, to take action."—CONGRESSIONAL RECORD, March 1, 1957, page 2884.

From what I have already said, obviously I do not share this view, since as my distinguished friend, the Senator from North Carolina [Mr. ERVIN] so well phrased it:

The study has led me to the abiding conclusion that the power of the President as Commander in Chief of the Army and Navy under the Constitution when not acting by congressional authority is wholly defensive in nature, and that, by virtue of its constitutional right to declare war, Congress and Congress alone has the power to authorize the employment of the Armed Forces of the United States in offensive warfare.

When this resolution is read in the light of the evidence presented before the committees, it clearly appears that the resolution is designed to permit the President to send the American forces into action on behalf of a Middle East country which is attacked by another Middle East country in case he decides that the latter country is controlled by international communism. This being true, the resolution is designed to permit the President to commit the Armed Forces of the United States to offensive warfare. We would delude ourselves, indeed, if we should say in such case that the United States was fighting in its own self-defense. An attack upon one Middle East country by another would not, in fact, imperil the national security of the United States.

For these reasons, I am unable to support any of the proposed amendments to the resolution declaring, in substance, that the President would have the right to engage in offensive warfare under these circumstances without authorization from Congress. (CONGRESSIONAL RECORD, Feb. 20, 1957, p. 2314.)

The constitutional antecedent for this view which I share with Senator ERVIN, and other members of the Senate as well, in my judgment, is found in the public debate precipitated when the Bey of Tripoli declared war upon the United States in 1801.

The debate at that time concerned this problem: Was a formal declaration of war by Congress required by the Constitution in order to create the legal status of war? Consider this analysis and interpretation of the delegated power given Congress in article I, section 8, clause 11 to declare war, which is found in the treatise, The Constitution of the United States of America Analysis and Interpretation—prepared by the Legislative Reference Service, Library of Congress, pursuant to Senate Joint Resolution 69, 74th Congress, edited by Edwin S. Corwin:

Jefferson sent a squadron of frigates to the Mediterranean to protect our commerce, but its mission was limited to defense in the narrowest sense of the term. After one of the vessels in this squadron had been engaged by, and had defeated, a Tripolitan cruiser, the latter was permitted to return home. Jefferson defended this course of action in a message to Congress, saying, "Unauthorized by the Constitution, without the sanction of Congress, to go beyond the line of defense, the vessel being disabled from committing further hostilities, was liberated with its crew." Hamilton promptly espoused a different interpretation of the power given to Congress to declare war. "It is the peculiar and exclusive province of Congress," he declared, "when the Nation is at peace to change that state into a state of war; whether from calculations of policy, or from provocations, or injuries received; in other words, it belongs to Congress only to go to war. But when a foreign nation declares or openly and avowedly makes war upon the United States, they are then by the very fact already at war, and any declaration on the part of Congress is negatory; it is at least unnecessary." Apparently Congress shared the view that a formal declaration of war was unnecessary. It enacted a statute which authorized the President to instruct the commanders of armed vessels of the United States to "seize and make prize of all vessels, goods, and effects, belonging to the Bey of Tripoli * * *; and also to cause to be done all such other acts of precaution or hostility as the State of war will justify"—(pp. 281–282).

As Dr. Corwin also points out:

Sixty years later the Supreme Court, in sustaining the blockade of the Southern ports which Lincoln had instituted in April 1861, at a time when Congress was not in session, adopted virtually the same line of reasoning as Hamilton had advanced. (Ibid. p. 282.)

The Court concluded:

This greatest of civil wars was not gradually developed * * * it * * * sprung forth suddenly from the parent brain, a Minerva in the full panoply of war. The President was bound to meet it in the shape it presented itself, without waiting for Congress to baptize it with a name; and no name given to it by him or them could change the fact. (The Prize Cases, 2 Bl. 635, 668 [1863].)

In the absence of attack, as Hamilton stated and as the Supreme Court has affirmed in this and other cases, only Congress can authorize the President to commit the Armed Forces of the United States to offensive action in order to meet such aggression as that contemplated by Senate Joint Resolution 19.

I find myself, therefore in complete agreement with the observation made only last Friday by my good friend the distinguished senior Senator from Maryland [Mr. BUTLER] to the effect that:

I do not think the President of the United States, on his independent judgment and without consulting the Congress, can say, "I consider the situation in the Middle East to be such that I am going to dispatch troops there." As a matter of fact, I do not believe that the present occupant of the White House feels that he has such power. I think that is one of the chief reasons why he has sent this resolution to the Congress, so that there may be no question about his power. He has asked us to act in

concert with him, so that the world may know that the President is not acting unilaterally, but that we are acting as a Nation united in this effort. (CONGRESSIONAL RECORD, Mar. 1, 1957, p. 2885.)

From my youth I have been taught that the Constitution of the United States was divinely inspired for the major purpose of protecting and preserving the rights and privileges of this land, which is a land choice above all others.

One of the greatest of these rights is that of the people through their representatives in Congress—not the Senate alone—to make decisions in a given situation when peace or war may hang in the balance. We all want peace. We all want to avoid a third world war if possible. This world is sick of war. The youth of this land and the youth of the world deserve a better future than is now in prospect. Observance of the constitutional processes, which in this case means action by both Houses of the Congress, insures the combined judgment of the entire membership of the Congress on crucial decisions involving this Nation's course of action. Such collective judgment is our best guaranty of a constitutional decision for the best good of all. It is, in short, our best guaranty of peace—if it can be preserved.

Understandably, therefore, Mr. President, I was thrilled when President Eisenhower instead of taking unilateral action in the Middle East when the circumstances, in his judgment, may have necessitated it, came to the Congress for an authorization to use the Armed Forces if requested in an offensive action.

This action made me recall a letter which I had sent to the President in March of 1955, commending him for asserting at a press conference that "there is going to be no involvement of America in war unless it is the result of the constitutional process that is placed upon the Congress to declare it."

Although thrilled, I was not surprised by the President's action in coming to the Congress for its authorization to commit, if necessary, United States Armed Forces to prevent Communist aggression in the Middle East. This recent action is another demonstration that he understands the Constitution and the limits it places upon his authority as Commander in Chief. I only wish that other Presidents had read and understood the Constitution as well as this President does. As I review the events of the recent past, I am not so sure that it would not be a good idea to make the Constitution required reading, not only for the executive departments, beginning with the Commander in Chief, but also for Members of Congress. More familiarity, perhaps, would make us all consider more carefully at times like these what we have sworn to defend.

Secretary Dulles' testimony indicates that the President deemed the situation in the Middle East so serious that he "thought of calling a special session of Congress to deal with the situation the latter part of December." (Hearings, part 1, page 75.) But because Congress was to be in session in a few days, he delayed, although not for long, because the first act he took, even before the state of the Union message, was to present this situation to the Congress just as quickly as the Congress could be organized.

Contrast this behavior with that of his predecessor during the early months of 1949 when the North Atlantic Pact was in the final stages of negotiation, and administration spokesmen were beginning to soften up the country for its ratification. At the very time when the newspapers were quoting what turned out to be the heart of the treaty, article V, and pressing for its acceptance by the Senate, Members of the Senate could not even find out what the negotiations had produced or what terms we were being asked to accept.

At the time I felt that we should have, in light of the situation, a discussion in the Senate of the terms of the treaty which was destined to change the historical pattern of our foreign policy. We were not at war, and I could understand no reason why, from security reasons, the American people and the Senate could not be told officially about what was going on in these negotiations, as well as those who wrote the inspired reports that were being printed in some of the newspapers. It seemed important that we get the truth, since perhaps the newspaper accounts were not giving the truth.

Accordingly, I sent a telegram to President Truman, who was then at his temporary headquarters at Key West, Fla. In part, the telegram read:

MY DEAR MR. PRESIDENT: In your inaugural address, you declared that a joint defense agreement between the United States and certain European democracies was being negotiated. From the press I learned that the negotiations have gone forward to the point where the proposed treaty will soon be ready for the signatures of the nations participating.

From time to time newspaper accounts purporting to give the language of the important articles in the pact have been released to the press. Members of the Foreign Relations Committee of the Senate have been permitted to read preliminary drafts. Other Senators, however, have been kept in the dark as to what the provisions of the pact will be. Meanwhile, a general debate has been carried on in the press and over the air by editors, columnists, and commentators on the necessity for, and the wording of, the pact.

The proposal that the United States enter into a pact which in effect is a treaty of alliance with European countries, is unprecedented.

For that reason, I am taking the unprecedented step of respectfully urging you now to give to the entire Senate of the United States and to the people of this country at least 60 days before the date set for the signing of the pact, the text of the proposed agreement, the names of the nations which will participate, and the reasons why the United States should become a party to the pact.

You will realize, Mr. President, that if the text of the proposed treaty and the reasons for entering it and the names of the nations invited to join are not given to the Senate in advance of the signing of the treaty, that it will be very embarrassing, and possibly harmful, to the United States to have the treaty discussed at length at the hearings before a committee of the Senate, and possibly in the end to have it rejected or have it approved with substantial reservations.

I submit, Mr. President, that submission of the treaty to the Senate as a fait accompli will be decidedly unfair to the Senate and to the participating nations.

The telegram did not evoke a reply, and a resolution to the same end did not get a hearing. The Senate and the American public were presented with a fait accompli.

By contrast, President Eisenhower now has twice come before the Congress and the American people and laid the situation squarely on the table. The first instance was in January 1955, in regard to a request for authorization to employ the Armed Forces of the United States for protecting the security of Formosa, the Pescadores, and related positions and territories of that area. The second was the current situation, in which he is seeking authorization to—

First. Undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence, and

Second. Employ the Armed Forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation or group of nations requesting aid against overt armed aggression from any nation controlled by international communism.

That Senate Joint Resolution 19, as reported to the Senate by the Joint Committee constitutes the requested authorization is made plain by the President's statement which was issued shortly thereafter. In part, that statement reads:

The President feels that the Senate committee's text is intended and designed to accomplish the purposes outlined by the President in his message to the Congress of January 5, 1957.

The President notes that the text adopted by two Senate committees differs in some respects from that recommended by the executive branch and adopted with some amendments by the House of Representatives.

But the President has no doubt that since both the Senate committee's and the House version seem clearly to be intended to support the President's program, the final action will be in terms entirely satisfactory to the President. (Washington Post, February 14.)

Very clearly then, the President has sought the cooperation of the Congress, since only with that cooperation, as he stated in his special Middle East message, can we give the reassurance needed to deter aggression, to give courage and confidence to those who are dedicated to freedom and thus prevent a chain of events which would gravely endanger all of the free world. Passage of Senate Joint Resolution 19 will insure the needed constitutional authorization; a resounding vote of approval will be met with popular acclaim by the people of the Middle East.

QUESTION 8. DOES THE RESOLUTION AS REPORTED BY THE JOINT COMMITTEE APPEAR TO BE WATERED DOWN OR WEAKENED AS COMPARED TO ORIGINAL SENATE JOINT RESOLUTION 19?

Yes, it does, and I view with some concern the failure of the joint committee to report the resolution in substantially the same form in which it was introduced in the Senate, and in which form a companion measure passed the House of

Representatives. There can be no doubt that each member of the joint committee acted not only with the best interests of this country in mind, but also with a sincere desire to see that Soviet aggression is prevented in the Middle East and that peace prevails in that area. However, in this latter respect the revised resolution itself may prove to be less a deterrent to Communist expansion than would the resolution in its original form.

For this reason, while I interpret the resolution as a congressional authorization, I do not agree with the joint committee report that the language of section 2 "has the virtue of remaining silent on the question of the relationship between the Congress and the President with respect to the use of the Armed Forces."—Page 9. In fact, far from being a virtue I consider that language a decided drawback.

Either the situation in the Middle East is serious enough for Congress to specify the situations in which it authorizes the President to commit the Armed Forces of this country to offensive action, armed conflict, or war, if you please, as an exercise of its authority under article I, section 8, clause 11, or there is no need for any kind of a resolution. I have no doubt that the situation is as serious as the President has described it in that part of the world, and for that reason the Congress should plainly say so.

The American people, the people of the Middle East whom we are offering to assist, and above all, the Soviet Union should clearly understand, as the committee report states, that "should Communist aggression occur and should American help be requested, help would be forthcoming promptly and forcefully."—Page 9. "Why," as the excellent editorial entitled, "Clarification In Order," which apeared in the February 15, 1957, issue of the Washington Post, points out, "should Congress cloak its intention in deliberately obscure verbiage which only constitutional lawyers can cut through?", since as it went on to say—

The basic purpose of this resolution is to make plain to the learned and unlearned both at home and abroad the intention of the United States to fend off any Communist aggression in the Near East—not merely to proclaim its capacity of doing so.

The distinguished chairman of the joint committee, for whom I have the highest regard, stated in reporting the resolution to the Senate that—

It is much more clear and forthright to state that the "United States is prepared" to take action, than to state only that the President is authorized. * * * Furthermore, as the report of the joint committee states, this language has the "virtue" of avoiding a constitutional debate which might have the effect of getting an important foreign policy statement lost in a lengthy discussion of constitutional interpretation. (CONGRESSIONAL RECORD, Feb. 19, 1957, p. 2232.)

Quite to the contrary, however, what we hoped would be avoided by such language has become the major topic and concern, respectively, of the debate which has issued during the period since the committee made its report. Not only was there "great danger that lengthy and profound discussion of constitutional questions might have . . . the effect of reducing the import of an important statement to United States policy in an area vital to the security of this Nation," as he stated on that occasion, but also there still is, in my judgment. This appears a certainty unless the remaining debate, and an overwhelming vote in support thereof, make it very plain that Senate Joint Resolution 19 is a congressional authorization to the President to take offensive action, under specified conditions, as an exercise of its own power to declare war under article I, section 8, clause 11 of the Constitution. Congress does not delegate power; it exercises itself the power given under the Constitution.

It has been argued here that this is not the case, but beyond any reasonable doubt the resolution as originally introduced gave to the people of the Middle East a much clearer statement of what they could expect from us in the way of help. It also gave to the people of the United States a more lucid understanding of the probable and personal consequences to them of Communist aggression in that area.

I shall support the resolution in its amended form, because, as the Senator from Massachusetts [Mr. SALTONSTALL] put it a few weeks ago, "I believe in substance it gives the same assurances, although not in such effective language," as the original resolution.—CONGRESSIONAL RECORD, February 19, 1957, page 2236. This point must be absolutely made clear to all concerned: Senate Joint Resolution 19, as the President assumed it to be in his statement on the committee revision, is indeed a specific authorization by the Congress, as an expression of its constitutional authority to commit this country's Armed Forces to offensive action, if any nation in the Middle East requests it, and if the President determines it necessary in order to stop Communist aggression.

QUESTION 9. IS SENATE JOINT RESOLUTION 19, WHICH AUTHORIZES THE PRESIDENT TO EMPLOY THE ARMED FORCES IN AN OFFENSIVE ACTION IN THE MIDDLE EAST AGAINST COMMUNIST AGGRESSION, IF REQUESTED BY ANY NATION OF THAT AREA, AN EXERCISE OF THE POWER CONGRESS HAS TO DECLARE WAR UNDER ARTICLE I, SECTION 8, CLAUSE 11?

Yes it is, although that has been denied in the debate which has ensued to date. In the current situation, the responsibility is ours to evaluate the facts and to conclude that they warrant exercise by the Congress of its power under article I, section 8, clause 11, of the Constitution. Passage of Senate Joint Resolution 19 would permit the President, or an exercise of that power, to employ the Armed Forces of the United States in offensive actions if requested by a Middle East country, and if in his judgment it was necessary to promote peace and stability in that area. This is not a delegation by the Congress of that constitutional power; rather it is a definite exercise of that power.

Although I would have preferred to have seen Senate Joint Resolution 19 emerge from the joint committee in substantially the same language in which it was introduced, nevertheless, it is a definite authorization to the President. The report makes this very clear:

Section 2 authorizes military assistance to nations in the area. It further declares that the United States regards the preservation of the independence and integrity of the nations of the Middle East "as vital to the national interest and world peace." To this end, if the President determines that it is necessary, the resolution states that "the United States is prepared to use Armed Forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism." (P. 6.)

If this were not the case, there is no reason for basing the possible use of the Armed Forces of the United States upon a Presidential determination of necessity.

Let no one make a mistake about this fact. Let everyone realize that by exercising its constitutional power, Congress is accepting joint responsibility along with the President for the consequences of any actions he may take pursuant to this authorization. In effect, we are saying that the situation in the Middle East is so serious, and that because the initial phases of modern warfare develop with such lightning speed, it is necessary for the Congress to exercise its constitutional power in this manner. Exercise of the delegated power after the fact these days, so to speak, may be tantamount to defeat. Since protection of the country's welfare is our paramount concern, the risk we otherwise would take is so great that we cannot take the chance of not exercising our constitutional power until after Communist aggression has taken place.

Thus, under the circumstances, Congress is obliged as an exercise of that power to assume responsibility for actions which have not yet occurred and whose ramifications we cannot anticipate in any great detail. This, in my opinion, is the only responsible course of action which is open to the Congress in light of the President's and the joint committee's appraisal of the seriousness of the Middle East situation. To my way of thinking, such action does not, as has been charged here in this debate, invite the irresponsible use of Executive power. It should be remembered that once armed conflict occurs, the situation itself will determine the course of action, not the Congress. Judgment as to whether alternative battle decisions are foolish, wise, too cautious, too reckless, or just what the situation requires at that point, and also subsequent thereto, must necessarily be left up to the Commander in Chief. Congress, except in a general way, is not equipped to make such decisions, although during the debate it has been so contended.

President Eisenhower has given adequate assurances that the Congress, however, will not be left out of the decision-making process, which may result in offensive action, if at all possible, as it was with respect to Korea. Consider this statement taken from his Middle East address:

If, contrary to my hope and expectation, a situation arose which called for the military application of the policy which I ask the Congress to join me in proclaiming, I

would of course maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implications, I would, of course, at once call the Congress into special session.

This does not mean, however, that the President will not commit the Armed Forces under the conditions specified in the resolution before consulting the Congress. This should be clearly understood.

As much is indicated by the Secretary of State in his testimony in regard to the possibility of instantaneous retaliation, as an expression of our basic policy or doctrine of deterrence, as it relates to the Middle East area, should subsequent military assistance programs with nations desiring assistance provide for the same. He said:

This is not a program for war. This is a program for peace. And the theory upon which we have been operating everywhere has been that where it looked as though that danger had grown to a point where it was serious, could be imminent, that we declared ourselves in a way which left no doubt in the minds of the possible aggressors or the immediate victims of aggression that there could not be action there without an immediate reaction on our part, and that they could make their plannings accordingly, and that there was no risk of a potential aggressor miscalculating in that respect.

That has been our policy. It has been a policy which we have carried on for 10 years, and on the whole it has been a policy which has worked; and I believe that the time has come to apply that same policy, that same practice, to this area. (Hearings, pt. 1, pp. 74–75.)

As I pointed out in the debate on the mutual defense treaty between the United States and Korea, "if instant retaliation is to be our program, then I think Congress should, in advance, give to the President authority to act in that way under certain circumstances. For instance, if aggression occurred against certain nations, particularly against nations whose security we believe to be necessary to our own security, then the President should have authority to act instantly." The Middle East request is, without doubt, a similar case in point. President Eisenhower, as I have indicated, constitutionally could not and has not proceeded on the theory that he already has such power to wage offensive war without Congressional approval.

He has done exactly what should have been done in June 1950 when the Korean situation developed. The following exchange between myself and the then majority leader, Senator Scott Lucas, well illustrates the parallel:

Mr. WATKINS. Should it not have been called to the attention of the Congress before ordering our fleet and our Air Force to support the Government of South Korea?

Mr. LUCAS. I am willing to leave what has been done in the hands of the Commander in Chief, and I wholeheartedly support his statement from beginning to end; I wholeheartedly concur in what has been done. I do not think we could take any other course as a result of the aggressive action upon the part of the North Korean Government.

Mr. WATKINS. May I say to the Senator that I was asking for information. I had not caught the full purport of what had just been said, that the President had actually ordered the Air Force and the Navy to support the South Koreans against the North Koreans. Naturally, the question arises whether it is an act of war and whether Congress should be consulted and given an opportunity to take some action with respect to it.

Mr. LUCAS. A state of emergency exists.

Mr. WATKINS. I realize that. It is a serious emergency, and I am taking that into consideration. But does the Senator consider the action taken justified by the fact that we have ratified the United Nations Pact and have become a member of it, and if a request is made by the United Nations, through the Security Council, to send support, whether the President would be justified, by that alone, in sending support which might result in a war? It is in effect war or a step leading to war. It may be that that is the very thing we ought to do. I am not one of those who have been taken into the confidence of the President and the Defense Department of the Government, so I do not know the facts. But it seems to me that this should have been called to the attention of the entire Congress. The Congress is now in session, and unless there is power in the United Nations to order our forces into an action of this kind which may result in a major clash, then I think we should have been informed by the President direct by a message to the Congress today. As I recall, we were told time and again when we were considering the Atlantic Pact, that nothing would take us into war under that pact without action by the Congress. The President could not do it.

Mr. LUCAS. I continue to read: "This they have not done, but on the contrary have pressed the attack. The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution."

After we have become a member of the United Nations in good faith, and the United Nations Security Council by unanimous vote made that sort of a request, what would the Senator from Utah do if he were President of the United States?

Mr. WATKINS. I will reply. I would have sent a message to the Congress of the United States setting forth the situation and asking for the authority to go ahead and do whatever was necessary to protect the situation.

During the joint committee hearings, the Secretary of State was asked the question whether he could give the Congress an assurance that before the Armed Forces of this Nation will be used under circumstances which might bring about a substantial conflict, that the President would ask for a declaration that a state of war existed. To this he replied:

Not prior to their use; no, sir. The whole purpose of this resolution is to make clear that the Armed Forces will be available to resist open armed aggression by a country controlled by international communism.

Now, if there is any doubt about that, I would say that would of itself be a very great disaster, because the people of the area would then feel that they had no protection against, or no sure protection against a menace which then would seem to them to be overwhelming. (Hearings, part 1, p. 251.)

Undoubtedly his reply was based on the fact that the administration considers this resolution to be an exercise by the Congress of its constitutional power to commit this country to offensive armed conflict, and has so expressed itself. This is evidenced by his response to this direct question: "By what section or article of the Constitution does Congress have authority to delegate to the President authority to use troops or to go to war without Congress declaring war?" He responded with a concise and direct answer, stating that he did not consider this resolution to be a delegation of Congressional authority, but rather that he regarded it "as an exercise of Congressional authority."—Hearings, part 1, pages 101–102.

While Members of the Senate may disagree as to the desirability of congressional exercise of its constitutional power in this case, there is no doubt that passage of Senate Joint Resolution 19 would be an exercise of that power. In my judgment, the situation in the Middle East warrants such action. As the Senator from Washington [Mr. JACKSON] stated it:

We know that in the case of all-out war, if our response is to be decisive and effective and if we are to be saved, the President of the United States, rather than the Congress, will have to take initial action. (CONGRESSIONAL RECORD, Mar. 1, 1957, p. 2886.)

In the absence of such an authorization by the Congress, as an exercise of the power delegated to it by article I, section 8, clause 11, of the Constitution, the President cannot legally take such offensive action. As I indicated last week in the colloquy which took place between the Senator from Connecticut [Mr. BUSH] and myself, "I must take issue," with my distinguished friend and others, who claim as he did that the President can use the Armed Forces in an offensive action, "until the Congress gets ready to decide whether we wish to wage war."—CONGRESSIONAL RECORD, February 27, 1957, page 2678. Senate Joint Resolution 19 is clearly an authorization to permit such action, although the new language seems to obscure this fact.

Very clearly then, the President has sought the cooperation of the Congress, since only "with that cooperation," as he stated in his special Middle East message, "can we give the reassurance needed to deter aggression, to give courage and confidence to those who are dedicated to freedom and thus prevent a chain of events which would gravely endanger all of the free world." Passage of Senate Joint Resolution 19 will insure the needed constitutional authorization; a resounding vote of approval will be met with popular acclaim by the peoples of the Middle East.

QUESTION 10. IS SENATE JOINT RESOLUTION 19 A DELEGATION OF THE CONGRESS' POWER TO DECLARE WAR UNDER ARTICLE I, SECTION 8, CLAUSE 11 OF THE CONSTITUTION?

No, it is not a delegation, rather its passage by the Congress will represent the end product of Congressional exercise of that power. To authorize the President in advance of or contingent to an actual determination of the need for committing the Armed Forces to offensive action by himself is not to delegate to the President the exercise of a power which the Constitution specifically gives to the Congress. Only under these specified conditions can the President under the terms of this resolution take such action:

First. If the use of such assistance is requested by any nation or group of nations requesting assistance against armed Communist aggression from any country controlled by international communism.

Second. If subsequent to the request, the President determines that the preservation of the independence and integrity of the nations of the Middle East is vital to the national interest and world peace.

To enact such an authorization, is to give realistic recognition to the doctrine of deterrence, relying upon our announced policy of instant retaliation, which has formed the very basis of our policy toward Russia. It is an expression of the fact that by the time Congress could take such action, it might not be around to authorize the President to take such action.

In passing Senate Joint Resolution 19, the Congress is not, in my opinion, "delegating the authority to someone else to decide whether or not we shall go to war."—See statement of the Senator from Tennessee [Mr. KEFAUVER], CONGRESSIONAL RECORD, March 1, 1957, page 2889. Rather, the Congress is saying in effect that "we will go to war if certain conditions come into being, and unless you want war with us, international communism, you had better see that those conditions do not come into existence. It is all up to you."

In light of these facts, it should be evident that enactment of this resolution does not by any stretch of the imagination give the administration blanket authority to use American troops, and so forth, in the Middle East. The resolution carefully describes the conditions which must come into being before the President can commit our Armed Forces to offensive action.

QUESTION 11. IS SENATE JOINT RESOLUTION 19 AN ENCROACHMENT UPON THE POWER OF THE PRESIDENT AS COMMANDER IN CHIEF?

Absolutely it is not, since the Congress cannot encroach upon a power which the Constitution does not give him in the first place: namely, the power to commit the Armed Forces of the country to offensive war. Although mere passage of this resolution could serve, in itself, to halt any contemplated Soviet aggression, some Members of this body have chosen to belittle the seriousness of the situation, and to oppose its passage on the grounds that it would be an encroachment upon the powers of the President as Commander in Chief.

For Members of Congress to differ with respect to the seriousness of the situation and the very need for taking such action as that Senate Joint Resolution 19 contemplates, is one thing. That is as it should be and always must be under our constitutional system. But it is another thing to base opposition, in my judgment, to the resolution itself on this contention which I for one find is without merit.

The resolution as reported by the joint committee does not place the responsibility for the use of our Armed Forces, in offensive action, on the President as Commander in Chief. There are no traditions or legal precedents in our constitutional history to support such a contention. Under the Constitution, as my good friend and distinguished colleague from across the aisle, the Senator from Wyoming [Mr. O'MAHONEY] pointed out last Friday:

The constitutional provision that the President is the Commander in Chief of the Armed Forces of the United States, according to my reading of the Constitution and of the debates in the Constitutional Convention, was merely a declaration by the constitutional fathers that the President of the United States—who, it was expected, would be chiefly a civilian—would be the man in charge as Commander in Chief of the Army and the Navy, but that he would not necessarily be empowered, as Commander in Chief, to send our soldiers to the ends of the earth for any reason that might appear to him to be advisable. (CONGRESSIONAL RECORD, Mar. 1, 1957, p. 2884.)

This conclusion comes from one who believed, and still does for that matter, that ratification of the North Atlantic Pact as it was originally presented to the Senate violated the constitutional mandate giving to Congress the power to declare war and to authorize the employment of our Armed Forces in the possible prosecution of a war. To some, these two positions may appear inconsistent. However, I submit that a short review of the facts will demonstrate the true nature of this apparent paradox.

Indeed, such a review will make it simply evident that not I, but the individuals who supported the North Atlantic Pact and now oppose Senate Joint Resolution 19 on constitutional grounds are those who merit the charge of inconsistency. Especially is this true, since at a subsequent date in considering the protocol for the admission of Greece and Turkey, the legislative history reveals that Congress by the express provisions of the treaty itself, properly interpreted, has the responsibility of implementing all provisions of the treaty including the declaring of war and/or the dispatch of armed forces outside our own boundaries.

The pertinent part of article V of the North Atlantic Pact in question provides that:

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and, consequently, they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually, and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

To illustrate the meaning of that clause, let us assume an attack upon Denmark, one of NATO's signatory powers. According to the NATO treaty, such an attack against Denmark is an attack against the United States. Congress in such a case, reasoned the supporters of the treaty, would not have to declare war; a state of war would exist, caused by the act of the aggressor. Congress may recognize by declaration, that a state of war exists, but the state of war itself was brought about by the aggressive act by the enemy power. So reasoned NATO backers in 1949. Under such circumstances, the President must immediately order the Armed Forces to repel the attack, since Denmark is placed by the NATO treaty in the same class as United States territory which the Executive is authorized by the Constitution to defend against armed attack.

Under these circumstances, the President does not await the action of the Congress. As the Supreme Court said in the Prize cases (2 Bl. 635 (1863)), in sustaining the blockade of the southern ports, which Lincoln had instituted—

If a war be made by invasion of a foreign country, the President is not only authorized but bound to resist force by force. He does not initiate the war, but is bound to accept the challenge without waiting for any special legislative authority.

The source of authority for taking such action, the Court found in article II, section 2, clause 1 of the Constitution which designates the President as "Commander in Chief of the Army and Navy of the United States, and of the militia of the several States, when called into the actual service of the United States."

Hence, if the President did wait for Congress to act upon an invasion of a NATO member nation, he would be derelict in his duty, assuming, of course, the constitutionality of the pact. Thus by the act of ratification of the North Atlantic Pact, the Congress has given nine other European countries and Canada the same status as our own United States territory, and for the purpose of repelling an armed attack, they become our responsibility under terms of that treaty.

Yet, article I, section 8, clause 11 states that "the Congress shall have power to declare war." This clearly means that both Houses of the Congress must act to commit the Armed Forces of the United States to armed conflict, unless the situation is one in which United States territory is attacked. The Senate of the United States, in my judgment, by unilateral action such as the ratification of a treaty, cannot constitutionally authorize the President to commit the Armed Forces of the United States to armed conflict.

For the same reason, the President of the United States, as an exercise of his power as Commander in Chief, cannot constitutionally commit the Armed Forces of this country to offensive war or hostilities. It is one thing for the Commander in Chief to protect our vital interests by committing the Armed Forces to action in defense of this country, as the Constitution clearly contemplates; it is quite another for the President to commit the Armed Forces, without specific congressional authorization and approval, to offensive action whenever and wherever he may deem it desirable.

Mr. President, this is the first of two speeches which I intend to make before the vote takes place on the pending resolution. I intend to answer some of the most important questions which have been raised, and which seem to be misunderstood throughout the country. I expect to place in the RECORD some exhibits pointing out my previous stand on these matters, so that I cannot be charged with second guessing on many of these questions.

Mr. President, I yield the floor.

RECESS

Mr. PASTORE. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until 10:30 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 47 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Tuesday, March 5, 1957, at 10:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 4 (legislative day of March 2), 1957:

UNITED STATES CUSTOMS COURT

Scovel Richardson, of Missouri, to be judge of the United States Customs Court, vice William A. Ekwall, deceased.

POSTMASTERS

The following named persons to be postmasters:

ARKANSAS

John R. Dail, Ravenden, Ark., in place of Paul Janes, resigned.

CALIFORNIA

Edith R. Wirtanen, Mount Hamilton, Calif., in place of N. U. Mayall, resigned.

DELAWARE

Richard A. Yost, Houston, Del., in place of J. B. Counselman, deceased.

FLORIDA

Everett A. Phillips, Wildwood, Fla., in place of J. M. Boen, removed.

IDAHO

Lavern Cornwall, Inkom, Idaho, in place of P. B. Rees, retired.

Floyd K. Heimgartner, Juliaetta, Idaho, in place of M. M. Cochran, retired.

ILLINOIS

Cecil L. Emery, Amboy, Ill., in place of W. E. Clark, deceased.

Wesley Harmon Myers, Assumption, Ill., in place of J. W. Duncan, transferred.

Paul K. Sample, Auburn, Ill., in place of Henry Harris, retired.

Marion M. Schmidt, Basco, Ill., in place of G. B. Earls, retired.

Theodore C. Hegstrom, Dolton, Ill., in place of L. J. Albrecht, retired.

Guy A. Doyle, Donovan, Ill., in place of C. S. Warrick, retired.

Harry C. Bunting, Fowler, Ill., in place of H. W. Dierker, retired.

Francis D. Ballerine, Granville, Ill., in place of W. I. Tyler, resigned.

Donald J. Fenn, Lena, Ill., in place of S. M. Phillips, resigned.

Stewart V. Edlund, Mason, Ill., in place of W. S. Shipley, removed.

Charles La Verne Keith, Mendon, Ill., in place of J. H. Priepot, removed.

Mary E. Ayres, Moro, Ill., in place of Letha Forrest, resigned.

Marvin C. Tervelt, Morrison, Ill., in place of E. R. Pratt, retired.

Carlton R. Morton, Oreana, Ill., in place of V. E. Lichtenberger, retired.

Howard H. Mumm, Philo, Ill., in place of C. E. Lowry, retired.

Robert A. Saar, Scales Mound, Ill., in place of M. B. Carr, retired.

Chester Buitema, South Holland, Ill., in place of H. E. Rinkema, transferred.

Glen V. Mitchell, Waverly, Ill., in place of W. E. Maher, removed.

KANSAS

Frank W. Daharah, Americus, Kans., in place of T. L. Ratliff, deceased.

Ivan R. Calahan, Kincaid, Kans., in place of P. E. Holmes, retired.

Leonard L. Livengood, Morrill, Kans., in place of B. F. McKim, retired.

Paul Vern Grittman, Simpson, Kans., in place of H. B. Vernon, declined.

LOUISIANA

Dosia M. Hood, Elton, La., in place of R. W. Monroe, retired.

MAINE

Eleanor H. Foss, Boothbay Harbor, Maine, in place of W. O. Dunton, retired.

Richard Paul Dyer, Turner, Maine, in place of T. G. Burdin, retired.

MARYLAND

Bertha N. Rohde, Glyndon, Md., in place of L. M. Pierce, retired.

MICHIGAN

Marian G. Decker, Auburn Heights, Mich., in place of W. B. Horsey, retired.

Roland W. Reese, Birmingham, Mich., in place of B. E. Fowler, removed.

Harold R. Snater, Breckenridge, Mich., in place of A. L. Eldred, deceased.

Dean F. Meier, Byron, Mich., in place of I. B. Telling, deceased.

Glenn E. Eddy, Cheboygan, Mich., in place of N. H. Viau, retired.

Otis E. Howe, Decatur, Mich., in place of H. H. Creagan, removed.

Ralph H. Smith, Flat Rock, Mich., in place of C. M. Bevier, resigned.

Bert O. Hobolth, Keego Harbor, Mich., in place of P. P. Quinlan, retired.

Arthur H. Weltschat, Lake Orion, Mich., in place of C. A. Cotcher, removed.

Clyle Y. Ryan, Marne, Mich., in place of C. J. O'Hearn, resigned.

Charles C. Larsen, Jr., Newaygo, Mich., in place of C. P. Sawyer, retired.

Cole L. Neumann, Rochester, Mich., in place of C. F. Bushman, removed.

Norval L. James, St. Charles, Mich., in place of M. E. Walsh, resigned.

Kenneth W. Walker, Shepherd, Mich., in place of F. M. Barnes, retired.

Thelma H. Swarts, Tipton, Mich., in place of V. I. Driffill, resigned.

Alma M. McCready, Turner, Mich., in place of W. F. Kelly, retired.

MINNESOTA

Joseph G. Williams, Buffalo Lake, Minn., in place of J. W. Hubin, retired.

Garrett W. Magee, Detroit Lakes, Minn., in place of W. F. Boss, retired.

Delmer E. Drysdale, Dover, Minn., in place of D. G. Polzin, removed.

William D. Cook, Farmington, Minn., in place of E. C. Feely, deceased.

Walter R. Johnson, Hendricks, Minn., in place of Sam Bogen, retired.

Ruth M. Bishop, Longville, Minn., in place of V. L. Ellis, resigned.

Russell L. Spielman, Odin, Minn., in place of D. E. Nordby, removed.

Lawler H. Olson, Perham, Minn., in place of J. C. Grimm, deceased.

Lyle D. Nelson, Randall, Minn., in place of M. E. Mahling, retired.

Harry Stickney Lamb, Schroeder, Minn., in place of N. F. Stickney, retired.

Neil Hopkins, Villard, Minn., in place of L. D. Gaffaney, resigned.

MISSOURI

Samuel K. Bartlett, Bogard, Mo., in place of Ethel Ross, retired.

Wayne E. Milligan, Buckner, Mo., in place of G. A. Brammer, retired.

Theodore R. Regenhardt, Cape Girardeau, Mo., in place of N. M. Snider, deceased.

Ralph E. Mosley, Crocker, Mo., in place of Roy Scantlin, declined.

Jakey F. Hobbs, Fair Play, Mo., in place of P. M. Sprague, transferred.

James D. Edwards, Galena, Mo., in place of Scott Moore, retired.

Roberta R. Purdy, Glasgow, Mo., in place of W. E. Nivert, retired.

Harold G. McLeland, Gorin, Mo., in place of A. C. Walters, retired.

Ellis E. Bass, Hartville, Mo., in place of L. G. Cravens, resigned.

David C. Baumann, Huntsville, Mo., in place of C. E. Burkhart, transferred.

Leo B. Funk, Kirksville, Mo., in place of A. F. Collins, deceased.

Donald R. Hoven, Pacific, Mo., in place of L. P. Brennan, retired.

George E. Light, Ridgeway, Mo., in place of E. W. Johnson, resigned.

Leroy J. Peden, Weston, Mo., in place of Brook Miller, retired.

MONTANA

Ronald F. Yandell, Cascade, Mont., in place of H. M. McCollin, resigned.

Dell H. Riggs, Conrad, Mont., in place of A. L. Rachac, retired.

Arthur L. Hamilton, Fishtail, Mont., in place of E. D. Neville, retired.

Alma M. Slevin, Froid, Mont., in place of A. M. Holmgard, resigned.

Loyd E. Shay, Laurel, Mont., in place of R. W. Willis, removed.

Lloyd M. Hughes, Lolo, Mont., in place of R. E. Hughes, deceased.

Lyle C. Marsh, Valier, Mont., in place of T. H. Durnell, retired.

Ben H. Williams, Virginia City, Mont., in place of J. R. Vickers, resigned.

NEBRASKA

James H. Ross, Elm Creek, Nebr., in place of F. S. Worthing, retired.

LeRoy J. Henry, Wellfleet, Nebr., in place of A. E. Conant, retired.

Mabel L. Kendrick, Whitney, Nebr., in place of M. C. Stewart, resigned.

NEVADA

Claude L. Taylor, Battle Mountain, Nev., in place of A. M. Holcomb, retired.

Antoine Primeaux, Elko, Nev., in place of M. C. McNamara, retired.

Lucy C. Belin, Pittman, Nev., in place of J. R. Corn, retired.

NEW JERSEY

Fern W. Buskirk, Deepwater, N. J., in place of H. A. Roberts, retired.

Clinton W. Wood, Jr., Oceanport, N. J., in place of Louella Lockwood, retired.

NEW MEXICO

Marion S. Dunnam, Artesia, N. Mex., in place of J. L. Truett, retired.

Benjamin H. Roberts, Corona, N. Mex., in place of B. E. Jones, resigned.

Benny J. Daugherty, Holloman Air Force Base, N. Mex., in place of M. G. Mellichampe, resigned.

Margaret U. Lucero, Los Alamos, N. Mex., in place of F. J. Roach, removed.

Ethel B. Solomon, Mosquero, N. Mex., in place of E. L. Wallace, removed.

Julius E. Pitzner, Tucumcari, N. Mex., in place of T. N. Lawson, retired.

Everette W. Myers, Tularosa, N. Mex., in place of H. D. Dodds, resigned.

Emma R. White, Whites City, N. Mex., in place of C. L. White, resigned.

NEW YORK

Eldred R. Wood, Canton, N. Y., in place of G. L. Sullivan, retired.

NORTH DAKOTA

Robert M. Otterson, Aneta, N. Dak., in place of M. A. Otterson, deceased.

Randolph O. Oppegard, Dazey, N. Dak., in place of W. W. Taylor, retired.

Donald C. Ditch, Douglas, N. Dak., in place of M. E. Tiedeman, retired.

Terry Lawler, Linton, N. Dak., in place of E. T. Atha, resigned.

Myron Halstenson, Niagara, N. Dak., in place of R. A. McLean, retired.

Melvin R. Iverson, Wildrose, N. Dak., in place of A. O. Herberg, resigned.

OHIO

Ralph C. Steer, Damascus, Ohio, in place of H. O. Stanley, retired.

Elsie E. Johnson, Williston, Ohio, in place of G. H. Lowe, resigned.

OKLAHOMA

Rae R. Toney, Bennington, Okla., in place of J. S. Dawson, retired.

Hershell S. Harper, Broken Arrow, Okla., in place of J. D. Walker, resigned.

Mary Alice Burke, Langston, Okla., in place of P. P. Edgar, removed.

Edwin Coyle, Marlow, Okla., in place of C. M. Anthony, transferred.

Hope M. Conrad, Reydon, Okla., in place of O. G. Conrad, retired.

John D. Jordan, South Coffeyville, Okla., in place of A. W. Shook, retired.

Leonard W. Booker, Stroud, Okla., in place of T. F. Lynch, retired.

OREGON

Theresa E. Bryson, Adams, Oreg., in place of L. W. Heise, declined.

Richard L. Willey, Elkton, Oreg., in place of K. P. McCollum, resigned.

LaVelle E. Partlow, Irrigon, Oreg., in place of Stella Poulson, removed.

Oleta R. Farrens, Monument, Oreg., in place of D. V. Mantis, resigned.

Virginia L. Lydick, Swisshome, Oreg., in place of H. C. Welsh, retired.

Orel T. Bateman, Vernonia, Oreg., in place of E. F. Messing, retired.

PENNSYLVANIA

Charles V. B. Daugherty, Dallastown, Pa., in place of C. H. Reisinger, removed.

John D. Kane, Sr., Phoenixville, Pa., in place of R. S. Fenyus, removed.

SOUTH CAROLINA

Arthur L. Hughes, Clifton, S. C., in place of J. W. Parris, removed.

Wade H. Sandifer, Cope, S. C., in place of J. M. Ritter, removed.

Benjamin B. Hare, Denmark, S. C., in place of M. R. Mayfield, resigned.

SOUTH DAKOTA

Davis O. Johnson, Hayti, S. Dak., in place of B. J. Kallemeyn, retired.

Daryl C. Lunn, Kimball, S. Dak., in place of F. S. Ryan, retired.

Michael P. Bowar, Seneca, S. Dak., in place of M. V. Breene, deceased.

Merle S. Prickey, Vermillion, S. Dak., in place of G. L. Engwall, resigned.

TEXAS

Dean D. Sterling, Abernathy, Tex., in place of W. A. Richter, resigned.

Lottie Annie Parson, Blanket, Tex., in place of H. L. Williams, retired.

Thomas H. Todd, Canton, Tex., in place of J. H. Riley, retired.

John E. Clanton, Channing, Tex., in place of V. B. Elkin, resigned.

Charles Edgar Rittersbacher, Corsicana, Tex., in place of G. C. Hudson, retired.

Harry E. Conner, Dalhart, Tex., in place of J. M. Wade, deceased.

Justus J. Urbish, East Bernard, Tex., in place of O. W. Koym, deceased.

Eugene S. Wade, Groom, Tex., in place of Jeff Gray, retired.

Thomas D. Sexton, Hawkins, Tex., in place of H. E. Minshew, removed.

Lamon Burnett, Hillsboro, Tex., in place of B. C. Jackson, removed.

Pearl L. Stone, Hunt, Tex., in place of V. E. Wootton, retired.

Hugh S. Davenport, Hutto, Tex., in place of Oscar Humphrey, transferred.

C. G. Twilley, Irving, Tex., in place of C. E. Range, transferred.

Billy P. Berry, Kerens, Tex., in place of H. P. McCown, deceased.

Verner O. Salmon, La Pryor, Tex., in place of H. T. Peace, retired.

Ruey F. McCarty, Lawn, Tex., in place of T. H. McCarty, deceased.

Schuyler C. Moore, Mineral Wells, Tex., in place of D. C. Harris, retired.

Lloyd A. Adams, Mount Pleasant, Tex., in place of A. B. Glipin, deceased.

Norine C. Hazlewood, Newark, Tex., in place of Sallie Hudson, retired.

Raymond T. Hargrove, Rockwall, Tex., in place of Frank Clark, retired.

Gladys E. Moore, Westbrook, Tex., in place of A. D. Wilson, declined.

Frances E. Renfro, West Columbia, Tex., in place of S. M. Gupton, retired.

UTAH

Shirley J. Bartholomew, Mayfield, Utah, in place of J. A. Christiansen, retired.

David L. Warner, Midvale, Utah, in place of Melvin Lind, retired.

VIRGINIA

Walter G. Carter, Nottoway, Va., in place of M. D. Deane, deceased.

WASHINGTON

David W. Edeen, American Lake, Wash., in place of B. M. Symonds, retired.

Ernest R. Meier, Arlington, Wash., in place of W. P. Quake, transferred.

Herbert L. Coon, Bremerton, Wash., in place of C. S. Halverson, deceased.

Ann M. Ingraham, Burton, Wash., in place of K. J. Van House, deceased.

Melvin LaHammer, Darrington, Wash., in place of W. W. Woodward, retired.

Roy E. Rettig, Kenmore, Wash., in place of Joseph Horrigan, retired.

Mayme C. Ross, Mukilteo, Wash., in place of D. E. Burklund, retired.

Marguerite T. Christie, Nahcotta, Wash., in place of W. C. Christie, retired.

James W. Markel, Omak, Wash., in place of R. H. Mitchell, retired.

Eleanor G. Monson, Silvana, Wash., in place of R. A. Robb, retired.

Emil E. Bruno, South Cle Elum, Wash., in place of M. C. Bennett, resigned.

WEST VIRGINIA

Bulow J. Snyder, Bartow, W. Va., in place of I. E. Matheny, retired.

WISCONSIN

Bernice A. Bechard, Bear Creek, Wis., in place of P. W. Flanagan, retired.

Roland R. Kucksdorf, Bowler, Wis., in place of F. A. Buettner, retired.

Rita A. Fornero, Camp Lake, Wis., in place of J. V. Gotsche, resigned.

Albert D. Rusch, Crandon, Wis., in place of W. F. Netzel, resigned.

Roy L. Fergot, Edgar, Wis., in place of F. J. Shortner, retired.

Merlin H. Jacobson, Galesville, Wis., in place of R. G. Docken, transferred.

WYOMING

Harry B. Spargur, Osage, Wyo., in place of F. L. Hunter, deceased.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 4, 1957

The House met at 12 o'clock noon.

Rev. George Martin Bean, chaplain, United States Military Academy, offered the following prayer:

O Lord God Almighty, giver of grace and wisdom, we commend to Thee all those who are engaged in the Government of this Nation, especially the President of the United States and the Speaker of this House.

Grant to them clean hands, pure hearts, and unfailing devotion to the cause of righteousness.

To Thee, merciful Lord, we commend their work and pray that it may be such as will promote Thy work in our midst.

Grant to them at this time special gifts of wisdom and understanding, of counsel and strength, that upholding what is right and following what is true, they may obey Thy holy will and fulfill Thy divine purpose. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, February 28, 1957, was read and approved.

ANNIVERSARY OF SERVICE OF CERTAIN MEMBERS OF THE HOUSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, this is the anniversary of some 18 Members who were elected to this body before the adoption of the 20th amendment to the Constitution in February of 1933. It is also the anniversary date of the first full term of service of four other distingushed Members of this body.

It is interesting to note that of the 22 Members of the House at the present time who were elected prior to the adoption of the 20th amendment, 11 sit on the Democratic side and 11 on the Republican side.

It was 44 years ago today, March 4, 1913, that our beloved Speaker, the gentleman from Texas, Mr. RAYBURN, began a long and distinguished career in this body. Mr. RAYBURN not only has served as Speaker longer than any other man in the history of our country, but he has served as a Member of the House longer than any other man sitting among us today.

The gentleman from Georgia, Mr. VINSON, the distinguished chairman of the Committee on Armed Services, who took his seat in the House on November 3, 1914, now ranks second only to the Speaker in term of service.

Our distinguished and beloved majority leader, the gentleman from Massachusetts, Mr. MCCORMACK, became a Member of the House on November 6, 1928, and began the first term of his outstanding service on November 4, 1929.

In addition to the distinguished gentlemen I have already named, Democrats who today are observing their anniversaries of service in the House are the gentleman from Missouri, Mr. CANNON, chairman of the Committee on Appropriations, who came here March 4, 1923; the gentleman from New York, Mr. CELLER, chairman of the Committee on the Judiciary, who also came here March 4, 1923; the gentleman from Tennessee, Mr. COOPER, the chairman of the great Committee on Ways and Means, who came here March 4, 1929; the gentleman from Texas, Mr. PATMAN, who came March 4, 1929; the gentleman from Virginia, Mr. SMITH, chairman of the Committee on Rules, who came March 4, 1931; and the gentleman from Kentucky, Mr. SPENCE, chairman of the Committee on Banking and Currency, who also came March 4, 1931; the gentleman from Mississippi, Mr. COLMER, who came March 4, 1933; and the gentleman from Pennsylvania, Mr. WALTER, who took his

oath as a Member of the House on March 4, 1933.

In addition to these 11 Democrats who were elected to the 73d and preceding Congresses prior to the change in the Constitution, two other outstanding Members of this body joined it before the end of the 73d Congress. The distinguished gentleman from Georgia, Mr. BROWN, came here on July 5, 1933, and the gentleman from North Carolina, Mr. COOLEY, the brilliant chairman of my own Committee on Agriculture, became a Member of the House on July 7, 1934.

The list of Republicans who came here prior to the adoption of the 20th amendment is also very impressive. The gentleman from Massachusetts, the distinguished and beloved minority leader and former Speaker of the House, Mr. MARTIN, became a Member of the House March 4, 1925. The dean on the Republican side of the aisle, the former chairman of the Committee on Ways and Means, Mr. REED, came here March 4, 1919. The gentleman from Tennesseee, Mr. REECE, first came here March 4, 1921. The gentleman from New York, Mr. TABER, former chairman of the Committee on Appropriations, came here March 4, 1923. The gentleman from Ohio, Mr. JENKINS, and the gentleman from Minnesota, Mr. ANDRESEN, ranking member of the Committee on Agriculture, came here March 4, 1925. The distinguished gentlewoman from Massachusetts, Mrs. ROGERS, former chairman of the Committee on Veterans' Affairs, came June 30, 1925. The gentleman from New Jersey, Mr. WOLVERTON, former chairman of the Committee on Interstate and Foreign Commerce, came March 4, 1927. The gentleman from Massachusetts, Mr. WIGGLESWORTH, came here on November 6, 1928. The gentleman from Ohio, Mr. HESS, first came here on March 4, 1929. The gentleman from Illinois, Mr. ALLEN, former chairman of the Committee on Rules, came here March 4, 1933.

Mr. Speaker, every Member of the House knows that without this illustrious group this would not be the great legislative body that it is. This rollcall of these veterans of the House is a rollcall indeed of our most prominent and distinguished colleagues. All of these Members are to be congratulated for their long and great service to this House and to the people of this country.

Mr. WILLIS. Mr. Speaker, all the Members named by the gentleman from Oklahoma have served with honor and distinction and I wish them all a happy anniversary. I hope I may be pardoned to mention one in particular, however, because it fell to my happy lot to be on two committees with him. I refer to FRANCIS WALTER, of Pennsylvania, who has served in this body for 25 years.

A quarter of a century is a long time, especially when these years have been crowded with such fruitful and beneficial service.

We all know about Mr. WALTER's devotion to duty and effectiveness. He is forthright and plain spoken. He plays the game fair and never lets a friend down. It has been my proud privilege to have served with him on the House Committee on the Judiciary during the past 9 years, and on the House Committee on Un-American Activities during the last few years. His counsel and advice to me during all of this time have been a source of inspiration and I am proud to call him my friend.

His qualities of leadership have earned him the respect and admiration of all the Members of this body on both sides of the aisle. And his own party made him chairman of the Democratic caucus.

It would take too long to enumerate the extensive list of legislative matters that bear his name. I should point out, however, that as chairman of the Subcommittee on Immigration and Nationality, he is the unquestioned living authority on the entire field of naturalization and immigration problems. He was one of the chief architects of the Administrative Procedure Act, and the McCarran-Walter bill, in my personal opinion, is a monument to his genius.

And finally, his conduct of the affairs of the House Committee on Un-American Activities, as its chairman, typifies his intense love of country and patriotism.

Good luck and God bless you.

HON. FRANCIS E. WALTER

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD concerning the distinguished dean of our delegation, the Honorable FRANCIS WALTER.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, this is the 25th anniversary of the entrance into this body of a very distinguished Pennsylvanian, the Honorable FRANCIS E. WALTER, the dean of the Pennsylvania delegation. Mr. WALTER came to this Chamber a quarter of a century ago.

His career has been marked by a high degree of intelligence and statesmanship. I, along with other members of this great body, pay tribute to him today and wish him many more years of valuable service to this Nation.

HON. WILLIAM M. COLMER

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Mississippi delegation may be permitted to extend their remarks at this point in the RECORD concerning the distinguished dean of our delegation, Hon. WILLIAM M. COLMER.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, 25 years ago today, the distinguished dean of the Mississippi delegation, Hon. WILLIAM M. COLMER, was first sworn into service in the House of Representatives.

We, in his delegation, are proud to recall this fact to the membership of the House. BILL COLMER came to this body having already earned the respect and admiration of the people of Mississippi for his service in public office.

Mr. Speaker, when BILL COLMER was first sworn into service here, 25 years ago, the people of his district and of the State of Mississippi were certain he was worthy of their trust. They knew him to be a man of honor, a man of high principle, and real ability; a student of government, a worthy advocate for good government.

Time has proven how right his home people were in selecting BILL COLMER as their Representative in Congress. Time has proven that BILL COLMER was, and is, worthy of the high place he enjoys among the outstanding Members of this body. He has been a worthy advocate for his side of every issue.

A strong antagonist against those to which he was opposed, but through his entire service he has always been a gentleman, worthy of the high regard all Members of this body have for him.

We, of his home State, are pleased to honor WILLIAM M. COLMER today. We know he has reflected and today does reflect credit to his family, to his State, and to his Nation. He sets a fine example for those of us who serve with him, for we know, whatever the situation we face today, it is better because of BILL COLMER's outstanding service in the House of Representatives.

Mr. WINSTEAD. Mr. Speaker, all the Members of this body love and respect W. M. "BILL" COLMER. All know him to be an outstanding Member of this body.

Now an outstanding member of the Rules Committee of the House, Bill has rendered real service to his district and his State. Throughout his service, he has always been found on the firing line for good government, for high principle, and yet always his fight has been on a high plane, which has gained for him the respect of all.

I am pleased to join with his colleagues today in congratulating Bill for his long service, which we have every hope to believe will continue for many years to come.

Mr. SMITH of Mississippi. Mr. Speaker, the beginning of BILL COLMER's 25th year in the Congress is well worth the attention of all of us here today. All of Mississippi is proud of his many contributions to the legislative scene in the eventful 24 years which have preceded us, and we are especially proud of the national leadership which he provides today.

When the history of the critical decade following World War II is written, I believe it will be evident that one of the major forces in shaping the strong congressional opinion to resist Communist aggression was the report of the House of Representatives Postwar Policy Committee. Mr. COLMER was the chairman and guiding spirit of this vitally important committee. Since that time, he has been a major influence in helping to determine congressional policy in this field.

No man in the House of Representatives has a better record for effective leadership in the fight for greater economy in government and resistance to wasteful spending.

Today BILL COLMER is a leader among those forces in the Congress which are striving to prevent further encroach-

ments upon the rights of our States and our individual citizens, even though these attempts are being made in the name of civil rights. If the tide is ever turned in the fight to prevent these new infringements upon individual rights, BILL COLMER will deserve the highest credit for his role in awakening both the Congress and the American people to the dangers involved.

WILLIAM MEYERS COLMER has served our country, our State, and his district with great distinction for 24 years. I hope that we will have the benefits of his leadership for many years still to come, as well as the pleasure of association in common endeavors.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I am happy to join my colleagues from Mississippi in giving deserved tribute to Hon. WILLIAM MEYERS COLMER on this, the 25th anniversary of his service in this body.

Many distinguished Mississippians have rendered notable service in this body down through the years, but none has served with greater distinction or devotion to duty than BILL COLMER. A man of unimpeachable integrity and raw political courage, with a happy faculty of being able to gain and hold friendships, BILL COLMER has long since won the love and respect of the Congress and the Nation. He wields a tremendous influence in this body, and his work in the interest of good government and high constitutional principles will long be remembered among students of government everywhere.

BILL COLMER has already earned for himself a distinguished place in the history of the State of Mississippi and the United States, and we hope that America may enjoy his services for many years to come.

We extend heartiest congratulations to our colleague, BILL COLMER, and wish for him God's richest blessings as he continues to serve our people and Nation.

Mr. ABERNETHY. Mr. Speaker, it is with deepest sincerity that I join in honoring my good friend and distinguished colleague, BILL COLMER, dean of Mississippi's congressional delegation, on his completion of 25 years in this august body. I know of no other man for whom I have a higher regard or whom I hold in higher esteem. The outstanding contribution which he has made to his district, to the State of Mississippi, and more particularly to the Nation was appropriately recognized by the American Good Government Society when he was chosen for one of its two 1957 Good Government Awards He is a great statesman of whom we all have every reason to be proud.

GRAIN DISEASE RESEARCH

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, many farmers in the State of Montana as well as other States, during the past several years have suffered heavy damage from infestation of wheat rust and diseases harmful to other grains. No one State or region has the necessary funds to carry on an adequate program of disease control and grain plant research on the present Federal and State appropriations. Because of this, the Legislature of the State of Montana by joint resolution has memorialized Congress, asking it to recognize the importance of continuous and adequate plant disease control and research, particularly as to grains, by necessary increases to the present appropriation of funds for such purposes. During years of apparent bumper crops, through adequate rain and warmth, there always is posed the threat of rust. Even though new types of so-called rust-resistant wheat are being made available, they constantly are subject to new strains and types of disease. Particularly disturbing is the problem of barley mosaic, which apparently is a virus-type disease which in some ways might be likened to the common cold. In the case of barley, however, this virus is not readily apparent until harvesttime. Often, a farmer might think he has a nice looking big stand of barley, but at harvesttime there is no grain in the head. Of course, the ultimate goal of all our research should be the production of grain having the most desirable milling qualities. These are some of the reasons we urge funds for additional research in this field.

COMMITTEE ON THE JUDICIARY

Mr. DOYLE. Mr. Speaker, on behalf of the gentleman from New York [Mr. CELLER], I ask unanimous consent that the Committee on the Judiciary may sit all this week while the House is engaged in general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. HARRIS. Mr. Speaker, we have all been getting a great deal of information regarding the Hoxsey cancer treatment. I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD in which I make a statement on the status of this problem.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMERCIAL FISHING INDUSTRY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, at the request of the commercial fishing industry, I am introducing an amendment today to Public Law 680, 83d Congress, an act to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries. That act, passed by the Congress in 1954, places responsibility on the Secretary of State to take prompt and appropriate action in behalf of any private vessel of the United States and its crew whenever such vessel is seized by a foreign country on the basis of rights or claims in territorial waters or the high seas which are not recognized by the United States. Existing law provides that if a fine must be paid in order to secure the prompt release of the vessel and its crew, the Government shall reimburse the owners in the amount of the fine.

This law was originally proposed after a number of Central and South American governments asserted claims to territorial jurisdiction on the high seas to limits not recognized by the United States. Several serious instances have occurred where American fish vessels operating well beyond the 3 miles from a foreign shore have been seized by foreign governments, their catch confiscated or allowed to spoil, and their crews fined as imprisoned, or both.

The situation has been most difficult in the Gulf of Mexico where, during the past several years, American shrimp boats have been seized by the Mexican Government on the basis of extreme claims as to the seaward boundaries of her territorial waters. Other instances have occurred in the Pacific Ocean, off the west coast of South America, where claims of sovereignty extend as far as 200 miles from the coastline. I regret to say that these disputes exist.

Right now there is pending before this House a private bill to reimburse boatowners not only for fines, but for additional losses resulting from seizures by the Mexican Government.

It is my belief that the whole subject merits reexamination to determine whether existing legislation is sufficient to protect fishermen and other Americans in their rights on the high seas. The bill being introduced would extend the obligation of the Government to reimburse owners and crews, not only for fines paid, but for all expenses incurred by reason of a seizure, where the seizure took place beyond limits recognized by the United States.

It is my hope that in the hearing that will be scheduled on the bill, all parties concerned will fully and freely express their views so that we can do justice to our citizens who follow their lawful pursuits on the high seas.

LIMITING FEDERAL SPENDING

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I recall the strong sense of admiration I felt from the Republican side of the aisle for certain Democratic Members of this House in the 83d Congress. This was for certain Democrats who consistently supported the Republican effort which resulted in a $10 billion reduction in appropriations below the so-called Truman budget.

Now there is a strong determination on the Republican side of the aisle to cooperate with the Democratic majority in Congress in any attempt to reduce the Eisenhower budget. Certain Republican Members are expressing their support for a reduction by jointly signing a letter to the chairman of the Rules Committee. This letter states the Members signing support the objective of House Resolution 170, which would set an overall limitation of $65 billion on Federal spending in fiscal 1958, and apply any revenue above this figure equally to debt reduction and a cut in taxes.

SPECIAL ORDER

Mr. HILL. Mr. Speaker, I have a special order for this afternoon for 90 minutes. I ask unanimous consent that that be vacated and that I may address the House on Thursday next for 90 minutes, following the legislative business of the day.

The SPEAKER. Is there objection?

There was no objection.

THE JUNIOR COLLEGES CAN HELP SOLVE PROBLEMS OF HIGHER EDUCATION

Mr. DIXON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Speaker, this week the American Association of Junior Colleges meets in annual convention in Salt Lake City. This national meeting is of vital interest to Members of Congress because—

First. A tidal wave of youth will reach college before provision is made for them unless the Nation works at full speed ahead on its planning and preparations.

Second. Dr. Elvis Stahr, executive secretary of President Eisenhower's Committee on Education Beyond the High School, will be one of the featured speakers.

Third. His committee has already issued a preliminary report in which it asks Congress to appropriate $2,500,000 to the States for formulating a comprehensive program of higher education.

I intend to introduce a bill later on to carry out this recommendation.

Fourth. The findings of the convention of the American Association of Junior Colleges are also significant to us because the President's Committee points to the junior college as one of the most important and economical ways to solve the difficult college problem.

Utah is honored to be host to this great organization, 600 colleges strong, and extends congratulations to its president, James M. Ewing; its executive secretary, Jesse B. Bogue; its other officers, directors, and membership.

Much interest is centered around the Salt Lake City convention because our country turns to the junior—community—college to accommodate a sizable portion of the influx of students soon to reach college.

It is none too early now for Members of Congress to formulate plans to take care of the incoming college population. Even if we start now, I fear it might be a case of too little and too late as it appears to be with regard to aid for the elementary and secondary schools.

The situation brings to my mind the fable of "The Fox and the Wild Boar," in which the fox came upon the wild boar sharpening his teeth on a rock. "What are you doing that for?" asked the fox. "Because when the hounds are after me it's too late," said the wild boar.

The tidal wave of students is now beginning to flood the high schools and will soon reach our colleges. Twice as many youth will graduate from high school in 1969 as did this past year. This assures us that by 1970 there will be twice as many people attending school on the college level. If building construction progresses at its present rate of $750 million every year until 1970, there will be room for only 4.3 million of the 6 million applying for admission.

What then are we going to do about it? President Eisenhower has already made a beginning by appointing a Presidential Committee on Education Beyond the High School. Its executive secretary, Dr. Elvis Stahr, will be one of the featured speakers at the Salt Lake City convention this week. Last November the Committee released a preliminary report. It recommends at the outset that Congress appropriate $2½ million to be distributed among the States to encourage and assist every State to develop a State program designed to meet its college problems. The first thing that Congress can do about it is to appropriate this money.

The President's Committee takes the position that equality of educational opportunity beyond the high school is the goal to be reached and that four important developments are necessary before institutions of high learning are able to achieve that goal. These developments are:

Quantity: There must be a sufficient number of institutions and faculty persons to provide for all qualified students.

Quality: The quality of opportunity offered must be good.

Variety: There must be a variety of educational institutions under a diversity of auspices to offer many choices to individuals of various abilities and talents who differ in interests, aspirations, and beliefs

Accessibility: There must be facilities for education which are accessible to all students if equality of opportunity is truly to be realized.

Now how can these goals of quantity, quality, variety, and accessibility be realized?

More than 20 years' experience as an administrator in a junior college has satisfied me that at least part of the answer may be found in an expanded junior college movement. In fact, the Truman Commission on Higher Education, of which I was a member, stated boldly that the bulk of the increased college enrollment during the next decade should be absorbed by the community—junior—college.

The junior college is usually a 2-year local institution—community or regional—catering to a wide diversity of student population. It has an extremely practical bent. It goes into all of the homes of all of the people who do all of the work of the community and helps them to do their work better and live more happily in those homes. Its mother is the high school and its father is the university. The father wants junior to walk in his footsteps but junior is already making some significant footsteps of his own. For example, junior is less bound by tradition, less regimented by standard university curricular requirements and far more free to do those things most needed to meet the needs of his own students and the needs of his own community.

The junior college takes the position that there is nothing sacred about the word "four," so fixed by senior institutions as the minimum number of years required for a bachelor's degree. It points out that there are many skilled and semiprofessional occupations for which youth or adults might prepare in 1 or 2 years. Consequently the junior college gives a certificate of completion to students finishing a 2-year terminal curriculum and a title of associate of arts or associate of sciences for students transferring into the university upon completion of the first 2 years of the traditional university program.

Those completing the terminal—nontransfer—program are encouraged to pursue adult classes in night school. Approximately 55 percent of the junior college graduates are graduated from the terminal programs and go into industry or into semiprofessional work while 45 percent transfer into the junior year of the university.

THE JUNIOR COLLEGE IS SENSITIVE TO COMMUNITY NEEDS

The junior college has an adaptive mechanism within the structure of its organization which makes its program extremely sensitive to community needs. In setting up a terminal vocational program it usually takes steps as follows: first, it makes an occupational survey to determine positions available in the particular occupation being considered; second, it organizes an advisory committee of people engaged in the occupation; third, it develops the course of study with the help of the advisory committee; fourth, it installs the program; fifth, it places the graduates upon completion of their school program; and sixth, it supervises and assists those graduates to succeed on the job.

Now let me give you three illustrations out of my own experience to show the adaptability of a local college which is free, as far as its terminal program is concerned, from the uniformity and regimentation of the university standards.

During the darkest days of the depression when the Weber Junior College graduates could not find work, the occupational survey of the Ogden, Utah, area showed that the 3 railroads centering at Ogden could use 25 station agents. While hundreds of men applied, no qualified men were available. Weber Junior

College organized an advisory committee of 3 union station agents and 2 railroad administrators, set up a course for station agents, hired the best agent the railroads had as a teacher, and in 12 months turned out 25 good operators, all of whom the committee placed in positions. Such a course would not be eligible for credit or be considered academically respectable by a university.

Four years ago our survey showed that the hospitals in the Ogden area were short of nurses because the 3- and 4-year programs of the university were not turning out nurses fast enough. We formed an advisory committee consisting of the president of the county medical association, the head nurses of our two hospitals, the director of nursing at the State university, the State president of the nursing organization, and the State supervisor of nursing registration.

The committee heard of the nursing education research at Columbia University—encouraged by our esteemed Congressman FRANCES P. BOLTON—which revealed that by placing the nursing program under the college itself and by using the hospitals as a training laboratory, nurses could qualify for registration in 2 years instead of a minimum of 3 or 4 years. Furthermore, it was pointed out that by permitting the girls to live at home instead of living in the nursing home at the hospitals, the hospitals would be freed of the expense of the nursing home, could use it for other purposes, and the girls' school life would be far more attractive.

We announced and offered the 2-year nursing program. Immediately we had more applicants than student stations because living at the nursing home proved to be the chief barrier to girls entering nursing. Fully a year's time was saved by eliminating routine hospital services which the hospitals required the girls to perform long after the educational values of these services had passed. All of the first 2-year graduates except one passed the State examination last year and I am told ranked as high as the nurses with 3 years' training in the old program.

One of the features of the American Association of Junior College Convention now in session at Salt Lake City is a trip to Ogden so the administrators can see the Weber Junior College 2-year nursing program firsthand and appraise its outcomes.

Wealth is created by money, materials, and men, but the greatest of these is men. The dispersal of industry legislation passed by Congress last summer holds out great promise to communities under 200,000 population if conditions are right. One requirement is a high-class competent labor force. The proven ability of Weber Junior College to turn out good technicians was one of the important considerations leading recently to the selection of Ogden as the site of the large Marquardt Ram jet-engine plant.

THE JUNIOR COLLEGE MEETS THE COMMITTEE'S TEST OF VARIETY

This 2-year school caters to a widely diversified school population. Students who want to go on to a 4-year degree can find the standard first 2 years at the junior college and then transfer to the university. Those desiring a trade or semiprofessional preparation can complete a well-rounded 2-year course consisting of both vocational and general education which is more broadening and far richer in social and civic values than the narrower work of a strictly trade or area vocational school. And those who want a more narrow intensively vocational program of shorter duration can find that as well and in a better setting.

The junior college caters to people of all ages. Its adult and night school program is meeting with unusual success.

The junior college is also adapted to varying capacities and abilities. It takes an intelligence quotient of about 115 to gets a C or passing grade in the universities. Two-thirds of our youth have not an intelligence quotient that high, yet a large percentage can find their niche in the variety of offerings of the junior college. Only about one-third can complete a 4-year program at the university while more than one-half can complete a 2-year program at either the junior or senior institution. This is one of the reasons why one-half of the students in the senior colleges discontinue their work on or before the end of the sophomore year.

The junior college is admirably adapted to help the student discover his interests, aptitudes, and abilities. Many students are what President Arthur Adams, of the American Council on Education calls late bloomers.

It strikes me—

He says—

that identifying them (the late bloomers) and encouraging them is a major task of the junior college.

Many of our most outstanding scholars are discovered in the terminal programs of the junior colleges, and encouraged to go on into the senior schools. These valuable young people might otherwise never have been discovered.

The smaller school of the junior college variety can give better individualized instruction than the huge university. Our industrial age is so accustomed to the goals of speed, mass production and uniformity of product that it tends to impose those goals on the college to the detriment of the individual enrolled. The school should resemble a clinic, where each patient is treated in accordance with his own needs, more than it should resemble a huge factory.

THE JUNIOR COLLEGE MEETS WELL THE COMMITTEE'S TEST OF QUALITY

Several rather reliable followup studies have been made of the success of junior college transfer students at the university.

Grace V. Bird, associate director, relations with schools at University of California, arrived at the following conclusion:

Junior college transfers make records approximately the same as those made by transfers from 4-year colleges and by native students. There is clear evidence that junior colleges are salvaging a large number of students for success in advanced studies who would otherwise have missed them entirely.

THE JUNIOR COLLEGE MEETS THE COMMITTEE'S TEST OF ACCESSIBILITY

The community college makes college available to more people. Coleman Griffith, in his book The Junior College in Illinois, found that only 19.7 percent of high-school graduates went on to college when there was no free junior college in their community as against 53.5 percent when a junior college was present. In the latter case, also, 46.7 percent of the graduates of lower economic status were found to be attending the junior college.

George Meany, president of the AFL-CIO, has stated that the American worker could not afford in many cases to send a child on for 4 years of education, but a 2-year program could be afforded.

The Truman Commission found that the financial barrier was the greatest barrier in the way of equal education opportunity to all American youth and that the costs to the student are going up rapidly. The Commission refers to a study of 1 State which shows that only 1 out of 3 of the highest 10 percent of the high-school graduates ever entered college.

W. Hugh Stickler made one of the most reliable studies of comparative student costs in public senior colleges, private senior colleges, public junior colleges, and private junior colleges. In these costs he included tuition, fees, room rent, board, books, supplies, clothing, transportation, and miscellaneous expenses. His results are as follows:

	Cost per year
Public senior colleges	$1,304
Private senior colleges	1,531
Private junior colleges	1,062
Public junior colleges	735

It costs the student nearly twice as much each year to attend school at a public senior college as it does a public junior college.

THE JUNIOR COLLEGE MEETS THE TEST OF QUANTITY AND ECONOMY

The junior college is more economical. Senator CLIFFORD CASE of New Jersey, who, incidentally, is an alumnus and trustee of Rutgers University, in a recent news release describing the advantages of the community college, stated:

Clearly, the community-college plan produces the most for the tax dollar. It avoids the expensive costs of building dormitories and of long-distance transportation. It gives the student a chance to live at home, to find part-time work among his friends and neighbors, and perhaps to combine education and work.

It is to be hoped that the States will, in their planning with the $2½ million—which I hope our legislation in Congress will give them—give careful study toward establishing a coordinated system of public education beyond the high school which will include the junior college as an integral part of that public-school system and give this segment its fair share of dignity, emphasis, and financial support. Not long ago the completion of the eighth grade constituted in people's minds the end of public-school education. The goal was then raised to the completion of high school. And now nothing short of the completion of the junior college is the goal.

REDUCING THE BUDGET

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, it seems as though there is a revolt against the President's budget from the Republican side. I am not sure that that is not a good thing. I think the budget is a little revolting, myself.

I tried to help some of the Republicans the other day to point out a way to save $200 million by cutting the funds to rehabilitate the Arab dictators, but you Republicans did not see fit to go along.

I will try to point out some other places from time to time, and I hope that it is not just for home consumption that you say you want to cut the budget, but that you will show some initiative in that direction.

ONE HUNDRED AND TWENTIETH ANNIVERSARY OF THE CITY OF CHICAGO

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, this is a happy anniversary day. It had not been my intention to take the time of the House, even on the occasion of the birthday of the city of my home and of my heart as that, I thought, was of too personal a nature. But the doorkeeper, Mr. William M. Miller, better known to an applausing and admiring world as "Fishbait," asked me if I was not going to make some mention of an anniversary that all the Nation, and lands far away, were observing because the fame of Chicago has extended all over the universe as the miracle city of the ages, the best spot that ever has been given man on this earth to live. The doorkeeper, coming from a State far removed from Illinois, but feeling the magic of its glory, thought certainly the 120th birthday of the great city of Chicago should be commented on here, and so I am making mention of it, also I might add, for the sake of truth, at the suggestion of a man we all love in Chicago, so very much so, that everyone in our city calls him "Mr. Chicago," the beloved dean of the Democratic Illinois delegation, the Honorable THOMAS J. O'BRIEN. I am sure my colleagues on both sides of the aisle soon will join again in paying tribute to the beloved "Mr. Chicago" by voting for the Lake Michigan water diversion bill.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that on the subject on which I addressed the House earlier today all Members may extend their remarks immediately following mine.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE MEETING DURING SESSION OF HOUSE

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Alabama [Mr. RAINS], I ask unanimous consent that the Subcommittee on Housing of the Committee on Banking and Currency may sit during general debate in the House the week of March 4 through March 8.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE 168TH ANNIVERSARY OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. COUDERT] is recognized for 60 minutes.

Mr. ASPINALL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ASPINALL. Is not the Consent Calendar in order at this time?

The SPEAKER. Not before this recognition. This was made the special order of business at this time.

GENERAL LEAVE TO EXTEND

Mr. COUDERT. Mr. Speaker, I ask unanimous consent that immediately following the remarks of Members who participate in this proceeding, all Members be permitted to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COUDERT. Mr. Speaker, today is the birthday of this ancient and honorable body. One hundred and sixty-eight years ago today the House of Representatives began life under the Constitution of the United States in New York City. The day before, New York City rang down the curtain on the old Government under the Articles of Confederation by a salute of 13 guns and rang up the curtain on the new Government the next morning by a salute of 11 guns. Members will recall that neither Rhode Island nor North Carolina were represented in the early days of the first Congress. Similar celebrations ringing out the old and ringing in the new were held in the cities of the Nation.

The fact that the House of Representatives had no quorum on March 4, 1789, and could merely adjourn to the following day did not diminish the enthusiasm for the new Government. Young John Randolph, of Roanoke, wrote to St. George Tucker a few days later saying:

> The new Congress met the other day, but there was not a sufficient number to proceed to business. However, there was as great a fuss made as if the world was to be annihilated. There was a speech in the papers as long as my arm, in which it was said that the old constitution expired in a blaze of eloquence, and that this Phoenix which had sprung from its ashes was to be productive of the greatest happiness, and a great deal more of such finery.

A quorum of this House was not secured until April 1, 1789, just 4 weeks after its first meeting.

It is not venturesome to say that, as an institution, the House of Representatives is the oldest popular representative body in existence, its nature having changed so little in nearly 1¾ centuries.

All of us, Democrats and Republicans alike, can be proud of the heritage of this House. Necessarily, we are as proud of the men who established this Nation under the Constitution.

I would recall to you that the campaign for the ratification of that Constitution was in many instances as bitter as many political campaigns today. Nevertheless, time heals all things.

Both parties recognize George Washington as the Father of our Country. Both parties sing the praises of Thomas Jefferson, and I am confident that before the end of 1957, the 200th anniversary of the birth of Alexander Hamilton, both parties will praise his work. I have never been one to believe that Hamilton and Jefferson could not stand up in the same room. I have never felt that one had to be prostrate in order for the other to stand erect. I think that before the end of this Hamilton bicentennial year, many more of our fellow citizens will share this view.

The 83d Congress established a Commission to prepare plans and a program for signalizing the bicentennial of Alexander Hamilton. Besides myself, the members on the part of the House are Mr. REECE, Mr. RODINO, and Mr. ROONEY. The members on the part of the Senate are Senator BYRD, Senator HENNINGS, Senator IVES, and Senator MUNDT. Senator MUNDT was named chairman of the Commission and I am honored to have been named vice chairman.

With a small staff under the direction of J. Harvie Williams and a small appropriation, the Commission has accomplished a number of remarkable things. For example, so far as we have been able to determine, two sovereignties have for the first time issued commemorative stamps honoring the same man. The British postal authorities have issued a commemorative Hamilton stamp on the Island of Nevis where he was born and, of course, our own Post Office Department issued a Hamilton commemorative 3-cent stamp on January 11, the first day of the bicentennial year.

A fact which should be of some importance in this body where money bills must originate is that our postal authorities estimate that at least a million Hamilton commemorative stamps will be sold to stamp collectors and that no postal service will be required for this revenue. Thus this additional revenue from the stamp collectors will be more than three times the funds sought from the Congress by the Commission.

For the first time, as a result of the work of the Commission, a broad and representative selection of Hamilton's writings are available in a single volume,

edited by Prof. Richard B. Morris of Columbia University. The larger volume published by Dial Press, under the title "Alexander Hamilton and the Founding of the Nation," is priced at $7.50. A smaller version of this work, entitled "The Basic Ideas of Alexander Hamilton," was published by Pocket Books, Inc., and is priced at only 35 cents. Thus, for the first time, Hamilton is readily available to everyone.

Another book in which the Commission takes pride was written by Louis M. Hacker, historian and economist, and dean of the School of General Studies at Columbia University. This book, a biography, which can be said to have been written for the political and business leaders of the Nation, is entitled "Alexander Hamilton in the American Tradition," and was published by McGraw-Hill Book Co., priced at $4.75.

Neither of the works I have mentioned include Hamilton's great state papers in full. We are familiar with the titles of these papers: "First Report on the Public Credit," "Report on a National Bank," "Constitutionality of the Bank," "Second Report on the Public Credit," and "Report on Manufacturers."

Prior to 1934 these papers have been available only in libraries. In that year, Columbia University Press published a single volume entitled "Alexander Hamilton's Papers on Public Credit, Commerce and Finance," edited by Samuel McKee, Jr. A new edition of this work, with an introduction by J. Harvie Williams, is being published this month in paper covers and also in cloth bindings by Liberal Arts Press.

One of the principal aims of the Commission was to bring about the private publication of a definitive edition of The Papers of Alexander Hamilton. The existing works were published in the 1820's and in the 1880's, more than 75 years ago, and thus have long been out of print. We of the Commission are proud that Columbia University and Columbia University Press have undertaken with private funds to edit and publish this much needed work, which may run to 15 volumes. Time, Inc., and the Rockefeller Foundation have made grants totaling $200,000 toward this great project.

Finally, the Commission has established a special committee, under the chairmanship of Fred C. Crawford, to raise some $400,000 of private funds for a program of Alexander Hamilton Commemorative Scholarships for high school and college students.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ROONEY], a member of the Alexander Hamilton Bicentennial Commission.

Mr. ROONEY. Mr. Speaker, the anniversary of the institution of the Congress under the Constitution is a day of which the House of Representatives should annually take official notice. The great achievements of the United States were possible because of the spirit of our laws and the Congress, of which this House is the popular body, has wielded the legislative power for 168 years. All of us in this House can wish ourselves many happy returns of the day.

Mr. Speaker, I was honored to have been appointed by you as a member, on the part of this House, of the Alexander Hamilton Bicentennial Commission. The gentleman from New York [Mr. COUDERT] is Vice Chairman of the Commission, and both of us are members of its executive committee.

He has mentioned several activities of the Commission, and I would like to add some others:

In the main building of the Treasury, just across Executive Avenue east from the White House, is the Commission's Alexander Hamilton exhibit. In this exhibit are a number of priceless historical items of Americana. Taking the last first, the Chase Manhattan Bank of New York, founded by Aaron Burr, has loaned the pistols which were owned by Hamilton's brother-in-law, John C. Church, and were used in the fatal Burr-Hamilton duel.

The art commission of the city of New York and Mayor Robert F. Wagner have loaned us from City Hall, New York, where it has hung since 1804, the famous painting by John Trumbull, from which so many copies were made by the artist himself, one of which is reproduced on the $10 bill.

Another splendid item is the Gilbert Stuart portrait of President Washington, which was owned by Hamilton and whose grandson presented it to the Lennox Library, now a part of the New York Public Library. These are just a few of the things.

The Library of Congress, the National Archives, the library of the State of New York, and the trustees of the Schuyler Mansion in Albany have all been generous in their cooperation and their willingness to lend documents and memorabilia that could not be replaced.

Among these documents are Hamilton's First Report on the Public Credit and Second Report on the Public Credit, in which his policies for establishing the credit of the new Nation are clearly set forth. Also there is his Report on a National Bank, and his letter to Washington asserting the constitutionality of the bank, in which he developed the doctrine of implied powers in the specified sphere of the Federal Government, a doctrine which has guided the Supreme Court of the United States since the great Chief Justice John Marshall.

All Members of the House are invited and urged to visit this exhibit, which will remain open through Labor Day.

Some of my fellow Democrats throughout the country who seem to believe that there was no common ground between Thomas Jefferson and Alexander Hamilton may wonder why some of us do not fully share that belief. There was much common ground between Jefferson and Hamilton, but it did not extend in all directions everywhere. They were political opponents, just as Democrats and Republicans are political opponents today.

Beyond this, however, when this House of Representatives first elected a President of the United States, it was Thomas Jefferson who was in a tie in the electoral college with Aaron Burr. Hamilton threw his influence in the Federalist Party behind Thomas Jefferson and brought about Jefferson's election.

At this critical point in the affairs of the young Republic, Hamilton wrote to Gouverneur Morris, saying:

> If there be a man in the world I ought to hate, it is Jefferson. With Burr I have always been personally well, but the public good must be paramount to every private consideration.

I think we Democrats cannot do less well by Hamilton than he did by Jefferson.

Mr. COUDERT. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. RODINO], also a member of the Hamilton Commission.

Mr. RODINO. Mr. Speaker, today the 168th anniversary of the institution of the Congress of the United States under the Constitution, is a great moment in our history It is therefore appropriate that we should pause to commemorate the occasion and pay tribute to the men whose wisdom, purpose and courage brought about our unique system of constitutional government. We Americans of all parties can take great pride as we look back upon the achievements of those men who created a new form of government for our Nation; and described it officially on the reverse of the Great Seal of the United States in the Latin phrase, "Novus Ordo Seclarum"—"A New Order of the Ages."

As a member of the Alexander Hamilton Bicentennial Commission, it gives me particular pride to participate in commemorating this anniversary, for all of us recognize the important and significant part Hamilton played in helping to bring about the convention at Philadelphia where our Constitution was written. It was Hamilton who, to gain support for ratification, wrote with Madison and some help from John Jay, the immortal Federalist Papers. These works have long been regarded by many political scholars, writers and students of government as among the finest papers on the Constitution and our Federal Government that have ever been written. And, may I add that we here in America are not alone in this belief. The Federalist Papers have been translated into many languages and have long been studied by the statesmen of many nations.

In 1955, during his visit to this country, President Gronchi of Italy presented to the Library of Congress a copy of the first Italian translation of these papers which had recently been published. I believe Il Federalista will become must reading for every Italian statesman. So important a contribution to political philosophy does the Italian Government consider Hamilton's works, that the Italian nation is joining with us in America to celebrate the bicentennial of Hamilton's birth. An Alexander Hamilton committee has been established by the Italian Government under the chairmanship of Professor Gaspare Ambrosini, a Justice of the "Corte Costituzionale," the Supreme Court of Italy. Justice Ambrosini, who also wrote the introduction to the Italian translation of the Federalist Papers, will direct the bicentennial ceremonies in Italy.

The close ties between Italy and the United States cannot help but be strengthened by the respect her statesmen hold for Hamilton and his works. I am indeed proud that the old world of my forefathers is joining with us here in the New World of America to pay honor to Hamilton by celebrating this his bicentennial year. It is more than fitting, therefore, that we here today in commemorating the anniversary of the institution of the Congress in which we serve should also pay honor to Alexander Hamilton, whose unceasing and devoted efforts helped to bring about the convention that wrote the Constitution—the man who was so much in the forefront of the battle for the ratification of that great work which has given the United States life and has made America the worldwide definition for liberty, justice and opportunity.

Mr. COUDERT. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, in observing the 168th anniversary of the institution of the Congress of the United States, it is fitting that we recall the greatness of Alexander Hamilton. Working with George Washington, he shaped the destiny of the new country.

We know how he worked for the establishment of a Congress that would reflect the will of the people at all times, how he devoted his strength and his reputation as a statesman with other great men of his time so that this Nation would emerge into the fulfillment of its destiny.

Hamilton, I am sure, would approve of the Congress of the United States as we know it today.

We have been attacked from many borders since the time of Hamilton. What we stand for on the parapet of freedom has been assailed by gun and bomb. Even worse, our freedom has undergone, and still does, a test that creeps from the dark pools of treason and sabotage.

We have warded off defeat. But we have suffered scars that would, if he were alive, cause Hamilton to flinch in grief.

Our people must, if we are to survive as we will, have faith and trust in the legislative body of this nation.

We must, on this anniversary, renew our determination to reflect with boldness the wishes of our people. No prouder word exists in the language of our Nation than that which is affixed to this body.

We are the Congress of the United States.

We are the pipeline of freedom between our people and the world.

We are the mirrors of the American mind.

We are the conscience of mankind and the image of the common man in a century of freedom.

Let no man walk from this hall today without a feeling of pride in his heart and mind.

No other place in the world contains so many men and women of good will, so many men and women dedicated to peace and freedom and the good of mankind.

The American people must never doubt this, nor must they ever fall for the slander and skepticism, from time to time, that assails the Congress as an institution. We must never forget Congress is the bulwark of a free country. Those who viciously and maliciously attack the institution of Congress are no friends of freedom.

Collectively we represent much more than the persuasion of one man, one group. We represent the people of our great country. All of it. Let us never forget that we do.

The arm of history reaches far into the future. What we do here 168 years from now, yes, 1,068 years from now, will, if we keep secure the trust placed in our hands, shine as bright on the pages of history as the memory of the man and the institution we honor today.

Alexander Hamilton was a working founder of the United States and consequently of the Congress.

He earned his outstanding mark in American history for two great accomplishments. First, no man did more than he to obtain the ratification of the Constitution by the States. Second, he was the father of the sound dollar, of an honorable financial policy, under which the American Government honors its obligations.

Hamilton had great influence in molding the Constitution, serving as he did on the committee that actually wrote it.

The document that these men produced lives in history as the most perfect form of Government ever devised. Its enduring principles are as applicable to modern life today, as they were at the time of its adoption, 168 years ago—a republican form of Government, with separation of powers: legislative, executive and judicial—a strong Union which preserves at the same time a highly developed system of State self-government and true liberty for all.

After the constitutional government went into operation, President Washington made good use of Alexander Hamilton's genius and appointed him the first Secretary of the Treasury.

Hamilton faced a situation of chaos. Debts of the Continental Congress and of the various States were unpaid. Depreciated paper currency was in circulation. The new Government lacked money and lacked credit.

In a few short years, all this was changed, due to Hamilton's plans which he put into operation.

The debts of the old Congress were honored. The Central Government assumed the debts of the States. Arrangements were made to pay them. Sound money was minted. A system of Federal taxation was established. The Government's credit became as good as gold. All the people benefited by having a sound money as a medium of exchange.

Hamilton is an inspiration to us, not only for his accomplishments, but also for his character.

The following example shows the kind of man he was. In 1801, two candidates, Thomas Jefferson and Aaron Burr, were tied for the Presidency with an equal number of electoral votes. Jefferson and Hamilton differed widely on political issues during and after an extremely bitter political campaign.

However, Hamilton was convinced of Jefferson's personal integrity and ability. He distrusted Burr's intentions and character. Hamilton took the step that seemed right to him and which he believed was best for the country. He threw his influence into the scales to bring about the election of Jefferson. Later Burr challenged Hamilton to a duel and killed him.

Yes, Hamilton should be an inspiration to all Americans.

He put patriotism above politics. His country came first to him, above all other considerations.

Mr. COUDERT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, as the distinguished gentleman from Massachusetts [Mr. MARTIN], the distinguished minority leader, so well said Hamilton was one of the great contributors to the foundation of this great country, which we have the privilege of enjoying today.

Sometimes an erroneous impression has gone out that Hamilton and Jefferson were always at loggerheads. On the contrary, they worked together in many respects. While there was naturally some divergence of opinion, the great Constitution itself under which we live was largely their handiwork.

Hamilton was a courageous man, as the minority leader has pointed out. One of the great tragedies that befell the young Republic was when he, under existing conventionalities at that time, accepted the challenge of Burr to a duel. Again he did place the welfare of his country above his party, and thereby contributed much to the Constitution and to the adoption thereof.

It will be recalled that in his State of New York Governor Clinton was a bitter foe of that document. In that New York Convention, I think it was 46 out of 65 of the delegates to the New York Convention were followers of Governor Clinton, but day after day Hamilton kept plugging away, leading the fight for the adoption of the Constitution in that great New York Convention, until finally his logic and perseverance prevailed. Had he not succeeded; had he not exhibited the tenacity and courage that was required, we possibly would not have had the benefit of that Constitution, had New York State turned it down.

Mr. Speaker, as previously pointed out, this House of the Congress has been in existence 168 years today. In that time, the United States has grown from 4 million people to be a Nation of more than 165 million souls. In that growth this House, as the popular body of the Congress, has played a major part.

We can congratulate the Congress on this anniversary of its birth, honor the great men who have made it what it is, and pray that we, and those who come after us, may be worthy of the public trust.

This year, Mr. Speaker, by act of Congress we are commemorating the 200th anniversary of the birth of Alexander Hamilton, certainly one of our greatest statesmen. To praise and exalt Hamilton casts no reflection on the true worth of Thomas Jefferson. It is not necessary for the one to be down for the other to be up.

Mr. Speaker, I would like to read a paragraph, written before most of us were born, appraising just one aspect of Alexander Hamilton. It is from the Political Science Quarterly, volume V, March 1890, and was written by a professor of history at Amherst College, Ansel Daniel Morse. Professor Morse wrote:

> Any just estimate of Hamilton's work must take into the account what he did for the education of the public. His usual method of seeking support was through appeals to the reason of thoughtful and patriotic citizens. In this his success was phenomenal. Friends and foes testified that in the qualities which enable a writer to convince, Hamilton was without a rival. In what he wrote there was rarely a trace of the partisan, never of the demagog. Much of his work was done while questions relating to the Constitution engaged the attention of the public. For the treatment of such themes he had a singular aptitude. The extent of his writings is as remarkable as their solidarity. He wrote, often at considerable length, on every important public question which arose during the Federalist period. The result was a collection of writings which embody the best political thought of the time. Indeed, considering both range and quality, it is scarcely venturesome to say that Hamilton's works exceed in value those of any other American statesman.

Works of this value, Mr. Speaker, are precious in our American heritage. We can rejoice that establishment by the Congress of the Alexander Hamilton Bicentennial Commission brought forth the private funds for the monumental task of publishing the definitive edition of The Papers of Alexander Hamilton.

Recently, Members of the Congress received from the Commission's Chairman, Senator MUNDT, the Pocket Library edition of The Basic Ideas of Alexander Hamilton, edited by Prof. Richard B. Morris, of Columbia University. It is worth all of the time it takes to read and study its 450 pages.

In particular, I would mention one item that should be indelibly inscribed in the minds of all of us. It appears on the 19th page of the foreword. Hamilton, a 19-year-old artillery captain, had written in his company pay book this quotation from an oration of Demosthenes:

> As a general marches at the head of his troops, so ought wise politicians, if I dare use the expression, to march at the head of affairs; insomuch that they ought not to wait the event, to know what measures to take; but the measures which they have taken ought to produce the event.

Alexander Hamilton made that maxim his own and strove to live up to it. His foresighted policies helped to guide the first decade of the infant Nation. The results were appraised in 1821 when the Earl of Liverpool told the House of Lords "that America increased in wealth, in commerce, in arts—industry, in population, in strength, more rapidly than any nation ever before increased in the history of the world."

Would to God that this Nation had policies designed to shape rather than to meet events.

Hamilton's great state papers: the Reports on the Public Credit, and his Report on a National Bank, and his Report on Manufacturers are important to every nation, young or old, especially his Reports on the Public Credit. These are "must reading" for every statesman.

From them, "would-be statesmen" would learn, in the words of Dean Hacker, of Columbia, that:

> A nation, whether young or mature, cannot endure unless it deports itself with honor and faith. Its government must live within its means: scrupulously paying its obligations, providing sound revenues that can be counted on, but that will not discourage capital ventures, protecting property-rights whether they be of those of their own nationals or of foreigners, seeking to avoid the enticing claims of wide social reform and reconstruction. By keeping its own house in order, a government can encourage and protect private enterprisers as they save, risk and invest.

I would point out in closing that there was no Marshall plan at the end of the War for American Independence, which was won. Nor was there any Marshall plan at the end of the War for Southern Independence, which was lost. Our whole foreign economic aid program should be reviewed in the light of our own experience and our own principles.

If foreign nations wish to invite American capital to aid in their development, all they need to do is to protect the rights and property of their own nationals and of foreigners, and put their fiscal houses in order. Unless they do this, all the money we give them will go down the drain—if they do this, they will attract the necessary private capital and grow strong by their own efforts.

Mr. Speaker, as a Democrat myself, who subscribes to the Hamiltonian theory that the welfare of this Republic must always take precedence over party affiliation, I am happy that on this occasion I can in my feeble way record my appreciation of this truly great American, Alexander Hamilton. For verily, we Americans today are greatly indebted to him along with Jefferson and others of like mind for the high privilege of enjoying the benefits of their early patriotic efforts to weld into our system the benefits of a free people, the envy of the rest of the world.

Mr. COUDERT. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, it is well, and very profitable to all of us, to take this time to commemorate the establishment of the Congress of the United States and to remind ourselves what such men as Alexander Hamilton contributed to that which we all enjoy—freedom of thought, freedom of worship, and freedom of speech. In this great country of ours it matters not what a man thinks, whom or how he worships, or what he says. Ours is the land of freedom under law with equal justice under the law.

As Members of Congress we are privileged to make the law. We speak and act, not solely for ourselves, but we speak and act in the name of the people who decided to send us here. We are their voice. We are the voice of the people we represent.

In March 1789—168 years ago—the first Congress met in New York City. When it first assembled there were only 21 Members present of the 91 elected from the 13 States. It was not until April, a month later, that a quorum was established to enable the Congress to transact business. But it must always be remembered that those elected to the First Congress did not have available to them the transportation facilities that, we who serve in this 85th Congress have available to us. There was not the airplane and the railroad, or the automobile. There was only a horse.

Then, as now, the Congress is a cross-section of the American people themselves. Then, as now, the Congress was composed of men from all walks of life—doctors, lawyers, businessmen, ministers, and soldiers. All them sought to do, what we here today strive to do—to translate into law that which will best serve the country as a whole and best meet the needs of the people we represent.

As our country has grown, so has the Congress that represents it. The First Congress had 91 members. Today the 85th Congress has a membership of 531.

I have often said, and I say it again, I am proud to be a Member of Congress. This is the greatest deliberative body in the world. This is where the people of the United States speak.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman referred to the different conditions existing now as compared to that day, but I wonder if he would not agree with me that while transportation and many things have changed, yet the principles these gentlemen fought for and those sacred principles of right and freedom that were written into their doctrine which are now our doctrine, their handiwork, are the same today in this jet age as they were back in those horse and buggy days.

Mr. ARENDS. The gentleman from Mississippi is right and I may say that he, as usual, anticipated what I was going to say a little bit later.

Mr. COLMER. I am so sorry.

Mr. ARENDS. That is all right.

Today we are commemorating the anniversary of the establishment of this great institution where we are privileged to serve. At the same time we are using this occasion to reflect upon the contribution of Alexander Hamilton to the founding of our system of government. His contribution is immeasurable, more than any of us, even in retrospect, can possibly realize.

Hamilton has been labeled as a conservative. In his day he was doubtless considered a radical. He advocated ideas for our new Government that were truly radical to the thinking of his time but doubtless would be conservative to ideas advocated in our time.

Alexander Hamilton believed in change and in progress. He advocated changes that there may be progress. But he visualized change by evolution rather than by some kind of a legislative volcanic eruption. In brief, his brand of

conservatism meant holding to proven principles and proven values and adapting those principles to changing circumstances.

"What is past is prologue." "Study the past." Those are words inscribed on the Archives Building that houses our historic documents as a Nation. The great men who have gone before us, such as Alexander Hamilton, and the many great who have served in this Congress, have shown us the way by which our country has become great and will continue to be great.

From the beginning, to this very day, many inspiring words of undying truths have been spoken in the halls of Congress. As I reflect on the history of the Congress, of those who have gone before us, I am filled with pride to be a Member and, at the same time, I feel a deep humility.

The Congress of the United States is the voice of the people of the United States. What greater honor can there be than to speak, as we are privileged to speak, for the people we represent. Nowhere will we find a finer institution than the Congress, first established 168 years ago.

Mr. COUDERT. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, to my mind it is a fine tribute to itself that the House of Representatives and the Senate of the United States are today commemorating the 200th anniversary of the birth of Alexander Hamilton. After a magnificent record as a young man in the Revolutionary War, and after being made a Member of the Congress which gathered together and promulgated the Constitution of the United States, he did his greatest work. This was the period of its formation. Alexander Hamilton and James Madison bore the brunt of the arguments for the establishment of a constitution which recognized these basic principles: a legislative body composed of two Houses, one the Senate and the other the House of Representatives; the executive: the President and members of his Cabinet; and third, the judicial: the Supreme Court and the lower courts with jurisdiction of an original character. It was there that that situation was worked out. Ours is the only substantial government in the world where there is a legislative and an executive body existing each for a definite time to run. It has all sorts of checks and balances designed to preserve the liberty of the American people. That it has lasted so long, that it has done so well for the people of the United States is, to my mind, the greatest tribute that could be paid Alexander Hamilton.

In my opinion, nothing could be said to better advantage than that most of the changes that have been made have not produced as good results as the original draft.

I am glad to see that this recognition is taking place today. I am hopeful that in the days to come the people of the United States will be more inspired by the record that Alexander Hamilton made and the work that he did in establishing the Constitution of the United States, and that it will be preserved through the generations to come. That is the responsibility and the duty of each generation as we approach the problems that we have to face.

Let us meet this responsibility and meet it well.

Mr. COUDERT. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED. Mr. Speaker, it is fitting that the New York delegation in the House of Representatives should honor one of New York State's great sons on the occasion of the bicentennial celebration of the year of his birth. As a citizen, soldier, statesman, and member of the legal profession, Alexander Hamilton, of New York, was one of our greatest Americans.

The view has often been expressed that the life story of our Nation is best written and reflected in the lives of its great men. Thomas Carlyle once said:

> Universal history is at bottom the history of great men who have worked.

The glorious history of our Nation and its present-day greatness is attributable in significant part to the preeminent American historical distinction achieved by Alexander Hamilton. The greatness achieved by his contemporaries is in part attributable to the constructive ability and patriotic greatness of Mr. Hamilton of New York.

From the Island of Nevis in the West Indies in 1757 came into being a star that was to shine brightly in the political firmament and to cast light in the minds and hope in the souls of men. Tragically the mortal existence of that star came to an end on a dueling plain at Weehawken in 1804. As Alexander Hamilton did during his lifetime, the principles and ideals for which he stood have well served his countrymen.

Prior to the outbreak of the hostilities between the citizen army of the Colonies, fighting to achieve human liberty, and the professional army of George III, fighting to enforce tyranny, Hamilton was a persuasive spokesman and writer in the cause of the oppressed Colonies. As the rifle shot and cannon fire of the Revolution demanded the service of American youth, Hamilton moved from the area of political exhortation to the field of military service. With American independence won, Hamilton turned his career to the multiple pursuits of a profession—as a lawyer; of a legislator—as a member of the New York State Legislature and the Continental Congress; and of a statesman—as a genius, in a political theory, and as our Nation's first Secretary of the Treasury. His life was dedicated to the creation of the ideals and the establishment of the institutions that are our prezent-day heritage as free Americans.

Both as a legislator and as a Secretary of the Treasury, Alexander Hamilton addressed himself to matters concerning public indebtedness and taxation. It is to that aspect of his distinguished career that I would devote my closing remarks on this occasion.

To Alexander Hamilton must go the credit for founding the vital financial institutions of our Federal Government that made the affiliation of States as a Nation meaningful. He armed the Federal Government with the fiscal integrity that enabled our national progress. His wisdom and foresight provided for our political unity, our human progress, and our economic development.

In July 1804, at Weehawken, on a grassy plot overlooking the Hudson River and Manhattan Island, the living genius of this great American was lost to the Nation. It is fitting that as a token of lasting gratitude our Nation should renew in 1957 our dedication to the honor of his memory and his ideals.

Mr. COUDERT. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, I come from an area of the country which literally abounds in Hamiltonian tradition and lore. My home is in Paterson, N. J., which was founded by Alexander Hamilton and named after William Paterson, one of the Founding Fathers. Hamilton came to Paterson, N. J., because of his attraction for Passaic Falls, a miniature Niagara in the Passaic River. Unlike many of his conferees of that day, Hamilton believed that our country was not going to remain just an agricultural land. He thought the day would come when our United States of America would be, in fact, a great industrial empire, and he founded in my home city of Paterson, N. J., the Society of Useful Manufactures, that society having a tax-exempt charter from the State Legislature of New Jersey for almost 170 years.

Hamilton was born on the island of Nevis in the British West Indies 200 years ago. On January 11, 1957, with the distinguished gentleman from Virginia [Mr. GARY] I stood on that British West Indies Islands paying tribute to the memory of one of our greatest Founding Fathers. We stood along side the humble ruins of the stone home wherein Hamilton was born and oh I wished so many of my colleagues could have been with us on that eventful day if only to hear 100 native children, ranging in age from 8 to 14 singing, by memory, and singing so well, three verses of the Star-Spangled Banner. I doubt that any of the VIP's on the platform that day could have sung all three verses.

When we arrived in our Coast Guard plane—and incidentally the Coast Guard was founded by Hamilton, as you know—and landed on this little strip on the nearby island of St. Kitts, we were told ours was the first four-engine plane ever to land thereon.

I was so happy to have a young fellow approach me and give me a copy of the Daily Bulletin of St. Kitts-Nevis, the issue of Friday, January 11, 1957, with a two-column picture of the Founding Father, Alexander Hamilton, with this legend:

> ALEXANDER HAMILTON—1757–1957—FOUNDER OF THE CITY OF PATERSON, N. J.
>
> Hamilton's activities were mainly in New York, but it is to Paterson that Hamilton always pointed with pride as the place he founded for the beginning of American industrial might.

Here from this well today we have discussed many of the things that have helped to make America great. May I mention one thing that I believe has

helped make America great, and that is this: Youth and age, young men and old men, teamed up together for the best interests of our United States of America. Alexander Hamilton was one of the youngest of the Founding Fathers and made a remarkable contribution toward winning our independence and shaping the Constitution.

But was it not a wonderful thing that we also had at that Constitutional Convention another man, a man of age and maturity, such as Ben Franklin, whom they called Papa Franklin? Here was Hamilton—boldness, youth, vision. Here was Franklin—age, experience, maturity.

Just a few minutes ago the distinguished gentleman from Oklahoma [Mr. ALBERT] made a very timely speech about the elder statesmen of this body. Is it not wonderful that we have in this body the Rayburns, the Martins, the Vinsons, the Reeds—men like that? Is it not equally wonderful that we have here in the greatest free Legislature in all the world young men who served in World War II, who served in Korea, and like those older men are making their contribution to the good and welfare of our country—youth and age marching together?

Mr. COUDERT. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, I want to join my colleagues from New York on this memorable occasion in paying tribute to this great American who made such significant and lasting contributions to the early history of our country. I think it would be amiss today, were we not to mention one of the distinguished descendants of Alexander Hamilton who is very much alive and active today, Maj. Gen. Pierpont Morgan Hamilton, of Santa Barbara, Calif. General Hamilton won the Congressional Medal of Honor in World War II as a result of his participation in one of the most thrilling exploits of that war, when, with utter disregard for his own safety, he was successful in carrying through a message at the time of the landing on the coast of North Africa. He is a direct descendant, I believe the great-great grandson, of Alexander Hamilton and has shown in his outstanding military career that same high devotion to his country which was displayed years before by his illustrious forebear.

Mr. HALLECK. Mr. Speaker, I am happy to join my colleagues on this occasion marking the 168th aniversary of the constitution of the Congress of the United States. I am pleased, also, to pay my respects to the memory of one of America's great statesmen, Alexander Hamilton, the bicentennial anniversary of whose birth the Nation observes this year.

It is not necessary for me, at this time, to review the many accomplishments of the brilliant Hamilton. The vast contributions this soldier-statesman made, not only to the cause of America's independence, but to the formation of our basic instrument of liberty—the Constitution of the United States—and the erection of machinery to safeguard that freedom—our republican form of Government—are well known to every schoolchild who has studied American history. Certainly his place among the outstanding patriots of his time is secure.

Many generations have passed since that memorable occasion in 1789 when, by resolution of the earlier Continental Congress, members of that First Congress reported in New York City for their new duties.

With some slight idea at least of the transportation difficulties of that early day, we can understand why it was a month before a quorum arrived on the scene and the work of the First Congress could proceed.

A glance at the biographies of Members of that pioneering group indicates that then, as today, the Congress represented a cross-section of backgrounds.

There were lawyers, soldiers, ordained ministers, businessmen, industrialists, farmers and, as might reasonably be expected, men who had previously distinguished themselves as public servants in other official capacities.

Some of the Members were destined to serve their Nation in higher capacities in the years ahead. Two, James Madison and James Monroe, were to become Presidents, others Cabinet officers.

There were names on that first roll-call famous in American history: Schuyler, Van Rensselaer, and the Carrolls. And there were names common to every phone book in America today: Smith, Brown, Johnson, Williamson, Jackson, and others.

This, then, was the group of men who formed the First Congress of the United States, an institution that has grown in membership from 91 to 531.

We have come a long way. Not far, perhaps, as the world measures time, but certainly we have grown in stature among nations beyond the imaginations of most of those who faced the problems of a struggling young Republic.

While the rules of procedure have changed from time to time through the years, and committees have been created and expanded to meet the needs of such machinery, Congress remains today basically the same as it was 168 years ago.

Now, as then, Congress is the citizen's closest link with his Federal Government.

Congress is the instrument of a Republic through which a Nation of 170 million people works its will as a self-governing community.

The hundreds of thousands of letters which pour into the Capital daily—from men and women in all walks of life—represent the right of petition.

These letters reflect the wants, the hopes, the fears, and the differences of opinion that go to make up America.

Congress, in turn, is a mirror of this collective American character, a composite of the judgment, integrity, and courage of a great people. It is also a composite of the human frailties with which all mankind is beset. And let it never be forgotten: The caliber of this Congress or any other Congress will always be determined by the citizenry—for better or for worse.

The responsibility of the Member is the same today as it was 168 years ago. It is a responsibility to make decisions on the basis of facts as we find them, having in mind, always, our obligation to the people back home for whom we speak and act.

The citizen back home has a responsibility, too. It is the responsibility to interest himself actively in this business of government. Let that interest lag, let the citizen turn his back on his obligation as a member of this self-governing society, and our great American system of representative government, our Republic, is doomed.

The history of too many institutions—even great ones—has been that they are born in the minds of men, they flourish in direct proportion to the enthusiasm of their supporters, then they atrophy and die for want of sustenance.

We dare not let that happen to this great system of ours.

That the institution of Congress has so far stood the test of time is a tribute not only to the genius of the men who brought it into being but also to the sustained interest of the electorate.

As we look back to the earliest days of our Republic and consider the magnitude of the problems the people of that age faced, as we scan history and count the times the Government—and the Congress—have met crises, economic, political or military, I wonder if it is not true that interest in the preservation of our institutions is spurred by the prospect of danger.

Surely, some of our greatest triumphs have grown out of the sternest challenges to our liberty.

If this be so, then we can take heart in the faith that Congress and the American people will again meet new challenges posed by the grave difficulties, frustrations, and complexities of this modern era, moving on through future generations as the shining example of what freedom means for humanity.

Mrs. ST. GEORGE. Mr. Speaker, the Hamilton family are friends and neighbors of mine. In fact, the present-day Alexander Hamilton lives in my district. For this reason, as well as for my great and abiding admiration for the founder of this great family, I am happy to be able to pay my tribute to him and to his work for our Constitution today.

Born on the island of Nevis, the astounding thing about Hamilton is the combination of extreme youth and tremendous genius. At the age of 12 he entered the countinghouse of one Nicholas Cruger, who shortly after left for Europe, leaving the boy in charge of the business. From some of his letters it is evident that he was quite able to fill the assignment with efficiency and success.

Friends who became interested in this prodigy made it possible for him to come to New York to finish his studies at King's College, now Columbia University. Up to that time he was mostly self-taught.

In 1774, at the age of 17, he first became interested most passionately in the revolt of the Colonies and in government in general, and started writing pamphlets which attracted great attention.

In 1776 he was 19 and started playing a very prominent part in the Revolution, attracting the attention of General Washington, whose confidential secretary he then became at the age of 20, with the rank of lieutenant colonel. From that time on he had more influence and was closer, politically, to Washington, than any other man. He was a brave and gallant soldier and distinguished himself especially at the Battle of Yorktown.

He served in the Congress in 1782 and 1783. He favored protection for our infant industries, a national bank system, a strong Federal Government, and neutrality in our foreign relations. These things he worked and fought for and his system and ideas have best been described by him in the Federalist papers.

It is generally admitted that Washington's great Farewell Address, that we still listen to every year, but do not heed too much, was largely conceived and written by Hamilton.

Finally, it is for his great part in the drafting of our Constitution that Hamilton's name will always be held in everlasting remembrance, not only in our country, but throughout the world. It was the great French historian, Guizot, who said:

> There is not in the Constitution of the United States an element of order, of force, of duration, which he (Hamilton) did not powerfully contribute to introduce into it to cause to predominate.

Surely no one in our history could desire or have a greater monument than the Constitution of the United States.

Mr. SHELLEY. Mr. Speaker, I am happy to join with my colleagues in the House in paying tribute to Alexander Hamilton and commemorating the 200th anniversary of his birth. The occasion is of signal interest to me, as national commander of the Coast Guard League and an officer in the temporary Coast Guard Reserve, because Alexander Hamilton was the real founder of our Coast Guard.

On August 4 of this Hamilton bicentennial year, the anniversary date of the establishment by Congress of the Revenue Cutter Service, the forerunner of our present Coast Guard, the Coast Guard League with the cooperation of the United States Coast Guard, will sponsor a nationwide observance of this auspicious event. In connection with that occasion I will take the opportunity now to relate a brief history of the establishment of the Coast Guard, the first of our military type services to have been formally organized by act of Congress.

The distinguished Members of the House who spoke earlier have told of Alexander Hamilton's personal and political history, and of his appointment as our first Secretary of the Treasury. Within 3 years after taking office, Hamilton brought order and efficiency into the chaotic national finances and established a pattern of fiscal solvency that helped to carry the Nation through the critical years of its development. Through this entire period, as indeed through all of his public career, he was motivated by one major purpose—the strengthening of the Union.

Collection of revenues was one of the most difficult problems facing the first Secretary of the Treasury. During the period of British control smuggling had become a popular activity as part of the struggle to eliminate "taxation without representation." By the time the Revolution was over, smuggling had become a habit, and unless it were stopped, there was an excellent chance that the young Nation would go bankrupt.

Hamilton, therefore, sought and, on August 4, 1790, obtained from Congress authority to launch a seagoing military force to collect revenues. The Revenue Cutter Service, as the fleet was first known, consisted of "10 boats, 2 for the coasts of Massachusetts and New Hampshire; 1 for Long Island Sound; 1 for New York; 1 for the bay of Delaware; 2 for the Chesapeake—these, of course, to ply along the neighboring coasts—1 for the coasts, bays, and harbors of South Carolina; and 1 for the coasts, bays, and harbors of Georgia."

The 10 boats were cutter types—that is, heavy-keeled schooners that could carry plenty of sail for speed.

> Boats of from 36- to 40-feet keel will answer the purpose, each * * * armed with swivels—

Hamilton told Congress. They cost $1,000 apiece. Thus was born the Revenue Cutter Service, and the forerunner of today's Coast Guard.

The organic act placed the new Service under the direct control of the President. It also authorized the appointment of 40 officers of military rank. This professional corps of commissioned officers were strongly urged by Hamilton in anticipation of the expansion of this small fleet both in size and function.

From the very beginning, the Coast Guard was faced with a difficult task which required great tact and judgment in dealing with the public. Hamilton's instructions of June 4, 1791, were that officers of the new Revenue Marine display activity, vigilance, and firmness, marked with moderation and good temper.

> Upon these last qualities not less than the former—
>
> He warned—
>
> must depend the success of the establishment.

Officers must always keep in mind that their countrymen are freemen, and as such are impatient of everything that bears the least mark of a domineering spirit. They must refrain with the most guarded circumspection from whatever has the semblance of haughtiness, rudeness, or insult. They must overcome difficulties by cool and temperate perseverance in their duty and moderation rather than by vehemence or violence. This is still very good advice for law-enforcement officers.

To protect seaborne commerce from the hazards of rocks and shoals, Hamilton also proposed the establishment of a Lighthouse Service. This amounted to a proposal that the Federal Government accept responsibility for safety at sea—a doctrine which has become a fundamental peacetime mission of the Coast Guard. On August 7, 1789, President Washington approved the act of Congress which incorporated lighthouses and other aids to navigation into a Federal system, launching the National Government upon its course of guarding the coast in the interest of safety and security afloat.

In 1804 Hamilton's career was cut short when he was fatally wounded in a duel with a political adversary, Aaron Burr. But he had already left a profound and permanent impression on his country's history.

The Coast Guard is, in a very real sense, one of Hamilton's legacies to our Nation. This service has come a long way since the days of the original revenue cutters. Compared with those 10 small vessels, the Coast Guard today operates 178 cutters and buoy tenders of the larger types in addition to many smaller craft. Its fixed and rotary-wing aircraft number 126, and a total of 38,389 aids to navigation are maintained in the United States, its Territories, possessions, and overseas military bases. It is a fitting testimonial to a man who, perhaps more than any other of his time, understood the true importance of a maritime protective force to our country's economic future.

Mr. Speaker, I would now like to invite every Member of the House to take part with the Coast Guard League, the Coast Guard, and their home communities in the patriotic exercises to be held on August 4 of this year in celebration of the 167th birthday of the United States Coast Guard. As national commander of the Coast Guard League I can assure you of a cordial welcome.

Mr. COUDERT. Mr. Speaker, permit me to express on behalf of the Hamilton Commission, which includes another distinguished descendant of Hamilton, our appreciation of the arrangements made possible by the Speaker, the majority leader, and the minority leader for this commemorative hour.

Mr. Speaker, I have no further request for time and therefore yield back the balance of my time.

FORTIETH ANNIVERSARY OF GRANTING OF UNITED STATES CITIZENSHIP TO THE PUERTO RICAN PEOPLE

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the Resident Commissioner from Puerto Rico [Mr. FERNÓS-ISERN] is recognized for 30 minutes.

Mr. FERNÓS-ISERN. Mr. Speaker, it is with great pride that I have the honor to address the House today to call attention to and to commemorate the 40th anniversary of the granting of United States citizenship on March 2, 1917, to the Puerto Rican people. This anniversary was observed last Saturday by all the people in Puerto Rico as one of celebration and sober reflection. The Puerto Rican people rejoiced on the anniversary of the granting of citizenship to them, and there was a serious note, too. For they well know that United States citizenship carries with it not only tremendous advantages, but also solemn responsibilities which go with that citizenship.

Gov. Luis Muñoz-Marín proclaimed March 2 as "Friendship Day," and President Eisenhower sent a message to the Puerto Rican people greeting them on this important anniversary. The President said:

> On Puerto Rican Friendship Day it is a privilege to send greetings to the people of Puerto Rico on behalf of their fellow-Americans in the continental United States.
>
> Congratulations as you celebrate the 40th anniversary of your United States citizenship. As American citizens you have exercised your rights with dignity; and you have met your obligations with a high sense of responsibility. In the past 40 years as your opportunities have been enlarged, so have you, the people of Puerto Rico, by your valor, talent, and devotion enriched the capabilities of the great Nation to which we all proudly pledge our allegiance.

In order that the significance of United States citizenship to the Puerto Rican people may be better understood, I should like to trace for a moment how the granting of it came about.

Mr. Speaker, 58 years ago, in accordance with an international treaty, the King of Spain ceded his sovereign authority over the Island of Puerto Rico to the United States. Thereupon ended the allegiance of the people of Puerto Rico to the Crown of Spain. The United States assumed, with respect to the people of Puerto Rico, the same role which the Spanish Crown had theretofore assumed.

But the treaty did not provide for investing the Puerto Rican people with United States citizenship or for making Puerto Rico a part of the United States, although it stipulated that the political status of the Puerto Rican people was to be determined by the Congress. Subsequently, the Congress did determine the political status of the Puerto Rican people. They were declared citizens of Puerto Rico; and as such they were to constitute a body politic to be known as the people of Puerto Rico.

The people of Puerto Rico did not comprise an independent sovereign state. They were a dependent people subject to the sovereignty of the United States. Their government was organized in accordance with an Organic Act passed by the United States Congress. This act was their political constitution—one which they did not adopt, could not amend, and could not repeal. The government so created was only very limitedly responsible to them.

Historically, all previously acquired Territories had become integral parts of the United States and the inhabitants of such Territories had automatically acquired United States citizenship with the acquisition of their territories. In the case of Puerto Rico, for the first time, this was not true. The Philippines, Puerto Rico, and Guam were described by the Supreme Court, in a decision, as being appurtenant to, but not a part of the United States. They were distant Territories, settled for centuries by peoples of different cultures and races. They were not open to settlement as were the old frontier territories, for each was an established community with an organized society. Unless the fundamental concepts upon which the Union was based were profoundly to be altered, that the United States had assumed such serious responsibilities with regard to these new territories did not warrant the assumption that they were destined for integration, assimilation, and full membership in the Union. This was the prevailing doctrine.

Thus, common ideals and aspirations, as well as practical considerations of mutual interest called for continued close relationship with the United States, but fundamental cultural and psychological differences and physical distance seemed to preclude actual integration into the United States.

In the case of the Philippines, the outcome was expected, for the Philippines were obviously destined to lead an independent, free existence. They had fought Spain for independence. They revolted against the new sovereign through 4 years of bitter and bloody struggle.

The case was not so clear with Puerto Rico. The people of Puerto Rico were not of one mind on the question. Peculiar economic and demographic realities further complicated the picture.

Seventeen years passed before Congress found any solution to the problem of Puerto Rico. Then, in 1917, a bold new step was taken. The measure of self-government was increased in Puerto Rico—thus recognizing to a certain extent the desire of the people for full self-government. Simultaneously, the citizens of Puerto Rico were accorded United States citizenship. Thus, for the first time in United States history, the inhabitants of an area not constitutionally incorporated into the United States, the citizens of a body politic not a State or a Territory—were declared citizens of the United States.

The basic concept of a status without precedent in the United States Federal political system was thus established. Although the Puerto Rican people were not to be constitutionally integrated into the United States, a permanent bond of common loyalties with their fellow citizens of the mainland was created; a bond of union with the United States was established; the initial step toward Puerto Rico's present association to the United States was taken; Commonwealth status, an association aptly conforming to Puerto Rican realities was made possible.

Thirty-five years later, in 1952, it was written into the Constitution of the Commonwealth of Puerto Rico:

> We consider as determining factors in our life, our citizenship of the United States of America.

With that constitution, the Commonwealth of Puerto Rico, the free associated state of Puerto Rico was created. That association is essentially based on a common citizenship granted on March 2, 1917, 40 years ago.

Today, the Puerto Rican people celebrate the freedom they achieved within this association, and which is based on the act of 40 years ago. Let us here now commemorate the auspicious beginning and today's happy realization. And, at this point, may I bring into consideration a happy coincidence.

Only a short time ago and for the first time in history, 45 members of the United States Air Force carried this Nation's flag around the world in 45 hours and 19 minutes. One of these was a young man born in the Commonwealth of Puerto Rico. The act of 40 years ago made it possible for Maj. Salvador E. Felices to be one of the United States citizens who circled the globe in a nonstop flight for the first time.

Mr. Speaker, in the name of my fellowmen in the Commonwealth of Puerto Rico, my fellow United States citizens, allow me to express the deep satisfaction of my people today as they celebrate the 40th anniversary of having been vested with the United States citizenship, thus entering into their noble association with the people of this great Union, an association they will strive forever to protect and maintain.

At this point I request to have included in the CONGRESSIONAL RECORD the proclamation issued by Gov. Luis Muñoz-Marín, declaring March 2, 1957, Friendship Day in Puerto Rico and Gov. Luis Muñoz-Marín's address delivered on March 2 in Puerto Rico.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection?

There was no objection.

(The matter referred to follows:)

PROCLAMATION OF THE GOVERNOR OF THE COMMONWEALTH OF PUERTO RICO

FRIENDSHIP DAY

Whereas United States citizenship represents a firm dedication to the democratic process and a deep respect for human rights as the basis of the freedom of man; and

Whereas the Congress of the United States extended that citizenship to the people of Puerto Rico on March 2, 1917; and

Whereas, during the last 40 years, the people of Puerto Rico, in the exercise of the inherent rights of that citizenship, have established a spiritual and cultural brotherhood with the people of the United States, and set an example in political association which has been recognized by the United Nations and attracted the attention and respect of the free peoples of the world; and

Whereas this association emanates from a compact, freely and voluntarily entered into by both peoples and founded on common citizenship, common defense, free commerce and common dedication to the great values of freedom; and

Whereas we Puerto Ricans feel proud of our American citizenship, which we have served faithfully with our lives in time of war and with unfailing industry in times of peace, contributing to the enrichment of its deep significance.

Therefore, I, Luis Muñoz-Marín, Governor of the Commonwealth of Puerto Rico, proclaim March 2, 1957, as Friendship Day, to honor the friendship between the people of Puerto Rico and the people of the United States, and I urge all my fellow citizens, both here and in the States of the Union, to observe this day, thus demonstrating our friendship, brotherhood, and affection for our fellow citizens of the United States and our devotion to and faith in the ideals which sustain our common citizenship.

SPEECH OF THE GOVERNOR OF THE COMMONWEALTH OF PUERTO RICO ON FRIENDSHIP DAY, MARCH 2, 1957

Today we honor the date when Puerto Ricans were granted United States citizenship. We reaffirm our faith in the profound

democratic significance of this citizenship. To this significance, modestly but in a real sense, the people of Puerto Rico have contributed. They have contributed with their lives in defense of the great values of that citizenship each time those values were threatened by enemies of the freedom of man. They have contributed in a creative spirit, by giving their citizenship new democratic expression, new ways of establishing and widening fraternal understanding between peoples and individuals of different origins within a common constitutional system. There cannot be a more honorable contribution than this to the world of today, which is so badly in need of union of peoples, so divided by narrow nationalistic feelings.

We have called this day Friendship Day, as an appropriate description of the deep meaning of this celebration. Loyalty, like honesty, is not proclaimed, it is practiced. The peoples of the world, with a sure instinct, have become suspicious that those who loudly shout these virtues, practice them only superficially. All of us here are United States citizens and we are loyal to our citizenship. That goes without saying. On this day we wish to point out that for us common citizenship is also a vehicle of affection, of friendship.

The great problem in the relations between the people of Puerto Rico and the people of the United States, since history put them in such close contact with each other, lay in the question of whether it was possible to develop, in spite of differences in historic origin, in race and in culture, a feeling of mutual respect, of sincere affection, of unbreakable friendship. No one could impose that affection. No legislative body could legislate it. No one could establish that solidarity with juridical formulas.

The friendly relationship had to develop spontaneously in historic living together where a firm dedication to the unchangeable values of democracy could prevail over any passing discrepancy. This has been the history of the last 40 years—a history of friendship growing out of the always difficult process of two peoples of different origins learning to understand and respect each other.

This reality carries with it a very interesting meaning for all the peoples of the world who argue among themselves in the perplexity and anguish of their many national divisions and especially for the sister States of Latin America. This meaning—I want to emphasize—is not that the peoples of Latin America could develop a juridical relation with the United States similar to that which Puerto Rico has freely chosen to develop. The meaning to which I refer is the evidence offered by the people of the United States and the people of Puerto Rico that the two great cultures of America can live together. If such understanding and solidarity can exist between peoples of different origins, it certainly must be possible for it to develop between Latin American countries.

When the Congress at Washington granted United States citizenship to the people of Puerto Rico, it showed great political imagination. Today that citizenship has ripened into a new form of political association.

What was the true innovation introduced in 1917? Before Puerto Ricans came to be United States citizens, only persons born in the United States or of American parents abroad, or immigrants who individually fulfilled the requirements of the law could claim citizenship status.

In the case of Puerto Rico, for the first time United States citizenship was extended to an entire people at once. Before that, naturally, there were American citizens of the most divergent national origins—German, Polish, Dutch, Italian, Scandinavian, French, Spanish, Irish, Jewish, and of course English. Almost all the races of the world have contributed to the formation of the United States, but always by the individual decision of immigrants who moved from their countries of origin to the United States. In the case of Puerto Rico, citizenship was granted to Puerto Ricans in their country of origin, integrally, as a people.

Toward the end of the century a new era had begun in the life of the great Republic, a new era of experiences and responsibilities which put to a test the democratic flexibility of the Constitution. Puerto Rico and the Philippines passed from the jurisdiction of Spain to that of the United States. It was necessary to determine the economic-political relationship which was to exist between the United States and these peoples. On this side of the world the case of Puerto Rico was bound to signify the attitude of the United States toward all Latin America. In Asia the Philippines became a testing ground to the Asiatic peoples. The Philippines, through free self-determination became independent. Puerto Rico, through free self-determination, decided on another form of political liberty, and the free associated state, or Commonwealth, was created.

In the development of its association with Puerto Rico, the United States from the first established an economic relationship which was mutually beneficial. It established a free market, and exempted Puerto Rico from the payment of Federal taxes, thus providing the fiscal and economic basis upon which Puerto Rico could begin to face its great needs in the fields of education, health and work. On the political side, a long time went by before the relationship was established on principles more in keeping with the great meaning of American constitutional tradition. The Foraker Act did not do justice to the principle of government with the consent of the governed. It did not have faith in the abilities of the Puerto Rican. It did not grant citizenship to Puerto Rico.

This political relationship, so opposed to the democratic tradition of the Union, bothered men of state. The question was posed: If Puerto Rico was a country that had collectively developed its identity as such, with tradition and language different from those of the Union, should this country be granted United States citizenship? Or should this factor of difference keep Puerto Ricans from becoming citizens of the Union? Granting of citizenship to Puerto Ricans in 1917 answered the question. It showed how the broad democratic spirit of the United States can grow and deepen in the meaning of liberty. Creative action was taken. No set pattern was followed. And the path of the future was left open to determine, by historic experience, the best kind of relationship which would serve the spiritual and material interests of the American citizens of Puerto Rico and of the American citizens of the continent. This is the great political creation we celebrate today.

It is for this reason that the bonds of common citizenship which unite Puerto Rico and the United States are juridical bonds which have our unbreakable loyalty. But they are more than that, they are bonds of affection, of deep understanding—bonds of freedom, bonds of friendship.

Mr. FERNÓS-ISERN. I yield to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am happy to add my congratulations to the Puerto Rican people on the 40th anniversary of their acquiring United States citizenship which took place on March 2, 1917. That this occasion has been named "Friendship Day" by the Governor of Puerto Rico, the Honorable Luis Muñoz-Marín, seems particularly fitting. The Puerto Rican people regard their United States citizenship as something precious and dear to them, and they have not failed to answer the call in the defense of that citizenship. In World War II and again in Korea, the Puerto Rican soldiers fought alongside their brothers from the continent, and together with them, many paid the extreme sacrifice.

In Puerto Rico, while a comparatively small island in size, giant progress is taking place. New industries are being created at an unbelievable rate; agriculture is being diversified; living standards are being raised rapidly. An area appropriately labeled "underdeveloped" a few years ago is transforming miraculously into a modern going community, industrialized and with signs of progress everywhere. Almost the same percentage of children of school age are attending daily classes as is the case with the mainland.

These miracles have been possible because of the close ties of Puerto Rico to the continent, and because of the kinship of citizenship of the Puerto Rican people to their fellow Americans on the continent.

I know that everyone present joins me in wishing them continued success and prosperity and happiness, within the true spirit of democracy which we share with each other.

To you and the officials of your Commonwealth, Doctor, who is our able Commissioner in this body, representing the people of Puerto Rico, and to the people of Puerto Rico I extend my hearty congratulations; and I know I speak for all the Members of the House in offering our hearty congratulations.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. FERNÓS-ISERN. I yield to the gentleman from Michigan.

Mr. BENTLEY. I am very happy to join our distinguished majority leader, and I am sure the great majority of the Members of this House, in paying tribute to the people of Puerto Rico and in thanking the distinguished Resident Commissioner for bringing these matters to our attention.

The 40th anniversary of the Jones Act which conferred American citizenship upon the people of Puerto Rico is, of course, a very important occasion in their minds. As one who was privileged to receive honorary Puerto Rican citizenship, and as one who has the deepest respect and admiration for the people of Puerto Rico, notwithstanding the unfortunate incident of 3 years ago, I should like to ask the gentleman if in the minds of the people of the Commonwealth there is any distinction between Puerto Rican citizenship and American citizenship at the present time.

Mr. FERNÓS-ISERN. In the minds of the people of Puerto Rico there can be no difference and no misunderstanding as to what American citizenship means for the people. They know it means for them just what it means for the people of the mainland. Have I answered the gentleman's question?

Mr. BENTLEY. I think the gentleman has. I wanted to ask that question of the gentleman because I and perhaps other Members of the House have received some comments to the effect

that in the Commonwealth the meaning of United States citizenship was being relegated to some secondary position in comparison with Puerto Rican citizenship, and I wanted the gentleman in his own words to clear up this question once and for all and to make clear that in the hearts and minds of the people of the Commonwealth citizenship of the United States is just as valued and cherished a possession as is citizenship of the Commonwealth itself.

Mr. FERNÓS-ISERN. There is no question about it, and I appreciate the opportunity the gentleman has given me to clarify the fact.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. FERNÓS-ISERN. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I want to join with the Members of the House and our colleague, the Resident Commissioner of Puerto Rico in this celebration. It was 40 years ago today that Puerto Rico took the big step in the direction of being closer to the United States. I think one of the reasons that Puerto Rico has made such progress is the fact that they have had an intelligent and wise leadership here in the House and in Puerto Rico. I have served with the Resident Commissioner for some 10 years and also with his predecessor. They have been doing an outstanding job for Puerto Rico. It takes wise leadership in order for a people or a nation to make progress.

I placed in the CONGRESSIONAL RECORD today some remarks about Puerto Rico entitled "Puerto Rico: They Have Made Good."

Many progressive and new activities go on in Puerto Rico, and I believe they will continue to develop if the island is given the same friendly, intelligent, and wise leadership it now has.

Mr. FERNÓS-ISERN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I desire to join in the celebration of the 40th anniversary of the extension of United States citizenship to Puerto Rico. I represent a congressional district in which Puerto Ricans form an important segment of the citizenry. I have found these people, not only in my community but also in Puerto Rico, to be a very religious people. Three years ago I had the good fortune to visit Puerto Rico. I arrived on Easter Sunday and joined the people in prayer in their beautiful holy church. I saw the people in prayer. I saw them in the plaza or square engaging in their religious festivals. Because of their devotedly religious backgrounds and their practice, our Secretary of State or our President need not request us to grant $200 million or any less sum to fight communism. These people and their Spanish brethren in the Caribbean are natural enemies of the atheistic Communists.

I found the Puerto Ricans to be very hospitable and very friendly. Their homes are open with a welcome sign awaiting the visitor. Upon my visit to the senate and assembly in San Juan the legislators extended a most cordial welcome to a New York State legislator. The charming mayor of San Juan and the tireless governor of Puerto Rico were more than kind. They demonstrated the same characteristics which the poor and rich on that island demonstrate daily.

Last night I enjoyed a choral performance at Carnegie Hall celebrating the 40th anniversary of American citizenship for Puerto Ricans. This performance by a group of students of the University of Puerto Rico under the leadership of Augusto Rodriguez blended their voices in pleasing and perfect harmony. The Council of Spanish-American Organizations in New York should be proud that it sponsored this show.

The choral group sang religious and folk songs of old Spain and Carribbean lands. Their precision and performance was a marvel to behold and to hear. Tenors blended with sopranos and baritones joined with alto in harmonious ranges. Just as these students blended their voices in song, so the Puerto Ricans of the mainland are blending their cultures with ours toward a better America.

Let no one underestimate the contribution by Puerto Ricans to our America. Their sons have fought valiantly on the battlefield and they have made their sacrifices. They have earned their citizenship.

Without their help and without their labor hotels, resorts, and industry would find great difficulty to get along. They are a valuable asset to our economy. Like all new peoples to our shores, their lot has been a difficult one. Their inability to speak the English language and the lack of economic opportunities create certain problems. These problems are gradually being solved. Like all peoples who appreciate opportunities which the United States affords, they are advancing on all fronts—in schools, in business, and in politics.

Since Puerto Ricans acquired citizenship 40 years ago they have been struggling for equal opportunity. Despite the lack of privileges, despite prejudice and discrimination, Puerto Ricans have come of age this year in New York City, especially in my district.

It has been said that life begins at 40. After 40 years of citizenship Puerto Ricans are ready to live.

Mr. Speaker, I ask unanimous consent to include as a part of my remarks a proclamation by the mayor of the city of New York commemorating the 40th anniversary of Puerto Rican independence.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Text of the mayor's proclamation follows:

Whereas the people of the Commonwealth of Puerto Rico, on March 2, 1957, will celebrate the 40th anniversary of the extension of United States citizenship to Puerto Rico; and

Whereas through their courage and determination they have made dramatic progress under their development program, Operation Bootstrap, have rendered valuable service to the United States in international relations as an example of the highly democratic development of an underdeveloped area in free association with the United States and the people of North and Latin America; and have served with distinction in the United States Armed Forces in the First and Second World Wars and in the Korean war; and

Whereas the people of the city of New York feel a special bond of friendship and brotherhood with the people of Puerto Rico, since over 500,000 of our fellow New Yorkers are of Puerto Rican birth or parentage:

Now, therefore, I, Robert F. Wagner, mayor of the city of New York, do hereby designate March 2, 1957, as Puerto Rican Friendship Day in New York City to honor the friendship between the people of the city of New York and our fellow American citizens of the Commonwealth of Puerto Rico.

Mr. FERNÓS-ISERN. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Speaker, a short time ago many Members of this House spoke with eloquence and with pride of the great background of Alexander Hamilton and of the beginnings of this historic House of Representatives. Now, I think we are commemorating a part of history of which we have a personal knowledge.

Forty years ago when citizenship was conferred by law upon the residents of Puerto Rico, the distinguished Speaker of this House was in his fifth year as a Member of the House of Representatives.

Mr. Speaker, I can recall 5 years ago, when I had been a Member of this House for only a few weeks, we approved here the Constitution of the Commonwealth of Puerto Rico. So, it is not necessary on this occasion to peer back beyond our own experience. We are commemorating in a sense here today a part of the exciting stream of history in which we were engaged.

I think that the distinguished Resident Commissioner of Puerto Rico has been too modest. He spoke eloquently of the progress of the Commonwealth of Puerto Rico but said not a word of his own part in that progress. During his 11 years in this House he has fought for Puerto Rico with all the energy at his command. Beyond that, in the years before that, he fought to bring about the greatness which is Puerto Rico's today.

The question was raised a few moments ago about how the people of Puerto Rico regarded their United States citizenship. I think that anyone who has visited there or talked with the people of Puerto Rico will agree that they are not cousins or merely friends but brothers in a very real sense, and that when they use the word "we," they include the people of the United States as well as the people of the Commonwealth of Puerto Rico. I read yesterday an article which said that there is "a smell of action in the air in Puerto Rico." A committee of this House visited Puerto Rico a few months ago, and I think every member of that committee will agree that it is more than a smell of action. It is a veritable hurricane of action, and I think Puerto Rico today is a shining light against which the Russian charges of American colonialism beat with sodden and futile wings.

Mr. FERNÓS-ISERN. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Speaker, I could not allow this opportunity to pass without making some comment both about my good friend, Dr. FERNÓS-ISERN, Resident Commissioner for Puerto Rico and the good people he so ably represents in Congress. Although I come from a definitely inland area of the United States, my service in Congress has given me the singular opportunity to become well acquainted with the offshore island of Puerto Rico and with its fine and advancing people. This experience is one that I treasure highly and I am proud to have played some small part in recent developments of the Puerto Rican Commonwealth.

My first contact with this island offshoot of America was with Dr. FERNÓS-ISERN and this contact began a pleasant association with a dedicated public servant that has grown and ripened with the years. Surely, I said to myself, if such a man is representative of his people, then his people must be most worthwhile citizens of our Nation. Events over the years have given validity to this thought.

Today, we are observing the 40th anniversary of the granting of full American citizenship to the people of Puerto Rico. We acquired this island in the Spanish-American War in 1898. The first act for Puerto Rico, the Foraker Act, was passed in 1900 and it provided for an appointive Governor and a status for the people called Citizens of Puerto Rico. In 1917, on March 2, to be exact, there was enacted the Jones Act which changed this citizenship status to that of full citizenship on a par with all others in this Nation. This was the first such enactment of citizenship for the peoples of an offshore area. Time has amply demonstrated the wisdom of this determination.

The first native Governor, the Honorable Jesús T. Pinero, was appointed in 1946 and served ably and well until 1947, when provision was made for the people of Puerto Rico to elect their own Governor and thereby more fully participate in their own self-government. They responded to this trust and confidence by electing the Honorable Luis Muñoz-Marín, who took office in 1948 and is still their Governor.

Then in 1952, Congress enacted legislation to establish a new relationship between the people of Puerto Rico and the United States. There was established the special status, the Commonwealth of Puerto Rico within the federated system of our Government. By this process, the people of Puerto Rico have become fully self-governing under their own Constitution. I think that this brief review of major changes in the governmental operations of Puerto Rico clearly shows the progress of these people, a people with a background different from our own, but a people no less imbued with the ideals of independence and democracy.

With the achievement of full self-government, the Puerto Rican people, under the dynamic leadership of Governor Muñoz-Marín began the now famous Operation Bootstrap. This self-generated program is one designed by the people of Puerto Rico themselves to meet and overcome their own problems—and of problems they had more than their share. Under this program, they have made giant strides in overcoming fundamental problems. They have constructed roads and utilities, housing, schools, and begun the necessary diversification of their agriculture to reduce their dependency upon a one-crop economy. They have had enough of being tied to the tail of the sugar cane kite. Under the program, they have attracted over 400 new industries to the island and thereby provided new income, new jobs, and new opportunity.

These people have done much to return and reward the confidence this Nation has shown to this noncontiguous area. It presents to the world an example of what a free and determined people can do, even with adverse economic and educational opportunities.

May I again compliment you, Dr. FERNÓS, and through you, the people of Puerto Rico. All of you have every reason to be proud of your achievements, and we know that another anniversary of your citizenship will show additional progress. Finally, may I say that the greatest tribute that can be paid is that you have done this by your own initiative. I wish for you and for the leaders of the Commonwealth of Puerto Rico, continued success as you labor with your people in the advance of your well being in a democracy.

Mr. FERNÓS-ISERN. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, to me it is a great sense of satisfaction that in the Philippine Islands there is independence; that in Cuba there is independence; and in Puerto Rico there is that form of independence that the people of Puerto Rico wish to have, furnishing this Nation with our first commonwealth. It is a satisfaction to me, looking back to the Spanish-American War, that these lands that came under our control at that time all have gone the way of freedom and that we, for ourselves, have taken nothing except the rich heritage of friendship, not the least of which is in the love for us and for the Stars and Stripes by our fellow Americans in Puerto Rico.

Mr. Speaker, I have the happy mission to convey to the Resident Commissioner of Puerto Rico from the great and dynamic mayor of Chicago, the Honorable Richard J. Daley, greetings and congratulations. The mayor of Chicago realizing, as did the mayor of New York and I think the mayors of most of our American cities, the tremendous importance of this anniversary occasion and in recognition of the fine contribution made by so many of our fellow Chicagoans who came from Puerto Rico issued a proclamation in behalf of the people of Chicago of good wishes, of hearty congratulations, and prayers for the people and the government of Puerto Rico in all its good works.

To the Resident Commissioner of Puerto Rico, Dr. ANTONIO FERNÓS-ISERN, I wish to say that no man in this body is held in higher esteem or warmer affection by his colleagues. He is a great American, a great son of Puerto Rico, and the history of the first commonwealth of the American Union from the moment of first conception, through all the legislative processes, to the present glorious anniversary is star illuminated with the name of ANTONIO FERNÓS-ISERN, our beloved colleague. To the preeminently able Governor of Puerto Rico, Luis Muñoz-Marín, who stands in world opinion among the greatest heads of state of our times, also go our congratulations and good wishes, and through him and the Resident Commissioner we convey them to all our fellow citizens, to all our fellow Americans, to all the men and women and children in the beautiful island of Puerto Rico, the proud first commonwealth of the United States of America.

March 2, 1957, is the 40th anniversary of the day when our island neighbors, the Puerto Ricans, first became citizens of the United States. On that day, these splendid people were granted the American citizenship which they had come to desire after almost 20 years of association with America and of experience with the American ideals of democracy.

Since that date, the Puerto Rican people have shown themselves not merely capable of learning from us, but also, and more important, extraordinarily resourceful in teaching us mainlanders new applications of our own political and economic theories. The landmark of Puerto Rican development within the last 40 years has, of course, been the granting of commonwealth status to the island in 1952. This act was a natural result of the increasing political responsibility of the Puerto Ricans, perhaps best exemplified by Luis Muñoz-Marín, Governor since 1948 and leader of the Popular Democratic Party. Governor Marín, in January of this year, commenced his third term in office. In enjoying commonwealth status, Puerto Rico is in the unique position of enjoying an association with the United States which does not result in any internal interference, yet which provides complete external support and protection.

Particularly remarkable from the economic and social point of view has been the ambitious Operation Bootstrap, begun in 1948, by which Puerto Rico has taken gigantic strides along the path of self-improvement. By this program which the granting of commonwealth status directly strengthened and encouraged, Puerto Rico has accomplished a degree of economic progress that is the envy of underdeveloped countries all over the world. The most recent figures show, for example, that in 1956 the net national income of Puerto Rico topped the billion dollar mark for the first time, having risen from only $227 million in 1940. The 1956 per capita income of $445 is topped in Latin America only by oil-rich Venezuela. There was a 17 percent increase in manufacturing output, and an 11 percent increase in construction. As one result of these booms, 24,000 new jobs were created in Puerto Rico, considerably decreasing unemployment and adding to an ever-increasing foreign trade.

Public health and education have kept pace with these industrial strides. Construction of safe water-supply and sewage disposal systems, building of new clinics and hospitals, and immunization against disease have reduced the death rate per thousand by more than half since 1940 and raised the average life expectancy by 15 years. School enrollment has literally doubled, and vocational training has been provided for more than 25,000 people.

The result over the long run of Puerto Rico's Operation Bootstrap will be a higher standard of living, a great diffusion of education, and a still greater degree of participation in a divided world where Puerto Rico's achievement can be a guide to other nations. For the inhabitants of Puerto Rico, these insular citizens of the United States, have shown that it is possible to make tremendous progress industrially, economically, and socially, without at the same time sacrificing any of the individual freedoms and responsibilities which we hold to be irreplaceable. As Governor Marín himself put it:

Our goal is maximum respect for that maximum minority that is the individual.

Congratulations are indeed in order to our fellow citizens of the Puerto Rican Commonwealth upon this the 40th anniversary of their citizenship.

Mr. Speaker, in the district on the south side of Chicago that I have the honor to represent are many sons and daughters of Puerto Rico. They are a vibrant part of our community and by their industry, their deportment and their adherence to the high ideals of religion and of good citizenship they have made a mighty contribution to our community. The high regard in which they are held in the city of Chicago is reflected in the following lead editorial in the Chicago Sun-Times of March 1, 1957:

FRIENDSHIP DAY

In a world in which there is great colonial and satellite unrest, it is appropriate on this particular day to call attention to the relationship that exists between the United States and Puerto Rico. Today is the 40th anniversary of the extension of American citizenship to the people of Puerto Rico. The association of the little island and the powerful big world power has been so good that Gov. Luis Muñoz-Marín has proclaimed the anniversary "Friendship Day" because of his countrymen's loyalty and affection for Uncle Sam.

In response, Mayor Daley of Chicago has proclaimed the day "Friendship Day," too. Puerto Ricans, being citizens, are as free to travel to Chicago as a resident of any United States State and some 20,000 of our Spanish-speaking fellow Americans have been attracted to Chicago by employment opportunities. It is well for Chicagoans to know something about the background of the Commonwealth of Puerto Rico from which they come.

Puerto Rico's relationship with the United States is different from that of Alaska and Hawaii, which want to become States, and the Philippine Republic, which has been made independent. Puerto Rico became a commonwealth in 1952. It has its own constitution and its own elected government but it has associated itself in a permanent compact of citizenship with the United States. Puerto Rico has no voting representation in Congress and therefore is not subject to mainland taxation, harking back to the American Founding Fathers' concept of "no taxation without representation." But in most other laws, in commerce, defense, and international relations, Puerto Rico is much like an American State.

Thus America has shown the world another example of an experiment in democracy which has brought the blessings of our form of government and our material wealth and considerate leadership to a territory formerly ruled as a colony. In recent years, wise administration by Governor Marín and the friendship and understanding of the United States have helped make Puerto Rico a showcase of democracy. Living standards have been raised to the point where only oil-rich Venezuela has a higher per capita income in Latin America. In health, life expectancy since 1940 has been extended from 46 to 68 years. Industrial production, from carbide to corsets, now exceeds agricultural production.

In Puerto Rico, the world has been shown the democratic alternative to communism and colonialism. The American flag and the Puerto Rican flag fly honorably and equally side by side and at the same level. Long may they wave.

Mr. FERNÓS-ISERN. Mr. Speaker, I yield at this time to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, I am delighted to join my colleague from Puerto Rico in expressions of congratulations to the Commonwealth of Puerto Rico.

In my early terms of service in the House I gave what help I could to the bringing about of the constitution of Puerto Rico. I have always had a feeling of pride in that work.

Mr. Speaker, I have known Puerto Rico well for the last 10 years and have visited the island on numerous occasions. I have been able to witness great changes in that period of time. It seems to me that what has been done in Puerto Rico is an example that the United States has no desire to indulge in a colonial empire. Throughout the entire world the story of Puerto Rico is well known and, may I say, Mr. Speaker, favorably known.

This great advancement could not have been made had it not been for the leadership of men in government and business in Puerto Rico. They have a strong and abiding faith in their island as well as respect and deep friendship for those of us who live on the continent.

In addition to the fine work of those in government and business in Puerto Rico, a compliment should be made to a very fine newspaper, El Mundo, for it has carried on in the fine traditions of the American press and has exercised freedom of the press in criticizing when criticism was warranted and praising when praise was due. This great newspaper, Mr. Speaker, carries a terrific impact throughout all of Latin America, for it is a Spanish-language newspaper; but it carries with great influence the story of the United States and of Puerto Rico. Its publisher, Angel Ramos, a native of Puerto Rico, is fearless and courageous and has worked from a copy boy to where he now directs the destiny of the publication. As such, he rates high among the newspapermen of Latin America.

I would like to urge all of my colleagues who have not visited Puerto Rico to do so if the opportunity presents itself, for there they will find friendly people, cultured people, and progressive people. There they will find the traditions of old Spain and the modern influences of the New World.

Yes, Mr. Speaker, I am happy if I have contributed in some small way to this progress of our Commonwealth, and I extend to my colleague from Puerto Rico, Dr. FERNÓS-ISERN, the Resident Commissioner, my best wishes and congratulations, and to the Governor of Puerto Rico, my friend Luis Muñoz-Marín, I express my appreciation of his courtesies in the past and wish for him and the people of Puerto Rico continued progress and prosperity and the ultimate success of all of their dreams and aspirations.

Mr. FERNÓS-ISERN. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Speaker, I feel I should certainly add my congratulations to the Resident Commissioner of Puerto Rico. He is one of the true Representatives in our Congress. Just last week I had the privilege of sitting in at one of the meetings of the schools of public health throughout this country which are seeking the best ways and means of creating better health and education through research and better teaching facilities. While we were there, we were privileged to meet and talk with officials of the university and the medical school. One of my strongest impressions there was of the beauty of the great library that they have in connection with the university, the general trend of everything within the library and around the college campus being one of advanced culture. Evidence abounds everywhere that progress is being made along the line of education as well as economic development.

They were anxious during this meeting, particularly since one of the public-health schools is located in Puerto Rico, to impress upon us—and I think it was wise that they did so—that the important and one of the great objectives of having this educational institution located in Puerto Rico is the advantage that it gives the people of Latin America together with those of North America, to have a more or less common meeting ground as it applies to the general movement toward improvement of public health.

All in all, I felt a great surge of a development of interest, of enthusiasm, of loyalty, that seemed to be expressed from the movements in the streets and elsewhere.

Mr. Speaker, I certainly congratulate Puerto Rico and congratulate very heartily the Congress for having a Representative here who demonstrates so well and so ably the progress of Puerto Rico as does our official Representative, Dr. FERNÓS-ISERN.

Mr. FERNÓS-ISERN. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BERRY. Mr. Speaker, I wish to join with the other Members of the House in offering my congratulations to the Commonwealth of Puerto Rico on this occasion.

Mr. Speaker, Puerto Rico is certainly doing a grand job of demonstrating to the world how a young commonwealth can progress and certainly it is setting an example to the island countries of the Caribbean on what can be accomplished under a republican form of government.

I wish also to commend my good friend, Dr. FERNÓS, on the high type of representation he is giving this Commonwealth in the United States Congress.

The occasion of this birthday is a fine time to pay our tribute to the people of Puerto Rico and to their government upon the great strides they are making.

Mr. ENGLE. Mr. Speaker, I join my colleagues in extending my congratulations to the people of Puerto Rico who 40 years ago became citizens of the United States.

In 1917 Congress passed a law making the people of Puerto Rico our fellow citizens. In thus expressing its confidence in our island friends Congress made no mistake. The Puerto Ricans have more than measured up. In the short span of 40 years they have made remarkable progress. Their economic advancement and their strides in education and health can be measured and analyzed in concrete terms. And while the story of their social and political growth cannot be told in cold statistics, I know, as a longtime member of the House Interior and Insular Affairs Committee, that that growth is unmistakable and significant.

Congress has not failed to recognize all this and it has translated its confidence and satisfaction into legislative action. In 1947 Congress gave the Puerto Ricans the right to elect their governor by popular vote. In 1950 Congress was quick to see that they had the right to write their own constitution and to have autonomy in their local affairs. And in 1952 it created the Commonwealth of Puerto Rico, making the people of that island a free self-governing body.

In their first election of a governor by popular vote in 1948 the people of Puerto Rico showed good judgment by electing the Honorable Luis Muñoz-Marín. They showed the same good judgment when that same year they chose Dr. ANTONIO FERNÓS-ISERN as their Resident Commissioner in the United States. These gentlemen were both reelected in 1952, and again in 1956. Together they make a fine team. Their imagination and intellect have done much to sustain my interest in the problems of Puerto Rico that come before my committee. And their warmth and friendliness have made it a real pleasure to work with them.

I know my colleagues on our committee join me in these remarks and in sending their congratulations to our friends in Puerto Rico.

Mr. RHODES of Pennsylvania. Mr. Speaker, it is a pleasure to have this opportunity of joining in the commemoration of the 40th anniversary of the attainment of United States citizenship by the people of Puerto Rico.

Ten days ago it was my good fortune to visit Puerto Rico as a member of a special subcommittee of the House Interstate and Foreign Commerce Committee. I was accompanied by my colleague, the gentleman from West Virginia, Dr. NEAL, and by Mr. Kurt Borchardt of the committee staff. We attended the sessions of the annual meeting of the Association of Schools of Public Health, gathering information for our subcommittee on the needs of public health educational institutions. I shall always remember the wonderful hospitality afforded us by the people of Puerto Rico and our host, their gracious Governor Luis Muñoz-Marín.

We were greatly impressed by the great economic development and educational advances being made. Puerto Rico is also playing an important role in bringing about a closer relationship with the people of Latin American countries. It was particularly impressive to see the intense interest in learning exhibited by the fine young people I met at the University of Puerto Rico. An important contribution is being made in the field of public health at the university, under the leadership of Dr. E. Harold Hinman, dean of the School of Medicine, and Mr. Jaime Benítez.

It is impossible to mention Puerto Rico without paying special tribute to the distinguished Resident Commissioner from Puerto Rico, our colleague, Dr. ANTONIO FERNÓS-ISERN. As a physician, professor of the Public Health School, and commissioner of health of Puerto Rico he has rendered outstanding service to his fellow citizens in this important field.

He has also contributed greatly in cementing the ties of the people of the Commonwealth of Puerto Rico with their fellow citizens on the mainland, as well as with our neighbors of Latin America.

It is thus a great privilege to congratulate our friends and fellow citizens of Puerto Rico on this anniversary of their citizenship and to wish them continued progress in the years ahead.

Mr. BURNS of Hawaii. Mr. Speaker, under permission obtained by the Resident Commissioner, the Honorable Fernós-Isern, of Puerto Rico, for the Members to extend their remarks, I join with my colleagues in the tribute paid to the able and distinguished Resident Commissioner Fernós-Isern and to the Puerto Rican people.

Hawaii is proud of the several thousand Puerto Ricans who have made a very distinct contribution to the economy of Hawaii. Our transplanted Puerto Ricans have also added to our cultural and political life.

In the true tradition of the Hawaiian, Puerto Ricans have been integrated into the cosmopolitan community of peoples that is Hawaii. Their volatile natures, their gracious and pleasing personalities, their industry and fortitude, have won for them the admiration and friendship of the many cultures who share in the development of the melting pot blended together by the Hawaiian.

Hawaii is very glad to have the Puerto Ricans participating in the building of the institutions by which the paradise of the Pacific has won the respect and admiration of all who know her. We expect still greater attainments by the people whom Puerto Rico has sent to us.

The celebration of Friendship Day, illustrating as it does the basic American sense of fair play and justice, increases the faith and nurtures the hope of the people of Hawaii in statehood for Hawaii. Though Puerto Rico was described as being appurtenant to but not a part of the United States, America demonstrated her belief in democracy and showed that she did not believe in half measures for any people by the granting of full citizenship to the Puerto Ricans just 40 years ago on March 2. The people of Hawaii and Alaska are confident that Hawaii and Alaska will have the last step of an incorporated Territory accomplished in the very near future by their admission as States of the Union.

It is a privilege and a pleasure to congratulate the people of Puerto Rico on their remarkable progress over the last 40 years, and as an American on this occasion to be proud to be an American.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

AMENDING THE SMALL RECLAMATION PROJECTS ACT OF 1956

The Clerk called the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, I object.

AUTHORIZING SETTLEMENT FOR CERTAIN INEQUITABLE LOSSES IN PAY SUSTAINED BY OFFICERS OF THE COMMISSIONED SERVICES UNDER THE EMERGENCY ECONOMY LEGISLATION

The Clerk called the bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INVOKING THE AID OF FEDERAL COURTS IN COMPELLING THE TESTIMONY OF CONGRESSIONAL WITNESSES

The Clerk called the bill (H. R. 259) to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, it is my understanding

that there has been some question raised about the proposed legislation.

Mr. KEATING. Mr. Speaker, would the gentleman yield?

Mr. FORD. I yield.

Mr. KEATING. The bill was passed out of the committee unanimously. This bill in precisely this form passed the House in the last Congress and in the preceding Congress.

Mr. HOFFMAN. Mr. Speaker, would the gentleman yield?

Mr. FORD. I yield.

Mr. HOFFMAN. As I look at this bill, all it does is to ask that the courts help the committees out when the committees think someone is in contempt. I cannot see any reason why the courts should be made the servant of the committees or burdened with taking over the committee's duty. The committee now has the authority to ask the Congress to institute contempt proceedings or refer the case to the Attorney General.

Mr. KEATING. Mr. Speaker, I hope I can clear up the matter in the mind of the gentleman from Michigan. This does not in any way interfere with the existing procedures for punishing a witness for contempt. If the committee elects to do so, they can still proceed in the manner now provided, by citing the witness to the full House, voting a contempt resolution presenting the case before a grand jury, securing an indictment, and so on. This is an alternative method.

The enactment of this bill would constitute the most constructive step that could be taken by Congress toward increasing the efficiency of its investigatory processes. The procedure now available for dealing with recalcitrant and contemptuous witnesses is notoriously cumbersome and ineffective. As the law now stands, if a witness refuses to appear or to testify before an investigating committee, the committee must first report the matter to the House, which must then resolve to cite the witness for contempt, after which the Speaker must refer the matter to a United States attorney, who in turn must present the case to a Federal grand jury. If an indictment is returned, a full-scale trial must follow. Finally, months later—sometimes a year or more later—there may be a conviction and punishment. Meanwhile, more often than not, the original investigation has long since been closed without having obtained the desired testimony or evidence.

This bill offers an immediate solution. It authorizes either House of Congress, or any of its committees, to invoke the aid of a United States district court to require the attendance and testimony of a witness. For instance, under this bill, should a witness refuse to testify, he could be required to appear, not months later, but that very day in the district court in whose jurisdiction the investigation is being conducted. Upon proper application by a United States attorney, the court could thereupon pass upon the propriety of the questions involved and if it deemed them proper, the court would then be authorized, under subsection (b) of the bill, to order the witness to testify. At that point the witness would be subject to the jurisdiction of the court and any further refusal to testify could be forthwith punished as a contempt of court.

The fact that he could immediately be punished for contempt would tend to force the otherwise defiant witness to appear and testify. At the same time, the proposed legislation represents a forward step in safeguarding the rights of the witness by leaving it up to the court and not to the committee to determine whether certain questions are material and relevant. The effect would be to restrain the investigating committee from prying into matters which were not within the scope of its authorized investigation.

Identical bills were passed by the House in the 83d and 84th Congresses, but no action was taken by the Senate. It is vital that this bill be enacted into law during this session of Congress. Today both Houses are confronted with a tremendous volume of proposed legislation, much of which should become law at the earliest possible date. But laws cannot be made, nor can the need for them be ascertained, without proper investigation. The passage of this bill would place into the hands of both Houses the tools with which to conduct fair, productive and speedy investigations preliminary to legislation.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. FORD. Let me first withdraw my reservation. Then if the gentleman from Michigan wishes to speak further on the subject, he can reserve the right to object.

I withdraw my reservation of the right to object, Mr. Speaker.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, reserving the right to object, may I inquire of the gentleman from New York, the author of the bill, if this bill will not in fact authorize a judge to determine whether or not the answer to a question might incriminate the party in question? Is not that the real purpose of the bill?

Mr. KEATING. That is one purpose.

Mr. CUNNINGHAM of Iowa. In other words, the court will decide whether the answer might or might not incriminate the witness. That is, if the court decides it would not incriminate him, he is compelled to come back and answer the question.

Mr. KEATING. That is not the only objection which could be raised by a witness, but it does cover the point the gentleman from Iowa has mentioned. There might be cases where there would be some other reason for the refusal of the witness to answer, such, for instance, as the irrelevancy of the question to the purposes of the investigation.

However, the gentleman from Iowa is absolutely right that one chief purpose is to accomplish exactly what the gentleman mentioned.

Mr. CUNNINGHAM of Iowa. Could the gentleman state whether or not the hearing in the court would be in chambers or open to the public?

Mr. KEATING. I assume that would be in the discretion of the court. The witness would be taken before the court by an appropriate motion by the committee to force him to answer. I suppose it would depend upon the nature of the controversy. If it was a matter of security, the court might very well hear it in chambers.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM of Iowa. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Mr. Speaker, the gentlemen from New York has stated the purpose correctly, as I understand it, but look what this bill does. In the first place, it enables the committee to bypass the House, which usually cites for contempt, and go direct from the committee to the judge. In the second place, if there is a question which the witness has not answered and the committee wants to cite him for contempt, the witness has to go over to the court right then and there. How can a man defend himself if he is taken before the court and given a summary hearing? I cannot see any justice in that. We have a civil rights bill coming up before the same committee. If we are to have a civil rights bill why not respect the right of the witness to an opportunity to be heard? As suggested by the gentleman from Iowa [Mr. CUNNINGHAM] if the committee is given authority to go direct to a judge and the judge holds the question improper or one not requiring an answer, has the committee the right to appeal? If the judge holds the witness in contempt will he have opportunity to purge himself?

I object, Mr. Speaker.

WATER-SUPPLY FACILITIES FOR SAN DIEGO, CALIF., AREA

The Clerk called the bill (H. R. 2781) to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area," approved October 11, 1951, is amended by adding the following new section:

"SEC. 9. As soon as practicable after completion of construction of the work authorized by the first section of this act, the Secretary of the Navy and the Secretary of the Interior shall make such interdepartmental and other arrangements and enter into such contracts and amendments to existing contracts as they may find necessary or desirable for the purpose of effecting (1) the transfer to the Secretary of the Interior on behalf of the United States of jurisdiction over the aqueduct, and of the administration of the contract No. NOy-13300 of October 17, 1945, and of all contracts amendatory thereof or supplementary or collateral thereto; and (2) the substitution and designation of an appropriate official of the Department of the Interior for the Secretary of the Navy and for the contracting officer therein."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NEW YORK NAVAL SHIPYARD, BROOKLYN, N. Y.

The Clerk called the bill (H. R. 3025) to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to those Marshall, John, and Little Streets adjacent to the New York Naval Shipyard, Brooklyn, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized to surrender and convey to the city of New York without cost to said city, all right of access in and to those portions of Marshall, Little, and John Streets contiguous to the plant of the Consolidated Edison Co. on Hudson Street in the Borough of Brooklyn which the United States may have or possess by virtue of its ownership of land fronting on such street areas: *Provided*, That such conveyance shall not be executed until Consolidated Edison Co. has conveyed to the United States of America fee simple title to a triangular-shaped parcel of land situated at the junction of Marshall and Little Streets, contiguous to the New York Naval Shipyard, Brooklyn, N. Y., and containing approximately 598 square feet, and has removed and reconstructed that portion of the shipyard fence necessary to enclose said triangular parcel as an integral part of said shipyard and has also widened and otherwise improved the passageway between the west boundary fence of the shipyard and building No. 18 within the yard, all in a manner satisfactory to the Secretary of the Navy and without cost or expense to the United States. The Secretary of the Navy is authorized to enter into preliminary contracts or agreements which may be necessary and appropriate to effectuate the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NATIONAL INVENTORS COUNCIL

The Clerk called the bill (H. R. 103) to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

POSTAL STATIONS AT DEFENSE OR OTHER STRATEGIC INSTALLATIONS

The Clerk called the bill (H. R. 4815) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act of March 10, 1952 (66 Stat. 23, 39 U. S. C. 160, note), is hereby amended by striking out the second sentence.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TITLE 17, UNITED STATES CODE—COPYRIGHTS

The Clerk called the bill (H. R. 277) to amend title 17 of the United States Code entitled "Copyrights" to provide for a statute of limitations with respect to civil actions.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

CATAWBA INDIAN RESERVATION, S. C.

The Clerk called the bill (H. R. 676) to authorize the city of Rock Hill, S. C., to acquire certain tribal lands on the Catawba Indian Reservation, S. C.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Catawba Indian Tribe of South Carolina is authorized to sell to the city of Rock Hill, S. C., a tract of approximately forty-nine acres of land in the Catawba Indian Reservation for a consideration mutually agreeable to the parties and to the Secretary of the Interior. The Secretary of the Interior is authorized to execute such conveyancing instrument as may be appropriate for that purpose. If a negotiated sale cannot be effected, the city is authorized to acquire the land by eminent domain proceedings in accordance with the laws of South Carolina in an action against the United States filed in the United States District Court for the Western District of South Carolina.

With the following committee amendments:

Page 1, line 10, strike out the word "effected", and insert the words "effected prior to July 1, 1958."

Page 2, line 5, add a new sentence reading as follows: "The payment or distribution of the proceeds from any sale or condemnation pursuant to this act shall not be subject to any lien, except for debts owed to the United States or to Indian organizations indebted to the United States, and shall not be taxable."

Page 2, add a new section reading as follows:

"Sec. 2. The Secretary of the Interior is authorized, but only after securing the consent of the Catawba Indian Tribe thereto, to grant to the city of Rock Hill an immediate right of entry on such land pending the completion of a sale or condemnation action."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MINERAL LANDS IN ALASKA

The Clerk called the bill (H. R. 3477) relating to moneys received from mineral lands in Alaska.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROVIDING RELIEF FOR CERTAIN FEMALE MEMBERS OF THE AIR FORCE

The Clerk called the bill (H. R. 3028) to provide for the relief of certain female members of the Air Force, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask the chairman or some other member of the committee a question or two concerning this legislation. As I understand it, the Air Force in the past, during this particular period, made a decision on their own with reference to whether or not married couples, where both parties were in the service, should or should not get quarters allowance. The Air Force decision was different from that of the Army and the Navy. As a result, these payments were made to the personnel in the Air Force and they were not paid to comparable personnel in the Army and the Navy. The Air Force subsequently decided to institute legal action to collect this money which was wrongfully paid, under the interpretation of the Comptroller General. What this bill does is to wipe out any claim that the Government might have against these people or against personnel in the Air Force; is that correct?

Mr. DAWSON of Illinois. The gentleman is right in part. The Department of Defense issued a memorandum of policy. The other branches of the services, the Army and the Navy, complied therewith. The Air Force did not believe they were bound by it and did not follow it for a while. The General Accounting Office ruled that they should have complied. This bill gives relief to that group of women who were paid money under the stand taken by the Air Force. The vast majority of them are enlisted personnel whose pay is small. They accepted this money believing they were entitled to it. We introduced this bill at the request of the Air Force. It was heard by our committee and by the full committee and was passed unanimously and recommended that it be passed by the House. I am of the opinion that in order to do justice to those who accepted this money in good faith, many of whom have left the service, in addition to the fact that if you tried to reclaim it you would be involved in lawsuits and could not collect anything probably, in view of the fact that it is impossible for this situation to happen again the committee agreed unanimously that this legislation should be passed.

Mr. FORD. Is it not true that the Comptroller General does oppose the enactment of this legislation?

Mr. DAWSON of Illinois. It is true that the Comptroller General in answer

to our correspondence gave us his legal opinion. He could not do otherwise because it was the law. It is based on that. In our report we call attention to the stand taken by the Comptroller General's Office. We give the reasons for granting them this money, and we criticize the Air Force severely.

If I may, I would like to read what the committee said about the Air Force:

As to the Air Force, the committee feels that it should be severely censured for disregarding the policy statement of the Personnel Policy Board in 1951, although the committee does not hold its present officials responsible for this decision. Congress had already decreed the unification of the services and the Air Force should have cooperated in every respect. Instead of continuing its previous policy, the Air Force would better have changed to accord with the new policy as did the other services and then exercise its right to appeal to the Secretary of Defense for reconsideration. This would have avoided the necessity for this bill.

The committee goes on to criticize them more severely. But the question is whether or not you are going to require these members of the WAF's still in the service to pay back this money, whether you will begin lawsuits to try to get the money back. The committee believes that in justice to the Armed Forces and for the sake of policy they should be reimbursed.

Mr. FORD. May I point out two things. On page 12 of the committee report, which is a part of a letter from the Comptroller General, dated February 6, 1956, it is stated:

Nothing has come to attention in the meantime which requires any change in our views on this subject and, accordingly, we recommend against favorable consideration of H. R. 3028.

Secondly, according to information which I have here, the Air Force has collected from people in this same category something like $10,000.

Mr. DAWSON of Illinois. $8,800.

Mr. FORD. What would happen to those who have already paid up, if this legislation is passed?

Mr. DAWSON of Illinois. The money would be given back to them, of course.

Mr. FORD. Does your bill provide that?

Mr. DAWSON of Illinois. Yes, sir; that is understood. The bill asks for it.

Mr. FORD. What about the Army and Navy personnel who were never paid this money?

Mr. DAWSON of Illinois. They were not paid the money because they were not entitled to it. This is a question of whether or not you are going to release these few women in the personnel of the WAF's who were caught in this situation under these circumstances. If you want to take it out of the women, you can do that, but the Government will never collect that money. We felt that for the sake of all concerned we were doing the right thing in passing this bill. It was passed unanimously out of the committee after great discussion.

Mr. FORD. Mr. Speaker, I will withdraw my reservation, but I think this bill should be passed over without prejudice, and I ask unanimous consent that the bill be passed over without prejudice.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, I want to be heard.

Mr. Speaker, the gentleman said it came out of the committee unanimously. For once in my life I sat silent, because it was a tough one. You will recall that in 1947 we passed a unification bill, it was called; and, as stated by the chairman of the committee, the other branches of the armed services except the Air Force went along and complied with the rule which was sent down from above. But this one, the Air Force, took it upon itself regardless of the law and the Comptroller General cites the law and interprets correctly, we think—took it upon itself to make certain allowances for quarters to these women who are or were in the service. They had the money, now we are up against it. I do not know that we are setting a precedent if we allow this to them, but certainly we are allowing them to retain money to which they were not lawfully entitled. If, however, we go ahead and take it away from them, if we do not pass this bill, we cannot collect more than 25 or 30 percent anyway, so you see where we are. Many of them have spent it, some of them are doubtless execution-proof. It is just another case of one of these departments of the armed services going off on a tangent, paying no attention to the law, and then coming in and dumping the load on us.

For myself I do not see how, much as I dislike to vote for any legislation which will grant something that they are not legally entitled to but which they have—but I do not intend to object.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. GROSS. The gentleman from Illinois said the Air Force—and it is contained in the committee report—should be highly censured.

Mr. HOFFMAN. What is that?

Mr. GROSS. The gentleman from Illinois reading the committee report said that the Air Force should be highly censured. What does that mean? How is the Air Force to be censured for failure to comply with a ruling of the Comptroller General?

Mr. HOFFMAN. We are to slap them on the wrist and tell them not to do it again.

Mr. GROSS. That is about all it amounts to.

Mr. HOFFMAN. And probably the fellow who is responsible for the illegal payment is out of the service and we cannot get at him. The point is that these people in the service took the money in good faith. They probably have spent it. Some of them we cannot collect from anyway, so we are to give them something that they took in the belief they were entitled to it, but which in reality they were not entitled to.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Indiana.

Mr. BROWNSON. Many of us in World War II who were in charge of payrolls realized that a day of accounting would come and that we would be personally responsible for discrepancies.

To start out with, at the time that memorandum was issued on March 2 it was clear that it was a directive; further, that even if it was a directive it was not clear that the Secretary of Defense had the authority to issue the directive. Somewhere down the line between there and the Air Force there is somebody who personally went against the Comptroller and the Congress and the Secretary of Defense. I am only sorry that we cannot find that somebody and reestablish the type of fiscal responsibility that used to exist in the armed services, responsibility to the Comptroller General and to the Congress. But since we cannot there certainly is no point in censuring these young ladies in the military service.

Mr. HOFFMAN. Here is the point now: If we do not pass this legislation, if we do not let this bill go through, then we are in a position of trying to collect something we cannot get—that is, in my judgment we cannot get it anyway.

Mr. DAWSON of Illinois. And something for which the recipients were not responsible. It is just like a military order. They were given it; they took it.

Mr. HOFFMAN. Those in command gave it to them; they took it thinking they were entitled to it.

Mr. FORD. Mr. Speaker, I renew my request and ask that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ALNEY F. CHAFFEE

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I take this time that I may offer my own congratulations and I think the congratulations of every Member of the House and our best wishes for a happy birthday to Alney F. Chaffee, who is 90 years young today.

Mr. Chaffee has served in the House for over 50 years faithfully and conscientiously. He has the respect of every member of Congress during that long period of time. To serve the Congress over 50 years is an achievement few men realize. We all hope that he will continue to serve for many, many more years.

DOMESTIC AIRLINE RATES

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, in last Saturday's newspapers it was announced that Eastern Airlines' earned net income in 1956 was $14,197,500, equal to $4.98 a share compared with $9,342,791 and $3.75 a share in 1955. Revenues in

1956 aggregated $228,040,200 as against $196,608,302 the preceding year.

Two columns over and on the same page of last Saturday's newspaper appeared an announcement that 6 airlines, including Eastern Airlines, proposed a 6 percent increase in fares. The 5 other airlines were Braniff, Capital, Northwest, TWA, and United. The announcements stated that these airlines had advised the Civil Aeronautics Board that they planned to increase passenger rates 6 percent on April 1. In addition, two of the airlines, Capital and Eastern, also gave notice that they would add a terminal charge of $1 to each ticket sold. This addition of a terminal charge would raise the price increase on these two airlines from 6 percent to as much as 12 percent.

This is the response of the airlines to the current drive to slow down the spiral of rising prices. This is the gratitude to Government for the granting of what are in effect monopoly airline routes throughout America.

Although it is true that wages, fuel and other materials have risen in price since 1952, it is also true that airline passenger-miles have multiplied almost 100 percent since the last rate increase in 1952. This increase in passenger use of the airlines has been so great that it should warrant a reduction in passenger airline rates rather than an increase. When passenger airplanes can travel with near capacity loads instead of half-filled planes, it is obvious that passenger-mile costs are substantially reduced. Following is a table of the skyrocketing increase in passenger-miles traveled on domestic airlines since 1952.

1952	12,528,318,000
1953	14,760,309,000
1954	16,768,706,000
1955	19,819,221,000
1956	22,360,220,000

If the Civil Aeronautics Board will compare the passenger-mile cost in 1952 with the passenger-mile cost in 1956, this comparison will disclose that passenger-mile costs have not increased sufficiently to warrant any increase in airline passenger fares.

The domestic airline industry of the United States cannot overlook the tremendous subsidies that the people of America are making in airline operation. Airports have been constructed in major cities throughout America at the expense of the Federal and local governments and the charges imposed upon airlines for airport use is only nominal and no part of the real cost. In addition, the Government operates the airport control towers which monitor airport traffic and guide airline traffic throughout the Nation. In addition to that, most of the domestic airlines of America took advantage of the quick tax amortization device to acquire aircraft which could be depreciated in a short period of time. In many cases, retired aircraft which were disposed of at the time of acquiring new aircraft were sold by the airlines at the original cost, new, of the aircraft to the airlines. No depreciation was sustained.

The Civil Aeronautics Board should give serious consideration to the revitalization of competition among the airlines. The most valuable asset of any American airline is its franchise and license to operate between terminal cities. Between many large American cities there is no airline competition, and one airline enjoys a virtual monopoly on air transport travel. Competition is more vitally needed in the domestic airline industry so that air travel remains accessible to the increasing number of Americans who must rely upon it.

In view of the tremendous public contribution to the operation of the domestic airline industry by way of franchise, airport and control tower operation and accelerated depreciation, no American industry has a greater obligation to hold the price line than the domestic airline industry.

COMMUNITY LENTEN SERVICES, LUTHERAN CHURCH OF THE REFORMATION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

Mr. SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, I am pleased to extend to the Members of Congress and their staffs a most cordial invitation from Rev. Lawrence Folkemer, pastor of the Lutheran Church of the Reformation, 212 East Capitol Street, this city, to attend the noonday Lenten services to be held in that church each day, Monday through Friday of each week during the Lenten season.

In times like these, men discover that they need a power greater than human to meet the trying circumstances of our day. The human spirit needs divine power and wisdom to bear the burdens of mankind and to solve the difficult problems which assail us. It is important to be able, therefore, to turn aside for a few moments each day to worship God and replenish the spirit.

For many years now on Capitol Hill noonday community Lenten services have been conducted at the Church of the Reformation. These services have been a source of inspiration for thousands of men and women who have desired during Lent a short period for meditation, prayer, and rest. The holy season of Lent through the centuries has offered the Christians an opportunity to deepen their spiritual life and to face the daily tasks with renewed strength and devotion.

These noonday services are interdenominational in nature. Guest clergymen of all denominations are invited to speak. Here members of all churches meet to worship their common Lord.

It is particularly hoped that Members of Congress will be able to attend the first service on Ash Wednesday, March 6, 1957, from 12:05 to 12:30. It is the first day of the sacred Lenten season. Special prayers will be offered in behalf of our President and Members of Congress.

Services will be held each day, Monday through Friday at the same hour. All the Members of Congress, together with their staffs are respectfully and sincerely invited to all of these community Lenten services.

The following is a list of scheduled speakers to address these Lenten services:

Ash Wednesday, March 6, 1957: Dr. Lawrence D. Folkemer, pastor, Church of the Reformation.

Thursday, March 7, and Friday, March 8: Dr. Edward L. R. Elson, National Presbyterian Church.

Monday, March 11: Dr. Carl Simon, Keller Memorial Lutheran Church.

Tuesday, March 12, and Wednesday, March 13: Dr. Edward H. Pruden, First Baptist Church.

Thursday, March 14, and Friday, March 15: Canon Luther D. Miller, Washington Cathedral.

Monday, March 18: Rev. Donald W. Prigge, associate pastor, Church of the Reformation.

Tuesday, March 19, and Wednesday, March 20: Rev. John F. McClelland, Christ Congregational Church.

Thursday, March 21: Dr. George M. Docherty, New York Avenue Presbyterian Church.

Friday, March 22: Rev. William M. Baxter, St. Mark's Episcopal Church.

Monday, March 25: Dr. M. Chandler Stith, D. C. Baptist Convention.

Tuesday, March 26, and Wednesday, March 27: Fr. James M. Duncan, Ascension and St. Agnes Episcopal Church.

Thursday, March 28, and Friday, March 29: Dr. Frederick Reissig, executive secretary of Federation of Churches.

Monday, April 1, through Friday, April 5: Dr. Clarence W. Cranford, Calvary Baptist Church.

Monday, April 8: Dr. Lewis J. Hutton, Capitol Hill Presbyterian Church.

Tuesday, April 9, and Wednesday, April 10: Dr. Albert P. Shirkey, Mount Vernon Place Methodist Church.

Thursday, April 11, and Friday, April 12: Dr. Alfred W. Hurst, Cleveland Park Congregational Church.

HOLY WEEK

Monday, April 15: Dr. Walter B. Freed, Luther Place Memorial Church.

Tuesday, April 16 and Wednesday, April 17, Rev. Russell C. Stroup, Georgetown Presbyterian Church.

Thursday, April 18—Holy Communion: Dr. Lawrence D. Folkemer.

Friday, April 19—Good Friday Service, 12 to 3 p. m.: Guest preachers.

FOREIGN TRADE AGREEMENTS

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, on February 11 the President sent to Congress his first annual message on the operation of the trade agreements program as required under the Trade Agreements Extension Act of 1955.

A perusal of this first report to the Congress impressed me with its similarity to the seed catalogs that vastly oversell their products. By and large, the report is a tissue of propaganda that covers up more than it reveals. It should be sent back to the President on the grounds that it is inadequate and represents an evasion of the intent of Congress.

In his covering letter of transmittal the President told Congress that "establishment of the Organization for Trade

Cooperation is essential to make our trade agreements program more effective in the interest of American industry, agriculture, and labor."

Mr. Speaker, it would be nearer the mark to say that establishment of the OTC would assure more effective and lasting injury to American industry, agriculture, and labor. It would also be in the interest of truth to say that establishment of the OTC would entrench the State Department in its position of overlordship in directing the destiny of American industry, agriculture, and labor so far as this is determined by foreign trade.

Today, Mr. Speaker, Congress, despite the Constitution, has been set aside in the regulation of foreign commerce. The Tariff Commission, which is the creature and agency of Congress, is being thoroughly frustrated and smothered by high-handed rejections of its findings by the White House. Yet in his letter to Congress the President says "safeguards for domestic industry are contained both in the escape-clause and peril-point provisions of this law and the administrative procedure established thereunder."

Evidently someone in a trance in the land of unreality wrote this for the President. The whole report is a hasty rehash of the State Department outworn claims of wonders performed in the field of trade through the General Agreement on Tariffs and Trade. I know something about these wonders. Exports of American agricultural products all but collapsed under this great program. Surpluses have piled higher and higher.

It was only by a system of heavy subsidization under Public Law 480, the Agricultural Act of 1956, and other laws designed especially to dispose of farm surpluses that this country's agriculture has even a chance of escaping from the wonders produced for it in foreign markets by the General Agreement on Tariffs and Trade, or GATT. In passing these laws Congress bailed out the State Department from the debacle of its 20 years of effort to promote the sale of farm surpluses abroad. A reading of the President's report to Congress gives no inkling of this ghastly failure of the trade agreements program.

It is true that agricultural exports have risen during the past year and a half; but as already said, a great part of this increase consisted of exports under special programs set up by Congress, all of which involve heavy subsidization.

The net result of the trade agreements program has been to expose more and more of our industries and their workers to import competition that derives its advantage from the fact that the wages paid in other countries are far below those prevailing in this country. It has succeeded admirably in doing this while failing at the same time to bring relief in the field of agricultural surpluses. Also it did this in the face of a foreign aid program that modernized manufacturing plants in many parts of the world and thus increased the competitive advantage already held by many of the industries abroad.

The only possible explanation of this strange behavior of those who have been in charge of the trade agreements program, principally the State Department, lies either in stupidity or in an obsession to rush toward free trade in the grip of a blind academic faith that at the end of the run lay the land of milk and honey. Whether the development and administration of the trade program lay in the hands of stupid or naive subofficials makes little differences. The outcome is the same.

The President's report bears the unmistakable mark of these same people. They always write the same. Evidently they cut a record 10 years ago when GATT was born and have not bothered to turn it over or to cut a new one.

The report says:

> Through these agencies (Departments of State, Commerce, Agriculture, Defense, Treasury, Interior, Labor, ICA and a member of the Tariff Commission) the interests of American agriculture, labor and business are taken into account in arriving at positions that will best serve the national interest.

Presumably that assurance should be very heartening; but we have had the same kind of assurances over and over again. Yet the escape clause cases continue to come out the same. Their chances of surviving the White House ax are little better than those of a steer walking the chute into the mortuary of a slaughterhouse.

Now let us examine the doubletalk of the quoted sentence. No doubt it is supposed to be very clever. It says the interests of American agriculture, labor and business will be "taken into account." That is to say they will be given consideration. This is reminiscent of the story of raw justice as it was once purportedly practiced in the old West, where they insisted on giving the accused a fair trial and then hanging him.

Evidently merely taking the interests of agriculture, labor, and business "into account" seemed a little barren even to the writers of the report. They therefore added a qualifying phrase to make the statement more complete. The interests of agriculture, and so forth, were to be taken into account "in arriving at positions that will best serve the national interest."

That qualifying phrase, of course, leaves the interests of industry, agriculture and labor in the position of nudity so far as any assertable rights are concerned. Who but the formidable list of executive agencies would determine "the positions that will best serve the national interest"? And one wonders just where these agencies made their connection with the fountain of wisdom.

All the protestations of public hearings, wide representations of the executive departments at those hearings, such as agriculture, commerce, labor, and so forth, and all other safeguards for domestic industry go down the drain without any impediment so long as what the interested parties say is only "taken into account" by these executive overlords in "arriving at positions that will best serve the national interest."

None of these little Caesars sitting as representatives of executive departments, though evidently endowed, by self-anointment, with fabulous wisdom—none of them, I say, is responsive to the electorate of this country, that is, the people who cast votes for or against you and me, as Members of Congress, every 2 years.

If you and I went before the voters and told them that we would take their problems into account and would determine our position by the national interest, the voter would exercise his judgment on whether or not he trusted our ability to interpret the "national interest." Not so with the bureaucrats. They are beyond reach of the voters; and even though, after looking at them or listening to them, the voters might not wish to trust to their judgment about the national interest, there would be no way of saying "Nay" or otherwise influencing their position as overlords.

All this adds up to the well-developed system of pulling authority out from under Congress. The President's report does not read like an account of stewardship held at sufferance from Congress. Rather it reads as if a new climate had been created, a climate in which the Constitution is forgotten and the Executive power established as the arbiter of all questions of tariffs and trade.

For this reason it is not surprising that the President's report describes the ninth session of GATT, held in Geneva from October 1954 to March 1955, as highly satisfactory to the United States. Evidently others will find themselves, as I find myself, wondering when and how we have been read out of the United States. I did not find the ninth or any other session of GATT highly satisfactory or even particularly satisfactory; but then the State Department and the other executive departments find no difficulty in speaking for the United States as a whole. What is satisfactory to them they easily describe as satisfactory to the whole United States.

Keep in mind that it was the ninth session that came up with the OTC proposal. That this act of statesmanship was highly satisfactory to the United States has not yet been demonstrated. To say so before a vote is taken by Congress simply reflects how far the Executive has drifted with the notion that Congress no longer counts in this field, or at least that its support can be taken for granted.

The report has a considerable hole in it in addition to the odd inclusions already referred to. It is completely silent on the arrangement recently made with Japan whereby that country placed a quantitative restriction on her exports of cotton goods to the United States.

I agree that it is a little difficult to get a true perspective here. This difficulty comes from what we have come to expect from the State Department in this field; namely, saying one thing when something else is meant. We have already had some examples, such as referring to "safeguards" when the opposite or nearly the opposite is meant; or referring to the account taken of the interests of agriculture, labor, and business, when short shrift is meant.

The report says that some 225 concessions of direct interest to this country were withdrawn under article XXVIII of GATT since 1955, involving not over $30

million of trade. It adds that new compensatory concessions of approximately the same amount were obtained.

This statement is of interest on two counts: First, what is the procedure followed and who determines the compensatory concessions to be sought from other countries; second, why are such withdrawals and compensations carried out under GATT while a matter of such magnitude as the arrangement with Japan was negotiated outside the framework of GATT?

At this point I am interested in the second of these two counts.

Why was it necessary to "go behind the barn" to negotiate with Japan over the imports of Japanese textiles? Do we not have laws on the subject of what to do when imports injure domestic producers? We have wasted a lot of time in Congress on the escape clause, section 22 of the Agricultural Adjustment Act, yes, even in setting up the Tariff Commission, if matters as vital to the trade in textiles are to be shunted to side channels and disposed of surreptitiously by executive departments.

The silence of the President's report on this matter, with the exception of a footnote, is perhaps explained on the grounds that the report was devoted to the operation of the trade-agreements program while the arrangement with Japan was in the nature of a bootlegging transaction and therefore beyond the law.

I leave it to you to say whether the arrangement with Japan constitutes regulation of foreign commerce. Cotton textile exports under it are to be cut from 270 million square yards to 235 million square yards.

Now, the State Department and the Commerce Department take refuge in the fiction that this reduction represents a voluntary act by Japan. Therefore it is not an agreement, they say. By thus fleeing from reality and plain facts these Departments hoped to accomplish three or four things: First, avoid the use of the laws enacted by Congress to meet exactly the kind of problem posed by imports of cotton goods from Japan; second, keep away from the public hearings and due process of law involved in following out these laws and in making trade agreements; but third, above all keep control of the situation in the hands of the executive departments and out of the hands of Congress and the agencies of that body, such as the Tariff Commission.

Incidentally, by saying that the arrangement is not an agreement, they also avoided the need of reviewing the case in the report of the President to Congress, the subject of the present discourse.

May I call your attention to the fact that there is a resolution before Congress calling for an investigation of the shoddy methods used in flouting the laws of Congress through the arrangement with Japan. I trust that the resolution will be adopted and the hole in the President's report thoroughly plugged.

It is not too much to say that the evidence mounts daily or as frequently as action is taken by the President and the executive departments under the trade agreements program or outside of it as in the evasive and outlaw arrangement with Japan, that the State Department considers itself in complete charge of the regulation of foreign commerce in this country and that it means to keep it that way. The President's first report to Congress on the operation of the trade agreements program is but the latest piece of such evidence. This report, by its contents and especially by its tone and its omissions, comes close to telling Congress that how the trade agreements program operates is none of its business. And that is exactly how the State Department feels about the matter.

The answer lies with us right here in the Congress.

NATIONAL DEFENSE PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. DURHAM] is recognized for 10 minutes.

Mr. DURHAM. Mr. Speaker, over the past several years I have noted with increasing concern the tendency on the part of Secretary Wilson and the Department of Defense to deemphasize research and development work in connection with our national defense program. I hardly need point out that a vigorous research and development program utilizing the best scientific talent available is indispensable to the maintenance of military superiority in an era of rapid technological advances and change. Not only is this important inside the Defense Department itself but in other Government agencies such as the Atomic Energy Commission, whose own research and development programs in the military field are geared to Defense Department planning and objectives.

The most recent and, in a sense, most alarming manifestation of this tendency toward deemphasis on basic research has been the announcement by the Pentagon of plans to consolidate military research, development, and engineering under the direction of the former Assistant Secretary of Defense for Applied Engineering. The idea, apparently, is to lay greater stress on so-called practical applications of technology and relegate basic research and engineering development to a relatively minor role. Nothing could be more foolhardy in the long term national interest. For all progress in the practical applications of military technology is vitally dependent on underlying experience gained from fundamental research and preliminary development work.

With all due respect to the engineering profession which has contributed so much to our Nation's strength and security, I think it is essential that our military research and development program be headed up by a topflight individual having the confidence of the scientific community, with a staff composed of imaginative and dedicated men who are unafraid to explore new scientific frontiers. There is no such thing as the status quo in military technology. You either progress or you fall behind. And the only means of insuring progress is through a vigorous research and development program aimed at developing new ideas and concepts on a continuing basis.

Secretary Wilson has been quoted by the press as stating that he is not downgrading research, but that military research funds should be concentrated on developing promising projects, leaving spending on long-range fundamental research to others. This might aptly be called the let-George-do-it approach to military security.

A classic example of the adverse effects of this philosophy on our national-defense effort may be found in the case of the aircraft nuclear-propulsion program which, for the past year, has been plagued by indecision and inaction at high levels in the Defense Department, to the serious detriment of the entire program. Secretary Wilson has been further quoted as stating that a miracle or two will be necessary before the United States can build a nuclear-powered aircraft suitable for use by the military. As a longtime member of the Joint Committee on Atomic Energy which has studied and energetically encouraged the aircraft nuclear-propulsion program since its inception, I can say that the technical part of the program being done by the contractors in the field is progressing well. The place where a miracle is really needed, in my opinion, is inside the Pentagon.

In addition to the concern which I feel with respect to the administrative changes in the research and development organization in the office of the Secretary of Defense, I am even more concerned, and I might say, shocked, by a recent statement attributed to Assistant Secretary Newbury to the effect that no funds of the Department of Defense—and this includes all of our military departments—will be spent for basic research.

I can think of no more dangerous course to pursue than to restrict the expenditure of funds for basic research. An action of this kind is tantamount to saying that we have now arrived at a position in our defense which makes unnecessary any further development of any kind. Obviously this is completely and utterly incorrect.

Every modern weapon which we have today is the result of basic research. There would be no radar without what appeared at the time to be quite unrelated research in basic fields. There would be no B-52—there would be no F-106 without basic research. One does not produce a complicated weapon system, or indeed, any modern device of any nature without there having been first a broad foundation of basic research.

Mr. Speaker, we are not engaged in making electric toasters or scooters—we are building and will continue to build the most complicated weapons systems and devices that are conceivable at the present stage of our scientific development. We need the best minds, we need ample funds, and we need leadership in this field that has both understanding and sympathy of what we are trying to do.

I can only hope that Assistant Secretary Newbury was either misquoted or misunderstood; for if my understanding is correct, we can stop complaining about the danger that we are falling behind the Soviet Union in scientific areas including the production of scientists, and accept the fact that such a secondary position is inevitable.

When a generation hence we look back and explain how it was and how we have moved into this period and have steadily sustained prosperity, the one element in my opinion that will stand out as the number one force in securing this result, the most powerful of all, is the element of research and development in American industry and government, working as partners. This cooperation has served all along the line to continually raise the standard of life here in America.

Mr. Speaker, I have a letter from the Assistant Secretary of Defense who will administer this program, and I ask unanimous consent to insert it in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., March 4, 1957.

Hon. CARL DURHAM,
House of Representatives.

DEAR MR. DURHAM: I appreciate the opportunity to comply with your request for information concerning the recent consolidation of the positions of Assistant Secretary of Defense for Research and Development and for Engineering into one position of Assistant Secretary of Defense for Research and Engineering.

Your request is opportune and is welcomed because the reasons and purpose back of this organizational change are not generally understood. We are anxious to correct these misunderstandings and to present the real reasons and purpose back of this move.

This consolidation was made to increase and not to diminish emphasis on research. Pure and applied research in the United States, whether initiated by the Department of Defense or by other Government agencies, or by private research laboratories or institutions, is of fundamental importance to the Department of Defense in order to maintain our position of technological superiority. It will be our endeavor to promote research in which the Department of Defense has a justified interest wherever the necessary talent and the money can be found.

The second principle reason for this consolidation of the two offices was to improve internal organization in the Department of Defense and specifically to provide for better administration of the research activities and military equipment development activities within the Office of the Secretary of Defense; and to eliminate certain overlapping responsibilities in the two former offices in connection with the supervision of development activities.

During this long discussion there has never been any question concerning the assignment of responsibility for the supervision by the Office of the Secretary of Defense of military department research programs. This responsibility for the review and coordination and promotion of research has always been a responsibility of the former Office for Research and Development and this assignment of responsibility for research has never been in question.

To even begin to understand this situation, it is necessary to know what is meant by a research program or project and by a development program or project. Very briefly, a research project is one planned to increase knowledge in a given field or to demonstrate the feasibility of a new principle, idea or device. By contrast, a development project is one whose purpose is to produce a service-type weapon or piece of military equipment capable of satisfactory service use.

Another factor that has been misunderstood is the relatively small cost of the military research program in comparison with the cost of developing service-type "hardware." In fiscal year 1956, for example, the military departments spent, possibly, only one-tenth as much on research projects, as just defined, as was spent on "hardware" development. This relatively low cost of research programs as compared with the cost of "hardware" development is a characteristic of all kinds of research and development and is not a peculiarity of military research and development.

This fact of the relatively low cost of research projects has led some people to measure the work content and even the importance of the military research program by its dollar cost. Nothing could be more misleading. The research activity of the office of the Secretary of Defense is, I believe, even more important over the long term than is the supervision of current development programs.

This combined administrative and jurisdictional problem arose simply because much of this research activity and this "hardware" development activity were responsibilities of the same working groups in the former Office of Research and Development and because these two offices of Research and Development and of Engineering had an overlapping jurisdiction over a large part of the development program.

I have been familiar with this administrative problem for a long time during my engineering experience in industry. It is difficult to give adaquate and effective attention to research when both research activity and product development activity are the responsibility of the same working group. A similar difficulty arises in private industry whenever the development of standard or stock products to be sold off the shelf and the development of special custom-tailored equipment are responsibilities of the same group of design engineers.

The obvious solution of this combined problem is the separation of research activities from development activities within the same working groups; and the elimination of the overlapping responsibilities of two different offices with respect to development projects.

The second of these objectives could be attained either by consolidating the two offices, as recommended by the Hoover Commission and by others within the Department of Defense; or by retaining the two offices and reassigning the responsibility for the supervision of the development programs to only one office.

The first plan, that of consolidating the two offices, was, superficially, an easy and obvious solution. But the objective of adequate and effective specialized attention to both research activity and to development activity would not have been attained unless necessary changes in the internal organization of the consolidated Research and Development Office would have been made. On the other hand, retaining the two offices and assigning sole research responsibility to one office and sole development responsibility to the other would have automatically solved both objectives. But this solution would have required the reassignment of research and development responsibilities which has been the "nub" of the problem.

We have found a practical solution of both problems because it has now been possible to organize specialized research groups and specialized equipment development groups within the new consolidated office. This arrangement, I believe, should satisfy the rational objectives of all parties within the Department of Defense and among the research, engineering, and industry groups of the country who have had an acknowledged interest in the solution of this difficult organizational and administrative problem.

In your request you asked whether the consolidation of the two offices has resulted in any change in the "chain of command." This problem has not involved any change in the obvious organizational relation of Assistant Secretaries of Defense to the Secretary of Defense; nor has it involved any question of the staff responsibilities of the Assistant Secretaries of Defense in relation to the executive responsibilities of the military departments in the same research or development areas. I trust this statement answers your question. There has been no change in the chain of command.

It is unfortunate that this situation has been interpreted, in some quarters as a contest between engineers and scientists, or as evidence of a reduced emphasis on research and that by this organization change "engineers have won a victory."

Nothing could be further from the real reasons back of the change. Neither engineers nor scientists have "won a victory" over the other; both, I believe, will be able to do a more important and effective job under the new organization.

I feel I should apologize for the length of this reply, but this has been a complicated and difficult situation and I have wished to give you a full and frank explanation.

Anything you can do to correct any misunderstandings that may exist will be greatly appreciated; and, I am sure, will be a real contribution on your part to the success of our national defense program.

Yours respectfully,
FRANK D. NEWBURY.

RESEARCH AND DEVELOPMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 10 minutes.

Mr. PRICE. Mr. Speaker, I heartily endorse the comments made by my distinguished colleague, the gentleman from North Carolina [Mr. DURHAM]. It is indeed ironic that at a time when military technology is advancing at an unprecedented rate and when our very survival may depend on staying ahead in the field of technology, Secretary Wilson has chosen to relegate research and development to a secondary role in the Defense Establishment. Not only that, but he has apparently amalgamated the research and development function with the applied engineering function, thereby stifling the effectiveness of both.

Like my colleague, the gentleman from North Carolina [Mr. DURHAM], I have the greatest respect for the engineering profession, but I submit that it just does not make sense to place the former Assistant Secretary of Defense for Applied Engineering, Mr. Newbury, in charge of research and development activities. If we are to maintain our lead in military technology the first requirement is to have an independent research and development staff, made up of the best scientific brains we can get. This group must be free to encourage exploration of new ideas and reject outdated concepts where necessary. Most important, this group

must have vigorous leadership which is not afraid to venture into uncharted fields of technology.

I would like particularly to commend my colleague, the gentleman from North Carolina [Mr. DURHAM] for his comments on the aircraft nuclear propulsion program and on how the Pentagon's increasingly negative approach toward research and development has thwarted progress in this field. After careful study of this program and a personal visit to the contractor installations where the actual developmental work is being done, I can say without hesitation that technical progress is good. The main difficulty appears to be in the Pentagon where administrative confusion and indecision over research and development objectives have marked the conduct of the program for the past year. This is a sad commentary on a program which is of such vital interest to the country's future security.

This situation raises the serious question as to whether there should be a major reorganization of the present administrative machinery governing the ANP program and the appointment of an administrator with sufficient authority to see that the job gets done. This administrator might occupy a position similar to that of Adm. H. G. Rickover, who directs the naval-propulsion program which produced the *Nautilus*.

Development of the nuclear-powered aircraft is a matter of high priority in the national-defense interest and should be pursued with all vigor. If the Department of Defense and the Atomic Energy Commission will not or cannot do the job, there is no alternative for the Congress but to find some organization which can.

PROPOSED MONETARY STUDY—SHALL IT BE CONDUCTED BY CONGRESS OR OUTSIDERS?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, one of the most urgent tasks facing this Congress is that of bringing relief to millions of American families who have been suffering from the effects of a rising cost of living and high interest rates these past 4 years. Despite the administration's widely publicized claims of having stabilized the value of the dollar we know that the cost of living has been breaking new records every month for the past 5 months.

And looking back over the period of so-called price stability prior to 1956 we know that the illusion of a stable price index was created by the deflation of farm prices and incomes and the squeeze upon small-business men.

NECESSARY TO STOP RISING COST OF LIVING BUT WITHOUT INEQUITIES

We Democrats are determined to stop the spiraling cost of living without deflating farm prices 30 percent to offset industrial price rises of 8 to 10 percent. We Democrats are determined to stop the runaway cost of living but not by imposing a high interest rate and tight credit policy that brings ruinous bankruptcy to small business, chaos to the home building industry and the prospect of serious housing shortages. We Democrats are determined to stop the undermining of the people's purchasing power but not by a credit policy which curbs school construction and permits night club and hotel construction to boom. We Democrats are determined to stop the increasing cost of living from being pyramided by raising interest rates across the board.

CONGRESSIONAL STUDY NEEDED TO FIND BETTER METHODS OF STABILIZING ECONOMIC CONDITIONS

We Democrats propose to find better ways of stabilizing the cost of living than the Republican way which has failed and left in its wake a trail of harsh inequities and a higher interest rate structure.

That is why we have proposed that an appropriate committee of the Congress, the House Banking and Currency Committee, conduct a broad study of monetary policy and our financial institutions to determine their adequacy and effectiveness in dealing with today's problems of stability and economic growth, administered price increases, geographic differences in credit availability, the efficacy of tools other than higher interest rates and tight credit in curbing inflationary pressures, and many other questions dealing with our economy.

OPPOSITION WANTS BANKER-GUIDED COMMISSION

In opposition stand those who assert that Congress is incapable of doing an effective job; is not to be trusted to do an unbiased job; could not command the talents of outstanding people to assist them or command the public confidence when they had concluded their study and made their recommendations. These people support a national monetary commission, overwhelmingly dominated by "outside" experts. These people, in effect, want a banker-guided study to investigate the effects of banker policies upon the people and the economy of the United States.

PRESIDENTS FAVOR CONGRESSIONAL STUDY

Mr. Speaker, may I point out in connection with this question of whether a single congressional committee or a mixed commission dominated by outsiders should conduct this national monetary inquiry that the precedents favor a congressional inquiry.

In this connection I wish to point out that when the national monetary commission was being debated in 1908 at a time when the Republicans were in control of the executive and the legislative bodies the question of a mixed commission came up and was rejected. There was established instead a commission composed of 9 Members of the House and 9 Members of the Senate under the Aldrich-Vreeland Act.

More recently in 1949 the late Senators Maybank and Tobey introduced S. 1559, proposing the establishment of a national monetary commission, including 18 members, 9 from the legislative and the executive branches and 9 from private life. The Joint Committee on the Economic Report's Subcommittee on Monetary, Credit, and Fiscal Policies unanimously recommended that S. 1559 be not enacted and it gave the following REASONS:

> We believe it important that the study be made by a committee composed exclusively of Members of Congress rather than, as proposed in S. 1559, by a mixed commission composed by Members of Congress, members of the executive department, and members drawn from private life. The study should draw upon the information, judgment, and points of view of people both within and outside the Government. For this purpose the investigating committee should engage experts to make thorough studies and reports on various phases of the problem, and it should invite presentations from all who can be helpful. But the committee that receives the information, weighs it, forms judgments about it, and submits reports concerning it to Congress should be composed exclusively of Members of Congress, for only in this way can the study contribute a maximum to congressional understanding of all these complex problems and to the quality of the resulting legislation. Congress should not abandon its function of legislation, and to legislate wisely it must fully understand the reasons for its legislation. It should not be put in a position of accepting on faith the recommendations made by private citizens without knowing thoroughly the facts and reasoning that led to those recommendations. There is no substitute for thorough congressional investigation and hearings.

STUDY SHOULD NOT BE LEFT TO EXPERTS

Mr. Speaker, it has also been argued that Congress sought not to conduct a monetary study because Congressmen are not experts and that it is better to let the experts make the studies of such complex problems. I believe that the clearest and most cogent answer to that objection was given by the dean of the Maxwell School of Citizenship and Public Affairs of Syracuse University in testimony before a congressional Subcommittee on General Credit Control and Debt Management in March 1952:

STATEMENT OF PAUL APPLEBY, DEAN OF THE MAXWELL SCHOOL OF CITIZENSHIP AND PUBLIC AFFAIRS OF SYRACUSE UNIVERSITY

> If we believe in democratic or representative government, we believe that the expert and the special interest alike must be subordinate to public judgment and the general interest. Because the matters you are considering are highly technical, there is a tendency for them to be too often and too exclusively determined by economists and by a banker-oriented organization. When not so determined they tend to be presented to you too much in the same specialized terms. The highest significance of the congressional judgment is that it is a general judgment, representing and similar to public judgment. (From the hearings on monetary policy and the management of the public debt before the Subcommittee on General Credit Control and Debt Management, March 1952, p. 575.)

Mr. Speaker, an administration witness testifying before the House Rules Committee stated that if House Resolution 85 was passed he doubted if it would be possible to have an unbiased study. This witness also warned that great damage could result to the economy if such a committee were to appear to be

proceeding in a biased way and threatening the independence of the Federal Reserve Board.

I would like to point out that this same witness back in 1952 when the Patman committee was conducting hearings into debt-management and credit policies also expressed the same fear for the independence of the Federal Reserve. In a speech which he delivered, this witness asserted that the Patman subcommittee was engaged in questioning the independence of the Federal Reserve. However, a year later, Mr. Speaker, this same individual—the present Under Secretary of the Treasury, W. R. Burgess—stated in a speech before the American Economic Association and the American Finance Association—December 29, 1953, Hotel Statler, Washington, D. C.:

> You had two subcommittees of Congress who conducted studies in the area of money, whose reports—gathering in the testimony of many of you here in this audience—built up a volume of this whole subject of money that is most impressive. And the reports as they came out educated public opinion.

Now I submit, Mr. Speaker, that all the objections voiced against a congressional committee conducting a monetary study fall flat when subjected to the test of what the real facts are.

In the end, the issue really boils down to whether Congress is going to make this study or whether it will be a study guided by private persons with a self-interest in the outcome.

Mr. Speaker, I place in the RECORD the following letter from a distinguished former Member of Congress and an article from the New York Journal of Commerce.

LETTER ADDRESSED TO A MEMBER OF CONGRESS

> As I am certain you are aware, there is great interest both in governmental circles and throughout the country in the operation of our monetary and fiscal system. There is also a growing conviction that it is time that a thoroughgoing study of that system was made by a competent body in order that we may better decide whether it is adequate to our needs and geared to the meeting of such exigencies as the future may present.
>
> There are, as we understand it, two proposals before the Congress for the carrying forward of such a study. One of these would entrust the study to a commission of people outside the Congress, whereas, the other one would provide further study to be carried on by the committees of the Congress itself, in whose jurisdiction this matter falls. Of course, this would be the Banking and Currency Committee.
>
> For a variety of reasons, it is our deep conviction that it would be far wiser for the committees of Congress to carry on this study than for it to be entrusted to an outside commission. In fact, this letter is written to most earnestly and respectfully request your support for legislation already introduced, by Representative PATMAN, of Texas (H. Res. 85), which would provide for the study to be made by the Banking and Currency Committee.
>
> Our objection to entrusting this task to an outside commission can be briefly summarized. Such a commission would necessarily consist of representatives of various interests. It would obviously be necessary to have representatives of the banks on the commission. It would be equally necessary to have representatives of the insurance business on the commission. Next would come the savings and loan associations, the credit unions, the National Association of Manufacturers, the chamber of commerce, the AFL–CIO, Farm Bureau, the Grange, the Farmers Union, the National Council of Farmer Cooperatives, and we would feel we must insist, the Cooperative League. Each of these people would in the very nature of the case act not only as a member of the commission but as a representative of the particular organization and section of our population and business life with which he is associated. It would, in our judgment, be exceedingly difficult for an objective study to be made under such circumstances and still more difficult for agreement to be reached on a set of findings and recommendations.
>
> On the other hand, Members of Congress are elected to represent the whole population in their various constituencies. They are able to view the workings and potentialities of our monetary and fiscal system from the standpoint of the welfare of the Nation as a whole far more readily than can any other group of people in our country.
>
> These are the reasons I want to respectfully urge your support of resolutions to entrust the study of our monetary and fiscal system to the Banking and Currency Committees of the Congress, and to urge especially that you support House Resolution 85.
>
> Sincerely yours,
>
> JERRY VOORHIS,
> *Executive Director.*

[From the Journal of Commerce of February 28, 1957]

PATMAN PLAN FACES TEST—SHOWDOWN ON MONETARY STUDY CONTROL DUE TODAY

(By Eileen Shanahan)

WASHINGTON.—Weeks of behind-the-scenes effort to block a purely congressional investigation of monetary institutions will come out into the open today on Capitol Hill.

The occasion will be the appearance before the House Rules Committee of Treasury Under Secretary W. Randolph Burgess and Frazar B. Wilde, of the Committee for Economic Development. Both are expected to oppose the resolution pending before the Rules Committee which would authorize a subcommittee of the House Banking Committee, headed by Representative WRIGHT PATMAN, Democrat, of Texas, to make such a study.

The appearance before the Rules Committee of such noncongressional witnesses is unusual, although not wholly without precedent.

RARELY CALLS OUTSIDERS

Since the committee handles only matters involving the operation of the House of Representatives itself, it normally hears only House Members as witnesses. The last time it summoned outside witnesses on any subject was 10 years ago, during the Republican 80th Congress.

Although members of the committee stated officially that they were planning to hear Mr. Burgess and Mr. Wilde simply because both men had requested the opportunity to testify, it was learned that the hearing had been actually arranged after considerable consultation among top administration officials and Congressmen who oppose the Patman resolution and favor instead a bipartisan commission.

The strategy has been directed from the White House, it was indicated, and is aimed at postponing a vote on the Patman investigation.

Republican members of the Rules Committee plus the committee's Democratic chairman, Representative HOWARD SMITH of Virginia, have been in on the planning, it was learned.

One Republican member of the rules group told the Journal of Commerce that his party was not sure that all Republicans in the House could be counted on to oppose the Patman move. "There's too much tight money trouble in some Republican districts," he said.

Therefore, the White House-directed plan has been to keep the bill in the Rules Committee, until party pressure could be exerted to keep all our Members in line. Without virtually unanimous Republican opposition to the Patman study, the resolution could pass the House easily.

HON. CHARLES E. WHITTAKER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 5 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I take this occasion to express the pleasure I experienced when it was announced that one of our distinguished Missourians, Charles E. Whittaker, had been nominated by President Eisenhower to fill the vacancy on the United States Supreme Court bench created by the resignation of Justice Stanley Reed.

There are many things that recommend this appointment; the man's integrity, his knowledge, his experience, his background, and the characteristic of humility that goes with hard work and true scholarship; but there is one feature above all others that makes this appointment so timely and heart-warming. In this age of sophistication and specialization there is a growing tendency to believe that the old virtues of perseverance and hard work are insufficient to bring about success unless at the same time there are opportunities presented somewhat on a silver platter by fortune or society. That hard work and perseverance in themselves create opportunities is somewhat forgotten. Justice Whitaker's career as a student, a lawyer, a jurist, and now his elevation to an Associate Justice of the highest court in our land demonstrates that the basic human virtues still play a vital part in our society.

Formal education is no more than a shortcut to the green pastures of knowledge. Those men among us who have the will to attain these fields through their own efforts, when the shortcuts are not readily opened to them, are often by the very difficulties they have to overcome advanced in knowledge beyond those who had the advantages of the assistance of formal education.

Charles Whittaker was born on a farm about 6 miles from Troy in Doniphan County, Kans. As a boy he interspersed a generous amount of hard farm work with getting an elementary education, along with a brother and two sisters, at a small country school at the corner of the big Whittaker farm.

It took a little doing to get into the old Kansas City School of Law without a high school background. He worked a full day as office boy in a Kansas City law firm while going to the law school at night. He never got into bed until long after midnight as he burned the midnight oil to get his studies. In his first years at the law school he also studied with tutors on the high school subjects he had not covered in the country school. However, perseverance prevailed and he went on to graduate and became one of the distinguished members of the bar in

Kansas City, Mo., and president of the Missouri Bar Association.

At this point I would like to place in the RECORD an article appearing in the Kansas City Star, Saturday, March 2, 1957, which gives further background of the new Supreme Court Justice, whom I predict will go on to become one of our great Supreme Court Justices:

FRIENDS SAY MERIT EARNED POST—MOVE TO PLACE JUDGE CHARLES E. WHITTAKER ON SUPREME COURT FOLLOWS A DEDICATED CAREER ON BENCH

The meteoric step-by-step climb of Judge Charles E. Whittaker to the Nation's highest court may have come as a surprise to some members of the American judiciary, but not to those who have been associated with the hard-working Missourian.

An indication of the esteem with which Judge Whittaker is held by members of the bar is typified in a statement made recently by Herbert Brownell, Jr., Attorney General.

Brownell commented that no other recommendation he had made for a judgeship had received such wide endorsement from members of the bar, Democrats as well as Republicans, as had Judge Whittaker's appointment to the United States District Court and subsequently to the United States Court of Appeals, 8th circuit.

SWIFT ON DOCKET

Within a year Judge Whittaker has done much to clear the congested docket of the 8th circuit. His opinions have attracted attention throughout the Justice department.

As far back as he can remember, Judge Whittaker has been "law-struck." His entire life has been directed toward becoming the best lawyer possible.

His first association with the practice of law came when he went to work as an office boy for Watson, Gage & Ess in 1920. He was graduated from the Kansas City School of Law in 1924, but had passed the Missouri Bar examination a year before.

Soon the earnest young lawyer was on his way to the top. In 1930 he was made a junior partner in the firm and 2 years later his name was added to the firm title. At the time he was appointed to the Federal court, Judge Whittaker was second in seniority at Watson, Ess, Whittaker, Marshall & Enggas.

Whittaker was sworn in as a district judge to succeed Judge Albert L. Reeves, who had retired after more than 30 years, on July 19, 1954. He received the oath from Judge Reeves.

IMPRESSES THE LAWYERS

During the next 2 years, Judge Whittaker worked long hours in clearing up the docket of his court which had become congested during the weeks between the retirement of Judge Reeves and his appointment. Lawyers and Federal employees alike were impressed by the manner Judge Whittaker dug into the backlog of work.

One of the criminal cases heard by Judge Whittaker as a district judge was a hearing to determine whether Arthur Ross Brown should be executed for the slaying of Mrs. Wilma Allen. The jury recommended the death penalty and Brown subsequently was ordered to the gas chamber by Judge Whittaker.

On June 22, 1956, only 2 years after his appointment to the district court, Judge Whittaker was elevated to the court of appeals. He was appointed to that court to succeed the late Judge John Caskie Collett.

At the time of that appointment he said:

"While I did not seek the promotion and was in no sense a candidate for it, I recognized it to be a great honor. I only hope I will be as happy on the court of appeals as I have been in the district court."

FUR TRAPPER AS YOUTH

Less than 1 year later, the youth who had trapped furs to make enough money to go to law school—had been nominated for the Supreme Court.

At the time of his appointment to the court of appeals, Judge Whittaker commented that he was going to miss the activity of the district court.

"I am moving up to the court of appeals with mixed emotions," he observed.

"During my 2 years on the bench I have had to keep a rein on myself to keep from joining in with the lawyers trying the case. I will miss the more active role of a district judge."

Judge Whittaker carried his enthusiasm for hard work to the circuit court. Just as it had been in the district court his opinions were among the first completed. His docket never lagged. It was this devotion to work and his clear, accurate opinions that brought him the nomination for the Supreme Court.

WITH MANY GROUPS

He is a member of Phi Alpha Delta, law fraternity; the American Bar Association; the Kansas City Bar Association, and the Lawyers Association of Kansas City.

Judge Whittaker was elected to the board of governors of the Missouri bar in 1948, became secretary in 1951 and vice president in 1952. At the time of his appointment to the district court he was president of the Missouri bar. He also was a member of the executive committee of the Lawyers Association 4 years.

Judge Whittaker is a member of the board of trustees and the board of stewards of the Central Methodist Church.

He holds memberships in the Kansas City Club, the Chamber of Commerce and Bolcourt Hunting Club. He owns a 500-acre farm stocked with Hereford cattle near Trimble, Mo.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. AVERY. I would like to associate myself with the very fitting remarks the gentleman from Missouri has made with reference to the most recent appointee to the Supreme Court, Associate Justice Whittaker. I might add that all of us in the Middle West feel considerable pride that this appointment, a very important appointment, has been given to one of our own jurists in the Midwest.

I am particularly interested inasmuch as Justice Whittaker was born in my own congressional district, a very rugged part of Kansas, that part of Kansas where her people first gained the inspiration to settle the State, and also in the most controversial area of Kansas where the line between South and North was drawn during the Civil War. It is from that background and that kind of grass roots that Judge Whittaker came. We share with the gentleman from Missouri pride in this appointment to the Supreme Court.

Mr. CURTIS of Missouri. I thank the gentleman from Kansas.

FEDERAL PROGRAMS FOR THE AGING

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include related material.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, since national attention has been focused on the creation by President Eisenhower on April 2, 1956, of the Federal Council on Aging, I have had the following compilation made of the efforts of the Federal Government to solve the vexing problem confronting our elderly citizens.

The following compilation reveals the many Federal programs for the aging of our country and how these programs are being coordinated under the President's Federal Council on Aging:

A. ESTABLISHMENT OF THE FEDERAL COUNCIL ON AGING

On April 2, 1956, the President requested 12 departments and agencies to designate representatives to a Federal Council on Aging. Representatives were appointed by the Department of Agriculture, the Civil Service Commission, the Department of Commerce, the Department of Health, Education, and Welfare, the Housing and Home Finance Agency, the Department of the Interior, the Department of Labor, the National Science Foundation, the Office of Defense Mobilization, the Small Business Administration, the Department of the Treasury, and the Veterans' Administration; and the Council held its first meeting on April 17. A set of bylaws at the following meeting on May 23 recognized the following goals:

1. To help make it possible for older persons who desire and are able to work to continue their productive lives through suitable gainful employment.

2. To help lessen anxiety about economic insecurity in the later years through an improved income maintenance program.

3. To stimulate the construction of housing and the provision of living arrangements suited to the needs and preferences of older people.

B. PROGRAMS OF THE FEDERAL GOVERNMENT FOR THE BENEFIT OF OLDER PERSONS, 1956

Digest of a descriptive inventory of activities in departments and agencies

I. The Challenge

Tremendous population changes, stemming from our rapid advances in health and medical sciences and industrial productivity, have created difficult problems of social and economic adjustment in modern society. While problems of adjustment to these changes have affected all groups in society, they have borne more heavily on older adults because of special factors in their situation, namely, the factors of aging itself and social attitudes toward it.

The nature and extent of these mounting difficulties for a growing segment of our population have commanded increasing attention.

The beginnings of this country's intensified interest in problems of aging were in the twenties and thirties. Problems of care of sick, infirm, and dependent aged people in the urban family setting began to multiply. Labor surpluses in our industrial system were forcing older workers out of employment in increasing numbers. Depression accelerated the problem. As their character became more widely and better understood, our people began to take steps to meet them.

Two of the most important and fundamental studies during their early period were made by the national health survey of 1935–36 and the President's Research Committee on Economic Trends—the forerunner of the United States Committee on Economic Security.

In the Federal Government, Congress established the National Cancer Institute in the Public Health Service in 1937. In the following decade, six additional institutes were created to establish the National Institutes of Health.

During the 1940's the Public Health Service Gerontology Research Unit and the Gerontological Society were born out of the Macy Foundation's Research Club on Aging, and the American Geriatrics Society was founded.

By 1950 the need was recognized at the national level for a comprehensive review of the whole field, to bring into focus the action, methods, and knowledge which had been developed during the three previous decades. This review was made in a National Conference on Aging held in 1950.

The Federal Government, as an instrument of the people, has been responsive to this growing interest and concern. Basic income maintenance is now assured for most of the aged, many services are being provided, and a large volume of research is being done in Federal departments and agencies and by them, in cooperation with State and local governments and voluntary agencies, to help meet the problems of aging and to stimulate action.

In March 1955 as approved at a sub-Cabinet meeting and upon the invitation of the Secretary of Health, Education, and Welfare, representatives were named to the Interdepartmental Working Group on Aging within the Federal Government. With a membership drawn from 10 departments and agencies having programs relating to aging, the group's general objective was to explore the scope of Federal activities and responsibility in the aging field, to coordinate existing programs, and to develop a broader range of Federal activities.

After little more than a year of experimental work by the working group, on April 2, 1956, President Eisenhower established on a broader and more permanent basis the Federal Council on Aging.

One of the first needs recognized was the need for a review of current programs and activities of Federal departments and agencies in this field. There was, furthermore, agreement that the codification of such information in one place for easy access and use in the identification of areas of common interest and activity was needed as a basis for coordination and mutual support among Federal programs.

The scope of Federal programs affecting the aging touches every aspect of the Government. These programs are, however, specialized and oriented to particular phases of aging as they relate to the responsibilities of the respective departments and agencies. Some agencies, such as the Housing and Home Finance Agency and the Department of Labor, are primarily concerned with a single area of activity, while the responsibilities of others, such as the Department of Health, Education, and Welfare, and the Department of Agriculture, cover many. The programs are, moreover, conducted within the regular framework of Government structure. Some are direct Federal programs. Others are those under which Federal participation is through grants to private as well as public agencies and organizations.

The material in the sections which follow is organized according to areas of activity: Health services and rehabilitation; employment; income maintenance; education; family life, living arrangements, and housing; other service; and general information services.

The inventory project is still some distance from completion. The pages which follow, therefore, are offered more as a working document than as a finished work, to provide for the immediate use of groups and individuals concerned with the problems of aging an easy reference to services which are actually available in or through the Federal Government.

II. Health Services and Rehabilitation

As Congress has recognized the broad basic need for increased knowledge and skill in the areas of health and rehabilitation, programs of service and research in fields of chronic disease, disability, and the normal processes of growth and senescence, provisions have been made for: (a) Some limited use of public assistance funds to pay for needed medical care; (b) the use of railroad retirement funds for disability payments; (c) compensation payments to disabled Federal civil servants under specified circumstances; (d) medical care of veterans; and (e) funds and services for the rehabilitation of the sick and disabled. Public policies have also been established which give special consideration in taxation to payment of medical expenses. All these programs and policies have special importance to older people.

In the Department of Agriculture

The Extension Service provides information and consultation on nutrition, clothing needs, housing, and shelter, all of which affect the health and well-being of older people.

The Human Nutrition Research Branch of the Agricultural Research Service carried on a continuing program of extensive research in the field of nutrition and diet, including food needs and quality of diet for older people.

In the American National Red Cross

Volunteers visit homebound people and serve the aged in Federal, State (including 120 State mental) and local hospitals; in county, city, and town homes for the aged; in homes operated by religious and fraternal groups; and in privately operated homes for the aged. For example, volunteer nurses' aids assist registered professional nurses in hospitals, clinics, institutions, and public health programs. The motor service transports older people to and from clinics and rehabilitation centers.

The Gray Lady volunteers provide their special services not only to elderly people in public hospitals and institutions but (since 1954) to residents in privately owned nursing homes, in clinics, and in private homes.

The Red Cross nursing services which are fundamental to most of these services give courses in home care of the sick with supplemental instruction on care of aging and chronically ill persons.

In the Department of Health, Education, and Welfare

The Food and Drug Administration: This agency enforces the Food, Drug, and Cosmetic Act which gives the physician and his patient confidence in the medicines used to cure or control disease and is constantly on the alert to bring appropriate legal action against the promoters of worthless products. Research on drugs to cure or mitigate the disease of old age and afford relief from many of the discomforts afflicting aged people is continuously providing new and better drugs. Prior to marketing a new drug, the manufacturer must submit to the Food and Drug Administration results of thorough tests to establish safety of the drug. Products purporting to supply vitamins and minerals to the diet are assayed for potency. They must be labeled to show the proportion of minimum daily requirements supplied by the suggested dosage.

Office of Vocational Rehabilitation: Under the State-Federal program an increasing emphasis on reaching older people with these services (which has accompanied the expansion of the vocational-rehabilitation program made possible by the 1954 amendments to the Vocational Rehabilitation Act) is reflected in the growing number of older people helped by this program. During the fiscal year 1954, over 14,000 persons age 45 and over were rehabilitated; this represented 26 percent of total rehabilitations, as compared with 17 percent in 1945. An important factor in this development has been the participation of the Office in the administration of the "disability freeze" provisions in the 1954 amendments to the Social Security Act, which relate to the old-age and survivors insurance system. A byproduct of this program has been the referral of more than 100,000 disabled persons by the old-age and survivors insurance offices to the State agencies to determine their vocational rehabilitation potential. In the early stages of the disability-freeze program, the majority of the persons referred were 55 years of age and over. Through its Division of Research and Special Studies, the Office prepares statistical reports and conducts and participates in studies on prevalence of disability and on problems of vocational rehabilitation of handicapped individuals.

Several special project grants have been made by the Office of Vocational Rehabilitation for research and demonstration in problems associated with the vocational rehabilitation of older workers. These include a project initiated in Massachusetts to study preemployment evaluation techniques and work-hardening techniques applied to patients with chronic rheumatic diseases, most of whom are older persons; a project in Ohio to investigate the vocational potentials of hospitalized patients with chronic disabilities, the majority of whom are over 45 years of age; and in Illinois a project to determine the rehabilitation needs of nursing home patients and to develop a training program for older disabled and chronically ill persons.

Public Health Service: Among the current activities of the Office of the Surgeon General are the conduct of liaison between the Public Health Service and the Commission on Chronic Illness and the supervision of the Commission's report on care of the long-term patient. A study of selected organized home-care programs throughout the country, a joint project of the Commission on Chronic Illness and the Public Health Service (Office of the Surgeon General and the Bureau of State Services), has demonstrated that these programs serve patients of all ages, with illnesses of virtually all types and all degrees of severity.

The Bureau of State Services helps to delineate the health needs of older people and to focus the role of health departments and related health agencies in meeting these needs. The Division of Special Health Services has available for consultation competencies in public-health administration, nutrition, health education, public-health nursing, medical-social work, statistical analysis, and records management. The Bureau conducts a chronic disease program, tuberculosis program, a heart disease program, and an occupational health program.

Housing hygiene activities of the Division of Sanitary Engineering Services are concerned with the health aspects of housing; that is, the rehabilitation of existing substandard housing, minimum standards for healthful housing, and special housing needs of certain categories of individuals, among them older people. Home-accident-prevention activities of the Division are concerned with reducing the number of home accidents. Over 50 percent of all fatal accidents occur in the age group 65 years and older.

The Division of General Health Services provides assistance and support to State and local health departments in all activities related to public-health programs and problems and administers technical services for the Public Health Service in the regional offices. Regional nursing consultants work with State and local health department personnel on problems of nursing-home licensure. Health education headquarters and regional staff participate on a consultative basis in State hygiene-of-aging studies.

The National Institutes of Health conducts research through laboratory, field, and clinical studies directly on biological, physiological, and psychological aspects of gerontology and investigations on chronic diseases, problems of growth and maturation, and nutrition.

Research in gerontology and geriatrics is being conducted to some degree by each of the National Institutes of Health as well as by many institutions outside the Federal Government through research grants. The National Heart Institute has a special section on gerontology which operates in and with the facilities of the Baltimore City hospitals. The National Institutes of Mental Health has organized a section on aging, which is conducting studies of age changes in human perception and skills and in aging of the nervous system of laboratory animals. The National Institute of Allergy and Infectious Diseases is conducting research directly on nutritional, metabolic, and endocrine aspects of aging in humans and animals. Studies of the National Cancer Institute on basic investigations of cell growth have a bearing on age changes in cells. Each institute has a grant program in the field of aging related to its special interest. These are particularly prominent in the heart, mental health, and arthritis and metabolic diseases institutes.

St. Elisabeths Hospital: In November 1951 a geriatric building was activated. This is one of the first such units in a Federal mental hospital and attracts visitors from practically every country in the world. The hospital carries on continuing study of special medical and health needs of older mental patients and clinical research in treatment.

Social Security Administration: The work of the Division of Research and Statistics in the Office of the Commissioner provides background for legislative proposals and development of the departmental policy in health and welfare fields.

The surveys of beneficiaries conducted by the Bureau of Old-Age and Survivors Insurance have provided data on the extent to which disability has been a reason for the retirement of beneficiaries and on the opinion of beneficiaries as to their ability to work. Information also has been obtained on the medical expenses of beneficiaries.

The Bureau of Public Assistance administers the federally aided assistance programs. About 2.7 million people 65 years of age and over (48 percent of the total population 65 and over) are now receiving public assistance payments. This is a group with a high incidence of chronic illness. In addition to this 2.7 million persons receiving old-age assistance, about one-half of the 244,000 persons receiving aid to the permanently and totally disabled and about half of the 100,000 receiving aid to the blind are either aged or prematurely aging and suffer disease and disability, often of long duration.

The assistance programs help to some extent to meet the medical and health problems of needy older people by contributing to the payment of costs of medical and health care within the limits of the public assistance payment. Under the assistance program, payments can be made to (1) recipients of medical care in their own homes, in nursing homes, or other private institutions, and in public medical institutions, with the exception of those persons with a diagnosis of tuberculosis or psychosis, or (2) directly to the suppliers of medical-care service.

In the Railroad Retirement Board

The Railroad Unemployment Insurance Act provides unemployment and sickness benefits payable during a benefit year to qualified employees regardless of age. Average benefits, on a weekly basis, amount to about $36. Days of unemployment and days of sickness cannot be combined in the same registration period.

In the Treasury Department

Certain personal and corporate income-tax policies of the United States Treasury Department are significant in the conservation of resources which help older people to meet costs of medical care.

Individuals who are 65 or over are not subject to the 3-percent limitation for medical-expense deduction. If either a taxpayer or his wife is 65 or over, he may deduct the entire amount of his medical expenses for the care of both, within maximum limitations.

The definition of medical expenses, as clarified in 1954, provides for the deduction of amounts paid for transportation expenses for travel prescribed for health reasons.

In the Veterans' Administration

The Veterans' Administration is increasingly concerned regarding the social and economic effects of the advancing age of the veteran population and extensive experimental programs, exploration, and research relating to these problems are being carried on.

Development of a nationwide program, including rehabilitation, for long-term chronically ill and aged veterans in general medical and surgical hospitals has been underway for several years.

In the 40 neuropsychiatric hospitals, special services for older patients have been developed and in several hospitals, notably Tomah, Wis., a special treatment program for this group has been established.

Special housing has been provided in this specialized program for aged patients in six Veterans' Administration neuropsychiatric hospitals.

During September 1955, an average of 16,991 veterans were in domiciles operated by the Administration and approximately 8,800 veterans were being cared for in State soldiers' homes under a grant-in-aid program.

Experimental programs and clinical research programs include: geriatrics clinics consisting of a team of professional staff members which provide a coordinated approach to treating aged people in 2 outpatient clinics for the last 3 years; broad psychological studies in a number of Veterans' Administration hospitals, domiciliaries, and centers on the characteristics and needs of aging and geriatric populations; special study and experimentation in Veterans' Administration hospitals on the care of aged neuropsychiatric patients, including special housing and foster-home-care programs; and other special research projects and studies including studies on the use of various drugs and other medical research, demographic studies, studies in the field of social services, etc.

III. Employment

While Federal activities are focused in the Department of Labor, other departments and agencies are providing or developing services and resources designed to meet problems of employment among older workers.

The services of the Federal-State vocational rehabilitation programs include special-placement services for disabled workers, including older workers.

In the Department of Labor

All programs and services of the Department are focused on employment and related factors, and many bureaus and agencies in the Department provide extensive consultation to labor and industry on employment problems including consultation on matters relating to the employment of older workers.

To plan and expedite activities, the Secretary has appointed a Departmental Committee on Older Workers and has named a Special Assistant to the Under Secretary to chair the committee and coordinate departmental efforts to extend and improve employment opportunities and services available to older workers. Through field staff committees composed of regional representatives of the Department's bureaus and offices, consideration has been given to the employment problems of older workers.

The Department has in the past carried out a number of research projects related to the employment and income problems of older workers and is currently engaged in intensive studies of the factors affecting job opportunities for workers past middle age.

Through State employment services, the Bureau of Employment Security maintains an active program of specialized job counseling and placement services for older workers. Approximately one-third of the 9 million applicants for work through State employment service offices each year are 45 years of age or older. To assist the States in serving older workers the Bureau has also developed a special manual on older workers as a guide to State agencies and is now working on training materials for both internal and public-relations use. In the next year the Bureau is conducting an intensive study of employment patterns, policies, and practices in seven major metropolitan labor-market areas; an intensive study on the characteristics of the older unemployed person is being made in these same areas. A demonstration of the results of intensive job counseling and placement services for older workers will also be carried on in the same labor-market areas. During the fiscal year 1956 the Bureau is also conducting an intensive study of the impact of pension costs on hiring policies and hopes to develop specific suggestions that will be useful to management, labor, and the underwriters of pension programs in minimizing the effect of pension costs on the hiring of older workers.

The Bureau of Labor Statistics is studying clauses relating to older workers in 1,700 collective-bargaining agreements affecting 1,000 or more workers and in pension and welfare plans. A pilot study now underway designed to develop methods of measuring differences in average work performance among age brackets and variations of individuals within age brackets covers output per man-hour, accident, and absenteeism rated.

The Women's Bureau has contributed significantly to factfinding and promotion in behalf of older women workers. Its most recent publication, Training Mature Women for Employment, describes 23 different community training programs for older women. During the period June 1955 to July 1956 the Bureau will conduct a series of demonstration projects designed to recruit and train mature women to meet current occupational shortages in such fields as teaching, stenography and typing, and some of the health service occupations. Skills forums will also be conducted in several metropolitan centers in order to assist mature women to find suitable employment and to provide technical assistance to them in marketing home products and services.

The Bureau of Employment Security and the Bureau of Labor Statistics are cooperating in a continuing study of the characteristics of claimants for unemployment insurance.

The Bureau of Labor Standards, the Bureau of Employees' Compensation, and the President's Conference on Occupational Safety are all concerned with and carry on research on working conditions and on factors of health and safety involved in the employment of older workers.

The older-worker problem has been a continual concern of the Federal Advisory Council in the field of employment security. The Council has a subcommittee on this subject.

In the Office of Defense Mobilization

Defense Manpower Policy No. 7, issued by the Office of Defense Mobilization in 1952, entitled "Employment of Older Workers in the Defense Program," is currently in effect. This policy states in part:

"It is the purpose of this manpower policy to direct attention to the importance of employing and effectively utilizing older workers and to stimulate voluntary action by labor, management, and government to modify unnecessary restrictions which limit the employment and utilization of older workers in both private and public employment."

In the National Science Foundation

The Division of Scientific Personnel and Education has under discussion, in its own staff and with leadership in the professional societies, the development of a program to utilize retired scientists in regular positions in research and teaching fields.

In the Small Business Administration

Offices throughout the country, as well as the Washington office, provide all types of counseling service to small-business owners and those contemplating entering the small-business field. It has a products assistance service which assists a small-business man to market a new product or to obtain a product to manufacture. This service might be of special interest to an older person who has developed a new product but who is unable to find a market.

In the Veterans' Administration

The member-employee work program now being carried on in a number of Veterans' Administration hospitals and in all stations providing domiciliary care is designed to help handicapped and older workers develop work skills and work habits in a sheltered environment.

IV. Income Maintenance

A variety of services not related to employment but designed to help older people to maintain income are provided by the departments and agencies of the Federal Government. Included are social insurance, public assistance, retirement and related fringe benefits, pensions and compensation payments, and information and consultation services.

In the Department of Agriculture

A special farm family program has been under way for some time to help farm families work out agreements which would permit younger people gradually to take over the business as older people wish to release responsibilities and which would protect the security of both the old and the young.

Special information and service are also being given in connection with savings and investment programs for farmers and on social-security provisions as they affect the farmer.

In the Civil Service Commission

Retirement System: The Commission adjudicates the retirement rights of member-employees who leave the Government, provides actuarial and legal services required in administering the retirement system, maintains individual retirement records and records of annuitants, and accounts for all retirement moneys. It also administers the Federal Employees Group Life Insurance Act of 1954.

In the Department of Defense

The Department administers the retirement program for all military personnel.

In the Department of Health, Education, and Welfare

The Office of Vocational Rehabilitation administers grants to States for vocational rehabilitation of disabled persons when necessary, during the period of rehabilitation treatment and training, maintenance is provided.

Over 8 million of the Nation's total of 14 million persons aged 65 and over currently depend on the programs of the Social Security Administration for a major source of income.

Its Bureau of Old-Age and Survivors Insurance administers a social insurance program supported by contributions of workers and employers.

The Bureau and the Division of Research in the Office of the Commissioner of Social Security carry on continuing and special studies on the characteristics and economic problems of old-age and survivors insurance beneficiaries.

The federally aided old-age assistance program administered by the Bureau of Public Assistance under the Social Security Act is another income maintenance resource of aging people in the Nation. Currently over 2.5 million aged persons (about 16 percent of the total population 65 years of age and over) are receiving old-age assistance. Other public assistance programs, while not set up to provide financial assistance to old people, also include a large number of persons prematurely aging in the 55–65 age range. For example, nearly half of the recipients of aid to the blind are 65 or over, and most of the recipients of aid to the disabled are in late middle life with approximately a third at least 60 years of age. In addition, 7 percent of the families receiving assistance under the aid to dependent children program are families in which a grandparent is the relative caring for the child.

The Bureau of Public Assistance, in cooperation with State public assistance agencies, makes studies and gathers national statistics regarding the characteristics of needy aging people. These data provide useful information on health and medical problems, as well as social and economic problems of older people.

In the Department of Labor

The Bureau of Employees' Compensation administers compensation payments to disabled Federal employees, many of whom are in the older age brackets.

The Bureau of Employment Security participates in the administration of Federal-State unemployment insurance programs. Although no nationwide statistics have been maintained on the age distribution of claimants, many of the larger States report that from 40 to 60 percent of unemployment insurance claimants are 45 years of age and over.

In the Railroad Retirement Board

The Board administers a social insurance program for the Nation's railroad workers and workers performing services connected with transportation under the provisions of the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Approximately 1.7 million employees were in covered railroad employment in 1955. The Railroad Retirement Act was established originally to provide financial protection for aged railroad workers who had grown too old to work or who became totally disabled.

In the Treasury Department

The activity of the Department of primary importance to the aging members of our population is the development and implementation of fiscal and monetary policies contributing to the stabilization of the cost of living. The older age group, many of whom are dependent on fixed incomes such as pensions and annuities, finds it particularly difficult to make the adjustments which are enforced by a rise in prices.

Various provisions of existing law are of particular interest to the aging.

Filing an income-tax return: Individuals who have reached the age of 65 are not required to file an income-tax return unless they have gross income of $1,200 or more during the taxable year, while individuals under 65 must file a return if they have gross income of $600 or more.

Additional personal exemptions: Individuals who are 65 or over are allowed an additional $600 personal exemption under the individual income tax. Older people are also frequently helped by an additional personal exemption of $600, which is allowed for blindness.

Social-security benefits and railroad retirement pensions: Old age and survivors insurance benefits received from the Federal Government and payments from a State under the Federal-State public-assistance program are completely exempt from tax. Railroad retirement pensions are also exempt.

Life-insurance and endowment policies: The treatment of life-insurance and endowment policies, while applicable to all taxpayers, is especially helpful to the aged. The proceeds of a life-insurance policy which are paid by reason of the death of the insured are not taxable. Proceeds of an endowment policy paid in a lump sum to the holder at maturity are taxable only to the extent that they exceeded the cost of the policy. To reduce the impact of graduated income-tax rates on them, such lump-sum proceeds may be spread for tax purposes in 3 equal parts over the current year and the two preceding years.

Retirement-income credit: As a result of the retirement-income credit provision enacted in 1954, many retired persons 65 years of age or over, who receive modest amounts of retirement income (pensions, annuities, interest, dividends, and rents) are completely exempt from tax on such income. The credit is 20 percent of retirement income, with a maximum limit of $240 for each individual. To qualify for this credit the individual must meet certain requirements as to prior earnings.

Annuities: Under a new life expectancy method of taxing annuities enacted in 1954, each annuitant received annual exclusions which, in effect, are equal to his investment divided by his life expectancy. This gives him an even flow of taxable annuity income over his lifetime and avoids the taxation of capital and the arbitrary fluctuation in taxable income that resulted under the old law.

Pension plans: Encouragement is given to the growth of pension plans by the tax advantages allowed to approved pension plans which do not discriminate in favor of highly paid employees. Within certain limits, prescribed by the law, employers may deduct their contributions to these plans when the contributions are made.

Payments to beneficiaries of deceased employees: Payments by an employer to the beneficiaries of an employee because of the employee's death are exempt up to $5,000. Under a provision of the 1954 code, the payments are exempt whether or not paid under a contract.

In the Veterans' Administration

The Administration administers compensation payments to veterans with service-connected disabilities. An increasing number of these beneficiaries are in older age groups.

Veterans in need and who are totally and permanently disabled by nonservice-connected disabilities are eligible to veterans' pensions.

All veterans of Indian wars and the Spanish-American War, who served for a specific period, are eligible to pensions.

Veterans 65 years of age and over who have a minimal disability of 10 percent, are unemployable and in need, are eligible for full veterans' pensions, if otherwise entitled.

Veterans with service-connected disabilities are also eligible for domiciliary care when such care is needed. Veterans with nonservice-connected disabilities may be provided domiciliary care when needed if space in such facilities is available.

The Veterans' Administration arranges for foster-home care for incapacitated veterans not requiring hospital care.

V. Education

In the Department of Agriculture

Through its network of voluntary leaders and community committeemen, the Federal and State Extension Service offers special opportunities for older people to make significant contributions to community programs and activities.

In the American National Red Cross

A special training course for the Gray Ladies for service to the homebound has been developed particularly for older women.

In the Department of Health, Education, and Welfare

With the recent creation of the section on Adult Education in the Office of Education, it is expected that greater emphasis will be given to this field and that the potentialities for research and service on problems of the aging will be more fully realized than in the past.

The studies conducted in the field of adult education, literacy education, training opportunities for adults, and the preparation of materials and guides on intergroup education for adults have real significance as background material in considering problem of the aging.

The bureaus and divisions of the Public Health Service carry on extensive programs of health education. These include educational programs in field of particular concern to older people: mental health, cancer, tuberculosis, heart, general preventive health care, etc.

At Howard University the registration in new classes has included several retired individuals. In these classes, related to development of skills and crafts for leisure-time activity, there have been as many as 15 to 20 older persons. These new classes propose to enter intensively into the geriatric field. The curriculum of the School of Social Work necessarily takes into account problems of the aging population. Theory courses, fieldwork, and research direct attention to the aging. The School of Social Work is the beneficiary of a special collection of books on the aging called the Rose McHugh Memorial Collection.

The American Printing House for the Blind publishes the Readers Digest in braille and talking-book form. These are circulated among the blind population of the Nation, approximately 250,000 of whom are over the age of 50.

The Bureau of Old Age and Survivors Insurance has inaugurated a program for preparation for retirement among its employees.

In the Veterans' Administration

The Administration provides some prevocational exploration in adult education in connection with its comprehensive rehabilitation services. The Administration also carries on recreation programs with educational aspects in its hospitals and domiciliaries in which special consideration is given to the needs of older patients and domiciliary members.

Programs of community education are also carried on in relation to employment programs and special programs of foster-home care for psychiatric patients.

VI. Family Life, Living Arrangement, and Housing

Increasing attention is being given by departments and agencies of the Federal Government to the development of a variety of services to help elderly men and women work out their problems of "some place to stay." Included are counseling and information on family relationships, on various types of housing to meet the special needs of older people when special problems are presented, and on actual physical arrangements of housing for older people, as well as housing itself.

In the Department of Agriculture

Special programs of the Federal Extension Service are designed to help in the adjustment of older members in rural farm family situations. For example, special information and consultation is provided in the Extension Service's public-affairs program on How to Care for the Aged.

The Home Economics Research Branch of the Agricultural Research Service is also giving special attention to housing problems, family relationships, and living arrangements for older people in our rural population.

In the American National Red Cross

The American National Red Cross provides social services, particularly for the families of servicemen and veterans, in helping older people to make adjustments in family life and in providing some services which make it possible for older people to live in their own homes or in family situations.

In the Department of Health, Education, and Welfare

The Public Health Service's Bureau of Medical Services is responsible for the administration of Federal assistance in construction of health facilities. Among the types of health facilities encompassed in the hospital survey and construction program are chronic-disease hospitals and nursing homes. Most of the patients in such facilities, particularly the latter, are characteristically older people.

The Bureau of State Services' Division of Sanitary Engineering Services conducts housing hygiene activities concerned with the health aspects of housing.

The Social Security Administration's Bureau of Public Assistance and State departments of public welfare are emphasizing the development of resources and provision of services to enable older people to remain in their own homes as long as they can and their health permits. Some States also are making substitute family arrangements, such as foster-home care, for those aged people who are no longer able to maintain their own homes but who do not yet require institutional care.

Staffs in some local public welfare agencies provide counseling services to older people and their relatives directed toward helping them with problems of social adjustment and intrafamily relationships.

The Bureau and the State departments of public welfare have also made studies on various aspects of problems of living arrangements and housing for older people. The nationwide study of characteristics of old-age-assistance recipients in 1953 also contains data on their housing, e. g., size of household, number of rooms, and kind of facilities available.

In the Housing and Home Finance Agency

Low-rent-housing accommodations are provided to roughly 40,000 households headed by a person 65 years of age or over. This is equivalent to 10 percent of the total number of households accommodated in the entire federally assisted low-rent public-housing program.

By facilitating the financing of good housing units under the Federal Housing Administration mortgage-insurance program, many families and some individuals are afforded an opportunity to acquire satisfactory quarters for their declining years before they reach the age of 65.

In the case of rental projects designed particularly for older people the Federal Housing Administration is able in some instances to insure mortgages on attractive terms under the provisions of section 213 (cooperative housing) of the National Housing Act.

The Division of Plans and Programs in the Office of the Administrator of the Housing and Home Finance Agency also conducts basic overall studies of occupants of public housing and of housing requirements of older people.

In the Department of Labor

The Bureau of Labor Statistics studies and reports include information on housing for the aging.

In the Veterans' Administration

The administration helps in meeting problems of housing in its domiciliary program. The foster-home program for psychiatric patients is also a significant development in this field.

VII. Other Services

The chief contribution of Federal departments and agencies in relation to recreation, community organization, etc., as special and separate activities, is by providing general consultation and information. In the general field of social and economic research, however, Federal departments and agencies are carrying on or participating in a wide variety of experimental and research projects designed to provide information on various social and economic aspects of the problems of our aging population and methods for their solution.

In the Department of Agriculture

The Extension Service, as a part of its family life program, provides special service in connection with planning for the later years, information and consultation on diet, clothing needs, and housing and other services which contribute to the economic and social well-being of older people living on farms.

The Farm Population and Rural Life Branch of the Division of Agricultural Economics keeps abreast of available information on population trends and characteristics of older rural people and makes detailed analysis of these data. Such information is provided to both private and governmental agencies.

In the American National Red Cross

The Gray Ladies provide services such as friendly visiting, letterwriting, reading, games, simple crafts, arranging parties, shopping, planning formal group entertainments and picnics, and instruction in subjects of interest to older people.

The Red Cross gives training in handicrafts, painting, and photography.

Social welfare aids assist professional social workers in helping to meet special problems of older people.

The motor service contributes to recreational programs for the older people by providing transportation to golden age and other types of community clubs; by taking residents of homes for the aged on tours, picnics, and outings; by taking entertainers and volunteers to and from hospitals, institutions, and homes for the aged; and by delivering refreshments and gifts donated by community groups.

The canteen service prepares refreshments for parties and picnics and assists dietitians in hospitals and institutions for aging people. The production services of several chapters of the American Red Cross have taken part in making articles of clothing and other comfort articles to meet needs of groups which include older people.

The Junior Red Cross makes special gifts, particularly recreational and comfort articles; collects books and magazines; and gives entertainment in institutions and homes for the aged.

The American Red Cross considers its greatest service to older people the development of programs which give them opportunity to use their skill and experience in productive volunteer work.

Older men and women also find useful ways to serve others in fund raising, public relations, and in all the phases of Red Cross

hospital and community programs. Through these avenues of opportunity older men and women have been able to bring their special viewpoint to community planning for older people.

In the Civil Service Commission

The Commission plans to conduct during the current fiscal year a study of utilization of the older worker by Federal departments and agencies. In addition to research directed specifically toward the older worker, the Commission continuously carries on validity studies to determine which measuring instruments best predict performance on the job. Such studies are beneficial to older persons since the qualities they possess are evaluated in and of themselves rather than as they are reflected by chronological age.

In the Department of Commerce

The Office of Technical Services plans to extend its study of programs on use of older employees in special consultation services to industry or in short-time public careers, and carries on extensive research necessary for study of the problem of aging and renders assistance to other agencies requiring specialized data regarding one phase or another of the program.

The Bureau of the Census develops extensive demographic data on population, housing, social characteristics, and on various economic factors affecting older people and makes special studies on the request of other groups, Government and private. The costs of such studies are paid or shared by the requesting agencies.

In the Department of Health, Education, and Welfare

The Commissioner of the Social Security Administration has the responsibility for assuring continuing cooperation between the insurance and assistance programs and for maintaining a proper balance in their work in the field of the aging.

The Division of Research and Statistics carries on basic overall research and collects statistical information on the aged population as a whole. Regular estimates of the major sources of income of aged persons are prepared as of each June and December. Special studies in the field are published from time to time. The Social Security Bulletin, which is a responsibility of this Division, devotes many of its articles to studies and information concerned with aging.

The Division of the Actuary carries on studies and develops cost estimates of old-age insurance. Studies are made of demographic data, mortality, and other factors affecting the aged population. Information on insurance-company experience is also collected and evaluated by the Division.

The 532 district offices of the Bureau of Old-Age and Survivors Insurance participate actively in community programs on aging and old-age and survivors insurance offices make appropriate referrals to other local sources and facilities when the needs of individuals are not met by the old-age and survivors insurance program.

The disability freeze provisions in the program, moreover, have the effect of bringing disabled workers to the attention of rehabilitation agencies at an early stage of their disability which it is expected will contribute substantially to the reduction of problems of disability among older workers and to improvement in programs of care for them.

The central offices carry on a program of research and analysis to provide information on and to evaluate the operation of the existing program provisions and administrative policies and to determine the effect of proposed changes.

The Bureau of Public Assistance and State and local departments of public welfare are increasingly interested in planning and, in many instances, providing some of the many services needed by aging people. These services are usually related to environmental adjustments and counseling to aging persons and their relatives. Increasing attention is also being directed toward community planning and cooperation and the improvement of the knowledge and skill of public welfare staffs working with older people. The Bureau took leadership in holding the first meeting of representatives of national voluntary agencies to consider problems of aging. This meeting resulted in the formation of the first National Committee on Aging, now under the National Social Welfare Assembly, which is a major force in planning for the aging. It also provides leadership, technical consultation, and informational material in assisting State public welfare departments to meet problems of State and local community organization in dealing with problems of aging, including planning for individualized services, group, and recreational activities, health services, and other special services needed by older people.

Local public welfare departments provide information about community resources available to meet the needs of older people and make appropriate referral in individual instances. They also make appropriate referral to recreational facilities in the community. Some public welfare agencies utilize volunteers who assist older people in participating in community recreational and creative activities, and a few have staff members to help organize such community activities.

The Office of Vocational Rehabilitation provides consultation on community vocational rehabilitation activities and, in cooperation with the State vocational rehabilitation agencies, assists communities to develop broad community programs to meet problems relating to vocational rehabilitation of disabled persons, giving attention to the needs of older disabled workers.

The Department's Committee on Aging functions as a clearinghouse for information on research and experimental programs being carried on throughout the country and provides technical consultation on the development and administration of programs designed to provide social services to older people.

In the Department of the Interior

A study is underway in the Indian Bureau on development of community recreation programs on reservations, including adult education for all ages but with special attention to the interests of older people. In connection with this program the Indian Bureau is exploring the possibilities in craftwork for the older Indian group.

The programs of the National Park Service are designed to protect and make available for public enjoyment the national parks and monuments and other areas comprising the National Park System.

VIII. General Information Services

All Federal departments and agencies provide information services with respect to their program operations. More detailed and complete information on any of the activities reported in this inventory may, therefore, be obtained by writing to the information service of the department or agency, involved. The mailing address of all Federal Government agencies in Washington is Washington 25, D. C.

In the Department of Health, Education, and Welfare

The Department itself, through the Office of the Secretary, is a source of leadership and support in this field, provided through speakers, the press, and by participation in, and sometimes cosponsoring with other governmental and nongovernmental groups conferences and meetings on problems of aging.

The Social Security Administration publishes the Social Security Bulletin which provides statistical data and other information on the social-security programs for general public information purposes.

Its Bureau of Old-Age and Survivors Insurance carries on an active information program which keeps the public aware of its rights and obligations under the old-age and survivors insurance legislation. The Bureau also furnishes exhibits, charts, publications, and films for informational purposes in public and private conferences and meetings.

Its Bureau of Public Assistance works with other governmental agencies and national private agencies in cooperative activities designed to increase understanding of public and private efforts in the care of needy aging people. It also makes studies and publishes national statistics regarding the characteristics and needs of this group and prepares reports on the operation of the public-assistance programs.

The Public Health Service carries on a continuing program of public education and interpretation on health and related factors involved in problems of aging. Under this program, Public Health Service personnel make speeches to local groups and meetings, participate in planning conferences, act as resource people in such meetings and conferences, participate in planning, developing, and carrying on local programs designed to help meet health problems of aging.

The primary objective of the Committee on Aging is to stimulate and support programs that will improve the status and help meet problems of older adults in our society. All activities of the committee are designed, therefore, to help promote action that will assist the States and local communities to meet the challenges of aging in our population. These activities fall into three broad categories:

1. Acting as a clearinghouse in the gathering, organization, and dissemination of information on all aspects of aging. In this connection, the Committee publishes Aging, a bimonthly news bulletin, and other pamphlets and material on aging.

2. Provision of guidance and stimulation through technical advice and consultation to groups working in the field. In connection with these activities, the Committee on Aging provides exhibits, published material, films, etc.

3. Provision of a mechanism for cooperation within the Department of Health, Education, and Welfare to aid in promoting the development of coordinated and effective action in programs relating to aging among the operating agencies of the Department and for cooperation with the Federal Council on Aging to achieve coordination and the broad mutual reenforcement of programs and activities carried on among the departments and agencies of the Federal Government.

The district offices of the Bureau of Old-Age and Survivors Insurance are valuable resources for gathering and disseminating information in this field as well as a source of leadership and service in developing action programs in local communities.

In the Department of the Interior

The Indian Bureau has included discussion of topics relating to problems of aging in its staff conference and training programs. For example, a topic in the staff program for December 1954 included the subject, Services to the Aging.

In the Department of Labor

The Department participates in a wide range of activities, including publication of interpretive material such as a leaflet addressed to employees on the needs and problems of older workers, as well as wide

contribution to publications, and conferences, seminars, and meetings of the National, State, and local groups interested in problems of our aging population.

The Bureau of Labor Standards has wide opportunity for constructive interpretation of employment problems of older workers in its contacts with other Federal, State, and local groups which include public agencies in the labor field, private industry, organized labor, the International Association of Government Labor Officials, and the International Association of Industrial Accident Boards and Commissions, for which this Bureau serves as secretariat.

The Labor Department has organized a Committee on the Older Worker to coordinate and promote aging programs and activities in the Department.

In the Office of Defense Mobilization

The Office distributes two pamphlets relating to aging: The Older Worker, prepared by the Bureau of Labor Statistics, and Production at Any Age, prepared by the Office of Defense Mobilization.

4-H CLUB WORK IS DEMOCRACY IN ACTION

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, I would like to take this means of saluting the 4-H Clubs of America.

It is altogether fitting and proper that a week known as National 4-H Club Week should be set aside to evaluate the past achievements of this splendid youth organization and to plan for its future developments.

4-H Club work grew out of a situation and a need in rural America. At the turn of the century rural young people began uniting their efforts which centered on improved agriculture. The rural educators introduced subjects into the courses of study that could lead to an appreciation of rural life among boys and girls, and agricultural leaders began discovering that one of the best ways to get scientific methods used on farms and in homes was to start with youth. Between 1901 and 1905 interested leaders of these groups began to get together to talk over common aims and set up general patterns for organization and activity. Some years later they adopted the 4-H names and emblem. In 1914, the Congress passed the Smith-Lever Act which provided for cooperative extension work in agriculture and home economics, including what was then known as boys' and girls' club work. The 4-H Club idea now circles the globe.

In these times of grave international concern much of our effort is necessarily focused upon the immediate task of protecting the security of the Nation and strengthening the forces of right and justice in the world. But we must look to the future and plan for America's greatest asset—its young people. The youth of today must assume responsibilities of citizenship and leadership in the years to come. We must permit nothing to interfere with the continuation and expansion of those great voluntary youth movements of our country, such as the 4-H Clubs, that have contributed so greatly to building sound leadership, good citizenship, strong character and firm patriotism among the boys and girls of America. It is upon such human resources, even more than upon material resources, that the future of our Nation depends.

4-H Club work is democracy in action. By training young people in the basic principles of citizenship and leadership this organization has achieved a real safeguard against the inroads of communism. With these ideals and assumption of responsibility, the 4-H Clubs throughout the Nation are helping to build a stronger and better America.

Vocational agricultural education and training through membership in 4-H Clubs has paved the way for improvement in farming methods and for the development of more secure and stable rural-life programs for the entire world. The results of these programs now express themselves in increased production and increased efficiency.

The boys and girls in the Second Congressional District of Kentucky who actively participate in 4-H Club work are clearly demonstrating the true value of the training they have received. By virtue thereof, they will be enabled to evaluate past achievements and make plans for future activities on their farms, in their homes and their communities. I have firm faith in their ability to assume responsibilities of citizenship and leadership in the years to come.

Not only do I wish to pay tribute and express sincere appreciation to these young people, but to the county agricultural agents and home demonstration agents who have given so generously of their time and efforts to promote the ideals of the 4-H Club program. They are to be highly complimented on their continuous efforts toward developing the talents of our youth of today for greater usefulness.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. DIGGS (at the request of Mr. MACHROWICZ) from March 4 through April 16, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Tuesday, March 5, and Wednesday, March 6, I may have a special order on each day for 30 minutes, that I may revise and extend those remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CURTIS of Missouri for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER and to include extraneous matter.

Mr. MILLER of Nebraska.

Mr. KEATING and include extraneous matter.

Mr. COUDERT and to include an interim report of the Alexander Hamilton Bicentennial Commission.

Mr. ROOSEVELT (at the request of Mr. ASPINALL) and to include extraneous matter.

Mr. DAVIS of Georgia and to include extraneous matter.

Mr. BRAY.

Mr. WILLIS and to include extraneous matter.

ADJOURNMENT

Mr. SANTANGELO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 44 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 5, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV executive communications were taken from the Speaker's table and referred as follows:

547. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Commodity Credit Corporation for the fiscal year ended June 30, 1955, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. 104); to the Committee on Government Operations and ordered to be printed with illustrations.

548. A letter from the Secretary of the Treasury, transmitting a report on the financial condition and results of the operations of the highway trust fund, pursuant to section 209 (e) of the Highway Revenue Act of 1956 (H. Doc. No. 105); to the Committee on Ways and Means and ordered to be printed.

549. A letter from the Secretary of Commerce, transmitting the first progress report on the highway cost allocation study, pursuant to section 210 of the Highway Revenue Act of 1956, approved June 29, 1956 (H. Doc. No. 106); to the Committee on Ways and Means and ordered to be printed with illustrations.

550. A letter from the Secretary of the Army, transmitting a report on the number of officers on duty with the Department of the Army and the Army General Staff on December 31, 1956, pursuant to Public Law 581, 81st Congress; to the Committee on Armed Services.

551. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of January relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease, pursuant to Public Law 3, 80th Congress; to the Committee on Agriculture.

552. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of proposed legislation entitled "A bill to amend the National Housing Act, and for other purposes"; to the Committee on Banking and Currency.

553. A letter from the Administrator, Small Business Administration, transmitting the Seventh Semiannual Report of the Small Business Administration covering operations between July 1, 1956, and December 31, 1956, pursuant to Public Law 163, 83d Congress; to the Committee on Banking and Currency.

554. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to strengthen and improve State and local programs to combat and control juvenile delinquency"; to the Committee on Education and Labor.

555. A letter from the Chairman, Federal Communications Commission, commandant, United States Coast Guard, Acting Administrator, Maritime Administration, transmitting the joint report of the Federal Communications Commission, the United States Coast Guard, and the Maritime Administration on their study and investigation with respect to the need for installing automatic radiotelegraph call selectors on cargo ships of the United States carrying less than two radio operators, and other such safety devices, and the feasibility thereof, pursuant to Public Law 947, 84th Congress (H. Doc. No. 177) to the Committee on Interstate and Foreign Commerce and ordered to be printed.

556. A letter from the Secretary of Commerce, transmitting the quarterly report of the Maritime Administration of this Department on the activities and transactions of the Administration under the Merchant Ship Sales Act of 1946, from October 1, 1956, through December 31, 1956, pursuant to section 13 of the Merchant Ship Sales Act of 1946; to the Committee on Merchant Marine and Fisheries.

557. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated January 11, 1957, submitting a report, together with accompanying papers and an illustration, on a review of reports on Cleveland Harbor, Ohio, requested by resolutions of the Committee on Rivers and Harbors and Committee on Public Works, House of Representatives, adopted December 28, 1946, and July 13, 1949, respectively (H. Doc. No. 107); to the Committee on Public Works and ordered to be printed with one illustration.

558. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 24, 1956, submitting a report, together with accompanying papers and illustrations, on a review of reports on Boeuf and Tensas Rivers and Bayou Macon, Ark., and La., requested by resolutions of the Committee on Public Works, House of Representatives and United States Senate, adopted on May 23, 1946 and June 1, 1948, respectively (H. Doc. No. 108); to the Committee on Public Works and ordered to be printed with two illustrations.

559. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 20, 1956, submitting a report, together with accompanying papers and illustrations, on a local contribution toward alternate route C-1, navigation improvement at Venice, Fla., prepared in accordance with the provisions of section 105 of the River and Harbor Act of September 3, 1954 (H. Doc. No. 109); to the Committee on Public Works and ordered to be printed with illustrations.

560. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

561. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

562. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

563. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

564. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of February 28, 1957, the following resolutions and a bill were reported on March 1, 1957:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 157. Resolution to authorize the Committee on Agriculture to make investigations into certain matters within its jurisdiction, and for other purposes; with amendment (Rept. No. 176). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 161. Resolution for consideration of H. R. 4901, a bill to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes; without amendment (Rept. No. 177). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. House Resolution 4135. A bill to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies; with amendment (Rept. No. 178). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 5520. A bill to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 5521. A bill to amend the Interstate Commerce Act, as amended, so as to provide for a stronger national transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 5522. A bill to amend the Interstate Commerce Act as amended, so as to provide for a stronger national transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. R. 5523. A bill to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 5524. A bill to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BONNER:

H. R. 5525. A bill to amend section 607 (d) of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

H. R. 5526. A bill to amend the act of August 27, 1954 (68 Stat. 863) relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries; to the Committee on Merchant Marine and Fisheries.

By Mr. BOSCH:

H. R. 5527. A bill to amend the Social Security Act to increase the minimum benefits payable thereunder, to lower from 65 to 60 the age at which such benefits become payable, and to provide that deductions on account of outside earnings shall not be made in the case of beneficiaries 60 years of age or older; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H. R. 5528. A bill providing for a survey of all streams flowing into Lake St. Clair and Detroit Rivers in Oakland, Wayne, and Macomb Counties, Mich.; to the Committee on Public Works.

By Mr. BROYHILL:

H. R. 5529. A bill to provide that the officers and members of the police force and fire department for the Washington National Airport shall receive salaries at the same rates, and shall receive the same retirement and leave benefits, as officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. BURDICK:

H. R. 5530. A bill to relieve certain veterans from liability for repayment of amounts erroneously paid to them while members of the Armed Forces; to the Committee on the Judiciary.

H. R. 5531. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. BYRD:

H. R. 5532. A bill to establish an effective student exchange program with Latin American countries, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BYRNE of Pennsylvania:

H. R. 5533. A bill to provide that quarters and utilities shall be furnished to superintendents and assistant superintendents of national cemeteries without charge, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COOLEY:

H. R. 5534. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes; to the Committee on Agriculture.

By Mr. DAVIS of Georgia:

H. R. 5535. A bill to provide for the construction of a new Veterans' Administration hospital at Atlanta, Ga.; to the Committee on Veterans' Affairs.

By Mr. DOOLEY:

H. R. 5536. A bill to amend section 127 (a) of the Internal Revenue Code of 1939 and other statutes relating to the deduction of war losses; to the Committee on Ways and Means.

By Mr. DOYLE (by request):

H. R. 5537. A bill to authorize the transfer of 10,000 demilitarized M1903A3 rifles to the State of California for use in the training of the California Cadet Corps; to the Committee on Armed Services.

By Mr. ENGLE:

H. R. 5538. A bill to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FRELINGHUYSEN:

H. R. 5539. A bill to strengthen and improve State and local programs to combat and control juvenile delinquency; to the Committee on Education and Labor.

By Mr. GARMATZ:

H. R. 5540. A bill to amend title II of the Social Security Act so as to permit the State of Maryland to provide for the extension of the insurance system established by such title to service performed by certain policemen and firemen in such State; to the Committee on Ways and Means.

By Mr. HAGEN:

H. R. 5541. A bill to establish a National Grammar Commission to reform the spelling of English words, to publish the United States Official Dictionary, and for other purposes; to the Committee on Education and Labor.

By Mr. HAYS of Arkansas:

H. R. 5542. A bill to permit the prosecution of lynching in Federal courts when the governor or attorney general of the State concerned lacks authority to direct the prosecution in State courts, or such prosecution is impaired by his refusal to do so; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 5543. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley Federal reclamation project, Washington and Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 5544. A bill to reduce the rate of tax on transportation of property; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 5545. A bill to prescribe administrative procedure for the government of the District of Columbia, to require the maintenance of an official publication for said government and for other purposes; to the Committee on the District of Columbia.

By Mr. HYDE (by request):

H. R. 5546. A bill to provide certain retirement benefits under the Civil Service Retirement Act, as in effect on and after October 1, 1956, in the case of certain disabled persons; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON:

H. R. 5547. A bill to amend the Watershed Protection and Flood Prevention Act with respect to measures for erosion control; to the Committee on Agriculture.

By Mr. KILBURN:

H. R. 5548. A bill to authorize Canadian vessels to be employed in the coastwise transportation of coal to Ogdensburg, N. Y.; to the Committee on Merchant Marine and Fisheries.

By Mr. KING:

H. R. 5549. A bill to increase the amount of the benefits payable under title II of the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. LANKFORD:

H. R. 5550. A bill to provide that the remarried widow of a veteran may be restored to the compensation, pension, or dependency and indemnity compensation rolls if her remarriage was to a veteran, and if her remarriage has terminated by reason of death of the veteran; to the Committee on Veterans' Affairs.

By Mr. McCARTHY:

H. R. 5551. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

By Mr. MICHEL:

H. R. 5552. A bill to increase the equipment maintenance allowance payable to rural carriers; to the Committee on Post Office and Civil Services.

By Mr. MOSS:

H. R. 5553. A bill to provide for a Veterans' Administration general, medical, and surgical hospital of 500 beds at Sacramento, Calif.; to the Committee on Veterans' Affairs.

By Mr. PERKINS (by request):

H. R. 5554. A bill to amend part III of Veterans Regulation No. 1 (a) to liberalize the basis for, and increase the monthly rates of, disability pension awards; to the Committee on Veterans' Affairs.

By Mr. PERKINS:

H. R. 5555. A bill to increase the national marketing quota for burley tobacco by 10 percent; to the Committee on Agriculture.

By Mr. SILER:

H. R. 5556. A bill to authorize the conveyance of Bunker Hill Island in Lake Cumberland near Burnside, Ky., to the Commonwealth of Kentucky for public park purposes; to the Committee on Public Works.

By Mr. PORTER:

H. R. 5557. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on the transportation of persons and the tax on the transportation of property; to the Committee on Ways and Means.

By Mr. ROBESON of Virginia:

H. R. 5558. A bill to provide that certain employees in the postal field service assigned to road duty, and rural carriers, shall receive the benefit of holidays created by Executive order, memorandum, or other administrative action by the President; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Colorado:

H. R. 5559. A bill to amend sections 2311, 2312, and 2313 of title 18, United States Code, so as to extend the punishment for the transportation of stolen motor vehicles in interstate or foreign commerce to tractors, commercial truck trailers, and truck semitrailers, and for other purposes; to the Committee on the Judiciary.

By Mr. SILER:

H. R. 5560. A bill to provide for an appropriation of a sum not exceeding $175,000 with which to make a survey of a proposed national parkway from the Great Smoky Mountains National Park in North Carolina and Tennessee to the Mammoth Cave National Park in Kentucky, and the Natchez Trace Parkway in Tennessee; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SISK:

H. R. 5561. A bill to provide for the orderly marketing of turkeys and to assure consumers an adequate supply of turkeys and turkey products of wholesome quality; to the Committee on Agriculture.

By Mr. TEAGUE of Texas (by request):

H. R. 5562. A bill to amend the Veterans Regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. VURSELL:

H. R. 5563. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 5564. A bill to amend the Annual and Sick Leave Act of 1951 to prevent the loss of annual leave by employees without opportunity to use such leave; to the Committee on Post Office and Civil Service.

By Mr. OSTERTAG:

H. R. 5565. A bill for the establishment of a Commission on Metropolitan Problems and Urban Development; to the Committee on Government Operations.

By Mr. SCOTT of Pennsylvania:

H. R. 5566. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. LOSER:

H. J. Res. 257. Joint resolution making March 15 of each year a legal public holiday in commemoration of the birth of Andrew Jackson; to the Committee on the Judiciary.

By Mr. BAKER:

H. J. Res. 258. Joint resolution designating the 3d day of February in each year as Dorchester Day; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. Con. Res. 127. Concurrent resolution expressing the sense of Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. O'KONSKI:

H. Res. 182. Resolution to amend the rules of the House to limit expenditures for the fiscal year 1958; to the Committee on Rules.

By Mr. KEARNEY:

H. Res. 183. Resolution to amend the rules of the House to limit the expenditures for the fiscal year 1958; to the Committee on Rules.

By Mr. HORAN:

H. Res. 184. Resolution to request the Secretary of the Interior and the Director of the Budget to prepare and submit to the Congress legislation to establish a Columbia River Basin account for irrigation projects; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ANDERSON of Montana: Joint resolution of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to adequately provide for small grain research; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to press completion of the Lewis and Clark Highway; to the Committee on Public Works.

By Mr. CHENOWETH: Memorial of the Senate and House of Representatives of the State of Colorado relative to the construction of the Furgatoire River Dam near Trinidad, Colo., as recommended by the Chief of Army Engineers; to the Committee on Public Works.

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to increase the maximum ceiling incomes for all Federal housing projects for all family unit classifications; to the Committee on Banking and Currency.

By Mr. LANE: Memorial of the General Court of the Commonwealth of Massachusetts, memorializing Congress to increase the maximum ceiling incomes for all Federal housing projects for all family unit classifications; to the Committee on Banking and Currency.

By Mr. NEAL: Memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to give favorable consideration to Senate Concurrent Resolution 17 of the West Virginia Legislature to the problem of job opportunities for people in the higher age groups up to the age of retirement; to the Committee on Education and Labor.

By the Speaker: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to pass and approve legislation making possible construction of a dam on the Purgatoire River at a site west of Trinidad, in accordance with recommendations of the Bureau of Reclamation and Army engineers; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to increase the maximum ceiling incomes for all Federal housing projects for all family unit classifications; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to the need of increased Federal funds for adequate research to combat the heavy infestation of rust and other grain plant diseases in the State of Montana and elsewhere; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to provide for the construction and completion of the Lewis and Clark Highway; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to adopt such laws as will enable the veterans to secure loans and that the Representatives and Senators of Nebraska support legislation to make $1 billion available for direct Veterans' Administration loans at not more than 4½ percent simple interest; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to continue the tungsten program; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to give favorable consideration to the problem of job opportunities for people in higher age groups up to the age of retirement; to the Committee on Education and Labor.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to requesting an appropriation which would enable the construction of a fireproof building to provide facilities for a combined courthouse, jail, postoffice, and other governmental office space at Bethel, Alaska; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States relative to requesting the admission of Hawaii as a State; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WILSON of California:

H. R. 5567. A bill for the relief of Mrs. Maxine L. Cowan Harrison; to the Committee on the Judiciary.

By Mr. BOWLER:

H. R. 5568. A bill for the relief of Michael Tarasicius Ivanysin; to the Committee on the Judiciary.

By Mr. BRAY:

H. R. 5569. A bill to authorize the Administrator of General Services to quitclaim all interest of the United States in and to certain lands located in Indiana to the board of trustees for the Vincennes University, Vincennes, Ind.; to the Committee on Government Operations.

By Mr. BURDICK:

H. R. 5570. A bill to provide for the conveyance of certain real property of the United States to the Fairview Cemetery Association, Inc., Wahpeton, N. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. CHELF:

H. R. 5571. A bill to relieve the Willett Distilling Co. the tax on the whisky that was stolen from its warehouses; to the Committee on the Judiciary.

By Mr. DAWSON of Illinois:

H. R. 5572. A bill for the relief of Sushila Jane Peterson; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 5573. A bill conferring jurisdiction on the Court of Claims to make a certain finding with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the United States Air Force, and to provide for payments of amounts so determined to such individuals; to the Committee on the Judiciary.

By Mr. GRAY:

H. R. 5574. A bill for the relief of Gabriel Sho-Tse Tsiang; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 5575. A bill for the relief of Bohdan Oparko; to the Committee on the Judiciary.

H. R. 5576. A bill for the relief of George Car; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 5577. A bill for the relief of Duke Francis Henry Vanderpuije; to the Committee on the Judiciary.

My Mr. McDONOUGH:

H. R. 5578. A bill for the relief of Enrique Ruiz; to the Committee on the Judiciary.

By Mr. MAHON:

H. R. 5579. A bill to provide for the conveyance of certain mineral rights to Mathew G. Mathews, Denver City, Tex.; to the Committee on Interior and Insular Affairs.

H. R. 5580. A bill to provide for the conveyance of certain mineral rights to Mrs. James T. Worley, Andrews, Tex.; to the Committee on Interior and Insular Affairs.

By Mr. MINSHALL:

H. R. 5581. A bill for the relief of Rachid Abdallah; to the Committee on the Judiciary.

By Mr. MOULDER:

H. R. 5582. A bill for the relief of Mr. and Mrs. Clay Curtis; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 5583. A bill for the relief of Sung Kee Lee; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 5584. A bill for the relief of Mrs. Maude L. Smith; to the Committee on the Judiciary.

By Mr. POLK:

H. R. 5585. A bill for the relief of Miss Hermine Ditzel; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 5586. A bill for the relief of Josephine Fan, Joseph Fan, and Joan Fan; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H. R. 5587. A bill for the relief of G. C. Muckenthaler; to the Committee on the Judiciary.

H. R. 5588. A bill for the relief of Dr. Robert O. Knox; to the Committee on the Judiciary.

H. R. 5589. A bill for the relief of Patrick de Rochefort-Reynolds, Sylvia J. de Rochefort-Reynolds, Michael John de Rochefort-Reynolds, and Karl Anton de Rochefort-Reynolds; to the Committee on the Judiciary.

H. R. 5590. A bill for the relief of Gladys M. Mahoney; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5591. A bill for the relief of Mrs. Cora V. March; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. R. 5592. A bill for the relief of William A. Blum; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 5593. A bill for the relief of Francesco and Vincenza Cangelosi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

109. By Mr. CANFIELD: Resolution adopted by the trustees of the United Milk Producers of New Jersey, February 23, 1957, opposing the adoption of any single or comprehensive order providing for regulation of any part of New Jersey with any area outside of New Jersey; to the Committee on Agriculture.

110. By Mr. CRETELLA: Resolution in support of the Jenkins-Keogh proposal by the New Haven Dental Association; to the Committee on Ways and Means.

111. By the SPEAKER: Petition of the president, Independent Union of Petroleum Workers, Bakersfield, Calif., petitioning consideration of their resolution with reference to being in favor of the sound decision of the present administration of the United States of America to supply oil to and alleviate the suffering of the friendly countries of Western Europe and other free nations of the world; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Puerto Rico: They Have Made Good

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1957

Mr. MILLER of Nebraska. Mr. Speaker, during this observance of Puerto Rico Friendship Day in this House of Representatives, I want to extend my congratulations and my best wishes to the fine American citizens of the great Commonwealth of Puerto Rico.

I have known the Commissioner from Puerto Rico since he came to Washington some 10 years ago. It has been a pleasure to work with him. I have found him skilful and intelligent in the performance of his duties. Always he has worked diligently for the benefit of his Commonwealth and for the good of the entire Nation. I can think of no man who could have done more for Puerto Rico in this House.

Mr. Speaker, it has been my privilege and pleasure to visit this island paradise several times. I trust that I may have the opportunity to go back many times in the years to come.

Forty years ago the people of Puerto Rico were granted citizenship and became more important units than ever among our people. We are proud to call them fellow citizens.

I like this statement which is taken from an editorial in the Washington Daily News titled "Proud Americans":

"Perhaps the most notable of American governmental experiments in our lifetime," Chief Justice Warren has said of the young Commonwealth of Puerto Rico.

In San Juan, in Washington, in New York and elsewhere the former colonials who are now citizens celebrated Friendship Day as a proud and dedicated people should.

Puerto Rico is an island of 3,435 square miles with a population of well over 2 million people. Until recently agriculture has been regarded as its most important industry but now manufacturing leads the way. Per capita income is still too low, but it has improved vastly in the past 20 years and is still on the upgrade. There are more than 100,000 motor vehicles, 23 radio stations, 3 TV stations, airport facilities and numerous other advantages. Year by year the Commonwealth is developing.

This island was discovered by Christopher Columbus November 19, 1493. Ruled by Spain until 1898, it was ceded to the United States in that year.

Year by year the people are taking a greater interest in their government. The Commonwealth invests the legislative power in a senate and house of representatives. Executive power lies with the Governor who is elected by the people. The judiciary is composed of the supreme court and a lower court sytem. It is a good system of government.

Mr. Speaker, I say again I am proud to have this opportunity to congratulate the fine American citizens and the distinguished Commissioner of the Commonwealth of Puerto Rico.

The Military Obligation of Young Americans

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1957

Mr. BRAY. Mr. Speaker, will you serve 2 years in the Army under the draft, or will you serve 6 months in training and then a few years attending weekly drills in a nearby armory with 15-day training each summer?

That is the choice confronting the young men of America who are under 26 years of age. Since the Army cannot obtain by enlistment enough soldiers to keep it at the strength our Government believes necessary, the additional men must be obtained by the 2-year draft.

The American people have always opposed maintaining a large Army during time of peace. Today the Army is relatively large, but it is far smaller than would be needed in any major emergency. To meet an emergency the United States must now, as it always has in the past, depend principally on a civilian Army raised in time of need. The nucleus of such a large civilian Army is our Ready Reserve, composed of the National Guard, called the militia from colonial days, and the Organized Reserve.

To meet this need our country now has developed a definite policy. The youth of America is being given an opportunity to join a Reserve—National Guard or Organized Reserve—unit and take either 11 weeks or 6 months of active duty training, followed by participation in Reserve training for a specified time. Reserve training usually consists of a 2-hour training period in the local armory each week and a 15-day summer training period in camp. A reservist receives the same pay for each drill period as he would receive for each day in the Regular Army.

MEN BETWEEN 17 AND 18½ YEARS OF AGE

Young men between 17 and 18½ years of age—until April 1 of this year—may enlist in the National Guard without taking any basic training and then must participate in Reserve training as set out above until they reach 28 years of age. After April 1 and before October 1 men between the ages of 17 and 18½ years of age may enlist in the National Guard, take 11 weeks' training and participate in Reserve training until age 28. Or if the volunteer takes 6 months' training instead of 11 weeks he will be required to serve only 3 years as an active reservist. After October 1 enlistments for the 11-week program will cease and only the 6-month program will be in effect.

MEN FROM 18½ TO 26 YEARS OF AGE

Until now young men from 18½ years to 26 years have had the choice of a regular enlistment in the services or waiting for a draft call. They now will have a new program which allows the young man in that age bracket to fulfill his military obligation by enlisting in the guard or Organized Reserve for 6 months' training and Active Reserve participation for 5½ years.

The young man may also wait until called by the draft for 2 years' active duty. After return from 2 years' training, he still has 2 years' obligation in the active Reserves. Since only those needed will be drafted, there will be some who, although not joining either the Guard or Reserve, will not be drafted. It is a calculated risk that some youths will prefer to take.

The program a young man selects does not reflect on his patriotism. Young men are merely, within certain limitations, allowed to choose how they will serve in peacetime; in the active Army or in the Reserve.

Al Butler, All-American

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1957

Mr. KEATING. Mr. Speaker, the city of Rochester, N. Y., is famed for many things, not the least of which is the excellence of its athletes. Added luster to the city's athletic reputation has come in recent years through the feats of native sons Johnny Antonelli, Bob Keegen, and Walt Dukes—to name just a few—in the ranks of professional sports.

For the last 4 years the city sports pages have been set ablaze by the feats of a young man still in high school. His name is Elbert (Al) Butler, and this year he led his East High School team to the city and section 5 AA basketball championships.

In the reason just completed, Al scored a recordbreaking 526 points in 16 league games. His total of 1,691 points for 4 seasons is another alltime high for the Rochester Interscholastic League, and his selection as an all-scholastic 4 years in a row is also an unprecedented feat.

Mr. Speaker, this fleet "phenom" was selected in a poll of high school, college, and professional coaches for an all-America high-school team published last Sunday in Parade magazine. A glance at Al Butler's record will attest to the soundness of this selection. All who have seen him in action add an emphatic amen to the superlatives which are clear from the figures alone.

His rebounding, feeding, and scoring proclivities have been nothing short of phenomenal and mark him as perhaps the greatest Rochester schoolboy athlete of all time. All of us in Rochester look forward with eager anticipation to the continuation of his feats in the years to come.

But perhaps the most remarkable thing about this young man is something which fails to show in the cold statistics of his athletic prowess. This is his unassuming modesty. It is well known in Rochester that Al has always been the first to give credit to his teammates and to praise them for any successes he personally has achieved.

This combination of modesty and ability—a virtue not always found in high school athletes—mark Al Butler as an all-around, all-American, fully worthy of this high award.

Mr. Speaker, I should like also to take this opportunity to salute the entire East High team for their winning performance in the recently completed New York State section 5 AA tournament. Great a part as Al Butler played in this accomplishment, he would be the first, I am sure, to say that it was a team performance which brought victory.

To all concerned, and especially Al Butler and coach Ben Daly, I extend congratulations on a job well done.

Louisiana Mardi Gras Ball Staged in Washington Is Gala Event

EXTENSION OF REMARKS

OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1957

Mr. WILLIS. Several years ago, Louisianians in Washington, unable to celebrate the Mardi Gras season in their home State, decided to bring Mardi Gras to the Nation's Capital. To feature this event they made it the occasion for appropriately honoring the queens of the Louisiana festivals dedicated to the State's principal industries.

Thus the Louisiana Mardi Gras Ball, promoted by the Louisiana State Society under the leadership of President Felix M. (Dan) Broussard, came into being, heralding an annual observance which has developed into one of Washington's most interesting and colorful entertainments, enjoyed by hundreds of Louisiana people and their guests each year. Members of the Louisiana delegation in Congress alternate as sponsors.

This year's ball, held in the grand ballroom of the Mayflower Hotel, Saturday night, February 23, and attracting more than 1,000 persons, honored the forest products industries of Louisiana. Serving as general chairman was Senator RUSSELL B. LONG, with President Broussard in charge of general arrangements. Ruling over their proud and loyal carnival subjects were Mr. Parrish Fuller, prominent business executive of Oakdale, as king, and Miss Barbara Boggs, daughter of Representative and Mrs. HALE BOGGS, of New Orleans, as queen.

Many of the Nation's leaders, headed by Vice President RICHARD M. NIXON, who presented the queen, joined in paying tribute to their majesties and to 26 lovely festival queens of Louisiana who, listed in alphabetical order, were:

Miss Marlyn Bradford, of Jena, Louisiana market poultry queen; Miss Eleanor Cammack, of Winnfield, forestry; Miss Yvonne Cheramie, of New Iberia, sugar; Miss Margaret Dellie Collins, of Bossier City, dogwood; Miss Martha Davis, of Lafayette, Lafayette Mardis Gras Association; Miss Lois Ann Doss, of Alexandria, domino queen; Miss Sherley Estes, of Iowa, Camellia; Miss Mary Jane Grace, of Baton Rouge, Greater Baton Rouge Mardi Gras; Miss Sondra Hogue, of Lake Charles, yamboree; Miss Janice Holloway, of Bogalusa, paper; Miss Carole Ann LeCompte, of New Orleans, spirit of Mardi Gras; Miss Suzonne Lindsey, of Bernice, peach; Miss Patricia Lormand, of Delcambre, Delcambre fishing industries; Miss Theresa Lovolpicello, of Buras, orange; Miss Eleanor McElveen, of Bogalusa, sweetheart of the American Legion; Miss Margie Moore, of Crowley, rice; Miss Billie Jon Mulhearn, of Bunkie, livestock and pasture; Miss Beverly Norman, of Shreveport, holiday in Dixie; Miss Nancy Precht, of Bell City, fur; Miss Claudry Prejean, of Abbeville, dairyland; Miss Betty Clyde Ratcliff, of Bastrop, North Louisiana Delta; Miss Margaret Richardson, of Haynesville, farm bureau; Miss Raye Rogan, of Baton Rouge, oil; Miss Beth Rogers, of Saline, cotton; Miss Colelene Starn, of Bogalusa, rose; Miss Janet Vidos, Morgan City, shrimp.

The young ladies in waiting to the queen of the ball, also listed alphabetically, were Miss Peggy R. Angelle, of Arnaudville, La.; Miss Corinne Boggs, of Washington, D. C.; Miss Elizabeth Coulon, of Washington, D. C.; Miss Kendall Flanakin, of Silver Spring, Md.; Miss Marsha McFarland, of Baton Rouge, La.; Miss Priscilla Mullins, New Iberia, La.; Miss Diane Nelson, New Iberia; Miss Mary Charlotte Parrott, Alexandria, La.; Miss Anne Scheyd, Arlington, Va.; and Miss Stephanie Voorhies, Lafayette, La.

Joseph Martin Broussard, of Silver Spring, was captain for the pageant, with John Holden, of Silver Spring, and William Hogan, of Alexandria, Va., as aids. Pages to the court were Dennis and Keith Pyburn, sons of Mr. and Mrs. Keith Pyburn, Sr., of Washington.

Guest narrator was Walter Cronkite, of Columbia Broadcasting System. Charles Bornwasser, of New Orleans, was technical adviser.

Adding much to the brilliance of this year's ball, Senator LONG introduced the Krewe of Louisiana, composed of maskers in gay costumes whose number included United States Senators and leading professional and businessmen of Washington. They provided the real Mardi Gras atmosphere as they distributed favors among the ladies and danced with those of their choice during a call-out modeled after a famed institution of New Orleans carnival. There was also the Famous Door Five, straight from New Orleans' Bourbon Street, to play Dixieland jazz in the best manner. A pantomime number was presented by Miss Susan Dupre, of Ville Platte, La.

Among the many Louisianians who came to Washington to enjoy the 1957 Mardi Gras ball were a number from my congressional district. They included Mr. and Mrs. Ray "Moon" Mullins and daughter, Kathleen, and Mr. and Mrs. H. A. Nelson, all of New Iberia; Dr. and Mrs. F. H. Davis, of Lafayette; Miss Marian deGravelle, of Jeanerette, who was chaperone for the festival queens; and Mr. and Mrs. Earl H. Willis, Mr. and Mrs. Anthony Randazzo, Dr. and Mrs. John A. Foti, Miss Blanche Gauthier, and Mr. John Talley, all of my home town of St. Martinville.

Tight Money and Small-Business Panel

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1957

Mr. ROOSEVELT. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to call the attention of the House to a report of a panel at the western Democratic conference, held at San Francisco on February 15, 1957, under the chairmanship of the Honorable WRIGHT PATMAN.

The report deals with the squeeze on small business as a result of this administration's tight-money policy, and urges the necessity for quick approval of House Resolution 85, providing for the Banking and Currency Committee to conduct a full investigation of national monetary and credit policies.

The problems of the small-business man are of concern to both Republicans and Democrats, and it is my hope that this report will receive careful consideration.

The report follows:

REPORT OF THE TIGHT MONEY AND SMALL BUSINESS PANEL

The panel on tight money reached the unanimous conclusion that home builders, construction workers, and small-business men were faced with a crisis of severe proportions unless the Federal Government intervened quickly to ease the tight-money squeeze. The panel's unanimous conclusions were particularly significant in the light of participation by many Republicans.

The reports by builders, building trades union spokesmen, and others emphasized the magnitude of the home-building crisis in the bay area. For example, from a level of 46,000 homes constructed in 1955 the number of starts fell to 30,000 in 1956 and current estimates indicate that the figure may fall below 20,000 for 1957 unless financing becomes more readily available quickly.

The cutback in housing has had substantial repercussions on the bay area economy. Unemployment among building construction workers is presently estimated at approximately 10 percent and the allied businesses connected with the building industry are already beginning to feel the impact. Similar views concerning the impact of the credit squeeze were expressed by the president of the Northern California Merchants Association, who pointed out that the number of small business failures had increased markedly, particularly in the lumber industry which, in turn, had been affected by the cutback in home building.

The problem confronting small-business men, home builders, farmers, and others affected by the tight money squeeze was depicted by Representative WRIGHT PATMAN, panel chairman, as essentially a problem of what basic economic decisions were going to continue to be left in the hands of private bankers acting in behalf of private interests or either the Government would assume its inescapable responsibility to see that the Nation's monetary and credit policy is directed toward promoting the welfare of all groups in the economy.

Congressman PATMAN said that the "bugaboo" of inflation had been used as an excuse by the administration to raise interest rates; that inflation was not the real problem confronting the country as evidenced by the declines in agriculture, in home building, and the small-business squeeze.

Joseph L. Eichler and other builders present agreed with Congressman PATMAN'S assertion that big business had had little or no difficulty in obtaining funds during the tight-money squeeze, while it had been literally impossible for homebuilders to procure mortgage funds at reasonable rates. For most of the year 1956, it was impossible for builders to obtain mortgage funds at any price and the supply of money available to small-business men was greatly curtailed and made expensive.

An extensive panel discussion, during which more than 30 individuals were heard, rejected as a possible solution to the money squeeze confronting small-business men, homebuilders, and others, the administration's proposal that interest rates should be permitted to rise, thereby attracting an increased flow of savings and making additional funds available for needed loans. Instead, the panel, with one exception, agreed that the time had come to end the interest spiral. What is needed to assure an adequate flow of funds into areas that are currently hit by the credit squeeze is a clear and unequivocal policy declared by the Federal Government that would provide the funds at reasonable rates should private industry continue to refuse to do so.

The panel specifically endorsed a Democratic congressional bill providing for direct Federal loans to support the GI mortgage market or, as an alternative, the investment of national service life insurance funds in GI mortgages at par value and, if necessary, additional purchase support by a substantially enlarged Federal national mortgage association program. The panel emphasized the substantial harm and inequities resulting from the widespread and exorbitant mortgage discount practice and endorsed

Democratic congressional bills prohibiting discounts on Government underwritten home mortgages.

Panel Chairman WRIGHT PATMAN, chairman of the House Small Business Committee, and Representative JAMES ROOSEVELT, a member of the House Small Business Committee, both criticized the inadequate approach of the present administration to the problems confronting the 4½ million small-business men of the country. The panel unanimously endorsed the recommendations of the House Small Business Committee that a more vigorous program of antitrust be carried out by the responsible Federal agencies; that needed tax relief for small business be enacted promptly as promised by the President and the special Cabinet Committee on Small Business before the November election; and, finally, that the Small Business Administration expand its program of credit aid for small business and procuring a fair share of distress contracts for smaller manufacturers.

The panel also endorsed Representative ROOSEVELT's recommendation that there should be created a Federal Small Business bank to help supply the missing link between the pools of individual savings and the small firms that have sound investment programs to offer.

The sense of the meeting was that at bottom, the solution of the basic long-term problem depended upon obtaining needed reforms in the monetary and financial structure of the country so that it would be more attuned to present-day needs of the country. In this connection, the panel expressed the hope that the Democratic National Conference can go on record and communicate its views to the chairman of the House Resolutions Committee regarding the urgent necessity for approving House Resolution 85, providing for the Committee on Banking and Currency to conduct a full and complete investigation and study with respect to any matter or matters in the field of national monetary and credit policies and the financial structure.

Representative WRIGHT PATMAN.
STANLEY CROOK.
JOSEPH L. EICHLER.

Hoxsey Cancer Treatment

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 4, 1957

Mr. HARRIS. Mr. Speaker, under leave to revise and extend my remarks in the CONGRESSIONAL RECORD, I desire to make a statement for the information of the Members of Congress and others interested in the subject of the Hoxsey cancer treatment and as to its status, that the Committee on Interstate and Foreign Commerce on March 6, 1957, expects a representative of the Food and Drug Administration to appear before the committee to discuss in a general way their current program and any recommendations for amendments of the Food and Drug and Cosmetic Act, which the Administration desires to submit to the Congress. In the course of these hearings, the committee will call upon the Food and Drug Administration to explain in greater detail its activities in connection with the Hoxsey cancer treatment.

The Food and Drug Administration has already submitted information with regard to judicial decisions relating to the Hoxsey cancer treatment which form the basis for the Administration's present activities in connection with this treatment.

On July 31, 1952, the United States Court of Appeals for the Fifth Circuit on appeal from a decision of the United States district court for the northern district of Texas, decided unanimously that:

> The overwhelming weight of credible evidence [introduced by the Food and Drug Administration] requires a conclusion that the representation that the Hoxsey liquid medicines are efficacious is false and misleading.

The court also made the following statement with regard to present recognized methods of cancer treatment:

> It is further true that despite the vast and continuous research which has been conducted into the cause of, and possible cure for, cancer the aggregate of medical experience and qualified experts recognize in the treatment of internal cancer only the methods of surgery, X-ray, radium, and some of the radio-active byproducts of atomic bomb production. This is so even though the ghastly truth is that these methods frequently fail and are, in many cases, themselves unsatisfactory. But it is true, nevertheless, that with present enlightenment they are our sole defense against the scourge of cancer.

Following the court decision on October 26, 1953, the Federal District Court in Dallas, Tex., enjoined Harry M. Hoxsey or his agents from shipping the cancer treatment or similar drugs in interstate commerce with any labeling suggesting or representing that they are effective in the treatment of cancer.

In March 1955 a supply of cancer pills and labeling was seized at the Hoxsey Cancer Clinic in Portage, Pa. The Government charged that the pills were the essential part of the Hoxsey cancer treatment and that the labeling which represented the treatment as effective for cancer was false and misleading. The case was tried before a jury which returned a verdict for the Government. The District Court at Pittsburgh issued a decree condemning the pills. The claimant has moved for a new trial.

On January 28, 1957, the Food and Drug Administration furnished for display in 46,000 post offices and substations throughout the continental United States a poster giving public warning against the Hoxsey cancer treatment. The poster states that cancer can be cured only through surgery or radiation and that those that are afflicted by cancer are warned not to be misled by the false promise that the Hoxsey cancer treatment will cure or alleviate their condition.

This action of the Food and Drug Administration was taken pursuant to section 705 (b) of the Federal Food, Drug, and Cosmetic Act which provides that the Secretary of the Department of Health, Education, and Welfare may cause to be disseminated information regarding food, drugs, devices, or cosmetics in situations involving, in the opinion of the Secretary, imminent danger to health, or gross deception of the consumer.

Mortgage and Finance Conference

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 4, 1957

Mr. MULTER. Mr. Speaker, it was my pleasure on March 1, 1957, to participate in the mortgage and finance conference of the Group Five Savings Banks Association at the Hotel St. George in Brooklyn, N. Y.

My remarks on that occasion were as follows:

STATEMENT BY HON. ABRAHAM J. MULTER, MEMBER OF CONGRESS, 15TH DISTRICT, NEW YORK, MADE BEFORE THE MORTGAGE AND FINANCE CONFERENCE OF THE GROUP FIVE SAVINGS BANKS ASSOCIATION ON MARCH 1, 1957, AT THE HOTEL ST. GEORGE, BROOKLYN, N. Y.

Mr. Moderator, distinguished guests, panel members, and friends, I appreciate the privilege extended to me to attend this conference and to talk to you.

This conference is well named, "A Mutual Approach." Although the subtitle for this panel discussion is "Housing, 1957," I will take the liberty to stray slightly but briefly from that subject.

At the outset, I wish to compliment all the sponsors and participants in this conference. It is a truly mutual effort. Only by cooperation between all segments of our economy can we continue to make progress.

A cooperation which seeks only to increase our own profits or to improve our own particular activities will defeat its very purpose. The public interest must never be overlooked even though the protection thereof many times may require us to give up some of that to which we may believe we are entitled.

NATIONAL MUTUAL SAVINGS BANKS

It was the public interest that caused me to introduce H. R. 4296, which authorizes the organization of national mutual savings banks and permits State savings banks and savings and loan associations to convert to national mutual savings banks. The obvious purpose of the legislation is to make available throughout the Nation the benefits which have been heretofore enjoyed by residents of those States where mutual savings banks now exist. Such banks not only promote thrift but they mobilize savings for productive, conservative investment and, more particularly, for long term or mortgage investment.

It was most heartening to me to find such unanimous support for this bill from one end of the country to another. It is also pleasing to note, that not a single savings bank in the State of New York has indicated any opposition to the bill. Most of them have indicated whole hearted support.

INTEREST RATES

There is much respectable opinion in favor of increasing mortgage interest rates in both the FHA and VA programs. I understand their argument, that it requires increased rates in order to bring more money into the mortgage market.

Let me make plain that I believe that more mortgage money is needed in the market. It is my belief that home building is one of the basic pillars of our economy. Home building, directly or indirectly, affects almost every industry and all those connected with it. It is not only the materials and labor that go into the home, but it is all of the incidentals that are required in order to make a house a home.

As a member of the House Small Business Committee, I am keenly aware of the fact that a cessation of activity in any field of endeavor, affects first the small-business man. The small builder, the local supplier of building materials, the local dealer in appliances, are the first to be hit when the building industry slows down.

This country needs not a cutback in new starts in home construction, as was evidenced in 1956, but an increase of the number of new starts in home construction over and above that which we had in prior years.

I will also agree that without mortgage money, you will not get this increase and you will not even get as many new starts as we had in 1956.

I will not agree, however, that the increase in mortgage interest rates on VA and FHA housing will supply the additional mortgage money.

I do not intend to get into any discussion with you here today about tight money, who is responsible for it and how we should relieve it, if we should.

I start with the premise that we are all in agreement that money is tight. I am not even concerned about quibbling with those who say money is not tight but that there just isn't enough to go around. The trouble is that when faced with the situation of either tight money or not enough to go around, the lenders obviously will place their money in those markets paying the biggest return for the shortest term.

Mortgage money traditionally and properly comes primarily from savings accounts or insurance funds which, in large part, serve a dual purpose, one of which is thrift.

When the commercial banks, however, are permitted to use their savings accounts for short-term loans there is no incentive for them to compete with the savings institutions for mortgage loans. The only means of competition that remains between them is the interest they pay on savings accounts.

I contend that an administration that had the public interest at heart, an administration that understood the need to keep savings available for long-term mortgage investment, would never have permitted the commercial banks to increase the interest rate on savings accounts. I say that supervisory banking authorities should require the proceeds of savings accounts to be invested only in long-term loans. I urge that, not solely to make those moneys available to the mortgage market, but as a matter of safety to the depositor and stockholder of the commercial bank.

I understand the desire of builders to bring more money into the mortgage market and of savings bankers to have more money deposited so that they can put it into the market. But they are on more solid ground when, instead, they urge that the public interest is against increasing the interest rate of savings accounts in commercial banks and against permitting commercial banks to use savings accounts for short-term loans.

Similarly, it is the public interest which causes me to oppose any increase in interest rates of FHA and VA mortgages. I do not believe that the increase in these interest rates will make more money available to the mortgage market. If the matter can be solved that simply, then the banks and lending institutions have it within their power to prove the correctness of that theory.

Except for the usury laws, there is no limitation on the right of a lender to charge any interest rate the mortgagor will pay. Let lenders bring to the mortgage market all the funds at their disposal at the highest rate that they can obtain.

They have no right, however, to seek the higher rate on mortgages guaranteed by the Government. Those guaranteed mortgages are just as good as Government bonds. They should bear no higher interest rate than Government bonds, plus only the additional charge that must be made to cover the incidental and necessary cost of administration, processing, servicing, and insurance.

I can already hear the lending officers and the builders shouting conventional mortgages are not the answer because the increased interest rate is only part of the story. What about the small downpayment on the purchase of the house? A conventional mortgage with a small downpayment will not comply with the investing requirements, as fixed by law, for most lending institutions. My answer to that is that you should address yourselves to changing that law.

I remember when lending institutions frowned upon amortizing mortgages. They complained such mortgages were too costly to service and did not give the stability to investment that the institutions required.

The Federal Government through the Home Owners' Loan Corporation, more than anything else, caused the lending institutions of the country to modernize their thinking on that subject, with the result that amortizing mortgages are the order of the day.

Isn't it time that you asked yourselves—hasn't the Federal Government again taught our financiers that low downpayment mortgages are good, safe investments?

If I am right, then address yourselves to removing the cause of your trouble rather than relying on a palliative.

That brings me to another pet theory of mine. I am opposed to government, National or local, engaging in business of any kind that private enterprise can do just as well or better.

Insurance, whether it be of mortgages or guaranties of credit, long or short term, is private enterprise and the sooner we get the Government out of that business, the better off we will be. The cries against the Federal Reserve Act and against the Federal Deposit Insurance Act were that they were steps toward socialism and nationalization of our banking system. No one has raised that cry against our system of Government insurance of mortgages.

I warn you, however, that that is getting closer to socialism and nationalization of lending, than anything that has heretofore happened in this country.

The Federal Government has now proved that that kind of a program is a good one, a profitable one, and there is no reason why the financial institutions of the country shouldn't take it over as private enterprise and get the Government out of it. When that happens, you will not have to go to the Congress to fix your interest rates.

Until that happens, I will continue to urge that the interest rates on Government insured mortgages should be comparable to that paid on Government bonds.

Nor do I agree with those who contend that interest on veterans loans should be the same as on nonveteran loans. I think there should be a difference. I think the veteran is entitled to some help in acquiring a home and part of that help should be a lower cost of acquisition as reflected by a lower interest rate on his mortgage.

HOW TO GET MORE MONEY INTO THE MORTGAGE MARKET

I have two suggestions as to how we can get more money into the mortgage market, apart from the matter of requiring commercial banks to put their funds into long-term investments.

In the 84th Congress, and again in this Congress, Congressman KEOGH joined with me in introducing a bill, H. R. 804, which would grant tax exemption on the interest received from loans to veterans, provided the interest rate on those loans did not exceed 3½ percent.

By such a simple enactment, the veteran could get a 3½-percent loan and the lender could get a net return free of taxation. There is nothing mandatory in that bill. It is entirely permissive. I am sure it would bring large sums of money into the mortgage market.

The loss of revenue to the Federal Government because of such tax exemption would be so small that it is hardly worth talking about.

If the cost of servicing a mortgage is about one-half of 1 percent, then a 3½-percent tax exempt veterans mortgage will yield a net of 3 percent to the lender.

My second proposal, to bring additional money into the mortgage market—covered by my bill, H. R. 3074—is to provide direct loans for veterans housing.

I know that my banker friends won't like that. The only assurance that I can give them is that it is an emergency expedient to cover the present temporary situation caused by a lack of mortgage money. If there is no lack of mortgage money, there is no need for the bill. By the same token, if there is ample mortgage money, there is no reason to increase the interest rate on VA mortgages.

If the money is available, it should be lent to these veterans at the lower rate. If there isn't enough available for both FHA and VA mortgages, let the lending institutions put their money into the FHA mortgages at the higher rate and while the dearth of money continues, let the Government make direct loans to the veterans. You ask, "Where will the money come from?" The answer is: "Out of insurance funds." Every insurance company and every pension fund, puts the bulk of its money into long-term mortgages.

The United States Government holds almost $7 billion as trust funds of the National Service Life Insurance Fund and of the United States Government Life Insurance Fund.

Let us take $1 billion of that money and lend it directly on VA mortgages at the same rate as Government bonds are paying, plus the additional sum necessary to cover the cost of processing, servicing, and guaranteeing. It will be less than 4½ percent to the veteran.

That will leave the lending institutions of the country free to use all their available funds for conventional mortgages and FHA insured mortgages. As soon as the market changes and additional funds are again available for both FHA and VA mortgages we can then suspend the direct-loan program. All of the organizations participating in this conference are quasi-public institutions. I know that they have the public interest at heart. I know that the profit motive is not their sole reason for existence.

I trust that my suggestions will not fail upon deaf ears.

Statement on Railroad Retirement Bills

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 4, 1957

Mr. DAVIS of Georgia. Mr. Speaker, on January 31, 1957, I introduced two bills, H. R. 4194 and H. R. 4195, to amend the Railroad Retirement Act and the Social Security Act. The House Interstate and Foreign Commerce Committee began hearings on amendments to the Railroad Retirement Act on March 11, 1957.

I was privileged to present a statement before the committee in support of these bills.

Under unanimous consent previously obtained I insert my statement herewith:

STATEMENT OF REPRESENTATIVE JAMES C. DAVIS, FIFTH DISTRICT OF GEORGIA, BEFORE THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE ON RAILROAD RETIREMENT BILLS

Mr. Chairman and gentlemen of the committee, I appreciate very much your courtesy and consideration in extending me the privilege of appearing before your committee in behalf of the two bills I have had the honor to introduce and sponsor.

The first of these that I would enlist your consideration of is H. R. 4194.

This bill has three major objectives: (1) It repeals the dual benefit restrictions on spouse's annuities; (2) it allows survivor benefits under both the Social Security Act and the Railroad Retirement Act; (3) it removes the restriction on dual survivor benefits under the Railroad Retirement Act.

Under existing provisions of the Railroad Retirement Act the spouse of a retired railroad worker cannot receive the full spouse's annuity under the act if entitled to social security benefits, in which case the amount of the spouse's annuity would be reduced by the amount of such benefits. This is true whether the spouse has applied for such dual benefits or not. This restriction is equally applicable to a parent's insurance annuity under the Railroad Retirement Act. The spouse's annuity would be reduced by the amount of the parent's annuity.

Similarly an individual who is entitled to more than one insurance annuity under the Railroad Retirement Act as the surviving widow, widower, child or parent of a deceased railroad worker can receive only the one of such annuities which is the largest.

Finally, an individual cannot receive any social-security benefits (including a lump-sum death payment) as the survivor of an employee if he is entitled to an insurance annuity under the Railroad Retirement Act on the basis of the wages of the same employee.

This bill which I have introduced would remove these restrictive provisions of the act so that in no case would an individual lose any part of the social-security benefits to which he may otherwise be entitled merely because he is also entitled to a railroad annuity. Also an individual would not lose any part of a railroad annuity to which he is entitled merely because he is also entitled to a social-security benefit or to another railroad annuity.

The people of this Nation that have been most adversely affected by the inflation of the past 18 years are those who are or have been dependent upon pensions and annuities for their livelihood.

We all know what has happened to the value of the dollar. Its purchasing power has been reduced at least 50 percent. The majority of the Railroad Retirement Act was enacted in 1937. Compare the 1939 dollar with 1957. See what today's dollar buys in comparison with what it bought in 1939. It is unrealistic to contend that one can even exist today on the same amount that provided a comfortable living less than 20 years ago.

At a time when an individual's earning power has decreased or vanished entirely it is an impossibility for him to survive on a fixed pension or annuity that has failed to keep pace with the inflation in the value of the dollar.

We must not allow the living standard of our pensioners and annuitants to be reduced below a mere subsistence. This is especially true with respect to those annuities which have been purchased with sound dollars.

It is our duty to remove the restrictive provisions of the Railroad Retirement Act that would prevent a wife from receiving a social security benefit that she has earned solely because her husband may have earned an annuity for her by his service with a great industry. My bill would do only this. It would provide equity where it is most needed.

I have many retired people in my district who find it increasingly difficult to make their annuities meet the requirements of daily living. It is for this reason that I urge the approval of this bill. It will allow some of them to increase their annuity by an amount equal to that which they would otherwise be entitled to receive under the Social Security Act were it not for the present restrictions.

The second bill which I urge your favorable consideration is H. R. 4195. This bill would amend section 2 (a) (4) of the Railroad Retirement Act which presently requires certain permanently disabled individuals to attain the age of 60 years before they may receive their annuities. My bill would revise this section so as to lower the age limit to 50 years.

Here again we must consider the change in the situation of our country. Today the qualifications for employment of persons beyond the age of 50 have changed so very much since the enactment of the Railroad Retirement Act that we must give consideration to such present conditions. In the not too distant past an individual could live adequately on a very small income. Today that income must be increased.

This amendment to the act would allow a physically disqualified railroad employee with 10 years' service to receive his full pension at the age of 50 years whereas now he must wait until he reaches the age of 60.

Here again, I would point out that I have many people in my district that are adversely affected by the present restriction and I would seriously urge favorable action upon this bill so that the Government might do economic justice to these worthy individuals.

Finally, Mr. Chairman, I would urge your approval of these bills in fairness and equity for these people who have to bear the burdens of inflation and decreased earning power in a period that has seen the cost of living persistently increase month after month until pensions and annuities that in the past provided a decent living today hardly provides a subsistence level.

Alexander Hamilton Bicentennial

EXTENSION OF REMARKS

OF

HON. FREDERIC R. COUDERT, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1957

Mr. COUDERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following interim report of the Alexander Hamilton Bicentennial Commission:

ALEXANDER HAMILTON BICENTENNIAL

LETTER OF SUBMITTAL

ALEXANDER HAMILTON BICENTENNIAL COMMISSION,
Washington, D. C., February 7, 1957.

Hon. RICHARD M. NIXON,
President of the Senate,
Senate Office Building,
Washington, D. C.

MY DEAR MR. PRESIDENT: The Alexander Hamilton Bicentennial Commission, to signalize the 200th anniversary of the birth of Alexander Hamilton, has the honor to submit the following interim report, in accordance with section 6, Public Law 601, chapter 770, 83d Congress, 2d session, approved August 20, 1954.

Respectfully yours,

KARL E. MUNDT, *Chairman.*

INTERIM REPORT OF THE CHAIRMAN OF THE ALEXANDER HAMILTON BICENTENNIAL COMMISSION

WASHINGTON, *D. C., February 1, 1957.*

To the Senate and the House of Representatives:

During the 7 months since the last report the small staff of the Commission has carried forward the work of planning for the bicentennial year which opened on Friday, January 11, 1957.

Opening day ceremonies which were widely publicized by all media, were held in Washington, D. C.; New York City; Chicago; Nevis in the British West Indies; Paterson, N. J., which was founded by Hamilton; Baltimore; Habana, Cuba, where a joint session of the Cuban Congress held a memorial session; and in all United States Armed Forces installations at home and abroad.

Commemorative stamps were issued on January 11 by the United States Post Office Department and the British postal authorities. First-day cancellations of the United States stamp were in New York City and the British stamp on the island of Nevis, Hamilton's birthplace. Not only was this the first time, so far as could be learned, that two governments have issued stamps honoring one man on the same day, but also it was the first occasion on which the British have issued a stamp honoring a distinguished American. Both these stamps were inspired by the Commission.

The major New York City ceremony was held on the steps of the Federal Hall Memorial, at Wall and Nassau Streets, the site of the first Capitol of the United States. The Chairman of the Alexander Hamilton Bicentennial Commission participated, as did D Battery of the 5th Field Artillery, United States Army. This battery traces its history to the artillery company Hamilton organized in 1776 in New York, and which he commanded at the battles of Brooklyn Heights, Harlem Heights, White Plains, Trenton, and Princeton. It has the longest record of continuous service of any unit in the United States Army. The battery was flown from Fort Riley, Kans., for the ceremony.

Prior to the Federal Hall Memorial exercises, special Hamilton observances were held by the American Stock Exchange and by the New York Stock Exchange. After the exercises wreaths were placed on Hamilton's grave in the nearby Trinity churchyard by D Battery, the Columbia University Alumni Association, the Alexander Hamilton Post of the American Legion, and by the Sons of the American Revolution.

In Washington, ceremonies were held at the south portico of the Treasury Department building with Vice President RICHARD M. NIXON and Secretary of the Treasury George M. Humphrey participating. Mr. Humphrey placed a wreath at the base of the Hamilton statue which stands in front of the main entrance to the Treasury building.

Chicago ceremonies were held at the Hamilton Memorial in Lincoln Park. James M. Kemper, chairman of an Illinois Hamilton Commission named by Governor Stratton, spoke at this wreath-laying ceremony.

At the Nevis ceremony, a plaque was unveiled on behalf of the commission at the site of Hamilton's birthplace. On the following day, at St. Croix in the American Virgin Islands, where Hamilton lived and worked as a youth, the ceremonies included the erection of a historic marker on the public square in Christiansted by the commission. On behalf of the commission an oil portrait

of Hamilton, a replica of a Trumbull painting, was presented to the people of St. Croix to hang in Government House. The programs in the West Indies were arranged by the commission's committee on birthplace and boyhood home.

On Sunday, January 13, a special Hamilton memorial service was held at the Washington Cathedral. It was conducted by the Reverend Alexander Van Cortlandt Hamilton, of Norwalk, Conn., great-great grandson and ranking direct descendant of Hamilton. The commission chairman also participated in this memorial service.

The commission's Hamilton bicentennial exhibit was officially opened on Monday, January 14, in the main building of the Treasury Department. This exhibit is made up of historic documents and Hamilton memorabilia and includes the famous "Weimar" portrait of Hamilton painted for the city of New York by John Trumbull, an equally famous Stuart portrait of George Washington which Hamilton once owned, the manuscript of Hamilton's "major draft" of Washington's Farewell Address, Washington's final draft of the Farewell Address, and Washington's own copy of the first edition of the Federalist, presented to him by John Jay. These and other items in the exhibit are priceless treasures of Americana.

A substantial part of the commission's effort has been concentrated on the stimulation of books and articles on Hamilton. Already 2 excellent illustrated magazine articles have appeared, 1 in Life and the other in the New York Times Magazine. Other articles are being scheduled for publication throughout the year.

The commission takes especial pride in three books which have just been published. These are:

The Basic Ideas of Alexander Hamilton, a 35-cent pocket book, a selection of excerpts from Hamilton's writing and State papers, edited by Prof. Richard B. Morris of Columbia University. The low price of this authoritative 451-page book, a comprehensive view of Hamilton, fulfills the Commission's hope that such a book would be published at a price which would make it readily available to every American.

Alexander Hamilton and the Founding of the Nation (published by Dial Press), also edited by Professor Morris, is a larger and more complete collection of excerpts from Hamilton's writings. This book, which sells at $7.50, is the February selection of the History Book Club, and it is likely to become the standard 1-volume reference book on Hamilton.

Alexander Hamilton in the American Tradition, by Dean Louis M. Hacker of Columbia University (published by McGraw-Hill), is a book that will go far to correct misconceptions of Hamilton's ideas, motives, and achievements, and their value to the United States in these critical times.

Also to be published this year is a biography of Hamilton in 2 volumes by Prof. John C. Miller of Leland Stanford University (Little, Brown & Co.), the first volume of a 2-volume life of Hamilton by Prof. Broadus Mitchell of Rutgers University (the Macmillan Co.), Alexander Hamilton: Selections Representing His Life, His Thought, and His Style, by Prof. Bower Aly (Liberal Arts Press), and Alexander Hamilton on Public Credit, Commerce, and Finance, with an introduction by J. Harvie Williams (Liberal Arts Press).

Shortly after the Commission was established, Time, Inc.; and the Rockefeller Foundation granted $200,000 to Columbia University for the preparation and publication of a new and definitive edition of Hamilton's papers. This work is being carried on under the direction of Dr. Harold C. Syrett, executive editor. It is hoped that the first volume of these papers can be published before the end of 1957.

President Eisenhower, on September 17, 1956, the anniversary of the signing of the Constitution of the United States, issued a proclamation establishing the Alexander Hamilton Bicentennial Year and calling upon all officials, State and Federal, and all citizens to observe the bicentennial. Subsequently, governors of the several States, with a few exceptions, issued State proclamations. In a number of States special State committees or commissions have been established to cooperate with this Commission.

Throughout the bicentennial year on suitable dates various ceremonies and programs will be held in many localities, in all of which Hamilton's work in establishing the United States will be the major theme. Several major television dramatic shows are planning Hamilton programs. In addition, there will be many local and area programs on both radio and television. Educational radio and television programs have already carried, and are planning, additional Hamilton programs. A good many of these will be discussed in classrooms. National organizations in many fields which have endorsed the Commission's objectives are cooperating in all appropriate ways.

The Commission's Advisory Committee on Education, of which Dr. Henry M. Wriston is chairman, has recommended to institutions of higher learning that special lectures on Hamilton be held, that special library exhibits and suggested courses of reading be established and that Hamilton's work be emphasized in classes on history, economics, political science, and public speaking. Many of the institutions are planning to carry out these recommendations.

The Advisory Committee on Contests and Awards, headed by Dr. Bower Aly, has recommended that the Commission undertake the sponsorship of national contests, on a State-by-State basis in high schools and colleges with scholarships and fellowships as awards to the winners. The national finals in each contest are to be in the form of American student constitutional conventions in Independence Hall, Philadelphia, in June. The Commission has been authorized by the Congress to receive private funds for such a purpose. Final details of the financing of this scholarship-fellowship program remain to be worked out.

Correction of canards and misconceptions of various acts and views of Hamilton, or attributed to him, has been one of the purposes of the Commission. Many opportunities have arisen to make such corrections. One of them is worthy of inclusion in this report. The quotation attributed to Hamilton and widely published over the years, "Your people, sir, your people is a great beast," is without basis, according to an exhaustive check by the Library of Congress as the following letter states:

"LEGISLATIVE REFERENCE SERVICE,
"THE LIBRARY OF CONGRESS,
"*Washington, D. C., December 26, 1956.*

"Hon. J. HARVIE WILLIAMS,
"*Director, Alexander Hamilton Bicentennial Commission,*
Washington, D. C.

"DEAR MR. WILLIAMS: This is to confirm our telephone conversation of December 19, 1956, regarding the alleged Alexander Hamilton quotation, 'Your people, sir, your people is a great beast.'

"We have searched the Library collections, and we regret to report that we have been unable to establish the original source of the quotation.

"The alleged quotation does appear in the following publications, but in each case, however, the source for the statement is omitted.

"Adams, Henry. History of the United States of America During the Administration of Thomas Jefferson. New York: Albert and Charles Boni, 1889, volume I, page 85.

"Adams, James T., Editor. Hamiltonian Principles. Boston: Little, Brown & Co., 1928, page xii.

"Nevins, Allan. Alexander Hamilton. Dictionary of American Biography. New York: Charles Scribner's Sons, 1932. Vol. 8, page 179.

"Sandburg, Carl. The People, Yes. New York: Harcourt, Brace & Co., 1936, pages 53 and 54.

"Williams, John S. Thomas Jefferson, His Permanent Influence on American Institutions. New York: Columbia University Press, 1913, page 153.

"Sincerely yours,

"ERNEST S. GRIFFITH,
"*Director.*"

Respectfully submitted.

KARL E. MUNDT,
Chairman, Alexander Hamilton Bicentennial Commission.

The following is a list of members of the Commission:

EX OFFICIO

The President of the United States.
The Vice President of the United States.
Speaker of the House of Representatives.

CHAIRMAN

KARL E. MUNDT, South Dakota.

VICE CHAIRMAN

FREDERIC R. COUDERT, JR., New York.

UNITED STATES SENATE

HARRY FLOOD BYRD, Virginia.
THOMAS C. HENNINGS, JR., Missouri.
IRVING M. IVES, New York.

HOUSE OF REPRESENTATIVES

CARROLL REECE, Tennessee.
PETER W. RODINO, JR., New Jersey.
JOHN J. ROOMEY, New York.

PRESIDENTIAL COMMISSIONERS

Lt. Gen. Milton G. Baker, Pennsylvania.
Edward R. Burke, Maryland.
Mrs. Marie Brown Colin, District of Columbia.
Laurens M. Hamilton, Virginia.
George M. Humphrey, Secretary of the Treasury.
Clark Haynes Minor, New York.
Dr. John A. Krout, New York.
Mrs. Robert P. Patterson, New York.

SECRETARY

W. Randolph Burgess, Under Secretary of the Treasury.

ASSISTANT SECRETARY

Robert A. Dillon, Treasury Department.

The Federal Highway Program

EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, March 4, 1957

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered before the National Crushed Limestone Institute, in which I discussed the Federal highway program.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BEFORE THE NATIONAL CRUSHED LIMESTONE INSTITUTE

It would be difficult, indeed, to overestimate the value of the highway program that is just now getting under way.

Transportation, communication, is vital to a great nation. It is vital to the industry of a nation, to the health, to the happiness, and to the security of the nation.

The highway program, the bill of which I was coauthor, cannot be claimed by anyone exclusively from the standpoint of credit. I doubt if the program would have been enacted today if President Eisenhower had not suggested it, if General Clay and his committee had not made a study and a report and a recommendation. Then it came to the Congress and, as Mr. Patton suggested, it was necessary for someone to take the responsibility of pushing it to final enactment, pushing to final enactment a bill that would be acceptable to the Congress, to the administration, and to the country.

That was not an easy task. We found the plan which General Clay and President Eisenhower recommended as unacceptable. But finding unacceptable the details of a plan to answer a great national need was not sufficient.

It was incumbent upon those of us who found the details of that particular plan unacceptable to propose a constructive substitute which, in our opinion, would be better.

That we did and that was my particular responsibility.

The battle was hard fought. In 1955, the bill passed the Senate but was killed in the House.

In 1956, we went all the way, passing it in both Houses and President Eisenhower signed it into law.

You can imagine that I suffered a little chagrin when one night during the campaign I was watching television, seeing a very interesting performer perform, and heard President Eisenhower claim credit for my bill.

I made some jesting remark about this to the subcommittee which had worked on the bill. Thereupon, Senator HRUSKA inquired, "Who signed it into law?"

I had no answer.

So the program is partly that of President Eisenhower. It is part that of Congress; it is part of the Bureau of Roads, of the State highway commissioners; many people had a part in bringing to fruition this dream, long held.

Now, there is another job, again a job requiring teamwork, again a job, a task in which many people can play a part. That is, the conversion of the dream, of the plan of the bill, the law, into the actual construction of highways.

When one has a career in Congress, he is fortunate if, during the course of a career, he can carve out for himself, or if a kind fate assigns to him, a particular role of importance.

It was by chance, so to speak, that this role of highway authorship became my fortune.

Upon entering the Senate, I asked to be assigned to committees other than the Public Works Committee. I did not get what I wanted that day, so they gave me what was left. I had no particular choice as to what subcommittee I served on. Senator CHAVEZ put me on the Highway Subcommittee. I had really never thought that within a short period of time in the Senate that I would become chairman of that subcommittee. I was at the foot of the list in membership.

Two years ago, however, Senator HOLLAND went to the Appropriations Committee; Senator SPENCE went to another committee; there were enough changes until I suddenly found myself chairman of the Highway Subcommittee. But again, I asked to be assigned to another committee, asked to leave the Public Works Committee. Again I didn't get what I wanted and kept what was left.

So, you see, had I been assigned to the Senate Finance Committee, or to the Senate Appropriations Committee, or to the Foreign Affairs Committee, all of which were of my preference, I would not have been intimately connected with highway legislation at all.

Yet, no matter how long I may be privileged to remain in the Senate, it may be that the fondest landmark of my service will be the Highway Act of 1956.

So, one can never tell, in this journey of ours through life, whether, in public life or private life, just what turn of fortune may be most fortuitous.

Last fall, I became concerned with what I regarded as tardiness of the interstate highway program. So I decided to call a hearing immediately after the convening of the 85th Congress.

My apprehensions were given foundation by the evidence that has been brought out at the hearing.

There are two things of primary concern: (1) there is a lack of uniform progress; (2) there is a threat of serious steel shortages.

Now, when we had hearings 2 weeks ago, there were, I believe, about 20 States—I may not be correct in that estimate—there were several; I would say about 20 States—that had committed less than 20 percent of their 1957 fiscal year interstate allotments.

Five or six States were in the zero column.

Some other States, fortunately, had 100-percent commitment of 1957 funds.

So, you see, we ran from 0 to 100 percent in the initiation, in the commitment of 1957 funds in this vital program.

I call that a serious lack of uniformity.

I asked the Bureau of Public Roads—I know it must have been a little unpleasant for them to do so—but I asked them to prepare a list naming those States that were in the 0 column, naming those States that were in the 20-percent column, in the 40, the 50, the 85, and the 100.

I made this information public.

Well, you know, it happened that my State had a good record, so I will take my State as an example.

If a story had appeared on the front pages of the newspapers, and had been broadcast on radio and television that Tennessee was one of those States in the zero column, in getting this vital highway program started, I imagine that Commissioner Leech and Governor Clement would have had some telephone calls, and I imagine there would have been some conferences and maybe Tennessee would have gotten busy. Fortunately, Tennessee had already been busy and, fortunately, some other States have gotten busy because, Captain Curtis of the Bureau of Roads tells me that there is only one State in the zero column 10 days later.

The purpose of the committee hearings is not to criticize the Bureau of Roads; not to criticize various State highway departments.

The purpose, instead, although some people may become criticized by the facts, is to bring this program into early initiation, to keep it on schedule in construction. Else the people soon will be complaining that they have paid for highways that they haven't got and, unless, ladies and gentlemen, there is a uniform progress, then people such as you, for instance, may have added capacity, may have added stockpiles and inventories for which you have no ready market.

Unless there is uniform progress, then some States, 10 years from now, will be well along the way; others will be well back in the march.

I think the hearings have produced the beneficial results thus far.

I think that it was unfortunate that we did not have early a permanent administrator. I know there were many factors involved. Secretary Weeks came up to the Senate last year, just a few days before Congress adjourned, and he came to see me personally about it and said that he needed very much to have a position created as Highway Administrator, needed badly, needed a man badly in that position.

Well, I frankly thought that a bipartisan commission of, say, three men with long terms might be a better method of administration, freeing the program from the dangers of partisan politics. But I did not let that stand in the way. Here was a vast program, beneficial to the whole Nation. Though I felt it could be better administered the other way, the Secretary of Commerce said he needed this position, a man in that position. We cleared the tracks. We passed the bill in a matter of hours. But the permanent administrator is not on the job yet. I am glad that one is now nominated. From what I hear of him, it appears to be a good selection, though I do not believe that I have yet met the gentleman. I hear very good reports of him.

I am not bringing this up as a matter of criticism, but it is one of the things that has retarded the program and I think it is best for all of us to have all of the facts out on the table on this program. I consider one of my principal jobs as a Member of the United States Senate, this year, and I think that one of my principal jobs as a Member of the United States Senate for several years to come, will be that of exercising surveillance over this vital program to see to it that it is prosecuted to completion in all of the States as nearly on schedule as possible.

Now, I come to the second matter of most serious concern, and that is the threatened shortage of steel. Nearly every witness who has appeared before our committee, whether from equipment manufacturing, material supply, contractors' organizations, or what, have been optimistic; but most of them have had one reservation, provided steel is available.

Now, I have not asked representatives of your organization to testify because preliminary inquiries have satisfied me that the aggregate industry had responded to the highway program, to the enactment of the law, that the aggregate industry had made plans for increased production to meet the need. I may be in error, but I felt reasonably satisfied. I felt very disturbed about steel, somewhat disturbed about cement. So I have asked those two industries to testify and they are coming up tomorrow.

The testimony that was presented this morning by Mr. Leon Kyserling indicates that with a projection of the price curve on steel, with the projection of the demand for steel, and the projection of productive capacity of steel, indicates sharply increasing prices in the immediate future and a gap between supply and demand of some 15 million tons by 1960.

If that be true, it is serious.

I am not an economist. Mr. Kyserling is a very respected economist—controversial in some respects, sure—in the political arena—but few people have found serious fault with his economic predictions for the past several years.

For instance, 2 years ago, Mr. Kyserling predicted that by 1960 the total national output would be $500 billion. Two years ago the economist of the administration disagreed with that. They thought it was too high.

Just a few days ago, the administration made its estimate of national product in 1960 and their estimate is now $500 billion, the same as Mr. Kyserling's estimate 2 years ago as to what it would be in 1960.

I just cite that as an indication that he is a rather conservative man in his predictions.

Well now, ladies and gentlemen, whatever the future is, let us talk about the present.

Presently, the delivery date on steel products runs as high as 20 months behind and

I understand that practically all the concerns have an escalator clause in their contracts.

I have been told, also, that every now and then contractors and businessmen will get telephone calls from gray market operators and that sometimes they are selling steel at twice the market price, the supposed market price.

So, we are already in the gray market area on steel with a black market threatened.

I have no legislative proposals to make in this regard. I am not here discussing this problem with any intent of leading up to the introduction of a bill to have the Government build steel plants. I don't think that is necessary.

I do believe that I can play a responsible role in the solution of this problem by having a responsible public discussion of the problem and a disclosure of the facts and the truth of the situation. A democracy has a way of solving problems through understanding.

If the businessmen of our country, if private enterprise in our country, understand that there is to be a greater demand for steel in the future than there is productive capacity to supply, then some enterprising man or group will either expand and add to their productive capacity, or some enterprising group will build a new steel mill all upon their own. That is the American way of solving the problem. I hope that our hearing will have that effect.

Now, suppose that this predicted serious shortage does occur. I think it is already rather acute, don't you? Gray market operations already have doubled the price with 20 months' delivery date now, escalator clauses, prices going up all the time.

But if it becomes far more acute, then the financing plan of the program is askew. Then cost estimates on which the program is based are rendered invalid, unrealistic. Then a contractor who proposes to buy aggregate from you may be held up for a year, for 18 months on a project for want of steel. Meanwhile you are holding a bag full of aggregate.

So you see, unless this program moves uniformly, many people will be hurt. If it does move uniformly, many people, in fact all of America, will be vastly benefited.

It is in the performance of this task that I am now engaged.

I hope that this year, next year, and the next year, and the years after, that through cooperation with the various segments of the highway construction industry, road-building organizations, the Bureau of Roads, the Department of Commerce, the Congress, the State Highway Commissioners, all working together in teamwork, we can bring this program to completion on schedule and link all the principal cities of America with multilane ribbons of the most magnificent highway system any nation on earth has ever had. Then we will feel justified in saying, "A job well done."

SENATE

TUESDAY, MARCH 5, 1957

(Legislative day of Saturday, March 2, 1957)

The Senate met at 10:30 o'clock a. m., on the expiration of the recess.

Rev. William K. Penn, pastor, St. James Evangelical and Reformed Church, Haverton, Pa., offered the following prayer:

Almighty God, Thou who art the God of our Nation, and in whom we do trust, we pause to bring our prayers of praise and thanksgiving unto Thee for Thy constant care and grace.

Gracious Father, we humbly seek Thy guidance for this our Nation and for those who govern us. Grant unto these Thy servants Thy good counsel, Thy great wisdom and understanding as they deliberate upon the great issues confronting us. Pour out Thy spirit upon them, giving them new insights, wisdom, and power. Be their constant counselor as they make far-reaching decisions. Grant unto all of us strength and courage to carry out our several tasks.

Where we have trusted too much in ourselves and not enough in Thee, we ask pardon and peace. Save us from violence, discord, and confusion, from pride and arrogance.

Increase, our Father, in every nation the sense of human brotherhood and the desire for greater ties of friendship, concord, and harmony.

So guide, direct, and govern us in all ways that we may reveal Thy will, way, and purpose to all mankind.

We pray through Him, Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, March 4, 1957, was approved, and its reading was dispensed with.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, under the previous order, it is my understanding that the Senator from Nevada [Mr. MALONE] now has the floor. If the Senator will permit me to do so, I shall be glad to suggest the absence of a quorum, with the understanding that the time consumed in the calling of the quorum will not be charged to his time. I make my offer as a courtesy to my friend from Nevada, who extends so many courtesies to me.

Mr. MALONE. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Nevada may yield to me for the purpose of suggesting the absence of a quorum, with the understanding that the time consumed in the calling of the quorum will not be charged to the 30 minutes granted to him under the unanimous-consent agreement.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of William J. Jameson, of Montana, to be United States district judge for the district of Montana, vice Charles N. Pray, which was referred to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H. R. 676. An act to authorize the city of Rock Hill, S. C., to acquire certain tribal lands on the Catawba Indian Reservation, S. C.;

H. R. 2781. An act to amend the act entitled "An act to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area," approved October 11, 1951;

H. R. 3025. An act to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to Marshall, John, and Little Streets adjacent to the New York Naval Shipyard, Brooklyn, N. Y., and for other purposes; and

H. R. 4815. An act to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 676. An act to authorize the city of Rock Hill, S. C., to acquire certain tribal lands on the Catawba Indian Reservation, S. C.; to the Committee on Interior and Insular Affairs.

H. R. 2781. An act to amend the act entitled "An act to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, Calif., area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area," approved October 11, 1951; and

H. R. 3025. An act to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to Marshall, John, and Little Streets adjacent to the New York Naval Shipyard, Brooklyn, N. Y., and for other purposes; to the Committee on Armed Services.

H. R. 4815. An act to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes; placed on the calendar.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to make an announcement while several Senators are on the floor.

The leadership is very hopeful that a vote on final passage of Senate Joint Resolution 19 may be obtained before the Senate concludes its business today. As all of us realize, we came in as early as possible this morning in view of other engagements. There is to be a congressional reception at the White House tonight at 9 o'clock. I want to accommodate as many Senators who desire to attend that reception as I possibly can. So probably we will not continue in session beyond 7 or 7:30 if the joint resolution has not been passed. However, I expect the Senate to remain in session that long, unless it has completed action on the joint resolution.

I have appealed to all my colleagues whom I could reach on this side of the aisle to limit their remarks on the resolution in the hope that we may act promptly on the many amendments which have been proposed. I believe that we will have the cooperation of Senators on the majority side of the aisle, generally speaking, and I hope that we may have similar cooperation from Senators on the minority side of the aisle. The distinguished senior Senator from Nevada [Mr. MALONE] has set a good example this morning, and I appreciate the courtesy he has extended to me.

If the joint resolution tonight is passed, I hope it will be possible for the Senate to go over until Thursday or Friday, and then to have a call of the calendar. I do not anticipate any yea-and-nay votes on the day the calendar is called. However, I cannot give a guaranty that there will not be any such votes, because some business of the Senate might occasionally demand one. In that event, of course, the majority leader will suggest the absence of a quorum.

Following the completion of the call of the calendar, it is proposed to have the Senate go over until next week. At that time it is planned to have the Senate consider a bill reported yesterday by the Senator from Virginia [Mr. ROBERTSON] from the Committee on Banking and Currency. That bill will entail some controversy, and some amendments will be offered. I anticipate that there will be at least 2, 3, or 4 days' debate on that measure.

That is about as far ahead as I can see at this time. I wanted to give all Senators the benefit of the information which I have.

In the light of the developments which are occurring—the withdrawal of the Israeli troops and the forthcoming occupation by United Nations troops—I believe it is extremely important that the Senate act at the earliest possible moment on the joint resolution now under consideration. I think my colleagues have been given ample opportunity to express themselves on the subject. In the light of the very important decisions which have been made in the Middle East and in the United Nations in the last few hours I hope the Senate itself will make its decision promptly.

I thank my colleagues.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Soil Conservation and Domestic Allotment Act, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

EXTENSION OF AUTHORITY FOR SECRETARY OF AGRICULTURE TO MAKE SPECIAL LIVESTOCK LOANS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to extend the authority of the Secretary of Agriculture to make special livestock loans, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

ASSISTANCE TO FARMERS IN DISASTER AREAS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide for participation by States and local agencies in assistance to farmers in major disaster areas (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON NEED FOR SUPPLEMENTAL ESTIMATE OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation for the Department of Health, Education, and Welfare, Social Security Administration, Bureau of Old-Age and Survivors Insurance for "Salaries and expenses," for the fiscal year 1957, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON EXPORT CONTROL

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on export control, for the fourth quarter of 1956 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years (with an accompanying paper); to the Committee on Government Operations.

REPORT ON PROPOSED PRESIDENTIAL ARCHIVAL DEPOSITORY

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting, pursuant to law, a report on a proposed Presidential archival depository to be known as the Harry S. Truman Library, dated February 11, 1957 (with an accompanying report); to the Committee on Government Operations.

ACQUISITION OF LANDS FOR GEOLOGICAL SURVEY

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of December 24, 1942 (56 Stat. 1086, 43 U. S. C., sec. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey" (with an accompanying paper); to the Committee on Interior and Insular Affairs.

JOB OPPORTUNITIES FOR HIGHER AGE GROUPS—CONCURRENT RESOLUTION OF WEST VIRGINIA LEGISLATURE

Mr. REVERCOMB. Mr. President, I desire to call the attention of the Senate to what I consider a grave problem, and one which is becoming more serious. I present it to the Senate at this time, together with a concurrent resolution from the Legislature of the State of West Virginia.

I do so in the hope that the Federal Government can take steps to lead the way in giving employment to men and women of older age groups. I desire to call attention to a situation confronting a large segment of the people of this country.

I refer to the many able-bodied men and women in the upper age groups who are finding it increasingly difficult to obtain employment in the places of work throughout our country.

I fully realize that because of our highly industrialized, competitive society, business and industry may find it economically desirable to give employment priority to people in the younger age groups. However, it is vitally important that, in the interest of a strong, productive society, the door-of-work opportunities shall not be closed to those who are 40 years of age and older. This is what is occurring, however.

Obviously, Congress cannot enact legislation compelling industry to hire workers of any particular age. Nor would it be desirable to do so. However, I feel it is imperative that both Government and industry give more attention to this problem. Moreover, I feel that Government can, and should, take the lead in encouraging greater consideration of the older age group on Government works and services. Also, I feel it is incumbent upon business and industry to cooperate, insofar as possible, in providing job opportunities for this large segment of the working population.

Limitation of job opportunities for our older workers is not only causing hardship to many individuals and their families; it is also resulting in a great waste of vital human resources. This is a problem which is creating no little concern all over the country. It comes before us from day to day.

Mr. President, I have now on my desk a concurrent resolution adopted by the Legislature of the State of West Virginia calling attention to this situation. I ask unanimous consent that the concurrent resolution may be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 17

Concurrent resolution memorializing the Congress of the United States to give favorable consideration to the problem of job opportunities for people in higher age groups up to the age of retirement

Whereas because of our modern complex, competitive, society, business and industry have found it economically desirable to employ people in lower age groups; and

Whereas business and industry seldom employ persons in the higher age groups except in technical, specialized, high-skilled trades and executive capacity; and

Whereas people in the higher age groups now find a dearth of job opportunity and such unemployment has become a national problem; Therefore, be it

Resolved by the senate (the house of delegates concurring therein), That the Congress of the United States is hereby requested to give consideration to this national problem of limited job opportunities for persons in the higher age groups; and, be it

Resolved further, That the secretary of state is hereby directed to forward attested copies of this concurrent resolution to the President of the United States Senate, the Speaker of the House of Representatives, and to each member of the West Virginia delegation in the Congress of the United States.

I hereby certify that the foregoing is a true and correct copy of Senate Concurrent Resolution 17, adopted by the senate February 22 and the house of delegates on February 25, 1957, according to the official records in my office.

J. HOWARD MYERS,
Clerk, Senate of West Virginia.

RESOLUTION OF LA CROSSE (KANS.) CHAMBER OF COMMERCE

Mr. CARLSON. Mr. President, I have just received a resolution from the La Crosse Chamber of Commerce, of La Crosse, Kans., urging that the Government give serious consideration to subcontracting work in the rural areas and in some of our smaller factories.

The President has just submitted a message to Congress, in which he makes certain recommendations for alleviating the economic distress in the drought areas. I was pleased to note that one of the recommendations which should be given consideration is "job opportunities through industrial development."

As I have stated on several occasions, the mechanization of agriculture makes it imperative that we make some very definite plans along this line if we are to preserve and maintain a strong domestic economy.

I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the area comprising the Central Kansas Industrial Development Association is in the drought stricken area of Kansas, and, whereas, this drought condition is of such serious nature that regardless of favorable weather conditions, it will affect the economical condition of this area for not less than 2 years in the future. And whereas, the oil industry which we have enjoyed for the past many years, is rapidly depleting. And whereas, many small machine shops which have been tied in with the oil and agriculture, are finding it impossible to stay in business and that such industries are manned with the very best of mechanical help:

Now therefore, we, the members of the La Crosse Chamber of Commerce in regular assembled meeting on this 7th day of February 1957, do hereby memorialize our Government to consider a means of assisting such small industries as well as additional industries, in financing, leasing, and otherwise securing the necessary machine tools to participate in the many subcontracts which the national defense program is creating. Thus furnishing them with the necessary help and information needed to participate in these lettings.

This is one positive way of balancing the economy of this area which is and has been depending entirely on oil and agriculture, and will create part time employment for many small farmers, who otherwise will have to move off the farm.

That copies of this resolution be mailed to the following persons and departments as well as to the President of the United States, Dwight D. Eisenhower, Senator Carlson, Congressman Breeding.

LLOYD MAGGARD,
President, La Crosse Chamber of Commerce.

RESOLUTION OF THE WISCONSIN COUNTY HIGHWAY COMMISSIONERS' ASSOCIATION

Mr. WILEY. Mr. President, I received this morning an important resolution adopted by grassroots highway leaders of the State of Wisconsin on the issue of securing the assignment of additional frequencies for use by highway departments.

The resolution points out how important it is to overcome the existing shortage of radio frequencies available to States, counties, and municipalities for vital performance in the course of street and highway construction.

I present the resolution, and ask unanimous consent that it be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed in the RECORD, as follows:

RESOLUTION ON ALLOCATION OF RADIO FREQUENCIES TO STREET AND HIGHWAY SERVICES

To the Honorable Chairman and Members of the County Highway Commissioner and County Highway Committeemen Associations.

GENTLEMEN:

Whereas there is a serious shortage of radio frequencies available to States, counties, and municipalities for street and highway construction, maintenance, and operation; and

Whereas the lack of adequate radio service is handicapping the said governmental units in the efficient conduct of their work; and

Whereas there will be an increasing need for radio service for these governmental functions because it has resulted in economies in operation and better service to the public; and

Whereas the technical problems of frequency allocation and system operation are common to all the said governmental units and can best be met by cooperative and joint action; and

Whereas it appears that the Federal Communications Commission is currently considering the matter of allocation of the additional frequencies which will be made available by the subdivision of the present channels in the 159.51 to 161.79 megacycle band: Now, therefore, be it

Resolved, That the Wisconsin County Highway Commissioners' Association and the Wisconsin County Highway Committeemen's Association in joint meeting endorse the resolution adopted by the American Association of State Highway Officials on November 30, 1956, urging the Federal Communications Commission to provide additional frequencies in the 25 to 50 megacycle and 152 to 162 megacycle bands for use by highway departments; and be it further

Resolved, That the said associations urge the American Association of State Highway Officials to request the Federal Communications Commission to allocate for the exclusive use of States, counties, and municipalities for street and highway services the additional channels to be made available by the subdivision of the present channels between 159.51 and 161.79 megacycles; and be it further

Resolved, That the said associations urge cooperative action by all governmental agencies responsible for street and highway construction, maintenance, and operations services and their State and national associations in securing adequate and satisfactory frequency allocations from the Federal Communications Commission.

Respectfully submitted.

COMMITTEE ON USE OF RADIO, STATE OF WISCONSIN.

Hon. ROBERT ROEMER,
Mayor, City of Appleton.

RAY HOFFMAN,
Radio Technician, Wisconsin Motor Vehicle Department.

DOUGLAS LEWIS,
Radio Technician, Dane County.

E. F. BRUNETTE,
Highway Commissioner, Brown County.

WAYNE VOLK,
Traffic Engineer, State of Wisconsin.

Adopted by County Highway Commissioners' Association of Wisconsin, January 23, 1957.

Attested:

FRANCIS FOX,
Secretary.

Adopted by County Highway Committeemen's Association of Wisconsin, January 23, 1957.

Attested:

HARRY SKEIVER,
Secretary.

PRESERVATION OF SCENIC BEAUTY ALONG FEDERAL INTERSTATE HIGHWAY SYSTEM—LETTER AND EDITORIAL

Mr. WILEY. Mr. President, I have previously commented on the Senate floor on the deep interest of the people of Wisconsin—an outdoor-minded State—in the preservation of scenic beauties along the Federal Interstate Highway System.

Toward that end, I bring to the attention of my colleagues a letter which I have received this morning from Mrs. George L. Swearingen, State president of the Wisconsin Garden Club Federation. She urges protective action in the interest of preserving our American heritage.

I present the letter, and I append to it an important editorial from the Sunday, March 3, issue of the Milwaukee Journal, commending pending legislation offered by the junior Senator from Oregon [Mr. NEUBERGER] and my colleague from Milwaukee, Representative REUSS, for

this purpose. I ask unanimous consent that the letter and editorial be printed in the RECORD, and that the letter be thereafter referred to the Senate Public Works Committee, for consideration in the course of the vital hearings now under way.

There being no objection, the letter was referred to the Committee on Public Works, and the letter and editorial were ordered to be printed in the RECORD, as follows:

WISCONSIN GARDEN CLUB FEDERATION,
West Bend, Wis., March 3, 1957.

Senator ALEXANDER WILEY,
Senate Office Building, Washington D. C.

DEAR MR. WILEY: I am writing you concerning the hearings on bill 963 coming before Senator GORE's Subcommittee on Roadside Development.

The 3,000 members of the Wisconsin Garden Club Federation support Federal legislation requiring protective measures and scenic easement from the edge of the right of way on each side of the highway, these easements to be acquired at the time the right-of-way is procured.

Also, we strongly urge Congress to restrict advertising along the $27 billion superhighway network in the interest of safety and beauty.

We are counting on your efforts to help us in our support of the "Keep America beautiful" program.

Sincerely yours,
Mrs. GEORGE L. SWEARINGEN,
State President, Wisconsin Garden Club Federation.

[From the Milwaukee Journal of March 3, 1957]

KEEP BILLBOARDS FROM NEW INTERSTATE HIGHWAY SYSTEM

If a man built a handsome house and then surrounded it with a hideous fence, we would say he ought to have his head examined.

Yet we Americans are in the process of pouring $27.5 billion into construction of 41,000 miles of interstate highways and so far we have taken no steps to prevent these roads from becoming billboard alleys.

When the mammoth Federal highway-aid bill was before Congress last year, an amendment to ban all billboards along the new Federal system was beaten. Perhaps this prohibition was too drastic (billboards are certainly all right in some nonscenic places) and infringed upon State rights. Now, however, companion bills have been introduced by Senator NEUBERGER, Democrat, of Oregon, and Representative REUSS, Democrat, of Wisconsin, to provide a way for the States to safeguard beauty spots along the highways.

The suggested procedure is uncomplicated. Billboards would not be universally banned. The 90-percent Federal aid available for construction would simply be extended to help States purchase scenic easements on private property extending 500 feet back from the highway right of way.

The proposal is not novel. New York State granted this power to the private authority which built the famous toll throughway from New York City to Buffalo. Congress has also authorized such easements along scenic parkways.

In Wisconsin the only use which the State highway commission has made of scenic easements is along the Mississippi River. Under Congressional authority and our legislature's act of consent, modest sums have been spent to keep billboards away from stretches of highway rebuilt as parts of the Great River road. Magnificent views of the river and the bluffs have thus been preserved.

Whether the Neuberger-Reuss bill wins Congressional passage or fails, the Wisconsin Legislature should wisely enact a bill to protect the almost 500 miles of interstate highway that will be built in Wisconsin. Even if paid for entirely by the State, the scenic easements would prove a splendid and not excessively costly investment.

RESOLUTION OF MUNICIPAL PUBLIC UTILITIES COMMISSION, OWATONNA, MINN.

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Municipal Public Utilities Commission of the City of Owatonna, Minn., opposing the enactment of any legislation which would weaken or impair jurisdiction of the Federal Power Commission under the Natural Gas Act.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution opposing any bill relating to weakening of Federal Power Commission jurisdiction under Natural Gas Act

Whereas it has been made to appear to the Municipal Public Utilities Commission of the city of Owatonna, Minn., that the Brooks bill, H. R. 3363, was introduced in the House of Representatives which is identical to the Harris-Fulbright bill passed by the 84th Congress and vetoed by the President, and that other bills have been proposed in the United States Congress and that such bills relate to an amendment to the Natural Gas Act; and

Whereas the primary purpose of Congress in adopting the Natural Gas Act of 1938 was to protect consumers from exploitation by suppliers of natural gas, while at the same time assuring suppliers of a fair and reasonable price for their product; and

Whereas the means whereby the Congress accomplished this purpose was to confer jurisdiction upon the Federal Power Commission to fix reasonable rates for the sale of natural gas in interstate commerce for resale to consumers; and

Whereas citizens of the city of Owatonna, Minn., are consumers of natural gas, and are directly interested therein; and

Whereas it has been made to appear that passage of the proposed bill, hereinabove referred to, would impair the jurisdiction of the Federal Power Commission and usurp the rights of such Commission in providing for reasonable rates: Now, therefore, be it

Resolved by the Municipal Public Utilities Commission of the city of Owatonna, Minn., at a regular meeting duly held on the 26th day of February 1957, all members being present and voting in favor hereof, That the municipal public utilities oppose the enactment of any Federal legislation which would weaken or impair the jurisdiction or the functioning of the Federal Power Commission under the Natural Gas Act, as the same relates to regulation of and controlling and providing for reasonable rates to the supplier of natural gas.

NEEL H. MCROSTIE,
President.
LAWRENCE R. HASENNO,
Clerk.

RESOLUTIONS OF MINNESOTA COOPERATIVE SHIPPING ASSOCIATION

Mr. HUMPHREY. Mr. President, I have just received a notice from the Kerkhoven, Minn., Cooperative Shipping Association of two resolutions of this organization on foreign trade and agriculture research. I ask unanimous consent that the text of these resolutions be printed at this point in my remarks and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

KERKHOVEN, MINN.,
February 25, 1957.

Mr. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR MR. HUMPHREY: Enclosed you will find resolutions adopted at the Kerkhoven Co-op Shipping Association's annual meeting to which we would like to have you give your careful attention.

FOREIGN TRADE

We feel the section of Public Law No. 480 which provides that 50 percent of our surplus commodities must be moved by our maritime fleet should be repealed.

Resolved, That Government funds be made available for increased research in finding new uses for farm commodities.

Yours truly,
CORNELIUS MOLENAAR,
President.
REUBEN STVERSON,
Secretary.
SAM NYQUIST,
Manager.

RESOLUTION OF THE SOLWAY (MINN.) FARMERS UNION LOCAL

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Solway Farmers Union Local of Solway, Minn., on the subject of possible antitrust violations and advertising policies of the livestock processing industry.

I ask unanimous consent that the resolution may be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

SOLWAY FARMERS UNION LOCAL,
Solway, Minn., February 25, 1957.

Senator HUBERT H. HUMPHREY,
Senate Building,
Washington, D. C.

DEAR SIR: The following resolution was passed by our Farmers Union Local at their meeting held on February 21. It is requested that you take whatever action is possible to implement this resolution.

Whereas livestock prices have been in a depressed state for many years and are still declining, resulting in the farmer receiving about 50 percent of the old parity price for his livestock—especially cattle—after the costs of transportation, commissions, insurance, etc., are deducted; and

Whereas the profits of the processors and packers have been increasing enormously, indicating that no effective competition exists in the buying, selling, or processing end of the livestock marketing system: Be it hereby

Resolved, That the Solway Local of the Farmers Union, Solway, Minn., go on record as calling this to the attention of their representatives in Congress with the request that they call this matter to the attention of the Antitrust Division of the Department of Justice, and request that investigations be instituted to determine if antitrust laws may be being violated by the livestock processing industry.

The Solway Farmers Union Local also desires to call to your attention the Mundt-Eastland bill known as S. 646 which would set up a checkoff system for advertising purposes. We believe that the packing industry could divert some of their advertising funds

to selling meat instead of trying to explain away their large profits and the wide spread between livestock prices and the processed meat prices.

Sincerely,
O. A. MOE,
President.
J. C. GUSTAFSON,
Secretary.

THE MIDDLE EAST—RESOLUTION OF WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM

Mr. HUMPHREY. Mr. President, I have recently received from the national board of the United States section of the Women's International League for Peace and Freedom a resolution recently adopted by them concerning the withdrawal of Israeli troops from occupied territory and the possibility of sanctions against Israel.

I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Washington, D.C.

To: The Secretary of State, Ambassador Henry Cabot Lodge, Jr.; the Honorable Harold E. Stassen; Senators Hubert H. Humphrey and William F. Knowland; and members of the United States delegation to the United Nations.

From: Mrs. Annalee Stewart, legislation secretary, United States section.

RESOLUTION RE NEAR EAST PASSED BY THE NATIONAL BOARD, FEBRUARY 8–10, 1957

The Women's International League for Peace and Freedom supports the United Nations resolution calling on Israel to withdraw its armed forces from Gaza and the Gulf of Aqaba, recognizing this fulfillment of the General Assembly resolution as an essential step toward securing the peace of its member states. Believing that the application or threat of sanctions against the State of Israel, or against any party to a given dispute, further diminishes the opportunity for peaceful solution, the Women's International League for Peace and Freedom unequivocally opposes such action. It urges instead continued exhaustive exploration of all avenues that might lead to the removal of obstacles and the allaying of fears which block accord.

RESOLUTIONS OF THE AMERICAN BEEKEEPING FEDERATION, INC.

Mr. HUMPHREY. Mr. President, Minnesota is one of the leading honey-producing States of the Nation. In other areas the honeybee is a necessary part of American agriculture. For that reason I would like to call to the attention of my colleagues, and particularly members of the appropriate committees concerned with the resolutions, resolutions unanimously passed at the annual convention of the Beekeeping Federation at Long Beach, Calif., January 28 through February 1.

Mr. President, I ask unanimous consent that a letter to me from Robert Banker of Cannon Falls, Minn., secretary-treasurer of the American Beekeeping Federation, containing these resolutions, may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN BEEKEEPING FEDERATION, INC.,
Cannon Falls, Minn., February 23, 1957.

Hon. HUBERT HUMPHREY,
United States Senate,
Washington, D.C.

DEAR SIR: The following resolutions were unanimously passed at the annual convention of the American Beekeeping Federation at Long Beach, Calif., January 28 through February 1:

"10. To expedite interest and participation in the check-off plan, be it hereby resolved that we request the honey packers and dealers to automatically deduct from all honey purchased (except in California, Idaho, or any other State having a marketing order) the 1 cent per can from the producer and contribute 1 cent per can with the provision that the producer's share may be refunded on written request.

"13. Whereas the honey support-price program has been considered one of the most workable of the agricultural support programs: Therefore be it

"*Resolved,* That the American Beekeeping Federation commend the officials of the United States Department of Agriculture for their services in behalf of the beekeeping industry and recommend the same type of program be continued at 80 percent of parity or 11 cents per pound, whichever is greater.

"14. Whereas the export subsidy program for honey has been of inestimable value in the removal of surplus honey in the past: Be it

"*Resolved,* That the export subsidy program be held in abeyance but ready to use if and when it is needed to move surplus honey.

"16. Whereas no research and marketing advisory committee in the United States Department of Agriculture is giving any consideration to research on honey; and

"Whereas we are informed that it is almost mandatory that recommendations from such a committee are necessary before the United States Department of Agriculture will include increases for honey research in a proposed budget; and

"Whereas all the other phases of beekeeping research are under the jurisdiction of the Seed Research and Marketing Advisory Committee which has declined to consider utilization research on honey; be it

"*Resolved,* That the Department of Agriculture be petitioned to appoint a representative from the beekeeping industry as a member of the Sugar Research and Marketing Advisory Committee; be it further

"*Resolved,* That if the Department of Agriculture should decide to make an appointment that they give consideration to Roy A. Grout of Hamilton, Ill., as a member of the Sugar Research and Marketing Advisory Committee, and the officers of this organization be instructed to present this resolution to the Secretary of Agriculture.

"17. Whereas the use of west coast and intermountain honey in the Eastern States is practically limited to the premium grades of honey produced in the western areas; and

"Whereas the prices returned to the producers by the world's largest honey packer, Sioux Honey Association, a cooperative, are the same in all States for like quality; and

"Whereas population increases tend for the consumption of more of the western honey locally: Therefore be it

"*Resolved,* That the price differential of the Department of Agriculture honey price support program be discontinued and the officers of this organization be instructed to petition the proper United States Department of Agriculture authorities concerning the removal of this price differential.

"18. Whereas the honeybee is recognized as a necessary part of American agriculture and contributes to the national welfare by its pollination activities as well as the production of honey and beeswax; Be it

"*Resolved,* That for the American public to be better informed relative to the importance of the honeybee, the American Beekeeping Federation requests the United States Postal Department to design, print, and sell a postage stamp depicting the honeybee.

"20. *Be it Resolved,* That we support the efforts of W. F. Straub & Co. to remove the discriminatory part of the proposed prune juice order which prevents honey from being used as an added ingredient as heretofore used in the product and further that we collaborate with the National Honey Packers and Dealers Association in selection of representatives of the council to appear in Washington at the scheduled hearing to support this effort.

"22. Whereas the United States is a large producer of fine quality honey needing export outlets for a healthy market condition; and

"Whereas the countries in Western Europe are in the main countries which produce insufficient honey for their own requirements; and

"Whereas some of these same countries which produce insufficient honey for their own use have tariff rates ranging from 30 percent to 85 percent ad valorem, thus making honey an expensive luxury for the average family: Be it therefore

"*Resolved,* That the American Beekeeping Federation and the National Honey Packers and Dealers Association, with the endorsement of the Honey Industry Council of America respectfully petition the Department of State and the Department of Agriculture of the United States Government to conduct a continuing and vigorous effort to have these tariffs reduced at least to the levels of the Benelux countries where the tariff is only 12 percent: and be it further

"*Resolved,* That representatives of the above organizations go to Washington at an early date and at the highest possible levels of Government, follow through on this all important industry matter."

ROBERT BANKER,
Secretary-Treasurer, American Beekeeping Federation, Inc.

RESOLUTION OF FORT ROCK (OREG.) GRANGE, NO. 758

Mr. MORSE. Mr. President, I view with grave concern the plight of many of our farmers today. This is a concern that I know is shared by many of my distinguished colleagues, including the very able junior Senator from Oregon [Mr. NEUBERGER], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Missouri [Mr. SYMINGTON], to name but a few. The problems that face our farm population in this age of rapid technological change and innovation are well exemplified by the following resolution which I recently received from the Fort Rock Grange, No. 758, of Fort Rock, Lake County, Oreg.

I ask unanimous consent that the resolution be inserted in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FORT ROCK GRANGE, NO. 758,
Fort Rock, Oreg., February 22, 1957.

Hon. Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SIR: The Fort Rock Grange, assembled in regular session, February 9, 1957,

unanimously passed the following resolution, with instructions to send a copy to you, RICHARD NEUBERGER and AL ULLMAN.

Whereas loans from the FHA have become increasingly hard to get and interest rates have gone up; and

Whereas the original purpose of these loans was to help those who were unable to get local bank loans; and

Whereas there has been a rapid transition during recent years from horse type of farming to a highly mechanized-type farming, making it difficult for the small operator with limited finances to purchase the necessary equipment to compete with other larger and wealthier operators; and

Whereas longtime low-interest loans are necessary in the Fort Rock Valley to develop new farms and help existing operators to purchase electrical equipment and up-to-date equipment for the economical development of their lands; and

Whereas the Fort Rock area has been discriminated against in making loans in spite of the fact that some irrigated farms have been in successful operation since 1928, and the capabilities of the valley in regard to quantity of available underground water and productivity and actual production was proven to the officers of the REA before they loaned the money to build the powerline to this area: Therefore, be it

Resolved, That we the members of Fort Rock Grange respectfully request that every effort be made to establish long-term, crop and chattel Farmers' Home Administration, low-interest loans of 15 years or longer. Also, that water-facilities loans be made available.

Respectfully yours,

EDWIN A. ERKELIN,
Master.

ROBERT MORSHOUSE,
Secretary.

Mr. MORSE. Mr. President, irrigation water is vital to the production of farm crops in many parts of Oregon. I am seriously disturbed at the thought that under the present administration there may have been a curtailment of the essential and productive water-facility program of the Farmers' Home Administration in the Pacific Northwest. I want the RECORD to show that I intend to ascertain the facts concerning this matter. If it should appear that the program has been curtailed, the farmers of my State have the assurance that I shall work for prompt corrective action.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PAYNE, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 235. A bill to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service (Rept. No. 133); and

S. 236. A bill to amend section 6 of the act of June 20, 1918, as amended, relating to the retirement pay of certain members of the former Lighthouse Service (Rept. No. 134).

INVESTIGATION OF COMPANIES IN PRODUCTION OF NEWSPRINT IN INTERSTATE COMMERCE BY FEDERAL TRADE COMMISSION—REPORT OF A COMMITTEE

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, reported an original concurrent resolution (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce, and submitted a report (No. 135) thereon, which was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Federal Trade Commission (hereinafter referred to as the "Commission") is hereby authorized and directed to make a full and complete study and investigation of the activities and practices of companies engaged in the production, distribution, and sale of newsprint that are doing business in interstate commerce, for the purpose of determining whether any such activities and practices constitute an unlawful interference with interstate commerce or a violation of the antitrust or other laws. In making such determination, the Commission shall give particular attention to any shortages of newsprint that may exist in various parts of the United States and the causes and remedies thereof, the general price situation in connection with the sale of newsprint in interstate commerce, the prices charged by, and the pricing practices and methods of, the various companies which are subject to the investigation herein provided for, and any other activities or practices that the Commission may deem advisable to investigate for the purposes of this concurrent resolution.

SEC. 2. In carrying out its duties under this concurrent resolution, the Commission is authorized to use the services and facilities of, and to secure information from, any executive department, agency, instrumentality, or independent establishment; and each such department, agency, instrumentality, or independent establishment is authorized and directed to furnish such services, facilities, and information upon the request of the Commission.

SEC. 3. The Commission shall make reports to the Congress from time to time with respect to the results of such investigation, and shall make its final report to the Congress not later than March 1, 1958.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Robert O. Boyd, of Oregon, to be a member of the National Mediation Board.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Forty-one postmasters.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS (for himself and Mr. IVES):

S. 1475. A bill to increase, in the case of children who are attending school, from 18 to 21 years the age until which child's insurance benefits may be received under Title II of the Social Security Act; to the Committee on Finance.

S. 1476. A bill to provide for granting employees of the postal field service time off for one State holiday each year; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JAVITS when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 1477. A bill for the relief of Jaime Cabrera Bernal; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 1478. A bill for the relief of Klara Fritzsche; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 1479. A bill to authorize the transfer of certain housing projects to the city of Decatur, Ill., or the Decatur Housing Authority; to the Committee on Banking and Currency.

By Mr. ALLOTT:

S. 1480. A bill for the relief of Martha A. McDermott Stothard; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1481. A bill to amend the Merchant Marine Act of 1936, to provide for utilization of commercial marine terminal facilities by the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 1482. A bill to amend certain provisions of the Columbia Basin Project Act, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 1483. A bill to amend the act of August 27, 1954 (68 Stat. 883) relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries; to the Committee on Interstate and Foreign Commerce.

S. 1484. A bill for the relief of William Peck; and

S. 1485. A bill for the relief of Arctic Maid Fisheries, Inc.; to the Committee on the Judiciary.

(See the remarks of Mr. MAGNUSON when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. YOUNG:

S. 1486. A bill to provide for wheat-marketing quotas without acreage allotments; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 1487. A bill to extend for 3 years the Hospital Survey and Construction Act; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1488. A bill to provide for the national defense, protect the foreign and interstate commerce, and to safeguard the interests, convenience, and necessity of the people of the United States, and promote the United States Merchant Marine; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (by request):

S. 1489. A bill to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes;

S. 1490. A bill to amend part II of the Interstate Commerce Act to require the filing of brief statements by motor carriers subject only to the safety and hours of service regulations of the Interstate Commerce Commission;

S. 1491. A bill to revise the Transportation of Explosives Act, chapter 39, title 18, of the United States Code, as amended; and

S. 1492. A bill to provide more adequate and realistic penalties for violations of certain statutes administered by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. POTTER:

S. 1493. A bill to amend the Immigration and Nationality Act to provide that certain aliens may be deported for failure to register as required under authority of section 3 of the Universal Military Training and Service Act; to the Committee on the Judiciary.

By Mrs. SMITH of Maine (for herself, Mr. PAYNE, and Mr. NEUBERGER):

S. 1494. A bill to amend the Soil Bank Act to enable producers of Irish potatoes and other nonbasic agricultural commodities to participate in the acreage-reserve program; to the Committee on Agriculture and Forestry.

(See the remarks of Mrs. SMITH of Maine when she introduced the above bill, which appear under a separate heading.)

By Mr. LONG:

S. 1495. A bill to amend the Internal Revenue Code of 1954 to allow attorneys' fees incurred in suits defending or perfecting title to real property to be deducted as expenses; to the Committee on Finance.

S. 1496. A bill for the relief of Nicoleta P. Pantelakis; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. NEUBERGER, and Mr. PURTELL):

S. 1497. A bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. J. Res. 71. Joint resolution authorizing the President to invite the various foreign countries to participate in the international boxing tournament to be held in Seattle, Wash., in August 1957; to the Committee on Foreign Relations.

CONCURRENT RESOLUTIONS

The following concurrent resolutions were submitted or reported, and referred, or placed on the calendar, as indicated:

JOINT COMMITTEE TO INVESTIGATE PROBLEMS CREATED BY EXPANSION OF WASHINGTON METROPOLITAN AREA

Mr. BEALL submitted the following concurrent resolution (S. Con. Res. 19), which was referred to the Committee on the District of Columbia:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of the members of the Committee on the District of Columbia of the Senate and the members of the Committee on the District of Columbia of the House of Representatives. The joint committee shall select a chairman and a vice chairman from among its members. A majority of the joint committee shall constitute a quorum except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 2. The joint committee, or any duly authorized subcommittee thereof, shall examine, investigate, and make a complete study of any and all matters pertaining to (a) the problems created by the growth and expansion of the District of Columbia and its metropolitan area, (b) how and with what degree of success such problems are handled and resolved by the various agencies and instrumentalities of the Government which are charged with the duty of resolving such problems, and (c) how the resolution of such problems is affecting the affairs of the District of Columbia. The joint committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate and the House of Representatives at the earliest practicable date, but not later than January 31, 1958. Upon the submission of such report, the joint committee shall cease to exist and all authority conferred by this resolution shall terminate.

SEC. 3. The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures, as it deems advisable.

SEC. 4. The joint committee shall have power to employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

SEC. 5. The expenses of the joint committee, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, reported the following concurrent resolution, which was placed on the Calendar:

S. Con. Res. 20. Concurrent resolution authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce.

(See concurrent resolution printed in full, which appears under the heading "Reports of Committees.")

RESOLUTION

Mr. SMITH of New Jersey submitted the following resolution, which was considered and agreed to:

S. Res. 111. Resolution to extend greetings to the Legislative Assembly of Ghana.

(See resolution printed in full, which appears under a separate heading.)

BENEFITS FOR CERTAIN SCHOOL-CHILDREN UNDER TITLE II OF SOCIAL SECURITY ACT

Mr. JAVITS. Mr. President, on behalf of my colleague, the senior Senator from New York [Mr. IVES], and myself, I introduce, for appropriate reference, a bill to increase from 18 to 21 years—in the case of children who are attending school—the maximum age for receiving benefits under title II of the Social Security Act. I wish to make a brief statement relating to the bill.

The present law works a severe hardship on widowed mothers trying to provide a college education for their children by cutting off social security benefits when the dependent child reaches 18. However, if the law is amended as proposed, then some 110,000 young Americans now 18 through 20 years of age would receive an average payment of $50 a month until their 21st birthday, so long as they remain in school. Such an extension of social security coverage will cost approximately $65 million a year—or only about 1 percent of our total social security payments annually.

Some of the groundwork for extending coverage in this manner was laid last year when Congress enacted Public Law 880, which provided that both the widowed mother and her dependent child who was disabled would continue to receive benefits if the child's disability occurred before age 18. Similar coverage to include mothers in the bill I am introducing would cost approximately $30 million a year.

Today, when the cost of a college education is soaring—when educators estimate that at least 100,000 gifted high-school students cannot afford to go to college—this bill would allow the dependent child an average of $600 a year to help defray expenses. It seems to me that at a time when our country must develop the mental as well as the physical manpower to maintain its position at home and abroad in the decades of decision ahead, we must do everything in our power to encourage as many of our youth as possible to complete their education.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1475) to increase, in the case of children who are attending school, from 18 to 21 years the age until which child's insurance benefits may be received under title II of the Social Security Act, introduced by Mr. JAVITS (for himself and Mr. IVES), was received, read twice by its title, and referred to the Committee on Finance.

THE RIGHTS OF UNITED STATES VESSELS ON THE HIGH SEAS

Mr. MAGNUSON. Mr. President, at the request of the commercial fishing industry and individuals directly concerned with incidents which have caused losses and injuries to United States citizens while engaged in fishing on the high seas, I am introducing, for appropriate reference, three bills, one to amend Public Law 680, 83d Congress, the act of August 27, 1954 (68 Stat. 833), to protect the rights of vessels and citizens of the United States on the high seas and in territorial waters of foreign countries. That act, passed during the 83d Congress, places the responsibility on the Secretary of State to take prompt and appropriate action in behalf of any private vessel of the United States and its crew whenever such vessel is seized by a foreign country on the basis of rights or claims in territorial waters or the high seas which are recognized by the United States. Existing law provides that if a fine must be paid in order to secure the prompt release of the vessel and its crew, the Government shall reimburse the owners in the amount of the fine.

I believe that when such illegal acts take place the very security and rights of our citizens to engage in trade and commerce on the seas is thereby threatened, and in the interest of keeping the sealanes open and secure to vessels and crews of the United States, that this act be amended to direct the Treasurer of our Government to pay the actual expenses and losses along with compensation to injured seamen, as certified to him by the Secretary of State.

In addition to this amendment, I offer two bills for relief claims, which involved one of the most serious incidents of illegal seizures of our citizens on the high seas that has happened during the past 100 years.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. MAGNUSON, were received, read twice by their titles, and referred as indicated:

To the Committee on Interstate and Foreign Commerce:

S. 1483. A bill to amend the act of August 27, 1954 (68 Stat. 883) relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries.

To the Committee on the Judiciary:

S. 1484. A bill for the relief of William Peck; and

S. 1485. A bill for the relief of Arctic Maid Fisheries, Inc.

EXTENSION OF HOSPITAL SURVEY AND CONSTRUCTION ACT

Mr. HUMPHREY. Mr. President, for a full decade the justly famous Hill-Burton program which bears the name of the distinguished Senator from Alabama [Mr. HILL], has strengthened and inspired a program of hospital construction from one end of this Nation to the other. The program has been well administered at both the Federal and State levels; it has stimulated hospital construction not only within the program but without.

However, our unprecedented population growth since World War II, the continued obsolescence of existing facilities, and the increasingly urgent need for modern nursing homes for the care of older people—all have far outstriped the Hill-Burton program of the past several years.

Since 1948, the average annual appropriation for Hill-Burton has been about $77.7 million dollars. Only once, in fiscal 1950, was the full authorized amount of $150 million made available to the States, despite the accelerating need for general hospitals.

It is true that for fiscal 1956 and 1957 the Congress provided somewhat greater appropriations for Hill-Burton than in the preceding several years. Yet when one considers the abrupt rise in construction costs which have taken place since 1950, the Congress would have to appropriate this year about $172 million just to match the construction program permitted by the 81st Congress during fiscal year 1950.

This year the administration has requested $100 million for general hospital construction grants—an amount which in terms of 1950 dollars is just a little more than half the amount appropriated for fiscal 1950.

In actual fact, the administration is asking for funds for the coming year which will permit a level of Federal assistance little more than half the level of 8 years before. Yet the need is greater.

On July 1, 1950, our population was under 152 million; on July 1, 1958, we are expected to have 173 million. That will be a net increase of 21 million people in 8 years. That is almost a 14 percent net increase. Where there were a hundred Americans in a given hospital, we can expect there will be 114 next year—just on the basis of population increase alone.

Despite a heroic level of hospital construction in Minnesota since 1948, both within and without the Hill-Burton program, present needs and plans for hospital construction in that State almost equal the construction which has taken place since 1950.

About 87 hospitals in Minnesota are in the planning stage at present. Under present conditions, only nine of these will receive assistance under the Hill-Burton Act. Yet were there no limitation on Hill-Burton funds, almost $28 million in part C funds could be utilized and about $6.5 million in part G funds, using the criteria set up under Public Law 380 as amended.

If the full authorized appropriation of $150 million for part C funds were to be made available for the next 10 years, Minnesota's hospital construction program would be given a tremendous impetus, and if it would not permit hospital construction to keep pace with the increasing needs, it would at least relieve the most serious problems.

Senators will realize, I am sure, that each of their States finds itself in a very similar position with respect to hospital construction. This condition was underlined in November last year when the Conference of the Surgeon General with the State Hospital and Medical Facilities Survey and Construction Authorities and the Association of State and Territorial Health Officers recommended that the full authorized amount of $150 million under part C and $60 million under part G be sought for the next 2 fiscal years.

The conference also resolved that this program be extended for an additional 5 years.

In a recent letter addressed to me by the executive officer of the Minnesota Department of Health, Dr. Robert N. Barr, this distinguished physician and administrative officer pointed out that it "requires 2 or more years of planning by a community to develop a project and usually a year or more to construct a modern hospital."

Dr. Barr went on to say:

When the program is extended only 2 years at a time, it tends to discourage local community planning, particularly in those communities which require financial aid in providing needed facilities. As a result of the 2-year extensions there also seems to be an increased feeling that the need for assistance under the program is decreasing, whereas in this State as well as in other States, the opposite is true.

Mr. President, in view of the continuing needs for hospital construction, and the difficulty in planning caused by limited 2-year extensions of the act, I propose that we return to the excellent system provided by Public Law 380 of the 81st Congress, which authorized a 5-year program rather than a 2-year program. I also urge the Senate to raise the budget request for both general hospital construction and for the so-called special category hospitals to the authorized appropriation of $150 million for the one and $60 million for the other for fiscal 1958.

Mr. President, I introduce for appropriate reference, a bill which would extend through 1962 the Hospital Survey and Construction Act.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1487) to extend for 3 years the Hospital Survey and Construction Act, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF TITLE 14, UNITED STATES CODE, ENTITLED "COAST GUARD"

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes. I ask unanimous consent that a letter from the Acting Secretary of the Treasury, requesting this proposed legislation, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1489) to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes, introduced by Mr. MAGNUSON (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

FEBRUARY 19, 1957.

The PRESIDENT OF THE SENATE.

SIR: There is transmitted herewith a draft of a proposed bill "To amend title 14, United States Code, entitled 'Coast Guard,' with respect to warrant officers' rank on retirement, and for other purposes."

The main purpose of this proposal is to amend title 14, United States Code, so as to provide that a warrant officer retired under certain sections of title 10, United States Code—the substance of these sections was formerly in the Warrant Officer Act of 1954—shall be retired with the highest grade above chief warrant officer, W-4, in which he served satisfactorily while on active duty. Section 243 of title 14 would be amended to add this provision with respect to commissioned warrant officers, that is, chief warrant officers, W-2, W-3, and W-4. A new section 313a would be added to title 14 to add the provision with respect to warrant officers, W-1.

Certain minor technical amendments to title 14 are also proposed in the bill. A memorandum is attached explaining the need for and nature of this proposal.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

DAVID W. KENDALL,
Acting Secretary of the Treasury.

PROPOSED LEGISLATION RELATING TO INTERSTATE COMMERCE

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, three bills relating to interstate commerce. I ask unanimous consent that a letter from the Chairman of the Interstate Commerce Commission requesting the proposed legislation, together with the Commission's justifications for the bills, may be printed in the RECORD.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letter and justifications will be printed in the RECORD.

The bills, introduced by Mr. MAGNUSON (by request), were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1490. A bill to amend part II of the Interstate Commerce Act to require the filing of brief statements by motor carriers subject only to the safety and hours of service regulations of the Interstate Commerce Commission;

S. 1491. A bill to revise the Transportation of Explosives Act, chapter 39, title 18, of the United States Code, as amended; and

S. 1492. A bill to provide more adequate and realistic penalties for violations of certain statutes administered by the Interstate Commerce Commission.

The letter and justifications presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, March 5, 1957.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 20 copies each of draft bills, together with statements of justification therefor, which would give effect to legislative recommendations Nos. 8, 21, and 23 appearing on pages 165, 172, and 173, respectively, of the Commission's 70th annual report to Congress as follows:

"8. We recommend that paragraphs (1), (2), and (3) of section 204 (a) be amended so as to authorize the Commission to require that all motor carriers subject to its hours of service and safety regulations, but not otherwise subject to its jurisdiction, be registered with the Commission.

"21. We recommend that the Federal statutes commonly known as the Transportation of Explosives Act (18 U. S. C., sec. 831–835) be completely rewritten in the light of important developments relating to this subject which have occurred in the 34 years since the last revision of these statutes, and in this connection recommend that they be amended so as to include specifically radioactive materials and be made to apply to contract and private carriers as well as common carriers.

"23. We recommended that the Safety Appliance Acts (45 U. S. C., secs. 1–16), the Hours of Service Act (45 U. S. C., secs. 61–64), the Locomotive Inspection Act (45 U. S. C., secs. 22–34), and section 222 (a) and (c) of the Interstate Commerce Act be amended so as to provide more adequate and realistic, including minimum, penalties for violations."

We would appreciate your assistance in introducing these bills and scheduling early hearings thereon.

With kindest regards, I am,

Sincerely yours,

OWEN CLARKE, *Chairman.*

JUSTIFICATION FOR S. 1490

The attached draft bill would amend part II of the Interstate Commerce Act so as to enable the Interstate Commerce Commission to administer more effectively its motor-carrier safety and hours-of-service regulations.

The Commission's work with respect to enforcement of its motor-carrier safety and hours-of-service regulations has until recently, because of inadequate personnel, been confined almost entirely to common and contract carriers operating under certificates and permits issued by the Commission. An important part of its statutory responsibility for motor-carrier safety relates to private carriers of property, exempt-commodity haulers under section 203 (b) (6) of the act, local carriers in commercial zones, and carriers operating in foreign commerce between points in a foreign country through the United States, which are not otherwise subject to the Commission's jurisdiction.

At present the Commission has no way of knowing who these carriers are. It is therefore essential for proper administration of its safety regulations for the Commission to know the number and identity of such carriers.

According to the Commission's most recent field estimates, there are about 92,000 private carriers operating about 844,000 vehicles that are subject to the Commission's safety regulations, and about 226,000 such vehicles operated by 48,000 for-hire carriers which are exempt from economic regulation by the Commission.

Copies of the Commission's hours-of-service and safety regulations have been served on 31,514 private carriers and on 11,719 carriers operating under the exempt-commodities provision of section 203 (b) (6). This, of course, represents only a small part of the carriers in these categories.

Investigations of a number of major accidents have disclosed serious violations of the Commission's safety regulations in the operations of noncertificated carriers. This is especially true with respect to those aspects of safety which are covered only by the Commission's regulations, particularly maximum hours of service of drivers, driver qualifications, and proper maintenance of vehicles. Although no data have been accumulated, it has been recognized that many very serious accidents are traceable to ignorance or disregard of the Commission's regulations by such carriers.

The Commission's only purpose in requesting legislation requiring the filing of statements by carriers subject only to its safety regulations is to make it possible to send them information and educational material to promote better compliance, and thereby help reduce the number of accidents on the Nation's highways. During recent road checks, private and exempt carriers were encountered who did not even know that they were required to comply with the Commission's safety regulations. The proposed measure does not contemplate the filing of elaborate reports. It is only necessary that the Commission be kept currently informed with respect to the identity of such carriers, their location, and the number of vehicles owned or operated.

With the present emphasis upon highway safety and the Commission's responsibility with respect thereto, it is important that every obstacle to effective administration and enforcement of its motor carrier safety regulations be removed. The Commission is convinced that the proposed measure would go a long way toward accomplishing this objective.

It was originally contemplated that amendments to paragraphs (1), (2), and (3) of section 204 (a) of the Interstate Commerce Act would be the best approach to this problem, but upon further consideration, the addition of a new section 226a would be more appropriate.

JUSTIFICATION FOR S. 1491

The attached draft bill would amend the Federal statutes, commonly known as the Transportation of Explosives Act, so as to include specifically radioactive materials and etiologic agents; would make the act applicable to contract and private carriers as well as to common carriers; and would delete the word "knowingly" from present section 835.

The trend toward greater use of motor carriers in the transportation of explosives has continued. The Institute of Makers of Explosives estimated that in 1955 approximately 569,000,000 pounds, net weight, of commercial explosives, or about 72.9 percent of the total of 780,944,000 pounds (excluding liquid oxygen explosives) consumed, moved from manufacturing plants by motor vehicle in long-distance hauls. This compares with 68 percent of the estimated total amount transported by truck in 1954, and 63 percent in 1953. No such estimate is available respecting amounts delivered locally from magazines. In addition, a very large volume of ammunition and other explosives has been transported by motor carriers for the military services, in respect of which no tonnage figures are available.

During the past several years there has been a tremendous increase in the production and transportation of radioactive materials and etiologic agents. While the Transportation of Explosives Act does not specifically mention radioactive materials, the Commission has prescribed regulations covering materials of this nature by classifying them as "poisons."

The Commission has not prescribed any regulations governing the transportation of etiologic agents. Technically, etiologic agents such as live viruses, bacteria, and other such substances which can cause disease are not poisons, since toxic material (poison) per se is not a living organism. Parke, Davis & Co., in its comments to the American Drug Manufacturers Association a few months ago, suggested that appropriate regulations respecting the packaging and labeling of shipments of etiologic agents be drafted and adopted by either the Civil Aeronautics Board or Interstate Commerce Commission. It is understood that the Civil Aeronautics Board and the United States Coast Guard are of the view that shipments of etiologic agents should be regulated but that this Commission should establish the rules therefor, since both of these agencies adopt the rules and regulations formulated by the Commission respecting shipments of explosives and other dangerous articles.

The Department of Health, Education, and Welfare, Public Health Service, caused to be published in the Federal Register, part I, volume 21, No. 244, pages 10015 to 10016, December 18, 1956, a proposed amendment to the Interstate Quarantine Regulations to include shipments of etiologic agents.

The attached draft bill would remove any doubt as to the Commission's jurisdiction in the transportation of such commodities by amending the act so as to include specifically radioactive materials and etiologic agents in the list of dangerous commodities.

The proposed bill would also make the act applicable to contract and private motor carriers in addition to its present application to common carriers, and would thereby eliminate the anomalous situation of having motor common carriers subject to maximum penalties of $10,000 or 10 years' imprisonment, or both, for violations, while subjecting private and contract carriers to a maximum possible penalty of only $100, under section 222 (a) of the Interstate Commerce Act, for the same violations.

Under the proposed amendment, the provisions of the statute relating to packing, marking, etc., of explosives, and other dangerous articles would be made applicable to shippers tendering goods to interstate carriers regardless of whether the shipments

are destined for movement in interstate, intrastate, or foreign commerce. In addition, the proposed amendments are intended to make the provisions which are applicable to carriers apply also to all shipments of dangerous articles, including intrastate shipments handled on interstate vehicles or commingled with interstate traffic. This is to protect interstate passengers, employees of interstate carriers, and the facilities of interstate carriers from the hazards of misdescribed or improperly packed, marked, or prepared dangerous articles moving in intrastate commerce as well as in interstate commerce.

The present provisions of the act respecting the transportation of explosives on vehicles of common carriers of passengers would be extended by the proposed bill to include all for-hire carriers of passengers by land, and the provisions exempting specified quantities of various articles would be changed so as to authorize the Commission to prescribe the kind, amount, and the conditions under which such articles may be carried on such vehicles. The proposed bill would also eliminate the privilege of carrying unlimited quantities of small arms ammunition in vehicles transporting passengers, the Commission being of the view that the presence of such items in substantial quantities in buses is undesirable because of the danger of fire in the event of an accident.

Section 833 of the act now contains an absolute prohibition against the transportation of liquid nitroglycerin and other similarly dangerous commodities by common carriers, but contains no such prohibition against the transportation thereof by contract or private motor carriers. The proposed revision is not intended to restrict the transportation of such commodities, or of radioactive materials, or etiologic agents, to any particular class of carrier or persons, but would strictly limit and regulate the transportation thereof by providing that such commodities shall not be transported except under such rules and regulations as the Commission shall prescribe. And, in this connection, the Commission would be granted authority to determine what explosives constitute "other similarly dangerous explosives."

Under the proposed revision, the existing provisions of section 834, relating to the marking of packages containing explosives and other dangerous articles, would be extended to the tendering of such articles to all for-hire carriers by land and water, and to all persons, whether for hire (such as express companies) or otherwise, carrying such articles upon any interstate carrier by land, including private, as well as common and contract carriers. The present reference in this section to section 832 would be changed to proposed new section 834 in order to correct an error apparently made in recodifying the act. (Compare 18 U. S. C. 1946 ed., sec. 385, with 18 U. S. C. 1952 ed., sec. 834.)

The provisions of present section 835 (sec. 834 in the draft bill) would be revised so as to include specifically radioactive materials and etiologic agents, and so as to provide that the Commission may avail itself of the services, advice, and assistance of carrier and shipper associations and the departments and agencies of State and local governments.

Regulations for protection against hazards created by explosives or other dangerous articles with respect to water carriers are provided for in title 46, United States Code, section 170.

In addition to the foregoing, the proposed bill also would eliminate the word "knowingly" from present section 835 (sec. 834 in the draft bill). The standard of proof presently required to support a conviction for a violation of the Commission's regulations makes it extremely difficult to prosecute what have been termed "public welfare offenses." Such offenses are not necessarily the result of an affirmative intent but fall more within the category of those relating to neglect where the law requires care, or inaction where it imposes a duty to act.

In *Boyce Motor Lines, Inc.* v. *United States* (342 U. S. 337), the Supreme Court reviewed the sufficiency of an indictment for a felony violation brought under section 835 of the act. The Court stated at page 342:

"The statute punishes only those who knowingly violate the regulation. This requirement of the presence of culpable intent as a necessary element of the offense does much to destroy any force in the argument that application of the regulation would be so unfair that it must be held invalid. That is evident from a consideration of the effect of the requirement in this case. To sustain a conviction, the Government not only must prove that petitioner could have taken another route which was both commercially practicable and appreciably safer (in its avoidance of crowded thoroughfares, etc.) than the one it did follow. It must also be shown that petitioner knew that there was such a practicable safer route and yet deliberately took the more dangerous route through the tunnel, or that petitioner willfully neglected to exercise its duty under the regulation to inquire into the availability of such an alternative route."

In many prosecutions under this statute misdemeanor violations arise out of the failure to properly placard vehicles carrying dangerous cargo. The use of the words "culpable intent" in the above quotation has been relied upon by defense attorneys and to some extent by the courts as requiring the establishment of some mental element or affirmative intention to evade the law in addition to knowledge of the facts.

In *St. Johnsbury Trucking Company* v. *United States* (220 F. 2d 393), a conviction resulted after trial in the district court wherein it was shown that there was no affirmative intention to violate the regulation but that the failure to placard the motor vehicle arose because of the failure of a rating clerk to attach a warning label to the shipping document which he, in turn, passed on to the billing clerk for preparation of a freight bill and delivery receipt. Clearly there was knowledge of the fact that (1) the vehicle was carrying 3,550 pounds of wet electric storage batteries and (2) it was not placarded. The following statement appeared in the opinion rendered by the district court:

"Thus, considering the purposes of section 835, the particular offense requires no element of criminal intent." (*U. S.* v. *Behrman* (258 U. S. 280); *U. S.* v. *Balint* (258 U. S. 250).)

The circuit court set aside the verdict and remanded the case, holding that the abovementioned quotation was in conflict with the decision of the Supreme Court as quoted above from the *Boyce* case. The Circuit Court said:

"This statement (of the Supreme Court) conflicts with the statement of the trial court in the instant case that '* * * the particular offense requires no element of criminal intent.' It may be true that culpable and criminal are not identical in meaning but it is clear that the trial court erroneously interpreted title 18, United States Code, section 835 as requiring no element of culpable or blamable intent and thus committed reversible error."

The concurring opinion of Chief Judge Magruder contains the following statements:

"If it be thought that the indicated requirement of proof will seriously hamper effective enforcement of the Interstate Commerce Commission regulations, the answer is that Congress is at liberty to fix that up by striking out from title 18, United States Code, section 835, the prescribed element of mens rea—'knowingly'—as applied to violation of regulations of the sort here involved. That is to say, Congress could convert the offense into what sometimes has been called a public welfare offense, requiring no element of guilty knowledge, or other specific mens rea, by providing that whoever, by himself or by agent, transports explosives, poison gas, flammable solids, or other dangerous commodities without the safeguards which may be prescribed by a lawful regulation of the Interstate Commerce Commission, shall be guilty of a public offense and subject to penalty. See the discussion in *Morissette* v. *United States* (342 U. S. 246, 252–60 (1952)).

"If a statute provides that it shall be an offense 'knowingly' to sell adulterated milk, the offense is complete if the defendant sells what he knows to be adulterated milk, even though he does not know of the existence of the criminal statute, on the time-honored principle of the criminal law that ignorance of the law is no excuse. But where a statute provides, as does title 18, United States Code, section 835, that whoever knowingly violates a regulation of the Interstate Commerce Commission shall be guilty of an offense, it would seem that a person could not knowingly violate a regulation unless he knows of the terms of the regulation and knows that what he is doing is contrary to the regulation. Here again the definition of the offense is within the control and discretion of the legislature."

The deletion of the word "knowingly" in section 835, in the interest of the greater good places the burden of acting at hazard upon a person otherwise innocent but standing in responsible relation to a public danger. Whatever the intent of the violator, the potential danger to society remains the same whether the violation is brought about by haphazard, careless conduct or whether it is prompted by an evil purpose.

The proposed bill would also add new provisions to the act which would clarify the duties and powers of the Commission with respect to the administration and enforcement thereof.

JUSTIFICATION FOR S. 1492

The purpose of the attached draft bill is to amend the penalty provisions in the Safety Appliance Acts, the Hours of Service Act, the Locomotive Inspection Act, and section 22[illegible] (a) and (c) of the Interstate Commerce Act so as to take the profit out of violating these laws.

The Safety Appliance Acts (45 U. S. C., secs. 1–6) were enacted to promote the safety of employees and the traveling public upon railroads, and provide fixed penalties of $100 for each violation. The penalty in code section 6 was fixed at the time the original Safety Appliance Act was enacted in 1893, and the penalty provided in code section 13 was fixed in a supplemental act approved April 14, 1910. At the time the penalty of $100 was established it was sufficient to deter violations. Since then, however, the value of the dollar has so decreased and the volume of business has so increased that it is more economical at some locations for a carrier to disregard the statutory requirements and run the risk of being penalized.

The records of the Interstate Commerce Commission show a continuing deterioration in safety appliance maintenance. In the fiscal year ended June 30, 1956, 60.80 cars and locomotives out of each 1,000 inspected had defective safety appliances. This represents an increase of almost 100 percent over 1946 when 38.03 cars and locomotives per 1,000 inspected were found to have defective safety appliances.

The present trend of balancing costs against compliance with the law is alarming and hardly conducive to safe railroad operation. It is believed that by increasing the penalty to $500 so as to bring it more in line with present-day values will stimulate improved maintenance practices.

The Hours of Service Act, also passed to promote the safety of employees and travelers upon railroads, limits the number of hours that employees actually engaged in or connected with the movement of trains can be on duty. The maximum hours of service established were designed to prevent such employees from becoming so fatigued as to create unsafe conditions for themselves and travelers.

Section 3 of this act (45 U. S. C., sec. 63) now provides a penalty of not less than $100 nor more than $500 for each violation. The original hours-of-service law of March 4, 1907, fixed a maximum penalty of not more than $500 for each violation without prescribing a minimum. When it was found that some courts were assessing penalties so low as to remove all deterrent effect, the Congress, on May 4, 1916, amended the law so as to provide the present penalty of not less than $100 nor more than $500 for each violation. Experience has shown, however, that in almost every instance the courts have assessed the minimum penalty of $100, which, as a practical matter, has resulted in the establishment of $100 as the standard penalty for violations of the hours-of-service law.

Because of changed economic conditions the value of the minimum penalty as a deterrent to violations has very largely been destroyed. It is therefore urged that the act be amended, as proposed in the draft bill, to provide a fixed penalty of $500 for each violation.

For similar reasons it is urged that the penalty provision in section 9 of the Locomotive Inspection Act (45 U. S. C., sec. 34) be amended to provide a fixed penalty of $500 for each violation. The present fixed penalty of $100 has remained the same since the enactment of the Locomotive Inspection Act in 1911, at which time it was sufficient to assure effective compliance with the law. This effectiveness has largely been lost, however, due to changed values and conditions.

In recent years, particularly since the advent of the diesel-electric locomotive, large strategically located shops have displaced the small divisional or district shops. In some instances the present shops are located 800 miles or more apart. The trend, therefore, has been for the carriers to operate their locomotives over several districts or divisions without inspections. This has resulted in the running of defective locomotives considerable distances to points where repairs can be made, which practice has been encouraged by the present inadequate penalty provisions in the law. If the penalty for violating the Locomotive Inspection Act were brought more nearly in line with current locomotive, material, and labor costs, the carriers would be more reluctant to violate the law, and risk the imposition of substantial penalties, for operating convenience.

Under section 222 (a) of the Interstate Commerce Act, the maximum penalty assessable for violations of the Commission's motor carrier safety and hours of service regulations is $100 for the first offense and $500 for any subsequent offense. The maximum fine assessable under section 222 (c) for giving rebates and concessions and engaging in certain other unfair competitive practices is $500 for the first offense and $2,000 for any subsequent offense. When these penalties were established in 1935 during a period of economic distress they represented substantial sums and were sufficient to deter persons from violating the substantive provisions of the law. However, as in the case of many other penalty provisions established some years ago, the value of the dollar has so decreased, that this deterrent effect has been lost to a considerable extent.

Investigation has shown that many accidents involving motor vehicles subject to the Commission's safety regulations, and which have resulted in tragic loss of life and extensive property damage, need not have occurred if the Commission's regulations had been complied with. Investigation has also disclosed that in a number of these cases there has not only been a flagrant disregard of the Commission's regulations, but, in addition, has revealed an extremely callous attitude on the part of some carriers toward the lives and rights of others using the Nation's highways.

That the present maximum penalties are not realistic by present-day standards is evident from the fact that as early as 1949, when enacting subsection (h) of section 222, Congress provided for mandatory forfeitures in the amount of $100 for the first day and not more than $50 for each additional day in which a carrier was late in filing a required report.

The maximum penalties in section 222 (a) and (c) do not, by any means, represent the actual penalties presently being imposed by the courts. A study of all criminal prosecutions concluded under these sections during the first 9 months of 1956 shows that the average penalty per count has amounted to $38.52 under section 222 (a) and $81.80 under section 222 (c). Thus all cases brought under section 222 (h) covering any failure to file a report seasonably, regardless of the degree of willfulness involved, brought about average forfeitures in excess of $100 per count while carriers committing flagrant and willful violations of the act's safety, licensing and rate safeguards suffered penalties substantially less per count.

Under the present provisions of these sections, in which maximum penalties only are expressed, some courts have imposed purely nominal fines totaling as little as $25 or $50. In other cases of violations having an immediate and unusually severe impact on the general public, the courts, although desiring to do so, have been unable to impose a penalty of more than $100 per count which they stated was clearly disproportionate to the gravity of the offense.

Because of the tendency of some courts to impose extremely small fines, the Commission does not believe that merely increasing the maximum penalties would be sufficient. It recommends, instead, that minimum penalties also be provided. A minimum penalty of not less than $100 for the first offense and of not less than $500 for any subsequent offense under section 222 (a), and a minimum penalty of not less than $500 for the first offense and of not less than $1,000 for any subsequent offense for violations under section 222 (c) would, in the Commission's view, go a long way in restoring their deterrent effect.

The purpose of the proposed changes in the penalty provisions of the aforementioned statutes is not to place an undue burden upon the carriers, but to provide more adequate and realistic penalties in the light of present-day conditions, and thereby bring about greater compliance with the law.

AMENDMENT OF SOIL BANK ACT, RELATING TO INCLUSION OF PRODUCERS OF NONBASIC AGRICULTURAL COMMODITIES IN ACREAGE RESERVE PROGRAM

Mrs. SMITH of Maine. Mr. President, on behalf of myself, my colleague, the junior Senator from Maine [Mr. PAYNE], and the Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill to amend the Soil Bank Act to enable producers of Irish potatoes and other nonbasic agricultural commodities to participate in the acreage reserve program. I ask unanimous consent that the bill may lie on the desk through Thursday, March 7, to permit all other Senators to cosponsor it if they so desire.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, will lie on the desk, as requested by the Senator from Maine.

The bill (S. 1494) to amend the Soil Bank Act to enable producers of Irish potatoes and other nonbasic agricultural commodities to participate in the acreage reserve program, introduced by Mrs. SMITH of Maine (for herself, Mr. PAYNE, and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

HUMANE METHODS IN SLAUGHTER OF LIVESTOCK AND POULTRY

Mr. HUMPHREY. Mr. President, on behalf of myself, the Senator from Oregon [Mr. NEUBERGER], and the Senator from Connecticut [Mr. PURTELL], I introduce, for appropriate reference, a bill to require humane slaughter in our country's packing plants engaged in interstate commerce.

It is time that we in the United States faced the fact that we trail behind much of the world in adoption of approved and humane practices in slaughter of animals for food. What we are asking in this legislation is already accepted and in use in many other countries. We pride ourselves on being advanced in technology in most of our endeavors; we should be just as advanced in humane regard for handling and treatment of animals.

Last year I introduced similar legislation, and it was my privilege to conduct hearings out of which came a unanimous and favorable recommendation from our bipartisan subcommittee. The bill later passed the Senate, after being modified by the full Senate Committee on Agriculture. It did not become law because of lack of action in the House.

I am pleased to note increased interest in such legislation in the House this year. I understand House hearings have already been scheduled, and I am hopeful that the House will send us good legislation that we can speedily enact.

During our hearings last year, everyone—including packers—professed concurrence in the objectives we are seeking. However, the packing industry objected to compulsion, and insisted that adequate progress would be made voluntarily. A year has now passed, and we still do not have humane slaughter in practice, except in a few plants that pioneered adoption of such methods in advance of any legislation. It now appears that it will take action by the Congress to spur other packing plants into recognizing the long-pressed demands of thousands of consumers and humane-minded citizens all over the country.

My bill specifies certain approved practices warranted on the basis of last year's hearing, including methods used by religious groups.

It allow a 2-year grace period before the requirements become fully effective, to permit packing plants time to change over to new methods that are now proved effective and available. The Secretary of Agriculture is further empowered to

exempt individual plants for an extra year in event of hardship in making such a changeover.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD, at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1497) to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. NEUBERGER, and Mr. PURTELL), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, as used in this act—

SECTION 1. (a) The term "commerce" means commerce (1) among the several States or with foreign nations, (2) in any Territory of the United States or in the District of Columbia, (3) between any such Territory and another, (4) between any such Territory and any State or foreign nation, or (5) between the District of Columbia and any State, Territory, or foreign nation;

(b) The term "Secretary" means the Secretary of Agriculture;

(c) The term "person" means any individual, partnership, corporation, or association;

(d) The term "slaughterer" means any person regularly engaged in the business of (1) purchasing livestock or poultry in commerce for purposes of slaughter or (2) slaughtering livestock or poultry for the sale in commerce of meat, meat products, poultry or poultry products;

(e) The term "livestock" means cattle, sheep, swine, horses, and other animals susceptible of use for the preparation of meat or meat products;

(f) The term "poultry" means any fowl susceptible of use as human or animal food;

(g) The term "approved method" of slaughtering shall mean any of the following:

1. In the case of livestock, rendering such livestock insensible before bleeding or slaughtering, by mechanical, electrical, chemical or other means determined by the Secretary to be rapid, effective and humane;

2. In the case of poultry, instantaneous severing of the head from the body or, if poultry is otherwise cut or stuck, by first rendering such poultry insensible by mechanical, electrical, chemical, or other means determined by the Secretary to be rapid, effective and humane;

3. Slaughtering in accordance with the requirements of any religious faith.

SEC. 2. (a) Livestock and poultry shall be slaughtered by an approved method.

(b) Livestock and poultry shall not be shackled, hoisted, cast, or otherwise brought into position for slaughter by any method that causes pain to the animals or fowl.

SEC. 3. Any person who by any act or omission violates any provision of section 2 shall be punished by a fine of not more than $1,000, or by imprisonment for not more than 1 year, or both.

SEC. 4. The Secretary of Agriculture is authorized and directed to appoint an Advisory and Research Committee consisting of not more than 10 members, chosen from the following classifications: the Department of Agriculture; the national organizations of slaughterers; the trade-union movement engaged in slaughterhouse work; livestock growers; societies of the humane movement in the United States; and persons familiar with the requirements of ritualistic slaughtering. Committee members shall serve at the pleasure of the Secretary, who may replace a member, or fill a vacancy, at any time. The committee shall advise the Secretary concerning questions arising in the administration of this act, including in appropriate cases recommendations to the Secretary pursuant to section 6 hereunder. The committee shall also conduct a continuing study of methods of slaughter of livestock and poultry with the objective of improving and bringing about acceptance of more efficient and more humane methods of slaughter, other than those approved methods designated in section 1 (g) above. The Department of Agriculture shall assist the committee with such research personnel and facilities as the Department can make available. Any committee member who is an officer or employee of the Department of Agriculture shall receive no additional compensation for service rendered under this act. Other members shall receive such compensation, not in excess of $50 for each day of service, as the Secretary shall prescribe.

SEC. 5. The Secretary shall promulgate such rules and regulations as may be necessary to carry this act into effect.

SEC. 6. This act shall take effect on the date 2 years after the date of enactment of this act. Upon a showing of good cause and upon the recommendation of the committee established under section 4, the Secretary may by order exempt any person from compliance with any provision of this act for such a period of time as the Secretary shall determine to be reasonable, not to exceed 1 year.

CHANGE OF REFERENCE

Mr. CASE of South Dakota. Mr. President, on February 14, I introduced the bill (S. 1221) to make the evaluation of recreational benefits and wildlife development resulting from the construction of any flood-control, navigation, or reclamation project an integral part of project planning, and for other purposes.

The bill was referred to the Committee on Interior and Insular Affairs.

An almost identical bill, introduced by the Senator from Oklahoma [Mr. KERR] was referred to the Committee on Public Works.

In view of the fact that the Committee on Public Works will soon hold hearings on the bill introduced by the Senator from Oklahoma, and in view of the further fact that my bill is almost identical with his, except for a few words, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from the further consideration of Senate bill 1221, and that the bill be referred to the Committee on Public Works, in order that the hearing may be held on both bills at the same time.

I may state that I have conferred with the clerk of the Committee on Interior and Insular Affairs, and he has conferred with the members of that committee; and I understand there is no objection to the adoption of the course I now request.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota? The Chair hears none. Without objection, it is so ordered.

AID FOR DEPRESSED AREAS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of February 28, 1957, the name of Mr. SMITH of New Jersey was added as an additional cosponsor of the bill (S. 1433) to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes, introduced by Mr. MARTIN of Pennsylvania (for himself, Mr. PAYNE, Mr. POTTER, Mr. REVERCOMB, and Mr. MCCARTHY) on February 28, 1957.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GREEN:

Address delivered by him on Sunday, March 3, 1957, at a testimonial dinner given in his honor by the nationalities division of the Democratic National Committee at the Waldorf-Astoria Hotel, New York City.

By Mr. MAGNUSON:

Special citation awarded by Public Health Service, Department of Health, Education, and Welfare, to the American Export Lines, Inc.

NOTICE OF HEARINGS ON BILLS AMENDING OR EXTENDING THE VETERANS' READJUSTMENT ASSISTANCE ACT

Mr. THURMOND. Mr. President, as chairman of the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare, I wish to announce that hearings will begin Monday, March 18, on bills amending or extending the provisions of the Veterans' Readjustment Assistance Act of 1952, the so-called Korean GI bill of rights, as follows: S. 166, 667, 714, 1061, 1095, 1129, 1153, and 1282, and related bills which may subsequently be introduced and referred to the subcommittee. Officials of the Veterans' Administration have been invited to be the first witnesses at the hearings to be held at 10 a. m., Monday, March 18, in the Old Supreme Court Chamber, room P. 63, in the Capitol.

It is requested that all persons wishing to appear before the subcommittee to present testimony on these bills make application to Mr. Stewart E. McClure, chief clerk of the Senate Committee on Labor and Public Welfare, as soon as possible.

STATEMENTS BY SENATOR THURMOND IN OPPOSITION TO PENDING CIVIL RIGHTS BILLS

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD two excellent statements made by the distinguished junior Senator from South Carolina [Mr. THURMOND] in opposition to pending civil rights bills. One statement was delivered before the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary; the other was delivered before a subcommittee of the House Committee on the Judiciary.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. STROM THURMOND, OF SOUTH CAROLINA, IN OPPOSITION TO CIVIL-RIGHTS BILLS PENDING BEFORE THE CONSTITUTIONAL RIGHTS SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, MARCH 4, 1957

Mr. Chairman and gentlemen of the committee, my purpose in appearing here today is to state my opposition to the so-called civil-rights bills now pending before this subcommittee. On February 26, I appeared before the subcommittee of the House of Representatives which is also considering similar bills. At that time I made a lengthy statement which I wish to request be made a part of the record of the hearings of this committee. I shall make only a few remarks concerning the pending bills.

The proposals embodied in the so-called civil-rights bills pending before this committee are:

1. Unconstitutional generally,
2. Unneeded entirely, and
3. Unworthy of consideration by the Congress.

As a general class, these bills are unconstitutional because they attempt to usurp or infringe upon the rights of the States as guaranteed by the United States Constitution. We must never forget that all the power held by the Federal Government is power that was granted to it by the States in the Constitution.

Only those powers specifically delegated by the States to the Federal Government in the Constitution are within the scope of Federal authority. There is no inherent authority on the part of the Federal Government.

Even the United States Supreme Court ruled against such a generalization when President Truman attempted to employ that argument in the steel seizure case in April 1952.

It is true that the Congress has the power to make laws in the fields listed in the Constitution. However, in matters which would infringe upon the rights of the States, the Congress is barred, just as the President, from legislating on any theory of inherent authority, or, as the Supreme Court has in effect legislated, on the basis of changing times.

In the statement which I have requested be made a part of the record, I have pointed out in some detail the effective coverage and operation of the laws of the States in the fields under consideration in these bills. Even if such legislation were constitutional, there would be no reason or necessity for Federal legislation.

The States are doing a better job of using their police powers appropriately than could ever be done by a department or agency of the Federal Government. Public officials on the scene can best administer the law.

In all the hearings of this and the 84th Congress on these so-called civil-rights proposals, I have found no good and valid reason for their enactment. No substantial evidence has been presented to show, even if the bills were constitutional, that they are needed.

The unworthiness of such legislation is demonstrated by the fact that political leaders in both parties intensified their drive for the bills after the election returns last fall indicated a shifting of bloc votes. One party then seized upon this type of legislation as a means of persuading the so-called minorities that they should continue to support that party. The other party, sensing the importance of the shift politically, decided to make an even greater play for the minority bloc votes.

What each political party should be doing is to devote itself to constitutional government, so that no citizen anywhere in this country would have to support candidates purely on a sectional basis. Disregard for constitutional principles forces division along sectional lines.

Those who propose unconstitutional schemes are responsible for sectional divisions, not those who defend against them.

At this very time the Congress is considering a resolution which is designed to present a United American front to the world. Foreign dictators must realize that Americans join hands in emergencies, regardless of domestic difficulties and divisions.

However, these so-called civil rights bills tend to divide Americans. They have added to the tensions and unrest which did not exist until recent unconstitutional decisions of the Supreme Court destroyed the faith of a great many people in the Court.

Propagandists have tried to sell the American people on the idea that the defeat of these bills would provide Russia with new arguments against us. That is not a valid reason in favor of the bills. If we permit Russia to control our domestic policy by deferring to what she might say about us, then we shall have bowed to the dictates of communism.

Instead of considering what Russia might say, we should be concerned with the mandate given to the Congress by the people of the United States in ordaining the Constitution as the basic law of the land.

Americans will stand together against communism. But we who believe in constitutional government cannot stand with those who advocate these vicious proposals now before the committee.

Mr. Chairman, I hope this committee will vote against these bills. I urge that this be done and that a start be made to restore constitutional guaranties instead of further tearing them down.

STATEMENT BY HON. STROM THURMOND, OF SOUTH CAROLINA, BEFORE THE JUDICIARY SUBCOMMITTEE OF THE HOUSE OF REPRESENTATIVES IN OPPOSITION TO PENDING CIVIL RIGHTS BILLS, FEBRUARY 26, 1957

Mr. Chairman and gentlemen of the committee, I am here today to oppose the so-called civil rights bills.

Tyranny by any other name is just as bad.

In other countries tyranny has taken the forms of fascism, communism, and absolute monarchy. I do not want to see it foisted on the American people under the alias of civil rights.

Real civil rights and so-called civil rights should not be confused. Everybody favors human rights. But it is a fraud on the American people to pretend that human rights can long endure without constitutional restraint on the power of Government.

The actual power of the Federal Government should not be confused with power longed for by those who would destroy the States as sovereign governments.

USURPATION BY JUDICIARY

There have been a number of instances of attempted and real usurpation of power by the Federal Government, which these pending bills would attempt to legalize, expand, and extend.

The most notorious illustration of this type of usurpation is the May 17, 1954, school segregation decision by the United States Supreme Court. Since that time there have been several other decisions by the Court which I think have wakened people all over the country who previously paid little attention, or cared little, what the result might be in the school segregation cases.

There are two recent cases. One arose in Pennsylvania and one in New York. The Pennsylvania case is *Pennsylvania* v. *Steve Nelson*, decided April 2, 1956, dealing with the right of the State to take action against a Communist. The Supreme Court of the United States ruled that because there was a Federal sedition law, the State of Pennsylvania had no authority in that field. The laws of 42 States were invalidated by the decision. Even the protest of the Department of Justice that the laws of the States did not interfere with enforcement of the Federal law did not stop the Court.

The author of the Federal law, the Honorable HOWARD SMITH of Virginia, has stated there was no intent embodied in the Federal act to prohibit the States from legislating against sedition.

The second case to which I refer arose when the city of New York dismissed from employment a teacher who had refused to disclose whether he was a Communist when questioned by duly constituted authority. Here again the United States Supreme Court ruled against the power and authority of the local government contained in the charter of the city of New York.

USURPATION BY EXECUTIVE

Now let me refer briefly to some attempts at usurpation of the rights of the States by the executive branch of the Federal Government. Administrators in some Federal departments and agencies have issued directives having the effect of laws which have never been enacted by the Congress.

A specific illustration is that of the Civil Aeronautics Administration issuing a directive last year to withhold Federal funds from facilities in the construction of airports where segregation of the races is practiced.

There is absolutely no basis in law for this administrative action, but by use of a directive or an edict the administrator effected a result just as though a law had been enacted.

Other attempts at Federal interference from the executive branch with the rights of the individual citizen is demonstrated by the Contracts Compliance Commission. This Commission has dictated that contractors working on Federal projects must employ persons of both the white and Negro races, whether the contractors wish to do so or not. The strength of the Commission lies in the power to withhold contracts, or threatening to do so, if a contractor fails to carry out the dictates of the Commission.

ATTEMPTED USURPATION BY CONGRESS

I can think of no better illustration of attempted usurpation of the rights of the States by the legislative branch of the Federal Government than what is going on here now. I believe that the Congress, by attempting to enact these so-called civil rights bills, is invading the rights of the States.

I want to make it clear that I am not appearing here today in defense of my State, or in defense of the Southern States generally, because I do not believe my State or the Southern States need a defense. But this is not a mere concern of the moment with me.

For many years I have been deeply troubled by the problem of what is happening to constitutional government in this country. That is what I am defending today. The illustrations I have cited provide a basis for my concern, and there are many other instances which might also be cited.

NO DOUBT AS TO CONSTITUTION

Wherever a person lives in this country, whatever political faith he holds, whatever he believes in connection with any matter of interest, he has one firm basis for knowing his rights. Those rights are enumerated in the Constitution of the United States. I believe in that document. I believe that it means exactly what it says, no more and no less.

If American citizens cannot believe in the Constitution, and know that it means exactly what it says, no more and no less, then there is no assurance that our representative form of government will continue in this country.

I believe that people all over the country are beginning to realize that steps should

be taken to preserve the constitutional guaranties which are being infringed upon in many ways.

I believe we should also take steps to regain for the States some of the powers previously lost in unwarranted assaults on the States by the Federal Government.

STATE OFFICIALS UNDERSTAND RIGHTS

The administration of laws relating to civil rights is being carried out much more intelligently at the local levels of government than they could ever possibly be administered by edicts handed down from Washington. State officials and county officials know the people and know the problems of those people. Most officials of the Federal Government in Washington know much less about local problems than do the public officials in the States and in the counties.

If these so-called civil rights bills should be approved, then we must anticipate that the Federal Government, having usurped the authority of local government, will try to send Federal detectives snooping throughout the land. Federal police could be sent into the home of any citizen charged with violating the civil rights laws.

If there are constitutional proposals here which any of the States wish to enact, I have no objection to that. Every State has the right to enact any constitutional law which has not been specifically delegated to the Federal Government in the Constitution.

On the other hand, I am firmly opposed to the enactment by Congress of laws in fields where the Congress has no authority, or in fields where there is no necessity for action by the Congress.

From my observations, I have gained the strong feeling that most of the States are performing their police duties well. I believe that the individual States are looking after their own problems in the field of civil rights better than any enactment of this Congress could provide for, and better than any commission appointed by the Chief Executive could look after them.

BILL OF RIGHTS GUARANTIES

Before taking up specific provisions of several of the bills pending before the committee, I should like to read for you two of the basic provisions in the Bill of Rights:

The ninth amendment to the Constitution provides: "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people."

The 10th amendment to the Constitution provides: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Those last two amendments of the Bill of Rights make clear the intent of the Founding Fathers. Their intent was that all rights not specifically listed, and all powers not specifically delegated to the Federal Government, would be held inalienable by the States and the people.

BILL OF RIGHTS UNALTERED

This basic concept of the Bill of Rights has never been constitutionally amended, no matter what the Federal courts have done, no matter what the executive branch of the Federal Government has done, and no matter what the Congress might have done or attempted to do in the past. The people and the States still retain all rights not specifically delegated to the Federal Government.

Let us also consider these proposals from a practical standpoint.

What could be accomplished by a Federal law embodying provisions which are already on the statute books of the State that cannot be accomplished by the State laws? I fail to see that any benefit could come from the enactment of Federal laws duplicating States statutes which guarantee the rights of citizens. Certainly the enactment of still other laws not approved by the States could result only in greater unrest than has been created by the recent decisions of the Federal courts.

MR. DOOLEY WAS RIGHT

The truth is very much as Mr. Dooley, the writer-philosopher, stated it many years ago, that the Supreme Court follows the election returns. If he were alive today, I believe Mr. Dooley would note also that the election returns follow the Supreme Court.

And now it looks as if some people are trying to follow both the Supreme Court and the election returns.

Having made these general comments, I would like to comment specifically on some of the pending proposals. First, on the proposal for the establishment of a Commission on Civil Rights.

COMMISSION UNNEEDED

There is absolutely no reason for the establishment of such a commission. The Congress and its committees can perform all of the investigative functions which would come within the sphere of constitutional authority.

I do not believe the members of any commission, however established, could represent the views of the people of this country as well as the Members of Congress can. I hope that the members of this committee and the Members of the Congress will not permit themselves to be persuaded that anyone else can look after the problems of the people any better, or as well, as the Congress can.

Furthermore, there is no justification for an investigation in this field.

I hope this committee will recommend against the establishment of such a commission.

WOULD STIR UP TROUBLE

Another bill would provide for an additional Assistant Attorney General to head a new Civil Rights Division in the Justice Department. I have searched the testimony given by the Attorney General last year before the committees of the Congress with regard to this proposal, and I have found no valid reason why an additional Assistant Attorney General is needed.

I can understand how an additional Assistant Attorney General might be needed if the Congress were to approve a Civil Rights Division and enact some of the other proposals in the so-called civil rights bills. But they are proposals not dealing with criminal offenses—they deal with efforts of the Justice Department to enter into civil actions against citizens.

If the Justice Department is permitted to go into the various States to stir up and agitate persons, to seek injunctions, and to enter suits against their neighbors, then the Attorney General might need another assistant. However, the Justice Department should avoid civil litigation, instead of seeking to promote it.

I hope the members of this committee will recognize this proposal as one which could turn neighbor against neighbor, and will treat it as it deserves by voting against it.

WORSE THAN EX POST FACTO

Another proposal of the so-called civil-rights bill is closely related to the one I have just discussed. It would provide that "Whenever any persons have engaged or about to engage in any acts or practices which would give rise to a cause of action * * * the Attorney General may institute for the United States or in the name of the United States but for the benefit of the real party in interest, a civil action or other proper proceeding or redress or preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order."

Now that proposal is one which I would label as even more insidious than any ex post facto law which could possibly be imagined.

An ex post facto law would at least apply to some real act committed by a person which was not in violation of law at the time. The point is, however, in such instance the person would actually have committed the act.

This proposal would permit the Justice Department to secure an injunction from a Federal judge or to institute a civil suit on behalf of some person against a second person when the latter had committed no act at all. An injunction might be secured from a Federal judge charging a violation of the law without any evidence that a person even intended to do so.

How any person could support by oath a charge as to whether another person was about to engage in violating the law is beyond my understanding.

Many of the pioneers who settled this new continent came because they wanted to escape the tyranny of European despots. They wanted their families to live in a new land where everybody could be guaranteed the right to trial by jury, instead of the decrees of dictators.

Congress, as the directly elected representatives of the people, should be the last to consider depriving the people of jury trials. We should never consider it at all. But, if this proposal to strengthen the civil-rights statutes is approved, that would be its effect.

AGENTS COULD MEDDLE

Under this provision, the Attorney General could dispatch his agents throughout the land. They would be empowered to meddle with private business, police elections, intervene in private lawsuits, and breed litigation generally. They would keep our people in a constant state of apprehension and harassment. Liberty quickly perishes under such government, as we have seen it perish in foreign nations.

A further provision of that same proposal would permit the bypassing of State authorities in such cases. The Federal district courts would take over original jurisdiction, regardless of administrative remedies, and the right of appeal to the State courts.

STATE COURTS STRIPPED

This could be a step toward future elimination of the State courts altogether. I do not believe the Congress has, or should want, the power to strip our State courts of authority and vest the Federal courts with that authority.

Still another proposal among the so-called civil-rights bills would "provide a means of further securing and protecting the right to vote." I have had a search made of the laws of all 48 States and the right to vote is protected by law in every State.

SOUTH CAROLINA CONSTITUTION PROTECTS VOTER

In South Carolina, my own State, the constitution of 1895 provides in article III, section 5, that the general assembly shall provide by law for crimes against the election laws and, further, for right of appeal to the State supreme court for any person denied registration.

The South Carolina election statute spells out the right of appeal to the State supreme court. It also requires a special session of the court if no session is scheduled between the time of an appeal and the next election.

Article II, section 15 of South Carolina's constitution provides that no power, civil or military, shall at any time prevent the free exercise of the right of suffrage in the State.

In pursuance of the constitutional provisions, the South Carolina general assembly has passed laws to punish anyone who shall threaten, mistreat or abuse any voter with a view to control or intimidate him in the free exercise of his right of suffrage. Anyone who violates any of the provisions in regard to

general, special or primary elections, is subject to a fine and/or imprisonment.

In this proposed Federal bill to protect the right to vote, a person could be prosecuted or an injunction obtained against him based on surmise as to what he might be about to do. The bill says that the Attorney General may institute proceeding against a person who has engaged or "is about to engage in" any act or practice which would deprive any other person of any right or privilege concerned with voting. This is the same vicious provision I referred to earlier in the so-called provision to strengthen the civil-rights statutes.

NO LYNCHING IN 5 YEARS

One of the most ridiculous proposals among the so-called civil-rights bills is the anti-lynching bill.

I am as much opposed to murder in any form and wherever it occurs as anybody can be. I am also opposed to the Federal Government attempting to seize police power constitutionally belonging to the States.

At my request, the Library of Congress made a search of the records of cases classified as lynchings. For the 10 years of 1946 through 1955, the reports made by Tuskegee Institute listed 15 instances of what was classified as lynchings. For the past 5 years none was listed by Tuskegee, although one source listed three. The Library of Congress reported that it checked with the National Association for the Advancement of Colored People, here in Washington, and an official of that organization declined to state whether the NAACP classified the other three cases as lynchings.

Not all of the slayings classified as lynchings involved Negroes. Some of the persons were white.

The instances classified as lynchings during the past 10 years, all so classified being in 6 States of the South, totaled either 15 or 18, according to which figure you want to accept. The population of those 6 States is approximately 16 million people.

SIX THOUSAND SIX HUNDRED AND THIRTY MURDERS IN THREE CITIES

Now I want to give you some information about three cities which have a total population of about 14 million people, about 2 million less than the six States to which I referred.

These cities are Chicago, New York, and Washington.

According to Federal Bureau of Investigation records, the three cities had a total of 6,630 murders and nonnegligent manslaughters during the 10-year period of 1946 through 1955. Chicago, with a population of 4,920,816, had 2,815; New York, with a population of 7,891,957, had 3,061; and Washington (the District of Columbia) with a population of 802,178, had 734.

These facts speak for themselves. This committee has before it a bill purporting to prevent lynching when there has been in 10 years a total of 15 lynchings, so classified, in States having a total population of about 16 million. But the 6,630 killings which have taken place in 3 cities of 14 million population have attracted no attention here.

THIRTY-TWO KILLINGS IN DISTRICT OF COLUMBIA IN 6 MONTHS

In the District of Columbia alone, during the first half of 1956, the last period for which statistics are available, 32 slayings were recorded. That was more than twice the number of lynchings classified by Tuskegee Institute during the past 10 years, and Washington has only about one-twentieth the population of the States involved.

This is not to say that I believe any Federal action is called for in connection with murders and mob slayings in Chicago and New York. But it would appear appropriate to start with the city of Washington, which is directly under the jurisdiction of the Congress, if legislation would help to reduce the present homicide rate.

The fact that no effort has been made in this direction makes it crystal clear that some crocodile tears are being shed before this committee.

SOUTH CAROLINA HAS ANTILYNCH LAW

Twenty of the 48 States already have specific antilynching laws. Seven of these States are in the Deep South. They are: Alabama, Georgia, North Carolina, South Carolina, Tennessee, Texas, and Virginia. Two others, Kentucky and West Virginia, are considered border States. The other 11 are: California, Illinois, Indiana, Kansas, Minnesota, Nebraska, New Jersey, New Mexico, New York, Ohio, and Pennsylvania.

The statistics on lynchings, to which I referred, failed to include hundreds of mob or gang slayings I have read about in the newspapers in some of the Northern States which have antilynching laws. I think it is most regrettable that antilynch laws have not been invoked in some of those gang slayings.

COUNTIES FINANCIALLY LIABLE FOR LYNCHINGS

South Carolina not only has a criminal statute against lynching, it also has a constitutional provision, article 6, section 6, which provides: "In all cases of lynchings when death ensues, the county where such lynching takes place shall, without regard to the conduct of the officers, be liable in exemplary damages of not less than $2,000 to the legal representatives of the person lynched."

Plaintiffs in years past have brought civil actions under this provision and have collected damages. There has been no death in South Carolina classified as a lynching in 10 years.

FEPC OF RUSSIAN ORIGIN

Another proposal among these so-called civil rights bills is one "to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry." This is also referred to under a short title as "the Federal Equality of Opportunity in Employment Act."

This old FEPC proposal was patterned after a Russian law written by Stalin about 1930, referred to in Russia as Stalin's "All-Races Law." The Russian law does not include the word "religion" because Stalin did not want to admit the existence of religion in Russia at the time he wrote the law. But the provisions in the FEPC proposal faithfully follow the Russian pattern and Stalin's "all-races law."

The so-called Fair Employment Practices Commission should have another name because the purpose of the Commission requires another name.

FORCED EMPLOYMENT PRACTICES COMMISSION

Instead of calling it a Fair Employment Practices Commission, it should be called a Forced Employment Practices Commission.

The proponents of this type legislation advocate that an employer should be forced to hire persons who might, for various reasons, be undesirable as employees. Labor unions would be affected in the same way.

What the proponents of this legislation have not taken into consideration is that the employers, who provide the jobs, themselves become a minority and are discriminated against and abused, if put under this law.

I don't believe that Congress, or any official of the executive branch of the Government, or the Supreme Court, sitting here in Washington, is as well trained as the individual employer or labor union to decide who they need for the job to be done.

Although 12 States have enacted FEPC laws with enforcement provisions, 36 States have no such provision. To me that is sufficient evidence that a majority of the citizens in three-fourths of the States do not want or feel a need for FEPC, or that the people and their legislatures do not consider it constitutional.

My view is that the FEPC is absolutely unconstitutional because it deprives an employer of control of his business without due process.

NEGRO EDITOR BACKS SEGREGATION

If the proponents of the FEPC bill are directing the legislation principally at the status of Negroes in the South, I would like to refer them to a Negro editor for some information as to the real situation in the South.

I am talking about Davis Lee of Newark, N. J., who publishes the Newark Telegram. Mr. Lee has traveled all over this country during the past several years and has published many stories in his newspaper describing the excellent jobs held by Negroes in the South. He has described how many Negroes have been successful in establishing their own businesses. He has told the story of how Negroes have progressed generally throughout the South.

SEGREGATION PROTECTS NEGRO

Mr. Lee has consistently advocated maintaining segregation of the races because it is advantageous to the Negro. He has stated many times that Negroes are best protected within the framework of segregation, because they do not have to compete directly with more able white employees or white businessmen in a segregated system.

He says this gives the Negro an advantage, because under segregation he can carry on a successful business, or compete as an employee, with persons of similar training and background much more successfully than he could if forced to compete in an integrated society.

If the purpose of the advocates of the FEPC is to assist and uplift the Negro and other minority races, I would suggest that they read what Mr. Lee has written. They should attempt to provide assistance without attempting to dictate to any race what its relationship must be to any other race.

There is ample evidence the Negro is better off today under the type segregation practiced in the South than under integration or the type segregation practiced outside the South. The question then becomes whether the purpose of the legislation is to help the Negro or whether it is designed to try to force integration of the white and Negro races in the South.

As far as the question of fair treatment is concerned, I believe that Mr. Lee could also inform this committee as to some of the pressures which have been brought on him, as an individual and as a New Jersey editor, because he has had the courage to publish his views, and present the facts he has found during his travels.

ONLY FIVE POLL TAX STATES

Finally, Mr. Chairman, I want to make reference to another proposal in this group of so-called civil rights bills. This is the proposal to remove the poll tax as a requirement for voting.

While I was Governor of South Carolina, I proposed that the poll tax be removed in my State as a prerequisite for voting. The question was submitted to the people in a referendum and a large majority voted to remove that requirement.

This was done, as it should have been, by action of the General Assembly in submitting the question to the people of the State involved.

Only 5 of the 48 States require the payment of a poll tax as a prerequisite to voting. If the people of those States desire to have the tax removed, they can do so through orderly processes established by the constitutions of those States. Action by the Federal Government is not needed to remove the poll tax in any of those States. Action by

the Congress by statute would be in violation of the Constitution.

I believe the Attorney General of the State of Texas testified during the hearings last year that the poll tax in that State was earmarked as revenue for public education. In some States it may be necessary to maintain the tax to secure sufficient revenue to defray all of the costs of public education.

The Federal Government has invaded so many fields of taxation that it is terribly difficult for the States to find sufficient sources of revenue to carry on the normal operations of government.

Mr. Chairman, I appreciate the time which has been allocated to me. I would like to say in conclusion that I hope this committee will not recommend the enactment of any of these so-called civil rights bills.

UNCONSTITUTIONAL AMENDING

I believe the effect of enactment of such legislation as these proposals would be to alter our form of government, without following the procedures established by the Constitution.

I believe the effect of enacting these bills into law could be to take from the States power and authority guaranteed to them by the Constitution.

In recent years there have been more and more assaults by the Federal Government on the rights of the States, as the Federal Government has seised power held by the States. In many instances, I believe, this has been done without a constitutional basis.

The States have lost prestige. But more important, the States have lost a part of their sovereignty whenever the Federal Government has taken over additional responsibilities. That loss might seem unimportant at the time, but gradually it could become a major part of the sovereignty of the States.

Officials of the Federal Government, whether in the executive, legislative, or the judicial branch, should not forget to whom they owe their allegiance. Each of us owes his allegiance to the Constitution and to the people—not to any agency, department, or person. We have taken an oath to support and defend the Constitution.

We must take into account the facts as they really are, and not be panicked by the organized pressures which so often beset public officials.

STATES CREATED UNION

We must not lose sight of the fact that the States created the Federal Union; the Federal Government did not create the States.

All of the powers held by the Federal Government were delegated to it by the States in the Constitution. The Federal Government had no power, and should have no power, which was not granted by the States in the Constitution.

If this Congress approves the legislation embodied in the bills pending before the committee, it will be an unwarranted attempt to seise power not rightfully held by the Congress or by any branch of the Federal Government.

I hope this committee will consider these facts and recommend the disapproval of these bills.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. MANSFIELD. Mr. President, I call up my amendment "2-21-57—D," which I ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Montana will be stated.

The CHIEF CLERK. On page 6, after line 6, it is proposed to insert a new section, as follows:

SEC. 4. The President shall seek to bring about through international agreement the establishment of effective control over the introduction of military "volunteers," materiel, and arms from other countries into the Middle East.

Mr. MANSFIELD. Mr. President, in the hearings conducted by the Senate Committees on Foreign Relations and Armed Services on Senate Joint Resolution 19, I offered a number of amendments. Two of them which I offered had to do with the "whereas" clauses, or preamble. I shall read them now and call them to the attention of the Senate, because I felt then that they were important. I feel now that they should be known, even though the "whereas" clauses have been stricken entirely from the resolution.

As proposed to be amended the first whereas clause would have read:

Whereas the welfare of the United States and other nations is related to the prevention of further hostilities in the region of the Middle East and the resumption of the passage of ships of all nations through the Suez Canal.

The second whereas clause would have read:

Whereas the present truce maintained by the United Nations in the Middle East may prove temporary if there is no lasting settlement of the Suez dispute and the Arab-Israeli conflict, and if economic instability in the region persists, and.

The principal effect of these clauses was to interrelate the purpose of the resolution with the immediate difficulties in the region, without detracting one iota from the warning which the President desires to give the Soviet Union against aggression.

But, as I have said, the two whereas clauses were defeated quite badly, by a vote of 18 to 7; and then all the whereas clauses were stricken from the resolution.

Speaking to the amendment now before the Senate, I wish to say that the Chairman of the Committee on Foreign Relations, the senior Senator from Rhode Island [Mr. GREEN], was thoughtful enough to make available to me the comments of the Department of State on the three amendments I have proposed. I should like, briefly, to discuss the objections of the Department of State to these amendments as they are called up.

As to the amendment concerning the control of the shipment of military materials to the Middle East, the Department of State has said——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. That is the pending amendment, is it not?

Mr. MANSFIELD. That is the pending amendment.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. MANSFIELD. The Department of State has said that it would "be strongly opposed to" this amendment "in its present form."

The Department objects because it believes this proposal might have the effect of preventing continued United States military assistance to our allies in the Middle East, such as Turkey, Iran, Pakistan, and Iraq.

It was not my intention that the amendment should be so broadly construed. It was my desire to encourage efforts to limit shipments to the parties presently involved in the Arab-Israeli dispute. I believe that my amendment is couched in terms which would enable the President to seek an international agreement among such states as he might find appropriate. I do not believe it is necessary to construe the amendment so broadly as the Department of State has construed it in order to find a basis for objection to the amendment.

Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD].

The amendment was rejected.

Mr. MANSFIELD. Mr. President, I now call up my amendment designated "22157-C," which I ask to have read.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 6, after line 6, it is proposed to insert a new section as follows:

SEC. 5. The President should continue to furnish facilities and military assistance on such terms and conditions as he may find appropriate, to the United Nations emergency force in the Middle East, with a view to maintaining the truce in that region.

Mr. MANSFIELD. The letter of February 28, addressed to the Committee on Foreign Relations by the Department of State, says that "the executive branch sees no objection to this proposal as an expression of the sense of Congress."

That is precisely what this amendment is. It states, "The President should continue to furnish facilities and military assistance." This is only an expression of the sense of Congress. Under the circumstances, I do not believe the Department of State would seriously object to the inclusion of this provision in the pending joint resolution.

However, I would be less than frank if I did not note that the executive branch has stated that it hopes none of my amendments will be adopted by the Senate as a part of the joint resolution. Those in the executive branch state this, despite the fact that they have no objection to a statement on the part of the Congress respecting the continuation of assistance to United Nations emergency forces in the area.

Mr. President, the developments of the weekend have indicated to us the importance of the maintenance of the United Nations expeditionary force in the Middle East. There was a time when we did not know whether the Israeli forces would be withdrawn in accordance with the statements made by the Prime Minister of that country, Mrs. Golda Meir, and the Israeli Ambassador to the United States, Mr. Abba Eban. It seems to me that the need for this force to maintain peace and stability both along the Gulf of Aqaba and in the region of Gaza is quite apparent.

It is my hope that my amendment will be adopted, and that our Government will take the lead in trying to bring about the establishment of a permanent United Nations peace force.

Mr. ELLENDER. Mr. President, will the Senator from Montana yield to me?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. MANSFIELD. I yield.

Mr. ELLENDER. Will the Senator from Montana tell us how the forces now in being are supplied with military hardware?

Mr. MANSFIELD. I cannot give the Senator from Louisiana exact information, but I assume that the United States will pay the major share of the cost of maintenance of the United Nations expeditionary forces both along the Gulf of Aqaba and in the Gaza Strip; and I also think that the United States will bear the greater portion or proportionate share of the cost of maintenance of the forces along the Suez Canal.

Mr. ELLENDER. Was there any indication given as to how much of such military hardware was actually furnished by the United States Government?

Mr. MANSFIELD. Not to my knowledge. I assume that in the beginning each of the United Nations forces had its own hardware there; but that, in connection with the matter of logistical support, the United States will play an important part. However, I think the details are still being worked out, and there has been no indication of exactly what the arrangement will be.

Mr. ELLENDER. As I read the amendment of the Senator from Montana, it seems to be predicated on the premise that the President is already furnishing facilities, weapons, and other support. I understand the Senator from Montana assumes that the United States is doing so.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. Can anyone connected with the committee tell us what the value of the equipment and similar items that the United States has furnished in the past might be, and what it is proposed that we furnish in the future?

Mr. MANSFIELD. I cannot supply that information. However, before the chairman of the Foreign Relations Committee endeavors to answer the question the Senator from Louisiana has asked, I should like to say that it would be far better to work on this basis in that area, rather than to work on a unilateral basis, as the pending joint resolution contemplates. In my opinion, it would be far cheaper and it would be far more effective for us to work on the basis set forth in my amendment.

At this time I yield to the distinguished chairman of the Foreign Relations Committee.

Mr. GREEN. Mr. President, I think I can answer the question in general terms. I would say that approximately $5 million has already been furnished, in addition to aircraft and the transportation of materials, and so forth, into the area referred to.

In that connection, I desire to read the following United Nations resolution:

Considering further that the matter of allocation of the expenses of the force beyond $10 million necessitates further study in all its aspects,

1. Decides that the expenses of the United Nations emergency force, other than passage, pay, equipment, supplies, and services as may be furnished without charge by member governments, shall be borne by the United Nations and shall be apportioned among the member states, to the extent of $10 million, in accordance with the scale of assessments adopted by the General Assembly for contributions to the annual budget of the organization for the financial year 1957;

2. Decides further that this decision shall be without prejudice to the subsequent apportionment of any expenses in excess of the $10 million which may be incurred in connection with the force;

3. Decides to establish a committee composed of Canada, Ceylon, Chile, El Salvador, India, Liberia, Sweden, the Union of Soviet Socialist Republics, and the United States of America, to examine the question of the apportionment of the expenses of the force in excess of $10 million. This committee shall take into consideration, among other things, the discussions on this matter at the General Assembly, and shall study the question in all its aspects, including the possibility of voluntary contributions, the fixing of maximum amounts for the expenses of the emergency force that, with prior approval by the General Assembly, could be established on each occasion, and the principle of the formulation of scales of contributions different from the scale of contributions by member states to the ordinary budget for 1957. The committee will present its report as soon as possible.

Mr. ELLENDER. Mr. President, as I understand the $10 million fund to which the Senator has just referred, under the formula now in effect the United States pays approximately one-third of that amount. Is that correct?

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. The purpose of the Senator's amendment is to change the formula, insofar as contributions are concerned, with respect to the furnishing of military hardware and the maintenance of troops. The President will have the authority to fix the amount of our contribution should this amendment be adopted.

Mr. President, as I understand the new formula or the proposed change, I do not suppose there is any doubt that our Government will bear the major portion of the expense, as my good friend, the Senator from Montana, has indicated.

I recall having read some time ago that there was considerable dissension among the members of the United Nations as to whether they would furnish any further money or similar contribution in order to maintain this police force. Particularly was that true in the case of France, I believe, and England. I doubt that Russia will furnish anything at all.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. After all, it is entirely possible that the entire burden, less only a pittance, will be borne by the United States. Am I correct as to that?

Mr. MANSFIELD. That is a possibility, let me say to my distinguished friend, the Senator from Louisiana. As the chairman of the committee has brought out, we did furnish the airplanes. We sent planes to the respective countries furnishing contingents for the United Nations expeditionary force in the Middle East, to transport the personnel from those countries to that particular area.

I should like to call attention to a fact which the minority leader, the senior Senator from California [Mr. KNOWLAND], has so often pointed out, namely, that in the action in Korea, the United States assumed approximately 95 percent of the cost and provided approximately 90 percent of the personnel. In this area we are furnishing no personnel.

Mr. ELLENDER. That is because there has as yet been no fighting which has involved the United Nations Emergency Force. That may be the answer.

Mr. MANSFIELD. That is true. This is one of the reasons why I am in favor of the joint resolution; but in the long run it might be cheaper to operate in the way proposed by my amendment, rather than on the unilateral basis the joint resolution now implies.

Mr. ELLENDER. It seems to me that some effort should be made to have our allies and other U. N. members contribute toward the maintenance of this force, rather than for the United States to bear the whole burden. As I indicated in some remarks I made before the Senate a few weeks ago, we are carrying the whole free world defense burden in Southeast Asia at the present time, the whole burden in Formosa, and practically the whole burden in Korea. I, for one, would certainly never agree to our adding the entire burden of the U. N. emergency force in the Middle East on the United States.

I would remind the Senate that the purpose of the emergency force was to further the preservation of world peace; it was constituted under United Nations action. There is no reason why the other members of the United Nations should not pay a pro rata share of the cost of this force, since they, too, are beneficiaries of its presence. Perhaps appropriate adjustments could be made in the case of those countries whose troops are actually on guard there, but as to the others, they certainly should not expect the United States to pick up the whole tab, or even a major portion of it. By the same token, there is no earthly reason for us to volunteer to pay the entire cost, either.

Mr. MANSFIELD. I am in accord with what the Senator from Louisiana says.

But this is a special question. It involves the means of keeping personnel to maintain the truce in that area; and

the truce now is on a very unstable basis. So I think it would be a very cheap and wise investment for our country.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. Is not the purpose of the Senator's suggestion the following: That the President be permitted to continue to furnish facilities to the United Nations Emergency Force, instead of operating under the provisions of the joint resolution as now written, namely, on a unilateral basis? Is it not the Senator's purpose to suggest to the President that, through the United Nations, the job be done by working together, by working collectively? Is not that the Senator's purpose?

Mr. MANSFIELD. That is the purpose; and I think it desirable that a truce force be maintained there, to prevent a return to the ante bellum status quo, which was difficult. But it would be more difficult if the force were withdrawn.

As the Senator from Texas knows, under the agreement between Mr. Hammarskjold and Colonel Nasser, up to the present time Colonel Nasser has the right to order—actually to order—the withdrawal of the United Nations Middle East Emergency Force from along the Gulf of Aqaba and the Gaza Strip.

Mr. JOHNSON of Texas. I wish to ask the Senator a question. In his opinion, does not the action of the Israeli Government point up the immediate necessity of our taking some action along the line the Senator proposes in this amendment?

Mr. MANSFIELD. The Senator is absolutely correct. That situation does emphasize the need for an amendment of this kind.

Mr. JOHNSON of Texas. And prompt action along that line?

Mr. MANSFIELD. Yes.

Mr. JOHNSON of Texas. Does not the President already have the authority—all the authority the Senator would give him in the amendment—to furnish from his emergency fund facilities and military assistance, on such terms and conditions as he may find are appropriate?

Mr. MANSFIELD. Yes, he does.

Mr. JOHNSON of Texas. This is merely a congressional expression to all the world that we desire to operate in this area through the United Nations Emergency Force, rather than unilaterally.

Mr. MANSFIELD. That is correct. If the amendment is agreed to we hope the administration will take heed, as I am sure it will. I point out to the distinguished majority leader that the settlement, through the withdrawal of the Israeli troops from the Gulf of Aqaba and the Gaza Strip, does not by any means solve the problems in the Middle East. As a matter of fact, the withdrawal of Israeli troops, and the entrance of U. N. troops, does not mean the end of all problems in that area; difficult problems lie ahead to be solved.

Mr. JOHNSON of Texas. I agree with the Senator. As I think he has stated, the purpose of the resolution is to provide ways and means for the President to settle some of the difficulties in the Middle East.

May I ask the Senator, what does the Department of State have to say with regard to the amendment?

Mr. MANSFIELD. I quote from the letter dated February 28, sent to the chairman of the Foreign Relations Committee:

> The executive branch sees no objection to this proposal as an expression of the sense of the Congress.

That is the way I interpret it.

Mr. JOHNSON of Texas. I wonder if the Senator will yield to me for the purpose of obtaining the views of the chairman of the Foreign Relations Committee. As he knows, I do not favor rewriting the resolution on the floor. On the other hand, if the amendment represents an improvement in the language of the resolution; if it makes a contribution; if it is calculated to require other governments to participate, and thus result in our saving some money, I can see nothing objectionable to it. We should express the hope that the President will act through the United Nations and that other nations may participate instead of our acting on a unilateral basis, and passing a resolution that calls upon us to use our own troops and spend our own money without the cooperation of any other nation. What is the view of the chairman of the Foreign Relations Committee?

Mr. GREEN. In order to have the RECORD complete, it seems to me it is very desirable that I read the entire letter from the Secretary of State to myself dated February 28, 1957, from which extracts have been read. I think the RECORD, if it is complete, will be better.

Mr. JOHNSON of Texas. Does the Senator have any particular views on the amendment?

Mr. GREEN. After I have read the letter, I shall be glad to state my views.

The letter reads as follows:

> DEAR MR. CHAIRMAN: Your staff has asked for the comments of the Department on three amendments proposed by Senator MANSFIELD to Senate Joint Resolution 19 (the Middle East resolution). We understand that the three amendments each to be added as a new section to Senate Joint Resolution 19, are as follows:
>
> "SEC. 4. The President shall seek to bring about through international agreement the establishment of effective control over the introduction of military volunteers, materiel, and arms from other countries into the Middle East.
>
> "SEC. 5. The President should continue to furnish facilities and military assistance, on such terms and conditions as he may find appropriate, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.
>
> "SEC. 6. The President shall as part of the fiscal year 1958 mutual-security program, if he deems it desirable, recommend to the Congress for its consideration programs of specific nature, amount, and duration, which in his judgment will facilitate a settlement of the Suez dispute and the Arab-Israeli conflict and otherwise promote stability in the Middle East and the peaceful progress of the nations of that region."
>
> As the Secretary indicated to Senator MANSFIELD and other Congressional leaders at the meeting at his house on February 24, the Department is most sympathetic with the purpose of Senator MANSFIELD and a number of other Members of Congress who believe it desirable for the Congress to state its views on several courses of action intended to help arrive at a peaceful settlement of the dispute now troubling the Middle East. The executive branch is not opposed to such proposals in general, but believes that it would be unwise to use the Middle East resolution as a vehicle for them.
>
> As the President indicated in his message to the Congress, and as Secretary Dulles has repeatedly pointed out in his testimony, the resolution proposed by the President is directed toward a single fundamental purpose: To prevent Communist aggression and subversion in the Middle East. The President expressly recognized in his message that the program proposed by the resolution "will not solve all of the problems of the Middle East." As he also pointed out it does not purport to "represent the totality of our policies for the area." The executive branch does believe, however, that the attainment of the single purpose toward which the resolution is directed will aid in the solution of the other major problems of the area, and conversely, that if this purpose is not achieved, it will be far more difficult to act effectively toward the solution of these other problems. The executive branch therefore feels strongly that the first action to be taken here should be to join the determination of the Congress with that of the President in making clear that our Nation is united in its opposition to Communist aggression and subversion in the area. After that action has been taken it would then be appropriate to consider what other declarations the Congress might wish to make toward the solution of others of the important problems of the area.
>
> For the reasons stated above the executive branch would hope that none of the proposed amendments would be adopted by the Senate as part of Senate Joint Resolution 19. However, considering the ideas incorporated in the proposed amendments solely on their merits and without regard to the legislative vehicle by which they might be given congressional expression, the views of the Department on each of them is as follows:
>
> Section 4. Control of "volunteers," materiel, and arms: As presently drafted, this proposal would require the President to work out an international agreement which would apparently have the effect of preventing the United States from continuing its program of assisting such nations as Turkey, Iran, Pakistan, and Iraq, as well as others, in their efforts to create strength necessary to deter Communist subversion and aggression. The Department feels sure that this is not the intended purpose of the amendment but would be strongly opposed to it in its present form.
>
> Section 5. Assistance to UNEF: The executive branch sees no objection to this proposal as an expression of the sense of the Congress.
>
> Section 6. Recommendations in fiscal year 1958: This proposal might be read as calling upon the President to recommend programs of a mutual security nature which would be put forward as purported to solve problems not susceptible to solution by that means alone.
>
> If, however, it has only the more limited purpose of calling upon the President to make such recommendations as would be helpful, within the limitations of the mutual security program, in moving toward a settlement of the vexing problems of the area, then the Department would see no objection to such an expression of the sense of the Congress.
>
> I trust these comments will be helpful to you and the members of your committee.
>
> Sincerely yours,
>
> ROBERT C. HILL,
> *Assistant Secretary*
> (For the Secretary of State).

As I understand, the section in question is section 5. The executive branch sees no objection to the proposal as an expression of the sense of the Congress. On February 27 I stated that I would support Senate Joint Resolution 19 as reported from the committee. However, I reserved my right to support amendments generally acceptable. In view of the latter fact, and the letter which I have just read from the Department of State, I feel justified in voting for this amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. ELLENDER. As I understood the distinguished Senator from Texas in his discussion a moment ago, he said that the President has authority, under section 401 of the present law——

Mr. JOHNSON of Texas. No, no. The Senator from Texas never mentioned section 401.

Mr. ELLENDER. The Senator from Texas spoke about the special fund of the President, which is authorized under section 401 of the Mutual Security Act of 1954, as amended.

We have been trying for the past 7 or 8 years to limit our contribution to the United Nations. The distinguished Senator from California [Mr. KNOWLAND] knows that to be so. He has made an able effort to place reasonable bounds on the percentage we contribute, and so have I. We have limited our contribution to one-third. In my opinion the adoption of this amendment would merely vitiate what we have done in the past, because it would give the President the right to increase the percentage we contribute to the U. N. over and above the one-third we are now providing.

I am satisfied that if the proponents of section 401 had been asked whether or not any of these special funds given to the President were to be used to supplement our regular contributions to the United Nations, the question would have been answered in the negative.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I do not have the floor.

Mr. JOHNSON of Texas. Mr. President, the Senator from Louisiana quoted me. Will he allow me to make a brief statement?

Mr. ELLENDER. Certainly.

Mr. MANSFIELD. I yield for that purpose.

Mr. JOHNSON of Texas. It is my information that the President is provided with an emergency fund of $100 million; that he has very broad discretion in the use of that fund; and that there are no limitations connected with his use of that money.

Mr. ELLENDER. But there are limitations——

Mr. JOHNSON of Texas. Let me finish. The Senator has quoted me. I am attempting to say for the RECORD what I thought I had said previously.

The President has very broad discretionary powers. I am informed—and I think on good authority—that there are no limitations on the powers of the President which would prohibit him from using all the balance of the $100 million for the purpose outlined in the Senator's amendment. I think the Senator from Louisiana will agree with that statement.

Mr. ELLENDER. No, I will not; for the simple reason that for the past 7 or 8 years we have limited the amount of our contribution to the United Nations. For the President to make the special fund available to the United Nations would be contrary to what Congress intended. This amendment, of course, would give him such authority; and that is what I am objecting to.

The gist of the Senator's argument is to the effect that although Congress has almost consistently limited United States contributions to the United Nations budget to one-third of the total, it also gave the President full discretion in the use of the money authorized by section 401. Hence, according to the Senator's argument, the President could use money authorized under section 401 to increase our United Nations contribution beyond the one-third agreed upon by Congress. I say, Mr. President, that to use the money authorized under section 401 in such a manner would violate the intent of Congress. If anything can be implied from the legislative history of these two proposals, it is that Congress never intended the special fund to be used to raise the percentage of our United Nations contribution. As I recall the history of the special fund it was placed in the act in order to permit the President to cope with such things as the revolt in Guatemala, drought relief, flood relief, and so on. There was certainly no intention on the part of Congress that it be used to raise the percentage of our U. N. contribution.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I have not the floor.

Mr. MANSFIELD. I yield to the Senator from California.

Mr. KNOWLAND. I rise to oppose this amendment of the distinguished Senator from Montana. Unfortunately, I was delayed at a meeting at the White House, and did not arrive in the Chamber until after the beginning of the debate on his amendment. However, I have read both the statement of the Department of State and the Senator's own statement, which he was generous enough to show to me.

The Senator has very thoroughly stated the situation insofar as the State Department is concerned not only as expressed in the letter, but in the conversations which have been had with the Secretary. However, I place a little different interpretation—and I think the Senator from Montana has been perfectly frank in his statement—on both the letter and the statements of the Secretary, as I understand them. The statements were to the effect that if the Congress wished to adopt resolutions on this subject, the Secretary of State would certainly have no objection to its doing so. I think he did indicate that if he had any preference in the matter, he would prefer that such expressions be not attached to the pending Middle East resolution. I am rising at this point to give what I think are some very valid reason why I think it would be a mistake to adopt this amendment.

First of all, the subject was considered in the combined committees. There was a great deal of discussion. Certain amendments were proposed and rejected, and others were proposed and adopted.

If there has ever come before this body a resolution which represented the combined handiwork of the Congress of the United States and its appropriate committees, as well as the Executive, I think this is one with respect to which both have made constructive contributions.

I have been a delegate to the United Nations, as has my colleague and friend from Minnesota [Mr. HUMPHREY]. One of the movements which is constantly under way there is an effort to pass an additional percentage of the burden for the support of the United Nations on to the Government of the United States, which is directly contrary to the Congressional intent, for the intent has been to reduce the United States contribution.

As the Senator from Louisiana has so well pointed out, for 7 or 8 years the Congress, as a coordinate arm of the Government, as a matter of congressional policy has been seeking to reduce the general support items for the United Nations to one-third, so far as the share of the United States is concerned. We have not achieved that objective in all categories, but at least the Congressional policy has been set. We have had the overwhelming support of the Congress of the United States in that effort.

It is one thing for the President to decide that, because of a particular emergency at this time, he should, in his discretion, assume some additional burdens. However, it is quite another thing for the Congress to appear to be giving a blank-check endorsement to such a policy. It is that situation to which I object.

I say very frankly that if this amendment is agreed to, I think we shall find it very difficult to get other members of the United Nations to make any contribution to the United Nations Emergency Forces, because they will feel that not only may the President assume the additional burden in an emergency situation, but that the Congress of the United States has reversed itself and is prepared to support the Executive in taking over the entire burden of the emergency forces.

I believe it is extremely important that there be this emergency force. I think it is helpful. However, I believe that there should not be two classes of membership in the United Nations, one of which receives benefits but does not assume any responsibilities, whether it be in the contribution of manpower or in the contribution of financial support.

I think the proposed amendment would be one of the most devastating things the Congress could do if, as a matter of Congressional policy, without any hearing before the Foreign Relations Committee at which testimony could be taken, we should now, in effect, reverse the Congressional policies which we have followed for the past 7 years.

I am quite frank to say to the distinguished Senator from Montana that, despite the letter from the State Department, in the past 7 years the Executive has had a slightly different viewpoint. I think the executive department was prepared to support a larger amount, perhaps as much as 40 percent. Perhaps some members of the executive department in the past have been prepared to go to 50 percent. I know that arguments are made in the United Nations to the effect that the United States has the resources, and that perhaps it should assume 60 or 70 percent of the burden.

I do not subscribe to that argument. We sit in the General Assembly, with 1 vote out of 60. We sit in the Security Council, with 1 vote out of 11. Obviously I am not suggesting that each country should be required to pay the same dues or assessment so far as membership is concerned, because the various countries occupy different positions. However, when we have adopted a Congressional policy that our contribution shall not exceed 33⅓ percent of the total assessment—and to achieve that goal has meant a long struggle over many years—we should not now invite the other nations, in effect, to contribute nothing in this regard, which is exactly the interpretation that will be placed on our action if we adopt the pending amendment.

When this subject was before the United Nations, at the time when I was a delegate, in December, the subject of the support of the emergency force came before committee No. 5. I did not serve on that committee. One of our distinguished ambassadors, Ambassador to Liberia Jones, was our member on committee No. 5. However, the matter came up in conference of the U. N. delegates. At that time a great effort was made to increase the American overall contribution. The American delegation objected to that, and rightly so.

Then the question arose as to how the nations should share the burden of the first assessment with respect to the U. N. Emergency Force. At that time a temporary agreement was entered into that for the first $10 million there would be applied the same formula which applies to the general support program of the United Nations.

Country after country represented on committee No. 5 stated that they were not going to be bound beyond that point, and some of them even abstained from voting on the proposal, so that they would not be obligated to bear the proportion they now bear with respect to the whole organization. They did not wish to be bound to share with respect to the first $10 million the same proportion they now pay with respect to the whole organization of the United Nations. The question was left open as to what the proportion would be thereafter.

Only 2 or 3 days ago I read on the press ticker in the lobby that the Government of the United States had temporarily, presumably, agreed to bear 50 percent of the burden. That may be necessary, under the peculiar emergency, in an effort to solve the problem. I have no criticism of that. However, I most strenuously object to Congress now serving notice on the other members of the United Nations that the United States is prepared to pick up the whole check.

The argument could be made, perhaps, that if we picked up the whole check we might be better off. However, I still maintain that if the United Nations is to take an effective part the other member nations must have a sense of responsibility, and must realize that to gain the assistance of the organization, they must be prepared to carry their full share of the burden.

Mr. President, for the reasons I have given I shall oppose the amendment offered by the Senator from Montana.

Mr. MALONE and Mr. MANSFIELD addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from California yield; and, if so, to whom?

Mr. KNOWLAND. I shall yield first to the Senator from Montana; and then I shall yield to the Senator from Nevada.

Mr. MANSFIELD. Mr. President, the amendment does not change the apportionment which was agreed to by Congress in the consideration of our contribution to the United Nations. The Senator from California, the Senator from Louisiana, and the Senator from Texas all along have been practically unanimous in that regard, and we have worked together to get the percentage down to where it is now.

I point out that the President, under the Mutual Security Act, does have at his disposal $100 million which he can spend as he sees fit. Of that $100 million, only $5 million have been spent to date.

The Senator from California states that he approves what has been done up to this time, but, he says, he is afraid of setting a precedent. What I am afraid of is the loss of American lives, not of spending American dollars which can bring some degree of multilateral action in that area, if need be, and keep us from some involvement on the part of our own forces. I believe this is the cheapest kind of insurance we can buy.

The Senator talks about responsibilities. The President has responsibilities so far as manpower in the Middle East area is concerned. Who is bearing the responsibility at the present time? It is the manpower of the smaller nations who are members of the United Nations. I believe we ought to be willing to give the President the discretion sought so that he can keep alive some degree of multilateral activity, so that we can keep the U. N. Emergency Force in being, so that we can use it as a lever to keep the Arabs and Israelis from once again going at each other's throats, and so that we can work out some degree of peace and stability in that area, and get away from the idea of this country, on a unilateral basis, moving into the vacuum there which we helped in part to create.

The Senator from California has stated many times that in Korea we supplied 90 percent of the manpower and, if my memory serves me correctly, 95 percent of the cost. If we adopted the amendment, we would get a bargain, and we would bring about, I must repeat, a multilateral involvement in the Middle East area, instead of a unilateral involvement, as the resolution provides.

Mr. MALONE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I shall be glad to yield in a moment. I merely wish to say that I do not believe we differ in the slightest as to the desirability of the United Nations Emergency Force being in the Middle East area, and about a contribution being made by the other countries. As the Senator has pointed out, in the Korean operation, with respect to which we are entitled to some credit, I believe, we supplied 90 percent of the manpower and bore 95 percent of the cost. In this instance I believe the other nations should make their contributions, and should be encouraged to support the United Nations Emergency Force, because it is in their interest to do so, as well as in our interest.

Mr. MANSFIELD. Exactly. I do not disagree with the Senator in that regard.

Mr. KNOWLAND. But I must say to the Senator that the language of his amendment, that "the President should continue to furnish facilities and military assistance, on such terms and conditions as he may find appropriate," would in effect give the President a blank-check endorsement to continue to do this for 5 or 10 years.

Many persons—and I am inclined to agree with them—believe that there would be a great advantage in maintaining a permanent U. N. Emergency Force.

On the other hand, if the other 79 members of the United Nations get the impression that Congress is prepared to pick up, even for a short time, 100 percent of the total cost, I believe there are a number that will not be willing to assume any of the burden.

Mr. MANSFIELD. If the Senator will permit me, I should like to say that I have discussed a possible revision of the amendment with the distinguished Senator from South Dakota [Mr. CASE], which I hope the minority leader and the Senator from Louisiana will find acceptable, and which I would appreciate the Senator from South Dakota reading at this time.

Mr. KNOWLAND. I yield for that purpose.

Mr. CASE of South Dakota. Mr. President, it seems to me that the basic difference of opinion goes to the clause "on such terms and conditions as he may find appropriate," which possibly suggests a change in the basis on which facilities are provided to the United Nations by the United States. Instead of that clause, I am suggesting that there be used the words "within provisions of applicable law."

Mr. MANSFIELD. Will the Senator read the sentence in full now?

Mr. CASE of South Dakota. It would make the amendment read:

> The President should continue to furnish facilities and military assistance, within provisions of applicable law, to the United Nations emergency force in the Middle East, with a view to maintaining the truce in that region.

With that change the amendment becomes merely advisory, namely, that we

think the President ought to continue the cooperation, but he does not have authority to change the conditions under which aid may be made available.

The PRESIDENT pro tempore. Does the Senator from Montana accept the modification?

Mr. MANSFIELD. I accept the modification.

Mr. KNOWLAND. I must respectfully say that, although the Senator from South Dakota has, over the years, made many excellent suggestions with respect to trying to find a common meeting ground, the problem I see in connection with his modification is that it still leaves the situation quite fuzzy. The words "under applicable law," do not seem to clarify the situation. Is the Senator prepared to give an interpretation of what is meant? In the Senator's judgment, does it mean that we cannot contribute more than 33⅓ percent, which is the contribution we make to the general support of the United Nations? Does it mean 40 percent, which is the amount we are contributing to the children's fund? In other words, some of our percentage contributions are higher than our contribution to the general support of the United Nations. Would not the inclusion of the phrase vitiate and make null and void the agreement which we have apparently made for this one time, at least, that we would bear, as I understood the press dispatches, 50 percent of the cost?

That is the danger of rewriting this resolution on the floor. As I have understood the Secretary, he had no objection to such a provision on this general subject if the Congress, in its wisdom, decided it wanted it; but he preferred that it be done in a separate resolution. If such a provision were proposed in the matter and possibly reach some common ground. Perhaps there should be a different percentage, so far as the United Nations Emergency Forces or a permanent force are concerned. But I think it is highly inadvisable on the floor, in view of points which have been raised, to attach the amendment to the Middle East resolution which already has sufficient controversies in it to create some problems.

Mr. MANSFIELD. Mr. President, I should like to answer, in part, a statement made by the minority leader. This amendment was considered in the committee and it was defeated, I believe, by a 14-to-14 vote. So it is not a proposal we are pulling out of a hat and presenting to the Senate for the first time. It was considered, and it is with a sense of responsible cooperation that I am offering these amendments again, because I think we should not confine them only to the Senate committees, but that they should be brought before the Senate as a whole.

Mr. CASE of South Dakota. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. CASE of South Dakota. Mr. President, that the debate should be clarifying as to the whole situation, and I think the distinguished minority leader [Mr. KNOWLAND] has very properly raised a point about the possible interpretation of the clause which the suggestion I have made would eliminate. If we retain the clause as now written, it does suggest an amendment of existing law and practice with respect to contributions to the United Nations. However, if it is eliminated, and we substitute the words I have suggested, then the provisions which would be applicable would be the provisions dealing with any particular fund which might be available. It would not modify or change it, and it would not give to the President discretion to change the existing law. It would mean that the amendment would have the clear-cut purpose of saying that we feel the President should continue to furnish the facilities and military assistance to the United Nations Emergency Force. In other words, instead of going it alone, we should continue to cooperate with the United Nations Emergency Force within the provisions of applicable law.

Mr. MANSFIELD. Mr. President, I should like to read from the United Nations resolution a section covering this matter. The third section is the important one:

> 3. Decides to establish a committee composed of Canada, Ceylon, Chile, El Salvador, India, Liberia, Sweden, the Union of Soviet Socialist Republics, and the United States of America to examine the question of the apportionment of the expenses of the Force in excess of $10 million. This committee shall take into consideration, among other things, the discussions on this matter at the General Assembly, and shall study the question in all its aspects, including the possibility of voluntary contributions, the fixing of maximum amounts for the expenses of the emergency force that, with prior approval by the General Assembly, could be established on each occasion, and the principle of the formulation of scales of contributions different from the scale of contributions by member states to the ordinary budget for 1957. The committee will present its report as soon as possible.

That is the language of the third section of the United Nations resolution. I wonder if we want to reach a stage where the Soviet Union will be the one bearing the greatest share of the cost in the Middle East. I wonder if we want to get the Soviet Union in more deeply than it is at the present time. It is in there deeply enough, and, in my opinion in there to stay.

I think we should develop the idea of multilateral action in that area and get away from a solo experiment on our part.

I believe the Senator from South Dakota has worded his modification in such a way that it should take care of the argument offered by the Senator from California [Mr. KNOWLAND] and the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. ELLENDER. The modification will not add anything to the amendment, because the contribution we are now furnishing is not fixed by law. It is merely a policy on which Congress has been working for the past 6 or 7 years. At one time we furnished as much as 60 percent of the amount necessary to carry out the technical aid program of the United Nations, for example. We have succeeded in reducing that to less than 50 percent—not by enacting a law, but by adhering to policies established in the Congress. We have also applied the same formula in regard to the contribution for the expenses of the United Nations proper by reducing that contribution from an overall average of 45 percent, as I remember, to 33⅓ percent, which is our current contribution.

Mr. MANSFIELD. The Senator from Louisiana is correct, but he knows that any stipulation adopted by the Congress has the effect of law. We are all interested in cutting down the contributions to 33⅓ percent, but here we are faced with an emergency. What has this country gone through in the past 4 months because of what has happened in the Middle East? What will it cost us if the problems of that area are not settled on a peaceful basis?

Mr. ELLENDER. The world has been in a state of emergency for some 10 years now, and we have been paying practically all the costs. As has been pointed out before, in Korea it was originally said that the United Nations was going to make contributions, and the war would last only 3 or 4 weeks. But it lasted 4 years, and we paid 90 percent of the cost of the operation and furnished 96 percent of the foreign troops that served there.

Mr. MANSFIELD. In this instance we are not furnishing any troops—yet.

Mr. ELLENDER. No; we are not—yet. Exactly.

Mr. MANSFIELD. If the United Nations police force is withdrawn, Russia will move in. Does the Senator from Louisiana want this country to be involved in the Middle East on a unique unilateral basis?

Mr. ELLENDER. Are we the only ones interested there? Mutual security should mean aid from all the members of the United Nations. As I have pointed out many times, we are too soft in these matters. If the amendment of the Senator from Montana is adopted, it will mean, as the Senator from California has stated, that we will carry the entire load.

Mr. MANSFIELD. The Senator makes the statement that mutual security means contributions by all the nations. As a matter of fact, so far as mutual security itself is concerned, it does not mean that in this instance. Unless we use the United Nations Emergency Force, unless we have someone on guard, we shall become involved unilaterally; and if we do, it will be a sorry day for this country and for the free world.

Mr. CASE of South Dakota. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. CASE of South Dakota. As I understand, the staff of the committee has examined the original amendment. It is not a repeal or change of existing law.

Mr. MANSFIELD. That is correct.

Mr. CASE of South Dakota. I think it is possible that someone may read it and think it was intended in some way to modify existing law.

That is why I made the suggestion. It seems to me that there should be an advisory statement or an advisory declaration that we believe the President, as a matter of policy, should continue to utilize the United Nations Emergency Force by furnishing facilities and military assistance within the provisions of the existing law."

Mr. MANSFIELD. The Senator is correct.

Mr. CASE of South Dakota. To that extent, I think it supports the thesis which the able Senator from Montana has expounded, that we do not want to go it alone; that we do not want to act on a unilateral basis if there is a chance, by sharing in the program of the United Nations Emergency Forces, that we will have some allies to act with us.

Mr. MANSFIELD. That is correct.

Mr. MALONE. Mr. President, will the Senator from Montana yield, that I may ask a question of the minority leader?

Mr. MANSFIELD. Yes, indeed.

Mr. MALONE. I wish to ask the minority leader if he believes, in view of developments, that we are supposed ultimately to furnish all the money for the United Nations, in view of the fact that from the beginning we have furnished more cash to each of the nations than any one of them has put up for the United Nations or for any other organization created under or by the United Nations. Could he possibly be surprised to learn that we were now headed toward putting up all the money?

Mr. KNOWLAND. I am surprised, because I think the United Nations offers certain advantages. It offers advantages to the smaller nations of the world, as well as to the larger ones. I think every inducement and encouragement should be given to them to carry their share of the load, and not merely to accept whatever asset value there is in the United Nations. They should be prepared to accept the liability-value of the United Nations, as well.

I think we perform a more useful service in Congress when we continue to repeat that doctrine than if we give the impression throughout the world that we are going to pick up the check if the other nations do not carry their share of the responsibility.

Mr. MALONE. Mr. President, will the Senator from Montana further yield?

Mr. MANSFIELD. I yield.

Mr. MALONE. I should further like to ask the distinguished minority leader if it is not true that the United States has continually, from the beginning to date, paid more money to each of the member nations of the United Nations than they have provided to the United Nations, the World Bank, or to any other organization.

Mr. KNOWLAND. No; that is not true of all the members of the United Nations. We have not made contributions, so far as I know, to Canada. As an example, Canada did not get lend-lease, or at least it has not received Marshall plan aid since the termination of World War II.

Mr. MALONE. Canada got some lend-lease assistance.

Mr. KNOWLAND. Canada got some lend-lease during the war, but it has not received any aid from us since then. Not all nations are in the same category.

Mr. MALONE. Mr. President, will the Senator from Montana further yield?

Mr. MANSFIELD. I yield.

Mr. MALONE. Then I should like to emphasize again to the distinguished minority leader that from the beginning there has been no intention that any nation in the world should put any money into any program which we did not first furnish them; and there is no intention in the rigged resolution now before the Senate, or in any modification or anything else, that we will not finance it and will not end by doing the fighting.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am glad to yield.

Mr. JENNER. I am inclined to believe that what the Senator is trying to accomplish will be accomplished anyway, but this is what puzzles me: We know that our Government does not welcome French and British soldiers at the side of American soldiers in the Middle East. So if the French and British soldiers shall be eliminated, who will furnish the fighting force in the Middle East?

Mr. MANSFIELD. At this time I cannot recall all the countries, but the Danes, the Finns, the Norwegians, the Colombians, and others, are there—all small nations.

Mr. JENNER. All small nations.

Mr. MANSFIELD. Yes.

Mr. JENNER. If the soldiers of England and France are not welcome at the side of American troops in the United Nations force in the Middle East, what country's troops will be at the side of American forces—Russia's?

Mr. MANSFIELD. No. I would not agree that the English and the French would not be welcome at the side of American troops anywhere in the world, because they are the best allies we have.

Mr. JENNER. I have read the statement of the Secretary of State—

Mr. MANSFIELD. I think that statement was made in a sense which has been thoroughly misunderstood. The Secretary certainly was not speaking seriously at that time, but in view of the circumstances and conditions as they then existed. But when the statement was carried in the press, it was given undue prominence, and I think it was misinterpreted.

Of course this administration, or any other administration, would be happy, in case of difficulties, to have the French and British at our side. They are good soldiers, and they are good allies.

Mr. JENNER. I think the ultimate result of the Senator's amendment probably will be, regardless of the words which are used, that the United States will have to carry the load.

Mr. MANSFIELD. As I see it, the choice is between having the United Nations stay in or go into the Middle East to maintain peace and stability, and having the United States go into the Middle East on a unilateral basis.

Mr. President, I ask for a vote on the amendment.

Mr. CASE of South Dakota. Mr. President, if the amendment is to be modified, I suggest that the words "and established policies" be included following the other words suggested so that the amendment would read:

SEC. 5. The President should continue to furnish facilities and military assistance, within the provisions of applicable law and established policies, on such terms and conditions as he may find appropriate, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

Mr. MANSFIELD. Mr. President, I am perfectly willing to accept the modification. I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Montana to the committee amendment, as amended. [Putting the question.]

The "noes" appear to have it.

Mr. MANSFIELD. Mr. President, I ask for a division.

Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Barrett	Green	Mundt
Beall	Hayden	Murray
Bennett	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Blakley	Hill	Pastore
Bricker	Holland	Payne
Bridges	Hruska	Potter
Bush	Humphrey	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Kefauver	Scott
Case, S. Dak.	Kennedy	Smathers
Chavez	Kerr	Smith, Maine
Church	Knowland	Smith, N. J.
Clark	Kuchel	Sparkman
Cooper	Lausche	Stennis
Cotton	Long	Symington
Curtis	Magnuson	Talmadge
Dirksen	Malone	Thurmond
Douglas	Mansfield	Thye
Dworshak	Martin, Iowa	Watkins
Eastland	Martin, Pa.	Wiley
Ellender	McCarthy	Williams
Ervin	McClellan	Young
Flanders	McNamara	

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] is absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from New York [Mr. IVES] and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). A quorum is present.

The question is on agreeing to the amendment, as modified, offered by the Senator from Montana [Mr. MANSFIELD] to the committee amendment, as amended.

Mr. KNOWLAND. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask that my amendment be read.

The PRESIDING OFFICER. The amendment, as modified, to the committee amendment, as amended, will be read.

The LEGISLATIVE CLERK. In the committee amendment as amended, on page 6, after line 6, it is proposed to insert a new section, as follows:

SEC. 5. The President should continue to furnish facilities and military assistance, within the provisions of applicable law and established policies, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

Mr. MANSFIELD. Mr. President, I ask that the vote on my amendment be taken.

Mr. RUSSELL. Mr. President, I desire to ask a question of the Senator from Montana.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. RUSSELL. As I understand the purposes of the Senator's amendment, he seeks to go to the fundamental difficulty which obtains in this area, and that is in maintaining the peace through the employment of the United Nations forces which now are in the area or which might hereafter be dispatched there for the purposes of maintaining peace in the area.

Mr. MANSFIELD. That is correct.

I should like to call attention to the fact that over the weekend, all of us were very thankful that a United Nations force was prepared, ready, and able to go into certain areas on the basis of the Israeli withdrawal both from the Gulf of Aqaba area and from the Gaza Strip.

Mr. RUSSELL. Is it the Senator's interpretation of his amendment—and I ask this question for the purpose of legislative history—that the United States would not bear a greater proportionate cost under this provision than now applies to other activities of the United Nations?

Mr. MANSFIELD. That would be a fact, as I interpret the amendment to the amendment offered by the Senator from South Dakota. I should like to remind the Senator that one of our delegates to the United Nations, the distinguished minority leader, the senior Senator from California [Mr. KNOWLAND], notified us that during this session of the U. N. an agreement was reached whereby, for a certain temporary period and because of unusual circumstances, we would bear costs up to 50 percent. I believe I am correct in that statement.

Mr. KNOWLAND. That is correct. If the Senator will yield at this point, I should like to state that I pointed out that in the first $10 million of the cost of the emergency fund, Committee No. 5 of the United Nations decided the same proportion should apply on that first $10 million that applies in the general support of the United Nations as an organization, which for some time has been 33⅓ percent of the cost. Each country has a member on Committee No. 5, and some members abstained from approving that because they did not want to be bound for any cost whatever, making it clear there would have to be a different allocation of future costs.

Two or 3 days ago I read on the news ticker that, with respect to some additional costs, we had agreed to bear 50 percent of the cost.

My objection to the amendment offered by the distinguished Senator from Montana is not as to the importance of the United Nations Emergency Force. I think we all agree it has been desirable. As to our bearing no more than 33⅓ percent, temporarily we have assumed certain additional amounts, up to 50 percent of the cost, with which I have no quarrel, provided that is for the present specific situation and this particular emergency. What I am fearful of is that, after 7 years of trying to get Congress to cut the United States contribution to one-third, although in some agencies we pay up to 40 percent, and in technical assistance we pay almost 60 percent in some instances, if the Senate gives an endorsement to the emergency amount, I am fearful many member nations will say, "If we do nothing, the United States will pick up the entire check."

It is one thing for the President to take the proposed action for one year. It is another thing to have a Congressional statement which may be interpreted as a Congressional endorsement of the idea that the United States will pick up the entire check.

While the modification improves the amendment to some extent, I would not feel justified in voting for the amendment, because, insofar as the emergency force is concerned, there is no existing law and no applicable policy. Therefore, I do not think it would afford protection on the point which the distinguished Senator from Georgia has quite aptly raised. I doubt very much that even the legislative history will give us the protection the distinguished Senator from Georgia is seeking.

Mr. RUSSELL. If the Senator will yield, I sought to make the legislative history in the hope that we could go from the cost of 50 percent under the present arrangement to the 33⅓ percent of United Nations expenditures which we normally bear.

I have sought in the Committee on Appropriations—and I wish to pay tribute to the distinguished Senator from California for his efforts in the same direction—to bring about a reduction in the proportionate cost the United States bears of the expenditures for the various activities of the United Nations. The sums have not been staggering when laid alongside our other expenditures, but they could be of vast importance in dealing with these matters in the future. I am convinced, with respect to the United Nations, as I am with regard to military and economic assistance, that unless countries who are members of the United Nations contribute something to its cost, it will not have the same significance in their minds that it would have if they did make contributions.

I was hopeful we might make legislative history that would induce the executive branch to reduce the cost from 50 percent to 33⅓ percent. If that is not done, on the ground that there is an emergency situation to be dealt with, then, when the act extending the mutual-security program for 1958 comes before Congress, there will be the opportunity to write into the law a provision that will make it clear the United States does not assume more than 33⅓ percent of the cost of maintaining the forces.

I think the amendment proposed by the Senator from Montana deals with actual dangers in the area, and not with theories and philosophies, and with hopes and prayers, with respect to other programs.

Mr. MANSFIELD. I thank the Senator from Georgia.

Mr. CASE of South Dakota. Mr. President, since we are about to have a yea and nay vote, and since many Senators have recently come from committee meetings, possibly it might be well to have a statement explaining the amendment before there is a call of the roll.

Senators may remember that in the original resolution there were several references to the United Nations. In the amendment reported by the committee there is no reference to the United Nations, because the amendment of the Senator from Wyoming [Mr. O'MAHONEY] substituted the words "Constitution of the United States" for the words "Charter of the United Nations."

The amendment of the Senator from Montana proposes to restore language with reference to the United Nations Emergency Force, in order to make it clear that we will not go it alone, but want to have it made clear that we are acting through the United Nations Emergency Force.

The amendment which the Senator proposed reads as follows:

The President should continue to furnish facilities and military assistance, on such terms and conditions as he may find appropriate, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

The distinguished minority leader raised a question, the significance of which I think all of us who were listening to the debate recognized, that when the term "on such terms and conditions as he may find appropriate" is used it might mean a change in existing policies with respect to the proportion of the cost shared by the United States.

So the junior Senator from South Dakota, in an attempt to be helpful and avoid the legislative question, suggested that the words "on such terms and conditions as he may find appropriate," be eliminated and that there be substituted for them the words "within the provisions of applicable law and established policies," so the amendment would read:

The President should continue to furnish facilities and military assistance, within the provisions of applicable law and established policies, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

In the discussion of the amendment we had the benefit of the letter which the Secretary of State, Mr. Dulles, had written to the chairman of the Foreign Relations Committee. In that letter the Secretary indicated, in general, that he did not care for amendments; but with respect to this particular amendment, the letter read:

The executive branch sees no objection to this proposal as an expression of the sense of the Congress.

That was with regard to the original form of the amendment. There should be even less objection to it in its present form. In its present form, and with the legislative history which has been written, it must certainly be clear that there is no intent to amend existing law with regard to the division of funds contributed or facilities or military assistance provided.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. MANSFIELD. I am glad the Senator from South Dakota has been so emphatic on that point. He is correct. The RECORD will show what the legislative intent is, and I think what we have done by way of tightening the amendment has made it more definitive. I think the issue is clear. Either we depend upon the United Nations forces in that area at the present time or in the immediate future, or, as an alternative, perhaps, we depend upon the United States forces.

Mr. CASE of South Dakota. I think that is the basic issue. Now that the issue has been raised, do we want to deny the statement of advice in the words "should continue"? Do we wish to deny that and say we do not want the President to continue to work through the United Nations Emergency Force, or do we want him to continue to operate through the United Nations Emergency Force? On that basis, I think the amendment should be adopted.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WATKINS. Would that imply in any way that our policy would be determined by the United Nations in the conduct of any military help we might give to any of the nations in the Middle East area?

Mr. MANSFIELD. If the Senator from South Dakota will yield to me, the answer is "No."

Mr. WATKINS. I wished to make that clear from the standpoint of the legislative history.

Mr. CASE of South Dakota. That would be my own answer. The words "established policies" are inserted to refer to established policies with respect to the percentage of contribution, in line with some of the points raised by the distinguished Senator from California.

Mr. WATKINS. I hope we shall not let anything become a part of the legislative history of this resolution which would cause us to repeat what happened in Korea, where we followed the United Nations policies, but to our own disadvantage. I think that kept us from actually winning the war in that area.

Mr. CASE of South Dakota. As a matter of fact, the legislative history should be reassuring to the Senator from Utah in that connection, because the original resolution carried the following language, in a proviso to be found on page 2, reading as follows:

Provided, That such employment—

Referring to our forces—

shall be consonant with the treaty obligations of the United States and with the Charter of the United Nations, and actions and recommendations of the United Nations.

That language is no longer in the resolution. It was stricken out in the committee. The resolution, as reported to the Senate, eliminates those words—"actions and recommendations of the United Nations."

Mr. WATKINS. I arrived in the Chamber a little late. I did not know that that language had been deleted, but I am glad that it has been. It makes the amendment much more acceptable.

Mr. CASE of South Dakota. There is nothing now in the language, as I see it, which would make us subservient to a directive of the United Nations with respect to the employment of our forces, but rather the contrary.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. MANSFIELD. In substitution for the language to which the Senator has referred, which was eliminated in the committee and on the floor, are the words "Constitution of the United States."

Mr. CASE of South Dakota. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD], as modified, to the committee amendment in the nature of a substitute.

Mr. JOHNSON of Texas. Mr. President, I have a very brief observation to make with respect to the pending amendment to the committee amendment.

First, I share the hope, with every other Member of this body, that all the member nations of the United Nations will bear their proportionate part of the cost of the undertaking.

Second, I have viewed with great regret their inability to do so in the past.

In my opinion, the view expressed here, that this amendment seeks to change the contributions made by this country or any other nation to the United Nations, is not justified. First of all, the staff which worked on the resolution said that the original amendment in no way reduced the limitations on contributions.

Second, the distinguished Senator from South Dakota, to make abundantly clear that this was the situation, drafted language which reads, "within the provisions of applicable law and established policies."

Third, the distinguished chairman of the Foreign Relations Committee handling this legislation, after reading the entire letter from the Secretary of State, and particularly that part relating to section 5, which deals with this amendment, emphasized one particular sentence, which I quote:

The executive branch sees no objection to this proposal as an expression of the sense of the Congress.

Next, the distinguished chairman of the Armed Services Committee rose and attempted to make further legislative history to remove the misapprehensions which had been created. Additional legislative history was made, and the distinguished Senator from Georgia, the Chairman of the Armed Services Committee [Mr. RUSSELL] stated that he would support the amendment.

In this resolution we authorize the President of the United States to take $200 million out of a straitjacket, remove the limitations, and use the money where he thinks he can best use it to bring peace in the Middle East area.

We go further and cast tradition aside, and say, "If the President believes it necessary, we are prepared to use our Armed Forces."

Then what do we do? We trust the President. But some who distrust the United Nations, want to say, "We deny the President the authority to continue to furnish facilities and military assistance to the United Nations Emergency Force in the Middle East, within the provisions of applicable law and established policies."

I rose on the floor the other day and congratulated this administration and our representatives in the United Nations, and many member nations which have made a substantial contribution to the arrangements effectuated in the past few days, which have brightened the prospects for peace. I believe the fact that Israel is withdrawing from certain areas makes it all the more important that the Congress not only say that the President may employ our own forces and may employ our own funds, but that our President may furnish assistance to the United Nations Emergency Force. I should not like to see that kind of amendment voted down and the President denied such authority.

I suggest the absence of a quorum.

Mr. KNOWLAND. Mr. President, will the Senator withhold his suggestion of the absence of a quorum?

Mr. JOHNSON of Texas. Certainly. I yield to the Senator from California.

Mr. KNOWLAND. I should like the floor in my own right.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. KNOWLAND. Mr. President, I do not know to whom the distinguished majority leader was referring when he spoke of phobias with respect to the United Nations, and a smokescreen. I can say for the Senator from California that in the discussion of the pending amendment I certainly rose with no such motivation or purpose.

I think I have a responsibility to the Senate as a member of a coequal and coordinate arm of the Government of the United States. In the past I have differed with the Department of State under previous administrations and under this administration. These differences are not relative to the support of the United Nations, because I wish to see it a success; but I have raised questions as to whether the Government and the people of the United States should be called upon permanently to assume burdens greater than 33⅓ percent. Seven years ago, as a member of the Committee on Appropriations, along with a number of other Members of the Senate, we started the fight to begin to cut down the United States contribution.

We sit in an organization which today has 80 members. Each member has one vote. That is in accordance with the Charter of the United Nations, which the

United States ratified. We went into it with our eyes open. There have been in the past, and there are today, members of the United Nations who believe that because of the economic ability of the United States, as they put it, the United States should assume 50 percent or 60 percent or 70 percent of the burden of the expenditures of the United Nations Organization. They make that argument before the budget committee or in the delegates' reception rooms of the United Nations Organization.

It has been a long and hard process by which Congress, speaking as a coordinate arm of the Government of the United States, one-third of the Federal whole, has finally brought the contribution of the United States to the United Nations main organization down to 33⅓ percent of the total amount.

There are some specialized agencies to which we still contribute 40 percent. Perhaps it is proper to do so. There are certain technical assistance programs to which we make a contribution of as high as 60 percent.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I should like to finish my statement first. Then I shall be happy to yield.

I pointed out heretofore that, as a delegate to the United Nations last December, I heard raised the same question, namely, how the United Nations Emergency Force would be supported. I do not believe there is any difference of opinion that it is important to have the United Nations Emergency Force in being, and that the United States should do its full share to support it. That is not the issue today. That is an established matter of policy, as initiated by the President and the Secretary of State. That is not the issue.

When the question arose as to how the first $10 million in support of the emergency force should be allocated—and I believe the Senate of the United States is entitled to this information—I pointed out that it was only after rather prolonged debate in Committee No. 5, the budget committee, that it was finally agreed that in the case of the first $10 million, allocations would be made on the same basis as for the support of the general organization, which means that we would put up 33⅓ percent.

Even with respect to the agreement on the first $10 million, a considerable number of nations abstained and said that their policy was—and they so indicated in the corridors and elsewhere—that they would not have anything to do with the support of the United Nations Emergency Force.

Four days ago, on the United Press and Associated Press tickers in the anteroom, the news came that the Government of the United States had, on a temporary basis, agreed to assume 50 percent of the burden with respect to the emergency force. As I pointed out prior to the quorum call and before many of the Senators had entered the Chamber, I have no objection to that. If the President of the United States in his discretion feels that, to meet the present emergency, we should pick up the check to the extent of 50 percent of the cost, that is agreeable to me.

I also said, and I repeat it, that it is my judgment, after service in the United Nations Organization, that if Congress adopts the pending amendment, whereby we could pick up the entire check and give a Congressional mandate to what the Executive already can do, there will be a considerable number of the 80 members of the United Nations who will say, "Why should we put up any money at all for the emergency force?"

Actually I do not believe that it would be even beneficial to those who purport to support the United Nations Organization. If the Organization is to be worthy of its salt, then the nations that constitute its membership, all 80 of them, must be prepared to accept the liabilities as well as claim its benefits.

If we establish two standards of membership, one of nations who accept obligations, monetary and otherwise, and one of those who are the free riders, who will call upon the United Nations for help when they are in trouble, but are not prepared to assume their reasonable share of the cost when another nation is in trouble, and if we serve notice on all the nations that we will pick up the entire check, I believe we take the most detrimental action that could possibly be taken so far as the United Nations as an organization is concerned.

I believe the United Nations has done many things of value. I want to see it survive. I want to see it made an effective organization. We should not close our eyes to its imperfections, nor should we get ourselves in such a position that the United Nations would be detrimental to our own survival as a nation.

For that reason, I have felt that it was important to raise this issue at this time. I do not believe that even with the modification suggested by the distinguished Senator from South Dakota [Mr. CASE], the problem is solved by any means. I say that because with regard to the emergency force there is no existing law and there are no established practices, in the sense that Congress has been able to establish them over the past 7 years, with regard to certain other categories of United Nations activities.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I gathered the impression, from what the majority leader said, that we were proposing to give the President of the United States full discretion in the use of our military force under certain conditions, and full discretion as to the use of the $200 million; but, unless we adopted the amendment, we would restrict him in what he could do in relation to the United Nations Emergency Force. It seems to me—and I submit this as a question—if we write into the resolution the words "within the provisions of applicable law and established policies," we will restrict the President, rather than allow him freedom of discretion. In other words, he would have to look up the applicable law. As I understand, however, there is no applicable law which will tell him what he must do; and the only established practice, as the Senator knows, as a member of the Committee on Appropriations, is the limitation provided in the appropriation bill reported by the Committee on Appropriations and passed by Congress. Am I not correct?

Mr. KNOWLAND. I think the Senator is correct.

Mr. SALTONSTALL. In other words, this is a limitation on the President.

Mr. KNOWLAND. Yes; it is in the nature of a limitation. I say that because we have had neither committee hearing nor ample floor debate on the subject to determine what a fair and equitable proportion of the cost of the United Nations emergency fund might be.

I wanted to clear the atmosphere. The United States Government is supporting the United Nations Emergency Force. We have made and are making a contribution of one-third of the total cost, based on the first $10 million. We have apparently agreed temporarily, and I raise no objection, to assume 50 percent of the cost. That has been done by the executive department.

But I do not think, in the light of the long Congressional history, we should now give an endorsement for its effect on the other nations who may feel that Congress is prepared to go along and assume a greater and greater share of the burden.

Mr. SALTONSTALL. I should like to ask one more question along that line. If this clause is left in, I assume the President would make the decision, and a doubt might be cast upon the action of the President.

Mr. KNOWLAND. If that is correct, and if the press dispatches are correct that we have already made an agreement on 50 percent, I do not wish to see the Government of the United States have to repudiate that agreement if it has been made by the Executive because Congressional history might show that it should be 33⅓ percent. But, rather than encumber this resolution with something, where there is certainly room for an honest difference of opinion—and this is not an attempt to destroy the United Nations, my good friend to the contrary notwithstanding—then I think we would do much better not to have the amendment added to the resolution.

Mr. WATKINS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. Is the Senator aware of the fact that as a policy over many years we have been putting up 70 percent of the cost of taking care of approximately a million Arab refugees in the Middle East?

Mr. KNOWLAND. I am aware of that. We have to put up different percentages in different categories.

Mr. WATKINS. We will be supporting those people at the rate of 70 percent of the cost until they are brought somewhere where they can make homes and we can settle the entire problem.

Mr. KNOWLAND. That is one of the problems confronting us.

Mr. WATKINS. It is now costing us 70 percent of the cost of taking care of those people, under the United Nations.

Mr. KNOWLAND. I am not so naive as to believe that overnight we can get all these contributions down where we will not pay more than 33⅓ percent. Some Senators think that even that percentage is a little high. But I do not think we perform a service in international affairs unless, as a matter of Congressional policy, and, I would hope, Government policy as well, we encourage other nations to assume their fair share of the burden. As to just what that fair share is, men may honestly differ. But that is a particular Congressional policy that I think we should pursue, because otherwise we are going to find that more and more they are prepared to pass the burden over to the Government and the people of the United States.

Mr. SMITH of New Jersey. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. SMITH of New Jersey. Mr. President, I think we are all agreed that we desire the maximum participation by the United Nations in the difficulties in the Middle East. But I should like to ask the Senator this question. Even if the amendment of the Senator from Montana were not agreed to, would the President not have authority to take care of what he may deem to be our proper contribution?

Mr. KNOWLAND. I think the Senator is absolutely correct, that there is authority under the present law.

Mr. MANSFIELD. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I think it should be brought out that what we are considering here is not whether our contribution should be no more than 33⅓ percent. The minority leader has brought out the fact that in the field of technical assistance, we pay up to 60 percent. The Senator from Utah [Mr. WATKINS] has brought out the fact that in the refugee matter we are paying 70 percent of the cost.

The Senator knows that so far as the Senate as a whole is concerned, it is believed that our contribution should not be more than 33⅓ percent. But what we are faced with here is a condition in life and a perilous and difficult situation which we have got to recognize sooner or later.

The resolution sent here by the President does not face up to those basic difficulties. Two days ago we thought the Israelis were going to withdraw. Over the weekend we were not so certain. Now, again, we think they will. Who is going in to fill the vacuum created there? It is a United Nations army, and the purpose is to maintain the truce and to bring a degree of stability to that area. What are the Finlanders, the Norwegians, the Danes, and the Colombians and others doing there? What are we doing toward their maintenance?

The minority leader says we are paying more than 33⅓ percent, that we are paying up to 50 percent. This amendment makes it mandatory that our contribution to forces of this kind will not be more than 33⅓ percent, because the President should continue to furnish military assistance within the provisions of applicable law. What law is there? The law is what is made on this floor. Do we want to maintain a truce through a United Nations Emergency Force made up of small nations of the world who are members of the United Nations, or do we want this country to go it alone? That is what it amounts to.

Mr. KNOWLAND. Mr. President, I would respectfully suggest that that is not the issue here. The emergency force is in being. It has the support of the Government of the United States. It has the support of the President and the Secretary of State. We have already indicated to the United Nations that we are prepared not only to bear 33⅓ percent, which the committee recommended originally for the first $10 million, but we are prepared to pay 50 percent. That has been done by the Executive, and there is adequate authority for it. So that is not at issue. The point at issue, I believe, is whether we are going, by this Congressional language, to perhaps make it appear to the United Nations that if they do not pay their share, we are going to pick up the check. Maybe, finally, in our combined judgment, we may do that after an examination of the facts; but we certainly should not serve notice in advance that we are going to do it. At this very time, Mr. Hammarskjold and all our own delegates to the United Nations should be pointing out to the little nations who are members of the organization that they should bear a proportionate burden in support of the United Nations Emergency Force, which today is serving its purpose in the Middle East, and which tomorrow may be called to serve a purpose elsewhere in the world.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. Will the Senator tell me whether the amendment would give the President authority which he does not now have in regard to furnishing support to the United Nations Emergency Force?

Mr. KNOWLAND. I do not think so. I do not think it gives him any authority in addition to that which he now has.

Mr. AIKEN. Then, would the effect of the resolution be to imply that the United States has a great responsibility to step in between the Israeli and Arab nations? It does not say that, but would that be the implication?

Mr. KNOWLAND. I am sure that is not the intent of the Senator from Montana, and I would not read that implication into it. But it might be considered that we would be prepared to pick up a larger and larger percentage of the check.

Mr. AIKEN. It might be that we would have a greater responsibility?

Mr. KNOWLAND. It might have that interpretation. I am fully in support of the United Nations Emergency Force. I am glad it has been created and is there.

I think it is high time that the other members of the United Nations assume some of the burdens of manpower. We assumed 90 percent of that burden in the Korean war, and I hope we are being given some credit for that, because only 16 nations outside of ours furnished a single soldier, sailor, or airman to the action in Korea.

Mr. MANSFIELD. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MANSFIELD. I think what we are asking the President to do through this amendment is to continue what he is doing at the present time. Furthermore, we are keeping the United States contribution down to 33⅓ percent. The minority leader has said that the administration has said we will pay up to 50 percent. I think that is too much. I think the language suggested by the Senator from South Dakota keeps alive the principle of one-third of the total contribution idea, and we should also consider the psychological advantage that would ensue, and on the other hand, that it is not American men who are making up the personnel of the United Nations Army, but men from smaller countries which are members of the U. N., then I think we have an argument which is pretty much worth while.

There are, I may say to the Senator from Vermont, no implications and no assumptions of the kind which he mentioned on the floor a few minutes ago.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. COOPER. I certainly would have no objection to the amendment if it were considered separately from the resolution and at the proper time; but I suggest there is a critical question involved to which attention has not been drawn, except by the senior Senator from Vermont.

It seems to me that this amendment cannot be considered apart from the situation with which we are not confronted in the United Nations. The matter of the use of the United Nations Emergency Force is now a subject of discussion in the United Nations in connection with the settlement of the Egyptian-Israeli dispute, and the withdrawal of the Israeli troops.

Progress has been made in the United Nations toward a solution of Israel-Egypt problems. Progress has occurred because the President of the United States, the Secretary of State, and the Ambassador of the United States to the United Nations have had latitude and freedom to negotiate; they have not been bound by fixed conditions and have been guided by principles that were declared soon after the outbreak of hostilities.

I do not make these remarks in any political sense, but I believe, and stated 2 or 3 weeks ago, that the freedom of the President of the United States to negotiate should not be limited by Senate or party resolutions in respect to the problem of the withdrawal of Israel's troops. I still believe there should be no limit on his ability to deal successfully with that situation.

I suggest that if we adopt this amendment today, it can be considered by members of the United Nations and those who have been belligerents that the Senate of the United States is attempting to impose is own views upon the President in the conduct of the negotiations

which he must make to secure a peaceful solution of the Egypt-Israel issue.

I hope that we will not permit at this time, the inclusion of an amendment which does apply to a question which is now before the United Nations and complicate its solution. I do not think our body can force a solution of that question.

The solution does not have anything at all to do with the question of what the expense will be. I simply say that I think we ought to leave the matter in the hands of the President, and not by implication suggest some course of action which we think he should take at this critical time in the United Nations.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. From his recollection of the hearings which he attended, can the Senator from California tell us what the applicable policies of the members of the United Nations are?

Mr. KNOWLAND. That is one of the difficulties. It is one of the reasons why I think the modification does not help the problem to which we have been addressing ourselves.

Mr. ANDERSON. Is there a law which is applicable to this situation?

Mr. KNOWLAND. There is Congressional intent which is applicable to appropriation bills for mutual aid. I think in the authorization bill there was some applicable language; but in the appropriation bills, for a number of years—and I think also in the committee reports and conference reports in both the Senate and the House—we have tried to point out that we believe the contribution to the United Nations itself should not be greater than 33⅓ percent. In the case of certain other functions of the United Nations, and also specialized agencies, there is a different percentage. Congress has appropriated funds up to, I think, 40 percent, in the case of the Children's Fund, and up to 60 percent for some technical assistance programs. However, again, the Congressional intent as expressed in debate has been hopeful that this amount would be reduced. But thus far, so far as I know, no Congressional intent has been established and no legislation has been passed in the field of the United Nations Emergency Force. I think that is a great loophole within the modified language, and I think it may do the opposite of what the authors, even, intend, namely, the ultimate encouragement of other nations to assume a modest share of the burden.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HOLLAND. It seems to me that the current debate overlooks the real meaning and the real import of the pending amendment, which I believe is contained in the words other than those words which have been discussed. The amendment, leaving out those words which relate to the legal setup at present, would read as follows:

> The President should continue to furnish facilities and military assistance * * * to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

Considering the fact that the raising of the emergency force and its functioning and its proposed continuing functioning in the Gaza Strip and at the mouth of the Gulf of Aqaba, comprise about the most important, if not the only important contribution which the United Nations has made and is making to the solution of the Middle East difficulties, does not the distinguished Senator from California feel that we are within our rights, and that it is a wise step, for us to express our approval of the continuance of this force and of the continuance of our support of those efforts and our support of the Emergency Force of the United Nations?

Mr. KNOWLAND. So far as the right of the Senate to do that or anything else it might decide to do is concerned, I do not question the right in the slightest. There may be other amendments which other Senators have in mind which we would certainly have the right to agree to. But then the question comes as to the wisdom of including this amendment to this particular resolution which deals with a particular situation.

My personal viewpoint is that it is not wise to add this to the general complication of the matter at this time. I think the amendment is redundant. I think every Member of Congress knows that the policy of the administration has been to support the action of the United Nations in the Middle East. The President has so declared, the Secretary of State has so declared, and our representatives at the United Nations have so declared. We are now supporting a United Nations Emergency Force, not merely to the extent of 33⅓ percent, but actually in a greater amount. So I think to that extent the language is redundant for the reasons expressed by the Senator from Kentucky [Mr. COOPER] and other Senators.

I think that if, on the floor, we add something like this amendment, it might rise to plague us later.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. KNOWLAND. Yes. I have been trying to yield the floor, but I will yield further to the Senator from Florida.

Mr. HOLLAND. It seems to me that the distinguished minority leader does not want the Senate to do in this particular matter what the Senate is doing on the general issue here presented. The President has entered into a certain course of action and policy in the field of international relations in the Middle East, as he has a perfect right to do. The President has asked Congress, in order to show the unity of the Nation, to support his policy by the passage of this resolution which approves it.

Now the distinguished Senator from California says, if I understand him, that because the President has also gone ahead to support, through his undoubted authority, a United Nations emergency military force—and that force is functioning—the Senate would be on improper ground or unwise ground, or something of that kind, to express its approval of that force and of its desire for the continuance of that force.

It seems to me that it is just as thoroughly within the right of the Senate, just as thoroughly within the purview of the unity objective, to say now, as the legislative arm, that we support the executive arm in its actions relative to the United Nations Emergency Force; and that it would be ignoring the facts of international life right now for us to pass a resolution which does not recognize the fact that the United Nations exists, and that the one worthwhile thing which the United Nations is doing at present in the Middle East is the sending of its emergency force, and that we express our approval of the support of that force by the President of the United States.

It seems to me that to make this argument hinge entirely upon whether there is support for the proposal under existing law—and, of course, we all know that is the only way it could be supported—is begging the question entirely. It seems to me that the real question is whether the resolution with the pending amendment will show even greater unity; whether it will show an understanding on the part of the Senate that there is an emergency effort under way by the United Nations, of which we approve heartily, through the use of the emergency military force, and that we feel the President should continue to support it? Why do we feel that conviction? Because, as the amendment would read, we approve this objective "with a view to maintaining the truce in that region."

It seems to me that by all means the amendment should be adopted, and that it will strengthen the hand of the President and will strengthen the showing of unity, which is the only justification for consideration of the joint resolution by the Congress.

Mr. KNOWLAND. This is a case in connection with which Members may honestly differ regarding the desirability and purpose of an amendment. I have great admiration for the Senator from Florida, and I know that in the fullest sincerity he deeply believes in the statement he has made. I simply happen to think that it will greatly complicate the Middle East joint resolution to begin to add floor amendments at this point.

Mr. HOLLAND. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield.

Mr. HOLLAND. Does the Senator from California support the continued use of the United Nations Emergency Force?

Mr. KNOWLAND. Certainly I do.

Mr. HOLLAND. And does not the Senator from California believe that the Congress has an interest in that, and that our expression of support of that effort and of our hope that the President will continue to support it, is of importance in connection with this particular matter?

Mr. KNOWLAND. As I said earlier in the day, I think the Senate would have a perfect right to deal with a resolution

on this question or on any other question. But my belief is—and I concur in the statement made by the Senator from Kentucky—that it would be better done by means of a separate resolution, rather than to add a floor amendment to the pending Middle East joint resolution. that is a matter of opinion. No one is infallible; anyone may make a mistake. Here we have a difference of opinion. I have stated the case from the point of view of the issues which have been raised.

Mr. President, I am prepared to yield the floor.

OPPOSITION TO INVITING TITO TO VISIT THE UNITED STATES

Mr. McCARTHY. Mr. President, time is running out, and I know that all Senators are anxious to have the vote taken on the pending amendment of the Senator from Montana to the committee amendment. We have almost a full attendance in the Senate today, so I shall not take more than half a minute. I shall not take any time at all to state why I shall not vote to attach this amendment to the committee amendment.

In view of the fact that so many Senators are present at this time, I desire to serve notice on the able chairman of the Foreign Relations Committee, the senior Senator from Rhode Island [Mr. GREEN], of action which I am about to take within the next few days. As he knows, I have submitted a resolution which ties in with the so-called fight on communism; I have submitted a resolution stating that it is the sense of the Senate that Tito not be invited to the United States.

I received a letter which was sent from the State Department to the able chairman of the Foreign Relations Committee. In the letter the State Department took an unusual position, namely, not that the Department was for or against the resolution, but that the Department should tell the chairman of the committee to take no action on the resolution.

I was asked not to make the letter public; I received that request from the chief of staff or the chief counsel of the Foreign Relations Committee.

I merely wish to tell the chairman of the Foreign Relations Committee that I do not consider the letter to be private property. Instead, I consider it to be a public document. Unless the chairman of the committee does one of two things: either lets me know if and when he will hold a hearing on the resolution, or lets me know that he himself will make this unusual letter public—I shall be forced to make the document public. I think I shall be doing so without violating any confidence, because any letter containing objection to a resolution submitted by any Member of the Senate, and especially a letter containing such an objection and asking the chairman of the committee concerned to "take no action on it," I believe to be public property.

I hope the able Senator from Rhode Island will himself make the letter public.

Mr. GREEN. Mr. President, in answer to the statement of the Senator from Wisconsin, I wish to state that last Friday a letter was sent, at my direction, to the Senator from Wisconsin, stating that I had no objection to making it public. I shall be very glad to have him do so.

Mr. McCARTHY. Undoubtedly, the Senator from Rhode Island is aware that the letter came from either the chief counsel of his committee or the chief of staff of the committee, and in the letter there was a request—not by the Senator from Rhode Island personally, not over his signature; instead, the request was made by the staff of the committee—that the letter not be made public.

I am glad to know now that the Senator from Rhode Island has no objection to having the letter made public, and I will make it public tomorrow morning.

Mr. GREEN. Mr. President, as I have said, I have no objection; and that information was conveyed last Friday to the office of the Senator from Wisconsin.

Mr. McCARTHY. I thank the Senator very much.

Mr. GREEN subsequently said: Mr. President, a few minutes ago the Senator from Wisconsin [Mr. McCARTHY] referred to an exchange of letters between himself and the chief of staff of the Committee on Foreign Relations. These letters concern a State Department report and a resolution submitted by the Senator from Wisconsin. The letters speak for themselves. The chief of staff of the committee wrote those replies at my direction. I have conferred with the Senate leaders, and, as a result, I ask unanimous consent that the exchange of letters be inserted in the RECORD at this point in my remarks.

Mr. McCARTHY. Mr. President, reserving the right to object—and I shall not object, of course—the Senator and I have agreed that the letters should go into the RECORD. The Senator is due an apology. When I said he had not given me authority to publish the letter, I was in error, because the latter dated March 1 does give that authority. I checked with my office, and that letter has not yet arrived. Perhaps there has been some delay in the Senator's office or in the mail room of the Senate. I am positive the letter was dictated by the Senator on March 1, as he said it was. That clears up the situation entirely. I wish to call the Senate's attention to the most unusual letter from the State Department, in which the Department tries to tell the chairman of the committee not even to consider my resolution, instead of merely saying they are for or against it.

In the State Department letter the Department says that the committee should not even consider it. I want to call that particularly to the attention of the Senate.

I again wish to make it clear that I feel bad that there was this holdup in the mail, and that the Senator had given authority to publish the letter. I am happy that it is now being published.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Is there objection to the request of the Senator from Rhode Island [Mr. GREEN]?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, February 20, 1957.

The Honorable THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR SENATOR GREEN: I refer again to Mr. Marcy's letter of January 30, 1957, previously acknowledged on February 4, requesting a report on Senate Resolution 79, "opposing the visit of Marshal Tito, of Yugoslavia, to the United States."

You undoubtedly have noted the statement made by President Eisenhower in reply to a question at a press conference on January 30, 1957, in which he clarified the purpose of such visits by stating: "Visits between heads of states are dictated by such considerations as eliminating misunderstandings and determining whether or not there are practical steps to take in the promotion of peace—this does not imply any approval of any internal actions in such countries."

The United States is considering invitations to a number of foreign heads of state to visit this country in 1957. Such visits usually afford an excellent opportunity for an exchange of views at firsthand in an effort to deal with problems jointly affecting each nation.

The Department has been devoting considerable thought to a visit by President Tito, recognizing that in the present circumstances a matter of this nature is likely to be controversial and subject to differing points of view. President Tito plays a highly important and significant role in Eastern Europe. His recent visits to Britain, France, and other countries in Europe have underlined this position. It would undoubtedly be of assistance in the conduct of United States foreign policy for officials of this Government to have a direct exchange of views with President Tito. This is the case even though we do not agree on each other's domestic policies.

There have been conversations looking toward such a visit but no date has been fixed. There is little likelihood that such a visit will take place in the immediate future.

In view of the above considerations the Department recommends that no further action be taken on the resolution.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE,
Washington, February 21, 1957.

Hon. JOSEPH R. MCCARTHY,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARTHY: The chairman has asked me to send you the reply which he has received from the Department of State with reference to Senate Resolution 79 which you introduced on January 29, 1957, opposing the visit of Marshal Tito, of Yugoslavia, to the United States.

A copy of the letter of February 20, 1957 from the Department is enclosed for your information. The original is being held in the files of the committee for use at such time as Senate Resolution 79 may be considered.

It is requested that the letter from the Department not be made public without the approval of the chairman.

Sincerely yours,

CARL MARCY,
Chief of Staff.

UNITED STATES SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, February 27, 1957.

Mr. CARL MARCY,
Chief of Staff, Committee on Foreign Relations, United States Senate,
Washington, D. C.

DEAR CARL: I have received your letter of February 21 in regard to the State Department's attitude toward Tito's visit and I note your suggestion that the Department's letter not be made public without the approval of the chairman.

While, as you know, I have great personal respect for Chairman GREEN, his recent appearance on Reporter's Roundup, in which he urged recognition of Red China and aid to Communist countries disturbed me a great deal. Also, as you know, this matter of a visit from Tito is something I feel very strongly about. I, frankly, don't think this letter should be kept secret, especially in view of the fact that I have no assurance whatsoever that Senate Resolution 79 will even be considered. I have a number of resolutions before the Foreign Relations Committee which seem to have been pigeonholed.

I, frankly, do not introduce bills and resolutions just for the pleasure of introducing them. I put them in because I feel that hearings should be held on them with the hope that they will be passed. For that reason, I would suggest that Senator GREEN immediately release this letter. If not, I very strongly feel that the American people should know the attitude of the State Department on this all-important subject.

It is needless to say that it would be with the greatest reluctance that I would release this letter. However, I am sure you will understand that in view of the Department's recommendation that no action be taken on my resolution, and the lack of assurance that a hearing will be held, I would be extremely derelict in my duty if I did not make this information available. This is especially true in view of the misstatement in the Department's letter of February 20 to the effect that "The Department has been devoting considerable thought to a visit by President Tito."

As you know, we learned from the papers in Prague that the invitation had been issued and the Department is not merely devoting considerable thought to the visit.

I might add that the request that no action be taken on my resolution is a strong indication that the Department of State is still desirous of inviting Tito to visit this country.

With kindest regards, I am

Sincerely yours,

JOE MCCARTHY.

COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE,
Washington, March 1, 1957.

The Honorable JOSEPH R. MCCARTHY,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARTHY: Thank you for your letter of February 27, 1957, asking that the chairman of the Committee on Foreign Relations be informed of your desire to release a letter dated February 20 to Senator GREEN from Robert C. Hill, Assistant Secretary of State. The letter under reference comments on Senate Resolution 79, "opposing the visit of Marshal Tito, of Yugoslavia, to the United States," which you introduced.

I have brought your letter to the attention of the chairman and he has indicated that he has no objection to the public release of that letter.

As you know, it is the practice of the Committee on Foreign Relations to send copies of executive department replies on pending resolutions to Senators who have sponsored such resolutions. In most cases, there is no objection to the publication of these reports. As a standard practice, however, the committee asks that the initiative in requesting their public release come from the sponsoring Senator.

Sincerely yours,

CARL MARCY,
Chief of Staff.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. HUMPHREY. Mr. President, first, I wish to commend the distinguished junior Senator from Montana [Mr. MANSFIELD] for this thoughtfulness in submitting the amendment he has proposed today to the committee amendment.

I must say that I believe the so-called modification of his amendment has not added any clarification to it. On the contrary—as the distinguished Senator from Florida [Mr. HOLLAND] has so appropriately noted—I believe that the full meaning of the amendment is to be found in the words outside the so-called modification, namely, the words—

> The President should continue to furnish facilities and military assistance * * * to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

Certainly those are the controlling words.

Today there has been considerable debate in the Senate as to the cost involved in the amendment. I wish to say to the distinguished minority leader that his determined and conscientious effort to bring the United States contribution into an appropriate relationship with those of other nations, so that the United States will carry her proper share of the burden, but not all of it, is to be commended, rather than in any way to be condemned; and I wish to commend him for making that effort.

But in regard to the United Nations Emergency Force, I should like to have my colleagues note that there are, in the Middle East, approximately 6,000 emergency troops from 6 different countries, and I should like to have my colleagues also note that Norway will actually have made a greater contribution to the cost of the United Nations emergency force than will the United States of America. Norway has trained the troops she is providing, and they are the sons of Norwegian mothers and fathers. Norway equipped those troops—just as Colombia, Canada, Denmark, and other nations which are participating equipping the troops they are providing. However, it is very significant that the United Nations Emergency Force is a vital part of the total diplomacy which is being exercised in the Middle East.

Member after Member of this body has expressed his views regarding the imposition of sanctions against Israel. Most Members of the Senate have expressed themselves in opposition to having the Government of the United States impose any sanctions, or join with any other country in the imposition of sanctions, against Israel.

It is to the credit of the Government of the United States and to the credit of the majority leader and the minority leader and to the credit of the other leaders of this body and to the leaders of the other body that the policy of the United States has at long last led to a peaceful solution of the problem existing in the Middle East, at least insofar as the relationships between Egypt and Israel are concerned, vis-a-vis sanctions. In other words, today the Government of Israel—and Mr. Ben-Gurion is staking his political life upon it—is preparing to withdraw Israeli forces from the areas in the Middle East to which the resolutions of the United Nations have been directed.

It appears to me that Senators who have expressed themselves upon the issue of sanctions might well desire to express themselves upon the pending amendment to the committee amendment, because in effect the pending amendment says that not only does the United States expect to see the situation in the Middle East resolved peaceably, but the United States also expects that the United Nations Emergency Force will fill the vacuums or gaps which are left as a result of the withdrawal of the Israeli troops. Those vacuums or gaps will have to be filled; someone must provide the necessary forces, and must pay the bill.

The United States is not sending American troops there. No snipers are picking off American troops, although there have been casualties in the area, as a result of sniper action.

In the pending amendment to the committee amendment it is stated that when the United Nations Emergency Force moves into the Gaza Strip—which our President has requested, and which Senators, in speaking on this floor, have advocated—and when United Nations Emergency Force moves into the Gulf of Aqaba area—

> The President should continue to furnish facilities and military assistance * * * to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

How could we do less? How could we stand up and face a good Dane or a good Norwegian, or how could we face a neighbor to the south, Colombia, some of whose sons serve in this emergency force, or a Canadian whose son has served in this emergency force, and say, "The Congress of the United States for 2 weeks has been telling the President how to conduct his foreign policy when it comes to sanctions, and how to solve the problems in the Middle East vis-a-vis the relations of Israel and Egypt, and now when the United Nations is ready to move in to preserve the truce and preserve the peace, by some vote in the Senate we indicate we are not for it"?

Mr. President, whether we like it or not, this is a symbolic vote. Whether we like it or not, and maybe that is why the resolution is before us, we are being called on to underwrite or underscore

the desirability of the United Nations Emergency Force being utilized to preserve peace and tranquillity in the Middle East.

I am willing to trust the President. I voted against the Russell amendment with grave doubt, but, as usual, I resolved the doubt in favor of the President. I trusted the President and voted $1 billion for Indochina, when there was no program for that area. We are being asked to trust the President when we vote for the resolution. But what is going to happen to 165 million American lives?

When it comes to determining whether the President should have the right to use funds to provide for the emergency force, some say, "We ought not to have the Senate tie the President's hands." The pending resolution—not the amendment—does put the Senate on record relating to foreign policy. This resolution requires that the Senate make its opinions known. If we are going to do that, I suggest we make them known on the basis of the United Nations as well as the emergency force.

In conclusion, let me say to any Senator who has expressed himself as to how we should try to resolve the grave difficulties between Israel and other nations in the Middle East, the amendment of the Senator from Montana is fitting and appropriate and should be voted for, because the amendment merely provides that we shall continue to try to preserve the peace and tranquillity in the area by the utilization of the U. N. Emergency Force.

I regret the Senator from Montana has emphasized the cost item as much as he has, because, very frankly, I do not think the Government of the United States is going to pay very much. I am convinced the Danes are going to pay more. I am convinced the training costs of the troops of the 6 or 7 participating countries will be more than the total cost the United States of America will be called upon to pay.

Finally, I should like to say to my colleagues in the Senate, if the United States wants to be a world leader, it has to pay the price. The trouble with many of us is that, as the greatest Nation on the face of the earth, we want world leadership and responsibility, but if someone suggests it will cost us more than we are paying, begin to hesitate, we do not want to pay more. We are going to have to pay most of the cost, just as the rich and the powerful have to pay most of the taxes. That is a part of the privilege of being a rich man.

I point out that the United States of America is going to have to pay the most, because if something is to be lost in the world, we have more to lose. Many people have nothing to lose but their poverty and misery and what they have already lost. We have more to lose.

If we can be asked to pledge the wealth, the lives, and the honor of 165 million Americans, then I think the Senate should be willing to vote to help to pay the out-of-pocket cost for a small United Nations Emergency Force to keep the peace in the Middle East.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks of the Senator from Minnesota. His argument is unanswerable.

Mr. CASE of New Jersey. Mr. President, I do not intend to vote for the amendment, and I desire my position to be clearly understood. I am for the resolution, as I am sure practically all the other Members of this body are, and I was for the amendment as it was originally proposed, containing the words "facilities and military assistance, on such terms and conditions as he may find appropriate."

I fully understand the good intention and motive of the Senator from South Dakota in proposing the language he has suggested as an amendment to the amendment of the Senator from Montana, but to me it would be such cause for concern that, if it should be adopted I should feel obliged to vote against the Mansfield amendment. Under the language proposed by the Senator from South Dakota, namely, "within the provisions of applicable law and established policies," I believe the President would be limited in what he might do, and that his discretion would be harmfully affected.

I was further disturbed when the Senator from Montana adverted to the question of cost and our contribution and so readily accepted the proposition that, under the language as suggested by the Senator from South Dakota, we could not pay more than 33⅓ percent. I certainly will not vote for an amendment which can be interpreted in that way. The President should have complete discretion with regard to the use of support for the United Nations forces, and should support them, in my judgment, fully, and I am confident he will. I believe we are doing a possibly dangerous and limiting thing if we adopt the amendment in the form in which it is now framed.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. CASE of South Dakota. I think this debate has gone not the way of the transgressors, but the way of the peacemakers. It started very simply. Not many Senators were present at the time. The Senator from Montana had offered his amendment. The Senator from California pointed out that if we left in the amendment the words "on such terms and conditions as he may find appropriate" we might find we were contributing more to certain purposes than existing law provided. The Senator from South Dakota was not in any sense meaning to inject himself into the matter by the modification he suggested, but was simply endeavoring to find a common ground so that from the totality of the amendment there could be omitted the question of the amount or the conditions, so that, as suggested by the Senator from Florida, it would simply provide an endorsement of the idea of working through the United Nations Emergency Force. That, I think, was the original intent of the Senator from Montana. It was not his intention to change, limit, increase, or decrease the authority of the President, but simply to set forth an expression of policy. I think that was the way it was interpreted by the State Department, because in its letter it stated that "the executive branch sees no objection to this proposal as an expression of the sense of the Congress."

The expression of the sense of the Congress was merely that we endorsed the idea of working through the United Nations Emergency Force as much as possible, and that we did not want to go into the Middle East and act alone. The whole purpose of the clause is to remove from consideration the words "terms and conditions." Perhaps the thing to do would be to strike out the entire clause.

Mr. CASE of New Jersey. I understand fully the excellent motive of the Senator from South Dakota. I know that his intention was as he stated it. I am afraid he has not accomplished it, but rather has suggested wording which might very well be limiting to the Executive, and harmful to the interests of the country.

It is my understanding that the Department of State was commenting, not upon the modification suggested by the Senator from South Dakota, but upon the language of the amendment as originally proposed by the Senator from Montana. As I previously emphasized, the amendment gives me special concern in the light of the interpretation placed upon it by the Senator from Montana.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. MANSFIELD. The recommendation of the State Department was on the basis that this was a statement of the sense of the Senate. The fact that the Senator from South Dakota tightened up the proposal and made it more livable does not, in my judgment, indicate any change in the attitude of the State Department. Personally I think it is a good thing that we are putting in the limitation of 33⅓ percent with respect to the United Nations Emergency Force situation, because it indicates what has been the attitude of the Congress during the past 6 or 7 years, as has been so ably brought out by the distinguished Senator from California [Mr. KNOWLAND].

We do not wish to assume the entire cost. We believe that a contribution of 33⅓ percent is a sufficient contribution, and we feel that it is in accord with what we have done heretofore. We are upholding the President of the United States in this matter, as we have done in connection with other matters. We are sustaining him and giving him strength.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. AIKEN. I find myself in the same position in which the Senator from New Jersey finds himself. On reading the original amendment I felt that it was possibly a desirable amendment. Then upon reading it as modified I found myself wondering what "established policies" are as they relate to the support of the United Nations police forces. Is the policy in this field established by the percentage we pay for the police

force to protect the people of Port Said, for example? Is the policy that which we adopted in Korea? What is the policy? Have we had a policy long enough to say that we have an established policy? Is it the policy which our Government might have agreed to last week? I do not know what it is. Is it the policy to pay 33⅓ percent of the cost, or to pay 50 percent of the cost, or as in the case of Korea, to pay 90 percent or more of the cost? It seems to me that the modification would greatly weaken the amendment; and if it puts us in doubt as to what the Congress may mean, it certainly must also put those in doubt who are supposed to apply this provision.

Mr. CASE of New Jersey. I thank the Senator from Vermont very much.

Mr. AIKEN. I am very much in favor of the United Nations police force for a purpose such as is intended here, but I think we should be a little more specific, and not make matters worse instead of better.

Mr. CASE of New Jersey. I appreciate the contribution of the Senator from Vermont. I understand that he, like myself and many other Members of this body who are now unwilling to vote for this amendment, take that position because we fear that it would be harmful. We fear that it would limit the support we give to the United Nations forces, rather than in any sense indicate that we hope the United Nations forces would not be used.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. SALTONSTALL. What the Senator is saying is that the situation is clear at the present time with respect to the support of the United Nations forces, and the discretion of the President in supporting that position. If we adopt the pending amendment in its present form, the situation will not be so clear, but will be clouded at home and clouded abroad. For that reason the Senator is against the amendment.

Mr. CASE of New Jersey. The Senator has very well expressed my position.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. HOLLAND. The Senator understands, of course, that the new language simply makes reference to the existing state of the law.

Mr. CASE of New Jersey. Let us have the exact language—

Provisions of applicable law and existing policy.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. CASE of New Jersey. I yield.

Mr. HOLLAND. Is the Senator taking the position that the participation by the President in the existing effort, which is supported 50 percent at the cost of the United States, is without the support of law, or that the provisions under which we are supporting the point 4 program, by contributing 60 percent of the cost, are not in accordance with law? Does the Senator believe that these things are done unlawfully, or without authority of law?

Mr. CASE of New Jersey. Will the Senator please restate his question? I think I understand its general import.

Mr. HOLLAND. I am asking the distinguished Senator if he, by his position, has indicated that he thinks the President has violated the law by supporting, with the use of United States money to the extent of our paying 50 percent of the cost of the present emergency effort, or that he is likewise violating the law by paying 60 percent of the cost of the point 4 program?

Mr. CASE of New Jersey. I am very glad to be able to answer emphatically "No" to those questions.

Mr. HOLLAND. Why does the Senator object, then, to the reference to existing law and the continuance of existing law, in the language of the pending amendment as modified?

Mr. CASE of New Jersey. If I may invite the attention of the Senator from Florida to the language about which we are speaking it is this:

Within the provisions of applicable law.

Of course, no one could object to saying that, but it is unnecessary to say it. The amendment proceeds, however, to refer to "established policies." I am not willing that the policies which exist now, if we can find them, should govern and limit the President for all time in this matter. That is the heart of my objection to this language.

Mr. HOLLAND. The Senator understands, of course, that the word "should" is used, instead of any mandatory word.

Mr. CASE of New Jersey. Will the Senator repeat his question?

Mr. HOLLAND. The Senator has two colloquies going on at once. I hope he will confine himself to that colloquy which will go into the CONGRESSIONAL RECORD.

Mr. CASE of New Jersey. I am sure the colloquy in which the Senator is endeavoring to engage is the one which will interest the Senate and the historian.

Mr. HOLLAND. The question I addressed to the Senator was this: Does he feel that the contribution of 60 percent United States money to the cost of the point 4 program is without the benefit of law, or that it is done in violation of law?

Mr. CASE of New Jersey. I do not know precisely the answer to that question. If the Senator has any information on the subject, I shall be glad to discuss it. I do not see its applicability here.

Mr. HOLLAND. The present modified amendment would provide, would it not, that the cost of the program could be met either under the provisions of existing law or existing policies?

Mr. CASE of New Jersey. It says "applicable law and established policies."

Mr. HOLLAND. Does the Senator take the position that the earlier wording would have changed existing law and applicable policies?

Mr. CASE of New Jersey. As the earlier wording provided, it would have allowed the President to continue to furnish, on such terms and conditions as he might find appropriate, facilities and military assistance to the United Nations Emergency Forces in the Middle East. I believe the matter should be left in that position and that we should not be hampered by conditions which, at the best, are difficult to determine, and perhaps some which will be determined to be very limiting, to our detriment.

Mr. HOLLAND. I invite the distinguished Senator's attention to the fact that there would be no change in law under the amendment, and that, to the contrary, the mere recital that existing law is continued is completely redundant. We all know that. That is a fact. We know that under existing law the President has been contributing more than one-third upon any occasion when he thought it was wise, and that he may continue to do so, because existing law is continued.

It seems to me (I say with a smile) that the distinguished Senator is straining to find some reason to oppose the amendment, rather than recognizing the fact that the modified amendment simply makes no alteration in existing law, under which the President has found it entirely possible to meet these emergencies as they have arisen, and under which he would continue to find it possible, if we make no change.

Mr. CASE of New Jersey. I am not straining. I have made my position very clear. I should like to see this amendment in its original form. If it were in its original form, I should support it enthusiastically. But because the Senator continues to ignore the part of the amendment dealing with established policy, and talks constantly about applicable law, leads me to be deeply concerned by the possible restricting effect of the amendment in its present form.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of New Jersey. I yield.

Mr. AIKEN. I think the issue resolves itself into understanding the difference between existing policy and established policy. We have several different existing policies for supporting ventures of the United Nations. We have so many of them that it may be said we have no established policy for supporting those ventures. Nevertheless, the amendment on which we are asked to vote authorizes the President to give military aid in accordance with established policy. We are supporting United Nations ventures all the way from 30 percent up to 60 percent and, in the case of Korea, up to 90 percent. How can we say we have an established policy, when we have so many different versions of the existing policy?

Mr. ELLENDER. Mr. President, earlier today, when I first raised the point that is now being discussed, I did not think it would cause such a furor. Evidently quite a number of my colleagues have gone off on a tangent, so to speak. There is no greater supporter of the United Nations than the United States. I am sure all of us believe in the United Nations. We have evidenced that fact by the support—moral, financial, and other—that we have so generously given to it in the past. What I objected to in the amendment, and what I am sure the distinguished Senator from California has objected to primarily, is that it

would give the President blanket authority to contribute what he pleases in support of the United Nations Emergency Force; it would frustrate and vitiate the Congressional policy of keeping our contributions to the U. N. within 33⅓ percent of its total budget.

As was pointed out on several occasions, over the past 7 or 8 years the members of the Committee on Appropriations have worked hard and ardently to reduce United States contributions to the United Nations percentagewise—that is, to bring our contributions down to one-third of the total, thus stimulating greater contributions on the part of other U. N. members.

I grant, in order to get the United Nations started, it was necessary for our country to make large contributions at first. We started out in some cases by contributing as much as 75 percent, in others 60 percent; but gradually those amounts have been reduced.

I am glad to note that in the last 3 or 4 years the Committee on Appropriations has insisted that the amount of the contribution not exceed a maximum of 33⅓ percent, in most cases.

In so doing, we have not reduced the dollar amount of our support to the United Nations. On the contrary, our dollar contributions have been increasing. All we have been doing is to insist upon a firm policy that each U. N. member contribute to that organization's support in accordance with its capabilities. Instead of weakening the U. N., this policy has benefited it, for it has made more nations actual partners in this great organization for peace.

Today, however, we are being asked to abandon this policy. Not only would the 33⅓ percent policy be abandoned, it would be cast aside in favor of an unknown policy. Who knows what percentage our planners might decide to contribute—who knows what other nations would contribute?

What I am pleading for now is not complicated. I say that, if it is necessary for us to contribute more than 33⅓ percent, we be asked to do so through the regular channel, and that those who believe we ought to contribute more, make a case to that effect.

If the amendment is adopted, it will open wide the door—it will permit the President, if he sees fit, to pay practically the entire expense of maintaining the emergency force in the Middle East, for an indefinite period.

As I pointed out heretofore—not that I wish to repeat the argument—I believe we have been too easy with our foreign expenditures in the past. We have made contributions in Southeast Asia, in Formosa, in Korea, and in Western Europe far beyond that which was originally expected of us. That is particularly true with respect to the Marshall plan. We reached the goals of the Marshall plan after 3 or 4 years. Notwithstanding that fact, we have been asked to contribute more and more and more.

Mr. President, we bring these situations upon ourselves. We do not wait until we are asked to do certain things; we do not wait for a need to develop. Instead, we magnanimously volunteer our money. Consequently, it becomes difficult for us to reduce our contributions. Our allies, and others, state: "You have been able to do this in the past, why cannot you do it in the future?" They declare that their resources are too limited to increase their contributions.

I say, Mr. President, that our resources are too limited for us to volunteer scarce tax dollars without first ascertaining that there is a need for those dollars; I say that it is foolish for us to abandon, in one fell swoop—in a moment of exuberance, so to speak—a policy which the Committee on Appropriations has had to fight a hard battle each year to formulate and maintain.

I say that we should at least be asked by the U. N. to increase our contributions before we volunteer to do so; we should at least be shown that other members cannot afford more in the way of financial support before we undertake the burden of supporting practically all of the U. N. activities in the Middle East.

Just as sure as I am addressing the Senate at this moment, if the amendment is agreed to, it will mean that good old Uncle Sam will be called upon to pay practically every dime for maintaining the emergency force in the Middle East. I think this would be wrong. I think it would be unjust. I think it would be dangerous. I am therefore opposed to it.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD], as modified, to the committee amendment as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. MANSFIELD. I suggest the absuggest the absence of a quorum.

The PRESIDING OFFICER. The Chair did not hear the Senator from Montana. The absence of a quorum has been suggested. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Barrett	Green	Mundt
Beall	Hayden	Murray
Bennett	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Blakley	Hill	Pastore
Bricker	Holland	Payne
Bridges	Hruska	Potter
Bush	Humphrey	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Kefauver	Scott
Case, S. Dak.	Kennedy	Smathers
Chavez	Kerr	Smith, Maine
Church	Knowland	Smith, N. J.
Clark	Kuchel	Sparkman
Cooper	Lausche	Stennis
Cotton	Long	Symington
Curtis	Magnuson	Talmadge
Dirksen	Malone	Thurmond
Douglas	Mansfield	Thye
Dworshak	Martin, Iowa	Watkins
Eastland	Martin, Pa.	Wiley
Ellender	McCarthy	Williams
Ervin	McClellan	Young
Flanders	McNamara	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment, as modified, offered by the Senator from Montana [Mr. MANSFIELD] to the committee amendment, as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ELLENDER (when his name was called). On this vote I have a pair with the distinguished senior Senator from West Virginia [Mr. NEELY]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] is absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from New York [Mr. IVES] and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

If present and voting, the Senator from New York [Mr. IVES] would vote "yea."

The result was announced—yeas 48, nays 43, as follows:

YEAS—48

Anderson	Hennings	McNamara
Bible	Hill	Monroney
Blakley	Holland	Morse
Byrd	Humphrey	Murray
Carroll	Jackson	Neuberger
Case, S. Dak.	Javits	O'Mahoney
Chavez	Johnson, Tex.	Pastore
Church	Johnston, S. C.	Robertson
Clark	Kefauver	Russell
Douglas	Kennedy	Scott
Eastland	Kerr	Smathers
Ervin	Lausche	Sparkman
Frear	Long	Stennis
Gore	Magnuson	Symington
Green	Mansfield	Talmadge
Hayden	McClellan	Thurmond

NAYS—43

Aiken	Dirksen	Payne
Allott	Dworshak	Potter
Barrett	Flanders	Purtell
Beall	Goldwater	Revercomb
Bennett	Hickenlooper	Saltonstall
Bricker	Hruska	Schoeppel
Bridges	Jenner	Smith, Maine
Bush	Knowland	Smith, N. J.
Butler	Kuchel	Thye
Capehart	Malone	Watkins
Carlson	Martin, Iowa	Wiley
Case, N. J.	Martin, Pa.	Williams
Cooper	McCarthy	Young
Cotton	Morton	
Curtis	Mundt	

NOT VOTING—5

Ellender	Ives	Neely
Fulbright	Langer	

So Mr. MANSFIELD's amendment, as modified, to the committee amendment, as amended, was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

Mr. JOHNSTON of South Carolina. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4249) making appropriations for the fiscal year ending June 30, 1957, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON Mr. KIRWAN, Mr. WHITTEN, Mr. LANHAM, Mr. TABER, Mr. JENSEN, and Mr. H. CARL ANDERSEN were appointed managers on the part of the House at the conference.

GREETINGS OF THE SENATE TO THE LEGISLATIVE ASSEMBLY OF GHANA

Mr. MANSFIELD obtained the floor.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Montana yield to me, so that I may submit a very important resolution?

Mr. MANSFIELD. I yield.

Mr. SMITH of New Jersey. Mr. President, I submit, and send to the desk, a resolution for the immediate consideration of which I shall request unanimous consent. The resolution would extend the most cordial greetings of the Senate to the Legislative Assembly of Ghana, on the occasion of the independence of Ghana.

This newest of the world's sovereign independent states will achieve its independence tomorrow, Wednesday, March 6. As an indication of the importance which the Government of the United States attaches to this event, the Vice President has gone to Ghana, to take part personally in the ceremonies.

Mr. President, I am confident that I express the sentiments of the American people generally when I say that the achievement of independence by Ghana has the enthusiastic approval of all of us. It is a fine demonstration of the orderly evolution of institutions of self-government among formerly colonial peoples. This is a process which has always had warm support and encouragement in the United States.

The people of Ghana deserve our heartiest congratulations upon this occasion. Our sincere congratulations also go to the United Kingdom, which, as the former governing power, has made this happy transition possible.

Mr. President, I have consulted with the Department of State, which supports the resolution, and with the majority and minority leaders, as well as with the distinguished chairman and ranking minority member of the Committee on Foreign Relations. I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 111) was read, as follows:

Whereas it is the policy of the Government of the United States to encourage the orderly evolution of peoples throughout the world toward self-government or independence; and

Whereas the people of the United States support the concept that other peoples should have an opportunity freely to choose their own national destiny under circumstances which will enable them to assume and maintain an equal station among the free nations of the world; and

Whereas Ghana is achieving independence on March 6, 1957: Now, therefore, be it

Resolved, That the Senate of the United States extend its most cordial greetings to the Legislative Assembly of Ghana on the occasion of the independence of Ghana, express the earnest hope that the Assembly and the people of Ghana will enjoy continuing success in the development of a sovereign democratic state, and reaffirm the friendship of the people of the United States for the people of Ghana.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Is there objection to the request of the Senator from New Jersey?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object—although I shall not object—let me say that I understand the Senator from New Jersey is requesting unanimous consent for the immediate consideration of the resolution to which he has referred; and I further understand that it is unlikely that there will be any further discussion of the resolution.

Mr. SMITH of New Jersey. I should think not. I think that on this memorable occasion all of us wish to have the Senate send its greetings to the Legislative Assembly of Ghana.

Mr. JOHNSON of Texas. Mr. President, in the true bipartisan spirit which I hope always prevails, and which I like to see on the other side of the aisle, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. HUMPHREY. Mr. President, reserving the right to object—although I shall not object—I ask unanimous consent to have printed at this point in the RECORD a statement which I have prepared.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

On March 6 an event of supreme importance for the future of Africa and the achievement of self-government everywhere will take place in the Gold Coast. On that date, this British colony will become an independent self-governing, member of the British Commonwealth and will change its name to Ghana. This is an achievement in statesmanship of the highest order, and the people of the Gold Coast and of Britain are due an equal share of commendation.

Mr. HUMPHREY. Mr. President, Mr. William Clark, a correspondent of the London Observer, is writing a series of articles entitled "Birth of a Nation," which are appearing in advance of this important event in West Africa. I ask unanimous consent that the first three of these articles, which have appeared in the Washington Post and Times Herald on February 24, 25, and 27, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of February 24, 1957]

IN TINY GHANA AFRICA SEES A GIANT

(By William Clark)

ACCRA.—When Vice President NIXON arrives here next month he will receive one of the most vociferous welcomes of his career, for the decision of the American Government to send so eminent a representative to the Gold Coast's independence celebrations is regarded here as the culminating proof that the world fully recognizes the crucial importance of the new state.

No one in the Gold Coast doubts that the emergence of an independent state (even with a population of only 4½ million and an economy precariously balanced on the price of cocoa in the New York market) is the most important event of 1957; yet outside Africa—in London and Paris, for instance—there was some surprise that the Vice President of the United States should journey halfway across the world for such an occasion.

After traveling throughout the Gold Coast and other parts of Africa, I have no doubt that Vice President NIXON has been well advised. The future of this little British colony is of great importance to the American people.

AFRICA EMERGENT

All over the continent, from Capetown to Casablanca, Africans are watching the transformation of the Gold Coast colony into the independent state of Ghana—believing that it is pioneering a path that inevitably other African states soon will follow.

Ghana is regarded not just as a new state but as the beginning of a new continent. The very name of Ghana, which has been chosen with care and controversy, is intended to remind Africans of the great, purely Negro empire which flourished in the early Middle Ages and controlled a vast area of West Africa. The modern Ghana sees its future as, at least, the leader of an African bloc in the United Nations and in world affairs.

GHANA A PROTOTYPE

This is a remarkably bold enterprise for so small a state just starting out on self-government, but there are several factors which make success at least possible. The first is the enormous good will that exists toward Ghana in most parts of black Africa, where it is usually regarded as the first African state to achieve independence.

This is in no sense technically true, but the northeastern states, such as Egypt and Libya, are regarded as more Arab than African, and the older, independent African states such as Ethiopia and Liberia do not have much appeal to modern, progressive Africans, who tend to think of the one as a survival of feudalism and the other as being an American colony in economic if not in political terms.

Ghana, on the other hand, is looked to as the new African experiment in statehood, fully independent, purely African. The Bantu in the Union of South Africa, and the Kikuyu in Kenya, feels that the Ghanean is his blood brother who has managed to be the first to reach the goal of ending white domination.

It is, of course, an important part of its appeal to Africa that the Gold Coast has been colonial territory, ruled from London by the white man. The final end of that colonial relationship, which will take place in peace and good will on March 6—113 years to the day after British rule was established—will be regarded by millions of Africans as symbolic of the coming end of all colonial rule.

ARDENT ANTI-COLONIALIST

No one feels more certain of Ghana's role as the leader of black Africa than Kwame Nkrumah, the new state's first prime minister. When I called on him in his small, rather dark, cool office paneled with Gold Coast woods, he was working out the list of personal invitations he would send to persons not holding official positions whom he wished to attend the great independence celebrations. His list included his old English tutor from Achimota College in Accra, but it also included the leaders of nationalist movements in other British and French colonies—leaders who are almost proscribed by the governments of those territories.

Nkrumah, a small, intensely lively man with an unusually high forehead and the usual infectious West African grin, is quite aware of the fact that such invitations will cause embarrassment to governments with which he has the friendliest of relations, but his anti-colonialism is a burning emotion and not just a political slogan through which he came to power.

It is easy to mistake this, for Nkrumah has not had to fight Britain for his country's independence, and he retains the greatest confidence in the last British colonial governor, Sir Charles Arden-Clark. But the end of colonial rule in Africa, and as speedily as possible, remains his goal. Recently, on a state visit to Liberia, he publicly expressed his views on the future of Africa. They included a federation of the states in West Africa and, ultimately, a wider grouping of all African states.

It is likely that very soon after independence Nkrumah will hold a conference of all independent African powers both to try to establish his position as a potential leader and to plan for the liquidation of colonialism. Kwame Ehrumah is as determined as Jefferson ever was that the state which he has created out of a British colony shall become the leader of a new world from which imperialism is excluded.

[From the Washington Post and Times Herald of February 25, 1957]

FREEDOM GIVES GHANA VOICE IN WORLD ISSUES

(By William Clark)

ACCRA.—When the Gold Coast becomes Ghana on March 6, after 113 years of British colonial rule, it will remain part of the British Commonwealth, the first black African dominion. At the elaborate ceremonies planned to celebrate Ghana's Independence Day, the central figure will be the Duchess of Kent, who will represent that link with the Crown which is a basic element of the Commonwealth mystery.

Ghana will have other, more tangible links with Britain. For instance, many of the senior British civil servants will remain at their posts for some years at least. But independence will mean that Ghana has to look around in the world for friends and allies for the first time conducting her own foreign policy.

It seems clear that the immediate policy will be to rally other West African nations in the cause of anticolonialism. That will not bring Ghana into notable disagreement with Britain, as the other British colonies in the area are well on the way to independence. Indeed, Nigeria is likely to prove an immediate rival for the honors of leading West Africa when it attains independence sometime in the very near future.

SURROUNDED BY FRANCE

But the Gold Coast is a British island in a French colonial sea. All of its frontiers are with French colonies. Conflict of some sort seems almost inevitable, as Ghana certainly will sympathize with movements for independence among French Africans.

However, Kwame Nkrumah, the Prime Minister, who will also be Foreign Minister at first, has no intention of using force in local quarrels. Like the leaders of other small States, he recognizes his best forum will be the United Nations.

In the United Nations, Ghana will find a natural ally in her fellow Commonwealth member, India, and it is reasonable to assume that Ghana's foreign policy will bear many resemblances to India's. It will be anticolonialist and neutralist yet there will be differences of accent, if only because Nkrumah is quite determined to be leader of the Afro part of the Afro-Asian bloc.

That may well involve him in an intense rivalry with Colonel Nasser, and already it is being suggested here that Egypt should confine itself to leading the Arabs, and India to leading Asia, so as to leave Africa to the new African power.

WOOED BY BIG POWERS

Because it is potentially the leader of black Africa, Ghana is being wooed by all the great powers, including Russia, but it seems unlikely at first that Nkrumah will be anything more than coldly neutral to the Soviet Union. Though Nkrumah, in common with most African nationalists, has flirted with communism, both he and his people have too much respect for human liberty to admire a totalitarian system.

It is interesting to read in the Accra papers regular lists of African contributors to the Gold Coast Hungarian Relief Fund. Because of its own recent history, the Gold Coast saw more clearly than most nations that Russian tanks in Budapest were simply the instruments of old fashioned imperialism overwhelming a demand for self-government.

Until the announcement that Vice President RICHARD NIXON would attend the Ghana Declaration of Independence, the United States had not done much to win the Gold Coast's attention or affection. Clearly, it is now going to adopt a more active policy, and it will be sowing in fertile ground.

Nkrumah himself spent 10 years as a student and teacher in the United States at Lincoln University, and he has retained friendly feelings toward the country in spite of some experiences of color prejudice.

In particular, as he was there during World War II and was able to see the fantastic rate of American industrial expansion, Nkrumah regards the United States as a source of technical and possibly of fiancial aid in the colossal task of modernizing and developing his own country.

DAM FUNDS NEEDED

Ultimately, it is on this aspect of affairs that Ghana will concentrate in making friends in the big world. The new, small country will not be interested (this is already quite clear) in military alliances or military aid. Ghana's strength, prestige, and influence will depend not on its battalions, but on its ability to become a stable, prosperous modern state, and that means to all excolonial peoples the ability to industrialize and diversify their economy.

For Ghana, this whole prospect is summed up in the ambitious scheme, which has been on the drawing board for 5 years now, for a Volta River dam which would provide hydroelectric power, irrigation, and a vast new aluminum industry to use the native bauxite resources.

The capital cost is far beyond the means of Ghana, and in recent months there have been indications that Britain's strained economy can hardly cope with another such demand. If that is so, then Nkrumah, like Nasser, will be open to bids from any power which is prepared to help in building his dam.

Certainly he will look first to America and the West (there have already been overtures to the International Bank), but if the response is unfavorable, an offer of Russian aid could not be refused.

[From the Washington Post and Times Herald of February 27, 1957]

AFRICANS FACING A RUGGED TASK

(By William Clark)

ACCRA.—The hopes and fears of millions of Africans, black and white, are centered on the Gold Coast as it attains full self-government and becomes Ghana on March 6. Can Africans after a century of colonial rule take over their own country and run it without disaster, or even with credit?

On the answer to that question a great deal of the future of the whole continent depends.

Yet, in fact, the changeover of power next month will be more symbolic than real. The Governor, Sir Charles Arden-Clark, who has been divesting himself of power for some years, will become a constitutional governor general; the Prime Minister Kwame Nkrumah will remain head of the Government, the assembly elected last summer will remain unchanged.

The government under Nkrumah has had some years of practice in the art of governing, but the opposition has not had the same advantages and has often seemed during recent months to be in danger of breaking up the country. Indeed the first task of the new state of Ghana is to become a nation, and to create a sense of natural unity among its peoples and parties.

Sometimes nations have found a substitute for a long national history in a short, sharp struggle for power with an oppressor; but because Nkrumah has been given independence by Britain without a real struggle he is deprived of this foundation for national unity.

As a result, the parliamentary opposition which has grown up in the past few years opposes not merely Nkrumah's government, but the existence of a central government at Accra altogether.

This opposition, the National Liberation Movement (NLM), is essentially a regional party based on the Province of Ashanti, which is the richest and militarily most effective part of the country.

The party doctrine is one of extreme states rights, demanding that Ashanti, the fairly primitive northern territories and the British half of Togoland, should only be associated in a loose federation with the coastal strip which was the original colony and is still known as the colony.

Even a few weeks ago when I was in Kumasi, the capital of Ashanti, responsible leaders told me that they would rather start a civil war than live under the control of the coasters.

For the time being their fears have been set at rest by a visit from the British Colonial Secretary, Lennox Boyd, who has produced a face-saving constitution which limits the powers of the central government in fact, without appearing to alter the terms proposed by Nkrumah's Cabinet.

Another difficulty is that Nkrumah's central government wishes to be extremely active in reshaping the country. The Convention People's Party is not unlike Nehru's Indian Congress Party in political coloration; it is Socialist in theory.

And, in practice, it wishes to use all the powers of government to press ahead with the modernization and industrialization of the country.

The process will not be easy in Ghana, for the economy is based to an alarming extent on the one cash crop of cocoa, and for some time now the world price has been steadily falling. Ghana will certainly be short of capital for development, and in spite of her advanced educational system, she will be short of the educated personnel who are such an essential part of the modern state.

However, there can be no doubt that the CPP government will make every effort to bring Ghana into the main stream of modern economic development.

The NLM party will, in effect, oppose this program. It is essentially a conservative, states right party, anxious to preserve the rights of the chiefs and the other peculiar institutions of their regions.

The future of the Gold Coast under its new name of Ghana seems to depend on two things: the price of cocoa and the statesmanship of Kwame Nkrumah.

If the price of cocoa continues to slide, Ghana will face an acute economic crisis which could damage any government. But if that danger is avoided the problem still remains of building a nation out of colony composed of disunited tribes.

Here a great deal depends on Nkrumah. All the party pressures on him are to reward the faithful members of the CPP, which, is, after all, a nationwide party, and to ignore the protests of the regional opposition, which does not have sufficient support to form a government. If Nkrumah yields to that pressure the slender bonds uniting the country will be sorely strained.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. JAVITS. Mr. President, reserving the right to object, I ask unanimous consent to have printed at this point in the RECORD a statement which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JAVITS

Tomorrow, March 6, marks the signal victory of the free world against Communist imperialism, for it is on that day that the new African state of Ghana achieves its full independence and joins the British Commonwealth of Nations as a co-equal member alongside Canada, Australia, and India. Ghana is the first former colony south of the Sahara to achieve independence. Its American-educated Prime Minister, Dr. Kwame Nkrumah, has forthrightly stated that Ghana will not be neutralist but will stand beside the rest of the free world in the struggle against communism. Thus, while the Soviet Union has just been guilty of the brutal repression of Hungary's people and is forging even tighter bonds to enslave the brave people of Hungary, the West is welcoming into the roll of the free nations a former colony, now self-governing and rightfully proud of its own free institutions. This is a decisive contrast to the example of Soviet imperialism which all the peoples of the world, without regard to race, color, or creed, will note clearly and unmistakably. It shows that people who know what freedom means will not be taken in by the pious frauds of the Kremlin with regard to relations among people of all races.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey for the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question now is on agreeing to the resolution.

The resolution (S. Res. 111) was agreed to.

The preamble was agreed to.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. MANSFIELD. Mr. President, I wish to offer another amendment. I hope it will be possible for the Senate to act on it in not more than 5 minutes—as I had hoped would be the case regarding my other amendment. This amendment is identified as "2-21-57-B."

Mr. President, I offer this amendment to the committee amendment, as amended; and I ask that my amendment to the amendment be stated.

The PRESIDING OFFICER. The amendment of the Senator from Montana to the committee amendment, as amended, will be stated.

The CHIEF CLERK. In the committee amendment, as amended, it is proposed to insert, on page 6, after line 6, a new section, as follows:

SEC. 6. The President shall as part of the fiscal year 1958 mutual security program, if he deems it desirable, recommend to the Congress for its consideration programs of specific nature, amount, and duration, which in his judgment will facilitate a settlement of the Suez dispute and the Arab-Israeli conflict and otherwise promote stability in the Middle East and the peaceful progress of the nations of that region.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. If it will be agreeable to the Senator from Montana, I wish to study his amendment to the committee amendment. I hope he will consent to withdraw his amendment for the moment, until consideration can be given to other amendments which will be called up.

Therefore, I ask unanimous consent, Mr. President, that the amendment submitted by the Senator from Montana to the committee amendment be withdrawn.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. MORSE. Mr. President, reserving the right to object, I should like to ask a question; and I should like to have the attention of the Senator from Montana, because I think the question should be answered by him, for the consideration of those of us who will study his amendment further.

His amendment to the committtee amendment reads as follows:

The President shall as part of the fiscal year 1958 mutual-security program, if he deems it desirable, recommend to the Congress for its consideration programs of specific nature, amount and duration—

And so forth.

Does the reference to the "fiscal year 1958 mutual-security program" mean only the economic programs, money programs, which of course are primarily the programs of the mutual-security program? If that is the meaning, does the Senator from Montana think there is a danger that such an amendment might at least weaken another approach which some of us believe should be over and above the economic approach, namely, a program in which the influence of the Office of the President is used to try to get Israel and the Arab States to resort to judicial processes and to arbitration and mediation through existing machinery of the United Nations, for the settlement of some of these disputes?

If the Senator from Montana has no objection to the latter approach, would he be willing later to add to his amendment language which would make it clear that the Congress itself would welcome consideration on the part of the President of recommending the so-called judicial approach, as well as the money approach, to this matter?

Mr. MANSFIELD. I wish to say that one of the reasons why the amendment is being withdrawn at this time is to give some other amendments a chance to be considered. If the arrangement works out satisfactorily, we may not have to submit this amendment again; if not, we may have to submit it again, in an effort to get into the joint resolution some acceptance of the realities, as embodied in the Israeli, Arab, and Suez questions.

Mr. MORSE. That is perfectly satisfactory to me. However, I wish to say that I do not think our approach to this matter should be entirely a so-called economic approach or a money approach. If we are going to amend the joint resolution, I think we should include in it some language which at least would put our stamp of approval upon a judicial approach, as well as on a money or economic approach.

Mr. JOHNSON of Texas. Mr. President, I certainly share that view.

The PRESIDING OFFICER. Without objection, the amendment submitted by the Senator from Montana to the committee amendment, as amended, is withdrawn.

The committee amendment, as amended, is open to further amendment.

Mr. THYE. Mr. President, I wish to make a statement which will take approximately 20 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. THYE. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, a very pertinent news release appeared in the Washington Daily News yesterday, which I should like to insert in the RECORD at this time. With this body now far along in its consideration of the President's Middle East resolution—including, as it does, a bounty of $200 million for this mythical doctrine—it is interesting to note that the same peoples we are going to aid and succor have transferred recently to the sanctuary of Swiss banks $117 million. Can it be, as Lenin so ominously decreed, that our Nation is to be led to spend and spend until finally we are so bankrupt that communism can easily take over? Are we in the Senate of the United States to be duped by a continual stream of programs and doctrines which may in a small way assist in the fight against communism elsewhere, but at the same time very definitely weaken our own economic strength and thus let our defenses down a little more for the Communist preachings to make further inroads in this country? Can it be we are

helping people who refuse to help themselves? I, for one, will continue to look beyond the high-sounding phrases of our present foreign policy dreamers and try to interpret their flights of fancy into the reality of American living.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of March 4, 1957]

SWISS GET ARAB AND JEWISH FUNDS

BERN, SWITZERLAND, March 4.—Israeli and Arab-owned capital totaling nearly $117 million has been transferred to Switzerland since the outbreak of the Suez crisis, a Swiss bank official said today.

He said "considerable sums" were transferred from accounts in the United States because of fear they would be frozen "should sanctions of any kind be applied to solve the Middle East crisis."

HUNGARY

Mr. HUMPHREY. Mr. President, will my colleague yield?

Mr. THYE. I yield to the junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, during the past few months, since the tragic suppression of the Hungarian revolution in November, many of us have given much troubled thought to what our Government might have done that it did not do. I think there is general agreement that, even in so noble a cause, the United States Government correctly decided it was not prepared to intervene militarily in Hungary at the risk of touching off a worldwide nuclear war.

There has been a tendency among some commentators to feel that since that alternative was foreclosed, no active or constructive policy was possible. As a member of the American delegation to the United Nations, I know full well what a delicate and complicated situation faced us that first week in November last year. The unfortunate and simultaneous crisis in the Middle East confused the situation at a particularly serious time.

Nevertheless, if only through the benefit of hindsight, it is becoming clear that certain active, constructive policies might have been pursued by the United States Government during the week when Hungary was free. Some of these alternative policies are discussed in an editorial which appears in the current issue of Life magazine. I ask unanimous consent that the text of this editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IF THERE'S A NEW HUNGARY

As if to write finis to the tragic saga of Hungary, its Communist jailers have been laying fresh mines and barbed wire along the border, the guard towers are again bristling with machineguns, and patrol boats with searchlights hunt the canals. As the new prison door clangs shut, an inquest is in order. One question dominates all others: could we have done more than we did to help free Hungary? The answer is: yes.

President Eisenhower decided against any direct military intervention, for the doubtless valid reason that it could have unleashed a nuclear war. Because of this a school of thinking, led by the University of Chicago's Prof. Hans Morgenthau, is now arguing that a revolution has taken place in United States foreign policy, that all plans for liberation have been abandoned and that we have instead reached a sort of tacit spheres of influence understanding with the Soviet Union. Such a policy, the reasoning goes, accepts the kind of semifreedom visible in Poland as the best that can be hoped for. To our mind such arguments misread the real lessons of the Hungarian tragedy.

The biggest lesson is not that a liberation policy has become obsolete but that the United States did not have such a policy ready—and consequently was unprepared to take any decisive action (short of military) during the brief period when it might have done some good. Time was the crucial factor in the Hungarian crisis. Had the U. N., with United States leadership, been able to act swiftly in the 5 days when Hungary was free, it might well have been able to forestall the subsequent Soviet invasion.

Some of the things that could have been done to help Hungary were outlined in the New Leader recently by Franklin A. Lindsay, former Chief of the United States Military Mission to Yugoslavia. He starts with November 2, the day Premier Imre Nagy proclaimed Hungary's neutrality, demanded withdrawal of Soviet troops, and cabled Secretary General Dag Hammarskjold asking for U. N. protection. Lindsay's "what might have been" follows.

United States Delegate Henry Cabot Lodge could have immediately asked for an emergency session of the General Assembly.

The Assembly could have swiftly created a Hungarian observation commission.

An advanced commission composed of U. N. member Ambassadors in Vienna could have flown to Budapest by helicopter and been observing a full day before the massive November 4 Soviet intervention.

Anna Kethly, Nagy's authorized representative, could have been installed as Hungary's accredited U. N. spokesman.

Nobody can say whether, had all this been done, the Soviets would have dared to slaughter Hungary, anyway, right under the eyes of the U. N. observers. But had they done so the U. N. could have continued to recognize Miss Kethly as the true representative of Hungary and denied credentials to the puppet Kadar regime. In addition to all this, the U. N. Assembly could have issued a sort of habeas corpus summons demanding that Russia produce the kidnaped Imre Nagy as the legitimate head of Hungary's Government.

What actually happened was this:

At 6 p. m. on November 3, Ambassador Lodge insisted on postponing action on Hungary for 48 hours to allow Soviet-Hungarian negotiations to proceed. Yet it was already known that thousands of Soviet troops were pouring into Hungary. At midnight, when the Australian delegate interrupted the discussion of Suez to demand attention to the renewed Soviet attack on Budapest, going on at that very moment, Lodge was not prepared to do anything.

Even 4 days later, for lack of a coherent plan of action, the Kadar delegates were seated. Miss Kethly, the only member of the legitimate Nagy government still free, was not even permitted to address the Assembly. At a time when the numerous Ambassadors already in Budapest could have been made U. N. observers, weeks were frittered away in vain attempts to get in.

The whole record is a sorry one, for the United States and the U. N. alike. The most terrible fact, of course, is that the needless Suez invasion happening at the same time not only delayed action on Hungary but emboldened the Russians to intervene. That is why President Eisenhower is right in insisting that every vestige of this aggression be erased. Only by so doing can the free world regain the moral right and strength to act effectively in any new satellite revolt, which could occur at any hour.

Fortunately Britain and France, by correctly yielding to the U. N.'s demands for withdrawal, have gone a long way toward restoring the Western moral unity that will be necessary. The President must also be prepared to act and lead, and his U. N. Ambassador must not again be found without guidance or instructions. Certain preparations could be made right now to anticipate the next such crisis. A permanent U. N. observation force could be set up under the direct control of the Secretary General, equipped with its own transport aircraft and communications system.

The U. N. now faces one of its most crucial showdowns on the defiance by Israel, an issue which the President says involves the future of the U. N. itself. But that future can be genuinely secured only if the lessons of the past are not ignored. Gaining Israel's compliance with the U. N.'s orders will, indeed, enhance the U. N.'s moral force. But that force will quickly evaporate if ever again the U. N. proves helpless to protect men who have clawed their way to freedom with their bare hands.

NOMINATION OF CHARLES E. WHITTAKER TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. STENNIS. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I wish to commend the President of the United States for the qualification of experience, both judicial and in the active practice of law, which underscored his nomination of Judge Whittaker to be Associate Justice of the Supreme Court of the United States.

This nomination is consistent with the spirit of my resolution, Senate Resolution 68, to establish the qualification of prior judicial experience for at least half the number to be appointed Associate Justices of the Supreme Court.

As I stated in submitting the resolution, if prior judicial experience had been controlling in the appointment of lawyers to this high office in past years, the purpose of the resolution would have been limited to awakening the Senate to its long-neglected duty to advise with the President on such nominations.

Even though the present nomination is consistent with the spirit and purpose of the resolution, this duty of the Senate still remains unfulfilled.

Now that there is no pending nomination, and therefore no question of personalities, the atmosphere should be more favorable for early consideration and passage of Senate Resolution 68 on its merits and in fulfillment of our constitutional obligations.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. THYE. Mr. President, my support for the Middle East resolution has been well known since January. The recent events in the Middle East have confirmed my earlier thoughts on this vitally important subject.

I have heard no arguments against the proposition that the United States should declare its policy in relation to the nations of the Middle East. There is substantial agreement that, as the leading force in the free world, the United States should spell out its feelings and policy in clear and concise terms.

To do otherwise would be to extend an open invitation to Russia to pursue her plans for further domination of that area. Certainly, President Eisenhower had this in mind when he addressed a joint session of the Congress in January and spelled out his request for authority to use troops if necessary and to extend economic assistance to those nations which requested it.

I have studied this matter carefully and attended the hearings held by the Senate Foreign Relations and Armed Services Committees. I have listened with interest to the arguments presented on this resolution both for and against the resolution.

During the interval of time from January to the present, the Middle East doctrine has shared the thoughts of the world with the dispute concerning Israel's withdrawal of troops from the Gaza Strip and the Gulf of Aqaba.

That refusal by Israel presented the United Nations and the United States with one of the most delicate matters of diplomacy and policy we have witnessed in the past 2 years. Friday's announcement in the United Nations and Prime Minister Ben-Gurion's announcement on Sunday that Israel would withdraw its troops constitute a major victory for the United Nations and for the United States.

Mr. President, we have heard much criticism of the United Nations during this controversy. Some have even suggested that the United States consider withdrawing from the U. N. Such action would be a grave mistake. Much credit for the solution of the Israel dispute must go to the United Nations. Recent events have again demonstrated the need for the U. N. and have proved that constructive solutions to serious world problems can be reached within its framework.

On many occasions, the success of the U. N. cannot be measured in concrete terms. However, the Israel dispute dramatically points out the value of such an organization. It is possible that a major conflict could have broken out in the Middle East during the past 2 weeks, had not the United Nations provided an opportunity for all nations to work together on a solution. In many instances, the process of cooperative negotiation through the U. N. may well be the alternative to open conflict.

Personally, I believe that a major share of credit for the settlement of the Israel crisis must go the Secretary of State John Foster Dulles. He demonstrated a unique degree of patience and a keen knowledge of diplomacy in dealing with this latest problem. He stood up against the most bitter type of partisan attack and criticism. Never once did he show anything but the greatest patience. Never once did he lose faith in the men he was dealing with. Never once did he lose sight of the goal of peace for the people of the Middle East. This type of devotion to duty should be widely and freely commended, and that I do, Mr. President.

Our Secretary of State displayed the same degree of patience through the past weeks on the question of the Middle East doctrine. Again, he did not allow shallow personal attacks, delay, and prolonged debate to dent his armor of patience and devotion to his tasks as Secretary of State.

Passage of the Middle East resolution, coupled with Israel's decision to withdraw troops from the Gaza Strip and the Gulf of Aqaba, will furnish the nations concerned an opportunity to develop a climate of peace and mutual understanding in this troubled area of the world.

By indicating the willingness of the United States to extend economic aid to the nations of the Middle East that request it, we will prevent Russia from moving in on a vacuum with her own offers of economic assistance. It has been stated that there are few nations in the Middle East which are friendly to the United States and the Western World today.

I emphatically reject this argument. I believe that we have the respect of millions of the rank and file of the population in the Middle East. Too often, we are inclined to measure support for our policies in terms of official statements by heads of state on particular issues or points. This does not constitute an accurate measure of the feeling the people in these nations have for the United States as a world leader.

Apparently, there are those who feel that we should not consider economic aid for nations which may disagree with us at times. Such a policy, if followed consistently, would deprive the United States of one of its most important weapons in the cold war with Soviet powers.

It would ultimately mean that we should extend foreign aid only to those nations which are willing to sign a statement of all-out support for our policies in advance of receiving aid. There are many nations which would not request or accept economic assistance under these circumstances. It is also possible that much of the good results of the Marshall plan and the point 4 program would not have been achieved had we at that time accepted the arguments now being presented.

We have been assured by the Secretary of State that the administration would not, under the authorization in the present resolution, enter into any commitments which would seem, morally or legally, to obligate the Congress to appropriate funds in the future.

This statement by the administration should eliminate the basic protest over the economic assistance part of the resolution.

The present wording in the resolution concerning the use of troops has been accepted by the administration and should dismiss the objections which were voiced over that section of the resolution.

We all realize that the Middle East doctrine alone will not solve the many problems we are faced with in carrying out our Nation's foreign policy. However, it can be a forceful and effective part of our entire approach to world leadership. Our decision on the Middle East resolution must be accompanied by a review of past history.

Within our span of life, we have seen two gigantic world wars and the Korean conflict. Costly as World War I was to this Nation, it must now be recorded as relatively inexpensive in view of what war would cost us today. But even so, we saw the ravages and destruction of war, and we are still paying for it today in the form of veterans' benefits. After World War I, the United States rejected the League of Nations and stood by with talk of sovereignty and isolation as preparations were made in Europe for World War II. That war demonstrated most clearly how terribly expensive modern war can be when the major forces of the world resort to arms in the settlement of disputes.

World War II served as the beginning of the downfall of England in terms of world leadership. Her economy was shattered. Germany has achieved a great industrial economy, which was laid to waste in the same war. The entire political, economic, and social system of France was shaken and she stood on the brink of destruction. Italy suffered the worst kind of depression and demoralization of its people.

During the past 10 years, the United States assisted in the restoration of those nations so that they could recover economically and socially. We did this because we could see the striking advances made by communism in the postwar years.

Through the ravages of war, this ideology grew swiftly in a world where poverty and pessimism existed. All of Europe would today have been in Communist hands if we had not met the challenge of extending economic and technical assistance during the past decade. Only a few years ago the Communists had control of France and Italy. Those countries have been able to throw back the Communist tide. One of the reasons is that the United States assumed the leadership of the free world and assisted them in rebuilding their economy.

The United States cannot, at this time, reject the type of leadership which is spelled out in the Middle East resolution. To do so would be a backward step and would be to reject the position of world leadership which we must maintain. Whether we liked it or not, World War II placed us in the forefront of foreign affairs. If we fail to exercise this role of leadership for the forces of freedom, we can be certain that the Communists will be fast to take advantage of such a break and would increase their propaganda efforts.

The Middle East resolution is an affirmative and constructive approach to

the problems in that area. It will serve as a doctrine of hope for the people in the Middle East nations. In particular, it may well stand as an inspiration to the younger generations of these countries, some of whom are torn by a choice between communism and the free world. Today, the youth of the Middle East is watching carefully and thoughtfully the actions of the Communist countries and the nations of the free world. They will eventually cast their judgment in favor of one or the other. The Middle East doctrine tells them that the United States is willing to offer technical assistance and troops to the cause of freedom so that they might enjoy some of the basic rights we take for granted in the United States. Today we are judged more by action than words.

In conclusion, I reiterate my belief in the United Nations as an instrument of world understanding and peace and my support for the Middle East resolution as a doctrine of hope for the people of that area.

I have every confidence that the Senate today will write another chapter in our historic fight for freedom and peace by approving this resolution by an overwhelming vote.

In the last issue of the U. S. News & World Report, dated March 8, there appeared on the last page, in the form of an editorial, an article written by David Lawrence. It is entitled "Turning the Clock Back?" I was profoundly impressed by reading that article, and particularly by the closing paragraphs, which reads as follows:

> What the world faces nowadays is the threat of an atomic war. It is academic whether a President is or is not already authorized to use armed forces in an emergency. It is more important that the President be authorized now to employ the deterrent power of the United States to prevent a war.

Mr. President, I call this article to the attention of all Senators, and for that reason I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TURNING THE CLOCK BACK?

(By David Lawrence)

Strange voices are being heard nowadays in the United States Senate. They are reminiscent of the 1920's, when the United States Government rejected the principle of collective security. They remind us also of the 1930's, when a vacillating America failed to announce in clear-cut terms in advance that we would come to the aid of the victims of aggression—a circumstance that led Hitler to believe he could win a war in Europe before the American Congress could make up its mind what to do.

What we are hearing in the Senate today is not the voice of the Democratic Party of Speaker SAM RAYBURN of the House of Representatives, or of the three Democratic Presidents of the last half century.

We are hearing instead from various Democratic Senators the voices of a revived isolationism.

We are being told again that we must not meddle in Europe or Asia.

We are being told again that the President might plunge us into war without consulting Congress.

We are being told again that there must be no advance delegation of the power to declare war.

We are being told that, if serious trouble comes, the President can always call the Congress into session and obtain whatever authority he needs.

We are being told that alliances of a military nature are bad, and that America had better rely on her own strength and keep out of foreign entanglements.

We are being told that American taxpayers' money must not be spent abroad when there are so many better ways to use the money at home.

We are being told that to furnish any economic aid to Egypt means an increase in cotton production there and more competition for our Southern cotton growers.

We are being told that American foreign policy seeks primarily to protect American oil companies with investments in the Middle East. The fact that it is vitally necessary to supply oil to sustain our allies in Europe seems to have been ignored.

We are being told that American foreign policy is drifting, rudderless, purposeless, that the Soviet threat in the Middle East does not create an urgent situation, and that the President, in pressing for the passage of the Eisenhower doctrine resolution, is ill-advised.

But these are mere excuses and quibbles. The startling development is that so many of the Democrats, joined by 2 or 3 Republicans, are looking at things through the eyes of the old isolationists. They are trying to get rid of the whole problem of the "cold war" or the threat of a "hot war" by wishful thinking. They would issue at this time a meaningless statement of generalities as a substitute for the Eisenhower doctrine resolution. This would tell the world that America is disunited and may not make up its mind what to do until the Soviets have already grabbed off the Middle East.

We are hearing today the kind of talk which, if accepted by American public opinion, will produce the very conditions that can lead to a third world war.

Isn't this an atomic age in which we are living?

Didn't the Senate by an overwhelming vote of both parties accept the leadership of a Democratic administration and ratify a treaty that obligates the President—without going again to Congress for authority—to resist an attack on any of the 15 countries now members of the North Atlantic Treaty Organization?

Didn't the Senate in 1955, with only two negative votes and with the overwhelming support of the House, authorize the President in advance to use our Armed Forces to protect Formosa against Red China?

What the world faces nowadays is the threat of an atomic war. It is academic whether a President is or is not already authorized to use armed forces in an emergency. It is more important that the President be authorized now to employ the deterrent power of the United States to prevent a war. The Congress must let the whole world know that the President has been fully authorized to act. It will be too late to argue these points in Congress when the bombs are falling.

What President Eisenhower and Secretary of State Dulles are trying to do is to win a "cold war" now, so that there may be no "hot war" later on. It is imperative that American intentions be made clear now.

We need allies because we need military bases overseas and the help of their manpower. We should not spend a cent for boondoggling, but we should spend billions, if necessary, for military protection through allies in Europe and Asia and anywhere else in the world.

Let us not turn the clock back.

This is 1957. The American people want peace no matter what it costs in money. They want to save the lives of their sons. They will pay even higher taxes if it means that a world war can be averted.

This is the time for unity in America, for nonpartisanship and objectivity. It is a time for the Democratic Party to be true to its traditions and support the administration's policies that seek to avoid war.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Barrett	Green	Mundt
Beall	Hayden	Murray
Bennett	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Blakley	Hill	Pastore
Bricker	Holland	Payne
Bridges	Hruska	Potter
Bush	Humphrey	Purtell
Butler	Jackson	Revercomb
Byrd	Javits	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoeppel
Case, N. J.	Kefauver	Scott
Case, S. Dak.	Kennedy	Smathers
Chavez	Kerr	Smith, Maine
Church	Knowland	Smith, N. J.
Clark	Kuchel	Sparkman
Cooper	Lausche	Stennis
Cotton	Long	Symington
Curtis	Magnuson	Talmadge
Dirksen	Malone	Thurmond
Douglas	Mansfield	Thye
Dworshak	Martin, Iowa	Watkins
Eastland	Martin, Pa.	Wiley
Ellender	McCarthy	Williams
Ervin	McClellan	Young
Flanders	McNamara	

The PRESIDING OFFICER (Mr. KENNEDY in the chair). A quorum is present.

Mr. DOUGLAS. Mr. President, I call up my amendment designated "2-19-57-A" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, between lines 6 and 7, it is proposed to insert the following:

> SEC. 4. In addition to the conditions of eligibility set forth in the Mutual Security Act of 1954, as amended, no military, economic, or technical assistance authorized pursuant to this resolution shall be supplied to any nation unless the recipient nation has made a binding agreement (a) not to commit any act of aggression upon any neighboring nation, (b) to submit all matters in controversy with neighboring nations to direct negotiations with such neighboring nations in a good faith effort to settle such controversies by mutual agreement, and failing agreement to submit the matters in dispute to arbitration, and (c) in the case of military assistance, not to use any such assistance except for self-defense within its own borders without the consent of the United States.

On page 6, line 7, it is proposed to strike out "4" and insert "5" and in line 10, to strike out "5" and insert "6."

Mr. DOUGLAS. Mr. President, in view of the adoption of the so-called Mansfield amendment, I ask unanimous consent that the numbering of this proposed amendment and other matters be appropriately changed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, I think the purpose of my amendment is clear. It provides that military, economic, and technical assistance should not be supplied to any nation in the Middle East unless that nation has made a binding agreement not to commit any act of aggression itself upon any neighboring nation, and also has agreed to negotiate all matters in controversy between itself and such neighboring nations in an effort to settle the dispute by mutual agreement; and if that fails, to submit the matters in dispute to arbitration.

In order that we may dispense with some of the formalities, I now ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. DOUGLAS. I hope to renew my request later in the afternoon.

OVERT SOVIET AGGRESSION IS NOT MOST IMMEDIATE DANGER

Mr. President, this amendment is designed to remedy one of the worst weaknesses in the Eisenhower-Dulles resolution. This is the fact that the arms aid which we will give to the countries of the Middle East for the ostensible purpose of better protecting them against direct Communist aggression can be used instead by them to make war upon each other. Unless the Eisenhower-Dulles program is safeguarded by this amendment, or by something substantially similar to it, we are likely to increase rather than decrease the danger of war in the Middle East.

As speaker after speaker has demonstrated, there is little present danger that Russia will attack any of the countries with which we are apparently concerned. None of the so-called Arab nations borders on Russia. A glance at the map in the back of the Chamber shows that Turkey and Iran form a protective shield to the north of Israel and the Arab States and protect them from direct land invasion by the Soviet Union.

We have guaranteed to aid Turkey under the NATO agreement, and we certainly have direct interests in Iran which would lead us to defend that country were it invaded. If there were any doubt about this latter point, it could be removed by negotiating a direct treaty with Iran without going to the extreme of the current resolution.

The ostensible purpose of this resolution is to protect Iraq, Lebanon, Syria, Saudi Arabia, Jordan, Israel, Egypt and possibly Libya, Yemen, and Eritrea from Russian aggression, when none of these countries borders on Russia, and it would be necessary for Russian troops to travel hundreds and, in some cases, thousands of miles to reach them. If Iraq is thought to be dangerously close to Russia, this situation could also be met by a treaty with that country, and this would be much more to the point.

So far as protection against overt Russian aggression is concerned, the Eisenhower-Dulles resolution is, therefore, really beside the point.

So far as guarding against internal Communist subversion is concerned, Mr. Dulles has disavowed any direct effectiveness. Well conceived and well managed economic aid might, however, have a beneficial influence in this direction, and to my mind this is probably the most constructive feature in the proposal.

ARAB-ISRAEL CONFLICT OR HOSTILITY AMONG ARAB STATES IS MORE IMMINENT DANGER

But the real danger of war in this area comes from, first, the hostility between the Arab States and Israel and, second, hostility between the Arab States themselves and, more particularly, between Syria, Jordan, Saudi Arabia, and Egypt on one side and Iraq on the other, with Lebanon as an uneasy bystander.

Well, what are we going to do under the Eisenhower-Dulles program? We are going to give arms and military equipment to as many of these countries as will accept them, together with technicians to instruct the local armies in their use and probably personnel to help organize and train them.

We have, of course, begun with Saudi Arabia, to whose King our Government has just given an unprecedented royal reception.

The press has published inspired stories to the effect that a secret agreement was reached between the President and Mr. Dulles on one hand, and the King on the other, under which we had promised to give him large amounts of military aid, running into the many millions. While the Congress and the people have not been entrusted with any authentic report on this subject, it has apparently been leaked to the press in the usual manner. Despite the fact that the King of Saudi Arabia receives half of the $600 million profits which the Arabian-American Oil Co. is making annually—or a total of $300 million a year—and, hence, has as large an income as all of his 6 million subjects put together, we are to give him many more millions in addition.

So, we will soon be sending in jet bombers, tanks, artillery, and machine-guns to him, together with lots of shells and ammunition. We will also send in pilots and soldiers to teach the Arabians how to use all this. But we will have to check over our personnel lists to make sure that no American of Jewish stock is sent into the country and, if a mistake is made, the King of Saudi Arabia will retain his present right of ordering the American soldier of Jewish blood out of the country.

When we reflect that Saudi Arabia is one of the few remaining countries where slavery is legal and practiced, and that the King is one of the largest if not the largest slave owner in the world, we can see how far we have journeyed from basic American principles. Incidentally, another evidence of this was seen last summer in Geneva when we refused to vote for an international convention which sought to outlaw slavery in countries like Saudi Arabia.

SAUDI ARABIAN ATTACK ON ISRAEL IS POSSIBILITY

Well, what is King Saud going to do with these weapons which we will send him and with the army we will pay for and help to train? Mr. Dulles implies that he will use it to defend himself against the Russians. Possibly.

But what guaranty is there that he will not use them, instead, against Israel, about whom he once remarked that the death of 10 million Arabs would be justified if it could only be exterminated? There is little doubt that Saud hates Israel more than he does Russia. Israel, moreover, is right at hand, and is easier to attack. In that situation, it would be only sound tactics for Russia to keep more or less aloof from the area for the time being, in order not to stir up Saud, and to wait until he becomes embroiled with Israel.

Then the Russian bear could pounce; and, by helping to incite war within the Middle East, although I want to say with the best of intentions, we would have made the feared Russian intervention inevitable.

JORDAN THREATS AGAINST ISRAEL ARE ALSO REAL DANGER

The next country in the "chow line" for American military aid will undoubtedly be Jordan. This is a synthetic state, lying between Saudi Arabia and Israel, which was created by the British out of its Palestinian mandate, in order to make a king out of Sheik Abdullah. Abdullah had been of great help to General Allenby during the First World War; and the British believed that with continuing subsidies, they could keep him an ally, and thus would have a counterweight against an independent Israel and a French-dominated Syria. Feisal had been made King of Iraq by the British; and the British felt that they should help Abdullah, by giving him a kingdom over which he could reign or preside.

This subsidy of $30 million a year has continued until recently. This subsidy financed a compact and well-trained army, called the Arab Legion, which was under the direction of the able British officer, Gen. Sir John Glubb. Glubb and his fellow British officers, plus a British airbase, kept Jordan on the British side for many years. But last year, almost precisely at this time, the violent anti-western elements in Jordan, aided—it is believed—by both Colonel Nasser and King Saud, took over control, and forced General Glubb and his staff to leave Jordan. This is said to have been the factor which first made Prime Minister Eden and the British conservatives—who previously had been pro-Arab—hostile to Nasser, and hastened the later explosion. But our State Department seems to have slept through all this with the happy euphoria which it wished to encourage among the voters in a presidential-election year.

In due course of time, Britain discontinued its subsidy. Unless other accommodations are found, the barren and poverty-stricken kingdom of Jordan will be unable to pay its army; and, if that happens, an internal revolution, financed from unknown sources, will be virtually inevitable. To avert this, Saudi Arabia, Egypt, and Syria have agreed to pick up the check. But the latter two countries—Egypt and Syria—have no visible means of support and, by themselves, cannot bear this extra load. It is clear, therefore, that Jordan will soon be asking for money with which to make good the loss of the British subsidy. But the Jordan Government has already made it quite clear by press dispatches from their capital, Amman—the old city of Philadelphia—that it will insist on retaining

the direction as to how these arms will be used.

Lying next to Israel as it does, with a border across which shooting and raids have been common, and with half of its population consisting of Arab refugees from Palestine, Jordan has an intense hatred of Israel. With the restraining hand of Britain removed, its ruling groups want nothing better than to attack Israel and to try to drive its inhabitants into the sea. By maintaining and equipping their army, we shall furnish them with the means of attack.

These two forces of Saudi Arabia and Jordan will therefore reinforce each other in the desire to obliterate Israel.

SYRIA AND EGYPT LIKELY TO JOIN ATTACKS BY JORDAN AND SAUDI ARABIA

In any such attack they would in all probability be joined by Syria and Egypt. Both of these countries have been militarily equipped by Russia. And while Israel inflicted a crushing and inglorious defeat upon the Egyptian armies in both Gaza and the Sinai Desert, and captured huge stores of Russian military equipment, Nasser is building up a new force, called the National Army of Liberation, elements of which I saw drilling in and near Cairo when I was there in December.

While Syria's present government, which is strongly antiwestern, would probably spurn any military aid from us, it might be accepted if the present Syrian Cabinet were to be ousted and if a more conservative administration were installed. But any such government would still be hostile to Israel. Similarly, Mr. Dulles and President Eisenhower might try to follow up their earlier courtship of Egypt by offering still more effective military hardware to Colonel Nasser, in an effort to compete with Russia for his favor.

But whether Egypt and Syria are equipped with Russian or with American arms, there is nothing that they would like more than to destroy Israel by force of arms. And the more we militarily aid any or all of the Arab States, the greater is the likelihood that all of them will try to do just that. The joint command which these four states set up last October could be brought into working order in a relatively short space of time.

WITHOUT NONAGGRESSION AND NEGOTIATION AGREEMENTS, UNITED STATES MILITARY AID MAY INCREASE WAR DANGER AND WEAKEN NATO

What would Israel do in the face of all this? She would, of course, resist; and judging by her victories in 1948 and 1956, she would fight well. Even if our administration refused to supply her with arms, she could get them from her ally, France, which has publicly declared her support, and has said she intends to continue to support Israel.

In this situation we would be backing one set of belligerents, and France would be backing the other. This would inevitably weaken still further the already imperiled North Atlantic alliance. Joint resistance to Communist aggression in Europe would become still more difficult.

If we also decided to help arm Israel, we would then be furnishing each group with weapons with which they could better attack the other. We would thus be spurring on the competitive arms race and hastening war. In the meantime, each side would reproach us for favoring the other, and we would lose favor with both.

Mr. President, I submit that unless we condition our military and economic aid by requiring a pledge that the countries thus aided will refrain from aggression and will submit all disputes to arbitration, we shall help brew a witches' broth in the Middle East, and shall help the rulers of the Arab States to cry havoc and to let slip the dogs of war.

AMENDMENT'S PROVISIONS WOULD ALSO RESTRAIN ISRAEL

Let me also point out that such a pledge would help to restrain Israel, as well as the Arab States. I am assuming that whatever the administration does about military assistance to that country, it still does not want to discontinue our economic aid. Israel needs this, wants it, and has been putting it to good use. To require that Israel, in return, give up the right to attack, and to let neutral bodies arbitrate differences, would lessen the strength of the hotheads in Israel to launch reprisal raids and to invade Arab territory. And there are hotheads in Israel, as in other countries. This amendment is not, therefore, a pro-Israeli amendment. I wish to emphasize that point. It is a pro-peace and a pro-American amendment.

In fact, since such a pledge would restrain both sides, it should reassure each, and hence would dampen down the self-defeating craze for armaments, and would permit the energies of the Middle Eastern people to flow, instead, into the much-needed tasks of reclaiming and irrigating the soil and raising the standard of life of the poverty-stricken and disease-ridden peoples of most of the Arab countries. The amendment is, therefore, in the best interests of the Arabs themselves.

DANGER OF WAR BETWEEN OTHER MIDEAST NATIONS IS LIKEWISE GREAT

Mr. President, thus far I have spoken as though the sole danger of war lay between the Arab States and Israel. But there is also a great danger of war between the Arab States themselves.

Iraq is here the nation most likely to be attacked, although half-Christian Lebanon is by no means out of danger. Iraq and Lebanon are probably the most progressive of all the Arab countries. Iraq is also the most friendly toward the West. Moreover, Iraq makes the best use of its large oil revenues, for Iraq sets aside 70 percent of these funds for economic development; and while from time to time this money is dipped into for other purposes, it is spent in the main for constructive projects. The most important of these is the redevelopment of the old irrigation system which formerly enabled the Tigris and Euphrates Valley to support in plenty a population of 15 million, and which was destroyed by the Mongols in their invasion of some 550 years ago.

Along with its fellow Islamic or non-Arabic countries of Turkey, Iran, and Pakistan, Iraq is a member of the Baghdad Pact, which we helped to promote, but from which Secretary Dulles then backed away, leaving Britain to give the guaranty of aid alone. This was one of the events which made the British lose faith in Mr. Dulles, and contributed to their unfortunate move of October 30.

But the ruling military clique in Syria deeply dislikes the present Government of Iraq, and has been seeking to overthrow it by a combination of external pressure and the fomenting of internal revolt. It is very revealing that while all three of the major pipelines from the Persian Gulf cross Syria on their way to the Mediterranean coast, it was only the two from Iraq which were blown up by the Syrian army, while the big pipeline from Saudi Arabia was not touched.

Saudi Arabia is also very much on the outs with Iraq. The Saud family have been historic enemies for generations of the ruling family of Iraq, and they split Saudi Arabia off from Iraq between World War I and World War II. While it was pleasant to have King Saud meet the Crown Prince and former regent of Iraq on his regal trip to this country, no one who knows the deep chasms of hatred between the two families can pretend that any real reconciliation was effected.

If an internal revolt were to break out in Iraq, and Syria were to come to its support, as it might well do, then it is quite possible that Saudi Arabia would enter the fray. For King Saud would undoubtedly like to get some of the rich oil wells in Iraqi territory directly north of the Persian Gulf. Moreover, while the melée was going on, that would be a good time for Saudi Arabia to take over the enfeebled and synthetic State of Jordan, whose king is a cousin of the Iraqi monarch. The possession of American arms would help him do this.

OTHER COUNTRIES ALSO MENACED

I could go on and point out that our giving of arms to King Saud might also embolden him to attack oil rich Kuwait, where the revenues are almost as great as his $300 million a year, and are shared with a population of less than 200,000; or to help Yemen in its attacks on the British protectorate of Aden at the mouth of the Red Sea.

Such moves as these last two might well bring the British into the battle, and, in my opinion, would bring the British in, to which the Russians might well respond, and we would then, under this resolution, have to enter, although we had passed it with the best of intentions. Armageddon would indeed have come in the very area where the prophets of old predicted its coming.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes. I may say to the Senator I have not completed my speech.

Mr. JAVITS. I am very much interested in what the Senator is saying, and I shall be glad to withhold my questions.

Mr. DOUGLAS. I am quite willing to yield to the Senator at this point.

Mr. JAVITS. I must say I would naturally look with great sympathy on an amendment of the character of the

one the Senator submits, but I do not. That worries me. That is why I should like to ask some questions.

First, it seems to me that a fundamental part of the resolution is designed to make the $200 million free of the Mutual Security Act. Adoption of this amendment would make it subject to the Mutual Security Act; would it not?

Mr. DOUGLAS. To the general provisions and conditions of the Mutual Security Act; yes.

Mr. JAVITS. In other words, the amendment says—and I am reading it now as a lawyer:

> In addition to the conditions of eligibility set forth in the Mutual Security Act of 1954.

Therefore, I assume it immediately makes the $200 million subject to the act, whereas under the resolution as now drawn, it is not so subject.

Mr. DOUGLAS. I may say to my good friend from New York that I think the general resolution would be subject to the Mutual Security Act, anyway, since that act has not been repealed; but my amendment removes any doubt that may arise from the proviso in section 3, and certainly makes the resolution subject to the provisions of the Mutual Security Act.

Mr. JAVITS. If the Senator will forgive me, I think what has been pointed out about the $200 million is that there are some restrictions in the Mutual Security Act, from which it is desired to be freed, and therefore a resolution is necessary to remove the restrictions.

Mr. DOUGLAS. The only restrictions that should be removed or waived are those with regard to the time during which the moneys have to be spent. I consider restrictions to the effect that the arms furnished cannot be used to commit acts of aggression, to be very desirable.

Mr. JAVITS. The other question I should like to ask the Senator from Illinois relates to the portion of his amendment——

Mr. DOUGLAS. Before the Senator passes from his first point, I should like to call his attention to section 3 of the resolution, on page 4, lines 16 through 20. I am not the skilled lawyer the Senator from New York is, but if he will read that language, he will see that the present wording is:

> Not to exceed $200 million from any appropriation now available for carrying out the provisions of the Mutual Security Act of 1954, as amended—

Notice these words—

> in accord with the provisions of such act.

Mr. CASE of South Dakota. Read the proviso.

Mr. DOUGLAS. This is the proviso:

> *Provided*, That, whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended, and without regard to the provisions of section 105 of the Mutual Security Appropriation Act, 1957.

I regard the possibility of the waiver of the provisions of the Mutual Security Act in section 105 (a) against use of our military equipment for aggression as most unwise. Under my amendment those restrictions would still apply.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I had passed beyond that point, because I thought the Senator already had made clear that in some respects the money was free, and in other respects it was not free.

Mr. CLARK. Mr. President, will the Senator from Illinois yield to me so that I may ask the Senator from New York a question?

Mr. DOUGLAS. Yes.

Mr. CLARK. Is it the suggestion of the Senator from New York that the restrictions in the Mutual Security Act which are waived by the proviso in the pending resolution are intended to permit the lending or granting of money to nations in the Middle East for the purpose of committing acts of aggression on neighbor nations?

Mr. JAVITS. Certainly not. I was merely seeking to ascertain what the amendment of the Senator from Illinois would accomplish, and we were taking the amendment step by step. We had covered one point, that dealing with the time element.

Mr. CLARK. Because to some extent I have shared the views of the Senator from New York, and because, with some reluctance, I voted against the Russell amendment, I am wondering about the present views of the Senator from New York with respect to the proposed amendment of the Senator from Illinois, that is to say, subsection (a), with respect to committing acts of aggression. At the moment it is difficult for me to see why there should be objection to the provision, on the part of the administration or Senators on the other side of the aisle.

Mr. JAVITS. I was not going to question the Senator from Illinois on that point, because I agree with the Senator from Pennsylvania.

I was next going to question the Senator from Illinois about the arbitration provision, which occurs in the next section, and which, in part, reads:

> And failing agreement to submit the matters in dispute to arbitration.

I should like to know to whom, and under what conditions.

Mr. DOUGLAS. That is left open, and could be either within the United Nations or outside the United Nations. But the anticipation is that the disputes would be primarily settled by direct negotiation and conciliation. It is always preferable to negotiate. It is only when conciliation and direct negotiation break down that arbitration follows. There must be some provision for arbitration in the background, in order finally to arrive at a peaceful solution of disputes.

Mr. JAVITS. The next subsection, subsection (c), reads:

> In the case of military assistance, not to use any such assistance except for self-defense within its own borders.

It seems to me we have just been in an enormous hassle on the question whether or not it is self-defense to stop a brigand outside the borders of one's own nation. Does the Senator purport to foreclose that assumption and say there is no such thing as self-defense anywhere except within one's own borders?

Mr. DOUGLAS. In general, I think the best test of aggression is whether borders are crossed, whether by troops, by bombing, or by atomic attack; but the Senator will notice a saving clause even there in that subsection, which reads, "without the consent of the United States." So a nation could in self-defense go outside its borders with our consent.

Mr. JAVITS. Of course, if the Senator will allow me, if we were to give affirmative consent under those circumstances, we would speedily become a party to whatever action was occurring, and become very directly and actively involved.

I am extremely sympathetic toward what the Senator is trying to do. I think I understand his objective. But we are dealing only with the limited sum of $200 million. The very essence of the pending resolution is a policy directed at other than the immediate and imminent Arab-Israel conflict. It is directed at insulating the Middle East from Communist subversion or aggression. The purpose is to give the administration a small bag of money to help it accomplish that purpose. What worries me is whether, under those circumstances, as we are not debating the Mutual Security Act for next year, we ought to tie the situation down—I will not say tie the hands of the administration, because that is an oppositional expression—so as to direct the aid into channels in which it could not be used to the essential advantage of the purpose for which we are passing the joint resolution.

I have not determined how I shall vote on the resolution. I am asking the questions with an open mind. However, I am worried for the reasons I have stated.

Mr. DOUGLAS. Let me point out, as I have previously said, that it is highly improbable that Soviet Russia will cross Turkey and Iran to make a land attack upon the Arab countries of the Middle East. I am for giving economic assistance to those countries, and I would be for giving them military assistance if I could be sure that it would be used only to defend against Soviet Russia. But when we give arms to the King of Saudi Arabia and to Jordan, and they insist on unconditional control as to how those arms shall be used, are they going to use them against Russia, at a considerable distance on the map before us, or will they use them against some nation closer at hand which they regard as their enemy?

Very frankly, I think the chances are in favor of their using the arms against a neighboring country we do not wish to have the arms used against, and not using the arms in defense against the more distant country which we regard as a source of danger. My point is that I think by this policy we are promoting aggression in the Middle East and not restraining it. I am sure, however, that is not the intention of the administration.

Mr. JAVITS. Mr. President, will the Senator yield for a further brief observation?

Mr. DOUGLAS. I yield.

Mr. JAVITS. It seems to me that the Senator proceeds upon the assumption that the administration has its eyes shut, and will be a party to another kind of aggression. That rather flies in the face of what I think the majority leader, the minority leader, many other Senators, and the administration have done. That is a pretty good case for believing that they are perhaps, at long, long last, aware of what is afoot. Therefore, as sometimes happens, we might be hurting rather than helping ourselves and our essential purpose by taking a precaution which flies in the face of the most recent evidence. Surely, the administration opposes aggression.

Mr. DOUGLAS. I believe that Members of the Senate, and the leaders of the two parties, have in the past few days performed a very useful task in educating the administration and the Department of State as to the evils of sanctions, and making them more sensible in their attitude. I think this has been a real contribution of the legislative branch.

Since we have shown our constructive aim to an administration which, in the language of the Senator from New York, was not doing too well on this problem, would we not show it still further by providing that our Government should not give to Saudi Arabia and Jordan arms which they would be tempted to use against Israel or Iraq, unless we obtain assurances against such aggression and promises to negotiate differences?

Mr. JAVITS. Assuming that the administration would do that, at the present time I feel that we are hampering the administration in this amendment with more conditions than are justified, considering what it is trying to accomplish, and therefore probably so neutralizing the capabilities in the use of the $200 million as to make it useless for the purpose intended.

I think there is a grave question for every Senator who voted against the Russell amendment to consider, as to whether we should not follow through on that vote with a provision that the $200 million shall really be available for free use, depending for our sanction as to the way it is used upon the fact that it is only $200 million, and that it will expire at the end of this fiscal year.

Mr. DOUGLAS. The Senator is surely aware of the fact that $200 million is merely a beginning. I do not think there is anyone who believes we shall stop with the $200 million. The two Senators from Georgia made this clear; and while I do not agree with their conclusions, nevertheless I think it is true that this is only the beginning of a long-drawn-out program.

Toward the conclusion of King Saud's visit newspaper correspondents issued what seemed to be a fairly inspired story, to the effect that the military aid was likely to be more important than economic aid in the grants made to Arab States. Certainly no one has denied the fact that a pledge for a large amount of arms has been made in Saudi Arabia. It is certainly true that Jordan is going to apply for arms; and, with the British subsidy expiring, and with Syria and Egypt unable to meet the $20 million payment which is to be their share, the United States will certainly be asked to keep the Arab Legion in being.

What is to be done with these arms? I submit that there is great danger that they will be used, not to defend against Russia, which I think probably will be canny enough to keep out for a time, but against Israel, if it is felt that the time is ripe, particularly if Syria and Egypt will move with them. Or, as I have said, they might turn on Iraq.

Mr. JAVITS. There is nothing in the $200 million provision which would prevent the United States Government from giving military aid to Israel. As a matter of fact, previously this has been a cause for grave concern on my part, and on the part of many others. I deeply believe that there is an adequate military balance in that area, in view of the fact that the Israeli forces have distinguished themselves in such a way as, at long last, to impress the Pentagon. They deserve the aid, rate it, and will probably get it.

To complete my thought, I would have grave doubt on the question whether or not this amendment would make it impossible to give military aid to Israel itself, because Israel would be compromising a fundamental juridical proposition which it asserted before the United Nations, namely, that there is such a thing as self-defense beyond a country's borders, when a man knows that a gun is to be shot at him from across the border. Under the terms of the amendment, Israel would have to yield that position, which it stoutly maintained before the United Nations.

Mr. DOUGLAS. Let me reply to the two sections of my friend's argument. I believe he was not in the Chamber when I said that we must decide whether we are to give military assistance to Israel as well as to the Arab States. If we did not give military assistance to Israel, but gave it to the Arab States, Israel would accuse us of being an ally of the Arab States, and she would get her supplies from France. France has pledged herself to support Israel to the limit.

So we would have a situation in which one of the great allies of the North Atlantic Pact would be supporting Israel and another great nation would be supporting the Arabs. This would greatly weaken NATO.

Suppose, on the other hand, we were to give aid to Israel. Then we should be giving aid to both sides, and each side would say that we were favoring the other. Both would attack our position. We would be like the wife who saw her husband wrestling with a bear, and encouraged them both equally, shouting "Go to it, husband" and "Go to it, bear." I hardly think that is the most constructive attitude to take toward the struggle in the Middle East.

Mr. JAVITS. Are we to conclude, therefore, that the Senator from Illinois intends by this amendment to cut off all military aid to the Arabs and Israel, knowing full well that neither side will accept these conditions?

Mr. DOUGLAS. Let me come to the second point, namely, that this provision in the amendment of the Senator from Illinois might restrain Israel also from crossing its borders and committing what is technically known as aggression. This bears out the argument I made, that this is not a pro-Israel amendment. I think if we are to outlaw aggression, we must outlaw Israel aggression as well as Arab aggression. That is one of the purposes of the amendment.

One of the questions to which we must give consideration in the Mid-East is how to prevent a nation from crossing national boundaries and attacking the people of another nation.

I think the British and the French were gravely provoked—the French more than the British. But I think they did wrong. I think the Israelis were even more greatly provoked. Nevertheless, I think it was a mistake for them to take the aggressive. I hold to that position, although, as the Senator from New York knows, on the floor of the Senate and throughout the country, I have been urging that we neutralize the Gulf of Aqaba and the Gaza Strip with United Nations forces. I believe I was one of the first Senators to raise that issue on the floor.

Mr. JAVITS. I staked my election in 1956 on the proposition that we could not have a world of law and order and at the same time have hostilities committed across a nation's border.

Mr. DOUGLAS. I wish to congratulate the Senator on that stand. I am willing to stake my political life on it, too.

Mr. JAVITS. My difficulty with the amendment at the moment—and I am anxious to see if we cannot refine the amendment by the debate on the floor—arises from the question whether it is not inconsistent that we should allow the use of the $200 million limiting it in amount and in time, but leaving it otherwise free, in order to achieve its anti-Communist purpose.

Mr. DOUGLAS. At that point I should like to say that we are trying also to prevent war in the Middle East. I believe that if there should be a war in the Middle East, Russia would probably enter, and that such action would inevitably expand the local war into a world war. I should like to see us keep the fire extinguisher ready to put out the fire, instead of pouring more fuel on it. That is the purpose of my amendment.

Mr. JAVITS. If the Senator does not mind my saying so, what happened the last time was that when we withheld arms from both Israel and Egypt, the result was exactly what we were not looking for. That is the path we took then. In other words, shall we again go into a thicket of restrictions, instead of giving mobility, with limited means and limited time? That is what I thought the question was when we voted on the Russell amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. I should like the help of the Senator from Illinois, and perhaps also the help of the Senator from New York, in clarifying my own thinking on this question.

Am I correct in believing that since the Russell amendment was defeated section 3 of Senate Joint Resolution 19 is in the form in which it came from the committees?

Mr. DOUGLAS. The Senator is correct.

Mr. CLARK. Section 3 of the joint resolution, while it refers to carrying out the provisions of the Mutual Security Act of 1954, also contains a proviso permitting the President, when he determines it to be important to the security of the United States, to spend the money without regard to the restrictions contained in that act, in so far as they are set forth in section 3. I believe that is correct, is it not?

Mr. DOUGLAS. The resolution states that the President may use the funds "under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended."

Mr. CLARK. And without regard to the provisions of section 105 of the Mutual Security Appropriations Act of 1957.

Mr. DOUGLAS. That is correct.

Mr. CLARK. With those restrictions out of the way, and assuming the joint resolution is adopted without further amendment, am I correct in saying that the $200 million could and in all likelihood would be granted for military and economic assistance, and might indeed be granted to repair budget deficits of countries in the Middle East?

Mr. DOUGLAS. That is quite possible, because the proviso is interpreted to allow the President to waive the restrictions of section 105 (a) of the Mutual Security Act of 1954, as amended.

Mr. CLARK. Therefore, as the able Senator from Illinois has pointed out, if the joint resolution should pass without the amendment proposed by him, there would be nothing anywhere which would prevent Saudi Arabia from attacking Israel with the use of money which would be provided by the joint resolution.

Mr. DOUGLAS. No. Saudi Arabia could do it with arms and equipment provided by the United States and with troops trained by United States officers.

Jordan could do the same. The two could fight each other. Both could fight Iran.

Mr. CLARK. If the resolution were agreed to as it was reported, there would be nothing which would prevent the use of United States money to stir up in the Middle East almost any kind of war which any one of the nations there choose to stir up. Is that not correct?

Mr. DOUGLAS. The Senator is completely correct. Let me hasten to say, however, that I do not believe it would be either the purpose or the intention of our State Department to do that.

I am crediting the State Department with good faith and with good intentions. However, when we put powerful arms in the hands of absolute despots, whose immediate rivals are more pressing to them than the far off influence of Soviet Russia, we are giving them something more than silver plated pistols; we are giving them tanks, and jet airplanes, and artillery, which they can use and employ against the nation they dislike most.

Mr. CLARK. I should like to address one final question to the Senator from Illinois; or perhaps I should address it to the Senator from New York [Mr. JAVITS].

In view of what the Senator from Illinois has just said, can the Senator think of any logical basis for objecting to the adoption of the amendment, which would at least place some restrictions on the ability of the nations of the Middle East to go to war with arms and money furnished by the United States?

Mr. DOUGLAS. I can see no logical objection to it. I know that the State Department is objecting. I hope my friends on the other side of the aisle will not resent it when I say that one of the troubles with my amendment is that it is being proposed by a Democrat, which condemns it, of course, in the eyes of the State Department.

Mr. CLARK. As I understand, later in his remarks the Senator will answer the objections raised by the State Department. Is that correct?

Mr. DOUGLAS. I shall try to do so.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. I was very much interested in the speech made by my good friend of Illinois. I thought I was hearing a repetition of my own speech on the floor of the Senate on February 27, when I raised these very points. Is it not true that under the present Mutual Security Act the administration could enter into alliances with the countries of the Middle East, just as it has done in other parts of the world?

Mr. DOUGLAS. I believe that under its treaty powers it could do it; or it could also do it by executive agreements.

Mr. ELLENDER. Is it not also true that under the Mutual Security Act, countries with whom we have negotiated such agreements must comply with certain basic safeguards? Are not certain conditions imposed on the uses to which weapons and other military aid may be put?

Mr. DOUGLAS. That is correct.

Mr. ELLENDER. What the pending resolution does is to lift those conditions and restrictions. What the Senator seeks to do is reimpose them. Is that correct?

Mr. DOUGLAS. Only in a superior form.

Mr. ELLENDER. Yes.

I read from my speech on February 27 at page 2690 of the RECORD:

> Mr. President, there are at least two reasons, in the area of military aid alone. First, Secretary Dulles testified that some of the Middle Eastern countries would not agree to use the military equipment we might give them as a contribution to the defense of the free world. Mr. Dulles stated:
>
> The free world has connotations in that part of the world which principally seem to, in their mind, refer to Britain and France.
>
> Second. Secretary Dulles said some of the Middle Eastern countries would not permit continuous observations and review by United States representatives of the program of assistance, as required by section 10 of the Mutual Security Act.

I also said:

> For my own part, Mr. President, I do not think our country can afford to give arms to the countries of the Middle East without knowing what they will do with those arms. Without supervision, observation, and review, how would we prevent the use of American equipment by both sides should the fighting between Israel and the Arab world be renewed?
>
> As for objections on the part of some mid-Eastern nations to the words free world, I think any attempt to erase that term would be absolutely futile. Certainly, the President of the United States himself has indicated on any number of occasions that the entire purpose of this so-called doctrine is to preserve and maintain freedom in the world.

What the pending resolution does is to lift those conditions. I am glad that the Senator is trying to reimpose at least some of them. I think the dangers which we would face if those restrictions were not present are obvious.

Mr. DOUGLAS. I thank the Senator from Louisiana. I was not consciously guilty of plagiarism so far as his speech is concerned. It may be that he influenced me subconsciously. I appreciate the Senator's statement.

Mr. ELLENDER. It may have been done subconsciously, particularly if the Senator was present on the floor when I delivered my speech. [Laughter.]

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CASE of South Dakota. First, I should like to assure the Senator that what I am about to say with respect to his amendment is not based upon the fact that it is being proposed by a Democratic Member of the Senate. I have an amendment which I can assure the Senator from Illinois is not based on political grounds.

Mr. DOUGLAS. I hope the Senator will pardon me for mentioning that suspicion of the State Department on my part.

Mr. CASE of South Dakota. I should like to say that I am glad to have the Senator from Illinois disavow any fears that the President would utilize the powers that might be granted by this resolution for the purpose of fomenting a war.

Mr. DOUGLAS. Of course he would not do it intentionally.

Mr. CASE of South Dakota. And he would not do it consciously.

Mr. DOUGLAS. Certainly not. But many of the evil things in this world are not so much a result of intentions, but because of policies which have not been carefully thought out.

Some lines from George Meredith may illustrate what I have in mind:

> In tragic life, God wot,
> No villain need be! Passions spin the plot:
> We are betrayed by what is false within.

Mr. CASE of South Dakota. With reference to the first paragraph of the resolution, it does not suggest that the President would have the power to do those things.

Mr. DOUGLAS. He could give military aid. Once having given military aid, without my amendment those countries could use it for their own purposes. That was my argument. Of course, he

would not say, "Take this money and attack Israel" or "Take this money and attack Iraq." They might even say they would not do that.

Mr. CASE of South Dakota. The signing of an agreement would not make any difference if they were going to do it willy-nilly.

Mr. DOUGLAS. It would have some effect if a binding pledge were given in advance.

Mr. CASE of South Dakota. May I say, respectfully, to the Senator from Illinois that my own fear about his amendment is that it involves an element of time which would be fatal to the purposes of the resolution? After all, this is a short-term proposition so far as the authority provided by this particular language is concerned. I recognize that there will be a supplemental program later, but here is specific language authorizing the appropriation of additional funds for the purpose of carrying out the provisions of the first section or of the first sentence of section 2 of the joint resolution. So it would at least take separate legislation to expand the program. It seems to me time is of the essence. The greatest difficulty I find with the Senator's amendment is not because of its intent, but if we are going to require that the nations submit all matters in controversy with neighboring nations to direct negotiation with such neighboring nations in a good-faith effort, and so forth, we must have a treaty; and the negotiations would require more time than is allowed for the purpose by this amendment.

Mr. DOUGLAS. Is the Senator aware that we have already made a secret agreement with Saudi Arabia?

Mr. CASE of South Dakota. No; I am not in any one's confidence in connection with that matter. I do not know what agreements have been made or will be made if this resolution is agreed to. I merely fear, since we are trying to adopt an emergency resolution, that when the President came before a joint session of the House and Senate, in advance of his annual message on the state of the Union, to present this matter, some emergency must have been involved. The money involved would suggest a certain sense of urgency.

I doubt that the Senate would agree to require matters in controversy between certain nations and their neighboring nations to be submitted to direct negotiations, knowing what the questions might involve. It would take some time for us to adopt a resolution providing that the President shall require that kind of an agreement from any country.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. JAVITS. It seems to me the President has the power to do every one of the things the Senator from Illinois has in his amendment. The Senator is assuming that the President would not do any of them. It seems to me we are being asked to vote no confidence in the President.

Mr. DOUGLAS. May I say to the Senator that I never make personal attacks on the floor or outside the floor of the Senate. I never question the motives of others. I know the heavy burdens which the President and the Secretary of State must bear.

But, having said all that, I must also record my feeling that their failures in the Middle East have been because they have been dilatory, inefficient, and almost totally lacking in foresight.

We, of the Senate, saved the administration from a very bad move which the President was on the point of making, telling the Nation on television that we were threatening sanctions against Israel. He received an almost unanimous protest from both sides of the aisle in the Senate. So, I think, while we certainly do not question the good motives of either the President or of Mr. Dulles, we are justified in not having too high an opinion of the competence with which Middle Eastern affairs have been handled.

Mr. JAVITS. I should like to ask whether or not the Senator is in a position to inform us if there is not sufficient money already in the mutual security program, unused, which could be devoted to military aid in any one of the Middle East countries if the administration wished so to use it?

Mr. DOUGLAS. Such examination as I have made convinces me that it could be so used without the resolution. I have been unable to reconcile that fact with the great need for urgency which my good friend from South Dakota has again suggested. I have been willing to give the administration the benefit of the doubt, although I must say that circumstanial evidence is very strongly against urgency.

But I simply want to provide an added precaution so that we shall not make matters worse by putting arms into the hands of irresponsible rulers who are dominated far more by hatred of Israel than by any other motive.

Mr. JAVITS. It seems to me the difficulty is that it makes it impossible to use the $200 million for that purpose, while, if the administration were willing to go ahead on this basis, it has plenty of other moneys which it could use if it were so disposed.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. I should like to make a brief observation. In my humble opinion—and I think the opinion is shared by a good many of my colleagues—the President had ample legal authority, in the first place, to take the action which the resolution contemplates, without requesting from Congress a joint resolution having the force of law. I suspect that my very good friend, the junior Senator from New York [Mr. JAVITS], excellent constitutional lawyer that he is, may well share that belief.

Nevertheless, in the interest of national unity, the President came to Congress and asked for a resolution. I, for one, propose to vote for it in its final form. But the President having come to Congress and asked for a resolution which was not needed, it seems to me that to oppose and object to the restrictions in the amendment proposed by the distinguished Senator from Illinois, which are merely the normal Marquis of Queensberry rules of decency, on the ground that they would unduly impede the powers of the President—powers which he had without the resolution, anyway—is to beat around the bush twice, and one must be wrong one of the two times.

I also ask the Senator from Illinois if he will not agree with me that the statement I am about to make—and this has reference to the comments of the Senator from South Dakota [Mr. CASE]—is founded on fact: It is now the 5th of March. In 8 long days of examination before the joint committees, the Secretary of State was quite unable to mention as much as one single project which he had in mind for the utilization of the $200 million. He said also that he was holding nothing back from the Senate; that there was no hidden play; that something would not be sprung on Congress after the testimony which he was then unwilling to reveal for reasons of United States security or otherwise.

He said that it was planned to send former Representative Richards to the Middle East to ascertain what projects were needed. Mr. Richards has not yet left the country, and the resolution has not been passed.

We have no particular reason to think that the projects can be dreamed up overnight after he gets there, or that he can come back and file a list of the projects with the Senate in 15 days, as the resolution provides, and have the money committed and spent before the fiscal year is over.

So I ask the Senator from Illinois whether, in his judgment, he does not agree with me that what we are doing, when we pass the resolution, is to show a sense of national unity in support of the President by a general, overall premise which, I must say in all candor, I do not think is very well worded; that we support the United States policy in the Middle East against communism, and that all the talk about the necessity for quick action in order to spend $200 million in a hurry is probably not in accord with the facts, because there is every reason to think a large part of the money cannot be spent anyway before the end of the fiscal year.

I wonder if the Senator from Illinois agrees with that statement.

Mr. DOUGLAS. I quite agree with it. I have not read all the testimony which was given before the committees, but I have read most of it. I think the comment made by the distinguished senior Senator from Georgia [Mr. RUSSELL] was quite appropriate, namely, that after questioning Mr. Dulles, the Senator thought he had been wrestling with a moonbeam.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. I have considerable sympathy with what the Senator from Illinois is trying to do. As a matter of fact, I believe attention has already been called to the fact that a good part of what the Senator seeks to have inserted in the resolution is already to be found in the Mutual Security Act.

As I understand, the Senator's amendment is really in three parts—(a), (b), and (c).

Provision (a) reads:

Not to commit any act of aggression upon any neighboring nation.

Provision (b) reads:

To submit all matters in controversy with neighboring nations to direct negotiations with such neighboring nations in a good faith effort to settle such controversies by mutual agreement, and failing agreement to submit the matters in dispute to arbitration.

Provision (c) reads:

In the case of military assistance, not to use any such assistance except for self-defense within its own borders without the consent of the United States.

As I understand the law which is in effect today, the only new element which the amendment inserts is provision (b), which relates to arbitration. The other two provisions—(a) and (c)—are already a part of the Mutual Security Act, and are contained in section 105 (a). Does the Senator from Illinois agree with me?

Mr. DOUGLAS. No; I do not agree with that statement. That is the objection of the Department of State, which said that provisions (a) and (c) of my amendment are repetitive of existing law. That is not accurate.

Mr. SPARKMAN. Will the Senator point out why?

Mr. DOUGLAS. In the first place, the proposed amendment would add to the existing law the specific requirement for a binding agreement by a recipient nation; in the second place, it would be an agreement not to commit aggression, whether with United States-donated equipment, or otherwise. It would require agreement that aggression would not be committed with Soviet or any other equipment. The present law merely provides that aggression cannot be committed with United States equipment. The amendment provides that aggression may not be committed with the equipment of the Soviet Union or any other country, and that the agreement must be made binding. The amendment therefore goes beyond the present law. Its sections (a) and (c) are not merely repetitive as the State Department has asserted.

Would it help if that letter from the Department of State, in opposition to my amendment, were placed in the RECORD at this point? The letter has been furnished me through the courtesy of the Committee on Foreign Relations. If they will consent, I shall ask that it be printed at this point in the RECORD.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to the Senator from Rhode Island; and after the Senator from Rhode Island has concluded, yield to me again?

Mr. DOUGLAS. Yes.

Mr. GREEN. I thought perhaps it would be well, in view of the discussion, for me to place the letter in the RECORD.

Mr. DOUGLAS. The Senator from Rhode Island has been very generous and courteous to me in furnishing me with a copy of the letter. I have no complaint whatsoever about the Committee on Foreign Relations.

Mr. GREEN. May I read the letter?

Mr. DOUGLAS. Certainly.

Mr. GREEN. The letter reads as follows:

FEBRUARY 28, 1957.

The Honorable THEODORE FRANCIS GREEN,
Chairman, Joint Hearings of Committees on Foreign Relations and Armed Services, United States Senate.

DEAR MR. CHAIRMAN: The Staff of the Senate Foreign Relations Committee has requested the comments of the Department of State on an amendment proposed by Senator DOUGLAS to add a new section 4 to Senate Joint Resolution 19.

The proposed amendment would prohibit military, economic, or technical assistance under this resolution to any nation unless that nation has made a binding agreement: (a) Not to commit any act of aggression upon any neighboring nation; (b) to submit all matters in controversy with neighboring nations to direct negotiations and, failing agreement, to arbitration. Moreover, a country supplied military assistance would also have to agree (subsection c) not to use any such assistance except for self-defense within its own borders, without the consent of the United States.

First, as to military assistance: The Department is in agreement with the purposes of clauses (a) and (c). Language directed toward this end is in fact already contained in section 105 (a) of the Mutual Security Act. This provides:

"Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation."

In view of section 105 (a), language proposed in clauses (a) and (c) would, at a minimum, be repetitive. In addition, the requirement of clause (c) that a country offers the consent of the United States—before it could use military assistance material outside its own borders in the process of driving out an aggressor, seems to the Department to go beyond what should be appriately asked or agreed to. The requirement proposed in subsection (b)—requiring negotiation or arbitration of disputes—appears to the Department to go far beyond what any nation, including our own, could reasonably be expected to agree to under any circumstances. Hence insistence upon it would defeat our own purpose of trying to strengthen nations willing to defend their own independence from Communist subversion or aggression.

It must be recognized that section 3 would allow the President to waive section 105 (a) under stated conditions. However, Secretary Dulles has testified before the joint committee that the President would not in fact waive its application and the Secretary has asked me to reiterate that position again.

Second, as to economic or technical assistance: The proposed amendment would require that neither form of assistance may be provided any country unless it agreed to clauses (a) and (b). Both economic and technical assistance are now provided to most of the countries of the Middle East, as well as to many countries of the Far East and Latin America. No such requirement as either clause (a) and (b) is laid upon the provision of either form of assistance—and we believe that none should be. Either requirement would be vigorously—and rightly—resisted by any of these nations as irrelevant to the type of aid being supplied and as an improper invasion of its sovereignty. The Department believes that the adoption of either of these proposed requirements in respect to economic or technical assistance would have an injurious effect on United States relations with friendly nations, would defeat the broad purposes of United States policy, and should be opposed.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

Mr. DOUGLAS. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee for making the letter a part of the RECORD.

I should like to make one or two comments about the letter and its subject matter. Apparently the Department of State is following the policy of "now you see it, and now you don't" in the case of section 105 (a) of the Mutual Security Act.

The Senator from New York was emphasizing the fact that under the provisions of the joint resolution, section 105 (a) could be waived, and therefore does not apply. Under the present language it certainly need not apply.

But here we have a statement that the Secretary of State and the President have decided they do not want my amendment, that section 105 (a) still applies, and that therefore my amendment is repetitious, since it is the same as section 105 (a).

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Illinois yield to the Senator from Alabama?

Mr. DOUGLAS. I do not yield at this time, Mr. President; first, I should like to make my point.

Mr. President, if my amendment is repetitious, I submit that at least it provides good repetition, and that it is not inappropriate to assert it again; and that the amendment does not do any damage, if it is pure repetition.

However, as I have pointed out, my amendment is not pure repetition, because—first of all—it requires a binding agreement from the recipient nations, and does not merely specify a policy to be carried out by the United States Government. In the second place, my amendment requires that such nations not commit aggression with any type of arms—whether Soviet arms or United States arms. Therefore my amendment plugs a big hole which now exists in section 105 (a).

So far as the sovereignty argument is concerned—namely, that my amendment constitutes an improper infringement upon the sovereignty of Saudi Arabia, Jordan, Syria, and possibly Egypt—let me say that any aid we offer to give those countries does not have to be accepted by them. We are not engaged in a process of forced feeding. They have a right to reject such aid, if we offer it.

But surely it is not unreasonable for us to require, as a condition of their acceptance, a pledge by them that they will not resort to aggression, and that

they will submit disputes to direct negotiation, and, if that fails, to arbitration.

We wish to get something to advance the peace of the world in return for the money we provide. Of course, we wish to protect the Mid-East from Communist aggression, although a glance at the map will indicate that there is no immediate danger so far as overt aggression on the part of Soviet Russia is concerned. But the real danger of war—and this is the main point of my speech—comes, not from the outside, but from the inside, from the hostility between the Arab States and Israel and from the hostility between the Arab States themselves.

Once such a war breaks out for reasons other than Soviet aggression, we can be certain there will be great danger that it will expand into a world conflict, and that Soviet Russia, although perhaps not directly instigating it, will be in it for her own advantage.

By means of my amendment to the committee amendment, I am trying to have the United States play the part of using a fire extinguisher in the case of a possible conflagration in the Arabian Peninsula and in the Middle East, and thus to have the United States extinguish the hostilities between Israel and the Arab States themselves.

Now I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I thank the Senator from Illinois for yielding to me.

As I said a moment ago, Mr. President, I have a great deal of sympathy for the objective of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I have long since learned to beware of the Senator from Alabama when he expresses sympathy. I know this is but the preface to some very good infighting, and I am prepared for it. [Laughter.]

Mr. SPARKMAN. It shows at least that I am giving the matter some consideration.

Mr. DOUGLAS. It shows that the Senator from Alabama is his usual amiable and able self.

Mr. SPARKMAN. If the Senator from Illinois will permit me to do so, I wish to say that section 105 (a) of the Mutual Security Act was not easily arrived at. It was not written into the law merely on the spur of the moment. That section has been hammered out over the years, and it has been difficult to hammer it out. For instance, we encountered difficulty in trying to work out an economic-aid program. We ran into difficulty in Indonesia and in some of the other so-called neutral countries. Finally, section 105 (a) was hammered out as the best solution we could obtain.

I wish to say that I think the Senator from Illinois is correct with reference to the waiving of section 105 (a). Furthermore, I think the letter of the Department of State is very weak in that respect—first, in pointing out that the amendment of the Senator from Illinois is repetitive; second, in admitting that section 105 (a) can be waived.

As a matter of fact, that question arose in the hearings. It arose first on questioning by the Senator from Massachusetts [Mr. SALTONSTALL]; and later I, myself, questioned Secretary Dulles about it.

In the letter it is stated that Secretary Dulles had testified that the President would not waive section 105 (a). The Secretary of State did testify; but such testimony was given in a rather roundabout, indirect manner; at least, I have not found any direct testimony to that effect. If other Senators wish to refer to page 377 of volume 1 of the hearings, they will find that the three conditions it was desired to have waived were conditions other than section 105 (a); and the Secretary of State testified that those were the only conditions they wished to have waived.

I should like to make a suggestion to the Senator from Illinois, and I hope he will adopt it. I offer it with the best of intentions. Since section 105 (a) covers, I believe, substantially subdivisions (a) and (c) of his amendment—I admit that it does not cover them to the very word, but it covers them in substance, and it covers them in the way I know the members of the Foreign Relations Committee worked out over a period of years, and I believe it has served well—therefore, I should like to suggest to the Senator from Illinois that instead of repeating (a) and (c), as they appear in his amendment, he submit an amendment simply stating in so many words that the terms and conditions of section 105 (a) of the Mutual Security Act shall not be waived. I believe that would accomplish the purpose.

I hope the Senator from Illinois will not insist on subdivision (b) of his amendment, because it goes far beyond anything we have ever had in any kind of foreign-aid program, and I simply do not believe it would be workable.

Furthermore, let me suggest to the Senator from Illinois that every nation involved in this matter is a member of the United Nations, and is obligated under the Charter of the United Nations to adjust with its neighbors, and in a peaceful way, its problems and troubles. So I believe it would be extreme to insist that a method of arbitration be established under the direction and control, we might say, of the United States of America.

If the Senator from Illinois will change his amendment so as not to insist on subdivision (b), but simply to have the amendment provide that the provisions of section 105 (a) of the Mutual Security Act shall not be waived, then I believe his objective will be served; and I see no reason why such an amendment to the committee amendment could not be agreed to, because it would really be in accordance with the letter of the Secretary of State.

Mr. DOUGLAS. Mr. President, this morning I saw the distinguished junior Senator from Montana Mr. [MANSFIELD] try to steer a course between Scylla and Charybdis in an attempt to avoid some objection; and in that connection he attempted to change the language of his amendment. However, his ship nearly foundered upon Charybdis while avoiding Scylla. So I am fearful of rewriting my amendment further on the floor of the Senate, even though the seductive sounds of the sirens come from across the aisle from the junior Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, the junior Senator from South Dakota, who has found himself on the rocks today, when he had no intention other than to be helpful, probably should keep his seat; but, in view of the fact that the Senator from Alabama made the suggestion, it seems to me the simplest way to do what the Senator from Alabama is suggesting would be to strike out the words "and without regard to the provisions of section 105 of the Mutual Security Appropriation Act, 1957."

Mr. SPARKMAN. If the Senator will permit me to intervene, that language refers to the appropriation act, rather than the Mutual Security Act. I do not believe the Senator will find any reference to section 105 of the Mutual Security Act in the resolution.

Mr. CASE of South Dakota. In any event, all the nations that are involved are members of the United Nations, are they not?

Mr. DOUGLAS. Yes.

Mr. CASE of South Dakota. Does not membership in the United Nations require that members pledge themselves not to resort to aggression?

Mr. DOUGLAS. As we all know, the powers of the United Nations are very limited, but the resources of the United States are very great. It has been my understanding that the Eisenhower-Dulles proposal is to use the resources of the United States to promote peace in the Middle East. The point I am making is that if we want to promote peace we must not only help nations against overt aggression, but we must not furnish them with weapons with which they will commit acts of aggression against each other.

Mr. CASE of South Dakota. Will the Senator permit me to go a step further? It may be that my suggestion may run afoul of the suggestion of the Senator from Alabama, but section 105 of the Mutual Security Act concludes with this language:

> The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

I think it might be helpful if the entire section 105 (a) were read:

> Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

With the statement and the letter from the Secretary of State that the executive would not seek to administer this fund in any way contrary to section 105, it seems to me assurance is given to the

Senator from Illinois so far as what is contained in subsection (a) of his amendment is concerned.

Mr. DOUGLAS. In view of what has just taken place, I wonder if the managers of the measure would consent to an amendment which makes it clear that section 105 (a) is not to be waived, and then strike out the proviso that follows.

Mr. GREEN. Would the Senator state the language he proposes?

Mr. DOUGLAS. If we start drafting amendments on the floor, we shall get into greater difficulty than we have already encountered.

Mr. GREEN. But we have been drafting amendments.

Mr. DOUGLAS. All I was trying to do was to bargain, a procedure with which citizens from New England are familiar. I was wondering whether we could not insert, after the word "Act," on line 20, page 4, the words, "including section 105 (a)," and strike out the proviso which follows.

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a suggestion?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. It seems to me probably the proper way would be to insert, in line 23, after the words "Mutual Security Act of 1954, as amended," the following: "except that the provisions of section 105 (a) of the Mutual Security Act of 1954, as amended, shall not be waived."

Mr. AIKEN. Mr. President, it seems to me that before we agree to any more amendments we ought to have on the floor more Senators who are interested in the proposed legislation. We have already approved one amendment which directs the Treasury Department to do something which it is impossible to do, as I said. We do not want to pass such proposed legislation as that without more Senators being present.

Mr. DOUGLAS. It is not my fault that more Senators are not present.

Mr. President, the suggestion of the Senator from Alabama carries out the provision which the Department says it is holding to in its letter, namely, that it does not intend to waive the section in question, namely section 105 (a). This would be a substantial improvement in the resolution.

Mr. GREEN. May I ask whether, if the amendment just suggested were agreed to, the other amendment would be withdrawn?

Mr. DOUGLAS. I would give such a suggestion careful consideration.

Mr. GREEN. The Senator has not answered my question.

Mr. DOUGLAS. Yes.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me so that I may suggest the absence of a quorum?

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Barrett	Bible
Allott	Beall	Blakley
Anderson	Bennett	Bricker
Bridges	Hickenlooper	Mundt
Bush	Hill	Murray
Butler	Holland	Neuberger
Byrd	Hruska	O'Mahoney
Capehart	Humphrey	Pastore
Carlson	Jackson	Payne
Carroll	Javits	Potter
Case, N. J.	Jenner	Purtell
Case, S. Dak.	Johnson, Tex.	Revercomb
Chavez	Johnston, S. C.	Robertson
Church	Kefauver	Russell
Clark	Kennedy	Saltonstall
Cooper	Kerr	Schoeppel
Cotton	Knowland	Scott
Curtis	Kuchel	Smathers
Dirksen	Lausche	Smith, Maine
Douglas	Long	Smith, N. J.
Dworshak	Magnuson	Sparkman
Eastland	Malone	Stennis
Ellender	Mansfield	Symington
Ervin	Martin, Iowa	Talmadge
Flanders	Martin, Pa.	Thurmond
Frear	McCarthy	Thye
Goldwater	McClellan	Watkins
Gore	McNamara	Wiley
Green	Monroney	Williams
Hayden	Morse	Young
Hennings	Morton	

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). A quorum is present.

Mr. SPARKMAN. Mr. President, I shall take only a minute or two to explain the amendment which has been agreed upon—shall I say—as a substitute for the amendment offered by the Senator from Illinois [Mr. DOUGLAS]. There are three parts to his amendment: a, b, and c. Part b is the one which refers totally to new material; that is, it calls for arbitration.

The attention of the Senator was called to the fact that section 105 (a) of the Mutual Security Act of 1954, as amended, carries substantially the a and c provisions. That point was also set forth in a letter from the Department of State. It would be repetitive to reinsert those provisions.

It is true that under the act, the President may waive section 105 (a). However, the Secretary of State in his testimony before the committees, said that it would not be the administration's purpose to waive it. That statement was repeated in the Department's letter. I should like to read a paragraph from that letter, which has already been placed in the RECORD by the chairman of the Committee on Foreign Relations. It reads:

> It must be recognized that section 3 would allow the President to waive section 5 (a) under stated conditions. However, Secretary Dulles has testified before the joint committee that the President would not in fact waive its application and the Secretary has asked me to reiterate that position again.

If that is the situation, I can see that no harm would be done simply by writing into section 3 such a provision. The place for inserting the provision is on line 23, page 4. After the words "as amended," there should be inserted, in parenthesis, the following words: "(except that the provisions of section 105 (a) thereof shall not be waived)."

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JOHNSON of Texas. Are we to understand that the language offered as a substitute for the Douglas amendment is acceptable to the Senator from Illinois?

Mr. DOUGLAS. It is acceptable, but——

Mr. JOHNSON of Texas. Would the Senator modify his amendment accordingly? He has that privilege.

Mr. DOUGLAS. I am willing to modify my amendment in accordance with the proposed language suggested by the Senator from Alabama.

I should like to thank the Committee on Foreign Relations for the open-minded way in which they have approached this problem. The waiving of section 105 was a very serious matter. Now that this opening has been plugged, not only by letter but by statute, I believe the resolution becomes a much better resolution than it originally was.

In modifying my amendment, I should like to express the hope that the State Department and the President's office will read the discussion this afternoon with some care, because I believe it is the obvious purpose of the Senate that these arms shall not be used to foster an arms race in the Middle East, and should not be used to foster aggression there between the Israelis and the Arabs or between the Arabs themselves.

Therefore I hope that what is taking place here will not be regarded merely as an expression of words but, rather, as a guiding policy to be carried out by the Executive. I hope also that they will give serious consideration to the suggestion in my amendment that we try to get the parties into negotiations with each other.

Again I wish to thank the chairman of the Committee on Foreign Relations and the able members of that committee and the leaders on both sides of the aisle for the spirit of accommodation, which, I am told, is the spirit of the times.

Mr. JOHNSON of Texas. I understood the Senator from Alabama to say that the Secretary of State had testified before the committees that the provisions of section 105 would not be waived. Is that correct?

Mr. SPARKMAN. Let me put it this way: Assistant Secretary Hill stated that the Secretary so testified. I refer to page 373, volume 1, of the hearings. The Secretary of State did not specifically name section 105 (a). However, on questioning by the Senator from Massachusetts [Mr. SALTONSTALL] and later again by me, the Secretary named 3 provisions he wanted waived, and he said those were all. Section 105 was not one of the 3. I assume that is what he meant.

Mr. JOHNSON of Texas. Will the Senator explain to the Senate what the Assistant Secretary of State said in the letter with regard to waiving the provisions of section 105 (a)?

Mr. SPARKMAN. I read it a moment ago.

Mr. JOHNSON of Texas. Will the Senator give the date of the letter?

Mr. SPARKMAN. It has been placed in the RECORD by the chairman of the Committee on Foreign Relations. The letter is dated February 28, 1957. First of all, it points out that sections (a) and (c) of the amendment offered by the Senator from Illinois are repetitive of section 105 (a).

Mr. DOUGLAS. That is not exactly true.

Mr. SPARKMAN. It is substantially the situation. Then the letter says:

It must be recognized that section 3 would allow the President to waive section 5 (a) under stated conditions. However, Secretary Dulles has testified before the joint committee that the President would not in fact waive its application and the Secretary has asked me to reiterate that position again.

Mr. JOHNSON of Texas. If it is agreeable to the Senator from Illinois, I send to the desk a proposed modification of his amendment.

Mr. GREEN. Mr. President, I should like to add——

The PRESIDING OFFICER. The Chair will state the parliamentary situation. The pending question is the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment, as amended. The Senator from Illinois has indicated his willingness to withdraw his amendment and substitute therefor another amendment, which would be to insert on page 4, line 23, of the pending resolution, after the words "as amended," the following: "(except that the provisions of section 105 (a) thereof shall not be waived.)"

That is the question which is now before the Senate.

Mr. DOUGLAS. Mr. President, I understand that it is always within the privilege of a Senator to modify his own amendment.

The PRESIDING OFFICER. That is correct unless the yeas and nays have been ordered or it has been amended.

Mr. DOUGLAS. I ask that my amendment be modified by striking out the present language and substituting therefor the language which was just read by the Presiding Officer.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Illinois to the committee amendment, as amended.

Mr. GREEN. Mr. President, the Senator has referred to his amendment as having been agreed to by the chairman of the Foreign Relations Committee. The chairman of the Armed Services Committee [Mr. RUSSELL] had as much to do with it as had the chairman of the Foreign Relations Committee.

Mr. RUSSELL. I thank the Senator from Rhode Island.

Mr. CASE of New Jersey. Mr. President, I should like to ask the Senator from Alabama to read the text of section 105 (a) of the Mutual Security Act.

Mr. SPARKMAN. It is headed "Conditions Applicable to Military Assistance," and reads as follows:

Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation.

Mr. JAVITS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. Mr. President, I deeply feel that an excellent solution of the difficulty has been arrived at.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was agreed to.

Mr. MORSE. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The CHIEF CLERK. On page 4, in line 13, it is proposed to insert the following:

Prior to the employment of armed forces the President shall give notice to Congress. If, in the judgment of the President, an emergency arises in which such notice to Congress is not possible, he shall, upon the employment of armed forces, forthwith inform Congress and submit his action for its approval or disapproval.

Mr. MORSE. Mr. President, there is a mimeographed copy of my amendment on the desk of each Senator. I should like very much to have a yea-and-nay vote on the amendment. Therefore, I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Oregon will yield, I should like to say that I have talked to the minority leader, and the Senator from Oregon has stated that he intends to engage in only a brief discussion of his amendment. If Members will remain in the Chamber, we can have a yea-and-nay vote in a very short time, I hope.

The PRESIDING OFFICER. The request for the yeas and nays is sufficiently seconded, and they are ordered.

Mr. MORSE. Mr. President, I have discussed this amendment at considerable length in recent weeks. It presents what I conceive to be a fair solution of the important constitutional question involved in the resolution. It simply provides that before the President orders American troops into the Middle East, he shall report to the Congress the facts which in his opinion justify the use of such troops; and in the case of an emergency so sudden that he thinks he cannot even spend the amount of time required to come before the Congress, but nevertheless orders troops into the Middle East, that forthwith thereafter he shall notify Congress of the reasons for his action and ask for approval or disapproval.

This is in line with the President's speech in which he said he would keep in hourly contact with the Congress.

When I offered this amendment in the committee the Secretary of State said he woud not accept the amendment, and he referred to the President's speech. I find that the President's speech is not a part of the resolution. If it is the intention of the President, as indicated by the Secretary of State, to keep the Senate informed anyway, then I cannot see what possible objection there could be to making it a requirement.

The amendment removes completely from the resolution, the whole constitutional question. It completely satisfies those of us who feel that we cannot vote for the resolution without this protection in it, because some of us have some deep convictions about it. In fact, I think the most brilliant argument I have ever listened to on this subject was made by the distinguished Senator from North Carolina [Mr. ERVIN] when we were discussing the constitutional question.

I offer the amendment, Mr. President. I do not know of anything that could be said which has not been said on this issue. I think the amendment is completely in line with what the Secretary of State says the administration intend to do, although they do not want to have it spelled out in the resolution.

I feel that those of us who have very deep convictions about this constitutional question should not be put in the position of abdicating our constitutional duty under our oath by voting for a resolution which does not contain this constitutional protection.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CARLSON. Since the distinguished Senator from Oregon has offered the amendment, I think, for the benefit of the RECORD, we should have the President's statement on this subject made a part of the RECORD at this point, if the Senator has no objection.

Mr. MORSE. I should be glad to have it placed in the RECORD.

Mr. CARLSON. In the President's address of January 5, he stated:

If, contrary to my hope and expectation, a situation arose which called for the military application of the policy which I ask Congress to join me in proclaiming, I would of course maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implications, I would, of course, at once call the Congress into special session.

That is what the distinguished Senator from Oregon is trying to do. Personally, I think it is unnecessary to attach to the resolution the amendment he proposes. Certainly the President has definitely stated his views.

Mr. MORSE. Mr. President, in my judgment, the Senator from Kansas, by reading the President's language, proves my case. I see no possible justification for the President and the Secretary of State not accepting my amendment. It removes completely the whole shadow line area of constitutional law and makes perfectly clear that the President will give us facts which in his opinion justify sending American troops into action, and that if he has not the time to do so before he sends them, he will come before us immediately thereafter.

My amendment was before the committee, and my recollection is that it received 11 or 12 votes in the joint committee.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. Mr. President, I rise to oppose the amendment offered by the Senator from Oregon. I should like to have the permission of the distinguished chairman of the Foreign Relations Committee to read to the Senate a letter from the Assistant Secretary of State which was received by the chairman today, a copy of which was furnished me. The letter is as follows:

MARCH 5, 1957.

The Honorable THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR MR. CHAIRMAN: You have asked for the views of the Department of State on an amendment to be proposed by Senator MORSE to section 2 of the Middle East Resolution, Senate Joint Resolution 19. We understand that the proposed amendment reads as follows:

"Prior to the employment of Armed Forces, the President shall give notice to Congress. If in the judgment of the President, an emergency arises in which such notice to Congress is not possible, he shall, upon the employment of Armed Forces, forthwith inform Congress and submit the action for its approval or disapproval."

You will recall that President Eisenhower, in his message to the Congress requesting action upon a Middle East resolution, said:

"If, contrary to my hope and expectation, a situation arose which called for the military application of the policy which I ask the Congress to join me in proclaiming, I would of course maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implication, I would, of course, at once call the Congress into special session."

Moreover, Secretary Dulles stated in his testimony before the joint committee, that if it is desired to put a provision in the act that such a use of force should be immediately accompanied by a message or a report to Congress, there would be no objection.

The proposed amendment, however, seems to go beyond the simple requirement to inform Congress of any use of the Armed Forces which may occur. To the extent that it does so, it would appear to raise serious question as to the President's power to use the Armed Forces under the resolution, and would impair the effectiveness of the resolution. The executive branch therefore would oppose the adoption of the proposed amendment.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

Mr. President, I hope that we may have a vote, and that the amendment will be rejected.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. I desire to make only a brief comment. My amendment is quite impersonal. My amendment applies to any President. We are legislating today not alone for the incumbent President, but also for any President who may occupy the White House hereafter.

In my judgment, the Congressional check ought to be kept inviolate. I consider that to be a fundamental constitutional point.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon. On this question the yeas and nays having been ordered, the clerk will call the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] is absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

On this vote the Senator from West Virginia [Mr. NEELY] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from New York would vote "nay."

Mr. DIRKSEN. I announce that the Senator from New York [Mr. IVES] and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

On this vote, the Senator from New York [Mr. IVES] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from New York would vote "nay," and the Senator from West Virginia would vote "yea."

The result was announced—yeas 28, nays 64, as follows:

YEAS—28

Anderson	Johnston, S. C.	Neuberger
Byrd	Kefauver	O'Mahoney
Carroll	Kerr	Revercomb
Chavez	Long	Russell
Douglas	Magnuson	Scott
Ellender	McCarthy	Symington
Ervin	McClellan	Talmadge
Frear	McNamara	Young
Hennings	Morse	
Jenner	Murray	

NAYS—64

Aiken	Eastland	Monroney
Aliott	Flanders	Morton
Barrett	Goldwater	Mundt
Beall	Gore	Pastore
Bennett	Green	Payne
Bible	Hayden	Potter
Blakley	Hickenlooper	Purtell
Bricker	Hill	Robertson
Bridges	Holland	Saltonstall
Bush	Hruska	Schoeppel
Butler	Humphrey	Smathers
Capehart	Jackson	Smith, Maine
Carlson	Javits	Smith, N. J.
Case, N. J.	Johnson, Tex.	Sparkman
Case, S. Dak.	Kennedy	Stennis
Church	Knowland	Thurmond
Clark	Kuchel	Thye
Cooper	Lausche	Watkins
Cotton	Malone	Wiley
Curtis	Mansfield	Williams
Dirksen	Martin, Iowa	
Dworshak	Martin, Pa.	

NOT VOTING—4

Fulbright	Langer	Neely
Ives		

So Mr. MORSE's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the amendment of the Senator from Oregon was rejected be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared concerning the reasons why I shall vote against the joint resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LONG CONCERNING THE NEAR EAST JOINT RESOLUTION

My conscience will not permit me to vote for the so-called Eisenhower doctrine. I regret that this matter has been so completely misunderstood and regarded by many members of the press as a mere vote to express confidence in the President. Nothing could be further from the real truth.

Under the resolution before the Senate, Congress is requested to surrender its constitutional power to declare war. We are requested to authorize the President to take this Nation to war against any one of a dozen or more countries which are not even specified in the resolution. Under the resolution before us, the President is authorized to take this Nation to war against countries and governments that do not even exist at this time.

Although I did not support President Eisenhower for election, the American people have expressed their confidence in his abilities as a diplomat, a military genius, and a statesman, and I respect their decision. Furthermore, I have a tremendously high regard for the Office of the Presidency. It is my feeling that the President has the power to make war upon any foreign nation on this planet, if he determines that that nation is in the process of delivering an attack upon the United States or one of our allies whom we are committed to defend. There is no power conferred by the resolution, insofar as the use of our Armed Forces is concerned, which the President does not already possess.

However, here is the important point. If President Eisenhower decides to take this Nation to war as did President Truman, his decision is subject to review by the Congress. If his decision cannot be justified, he is subject to impeachment. For the Congress to agree in advance that this Nation should wage war upon a nation that is presently friendly to the United States without knowing the reasons or circumstances, would be a surrender of the responsibilities with which the people of this Nation saw fit to entrust us.

During my 8 years in the Senate, I have had occasion to study many unwise and dangerous legislative proposals. This is one of them. It violates the basic fundamentals of our Constitution and it involves an abject surrender of the responsibilities entrusted to the Congress by the people of America and by the Constitution of the United States.

Under our form of government, it was never intended that Congress could approve the making of war without knowing the circumstances under which we were doing so. Therefore, I cannot vote to surrender the powers of the Congress to the executive branch of the Government.

Furthermore, the economic phases of the program are equally as unwise. We are asked to surrender our power of the purse string in order that a President and his Secretary of State can spend American money to develop foreign countries without the benefit of a single example of the projects for which the money is to be used.

The people elected those of us in Congress to see that their money is spent wisely. I will not vote for a vast spending program without being able to determine the wisdom or the nature of a single one of the projects for which I would be voting.

So far as I am concerned, the issues here involved are far above and beyond politics.

I have voted against similar unwise proposals when made by the Truman administration. I propose to exercise my judgment in the same fashion under a Republican President.

Mr. CURTIS obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nebraska yield to me, to permit me to make a brief announcement?

Mr. CURTIS. I yield.

Mr. JOHNSON of Texas. Mr. President, I should like to announce that I have consulted the minority leader; and we anticipate that several more speeches,

which we hope will not be too long, remain to be made. We anticipate that the final vote on the joint resolution will be taken this evening. If Senators will cooperate, we shall proceed as early as possible to take a yea-and-nay vote on the question of passage of the joint resolution, as amended.

Mr. CURTIS. Mr. President, I submit the amendment which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, it is proposed to strike out lines 10 to 15, inclusive, and to insert in lieu thereof the following:

SEC. 3. This joint resolution shall expire on February 1, 1961, or on such earlier date (1) as the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise, or (2) as may be prescribed by concurrent resolution of the two Houses of Congress.

Mr. CURTIS. Mr. President, my amendment relates to the termination of Senate Joint Resolution 19. The last section of the resolution provides that it shall terminate when the President finds and determines that conditions no longer require it, or when the Congress adopts a concurrent resolution.

The amendment I offer would not disturb those two means of ending the authority granted in the resolution, but it would add a third, and absolute, way of ending the authority, on February 1, 1961. In other words, it would fix a time certain when this delegation of authority would come to an end.

As the resolution is now written, affirmative action must be taken by either the President or the Congress, or the authority granted in this measure will run on and on and on.

If we are to make a grant of authority of the warmaking powers of Congress that is permanent in nature, we should do it by a constitutional amendment. If we are granting authority to meet a particular situation, it should have a termination date.

One other thing, Mr. President, I should like to call to mind. We are granting authority to a person, the present occupant of the Office of the Presidency. No one knows who will be President after January 20, 1961. We do know that, under the terms of the Constitution, the present occupant of the White House will not be President. Therefore, unless an act to terminate the delegation of authority at a later date were passed, we would be granting authority to an unknown person.

Certainly, it is conceivable, and it is fondly to be hoped, that the next President of the United States will be an individual in whom we can have the utmost confidence. I might say that there are a number in this Chamber who could well lead up to that situation, but we do not know who the next President will be.

I wish now to call attention to the language in the resolution on page 4, lines 7 to 13:

If the President determines the necessity thereof, the United States is prepared to use Armed Forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism.

I must say I think that language is quite unclear. It probably would have been better to say the President is authorized. Just what it means, I do not know, but I know it means something. I know it is a delegation of power, even though it is not too clearly defined. Are we going to delegate that power in perpetuity?

It might be said, "Well, we have two means of ending it." Yes, we have. One is for the office that receives the power to voluntarily relinquish it. A President, in all good conscience, could say, "I do not know. I may need this power a short while longer," and thus hesitate to take action.

We have the other alternative that the Congress can adopt a concurrent resolution. That means that unless the Congress should succeed in adopting such a concurrent resolution, its power in this particular would be gone. I presume that an Executive could lobby against the adoption of a concurrent resolution. I do not believe that anyone here is so naive as to suggest that such occurrences have not happened and that they do not continue to happen.

So here we have at least a part—not too clearly defined, but a part—of our warmaking power delegated to a President in whom we have confidence, without an absolute termination date.

If the amendment I have offered shall be adopted, it will mean that instead of requiring affirmative action to end the power, affirmative action to extend the power will be required, and there would be ample time to do that. Who is to say that if the pending resolution is passed without a definite termination date, 10, 15, 20, or more years from now, it might not be used by a President in a way not in accord with the wishes of the branch of the Government in whom the authority rests?

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CURTIS. I gladly yield.

Mr. WATKINS. Can this Congress bind the next Congress in giving authority or taking a positive stand?

Mr. CURTIS. No, it cannot; but the practical situation would be that another Congress would have to take affirmative action to get back the authority this Congress delegates, and that is what we want to avoid.

Mr. WATKINS. Why not have the terminal date the end of this, the 85th Congress?

Mr. CURTIS. There might be strong argument for that. I considered what date I might choose. I chose a date which would be no reflection upon the President of the United States, because I have confidence in him in these matters. He is a man of wide military experience and authority, and his leadership is respected throughout the world. I do not know who will follow him in the White House.

Now, I might anticipate something, in order to save time. I have a copy of a letter written to the chairman of the Committee on Foreign Relations, the distinguished Senator from Rhode Island [Mr. GREEN], in which the executive branch expressed very strong opposition to a definite termination date. But I want to give the Senate its reasons:

A provision for a termination on a particular date would imply an end to the United States interest in the security of the nations of that area.

Our mutual security acts and many other acts expire at a certain date. They run, Mr. President, for a certain period. Does the fact that they have expiration dates imply that we have no interest beyond that time? That viewpoint is not supported by our regular practice in handling such matters. Furthermore, I would seriously question whether or not the Congress of the United States had shown a lack of interest in the Middle East before the pending resolution was ever proposed.

The other reason given by the Executive was:

And might encourage political aggressors to plan to take advantage of such expiration.

I happen to think that the Communist world will attempt to take advantage of us and our interests when it believes it can be successful, and not because of the expiration of an act of Congress that can be readily reenacted.

Mr. President, this amendment would in no wise interfere with carrying out the objectives of the resolution. It would in no wise hamper or embarrass the President of the United States in his conduct of foreign relations. It would provide a termination date for this delegation of power and authority.

Mr. President, before yielding the floor, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. GREEN. Mr. President, I oppose this amendment, and I wish to submit briefly my reasons for doing so.

This amendment, if adopted, would provide that the authority under the joint resolution shall expire on February 1, 1961, or earlier than that if the President shall so determine, or if the Congress shall, by concurrent resolution, so determine. I think it very unwise to fix a certain date on which the declared policy of the United States with respect to Communist aggression in the Middle East shall expire.

The amendment is arbitrary. It would seem to say that whether or not peace and security in the Middle East are reasonably assured, we should nevertheless, on a certain date, end our policy of resisting Communist aggression. I fear that the Communists might take advantage of such a rigid proposal as this.

It seems to me that the termination provision contained in section 5 of Senate Joint Resolution 19 provides adequate protection against an unreasonable extension of the policy declared in the joint resolution.

Section 5 provides that "this joint resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured."

The section goes on to say that the joint resolution may be terminated earlier by a concurrent resolution of the two Houses of Congress.

The new authority provided for the President in section 3 carries its own termination date of June 30, 1957.

For these reasons, I believe that the proposed amendment is not only unwise, but also dangerous. I urge its rejection by the Senate.

Mr. KNOWLAND. Mr. President, I wish to join with the distinguished chairman of the Foreign Relations Committee and the chairman of the combined committees in opposing the amendment offered by my good friend and colleague, the Senator from Nebraska [Mr. CURTIS].

At this time I wish to read a letter received from the Assistant Secretary of State, and to make a few observations. The letter reads as follows:

FEBRUARY 28, 1957.

The Honorable THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR MR. CHAIRMAN: Your staff has asked for the comments of the executive branch on an amendment to be proposed by Senator CURTIS to Senate Joint Resolution 19 (the Middle East Resolution) which would add to the termination provision contained in the resolution as reported by the Joint Committee, an additional provision for termination on February 1, 1961.

The executive branch believes it would be highly undesirable to name a specific termination date. A provision for termination on a particular date would imply an end to United States interest in the security of the nations of the area as of that date and might encourage potential aggressors to plan to take advantage of such expiration. The executive branch would strongly oppose such an amendment.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

I think the committtes were wise in writing into the joint resolution the provision that the Congress may terminate it by concurrent resolution. This leaves the power entirely in the hands of the legislative branch of the Government, as a coordinate arm. The reason we selected the concurrent resolution, along with the President's own authority to terminate the joint resolution, is that a concurrent resolution does not require the signature of a President.

There was some discussion to the effect that perhaps it should be by joint resolution; but, as Senators know, a joint resolution would require the signature of a President, and would be subject to Presidential veto. If vetoed, by any chance, by a President, whoever he might be, it would require a two-thirds vote to override the veto.

It was for that reason, and with that legislative background, that the committees themselves wrote in the provision that the Congress should have the power to terminate this authority by concurrent resolution. The matter would then be entirely within the hands of a majority of the two Houses of Congress.

If the question is asked as to how long this authority should continue, my answer would have to be, so long as the menace of Soviet and Communist imperialism exists in that area of the world.

No one has a crystal ball to tell him when the men in the Kremlin may basically change their policy. If they should change it, and we should become convinced of it 3 or 4 years from now, we would all be very happy, indeed, and I am sure the incumbent President, or any future President, whoever he might be, would be very happy to have this power terminated. But no one has any such crystal ball. If we were to select this definite date, the men in the Kremlin, laying the foundations, as they would, would have a specific date against which to operate. I think that would be highly dangerous. It might present this country with a situation in which the termination date would be fixed 10 days after the inauguration of a new President. The Soviet government might at that point decide to move, and we would be involved in a debate which might continue for a considerable period of time.

I hope the Senate will not adopt the amendment offered by the Senator from Nebraska.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WATKINS. Does the Senator think it is necessary to insert in the resolution a provision to the effect that Congress has the power to terminate this authority?

Mr. KNOWLAND. No.

Mr. WATKINS. Why insert it if Congress already has the power?

Mr. KNOWLAND. Because we felt that that was an additional safeguard. It is true that in the broad sense one Congress cannot bind a future Congress.

Mr. WATKINS. Could this Congress not repeal the joint resolution next week?

Mr. KNOWLAND. This Congress could repeal the joint resolution next week, if it wished to do so.

Mr. WATKINS. Then why put such a provision in the joint resolution?

Mr. KNOWLAND. This is a joint resolution, and we felt that we wanted to establish that it could be repealed by a concurrent resolution, which would not be subject to Presidential veto, whereas we might have to get a two-thirds vote to undo the action, which, in the original instance, could be taken by majority vote.

Mr. WATKINS. If we have the power to act by concurrent resolution we can act at any time.

Mr. KNOWLAND. I do not agree with that. The distinguished Senator from Utah is an able lawyer, and I am a little out of my field, because I am only a newspaper man. But I doubt very much whether the Senator will contend that a law can be repealed by concurrent resolution. I do not believe that authority exists, unless it is specifically provided in the law itself. I think we could repeal by legislative enactment, or by a joint resolution; but if it were done in that way, the legislative enactment would be subject to Presidential veto.

Mr. WATKINS. If we have the power to adopt a concurrent resolution, we do not have to be given authority in this joint resolution to do it.

Mr. KNOWLAND. In order to repeal a joint resolution by concurrent resolution, specific authority would be required.

Mr. HOLLAND. Mr. President, the Senator will recall that more question has been raised during the debate about the authority given by section 3 of the pending joint resolution than about the other sections.

Section 3 deals with the money grant, the authorization to use specific funds for the purposes of military or economic assistance to nations in the Middle East under certain conditions.

I call to the attention of the distinguished minority leader, with whom I completely agree in the position he has taken, that the provisions of section 3 are limited under present authorization to the use of the $200 million during the balance of fiscal year 1957; and to the further fact that the last sentence in section 3 precludes any doubt as to there being any authorization or commitment for the granting of further funds or any consent for the use of further funds after the $200 million has been used in the present fiscal year. That last sentence reads as follows:

Nothing contained in this joint resolution shall be construed as itself authorizing the appropriation of additional funds for the purpose of carrying out the provisions of the first section or of the first sentence of section 2 of this joint resolution.

It would seem to me, therefore—and I address my question to the minority leader—that the only subject with which we are concerned relative to a termination date is sections 1 and 2 declaring our vital interest in the Middle East and granting power to the President to offer military assistance and economic assistance under certain conditions to nations in the Middle East. Is that the Senator's opinion?

Mr. KNOWLAND. I believe that is true, plus the general partnership arrangement of Congress relative to the use of American forces in the event of overt aggression in the Middle East.

Mr. HOLLAND. I should like to ask the distinguished Senator whether he believes—certainly I am perfectly clear on it—that there is no question whatever of any hanging over of any power to spend money under the terms of the joint resolution, except as conferred under section 3; which section contains the limitation which I have just read into the RECORD, making it wholly clear that additional funds, if any are to be expended in pursuance of the objectives set forth, must be specifically authorized and appropriated by Congress by separate legislation. Is that correct?

Mr. KNOWLAND. I fully concur with the last statement of the distinguished Senator from Florida.

Mr. HOLLAND. I have one more question. Is there any more reason for putting a limitation on this declaration of our vital interests, on this declaration of principle, which will certainly be a permanent principle so long as there is danger from aggression by Communists in the Middle East, than there would be to placing a terminal date on the Monroe

Doctrine or on any other great declaration of vital interests of the United States?

Mr. KNOWLAND. I think it is a mistake, for the reasons the Senator has enunciated and those which I have pointed out, to put this terminal date on the resolution.

Mr. HOLLAND. I completely agree.

Mr. CURTIS. Mr. President, it is surprising to me to learn that the Monroe Doctrine was a delegation of power to the President. I do not believe the situation is comparable at all. The proposal to rely upon a concurrent resolution sounds acceptable, but in reality it is not. Many laws have carried a provision for terminating authority. However, they are seldom used. Pressure can be brought against them, and, regardless of pressure, if Congress were to adopt a concurrent resolution, to take such a position would be almost an affront to the President, whoever he happened to be.

It is also cumbersome because of that very situation. I can see no particular harm, in 3½ years from now, or at any time, for the present occupant of the White House, after reviewing the situation, to ask Congress to extend the authority for another period.

The fact that there would be only 10 days for a new President to come before Congress should not strike at the heart of the proposal for a definite termination date. I cannot understand why the public interest would not be served by having the President state the situation to Congress and to the people in about 4 years from now and asking Congress that the authority now delegated to him be extended at that time.

I do not believe that Congress should permanently grant away its authority. I have confidence in the American people and in Congress. I believe that a future Congress will arrive at the same conclusion we are arriving at if the President makes out a case for an extension of the authority.

I do not believe the fact that Congress is jealous of its constitutional prerogatives is an encouragement to the Communist world to rely upon a termination date to start aggression.

Mr. KNOWLAND. Again, Mr. President, this is a situation with regard to which reasonable men may have honest differences of opinion. I have complete confidence in the reactions of the American people and of Congress.

Unfortunately, however, I do not have any such confidence in the Soviet Government, particularly in the men who presently rule the Kremlin, or who are participating in the international Communist conspiracy. The difficulty is, if we fix a terminal date, the Communist propaganda will be able to tell the nations of the Middle East just prior to the expiration date that the United States policy is a temporary policy giving those nations some protection up to February 1, 1961, but that thereafter—and this is what the propagandists of the Soviet Union would say—the United States will lose interest in this area of the world; therefore, these nations had better start hedging their bets a little and making friends with the men in the Kremlin, because the United States will probably tire of its policy by that time.

It is a fact, of course, that the men in the Kremlin never tire of their policy. Their policy is the destruction of human freedom everywhere in the world. If it takes 5 years to do it, they will wait 5 years. If it takes them 10 years to do it, they will wait 10 years. If it takes them 20 years, they will wait 20 years. Their basic policy never changes. That basic policy is the destruction of human freedom everywhere in the world.

It is for that reason that I feel the argument is most persuasive for not fixing a termination date, because to do so would be likely to cause a misconception, either on the part of the Kremlin or of the people whom we are seeking to help; namely, that, come February 1, 1961, we will lose interest in that part of the world.

Mr. CURTIS. The argument which the distinguished minority leader makes, that a termination date in the joint resolution would weaken the position of the United States, because the Soviets would rely upon it, can be advanced also against the Mutual Security Program and the other programs we have established. The same opportunity for propaganda by the Kremlin is provided by the fact that such laws expire on a certain date.

Mr. KNOWLAND. So far as I know, no termination date is fixed in the North Atlantic Alliance.

Mr. CURTIS. That is a treaty.

Mr. KNOWLAND. I know it is a treaty; nevertheless, the same argument would apply in that situation.

Mr. CURTIS. No. That is a treaty which was entered into pursuant to the Constitution. It is a delegation of power which the Constitution vests in Congress. If we are going to make it permanent, we should change the Constitution.

SEVERAL SENATORS. Vote! Vote!

Mr. MUNDT. Mr. President, it seems to me there is some merit in the arguments for the amendment proposed by the Senator from Nebraska. I have listened to the arguments made against it by the chairman of the Committee on Foreign Relations and by our distinguished minority leader, and those contained in the letter sent from the State Department. It seems to me they make just one valid point which I believe can be met by a slight modification of the amendment which is before us.

I think there is some merit to the fact that a new President of the United States taking office on January 20, 1961, might want a little more time than February 1 to survey the situation. I would seriously recommend to my friend from Nebraska that he amend his amendment to provide that it shall expire on March 15, 1961, which would give Congress an adequate time to survey the situation.

Mr. CURTIS. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. CURTIS. Mr. President, I wish to so modify my amendment.

The PRESIDING OFFICER. The Senator has the right to do so.

Mr. MUNDT. With that change, Mr. President, I think the amendment is good legislation, for a number of reasons. In fact, it is in keeping exactly with what the Senator from Florida [Mr. HOLLAND] pointed out. It is in keeping with what we have done in another section of this resolution from the standpoint of economic aid. We have decided to review it.

I do not believe there is any Senator in this body who believes that when the $200 million is expended we are not going to have representations made to us of the necessity of certain other types of economic aid in that area.

We are not at this time giving any assurances or guaranties or stipulations which will assure that area that it is going to get any additional economic aid. I think the protection we give to our dollars is something that we may expand to include our constitutional prerogatives and our control over the military manpower of America. Senator CURTIS is simply saying, as the amendment has been changed, that Congress in 1961 shall have approximately the same length of time to review the situation then existing as we have to survey the situation which now exists.

Certainly, Mr. President, we can attribute to whoever sits in our seats in 1961 the same patriotism, the same concern, and the same opposition to communism that we have today.

This is an unusual delegation of power, because it is a delegation of power to a certain President of the United States to meet a specific problem in a stipulated area of the world. We are not proposing to authorize the President of the United States to act in this manner in any other area of the world. It is this specific area which is a trouble spot.

Mr. CURTIS. Mr. President, will the Senator from South Dakota yield further?

Mr. MUNDT. I yield.

Mr. CURTIS. Mr. President, I ask unanimous consent that my amendment be modified by changing the date of February 1, 1961, to March 15, 1961.

The PRESIDING OFFICER. The amendment will be modified.

Mr. MUNDT. Mr. President, we recognize that there is a serious situation in the Middle East area, and we recognize it as a very difficult situation with which to deal. We are about to pass a resolution, and I hope we can do so tonight, specifically delegating authority to meet problems in what the resolution says is the general area of the Middle East.

When we do that we should not do it in perpetuity. We should reserve to ourselves the right to reexamine the situation in the Middle East in 1961.

Mr. HRUSKA. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. HRUSKA. It has been stated that the resolution should be designed to remain effective as long as the threat of communism persists. Would not the Senator say that the determination of this Congress would be reemphasized much more effectively by a review of the situation at any time between now and March 15, 1961, with a renewal of the

resolution as of that time, and would not that have a greater impact to serve notice on the Soviets that we are aware of the continued existence of the threat?

Mr. MUNDT. I think the Senator is correct.

That leads me to the second reason why I expect to support the amendment: the first is that when we delegate specific authority in a specific area we should not do it in perpetuity; we should reserve the right to reexamine the situation on March 15, 1961.

I see another advantage in the amendment, Mr. President. It is not exactly a unilateral problem which we confront in this area. We are agreeing to undertake certain obligations in the general area of the Middle East. It certainly is expected as a quid pro quo that the countries in that area are going to assume certain responsibilities and obligations and will engage in codes of good international behavior between now and the 15th of March 1961, whereas, if we now say, "Regardless of what you do we are going to continue to assume these responsibilities forever," we tend to discourage rather than to encourage the kind of cooperation we anticipate in that area of the world as a consequence of the passage of Senate Joint Resolution 19.

Mr. WATKINS. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. WATKINS. It is extremely likely, is it not, if this resolution is passed, that if any of the nations of the Middle East call on us for assistance and we respond, there will be numerous executive agreements entered into between our Government and the other nations?

Mr. MUNDT. I would certainly hope so, and I anticipate that that is going to be so. I think it is implicit in the entire resolution that we are not simply saying, "Ask us for what you want and you will get it." We are saying, "Tell us your needs, and we will try to help satisfy them, provided you do so and so."

Mr. WATKINS. It was testified by the Secretary of State a number of years ago that some 900 executive agreements had been entered into between this country and the North Atlantic Treaty Organization and other nations connected with the operation of that Organization. If we have unlimited time within which to enter into treaties, if there is no termination date set at all, the people can procrastinate and determine whether they will accept the terms of the agreement. I think we should have something to say about the time within which the authority shall be exercised.

Mr. MUNDT. I agree with the Senator completely.

Mr. President, I think there is a third reason why the amendment is good legislation. We undertake certain responsibilities in Senate Joint Resolution 19, as I have said, in the general area of the Middle East.

I am not particularly persuaded by the State Department's argument that if we put a termination date into the resolution it will mean that the Communists in 1960 will move in their supplies and cock their guns and get ready to explode them in our faces in 1961, because we are going to review the situation then. If the resolution operates as well as we hope it will and if its continuation is deemed necessary in 1961, certainly equally patriotic Members of Congress then will do what this Congress is going to do now. If, on the other hand, we simply announce to the world that forever and a day we are undertaking these responsibilities in the general area of the Middle East, without any termination date, I can envision little clusters of countries in other parts of the world coming to us and asking, "What is wrong with us?" They will ask why we do not undertake the same kind of commitment for a little tip of Asia or for regions in South Africa or North Africa. If it is to be the established policy of the United States permanently to undertake and to meet responsibilities and obligations in the Middle East, the question will be asked, Why do we not do so elsewhere?

So long as we are able to say that we met the problems of the Middle East because they were urgent, unusual and imminent, and that we met them with specific legislation and undertook certain obligations for a certain length of time, we will have a better argument for resisting the tendency which is inherent in this kind of delegation of power.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. MUNDT. I am glad to yield.

Mr. BARRETT. In the light of the discussion we have heard this afternoon, will not the nations of the Middle East now say that by implication they are entitled to these grants, year after year, after 1961, unless we adopt this amendment?

Mr. MUNDT. Perhaps not the grants, because with this specific requirement, there is nothing implied in the resolution that the grants will continue beyond the $200 million; but the grants certainly do justify the assumption, which is implicit in the resolution, that the countries of the Middle East can expect the protection of America's armed might in perpetuity.

Mr. BARRETT. Does the Senator from South Dakota believe we have any assurance that there will not be an extension of the same kind of commitment of $200 million or more, year after year, pursuant to this resolution?

Mr. MUNDT. No. As I said earlier, I am convinced that representations will be made to us after the expenditure of $200 million that there are economic problems which will have to be solved, and we will be called upon to help meet those requests. However, Senate Joint Resolution 19 does not change that situation, whether we pass or reject this resolution we shall be called upon to consider and approve economic assistance programs for the Mideast area. Senate Joint Resolution 19 has no bearing on those realities. But, at least, in the passage of this resolution, we will have made it clear that we have not committed ourselves to saying "Yes" to such representations whenever they may come.

There is one other point I should like to make. I have been in Washington for 18 years, serving part of my time in Congresses which have had top-heavy majorities, completely under the thumb of the Executive—the man in the White House. I have the feeling that better legislation is obtained, by and large, when the divisions between Democrats and Republicans are reasonably close in both the Senate and the House.

I would assume that if this particular Congress were confronted with such a problem or a situation, it would show the independence to pass the kind of concurrent resolution as provided in Senate Joint Resolution 19, provided it was deemed necessary to pass that kind of concurrent resolution.

But since I have been in Washington, I have sat in Congresses in which I do not think there would have been the slightest Chinaman's chance to get Congress to pass a concurrent resolution if it were disapproved by the President in the White House. I have seen Congresses in Washington which have cringed and cowered before the man in the White House. I have seen such top-heavy majorities that it would have been unthinkable for them to do anything other than to rubber stamp the policies, procedures, and projects which came from the White House. I recognize that that could happen again.

So I believe it is good to have a termination date and not to leave to whatever may eventuate in 1961 the question of whether there will be again, as there is now, an independent Congress, one which will make up its own mind, free from White House coercion, coercion of the type which was prevalent in the early days of the New Deal Congresses, which scarcely dared to answer rollcalls without first calling 1600 Pennsylvania Avenue to find out whether they should answer "Present" or should duck into the cloakroom.

Mr. CURTIS. Mr. President, will the Senator further yield?

Mr. MUNDT. I yield.

Mr. CURTIS. The Senator is making an excellent statement. I should like to point out that the very proposal of a concurrent resolution to terminate this power granted to the President would be regarded not only in this country, but everywhere else, as a challenge to his authority and would be regarded as a weakening of our country's position.

Mr. MUNDT. It would be more than that. It seems to me it would be a specific repudiation of whoever was then the President. It would be more than an affront. It would be tantamount to a vote of a lack of confidence, under the English Parliament. It is unthinkable that that kind of thing should occur when the President and the Congress are of the same political party.

It seems to me, consequently, that we had better fix a date certain, which will simply mean that between now and the date fixed Congress will review what has been happening and will take a second look at it. If it be found that the program has been working well and successfully, Congress can renew it. If it has not, it will automatically be terminated without the necessity of having to embarrass or repudiate the man in the White House.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Nebraska. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. SCOTT], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

On this vote the Senator from West Virginia [Mr. NEELY] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from New York would vote "nay."

I further announce, if present and voting, the Senator from Louisiana [Mr. ELLENDER] and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from New York [Mr. IVES] and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

On this vote the Senator from New York [Mr. IVES] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from New York would vote "nay," and the Senator from West Virginia would vote "yea."

The result was announced—yeas 30, nays 58, as follows:

YEAS—30

Barrett	Hruska	Mundt
Beall	Jenner	O'Mahoney
Bennett	Johnston, S. C.	Revercomb
Case, S. Dak.	Kefauver	Russell
Curtis	Kerr	Schoeppel
Dworshak	Long	Smathers
Eastland	Malone	Talmadge
Ervin	McCarthy	Watkins
Goldwater	McClellan	Williams
Hill	Morse	Young

NAYS—58

Aiken	Flanders	McNamara
Allott	Frear	Monroney
Anderson	Gore	Morton
Bible	Green	Neuberger
Bickley	Hayden	Pastore
Bricker	Hennings	Payne
Bridges	Hickenlooper	Potter
Bush	Holland	Purtell
Butler	Humphrey	Robertson
Capehart	Jackson	Saltonstall
Carlson	Javits	Smith, Maine
Carroll	Johnson, Tex.	Smith, N. J.
Case, N. J.	Kennedy	Sparkman
Chavez	Knowland	Stennis
Church	Kuchel	Symington
Clark	Lausche	Thurmond
Cooper	Magnuson	Thye
Cotton	Mansfield	Wiley
Dirksen	Martin, Iowa	
Douglas	Martin, Pa.	

NOT VOTING—8

Byrd	Ives	Neely
Ellender	Langer	Scott
Fulbright	Murray	

So, Mr. CURTIS' amendment, as modified, was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment of the Senator from Nebraska was rejected.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment, as amended, is open to further amendment.

Mr. BARRETT. Mr. President, on behalf of myself, the Senator from Idaho [Mr. DWORSHAK] and the Senator from South Dakota [Mr. CASE] I call up my amendment, identified as 2-28-57-A.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 8, in the committee amendment, as amended, after the word "appropriations" it is proposed to insert a colon and the following:

And provided further, That $100 million thereof shall be expended under conditions requiring repayment of the principal by the States receiving same under such terms as the President may determine.

Mr. BARRETT. Mr. President, at the outset let me say for many years, I have felt that foreign economic aid should be placed on a loan basis. It has seemed to me that military assistance should be segregated and carried out under the military department of our Government. From the hearings before the Joint Committee on Armed Services and Foreign Relations, it appears that $95 million of free money is presently available for expenditure by the President without restrictions of any kind whatsoever; and, therefore, it seems to me, Mr. President, that if half of the $200 million made available to the Chief Executive under this measure for expenditure without reserve, in addition to the above-mentioned $95 million, it should be ample to meet any emergency wherein grants are needed during the next 4 months. It seems to me that at this particular time, when economic assistance may be extended to new nations in that area of the world, it would be in the best interests of our country, and I may say to theirs, to put an additional $100 million on a loan basis rather than as an outright grant.

Mr. President, the people of no other country on earth are called upon to pay the excessive taxes such as are levied on the people of America. Our total taxes including States, counties, and cities, along with the Federal taxes is upwards of $100 billion a year. This represents over 30 percent of our total national income. Economists have contended for a long time that no country could survive when such a tax burden is imposed upon its people for an extended period of time. Nearly $60 billion has been spent on foreign aid since the end of World War II. During that period of time, many of the countries of the world have recovered from the destruction of World War II and are presently enjoying a period of unparalleled prosperity. In the meantime our public debt is up to $275 billion. Yet, as the distinguished senior Senator from Virginia so well pointed out a day or so ago, $100 million of foreign aid has been used by Denmark to apply on her own public debt.

From the testimony before our committee, it appears that under this resolution, financial assistance may be rendered to from 18 to 20 nations in the general area of the Middle East. It is estimated that 8 or 10 nations will receive economic aid for the first time under this resolution. I have heretofore pointed out, Mr. President, that the Chief Executive has available $95 million under last year's Mutual Aid Act that can be expended without restrictions of any kind. Under the provisions of this resolution, the $200 million made available to the President must be either obligated or expended prior to July 1 next. Accordingly, it seems to me, Mr. President, that the Secretary of State will have $195 million that will be available for grants and if my amendment is adopted, the Secretary of State will be called upon to obligate $100 million under loans, with only the principal repayable to the United States under such terms and conditions as the President of the United States may determine. Now, Mr. President, it seems to me that it is peculiarly proper that every possible effort be made to require those nations getting economic aid for the first time to get it on a loan rather than on a grant basis. And furthermore, Mr. President, it seems to me that $105 million, available for outright grants over a period of 4 months, should be entirely adequate, and that a provision for $100 million for loans during the same period is wholly reasonable and proper.

Mr. President, the oil reserves of the Middle East are estimated at 260 billion barrels. That is roughly eight times the oil reserve of the United States. Many countries in that area have fantastic incomes from oil royalties. Saudi Arabia, an absolute monarchy, has an income from oil alone of approximately $350 million a year. Iraq has an oil income of $225 million annually. Kuwait has an income even higher than Iraq. Iran has an income of approximately $50 million per year. So, Mr. President, it seems to me that we have an overriding responsibility to the people of our country to call on those States that are able to do so to repay these advances.

It has been pointed out in the debate, Mr. President, that $750 million was made available for use in the Middle East under last year's Mutual Aid Act, and it should be noted that $410 million out of that sum has been set aside for Turkey, Iran, Iraq, and Pakistan for military aid and indirect military assistance. It is true that these countries are on the perimeter of Russia and are friendly nations, but I point this out to show that assistance has already been made available to those countries in a generous fashion.

It should be pointed out also, Mr. President, that Egypt, Lebanon, and Syria have indirect oil revenues, and at least one-third of the assistance that might be tendered to any of those nations, or any other nation in the Middle East, could well be placed on a loan rather than a grant basis.

Mr. President, in view of the terrific debt confronting the people of America, and in view of the burdensome tax load the people of this country are obliged to carry, and in light of the fact that new countries will be given assistance for the first time, it seems to me that it would serve the best interests of freemen everywhere if every nation able to do so is called upon to do its full share in defending the free world against Communist aggression. I believe that self-respect would demand such action by the nations receiving such assistance.

Let me say that approximately $300 million will be available during the next 4 months. Certainly, $200 million, or two-thirds of that amount, without any restrictions whatsoever, should be ample and sufficient. It seems to me we could well use one-third, or $100 million, for loans rather than grants.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BARRETT. I yield.

Mr. CASE of South Dakota. The Senator from Wyoming has made a very full and comprehensive statement of the amendment. In view of the hour, there is no need for my trying to supplement what he has so ably said; but I think attention should be called to the fact that the amendment is offered to the wrong place in the resolution. The amendment should have been offered on line 6, after the word "assistance," instead of after the word "appropriations" in line 8.

Mr. BARRETT. I think the Senator is correct.

Mr. CASE of South Dakota. It is an additional proviso.

Mr. BARRETT. I think the Senator is correct.

Mr. President, I ask leave to modify my amendment accordingly, so that the language of my amendment will come after the word "assistance" in line 6, page 5, of the committee amendment.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. BARRETT. I hope my amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming, on page 5, line 6, of the committee amendment, as amended. (Putting the question.)

Mr. KNOWLAND. Mr. President, I suggest a division.

The PRESIDING OFFICER. The "noes" appear to have it.

Mr. KNOWLAND. Mr. President, I withdraw the suggestion.

The amendment offered by Mr. BARRETT for himself and other Senators was rejected.

The PRESIDING OFFICER. The committee amendment, as amended, is open to further amendment.

Mr. CASE of South Dakota. Mr. President, I desire to call up my amendment, identified as "2-25-57-B." It is a clarifying amendment, almost typographical in nature.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 4, line 9, after the words "any" and "of," respectively, it is proposed to insert the word "such."

Mr. KNOWLAND. Mr. President, I invite the attention of the distinguished chairman of the Foreign Relations Committee to the fact that, in effect, this is a typographical correction, to make sure what the reference is. I can see no objection to accepting the amendment and taking it to conference.

Mr. GREEN. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. KNOWLAND. Mr. President, I think the Senator from Wisconsin [Mr. McCARTHY] has an amendment to offer. I wish to protect his rights, much as I should like to complete action on the joint resolution.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Barrett	Green	Mundt
Beall	Hayden	Neuberger
Bennett	Hennings	O'Mahoney
Bible	Hickenlooper	Pastore
Bickley	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Bush	Humphrey	Revercomb
Butler	Jackson	Robertson
Byrd	Javits	Russell
Capehart	Jenner	Saltonstall
Carlson	Johnson, Tex.	Schoeppel
Carroll	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kennedy	Smith, Maine
Chavez	Kerr	Smith, N. J.
Church	Knowland	Sparkman
Clark	Kuchel	Stennis
Cooper	Lausche	Symington
Cotton	Long	Talmadge
Curtis	Magnuson	Thurmond
Dirksen	Malone	Thye
Douglas	Mansfield	Watkins
Dworshak	Martin, Iowa	Wiley
Eastland	Martin, Pa.	Williams
Ellender	McCarthy	Young
Ervin	McClellan	
Flanders	McNamara	

The PRESIDING OFFICER. A quorum is present.

ORDER FOR RECESS TO FRIDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until 12 o'clock noon on Friday next.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR ON FRIDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on Friday next, immediately following the completion of the morning business, there be a call of the calendar for the consideration of measures to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce to the Senate that it is the purpose of the leadership, following the calendar call on Friday, to go over until Tuesday, at which time it is planned to proceed to the consideration of the bill introduced by the Senator from Virginia [Mr. ROBERTSON], Calendar No. 120, Senate bill 1451, a bill to amend and revise the statutes governing financial institutions and credit. I understand that the Senator from Virginia cannot be present on Monday.

PROMOTION OF PEACE AND STABILITY IN THE MIDDLE EAST

The Senate resumed the consideration of the joint resolution (S. J. Res. 19) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Wisconsin [Mr. McCARTHY] has an amendment to which he desires to address himself for 4 or 5 minutes. I appeal to Senators, if they have insertions to make in the RECORD, or extraneous comments to make, to wait until after the vote on the joint resolution. Then the Senate will be kept in session as long as necessary to accommodate Senators who have insertions to make in the RECORD.

Mr. McCARTHY. I thank the Senator. I shall require less than 4 or 5 minutes.

Mr. President, I have two amendments to offer, both very brief. The first one is to strike out the language on page 4, beginning in line 20, after the word "act," as follows:

Provided, That, whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended, and without regard to the provisions of section 105 of the Mutual Security Appropriation Act, 1957.

I point out that, in my opinion, this language is a joker in the joint resolution. I have taken it up with the members of the Committee on Appropriations and with the members of the Committee on Foreign Relations, and I am informed that the first part of the proviso, "whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended," means that the President could spend an extra $150 million, in addition to the $200 million.

The second part of the proviso, "without regard to the provisions of section 105 of the Mutual Security Appropriation Act of 1957," would provide that any unexpended funds could be used at the discretion of the President.

Inasmuch as the hour is late, I feel nothing would be gained by arguing this point at length. I merely wished to state the proposition. I shall not ask for a yea-and-nay vote. However, I should like to ask for a division on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY]. On this question a division is requested.

On a division the amendment was rejected.

Mr. McCARTHY. At least it was a close vote. [Laughter.]

Mr. President, I have one other brief amendment. It is on page 6, line 13. It is to strike out the words "by international conditions created by action of the United Nations or otherwise."

I ask that that language be stricken. I do not believe the joint resolution should be tied in with the United Nations in this fashion. If there is to be a termination date, the date should be determined by Congress, not by the United Nations. Therefore I move that amendment again. I do not ask for the yeas and nays. However, I do ask for a division on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY]. On this question a division is requested.

On a division, the amendment was rejected.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. GREEN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations and Armed Services jointly be discharged from the further consideration of House Joint Resolution 117 to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence, which is the companion House measure; that said joint resolution be amended by striking out all after the resolving clause and inserting the text of Senate Joint Resolution 19, as amended; and that the amendment to the said House joint resolution be engrossed and the joint resolution as amended, be read the third time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The joint resolution (H. J. Res. 117) was read the third time.

The PRESIDING OFFICER. The question is on the passage of House Joint Resolution 117.

Mr. JOHNSON of Texas. Mr. President, I request the yeas and nays.

The yeas and nays were ordered.

Mr. BARRETT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement on the joint resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARRETT

I shall support the pending resolution. In some respects I do so reluctantly. Some authorities contend that the President already has the authority to carry out the objectives of this resolution. If that is the case, then action by the Congress on this resolution certainly could not be reckoned as an unconstitutional delegation of power. On the other hand, if the President does not have such authority, and if the policy of protecting the Middle East against aggression by international communism is a sound policy, which I am sure it is, then, it seems to me, that the President ought to be commended for seeking congressional cooperation and support.

Without a question of a doubt, both the President and the Congress have extensive powers in this field, and it might be pointed out that the Secretary of State, able and distinguished lawyer that he is, refused to give an opinion defining precisely the division of powers and authority in this area between the President and the Congress. Therefore, it seems to me to be of tremendous importance that the executive arm of the Government, as well as the legislative branch, reach an accord on the promulgation of a policy so far reaching and so important as this Middle East doctrine. This resolution, like the Monroe Doctrine of the early days of our Republic, is a peace policy designed to keep us out of war.

In these perilous days, it is possible, although we hope very improbable, that almost without warning, and surely without desire on our part, our country could be plunged into a struggle for survival on a moment's notice. The President recognizes, as we do, that under the Constitution only the Congress can declare war. He knows full well that under the inherent powers of his great office and as the Commander in Chief of the Armed Forces of the United States that he can act whenever the vital interests or the security of our country are endangered. So I think that the Chief Executive of our country is to be commended for coming to the Congress in an effort to achieve executive-congressional cooperation in resisting Communist aggression in the Middle East.

It may well be that our country will be called upon to act in defense of our vital interests on a split second's notice and with lightning speed. In this day and age of the supersonic bombers and atomic weapons, we certainly will not have a solid year or even a month or perhaps even more than a few days to gird ourselves for war, and that is precisely why the two great powers of the world are building vast armaments in that mad race to outdo each other. Certain it is that if we are less than fully prepared we will invite attack. By the same token, we hope that through preparedness we can avoid a conflict which would wreak upon humanity violence and mass destruction impossible to visualize or contemplate.

During our lifetime we have seen madmen inflict world wars upon helpless people on two occasions. No doubt the Kaiser did not reckon he was starting a world war when he moved his mighty armies to the east in 1914. He did not anticipate that this country would throw its mighty strength in support of the free people of the world. Millions of lives were lost because of his miscalculations.

Strange as it may seem, Hitler, Mussolini, and Tojo made the same mistake and suffered abject defeat at the hands of our allies and ourselves because they, too, believed that this country would not intervene, at least could not until it was too late. As a result, an even worse tragedy was visited upon countless more millions because of their miscalculation. That conflict saw the use of atomic weapons for the first time.

It seems to me that the action of aggressors in recent years should make it crystal clear to us how important it is that we define our policies in exact and precise terms. When our Secretary of State defined our perimeter of interest in the Far East in January 1950, and thereby excluded Korea, it was accepted as an open invitation for the Communists to move in and take over. And they did.

When the Chief Executive of this country called upon the Congress to cooperate with him and to serve notice on the Kremlin that we would defend Formosa, we found that such strong language served as a deterrent against aggression in that area.

Fortunate we are to have as our Chief Executive in these troubled times a man who knows all about war, and who at the same time is the chief advocate of peace for the world. Better than any other man, he knows how completely and how devastating the disaster of a world war would be for our country and for the world, and that is exactly why it is so important that the Congress and the Chief Executive work together in a sincere effort to maintain a measure of peace in these turbulent days. Only by the combined efforts of the two coordinate branches of our Government can we impress upon the disciples of international communism that they cannot carry on their nefarious work in that terrifically important yet nebulous area of that world known as the Middle East.

As I see it, by this resolution we are posting signs all over the Middle East so that the planes flying over that area from behind the Iron Curtain can readily read the warning sign "No Hunting Allowed." We mean by this resolution to make abundantly clear that the Communist nations will not be permitted to garner into their larder of satellite states the countries of the Middle East. We are telling the whole world that aggression by international communism in that area will call for assistance from us when requested by the states affected. The fundamental purpose of the President's proposal is to warn Soviet Russia in clear and unmistakable language that our country will cooperate with the nations of the Middle East in their opposition to subversion and aggression by international communism.

The area of the Middle East has been of strategic importance to the people of Europe, Asia, and Africa for centuries and long before the discovery of vast quantities of oil in that area. For countless years, Russia has cast its envious eyes on the Middle East and the Mediterranean. There is no reason to believe that the Soviet will abandon its long-time designs on that area of the world. It is true that the Soviets do not need the oil rich states of the Middle East to support their economy, but they know full well that Western Europe would fall into their lap without effort if the rich resources of the Middle East were taken over by the Soviets. The Middle East contains 70 percent of the world's known oil reserves and, more important, supplies 75 percent of Western Europe's imports of oil and oil products.

The Soviets know full well the strategic importance of the Middle East as the center of the vast Moslem world. They know how important that area is as a focal point where the highways from Asia, Europe, and Africa meet there at the crossroads. Western Europe's war machine would be completely immobilized if the free world were denied access to the oil of the Middle East.

To my way of thinking, Western Europe would suffer just as great a loss if it is cut off from the oil production of the Middle East in exactly the same way as if all the planes and all of the atomic weapons, and all of the tanks and guns, and other weapons

of war were stored within the confines of the Middle East, and the Russian Communists were to rush down and capture that area with such a prize possession. If the Communists were to take over the Middle East oil, in my judgment, we could chalk up the loss of the cold war. In that event, Russia would be able to control the resources of a great deal of the world, and the people of this hemisphere would be called on to make a last stand against the onslaught of aggression by the godless rulers of Communist Russia.

This resolution will make it possible to use more wisely money already appropriated last year. In the light of world conditions, I shall vote for the resolution, notwithstanding my objection to foreign economic aid.

Mr. JOHNSON of Texas. Mr. President, we are approaching a final vote on the resolution.

Before we reach that stage, I want to express my deep and personal thanks to all those who have worked so hard on this measure. It is the culmination of many days of careful thought and searching scrutiny.

I believe that all of us will agree that this resolution embodies a serious and far-reaching step in American foreign policy. It is not a step that we could take lightly or hastily.

When it was first proposed to us, there were many serious considerations that troubled Senators on both sides of the aisle. This was not a proposition that could be disposed of hurriedly in one fast gulp.

The Senate considered the measure with due care. It is not a simple matter to declare—as a matter of policy—that American forces will be thrown into the Middle East in the event of an attack.

Neither is it a simple matter to say that limitations will be taken off $200 million in funds that have been voted by Congress.

There is an impression that the Senate delayed unduly on this measure. That is not an impression which is borne out by the facts.

This is the 13th day of debate on the resolution. In 1947, we debated aid to Turkey and Greece for 16 days and in 1951 the troops to Europe measure was before us for 20 days of discussion.

The Senate, in my opinion, has acted carefully, prudently, and in plenty of time.

I have sought to do everything that I could to expedite the measure. But I have not tried to hasten its consideration at the expense of careful thought or by trying to override the views or objections of any Senator.

The resolution as it now stands is the product of joint thinking. It is a clear and unequivocal warning to the Communist aggressors that they must reckon with the United States if they move in the Middle East.

It is a stronger measure now than it was when it came to us. It is stronger because it represents joint thought—thought which has led to improvements.

Once again, I wish to thank all of my colleagues for their earnest and sincere efforts and for the searching scrutiny they have given to this measure. I hope it will receive an overwhelming favorable vote.

Mr. MANSFIELD. Mr. President, the work of the Senate and of its Committees on Foreign Relations and Armed Services has made this joint resolution a far more acceptable piece of legislation than it was when it came from the executive branch. What has emerged here is an example of the operation of responsible cooperation in foreign policy.

The President, in his judgment, asked for joint action with the Congress, in order to cope with the Middle Eastern situation. In this joint resolution, as amended, we give the President what he feels he needs. With the amendments, however, we do so without doing violence to the constitutional principle of separation of powers. We give the executive branch adequate flexibility, but not the absolute license which was sought, in the use of a fixed amount of public funds for an emergency period of several months.

With the amendments, we give notice that this Nation does not "go it alone" by choice, in dealing with problems which involve many nations. We make clear that when the United Nations provides a realistic contribution to the preservation of peace, as that organization has been doing through the efforts of the emergency force in the Middle East, the Government of the United States supports those efforts. As I have said before, the entire world owes the smaller nations, whose troops make up that force, a debt of gratitude. They are acting for peace in a situation which might otherwise see the great powers, including ourselves, engaged in war.

I should like to make clear, Mr. President, that I regard this joint resolution as still only the beginning of a policy on the Middle East, however better and constitutionally sounder it may be now than when it was first presented to the Senate.

Sooner or later, I believe this Nation, acting in concert with the other nations of the world, will have to consider the armaments traffic in the Middle East. I sought some expression from the Senate on that point, because the Secretary of State advised us that Soviet arms diplomacy has been a principal cause of the intensification of the instability in that region. The amendment was rejected, but the problem will remain, and will grow more difficult.

Sooner or later, the Congress is going to have to deal with the question of aid to that region. We have no choice but to accept the assurance of the executive branch that this joint resolution is not a commitment to new, far-reaching, and questionable aid programs in the Middle East. We have no choice, unless we wish also to reject the balance of the joint resolution which the President says is essential to the prevention of Communist aggression and the preservation of peace.

The need remains, however, to link these aid programs, if they are going to be pursued at all, in specific terms to the basic difficulties which have upset the peace of the Middle East. A few weeks from now, when foreign-aid legislation is considered for the next fiscal year, I hope the Senate will consider this matter most carefully. Because I am persuaded that the Senate will do so, I withdrew the amendment originally submitted to make this point clear.

Mr. President, I shall vote for this joint resolution because the President has requested it as a vital measure of foreign policy, and because the Senate, acting with responsible cooperation, has done much to make it a more acceptable measure of foreign policy in terms of the interests of the people of the United States.

The PRESIDING OFFICER. The question is on the passage of House Joint Resolution 117. On this question the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

On this vote the Senator from West Virginia [Mr. NEELY] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Montana would vote "yea."

I further announce, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from New York [Mr. IVES] and and the Senator from North Dakota [Mr. LANGER] are absent because of illness.

On this vote the Senator from New York [Mr. IVES] is paired with the Senator from North Dakota [Mr. LANGER]. If present and voting, the Senator from New York would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 72, nays 19, as follows:

YEAS—72

Aiken	Dworshak	Monroney
Allott	Flanders	Morton
Anderson	Goldwater	Mundt
Barrett	Gore	Neuberger
Beall	Green	Pastore
Bennett	Hayden	Payne
Bible	Hennings	Potter
Blakley	Hickenlooper	Purtell
Bricker	Hill	Revercomb
Bridges	Holland	Robertson
Bush	Hruska	Saltonstall
Butler	Humphrey	Schoeppel
Capehart	Jackson	Smathers
Carlson	Javits	Smith, Maine
Carroll	Johnson, Tex.	Smith, N. J.
Case, N. J.	Kennedy	Sparkman
Case, S. Dak.	Knowland	Stennis
Church	Kuchel	Symington
Clark	Lausche	Thurmond
Cooper	Magnuson	Thye
Cotton	Mansfield	Watkins
Curtis	Martin, Iowa	Wiley
Dirksen	Martin, Pa.	Williams
Douglas	McNamara	Young

NAYS—19

Byrd	Johnston, S. C.	Morse
Chavez	Kefauver	O'Mahoney
Eastland	Kerr	Russell
Ellender	Long	Scott
Ervin	Malone	Talmadge
Frear	McCarthy	
Jenner	McClellan	

NOT VOTING—5

Fulbright	Langer	Neely
Ives	Murray	

So the joint resolution (H. J. Res. 117) was passed.

The PRESIDING OFFICER. Without objection, the preamble will be stricken, and the title will be amended

to correspond with the report of the Committees on Foreign Relations and Armed Services.

The title was amended so as to read: "Joint resolution to promote peace and stability in the Middle East."

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 19 will be indefinitely postponed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the resolution was passed.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from TEXAS.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I should like to announce that we do not expect any quorum calls or votes this evening, but the Senate will remain in session as long as Senators desire to make insertions in the RECORD or make statements.

Mr. GREEN. Mr. President, I ask unanimous consent that the resolution which the Senate has just passed be printed, showing the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT TO SOIL BANK ACT

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement setting forth my reasons for joining with the distinguished senior Senator from Maine [Mrs. SMITH] and her junior colleague [Mr. PAYNE] in sponsoring proposed legislation to include nonbasic agricultural commodities in the acreage-reserve program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

Mr. President, I am pleased to have the opportunity to join as a cosponsor of this bill introduced by the distinguished senior Senator from Maine [Mrs. SMITH].

When soil-bank legislation was before the Senate last year, I was among the Members of the Senate who voted to add to that bill the amendment of the two Senators from Maine. I am glad that I voted then as I did. I think the proposal was right and only fair. This is demonstrated by the inequality of soil-bank payments among certain States, as the records conclusively show.

Why should farmers growing row crops be excluded from the provisions of the soil bank, after their crops are found to be in surplus by the Secretary of Agriculture? One of the real ironies of our farm programs during the past two decades has been the emphasis on the six so-called basics at the expense of virtually all other crops. What basic fairness has there been in providing parity payments or soil-bank payments to growers raising corn, cotton, tobacco, wheat, rice, and peanuts—and then to deny similar benefits to families growing celery, cabbages, apples, carrots, potatoes, livestock, dairy cattle, chickens, eggs, and innumerable other crops?

Equality there should be under our laws, and equality is what we have not achieved within our existing farm programs. That is why I am pleased to be a cosponsor of the measure presented on the Senate floor today by the Senator from Maine. It looks toward some relief and assistance, under the acreage reserve feature of soil-bank assistance, for growers of row crops when such commodities are found to be in surplus. Many areas of my State, such as the great Willamette River Valley and the irrigated Snake River Valley in Malheur County, might benefit from this proposal if it becomes law.

I desire to express my thanks to the senior Senator from Maine and to her able colleague [Mr. PAYNE] for their leadership in this respect. Maine and Oregon are about as far apart geographically as States can be, Mr. President. More than 3,000 miles of continent separate our respective constituencies. But these two great States of the Nation are united by common problems, and one of those problems is some equity for farmers who raise potatoes, peas, and other row crops. This bill will serve to achieve a measure of equality for these families, at least under such benefits as are provided by the soil-bank program and its acreage reserve.

HUMANE METHODS OF KILLING ANIMALS

Mr. NEUBERGER. Mr. President, I have joined in submitting to the Senate today a bill that would require packing plants engaged in interstate commerce to use humane methods of killing animals. I believe that such legislation is long overdue. I believe that the overwhelming majority of Americans will applaud enactment of such a law. I commend the distinguished Senator from Minnesota [Mr. HUMPHREY] for his efforts toward this goal.

The argument for humane slaughter legislation can be forcefully summarized in these three points:

1. Slaughter methods now almost universally used in American packing plants cause intense suffering and are grossly cruel;

2. Practical and economical methods of killing animals humanely are available;

3. It appears that the packing industry cannot or will not end the cruelty without legislation which will require all packers to act simultaneously.

I am deeply impressed by a recent statement on this subject by the General Federation of Women's Clubs, a federation of 15,000 organizations with more than 11 million members.

All thoughtful persons recognize, reports the General Federation of Women's Clubs, that cruelty is an evil that should be eradicated from our society, not merely for the sake of animals but for our own good. We know that cruelty, whether to animals or to men, causes in the perpetrator a moral and cultural erosion that is harmful to the whole of society.

Cruelty to animals in our slaughterhouses has been thus far permitted only because, it is argued, cruelty is cheaper than decency. The immorality of the argument is obvious.

Because I believe with the General Federation of Women's Clubs that barbaric cruelty is wrong in a moral nation, I would cosponsor the bill that we are introducing today even if enactment would cause some monetary loss to packers, livestock producers, and consumers of meat. There can be no price tag on cruelty. Suffering should not be part of profits.

But there is ample evidence that there is no valid economic objection to humane-slaughter legislation. The humane methods that are already available have been developed to a point of efficiency which can actually achieve savings, rather than added costs, for farmers, industry, and for housewives doing the family food shopping. This is indisputably proved by the fact that humane methods of slaughter are in use today in a very few American packing plants and that the managers of these plants find their improved methods efficient and economical.

The legislation that we propose also will benefit the men who work in packing plants. Experience has proved that humane methods of slaughter improve working conditions and drastically lower the accident rate among workmen. I happen to know, from personal conversations with packinghouse workers, that they are among the most enthusiastic supporters of humane methods.

This, in summary, is legislation which should be promptly enacted in order to end a national immorality. And it is legislation that will, happily, bring benefits to our people as well as to the animals who live with us in our land. Cruelty and Americanism are incompatible.

Mr. President, I ask unanimous consent that a letter written by Mr. Sam Taylor, of Troy, N. Y., which appeared in the Oregon Labor Press, Portland, Oreg., on January 25, 1957, be printed in the RECORD immediately following my remarks, and that there also be included two fine letters which I have received on the subject, from Mrs. A. H. Vinje, of Portland, Oreg.; and Mr. and Mrs. E. H. Roberts, of Beaverton, Oreg.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *January 25, 1957.*

Senator RICHARD NEUBERGER,
United States Senate Building,
Washington, D. C.

SENATOR NEUBERGER: In the Oregon Labor Press of January 25, 1957, I read a letter which distressed me terribly. It was written by Sam Taylor, of Troy, N. Y., in regard to the more humane slaughter of animals.

I do not know if the letter states the true picture of all our slaughterhouses or not, but my husband has seen animals slaughtered in this manner here in Portland and says it is all quite true. If it is true it certainly doesn't speak well for us in our supposedly enlightened age or our treatment of dumb animals.

Can't something be done to force these packinghouses to slaughter these animals in a more humane manner, as it is evident they won't all do it on their own initiative.

Thank you for your time.

Sincerely,

MRS. A. H. VINJE.

BEAVERTON, OREG., *January 29, 1957.*

Senator RICHARD L. NEUBERGER,
Washington, D. C.

DEAR MR. SENATOR: I am a housewife—I have a plea to make.

It seems more than just ironic that we, as a people, commend ourselves on being a highly cultured and civilized nation. We content ourselves with pride that we set the great example of loving our neighbor as ourselves; that we enjoy great peace with our fellow man, yet we cruelly ignore the responsibilities we owe to the "lesser creatures", our dumb animal friends.

I refer of course to the humane slaughter bill, which I understand you are presenting to the legislature. I cannot commend you too highly for this work. I understand that

approximately 7 million animals each day go through a terrifying cruel death in our slaughterhouses, because of the antiquated, medieval, indiscriminate method of butchering; it is appalling and revolting, and definitely needless. If we must eat meat (and few have risen to that place where he needs it not), the least we can do is be humane in the preparation of its consumption.

I understand that some packinghouses are already using the more humane method of slaughtering, such as this paragraph indicates from a recent article printed in a local newspaper:

"Two major packers, the George A. Hormel Co., who anesthetize hogs by passing them through a carbon dioxide tunnel, and the Oscar Mayer Co., who stun their cattle with a bolt pistol, and a few smaller ones in this country who actually give a humane death without suffering to meat animals."

It is my great hope to see a law enacted that would force all slaughterhouses to employ means, either chemical or mechanical, that would render completely insensible all livestock and poultry before the kill. Humane slaughter legislation has too long been ignored, and I am thankful that we have a stanch solid Senator like yourself to carry this thing through. Among my friends and relatives we are proud to have elected you to this office.

Sincerely,

Mr. and Mrs. E. H. ROBERTS.

HUMANE SLAUGHTER

To the Labor Press: I am writing you about humane slaughter.

Two major packers, the George A. Hormel Co., who anesthetize hogs by passing them through a carbon dioxide tunnel, and the Oscar Mayer Co., who stun cattle with a captive bolt pistol, and a few smaller packers are the only ones in this country who give a humane death, without suffering, to meat animals. Almost 7 million animals are killed every working day in our slaughter houses and with the exception of those slaughtered by the above packers they all have a terrifying and cruel death.

Knockers sometimes deliver a dozen blows with their heavy hammers before cattle are stunned into unconsciousness, often smashing their skulls and noses to a pulp and knocking out their eyes, causing absolutely unnecessary suffering and terror. They are shackled with heavy chains around a hind leg, which sometimes breaks the leg if it is a heavy animal like a hog; they are then hoisted into the air and their throats cut and they are left hanging there, suffering untold agony, to bleed to death.

Sometimes hogs that haven't been stuck properly and are therefore slower to die are thrown into steam vats while still conscious, and sometimes the feet of smaller animals are cut off before they lose consciousness and death releases them from their terrible suffering.

Humane slaughter legislation would require that all livestock and poultry be rendered insensible by mechanical, chemical or other means to be rapid, effective and humane. Such legislation, when enforced, would save the packers $50 million annually, a loss they sustain through bruising and mutilating meat animals.

All who would help should write to their Senators and Congressmen at Washington demanding that a humane law be enacted to force all slaughterhouses to use some form of an anesthetic before each kill.

SAM TAYLOR.

TROY, N. Y.

UNITED AIR LINES' TRUNKLINE SERVICE INTO SALEM, OREG.

Mr. NEUBERGER. Mr. President, since 1941 United Air Lines has served Oregon's capital city, Salem, and the Marion County delegation in the Oregon State Legislature has sponsored Senate Joint Memorial 1, which urges that no action be taken that would jeopardize or eliminate United Air Lines' trunkline service into the capital city of Oregon. The memorial, as passed by the legislature, was forwarded to me by the Oregon secretary of state.

Mr. President, I ask unanimous consent to place in the RECORD Senate Joint Memorial 1 of the Oregon State Legislature.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

Senate Joint Memorial 1

To His Excellency, the Honorable PRESIDENT OF THE UNITED STATES:

We, your memorialists, the 49th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas there is now being instituted an investigation by the Civil Aeronautics Board under the *Pacific Northwest Service* case (docket No. 5463), tentatively set for March 8, 1957, in Seattle, Wash.; and

Whereas such an investigation is to determine whether or not United Air Lines' service in Salem, Oreg., will be suspended or eliminated if a local service carrier is authorized to serve Salem; and

Whereas United Air Lines was issued a permanent certificate of public convenience and necessity by the Civil Aeronautics Board in 1941 to serve Salem, Oreg.; and

Whereas since that time United has served the area well with the most modern type of aircraft; and

Whereas the suspension of such trunkline service would be a great detriment to the industrial and economic growth of this community: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That this, the 49th Legislative Assembly of the State of Oregon, in regular session assembled, respectfully petition that no action will be taken that will jeopardize or eliminate United Air Lines' trunkline service into the capital city of Oregon.

FINANCIAL ASPECTS OF CONGRESSIONAL PARTICIPATION IN FOREIGN RELATIONS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article by Dr. Eli E. Nobleman, professional staff member of the Senate Committee on Government Operations, and a professional lecturer on international relations and organization at the American University. He is an outstanding, able, patriotic American who made a very fine record in World War II. The article is a valuable contribution to political science.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Annals of the American Academy of Political and Social Science, Philadelphia, September 1953]

FINANCIAL ASPECTS OF CONGRESSIONAL PARTICIPATION IN FOREIGN RELATIONS

(By Eli E. Nobleman)

Whether the Founding Fathers intended to vest control over foreign relations in the President or in the Congress has been the subject of continuous controversy since the birth of the Republic. Whatever their intention may have been, when they wrote into the Constitution the clause "No money shall be drawn from the Treasury, but in consequence of appropriations made by law,"[1] they gave to the Congress a means of exercising control concerning which there can be no doubt.

A review of past events reveals that every President and every Congress since the first have been aware of this potential power; Presidents have paid deference to it, although somewhat reluctantly; and the Congress has never failed to make known, if only for record purposes, that it considers itself an equal partner of the President if the conduct of foreign relations requires the appropriation and expenditure of funds.[2]

MEANS OF FISCAL CONTROL

For the most part, the Congress has used its fiscal primacy[3] to exercise control over foreign relations by means of (1) its power to withhold all or part of appropriations necessary to the execution of a particular policy or program; (2) riders attached to appropriations measures; and (3) its constitutional authority over revenue-raising measures.

Exercising its authority to withhold all or part of the funds necessary to implement policies and programs, the Congress is free to refuse to appropriate funds required for the execution of treaties; it can snub the President's requests for funds needed to finance long-range, large-scale military, economic, and technical-assistance programs; it can provide authorizations and funds for pet projects which are contrary to the President's policies; it can deny or limit the amount of money which the United States can contribute to international organizations, either as regular annual contributions or as voluntary payments to operating programs; and it can deny funds to enable the United States to participate in international meetings and conferences.

By attaching riders to appropriations bills, the Congress can take and has attempted to take the initiative in recognizing new states and issuing diplomatic instructions to United States delegates to international

[1] Art. I, sec. 9, clause 7.

[2] No specific study has ever been made of the manner and extent to which the Congress has exercised this authority. However, most of the works dealing with the conduct of American foreign relations, the respective powers of the President and the Congress in this field, and executive-legislative relations in general, contain some reference to and discussion of the problem. See Daniel S. Cheever and H. Field Haviland, American Foreign Policy and the Separation of Powers (Cambridge, 1952); Edward S. Corwin, the President's Control of Foreign Relations (Princeton, 1917); ibid, The President—Office and Powers (New York, 1948); Samuel B. Crandall, Treaties—Their Making and Enforcement (Second Edition, Washington, 1916); Royden J. Dangerfield, In Defense of the Senate (Norman, 1933); William Y. Elliott, et al., United States Foreign Policy, Its Organization and Control (New York, 1952); George B. Galloway, Congress at the Crossroads (New York, 1946); Ernest S. Griffith, Congress—Its Contemporary Role (New York, 1951); T. H. Lay, The Foreign Service of the United States (New York, 1925); Robert Luce, Legislative Problems (Boston, 1935); John M. Mathews, American Foreign Relations—Conduct and Policies (revised and enlarged, New York, 1938); Albert C. F. Westphal, The House Committee on Foreign Affairs (New York, 1942); Leonard D. White, the Federalists (New York, 1948); Benjamin H. Williams, American Diplomacy—Policies and Practice (New York, 1936); Quincy Wright, the Control of American Foreign Relations (New York, 1922).

[3] The author is indebted to Prof. Leonard D. White for the term "fiscal primacy." See White, op. cit., note 2, supra, p. 323.

conferences; it can condition and has conditioned the use of funds appropriated upon certain contingencies, or upon the President's taking or refraining from taking certain specified actions; and it can take and has taken the initiative from the President by making policy declarations.

Finally, by exercising its authority over revenue-raising measures, it can dictate customs and tariff requirements, upsetting seriously Presidential plans and policies in this area.

CONGRESSIONAL POSITION ON TREATIES

The first great issue which arose in connection with the fiscal power of the Congress over foreign relations was whether the Congress was obligated to appropriate funds needed for the execution of treaties which had been duly negotiated and ratified by the President after receiving the required sanction from the Senate. A corollary question was whether, in view of the fact that action by both Houses was required for an appropriation, it was necessary that the House of Representatives be consulted somewhere along the line prior to ratification by the President.[4]

Although the controversy which ultimately raged around these questions did not come to a head until 1796, when the President requested an appropriation to implement the Jay Treaty, the evidence is clear that both the first President and his Secretary of State were seriously troubled by the problem several years earlier.[5]

The Algerine question

It appears that in 1792 Washington was contemplating the negotiation of a treaty with Algiers for the ransom of Americans who had been captured by the Barbary pirates, and to establish peace and amity between the United States and Algiers. Jefferson, then Secretary of State, records that on March 11, 1792, he was consulted by the President, who on the following day was to meet with "a committee of the Senate," to obtain Jefferson's advice on whether it was proper "to redeem our Algerine captives and make a treaty with the Algerines on the single vote of the Senate without taking that of the Representatives." Jefferson's advice, which was surprisingly appropriate to the temper of the contemporary scene, was as follows:

We must go to Algiers with the cash in our hands. Where shall we get it? By loan? By converting money now in the Treasury? Probably a loan might be obtained on the President's authority but as this could not be repaid without a subsequent act of legislature, the Representatives might refuse it. So if [we] convert money in [the] Treasury, they may refuse sanction to it. * * * Therefore, against hazarding this transaction without the sanction of both Houses.

On April 9, 1792, Jefferson had another conference with the President on the same matter. His description of what transpired shows not only a singular awareness of the fiscal primacy of the Congress by both the President and his Secretary of State, but also the beginnings of the Senate-House rivalry which we have come to know so well. Jefferson records:

"The President had wished to redeem our captives at Algiers and to make peace with them on paying an annual tribute. The Senate was willing to approve this, but unwilling to have the lower House applied to previously to furnish the money; they wished the President to take the money from the Treasury, or open a loan for it. They thought that to consult the Representatives on one occasion, would give them a handle always to claim it, and would let them into a participation of the power of making treaties, which the Constitution had given exclusively to the President and the Senate. They said, too, that if the particular sum was voted by the Representatives, it would not be a secret."

It appears that at this stage of the discussion with his Secretary of State the President was ready to declare "a plague o' both their houses"; for Jefferson continues:

"The President had no confidence in the secrecy of the Senate, and did not choose to take money from the Treasury or to borrow. But he agreed he would enter into provisional treaties with the Algerines, not to be binding on us till ratified here. I * * * added that the Senate were to be apprised, that on the return of the provisional treaty, and after they should advise the ratification, he should not have the seal put to it till the two Houses should vote the money. He asked me if the treaty stipulating a sum and ratified by him, with the advice of the Senate, would not be good under the Constitution, and obligatory on the Representatives to furnish the money? I answered it certainly would, and that it would be the duty of the Representatives to raise the money; but that they might decline to do what was their duty, and I thought it might be incautious to commit himself by a ratification with a foreign nation, where he might be left in the lurch in the execution."

This advice, though both moderate and sound, appears to have enraged the President, for Jefferson records:

"He [Washington] said that he did not like throwing too much into democratic hands, that if they should not do what the Constitution called on them to do, the Government would be at an end, and must then assume another form. He stopped there; and I kept silence to see whether he would say anything more in the same line, or add any qualifying expression to soften what he had said, but he did neither."

Taking the practical approach, Jefferson concluded:

"I had observed that wherever the agency of either or both Houses would be requisite subsequent to a treaty to carry it into effect, it would be prudent to consult them previously if the occasion admitted. That thus it was we were in the habit of consulting the Senate previously when the occasion permitted, because their subsequent ratification would be necessary. That there was the same reason for consulting the lower House previously where they were to be called on afterward, and especially in a case of money, as they held the purse strings and would be jealous of them. However, he desired me to strike out the intimation that the seal would not be put till both Houses should have voted the money."

Although Washingon appears to have left the conference in somewhat of a temper, he followed Jefferson's advice, at least partially, since on May 8, 1792, only a month later, he addressed a communication to the Senate asking if that body would approve a convention or treaty stipulating the payment of a ransom not exceeding $40,000, or, if not, how much they would approve.[6]

Jefferson's fears that the Congress "might decline to do what was their duty" by failing to appropriate the necessary funds to enable the execution of the treaty appear to have been unfounded. Despite the fact that Washington did not consult the House of Representatives in advance, substantial sums of money were made available by the Congress after the treaty had been duly ratified, following Senate approval.[7]

The Jay Treaty

In 1796, when the President requested an appropriation to implement the Jay Treaty, after it had been duly ratified and proclaimed by the President on February 29 and communicated to the Congress the following day, Jefferson's fears were fully realized.[8] On March 24, 1796, a resolution was adopted by the House of Representatives, by a vote of 62 to 37, requesting the President to transmit to the House copies of his instructions to Jay, together with certain other papers pertaining to the negotiation of the treaty, which was one of the most highly controversial subjects of Washington's administration. This request raised directly the issue of the extent to which the House was entitled to participate in the treaty process through its undoubted power over appropriations. Indirectly, it raised the still unsettled question of the right of the Congress to request executive papers.

Washington, apparently fully aware of the importance of his decision as a precedent, notified the House committee which had presented the request that he would consider the matter. Before replying, however, he requested written opinions from the heads of various departments and he conferred privately with Hamilton.

Both in and out of Congress, a great debate ensued. Hamilton argued, in support of the administration, that in making treaties the supreme law of the land, the Constitution converted the obligation of a treaty at international law into complete constitutional obligation, and hence left the Congress no discretion.[9] Madison and Gallatin, on the floor of the House of Representatives, replied that the very purpose of the Constitution in forbidding any money to be paid out of the Treasury except in consequence of an appropriation made by law was to leave the Congress a free agent in voting such appropriations. Madison pointed out, in a speech delivered on March 7, 1796:

"It was an important, and appeared to him to be a decisive, view of the subject, that if the treaty power alone could perform any one act for which the authority of Congress is required by the Constitution, it may perform every act for which the authority of that part of the Government is required. Congress have power to regulate trade, to declare war, to raise armies, to levy, to borrow, and to appropriate money, and so forth. If, by treaty, therefore, as paramount to the legislative power, the President and Senate can regulate trade, they can also declare war, they can raise armies to carry on war, and they can procure money to support armies. The force of this reasoning is not obviated by saying, that the President and Senate would only pledge the public faith, and that the agency of Congress would be necessary to carry it into operation. For what difference does this make, if the obligation imposed be, as is alleged, a constitutional one; if Congress have no will but to obey, and if to disobey be treason and rebellion against the constitued authorities?"[10]

Gallatin argued that the power to make treaties was a general power, while the power to make appropriations was specifically vested in the Congress; that if the power to make treaties, as vested in the President and the Senate, were unlimited, the Executive with the Senate might, under color of a treaty, entirely eliminate the House of Representatives from legislation by substituting a foreign nation or some Indian tribe.[11]

On March 30, 1796, in a carefully worded but firm message to the House of Representatives, Washington refused to comply with the request for the Jay papers, asserting that it would create "a dangerous precedent," that the treatymaking power was vested exclusively in the President and the Senate, that the intervention of the lower House had been specifically rejected by the Constitutional Convention, and that it was essential to the "due administration" of the Government to preserve the boundaries fixed by the Constitution.[12]

In arriving at his decision, which was a momentous one, Washington's thoughts on the subject appear quite similar to those of any of our contemporary Presidents in their relations with the Congress. In a letter to Hamilton, in which he displayed a realistic understanding of the importance of maintaining cordial relations with the Congress, Washington wrote:

"From the first moment, and from the fullest conviction in my own mind, I had resolved to resist the principle which was evidently intended to be established by the call of the House of Representatives; and only deliberated on the manner in which this could be done, with the least bad consequences."[13]

The House of Representatives, however, seemed determined not to take this rebuff without further action. On April 7, 1796, it adopted a resolution by a vote of 57 to 35, disclaiming that the House had any agency in the making of treaties, but asserting:

"When a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend, for its execution as to such stipulations, on a law or laws to be passed by Congress. And it is the constitutional right and duty of the House of Representatives, in all such cases, to deliberate on the expediency or inexpediency of carrying such treaty into effect, and to determine and act thereon, as in their judgment, may be most conducive to the public good."[14]

After thus stating its position, the House, on April 30, 1796, by a vote of 51 to 48, adopted a resolution providing that funds should be made available for the execution of the treaty, and on May 6, 3 acts were approved making the required appropriations for the Jay Treaty and 3 other treaties.[15]

ATTEMPT TO RECOGNIZE SOUTH AMERICAN STATES

In 1818 a controversy arose in the House of Representatives in connection with an attempt to recognize the South American States which had revolted from Spain, by attaching to an appropriation bill a rider providing $18,000 for a minister to those States "whenever the President deemed it expedient" to send one.[16] The rider, which was offered by Henry Clay, then Speaker of the House, before any definite action had been taken by President Monroe, was immediately attacked as "an act of usurpation [and] an invasion of executive authority," and, after some debate, it was defeated by a vote of 45 to 115.[17]

DELEGATION TO PANAMA CONGRESS

In 1826, when President John Quincy Adams requested funds to finance a mission to attend an international conference to be held at Panama, an attempt was made in the House of Representatives to issue instructions to the delegation and to prescribe certain conditions, by means of a rider to the bill appropriating such funds.[18] In support of this action, it was argued that the power of the House to appropriate for the expenses of the mission carried with it the right to impose conditions.

Opposing such action, Daniel Webster, on the floor of the House, argued, in language which is strangely reminiscent of any of the contemporary debates on important foreign policy issues:

"This amendment * * * was unprecedented, nothing of the kind having been attempted before. It was, in his opinion, unconstitutional; as it was taking the proper responsibility from the Executive and exercising ourselves, a power which, from its nature, belongs to the Executive and not to us. It was prescribing, by the House, the instructions for a minister abroad. It was nugatory, as it attached conditions which might be complied with, or might not. And lastly, if the gentlemen thought it important to express the sense of the House on these subjects * * * the regular and customary way was by resolution. * * * we must make the appropriation without conditions, or refuse it. The President has laid the case before us. If our opinion of the character of the meeting, or its objects, led us to withhold the appropriation, we had the power to do so. If we had not so much confidence in the Executive, as to render us willing to trust to the constitutional exercise of the Executive power, we have power to refuse the money. It is a direct question of aye or no. If the ministers * * * may not be trusted to act, like other ministers, under the instructions of the Executive, they ought not to go at all."[19]

Although the Congress appropriated the funds requested without the objectionable rider, the American delegates never attended the conference. After starting out 4 months late as a result of the extended debate, one delegate died en route, and the other, finding himself so far behind schedule, ultimately abandoned his efforts to reach Panama.[20]

QUESTION OF RECOGNITION OF TEXAN INDEPENDENCE

In 1837 another attempt was made in the House of Representatives to take the initiative in recognizing new governments, in the form of a motion to amend the civil and diplomatic appropriation bill by providing funds for "an outfit and salary of a diplomatic agent to be sent to the independent Republic of Texas."[21] Speaking on the floor of the House with respect to this amendment, John Quincy Adams said:

"That the act of recognition of a foreign power has heretofore always been an executive act of this Government. It was the business and duty of the President * * * and he [Mr. Adams] was not willing to set the example of giving that recognition on the part of the legislative body without recommendation of the Executive."[22]

Eventually the word "independent" before the words "Republic of Texas" was stricken out, and the bill was passed with the addition of a clause authorizing such action "whenever the President * * * shall receive satisfactory evidence that Texas is an independent power, and that it is expedient to appoint such a minister."[23]

QUESTION OF MINISTER TO MEXICO

In 1842 a motion was made in the House to amend an appropriation bill supplying funds for the salaries of United States ministers to eight governments, by striking out the provision for a minister to Mexico, on the ground that the commercial and other international relations between the United States and Mexico were not of sufficient importance to merit more than consular representation.[24]

The following remarks of Representative Linn, of New York, in support of the motion which he had sponsored, are particularly pertinent and interesting to our inquiry, since they constitute an early instance of a frank acknowledgment that the real control which the Congress exercises over foreign relations stems from its power to grant or withhold appropriations:

"One of the most important functions bestowed on the Executive of this Nation is the control of foreign intercourse. * * * (The power of this House, as a coordinate branch of the legislature, over our foreign intercourse, is rather incidental than direct or express; and yet may, as it should, be both potent and controlling. Accordingly, from the origin of the Government to the present time, this House has exercised this power, in the negative form, of either confining the appropriations within the limits of its own judgment and discretion, or of withholding them from particular branches of the service. * * * From 1790 to the present time, the same control, and in the same form * * * has been indisputably exercised by Congress; and at every session up to the present, this House, through its power over supplies—a power inherent and constitutional—has directed, sometimes by increasing, and sometimes by limiting, the Executive discretion.)"[25]

Replying to Mr. Linn, Representative PICKENS, of South Carolina, stated that—

"He believed that some alterations in our diplomatic arrangements were necessary, but

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[4] See, in general, the works cited, note 2, supra.

[5] The following account and quotations are taken from The Writings of Thomas Jefferson (Ford edition), vol. I (New York, 1892), pp. 133–134, 190–192.

[6] James D. Richardson, Messages and Papers of the Presidents, vol. I (Washington, 1896), p. 123. In the same communication, Washington asked the Senate whether they would approve a treaty of peace with Algiers which provided for an annual payment by the United States of $25,000. Ibid.

[7] The Senate gave its advice and consent to the treaty on March 3, 1796, and the President ratified and proclaimed it on March 7, 1796; 8 Stat. 133–137. See David Hunter Miller, Treaties and Other International Acts of the United States of America (vol. 2 (Washington, 1931), pp. 375–317. For the amount of money involved, see p. 316.

[8] The following account is based on Miller op. cit. note 7 supra, pp. 245–274; Crandall, op. cit. note 2 supra, pp. 165 ff.; White, op. cit. note 2 supra, p. 63; Henry St. George Tucker, Limitations on the Treaty-Making Power (Boston, 1915), ch. 6. An account of the political aspects of the Jay Treaty is found in Thomas A. Bailey, A Diplomatic History of the American People (4th ed., New York, 1950), pp. 63 ff.

[9] Edward S. Corwin, The President—Office and Powers (New York, 1948), p. 214.

[10] Thomas Hart Benton (compiler), Abridgment of the Debates of Congress (New York: Appleton, 1858–61), vol. I, pp. 650–653.

[11] Crandall, op. cit., note 2, supra, p. 168.

[12] Richardson, op. cit., note 6, supra, pp. 194–196.

[13] Washington, Writings, XXX, p. 6, cited in White, op. cit., note 2, supra, p. 65.

[14] Annals of Congress, 4th Cong., 1st sess., pp. 771–782.

[15] Crandall, op. cit., note 2, supra, p. 171, citing Annals of Congress, 4th Cong., 1st sess., p. 1291; 1 Stat. 459, 460.

[16] Annals of Congress, 15th Cong., 1st sess., vol. II, pp. 1468, 1500. See also Edward S. Corwin, The President's Control of Foreign Relations (Princeton, 1917), p. 73 ff.; Mathews, op. cit., note 2, supra, p. 482 ff.; S. Doc. 56, 54th Cong., 2d sess., p. 39 ff.

[17] Corwin, op. cit., note 16, supra, p. 74 ff.

[18] Adams had previously advised the Senate that he had accepted an invitation to the conference, and requested its support in providing the necessary appropriation. Richardson, op. cit., note 6, supra, vol. II, p. 318. See also Mathews, op. cit., note 2, supra, pp. 444–445; S. Doc. 56, op. cit., note 16, supra, p. 37 ff.

[19] Benton, Abridgments of the Debates of Congress, IX, p. 91. See also Corwin, op. cit., note 16, supra, pp. 40–41; Mathews, op. cit., note 2, supra, pp. 444–45. A discussion of the political aspects of the Panama Congress issue is found in John W. Foster, A Century of American Diplomacy (Boston, 1900), p. 451 ff.

[20] Bailey, op. cit., note 8 supra, p. 196; Samuel Flagg Bemis, A Diplomatic History of the United States (3d edition, New York, 1950), p. 209.

[21] S. Doc. 56, op. cit., note 16 supra, p. 43; Corwin, op. cit. note 16, supra, p. 78.

[22] S. Doc. 56, op. cit., note 16, supra, p. 43.

[23] Ibid.

[24] Congressional Globe, Appendix, 27th Cong., 2d sess., pp. 513–514.

[25] Ibid., p. 514. Matter in parenthesis supplied.

he was willing to leave that matter to the direction of the Executive, who was constitutionally charged with it." [30]

After considerable debate, the amendment was withdrawn.[31]

THE ALASKA PURCHASE

In 1867, the issue of whether the Congress was obligated to appropriate funds to enable the execution of a duly ratified treaty arose again in connection with the treaty with Russia for the purchase of Alaska. After the treaty had been duly ratified and proclaimed, President Johnson requested an appropriation of $7,200,000, the payment stipulated in the treaty, and legislation providing for the occupation and government of the new Territory.[32]

The House Committee on Foreign Affairs, which prior to 1920 was authorized to report appropriations, reported a bill which contained the legislation requested by the President, including the appropriation, stated that its right to review the merits of a treaty was now conceded.[33] When the bill reached the floor, on July 14, 1868, by a vote of 98 to 49 an amendment was added containing language virtually identical with that contained in the 1796 House resolution in connection with the Jay Treaty:

"Whereas the subjects thus embraced in the stipulations of said treaty are among the subjects which by the Constitution of the United States are submitted to the power of Congress * * * it being for such reason necessary that the consent of Congress should be given to said stipulations before the same can have full force and effect. * * * *Be it enacted*, That the assent of Congress is hereby given to the stipulations of said treaty." [34]

A second amendment, declaring that the powers vested by the Constitution in the President and Senate to enter into treaties with foreign governments do not include the power to complete the purchase of territory before the necessary appropriations shall be made therefor by act of Congress, failed by two votes.[35]

The Senate refused to accept the House amendment, and when the bill emerged from conference the amendment had been altered to read: "and whereas said stipulations cannot be carried into full force and effect except by legislation to which the consent of both Houses of Congress is necessary." The clause "that the assent of Congress is hereby given to the stipulations of said treaty" was stricken out.[36]

CONGRESS NOT BOUND TO SUPPORT A TREATY

It may be noted in connection with this problem that between 1866 and 1950 the House of Representatives never seriously contended that the Congress was under no obligation to make an appropriation in implementation of a treaty which had been duly ratified.[37] Although there is authority for the proposition that the Congress is under a moral obligation to supply the appropriations necessary to enable the Government to carry out treaty commitments,[38] the prevailing view today, according to most of the leading authorities, is that the executive branch, even with Senate concurrence, cannot bind the Congress to make an appropriation in execution of a treaty commitment.[39] Professor Corwin observes that

"Although few, if any, treaty provisions have ever failed for lack of funds to carry them out * * * it is well established * * * that whatever any department [of the Government] does in the exercise of its powers is frequently at the mercy of what another department may do—or refuse to do—in the exercise of its powers." [40]

Perhaps the most realistic and pithy description of the situation is the observation of former Representative Robert Luce, who stated:

"The fact is that whether right or wrong, the House has the whip hand by reason of its exclusive power to start appropriations, so that whenever it wants to, it can nullify any treaty that requires the spending of money in order to give it effect. This has made the real question one of morals rather than of mechanics." [41]

COMMERCIAL RELATIONS

Closely related to the fiscal power of the Congress in connection with the execution of treaties is the question of whether treaties and international agreements which purport to affect customs and tariffs, and which are entered into by the President with Senate concurrence, require congressional action by way of legislation to carry them into effect.

The problem arose originally because, although tariffs are clearly a legitimate subject of international negotiation, the Constitution expressly provides that "all bills for raising revenue shall originate in the House of Representatives;" [42] and specifically gives Congress power to regulate commerce with foreign nations.[43]

Although this question caused considerable controversy when it first arose, it presents no problem today, since the executive branch has generally recognized that treaties and agreements affecting tariffs and customs revenues should not be negotiated without prior approval of the Congress; and the Reciprocal Trade Agreements Act of 1934, and its subsequent extensions, give full recognition to this principle.[44] It may be noted, however, that the Congress has never hesitated to exercise its powers in this area, and the executive branch has, on occasion, been hampered by the necessity of obtaining congressional enabling legislation for commercial dealings with foreign governments which are designed specifically to accomplish major objectives of foreign policy.

PRESIDENT GRANT'S PROTEST

During the period under consideration, one further instance of Congressional fiscal action as a means of controlling foreign policy merits attention. On August 14, 1876, President Grant sent a message to the House protesting against a clause in the diplomatic appropriation bill for the ensuing year which directed the President to notify certain diplomatic and consular officials "to close their offices." "In the literal sense of this direction," he asserted, "it would be an invasion of the constitutional prerogatives and duty of the President." [45]

ARMY APPROPRIATION CONDITIONED

In 1912 Senator Bacon of Georgia proposed an amendment to the Army appropriation bill for that year, which provided that, with certain exceptions, none of the funds appropriated by the bill should be used for "the pay or supplies of any part of the Army of the United States employed or stationed in any country or territory beyond the jurisdiction of the laws of the United States, or in going to or returning from points within the same." [46] When Senator Root objected that the amendment would encroach upon the President's powers as Commander in Chief, it was defeated without a record vote.[47]

QUESTION OF INTERNATIONAL CONFERENCES

In 1913 the Congress attempted to limit the discretion of the President by adding the following provision as a rider to a deficiency appropriation bill: "Hereafter, the Executive shall not extend or accept any invitation to participate in any international congress, conference, or like event without specific authorization to do so." [48]

This act, which is still on the statute books, and which was characterized by President Wilson as "utterly futile" and in excess of the power of Congress, has elicited much comment.[49] Professor Wright states that "Congress has undoubtedly gone beyond its powers in thus attempting to control the President's foreign negotiations and the President has ignored the act, notably at the Versailles Peace Congress." He admits, however, that "the actual influence of Congress in this field depends upon the necessity for appropriations. If international conferences become frequent, this necessity would doubtless be controlling." [50]

Professor Mathews observes that "by this stipulation Congress assumed to exercise the power of controlling the discretion of the President in this matter. If the provision were valid, he must secure in each particular case the prior authorization of Congress * * *." He notes, however, that "since the passage of the act of 1913, the President has generally, although not invariably, complied with its provisions." [51]

Lay, in his treaties on the Foreign Service, remarks that "* * * it is difficult to see how the authority to participate in an international conference could be reserved to Congress, while the authority to negotiate with foreign nations is committed to the President." He concludes that although congressional control of the purse strings is an important factor, "should the President deem it advisable to undertake such participation upon his own responsibility, he might employ any of his regularly appointed diplomatic representatives." [52]

Professor Corwin, commenting on the 1913 rider in the original edition of his work on the Presidency, states that "this measure is so obviously in conflict with the doctrines and precedents * * * that its successful defiance only awaits an adequate occasion." [53] In the 1948 edition of the same work, however, he makes only the following comment: "Shades of Cairo, Teheran, Yalta, Potsdam." [54]

This provision appears clearly to be an unconstitutional interference with the President's prerogatives. Since the United States participates in approximately three hundred international conferences each year, it is difficult to determine the extent to which attention has been paid to the act in recent years. In any event, it appears that when the Congress appropriates funds each fiscal year to enable United States participation in international organizations, either by way of regular annual appropriations for contributions and administrative expenses or for the International contingencies fund of the Department of State, implied consent is given.

CONGRESSIONAL INITIATIVE IN SEEKING WORLD PEACE

In 1916, the Congress attempted to take the initiative in foreign policy by attaching as a rider to a Navy appropriation act a provision declaring it "to be the policy of the United States to adjust and settle its international disputes through mediation or arbitration, to the end that war may be honorably avoided. * * *" [55] This provision also authorized and requested the President, at an appropriate time, not later than the close of war in Europe, to invite "all the great Governments of the world to send representatives to a conference * * * charged with the duty of formulating a plan for a court of arbitration or other tribunal, to which disputed questions between nations shall be referred for peaceful adjudication and peaceful settlement and to consider the question of disarmament."

For this purpose, $200,000 was appropriated, and the President was authorized to appoint nine American citizens to represent the United States. The President ignored these provisions, and no effect was ever given to them.[56]

In 1921 a rider to the Naval Appropriation Act for the ensuing year authorized and requested the President "to invite the Governments of Great Britain and Japan to send representatives to attend a conference," charged with arriving at an understanding for the reduction of the naval expenditures and building programs of each Government during the next 5 years.[57] This provision was inserted in the bill at the insistence of Senator Borah, who, according to Corwin, "had set up as a sort of State Department of his own." [58] It resulted in considerable controversy, and was adopted despite the fact that President Harding, who had previously expressed himself as favorable to the Congressional request, subsequently took the position that it was too specific, in that it permitted him no discretion to enlarge the agenda of the proposed conference or to include other nations.[59]

A similar provision in the Naval Appropriation Act of 1924, in which the President was requested "to enter into negotiations" with various foreign governments to reach an understanding for the limitation of certain types of naval armaments, appears to have been disregarded by the President.[60] The provisions of the 1921 act, however, are said to have had considerable influence upon his decision to call the Conference on Limitation of Armament.[61]

THE OPIUM CONFERENCE

In 1924 the Congress, at the President's request, appropriated funds to enable an American delegation to attend the International Opium Conference at Geneva, but provided in the act that the delegation should sign no agreement which did not fulfill certain specified provisions.[62] When the delegation found that a treaty containing the required provisions was unattainable, the head of the delegation, Representative Porter, then chairman of the House Committee on Foreign Affairs, read from the statute paragraphs which he stated forbade him to sign any less comprehensive agreement, and withdrew the delegation from the Conference.[63]

A curious feature of this incident was the fact that Representative Porter was both the author and instigator of the detailed instructions in the appropriation act, as well as the head of the delegation. Thus, he not only originated the instructions, but also was appointed to carry them out.[64]

UNITED STATES AND PERMANENT COURT OF INTERNATIONAL JUSTICE

In 1932, after numerous futile attempts had been made to obtain Senate approval of United States adherence to the protocols of the Permanent Court of International Justice, Representative Linthicum, then chairman of the House Foreign Affairs Committee, sponsored a joint resolution authorizing the appropriation of a specific sum as the United States share of the Court's expenses for the year 1932.[65]

This resolution, which was introduced too late in the session to receive the consideration of the House, was designed by its sponsors to ease the United States into the Court through the House's coordinate power over appropriations, leaving to the Senate the task of setting up whatever safeguards it desired. It is interesting because it demonstrates the unusual situation of the House's taking the initiative in attempting to implement Presidential policy, despite Senate opposition to that policy.

ATTEMPT TO SEVER RELATIONS WITH U. S. S. R.

One final episode during this period, which is particularly pertinent, occurred in the House of Representatives, in connection with an attempt made in 1940 to sever diplomatic relations with the Union of Soviet Socialist Republics by means of an amendment to the annual appropriation bill for the Department of State, striking out the salary for the United States Ambassador to the Soviet Union.[66] In support of the amendment, Representative McCormack, of Massachusetts, its sponsor, argued that the Soviet Government had breached its promise not to engage in subversive activities in the United States, which promise had been one of the conditions of renewal of diplomatic relations in 1933.

A number of Members supporting the amendment admitted that it was not the proper procedure to alter diplomatic relations in an appropriation bill. They pointed out, however, that this was the only course left to them, since bills designed to accomplish this had been shelved in the Foreign Affairs Committee, allegedly because of the State Department's influence. To these arguments, Mr. McCormack replied as follows:

"This is the proper place. We have the responsibility of appropriating money. True, the question of diplomatic relationship in itself rests with the executive branch of the Government, but under the Constitution we have the power of expressing our own views as a body when appropriation bills are under consideration. In rare cases, such as in the case of the Soviet Union, we are justified in exercising our constitutional power.

"The argument that this is not the place for this question to be discussed certainly is irrelevant if advanced from a constitutional angle, because the framers of the Constitution left it with Congress to appropriate money. Congress has the power not to appropriate money for any particular purpose."

Representative Celler, of New York, after assuring the House that he despised the Soviet Union and was perfectly willing to see the United States sever diplomatic relations with that Government, raised the constitutional issue, as follows:

"Since when do we in this Chamber, or in the cloakroom, conduct the foreign affairs of this Nation? We have a Secretary of State in whom I, and I am sure you, repose the greatest confidence, because he is, in truth and in fact, a great Secretary of State. * * * Has Mr. Hull authorized any one of us to bring forward an amendment of this character? No. He would frown upon such an amendment. He would ask you to vote against such an amendment, because you cannot carry on foreign affairs in this Chamber. * * * Does the President know about this amendment? Emphatically, no. * * * How ridiculous then to carry on diplomatic relations in such an emotionally forensic manner, without even the knowledge of the President or Secretary Hull. If such a motion as the gentleman from Massachusetts presents could prevail, then what would be the use of a State Department? Let the Appropriations Committee carry on our foreign affairs. I repeat, let us sever diplomatic

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[30] S. Doc. 56 op. cit., note 16, supra, p. 44.

[31] Ibid.

[32] Crandall, op. cit., note 2, supra, pp. 175–176; Westphal, op. cit. note 2, supra, pp. 143 ff.; Richardson, op. cit., note 6, supra, vol. VI, p. 523.

[33] H. Rept. 37, 40th Cong., 2d sess. (1868).

[34] Congressional Globe, 40th Cong., 2d sess. (June 30, 1868), pp. 3621 ff.

[35] Crandall, op. cit., note 2, supra, p. 179; Westphal, op. cit., note 2, supra, p. 145.

[36] Ibid.

[37] Crandall, op. cit., note 2, supra, p. 177; Westphal, op. cit., note 2, supra, p. 145. In 1871 the House adopted a resolution almost identical with that adopted in 1796 in connection with the Jay Treaty, but it was done under suspension of the rules and without debate. Congressional Globe, 42d Cong., p. 835. In 1950 the House Foreign Affairs Committee raised the question indirectly in connection with its consideration of pending legislation to raise the ceilings on United States contributions to international organizations to which this Government is obligated to contribute pursuant to treaty or convention. See House Report 1257, 81st Cong., 1st sess., p. 3. This action will be discussed at a subsequent point.

[38] William H. Taft, Our Chief Magistrate and His Powers (New York, 1925), p. 115; Wright, op. cit., note 2, supra, p. 236. See also the views of Alexander Hamilton, quoted in Wright, p. 354 n.

[39] Corwin, op. cit., note 9, supra, p. 214; Crandall, op. cit., note 2, supra, p. 177; Dangerfield, op. cit., note 2, supra, p. 300; Lay, op. cit., note 2, supra, pp. 59 ff.; Luce, op. cit., note 2, supra, p. 126; Mathews, op. cit., note 2, supra, pp. 564 ff.; Tucker, op. cit., note 8, supra, ch. 8.

[40] Corwin, loc. cit., note 36, supra. See also Wright, loc. cit., note 34, supra.

[41] Luce, loc. cit., note 35, supra. I do not agree that the House of Representatives has exclusive power to originate appropriations. From an early date, the House has arrogated this power to itself and by practice and custom it is now said to have such authority. However, the Constitution is silent on the subject, and there is considerable evidence that the Founding Fathers never intended to give such power exclusively to the House.

[42] Art. I, sec. 7, clause 1.

[43] Art. I, sec. 8, clause 3.

[44] Crandall, op. cit., note 2, supra, ch. 13, especially p. 195 ff.; Mathews, op. cit., note 2, supra, p. 576. A concise summary of the problem is found in Mathews, p. 571 ff. See also Westphal, op. cit., note 2, supra, p. 137 ff.

[45] Richardson, op. cit., note 6, supra, vol. VIII, p 377.

[46] 48 Congressional Record, pp. 10921–10930 (Aug. 14, 1912), quoted in Corwin, op. cit., note 9, supra, p. 448. See also Mathews, op. cit., note 2, supra, p. 566 n. Emergencies arising when Congress was not in session were excepted. Ibid.

[47] Corwin, loc. cit., note 42, supra.

[48] Act of March 4, 1913 (37 Stat. 913).

[49] 22 U. S. C. 262. See Williams, op. cit., note 2, supra, p. 390.

[50] Wright, op. cit., note 2, supra, p. 328.

[51] Mathews, op. cit., note 2, supra, p. 447.

[52] Lay, op. cit., note 2, supra, p. 58.

[53] Corwin, op. cit., note 9, supra, 1940 edition, p. 224.

[54] Ibid., 1948 edition, p. 232.

[55] Act of August 29, 1916 (39 Stat. 618).

[56] Lay, op. cit., note 2, supra, pp. 64–65, Mathews, op. cit., note 2, supra, p. 333.

[57] Naval Appropriation Act of July 12, 1921 (42 Stat. 122). See Lay, op. cit., note 2, supra, p. 65.

[58] Corwin, op. cit., note 9, supra, 1940 edition, p. 215.

[59] Westphal, op. cit., note 2, supra, pp. 108–109.

[60] Naval Appropriation Act of May 28, 1924 (43 Stat. 204); Lay, loc. cit., note 58, supra.

[61] Lay, ibid.

[62] Williams, op. cit., note 2, supra, p. 397.

[63] D. F. Fleming, The United States and World Organization—1920–33 (New York, 1938), p. 227.

[64] Williams, loc. cit., note 58, supra. In May 1931, when the United States was officially represented at another International Opium Conference at Geneva, its delegation cooperated fully in the work of the conference, and no attention appears to have been paid to the instructions contained in the earlier legislation. Fleming, op. cit., note 59, supra, p. 227 ff.

[65] H. Rept. 1626, 72d Cong., 1st sess. (1932). The committee amended the original resolution providing for an appropriation to have it read "authorizing an appropriation." See Westphal, op. cit., note 2, supra, pp. 174 ff. and 174 n.

[66] The following account and quotations are taken from 86 Congressional Record, pp. 1173–1179, 1192. For an interesting discussion of the probable effect of both amendments on United States diplomatic relations with the Soviet Union, see Westphal, op. cit., note 2, supra, pp. 129–132.

relations in a decent, straightforward manner—not in this haphazard, unusual, unthinkable manner."

On a division vote the amendment carried, 58 to 36. However, on a subsequent teller vote it was defeated, 105 to 106. Later in the day another amendment offered by Mr. McCormack, providing that no appropriation contained under the title "Foreign Intercourse" shall be used for the maintenance of an embassy in the Union of Soviet Socialist Republics or for salaries of officers at that post, was defeated by a vote of 38 to 95.

THE CONTEMPORARY SCENE

The events of the past 12 years have had a profound effect on the role of the Congress in foreign policy direction and control by means of its fiscal primacy. With the outbreak of World War II and during the period which followed, the United States assumed a position of leadership in world affairs which was, and continues to be, unparalleled and unprecedented in history. Traditional bilateral diplomacy, with occasional excursions into multilateral diplomacy, were all but replaced by a policy of wholehearted cooperation with other nations through participation in international organizations, and by large-scale foreign aid programs involving the expenditure of many billions of dollars each year.

Between July 1, 1940, the beginning of the first fiscal year following the outbreak of World War II, and March 31, 1953, the United States Government devoted a total of more than $92 billion to the achievement of its foreign policy objectives, and legislation authorizing and appropriating these funds involved approximately 158 enactments by the Congress.[42] Of the total amount involved, more than $49 billion was expended during the 5-year period of World War II; and approximately $43 billion was expended during the postwar period (since July 1, 1945), of which $28 billion was advanced prior to June 25, 1950, the date of the outbreak of the Korean War, and nearly $15 billion since that date.[43]

For the most part, these funds were made available in the form of grants or credits and were applied to (1) military aid, (2) relief, (3) economic and technical assistance, and (4) contributions to international organizations. Of the funds devoted to these purposes during the World War II period, more than $47 billion represented lend-lease; of the funds advanced during the postwar period, more than $20 billion has been devoted to mutual security, including military aid and economic and technical assistance; the balance represents civilian supplies, emergency relief and aid programs of an interim nature, and various other types of aid.[44]

Finally, from the beginning of the 80th Congress, through and including the 82d Congress—a period involving 6 fiscal years (1948–53)—the Congress has authorized and appropriated more than $34 billion for various mutual aid programs, in addition to some $131 million for regular annual contributions to international organizations in which the United States participates.[45]

Prominence of Congress

The significant feature of these amounts of money, apart from their astronomical size, lies in the fact that although they are usually said to have been appropriated or expended to further the President's foreign policy objectives, not a single dollar could or would have been made available without Congressional enactments. Thus, after occupying only a subordinate or supporting role in the foreign policy of the Nation for 150 years, the Congress finally found itself in the "driver's seat."

Nor was the Congress slow in appreciating its new role. In a report of the House Committee on Foreign Affairs on its activities during the 81st Congress, it was stated:

"The solution of today's problems requires legislative action on a scale unprecedented in American history. Particularly is this true in the field of foreign affairs, which have to a considerable extent become global in scope and effect. The nature of the world commitments and the world aspirations undertaken by this Nation cannot be considered in a compartment separate from the concrete steps necessary to fulfill those commitments and to realize those aspirations. To render their terms and objectives effective, the major foreign policy programs of our country involve heavy expenditures of public funds, so that the responsibility for the purse as it relates to our foreign policy cannot be separated from the root and substance of that policy. Thus, the Congress has become a significant, regular, and necessary participant in the conduct of the foreign affairs of this country."[46]

Having finally achieved a full partnership with the executive branch in foreign policy control, if not direction, the Congress has never hesitated to exercise that control by scrutinizing with painstaking care the executive requests for funds for foreign aid and other international programs. Not only have these requests been examined exhaustively by the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, but the Appropriations Committees of both Houses have also reviewed every item and reappraised every phase of almost every program exhaustively, despite the fact that the substantive committees had already performed that task and the authorization had become law.

Thus, in 1948 the House Appropriations Committee, after making a complete reexamination of the foreign-aid program, ignored the authorization of $6,533,710,228 for 1 year, and recommended an appropriation of $5,980,710,228 for a period of 18 months, thus reducing the amount by approximately $1 billion. In defense of its action it stated, "It is admittedly impossible for anyone to state with any degree of assurance the actual needs of the participating countries within a billion dollars."[47] Only after the late Senator Arthur H. Vandenberg, then chairman of the Senate Foreign Relations Committee, appeared before the Senate Appropriations Committee and made an impassioned plea for restoration of the funds eliminated, was action taken to restore them.[48]

In this connection it may be noted that from the outset the Congress made known to the President that it would appropriate no funds for the program if it were placed under State Department control and direction, thereby setting a course which is still followed today.

More recently, in the 83d Congress, the Executive requests for foreign aid totaling $16,445 million resulted in total appropriations of $13,330,851,726—a cut of more than $3 billion.[49]

Added and reduced appropriations

Nor has the Congress restricted its use of the fiscal power to the foreign-aid field. In 1948 an appropriation of $400 million was added to the foreign aid appropriation for aid to China, despite the President's objections.[50] In 1950, despite strong and repeated objections on the part of the administration, a mandatory loan to Spain in the amount of $62.5 million was included as a rider to the omnibus appropriation bill. Rather than veto the bill, which provided funds for the entire Government, the President signed it with the following announcement:

"I * * * feel obliged to comment upon the provision of the bill which authorizes loans for the purpose of assistance to Spain. I do not regard this provision as a directive, which would be unconstitutional, but instead as an authorization, in addition to the authority already in existence under which loans to Spain may be made. Spain is not, and has not been, foreclosed from borrowing money from this Government. Money will be loaned to Spain whenever mutually advantageous arrangements can be made with respect to security, terms of repayment, purposes for which the money is to be spent, and other appropriate factors and whenever such loans will serve the interest of the United States in the conduct of foreign relations."[51]

In 1951, when President Truman requested a supplemental appropriation of $97.5 million to accelerate the completion of certain broadcasting facilities for the Voice of America, which he stated were needed to overcome Soviet jamming efforts and make the campaign of truth more effective in countries behind the Iron Curtain, the House Appropriations Committee recommended a reduction of $88 million, or 90 percent, taking the position that existing facilities were adequate. Despite Presidential protests, the cuts were approved by the full House and Senate.[52] Shortly thereafter, the President's regular appropriations request for the Voice of America was reduced from $115 million to $65 million, a reduction of 26 percent, and Presidential protests were again ignored.[53]

Ceiling legislation

During the past few years the Congress has repeatedly asserted its authority in connection with United States participation in international organizations. Of particular in-

[42] U. S. Department of Commerce, Foreign Aid by the United States Government, Basic Data Through March 31, 1953, p. A–5 ff. The figure given is gross foreign aid. The statutory compilation is found in U. S. Department of Commerce, Foreign Aid by the U. S. Government, 1940–51, p. 107 ff. For the 82d Cong., 2d sess., see report of the Committee on Foreign Affairs, House of Representatives, Survey of Activities, 82d Cong., pp. 19 and 64 ff.

[43] U. S. Department of Commerce, Foreign Aid by the U. S. Government, Basic Data Through March 31, 1953, p. A–5 ff.

[44] U. S. Department of Commerce, Foreign Aid by the U. S. Government, 1940–51, p. 1 ff., ibid., Basic Data Through March 31, 1953, p. A–5 ff.

[45] Loc. cit., note 64, supra.

[46] Survey of Activities, Committee on Foreign Affairs, House of Representatives, 81st Cong., pp. 5–6, prepared by Sheldon Z. Kaplan, staff consultant. For a similar statement by the House Appropriations Committee, placing greater emphasis on the fiscal powers of the Congress in international matters, see H. Rept. 2316, 82d Cong., 2d sess., p. 50.

[47] H. Rept. 2173, 80th Cong., 2d sess., p. 3.

[48] See Hearings before the Committee on Appropriations, U. S. Senate, 80th Cong., 2d sess., on Economic Cooperation Administration, H. R. 6801, p. 423 ff. The Senate restored the funds and a compromise was reached in conference whereby $4 billion was appropriated for 12 months, $1 billion having already been made available through the Reconstruction Finance Corporation. Public Law 793, 80th Cong., 2d sess.

[49] See report of the Committee on Foreign Affairs, House of Representatives, loc. cit., note 63, supra.

[50] Public Law 794, 80th Cong.

[51] Department of State bull., vol. XXIII (Sept. 25, 1950), p. 517.

[52] Public Law 45, 82d Cong.

[53] Public Law 168, 81st Cong.

terest is Congressional action on the so-called ceiling legislation.

When the Congress enacted legislation authorizing United States participation in and contributions to the Food and Agriculture Organization, the International Labor Organization, the World Health Organization, and the South Pacific Commission, dollar ceilings were established in each of the acts, limiting the amounts which could be appropriated for the payment of our annual contributions. Underlying these limitations was the concern on the part of the Congress that, since the budgets and the assessments levied on member governments were fixed in these agencies by a majority vote of the members at the annual conference of their governing bodies, and since these agencies were expanding and developing, this Government might be called upon to pay a disproportionate share of their expenses. Furthermore, it was felt that the inclusion of these limitations would assure a regular means whereby the Congress might review the programs and objectives of the agencies and appraise the results of United States participation.[54]

When the budgets of these agencies increased and the United States assessment rose accordingly, the Department of State proposed legislation to remove these ceilings, as well as the ceilings on contributions to several older international organizations. In support of its proposal, the Department stated before a subcommittee of the House Foreign Affairs Committee that fixed statutory contributions were contrary to the principle of autonomous control of budgets and allocations of expenses, which by the provisions of the constitutions of these agencies, is left to their governing bodies; and that these restrictions amounted in effect to a reservation upon United States membership, which, in turn, had resulted from a treaty or convention.[55] The net effect of this argument was to raise the old question of whether the Congress was obligated to appropriate funds needed to implement a treaty, and if it failed to do so, whether the United States would be in default of its treaty obligations.

Although the Committee on Foreign Affairs ultimately agreed to legislation raising the ceilings, it rejected the argument of the administration in language quite reminiscent of the early days of the Republic:

"The committee * * * does not understand that the Constitutional relations within international organizations are to be considered paramount over Constitutional relations within the member governments themselves. This committee feels that the Constitutional system upon which this Government rests requires the interposition of the Congress as well as the Executive in the supervision on behalf of this Government of the operations of international organizations of which the United States is a member, and that this supervision goes to the substance.

"United States participation in such organizations arises not from inherent Executive powers under the Constitution, but is in pursuance to laws enacted by the Congress. The Executive cannot bind the Nation in this field, because contributions to international organizations involve the power of the purse, and that power belongs to the Congress. Since the Executive necessarily must seek the approval of the Congress before executing a commitment to an international organization involving the expenditure of United States funds, the question becomes simply the question of whether the Executive is to seek Congressional concurrence from time to time on the broad question of magnitude and then annually also on the question of the precise amount or only on the annual question of the precise amount alone.

"In the view of some, the fixing of a ceiling on the United States contribution is an infringement upon the autonomy of the organizations amounting in effect to a reservation upon United States membership. The committee does not agree with this view. In any event, the constitutional difficulty is not removed by erasing statutory limits on contributions. There would still remain the necessity for the Executive to seek the concurrence of the Congress in subsequent appropriations. An element of Constitutional contingency would still apply to the matter of United States support. The American people have by their Constitution vested the authority over appropriations in their Congress. This authority has not been yielded or transcended under any act of participation in an international organization. The Congress cannot convey elsewhere its ultimate obligations in this matter. It is a principle inherent in our Constitution. It is just as well that this be understood explicitly by other governments joining with this Government in international organizations."[57]

In 1951 and again in 1952, the House of Representatives on the floor adopted amendments to the State Department appropriations bill for 1952 and 1953 respectively, flatly prohibiting the use of any of the funds so appropriated for the payment of a United States assessment to any international organization in excess of one-third of the total annual cost thereof.[58] Each year the Senate Appropriations Committee has softened the blow by proposing in its report on the bill a substitute amendment which was ultimately adopted.[59] In 1951 the amendment provided in effect that no United States representative to any international organization could thereafter commit this Government to a contribution in excess of 33.33 percent of the budget of such organization. However, it exempted inter-American organizations and provided that "in exceptional circumstances necessitating a contribution by the United States in excess of 33.33 percent of the budget," a commitment could be made after consultation by United States representatives in the organization or other appropriate Department of State officials with the Committees on Appropriations of both Houses.[60]

As a result of this amendment, the United States Government, having been assessed 36.90 percent for the 1952 calendar year of the United Nations, had to refrain from voting on the resolution approving the assessments, despite the fact that this figure represented a reduction for the United States. Although the Department of State had written to the chairmen of the Senate and House Appropriations Committees requesting permission to exceed the limitation, since the Congress was not in session and the Department received no answer, it took the view that no proper consultation had been had within the meaning of the statute.[61]

In 1952 the Senate Foreign Relations Committee again recommended a substitute amendment for the flat prohibition adopted by the House of Representatives, which was adopted.[62] It provided that after fiscal year 1953, no United States representative in any international organization could commit this Government to contribute more than 33.33 percent of the budget of any international organization "for which the appropriation for the United States contribution is contained in this act." This limitation was also made applicable to any future international organizations in which the United States might participate, in the absence of specific authorization. Inter-American agencies were again excluded, but no provision was made for consultation in the event of exceptional or other circumstances.[63]

Since by January 1, 1954, United States contributions to all but one international organization will be 33.33 percent or less, this amendment has caused the administration no serious embarrassment. It may be noted, however, that during the past few years all the reports of the House Appropriations Committee on the State Department appropriations bills have contained statements decrying the high percentage paid by the United States to the budgets of international organizations and urging and directing United States representatives to exert every possible effort to obtain substantial reductions in this Government's assessments.[64]

Communist China membership in U. N. opposed

The most recent use by the Congress of its fiscal primacy to control and direct foreign policy occurred in connection with the State Department appropriations bill for 1954. In reporting the bill, the Senate Appropriations Committee recommended two amendments which would have had the effect of cutting off United States contributions to the United Nations automatically in the event of the admission of Communist China to membership in that organization.[65] These amendments, which appear to have had considerable support, were withdrawn, but only after the President had personally assured Senate leaders that it would be his policy to oppose vigorously any attempt to admit Communist China to the United Nations. However, the Senate unanimously adopted a substitute amendment declaring it to be the sense of the Congress that the Communist Chinese Government should not be admitted to membership in the United Nations as the representative of China.[66]

[54] S. Rept. 2450, 81st Cong., 2d sess., p. 2; H. Rept. 1257, 81st Cong., 1st sess., pp. 7–8.

[55] House report, ibid., p. 6.

[56] House report, ibid. Despite the dogmatic quality of the quoted language, the issue involved is by no means firmly settled. A more accurate statement of the principle might be that the Executive can bind the Nation in this field, but cannot commit the Congress as to contributions or any other necessary implementing legislation. See text accompanying footnotes 34 and 35 supra. The Senate Committee on Foreign Relations inserted an additional provision limiting all financial contributions to the agencies covered by the legislation to the amounts specified therein, with certain exceptions relating to voluntary relief programs. Public Law 806, 71st Cong.

[57] 97 Congressional Record 8981 (July 26, 1951); 98 Congressional Record 3519 (April 4, 1952).

[58] See S. Rept. 697, 82d Cong., 1st sess., pp. 6–7; Public Law 188, 82d Cong.; S. Rept. 1307, 82d Cong., 2d sess., pp. 5–6; Public Law 495, 82d Cong.

[59] Public Law 188, 82d Cong.

[60] Hearings before the subcommittee of the Committee on Appropriations, United States Senate, on Departments of State, Justice, Commerce, and the Judiciary appropriations for 1953, 82d Cong., 2d sess., pp. 729–731, 733–734, and 737–740.

[61] S. Rept. 1397, loc. cit., note 79, supra.

[62] Public Law 495, 82d Cong.

[63] H. Rept. 685, 82d Cong., 1st sess., p. 5; ibid., 2d sess., p. 6; ibid., 83d Cong., 1st sess., p. 4.

[64] S. Rept. 309, 83d Cong., 1st sess., p. 7.

[65] Congressional Record (daily edition), June 3, 1953, pp. 6202–6204. This amendment was agreed to by the House and is contained in sec. 111 of title I of the Departments of State, Justice, and Commerce Appropriation Act for 1954 (Public Law 195, 83d Cong.). It may be noted that sec. 110 of the same title prohibits the use of any funds appropriated in title I to pay the United States contribution "to any international organization which engages in the direct or indirect promotion of the principle or doctrine of one world government or one world citizenship * * *" or for the promotion of such doctrine or principle.

CONCLUSIONS

The foregoing review indicates that the Congress has never hesitated to use its fiscal powers freely in an effort to control or direct foreign policy and relations. Significantly enough, the basic question during the first 150 years of the life of the Nation rarely involved money or the conservation of the Nation's resources. For the most part, these actions, some of which were successful, were designed either to force the hand of the Executive in a particular matter or to assert legislative equality with the executive branch in the foreign relations field. In nearly every instance, the question at issue was whether the Founding Fathers intended to give the President powers and authority over foreign relations, superior to that given to the Congress. Finding itself unable to take the initiative, and fully realizing the futility of a joint resolution expressing policy if the President was not in accord, the Congress has resorted to its appropriations power as a controlling or directing device.

The outbreak of World War II and the subsequent assumption by the United States of world leadership have had a profound effect on the role of the Congress in foreign policy direction and control. Because the basic foreign policy objectives of the United States have involved the expenditure of vast sums of money, the Congress has become, at the very least, a full-fledged partner with the Executive in the control and direction of foreign policy. Appropriations riders and policy declarations are still resorted to on occasion as a means of taking the initiative.

Whether or not the Founding Fathers intended to vest control over foreign relations in the President or in the Congress has ceased to be of any great importance. The fact remains that as long as present world conditions exist and the foreign policy objectives and programs of the United States involve sizable appropriations and expenditures, the Congress will continue to exercise control and direction, and only at their peril will Presidents embark upon such programs without prior consultation with the Congress.

INCREASED COMPENSATION FOR POSTAL EMPLOYEES

Mr. SPARKMAN. Mr. President, the postal employees of this Nation are caught in a squeeze. The cost of things they have to buy to support themselves and their families has increased a great deal more during recent years than have their salaries. The present wage scale for our postal employees is inadequate and is in many ways a disgrace.

These conditions make it increasingly difficult for the Post Office Department to employ qualified workers. Moreover, many of our best qualified postal employees are leaving the service for higher wages in other jobs. There is no attraction for a family man either to join or to stay with the postal services.

In a recent economic survey made of letter carriers in Birmingham, Ala., for example, it was found that 60 percent or more are doing part-time work at other jobs, or that wives are having to work to supplement their husbands' pay in order to have enough income to buy the bare necessities of life.

The high requirements that one must meet before he is eligible for employment as a postal employee are not widely enough known. One literally must prove that he is a first-class citizen. For example, he must get two other people of unquestionable reputation to vouch for him by signing the application with him. Then, he has to go before a notary public to certify the correctness of the answers posed in the questionnaire.

He has to do these things before he is even permitted to take the examination, and he has to pass that examination with a grade of 70 or more before he is placed on the eligible list. Appointments are filled from the top of the list.

These are not unreasonable requirements, but if we are to insist—and I believe we should—that our postal employees be first-class citizens, we ought to be willing to pay them accordingly. As a friend in Alabama recently wrote me, "A first-class citizen is entitled to a wage scale that will allow him and his family to live in accordance with the American standard of living."

Many of us remember a study made by the Heller committee showing that a family of 4, in order to live the American standard of living, should have a take-home pay of $105 each week if he is renting, or $111 each week if he owns a home. However, with the present wage scale a top letter carrier with a family of 4, after 7 years on the job, has a weekly take-home pay of only $71.50.

On February 16, 1957, a rally of Postal and Federal employees was held in Birmingham, Ala. These employees adopted by unanimous vote a resolution with which I heartily concur. I ask unanimous consent that the resolution be incorporated as a part of my comments.

Among other things, the resolution recommends the passage of S. 27 and H. R. 2474. S. 27 was introduced by Senator OLIN D. JOHNSTON, chairman of the Senate Post Office and Civil Service Committee and a great friend of postal workers. This bill would go far towards giving these fine American citizens the pay and working conditions to which they are entitled.

Certainly, the Congress should enact legislation that will provide adequate salaries for our fine citizens that make up the postal services. I will wholeheartedly support legislation to that end.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas economic conditions make it necessary for Postal and other Federal employees to request an adjustment in their salaries; and

Whereas in the years of spiraling living costs, the salaries of the Postal and Federal employees have been seriously deficient. In prewar years, Postal and Federal employees enjoyed a favorable income position when compared with skilled industrial workers. Today, unskilled employees of private industry receive higher salaries than Postal and Federal employees; and

Whereas it is a national embarrassment that Postal and Federal employees have not kept abreast of the living standard enjoyed by their fellows in private employment and that they receive no credit for their increased productivity; and

Whereas we believe the only solution to the problem is contained in the legislation identified as S. 27 and H. R. 2474, be it therefore,

Resolved, That the Postal and Federal employees of Jefferson County, State of Alabama, in joint meeting assembled, go on record as urging the enactment of S. 27 and H. R. 2474, and be it also

Resolved, That copies of this resolution be sent to Senator LISTER HILL, Senator JOHN SPARKMAN, and Congressman GEORGE HUDDLESTON, JR.

Passed by unanimous voice vote at the salary rally held February 16, 1957, at Phillips High School, Birmingham, Ala.

DROUGHT CONDITIONS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 110)

The PRESIDING OFFICER (Mr. PASTORE in the chair). The Chair lays before the Senate a message from the President of the United States dealing primarily with drought conditions in certain sections of the United States.

This message, the Chair is informed, has been transmitted to the House of Representatives, also, and was read in that body today. In view of this fact, if there be no objection, the message will be referred to the Committee on Agriculture and Forestry, without its being read.

THE PRESIDENT'S DROUGHT MESSAGE OF MARCH 5, 1957

Mr. ALLOTT. Mr. President, today we have received the President's message on drought conditions. I, for one, was glad to see him emphasize, among other things, the fact that the administration's emergency programs should be kept close to the local people. For 2 years, now, I have attempted to persuade and encourage the Agriculture Department to simplify the handling of their loans by eliminating redtape and duplication in the Farmers Home Administration. The county committee system which operates and governs the granting of loans under the FHA program is a sound approach but it becomes so bogged down by a multiplicity of rules and regulations that it takes a team of lawyers to handle many of the applications.

It is necessary, therefore, that many applications must be processed clear through to Washington, causing needless delay and defeating the very point that the President has made this morning.

The Secretary of Agriculture has talked about simplification, the Department officials agree that simplification would expedite the program at the county level, but attempts to simplify the operation of farm credit programs have been sabotaged completely by others in the Department of Agriculture downtown. If simplification is to be the rule, and I believe it should be, the Secretary of Agriculture should start housecleaning right in Washington.

I am pleased that the President reemphasized the importance of water and the very serious need for a coordinated study in this field. Colorado's Legislature is presently working on legislation designed to bring about a program of water utilization and conservation that has been long overdue.

Those who have studied the water problem are becoming more and more concerned each day—not with the distribution and use of water alone—not just with the conservation of soil and resources that accompany good use—but with the bare essential fact that the saving of water for beneficial use is one of the greatest problems facing this entire country. As we grow in population, and as our cities get larger, we can expect this problem to become more acute. In Colorado this is the first step in what I hope will be a great plan for the use and preservation of our water and natural resources for the future.

MR. BENSON'S LETTER

It is good that Mr. Benson is attacking the emergency situation as vigorously as has been done in the past 4 years. While there has been a seeming lack of preparedness, especially in the budgeting of funds for these wind-erosion programs, certainly no one can say that the President and the Secretary of Agriculture have not been most willing and prompt in meeting these disasters by using money from the President's contingency fund.

I agree that State and local governments should assume a greater part of these disaster relief programs but before this can become a reality, it seems to me that a reduction of Federal expenditures must take place so that the States may obtain the revenue necessary for such a program. This must be done here at the Federal level.

Many of us are very anxious to see the Federal legislation which the Secretary plans to offer requiring the 25 percent State contribution in certain future emergency programs for disaster relief. The objective here is a good one, and on a long-term basis, a realistic one. But at the moment it might be like robbing Peter to pay Paul.

The thing that amazes me is that after 4 years of drought in many areas such proposals are still in the planning stage. The Secretary has not told us why, with the experience and research done over the many years, it took the Department 5 or 6 years to come up with a program of State participation. It is true that many State legislatures are in session, but some have adjourned, and others soon will be. It will likely take much time to get legislation at the State level.

Next, I hope the Secretary will soon bring the legislation forward that he mentions which will revise the present distribution formula under title I of the Bankhead-Jones Act, to permit the allocation of a larger amount of loan funds to areas of acute need again. The Department of Agriculture has wrestled with this problem since before the present secretary took office and again it has been 5 or 6 years in bringing forth a program.

Again, I wish to point out that while the Department of Agriculture has consistently talked of streamlining the Bankhead-Jones Farm Tenant Act, they have done little, and I hope that the Secretary will not be sabotaged again by his own Department in his efforts.

In regard to research programs, they are necessary and excellent. There is, however, a tendency in all departments of Government to continue researching and hardly ever reach any suitable conclusion. I hope that the Agriculture Committees of this Congress will examine thoroughly the proposals for new research and evaluate the progress of present programs before authorizing additional programs.

In conclusion, I am certain that the Secretary of Agriculture will continue to demand further implementation of the Great Plains program within his Department and that the Agriculture Committees of the Congress will cooperate fully with him in meeting these urgently needed long-range objectives.

Mr. President, I wish now to address myself to another subject.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

DEVELOPMENT OF THE ATOMIC ENERGY INDUSTRY AND IMPORTANCE OF URANIUM-ORE PRODUCTION AND PROCESSING

Mr. ALLOTT. Mr. President, the Joint Committee on Atomic Energy of the Congress of the United States recently completed the hearings required by section 202 of the Atomic Energy Act. As you know these hearings deal with the development, growth, and state of the atomic-energy industry. Mr. Gordon A. Weller, executive vice president of the Uranium Institute of America, whose headquarters is in Grand Junction, Colo., testified before a session of that joint committee. Because of the extreme importance to the Nation of atomic energy, and because of the importance of uranium which plays a fundamental role in the development of that industry, I ask unanimous consent to have Mr. Weller's statement printed in the RECORD at the conclusion of my remarks, so that all my colleagues may avail themselves of the information it contains and the questions asked.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. ALLOTT. Mr. President, uranium-ore production and processing are not only important in Colorado, Utah, New Mexico, Wyoming, and other States in the West, but because of their relationship to atomic energy, they affect and will continue to affect the life of every American. Today, the uranium-ore production and processing industry is a $300 million annual business in the Western States.

But like any growing industry, problems which reach the local communities have arisen. The problems of sudden population increases, housing, and school emergencies have arisen. It is evident that there is need for sound factors upon which to base plans for future growth and a stable economy in these areas.

Mr. Weller cites the need for stability, and brings to our attention another point, which I believe is an excellent one, namely, the need for sufficient planning and information to enable the industry to make the transition from an ore-buying program now in operation, to the anticipated position in 1966, when the ore producer will be operating in a commercial market. I am certain that the members of the Atomic Energy Commission and the members of the Congressional Joint Committee on Atomic Energy will give this much thought and study.

New ore deposits must continually be discovered. The history of like industries has shown that this requires extensive exploration. The prospects for a stable future can be bright. Atomic-energy policies based on study, research, experience, and sound planning will do much to promote exploration for new sources of this vital raw material. The uranium-ore producer must be taken into the confidence of the Government officials, and into the confidence of the private planners, as well. American ingenuity, incentive, and perseverance have never failed our country. I am sure they will not fail us in the future, if sufficient information upon which the men of this industry can depend is available.

EXHIBIT A

STATEMENT BY GORDON A. WELLER, EXECUTIVE VICE PRESIDENT, URANIUM INSTITUTE OF AMERICA, FOR PRESENTATION TO THE JOINT COMMITTEE ON ATOMIC ENERGY, CONGRESS OF THE UNITED STATES, SECTION 202, STATUTORY HEARINGS ON THE DEVELOPMENT, GROWTH, AND STATE OF THE ATOMIC ENERGY INDUSTRY, 85TH CONGRESS, FEBRUARY 19, 20, 21, AND 26, 27, 28, 1957

Mr. Chairman and members of the joint committee, the opportunity of appearing here to discuss some of the developmental problems relating to the production and processing of uranium is appreciated. My name is Gordon Weller, and I represent the Uranium Institute of America of which I am executive vice president. Our headquarters are in Grand Junction, Colo.

INTRODUCTION

Since this is the first occasion for a representative of our institute, or of the uranium-producing industry, to appear at these 202 hearings, I trust that you will allow me a word of introduction.

Our trade organization was established approximately a year ago in the recognition that uranium was a unique commodity of spiralling importance in our national and world societies. Because of the dynamic nature of uranium, it was deemed wise to provide an instrument by which firms in the industry could devote specific consideration to all aspects of the exploration, production, processing, and marketing of this new important source of energy.

The Uranium Institute is enjoying rapid acceptance throughout the industry. Although we are yet to celebrate our first anniversary, we estimate that our organization today represents approximately one-third of the tonnage of current uranium ore production and processing, and better than one-half of the known reserves.

CURRENT STATUS OF THE INDUSTRY

As you know, uranium ore production and processing, with isolated exceptions, is in the hands of private industry, working under contractual relationships with the United States Atomic Energy Commission and its designees. Circular 5, made effective March 1, 1951, serves as a basis for the purchase of ore from mining operations, and milling contracts are individually negotiated by the AEC on the basis of the specific operating conditions.

With the advancement of ore processing technology and the consequent improved efficiencies, processing costs are approximately one-third less than their level of 4 or 5 years ago.

This remarkable improvement in the cost of producing concentrates is, we believe, a great tribute to the working relationship of the Commission and industry in the areas of metallurgical and chemical research. There undoubtedly is opportunity for further processing cost improvements in this field.

Mining costs are also being driven down, but this situation is not yet well defined for

two reasons: (1) Some mine operations are not able to produce at their most economic level because of restrictive quotas made necessary by limited milling facilities, and (2) several new areas just now being opened such as Ambrosia Lake in New Mexico, are too recent in their state of development to afford a well defined production cost yardstick.

Significant advancement has been made with regard to uranium ore reserves as we are all aware. Sixty to sixty-five million tons of ore of an average grade approximately twice that of the reported reserves of Canada, now await domestic production. This progress is again most encouraging, but it is important to note here that ore discoveries have far exceeded the related level of ore processing capacity and, as a result, some small operators are experiencing difficulty in marketing their ore in sufficient quantity to meet current operating expenses. This is particularly true in newly developed areas.

Development incentives such as DMEA loans for ore exploration, discovery bonuses, and buying programs through temporary buying stations have done much to relieve this condition, but the only adequate solution appears to be the completion of the presently drawn program for ore processing plants. From 2 to 3 years are required between the beginning of negotiations for a mill contract, and the final start up of the completed mill. It is accordingly urged that the Commission continue its careful periodic review of the ore buying station program in order to assist the small producer bridge the gap during the period of development of new areas.

The growing uranium industry has imposed many municipal problems in various communities adjacent to mining and milling operations. Some small towns have experienced severe population increases which have created housing and school emergencies. Typical of these communities are the cities of Grants, N. Mex.; Moab, Utah; Grand Junction, Colo.; and Riverton, Wyo.

I include with this report a summary of information dealing with the details in increases in population, bonded indebtedness, and business expansion that has been experienced in these communities. These communities are doing a commendable job of meeting their problems, but it should be emphasized here that uranium industry stability is essential to the ultimate solution of such problems.

On May 24, 1956, the Atomic Energy Commission announced the extension of its ore-buying program beyond March 31, 1962, on the basis of a guaranteed price of $8 per pound of U_3O_8 contained in concentrates. This extended buying program, which terminates December 31, 1966, eliminates haulage allowances, production bonuses, and other incentives which the industry is enjoying at the present time, and places the producer in the position of negotiator with mill operators for the sale of his ore.

Our institute acknowledges that it is an important step in the desired course to a commercial market, and we plan to carefully study the expected effects of this program as the economies at the time of change become more clearly defined. We face this transition with confidence, however, feeling certain that inequities that do become apparent can be worked out. On June 25, 1956, Mr. Jesse C. Johnson told the uranium industry:

"As I have indicated, the guaranteed $8 price was based upon a study of conditions today. We have no crystal ball to tell what the economic conditions will be in 1962 or 1966. Neither can we predict the size and grade of the ore reserves that will be available for mining in the period 1962 through 1966.

"If the price is too low to bring out the required production, it can be raised, or special premiums established for marginal production."

As we indicated at the beginning of this statement, we see the opportunity for further economies in ore processing and perhaps in mining. We hope that such developments will prove the $8 figure to be realistic.

The buying extension program also carried the provision that the Commission reserved the right to limit its purchases of concentrates derived from any one mining operation or property to 500 tons of U_3O_8 per year. The precise meaning of "mining operation or property" is yet to be clearly defined, and the institute looks hopefully to the time when this will be clarified.

There is still another matter of concern to a large segment of the uranium mining industry. Whereas the indicated uranium ore reserves are considered to be large at the present time, they are large only in relation to the present demand. Furthermore, a large part of this reserve tonnage is concentrated in confined deposits that will in degree be limited as to the size of the exploitation.

For this reason, it appears quite likely that some of the existing mills will experience difficulty in obtaining sufficient ores by 1965. The mining fraternity recognizes the tremendous amount of geologic information which has been accumulated during the past several years by the Federal agencies, particularly the Atomic Energy Commission and the United States Geological Survey.

It is further recognized that these agencies are experiencing technical staff depletions through designations and abolishment of positions. With the dispersal of geological personnel from these agencies, the opportunity for a careful coordination of information will be largely lost.

The Institute therefore recommends that present programs be intensified for assembling these data into a workable source of reference so that it will be preserved and available to the industry 7 to 10 years from now when exploration will be greatly intensified. The dispersal of such technical staffs prior to the completion of this work will result in irreparable loss.

FUTURE PROGRAMS

In an address before the national western mining conference 2 weeks ago, Mr. Jesse Johnson stated in his opening remarks that "* * * it is my opinion that the uranium industry should now study the potential commercial market and look to that market for its support after 1966." Mr. Johnson again urged the industry to develop its own basis of planning and survey in contemplation of this market—a recommendation which he also made before the joint committee at this hearing 1 year ago. The Uranium Institute subscribes to Mr. Johnson's recommendations, and we should like to use this occasion to explore the course that the industry must follow in reaching our future commercial market.

1. First, again we need a definition—the meaning of commercial market as it is used here. Is this a market related to concentrates alone, or will the subsequent steps leading to the production of fuel elements also assume their natural price levels in accordance with the commercial market concept?

2. While it is desired that industry orient its thinking to the future commercial market, the industry knows little as to the various forces which will be of direct influence to it.

We understand that 140 pounds of depleted uranium is being produced and stockpiled for every pound of U-235. Through the use of breeder reactors, this quantity of depleted uranium can be converted to productive fuel. What are the economics of this process compared to the production of natural uranium—what influence will it be to the future mining and milling industry?

There again appears to be increased interest in thorium. Will the homogeneous thorium reactor prove of greater appeal than reactors totally fueled by uranium?

The business of uranium-ore production and processing is fast growing to be a $300 million annual business in the West. Its operations have been based upon price schedules and mill contracts which have been clearly defined. Incentives have brought further assurances.

I believe that the industry is willing and ready to follow a course of well-planned transition to a commercial market, but such a transition is impossible without adequate answers to these and related questions.

The Uranium Institute is currently planning a flying tour of the eastern United States and Canada in order that representatives of the industry can develop a better understanding of the uranium market as it exists today. Reactor research facilities will be visited at Argonne National Laboratory and at the Oak Ridge National Laboratory, and production facilities at Blind River, Canada, will be toured.

Tentative plans, however, for the visit of feed-material plants that receive concentrates from the West are being waylaid because of our inability to satisfy the Atomic Energy Commission authorities of the justified interest in the feed-materials program by such a group from the West.

We submit that as the first step of the producing industry's approach to a commercial market, opportunities leading to a better understanding of the economics of producing uranium and of its application in the power and isotope market must be made available to the industry.

We acknowledge that vast areas of information have been declassified during the past 12 months, but we submit that the process is far from complete and that further measures in declassification must be taken at an early time to avail the industry of the information it requires. The successful transition of the uranium industry to a commercial market is contingent upon these measures.

ATOMIC INDUSTRY EVALUATION

The atomic-energy business is of such a dynamic nature that long-term forecasts must be closely related to the progress of basic research. Such basic research not only stands as the greatest ally in our advancement to a commercial market, but also as the greatest threat to premature obsolescence of capital facilities. Since the Nation's atomic-energy program is not confined to uranium alone, the results of this basic research are all the more important to the uranium industry.

It is expected that even with such knowledge, long-term projections on the demand for uranium will be exceedingly difficult and that a continuing study will be required for the guidance of the industry. For this reason, it is proposed that an atomic industry evaluation committee be established, composed of representatives of Government and industry. The purpose of this committee would be to correlate research, operation, fuel production, plant cost and market data, and, on the basis of these data, to estimate the cost and magnitude of the future nuclear power program, and the related requirement for raw materials.

Information of this nature will be most important in the planning of exploration programs, ore production schedules, plant expansions and their related capital requirements, and personnel training plans. The same benefits will be derived by the utility and power equipment industries in the programing of their operations.

Forecasts should be made annually for 5-, 10-, and 20-year periods. A longer period forecast should be properly qualified with respect to the many variables involved in such projections.

The function of this committee should be evaluative rather than regulative. Existing regulating bodies are sufficiently adequate for the protracted requirements of this new development.

Because of the present character of the atomic-energy industry with broad areas of research and industrial activity under the direct supervision of the Atomic Energy Commission, we feel that the details of the atomic industry evaluation committee must be developed in close coordination with and most likely at the incentive of the Commission.

We anticipate widespread support for such a program will be immediately forthcoming from the uranium producing and processing industry.

CONCLUSION

In presenting these observations to you, gentlemen of the joint committee, we wish to emphasize that the institute is dedicated to a philosophy that is strictly opposed to protectionism. We are extremely confident of the future of atomic energy as an industry, and of uranium's place in the future. We recognize, however, that such enthusiasm is not bred on price schedules and market guaranties, but rather complete understanding and careful planning. The statement we have made here is presented with that thought in mind.

ORDER FOR RECESS TO FRIDAY; AND FOR RECESS FROM FRIDAY UNTIL TUESDAY, MARCH 12

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it take a recess to 12 o'clock noon, on Friday next; and that when the Senate concludes its session on Friday, it take a recess to the following Tuesday, March 12, at 12 o'clock noon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS TO FRIDAY

Mr. MANSFIELD. Mr. President, if no other Senators wish to address the Senate at this time, I now move that, pursuant to the order previously entered, the Senate stand in recess.

The motion was agreed to; and (at 7 o'clock and 4 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, to Friday, March 8, 1957, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 5 (legislative day of March 2), 1957:

UNITED STATES DISTRICT JUDGE

William J. Jameson, of Montana, to be United States district judge for the district of Montana, vice Charles N. Pray, retiring.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 5, 1957

The House met at 12 o'clock noon.

Rev. Austin H. Armitstead, minister of the Methodist Churches, Hauppauge and Commack, Long Island, N. Y., offered the following prayer:

Our Heavenly Father, who keeps an eternal watch over His children, we call upon Thee to lead our Nation in the paths of righteousness. May we be lifted to a greater faith, a more patient hope, and a purer love by a steadfast reliance on Thy will.

Grant unto these men and women, whose decisions have such far-reaching effects for our world, an awareness of the sacredness of their task. Grant unto the citizens they represent a consciousness of their responsibility in the exercise of a free government. Grant unto us all a sense of urgency in the proper conduct of our lives before God and our fellow men.

Since we know not what a day may bring forth, but only that the hour for serving Thee is always present, may we wake to the instant claims of Thy holy will, not waiting for tomorrow, but yielding today. Consecrate the way our feet may go and the humblest work will shine and the roughest places be made plain. In all things draw us to the mind and spirit of Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

PROPOSALS FOR DROUGHT RELIEF—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 110)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

The prolonged drought in a number of the Great Plains and Southwestern States has long since reached disaster proportions. The Federal Government has, for several years, carried forward an active and varied program of emergency aid in these States under provisions of Public Law 875 and other disaster relief authorities vested in the executive branch.

The Federal Government should insure that appropriate and effective measures are taken to assist State and local governments in alleviating emergency conditions brought about by prolonged drought and other severe natural disasters.

It is also a responsibility of the Federal Government to review such programs from time to time, to insure that they are being conducted efficiently and economically. Furthermore it is an obligation of all levels of government, and of all our people, to plan whatever steps may be helpful in preventing or mitigating the effects of future disasters.

It was for such purposes that I inspected conditions in drought-stricken States in January of this year. It was for those same purposes that the Secretary of Agriculture called a special meeting on drought and other natural disasters in Wichita, Kans., at that same time. I reviewed with those who participated the preliminary results of their deliberations.

It was of tremendous encouragement to me to find, on my trip and in the report of the Wichita meeting, such a positive approach to these problems and an absence of defeatism. This demonstrates that our people in the drought-disaster area, even in the face of serious physical problems, have the courage and resourcefulness to face hardships and carry forward in spite of them and that they are talking seriously about the long-range solutions that will help keep future droughts from being future disasters.

There has been consolidated in the attached Report on Drought and Other Natural Disasters the most representative recommendations of the Wichita meeting with many of the suggestions and observations I received in the course of my trip. The result is a comprehensive review of the many aspects of the current drought problem together with the views and recommendations of many different individuals and groups.

Not all the recommendations summarized in the report, of course, may be feasible. The Secretary of Agriculture has developed from them a list of proposals which he outlines in the letter transmitting the report. Some of them can and are being met by adjustments in existing programs. Certain others require legislative action. Such legislative proposals, together with necessary appropriation requests, will be presented to the Congress directly. I strongly urge their prompt consideration and adoption.

Although the report deals to a considerable degree with agricultural aspects of the drought, it also contains suggestions and recommendations dealing with responsibilities of other departments and agencies of the Federal Government. The recommendations relating to the drought-disaster-loan program for business administered by the Small Business Administration have been implemented by executive action, except one in which legislation is required, and this legislation will be presented for study by appropriate committees of the Congress. The other recommendations will be considered fully in connection with continuing programs and possible new developments. Certainly many governmental activities can help in preventing disasters and in alleviating the effects when disaster comes to an area. In this connection, the report focuses attention on such matters as:

Job opportunities through industrial development.

Adjustment of credit programs for business to better meet needs of disaster areas.

Role of public works in the disaster areas in times of disaster to provide employment and income.

Added attention to water use and development, including further investigation of ground-water supplies, water storage in multiple-purpose reservoirs, and pollution abatement as it bears on drought-problems.

Research relating to weather.

Research relating to economic development.

Provision for vocational training for commerce and industry.

Facilities that aid farm and ranch people to find supplementary nonfarm employment.

Adjustments in income-tax laws to recognize problems of sales due to disaster.

Many of the proposals in the report bear directly upon the current drought situation. I feel strongly, however, that in this appraisal of the Federal Government's participation in emergency drought disaster programs we have found some important guidelines to more effective and appropriate Federal Government participation in relief aspects of other types of natural disasters that will occur from time to time.

I draw, in particular, two general conclusions which I want to call to the attention of the Congress:

The first is that administration of emergency disaster programs must be kept close to the local people.

The second is that State and local governments should assume a greater part in alleviating human distress and hardships and in meeting other local needs in times of disaster, calling on the Federal Government only to supplement their own resources.

No single legislative or action program is sufficient to stabilize rural areas subject to natural disasters. It will require advance work on a broad basis. There must be full cooperation and sharing of responsibility by individuals, local counties and areas, and local, State, and Federal governments. This fact was stressed in the many recommendations I received and by the leaders who participated in the Wichita meeting.

Emergency funds and programs must be kept constantly available for use when disasters occur, but we must continue to emphasize long-range programs as well. The long-range stabilization of the economy of areas subject to severe drought is of course intimately tied to water, its needs, supply, use, and control.

Through the most efficient and optimum use of its water resources a broader economy could be established which would enable it better to endure a recurrence of such a drought. Appropriate attention can be given to this enormous problem only through coordinated water study, leading to courses of action for present and future water resource development and management.

As the several departments and agencies further develop their consideration of the many complex problems encountered on the drought tour and at the Wichita meeting any additional recommendations will be transmitted to the Congress.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 5, 1957.*

COL. DAVID (MICKEY) MARCUS

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I have today introduced a bill to provide for the issuance of a special postage stamp in honor of Col. David (Mickey) Marcus.

Mickey Marcus was a boy from Brooklyn, a lawyer, and a colonel, United States Army, having graduated from West Point.

On June 10, 1948, in a war between the Arabs and Israel, Mickey Marcus was killed while leading the Israeli Army which he had organized, trained, and inspired. He is the only American buried at West Point who gave his life in the cause of a foreign nation.

David Marcus is now the name of a Bronx theater, a Brooklyn school, a playground in my Congressional District, from which he was nominated to West Point, and a community in Israel.

History will one day record that an American colonel did for the infant Israel what Lafayette, Kosciusko, and Von Steuben did for another new nation during its struggle to be born free.

On February 20, 1957, our distinguished colleague, the gentleman from Massachusetts [Mr. LANE] inserted in the CONGRESSIONAL RECORD the story of Mickey Marcus as told by his widow, Mrs. Emma Marcus. It was entitled "The West Pointer Who Built Israel's Army."

I trust that this Congress will see fit to enact my bill, as a fitting tribute to a great American.

RED CROSS BLOODMOBILE

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, as one of the Members who was seriously wounded by the Puerto Ricans 3 years ago last Friday, I am most conscious of the need for a blood bank. I mention this today to call the attention of the House to the fact that through the arrangements of the Congressional Secretaries Club, the Red Cross bloodmobile will visit the House of Representatives tomorrow, Wednesday, March 6. Donors may report to the Old House Office Building caucus room between the hours of 10 a. m. and 4 p. m.

The Washington regional blood center must collect 400 pints of whole blood daily in order to meet the nonemergency needs of the local hospitals, doctors, and clinics in this area. In addition to this, the Federal Civil Defense Administration has requested the National Red Cross to resume the collection of blood for stockpiling of serum albumen and other blood derivatives. Such stockpiling is for the benefit of the civilian population in the event of massive disasters—military or civilian—in which large numbers of casualties call for immediate treatment of shock and hemorrhage.

I feel that it is extremely important that the Members of the House and their staffs give full support to the bloodmobile tomorrow. Such participation in the blood program is not only of vital importance to the community in which we live, but will also make certain that all employees of the House of Representatives, and the members of their immediate families, will receive blood through the Red Cross when it is needed.

SUBCOMMITTEE OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coal Research of the Committee on Interior and Insular Affairs have permission to sit during general debate on Monday, March 11.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

VINCENT N. CALDES

The Clerk called the bill (H. R. 1298) for the relief of Vincent N. Caldes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vincent N. Caldes, West Point Pleasant, N. J., the sum of $1,240.35. Such sum represents the amount of the judgment and costs for which the said Vincent N. Caldes was held liable on May 8, 1956, in the courts of the State of New Jersey as the result of an accident which occurred on February 7, 1953, and which involved a Government vehicle being driven by the said Vincent N. Caldes in the course of his duties as an employee of the Department of the Navy, United States naval ammunition depot, Earle, Red Bank, N. J. Such sum shall be paid only on condition that the said Vincent N. Caldes shall use such sum, or so much thereof as may be necessary, to pay such judgments and costs in full: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 7, strike out "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. CHARLES H. PAGE

The Clerk called the bill (H. R. 1315) for the relief of Mr. and Mrs. Charles H. Page.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Charles H. Page, of Jacksonville, Fla., the sum of $25,000. Such sum shall be in full satisfaction of the claims of the said Mr. and Mrs. Charles H. Page against the United States for compensation for the death of their son, Charles H. Page, Jr., who was fatally shot on the night of July 4, 1954, while on duty as a member of a motorized patrol at Killeen Army Base, Killeen, Tex., while serving as a member of the United States Army, and for medical and other expenses incurred by the said Mr. and Mrs. Charles H. Page as a result of the death of their son: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$25,000" and insert "$14,430.89."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

T. W. HOLT & CO.

The Clerk called the bill (H. R. 1316) for the relief of T. W. Holt & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated, to T. W. Holt & Co., of Jacksonville, Fla., the sum of $7,273.66. The payment of such sum shall be in full satisfaction of the claim of the said T. W. Holt & Co. against the United States for repayment of excessive customs duties erroneously collected by the Bureau of Customs on canned meat imports from Argentina, which were imported by the said T. W. Holt & Co. between January 20, 1949, and December 26, 1950, and on which the customs duties were liquidated between October 11, 1950, and December 16, 1952: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WESTFELDT BROS.

The Clerk called the bill (H. R. 1324) for the relief of Westfeldt Bros.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That Westfeldt Bros., of New Orleans, La., is hereby relieved of liability to pay to the United States the amount of $540.540 erroneously levied as increased customs duty on account of merchandise imported by them, because of a clerical error in the entry of such merchandise (New Orleans warehouse entry No. 676 of October 3, 1945), such error being perpetuated by an appraisement based thereon which became conclusive with respect to all parties upon the lapse of 60 days after the date of such appraisement.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. BERTHA K. MARTENSEN

The Clerk called the bill (H. R. 1325) for the relief of Mrs. Bertha K. Martensen.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the 10-year period (prescribed in the act of October 9, 1940 (31 U. S. C., sec. 71a)), within which claims against the United States must be filed is hereby waived with respect to the claim of Mrs. Bertha K. Martensen, New Orleans, La., against the United States for payment of the 6 months' death gratuity, and accrued pay and allowances, due her by reason of the death of her son, Victor J. Martensen, if the said Mrs. Bertha K. Martensen files a claim therefor with the General Accounting Office within the 6-month period which begins on the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FRANK E. GALLAGHER, JR.

The Clerk called the bill (H. R. 1348) for the relief of Frank E. Gallagher, Jr.

Mr. LANE. Mr. Speaker, I ask unanimous consent that the bill be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ELMER L. HENDERSON

The Clerk called the bill (H. R. 1365) for the relief of Elmer L. Henderson.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elmer L. Henderson, Maplewood, Mo., the sum certified to the Secretary pursuant to section 2 of this act. The payment of such sum shall be in full settlement of all claims of Elmer L. Henderson against the United States for loss of retirement annuity for each day included in the period beginning September 1, 1955, and ending December 11, 1956, both dates inclusive.

Sec. 2. The Civil Service Commission shall certify to the Secretary of the Treasury the amount of retirement annuity allocable to Elmer L. Henderson for the period set forth in section 1 of this act.

Sec. 3. No part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

OTTO B. HAUFFE

The Clerk called the bill (H. R. 1375) for the relief of Otto B. Hauffe.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That Otto B. Hauffe, Glen Cove, N. Y., is hereby relieved of all liability to refund to the United States the sum of $397.33. Such sum represents the amount of certain alleged salary overpayment made to him during the period beginning January 8, 1951, and ending May 9, 1954, while he was employed as an engineering aide (electronics) by the Department of the Navy, Military Sea Transportation Service. At the end of such period the General Accounting Office determined that the said Otto B. Hauffe had been paid at an incorrect salary rate, but payment at such incorrect rate was made without his knowledge and was due solely to an error by the Department of the Navy. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Otto B. Hauffe, an amount equal to the aggregate of any amounts which may have been paid by him, or withheld from or credited against sums otherwise due him, in complete or partial satisfaction of the claim of the United States for such refund.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ROBERT FRANCIS SYMONS

The Clerk called the bill (H. R. 1390) for the relief of Robert Francis Symons.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That Robert Francis Symons, of Bishop, Calif., is hereby relieved of all liability to pay to the United States any and all amounts which are due from or payable by the said Robert Francis Symons to the United States for the unpaid balance due on the conditional sale of a surplus aircraft by the War Assets Administration to the said Robert Francis Symons.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. HANNAH MAE POWELL

The Clerk called the bill (H. R. 1419) for the relief of Mrs. Hannah Mae Powell.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Hannah Mae Powell, 1950 East Lehigh Avenue, Philadelphia, Pa., the sum of $24,932.39, in full settlement of all claims of said Mrs. Hannah Mae Powell for refund of income taxes and other expenses sustained as a result of the actions of the Collector of Internal Revenue of Philadelphia, Pa., in the years 1937, 1941, and 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this

claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. LANE submitted the following amendment:

Page 1, line 8, strike out "income" and insert in lieu thereof "excise."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EDWARD M. THOMPSON

The Clerk called the bill (H. R. 1431) for the relief of Edward M. Thompson.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward M. Thompson of Ridgecrest, Calif., the sum of $2,200. The payment of such sum shall be in full settlement of all claims of the said Edward M. Thompson against the United States for reimbursement of an airplane, voluntarily offered by Edward M. Thompson to the United States Government in searching for persons known to have crashed in another airplane, during which search said plane of Edward M. Thompson crashed, resulting in a total loss to claimant: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. ELIZABETH BINGHAM

The Clerk called the bill (H. R. 1440) for the relief of Mrs. Elizabeth Bingham.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Elizabeth Bingham, Bushnell, Fla., the sum of $2,700. Such sum represents the amount which remains equitably due the said Mrs. Elizabeth Bingham from the United States as compensation for damage inflicted upon property owned by her in Sumter County, Fla., by personnel of the United States Army. Such damage, which included the total or partial destruction of five houses, the destruction of timber, the destruction or loss of personal belongings, and the construction of an airfield which rendered large parts of the property unusable, occurred between April 10, 1943, and December 31, 1946, while the property was leased and occupied by the United States Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GRADY WARD

The Clerk called the bill (H. R. 1441) for the relief of the estate of Grady Ward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to the estate of Grady Ward, who was killed on October 2, 1943, when the truck in which he was a passenger was in collision with a United States Army truck near Bushnell, Fla. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TOM R. HICKMAN, NANNIE CONLEY, AND HUSBAND, JACK CONLEY

The Clerk called the bill (H. R. 1460) for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Tom R. Hickman and Nannie Conley and husband, Jack Conley, of Gainesville, Tex., the sum of $3,500 with interest at the rate of 4 percent per annum, from May 14, 1942, to the date of payment, representing the amount reported by the United States Court of Claims to the Congress in response to House Resolution 491, 83d Congress, second session (Congressional Number 3-54, decided June 5, 1956), in full settlement of their claims against the United States for gravel excavated and removed by the War Department from Camp Howze tract No. 154, Camp Howze, Tex.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALLISON B. CLEMENS

The Clerk called the bill (H. R. 1536) for the relief of Allison B. Clemens.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to

MRS. JENNIE MAURELLO

The Clerk called the bill (H. R. 1474) for the relief of Mrs. Jennie Maurello.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated the sum of $500 to Mrs. Jennie Maurello of 1343 North Clinton Avenue, Rochester, N. Y., in full settlement of all claims against the United States as reimbursement for bond posted for her brother, Giacomo Restivo, in November 1949: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SOUTHWEST RESEARCH INSTITUTE

The Clerk called the bill (H. R. 1494) for the relief of the Southwest Research Institute.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Southwest Research Institute of San Antonio, Tex., the sum of $8,200.84. Payment of such sum shall be in full settlement of all claims of the Southwest Research Institute against the United States for compensation for certain research work performed by the Institute for which the Institute believed it was to be compensated by the United States under contract H-76 or under an amendment thereto; but for which compensation has been denied by the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 3, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

pay, out of any money in the Treasury not otherwise appropriated, to Allison B. Clemens, of Stoneham, Mass., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Allison B. Clemens against the United States arising out of national service life insurance issued to her husband, the late William J. Clemens, who designated the said Allison B. Clemens as the beneficiary of such insurance: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after the word "*of*" insert "any and all."

Page 2, lines 1 and 2, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COL. ADOLPH B. MILLER

The Clerk called the bill (H. R. 1575) for the relief of Col. Adolph B. Miller.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Col. Adolph B. Miller (United States Marine Corps, retired), Los Angeles, Calif., the sum of $631.87. The payment of such sum shall be in full settlement of all claims of the said Adolph B. Miller against the United States for reimbursement to him of expenses incurred in the successful prosecution in the Court of Claims of his claim against the United States for wrongfully withholding a portion of his retired pay: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 precent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FRED G. NAGLE CO.

The Clerk called the bill (H. R. 1667) for the relief of Fred G. Nagle Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fred G. Nagle Co., of Detroit, Mich., in full settlement of all claims against the United States. Such sum represents the payment of rent due from the United States Post Office Department from April 1942 to June 1944, both months inclusive in space located at Grand Park Avenue Station, Detroit, Mich.: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FREDERICK REDMOND

The Clerk called the bill (H. R. 1672) for the relief of Frederick Redmond.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money not otherwise appropriated, to the legal guardian of Frederick Redmond, New York, N. Y., the sum of $15,000 in full satisfaction of all claims against the United States for compensation for the personal injuries and all expenses incidental thereto of the said Frederick Redmond sustained as a result of an accident involving a United States mail truck in New York, N. Y., on March 16, 1945. This claim is not cognizable under the Tort Claims Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, notwithstanding the provisions of title 28, United States Code, section 2680, jurisdiction is hereby conferred upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Frederick Redmond, an infant, and Ruth Redmond, his mother and natural guardian, Staten Island, Richmond, N. Y., against the United States on account of personal injuries sustained allegedly as a result of the negligence of a driver of a United States mail truck.

"SEC. 2. Notwithstanding any statute of limitations or lapse of time, suit upon such claims may be instituted within any time of 1 year of the enactment of this act. In any such suit brought pursuant to this act, proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in the case of tort claims against the United States (title 28, U. S. C., sec. 1346 (b)): *Provided, however*, That nothing in this act does or shall constitute an admission of liability on the part of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BERNHARD F. ELMERS

The Clerk called the bill (H. R. 1673) for the relief of Bernhard F. Elmers.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernhard F. Elmers, of Staten Island, N. Y., the sum of $10,000, in full satisfaction of all claims of the said Bernhard F. Elmers against the United States arising out of his personal injury on July 8, 1947, when he was assaulted and robbed by two men while he was employed as a civilian employee of the Army Exchange Service, to wit, a junior auditor, serving with the United States Army in Germany: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. KATHRYN H. WALLACE

The Clerk called the bill (H. R. 1679) for the relief of Mrs. Kathryn H. Wallace.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $18,607.13 to Mrs. Kathryn H. Wallace, of Columbia, S. C., widow and sole beneficiary of the estate of the late Charles A. Wallace, in full settlement of all claims against the United States, representing a refund of income taxes collected from the late Charles A. Wallace on March 26, June 17, September 16, and December 15, 1942, and January 30, 1943, by the Bureau of Internal Revenue, all of which taxes are being wrongfully and erroneously withheld.

With the following committee amendment:

Page 1, line 13, strike the period and insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE S. RIDNER

The Clerk called the bill (H. R. 1689) for the relief of George S. Ridner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to George S. Ridner, of Newark, N. J., the sum of $5,000, in full settlement of all claims against the United States for his erroneous arrest in February 1921, and his subsequent conviction and loss of employment.

SEC. 2. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EVELYN ALBI

The Clerk called the bill (H. R. 1693) for the relief of Evelyn Albi.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Evelyn Albi, of 711 Elizabeth Street, Denver, Colo., the sum of $500. The payment of such sum shall be in full settlement of all claims of said Evelyn Albi against the Government of the United States, in connection with the $500 departure bond posted by the said Evelyn Albi on behalf of Elvira Bartolin on November 17, 1952: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY A. SANSONE

The Clerk called the bill (H. R. 1724) for the relief of Mrs. Mary A. Sansone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Mrs. Mary A. Sansone, of 489 Henry Street, Brooklyn, N. Y., in full settlement of all claims against the United States as reimbursement for bond posted for her husband, Zaccaria Sansone: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIRO PICARDI

The Clerk called the bill (H. R. 1725) for the relief of Ciro Picardi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ciro Picardi, of 332 Degraw Street, Brooklyn, N. Y., the sum of $1,000. The payment of such sum shall be in full settlement of all claims of Ciro Picardi against the United States for refund of the amount which he posted as cash bond in the case of Dominic Cacace alias Dominic DeRosa, an alien (file No. 0300-5851), who was deported.

With the following committee amendment:

Page 1, line 11, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PASQUALE GENTILE

The Clerk called the bill (H. R. 1732) for the relief of Pasquale Gentile.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Pasquale Gentile, of 63 Summit Street, Brooklyn 31, N. Y., in full settlement of all claims against the United States as a refund for the amount which he posted as cash bond in the case of Teresa Acquafreddo, now Mansella, an alien (file No. 0300-373425): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PHILIP COOPERMAN ET AL.

The Clerk called the bill (H. R. 1733) for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of determining the individual liability for income taxes for the taxable year 1951 of Philip Cooperman, Aron Shriro, and Samuel Stackman, the elections of said Philip Cooperman, Aron Shriro, and Samuel Stackman, sole stockholders of Queens Syndicate, Inc., which was liquidated pursuant to a plan of complete liquidation adopted on the 1st day of September 1951, to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code shall be considered to have been filed within 30 days after the date of adoption of such plan, such benefits having been denied because the mailing of such election was delayed, without negligence or fault on the part of such stockholders, until after the 30th day following the adoption of such plan.

With the following committee amendments:

Page 1, line 11, insert "of 1939."

Page 2, line 3, strike out "election" and insert "elections".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SIGFRIED OLSEN SHIPPING CO.

The Clerk called the bill (H. R. 1772) for the relief of Sigfried Olsen Shipping Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $46,136.62 to Sigfried Olsen Shipping Co., of San Francisco, Calif. Such sum represents losses on contracts No. W-35077, R-27745-A, entered into the 17th day of February 1941, between the United States by B. F. Burdick, General Purchasing Officer of the Panama Canal, and Sigfried Olsen, an individual trading as Sigfried Olsen Shipping Co.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ROBERT B. COOPER

The Clerk called the bill (H. R. 1804) for the relief of Robert B. Cooper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert B. Cooper, Morro Bay, Calif., the sum of $75,000. The payment of such sum shall be in full settlement of all claims of the said Robert B. Cooper against the United States arising out of personal injuries inflicted upon him by an officer of the United States Navy on March 15, 1944, while said Robert B. Cooper was serving as a conductor on train No. 75 of the Southern Pacific Railroad Co.: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$75,000" and insert "$10,000."

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

OATHER S. HALL

The Clerk called the bill (H. R. 1831) for the relief of Oather S. Hall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Oather S. Hall, Clarksville, Ark., is hereby relieved of all liability to pay to the United States the sum of $1,270.45 and any interest accrued thereon. Such sum represents the unpaid balance of a loan secured by a Farmers' Home Administration mortgage (dated February 20, 1951) which, through the negligence of the clerk of the local circuit court, was never signed by the borrower. The borrower subsequently sold the livestock, which constituted security under the mortgage, and left the United States; and the said Oather S. Hall has been held financially liable for such sum because the mortgage was executed by the Farmers' Home Administration in Johnson County, Ark., while he was serving as Farmers' Home Administration county supervisor for that county.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. JOHN WILLIAM BRENNAN

The Clerk called the bill (H. R. 1863) for the relief of Mrs. John William Brennan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the late John William Brennan, Sr. (Veterans' Administration claim No. XC-813491), who died on September 15, 1952, shall be held and considered to have had in effect at the time of his death United States Government life insurance in the amount of $10,000, and the Administrator of Veterans' Affairs shall pay such insurance to Mrs. John William Brennan, widow of the said John William Brennan, Sr.

With the following committee amendment:

Page 1, line 7, strike out "$10,000" and insert "$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. LIDIE KAMMAUF

The Clerk called the bill (H. R. 1864) for the relief of Mrs. Lidie Kammauf.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lidie Kammauf, Camden, N. J., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Lidie Kammauf against the United States arising out of an accident occurring on July 6, 1940, off Cape May, N. J., when a Navy seaplane which was taking off collided with a boat in which she was a passenger: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 3, strike out all of page 1 and down to and including line 8 on page 2, and insert:

"That jurisdiction is hereby conferred upon the United States District Court for the judicial district of New Jersey to hear, determine, and render judgment upon the claims of Mrs. Lidie Kammauf, Gloucester City, N. J., against the United States for personal injuries sustained by her in July 1940, off Cape May, N. J., when a Navy seaplane which was taking off collided with a boat in which she was a passenger.

"SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, appeals therefrom, and payment of any judgments thereon, shall be in the same manner as in cases over which such court has jurisdiction upon section 1346 (b) of title 28 of the United States Code. Nothing in this act shall be construed as an implication of liability on the part of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JACK CARPENTER

The Clerk called the bill (H. R. 1884) for the relief of Jack Carpenter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack Carpenter, Milwaukee, Wis., the sum of $85. The payment of such sum shall be in full settlement of all claims of the said Jack Carpenter against the United States for reimbursement of the amount which he paid Bruce J. Walthers in settlement of a judgment which the said Bruce J. Walthers recovered against him for damages arising out of a collision which occurred on March 24, 1951, in Milwaukee, Wis., and involved a vehicle operated by the said Bruce J. Walthers, and a vehicle owned by the United States and operated by the said Jack Carpenter as an employee in the field service of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 6, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AUGUST J. STRIGGA

The Clerk called the bill (H. R. 2046) for the relief of August J. Strigga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to August J. Strigga, of Kodiak, Alaska, the sum of $801.50, in full settlement of all claims against the United States and as a gratuity for loss of annuity payments from July 1, 1952, through October 15, 1952, due to delay in adjudication of his optional retirement application: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. BLANCHE HOUSER

The Clerk called the bill (H. R. 2049) for the relief of Mrs. Blanche Houser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 and 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Mrs. Blanche Houser, Kenton, Ohio, and her claim for compensation for the death of her husband, John Houser, a former employee of the Civil Works Administration who died on June 19, 1947, shall be acted upon under the remaining provisions of such act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within 6 months after the date of the enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SEYMOUR ROBERTSON

The Clerk called the bill (H. R. 2116) for the relief of Seymour Robertson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Seymour Robertson, of Pearl River, N. Y., the sum of $1,269.01. The payment of such sum shall be in full settlement of all claims of the said Seymour Robertson against the United States for loss of compensation incurred by him between April 21, 1944, and November 27, 1944, the period during which he was denied the opportunity to perform service in the field service of the Post Office Department following his discharge from the United States Navy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLIE SYLVESTER CORRELL

The Clerk called the bill (H. R. 2267) for the relief of Charlie Sylvester Correll.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charlie Sylvester Correll, the sum of $9,107, in full settlement of all claims against the United States for time lost from work, medical and other expenses incident thereto, sustained on or about February 14, 1943, as a result of a collision on Highway 466, approximately 23 miles northwest of Barstow, Calif., between the automobile in which was riding and an Army transport truck owned by the United States Government, said truck was transporting an airplane: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRUCK & AXLE MANUFACTURING CO.

The Clerk called the bill (H. R. 2269) for the relief of Truck & Axle Manufacturing Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the sum of $52,248.47 to Truck & Axle Manufacturing Co., of Oakland, Calif., in full settlement of all claims against the United States for losses sustained as the result of carrying out five contracts for the repair of certain motor vehicles for the Benicia Arsenal, Ordnance Corps, Department of the Army: *Provided*, That no part of of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delieverd to or received by any agent or attorney on account of services rendered in connection with claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Page 1, line 5, strike out "$52,248.47", and insert in lieu thereof "$34,556.72".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

IRMGARD S. KING

The Clerk called the bill (H. R. 2346) for the relief of Irmgard S. King.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Irmgard S. King, of Colton, Calif., and her claim for compensation benefits by reason of the act of July 15, 1939 (5 U. S. C., secs. 797, 797a), arising out of the death of her husband, who died on November 3, 1948, while serving on active duty as an officer of the United States Air Force, shall be acted upon under the remaining provisions of the Federal Employees' Compensation Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within 6 months after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ROBERT M. DECKARD

The Clerk called the bill (H. R. 2347) for the relief of Robert M. Deckard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert M. Deckard, of San Bernardino, Calif., the sum of $1,700.50. The payment of such sum shall be in full settlement of all claims of the said Robert M. Deckard against the United States arising by reason of the loss of personal property sustained by him in a fire which totally destroyed the quarters occupied by him at the FEAMCOM Airbase, Japan: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$1,700.50" and insert "$1,540.50."

Page 2, line 1, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MARTIN WUNDERLICH CO.

The Clerk called the bill (H. R. 2654) for the relief of the Martin Wunderlich Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Martin Wunderlich Co., a partnership, of Omaha, Nebr., the sum of $111,830.59. The payment of such sum shall be in full settlement of all claims of such company against the United States arising out of such company's contract with the Bureau of Reclamation, dated March 14, 1938, for the construction of the Vallecito Dam on the Pine River, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JUNE SMITH

The Clerk called the bill (H. R. 2717) for the relief of June Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,400 to June Smith whose leg was injured when struck by United States Navy vehicle No. 16970 while crossing the street on August 1, 1943, at Burton Station, Princess Anne County, Va. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident (this claim is not cognizable under the Federal Tort Claims Act): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JOHN H. PARKER

The Clerk called the bill (H. R. 2747) for the relief of John H. Parker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) for the purpose of determining the seniority rights and rate of compensation of John H. Parker, substitute carrier in the Fort Smith, Ark., post office, the said John H. Parker shall be held to have been appointed to such position as of the earliest date, in 1943, on which an eligible standing lower on the same list of eligibles on which appeared the name of the said John H. Parker received a probational appointment therefrom. At the time his name was reached on such eligible list, the said John H. Parker was serving in the Merchant Marine Cadet Corps, and he was erroneously informed by a responsible employee of the Civil Service Commission that he could not be appointed from such eligible list at such time because his service in such corps was considered military service.

(b) The said John H. Parker shall not be entitled to any compensation for any period prior to the date of enactment of this Act by reason of the enactment of this Act.

(c) No regular employee in the postal field service shall be reduced to substitute status by reason of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

KNOX CORP., OF THOMSON, GA.

The Clerk called the bill (H. R. 2904) for the relief of the Knox Corp., of Thomson, Ga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Knox Corp., Thomson, Ga., the sum of $7,809, in full payment of all claims of the said corporation against the United States for refund of commitment fees paid by the corporation to the Federal National Mortgage Association in 1954 in connection with the Booker T. Washington and Fairhaven Homes projects under section 213 of the National Housing Act. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WALTER E. DURHAM

The Clerk called the bill (H. R. 2951) for the relief of Walter E. Durham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter E. Durham, Santa Monica, Calif., the sum of $9,746.67. The payment of such sum shall be in full settlement of all claims of the said Walter E. Durham against the United States for additional detention benefits under the act entitled "An act to provide benefits for the injury, disability, death, or enemy detention of employees of contractors with the United States, and for other purposes," approved December 2, 1942, as amended (42 U. S. C. 1701–1717), and for additional payments under section 4 (a) of the War Claims Act of 1948, as amended (50 App. U. S. C., sec. 2003 (a)), computed on the basis of an alleged contract of employment between the said Walter E. Durham and a contractor with the United States calling for an increase in wages to $250 per month, subsistence of $70 per month, and bonus of $45 per month, to be effective January 1, 1942, which claims have been denied on the ground that such contract was not in effect at the time he was taken prisoner by the Japanese. The said Walter E. Durham has been paid benefits computed on the basis of a contract calling for wages of $150 per month only: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EDWINA L. LINCOLN

The Clerk called the bill (H. R. 2963) for the relief of Edwina L. Lincoln, widow of W. Irving Lincoln.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwina L. Lincoln, widow of W. Irving Lincoln, the sum of $5,000, in full satisfaction of all claims against the United States for compensation for the loss of the spring-water business owned by the late W. Irving Lincoln situated on Mount Blue in Hingham, Mass., and known as the Mount Blue Spring Water Co., as a result of the construction and operation of the United States naval ammunition depot, Hingham Annex, on land upon which such business was located, compensation having been received by the said W. Irving Lincoln for the loss of such land but not for the loss of such business: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

THE BUNGE CORP.

The Clerk called the bill (H. R. 3126) for the relief of the Bunge Corp.

Mr. LANE. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WILLIAM BADINELLI

The Clerk called the bill (H. R. 3283) for the relief of William Badinelli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That William Badinelli, Bronx, N. Y., is relieved of all liability to refund to the United States the sum of $5,707.34. Such sum represents a shortage in the accounts of the post exchange on the United States Army transport *Willard A. Holbrook*, not the result of fraud or dishonesty, for which the said William Badinelli (who was serving aboard the vessel as administrative officer and special disbursing agent between July 22, 1948, and November 18, 1949, when the shortage occurred) has been held by the Army to be pecuniarily liable. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DR. FREDERIC S. SCHLEGER

The Clerk called the bill (H. R. 3288) for the relief of Dr. Frederic S. Schleger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. Frederic S. Schleger, New York, N. Y., the sum of $2,000. The payment of such sum shall be in full settlement of all claims of the said Dr. Frederic S. Schleger against the United States for compensation for the loss of his aircraft (an 85 Luscombe, registration No. N1661K), which was totally destroyed at Miller Field, Staten Island, N. Y., on March 8, 1952, when it crashed while being flown on a flight mission of the Civil Air Patrol (New York City group): *Provided*, that no part of the amount appropriated in this act in excess of 10 percentum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment.

Page 2, line 3, strike out "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LILLIAN SCHLOSSBERG

The Clerk called the bill (H. R. 3440) for the relief of Lillian Schlossberg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $15,000 to Mrs. Lillian Schloesberg, of Brooklyn, N. Y., in full settlement of all claims against the United States for personal injuries sustained as a result of an accident involving a United States Army vehicle No. 165460, driven by Lt. Burl J. Brewington, of Fort Jay Army Base, on December 8, 1945, at the intersection of Canal Street and West Broadway, New York, N. Y.; the operator of such vehicle was not acting within the scope of his employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid, delivered, to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

J. A. ROSS & CO.

The Clerk called the bill (H. R. 3463) for the relief of J. A. Ross & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. A. Ross & Co., of Chicago, Ill., the sum of $34,624.64, in full satisfaction of all claims of such company against the United States for compensation for the 12,683.02 cubic yards of compacted base-course material which such company actually used in carrying out its obligations under contract entered into between such company and the United States on September 14, 1943, but for which no compensation was received by such company, compensation having been denied by the United States Court of Claims in an opinion rendered on October 6, 1953, on the ground that the base-course material was provided for in such contract and that said company failed to register any protest when required by the United States to use such additional amount of base-course material: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this act, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

E. B. KAISER CO.

The Clerk called the bill (H. R. 3679) for the relief of the E. B. Kaiser Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the E. B. Kaiser Co. of Chicago, Ill., the sum of $40,722.50. The payment of such sum shall be in full settlement of all claims of the said E. B. Kaiser Co. against the United States for compensation for additional work done in connection with the performance of subcontract No. 27-42 under contract No. W559 eng-5049: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL LEVITT

The Clerk called the bill (H. R. 3687) for the relief of Paul Levitt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Levitt, of Boston, Mass., the sum of $381.55. Such sum represents reimbursement to the said Paul Levitt for paying out of his own funds a judgment rendered against him in the courts of the State of Massachusetts, arising out of an accident occurring on July 26, 1954, when the said Paul Levitt was operating a Government vehicle in the course of his duties as an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIUS KLEIN

The Clerk called the bill (H. R. 3723) for the relief of Julius Klein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Maj. Gen. Julius Klein, Illinois National Guard (retired) (Army service No. O327822), of Chicago, Ill., be, and he hereby is, relieved of all liability to refund to the United States armory drill and administrative function pay in the sum of $2,204.76 paid to him for services as colonel, Quartermaster Corps, 623d Quartermaster Group, Illinois National Guard, during the period from February 16, 1948, to November 9, 1949. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELMUTH S. HEYL

The Clerk called the bill (H. R. 3921) for the relief of Helmuth S. Heyl.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LANE. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Z. A. HARDEE

The Clerk called the bill (H. R. 4159) for the relief of Z. A. Hardee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Z. A. Hardee, Enfield, N. C., the sum of $3,973.45, plus interest on $1,569.26 from March 15, 1946, on $1,662.37 from March 15, 1947, on $479.62 from March 15, 1948, and on $262.20 from March 15, 1949, at the rate of 6 percent per annum to the date of payment hereunder. The payment of such sum shall be in full settlement of all claims of the said Z. A. Hardee against the United States for refund of certain income-tax overpayments made by him, on June 28, 1950, for the years 1945 through 1948. The claim of the said Z. A. Hardee for such refund was rejected on the ground that it was filed 2 days after the expiration of the statutory period for filing such claims, despite the fact that his failure to file within such period was solely the result of erroneous information furnished him by officials of the Bureau of Internal Revenue: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. C. SHEPHERD

The Clerk called the bill (H. R. 4230) for the relief of W. C. Shepherd, trading as W. C. Shepherd Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. C. Shepherd, trading as W. C. Shepherd Co., Atlanta, Ga., the sum of $102,958.07. The payment of such sum (1) shall be in full settlement of all claims of such company against the United States for losses or damages incurred under contract numbered W-257-eng-2286, dated April 22, 1943, with the Corps of Engineers, Department of the Army, for the construction of the Cumberland Oil Field protective levees, and (2) represents the payment of the difference between the damages of $214,253.88 actually incurred by the company, as found by the United States Court of Claims in its decision in the case of W. C.

Shepherd, trading as W. C. Shepherd Co. against the United States, filed July 13, 1953, and the amount of $111,295.81 allowed such company by the court, the court having held that the company's recovery was limited by a release which it had executed shortly after the completion of the work: *Provided*, That no part of the amount appropriated by this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FIRST NATIONAL BANK OF BIRMINGHAM, ALA.

The Clerk called the bill (H. R. 4336) for the relief of the First National Bank of Birmingham, Ala.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the First National Bank of Birmingham, Ala., the sum of $12,042.30. The payment of such sum shall be in full settlement of all claims of such bank against the United States for repayment of sums which it loaned in 1950 to the Alabama Aero-Mechanic Institute, Division of Airplane Engineers, taking as security for the loans an assignment of certain contract claims of such institute against the Veterans' Administration. The Veterans' Administration, discovering in 1951 that such institute (without the knowledge of the bank) had been guilty of fraud under the contract, refused to pay such claims to the bank and instead offset the amount of such claims against the penalties which were imposed upon such institute by reason of such fraud: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$12,042.30" and insert "$6,021.15."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ERNEST C. ST. ONGE

The Clerk called the bill (H. R. 4535) for the relief of Ernest C. St. Onge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest C. St. Onge, of Springfield, Mass., the sum of $100. The payment of such sum shall be in full settlement of all claims of the said Ernest C. St. Onge against the United States arising from the fact that he was required to settle a claim for damages in the amount of $100, which claim arose from a collision on March 24, 1953, in which a private automobile was damaged by a United States Post Office Department truck being operated by him on official business: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. JENNIE B. PRESCOTT

The Clerk called the bill (H. R. 4730) for the relief of Mrs. Jennie B. Prescott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the 1-year time limitation upon the filing of applications for waiver of premiums contained in the last proviso of the fourth sentence of section 602 (a) of the National Service Life Insurance Act of 1940 is hereby waived with respect to any application for waiver of premiums on national service life insurance policy numbered N-17605908 (issued on the life of Hobert E. Prescott, Veterans' Administration claim numbered XC-9015903) filed by Mrs. Jennie B. Prescott within the 1-year period which begins on the date of enactment of this act. Any payments made pursuant to such application shall be paid from the national service life insurance appropriation.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RALPH LANDOLFI

The Clerk called the bill (H. R. 1288) for the relief of Ralph Landolfi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the 1-year limitation of time contained in the first proviso of section 303 (d) (1) of the Federal Employees' Compensation Act Amendments of 1949 (63 Stat. 867) is hereby waived in favor of Ralph Landolfi, East Orange, N. J., with respect to his claim for compensation under the provisions of the Federal Employees' Compensation Act for injuries alleged to have been sustained on June 17, 1949, while in the performance of his duties as acting assistant superintendent at the United States post office, Roseville Station, Newark, N. J., if he files a claim for such compensation with the Bureau of Employees' Compensation, Department of Labor, within 60 days after the date of the enactment of this act.

With the following committee amendments:

Page 1, line 7, strike out "this" and insert "his."

Page 1, line 9, after "injuries" insert "alleged to have been."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CHARLES C. LEWIS

The Clerk called the bill (H. R. 2753) for the relief of Charles C. Lewis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Charles C. Lewis, of Fullerton, Calif., is relieved of all liability to pay to the United States the sum of $1,168.50, representing the amount of the hospital bill which he incurred while a patient at the United States Army Hospital in Bremerhaven, Germany, between August 27, 1952, and November 17, 1952. The said Charles C. Lewis, who was injured in an automobile accident in Germany on August 18, 1952, has been held liable to pay such bill notwithstanding the fact that he entered the hospital in reliance upon the assurances of consular officials and Army officers that he was entitled to hospitalization without cost as a veteran of World War II: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FRANZ KRUDEWIG

The Clerk called the bill (H. R. 3673) for the relief of Franz Krudewig.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to pay to Franz Krudewig, Chicago, Ill., out of the account established to accommodate the property received pursuant to the vesting order No. 13622 issued by the Attorney General on August 3, 1949, the sum of $1,491.72. The payment of such sum shall be in full settlement of all claims of Franz Krudewig against the United States on account of the vesting of 50 shares of the common stock of the Missouri-Kansas Pipe Line Co., Wilmington, Del., by the Attorney General as property in which an interest was held by a German national: *Provided*, That no part of the amount paid to Franz Krudewig under authority of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CONVEY CERTAIN PROPERTY TO TRUSTEES OF THE METHODIST CHURCH, ACWORTH, GA.

The Clerk called the bill (H. R. 1544) to provide for the conveyance of certain real property of the United States situated in Cobb County, Ga., to the trustees of the Methodist Church, Acworth, Ga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army shall convey, to the trustees of the Methodist Church, Acworth, Ga., all right, title, and interest, of the United States in and to the real property located in Cobb County, Ga., containing 7.423 acres, more or less, and more particularly described in section 3 of this act, upon the payment by such trustees to such Secretary of an amount equal to the fair market value of such real property as determined by such Secretary.

Sec. 2. The real property referred to in the first section of this act is more particularly described as follows:

All that tract or parcel of land lying and being in land lot No. 44 of the 20th district and second section of Cobb County, Ga., more particularly described as follows:

Beginning at an iron-stake corner located at the intersection of the westerly side of Collins Drive with the southeasterly side of State Highway No. 92 and running thence south 00 degrees 52 minutes west along the west side of said Collins Drive a distance of 610.4 feet to an iron stake; thence south 69 degrees 37 minutes west a distance of 9,290.0 feet to the east side of State Highway No. 92; thence in an easterly and northeasterly direction following the curvature of the right-of-way of said State Highway No. 92 a distance of 1,381.5 feet to the point of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ADMISSION TO UNITED STATES OF CERTAIN SPOUSES AND MINOR CHILDREN

The Clerk called the joint resolution (H. J. Res. 133) for the relief of certain spouses and minor children of citizens of the United States.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, the persons hereinafter named may be issued visas and admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act:

Takashi Akizuki, Lino Anselmo, Charlotte E. T. Bachstett, Rosa C. Balditzeri, Friederike Barker, Sachiko S. Barone, Toshi S. Bergano, Alice B. Burgess, Andrea Canzoneri, Dante Cecchi, Nugun Oy Chan, Hung Mie Chau, May Ngor Wong Chin, Helen G. Cokenos, Kine F. Cutner, Luigi D'Acunto, Christina M. Davis, Mitsuko T. Evans, Skaidrite I. Glasers, Johanna F. Harvey, Isolde Hays, Christine C. Holden, Ingrid Klingelhoeffer, Marguerite A. Krukowski, Alexander Laub, Bo Har Lee, Pui Sim Lee, Chiyo Matsuda Lin, Teresa Mangialardo, Rosa I. Matrisciano, Hannah Moore, Jeanne Moss, Frosine K. Nichols, Chiyo K. Oswalt, Eleni H. Pappas, Kayoko U. Parker, Charlotte G. Perer, Nada Prodanic, Stanislas L. Roth, Carmen T. de Salorio, Bow Sin Siu, Leslie C. Slater, Milena P. Svircic, Yoshiko I. Szymanski, Ivan Tarabas, Agnes Tarnawsky], Tomiko Telowicz, Margot S. Tijerina, Shigeko S. You, Yaeko T. Young.

With the following committee amendment:

Page 2, line 21, after "Young,", insert the following: "Walter Abisch, Argyrios D. Argiriadis, Helen C. Ball, Janos Bornemissa, Adelaida D. Bullian, Mitsuko S. Cua, Gisela G. M. Dearborn, Sumie Y. Dodson, Antonio Esposito, Maria M. Felipe, Fujie W. French, Edwarda K. R. Holcman, Ineko N. Johannes, Sumii G. Jackson, Yoshiko O. Kirby, Toyoko S. Larsen, Inge Laurin, Pietro Mancini, King Oi Ng, Maria Pladis, Franz Oswald, Franz B. Pichotta, Chisako H. Rhodes, Anna M. E. Rooker, Patricia A. Sharp, Katerina Simic, Tami S. Stacy, Barbara K. W. Stallings, Sonja Tobler, and Wun Soong Wong."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Clerk called the concurrent resolution (H. Con. Res. 89) approving the granting of the status of permanent resident to certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress approves the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1044):

A-5977417, Arashiro, Seishun.
A-6154841, Arashiro, Aiko.
A-6154839, Miyamoto, Yuriko.
A-6154840, Yatomi, Akiyo.
A-7421677, Bak, Josef.
A-7445928, Bjelopetrovich, Mirko Mihailo.
0300-399014, Bursich, Paul.
A-9127241, Chan, Hing.
0300-469942, Chang, Ka Hung.
A-10137543, Chang, Eien-Hui.
A-6026393, Chang, Nelson.
A-7078193, Chang, Helen.
A-6026124, Chang, Ting Chen also known as Robert Ting Chen Chang.
A-6522839, Chang, Meng-Tse also known as Mildred Meng-Tee Chang.
A-8944916, Chang, Yih Yeh Chun.
A-8944919, Chang, Chih Hiang.
A-8944920, Chang, Chih An.
A-8944918, Chang, Chih Kwang.
A-6967553, Chao, Shih Chieh.
A-8888201, Chen, Ah Yeng.
A-7299375, Chen, David Tsu Yu.
A-8103737, Chen, Hsiao Jen.
A-3783283, Chen, Hup Ching.
A-8894864, Chen, Kwan-Lin.
A-6851576, Chen, Ming Mao.
A-6967264, Chen, Frances Hsien-Cheng.
A-10076891, Chen, Shih-Chuan.
A-8870232, Chen, Yvonne or Tse-Ming Chen.
A-7071965, Cheng, Man Yun (Sister Marie Alphonse Cheng).
V-279791, Cheng, Meng Lin (May).
A-7295491, Cheng, Min-Kee Wong.
A-7133268, Cheng, Min-Pi (Sister Mary Girard Cheng).
A-3768973, Cheng, Sally.
A-6851561, Cheng, Steve Chung, formerly Sho Chung Cheng.
A-6916525, Cheng, Wu Su or Agnes Su Cheng Wu, known as Sister Joseph Wu.
A-9574856, Chiang, Tak or Tek Chong.
A-7286966, Chien, Ching-Wen.
A-8870672, Chien, Stella Le.
A-10173559, Chien, Kuang Yuh Hsu, also known as Mabel H. Chien.
A-8938333, Chien, Yun Nan.
A-8938334, Chien, (Yang) Han Pao.
A-4896380, Chin, Walter.
A-10024868, Ching, Cheong.
V-1183449, Chiu, Frank Teh Fei.
A-6986501, Chou, Ye Tsang.
A-6442557, Chow, Yukon.
A-9705250, Choy, Yee or Choy Yee.
A-10016318, Chu, Daniel.
A-6843405, Chu, Doreen Chen-Yin.
A-7491858, Chung, An-Min.
A-6958556, Chung, Tsu-Shan Mei.
A-7296210, Chung, Wing-Kee or Wilkie John Wing-Kee Chung.
A-9825068, Cyrkler, George, also known as Jerzy Cyrkler.
A-7886463, Erbes, Edward Henryk.
A-6315974, Fah, Chu Kun.
A-6851548, Fei, John Ching-Han.
A-9509848, Fong, Kuo Ah.
A-7424927, Frey, Andrea, also known as Andrea Clara Ilena Frey.
A-6662092, Fridman, Miriam Rughla (nee Miriam Ruchla Dutkiewicz), also known as Miriam Fridman or M. Fridman.
A-6672161, Froland, Natalia.
A-10141565, Goh, May Chang.
A-8874432, Grismannauskas, Juozas.
A-9825034, Grzegorzevics, Ryszard Michal.
A-7053508, Haveika, Milada.
A-10143628, Ho, Teh Yung.
A-8154247, Hsieh, Lucy Tsi-Sheng Yang.
A-7396907, Hsiung, Yuh Hwa.
0300-388288, Hsu, Grace Yi or Grace Yi Shang also known as Mrs. Cheng-Chih Liu.
0300-460543, Hsu, Leon Jih-Hung.
A-7350938, Hsu, Yuen Chen.
A-6694149, Huang, Lucy.
A-8830842, Ives, Eduard.
A-8830841, Ives, Elvin Marie.
A-8825725, Ives, Willem.
A-8825726, Ives, Alida.
A-8825727, Ives, Helgi.
A-8825728, Ives, Eve.
A-8091828, Javalds, Roberts Gustav.
T-1499063, Ju, Frederick Duuin.
A-7365682, Koudsi, George Shukri.
A-8825721, Kalme, Ascold.
A-10077409, Klenovscheg, Adolfo.
A-9764852, Kobielski, Wilhelm or William.
A-9764851, Kogielski, Helena or Helen.
A-10141527, Koczi, Elizabeth.
A-6849451, Koo, Karlson, Lung-sheng.
A-6851534, Chen (Koo), Rosalyn Chin-Ming.
A-7830791, Kosmider, Alina Boleslawa.
A-7865121, Kraut, Elias Z.
A-10066454, Kraut, Chawa.
A-10066455, Kraut, Moses.
A-7125703, Krol, Kazimierz, Jacob.
A-9758454, Krutow, Wladyslaw Bronislaw.
A-8874434, Kubilickas, Lionginas.
0300-462260, Kuo, Joan formerly Feng Ying Hsu.
A-8197692, Kuo, Hsiao-Lan.
0200-86579, Kuo, Hsiao-Meinee Yen.
A-7450936, Kupiaszewski, Aleksander.
A-10087303, Kwei, Rose Chung-Mei Lu.
A-10035449, Kwiatkowski, Leopold alias Leopold Gryf, Tadeusz Witczak or Leopold Kwistowski.
A-10130747, Kwok, Grace Tsien-Hong Wong.
A-7966397, Lai, Nancy Tseng-Hsin.
A-7274450, Lam, Yat Chang also known as Ming Lam also known as Yuen Chiu Lam.
A-10141628, Lee, Chien-Yuan or George Chien-Yuan Lee.

A-10088690, Lee, Dorothy (nee Dorothy Keng-Pin Chuan).
A-8189303, Lee, Ginffa.
A-8189611, Lee, Tse Yin.
A-10089266, Lee, Hon Kwong.
A-9771460, Lee, Koon Yung.
A-9799345, Lee, Kwai.
A-8938319, Lee, Wan or Tommy Lee.
A-8922651, Lee, William also known as Lee, Wei Lin.
A-6095435, Lee, Yung.
A-6094862, Lee, Violet Chen.
A-6095450, Lee, David (Yu-Chi Lee).
A-8956398, Leong, Ling also known as Liang, Ling.
A-1686215, Li, Jean Teh-Ching now Jean Teh-Ching Li Quan.
A-6967608, Li, Margaret Yung.
0300-434020, Li, Yang.
A-6263743, Liang, Chung Liang.
A-10149190, Lin (Ling), Chiun Tong.
A-9508422, Lobanov, Alexander Feodorovitch.
A-6851326, Loh, Leslie Tsing.
A-9764923, Lorent, Marian Szczepan.
A-7389349, Lowe, Charles Mao Teu.
A-7965168, Liu, Fang Yun (Sister Leonita Liu).
A-7341246, Liu, Irene En-Hwa.
A-6851371, Liu, Po Tsan.
A-8923583, Liu, Te-Tseng.
A-8923586, Liu, Yvonne See-Ying.
A-8923585, Liu, Edward See-Yi.
A-8923584, Liu, Suzanna See-Hsun.
A-8955782, Lowe, Kingway Hsi-Ku.
0300-439744, Lum, Fook also known as Lum Fook.
A-9825109, Malina, Kazimierz.
A-7133222, Mao, Shun Chen (Sister Lucia Mao).
A-7805686, Negris, Vitalis.
A-7821110, Novacek, Zore.
A-7821111, Novacek, Daniela.
A-7118791, Owyang, Siao Tsen (Sister Joseph Ignatius).
A-7389481, Pao, Richard Hsien Feng.
A-8574433, Paulauskas, Edmundas.
A-6851408, Peng, Kan Chen.
A-7952753, Perl, Benjamin.
V-461137, Perl, Lily (nee Gross).
A-9518782, Ping, Woo.
A-10135864, Raudsepp, Voldemar.
0300-422913, Rosenberg, Jeno.
A-7354753, Sha, Philip Shungtse.
A-10149088, Sha, Therese Kai Sun.
A-10142995, Shen, Yung-Kung.
A-10142996, Shen, Kuo Chung-Ying.
V-905900, Shen, Tsung Lien.
A-6161504, Shimabukuro, Shizuko Floria.
A-6161505, Shimabukuro, Tatsuko Lolita.
A-6161506, Shimabukuro, Minoru Victor.
A-6161507, Shimabukuro, Mitsuaki Alexander.
A-6161508, Shimabukuro, Ikuo Ignacio.
A-10143701, Siao (Shaw), Chen Yung.
A-7070309, Sieu, Yao Tsoong or Kenneth Tsoong-Sieu Yao.
A-9825179, Smikala, Stanislaw or Stanley Smikala.
A-8062676, Sow, Choy also known as Chong Soy also known as Choy Chung.
0300-377998, Sperber, Pauline or Polla Sperber.
A-7118725, Swen, Hwei-Lan.
A-8885340, Tang, Haiung Chung also known as Henry Chung Tang.
A-8888339, Tang, I Ming.
A-6848140, Tang, Yu Djang Mao.
A-8091369, Trang, Kuan also known as Koun Dan, Kaun Tsang, or Chung Man.
A-7865350, Tchen, Tche Tsing.
A-6659883, Trigouboff, Alain Leo.
A-6624886, Tsai, Shuh Tuh also known as Shuh Tuh Stephen Tsai.
A-7274422, Tsang, Simon Tsai Li.
A-7292432, Tsang, Tung.
A-7354792, Tsow, San Hua or Robert Hua Tsow.
A-6520564, Tung, Shao-Ling.
A-6472690, Tversky, Avram Yankel.
A-7874806, Tzincoca, Remus Petrup.
A-6625083, Urbanek, Ignacy.
A-10065803, Wang, Chi-Tao Lucia.
A-7606578, Wang, Keng-E Chuan.
A-7174553, Wang, Marina or Yi-Shen Wang.
A-8189364, Wang, Shao-Kai.
A-8189365, Wang, Wei-Cheng (Tao).
A-8189363, Wang, Mimi Nien-Ren.
A-6966519, Wang, Shih Yi.
A-7274657, Wang, Chun Lien Chi.
A-10081064, Wang, Tung Hsing.
A-10143019, Wang, Thomas Yinsan (Yenshan).
A-7202741, Wei, Yuan also known as Wei Yuan alias William Yuan.
A-7608036, Widerman, Irene Wachter.
A-10130737, Wong, Shun Mi.
A-4687570, Woo, James Ji-Tsung.
A-8951076, Woo, Margie Wan-Chung.
A-8951077, Woo, Daniel Du-Ning.
A-8951078, Woo, Robert Du-An.
A-8889922, Woo, Kenneth Kwan Wha or Kwan Wha Woo.
A-6849420, Wu, Amy Chen.
A-6967597, Wu, Li-Chun.
A-6851710, Wu, Ning-Cau.
A-7630617, Wu, Shu-Wie Hsu.
A-10165178, Wu, Tien Wei.
A-7354758, Yang, Alfred Chang-Ping.
A-6851696, Yang, Iris Sing-Hua.
A-10044761, Yenovkian, Leonora Levon.
A-6403573, Yien, Chen-Hwa.
A-6847984, Yien, Tan Ju Lu or Lu Tan-Ju.
A-7992579, Yin, Henry Chung-Ching or Chung-Ching Yin.
A-7456048, Yu, Ying-nien.
A-6848391, Yuan, Grace Chen.
A-2231845, Ajderian, Aram Stephen.
A-2202600, Ajderian, Arshalous (nee Benglian).
A-7041472, Ajderian, Sona.
A-8227677, Balich, Nick, formerly Nikola Earulic.
0300-475921, Bang, Pao Chien, also known as James Holmes Bang-Jenness.
V-189760, Bay, Ancilla Jen-Lien Sung.
A-5053045, Benvenuti, Alfredo.
A-6505225, Biderman, Mendel.
A-0653971, Bok, Ah Hong.
0300-398210, Bok, Ling.
0300-391812, Caluzzi, Matilde, also known as Matilde Folk.
A-6931602, Chacinski, Leon.
A-10067933, Chan, Hing Kwan.
A-7118659, Chang, Chao Wen, known as Sister Macaria Chao.
A-6030229, Chiang, Chia-sun, also known as Carsun Chang.
A-7190610, Chang, King Hing (Robert Li-Fu Chang).
A-7991750, Chang, Kong Sun.
A-7855376, Chang, Euo Liu.
A-6629912, Chang, Richard I. Feng.
A-6709866, Chang, Shao-Yuen.
T-1957529, Chang, Zang Fei.
A-8922611, Chao, Floria C. (nee Lu).
A-3225662, Chee, Hoh Ling.
A-8922652, Chen, Ming Yi (now Mrs. Ming Yi Lowe).
A-7177721, Chen, Yu Yao also known as Timothy Chen.
A-10135652, Chen, Fei-Lan Shen also known as Beulah Chen.
A-8938327, Chen, Ven Ja.
A-8087997, Chen, Cheng Chee also known as Ralph Chen.
A-8087996, Cheng, Ning Chuan.
A-7985218, Cheng, Tung.
A-7190312, Cheng, Diana Wen-Yin (nee Young).
E-036290, Chi, Su Shang.
A-6849447, Chi, Wan Shang (Henry).
A-6986576, Chiang, Betty Kuo-An also known as Betty Chiang (nee Chu Kuo-An).
A-7295481, Chien, Eric Yee Jen.
A-8091398, Ching, Chang Pao.
A-7368985, Cohen, Elias Selim.
A-8871209, Choung-Sum, Chuang or May Chuang Tai.
A-799491, Chow, Tong.
A-9132945, Choy, Henry.
A-6848518, Chu, Chung Ming.
A-7118720, Chu, Ling Lang (nee Ling Lang Lee).
A-6379692, Chu, En-Lung.
A-7274334, Chu, Si-Si.
A-7960212, Chuh, Ming-Gek Yang.
A-9743790, Chui, Bor Ngai.
A-8001876, Csicsery-Ronay, Elizabeth Maria.
0300-347299, Ding, Ngai Mei (nee Ngai Mei Wei).
A-7274546, Ding-Jeen, Chiang or Ding-Jeen Chiang also known as Dean D. Chiang.
A-6916540, En, Chao Ling known as Sister Johanna Chao.
A-7263721, Fang, Elizabeth Lin.
1300-183619, Fat, Ting Chin.
A-10141611, Feng, Hsio-Min.
A-6861733, Feng, James Shumin.
A-9753688, Fong, Ho Chin.
A-6702140, Fu, Feng Gia.
A-7835200, Gih, Pauline also known as Whee Shuen Gih.
A-8055368, Halpert, Jonas.
E-088780, Halpert, Sarolta.
E-088781, Halpert, Herman.
0300-410500, Ho, Kwai.
T-278564, Hsiao, Ching-Hsi.
A-6148098, Hsien-Kwen, Shih or Samuel H. K. Shih.
A-7897610, Mei-Yuan, Wong or Mary Mei-Yuan Shih.
A-6861763 Hsu, Cheng-Ting.
A-7263688, Hsu, Chia-Chien also known as William Chia-Chien Hsu.
A-6851310, Hsu, Grace Yung-Sieu (nee Uliu, Yung-Sieu).
A-6899386, Hsu, Chih Kia.
A-6899387, Hsu, Sui Weh.
0300-457740, Hsu, Angela.
0300-457738, Hsu, Fern.
0300-457739, Hsu, Margaret.
0300-457741, Hsu, Toni.
A-7126611, Huang, I-Shan (nee Hsu).
A-7567784, Huang, Katherine Law.
A-7005039, Huang, Mengchien also known as Mengchien Clarence Huang.
0300-464388, Huang, Rowena also known as Shen-Ying Huang.
A-7118705, Hui, Hu Wen known as Sister Engelberta Hu.
A-7200114, Hwong, Lisa Lu alias Yu-hing Lu.
A-5973419, Inamine, Seiho.
A-7435713, Ing, Jr., Samuel W.
A-8956608, Jen, Chieh Min.
0300-474749, Jin, Kor Char also known as Paul K. C. Jin.
A-6967545, Kao, Shou.
A-7416226, Kong, Daniel.
T-1499135, Ku, Nelson Jun also known as Nei Jun Ku.
0300-457369, Kwai, Au.
A-7354782, Kwang, Wing-Chow.
T-958439, Kwoh, Daisy Huan-Hsing.
A-10076468, Lai, Han or Lai Han.
A-7882497, Lau, Tung-Kwan or Tung-Chuen Liu alias Toni Lau.
A-8958341, Lau, Wen Ngau.
A-7376937, Lebovits, Fishel.
A-7376938, Lebovits, Mihal.
A-7078188, Lee, John Too-Hung also known as John H. Lee.
0300-471092, Lee, Sam also known as Sang Lee or Lu Song.
A-6624083, Lee, Shu-Chen (Helen).
A-10066835, Leszczyk, Jacob David.
A-7209393, Leung, Dorothy Yuin Dwaun.
0300-102591, Leung, Edward Yan Wood.
A-7118669, Leung, Tit-Fei.
A-7263722, Li, Lai-Tong.
A-8090704, Liang Hsi Huey alias Siegfried Liang.
A-7135169, Liang, (Max) Ming-Tau.
A-10035084, Lieberman, Chenoch.
A-6855627, Liu, Chien.
A-7830619, Liu, Ming Chuan.
A-7456027, Lieu, Young-poon.
A-7118824, Lowe, David Ming-Li.
A-8955183, Lowe, Mary Chien or Mrs. Hsi Lu Lowe.
A-9709783, Loy, Chu.
A-6440396, Lubicz, Benjamin.

A-6440397, Lubics, Sara.
A-7133273, Luh, Johnson Yang-Seng.
A-7251845, Maholanyi, Katalyn (nee Moskovics).
A-7223652, Mahahl, Yacoub Jamil.
A-7224821, Margittai, Armin.
A-7866667, Margittai, Irene.
A-7274680, Miao, Calvin Wen-Tah.
A-7399266, Miao, Angela Haieh-Chang (nee Wang).
A-6743773, Ng, Fong Chy-Woon.
A-7768678, Pan, En-Lin.
A-6026148, Pan, Emma Tsen-Ho Liu.
A-6848416, Pao, Yoh-Han.
A-6414658, Pao, Helen Chung-Ying.
A-8099941, Pilp, Ante T.
A-8101418, Pilp, Leida K.
T-2585034, Pascolinski, Olgierd Heronim.
A-7393989, Schwartz, Dezso.
V-251910, Schwartz, Irene.
0400-55828, Schwartz, Esther.
A-7211004, Sen, Yu Fun.
T-302676, Shah, Wong Wen.
A-8211318, Shou-Lun, Kek also known as Tony Shou-Lun Keh.
A-9684303, Sin, Chan.
A-6962928, Solomon, Salim Sion.
A-7194886, Sung, Nai Jung.
A-7849959, Srodulski, Jan Marion also known as Jan Srodulski.
A-7849524, Szilagyi, Dezso Andras.
0300-167341, Tan, Pei Ying.
A-10141554, Tang, Tse Chang.
A-10141555, Tang, Nionetta Hsu Yen Hwa.
A-10141556, Tang, Ming Han.
A-10141557, Tang, Ming Woo.
A-6123929, Taumi, August.
A-7579396, Tom, Ging Cee.
A-6938387, Tseng, Maurice Hsien-Pin.
A-6938389, Tsung-Tsu, Chen or Theresa Tsung-Tsu Chen.
A-10062238, Tui, Sai also known as Sai Tuang.
A-6894805, Tung-Yue, Wang known as Tuno-Yue Wang.
0300-474753, Vanaga, Haralds.
A-8091354, Wah, Ng Hing.
E-33801, Wan, Fook Sin.
0200-86437, Wang, Evelyn Hsi Tseng Liu.
A-10136136, Wang, James Paul.
A-7860205, Wang, Ping I also known as Alan Ping I Wang.
A-7830613, Wang, Shu-Shin (William).
A-6848064, Wang, Shyh.
A-6628905, Wang, Yen-Ngen also known as James Yen-Ngen Wang.
A-6973693, Wei, Francis Lian-Shen.
A-6973673, Wei, Ignatius Chung-Sheng.
A-8955551, Wei, Ying-Lan also known as Angela Ying Lan Wei.
A-6760594, Wen, Theodore Yu-Cheng.
A-7858632, Wisniewski, Stanislaw Mieczyslaw.
T-278652, Wong, Kong Nee.
A-7952757, Wong, Samuel Sun Hor.
A-10141990, Wong Yin.
A-6848151, Wu, Blanche Ching-Yi.
A-7354761, Wu, Chi Ling.
A-6848058, Wu, Theodore Yao-Joe.
A-7393988, Wu, Chin-Hua Shih.
A-7439024, Wu, William Ren-Kai.
A-6669697, Yang, Andrew Tienkong.
A-6589974, Yang, Chia Chih.
A-7860067, Yang, Chung-Tao.
T-1496554, Yang, David Yu-Min.
0300-461344, Yang, Quincy.
E-33862, Yeng, Chong also known as Chong Sing-Tai.
A-6848179, Yen, Tai Chu.
A-7355247, Ying, Wei-Ming also known as Paul Ing.
0300-416581, Ylio, Axel.
A-8091553, Young, Chow Fu or Chow Yong or Chow Tjou Yong.
A-7860210, Young, Franklin.
T-281692, Young, Lena Ye-Chwang Yin.
V-1900882, Young, Paul Shih-Tsuin.
A-7860097, Yuan, Hwang also known as Henry Yuan Hwang.
A-6848469, Yuan, Patricia Shirley.
A-6847988, Yueh, Helen also known as Pan Wen Yueh.
E-086127, Yuen, Choy.
A-7120674, Yuen, Pong Soong also known as Samuel Soong Yuen Pong.
A-6379041, Zen, E-An.
A-10065663, Zhi, Loh Yau.
A-9825064, Andrzejewski, Kazimierz also known as Chris Andrews.
A-9825104, Bartnicki, Wieslaw Jan.
A-8938305, Bozovich, Ivo.
0030-301313, Chan, Jimmy also known as Chan Kai also known as Ah Moi.
A-6985476, Chan, Richard Bosum.
A-7860098, Chang, Hai-Liang.
A-8935100, Chang, Hao-Ming (Hilda).
A-110065738, Chang, Ming Hsiang.
A-10173911, Chang, Fei Yang.
A-8015601, Chang, Rose Yuen.
A-10173912, Chang, Theresa.
A-10173913, Chang, Angeline.
A-7375769, Chang, Tseng-Hsu.
A-6967616, Chang, Tsu-Shen.
A-7071966, Chang, Tsun (Sister Marie Perboyre Chang).
A-7445191, Chao, Lincoln also known as Chao Lien.
A-7274772, Chao, Beatrice also known as Tu Pei-Chiu.
A-6395544, Chao, Ping Lang.
A-8878437, Che, Hang Ching or Sister Bundu Han.
A-8153700, Chen, Lily Li.
A-7297989, Chen, Shu Min Hsu formerly Shu Min Hsh.
A-8154151, Cheng, Rita Kai-Ying.
A-9687357, Chai, Tang also known as Chai Tang or Teng.
A-6511087, Chi, Wen Shun.
1300-96990, Hsiao, Tao Fen.
1300-96992, Chi, Smepel.
1300-96991, Chi, Yuan.
1300-96994, Chi, Hsing.
1300-96993, Chi, Yun.
A-8982997, Chiang, I-Chen or Jimmy I-Chen Chiang.
A-8982512, Chang, Lee-Yong or Lilian Lee-Yong Chang.
A-7248210, Chiang, I-Kwai.
A-9684347, Chon, Kwok.
A-6163787, Chu, Gordon Pu Kong also known as Pu Kong Chu.
A-7190599, Chu, Tse Yun.
A-7274338, Chu, Ya Chin (Sister Mary Dorothy Chu).
A-7436711, Chun, Wang Wei or Charles C. Wang.
0300-469198, Chwang, Inge.
A-6923731, Donn, Pearl or Pearl Monczyk Donn (nee Perla Monczyk).
A-9080977, Eitman, Kordi.
A-8217763, Englert, Roman.
A-7368953, Feng, Sho Chang.
0300-382764, Feng, Kuo Chen Wang.
T-1892095, For, Chong.
T-2909791, Potino, Mircea.
A-7961855, Frenkel, Samuel.
A-2578191, Gong, Yue Lin or Yue Lin Chen.
0300-251392, Halwa, Joyce Korine.
E-1293, Hauptman, Bronislaw.
A-6079972, Haiang Chen Ah also known as Chow Ah Thin.
A-6848543, Hsiao, Bryan also known as Hsiao Pei Haiung.
A-6848147, Hsieh, Chiao-Min.
A-7141133, Hsieh, Jean Kan.
A-10150174, Hsu, Yuen Kan.
A-6847838-X, Hwang, Yin-Yi Winnie.
A-6623632, Jacobs, Riva.
A-7244871, Jundef, Faiwus.
A-8846904, Jundef, Golda (nee Lewin).
A-9081629, Kamburis, Vangeli.
A-10024283, Kan Mary Yung.
A-7133263, Kao, Mary Kuo Ping.
A-7967560, Kao, Yuk Joo.
A-5861981, Kawai, Koichi also known as Manuel Koichi Kawai.
A-9167899, Kem, Chong Jong.
A-10060007, Ki, Nicole Elizabeth Marie.
A-10060006, Ki, Claude Felix.
A-9825024, Korgol, Lech Szczepan.
A-9825107, Kotlarz, Roman Wladyslaw.
A-9625031, Kowalek, Bronislaw.
A-7961379, Kulitis, Arvids.
A-10076533, Kuo, Cheng Tang also known as Thomas Cheng Tang Kuo.
A-5977402, Kurotobi, Isamu Enrique.
A-6097842, Kurotobi, Naoko Isabel.
A-7379751, Kwan, Verna Ta'ung K'uan.
A-9649794, Kwong, Lee Ah.
A-10077903, Lai, Yuen May.
A-10068922, Lai, Kwan Wu.
A-6938822, Lamberts, Janis.
A-6938823, Lamberts, Pauline Leontine Amanda.
A-6938825, Lamberts, Harold.
0300-416645, Lau, Gon Fray.
A-4138773, Lee, Chofeng Lin.
A-3528722, Lee, Fong, also known as Lee Fong Lee or Yu Ken Lee.
A-6973664, Lee, Hei Kit.
A-7868158, Lee, Rose Hwang or Tao Na Lee.
A-8198534, Lee, Yuen Wei.
A-6302129, Leung, Kam Fong.
A-10067115, Ley, Shi-Chuan also known as Stream Ley.
A-10067116, Kwang, Li Lin also known as Lily Kwang Ley.
A-9540664, Li, Ding Bow.
A-7365685, Lien-Sheng, Chiang also known as Cynthia Lien-Sheng Chiang.
0300-326694, Lindner, Florian.
A-7248503, Liu, Chui Fan.
A-10077147, Lo, Chia-Ming or Chia Ming Lo Li or Chia Ming Lo Lee.
A-0077148, Li, Yu-In or Anne Li or Anne Lee.
A-6851329, Lu, Kuo Hwa.
A-6243673, Lue, James Fung Sang.
A-9235840, Lum, Gum Hung.
0300-469618, Mak, Yien Chiu also known as Mrs. Phillip Lee.
0300-468642, Lee, Halley.
0300-469619, Lee, Sue Qual.
0300-471339, Lee, Sue Jean.
A-7421669, Nadolny, Bruno formerly Bronislaw Piotr Nadolny.
A-7280706, Nee, Dora Pei-Ming.
A-7280705, Nee, Cora Pei-Ying.
A-7280704, Nee, John Kwei-Ih.
A-9825033, Pawlowski, Roman.
A-8082049, Perna, Giovanni Nino.
A-10085878, Pezzulich, Giuseppe Celeste.
A-10057793, Piotrkovski, Chana.
A-6944211, Pokrovsky, Nicholas George.
0300-442368, Poy, Tang Ah or Tang Poy.
A-10135868, Raudsepp, August Voldemar.
A-10135869, Raudsepp, Sofia.
A-8938390, Semkov, Roman.
A-9825113, Rogalewski, John or Jan or John Rogolewski.
A-7295483, Shen, Jian also known as Anthony Shen.
A-6847983, Shen, Rosaline Hsiao Mei.
V-1184422, Shen, Yi Yun.
A-6967267, Shih, Helen (nee Yao Mei Chao).
A-6851331, Shih, Li-Chang.
A-10085294, Shio, Wei Ling (nee Woo).
A-10085295, Shio, Helen.
A-10097460, Shio, Bery.
A-10085296, Shio, Julia also known as Winhma Shio.
A-10085262, Shio, Mary.
A-9825031, Skrzypczak, Stanislaw.
A-9625030, Skrzypczak, Helena (nee Zukowska).
A-7386490, Sze, Deson Chungyuan.
A-8876434, Sze, Lee Sung also known as Lee Sung Sze.
A-7386491, Sze, Marjorie Wei Kyuin Tam.
E-119241, Tar, Han Wei.
A-8845252, Tcheng, Mariena (Yien-Ming) (nee Wang).
A-7445451, Tong, Wong Kum.
A-7071961, Hsai, Shu Min (Sister Martha Seton Tsai).
A-7879894, Tsao, Kuo-Pin.
A-7879895, Tsao, Amy (nee Hsu).
A-7879896, Tsao, John Mario.
A-7879898, Tsao, Madeleine Marguerite.
A-6967704, Tu, Kuo.
A-6975583, Tu, Ching-Shung Tseng.

A-4804683, Wai, Lam Shin.
A-7248493, Wang, David Rafael, also known as Chih Kang Wang or Hsin Fu Wang.
A-9013547, Wang, Fa or Frank Fong Wong.
A-7292159, Wang, Foh (Annie) Chen (nee Pao).
A-10089267, Wang, Fu Yen.
A-10089891, Wang, Lily Lung Yi Liu.
A-7280752, Wong (Nee) Bessie Pei Hsi.
A-9559965, Wong, Chow, or Joseph Wong.
A-6386992, Wong, Yen Leong.
A-7185003, Wu, David Tao-Yung.
A-7952392, Wu, Philip Shi-Sun.
A-7357779, Wu, Robert Pao-Chung.
A-10410997, Wu, Tak Chung, alias Giun Seah Lee.
A-7374419, Yang, Ta-Che (Daniel).
A-6384077, Yi, Liang Min.
A-9825405, You, Lee.
A-10076883, Yu, Lily.
A-7390062, Yuan, Ching.
A-7133280, Yuan, Wen Ying (Sister Columbia Yuen).
A-10024904, Yue, Ruth Chou.
A-6973666, Yuen, Wan Yun Huang.
A-10088896, Yung, David Chih-Chian.
A-9625094, Zdrzalik, Zdzislaw Stefan.
A-6967504, Au, Chu Jui Lee.
A-7053569, Bau, Henry Tsen-Hung.
A-10141593, Bau, Mary Shu-Shiu Wang.
A-7421680, Bienkowski, Josef Jan Dryja Vel.
A-6837703, Blinchevsky, Eugenia.
A-6835571, Blinchevsky, Helen Boris.
A-7860069, Chai, Winberg.
A-6967618, Chang, Andrew Tsu-Chao.
A-5928214, Chang, Choung, also known as Chang, Loy.
A-7805886, Chang, Jen-Hu.
A-7177853, Chang, Jih Jie.
A-7354773, Chang, Kuo-Chin.
A-1526107, Chang, Lusy, also known as Shu-Chin Tsai Chang.
A-7002152, Chang, Clarence Dayton, also known as Lu-Huang Clarence Dayton Chang.
A-7002153, Chang, Leona, also known as Lu-Wen Leona Chang.
A-7436770, Chang, Priscilla Chen-Hsing.
A-7436668, Chang, Tien Sun.
A-7805931, Chang, Tseh Nan.
A-7354336, Chen, Albert Fu-Hong.
A-6967623, Chen, Josephine Chuan-Sun.
A-10318436, Chen, Angela Sing Sing.
V-2007383, Chen, Cecilia Hsiu Feng.
0300-454170, Chen, Chang Chi, also known as Phoebe Chang.
0300-457504, Chen, Fook Sing.
A-6709263, Chen, Hsueh Hsin.
A-6236775, Chen, Kwong Min.
A-10173558, Chen, Mabel Mei-Mei.
A-7830614, Chen, Nancy Ya-Ming.
A-6922527, Chen, Shou Chai.
A-6234063, Chen, Susan Yolanda (Shaw-Ying Chen).
A-7582014, Chen, Yerk Kun.
A-6967729, Chen, Wen-Liang.
A-6986502, Cheng, Chao-Shing.
A-6703211, Cheng, Peng-Tung Hsu.
A-7298005, Cheng, Chi Ming.
A-10076312, Cheng, Paifong, also known as Robert Cheng.
0300-432309, Cheng, Ching Ho.
A-6851657, Cheng, Robert Suh-Ming.
A-6879205, Cheng, Yu (Jean) Chee Lee.
A-6986550, Chi-Kun, Tao or Chi-Kun Tao.
A-3620637, Cheng, Sung Yuan Kwan.
A-6027149, Chiang, You Keng.
A-7206806, Chiang, Yung Kai.
A-7071964, Chin, Sister Francis Roberta.
A-10165179, Chin, Moo.
A-10165180, Chin, Po-Lan Ho.
A-10165182, Chin, Teresa.
A-10165181, Chin, Nicholas.
A-7389361, Chiu, Ping.
A-7133265, Chow, Man Chin (Sister Fabian Chow).
A-5239727, Chow, Thui Yet alias Choy Yat Cho, alias Choy Wap Cho.
A-8892381, Chu, Charles Kai Hwei.
A-7286666, Chu, Hsiao-Ying alias Ernest Hsiao-Ying Chu.
A-7286939, Chu (Tchou), Raymond.
A-7190608, Chu, Tse-Wei.
A-6271456, Chu, Ting-Ye.
A-6704076, Chu, Grace Yen or Yuan Lee Yen.
A-7952490, Chuang, Kuei.
A-9836632, Chun, Soo.
A-10074081, Cupic, Jelena Branko.
T-358223, Czajkowska, Genowefa.
A-9717300, Czerwinski, Jozef Albin.
A-6886841, Dan-Tsao, Huang.
A-10089888, Deng, Chen-Shu.
A-10089892, Deng, Yen-Lan Wang.
A-7890623, Diao, Kai-Jen.
E-057285, Erakovic, Vasilije.
A-8001235, Poo, Tai Ho.
A-7144073, Goldman, Moses.
A-9625136, Goncz, Leon Pawel.
A-9825039, Gregorczyk, Stanislaw.
A-9825105, Grunwald, Szczepan Karol.
A-10073125, Hahnl, Alexander Yugo.
A-10073126, Hahnl, Ninon.
0300-423936, Ho, Kao Yee.
T-302646, Ho, Tse Kong.
A-6959853, Hou, Ma Ching.
A-6848150, Howe, Robert Hsi Lin.
A-7274656, Hsi, Hwei-Kai.
A-10136431, Hsi, Pauline Chiang.
A-7897586, Hsiang, Wilma Wei-Mo.
A-10143678, Hsiao, William Chin-Yao.
A-6848528, Hu, Isabelle Te-Ai (nee Liao).
A-6962965, Hu, Kuo Hao.
A-7389485, Huang, Phyllis Chin-Hsien formerly Chin Hsien Yu.
A-10077947, Huang, Shang Chien or Stanley Shang-Chien Huang.
A-6967301, Huang, Shuan Keng.
A-8889883, Huang, Tao.
A-6959733, Huang, Anita W.
T-503813, Huo, Wan Yee also known as Irene Fek.
A-7277351, Hwa, Rudolph Chia-Chao.
A-7274373, Hwang, Chin-Tsun.
A-7365724, Hwang, Hsia Hsiang.
A-7358963, Ing, David Wei Kou.
A-7427883, Jacob, Aaron.
A-7427884, Jacob, Rachel.
T-358276, Jacob, Florence Angela.
A-7897563, Jen, Hsi-Yin Yu.
A-7286831, Jen, Myra Chi-Fang Ku.
A-100175143, Kan, Chieh Hou.
A-10076741, Kan, Katharine Hsu also known as Wan Chun Hsu.
A-10077348, Kan, George T. also known as Teh Pei Kan.
A-10076743, Kan, David T. also known as Teh Hou Kan.
A-10077068, Kan, Loretta also known as Kun Wu Kan.
A-10076740, Kan, Teh Mau.
A-10077089, Kan, Phoebe also known as Fei Bee Kan.
A-5977407, Kanashiro, Kiyomasa.
A-10073233, Kantor, Janos.
A-7396897, Kao, Lin.
A-8001233, Keng, Cheng Yong also known as Yung Keng Cheng.
A-9649796, Kian, Kwan Juan or Juan Kian Kwan.
A-6938303, Koo, Peggy Ven Mai.
0300-435390, Kow, Chu or Chou Kau.
A-6664460, Kuo, Ah Chong.
A-10087148, Krzentowski, Piotr.
A-9782944, Kwai, Lee.
A-6848539, Kwok, Catherine M. Ho formerly known as Catherine Chin-Yee Ho.
A-6986587, Wwong, Eva Yen-Hwa Hwang.
A-7293125, Lam, Kai Bor.
A-7284219, Lashkareff, Alexander.
A-7284220, Lashkareff, Victoria.
A-7263692, Lee, Alfred Yahchieh.
1301-16051, Lee, Fan.
A-10067116, Lee, Kwai Tsung.
A-8267949, Lee, Jerry Liang Chang.
A-7201335, Lee, Jui Shuan.
A-7365691, Lee, Ming-Cho.
0300-460542, Lemberger, Moses, or Monek, Monick and Moniek.
0300-462259, Lemberger, Frida (nee Largsam).
A-7415632, Lepper, Aldo.
A-7282066, Li, David Haiang-Fu.
A-10143627, Liang, Hsiao Shiu-Hsien.
A-4838817, Liang, Wing Ching or Wing Ching.
A-10060062, Liao, Harry Cheng Liu also known as Harry C. Liao.
A-8065322, Lieu, Shou Tseng Lieu.
V-754173, Lieu, Vi Tuh.
A-9798852, Lim, Kim Seng.
A-6967483, Lin, Daisy Yun Yin.
A-7299376, Lin, Edmund Chi Chien.
A-7882621, Lin, Yu-Li nee Shao alias Lily Yu-Li Lin, Lily Shao, May Lily Elizabeth Shao, May Elizabeth Yu-Li Shao, or Lily Yu-Li Chao.
A-7821157, Ling, Linda Monne-Anne Kwok.
A-7134266, Lio, Shan Ying (Sister Paul Vincent).
A-10135402, Liu, Chi Tan Chang.
A-7952395, Liu, James Huey-Wen or Huey-Wen Liu.
A-3029149, Lieu, Kwan Kwong.
A-6031232, Lo, Lau also known as Lan Lo and So Lo.
A-7280751, Lok, Mabel Pei Chu also known as Nee. Pei Chu.
A-6967709, Loo, Tzu-Tao.
A-8955760, Lowe, Lily.
A-6851671, Lu, Charles M. also known as Cheng-Ming Lu.
A-7480740, Luan, Li-Hsuan also known as Lawrence Leo Luan.
A-7480739, Chen, Chin Fong also known as Barbara Tsing Fang Luan.
A-7141140, Ma, Keng Ying also known as Keng Ying Chuan.
A-7278816, Ma, Shih-Wen.
A-9825121, Maciag, Bogdan Leszek.
A-7251844, Maholanyi, Zoltan.
A-7118726, Mao, Peter Tchen-Hsi.
A-7866375, Marchesi, Dr. Carlo Mario.
V-542909, Marchesi, Pia Maria.
A-7185292, Marciniak, Jan Richard.
A-6236273, Mi, Clarabelle Fu-Hsin.
A-6923900, Midloch, Milos H.
A-7283675, Midloch, Zuzana K.
A-9500588, Mon, Gun Woo also known as Cheong Yee.
0300-457667, Mon, Lee Hoi also known as Lee Yee Man and Li Ho Man.
A-7439269, Mucha, Anna.
A-6846623, Natkanski, Zygmunt Bronislaw.
A-9825028, Nestorowicz, Zofia also known as Kasprzykowska (nee Prinse).
A-6555843, New, John En Chien.
A-8847202, Ng, Kwong Chong.
A-6958553, Ong, Fen Ching.
A-7456047, Ong, Ai-Lien (Eileen).
A-7421667, Opalinski, Tadeusz.
A-10170962, Pajkuric, Nedeljko Alfonz.
A-7355250, Pan, Huo-Ping.
A-10023100, Pan, Chiou-Wen Sha.
A-8098046, Pan, Loretta Ren-Tsiu.
A-7790134, Pei, Ming Lung.
A-10135877, Pei, Yen-Fen Kiang.
A-10060224, Perl, Luba, nee Luba Schonberg.
A-6936220, Popp, Kaljo.
A-6986563, Puh-Lee, Y. Chiung.
A-9825083, Pytel, Alojsy.
A-9825065, Pytel, Anna Jadwifa formerly Bielska nee Papay.
A-9825038, Pytlik, Stanislaw.
A-10135558, Radlicz, Andrew or Andrezej.
A-8057490, Sang, Wong or Huang Sheng or Sang Wong or Sheng Huang.
A-9782943, Sau, Tsang Loy.
A-6858252, Shao-Chia, Chou.
A-7865312, Shen, John Ching Ung.
A-7211005, Shen, Theresa Angela-Tan-Jo.
A-7368960, Shen, Tsung Yuen.
T-281448, Sheu, Chen Ah.
A-7209340, Sieh, Christopher F. formerly Fou-Chew Sieh.
A-6967600, Sieh, Ruby Ping-Fong.
A-7283130, Sih, Charles Chang Chi.
A-7376254, Skyba, George also known as Yuraj Skyba.
A-6285556, Smiley, Edward.
A-9708065, So, Wong also known as Wong Sou and Wong Sow.
A-7061277, Soong, King Yu.

A-8021914, Sulner, Hanna Fischhof.
A-8861704, Sun, Hun Hsuan.
A-7116722, Sun, Nancy Liu.
A-6967554, Sun, Mung-Chio Chao.
A-6849836, Sung, Laura Hsiu-Chen Hsu also known as Laura Hsu Sung (nee Laura Hsiu-Chen Hsu also known as Chen Hsu).
A-7897612, Sung, Pang-Chieh (James).
A-7299368, Sung, Wei Liang.
A-6353204, Sze, Tsung Wei.
A-7389469, Sze, Frances Chi Gwang Tung.
A-9558312, Tan, Ah Sun.
A-7436691, Tang, Chung Ying.
A-6967256, Tang, Cecilia Yun-Hua Hsieh or Yun-Hua Hsieh Tang.
A-9826131, Terenowicz, Franciszek Marion or Frank Marion Terenowicz.
A-7204870, Tieu, Hsin-Ti.
A-5409459-T, Trzcinski, Czesiaw.
A-7365684, Tsai, Betty Koh-Wei.
A-7274332, Tsai, Shu Chin (Sister Mary Pauline Tsai).
A-7285964, Tsao, Ching Jen.
A-10086491, Tseng, Mei-Shiu.
A-8258345, Tsou, Alice Ching Chang.
A-6986568, Tu, Ping Shiu.
A-10024282, Tung, Frank Fu-Chin.
A-10066830, Twanmoh, Yee-Ming.
A-6563830, Wah, Ding Leung alias Dins Ah Sens.
A-10143702, Wan, Charles Chun-Ho.
A-10143703, Wan, Lucq Fo-Hwa.
A-10143704, Wan, Richard Ti-Kan.
A-7297962, Wang, Cheng-Pin (Joseph).
A-6733174, Wang, Chi.
A-6500319, Wang, Chih-Yi.
A-7125550, Wang, David.
A-7830616, Wang, Mary Yueh Lian.
A-6851555, Wang, Ping Chun.
0300-25101, Wang, Ta.
A-7202726, Wang, Ven Shun also known as Vera Wang.
A-7133281, Wang, Wen Min (Sister Lucille Wang).
A-10137545, Wei, Robert Peh-Ying also known as Bobby Wei.
A-10137544, Wei, Lee Chung Kung.
A-7247149, Wen, Katherine Cheng also known as Dan-Hu Cheng.
T-302794, Wong, David Kon-Sien.
A-7858424, Wong, Catherine Tak-Then Lin.
A-7399264, Wong, David Ping-Zu.
0300-329389, Wong, Lun Sung.
0300-466372, Wong, Grace Siu Meng.
0300-432373, Wong, Margaret Yi-Chung.
0300-432372, Wong, Robert Pan-Sing.
A-7389507, Wong, Shou-Song.
A-6848108, Wong, Wang Mo.
A-6835115, Woo, George Tsung-Yuan.
A-8886058, Woo, Helen Mur Lum.
A-6661892, Wu, Burah Shih-Wei.
A-6211293, Wu, Chang-Ning.
A-10024217, Wu, Grace Wei-Ling.
A-6992017, Wu, Helen.
A-6975567, Wu, Hsiao May.
A-8626819, Wu, John Kwang-Pao.
A-6848190, Wu, Kong.
A-7266962, Wu, Pei-Yi.
A-6932855, Wu, Peter Shu-Ping.
A-10137506, Wu, Vincent Wen-Show.
A-7927174, Wu, Tien Si.
A-6949664, Wu, William Chi Tung.
A-7921391, Yang, Andrew Chang-Wai.
A-6847990, Yang, Theresa Shi-Ping (nee Theresa Shi-Ping Wang).
A-7297964, Yang, Wilox Kan-Hsien.
A-6001546, Yeh (Yip), Stephen or Hwa Kuo.
A-10137455, Yeh (Yip), Kenneth or Hwa Ming.
A-6851121, Yeh (Yip), Sidney or Hwa Chiang.
A-6655792, Yin, Ho or Ho You.
A-1246243, Ying, Feng or Ying Feng.
A-6958676, Ying, Wu Sai also known as Mary Hsu.
A-6848710, Yu, Chuang-Pong also known as Paul C. P. Yu.
A-9556540, Yu, Han Ku.
A-7456049, Yu, Hwa Nien.
A-5261017, Yu, Paul also known as Fung Kut Yu.
A-10085286, Yu, Shao-Hsien.
A-3779687, Yu, Yao Fay.
A-6849829, Yo, Yi Yuan also known as Rutherford Berkeley Yu.
A-8935024, Yuan, Chin.
A-7202740, Yuan, Stephen Shui.
A-6851601, Yueh, Lan Lambert.
A-1393284, Yuen, Tan.
A-7384353, Yuk-Kai, Kong Phoebe (nee Wong).
A-1088492, Yung, Henry Chih-Shian.
A-5999161, Yung, Oh Ming also known as Yung Oh Min, Yung, Ah Chiu or Ech Tiu.
A-9556555, Yung, Wong Ah.
A-8938356, Zee, Richard Shu-Juan also known as Zee, Richard.
A-5962231, Zeiger, Alfred Gilbert.
A-5962230, Zeiger, Margaret Theresa.
A-5962229, Zeiger, Rudolph Nicolaus.
A-7398362, Zgrzebnicki, Stanislaw.
A-7210189, Barta, Elizabeth.
A-5962035, Beker, Karl.
A-1923706, Benko, Istvan, also known as Steven Benko.
A-7197764, Barejetaki, Maria.
A-7486931, Berman, Moisse (Morris).
A-8031300, Bialy, Marian Jan.
0300-378125, Bucich, Vittorio formerly Vittorio Bucci.
A-10065915, Bussanich, Dominick or Domenico.
A-7134268, Capelewicz, Leib.
A-10074994, Chai, Yun-Sheng.
A-8190571, Chan, Chu.
A-6848606, Chang, Chiao Lin.
A-6937525, Chang, Chu-Huai.
A-6704114, Chang, Chung Chong, also known as Mrs. Ruth C. Chang.
A-8899533, Chang, Diana Tun-Hua.
A-0935271, Chang, Fa Shun.
A-10068619, Chang, Frank, also known as Tse-Jui Chang.
A-10145017, Chang, Molly, also known as Lien-Dee King Chang.
A-10145018, Chang, Lydia, also known as Han-Tsing Chang.
A-10135669, Chang, Wallace, also known as Han-Jen Chang.
A-10136747, Chang, Jack, also known as Han-Teh Chang.
A-7274337, Chang, Martha Gin Chi.
A-8125687, Chen, Josephine Ti-Ti.
A-7190606, Chen, Kao Ling.
A-8036414, Chen, Li Cheo.
A-6986545, Chen, Lillian Meng-Yuan Hsieh.
A-6963100, Chen, Pauline Yen (nee Yen) formerly Kuei Chiu Yen.
A-7275547, Chen, Tien You.
0900-73135, Chen, William Kuan formerly Wei Kuan Chen.
A-7228329, Cheng, Chia Chung.
A-2888190, Cheng, Jack Gar.
A-6405953, Cheng, Pao Lun.
A-6847995, Cheng, Sin-I.
A-6967700, Cheng, Jeanie Sing.
T-302797, Cheng, Soa Cheung.
A-7957695, Cheng, Yao also known as George Cheng.
A-8884362, Cheung, Yuen.
A-8125650, Chi, Julie Chao-Yung.
A-8897600, Chin, Tieh Cheng.
A-5971916, Chitu, Aurel.
A-6848128, Chiu, Min-Shan Huang.
A-9527094, Cho, Tong.
A-7225120, Chou, Mark formerly Paul Lien-Tsie Chow.
A-7436761, Chow, David Tai Wai.
T-2760119, Chow, Pat Young.
A-6142213, Chu, Chi-Hsuin Ulric.
A-7390061, Chu, Chi-Yen also known as David Chi-Yen Chu.
0300-459060, Chu, Pu Chih also known as Chu Pu Chih.
0300-469511, Chuen, Lee Yuet.
T-302679, Chuen, Low Yum.
0300-417493, Chun, Leong.
A-1828786, Chung, Kuo Kan.
0300-459556, Chung, Lee One or Onee Chung Lee.
A-9836574, Chung, Song.
A-2658920, Chung, Wu.
A-7421679, Chylinski, Bogdan or Dennis Chylinski.
0300-459563, Custn, Friderica.
A-10504210, Deavers, Stephanie (nee Ipper).
A-7367959, Dien, Chi Kang.
A-7202730, Dien, Lien-Tien Hsu.
A-10060032, Doo, Mu-Lan (Molly) Chu.
A-6848531, Dunn, Fa-Chi.
0300-410662, Eng, Woods also known as Eng Woodsee or Jimmy Eng or Jaime Sang or Eng Foon Lun.
T-2585075, Fa, Chung-Hsien (Charles).
A-7483723, Fang, Lucy.
A-6381298, Fang, Chung-Liao.
A-7444648, Fiszelis, Icko.
0300-337534, Fiszelis, Anis.
A-6851289, Fong, Kouan.
E-10751, Fong, Zei Pao.
A-6848053, Foo, Virginia Siu-Hseng (nee Wang).
A-6016924, Fu, Chien Chiu.
A-9825143, Galecki, Zbigniew Henryk.
A-8267847, Greenfield, Josef.
A-7193910, Gundry, Elizabeth Serena.
A-6812080, Gunther, Louis formerly Lajos Gunther.
E-058793, Hai, Ning Shing.
A-8196711, Heskall, Sawday Yousuf.
A-6555644, New, Abraham En-An.
A-6855612, Ho, Yen Hui also known as Franklin Yen Hui Ho.
A-8930525, Ho, Ellen Hsi-Yin Chen.
0300-457800, Honovich, Ivan or Ivan Honovic.
A-7489750, Hsia, Katherine.
A-6041681, Hsiao, Liang Lin.
A-10145058, Hsiao, Katherine Huei-Ying Huang.
1300-117283, Hsieh, Chaucer Chia Shu.
1300-124919, Hsieh, Bess Chen Chue.
A-4014129, Hsieh, Hsueh Lian.
A-6847855, Hsiung, Chuan Tse.
A-6851353, Hsiung, Du Yung.
A-7444633, Hsiung, Litta Sze Yu, formerly Litta Wei Yu Chu.
A-6771671, Hsu, Chi-Hwah (Patrick).
A-7263689, Hsu, Ching (Winnifred Madeleine) (nee Yang).
0300-355800, Hsu, Cyril or Cyril Da Lung Hsu.
T-281911, Hsu, Ta Chun.
0300-343746, Hsueh, Yuan Tse Chao.
A-10143000, Huang, Shuh Wei.
A-6891821, Huang, Wei-Cheng.
A-9825119, Hudsicki, Thaddeus Eugene.
A-10143342, Hui, Yuk-Wah Chui.
A-10143341, Hui, Shui Ben.
A-10143340, Hui, Tom Shui-Tung.
A-7544395, Hwa, Wu Ah.
A-8961638, Hwong, Louis Sheiling.
A-6027976, Jam, Hai.
E-084204, Jock, Wong.
A-9825079, Kacsmarek, Jan Marian.
E-118667, Kamalich, Zelko.
A-8190823, Kan, Ling, also known as Ling Tom or Ling Kan Kan.
A-7299372, Kao, Chang-Chung.
A-8843276, Kaufman, Chaim.
0300-475440, Kaufman, Efraim.
A-6985533, Kiang, Yung Sze.
0300-464593, King, Tseng Kwong.
0300-464595, King, Mary Yang.
0300-464695, King, Davis Tseng.
A-5647992, King, Wilson.
A-8154000, Klein, Lazar.
A-7126483, Kolman, Lazar, also known as Jeno Davidowics.
A-7250904, Koo, Ronald Charles, also known as Chiang-Chong Koo.
A-6727383, Kung, Chang.
A-7078190, Kwan, Tsun Yu.
0300-471118, Kwang, Lucia Su-Pang.
0300-455910, Landkas, Eva Olga.
0300-455911, Landkas, Jana Marie also known as Yana Landkas.
0300-455912, Landkas, Karol Josef also known as Charles Josef Landkas.
A-10142999, Lea, Jean Koo.
A-10142998, Lea, George Koo.
A-10142997, Lea, Edna Koo.

A-6460703, Lederman, Bronislawa (nee Szkalarska or Slabizner).
A-8088517, Lee, Chao-Ling also known as Ywei-Tai Lee or Robine C. L. Lee.
A-10141564, Lee Chin Fong Wu.
A-10141594, Lee, Betty.
A-10141595, Lee, Anna.
A-8117358, Lee, King.
A-8055456, Lee, Kung Heing.
0300-464495, Lee, Man Bun.
A-6767565, Lee, Mary Foo (nee Mei-Li Foo).
A-7288769, Lee, Michael Lo-Hsin.
0300-454861, Lee, Peter K. also known as Ping Kang Li.
A-7418221, Lee, Robert Che-Kwong.
A-7295512, Li, Agnes Sou Lan.
A-7292447, Li, Kam.
A-6847839, Li, Kun.
A-7399278, Li, Wen-Hwa Tai.
A-6884236, Lieberman, Martha.
A-9236196, Lim, Man Aw.
A-6986556, Lin, Chung-Wu.
A-6958630, Lin, Paul Jen-Su.
A-7133233, Ling, Mary Fong Tong or Sister Maurice Ciet.
A-10141591, Liu, Oilene Marguerite.
A-10141590, Liu, Rena Marguerite.
A-10141589, Lieu, Juanita Mae.
A-7354772, Liu, Tung.
A-6848101, Liu, Yu-Chen.
A-6958644, Lo, Ching-tao.
A-8954609, Lo, Rose Marie.
A-8937451, Feng, Mary Louise.
A-9637450, Feng, Mary Theresa.
A-7197766, Lohmus, Alexander August.
A-6451984, Lohmus, Nina Barejetaki.
A-10067215, Lou, Kou Chen.
A-7530133, Lou, Marie King.
A-10145041, Low, Ben Ah Lin also known as Low Bin or Bin Low.
A-7436595, Lowe, Hsiao Shan.
A-7436591, Lowe, Molly Chang-Yee.
A-8961639, Lu, Tung-Chen Li.
A-7143254, Luh, Chien Hong.
A-8082375, Lum, Yuen Kwong.
A-6702160, Ma, Kwong-Kwong Tung.
A-6275289, Ma, Ming Li.
A-7418491, Majewski, Tadeusz.
A-1567579, Malk, August.
A-7865328, Mao-Dunn, Chung-Ming.
A-9825099, Massalski, Roman Bugueslaw.
0300-387367, Miechowicz, Edward.
0300-413524, Mihovicich, Antonio.
1600-106924, Ming, Ling See or Ling Ming, or Peter Ling.
PR-0901100, Mui, King Chau.
PR-0901110, Mui, Fung Ching.
A-6482265, Nunberg, Helen.
A-7267314, Okon, Pawal also known as Paul Okon also known as John Paklepa.
A-7125449, Omiliak, Joseph.
A-7991778, Peras, Martino.
A-7184155, Pick, Laszlo (Leslie).
A-7197540, Pick, Ilona (Helen).
A-7197542, Pick, Peter.
A-7089146, Pietron, Jerzy.
A-6967701, Ping-Teh, Sie.
A-7266729, Sie, Mrs. Ping-Teh or Georgiana Djen-Dzi Wei.
A-9825123, Polowczyk, Leonhard.
A-6270651, Reches, Colman.
A-7997723, Saar, Robert John.
A-7280743, Schwartz, Zoltan.
0300-466464, Sealom, Moise Eddy.
0300-465463, Shalom, Muguette.
A-7118756, Shao, Otis Hung-L.
0300-459657, Shen, Hsi Ching.
A-10141556, Shen, Kwang-Yun.
A-7913446, Shen, Tsung Ying.
A-7293120, Shen, Amy Tung-Chung Lin.
A-5967455, Shimabukuro, Koshio.
0300-423766, Shing, Chu Pao.
A-3807174, Shong, Ng.
A-6958656, Shum, Mary Chin-Hwai Chen.
E-29826, Siaw, Joyce.
A-7450356, Siaw, Thomas.
A-7841926, Siaw, Gideon.
A-7841927, Siaw, Caleb.
A-6606834, Sie, Hsien Choh.
A-8695492, Sie, Kia Shen.
A-6695388, Sie, Lucy Tang.
A-7263129, Sih, Chang Ming also known as George Chang-Ming Sih.
A-7074026, Siu, Barbara Clare.
0300-293020, Siu, Victoria Mary.
A-9825114, Skoczylas, Roman Franciszek.
A-9825115, Slusewski, Tadeusz Stanislaw.
E-154059, Statkevicius, Mecislovas also known as Mikas Roma Stonkus.
A-8103733, Stern, Erno.
A-7383486, Sun, Chin Yun also known as Lucille C. Y. Sun.
A-6026526, Sun, Ming Shan.
A-6967749, Yu, Chuan Chang.
A-10060431, Sun, Kungtu Chen.
A-100221941, Talviste, Venda or Wenda Talviste.
A-10170963, Tan, Wong Pi Chang.
A-10170964, Tan, Julia.
A-10170965, Tan, Michiol.
A-1023279, Tang, Thomas Li-Chien.
A-7282139, Tang, Walter Kwei-Yuan.
A-8616172, Ting, Chiang.
A-10145015, Ting, Fuying Wu.
A-10145019, Ting, Sheryl or Sin Hwa.
A-10145020, Ting, Mary or May Hwa.
A-6405956, Tong, Kin Nee.
0300-469678, Tong, Ngow.
A-7860193, Trzakowski, Zbigniew.
A-7860163, Trzaskowski, Isabella.
A-8082028, Tsen, Chen Cha now known as Roy Chen.
A-10067928, Tsou, Joseph Ko-Fa.
A-8102918, Tsow, William Pei-Wei.
A-10141600, Tsui, Daisy Teh Hsien.
A-5993249, Tsutsui, Juan Teruo.
A-7435704, Tuan, Kai Lin.
A-10141540, Tung, Chi Ling.
0300-410614, Tung, Tom Wing.
A-1753870, Venta, Eiman.
A-9707427, Wah, Wong.
A-9825026, Walczak, Jan.
A-6963136, Wang, Chenf-Ping.
A-7190604, Wang, Ming Yuen.
A-6737214, Wang, Siao-Yun Tsai known as Betty Siao-Yun Tsai Wang.
A-17070046, Wilk, Zygmunt Wladislaw.
1300-135482, Wong, Chin Hsi.
E-096448, Wong, Fong Quen.
A-7399255, Wong, James Wen Hsu.
E-057684, Wong, Ros Ng also known as Wong, Pang Ying.
A-6811718-T, Wong, Sing Lee.
A-6535223, Woo, Pang Tsu.
A-7211015, Wu, Henry Hsin.
A-7295492, Wu, Hui-Yung alias Fatima Wu.
A-7282141, Wu, Wei Djei.
A-6847811, Yao, Joseph Zeu-tse.
A-6851551, Yang, Chen-Sheng.
A-7368973, Yang, Johann Yueh-Han.
A-7368975, Yang, Schuman Chuo (nee Chuo).
A-10141599, Yang, Lilian Li-Lin Cheng.
A-6916552, Yen, Ti.
0400-55846, Yuan, Gloria Lettice Liao.
A-7202742, Yuan, Kun.
0300-471517, Yuan, Lomay also known as Lorraine Lomay Yuan.
A-6847933, Yue, Tab Yu (Thomas).
A-7274429, Zia, Zung Teh.
A-7274367, Zia, Yin Chin.

With the following committee amendments:

1. On page 1, strike out all of lines 8, 9, 10, and 11.
2. On page 7, strike out line 10.
3. On page 8, strike out all of lines 20, 21, 22, 23, and 24.
4. On page 11, strike out line 3.
5. On page 13, line 7, strike out the number "A-790491" and substitute in lieu thereof the number "A-7990491."
6. On page 13, line 15, strike out the name "Maria" and substitute the name "Marie."
7. On page 16, line 9, after "A-8090704, Liang" insert a comma.
8. On page 17, line 15, after the name "Shou-Lun," strike out the name "Kek" and insert in lieu thereof the name "Keh."
9. On page 23, strike out all of lines 20 and 21.
10. On page 24, line 23, strike out the number "A-0077148" and substitute in lieu thereof the number "A-10077148."
11. On page 25, line 4, strike out the number "0300-469642," and substitute in lieu thereof the number "0300-469643,".
12. On page 31, line 22, strike out the name "Fek" and substitute in lieu thereof the name "Fok."
13. On page 38, line 8, strike out the name "Lucq" and substitute "Lucy."
14. On page 40, strike out all of lines 15 and 16.
15. On page 40, line 24, strike out the name "Eeh" and substitute "Leh."
16. On page 42, line 19, strike out the number "A-7275547" and substitute in lieu thereof the number "A7-274547."
17. On page 52, line 13, strike out the name "Elman" and substitute "Elmar."
18. On page 52, line 20, strike out the number "A-17070046," and substitute in lieu thereof the number "A-7070046,".
19. On page 53, at the end of the concurrent resolution, add the following names:
A-7948499, Wang, Cheng Hu.
A-6443012, Wang, Kuei-Fu Pan.
A-8057489, Wang, Julia.

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MACARTHUR MINING CO., INC.

The Clerk called the resolution (H. Res. 174) providing for sending the bill H. R. 2648 and accompanying papers to the United States Court of Claims.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that House Resolution 174 be passed over without prejudice.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Kansas?

There was no objection.

BEULAH I. REICH

The Clerk called the bill (H. R. 1501) for the relief of Beulah I. Reich.

Mr. LANE. Mr. Speaker, I ask unanimous consent that the bill be recommitted to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JACOB BARONIAN

The Clerk called the bill (H. R. 1537) for the relief of Jacob Baronian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (5 U. S. C. 765–770), are hereby waived in favor of Jacob Baronian, for compensation for disability allegedly caused by his employment as an employee of the Works Projects Administration, in October 1939, and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Department

of Labor (Bureau of Employees' Compensation) not later than 6 months after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MAJ. JOHN P. RUPPERT

The Clerk called the bill (H. R. 1562) for the relief of Maj. John P. Ruppert.

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LT. COL. EMERY A. COOK

The Clerk called the bill (H. R. 2950) for the relief of Lt. Col. Emery A. Cook.

Mr. SHEEHAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

JAMES L. BOSTWICK

The Clerk called the bill (H. R. 3322) for the relief of James L. Bostwick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That James L. Bostwick, of Milton, Fla., is relieved of all liability to pay to the United States the sum of $378.88, representing reimbursement of gross compensation paid him for work at the United States Naval Air Station, Pensacola, Fla., by the United States Government for the employment period of October 31, 1955, until December 15, 1955.

With the following committee amendment:

Page 1, line 8, strike the period and insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. THEODORE (NICOLE XANTHO) ROUSSEAU

The Clerk called the bill (H. R. 1359) for the relief of Mrs. Theodore (Nicole Xantho) Rousseau.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, section 362 (a) of that act shall be held to be inapplicable to Mrs. Theodore (Nicole Xantho) Rousseau.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MITSUKO A. HACHITA

The Clerk called the bill (H. R. 1400) for the relief of Mitsuko A. Hachita.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miss Mitsuko A. Hachita shall be held to be classifiable as a returning resident under the provisions of section 101 (a) (27) (B) of that act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NICOLA MARCELLO

The Clerk called the bill (H. R. 1757) for the relief of Nicola Marcello.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nicola Marcello shall be classifiable as a returning resident alien as defined in section 101 (a) (27) (B) of that act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ELIZABETH LUCIE LEON (ALSO KNOWN AS LUCIE NOEL)

The Clerk called the bill (H. R. 2256) for the relief of Elizabeth Lucie Leon (also known as Lucie Noel).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Elizabeth Lucie Leon (also known as Lucie Noel) shall be held and considered to have been lawfully admitted to the United States for permanent residence on January 2, 1951, upon payment of the required visa fee, and shall be permitted to file a petition for naturalization notwithstanding the provisions of section 316 of that act.

With the following committee amendment:

On page 1, line 9, after "section 316" insert the following: "(a) (1) and (2) and section 316 (b)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 247) for the relief of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of the Immigration and Nationality Act, James Wanieung Mann, Mrs. Diana Biren Tung Mann, Edward Martin Rasmussen, Nashat Saadi Zabalaoui, Sui Shuen Tang, Una Wong Tang, James Tang, Lily Tang, Pnina Shiapak, Kwen Pang Sun, Chin Cho Chu Sun, E-Chen Sun, Pietro Di Filippo, Sister Bianca Capasso, Sister Caterine Giudice, Sister Giuseppa Capone, Pearl (Pik Chun) Ma, Ying Lun Ma, Sok Nam Ko, and Zsuzsanna (Suzanne) Szekely shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act in the case of Mrs. Diana Biren Tung Mann, and that she comply with such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare may deem necessary to impose: *Provided further*, That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act in the cases of Pnina Shiapak and Zsuzsanna (Suzanne) Szekely.

SEC. 2. For the purposes of the Immigration and Nationality Act, Roger Eugene Caillaud, Mrs. Mary Javier (formerly Maria Alvarado Salas), Mrs. Margaret Geordt, Kerttu Poutiainen Mayblom, Irma Kochendorfer Robinson, Stephania Hnatiw, Maria Hnatiw, Pasqualina D'Antonio, and Michele D'Antonio shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act in the case of Maria Hnatiw.

SEC. 3. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of John William Forbes Petch and Mrs. Tsuma Ueda. From and after the date of the enactment of this act, the said John William Forbes Petch and Mrs. Tsuma Ueda shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

SEC. 4. For the purposes of the Immigration and Nationality Act, Paolina Toscano shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 18, 1925, upon payment of the required visa fee.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That completes the bills on the Private Calendar.

CALL OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. BONNER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 12]

Allen, Calif.	Gary	Osmers
Anfuso	Griffiths	Pelly
Barden	Halleck	Pilcher
Bass, N. H.	Hays, Ohio	Powell
Bolton	Healey	Preston
Bowler	Jackson	Rabaut
Breeding	Kee	Reece, Tenn.
Brown, Ohio	Kelly, N. Y.	St. George
Burdick	Klucsynski	Siemiński
Collier	Knox	Staggers
Curtis, Mo.	Lesinski	Taylor
Denton	McFall	Thompson, La.
Devereux	McMillan	Thomson, Wyo.
Dies	Macdonald	Wilson, Ind.
Diggs	Mailliard	Yates
Eberharter	Morano	
Friedel	Morrison	

The SPEAKER. On this rollcall 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

URGENT DEFICIENCY APPROPRIATION BILL, 1957

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4249) making appropriations for the fiscal year ending June 30, 1957, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON, KIRWAN, WHITTEN, LANHAM, TABER, JENSEN, and H. CARL ANDERSEN.

AUTHORIZING COMMITTEE ON AGRICULTURE TO MAKE INVESTIGATIONS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 157 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective from January 3, 1957, the Committee on Agriculture, acting as a whole or by subcommittee, is authorized to make studies and investigations into the following matters:

(1) The restoration and development of foreign markets for American agricultural products and of international trade in agricultural products, and the disposal of agricultural surpluses pursuant to Public Law 480, 83d Congress, and Public Law 136, 84th Congress.

(2) All matters relating to the establishment and development of an effective Foreign Agricultural Service pursuant to title VI of the Agricultural Act of 1954;

(3) All matters relating to the development, use, and administration of the national forests, including but not limited to development of a sound program for general public use of the national forests consistent with watershed protection and sustained yield timber management, and study of the forest fire prevention and control policies and activities of the Forest Service and their relation to coordinated activities of other Federal, State, and private agencies;

(4) Price spreads between producers and consumers;

(5) The formulation and development of improved price support and regulatory programs for agricultural commodities; matters relating to the inspection and grading of such commodities; and the effect of trading in futures contracts for such commodities;

(6) The administration and operation of agricultural programs through State and county agricultural stabilization and conservation committees and the administrative policies and procedures relating to the selection, election, and operation of such committees;

(7) The development of upstream watershed projects authorized by Public Law 156, 83d Congress, and the administration and development of watershed programs pursuant to Public Law 566, 83d Congress, as amended by Public Law 1018, 84th Congress;

(8) All agricultural aspects of matters relating to drought conditions.

For the purposes of such investigations and studies, the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to make such inspections or investigations, to use such governmental facilities without reimbursement therefor, and to require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary: *Provided*, That hearings and investigations outside the United States shall be conducted only by subcommittees of not to exceed five members and shall be limited to matters enumerated in items (1) and (2) above. Subpenas may be issued over the signature of the chairman of the committee, or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths or affirmations to witnesses.

The committee may report to the House (or to the Clerk of the House if the House is not in session) at any time during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

With the following committee amendments:

Page 1, line 1, change the figure "3" to "4."

Page 3, line 6, strike the words "or outside" and "is in."

Page 3, line 7, strike out "session."

Page 3, line 8, strike out "to use such governmental facilities without reimbursement therefor."

Page 3, line 13, change the colon to a period, and strike out: "*Provided*, That hearings and investigations outside the United States shall be conducted only by subcommittees of not to exceed five members and shall be limited to matters enumerated in items (1) and (2) above."

The committee amendments were agreed to.

Mr. MADDEN. Mr. Speaker, this is the usual resolution to permit the Committee on Agriculture to hold investigations of various matters that come under the jurisdiction of the committee, including foreign trade, price spreads between producers and consumers and other agricultural matters.

I know of no opposition to this resolution, Mr. Speaker.

At this time I yield 5 minutes to the gentleman from South Dakota [Mr. MCGOVERN].

Mr. MCGOVERN. Mr. Speaker, I wish to add my support to House Resolution 157 submitted by the gentleman from North Carolina. I particularly want to call attention to item No. 4 of this measure, authorizing the House Committee on Agriculture to make studies and investigate the price spreads between producers and consumers. On the opening day of this Congressional session, I introduced a bill, House Joint Resolution 64, for this purpose.

It seems to me that two specific reports of the past month point up the need for such an investigation. I refer in the first instance to a report by the Bureau of Labor Statistics on February 22, indicating that the cost of living had risen to a new record high for the fifth consecutive month.

The Washington Post in carrying an account of this report quoted a prediction by the Bureau Commissioner that living costs would continue their upward spiral. This same report noted increased food prices, including substantial increases in pork and chicken prices.

Mr. Speaker, in South Dakota, my home State, hogs are selling as low as 65 percent of parity. Poultry is selling at 7 and 8 cents a pound, while eggs are bringing the farmer from 16 to 23 cents a dozen.

I wish to point out that while living costs were rising two-tenths of 1 percent during the last reported month, farm prices, according to Department of Agriculture reports, dropped 2 percent. It seems that every time farm prices go down a point, the price of everything else goes up another point.

We have heard a great deal in recent years about price stability. But I wish to say that the farmers have been made the goat of what overall price stability we have experienced since 1951.

One of the outstanding economists of this country, Dr. John Kenneth Galbraith of Harvard University in an article in the February 1957 issue of the Atlantic magazine said, "Prices were stable only because, from 1951 on, farm prices were going down."

He went on in his article to say that until last spring the 25 percent drop in farm prices was sufficient to conceal the upward movement of prices on other products.

Mr. Speaker, I submit that the farmers of this Nation have been squeezed long enough.

We have both the right and the duty to find out why the cost of living goes up while farm prices come down.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a Washington Post news article of February 22 and the article by Professor Galbraith in the February 1957 Atlantic magazine.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The matters referred to are as follows:

[From the Washington Post and Times Herald of February 22, 1957]

LIVING COST SCORES FIFTH CONSECUTIVE RECORD HIGH—RISE IN FEDERAL INDEX WILL GIVE AUTOMATIC RAISES TO 1.4 MILLION

(By Maureen Gothlin)

The cost of living rose to a record high again last month, the Government reported today. It was the fifth consecutive month it has set a record.

The increase brought automatic cost-of-living pay boosts for 1.4 million workers in the automobile, farm equipment, and aircraft industries.

The Labor Department's Bureau of Labor Statistics said its Consumer Price Index rose two-tenths of 1 percent between December and January to 118.2 percent of average 1947–49 prices.

Bureau of Labor Statistics Commissioner Ewan Clague said he expects living costs to continue "to creep up like this" again in February.

FOOD, POULTRY BLAMED

Retail food prices in the District area advanced one-half of 1 percent from December to January, largely because of higher prices for pork and poultry.

Fresh vegetable prices went up 3.5 percent, chiefly because of a 12.4 percent rise in potato prices, while a seasonal decline of 9.4 percent was reported for lettuce.

Pork prices advanced 5.1 percent and frying chickens 3.7 percent.

The price of eggs, however, dropped 5.6 percent, from an average of 63 cents to 59 cents a dozen. Butter prices dropped 1 percent. Bread prices were up 1.7 percent to an average of about 18 cents for a pound loaf.

The Bureau also reported that the average take-home pay of factory workers in January and their paycheck buying power were at record levels for the month. But they were below the peak reached in December.

It said the decline was due largely to a drop in the number of hours worked and an increase of one-fourth of 1 percent in the social-security tax.

The average factory worker with three dependents earned $74.99 a week after taxes last month—about $1.50 below his December earnings. His buying power stood at 122.8 percent of the 1947–48 average, compared to 125.5 percent in December.

MANY TO GET PAY BOOST

As a result of the rise in living costs, 1.1 million automobile, farm equipment, and aircraft factory workers will get a penny an hour pay boost on March 1.

The Bureau said pay increases also will go to 300,000 workers in electrical and other industries whose wage contracts contain cost-of-living escalator clauses. These include 120,000 Westinghouse Electric Corp. employees who will get a penny an hour increase next month.

The price index showed prices for food and clothing declined slightly last month. However, the reductions were more than offset by price increases for all other major groups of goods and services.

Price rises were reported for fuel oil, coal, gas, telephone service, laundry and dry cleaning, hospital and medical services, used cars, automobile insurance, gasoline, new models of some appliances and, in the West, railroad fares.

New-car prices at the dealers' level were lower but the decline was only half that registered in January a year ago.

Rents averaged about the same as in December.

Household fuel-oil prices rose 4.3 percent and coal and gas prices a fraction of 1 percent.

[From the Atlantic Monthly]

ARE LIVING COSTS OUT OF CONTROL?

(By John Kenneth Galbraith)

I

After surveying the results of the election in the Farm Belt last fall, Secretary of Agriculture Ezra Taft Benson concluded that his policies had been endorsed, admittedly with some reservations, by the farmers. He could have been wrong. An adverse farm vote almost certainly cost the GOP the control of the Congress. And there is a distinct possibility that farmers like Ike for himself alone and not necessarily for his Secretary of Agriculture. But there is no doubt at all that if farm prices had been better and Mr. Benson more beloved, the administration would have had to do some fairly serious explaining on another front. For people would have been asking very urgently what had happened to the cost of living.

In recent months, the consumer price index has reached the highest level in history—higher than during the Korean war and very much higher than when the controls came off after World War II. This high level has been the result of an upward movement which began in April of 1956 and which followed 4 years of seeming stability in the index. But this stability was really yet another example of how we can be misled by averages. Prices were stable only because, from 1951 on, farm prices were going down. Until last spring the 25-percent fall in these prices was sufficient to conceal the upward movement in nearly everything else, including the costs of handling, packaging, and processing farm products themselves. Foods comprise about 30 percent by weight of the index of consumer prices. If the underlying farm products, instead of falling, had risen as much as other things, the index would have climbed persistently. We should have had a nearly unprecedented peacetime inflation.

Early last year farm prices did level off. Soon thereafter the index began to rise. The lesson is clear. Farm prices are unlikely to fall in the future as they have in recent years; price supports will intervene. Henceforth there will be nothing to offset the increasing prices of other things. Those who have been feeling the pinch should brace themselves. Most likely the worst is yet to come.

This—and let me stress the point—is not a prediction but only a reasonable prospect. What is certain is that we are in a very poor position to check any price increases that may occur. We shall, of course, have a massive oral attack on inflation if it continues. There will be promises of action and even promises of drastic action. There will be reassuring and, on occasion, dramatic stories about what the authorities are contemplating. All this will be in very general terms, for if the threat persists we shall discover that the present difficulty in dealing with inflation is a nearly total absence of tools. All the devices for combating inflation—at least all that work—are now under some sort of ideological ban. This isn't very cheerful, but the prospect doesn't improve on closer examination.

Prices have been rising in these last years because spending for goods has been pressing on the capacity, including available manpower, to supply them. This is the classic setting for inflation. The spending can come from three (and, apart from comparatively unimportant foreign demand, only three) sources: Private consumers, private business, and the Government. The active factor in the present inflation is business spending. We are now having a great boom in business investment. At the end of last year, including housing and inventories, these outlays were running at a gross rate of about $64 billion a year. They have doubled in dollar volume since 1940; they are now seven times as great as in 1939.

This investment spending is being augmented by consumer spending from borrowed funds. Consumer credit outstanding has also more than doubled since 1949. Early last year it looked as though the rate of increase (after a phenomenal advance in 1955) was beginning to slow down. But figures for later months seemed to suggest another large increase.

The consequences of high-business investment are high employment and high personal incomes. However, consumer spending from these high incomes—that is to say, spending from other than borrowed funds—is not out of line. On the contrary, total personal savings increased last year (by about $3 billion), as did the proportion of income saved, and this was on top of a large increase in 1955.

The Federal budget is now showing a modest cash surplus. So do the consolidated accounts of Federal, State, and local governments. These surpluses indicate that public bodies, always under suspicion for promoting inflation, are now taking more purchasing power from their taxpayers than they return in income to their employees, pensioners, and suppliers. However, as we shall see presently, these balanced budgets are a limited source of comfort.

Strong demand in relation to the current capacity of the economy furnishes the invariable setting for inflation. On occasion some economists have yielded to the temptation to regard it as the complete explanation. As a result they have succeeded to a surprising degree in not thinking about an even more intractable and unpleasant cause of price increases. This is the wage-price spiral—or perhaps more accurately, the wage-profit-price spiral. Though exceedingly inconvenient, this spiral is one of the facts of modern economic life.

The wage-price spiral affects only a part of the economy—roughly speaking, that part where strong corporations bargain with strong unions. Here, when demand is high, companies have no difficulty in passing the higher costs of wage settlements along to the public. The companies do not need to wait for prices to rise; they can usually raise them. Under these circumstances, while a little ritualistic bickering is still required, there is no real conflict of interest between company and union. It is the public that pays. The price increase that follows a wage increase is often the occasion for getting something more for the company. The public will always attribute the whole of the price increase at such a time to the presumed rapacity of the unions. High company earnings then become an invitation to further wage demands. Prices, wages, and profits all shove each other up.

Where there are no unions or where the unions are weak, and where businessmen are small and have no assurance that their prices will rise (or can be raised) to cover higher wage costs, the spiral does not operate. The inflation of recent years has been marked in those parts of the economy that are subject to the spiral. Thus in the steel industry, where the spiral works relentlessly and where wage advances are invariably the occasion for even larger price increases, the prices of most products are now between 70 and 80 percent above their 1947–49 average. At present rates prices of steel products are doubling themselves approximately every 10 years. To take a random selection of other relatively well-organized industries where prices are also subject to considerable control, machine tools are up about 60 percent since 1947–49; aluminum ingot is up 70 percent. Building materials are also up 60 percent; tractor tires are up 61 percent; mining machinery on the average is up about 75 percent; internal-combustion engines are up 42 percent; and farm machinery is up 31 percent. Building materials are also up about one-third.

Where the spiral does not operate, the behavior of prices has been very different. In the cotton textile industry—an industry of weak unions and fairly numerous manufacturers—prices are now on the average between 8 and 9 percent below the 1947–49 level. In the apparel industry, where unions are strong but the manufacturers are not, prices are now about the same as in the late forties. Prices of farm products, where there are no unions and where all producers are relatively small, are about 10 percent below the level of the late forties.

The wage, profit, and price spiral does not explain everything—in economics nothing ever does. The investment boom has increased the demand for capital goods. The pressure of demand has made it easier to raise the prices of metals, machinery, and materials. Consumer goods have gone up less rapidly, in part because demand has increased less rapidly and the danger of customer price resistance has been greater. In numerous industries productivity has gone up more rapidly than wages; to the extent that prices are higher in these industries, producers have simply been taking advantage of a strong market. Nonetheless, the shove of wages on prices and the pull of prices and profits on wages are an inescapable part of the inflationary process.

Directly or indirectly, any remedy for inflation must break this spiral. It is now time to look at these remedies.

II

There are three broad strategies for dealing with inflation, each with a distinct place in the ideological spectrum. On the right and by far the most respectable is monetary policy; this is the higher interest rate and the more reluctant lending that we now celebrate as the credit squeeze. In the center with large elements of respectability and some elements of disreputability is fiscal policy. This is the use of the taxing power to curb spending and mop up excessive demand. Far to the left are direct controls on wage and price increases. These in peacetime are not regarded as respectable. Anyone who recommends them does so at considerable risk to his reputation.

Direct controls obviously are not in the cards. One of the first acts of the Eisenhower administration in early 1953 was to dismantle the price and wage controls which remained from the Korean war. This ever since has been regarded as an action of supreme wisdom and virtue, symbolic of enlightened Republicanism. No one has really disagreed. Not even American radicals these days want it supposed that they harbor secret designs to impose price or wage or rent controls.

However, while direct controls are abhorred, their efficacy, to a marked degree, is conceded. If the danger of inflation were serious enough—in the event, for example, of an old-fashioned mobilization—it is generally agreed that we should have to have them, partly because nothing else comes to grips with the spiral. But in peacetime the right to shove up wages and then increase prices and profits and then raise wages and then start all over again is still one of our liberties. We can reasonably assume it will so remain.

This leaves us with fiscal and monetary policy. An active fiscal policy faces almost equally formidable barriers. The Government must raise taxes and cut public spending to the point where the total of all spending, public and private, no longer presses on the capacity of the economy. This policy must be pursued when times are good, incomes are high, sales are large, and when, for these reasons, tax revenues are already high.

At the present time this policy would require a general tax increase when the budget is already comfortably balanced. Total spending can be excessive even when the budget is balanced; hence the action is wholly logical. But what seems logical to some people seems like determined masochism to other people, and these include the uniquely strategic George M. Humphrey, the past and (as this is written) the presumptive Secretary of the Treasury. Mr. Humphrey has proudly avowed the old-fashioned view that the single and sufficient goal of fiscal policy is to balance the budget. Since the private spending that brings inflation also brings the revenues that balance the budget, Mr. Humphrey's position leads not to tax increases but, on the contrary, to tax cuts in times like the present.

In economic affairs necessity is the great evangelist for radical ideas. Conservatives in power must constantly do the things they once excoriated as harebrained. If the present inflation persists, the administration may well try to use taxes to cut private spending. A Tory government in Britain has come, though reluctantly, to this policy. And without doubt spending can be cut in this way. But there is another question: Whether the policy will work without being impossibly drastic.

Fiscal policy works by squeezing total consumer demand. When this has proceeded to the point where demand no longer presses on capacity, prices no longer rise. Or they are not supposed to.

But where the wage-price spiral is involved things may be less simple. Then costs shove prices up. To halt the spiral the demand for, say, steel would presumably have to be reduced to such a degree that the United States Steel Corp. would fear that it could not pass a price increase along to its customers. This being so, the United States Steel Workers Union would know that wage demands that went beyond the gains in productivity portended a serious battle. Perhaps it might be additionally necessary that the union's hand be weakened by some unemployment. Plainly the policy, to be effective, must be severe. Meanwhile we may well wonder what will be happening to farm prices, and to employment and to prices in other vulnerable industries. For we must remember that the demand squeeze which is stabilizing steel prices will also be common to the whole economy.

Fiscal policy has been ardently discussed by economists for 20 years. There is a priesthood which is presumed to be deeply accomplished in its rites. But it is a curious fact that it has not yet been put to a test in any serious inflation crisis. In both World War II and the Korean war, direct controls were called into use—the action in both instances was regarded as irregular, unscientific, slightly un-American, but also indispensable. And it was the direct controls in each case which halted the spiral. So our knowledge of inflation control by fiscal measures is largely speculative. Since the instrument is one with which experience is so limited, since it would require a disavowal of present policy, since the political resistance would be formidable, and since to be effective it might have to be exceedingly harsh in its effect on prices and employment in some parts of the economy, we should obviously be somewhat skeptical of its present practicability. In fiscal controls we have a gun, but we do not know how heavy a charge it requires or whether it kills first the enemy or the man who fires it.

III

In our folklore, to possess a full comprehension of monetary policy is to be thought privy to a kind of fiduciary black magic. The facts, perhaps unfortunately, are less romantic. The effect of monetary controls is relatively forthright. By raising interest rates and reducing (or increasing less rapidly) the funds available for lending by the banks, the Federal Reserve discourages borrowing and investment. Investment means spending for capital goods and inventories; less spending for these means less demand and hence less pressure on prices. While, broadly speaking, fiscal policy cuts consumer spending, monetary policy cuts business spending. However, in principle, monetary policy should also reduce consumer spending somewhat by reducing consumer borrowing.

Conservatives applaud a strong monetary policy; it has an unparalleled aspect of sanity and soundness. Liberals once objected but of late they too have acquiesced. They are liberal, but they don't want to seem irresponsible. The policy is now being pursued with vigor. Interest rates are higher than they have been in 20 years. Anyone who has talked with farmers or smaller businessmen has heard firsthand about the credit squeeze. The policy is meant to squeeze people to make them reduce their borrowing and spending. Accordingly, things seem to be working as they should. Yet in any tolerably detached view monetary policy, at least in its present form, is emerging as the most dubious of all the weapons for attacking inflation.

There are first of all its side effects. Monetary policy attacks inflation by attacking the volume of investment. When it is effective it cuts down the rate of economic growth. It would be more in accord with our cherished Puritan tradition to cut excessive spending by cutting back consumption. But such austerity has little appeal. Congress has even denied the Federal Reserve the right to regulate consumer-credit terms and downpayments, which is a way of bringing monetary policy specifically to bear on consumer spending. Thus the professional businessman who calls for all-out support of the tight-money policy is calling, in effect, for a slower rate of investment and of economic expansion, a less dynamic economy, perish the thought, than if the curbs were placed on consumption. Not infrequently he is contradicting the speech he made just last night about the need to outproduce the Russians. Still, we should keep this issue in perspective. Maybe we are overinvesting. Maybe, too, we exaggerate the importance of growth, or perhaps the emphasis it receives is more liturgical than real. Our need for more automobile capacity is probably not urgent. Additional hotels in Miami Beach probably do not add greatly to our national strength, however agreeable they may be. Moreover, we can afford to view the reduction in growth with equanimity for another reason. The policy isn't working.

The second side effect of monetary policy is on the competitive balance between large and small business. It would be hard to find a policy better designed to encourage the large and the strong at the expense of the small and the weak. When banks must limit credit, they are impelled to protect their oldest, strongest, and most reliable customers. These, in general, will be the larger firms. (For one thing, the large firm has the strength and reputation to take itself to another bank if it doesn't already have multiple banking connections.) As a result, the burden of the cut falls on newer, weaker, less reliable, and smaller borrowers. There will be many exceptions to this tendency, but the tendency is inescapable. In recent months commercial bankers have been sensitive about the suggestion that the smaller and weaker borrowers have been losing out. Some have come perilously close to claiming that their least valued clients get their first consideration. This is hardly plausible. There are wonderful times, but banks are still not charitable enterprises. Nor, happily, have bankers yet become completely unbusinesslike.

But the larger and stronger firm has other advantages quite apart from its warmer reception at the bank. Its resources may make it more or less independent of loans

not only for operations but also for expansion. And the market power of the large firm allows it to pass higher interest costs along to its customers in higher prices. This the farmer and smaller businessman cannot do.

The effects of monetary policy to date have accorded with these expectations. Smaller businessmen and farmers, having failed to experience the privileged treatment they are supposed to receive at the banks, have been complaining bitterly. The big corporations are evincing no similar distress. The failure rate of small-business firms is now higher than for years. Earnings of small firms are at best unexceptional. At the other extreme, earnings of very large firms are near record levels, and their share of all corporate assets has been increasing. Curiously enough, despite the squeeze, bank loans outstanding have also been rising steadily. There is at least a possibility that those who have lost their lines of credit in the squeeze have merely given way to larger and stronger borrowers.

While in principle everyone is in favor of the small-business man, it has long been clear that this affection is largely verbal. We grieve terribly over his fate, but not to the point of doing anything about it. And it is true that big business is here to stay and doubtless will get bigger. Nonetheless, we should recognize that monetary policy, as it is now being practiced, is a magnificent instrument for promoting centralization. A move at the present time to repeal the antitrust laws would, without doubt, excite considerable opposition. But it might contribute less markedly to industrial concentration than a long continuation of monetary restraints in their present form. These deny to the smaller and weaker firm the funds on which growth or even survival may depend. The large and the strong tend to get them. The consequences must be clear.

A final difficulty with our present monetary policy is that it probably doesn't stop inflation. The evidence of the day can hardly be overlooked. The policy of tight money has been applied with increasing severity for many months. And the inflation has marched right along with the policy. Prices are still rising; the pace as this is written is accelerating. The usual test of a policy is whether it works.

When we look a little more deeply we are likely to be puzzled most by why we are expected to suppose that the policy will work. As noted, the earnings of the larger corporations are very nearly the highest on record. Why should they be deterred from investing by what, comparatively speaking, are minor increases in interest costs? The prospective returns far exceed the increased costs.

And the investment boom has continued. With one qualification, as this is written, there is no sign of the tapering off which would signify that the policy was succeeding. The exception was the leveling off last year in residential housing. This is partly because buyers were discouraged by the stiffer terms. But partly it was because housing is preeminently a field of the small-business man. As a result the credit squeeze was effective for builders. General business investment, where the influence of the large firms is dominant, showed one of the largest increases ever. At the moment the hope for 1957 is only that the rate of increase will be smaller.

Monetary policy is dubious for another reason. It makes no contact with the wage-price spiral. No one supposes that the steel industry was much deterred last summer in reaching a wage settlement and raising its prices because money was tight. Nor can anyone doubt that the higher wages and prices (prices that become costs to steel users) were inflationary. The spiral could be checked if investment spending were so severely curtailed that the total demand for steel became soft. Then the steel firms would be cautious about wage settlements that involved price advances. And the union would be cautious about demands that meant a long battle or which might, if granted, mean unemployment. But to say what would be needed is to make clear by what a vast margin the present policy fails to make contact with the problem. The present policy, even though ineffective, is sufficient to bring cries of anguish from weaker borrowers. Plainly a policy so astringent as to reduce investment by the big firms would mean euthanasia for the smaller businessmen and the farmers. This, one supposes, might eventually become socially and politically unacceptable not only in principle but in practice.

As noted, the central fact in the present inflation is the big boom in business investment and therewith in business spending. This investment could begin to taper off for reasons that have nothing to do with the control of inflation. And it might suffer a traumatic reduction which would promptly set us worrying, not about the wage-price spiral, but about depression and unemployment. There are elements of imbalance in the present prosperity—the heavy consumer borrowing, high profits, low farm income, the investment boom itself—which are not reassuring. (We should also be terrified by the number of people who are looking at our present prosperity and solemnly proclaiming it to be sound.) But nothing is so unrewarding as economic prediction. There is an opposite chance that demand will continue strong and wages, profits, and prices will continue to push and to pull each other up.

If so, we will continue to have inflation, and in face of that our situation could scarcely be worse. Monetary policy in its present form, the one measure we are presently prepared to use, is almost certainly ineffective unless applied with intolerable severity. So applied, the social consequences—at least as seen by the farmer and smaller businessman—would be most disenchanting.

Inflation—progressive, unremitting, and unending inflation—is not a pleasant prospect. It undermines all the arrangements that civilized man makes and maintains with the greatest difficulty. Schools, hospitals, churches, public services, law and order, care of the sick and the aged, all suffer. By contrast, speculators, promoters, all who are knowledgeable about making money, do well. As things now stand, their future looks bright.

Inflation can be controlled. It will require, however, a willingness to do the things that work. The problem is one of economics, not theology. And all the effective remedies hurt. That is because they deny to someone an increase in prices or profits or wages which he otherwise would have had. To illustrate: A convention, somehow reinforced by law, which proscribed any general price increase for at least 6 months following the negotiation of a new collective-bargaining contract would do wonders to stop soft wage settlements that are automatically passed along to the consumers. It would require that wage increases be paid out of profits or productivity increases—which is where they should come from. Yet one can imagine the cries of outrage were this seriously proposed.

Such a measure would have to be reinforced by fiscal and monetary controls equipped, where necessary, with new teeth. The difficulties in bringing taxation to bear on consumption have already been told. If we are to continue to use monetary policy, ceilings will have to be placed on the credit lines of larger borrowers. This action would prevent them from using the credit denied to weaker borrowers and it would make them share equitably in any reduction. Large enterprises will certainly object bitterly to such limitations. (The smaller and weaker firms that now get no credit at all are expected to view their privation with more nobility of character.) And numerous small-business men would themselves stage a bitter-end fight against consumer credit controls. These are a necessary adjunct to other weapons for attacking inflation. A change in farm policy from the system of pegging farm prices to one of allowing them to find their own level, with the farmer's income protected by direct payments, would be immensely useful. This, too, would be opposed.

So it goes. Inflation control is the ultimate test of the power of the general interest against the special interest. For the moment, at least, the position of the special interest could scarcely be stronger. It has managed to ban all the weapons by which inflation might successfully be attacked.

Mr. MADDEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Speaker, early last week a flash flood brought extensive damage to an area of the Second District of Oregon. Damage wrought by this sudden disaster included inundated farm land, destruction of crops, loss of cattle, as well as extensive damage to the cities of Vale, Baker, and Ontario. Soon after the flood occurred, the Governor of Oregon, Robert Holmes, requested that the flood region be declared a disaster area and that emergency funds be allocated for relief. Such action was taken and it is my understanding that a sum of $300,000 has been earmarked for relief purposes. I am hopeful that the expenditure of this money, in addition to the fine work which has already been done in the area by the Red Cross and the Oregon National Guard, will help to aid the local residents of the flood area in speedily repairing the extensive damage.

Mr. Speaker, I would also like to point out one other result of this flood. As you know, the Federal Power Commission granted to the Idaho Power Co. a license to construct three small dams at various points on the Snake River. They did so despite the fact that small dams of this sort would be inadequate and would not develop the Snake River to full capacity. I might also add at this point that apparently the Interior Department is slowly reaching the same conclusion, for Secretary Seaton recently asked the FPC to study the proposed private power dam at Pleasant Valley in order to determine whether the proposed project would be adequate.

Despite firm opposition of the great majority of residents in the Pacific Northwest, despite the opposition of the grassroots organizations in the area, despite the fact that necessary construction permits have not been obtained from the State of Oregon, Idaho Power Co. 15 months ago began construction of the Brownlee Dam. Cofferdams were constructed as well as a diversion tunnel and other facilities. The power company engineers alleged that the Brownlee installations would be fully protected from floods 4 or 5 months after the start of construction. They added that the cofferdam facilities would be able to withstand a flow of 78,000 cubic second-feet. Yet the February 25 flood occurred 15 months after the start of construction and had an estimated flow of 60,000 cubic second-feet at its peak. Despite these facts, the cofferdams were flooded and a large portion of the construction work was washed out. We still do not know, of course, the total amount of damage nor do we know the delay which may be involved because of this washout.

Mr. Speaker, I have presented this brief summary of events at the Brownlee project for a specific reason. The floods which washed out Brownlee occurred on February 25. Newspapers of that same date carried extensive accounts of the flood damage. Yet on February 28 I received in Washington a letter from the Idaho Power Co. at Boise, Idaho, which was dated February 26. Thus the letter was dated the day after the flood occurred and the day after accounts of the flood and the washout at Brownlee were published in various newspapers in the area. The letter which I received was signed by T. E. Roach, president of the Idaho Power Co. The full text of the letter is as follows:

We are enclosing copy of our February bulletin because it contains current information regarding progress of our hydroelectric construction program.

The February bulletin which is referred to in this covering letter tells of the great progress which has been made at the Brownlee dam site. It carries pictures which show the cofferdams and the diversion tunnel. It points out the rapidity with which construction work has moved forward. However, on the day before this bulletin was sent to me, and I believe to several other Members of Congress, Brownlee had been washed out, and a good share of the construction work had been washed down the river.

Mr. Speaker, I have had dealings with the Idaho Power Co. previously but I must say that even these past dealings did not prepare me for this tactic. I think it is a very serious matter when a Congressman is sent data which is known to be inaccurate, which is known to be false. Yet the only reasonable conclusion which we can reach is that a letter dated February 26 was written February 26. I think it equally reasonable for us to assume that President Roach who signed this letter would be fully aware of the fact that the Brownlee dam site was flooded and that a good share of the facilities were washed out. Yet the day after this disaster occurred, he sent me this covering letter along with the February bulletin which describes in glowing terms the progress which had been made at Brownlee. This is, Mr. Speaker, a very serious matter and one which I thought should be brought to the attention of this Chamber.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, the passage today of House Resolution 157 by the House of Representatives is indeed a most welcome event. This bill authorizes the Committee on Agriculture of the House of Representatives to make studies and investigations into a series of agricultural programs of vital concern to the Nation. I am particularly delighted that among the subjects which are included in this authorization is that of price spreads between producers and consumers.

This question of the relationship of the price the farmer gets for the food he produces and the price that the housewife has to pay for the groceries she buys for her family at the supermarkets has been looked into many times, but has never been of greater importance than it is today.

The Department of Agriculture has maintained a continuing interest in this subject and considers the problem a major responsibility of its Marketing Research Division, Agricultural Marketing Service.

The Congress itself has actively considered this problem several times in the past. One of the earliest reports of the Joint Economic Committee was a staff report entitled "Food Prices, Production, and Consumption"—80th Congress, 1st session, Senate Document No. 113—issued on December 15, 1947. It specifically raised the question: "Who gets the consumer's dollar in higher food prices?"

In 1954 the House Committee on Agriculture itself prepared a committee print entitled, "Farm prices and the cost of food; a review of the extent to which recent farm-price declines have and have not been passed on to urban consumers."

These studies of the past have, however, done nothing to stop the ever-growing spread between what the farmer gets for the food he produces and what the consumer pays for the food he buys in the store.

Further understanding of this spread is essential. What is more, it is important to recognize the profound interest of the American consumer in this study. Too often the viewpoint has been almost exclusively that of the farmer, how he can get a larger share of the consumer's dollar, or at least how he can keep his share from shrinking ever further. The fact that the consumer is paying more for the food he buys is often virtually lost sight of. Thus it is not just a matter of what part of the consumer's dollar goes to the farmer and what goes to the processor, the wholesaler, the trucker, and the retailer. It is also a matter—and one of greatest concern to the consumer—that his food dollar itself is shrinking as food prices keep creeping up.

This is not to say that greater food processing, more convenient packaging, and greater variety and quality of foods are to be minimized in this study. There are undoubtedly many factors, such as these, that account in part for the increasing price the consumer pays. But it is by no means certain that all of the increased burden on the consumer can properly be attributed to these added services. Some product changes can, in fact, lower costs. And not all changes, in packaging, for example, necessarily add to the consumer's convenience. The whole field of food distribution and the extent of efficiency and of waste in it needs careful study and wider publicity. It is my profound hope that the House Committee on Agriculture, in pursuing this vital subject of price spreads between producers and consumers, will stress the needs of the consumers fully as much as those of the producers. Unless both the consumers' and the farmers' positions are fully represented in this study, it is unlikely to be as beneficial a force for a sounder economy as we believe it can and should be.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

IN MEMORIAM: GENE BUCK, 1885–1957

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 30 minutes.

Mr. PHILBIN. Mr. Speaker, the many friends of Gene Buck in both Houses of Congress were shocked and saddened to learn he was taken from us. His death occurred at the age of 71 on Sunday, February 24, 1957. Gene Buck was one of the best loved citizens of the entertainment world, a brilliant showman, a writer of immortal songs, a discoverer of talent, and a well-known theatrical producer.

From 1924 to 1942, he was president of the American Society of Composers, Authors and Publishers—ASCAP. In these almost 20 years, this great organization of songwriters and publishers established itself as the defender of the right of the composer to control and benefit from the commercial use of his musical works.

Born in Detroit, Gene Buck entered the show business as a producer of high-school shows. After graduating from Detroit College, he became an illustrator of sheet music and initiated the vogue for romantic covers on popular songs. He drew more than 5,000 song covers, and overwork resulted in temporary blindness. Recovering his sight, he journeyed to Broadway, where his first popular song was "Daddy Has a Sweetheart, and Mother Is Her Name," establishing him as a lyric writer. Flo Ziegfeld, impressed by the million copies this song sold, employed Mr. Buck as a lyric writer. Because of his human warmth and natural show-business acumen, he soon developed as righthand man for Mr. Ziegfeld, and it was through his efforts that W. C. Fields, Will Rogers, Ed Wynn, and many others graduated from vaudeville to the Ziegfeld Follies.

The splendid organization that is ASCAP today could not have been possible without the efforts of Gene Buck who strove over almost a generation to bring home to the American people the fact that the writer of songs, in order to survive, must receive an economic incentive to create additional musical works. Gene Buck fought for the little man throughout his life and carried the cause of ASCAP from State to State, into court, and to the Halls of Congress. Through his efforts, State legislatures, as well as the Congress of the United

States, became acquainted with the problems of composers and with their organization, ASCAP.

For many years Gene Buck was president of the Catholic Actors Guild, a director of the Dramatists Guild and Authors Guild, a beloved member of the Lambs, the Bohemians, Dutch Treat, the Players, and the National Press and Alfalfa Clubs of Washington, D. C. Up to his death, he was a board member of ASCAP, of which he was a charter member and served faithfully on numerous committees. A devoted family man, he is survived by his wife, Helen, and two sons, Gene, Jr., and George.

Although he has passed from among us, many of the 500 songs which he wrote will keep his memory green. Young creators, who are struggling to make a name and fame for themselves, will find their task made somewhat easier because of the pioneer efforts of this great human being—a citizen not only of Broadway but of the world.

FEDERAL EDUCATION PROGRAMS

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, at a time when additional Federal aid to education is being discussed here, it may help us to examine existing Federal education programs that cost the American taxpayer many billions per year.

We have an excellent opportunity to study these programs inasmuch as they are a primary support of the school systems in our neighboring Virginia and Maryland communities.

I was shocked to read in Friday's Evening Star that the school board of Arlington County, which is heavily supported by the taxpayers of the United States, refuses to make public the details of its $10,200,000 budget.

The latest figures I have been able to obtain show that the Federal Government gave Arlington County $1,025,863.-80 in fiscal 1956 for the operation and maintenance of its schools. This kind of Federal aid is provided by Public Law 874 to those areas where activities of the Federal Government have a serious impact on local ability to finance adequate schools. It is in addition to the funds provided for school construction under Public Law 815, which amounts to $1-169,000 for Arlington in the 1954–56 biennium.

Since about $1 in $10 of Arlington County school funds are supplied from the taxes of all of the people of America, I question that any part of the county school budget should be permitted to remain secret.

I include in my remarks at this point the text of the newspaper article from Friday's Washington Star in which it is stated that the details of Arlington's budget, including the one-tenth supplied by the Federal Government, will not be revealed to the people of Arlington County.

ARLINGTON SCHOOL BUDGET DETAILS ARE RESTRICTED

The Arlington School Board chairman said today that detailed administration budget figures now in the hands of board members will not be made public.

Chairman L. Clark Keating said he, personally, has no strong feelings on the matter but that this had been board policy in the past.

Mr. Keating's remarks were in answer to a question as to whether the full 1957–58 fiscal year budget information from Supt. T. Edward Rutter's office will be released publicly.

SUMMARY RELEASED

A summary of Mr. Rutter's recommendations, totaling $10.2 million, was released to the press last month. Board members have been provided with complete budget texts.

According to Mr. Keating, board policy opposes releasing individual administration salary figures along with budget requests submitted to the superintendent. The salaries are considered a personal matter and the requests are thought to "have no standing," he said.

This information, along with breakdown figures in other categories, makes up the difference between the board's budget material and that which has been made public, Mr. Keating reported.

PUBLIC HEARING SET

The school board will hold a public hearing on the budget at 8 p. m. next Wednesday in Stratford Junior High School. The following night, the board will adopt its proposed budget, which then goes to the county board.

Chairman Keating said he had consulted with Assistant Superintendent E. J. Braun before expressing an official viewpoint on the budget matter. Mr. Rutter was not available for comment.

A request for more detailed school budget information has been made by one county board member, Mrs. Leone Buchholz.

Mr. Speaker, experience on the Appropriations Committee has shown me that unwillingness to reveal budget details often means waste and extravagance. Where this unwillingness exists, it is doubly important for the taxpayer and the appropriating legislator to be inquisitive and alert.

I have made some investigation of the Arlington County school budget, and I think the suspicions aroused by the secrecy edict were justified.

I find that the budget provides for $38,000 for telephone service, which seems an extremely large sum for a county having only 44 schools.

More than $6,000 is earmarked for travel to conventions, including allowances for the school psychologist, the head of the school-lunch program and the building custodian. This last official is to attend a training course at Columbia University.

I find a sum of $2,500 for legal fees. It seems to me this work is within the province of the county attorney. In my experience with school matters, the city or county attorney has represented the city or county school board. The attorney general of Virginia represents the State school system.

An item of $2,000 is for "driver training," presumably for the drivers of county school buses.

I find an item of $245 for a sofa and a lounge chair to be used in a tearoom at one of the schools. There is an item of $80 for reupholstering a chair.

A $50 ping-pong table seems like a very expensive item of equipment. Washington newspapers advertise ping-pong tables at much lower prices than this.

There is an item of $2,500 for dry-cleaning which requires some explanation.

I find a confusing situation with regard to maintenance. Salaries for maintenance men amount to $232,246 and supplies for maintenance amount to $41,175. Yet the budget also includes $133,701 for repair of buildings and $118,698 for repair of equipment. These are rather large items if the labor and at least part of the materials are provided for in the earlier budget items.

The requests for music instruction seem exhorbitant. One item asks $1,900 for tuning pianos. I find that any citizen may have his piano tuned by an excellent Arlington company for $8.50. Presumably there would be a reduced rate under a contract to keep a number of pianos in proper condition. But even at the $8.50 rate, this budget item would provide for 224 piano-tuning jobs. Again, this seems like a tremendous amount for a county that has just 44 schools.

As I read these items, I want you to remember that the taxpayers of all the United States are paying more than 10 percent of the cost. The budget includes several sousaphones at prices ranging from $700 to $850. It includes a harp at $1,500, which would mean $150 out of the Federal treasury. Four pianos are to be purchased at $500 each. The total requests from schools for musical equipment is almost $25,000, and of this it is indicated the supervisors are approving about $15,000.

My examination convinces me that there are many other items in this budget which require close examination and scrutiny, and which probably prompt the desire of the school officials to keep it secret. I urge the people of Arlington County, at the public meeting tonight, to demand facts and figures on this budget. And I urge the Members of Congress to give consideration to this proposition: Should all of the taxpayers of the United States be asked to contribute to the luxuries the Arlington County school system enjoys?

Granted that we have a responsibility when a sudden Federal impact overloads a community's schools without a commensurate increase in the community's tax rates. Agreed that the Federal Government should take some steps to help out in such a federally created emergency. But, I ask you, should this kind of assistance continue year after year, when a county is realizing enormous prosperity by reason of the Federal activities, to the extent that it can devote hundreds of thousands of dollars to equipping what any American community would consider an elaborate and even luxurious school plant?

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PELLY (at the request of Mr. MACK of Washington) indefinitely, on account of death in family.

Mr. BREEDING for today and tomorrow, March 5 and 6, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PHILBIN, for 30 minutes, today.

Mr. MACDONALD (at the request of Mr. DOYLE), for 30 minutes, on Monday, March 11.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HERLONG.

Mr. MCCORMACK and to include extraneous matter.

Mr. BASS of Tennessee and to include an address by the Honorable J. CARLTON LOSER.

Mr. PATTERSON in two instances and to include extraneous matter.

Mr. AUCHINCLOSS and to include extraneous matter.

Mr. VAN ZANDT.

Mr. VANIK in two instances and to include extraneous matter.

Mr. WILLIAMS of Mississippi and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

Mr. MAY and to include a statement.

Mr. DIGGS (at the request of Mr. DOYLE) and to include extraneous matter.

Mr. REUSS in two instances and to include extraneous matter.

Mr. CUNNINGHAM.

ADJOURNMENT

Mr. COFFIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 11 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 6, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

565. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation for the Department of Health, Education, and Welfare, Social Security Administration, Bureau of Old-Age and Survivors' Insurance for "Salaries and expenses," for the fiscal year 1957, has been apportioned on a basis indicating a need for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes; to the Committee on Appropriations.

566. A letter from the Secretary of Commerce, transmitting the 38th Quarterly Report on Export Control, covering the 4th quarter for 1956, pursuant to the Export Control Act of 1949; to the Committee on Banking and Currency.

567. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years"; to the Committee on Government Operations.

568. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend the act of December 24, 1942 (56 Stat. 1086, 43 U. S. C. sec. 365b), entitled 'An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey'"; to the Committee on Interior and Insular Affairs.

569. A letter from the Chairman, United States Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes"; to the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HÉBERT: Committee on Armed Services. H. R. 3235. A bill to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps; without amendment (Rept. No. 179). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Armed Services. H. R. 2822. A bill to repeal certain provisions of title 10, United States Code, relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force; without amendment (Rept. No. 180). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 5594. A bill to amend section 8c (2) of the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

By Mr. BERRY:

H. R. 5595. A bill to authorize and direct the Indian Claims Commission to determine the liability for the engagement in the vicinity of Wounded Knee, S. Dak., on December 29, 1890, and make recommendations in respect thereto; to the Committee on Interior and Insular Affairs.

By Mr. BROOMFIELD:

H. R. 5596. A bill to change the postal classification of advertising matter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H. R. 5597. A bill to increase from $600 to $700 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. FLOOD:

H. R. 5598. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. GREGORY:

H. R. 5599. A bill to amend section 614 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. HARRISON of Nebraska:

H. R. 5600. A bill to enable corn producers to participate in the 1957 soil-bank and price-support program, and for other purposes; to the Committee on Agriculture.

By Mr. HILLINGS:

H. R. 5601. A bill to provide, in libel or slander action, for the consolidation of parties in one Federal district court; to the Committee on the Judiciary.

By Mr. JONES of Missouri:

H. R. 5602. A bill to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen; to the Committee on Agriculture.

By Mr. LONG:

H. R. 5603. A bill to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana; to the Committee on Banking and Currency.

By Mr. MCINTIRE:

H. R. 5604. A bill to amend section 1231 (b) of the Internal Revenue Code of 1954 to include, in certain cases, poultry within the definition of "property used in trade or business"; to the Committee on Ways and Means.

By Mr. MACK of Illinois:

H. R. 5605. A bill to protect consumers and others against failure to identify, misbranding, and false advertising of the fiber content of textile fiber products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PORTER:

H. R. 5606. A bill to amend section 14 (b) of the National Labor Relations Act so as to protect the rights of employees and employers, in industries affecting commerce, to enter into union-shop agreements; to the Committee on Education and Labor.

By Mr. SANTANGELO:

H. R. 5607. A bill to amend the Fair Labor Standards Act of 1938 to include hotel workers within its coverage; to the Committee on Education and Labor.

H. R. 5608. A bill to amend section 9 (c) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H. R. 5609. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 5610. A bill to amend section 614 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. TALLE:

H. R. 5611. A bill to amend the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. WALTER:

H. R. 5612. A bill to amend the Administrative Procedure Act and the Communist Control Act of 1954 so as to provide for a passport review procedure and to prohibit the issuance of passports to persons under Communist discipline; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5613. A bill to provide for the issuance of a special postage stamp in honor of Col. David (Mickey) Marcus; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H. Con. Res. 128. Concurrent resolution to establish a joint congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BAILEY: Senate concurrent resolution No. 17, adopted by the Legislature of West Virginia, February 26, 1957; to the Committee on Education and Labor.

By the SPEAKER: Memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States relative to opposing the acreage poundage formula for tobacco allotments; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CUNNINGHAM of Iowa:

H. R. 5614. A bill conferring jurisdiction upon the United States District Court for the Southern District of Iowa to hear, determine, and render judgment on, the claims of William R. Hartung against the United States; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 5615. A bill for the relief of Solomon Joseph Bechard; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 5616. A bill to provide for the reconveyance by the United States of certain real property to George C. Stratton and Ellen J. Stratton; to the Committee on Government Operations.

By Mr. JOHANSEN (by request):

H. R. 5617. A bill for the relief of Cornelis Willem Van Nus; to the Committee on the Judiciary.

By Mr. MICHEL:

H. R. 5618. A bill for the relief of Chiako Yamashita; to the Committee on the Judiciary.

By Mr. POAGE:

H. R. 5619. A bill for the relief of Charles G. Cryer; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 5620. A bill for the relief of Lee Tai Chon; to the Committee on the Judiciary.

By Mr. SAUND:

H. R. 5621. A bill for the relief of Giovanna Tomatis; to the Committee on the Judiciary.

H. R. 5622. A bill for the relief of Enrique Miramontes-Flores; to the Committee on the Judiciary.

H. R. 5623. A bill for the relief of Neil De Wilde; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 5624. A bill to clear the title to certain Indian land; to the Committee on Interior and Insular Affairs.

By Mr. SCUDDER:

H. R. 5625. A bill for the relief of Giovanna Mariotti; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. R. 5626. A bill for the relief of Gianfranco (John F.) Barger; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 5627. A bill for the relief of Mrs. Emma Hankel; to the Committee on the Judiciary.

H. R. 5628. A bill for the relief of Anthony Agustino Scrivanich; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

112. By Mr. BROWNSON: Petition of Harry T. Everingham, executive vice president, We, the People, and nine members of that organization from Indianapolis, Ind., urging the defeat of Federal aid to schools legislation; to the Committee on Education and Labor.

113. Also, petition of Russell E. Hutchinson and 10 other residents of Action, Ind., urging the defeat of Federal aid to schools legislation; to the Committee on Education and Labor.

114. Also, petition of Marguerite Dice, Indiana State chairman, We, the People, and 13 members of that organization from Indianapolis, Ind., urging the defeat of Federal aid to schools legislation; to the Committee on Education and Labor.

115. By Mr. SMITH of Wisconsin: Resolution adopted by the Beloit Aerie, Fraternal Order of Eagles, on February 6, 1957, urging the Congress of the United States to set aside the first Sunday in February each year, as Chaplains' Day, and that the day be devoted to the dedicated memory of the four chaplains of the U. S. S. *Dorchester* and all chaplains who gave their lives for our country; to the Committee on the Judiciary.

116. By the SPEAKER: Petition of Anna Roland, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

117. Also, petition of Huestis Atwood, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

118. Also, petition of Lula May Heard, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

119. Also, petition of Annie Heard, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

120. Also, petition of William Roundtree, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

121. Also, petition of Thomas Coleman, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

122. Also, petition of Burrell Franklin Gadsden, Chicago, Ill., with reference to requesting full citizenship rights; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Tribute to Harold E. Talbott

EXTENSION OF REMARKS

OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. PATTERSON. Mr. Speaker and distinguished colleagues, yesterday I had the high honor of paying my last respects to an old friend of mine at his funeral in New York City. This was Harold E. Talbott, an individual whom I consider to be one of the greatest Americans of this age.

Harold E. Talbott passed from this earth on Saturday, March 2, but Mr. Speaker, his memory will remain dear in our hearts forever. He was a selfless individual who loved his country as dearly as he loved his own life. Our Nation's welfare and security was his lifelong concern, and I believe that no single American did more to foster national defense and perpetuate the American system of democracy during the 20th century than did our deceased brother, Harold E. Talbott.

Here, Mr. Speaker, was a man of extraordinary foresight and energy. From an early age, much like Gen. Billy Mitchell, he foresaw the significance of a heavier-than-air craft and hence the inevitable and forthcoming age of airpower. He devoted much of his entire life to the development of the aircraft for the dual purpose of serving Americans and protecting them from foreign aggressors who would destroy our way of life.

During the early part of this century, Harold E. Talbott served with the Dayton Wright Airplane Co. when the airplane was indeed in its infancy. During those days, Mr. Speaker, it was only courage, determination, and an ardent love for progress that enabled the first men on earth to rise from the ground in an aircraft. Harold E. Talbott will go down in history along with the Wright Brothers as one of the first pioneers in aviation.

In the field of civic and public affairs, Mr. Talbott always placed the interests of this Nation above his own personal affairs. This was demonstrated during the frequent times that he would neglect, even for several years at a time, his personal business interests in order to serve his country in Government. During one of those tenures, as every Member of this body knows, he was extremely instrumental in building the most powerful Air Force on earth while honorably serving as Secretary of that branch of the military.

In conclusion, Mr. Speaker, let me add this: The death of Harold E. Talbott inflicted a tremendous loss to this Nation, and he will be missed but long remembered. And the good that he did will pass on from one generation to another.

Birthday of Pope Pius XII

EXTENSION OF REMARKS

OF

HON. EDWIN H. MAY, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. MAY. Mr. Speaker, on Saturday of last week, March 2, 1957, Pope Pius XII celebrated his 81st birthday and the 18th anniversary of his election as head of the Catholic Church. I should like, at this time, to add a word of personal congratulations to the thousands of messages he has received from all over the world.

His spiritual leadership has long been a source of strength to those countries resisting the threat of atheistic communism and of courage to those suppressed peoples who have been persecuted because of their faith and have been subjected to the evils of the Communist system.

His tireless devotion to the cause of peace and justice, and his scholarly pronouncements on matters dealing with a wide range of subjects both spiritual and temporal have long been a source of inspiration to the peoples of the world, regardless of their faith.

At this time, and in the name of the people of my district, among whom are thousands of Catholics, I pray that the world will, for many more years, have the benefit of his inspired leadership.

Salute to Israel

EXTENSION OF REMARKS

OF

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. DIGGS. Mr. Speaker, under unanimous consent I include in the RECORD the following statement made by me in connection with the eighth anniversary of Israel's independence, which is being commemorated at the America Salutes Israel celebration in New York on April 29. I take pleasure in joining in this salute to a nation so strongly allied to the cause of freedom and democracy:

STATEMENT FOR AMERICA SALUTES ISRAEL CELEBRATION

I am happy to join in this salute to Israel. It is fitting tribute that we pay her, first, in honor of her eighth year of independence and the progress she has made and, secondly, in support of her courageous struggle to maintain the peace and freedom which she and all lovers of democracy so highly cherish.

The entire freedom-loving world pays homage to Israel. We in America salute her, in particular, because we see so clearly in her valiant efforts to enjoy peacefully the independence and progress she so rightly deserves an analogy to our own pursuit of freedom less than two centuries ago.

The State of Israel has, through diligence and perseverance, provided a homeland for a homeless and oppressed people. No one will deny the remarkable gains she has made in these few years in satisfying many of her own agricultural needs. Nor can we overlook the value which accrues to the free world from the example she presents to enslaved peoples of the survival strength of democracy, even amidst a hostile environment. There is a question, however, as to how long Israel can stand alone against the preponderance of power which is quietly being stacked up against her.

The present Middle East crisis warns democratic peoples everywhere that freedom and independence are never finitely attained. History and advances in science and technology have taught us, further, that one democratic nation cannot wall herself in and declare or will herself to be unaffected by what happens to either the neighbor next door or the one across the way. It is good to be optimistic. And, certainly, wishful thinking has its merits. But neither of these outlooks has proved effective thus far in stemming the tide of Communist aggression. All of us readily agree, I am sure, that we desire to maintain peace and harmony within the family of nations of the world, but let us not forget the power of a little well-aimed discipline to preserve peaceful relations in any family.

America salutes Israel with words. These are fitting, indeed, but how very inadequate. Let us salute her, also, with our deeds—not by waging a war in her behalf, for she does not ask that, but by providing her with the power she needs to defend herself against Communist aggression. Defensively armed, Israel can remain a strong link in democracy's chain and a symbol of hope to oppressed people all over the world.

CHARLES C. DIGGS, Jr.,
Member of Congress.

Public Health Service Award to American Export Lines

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5, 1957

Mr. MAGNUSON. Mr. President, as deserved recognition of the outstanding record in the maintenance of sanitation, achieved by the American Export Lines, Inc., it is fitting that the attention of the United States Senate and of the public generally be called to the Special Citation awarded by the Public Health Service, United States Department of Health, Education, and Welfare.

Especially is it noteworthy that American Export Lines is the first to win this coveted award for two years consecutively. Its fleet includes luxury liners and other passenger ships maintaining regular cargo and passenger service to the eastern Mediterranean Sea. The most favorable acceptance which its service has received by citizens from many countries throughout the world has reflected credit to the United States of America. President John F. Gehan and Mrs. Charles U. Bay, Chairman, of American Export Lines' Executive Committee, deserve the commendation of our citizenry for their accomplishments in the administration of maritime affairs over the years. It is significant that recently another thoroughly experienced executive of proven worth, Frazer A. Bailey, has been named managing director of this successful organization.

In order that the full record resulting in the decision by Dr. Leroy E. Burney, Surgeon General of the United States, in awarding the citation, may be preserved, I ask unanimous consent that the text of this special citation be printed in the CONGRESSIONAL RECORD.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PUBLIC HEALTH SERVICE—SPECIAL CITATION TO AMERICAN EXPORT LINES, INC.

Granted in recognition of the company's contribution to public health as evidenced by the award of a Public Health Service Certificate of Sanitation to each vessel operated in its fleet during 1956.

[SEAL] L. E. BURNEY,
Surgeon General.

FEBRUARY 20, 1957.

Should the United States Ratify International Conventions To Promote Justice for the Individual?

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. REUSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my remarks before the Conference of National Organizations called by the American Association for the United Nations on Major Issues Before the United Nations: United States Responsibility, at the Mayflower Hotel, Washington, D. C., on March 4, 1957:

It is good for the American Association for the United Nations to be sponsoring today's meeting at the Mayflower. I hope that there will come of your deliberations a modern Mayflower Compact, resolving that now is the time for all good men to come to the aid of the U. N.

Not that it is necessary, in order to save the U. N., that we kill it with kindness. Though I count myself a stanch supporter of the U. N., I have been much disturbed recently at our indiscriminating use of the U. N. without taking the trouble to think through the policy which we hope the U. N. will adopt. It is not enough, when a tough problem comes along, to escape the responsibility for formulating a just position by saying "Let's refer it to the U. N." To use the U. N. as a vehicle for escapism, as we did in Hungary, merely places great strains upon the U. N., and gives nourishment to its critics, without helping much to solve the problem. When the Gadarene swine are grunting toward the abyss, it is sometimes wiser to attempt to guide them away from it rather than join in the procession. When we use the U. N.—and we should use it more often—we must do so purposefully, in an effort to find a solution that is just, and to persuade other nations of its justice.

Nowhere is this principle of joining in, and showing our best side when we do it, more important than in the field of international conventions to promote justice for the individual.

The fundamental philosophy of the U. N., embodied in its charter, is that a country's domestic policies, as they affect the rights of individuals, influence its foreign policies and, therefore, the prospects for world peace.

Who today would deny that the internal policies of Nazi Germany—its degrading the human rights of large groups and classes in its population, its vulgar racism, its destruction of civil liberties—determined its foreign policy and left in its wake all over the world a heritage of poverty, misery, dislocation, and death? Who today would deny that the domestic philosophy of the Soviet Union has a bearing on the turmoil in the Middle East, on the need of our own country and our allies to expend on armaments resources which could better be devoted to raising standards of living throughout the world?

Who would deny, for that matter, that the inherent kindliness and decency and generosity and love of freedom of our own people, as reflected in our civil institutions, are the best hope of a forward-looking American foreign policy?

My point—that what a nation does with its own men and women affects what becomes of mankind—is a central theme of the U. N. Charter. The charter recognizes that the existence of a peaceful and stable world depends upon the development of higher standards of living and of human rights within the domestic spheres of nations. In article 55 of the charter, the United Nations sets forth its undertaking to promote higher standards of living and "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." And the purpose? To create "conditions of stability and well-being which are necessary for peaceful and friendly relations among nations. * * *"

The statesmen, including our own, who participated in the drafting of the United Nations Charter stressed that again and again. Even today it is constantly on the lips of those who represent their governments on U. N. bodies.

This, then, is the proposition—that a decent respect for human rights, in the only place where a human being can live today—the nation-state—is a precondition of world peace.

If this proposition is valid, doesn't it follow that the best interests of the United States are served when we encourage and participate in U. N. efforts to safeguard human rights throughout the world?

For a time, we seemed to follow this policy. It was a proud moment for most Americans when the Human Rights Commission was appointed, with Mrs. Franklin D. Roosevelt as its first chairman. Shortly afterward the Commission went to work on an international declaration of human rights.

This declaration was adopted unanimously in 1948. It has had a wide international effect. Although not a treaty, it has become a source of law. Constitutions of new governments incorporate some of its principles. Court decisions cite its standards. Resolutions of the General Assembly quote from it.

But if these human rights are to have meaning, they must be embedded into the organic law of member nations. This can be done most effectively by treaty or convention commitment. Until 1953, our Government's position was just that. The need to translate the U. N. declaration on human rights into action by covenant was movingly expressed by an American statesman in an address before the Carnegie Endowment for International Peace in September 1948. He said:

"I hope and believe this Assembly will endorse this declaration (on human rights). But we must not stop there. We must go on with the drafting of a covenant which will seek to translate human rights into law. It does not minimise the importance of our own Declaration of Independence to recognise that the Constitution and its Bill of Rights were required to establish the body of law necessary to achieve practical results. So with the declaration before the Assembly. It is an important proclamation of principles and should be approved. But that approval is only a step toward fulfilling the faith in fundamental human rights, in the dignity and worth of the human person, and the pledge to practice tolerance that is contained in the preamble to the United Nations Charter."

Now, the man who made this admirable statement of good intentions was none other than Mr. John Foster Dulles. But, alas, Secretary of State Dulles had been in office but a couple of months, in April 1953, when he told the Senate Judiciary Committee, which was considering a proposed constitutional amendment to limit the treaty power, that the administration does not "look upon a treaty as the means which we would now select as the proper and most effective way to spread throughout the world the goals of human rights * * *." He called, instead, for a new approach which would emphasize education. In other words, we wouldn't try to pass an international law against genocide and human slavery. Instead, we would educate the mass murderers and slave traders. And what do you suppose is the name devised by the State Department for this decision to do nothing? Why, they call it the United States action program. Who says John Foster Dulles doesn't have a sense of humor?

Now, I have no quarrel with Secretary Dulles when he says that education plays an important role in the effort to create higher standards of human rights in the world. With the governor of that anonymous southern State, I believe that "Education is a wonderful thing. It ought to be taught in the schools." But I refuse to believe that education by itself can be an adequate substitute for more positive action to advance human rights internationally.

Let me be perfectly clear. Of course, I don't think that the United States should automatically ratify every international treaty or convention proposed for the protection of human rights. Every tub must stand on its own bottom. The Senate should scrutinize every such treaty with the greatest care before ratifying it. I fully recognize that there exist wide disparities in the world in the concept of human rights, and in the meanings attributed to commonly used terms, such as democracy, liberty, equality, discrimination. I also acknowledge that international treaties in the field of human rights raise intricate legal and constitutional issues, such as the problem of Federal as against unitary states, and the very basic question of the division of authority and jurisdiction as between the international community and national states.

But to counsel prudence is surely not to say that we must boycott the proposed international agreements, as we are now doing. It is surely not to say that we must take down the flag of American leadership in human rights.

Let's look at some of the treaties which our Government has decided cannot even be submitted to the United States Senate for scrutiny and decision.

Take the convention against genocide, ratified by more than 40 members of the United Nations. They are not afraid of outlawing such a hideous crime. But this country, which denounced Hitler's crime of genocide as much as any country, now will not ratify a convention to outlaw the crime. The irony is that some Members of the Congress who oppose ratifying the genocide convention have demanded that Russia be cited for the crime of genocide. It isn't enough to say that of course we will not commit such a crime. The point is, are we willing to put our force behind international law against the crime?

Or take the convention to protect the status of women. American women have political and economic equality. They may vote. They may hold property in their own names. They have won almost complete emancipation. The women of a great part of the world do not enjoy these standards. They want the same political and economic equality that American women enjoy. They look to the women of this country for leadership. Think of the shock when they learn that this country will not even submit to its Senate for ratification these agreements to grant other women the standards that our women have attained.

Or take the question of slavery. The League of Nations had an antislavery convention. Recently the United Nations wished to produce another antislavery convention that could deal with new forms of slavery which have become altogether too evident. But here again, the United States could not go along, either in helping draft the convention or in ratifying it. Can anyone possibly believe that the ratification of an antislavery convention, with obligations that would be binding upon our Government and the States, could inflict hardship upon anyone in this country? Slavery has disappeared from the American scene. But it exists in a very considerable part of the world. There are 600,000 slaves in the Arab countries alone. An international agreement to outlaw the slave trade would be respected by a great part of the civilized world. Primitive peoples taking their place in the life of the United Nations want to live up to its standards. Some will defy it, but in the long run, the force of world opinion in favor of standards incorporated in international agreements would secure the gradual elimination of slavery.

How ironic it is that our Government should decline to soil its fingers with treaties which deal with subjects on which our own standards are among the highest in the world. What nonsense it is to oppose a treaty outlawing slavery, for example, and thus deprive us of a basis for attacking the Soviet system of forced labor by political prisoners.

Why are we being such Nervous Nellies about this? Is it because we fear that by signing an international treaty we will be compelled to lower our own constitutional guaranties of human rights? If so, we are wrestling with a phantom. For the purpose of these human rights treaties is to set minimum standards. Certainly in such matters as slavery, genocide, and the rights of women, our own standards are far above these minimums.

But what of the argument that by becoming parties to such a treaty, we expose our judicial decisions and administrative acts to international review? The short answer is simply this: If as Americans we uphold the rights guaranteed by our Constitution and our laws, the occasion will never arise when the world community will have cause to question our decisions and acts.

Today, the melancholy fact is that the United States stands almost alone in opposing in principle treaties relating to human rights. Do we want, by default, to leave the initiative for human progress in the hands of the false friends of human rights?

It is time that we give up being afraid. Other nations are not. Why should we be? It is time for us to resume a position of leadership in the United Nations struggle for human rights; to suggest international conventions when they are practicable; to take the lead in their drafting and their ratification.

Men are born free, but in a great part of the world they are still in chains. I want the United States to take the lead in the liberation.

Progressive Tax Reductions

EXTENSION OF REMARKS

OF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. VANIK. Mr. Speaker, undoubtedly, many Members of Congress are receiving letters from businessmen throughout the country asking Congress'

action to reduce Federal expenditures to an extent that will assure a balanced budget for the 1958 fiscal year and permit starting equitable progressive tax reductions which these businessmen consider essential to the country's welfare.

I received such a letter from Mr. Frank D. Stranahan, cochairman of the Champion Spark Plug Co., of Toledo, Ohio.

In reviewing the rise of quick tax amortization certificates, by Mr. Stranahan's company, I found that in September 1952 the Champion Spark Plug Co. received a $420,000 certificate authorizing a 65 percent amortization in 5 years. This certificate was for the acquisition of machinery in the Toledo plant of the company. In January 1953 this same company received a $2,177,000 certificate providing for a 55 percent depreciation in 5 years on machinery and buildings required for the company's Cambridge, Ohio, plant.

It seems to me that companies which have been the beneficiaries of quick tax-amortization certificates are not in good grace asking for consideration to give them progressive tax reductions. They have been using devices which have diverted the public's tax money from the Public Treasury into the buildings, machinery, and facilities which they have acquired in this way.

Following is a letter which I have received from Mr. Stranahan, cochairman of the Champion Spark Plug Co., and the reply which I have addressed to him this date:

CHAMPION SPARK PLUG CO.,
Toledo, Ohio, February 21, 1957.

Congressman CHARLES A. VANIK,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN VANIK: Businessmen all over the country, through the United States Chamber of Commerce and the National Manufacturers' Association, also their affiliated State and civic organizations, ask and expect your best cooperation in bringing about a sizable reduction in Federal expenditures that will both assure a balanced budget for the 1958 fiscal year and permit starting equitable progressive tax reductions so highly essential to our country's welfare.

Assurances are requested that you are in accord with this program and will do your utmost to bring about in the present session of Congress through favorable action on the Hoover recommendations and the elimination of all Federal expenditures that are not absolutely essential to the fiscal year of 1958.

Sincerely yours,

FRANK D. STRANAHAN,
Cochairman.

MARCH 5, 1957.

Mr. FRANK D. STRANAHAN,
Cochairman, Champion Spark Plug Co.,
Toledo, Ohio.

DEAR MR. STRANAHAN: Thank you for your letter of February 21, 1957, requesting my cooperation in bringing about a sizable reduction in Federal expenditures that will assure both a balanced budget for the 1958 fiscal year and permit starting equitable progressive tax reductions so highly essential to our country's welfare.

I wonder whether the progressive tax reductions which you urge are as essential to our country's welfare as they are to the welfare of your company and its stockholders. In reviewing the record of the Office of Defense Mobilization, I note with interest that in September 1952 your Toledo plant was granted a quick amortization certificate in the sum of $420,000 authorizing 65 percent depreciation in 5 years on the purchase of machinery. In January 1953 I note that your company also was authorized a $2,177,000 quick amortization certificate for the purchase of machinery and buildings for your Cambridge, Ohio, plant. This certificate authorized 55 percent depreciation in 5 years.

It seems to me that this country would be closer to a reduction in national debt and in our income taxes if companies like your own had not relied upon the use of quick tax writeoffs in the construction of production facilities. The use of these writeoffs was discriminatory to your competitors and diverted a considerable portion of your taxable income from the Federal Treasury to the construction of your company's expanding facilities.

It is estimated that somewhere between $20 billion and $32 billion have escaped the Public Treasury in this way. If this sum of money had been paid into the National Treasury through the payment of income taxes on existing schedules, the national debt would have been monumentally reduced.

It seems to me that it would be good Federal housekeeping to maintain current tax rates until the national debt is reduced to more tolerable proportions. You may be sure that I will do everything in my power to resist the further use of quick tax writeoffs which your company has found so useful. In addition, I will resist corporate tax reductions until the Government can recoup some of its tax losses on the quick tax amortization device.

Sincerely,

CHARLES A. VANIK,
Member of Congress.

Long-Term Policy Needed on Scrap Exports

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. McCORMACK. Mr. Speaker, on March 28, 1956, I placed in the CONGRESSIONAL RECORD some statistics showing that we exported iron and steel scrap for a 3-year period, as follows: Calendar year 1953, 307,673 short tons; calendar year 1954, 1,507,310 short tons; calendar year 1955, 5,047,942 short tons.

I have had my staff prepare the export figures for calendar year 1956 and find that an unprecedented 5,929,115 short tons were shipped during this period. Of equal importance to the quantity shipped was the fact that 56 percent, or 3,350,695 tons, consisted of "steel scrap, heavy melting No. 1," which is admittedly in short supply for our domestic needs.

Under leave to revise and extend my remarks I am placing in the RECORD the statistics showing 1956 exports by grades to various countries:

Iron and steel-scrap exports, calendar year 1956

Country	Steel scrap melting No. 1	Steel scrap melting baled	Steel borings, shovelings, turnings	Iron scrap	Iron and steel scrap, not elsewhere classified	Tin-plated scrap	Revolving material	Total	Percent of total
Canada	96,652	57,160	27,788	455,404	28,495	21	5,815	665,314	11.2
Mexico	306,534	43,250		52,300	15,141	427	61,615	350,337	6.0
Argentina	3,360			10,516				13,876	.2
Norway	6,720							6,720	.1
United Kingdom	341,208	218,145		4,058				563,411	10.0
Netherlands	32,063	3,022			1,212			36,237	.6
France	118,288	119,503	46					237,837	6.0
West Germany	144,729	67,398	123	23,121	2,805			238,776	4.0
Austria	17,439	2,311						19,750	.3
Italy	725,360	452,425		73,572				1,252,890	20.1
Taiwan	38,915	3,550						42,465	.7
Japan	1,226,234	510,383	53,306	201,224	10,414	2,120	15,612	2,019,307	34.4
Belgium	234,856	16,893		11,584				263,333	4.0
Spain	37,217	3,770						40,987	.7
Greenland	45							45	
Yugoslavia	7,500	3,079		25				10,604	.2
Columbia		52						52	
Venezuela		23						23	
Sweden			301					301	
Israel			35					35	
Brazil				23				23	
Bolivia				90	29			119	
Philippine Republic					67			67	
Chile					23			23	
Thailand					35			35	
Iraq					52			52	
Dominican Republic					21			21	
Cuba					104			104	
India					201		1,343	1,704	
Hong Kong							777	777	
Salvador							147	147	
Samples	12,360	1,140	4,330	22,310	8,930	80		49,150	.8
Total	3,350,695	1,491,425	85,981	835,375	67,672	2,718	104,329	5,929,115	
Percent of total	56.4	25.2	1.4	14.1	1.1		1.8		100.0

The February edition of Military Review issued by the United States Army Command and General Staff College contains an excellent article entitled "Pivot of History," by O. Edmund Clubb. The article, based upon the author's 20 years' experience as a Foreign Service officer in Asia, describes the ambitious plans of the Soviet leaders to develop and industrialize the vast and virtually untouched deposits of natural resources of Soviet Asia in order that the area will become the Eurasian heartland.

A footnote to Mr. Clubb's fine article states:

At a time when the United States is within sight of depletion of some of her most essential minerals, the Soviet Union is just beginning the exploitation of Asia—a rich new continent now in metamorphosis.

I am keenly aware of the necessity for furnishing our friends and allies ma-

terials which they need in their economy and which will foster reciprocal trade. I am also keenly aware of the necessity for maintaining our scrap collection facilities in the United States for peacetime and for emergency purposes. I am, however, concerned with the fact that a long-term policy based upon thorough research has not been developed with respect to the export of a material which is indispensable in this modern, industrial era. As always, I take the position that if we must err we should err on the side of strength and security for this and for future generations.

In 1953 the Secretary of Commerce took steps to establish a task group to advise him with respect to exports of iron and steel scrap. The group represented scrap dealers, brokers, exporters, foundries and consumers in order to give the Secretary a cross section of opinion. It was the original intent that the group should meet quarterly and render advice as to action to be taken for the subsequent quarter. I find that the group met 4 times in 1954 and twice in 1955—the last meeting being on August 3, 1955. There were no meetings in calendar year 1956. I find from study of the minutes of meetings of this important task group that at the fourth meeting—November 4, 1954:

With one exception, the task group members recommended that there should be a limitation on iron and steel scrap export beginning with the first quarter of 1955 based on 90 million tons of ingot production, the export figure to be determined by the Department of Commerce, with 7 members recommending 1 million tons and 2 members 2 million tons.

At the fifth meeting—March 1, 1955—it was stated that the Department of Commerce after discussing the group's previous recommendation with other agencies had decided against the imposition of quantitative controls on the export of scrap until a better evaluation could be made as to the place of ferrous export in the metallic balances of the iron and steel industry and trends in the export market could be proven.

As one would judge, there is a sharp cleavage of interest and opinion between scrap dealers, brokers and exporters on the one hand and consumers on the other with respect to the imposition of either quantitative or qualitative export controls on iron and steel scrap.

Fortunately many Members of Congress became concerned over the large scrap exports and inserted in section 2 of Public Law 631, 84th Congress—June 29, 1956—a requirement that the Secretary of Commerce make a complete survey of iron and steel scrap now available and potentially available.

The law required that the report be made to the Congress not later than January 31, 1957.

The Commerce Department employed the Battelle Memorial Institute to make a survey and analysis by contract dated September 7, 1956. Obviously there was not much time for such a complicated survey and report, although in my opinion the institute rendered an excellent piece of work on January 17, 1957, which states in the letter of transmittal:

In spite of the shortcomings of the data available, and the compromises and assumptions that had to be made in order to meet the time deadline, this survey and analysis represents a major step forward toward a better understanding of the complex problem of the supply of and the demand for obsolete iron and steel scrap. The data and analyses presented in this report represent the most exhaustive study of this problem to date and do give same indications of the future supply-demand relationships, but they cannot be considered conclusive.

One of the major objectives of the study was to estimate the total availability of obsolete iron and steel scrap for consumption for the year 1956. We were able to estimate the obsolete reservoir of iron and steel as of January 1, 1956. It was not possible, however, in the time available for this study, to develop all the date necessary to identify the amounts of iron and steel in the obsolete reservoir and in the replacement crop that are actually available for consumption as scrap. Further study will be needed on the many factors influencing the transfer of iron and steel from the obsolete reservoir into scrap-consuming channels. This is discussed in detail in the summary and recommendations section of the report.

It is noted that the Commerce Department has now stopped granting export licenses for heavy melting iron and steel scrap and they are to be commended for this action pending additional study.

Despite the recent fluctuations in iron and steel scrap prices, it is my opinion that further study should be made as recommended by the Battelle Institute report and after thorough exploration the Commerce Department should submit to the Congress a comprehensive long-term policy on the export of iron and steel scrap.

Bipartisanship in Foreign Affairs

EXTENSION OF REMARKS

OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, March 5, 1957

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered on Sunday, March 3, at a testimonial dinner given in my honor by the nationalities division of the Democratic National Committee at the Waldorf-Astoria Hotel in New York City.

My address relates in part to bipartisanship in foreign affairs, so I believe it may be of interest to the Members of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF UNITED STATES SENATOR THEODORE FRANCIS GREEN, OF RHODE ISLAND, HONORARY CHAIRMAN, NATIONALITIES DIVISION, DEMOCRATIC NATIONAL COMMITTEE, AT THE TESTIMONIAL DINNER, MARCH 3, 1957, WALDORF-ASTORIA HOTEL, NEW YORK, N. Y.

Mr. Toastmaster, Governor Williams, National Chairman Butler, distinguished guests, and fellow Americans, the happy occasion of today's gathering is evidence of the increased importance of this nationalities division which was established in 1948—a short 9 years ago. I was privileged to be the first chairman of the division when it was a small political unit, and I have seen it conquer its difficulties and win its victories until it has now grown to the stature at which it may fairly well be said to represent the hopes and the ideal of 35 million Americans of the most varied and diverse origins.

From the very beginning it has been the function of this nationalities division to help our country by providing an opportunity for political expression to these 35 million of our fellow citizens who trace their family histories to origins abroad within the last couple of generations. It has also been our function to help our Democratic Party by getting it to respond to the needs of this segment of our population, and, particularly, by securing their participation as active members of our organization.

Since that 1948 election, this unit of our organization has been active in many parts of the country and has been recognized as the one organization to which ethnic groups can confidently appeal when in need of assistance on political matters.

I cannot speak further without paying tribute to one who has identified himself with this movement from the very beginning, namely, "Mish" Cieplinski, as we all fondly call him. He has been the active spearhead of our organization, and through his efforts the division has taken part in many campaigns to elect Democratic Senators, Representatives, governors, mayors, and other candidates on our various tickets.

Other speakers have already mentioned the work which all of you have done in specific campaigns, so I will not go over that again, but I would like to say something especially to you leaders of the nationalities division.

Our organization typifies the unity of all the peoples who make up America. It typifies also our democracy in action.

We have helped 35 million of our citizens to a better understanding of our country's problems—for every man and woman is a better citizen when he or she is given the opportunity, and takes it, to think about the affairs of government.

We have also helped the Democratic Party to bring its message to these same Americans—and the message of the Democratic Party has always been one that each of us should be proud to talk about.

And we have also helped to bring unity of purpose to our fellow Americans of almost every national origin, and to interpret American democracy to foreigners.

This Nation has proved that a great democracy in which millions of people are able to develop according to their own best inheritance, and without being forced into any kind of uniform totalitarian mold, is a democracy which can work, which can grow and become strong enough to withstand any kind of attack, military or ideological.

Most of us familiar with the course of history, realize that there have been other nations with heterogeneous populations which have failed to attain unity and unanimity of purpose—while we have reached that goal. We should realize also that our national development has not come about through the haphazard whims of fate. It is the result of long, arduous, and dedicated cooperation of freemen, with unswerving faith in the Almighty, striving to better their national community and thus, the larger world community.

In our present world situation it is of vital importance that not only this purpose, but also this reality, be impressed upon men everywhere. You can help to do this. You can help by devoting attention to the contracts which many of you have with people

living in far-off countries. You can do this more effectively than any kind of special agency—even a highly financed organization like the so-called people-to-people program. You can do it better because you have contacts as individuals in every country from which America draws her great inheritance, and because you can convey the message of our democracy to those countries, not through any impersonal mechanism of propaganda, but from your own individual minds and hearts.

I wish that there were more unity, of the kind we see represented here tonight, in the affairs of our Nation in Washington. From time to time we have heard much about bipartisan politics and I have been privileged to see it applied in foreign affairs to some extent. Under Presidents Franklin D. Roosevelt and Harry S Truman bipartisanship was a real and vital thing—a principle by which we lived. From it came men like Frank Knox and Henry L. Stimson; and under our Democratic administration, outstanding Republicans like my former colleague, Senator Warren Austin, represented us in the highest diplomatic posts. The name of Arthur Vandenberg became almost symbolic of this living and active bipartisan policy, so far as foreign affairs were concerned.

The present administration has hitherto given only lip service to bipartisanship, which is one of the reasons why our country is in trouble abroad. When there has been any bipartisanship, it has been only a bipartisanship of expediency.

The administration has waited until—as in the Middle East today—it was in deep trouble. Only now, belatedly, it has invited the Democrats to sit in at hurriedly arranged conferences at the White House, in the hope that, in the name of bipartisanship, we would underwrite remedies which could best be described as random and expedient.

I do not mean to suggest that all wisdom rests in the Democratic Party, but I do mean to say that in the difficult conditions which prevail abroad today, it is imperative that the Government of these United States make full use of all the wisdom, ability, and practical experience which can be found in both parties.

However, whatever one may think should have been done at any particular time or place, I am sure that we can all agree that it is hardly fair or sensible to wait until a situation is already in grave disorder—only then to come forth with a crash remedy, with the illogical expectation that those who had no part in determining our policy, and had not been fully informed of what has been going on, should underwrite such expediency.

While I am on the subject of information, may I add another word.

A democracy must conduct its foreign policy in the light of day, so that everyone may know what is being done. In a totalitarian state, a dictator can afford to keep his motives and plans to himself because there, the people are forbidden under penalty to express themselves. In a democracy, however, the success of foreign policy depends upon full information about the factors which lead to decisions and actions.

The present administration has been less than frank with the people in this regard. Only a month before the last election we were informed that the Middle Eastern crisis at Suez had been virtually settled. And yet, it erupted violently before November. Either we were not fully informed as we should have been, or else our Government itself was not fully informed as it should have been.

I cannot emphasize too strongly the importance of having our Government provide full and sincere information, not only to Members of Congress but also to the whole people, of what is going on in the world and how we expect to deal with it.

In normal times, as in critical times, the love of freedom strengthened by truth, is the uniting force of mankind. The world is witness to the gallantry of the Hungarians and the Poles. By their stubborn resistance to the tyranny of communism, they have shown that, though held captive, they still preserve their faith in democracy which is nourished by freedom.

To preserve our freedom, and thus inspire others, both to regain and to preserve theirs, it is imperative for us to chart our future course with a positive program in the conduct of our foreign relations. In this we may safely be guided by the ideals of Woodrow Wilson—freedom of the seas, self-determination for nonself-governing peoples, open diplomacy, improved trade among free nations, and the end of imperialism, of the right and of the left—all of these ideals are as applicable today as when they originated.

And as new situations arise for which there is no precedent and no available solution, we will use our wisdom in finding the way, in setting a good precedent ourselves. This resourcefulness is what has made America great, and this will enable us to preserve our benevolent leadership of the free world, a leadership forced upon us by the shrinkage in the size of this world as a result of modern inventions.

This leadership we have not sought—in fact some of us have regretted it—and some have even opposed it—but man's ingenuity in the field of transportation and of communication has brought all parts of the world close together and the world has apparently shrunk. Like it or not, we must accommodate ourselves to it. Experiences such as ours in the nationalities division of the Democratic Party, where those of all races have worked together for a common patriotic purpose, not only is valuable to us in our beloved country, but also to the world at large. It holds forth as a lively experiment of what the whole world may hope to achieve. Let us give our best to a realization of that hope.

Tennessee Medal of Honor Holder Honored Posthumously in Commissioning of New Navy Destroyer Escort

EXTENSION OF REMARKS

OF

HON. ROSS BASS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. BASS of Tennessee. Mr. Speaker, under leave to extend my remarks, I desire to have included in the RECORD the speech delivered by the Honorable J. CARLTON LOSER on the occasion of the commissioning of the new Navy destroyer escort the U. S. S. *John Willis* at Philadelphia on February 21. The U. S. S. *John Willis* is a fitting memorial to the unparalleled gallantry of John Willis of Nashville, a member of the Navy Medical Corps, whose deeds of valor on Iwo Jima have earned for him the undying gratitude of the Nation as epitomized in the Congressional Medal of Honor.

The speech is as follows:

Admiral McLean, Mrs. Duke, distinguished guests, officers and members of the crew, ladies and gentlemen, I am deeply grateful for the honor you have done me by inviting me to say a few words on this very significant occasion. And I am aware, as you are, that words are weak and only deeds and acts are great.

As we assemble here today to commission this new destroyer escort we are aware of and can sense the stirring overtones of history; the thrilling undertones of gallantry and heroism; some muted notes of sorrow and sadness; and the challenging call to duty of our country.

Across the stern of this new unit of the greatest Navy in the world is the name U. S. S. *John Willis*. In giving his name to this new destroyer escort, the Navy and the Nation do fitting honor to this brave Navy man, who, in going far beyond the call of duty, exemplified and reemphasized the treasured traditions of the United States Navy. His gallantry and sacrifice shall, through the years be cherished by the people of this great Nation as hallowed memories.

John Harlan Willis was a pharmacist mate first class who was assigned to duty with the United States Marine Corps in their assault on Iwo Jima: On February 28, 1945, while acting as platoon corpsman with the 3d Battalion, 27th Marines, 5th Marine Division he was in action under heavy artillery and mortar fire from the enemy. Without regard for his own safety, John Willis administered first aid to the many marines wounded during the furious close-in fighting until he himself was struck by shrapnel and was ordered back to the battle aid station. Without waiting for official medical release, he quickly returned to his company and during a savage hand-to-hand enemy counterattack daringly advanced to the extreme front lines under mortar and sniper fire to aid a marine lying wounded in a shell hole. Completely unmindful of his own danger as the Japanese intensified their attack, Willis calmly continued to administer blood plasma to his patient, promptly returning the first hostile grenade which landed in the shell hole while he was working and hurling back seven more in quick succession before the ninth one exploded in his hand and instantly killed him. By his great personal valor in serving others at the sacrifice of his own life, he inspired his companions, although terrifically outnumbered, to launch a fiercely determined attack and repulse the enemy force.

These are the thrilling undertones of gallantry and heroism; these are the muted notes of sorrow and sadness; here is the challenging call to duty in the service of our country so fully answered.

Even with this brief recital of events, I am sure that you will agree with me when I said in the beginning that words are weak and only deeds and acts are great.

This occasion is significant also because it underscores the continuing progress being made by the United States Navy to better serve the Nation in its program of national defense.

The U. S. S. *John Willis* is one of the several new destroyer escorts. Others will follow at intervals. And in other shipyards around our coastline naval craft of other classifications are being constructed, launched, given shakedown cruises, and taking their places in a magnificent fleet in near and remote areas of the world.

It is essential that we continue to build, because the great battle in which John Willis and thousands of others have died has not yet been won. Fervently we hope and pray that the free world can win that battle without another shot being fired. Ardently we plan, confer, and study in a zealous quest for a stabilized peace built on law and order and decency and justice.

We must continue that search for a peaceful solution of the problems that are rooted so deeply in the bloodsoaked soil of a fearful and frustrated world. We must press with unabated ardor toward the goal of a world in which the dignity of man once more is a sacred thing, and in which all men may look up to God rather than down to the dictators of a totalitarian state.

But until such time as the light of real brotherhood and mutual respect breaks through the overcast of suspicion, hatred, and deceit, we must see to it that our aims, ideals, and aspirations for peace are backed by strength on the sea, the land, and in the air.

The United States has become the arsenal of the free world. Current commitments undertaken by the United States include eight treaties involving 42 nations and military assistant agreements with 20 additional nations. Although military assistance agreements do not bind the United States to go to war, there is a strong moral obligation to do also. Fulfillment of the terms of all these treaties is dependent upon free use of the seas. At the present time, 62 nations, over one-half of the world's land area, and over one-half of the world's population, depend upon seapower.

We are not alone in knowing that our need for a Navy is greater than ever. The Soviets know this. After analyzing the activities of World War II the Russians saw that much of the world depended on our seaborne assistance to survive the great holocaust. She knew that if the United States were to have any allies, we must control the seas.

We have to have our ships go from here to Europe, and reach Europe, and go from here to Japan, and reach Japan, and Formosa, and other allies. If we couldn't move by sea, we would be stalled right back here in the United States and we couldn't help anybody. All we could do would be to stay within the waters of the United States and wait for the attacks to come to us. The war would be fought in and over our own country.

The U. S. S. *John Willis* will take her place on the battleline with other ships or her class to seek out and destroy the enemy. She is especially made for this purpose and with the valor of her namesake for inspiration, I know she will not fail. Not many yards from where we now are, in this same shipyard, the battleship *Tennessee* is resting after long years of valiant service. She has made us proud of her record and the great State for which she was named. Now again the spirit of Tennessee will venture forth again with the memory of one of its valiant sons, John Willis.

So let us wish godspeed to this fleet and sturdy vessel. As she puts forth to sea, let us cherish the hope that always her officers and crew shall be inspired and upheld by the challenge that comes like a clarion call from the sovereign State of Tennessee and the battle scored sands of Iwo Jima.

What Do People Really Want: Heavy Spending or Economy?

EXTENSION OF REMARKS

OF

HON. JAMES C. AUCHINCLOSS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. AUCHINCLOSS. Mr. Speaker, extravagance in Government, reduction in taxes are the complaints we are all receiving from our constituents and it gives me great pleasure to have permission to include in my brief remarks a statement entitled "What Do People Really Want: Heavy Spending or Economy?" made by our highly esteemed colleague, the Honorable ROBERT W. KEAN, who so ably represents the 12th District of New Jersey.

It is unnecessary to say that Mr. KEAN is one of the highly respected Members of the House of Representatives and his views on the great questions of the day are always penetrating and constructive. He has ably analyzed the people's protest against the high budget which was submitted by the administration, as well as the increasing demand for lower taxes, and his observations of this situation from a political point of view are most pertinent. As he points out, in Congresses where economy was practiced and the cost of Government reduced along with taxes, the controlling party which brought that about was defeated in the next Congress. He sizes up the situation well in the last two paragraphs of his statement when he says:

The nub of the matter appears to be: Will those who are sincerely interested in economy join ranks to fight as hard to back up economy-minded Members of Congress as do the militant free-spending groups to thwart their efforts.

Congress is troubled by the size of the budget, but many Members—both Democrats and Republicans—also are troubled by the lessons of history which have made them skeptical as to whether the majority of the people really want curtailment of heavy Government spending.

The entire statement is as follows:

WHAT DO PEOPLE REALLY WANT: HEAVY SPENDING OR ECONOMY?

Do the American people really want economy in Government? Do the people appreciate efforts along that line? Will they support those who vote for cuts in Federal expenditures?

Those questions have been asked with frequency by Members of Congress in Capitol cloakrooms since public outcries over the size of the proposed Federal budget for the 1957–58 fiscal year.

In asking the questions, Members call attention to the fact that during the past quarter century in only two Congresses was there a successful attempt to cut expenditures substantially, and point to the results of the ensuing elections.

In the Republican 80th Congress, the Truman budget was cut by $3\frac{1}{2}$ billion. In the Republican 83d Congress, the Truman budget was cut by $10 billion. And what happened in the next elections? The Republicans who had been in control in each case were badly beaten. The voters threw out the economizers and put those who had opposed economy back in control of the Congress.

It is commonplace for those who vote for economy in a certain area of Government activity to be told by some constituents that such a vote was false economy. It is, of course, true that nearly all Government spending has a worthy objective and cutting in any area might be characterized as false economy by the group which is particularly interested.

But one must look at the Government picture as a whole. It is the duty of the Federal Government to participate in such and such an activity? Could it not be done better and cheaper by the States, or even by the local communities?

NEW JERSEY'S STORY

The answer might often be yes in New Jersey, for as the New Jersey Taxpayers Association has pointed out it costs New Jersey taxpayers $2.40 in Federal taxes for each dollar returned in the form of grants under the 50-odd Federal-aid programs. But those groups who get the dollar are vociferous supporters of such programs, usually not realising that they and their neighbors are digging deep in order to receive these "benefits."

Representative ROBERT L. DOUGHTON, the late wise old chairman of the House Ways and Means Committee, used to say that the cry of witnesses who came before our committee was: "Don't tax me, tax that fellow behind the tree." The same thought seems to be that of many people who talk economy: "Don't cut my pet project. Cut some other fellow's, for if you cut mine, I won't vote for you."

Somewhat the same pattern has occurred with reference to tax reduction. Only three times in the past quarter century has a Congress passed a bill reducing taxes substantially. Once by a Democrat-controlled Congress—the 79th where the cut was $6 billion. The next year the tax-cutting Democrats were thrown out and Republicans were put in control.

Again in the 80th Congress there was a substantial cut—approximately $5 billion. Next November the Republicans who had sponsored the cut lost control. Even the chairman of the Ways and Means Committee, the author of the bill, was defeated.

Again in the 83d Congress there was a tax cut of $7,500,000,000, but in the following November the Republicans were thrown out of control. Is it strange that I heard a statement made at lunch last week that the public really does not seem to appreciate a tax reduction?

One of the reasons, perhaps, for the lack of appreciation of the latest tax cut is that in a time of increasing prosperity when people are earning more money they do not feel that there has been a tax reduction, for with greater personal earnings they pay more in taxes. They do not realize how much more they would have paid if there had been no cut.

TAXES ARE TOO HIGH

I believe that taxes are too high for every segment of our population and they should be reduced at the first opportunity, but the people must help bring about the opportunity—that is if a majority of them want lower Government spending and resulting tax reductions.

The ways of the voters sometimes seem surprising and you can't help understanding—remembering history—why many Members of Congress look at the political advantage of voting for economy and lower taxes with a somewhat jaundiced eye.

We must have economy in Government. We must have cuts in taxes. But the support of the average voter for such policies has in the past, to say the least, been half-hearted. A headline in the Washington Star last week is discouraging. I quote:

"SENATORS RESTORE MOST OF HOUSE MONEY BILL CUT

"The Senate Appropriations Committee has restored practically all of the $47 million slashed out of a deficiency money bill by the House.

"The action, regarded as the first economy test of the session on the Senate side of the Capitol, came yesterday on the initial appropriations measure submitted by President Eisenhower in 1957."

THE UPPER HOUSE

Some humorist has said that the reason the Senate is known as the Upper House is because it always ups the appropriations made by the House. The above is just one example, but I am sure that pressures from officials and individuals interested in the spending projects had much to do with the result by making their views known, while the economy minded remained silent.

The nub of the matter appears to be: Will those who are sincerely interested in economy join ranks to fight as hard to back up economy-minded Members of Congress as

do the militant free-spending groups to thwart their efforts.

Congress is troubled by the size of the budget, but many Members—both Democrats and Republicans—also are troubled by the lessons of history which have made them skeptical as to whether the majority of the people really want curtailment of heavy Government spending.

Statement of Hon. Edward J. Robeson, Jr., Before the Celler Subcommittee of the Committee on the Judiciary, House of Representatives, in Opposition to H. R. 2145 and Related Bills

EXTENSION OF REMARKS

OF

HON. JOHN BELL WILLIAMS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. WILLIAMS of Mississippi. Mr. Speaker, on February 26, 1957, our colleague, Hon. ED ROBESON, JR., of Virginia, appeared before the Celler subcommittee in opposition to the pending civil rights bills. Mr. ROBESON's presentation before that subcommittee was clear and to the point, and, in my opinion, should be read by every Member of this body. Therefore, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am pleased to include herewith the text of Mr. ROBESON's statement:

STATEMENT OF HON. EDWARD J. ROBESON, JR., DEMOCRAT, OF VIRGINIA, BEFORE THE CELLER SUBCOMMITTEE ON CIVIL RIGHTS OF THE JUDICIARY COMMITTEE OF THE HOUSE OF REPRESENTATIVES APPEARING IN OPPOSITION TO THE CIVIL-RIGHTS LEGISLATION PENDING BEFORE SAID SUBCOMMITTEE ON FEBRUARY 26, 1957

Mr. Chairman, I appear before this committee today in opposition to the legislation now under discussion. The vast majority of the citizens I represent are opposed to this legislation. They feel that it is an unjustified invasion by the Federal Government of rights reserved to them and the State of Virginia by the Federal Constitution.

It is my opinion, and in fact my conviction, that the proposed legislation which this committee is now considering, if enacted, will violate provisions of the Constitution of the United States. It has been and is now my purpose to uphold the Constitution of the United States. I am further obligated in this respect by my oath of office.

Located in the First Congressional District of Virginia which I have the honor to represent are Jamestown, Williamsburg, Yorktown, and many other historic landmarks of this country's early history. My home on the James River is nearby and I have on many occasions been present with others who gathered to commemorate events of great significance to all Americans.

Love of liberty and respect of the rights of mankind are inherent in the nature of the people of Virginia. Virginians will not willingly relinquish the rights guaranteed to them by the Constitution of Virginia or by the Constitution of the United States.

It is also my opinion that an impartial and objective investigation will show conclusively that there is no basis of fact sufficient to warrant Federal legislation such as is proposed. The effect of Federal implementation can be reasonably expected to bring about serious adverse influences which will make impossible continuation of the present sympathetic, friendly, and generally satisfactory relations between the white and the colored races which now prevail, particularly in the Southern States.

Recorded human history gives no comparable accomplishment of the development of human relationships in which the descendants of primitive-type people have been integrated to such a degree by another race whose forebears had for many centuries enjoyed a high degree of economic, cultural, and religious background. May I emphasize that our people of both races worship God in the same faith and in like manner, speak the same language, and have in general the same customs.

Particularly in Virginia and other Southern States, they live and work together as friends and neighbors with mutual respect and regard. As basically Christian people, we encounter an almost unbelievable minimum of difficulty because of the inherent obstacle of racial characteristics.

Like many citizens whose forebears for generations have lived in the favored Southland of our great country, I am unable to consider the relationships of the two races in generalities based on the racial differences. Rather, people of the Negro race are to me individuals, and for many of them from infancy to the present day I have an abiding, affectionate regard and a sense of responsibility toward their well-being and happiness.

My concern is primarily for these Negro citizens whose well-being depends to so great an extent upon the good will of the white citizens who presently are their friends and neighbors.

For many years prior to my election to Congress, on May 2, 1950, as an industrial executive in responsible charge of personnel administration, industrial relations and public relations with one of the world's foremost shipbuilding organizations, much of my time and effort was directed toward establishing and maintaining harmonious relationships in industry and the community. I can, I hope with becoming modesty, admit to recognized competency in the field of human relationships, not only in industry but in their broader aspects.

In my home area of Virginia the population ratio is approximately 25 percent Negro. For many years the company with whom I was associated and other employers have maintained a similar employment ratio. The conditions of work, rates of pay, and employee benefits are applicable to all employees alike.

There has never been a work stoppage or race friction in this shipyard, and the white and colored citizens have worked harmoniously together on the same jobs and lived in the same communities. There are four large hospitals in this area. Three accept both white and Negro patients. One, the Whittaker Memorial Hospital in Newport News, is entirely managed, staffed and operated by Negroes for Negro patients. I know of no other such hospital.

There are competent Negro citizens engaged in the numerous professions. Many profitable businesses are operated by Negroes. Some of these are patronized by and are dependent on white customers. To illustrate, perhaps the most popular barbershop is Negro operated and is located in the main business section near the largest bank.

Our Negro citizens have their own churches, bank and places of amusement and entertainment. The schools, of which they are justly proud, have 100 percent Negro principals and faculties.

The Huntington High School for Negroes is a top-ranking high school with nearly 3,000 students. They have a modern school building and modern facilities, a floodlighted stadium, large gymnasium and other facilities beyond what less modern white high school in this area now have. There has never been any race friction among our school children or population.

This is no unusual picture for many and perhaps most localities in the Southern States. However, you may be assured that the legislation now being considered, together with the implementation of the recent Supreme Court decision, will relegate such outstanding accomplishments to the more glorious past history of our people. It will be impossible to continue the race relationship upon which such society as I have described must rest.

There is nothing new in the current effort to persuade minority segments of a society to accept the illusion presented by political and Government leaders to bring through man-made law and courts, or military enforcement, a better way of life. Inevitably and with certainty, disasters overtake them. I also have concern that the proposed legislation is but another step which can and will bring us nearer to the point foreseen 120 years ago by Abraham Lincoln when he said in a speech at Springfield, Ill., on January 27, 1837:

"At what point, then, is the approach of danger to be expected? I answer, if it ever reaches us it must spring up among us; it cannot come from abroad. If destruction be our lot we must ourselves be its author and finisher. As a nation of free men we must live through all time, or die by suicide."

Corn Farm Program

EXTENSION OF REMARKS

OF

HON. PAUL CUNNINGHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. CUNNINGHAM of Iowa. Mr. Speaker, as a representative from one of the great corn States, I would like to address a few remarks to my colleagues on both sides of the aisle in an effort to impress on them the vital necessity of immediate action on the corn-base acreage problem. In many areas of our Nation corn planting will begin within a few weeks. Furthermore, the deadline for participation in the acreage-reserve program for corn in 1957 is April 15.

I am sure that the Members of the House are familiar with the Agricultural Act of 1956, dealing with corn and the corn farmers' participation in the soil bank. Sixty-one and five-tenths percent of the farmers voting in the referendum held on December 11, 1956, said they favored the farm-base acreage approach rather than to return to the corn-acreage allotment program. I think it was unfortunate that the Congress required a two-thirds vote in this referendum. A clear majority, 59.5 percent, of the corn farmers voting in Iowa favored the base-acreage approach, and 40.5 percent against.

Under the provision of law as it now stands farmers in the commercial corn area will not comply with the 37.3 million acre allotment, and I think we shall see roughly 56 million acres of corn planted in the commercial area in 1957. This simply means a continuation of a surplus position in corn, with consequent adverse effects on livestock production

and prices, and this will have an effect on the whole economy of the Nation.

It is contended by some that giving corn growers a corn-base acreage of 51 million acres, for purposes of participating in the soil bank and price support, is unfair to cotton and wheat farmers.

There does not seem to be much disagreement that (a) the acreage taken out of wheat and cotton has mainly gone into feed grains, (b) as a result, feed grains produced on these diverted acres have been substituted for corn, and (c) this has resulted in the feed grain surplus appearing in the corn carryover which (d) has caused the decline in corn acreage allotments.

Farmers in the commercial corn area as determined for 1957 have continued to plant approximately 58 million acres, even though allotments have decreased until now they are 37.3 million acres.

Without a change in this situation, most commercial area corn farmers will not participate in the soil bank program and thereby will not contribute to bringing supplies into line with demand. As a short-run proposition, farmers can make more money growing corn for livestock. They cannot afford to cut 37 percent from their normal corn planting to get down to their corn allotment in order to begin to participate in the soil bank. On the average a corn farmer with 50 acres of corn would be required to cut to approximately 32 acres and then be paid an average of $43 per acre for each acre he cut below the 32 figure.

Surplus feed grain, estimated by the United States Department of Agriculture at 800 million bushels, was grown on acreage diverted in 1954 and 1955, most of which was taken out of wheat and cotton for which cotton and wheat farmers received price supports. Both directly and indirectly Government price supports have subsidized the production of surplus feed grain. Surplus feed grain has resulted in surplus livestock which has weakened livestock prices. Therefore, farmers everywhere are paying heavily for uneconomic price supports which are causing shifts into livestock production.

Corn farmers do not have a minimum national corn allotment or base similar to the minimum for wheat and cotton. If the allotments for wheat and cotton were to be determined on the basis of what is needed to keep supplies in line with demand, as is done in the case of corn, the national cotton allotment would be 3.9 million acres instead of 17.6 million acres; the national wheat allotment would be 12.4 million acres instead of 55 million acres.

Wheat and cotton farmers would not be treated unfairly if the proposed 51-million-acre soil-bank base is used.

Congress has now been in session 2 months and there is no bill before this House to help the Midwest corn farmer. I am informed that a bill has been reported by the House Agriculture Committee, but not until after it was amended so those who should know advise me that it will be of little benefit to the corn farmer. My information also is that an amendment was added in committee which destroys much of the value of the bill and that this was on a straight party vote, 17 Democrats voting for this amendment and the 15 Republicans against. Unless this amendment can be removed by the Members when the bill reaches the floor of the House, I fear the corn farmers of America will be in bad shape for this year. The responsibility for this will rest entirely upon the Democratic leadership in control of this Congress. H. R. 4555 and its companion S. 1125, without amendment, would give real relief to the corn farmers of America.

These bills provide that each corn farmer in 1957 will have the same choice he had in the referendum that was held on December 11, 1956; 61.5 percent of those voting last fall voted for the base-acreage approach. If those voting for the continuation of acreage allotments at 37.3 million acres want this program—well and good—but how can the Congress refuse to give the farmers of the commercial corn area their choice?

Individual farmers already have both their base-acreage and allotment figures which would be applicable under this proposal. There would be little administrative work to do by the Department of Agriculture or the local ASC offices. Immediate consideration and passage of a temporary corn program for 1957 is urgently needed. It is time to quit playing politics with the farmers of America and do something for them now—not later.

Chairman Carl Durham, of the Congressional Joint Committee on Atomic Energy, Discussed the Building of Atomic Power Reactors Over the NBC-TV Network, February 19, 1957

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. VAN ZANDT. Mr. Speaker, on February 19, 1957, over the NBC-TV network, our distinguished colleague, Representative CARL DURHAM, of North Carolina, chairman of the Congressional Joint Committee on Atomic Energy, discussed the building of atomic power reactors. During the course of the discussion, Chairman DURHAM answered questions by Messrs. Garroway and Blair, of the NBC-TV network staff.

In view of this timely discussion of such an important subject, I hope that every Member of Congress will take the time to read the following account of this interesting TV discussion:

On the television screen, Dave Garroway was seen in closeup seated at his regular desk. The camera moved back to medium distance while Frank Blair joined Dave Garroway, seating himself beside Dave at his desk. Together they turned to the monitor screen behind them where the Congressman appeared in closeup. From time to time during the interview, the Congressman was seen on full screen closeup.

"Less than 90 minutes from now, a Joint Congressional Committee on Atomic Energy will open important public hearings in Washington. The committee wants to know how this country is doing in harnessing the atom for peacetime purposes.

"Presiding will be Democratic Representative CARL DURHAM, of North Carolina, the chairman of the joint committee. Representative DURHAM has stopped by in our Washington studio this morning to answer a few questions on the subject from Frank and myself.

"Are you there, Mr. Congressman?"

Congressman DURHAM: "Yes; I am here, Dave."

Mr. Garroway: "There you are, right there. Well, in 1954, Congress decided that the peacetime use of nuclear power should be developed by a partnership of Government and private industry. Now what does that mean?"

Congressman DURHAM: "Well, it is rather broad. The 1954 act was passed, of course, to primarily assist private industry to get into the business of developing the atomic energy field for humanity, and for the benefit of the whole country."

Mr. Garroway: "I see."

Congressman DURHAM: "The act, of course, is rather broad. It covers all fields and all aspects of the atomic energy industry."

Mr. Garroway: "Well, now, sir, the taxpayer, through the Government, of course, spent tens of billions of dollars to discover the secrets of the atom. Why did Congress decide to share these expensive secrets, instead of having the Government make the profits which could be expected in the future?"

Congressman DURHAM: "Well, I think, if you look back to the 1946 act, which I was one of the charter members on the committee, that was completely owned and held by the Government, as you probably know. The Congress, of course, decided, and the country, that we had done a lot of research and development in this field, which, of course, was—could be a benefit to human beings in the field of agriculture, medicine, and many other fields, industry primarily—and so Congress decided that it was in the best interest of the people to let them share in this investment, since they had themselves made the investment from tax sources."

Mr. Garroway: "I see. Frank Blair has a question for you, Mr. DURHAM."

Mr. Blair: "Good morning, Congressman."

Congressman DURHAM: "Good morning."

Mr. Blair: "A recent survey by Nucleonics Magazine shows that most industrial leaders in four foreign countries which were surveyed, feel that Britain is ahead of us in harnessing the atom for peacetime use. Now, is Britain ahead of us to the best of your knowledge?"

Congressman DURHAM: "Well, I think our program is much broader than the British. I've visited Calder Hall myself and seen the reactors. The British were in this kind of a position; of course, as we all know, the power situation and the need for it was much greater in Britain than it was in this country. It's not still yet competitive in this country. We're still developing and trying to develop reactors, of course, which will bring the cost of power down to a level where we can compete. Our local situation is entirely different, so I am definitely of the opinion that the British are not ahead in this field of atomic energy."

Mr. Blair: "Now, in the struggle to win the allegiance of the neutral nations, many of them poor in coal and oil, as you've stated, much may depend on whether the East or the West is first able to deliver atomic-power generating plants. Do you know if the Russians are capable of delivering such a plant while maybe we're still perfecting our test models?"

Congressman DURHAM: "Well, we don't have very much information on the Russians, of course. I don't think at the present time, from what information I can secure, and the best information we can secure, that they are anywhere near the point of development that we are in this country, I'm sure of that."

Mr. Garroway: "Congressman, because we are so relatively rich in coal and oil, while other nations like Britain and France are poor in such resources, are we not likely to fall behind because our efforts are not spurred by sheer need and poverty?"

Congressman DURHAM: "Well, I think not. I think we have a very vigorous reactor program in this country at the present time. It's one that covers, not just one reactor like the British have built, and, of course, we'll be able to sell to those countries where the need is there. I, yesterday, just talked to the Italian representative from his country, who is in need of power just like the British are, and, of course, they're looking around, and it would mean to our interest of this country, I think, much, if we can develop a reactor than we can sell abroad, and that's what we are primarily endeavoring to do at the present time."

Mr. Garroway: "Well, sir, there's likely to be a proposal to turn over peacetime development of atomic energy to a Government agency, sort of a nationwide TVA. What chance do you see for legislation of that type?"

Congressman DURHAM: "I don't think there's any chance whatever. There's no—in my opinion, there's no member of the committee that's in favor of such a program. I think that we are developing this primarily for—we're trying to develop reactors—where industry can come in and look at them and build a reactor for any company or any power company in the country that desires it, whether it's a cooperative, or whether it's a public power or whatever it might be, in the interest of development."

Mr. Garroway: "How long before we'll be using the maximum number of watts from atomic-energy stations to be built in this country?"

Congressman DURHAM: "Well, we're using some at the present time. I had the pleasure last week, a week ago last, of turning on the reactor up at Argonne, which, as you know, produces power. It produces all the power for that laboratory that we have there. I think that within the next 5 or 10 years you're going to see reactors in many parts of this country producing power."

Mr. Blair: "Do you think there will be many Government restrictions and Government supervision over industry's building and maintaining these plants?"

Congressman DURHAM: Oh, I don't think so. I think at the present time we have access permits. They can come in here to the Commission and get all the information they want at the present time in building a reactor. There's very little restriction now in building a reactor."

Mr. Garroway: "Do you have any idea how big these powerplants will be?"

Congressman DURHAM: "Oh, they'll vary in different size, I think, according to the local communities, just like your steam plants do. You may have some up to 500,000 kilowatts; then you may have lesser whatever the demand. I think that will determine to a large degree, what size reactor will be built."

Mr. Garroway: "But they only will service one community, generally?"

Congressman DURHAM: "Generally, I'd say so."

Mr. Garroway: "Thank you very much, Mr. Congressman, for talking with us this morning."

Congressman DURHAM: Thank you. I've enjoyed it very much."

(The camera closed in to show Dave Garroway on full screen closeup.)

Mr. Garroway: "Thank you Congressman DURHAM, who goes to his committee meeting in a few minutes."

Federal Transportation Taxes

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. HERLONG. Mr. Speaker, repeal of the Federal excise taxes on commercial transportation of persons and property is the urgent objective of H. R. 2867. These are the taxes imposed during World War II which add 10 percent to the charges paid for transportation by train, airplane, or bus, and 3 percent to the charges for virtually all other freight, except that the tax on transportation of coal is 4 cents a ton.

These taxes produce total annual revenue of about $666 million. However, this is not a net revenue gain to the Government because, to the extent that the transportation is for business purposes, the taxes paid are expenses deductible from income and thereby reduce the amount of revenue which would otherwise be obtained through the income tax. With the greater part by far of the transportation taxes paid by corporations, and with the income of corporations taxed up to 52 percent, it is clear that any loss of revenue from repeal of the taxes would be offset to a considerable extent by an increase in revenue from the income tax. Indeed, removal of these taxes presents for the Government the distinct possibility of a net revenue gain for their repeal would remove a serious drag on commerce, thereby producing greater business activity and more net income subject to the Federal income tax.

As against this questionable revenue gain, the harm caused by continuance of the transportation taxes is clear and overwhelming.

To the extent that the taxes encourage shippers and travelers to use exempt private transportation, they deprive our essential public carriers of traffic and revenues they must have to keep pace with the requirements of our commerce and defense. That, in itself, is a price prohibitively high to pay for the revenue they produce and is reason enough for the Congress to take prompt action looking to their early end. By no means, however, is it the only reason.

The tax on freight, especially, is a tax, not on a luxury, but on a basic necessity of life. Transportation is part of the cost of everything that is grown or made, used or consumed, and the tax is paid, not once, but at each stage from growth or manufacturer to marketing and consumer. Moreover, it results in higher seller's markups at each stage, so that in the final price paid by the consumer the effect of the tax is pyramided many times.

For example, a witness who testified recently before a subcommittee of our Interstate and Foreign Commerce Committee presented figures to show that for each $9 of freight tax spread over the whole operation from manufacturer to consumer over $32 is added on the average to the prices paid by consumers for manufactured articles.

Thus, the tax on shipping represents the ultimate in inflation because its cumulative effect, applied at each stage of the manufacturing and marketing process, is to pyramid the cost to the ultimate consumer on every product that is bought, used, or consumed. While transportation rates must sometimes be increased to cover increased cost, it is a highly dubious policy for Federal taxation to add to the cost of this basic service artificially and unnecessarily.

The tax on freight falls heavily on those least able to afford it. It falls on the thousands of small businesses which, unlike the major companies, cannot afford to purchase and operate large fleets of private vehicles by which they could escape the tax.

Moreover, the tax discriminates against United States shippers, since foreign shippers are not required to pay the tax on prepaid shipments from foreign countries to destinations in the United States.

The tax on travel also falls most heavily on those least able to afford it. These persons are the 3 out of every 10 families in the United States who do not have private means of transportation and are, therefore, compelled to use the transportation services subject to the tax.

The burden of the passenger tax is borne, in fact, only by those persons who traveled by public for-hire transportation services within the United States—for travel to most foreign destinations is not subject to the tax. Thus, the American who travels in his own country by bus, rail, or plane is discriminated against, not only in favor of those who travel by private means but also in favor of those who travel abroad. In this respect, the tax was aptly described recently by the Camden (N. J.) Courier-Post as a levy designed to encourage Americans to "see America last," rather than "see America first."

In their effect on the Nation's essential public carriers, the taxes are particularly harmful. Because they apply only to transportation for hire, the taxes encourage the acquisition and use of large fleets of private trucks and private barges, especially by the large shippers able to afford them. Thus, in the 11 years since the end of World War II, private and other carriers not subject to the tax have made tremendous gains at the expense of the regulated carriers. Continuation of this trend, resulting in further weakening of our essential public carriers, could bring turmoil to our economy in time of peace and disaster in time of war.

Inconsistency of the transportation taxes with our defense effort was suggested by the Honorable Anthony Arpaia, then Chairman of the Interstate Commerce Commission, when he said in an

address at Houston, Tex., on November 8, 1956:

The Government clings to the excise taxes on freight and passenger service * * * although this tax is an important factor in retarding the progress of an efficient, up-to-date, organized system of public transportation which is an integral part of the machinery of defense which costs billions.

This organized system of public transportation to which Commissioner Arpaia referred was called upon in World War II to handle all but an infinitesimal amount of all military freight and military passengers, moving in organized groups. At the peak of the war, in 1943 and 1944, regulated carriers handled well in excess of 96 percent of all freight—military and civilian combined. And everything suggests that they would be called upon to repeat this performance, and more, in the event of another war.

In urging quick repeal of the excise taxes on transportation, I fully recognize that transportation is but one of the necessities of life which, many years after the war, still are bearing the burden of a war-imposed tax. I am fully aware, too, of the continuing need of government for large amounts of tax revenue to meet the growing threat of another war and to strengthen defenses throughout the free world. Finally, I am appreciative of the growing pressure which is being brought to bear from every quarter for relief from other burdensome taxes.

But, while it may not now be possible to afford all the relief that is sought, or even all that is justified, it is possible, through repeal of the taxes on transportation, to extend a measure of relief to each and every person and each and every business, without any serious loss of revenue to the Government. Moreover, the potential benefits to be gained by all consumers through the cumulative effect of lower prices at each stage of manufacture, wholesaling and retailing, are so great as to make any possible loss of revenue almost insignificant by comparison.

In short, repeal of the taxes on transportation cannot safely be delayed, while immediate repeal would be in the best interest of all.

United States Policy Toward Eastern Europe: A Lost Opportunity

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. REUSS. Mr. Speaker, the 11th General Assembly of the United Nations will shortly pass into history. Before it does so I believe it would be appropriate to present for the record the exchange of correspondence described below.

On February 7, 1957, 19 Members of this House wrote to President Eisenhower to urge that the United States seek a United Nations investigation into Soviet intervention in the 10 captive states of central and eastern Europe. We believed that such an investigation, coming immediately after the Soviet Union's brutal action in Hungary, would be one positive step this country could take to focus world attention on the threat to world peace produced by continued Soviet oppression of the people of these states. Our letter followed a meeting with representatives of the Assembly of Captive European Nations, an organization of democratic leaders in exile from Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania. The letter reads as follows:

FEBRUARY 7, 1957.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: Under article 35 of the United Nations Charter, the United States is empowered to bring to the attention of the General Assembly any situation likely to endanger the maintenance of international peace and security. Such a situation, we believe, exists today because of the interference by the Soviet Union with the right to self-determination of the peoples of Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania. The Soviet Union's intervention and oppression in these areas, in violation of article 2, chapter 4 of the charter (prohibiting threats or use of force against the territorial integrity or political independence of any state) and of article 1 (listing as purposes of the U. N. the developing of friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples) has brought about the possibility of revolts which could well lead to world war.

For these reasons, we urge that the United States, at the current 11th session of the General Assembly, initiate or support an effort to include on the Assembly's agenda an inquiry into the situation in these captive states, and its threat to world peace. The fact that the Assembly on December 14, 1956, voted to include on its agenda the alleged United States intervention in the domestic affairs of these states makes it doubly important, in our opinion, that the Soviet intervention and its dangers be formally inquired into.

Respectfully,

CHARLES A. BOYLE, JOHN D. DINGELL, EUGENE J. MCCARTHY, PETER W. RODINO, STEWART L. UDALL, THOMAS LUDLOW ASHLEY, HUGH J. ADDONIZIO, JAMES ROOSEVELT, CHARLES A. VANIK, B. F. SISK, FRANK M. COFFIN, HARLAN HAGEN, HENRY S. REUSS, FRANK THOMPSON, JR., GEORGE M. RHODES, EDITH GREEN, BARRATT O'HARA, GEORGE S. MCGOVERN, TORBERT H. MACDONALD.

On February 11 the White House replied, over the signature of Bryce N. Harlow, Administrative Assistant to the President. Mr. Harlow promised careful consideration. His letter read:

THE WHITE HOUSE,
Washington, February 11, 1957.

The Honorable HENRY S. REUSS,
House of Representatives,
Washington, D. C.

DEAR MR. REUSS: The President has asked me to express to you and to the cosigners of your February 7 letter his appreciation of your taking the time and interest to give him your views in respect to the position of the United States delegation to the United Nations on the situation in the captive states of Eastern Europe. The President asked that you be advised—and this same advice is being transmitted to the cosigners of your letter—that your views on this important matter will have most careful consideration, and that he understands fully and shares your deep concern over the well-being and freedom of these captive peoples.

With every good wish,

Sincerely,

BRYCE N. HARLOW,
Administrative Assistant to the President.

The United Nations General Assembly is now drawing to a close and it is a matter of deep regret to me that the United States did not take the action which we recommended. Our lost opportunity has been well described in a statement issued by the Assembly of Captive European Nations on March 1. I present it below, together with the covering letter with which it was transmitted to me:

ASSEMBLY OF CAPTIVE EUROPEAN NATIONS,
New York, N. Y., March 4, 1957.

The Honorable HENRY S. REUSS,
United States House of Representatives,
Washington, D. C.

DEAR SIR: It was most thoughtful on your part to send me copies of the letter which you and your colleagues sent to the President of the United States on February 7, 1957.

The letter was made available to members of our General Committee and I was asked to express to you the gratitude of our organization for having so forcefully urged that the United States, at the current 11th session of the General Assembly, initiate or support an effort to include on the Assembly's agenda an inquiry into the situation in the captive states and its threat to world peace.

To our great disappointment the efforts aiming at bringing up the issue of our captive nations in the U. N. have once again been fruitless. Not even the excellent opportunity which the Soviets have offered to the free nations when they came forward with a complaint against "United States interference" in the internal affairs of the East-Central European States has been taken advantage of to set in motion an inquiry on Soviet intervention.

In enclosing a statement we have issued on March 1, 1957, concerning the record of the 11th General Assembly on matters of direct concern to us, let me stress that despite the many setbacks we encounter we shall keep on urging the free nations to listen to the plea which you have so generously espoused in your letter to the President.

With many thanks and best wishes, I am,

Sincerely yours,

VILIS MASENS,
Chairman.

ACEN GREATLY DISAPPOINTED AT TWO U. N. FAILURES

The Assembly of Captive European Nations, speaking for the silenced peoples of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania, expressed its disappointment in the General Assembly of the United Nations' failure to take collective measures against the U. S. S. R. for its aggression against Hungary and for its reluctance to turn tables on the Soviet Union when it accused the United States of intervention in the internal affairs of the East-Central European nations.

The ACEN statement read:

"Now that the 11th session of the United Nations General Assembly is drawing to a close, the Assembly of Captive European Nations is bound to express its disappointment in two failures of the world organization.

"First, the General Assembly has failed even to consider collective measures against the Soviet Union for its criminal actions in Hungary.

"Ever since November 4, 1956, our Assembly has been urging that sanctions, under articles 6, 41 and 42, of the charter be applied against the Soviet Union. Such an action would have represented the punishment of a violator of the United Nations Charter and constituted an attempt to compel him to heed the 9 U. N. resolutions condemning him and asking him to withdraw his armed forces from Hungary.

"Instead of an enforcement action the General Assembly has seen fit to appoint, on January 10, a special committee to investigate the facts of Soviet intervention in Hungary, which were in the main well substantiated. While welcoming any step designed to establish an authoritative and detailed record of events in Hungary, ACEN warned at that time against any attempt to use such investigation as a substitute for effective action or an excuse to further defer long overdue enforcement action. These misgivings were confirmed: since January 10, United Nations action on Hungary was confined to the factfinding efforts of the special committee.

"In sharp contrast to the reluctance shown by United Nations member nations to initiate collective measures in the case of Hungary, sanctions have been considered against a United Nations member state for partial noncompliance with the resolutions of the General Assembly. In the view of ACEN this is a clearcut case of double standard and self-contradiction which, in the case of a body designed to serve as a repository of the trust of the peoples of the world, assumes huge proportions and harbors gravest dangers. On the one hand, all important international action is shifted to the United Nations. On the other—a great power is given by this precedent a free hand to embark on any imperialist venture, being assured in advance that the limit of the United Nations action will be verbal condemnation.

"Equally grave and difficult to understand is the failure of the West to take advantage of the Soviet complaint against the alleged United States interference in the internal affairs of the East-Central European nations and to turn the tables against the real interventionist—the Soviet Union.

"It is true that the debates have once again brought to the fore the undeniable fact that the misery, unrest, and bloodshed in the captive countries have but one source: The occupation of these countries by force and the continuous Soviet interference in their national affairs. It is no less true that these debates have occasioned a welcome restatement of United States support for the aspirations of the captive European nations to freedom and independence.

"Still, the enslaved peoples feel entitled to expect more than reassuring statements in rebuttal of false Soviet charges. They feel that a full-scale examination by the United Nations, of Soviet intervention in their affairs and its dangerous consequences has long been overdue. For only such examination would lead to a formal finding and hence to remedial action.

"ACEN maintains that the situation created in East Central Europe by Soviet aggression and intervention represents a continuous threat to peace and security within the meaning of article 39 of the charter. Not only has it led to revolutionary explosions but, if not righted, it would make such explosions a permanent feature of that region. Therefore, being at the root of the present world tension, this situation must engage the attention of the United Nations if the world organization is to live up to its purpose.

"It has been said that the Soviet Union continues holding the captive countries in bondage because of an exaggerated concern for security. Such an interpretation is misleading in that it fails to stress the basically aggressive and expansionist nature of the Soviet State whose security will remain endangered as long as there exists a single non-Communist nation in the world.

"By the same token the Assembly cannot agree with the notion that a full-scale examination by the U. N. of Soviet aggression and intervention would increase the international tension and sharpen the cold war. On the contrary, turning the back on issues of global importance or pretending that they do not exist has always been conducive to wars. Only by going to the root of the existing trouble in the world and by boldly attacking the issues confronting it can the United Nations avoid the fate of its predecessor, the League of Nations."

Nelson Award—National Strength

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. PHILBIN. Mr. Speaker, I desire to address the House briefly regarding the recent Nelson Sportsmanship Award, which was conferred upon a fine young American, Jim Swink, of Texas Christion University, at Boston on January 12 before a large, distinguished gathering of sportsmen.

In previous years, I have had occasion to make brief reference to the importance and inspirational character of the Nelson Award. I have done so primarily for two reasons: first, because I believe that in these trying days especially, it is vital for us to stress and seek to promote the physical, spiritual, and moral development and well-being of our young people and, secondly, because of the great admiration and enduring affection, which I have long held for Mr. N. V. (Swede) Nelson in whose honor this award is given. I am prompted by similar feelings this year.

As the recent Olympic games disclosed, this Nation appears to be going backward insofar as athletic proficiency in competitive international athletics is concerned. In previous Olympic games, we usually had little difficulty winning the Olympic world championship by substantial margins. This year we lost this title, which is something more than an empty honor, but a significant, meaningful national achievement. Various excuses and apologies have been given for this loss—none of which really impressed me. The bald fact is that the Russians won. Instead of hiding behind poor excuses and alibis, which is not the manner or in the tradition of true sportsmen, we should do a little soul searching to see whether we can honestly explain to ourselves and the American people why there should be such a marked change in our world competitive athletic proficiency in such a relatively short space of time.

Let me make it clear by these remarks that I am exceedingly proud of our great Olympic team, which was comprised of outstanding young men and women, who under the circumstances, made a brilliant showing. They are entitled to national gratitude. Some of their individual performances were outstanding and magnificent, and I commend and laud the victors and the team as a whole.

I can recall what the great Harvard football coach, Percy Haughton, once said on the illusory subject of victory and defeat, and I quote him in expurgated substance, "the world loves a winner." It has long been one of the fundamental tenets of American sports that any game worth playing has been considered worth winning. Our young men have never been satisfied with so-called moral victory stemming from defeat. This year's Olympic team was no exception, I am sure.

Many believe that there are underlying reasons for our inability to win the Olympic games that have to do with present social conditions and attitudes in the United States and with long-range trends in the Nation and in our educational life. It is indeed debatable whether a generation of young men and women living in a country, which is putting less and less value upon sustained, persevering training, and more and more emphasis upon the relaxed social graces, so called, can successfully compete in the long run in athletic games, or for that matter in any other way, with nations where frugality features national life and rigorous, competitive physical training is pursued by the young and the vigorous.

It is no answer to say that this training results from certain measures of regimentation that obtain in Russia, because the sad fact would seem to be that here in America there is progressively decreasing interest and active participation by many of our young people in competitive sport.

There will be some who will not want to read such a significance into the Olympic games, and to them I would suggest most respectfully that they might read a little history, past and contemporary, so that they might be reminded of some of the reasons why great nations and governments of the past collapsed, as well as of the conditions existing in our own country today, which are moving this Nation away from many of the beneficial traditions and practices of former years.

Now, if I may be permitted, Mr. Speaker, I should like to say a word about "Swede" Nelson, the great American, to whom the Nelson award is dedicated. As was said of another, "Swede" Nelson needs no encomium from anyone. His career, his unselfish life's work,

sterling personal qualities, inspiring personality, great talents, and unbounded patriotism speak for themselves. He is unquestionably the exemplification of everything that is lofty and fine in American sportsmanship, the symbol of shining American citizenship.

His untiring contributions to the cause of American youth can hardly be adequately measured or appreciated and for this reason the Nelson award stands for values in American life, which are at once essential and indispensable and must be preserved in the manner and degree to which he so characteristically embodies and represents them, if this Nation is to travel henceforth on the course toward its greatest destiny.

It would be a happy day for this Nation if the high ideals, human qualities, and unselfish spirit of "Swede" Nelson could be impressed upon all the youth of the land and his buoyant confidence could neutralize the stagnating indifference and cynicism which, in many places, threaten the moral stamina, physical tenacity, and burning patriotism of America.

This year's Nelson award winner, like his predecessors, is an outstanding American boy—a young leader of the gridiron, respected by his mentors and teammates for his character and ability. Our heartiest congratulations and best wishes will attend him now and in the challenging days ahead.

And may the hand of "Swede" Nelson be strengthened in the fine work he is achieving for the community, State, and Nation. His venerable and beloved mother, now in her 94th year, a great influence in shaping his ideals, and his gracious wife and lovely daughter, all of whom have contributed so much to his endeavors, will share with all of us, I am sure, their pride in his achievements.

Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include a pertinent article from the well-known Boston Herald with reference to the Nelson award:

[From the Boston Sunday Herald of January 13, 1957]

SWINK CHERISHES NELSON AWARD—CREDITS HIS COACH MARTIN, MATES FOR BEING SELECTED

(By Joe Looney)

Jim Swink, the 21-year-old senior halfback from Texas Christian University, was only doing what came naturally last fall when he performed in such a manner that he was selected over 33 other candidates as the 11th annual Swede Nelson sportsmanship award winner.

Swink told a gathering of 600 last night at the Hotel Sheraton Plaza, "It's a great honor to be up here in Boston where everybody has been so nice to me these last 2 days. I don't feel like I've done anything to deserve this fine award, but it is something I always will cherish. If what I did was sportsmanship, it was because that was the way I've been taught by my coach, Mr. Martin, and my teammates."

Abe Martin, the TCU coach, lauded Swink as "the finest choice the committee could make. It is not only a great honor for Jim, but also for our school because the selection was made on a nationwide basis."

Swink was chosen for the Boston Gridiron Club's Nelson Award (an inscribed watch) for his exemplary conduct in games against Alabama and Texas A. and M. and his general spirit of self-sacrifice over the entire season.

A spectacular climax runner in 1954 and 1955, Swink played the role of decoy and blocker mainly throughout the past season.

Swede Nelson, for whom the award is named, praised Swink as a player "with a funnybone to help out when the outlook is bleak, a wishbone to provide the desire to do better, and a backbone that all good football players need."

Dave Lucey, former Boston College player, was the toastmaster. Speakers included Rev. Charles McCarthy, St. Ann's Church, Somerville; the Reverend Gene Rose, St. John's Episcopal Church, Winthrop; Rabbi Zev Nelson, Temple Emeth, Brookline; Mayor John B. Hynes; CBS sportscaster Bill Hickey; humorist Joe (Uncle Dinny) Madden; Tom McNamara, Gridiron Club of Boston, president; and Joseph C. Tomasello, dinner chairman.

Head-table guests included: Walter A. Brown, general manager of the Boston Garden; sports columnist Austen Lake; D. Leo Daley, award committee chairman; George Kurker and Joseph Asiaf, Tufts' 1957 co-captains; Larry Vinecour and Jack Regan, Boston University's 1957 cocaptains; Maurice Stein and Charles Napoli, Brandeis' 1957 co-captains; Robert Lyons, Northeastern captain-elect; Tom Hooper, Harvard captain-elect; and Tom Joe Sullivan, Boston College captain-elect.

The parody singing was led by Johnny Buckley.

Comity and Commonsense in the Middle East

EXTENSION OF REMARKS

OF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. VANIK. Mr. Speaker, I would like to direct the attention of the Members of the House to the following speech delivered by the Honorable JOHN F. KENNEDY, Democratic Senator from Massachusetts, at the 1957 Brotherhood Year Observance of the National Conference of Christians and Jews in Cleveland, Ohio, Sunday evening, February 24, 1957. His speech was entitled "Comity and Commonsense in the Middle East."

Under leave to extend my remarks in the RECORD, I include Senator KENNEDY's speech and commend it as evidence of commonsense in these uncommon times:

COMITY AND COMMONSENSE IN THE MIDDLE EAST

(Remarks of Senator JOHN F. KENNEDY, Democrat, of Massachusetts, 1957 Brotherhood Year observance, the National Conference of Christians and Jews, Cleveland, Ohio, February 24, 1957)

It is a rare honor and privilege to be with you tonight upon the occasion of the national brotherhood banquet sponsored by the National Conference of Christians and Jews, and the presentation to A. M. Lunts of the national human relations award which he so richly deserves. The national conference and its annual brotherhood observances, which I know have a special meaning to Cleveland, have long ago proven to be a permanent, valuable part of American life, enriching our heritage, stimulating our conscience, and overseeing the progress of human relations in our land. We honor here at this dinner tonight a principle—a principle we call brotherhood—in the hope that all Americans will honor this principle in their hearts all year round.

Brotherhood, tolerance, enlightened relations between members of different ethnic groups—these are, after all, simply an extension of the concept upon which all free organized society is based. Some call this concept comity or sodality, or reciprocity. Some find it in the Golden Rule, others in the teachings of Hillel, others in Rousseau's social contract. Our Declaration of Independence calls it "the consent of the governed." Political leaders refer to "the art of compromise, or the concurrent majority." The ancient Greeks and Romans called it civitatis philia, or civic friendship.

It is upon this principle and practice, by whatever name it may be called and regardless of what form it takes, that free societies function, governments operate, and orderly, amicable relations between civilized human beings go on. For although the continued presence of sanctions is a necessary part of any legal structure, we depend, in the last analysis, not upon our police force and our jails for the preservation of law and order, but upon voluntary observance and self-restraint. We all pay taxes to Secretary Humphrey without a court order (with a few notable exceptions); comply with laws we bitterly dislike; and respect the rights and privileges of others even when those rights and privileges necessarily interfere with our own.

The family also functions on this same basis of comity. Sanctions are available in the home, too, as I recall, but obviously a child is not to be beaten into observing every customary rule of conduct from morning to night. On the contrary, we take it for granted that such observance comes as a matter of course.

What is true in the relations of the family at home can be equally true, I believe, in the family of nations. Without some supersovereign, some police force, some guaranteed enforcement and punishment, most scoffers say, there can be no such thing as international law and order. But such an attitude fails to recognize that comity, not sanctions, is the basis of law and order among free equals.

Actually we generally overlook the myriad ways in which nations make adjustments and concessions with each other every day, respecting their own obligations and the rights of others, without ever suggesting a resort to war, sanctions, or even litigation. Diplomatic privileges, for example, commercial treaties, international arbitration decisions—all are observed as a matter of course by nations politically antagonistic as well as friendly, even when the result is domestically unpopular.

This worldwide concept of civic friendship or comity, it seems to me, and not war or sanctions or even legalism, is the true basis of an orderly international community. A great Secretary of State, Elihu Root, expressed it this way just 50 years ago:

"Just as the true basis of the peace and order in which we live is not fear of the policeman but the self-restraint of people and their willingness to obey the law and regard the rights of others, just as the true basis of business is not the sheriff with a writ of execution but the voluntary observance of the rules and obligations of business life, so the true basis of peace among men is to be found in a just and considerate spirit among the people who rule our modern democracies, in their regard for the right of other countries, in their desire to

be fair and kindly, in their willingness to recognize facts and to weigh arguments which make against one's own country as well as those which make for one's own country."

It seems to me tonight that this Nation would do well to bear in mind this concept of civitatis philia as we consider the tense and troubled situation in the Middle East. For it is unfortunate, I think, that our chief concern has been with sanctions and hostilities, with troop authorizations and constitutional powers. In the Senate we have spent nearly 2 months debating the President's Middle East resolution. I have supported that resolution in committee and will vote for it on the floor. But once it is passed, signed and proclaimed to the world, we will still not be one step nearer than we were 2 months ago to a solution of the real problems of the Middle East—including access to Suez and the Gulf of Aqaba, homes for Arab refugees, permanent national boundaries, development of the River Jordan resources, political and economic instability, and an end to continuous border raids and tension. For the resolution we have been debating has absolutely nothing to do with those problems. It offers guns and money—but guns and money are not the Middle East's basic need.

Similarly, the invocation of sanctions by the United Nations, or the adoption of denunciatory resolutions, upon which the world's attention is presently concentrated, will not—regardless of their effect on the immediate crisis in that area—contribute anything to a long-range solution of the major problems of the Middle East. The U. N. must, of course, take prompt and effective action to meet aggression—but let no one be deceived into believing that the Middle East crisis will be over once Israeli troops are pulled back and the Suez Canal cleared. Little is to be accomplished by merely restoring the muddled and frictional situation out of which the present crisis came.

What we clearly need in the Middle East, and need quickly, in my opinion, is a final entente, a permanent settlement of all major problems which reasonable men and nations can accept—a settlement, in short, based not on armed truce but on comity, accepted not out of fear but out of civic friendship.

Such a settlement cannot and need not give any nation all she would like—each side will have to make concessions. But recall, if you will, the Webster-Ashburton Treaty of 1842 between the United States and Canada—how unpopular it was on both sides of the line; how both Mr. Webster and Lord Ashburton were denounced for sacrificing the rights of their people. (Indeed, Webster and Ashburton finally convinced the Senate and Parliament respectively, it is said, only after each had used a different map to pretend that he had in reality cheated the other.) And yet the peace and prosperity to both countries flowing from that much abused settlement for more than a century have been worth several thousand times as much as the value of all the territory that was in dispute.

I am convinced that if Arab, Israeli, and world leaders can once agree in a spirit of civic philia and endure the obloquy from home that was endured by Webster and Ashburton a permanent settlement can be reached in the Middle East which will be worth in terms of peace and prosperity for both sides in terms of men and money devoted to something more constructive than war many million times the value of all the disputed points that keep them apart.

It is not enough to say as our own officials have repeatedly said that we are willing to discuss long-range solutions once all other current problems have been met. For the two are not unrelated. In Indochina and elsewhere Western nations have in the past taken this attitude of delaying discussions for a permanent settlement until after hostilities cease—only to discover that the absence of such an agreement aggravated the hostilities until finally a settlement had to be reached after needless harm to our cause had been done. We have the responsibility now to deal with basic causes of conflict as well as the conflict itself. We have the responsibility now to approach the problem as a whole not on a piecemeal basis—to let Israel, Egypt and all the world know that we look for a solution ending all outstanding differences not simply Egypt's current grievances against Israel.

I do not wish to oversimplify endlessly complex problems or load unnecessary burdens upon our troubled diplomatic officials. But I respectfully urge that the Government of the United States—through its Department of State, its United Nations delegation, and perhaps through a Presidential declaration of a status equal to the less long-range declarations on the Gulf of Aqaba and Communist aggression—promptly set forth, after consultation with Arab, Israeli, and other world leaders, a specific and comprehensive formula for a permanent Middle East settlement—a settlement to be offered and accepted in a spirit of civic friendship—a settlement based not upon force of arms or fear of men, but upon commonsense and comity.

Permit me to suggest some of the principles and procedures which I believe to apply.

First, let us consider the problem of the Suez Canal. In our concern over its obstruction we have very nearly forgotten what started the dispute in the first place. Whether Egypt's rights flow from sovereignty, suzerainty, or dominion is not as crucial as an accommodation by both Egypt and all user nations, by which the canal will be in full operation, benefiting Egypt through the revenues it provides and benefiting the world by offering free and open transit to the ships of all nations without discrimination or political interference. The canal can be enlarged and deepened to make its continued operation even more profitable to Egypt. The dues and charges on canal passage can be mutually agreed upon; the proportion of net income to be allotted to further canal maintenance and development can be mutually agreed upon; and all unresolved disputes concerning the canal in the future can be referred for impartial arbitration. Discussions can begin with a clean slate, not on the basis of legal fictions or ancient treaties or aggressive threats, but on the basis of mutual benefits and comity.

Secondly, let us consider the inseparable problems of national boundaries and aggression. Instead of devoting our efforts to determining what kind of arms balance at what level will maintain existing armistice lines, permanent boundaries must be fixed, not necessarily along the present lines. This is not an unprecedented problem—the United States and Canada, as mentioned, and scores of other neighbors, have successfully settled such boundary disputes time and time again, including those that had caused or seemed certain to cause an outbreak of war. I would recommend consideration in this regard of the familiar device of an International Boundary Commission, staffed by impartial experts in geography, economics, and history as well as diplomacy and international law, men who can draw reasonable, practical lines that both sides can live with, ignoring sentimental claims and giving neither side all it seeks.

Once such boundaries are determined, the United Nations and the United States could sponsor a security guaranty or exchange of treaties formally fixing those lines, and preventing their alteration by force. Such a solution would immediately reduce not only tensions but the need for armaments expenditures both in Israel and the Arab States. The same treaties fixing boundaries could renounce the use or threat of force for aggressive purposes, and provide for progressive limitations of armaments. A special United Nations Commission on Arms Traffic could be established to prevent outside nations, Communist or otherwise, from renewing the Middle East arms race; and a more permanent United Nations force could police the area, much as it is now, until all threats to peace have vanished. The mutual benefits flowing to the entire area—in terms of a higher standard of living, new economic development, and an end to constant fear and slaughter—would be immeasurable. The achievement of such benefits requires only the spirit of philia.

Third, let us consider the problems of Arab Palestinian refugees. Their impoverished and tragic existence in makeshift camps near Israel's borders offers a constant source of national antagonism, economic chaos, and Communist exploitation of human misery. Stop-gap solutions are frequently offered, and there is talk of forcing either Israel or the Arab States to take all of them. But let us apply the spirit of brotherhood and comity. Let those refugees be repatriated to Israel at the earliest practical date who are sincerely willing to live at peace with their neighbors, to accept the Israeli Government with an attitude of civitatis philia. Those who would prefer to remain in Arab jurisdiction should be resettled in areas under control of governments willing to help their Arab brothers, if assisted and enabled to earn their own living, make permanent homes, and live in peace and dignity. The refugee camps should be closed. Those who suffered actual losses of property or bank accounts in flight should be compensated by Israel. New water utilization and arable land projects should be instituted to assist their resettlement in Arab countries.

All of this will require financial assistance. Israel will need assistance in making compensation payments; the Arab States will need assistance in developing land and water projects. The means for such assistance I shall mention in a moment. But I want to stress again the mutual benefits that flow from a settlement of comity—the removal of an obstacle to peace, the dispersal of a threat to Israel, the elimination of a condition depressing Arab wages and living standards, the development of Arab resources—such a settlement should not be impossible of conclusion. Certainly this country, populated from the beginning by refugees, exiles, and immigrants, should not think it impossible.

Fourth, what about economic and resource development and assistance? Mutual economic benefit is the key I have stressed with respect to Suez, boundaries, disarmament, and refugees. But these benefits are not limited to the Middle East alone. The entire world, and certainly the United States, will obtain considerable economic advantage in the prevention of war and the end of an armaments race in that area. Thus all nations, led by our own, should be willing to invest the funds necessary to attain this goal.

I would propose, therefore, a Middle East Regional Resources Fund, under the auspices of the United Nations and the World Bank, for assisting in the stimulation, initiation, and financing through loans and grants of resource development and other projects in the area. Soil projects could include harnessing the waters of the Nile for the benefit of the Sudan, Ethiopia and Uganda as well as Egypt; coordinated development of the

resources of the Jordan River Valley for the benefit of Israel and the three Arab States through which it flows; the development of arable land and irrigation projects for the resettlement of refugees, and a loan to Israel to help her make compensation payments to refugees; and a Middle Eastern nuclear center, similar to the Asian nuclear center already proposed, which could bring untold benefits in energy utilization to former deserts and wastelands. These projects would be developed and administered under the auspices and control of the nations in the region, who would also participate in their financing wherever feasible (and many of these nations are not poor), much as our States participate in Federal grant programs which assist and stimulate them to greater action. The burdens would once again be shared—the benefits would once again be mutual. Conflicting rights would be involved, of course, just as they are in disputes between our States over the rights to our great rivers—but such disputes can always be resolved.

The problems I have discussed tonight—Suez, boundaries, arms, refugees, and economic development—are all closely interrelated. It is to be expected that one or both sides will find objections to one or more of the solutions outlined. But I am convinced that as a permanent "package," there is no single obstacle to the achievement of a comprehensive Middle East solution, based upon comity and commonsense. It is time for this nation to take the lead in seeking such a solution, instead of devoting all of our efforts to warnings and debates about temporary, symptomatic crises that cannot be ended apart from the whole pattern.

I realize the danger of idealizing hard, practical problems or discussing bitter national emotions. I realize we have been talking in grandiose terms about comity and civic friendship and reasonable men. It is easier to propose than to implement a new start on Suez, an International Boundary Commission, a United Nations security guaranty, a special commission on arms traffic, a permanent United Nations police force, repatriation and resettlement of refugees, a Middle East national resources fund and an Asian nuclear center, to mention some of the specific proposals I have offered tonight. But these concepts which we have been discussing are no more unrealistic than the concept of American brotherhood—the task is no more insurmountable than that once facing the National Conference of Christians and Jews—and if we dedicate ourselves to that task with the same kind of determination and patience and understanding, we can achieve in that troubled Middle Eastern area the permanent peace that every man and nation desires.

The Postal Worker Needs and Deserves a Salary Increase

EXTENSION OF REMARKS

OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. PATTERSON. Mr. Speaker and distinguished colleagues, today attention is being sharply focused on the economic plight of the Nation's underpaid postal employees who day after day find it increasingly more difficult to meet the cost of living on their present salaries.

Even though the postal workers are united together in fine organizations that provide them with splendid representation, they nevertheless lack the right to face their employer across a table and bargain until a mutually convenient salary scale is reached. Thus, Mr. Speaker, they must appeal to you, to me, and to every other Member of this legislative body for relief in order to sustain a deserved standard of living.

Last Sunday I spoke in Waterbury, Conn., to a large group of postal employees and expressed my views on this matter. These are contained in the following text of my speech to that group, and I ask unanimous consent to insert it here in the CONGRESSIONAL RECORD:

TEXT OF SPEECH OF CONGRESSMAN JAMES T. PATTERSON AT THE PAY RAISE SALARY RALLY, AMERICAN LEGION HALL, WATERBURY, CONN., MARCH 3, 1957

Friends of the postal service, I am honored to be one of your guest speakers here this afternoon at your pay raise salary rally.

At the outset, I assure you that I have earned, at the apparent displeasure of some, the dubious distinction of being a Member of Congress who is extremely friendly to postal employees and sympathetic to their goals. And if it is dubious, I also have the distinction of being one who will continue to work in your behalf until inequities suffered by your organizations are finally removed and you are re-elevated to the economic status that you once enjoyed and still deserve.

As each of you knows there are members of the House Post Office and Civil Service Committee who, in the past, have been reluctant to speed through legislation beneficial to, and necessary for, the postal workers of our Nation. Your alternative has been to get this legislation to the floor through the cumbersome process of a discharge petition. In the past, it has been a pleasure for me to be one who signed these petitions. I assure you that I will do the same if it becomes necessary during the present session of the Congress.

Before going further, I wish to commend you on the fine organizations that represent the postal workers of America: The National Association of Letter Carriers, the Postal Transport Association, the National Association of Postal Clerks, to mention several. Striving forward in a common cause, these organizations, with singleness of purpose have contributed immeasurably toward the enhancement of your general welfare.

Despite this fact, there still remains much to be done.

With regard to postal organizations, how fortunate we are to have present here this afternoon one of your outstanding national officers, Mr. Peter Cahill, secretary of the National Association of Letter Carriers. And no important rally in this city could escape the thought of one of Waterbury's fine sons, hard-working Wallace J. Legge, capable editor of the Postal Transport Journal.

* * * * *

Now you have rallied here this afternoon to inspire a raise in salary. Your expected minimum goal is $5,500 per year. I wholeheartedly agree that a minimum salary of $5,500 per year for postal employees is not only deserving, but absolutely necessary in order for you to meet the present cost of living.

I pledge herewith my support of legislation that will increase your salary to such a level.

Everyone knows why a salary increase to $5,500 per year for postal employees is necessary, and there is no reason for my boring you with familiar statistics. You all know that postal salaries have increased less than 100 percent since 1939 as compared to an average of 200 percent in private industry generally. You all know that the average annual earnings of even highway construction workers amount to $5,516 as compared to $4,630 for the highest paid road clerks in the Postal Transport Service.

The plight of the underpaid postal worker is dramatically underscored in a thought-compelling article which appeared in the Wall Street Journal last November 21. The article stated in part:

"'I'm desperate,' reports Mrs. Charlotte Smith, owner of Carlotta's, a Chicago women's wear shop, 'I've been in business 16 years and I never had to look for help like this. I'm trying to hire a good full-time girl at $75 a week and I can't do it.'"

Now my friend, at the same time the Post Office Department is attempting to employ individuals even with a family to support at a salary of $70.36 per week. Some of you may remember the budget table which appeared in the January 1957 issue of the authoritative Postal Record. The table showed that the weekly cost of living for a family of four, renting in California, amounted to $105 per week.

Enough of the statistics.

Despite these facts, we still hear reports from Washington that the Congress is studying the need for an increase in postal salaries. This is much like studying the need for an umbrella during a downpour of rain. The facts are on hand, the studies have been made; what is needed now is concrete action—a raise, not a study.

* * * * *

And while we are here, let's not confine our remarks to a salary increase. There are other improvements needed in the postal service. Improvements in employee morale—improvements in general working conditions—improvements designed to attract competent postal employees for the future—improvements designed to reassure present employees of greater security for the future. There is need to dispense with bureaucratic redtape that is so confusing, in some circles, that even the bureacrats themselves have difficulty in understanding which way to turn.

There is dire need to put into operation a Department-employee relations program that the bureaucrats in Washington claim has been established. There is need to create more good will and mutual respect between the employees who work with their hands and distribute the mails, and those who sit behind desks in Washington, supposedly plotting some new scheme to "save the taxpayer's money"—even though their brainchild may seriously delay the mails.

There is need—particularly with respect to the Postal Transport Service—to give serious reconsideration to certain now-existing policies, according to which some appointee in Washington has only to discontinue an R. F. O. line in order to throw 6, 8, or even 15 postal clerks out of regular work.

There is a need to abolish certain discriminatory policies by either paying all employees of the postal service time and one-half for overtime or giving them compensatory time—and this includes the rural carriers who finally place mail matter in the boxes of rural areas.

There is need for a complete resurvey of the entire Post Office Department which, according to a Government Commission's recent report, is still using some of the same basic policies that were used more than 100 years ago.

Thus in conclusion, my friends of the postal service, there is much to be done, and you are listening to an individual who appreciates your outstanding service to your fellowmen, and an individual who is willing to assist you in any way possible in the realization of your worthy cause.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 6, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all mercy and goodness, may this Lenten season upon which we have entered inspire us with the spirit of penitence and gratitude.

Help us in these days of soul culture to cultivate and gain a greater faith in the efficacy of prayer, believing that it can lift us out of weakness into power and out of weariness unto peace.

We rejoice that Thou art always placing before our minds and hearts a vision of a more spiritual social order with a happier and healthier life for all mankind.

May we give ourselves to the fulfillment of that vision with a single-hearted devotion and dedication.

Grant that as we are daily receiving Thy blessings and enjoying the fruits of the labors of others, so we may work each day that succeeding generations shall have a more blessed inheritance.

Hear us in the name of our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 117. Joint resolution to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the Middle East resolution has passed the other body, as we know. It is my understanding that President Eisenhower and Secretary Dulles have expressed the hope that instead of the resolution going to conference, the House will concur in the Senate amendments, and that the resolution as passed by the other body is agreeable to them.

I would like to ask the chairman of the Committee on Foreign Affairs if he can give me any information in that respect as to the correctness of the general observation I have just made.

Mr. GORDON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GORDON. In answer to the query made by the distinguished majority leader, I wish to say that when the House meets tomorrow a request will be made to concur in the Senate amendments to House Joint Resolution 117, the resolution embodying the President's Middle East proposal.

Mr. McCORMACK. Has the gentleman heard from the Secretary of State or the President, or anyone in authority, that that is what they hope will take place?

Mr. GORDON. That is correct.

Mr. McCORMACK. From whom has the gentleman heard?

Mr. GORDON. From the State Department and the President.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BASS of Tennessee. Was the resolution amended in the other body from the form it was in the House?

Mr. McCORMACK. Yes.

Mr. BASS of Tennessee. It was my understanding at the time the resolution came before the House that the President and the Secretary of State said the bill could not be amended and that is the reason we had a closed rule on it.

Mr. McCORMACK. That is not my recollection, I may say. I will not make any observation about the first part of the gentleman's statement, but as far as the reason why we did not have a closed rule, I think upon examining the RECORD my friend will realize that his understanding in that respect is not correct.

Mr. Speaker, in view of the statement made by the distinguished chairman of the House Committee on Foreign Affairs, I am announcing to the House that this matter will be the first order of business tomorrow, the question of concurring in the Senate amendments.

Mr. Speaker, I now ask unanimous consent that on tomorrow it may be in order to consider in the House the following order which I send to the Clerk's desk.

The Clerk read as follows:

Ordered, That immediately upon the adoption of this order the joint resolution, House Joint Resolution 117, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, will opportunity be had for discussion when this is brought to the floor?

The SPEAKER. It will be considered under the 1-hour rule.

Mr. BROWN of Ohio. And who will control the time? I assume the chairman of the committee and the ranking minority member.

Mr. McCORMACK. Yes, the chairman of the committee will yield time, if my request is granted.

Mr. BROWN of Ohio. I would like to make the suggestion that I want 2 minutes, inasmuch as I was forced to vote for this resolution under a gag rule.

Mr. McCORMACK. The chairman of the committee informs me he has promised the gentleman 2 minutes.

Mr. BROWN of Ohio. That is just now; and I thank him very much.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this mean, I ask the majority leader, does this mean that the farm program bill will be sidetracked tomorrow until the disposition of this business?

Mr. McCORMACK. This Middle East resolution will be the first order of business. It is not a question of sidetracking, it is a question of bringing this matter up and bringing it to a conclusion in view of its importance.

Mr. GROSS. Let me say to the majority leader that for some unexplained reason this House was adjourned yesterday at 1:15, when it might just as well have discussed the farm program and gotten through at least a part of the general debate.

Mr. Speaker, I see no reason why the House should again be stampeded on this Middle East resolution. On January 5 the President appeared before the Congress in joint session. Two months have elapsed. The House was stampeded into action under a gag rule, and I see no reason why we should be stampeded again. Let us dispose of the farm program. If there is a crisis at this time it is with the corn farmers.

Mr. Speaker, I object to the unanimous consent request.

Mr. MARTIN. Mr. Speaker, will the gentleman not withdraw his objection and reserve the right to object that I may make an observation?

Mr. GROSS. Yes; I will reserve the right to object.

Mr. MARTIN. If the gentleman will yield——

Mr. GROSS. I yield.

Mr. MARTIN. I will say that the corn bill will not be pushed out of the way or delayed. I would be perfectly willing to come in tomorrow morning at 10 o'clock in order to expedite it. Would the gentleman object to that too?

Mr. GROSS. Yes.

Mr. McCORMACK. Might I say to my friend that the corn bill was put on the calendar for today for a special reason.

Mr. GROSS. Will the gentleman explain to me why we did not sit yesterday afternoon in view of the dire necessity for this corn program?

Mr. McCORMACK. Might I say to the gentleman from Iowa that in programing bills the views of the committee, particularly the chairman of the committee, while not absolutely controlling, nevertheless, carry great influence. The bill was programed today after the gentleman from Massachusetts had conferred with the gentleman from North Carolina. I believe the gentleman from Iowa understands the situation; there are certain circumstances where in the judgment of the chairman of the committee programing the bill for today was preferable to programing it for yesterday.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. ARENDS. In any event it seems unlikely that we could finish the farm

bill tomorrow and it would not be hurt by a little delay to consider the other matter.

Mr. McCORMACK. We will have the rest of the week to consider the farm bill. It is going to be continuous until disposed of this week. All my friend will do by his objection is to compel us to go to the Rules Committee and try to get a rule.

Mr. MARTIN. There would not be any more time allowed under the rule than there could be under this arrangement.

Mr. McCORMACK. I can assure the gentleman from Iowa that the thoughts he has expressed about yesterday were entertained by me, however in light of the conference, the bill was programed for Wednesday instead of Tuesday.

Mr. PASSMAN. Mr. Speaker, is this the bill containing $400 million in additional money for foreign aid?

Mr. GROSS. At least $200 million.

Mr. PASSMAN. Where will you get the appropriation? Will it be by a new appropriation or are you bypassing the Appropriations Committee?

Mr. MARTIN. There is no new money at all.

Mr. PASSMAN. Is there any authority in the resolution providing for the appropriation of $200 or $400 million?

Mr. MARTIN. The money has already been appropriated. The resolution merely gives further latitude in the spending.

Mr. PASSMAN. It does provide for the expenditure of $400 million; is that correct?

Mr. GROSS. Mr. Speaker, I do not desire to prolong this discussion. I object.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on H. R. 5520.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENDING GREETINGS TO THE LEGISLATIVE ASSEMBLY OF GHANA ON THE OCCASION OF THE INDEPENDENCE OF THAT STATE

Mr. GORDON. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution which I sent to the Clerk's desk.

The Clerk read the resolution, as follows:

House Resolution 185

Whereas it is the policy of the United States to encourage the orderly evolution of peoples toward self-government and independence; and

Whereas the people of the United States support the concept that other peoples should have an opportunity freely to determine their own destiny under political forms which will enable them to assume and maintain an equal station among the free nations of the world; and

Whereas the people of the Gold Coast have achieved through peaceful negotiation their independence as the sovereign democratic State of Ghana; and

Whereas the official date of the independence of Ghana is March 6, 1957: Now, therefore be it

Resolved, That the House of Representatives of the United States extends its most cordial greetings to the Legislative Assembly of Ghana on the occasion of the independence of that state, expresses the earnest hope that the assembly and the people of Ghana will enjoy continuing success in the maintenance and development of democratic institutions, and reaffirms the friendship of the people of the United States for the people of Ghana.

Copies of the present resolution shall be distributed through appropriate channels to the assembly of the State of Ghana.

Mr. GORDON. Mr. Speaker, today marks the official date of the independence of the new country of Ghana, which has previously been known to us as the Gold Coast of Africa, a colonial area of the British Empire.

Nearly 3 years ago, the House of Representatives extended its cordial greetings to the legislative body of the Gold Coast on the occasion of its first meeting under its revised constitution.

The United States now has in Accra, the capital of Ghana, a distinguished delegation headed by the Vice President and including the Honorable FRANCES P. BOLTON and the Honorable CHARLES C. DIGGS, Jr., of the House of Representatives, to represent the United States at the ceremonies marking the establishment of complete self-government for the people of this new country. It is particularly fitting and appropriate that the House by resolution now extend its greetings to the Legislative Assembly of Ghana and to express the hope of the House of Representatives that the Assembly and the people of Ghana will enjoy continuing success in the maintenance of democratic institutions.

The people of Ghana are to be congratulated upon the attainment of social and political maturity and the assumption of their rightful place among the free nations of the world.

Likewise, the people and the Government of the United Kingdom are to be commended for their enlightened policy which has made it possible for the progressive changes which have led to the people of Ghana attaining full independence.

I am indeed pleased that we have this opportunity to reaffirm the friendship of the people of the United States for the people of Ghana.

Mr. CURTIS of Massachusetts. Mr. Speaker, America salutes the new nation of Ghana on its independence day.

Today the Gold Coast, West African British colony, becomes the free nation of Ghana and a member of the Commonwealth of Nations. Her position is similar to that of other commonwealth nations such as Canada, Australia, and India.

The creation of a new independent Negro nation marks a proud achievement for the Negro race. Ghana is the first Negro nation to become a member of the Commonwealth of Nations. This is a significant step in the creation of a commonwealth of many races on a basis of equality. Her constitution provides for freedom of religion, universal suffrage, and the outlawing of racial discrimination.

Ghana is expected to have a consulate in Boston.

Americans have a special reason for appreciating Ghana's Independence Day and extending wholehearted congratulations. America also achieved independence after having been a British colony. America cherishes her own Independence Day as her greatest national holiday. The advice given by John Adams, Founding Father and our second President, on the celebration of our Independence Day may be appropriate for the people of Ghana also. He said:

It will be celebrated by succeeding generations as the great anniversary festival. * * * It ought to be solemnized with pomp and parade, with shows, games and sports, guns, bells, bonfires and illuminations, from one end of this continent to the other, from this time forward, forevermore.

Ghana's Independence Day is an example of the steady progress of freedom among the freedom-loving nations of the world which are not ruled by the iron hand of dictatorship. The people of Ghana join the 700 million other people of the free world who have achieved independence during the past decade and a half, during which time the Soviet and Chinese Communists have imposed dominance and dependence on about the same number.

Ghana's independence also shows that national aspirations can be achieved without resort to the false doctrines and cruel actions of communism.

March 6, 1957, will go down in history as a date marking a great forward step in the advance of freedom among the nations of the world.

Mr. O'HARA of Illinois. Mr. Speaker, to my constituents back in the Second District of Illinois there is great rejoicing at the independence that has come to the people of Ghana, the first commonwealth of the British Empire to be self-governed by its Negro population.

Two of the wards in my district are represented by Negro aldermen, the Honorable Claude W. Holman and the Honorable Sidney A. Jones, Jr., and in statesmanship, integrity and devotion to the public interest they rank among the greatest of the great men who are serving and who have served in the legislative body of the city of Chicago. Alderman Holman also is the Democratic committeeman of the fourth ward and it is due to him that during the brief space of his service as ward leader and as alderman in the city council more public improvements have come to the fourth ward than had been effected in the quarter of a century preceding.

The Democratic committeeman of the sixth ward, the Honorable Robert E. Miller, also of the Negro race, has given to that great ward a leadership that has brought a civic development in that community that has won the plaudits not only of the people of the ward but of the people of the entire city of Chicago.

I am happy to announce to the House my performance of the happy mission entrusted to me by Aldermen Holman and Jones and Committeeman Miller in preparing a message from our people to the people of Ghana, which today is

being broadcast in Ghana by the World Broadcasting Co. The message follows:

In the heart of every American there is joy that on March 6 of the year 1957 there will have come to the freedom-loving people of Ghana the priceless treasure of independence. Forever March 6 will be an anniversary date of celebration for all peoples everywhere who love freedom and who know that in the climate of freedom the horizons ever are broadening and the dignity of man brought closer to the plane intended by the God of us all. In my district on the South Side of the city of Chicago in Illinois, as in many other congressional districts in the United States, are many fine men and women, our fellow Americans in the task of making this our country a better land for all men, whose ancestors came from this rich domain now at long last again to take its proud place in the community of free nations.

When Ghana, unshackled from the old colonial chains, goes forward in national independence to a great future in a rebuilt world, the men, women, and children in my district and in other congressional districts of the United States will give thanks for the triumph that has culminated the long and courageous struggle of the people of Ghana, thanks that in the independent State of Ghana, the first colony south of the Sahara to attain independence, the torch of freedom will be borne by the sons and daughters of freedom to light the way for all of Africa into a new day of equality, of brotherhood, and of human dignity. To the Government and the people of Ghana, our salute to victory and our affection that in companionship we shall go forward together so that all the good works of free people will endure forever.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. McCORMACK. Mr. Speaker, I renew the unanimous-consent request heretofore made.

The SPEAKER. At what time will the order be good, the Chair would like to know?

Mr. McCORMACK. After disposition of the corn bill.

The SPEAKER. The Clerk will report the unanimous-consent request.

The Clerk read as follows:

Ordered, That immediately upon the adoption of this order the joint resolution, House Joint Resolution 117, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. VORYS. Mr. Speaker, reserving the right to object, would the gentleman from Massachusetts, the majority floor leader, proceed to seek a rule so that this matter could be disposed of early tomorrow?

Mr. McCORMACK. The gentleman from Massachusetts in an effort to bring this matter to a head has submitted a unanimous consent request. The gentleman from Massachusetts is not one who goes up the hill and down the hill at the same time. The gentleman can object if he wants to. I have made a promise, and I keep my promise, and if there is any misunderstanding, I stick to my promise despite any misunderstanding.

Mr. VORYS. What is the promise?

Mr. McCORMACK. My promise is, if this is agreed to, that the matter will come up after the disposition of the corn bill. If anybody has any views to the contrary, he has a perfect right to exercise his rights.

Mr. MASON. Mr. Speaker, I want to know definitely when that resolution or when that conference report or whatever you call it is to be brought up, because there are a great many of us who want to be here and want to vote "no."

The SPEAKER. The gentleman objects?

Mr. MASON. I do. Until I know definitely when that is to be brought up, I will object.

Mr. McCORMACK. The gentleman from Massachusetts has said—and I do not think I can make it any plainer—that it will be brought up after the disposition of the corn bill. I think that is plain.

Mr. MASON. That is indefinite.

Mr. McCORMACK. It will be the next order of business after the disposition of the corn bill.

Mr. MASON. May I ask whether that will be tomorrow night or the following night or the following afternoon or when it will be?

Mr. McCORMACK. That is a matter that is within the will of the House.

Mr. MASON. That is purely indefinite.

Mr. McCORMACK. No.

Mr. MASON. And I object.

The SPEAKER. Objection is heard.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

GHANA

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the RECORD immediately prior to the adoption of the Ghana resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CORN AND FEED GRAIN PROGRAM

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 181 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. ABERNETHY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 13]

Allen, Calif.	Dorn, S. C.	Morrison
Ashley	Eberharter	Patman
Barden	Fallon	Powell
Barrett	Fascell	Preston
Belcher	Fisher	Prouty
Bolton	Friedel	Rivers
Bowler	Garmatz	Shelley
Bray	Gary	Sheppard
Breeding	Gray	Sieminski
Buckley	Gubser	Siler
Celler	Jackson	Staggers
Dawson, Ill.	Kee	Steed
Dennison	McFall	Thomson, Wyo.
Dies	Macdonald	Ullman
Diggs	Mailliard	Wilson, Calif.
Donohue	Metcalf	Zelenko

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RESIDENTIAL CONSTRUCTION FOR VETERANS' HOUSING

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 187, Rept. No. 182), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CORN AND FEED GRAIN PROGRAM

The SPEAKER. The gentleman from Virginia [Mr. SMITH] is recognized.

Mr. SMITH of Virginia. Mr. Speaker, I ask that the Clerk report the resolution.

The Clerk read as follows:

Resolution, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4901) to establish a minimum acreage allotment of corn, to provide acreage-reserve programs for diverted acres and for feed grains, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of

the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order any amendment otherwise germane to the bill that may include language pertaining to price-support provisions of existing law. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself 10 minutes. I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. McCORMACK. Mr. Speaker, I desire to announce to the House that the first order of business tomorrow, if the Committee on Rules should report out a rule making it in order, will be the Middle East resolution and the question of concurring in the Senate amendments thereto. We have in mind that will be the first order of business if we meet at 12 o'clock, or if the unanimous-consent request I am about to make is agreed to, and we meet at 11 o'clock.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I simply want the record to show I am still opposed to putting the Middle East resolution ahead of a vitally necessary corn program.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CORN AND FEED GRAIN PROGRAM

Mr. SMITH of Virginia. Mr. Speaker, this is a rule making in order the controversial corn allotment bill that comes from the Committee on Agriculture. You may know that there are three bills floating around here. One is a bill from the majority members of the Committee on Agriculture, another from the minority members of the Committee on Agriculture, and a third bill proposed by the Secretary of Agriculture which I am informed no one as yet has had the temerity to introduce in the House. This situation is so confusing that I doubt if anybody understands too much about it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentleman is always eminently fair. It is true that the Secretary earlier made certain recommendations which the gentleman has referred to, but as of today, I know it to be a fact, that the Secretary is endorsing and supporting the Andresen bill.

Mr. SMITH of Virginia. I am glad to get that information. I think the more information we get on the subject the better off we will all be.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say that this is the first information I have received to the effect that the Secretary is supporting the Andresen bill. I know that the Secretary sent a bill to the Speaker of the House which the Speaker of the House referred to the Committee on Agriculture. I shopped around for 2 or 3 weeks trying to get somebody to introduce the bill but up to date nobody has introduced it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I will not yield further on that subject because the gentleman from Indiana, the gentleman from North Carolina, and myself are all out of order due to the fact the bill is not now before the House. I want to talk about what is before the House. I think that will give you plenty to talk about for 2 or 3 days to come.

You will remember that last year we had a soil-bank bill up for consideration. That bill came to the Rules Committee. I think they had to come back there with three different bills before the Rules Committee would finally give clearance for consideration on the floor of the House of any bill. We thought in the Rules Committee in our ignorance that that was going to solve all of the problems of the soil bank, control of crops, and so forth, and that everything was going to be lovely. But here we are confronted with another bill. I do not know how much the soil-bank bill will cost, but it goes up into the hundreds of millions of dollars.

Mr. BASS of Tennessee. It is the soil-bank bill.

Mr. SMITH of Virginia. The soil-bank bill, the one that was going to solve all of the problems last year.

We have this bill up again which is going to put under crop control a number of other grains, such as barley, oats, milo, soy beans, and various and sundry things. I have read the report of the committee, but I do not know what the committee thinks it is going to cost. The estimates vary from $125 million to 300 and some million dollars.

The question of authorizing this great expenditure of money is the subject I want to discuss out of order in a few minutes. We have a lot of agricultural programs. We started off by killing little pigs, then we started turning under crops, then we painted potatoes. I do not know what all we have been doing. But the problem always comes back every year, that it has not been solved. I think it is about time that we stopped this, the idea that the appropriation of funds and giving money to the farmer is going to solve all his difficulties. I am getting rather tired of it myself, and I have a farming area of 20 counties in Virginia. And, it is a good farming area, of good and intelligent farmers, and endowed with a lot of good common horsesense.

I was astonished to learn the other day in these hearings that the net take-home income of all the farmers in all the 48 States of the United States is a little over $10 billion, and I find upon looking at the budget that the cost of running the Agriculture Department with all these things we are doing is something like $5 billion, just about half of the net income of all the farmers. Now, I have got a lot of sensible farmers down in my district. They read all these things about take-home pay and increased wages for everybody else and minimum wages for everybody else. What I am afraid of is when I go home some of these smart farmers down there, having read about their net income being $10 billion and that we are spending $5 billion to rehabilitate them, will ask me "Why don't you just take that $5 billion and distribute it amongst them and increase their take-home pay by 50 percent and just call it a day?" Well, I know there is an answer to that, but I do not want to have to answer it now. Some of you gentlemen on the Committee on Agriculture know more about this subject than I do and probably are in a better fix to do it. But, with all the confusion that exists around this whole subject, I do not think we ought to be rushed into something unless we understand pretty well what it is going to do and how much it is going to cost.

The conclusion that I have reached in my own mind as to the best thing we can do is to send this thing back to the Committee on Agriculture and ask them, please, in our interest as well as their own, and in the interest of the farmers to make up their minds what is the answer to this problem and let us know, and then we may have something that we can get together on.

Now I want to discuss this from another angle. I have observed this year more deep and sincere and honest interest on the part of the membership of this House in reducing this budget than I have ever seen in the nearly three decades that I have been in the Congress. I know you Members are serious about it. I know you want to cut this budget, and I know you want to cut these appropriations. And, there is plenty of room to cut them. But, I want to call your attention to one thing in connection with his bill, and that is authorizations for appropriations. Now, I know that the White House is getting a lot of letters complaining about this great budget of the President. It is enormous. I think the President should have told us how to cut it. He did not do it. But, I do not think that we can alibi ourselves out of this huge budget when election time rolls around by saying that President Eisenhower did this. In the first place, the President does not appropriate any money. The President does not authorize the appropriation of any money, and the whole thing starts right here in the well of this House when you vote for these authorizations. We are constantly confronted and the hopper is full of bills which call for authorizations for appropriations for this and that and the other, and if you keep on doing that and sending them down to the Bureau of the Budget, the Bureau of the Budget has a mandate from you to recommend appropriations for those things. Now, do not let us try to alibi ourselves out of this situation. There is only one place where this thing can be stopped, and that is right here in this House, and the question is whether we are going to have enough courage to stand up and cut these authorizations and stand up and vote for reductions in these appropriations, and that means vote for cuts in appropriations where it is going to hurt, namely in our own districts. I think the people of this country have now arrived at the point where they want to do that very thing. I think they have begun to realize that this ruinous inflation is going to keep on as long as we continue to authorize appropriations for this, that, and the other, and then appropriate the money to carry them out. And they are coming to realize that they cannot get the much needed tax reduction, until we cut appropriations.

Of course, there are lots of places where you can cut this budget. I want to tell you a little fish story—no, this is a big fish story. There came to my desk the other day this document. Do you know what it is? It is a national survey of all of you fishermen; who went fishing, how long they fished, where they fished, how far they traveled, how old they were when they fished—everything but how many fish they caught. But knowing that these fishermen have such a bad reputation for truth and veracity, I think they just left out the information about how many fish a fellow caught.

I would like you to look at this elaborate, costly document. In perusing it I found out that the Department hired 300 expert opinion takers who canvassed the country for 2 months to get the data upon which another horde of officeholders produced this wonderful piece of work here. That is the type of thing that is going on in all of these departments.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Is the gentleman a fisherman?

Mr. GROSS. Yes.

Mr. SMITH of Virginia. I yield.

Mr. GROSS. I have been fishing for some economy around here for a long time. I am sorry I did not know the gentleman was going to exhibit that particular document because I would have liked to exhibit the program that was circulated by the Department of State when the cornerstone for the new $57 million Department of State Building was laid early in January. It is a plush publication, too.

Mr. SMITH of Virginia. I brought this over just as a sample. You will find many more cases like it. I remember 2 or 3 years ago that I brought over to show you a very elaborate work on the love life of the raccoon.

Now, I am serious about this. This could not have cost less than $200,000 or $300,000. That sort of thing ought to be stopped. I realize how difficult it is for the Committee on Appropriations to do that. They do not know anything about this fish story. After all is said and done, what it amounts to is that it is the biggest and most expensive and most elaborate fish story that ever was told and constitutes the greatest collection of useless information on the subject ever put together.

Mr. H. CARL ANDERSEN. Mr. Speaker, would the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Which department issued that? Was it not the Department of the Interior?

Mr. SMITH of Virginia. Yes.

Mr. H. CARL ANDERSEN. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Speaker, how many of you have any idea about these grants that are going to educational institutions over the country, and who is making them? They could not grant any of the taxpayers' money if we had not authorized it. But do you know that grants are being made to various and sundry educational institutions all over the country? I do not know how many more of them there are, but I know that they have been made by the following departments and agencies:

The Army makes them. The Navy makes them. The Atomic Energy Commission makes them. The Air Force makes them. The National Science Foundation makes them. The Public Health Service makes them. The National Institutes of Health makes them. The Army Signal Corps makes them. And, lo and behold, the Federal Trade Commission is making them.

One of these agencies will grant so many thousands of dollars or hundreds of thousands of dollars to a certain educational institution for research on the subject of—what have you? I happen to know of one institution that I am told received grants from these Government agencies totaling $1,500,000 within 5 months.

We dish out the money to these departments to make these researches, and we tell them, "Go ahead, and we will give you $100 million." So they have to spread the money around, and they do spread it around. Why do we not be a little bit more careful about these things?

Coming back to the Department of Agriculture, which I mentioned a few minutes ago, I told you some of our farmers might think we could give them a raise in take-home pay of 50 percent. I said that the Agriculture Department would spend this year about $5 billion. But these payrolls are continually increasing. I see in the budget for the Agriculture Department this year—and I saw this in a newspaper—that the Agriculture Department is asking for 4,556 new employees. That costs a lot of money. That will run into the millions.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. ARENDS. Let me say to the gentleman from Virginia that I think most of us are cognizant of the business ahead of trying to economize during this session of Congress, but it goes a little bit further than what the gentleman was saying about cutting the proposed budget. How far will the Congress go toward stopping the initiation of new projects that show up in the budget or are later proposed by Members? How many Members will stand up to this business of putting a halt to the starting of new projects?

Mr. SMITH of Virginia. That is what I have been talking about. That is what we call authorization. If you do not authorize them the appropriation bills cannot appropriate and the Bureau of the Budget cannot put them in the budget and the President cannot send them up here. It is up to the Congress whether you are going to continue these authorizations or cut down on them. It is up to the Congress whether you are going to cut these appropriation bills.

I know that the Committee on Appropriations is doing a wonderful job. They are doing a killing job. They have to go through the whole budget and see where they can cut. I know they are trying to do it. We ought to give them all the help we can. I know the Agricultural Committee is just having a terrible problem dealing with their problems. They have people all over the United States, farmers and nonfarmers, telling them what to do. With all these cockeyed ideas presented to them, it is a wonder to me they do not go crazy. They have my deepest sympathy, and I know they are doing the best they can.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. I commend the gentleman on the statement he is making for economy. In all seriousness may I say that from my observation of him here I have found that he is one man who is ready to back up with action what he says on the floor. I am very sure, although the gentleman has not said so, he is going to support the Andresen substitute for the Cooley bill, because the Cooley bill would spend several hundred million dollars in a way and a fashion and with an effect nobody knows anything about. So if we want economy, the way to get it is to vote for the Andresen substitute.

Mr. SMITH of Virginia. I do not want to get into politics on this thing. I am not interested in politics on the subject I am talking about, which is economy. I do not think there ought to be any politics in it. May I say to my friend that he does not know whether it will cost $750 million to put into effect the committee bill. The committee says the greatest amount it can spend is $300 million. Goodness knows, I do not see how the gentleman can say what the Andresen bill is going to cost. All I am saying is that the matter is in such a state of utter confusion that I do not propose to support either one of them.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Connecticut.

Mr. MORANO. Do I correctly understand, then, that the gentleman might be opposed to this rule?

Mr. SMITH of Virginia. I have not said so. No; I am not opposed to the rule. If you want to argue this matter for a couple of days, maybe some of us will learn something about it.

Mr. REED. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. REED. I commend the gentleman on his fine speech in regard to saving money. I think my record stands out in that respect over the years. But I do want to say this: We condemn these projects and say we should give them up. I have in my district cases where there have been terrific floods which have swept through my town, and people have been washed out of their homes; yet we can send money abroad to pour in many of these ratholes, and we do not hear much about saving money there. I do believe and I shall continue to believe that when we have meritorious projects at home here we should take care of them, but we can find plenty of places where we can also save money and should save money.

Mr. SMITH of Virginia. We talk about meritorious proposals and projects in our home districts. I have never seen a Member here in the House of Representatives with a project for his home district that he did not think was meritorious. We think all our projects are meritorious, but we have to start cutting somewhere, and the best place to cut is where it hurts.

Mr. REED. Yes; but when you see your people washed away, and when you see the floods coming down, it is a terrible thing. The gentleman knows what I am talking about.

Mr. SMITH of Virginia. I know, my friend, and I appreciate your sympathy for your constituents. I have the same feeling for my constituents. May I add that I know of no Member of this body who has a finer record for sound Government, sane taxes, and rigid economy than my good friend from New York [Mr. REED].

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. GAVIN. I just want to say a word in defense of the fish and wildlife with reference to this statistical booklet that you presented here a moment ago.

Mr. SMITH of Virginia. The gentleman did not qualify. Are you a fisherman?

Mr. GAVIN. No; I cannot say I am a regular fisherman. I like to fish whenever I have the time available. It is a great sport, enjoyed by hundreds of thousands of Americans. The gentleman made reference to a certain statistical booklet on fishing in his statement. I just want to comment that the fishermen of the Nation need no defense from me, nor does Fish and Wildlife of Interior, and I assume they published this booklet. They turn in a fine performance. The example used here today is a very small item in the overall budget of some seventy-two billion dollars. I just want to say to the gentleman that, in my opinion, the more of the youths of this Nation that we can get out into our national forests, our recreational areas in our woods, and out on fishing streams to catch a few trout, the better and finer American citizens we will have in the future, so if any little booklet will help do this, in my opinion it should be commended.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. GAVIN. Mr. Speaker, will the gentleman take an additional minute?

Mr. SMITH of Virginia. I do not yield further to the gentleman.

Mr. Speaker, I yield myself 2 additional minutes. I now yield to the gentleman from Mississippi.

Mr. GAVIN. But I have not asked the gentleman the question that I wanted to ask him.

Mr. SMITH of Virginia. The gentleman was making a speech and, of course, he realizes that we do not have too much time.

Mr. GAVIN. I think the gentleman should discuss the $4 billion foreign-aid program rather than a booklet on fishing. Let me ask the gentleman about that. My record is clear. I have voted consistently against foreign aid for the last 10 years or more. How does the gentleman stand on foreign aid and on the $4 billion appropriation? What is your position on that? The gentleman is shooting at little items here and there and missing the big targets. How is the gentleman going to vote on foreign aid and how have you voted on foreign aid in the past?

Mr. SMITH of Virginia. Now, has the gentleman completed his question? I always like to be frank and I want to say to the gentleman I do not reckon there is anybody in the House of Representatives who has made more mistakes than I have, and I expect to keep on making them, and if I do make mistakes I will confess them. But, to answer the gentleman's question specifically, when the Marshall plan was proposed and when the European countries were on their backs economically and the people were starving; when they needed rehabilitation, I voted for the Marshall plan. I voted for it as long as I thought it was needed to rehabilitate the European countries. But, in the last 3 or 4 years, I have voted against it because I do not think we can continue forever as a permanent thing to carry the rest of the world on our shoulders.

The SPEAKER pro tempore. The gentleman from Virginia has consumed 22 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. ALLEN of Illinois. Mr. Speaker, I am sure all of us appreciate the remarks of our esteemed colleague from Virginia [Mr. SMITH]. Along with the witticisms and humor, I feel that all of us were well aware of the seriousness of his statements, particularly in regard to Federal expenditures.

Mr. Speaker, I am certain I need not mention that all Members of Congress are receiving innumerable letters from outstanding people back home, emphasizing the importance of drastically reducing governmental expenditures. I do not know your replies, but I have every reason to believe that all, or most of you, agree with your constituents—and state that you are doing everything within your power to reduce these expenditures.

Today we have before us a program for agriculture, which calls for an additional expenditure of nearly $1 billion—and, in my opinion, the great majority of farmers are opposed to it.

For instance, the Illinois Agricultural Association opposes the Cooley-Poage soil-bank bill. This great organization, with over 200,000 members, telegraphed me that it will not result in any reduction of basic crops—that it is highly controversial, and cannot be enacted quickly, if at all. Corn will already be planted before the measure could become effective. It will require greatly increased funds. It is doubtful if bases or allotments for feed grains can be established in time to affect 1957 crops. We favor simple legislation which can be enacted quickly. Otherwise, farmers will be asked to disk down corn again this year.

On February 25 of this year I discussed the Cooley-Poage bill with a high official of the American Farm Bureau Federation. He told me that the American Farm Bureau Federation is opposed to the bill because it would ruin the corn farmer; that the bill is nothing more than a raid on the United States Treasury. I have every reason to believe that if Congress passes H. R. 4901 the American Farm Bureau Federation will recommend that the President of the United States veto it.

I need not state that the bill that will presently be before us is an extremely expensive one—and is extremely controversial. It was reported out of the Agriculture Committee by a vote of 17 to 16.

In talking with several members of the Agriculture Committee and officials of the American Farm Bureau Federation, I was told that the Agriculture Committee was confronted with but two immediate problems—one being the drought situation—the other, immediate legislation regarding the corn situation.

As you are aware, legislation dealing with the drought was approved unanimously by the Agriculture Committee—has passed the House of Representatives—and is now before the United States Senate awaiting action.

The corn farmer is in trouble. Ask any farmer from the commercial corn area. They do not believe the Cooley bill will help them.

Therefore, I respectfully request that the Andresen bill be substituted for the Cooley-Poage bill. It will be of great benefit to the corn farmer—will help solve the agricultural problem in general—and will be less expensive.

In conclusion, Mr. Speaker, let us by action, not by mere words, show the taxpayers that we mean what we say when we write them that we favor drastic reductions in Federal expenditures. It is rather difficult for us to justify our statement that we favor a reduction in Federal expenditures and then act to increase them by voting for a measure which will only serve as another outlet for a Treasury raid and will not, I repeat, will not assist those who are in a very serious plight, namely, the corn farmers in the 14 commercial corn States.

I believe the American taxpayers, including the farmers, will be watching the action and the vote of all of us.

Briefly, we heard mention of cutting down the foreign aid program, I believe from someone on the right side of the aisle. I can tell you that I as an individual will certainly vote for a drastic reduction in the foreign aid bill. I know that whenever we get letters from any group at home asking that something be done for them they say, why do you not give it to us? You are giving it to others in foreign aid. That, in my opinion, is no argument for a pork barrel bill. All bills should stand on their respective merits. I declare and reiterate that I think and I hope we will drastically reduce our obligations under this bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Did I understand the gentleman to make the statement that the Farm Bureau would recommend or would not recommend a veto of this bill?

Mr. ALLEN of Illinois. I thank the gentleman. I certainly want to make myself clear. In my opinion the American Farm Bureau will recommend that the President veto this so-called Cooley-Poage bill.

Mr. JONES of Missouri. And the President does what the Farm Bureau recommends?

Mr. ALLEN of Illinois. I did not say that. I said that the American Farm Bureau is a very large organization and would make this recommendation to the President.

Mr. JONES of Missouri. Will the gentleman yield for a further question?

Mr. ALLEN of Illinois. I yield.

Mr. JONES of Missouri. Speaking of the bill H. R. 4901 being a raid on the public treasury, in what way would any bill offered as a substitute not also be a raid on the treasury? If one is a raid why is not the other?

Mr. ALLEN of Illinois. The agricultural experts have gone over this whole problem for a long time. I would remind the gentleman that the Members of Congress do not write the budget. The people condemn Congress for the size of the budget, but the fact remains that the Congress was not in session last fall when the budget was drawn, and I must absolve the Congress, and in particular one Leo Allen, from being identified with the writing of the budget. But I will say that if this bill goes through, according to the best best information I have, it will cost the people $900 million more.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman has just reiterated what seems to me to be a very exaggerated estimate of the cost of this program. Will the gentleman be so good as to break it down to show us how it could possibly come to even half of his figure? I do not believe it will be possible to show that much even after you include all the money that could be spent on corn, the money that could be spent on cotton, and when you include any land diverted from wheat. Will the gentleman show us some figures that indicate that the committee bill could amount to even one-half of that $900 million?

Mr. ALLEN of Illinois. I did not make up the figures.

Mr. POAGE. Has the gentleman seen such figures?

Mr. ALLEN of Illinois. No. I can only state the figures that were given to me by word of mouth. Personally I hope the lesser figure can be substantiated. I do not know.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. GROSS. The gentleman says that he is going to vote, as I understand, for cuts in foreign aid. Is that correct?

Mr. ALLEN of Illinois. That is true.

Mr. GROSS. I just want to say to the gentleman that we who have opposed foreign aid welcome him back most heartily into the fold after his 4 years' absence.

Mr. McGREGOR. Mr. Speaker, regardless of who is the author of a bill, regardless of whether he is a Democrat, New Dealer, or a Republican, certainly the time has arrived that we recognize the serious predicament in which the farmer finds himself. It is time that we give some consideration to the rotation-crop farmer.

We must recognize, and at once, that we cannot allow the product which a farmer has to buy to continue to increase in cost and allow the product that the farmer sells to go lower and lower. Mr. Speaker, there is just too wide a spread between what the farmer receives and what he has to pay out. I voted for the soil bank thinking that it would help the farmers of Ohio and other Central States but I am afraid that under certain rulings that seem to exist our small crop farmers are gradually being put out of business and the big farmers of the far Northwest are becoming the beneficiaries.

Mr. Speaker, I firmly believe that we are in an emergency and if we are going to contiue the soil bank program it must be put on a realistic basis. It is to be regretted that some of the New Dealers seemingly will do everything humanly possible to wreck the farm program. Unless we can get effective action immediately we can expect that the soil bank and other adjustment programs will be ineffective in helping alleviate the depressing effect of food surpluses on farm prices and income.

I sincerely hope that the membership of Congress will not delay in giving recognition to the rotation crop farmer and give him the much needed assistance so that he might again enjoy the freedom that once were his.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 7 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I hope we will quickly adopt the rule which is before us, making possible consideration of the so-called corn bill this afternoon.

Mr. Speaker, I represent one of the leading corn-farming areas in the United States. It is the principal product of my district. More than that, corn production and the economic health of the Corn Belt is, without a doubt, a basic factor, if not a controlling one, in the economic health of the entire country. When I say that the corn farmers are in trouble because of the lack of an effective corn production program I am also saying that, unless remedial legislation to meet this emergency is quickly enacted, we risk the complete collapse of our whole agriculture program, including the soil-bank feature. That would be a national catastrophe.

As we enter upon spring planting there is a record carryover of around 1.5 billion bushels of corn. At the same time we are faced with a huge 1957 corn crop for the very simple reason that 37.3 million acreage allotment required by existing law is so unrealistic that the corn farmers cannot participate in such an agricultural program.

A point I wish to emphasize is that this prospective overabundance of corn, inevitably depressing corn prices, adversely affects more than just the corn farmer himself. It will have a depressing effect throughout all of agriculture in every section of the country. It must be borne in mind that at least 55 percent of the cash farm income comes from livestock and livestock products, and it is in the form of livestock and livestock products that most corn is marketed.

Obviously cheap corn will bring about more and cheaper livestock; more and cheaper dairy and poultry products. The corn problem confronting us today is thus a problem that extends beyond the Corn Belt itself. It is one that vitally affects our whole economy. Involved here is not so much the question of the price of corn per bushel. Certainly that is not the sole consideration. Involved in this problem is whether a long-range agriculture program, such as envisaged by the soil bank, can be effectuated so that there may be a reasonable degree of stability in the production of corn for use rather than storage, and that we may have a proper balance in farm income.

There is no question as to the urgent need of emergency legislation to meet the problem that has arisen with respect to corn acreage. Just before this Congress opened I discussed with the Secretary of Agriculture the problem that had arisen by virtue of the results of the corn referendum held on December 11. While better than 61 percent of the corn farmers in the commercial corn-producing area voted for the soil bank base plan, it cannot be effectuated because of the legal requirement that it have a two-thirds vote. Basically this is the situation we here seek to correct, whereby the majority of our corn farmers will be permitted to have a program they overwhelmingly approved.

That is the objective of the bill sponsored by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], the ranking minority member of the Agriculture Committee, whereby a base of 51 million acres for corn in commercial areas would be established and provide that the farmer must put 15 percent of his base in the soil bank to qualify for price supports. That is likewise the general objective of the bill H. R. 3935, which I introduced.

The need for emergency corn legislation is well recognized, but that is not what the Committee on Agriculture has reported to us. The measure before us, bearing the name of the chairman of the committee [Mr. COOLEY], is masqueraded as corn legislation but is nothing more or less than a political monstrosity which is contrary to the objectives of the Soil Bank and which will add, according to best estimates available, a cost of between $700 million and $1 billion to the already heavy cost of the agriculture program. It is unworkable. It is unsound. It is costly. It would turn the soil bank program into a grandiose giveaway that would wreck the whole agriculture program.

When we enacted the soil bank we provided for what is known as an acreage reserve and what is known as a conservation reserve. The former was limited to the six basic crops, whereas the conservation reserve was for a longer duration for other crops than the basics. The bill the Committee has reported would seriously change this distinction by making acreage taken out of cultivation of oats, barley, rye, grain sorghums, and flaxseed eligible under the acreage reserve at a higher rate than under the conservation reserve. The end result would be the destruction of the whole conservation reserve concept as a long-range program.

We will have opportunity during the reading of the Committee bill to vote for a substitute, which the gentleman from Minnesota has proposed. This will be our opportunity to act expeditiously and effectively in meeting an emergency corn problem. This will be our opportunity to vote for a solution to the immediate problem, entirely divorced from all political considerations.

My mail reflects the corn farmers' deep concern about this problem and they appeal for action. They do not write me as Democrats or as Republicans. They write me as good American citizens.

I earnestly urge that the Andresen substitute be adopted that we may have remedial corn legislation, so urgently needed, before it is too late.

I want to emphasize, if I may once more, what I have said on the floor of this House so many times that, representing as fine an agricultural district as you will find anywhere, these individuals are concerned about this corn problem and write me not as Democrats or Republicans but as good American citizens. I personally know the signers of many of these letters, and they write me, I repeat, as good American citizens who know what is going to happen unless the Congress take expeditious action on this matter.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, my distinguished colleague, the gentleman from Ohio [Mr. BOW], has taken occasion to criticize publicly the school system of Arlington, Va., which lies within my own congressional district.

Without appearing to be disrespectful to either this gentleman or to the House of Representatives, I submit that the conduct of our education in our local communities is determined on the local level and is none of the Federal Government's business.

I further suggest to our Ohio critic and others who take a like position that Congress, in its wisdom, made certain provisions to compensate for impacted school areas—impacted by reason of Federal intrusion—and I think this provision even extended to the Buckeye State. It was enacted in lieu of Federal taxes for the vast Federal establishment existing in these so greatly impacted areas. If the Federal Government ceased free loading on such areas and paid an honest tax for its property, it would be unnecessary for Uncle Sam to contribute to the education of children temporarily domiciled therein.

But I must confess that the criticism I have read in the past 24 hours is a red danger signal. Before us in a stupendous administration-sponsored school-construction program. I have received this program with an open mind and tended to believe in the assurance that it does not mean Federal interference with our school systems. The remarks of my colleague from Ohio have disillusioned me. If this is a sample of what the local communities are to expect from the proposed school-construction program, then I for one must give vent to a loud protest. Under no circumstances shall I support any measure that injects Federal dictation into our local school system.

I will say to my colleague that his remark, as quoted in the press, has put this House on notice that to accept Federal aid for school construction is to invite invasion of every school system in the United States by bureaucratic dictation from Washington.

Already Georgia, Michigan, and Wisconsin have seen the handwriting on the wall when they have said, without reservation, that they want no aid from the Federal Government. I say emphatically that Virginia wants no such aid if it means that Uncle Sam will invade our education system and I say further, repetitiously I fear, that if this Government will stop evading full taxes to our 10th District communities. I will not even speak of aid to empacted areas.

My colleague from Ohio has done more to jeopardize the school-construction program than any man in this House. He has reminded us most forcefully of the dangers that we face in our State and local communities.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, the gentleman from Virginia [Mr. BROYHILL] has suggested in this morning's paper that the Federal Government should keep its nose out of Arlington County school affairs.

I reply to the gentleman that the Federal Government will be glad to do so if Arlington County will keep its fingers out of the Federal Treasury.

It is axiomatic that Federal control, or interference as the gentleman called it, follows Federal money. As Members of Congress we would be unfaithful to our trust if we did not make every effort to make certain that every dollar we appropriate is wisely spent. So long as the taxpayers of the United States are billed for 12 percent of Arlington's school funds Arlington can expect to find that Representatives are interested in how that money is spent.

Mr. Speaker, figures given to me today indicate that Arlington has used Federal funds to create a school system more elaborate and expensive than its neighbors, even though they also enjoy Federal support, have seen fit to establish. The cost per pupil of the Arlington school system is $426. This compares with $332 in the District of Columbia, $300 in Falls Church, $282 in Montgomery County, $269 in Fairfax County, and $250 in Prince Georges County.

My home city of Canton, which enjoys no Federal impact funds, has a cost per pupil of $278.87. My county, Stark, spends $255.

Again, I question that it is the responsibility of the people of all of the United States to contribute to an unnecessarily expensive school system in Arlington County, a county which is often said to be one of the most wealthy in the Nation.

I would like to know whether Federal aid is provided to Arlington County for the children of those thousands of Federal employees who are taxpaying homeowners in that county.

From my study of these matters, it appears to me that Public Laws 874 and 815 should be amended in two particulars. I am submitting legislation to accomplish the following:

First. No school district may receive Federal funds unless its annual school budget is published, in advance of public hearings, in a newspaper of general circulation in the district.

Second. No school district may receive Federal funds for the purpose of increasing its per pupil expenditures above the average per pupil expenditure without Federal funds in the previous 3 school years.

Mr. Speaker, I am glad that my remarks of yesterday have caused the board to reverse its earlier decision to keep the details of its budget secret, and announced last night that it will release the budget.

Let me say again, Federal interference will always follow Federal money. The recipients of Federal aid, and those who are asking it for the future, may as well recognize this fact.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of this rule because it is so written that it will make in order for consideration in the Committee of the Whole the so-called Andresen bill to take the place of the so-called Cooley bill. The Andresen bill would provide for a continuance of the 51 million-acre allotment for corn planting which, of course, is of such great importance to the entire Corn Belt as well as to the livestock industry and to all of the Nation. I also will support the rule and the Andresen bill when it is offered as an amendment or as a substitute, because the adoption of the Andresen bill instead of the Cooley bill will result in the saving of several hundred millions of dollars. I listened very attentively to the testimony given before the Committee on Rules on this proposed legislation. There was a great difference of opinion as to just how much the taxpayers would have to put up to support the provisions of the Cooley bill. I do not know who are correct in their figures or in their statements, but I do know from past experience that it will be a great amount and that the Government always spends more rather than less than the estimates.

I want to commend, too, if I may at this time, the gentleman from Virginia [Mr. SMITH] on the remarks that he has made here. I appreciate fully as a result of some 40 years of service in legislative bodies and in public office that it is the people after all who must support the Congress and the President in an attempt to get economy. Just recently, just this week, as an example, I received a letter from a very fine lady in my district who demanded, who insisted that I vote to reduce the budget, to cut down on Federal spending, and to reduce Federal taxes. And then she wound up by saying, "But whatever you do, Mr. BROWN, be sure and vote for the Federal aid to education bill because my school taxes here are already too high and I want to get them reduced."

Evidently this very fine lady did not understand that every penny voted out of the Federal Treasury in the way of Federal aid or grants must first be paid in by some taxpayer who has earned it through the sweat of his brow or the energy of his mind. Too many people in America feel that there is some magic source from which we obtain the money which we spend here. Too many of us, if I may be self-critical, feel that as long as it is somebody else's money that we are spending, it does not matter very much although we may be very, very careful about our own personal expenditures.

Mr. Speaker, I should like to say to you—and I heard this discussion here today—that we have given away in the last few years to foreign peoples and foreign countries, some $116 billion of money belonging to the American taxpayers. I go back a little further in my history of opposition to this type of legislation than most of the Members, because I voted against that famous H. R. 1776, the lend-lease bill, or the lease-lend bill, or whatever you want to call it.

Mr. MASON. So did I.

Mr. BROWN of Ohio. I voted consistently and constantly against these foreign-aid appropriations because I contend, regardless of any Supreme Court decision that may have been made, that I do not have and I do not believe that you have the legal or the constitutional or the moral right to reach into the pockets of any taxpayer in America and take therefrom in the form of Federal taxes a part of his substance, thus reducing his standard of living, and then turn that money over to lift the plane of living of some nation or some foreign country. I do not believe it is moral, legal, or constitutional.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I want to commend the Rules Committee and particularly the chairman of that committee for the rule under which this bill will be considered. It is a wide-open rule. It will give everybody an opportunity to hark back to the old days when little pigs were killed and potatoes were painted. Full debate is all to the good. If there have been abuses in the farm program, it is well that they be aired here on the floor of the House. This is the place to hear the farm programs, past, present, and future, discussed.

However, there are some of us who insisted that the Rules Committee provide the same open rule when the so-called Eisenhower doctrine was before the House late in January so that we could discuss, among other things, some of those roads that have been built in foreign countries that reportedly begin nowhere and end nowhere, dams started and not completed, and money lavished on foreigners for which there were no acceptable projects.

There is $200 million made available under the so-called Eisenhower doctrine, and implicit in that resolution is another $200 million, or close to half a billion dollars. You who talk about economy are not dealing with chickenfeed when you deal with the Eisenhower doctrine in terms of money. There should have been an open rule when it was considered. Why there was not I do not know. Perhaps it was because it was felt it would not be a good idea to spend any time in debate on that joint resolution in the House, because there might be a few more votes against it.

So I hope, and I am addressing myself to this rule and rules to come in the future, that when the legislation comes before the House to forgive the British payment of some $82 million in interest on the debt they owe this country—and I understand that the legislation will probably include forgiveness of part of the principal payments as well—I hope that the gentleman from Virginia, in the interest of economy and the protection of the American taxpayer, and all the members of his committee will vote out an open rule, a rule comparable to that before us today. And I hope the committee in addressing itself to the rule on the Eisenhower doctrine that apparently will be an order of business tomorrow, will see to it that there is time allowed for those who might want to speak on it. I hope the Rules Committee will give us a decent rule on that proposition too—a rule that will permit reasonable debate and the opportunity to offer amendments. Surely we will not be asked to merely rubberstamp the action of the Senate.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, the trend this debate has taken today I know would be most heartening to my good and able friend, if he were here today, Bob Rich, who used to reiterate daily, "Where are you going to get the money? Where are you going to get the money?"

We have a national debt of $280 billions, and we are paying approximately $7 billions a year in interest on the national debt. I am glad to see this evidence of economy mindedness that has been manifested here today, but I am a bit resentful that anyone would illustrate it by pinpointing a little statistical information booklet compiled by the Fish and Wildlife Service for the fishermen. You are really shooting at a gnat and missing the big targets completely.

Many of you here are seemingly economy minded. I have watched the votes recorded from back in the days of the $3,750,000,000 British loan until today. So I just do not think we ought to pick out one or two little isolated examples to ridicule in pinpointing the necessity for economy in the conduct and the operations of our Government.

Then the idea was expressed that all appropriations for any projects were out of order at this time—flood control, land reclamation, irrigation, agriculture, and so on. You group them all together as if they were all in the same category. That is not a fact. I hope the day never comes when the Members of this Congress will neglect to give specific and careful attention to all authorization and appropriation requests—as an example, our forests and our waters and our soils. We have 170 million people today and, as the years go by, certainly with the increased population we will necessarily have to depend on our natural resources. So let us not group all projects in the same category as though all governmental operations were unnecessary.

There is another matter that I want to call to your attention today, and it is flood control. Flood-control projects must be authorized and appropriations made. I think flood control is a wise investment of the American taxpayers' dollar. If they are found to be economically unjustified they are turned down.

For the information of the House in the year 1936, we had a devastating and destructive flood in the Allegheny Valley that would cost at today's prices in the city of Pittsburgh and the Allegheny Valley $728 million with an estimated loss of 36 lives. So, all of these projects are not in the same category and the American people are entitled to relief from these flood situations that periodically arise throughout the Nation.

I might say to the House that I think it is about time we spent some of the taxpayers' money in our own backyards for the benefit of the American people. I have noted these various rehabilitation projects in the various countries of the world where American money is spent on highways, railways, waterways, hydro projects, railroad stations, opera houses, and everything that our money could be spent for, but the minute you attempt to spend or appropriate for projects to look after the welfare of our own people in our own country, then many suddenly get economy minded. Let us hear no more about this booklet on statistical information about fishing. I think it is a fine report and deserves to be read by everyone who is interested in fishing or the great outdoors. It indicates that

our great national forests and parks are available for fishing and for other forms of recreation. Certainly, the American people are entitled to some consideration and information. So let us not pinpoint and get excited about a little pamphlet that was put out by Fish and Wildlife for the benefit of the American fishermen and miss the $4 billion foreign-aid program which now comes before us annually and evidently is part of the yearly budget. If it is cut down to size and it should be and you will get an opportunity to be recorded on it, it would afford a great deal of relief in the way of tax reductions to the American people who have carried this foreign-aid burden so generously and willingly for a long period of years.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

CORN AND FEED GRAIN PROGRAM

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres, and for feed grains, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4901, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 3 hours, and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will be recognized for 3 hours.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, much has already been said today about the tremendous cost of the farm program. While I have no desire whatever to minimize the magnitude of the expenditures in behalf of agriculture, I do want to emphasize the fact that agriculture in America is big business. There is no other business in the Nation comparable to agriculture in the dollar volume involved or the number of persons employed. It is a basic industry of this Nation, as it is in all other nations. Our farmers have performed more magnificently than the farmers of any other nation on this earth. They have mastered the arts of production. Our trouble is that we have not mastered the techniques of distribution. Our farmers responded to urgent demands made upon them at the time when freedom was in danger throughout the world. We have produced and harvested abundantly. I am not one who is frightened by the great abundance which we have harvested from our fields. I know and you know that all of our experts throughout the 48 States have, through the years, tried to train American farmers to be and to become the greatest producers on earth.

Through the years our mothers and our fathers had prayed to a merciful God to make our fields flourish and our people prosper. That has happened in America; and, fortunately, we have been able to share our great abundance with less fortunate people living in other parts of the earth.

When we think of the cost of the farm program we should relate that cost to the magnitude of the operation with which we are dealing. I do not mean to be unduly critical of the present administration; I do not necessarily have to be critical at all, but only cite the facts and the figures as reflected by the statistics in the Department of Agriculture. The price-support program, on basic commodities, to the Commodity Credit Corporation over a long period of more than 20 years, resulted in the loss of only slightly more than $1 billion. If you relate that $1 billion to the accumulated sustained national farm income you can then determine how insignificant our losses have actually been.

If you relate that $1 billion loss to the overall accumulated national income of all of our people you will see that the figure is indeed very inconsequential.

On January 1, 1953, when Mr. Benson took over the farm programs, the price-support program on the basic commodities showed a net profit of more than $13 million. I must correct the figure I used a moment ago when I said that the loss on the overall operation over 20 years on the basic commodities was slightly over $1 billion, that was on everything, basics and nonbasics, surplus and nonsurplus, over 20 years, a loss of slightly over $1 billion.

Our losses are very substantial now. In 4 years we have lost 3 times as much as we lost in the 20 preceding years. Maybe Mr. Benson could not have helped it, and I am not trying to fix all the blame upon him, but these are the facts and figures and nobody can deny them. Mr. Benson tells us that we are making progress. Surpluses are disappearing; markets are returning; but the facts do not bear him out.

He took over an inventory in the Commodity Credit Corporation valued at a little less than $2,500,000,000; and today, after having sustained all of these gigantic losses, he has invested in the same inventories with the Commodity Credit Corporation more than $8 billion; and during this entire time our surpluses have soared and our warehouses today are bulging.

Let us not be frightened by the inventories we now have on hand, but let us apply a little intelligent thinking to the problem with which we are dealing. In presenting this bill to this House I feel and believe that I am following the advice of the Secretary of Agriculture, Mr. Benson, and his associates.

Why do I say that? The record clearly shows that the officials of the Department of Agriculture, in discussing the feed grain problem, said to us that the problem had been caused by production of corn and feed grains outside of the commercial corn-growing area.

If that is true, and the record proves it to be true, why should we not deal with this great problem on a national basis rather than on a commercial corn growing area basis?

After they had presented their testimony I thought they would present a bill which would carry out the recommendations; but, lo and behold, when the Secretary of Agriculture sent up the Executive communication to the Speaker he included a bill which dealt only with corn. The Speaker referred that communication to me. It is in our committee file now. No Member of this House has been willing to introduce the bill submitted in the Executive communication, and for very obvious reasons. We started, sincerely and in earnest, to deal with this problem with our minds completely open. The gentleman from Texas [Mr. POAGE], chairman of the subcommittee, held hearings. The matter was fully considered and discussed. We sat in executive session to write a bill. The bill we present to you today is the finished product of our deliberations. We believe that it deals with the problem as it should be dealt with.

Let us consider what happened last year. Last year Mr. Benson administered the corn program and he gave away $179 million in soil bank payments, to the commercial corn producers of the Nation. Instead of reducing production we had perhaps the greatest production of feed grains in the history of the Nation. Now the Secretary of Agriculture proposes, rather than to deal with it on a national basis, that we make available to him $217 million to give to the producers in the commercial corn area, knowing full well that he will not reduce the overall production of feed grains in America nor will he minimize or decrease storage costs. Why he proposes this, frankly, I do not know.

This matter was presented to us as an emergency matter. Those who come from the commercial corn area seem to think that corn is the only commodity in trouble. That is not true. The tobacco growers of my area have within 3 short years reduced their acreage, counting this year, to the extent of 37 percent. We have not been compensated one dollar's worth for any of the acreage taken out of tobacco. It is proposed here to take this corn-acreage allotment, which in 1957 would be 37,300,000 acres, and by act of the Federal Congress increase that acreage to 51 million acres and compensate the corn grower with soil-bank payments for the difference between 37,300,000 and 51 million acres; then allow him to put other acreage in the soil bank, if he desires to do so. That has not been done for the producers of any other commodity.

I live in a commercial corn-growing area. My own farm is a commercial

corn farm. Yet I have never sold a bushel of corn in my life. I have to feed it to work stock. The commercial corn area has grown year after year, and, instead of bringing about a reduction in that area, corn and feed grains have been produced in greater abundance outside the area. If you can see this map, you will observe what the situation looks like throughout America.

I ask you, Why should we try to reduce the production of corn in one section of America and increase it in other sections?

Now, that is the simple proposition that is before you. I am perfectly willing for the corn Congressmen to write the corn bill. Those of us from the tobacco areas have been very successful in persuading the Members of this Congress to go along with us on our tobacco program. I went along with the Hill wool program, which is the Brannan plan de luxe, and which has not accomplished much in the way of bringing about an increase in the production of desirable grades of wool. The peanut farmers have presented their views, and we have a peanut program. I asked the committee why they were not willing to deal with this program on a broad and comprehensive basis, and I want someone here today to answer the question, Why is this bill not acceptable? Do not talk to me about the cost of it. I am not disturbed about the possible cost of the bill that is before us. It does not give the tobacco farmer anything, nor the cotton farmer, nor the peanut farmer, nor the wheat farmer. We only referred to those commodities so that we might use the acreage allotted to the basic crops as a yardstick for measuring the acreage, the equivalent acreage, which could be placed in the soil bank but kept out of corn. Now, to illustrate, if I am going to reduce my tobacco acreage 20 percent this year, as I surely am, if I am outside of the commercial area, what is going to happen to the 20 percent of acreage which comes out of tobacco? It is going into feed grain, unless you give the man out there some inducement not to place it in feed grain. That is what we propose to do here.

Mr. Chairman, I do not want to bore you with this discussion, and I thank the Committee on Rules for its generosity. I have never known the Committee on Rules to be quite as generous as they have been with us. We asked for 3 hours and they gave us 6 hours. So, if anybody wishes to talk, I think he shall have an opportunity to talk. In all seriousness, it seems to me that this proposition could be understood in a very brief time and we should be able to begin voting and finally wind up this debate.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. I seem to remember back in the 83d Congress having some measures here dealing with wheat and cotton. So, I had the CONGRESSIONAL RECORDS brought out, and I discovered that during the 83d Congress, in which I was privileged to serve as majority leader, we increased the wheat acreage from 55 million acres to 66 million acres.

Mr. COOLEY. You did not provide soil-bank payments for wheat farmers in the 83d Congress.

Mr. HALLECK. Then in January of 1954 we increased the cotton acreage to 22.5 million acres, which was an increase of 5 million acres.

Mr. COOLEY. You did not pay the cotton farmer or the wheat farmer.

Mr. HALLECK. We did not have the soil bank then, that is true, but I cannot understand this opposition, and a lot of us are beginning to wonder, because we live in the Midwest and corn is an important item. If you think the farmers in the Midwest are not watching what is going on here, you have another guess coming, because they are. Why, you cotton people brought in a cotton bill, and we cooperated with you, because we want your section to be prosperous. And I went along with the wheat bill; I went along with both of these measures. But here we have a measure that seeks to deal with an emergency problem, which is the corn problem in the Middle West, and we want the same sort of an acreage increase that you have had on these previous occasions. But you saddle the bill with a great many other propositions that are going to cost a lot of money, the exact purpose of which I cannot quite understand.

Mr. COOLEY. Let me say to my friend that apparently the gentleman from Indiana [Mr. HALLECK] does not understand what we have done. We have given the corn people exactly what they want. It is in substance the Andresen proposal. It is not Mr. Benson's proposal. It does not let the price go down to 70 percent. We fix the acreage at approximately 51 million acres, but where the gentleman misses the boat is here; he said that we did not have the soil bank when we provided an increase to cotton and wheat farmers. We did not. But we have now, and we proposed in the committee, to do for these other producers just what the gentleman is proposing for corn, and we did not get to first base.

Mr. HALLECK. What the gentleman says in effect is that you are going to let the corn farmers in the Middle West, the people we represent, work out a program for corn, but before they can have that, you are going to make them take a lot of other programs that are going to cost nobody knows how much money, a great many proposals that, as far as I have been able to discover, have not been carefully considered.

Mr. COOLEY. The gentleman cannot say that, because we did think it through. I turned to the committee and asked the question, "Give me one reason why this bill should not pass." I would like the gentleman from Indiana to tell me one reason, one logical, sound reason, why we should not pass this bill which deals with this national problem. Do not tell me about an emergency. They are planting cotton in Texas now, or they will be in a few days. You are not planting corn in the Middle West yet.

Mr. HALLECK. I understand you have some more cotton legislation that you are going to bring out. I do not know how we are going to look at it. I hope that we can look at it with favor, as we have in the past. But I would not be for loading up whatever may be necessary in the way of dealing with an emergency in cotton, with proposals for a great many other programs.

I have looked at the figures that have been compiled by people who I think know what they are talking about and I think that you have added to the corn program proposals that are going to cost—nobody knows the exact figures, but before we get through I would say upward of half a billion dollars. That might be only a slight consideration with a few people in this Chamber. But I do not think there is any emergency situation presented there that in any way approximates the emergency that exists with the corn farmer.

Mr. COOLEY. Mr. Chairman, I should like to call your attention to the fact that we have permitted the corn Congressmen to write the corn section of this bill. If it is not as you wish it, offer an amendment and I shall vote to perfect the corn section of the bill. All we have done is to go beyond corn and deal with the whole feed grain problem, as Mr. Benson said we should.

Mr. SIMPSON of Illinois. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIMPSON of Illinois. Will the gentleman vote for the Andresen amendment?

Mr. COOLEY. I ask the gentleman if he does not know that the 75 percent price-support program is in this law because he wanted it in there, and others wanted it in there, for purely psychological and political purposes?

Mr. SIMPSON of Illinois. The gentleman said that he would let the corn people write the bill, that he would vote for an amendment to that effect, if offered on the floor. The Andresen amendment is going to be offered on the floor, but the gentleman will not vote for it, will he?

Mr. COOLEY. No, because you are proposing to strike out everything else in the bill. I say, perfect the corn section, but retain the other sections. There is no other crop named in this bill. All I am asking is that producers of the basic crops be permitted to put in 18 percent of their allotment or an acreage equivalent thereto.

Mr. MORRIS. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield.

Mr. MORRIS. Is it not true that tobacco and cotton and peanuts and other crops are area crops but that corn is a nationwide crop?

Mr. COOLEY. I think the legislation which we have here shows that.

Mr. GAVIN. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. Of course I shall yield to my great farmer friend.

Mr. GAVIN. I listened with a great deal of interest to what the gentleman had to say. I recall last year the very pitiful plea that the gentleman made on behalf of the small tobacco farmer. It really touched my heart.

Mr. COOLEY. It did not touch your head though; did it?

Mr. GAVIN. I wonder if the gentleman could tell us in the matter of the

allocations that were made to the small tobacco farmer for this year whether or not he was considered as to the allocations in the respective counties throughout the tobacco-growing area or are we going to have him come back again this year for increased acreage? I just wonder how the tobacco farmer is getting along?

Mr. COOLEY. My friend does not know anything about tobacco. We have never asked for increased acreage. We have never asked for minimum acreage. We have taken every cut imposed on us by the Secretary of Agriculture, Mr. Benson, and we have not been paid a dollar in the way of soil-bank payments.

I do want to say that I think this is a serious problem. The corn farmers are in no more trouble than the other farmers. All of them are in trouble.

This is one thing I do want to comment on before I take my seat. I think it is really a sad and sorry day for agriculture when we come to the floor of the House with a bill which has been reported and, perhaps unfortunately, will be considered in the final showdown on partisan lines. For 22 long years I sat on the Committee on Agriculture with CLIFFORD HOPE from Kansas. Never, except on one occasion, did we have a strictly partisan vote, and that was in the spring of 1949 when we brought out of our committee the so-called controversial trial run on the Brannan plan. We come now to consider legislation in the opening days of this session, and we are engaged here in a bitter partisan fight. Why? Why should it be political, when corn is grown in just about every Congressional District of America?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman could very easily have avoided that if he had treated this corn situation as the emergency which it is, if he had dealt with it on that basis as we have dealt with problems affecting agriculture in other sections of the country, and then reserved for another day these other propositions that he here has included. The gentleman could easily have avoided this proposition that is here now, but apparently he did not see fit to do it; so those of us who want some legislation and want it to do some good are insisting that we must make this fight.

Mr. COOLEY. Permit me to read the language of one of the gentleman's own party:

> The biggest part of this excess came in the noncommercial corn area.

That is one sentence from the testimony of Mr. Marvin McLain, Assistant Secretary of Agriculture.

Mr. HALLECK. I was quite interested in what the gentleman from Oklahoma had to say about corn being a national or nationwide crop. Through the years I have taken my automobile and driven around the country. I like to drive down South, particularly in the early spring of the year, because it is a little warmer down there and things are lovely. I have observed that many of the things we thought we had something of a monopoly on up North in respect to farm products are beginning to be found pretty generally in the South. I do not object to that. I think a lot of this has been brought about by the very farm programs under which we have been operating. You cannot blame us too much for insisting that at the moment we deal on an emergency basis with the corn legislation before us.

Mr. COOLEY. Why is it an emergency any more than it is with other producers?

Mr. ARENDS. If the gentleman will yield, I will try to give him the answer.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. I would like to yield, but my time has expired.

Mr. ARENDS. I would like to answer the gentleman's question because I think I have the answer.

Mr. COOLEY. In that case, Mr. Chairman, I will yield myself 3 additional minutes. Go ahead.

Mr. ARENDS. The gentleman must admit his section of the country is different from ours. In my part of Illinois this past year, we raised a tremendous corn crop. One county just outside my district had an average yield of 81 bushels per acre. That is unprecedented. That is in the commercial corn area, where the important crop is corn and our economy is centered on it. Last year, according to the best information I have, approximately 40 percent of the farmers in the commercial corn area cooperated in the program because it became effective so late in the year. This year, as things now stand, but few farmers are going into the program. The figures in one of my largest counties show that only 89 farmers indicated their willingness to go into the plan. Why? For instance, a farmer with 160 acres of land, where he formerly would have approximately 50 acres of corn—and this is a fact from the figures I have at hand—has now been given approximately 38 acres of corn. Accordingly a farmer, whether he raises corn to sell or feeds cattle or hogs, cannot possibly go into this program. What is going to be the result? By not going into the program he will likely plant somewhere around 50 acres or more of corn and, God willing, if there is a good crop year, come up with all the way from 70 to 90 and possibly 100 bushels of corn to the acre. What, I ask again, is the end result? We will have so much corn on hand that we will have it running out of our ears. Then what happens? Right now with farm sales going on in our part of the country, we have farmers buying sows and gilts to raise pigs and more pigs, and we might well have the greatest supply of beef and pork this coming year than we have had for a long, long time. The result is going to be cheap meat prices. That is what is going to happen if you do not have some way of attracting our farmers into a sensible and fair farm program, who, I repeat, cannot exist under the 37.3-million-acre limitation. That is simply a statement of fact as to what may well happen unless we quickly pass emergency corn legislation.

Mr. COOLEY. Let me agree with every word the gentleman has said and then I must tell you we are doing exactly what you want us to do to increase the acreage to 51 million acres.

Mr. ARENDS. And you are putting everything else in this bill, including 5 or 6 feed grains never before considered under the plan.

Mr. COOLEY. No, no.

Mr. ARENDS. Just like the gentleman from Indiana said a moment ago, I say to you, why in all fairness did you not come in with an emergency corn proposal. Corn planting time is going to begin in just a few weeks. Let us take care of this problem and then we will go into your additional problems, but here you have muddied the waters through the inclusion of additional feed grain matters. Here in your proposal you have a problem that you cannot meet intelligently nor speedily at this time, and you know it.

Mr. COOLEY. Point out why we cannot meet the problem at this time? You said it should be met.

Mr. ARENDS. Because our corn farmers cannot nor will they go into the program as it presently exists. You know, or should know there is little if any possibility of a catch-all bill such as yours ever being written into law.

Mr. COOLEY. May I ask a question? May I ask the gentleman from Texas [Mr. POAGE] if he has any record of how much has gone into the soil bank.

Mr. POAGE. If the gentleman will yield—2,164,126 acres as of February 15 signed up.

Mr. COOLEY. That is already signed up in the soil bank. We are trying to do exactly what you want us to do. We want to deal with the whole program. We do not want to deal with it piecemeal.

Mr. ARENDS. Let us deal with the corn emergency situation, right now, quickly. We will and should look into your problem as it relates to cotton, tobacco, peanuts, and so forth. We have done so in the past and we will do so again. Let us take care of this emergency corn situation now, time is of the essence.

Mr. COOLEY. It is not my problem. I am in a commercial area as you are.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, corn farmers are in deep trouble. They face an emergency so serious that it is comparable to the drought. They are confronted by a prospective record carryover of 1.5 billion bushels of corn at the start of the 1957 crop season. And there is nothing in the existing agricultural programs that gives them a realistic means of coping with the situation.

Present legislation sets the 1957 corn acreage allotment at 37.3 million acres. This is completely unrealistic. Most corn farmers will not be able to live with such an allotment. They will not participate. And that can have only one result—continued corn production in excess of outlets, still larger stocks, and still lower prices.

Mr. Chairman, this is a terrifying outlook for corn growers. But it will not stop there. The trouble will spread far beyond the Corn Belt. The initial effect

of this breakdown in the corn program will be felt by corn sellers—but the secondary effects will be felt in every county in the United States. Most corn is marketed in the form of livestock and livestock products. These marketings account for about 55 percent of cash farm income. Huge supplies of corn mean cheap corn, and cheap corn means more and cheaper livestock, dairy, and poultry products.

This is a problem which requires correction now. We cannot afford to put it off. Speedy action is no less important here than in the drought emergency.

We already have more corn than we need, even after allowing for emergencies. We have effective tools for handling surpluses of storable commodities, provided these tools are used before the surpluses reach unmanageable levels. But we do not have similarly effective tools for handling these surpluses after they are translated into surpluses of perishables, such as eggs, poultry, and meats.

Every member of our committee recognizes that action is imperative and that it must be taken immediately. The sole difference of opinion between the minority and majority is on the method of handling the problem.

The majority has proposed a program which, despite the huge expenditure of funds it involves, will not solve the problem. It will not restore stability of supplies and price. It will not improve the long-term position of farmers in the great feed and livestock producing areas. It will not be an effective program to reduce production gluts of corn.

The minority, on the other hand, is proposing a sound program in H. R. 3011, as amended. Given a fair chance to operate in 1957, it will not only cut back corn production, but it will also provide the opportunity for bringing corn supplies back to more reasonable levels by the time the acreage reserve is now scheduled to terminate in 1960. I would point out, Mr. Chairman, that it is a program which in general had the approval of about 62 percent of the farmers voting in the corn referendum last December.

Several basic questions raised by the majority report need clarification:

Has corn received favored treatment in the past? It is stated that one purpose of the majority bill is to give other basic crops—wheat, cotton, peanuts, rice, and tobacco—equal treatment with corn.

It is alleged that corn was singled out for special treatment in 1956 through establishment of a 51 million base acreage in lieu of the allotment of 43 million acres calculated under the formula prescribed by the Agricultural Adjustment Act of 1938.

What are the facts?

Wheat, cotton, rice, and peanut producers have been—and are—protected by permanent or temporary minimum national allotments against undue cutbacks in acreage. Corn producers have had such protection just once—in 1956.

The permanent minimum acreage allotment for wheat is 55 million acres. For cotton, the minimum is 17.6 million acres for the 1957 and 1958 crops. If the allotments for wheat and cotton were determined on the basis of the acreage needed to attain normal supplies as is done in the case of corn, the national wheat acreage allotment would be only 12.4 million acres—a reduction of 43 million acres. The allotment for cotton would be only 3.9 million acres—a reduction of about 14 million acres.

Far from having been favored in the past, corn producers need the bill proposed by the minority to place corn on a more equal footing with other basics—wheat, cotton, peanuts, rice, and tobacco.

If corn is given a minimum acreage allotment of 51 million acres, this would be an increase of about 37 percent over the level needed to keep supplies in line with the supply and demand formula in the Agricultural Adjustment Act of 1938. Similar treatment for wheat and cotton would place their total acreage allotments at 16.9 million acres and 5.3 million acres, respectively.

In other words, even with a minimum acreage allotment of 51 million acres for corn, wheat and cotton would still have an immense advantage.

The following tables show that wheat and cotton would still have an advantage over corn even after a minimum acreage allotment of 51 million acres was established for corn:

	Corn	Wheat	Cotton
(a) 1957 crop acreage needed to keep supplies in balance with demand (millions of acres)	37.3	12.4	3.9
(b) Percent increase to bring corn to 51 million acres and wheat and cotton to comparable basis	36.8	36.8	36.8
(c) Acres increase on a comparable basis (millions of acres)	13.7	4.5	1.4
(d) Farmers would begin to earn soil bank acreage reserve payments when they cut below the following acreage (millions of acres) (a)+(c) if corn, wheat, and cotton were on same basis	51.0	16.9	5.3
(e) Minimum allotment for 1957	0	55.0	17.6
(f) Advantage of wheat and cotton over corn on the basis of each commodity keeping supply in line with demand (millions of acres)	--------	38.1	12.3

Acreage allotments, 1957

Commodity	Actual allotment [1]	Allotment as it would be in the absence of a minimum allotment	Relationship of actual allotment to allotment in col. 3
(1)	(2)	(3)	(4)
	Million acres	*Million acres*	*Percent*
Wheat	55	12.4	444
Cotton	17.6	3.9	451
Corn	51	37.3	137

[1] In the case of corn this represents the proposed allotment.

It is contended that the 51 million base acre corn program did little to reduce the corn surplus in the 1956 crop season. Will the same program not have the same lack of results in 1957?

Again what are the facts?

Mr. Chairman, the 1956 program was started well after the larger part of the crop was planted. Both the President and the Secretary of Agriculture warned that significant benefits could not be expected from the acreage reserve as regards spring planted crops. The Secretary of Agriculture, however, was required by law to start the program beginning with 1956 crops even though the law did not become effective until the end of May 1956.

If speedy action is taken on the minority proposal, farmers in 1957 will be in a position to participate before and not after they plant corn. The 1957 acreage reserve corn goal of 4.5 to 5.5 million acres will be achieved and the acreage of corn harvested in the commercial corn area will be significantly below the 53.1 million harvested acres in 1956.

The Government will receive direct benefits from expenditures in the form of reduced corn production.

Mr. Chairman, producers want the type of program recommended by the minority. Almost 62 percent of the farmers voting in the December 1956 corn referendum, only a few percent shy of the required two-thirds majority, approved the 51 million acre approach. In 14 of the 24 States in which the election was held, considerably more than two-thirds of the farmers voted for this approach.

If farmers had been confronted with the full proposal embodied in H. R. 3011, the vote last December would have been well in excess of the two-thirds majority required.

The American people do not want the soil bank to be turned into a giveaway program. That is exactly what would happen under the majority proposal.

The majority program could involve an expenditure of an additional $950 million with little reduction in the output of surplus crops. In determining the basis for payment, the highest acreage of feed grains planted in any one of the past 3 years would be compared with 1957 planted acreage. This would permit farmers to receive payments for reducing "phantom acres" rather than for acres actually taken out of cultivation.

What is at stake, therefore, is not merely the future income of corn and livestock producers, but also the future of the entire soil bank.

It is my firm conviction that under the majority bill we cannot continue to have an effective conservation reserve.

The Soil Bank Act as passed by Congress provides for a temporary acreage reserve limited to the six basic crops—corn, wheat, cotton, peanuts, rice, and tobacco—and a longer term conservation reserve for crops other than the basics.

The majority bill would break down this distinction. It would make acreage taken out of cultivation of six additional nonbasic crops—barley, rye, grain, sorghums, flaxseed, and oats—eligible under the acreage reserve at a higher rate than under the conservation reserve. Furthermore, these acres would have to be taken out of cultivation for only 1 year, rather than for at least 3 years as under the conservation reserve.

Now, what effects will this have on the conservation reserve?

Some producers of these six crops who have not already placed their acreage

under the conservation reserve will not put them under the acreage reserve.

Producers of these crops who have already signed up under the conservation reserve at a lower rate will claim discrimination.

Producers of other crops now eligible only for the conservation reserve will immediately request inclusion under the acreage reserve.

The majority proposal, in short, is the death knell of the conservation reserve.

Let us now analyze H. R. 4901 in a little more detail.

Section 2 of the bill provides a new acreage reserve program for acres diverted from basic commodities. It would allow producers with basic crop allotments to put into the acreage reserve an acreage equal to 18 percent of their allotments, provided they reduced acreage of feed grains below their base acreage by the amount of such participation. In order to participate under this section of the bill a farmer with a corn allotment would have to reduce one of the other feed grains below his base acreage for feed grains.

No maximum total payment limitations apply to this phase of the bill. In the event of maximum participation the cost could be as high as $700 million.

Yet very little actual reduction of feed-grain production would result. Why? Because the feed-grain base would be the highest acreage planted to feed grains in any of the last 3 years. Suppose a farm had 100 acres of feed grains in 1954, 140 acres in 1955, and 100 acres in 1956. It would have a 140-acre base. If the farmer had a wheat allotment of 100 acres, he could be paid on 18 acres of diversion, even though he increased his acreage of feed grains in 1957 to 122 acres.

Further, there is no method for checking statements of acreage against available official State or county statistics. Now I will match the integrity of our farm people against that of any economic group in this land. But, Mr. Speaker, this is not a businesslike procedure. It is not the way to run a Government program.

Moreover, in many cases the poorest land on the farm would be put into the acreage reserve. Yet payment would be made at a corn rate per acre or higher, or the equivalent of possibly $3 per bushel.

One of the worst features of this bill is the way it would affect the corn producer. Take a corn farmer with a 1957 allotment of 50 acres. Let's say in the past 2 years he has been a noncooperator and has planted 75 acres of corn each year. His feed grain base is 60 acres. To receive any payment for diverted acres, this producer must reduce his corn acreage to 50 acres and place 9 acres into the reserve and plant not more than 51 acres of feed grains. In other words, he must reduce his acreage of corn and other feed grains by 34 acres to become eligible for payment on 9 acres. He is not eligible for payment by reducing his corn acreage to 50 acres and placing 9 acres in the acreage reserve.

How can anybody call this a corn bill? It will repel, rather than attract, the noncooperator of past years.

Some of the possibilities under this bill are ludicrous—or they would be if the need for a sound program were less tragic. Here are a few examples.

On many farms with basic crop allotments there is actually no diverted acreage. The below 4 acre cotton producer who receives an allotment equal to the highest acreage planted during the past 3 years would make no adjustment. Such a producer would be eligible for payment on the basis of 1 acre of diversion at the corn rate—even though no diversion has occurred. Under this 1 acre minimum diversion, many tobacco producers would be paid on a diverted acreage greater than their actual tobacco allotments.

The method provided in this bill for establishing the feed grain base is such that, under certain conditions, the feed grain base plus the acreage allotment could exceed the entire cropland on the farm.

Producers on low-yielding farms would receive a higher per acre payment for reducing acres under section 3—the acreage reserve for feed grains—than they would under section 2—the acreage reserve for diverted acres.

To sum up, this bill would entail a vast expenditure of funds with no significant reduction in production. It is contrary to the objectives of the soil bank. It is opposed to the best interests of American agriculture.

Such amendments to the Soil Bank Act as are provided in H. R. 4901 would wreck the entire soil-bank program. The fundamental objective of the soil bank is to reduce production of surplus basic crops—corn, wheat, cotton, peanuts, rice, and tobacco—by fair payments to farmers for making such adjustments. Section (b) of H. R. 4901, with no upper limit on payments would disburse funds to producers without getting a compensating lowering of production.

Corn producers should be given a fair chance to adjust their production with minimum acreage allotments comparable to those provided to producers of other basic crops. With that amendment, we believe that the soil bank should be given a fair trial to do the job which it was designed to do.

Mr. Chairman, after passage of the emergency corn legislation as provided in H. R. 3011 all of the members of the minority will be ready and willing to review all existing agricultural legislation with a view to developing amendments to improve the position of American agriculture.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Iowa.

Mr. COAD. Would the gentleman say that feed grains have not contributed to this problem?

Mr. AUGUST H. ANDRESEN. They may have contributed to it. I know that the committee bill contained a provision with reference to feed grains, but I do not think it will solve anything as far as the feed situation is concerned. And let me say to the gentleman again that while he is not a member of our committee, yet we are willing to sit down as members of the committee and work out the feed-grain proposition, the soil-bank proposition, the whole farm proposition; and that is what I propose to do as long as I continue a member of this committee in the present session of the Congress.

Mr. COAD. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I am sorry, I cannot yield further but will after I have completed my statement.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. The gentleman made a statement that the Andresen bill which is to be offered as a substitute would produce less corn. The gentleman indicated that it would produce less corn than the committee bill which we are now considering. The gentleman does not mean to say that, does he?

Mr. AUGUST H. ANDRESEN. I am convinced that if my bill is enacted in time, the one I am proposing, there will be a tremendous amount of corn acreage, from 4½ to 5 million corn acres in the commercial corn area, where the surplus is, will go into the soil bank, and be taken out of production, and we will get a lower corn supply in 1957 than we had in 1956.

Mr. JONES of Missouri. Will the gentleman not agree we will have still less corn produced if we adopt the committee bill and that there will be produced less feed grains?

Mr. AUGUST H. ANDRESEN. No, I cannot agree with that. In the first place, I cannot agree because I know that the committee bill will never become law. In the second place, the committee bill does not properly deal with the feed grain proposition because it does provide that diverted acres may be taken out of cotton, peanuts, wheat, and the other basic commodities, outside of corn, and where you have feed grains on any of that diverted acreage, in any one of 3 years, you can take out 18 percent of that feed grain acreage and put it in the soil bank by making corn payments on diverted acreage that has heretofore been planted to cotton, peanuts, and the other basic commodities.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. POAGE. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I am going to ask that I be privileged to make a statement as to the need for this legislation and the two different approaches which have been suggested to solve the problem before I am interrupted by questions. I will attempt to answer questions after I have completed my statement but I believe I can save the time of the Committee if Members will allow me to proceed.

First, we should answer the question, What is the problem that brings legislation before the House at this time? The problem is rather simple. It is that we have substantially more feed corn and corn equivalent than the market is taking and that each year we are producing substantially more corn and corn equivalent. By "corn equivalent" I mean other feed grains that may be substituted for corn. We have more corn and corn equivalent than we apparently need with our present supply of livestock.

It was natural that those who are affected by this program began to cast about for some means of controlling this apparent surplus. Now, I am not as concerned about the surplus as some people are, because I do not believe that an adequate supply of food or fiber or of feed is per se a dangerous or a hurtful thing to a growing economy. On the contrary, I believe that we are well advised at all times to maintain adequate supplies of food, fiber, and feed. But, with corn and corn equivalent greatly exceeding 4 billion bushels per year, we are faced with the necessity of looking about to see how we can bring our total feed supplies more nearly in balance with our current demands.

Let us see how we have tried to achieve this balance in other fields. We have six commodities that have been called basic. The name "basic" is used to distinguish those crops which have the privilege to vote upon themselves, acreage allotments and marketing quotas. Five out of six of those commodities have for a good many years been under acreage controls and marketing quotas, which means that you cannot grow wheat in the United States, except those of you who grow less than 15 acres, without complying with marketing quotas. You cannot be a commercial producer of wheat and grow in excess of your acreage allotment without penalties. If you grow more than your allotment, you are penalized; you have to pay a penalty. You do not simply lose your support price; you lose that, but you also have to pay a penalty. If you grow more cotton than your allotment, you do not get the support price, but in addition you pay the United States Government a penalty of 50 percent of the support price. I believe it is 75 if you grow more peanuts than your allotment.

But, the corn people have never seen fit to accept such controls, and as a result, the corn people have been growing approximately the same acreage of corn for the last 10 or 15 years. I am talking about corn in the commercial corn area only. There has been no appreciable reduction in the acreage of corn in the commercial corn area. There has been a reduction in wheat of more than 30 percent. There has been a reduction in the acreage of cotton exceeding 30 percent. There has been a reduction in peanuts and tobacco acreage approaching 50 percent. Now, those people did take these large reductions without receiving a dime of pay. They took that reduction in acreage in return for a guaranty of price. The corn people got the same guaranty without any reduction in acreage.

Now, let us face it. The corn people have been receiving support prices as high and oftentimes higher than the cotton and wheat people have, and yet corn farmers have never had to face any mandatory reduction in their acreage.

Last year corn was supported at 86 and a fraction percent of parity. No controls. Cotton was supported at 82.5 percent of parity with better than a 30-percent cut in acreage. Wheat was supported, I believe, at 82.6 percent with more than one-third taken out of production. And, the cotton and the wheat men did not get a dime when they took their land out of production.

Now the corn people at long last seem to realize that they have got to make a reduction, too, and I think they are right about it. They realize that they have got to follow in the footsteps of the cotton men, the wheat men, and the tobacco farmers. They realize they have to make a reduction or they are going to be sunk by the very volume of their own production. So, they suggest not that they take a reduction like the other farmers have already taken, but rather that they be allowed to place their land in the soil bank and receive an average of $42.50 an acre for every acre that they retire from corn. That is pretty good pay, gentlemen; that is pretty good pay for taking your land out of production for the purpose of maintaining your own price. But the Andresen bill goes further and pays corn-growers in the commercial area to take any land out of cultivation and receive payment at the same rate as if they had taken corn out of production. We took our cotton land out and we did not get anything. These tobacco men took their tobacco land out and they did not get anything. Corn men say "we will take out our land if you pay us $42.50 an acre." The committee said, "Yes, we will pay you. We know that you cannot get two-thirds of your people to vote for the kind of allotments that we have in cotton and wheat. We know you are not going to support marketing quotas. We realize that you are faced with a serious problem." So we said, "We will recommend to the House of Representatives that we pass legislation that will let you draw money for every acre you take out of corn below 51 million acres."

We have never said that to any other crop in this Nation. Is not that a pretty liberal proposition? You grew 55 million acres of corn last year in the commercial corn area, did you not? We say "Reduce it by a measly 4 million acres. Four million acres out of 55 million and we will pay you for all the rest that you take out of feed."

I can remember when we grew 43 million acres of cotton in these United States. We have the right to grow 17,500,000 acres this coming year—17,500,000 out of 43 million. I can remember when this Nation grew 84 million acres of wheat and the wheat people have the right to plant only 55 million acres of wheat this year. And they did not get paid a dime for that tremendous reduction.

The corn people said, "But we must be paid." And we on the committee said, "Yes, we believe you must. We believe you are in a serious situation. You have enjoyed your special privileges so long you cannot get the farmers to vote for marketing quotas or to comply with acreage allotments. The Nation needs the reduction. We know it. We believe that it is essential to protect all agriculture and we recognize that corn is a very important part of American agriculture. It is our largest single field crop. We believe it is essential to protect the livestock industry, to have stability of feed prices. We have tried to help you get that stability."

The very first day that the Andresen bill came before the subcommittee I, myself, said, "We will help you get the program which you feel you need for corn. We will do for you all that you want done if you will apply the same rule across this board. But we will not give to corn a treatment entirely different and more favorable than you are willing to accord to the other great crops of America."

We said to you, "We will let you write the corn provisions." And before any man stands here and suggests that our committee has been unwilling to do that, I call attention to the fact that I myself made a motion to report out the Andresen bill, to substitute our provisions relating to the other commodities—to add them to the Andresen bill and report it out under his name. But he said, "No, I do not want that. I do not want my name attached to a thing that would do for other people what I want done for the corn area."

No; we have tried to do what you asked. We are ready to do what you ask. We offered to the corn people all they have told us they needed. We are still willing to do what you ask, but we ask you to do something for other people, too.

You know, the attitude of some of those who have argued about this corn bill reminds me of the old man who went out and prayed. And he said, "Lord, bless me and my wife, my son John and his wife, us four and no more."

Too many of these corn people have seemed to place far more emphasis on the "no more" than they have on the blessings that they themselves seek to receive.

There has not been any disposition in the committee to deny blessings to the corn people, and there is none today. The first thing in the committee bill that we bring you today is an increase of 6 million acres in the corn allotment. Read it. That is the first section of the committee bill. It arbitrarily sets the corn allotment for 1957 at 43,200,000 acres. That is 5,900,000 acres higher than your own Secretary of Agriculture set the allotment.

Now, let us be fair about this. The Secretary of Agriculture set the allotment, and he set it at 37,300,000 acres. The committee bill sets it at 43,200,000 acres, just exactly what you had last year in the way of allotment. The very first thing in this bill gives to corn every acre that you had last year, every acre. We simply picked out last year's allotment. You lived under it and you did pretty well.

I believe it is fair to say that almost all the sales of farm machinery that are being made right now are being made in the commercial corn belt. I believe it is fair to say that the rate of foreclosure in the commercial corn belt of the United States today is appreciably

lower than it is in any other section of the United States. I believe it is fair to say that the average farm income in the commercial corn belt is today far higher than it is in the rest of the United States.

Facing those facts, can it be honestly said that last year's corn allotment meant ruin for the corn farmer? And we give you 6 million acres so your commercial corn farmers will not have to take any cut from the allotment which gave relative prosperity to the commercial corn area. We never gave that to any other crop in the history of this Nation. We give you a new and a larger allotment than any of your representatives ever asked for.

I recognize that one of the great farm organizations came before our committee and said, "But you haven't got a floor under the corn allotment. Why don't you have a floor under the corn allotment?" The answer is very simple. There never was a representative from the corn area that ever walked into our committee and introduced a bill asking for a floor under the corn allotment. As soon as it was suggested that the corn people wanted such a floor, Chairman HAROLD COOLEY, from North Carolina, who was deeply concerned about this floor under the corn allotment, offered the committee bill setting a floor as high as your last year's allotment. We gave you the floor, and we give you the floor in this bill, and we give you 51 million acres, which is exactly what you had last year, from which you can make cuts and receive payment. That is what you had last year and you prospered. Last year you called it the farm base. It was, and under this committee is, 51 million acres. Your prosperity was far greater last year than that of any other agricultural section in this Nation. You had to get down to your farm's share of 51 million acres in order to put your corn land in the soil-bank last year and you have to get down to the same figure under the committee bill.

We give you the same thing as your 1956 farm base this year and say that you can put 18 percent of your corn allotment into the soil bank and receive payment for it, provided only that you are taking it out of corn or other feed grains. That means you have to stop growing quite so much feed. But the Andresen bill, on which you are going to be called to vote, does not require any reduction of feed grains. The Andresen bill does not require you to reduce your feed grain acreage in order to get soil-bank payments. Let us read it. Let us read the record. Here is the Andresen bill, H. R. 3011. Here is what it says on page 2. I challenge every one of you to follow me. It says that—

For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a cooperator shall be a producer who puts 18 percent of his farm allotment in the soil bank—

It does not say corn land.

It says—

who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn.

That is right; is it not? I have not misrepresented it; have I? That is what the Andresen bill says. It says you do not have to reduce one single acre below your share of a 51 million acre farm base.

You from the commercial corn area told us that you had a great surplus of feed. That is what we were told in the committee. All of those who advocated the Andresen bill told us that. The Secretary of Agriculture came before the committee and told us that. The Assistant Secretary of Agriculture came before us and told us the same thing. They all told us there was too much feed. We agreed. But, the Andresen bill does not require the reduction of one single acre of feed, but allows you to go out and plow up some meadow as long as it is tilled in rotation. Go plow up something that never had corn or feed grain on it—a watermelon patch or anything else, and put it in the soil bank and receive payment for it at the corn rate which averages $42.50 an acre over the country. Then, you can plant your share of 51 million acres of corn, which was your full allotment last year. That is what the Andresen bill says you ought to have, and it is all that everybody says you ought to have. They all said you had to get your corn plantings below 51 million acres if you were going to achieve helpful reduction. We thought that we could all agree on the need of making some worthwhile reduction in production, but you now seem to say that you want to plant your corn and have Mr. Benson pay you for it, at full support prices. Possibly, Mr. Chairman, it is this privilege of planting all your farm base in corn and still getting payments for putting land which was not in either corn or other feed in the soil bank which some Members want. Possibly this is the advantage they see in the Andresen bill as contrasted with the committee bill, but if it is, it is an advantage which no one was willing to ask for in the committee. It is not in keeping with what your Secretary of Agriculture told us we needed. He told us we needed a reduction in feed grains and everybody I have heard has repeated that. We needed a reduction in feed grains.

The real differences between this bill which the committee proposes and the bill that is going to be offered as a substitute basically are two. The majority of the members of the committee felt that there were two principles involved to which we must hew if we were to bring legislation worthy of the favorable consideration of this House. Those principles are simple. First, we said that we should treat all farmers with substantial equality—that if a man in Alabama reduced the production of feed grain by taking diverted acres out of production, he should be allowed to have the same kind of treatment that the man in Iowa would have for a similar reduction, and we said that if a man in eastern Colorado who has reduced his wheat by one-third and who has been growing feed grain would reduce his feed grain acreage that he, too, should be given the same opportunity to place that land in the soil bank as is accorded the man in Illinois who takes his corn out. For that matter, we said that a man in Mississippi who is growing a hundred bushels of corn per acre in the Mississippi Valley, on land diverted from cotton, should have exactly the same right to reduce his corn production even though he lives outside the commercial corn area, that the man inside the commercial corn area has. I well realize as the gentleman from Illinois [Mr. ARENDS] pointed out that he has a great State, producing a great deal of corn but acre for acre there are areas in the Mississippi Delta that produce more bushels of corn than his great State of Illinois. And yet, this Andresen bill would not give one thin dime to put that Mississippi corn land into the soil bank. We felt that was not fair, and we felt that any bill we passed must be fair to all farmers.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. In just a minute I will yield. But before I do I want to tell the Committee just what this problem is and just what solutions have been proposed and why the committee took the solution that it did.

We felt there was another principle also involved, and that was that, if we were going to spend a substantial amount of money in reducing corn production in the United States, we ought to achieve something; that we ought to actually get some results. I think you will all agree that that is a sound proposition.

Before I elaborate on that let me call your attention to this: There have been some suggestions or intimations that the committee bill is unreasonably expensive. The committee bill does involve a very substantial expenditure of funds; very substantial. We believe that it will achieve something. There has been an intimation that the Andresen bill would involve practically no expense.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Not just yet. I want to yield a little later. But I want to call attention to the fact that the Andresen bill may involve some money, too. Some very big money. Let me read the figures. I am not going to simply give you my conclusion. The gentlemen have said the committee bill would cost vast sums. There was a little difference of $200 million in their estimates and they admitted they were just guessing. Let me give you some figures on this Andresen bill, figures you yourself can check. This is what it can cost. I do not say that it will cost so much, but this is what it can cost. I am going to read it, and when the gentleman from Iowa [Mr. HOEVEN] rises I want him to point out if I am incorrect. This bill authorizes an increase in corn allotments in a commercial area from 37,289,000 acres to 51 million acres. That is an increase of 13,711,000 acres of allotted corn. In 1956 the yield of corn in the commercial area was 49.6 bushels per acre. The 5-year average yield, counting the 2 poor years of 1954 and 1955, was 46.2 bushels per acre. The support price announced for 1957 is $1.36 a bushel. I do not think anybody will quibble over these figures. They are the figures of the Department of Agriculture.

On the basis of the 1956 yield, 13,711,000 acres times 49.6 equals 680 million bushels of corn. See if I am not figuring it right—680 million bushels times $1.36 per bushel equals $924,800,000; a possible increased price support obligation in 1957, under the Andresen bill—$924 million more than it is possible to cost under the present allotment.

On the basis of the 5-year average, 13,771,000 acres times 46.2 bushels equals 633,448,000 bushels, times $1.35 a bushel equals $862,892,000; or, for the 3 years the Andresen bill has to run this could create an obligation of $2,588,676,000 of added price supports for corn in the commercial area alone. I ask you who follow me to point out if this is wrong and if it is, to explain how it is wrong. I am not giving you a simple sum, an offhand guess as to what this bill can cost, I am giving you figures covering the actual facts, and I ask you to point out wherein I am wrong. If you don't do so I think that we can fairly assume that you agree that my figures are correct.

Mr. ARENDS. Mr. Chairman, will the gentleman yield right there? It is important.

Mr. POAGE. I am sorry, I cannot yield yet. I want to complete my statement.

I pointed out that the committee felt that we wanted to do for corn what needed to be done for corn. What the corn people said needed to be done for corn we did. But we said we also wanted to do for other people similarly situated something comparable, so we said that if you are growing feed grains on diverted acres, it did not make any difference where those diverted acres were—Iowa or South Carolina—that to the extent that you take feed grains out of production that you can put 18 percent of your allotted acres into the soil bank and receive payment at your local corn rate; or if there is not any corn rate at the rate of feed grains, or if your county has neither any substantial corn or feed grain production, then at a minimum of $10—from $10 to $50 an acre. That means, of course, that most of the acres diverted from wheat would not get more than $10; most of the land diverted from cotton would get between $15 and $20; most of the corn acres would get from $40 to $45. That is what that means.

There is no discrimination against corn because corn is going to get far larger payments than any other crop. But we had this second provision in mind, that you had to actually reduce feed grains, not like the Andresen bill said, just put some acres—any acres—in the soil bank and get paid for it; we said you have got to reduce your feed grain production. That is what Marvin McLain said is important. That is what the Secretary of Agriculture said is important; that is what we are doing, we are trying to reduce the feed-grain production whether it is in Illinois or in Georgia, or elsewhere, but wherever they are, all farmers are treated alike anywhere in the United States.

We have heard a whole lot about second-class citizenship in the last few weeks and we are quite likely to hear a whole lot more in the days to come. Who is going to vote for second-class citizenship. Who is going to claim he is a friend of the farmer and vote to relegate the producers of 5 out of 6 of the great commodities of America into second-class citizenship.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry. The answer is still "No," until I have covered this matter, then I shall gladly yield.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 10 additional minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 10 additional minutes.

Mr. POAGE. That, Mr. Chairman, is the problem that confronts us; that is what the committee was faced with. Now you ask, How did the committee attempt to solve this problem?

The committee attempted to solve that problem by recognizing those two principles I have mentioned. The committee attempted to do two things; first, to give to corn in the commercial corn area equal treatment with corn outside the commercial area.

I want to divert a minute, Mr. Chairman, to talk about this commercial corn area. There is not any other equal monstrosity in the agricultural laws. The commercial corn area is an area consisting of some 894 counties in the United States. It has almost doubled in size since being created. It is an area that enjoys special privileges, it is an area where producers get price supports that are not accorded to corn producers who farm outside the commercial corn area. It is an area of first-class farm citizenship. The corn farmer who does not live in that area enjoys a second-class citizenship and the feed farmer who grows corn equivalent—that is, maize or barley or oats or something of that kind—enjoys maybe third-class citizenship.

So we have established classes of feed farmers. There are no different classes of cotton farmers. They are all subject to the same law. There are no classes of tobacco farmers. They are all subject to the law. But in corn you must live in certain States to enjoy the full advantage of the law. You get a different price if you live in certain States, not based on proximity to market but simply because you are in that magic area—the commercial corn area—the area to which the Andresen bill would confine its payments. We did not think there was any rhyme or reason in maintaining a thing of that kind. We felt that we ought to treat corn like we treat every other commodity and say that if you decrease the production of corn anywhere in the United States it will decrease the total production of corn in the United States. Many thought that was sound. We did that with every other crop. So we said, if you decrease the production of corn anywhere in the United States we want you to decrease its production all over the United States.

The present law says, and the Andresen bill says, that you can balance something here. I have nothing better to balance than my spectacles. I push down on this end, what happens to the other end? Look at it. I push down on this end and what happens to the other end? You know what happens. It goes up, of course. That is what has happened to corn for a good many years. We have pushed down in the commercial corn area and feed production goes up outside. That is why Mr. McLain said that the bulk of this problem originated outside the commercial corn area. So we felt that if we were going to spend a quarter of a billion dollars, a half billion dollars, $900 million, or any other amount of money, in the commercial corn area only, that we better see to it that we would spend enough money in enough places to do some good, else whatever we spent was a total waste.

We spent $179 million in paying for land bank retirement of acres in the commercial Corn Belt last year, but we did not reduce the commercial corn acreage. In fact, they grew 4 million acres more last year in the commercial area than their farm base of 51 million acres. We increased corn outside the area and we increased feed grains outside. We got absolutely nothing for our money.

So the committee said, let us adopt the reasonable proposition of treating everybody alike and of having the same principles apply across the board so that we will really get a reduction in the total production of feed grains. I think that is the only sound way of doing it.

The bill is, of course, rough. The bill has defects in it. There are amendments we need to offer; there are perfecting amendments which we will offer. We want you to understand that we are not bringing it to you as a perfect instrument.

Unfortunately, those who wrote the bill did not have any help, not a bit, from a vast number of the committee. Not one amendment was offered to this committee bill from the other side of the aisle. There were no suggestions, not one suggestion, as to how we could improve it. All we were told was, "Boys, we are faced with an emergency and we have got to do something for commercial corn because we are going to be planting commercial corn in April and May." Of course, we have already begun planting noncommercial corn and are planting it every day right now. We have already got cotton up and chopped out down in Hidalgo County, Tex. They talk of "emergency" just as if we from the Deep South did not know anything in the world about an emergency or how soon you have to plant. Somebody has overlooked their geography and their almanac. We have been planting. We know about this emergency. And, we held subcommittee meetings every afternoon that the minority wanted to sit with us. We never refused to hold them one single day, although several times it was suggested, "Well, we have had too much. Let up stop awhile." We went right down the line with this bill and expedited it just as fast as we knew how. I do not claim any credit or merit for it, because we were trying to meet the emergency of our own farmers as well as of the corn farmers and we are convinced that our own emergency is just as great as that of

the men who do not have to plant corn until in May. We believe we know something about that emergency, too, and we are just as anxious to get a bill passed here as anybody on this floor.

Now, folks, let us be reasonable about it. There is nothing involved here except whether you are going to treat everybody alike and try to get a bill that does justice and equality to all; a bill that will reduce the feed grain acreage of the United States. On the other hand, you can vote for a bill that will take care of the pocketbooks of those who live in the commercial corn area only, but a bill which will not reduce the total of feed grains one single bushel. You have got your choice here. They are both expensive. They are both high-priced programs. But we are concerned with a serious and desperate problem. I agree so with my friend from Minnesota: We do have a desperate situation. We do have a situation that needs action now, but it needs to be taken on a nationwide basis and not on the basis of 7 or 8 States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 25 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Indiana.

Mr. HALLECK. I am quite sure that if the speech made by the gentleman from Texas is in the RECORD tomorrow, it will be read by a lot of corn farmers in the Middle West with great interest. While he says that the committee bill would take good care of the corn farmers of the Middle West, he certainly had a lot of things to say that did not indicate any real concern for them, and some of us may hope that many people out there read his speech.

Actually I was a bit surprised to hear him talk about second-class citizens, because we do not think the people engaged in agriculture in the South are second-class people. As a matter of fact, the figures show they have been doing pretty well. I have here average prices and percentage of parity for February 1957 showing the necessity for doing something about corn; maybe it is not prevalent at other places. These figures show cotton at 82 percent, wheat at 83 percent, rice at 84 percent, peanuts at 83 percent, tobacco at 88 percent, oats at 84 percent, and sorghums at 79 percent.

Where is corn? Corn is 66 percent. Now it looks to me like you have got this farm program manipulated to the point where some of you keep your prices up above 80 percent, but apparently you are perfectly willing to let the corn farmer go down to 66 percent of parity. And, I want to say that the agricultural economy of our commercial corn area is as vital to the overall economy of this country as any place you can find, and I, for one, must feel a little concern when the gentleman from Texas undertakes to write our program. I am hoping the gentleman from Texas [Mr. POAGE] will put the price tag on the part of the bill which goes beyond the Andresen substitute. As I understand him he says that the committee bill has the substance of the Andresen substitute which deals with corn, and by the most fantastic figuring I ever heard, apparently he was trying to get it up to $2 billion. But before we get through I think we should know what the Andresen bill will cost and I think that can be fairly well determined. The gentleman from Texas says that the committee bill beyond that is going to cost a lot of money. I hope that the gentleman from Texas, or the chairman of the committee [Mr. COOLEY], will put the price tag on it, the additional amount that it is going to cost.

I do not see any emergency in respect to that part of agriculture. I think the people in this country, the people who are paying the taxes, are going to want to know before we vote for the committee bill, just how much more it is going to cost.

Mr. HILL. Mr. Chairman, I would like to say to my dear chairman on my right that I have agreed with him many, many times, but when he goes off on a tangent, I reserve the right as an American citizen—and not as a second-class citizen, nor do we have any in my territory—to differ with him. I do not yield to anyone in the matter of being able to read and write and understand. But he accused us, and pointed to me directly and used my name, of doing certain things. He said the wool bill was the Brannan plan. He could not have made a greater error if he had said he was the King of Siam. Such a statement would be in exactly the same class, for this reason. No. 1, this country produces a deficiency in wool. Wool is not a surplus product. The Brannan plan was never intended to handle a product in which we have a deficiency. Let us get that straight now. Let us begin to think these things through. The same thing is true of corn. Corn is not in the same class as tobacco. I am rather amused by my friends on my right who are trying to tell us what we should do in corn. I do not produce corn, although I was raised in a corn-producing county. At the present time I am in a sugar-beet area and a livestock area. But this is the first time since I have been a member of our committee, for 15 years, that the Congressmen on the right-hand side, the majority party, refused to listen to the corn producers on the left-hand side, and to let them write their own bill. Our good chairman has said time and time again that that is the way we should do it. But you are looking at a Congressman who has voted practically every time to let the peanut producers set up their own program. I would not vote to discount it or write it off the statute books today. If you are going to throw it out, give them some time—3 or 5 or 10 years to get out of the production of peanuts, or to get out of the production of other crops.

But we are here this afternoon to discuss a bill which I assure you is not in any sense a bill covering a product that can be handled like cotton. Corn is a special product, a separate product, and it must be so considered in this legislation, more so than any other product. Sixty-six to 75 percent of all the corn produced is either fed on the farm where it is produced or in the area. It is a product that is marketed through livestock. I hope we will keep that in mind as we continue this debate.

Since this is Ash Wednesday, I am going to try to be just a little tolerant. I shall continue until I have finished my statement and then you may ask the other gentleman who follows me on this side any questions you wish.

Mr. Chairman, in this proposed legislation, H. R. 4901, reported by a one-vote majority by the Committee on Agriculture on which I have the honor to serve, we have an important and grave decision to make concerning our entire farm program. A decision which could have far-reaching and serious destructive effects on all farm-price supports.

Agricultural production does not operate as a manufacturing plant that can be curtailed or expanded at will or, like a water faucet—turned on or off. No, planning, planting, and cultivating of crops must be done far in advance of any opportunity to market them or to have definite information as to what the price might be when marketed or whether weather conditions would provide the opportunity for a harvest.

The Andresen bill, H. R. 3011, which I understand will be presented as a substitute by the minority, is strictly an emergency piece of farm legislation.

H. R. 3011 was introduced by Congressman ANDRESEN on January 16, 1957, almost 2 months ago.

We are not as a committee presenting you the Andresen bill but H. R. 4901. By the number of this bill you can understand it was introduced much later and has little or no resemblance to H. R. 3011.

To give the House an opportunity to work its will on this legislation the Rules Committee held two hearings and gave us a rule providing for the substituting of the Andresen bill—H. R. 3011—for the committee bill—Cooley-Poage bill, H. R. 4901.

May I congratulate our minority leader, Congressman ANDRESEN, in the thorough, fair, and broadminded procedure he has followed in providing the proper type of parliamentary procedure that is presented to us this afternoon. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has been unusually fair with the opposition by insisting at all times that H. R. 4901 is not emergency legislation, but a completely different approach to our entire basic 1938 Agricultural Act than does H. R. 3011.

It seemed to us at times during the hearings on this measure that the majority felt they could talk the life out of the Andresen bill, and when they could not succeed they produced a new bill—a monstrosity to my way of thinking and in no way could be called an emergency or a correction of the present situation in the corn program.

In H. R. 4901 the Committee on Agriculture is presenting to the House one more step along a dead-end street, which appears to some of us could lead directly to the end of all farm supports.

In my judgment the ultimate answer to our farm difficulties does not lie in this type of legislation. H. R. 4901 is

based on the original act of 1938 which established six basic crops.

It is impossible to classify crops as basic on a selective basis. Within each of the six general categories of basic crops we find several different varieties, marketed differently, used differently, and grown under different methods in the various locations or areas where each crop is produced.

An example of what I mean is tobacco. It is grown on limited areas with a high percentage of hand labor and cannot be compared to wheat grown in and on vast areas in the Plains States and using complete mechanization.

Why these two crops should both be classified as basic is a $64 question. Wheat, certainly, but tobacco, never. Yet in spite of what I have said about these 2 basic crops all 6 basic crops: peanuts, rice, tobacco, corn, cotton, and wheat are more or less treated in the same manner under the basic act of 1938.

Time and time again since the basic act became law we have attempted to bolster up sagging farm prices on one crop or another until we find ourselves in a position where the support price on farm crops is kept in motion by depending on funds from the United States Treasury and the law of supply and demand is flouted. Such programs cannot possibly succeed and are doomed to failure in the end.

A new approach to the entire farm program should be devised and that would make emergency programs unnecessary. Frankly, I do not feel that anyone knows the answer, but we do know that many of our present programs are not functioning properly.

There is an emergency in the corn program and an emergency that we must meet immediately. In fact, this should have been the first order of business in our Committee on Agriculture for 1957.

Of course all feed grains should be tied into a general farm program. And what are the feed grains? They are all sorghums, oats, and barley as well as corn. This should and must be written on a long-range term and in no way should be in an emergency program. To saddle on to the soil bank the administration of thousands of acres of grain sorghums, with less than 1 year's operational experience, at a cost estimated over $900 million would in my considered opinion spell the doom of any type or kind of a continuing soil-bank program. Utter confusion would reign and this patchwork legislation contained in H. R. 4901 would spell the end of what I have considered one of the finest programs for agriculture that this House has instigated—the Soil Bank Act with its acreage reserve and conservation reserve programs.

Let me remind you again that the Andresen bill is emergency legislation.

CORN AND THE SOIL BANK

When on January 30, 1957, Marvin L. McLain, Assistant Secretary of Agriculture, appeared before our committee he said:

> Corn, our most valuable single crop, is not well adapted to acreage controls.
>
> Less than one-third of our corn crop is sold off the farms where it is grown. Since only a small part of the corn crop enters trade channels, marketing quotas will not work, as the Congress wisely recognized when it repealed them in 1954. Hence the corn program must be voluntary.
>
> When Congress was giving consideration to the soil-bank features of the Agricultural Act of 1956 it gave special recognition to the problem of corn. After very careful analysis of the factors affecting the level of corn-acreage allotment and relationships of corn to other basic commodities it was determined to eliminate the 43 million allotment for 1956 and to substitute a 51-million-acre base. This decision was based on the following factors:
>
> A. In adjusting to their allotments producers of other basic crops diverted a substantial part of their acreage taken out of production to feed grains, including corn. As a result the 1954 and 1955 production of oats, barley, and grain sorghums increased about 600 million bushels, corn equivalent by weight as compared with 1953. The biggest part of this excess came in the noncommercial corn area. This led to the substitution of other feed grains for corn in livestock feeding and a substantial increase in the corn carryover. The corn carryover rose from 769 million bushels at the beginning of the 1953 marketing year to 1,166,000,000 bushels at the beginning of the 1956 marketing year. The loss of corn markets to other feed grains contributed substantially to this increase in carryover. The net result was that under the legal formula for the determination of acreage allotments that the 1956 acreage allotment was reduced from about 50 million to 43 million acres. Corn farmers and livestock producers are carrying not only their own problems but in addition the problems shifted to them by producers of other crops.
>
> B. In addition, Congress recognized that there is special legislation with respect to wheat, cotton, rice, and peanuts such as minimum acreage allotments which prevent the adjustment of supply to normal levels as defined by law.

Acreage allotments, 1957

[In millions of acres]

Commodity	Actual allotment	allotment as it would be in the absence of a minimum allotment
Wheat	55.6	12.4
Cotton	17.6	3.9
Corn	37.3	37.3

> As a result of these minimum provisions in the law, the 1957 acreage allotment for wheat was about 42 million acres more than needed to adjust supply to normal. Cotton was about 14 million acres above that level. The situation for rice and peanuts was similar. In the case of corn, however, there was no minimum acreage allotment provided and the formula requires the full adjustment of corn-acreage allotments so as to provide a normal supply.
>
> Another provision in the Agricultural Act of 1956 relative to corn provided that for crops after 1956 there must be held a referendum giving farmers a choice between two programs:
>
> (a) A continuation of the acreage allotment program; or
>
> (b) A base acreage for the commercial corn area of 51 million acres for the duration of the soil bank, after which there would be no corn acreage allotments and corn price supports would be determined in a manner similar to that now provided for other feed grains.
>
> A vote of at least two-thirds voting in favor of the 51-million acre corn base was required in order to eliminate the allotment program for 1957 and future years.
>
> The vote was 61.5 percent of those voting in favor of the 51-million acre corn base with discretionary supports. This was just short of the two-thirds required. The vote by States was as follows:

State:	Percent favoring base acreage
Illinois	80.8
Iowa	59.5
Minnesota	23.6
Indiana	74.6
Ohio	71.3
Missouri	47.8
Wisconsin	55.0
Nebraska	50.0
South Dakota	27.0
Michigan	76.0
Kentucky	87.2
North Carolina	78.6
Pennsylvania	73.9
Georgia	85.9
Tennessee	36.9
Alabama	83.6
Virginia	50.9
Kansas	51.7
North Dakota	28.5
Maryland	67.2
Arkansas	89.6
New Jersey	80.7
Delaware	88.4
West Virginia	94.6

> Remember, this is in accordance with an act passed by Congress and is still the law.
>
> Thus, in accordance with the present law there is required an allotment of 37.3 million acres for 1957. This is about one-third fewer acres than were planted in the commercial corn area in 1956 and is the lowest per farm allotment ever received by corn farmers.

Let me emphasize what Mr. McLain discussed in his statement before our committee:

> Corn has always been treated in a different category and a different way than any other single basic crop.
>
> The acreage for wheat is on a minimum allotment of 55 million acres, for cotton 17.6 million acres. If we discarded the minimum base, which has been added to the program by Congress, the allotment for wheat for 1957 would be 12.4 million acres and for cotton 3.9 million acres. Fantastic as they seem that would be the actual total number of acres that could be planted for either of these crops.
>
> Is it any wonder the corn farmers are unhappy and would refuse to accede to a program that curtails them to 37 million acres.
>
> The Andresen bill, H. R. 3011, does not put corn on the same basis as wheat. If they did the corn allotment in 1957 would probably be close to 150 million acres.
>
> Neither does the Andresen bill destroy the soil bank.
>
> In closing let me discuss for a few moments what the soil bank will mean to the farmers if it is not disturbed.
>
> These are the 1957 acreage reserve program preliminary allocations in dollars, as prepared by the Department of Agriculture Commodity Stabilization Service, Soil Bank Division, January 7, 1957.
>
> Mr. Chairman, I should like to include as a part of my remarks a statement entitled "1957 Acreage Reserve Program: Preliminary Allocation of Funds (Dollars)" which shows what each State received in the way of funds for various commodities.

1957 acreage reserve program: Preliminary allocation of funds

[Dollars]

State	Wheat (revised)	Corn	Cotton, upland	Rice	Tobacco				
					Flue-cured T-11-14	Fire-cured T-21-23	Burley T-31	Maryland T-32	Dark air-cured T-35-36
	1	2	3	4	5	6	7	8	9
Alabama		1,208,000	12,322,400		11,000		800		
Arizona			11,122,700						
Arkansas	47,000	288,000	20,687,300	3,380,800			1,300		
California	2,787,000		26,355,300	3,038,500					
Colorado	22,284,000								
Delaware	84,000	673,000							
Florida			428,900	5,700	376,080			100	
Georgia	830,000	987,000	10,870,500		1,534,000		2,400		
Idaho	7,520,000								
Illinois	898,000	41,804,000	38,000	380					
Indiana	1,970,000	20,728,000				100	200		
Iowa	226,000	44,287,000					288,400		1,300
Kansas	83,416,000	3,355,000	200						
Kentucky	725,000	4,497,000	143,500				2,200		
Louisiana			9,331,400	5,617,700		400,400	6,216,800		372,000
Maryland	592,000	1,666,000	300					1,053,100	
Michigan	8,284,000	6,016,000							
Minnesota	3,796,000	19,344,000							
Mississippi			15,977,500	275,100					
Missouri	3,060,000	12,434,000	8,793,600	55,300					
Montana	15,079,000						85,700		
Nebraska	16,120,000	16,614,000							
Nevada			54,300						
New Hampshire									
New Jersey	176,000	736,900							
New Mexico	1,397,000		4,623,800						
New York	3,425,000								
North Carolina	1,727,000	2,969,000	6,605,100	200	12,660,000		883,600		
North Dakota	30,958,000	225,000							
Ohio	6,551,000	15,695,000							
Oklahoma	19,964,000		6,088,600	1,200			308,000		
Oregon	4,138,000								
Pennsylvania	1,092,000	2,916,000							
South Carolina	867,000		9,595,100	12,300	2,344,000		100		
South Dakota	8,958,000	7,224,000					200		
Tennessee	520,000	1,950,000	6,365,700	4,300		884,700	1,881,300		63,800
Texas	12,379,000		64,055,300	3,542,700			100		
Utah	2,241,000								
Vermont									
Virginia	853,000	719,000	226,900		1,996,000	217,800	605,700	800	
Washington	9,000,000								
West Virginia	116,000	91,000							
Wisconsin	252,000	8,088,000					83,300		
Wyoming	778,000								
Total	207,630,000	217,500,000	217,500,000	14,000,000	19,150,000	1,124,000	9,612,000	1,034,000	438,000

Prepared by: CSS, Soil Bank Division.

[Dollars]

State	Tobacco—Continued						Grand total	Tobacco subtotal
	Virginia sun-cured T-37	Cigar filler T-42-44	Cigar binder T-51	Cigar binder T-52	Cigar binder T-54	Cigar binder T-55		
	10	11	12	13	14	15	16	17
Alabama							14,542,200	11,800
Arizona							11,122,700	
Arkansas							24,379,200	1,300
California							26,152,700	
Colorado							22,564,000	
Connecticut			1,257,700	219,200			1,476,900	1,476,900
Delaware							727,100	100
Florida							808,200	876,000
Georgia							14,523,900	1,536,400
Idaho							7,520,000	
Illinois					100		42,819,600	400
Indiana					100		22,018,900	235,800
Iowa						200	44,513,200	200
Kansas							84,772,400	2,200
Kentucky							12,370,600	6,905,100
Louisiana							13,149,100	
Maryland							2,991,400	1,033,100
Michigan			5,300	781,600			780,900	780,900
Minnesota							10,400,000	
Mississippi						4,300	22,128,300	4,300
Missouri							26,355,600	
Montana							21,372,600	85,700
Nebraska							15,079,000	
Nevada							32,734,000	
New Hampshire							54,300	
New Jersey				900			200	200
New Mexico							911,000	
New York							3,410,800	
North Carolina							3,425,000	
North Dakota							25,471,800	13,080,500
Ohio							31,093,000	
Oklahoma		72,300					21,426,500	380,500
Oregon							28,900,800	
Pennsylvania							4,158,000	
South Carolina		600					8,008,600	600
							12,920,800	2,344,200

1957 acreage reserve program: Preliminary allocation of funds—Continued

[Dollars]

State	Tobacco—Continued						Grand total	Tobacco subtotal
	Virginia sun-cured T-37	Cigar filler T-42-44	Cigar binder T-51	Cigar binder T-52	Cigar binder T-54	Cigar binder T-55		
	10	11	12	13	14	15	16	17
South Dakota							16,282,000	
Tennessee							13,605,800	2,445,800
Texas							90,977,100	100
Utah							2,241,000	
Vermont				1,000			1,000	1,000
Virginia	69,000						4,392,200	2,169,300
Washington							9,000,000	
West Virginia							206,300	88,300
Wisconsin					74,800	204,300	9,020,300	279,900
Wyoming							778,000	
Total	69,000	75,000	1,263,000	1,002,000	75,000	209,000	733,085,000	84,055,000

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman from Texas [Mr. POAGE] stated that the Secretary of Agriculture fixed allotments for corn acreage and for these other commodities. Did the Secretary of Agriculture do it arbitrarily or did he do it under the formula in the acts of 1938 and 1943? In other words, was the Secretary required by law to follow a formula in establishing the corn-acreage allotments?

Mr. HILL. That is exactly what he had to do. Mr. McLain in his testimony said it had to be done.

As a result of this amendment in the law the 1957 acreage allotment for wheat was 42 million acres more than needed to justify the supply. Cotton was 14 million above the level and the situation in rice was similar. In the case of corn there was no minimum acreage required in the formula.

Let me say to you frankly, if you had treated corn like you treated wheat and cotton, today you would have only 3.9 million acres of cotton and 12.4 million acres of wheat. It is almost impossible to believe that. And you would still have 37.3 million acres of corn.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HALLECK. Those figures ought to be understood by everybody when the gentleman talked about second-class citizens with respect to agriculture. As the gentleman has pointed out, if you do not have legislation that provided for this minimum for cotton and for wheat, the acreage that would be allowable under the program woud be down to the point where people could not live at all. So apparently it is a bad thing for us who represent corn sections to come in and ask for the same kind of treatment.

Mr. HILL. What makes the whole argument so ridiculous and so out of line is that the law requires that the Secretary take a vote, and you have to have 66⅔ majority of the corn farmers voting in a commercial district before you can apply the base acreage program. We did not get that.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman from Texas [Mr. POAGE] also mentioned that we ought to have equality of treatment for all farmers. I agree with that statement, but I want to point out the fact that we passed legislation fixing the wheat acreage at 55 million acres minimum. We did that back in 1939. For cotton acreage we started out in the act of 1938 with 10 million bales. Afterward we fixed that by law as emergency legislation, over 17 million acres for cotton, and we did the same thing for rice and peanuts. So, there has been equality of treatment.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOEVEN. Referring to the table the gentleman is discussing, it might be interesting to cite some of the figures showing how some of the Southern States voted in the referendum.

Mr. HILL. I would like to tell the chairman about his own State, if I may have his attention.

Mr. COOLEY. I wanted to get the gentleman's attention a moment ago and he would not give it to me.

Mr. HILL. I will give the gentleman my attention now. If he wants to know what is happening in his State, 78.8 percent of all the corngrowers in the commercial area in the gentleman's State——

Mr. COOLEY. The most intelligent farmers in the country.

Mr. HILL. They voted 78.8 percent for what the bill by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is doing.

Mr. COOLEY. Not for what Mr. ANDRESEN was trying to do.

Mr. HILL. Not for what you are trying to do.

The other high one is Illinois. The corn growers of Illinois voted 80.8 percent. If the Members would like to know how their own States voted, I will tell them, but it might be embarrassing.

Pennsylvania even voted 73.9. New Jersey voted 80.7.

So much for that.

Mr. COOLEY. Will the gentleman yield? I did not understand that.

Mr. HILL. I have one more statement to make and would like to finish but I will yield to the gentleman before I continue.

Mr. COOLEY. I agree that North Carolina did vote very intelligently, but, unfortunately, the vote was not sufficient to put the program into operation, and the gentleman knows that the farmers voted against the proposition because they did not have any faith and confidence in Mr. Benson, Secretary of Agriculture, and they were afraid they would even lower the price-support program further.

Mr. HILL. Since the gentleman mentions that I will say that there were three States that defeated this, Minnesota, North Dakota, and South Dakota. They voted way up in the seventy-odd percent to be against this bill, and they did that—I also read from the RECORD—because of a certain farm organization that went up in that territory and conducted a campaign against the very point Mr. ANDRESEN's bill provides.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Texas.

Mr. POAGE. I should like to point out that when he gave the good Lord credit for North Carolina, perhaps the gentleman from North Carolina [Mr. COOLEY] had something to do with it, too.

Mr. HILL. Yes; we agree.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HILL. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I regret the circumstances under which H. R. 4901 comes to the floor of the House. It comes to you from a committee split right down the middle on political lines. In fact, on a vote to report out the bill, the vote was 16 to 16, with 2 Members voting present. Thereafter, 1 Member who voted present changed his vote in favor of the bill which finally was reported out by a vote of 17 to 16. Such a close vote on legislation affecting the welfare of the corn producers of this country is not good for the best interests of American agriculture.

Now, I have great respect for the gentleman from Texas [Mr. POAGE]. He is one of my closest friends. But, I regret the statement he made regarding the corn farmers of this country. I wonder if the gentleman's attitude against the corn farmer is the attitude of the Democratic Party. No corn farmer who reads his speech in the RECORD tomorrow morning will be happy about the way our corn producers have been castigated in the House this afternoon, and certainly no corn farmer in the Corn Belt that I know of would want the gentleman from Texas to write their corn bill.

On January 30, 1957, I introduced H. R. 4105, a bill similar to H. R. 3011, the Andresen bill, with one change. My bill made price support available for the 1957, 1958, and 1959 crops of corn at a level not less than 75 percent of parity, or for the life of the soil bank. It is my understanding that an amendment incorporating the limitations in my bill will be presented by Mr. ANDRESEN to his own bill when it is offered as a substitute for H. R. 4901, now under discussion.

Throughout the consideration of the Andresen bill and other companion bills, including my own, I emphasized the need for prompt and emergency legislation. I pointed out time and time again that the result of the corn referendum last December left the corn producers in a state of great confusion; that the signup date for the soil bank program was rapidly approaching; and that the corn producers of the country were entitled to know what they could expect from the Congress at the earliest possible date. The corn producers plan their farming operations well in advance of the planting season and today, as of this very hour, the corn farmers do not know what to expect.

In asking for emergency legislation, we from the Corn Belt agreed in committee that after an emergency corn bill passed the House, we would be willing to immediately consider legislation dealing with the other basic commodities and feed grains in relation to amending the Soil Bank Act. However, this was to no avail. We were advised politely but firmly that it was the Democratic corn bill or nothing.

The consideration of emergency corn legislation has been retarded and somewhat delayed. I charge no one with an ulterior motive in this regard, but I do want to state very emphatically that if there is no legislation to meet the emergency in the Corn Belt within the next few weeks, the fault will lie at the doorstep of the majority members of the Committee on Agriculture and on the majority party which controls the Congress. The Andresen bill, H. R. 3011, was introduced on January 16, 1957, a week after the Congress convened. Shortly thereafter, Mr. ANDRESEN, the author of H. R. 3011, in writing asked Chairman COOLEY of the Committee on Agriculture to hold prompt hearings on H. R. 3011. All members of the Committee on Agriculture from the Corn Belt urged prompt consideration of the Andresen bill. However, the committee was advised that the so-called deferred grazing bill sponsored by the gentleman from Texas [Mr. POAGE] would have priority over corn legislation. We were told that the deferred grazing bill was an emergency measure and that it was entitled to have prompt and emergency action. The minority members on the committee accepted this in good faith, and we went along with the deferred grazing bill, assuming all the time that emergency corn legislation would be next on the committee agenda. At least there was a gentlemen's agreement that this would be the case. The deferred grazing bill therefore was unanimously reported by the Committee on Agriculture and the bill subsequently passed the House with the votes of practically all the Republican members of the committee.

On January 30, 1957, the committee began consideration of the Andresen bill, H. R. 3011. Early in the hearings the chairman of the committee, Mr. COOLEY, and other ranking Democrats on the committee advised the minority members of the committee in no uncertain terms that there would be no emergency corn legislation as such; that if we expected a corn bill we would have to take the Democrats' version of the legislation, which would include other basic commodities and feed grains. The outgrowth of all of this was H. R. 4901, offered by Mr. POAGE as a substitute for the Andresen bill. In spite of our pleas and protestations, the substitute was approved by the committee by the close vote previously indicated.

No hearings were held before the Committee on Rules on H. R. 4901 until February 22, 1957, and a rule was finally reported on March 1, 1957. Thus, the legislation comes before the House almost 2 months after the Andresen bill was first introduced. During all of this time, the emergency in the Corn Belt continues, and no definite solution of the problem appears in sight before the corn planting season arrives.

I am really beginning to wonder whether the majority members of the Committee on Agriculture really want a corn bill. The delay to date certainly indicates that they are not willing to cooperate with the members of the committee from the Corn Belt in enacting legislation as expeditiously as possible. And let me say to the membership that this is quite a departure from previous actions of the committee in meeting emergency problems and enacting emergency legislation whenever and wherever needed. Now we are told we must accept H. R. 4901 or we get nothing.

Let us see how we have handled emergency farm legislation during the past several years. I have had some check made of House actions on so-called emergency farm legislation from the 82d Congress to date. For instance, in the 82d Congress on July 2, 1951, the Committee on Agriculture unanimously reported H. R. 4475, a bill dealing with tobacco marketing quotas. The bill authorized the Secretary of Agriculture to make 1-year adjustments in the marketing quotas of various types of tobacco whenever necessary because of a supply situation. The bill passed the House unanimously with practically no debate.

Also, during the 82d Congress the Committee on Agriculture reported out H. R. 2615, dealing with peanut acreage allotments and marketing quotas. In presenting the rule, the gentleman from Virginia [Mr. SMITH], chairman of the Rules Committee, said:

> Since the last World War the allotment of peanut acreage has been reduced nearly 50 percent. That has brought about a shortage in certain varieties of peanuts which it is very essential at this time should be taken care of.

Later in the debate the chairman of the Committee on Agriculture, Mr. COOLEY, said:

> Unless the law is amended as here proposed, the proclamation and order issued by the Secretary of Agriculture further reducing the acreage of peanuts will be applicable to peanuts of all types grown in all areas, which actually means that in the North Carolina-Virginia area where the jumbo peanut is grown, producers will be required to take a further reduction of 16 percent. This actually means, of course, that we will be further curtailing the production of a commodity which is in short supply. That is one of the situations that prompted the introduction of this legislation.

Needless to say, this emergency legislation passed the House on a division vote.

Again during the 83d Congress the Committee on Agriculture reported out H. R. 6665, a bill relating to cotton and wheat allotments and marketing quotas. This bill, among other things, increased the cotton-acreage allotment for 1954 to 21 million acres. The bill, of course, was handled as emergency legislation and in the debate on approval of the conference report on January 21, 1954, the gentleman from Alabama, Mr. Battle, then a Member of the House, said:

> Mr. Speaker, the farmers in Alabama are ready to plant their crops. The corn farmers in the Midwest are ready to plant their crops.

Mr. Battle continued:

> Some immediate action is necessary.

A conference report was approved promptly without even a record vote.

In March 1955, during the sessions of the 84th Congress, the House Committee on Agriculture reported out three emergency rice bills, to wit, H. R. 2839, H. R. 4356, and H. R. 4647. These bills all related to rice allotments. The first two of these bills passed the House by unanimous consent. During the same session of the Congress the House passed S. 2511 and S. 2573 relating to rice allotments and quotas, both being passed by unanimous consent.

During the 84th Congress the House also passed S. 2295, House Joint Resolution 455, House Joint Resolution 518, and House Joint Resolution 521, all relating to emergency tobacco legislation. In the consideration of House Joint Resolution 455 the gentleman from Kentucky [Mr. WATTS] said:

> Due to the fact that plant bed sowing time is at hand and the necessity for the farmer to expeditiously know the acreages this legislation, through the fine cooperation of all who are interested in the welfare of the tobacco farmer, has been brought to the floor under suspension of rules in order that it can secure early and expeditious consideration.

Mr. WATTS further said:

> If this legislation is not enacted and a 15-percent cut is allowed to stand, many small farmers and tenants will have to leave the farm and seek employment elsewhere. This would be tragic not only to the section of Kentucky that I represent, but to all of the burley tobacco-growing areas.

During this same debate the gentleman from Kentucky [Mr. CHELF] said:

> I do sincerely urge you to pass this House Joint Resolution 455 that will restore this 15-percent cut that Secretary Benson has put into effect. My farmers are suffering—there is much discontent. This is their cash crop—their very economic lifeblood. We must act now.

Again, needless to say, House Joint Resolution 455 passed the House by unanimous consent as did the other two resolutions.

In referring to the several emergency farm bills passed by the House during the past few years, I do so simply for the purpose of pointing out that the Committee on Agriculture heretofore and throughout my service on the committee has handled all emergency legislation expeditiously and with great dispatch. But now, for the first time during my long service on the committee I find that while remedial and emergency legislation has been passed for cotton, peanuts, and tobacco, an emergency corn bill is a "horse of another color."

Mr. COOLEY says that he permitted Members from the Corn Belt to write the corn bill. The facts certainly indicate otherwise. We were told very firmly but politely that if we were to have a corn bill this year it would be the Democratic version of the corn bill or nothing.

So we are asked to swallow, hook, line, and sinker, a Democratic version of a corn bill not proposed or endorsed by members of the Committee on Agriculture from the Corn Belt, but a corn bill sponsored by members of the committee from the cotton, peanut, and tobacco sections of the country. It seems perfectly right and proper when we from the Corn Belt support emergency cotton, peanut, and tobacco legislation; but we from the Corn Belt are all wrong when we ask those from the cotton, peanut, and tobacco sections of the country to come to our relief. What is "sauce for the goose" is quite apparently not "sauce for the gander" at this time.

I urge my colleagues on both sides of the aisle to support the Andresen substitute which will be offered to the bill now under consideration. In my humble opinion, the Andresen substitute is the only bill which can possibly be enacted into law at this session of the Congress. It will be the Andresen bill or nothing as far as emergency corn legislation is concerned, and we might as well be realistic about the matter and face the facts. There is no possibility of H. R. 4901 being enacted into law. It does not have the approval of the Department of Agriculture, and I predict that H. R. 4901 will be vetoed by the President if it ever reaches the White House. In the meantime, it is my understanding that leaders on the Committee on Agriculture and Forestry in the other body have announced that they will not support H. R. 4901; so it seems to me that the sponsors of H. R. 4901 are going through a lot of shadowboxing in trying to do a vain and useless thing in attempting to get the bill enacted into law.

If the Andresen substitute is defeated, the corn producers of the country will most surely know that there is little or no chance of enacting any emergency corn legislation this year. The passage of the Andresen substitute is their only hope.

If no emergency corn legislation is enacted within the next few weeks prior to corn-planting time, I predict that the corn producers in the Corn Belt will produce an overabundance of corn this year. If this happens, it will only add to our surplus problems. Furthermore, it will result in cheap corn being fed to livestock at the very time when we are making progress in cutting down in livestock numbers. Cheap feed always means cheap cattle and hogs, cheap dairy and poultry products, and less income for the farmer.

Agriculture is the Nation's basic industry, and the welfare of our entire economy is directly related to farm prices and the welfare of the American farmer. If the Congress fails to support our corn farmers during this emergency, it will have to assume the responsibility of further contributing to the farm unrest which is so prevalent throughout many of the farm areas of the country today.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. HOEVEN] has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

In reply to what the gentleman from Iowa [Mr. HOEVEN] has just said, I want to tell the committee that never at any moment have I employed any dilatory tactics in the consideration of this legislation. I even offered to stay in Washington through the weekend and work on Friday and Saturday, or as long as necessary to bring this legislation to the floor. I applied for a rule at the earliest opportunity. Actually, the motion to adjourn over the weekend came from the minority side and not from the majority side of our committee.

After this matter has been presented on this debate and has been concluded, no one on the minority side will tell you any good reason why you should vote against the bill as it has been presented to you by the committee. They scream out emergency. All right. Suppose it is an emergency. Why delay it? Why not pass it and get it behind us and send it to the White House? Who among you, I ask, has been authorized by the Chief Executive of this Nation to come on this floor and suggest that he will veto this bill? I do not believe he will veto it. I have no way of knowing what he would do, and I do not think any of you know what President Eisenhower will do. I ask you now, instead of arguing about an emergency, why do you not do something about the emergency? Why not pass the bill and send it to the White House and see whether or not the President will veto it?

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. I yield myself 3 additional minutes. I ask the next speaker to tell why he is against the bill. The gentleman from Iowa did not do it. The gentleman from Minnesota did not do it. Not a single Member on the minority side has done it.

Mr. HARVEY. Will the gentleman yield?

Mr. COOLEY. In just a moment. I want to be a little more polite than the Members on that side have been to me and I will yield a little later.

There was not a Republican member of our committee who offered a single amendment. I begged you to offer amendments. I said, "If you do not like the bill, tell me wherein you do not like it. Offer an amendment to change it." Time and time again I called for amendments, and not one was offered. On the other hand, not one was accepted. We even offered to put the Ten Commandments in the bill, and we received no encouragement, from your side, to believe that you would vote for it even if we put the Ten Commandments in it.

Mr. HILL. You do not think it would do any good, do you?

Mr. COOLEY. Yes; I think probably it would.

We are going to consider the bill under the 5-minute rule. Draft your amendments as well as you have drafted your speeches. Prepare your amendments and present them and perfect the bill. This bill, as the corn section is written, comes out almost the same net result in acreage as the Andresen bill. From the standpoint of price support, it is exactly like the Andresen bill. That price-support provision was put in for purely political purposes. I am willing to approve it, with both of those references in mind, because I want the farmers to know that it is not the intention of the Congress to lower prices below 75 percent of parity.

Now, let us face up to the situation. If there is any politics in this fight it certainly was not engendered by anything the chairman or vice chairman of the committee [Mr. POAGE] has done. We begged for amendments; I am now begging you for amendments. You heard me. It was the Andresen bill or nothing. "We will not compromise." That is what was said in the committee. On the other hand we said: "We will compromise. Every section in this bill is open to compromise and to reason," but the gentlemen on the minority say, "No; it is the Andresen bill or nothing."

Now, we shall find out about it. Ask me what the committee bill will cost? I am not able to answer.

What will the Andresen bill cost? I am not able to answer, but the gentleman from Texas [Mr. POAGE] gave some pretty good figures on the cost of it, and he challenged you to disprove the accuracy of his calculations.

Now, if you earnestly want to help the corn farmers, let us sit down together and write a corn section. If you want to substitute the Andresen corn section let us vote on it, but let us not knock out everything else in the bill which will enable the Secretary of Agriculture to control the production of field grains in the Nation.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 additional minutes and yield to my friend the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. I thank the gentleman but I do not want the gentleman to yield to me now.

Mr. HARVEY. If the gentleman will yield, I did offer an amendment to the gentleman's bill.

Mr. COOLEY. What is it? What was your amendment? Are you ashamed to tell the House what your amendment was?

Mr. HARVEY. I will provide it for the RECORD.

Mr. COOLEY. No; I am asking you, in fairness to the House, to point out to us what your amendment was.

Let me tell you that we actually voluntarily amended the bill by changing the $20 minimum to $10 in an effort to appease the gentleman and to please him; and we offered to take out the $50 maximum if that would please him. Nothing would please him except complete and abject surrender to the minority. You wanted the bill your way or not at all.

You will have an opportunity to vote on these different bills when we reach consideration under the 5-minute rule, and you will have an opportunity to pass on the Andresen bill on final passage when the Committee of the Whole rises and we come back to the House.

I come from the commercial corn area and I am intensely interested in the producers of corn as I am in the producers of other crops, but I have been here long enough to know I cannot always have my own way. I know we must compose our differences in a reasonable way.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentlewoman from Missouri [Mrs. SULLIVAN] may extend her remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, as the representative of an urban district, wholly within the city of St. Louis, where we do not have a farm problem as such, I have nevertheless always felt that we must include the farmer in our prosperity or else our prosperity will be a false one.

Farmers no longer make up the percentage of the total population that they once did, and there are some who tell us that our economy is no longer very dependent on the farmer as a purchaser. That may or may not be true. But from my own limited experience in this field, I have seen how we in the cities—our factories and plants and employment levels—suffer when the farmers are in depression. And it is certain that the farmer, the average small farmer, has had a very difficult time of it ever since the Eisenhower administration came into office 4 years ago. The farmer has, as a group, been below parity ever since, and I can attest to the fact that industries in our cities dependent upon the farmer have felt this farm depression in many ways.

Therefore, I intend to support legislation designed to benefit the average farmer and to raise the level of farm income. I have always done so in the past.

But I am taking this opportunity to raise a question which disturbs us deeply in our cities—and particularly in cities like St. Louis where we have a large group of people who frankly are not now getting sufficient nourishing food.

Our question is this: Why, why, why—when the major farm problem is said to be overproduction, when the Benson regime is working overtime trying to devise means for giving surplus food away overseas and to pay the shipping charges and the packaging charges in getting it overseas, when we have this surplus spoiling in warehouses and costing a million dollars a day to store, when we have farmers in distress because their overproduction, so-called, brings them inadequate prices—then why, we ask, cannot we get into operation an effective food-stamp plan for distribution of some of this food to our needy here in America?

Oh, I know there is a surplus disposal program. I know 39 States participate in it, and Missouri does not. But the 39-State program is a hit-and-miss program. It depends so heavily on local expenditures that many jurisdictions, including Missouri, have found it impractical.

Even the District of Columbia does not participate in it. If it were a half-way effective program for getting food to the needy, surely the Eisenhower administration could arrange to have it operate here in the District, which is directly under White House jurisdiction.

It is not a feed-the-hungry program here in this country; it is a dump program, to get rid of as much food as possible in the biggest volume, in as few places as possible.

I have asked for this time to urge that we do the same thing about a food-stamp plan for the needy as we are doing in this bill for the farmer—that is, say to Mr. Benson that we do not care any longer what his position is on this subject, because he has failed in his job and his programs are failures, and we are going to do something about it.

We know that surplus stocks are now simply overwhelming, and that we, nevertheless, have hunger, actual hunger, in this country.

We must get this food, more of it, to the tables of those in our country who do not get sufficient food, those on welfare, on public assistance, on relief.

Mr. Benson has said he does not believe in a food-stamp plan. Too bad. He has also said he does not believe in this corn-acreage allotment bill as reported by the Committee on Agriculture. We are saying in this bill that we do not care what he thinks about this issue—Congress feels we must act to help the farmers affected by this bill, regardless of the Secretary. I am asking that we adopt the same approach on this question of food-stamp distribution. I hope I can count on the help of all of those Members who are planning to vote tomorrow for this bill; count on them that they will also support my food-stamp plan despite Mr. Benson, and help us get some of this food to hungry Americans in need.

In conclusion, I would like to read a paragraph of a letter I have just received this week from Mr. Obenauf, of the Grace Hill House, in St. Louis:

> If various Members of the House and Senate could only sit in my office from time to time and hear the stories of need and destitution which neighborhood folks pour out to me, there would be little opposition raised to your proposal. How some of our families ever manage to subsist is beyond me. Additional food, distributed under such a program as you suggest, would have value far beyond the small cost involved.

The CHAIRMAN. The gentleman from Minnesota has 1 hour and 50 minutes remaining; the gentleman from North Carolina has 1 hour and 43 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I am sorry I did not have an opportunity to yield to my colleague from Iowa [Mr. COAD]. I would like to yield to him now if he desires to ask a question.

Mr. COAD. I appreciate very much the gentleman's kindness. There are a couple of questions I would like to ask. First of all, does the gentleman agree or not that the feed-grain problem is a problem concerning the Iowa corn farmers as well as the other corn farmers?

Mr. HOEVEN. I do, sir; and as far as I am concerned I am willing to sit down in the Committee on Agriculture immediately after we have passed an emergency corn bill and work on new amendments to the Soil Bank Act dealing with other basic commodities and feed grains.

Mr. COAD. Can the gentleman tell me at this point, then, why the members of the minority or the administration are not willing in this bill to go into this aspect of it?

Mr. HOEVEN. I think I made that perfectly clear in my general remarks. All we are doing here is shadow boxing. I am sure the committee bill will be vetoed, and if it is, we will likely wind up without any corn legislation at all. I think the Andresen bill is the only hope for the corn farmers at this session of the Congress.

Mr. COAD. Who said this bill would be vetoed?

Mr. HOEVEN. I have it on very reliable information, I will say to my friend.

Mr. COAD. Is this a thinly veiled threat or intimidation?

Mr. HOEVEN. Not at all. I try to be a realist and face facts as they are.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the Speaker of the House [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, as everyone knows, on the 4th of March last I began my 45th year as a Member of the House of Representatives. I have been in the majority a great deal more than in the minority.

I have voted for bills that I knew my President was not for. I voted to pass some of them over a Democratic President's veto. But never in all my life did I get up and try to make an argument for or against a bill on the theory of whether the President of the United States would sign or veto it.

I cerainly think that these threats of presidential veto, when the House of Representatives is in the serious business of discharging its responsibilities, and they are just as great as the Executive's, is a mighty poor showing, and I think it comes with very poor grace for anyone to get up and talk about or advocate legislation on the theory of whether or not the Chief Executive will sign or veto it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, my interest in the legislation presently before the House stems from many sources. First of all, I claim farming as my business and look upon it as one of the most important enterprises in the economic world. Secondly, this legislation pertains to corn which is our most important and most valuable crop. It ranks far ahead of any other crop.

Rank	Crop	Value of the crop, 1956 (million dollars)
1	Corn	$4,571
2	Hay	2,402
3	Cotton	2,152
4	Wheat	1,970
5	Tobacco	1,147
6	Soybeans	1,012

Peanuts rank 15th in this list with a value of $175 million.

Corn is a basic crop in every sense of the word. In most of the country and, especially, in our section of the Midwest, corn is consumed by livestock instead of being sold as a cereal or feed crop. That means that corn seldom leaves the farm except as it is expressed in pounds of pork and beef. Thus, not only for the corn growers but, also, for the feeder of hogs and cattle, the value of corn is reflected in the price of hogs and cattle and the farmers' economy exists upon this relationship.

I have joined others from the Midwest in voting for the benefit of the wheat farmer, the cotton farmer, and the tobacco farmer when the Representatives from those areas presented their case. It was felt that the interest of the farmers everywhere should be recognized.

Now, the corn farmer needs help. There have been many acres diverted from other basic crops and many of these diverted acres have been planted in corn or other feed grain crops. Thus, while out of the bigness of our heart, we were attempting to help farmers in other areas, it has happened that their eagerness to use their idle acres has brought competition to the corn farmer that was not of his choosing, nor of his making.

Last December corn farmers voted on whether they wanted higher acreage and lower supports, or lower acreage and higher supports. Nearly 40,000 farmers in my home State of Indiana voted in this referendum and 74.6 percent voted in favor of a base acreage program instead of the acreage allotment program. There also was the requirement that an acreage equal to 15 percent of the soil bank base be put into the soil bank in order to be eligible for price supports. The result of the total vote in corn-producing States that were permitted to vote represented 61.5 percent of the farmers voting in favor of the base acreage program.

Unfortunately, the law requires a two-thirds vote which is a strange departure from usual voting procedure and, thus, the very necessary and important program failed even though a large majority had voted in favor of it. The December 1956 corn referendum by States follows:

December 1956 corn referendum vote by States

State	For corn base-acreage program	For corn acreage-allotment program	Total votes cast	Percent favoring base-acreage program	Percent favoring acreage-allotment program
Alabama	9,223	633	9,856	93.6	6.4
Arkansas	1,123	761	1,884	59.6	40.4
Delaware	236	44	280	85.4	14.6
Georgia	3,808	628	4,436	85.9	14.1
Illinois	58,592	13,949	72,541	80.8	19.2
Indiana	29,147	9,917	39,064	74.6	25.4
Iowa	51,724	35,177	86,901	59.5	40.5
Kansas	3,793	3,545	7,338	51.7	48.3
Kentucky	11,014	1,620	12,634	87.2	12.8
Maryland	817	399	1,216	67.2	32.8
Michigan	8,032	2,678	10,710	75.0	25.0
Minnesota	10,939	35,495	46,434	23.6	76.4
Missouri	10,987	12,488	23,475	47.8	52.2
Nebraska	16,656	16,655	33,311	50.0	50.0
New Jersey	204	87	291	70.1	29.9
North Carolina	16,042	4,317	20,359	78.8	21.2
North Dakota	215	591	806	26.7	73.3
Ohio	17,236	6,943	24,179	71.3	28.7
Pennsylvania	2,555	904	3,459	73.9	26.1
South Dakota	4,851	13,126	17,977	27.0	73.0
Tennessee	9,158	1,377	10,535	86.9	13.1
Virginia	1,009	972	1,981	50.9	49.1
West Virginia	229	13	242	94.6	5.4
Wisconsin	7,315	5,979	13,294	55.0	45.0
Total	266,185	168,295	437,480	61.5	38.5

From this tabulation, it must be emphasized that most of the heart of the Corn Belt lies in Indiana, Illinois, Iowa, and Nebraska; 28 million acres of the 49-million-acre allotment of 1955 were in these 4 States; 232,000 corn farmers from these States voted in the December referendum. Over 156,000 of these farmers, or 67 percent, voted for the soil-bank base and against acreage allotments. It is of considerable importance to me that the Farm Bureau, as one large representative farm organization, favors giving the farmers the kind of program the majority voted for in December 1956.

The Indiana Farm Bureau has more than 130,000 members. The Illinois Farm Bureau has more than 200,000 members; the Iowa Farm Bureau has 131,000 members; and the Nebraska Farm Bureau has 18,000. This is a total in excess of 479,000 members in just those 4 corn States.

Since this organization is strongly on record in favor of corn legislation this year which will not give the corn farmers a bit more than they were offered by the Congress in the 1956 referendum, I think it is important that we take this large body of opinion into account in arriving at our decision.

For the past several years the corn farmers in the commercial corn area have been planting approximately 56 million acres of corn. Unfortunately, the drought reduced the production of corn in many areas but even so, the crop in 1956 was one of the largest in history. Other areas outside of the drought sections were blessed with unusually good crops. Modern hybrid corn, improved fertilization, and the general advancement in agriculture, have made possible this increased production. Under the formula in the law and as a result of the failure to obtain the necessary two-thirds vote in the referendum, the 1957 corn allotment had to be set at 37⅓ million acres. This represents a cut of approximately one-third. Thus, actually farmers were unable to begin to participate in the soil-bank program until they had cut their corn acreage one-third. Then they would begin to participate at an average rate of approximately $43 for each additional acre cut below their allotment. Actually, the rate per acre will be slightly higher in our section but the average indicates the fact that the farmers could not afford to participate because it would be unprofitable to them except under the most unusual circumstances.

I have spent a greater portion of my spare time in the district with farmers, farm groups, and others who sell to or are associated with agriculture. The general attitude, especially in our section of the Midwest, is that the soil bank is a very necessary and desirable program if it can be made effective. To become effective, it should remove or divert acres from production for both conservation purposes and for the reduction of surplus crops.

The surplus-feed situation is weighing heavily on the income of farmers but encouraging the production of the surplus of livestock and livestock products. It is urgent that we do something now to relieve the corn farmer. The bill presented by the gentleman from Texas [Mr. POAGE], and the gentleman from North Carolina [Mr. COOLEY], falls far short of being any help to the corn farmer. It is terrifically expensive, not

only to the farmer but, also, to the entire economy. Year after year there has been brought to this floor, special legislation to take care of problems concerned with other commodities and, in many instances, these special programs have been approved and have become law without being loaded down with amendments and provisions calling for special consideration of other commodities. Now that we have a problem affecting corn, we ought to do something before corn-planting time in order that we could get the kind of participation in the soil bank that will make a real contribution to bringing supplies into line with demand.

I certainly do not feel that this 1-year temporary measure is the answer to the surplus feed grain problem. However, we know that corn is the main feed grain. We also know that unless action is taken now to encourage more participation in corn, no adjustment will be made in production. We also know that it is a very difficult and complex problem to work out a sound program that would include all the feed grains. This is a very serious step that requires lengthy consideration. We do not have time before corn-planting time to include the other feed grains. Since corn has been carrying the load up to now for any adjustments that are made, it seems reasonable to take care of the problem with temporary legislation for corn in 1957 and immediately go to work on solving the broader feed grain problem. I am sure this is what the farmers in my area would like to have the Congress do.

I shall support the Andresen amendment or substitute bill which I feel is a nearer approach to the solution of our problem. I personally feel, along with many other farmers with whom I have discussed this problem, that we should have legislation that would provide for:

First. Discontinuing acreage allotments for corn;

Second. A 51 million acre corn base for the purpose of participating in the soil bank acreage reserve program;

Third. Price supports at a level which will assist farmers in marketing their corn, but will not encourage the uneconomic production of corn; and

Fourth. An acreage equal to 15 percent of the farm corn base acreage to be put into the soil bank as a condition of eligibility for price support on corn.

It would seem that this acreage should be permitted to be placed into either the acreage reserve or the conservation reserve or a combination of both programs.

I have read some of the other bills that have been introduced, such as H. R. 3935 by the gentleman from Illinois [Mr. ARENDS], and H. R. 4555 by the gentleman from Nebraska [Mr. HARRISON]. It seems that this type of proposal also carries out the wishes of the hog and corn farmers with whom I have been in contact.

The farmers with their corn planters will have the opportunity of making it crystal clear to everyone, both inside and outside of Congress, which program they prefer. In my discussions with my farmer acquaintances and friends, I feel that the overwhelming majority of the farmers will choose the soil bank acreage approach and the lower support price per bushel.

This is the time when partisanship should play no part in legislation. My plea is that all of us will look at this legislation from the point of view of the taxpayer and the future generations. An honest corn program will mean an honest and fair income for grain farmers and for feeders of livestock. This, in turn, will continue to assure the consumer an honest and fair price for the necessities of his table and, at the same time, help to assure him of a continuing job as a result of the increased demands that the farmer will have for the products of the city.

Equally important is the necessity for the conservation of our natural resources. Our fathers have given us good soil and we should not betray our trust. A soil bank properly administered is a conservation measure which will provide good soil for the future years when it will be needed with the normal increase of our population.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, when the American farmer was called upon during World War II to produce food and agricultural commodities for the entire world, he did so in a vast abundance. Under patriotic necessity, and a high, guaranteed price for his production, he saw to it that our wartime population and the many millions who fought along with us did not go in want.

This situation, however, brought into being the individual who began to farm commercially. He was the new element in the field of agriculture, the landowner or lessor who saw in the Government-supported high price structure a chance to reap a handsome profit.

The farmer who was tied to the soil by love, family, and hereditary background began to find himself in company with a new farm operator, one whose main motive was a quick and guaranteed profit.

This new element began to exercise a considerable and weighty pressure. It began to make its voice heard increasingly with great authority in farm councils. In many cases, this new commercial farmer came to agriculture with a business background, a purely financial background, who was interested in the creation and maintenance of pressures sufficiently strong to make Congress continue to support artificial farm-price programs even though the spur of wartime production had long since disappeared.

As a consequence of these pressures, the Nation today finds itself with its vast and costly surpluses of farm goods. It finds the nonagricultural and agricultural taxpayer alike saddled with a burden of monstrous taxation to support an economic Frankenstein.

And, worst of all, it finds our farmer—who tills the soil because he loves it, because it is to him the only way of life and not just a living, because it is his inheritance—no longer a free man.

He is at once a guinea pig for every conceivable panacea of trial and error that can be found in the uter fringes of the planner's world. He is the sacrificial lamp upon the altar stone of the new class of farmers for profit, many of whom never get beyond their banking house doors in their pursuit of the farm dollar coming from the United States Treasury Department's checkwriting machines.

If he does not want to accept Government-guaranteed price supports, then he must accept, as the only alternative, the decree from Washington which allots his acreage and restricts his judgment and desire as to what he shall plant, and in what quantity.

To compound his misfortunes, he is told further, by Government, what wages he must pay his help and the wage differential appearing in the price of things he must buy.

It is true that the commercial farmer must have a volume production at a high price level to stay in business. Yet, by the same token, we have reached a point where the commercial farmer is planting too many acres and harvesting too much production for our peacetime needs.

As a result we have the present situation of acreage allotment, high price supports, high costs for processed foods, higher taxes to support the whole crazy structure, and continued hard pressures on this Congress to maintain an economic pattern whose major beneficiary is the commercial farmer.

This element of our agricultural community has, I believe, received more consideration as the result of Federal legislation during the past 2 decades than his numerical strength in our Nation ought to command.

He is the big producer of the unnecessary surpluses in the basic crops on which support prices are based. The family-size farmer and the wage earner of our Nation are penalized heavily because the entire agricultural program is geared to the ever-increasing demands of the commercial farmer, producing on an assembly-line basis, for Federal support of a handful of basic crops.

I cannot emphasize too strongly that the artificial market supports rigged at the behest of the great agricultural producers tend to do two basic things—to penalize the wage earner unjustly in the cost of his food and to adversely affect the medium or family-size farmer who cannot qualify to take advantage of the nonproduction premiums distributed by the Federal Government.

In my State of West Virginia, there is scarcely a farmer who can qualify in any great measure under the United States Department of Agriculture's market stabilization programs. Our farms are not of sufficient size to grow wheat in any great quantities. Most of our corn production is consumed by our own poultry and livestock, not sold in the open market.

We grow no cotton or rice, and there is scarcely any production of peanuts. Yet, our farmers, along with our wage earners, support our wildly extravagant agricultural program in two ways—once, through their taxes, and again when their wives pay the retail price for food for the family table.

Our only cash crop of any consequence is burley tobacco. Even in this field, and my State this year has an allotment

of only 4,244 acres, allotments are continually being combined, leading to the oft-repeated and natural question from my constituents as to why the Federal Government so harshly deals with its own citizen dependent upon a small tobacco allotment for his annual cash income of $1,000 or $3,000, when it can blithely hand out millions abroad.

Our price support program arose out of the necessities of our wartime production. Rather, I should say that the tinkerers came into their heyday under the harsh times of striving for national survival.

We had had earlier attempts to interfere with the natural forces of fertility and the immutable laws of the marketplace through the old Agricultural Adjustment Administration, but the good sense of the American farmer prevailed generally and there was a hard core of resistance.

During World War II, we, of necessity, adopted the whole system of production regulation and subsidy payments with attendant controls and have been bedevilled ever since.

There is now before this Congress legislation affecting corn production. Here again, the great commercial combines are before us pleading for a continuation of the economic make-believe under which we have spent millions of dollars.

The plea is made to support corn again when the great mass of farmers through their referendum of last December practically asked to be freed from production restrictions. This year, for the first time in years, the indicated corn crop and anticipated demand are more nearly at balance.

Yet we are asked to extend supports for corn in the face of the bare and naked fact that support for corn means higher prices for lard, higher prices for beef, a high plateau of pork prices, continued preposterous prices for milk, and the scores of other things into which corn goes to produce a finished product suitable for human consumption.

Another end product of continued corn supports which I did not include, is another round of sizable "loans" on corn at the expense of the American taxpayer which will keep from the market the surplus created by the great rush of our commercial corn producers to get on the "pullman section of the gravy train."

I, for one, and I am sure that thoughtful men join me, would like to see our agricultural picture restored to some natural proportion.

We have the production techniques, the storage capacity, and the human courage, devotion, and vision to operate our farm establishment within the law of supply and demand.

However, until this Congress and future Congresses realize that the great majority of medium, or family-size American farmers know what is good for them and want the farming industry to seek its own natural courses, then continual disorder will prevail in the fields and markets.

This is a problem which our several Congresses have never sought realistically to come to grips with. Now, while this Congress is in a stern mood, lashed by the whips of its constituency aroused over a $72 billion budget, it might be well to continue in that mental frame now that we are considering the perennial "farm problem."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, if Thomas Jefferson's admonition "were we told by Washington when to sew or reap, we would soon want bread" were true, the Agriculture Committee would not have H. R. 4901 before it today. It is not before the House on my vote in committee.

This is the first time in my many years of service on the House Agriculture Committee that I was compelled to vote on a farm bill that had not even been introduced in the House. There was not a copy of the Poage proposal or substitute available to the committee members until just a few minutes before we cast our first vote for or against this proposal. Under such circumstances, I voted against it. I wish to repeat that we were given the only choice of voting for or against a substitute, actually an entire new bill, without even a copy available for the committee members. We had no chance whatsoever to look at this proposal of several pages before we voted.

On January 7, 8, 9, and 10, the committee held hearings on a so-called corn emergency program. The printed hearings call it a soil-bank program. There were several votes taken during subsequent days. The bill, when finally voted out by a very small majority in the Agriculture Committee, carried the name of the ranking minority member, AUGUST ANDRESEN, who has publicly stated that he voted against the proposal even though it had his name on it. This calls for a new bill with the name of Chairman COOLEY as the author.

I am opposed to this legislation as a committee member, because it is not what 61 percent of the corngrowers in the commercial corn area voted for in the December referendum.

In the commercial corn State of Illinois, 80 percent of the commercial corn farmers voted for the soil-bank-based corn program. The reason it failed to pass nationally is because last year's law stated it would require two-thirds majority. When a farm vote is called for on a basic having marketing quotas, it must carry by two-thirds. There have been no marketing quotas on corn since 1954. The two-thirds corn vote requirement was placed in last year's agriculture legislation in conference.

This 37.3 million acres of corn for 1957 is the lowest per farm allotment ever received by corn farmers in the commercial corn area.

I am also opposed to this bill, H. R. 4901, because at the time the committee voted there was no estimate of additional cost. In the next morning's Washington Post it was estimated that the cost would be one-half billion dollars. Some estimates, with complete compliance, would run as high as $1 billion additional.

Last week the House Appropriations Committee cut the Post Office Department estimate $58 million, and the House rejected the Canfield amendment restoring half of the cut. I can imagine what the House will do with a one-half billion to a billion dollar proposal if it gets to the floor for a vote. It seems to me that the House membership on both sides of the aisle had better do a good job of thinking before they vote to add one-half billion to a billion dollars to Government expenditures, which are not included in the estimated $72 billion budget. Any Member voting for this may hear further from home. I have recently read of Members receiving many letters of protest about this $72 billion budget.

I am further opposed to this bill because, for all intents and purposes, it will remove corn as a basic commodity. It does not repeal the 1938 act, which placed corn as one of the basics, however. I am also opposed to this bill, because it places diverted cotton and tobacco acreages in the soil bank at the estimated cost of $500 million. This means, where cotton growers having voted for acreage controls and marketing quotas, where they have by their own vote cut down their acreage, where they have placed these diverted acres in feed grains, that they now want to cut these feed grains diverted acres and place them in the soil bank for the very purpose of getting a soil-bank check. They want protection going and coming.

At the present time and under last year's law, only basics are now included for acreage reserve purposes. There is no need of passing H. R. 4901, for the very simple reason that the diverted acres can, under present law, be placed in the conservation reserve. The national average for conservation reserve payments is $10 an acre. It is probably less than that in the South. The reason that this legislation, H. R. 4901, is before this body today is to place these diverted acres in the acreage reserve at a higher price per acre, because the conservation acreage reserve of $10 per acre average is obviously not satisfactory to the South.

One section of the country, namely, the South, has four basic commodities—cotton, tobacco, rice, and peanuts. In the diverted acre fiasco they have added the fifth one, namely, corn. Chairman COOLEY's own home county is in the commercial corn area. He made this statement himself. The northern section of the country since 1938 has had two basics—corn and wheat. In addition to one section of the country now having five basics, they have a climatic situation whereby they can grow crops that heretofore have been raised in the North. What has actually happened as a result of these uncontrolled diverted acres being placed in corn and feed grains is that this section of the country has gone into the hog, cattle, and dairy business, creating a livestock surplus.

Tobacco is being supported at 90 percent, and Chairman COOLEY stated before the committee that it was in trouble. He stated that it was in trouble even though acreage is bringing two to three thousand dollars an acre. If anyone goes into the tobacco area and buys a farm that does not have a tobacco history, they cannot plant 1 square foot of tobacco.

Corn is the biggest dollar-value crop in the entire United States. It is double in dollar value to its next competitor. Hay is second. Seventy percent of all the corn raised walks off of the farm in the form of hogs or cattle. That is the very reason that there has always been no compulsion about the corn program. There is no compulsion now in any proposed legislation or in any law.

Cotton immediately enters commercial channels. Tobacco does the same. Corn does not.

In 1938, when the Basic Commodity Act was passed, which included corn, there were 12 States in the commercial corn area comprising 566 counties, and there are now 24 States in the commercial corn area comprising 894 counties.

No farm organization actually opposed the 51-million-acre proposal of Mr. ANDRESEN. Fifty-one million acres of corn in the commercial area is considered the proper acreage for supply and demand. Under present law corn in noncompliance can be supported at zero to 90 percent. It was supported on this basis last year. This price was $1.25 in Illinois. Part of 8 Southern States in the commercial corn area voting on the December corn referendum voted as follows: Kentucky, 87.2; Tennessee, 86.9; Alabama, 83.6; West Virginia, 94.6; Georgia, 85.8; North Carolina, 78.8; Maryland, 67.2; Arkansas, 59.6—54 new counties added last year. Thirty-seven and three-tenths million acres of corn for 1957 under this two-thirds provision is the law unless changed. It is lowest per farm allotment ever received by corn farmers. Mr. Charles Shuman stated, upon my questioning before the committee, that the Andresen bill was well within the area of compromise. Mr. Marvin McLain, of the Agriculture Department, I would say, made a similar statement. Mr. Otto Steffey, president of the Illinois Agriculture Association, stated to me over the phone that the Andresen bill sounded good to him.

Since 1953 acreage cuts imposed on corn, wheat, and cotton have been getting funds from the Federal Treasury three ways—price supports, export subsidies, and soil-bank payments; corn, approximately $1 billion; wheat, over $2 billion, and cotton approximately $1¾ billion. The estimated carryover of corn as of October 1, 1957, is a little over 1,100 million bushels. This is only a 4 months' supply. This is not a surplus. A 4 months' supply cannot be.

A gentleman from Texas, in the irrigated area, testified before the committee that feed grains were not in surplus. Taking the estimated corn carryover, the surplus feed grains do constitute a threat.

I contend that no farm legislation in the last 20 years has been left in effect long enough to know whether it will work or not work. The exceptions to this are the school-lunch program and soil conservation. The Agriculture Committee action, in reporting out the bill now before you, proves it, by changing the soil bank in less than 1 year.

Last week, the Cotton Subcommittee held a hearing due to a cotton emergency in Chairman COOLEY's State of North Carolina. The witnesses were from that State. The emergency was that they could not live with the 4-acre cotton minimum provision.

In my years as a member of the House Agriculture Committee, I have never seen anything but emergencies.

The first bill reported out of the Agriculture Committee this year was an emergency drought bill. The windswept State of Texas, which a few years ago agreed to remain in the Union, is experiencing this serious condition. This bill passed the House. It will tell the rugged Texas individualists when they can turn their own cattle on their own grassland and pay them $1.25 per acre to keep them off, as if they did not know. The great wealthy State, which defied OPA, which gets special consideration on tidelands, and they almost received concessions on the natural-gas bill bypassing the Supreme Court decision. Since they have agreed to stay in the Union, is ready to accept handouts from Washington. The Texas sombreros are getting small brims. The cowboy boots will, no doubt, have lower heels. What would Davey Crockett, of Alamo fame, say about this? If Sam Houston could, he would carry his statue out of the Capitol Building. The Great Texas has gone Republican on occasion. If this Cooley-Poage bill is new Republicanism, I want none of it.

I read an old campaign speech of 1884 given by a Member of Congress from New Jersey. It had to do with the farm problem. This New Jersey Member of Congress started out in the following manner:

> Agriculture was declared an industry by God when he proclaimed to Adam "by the sweat of they face shall thou eat bread." The first practical application that they had on it was when two brothers brought their products of the industry to the Lord as an offering. One offering was from the field and the other from the flock. One offering was accepted, and the other was rejected, and the result was Cain killed Abel.

Mr. Chairman, I have seen people, at least a few, ready to kill Charley Brannan and Ezra Taft Benson. It will do no more good than when Cain killed Abel. Under present times, it is impossible to be a popular Secretary of Agriculture or a popular Secretary of State.

For the second time in our history, a President has been elected for 4 years with the legislative, a separate and distinct branch, of opposite political faith. Regardless of political belief, it is time for House Members, for the good of this Nation, to accept the November verdict of the people and act accordingly. Sending any piece of legislation to the President for signature when knowing it will be vetoed is not good statesmanship. The present dual control of Government branches must be lived with for 4 years. The least we can do is to live and act up to our responsibilities.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I am in opposition to the pending legislation, H. R. 4901, a bill "to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains and for other purposes."

This legislation, if adopted, would set the minimum national acreage allotment for corn for 1957 at 43.2 million acres. It would permit diversion into the soil bank program of grain sorghums, barley, rye, oats, soybeans, and flaxseed for the 1957 crops, at a rate of $15 per acre. The total cost of this legislation has been estimated to be between $900 million and $1.5 billion. It is a burdensome, unworkable amendment to the soil bank program and would effectively cripple it. Further, I understand that it would not receive executive approval, even if passed by the Congress.

Mr. Chairman, it will be recalled that last December 11 a referendum gave corn producers in commercial corn counties an opportunity to express their preference as to the type of program they desired. In that referendum 75 percent of the voters in Michigan supported the corn base acreage program which had a goal of 51 million acres for 1957. This was the program preferred by more than 61 percent of the voting corn producers throughout the Nation. However, since the corn-base program required a two-thirds vote, the choice was actually made by 38 percent rather than the absolute majority.

The 38-percent minority voted for a corn acreage allotment program based on a national planting of 37.3 million acres. In 1956, approximately 58 million acres were planted in the commercial corn areas as designated for 1957. This despite the continued reduction in acreage allotments, until the formula determination of 37.3 million acres was established for 1957.

In most of our Michigan corn areas farmers do not produce for a cash corn market but for feeding purposes on their own or neighboring farms. It is obvious that they could not reduce their planting by 37 percent, as required in the allotment program, in order to participate in the soil-bank program. This means that, unless the program is changed, most of our corn farmers in commercial areas, will not participate in the soil-bank program and will not help to bring feed grain supplies in line with demand. Therefore, it is absolutely necessary for urgent action in order to give the majority of corn farmers an opportunity to participate in a reasonable program aimed at bringing our production in line with demand. Otherwise, they can certainly make more money growing corn for livestock. If a corn farmer with, say 58 acres of corn is required to cut to 37.3 acres and then for every acre he cuts below that figure get only an average of $43 per acre, there is not going to be much enthusiasm for participation in the soil bank.

Mr. Chairman, it is admitted that most of the acreage taken out of wheat and cotton has gone into feed grains and that feed grains planted on these diverted acres have been substituted for corn. This, in turn, has resulted in a feed grain surplus appearing in the corn carryover which has caused the decline in corn acreage allotments. Acreage taken out of wheat and cotton has gone

largely into feed grain, 30 million acres, I understand, since 1953.

Now this surplus feed grain, which has been estimated by the Department of Agriculture at 800 million bushels, was grown on diverted acreage, most of which was taken out of wheat and cotton and for which producers of those commodities have received price supports. These Government supports have, in effect, subsidized the production of surplus feed grain which has resulted in surplus livestock and a weakening of livestock prices. Therefore, farmers everywhere are paying heavily for uneconomic price supports which are causing shifts into livestock production.

Our corn farmers do not have a minimum national corn allotment or base such as the minimum for wheat and cotton. If the allotments for wheat and cotton were to be determined on the basis of what is needed to keep supplies in line with demand, as is done in the case of corn, the national cotton allotment would be 3.9 million acres instead of 17.6 million acres and the national wheat allotment would be 12.4 million acres instead of 55 million acres. Therefore the minimum acreage of 55 million acres on wheat and 17.6 acres on cotton continues to give those crops a very strong advantage for participating in the soil bank even if corn is raised to a minimum of 51 million acres. As a matter of fact, during the 1954–56 period, corn received approximately $1 billion in assistance, wheat over $2 billion and cotton more than $1.45 billion.

Now, Mr. Chairman, the income of our farmers from livestock and poultry is much greater than it is from field crops. Since surplus feed—as contrasted with cheap feed—results in surplus livestock, we must recognize that shifting production from corn to other feed grains is not a solution. Most feed, including corn, is sold as beef, pork, milk, butter, eggs, poultry, or other meat products, rather than as cash grain. Therefore, it can be seen that keeping corn producers out of the soil bank through an unrealistic program will still further encourage the excess production of feed grains.

Mr. Chairman, I understand that H. R. 3011 will be offered, when the bill is read, as a substitute for H. R. 4901. As I am informed, H. R. 3011 provides for a 51-million-acre program for the crop years of 1957, 1958, and 1959. It offers supports at 75 percent of parity provided that 15 percent of the national acreage is placed in the soil bank.

I further understand that H. R. 4555 may also be offered as a substitute for H. R. 4901. I am informed that H. R. 4555, which has been endorsed by the American Farm Bureau, would offer the corn producers in 1957 his choice of a national acreage of 37.3 million acres and supports at $1.36 per bushel or 51 million acres and supports at $1.31 per bushel. In other words, the individual corn farmer would be given the same choice as he received in the referendum last December.

These problems are all complicated, Mr. Chairman, by the fact that the deadline for corn producers to participate in the soil bank is Friday, March 8. However, I assume that, if new corn legislation is forthcoming, this deadline will be extended.

Mr. Chairman, I regard either H. R. 3011 or H. R. 4555 as preferable substitutes for H. R. 4901 and I will vote for either of them when they are so offered. I oppose the passage of H. R. 4901 because I want the soil-bank program to succeed and not be cluttered up, so far as the corn program is concerned, with other feed grains and basic crops.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, may I say from the very outset that as one representing a district in the heart of the commercial corn area, I have been besieged with correspondence and personal calls from my farmer constituency inquiring as to what action they might expect the Congress to take in this emergency situation.

I am very happy that we are finally coming to grips with the problem by way of legislative action. We are working against time, as our farmer friends will, within a few short weeks, be preparing the soil for planting, and they must know how to proceed.

In one of my rural counties—Bureau—for example, only 40 farmers have signed up for the current program. Compare this figure, if you will, with better than 500 signed up last year at this time. The reason for this, of course, is the fact that the corn referendum last December went counter to their wishes. While failing to get the necessary two-thirds affirmative vote in the entire commercial corn area, the referendum passed in Illinois by a vote of 4 to 1.

I feel the present program is inoperative because the national allotment of 37.3 million acres for corn is so small that farmers will not abide by their individual allotments. There will be little participation in the soil bank by corn growers, and this will, in effect, bring about an even more serious surplus problem and depressed corn prices.

A further depressing of prices in corn would, in a short time, effect the livestock producers all over the country—and this is important. Sixty-nine to seventy percent of all the corn produced never gets into the commercial market, but is fed to livestock, and 55 percent of farm income is derived from livestock.

So, while we are considering the immediate plight of the corngrower, there are some very real secondary effects that would reach out to plague the agricultural economy in all sections of the country.

Now, as I understand the parliamentary situation, we have before us a bill proposed by the Democratic majority and, under the rule adopted, substitution of our Republican minority bill will be in order. I have given careful study to both proposals and shall support the substitute offered by the minority for the following reasons.

The majority has proposed a program which, according to various estimates cited thus far in this debate, could cost the taxpayers upward of another one-half billion dollars in subsidies, and would not achieve the objectives of, first, restoring stability of supplies and price, or, second, reduce production gluts of corn.

I can see no reason for treating the other feed grains such as oats, barley, rye, grain sorghums, flaxseed and soybeans on a par with corn as provided for in the majority bill.

How can we, when the Soil Bank Act as passed by Congress made a clear distinction between these feed grains and the six so-called basic crops? I get the impression that the sponsors of the majority bill want to scuttle the soil bank program before we have given it a fair chance to work.

We are supposed to be considering an emergency corn bill here today, but the majority bill looks more like a feed grain bill for the benefit of the South.

I am compelled to oppose the majority bill and vote for the minority substitute which will restore the 51 million acres as the corn base acreage. The corn farmers in my district approved of this base acreage by a 4 to 1 vote in the December referendum, and my vote for the substitute bill will carry out this mandate.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Minnesota [Mrs. KNUTSON].

EQUAL TREATMENT FOR FAMILY FARMER FEED GRAINS

Mrs. KNUTSON. Mr. Chairman, the legislation we consider today is the most fair, the most important, and the most critical legislation. The average family farmer raises a good portion of the feed grains. These feed grains are used not only as a feed crop but also to a lesser degree as a cash crop. As a rule, we do not consider feed grains in their realistic light. A small farmer revolves around the feed grain in his operation. Just this morning I received a letter from a constituent, Mr. Herman Holland, of Moorhead, Minn., regarding feed grains. He said, "This last week we received a letter from our ASC office in Moorhead, saying small grains, with the exception of corn, would not be placed under reseal. This is quite a blow to us farmers who borrowed money to buy these granaries with the promise they could be repaid by money received for storage. It might be the only way we will get enough money to pay for them. Furthermore, the Government has advocated buying these granaries so as to keep the surplus off the markets. The farmer who raised this grain should have the privilege of resealing his 1956 crop if he so desires. I am writing to some of our Representatives in Washington, hoping they can help us change this decision."

First, we have waited many years for an equitable program for feed grains. Previously, the principal support for basic operation has been leverage to pull up the prices on small-grain crops. This principle did operate and I know many farmers appreciate the effects of it, though in some cases there could be an oversupply of feed grains and so lower the price for a short time. The overall principle of the 90-percent supports was protection against disaster. When prices were fair, supports were not necessary. When prices fell to disaster level,

we had a minimum-wage protection clause so to speak.

Whenever an allotment takes effect, there is a very strong tendency to shift the extra land into production of feed grains. The overproduction bulge merely shoots out in another direction. Actually, it means a continuance of overproduction of all farm commodities.

Feed-grain assimilation into the soil bank will give family farmers some degree of insurance, much as the worker has insurance of his job or a businessman counts on the insurance of his trade. On the whole, the soil bank has not been effective for the average family farmer because he relies so heavily on feed grains in most cases. Generally speaking, his allotment of basic crops is but a small portion of his production outlook.

Second, feed grains in the soil bank would have a tremendous effect on the surplus production of hogs, dairy products and beef because of their key role. Not only are feed grains the pillar of the diversified farmer's operational structure, but feed grains are also complementary to corn. It is corn's "breath of life," right arm, right bower, mainstay, and guardian. Actually, it is corn's salvation. If an allotment is placed on corn, feed-grain production climbs. Like corn, feed grains are consumed primarily on the farm. Oats is a livestock grain. It can put feathers on chickens, energy in horses, milk through cows. Barley is a hog fattener. Soybeans give a glossy satin finish to hides. Even flaxseed meal is feed protein booster. It is self-evident to any farmer that corn can be replaced with feed grains.

Corn production can be cut without affecting the continued high production of bacon, milk, or steaks. Feed grains under the soil bank would operate to relieve pressure on corn as well as the pressure on hogs, dairy, and beef prices. Of all crops, corn would benefit on the market by reason of feed grains being in the soil bank.

As an illustration, one farmer said recently, "I told a Senator I believed our problems of surplus begin by controlling our feed supply. We then would not have a surplus of milk, hogs, beef, etc., and he agreed with me. I also added it would probably bring our livestock back to our farms instead of having so much of it in the East where they want cheap feed and we cannot compete with them as to volume. The farmers of the Midwest would be in a position to make their own destiny rather than be forced to do things by their eastern competition."

A big point should also be made here. Up until this time, under the soil-bank program many poor production acres have been taken out of production and placed in the soil bank. As we take out more acres for feed grains, the accumulation in the soil bank will be from more highly productive acres and this will have a greater effect for overproduction control.

Third, the whole farm situation is in a crisis and now is the time to write a uniform and a fair program that will be a credit to Congress and a benefit to the people of the entire Nation.

The interests of our country demand an overall farm program. If any program pits one farm commodity against another, it is nothing but a device to "divide and conquer." The bill reported by our committee would allow corn farmers to replace 7,800,000 acres above their allotments into the soil bank.

This was allowed last year. Why not now? The bill would allow the corn grower of last year to be eligible for soil bank payments by reducing his other feed grains and still remain eligible for price supports. Feed grains in the soil bank would not merely continue the cost of the corn program of the last election year—which, parenthetically, did nothing to diminish supply—but to continue in a more sensible way. There is no use forcing feed grains to so compete in a way that drives corn prices down. Even Marvin L. McLain, Assistant Secretary of Agriculture, said:

> Corn farmers and livestock producers are carrying not only their own problems but in addition, problems shifted to them by producers of other crops.

Turn this coin over, and I read: "Feed-grain and livestock producers are carrying their own problems as well as the corn problem shifted onto them." Certainly, the past experience indicates that the supply and price situation of corn causes livestock producers to lose economically in periods of cheap feed but to prosper when feed grains are stable and fair in their relationship to other farm commodities. Feed grains have been cut from 90 percent of old parity to as low as 50 percent by the same standard. It is highly questionable whether any farmer who sold oats really covered his expenses last year. I maintain that we should treat all crops alike. If corn gets priority and sympathy, so should potatoes or peanuts or pulpwood, honey, or any other family farm commodity.

Unless the law is so changed, we face an even greater record-breaking production of corn and feed grain crops. This production year, 1957, will witness disaster market prices that can deteriorate our agricultural economy much more. We want a fair supply of food and fiber for expanding population of the years to come. We want no malnutrition. We want equity in farm prices to assure such supply. We want, more than anything, a balance of production that suits the commodity to its best environment instead of shifting it from one production area to another.

When we deposit money in our individual banks, we like to put in $100 bills, but if we have a few cents in change, we can also deposit the pennies in the bank. If you call it a soil bank, let us make it a soil bank. Let us put our feed grain pennies as well as our basic grain cash crop dollars into the soil bank. Then we will reap the dividends of fair prices for dairy products, hogs, and beef products. Our housewives and consumers will reap dividends from the stake we all have in future production of food at fair prices, instead of the prospect of food scarcity and high prices, and no dividends for anybody.

Let us sing the swan song of piecemeal legislation and give the comprehensive and equitable farm program new birth.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Chairman, I wish to associate myself with the position so eloquently expressed by the chairman of our committee, the gentleman from North Carolina [Mr. COOLEY] and the vice chairman, the gentleman from Texas [Mr. POAGE].

Mr. Chairman, I fully realize that Secretary Benson's sliding scale farm policies have really resulted in putting commercial area corn producers in an impossible economic situation in 1957. Some of us as long ago as 1953 were predicting what the Secretary's maneuvering with the feed-grain program would do to you.

You well remember that back in 1954, butter was Benson's political target No. 1. And in that year he put into operation the economic and political timebombs which many of us predicted would make corn the political target No. 1 in just a few years. The economic reverberation of applying the sliding scale to feed grain, other than corn, has brought this problem on corn. It greatly injured the hog and cattle markets.

With wheat acreage allotments cut, price supports reduced, both on wheat and the feed grains, the farmers in my State of Montana had no alternative other than to increase feed-grain acreage in a futile effort to halt the drastic drop in farm family income. The growers in my district turned to barley. Almost half of the national increase in barley acreage was in Montana. Our harvested barley acreage increased from 725,000 acres in 1945–54 acerage to 1,354,000 acreage in 1955. To a very large extent the wheat growers in the almost one-crop area of the wheat triangle in eastern Montana, turned to barley to keep their income from being completely Bensonized out of existence.

Now I do not want to deny corn producers in the commercial area the income improvement and protection they deserve. But I want to see this done in a way that will not injure other feed grain producers, cattle raisers, and hog raisers.

But this problem cannot be solved by legislation that deals with corn produced in the commercial corn-producing area alone. The solution, to be effective, must deal with all the feed grains, as does the bill recommended by our Agriculture Committee. I hope the House will reject the partisan partial panaceas that may be proposed to us for political reasons.

Barley, oats, grain sorghum, rye, soybean meal, and linseed meal compete with corn in all of its feed uses. A critter in the feedlot does not care if the feed in his trough is commercial or noncommercial, and he does not care a great deal whether it is barley or sorghum or corn. The barley producers in Montana are a part of the feed-grain-livestock economy, as well as are the cash corn growers of Illinois. As a matter of fact, I would expect that the corn producers of

Illinois, Iowa, Minnesota, and other commercial areas would feel they are being asked to assume an unfair burden if we ask them to take over the job of making by themselves all the downward adjustment of market supply now required to return the feed-grain-livestock economy to financial health and stop this headlong plunge to bankruptcy.

Feed grain per animal unit is at an all-time high. Consumers are being supplied a modern high record of meat supply per person. Experiment stations and United States Department of Agriculture research shows that a 1-percent oversupply of feed means a 1.2 oversupply of meat, and 1 percent oversupply of meat means at least 2-percent drop in retail prices, and 4 or 5 percent drop in farm prices of hogs and cattle.

Now, barley producers in Montana do not happily face the fact that their increased production of barley has contributed in some part to the oversupply of feed grains and livestock and the consequent drops in farm prices and income. However, under these Benson farm policies they have had no other course unless they chose quick bankruptcy. They badly want a program such as that proposed in the committee bill that will enable the wheat-barley growers to cooperate with their feed-grain producing neighbors to rescue the feed situation from the mess into which Benson's policies have plunged it.

Adoption of the commercial-corn-only substitute bill can only injure the income position of other farmers and will not in fact improve, more than very temporarily, the income of commercial corn producers. Its adoption would force wheat-barley producers to produce more barley; force cotton-wheat-sorghum producers to produce more sorghum, and similarly with other feed grain producers. This can only result in falling prices and income for corn producers outside the commercial, as well as for all other feed grain producers and for hog and cattle raisers. In the long run, it will destroy the economic position of commercial corn producers themselves.

Montana farmers can participate cooperatively in the program that would be established by the committee bill. Many Montana wheat farmers have taken up to 40 percent cuts under wheat marketing quotas. We understand the need for that—we also understand the need for income. We would prefer that support levels be at a more nearly adequate level. The committee bill would provide us a gross income equivalent of about 85 to 90 percent of parity, through the proposed acreage reserve payments and the resulting effect of supply adjustment in raising feed grain and livestock incomes.

The committee bill provides as much or more income improvement than the proposed substitutes do for commercial corn. But it does this in a way that will reduce Federal expenditure, help bring about needed adjustments in the livestock feed grain economy, and put a large part of our field crop commodities on a fair and uniform basis in the farm program.

Mr. HILL. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, how often have the Members of this House been called upon to consider the problem of agriculture? It actually is not a problem but consists of many problems. There are times when the Congress is called upon to consider legislation that has an impact on every phase of agriculture; other times when it is called upon to consider legislation having to do with a single commodity or a geographical area of our country.

The corn bill we are now considering is a commodity bill, yet insofar as a solitary commodity is concerned it probably has more to do with every phase of agriculture than any other single commodity. While corn is not listed as one of the big money crops in the statistician's book it actually is the most valuable of all raw food commodities produced in the United States. Since about four-fifths or 80 percent of it, however, is marketed by way of livestock the statistics, so far as corn sales are concerned, do not properly reflect its true value.

Corn, which is grown today in many sections of the country, is a valuable crop in producing not only meat but other animal products, such as milk and eggs which form the backbone of the diet of our people. Livestock and livestock products account for nearly two-thirds of all farm income, another way of saying how important it is to agriculture as a whole.

During all the years the Congress has been considering agricultural legislation, not until 1956 did corn as a commodity become a problem. It is interesting to note how this came about. From 1932 to 1945 we had a pattern of gradually decreasing corn acreage. Total acres in the United States decreased from over a hundred million to approximately eighty million. Beginning in 1945, corn production leveled off and since then there has been little change in the acreage pattern. During the time when corn acreage was being decreased, hybrid corn and better fertilizers were coming into the picture; they compensated for the decreased acreage. Today we find that annual production averages around three billion bushels. The fluctuation from year to year is principally due to weather.

The next question is: If corn has not increased in production during the past 10 years, why are we here today asking for legislation to sustain this commodity? The answer is that corn, as a livestock feed, has been augmented by the increased production of competitive grains. These grains—oats, barley, and grain sorghum—have been produced mostly in the area where acres have been diverted from wheat and cotton.

There has been an unusual development with regard to grain sorghum. The plant breeders have developed a new variety extremely productive in yield and easy to harvest; it is likewise adapted to the semiarid sections of the West. When sufficient hybrid seed is produced to make it available to all, the production of grain sorghum will become a very great factor.

The increase during the last 3 years of production of these competing grains on diverted acres amounts to 25 percent of the total production of corn. Since corn production and livestock consumption had been in virtual balance through the years, it is not hard to understand how the 25-percent increase in production of these competing feed grains has thrown the natural balance out of kilter. This surplus has the potential power to drive livestock prices to bankrupt levels. In other words, unlimited production of grain means cheap grain even beyond the power of the Commodity Credit Corporation to sustain. This in turn will bring about a substantial increase in livestock and livestock products, flood the market, and cause the producers of two-thirds of the farm income to suffer severe economic losses.

We have before us here today two proposals to meet the situation. One is the Poage bill, H. R. 4940, and the other the Andresen bill, H. R. 3011. Both seek to deal with the situation and I want to briefly evaluate both bills to you now.

As I have stated, the livestock industry is confronted already with depressed prices and we cannot sustain our livestock industry and improve its status unless we can reduce the supply of grain. The Poage bill attempts not only to treat with corn but also with the supplemental grains. The argument that supporters of the Poage bill advance is that it will not only deal with the problem of corn surplus but will also deal with other grains that are actually creating the surplus. At first glance the Poage bill would seem to have a great deal to recommend it. I do not believe, however, that it is the best answer to our problem.

The soil bank was organized for one purpose: to reduce the acres of crops that are being produced in surplus and to act as a supplement to the price-support program to sustain agriculture. There are two phases of the soil-bank program, each has its function. The acreage reserve is an emergency program presumed to last not more than 3 years, the conservation reserve is the long-range program. The purpose of the acreage reserve is to reduce the production of all basic commodities, and provide for farmers to adjust their reduction without suffering great economic losses.

You might say that the acreage reserve phase of the soil bank is a bridge designed to carry our producers of basic crops from the level of production incurred by the war across the chasm of depression to a peacetime plateau. Now the peacetime plateau is actually the other phase of the soil bank—that is, the conservation reserve. The conservation reserve is a long-range program which, it is hoped, will eventually take enough acres out of production so that we will not have to be harassed with the regulatory devices now being used for the basic commodities. The conservation reserve is not designed to take good acres out of production. To the contrary, it is hoped that it will take marginal acres out of production—acres that

should never have been placed in production in the first place and retire them, if not permanently, at least until some other emergency justifies their reuse for crop production purposes.

The Poage bill, while possibly offering some immediate relief, would have the ultimate effect of discouraging and perhaps even defeating the purposes of the conservation reserve, which as I said, is the long-range phase of the Soil Bank Act. It is for this reason then that I think the Poage bill is not the best bill. There are many, of course, who are inclined to look upon the soil bank as a program to distribute money to needy farmers. I do not think it should be so regarded.

I would like to address myself to the question raised by a number of my colleagues concerning the impact of the Andresen bill on the feed-deficit areas as well as the corn area itself. Those areas of our country where feed must be shipped in, are naturally interested in knowing whether the Andresen bill will affect their cost of feeding operations. I can say to you that the Andresen bill does not deal with any commodity except corn and it does not change the present law with regard to the price support features. Neither has it anything to do with the price support of supplemental grains. The Secretary now has and has had authority to fix these supports at variable levels. For this reason I think those who are representing areas which buy feed grain can honestly say that they have not voted for a piece of legislation which will have the effect of increasing the price of grain in their area.

Now, actually, what the Andresen bill does so far as the commercial grower is concerned is fix a minimum acreage limit for the commercial corn area for the next 3 years. It sets a realistic level for corn production comparable to what has been done for wheat, cotton, tobacco, and rice. For this reason it does not in any way give an unfair or unequal opportunity to the corn grower. The commercial corn growers recognize the fact that while the problem they face is not of their making, they must nonetheless cooperate in its solution. I think most farmers in my area are willing to make any fair adjustment that is necessary to bring this about. They do not feel, however, that they should be called upon to help pay the costs that would be incurred if the provisions of the Poage bill were to become law.

Another question has been raised by my colleagues which I think should be answered. It is the question of whether the commodities of wheat and cotton—the other two major basic commodities—are receiving equitable treatment by comparison with corn so far as soil bank appropriations are concerned. I can say to you that cotton which has an acreage about one-third of corn will receive approximately the same amount of dollars from the soil bank as corn, and that wheat which has an acreage about the same as corn has more dollars earmarked for it than does corn. There is no thought on the part of the corn growers to seek an unfair advantage, but they do feel that they are entitled to at least equitable treatment. I want to repeat the statement that I made at the beginning of my discussion which is that whereas during all the years the other commodities have had to come before the Congress for help or assistance, the corn grower has not been before the Congress with problems until the last 2 years and only then because of factors beyond his control.

Let me say in conclusion that I regret very much the fact that we must come to the floor of the House as a committee on a divided basis. We need to have a common understanding and sympathy for the problems of one area as compared to another and I hope that we will not be forced to come to the floor of the House in the future on a divided basis.

If the country is to sustain a continued prosperity we must have a prosperous agriculture. The problem with which we are dealing today bears upon an important segment of our whole economy and certainly deserves the most serious and thoughtful consideration of every Member of the House. The American people are well fed. I hope every policy of our committee and the Congress will continue a program which will make certain the American people are among the best fed in the world at a reasonable cost.

HIGHLIGHTS OF AGRICULTURAL SITUATION

1. Reduction of food and fiber production was necessary after the Korean war.

2. Most severe reductions came in 1953–54 in the export market for wheat and cotton.

3. Thousands of acres thus idled were converted to producing supplemental grains such as oats, barley, and grain sorghum.

4. This added production of feed grains upset the historical balance which had prevailed in the Midwest between grain and livestock.

5. While corn has not increased in total production, the corngrowers who market their grain via livestock have suffered severe reductions in livestock prices.

6. Since the total income of all farmers is approximately 60 percent from livestock and since "cheap surplus grain means cheap livestock," it follows that we cannot have a prosperous agriculture until this problem is solved.

7. The soil bank was devised to take surplus acres out of production; the two divisions of the soil bank are acreage reserve and conservation reserve.

8. The acreage reserve is a short-range plan (3 years) and will reduce the surplus of wheat, cotton, and corn on an emergency basis.

9. The conservation reserve is a long-range program (15 years) that will take poor acres out of production and keep them out, thereby making a good market for the good acres.

10. A corn program of temporary acreage reduction is needed as a part of the acreage-reserve program to bolster grain prices and reduce supplies all over the Corn Belt until the poor acres can be brought into the conservation reserve.

11. Even within the Corn Belt there are good, better, and best acres; it is not contemplated that the better or best acres will find it profitable to come into the acreage reserve. The goal is, however, to stabilize our livestock prices at a prosperous level by bringing grain supplies into balance with requirements.

Mr. HARVEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include an analysis entitled "Highlights of Agricultural Situation."

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. COOLEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I want to correct the RECORD. The gentleman from Illinois [Mr. SIMPSON] said that he was called upon to vote on this measure before the bill had been printed and presented to the committee. The record shows that the bill, H. R. 4901, was introduced on February 18. It was considered by our committee and was ordered reported on the 19th and actually reported with amendments on February 21. So, the gentleman from Illinois [Mr. SIMPSON] is certainly in error.

Some of the members of our committee have complained, including the gentleman from Iowa [Mr. HOSPERS], that we had used dilatory tactics in handling the corn bill. The gentleman is in grave error. Actually our organization meeting was held on January 28, 1957. The new minority members of that committee were not even named, and we could not have an organization meeting until they had been named, so we held the meeting on January 28. Within 2 days after the organization meeting the Subcommittee on Corn, headed by the gentleman from Texas [Mr. POAGE], started hearings on corn legislation. Those hearings were full and complete and day after day the gentleman from Texas [Mr. POAGE] offered to meet in the afternoons and continue the hearings at any time the minority desired to meet.

Mr. Chairman, I want to call attention to one other thing. Someone has complained that drought legislation had been given priority over this legislation. Actually, the drought bills, 18 in number, were introduced on January 10, 6 days before the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] even introduced his bill.

The gentleman from Texas [Mr. POAGE] conducted the hearings of the Subcommittee on Drought Legislation even before we had an organization meeting, just as we had hearings on the soil-bank program before we had an organization meeting. But certainly we could not officially report legislation until we had organized the committee.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I want to point out to the gentleman that I made no objection to holding committee hearings on drought-relief legislation or on the soil bank for the meeting beginning January 6, to which the gentleman referred.

Mr. COOLEY. No, no; I am sure the gentleman did not object.

Mr. AUGUST H. ANDRESEN. At that time we also talked about treating corn as an emergency proposition. It was agreed to by Mr. POAGE and other members of the committee that it would be treated with after we got through with the drought bill.

Mr. COOLEY. The point that I am trying to make is this: The gentleman speaks of an emergency in the corn area. The emergency in the drought area was of such magnitude as to attract the attention of the President of the United States who dramatized the situation by flying into the area himself.

Mr. AUGUST H. ANDRESEN. We agreed to that and we helped to put through the drought bill.

Mr. COOLEY. I am not saying that the gentleman from Minnesota complained that priority was given to the drought legislation, but some members of the minority in the debate here today have violently complained about it.

Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, the hour is late and we have had a rather exhaustive debate on this so-called corn legislation. But I do feel compelled to state my position on this important matter and at the outset to emphasize a point that has been made several times today. That is the fact that this great Committee on Agriculture is divided and we are bringing before the Committee a bill that does not have the unanimous approval of our great committee.

Both sides of the aisle, Mr. Chairman, realize, of course, that the farm problem is here to stay and some Members who are not members of the Committee on Agriculture have expressed today some concern about the future direction of the farm program. I can understand their uncertainty and their confusion. But I know that they and all Members of Congress are determined to continue working on this farm program because it is of such great importance to our people.

When Thomas Jefferson was President of the United States and when he enunciated his doctrine of agrarian ownership, a doctrine to which I subscribe, 85 percent of all of our people lived on the farm. I believe as sincerely as I believe anything that unless we have independent farmers owning their farms, living on the soil, and making a living off the soil, this Republic as we know it cannot endure. I believe that earnestly, and I believe a great majority of you subscribe to that belief.

I have been somewhat concerned today with the remarks that have been made about the tremendous cost of the farm program, and none of us denies that it does cost. However, I am sure all of us, as we consider the cost of the farm program, will keep in mind that when other segments of our Government are protected either by Government subsidy or by the privilege of organization the farmer just cannot be expected to go it alone. I cannot see in the foreseeable future, Mr. Chairman, how we can ever expect the farmer to go it alone. We must, with all of the earnestness we have, continue to work on these great programs, and they are great programs, to improve them and make them fair to the farmer and, yes, to the consumer, because America will be great only as we all participate in progress.

Certainly, as we consider the subsidy to the farmer, we consider also the $650 million deficit in the Post Office Department this year, and the accelerated depreciation allowances we permit on business enterprises. Because of those incentives we have hundreds of thousands of new jobs created. We consider the subsidies to the merchant marine. We consider our great reclamation and flood control projects. I submit that even though the farm program is costly it is not too costly when we consider the good that it does.

I have often been intrigued with this thought, that if we did not have the surplus, how much more our farm products would cost the consumer. I remember several years ago, for example, when we had a coffee scarcity scare, and because we did not think we would have enough coffee from Brazil the price went up to such an extent that, I estimated, it cost the American consumer somewhere between two and three billion dollars more just because of that one coffee scarcity scare.

These are facts that we all agree on, Mr. Chairman, but we do have a sharp division of opinion here, with my colleagues on the Democratic side taking one position and my colleagues on the Republican side taking the other. We have erred in having this division. I recall the great chairman of our committee, the Honorable HAROLD COOLEY, pleaded with us in committee to bring out a bill here on which we could all agree.

I have heard this afternoon, and with a great deal of discouragement, one section of the country pitted against another. We weep crocodile tears because our commodity does not get as much as another man's commodity. I tell you that is basically wrong.

I want to get into this act. We have heard about emergency corn legislation. I mentioned in the committee that I think no crop deserves more emergency legislation than flue-cured tobacco. The flue-cured tobacco growers who produce varieties 139, 140, and Dixie Bright 244 are being called on next year to accept a 50 percent price support. I think probably that was necessary because of these undesirable types of tobacco. That was no fault of the producers. They did not know they were going to be undesirable. Yet they are faced with an emergency.

A statement was made here on the floor that the flue-cured tobacco farmer is making $2,000 to $3,000 an acre for his tobacco. I certainly wish that were true. The flue-cured tobacco farmers in my particular area of the country consider themselves fortunate if they get $1,000 an acre. They have to accept these very drastic reductions in acreage allotments. If you told them they would not have to accept acreage allotments and they could plant all the tobacco they wanted to and get 86 percent of parity, they would be the happiest farmers in America. My tobacco farmers are facing an emergency. But, Mr. Chairman, I will not dwell upon that any longer. I do think we must never give up this fight to give the farmer a fair share of the consumer's dollar. That is what we have been trying to do in all of these programs.

I hope as a result of this debate, that we do not forget that basic problem, that the American farmer today just does not get a fair share of the consumer's dollar. If we could grant him just 50 percent of the consumer's dollar, his problems would be pretty well solved. Now we are all agreed on that.

Coming specifically to the present legislation, Mr. Chairman, my colleagues on the committee know that I am very mild in my utterances. I do not say much, but I do think the Democratic members of the Committee on Agriculture made every honorable effort possible in an honorable way to get good corn legislation. It seems as though one time the gentleman from Mississippi [Mr. ABERNETHY] would lead us into this spirit of unanimity, but we never came to it. I cannot help but observe that it would seem to me that most of my colleagues on the other side of the aisle took the attitude—the Andresen bill or nothing. Even if I believed in it 100 percent, if I had an ounce of red blood, which I believe I have, I believe I would resent that particular attitude. I may be wrong, but that is my feeling.

Now, I want to say this. I believe the committee bill gives the corn farmers of America everything in the world they could reasonably expect to get. Let me repeat these things that the corn farmers will get if the committee bill is passed.

First, the corn farmers want a larger allotment. This bill gives them an arbitrary increase of approximately 6 million acres over the allotment of 37,300,000 acres set for 1957 by the Department of Agriculture.

I do not believe any other crop ever had such generous treatment in the allotment of acres. I am willing for our corn producers to have that.

Second, the corn farmers want to be able to place a substantial amount of acreage in the soil bank above the allotments, and this bill allows the corn farmers to place 7,800,000 acres above their allotment in the soil bank.

The corn farmers want to be paid at corn prices whether they place corn or other feed grains in the soil bank, and this bill gives them that opportunity. In other words, if flue-cured tobacco farmers could get flue-cured tobacco prices for participating in the diverted acreage program, it would mean some $250 an acre for them for land put in the Acreage Reserve program of the Soil Bank, instead of somewhere between $10 and $40 an acre. But, the corn producer is getting that advantage. The corn farmers are granted at least 75 percent of parity in this bill. The corn farmers are granted that corn remains a basic commodity. And more than anything else, Mr. Chairman, the committee bill tries to do something about the surplus feed grain problem. Last year the corn growers got $179 million out of the soil bank. It did not help with this idea of corn surpluses. We must think of some new idea, it seems to me, to work on the surplus problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MATTHEWS. Mr. Chairman, I submit that the committee bill makes an earnest and honest attempt to do something about this surplus feed grain problem. I share the apprehension of my colleagues who have talked to us about the danger we face with low prices on our hogs and on our cattle, and unless we do something about this surplus feed grain production, I tell you we face that grave problem which will confront every section of this country. So I must conclude, after studying this measure in committee and hearing the arguments that have been propounded today, that the committee bill is a good bill for the corn farmer. I don't believe, Mr. Chairman, that I shall take any more time even though my distinguished colleague, the gentleman from Texas [Mr. POAGE] was willing to grant me more time because I know there are others who want to speak.

Mr. POAGE. Mr. Chairman, will the gentleman yield

Mr. MATTHEWS. I am delighted to yield to my colleague.

Mr. POAGE. I think the gentleman is making one of the best speeches I have ever listened to, and I would be glad to hear him continue.

Mr. MATTHEWS. I want to tell my colleague how grateful I am for that, but I realize there are several Members who have not had a chance to speak so I will leave the floor and thank the gentleman from Texas very much for the courtesy.

Mr. Chairman, I yield back the balance of my time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Chairman, I want to thank all of you people for remaining as you have. I suppose the reason you are remaining is to hear the next speaker.

I am reminded of that story that has been told so many times about the cowboy who went out with a load of hay and found one cow. "Should I unload the whole load here?" I have got quite a lot of corn to unload. I do not know whether I should do it this afternoon or not.

I represent, I think, one of the better corn areas in the United States, and certainly one of the best livestock areas. So I am most concerned about this corn bill this afternoon.

I want to give you the reason why I am opposed to the bill that has been presented by the committee. At the outset I think I should tell you something about the value of corn and the reason I am so concerned about it. I do not know whether you people realize the value of corn to the economy of the United States of America or not, and how great this economy is, and that the value of corn is equal to that of cotton, wheat, rice, and peanuts, and will take a $50 million bite out of tobacco. That is the value of corn and the reason for our discussion this afternoon is to protect that very fine commodity.

In order to effectively protect that corn, we must do something to bring supply of corn into balance with demand. If we cannot do that, corn is going to be in a bad state of affairs in the next year. If we do not get a corn bill, I think possibly for the next year corn may be in pretty good shape, from the standpoint of income for the farmer, but in the long run, looking into that crystal ball, I think that in 1958 or 1959 the end result would be cheap corn and cheap livestock, and that would be disastrous to the economy of our country.

I want to explain why I am opposed to the legislation that is being presented this afternoon. The No. 1 cause is the cost. The gentleman from Virginia [Mr. SMITH] made one of the finest statements on the floor that has been made for a long time—that it is our responsibility as Members of Congress to determine what the expenditures are going to be. It is up to those of us in agriculture to determine what the expenditures will be in agriculture. I know not what the expenditures will be to include all of the commodities that have been asked for. There have been figures suggested all the way from $300 million to $500 million, and on up. It is the feeling of the Department of Agriculture that we will not get a reduction in production that is commensurate with the expenditure that we will be forced to make to satisfy the other basic commodities.

They relate, "The cost is not very much, and you are giving it to the commercial corn area. Why not give it to the noncommercial corn area?"

This is just another example of the camel getting its nose under the tent, and when we determine that the cost of this particular item is only going to be—to use the figures that have been presented on the majority side—$300 million, that is just a start.

It is going to take a large number of people to implement this legislation. I know it is going to be argued that we already have people in the field to do this work. Let me give you some examples of other legislation that we have passed here and the amount of money that you are spending for these other pieces of legislation that you thought were not going to cost any great amount.

The brucellosis program—and I am sure each and every member of the committee here will remember the brucellosis program—the eradication of brucellosis, and we were all for it, and we are still all for it, never thinking about the number of people it was going to take to implement this particular legislation. But from 1952 to 1957 we have added in the Department of Agriculture for this particular program alone 2,408 people.

The watershed program, one of the finest we ever passed, and everybody is interested in water today and in the watershed program, but when it was instituted I am sure no one knew how much it was going to take to operate, but they added 1,589 employees from 1952 to and including 1957.

The soil bank campaign that was instituted last year, and this is just the thing I am talking about here this afternoon, what it will cost in terms of additional employees necessary to implement the program in additional employees plus soil bank payment. Just in the year from 1956 to 1957 we have put on 2,265 additional people.

Price support activities increased from 1952 to 1957 till we had to have 2,505 additional people in the Department of Agriculture to handle that program.

We want to cut down expenses, but this is how they mount.

Strengthened research program in crops, livestock, utilization, marketing, and forestry, there was an increase in employment to handle that program of 2,106 people.

For forest access roads and timber sales the increased personnel amounts to 2,303—that is 1957 compared with 1952.

The SCS technical assistance to ACP 1,325 additional employees.

For agricultural attachés and market development, 349.

Disease and pest control, 344.

All others amount to 1,064.

The total number of additional employees for these various services amount to 16,258 in the Department of Agriculture. We never thought when we passed the legislation of the number of people it would take to implement the particular legislation.

So I speak in the interest of economy, and I am sure that I have no monopoly in this instance, that each and every one of you on both sides of the aisle have gotten the same kind of letters I have been getting. I do not feel that we are going to get value received by passing this particular legislation that is being asked for in some parts of the country. Frankly, I cannot understand, it is beyond me to understand why the people are asking for it. They take the position, as I see it, that it is some sort of a bonanza that the Government is handing out to the people within the corn area, that it is a giveaway program of some kind.

If you are sincere in the thing you are asking for, to take corn out of production in order to get the soil bank, I think that you have nothing whatsoever to gain. Why you keep asking for this particular program I do not know. In my particular country it is going to be necessary, and it was in 1956 when they thought they were going to have a crop, to force people to take to the soil banks. There is no profit in the soil bank. So why all the furor this afternoon about wanting this particular program that is going to cost this great amount of money, whatever the amount is, and the number of employees it will take to operate it? I do not know what it will cost or how many people will be necessary to operate the program beyond the commercial corn area, but it is an amount we can save and will hurt no farmers.

A great deal has been said about the equity of these particular programs and what it has cost to operate them. There are not any very great reasons why I should give you these particular figures because it seems as though everybody has a set of figures to prove their point. It reminds me of a bachelor that used to live in our section of the country. He said there are three kinds of lies—lies, damn lies, and statistics. So you can prove anything you want with statistics.

It has cost a tremendous amount of money to implement these particular programs.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HARRISON of Nebraska. Mr. Chairman, it is going to cost a great deal to implement the corn program—$217 million in the commercial corn area. Corn is the only commodity that is not in any great distress. The reason for the emergency is if we do not do something it will be in distress. We have about 1,400 million bushels carryover in corn. Someone said that is only about a 3 or 4 months supply. That is true, but it is about twice the amount that we are able to sell in a year. In other words, what we sell in a year would only be about half the amount that we have on hand. So unless we were to have a total crop failure we have much more corn than we have any need for.

Mr. Chairman, I need not state here this afternoon how we arrive at our allotments. I have been asked that question a number of times. In this particular area corn is not the favored commodity. If we have 15 percent of the domestic consumption plus sales of our foreign trade on hand. The acreage is set at what we will need plus our carryover for the next year. For corn, we have an allotment of 15 percent before any acreage allotment is necessary. Cotton is 30 percent. In this particular area cotton is the favored crop. In the case of wheat it is 20 percent. In the case of cotton, too, they get 12 million bales of cotton as a carryover. Wheat has 950 million bushels. But those are figures that are not too important, except to show that corn is not the commodity that is getting to the favored position in connection with this particular legislation.

I am most anxious to get legislation before us that will be passed. Something has been said about whether or not the President would veto this particular bill. He vetoed one last year, but I do not know that that can be used as a criterion for what will happen in connection with this particular legislation. We can pass this particular legislation which will be introduced by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] get it on the road, then come back and take another look. My good friend the gentleman from Florida [Mr. MATTHEWS] said his particular commodity, flue-cured tobacco, is in trouble. If it is in trouble, let us sit down and take a look at it, but when we do take a look at it I want the people in the tobacco area to tell us people in the corn area what they want and what should be done. I sort of resent very much people in other areas telling people in the corn area what kind of corn program we need. It reminds me of a farm surrounding a particular locality and a man who raises a little garden in town going out and telling these people in the farming area the kind of a farming job that they should do. Now, that is about the position we are in. We think we people in the Corn Belt know the corn situation, and we rather resent the idea of some other section of the country coming to us to tell us what kind of a corn program we should have.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I just want to inquire of the gentleman if he intends to offer his bill which we have talked about and which has been discussed and which at least one farm organization has indicated they will support. Will your bill be offered tomorrow as a substitute or as an amendment?

Mr. HARRISON of Nebraska. I am supporting the Andresen bill at this particular time.

Mr. JONES of Missouri. In other words, are we to understand, then, that you are not going to offer your bill and your support is going to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]? I am trying to get the thing straight so that I know where we are.

Mr. HARRISON of Nebraska. Until such time as we know what the outcome of Mr. ANDRESEN's bill is.

Mr. JONES of Missouri. In other words, if the Andresen bill would be carried, you would not offer it, but if it is defeated, you will offer it?

Mr. HARRISON of Nebraska. That is right.

Mr. JONES of Missouri. That is all I want to know.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. MCGOVERN].

Mr. MCGOVERN. Mr. Chairman, I have been listening all afternoon to the debate on the corn bills proposed by the gentleman from North Carolina and the gentleman from Minnesota, and I want to say that the arguments on both sides have been a worthwhile educational experience for me as a new Member of the House. I never expect to hear more articulate statements on farm legislation than we heard this afternoon from the chairman and the vice chairman of the Committee on Agriculture. I have listened with equal interest to the remarks of the minority members, and I would like to comment here very briefly on one or two of those remarks from the minority side.

The gentleman from Indiana has strongly implied in his statement that the committee corn bill is a southern bill and would not be favorably received by Midwest commercial corn farmers. Now, speaking as a Representative from a district largely embraced by the Midwest commercial corn area, I want to go on record in support of the bill introduced by the gentleman from North Carolina, the Cooley bill. I am sure that the gentleman from Indiana can verify that commercial corn is an important part of the South Dakota economy, because he was out there in the cornfields of South Dakota last fall hunting pheasants and South Dakota Democrats.

I have noted also that the gentleman from Colorado has charged that my State and two others defeated the Benson corn referendum proposal because, in his words, a major farm organization "raised hell" in that part of the country.

I want to say to the gentleman from Colorado that there is some truth in what he says. We South Dakotans still remember the words of Mary Lease, the Populist orator of the 1890's, who told our farmers when they were neglected by the powers that be, that they should "raise less corn and more hell."

I am not opposing the Andresen bill purely because of this hell-raising feature of the South Dakota heritage. I have great respect for the agricultural knowledge of my neighboring colleague, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. But the entire argument against the Cooley bill, which called into play the so-called Andresen bill, seems to me to rest on the assumption that the administration would not react favorably to the proposed committee legislation.

Is it not true, however, that administration farm spokesmen have themselves stated that our basic problem in adjusting corn production stems from our failure in the past to adjust properly corn and other feed-grain production outside the commercial corn area?

Why then does the gentleman from Minnesota assume that a bill which seeks to bring the overall production of corn and related feed grains under control would be vetoed by the President?

I recognize that the gentlemen on the minority side who have spoken today are more experienced in the ways of this body than I am, but even before our beloved Speaker took the floor a few minutes ago, I was disturbed by the implications of the minority spokesmen that we ought to evaluate this legislation not on the basis of its merits but on guesswork as to what the President might or might not do with such legislation. In view of the remarks relative to the administration's attitude on agricultural issues, I would like to raise a final question. For the past 4 years the administration spokesmen, including the President and the Secretary of Agriculture, have been deploring what they describe as a "burdensome" or "mountainous" farm surplus. I am wondering if any gentlemen speaking in explanation of the administration's attitude can tell me what constitutes a national surplus of corn and other farm commodities. When does a necessary national food reserve reach the point when it becomes what the Secretary of Agriculture has described as a burdensome surplus?

The financial report of the United States Commodity Credit Corporation of December 31, 1956, shows that we now have a corn supply that will last 4 months and 21 days based on our present rate of consumption. The same report shows that we have only a 16-day supply of oats and an 8-day supply of rye.

Do these reserves of food constitute a menace to the American economy and to the American taxpayer? Or are they vitally needed national defense assets?

I can find nowhere in the official pronouncements of the Department of Agriculture or of any other Government agency, a scientific statement of what constitutes the minimum and maximum quantities of basic food consistent with

our national security needs. If it is imperative that we stockpile supplies of metals, chemicals, and other war materiel, is it not equally imperative that we arrive at some concept of a minimum food reserve?

Can we talk seriously about a burdensome farm surplus with a disastrous drought spreading from Texas to South Dakota?

Should we utilize our finest energies worrying about food surpluses when careful studies have demonstrated that if every American family were consuming as much food as families living on an income of over $2,000 per year, we would have to increase farm production to meet the demand?

Can we, indeed, talk in good conscience about "mountainous surpluses" when we view a world in which 2 out of every 3 persons are suffering from hunger?

Mr. Chairman, how can we solve the difficult and complex problems that make for war or peace, when we regard food reserves as a liability in a world where most of the inhabitants want nothing so much as a little more nourishment? We are engaged in a life-and-death struggle with the Soviet Union to determine whether the forces of freedom can withstand the challenge of communism. Is there any gentleman who thinks that the Soviet Union would regard a national food surplus as a handicap in the battle for the uncommitted peoples of the globe?

I think the time is long overdue for our national leadership to arrive at a definition of the Nation's necessary food reserve. It is equally urgent that we cease wringing our hands over the farm surplus and accelerate the use of food as an instrument for peace in a hungry world.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, the importance of the decision which the House of Representatives makes today on a new corn program cannot be overemphasized. We are today fixing the direction in which we believe our national farm policy should move. We must decide whether we will move in the direction of more Federal control or less Federal control. We can choose an extremely expensive program which will double the acreage which can be brought under Federal supervision and control, and which will do little to solve the problem; or we can adopt a program which at modest expense brings no new crops under Federal regulation and which will be a step toward the solution of our farm problem.

The talk which I am giving will be broken down as follows: First, urgency of passing a corn bill; second, the program we pass must be sound and economical; third, H. R. 4901 is unsound, expensive, and cannot be justified to the voters who sent us to Congress; fourth, H. R. 4901 would bring us closer to a regimented agriculture, anathema to those of us, including the vast majority, who love freedom.

URGENCY OF PASSING A CORN BILL

Many of us, and I am an example, do not represent any significant number of corn producers, yet we have the responsibility to consider the needs of the entire Nation. The corn farmers need our help. If they do not have a program, they will be selling corn at rock-bottom prices this summer, and they will be in an unfortunate condition.

Not only is the passage of a corn program vital for the corn farmers, which only a small portion of Congressmen represent, but it is also vital for the maintenance of a healthy livestock and poultry industry which a sizable number of Congressmen represent.

For example, in 1955 the sale of livestock and livestock products amounted to 54.1 percent of total cash receipts from farm products. You can add up the value of the six crops designated as basics and their total is well below the total cash receipts from livestock and livestock products. In no State in 1955 did livestock represent less than 23.8 percent of total farm produce. In my own State of Utah, livestock represented 74.4 percent of cash receipts. To mention a few other States from various regions, New Hampshire had 82.9 percent, West Virginia had 78.3 percent, and Oklahoma had 61 percent.

Our livestock areas have a vital interest in the corn and feed problem. The great surpluses of feed that have been built up are resulting in the production of increasing quantities of livestock to such an extent that market prices have been seriously weakened.

A comparison of the situation in 1951 and 1957 with respect to increased feed supplies, and the increased production and declining prices of meat reveals what is happening to the livestock industry.

The feed grain supply has increased from 4.733 billion bushels in 1951 to 5.717 billion bushels in 1956, the highest ever. It also represents a significant increase in the supply of feed grain per animal. There has been a corresponding increase in the production of cattle, calves, and pork. Excluding lard, production of these meats has gone from 21⅓ billion pounds in 1951 to 27½ billion pounds in 1956. At the same time the prices of beef cattle received by farmers have steadily declined from $28.70 per hundredweight in 1951 to $15 in 1956. The prices of hogs have gone down, then up, then back down, from $20 in 1951, to $17.80 in 1953, up to $21.60 in 1954, and back down to $14.40 in 1956.

In addition, the supply of oilcake and meal and byproduct feeds is the highest in history—approximately 16 million tons, and the supply of hay is near a record. Also, the carryover in wheat, not counting last year's production, is over a billion bushels.

Clearly, then our feed suply is excessive. Reasonable efforts to induce corn farmers to cut the supply of feed grain should not be viewed as special treatment of the corn farmers, since most farmers, poultry producers and stockmen are adversely affected by such an oversupply.

THE PROPOSED CORN PROGRAM MUST MEET THE TEST OF ECONOMY AND SOUNDNESS

Simply because we have a heavy surplus of feed does not mean we will be justified before our constituents in passing a heavy spending program, especially if such a program will not significantly reduce the surplus.

The 85th Congress is considering legislation in the face of what is likely the most antagonistic public opinion toward heavy spending in recent decades. Just think back for a moment over the extraordinarily heavy mail you have been receiving the last 2 months from people who were not asking for Federal favors or handouts for themselves, but who were willing to take the time to let you know they wanted you to cut the budget.

At this point I believe a degree of credit should be given the Eisenhower administration for its insistence upon a balanced budget during good times. Congress has gone along with this proposition and as a result our public is more aware than at any time in this generation that Federal programs must be paid for by taxes, and the way to lower taxes is to lower expenditures. Whereas constituents have always been asking for tax cuts, more than ever they are now asking for budget cuts, which demonstrates maturity and responsibility.

In the face of the newly reborn alert scrutiny of and opposition to spending programs, I believe that those who propose highly expensive, unwise, and unsound farm measures at this point are putting in jeopardy all farm programs by a possible rebellion of the irate citizenry of the nonfarm areas.

As an example of the opposition which may be stirred if we continue to add to spending programs for the farm problem which do not solve the problem, I would suggest that any Congressman here try the following experiment: Tell 10 people that in fiscal 1956 the Department of Agriculture budget was $5,177,000,000, and yet the total realized net farm income was only $11,836,000,000. Ask your listeners if they approve the fact that Congress is giving the Department of Agriculture from the tax receipts about 44 percent of all of the net income in agriculture. Ask them if they believe we should further expand spending programs in agriculture which are hard to justify in terms of solving the farm problem. When you hear their answers, you will think twice before voting for H. R. 4901.

H. R. 4901 IS A GREAT EXPENDITURE OF TAX FUNDS WHICH WILL BRING LITTLE RETURN

If Congress passes the Andresen bill, H. R. 3011, as amended, it will add nothing to the Department of Agriculture budget which has been presented to Congress. Included within the budget is $217 million which will be used for the soil bank for corn if we pass the Andresen bill. Let me at this point remind you that the proposed budget for the Department of Agriculture for fiscal 1958 is already $5,330,000,000, which is $178 million more than the 1957 budget.

However, if H. R. 4901 passes, it will involve an additional budget expenditure which could reach a maximum of $996 million, and increase the United States Department of Agriculture budget to

$6,122,000,000, or an amount considerably more than 50 percent of all predicted 1957 farm income of $12,490,000,000.

Surely there are far better ways to help the farmer than by such extravagant, semisocialistic, and ineffectual proposals. If the farm program is to become a relief program, why do we not face up to it and give relief directly to the farmer—which most of them do not want—and not dissipate so much of it in costly overhead?

The committee report on the bill estimates the additional cost at $126 million for section 2 and $125 million under section 3, for a total of $251 million.

Committee Majority Report Cost Estimate on H. R. 4901	
Corn base (acres)	45,300,000
Eligible for acreage reserve (15 percent) (acres)	7,776,000
Majority estimate on number of acres placed in acreage reserve (acres)	5,590,000
Rate of payment (per acre)	$42.66
Cost estimate	$238,000,000
Feed grain acres eligible for acreage reserve up to 18 percent of allotments other than corn (acres)	12,700,000
Estimated percentage which have been planted to feed grains any of the past 3 years (75 percent) (acres)	10,000,000
Estimate on farmers who will participate (60 percent) (acres)	6,000,000
Estimated payment per acre	$17.50
Estimated cost	$105,000,000
Feed grain acres where basics not produced eligible at $15 an acre of cut below highest of past 3 years	$250,000,000
Estimated participation and cost (50 percent)	$125,000,000
Aggregate estimate	$468,000,000

Department of Agriculture Estimate Maximum Cost of H. R. 4901	
Corn base (acres)	45,300,000
Eligible for acreage reserve (18 percent) (acres)	7,776,000
Rate of payment (per acre)	$42.66
Cost estimate	$332,000,000
Feed grain acres eligible for acreage reserve up to 18 percent of allotments other than corn (acres)	14,000,000
Estimated payment per acre	$36.00
Maximum cost	$364,000,000
Feed grain acres where basics not produced eligible at $15 an acre of cut below highest of past 3 years. Maximum allowed in bill	$300,000,000
Maximum cost	$630,000,000
Aggregate maximum	$996,000,000

Let us consider the major fallacies in the report of the committee majority.

First. The report assumes that corn farmers will not wish to make reductions under the regular acreage reserve program for which $217 million is already planned in the soil bank, as well as the acreage reductions available under H. R. 4901. This assumption cannot be made. Farmers may well wish to take advantage of both programs. Department of Agriculture officials report that considerable acreage has been signed up for corn in the soil bank, even with the current allotment which is extremely small, 37,300,000 acres. More than 3 million acres of corn land have already been offered for the regular acreage reserve program. Therefore, the $217 million for corn in the acreage reserve must be considered as additional to the costs of this program we are considering.

Second. The committee report estimates that only 6 million of the 13,700,000 feed grain acres which is supposed to comprise an amount 18 percent of the allotments other than corn will go into the acreage reserve program. Department of Agriculture officials believe that a maximum of 14 million acres will be put into the acreage reserve. They point out first that the bill is very liberal in allowing the farmer to regard as his feed grain base the highest number of acres of feed grain he has planted during any of the past 3 years and that 90 to 95 percent of farms with allotments have grown feed grains in at least 1 of the last 3 years. In addition, there can be expected an inflation in the feed grain base of 30 to 40 percent. For example, when the cotton program was first initiated, there was an inflation of more than 40 percent listed by farmers over the actual cotton acreage which had been produced. We must bear in mind that there are no figures at present in county or State offices against which to check farmers' estimates as to how much feed grains they have produced. When you add the rush with which this program would now have to be initiated, it adds further to the ease of exaggerating past production figures for feed grains by the farmers. Considering these facts, there would undoubtedly be a heavy sign-up for this portion of the acreage reserve. Many of the acres submitted would be "phantom" acres which were never used for feed grains.

Third. The estimated payment per acre for this portion—section 2 on chart—of the program is estimated at $17.50 by the majority report. The figure is very low. H. R. 4901 provides for payment on these acres at whichever is higher of the following three figures: First, a minimum of $10 per acre; second, the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county; third, 60 percent of the support price of the normal yield of the feed grain diverted from production in the county where the farm is located. The present rate for corn placed into the acreage reserve in the commercial corn area is 90 cents per bushel. The normal yield per acre throughout the noncommercial corn area is 27.2 bushels per acre. This would make the average for factor No. 2—above—$24.57. There would be many instances, however, where factor No. 2 would not be the highest factor. Therefore, the average payment per acre would well exceed $24.57. A figure of $26 per acre appears conservative in this regard.

Fourth. The majority report estimates only about half participation in the program of section 3 of H. R. 4901—section 3 of the chart. This is the portion wherein farmers will be paid at $15 per acre for feed-grain land put into the acreage reserve, below 85 percent of their feed-grain base. When you again keep in mind that this base is inflated, you will probably have heavy participation in the program. It is probable under the circumstances that this feature of the program would be oversubscribed.

So an expenditure figure close to the maximum which is conservatively estimated at $996 million might well be expected from this program.

Yet because of the "phantom" acres involved, and the fact that the poorest land would be put into the acreage reserve, acreage reduction of feed grains would likely be trifling. It is doubted that more than 150 million bushels of feed grain would actually be reduced by the majority program, in spite of a heavy sign-up.

Congress should not lose sight of the fact that there may be other programs which will bring an infinitely higher return per dollar of expenditure in solving the farm problem of bringing supply into line with demand. For example, this month we are expecting a report from the President's Bipartisan Commission for the Increased Industrial Use of Farm Products. Our Research and Extension Subcommittee, headed by Representative ABERNETHY, has been in close touch with these men. They are coming to the conclusion that expenditures for utilization research and promotion of new uses of farm products could in many instances prove extremely rewarding.

This type of program would be a concrete step toward bringing supply in line with demand, which is the root of the problem that we should be attacking, rather than proposing programs which pour out money without really significantly reducing production or finding new uses for that production.

H. R. 4901 COULD DOUBLE THE ACREAGE UNDER FEDERAL CONTROLS

The estimated amount of land in the feed-grain cultivation as defined in H. R. 4901 is approximately 115 million acres, which would all become eligible for payments. The 1957 allotments for our 6 so-called basic crops is only approximately 119 million acres. If we establish base acreages for all this land and make it eligible for the acreage reserve part of

the soil bank, it can be the first step toward compulsory controls—a regimented agriculture. I believe America wants the opposite—a greater freeing of agriculture.

Not only must we avoid this regimentation for the freedom of our farmers but also for reasons of cost.

Think of the immensity of the task of establishing base acreages for up to 115 million acres, and then checking performance for such an area. The personnel officers of the Department of Agriculture estimate that H. R. 4901 would require an annual addition of about 9,122 man-years at a cost of $35,560,000. In other words, a significant share of the cost of H. R. 4901 would be administrative seepage, and would never reach the farmer.

The programs which Congress has been giving the Department of Agriculture have been requiring a continued expansion of employees. As of January 31, 1955, the Department had 70,803. The figure for personnel in 1956 was 77,520, and in 1957 was 81,747. This means the Department of Agriculture in just 2 years has in the pursuit of the will of Congress expanded its personnel almost 11,000.

In summary, H. R. 4901 will do little to reduce production. It is too complex to be put into rapid operation, and a program is needed immediately by our farmers. It will be so costly that it could cause a public reaction which would threaten to break down the entire farm program. It is inefficient, eating up much of its cost in overhead, and would build up an army of agricultural supervisors and inspectors. I implore every Congressman who would like to live at ease with his conscience and his constituents to vote against H. R. 4901 and replace it with H. R. 3011, as amended.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding any other provision of law, the minimum national acreage allotment for corn for 1957 shall be not less than 43,250,000 acres.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Strike out everything after the enacting clause and insert the following language:

"That notwithstanding any other provision of law, the acreage allotment for corn for each of the calendar years 1957, 1958, and 1959 shall not be less than 51 million acres.

"SEC. 2. Section 106 of the Soil Bank Act is amended by adding a new subsection at the end thereof as follows: '(c) For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a "cooperator" shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn.'"

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, had come to no resolution thereon.

AMENDMENT TO THE ANGLO-AMERICAN FINANCIAL AGREEMENT OF 1945—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 111)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I send you herewith an amendment to the Anglo-American financial agreement of 1945 signed for the United States by the Secretary of the Treasury and for the United Kingdom by the British Ambassador. Your approval is recommended and requested.

Under the terms of the 1945 agreement, the United Kingdom is entitled to waiver, that is, cancellation, of interest payments under certain rather elaborately defined conditions. Over the years, and with changing circumstances, it has become practically impossible to apply this important feature of the agreement.

This last December, the British claimed a waiver of the interest for 1956 and set the sum involved aside pending consultation. Up to that time, they had made in full every payment of principal and interest called for by the agreement.

The amendment gives the United Kingdom a right to postpone not more than seven annual installments of principal and interest when it finds such action necessary in view of present and prospective conditions of international exchange and the level of the United Kingdom's gold and foreign-exchange reserves. In addition, the 1956 installment of interest would be postponed. In exchange for this, the United Kingdom foregoes any right to claim a waiver or cancellation of interest payments and agrees to pay interest annually on the full amount of all postponed installments.

The amendment to the agreement is a commonsense solution which attempts to carry out the spirit of the agreement in a way that is practical and fair to both parties.

I recommend that the Congress enact legislation approving the action of the Secretary of the Treasury in signing the amendatory agreement on behalf of the United States.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 6, 1957.*

TAX RELIEF FOR SMALL BUSINESS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the 1957 Economic Report of the President to the Congress devotes considerable attention to the present day problems of small business in our economy. It calls attention to the studies which have been conducted and are still being conducted by the Cabinet Committee on Small Business. It recommends to the Congress many of the proposals emanating from the Cabinet Committee which were intended to assist small business in solving or lessening its problems.

I think it is important to stress certain facts which underlie the difficulties of small business so that in understanding the problem we will not fall into the error of hurting small business when we think we are helping it.

It should be axiomatic that small- and medium-size business has greater difficulty than its larger competitors in dealing with Government—or in coping with it—in any of its aspects. Small businesses do not have the lawyers, accountants, engineers, and other specialists so necessary for example, in coping with Federal governmental regulations. The really small businesses, do not even have the cash to come to Washington, D. C., to explain their problems or to create understanding of the manner in which Government actions are shaping and limiting their growth and function.

An examination of many of the problems of small- and medium-size business reveals that it is Federal Government action which has created them. These firms need less Federal action and greater Government awareness of the impact of these actions on this segment of business which is the lifeblood of our free enterprise system.

To be very specific, small business would be helped a great deal in meeting its need for working capital to have the Federal Government ease its tax burden.

The benefits of lessening the tax burden—tackling this prime problem directly—would far outweigh the effect of making more money available for borrowing by small business—or other attempts at improvising rather than correcting the source of the trouble.

There are many areas of Government activity in which small- and medium-size business are at a disadvantage compared to larger firms. This does not mean the Government—the legislative, administrative, or judicial branches—intentionally favors the larger firms—but unwittingly, or through inadvertence or because of relatively small facilities or resources, small- and medium-size business finds itself at a disadvantage to a greater degree than its larger colleagues.

Among these areas are: First, certificates of necessity. Only larger businesses can avail themselves of these special tax advantages. Second, the Renegotiations Act. Smaller businesses cannot cope with the regulations or renegotiation processes. This alone, rather effectively, bars small business from bidding on many Federal contracts. Third, competition of the Federal Government, and particularly the military establishment in the field of consumer goods and services. Small- and medium-size business is especially vulnerable to such competition. Fourth, the Federal Government's extensive procurement program. The more goods and services obtained from our economy by the Federal Government, the greater effect the Federal Government has on the course of our economy. By the very nature of the procurement practices that must be followed by the Federal Government, small- and medium-size firms will always have difficulty in obtaining Government contracts. The basic trouble lies in the very size of the Federal procurement budget. At best, the Small Business Administration can merely minimize the disadvantages that surround small- and medium-size business in Federal procurement. Fifth, the extension of the meaning of interstate commerce to new areas. This always works to the disadvantage of small- and medium-size business. It means that the small entrepreneur must cope with centralized and relatively arbitrary Federal regulation. It means that standards prevail which ignore local conditions.

These are a few of the areas of Government activity—there are many others—in which the smaller segment of the business community is at a greater relative disadvantage than the larger firms.

However, the prime area of disadvantage—the greatest single factor in present-day economic decisions—is the area of taxation.

Because of the tax burden, small- and medium-size business is finding it increasingly difficult to maintain its position in the national economy.

This fact is illustrated in an article in the Wall Street Journal of January 23, 1957, which states:

> Over the past decade small manufacturers generally have not fared as well as their larger, better-heeled rivals—a trend viewed with increasing concern by the Government. In 1947, smaller firms with less than $1 million in assets accounted for 18.9 percent of all manufacturers' sales and 19.3 percent of total earnings. By 1955 their share of sales had shrunk to 13 percent and their share of manufacturers' profits had narrowed to 4.5 percent.

Small- and medium-size business comprises the backbone and the dynamic growth element of the national economy. The latest data available—Survey of Current Business, May 1954—on number of business firms shows 4,080,740 firms employing fewer than 500 persons and accounting for 55 percent of all business employment. And of this number there are 3,865,000 firms which employ fewer than 20 persons and account for over 23 percent of total business employment.

One of the most important reasons for the plight of small- and medium-size business is the oppressive effect of income taxes which prevents the retention of enough earnings for growth capital.

Such firms do not have ready access to the capital markets and are finding rising interest rates prohibitive. In addition, unlike larger companies, they often have no reserves to draw upon even to offset cash working capital depletion from the inflationary trend—and high income taxes make the retention of such reserves difficult or impossible.

A tax structure which forces the businessman to increase his indebtedness to offset cash working capital depletion or to maintain his relative position, can only result in the further weakening of small- and medium-size business and an acceleration of the trend to business mergers.

This segment of business wants no subsidy—but only an opportunity permitting fuller utilization of its own resources so as to keep pace and participate more effectively in our growing economy.

With this as the objective, two tax adjustment proposals have been developed. The first, provides an incentive to small and medium-size business to invest a greater proportion of taxable net income in depreciable assets or inventory. This proposal will help keep small- and medium-size business alive and growing.

A second proposal would permit the businessman to (a) set aside earnings in anticipation of his estate tax and (b) pay any balance due over a 10-year period so as to obviate the forced sale or dissolution of his firm in the event of death. The lack of such provisions leads to mergers and acquisitions as the only recourse for a businessman who wishes to protect his estate.

These tax adjustments are in the public interest. They would provide the needed assistance to help assure the maintenance and growth of small- and medium-size business—the dynamic segment of the business community. In addition, through stimulating an increase in the Nation's capital and productive assets, such adjustments provide assurance of increased tax revenue to the Government in future years.

These proposals may be stated simply as follows:

First. A business—corporation, individual proprietorship, or partnership—or self-employed person may deduct from business net income, for tax purposes, an amount equal to "additional investment" in depreciable assets or inventory during the taxable year, but not to exceed 20 percent of such income or $30,000, whichever is lower.

By "additional investment" is meant (a) the amount by which depreciated value of depreciable assets as of the end of the year exceeds the depreciated value of depreciable assets as of the beginning of the year, or (b) the amount by which cost of inventory as of the end of the year exceeds such cost as of the beginning of the year.

Second. Provision for purchasing non-interest-bearing estate-tax anticipation certificates, which shall not be part of the taxable estate, up to a maximum of $100,000, and provision for payment of the tax within 10 years after death.

A detailed explanation of these two proposals follows:

I. DEDUCTION FROM TAXABLE INCOME

A business firm—incorporated or unincorporated—or self-employed person would be entitled, under this proposal, to deduct from taxable income an amount equal to additional investments in depreciable assets or inventory during the taxable year, but not to exceed 20 percent of net income or $30,000, whichever is lower. In the case of corporations, it would apply to both the normal and surtax. The following computation shows how this proposal would apply to corporate taxes.

Corporate taxable income	Col. 1, present corporate tax		Col. 2, 20 percent net income deduction before computing tax	
$25,000	$25,000 times 30 percent	$7,500	$20,000 times 30 percent	$6,000
$50,000	$25,000 times 30 percent	7,500	$25,000 times 30 percent	7,500
	$25,000 times 52 percent	13,000	$15,000 times 52 percent	7,800
	Total	20,500	Total	15,300
$100,000	$25,000 times 30 percent	7,500	$25,000 times 30 percent	7,500
	$75,000 times 52 percent	39,000	$55,000 times 52 percent	28,600
	Total	46,500	Total	36,100
$150,000	$25,000 times 30 percent	7,500	$25,000 times 30 percent	7,500
	$125,000 times 52 percent	65,000	$95,000 times 52 percent	49,400
	Total	72,500	Total	56,900

Column 1 represents the present corporate tax, and column 2 the tax if a corporation were entitled to take a 20 percent net income deduction before computing the tax. In order to get the tax savings indicated in column 2 a company with $25,000 taxable income would have to reinvest $5,000 to get a tax saving of $1,500. A company with $50,000 taxable income would have to reinvest $10,000 for a tax saving of $5,200, a company with $100,000 taxable income would have to reinvest $20,000 to save $10,400 and a company with $150,000 taxable income would have to reinvest $30,000 to save $15,600.

The amount of saving effected for a self-employed person—individual proprietor, partnership or professional or self-employed person—would depend on the tax bracket of the individual taxpayer.

II. FEDERAL ESTATE-TAX PROPOSAL

The second proposal is concerned with the Federal estate tax. It would permit individuals to purchase non-interest-bearing estate-tax anticipation certificates, which shall not be included in the taxable estate, up to a maximum of $100,000, and also permit payment of the estate tax within 10 years after death.

The present Federal estate tax is especially burdensome on small- and medium-size businessmen whose assets consist largely of investments in closely held business concerns.

One of the difficulties that arise on the death of a major owner of a business

in which he has invested a large share of his assets is finding sufficient money to pay the estate tax without liquidating the business or impairing its financial stability. Under present law, the estate tax is due within 15 months after the date of death. This provides little time within which to satisfy the tax.

The result is that today an owner of a small- or medium-size business frequently faces the prospect that after his death payment of the tax on his estate will economically injure not only his business but his heirs as well. This fact leads to mergers and acquisitions for in this way the owners of a small- or medium-size concern can transfer his holdings by acquiring investments in large enterprises and avoid the risk of having his estate suffer the loss of liquidating a part or all his interest in his business.

This tax has become a much greater burden in recent years due to the substantial inflation of dollar values. In 1933, the tax on a $200,000 estate was $5,900. Assuming a $200,000 estate in 1933 solely as a result of inflation, is worth $400,000 today, the tax increase for a single person would be from $5,900 in 1933 to $94,500 in 1957, or an increase of 16 times.

The proposal for tax anticipation certificates would lessen a part of this problem by allowing the major owners of closely held businesses to purchase noninterest-bearing certificates with which their estate tax can be paid. At the date of death the dollar amount of these certificates held by the decedent would be deductible from his taxable estate. This would reduce his estate tax and give the Government the use of this money without any interest charge. As a result, the actual revenue loss would be relatively negligible.

These two proposals have merit in that they do not discriminate in their benefits or effects as to one size business or another.

In addition—as I have stated—they are in the public interest. Not only do they provide assurance of increased productive facilities for our Nation, more jobs, more goods and services—and ultimately greater tax revenue—with all that they offer some hope of preserving and encouraging small- and medium-size business.

In all of my discussions here I have sought to make the point that the issue is not small business versus any larger size category.

I have tried simply to state that the smaller segment of the business community—perhaps solely or largely because of the factor of size itself—is finding it increasingly difficult just to stay alive—let alone grow—in our complex economy.

And the economic pressures against survival come largely from Government actions—and the one overwhelming pressure is the impact of taxation.

I have mentioned the greater resources of larger firms in dealing with our complicated tax structure—in just seeking out—for example—the procedural benefits and advantages.

Essentially, however, the problem of small firms arises from their inability to retain investment capital out of earnings—which is their only effective source of growth capital.

Inflation has created the situation where the amount of money set aside for the replacement of worn out or obsolete machinery is completely inadequate. In other words, a piece of machinery bought in 1947 for $5,000 now costs $10,000 or more to replace. It is the same machinery—inflation has simply raised its dollar cost. Yet the replacement money which our tax laws permit a business to set aside is based on original cost, not on the inflated value.

The Treasury Department has objected to any tax adjustments for small business which would cost the Treasury any money. However, the Treasury is failing to face up to some important economic facts. Business mergers and acquisitions are increasing as a direct result of the high Federal tax structure. Many of these mergers occur simply to minimize Federal taxes and serve no economic purpose. In all of them, part of the purchase price comes from money that the Federal Government otherwise would be receiving in taxes. If the number of mergers which are being effected were lessened, the Federal Government would be gaining in tax revenue and the economic condition of our country would be a great deal healthier. Another important fact—to the Treasury in its administration of the tax laws and to the legislative branch in their revision—is that ours is a voluntary tax-collection system. Continued high rates and inequities may result in a greater loss of revenue from erosion of the voluntary system than would occur from an immediate loss of revenue from the correction of an inequity or a rate of tax.

The tax-adjustment proposals I have made are dictated by the urgency of the crisis affecting small- and medium-size business.

These proposals are in the public interest. They will—if enacted—provide much needed relief. Most important, they will help preserve small- and medium-size business. And by stimulating investment in depreciable assets they provide assurance of increased tax revenue in future years.

The income tax feature of the proposal has these basic premises and characteristics:

First. It applies to all legal forms of business, incorporated or unincorporated, as must any proposal if it is really to help small business;

Second. It does not increase the taxes of any business;

Third. It is nondiscriminatory; no one can draw an arbitrary line of definition between what is small business and what is not; that varies from industry to industry; this proposal applies alike to all businesses, but is of greatest relative help to smaller businesses;

Fourth. It avoids graduated rates, which could become confiscatory;

Fifth. It is founded upon the principle of retention of earnings for needed business funds which such businesses find especially hard to obtain, as compared with larger businesses with their greater resources and their ability to obtain public money through issues of stocks and bonds.

I hope that the Ways and Means Committee will follow the suggestions of the Cabinet Committee, the President's Economic Report and the Joint Economic Committee that hearings be started immediately on bills introduced to afford relief to small businesses.

I wish to speak a word of caution to the Members of the other body who have introduced a number of tax bills purporting to ease the problems of small business and who have stated in the CONGRESSIONAL RECORD that they might try to tack these measures onto one of the tax bills sent over by the House.

There was good and ample reason for the framers of the Constitution placing the power to initiate tax legislation in the House of Representatives. I would be happy to debate the reasons for this action with any of those who feel that these reasons are outmoded. But aside from the reasons for this particular constitutional provision, I feel there has been entirely too much disregard for the procedures established by the Constitution of the United States in recent years. The Members of the Congress in both Houses should be the most concerned of all persons in Government about this treatment of the Constitution inasmuch as it has resulted in diminishing the powers of the entire Congress. I hope that the Members of the other body will refrain from pursuing the action they have outlined.

On the other hand, the best way for the House to preserve its prerogatives is to act when it should act. I hope the Ways and Means Committee will hold immediate hearings on the subject of tax relief for small- and medium-size businesses and get the program beyond the talking stage.

A BILL TO ACQUIRE AGREEMENTS AND UNDERSTANDING ON PROSPECTIVE IMPORTS

Mr. HEMPHILL. Mr. Speaker, one of the purposes of my bill is to call attention of the Congress and the people to our defensive foreign policy with respect to imports from Japan and other countries. Too long have we geared our policies to conditions either imposed by and beneficial to some foreign country. Our State Department gives secondary consideration to our own industry, investors, workers, and management. We need an offensive policy—one in which we move forward constantly to protect Americans, and their interests, first.

This legislation has not only to do with textiles, but with other imports. I want to quote here from a letter I received from a constituent in my district:

> The veneer business in South Carolina furnishes a considerable payroll for the workers of the State and we are being very badly hampered in continuing full time operation by the import of Japanese plywood.
>
> Competing with cheap Japanese labor has adversely affected the prices of our product until it is almost impossible to maintain full operation of the plant with consequent cutbacks in our payroll.

Let us stop for a minute and consider what has happened. This letter is from

an American citizen, whose forebears have distinguished themselves in the defense of this country, and he, along with his forebears, has worked hard and diligently for the development of his community, State, and Nation. He has experience, know-how, investment, and years of dedication. He has machinery, and he has paid taxes for years on the properties he uses. He has employed people whose livelihood depends on the continuation of this industry. He has a right to expect something from his Government regardless of whether it be Democratic or Republican. He and his people have fought for it and have died for it and have paid for it. I do not believe he is being considered in this reckless diplomatic spree, this stumbling, bungling economic foreign policy.

Let me call your attention to one other thing. He has paid American wages, in order that his employees might have an American standard of living. His employees, out of those wages, are paying taxes for a government which should give them some protection and some relief. This they are not getting.

Unemployment looms on the horizon. This always presents a dark picture and I say that it is wrong for any part of the Government to sacrifice even the job of one man without the greatest consideration.

This is just one of the examples.

A few weeks ago, I received a letter from the National Authority for the Ladies Handbag Industry. I quote from the letter as follows:

> The continued alarming increase in the importation of foreign-made leather handbags is a matter of great concern and distress to the American handbag industry.

Again Americans want import quotas.

I might tell you that I have written letters, begging people in the industry to demand of the administration specific agreement such as this bill would have, and warning them not to be lulled into false security. From my contemporaries in this very House, I have learned firsthand what happened to the gingham and velveteen industries and how the damage was done before they awakened. I know this is happening to other industries, and we here on Capitol Hill are charged with protecting and representing our people.

I do not mean to dwell on plywood, but imports of plywood amounted to 74 million square feet in October 1956. The total for 10 months of 1956 was 567 million square feet with a dutiable value of $45 million. Seventy-three percent of the plywood came from Japan. Imports have captured 46 percent of the domestic market. The statement I make is from the hardwood plywood manufacturers committee.

I have a memorandum dated January 16, 1957, and, I believe, issued by the State Department or Commerce Department and entitled "Japanese Program for the Export of Cotton Textiles to the United States." I quote from part of it:

> The purpose of this program is to effect orderly marketing of Japanese cotton textiles in the United States by avoiding excessive concentration in any particular period or on any particular item and textile exports from Japan to the United States.
>
> All feasible steps shall be taken by the Japanese Government to prevent transshipments to the United States through third countries.
>
> Exports from Japan to the United States of particular items shall be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands.

The very language used shows weakness and bespeaks of corrupted and misguided thinking.

I would like to call your attention to the fact that this is a memorandum, and it is no agreement in writing and no provision for enforcement. The bill I have introduced, however, provides for reduction to writing and for enforcement.

I will be first to admit that we are still a long way from the protection we deserve, but I believe this bill is a step in the right direction.

Under date of February 1957, there appeared in the New York Times, on the financial page, an article calling attention to certain shipments through Hong Kong. I think this is proof of the fact that the goods might be imported into some other country and shipped to America for the purpose of underselling our domestic industries. My colleague, the gentleman from Maine [Mr. COFFIN], will have some remarks on this for the RECORD.

I realize that foreign trade is the lifeline of Japanese economy and that this is true of other nations, but I believe that the American taxpayer should receive first consideration.

I hope the Members of the House can support this bill and that the committee will see fit to give it a favorable report. We have no protection now. We need import quotas, rigidly applied and rigidly enforced. We need tariff protection. The man who needs this is the man who is paying for this Government and who wants to work and who wants to keep up the American standard of living. This bill is a step in the right direction and gives him not only the protection of an agreement which spells out its terms for his benefit in making plans for the present and future, but provides for some enforcement.

THE SO-CALLED CORDINER REPORT

Mr. HALEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, I would like to pursue the situation regarding the withholding of information from Members of Congress by the Defense Department. A couple of weeks ago I brought before the House some facts about the so-called Cordiner report. The original report prepared by the Cordiner committee dealt with the proposed pay raises for the uniformed services. The report was made available to the press, but Members of Congress were denied access to the report.

It is my understanding that the second half of the report, which deals with the proposed pay raises for certain civilian employees of the Defense Department, has been submitted to the Secretary of Defense. I say that "it is my understanding," because this is what I read in the newspapers. Of course even the Congressional committee that has jurisdiction in the field of legislation for civil-service employees has not received a copy of this second report.

It is still my contention that the information contained in these reports should be made available to the Members of Congress at the same time that it is made available to the member of the fourth estate. I know that the original report on the military pay raise was made available to the press, because I have been supplied a copy of the report by a member of the press.

A BILL TO ESTABLISH IMPORT QUOTAS

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. WHITENER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WHITENER. Mr. Speaker, I have today introduced a bill entitled "To regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes."

One of my principal thoughts in introducing this legislation is that foreign commerce is about to become a bugaboo to many of the industrial and business interests of this Nation. This condition springs from the apparent willingness of many people in high places in our Government to set up supranational organizations which would take over and usurp functions which are properly reserved by the Constitution to the Congress of the United States.

The quota arrangement proposed under my bill is consonant with other bills introduced during this session. It is my feeling that while those bills are helpful they do not get to the real seat of the problem so long as there are bureaucrats and nonelective jobholders who would subvert the economic interest of this country to their desire to establish a world federation of nations.

Witness what has happened to the textile industry of this Nation. We have recently seen a new day in international relations dawn when the Department of State announced that the sovereign rights of this Nation to regulate the importation of products of Japan should be yielded to the textile industrialists of that country.

This so-called arrangement seems to have no governmental parentage. In presenting this child of someone's brain its authorship remains obscure.

We were told that it was a 5-year agreement. But was it a 5-year agreement?

> Anticipating that changes may well occur in the United States textile market within the next 5 years, these ceilings shall be the subject of annual reviews in which the Japanese Government will consult with the United States Government for the purpose

of arriving at such adjustments proposed or

of arriving at such adjustments, upward or downward, in the quotas as may be warranted by changed conditions—

The official text released by the State Department declares:

When we read this instrument we find that the velveteen industry certainly has no 5-year guaranty.

The language of the agreement says this:

The limit for velveteens for the second year shall be 2.5 million yards. The limits for subsequent years shall be determined through consultation, taking into account all factors relevant at the time of such consultation.

Is this a 5-year arrangement? To be sure, the language of the instrument indicates that in no event can the velveteen portion of the arrangement continue for longer than 2 years.

I will not undertake to further analyze this remarkable document. It is available to every Member of the House for his own analysis.

However, I do feel that our present situation in many American industries, including the great textile industry of this country, results from our departing from the fundamental constitutional principles handed to us by the wise men of another day who wrote our Constitution.

This departure from historic constitutional principles has resulted in a great threat to over 200,000 people in the State of North Carolina who earn their living, support their families, buy their homes, and pay their taxes, through their earnings in the textile plants of our State.

People in cotton farming and industries and businesses of commerce and trade which rely upon the textile earnings for their continuation are equally disturbed about the cavalier attitude toward the decimation of this industry which furnishes employment to 15 percent of the American people engaged in manufacturing.

In article I, section 8, subsection 3, of the Constitution of the United States, the Congress is given the exclusive power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." This power and duty has been usurped or whittled away in a manner which is inconsistent with the express language of our Constitution.

The bill which I have introduced seeks to restore the practice of Congress regulating foreign commerce.

Section 15 of this bill specifically provides that—

No international trade agreement relating to tariffs or trade hereafter entered into by the United States shall become effective until such trade agreement shall have been approved and confirmed by the affirmative vote of the majority of the total membership of the Ways and Means Committee of the House of Representatives after said committee has conducted public hearings thereon.

This great committee of this House, composed of members from every section of the Nation, can be more safely relied upon to protect the interest of the industry of this country than can the folks in the State Department who now seek to carry on this important function of our Government.

I further seek to guarantee to all interested parties the right to a public hearing on matters which could mean life or death to great industries of this Nation. Certainly this is in keeping with our established democratic principles.

If harmful proposals are made in the field of world trade, a full public hearing which would subject all such proposals to the bright light of publicity would result in a fairer treatment of our own people.

If by this legislative proposal, Mr. Speaker, I can be a party to having Congress recapture some of its powers over tariffs and trade, I will have served a most useful purpose.

The Constitution contemplated that Congress—and not the State Department or any other branch of the Government—should regulate our commerce with foreign nations. It is my feeling that the legislation which I have introduced will contribute much toward a return to constitutional principles in this field.

In conclusion, Mr. Speaker, let me urge all of our colleagues to join hands with those of us who believe that the time-honored constitutional principles are just as applicable today as in that brilliant period of our history when great men gave to us the Constitution of the United States.

AN INCOME TAX BILL FOR SMALL-BUSINESS ENTERPRISE AND FOR FAMILY-SIZED FARMS

The SPEAKER. Under the previous order of the House, the gentleman from Colorado [Mr. HILL] is recognized for 20 minutes.

Mr. HILL. Mr. Speaker, today I am introducing a bill to provide income tax relief for small-business enterprise and for family-sized farms. In this action I am joined by my colleagues on the House Small Business Committee, Hon. R. WALTER RIEHLMAN of New York, Hon. HORACE SEELY-BROWN, JR., of Connecticut, Hon. WILLIAM M. MCCULLOCH of Ohio, Hon. TIMOTHY P. SHEEHAN of Illinois, and Hon. CRAIG HOSMER of California.

It is our most considered judgment that this bill will provide assistance in many areas in which, during the past decade, small business has been subject to an oppressive tax burden. In this bill we acknowledge the fact, which has long been recognized, that farming is a business and that small farmers encounter many of the same problems encountered by small-business men.

Since 1890, with the passage of the Sherman Antitrust Act, Congress has formulated public policy which recognizes the importance of small business to our economic livelihood and to our American way of life. Public policy has been set forth in the Clayton and Federal Trade Commission Acts; in most of our procurement laws starting with the Armed Services Procurement Act of 1947; in legislation establishing the Smaller War Plants Corporation, the Small Defense Plants Administration, the Small Business Administration and in other legislation. In virtually every field of economic activity Congress has enacted laws to prevent monopolies and specific restraints of trade, to provide small business with more equitable opportunity when competing for Government contracts and to provide financial assistance when such assistance is not forthcoming from private financial institutions.

But the Congress has never struck at the heart of the problems confronting small business. We have repeatedly proclaimed the need for a competitive society and a flourishing small-business segment of our economy. We have failed, however, to a considerable degree, to remove the one impediment which is responsible for the lack of credit, for increased mergers, for inability to produce more abundantly for the national defense, and for a weaker competitive status in peacetime markets.

We believe that if proper consideration is given small concerns under our tax laws, a truly flourishing and competitive economy can and will prevail.

We must consider the financial characteristics of a small business which prohibit it from assuming a more firm competitive position in our economy. I should like to remind the Members of the House that conditions no longer prevail, as they did several decades ago, when the principal limitation on a small company's ability to expand was the capability of its management. Today, not only must the small firm compete against its larger competitor in civilian and defense markets but it must accomplish this under an extremely heavy handicap imposed by the Government itself.

It has been demonstrated many times that new and established small-business concerns are unable to secure adequate equity capital. They often start off in life undercapitalized, and after a few successful years of operation, they are still unable to utilize the organized securities market or to attract sufficient capital from local markets. Most important, because of the large amount of funds siphoned off by the Federal Government through corporate and personal income taxes, the growing concern has insufficient retained earnings to improve its competitive position.

It is also historically true that the profits of small firms are subject to more frequent and violent fluctuations over a period of years than those of larger concerns. The inability of small businesses to retain earnings, both because of fluctuations and high tax rates, prevents the use of retained earnings for growth and expansion. In contrast, despite tax rates, most larger companies have sufficient retained earnings to permit intermediate- and long-term investments.

Mr. Speaker, we can no longer afford to sit calmly by, watching the small-business man struggle for survival, while we deal in platitudes of concern over the increased share of our national product going to larger business or over the merging of successful small firms with big business. While small business has shared in the increased prosperity of our economy, its position relative to that of larger firms leaves much to be desired. Our tax laws prohibit the small firm with growth potential from becoming a

strong competitor. We are, therefore, penalizing small business for its demonstrated ingenuity and skill.

We are now in our seventh year of this abnormal period of economic mobilization—approaching a decade of emergency spending and emergency financing. While our economy is sound, the effect of such prolonged defense measures, particularly in the area of taxation, could materially alter the base of American free enterprise. That base, of course, is small and independent business. Since stagnation of opportunity will be the inevitable consequence, we must enact legislation now which will clear the way for increased activity in this segment of our economy.

It is sometimes alleged that the loss of revenue, which immediate tax reductions might cause, would weaken the fiscal program of the Nation. We believe, however, that the encouragement of opportunity and expansion for small business, which carefully considered tax reductions would bring about, would have beneficial ramifications throughout our economy. We believe the result would create sufficient new wealth through increased productivity and employment and that a generally broadened tax base would inevitably follow. Thus, in approving needed tax reduction, we would be insulating our free enterprise system against the corrosive damage of this mobilization era and, at the same time, creating a climate for increased employment and productivity, which are the conditions essential to the functioning of our system of taxation and our fiscal policy.

The basic premise which we should keep in mind is the health of our total economy. If we intend to change the historical concept of our free competitive system, then we can complacently say that while we recognize the need for tax reduction for small business, there is nothing we can do about it because any such measures would reduce revenue and would discriminate against other sectors of our economy. If we adopt that attitude, some of us may live to see the day when there is no room in this country for small business. If we refuse to recognize the facts that a business cannot remain static, that it must grow, that it must modernize, that it must expand with population growth, then we are denying confidence in the future greatness of our Nation.

The text of the bill referred to in my remarks follows:

A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes

Be it enacted, etc.—

SECTION 1. Declaration of purpose and policy:

It is hereby declared to be the policy of the Congress, and the purpose of this act—

To provide for growth, expansion, and modernization for small and independent business enterprises engaged in trade or commerce;

To provide an election for filing income-tax returns for small and independent businesses engaged in trade or commerce whether or not such businesses operate as individuals, partnerships, or corporations;

To provide a normal tax rate of 20 percent for taxable years after March 31, 1957, and to increase the surtax exemption;

To provide a growth, expansion, and modernization exemption on net taxable earnings for small and independent businesses engaged in trade or commerce;

To provide credits for losses incurred through investment or loans to small and independent business enterprises engaged in trade or commerce;

To provide for rapid amortization of property utilized for the production of profit by small and independent businesses engaged in trade or commerce;

To provide small and independent business an exemption for goodwill in the determination of the value of an estate;

To provide family sized farmers and others engaged in agricultural pursuits an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of farm products; and

To provide family sized farms, whether or not such farms are owned in fee or occupied by renters or tenants, an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of the products of such farms.

SEC. 2. Deduction for expansion or modernization of small-business enterprise.

(a) Allowance: Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 178. Expansion or modernization of small-business facilities.

"(a) Deductible expenditures: If the taxable income of any person engaged in trade or business does not exceed $150,000 for the taxable year, such person may treat expenditures which are paid or incurred by him during the taxable year for the construction, reconstruction, erection, installation, improvement, or acquisition of any facility, land, building, machinery, or equipment, or any part thereof, used in the trade or business as expenses which are not chargeable to capital account to the extent that such expenditures do not exceed the limit determined under the following table:

"If taxable income is:	The limit is:
Not over $10,000	50 percent of taxable income.
Over $10,000 but not over $25,000	$5,000, plus 40 percent of excess of taxable income over $10,000.
Over $25,000 but not over $50,000	$11,000, plus 30 percent of excess of taxable income over $25,000.
Over $50,000 but not over $100,000	$18,500 plus 20 percent of excess over $50,000.
Over $100,000 but not over $150,000	$28,500, plus 10 percent of excess over $100,000.

The expenditures so treated shall be allowed as a deduction.

"(b) Limitations:

"(1) Subsection (a) shall not apply to any corporation which, directly or indirectly, controls, is controlled by, or is under common control with, any other corporation at any time during the taxable year, unless the combined taxable income of all such companies under common control does not exceed $150,000.

"(2) Subsection (a) shall not apply to any partnership which, directly or indirectly, controls, is controlled by, or is under common control with, any other partnership at any time during the taxable year, unless the combined taxable income of all such partnerships under common control does not exceed $150,000.

"(3) Subsection (a) shall not apply to any amount paid or incurred which is allowable as a deduction without regard to this section, and shall apply only with respect to expenditures for construction, reconstruction, erection, installation, or improvement, of any facility, land, building, machinery, or equipment, or part thereof, begun and completed, or acquired, during the period consisting of the taxable year and the preceding taxable year.

"(c) Taxable Income Defined.—For purposes of this section, the term 'taxable income' means taxable income computed without regard to this section."

(b) Technical amendment: The table of sections for such part VI is amended by adding at the end thereof the following:

"SEC. 178. Expansion or modernization of small business facilities."

(c) Adjustments to basis of property: Section 1016 (a) of such Code (relating to adjustment to basis of property) is amended by striking out the period at the end of paragraph (16) and inserting in lieu thereof a semicolon, and by adding after paragraph (16) the following new paragraph:

"(17) for amounts allowed as deductions under section 178 (relating to expansion or modernization of small business facilities)."

(d) Effective date: The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1956.

SEC. 3. Reduction in corporate normal tax.

Section 11 (b) (2) of the Internal Revenue Code of 1954 (relating to corporate normal tax for taxable years beginning after March 31, 1957) is amended by striking out "25 percent of the taxable income" and inserting in lieu thereof "20 percent of the taxable income."

SEC. 4. Increase in corporate surtax exemption.

(a) Increase in exemption: Section 11 (c) of the Internal Revenue Code of 1954 (relating to corporate surtax) is amended by striking out "$25,000" and inserting in lieu thereof "$150,000."

(b) Technical amendments.—

(1) Section 12 (7) of such Code (cross-references relating to tax on corporations) is amended by striking out "$25,000" and inserting in lieu thereof "$150,000."

(2) Section 1551 of such Code (relating to disallowance of surtax exemption, etc.) is amended by striking out "$25,000" and inserting in lieu thereof "$150,000", and by striking out "such exemption or credit" and inserting in lieu thereof "the exemption from surtax provided in section 11 (c) or the securing of such credit."

(c) Effective date. The amendments made by this section shall apply with respect to taxable years beginning after March 31, 1957. In the case of a taxable year beginning before April 1, 1957, and ending after March 31, 1957, the amendment made by subsection (a) of this section shall apply in the same manner as provided in section 31 of the Internal Revenue Code of 1954 with respect to changes in a rate of tax.

SEC. 5. Election of individuals and partnerships to be taxed as corporations.

Section 1361 (c) of the Internal Revenue Code of 1954 (relating to irrevocability of elections of partnerships and individuals to be taxed as domestic corporations) is amended by adding after paragraph (2) thereof the following: "Notwithstanding the preceding sentence, an election described in subsection (a) may be revoked, in accordance with regulations prescribed by the Secretary or his delegate, with respect to taxable years following the fourth or any

subsequent taxable year to which such election applies."

SEC. 6. Election of corporations to be taxed as partnerships.

(a) Election allowed: Subchapter R of chapter 1 of the Internal Revenue Code of 1954 (relating to election of certain partnerships and proprietorships as to taxable status) is amended—

(1) by striking out the heading and table of sections for such subchapter and inserting in lieu thereof the following:

"Subchapter R—Election of Certain Partnerships, Proprietorships, and Corporations as to Taxable Status.

"Part I. Alternative taxable status of certain partnerships and proprietorships.

"Part II. Alternative taxable status of certain corporations.

"Part I—Alternative taxable status of certain partnerships and proprietorships.

"Sec. 1361. Unincorporated business enterprises electing to be taxed as domestic corporations."; and

(2) by inserting after section 1361 a new part as follows:

"Part II—Alternative taxable status of certain corporations.

"Sec. 1371. Certain corporations electing to be treated as partnerships.

"Sec. 1371. Certain corporations electing to be treated as partnerships.

"(a) General rule: Subject to the qualifications in subsection (b), a domestic corporation may not later than 60 days after the close of its first taxable year, or the year of a change of ownership described in subsection (f), elect, in accordance with regulations prescribed by the Secretary or his delegate, to be treated as a partnership for such year and all subsequent years, if all the shareholders owning stock in such corporation at any time on or after the first day of such year and on or before the date of the election consent to the election.

"(b) Qualifications.—The election described in subsection (a) may not be made by a domestic corporation unless at all times during the period on or after the first day of its first taxable year or of the year described in subsection (f), as the case may be, and on or before the date of election—

"(1) such corporation has 10 or less shareholders all of whom are individuals (including all partners of any partnership owning stock in such corporation);

"(2) all the shareholders are actively engaged in the conduct of the business of such corporation;

"(3) no shareholder of such corporation is a nonresident alien or a foreign partnership;

"(4) such corporation is not a corporation which was a party to a reorganization described in section 368 (b), or a corporation to which section 355 (or so much of section 356 as relates to section 355) applies and such corporation has not received a distribution under section 332 (relating to liquidations of subsidiaries) except in a case in which the basis of the assets distributed is determined under section 334 (b) (2);

"(5) such corporation has only one class of stock; and

"(6) no more than 80 percent of the stock of such corporation is owned by persons who formerly owned the business of such corporation as an unincorporated enterprise taxable as a domestic corporation under section 1361.

"(c) Partnership provisions applicable: Under regulations prescribed by the Secretary or his delegate, a domestic corporation making the election under subsection (a) shall be considered a partnership for purposes of this subtitle (except chapter 2 thereof) and shall be subject to subchapter K (section 701 and following, relating to partnerships) with respect to formation, operation, distributions, liquidation, sale of an interest, and any other purpose; and each shareholder of such corporation shall be considered a partner owning an interest in the partnership in the proportion which shares owned by such shareholder bear to the total number of outstanding shares of such corporation.

"(d) Limitation: An employee of a corporation making the election described in subsection (a) who is also a shareholder of such corporation shall not be considered an employee for purposes of section 401 (a) (relating to employees' pension trusts, etc.).

"(e) Election irrevocable: Except as provided in subsections (f) and (h), the election described in subsection (a) by a domestic corporation shall be irrevocable with respect to—

"(1) the electing corporation and its shareholders;

and

"(2) any corporate successor to the business of the electing corporation and the shareholders of such successor.

"(f) Change of ownership: In the first year in which the shareholders who consented to the election described in subsection (a) own 80 percent or less of the stock of a corporation described in subsection (e), such corporation shall not be treated as a partnership for such year or for subsequent years, unless such corporation makes a new election in accordance with the provisions of subsection (a).

"(g) Constructive ownership: For purposes of subsections (b) (6) and (f), the ownership of a stock interest shall be determined in accordance with the rules for constructive ownership of stock provided in section 267 (c) other than paragraph (3) thereof.

"(h) Disqualification: If a corporation described in subsection (a) issues stock of a different class than that outstanding, the election described in subsection (a) shall be deemed never to have been made and the corporation shall be liable for all taxes due (except penalties) and such taxes may be assessed and collected as if no return had been filed.

"(i) Cross reference:

"For period of limitations on assessment and collection of tax where no return has been filed, see section 6501."

(b) Technical amendments.—

(1) Section 1361 (b) of such code (relating to unincorporated business enterprises electing to be taxed as domestic corporations) is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof a new paragraph as follows:

"(5) no proprietor or partners having more than 80 percent interest in the profits or capital of such enterprise formerly owned stock in a corporation treated as a partnership under section 1371 which carried on the business of such enterprise."

(2) Section 1504 (b) of such code (relating to definition of includible corporation) is amended by adding at the end thereof a new paragraph as follows:

"(8) Corporations subject to tax as partnerships under section 1371."

(3) The table of subchapters for chapter 1 of such code is amended by striking out

"Subchapter R. Election of certain partnerships and proprietorships as to taxable status."

and inserting in lieu thereof

"Subchapter R. Election of certain partnerships, proprietorships, and corporations as to taxable status."

(c) Effective date: The amendments made by this section shall apply to taxable years beginning after December 31, 1956.

SEC. 7. Investments in small-business enterprises.

(a) Allowance of losses and bad debts as deductions from ordinary income: Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting after section 166 the following new section:

"SEC. 166A. Losses of individuals on investments in, and loans to, small-business enterprises.

"(a) Losses on securities: If an individual sustains a loss from the sale or other disposition, or from the worthlessness, of a security of a corporation which is a small-business enterprise, then for purposes of this subtitle such loss shall not be considered as a loss from the sale or exchange of a capital asset.

"(b) Bad debts: Section 166 (d) (relating to nonbusiness debts) shall not apply in the case of an individual if the debt was created by reason of a loan by such individual to a small-business enterprise. For purposes of section 166 (other than subsec. (d)), a payment by an individual in discharge of part or all of his obligation as a guarantor, endorser, or indemnitor of an obligation of a small business enterprise created by reason of a loan to such enterprise by another individual shall be treated as a debt becoming worthless at the time of such payment.

"(c) Net operating loss deduction: For purposes of section 172 (d) (4) (relating to limitation on nonbusiness deductions of taxpayers other than corporations for purposes of the net operating loss deduction) any deduction in respect of which subsection (a) or (b) of this section applies shall be treated as attributable to a trade or business of the taxpayer.

"(d) Definitions: For purposes of this section—

"(1) The term 'security' has the meaning assigned to such term in section 165 (g) (2).

"(2) The term 'small business enterprise' means any trade or business carried on by an individual, partnership, or corporation if the total assets held (at the time the security is acquired or the loan is made) by such individual, partnership, or corporation for trade or business purposes does not exceed $250,000; but such term does not include any corporation the stock of which is owned (directly or indirectly) by or for more than 10 individuals."

(b) Technical amendment: The table of sections for such part VI is amended by inserting

"Sec. 166A. Losses of individuals in, and loans to, small-business enterprises."

immediately below

"Sec. 166. Bad debts."

(c) Effective date: The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1956.

SEC. 8. 5-year depreciation for small-business enterprises.

(a) Allowance: Section 167 (b) of the Internal Revenue Code of 1954 (relating to use of certain methods and rates of depreciation) is amended by adding at the end thereof the following: "If the average taxable income of any person for the 5 preceding taxable years does not exceed $50,000 per year, then (notwithstanding any other provisions of this subtitle and under regulations prescribed by

the Secretary or his delegate), at the election of such person, the allowance under subsection (a) in the case of any property which has a useful life of more than 5 years and which is used in the trade or business of such person may be computed under the straight-line method as if the useful life of the property were 5 years."

(b) Effective date: The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1956.

SEC. 9. Depreciation of used property.

(a) Section 167 (c) of the Internal Revenue Code of 1954 (relating to limitations on use of certain methods and rates of depreciation) is amended—

(1) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", or"; and

(2) by adding at the end thereof the following:

"(3) acquired after December 31, 1956, if the original use of such property does not commence with the taxpayer, and the use of such property by the taxpayer commences after such date.

Paragraph (3) shall apply to property acquired in any taxable year only to the extent that the basis of such property (determined as of the close of the day of its acquisition), when added to the basis of all other property described in such paragraph (determined as of the close of the day of its acquisition) which is acquired by the taxpayer during the same taxable year, does not exceed $50,000."

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1956.

SEC. 10. Exemption for goodwill in determining gross estate.

(a) Allowance of exemption: Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate of citizens or residents of the United States) is amended by adding at the end thereof the following new section:

"SEC. 2045. Goodwill.

"In determining the value of any interest of the decedent in any trade or business carried on by the decedent, by a partnership of which he was a partner, or by a corporation the stock of which was owned (directly or indirectly) by or for not more than 10 individuals (including the decedent), the goodwill of such trade or business shall be excluded. The amount excluded from the gross estate by reason of the preceding sentence shall not exceed $100,000."

(b) Technical amendment: The table of sections for such part III is amended by adding at the end thereof the following:

"SEC. 2045. Goodwill."

(c) Effective date: The amendment made by subsection (a) shall apply only with respect to estates of decedents dying after the date of the enactment of this act.

SEC. 11. Installment payments of estate tax.

(a) Allowance: Subchapter A of chapter 62 of the Internal Revenue Code of 1954 (relating to place and due date for payment of tax) is amended by adding at the end thereof a new section as follows:

"SEC. 6157. Installment payments of estate tax.

"(a) Estates consisting of stock or investments in closely held business enterprises.—

"(1) Election to make installment payments: The executor of any estate described in paragraph (2), which is subject to the tax imposed by chapter 11, may elect to pay the amount of such tax in 2 or more (but not more than 10) equal installments.

"(2) Estates to which election applies. Paragraph (1) shall apply to an estate only if one-half or more of the value of the gross estate consists of stock or investments in a closely held business enterprise.

"(3) Closely held business enterprise: For purposes of paragraph (2), the term 'closely held business enterprises' means—

"(A) a business corporation having 25 or less stockholders, and

"(B) a business partnership having 25 or less partners.

"(b) Date for payment of installments: If an election is made under subsection (a), the first installment shall be paid on the date prescribed for payment of the tax by section 6151, and each succeeding installment shall be paid 1 year following the date for payment of the preceding installment.

"(c) Proration of deficiency to installments: If an election has been made under subsection (a) and a deficiency is assessed, the deficiency shall be prorated to the installments remaining unpaid on the date of such assessment, and the part of the deficiency so prorated to each such installment shall be collected at the same time and as a part of such installment.

"(d) Installments paid in advance: At the election of the executor, any installment, or part thereof, under subsection (a) may be paid prior to the date prescribed for its payment by subsection (b).

"(e) Acceleration of payments: If any installment under subsection (a) is not paid on or before the date prescribed for its payment by subsection (b), the whole of the unpaid tax shall be paid upon notice and demand from the Secretary or his delegate."

(b) Technical amendments.—

(1) The table of sections for such subchapter is amended by adding at the end thereof the following:

"Sec. 6157. Installment payments of estate tax."

(2) Section 6161 of such code (relating to extension of time for paying tax) is amended by redesignating subsection (d) as subsection (e), and inserting after subsection (c) a new subsection as follows:

"(d) Installment payment of estate tax: In any case in which an executor has elected under section 6157 to pay the tax imposed by chapter 11 in installments, subsection (a) (2) shall not apply to the amount determined by the executor as the tax imposed by chapter 11, and subsection (b) shall not apply to the amount determined as a deficiency with respect to any such tax."

(3) Section 6601 (c) (2) of such code (relating to determination of last date prescribed for payment of tax) is amended by striking out "6152 (a)" and inserting in lieu thereof "6152 (a) or 6157 (a)," and by striking out "6152 (b)" and inserting in lieu thereof "6152 (b) or 6157 (b), as the case may be."

(c) Effective date: The amendments made by this section shall apply with respect to estates of decedents dying after December 31, 1956.

Mr. Speaker, immediately following my remarks I request unanimous consent that the gentleman from New York [Mr. RIEHLMAN], the gentleman from Connecticut [Mr. SEELY-BROWN], the gentleman from Illinois [Mr. SHEEHAN], the gentleman from California [Mr. HOSMER], the gentlemen from Ohio [Mr. MCCULLOCH and Mr. HENDERSON] may revise and extend their remarks and include explanations of the various sections of the small-business tax bill which we have introduced today. Mr. Speaker, I also request unanimous consent that the text of the small-business tax bill which other Members and I have introduced today, may be included as part of my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, it gives me a great deal of pleasure to join with my distinguished colleagues in the introduction of legislation designed to assist small business and family-sized farms.

The statement has been made today that the base of American free enterprise is small and independent business. I believe this definition fully explains why there has been so much interest in legislation to provide income-tax relief for small business.

I think every Member would agree that two segments of our economy have been primarily responsible for the independence enjoyed in this country because they themselves have exhibited as much self-reliance and independence as any group. I speak now not only of small business, but also of the American farmer, who, in reality, operates a business, too, as he produces the food and fiber so necessary to this Nation.

Small business and farmers have continued their operations fulfilling their vital roles in our economy. But within the past several years they have been faced with increasing difficulties resulting largely through no fault of their own.

Basically, I think the problems facing small business, and farmers, can be placed into two categories: heavy taxation and the cost-price squeeze. The legislation introduced today is designed to alleviate a portion of the tax burden, which would have a direct influence in easing the cost-price squeeze.

I do not intend to discuss the varied problems facing our farmers. This side of the picture has been and will be more ably presented by my friends who represent the great agricultural areas of the country, such as my distinguished colleague, the gentleman from Colorado [Mr. HILL].

But I do wish to direct my remarks on this bill to the small-business community with which I am familiar, because of the district which I represent and because of my own experience as an operator of a small-business establishment.

The operation of any business, whether it is small or large, or whether it is located in urban or rural areas, necessarily follows the general pattern of our economy. If the Nation is burdened by hard times, business also is faced with recession. When there is general prosperity throughout the land, it is shared by the people in many walks of life. But this concept does not always prove to be true when other factors, artificial, so to speak, are employed and result in an excessive burden upon a segment of the economy. As a result, it can be very true that while the Nation as a whole is enjoying an unprecedented period of prosperity, there can be certain endeavors which are faced with serious difficulties. At the present time, this is the situation confronting the smaller enterprises under our present tax laws.

I have heard a small amount of criticism directed against proposed legislation such as we offer today. It has been said that it would not be fair to offer tax relief only to small enterprises, that his would be discrimination.

I will agree that his legislation contains elements of discrimination. But it is a type of discrimination which is desirable. It is desirable because the purpose is to assist small-business enterprises to enjoy the benefits which are necessary for prosperity and, indeed, in many instances, for survival. Actually, this bill is not discrimination, because it does not bring benefits to one sector of the economy at the expense of another sector.

Tax relief for small business will not hurt other segments of the economy. In fact, it should prove to be a valuable asset in the continuance of our prosperity. Through such tax relief we can realize many gains. It can mean increased employment brought about by improvement and modernization of small concerns. Benefits will accrue to our entire business establishment because of expanded purchasing power to those granted tax relief. And most important, our Nation will move forward as our small business enterprises are placed on a more competitive plane with our larger business enterprises.

Today the incentive to establish a small business is at a tremendously low level. This is not only an unfortunate situation, but is a most serious problem. The lifeblood of America has been small business. Because men of imagination and initiative went into business for themselves our Nation has expanded and our people have benefited. These men believed in themselves and in what they were doing.

This country did not become great overnight. Success was not easily attained. Initiative played an important part in our success, and much of that initiative came in the people who were willing to take a chance on their own ability. They were willing to risk what capital they had in a small business, believing that through their own capabilities they could be successful.

Where is that initiative today? It is not really gone, but there are not too many who are willing to rely on initiative alone anymore. They cannot be blamed. Initiative plays a great part in success, no question about that, but too many other factors enter in. Excessive taxation is one important factor in small business—it removes in many cases the very capital needed for a man of initiative to become a success, or become more successful.

I believe this bill has greater implication than that of merely granting tax relief. It is a bill that will do much to restore opportunity for our small business concerns in a free, productive, prosperous society. It is a bill that will help us to preserve our small business establishment—the greatest force in our economic system, the base of American free enterprise.

Mr. SEELY-BROWN. Mr. Speaker, I am glad to join with my Republican colleagues of the Small Business Committee in the introduction and sponsorship of a tax bill for the benefit of the small business community in our Nation. This bill is necessarily long and complicated in its language. At this time I should like to discuss the first two sections of the bill. At a later date, I shall be pleased to discuss additional sections of the proposed bill.

As will be noted, the first section of the bill is a declaration of purpose and policy and reaffirms the long-established policy of the Congress with respect to small and independent business and that sector of our agricultural community which includes family-sized farms and farmers. For your information, I shall read this section in its entirety.

SECTION 1. DECLARATION OF PURPOSE AND POLICY

This section states that—

It is hereby declared to be the policy of the Congress, and the purpose of this act—

To provide for growth, expansion, and modernization for small and independent business enterprises engaged in trade or commerce;

To provide an election for filing income tax returns for small and independent businesses engaged in trade or commerce whether or not such businesses operate as individuals, partnerships or corporations;

To provide a normal tax rate of 20 percent for taxable years after March 31, 1957, and to increase the surtax exemption;

To provide a growth, expansion and modernization exemption on net taxable earnings for small and independent businesses engaged in trade or commerce;

To provide credits for losses incurred through investment or loans to small and independent business enterprises engaged in trade or commerce;

To provide for rapid amortization of property utilized for the production of profit by small and independent businesses engaged in trade or commerce;

To provide small and independent business an exemption for goodwill in the determination of the value of an estate;

To provide family-sized farmers and others engaged in agricultural pursuits an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of farm products; and

To provide family-sized farms, whether or not such farms are owned in fee or occupied by renters or tenants, an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of the products of such farms.

If these proposed amendments to the Internal Revenue Code are adopted in all particulars, they will materially strengthen our entire business and agricultural economies. In seeking a formula which would provide maximum help in tax reductions for small and independent business, we have recognized the fact that modern agricultural pursuits are business enterprises. Therefore, we have included coverage in our bill for family-sized farms, whether or not such farms are the property of the farmer and are worked by him or whether such farms are occupied by renters or tenants. The bill purposely places the small, independent farmer who owns his own land, as well as the tenant farmer, in exactly the same position as the small-business man who owns his place of business or who operates his business on leased or rented premises.

SECTION 2. DEDUCTION FOR EXPANSION OR MODERNIZATION OF SMALL BUSINESS ENTERPRISE

Section 2 is probably the most important section of our bill. The plan outlined in section 2 is, as far as we know, a new approach to one of the more crucial problems of small and independent business. In our opinion it eliminates the objections which have been made to a graduated tax. At the same time it recognizes the absolute necessity of providing equity capital to a segment of our economy which needs it the most.

As has been pointed out many times, by far the greatest obstacle to be overcome by small and independent businessmen is the accumulation of funds to keep their businesses abreast of the times. The demands of the consumer require better products, better distribution, better facilities, and conveniences which were only dreamed of a relatively short time ago. This consumer demand has made itself felt in every type of business enterprise. It requires the manufacturer and processor to continuously improve their plants and equipment if they are to meet today's competitive challenge. This demand requires our farms to grow better products. It requires wholesalers of any and all commodities to be equipped for a fast turnover of stocks and to render a type of service to retail outlets which has revolutionized distribution, particularly in the food and kindred industries. The independent retail merchant in every line of business is competing with national chain stores and can no longer depend on the loyal customer following which he once enjoyed.

For example, the vast majority of independent retail grocers are forced to choose one of two alternatives—either modernize and expand their services or face the prospect of going out of business. The independent grocer must, in a sense, become a supermarket and provide superservice in keeping with the needs and demands of his clientele. His store front must be modernized; his goods and wares must be easily accessible; he must have the latest type of display cases; and his refrigerating facilities must be the best. In most instances the independent grocer must offer products and services superior to those of his national chain and supermarket competitors. No matter how much his customers may like him, they will stray away unless they get better quality and better service than that offered by his chainstore competition. The independent merchant must also, as a general rule, extend a certain amount of credit and delivery service while his chainstore competitor operates on a cash-and-carry basis only.

In this era of technological progress the smaller manufacturers and machine-shop operators cannot depend on equipment which they bought 5, 10, or 20 years ago to compete with the completely modern plants of their larger competitors. Machines, machine tools, and other equipment which were once good for 20, 25, or 30 years, are now the exception rather than the rule. We are all aware of the tremendous advances which have been made in agricultural equipment and machinery. Our family farms must

have modern equipment if they, too, are to survive in this age of machinery.

Every business which is engaged in any type of operation requiring machinery has found that today's techniques and products require not only modern machinery and equipment but also up-to-date buildings. The consumer is demanding a greater variety of better products, and the worker is demanding a better place in which to work. A better place to work means a better employee and more efficient production.

American industry has demonstrated its capacity to produce and its willingness to keep pace with the 20th century concept of industrial operation. The unfortunate fact is that many thousands of well-managed small concerns have been unable to keep pace because of the onerous burden of Federal taxes.

Section 2 of this bill is an incentive provision which will make it possible for small and independent business institutions of every type to grow, to expand, and to modernize.

The table of exemptions, which we include at this point, is to a degree self-explanatory. It is as follows:

If the taxable income is:	The limit is:
Not over $10,000	50 percent of taxable income.
Over $10,000 but not over $25,000.	$5,000, plus 40 percent of excess of taxable income over $10,000.
Over $25,000 but not over $50,000.	$11,000, plus 30 percent of excess of taxable income over $25,000.
Over $50,000 but not over $100,000.	$18,500 plus 20 percent of excess over $50,000.
Over $100,000 but not over $150,000.	$28,500, plus 10 percent of excess over $100,000.

The expenditures so treated shall be allowed as a deduction.

The exemption which applies to any person engaged in trade or commerce—whether such person be a corporation, partnership, or individual, including family-sized farms and farmers—permits each person to "treat expenditures which are paid or incurred by him during the taxable year for the construction, reconstruction, erection, installation, improvement, or acquisition of any facility, land, building, machinery, or equipment, or any part thereof, used in the trade or business as expenses which are not chargeable to capital account."

Section 2 limits the exemption as set forth in the table above to businesses having taxable income of not more than $150,000. The greatest incentive, however, is provided for the smaller concerns having relatively low taxable incomes.

In addition, section 2 limits the benefits to any group of business concerns which are under common control, directly or indirectly, to a combined taxable income which does not exceed $150,000. Moreover, section 2 makes it clear that the exemptions outlined are not to apply to other allowable deductions, and that if a growth, expansion or modernization project is started one year and not completed until the following year, the exemption will still be allowed.

As we have pointed out, this provision—section 2—will be an incentive for every small and independent business and family-sized farmer in this country. Incentives of this type are helpful in creating confidence in the future. As we all know, lack of confidence is often the difference between success and failure. The incentive program provided here will be felt in every city, town, village and hamlet throughout these United States. It will create confidence throughout our entire business structure. It will provide small and independent business a means, which has been lacking, to finance a program for growth, expansion and modernization, which is not possible under the present income tax system.

Section 2 will assuredly provide a method for improving the financial situation of small business and will alleviate to an extent the dual problem of where to secure additional equity capital or where to borrow money for capital expenditures. It is true that any incentive or other plan looking toward the strengthening of our small-business economy will not completely, in and of itself, solve all small-business financial problems. But, we believe, the plan offered in section 2 of our bill will be of greater assistance to small business than any plan which has been proposed up to this time, particularly if it is enacted into law in conjunction with other specific measures which are proposed in the bill under discussion.

It will be noted that we have placed an arbitrary cutoff point not only in section 2 but also in other sections of this bill. We realize in doing so that it is a type of discrimination to which objection is often made. However, it is our purpose to help small business and through such assistance to strengthen our whole economic system.

We know, and it has been said many times, that larger businesses have many advantages by which they may travel toward the goal of expansion, growth, and modernization. The larger businesses can sell stock or debentures. They can build up reserves. They can borrow money from sources which are closed to small business. We are not concerned with the ability of our larger businesses to finance themselves and to keep pace with our ever-expanding business horizon. Barring monopoly and the evils which go with monopolistic practices, we think that most of our larger businesses operate in the American tradition of free enterprise. We have, however, approximately 4 million small businesses in our country. This figure, incidentally, is increasing day by day in keeping with the growth in population. If they, too, are to follow the American tradition, a way must be found for them to keep pace, to grow, to expand, to modernize, and to serve the American public in the time-honored tradition of free men in a free country.

Mr. SHEEHAN. Mr. Speaker, during the 84th Congress the Subcommittee on Tax Policy of the Joint Economic Committee held hearings and issued a report on tax policy for economic growth and stability. In the chapter entitled "Economic Principles for Federal Tax Policy," the subcommittee declared that—

Federal tax policy should protect and promote an atmosphere favorable for small and new businesses.

I think that we will all agree that that is a sound premise in considering any and all Federal tax legislation. In our approach to the several provisions incorporated in the bill which we have introduced today, we are frank to admit that we have studied not only the report referred to above, but the discussions which took place during the subcommittee's hearings. It is not my purpose to imply blanket approval of all that was said during the discussions referred to or all of the material contained in the report. We do, however, recommend the work of the Subcommittee on Federal Tax Policy of the Joint Economic Committee as being eminently worthy of study and consideration.

It is my purpose, at this point, to give a somewhat detailed explanation of sections 3, 4, 5, 6, and 7 of the tax bill which we have introduced today; and the following will highlight some of our thinking on these sections:

SECTION 3. REDUCTION IN CORPORATE NORMAL TAX

This section advances the sound premise that the corporate normal tax should be low. The surtax bracket of the corporate tax structure should be just what it means—a surtax. Additional revenue should be obtained by increasing surtax rates at the appropriate level of exemption. Section 3, therefore, proposes that the normal corporate tax rate be "20 percent of the taxable income."

As noted, this provision of the bill is designed to place the burden for additional corporate tax revenue within the surtax bracket, where it belongs. A low corporate normal tax rate will be of great benefit to our smaller corporations which constitute the vast majority of all corporations. According to recent figures there are approximately 700,000 corporations in the United States. Approximately 5 percent of these corporations earn 90 percent of the corporate profits. This leaves 10 percent of all corporate profits to be shared by the other 95 percent of our corporations.

The 20-percent normal tax with a proper surtax exemption will materially increase the resistance of smaller corporations to sell out or to merge with their larger competitors. It will encourage small firms to adopt the corporate form of doing business. It will materially lessen the burden of obtaining working capital. The Subcommittee on Tax Policy of the Joint Economic Committee in its report of December 27, 1955, concluded that Federal tax policy in the future should "protect the competitive position of small and new businesses by providing adequate tax offsets to business risks and by gearing the structure of tax rates to any differential barriers to acquiring the financial resources required for their growth and development."

In this same report the Subcommittee on Tax Policy under the chapter, Federal Tax Policy Should Protect and Promote

an Atmosphere Favorable for Small and New Businesses, said that:

It is a widely held view that small and new businesses have limited access to credit and equity capital from external sources, as compared with larger, better-established firms. The growth requirements of small and new companies frequently involve more extensive reliance on internal resources, particularly retained earnings, than in the case of other companies. A corporation income tax rate structure which does not unduly limit the financial resources required to finance the growth of large, established companies, therefore, may prove extremely burdensome in this respect for small and new companies. A greater differential in effective rates applicable to small and large corporate taxpayers should be given careful consideration.

We believe there is overwhelming sentiment in the Congress to provide remedial tax legislation for small business. This is in recognition of the fact that "without small business, America would be a gigantic skeleton, a great industrial framework lacking in blood, flesh, and nerves—House Report 2513, 82d Congress, 2d session. One way to keep small business, as we have known it in America, is to provide a low normal tax rate which will help supply small business with "blood, flesh, and nerves."

This recommendation is included in the Progress Report of the President's Cabinet Committee on Small Business under date of August 7, 1956. The Cabinet Committee forcefully advocated the reduction of the normal corporate tax rate from 30 percent to 20 percent by stating:

At present the tax rate is 30 percent of the first $25,000 of the income of a corporation and 52 percent of the income in excess of $25,000. The Committee's proposal would reduce by one-third the tax on the first $25,000 of corporate income, but would leave unchanged the tax on income in excess of this figure. Thus, the benefits from tax reduction would be concentrated, progressively upon corporations with the smallest net incomes.

While taxes on all corporate businesses should in time be lowered, the present proposal would substantially reduce the taxes on small corporations which constitute the great majority. It would help the smaller firms to retain earnings for financing expansion, or would give them some advantage in pricing. It would generally encourage the formation of new businesses.

There is one difference between the recommendation of the Cabinet Committee on Small Business and this bill. The Cabinet Committee recommended 20 percent on the first $25,000 of taxable income while this bill proposes in the following section—section 4—to raise the surtax exemption from $25,000 to $150,000.

SECTION 4. INCREASE IN CORPORATE SURTAX EXEMPTION

The bill which we have under discussion proposes to amend section 11 (e) of the Internal Revenue Code by striking out "$25,000" and inserting in lieu thereof "$150,000."

The sum of $150,000 may to many sound high. On the other hand, the sum of $25,000 to many of us seems low. However, any sum which might be selected as the beginning point for the application of the corporate surtax would create disagreement. Unfortunately, we are always confronted with the phrase "how much does it cost?" The cost referred to, of course, is calculated in terms of "loss of revenue."

Frankly, a business which has a taxable income of $150,000, by most of our accepted standards, could not be considered "big business" in any sense of the word. In determining the cutoff point of the surtax rate at any given time we have not considered the economic effects on small business; we only considered the budgetary requirements of the moment. We have closed our eyes to the adverse effect of a combined normal and surtax rate of 52 percent on our small-business institutions. We realize expediency has played its part in the past; however, we believe the time has come when we must remove at least some of the burden of oppressive taxes from the backs of small-business men.

The question which always plagues us is whether a more liberal tax treatment for small and independent business would not within a measurable length of time result in increased revenue for the Government. We believe this question was answered in part when at the end of the calendar year 1953 tax reductions went into effect amounting to approximately $7 billion. Since that time our country has enjoyed a period of prosperity unprecedented in our history.

There are many who say that the small business institutions have not shared in this prosperity. We do not believe this to be the case, however, small business would have made greater strides had our Federal tax structure recognized more realistically the vital needs of small business. We believe that an exemption of $150,000 from the corporate surtax rate is a realistic approach to one phase of the small-business tax problem and should be carefully and earnestly considered by the Congress.

SECTION 5. ELECTION OF INDIVIDUALS AND PARTNERSHIPS TO BE TAXED AS CORPORATIONS AND SECTION 6, ELECTION OF CORPORATIONS TO BE TAXED AS PARTNERSHIPS

The intent of section 5 is to provide a method for individuals and partnerships to be taxed as corporations. Section 5 provides a measure of flexibility to replace the rigidity which is now incorporated in the Internal Revenue Code. This proposed change in section 1361 (e) of the code would allow freedom of choice within reasonable limits. Under section 5 a business conducted by an individual or partnership would have an election every 4 years as to whether or not it desired to be taxed as a corporation. Under present law the decision is irrevocable except when substantial change in ownership occurs.

Section 6 of this bill is intended to allow certain corporations the election to be treated as partnerships or proprietorships. The proposed provision applies particularly to closed corporations with 10 or less shareholders who are actively engaged in the business, none of whom are nonresident aliens. In other words, the election is intended to apply only to small, closely held domestic corporations.

Section 5 is one of the provisions which has been recommended by the President's Cabinet Committee on Small Business. The report of that committee commented as follows:

Many small businesses avoid the corporate form of organization, despite the advantages of limited liability and continuity of legal existence, because the corporate income tax may prove an added burden. The present proposal would make decisions whether or not to incorporate turn on factors other than taxes, since the law already gives certain partnerships the option of being taxed as corporations.

This measure was originally proposed by the administration in 1954. It would particularly benefit small firms having stockholders with very modest incomes.

SECTION 7. INVESTMENTS IN SMALL BUSINESS ENTERPRISES

This provision of the bill is intended to provide an incentive and encouragement for the investment of equity capital by individuals in local, small businesses. It is also intended to encourage loans in one form or another by individuals to small-business enterprises.

The present treatment of capital losses and bad debts is a discouraging factor to persons who would otherwise be willing to make investments in, or loans to, local small-business institutions. The purchase of stock in a small corporation or the investment of capital in the business of an individual or partnership always carries an element of risk even though the outlook may be very bright. This element of risk also applies to loans, endorsements, or guarantees made by individuals to assist local small-business enterprises. The element of risk cannot be removed, but incentive and encouragement for investment in, and loans to, small-business enterprises can be had by more liberal treatment under our Federal tax laws when such investments and loans become losses and bad debts.

This element of risk attached to investment in a small-business enterprise and the dependence of small firms upon loans and stock purchases in local markets was ably set forth by the Small Business Committee of the House of Representatives in its final report to the 82d Congress entitled "Review of Small Business"—House Report 2513. In this report it was pointed out that small businesses are extremely susceptible to fluctuations in earnings and have a much higher mortality rate than larger business concerns. Over the years it has been found that approximately 20 to 25 percent of the business firms will last over 10 years. Some 50 percent will disappear by the end of the second year of their operations. The committee pointed out in its report that equity capital for new business firms was acquired primarily through the personal savings of the owners of the concerns and from friends and relatives. This was true for both small trade firms and for manufacturing concerns. It has been demonstrated, however, that in contrast, larger business enterprise can utilize the regulated securities market to acquire equity capital and will supplement such capital to a very large extent by borrowing either in the securities market or from financial institutions.

The present tax laws interpose to a man, who hopes to invest in a small corporation, serious difficulty in getting any tax relief when he suffers a loss on

his capital stock. The only instance when the worthlessness of an investment can result in a deduction against ordinary income is one in which the debt is represented by open account or by claim note and the debt is acquired, or the losses incurred, in his trade or business. If a man invests money in a small corporate business and loses his investment because of the worthlessness of his securities, he can only take as his loss the difference between his capital gains plus taxable income—exclusive of capital transaction and personal exemptions—and the capital loss or $1,000, whichever is less. While the present law provides a loss carryover so that the capital losses may be offset by capital gains during the following 5 years, it is the purpose of this section to provide more rapid recovery of capital losses under the circumstances described above. This more rapid recovery of capital losses resulting from investment in small corporations will do much to provide the necessary incentive for increased investment in such corporations.

Similarly, our proposal would encourage lending to small firms—proprietorships, partnerships, or corporations—since losses incurred as a result of such lending could be charged off against ordinary income. Section 7 (c) specifically provides that such bad debts as well as investments described above shall be treated as attributable to a trade or business of the taxpayer.

If this Nation is to preserve its tradition of economic opportunity for small business, then every potential supply of equity capital must be fostered. This supply of capital as heretofore mentioned is provided by men and women as the result of thrift and the urge to save. The incentive to help local industry through investment and loans by such individuals must be encouraged by providing a sensible and realistic cushion against losses. The question which we must answer is whether, as a matter of national economic tax policy, the Congress of the United States desires to facilitate the flow of venture capital to small and independent business. If the answer is in the affirmative, then the current uncertainties and handicaps of the individual investor and lender must be eliminated, and the stringent rules now in the Internal Revenue Code must be modified.

Therefore, section 7 of this bill endeavors to provide the necessary incentive and encouragement by allowing individuals under certain circumstances to charge off capital losses and bad debts as a deduction from ordinary income.

Special safeguards are set forth in section 7 to limit its application by defining "small business enterprise" as a trade or business the total assets of which—at the time the security is acquired or the loan is made—do not exceed $250,000, and in the case of a corporation, the stock is not owned—directly or indirectly—by or for more than 10 individuals.

Mr. HOSMER. Mr. Speaker, I have joined with my five Republican colleagues of the Select Committee on Small Business in introducing the bill for the relief of small business that is under discussion today. The encouragement and nourishment of small business is a tradition in American life. The foremost need of small business has always been and always will be venture capital, which comes from the savings of individuals and the retained earnings of business. It takes venture capital to start a new business, and it takes more venture capital to make it grow.

In years gone by, an important source of such capital was the savings of the successful person, who found pride and satisfaction, and who could take the risks in the hope of profits, from giving a financial lift to a budding enterprise. This source has been fairly well choked off by the extremes of tax rate progression as regards both the capacity to save and the incentive to use such savings as they are accumulated. Today, the small-business man has to look first to his own resources and then to bank financing.

In the first instance, he finds himself bucking up against the progressive individual income-tax rate scale, and if the enterprise is incorporated, also the excessive corporate rates. At the inception of the individual income tax in 1913, about $320 of income in the $16,000 income-tax bracket was taken by taxes; today, one-half, $8,000, of it is taken. The effects of this kind of taxation on unincorporated businesses, whether single proprietorship or partnership, has been studied, and after adjustment for inflation it is found that no net addition to equity capital of such firms occurred in the study years, 1946 to 1951.

The trend of corporate taxation also has produced an increasing barrier to internal savings of incorporated firms. As short a time ago as 1936, corporate tax rates were at the 15-percent level. Today combined normal and surtax rates take 50 percent without considering any other taxes whatsoever, such as property taxes, excise taxes, and the like.

Bank financing cannot make up for the shortage of venture capital. In the first place, the basic need is for long-term capital to share both the risks and the prospects of profit. By and large, bank loans must avoid this kind of risk and the greater the possible risk, the shorter will be the loan period. In the second place, the function of bank or debt financing is to supplement, not to replace venture capital. Both from the standpoint of the enterprise and of the lender, an adequate proportion of venture capital makes supplementary debt more feasible. In other words, equity financing is the key to debt financing; when more money is risked, more money may be borrowed on sound and reasonable terms. The two in balanced combination make for maximum development and growth of business.

There is great difficulty in determining just how much investment is needed in small business that is not now being made, but I do have figures which hint at the amount through comparison. It is reliably estimated that corporate business, large and small, in America needs $60 billion a year for the next 10 years to accomplish the expansion that is needed in our productive capacity as a Nation. Probably almost that amount is needed by unincorporated businesses, large and small. The money can come only from reinvested earnings and new investments by individuals from their savings. At the present time neither source is proving adequate to finance as rapid an expansion of productive capacity as is needed to remove inflationary pressures in the country. As mentioned, bank financing has been resorted to whenever possible to meet the deficiency, but because of the previously mentioned difficulties, capacity in that regard for many small businesses never existed, and for others is coming to an end. An unpleasant side effect of such borrowing has been to help drive up interest rates because so many additional borrowers were in the market clamoring for money.

I emphasize again that the basic reason our economy has not been getting the amount of investment money it needs for growth is taxes. High corporate income taxes have siphoned away large amounts of earnings that otherwise would be reinvested. High individual income taxes, which have caused many a TV-quiz contestant to stop short of the top prize because the tax bite makes the risk foolish, also discourage investors from risking their money for a disproportionately small return after taxes.

Although circumstances vary amongst particular businesses and from industry to industry, the overall result is that only about $3.5 billion annually is being invested in new corporate stock issues, whereas capital from this source totalling $6 billion a year is required to finance the necessary anti-inflation expansion of corporate productive capacity. The investment picture for unincorporated businesses is no less gloomy. In the case of either incorporated or unincorporated businesses the picture gets progressively worse as smaller and smaller businesses are analyzed.

A reshaping of our tax policy is needed to provide both the means and the incentives for an accelerated investment in building up the Nation's productive capacity. Only in this way can we have healthy business, big or small, and boost the productive ability of our economy up anywhere near the total demands we make upon it. Only in this way can we encourage the growth of business, both big and small, and thereby supply the constantly increasing number of jobs which our constantly expanding population requires if we are to avoid economic chaos. Such tax changes are not a matter of lowering taxes on big business and the rich while the poor get no relief. Saying so is good demagoguery, but poor economics. They are a commonsense matter of doing what is needed in a free enterprise economy to eliminate the burdens of inflation and the threat of unemployment, both of which are far more disastrous to the poor than to any other economic category.

Now, the bill that my five colleagues and I have introduced today proposes these following steps to provide for growth, expansion, and modernization of small and independent business enterprises in America: First, permits special

tax deductions for funds spent for expansion or modernization of small-business enterprises; second, reduces corporate normal tax rates to 20 percent; third, allows an increase in corporate surtax exemption from $25,000 to $150,000; fourth, authorizes election by individuals and partnerships in small business to be taxed under the new corporation rates instead of individual income-tax rates; fifth, authorizes small corporations to elect taxation under individual rather than corporate income-tax rates where such is advantageous; sixth, liberalizes income-tax deductions as to losses which occur on account of investments in small business; seventh, permits accelerated depreciation on 5-year basis by small-business enterprises; eighth, liberalizes depreciation of used property utilized by small-business enterprises; ninth, exempts goodwill in determining the gross estate of small-business man for inheritance-tax purposes; tenth, permits payment of inheritance taxes on a small-business man's estate in installments over a maximum period of 10 years.

At this point I desire to join my colleagues in explaining various sections of the bill. These sections—sections 8 and 9—deal with methods of providing rapid tax amortization for small plants engaged in defense work and for the depreciation of used property. The depreciation of used property when purchased by a small business has not been subject, under the law, to the depreciation allowances applicable to new plant and equipment. The explanation follows:

SECTION 8. FIVE-YEAR DEPRECIATION FOR SMALL-BUSINESS ENTERPRISES

This section is intended to provide a method of rapid tax amortization for small-business enterprises. The Internal Revenue Code was amended to authorize a 5-year tax amortization in World War II to provide adequate facilities for the prosecution of the war. It was again enacted during the Korean war to facilitate the construction of plants in the interest of the war effort. In both World War II and the Korean war it was conceded that industry should have an incentive provision to assure the construction of war plants and other facilities without regard to whether such facilities would be needed at the end of the war.

During World War II and thereafter and during the Korean war and the years that followed, small-business concerns engaged in the production of materials and products for the national defense received little help through the 5-year tax amortization program. There were thousands upon thousands of applications filed during World War II and during the Korean war, but relatively few of the applications were processed to completion. The so-called certificate of necessity was not granted to the small plants as a general rule no matter how essential the plant or its products were to the national defense. The steel, the aluminum, the copper, the transportation and many other industries, particularly the larger units in those industries, received authorizations for rapid tax writeoffs running into billions of dollars. And mainly, in addition, received defense production loans with which to build the plants for which a certificate of necessity had been received. We are not attempting at this moment to evaluate the rapid tax amortization program, and we realize that it was put into effect as a matter of expediency in the prosecution of the war and defense efforts. It cannot be questioned, however, that in granting such certificates the competitive status of small-business concerns in many industries was seriously jeopardized.

However, certificates of necessity continued to be used after World War II and have continued to be used since the Korean war. Our purpose here is to allow small manufacturers, most of which can turn to defense production when necessary, an even break in the field of amortization and depreciation. The provision is limited to any person whose average taxable income for "the 5 preceding taxable years does not exceed $50,000 per year."

The provision makes it clear that the useful life of the property may be more than 5 years, however, as previously pointed out, technological development, particularly in the machine tool industry, has materially reduced the useful life of many tools. These rapid changes, which have and will take place, require modernization of tools and equipment as well as the plant which houses them.

The compelling consideration of this provision should be the welfare of some 300,000 or more small and independent manufacturers who may at some perilous moment in the future be needed to secure our national existence. Many of these smaller plants are absolutely essential to our national defense. This fact has been proven both in World War II and in the Korean war. Our aircraft and ordnance industries are dependent upon many thousands of small plants, the skill and ingenuity of which are unmatched. These plants have never been, and are not presently, treated on a basis of equality when estimates are made as to the essentiality of such plants in the maintenance of our national defense. The record is clear and speaks for itself when it is examined for the purpose of estimating in dollars and in numbers the utilization of our tax amortization provisions of the Internal Revenue Code which, as we know, are based on certificates of necessity.

If section 168 is to continue in our tax law for the benefit primarily of big business, then the Congress should adopt section 8 of this bill to provide our smaller defense plants the incentive to keep pace with the ever-changing scientific and technological developments. Section 2 of this bill is intended, as we have pointed out, to strengthen the position of all small business from a growth, modernization, and expansion standpoint, and we do not believe it is incompatible in any particular with section 8 of the bill.

The more liberal depreciation allowances provided in the Internal Revenue Code of 1954 were a major step forward in the evaluation of the whole problem of permitting expenditures for machines and other property to be recovered more quickly than under prior law. However, the question of depreciation allowances is purely a relative one. As a matter of basic business horsesense such allowances, we believe, should be at the discretion of the business taxpayer.

SECTION 9. DEPRECIATION OF USED PROPERTY

This section is one which has been recommended by the President's Cabinet Committee on Small Business. We agree with the recommendation since small and new businesses, particularly, are principal purchasers of used equipment. We believe, within the limits prescribed, such equipment should be eligible for accelerated depreciation.

This provision will benefit not only small business but also those engaged in farming operations.

The Cabinet Committee recommendation and comment stated that:

> This measure would benefit small and new businesses, whether or not they are incorporated. Because of the limitations of its capital, a small business must often begin operations by buying an old building, used machinery, or used display equipment. Under the Internal Revenue Code of 1954, only new property is eligible for the prescribed methods of accelerated depreciation. An extension of the privilege of accelerated depreciation deductions to limited purchases of used property would improve the financial position and outlook of smaller businesses.

This bill, of course, incorporates in one omnibus measure practically all suggestions for small-business tax relief. I believe that none of us who have introduced it ever expect to see this bill written into law exactly as we have introduced it. But, if ever a start is to be made on doing what is needed to remove the stifling effect of our present tax structure and philosophy on business—big and small—in America, something like this must be brought up for discussion and action. If this bill does nothing more than point to the failings of our present tax system and bring an awareness to the people that we cannot hamper too much the workings of our capitalistic, free-enterprise economic system, then it will have started the reform and served its purpose.

In passing, I would like to say that the end product of our American economic system is enjoyment by today's Americans of the highest standard of living, the most abundant general welfare, the most jobs, and the highest wages of any people of any nation in any period of history. Our experience has shown that the reasonable expenses of our Government can be generated out of that system more efficiently and with less burden than in any other way. Our experience also has shown that a certain amount of governmental regulation of the system—antitrust laws, minimum wages and the like—is needed to prevent abuses of the freedom inherent in it. The experience of other countries, notably France and Great Britain, has shown that excessive or unfair taxation, or excessive governmental interference aimed at social objectives ends in paralyzing the system.

Our bill introduced today may be attacked as a so-called gadget approach to tax relief. If we look at the small-business picture realistically, we must admit there would be no case for special tax incentives for small business except for the disincentives of the present tax

structure. The interest in small business is not because there is virtue in smallness itself any more than there is virtue in any other degree of size. The interest we express lies in the dynamic forces of business growth, the fact that from small beginnings in one period come the successful, expanding businesses of another. A business which does not grow has no need for an inflow of venture capital. Admittedly, the tax incentives in our bill are measured or limited by size and it can be alleged they simply mean disincentives for any enterprise which does not qualify or another tax hurdle for the enterprise which would exceed the bounds of the devices. It is conceivable that this bill as now written might place a premium on conformity, on not being larger or on not growing more than its special provisions warrant. But, I repeat, my own objective in introducing the bill, and that which I believe underlies the similar action of my colleagues—Mr. HILL, Mr. RIEHLMAN, Mr. SEELY-BROWN, Mr. MCCULLOCH, and Mr. SHEEHAN—is to get the ball rolling for a sensible tax structure for America and for Americans in all areas, geographical, economic, and otherwise. By careful study any of the possible objections which I have mentioned can be overcome. It is our way of meeting the basic issue which is the present system of high and discriminatory rates of income taxation.

These rates lie at the root of nearly all our small-business difficulties, our inflation difficulties, our concern with providing employment for America's ever-expanding population, and our desire to keep and maintain the free-enterprise capitalistic system working at greatest efficiency for all Americans.

Regardless of point of view, everyone can understand that individual tax rates which reach 50 percent at $16,000 of taxable income and go on to a top of 91 percent and that a combined top corporate rate of 50 percent are in and of themselves discriminatory. The issue is whether the discrimination should continue, and resolution of the issue cannot be expected unless it is faced.

The simplest argument in favor of moderation in rates is that of fairness. The people who pay the progressive rates are subject to the same basic rate of tax paid by all income taxpayers. And, directly or indirectly, they bear at least their proportionate burden of all other taxes—Federal, State, and local. Similarly, corporations are subject to nearly all other taxes except individual income and estate taxes. At some point in the progression of these taxes they start to lessen rather than increase the net return to the tax collector, for at that point, they discourage enterprise. By discouraging enterprise, they eliminate the one fundamental force underpinning a capitalistic economy. That is what differentiates our system from that of the Socialists and Communists: individual enterprise based on reward rather than governmental fiat issued by politico-economic commissars. Continuing in existence enactments which make for inefficiency rather than efficiency in the workings of our economic system is fair neither to the enterprises nor to the population of a country such as ours in which 89.9 percent of the people depend on the efficient workings of a capitalistic economic system for their livelihoods. In short, everybody loses by them.

For many years the question of fairness in income taxation has been avoided by a sort of socialistic smokescreen, the relation of taxpaying capacity to what people have instead of what they produce. The fact that some people have wealth and income for which they expended little, if any, effort themselves has been allowed, or positively used, to obscure the fact that high and discriminatory rates of income tax harass, penalize, and block the efforts of those whose work and investments are the source of the Nation's economic strength. The design of capital expropriation by income taxation not only is economic folly but it misses the mark. The fundamental effect of excessive rates of income tax is to prevent the accumulation of wealth and not to redistribute it. The TV quiz show contestant situation I mentioned earlier exemplifies the devastating share which the Federal Government demands from the fruits of success. A single person would have to win a gross prize in the neighborhood of $450,000 in order to take home $64,000.

The ultimate folly of taxation which confiscates potential savings, regardless of who does the direct paying, is that the detrimental effect on economic activity will be felt by the population and the Nation as a whole. I previously mentioned France and Great Britain as victims of this folly, but it has had its unhappy consequences upon many others during the tide of socialism which has swept the world during the past 40 years. Almost to a country, these nations are seeking to back-track from the extremes of progressive taxation, but they are experiencing great difficulties in so doing. Not a small part of the so-called "foreign aid" we have provided them has been necessitated because they failed to maintain sensible systems of taxation and other capitalistic features.

I hope to have shown thus far two truths: First, the moral objection to progressive taxation is the discrimination which is inherent and inevitable in any progressive tax rate scale. This objection applies as much to the beginning as to the top of the rate structure; second, the economic objection to progressive taxation is that it imposes a tax penalty on the economic virtues of industry—self-reliance and thrift. This penalty is greatest where the rates are highest, but any discriminatory tax restriction on saving and investment which goes beyond the reasonable need for Government revenues is a limitation on the economic future of the Nation.

I hope also to have shown thus far two correlative consequences of a tax structure and tax philosophy that is maladjusted to the economic system: First, burdens first appear and are heaviest upon business enterprises in almost direct proportion to their smallness; second, the burdens spread to the whole population of the country first in the form of a denial of all the benefits which can be enjoyed from an efficient, productive economy and progress to complete economic chaos involving degeneration of the standards of living of whole populations.

Since my time has almost expired, I cannot in detail dispose of the argument that a reduction in taxes would impair Government revenues to such an extent as to throw the economy out of balance. But let me say this: The less our economy is hampered by overburdening taxation, the more wealth it will produce and thus the more tax revenues that will be gained from more moderate rate of taxation. Secondly, if permitted to expand naturally in relation to the size of our population, a constantly larger overall tax base is provided which also has the effect of producing greater tax revenues from more moderate rates of taxation. Thirdly, the first two factors, i. e., growth in vigor of economy and growth in population do not increase expenses of government proportionately, so that a constantly diminishing percentage of national income should be required by the Federal Government to maintain its activities in furtherance of the general welfare.

In conclusion, I sincerely hope that the Ways and Means Committee will seriously consider these bills and the various proposals they contain. I have previously introduced legislation calling for a commission to investigate our tax philosophy and tax structure and to make recommendations for legislation which will more nearly adjust them to the best workings of our capitalistic free enterprise economic system. I believe the Ways and Means Committee and the proposed commission working together, or at least in cooperation, to consider the proposals of the bills introduced today and all other approaches to the problem not only can solve the problems of small-business enterprises, but also protect the stake all Americans have in our unique and extraordinary economic system.

Mr. MCCULLOCH. Mr. Speaker, in joining my colleagues of the House Small Business Committee in the introduction of a bill to provide tax relief to the small-business concerns of this Nation, I am convinced that this could be the most important legislation to come before this, the 85th Congress. The seriousness of the financial position of small business and the importance of tax relief for these concerns just cannot be emphasized too strongly.

In every Congress since I have been privileged to represent the people of my district, we have discussed the importance of small business to the continuation of a vigorous and flourishing free-enterprise system. We all are aware, I am sure, that if our economic system should fail, then surely our political system will also fail. And when we have discussed small business we have always stated that to preserve this segment of our economy means to benefit the country as a whole through lower prices, more employment, better goods and services; in fact, it means a truly higher standard of living.

Mr. Speaker, despite the analysis of the small-business problem conducted by many Members of the House and by its various committees and despite the

statements made over the past several years that small concerns need help, little has been done. We have written small-business provisions into our procurement laws; we have attempted to strengthen our antitrust laws; we have established independent small-business agencies; and we have made a very small start through adjustments in the tax laws. The results of the above measures have been less than adequate and can only mean one thing. Congress has not struck at the basic difficulty of small business. Small firms receive too small a share of military procurement; they find that competition from larger business enterprises in the civilian markets is more severe and difficult to overcome; and they find that because of our tax laws and institutional financing they have insufficient capital to permit growth and expansion.

Despite these adversities, our small-business population continues to increase. This shows that the incentive to start new business still persists. In this fact we may take hope for the future of our economy. At the same time, however, we find that many of these new firms are undercapitalized. Where a product or service has proven a success, the small firm of 3 or 4 years of operation finds it impossible to take advantage of its commercial success. It is this type of company which is being penalized by an oppressive tax burden and which under more favorable circumstances could become a strong competitor of the much larger enterprise.

Mr. Speaker, we in Congress can no longer sit by and watch big business with its vast financial resources take the lion's share of Government production and service contracts, some 95 percent of research and development contracts, or develop new products or take over existing smaller companies to dominate new and established civilian markets. We are at least partially responsible for this dilemma, and we must find a solution. I firmly believe that at least a partial answer lies in tax relief for small business. If Congress provides for more equitable treatment, this segment of our economy will be successful on its own merits, by its own initiative and good business sense.

I said that analyses of the small-business problems and recommendations for their solution have in past Congresses generally been bipartisan in nature. The Select Committee on Small Business has issued several unanimous reports in previous Congresses, which reports contained considerable analyses of the tax burden of small business. Let us look at what was said during this period. While these quotes may be lengthy, I feel that they ably express the tax problem of small business as viewed by this committee.

The primary objective of Government and business today is to establish the basis for an economy of stable high-level production. Small-business enterprises in particular have an interest in the maintenance of a prosperous economy and the development of a tax system which will permit the creation of new firms and expansion of established small enterprises.

While a tax system which is conducive to high-level production is of primary importance, there is a recognized need for particular consideration of the tax problems of the small concern as contrasted to those of big business. Just as the committee was concerned over the extension of credit and the availability of capital to small business on the same terms and with the same facility as large business, so it desires a tax system which imposes an equal burden on all business enterprises, large and small. In order to equalize the burden of taxes, it is necessary to differentiate between large and small firms to prevent further industrial concentration and to encourage the small-business segment of the economy. The desired tax system, therefore, is one which does not penalize small firms and which has a minimum of impact on the competitive relations of large and small concerns. (Final report, 82d Cong., H. Rept. 2513.)

Many illustrations may be advanced to depict the importance of taxes to small firms.

First, the vast majority of new, small businesses acquire their initial capital from the savings of the owner or from friends and relatives. The future capital needs of established small firms must be supplied out of the reinvestment of earnings, particularly those funds needed for development and expansion. It was shown in the previous chapter, that while business of all sizes may have difficulty in obtaining funds for expansion, it is primarily a problem of the small firm. The large concern usually has diversification in its sources of income so that a development project in one part of the business will not seriously affect the financial condition of the entire enterprise. A small concern, however, is usually confined to one line and any long-term project will involve the entire financial facilities of the business, seriously reducing its income for a period of time.

The previous chapter also pointed out the relative ease with which large concerns may secure equity and borrowed capital from the organized securities markets, life insurance companies, commercial banks, and other sources. The small business, however, has difficulty in securing funds from these sources. In view of this reliance of the small firm upon savings and reinvested earnings, the effect of taxes on corporate and personal income is obvious.

Second, the earnings of small business tend to fluctuate from year to year more than those of big business. This variation in earnings of the small firm is generally the result of dependence upon local markets and a lack of product diversification. Because of these fluctuations, any tax on profits tends to be much more severe for the small firm. Furthermore, during periods of depression, the small business may realize no profits, whereas, during periods of prosperity when the concern has an opportunity to make up its losses, the increased earnings are reduced by high taxes. The following chart illustrates the variation in profits experienced by the small concern and the impact of taxes on the income of corporations with assets of $250,000 or less (chart LV, p. 105).

An additional risk factor is created by this variation in earnings experienced by the small firm. The investment of risk capital, where large returns are expected, may be discouraged if such returns will be reduced by a tax on net earnings. In contrast, a tax on income of large concerns with more stable earnings will not necessarily deter this investment.

Third, intense competition generally prevails in the industries where small firms predominate. The control over price by each concern is negligible and there can be little shifting of taxes. Large concerns, however, may have greater control over market and price, thereby permitting some shifting of the tax burden.

Fourth, complex tax laws and regulations place an added burden on the small concern which is unable to afford legal and accounting talent. It is difficult for these firms to take advantage of tax exemptions or to interpret regulations. In addition, in cases of a tax controversy, these concerns are unable to present their cases effectively and generally must bear the burden of proof. This particular problem is an integral part of the overall management problems which confront the small firm.

In an economy where a budget of some $83 billion prevails, representing 25 percent of total national production, the influence of Federal fiscal policy and taxes cannot be ignored. In fact, Federal expenditure and revenue policy constitute one of the most important determinants of production, employment, and investment. Even when expenditures for defense become unnecessary, the impact of Federal taxes will remain large. It is obligatory, therefore, that the influence of Federal fiscal policy be given careful consideration and review. Collections through taxes and expenditures must promote stability in growth and must give particular consideration to the problems and needs of small firms which form the backbone of our economy. (Final report, 82d Cong., 2d sess., H. Rept. No. 2513.)

I am also including brief explanations of sections 10 and 11 of the bill, which are as follows:

SECTION 10, EXEMPTION FOR GOODWILL IN DETERMINING GROSS ESTATE AND SECTION 11, INSTALLMENT PAYMENTS OF ESTATE TAX

These provisions were incorporated in the bill to add incentive to individuals, partnerships, and small corporations to carry on the business after the death of the leading figure in the business. As we know, goodwill is an intangible something which, more often than not, attaches itself to an individual. Many thousands of such persons who have worked long and hard to build up a business are often faced at some point of their existence with a momentous decision wich involves both the business and those dependent upon the business. The problem was aptly stated by a witness who testified before the Tax Subcommittee of the House Small Business Committee in the 83d Congress. This witness testified as follows:

Look what happens in the case of a business that happens to be prosperous, and has a net worth of $100,000 and the Bureau of Internal Revenue determines that in addition to that hundred thousand dollars there is an undisclosed asset because of its prosperity and earnings of goodwill worth a quarter of a million dollars, because it has had $50,000 a year of what they deem to be excess earnings. They made the estate pay estate taxes on that extra $250,000, but it can never be written off as an expense, even though they have determined it by capitalizing the excess earning power by multiplying that $50,000 of excess earnings by 5.

The question for decision is whether to sell out, to merge, or to take a chance that the business will somehow survive the Federal and State inheritance taxes. The decision reluctantly arrived at these days is usually to sell out to a larger corporation or to merge with such a corporation thus protecting in a measure the family estate but not always protecting the business and those who are dependent upon the business for employment. Every such merger or sale means the loss of a small business and a reduction in competition.

The exemption for goodwill applies only to small corporations owned by no more than 10 individuals or to an individual or partnership, and the amount excluded from the gross estate is limited to a top figure of $100,000.

The installment paying of estate tax, as provided in section 11, has been advocated by many and is included in the recommendations of the August 7, 1956, Progress Report of the President's Cabinet Committee. We believe the language included in that report adequately sums up the desirability of allowing estate taxes of closely held business enterprises to be paid in installments over a 10-year period. The report states:

At present the need to pay a heavy estate tax at times leads to the disruption of the management, control, and operations of a small business. This is a contributing cause of numerous mergers. Although the law permits the Commissioner of Internal Revenue to defer the payment of the estate tax up to 10 years, this provision of the law applies only to cases of hardship. It does not give the taxpayer who may claim hardship any assurance that his claim will be recognized. Nor is relief available when assets can be sold at a fair price, even though the sale leads to the merger or dissolution of a company.

To remove these difficulties the taxpayer should be given the option of paying the estate tax forthwith or in installments over a maximum period of 10 years, whenever an estate consists largely of investments in closely held business concerns. In the event that the taxpayer elects the latter option, he should be charged a moderate rate of interest as at present in hardship cases. Careful consideration should be given to the merits of limiting the installment option to an estate tax of some specified maximum amount.

In summary, we have introduced a tax bill for all types of small businesses. We may be criticized for placing limitations in almost every provision, but on that basis every provision of the Internal Revenue Code is also subject to criticism. We are advancing ideas, some of which are new and some of which are old. We have not drafted this bill from the standpoint of either revenue loss or revenue gain. We are aware that, in this bill, we have not offered remedies for all of the inequities affecting small business which are incorporated in the Internal Revenue Code. We are here attempting to make a constructive beginning by offering a bill which takes care of some of the more flagrant inequities now in the law. We have taken one step. It is an important step, and we believe a progressive step in carrying out the declared policy of the Congress with respect to small business. In the final analysis, over a given period of time we believe that if the advantages of this bill are given to the small-business enterprises in our country, it will mean an increase in revenue from that sector of our economy. That, however, is something we cannot prove, nor should we have to prove it.

The essential thing which we believe the administration and the Congress of the United States must recognize is the absolute necessity for an adjustment of the tax burden of the small-business man and the small farmer. It is true that the 11 provisions incorporated in our bill will not have the same application to each and every small business. Section 2 of the bill, incorporating the provisions for tax exemption to provide incentive for the growth, expansion, and modernization of small business, should have universal application, and we believe will be welcomed by every small-business man in the country. Each of the provisions is designed to take care of one or more tax inequities as applied to small business.

We urge the Ways and Means Committee of the House of Representatives, the Senate Finance Committee, and the Joint Committee on Internal Revenue Taxation to give our proposals most careful consideration. We plead with these great and powerful committees not to discard the recommendations because of "difficulty of administration" or "loss of revenue." We say, let us take a good, hard look at our small-business economy and adopt the ideas set forth in our bill or comparable ones in order that the small-business sector of our economy may grow and thrive and have the opportunity to become our larger businesses of the future.

Mr. HENDERSON. Mr. Speaker, southeastern Ohio is an area where the economy is based upon hundreds of small business and family-sized farms. Employment and the general prosperity is dependent upon the continued successful operation of such enterprises. Within recent years, the district which I have the honor to represent has been selected as the site for numerous new industrial plants affiliated with some of the largest and most respected corporations in the Nation. The number of these major corporations in southeastern Ohio is growing and, I predict, will continue to grow at an even more rapid pace as our natural advantages are more fully appreciated. However, we are still an area characterized by many small businesses whose future productivity is sensitive to Federal policies—particularly in the question of taxation.

For that reason, it has been my pledge to study the tax structure as it affects small business in the hope that I might recommend a revision of present tax laws. Today, I am pleased to join with several of my colleagues here in introducing such a bill. I want to discuss briefly the reasons for my sponsorship of this bill since they are based upon months of study of its various provisions.

This is a lengthy bill. As with any tax measure, it is also a complex one. However, it addresses itself to what I believe is a growing problem which we must recognize now.

For almost two decades since Pearl Harbor, our tax structure has placed an onerous burden upon the Nation's smaller enterprises. The direct and indirect costs of war have likewise taxed all business enterprises heavily. However, from the standpoint of growth potential, I believe our smaller businesses have felt the pressure of taxation most keenly. It is the intention of this bill to provide the incentive for growth, expansion, and modernization of small and independent businesses engaged in trade and commerce. It would accomplish this through sound tax reductions.

I want to explain here that this bill is not only concerned with the small manufacturer, but applies equally to wholesale and retail establishments. Likewise, it recognizes that small farmers are also business operators—whether they are tenants or farmers of land which they own and on which they reside.

We are all supporters of the principle that the continued growth of free enterprise is dependent in direct ratio upon the climate of opportunity for businesses to grow and prosper under conditions of healthy competition. We know, too, that today few firms can compete if they fail to keep step with new products, improved processes, or expanded services to the consumer. Many Federal, State, local, and private programs are intended to enhance and contribute to this climate. However, our tax structure today is, in my opinion, the most serious impediment to growth. We are, in fact, seriously penalizing small business, particularly in its years of infancy, despite any demonstrated ingenuity and skill.

Our present tax law makes no provision for expansion and modernization of a business enterprise. This bill, however, provides tax exemptions to apply to all types of small business which earn less than $150,000 per year. Such an exemption would apply to work accomplished during 2 consecutive taxable years.

Another section of the bill reduces the present corporate tax rate from 30 percent to 20 percent for firms with annual earnings up to $150,000. These same firms would be exempted from the present 22 percent surtax rate.

Under the bill, small businesses might elect every 4 years whether they wished to be taxed as corporations or partnerships. The present provisions offering minor tax incentives to persons willing to invest in small enterprises would also be increased.

Another section of the bill offers to small businesses an accelerated depreciation deduction on newly acquired property and equipment up to $50,000 per year. This would be accomplished under the depreciation schedule now in effect and would change the present law to allow such advantages in cases where used equipment is purchased.

Since the goodwill which a firm has created is computed under present law in the determination of estate taxes, this new bill would provide an exemption from this provision as an incentive for surviving owners to continue the business after the death of one of its leading figures. Another provision would allow installment payments of estate taxes where estates consist of stocks and investments of closely held business enterprises.

The foregoing is but a brief outline of the recommendations being advanced in this bill. I believe that these proposals represent a broad attack upon the growing problem of stagnation and obsolescence in American small business which is so largely attributable to the present tax structure. It is the intention here to provide an investment in the economic future of our Nation.

I know from the detailed discussions of the tax problem which I have had with southeastern Ohio businessmen that the enactment of this bill would have a profound effect in solving many of the trying problems which face them

today. I believe these firms are typical of others throughout the Nation as a whole. We would also achieve, I believe, such increased productivity and employment that a vastly broadened tax base would be the inevitable result.

I cannot agree with proposals which would accomplish some tax relief for small firms by raising taxes on our larger companies. To me, such action by the Congress would afford little genuine relief and would, in fact, compound the general tax problem we are seeking to solve.

Today we are concerned about Federal revenues. Our concern springs from an even deeper concern for Federal spending. Tax reductions resulting in an unbalanced Federal budget are a demagogic hoax upon the people. For this reason, this bill cannot be isolated from other considerations which are related. Primary among these considerations is the Federal budget. A carefully calculated offensive to reduce the Federal spending must and, I am certain, will be made both in the Congress and by the administration. This, then, is a two-pronged problem. We must address ourselves to the Federal budget first, squarely facing the realities of what our national aspirations actually require and can afford, domestically as well as internationally. In this we must remember that the source of our defensive strength is the continued well-being and prosperity of our economy. This would include as a first consideration our national productivity and the full employment of our people.

I believe it would be most shortsighted to fail to plan for such an important program for our economic future. To the limit of our ability, we should begin that program now.

These provisions, I recommend as a beginning for responsible tax reductions. In them, we shall accomplish needed assistance that will reach out to all of our people and provide the revenues to sustain an expensive and long-term defensive posture which now appears so inevitable if our national security is to be assured.

It is my earnest hope, therefore, that the Ways and Means Committee will see fit to undertake the consideration of these recommendations within the near future.

PROGRESS REPORT—FLOOD CONTROL FOR CENTRAL MASSACHUSETTS

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 15 minutes.

Mr. PHILBIN. Mr. Speaker, congressional action on flood-control funds this year will help advance five vital projects to prevent floods in central Massachusetts. Four of these projects are located in my district and the fifth will benefit the Webster Square area of the city of Worcester, which is so ably represented in Congress by my distinguished friend and colleague, the Honorable HAROLD D. DONOHUE.

In addition, construction of small flood-prevention projects will begin this summer in several communities in my district with funds voted by Congress last year.

It is with a real sense of appreciation and gratitude to the Members of the House for their effective help on the New England flood problem that I make particular note of the progress being made to alleviate serious floods in central Massachusetts. Favorable action by the Congress this year on budgeted items in the Army engineers civil-works program will bring about two great achievements: more than one-half of the needed Federal funds for a $22,950,000 flood program for Worcester County will have been provided by Congress by the time the Government begins its new fiscal year on July 1 and the completion of the first flood-control project in Massachusetts since the August 1955 floods will be marked—that at Barre Falls.

Congress appropriated $5,310,000 for these five Worcester County projects last year. Hearings are now being held by the House Committee on Appropriations on these central Massachusetts projects:

Barre Falls, $376,000.
Buffumville, $1,217,000.
East Brimfield, $1,500,000.
Hodges Village, $1,860,000.
Worcester Diversion, $1,500,000.

In addition, the Appropriations Committee is considering requests for planning funds for two additional Worcester County projects: $50,000 to continue the planning of the West Hill project in Upton and $100,000 for planning the Westville dam and reservoir west of Southbridge.

Several central Massachusetts towns are scheduled to receive flood protection under the Army engineers small projects program. This program permits the Engineers to spend up to $400,000 on any one project without specific Congressional authorization under changes in the flood laws voted last year by Congress.

Small projects work is listed for the following communities in my District: Ware, Rochdale, West Brookfield, Fitchburg, Three Rivers, Spencer, Lancaster, Leominster and Gilbertville.

Congress appropriated $2 million last year for small projects, thus making it possible for several projects to get under way this year in central Massachusetts. The Engineers have expedited the planning of these projects to the extent that work will begin this summer in providing flood works for Ware, Rochdale, West Brookfield and Fitchburg.

Another $3 million has been requested by the Engineers to carry out the small projects program in the next fiscal year. I hope that the Engineers will have completed plans on other central Massachusetts projects so that additional construction can be authorized when these funds become available after July 1.

The following small projects are contemplated for central Massachusetts:

Ware River at Ware: Detailed engineering plans and specifications for channel improvement and dike construction have been nearly completed. It is expected that construction will be started this summer.

French River at Rochdale: The New England Division Engineer at Boston expects to submit the design memorandum for this project to the Chief of Engineers for approval this month. Construction is scheduled for this summer.

Quaboag River at West Brookfield: Plans have progressed to the point that the design memorandum will be submitted to the Chief of Engineers for approval early this month. Start of construction is scheduled for this summer.

North Nashua River at Fitchburg: The design memorandum will be submitted to the Chief of Engineers in late April with construction to start this summer.

Chicopee River at Three Rivers: This project is scheduled for engineering study as soon as the necessary manpower is available.

Muzzy Meadow Brook at Spencer: A survey of the area has been completed by the Army engineers. A Federal project appears possible and Spencer has been added to the small projects list.

Possible projects at Lancaster, Leominster and Gilbertville are also under study by the Army engineers, but the scheduling of these projects is indefinite because of the limited manpower available. In order to expedite planning work and alleviate the manpower shortage, the Engineers have awarded a contract for engineering services to an architect-engineer. In addition the area engineer at Springfield has been detailed to small projects during the winter months while his inspection duties are at a minimum.

Considerable progress was made this year on the five large control projects for central Massachusetts. A summary of this work follows:

Barre Falls: Three dikes are practically complete, as well as clearing and stripping of the dam site. Grading for access roads is substantially completed. Excavation has been completed throughout the intake channel, gate structure, conduit and outlet channel.

Congress appropriated $1,450,000 last year for Barre Falls. It is expected that the $376,000 budget request will permit completion of the project in December, 1957. Of this amount, $66,000 would go for clearing the reservoir area, $300 to complete land acquisition, $214,000 to complete the dam, $4,000 for miscellaneous cleanup work, $29,000 to complete the access road, $14,900 to complete the installation of permanent operating equipment, $1,800 for engineering and design, and $45,800 for supervision and administration.

Upon completion, Barre Falls will provide flood protection for Barre Plains, Gilbertville, Ware, Thorndike, Three Rivers, North Wilbraham, Ludlow, Indian Orchard, Chicopee Falls and Chicopee.

Buffumville: Construction of the road relocations will be completed this spring. Relocation of electric, telephone and oil pipelines has been completed. The gas line relocation will be completed by spring.

Congress appropriated $1,300,000 for the Buffumville project last year. With the $1,217,000 asked for this year, it is expected that the project will be completed by June, 1958. Of this amount, $46,000 will be used to initiate and complete reservoir clearing, $1,000 to complete access road construction, $98,000 to initiate and complete construction of permanent operating facilities, $965,500 to complete the dam construction, $2,600 for remaining engineering and design, and $103,900 for supervision and administration.

Buffumville will provide, upon completion, major reductions in flood damages at Webster, Dudley, and Thompson and material reduction at damage centers extending from Putnam downstream to Norwich.

East Brimfield: Preliminary engineering design is nearly completed. With the $980,000 voted by Congress last year, the Engineers will complete contract plans for the dam and acquire real estate for the dam site and a small portion of the reservoir. By summer, relocation agreements for roads, an oil line, telephone and electric lines and a cemetery will be completed. In addition, the design for the relocation of Highway 20 will be started.

With the $1,500,000 budget request, the Engineers will apply $275,000 to road relocation, $438,000 to initiate construction of dam outlet works, $60,000 to begin construction of permanent operating facilities, $80,000 to continue land acquisition, $381,000 to complete State road relocation, $126,000 to complete utility relocations, $17,000 for engineering and design, and $123,000 for supervision and administration. Completion of the project is scheduled in June 1959.

The East Brimfield project is designed to effect major reductions in flood stages in downstream communities, including Southbridge, Putnam and Norwich.

Hodges Village: Aerial topographic survey plans of the reservoir and dam site have been completed. Plans and specifications for the dam and structures are being expedited. Negotiations are under way with interested railroads for relocation agreements. Congress appropriated $500,000 last year for the project.

The Engineers plan the following work with the $1,860,000 budget request:

Utility relocation, $10,000, $660,000 to initiate dam construction, $25,000 to initiate construction of permanent operating facilities, $635,000 for land acquisition, $416,000 for railroad relocation, $27,000 for engineering and design, and $87,000 for supervision and administration.

Hodges Village is scheduled for completion in February, 1959. The project will effect major reductions in flood damages at Webster, Dudley and Thompson and material reductions at damage centers extending from Putnam downstream to Norwich.

Worcester Diversion: Hydrologic analysis, general design studies, concrete material studies and geology and soils investigations have been completed. Construction plans and specifications are scheduled for early completion. Construction initiation is scheduled this spring. Land acquisition, easements and rights-of-way will be completed next month. Congress appropriated $980,000 for this project last year. Completion of the project is scheduled in December 1959.

The Engineers are requesting $1,500,000 to continue the Worcester diversion tunnel work. The project calls for the construction of a small control dam, an intake structure, a 16-foot circular, concrete-lined tunnel, 4,200 feet in length, and an open-cut return channel 11,300 feet long. Total estimated cost is $6,163,000, of which $5,670,000 is the Federal cost. The diversion is designed to prevent flood damage to industrial and residential property along 5 miles of the Middle and Blackstone Rivers in Worcester by diverting flood flows from the Kettle Brook drainage area.

West Hill: An aerial topographic survey of the reservoir, dam site and Upton well field and sewage treatment plants is being made. Foundation explorations have been initiated. Preliminary planning for construction of the dam and reservoir and preparation of contract plans for construction of the dam will be initiated this spring.

Congress appropriated $100,000 last year to begin the planning of this project. The budget item of $50,000 is believed sufficient to complete the preconstruction planning.

Construction of this project will provide reductions in flood stages at downstream damage centers along the West River in Massachusetts and the Blackstone River in Massachusetts and Rhode Island.

The Engineers state that the West Hill Reservoir would have prevented $12,215,000 in damages had it been in operation during the August 1955 flood. Preliminary estimates of the total construction cost are $3,360,000.

Westville: The $100,000 request for planning will advance the preconstruction planning to about 55 percent of completion. In combination with the East Brimfield project, Westville will provide substantial protection for Southbridge and a large measure of protection for other downstream communities, Putnam, Danielson, Jewett City, and Norwich. Preliminary estimates of the construction cost are $6,550,000.

It is with great satisfaction, and no inconsiderable pride, that I have presented this rather extensive report of flood rehabilitation measures in my district to date. While the need has been great and the problems difficult, it is gratifying for me to note the marked progress that we have made since the dark days of 1955. I will forever be deeply indebted to our Massachusetts delegation committee for their tremendous help; and to the Congress for its prompt, solicitous action.

In the last session of Congress alone, the flood-control program adopted represented for New England the greatest advance in this field in the history of the Government. I will say that many leaders, many public and private agencies, and many officials, community, State, and Federal, unselfishly and efficiently contributed to the implementation of the program.

There was one, however, whose contributions went far beyond the call of duty and which resulted, not only in formulating, but in expediting the program as a whole. That man was Brig. Gen. Robert J. Fleming, Jr., New England Division Army Engineer at Boston. His advice, assistance and unselfish service in our emergency will not be forgotten by the people of our area, because under his outstanding leadership, with the aid of his able staff, many difficult problems were speedily solved and the entire program rapidly put on the road to fulfillment.

General Fleming is leaving New England for another assignment with the great Corps of Army Engineers. We rejoice in his well-merited advancement, but deeply regret his departure from our midst, where he has so many friends and admirers and people in every walk of life, who will ever be grateful to him for his invaluable work in our behalf. As the 1955 floods pass into history and our flood protective program takes better shape every day, our people will not only have a more secure feeling regarding flood problems but will long recall the magnificent work of General Fleming.

The following is a tabulation of major flood-control projects in central Massachusetts, showing the estimated Federal costs, the amount appropriated by Congress last year in the Urgent Deficiency and 1956–57 fiscal year Civil Works Appropriation bills, the budgeted items for the 1957–58 fiscal year and the scheduled completion date:

Federal flood control for central Massachusetts

Project	Costs (Federal)	Appropriated last year	Requested this year	Completion (scheduled)
Barre Falls	$2,000,000	$1,450,000	$376,000	December 1957.
Buffumville	2,820,000	1,300,000	1,217,000	June 1958.
East Brimfield	7,100,000	980,000	1,500,000	June 1959.
Hodges Village	5,300,000	500,000	1,860,000	February 1959.
Worcester	5,670,000	980,000	1,500,000	December 1959.
West Hill	(1)	100,000	50,000	
Westville	(1)	None	100,000	
Total	22,890,000	5,310,000	6,603,000	

1 Planning stage.

ANNIVERSARY OF RUSSIAN OCCUPATION OF RUMANIA

The SPEAKER. Under the previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, March 6 marks the day in history that will never be forgotten by the people of Rumania and the friends of freedom everywhere in the world. It was on that date that the late Andrei Vishinsky, strong-arm man of the Kremlin, installed a Communist puppet government in Bucharest, the capital city of Rumania.

It is important that this black day in the history of a great and heroic people be recalled to the memory of free men. Rumania has played an important role throughout history in defending civilization and inhibiting the age-long imperialism of the Russians from occupying all of Europe. Today this country of 20 million people suffers under the heavy bondage of Russian communism.

Today it is well that we recall that on February 27, 1945, Andrei Vishinsky delivered an ultimatum to King Michael of Rumania calling for the immediate removal of the legal government to make way for the Communist regime which had already been selected by the masters of the Kremlin. This was only 2 weeks after the Yalta declaration, a declaration which promised that all the people of the liberated countries would have the opportunity to choose their own form of government, to choose their own peaceful way of life, and to control their own destiny. At that very time 19 Rumanian divisions comprised of over 335,000 troops were fighting alongside the allies in Hungary and Czechoslovakia. Also at that same time the Red army was occupying the Rumanian homeland.

All the world remembers how the Red army disarmed the legal police of Rumania, occupied the government buildings, and patrolled the streets of Bucharest with tanks. The world will never forget how the Russian imperialists imposed upon the unfortunate Rumanian people a Communist regime and a stooge government which was loyal to no one but the Russian overlords.

It is appropriate that on this day we recall to memory the treaty of peace with Rumania signed at Paris in February 1947. That treaty of peace guaranteed the Rumanian people their human rights and political liberties. The United States of America, as one of the signatory nations to that treaty became one of the guarantors of the terms of that treaty. Soviet Russia was also a signatory nation to that treaty of peace, but the Russian Communists have willfully, flagrantly, and systematically violated the very spirit as well as the letter of that treaty. It is time the Russian imperialists were called to task for their many violations of this treaty. This should be done either directly by the Government of the United States, or by the Government of the United States acting through the United Nations.

It is also important on this day to recall to mind that the Rumanian treaty of peace carries a most significant provision with respect to Russian occupation troops in that country. The treaty provides for Russian occupation troops in Rumania only, and I repeat only, as a means of protecting the communication and supply lines between the Soviet Union and Russian occupation troops in Austria. It is clear that with the removal of Russian occupation troops from Austria, there is no longer a need for the Russians to protect their supply and communication lines through Rumania. The day has come for the United States to take steps to bring about the immediate and complete withdrawal of all occupational troops from Rumanian soil.

On this March 6th, a day which Rumanians everywhere in the world shall never forget, it is appropriate that we Americans send a message of encouragement and hope to the Rumanian people in the homeland. The American people will not forget the cynical disregard the Russians have displayed for the human rights and individual liberties of the Rumanian people and the other non-Russian people behind the Iron Curtain. Nor will the American people ever forget that the Rumanian people were promised a government of their own choosing; a free way of life, an independent and free government.

The love of freedom and individual liberty held through the centuries by the Rumanian people, forms an unbreakable treaty with the American people which no power on earth can break. It is the destiny of the Rumanian nation, just as it is the destiny of the United States of America, to be free, to be prosperous and independent.

THE HANCOCK CLARION

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, the beautiful small city of Hawesville, Ky., which is located on a bend of the Ohio River, has many things to be proud of, and not the least of these is the Hancock Clarion. Every Thursday for 64 years, "3328 weeks," this progressive, well-informed, and enlightened paper has gone into the homes of Hawesville and surrounding countryside. It has endorsed and promoted all worthwhile conservation projects and for a number of years has endorsed the proposed construction of a bridge across the Ohio River at Hawesville and Cannelton, Ind. This fine newspaper editorially has pointed out on numerous occasions the advantages to be derived not only by the people of Hawesville and Hancock County, but of Kentucky, Indiana, and that section of the United States generally. Passage of the bill now pending before the House of Representatives, designated as H. R. 251, is of the utmost importance and as pointed out by the Hancock Clarion construction of this bridge will be financed by the issuance of bonds redeemable in 30 years, and will be no burden upon the Federal Government. This is only one of the many worthwhile projects which have been endorsed by the Hancock Clarion.

Although the editor of the Hancock Clarion, Reece I. Downs, has guided the policies of his paper with a firm hand, he has never closed its columns to dissenting opinions. The public's confidence is perhaps best expressed by the fact that some subscribers have been on the list for the entire 64 years. I sincerely hope that the life of the Hancock Clarion for the next 64 years will be guided by Mr. Downs' integrity, progressiveness, and humility, and be crowned with continuing success.

LEAVES OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. SCHERER for March 11 through March 15, 1957, on account of hearings of Committee on Un-American Activities in New York City.

Mr. HOSMER for 20 days on account of active duty for training in the United States Naval Reserve.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FEIGHAN (at the request of Mr. SMITH of Virginia) for 15 minutes today.

Mr. PHILBIN, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. REECE of Tennessee and include extraneous matter.

Mr. CARNAHAN (at the request of Mr. SMITH of Virginia) and to include extraneous material.

Mr. TELLER (at the request of Mr. SMITH of Virginia).

Mr. ZABLOCKI (at the request of Mr. SMITH of Virginia).

Mr. HOLIFIELD (at the request of Mr. COOLEY).

Mr. PHILBIN in three instances.

Mr. SHEEHAN (at the request of Mr. THOMSON of Wyoming) and to include extraneous matter.

Mr. PELLY.

Mr. KEOGH (at the request of Mr. IKARD) in two instances and to include extraneous matter.

Mr. MCCORMACK (at the request of Mr. IKARD) and to include extraneous matter.

Mr. HOLLAND (at the request of Mr. IKARD) and to include extraneous matter.

Mr. RAY (at the request of Mr. IKARD) and to include extraneous matter.

ADJOURNMENT

Mr. IKARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.) pursuant to its previous order, the House adjourned until tomorrow, Thursday, March 7, 1957, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

570. A letter from the Secretary of State, transmitting the fifth report on the extent and disposition of United States contributions to international organizations for the fiscal year 1956, pursuant to Public Law 806, 81st Congress (H. Doc. No. 112); to the Committee on Foreign Affairs and ordered to be printed.

571. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to provide for participation by States and local agencies in assistance to farmers in major disaster areas"; to the Committee on Agriculture.

572. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to extend the authority of the Secretary of Agriculture to make special livestock loans, and for other purposes"; to the Committee on Agriculture.

573. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to amend the Soil Conservation and Domestic Allotment Act, as amended"; to the Committee on Agriculture.

574. A letter from the Administrator, General Services Administration, transmitting a report on a proposed Presidential archival depository to be known as the Harry S Truman Library, pursuant to the Federal Property and Administrative Services Act of 1949, as amended August 12, 1955 (69 Stat. 695); to the Committee on Government Operations.

575. A letter from the Administrator, Housing and Home Finance Agency, transmitting the annual report with respect to tort claims paid within the Housing and Home Finance Agency by the Office of the Administrator and the constituent agencies and units for the calendar year 1956, pursuant to Public Law 601, 79th Congress; to the Committee on the Judiciary.

576. A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation entitled "A bill to amend the laws relating to the bonding of bidders and contractors for the transportation of mail; the advertisement and extension of mail routes; and for other purposes"; to the Committee on Post Office and Civil Service.

577. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill relating to the International Convention to Facilitate the Importation of Commercial Samples and Advertising Matter"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee on Interior and Insular Affairs. House Concurrent Resolution 91. Concurrent resolution expressing the sense of the Congress with respect to the recognition of the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., as a national shrine; with amendment (Rept. No. 181). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 187. Resolution for consideration of H. R. 4602, a bill to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes; without amendment (Rept. No. 182). Referred to the House Calendar.

Mr. FRAZIER: Committee on the Judiciary. H. R. 13. A bill to amend sections 323, 331, 334, 335, 336, 337, 363, and 376 of, and to add a new section to, the Bankruptcy Act approved July 1, 1898, and acts amendatory thereof and supplemental thereto; without amendment (Rept. No. 183). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 188. Resolution agreeing to the Senate amendments to House Joint Resolution 117; without amendment (Rept. No. 184). Referred to the House Calendar.

Mr. COOPER: Committee on Ways and Means. H. R. 5520. A bill to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds; without amendment (Rept. No. 185). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRIS:

H. R. 5629. A bill to revise the Transportation of Explosives Act, chapter 39, title 18, of the United States Code, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SHELLEY:

H. R. 5630. A bill to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the United States Coast Guard Reserve during World War II; to the Committee on Merchant Marine and Fisheries.

By Mr. HILL:

H. R. 5631. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. RIEHLMAN:

H. R. 5632. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. SEELY-BROWN:

H. R. 5633. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. MCCULLOCH:

H. R. 5634. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. SHEEHAN:

H. R. 5635. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. HOSMER:

H. R. 5636. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. HENDERSON:

H. R. 5637. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. BYRNE of Illinois:

H. R. 5638. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mrs. CHURCH:

H. R. 5639. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. MCVEY:

H. R. 5640. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and means.

By Mr. ADDONIZIO:

H. R. 5641. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

By Mr. ASHLEY:

H. R. 5642. A bill to establish a program of scholarships for students in science and education at institutions of higher education, and for other purposes; to the Committee on Education and Labor.

By Mr. ASPINALL:

H. R. 5643. A bill to extend the charter of the Virgin Islands Corporation to June 30, 1969; to the Committee on Interior and Insular Affairs.

By Mr. BARRETT:

H. R. 5644. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. BERRY:

H. R. 5645. A bill to provide for the payment of more adequate compensation to the Indians of the Pine Ridge Reservation for land taken from them by the United States in 1942 for military purposes; to the Committee on Interior and Insular Affairs.

By Mr. BURDICK:

H. R. 5646. A bill to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof; to the Committee on the District of Columbia.

H. R. 5647. A bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNS of Hawaii:

H. R. 5648. A bill to amend the Internal Revenue Code of 1954 to allow a disabled individual to deduct from gross income the expenses incurred, on account of his disability, in securing and performing gainful employment; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H. R. 5649. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. COFFIN:

H. R. 5650. A bill to amend the Small Business Act of 1953 to authorize loans by the Small Business Administration in the areas of economic disaster, depression, or dislocation; to the Committee on Banking and Currency.

H. R. 5651. A bill to amend the Small Business Act of 1953 to direct the Small Business Administration to make extensive, comprehensive, and continuing studies of certain problems of small business and to file semi-annual reports on the results of such studies; to the Committee on Banking and Currency.

By Mr. COLLIER:

H. R. 5652. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. COOLEY:

H. R. 5653. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. CORBETT:

H. R. 5654. A bill for the establishment of the United States Commission on the Aging and Aged; to the Committee on Education and Labor.

By Mr. DORN of New York:

H. R. 5655. A bill declaring Good Friday in each year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 5656. A bill to amend the National Service Life Insurance Act of 1940 to provide for lump-sum payments to certain beneficiaries under such act; to the Committee on Veterans' Affairs.

H. R. 5657. A bill to amend section 6334 (a) of the Internal Revenue Code of 1954 to provide that certain residential property shall be exempt from levy; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 5658. A bill to amend section 4081 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. GRANT:

H. R. 5659. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. HARRIS:

H. R. 5660. A bill to amend section 208 (e) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 5661. A bill to amend part II of the Interstate Commerce Act, as amended, to clarify and make certain the authority of the Interstate Commerce Commission to issue temporary, or term, certificates of public convenience and necessity; to the Committee on Interstate and Foreign Commerce.

H. R. 5662. A bill to amend parts II and III of the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary authorities and temporary approvals beyond a period of 180 days; to the Committee on Interstate and Foreign Commerce.

H. R. 5663. A bill to provide more adequate and realistic penalties for violations of certain statutes administered by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

H. R. 5664. A bill to amend part II of the Interstate Commerce Act to require the filing of brief statements by motor carrier subject only to the safety and hours of service regulations of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS of Arkansas:

H. R. 5665. A bill to amend section 4232 (b) of the Internal Revenue Code of 1954 to provide that certain places where no instrumental music is provided shall not be treated as cabarets; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 5666. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 5667. A bill to establish in the Executive Office of the President a National Freedom Board which shall direct the activities of the United States in promoting the cause of freedom; to the Committee on Foreign Affairs.

By Mr. HOLMES:

H. R. 5668. A bill for the relief of the Grant County School District, No. 144, Quincy, Wash.; to the Committee on the Judiciary.

By Mrs. KNUTSON:

H. R. 5669. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr. HOLIFIELD:

H. R. 5670. A bill to provide for transfer of credit from the civil service retirement system to the old-age and survivors insurance system, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McMILLAN:

H. R. 5671. A bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce and for other purposes; to the Committee on Agriculture.

By Mr. MACDONALD:

H. R. 5672. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5673. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON:

H. R. 5674. A bill to allow credit or refund of gift tax erroneously paid by reason of treating nontaxable divisions of community property as gifts; to the Committee on Ways and Means.

H. R. 5675. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

H. R. 5676. A bill relating to the income tax basis, in the hands of a surviving spouse, of certain property previously held as community property; to the Committee on Ways and Means.

H. R. 5677. A bill to provide for the creation of an 11th judicial circuit to be comprised of Alaska, Idaho, Montana, Oregon, and Washington, and for the circuit judges constituting the 9th and 11th circuits; to the Committee on the Judiciary.

By Mr. MATTHEWS:

H. R. 5678. A bill to amend the Agricultural Act of 1938, as amended; to the Committee on Agriculture.

By Mr. MILLER of Nebraska:

H. R. 5679. A bill to authorize amendment of the irrigation repayment contract of December 28, 1950, between the United States and the Mirage Flats Irrigation District, Nebraska; to the Committee on Interior and Insular Affairs.

H. R. 5680. A bill to extend the charter of the Virgin Islands Corporation to June 30, 1969; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H. R. 5681. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY:

H. R. 5682. A bill to provide for the discontinuance of the Postal Savings System; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H. R. 5683. A bill to extend the charter of the Virgin Islands Corporation to June 30, 1969; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H. R. 5684. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for amounts paid as tuition or fees to certain public institutions of higher education; to the Committee on Ways and Means.

H. R. 5685. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. POAGE:

H. R. 5686. A bill to require separate levels of support for light and heavy spotted cotton, to amend the cotton acreage allotment provisions of the Agricultural Adjustment Act of 1938, and for other purposes; to the Committee on Agriculture.

By Mrs. PFOST (by request):

H. R. 5687. A bill to amend the act of March 3, 1911 (36 Stat. 1077) to remove restrictions on the use of a portion of the Springfield Confederate Cemetery, Springfield, Mo., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H. R. 5688. A bill to extend the charter of the Virgin Islands Corporation to June 30, 1969; to the Committee on Interior and Insular Affairs.

By Mr. SELDEN:

H. R. 5689. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. SPRINGER:

H. R. 5690. A bill to provide for the conveyance of certain housing projects owned by the United States to the housing authority of the city of Decatur, Ill.; to the Committee on Banking and Currency.

By Mr. WHITENER:

H. R. 5691. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. BAKER:

H. R. 5692. A bill to amend section 614 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. COFFIN:

H. R. 5693. A bill to amend the Small Business Act of 1953 to authorize the Small Business Administration to make loans to local private nonprofit organizations formed to assist, develop and expand the economy of the area; to the Committee on Banking and Currency.

By Mr. COLE:

H. R. 5694. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. DAWSON of Illinois (by request):

H. R. 5695. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years; to the Committee on Government Operations.

By Mr. ELLIOTT:

H. R. 5696. A bill to strengthen and improve State and local programs to combat and control juvenile delinquency; to the Committee on Education and Labor.

By Mr. FASCELL:

H. R. 5697. A bill to provide for the appointment of an additional district judge for the southern district of Florida; to the Committee on the Judiciary.

By Mr. IKARD:

H. R. 5698. A bill to amend title II of the Social Security Act to include Texas among the States which may obtain social-security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. JENKINS:

H. R. 5699. A bill to authorize the restoration of riverbank and other protection on the Ohio River in the vicinity of Gallipolis, Ohio; to the Committee on Public Works.

By Mr. SCOTT of Pennsylvania:

H. R. 5700. A bill to amend title 28 of the United States Code to provide that the court of appeals for the District of Columbia shall have jurisdiction of appeals from the Court of Claims, and for other purposes; to the Committee on the Judiciary.

By Mr. BATES:

H. R. 5701. A bill to amend section 103 of the Servicemen's and Veterans' Survivor Benefits Act to specify the method of determining basic pay for the purposes of that act in the case of members and former members of the insular force of the Navy and former members of the Philippine Scouts; to the Committee on Veterans' Affairs.

By Mr. BENTLEY:

H. R. 5702. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of motor vehicles, a lien for Federal taxes shall not be valid as against a mortgagee, pledgee, or purchaser who has no notice or knowledge of the existence of such lien; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H. R. 5703. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct from gross income certain amounts paid or incurred for the expansion or improvement of a trade or business; to the Committee on Ways and Means.

By Mr. VAN ZANDT:

H. R. 5704. A bill to establish corporate income tax rates of 22 percent normal tax

and 20 percent surtax; to the Committee on Ways and Means.

By Mr. ALGER:

H. J. Res. 259. Joint resolution proposing an amendment to the Constitution of the United States relative to taxes on incomes, inheritances, and gifts; to the Committee on the Judiciary.

H. J. Res. 260. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

H. J. Res. 261. Joint resolution proposing an amendment to the Constitution of the United States relative to prohibiting the United States Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

H. J. Res. 262. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

H. J. Res. 263. Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

H. J. Res. 264. Joint resolution proposing an amendment to the Constitution of the United States relating to the legal effect of certain treaties and other international agreements; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. J. Res. 265. Joint resolution authorizing the President to issue a proclamation designating January 22 of each year as Ukrainian Independence Day; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H. J. Res. 266. Joint resolution designating the month of February of each year as National American History Month; to the Committee on the Judiciary.

By Mr. POWELL:

H. Con. Res. 129. Concurrent resolution relative to inviting Spain to become a member of NATO; to the Committee on Foreign Affairs.

By Mr. SCOTT of Pennsylvania:

H. Con. Res. 130. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. VAN ZANDT:

H. Con. Res. 131. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. TELLER:

H. Res. 186. Resolution changing the name of the Committee on Foreign Affairs to that of the Committee on International Affairs; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BERRY: Senate Concurrent Resolution No. 5, adopted by the South Dakota State Legislature, memorializing the Congress of the United States to recognize the importance of continuous and adequate plant research and increase the present appropriation of funds for the purpose of carrying on an adequate program of rust control and plant research; to the Committee on Appropriations.

By Mr. PRICE: Memorial of the 70th General Assembly of the State of Illinois urging that the Congress of the United States repeal excise taxes upon transportation of persons and of goods; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States relative to urging enactment of "such legislation as they may deem fit to declare that the 14th and 15th amendments to the Constitution of the United States were never validly adopted and that they are null and void and of no effect"; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States relative to the land-acquisition program in the Missouri River Basin; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5705. A bill for the relief of Giacomo Alfonso Freda; to the Committee on the Judiciary.

H. R. 5706. A bill for the relief of Antonietta Ferrante; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 5707. A bill for the relief of the A. C. Israel Commodity Co., Inc.; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 5708. A bill for the relief of Angelina DeLuca Pisani; to the Committee on the Judiciary.

H. R. 5709. A bill for the relief of Dimitrios D. Kantartzoglou; to the Committee on the Judiciary.

By Mr. DELLAY:

H. R. 5710. A bill for the relief of Mario Colombo; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 5711. A bill for the relief of Mrs. Rosalia Sciarnameo and her children, Vittoria, Maria, Carlo, and Caterina Sciarnameo; to the Committee on the Judiciary.

H. R. 5712. A bill for the relief of Erika Fackler; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 5713. A bill for the relief of Dr. Kwang Wook Rowe and Mrs. Hye Suk (Lee) Rowe; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 5714. A bill for the relief of William Frederick Werner; to the Committee on the Judiciary.

By Mr. McCONNELL:

H. R. 5715. A bill for the relief of E. Burke Wilford; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 5716. A bill for the relief of Mrs. Soledad C. Upton and Wilhelmina C. Brady; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 5717. A bill for the relief of Maria Undi; to the Committee on the Judiciary.

By Mr. MAHON:

H. R. 5718. A bill for the relief of Juanita Gibson Lewis; to the Committee on the Judiciary.

By Mr. MARTIN:

H. R. 5719. A bill for the relief of Clara M. Briggs; to the Committee on the Judiciary.

By Mr. ULLMAN:

H. R. 5720. A bill for the relief of Domingo Zubieta Laca; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5721. A bill for the relief of Marian Diane Delphine Sachs; to the Committee on the Judiciary.

H. R. 5722. A bill for the relief of Teresa Pecchia and Mauro Pecchia; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 5723. A bill for the relief of Anastase and Eleftheria Haritos and Simone Haritos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

123. By Mr. BURDICK: Resolution of the North Dakota State Water Conservation Commission memorializing the Congress of the United States to authorize the Corps of Engineers to install or extend the siphons through Highway No. 85 when reconstructing the portion of the highway through the Lewis and Clark Irrigation District of McKenzie County, N. Dak., so as to permit the irrigation of lands in the district so long as irrigation can be carried on therein; to the Committee on Public Works.

124. By Mr. SHEEHAN: Petition of the board of directors of the Chicago Dental Society favoring enactment of H. R. 9 and H. R. 10; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Comment on a Speech of Hon. Wayne L. Hays

EXTENSION OF REMARKS

OF

HON. A. S. J. CARNAHAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. CARNAHAN. Mr. Speaker, under permission to extend my remarks in the RECORD, I include a newspaper clipping taken from the Houston Herald, Houston, Mo. Houston is located in the heart of the Missouri Ozarks, drought stricken for several years, but not counted so by the Department of Agriculture. The writer of this article is a retired printer and newspaperman who served Houston newspapers for 60 years. This man is C. E. (Deacon) Elmore, of Houston, Mo. Elmore is a Democrat who has voted in every election—National, State, county, and local—since 1903 except one special election. Last week Elmore had the following article in the Houston Herald commenting on a speech by Congressman WAYNE L. HAYS, of Ohio:

Mr. EDITOR: Congressman HAYS, Democrat, of Ohio, is a real smart man. He has come forth with a wise solution of a knotty problem. Of course we all know Dulles and Benson are misfits, but it looks like the suggestion of Congressman HAYS will chase the clouds away from the darkness that envelopes our national affairs.

Mr. HAYS made a short speech in Congress a few days ago that is printed in the CONGRESSIONAL RECORD, as follows:

"Mr. Speaker, there have been some people who have suggested that the Secretary of

State should resign. I think the Secretary of State and Secretary of Agriculture should exchange places and then perhaps Mr. Dulles would come out with a Middle West plan and we could give $200 million to the hard-pressed farmers of the Middle West while Mr. Benson who has again cut the farmers' income could devote his talents to cutting out some of the $300 million we are going to give to King Saud and the Middle East."

How about HAYS for President in 1960 in case Senator SYMINGTON or Congressman CHARLIE BROWN don't run? Thanks for listening.

DEACON ELMORE.

Committee on International Affairs

EXTENSION OF REMARKS

OF

HON. LUDWIG TELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. TELLER. Mr. Speaker, I am introducing a resolution today—House Resolution 186—to change the name of our standing committee which deals with our relationship to neighboring countries and nations abroad from "Committee on Foreign Affairs" to "Committee of International Affairs." My purpose in proposing the resolution is to point up the grave responsibilities of world leadership which have been imposed upon our country.

My proposed resolution is not an exercise in semantics. Words help to mold thinking, and the thinking evoked by the words "foreign relations" is bad because it pictures our neighboring nations and nations beyond the seas as foreign to our interests, peopled by foreigners in whose welfare presumably we have no concern.

The name and existence of the present Committee on Foreign Affairs was established in 1822, when we were a country barely recovered from the struggle for independence from foreign shackles, when the War of 1812 was still fresh in the minds of our lawmakers, and when facilities for traveling were so slow that countries in Europe, and particularly in Asia, were regarded as being in a different world.

The present situation has not the slightest resemblance to the time in 1822 when the Committee on Foreign Affairs was established. Nineteenth century wars tended to local conflicts, most of them foreign encounters which we viewed at safe distance, but in this century we were participants in two world wars and even more recently saw the necessity for sending our soldiers to far-away Korea in defense of our ultimate national interests and world peace.

The airplane, the rocket and, overwhelmingly, the consequences of atomic energy have reduced space and increased interdependence to a degree which not even Jules Verne's imaginative mind preconceived. Add to this the world-wide menace of gangsterism which goes by the name of Soviet communism, and we see the utter realism of the word "foreign" to describe our relationship with the world community of nations. The air-mile has not only cut down distance but has evoked new and more closely knit space-time dimensions for good and evil.

Discarding the word "foreign" for the word "international" is a vehicle for expressing a number of policies and points of view. The Republican-dominated Midwest isolationism would be repudiated, and for it would be substituted a hospitable reception for the requirements of international cooperation, a more realistic appraisal of our significant role in the United Nations.

We would need also to abandon the preoccupation with the military aspects of our relations with other countries and assume a greater responsibility for the well-being of our friends and allies. Some of this is being done already, but at times its grudging and unsystematic character impairs its value. Piecemeal charity is different from a coordinated system of mutual assistance in international relations such as the Truman doctrine and the Marshall plan.

Upon our country has fallen the heavy tasks of world leadership. Free nations look to us for guidance and help in combating communism, in developing a sound economy. Asiatic peoples watch our profession of a new approach to their problems to see whether we really mean some of the nice things some of us are saying about them. It does not help, for example, to have a McCarran-Walter Immigration Act, which distinguishes between native-born and naturalized citizens, and which incorporates a racist national origins clause governing admission of immigrants.

I do not desire to extend this statement unduly to scrutinize all the ramifications of my proposed resolution. In a way, its purpose should be obvious, particularly with this purpose expressed, as I have sought here to do, my proposed resolution should be adopted as a forward step in our developing preeminence in international relations.

Tax Relief for Orthopedically Handicapped Persons

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. KEOGH. Mr. Speaker, legislation affording Federal income-tax relief to the physically handicapped taxpayer has for some time been introduced in Congress. H. R. 1154 is a bill to provide a deduction for income-tax purposes, in the case of a disabled individual, for expenses for transportation to and from work not exceeding $600 per annum; and to provide an additional exemption for income-tax purposes for a taxpayer or spouse who is physically disabled. This bill will, if passed, grant a measure of tax relief to those physically handicapped persons most in need of it. It deserves the support of Congress in order to adjust the present inequities in the Internal Revenue Code.

The orthopedically handicapped, by reason of their disabilities, are compelled to spend substantial sums of money to aid and maintain their rehabilitated status. Their expenditures frequently include:

First. Expenses incurred for the purchase and repair of orthopedic and prosthetic devices not entirely deductible under the medical deduction provision of the law. Specially built shoes are also in this category.

Second. Unusual wear and tear of clothing caused by constant friction with orthopedic and prosthetic devices, and crutches, and falling.

Third. Additional expenses often include higher apartment rentals due to need of ground floor quarters or elevator apartment accommodations, which are naturally higher rental apartments.

Fourth. Many disabled find it necessary to hire taxicabs in going to and from work. The average weekly cost nationally is $15.

Fifth. In approximately 10 percent of the cases the disabled, as defined in the bill, find it necessary to purchase automobiles to allow for mobility. These automobiles, of necessity, must be of good condition to avoid mechanical failure. Hand controls are a requisite. The businessman can deduct transportation expenses for the production of income while his physically handicapped employee in a wheelchair cannot.

Sixth. Paraplegics often find it necessary to purchase their own homes which are specially equipped with fixtures installed at lower levels. Ramps must be built to allow for ingress and egress to and from the premises.

Seventh. The disabled are frequently compelled to hire someone to do household cleaning and repairing.

Eighth. Due to discrimination in the labor market, physically handicapped persons are frequently forced to accept lower wages and salaries.

Ninth. They are of necessity, as substandard risks, compelled to pay higher life insurance rates where they are able to afford the minimums of life insurance coverage. By the same token, they are rejected for health and accident insurance and as a result have higher medical and hospital expenses than the average taxpayer.

Tenth. The renewal of inflationary business trends has resulted in the highest cost of living index to date. This, in turn, has created havoc with the low incomes of the orthopedically handicapped.

From all the foregoing, it is obvious that the orthopedically handicapped are faced with heavy expenses and burdens.

Many physically handicapped persons could have been rehabilitated were it not for their expenses due primarily to low wages and the high cost of their rehabilitated status. Many are frequently intimidated into remaining home since their low gross income less tax deductions would give them a lower net income than if they stayed home on relief. Often, rehabilitated persons receive as low as $14 per week in wages in New York City. From these small earnings taxes are deducted.

According to figures gleaned from the 1956 United States Statistical Abstract the total number of 1955 job placements through public employment offices amounted to 14,957,977. This figure includes 264,316 physically handicapped persons who were also placed. They comprise 1.77 percent of all workers placed by public employment offices.

Of the 264,316 physically handicapped placed in 1955, there were included 57,981 persons who were rehabilitated by Government funds. Of this latter number, 23,502 persons or 40.5 percent, had amputated or missing members, impairment of extremities and impairment of other parts of the body.

First. Amputated or missing members, 6,435 persons.

Second. Impairment of extremities, 12,362 persons.

Third. Impairment of other parts of body, 4,695 persons.

Total, 23,502 persons.

Since 1.77 percent of all workers placed by Public Employment Offices are handicapped, and since there are a total of 64,165,000 gainfully employed persons in the United States, by multiplying the latter figure by the former we find that there would be 1,135,721 physically handicapped taxpayers in the United States. Then by multiplying 1,135,721 by 40.5 percent we find that there should be about 459,967 persons who would qualify under the tax exemption and deduction bill I propose herewith.

If all 459,967 taxpayers claimed the $600 tax exemption with savings of $120 each, the savings would amount to $54,-395,920. If as many as 15 percent of the 459,967 taxpayers took advantage of the transportation deductions, they would save up to $8,159,388. The grand total for both types of savings would be in the amount of $62,555,308.

The granting of tax relief during this session of Congress would rectify, to a limited degree, some of the financial hardships faced by the orthopedically handicapped.

Tax Relief for Small Business

EXTENSION OF REMARKS

OF

HON. TIMOTHY P. SHEEHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. SHEEHAN. Mr. Speaker, today I and other Republican Members of the House Select Committee on Small Business are introducing a bill to provide income-tax relief for small businesses. The Republican Party platform of 1956 pledged a continuation and improvement of our drive to aid small business and strongly endorses the recommendations of the Cabinet Committee on Small Business, which recommendations embody certain tax-relief suggestions. During their campaign speeches the President, many Members of Congress, as well as the Democratic presidential candidate, all agreed that the tax situation for small business had to be alleviated.

We all recognize the traditional concept of American business ingenuity which in the past enabled a man or group of men to start a small business and carry it forward until it prospered and grew in size and capital. During the past 24 years our tax laws have served to choke small business and we find today that small business cannot effectively compete and prosper in our present-day economy of big business, big Government, and big labor unions.

In order to provide a healthy atmosphere for small business it is the purpose of the bill being introduced today—

To provide for growth, expansion, and modernization for small and independent business enterprises engaged in trade or commerce;

To provide an election for filing income-tax returns for small and independent businesses engaged in trade or commerce whether or not such businesses operate as individuals, partnerships, or corporations;

To provide a normal tax rate of 20 percent for taxable years after March 31, 1957, and to increase the surtax exemption;

To provide credits for losses incurred through investment or loans to small and independent business enterprises engaged in trade or commerce;

To provide a growth, expansion, and modernization exemption on net taxable earnings for small and independent businesses engaged in trade or commerce;

To provide for rapid amortization of property utilized for the production of profit by small and independent businesses engaged in trade or commerce;

To provide small and independent business an exemption for good will in the determination of the value of an estate;

To provide family-sized farmers and others engaged in agricultural pursuits an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of farm products; and

To provide family-sized farms, whether or not such farms are owned in fee or occupied by renters or tenants, an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care, and marketing of the products of such farms.

Some of the outstanding features of the bill are—

To enable small businesses earning under $150,000 of taxable income per year, to treat as expenditures a certain proportion of money spent for construction, improvements, or installations of land, building, and machinery, to increase productive capacity;

To reduce the normal corporate tax to 20 percent instead of the 30 percent existing at the present time;

To increase the surtax exemption from the present $25,000 to $150,000 of income before surtax rates apply;

To enable individuals or parties engaged in a trade or business to be taxed as a corporation and to enable small corporations to be taxed as individuals;

To enable investors in small corporate business ventures to treat such losses as a full deduction instead of the present limitation of $1,000 capital gains loss in the present tax bill;

To enable small business to exercise the option of depreciating property, machinery, and so forth, on a 5-year basis which would enable them to provide for a faster write-off; and

To enable small business to obtain more time in paying off estate taxes so that the businesses would not have to be liquidated because of Federal estate taxes.

There are other provisions in the bill which will benefit all small-business establishments and provide for a healthier economy.

It is admitted by all economic students that present trends in our economy work far more hardships on small business than they do on big business. The swing of the business cycle bears much harder on the small business firms because they are less diversified, have fewer products, have fewer distribution channels, and have fewer key personnel.

The change in the economic weather affects small business more strongly because like a gambler with a small bank roll, they may have a good system of winning on the average, but they cannot win all the time and are more easily wiped out with a run of bad luck.

Under present tax laws, as soon as a small business corporation earns $25,000, 52 percent of all its profits go to Uncle Sam with the result that under present-day conditions, the small-business man cannot, as in the old days, depend upon earnings to enable his business to grow and prosper. The larger corporations can float stock issues, sell bonds, make adequate bank loans, whereas, small business mainly has to depend upon plowing back earnings which it cannot do today under the present-day structure. This is the most serious problem of small and new businesses today—the raising of capital to satisfy their financial needs.

The upshot of the many varied and new tax rules over the last 24 years is such that there is little to encourage the furnishing of venture capital to small and new business. There is no ready market, such as is available for the securities of publicly held corporations, nor is there likely to be, unless and until the business has grown out of the small-business category and entered the ranks of the large successful companies.

Under present tax laws there is no incentive for a group of small investors or small-business men to get together and form new small corporations. If their gamble is successful, the Government immediately confiscates 52 percent of the earnings of the corporation in excess of $25,000. If the venture is unsuccessful, the taxpayer is allowed to only deduct his losses up to $1,000. In other words, the dice are loaded in favor of Uncle Sam.

It is my earnest hope that all of the platitudes of both party platforms, both presidential candidates, and most Members of Congress and Senators will be effectively put into action and provide some tangible tax relief for the small-business community.

Message from Congressman John W. McCormack, House Majority Leader, to the Delegates Attending the National Convention of the Chinese Communities of the United States

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks I include a message that I sent to the national convention of the Chinese Communities of the United States, which convention is meeting now in Washington and which started on March 5, 1957. This message I sent to the delegates of the national convention through my very close and valued friend, Most Reverend Paul Yu Pin, D. D., archbishop of Nanking in China.

We must constantly keep in mind that an important element of strength in combatting communism throughout the world, and particularly in the Far East, is the approximately 12 million Chinese now living in, or who are citizens of the various non-Communist countries of Southeast Asia. The power and influence of these fine Chinese, who are anti-Communist, in preventing the spread of communism into the still free countries of Southeast Asia should not and cannot be underestimated by our country.

The message follows:

MESSAGE FROM CONGRESSMAN JOHN W. McCORMACK, HOUSE MAJORITY LEADER, TO THE DELEGATES ATTENDING THE NATIONAL CONVENTION OF THE CHINESE COMMUNITIES OF THE UNITED STATES

I regret very much my inability to be present this evening due to another important engagement that I cannot cancel or postpone. I extend to all present my kindest regards and my sincere best wishes for a most successful convention; also my assurances of cooperation in every way possible, particularly in combating the forces of atheistic and international communism.

The Communist hope of peaceful coexistence has been exposed, particularly by the brutalities imposed by the forces of the Soviet Union upon the people of Hungary. We must constantly be on our guard against the hypocrisy and deceitfulness of international communism and the leaders of this vicious and destructive movement which is dedicated to world revolution and world domination. We must constantly be on guard in the United States and elsewhere against those individuals and forces who would try to lull our people into an atmosphere of complacency which results in lowering our guard, which plays into the hands of the Communists. In the United States and elsewhere we must constantly be on our guard against admitting Red China into the United Nations. There are the voices of the false prophets and the demagogs among us who are pro-Communist and who are trying to lay the foundations in the United States for the early admission of Red China into the United Nations. It would be a crime against all decent mankind for the forces of destruction as represented by the leaders of Red China to be admitted into this international organization.

It is also imperative that America always be strong, not only from a military angle, but particularly from a moral angle. The people of America should also insist that our Government keep its promises and pledges made to other governments, and this particularly relates to all agreements made by the United States with the Nationalist Chinese Government in Formosa under the leadership of Gen. Chiang Kai-shek. The people of America must also keep in mind that (1) we must have an affirmative policy. A negative policy, or no policy at all, means appeasement and is the road to war. (2) That the calculated risks of an affirmative policy could be less dangerous than the calculated risks of no policy at all. (3) That America, as I have said before, must be strong militarily and morally. From a military angle it is best for us if we are going to err, to err on the side of strength and not on the side of weakness. (4) The people of America and the non-Communist world must realize that the leaders of international communism are still bent on world revolution and world domination, and it is imperative that there be unity, strength, and understanding among the non-Communist nations with the United States as their leading nation in order to successfully defeat the vicious and destructive intentions of the Communist leaders.

I again extend to you and all present my very best wishes for a most successful convention, as well as my kindest regards.

Cut the Budget

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. PELLY. Mr. Speaker, I mentioned recently the widespread willingness of Republican House Members to support an attempt on the part of the majority party to reduce Federal appropriations. I include herewith a letter revealing sixty-odd Republicans who jointly urged the Rules Committee to give the House an opportunity to set some overall limitation on Government spending. Many Republican Members who did not sign this letter have told me they would have been glad to do so. Others advise me they support the objective of the letter and are for a budget reduction, but for one reason or another preferred not to sign.

The Republican House leadership has officially stated it favors a cut in the budget. Now it is up to the majority party to start the ball rolling.

Text of the letter and its signatories follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 28, 1957.

The Honorable HOWARD W. SMITH,
Chairman, the Committee on Rules, House of Representatives, Washington, D. C.

DEAR SIR: The undersigned Members of the House of Representatives respectfully urge your committee to report Resolution 178 to the House.

We individually do not necessarily agree on the language or amount of this resolution, but we do support its objective and as such believe the House membership should be allowed to express itself on the subject of an overall limitation of appropriations.

Respectfully,

RICHARD H. POFF, 6th, Virginia; NOAH M. MASON, 15th, Illinois; EUGENE SILER, 8th, Kentucky; ROBERT HALE, 1st, Maine; ALVIN E. O'KONSKI, 10th, Wisconsin; EDGAR W. HIESTAND, 21st, California; AUGUST E. JOHANSEN, 3d, Michigan; PHIL WEAVER, 1st, Nebraska; Bernard W. KEARNEY, 32d, New York; MRS. MARGUERITE S. CHURCH, 13th, Illinois; JOHN J. RHODES, 1st, Arizona; ALBERT H. BOSCH, 5th, New York; USHER L. BURDICK, North Dakota; WILLIAM E. MCVEY, 4th, Illinois; CRAIG HOSMER, 18th, California; JOHN R. PILLION, 42d, New York; ALVIN M. BENTLEY, 8th, Michigan; VICTOR A. KNOX, 11th, Michigan; ROBERT D. HARRISON, 3d, Nebraska; H. ALLEN SMITH, 20th, California; ROBERT P. GRIFFIN, 9th, Michigan; OTTO KRUEGER, North Dakota; JOHN V. BEAMER, 8th, Indiana; JACKSON E. BETTS, 8th, Ohio; JOHN M. ROBISON, Jr., 3d, Kentucky; THOMAS A. JENKINS, 10th, Ohio; FRANK T. BOW, 16th, Ohio; PAUL A. FINO, 23th, New York; WILLIAM M. MCCULLOCH, 4th, Ohio; ALBERT W. CRETELLA, 3d, Connecticut; WILLIAM K. VAN PELT, 6th, Wisconsin; MELVIN R. LAIRD, 7th, Wisconsin; THOMAS M. PELLY, 1st, Washington; J. ARTHUR YOUNGER, 9th, California; JAMES B. UTT, 28th, California; GORDON H. SCHERER, 1st, Ohio; THOS C. TOLLEFSON, 6th, Washington; RUSSELL V. MACK, 3d, Washington; JACK WESTLAND, 2d, Washington; CHARLES S. GUBSER, 10th, California; WALTER NORBLAD, 1st, Oregon; A. D. BAUMHART, Jr., 13th, Ohio; C. R. JONAS, 10th, North Carolina; ELFORD A. CEDERBERG, 10th, Michigan; WILLARD S. CURTIN, 8th, Pennsylvania; CHARLES W. VURSELL, 23d, Illinois; BOB WILSON, 30th, California; GERALD R. FORD, Jr., 5th, Michigan; J. ERNEST WHARTON, 29th, New York; KEITH THOMPSON, Wyoming; JOE HOLT, 22d, California; HAMER H. BUDGE, 2d, Idaho; GLENN CUNNINGHAM, 2d, Nebraska; VINCENT J. DELLAY, 14th, New Jersey; WILLIAM E. HESS, 3d, Ohio; WILLIAM E. MINSHALL, 23d, Ohio; CLIFF CLEVENGER, 5th, Ohio; PAUL F. SCHENCK, 3d, Ohio; WALTER M. MUMMA, 16th, Pennsylvania; S. WALTER STAUFFER, 19th, Pennsylvania; HUBERT B. SCHERER, 1st, California; ARCH A. MOORE, Jr., 1st, West Virginia; LAWRENCE H. SMITH, 1st, Wisconsin.

Twelfth Anniversary of Rumanian Enslavement by Communist Forces

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. ZABLOCKI. Mr. Speaker, today marks the 12th anniversary of the date on which the Rumanian Nation was enslaved by the Communist forces of the Soviet Union.

This anniversary should bring to our minds the tragic plight of the nations which are still suffering under the chains of Communist bondage.

I would like to take this occasion to express my hope that full freedom and independence will soon be restored to those countries which, like Rumania, are still dominated by Soviet Communists.

Comments on the Report of the Select Committee on Small Business

EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. REECE of Tennessee. Mr. Speaker, my colleague, the distinguished Representative from Colorado [Mr. HILL], addressed the House on January 17 with reference to the work of the Select Committee on Small Business during the 84th Congress. The gentleman from Colorado spoke on behalf of the Republican members of the committee.

He said:

In the 84th Congress, we are convinced, the Select Committee on Small Business did not fulfill the purpose for which it was created. The objections which the minority has had to the committee's operation and procedures have been called to the attention of the House by the minority on several occasions. The minority is frank to say that if the committee's business is to be conducted in the same manner during the 85th Congress the committee has outlived its usefulness.

He suggested that if this select committee is to serve any useful public purpose the majority and minority members must work together in complete cooperation and in good faith. The gentleman from Colorado said:

The absence of free and frank intercourse, which was the case during the 84th Congress, has defeated the very purpose for which the House established the committee. Actually, as I stated on May 2, 1956, the methods of operation which were in vogue during the 84th Congress made the minority sometimes doubt whether or not we were actually members of the committee. The minority does not propose to submit to another 2 years of discourteous treatment or to political exigencies which only serve to create prejudice through the subordination of facts. The minority does not propose to sit idly by and view the spectacle of the committee or its staff depriving the minority of its rights as members of the committee and publishing numerous documents and other media which have not been properly presented or passed upon by all members of the committee, and especially by the minority members of the committee.

The report of the Select Committee on Small Business for the 84th Congress has now been published. Mr. William Ullman, the Washington correspondent of the publication Automotive News, in their issue of February 18, made certain observations with respect to this report. His comments lend great weight to the statements made by the gentleman from Colorado.

Under unanimous consent, I request that Mr. Ullman's article may be included as an extension of my remarks so that all of my colleagues may be aware of the impression this report has created among responsible Washington observers.

We must stop playing politics and step up to a very serious national problem, namely, the assistance of small business without the destruction of big business:

There's a prophetic statement in the latest report of the House Small Business Committee. "The [Republican] minority is convinced," it says, "that if this final report is published in its present form, it will reflect little or no credit on the committee, its members, or the House of Representatives."

The report was published the other day, all 101 pages of it, and it looks as if the minority prediction was correct.

Counting the tables in the appendix, this free-wheeling attack on big business runs some 111,000 words, the equivalent of 2 good detective novels.

The minority portion of this heavy work covers only nine pages; the majority report, which seems to have been composed by the committee chairman, takes up the bulk of the book. The chairman of course, is Representative WRIGHT PATMAN, Texas Democrat.

No one can deny that the report takes up a subject which is both serious and important. It is concerned with the needless destruction of small business through sheer abuse of big business power.

But PATMAN has attacked his subject in the same way that Carrie Nation attacked Demon Rum with her hatchet. He has run through the world of business and Government swinging his ax, hoping that enough wild swings will chop down a few sinners.

The Republicans who disagree with PATMAN's methods do not claim that some corporations never have abused their great power. They admit, in addition, that small-business men face tough problems today.

But they point out that few will agree with the report that small business is subject to a giant conspiracy conducted by the heads of the country's largest corporations and by highly placed officials of the Federal Government in this or any other administration.

LIGHTS OUT ON MAIN STREET?

PATMAN doesn't claim the existence of such a conspiracy in so many words. He just hints at it. He bobs and weaves like the old professional he is. When he's short on facts, he quotes letters from citizens. Here's part of a typical one:

"You know the situation is bad in your home town. Salesmen are all talking about the empty store buildings on Main Street. The street is dark. Unless one is content to work for a chain or corporation or the Government, there is no incentive to risk anyone's capital in the face of such discouraging odds as we now face."

PATMAN identifies the letter as coming from a small-business constituent of one of his colleagues. He fails to state the man's business or the size of his town or the economic conditions in his area. He simply throws the letter into the record for what it is worth, hoping the casual reader will accept it as evidence that the lights on Main Street are going out all over America.

When he gets to the Small Business Administration, PATMAN really hits his stride. He complains that SBA is making smaller loans than ever. While the average loan in 1954 was $53,000, he reports, it had dropped to $39,000 by mid-1956. From this, PATMAN concludes that "Government credit assistance to small business (has) declined drastically."

BANK LOANS AND SBA

The figures could more logically be interpreted to mean that SBA is making more loans to really small firms, but PATMAN refuses to entertain this possibility.

To back up his charges that SBA isn't doing anything for the little guy, he switches back to quoting somebody else. An official of the Pittsburgh Small Manufacturers' Council, he said, complained as follows:

"If you can get a loan from the SBA, you can certainly get it from a bank. You can't get an SBA loan unless you sign away your property and your wife's property."

SBA, of course, is not in competition with private banks. It doesn't even accept a loan application until a businessmen's local banks have turned him down.

But there's another point here. SBA, like private banks, demands adequate collateral. By quoting the Pittsburgh executive, PATMAN leaves the impression that he believes collateral requirements to be unfair. But he doesn't say so, and you can bet that he never will. The day that a Government agency starts handing out unsecured loans totaling millions of dollars, taxpayers will really have reason to complain to their Congressmen.

UNFORTUNATE COMPARISON

Finally, PATMAN criticizes SBA for failing to lend as much money as its predecessor agency, the Reconstruction Finance Corporation. Anyone who recalls the scandals and investigations connected with some of the RFC loans will wonder at PATMAN's making such a comparison.

It is hard to decide whether PATMAN really wants to take constructive steps to help small business or whether he simply wants to make as many people angry as he can.

The majority report of his committee is of practically no value in helping the administration and private business groups to understand the genuine problems of smaller firms. It is so wordy, so full of half-truths and insinuations, so crammed with emotional broadsides, that it is nearly impossible to separate the facts from the bunk.

As the minority forecast, it reflects no credit on the committee or the House.

If needed small-business legislation is approved this session, it is going to have to be preceded by careful factfinding and a clear statement of small-business problems. The unemotional findings of the President's Cabinet Committee on Small Business are a good starting point for both parties.

An American Tragedy: Russia's Ever-Increasing Lead in Scientific Manpower

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. HOLLAND. Mr. Speaker, "Russia today has the most dangerous weapon in the whole world—the atheistic, scientific, trained mind—and she has it in plentiful supply."

These words should cause every clear-thinking American to shake off his or her complacent attitude and face the stark, and up to now, inevitable, truth—that the Soviet Union has surpassed this country in the development of scientific manpower.

They were uttered, not by any wide-eyed alarmist, but by a trained American newspaperman who spent some time in Russia last year with his family, digging out the facts to prove his case.

John A. Kennedy, editor in chief and publisher of the Sioux Falls Argus-Leader, in recent testimony before a subcommittee of the House Education and Labor Committee declared that "schools and colleges—not jet planes nor H-bombs—are the greatest Russian latent threat to America and the West."

Mr. Kennedy backed up his charges with documentary evidence gathered by talking to hundreds of individuals during his visit to Russia. He quizzed school teachers, college professors, students, and the man in the street. His conclusions made a frightening picture for American mothers and fathers to contemplate.

I happen to be very much interested in this problem myself. So much so that last session I introduced a bill to encourage the training of additional engineers. The bill also provides for expanded facilities for engineering education by providing supplementary salary grants for engineering teachers and scholarships for engineering students.

According to Mr. Kennedy, Soviet colleges and universities graduated 2½ times as many engineers and scientists as we did in 1956.

Not only that, Russia has more than double the number of science students in their higher educational institutions this year than we have.

The very real and potent danger, he said, however, lies in what Russia is accomplishing at the secondary school level—where every nation should develop its future scientists.

He called their accent on education, which he said filters through to the lowest base—the 10-year secondary schools "perhaps the toughest grammar and high school system in the world."

And there—

He warned—

is where they are now establishing a lead over the United States that is going to take an almost superhuman effort to overcome.

At the university level, Mr. Kennedy pointed out that Russia has approximately 100 percent more science students in colleges than we have. Of course, the fact that tuition is free and college students are paid salaries is a most determining factor.

He said one of the most significant aspects of education in the Soviet Union is the emphasis on mathematics, physics, chemistry, and related subjects.

Training in these subjects makes engineers, doctors, and men and women of science. It makes nuclear scientists and Russia is turning them out at a rate far greater than American schools.

Mr. Kennedy declared himself amazed, just as I was, at figures by both the United States Office of Education and the National Science Foundation on the decline percentagewise in our high schools' instruction in mathematics and science during recent years.

They show that today 24 percent of America's high schools offer no classes in geometry while 23 percent of them teach no chemistry or physics.

In 1900, algebra was studied by 56 percent of students attending high school. In 1955, the figure was less than 25 percent.

Also in 1900, 27 percent of public high-school students studied geometry. In 1955 only 11 percent of the students studied the subject. In physics, the figure dropped from 19 percent in 1900 to 4 percent in 1953.

I agree with Mr. Kennedy that on the basis of these figures, it is little wonder that last year only 228 new physics teachers were graduated to staff 23,000 high schools in America.

Another pertinent point on which we were in complete agreement is that American industry is defeating its own ends by employing a policy of enticing science instructors away from teaching positions by offering salaries far in excess of those paid by educational institutions.

When I introduced my bill last session, I pointed out that while American output of engineers lags, the Soviet Union has been expanding its output by leaps and bounds.

The Russians are now graduating 10 times as many engineers as they did 25 short years ago. In 1954, they turned out 53,000 engineers and scientists. In 1955, the number is estimated at 63,000—nearly 3 times as many as were graduated here in the United States that year.

In an attempt to get to the real reasons behind the engineering shortage, I went to those best qualified to judge, the deans of all accredited engineering schools in the country.

In answer to questionnaires they declared they were unanimous in their concern over the problem and they were in agreement on two main reasons for the shortage.

First, we are wasting our precious manpower in failing to enable many intelligent high-school students to continue on to college.

Secondly, the shortage of qualified teachers of engineering at the college level—plus the shortage of qualified mathematics and science teachers in our high schools are major roadblocks.

Mr. Kennedy, in his testimony, cited figures to show that in 1954, this country graduated only half as many college-trained specialists in engineering and science as were graduated in 1950.

Also, he said, in 1954 our colleges graduated 57 percent fewer high-school science teachers and 51 percent fewer math teachers than in 1950.

He blamed this on the fact that in the United States the teacher has not been accorded proper recognition and status in the community. In Russia, by contrast, teachers rank high in income and social strata.

Mr. Kennedy said according to a recent survey of professions in the United States, the average dentist's income is 2½ times that of a teacher's; a lawyer's is 2.7 times, and a physician's 4.2 times as much.

I wholly agree with him when he declared that if we continue to let the Russians go ahead of us in science education, a disaster catastrophic to our way of life is inevitable.

The situation could truly become an American tragedy. I hope and trust a way may be found to avert it.

A Ceiling on Appropriations and Expenditures for the Fiscal Year 1958

EXTENSION OF REMARKS

OF

HON. JOHN H. RAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. RAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Rules Committee March 5, 1957, in support of House Resolution 170 which would set a ceiling of $65 billion for appropriations and expenditures for fiscal year 1958:

Mr. Chairman and members of the Rules Committee, I appreciate your courtesy and consideration in holding this hearing so promptly after the introduction of House Resolution 170 on February 19. Such recognition that the subject matter is of great public importance and that time available for action is rapidly running out, is both welcome and encouraging.

Going directly to the issues, I plan to deal with them in the following order: First, is legislative action in this field needed; second, will an amendment of the House rules provide the quickest and most nearly adequate remedy; and third, are the particular limitations set forth in House Resolution 170 reasonable and will they be practicable in operation.

Our forefathers were acutely conscious of the danger that the free government they were creating and the new individual liberties they were establishing might be lost by uncontrolled national spending and taxation. They sought to guard against that danger by placing in the Congress the power to control spending. More particularly they gave only to the House of Representatives, the Members of which are elected every 2 years, the power to originate tax legislation. With that power goes the responsibility for taking action appropriate to serve the national interest. A further check was given the President, elected every 4 years, in his power to veto bills passed by the Congress. That system worked well for the first century and a half of our existence as a nation.

During the last 30 years our Federal appropriations and taxes have grown astronomically. Our national debt has reached staggering proportions. With minor exceptions the Federal Government must at some time collect taxes to pay for both the portion of current spending which is to be financed by current receipts and the portion which is financed by borrowings to be repaid in later years. Already the Government has saddled the public with the need for paying nearly $8 billion a year as interest on the existing national debt.

In addition, we have in recent years fallen into the dangerous habit of authorizing small starts on big projects, and thus in a way committing future administrations to pay hundreds of millions of dollars to complete them in later years.

These two items, interest on the national debt and commitments for huge so-called public works, reclamation projects, etc., are largely responsible for the so-called uncontrollable expenditures. In themselves they create a very serious situation. Some, among them a distinguished Member of the Congress who has devoted years to the study of government finance, think it may now be too late to stop the terrifying course upon which we have embarked.

We are considering this year the highest peacetime budget in our history. I do not need to spend time on the dollars involved

or the particular projects covered by that budget. I am sure every member of this committee has them vividly in mind and that each has been forced to face up to the facts of that budget by the wave of indignation and resentment which has spread across the country and which constituents have, I am sure, pressed upon the attention of every Member of Congress. The trend of spending and spending and taxing and taxing must be reversed. I happen to believe that can be done.

It seemed to me that the only remedy, as far as the fiscal year 1958 is concerned, lies in Congress. As one Member I tried to find a way which might bring the problem before the House for full discussion and quick action. House Resolution 170 was the result.

It took only brief study to convince me that it was not necessary to propose a bill or a resolution which would require joint action. Corrective power lies in the House, and therefore it seems that action by the House is all that is necessary, at least as a first step. Further study and discussion with those I consider well informed in this field led to the idea to propose the particular amendment which is before you. Timing for such an amendment seemed right. February 15, the date by which section 138 of the Legislative Reorganization Act required a joint committee to present a legislative budget, had passed without any action by the committees of either the Senate or House. Accordingly House Resolution 170 was drawn up and introduced.

Section 138 reads as follows:

"LEGISLATIVE BUDGET

"SEC. 138. (a) The Committee on Ways and Means and the Committee on Appropriations of the House of Representatives, and the Committee on Finance and the Committee on Appropriations of the Senate, or duly authorized subcommittees thereof, are authorized and directed to meet jointly at the beginning of each regular session of Congress and after study and consultation, giving due consideration to the budget recommendations of the President, report to their respective Houses a legislative budget for the ensuing fiscal year, including the estimated overall Federal receipts and expenditures for such year. Such report shall contain a recommendation for the maximum amount to be appropriated for expenditure in such year which shall include such an amount to be reserved for deficiencies as may be deemed necessary by such committees. If the estimated receipts exceed the estimated expenditures, such report shall contain a recommendation for a reduction in the public debt. Such report shall be made by February 15.

"(b) The report shall be accompanied by a concurrent resolution adopting such budget, and fixing the maximum amount to be appropriated for expenditure in such year. If the estimated expenditures exceed the estimated receipts, the concurrent resolution shall include a section substantially as follows: 'That it is the sense of the Congress that the public debt shall be increased in an amount equal to the amount by which the estimated expenditures for the ensuing fiscal year exceed the estimated receipts, such amount being $;'"

House Resolution 170 would add this paragraph to section 138:

"(c) The aggregate amount which may be appropriated for the fiscal year beginning July 1, 1957, shall not exceed $65 billion; that expenditures for said year shall not exceed $65 billion; and that any revenues received during said fiscal year in excess of $65 billion shall be applied one-half to the reduction of the national debt and the other half to the reduction of taxes."

I am satisfied that if sent to the floor by this committee, House Resolution 170 will provide a basis for full debate and enable the House to work its will. I am also satisfied that if the House adopts the resolution, committees of the House will do their best to conform to it and that they can do so. Please note that the amendment is in the nature of emergency legislation, effective only for fiscal year 1958.

Adoption of the resolution under discussion will go far to restore the public's confidence in Congress.

Going back to the terms of the resolution, the first clause fixes $65 billion as the limit on aggregate appropriations for fiscal 1958, and that same figure as the limit on expenditures for that year. Control of expenditures is the more important. With budget figures of the magnitude of those before us, it seems entirely reasonable that a cut of approximately 10 percent could be made. I do not think in terms of a 10-percent cut in all appropriations, but the overall target of 10 percent seems reasonable.

Among the additional reasons for that view are the following:

(1) Sixty-five billion dollars is approximately the amount of expenditures for fiscal year 1956.

(2) I have been advised, and some who advised me will testify here today, that there is ample room to cut expenditures and appropriations to at least the limit suggested without endangering the national economy or the national security. In some cases this might require deferring natural resources development items, rather than going at them full scale this year.

(3) Opinions will differ as to particular cases where cuts can be made. Just as a starter I would eliminate Federal aid to schools, and that might mean as much as $500 million in fiscal 1958.

Last year the Appropriations Committees of the House and Senate provided funds for starting activity on more than 50 separate projects which had not been included in the President's budget, and which were not, therefore, regarded as being of pressing importance. If those projects are all completed they will involve costs running into the hundreds of millions over a foreseeable future. I am not able to suggest which of those items can be canceled out or at least deferred, but I submit those projects require careful and determined study to fix the cuts which can be made.

The program I am suggesting will require an intensive reexamination of all grant-in-aid programs and it should provide adequate pressures to enforce additional economies throughout the length and breadth of the National Government operations.

After House Resolution 170 had been introduced, I discovered that there had been House action a few years ago which established a sound precedent for that resolution.

When section 138 in the House Rules became effective in 1947, the Appropriations and Finance Committee of the Senate and the Appropriations and Ways and Means Committees of the House formed a joint committee to consider the budget submitted by the President in January of that year and to develop the legislative budget contemplated by section 138. In February 1947, Congressman TABER reported to the House and Senator BRIDGES reported to the Senate the following recommendations:

"The joint committee, therefore, submits the following findings and recommendations:

"(1) The committee finds that the estimated overall receipts assuming enactment of legislation with respect to excise taxes and postal revenues will be $39.1 billion compared with a budget estimate of $38.9 billion.

"(2) The committee recommends a ceiling on expenditures for the fiscal year 1948 of $31.5 billion as compared with the budget estimate of $37.5 billion.

"(3) The committee finds that the excess of receipts over expenditures will be $7.6 billion compared with the budget estimate of $1.4 billion.

"(4) The committee recommends that the maximum amount to be appropriated for expenditures in the fiscal year 1948 shall not exceed $24 billion compared with the budget estimate of $28.6 billion.

"(5) The committee recommends the inclusion of a reserve for deficiencies which might be expended in the fiscal year 1948 of $250 million compared with a budget recommendation of $25 million.

"(6) The committee recommends that a portion of excess receipts over expenditures be applied on the public debt.

"(7) The committee believes that the proposed reductions which in the main become effective beginning July 1, 1947, substantially 2 years after the termination of hostilities, will not impair the national economy.

"Summary

	Budget (billions)	Joint committee (billions)
"Estimate of overall receipts, assuming enactment of legislation as hereinbefore indicated	38.9	39.1
"Estimate of overall expenditures	37.5	31.5
"Excess of receipts	1.4	7.6
"Maximum amount to be appropriated for and which may be obligated in fiscal year 1948	28.6	27.0
"Maximum amount for expenditure of 1948 appropriations in fiscal year 1948	25.5	24.0
"Reservation for deficiencies which would be expended in fiscal year 1948	+025	+.250"

Those recommendations were accompanied by a resolution which read as follows:

"Resolved by the House of Representatives (the Senate concurring), That it is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1948 will approximate $39.1 billion and that expenditures during such fiscal year should not exceed $31.5 billion, of which latter amount not more than $25.1 billion would be in consequence of appropriations hereafter made available for obligation in such fiscal year."

That resolution was adopted without change by the House. In the Senate, however, an amendment was adopted which would reduce the requested budget total by only $4,500,000,000 instead of the $6 billion cut for which the House had voted. Conferees were unable to agree, so the concurrent resolution was not adopted. The record stood, however, that the House had expressed its judgment that an overall cut of $6 billion could and should be made and the Senate had gone on record for a cut of only $4,500,000,000. For our purposes here today, we may ignore the difference between those cuts. The points I desire to emphasize are that by its action the House expressed its judgment and its committees respected and conformed to that judgment.

The last clause of House Resolution 170 dealing with the application of any excess of revenues over expenditures would, of course, have only the force, but, like the other clauses I have discussed, it would have the force of a formal expression of the sober judgment of the House.

It is often said that ours is a big country and it needs a big government. I agree, but I submit that big government must operate within constitutional limits and that bigness in government is not justifiable as an end in itself.

The task ahead calls for courage and determination to exercise our constitutional powers and to perform our constitutional duties in the interest of the Nation as a whole.

I hope this committee will report favorably on House Resolution 170. In closing I should like again to express my deep appreciation for the careful attention which all members of this committee are giving to this resolution.

Legislation To Correct a Deficiency in the Civil Service Retirement Act

EXTENSION OF REMARKS

OF

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. HOLIFIELD. Mr. Speaker, I am today introducing legislation which will correct a serious deficiency in the Civil Service Retirement Act.

At the present time, if a Federal employee dies or leaves the service before he has completed 5 years of Federal service, his dependents who survive him will not receive benefits under the Civil Service Retirement Act. Employees who are covered by the Social Security Act are protected after 18 months of covered service.

My bill will correct this inequity. It provides that the Federal service and salary after 1950 of any employee who leaves Government before completing 5 years' Federal service will be deemed "employment" and "wages" for social-security purposes. This has the effect of transferring credit for short-service employees. It also affords them social-security survivor protection during and after their Government employment in the same manner as though they were working in private employment. Once the employee completes 5 years of Federal service, he acquires retirement and survivor protection under the Civil Service Retirement Act, and credit for his Federal employment may no longer be transferred for social-security purposes.

This legislation was drafted by the Civil Service Commission at my request made during hearings on Federal employees' retirement last Congress. It has just been received.

Under leave to extend my remarks in the RECORD, I include a letter of transmittal from the Chairman of the Civil Service Commission, an analysis of the bill, and a copy of the bill:

UNITED STATES CIVIL SERVICE COMMISSION,

Washington, D. C., February 28, 1957.

Hon. TOM MURRAY,

Chairman, Committee on Post Office and Civil Service, House of Representatives.

DEAR MR. MURRAY: In its report of July 21, 1956 (No. 2854), on the bill S. 2875, 84th Congress, the Committee on Post Office and Civil Service stated:

"PROTECTION OF EMPLOYEES SEPARATED BEFORE COMPLETING 5 YEARS OF SERVICE

"In the consideration of this legislation the committee has recognized a serious deficiency in the law with respect to protection of employees who are separated, by death or otherwise, before having completed 5 years of service. The completion of 5 years of creditable service is an absolute requirement for entitlement to benefits under the present civil-service retirement system. Thus, an employee separated before completing 5 years of service is entitled to withdraw his contributions to the retirement fund, with interest, and nothing more. Neither he nor his dependents receive any real protection in line with the staff annuity purpose of the retirement system.

"The committee views with sympathy the problems of employees who fall in this category and believes that appropriate provisions should be worked out and incorporated in the Civil Service Retirement Act to provide at least minimum protection for such employees and their survivors. It is felt that legislation to provide these employees and survivors minimum social-security benefits will be appropriate and will give them adequate protection not now afforded by either the civil-service retirement plan or the Social Security Act.

"In view of the lateness in the session and the complexities of working out legislation to accomplish the purpose, however, the committee decided that it is not desirable to delay legislation to liberalize civil-service retirement benefits in order to make the necessary changes at this time. Accordingly, it was decided to postpone action to close this gap in retirement provisions for Federal employees with the understanding that the Civil Service Commission will study the feasibility of providing, for short-service employees, a plan for transferring credits between the Civil Service Retirement Act and the Social Security Act. The Commission will submit its report to the committee before January 3, 1957, together with a draft of legislation to carry out the objective of extending to these short-service employees, by transfer of credit, the basic protections of the Social Security Act. The committee expects that the proposal will incorporate these basic principles:

"The committee strongly recommends that legislation with this objective receive prompt consideration and become law at the earliest practicable date in the new Congress."

Subsequently the committee extended the time for the Commission to submit its report and legislative draft to March 1, 1957.

In response to this request, there is enclosed a draft of legislation which, if enacted, would permit short-service employees to transfer credit for Federal employment from the civil service retirement system to the old-age and survivors insurance (social security) system. In essence, the legislation provides that a Government employee who is separated before completing 5 years' Federal service will have so much of this service as was performed after 1950 while he was subject to the Civil Service Retirement Act counted under the social security system as though it were private employment. Federal employment after 1950 not subject to the Civil Service Retirement Act (or another Federal retirement system) is generally already creditable under the social security system.

This is how the transfer-of-credit plan contained in the legislation would work in the most common types of cases:

1. An individual in private employment who had social security survivor protection and who moved to Government employment would retain this survivor protection until he had completed 5 years of Federal service.

If the individual had less than a year and a half (six social security quarters) of private employment within the last 3 years, he would acquire social security survivor protection as soon as he completed enough Federal service to give him the social security-required total of six quarters of coverage. These six quarters would then consist of combined private and Federal employment.

Upon completion of 5 years' Federal service, the individual would acquire survivor protection under the Civil Service Retirement System and credit for his Federal service could not thereafter be transferred.

2. A new Government employee who had no prior private employment would acquire social security survivor protection as soon as he completed the necessary year and a half (six quarters) of Federal service. He would retain such protection until he completed 5 years' Federal service at which time he would acquire survivor protection under the retirement system.

If the individual moved from Government to private employment after completing a year and a half but less than 5 years' Federal service, he would retain and add to his social security survivor protection.

If the individual moved from Government to private employment before completing a year and a half of Federal service he could add his private employment to his Government employment and acquire social security survivor protection as soon as he completed a combined total of a year and a half of service.

3. A Government employee who, before completing 5 years' Federal service, moved permanently to private employment would have credit for his Federal service transferred to social security and counted toward his old-age or survivor benefits. This transfer of credit would be made only if and when he or his survivors applied for social security benefits.

The plan has the following characteristics which we believe are essential if any transfer of credit plan is to be adopted:

1. It is relatively simple and its operation would be generally understood by the people whom it will affect.

2. It does not entail any options or elections by the individual or his survivors. This eliminates:

(a) The necessity of the individual having to make a critical decision which he may later regret.

(b) In large measure, the opportunity for manipulation calculated to produce unwarranted benefits.

3. It requires only a one-time transfer of credit, thus avoiding the administrative difficulty and cost of retransfer and possible retransfer of a credit whenever the individual moves from private to Government employment or vice versa.

The draft bill excludes Members of Congress and Congressional employees from the plan because the Commission usually excludes Members and Congressional employees from pay and related legislation drafts and because participation of Members in the retirement system is not mandatory but optional with the individual. Members and Congressional employees can be included by minor changes in the language, as indicated in the analysis which accompanies the draft.

If the draft legislation is enacted, it may also be desirable to amend the Social Security Act. The Secretary of Health, Education, and Welfare is, of course, best able to determine whether, from his point of view, any changes in the Social Security Act or in this draft legislation would be required.

We believe the bill meets your committee's stated objective of permitting short-service employees to transfer credit. However, the plan does have at least two major shortcomings:

1. As soon as an individual completes 5 years' Federal service (and assuming he is then under the retirement system), he generally exchanges his social-security survivor-benefit protection for the usually lesser retirement-system protection. This abrupt change will in many cases result in a wide disparity in benefits to the survivors of individuals who are similarly situated, except that one dies shortly before he completes 5 years' Federal service and the other dies shortly after completing 5 years' Federal service.

2. An individual who leaves Government employment before completing 5 years' Federal service will, in most cases, have residual social security survivor protection for 18 months, whereas an individual with 5 or more years of Federal service would not have this residual protection when he left Government employment.

Even if these shortcomings were corrected—and we have not attempted to do so in the draft bill because it would have exceeded the bounds of the committee's request—the plan would still not achieve the goal of worker mobility between the social security and the civil service retirement systems without loss, diminution, or duplication of benefits. This, as we see it, can be achieved only by completely coordinating the Old-Age and Survivors' Insurance System and the Civil Service Retirement System.

I should not want the committee to believe that because we have performed this technical service at the commitee's request, the Commission has receded in any particular from its position of last year favoring complete coordination of the Old-Age and Survivors Insurance System and the Civil Service Retirement System. No transfer of credit plan, however carefully devised, will provide a fully satisfactory solution of the problems inherent in the present imperfect relationship between these two Systems.

The Civil Service Retirement Act as it stands today provides an excellent staff retirement system. But, like other staff systems, it needs coordination with the Social Security System. Without the minimum protection afforded by the Social Security Act, many Federal employees suffer a relative disadvantage. And in the absence of coordination with the Social Security Act, many Federal employees reap windfall benefits. Neither result is desirable.

In the case of legislation which the Commission recommends to Congress, we ordinarily obtain the views of Federal employee organizations. Because we are not sponsoring the enclosed draft bill, but are merely performing a technical service for the committee, we have not done so here. Neither have we sought the advice of the Bureau of the Budget as to whether the enclosed draft legislation is in accord with the program of the President.

By direction of the Commission:

Sincerely,

PHILIP YOUNG,
Chairman.

ANALYSIS OF BILL

Section 1 defines the term "tax equivalent" as an amount equal to the tax which would have been levied after December 31, 1950, the date on which "temporary" Government employees were originally covered by the Social Security Act, on the basic salary of a Federal employee who was subject to the Civil Service Retirement Act had his Federal service been covered employment under the Social Security Act. The tax equivalent is a consideration for the transfer of credit for Federal service to the social-security system.

Section 2 provides that the Federal service and salary after 1950 of any employee who leaves Government before completing 5 years' Federal service will be deemed "employment" and "wages" for social-security purposes. This has the effect of transferring credit for short-service employees. It also affords them social-security survivor protection during and after their Government employment in the same manner as though they were working in private employment. Once the employee completes 5 years of Federal service, he acquires retirement and survivor protection under the Civil Service Retirement Act, and credit for his Federal employment may no longer be transferred for social-security purposes.

Section 3 requires the Civil Service Commission to certify to the Social Security Administration a record of the service and the salary which is being transferred for credit under the social-security system. The Social Security Administration must request certification of the record upon receipt of an application for social-security benefits, but it may request the record at an earlier date if occasionally it is called upon to make an advance determination of an employee's or his survivors' social-security rights.

Because the transfer of credit is not made until the employee or his survivors apply for social-security benefits, no retransfer of credit is involved if the employee moves more than once between Government and private employment—so long as such movement occurs before he applies for the social-security benefits.

Section 4 permits refunding of a Federal employee's civil-service retirement contributions but provides for the withholding of the tax equivalent from the refund paid to a short-service employee. Should the short-service employee return to Government employment under the Civil Service Retirement Act and complete at least 5 years of Federal Service, the tax equivalent withheld will be recredited to his retirement contributions account.

Section 5 permits refunding of a deceased employee's civil service retirement contributions but provides for the withholding of the tax equivalent from the refund paid to the survivor of a short-service employee.

Section 6 requires the Civil Service Retirement and Disability Fund to reimburse the social security trust funds for the benefit costs incurred on account of transferring credit for Federal employment to the social security system. It is recommended that at the time any hearings are held on this legislation, the Committee develop and include in this section a more detailed formula for determining the benefit costs. The formula should be one which is equitable both to the Civil Service Retirement and Disability Fund and the social security trust funds.

Section 7 provides for the legislation to become effective upon enactment. Transfer of credit is permitted for all Federal service performed after December 31, 1950 (except "temporary" service which, if performed after 1950, is already creditable for social security purposes in most cases) for an employee who was subject to the Retirement Act on or after the effective date of the legislation.

(NOTE.—The legislation is worded so as to exclude Members of Congress and congressional employees from its operation. If the legislation is to apply to Members and congressional employees, Members should be included by specific references, and the phrases which exclude congressional employees should be deleted.)

A bill to provide for transfer of credit from the civil-service retirement system to the old-age and survivors insurance system, and for other purposes

Be it enacted, etc., That section 1 of the Civil Service Retirement Act, as amended, is amended by adding at the end thereof the following paragraph:

"(t) The term 'tax equivalent' shall mean an amount equal to the tax on employees under the Federal Insurance Contributions Act with respect to basic salary paid for employment wherein they were subject to this act after December 31, 1950, had such employment been covered employment within the meaning of the Social Security Act."

Sec. 2. Section 2 of said act is amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law or executive order and provided he is separated before completing an aggregate of 5 years of civilian service, the service performed after December 31, 1950, by a former employee, except a congressional employee, while he was subject to this act, shall, at the time he or his survivors apply for old-age, disability, or survivors benefits under the Social Security Act be deemed to be 'employment' within the meaning of section 210 of the Social Security Act. Such a former employee shall be deemed to have received during such service 'wages' within the meaning of section 209 of the Social Security Act in an amount equal to the lesser of (1) the basic salary paid to him for such service, or (2) the maximum yearly amount which may be considered as wages under section 209 of the Social Security Act."

Sec. 3. Section 8 of said act is amended by adding at the end thereof the following new subsection:

"(k) For any former employee to whom section 2 (h) applies, the Commission shall furnish, at the request of the Secretary of Health, Education, and Welfare, a record of service wherein the employee was subject to this act, the basic salary paid for such service, and a certification that the Commission's records show that such service and salary may be deemed to be 'employment' and 'wages' as provided in section 2 (h). The said Secretary shall not request such record unless and until a determination of the former employee's or his survivors' entitlement to or amount of old-age, disability, or survivors benefits under the Social Security Act becomes necessary. Such record and certification shall be final and conclusive upon said Secretary."

Sec. 4. Section 11 (a) of said act is amended to read as follows:

"SEC. 11. (a) (1) Except as provided in paragraph (2) of this subsection, any employee or Member who is separated from the service, or is transferred to a position wherein he does not continue subject to this act, shall be paid the lump-sum credit provided his separation or transfer occurs and application for payment is filed with the Commission at least 31 days before the earliest commencing date of any annuity for which he is eligible. The receipt of payment of the lump-sum credit by the individual shall void all annuity rights under this act, unless and until he shall be reemployed in the service subject to this act. This subsection shall also apply to any employee or Member separated prior to October 1, 1956, after completing at least 20 years of civilian service.

"(2) The tax equivalent shall be withheld from the lump-sum credit paid any employee, other than a congressional employee, whose separation from the service occurred before he completed 5 years of civilian service. The tax equivalent so withheld from an employee shall not again become part of the lump-sum credit unless and until he is reemployed in the service subject to this act."

Sec. 5. Section 11 (d) of said act is amended to read as follows:

"SEC. 11. (d) (1) Except as provided in paragraph (2) of this subsection, if an employee or Member dies (A) without a survivor, or (B) with a survivor or survivors and the right of all survivors shall terminate before claim for survivor annuity is filed, or if a former employee or Member not retired dies, the lump-sum credit shall be paid.

"(2) If an employee or former employee, other than a congressional employee, dies before completing 5 years of civilian service, the lump-sum credit less his tax equivalent shall be paid."

Sec. 6. Section 17 of said act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary of the Treasury is authorized and directed to transfer each year from the fund to the Federal old-age and survivors trust fund and the Federal disability insurance trust fund a sum determined by the Secretary of Health, Education, and Welfare and the Chairman of the Commission as necessary to meet the benefit costs incurred during the previous fiscal year by the said trust funds on account of section 2 (h) of this act."

Sec. 7. The amendments made by this act shall take effect upon enactment. This act shall not apply in the case of employees retired or otherwise separated prior to such effective date and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

Francis J. Sinnott: His Life and Character

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1957

Mr. KEOGH. Mr. Speaker, to have known Francis J. Sinnott, late county clerk of the county of Kings was to have known a distinguished, dedicated public servant and American. He was, until his death, my friend and adviser and throughout my public life I was most fortunate to have had his sound, courageous, and foresighted counsel and the benefit of his broad, objective and constructive criticism and thinking. He was a good man, truly great and unselfishly dedicated to American politics—and one who proud to be of politics—added distinguished luster to the word "politician." For he was always of, with, and for the people. It is worthy, therefore, that his life and character, compiled with the assistance of his devoted friends and deputy, Stephen C. Sanzillo, be spread for those interested in the cause of good government to read and study.

Francis Joseph Sinnott was born on July 3, 1891, at 118 Arlington Avenue, Brooklyn, N. Y., where he resided all of his life, the third of five sons of James Peter and Frances Carroll Sinnott.

In 1897 he entered St. Malachy's Parochial School, in East New York, where his father had attended before him and his four children after him. Upon graduation in 1905 he went to St. John's High School and in 1909 entered New York University where he graduated with a degree in civil engineering.

Upon completion of his education in 1913 he joined the firm of Frederick L. Cranford as an engineer. On May 19, 1917 he joined the Army in World War I. He went to Plattsburgh Training Camp for Officers with the 15th Regiment and was commissioned as second lieutenant of Engineers. He was transferred to Fort Belvoir, Va., for advanced training and went overseas with the 302d Engineers of the 77th Division. He participated in the Baccarat, Vesle River, Aisne-Marne, and Oise-Aisne offensives. It was in the Aisne River on September 5, 1918 that he was severely wounded in the left leg which awarded him the Order of the Purple Heart. He was hospitalized in Paris and was there when the armistice was signed. He returned to the United States and was discharged on May 20, 1919 at Camp Upton, Long Island as a captain, Company A, 302d Engineers, 77th Division. His discharge carries the following notation: "A most capable, efficient, and fearless officer."

While in France on August 25, 1918, he visited the grave of Lt. Quentin Roosevelt, son of President Theodore Roosevelt, who had been shot down in aerial combat on July 14, 1918, near Chaucery. At that time, Lieutenant Sinnott had a suitable white headstone made by Pvt. Leland Easton, a stonecutter in his company, which was placed on young Roosevelt's grave. Five photographs of this event, suitably framed, with historical data will be presented to the Roosevelt collection at Sagamore Hill, Oyster Bay, Long Island, by his widow, Mrs. Marguerite B. Sinnott.

Upon returning from the war, Mr. Sinnott became secretary in the office of the transit construction commissioner from 1919 to 1921. This was the predecessor to the board of transportation and the start of young Sinnott's long and honorable public service career. In 1921 he became engineering adviser for the special transit committee, board of estimate and apportionment, corporation counsel's office. During his tenure of office he was in charge of the investigation of the famous Malbone Street railway disaster. Here he supervised the investigation and resulting report which was cited as a most complete and comprehensive report with outstanding constructive suggestions for the future safety of the railway system in New York City.

In 1924 he became the first secretary of the board of transportation in which post he served until 1933. While with the board he took an active and practical part in every new subway project then in progress. It was his habit to leave the safety of the office, don his boots, and enter the subway pits with the men to supervise the construction, shoring, and dynamiting phases of the subway. Many of the safety factors that went into the independent railway system of New York were the brain children of Mr. Sinnott. Here he also, as in his war years, gained a reputation far and wide for his humane manner in handling men whether they were laborers or engineers. His anxiety for their well-being and safety brought to him a devotion that is still talked about by the oldtimers in the new transit authority.

In 1933 he was appointed postmaster of Brooklyn by President Franklin D. Roosevelt, where he served until December 31, 1939. Here he revamped many of the old systems and brought into the Brooklyn Post Office a new relationship between the postmaster and the men and women in the service. Here again his personal attention to the individual employee brought to him the cooperation which resulted in a great uplifting of the morale of the office and better service to the public.

On January 1, 1940, he was appointed county clerk of Kings County, N. Y., by the unanimous vote of the members of the appellate division of the second department of New York. He was the first county clerk to be appointed; the office having been an elective one. In this office he continued to demonstrate his amazing ability to administrate, and brought many systems in the office up to date which resulted in monetary savings and better services. He also brought into being the now famous historical division of the county clerk's office which material had laid dormant for over 100 years industry files and corners. At the behest of Mr. Sinnott, Mr. James A. Kelly, deputy county clerk, was appointed Brooklyn Borough historian which position he still retains besides his duties as deputy county clerk. Thousands of documents and books were cleaned, bound, and indexed, and today Kings County truly boasts the finest collection of borough history to be found in the United States.

On March 17, 1949, at the request of Mr. Sinnott, Gov. Thomas E. Dewey signed a bill authorizing a county seal for Kings County. This seal, depicting the 6 original townships of Brooklyn with the colors of Holland, is the only descriptive county seal of the 62 counties in New York State and was originated by Mr. Sinnott and Mr. Kelly.

During his term of office he also interested himself in the early township history of Brooklyn and caused to have printed 6 detailed historical books, 1 on each township, which were made available to many educational institutions in Brooklyn. Together with Mr. Kelly, he also proved beyond doubt that Sir Winston Churchill's mother, Jennie Jerome, was born in Brooklyn and was successful in bringing the Prime Minister to the ancestral home on Henry Street.

As county clerk he was also in charge of calling, qualifying, and empaneling jurors in the county. Here too he brought the system up to date and received the highest commendations from members of the bar and bench for the high type administration he introduced for the benefit of the service and for better relations with the public.

At the time of his death on September 16, 1956, he was deeply engrossed in the plans for his office in the new building which he watched each day rise across the street from his office. He left behind a complete detailed layout of where all equipment, furniture and material were to be placed in the new building. His great engineering mind functioned to the last for that which was always highest on his list—service to the public.

Frank, as he was known to his friends, was born to politics. His father, who came to East New York from Collinsville, Conn., as a young boy with his widowed mother, entered into the doings of the village at an early age. He won local fame as a baseball player and good sport in all that he partook. In his youth he met John Maguire and together they battled the entrenched Adams-Sutter dynasty in East New York Democratic circles. After many bitter defeats, Maguire succeeded in unseating Adams and became the Democratic leader. On April 29, 1901, Maguire, a young attorney of note and uncle of the now president of the board of elections, James M. Power, turned over the leadership to his trusted aid James P. Sinnott. The elder Sinnott stayed in the leadership until his death on September 10, 1928. During this time he welded one of the strongest political machines ever

seen in New York City district politics. In 1917 he was successful in convincing Tammany leader Charles F. Murphy to recommend John F. Hylan for mayor. From then on the Sinnott political star was in its ascendency and continued that rise when young Francis J. Sinnott took over the leadership of the 22d Assembly District Democratic Organization in October of 1928. He also held the leadership until his death 28 years later and forged an even stronger organization than his father had left to him. His fame as an honest and civic-minded leader spread far and wide and on July 28, 1950, he was elected Kings County leader of the Democratic Party. He stepped down from this post on December 29, 1952. During his term of leadership he recommended the nomination of and elected to Congress three outstanding Members of the House of Representatives: David O'Connell, Stephen A. Rudd, and Eugene J. Keogh. The latter has served the district for the past 20 years. He was succeeded in his leadership by his assemblyman, Anthony J. Travia.

On December 9, 1922, he married Marguerite Babcock, of Richmond Hill, Queens. Of this marriage came four children, Edith, Gloria, Francis, and James. Edith is now Mrs. Paul Cullen, residing in East Williston, Long Island, with 6 children; Miss Gloria Sinnott was, until recently resigned, secretary to Federal Judge Leo Rayfiel, of Brooklyn; Francis Sinnott, a graduate of Kings Point Merchant Marine Academy is an official in the Alcoa Co., and is married to Florence Fagan. They live in Mineola with their 2 sons, Michael and Jeffrey. James Sinnott is studying for the priesthood at Maryknoll, N. Y.

Of his four brothers, Desmond, residing in Nashville, Tenn., is a retired naval captain and, Paul, who resides in New Rochelle, conducts his own insurance firm in Manhattan. Two other brothers, Carroll, formerly of the National Transportation System, and John, son-in-law of the late Mayor John F. Hylan, died a few years ago.

Mr. Sinnott was a member of the Kings County Democratic executive committee; Democratic State committee; Elmer E. Bennett, Jr., Post, No. 725, American Legion, Cypress Hills National Cemetery Pilgrimage Committee, American Legion; 302d Engineers Post, Agonist Benevolent Association; Cypress Hills Board of Trade, and took an intensively active part in the Red Cross and Boy Scout drives of the country.

I shall pass through this world but once;
Any good that I can do, any kindness that
I can show to any human being:
Let me do it now, let me not defer it or
neglect it,
For I shall not pass this way again.

That was Francis Joseph Sinnott.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 7, 1957

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, may the 40 days of this Lenten season be for all of us a time of quest and of conquest, of self-examination and self-mastery.

We humbly and penitently confess that so frequently we are not on speaking terms or at peace with our own souls for our conscience tells us that we have broken faith with our nobler and better self.

Show us how we may conquer and crucify every insurgent impulse, every inordinate desire, every self-indulgent habit, and all those temptations and sins which degrade and destroy our capacity to reach the higher levels of life to which Thou hast called us.

Grant that in each new day we may have an inspiring and uplifting sense of Thy grace and power, transforming our lives from what they are to what they ought to be and can be.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

CORN AND FEED GRAIN PROGRAM

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, yesterday I listened carefully to the general debate on H. R. 4901, a so-called emergency bill to cut back corn production. This objective would be accomplished, as I understand, by allowing farmers $42.50 an acre for every acre they retire from planting in corn. Nobody seemed to agree on the cost of this part of the bill on corn, but the gentleman from Texas estimated a 3-year obligation of more than $2½ billion. Then the measure, I gathered, goes on to give the same treatment to all feed grains. One committee member stated the saddling onto the soil bank of grain sorghums alone would cost $900 million a year, in his opinion, and doom any type of continuing program to help farmers. There was no agreement as to the cost to the taxpayers, but I gathered a majority guess, at least on my side of the aisle, was almost $1 billion a year.

In speaking earlier on the rule, the gentleman from Virginia [Mr. SMITH] said he had read that the net take-home income of farmers in this country is $10 billion, and that we spend $5 billion to rehabilitate them. He suggested, but not too seriously, I gathered, distributing $5 billion direct and increasing the take-home pay 50 percent. As for me, I think the best way to help the farmer is to reduce Federal spending and start paying off the national debt and cutting income taxes. I think this farm bill is highly inflationary and will hurt everyone's take-home pay in America. It will increase the grocery bill of every housewife in the country.

From the discussion during the general debate it became obvious to me that H. R. 4901 would increase Federal expenditures over and above the $73 billion Eisenhower budget. I am going to vote against it. I am in favor of cutting, not raising Federal spending. So much for that measure reported out by the Democratic majority of the Committee on Agriculture.

The Republicans are going to try and cut out all but the corn part of the bill. I shall support this effort. But this will be purely to reduce the possible authorization of a greater sum. On final passage I shall vote against the bill in either form that it comes up for a vote.

Mr. Speaker, in the overall national interest to avoid all-out inflation a cut in Federal spending programs must be accomplished. There should be a legislative limit on appropriations as suggested by House Resolution 170 on which hearings are presently in progress in the Committee on Rules. Meanwhile let us remember every authorization such as is included in H. R. 4901 is a mandate to the Bureau of the Budget and the President to up the annual budget. The Congress has the responsibility of limiting Federal expenditures.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 14]

Allen, Calif.	Diggs	Morrison
Bailey	Frelinghuysen	Powell
Belcher	Friedel	Preston
Bolton	Hillings	Sammi
Bowler	Hosmer	Siler
Boykin	Jackson	Staggers
Buckley	Kearney	Young
Celler	Kee	
Dies	Mailliard	

The SPEAKER. On this rollcall 407 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON APPROPRIATIONS—GENERAL GOVERNMENT MATTERS APPROPRIATION BILL

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tomorrow to file a privileged report on the general Government matters appropriation bill for 1958.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. FENTON reserved all points of order on the bill.

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 188) agreeing to the Senate amendments to House Joint Resolution 117, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution, the joint resolution, House Joint Resolution 117, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the minority to be controlled by the gentleman from Pennsylvania [Mr. SCOTT] and pending that I yield myself such time as I may consume.

Mr. Speaker, this resolution, as the reading thereof would indicate, is a final effort for the disposition of this very important matter. In other words, when we vote on this resolution we vote to wind up this matter and approve or disapprove the version that was approved in the other body. It will not be sent to conference. It will not even go back to the other body. This is the final action.

Mr. Speaker, when the so-called Mid-East resolution was originally before this body, I handled the resolution. I told this House that I was wholeheartedly in favor of the objective sought, in that it called for an affirmative policy in dealing with communism, and, in my judgment, was the second affirmative action taken by this country in the cold war; that it was a departure from the Chamberlain-like appeasement policy that had been followed pretty largely by this country and its allies of the Western World, in dealing with the masters of the Kremlin. Therefore, I supported it wholeheartedly with that objective, but I did not like the manner in which it was being considered in the House under a closed rule, where the membership of the House had no opportunity to amend it. And I predicted then that it would go to the other body where it would be debated for at least 2 months and it would come back to us in an amended form. That is water over the dam. I may say in that connection, however, that the gentleman from Ohio [Mr. BROWN], a member of the Committee on Rules, was very active in support of my own position.

The resolution is back here now with certain amendments which the other body placed in.

One of the things I wanted particularly to do was to separate the economic from the military aid. I was very much in hopes that the other body in its deliberations—and they did deliberate—would divorce the two. But that was not done. It comes back now in the form, pretty largely, in which it was—at least the chief proponents say that it is substantially the same. I understand that the President says it meets with his approval; that it is not vastly different from what he had recommended and from what the House had passed. But, be that as it may, we are now faced with this situation. Those of you who felt as the gentleman from Ohio [Mr. BROWN] and I did, and many others, that it should have been considered differently, or that there should be a divorcement of the two have no alternative but to vote it up or down.

The question now is whether the main objective, which to me is simply this, a firm policy in dealing with the Kremlin rather than, I repeat, a continuation of the Chamberlain-like appeasement policy that has characterized our conduct of the cold war, shall prevail or whether we are going to take the initiative. Personally, as one who feels that somewhere along the line this foreign-aid program has got to stop, I believe that we can afford to go along with this bill as it is, because the good outweighs the bad; and, furthermore, because there is no new authorization for funds in this bill; there will be no new appropriation this year under the bill; the money is already appropriated. It will be used for something else, you may be sure, if it is not used for this purpose.

Therefore, to this humble citizen's point of view we must go along with this resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I am always forced, although with great fear, to yield to my friend from Iowa.

Mr. GROSS. I am sorry the gentleman feels that way about it, but is not this resolution, as reported out by the Rules Committee under a gag rule like the gentleman protested—in its effect, let me add?

Mr. COLMER. Permit me to say to my friend that my fear is based on my knowledge of the keenness of his mind. I admit that I have a way of rambling around, but I spent about 5 minutes trying to explain that it was. But I shall go along with the gentleman from Iowa and spell it out in so many words: It is another gag rule.

Now, Mr. Speaker, in all seriousness, this is a very important matter, as I said in the well of the House on a previous occasion. The President has this authority; he has asked the Congress to back him up in it. If we fail to back him up then it is an open invitation to the masters of the Kremlin to encroach further upon the free peoples of that part of the world. I hope that the vote will be as near unanimous as possible. That we will thus demonstrate to the world and particularly to the Communists, that we are united behind our President.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Mississippi has explained to you, the adoption of this rule will result in acceptance by the House of the Senate amendments to House Joint Resolution 19. Frankly, I am not very happy as to the present rule, and as to the way this matter has been brought before the House for consideration. At the same time, I feel strongly that the Senate amendments improve the joint resolution which was previously considered in the House under a gag rule.

Yesterday, when this matter came before the Rules Committee, one of my good friends and colleagues said, as the result of my expression on the floor of the House that I desired at least 2 minutes to speak on the joint resolution, "You can make your speech in four words. I told you so."

Sometimes a person does get just a bit of pleasure out of saying "I told you so." You will recall when this joint resolution originally came before the House late in January, I took the floor and opposed as vigorously as I could the closed or gag rule which prevented and prohibited the Members of this House from offering any amendments to the measure, but, instead, compelled them to answer "yea" or "nay" on this important legislation. I predicted then, and said to this House, that when this Middle East resolution went over to the Senate it would be considered fully, amendments would be offered both in committee and on the floor, and that it would be debated fully so that the Senate could work its will. I still cannot understand, or comprehend, as to how we can spread democracy, liberty, and freedom throughout other sections of the world by taking actions here that virtually destroy them in the House of Representatives, where the American people sit.

The Senate was permitted to work its will on the joint resolution. We were not. There were many of us who would have liked to have offered amendments, some perhaps similar to those adopted by the Senate. I believe, had they been offered in the House, many of them would have been adopted.

You will be told later on in the debate, Mr. Speaker, that these Senate amendments amount to nothing, they mean nothing, and have been accepted by our administration.

Let me point out there is a great importance to be attached to the wording of the Senate amendments, and in the meaning thereof. If they mean nothing I cannot understand why our Secretary of State, and other representatives of the administration, originally opposed such amendments when they were before the Foreign Relations Committee of the other body.

I wish to hastily call your attention, if I may, to these amendments. I do not express my own opinion, but the opinion of the staff consultants of the House Committee on Foreign Affairs. Here are the important changes made by the Senate. First of all, the Senate struck out all those "whereases," and pious platitudes which were in the original House joint resolution. Next, a Senate amendment modified the resolution in this way: Instead of saying "The President is authorized to employ the Armed Forces of the United States in the Middle East," the resolution now says only that the United States "is prepared to use its Armed Forces." Then the Senate amendment provides the use of our Armed Forces shall be "consonant with the Constitution of the United States," which means, if it is necessary to declare war, that only the Congress can do so.

Regardless of the argument as to whether the President has the power to take military action without a declaration of war by the Congress, the fact remains that under the Senate amendment the Congress is not committed to declare war, nor has the Congress authorized the President to do so. The Congress of the United States has not given up its constitutional right and responsibility, and has not given in advance to the President, or delegated to him, the power to declare war.

I disagree a bit with my friend the gentleman from Mississippi [Mr. COLMER], although we have had the same general thoughts on this matter. The Senate amendments do provide that appropriations for military aid cannot be transferred and used for economic aid. There is at least that much of a difference in the Senate version, may I say to my friend from Mississippi.

There are other changes in this resolution, too. The Secretary of State or the President, as the case may be, is required to report to the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House, as the case may be, or to the Armed Services Committee also, as to expenditures; 15 days in advance on expenditures to be made under this resolution and Middle East program.

So, in my opinion, Members of the House, just as "I told you so," the Senate has been permitted to work its will on this legislation, and it has improved this joint resolution greatly. It has protected the constitutional processes and the rights of Congress, while here we were gagged, in the first instance, and now today are humbly saying "We will accept the improvements the Senate has made in this joint resolution—improvements we should have made in the House by amendment when this measure was originally before us."

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, on the theory of national unity and action, and its conveyance to the world, particularly to the Kremlin, the President came to the Congress and asked for Congressional action. The resolution before us is the result, but this is not the end. The President, under his reserve powers as Commander in Chief, possessed the power to do what is contained in the military aspects of the resolution. The Congress has responded to his request, a most unusual one, because it was not necessary. He has the power himself. The Democratic-controlled Congress has given to the country and to the free world leadership of an outstanding and courageous nature. The execution of the resolution now rests with President Eisenhower; it is his responsibility. The success of this resolution is going to be dependent upon deeds following the enactment of it. The forming of sound policy, carrying into execution through deeds and actions the words and provisions of the resolution rests definitely upon the shoulders of President Eisenhower.

The resolution is affirmative in expression and nature. I agree thoroughly with my friend the gentleman from Mississippi [Mr. COLMER]. It is affirmative action; it is affirmative policy, and also there will be action if followed by affirmative deeds. It can only be affirmative if the President makes it so. It will not be affirmative in deeds and actions and results if inaction, fear, uncertainty, indecision, lack of definite policy, in other words, appeasement, follows the passage of this resolution. It will not be successful if the Suez problem is not settled in a satisfactory manner so that all nations can have use of that important sea roadway. It will not be successful unless the foundation is laid to remove the chronic conditions that exist in the Middle East, with negotiations between the Arab nations and Israel that will ultimately lead to peace in that area. And the responsible officials of Israel have repeatedly stated their willingness to sit around the table in peace talks and upon a minute's notice.

It will not be successful if the Strait of Tiran and thereby Aqaba Bay as well as the Suez Canal are closed to Israeli shipping.

It will not be successful unless the United Nations forces remain there and also in the Gaza area until satisfactory arrangements have been arrived at.

The world has witnessed the unity of our country in the passage of this resolution through the bipartisan actions of Democrats and Republicans. It is all the more significant because it was passed by a Democratic-controlled Congress.

On the ground of showing unity to the world, President Eisenhower asked of Congress the passage of this resolution when he had the power as Commander in Chief to exercise the military aspects if in his judgment the national interest or national defense of our country called in the future for military actions in the Middle East.

The Congress is in the final process of responding to his request, and, as I said before, the execution and success now rest with the President.

When this resolution was in the House several weeks ago I said, in part, that there are calculated risks of action and there are also calculated risks of inaction. I also said that the calculated risks of inaction could be more harmful than the calculated risks of action.

Let us hope the President, who is the sole repository of foreign affairs under our form of government, with the Congress having cooperated in the manifestation with him to the world of American unity, will proceed affirmatively with sound judgment and with courage; for uncertainty, indecision, delay, and negative action are the symptoms of appeasement and as Chamberlain showed less than 20 years ago appeasement is the road to war.

I want to congratulate my colleagues on both sides for this bipartisan manifestation on our part. We have shown to the world American unity. The execution now rests with President Eisenhower.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, I commend the majority floor leader on the remarks he has just made on bipartisanship in foreign affairs. As to affirmative action by Congress on the Middle East, we have our opportunity to take it today. As to affirmative action in that area by this administration let us review some recent history for a minute.

Last fall, before the election, the Suez Canal was closed. France, Britain, and Israel had gone into Egypt. Our ancient alliances were split. There was danger of economic collapse in Western Europe, danger of Soviet intervention in the Middle East.

Now we find that Britain and France have withdrawn from Egypt and Israel is withdrawing; the former allies are all together with us again, the canal will be opened next week. Europe has not collapsed. Syria and Egypt have not been taken over by the Reds. And, as the President promised, our Armed Forces have not been involved.

I want to pay my tribute to our President and to the skillful, tireless, effective diplomacy of Secretary Dulles, for affirmative action during this period.

Nevertheless, the situation in the Middle East is still tense and ominous; and we come to the part where Congress comes in. On January 5 the President came to Congress and asked for this legislation. He said it was urgent. On January 25, less than 3 weeks later, this House passed it 355 to 61 with 5 amendments, with bipartisan support.

On March 5, 2 months after the President said this was urgent, the other body passed our bill 71 to 19.

They kept 4 out of 5 of our amendments.

They struck out the preamble, which goes out anyway in a joint resolution.

They kept 32 lines of our bill, added 18 lines of their own, in a series of amendments. I like a few of them. Apparently other Members of the House like others.

I think some of them are unnecessary, unintelligible, or undesirable. The worst of these amendments, however, are merely harassing, not hamstringing.

On the President's authority to use armed forces, the joint committee, acting elsewhere, by a straight partisan vote, took out the phrase "He is authorized" and inserted "The United States is prepared to use armed forces." The surrounding language and the accompanying report make it clear that they mean the same thing that we did. This report on page 9 said:

> This formulation makes clear * * * the determination of the United States to use armed force to resist Communist aggression in the area should any nation request such assistance. * * * The joint committee strongly supports the policy announced by the President of using armed force, if necessary, to help nations in the Middle East resist overt Communist aggression.

Therefore, this amendment changing "authorized" to "prepared" is not harmful, but it is amusing that the Democrats, by a straight party vote, decided to repeal by law the campaign claims that the United States is unprepared to use its armed forces.

There has been no such partisanship in this House.

There has been inserted an exception in the proviso in section 3, an amendment which was intended to limit military assistance solely for "internal security and legitimate self-defense of the recipient nation."

While this amendment is slightly unintelligible, I think that it does not unduly limit the President's discretion under section 401 (a) of the Mutual Security Act of 1954.

The amendment is an exception solely to the proviso. This proviso authorizes the President to use the authority of section 401 (a) of the Mutual Security Act of 1954 as to $200 million. If the proviso and the exception were stricken from the bill, the President would still be authorized by the first 6 lines of section 3, on pages 4 and 5, to use $200 million "from any appropriations now available for carrying out the provisions of the Mutual Security Act of 1954, as amended, in accordance with the provisions of such act," which includes section 401 (a).

Therefore, the President, under this interpretation, may use the transfer authority in section 401 (a) up to $150 million without regard to the proviso and exception—$29,072,000 of the $150 million transfer authority had been used through January 11, 1957, so the President has authority to use about $120 million under section 401 (a), in spite of this amendment. The memorandum by Mr. Robert Deckert, General Counsel for the Department of Defense, which will be placed in the RECORD by the gentleman from Missouri [Mr. CARNAHAN], shows that, regardless of my interpretation of this amendment, there are other reasons for holding that it is not unduly restrictive.

Our chairman the gentleman from Illinois [Mr. GORDON] will explain the other amendments. The question is, Should we go to conference on all these amendments? Remember, each one of them is somebody's darling. If we went to conference we would have a long hassle. Then, no matter what we did, there would probably be another filibuster—pardon me, I mean another deliberate debate. You know where and by whom. Rather than risk further delay in this crucial period when time is of the essence, I suggest that we swallow these amendments raw by voting to concur, even though we may gag a little, without trying to soften or smooth or sweeten them in conference.

I think the comparison between the House and later action elsewhere demonstrates that the House used wisdom and statesmanship in deciding, not by a minority vote, but by a vote of 260 to 148 to consider this measure as it came from committee without floor amendments and the inevitable device of delaying debate that would have ensued.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SCOTT of Pennsylvania. I yield 1 additional minute to the gentleman from Ohio.

The SPEAKER. The Chair would caution the gentleman about speaking about action taken in the other body, which is in violation of the rules of the House.

Mr. VORYS. I hope I have not violated the rules.

One vitally important objective of this proposal was psychological, to demonstrate to the divided, fearful, unstable, hesitating elements in the Middle East the capacity of our Republic for speed and unity in action on emergency authority, which, as you remember, terminates in part on June 30.

The House demonstrated this speed and unity. Then the demonstration broke down for nearly 6 weeks. Now we must demonstrate it again by taking this action today with an overwhelming vote and speeding our former colleague, Dick Richards, on his mission of affirmative action to implement the Eisenhower doctrine to promote peace and stability in the Middle East.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Speaker, today we again have before us the President's request for additional authority and money to be used in the Middle East. This authority was asked for over 2 months ago. At that time we were told that the Middle East situation was highly inflammable and very critical. The proposal was rushed through the House of Representatives without the opportunity for the Members of this body to have any discussion on the issues involved. Now it has come back to us from the other body, which has had full opportunity for debate on the issues involved in the proposal. I do not believe that the situation is as critical as it was 2 months ago.

As far as I see it, the debate in the other body has done this: It has tied down in Washington our globe-trotting Secretary of State. It has given the nations of the world the opportunity to settle down. It may have done some good in that respect.

I notice in the newspapers that since the Senate has ended its debate on the Middle East resolution, our Secretary of State has again taken off into the wild blue yonder.

If we could keep the Secretary of State from traveling so much, I sincerely think that not only this Nation but the nations of the world would be better off.

As I see it, the resolution will do two things. One, it proposes to give the President authority to use American troops anywhere he feels they are needed in the Middle East. That is what is proposed. But what it really does is to give him unlimited power to commit American troops to the United Nations. Our experiences in that line are not too good. For example, there was Korea where we furnished not only the men who poured out their life's blood on those barren hills but we also supplied the sinews of that war. American manhood suffered the brunt of the casualties of that war.

Secondly, it will start a new foreign-aid program for the nations of the Middle East with no check by the Congress on expenditures made in that program. And this is the real purpose of the resolution.

The leadership of both sides of the aisle and in the executive branch of the Government realize that the American people have become aware of the fact that we have poured billions of dollars down the ratholes of Europe and other parts of the world. And the prime purpose of this resolution is to begin another giveaway program, this time in the Middle East.

The reason for haste at this particular time is so that the American people will not have the opportunity to protest, as they are beginning to do, another dizzy spree of spending which will accomplish nothing good as far as the American people and the free peoples of the world are concerned.

Mr. COLMER. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, as has been so aptly pointed out by the floor leader, the honorable gentleman from Massachusetts, this resolution is not granting the President of the United States anything that he has not always had. I am proud of the fact, however, that the resolution did not lose a single Missouri vote. Every Representative from the State of Missouri voted for this resolution. The gentleman who just left the floor referred to the psychological aspect of this resolution. I have tried to determine just why this resolution was asked for, and the only reason I can find for it is that the President of the United States campaigned on the statements that troops would not be sent into the Suez area; that everything was all right down there; and even if they were not, no troops would be sent. Now there is just a possibility that the Kremlin might have believed that. There is a possibility that the Kremlin did not realize that the President's campaign statements were only campaign oratory so the House and Senate are being called upon to assure the Kremlin that the President did not mean exactly what he said when he was campaigning. Well, now, the Communists being what they are, I am glad to lend my vote to that assurance because I do not want the Kremlin to think we will not fight—political campaigns or no campaigns to the contrary notwithstanding, because when the toes of this Nation are trampled on in any part of the world, we will fight regardless of campaign oratory. So it is my opinion that the House and Senate are being asked in a roundabout way to assure the Kremlin that in a campaign a candidate cannot always be held to the exact statements that he makes. I shall vote for the acceptance of the Senate amendments and I hope the resolution carries here today with a unanimous vote because I did not believe the President of the United States when he said he would not fight in the Middle East; and I want to assure the Kremlin that they need not believe it either.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, for the second time in a little more than a month, the once proud House of Representatives will apparently sit comfortably and surrender its rights, prerogatives,

and responsibilities to freely work its will upon a resolution of the utmost importance to the people. Late in January, the Members of the House were called upon to consider this so-called Middle East resolution under a rule which prohibited full and free debate and completely prohibited individual Members from offering amendments.

Now, the gentleman from Mississippi [Mr. COLMER] admits that the rule under which we are considering this matter today is a gag rule. Yet, somehow or other, it has become palatable to him, for he vigorously opposed the same kind of a rule when the resolution was originally considered.

The gentleman from Ohio [Mr. VORYS] says that certain amendments now before you today are "unintelligent" and "undesirable," yet he, too, finds it palatable.

Despite the fact that the other body has spent more than a month considering this resolution and had amended it, we are called upon today to again prostrate ourselves and accept this resolution without changing even a punctuation mark.

What has happened to the leadership in this House. Are Members no longer to be trusted to write legislation? Have they merely become rubberstamps, in the first instance for the executive department and now, today, for the other body?

This resolution surrenders to the Executive the constitutional powers vested in the Congress with respect to the disposition and use of the military as well as the purse strings—and that surrender is made under the worst kind of gag procedure.

To what estate has the House of Representatives fallen? For my part, I do not covet the role of a pawn and a rubberstamp. I will vote against the adoption of this rule, for it is the only way I can register my protest to abject abdication of power, both in the House and to the executive department of the Government.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, there is language in this resolution before us which was not in the resolution we passed late in January. Apparently, under the rules of the House, I cannot say how or where that language got in there, but I call attention to certain phraseology on page 5 of the resolution, and I will quote it:

> None of the additional authorization contained in this section shall be used until 15 days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committees on Appropriations of the Senate and the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and the House of Representatives have been furnished a report showing the object of the proposed use, the country for the benefit of which such use is intended, and the particular appropriation or appropriations for carrying out the provisions of the Mutual Security Act of 1954, as amended, from which the funds are proposed to be derived.

I have certain questions which I hope Members familiar with this language can answer.

First, what is to be reported to these committees? If they want to build the Aswan Dam, do they have to report that to the committees?

Second, what can the committees do? In a document which I have here and which I probably cannot identify because of the rules of the House, on page 11 it says:

> This will give the appropriate committees of Congress an opportunity to scrutinize in advance such proposed action under section 3 and to take whatever action seems warranted.

What action can they take? Can they block a project which is foolish?

What happens if no report is made or if the committees do object?

I say these provisions in the present phraseology do not mean very much, and I think it is important to know what they mean. I would now like to yield to someone who can answer these questions. [After a pause.] Apparently no one seems able to answer them.

I think the provisions I have quoted are unintelligible. I do not think they amount to anything. I think that is the only reason the administration agreed to accept them. I do not think they regard themselves as hampered in any way by the language inserted in House Joint Resolution 117 between the time that we last passed this resolution and today.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Speaker, I urge that the House accept the Senate amendments to House Joint Resolution 117 which deals with the Middle East. I make this recommendation even though in my judgment the long consideration given to the resolution by the other body has not made it either stronger or clearer than the version approved by the House.

Permit me to summarize the differences between the resolution passed by the Senate and the resolution approved by the House.

In the first place, the Senate version strikes out all of the whereas clauses which were contained in the resolution as it passed the House. I have no particular enthusiasm for whereas clauses, and I suppose that no great loss has been sustained by their elimination. I might point out, however, that this action results in the elimination of the only reference to internal subversion contained in the resolution.

The Senate has eliminated the language of the House, stating that the President "is authorized to employ the Armed Forces of the United States" and instead has used the following words: "the United States is prepared to use armed forces." In my judgment it may be argued either that there is or that there is not any significant difference in the meaning of the two phrases, but the Secretary of State has indicated that the Senate language is acceptable to him. I am not entirely satisfied that the elimination of the word "authorized" will be fully understood by either the Soviet dictators or by the governments of the Middle East and for that reason I would have preferred that the House version remain intact. I believe that the history of this Senate amendment makes clear that there is no difference in the determination of either the House or the Senate to resist Soviet "overt aggression" in the Middle East whenever it may occur.

Section 2 of the Senate version also omits all references contained in the resolution as it passed the House to the United Nations and instead includes a statement that the use of forces shall be consonant "with the Constitution of the United States." There has been a lot of discussion of constitutional issues injected into the debates. While I make no claim of being an authority on constitutional matters, I do not see any constitutional question involved. Nevertheless, I do not believe that any significant clarification of the issues has been achieved by including in the resolution a specific requirement that the President observe the Constitution of the United States.

The references to the United Nations contained in the House version of the resolution were very carefully worked out and I am sorry that they have been omitted. They did not in any way surrender the jurisdiction of the United States over its foreign policy or its Armed Forces to the United Nations. On the other hand, they did make very clear the relations between United States policy and the United Nations, particularly in reference to the use of forces under article 51 of the United Nations Charter.

The Senate version modifies the language of section 3 of the resolution as it passed the House by inserting a limitation on the President's expenditure of $200 million. This limitation provides that the President may not waive section 105 (a) of the Mutual Security Act in providing military aid under the resolution. Section 105 (a) provides that military aid shall be made available "solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements" and that "the President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation." I understand that the Secretary of State had informed the Committee on Foreign Relations of the other body that it was not his intention to waive this provision in any case. Under the circumstances, it seems to me that this amendment is acceptable, since it would still be possible to waive under the resolution other sections of the Mutual Security Act such as section 142.

The Senate version also modifies section 3 of the resolution as it passed the House by including language providing that only funds previously appropriated for military aid may be used for military aid under the authority of the resolution and that only funds previously appropriated for nonmilitary aid may be used for nonmilitary purposes. This language diminishes to some extent the flexibility contained in the House version, but as far as can be determined at present will not involve any serious impairment to the program for the Middle East.

The Senate version also adds a requirement that 15 days' notice has to be given to the Foreign Relations and Foreign Affairs Committees, the Senate and House Appropriations Committees, and when military assistance is involved, the two Armed Services Committees, before the discretionary authority of section 3 is exercised. It also provides that if such 15 days' notice should be given during the last 15 days of the fiscal year, the funds would remain available for obligation beyond the end of the fiscal year for a period of 30 days after such notice is given. Personally I do not regard this provision as improving the resolution in any respect. I believe that it is desirable that the appropriate committees of the Congress should be kept informed by the executive branch of its plans and procedures, particularly when use is being made of discretionary authority. Nevertheless, it seems to me that the requirement of 15 days advance notice puts the committees involved in a position of sharing to some extent responsibility for action by the Executive under circumstances such that the committees cannot and often should not do very much about it. It seems to me that the Executive must accept full responsibility for its action under the resolution and that there is no way that the committees of the Congress can give approval in behalf of the Congress of action contemplated by the Executive.

The Senate version also includes in section 3 a statement that nothing in the resolution "shall be construed as itself authorizing the appropriation of additional funds" for nonmilitary aid. I do not believe that these words either add anything to or detract in any way from the House version.

The resolution as it passed the Senate includes a new section 4, which states that "the President should continue to furnish facilities and military assistance" to the United Nations emergency force in the Middle East "with a view to maintaining the truce in that region." I believe that the overwhelming majority of the House approves the use of our assistance funds to help maintain the United Nations emergency force in the Middle East and also the maintenance of the truce in that region. I can see no objection to accepting this Senate language.

The Senate has also amended the title to the joint resolution. The title of the House version was "Joint resolution to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence." The Senate title is "Joint resolution to promote peace and stability in the Middle East." Those who do not like the word "authorize" may prefer the Senate title.

Nevertheless, I believe that the Senate revision of the title is most unfortunate. The title of the resolution as passed by the House emphasizes our cooperation with the nations of the Middle East in their own efforts to develop their economies and to defend their independence. Its whole spirit recognized that the solution of the problems of the Middle East was primarily the responsibility of the people of that area.

The title approved by the Senate gets away entirely from this concept. It states the purpose of the resolution to be "to promote peace and stability in the Middle East." This language might be interpreted as meaning that the United States was taking upon itself the responsibility of bringing peace and stability to that area, perhaps for imposing terms which would have such a result.

I sincerely hope that the people of the Middle East are sufficiently informed of our motives and purposes that they will look behind the words of the title of the resolution. I believe that the entire history of the resolution indicates that the United States bases its entire policy toward the Middle East on the premise that the destiny of that area is in its own hands, that we recognize the independence and integrity of every government and will take no action which infringes the sovereignty of any nation.

Mr. Speaker, I believe that some of the language of the resolution as it passed the Senate is unnecessary and in some cases obscure. I am sure that if the resolution was taken to conference it could be clarified and strengthened. Nevertheless, I recognize that further delay is undesirable and I understand that the President and the Secretary of State believe that they can carry out the program which they contemplate with the resolution as amended by the Senate. For that reason I urge that the House accept the Senate amendments and approve the resolution without further delay.

Mr. Speaker, I insert at this point in the RECORD an interpretation of the so-called Douglas amendment which has been prepared by the General Counsel of the Department of Defense:

INTERPRETATION OF DOUGLAS AMENDMENT

Question has been raised as to the meaning of the Douglas amendment to House Joint Resolution 117. The Douglas amendment is the language included in parentheses in the following quotation:

"SEC. 3. The President is hereby authorized to use, during the balance of fiscal year 1957, for economic and military assistance under this joint resolution, not to exceed $200 million from any appropriation now available for carrying out the provisions of the Mutual Security Act of 1954, as amended, in accord with the provisions of such act: *Provided*, That whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended (except that the provisions of section 105 (a) thereof shall not be waived), and without regard to the provisions of section 106 of the Mutual Security Appropriation Act, 1957."

It is apparent from the foregoing that the authority of section 3 may not be used to waive the provisions of section 105 (a) of the Mutual Security Act of 1954, as amended. However, concern has been voiced that in prohibiting the waiver of provisions of section 105 (a)—a prohibition which is acceptable in principle to the administration—the Senate may inadvertently have prohibited the waiver of section 143 of the same act, which is the section that the administration is anxious to be able to waive. The question is whether section 105 (a) incorporates by reference the conditions set forth in section 142. Section 105 (a) reads as follows:

"Military assistance may be furnished under this chapter to any nation whose increased ability to defend itself the President shall have determined to be important to the security of the United States and which is otherwise eligible to receive such assistance. Equipment and materials furnished under this chapter shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation."

It has been suggested that the underlined words have the effect of incorporating by reference the provisions of section 142, which contemplates the signing of a bilateral agreement as a precondition to receipt of military assistance.

It is believed that the construction suggested is not a proper construction of the statutory language. While in the usual case, a nation becomes eligible to receive military assistance by satisfying certain conditions, among them those set forth in sections 141 and 142, it is nevertheless also clear that the President has been granted authority by virtue of section 401 of the act to waive section 142. When such a waiver has been made by the President, then it is clear that the proposed recipient nation may become "otherwise eligible" within the meaning of section 105 (a), irrespective of compliance with section 142.

This conclusion is further supported by discussions which took place on the floor of the Senate during debates on March 5. These discussions make it clear that the intention was to prohibit the waiver of section 105 (a), which requires that military assistance be used for self defense and not for aggression. There is no indication that it was intended to prohibit the waiver of section 142. Representatives of the administration, as the debates in the Senate make clear, had indicated that they did not intend to waive section 105 (a). But elsewhere it was made clear that the administration did expect to exercise the authority to waive section 142.

ROBERT DECHERT,
General Counsel, Department of Defense.
MARCH 6, 1957.

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an interpretation of the Douglas amendment prepared by the General Counsel of the Department of Defense.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. SCOTT of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of inserting or extending their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, so far as I am concerned, I feel that I cast my most crucial vote in connection with the Middle East resolution on January 29.

On that date I voted against considering this resolution under a closed rule which barred submission of any amendments from the floor.

However, the closed rule prevailed by a vote of 262 to 146.

The following day the House voted to adopt the resolution by a 355 to 61 vote. I voted for the resolution despite grave misgivings and reservations which I then stated.

By forcing adoption of the gag rule this majority, in my judgment, forced abdication by the House of its legislative responsibility and prerogatives so far as this resolution is concerned.

By this action this majority denied House Members opportunity to vote on divorcing the issue of a clear and firm warning to international communism from the issue of authorizing new uses of foreign-aid money in this area—a combination of issues, in my humble opinion, which was legislatively an unnatural and undesirable marriage.

By this action this majority denied House Members opportunity to adopt any restrictive amendments designed to curb unwise or excessive spending of the type against which our citizens at home are rightfully, and with increasing vigor, voicing their indignant protests.

By this action this House conceded to the other body the exclusive right and responsibility of proposing, debating, and voting upon amendments—which right and responsibility that body has exercised in this instance with, we hope, some salutary effects.

I voted for adoption of this resolution before, and I will do so again today, because I am totally unwilling to oppose the adoption of a clear and firm warning to potential enemy aggressors.

But I want the citizens of my district to understand distinctly that I was unable to vote against certain dubious provisions of the resolution, or for amendments designed to improve the resolution, because a majority of this House, by its adoption of the gag rule, denied that opportunity.

And I point out to my constituents and respectfully to my colleagues that, far from being a technical issue, the gag rule applied to major policy legislation of this type is the Delilah's shears which gravely weakens, if it does not destroy, the Samson of truly representative government.

Mr. WOLVERTON. Mr. Speaker, the resolution now before the House—House Joint Resolution 117—is the House resolution previously adopted by the House with Senate amendments.

It is generally understood that the resolution has not been changed by the Senate amendments in any way that could be considered detrimental to the effectiveness of the resolution as originally adopted by the House. The amendments are in the nature of a clarification of some of the provisions in the original resolution and do not curtail or weaken the same. In fact, it seems to me the resolution has been made more acceptable by the Senate amendments. The amendments strengthen and do not weaken the purpose or objective of the resolution.

The purpose of the original resolution, and, the same is true of the amended resolution, is to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The primary purpose of the United States in its relations with all other nations is to develop and sustain a just and enduring peace for all, in accordance with the Charter of the United Nations.

It is generally conceded by the people of this Nation that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls seek, by threat of military action, use of economic pressure, internal subversion, or other means to bring under their domination peoples now free and independent; and, this danger is particularly evident at this time in the general area of the Middle East.

It is because of this situation that President Eisenhower has deemed it necessary to declare what shall be the policy of this Nation in its endeavor to withstand the insidious and dangerous effect of the tactics being pursued by Communist Russia and its satellites in the strategic area of the Middle East. The policy that has been so declared by our President has become known as the Eisenhower doctrine.

This policy, as approved by the House and Senate, in strong, clear language makes plain to Russia, and all communistic-dominated nations, that if it, or any of them, disturb the peace, or seek to curtail the independence of any of the nations of the Middle East, they will do so at their peril. And, to carry out to the fullest extent possible the policy, it is declared that the United States is prepared to cooperate with and assist any nation or group of nations in the general area of the Middle East desiring such assistance in the development of economic strength, dedicated to the maintenance of national independence.

And, to make such cooperation additionally more effective, the President is authorized to undertake, in the general area of the Middle East, military-assistance programs with any nation or group of nations of that area desiring such assistance. As a reason or basis of justification of this intention upon our part as a nation is the declaration upon the part of the Congress, that the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To accomplish this declared purpose, the President is to determine the necessity of using our Armed Forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism provided, such employment shall be in accord with, and, as provided in the Constitution of the United States; and, it is further provided that the President should continue to furnish facilities and military assistance, in accordance with law, to the United Nations emergency force in the Middle East, with a view to maintaining the existing truce in that region.

The declaration by the President of a policy for this Nation relating to the Middle East situation, and, the approval given by Congress, will go far in my opinion to preserve peace in that trouble spot of the world. Furthermore, in connection therewith, and, as a part of the whole difficult situation in that part of the world, there is further cause to be grateful as a result of what seems now to be a better outlook for the settlement of the differences between Israel and Egypt.

The willingness of Israel to give up its hold on the Gaza Strip and reopen the Gulf of Aqaba, and, the opening of the Suez Canal by Egypt to the shipping of the world, have each played a part in brightening the skies and removing the possibility of war. We can all be thankful that reason has at last prevailed in this matter and thereby helped to bring about a better and more peaceful atmosphere.

In looking back over the happenings of the last few months, with its many obstacles raised as barriers to peace, great credit must be given to President Eisenhower and Secretary of State Dulles for the final success of their efforts. These two representatives of our Nation worked zealously and courageously to bring about a better understanding between the contending nations with respect to the basic rights of the sovereignty of each that had made a settlement so difficult to attain. The difficulty was all the greater because in addition to questions of sovereignty set up by both Israel and Egypt there was constantly in the background the ominous hand of communism at all times working assiduously to promote discord, confusion, distrust and enmity. There would have been no continuing difficulty, such as there was, if Soviet Russia had used its influence for a peaceable solution, as did our own Nation. As usual, Russia assumed the role of troublemaker, but, carefully and skillfully kept itself in the background. Thus, our President and Secretary of State were compelled not only to contend against the open enmity that exsited between Israel and Egypt, but, also the insidious influence of Soviet Russia that aroused an envious and suspicious attitude upon the part of Egypt and many of the Arab nations toward the objectives sought by the United States.

I have gone to some length in presenting the difficulties that faced President Eisenhower and Secretary Dulles in the negotiations that preceded a settlement of this Near East trouble, because as a people we should be appreciative of the great service they have rendered to the cause of world peace in bringing about a settlement before a conflagration of worldwide dimensions could start.

It is also appropriate to give credit to the Democratic leaders and Democratic Members of Congress in both the Senate and House who cast aside partisan considerations, and with the Republican Members, supported the President and his Secretary of State in their endeavors. The unity that was thus shown to exist between political parties in our Nation contributed greatly to the final and successful settlement. Thus, we can look upon the results attained as a great national achievement in the cause of peace in which all, regardless of political affiliation, can take pride and satisfaction.

The result that has been attained has brought satisfaction not only because of the peaceful ending of a troublesome question that menaced world peace, but, also because the stand taken so courageously by President Eisenhower has strengthened the United Nations in its objective to maintain and establish a world order to promote peace. The Mid-East policies of President Eisenhower have at all times recognized and worked within the charter provisions of that organization. Thus, although President Eisenhower assumed the leadership in the endeavor to obtain a peaceful solution, yet, he was ever conscious of the necessity to recognize and strengthen the United Nations Organization rather than obtain a personal victory to enhance his own prestige. However, although working as he did within the structure of the United Nations, and, without violating any of its provisions or procedures, the acclaim that is now accorded him shows that his unselfish endeavors are fully recognized and in no wise dimmed in the slightest degree.

It would be extremely difficult, if not impossible, to fully evaluate at this time all the good that can come, in the years ahead, as a result of the action taken by this Nation, under the leadership of President Eisenhower, in definitely enunciating a Mid-East policy. This policy intended to be an instrument of peace, gives promise of having the same beneficial results that followed the declaration of the Monroe Doctrine by President Monroe in the early days of this Republic. Throughout all the years that have followed, it has been a constant warning to the nations of the world to keep "hands off" this Western Hemisphere. As a result, peace has prevailed in this hemisphere.

The Eisenhower doctrine, as the President's program in the Near East has come to be known, is likewise a "hands off" warning to Russia, its satellites, and the Red Chinese against Communist aggression in the Near East, and, that the nations of that area, who so desire, will be given protection against any such aggression. It is also a warning to Egypt's Nasser, who has been playing Russia's game. In the past, it might be truthfully said, the attitude of the United States has not always been fully understood because it has not always been as direct and decisive as it might have been. In fact, there is some justification for the opinion that two world wars and the Korean conflict might have been avoided had the willingness or intention of this country to fight been understood before the conflict had started. However, it has now been made plain to Russia, Red China, and their satellites, by President Eisenhower's declaration of policy and the support given to it by Congress, what they can expect, if and when they or either of them move against any of the nations of the Middle East. And, the same has already been made plain as to Formosa.

It is sincerely hoped and earnestly prayed that this action by the President and the Congress will mean peace in the future, as the Monroe Doctrine has meant peace in the years that have followed its declaration.

Mr. CHIPERFIELD. Mr. Speaker, I support this resolution which would accept the Senate version of House Joint Resolution 117 as amended by the Senate.

I do not believe the amendments as adopted by the other body change substantially the purpose of the resolution, namely, to promote peace and stability in the Middle East, and put the Soviet Union on notice that Communist aggression in that area would be a serious threat to the vital interests of the United States.

As a matter of fact some of the amendments adopted seem unnecessary, but if they have a clarifying effect or tend to remove some of the controversial constitutional interpretations of the original resolution they may be beneficial. For example, in the House version of this resolution the President "is authorized to employ the Armed Forces of the United States." The other body used the language that the "United States is prepared to use Armed Forces."

The House Foreign Affairs Committee in its report felt that the language it used did not detract from or enlarge the constitutional power and authority of the President of the United States as Commander in Chief, and did not delegate or diminish in any way the power and authority of the Congress of the United States to declare war. On this issue there was considerable difference of opinion. By using the language adopted by the Senate that the United States is prepared to use force rather than authorize the President to do so, does have the virtue of remaining silent on the question of the relationship between the Congress and the President with respect to the use of armed force.

When you consider the language used by the other body, taken together with a further amendment, that the use of forces shall be consonant "with the Constitution of the United States," it eliminates this controversial question and clearly indicates the Congress, by adoption of this resolution, is not abdicating any of its powers to declare war.

Another amendment adopted by the other body that seems to have merit is that funds originally appropriated for military aid should only be used for military aid, and funds originally appropriated for nonmilitary aid can only be used for such purpose in the area. This keeps intact the original purpose for which these funds were appropriated.

The requirement that the administration notify Congress of its plans to spend $200 million in transferred aid funds certainly is a reasonable one; and the amendment asking a pledge from recipient countries not to use military aid for aggression is also helpful.

I believe the situation in the Middle East is too dangerous to further delay action. I, therefore, am willing to accept the Senate version of this resolution and not take additional time to work out in conference the slight differences of opinion between the Senate and the House. I want to bring this matter to a definite conclusion today.

It is my understanding such a course is acceptable to the President of the United States and the Secretary of State.

I am hopeful by its adoption that we will be able to maintain peace, stability, and security in the Middle East which in turn will enhance the security of the United States and the free world.

Mr. SIEMINSKI. Mr. Speaker, it is hoped that passage of this resolution—House Joint Resolution 117—will keep this country secure and out of war and that it will promote the peace, prosperity, and stability of the developing nations in the general area to which it applies.

It is estimated that should the United States avoid war for the next 60 years, this bill and similar legislation would be money most profitably invested. The 1958 budget allocates some $5 billion for veterans' affairs. Free of war, in 60 years, this expenditure should almost vanish.

It is estimated that in the last 57 years, in World War I, in World War II, and in the Korean conflict, battle deaths totaled 381,400; deaths other than battle were 298,200; and wounds not mortal totaled 978,000. That means that over 1,657,000 American boys bit battle dust because somewhere along the line something in the affairs of men and nations went unchecked and uncorrected. It is hoped that House Joint Resolution 117 is a check and a corrective that will help keep battle dust down while it keeps American boys alive and promotes the peace, prosperity, and stability of the developing nations in the general area to which it applies.

Mr. BLATNIK. Mr. Speaker, exactly 2 months ago, in an atmosphere of crisis and urgency, the President submitted to the Congress a resolution dealing with the Middle East. The House acted quickly and passed House Joint Resolution 117, authorizing the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence. I was one of the few who voted against the resolution at that time. I did so out of a firm conviction that we should not act hastily and imprudently in an area of such vast significance and future importance. The administration, in my view, was asking for too much in too vague terms without adequately explaining the many serious questions and doubts which arose in connection with this resolution. I was convinced that adoption of this ill-conceived and hastily considered resolution would do more harm than good over the long run.

Since that day I have had considerable time to reflect and reconsider my position on this matter. Fortunately the

Senate was not stampeded into quick action, but correctly considered the resolution in a very deliberate and analytical manner. After long debate, the Senate passed the resolution and now, once again, it is before this body, although not in the same form as it passed originally. The question in my mind is whether the Senate amendments are of such a nature as to dispel my original doubts and fears so that now in its amended form I can support the resolution.

An important Senate amendment affects the use of American troops in the Middle East. We authorized the President to use American forces in the Middle East in case of overt Soviet aggression. This raised serious constitutional questions in my mind. Now, as amended by the Senate, the resolution merely states what has always been, namely, that the "United States is prepared to use armed forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international communism." Thus the serious constitutional question raised by the original resolution have been avoided by the amendment.

Actually, I was always of the opinion that we were always prepared to use armed forces to assist nations requesting assistance against armed aggression. I did not realize that we needed this resolution to convince others of this truth. But, I suppose, there is nothing wrong with saying you will do what you intend to do all along in a more or less official way. As Secretary Dulles said during the hearings on the House side:

> Even if everything in this resolution could be done by the President, there still would be tremendous value in having the Congress say the same thing.

How tremendous the value would be is still open to question in my mind.

Now I am not opposed to saying we will do what we intend to do if it makes the President and his Secretary of State feel better that we say it, but I am opposed to saying it if they then turn around and use that as a lever to get what they really want; namely, a free hand to spend millions of American dollars in the Middle East without congressional control over such expenditures. How many times have we heard, in the past 2 months, that "military assistance alone is not enough." It is a maneuver to do credit to the slyest court advocate. The administration gets us to say we will do that which we intend to do all along and then uses that as a lever to obtain that which, under ordinary circumstances, the Congress would never surrender to the Executive, namely control of public funds—or at least some explanation as to how such funds will be spent.

I am convinced, Mr. Speaker, that the requested authorization to use American troops was a front, a sort of umbrella over the aid provisions. No one actually expects an outbreak of overt aggression in the area—especially Soviet aggression. Both Secretary Dulles and Admiral Radford repeated over and over again that there was nothing to indicate that the Soviets were preparing to make armed attack. I cannot help but agree, then, with the "high Dulles assistant" quoted by Mr. John R. Gibson in the Wall Street Journal of January 14, who said:

> The military-force part of the resolution would be an umbrella over the aid.

Mr. Gibson also quotes "one of Uncle Sam's knowledgeable Mideast officials" that—

> In order to get the resolution through Congress, you have to play down the aid as a solution to basic Middle East problems.

I think this Gibson article hits the nail on the head, and this feeling is reinforced by General Gruenther's testimony to the effect that if he had to make a choice between the economic or the military assistance he would choose the former. So before going any further it seems apparent that what the President and Dulles are really after is more money, or, more accurately, a freer hand in spending what they have already been authorized by the Congress to spend. This feeling was again reinforced when the President so willingly accepted the Senate amendment discussed above relating to the military force section of the resolution. He came asking for "authorization," a strong legislative word, but quickly settled for less strong language saying the Senate amendment and the word "authority" meant about the same thing.

Therefore, Mr. Speaker, since the use of force aspect is really just a cover for the big prize, that is Executive expenditure of money without congressional control, it is to this economic assistance aspect of the resolution to which we should pay particular attention.

In the early days of the hearings, Mr. Dulles was very vague as to just what the money was going to be used for. He said he could not tell us. But from the context of a letter dated February 28, 1957, from the President to the Senator from California [Mr. KNOWLAND] it is apparent that part of the money will be used to build up the internal security forces of the nations of the Middle East. Mr. Dulles did point out during the hearings that some of these nations are in bad financial condition and they will have trouble meeting payrolls for their armies. Obviously we will meet those payrolls and supply equipment out of the funds involved in this resolution. We will build up these Arab armies, supposedly, so the independence of these nations will not be subverted from within, according to the President. Mr. Speaker, I recognize the dangers of subversion and the need for loyal armies. But I am fearful that in meeting this short-term, immediate problem by building up Arab forces we are letting ourselves in for much greater and more critical long-run problems. Once the forces of these Middle East nations are built up to sufficient strength to defend themselves against subversion from within, what is going to be done with them? Will they be paraded? Drilled in the hot sun? Used for show? Or will they, as their leaders have pledged, be loosed against the only democracy in the area, and I might add against our only real friend—Israel?

I fear, Mr. Speaker, that in the long run that is what we are letting ourselves in for. We are just playing right into the hands of the Arab leaders without any regard for the protection of friends and democracy in the area. In our headlong plunge to fill the power vacuum in the Middle East and keep the Soviets out of it we seem blinded to the long-range problems which we will create by short-term solutions.

Of course, we profess not to be filling any vacuums in the Middle East. On January 5, in his special message, the President said in effect that we are not going to fill the vacuum left by the withdrawal of British and French influence in the area, we are just going to encourage the Middle East nations to fill it themselves by developing and stabilizing their independence. No wonder James Reston wrote the next day in the New York Times:

> The Middle East crisis is merely one more effect of the collapse of British and French power in the world and this administration has not faced up, even now, to that transcendent development.

Either they have not faced up to it, or they are making noises which would lead us to believe they have not. But whatever high sounding, idealistic phrases the administration utters, the simple, plain, unvarnished truth of the matter is we are filling a vacuum that has been created by the decline of British and French influence in the Middle East. In filling that vacuum you would think we learned from the mistakes made by the British and French during their tenure of influence in the area. For the past thirty-odd years they seemed to play a game in the Middle East. The rules of the game were simple: Do not irritate the Arab nations because there is oil in the Arab land. The prize to the winner was that oil. Our friends played too long. Time caught up with them and they were out of the Middle East and cut off from their oil supplies. Now we are bending over backwards to convince our Arab friends that we will not replace the despised British-French colonialism in the area. As Dulles said during the House hearings:

> What we have to make unmistakably clear here is that we have no purpose to effect to reproduce and prolong the quasi-colonial policies which were relied upon to help the area. If there is any vacuum to be filled it has to be filled by strengthening the countries of the area themselves.

These are fine sentiments, but in meeting the immediate problem of potential communistic subversion we are filling the vacuum by ourselves. The truly dangerous aspect of this vacuum-filling policy is that it seems we are letting ourselves in for the same experience that befell England and France. We are going to do nothing more than what they did for so long—give in to Arab blackmail. Because that is all it is, pure and simple. Our Arab friends are blackmailing us, knowing we are afraid to lose their precious oil. And, I might add, not afraid for ourselves but for our friends and allies in Western Europe who depend on Middle East oil for their very existence as world powers.

We are being blackmailed for more than hard cash. We also, I am afraid, will have to forsake one of our real

friends in the Middle East. Already there are signs that we are going to sell the only truly free nation in the area right down the river. The President's stern message on sanctions against Israel was a sign of the direction toward which we seem to be moving—a direction dictated by our fear of antagonizing the Arabs. Marguerite Higgins, a brilliant news reporter, recently wrote:

> And if it should come to sanctions in the United Nations, what if America stood aloof? King Saud, for one, bluntly told Mr. Eisenhower that if America stood aside from U. N. efforts to enforce Israel compliance the President might as well discard the Eisenhower doctrine because neither it nor all of America's dollars could thereafter buy Arab confidence.

So here we are, the greatest Nation on earth, bowing and scraping to Arab potentates, turning away from our friends, promising money to oil-rich Arab dictators for just one thing—oil. History will no doubt record that in the year 1957 a group of the most backward and degenerate nations on earth had the strongest and most enlightened nation over a barrel—a barrel, as it were, of Middle East oil. And that with a slyness belying their backwardness these nations extracted from us not only hard cash in the form of pure blackmail, but also our principles and ideals.

Mr. Speaker, we must not allow ourselves to be pushed against the wall by solving immediate problems on a short-term basis, which in the long run will only serve to aggravate the problem makmaking the ultimate solution more costly, more difficult, if not impossible. As W. W. Rostow pointed out in a recent article in the Washington Post and Times Herald:

> If one acts merely to get by the next stage in a crisis, one is likely to perpetuate it. If one makes our dollars a pawn in the game of short-run diplomacy or in the short-run task of countering particular Soviet moves, one is, in fact, likely to discourage the governments in the underdeveloped areas from facing with energy and persistence the difficult domestic problems on which the progress of their peoples largely depends.

Thus, Mr. Speaker, the use of American dollars to build up the internal security forces of the Middle East nations is fraught with difficulties and problems. It is giving in to blackmail, pure and simple. And it could result in the destruction of the only democracy in the area. Dissipating our dollars in such a fashion, without regard for ideals or principles, cannot be justified, and in the long run will merely multiply our present problems beyond solution.

According to the President, the buildup of Arab forces is not the only purpose for which the money is going to be used. The Arab peoples, he tells us, need hope for improving their economic conditions. "We must respond to human wants," he wrote in a letter to Senator KNOWLAND. Is that what we are doing in this resolution? Are we really responding to human wants, or are we, more honestly, responding to the greed of Arab dictators and the international oil cartel? There is no question but that the human wants in the Middle East are great. Those nations need arms about as much as a sick man needs a hole in the head. What they need is food, clothing, medicine. Their level of subsistence must be raised.

In an area so rich with oil it is tragic that the people should suffer so while the ruling classes enjoy almost unbelievable luxury. Saudi Arabia last year averaged $24 million in oil royalties each month. In 1955 it received $280 million from the Arabian-American Oil Co. Of that amount only $10.7 million was spent on health, education, and social services. About $50 million went for defense and payments to Arab tribal leaders. The remainder went into the royal bank account. No wonder 40 percent of the Arabs are syphilitic; 70 percent suffer from trachoma. No wonder the country is heavily tubercular. Almost 90 percent of the men called up for induction in the Egyptian army were turned down for medical reasons. This low level of health permeates the Middle East because the leaders care not for the welfare of their people. From the millions in oil royalties he receives each year, King Saud has only spared enough for the construction of 2 high schools and 10 elementary schools. Little wonder that the percentage of illiteracy in his country is 99.5 percent. The average per capita income of his subjects is $42 a year. With such poverty, sickness, and ignorance is it any wonder that the Communists have made inroads in the Middle East? These low standards spawn communism and they must be dealt with if we are to stop its rise in the Middle East. Do we have any assurance at all, Mr. Speaker, that the funds involved here will be used to rid the area of poverty, sickness, and disease? There has not been, to my satisfaction at least. What I fear is that if we give the administration a free hand with this money it will be used mainly to fatten up the already oil-rich Arab leaders with little, if any, regard for the human wants of the people in the Middle East. This fear is heightened by Secretary Dulles' admission that the economic development we are talking about in this resolution is not the project type but rather direct financial assistance to the treasuries of governments in the area. This budgetary aid will not be used to rid the Middle East of poverty, sickness, and disease because the budgets never have provided for such programs. It is that simple. We are merely replacing funds, supposedly lost due to the blocking of the Suez and the IPC pipeline. These funds in the main have been used for defense and the personal gratification and satisfaction of the Arab leaders. So we will, in effect, perpetuate the present practice of keeping the people so miserable they couldn't overthrow the government if they wanted to while at the same time the leaders wallow in almost fairy-tale wealth. That this Nation should sink so low is abhorrent to the conscience. We will, in effect, be paying for the preservation of slavery, poverty, disease, and ignorance.

If the money were to be used for good with the welfare of the people in mind, I would hesitate opposing the resolution if for no other reason than to help the people of the area out of their miserably low standards.

Having traveled throughout the Middle East, I am in complete agreement with the President that the economic conditions of the area must be improved if the area is to ever know real peace. As Mr. Rostow points out in the same article referred to above:

> In no region of the world is the individual citizen poorer or harder pressed than in the Middle East. In no area is there a greater need for a channeling or organized efforts onto the long-run tasks of economic and social development.

He adds, however:

> A successful economic aid program cannot be conceived as a crash effort, designed to deal with an urgent crisis; it cannot be successfully projected as an anti-Communist venture; it cannot be successfully organized as a military assistance effort. It must be addressed to long-run goals, positive, constructive purposes, and to peaceful tasks. Paradoxially, it is only under such circumstances that American dollars are likely to help defeat communism, deter Soviet military aggression, and reduce the likelihood of future crises.

In short, Mr. Speaker, the issue before us is whether our short-term solutions, as contained in this resolution, will hinder and delay the ultimate and final solutions, which, after all, should be our main goal. Thinking in terms of the long-range solution we immediately become aware of the tremendous challenge that confronts us in the Middle East. It is not unlike the challenge that faced the settlers of this country. It is a challenge of resources, of resource use and development. It is a challenge which can be met, as we have met it in this country. Our roads, though still inadequate, are the envy of the world. Even now we are embarking on a gigantic multi-billion-dollar program to improve them. Our multipurpose dam projects in the far West and TVA are excellent examples of how we as a nation have utilized and developed our resources as few nations in the history of the world have. Therein lies our greatness and our strength. We have learned how to use and develop our resources and this knowledge has made us the strongest nation on earth and our people the richest, healthiest, and happiest of any people anywhere. The people of the Middle East have not yet learned this. Nor have their leaders who extract wealth from the land and use it either for war or their own selfish gratification.

With our great public works and resource development experience we are in an excellent position to truly help the people of the Middle East and in that way prevent the spread of communism. With our know-how and technical assistance, and our money, we can, on a long-term basis, help these people to help themselves through the development and utilization of their resources. Herein lies the real solution to the Middle East problem. I am fearful that the short-term steps called for in this resolution will only delay such a solution. Let me make it perfectly understandable that I am not against foreign aid either in fact or in principle. As a matter of fact I wholeheartedly endorse such aid. In

opposing the economic-aid provisions of this resolution I do not join with those who also oppose such provisions because of their general opposition to foreign-aid programs. On the contrary, I am opposed to this resolution out of my fear that it will actually set us back in a real program of economic aid and technical assistance designed over the long run to solve the problems of the Middle East, and other undeveloped areas.

It was these long-term projects that former President Harry Truman had in mind when he said, in one of his last statements as President:

> With patience and courage we shall someday move on into a new era—a wonderful golden age—an era when we can use the peaceful tools that science has forged for us to do away with poverty and human misery everywhere. Think what can be done, once our capital, our skills, our science—most of our atomic energy—can be released from the tasks of defense and turned wholly to peaceful purposes all around the world. There is no end to what can be done.
>
> I can't help but dream out loud a little here. The Tigris and the Euphrates Valley can be made to bloom as it did in the times of Babylon and Nineveh. Israel can be made the country of milk and honey as it was in the times of Joshua. There is a plateau in Ethiopia some six to eight thousand feet high, that has 65,000 square miles of land just exactly like the Corn Belt of northern Illinois. Enough food can be raised there to feed a hundred million people. These things can be done and they are self-liquidating projects. If we can get peace and safety in the world under the United Nations, the developments will come so fast we will not recognize the world in which we now live.

But this dream of Middle East development will not become reality until the real problems of the Middle East are solved. For the administration to even hint that this money is going to be used for long-range resource-use development projects in the Middle East is misleading. What Mr. Dulles calls "intra-area difficulties" must be solved first. The Arab-Israeli dispute, the Suez blockade, must be settled before we can embark on any large-scale program of resource development in the Middle East.

While we have not been told just exactly what projects will be developed in the Middle East, there have been vague hints about development of Iraq's Tigris-Euphrates Valley; improved roads and railroads; development of the Jordan River Valley; power and irrigation projects in the Nile River Valley; loans to farmers; a wider and deeper Suez Canal; and a number of other highly desirable projects. These are the projects Harry Truman had in mind. These are the projects which someday will bring peace to the Middle East and hope to the people of the area. But they cannot go forward until the basic problems of the Middle East are settled.

The question which presents itself, then, is whether this resolution in any way begins to solve these basic problems in the Middle East. The answer, I am afraid, is an emphatic "No." Mr. Dulles pointed out during the hearings before the House Foreign Affairs Committee that this resolution does not deal explicitly with the intra-area difficulties. These we are dealing with in other ways. They are primarily being dealt with at the moment by the United Nations. So the real crux of the matter is in the United Nations while we scurry about on the brink with ill-advised, hastily conceived short-term proposals which are stopgap in nature and which, in the long run, will only tend to delay a true solution to the problems of the area.

This is not the first time we have been faced with this problem, Mr. Speaker. Back in 1951 a similar situation arose in Iran and we quickly rushed in with economic assistance to save the situation. The United States aid operations in Iran have been closely scrutinized by the International Operations Subcommittee of the House Committee on Government Operations. As a member of that subcommittee, Mr. Speaker, I was shocked at what we found. The program was a shambles. It accomplished little, and actually resulted in more harm than good. Now we are asked to approve a similar program on a larger scale. Before we do we should examine carefully the conclusions reached by the subcommittee. They were as follows:

CONCLUSIONS

1. United States aid and technical-assistance programs in Iran which, between 1951 and 1956, totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.

2. The so-called expanded technical-assistance program which began in January 1952 and resulted in United States obligations of over $100 million in a 5-year period, was neither technical assistance nor economic development, but an ad hoc method of keeping the Iranian economy afloat during the years of the oil dispute.

3. The expenditure of technical-assistance funds during these years was undertaken without regard to such basic requirements of prudent management as adequate controls and procedures, with the inevitable consequences that it is now impossible—with any accuracy—to tell what became of these funds. The resulting opportunities for waste and loss of funds were considerable, but the extent to which loss and waste actually occurred cannot be determined since management practices and control procedures were so poor that records of the operation, especially in the early years, are not reliable.

4. Amounts requested for United States aid to Iran seem to have been picked out of the air. There is no evidence that they were based on advance study of what the Iranian economy needed, the amount it could absorb, or programs which could be intelligently administered by the United States personnel available at the time to expend the funds.

5. The conduct of the United States operations mission's affairs appears to have been based on the assumption that as long as United States aid funds were spent promptly it was not a matter of great consequence as to what they were spent for. Members of the mission who openly objected to the uncontrolled nature of the operation were either disciplined or labeled as incompetent. To those familiar with the involved and time-consuming processes for financing public works in the United States, in whole or in part with Federal funds, the cavalier, free-wheeling casual fashion in which huge sums of United States funds were committed in Iran must necessarily be shocking.

6. The participation of Iran in sharing the expense of the program appears to have been little more than nominal, and it is clear that, from the Iranian standpoint, the program's virtue was that it supplied a source of foreign exchange. It was not United States know-how but United States dollars which was Iran's chief gain.

7. Under the expanded operations begun in 1952, about $10 million in direct aid was furnished for a series of industrial, or capital improvement projects. Under statutory criteria the eligibility of the projects is questionable. United States officials sought to justify these expenditures on the grounds that the various plants involved were not only badly needed for the economy of the country but would supply excellent demonstrations of the feasibility of such undertakings. However, the more important of these enterprises still are not fully operating after 4 years, due to poor planning and faulty engineering. Thus their value in terms of economic development has been almost nil, and as demonstrations they appear chiefly to be monuments to a fumbling aid program.

8. A major effort on the part of the United States mission in 1953 to promote the construction of a multi-million-dollar dam on the Karadj River has resulted in virtually nothing but the relocation at a cost to the United States Government of nearly $3 million, of a road around the proposed site; while not only has there been no construction started on the dam, the Iranian Government has not even concluded a firm contract for its financing.

9. Among the programs undertaken was one of supplying nearly $5 million over a 4-year period to support Iranian students who were completing their college training abroad. Involved in the program was a $2 million subsidy, through a special exchange rate for dollars, to the well-to-do sponsors and parents of these students. The nature and scope of the program were not revealed to the Congress and the Comptroller General has ruled that the expenditure of technical assistance funds for this purpose was unauthorized.

10. On top of annual grants of about $20 million for technical assistance, the United States began, in 1953, to supply supposedly temporary budgetary assistance to the Iranian Government at a rate of $5 million a month. In spite of the alleged temporary nature of this increased aid, the United States has continued to make budget aid grants and loans at about this same rate for 3 years.

11. United States control over what Iran did with this budget aid was practically nonexistent and the subcommittee notes that Iranian budget deficits increased rather than decreased during this period.

12. United States aid, alleged to be granted on the basis of austerity levels of Iranian Government expenditures, was utilized to pay for many extraordinary items, like the payroll of the National Iranian Oil Co. The fact that these items had not previously been considered appropriate charges against the Government budget casts doubt upon the propriety of treating them as budget items to be supported with United States aid dollars.

13. Whatever Iranian efforts may have been made to solve their own difficulties through appropriate reforms in Government spending and tax collection, their successes in this regard do not appear to have been noteworthy during the period when United States aid was financing Iranian budget deficits.

14. Iran's oil revenues are, and have been for some time, adequate to finance both the Government's operating budget and their ambitious development plan. Thus, their chronic budget deficits appear to be an outgrowth of financial management methods rather than lack of resources.

15. A factor in continued United States aid appears to be an aversion on the part of Iran to receive help in the form of United States loans, even though such loans are feasible and Iran is in a good position to repay them.

16. Each year's allotment to Iran has been justified as a temporary measure for a given

set of reasons which have changed each year while the level of aid has remained about the same throughout. Presentations to the authorizing and appropriating committees of the Congress have been vague and misleading. This may be due, in part, to the paucity of factual information available to those testifying before the committees of Congress. It may also be due to awareness that a clearer picture would have led Congress to reduce the program by eliminating items of expenditure which could not be reasonably justified.

17. Program presentations to the Congress have consistently failed to point out that Iran was and is an essentially solvent country.

18. The use of the so-called illustrative method of presenting budget requests to the Congress is a major factor in the almost complete loss of control by the Congress over spending in this type of program. Under this system the Congress is given a description of a hypothetical program which might be carried out if requested funds are furnished. However, when funds are granted by the Congress, there is no commitment by the executive branch to expend them for any of the activities used as hypothetical illustrations.

19. Congressional control over expenditures in this type of program is further defeated by the fact that information supplied Congress on how funds granted on the illustrative basis were actually spent consistently omits the elementary facts needed for an intelligent postaudit.

Mr. Speaker, I will again vote against this resolution. While I agree that the peoples of the Middle East should be assured that this country will come to their assistance in case of armed Russian attack I do not think such an expression of our intentions need take the form of a Congressional resolution. A simple statement to that effect from the President should be enough assurance to anyone.

Also, I am opposed to the economic assistance provisions of the resolution on the ground that the expenditure of such funds is nothing more than a surrender to Arab blackmail demands and will in the long run hinder and delay the eventual solution to the Middle East problem. We should not surrender our ideals and principles to satisfy the greed of Arab potentates, who desire to destroy Israel, and the international oil cartel, who desire fatter profits and who cringe at the thought of the possibility that the Arabs cut off the flow of Middle East oil to Western Europe. This resolution was born of fear and greed. No program so shallow, so devoid of ideals and principles can bring about any real solution to our problems. The temporary breathing spell it may give us is not worth the long-range set-back it deals the eventual solution which is available to us if we are but willing to face up to it.

Mr. MULTER. Mr. Speaker, the adoption of this resolution will have the effect of adopting House Joint Resolution 117, as amended by the Senate. Thereupon, the resolution will go to the President so he can affix his signature to it and tell the world that the Eisenhower doctrine is now a part of American law.

I doubt whether it adds anything that will have any meaning whatsoever to the Communist nations or to the Arab nations that want to embrace communism.

I am in complete disagreement with those of my colleagues who say that the Senate version is not a better version than that which was passed by the House. The changes are important and substantial, as best evidenced by the fact that the Senate version has stricken from the resolution the entire text of the House version and substituted for it the Senate text.

When the suggested amendments, as adopted by the Senate, were suggested to the House Foreign Affairs Committee, the President and his Secretary of State sent up word that they must not be adopted. They said that the amendments would weaken, if not emasculate, the original resolution as presented by the administration.

I am one of those who appeared before the House Foreign Affairs Committee and urged, in substance, the adoption of every one of the amendments that have now been written into the resolution.

It is indeed strange that, after the Senate adopted those amendments, the same President and the same Secretary of State advised the Congress that the amendments were acceptable to them.

When I appeared before the House Foreign Affairs Committee, in answer to a question addressed to me, I stated that I did not think the Members of Congress were going to be called upon to vote for that precise resolution—meaning the administration's original presentation—in the House.

I was disappointed when the House committee not only made no changes of any substance in the resolution, but brought it before the House under a gag rule preventing any amendments.

I voted against the resolution at that time and, in my comments about it on the floor, I indicated that the House was delegating to the other body our duty to legislate on this problem. An overwhelming majority of this House did just that, and today the same majority will rubberstamp what the other body has done for us.

I am voting for this resolution today because I believe that the other body has written into the resolution, at least in substance, all of the amendments which I urged before the House Foreign Affairs Committee.

I still believe that the resolution is unnecessary and of very little real use. I still believe that it poses neither threat nor promise to Communist aggressors or infiltrators. It holds out neither promise nor threat to dissident or intransigent Arabs. In my opinion, the passage of the resolution is an almost completely useless gesture that has wasted the time of this Congress.

I strongly disagree with all of my colleagues who urge that there was ever any emergency about this resolution. There is no urgency about passing it today, and there will be no more and no less accomplished by its passage if it were passed a year from today.

I disagree with my colleagues who pretend that the passage of this resolution was either a moral or a political victory for the President or his foreign policy. It certainly had nothing to do with the situation in the Middle East as it existed when the resolution was sent to us in January or as it exists there today when we pass this resolution.

The temporary improvement of the situation in the Middle East is primarily due to the pressures of an aroused public opinion whose morals were offended by the immoral thinking and conduct of this administration. The situation in that area will continue to improve only if this administration and its Secretary of State and its other representatives will hew to the line of good morals and high principles of true justice, without which there can be no peace in the world.

Mrs. GREEN of Oregon. Mr. Speaker, I rise in opposition to House Joint Resolution 117, as it now stands before this House. Five weeks ago I voted against the original version of the resolution, but I then expressed the hope that it would be so amended that I could vote for it upon its return to the House. If mere partisanship were the basis of opposition to this resolution, I could not oppose it. Nor will I vote on a proposition of this sort simply to prove that the Nation is unified. Unity is of little value if it is unity behind the wrong principle.

This appearance of unity is a very dubious one. As I have listened to the arguments on the floor this afternoon, I am struck by one thing. Members on both sides of the aisle have spoken of the resolution in terms of the President's backing of it. They have spoken to the effect that the amendments made elsewhere, while they have weakened the resolution, still leave it palatable. The gentleman from Ohio [Mr. VORYS] suggested that we might have to gulp, but gulping was only a minor discomfort in the performance of our duty. Other Members have suggested that the amended resolution is better than the original, but not much better. But one thing I have waited in vain to hear: Neither from Republicans nor Democrats, neither isolationists nor internationalists, from the East, the West, the South, the North, from no section of the House, have I heard the suggestion that the resolution was a good one.

I cannot vote for a resolution which finds no defense in itself. I would like to take a little time to examine the resolution itself, to compare the resolution of 5 weeks ago with the instrument before the House today. At that time, Members objected because we had only 1 day to debate a resolution with 5 sections and 2 provisos. Today we are asked to pass upon a totally different resolution, with 6 sections, and 4 provisos, and we are allotted 1 hour in which to do this. Five weeks ago I protested the gag rule. Today, the rule is even less defensible. I am, as are other Members, grateful that the other House was able to spend considerable time in discussion of this resolution.

The resolution we have before us today differs from the resolution of 5 weeks ago in several significant respects. First, we find that the House language purporting to authorize the President to employ armed forces has been changed in an attempt to comply with the constitutional objections many of us raised in this Chamber on January 30. The attempt to do this in the other House has vindicated

that attempt, although better students of constitutional law than I have doubts as to the constitutionality of the resolution, even as amended. At the end of section 2 of both the original resolution and the amended resolution there stands a proviso. In the original document, the Congress recognized quite specifically the obligations we have assumed, and to which we have made obeisance, under article 51 of the United Nations Charter. The original resolution provided that when the United States used force, such use would be reported to the Security Council, and would in no way affect the responsibility of the Security Council to take such action as it deemed necessary to preserve international peace and security. In other words, the original resolution recognized the paramount role of the United Nations in the preservation of peace in the Middle East as elsewhere. The resolution, as amended, waters this proviso down to the point of complete meaninglessness. It provides that we will employ our forces, if we do, in consonance with our treaty obligations and the Constitution. In the hearings before the House committee, the Secretary of State said that our treaty obligations included our obligations under the charter. So perhaps the two statements are identical in meaning. If so, why are we reluctant to say so? Why do we remove from the resolution one of the few passages which indicates to the world that we are not deserting our professed devotion to U. N. principles and procedures? If there is a difference between the two statements, if the amended resolution means that we do not intend to honor our charter obligations, then the administration's satisfaction with the amended draft is indeed ominous, and I certainly cannot vote for it.

As to the other body's insistence that the actions be carried out in consonance with the Constitution, I would assume that any President would carry out his own responsibilities in accord with the Constitution. The administration of this program will be the President's responsibility, and his oath to uphold and defend the Constitution is adequate safeguard. It is presumptuous of the Congress to write such a provision into the law.

There are differences between the two versions in respect to the expenditure of money for military assistance and particularly for economic aid. It is evident that the resolution before the House today is less flexible, less hospitable to economic aid, and certainly less reassuring to the world that the United States has other approaches to insecurity than the military one. The resolution in this respect is a poorer one than when it left this House, and I cannot support it for that reason.

I am amazed by the fact that 2 weeks' debate elsewhere on this resolution resulted in tightening the restrictions on economic aid and military spending, but left the incredibly broad statement on the use of troops unchanged in its substantive effect. Is the Government of the United States more careful of its money than of its citizens' blood?

However, Mr. Speaker, all these observations about the resolution are unimportant by comparison to the one major weakness which this resolution shares with the draft that this House approved 5 weeks ago. In both cases, the resolution is simply soothing sirup. That there is a critical situation in the Middle East no one denies. That it calls for a forthright policy on the part of the free world, and particularly on the part of the United States, is a self-evident statement. But we are told by other members that this resolution embodies such a policy. What is it? As I read the resolution, and this objection applies to both versions, the United States simply announces that under unspecified conditions, which occur in an undefined part of the world, it will do some undescribed something—maybe. Compared to this resolution, a firm declaration of opposition to sin is a model of detail and clarity.

The resolution will not bring us one millimeter closer to the solution of the basic problem of the Middle East—the bringing about of a modus vivendi between Israel and her Arab neighbors. The supplying of arms to the nations of the area, in fact, should be approximately as effective in stopping impending war as the pouring of gasoline on hot coals would be in the stopping of fires.

The danger of this resolution, Mr. Speaker, is that its passage may be used as a solution in itself. Having set forth our slogan, we still have no policy in the Middle East, and this resolution will not create a policy—good or bad. Resolutions embodying empty slogans are no substitute for a real policy under any circumstances. Under circumstances in which we stand near the cataclysmic opening second of the third and last world war, such a resolution is a shameful evasion of our duty and our Nation's responsibility in the world.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I favor the passage of the present Mid-East resolution as about the best we can get. The emergency involves a question of the security of the United States. While the present form leaves many points indefinite, yet it is overall a firm statement of the policy favoring the freedom and independence of the peoples of the Mid-East, that the peoples of the world can respect and live with.

I want to point out some of the points that are indefinite. The term "Middle East" is indefinite. The term I have sponsored and repeatedly recommended using is the name "Mid-East." If you run across this word in the newspapers and magazines you will know that it is a new American term for the purposes of this resolution, but it is not the old British term "Middle East," with all its imperialistic and colonial heritage, which has had no official status in United States State Department usage to date.

I want to point out specially the language on page 4, line 18, of the current or Senate version of the Mideast resolution, House Joint Resolution 117. This resolution is aimed "against armed aggression from any country controlled by international communism." It applies to any individual or groups of individuals who come across boundary lines as a volunteer from any other country that is Communist-controlled. So volunteers of the kind that Communist China sent into Korea, are considered armed aggression within the terms of this resolution.

Here is another point. The question comes up as to what the term "military assistance programs" really means in this resolution, which the President is authorized to undertake, in section 2, for example. In section 102 of the Mutual Defense Assistance Act of 1954 I would point out that this section by limitation specifically prohibits stationing United States occupation forces in Mid-East countries by the United States. Under this particular resolution, because of the provisions not repealed of the 1954 Mutual Defense Assistance Act, as amended, I take it, and therefore make the interpretation, that House Joint Resolution 117 does not include the stationing of United States troops abroad in the Mid-east area, because section 102, title 1, of the Mutual Defense Assistance Act of 1954, states:

> Military assistance may be furnished under this chapter on a grant or loan basis and upon such other appropriate terms as may be agreed upon, by the procurement from any source and the transfer to eligible nations and international organizations of equipment, materials, and services or by the provision of any service, including the assignment or detail of members of the Armed Forces and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a noncombatant nature, including military training or advice.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, however much we may regret the way another body has acted during the last few weeks with respect to this resolution, perhaps giving the dangerous impression to our enemies and our allies and to the whole world that we are more divided than is the case, I am glad that the House acted very responsibly on this issue as it did several weeks ago. I am sure it does not want to act differently today or do anything that might endanger the security of our country. The best way to help our country in the practical situation we face is to adopt these amendments and send the resolution to the President without further delay.

What are we trying to accomplish with the resolution? We are trying to do two things. We are telling the newly independent countries in the Middle East which do not yet have enough strength of their own to maintain their national independence, and we are telling any potential Communist aggressor in that area, that we will help protect those countries against external aggression, if they ask such help. At the same time we are trying to strengthen them against internal subversion.

The military aid is to increase their will to resist external pressures, by giving them greater hope of success. The economic aid is to increase, insofar as we can, their capacity to resist internal pressures. It would endeavor to do the latter in two ways. One is to help them maintain order in the immediate future.

Some of the countries have been dependent on revenues that were cut off by the closing of the Suez Canal and breaking of oil pipelines. How can young governments that are already shaken maintain their internal stability if they cannot pay their troops, their police force, their civil servants? I saw China taken over by the Communists largely through subversion of those three groups. That country had been at war and much of it occupied for 8 years. Its sources of revenue had been cut off and its expenses vastly increased. Its currency had been reduced almost to worthlessness. It could not pay its troops; it could not pay its civil servants; it could not pay its internal security forces. They became an easy target for Communist subversion.

To avoid such a disaster in Middle East countries we are offering to give them appropriate short-term assistance in order to enable them to maintain internal order and stability. At the same time we are offering to cooperate with them in longer range economic programs that may be agreed on to build up their basic strength.

Some have argued here and elsewhere that we should not pass this resolution until the administration spells out in detail what it intends to do with the military and economic authority granted. There are two reasons why it does not do that. First, the administration does not know and cannot know in detail at this time just what it is going to do step by step in trying to achieve the above objectives. Second, even if it did know, it would be self-defeating were it spelled all out in advance.

Why does it not know in detail? For the same reason that a coach, when he starts a football game, does not know every play and the order in which they are to be called. He has a general strategy and sends in the quarterback to follow a general plan of campaign. But he knows circumstances are unpredictable and, if the team is to win, the quarterback has to call each play as each situation indicates. He certainly cannot win if he rigidly follows a previously laid down sequence of plays; and he certainly cannot win if he spells out all his plays on the TV the night before the game.

Now, our quarterback for this operation is our former colleague, Dick Richards. He certainly is no irresponsible scatterbrain. No one here is afraid to trust him. He cannot hope to have much success in negotiating in the Middle East unless we demonstrate here that this team is behind him.

How much can he accomplish if, when he goes over there, all he can say is, "Mr. Arab, if you will do so and so about, for example, joint use of the water of the Jordan," and, "Mr. Israeli, if you will also do so and so about the joint use of that water, then I will go back to the United States and see if I can get the Congress to participate in the project"? He would have no bargaining power.

Passage of this resolution will enable him to say, "If you folks will get together on projects that will enable you both to have what each of you needs most, namely, peace—in order to get on with the task of improving the lot of your peoples, our Congress has already given me certain authority and funds which I can use to help you with those projects." If we want the Richards mission to succeed in bringing a real settlement in the Middle East, we must pass this resolution now.

Now, a word on the second reason why the administration has not spelled in detail all that may be done with the funds authorized to be used. It would be self-defeating.

What would we have thought if the Congress or a committee had insisted during the war that we would not give Gen. Dwight Eisenhower authority and funds to fight Hitler until he told us just how, when, and where, and with what he was going to do it? In the first place, it would have meant he would certainly fail, and, in the second place, to spell it all out publicly would have made him guilty of treason.

I am glad Mr. Dulles did not respond to the requests, even insistent demands, that he reveal in detail what plans we might follow in the Middle East, because that would have made certain that the plans would be defeated. Are we trying to win this cruel, cold war? Or are we more interested in knowing in advance all the plans and having them made public to both our friends and our enemies?

Let me repeat. Dick Richards is hard-headed, and to give this authority will give him the best chance of getting settlement in the troubled Middle East that will be in the interest of all the peoples there and will be equally in our own interest.

Mr. Speaker, I hope that, whatever the views of various Members have been in the past, this resolution will be passed overwhelmingly today to strengthen our hand in a situation which at best is very difficult and very important to our country's future, even its survival.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RADWAN].

Mr. RADWAN. Mr. Speaker, the expected passage of the important resolution before us marks a great victory for bipartisanship in our foreign policy. Such bipartisanship survives the recent welter of flyspecking debate. I query whether the picayune modifications to the resolution which originally passed this House are worth the sacrifice of the opportunity we had to speedily demonstrate American solidarity to the world. That, more than anything else, is what President Eisenhower asked for.

However, careful consideration was not sacrificed to speed, as demonstrated by the sound deliberations of Chairman THOMAS GORDON and his committee. For the second time this year, the House is demonstrating its efficiency as well as statesmanship by overlooking the insignificant modifications made by the other body. As our great Speaker has put it, "The differences aren't worth fussing over."

I may add, Mr. Speaker, that as in the Formosa resolution, gentle but firm and courageous American leadership has again been demonstrated by President Eisenhower in this case. This was followed by the fullest cooperation on the part of the leadership of our two great political parties. I am satisfied and strongly believe that this represents a revolutionary change for the better in our foreign policy, and a complete departure from our ostrich head-in-the-sand attitude which led this country into two great world conflicts.

I strongly urge the adoption of this measure.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Speaker, after 2 months of debate and consideration, the Middle East resolution has received the approval of the two Houses of Congress, and is now before us, for final disposition.

I had opposed this resolution in the Committee on Foreign Affairs, as well as on the floor of the House. I took that position for the following reasons:

In the first place, I believed that the resolution—as a mere declaration of our intent to protect the nations of the Middle East against overt Communist aggression—was superfluous and unnecessary. Our determination to stem Communist expansion, and to aid the free peoples of the world in preserving their independence, has been the central point of our foreign policy for the past 10 years. Surely everyone knows that. Neither have we been reluctant in expressing our sentiments with regard to the peoples of the Middle East. We have been aiding them for a number of years. We have pledged our assistance in the event it was required to preserve their integrity. We have warned the Soviets to keep out of the Middle East.

In terms of declarations, we have told the Middle East, and the whole world, where we stand. To be certain, our actions have not always supported every word of our declarations. The present administration has been particularly remiss in this respect. I believe that is the only reason we have this resolution before us: not because we need another declaration of our intentions, but rather because the administration is trying to cover up—and undoubtedly share with Congress—the blame for its failure to act when action was called for.

If a resolution was needed to stiffen the administration's back, then I feel that a sense resolution would have been sufficient. There was no reason for asking Congress to pass a joint resolution, which has the force of law, merely to declare our position on the issue. For this reason, I offered a substitute proposal in the form of a concurrent resolution.

The second reason why I opposed this resolution when it was originally before the House is this: the original text of the resolution, recommended by the executive branch, raised grave questions about the legislating of constitutional authority to involve us in a war. Many interpreted the original resolution as authorizing the President in advance to involve our Armed Forces in a potential Middle East war—without knowledge of where, whom, and when we intended to fight. I could not go along with that.

The third reason why I opposed this resolution was because it failed to address itself to the basic problems of the Middle East—the issues which are the real cause of Middle East tensions and

instability. It was—and it still is—my belief that unless we try to solve the basic problems of the Middle East, we cannot expect peace and security to develop in that area. We can pass all the declaratory resolutions we want to—but unless we begin to act, and act constructively and energetically, we will have made no progress toward solving the problems of that vital region of the world.

I was pleased to note that the Senate having the opportunity to work its will by amending the resolution, has acted to remedy some of the most objectionable features. That in itself was encouraging, and I studied the amended version very carefully for the following reason:

I have long maintained that on grave issues of foreign policy, our Nation should be united and if at all possible speak with one voice. Consequently, and in the spirit of true bipartisanship, I wanted to add my voice to our current expression of concern about, and interest in, the future of the free nations of the Middle East.

I wanted to vote for this resolution, if I could conceivably do so without doing outrage to my conscience. I studied the Senate version of this measure very carefully, and I came to the floor with an open mind. After hearing the eloquent appeal of our majority leader, the distinguished gentleman from Massachusetts [Mr. MCCORMACK], who supported the resolution in a nonpartisan fashion, I was tempted to vote for it, even though it was being rammed down our throats in a most undemocratic manner.

This procedure irks me considerably. This resolution was originally presented to the House under a gag rule. In effect, at that time, this august body was asked to be a rubber stamp for the executive department. Today the resolution is again being rushed through the House, although even the Committee on Foreign Affairs has not had a chance to study the Senate amendments.

It is little wonder not one Member of this body volunteered to reply to the question raised by the gentleman from Michigan [Mr. MEADER]. Apparently not even the members of the Foreign Affairs Committee were prepared to give the answer. It is obvious no one is positive just what effect the requirement of 15 days prior notice to Congress would have on the actual use of funds under the authority of section 3.

It is my understanding that although the executive department is requested and required to notify the Congress prior to use of funds under section 3, Congress will not have veto powers over the use of these funds. This is one of the complex issues which should have received closer deliberation, either by the Foreign Affairs Committee, by conference committee, and/or by the full House under an open rule.

The proponents of this measure have presented only feeble arguments in defense of the resolution before us. In fact, they have stated that the Senate version, which we are now asked to approve, is burdened with unnecessary, undesirable, unintelligible amendments. Yet they urge the adoption of this legislative mass.

I cannot in conscience vote for the resolution. It has many shortcomings, and it gives rise to grave questions which have not been answered. But most of all, the administration has failed to show either that the resolution is needed, or that it will do any good.

Under those circumstances, the passage of this resolution is a meaningless gesture. If anything, it can be interpreted as a Congressional approval of the administration's past bungling in the Middle East, with an encouragement to keep at it.

On my part, I would rather abstain from such a declaration, no matter what its psychological value may be. Instead, I feel that we should impress upon the Executive the urgency of preparing a comprehensive program for the solution of the basic Middle East problems. A program of that nature will be constructive, whereas this resolution, in my opinion, is an empty gesture.

Mr. COLMER. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT] for a unanimous-consent request.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I join today in voting, together with an overwhelming majority of my colleagues, for the joint resolution supporting the President in undertaking economic and military cooperation with nations in the Middle East area.

The amendments which were added by the Senate of the United States have not only greatly improved this legislation but have also properly placed the responsibility on the President—a responsibility which is his by virtue of constitutional authority.

Under the Constitution, as the improved resolution makes clear, the President determines the necessity of the use of our Armed Forces to assist any nation against armed aggression.

This and other improvements follow to a large extent the recommendations made to the House Committee on Foreign Affairs by the gentleman from New York [Mr. MULTER] and myself during the preliminary hearings held on this resolution.

The amendment which requires the President to give 15 days' notice to the appropriate committees before the use of mutual security funds in the Middle East is also to be welcomed. Further, it is good that under section 4 of the resolution our cooperation with the United Nations emergency force in the Middle East has been specifically endorsed.

Finally, I approve heartily of the semi-annual reports which the President is required to make to the Congress under the amended resolution.

I still doubt, Mr. Speaker, despite my affirmative vote, the real necessity for this legislation, but I find that many of my objections have been removed by the action of the Senate which has placed the responsibility for a Middle East policy squarely in the hands of the President. I cannot, however, overemphasize the fact that this resolution is not a foreign policy, and that therefore there still exists an imperative need for a consistent and just American foreign policy toward the Middle East. In the interest of permanent peace in the Middle East it is up to the President to evolve a policy which is firmly based upon our historic objectives, which is willing to take risks in pursuance of these objectives, and which is not a slave to special interests, such as oil considerations.

In view of the great sacrifices of the State of Israel, I hope that the President will shortly lift the restrictions on our aid program to that country which amount, in practice, to sanctions. It is manifestly unfair for the United States to continue the economic squeeze which it is presently imposing on Israel now that this little democracy has fully complied with our demands.

We have a moral commitment to Israel to guarantee free passage of her ships in the international waters of the Gulf of Aqaba and the Suez Canal, and to take firm action against any future guerrilla raids from across her borders.

Affirmative steps for peace in the Middle East should include a renunciation from Colonel Nasser of the self-proclaimed state of belligerency against Israel, and also an effective enforcement machinery for an embargo on military-arms shipments to any country of the Middle East until permanent, peaceful conditions and treaties have been reached between Israel and her neighbors.

Mr. Speaker, it is my fervent hope that in the months ahead the President, now fully cognizant of the views of the Congress of the United States, will provide Israel with that minimum degree of security which the integrity of any democratic nation demands. Let us retreat no more from principle in the excuse of expediency.

I shall support the President, as I have in voting for this resolution, in any action which will bring to bear American leadership to achieve just solutions in this strategic area of the Middle East.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Speaker, as chairman of the Foreign Operations Subcommittee on Appropriations, I deem it necessary and my duty to call to the attention of the Members of this House that members of the Appropriations Committee were told last year that we had ruined the foreign-aid program by the reductions made by the committee.

Now, here we have a resolution giving the President authority to spend $200 million out of funds heretofore appropriated. Does that mean that they have found $200 million unobligated and unattached?

I would like for some member of the Committee on Rules to tell us out of what foreign-aid fund the $200 million will come and whether or not the Committee on Appropriations will be called upon to replenish the $200 million during the current year? Would the chairman of the Committee on Rules answer

this question? I repeat, where are you going to get the $200 million called for in this resolution?

If we appropriated too much money last year, and evidently we did, please so state at this time. Will the gentleman, or some member of the committee, answer my question, please? Well, evidently there will be no answer. In all probability, the question is unanswerable.

I shall vote against this resolution and, in my opinion, one of the main reasons why the resolution should not pass is that the Congress is mixing appropriations with legislation. Furthermore, it gives to the President, or his aides, the right to throw away an additional $200 million of the American taxpayers' money.

Even Syria, who has refused our aid for many years, has indicated that she now wants her name in the pot for a part of the free handout. I am sorry that there is no Member of this House who can tell us out of what specific appropriation or fund the $200 million called for in the resolution will be taken, and whether or not the Congress will be called upon at some future date to replenish the program or fund from which it will be taken.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield myself 6 minutes.

Mr. SCOTT of Pennsylvania. Mr. Speaker, this is not the first time that our friends on the other side of the aisle have asked themselves questions they cannot answer.

I am very glad that the President has promised to keep the peace through every means available to him as Chief Executive; and I am glad he has kept that promise.

While one gentleman has arisen to express some disappointment in the policy as pursued and some fear that the Kremlin will misunderstand us, I do not think they will. A nearby mountain has labored and has brought forth a few mice. These mice, in my view, have no teeth and therefore have not gnawed away any of the basic structure of the resolution.

There is one amendment which does seem to do something positive in that it provides that "the President shall continue to furnish facilities and military assistance" to the United Nations emergency force in the Middle East "with a view to maintaining the truce in that region."

That seems to be helpful, but it does seem to represent about the total output of approximately 1 month's work in the other body. Therefore I do not believe we should be too concerned as to the form in which the resolution comes back to us.

Mr. MARTIN. Mr. Speaker, would the gentleman yield?

Mr. SCOTT of Pennsylvania. I yield to the distinguished gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, if there be any doubt in the mind of anyone here, I want to state that the President and the State Department have both accepted this resolution. They believe it will be very helpful and they want it passed. May I say also that I believe the prompt passage of the resolution by the House a month ago materially contributed to the greater hopes for peace that are now evident in the Middle East. I hope this resolution will be strongly ratified today as another contribution toward peace and the cause of freedom, to strengthen the hands of our country in its deliberations with other nations.

Mr. SCOTT of Pennsylvania. I thank the gentleman for his indication that the Executive would like to see the House accept the changes from the other body, and the conclusion which follows, namely, that the substance of the resolution has not been changed. I also understand it has the approval of its legislative sponsors.

The Soviet intent in the Middle East has been demonstrated by extension of economic and technical assistance to Egypt, Sudan, Syria, Turkey, and Yemen and its offer to Iran, Israel, Lebanon, Libya, Pakistan, and Saudi Arabia. Soviet bloc arms have been furnished to Egypt, Syria, and Yemen, and Soviet arms have been offered to Saudi Arabia and Sudan.

As the committee report points out, the Soviet Union and Communist China have also spoken ominously of sending volunteers into this region.

Concurrently, with this great interest of the Soviet in the tremendous potentialities of the Middle East, there has been a complete destruction of the British and French position in that area. This position was given a blow from which it is not likely to recover, so the net result of all these events is that the situation in the Middle East is very dangerous. Syria has moved much closer to the Soviet bloc. Turkey is extremely uneasy over the antics in Syria. Jordan is faced with chaos. Egypt has mortgaged its future cotton crop to pay for Communist arms, most of which, fortunately, has been lost through capture or destruction. Egypt is presently without the revenues of the Suez Canal, and facing the economic penalties resulting from its headlong defiance of world opinion. Israel is menaced by the Soviet-inflamed activities of neighboring states.

Prompt action by the United States is needed to inform the Soviet world that the United States is prepared to use Armed Forces to resist overt Communist aggression in the area.

Such a policy supplements the undertakings in the Tripartite Treaty of 1950, to aid any nation subjected to aggression by another nation in the area.

Such a policy closes the gap between our NATO and SEATO commitments for the defense of the free world against Communist threats of expansion into the territory of other nations.

I think this resolution should be adopted.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, it was interesting to note after the bipartisan approach by the Democratic leader that the gentleman from Ohio [Mr. VORYS] tried to take credit for the administration for what has happened in the Near East. If you can believe what you read in the papers, the reason we have the situation we have in the Near East is because the Democratic leaders who were down at the White House, when Mr. VORYS suggested sending a resolution up here, saying that the Congress would approve sanctions on Israel, told the President, "Do not send that up to this House." What happened? The Arab nations finally decided they were going to have to do business on a decent basis.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. No; I will not yield.

They finally decided they would have to do business on a decent basis. But the thing that perplexes me and perplexes a lot of people in this country is, Why has this administration hounded—and I use the word advisedly—hounded Israel, a little nation of 2 million people, to get out of Egypt, yet has turned her back on the atrocities committed by the Russians in Hungary and tried to salve our conscience by sending a little bit of bread and some bandages to the Hungarians. If that is not a double moral standard, then I do not know one. About the only other thing I can suggest to amend this resolution, if we could amend it, would be to put some funds in to give Mr. Dulles an umbrella to carry a la Chamberlain at Munich when he goes out to spend the $200 million to bribe the Arab dictators.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, I understood the gentleman from Ohio [Mr. HAYS] to say that, according to newspaper reports, I had proposed at the White House that a resolution be taken to Congress proposing or urging or endorsing sanctions on Israel.

Mr. Speaker, I am reluctant to discuss what was said or not said at a White House meeting, but I am sure that you, and all the others who were present at the White House, will agree with me that I made no such proposal. Without going further into what was said and done or not said and done in a meeting with the President, I want to say categorically that at all times I have supported action by Israel that would avoid the issue of sanctions in the United Nations.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois, the chairman of the committee [Mr. GORDON].

Mr. GORDON. Mr. Speaker, 2 months have gone by since the President in a joint session urgently requested the Congress to join with him in assuming a posture against Soviet-inspired aggression in the Middle East area. After 11 days of hearings and most careful consideration by the Foreign Affairs Committee, followed by 2 days of general debate in the House, House Joint Resolution 117 was passed and sent to the Senate in substantially the form requested by the President and the Secretary of State.

The Senate has now completed action and returned the joint resolution to the House with a number of amendments which, although numerous, do not alter the purpose of the joint resolution. I think it would be fair to describe most of them as constituting either a play on words or unnecessary modifications of varying significance.

This is the first time in my service with the Committee on Foreign Affairs that it has seemed the wiser course to agree with the Senate amendments and not insist on the better wording of the House text. However, the sponsors of this resolution, the President of the United States and the Secretary of State, have both indicated that in their opinion it is not worth while to risk a further loss of time by going to conference. Because I agree with them that time is of the essence and too much time has already been lost, I am reluctantly in agreement that the House should accept the Senate version, particularly as the changes do not destroy or affect the overall objective of the resolution. I am convinced that the sooner we present a united posture against Soviet aggression in the Middle East, the better.

The Senate changes begin by striking out all the whereas clauses, thereby deleting the only reference to internal subversion.

The Senate version states that the "United States is prepared to use Armed Forces" instead of the House language that the President "is authorized to employ the Armed Forces of the United States." As is made clear by the Senate Committee report, this is a distinction without a real difference.

The Senate version also provides that use of United States Armed Forces shall be consonant "with the Constitution of the United States." This change may have been designed for clarification, but it is tantamount to providing by law that unlawful actions shall be unlawful and is unnecessary.

The Senate version has deleted all the references to the United Nations which had been included in the House version. This may be all right, depending on the point of view of whether we wish to increase or decrease our participation in that organization.

The Senate version modifies the language of section 3 by inserting a limitation that the President's discretion in the expenditure of the $200 million does not include the waiver of section 105 (a) of the Mutual Security Act. This section provides that military aid shall be made available "solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements" and that "the President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation." An examination indicates that the amendment is not crippling in character, in that it does not prohibit waiver under this resolution of section 142 of the Mutual Security Act.

The Senate version also adds a provision that only funds originally appropriated for military aid shall be used for military aid under the authority of section 3 and only funds originally appropriated for nonmilitary aid may be used for nonmilitary aid. This provision is a restriction of desirable flexibility but not to a harmful extent.

As amended by the Senate the joint resolution has a requirement that none of the authority of section 3 may be used until 15 days after notice has been given to the Foreign Relations and Foreign Affairs Committees, the Senate and House Appropriations Committees, and when military assistance is involved the two Armed Services Committees. Also, that if such notice should be given after June 15, the funds would remain available beyond the end of the fiscal year for a period of 20 days after notice is given. This provision is probably the most defective in the Senate language and may raise the question of legislative infringement upon what are purely executive-branch functions. Legislative committees should not be placed in the position of having to give approval, either express or implied, under the circumstances called for by the terms of the amendment. This language may prove self-defeating by the limitations it apparently places on the vital function of legislative review.

Another Senate amendment provides that nothing in the resolution "shall be construed as itself authorizing the appropriation of additional funds" for nonmilitary aid. This language neither adds nor detracts.

One amendment which I feel adds a positive note is contained in the new section 4, which provides that "the President should continue to furnish facilities and military assistance" to the United Nations emergency force in the Middle East "with a view to maintaining the truce in that region."

I find no fault with the Senate's amendment to the title except that it is unnecessary. Both House and Senate versions have the same objective, but are simply stated differently.

Mr. Speaker, regardless of what we individually may feel about the manner, circumstances, and timing of the President's Middle East proposal, the facts are that he has made it and has asked the Congress to join with him in an effort to halt Soviet Communist penetration in the Middle East. I agree with President Truman, who has warned us that the situation in the strategic Middle East "is too dangerous to delay action on these requests." I am confident that the House will again demonstrate its good judgment and statesmanship by accepting the Senate amendments today.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. Bass of Tennessee) there were—ayes 246, noes 43.

Mr. BASS of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 350, nays 60, not voting 23, as follows:

[Roll No. 15]

YEAS—350

Abbitt	Dowdy	Latham
Adair	Doyle	LeCompte
Addonizio	Durham	Lesinski
Albert	Dwyer	Lipscomb
Alexander	Eberharter	Lovre
Allen, Ill.	Edmondson	McConnell
Andresen, August H.	Elliott	McCormack
Andrews	Engle	McCulloch
Anfuso	Evins	McDonough
Arends	Fallon	McFall
Ashley	Farbstein	McGregor
Aspinall	Fascell	McIntire
Auchincloss	Feighan	McIntosh
Avery	Fenton	McMillan
Ayres	Fino	Macdonald
Baker	Fisher	Machrowicz
Baldwin	Flood	Mack, Ill.
Baring	Fogarty	Mack, Wash.
Barrett	Forand	Madden
Bass, N. H.	Ford	Magnuson
Bates	Forrester	Mahon
Baumhart	Fountain	Marshall
Beamer	Frazier	Martin
Becker	Frelinghuysen	Matthews
Beckworth	Fulton	May
Bennett, Fla.	Garmatz	Meader
Bennett, Mich.	Gary	Merrow
Bentley	Gathings	Metcalf
Berry	Gavin	Michel
Betts	George	Miller, Calif.
Bilitch	Gordon	Miller, Md.
Bogg	Granahan	Miller, N. Y.
Boggs	Grant	Mills
Boland	Gray	Minshall
Boling	Green, Pa.	Moore
Bonner	Gregory	Moran
Bow	Griffin	Morgan
Boyle	Griffiths	Moss
Breeding	Gubser	Moulder
Brooks, La.	Gwinn	Multer
Brooks, Tex.	Hagen	Mumma
Broomfield	Hale	Murray
Brown, Ga.	Halleck	Natcher
Brown, Mo.	Harden	Neal
Brown, Ohio	Hardy	Nimtz
Broyhill	Harris	Norblad
Budge	Harrison, Nebr.	Norrell
Burleson	Harrison, Va.	O'Brien, Ill.
Bush	Harvey	O'Brien, N. Y.
Byrd	Haskell	O'Hara, Ill.
Byrne, Pa.	Hays, Ark.	O'Neill
Byrnes, Wis.	Hesley	Osmers
Canfield	Hébert	Osterlag
Cannon	Henderson	Patman
Carnahan	Herlong	Patterson
Carrigg	Heselton	Pelly
Cederberg	Hess	Perkins
Celler	Hiestand	Pfost
Chamberlain	Hill	Philbin
Chelf	Hoeven	Pilcher
Chenoweth	Holland	Pillion
Chipperfield	Holmes	Poage
Christopher	Holt	Poff
Chudoff	Holtzman	Porter
Clark	Horan	Price
Coad	Huddleston	Prouty
Coffin	Hull	Rabaut
Cole	Hyde	Radwan
Colmer	Ikard	Rains
Cooley	James	Ray
Cooper	Jarman	Reece, Tenn.
Corbett	Jenkins	Rees, Kans.
Coudert	Jennings	Reuss
Cramer	Johansen	Rhodes, Ariz.
Cretella	Johnson	Rhodes, Pa.
Cunningham, Iowa	Jonas	Riehlman
Cunningham, Nebr.	Jones, Ala.	Riley
Curtin	Jones, Mo.	Rivers
Curtis, Mass.	Judd	Roberts
Curtis, Mo.	Karsten	Robeson, Ky.
Dague	Kean	Rodino
Davis, Tenn.	Kearns	Rogers, Colo.
Dawson, Ill.	Keating	Rogers, Fla.
Dawson, Utah	Kelley, Pa.	Rogers, Mass.
Delaney	Kelly, N. Y.	Rooney
Dellay	Keogh	Roosevelt
Dempsey	Kilburn	Sadlak
Denhison	Kilday	Santangelo
Denton	Kilgore	St. George
Derounian	King	Saylor
Devereux	Kitchin	Schenck
Dingell	Klucznski	Scherer
Dixon	Knox	Schwengel
Dollinger	Laird	Scott, N. C.
Dolliver	Landrum	Scott, Pa.
Dooley	Lane	Scrivner
Dorn, N. Y.	Lanham	Scudder
	Lankford	Seely-Brown
		Selden

Shelley	Taylor	Vursell
Sheppard	Teague, Calif.	Wainwright
Shuford	Teller	Walter
Sieminski	Tewes	Watts
Sikes	Thompson, La.	Weaver
Simpson, Ill.	Thompson, N. J.	Westland
Simpson, Pa.	Thompson, Tex.	Wharton
Sisk	Thomson, Wyo.	Whitener
Smith, Calif.	Thornberry	Widnall
Smith, Miss.	Tollefson	Wigglesworth
Smith, Va.	Trimble	Williams, N. Y.
Spence	Tuck	Willis
Springer	Udall	Wilson, Calif.
Staggers	Ullman	Withrow
Staggers	Vanik	Wolverton
Steed	Van Pelt	Wright
Sullivan	Van Zandt	Younger
Taber	Vinson	Zelenko
Talle	Vorys	

NAYS—60

Abernethy	Green, Oreg.	O'Konski
Alger	Gross	Passman
Andersen, H. Carl	Haley	Polk
Anderson, Mont.	Hays, Ohio	Reed
Ashmore	Hemphill	Robeson, Va.
Barden	Hoffman	Rogers, Tex.
Bass, Tenn.	Holifield	Rutherford
Blatnik	Jensen	Sheehan
Bosch	Keeney	Smith, Kans.
Bray	Knutson	Smith, Wis.
Brownson	Krueger	Teague, Tex.
Burdick	Lennon	Thomas
Byrne, Ill.	Long	Utt
Church	McCarthy	Whitten
Chevenger	McGovern	Wier
Collier	McVey	Williams, Miss.
Davis, Ga.	Mason	Wilson, Ind.
Dorn, S. C.	Miller, Nebr.	Winstead
Flynt	Morris	Yates
	Nicholson	Zablocki
	O'Hara, Minn.	

NOT VOTING—23

Allen, Calif.	Diggs	Morrison
Bailey	Friedel	Powell
Belcher	Hillings	Preston
Bolton	Hosmer	Saund
Bowler	Jackson	Siler
Boykin	Kearney	Young
Buckley	Kee	
Dies	Mailliard	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Morrison with Mr. Siler.
Mr. Boykin with Mrs. Bolton.
Mr. Preston with Mr. Allen of California.
Mr. Friedel with Mr. Kearney.
Mr. Dies with Mr. Hillings.
Mr. Buckley with Mr. Hosmer.
Mr. Bailey with Mr. Jackson.
Mr. Saund with Mr. Belcher.
Mr. Bowler with Mr. Mailliard.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, at the request of the chairman of the Committee on the Judiciary [Mr. CELLER] I ask unanimous consent that that committee be permitted to sit during general debate next week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORN AND FEED GRAIN PROGRAM

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4901, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending an amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Without objection, the Clerk will again report the amendment of the gentleman from Minnesota.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Strike out everything after the enacting clause and insert the following language:

"That notwithstanding any other provision of law, the acreage allotment for corn for each of the calendar years 1957, 1958, and 1959 shall not be less than 51 million acres.

"SEC. 2. Section 106 of the Soil Bank Act is amended by adding a new subsection at the end thereof as follows: '(c) For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a "cooperator" shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn.'"

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 5 minutes in support of his amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE ANDRESEN CORN EMERGENCY AMENDMENT

Mr. AUGUST H. ANDRESEN. Mr. Chairman, when the Committee rose on yesterday we had concluded general debate and the first section of H. R. 4901 was read, after which I offered an amendment which the Clerk has just reported. I want to discuss that amendment in the time alloted to me in order that I can clear up any misunderstanding as to the purpose and intent of the amendment.

This amendment is the substance of H. R. 3011 with the elimination of section 2 in that bill dealing with price supports, which have been found to be unnecessary, and providing amendments to the Soil Bank Act. In the first place, those were the changes that were made in the amendment that I proposed.

The amendment proposes that the corn-acreage allotment for each of the crop years 1957, 1958, and 1959, shall be not less than 51 million acres. At the present time and under the old formula the Secretary of Agriculture, in accordance with that formula, has fixed the acreage for the 1957 corn crop at 37.3 million acres. This amendment of mine seeks to raise that to 51 million acres for the 3 crop years, which will then be the termination of the acreage reserve in the soil bank.

In the second place, I have eliminated, as I said before, the support-price section of my original bill, which fixes the minimum support price to be given to corn in the commercial corn area for the farmer who complies with the corn-acreage allotment at not less than 75 percent of parity. That is existing law. It is not necessary to have a repetition of that in this legislation, so I omitted it from my amendment after conferring with my colleagues. The amendment comes to you now without the price-support provision, which is already protected by existing law.

I have an opinion from the General Counsel of the Department of Agriculture setting forth those facts, which I will include in the RECORD, but I will not read it here now because I think it is generally recognized by all Members familiar with the agricultural laws that we have heretofore passed a law fixing the support price between 75 and 90 percent of parity for all basic commodities.

This letter from the Department which will be placed in the RECORD is in my opinion a correct interpretation of the law and, therefore, the price support sections were not necessary in the bill or amendment.

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington D. C., March 5, 1957.

Hon. AUGUST H. ANDRESEN,
House of Representatives.

DEAR CONGRESSMAN ANDRESEN: This responds to your request for a statement of existing law regarding the minimum level of price support on corn grown in the commercial corn area by producers who comply with their acreage allotments.

The principal provisions of law which govern in the situation stated above are a part of the Agricultural Act of 1949, as amended. Section 101 of that act provides in substance that price support must be made available to producers of basic agricultural commodities who are cooperators in the price-support programs at the levels of support specified in the supply percentage tables thereafter stated in the section. The supply percentage table applicable to corn is in section 101 (a) and the minimum support level therein authorized is 75 percent of parity.

It follows that under the laws now in effect the level of price support for corn to producers in the commercial corn area who comply with their acreage allotments cannot be less than 75 percent of the parity price for such corn at the beginning of the marketing year. The level could be set higher than 75 percent of parity depending upon the relationship of normal supply to actual supply.

Sincerely yours,

R. L. FARRINGTON,
General Counsel.

To secure the benefit of the price support, which is now fixed at $1.36 a bushel for 1957 in the commercial corn area, a farmer must comply with his corn-acreage allotment. That is No. 1. That is also a provision in my amendment. In addition, a farmer must not only comply with his corn-acreage allotment but must also place 15 percent of that corn-acreage allotment in the acreage reserve, or an acreage equal to 15 percent of his corn allotment of other tillable land in

the conservation reserve of the soil bank.

THE ANDRESEN AMENDMENT

That, notwithstanding any other provision of law, the acreage allotment for corn for each of the calendar years 1957, 1958, and 1959 shall not be less than 51 million acres.

SEC. 2. Section 106 of the Soil Bank Act is amended by adding a new subsection at the end thereof as follows:

"(c) For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage-reserve program is in effect a 'cooperator' shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage-reserve program for corn or the conservation-reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn."

That should be clear to everyone because it is very simple and easily understandable.

A farmer does not, therefore, necessarily have to put his cornland in in order to get the benefit of price supports. He must, however, comply with his corn-acreage allotment. Then, he can use other tillable land and place it in the conservation reserve; or if he takes cornland, he will place it in the acreage reserve.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. POAGE. It is clear then that the farmer does not have to actually reduce his corn acreage under this bill in order to be eligible for soil-bank payments; is that correct?

Mr. AUGUST H. ANDRESEN. That is correct. He must comply with his corn-acreage allotment. If he takes some tillable land, up to 15 percent, of his corn-acreage allotment, then that goes into the conservation reserve and not into the acreage reserve, as provided in the majority bill.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ARENDS. That means, however, that a man must take his reduction in cornland plus the fact that if it goes into the acreage reserve, this is additional acreage on top of it. Is that right? If he takes the acreage in corn, he takes a reduction in other tillable land.

Mr. AUGUST H. ANDRESEN. He will get a new corn-acreage aloitment, if this amendment prevails, based on 51 million acres for the commercial corn area. Then, he can take 15 percent of other tillable land based on the corn acreage allotment and place it in the conservation reserve to get conservation reserve payments but not acreage reserve payments. There is a difference between the two because the average conservation acreage payment, I think, is about $12 or $15 an acre whereas if he kept that out of the cornland, then he would receive approximately $40 or $42 an acre, which would be his payment. That would be his payment. That would be an actual reduction of his corn acreage allotted for this year.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENSEN. To clarify this portion of the gentleman's amendment to the soil bank act for 1956, if a Farmer elects to put land in the conservation reserve, as the gentleman has explained, is he then in full compliance even though he puts no land in the soil bank?

Mr. AUGUST H. ANDRESEN. The conservation reserve is part of the soil bank.

Mr. JENSEN. I realize that.

Mr. AUGUST H. ANDRESEN. He must comply with the corn acreage allotment at the same time.

Mr. JENSEN. He must comply with his corn acreage allotment, but what I am trying to find out is this. If he puts land in the conservation reserve, which pays say $10 or $15 an acre; will he then be in full compliance and be entitled to seal corn under this act?

Mr. AUGUST H. ANDRESEN. If he complies with the corn-acreage allotment, in answer to the gentleman, then he is entiled to his price support.

Mr. JENSEN. And, if it is other than cornland?

Mr. AUGUST H. ANDRESEN. That is right. It has to be tilable land.

Mr. JENSEN. I understand that. So, under those conditions that farmer would be in full compliance and could receive the benefits provided in the bill.

Mr. AUGUST H. ANDRESEN. That complies with my amendment.

Mr. JENSEN. And he could seal corn under the regular program? Is that right?

Mr. AUGUST H. ANDRESEN. That is right.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a correction? The gentleman made a statement that the farmer could be required to put 15 percent of his corn acreage in the soil bank.

Mr. AUGUST H. ANDRESEN. Not corn acreage. He can put either corn agreage, that is 15 percent of his corn acreage, or his 15 percent of his other tillable land into the soil-bank program.

Mr. COOLEY. But he is not required to do it—he may do it; is that correct?

Mr. AUGUST H. ANDRESEN. No; I would construe my amendment to mean that was one of the requirements. We want to make this soil bank work, and in order to make it work we have added that provision here. The soil bank has never had a fair trial. It went into operation late last year after corn and other products were planted. We want to get a full year's trial on it, and we have the opportunity to get it by passing this emergency legislation so that the farmers can know what they can do. In that way we will know whether the soil bank works or not.

Mr. JENSEN. The reason you are permitting him to put a part of his land in the conservation reserve is because he will take some land that was in grain last year and put it in the conservation reserve, and by so doing we will have a reduction in our overall grain supply?

Mr. AUGUST H. ANDRESEN. That is right. The gentleman is correct.

Now, Mr. Chairman, considerable was said yesterday about the cost of the program. I have had the experts in the Department of Agriculture figure the cost of my amendment, and also the cost of H. R. 4901 proposed by our distinguished chairman [Mr. COOLEY]. I do not have time to read the letter from the Department but I will place it in the RECORD. In substance, the letter states that my amendment will not raise the appropriation one iota. There is absolutely sufficient authorization to cover the entire program that has already been set up in the budget and that is before the Appropriations Committee at the present time.

Some speaker who was talking for the committee bill said yesterday that my bill would raise the cost of the operation of the program by $2 billion. There is no correctness in fact in that statement. The experts in the Department of Agriculture, men who have been working on this program, say that my amendment will not increase the cost one dollar. The authorization has been made and the appropriations requested in the budget will cover my amendment without one additional cent.

On the other hand, the same experts have analyzed the committee bill, and they state definitely—and I will place this in the RECORD—"thus the total potential cost involved in the committee bill is about $950 million." Nearly a billion dollars. If you are interested in economy, here is a chance for you to help reduce Government expenditures rather than to increase the budget and the appropriation by $1 billion to carry out the provisions of the committee bill.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 6, 1957.

Hon. AUGUST H. ANDRESEN,
House of Representatives,

DEAR CONGRESSMAN ANDRESEN: This is in reply to your request for information as to the potential costs of H. R. 3011, as amended, as compared with H. R. 4901.

Under H. R. 3011 no additional funds are authorized. Any payments earned by corn producers would be part of the $750 million maximum already authorized for the acreage reserve program. The proportionate share budgeted for corn for the 1957 acreage reserve program is $217.5 million.

On the other hand, under H. R. 4901 the maximum which can be earned in any one year under the acreage reserve program is increased from $750 million to $1 billion. The maximum which can be earned under the feed grain portion of this bill is $300 million. In addition, section 2 of H. R. 4901 does not establish any budgetary limits and all earnings are in addition to the $1 billion potential mentioned above. Section 2 of H. R. 4901 provides for a feed grain diversion payment on the basis of 18 percent of the respective acreage allotments for each of the basic commodities times the corn rate per acre, or 60 percent of the support price times the normal yield of the feed grain diverted in the county whichever is higher, but in no event less than $10 per acre. On the basis of a commodity by commodity analysis of this item a maximum of $696 million can be earned. Thus the total potential cost involved in this bill is about $950 million.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HOEVEN. And is it not correct to say that in addition to the potential

cost there must be added the cost of administration?

Mr. AUGUST H. ANDRESEN. There is no question but what it will take a large number of men to cover the committee bill, because it takes in the whole country. I do not quarrel with that. It takes in the whole country, but the committee bill will involve a tremendous amount in administrative expense to determine all the factors that are covered by the bill.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ARENDS. If I understand you correctly, then, the question was asked so many times yesterday as to the cost of the so-called committee bill—it is estimated by the best official reports you can get as being $250 million additional?

Mr. AUGUST H. ANDRESEN. That is right. Nine hundred and fifty million dollars is the very best estimate, if the program is carried out.

Mr. CHRISTOPHER. I would like to ask a clarifying question if I may.

Mr. AUGUST H. ANDRESEN. I am sorry; my time is about up.

Mr. CHRISTOPHER. I wish the gentleman had an extra minute; I would like to clarify this.

Mr. AUGUST H. ANDRESEN. Undoubtedly some question will be raised during the course of this debate on the so-called Daniel amendment. The Daniel amendment was adopted last year. It establishes the support price outside of the commercial corn area providing there is a support price in the commercial corn area for noncompliance corn. There has been no support price established for noncompliance corn up to the present time, but we have every reason to believe that there will be, and if there is, corn grown outside the commercial corn area will be 82½ percent of the support price established within the commercial corn area. I also have a letter on that which will be placed in the RECORD showing the effect of the Daniel amendment.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, D. C., March 5, 1957.

Hon. AUGUST H. ANDRESEN,
House of Representatives.

DEAR CONGRESSMAN ANDRESEN: This responds to your request for my advice concerning the legal requirements with respect to price support for corn in the noncommercial area under section 308 (d) (3) of the Agricultural Act of 1956.

Under section 308 (d) (3) if, for the 1957 crop, price support is made available in the commercial corn-producing area on noncompliance corn (i. e., to producers who do not comply with their corn acreage allotments), price support must be made available on corn produced outside the commercial area at a level which meets the following requirements: (1) it must be not less than 70 percent of the parity price of corn as of October 1, 1957, and (2) it must be a level which the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for noncompliance corn in the commercial area, taking into consideration specified factors. These factors include the normal price relationship between corn inside and outside the area, the supply of corn outside the area in relationship to the demand therefor, and the ability to dispose of stocks of corn outside the area acquired under the price-support program.

Section 308 (d) (3) does not control the level at which price support is made available for noncompliance corn in the commercial area. Such level is controlled by section 101 (d) (5) of the Agricultural Act of 1949, as amended, which authorizes price support to be made available for noncompliance corn at such level, not in excess of the level of price support for compliance corn, as the Secretary determines will facilitate the effective operation of the price-support program. The level at which noncompliance corn is supported in the commercial area rests, therefore, within the discretion of the Secretary, subject to the limitation that such level cannot exceed the level of support for compliance corn.

Sincerely yours,

R. E. PARRINGTON,
GENERAL COUNSEL.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HILL. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota may be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. What is the basic reason for the difference between the price in the commercial corn-growing area and other areas of the country? Is not that discrimination? Why not treat everybody alike?

Mr. AUGUST H. ANDRESEN. That is a good argument, for all the other basic commodities have that kind of treatment. It happens that the commercial corn area takes in a little more than 800 counties where corn is grown in this country. Outside of that area, and I can say it has expanded, they do not raise as much corn as they do in the commercial corn area.

Mr. FULTON. My point is that if you do establish a support price on corn outside the commercial corn-growing area, then if a price is established for support, why is it not the same?

Mr. AUGUST H. ANDRESEN. All I can say to the gentleman is that I did not have anything to do with fixing the commercial corn area. I was against it, and I am still against it or any expansion in the production of corn. I hope our committee can get together and write a general law changing that section of the act of 1938 so that we can get on a proper basis all over the country.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I do not want to yield for a speech.

Mr. CHRISTOPHER. I did not come down to heckle the gentleman.

Mr. AUGUST H. ANDRESEN. I will yield for a question, but I refuse to yield for a speech.

Mr. CHRISTOPHER. I would like to ask a question.

Mr. HOFFMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I ask that the well be cleared.

The CHAIRMAN. The gentleman from Michigan makes a point of order that the well should be cleared. The gentleman will step back to the seats to ask his question.

Mr. CHRISTOPHER. I want to ask a question about the 51 million acre base.

Mr. HOFFMAN. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman from Missouri will suspend. We want to comply strictly with the rules. The gentleman will stand back out of the well, please, while the question is propounded.

Mr. CHRISTOPER. I want to know about the allotment under that base.

Mr. AUGUST H. ANDRESEN. Now, let me explain the base of the new acreage for the commercial corn area.

Mr. COAD. We did not get the question. What is the question?

Mr. AUGUST H. ANDRESEN. Let me answer it. I have anticipated what it is going to be. This would establish a new allotment for the commercial corn area of 51 million acres. The former corn acreage allotment is based on 37 million acres.

Mr. CHRISTOPHER. That is right.

Mr. AUGUST H. ANDRESEN. If we pass this bill, and I expect we will, the new corn acreage allotment for each farm where they raise corn will be increased on the 51 million acre basis. Does that answer the gentleman's question?

Mr. CHRISTOPHER. One more question, if I may. Is the farmer when he gets his new corn allotment required to place a part of that new acreage in the soil bank? Or can he plant his share of that 51 million acres and be in compliance? Is it mandatory?

Mr. AUGUST H. ANDRESEN. He has to place 15 percent of his corn acreage allotment in the bank either out of his corn acreage or out of other tillable land on the farm to be in compliance.

I now yield to the gentleman from Indiana.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Indiana.

Mr. HARVEY. I think it is fair to say to the gentleman from Pennsylvania concerning the differential between commercial and noncommercial counties that the commercial counties are determined entirely upon a formula which, in brief, makes them either a corn-producing county or a non-corn-producing county. A person who is producing corn in a commercial county is entitled to certain support programs and ceiling provisions. As a matter of administrative procedure, let me say that in counties where there is very little corn it would be excessive in cost to provide ceiling arrangements. So in those areas corn, where it is only partially grown, is treated in the same category as other supplemental feed grains.

Mr. AUGUST H. ANDRESEN. I thank the gentleman for his contribution to my remarks.

If you are interested in economy, if you are interested in putting through

an emergency program for the commercial corn areas, then you should cast your vote for my amendment. I urge you to do so. The time is urgent. Corn planting is only a few weeks away and the farmer must make his plans if he is going to properly get his crop into the ground.

Furthermore, let me point out to you that the life of the soil bank, its failure or success, depends upon the enactment and the passage of my amendment. I am satisfied that this amendment will be enacted into law and approved at the other end of the Avenue. I am also convinced that the committee bill will not be approved. I am not telling you how to vote; I am just urging you to vote for the Andresen amendment which represents the best opinion of the minority members of our committee, and they are unanimous on that point.

Mr. ABERNETHY. Mr. Chairman, I rise in opposition to the pending amendment, and I ask unanimous consent to proceed for 15 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, before I address myself to the pending amendment, may I make some comments relative to my personal position on this matter in the committee and then refer to some speeches that were made on the floor of the House yesterday?

I endeavored to assume a neutral attitude in committee. I had the hope that for one time during the last 4 years the Committee on Agriculture, which theretofore had not been involved in controversial squabbles, could come to the floor of the House unanimously supporting a bill. We had no more than concluded the hearings when a motion was made to take a vote. It was taken. I thought it was premature. So, on that particular vote I voted "present." I so voted still in the hope that for one time in 4 years our committee could agree and then come to the floor of the House unanimously supporting the twenty-odd-million people in this country who live on farms. The effort failed, but I tried and tried hard.

On yesterday we were treated to some speeches by certain of my Republican friends. Some of them are very good friends of mine—I will say all of them are. The Democratic side of the committee was charged yesterday with plain, pure, unadulterated politics. We were charged with scuttling an emergency measure, we were charged with dilatory tactics and deliberate delay. I have one short answer to all of those charges. It just is not so, and those who made the charges know it is not so.

The Democratic members of the committee are getting a bit accustomed to being charged with delay. That issue and others have been carried to the people of the country twice in the last 4 years—the charges that Democrats were playing politics, delaying action, and scuttling the administration's farm program. But, when the votes were counted in the last two elections, the charges of delay, dilatory tactics, and so forth, did not pay off. Everyone knows that there was a switch in the votes from Republican to Democratic. The predicate was laid to do the same thing next year. It was laid in the speeches of yesterday. It seems to me that if those who made the speeches gained anything in the way of a lesson by the results of the elections of 1954 and 1956, they should know the chargers will not pay off. They are shopworn and ineffective.

Now, I did not want to make those remarks. I am sorry I made them, in a way, but I could not permit the events and remarks of yesterday to pass without saying something in defense of our effort to try to bring a bill to this floor upon which we could all agree.

As to the emergency proposition, let us pull the cover back just a little bit and see what is under it. When did this emergency arise? It arose on the 11th day of December 1956 when the commercial corn farmers turned down the proposal which was submitted to them by Secretary Benson. Thereupon, Mr. Benson was notified by the chairman of our committee that his committee was ready to assemble at any time and at any place to assist him in alleviating the emergency. No response; no acceptance.

Then came this session of the Congress, and Mr. Benson was called before the Committee on Agriculture on the 5th day of January. On that day I asked him if he had his corn bill ready. In substance, he replied: "Well, we have been studying the matter, but we are waiting for it to be submitted as a part of the President's budget message." Then we waited until the 16th day of January, and the budget message came up, but no corn bill accompanied it. The first time that we heard of his bill was on the 30th day of January when Mr. Marvin McLain, Assistant Secretary of Agriculture, appeared before our committee and told us that they had sent their bill up on January 28. Now, that was a delay of 50 days. Within 3 weeks we had a bill out of the committee. Now, who delayed it?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I will say to the gentleman that the bill I introduced went in on January 16, and we waited here to see what kind of recommendations would be made in the President's message.

Mr. ABERNETHY. That is right. And none were made.

Mr. AUGUST H. ANDRESEN. None were made in detail, at least. The bill I introduced and which was considered by the committee was not the administration bill but a bill reflecting the opinion of the majority of the Members on the minority side.

Mr. ABERNETHY. I am glad the gentleman has confirmed exactly what I have said, and I appreciate his rising. So, the facts are that up to the 30th day of January no one knew what the administration bill would be, 50 days after this so-called emergency had taken place. Now, when you go out in the West next year and tell the folks about the delay, do not forget to include 50 days delay on behalf of Mr. Benson. We will not forget it, you may rest assured.

One other thing and I will get to the amendment. We tried every way under heaven to compromise this issue in committee. Everyone knows that a piece of legislation, particulary an important piece of legislation such as this, is an object of compromise. You just cannot have your way here with 435 men and women having somewhat different views. Not even the Secretary of Agriculture had his way. He brought his bill here to the 435 Members of this House, and not one thought enough of it to introduce it.

The majority members of the committee offered their proposal. We then offered to compromise. The minority made it clear to us that it was to be their bill or nothing. In other words, they were not compromising—not 1 inch.

Now, I do not want to be misunderstood; but the minority just does not push the majority around. That has been the legislative policy in this Congress for a hundred years irrespective of which party is in control. We of the majority had our views. Mr. ANDRESEN had his views. Mr. Benson had his. Who yielded? The Secretary declined to yield. The minority didn't yield. Mr. ANDRESEN did not yield. Only the majority offered to compromise.

I asked Mr. McLain this question. I said: Mr. McLain, is the Department's position absolutely uncompromising?"

He said, "No."

I said, "Well, wherein does the field of compromise lie?"

He replied that he did not think that was a fair question.

I said, "All right, then; take until tomorrow and then come back and tell us."

But he refused. And so we then submitted compromise propositions to our Republican friends on the committee. We asked them if their position was uncompromising and we got no answer.

Mr. COOLEY. We got a "yes" answer.

Mr. ABERNETHY. Yes; I asked them if they would compromise and got no answer. So, on the last day that our committee sat in executive session, I submitted numerous inquiries and propositions to my Republican friends. I asked if we took out a certain sentence if they would vote for the bill. I got no answer. I then asked if we took out that sentence and the next sentence, if they would vote for the bill. No answer.

I asked, "If we will take out section 3 will you vote for it?" No answer.

I submitted every possible proposal, and got no response.

I then said, "If we added the Lord's Prayer, would you vote for it?"

Yes, I did. And I got no answer. That illustrates what we have been up against. A willful, confirmed, uncompromising barrier. Maybe the minority feels that that is the way to legislate. At least that was their position.

Now, again, I hate to have to say what I have said. I hate to see us get into this situation, but we are in it in the face of every effort on the majority's part to avoid it. No one can say and no one will charge that the 19 Democratic members

of this committee did not offer to compromise. I ask anyone to challenge that statement.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Yes, I yield.

Mr. AUGUST H. ANDRESEN. The gentleman wrote the ticket, too, and then he offered to cut certain sentences out.

Mr. ABERNETHY. I ask the gentleman the question, Did we offer to compromise?

Mr. AUGUST H. ANDRESEN. No, you did not. You wrote a bill and you took it away from us.

Mr. ABERNETHY. Did I not ask you if you would vote for certain things, and you would not even answer?

Mr. AUGUST H. ANDRESEN. The gentleman said he asked me if I would vote for the Lord's Prayer. I do that regularly. But I do not remember the gentleman asking me that. The gentleman did not offer any compromise.

Mr. ABERNETHY. Mr. Chairman, I do not yield any further. Numerous compromises were offered in the committee and all were turned down by the minority.

Mr. Chairman, what is the corn situation? Here it is. In the fall of 1955 our corn farmers found themselves burdened with the biggest surplus in the history of this country. Last January the administration came to us and said, "Pass the soil bank and that will fix it up." We passed it and they spent $179 million on corn and did not reduce the surplus 1 bushel. They just threw the money away.

Not only that, the administration violated its own policy on supports. They have always taken the position that if the surplus is high, then cut down the supports and you will get less production. But, oh, what happened? They set the support price at 81 percent of parity and then, faced with an election, they raised it to 86.7 percent, even though corn was in the greatest trouble it had been in all the history of this country. They also supported the unlimited production of corn at $1.25 per bushel. And what happened? Farmers were encouraged to produce more and more corn. So the surplus was increased again. Now we find ourselves with a doubly aggravated situation, even though the Secretary expended $179 million of soil-bank money in an effort to head it off. The situation is his own handiwork. Undoubtedly his eye was on the November election when he upped corn supports last year.

Assistant Secretary McLain came before the committee on January 30. Where did he say the surplus was created? He said it took place in the diverted-acre areas of the wheat, cotton, tobacco, rice, and peanut belts. He said that:

> In adjusting to their allotments producers of other basic crops—

That is, wheat, cotton, and other basic crops—

> diverted a substantial part of their acreage to feed grain, including corn.

He went on to say that the biggest part of the surplus came from the noncommercial area. That is, from the State of Montana and the State of South Carolina, from the State of Texas and the State of Oregon, from the State of Washington and other corn and grain sections which are outside the commercial corn area, and also from the State of Pennsylvania, around the western section, about which the gentleman from Pennsylvania [Mr. FULTON] inquired a moment ago when he asked why we do not treat all corn alike. Incidentally, that is just what we are trying to do, and unless we do this program will be a complete failure and the money will be wasted as it was last year.

So you have two leaks. It is similar to water being fed to two faucets from a single main, with both faucets open. But the administration's bill and the bill of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will only slightly close the faucet on one side and leave the other wide open. Closing slightly in the commercial area and leaving the noncommercial area wide open will solve nothing. Both must be partially closed to solve the problem.

Suppose we brought a wheat bill here which had for its purpose to solve the surplus problem in the Wheat Belt, but it applied to only a part of the Wheat Belt. Would it solve the surplus? Of course not. Suppose we had made the wheat bill applicable to every State in the Wheat Belt with the exception of Kansas and permitted Kansas farmers to produce just as much wheat as they wished. Would it solve the problem? Of course not. The Andresen amendment presents an identical situation. His amendment is designed to simply slow down the production of corn in the commercial area and permit production to run wild in every other section of the United States. They will not deny that. They know it to be so. The Assistant Secretary said it was so, and I have just read his words from his statement to the committee. He knows it is so. You cannot solve this problem unless you plug both ends of the leak.

Corn is corn. It makes no difference whether it is produced in Oregon or Illinois. A bushel of corn, no matter where it comes from, adds to the surplus. Unless we bring you a program that will stop the leaks inside and outside the commercial corn area, then we are going to waste a lot of money this year on the soil bank. Sure we are; and I refuse to be a party to it. We are going to encourage the production of more corn in the noncommercial corn area if we adopt the substitute. By its adoption we are going to make production attractive outside the commercial corn area. So the purpose of our bill is to do what? It is to stop the leak not only inside the commercial corn area but outside as well.

I know there are some Republican members of our committee that know that is true. I am not going to call names but they have talked with me about it. They know it is true. I am just as much interested in solving this problem as anyone. I do not want to do a half job, leave one leak open, and permit corn production to run wild again this year as it did last and year before.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Illinois.

Mr. SPRINGER. I think the gentleman knows that I grow more corn in my congressional district than any other congressional district in America. I have never taken a partisan attitude on this farm problem. I ask the gentleman this, and I think he will give me a straight answer: If this program which is proposed by the Andresen amendment costs $500 million, how much more will this program cost that is proposed by the committee bill?

Mr. ABERNETHY. I can answer only by referring the gentleman to the report. The information is there. It is in the report. Our counsel worked it out.

I am interested in cost, sure I am; but I am also interested in results. We had the same program last year for the commercial Corn Belt that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is trying to put in now. We had it last year. I know they say it did not have a chance. Well, if it did not have a chance, they should not have thrown away that $179 million. They spent the $179 million last year and did not reduce corn 1 bushel. I am interested in cost, yes. I am also interested in results. They left the leak outside the commercial corn area open. I hold in my hand the table showing corn acreage outside of the commercial Corn Belt. There is a lot of it. It is increasing all the time. Now, are we going to leave it open by adopting the Andresen amendment? Are we going to repeat the dismal failure of last year?

Mr. SPRINGER. Let me ask the gentleman a question or two, and I think I can bring this thing to a head.

Mr. ABERNETHY. Let me have 2 more minutes and I will yield to the gentleman.

Mr. SPRINGER. I think this is the crux of the bill.

Mr. Chairman, I ask unanimous consent that the gentleman have 3 additional minutes so that I may ask these questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. SPRINGER]?

There was no objection.

Mr. SPRINGER. Let us reduce this matter to this. The committee report, as I understand it, says that approximately $250 million has been the cost. Here on this side the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] seems to have figures, as I understand it, that it will cost $800 million or $900 million more. Apparently, there is a difference of opinion as to how much the cost is going to be. May I ask the gentleman this? I have wondered seriously about this whole question of feed grains. What would happen if you had this applicable—I am talking about just what has been proposed in the committee report on this second facet in the noncommercial area—if you just had for corn alone this kind of program in the noncommercial area. It is my understanding that it would only cost in the neighborhood of $50 million or $60 million; am I right about that?

Mr. ABERNETHY. I do not know what it would cost, may I say to my friend, I do not know.

Mr. SPRINGER. Is that about right?

Mr. ABERNETHY. I do not know.

Mr. SPRINGER. Well, would you say it would be a whole lot more?

Mr. ABERNETHY. I will answer that in this way.

Mr. SPRINGER. Those are my best figures on it.

Mr. ABERNETHY. I will answer in this way: 70 percent—actually a little better than 70 percent—but 70 percent of the Nation's corn acreage is planted in the commercial corn area; and a little less than 30 percent is planted outside the commercial corn area—and it is growing all the time; is it not?

Mr. SPRINGER. Yes.

Mr. ABERNETHY. That is right. All right then. The soil-bank payments are made on the basis of yield and the highest yields are in the commercial area; are they not?

Mr. SPRINGER. Yes.

Mr. ABERNETHY. And the lower yields are in the noncommercial area. Even if the yields were identical, it would cost on a ratio of $7 as against $3, that is, it would cost $7 in the commercial area as against $3 in the noncommercial area. That would be the ratio. Due to yields the commercial cost would be even higher and the noncommercial area would be even lower.

Mr. SPRINGER. All right, then, I think the figures are not too far off—about $60 million. That is what it would cost, as I take it, to apply the plan which you have in mind, as suggested here, to corn alone and not dealing with other feed grains. Is that a fair statement even if it is not exactly right?

Mr. ABERNETHY. I do not think we can solve the problem unless we apply it to all feed grains. That is what the Assistant Secretary of Agriculture clearly indicated in his testimony.

Mr. SPRINGER. You do not think it will solve it, if it is applied to corn alone?

Mr. ABERNETHY. I do not. Because in your own section, you diverted commercial corn acres to competitive feed grains. I have reference to those who complied with their corn allotments. Their diverted acres went to other feed grains; did they not?

Mr. SPRINGER. Well, a large part of it.

Mr. ABERNETHY. Some of them did.

Mr. SPRINGER. A lot went into the acreage reserve.

Mr. ABERNETHY. I am not speaking of last year only. I am speaking of the acreage-allotment program over the years.

Mr. SPRINGER. No; I was talking only of last year.

Mr. ABERNETHY. If I could go on, then I will yield to the minority leader. Now, if I may continue. There is an outstanding difference in the committee bill and Mr. ANDRESEN's bill that we ought to consider. The committee bill requires the farmer, to be eligible for price support, to put 18 percent of his share of the 51 million acres of corn into the soil bank. In other words, he has to actually reduce grain production. He would have to put 18 percent of it in the bank in order to get price support. But, under Mr. ANDRESEN's bill, it is quite possible that some farmers will not put in a single acre of corn or grain, get price supports and still collect soil bank payments. Here is the way it will work. If you will read his bill, you will note that it does not require a farmer to put grain in. It does not require him to put in any of his portion of the 51 million acres. It simply permits him to put in corn land or tillable land.

Well, he could have nothing planted on the tillable land; then put it in the soil bank and collect soil bank money, plus price supports on his share of the 51 million acres of corn. He is not required to reduce the production of corn or grain 1 bushel. He can plant his full allotment and just deposit open tillable land. This would be a repetition of the bonanza of last year. Our bill requires an actual deposit of corn or grain. Without such requirement the surplus will never be reduced.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HALLECK. Of course we know of the gentleman's very effective solicitude for the farmers in his district and in his area. Do I understand that what you are proposing to do is to take a lot of your people out of what has become a more profitable part of the business of farming in order to prejudice the corn farmers up in my area?

Mr. ABERNETHY. I am not trying to prejudice anybody. My only interest is to try to bring a bill to this floor—and I am just as earnest in saying this as anything I have ever said—which will stop both of the leaks to which I referred earlier. I am trying to perfect a workable program, an effective program, one that will reduce grain production and solve the surplus problems.

It has been said that we have cut down our cotton acreage and thereby encouraged increased acreage in other sections of the world. I think there is some truth in that. Likewise, if you cut down your corn acreage in Iowa, Illinois, and Indiana and leave corn farmers in Texas, western Pennsylvania, Colorado, Oregon, and other sections of the country not in the commercial corn area, to plant unlimitedly, what will happen? Of course they will increase their corn acreage. You are going to make it attractive for them. How? You are making it attractive because you will be siphoning out of production the commercial corn farmer and thereby encouraging the noncommercial area farmer to plant more acres to corn.

Perhaps this soil bank thing is costly. I think it is ridiculously so. I also think the results we got last year for that $179 million spent in the commercial corn area are ridiculous. It is positively disgraceful. The odd thing about it is that the minority is asking us to do it again. I just do not think it is good business.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HILL. Mr. Chairman, I rise in support of the Andresen amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HILL. I also ask unanimous consent that I may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Chairman, I am sorry too, as my good friend from Mississippi said, that these personalities in the committee work have come into the discussion before the House. But if you want to air the different views on the inside of our committee, you are inquiring from the proper source. I do not have 1 acre of commercial corn in my area. I can match the gentleman. I am only trying to do what I think my conscience dictates, which is to work out the best bill we can possibly get for the emergency now existing in the production of corn. We are not discussing sorghum grains. It was not mentioned in the bill introduced on January 16. We are all in favor of including all feed grain in the overall farm picture. Every one of us. But we are not in favor of a monstrosity such as was introduced to our committee, on which we never held 1 single day's hearings. The committee did order hearings on the corn bill.

Let me say to the gentleman from Mississippi [Mr. ABERNETHY], we do not use politics just because we are on the minority side. I say to you frankly that on the other side they have played real politics. I hate to do this. My conscience says I should not, but I do not appreciate the statements made by the gentleman from Mississippi [Mr. ABERNETHY]. But what did we do for him? There is not a man on the committee that has received the political support from the Democratic side that the gentleman from Mississippi has received and from us on the Republican side also, even to the extent of supporting legislation in which he was personally interested.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. Of course, I yield. That is a true statement I am making. I yield to the gentleman, but ask a question; please do not make a speech.

Mr. ABERNETHY. My friend from Colorado and I generally always agree.

Mr. HILL. What is your question?

Mr. ABERNETHY. I really believe that we would be better off if we did not get our personalities too involved in this.

Mr. HILL. Exactly.

Mr. ABERNETHY. And I certainly did not bring it up.

Mr. HILL. Let us see that everyone on the right-hand side does the same, and I will say no more on this.

Mr. ABERNETHY. The gentleman was talking about Mr. ABERNETHY in that last statement, was he not?

Mr. HILL. I am not making any further statement about it.

Mr. FULTON. Mr. Chairman, will the gentleman yield to clear up a misunderstanding? I hope he will yield. I hope it was only a misunderstanding.

Mr. HILL. If the gentleman has any misunderstanding, I will yield to him.

Mr. FULTON. I hope it was not the intention of anyone here to state that the great Committee on Agriculture has brought out a bill on this floor for the benefit of one Member.

Mr. HILL. I did not say any such thing.

I said that in times gone by we supported the gentleman from Mississippi on a piece of legislation that he said, if he did not get it, it meant his political life.

Mr. ABERNETHY. It might have.

Mr. HILL. He agrees with it.

Mr. FULTON. That is hardly an adequate reason for the Agriculture Committee to bring a bill to the floor.

Mr. HILL. The gentleman heard what I said. Now, referring to the action we had on the floor of this House on the bill offered by the gentleman from Texas, the deferred grazing bill, that was pushed through this House with very little opposition. It is a good piece of legislation—just the same as we could put through a bill on the floor of this House on all feed grains if we would go about it as a committee and not bring politics into this matter.

Let me show you 1 or 2 things that are going on. There is an unusual condition in the House on this bill. I noticed yesterday that only 1 or 2 Members on the majority side stood up during general debate and discussed this bill. There are reasons for that. Let me say frankly that the minority side of the Committee on Agriculture has tried to be just as kind and as gracious as we could possibly be to some of the programs of emergency that have been considered by our committee.

Now when we consider a corn bill we immediately find opposition and a refusal to go along with a bill that the farmers—now watch the statement—61.5 percent supported in a referendum vote last December.

Just what are we doing when you oppose this bill—the farmers wanted it to the rate of 61.5 percent. I gave you those figures yesterday and they are in the RECORD.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. Of course I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman is saying that the farmers approved this bill by 61.5?

Mr. HILL. I do. They approved the corn program offered in the Andresen bill.

Mr. ABERNETHY. I think the gentleman has modified his statement.

Mr. HILL. I say it is as nearly exact as it can be.

Mr. ABERNETHY. But there are differences in the price-support level, are there not?

Mr. HILL. There was no difference in the price-support level. There was a certain organization went up and down the countryside saying that it was a support from nothing to 90 percent on corn which certainly was not a fact.

Mr. ABERNETHY. The Secretary could, if he desired, place it even below 70.

Mr. HILL. I do not believe he can, although I am not a lawyer. I do not thing he could have, and I do not think he would have.

Mr. ABERNETHY. He said he could.

Mr. HILL. Let us not get politics into this, but talk about it on its merits.

Mr. ABERNETHY. I am just trying to get the thing clear. He testified that he could have, but that he had no intention of so doing. That is the way I remember the testimony.

Mr. HILL. The gentleman wants to clear it up by getting the water more muddy.

Let us get back to what I wish to talk about. I am convinced in my own mind that behind this Cooley-Poage bill—and that is exactly what it is because it originated in the committee and was not offered by any particular Member. Now I do not accuse anybody of wrongdoing. Someone said yesterday over 33⅓ percent of the acreage of cotton in the present program has been taken out of cotton production, that a high percentage has been taken out of tobacco and that a high percentage has been taken out of rice. Now all this acreage can be placed in the soil bank up to 18 percent of the idle acres. Let me ask a question. Did it ever occur to a single soul on the right-hand side of this aisle that every agriculture bill that has been offered to help the cotton, peanut, and tobacco growers in the past has been supported by the Republican side of the committee?

I was reading the statement of a great former Vice President appearing in the U. S. News last night, the Honorable John Nance Garner. It would do you good to read it and I would be willing to buy a copy for any Democrat if he will read the statement made in the U. S. News by that great gentleman, one of the greatest who ever served as Vice President and as a Member of this House for 38 years. He said some very cute things. I want to read one of them, just to show you what is going to happen to the soil bank if you pass the Cooley-Poage bill. How smart he is. How he can see into the future I do not know, but he did.

> The theory of the soil bank is not to produce any more than you can use or sell to foreign governments at a profit.

So said Mr. Garner.

> That is the theory of it, and I hope it will work out.
>
> It is so complicated I cannot see it at all.
>
> If he had seen this bill he would say it is even more complicated.
>
> I would not say yea or nay about it.

Now, listen to this, and I would invite the attention of the gentleman from Texas [Mr. POAGE] especially to this:

> I know it is better than what the Democrats have got by subsidizing the farmer.

I will put that in the RECORD.

I do not think I should go any further on that, because my time is running out. Now, let me tell you something that was said on the floor yesterday. It is very easy to make remarks about farming if you do not know what you are talking about. It is a fine thing. Someone said yesterday that there were no surpluses. That is a huge joke.

Let me show you what you are doing today. For the fiscal year ending June 30, 1956, we paid out a total of $374,087,260 for the storage of surplus agricultural products. That is not hay. Now, who is going to tell me you have not a surplus of cotton or peanuts, who is going to say that we have not a surplus of tobacco? I am telling you, frankly, that all of these surpluses that are bothering us today are the result of action under the basic act of 1938.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to point out, as I have through the years, that the so-called surplus of these commodities except surpluses to our domestic demand had been made surplus by refusal to sell in world markets. If the Department of Agriculture had kept these commodities in world trade at competitive prices, we would have had world markets and we would not have had surpluses. They have been made surplus by the nonaction of the Department.

Mr. HILL. The gentleman knows full well that our present Secretary of Agriculture has sold more surplus products in 1 year than all of the other Secretaries have sold in history. The gentleman knows that better than I do.

Mr. WHITTEN. If the gentleman will yield, he will recall that 2 years ago my committee in its report told the Department of Agriculture they had to use their authority. We went so far as to advise the Department that they were not going to get any money out of the subcommittee to control production of commodities they refused to sell. We set up by the committee action a sales organization and demanded that they sell. Now while he has started to sell them it was under a shotgun and there would not have been surpluses if the Secretary had used his authority to sell. But the Department held them so long that they accumulated beyond what you can move out overnight.

Mr. HILL. I am glad the gentleman used the word "shotgun," because that is the way this bill got here, by virtue of shotgun tactics. It is born out of wedlock.

Mr. WHITTEN. I am a member of the Agriculture Appropriations Committee, as the gentleman knows. Of course, I have not any knowledge of what happened in the Committee on Agriculture, but if this shotgun is as effective as ours was on the Secretary in making him sell these commodities, I will be for the use of such weapon by the committee.

Mr. HILL. I am glad the gentleman feels the way he does.

Mr. Chairman, I have the latest figures from the Department of Agriculture to show the cost to store a given product for 1956.

For the fiscal year ending June 30, 1956, we paid out a total of $374,087,260 to pay for storage of surplus agricultural products.

The latest figures available from the Department of Agriculture show that it

cost the following amounts to store the given products for the month of December 1956:

Corn	$8,445,107
Wheat	15,051,903
Cotton	2,830,916
Sorghums	1,082,453
Barley	661,122
Oats	406,908
Rye	112,098

For the month of December it cost $40,234 each hour to store our Commodity Credit Corporation stocks. That amounts to $670 a minute. If these figures are for something other than a surplus that is "burdensome" and "troublesome" we better look into it.

Investment basic commodities

Nov. 30, 1956:	
Corn	$1,928,973,000
Cotton	1,759,399,000
Tobacco	660,975,000
Wheat	2,759,039,000
Total investment for basics	7,330,786,000
Nov. 30, 1955:	
Corn	1,467,143,000
Cotton	2,048,464,000
Tobacco	560,137,000
Wheat	2,947,826,000
Total investment for basics	7,203,229,000
Grand total, of all investments — pledged loans and inventory for basic and nonbasic crops:	
Nov. 30, 1956	8,169,551,000
Nov. 30, 1955	8,206,826,000

You just cannot read these figures without saying we do have great surpluses. A surplus is a surplus whether it is in the hands of the Government or whether it is in the farmer's grain bin, and that surplus has a deadening effect on the price of agricultural products. And, I might also say to the gentleman from Mississippi that the best information I can get—and here is where I have heart failure—is that corn keeps in good condition for 4 years—that is, the length of storage—that it will hold and stay in good shape and not over 10 years for wheat. Now, you understand the loss that could be taken on this storage. The only storage product you have that will hold its own is cotton, and you cannot compare cotton with corn. There is no comparison in any way between cotton and corn. Corn is fed on the farm or in the feed communities. Try eating your cotton.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I am serious about this.

Mr. HILL. I am glad to see the gentleman get serious.

Mr. ABERNETHY. I want to ask the gentleman this question: What is the gentleman going to propose or do to reduce the surplus production of corn and feed grains outside of the commercial corn area where Mr. McLain, the Assistant Secretary of Agriculture, says the problem has been created? What are you going to do about that?

Mr. HILL. I will answer that. If the gentleman will just sit down and listen for 2 or 3 minutes, I will answer, because I think I know as much about sorghum grains as any man in this House.

Mr. ABERNETHY. That is the reason I asked the question.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HILL. I thank the gentleman. I will say to the gentleman from Mississippi, in all good conscience, that our Committee on Agriculture, after all, is a most important committee in this House. When we deal with products, we are dealing with the lifeblood of our beloved America, not only in 1957 but in years to come.

Mr. ABERNETHY. But they are not in surplus. I am talking about corn.

Mr. HILL. I will take care of the sorghums. Now, here is the answer. The gentleman knows full well that I said in committee—and I said it yesterday in my remarks, if you will notice—that we, by any manner of means, should get together just as quickly as our committee can be organized, and we should call in all of the experts, including the many, many farmers who grow grain sorghums, and the fine representative from Oklahoma A. and M. College who developed hybrid sorghums that will produce 40 to 200 percent more bushels per acre. I will join with the gentleman from Mississippi to work out a longtime grain program.

Now let me show you why you cannot do it in this way. We have land all over the high Plains States, the 17 States, and these States have a lot of land that should not have been plowed up. Some is not very good. Now, if you get $10 per acre payments for soil bank compliance in much of this area for 3 years, you will have paid more out of the taxpayers' pockets than the land is worth. There are hundreds of thousands of acres you can put into kaffir corn and milo maize.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield further?

Mr. HILL. I yield.

Mr. ABERNETHY. The gentleman then does concede that there is a surplus problem in corn and grain outside of the commercial corn area; and as I understand it, the gentleman is going to let that pile up 1 more year while we work on it the rest of the year. If that the gentleman's idea?

Mr. HILL. No; the gentleman misunderstood or misinterpreted what I said. What we should do is to pass the Andresen bill. It would take out corn acreage where it is being produced at 120 to 200 bushels to the acre. If you take out that kind of corn soil, you have done something to help the corn situation. But you are not going to help the corngrowers by taking out a lot of cheap land in areas that produces little to the acre.

Mr. ABERNETHY. But what are we to do about this additional surplus that is going to be grown this year? That is what we are trying to cure.

Mr. HILL. You have horsed around with this bill until it is now the middle of March. I doubt very much whether either one of these bills will get through either House in time to do a whit of good in 1957. I do not admit that it is my fault.

Mr. ABERNETHY. Well, the Secretary horsed around with it for 50 days.

Mr. HILL. Perhaps he was entitled to horse around with it, considering the kind of men he had to work with.

Mr. HALLECK. Mr. Chairman, would the gentleman yield?

Mr. HILL. I yield to the gentleman.

Mr. HALLECK. Let me say first of all that when some of my very good friends on the other side of the aisle for whom we have gone to bat to help them when they had their problems in agriculture get up and begin to talk about how they know all about the problems of agriculture in our part of the country, and that they are willing to make these great sacrifices to help our people, I begin to be just a little suspicious. The fact of the business is that the Andresen bill as it seeks to deal with the problem of the corn farmer in the Middle West can be effective this year. The proposals beyond that, contained in the committee bill cannot be effective and cannot do anything this year. You have got to set up a whole new machinery. So I am just forced to conclude from what I have heard that what you really want is to get a lot more money out of the Treasury without doing very much to help the corn situation generally over the country.

Let us get on with the passage of the bill that will do something to meet this problem this year and then if there is something else that needs to be done—and that has been mentioned here time and again—we can get on with that.

I asked the gentleman from North Carolina [Mr. COOLEY], speaking on the bill yesterday, if it was imperfect in many places. I thought it was so, I had heard it was so. He said, "No; it is very carefully worked out." His fast-talking friend, whom I love, the gentleman from Texas [Mr. POAGE], followed him and he said that the bill is not perfect. I will get his words; I do not want to misquote him; I want to get it right:

> The bill is, of course, rough. The bill has defects in it. There are amendments we need to offer. There are perfecting amendments which we will offer. We want you to understand we are not bringing it to you as a perfect instrument.

Then he went on to say that the minority Members did not help him enough to get a good bill.

You plead guilty to having a bill here that you yourselves say is not right, yet you want us to embark on this new program.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the Andresen amendment.

Mr. Chairman, I think all of us know now just how unfortunate this day is for those constituents of ours who till the soil of our Nation. I said yesterday that

the house of agriculture is divided. We all know now that the house of agriculture is divided. It is unfortunate that we are divided along political lines because corn is one of the great crops of our country and it is grown in just about every section of this vast Republic of ours.

I have taken the floor now to resent the castigation of our committee by a member of that committee.

I have served on that committee for 22 years. Every man and woman in this House knows that I have been proud of every member of our committee. I have praised them throughout this country as friends of the farmers, as dedicated public servants, as men who wanted to serve not only agriculture but all the people of our Nation.

Now we sit here in this Hall today and hear Mr. HILL from Colorado come here in an effort to besmirch, malign, and slander the Committee on Agriculture and, worst of all, he did it in a vicious and a sinister fashion.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. No. I did not interrupt you and I am not going to yield.

Mr. HILL. You are not telling the truth.

Mr. COOLEY. You admitted here in this well of the House today, and it will be in the RECORD tomorrow if you are brave enough to leave it in there, and your constituents will read what you said, that you voted to report a bill out purely for the purpose of saving the political life of one of its members. And you ought to leave it in the RECORD. When one of your own colleagues challenged you, because it was hard for him to believe that you would make such an admission on the floor of the House, that you yourself had been actuated by politics in voting out a bill.

I still think we have one of the finest committees in this Congress, and I say that notwithstanding Mr. HILL's membership on the committee, because I am devoted to him. I have admired him, and I have bragged on him as I have the other members of that committee.

I want you to know this, that never before in my life have I begged people to cooperate in the drafting of legislation to the extent that we begged the Republicans, during consideration of this matter. This gentleman here on the front row, the gentleman from Illinois [Mr. SPRINGER], has made a reasonable and a plausible suggestion, but do you think anybody on the committee will offer that as an amendment? His suggestion was, Why do we not just deal with corn in all sections of the country and eliminate the treatment of other feed grains? Is not that the gentleman's position? That is perfectly plausible and reasonable. I for one would be willing to sit down right now and work it out.

But if you adopt the Andresen amendment, everything is over. You could not then bring in Mr. SPRINGER's idea and put it into this bill. If there is something in this bill that is bad, I challenge every one of you to offer an amendment to strike out some part of it. If you do not like the $10 minimum or the $50 maximum, if you do not like section 3, take it out. But for goodness' sake, do not let us stand here and pass a bill merely because it bears the name of AUGUST ANDRESEN.

What happened to Mr. Benson's bill? You all are so proud of Mr. Benson and his record. Why has not someone introduced his bill?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman, I am sure, understands that the responsibility for drafting legislation dealing with agriculture is on the part of the committee. In the past I have heard the gentleman speak unkindly of Mr. Benson. I am a little surprised that he would object to the committee's having written its own bill. Specifically, I would like to ask the gentleman this: What the gentleman has just said is an admission as of today that his bill, that he is sponsoring, is not perfect and should be amended?

Mr. COOLEY. Let me be heard on that. I have no pride of authorship. My name is on it because Mr. ANDRESEN did not want to leave his name on it after we had worked our will on the bill.

I introduced the bill to bring it to the House in a sincere effort to provide for the corn-growing area. This is exactly what they wanted. I, for one, would right now consider seriously, and I talked to Mr. ANDRESEN about it, substituting our corn section for his corn section, but we cannot substitute clear across the board.

Mr. HALLECK. May I ask the gentleman a second question, if the gentleman will permit me? There is no difference then between the majority and the minority members of the committee as to the sections of the bill dealing with the problems of the commercial corn area.

Mr. COOLEY. There is quite a difference.

Mr. HALLECK. I thought I understood you to say just now so far as you were concerned you were willing to take the Andresen bill and substitute that for the corn section of your bill.

Mr. COOLEY. I said I was willing to consider it. We gave him in this bill, as I understand it, just about 51 million acres. That is what he has asked for.

Mr. HALLECK. In other words, there is substantial agreement between the majority and the minority members?

Mr. COOLEY. That is on that matter.

Mr. HALLECK. In other words, there is substantial agreement between the majority and the minority members as to what is needed with respect to corn.

Mr. COOLEY. Of course, I am only speaking for myself, and I am not speaking for other members of the committee, but so far as I am concerned, I said in the committee I will let you write the corn section, but for Heaven's sake let us deal with corn across the Nation as Mr. Benson and Mr. McLain said we should deal with it and not just throw away $217 million and come up with more feed grain next year than we had last year.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman correctly stated that my name was on the original bill. It was on the original bill which is the corn bill. Then, the majority members of the committee voted to substitute their own bill for the corn bill, and my name was still on it.

Mr. COOLEY. You could not say that it was our bill.

Mr. AUGUST H. ANDRESEN. The Cooley bill is not the Andresen bill in any shape or form.

Mr. COOLEY. I know that. I agree. The gentleman from Texas [Mr. POAGE] said yesterday that it was not a perfect bill. I said I thought it was a pretty well worked out bill. Now, if you want to strike out some part of it, let us face up to it and start striking out. But, do not oppose this substitute.

Mr. AUGUST H. ANDRESEN. Why do you not strike it all out and vote for the Andresen bill?

Mr. COOLEY. Nothing would give me greater pleasure than to please my dear friend, but I am trying to get across one thing. You are here now asking for $217 million to give it away in the commercial corn area, and you will accomplish nothing.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say first of all that probably from the standpoint of agriculture in this country and from the standpoint of the Congress and the work it has to do, it is unfortunate that this situation has developed the way it has. It is much more pleasant for all of us to come here in substantial agreement among ourselves and deal with a problem that is before us.

We had some conversation yesterday as to who was responsible for that. I took the position that the responsibility lay with the majority members of the committee because they refused to deal with what, I am sure, everyone recognizes as an emergency in the commercial corn area as we have sought in the past to deal with emergencies in the cotton areas and in the wheat areas.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. COOLEY. If this is an emergency, why does the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] propose to deal with it over a period of 3 years?

Mr. HALLECK. If it is a good arrangement, possibly it would operate for 3 years effectively. What I am saying is the emergency exists this year. It needs to be dealt with immediately, and the gentleman from North Carolina is much too wise in the ways of the Congress of the United States, in the ways of this body and the other body and the executive, not to have known that when you injected all of this new matter, you were promptly heading for trouble. It was with some pride that I said that as majority leader of the Republican 83d Congress we moved to do something for wheat in increasing acreage; we did something for cotton by increasing the acreage for cotton. The gentleman from North Carolina said to me, in attempting to differentiate, "You did not pay the cotton farmer or the wheat farmer." Then a little later on the very able gentleman, who backstops the gentleman from North Carolina, Mr. POAGE, of Texas, came along to explain to us how expensive the Andresen bill would be. I referred to those figures as a little fantastic, and I think they are, but he went on to point out that you would have 13.7 million acres of corn production in the commercial corn area, with an average yield of 49 bushels per acre; at $1.36 per bushel, it would cost $924 million. That scared everyone. Then I began to wonder, just why is this so much different than what we did for cotton and wheat. Let me point out to you that the Andersen bill will give the corn farmer equal treatment, and he deserves to have it.

If you applied the program that is presently in the law against cotton, you would cut cotton production back to 3.9 million acres, a reduction of about 13.7 million acres, to be exact.

Mr. JONES of Missouri. Who is responsible for that statement?

Mr. HALLECK. What I am saying is true.

Mr. JONES of Missouri. Well, you do not claim to be an expert do you? Who is responsible for that statement?

Mr. HALLECK. Well, I have heard it said that an expert is just a fellow away from home. I am not a member of the Committee on Agriculture. I am not so sure, after listening to some of the arguments around here but that I am an expert just as much as some other people. I am saying what the cotton acreage would be if you had not had legislation giving you the increased acreage. So let us follow Mr. POAGE's method of computing on what we did for cotton. We added 13.7 million acres, with an average yield of 400 pounds at 30 cents a pound, which would be $1,644 million every year that the cotton farmers are getting because we gave them that increased acreage.

For wheat we added 42.6 million acres, average yield 15 bushels, multiplied by $2 per bushel, the average price, or $1,278 million. For one year we just add $2,922 million that these farmers are getting which they would not get if it were not for the fact that we gave them this increased acreage, rather than require them to go down to the limits that would have been imposed by the legislation that you people wrote.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes, I yield.

Mr. ABERNETHY. The last cotton bill that I remember anything about was passed in the 83d Congress when the gentleman from Indiana was majority leader, and it took 250,000 acres away from my section and gave it to California.

Mr. HALLECK. Of course we always have trouble dividing up the acreage that you cotton people want.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. HALLECK was granted 5 additional minutes.)

Mr. HALLECK. If the gentleman had been here he would have heard me say that I prided myself, as a man from the North and a Republican and with the responsibility of majority leader, to come in here and cooperate with you people in your program, something that you apparently will not do with us now. Everybody can take his own reason for why that is being done.

In addition to that, the money that has been provided for cotton since approximately 3.40 million acres of cotton will go into the soil bank, this acreage times a hundred pounds per acre, times $15 soil bank payment totals up to $204 million more. What do you mean by coming in here and saying that the cotton farmer and the wheat farmer did not get something out of what we did for you, when we increased the acreage over and above what was allowed under the program?

There is another thing I want to call to your attention. I have been trying for a long time to get the committee people to put a price tag on your bill. I have been hearing a lot of talk around the country that the budget is too big, that the Eisenhower budget is too big, $71,600,000,000, and we are told to do something about it.

Let me say to my good friends on the right-hand side of the aisle, and the people of this country are not going to forget it: This is the first real money-saving opportunity that has been presented to you. If you pass this bill you are going to vote something between $500 million and $1 billion more out of the Treasury this year. How are you going to justify it? I would like some of you to go back home and explain to your people who are writing you even as they are writing me, that the budget is too big, that when you had a chance to save from $500 million to $1 billion you threw the chance out the window.

The gentleman from Texas [Mr. POAGE] does not generally make very many mistakes.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield right there?

Mr. HALLECK. I want to go on, if I may.

"The committee bill does involve a very substantial expenditure of funds, very substantial. We believe that it will achieve something. There has been an intimation that the Andresen bill would involve practically no expense," the gentleman from Texas [Mr. POAGE] says, and I understand from around the edges that he is really the author of this bill. Normally, in such a situation I would almost automatically give it my stamp of approval, but I am afraid this bill is going to work to the detriment of those solid, dynamic farmers in my State and in the Middle West because you are moving in with your feed grains and corn and all these other things that are proposed. You are moving in now to disrupt the program that was approved by a vote of 61.5 percent, or to put it another way, 61.5 percent voted against your proposition.

Mr. Chairman, the bill the majority has brought in is a tremendously expensive bill. There is no figure. That has already been admitted here. I have stated the reasons that operate against its adoption here or even its consideration: No. 1, it was not given that careful consideration any bill should have by the committee before it reports a bill to the floor.

I applaud the gentleman from North Carolina for his stalwart defense of the Committee on Agriculture. I did not know it needed any. I always thought we could depend on you to bring in a bill that you did not have to say needed amendment, but that is the kind of bill you brought here. This is no place to write that kind of bill.

Secondly, it is going to cost an awful lot of money. The results to be achieved are highly questionable, to say the least.

So I say, because it has now been disclosed by almost unanimous agreement on both sides, the Andresen bill substantially is in line with what needs to be done for the corn grower in the commercial area. There is no doubt about that. You ask us to amend your bill. If you do not like the Andresen bill you can amend it. It is pending as a substitute bill which is open to amendment at any point. We would be glad to receive your suggestions.

Mr. Chairman, the orderly way to proceed is to deal with the emergency. You know, we all live to run another day, we hope. You people in your areas of agriculture are going to run into trouble from time to time.

I would like to point out that we have supported you in the past in time of your trouble, but what you are doing here in this time of our trouble just does not fit very well with me. It is all right to undertake to talk about the things that must be done, the things that were not done, and who is to blame. Let us forget that for the moment. Let us get ahead. We have a problem here that must be met. Let us meet it, and we can meet it without spending another half-billion or billion dollars of the taxpayers' money. That is what we ought to do.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I can well understand the confusion that has arisen as to the cost of these programs. I think it is well that the membership of the House give some consideration to the cost of these programs because, after all, that is basic. Most all of us here have agreed that there is need for a program. But honest men can decide that all of the answers are too expensive. In my opinion, the committee has an answer that is the most economical and the most practical that could be offered. But there are honest and sincere men who may feel that the committee bill is too expensive. It would, however, be a grave mistake to assume that the committee bill would involve us in obligations that would be avoided by the Andresen substitute. It must be said in all fairness

that the distinguished gentleman from Indiana who just preceded me in effect admitted that the figures I gave you yesterday afternoon were correct. I gave you figures as to the potential obligations under the Andresen bill. I told you that I did not think either the Andresen bill or the committee bill would involve us in the expenditure of that much money but that under the Andresen bill we could involve just exactly this much, and it figures to $924.8 million for the year 1957. That is not guesswork nor is it somebody's estimate. It is a mathematical calculation of maximum costs. Nobody has challenged it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HALLECK. I referred to the gentleman's figures which he gave yesterday as fantastic. I said that I still think they are fantastic. I believe that now. All I did was to take the gentleman's way of computing the cost and applying it to cotton and wheat and it came up to $2.9 billion as against the gentleman's $800 million. I will agree with the gentleman immediately that the committee bill will not cost $2.9 billion and I certainly indicated that when I said the cost would run from $500 million to a billion dollars. The only thing I was doing was projecting the gentleman's figures onto cotton to prove that the gentleman's figures given us yesterday were fantastic.

Mr. POAGE. Will the gentleman show us how they are fantastic, other than that they are maximum figures and are based on the premise that everybody will enter into the program. If there was 100 percent participation, that is what the Andresen bill would cost. Am I not correct?

Mr. HALLECK. I do not recall that the gentleman used the words "if everybody entered into the program."

Mr. POAGE. I did not say that I said that yesterday. I say now that these figures are the figures that would result if everybody in the commercial corn area participated.

Mr. HALLECK. Let me ask the gentleman what the cost of the committee bill would be in excess of what the Andresen bill would cost? What price tag has the gentleman put on that?

Mr. POAGE. I think the committee bill would cost about $250 million.

Mr. HALLECK. Above the Andresen bill?

Mr. POAGE. No; about $250 million all told.

Mr. HALLECK. Of course, the money is already provided for whatever needs to be done under the Andresen bill.

Mr. POAGE. No; the money is not provided. There is not a dollar of this money I have referred to here provided because that money would be paid out of the funds of the Commodity Credit Corporation. We do not provide that money until they actually get a deficit.

When the gentleman speaks of cotton, he makes a very persuasive argument as to what it might cost in regard to cotton, but actually when the present Secretary of Agriculture became Secretary we had a net profit of $267 million on our cotton operation in spite of the vast sums he said we may have imposed on the country. I read from the present Secretary's report as of December 31, 1956, which is the last one of this kind, and it shows that this Secretary had only been able to lose $161,850,000 on cotton. That is from the inception of the program. So, it seems quite clear that the gentleman has not proven that we are losing anything like that amount on cotton. We did not lose a dollar on cotton supports under 20 years of Democratic rule. We had only lost $100 million on the cotton program under 4 years of Benson—and those are Mr. Benson's own figures—and not $2 billion, as the gentleman from Indiana suggests we ought to have lost on cotton, because of what he says has already taken place. We put a floor under the allotment in cotton, and there has never been a day in the history of the United States when the cotton allotment could legally drop to 3.9 million acres, which he suggested, but the corn allotment is today—not tomorrow, not yesterday, but the corn allotment as legally prescribed by your Secretary of Agriculture is today—37.3 million acres of corn. Now, that is all it is. We are not talking how much that allotment might be cut if we changed the law. The corn allotment is 37.3 million acres of corn. Now, we might change the law as the gentleman from Indiana suggests we might for cotton and let it drop to 3 million acres of corn, but we do not intend to. On the contrary the committee comes out and writes in our bill a floor 6 million acres higher than the Secretary of Agriculture established for corngrowers.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my attitude toward H. R. 4901 is described by a story which was told by our speech teacher, who witnessed the deal, to the mathematics teacher. He told it to his secretary and his secretary told it to my secretary, so I imagine it is true.

In Pocatello, Idaho, during the war, when cars were scarce, when we had to have priorities, an Indian from the Blackfoot area came up and admired the last Buick car in the sales room. After about a half hour, he said to the salesman, "What it cost?" The salesman told him. The Indian said, "Me take um." The salesman said, "You must have a priority to buy this car." The Indian fished a priority out of his pocket. The salesman said, "Have you got the money?" He peeled out the greenbacks and paid in full. The salesman said, "Now, you wait about half an hour, and I will service the car."

The Indian waited. He met the salesman out in front, and the salesman asked him, "Do you know how to drive?" The Indian thought a moment, and he said, "Maybe so." Well, the salesman said, "If you do not, I will teach you." The Indian said, "It is my car." So the Indian got in, and just then a GI came up and asked the Indian if he was going north. The Indian said, "Yes." The GI asked him if he could ride along, and he said, "Yes." So the GI got in, and, with the help of the salesman, the Indian started the Buick. When he ran the first red light in the middle of Pocatello he was going 30 miles an hour. He was going about 60 when he ran the second light. The GI became terrified and put his hand on the Indian's arm and shouted, "I want to get out." The Indian said, "Me, too."

Where is this farm program taking us, gentlemen? I have great regard for the logic of the gentleman from Mississippi, my friend and colleague [Mr. ABERNETHY]. If you put corn under, then you should put feed grains under; if you put feed grains under, then everything else should go under. It is just like Bill Nye said in his history of the United States—that the people around Chesapeake Bay grew corn in the summer so they could dig clams in the winter, so they could grow corn the next summer so they could dig clams the next winter so they could grow corn the next summer. Once you start, there is no stopping, or no solution.

I am afraid to ride, as this GI was, with this bill, H. R. 4901, for reasons as follows:

First, it is going to be ineffectual because of the "phantom acres," and it will not go far in reducing surpluses or taking acres out because of lack of data. We cannot get data.

Second, it would ultimately double the acreage under Federal control. It could add 115 million acres and we only have 119 million under control now. That would almost double Federal control.

Maybe I should not say this out loud, but I think that the brutal truth of it is that if we do what is best for agriculture we would eliminate all the formulas, the same as we are already doing for feed grains and oil crops. So we could provide the support necessary to orderly marketing only. The program was never intended to be a price-fixing program, anyway. This would give the law of supply and demand a chance to operate just a little. So much for Federal controls. I think we ought to go more away from them than into them.

Third, this bill would supersede and in some areas scuttle the soil bank. The soil bank measure has been carefully thought out. I cannot say the same for H. R. 4901.

Fourth, H. R. 4901 is so broad in its application that it cannot be put into operation in time to help our corn farmers who need the help.

In the fifth place, it is too complicated to administer equitably and without widespread abuse.

Sixth, it would add about 9,122 more employees of the Department of Agriculture. The United States Department of Agriculture had 70,803 employees in 1955. It had 77,520 in 1956. It had 81,747 in 1957. If we add the other 9,122, by next year it would have about 90,869 employees.

Seventh, it is prohibitive in its cost considering the value received. The best estimate I could get would be $996 million. With the Department of Agriculture budget over $5 billion, plus the $996 million of H. R. 4901, the budget would reach $6,173,000,000. That is more than half the entire net agricultural income of $11,836,000,000.

Mr. Chairman, if we want to get more money in the farmer's pocket there are more direct and better ways to do it

where so much of the money will not be drained off in overhead.

If we continue to add to the topheaviness of this farm structure it is going to fall of its own weight, and it will fall down on our heads. That is why this bill would take us so fast that I want to get out. The Andresen amendment is conservative, more effective, immediately operable and adds nothing to our budget which is already too high.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first I would like to identify myself in relation to this corn bill. The district I represent in Missouri is composed of 11 counties. Eight of those are in the commercial corn area, so I think that I can speak for people who are interested in raising corn.

Unfortunately, however, 4 of those counties in the referendum last fall voted one way, 4 voted another way. So those people down there in the commercial corn area in the district I represent cannot get together much better than we can here in the Committee on Agriculture.

I am opposed to the Andresen bill not because of the money involved but because it does not reach the problem that we are trying to solve. We can have only one justification for coming here today and asking for any kind of bill, and that is to solve a problem. If we do not solve the problem we will have wasted all the money that we spend.

I am supporting the committee bill because I think it does reach to the problem we are trying to solve. I was interested when the gentleman from Indiana a minute ago spoke of the fact that this bill had not been perfected in the way it should have been, and he recommended that we adopt the Andresen bill. I call the gentleman's attention to the fact that the Andresen bill, about which we have been talking for a long time, and which has been written up in the newspapers and has probably been supported by many people, including the gentleman himself, as introduced is not the Andresen amendment which is offered here today. So the first thing, let us distinguish between those two.

Another thing, the Andresen amendment which has been offered here today is not an emergency measure. I would go along with the gentleman from Indiana when he says that this is an emergency and let us take care of it for this year. I will go along to take care of it for this year. But if we do adopt that bill, I say let us put an amendment on there.

I propose to offer an amendment when the proper time comes. The reason I did not offer it now is that I frankly wanted to get a little more than 5 minutes to talk, so I will offer it later. But I think we must make this Andresen amendment, if it is adopted, for this year only, so that we may be sure we are going to have the interest of everyone to consider the whole problem together and solve it.

I know there are people here and there are people out over the country who are very strongly in support of the so-called Harrison bill or the Polk bill, introduced by the gentlemen from Nebraska and Ohio. One of our larger farm organizations supports that bill, not the Andresen bill but the Harrison bill. I asked the gentleman from Nebraska about it and he said yesterday he was supporting the Andresen bill. He said, "I am supporting the Andresen bill as of now, and if that is defeated I will offer my bill." I think that is possible, because if we are going to have a bill of that type I think we should get the Harrison or the Polk bill in preference to the Andresen bill, because I think they would be better, but I do not think they would solve the problem, either.

The main thing I should like to impress on the House today, and particularly those from the cities, is this: You talk about the commercial corn area and you say, "What is a commercial corn county?" I believe that was asked me yesterday. The commercial corn areas change from year to year. It is based on the average of the corn production in any particular county. If it averages 450 bushels to the farm plus an average of 4 bushels to the acre throughout the county, then you are a commercial corn area. While the original estimate is based on a 10-year average, the Secretary of Agriculture on February 1 of each year, if he thinks a county would qualify, can make it a commercial corn area or he can take it out and put it in a noncommercial corn area.

As the gentleman from Illinois said a minute ago, there is no reason why we should not consider corn as corn, and that is one thing we are trying to do in this committee bill. We are not only considering corn as corn, and we are trying to encourage people to take the cornland out, but we are also encouraging them to take out of production the grains that are in competition with the corn. You are not going to solve this problem, and there is no use of spending $500 million or $250 million or any other amount unless you solve the problem.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to say while I do not claim to be an expert I appreciate the gentleman's great knowledge of this subject.

Mr. JONES of Missouri. I just asked the gentleman for his information a minute ago. If he is prepared to give that, I would like to have it.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes to offer an amendment.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, may I ask the leadership whether they expect to finish the bill tonight?

Mr. COOLEY. Mr. Chairman, if I may be recognized to do so, I should like now to ascertain if it can be possible to agree on some time to close debate on this amendment and all amendments thereto. I would suggest debate close at 3:45.

Mr. HOFFMAN. I was trying to find out when we will finish. If you are going to finish tonight, I think the time should be limited, and given to Members who have not had time before.

Mr. COOLEY. It is not my desire to cut off anybody from the debate, but we can count the Members standing now, and it seems to me 45 minutes would be ample time.

Mr. HOFFMAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I yield to the gentleman from North Carolina, but first I want to say up to now we have had practically nothing but a political discussion.

Mr. COOLEY. The gentleman is exactly right. I agree.

Mr. H. CARL ANDERSEN. There has been no discussion on the merits of amendments which will be offered.

Mr. COOLEY. That is right.

Mr. H. CARL ANDERSEN. This House is in very poor shape unless we can afford to take tomorrow, if necessary, to finish a mighty important bill. For that reason at this time I will object and fight against any limitation of time to the best of my ability.

Mr. COOLEY. Certainly, I am not going to insist upon my request, may I say to the gentleman from Minnesota. I know the gentleman has an amendment, and I know that other Members have amendments. I was just trying to see if it would be possible to come to some understanding at this time.

Mr. WHITTEN. Mr. Chairman, if the gentleman would yield, I would appreciate it very much if the gentleman would withdraw his request. I must call his attention to the fact that on the last three major legislative bills from his committee—and I handle the appropriation on the bills—I have been cut off to where I had only 1½ minutes on each of the last three major bills from the Committee on Agriculture, and that was done by a limitation of time for debate.

Mr. COOLEY. Certainly, I am not going to insist at this time, Mr. Chairman.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent that I may be permitted to offer an amendment to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri as an amendment to the Andresen amendment: In the first paragraph, strike out the words "each of the calendar years 1957, 1958, and 1959" and substitute the words "the calendar year 1957."

Mr. JONES of Missouri. Mr. Chairman, I have not been discussing this bill from a political standpoint, and I do not intend to so discuss it. I am discussing this bill from the standpoint of the American farmer, the American consumer, and the American taxpayer. We have had words from people on both sides of the aisle that we will consider an overall farm bill, and that anything we do here today might detract from that unless we adopt the committee bill. If

you will adopt this amendment to the Andresen bill, that will take care of that situation, in the event the Andresen amendment is adopted. Then we will have an opportunity to go on and consider the overall problem and know that we will still have the interest of the corn farmer—who might not be interested so much if he thought he was taken care of for 3 years.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HOEVEN. Will the gentleman vote for the Andresen bill, if his amendment prevails?

Mr. JONES of Missouri. No; I announced in advance that I would not vote for a bill which I thought was wrong, but if we are going to have to have it, let us treat it as an emergency situation. Then, too, the fact that a person is not in favor of a bill does not mean that he should not try to perfect it and get it in the best shape possible—that is all I am trying to do.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HALLECK. Is it not true that when we provided for the minimum acreage for cotton and wheat, it was fixed for 3 years?

Mr. JONES of Missouri. I think that is true.

Mr. HALLECK. That is true. In other words, when we took care of cotton and wheat, we did it for a 3-year period. So some of us figure that what is sauce for the goose is sauce for the gander. Any law can always be changed if it is found to be unworkable. But why not follow a pattern that we have followed in preceding situations such as this?

Mr. JONES of Missouri. There is a difference, I want to call this to your attention, by doing that you did take care of specific situations. Now, the Andresen amendment does not take care of this situation which you say prevails. The Andresen amendment does not strike at the surplus of corn and feed grains which are together. That is the difference that I say exists. But, the committee bill, H. R. 4901, does strike at the whole proposition. I do not know what the cost is going to be under either one of these bills, but if you are justified in spending one dime, we are justified in spending enough money to put the thing across and to solve the whole problem. You are not going to solve this problem in the area that I live in. I have eight of these commercial corn counties, and the people down there differ just as they do in any other part of the country. But you are not going to solve this just by applying it to corn just in the commercial area. Just like this corn referendum ballot that was put out the last time. It was quite confusing. The gentleman said a few minutes ago, and the gentleman from Minnesota, the author of the amendment, said that the support price would have been from 75 to 90 percent under this 51 million acres on this corn referendum ballot last fall. But the people were very confused. They were afraid. Why were they afraid? Because the explanation on the ballot did not say that the support price would be from 75 to 90 percent of parity. It did say in explaining the second proposition that price supports would be on the level of from 75 to 90. From 75 to 90 when? If it was reduced to 37,288,000 acres, but it did not say it would apply if we took the 51 million acres. That is why the people were afraid last fall.

I do not care to say anything further about it. I think we can vote on this amendment now and determine whether we want to make this an emergency program for 1 year or whether you want to let it go for 3 years and lose the interest of the people who are not concerned in going ahead and solving the whole problem.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the Harrison amendment. This amendment is fundamentally an effort to provide to commercial corn farmers an opportunity to show with their corn planters which of the two options on which they voted on December 11, 1956, is preferable. Let us analyze this legislation in detail and then discuss its great potential advantages.

First, the producer may adjust his acreage in line with his share of the 37.3-million-acre allotment. If he plants not more than his share of this 37.3-million-acre allotment, he will be eligible for price support at not less than $1.36 per bushel. If he so desires, he may enter into a contract with the Government to further adjust his corn acreage by placing some acreage into the acreage-reserve program, for which he will receive payments at the rate of 90 cents per bushel times the farm normal yield. Thirty-eight percent of those voting favored this approach.

Second, he may have the option of operating under a 51-million-acre base program. Under this latter program, he must put not less than 15 percent of his base acreage into the acreage reserve or the conservation reserve in order to be eligible for price support at $1.31 per bushel. If he puts 15 percent of his corn-base acreage into the acreage-reserve program, he must reduce his corn acreage below his base by this amount. For this he will be paid at the rate of 90 cents per bushel times the normal yield of the farm. If he decides to put 15 percent of his base into the conservation reserve, he will receive a much reduced payment in the neighborhood of $9 to $15 per acre. Under this option, he may plant up to his share of the 51-million-acre base. Sixty-two percent of the producers who voted favored this approach.

What benefits will be derived from this legislation?

First, it should be remembered that under either of these two options the Corn Belt farmers will be making a sharp downward adjustment in their corn acreage since the 1956 planted acreage of corn in the commercial-corn area was 57 million acres.

Second, unless the corn farmer plants within his acreage allotment or base these same farmers will not be able to participate in the soil-bank program for other basic crops such as cotton, wheat, tobacco, or rice.

Third, unless the corn producer is given a realistic opportunity to adjust corn acreage, the effects will be felt in every county in the United States. This is due to the fact that corn will be cheap. The cheap corn will be marketed in the form of cheap livestock and livestock products. The marketings of livestock, dairy, and poultry products account for 55 percent of the cash farm income of the United States.

Fourth, price support to corn producers in the noncommercial corn area will be automatically increased by about several cents per bushel.

Fifth, no additional time-consuming expensive record checking will be involved. Farmers have in their hands both their acreage allotments and their bases.

I am sure that when you have considered the implications of our failure to provide a realistic program to corn producers up to now that you will vote in favor of this legislation. There is no reason why corn producers should not be given a fair chance to make a downward adjustment in their production with minimum acreage allotments comparable to those provided to producers of other basic crops, such as cotton, wheat, peanuts, and rice. It is simply a matter of justice for corn producers. With this amendment, the soil bank can do the job which it was designed to do.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Missouri.

Mr. Chairman, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has properly stated the reason for the 3-year period. I think it would be a mistake to adopt the amendment offered by the gentleman from Missouri [Mr. JONES]. The purpose of the 3-year period is to make it conform to the life of the soil bank. I think it is high time that we get away from piecemeal legislation and at least attempt to write some long-term legislation.

We are all interested in the soil bank and in making it work. I think it has been fairly stated that in the year 1956 the soil bank did not have a fair chance to work. Soil-bank legislation was enacted at a very late date last year, which made it impossible for many States in the South to get into the program before the growing season arrived.

In the Corn Belt we had a very unusual situation, as you all know. Somebody has said something about wasting $179 million on corn soil-bank payments last year. Seven and a half of my twelve counties were in the drought area last year. It never was anticipated that the soil-bank program should become a crop insurance program or a relief program, but really the $179 million was spent for a good purpose, in that it kept a lot of farmers from going bankrupt at that time.

Now, let us get down to brass tacks as to the cost of H. R. 4901. I received a report from the Department of Agriculture this morning showing that the potential cost of the Cooley bill relating to corn and feed grains would be $996 million. The commodity allotment in the bill for corn would be 43.3 million acres. Under section 2, the allotment times 18

would be 7.8 million acres. At the estimated payment rate per acre the average would be $42.66 for corn, or a total of $333 million.

Now, as to cotton, the commodity allotment would be 17.6 million acres.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. Not at this time.

The allotment times 18 percent at an average estimated payment per acre of $26 would cost $83 million.

On wheat the commodity allotment would be 55 million acres. The allotment under section 2 would be 9.9 millions, at an estimated payment rate per acre of $26, or a total of $257 million.

Further, in the case of peanuts and rice the commodity allotment would be 3.3 million acres, the allotment times 18 percent would be 0.6 percent. The estimated payment rate per acre would be $26, and the total cost would be $16 million.

In the case of tobacco 1.5 million acres would be under the commodity allotment times 18 percent would be 0.27 at an estimated payment rate per acre of $26, making a total cost of $7 million.

This makes a total maximum cost of $696 million for H. R. 4901.

To this amount should be added the maximum provided in section 3 of the bill for feed grains at a cost of $300 million.

This makes a grand potential total of $996 million covering the cost of the bill.

In addition to that we must also add the administrative costs which have been fairly estimated at some $35 million. This would make the total cost of H. R. 4901 well in excess of a billion-dollar figure.

I hear a lot of talk about economy and I am sure Members on both sides of the aisle are hearing from the folks back home. If you vote for the Andresen amendment, if for no other reason than that of economy, that is exactly what you should do.

Again let me remind you that the Cooley bill will cost $996 million in addition to administrative costs.

Under the Andresen bill, H. R. 3011, no additional funds are authorized. Any payments earned by corn producers would be part of the $750 million already authorized for the average agricultural reserve program.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent Mr. HOEVEN was allowed to proceed for 2 additional minutes.)

Mr. HOEVEN. The proportionate share of the budget for corn for the 1957 agricultural reserve program under the Andresen bill is $217,500,000.

So in the last analysis, regardless of the merits of the two bills, if you are really interested in economy you will vote for the Andresen substitute. It is the best and the most economical course you can take.

The rollcall vote on the Andresen substitute will show whether you are willing to save the taxpayers of the country almost a billion dollars.

Mr. COOLEY. Mr. Chairman, I want to be heard briefly on the amendment and will not take 5 minutes.

It seems to me this amendment will really test the sincerity of the Members of this House who have said that this was an emergency situation and that they would be perfectly willing to sit down with the other members of the committee interested primarily in other commodities and to work out a long-range program. You are taking this emergency and writing legislation that goes on for 3 years under the pretext that it is an essential part of the soil-bank program. Your Secretary of Agriculture has never suggested that this is an essential part of the soil-bank program. You have the proposition before you now in the Andresen bill. I am frank to say I have no figures about the cost of either one of these programs except the best information we could obtain and that is in the report. You do not know what the Andresen bill is going to cost. Why not adopt the amendment offered by the gentleman from Missouri [Mr. JONES] fixing it for 1 year? We will be in session when the year expires and if it is a good program, if it is an essential program, we can continue it. Here you are proposing by the Andresen bill to adopt an emergency program for 3 years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. Did we not fix minimum acreages for wheat and cotton on the basis of an emergency situation and, also at that time, not knowing just how much it ultimately might cost?

Mr. COOLEY. But it was for 1 year.

Mr. HALLECK. In other words, if we had not extended the minimum acreage for cotton to 3 years, then you would have to be in here this year for legislation because the acreage on cotton would drop from 17.6 million acres to 3.9 million acres and the cotton agriculture could not live.

Mr. COOLEY. When you talk about wheat and cotton, we had it on an emergency basis for 1 year at a time. Then later on we continued it. We knew something about the cost, but here you are jumping in with the Andresen bill and you have no idea what the cost is going to be and you do not know what the participation is going to be.

Mr. HALLECK. Under existing law you do not need further legislation dealing with cotton and wheat?

Mr. COOLEY. No, that is not so. I have introduced a bill today. I do not know how far it will go after this fight, but I introduced a bill today on that subject.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. Will the gentleman accept the Andresen bill if the Jones amendment carries?

Mr. COOLEY. No; I am not going to accept the Andresen amendment because I think we have other provisions in our bill that are beneficial and vital.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman made the statement that he had no knowledge as to what the Andresen bill might cost. I have before me a statement, and I think it is as sound as it can be, to the effect that H. R. 3011 will involve no additional funds being authorized.

Mr. COOLEY. It is not a question of whether it is authorized or not. The additional price support obligation would come out of CCC funds which are already authorized. The losses would simply be made up by appropriation after they have been incurred.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Under the Andresen bill they would pay the money out of the Commodity Credit Corporation, then we would have to appropriate the money to the Commodity Credit Corporation. Really, when you get to costs all of the figures given here are figures you pay out of the soil bank. The real cost is how much of this corn will end up in the hands of the Government and the Government cannot use it or get rid of it. Your costs cannot be figured on how much you pay out in soil bank funds. If you let the rest of the country supply the feed so that there is no market for corn, the whole investment is caught. When you get to arguing about these costs, do not look at the soil bank payments. Look to how much money is going to be put into corn. Are you going to have it where you can get the corn out or are you going to allow the other feeds to take the market and hold on to the corn?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to ask the distinguished gentleman from Mississippi who handles the Agricultural Department appropriation bill if there is a limitation placed upon the amount of money that the Commodity Credit Corporation can use for soil bank purposes? Is it not $200 million?

Mr. WHITTEN. There is a limit on the soil-bank payments. When you limit this to discussing the money you pay out from the soil bank, you are playing around with the fringes. The real problem is how much money you are going to invest in corn and what you are going to do with the corn when you get it. If you let the other grains take up the usable market, you can wind up by having the corn in the hands of the Government and your figures become insignificant when compared to the overall.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let me say to my good friend from Mississippi that is exactly what we are trying to avoid this afternoon. We are trying to avoid the Government piling up corn in bins and the Federal Government having to spend large sums of money for its storage. And I believe the legislation we propose is the best solution to the whole problem, if you will just lend us your support.

of this committee did not offer to compromise. I ask anyone to challenge that statement.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Yes, I yield.

Mr. AUGUST H. ANDRESEN. The gentleman wrote the ticket, too, and then he offered to cut certain sentences out.

Mr. ABERNETHY. I ask the gentleman the question, Did we offer to compromise?

Mr. AUGUST H. ANDRESEN. No, you did not. You wrote a bill and you took it away from us.

Mr. ABERNETHY. Did I not ask you if you would vote for certain things, and you would not even answer?

Mr. AUGUST H. ANDRESEN. The gentleman said he asked me if I would vote for the Lord's Prayer. I do that regularly. But I do not remember the gentleman asking me that. The gentleman did not offer any compromise.

Mr. ABERNETHY. Mr. Chairman, I do not yield any further. Numerous compromises were offered in the committee and all were turned down by the minority.

Mr. Chairman, what is the corn situation? Here it is. In the fall of 1956 our corn farmers found themselves burdened with the biggest surplus in the history of this country. Last January the administration came to us and said, "Pass the soil bank and that will fix it up." We passed it and they spent $179 million on corn and did not reduce the surplus 1 bushel. They just threw the money away.

Not only that, the administration violated its own policy on supports. They have always taken the position that if the surplus is high, then cut down the supports and you will get less production. But, oh, what happened? They set the support price at 81 percent of parity and then, faced with an election, they raised it to 86.7 percent, even though corn was in the greatest trouble it had been in all the history of this country. They also supported the unlimited production of corn at $1.25 per bushel. And what happened? Farmers were encouraged to produce more and more corn. So the surplus was increased again. Now we find ourselves with a doubly aggravated situation, even though the Secretary expended $179 million of soil-bank money in an effort to head it off. The situation is his own handiwork. Undoubtedly his eye was on the November election when he upped corn supports last year.

Assistant Secretary McLain came before the committee on January 30. Where did he say the surplus was created? He said it took place in the diverted-acre areas of the wheat, cotton, tobacco, rice, and peanut belts. He said that:

> In adjusting to their allotments producers of other basic crops—

That is, wheat, cotton, and other basic crops—

> diverted a substantial part of their acreage to feed grain, including corn.

He went on to say that the biggest part of the surplus came from the noncommercial area. That is, from the State of Montana and the State of South Carolina, from the State of Texas and the State of Oregon, from the State of Washington and other corn and grain sections which are outside the commercial corn area, and also from the State of Pennsylvania, around the western section, about which the gentleman from Pennsylvania [Mr. FULTON] inquired a moment ago when he asked why we do not treat all corn alike. Incidentally, that is just what we are trying to do, and unless we do this program will be a complete failure and the money will be wasted as it was last year.

So you have two leaks. It is similar to water being fed to two faucets from a single main, with both faucets open. But the administration's bill and the bill of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will only slightly close the faucet on one side and leave the other wide open. Closing slightly in the commercial area and leaving the noncommercial area wide open will solve nothing. Both must be partially closed to solve the problem.

Suppose we brought a wheat bill here which had for its purpose to solve the surplus problem in the Wheat Belt, but it applied to only a part of the Wheat Belt. Would it solve the surplus? Of course not. Suppose we had made the wheat bill applicable to every State in the Wheat Belt with the exception of Kansas and permitted Kansas farmers to produce just as much wheat as they wished. Would it solve the problem? Of course not. The Andresen amendment presents an identical situation. His amendment is designed to simply slow down the production of corn in the commercial area and permit production to run wild in every other section of the United States. They will not deny that. They know it to be so. The Assistant Secretary said it was so, and I have just read his words from his statement to the committee. He knows it is so. You cannot solve this problem unless you plug both ends of the leak.

Corn is corn. It makes no difference whether it is produced in Oregon or Illinois. A bushel of corn, no matter where it comes from, adds to the surplus. Unless we bring you a program that will stop the leaks inside and outside the commercial corn area, then we are going to waste a lot of money this year on the soil bank. Sure we are; and I refuse to be a party to it. We are going to encourage the production of more corn in the noncommercial corn area if we adopt the substitute. By its adoption we are going to make production attractive outside the commercial corn area. So the purpose of our bill is to do what? It is to stop the leak not only inside the commercial corn area but outside as well.

I know there are some Republican members of our committee that know that is true. I am not going to call names but they have talked with me about it. They know it is true. I am just as much interested in solving this problem as anyone. I do not want to do a half job, leave one leak open, and permit corn production to run wild again this year as it did last and year before.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Illinois.

Mr. SPRINGER. I think the gentleman knows that I grow more corn in my congressional district than any other congressional district in America. I have never taken a partisan attitude on this farm problem. I ask the gentleman this, and I think he will give me a straight answer: If this program which is proposed by the Andresen amendment costs $500 million, how much more will this program cost that is proposed by the committee bill?

Mr. ABERNETHY. I can answer only by referring the gentleman to the report. The information is there. It is in the report. Our counsel worked it out.

I am interested in cost, sure I am; but I am also interested in results. We had the same program last year for the commercial Corn Belt that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is trying to put in now. We had it last year. I know they say it did not have a chance. Well, if it did not have a chance, they should not have thrown away that $179 million. They spent the $179 million last year and did not reduce corn 1 bushel. I am interested in cost, yes. I am also interested in results. They left the leak outside the commercial corn area open. I hold in my hand the table showing corn acreage outside of the commercial Corn Belt. There is a lot of it. It is increasing all the time. Now, are we going to leave it open by adopting the Andresen amendment? Are we going to repeat the dismal failure of last year?

Mr. SPRINGER. Let me ask the gentleman a question or two, and I think I can bring this thing to a head.

Mr. ABERNETHY. Let me have 2 more minutes and I will yield to the gentleman.

Mr. SPRINGER. I think this is the crux of the bill.

Mr. Chairman, I ask unanimous consent that the gentleman have 3 additional minutes so that I may ask these questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. SPRINGER]?

There was no objection.

Mr. SPRINGER. Let us reduce this matter to this. The committee report, as I understand it, says that approximately $250 million has been the cost. Here on this side the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] seems to have figures, as I understand it, that it will cost $800 million or $900 million more. Apparently, there is a difference of opinion as to how much the cost is going to be. May I ask the gentleman this? I have wondered seriously about this whole question of feed grains. What would happen if you had this applicable—I am talking about just what has been proposed in the committee report on this second facet in the noncommercial area—if you just had for corn alone this kind of program in the noncommercial area. It is my understanding that it would only cost in the neighborhood of $50 million or $60 million; am I right about that?

Mr. ABERNETHY. I do not know what it would cost, may I say to my friend, I do not know.

Mr. SPRINGER. Is that about right?

Mr. ABERNETHY. I do not know.

Mr. SPRINGER. Well, would you say it would be a whole lot more?

Mr. ABERNETHY. I will answer that in this way.

Mr. SPRINGER. Those are my best figures on it.

Mr. ABERNETHY. I will answer in this way: 70 percent—actually a little better than 70 percent—but 70 percent of the Nation's corn acreage is planted in the commercial corn area; and a little less than 30 percent is planted outside the commercial corn area—and it is growing all the time; is it not?

Mr. SPRINGER. Yes.

Mr. ABERNETHY. That is right. All right then. The soil-bank payments are made on the basis of yield and the highest yields are in the commercial area; are they not?

Mr. SPRINGER. Yes.

Mr. ABERNETHY. And the lower yields are in the noncommercial area. Even if the yields were identical, it would cost on a ratio of $7 as against $3, that is, it would cost $7 in the commercial area as against $3 in the noncommercial area. That would be the ratio. Due to yields the commercial cost would be even higher and the noncommercial area would be even lower.

Mr. SPRINGER. All right, then, I think the figures are not too far off—about $60 million. That is what it would cost, as I take it, to apply the plan which you have in mind, as suggested here, to corn alone and not dealing with other feed grains. Is that a fair statement even if it is not exactly right?

Mr. ABERNETHY. I do not think we can solve the problem unless we apply it to all feed grains. That is what the Assistant Secretary of Agriculture clearly indicated in his testimony.

Mr. SPRINGER. You do not think it will solve it, if it is applied to corn alone?

Mr. ABERNETHY. I do not. Because in your own section, you diverted commercial corn acres to competitive feed grains. I have reference to those who complied with their corn allotments. Their diverted acres went to other feed grains; did they not?

Mr. SPRINGER. Well, a large part of it.

Mr. ABERNETHY. Some of them did.

Mr. SPRINGER. A lot went into the acreage reserve.

Mr. ABERNETHY. I am not speaking of last year only. I am speaking of the acreage-allotment program over the years.

Mr. SPRINGER. No; I was talking only of last year.

Mr. ABERNETHY. If I could go on, then I will yield to the minority leader. Now, if I may continue. There is an outstanding difference in the committee bill and Mr. ANDRESEN's bill that we ought to consider. The committee bill requires the farmer, to be eligible for price support, to put 18 percent of his share of the 51 million acres of corn into the soil bank. In other words, he has to actually reduce grain production. He would have to put 18 percent of it in the bank in order to get price support. But, under Mr. ANDRESEN's bill, it is quite possible that some farmers will not put in a single acre of corn or grain, get price supports and still collect soil bank payments. Here is the way it will work. If you will read his bill, you will note that it does not require a farmer to put grain in. It does not require him to put in any of his portion of the 51 million acres. It simply permits him to put in corn land or tillable land.

Well, he could have nothing planted on the tillable land; then put it in the soil bank and collect soil bank money, plus price supports on his share of the 51 million acres of corn. He is not required to reduce the production of corn or grain 1 bushel. He can plant his full allotment and just deposit open tillable land. This would be a repetition of the bonanza of last year. Our bill requires an actual deposit of corn or grain. Without such requirement the surplus will never be reduced.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HALLECK. Of course we know of the gentleman's very effective solicitude for the farmers in his district and in his area. Do I understand that what you are proposing to do is to take a lot of your people out of what has become a more profitable part of the business of farming in order to prejudice the corn farmers up in my area?

Mr. ABERNETHY. I am not trying to prejudice anybody. My only interest is to try to bring a bill to this floor—and I am just as earnest in saying this as anything I have ever said—which will stop both of the leaks to which I referred earlier. I am trying to perfect a workable program, an effective program, one that will reduce grain production and solve the surplus problems.

It has been said that we have cut down our cotton acreage and thereby encouraged increased acreage in other sections of the world. I think there is some truth in that. Likewise, if you cut down your corn acreage in Iowa, Illinois, and Indiana and leave corn farmers in Texas, western Pennsylvania, Colorado, Oregon, and other sections of the country not in the commercial corn area, to plant unlimitedly, what will happen? Of course they will increase their corn acreage. You are going to make it attractive for them. How? You are making it attractive because you will be siphoning out of production the commercial corn farmer and thereby encouraging the noncommercial area farmer to plant more acres to corn.

Perhaps this soil bank thing is costly. I think it is ridiculously so. I also think the results we got last year for that $179 million spent in the commercial corn area are ridiculous. It is positively disgraceful. The odd thing about it is that the minority is asking us to do it again. I just do not think it is good business.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HILL. Mr. Chairman, I rise in support of the Andresen amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HILL. I also ask unanimous consent that I may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Chairman, I am sorry too, as my good friend from Mississippi said, that these personalities in the committee work have come into the discussion before the House. But if you want to air the different views on the inside of our committee, you are inquiring from the proper source. I do not have 1 acre of commercial corn in my area. I can match the gentleman. I am only trying to do what I think my conscience dictates, which is to work out the best bill we can possibly get for the emergency now existing in the production of corn. We are not discussing sorghum grains. It was not mentioned in the bill introduced on January 16. We are all in favor of including all feed grain in the overall farm picture. Every one of us. But we are not in favor of a monstrosity such as was introduced to our committee, on which we never held 1 single day's hearings. The committee did order hearings on the corn bill.

Let me say to the gentleman from Mississippi [Mr. ABERNETHY], we do not use politics just because we are on the minority side. I say to you frankly that on the other side they have played real politics. I hate to do this. My conscience says I should not, but I do not appreciate the statements made by the gentleman from Mississippi [Mr. ABERNETHY]. But what did we do for him? There is not a man on the committee that has received the political support from the Democratic side that the gentleman from Mississippi has received and from us on the Republican side also, even to the extent of supporting legislation in which he was personally interested.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. Of course, I yield. That is a true statement I am making. I yield to the gentleman, but ask a question; please do not make a speech.

Mr. ABERNETHY. My friend from Colorado and I generally always agree.

Mr. HILL. What is your question?

Mr. ABERNETHY. I really believe that we would be better off if we did not get our personalities too involved in this.

Mr. HILL. Exactly.

Mr. ABERNETHY. And I certainly did not bring it up.

Mr. HILL. Let us see that everyone on the right-hand side does the same, and I will say no more on this.

Mr. ABERNETHY. The gentleman was talking about Mr. ABERNETHY in that last statement, was he not?

Mr. HILL. I am not making any further statement about it.

Mr. FULTON. Mr. Chairman, will the gentleman yield to clear up a misunderstanding? I hope he will yield. I hope it was only a misunderstanding.

Mr. HILL. If the gentleman has any misunderstanding, I will yield to him.

Mr. FULTON. I hope it was not the intention of anyone here to state that the great Committee on Agriculture has brought out a bill on this floor for the benefit of one Member.

Mr. HILL. I did not say any such thing.

I said that in times gone by we supported the gentleman from Mississippi on a piece of legislation that he said, if he did not get it, it meant his political life.

Mr. ABERNETHY. It might have.

Mr. HILL. He agrees with it.

Mr. FULTON. That is hardly an adequate reason for the Agriculture Committee to bring a bill to the floor.

Mr. HILL. The gentleman heard what I said. Now, referring to the action we had on the floor of this House on the bill offered by the gentleman from Texas, the deferred grazing bill, that was pushed through this House with very little opposition. It is a good piece of legislation—just the same as we could put through a bill on the floor of this House on all feed grains if we would go about it as a committee and not bring politics into this matter.

Let me show you 1 or 2 things that are going on. There is an unusual condition in the House on this bill. I noticed yesterday that only 1 or 2 Members on the majority side stood up during general debate and discussed this bill. There are reasons for that. Let me say frankly that the minority side of the Committee on Agriculture has tried to be just as kind and as gracious as we could possibly be to some of the programs of emergency that have been considered by our committee.

Now when we consider a corn bill we immediately find opposition and a refusal to go along with a bill that the farmers—now watch the statement—61.5 percent supported in a referendum vote last December.

Just what are we doing when you oppose this bill—the farmers wanted it to the rate of 61.5 percent. I gave you those figures yesterday and they are in the RECORD.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. Of course I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman is saying that the farmers approved this bill by 61.5?

Mr. HILL. I do. They approved the corn program offered in the Andresen bill.

Mr. ABERNETHY. I think the gentleman has modified his statement.

Mr. HILL. I say it is as nearly exact as it can be.

Mr. ABERNETHY. But there are differences in the price-support level, are there not?

Mr. HILL. There was no difference in the price-support level. There was a certain organization went up and down the countryside saying that it was a support from nothing to 90 percent on corn which certainly was not a fact.

Mr. ABERNETHY. The Secretary could, if he desired, place it even below 70.

Mr. HILL. I do not believe he can, although I am not a lawyer. I do not thing he could have, and I do not think he would have.

Mr. ABERNETHY. He said he could.

Mr. HILL. Let us not get politics into this, but talk about it on its merits.

Mr. ABERNETHY. I am just trying to get the thing clear. He testified that he could have, but that he had no intention of so doing. That is the way I remember the testimony.

Mr. HILL. The gentleman wants to clear it up by getting the water more muddy.

Let us get back to what I wish to talk about. I am convinced in my own mind that behind this Cooley-Poage bill—and that is exactly what it is because it originated in the committee and was not offered by any particular Member. Now I do not accuse anybody of wrongdoing. Someone said yesterday over 33⅓ percent of the acreage of cotton in the present program has been taken out of cotton production, that a high percentage has been taken out of tobacco and that a high percentage has been taken out of rice. Now all this acreage can be placed in the soil bank up to 18 percent of the idle acres. Let me ask a question. Did it ever occur to a single soul on the right-hand side of this aisle that every agriculture bill that has been offered to help the cotton, peanut, and tobacco growers in the past has been supported by the Republican side of the committee?

I was reading the statement of a great former Vice President appearing in the U. S. News last night, the Honorable John Nance Garner. It would do you good to read it and I would be willing to buy a copy for any Democrat if he will read the statement made in the U. S. News by that great gentleman, one of the greatest who ever served as Vice President and as a Member of this House for 38 years. He said some very cute things. I want to read one of them, just to show you what is going to happen to the soil bank if you pass the Cooley-Poage bill. How smart he is. How he can see into the future I do not know, but he did.

> The theory of the soil bank is not to produce any more than you can use or sell to foreign governments at a profit.

So said Mr. Garner.

> That is the theory of it, and I hope it will work out.
>
> It is so complicated I cannot see it at all.

If he had seen this bill he would say it is even more complicated.

> I would not say yea or nay about it.

Now, listen to this, and I would invite the attention of the gentleman from Texas [Mr. POAGE] especially to this:

> I know it is better than what the Democrats have got by subsidizing the farmer.

I will put that in the RECORD.

I do not think I should go any further on that, because my time is running out. Now, let me tell you something that was said on the floor yesterday. It is very easy to make remarks about farming if you do not know what you are talking about. It is a fine thing. Someone said yesterday that there were no surpluses. That is a huge joke.

Let me show you what you are doing today. For the fiscal year ending June 30, 1956, we paid out a total of $374,087,260 for the storage of surplus agricultural products. That is not hay. Now, who is going to tell me you have not a surplus of cotton or peanuts, who is going to say that we have not a surplus of tobacco? I am telling you, frankly, that all of these surpluses that are bothering us today are the result of action under the basic act of 1938.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to point out, as I have through the years, that the so-called surplus of these commodities except surpluses to our domestic demand had been made surplus by refusal to sell in world markets. If the Department of Agriculture had kept these commodities in world trade at competitive prices, we would have had world markets and we would not have had surpluses. They have been made surplus by the nonaction of the Department.

Mr. HILL. The gentleman knows full well that our present Secretary of Agriculture has sold more surplus products in 1 year than all of the other Secretaries have sold in history. The gentleman knows that better than I do.

Mr. WHITTEN. If the gentleman will yield, he will recall that 2 years ago my committee in its report told the Department of Agriculture they had to use their authority. We went so far as to advise the Department that they were not going to get any money out of the subcommittee to control production of commodities they refused to sell. We set up by the committee action a sales organization and demanded that they sell. Now while he has started to sell them it was under a shotgun and there would nos have been surpluses if the Secretary had used his authority to sell. But the Department held them so long that they accumulated beyond what you can move out overnight.

Mr. HILL. I am glad the gentleman used the word "shotgun," because that is the way this bill got here, by virtue of shotgun tactics. It is born out of wedlock.

Mr. WHITTEN. I am a member of the Agriculture Appropriations Committee, as the gentleman knows. Of course, I have not any knowledge of what happened in the Committee on Agriculture, but if this shotgun is as effective as ours was on the Secretary in making him sell these commodities, I will be for the use of such weapon by the committee.

Mr. HILL. I am glad the gentleman feels the way he does.

Mr. Chairman, I have the latest figures from the Department of Agriculture to show the cost to store a given product for 1956.

For the fiscal year ending June 30, 1956, we paid out a total of $374,087,260 to pay for storage of surplus agricultural products.

The latest figures available from the Department of Agriculture show that it

cost the following amounts to store the given products for the month of December 1956:

Corn	$8,445,107
Wheat	15,051,903
Cotton	2,330,915
Sorghums	1,062,433
Barley	661,122
Oats	406,905
Rye	112,098

For the month of December it cost $40,234 each hour to store our Commodity Credit Corporation stocks. That amounts to $670 a minute. If these figures are for something other than a surplus that is "burdensome" and "troublesome" we better look into it.

Investment basic commodities

Nov. 30, 1956:	
Corn	$1,928,973,000
Cotton	1,759,399,000
Tobacco	660,975,000
Wheat	2,759,039,000
Total investment for basics	7,330,786,000
Nov. 30, 1955:	
Corn	1,467,142,000
Cotton	2,048,464,000
Tobacco	560,137,000
Wheat	2,847,838,000
Total investment for basics	7,208,329,000
Grand total, of all investments — pledged loans and inventory for basic and nonbasic crops:	
Nov. 30, 1956	8,169,551,000
Nov. 30, 1955	8,206,826,000

You just cannot read these figures without saying we do have great surpluses. A surplus is a surplus whether it is in the hands of the Government or whether it is in the farmer's grain bin, and that surplus has a deadening effect on the price of agricultural products. And, I might also say to the gentleman from Mississippi that the best information I can get—and here is where I have heart failure—is that corn keeps in good condition for 4 years—that is, the length of storage—that it will hold and stay in good shape and not over 10 years for wheat. Now, you understand the loss that could be taken on this storage. The only storage product you have that will hold its own is cotton, and you cannot compare cotton with corn. There is no comparison in any way between cotton and corn. Corn is fed on the farm or in the feed communities. Try eating your cotton.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I am serious about this.

Mr. HILL. I am glad to see the gentleman get serious.

Mr. ABERNETHY. I want to ask the gentleman this question: What is the gentleman going to propose or do to reduce the surplus production of corn and feed grains outside of the commercial corn area where Mr. McLain, the Assistant Secretary of Agriculture, says the problem has been created? What are you going to do about that?

Mr. HILL. I will answer that. If the gentleman will just sit down and listen for 2 or 3 minutes, I will answer, because I think I know as much about sorghum grains as any man in this House.

Mr. ABERNETHY. That is the reason I asked the question.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HILL. I thank the gentleman. I will say to the gentleman from Mississippi, in all good conscience, that our Committee on Agriculture, after all, is a most important committee in this House. When we deal with products, we are dealing with the lifeblood of our beloved America, not only in 1957 but in years to come.

Mr. ABERNETHY. But they are not in surplus. I am talking about corn.

Mr. HILL. I will take care of the sorghums. Now, here is the answer. The gentleman knows full well that I said in committee—and I said it yesterday in my remarks, if you will notice—that we, by any manner of means, should get together just as quickly as our committee can be organized, and we should call in all of the experts, including the many, many farmers who grow grain sorghums, and the fine representative from Oklahoma A. and M. College who developed hybrid sorghums that will produce 40 to 200 percent more bushels per acre. I will join with the gentleman from Mississippi to work out a longtime grain program.

Now let me show you why you cannot do it in this way. We have land all over the high Plains States, the 17 States, and these States have a lot of land that should not have been plowed up. Some is not very good. Now, if you get $10 per acre payments for soil bank compliance in much of this area for 3 years, you will have paid more out of the taxpayers' pockets than the land is worth. There are hundreds of thousands of acres you can put into kaffir corn and milo maize.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield further?

Mr. HILL. I yield.

Mr. ABERNETHY. The gentleman then does concede that there is a surplus problem in corn and grain outside of the commercial corn area; and as I understand it, the gentleman is going to let that pile up 1 more year while we work on it the rest of the year. If that the gentleman's idea?

Mr. HILL. No; the gentleman misunderstood or misinterpreted what I said. What we should do is to pass the Andresen bill. It would take out corn acreage where it is being produced at 120 to 200 bushels to the acre. If you take out that kind of corn soil, you have done something to help the corn situation. But you are not going to help the corngrowers by taking out a lot of cheap land in areas that produces little to the acre.

Mr. ABERNETHY. But what are we to do about this additional surplus that is going to be grown this year? That is what we are trying to cure.

Mr. HILL. You have horsed around with this bill until it is now the middle of March. I doubt very much whether either one of these bills will get through either House in time to do a whit of good in 1957. I do not admit that it is my fault.

Mr. ABERNETHY. Well, the Secretary horsed around with it for 60 days.

Mr. HILL. Perhaps he was entitled to horse around with it, considering the kind of men he had to work with.

Mr. HALLECK. Mr. Chairman, would the gentleman yield?

Mr. HILL. I yield to the gentleman.

Mr. HALLECK. Let me say first of all that when some of my very good friends on the other side of the aisle for whom we have gone to bat to help them when they had their problems in agriculture get up and begin to talk about how they know all about the problems of agriculture in our part of the country, and that they are willing to make these great sacrifices to help our people, I begin to be just a little suspicious. The fact of the business is that the Andresen bill as it seeks to deal with the problem of the corn farmer in the Middle West can be effective this year. The proposals beyond that, contained in the committee bill cannot be effective and cannot do anything this year. You have got to set up a whole new machinery. So I am just forced to conclude from what I have heard that what you really want is to get a lot more money out of the Treasury without doing very much to help the corn situation generally over the country.

Let us get on with the passage of the bill that will do something to meet this problem this year and then if there is something else that needs to be done—and that has been mentioned here time and again—we can get on with that.

I asked the gentleman from North Carolina [Mr. COOLEY], speaking on the bill yesterday, if it was imperfect in many places. I thought it was so, I had heard it was so. He said, "No; it is very carefully worked out." His fast-talking friend, whom I love, the gentleman from Texas [Mr. POAGE], followed him and he said that the bill is not perfect. I will get his words; I do not want to misquote him; I want to get it right:

> The bill is, of course, rough. The bill has defects in it. There are amendments we need to offer. There are perfecting amendments which we will offer. We want you to understand we are not bringing it to you as a perfect instrument.

Then he went on to say that the minority Members did not help him enough to get a good bill.

You plead guilty to having a bill here that you yourselves say is not right, yet you want us to embark on this new program.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the Andresen amendment.

Mr. Chairman, I think all of us know now just how unfortunate this day is for those constituents of ours who till the soil of our Nation. I said yesterday that

the house of agriculture is divided. We all know now that the house of agriculture is divided. It is unfortunate that we are divided along political lines because corn is one of the great crops of our country and it is grown in just about every section of this vast Republic of ours.

I have taken the floor now to resent the castigation of our committee by a member of that committee.

I have served on that committee for 22 years. Every man and woman in this House knows that I have been proud of every member of our committee. I have praised them throughout this country as friends of the farmers, as dedicated public servants, as men who wanted to serve not only agriculture but all the people of our Nation.

Now we sit here in this Hall today and hear Mr. HILL from Colorado come here in an effort to besmirch, malign, and slander the Committee on Agriculture and, worst of all, he did it in a vicious and a sinister fashion.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. No. I did not interrupt you and I am not going to yield.

Mr. HILL. You are not telling the truth.

Mr. COOLEY. You admitted here in this well of the House today, and it will be in the RECORD tomorrow if you are brave enough to leave it in there, and your constituents will read what you said, that you voted to report a bill out purely for the purpose of saving the political life of one of its members. And you ought to leave it in the RECORD. When one of your own colleagues challenged you, because it was hard for him to believe that you would make such an admission on the floor of the House, that you yourself had been actuated by politics in voting out a bill.

I still think we have one of the finest committees in this Congress, and I say that notwithstanding Mr. HILL's membership on the committee, because I am devoted to him. I have admired him, and I have bragged on him as I have the other members of that committee.

I want you to know this, that never before in my life have I begged people to cooperate in the drafting of legislation to the extent that we begged the Republicans, during consideration of this matter. This gentleman here on the front row, the gentleman from Illinois [Mr. SPRINGER], has made a reasonable and a plausible suggestion, but do you think anybody on the committee will offer that as an amendment? His suggestion was, Why do we not just deal with corn in all sections of the country and eliminate the treatment of other feed grains? Is not that the gentleman's position? That is perfectly plausible and reasonable. I for one would be willing to sit down right now and work it out.

But if you adopt the Andresen amendment, everything is over. You could not then bring in Mr. SPRINGER's idea and put it into this bill. If there is something in this bill that is bad, I challenge every one of you to offer an amendment to strike out some part of it. If you do not like the $10 minimum or the $50 maximum, if you do not like section 3, take it out. But for goodness' sake, do not let us stand here and pass a bill merely because it bears the name of AUGUST ANDRESEN.

What happened to Mr. Benson's bill? You all are so proud of Mr. Benson and his record. Why has not someone introduced his bill?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman, I am sure, understands that the responsibility for drafting legislation dealing with agriculture is on the part of the committee. In the past I have heard the gentleman speak unkindly of Mr. Benson. I am a little surprised that he would object to the committee's having written its own bill. Specifically, I would like to ask the gentleman this: What the gentleman has just said is an admission as of today that his bill, that he is sponsoring, is not perfect and should be amended?

Mr. COOLEY. Let me be heard on that. I have no pride of authorship. My name is on it because Mr. ANDRESEN did not want to leave his name on it after we had worked our will on the bill.

I introduced the bill to bring it to the House in a sincere effort to provide for the corn-growing area. This is exactly what they wanted. I, for one, would right now consider seriously, and I talked to Mr. ANDRESEN about it, substituting our corn section for his corn section, but we cannot substitute clear across the board.

Mr. HALLECK. May I ask the gentleman a second question, if the gentleman will permit me? There is no difference then between the majority and the minority members of the committee as to the sections of the bill dealing with the problems of the commercial corn area.

Mr. COOLEY. There is quite a difference.

Mr. HALLECK. I thought I understood you to say just now so far as you were concerned you were willing to take the Andresen bill and substitute that for the corn section of your bill.

Mr. COOLEY. I said I was willing to consider it. We gave him in this bill, as I understand it, just about 51 million acres. That is what he has asked for.

Mr. HALLECK. In other words, there is substantial agreement between the majority and the minority members?

Mr. COOLEY. That is on that matter.

Mr. HALLECK. In other words, there is substantial agreement between the majority and the minority members as to what is needed with respect to corn.

Mr. COOLEY. Of course, I am only speaking for myself, and I am not speaking for other members of the committee, but so far as I am concerned, I said in the committee I will let you write the corn section, but for Heaven's sake let us deal with corn across the Nation as Mr. Benson and Mr. McLain said we should deal with it and not just throw away $217 million and come up with more feed grain next year than we had last year.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman correctly stated that my name was on the original bill. It was on the original bill which is the corn bill. Then, the majority members of the committee voted to substitute their own bill for the corn bill, and my name was still on it.

Mr. COOLEY. You could not say that it was our bill.

Mr. AUGUST H. ANDRESEN. The Cooley bill is not the Andresen bill in any shape or form.

Mr. COOLEY. I know that. I agree. The gentleman from Texas [Mr. POAGE] said yesterday that it was not a perfect bill. I said I thought it was a pretty well worked out bill. Now, if you want to strike out some part of it, let us face up to it and start striking out. But, do not oppose this substitute.

Mr. AUGUST H. ANDRESEN. Why do you not strike it all out and vote for the Andresen bill?

Mr. COOLEY. Nothing would give me greater pleasure than to please my dear friend, but I am trying to get across one thing. You are here now asking for $217 million to give it away in the commercial corn area, and you will accomplish nothing.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say first of all that probably from the standpoint of agriculture in this country and from the standpoint of the Congress and the work it has to do, it is unfortunate that this situation has developed the way it has. It is much more pleasant for all of us to come here in substantial agreement among ourselves and deal with a problem that is before us.

We had some conversation yesterday as to who was responsible for that. I took the position that the responsibility lay with the majority members of the committee because they refused to deal with what, I am sure, everyone recognizes as an emergency in the commercial corn area as we have sought in the past to deal with emergencies in the cotton areas and in the wheat areas.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. COOLEY. If this is an emergency, why does the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] propose to deal with it over a period of 3 years?

Mr. HALLECK. If it is a good arrangement, possibly it would operate for 3 years effectively. What I am saying is the emergency exists this year. It needs to be dealt with immediately, and the gentleman from North Carolina is much too wise in the ways of the Congress of the United States, in the ways of this body and the other body and the executive, not to have known that when you injected all of this new matter, you were promptly heading for trouble. It was with some pride that I said that as majority leader of the Republican 83d Congress we moved to do something for wheat in increasing acreage; we did something for cotton by increasing the acreage for cotton. The gentleman from North Carolina said to me, in attempting to differentiate, "You did not pay the cotton farmer or the wheat farmer." Then a little later on the very able gentleman, who backstops the gentleman from North Carolina, Mr. POAGE, of Texas, came along to explain to us how expensive the Andresen bill would be. I referred to those figures as a little fantastic, and I think they are, but he went on to point out that you would have 13.7 million acres of corn production in the commercial corn area, with an average yield of 49 bushels per acre; at $1.36 per bushel, it would cost $924 million. That scared everyone. Then I began to wonder, just why is this so much different than what we did for cotton and wheat. Let me point out to you that the Andersen bill will give the corn farmer equal treatment, and he deserves to have it.

If you applied the program that is presently in the law against cotton, you would cut cotton production back to 3.9 million acres, a reduction of about 13.7 million acres, to be exact.

Mr. JONES of Missouri. Who is responsible for that statement?

Mr. HALLECK. What I am saying is true.

Mr. JONES of Missouri. Well, you do not claim to be an expert do you? Who is responsible for that statement?

Mr. HALLECK. Well, I have heard it said that an expert is just a fellow away from home. I am not a member of the Committee on Agriculture. I am not so sure, after listening to some of the arguments around here but that I am an expert just as much as some other people. I am saying what the cotton acreage would be if you had not had legislation giving you the increased acreage. So let us follow Mr. POAGE's method of computing on what we did for cotton. We added 13.7 million acres, with an average yield of 400 pounds at 30 cents a pound, which would be $1,644 million every year that the cotton farmers are getting because we gave them that increased acreage.

For wheat we added 42.6 million acres, average yield 15 bushels, multiplied by $2 per bushel, the average price, or $1,278 million. For one year we just add $2,922 million that these farmers are getting which they would not get if it were not for the fact that we gave them this increased acreage, rather than require them to go down to the limits that would have been imposed by the legislation that you people wrote.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes, I yield.

Mr. ABERNETHY. The last cotton bill that I remember anything about was passed in the 83d Congress when the gentleman from Indiana was majority leader, and it took 250,000 acres away from my section and gave it to California.

Mr. HALLECK. Of course we always have trouble dividing up the acreage that you cotton people want.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. HALLECK was granted 5 additional minutes.)

Mr. HALLECK. If the gentleman had been here he would have heard me say that I prided myself, as a man from the North and a Republican and with the responsibility of majority leader, to come in here and cooperate with you people in your program, something that you apparently will not do with us now. Everybody can take his own reason for why that is being done.

In addition to that, the money that has been provided for cotton since approximately 3.40 million acres of cotton will go into the soil bank, this acreage times a hundred pounds per acre, times $15 soil bank payment totals up to $204 million more. What do you mean by coming in here and saying that the cotton farmer and the wheat farmer did not get something out of what we did for you, when we increased the acreage over and above what was allowed under the program?

There is another thing I want to call to your attention. I have been trying for a long time to get the committee people to put a price tag on your bill. I have been hearing a lot of talk around the country that the budget is too big, that the Eisenhower budget is too big, $71,600,000,000, and we are told to do something about it.

Let me say to my good friends on the right-hand side of the aisle, and the people of this country are not going to forget it: This is the first real money-saving opportunity that has been presented to you. If you pass this bill you are going to vote something between $500 million and $1 billion more out of the Treasury this year. How are you going to justify it? I would like some of you to go back home and explain to your people who are writing you even as they are writing me, that the budget is too big, that when you had a chance to save from $500 million to $1 billion you threw the chance out the window.

The gentleman from Texas [Mr. POAGE] does not generally make very many mistakes.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield right there?

Mr. HALLECK. I want to go on, if I may.

"The committee bill does involve a very substantial expenditure of funds, very substantial. We believe that it will achieve something. There has been an intimation that the Andresen bill would involve practically no expense," the gentleman from Texas [Mr. POAGE] says, and I understand from around the edges that he is really the author of this bill. Normally, in such a situation I would almost automatically give it my stamp of approval, but I am afraid this bill is going to work to the detriment of those solid, dynamic farmers in my State and in the Middle West because you are moving in with your feed grains and corn and all these other things that are proposed. You are moving in now to disrupt the program that was approved by a vote of 61.5 percent, or to put it another way, 61.5 percent voted against your proposition.

Mr. Chairman, the bill the majority has brought in is a tremendously expensive bill. There is no figure. That has already been admitted here. I have stated the reasons that operate against its adoption here or even its consideration: No. 1, it was not given that careful consideration any bill should have by the committee before it reports a bill to the floor.

I applaud the gentleman from North Carolina for his stalwart defense of the Committee on Agriculture. I did not know it needed any. I always thought we could depend on you to bring in a bill that you did not have to say needed amendment, but that is the kind of bill you brought here. This is no place to write that kind of bill.

Secondly, it is going to cost an awful lot of money. The results to be achieved are highly questionable, to say the least.

So I say, because it has now been disclosed by almost unanimous agreement on both sides, the Andresen bill substantially is in line with what needs to be done for the corn grower in the commercial area. There is no doubt about that. You ask us to amend your bill. If you do not like the Andresen bill you can amend it. It is pending as a substitute bill which is open to amendment at any point. We would be glad to receive your suggestions.

Mr. Chairman, the orderly way to proceed is to deal with the emergency. You know, we all live to run another day, we hope. You people in your areas of agriculture are going to run into trouble from time to time.

I would like to point out that we have supported you in the past in time of your trouble, but what you are doing here in this time of our trouble just does not fit very well with me. It is all right to undertake to talk about the things that must be done, the things that were not done, and who is to blame. Let us forget that for the moment. Let us get ahead. We have a problem here that must be met. Let us meet it, and we can meet it without spending another half-billion or billion dollars of the taxpayers' money. That is what we ought to do.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I can well understand the confusion that has arisen as to the cost of these programs. I think it is well that the membership of the House give some consideration to the cost of these programs because, after all, that is basic. Most all of us here have agreed that there is need for a program. But honest men can decide that all of the answers are too expensive. In my opinion, the committee has an answer that is the most economical and the most practical that could be offered. But there are honest and sincere men who may feel that the committee bill is too expensive. It would, however, be a grave mistake to assume that the committee bill would involve us in obligations that would be avoided by the Andresen substitute. It must be said in all fairness

that the distinguished gentleman from Indiana who just preceded me in effect admitted that the figures I gave you yesterday afternoon were correct. I gave you figures as to the potential obligations under the Andresen bill. I told you that I did not think either the Andresen bill or the committee bill would involve us in the expenditure of that much money but that under the Andresen bill we could involve just exactly this much, and it figures to $924.8 million for the year 1957. That is not guesswork nor is it somebody's estimate. It is a mathematical calculation of maximum costs. Nobody has challenged it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HALLECK. I referred to the gentleman's figures which he gave yesterday as fantastic. I said that I still think they are fantastic. I believe that now. All I did was to take the gentleman's way of computing the cost and applying it to cotton and wheat and it came up to $2.9 billion as against the gentleman's $500 million. I will agree with the gentleman immediately that the committee bill will not cost $2.9 billion and I certainly indicated that when I said the cost would run from $500 million to a billion dollars. The only thing I was doing was projecting the gentleman's figures onto cotton to prove that the gentleman's figures given us yesterday were fantastic.

Mr. POAGE. Will the gentleman show us how they are fantastic, other than that they are maximum figures and are based on the premise that everybody will enter into the program. If there was 100 percent participation, that is what the Andresen bill would cost. Am I not correct?

Mr. HALLECK. I do not recall that the gentleman used the words "if everybody entered into the program."

Mr. POAGE. I did not say that I said that yesterday. I say now that these figures are the figures that would result if everybody in the commercial corn area participated.

Mr. HALLECK. Let me ask the gentleman what the cost of the committee bill would be in excess of what the Andresen bill would cost? What price tag has the gentleman put on that?

Mr. POAGE. I think the committee bill would cost about $250 million.

Mr. HALLECK. Above the Andresen bill?

Mr. POAGE. No; about $250 million all told.

Mr. HALLECK. Of course, the money is already provided for whatever needs to be done under the Andresen bill.

Mr. POAGE. No; the money is not provided. There is not a dollar of this money I have referred to here provided because that money would be paid out of the funds of the Commodity Credit Corporation. We do not provide that money until they actually get a deficit.

When the gentleman speaks of cotton, he makes a very persuasive argument as to what it might cost in regard to cotton, but actually when the present Secretary of Agriculture became Secretary we had a net profit of $287 million on our cotton operation in spite of the vast sums he said we may have imposed on the country. I read from the present Secretary's report as of December 31, 1956, which is the last one of this kind, and it shows that this Secretary had only been able to lose $161,850,000 on cotton. That is from the inception of the program. So, it seems quite clear that the gentleman has not proven that we are losing anything like that amount on cotton. We did not lose a dollar on cotton supports under 20 years of Democratic rule. We had only lost $160 million on the cotton program under 4 years of Benson—and those are Mr. Benson's own figures—and not $2 billion, as the gentleman from Indiana suggests we ought to have lost on cotton, because of what he says has already taken place. We put a floor under the allotment in cotton, and there has never been a day in the history of the United States when the cotton allotment could legally drop to 3.9 million acres, which he suggested, but the corn allotment is today—not tomorrow, not yesterday, but the corn allotment as legally prescribed by your Secretary of Agriculture is today—37.3 million acres of corn. Now, that is all it is. We are not talking how much that allotment might be cut if we changed the law. The corn allotment is 37.3 million acres of corn. Now, we might change the law as the gentleman from Indiana suggests we might for cotton and let it drop to 3 million acres of corn, but we do not intend to. On the contrary the committee comes out and writes in our bill a floor 6 million acres higher than the Secretary of Agriculture established for corngrowers.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my attitude toward H. R. 4901 is described by a story which was told by our speech teacher, who witnessed the deal, to the mathematics teacher. He told it to his secretary and his secretary told it to my secretary, so I imagine it is true.

In Pocatello, Idaho, during the war, when cars were scarce, when we had to have priorities, an Indian from the Blackfoot area came up and admired the last Buick car in the sales room. After about a half hour, he said to the salesman, "What it cost?" The salesman told him. The Indian said, "Me take um." The salesman said, "You must have a priority to buy this car." The Indian fished a priority out of his pocket. The salesman said, "Have you got the money?" He peeled out the greenbacks and paid in full. The salesman said, "Now, you wait about half an hour, and I will service the car."

The Indian waited. He met the salesman out in front, and the salesman asked him, "Do you know how to drive?" The Indian thought a moment, and he said, "Maybe so." Well, the salesman said, "If you do not, I will teach you." The Indian said, "It is my car." So the Indian got in, and just then a GI came up and asked the Indian if he was going north. The Indian said, "Yes." The GI asked him if he could ride along, and he said, "Yes." So the GI got in, and, with the help of the salesman, the Indian started the Buick. When he ran the first red light in the middle of Pocatello he was going 30 miles an hour. He was going about 60 when he ran the second light. The GI became terrified and put his hand on the Indian's arm and shouted, "I want to get out." The Indian said, "Me, too."

Where is this farm program taking us, gentlemen? I have great regard for the logic of the gentleman from Mississippi, my friend and colleague [Mr. ABERNETHY]. If you put corn under, then you should put feed grains under; if you put feed grains under, then everything else should go under. It is just like Bill Nye said in his history of the United States—that the people around Chesapeake Bay grew corn in the summer so they could dig clams in the winter, so they could grow corn the next summer so they could dig clams the next winter so they could grow corn the next summer. Once you start, there is no stopping, or no solution.

I am afraid to ride, as this GI was, with this bill, H. R. 4901, for reasons as follows:

First, it is going to be ineffectual because of the "phantom acres," and it will not go far in reducing surpluses or taking acres out because of lack of data. We cannot get data.

Second, it would ultimately double the acreage under Federal control. It could add 115 million acres and we only have 119 million under control now. That would almost double Federal control.

Maybe I should not say this out loud, but I think that the brutal truth of it is that if we do what is best for agriculture we would eliminate all the formulas, the same as we are already doing for feed grains and oil crops. So we could provide the support necessary to orderly marketing only. The program was never intended to be a price-fixing program, anyway. This would give the law of supply and demand a chance to operate just a little. So much for Federal controls. I think we ought to go more away from them than into them.

Third, this bill would supersede and in some areas scuttle the soil bank. The soil bank measure has been carefully thought out. I cannot say the same for H. R. 4901.

Fourth, H. R. 4901 is so broad in its application that it cannot be put into operation in time to help our corn farmers who need the help.

In the fifth place, it is too complicated to administer equitably and without widespread abuse.

Sixth, it would add about 9,122 more employees of the Department of Agriculture. The United States Department of Agriculture had 70,803 employees in 1955. It had 77,520 in 1956. It had 81,747 in 1957. If we add the other 9,122, by next year it would have about 90,869 employees.

Seventh, it is prohibitive in its cost considering the value received. The best estimate I could get would be $996 million. With the Department of Agriculture budget over $5 billion, plus the $996 million of H. R. 4901, the budget would reach $6,173,000,000. That is more than half the entire net agricultural income of $11,826,000,000.

Mr. Chairman, if we want to get more money in the farmer's pocket there are more direct and better ways to do it

where so much of the money will not be drained off in overhead.

If we continue to add to the topheaviness of this farm structure it is going to fall of its own weight, and it will fall down on our heads. That is why this bill would take us so fast that I want to get out. The Andresen amendment is conservative, more effective, immediately operable and adds nothing to our budget which is already too high.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first I would like to identify myself in relation to this corn bill. The district I represent in Missouri is composed of 11 counties. Eight of those are in the commercial corn area, so I think that I can speak for people who are interested in raising corn.

Unfortunately, however, 4 of those counties in the referendum last fall voted one way, 4 voted another way. So those people down there in the commercial corn area in the district I represent cannot get together much better than we can here in the Committee on Agriculture.

I am opposed to the Andresen bill not because of the money involved but because it does not reach the problem that we are trying to solve. We can have only one justification for coming here today and asking for any kind of bill, and that is to solve a problem. If we do not solve the problem we will have wasted all the money that we spend.

I am supporting the committee bill because I think it does reach to the problem we are trying to solve. I was interested when the gentleman from Indiana a minute ago spoke of the fact that this bill had not been perfected in the way it should have been, and he recommended that we adopt the Andresen bill. I call the gentleman's attention to the fact that the Andresen bill, about which we have been talking for a long time, and which has been written up in the newspapers and has probably been supported by many people, including the gentleman himself, as introduced is not the Andresen amendment which is offered here today. So the first thing, let us distinguish between those two.

Another thing, the Andresen amendment which has been offered here today is not an emergency measure. I would go along with the gentleman from Indiana when he says that this is an emergency and let us take care of it for this year. I will go along to take care of it for this year. But if we do adopt that bill, I say let us put an amendment on there.

I propose to offer an amendment when the proper time comes. The reason I did not offer it now is that I frankly wanted to get a little more than 5 minutes to talk, so I will offer it later. But I think we must make this Andresen amendment, if it is adopted, for this year only, so that we may be sure we are going to have the interest of everyone to consider the whole problem together and solve it.

I know there are people here and there are people out over the country who are very strongly in support of the so-called Harrison bill or the Polk bill, introduced by the gentlemen from Nebraska and Ohio. One of our larger farm organizations supports that bill, not the Andresen bill but the Harrison bill. I asked the gentleman from Nebraska about it and he said yesterday he was supporting the Andresen bill. He said, "I am supporting the Andresen bill as of now, and if that is defeated I will offer my bill." I think that is possible, because if we are going to have a bill of that type I think we should get the Harrison or the Polk bill in preference to the Andresen bill, because I think they would be better, but I do not think they would solve the problem, either.

The main thing I should like to impress on the House today, and particularly those from the cities, is this: You talk about the commercial corn area and you say, "What is a commercial corn county?" I believe that was asked me yesterday. The commercial corn areas change from year to year. It is based on the average of the corn production in any particular county. If it averages 450 bushels to the farm plus an average of 4 bushels to the acre throughout the county, then you are a commercial corn area. While the original estimate is based on a 10-year average, the Secretary of Agriculture on February 1 of each year, if he thinks a county would qualify, can make it a commercial corn area or he can take it out and put it in a noncommercial corn area.

As the gentleman from Illinois said a minute ago, there is no reason why we should not consider corn as corn, and that is one thing we are trying to do in this committee bill. We are not only considering corn as corn, and we are trying to encourage people to take the cornland out, but we are also encouraging them to take out of production the grains that are in competition with the corn. You are not going to solve this problem, and there is no use of spending $500 million or $250 million or any other amount unless you solve the problem.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to say while I do not claim to be an expert I appreciate the gentleman's great knowledge of this subject.

Mr. JONES of Missouri. I just asked the gentleman for his information a minute ago. If he is prepared to give that, I would like to have it.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes to offer an amendment.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, may I ask the leadership whether they expect to finish the bill tonight?

Mr. COOLEY. Mr. Chairman, if I may be recognized to do so, I should like now to ascertain if it can be possible to agree on some time to close debate on this amendment and all amendments thereto. I would suggest debate close at 3:45.

Mr. HOFFMAN. I was trying to find out when we will finish. If you are going to finish tonight, I think the time should be limited, and given to Members who have not had time before.

Mr. COOLEY. It is not my desire to cut off anybody from the debate, but we can count the Members standing now, and it seems to me 45 minutes would be ample time.

Mr. HOFFMAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I yield to the gentleman from North Carolina, but first I want to say up to now we have had practically nothing but a political discussion.

Mr. COOLEY. The gentleman is exactly right. I agree.

Mr. H. CARL ANDERSEN. There has been no discussion on the merits of amendments which will be offered.

Mr. COOLEY. That is right.

Mr. H. CARL ANDERSEN. This House is in very poor shape unless we can afford to take tomorrow, if necessary, to finish a mighty important bill. For that reason at this time I will object and fight against any limitation of time to the best of my ability.

Mr. COOLEY. Certainly, I am not going to insist upon my request, may I say to the gentleman from Minnesota. I know the gentleman has an amendment, and I know that other Members have amendments. I was just trying to see if it would be possible to come to some understanding at this time.

Mr. WHITTEN. Mr. Chairman, if the gentleman would yield, I would appreciate it very much if the gentleman would withdraw his request. I must call his attention to the fact that on the last three major legislative bills from his committee—and I handle the appropriation on the bills—I have been cut off to where I had only 1½ minutes on each of the last three major bills from the Committee on Agriculture, and that was done by a limitation of time for debate.

Mr. COOLEY. Certainly, I am not going to insist at this time, Mr. Chairman.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent that I may be permitted to offer an amendment to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri as an amendment to the Andresen amendment: In the first paragraph, strike out the words "each of the calendar years 1957, 1958, and 1959" and substitute the words "the calendar year 1957."

Mr. JONES of Missouri. Mr. Chairman, I have not been discussing this bill from a political standpoint, and I do not intend to so discuss it. I am discussing this bill from the standpoint of the American farmer, the American consumer, and the American taxpayer. We have had words from people on both sides of the aisle that we will consider an overall farm bill, and that anything we do here today might detract from that unless we adopt the committee bill. If

you will adopt this amendment to the Andresen bill, that will take care of that situation, in the event the Andresen amendment is adopted. Then we will have an opportunity to go on and consider the overall problem and know that we will still have the interest of the corn farmer—who might not be interested so much if he thought he was taken care of for 3 years.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HOEVEN. Will the gentleman vote for the Andresen bill, if his amendment prevails?

Mr. JONES of Missouri. No; I announced in advance that I would not vote for a bill which I thought was wrong, but if we are going to have to have it, let us treat it as an emergency situation. Then, too, the fact that a person is not in favor of a bill does not mean that he should not try to perfect it and get it in the best shape possible—that is all I am trying to do.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HALLECK. Is it not true that when we provided for the minimum acreage for cotton and wheat, it was fixed for 3 years?

Mr. JONES of Missouri. I think that is true.

Mr. HALLECK. That is true. In other words, when we took care of cotton and wheat, we did it for a 3-year period. So some of us figure that what is sauce for the goose is sauce for the gander. Any law can always be changed if it is found to be unworkable. But why not follow a pattern that we have followed in preceding situations such as this?

Mr. JONES of Missouri. There is a difference, I want to call this to your attention, by doing that you did take care of specific situations. Now, the Andresen amendment does not take care of this situation which you say prevails. The Andresen amendment does not strike at the surplus of corn and feed grains which are together. That is the difference that I say exists. But, the committee bill, H. R. 4901, does strike at the whole proposition. I do not know what the cost is going to be under either one of these bills, but if you are justified in spending one dime, we are justified in spending enough money to put the thing across and to solve the whole problem. You are not going to solve this problem in the area that I live in. I have eight of these commercial corn counties, and the people down there differ just as they do in any other part of the country. But you are not going to solve this just by applying it to corn just in the commercial area. Just like this corn referendum ballot that was put out the last time. It was quite confusing. The gentleman said a few minutes ago, and the gentleman from Minnesota, the author of the amendment, said that the support price would have been from 75 to 90 percent under this 51 million acres on this corn referendum ballot last fall. But the people were very confused. They were afraid. Why were they afraid? Because the explanation on the ballot did not say that the support price would be from 75 to 90 percent of parity. It did say in explaining the second proposition that price supports would be on the level of from 75 to 90. From 75 to 90 when? If it was reduced to 37,288,000 acres, but it did not say it would apply if we took the 51 million acres. That is why the people were afraid last fall.

I do not care to say anything further about it. I think we can vote on this amendment now and determine whether we want to make this an emergency program for 1 year or whether you want to let it go for 3 years and lose the interest of the people who are not concerned in going ahead and solving the whole problem.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the Harrison amendment. This amendment is fundamentally an effort to provide to commercial corn farmers an opportunity to show with their corn planters which of the two options on which they voted on December 11, 1956, is preferable. Let us analyze this legislation in detail and then discuss its great potential advantages.

First, the producer may adjust his acreage in line with his share of the 37.3-million-acre allotment. If he plants not more than his share of this 37.3-million-acre allotment, he will be eligible for price support at not less than $1.36 per bushel. If he so desires, he may enter into a contract with the Government to further adjust his corn acreage by placing some acreage into the acreage-reserve program, for which he will receive payments at the rate of 90 cents per bushel times the farm normal yield. Thirty-eight percent of those voting favored this approach.

Second, he may have the option of operating under a 51-million-acre base program. Under this latter program, he must put not less than 15 percent of his base acreage into the acreage reserve or the conservation reserve in order to be eligible for price support at $1.31 per bushel. If he puts 15 percent of his corn-base acreage into the acreage-reserve program, he must reduce his corn acreage below his base by this amount. For this he will be paid at the rate of 90 cents per bushel times the normal yield of the farm. If he decides to put 15 percent of his base into the conservation reserve, he will receive a much reduced payment in the neighborhood of $9 to $15 per acre. Under this option, he may plant up to his share of the 51-million-acre base. Sixty-two percent of the producers who voted favored this approach.

What benefits will be derived from this legislation?

First, it should be remembered that under either of these two options the Corn Belt farmers will be making a sharp downward adjustment in their corn acreage since the 1956 planted acreage of corn in the commercial-corn area was 57 million acres.

Second, unless the corn farmer plants within his acreage allotment or base these same farmers will not be able to participate in the soil-bank program for other basic crops such as cotton, wheat, tobacco, or rice.

Third, unless the corn producer is given a realistic opportunity to adjust corn acreage, the effects will be felt in every county in the United States. This is due to the fact that corn will be cheap. The cheap corn will be marketed in the form of cheap livestock and livestock products. The marketings of livestock, dairy, and poultry products account for 55 percent of the cash farm income of the United States.

Fourth, price support to corn producers in the noncommercial corn area will be automatically increased by about several cents per bushel.

Fifth, no additional time-consuming expensive record checking will be involved. Farmers have in their hands both their acreage allotments and their bases.

I am sure that when you have considered the implications of our failure to provide a realistic program to corn producers up to now that you will vote in favor of this legislation. There is no reason why corn producers should not be given a fair chance to make a downward adjustment in their production with minimum acreage allotments comparable to those provided to producers of other basic crops, such as cotton, wheat, peanuts, and rice. It is simply a matter of justice for corn producers. With this amendment, the soil bank can do the job which it was designed to do.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Missouri.

Mr. Chairman, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has properly stated the reason for the 3-year period. I think it would be a mistake to adopt the amendment offered by the gentleman from Missouri [Mr. JONES]. The purpose of the 3-year period is to make it conform to the life of the soil bank. I think it is high time that we get away from piecemeal legislation and at least attempt to write some long-term legislation.

We are all interested in the soil bank and in making it work. I think it has been fairly stated that in the year 1956 the soil bank did not have a fair chance to work. Soil-bank legislation was enacted at a very late date last year, which made it impossible for many States in the South to get into the program before the growing season arrived.

In the Corn Belt we had a very unusual situation, as you all know. Somebody has said something about wasting $179 million on corn soil-bank payments last year. Seven and a half of my twelve counties were in the drought area last year. It never was anticipated that the soil-bank program should become a crop insurance program or a relief program, but really the $179 million was spent for a good purpose, in that it kept a lot of farmers from going bankrupt at that time.

Now, let us get down to brass tacks as to the cost of H. R. 4901. I received a report from the Department of Agriculture this morning showing that the potential cost of the Cooley bill relating to corn and feed grains would be $996 million. The commodity allotment in the bill for corn would be 43.2 million acres. Under section 2, the allotment times 16

would be 7.8 million acres. At the estimated payment rate per acre the average would be $42.66 for corn, or a total of $333 million.

Now, as to cotton, the commodity allotment would be 17.6 million acres.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. Not at this time.

The allotment times 18 percent at an average estimated payment per acre of $26 would cost $83 million.

On wheat the commodity allotment would be 55 million acres. The allotment under section 2 would be 9.9 millions, at an estimated payment rate per acre of $26, or a total of $257 million.

Further, in the case of peanuts and rice the commodity allotment would be 3.3 million acres, the allotment times 18 percent would be 0.6 percent. The estimated payment rate per acre would be $26, and the total cost would be $16 million.

In the case of tobacco 1.5 million acres would be under the commodity allotment times 18 percent would be 0.27 at an estimated payment rate per acre of $26, making a total cost of $7 million.

This makes a total maximum cost of $694 million for H. R. 4901.

To this amount should be added the maximum provided in section 3 of the bill for feed grains at a cost of $300 million.

This makes a grand potential total of $996 million covering the cost of the bill.

In addition to that we must also add the administrative costs which have been fairly estimated at some $35 million. This would make the total cost of H. R. 4901 well in excess of a billion-dollar figure.

I hear a lot of talk about economy and I am sure Members on both sides of the aisle are hearing from the folks back home. If you vote for the Andresen amendment, if for no other reason than that of economy, that is exactly what you should do.

Again let me remind you that the Cooley bill will cost $996 million in addition to administrative costs.

Under the Andresen bill, H. R. 3011, no additional funds are authorized. Any payments earned by corn producers would be part of the $750 million already authorized for the average agricultural reserve program.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent Mr. HOEVEN was allowed to proceed for 2 additional minutes.)

Mr. HOEVEN. The proportionate share of the budget for corn for the 1957 agricultural reserve program under the Andresen bill is $217,500,000.

So in the last analysis, regardless of the merits of the two bills, if you are really interested in economy you will vote for the Andresen substitute. It is the best and the most economical course you can take.

The rollcall vote on the Andresen substitute will show whether you are willing to save the taxpayers of the country almost a billion dollars.

Mr. COOLEY. Mr. Chairman, I want to be heard briefly on the amendment and will not take 5 minutes.

It seems to me this amendment will really test the sincerity of the Members of this House who have said that this was an emergency situation and that they would be perfectly willing to sit down with the other members of the committee interested primarily in other commodities and to work out a long-range program. You are taking this emergency and writing legislation that goes on for 3 years under the pretext that it is an essential part of the soil-bank program. Your Secretary of Agriculture has never suggested that this is an essential part of the soil-bank program. You have the proposition before you now in the Andresen bill. I am frank to say I have no figures about the cost of either one of these programs except the best information we could obtain and that is in the report. You do not know what the Andresen bill is going to cost. Why not adopt the amendment offered by the gentleman from Missouri [Mr. JONES] fixing it for 1 year? We will be in session when the year expires and if it is a good program, if it is an essential program, we can continue it. Here you are proposing by the Andresen bill to adopt an emergency program for 3 years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. Did we not fix minimum acreages for wheat and cotton on the basis of an emergency situation and, also at that time, not knowing just how much it ultimately might cost?

Mr. COOLEY. But it was for 1 year.

Mr. HALLECK. In other words, if we had not extended the minimum acreage for cotton to 3 years, then you would have to be in here this year for legislation because the acreage on cotton would drop from 17.6 million acres to 3.9 million acres and the cotton agriculture could not live.

Mr. COOLEY. When you talk about wheat and cotton, we had it on an emergency basis for 1 year at a time. Then later on we continued it. We knew something about the cost, but here you are jumping in with the Andresen bill and you have no idea what the cost is going to be and you do not know what the participation is going to be.

Mr. HALLECK. Under existing law you do not need further legislation dealing with cotton and wheat?

Mr. COOLEY. No, that is not so. I have introduced a bill today. I do not know how far it will go after this fight, but I introduced a bill today on that subject.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. Will the gentleman accept the Andresen bill if the Jones amendment carries?

Mr. COOLEY. No; I am not going to accept the Andresen amendment because I think we have other provisions in our bill that are beneficial and vital.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman made the statement that he had no knowledge as to what the Andresen bill might cost. I have before me a statement, and I think it is as sound as it can be, to the effect that H. R. 3011 will involve no additional funds being authorized.

Mr. COOLEY. It is not a question of whether it is authorized or not. The additional price support obligation would come out of CCC funds which are already authorized. The losses would simply be made up by appropriation after they have been incurred.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Under the Andresen bill they would pay the money out of the Commodity Credit Corporation, then we would have to appropriate the money to the Commodity Credit Corporation. Really, when you get to costs all of the figures given here are figures you pay out of the soil bank. The real cost is how much of this corn will end up in the hands of the Government and the Government cannot use it or get rid of it. Your costs cannot be figured on how much you pay out in soil bank funds. If you let the rest of the country supply the feed so that there is no market for corn, the whole investment is caught. When you get to arguing about these costs, do not look at the soil bank payments. Look to how much money is going to be put into corn. Are you going to have it where you can get the corn out or are you going to allow the other feeds to take the market and hold on to the corn?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to ask the distinguished gentleman from Mississippi who handles the Agricultural Department appropriation bill if there is a limitation placed upon the amount of money that the Commodity Credit Corporation can use for soil bank purposes? Is it not $200 million?

Mr. WHITTEN. There is a limit on the soil-bank payments. When you limit this to discussing the money you pay out from the soil bank, you are playing around with the fringes. The real problem is how much money you are going to invest in corn and what you are going to do with the corn when you get it. If you let the other grains take up the usable market, you can wind up by having the corn in the hands of the Government and your figures become insignificant when compared to the overall.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let me say to my good friend from Mississippi that is exactly what we are trying to avoid this afternoon. We are trying to avoid the Government piling up corn in bins and the Federal Government having to spend large sums of money for its storage. And I believe the legislation we propose is the best solution to the whole problem, if you will just lend us your support.

Mr. WHITTEN. I do not question his desire or his intention to reach the place he is trying to go. It is my judgment, having worked with it all these years, that he is going exactly in the wrong direction.

Mr. ARENDS. That may be, but there is the question whether we can even legislate to solve a problem like the farm problem when there are so many complications and contingencies involved. March 8 is the last day the farmers of my district have to sign up in the old program as provided in the referendum, or whether they can expect this Congress to provide them with the help so urgently needed. Tomorrow is the last day. Our farmers are concerned and anxious reading the newspapers, or sitting listening to their television or radio, wanting to know whether they can get into a program that will eventually bring about some relief in the corn situation. We can provide this relief for the corn farmer, give him some assurance for the future, by adopting the Andresen amendment. Having done that I shall certainly support our considering whatever may be necessary for the small-feed business. But tomorrow is the date I am talking about. It is when the corn farmer must go in and sign whether or not he wants to go into the agriculture program as it presently exists, and that is the situation we are in at the present time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I just want to say that the Secretary fixed that date, March 8, and he can change it to the 18th by just one executive order, and it is not going to affect the situation at all. The main thing I wanted to say was that I agree with the observation the gentleman made earlier this afternoon, that if we cut out a lot of these political speeches and not talk about collateral things and start voting, we can bring out this legislation in a very short time.

Mr. ARENDS. That is what I have been trying to do. I regret that this matter has become so completely political.

Mr. FULTON. What about the city guys?

Mr. ARENDS. It is a matter of history that the depressions that have occurred in this country have first been occasioned by the fact that there was a sharp decline in farm income. That is a historic fact. What is going to happen? Unless we enact corrective legislation now we are going to have more corn than we can possibly use. It will result in our having cheaper and cheaper feed, and as a consequence of cheaper feed we will have cheaper and cheaper livestock. All this will make the purchasing power of the individual farmer go down and down. We must not let that occur. It is not important to every man and woman in this country whether he lives in the city or on a farm. It is as important to you who represent city districts as it is to me representing a farming area. I am not talking about dollars and cents simply for the farmer. I am talking about a fundamental problem that affects the entire country. It is basic. So we ought to do something about it this afternoon.

Mr. FULTON. Actually I was going to ask a question about history, because when I hear across party lines that we helped with these various programs, that we on cotton helped you on tobacco and we on tobacco helped you on rice and we on rice helped you on wheat, that is all across party lines or it is logrolling that has not been explained on the floor of this House. How do I get a history of the logrolling that has brought this bill out, because I even heard today somebody say that one bill came out of the great Agriculture Committee to save somebody's political neck. I thought I was voting for some industry. Now, where can I get that history?

Mr. ARENDS. You will probably have to put your research department to work on it.

Mr. FULTON. That is surprising.

Mr. ARENDS. I am sorry we have had so much political difficulty yesterday and this afternoon, but the fact remains, if I may answer the question, that corn has not been afforded the same treatment that either cotton, tobacco, or wheat has been afforded in the past 22 years. I have been here to watch the legislation and support it. Basically I am interested in the welfare of agriculture regardless of the commodity involved.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MASON. Reserving the right to object, Mr. Chairman, I am simply doing this to serve notice on this House that from this time forward until we vote on this bill there will be no more extensions of time and no more giving of time to someone else.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. H. CARL ANDERSEN. Mr. Chairman, in that case I will have to object, if the gentleman from Illinois [Mr. MASON] holds to his line of thinking.

Mr. MASON. I shall hold to my line of thinking and the gentleman may object all he pleases.

Mr. H. CARL ANDERSEN. Mr. Chairman, if I cannot have more than 5 minutes on my very important amendment, I shall regretfully have to object to an extension of time for the gentleman from Illinois.

Mr. ARENDS. I thank the gentleman from Minnesota.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the legislation now before the House is announced as a program to help the commercial corn farmers. The Cooley bill reported to the House by the Agricultural Committee seeks to extend aid not only to the commercial corn growers, which was the original intention, of the proposed legislation, but also to the cotton, tobacco, wheat, peanut, and also to 1 or 2 more classes of farmers, engaged in growing what has been termed basic crops.

There is no doubt that there is need to do something in a legislative way to improve the condition of the corn growers in the central and Midwest section of our country. This is admitted on both sides of the aisle, Democrats and Republicans. It is this situation that the so-called Andresen bill, representing the Republican viewpoint, seeks to accomplish. However, the Cooley bill, representing the viewpoint of the Democratic members of the House Agriculture Committee, seeks to attach all the other crops I have mentioned, although it is the general opinion that no emergency exists with respect to any of them, and, consequently, no need for additional legislation to improve their condition. Existing law is taking good care of them. Thus, it seems that the southern growers are trying to take advantage of the present emergency affecting the corn growers of the Midwest, to attach their crops to the legislation in a way to gain for them additional benefits under the support programs now existing.

This would, I am informed on good authority add nearly a billion dollars to the present budget. There is need to cut down our Government expenditures. Certainly, there is no reason or justification to increase the budget by adding additional and substantial benefits to the growers of cotton, tobacco, peanuts, and so forth, that have not been shown to be in need of such additional price-support moneys.

I also wish to take advantage of this opportunity to express the need for some remedial legislation to help the dire straits in which our poultry farmers of the East find themselves at this time. I have taken this matter up with a representative of the Agriculture Department, and, I am informed that the Department has already given consideration to the matter and is now giving further attention to it, and does intend to take some additional steps, to what have already been taken, that the situation affecting the poultry farmers may be improved.

It is unfortunate that all too often the Agricultural Committees of the Congress neglect to consider the plight of our eastern farmers. It is time that some attention was given to them and their needs.

Mr. ANFUSO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as you all know, I have no personal interest in this legislation. I do not grow any corn in my district. I doubt that any corn is grown in the entire city of New York. I have listened to this debate very attentively and I hope that all of the Members now listening will listen to me with the same attentiveness with which I have listened to them.

I listened in committee and I heard both sides, and many times I pleaded for unanimity.

We from the city have no interest in this legislation. It will cost us money,

but we are willing to spend money whenever it is going to help a segment of the population of this country and we are certainly willing to spend money if it is going to help the farmers and create general prosperity in this country. We are willing to spend money provided that it is a just expenditure of money. But I certainly do not like, and I do not think it is the American way, to come here and say that it is either this legislation or no legislation. I think it is the purpose of the Congress to legislate and that this prerogative does not belong to the administration.

I admired the statement of our distinguished Speaker on yesterday when he said those very words, when he said that he had served under many Presidents and he had occasion to disagree with them, whether they were Democrats or Republicans. I will not transfer my authority to legislate to anyone, and I do not think that any Members of this House, be he Democrat or Republican, should transfer that authority.

This is the question I would like to ask the Republican side of the House. What is so perfect about the Andresen bill? When the administration came before our committee they opposed it. There must be something in it that the administration does not like. If the Republican administration comes here and is opposed to the Andresen bill, how am I, from Brooklyn, N. Y., to vote on this legislation?

May I say this? I did not rise to talk until the gentleman from Missouri [Mr. JONES] offered his amendment. Because I am in some doubt I appreciated his amendment which limits itself to this so-called emergency.

I also think that the amendment here, limiting it to 1 year, is a very good one. I think that we should have more time to consider this very serious legislation. I believe both sides should be amenable to suggestions at all times and not take the position it is either this or that. That is my expression to the House. I believe the amendment offered by the gentleman from Missouri [Mr. JONES] is a good one.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman referred to an amendment which I had proposed. This amendment is agreed to by quite a substantial number of members of the Committee on Agriculture. We have offered it in good faith. It is a short amendment. It is one to handle an existing emergency.

The gentleman says he does not raise corn in his district, and I am inclined to agree with him, but certainly he eats poultry, dairy products, meat, and the other things that come from corn, and he is interested in getting good quality products and getting them at reasonable prices. We expect to give the gentleman just exactly that.

Mr. ANFUSO. I agree with what the gentleman says, but is it not also true that in committee there was a division, a very strong division, on the gentleman's amendment? Is it not also true that when we deal with farm legislation—and this is my expressed view, which I have expressed many times—that there ought to be unanimity among the farmers? There should not be a 14-to-12 division in committee and hope to get a favorable decision on the floor.

Mr. McINTIRE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this debate has been going on the better part of 2 days, and this is the first time I have taken the floor. I do appreciate the opportunity to express a few thoughts in relation to this legislation.

First, may I say that I have served on the Committee on Agriculture for 6 years, and no more pleasant assignment have I ever had in my life. I begin committee meetings tomorrow morning at 9:30 working on some legislation just as objectively and constructively as I can, because I have a deep interest in the problems of the American farmer and the manner in which those problems are related, not only to Government, but also to the consumers and every single person of this country.

I have worked on this piece of legislation in the same spirit. The fact that I have not offered compromises or amendments is not in any sense to be stiff-necked or dogmatic about the position which I have taken on this legislation. It comes solely from the fact that we are dealing here primarily with corn on the one hand and the whole gamut of the feed grain picture on the other.

In the face of the circumstances, and it is now March of 1957, and the problem is that of laying the plans for spring operations, I sincerely believe, in spite of the fact that there are some aspects of this bill which I should like to support, that the timing of that support is not right now.

The same thing relates to the amendment offered by Mr. JONES. I am basically interested and shall continue to be interested in working on farm legislation not on an annual basis even if I approach it legislatively somewhat part by part, it will be put on a basis of where perhaps we can leave some parts of it alone until we can see how it will work while we are making the necessary corrections in other portions of our legislation.

If we accept the Jones amendment, we will just simply be putting it on a 1-year basis. If corn is put on a 3-year basis, producers can be going along and the corn farmer will know what his plans have to be, and we can work on the framework of the rest of the legislation.

I am opposed to the Jones amendment because it does not fit in with my concept of the responsibility of our Committee on Agriculture on both sides of the aisle to deal with farm problems objectively and carefully and deal with those problems in ample time to provide effective administration.

The feed grain problem is one with which we should deal. The soil bank legislation also needs revision. It needs to be reexamined in the light of making it applicable across the board on a conservation basis and not on an acreage reserve basis, commodity by commodity. But, we cannot start dealing with these problems at the time when the farmer has his machinery oiled up and ready to go into the fields. I have come to the conclusion that we should not deal with corn separately for 1957. Put it on a 3-year basis in order that the corn farmer can have a program laid out before him. Then, the committee can look at all the programs for agriculture, including the soil bank and try to deal with them as constructively as possible and in advance of their application administratively. We know the problems of administration in these matters. It takes a long time to get the records established so that the farmer knows just what he is doing. I urge you to defeat the Jones amendment. I urge your support of the Andresen amendment because, in my opinion, it is constructive in an approach to objective scheduling of sound legislation for the American farm.

Mr. COAD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I come to the well of the House today, I do so to make my first public statement before this body. I come speaking in behalf of the people of one of the greatest agricultural districts in all the world, and not only of this Nation. Corn is not only our most valuable and abundant crop, but it is the wealth and the very life of the people of the Sixth District of Iowa. The problems faced by the Iowa corn farmers are most serious and demand immediate attention. Yesterday it was announced that parity for corn is 68 percent. In Iowa, however, it stands at the present moment at 52.9 percent of parity. In the last 5 years, across this Nation, we have lost 10 percent of our American farmers. This situation is far from that golden promise that we heard at Kasson, Minn., 8 years ago. We are a far cry from 100 percent of parity in the marketplace, and we are not protecting the family-size farm with the kind of program we have at this time. We can see as we look at the year 1955 alone that the State of Iowa lost $1 billion of income because of low prices. Because the farmers lost $1 billion of income in Iowa, our retailers lost $700 million in retail trade. This condition was not brought about by the inefficiency of our farmers. We have efficient farmers in Iowa. We have no submarginal lands in the Sixth District of Iowa. We have no submarginal farmers. The only thing we do have that is submarginal with our farmers is that our farmers have submarginal bank accounts. So far as I have been able to determine, I am the only one who has stood up in the well of the House of Representatives who comes from the Democratic side of the aisle as a representative of a corn district speaking in support of the Cooley bill. That I do. I hold in my hand, Mr. Chairman, some correspondence, which I would like to call to the attention of the Members. The correspondence is as follows:

REPUBLICAN STATE CENTRAL
COMMITTEE OF IOWA,
Hampton, Iowa, February 7, 1957.

Congressman MERWIN COAD,
House Office Building,
Washington, D. C.

DEAR MR. COAD: Enclosed you will find a copy of a newly proposed plan to raise farm

income with an improved soil bank. The authors are four Franklin County dirt farmers who are looking for no personal recognition but are devotedly concerned with finding a long-range, nonpartisan, nonorganizational plan which would provide the Nation's farmers with a fair share of the national income.

These men are eager to present their plan to you officials in Washington, verbally and in person, because they realize that you will have many questions about details of it, which could not be included in the printed outline. Their plan is comprehensive, but they necessarily kept the outline brief for easy reading and simple presentation. Those of us who have studied it feel that it is a sound and workable plan.

We hope that you Iowa Congressmen can arrange to see and hear them, and to have them appear before the Senate and House Agriculture Committees, and representatives from the Department of Agriculture.

Though the men are amateur writers and speakers, they are experienced, high-caliber farmers from old respected families in Franklin County: Lawrence Hamilton, James Jorgenson, and James Jorgenson, Jr., Hampton, and Elmer Stockdale, Iowa Falls. They are willing to stand their own expenses for the trip to Washington.

In trying to remove all the bugs from the plan, these farmers have consulted with economists from Iowa State College, local farm leaders from 10 surrounding counties, representatives of 4 farm organizations, as well as Marvin McClain and Dwight Meyer of the Department of Agriculture. Our Franklin County extension director, Mr. Pearl Kelsey, has also been very helpful.

I have talked with Senator HICKENLOOPER and Congressman GROSS relative to setting up an appropriate and logical time when these men may present their ideas to you officials in Washington, in person, verbally, and answer any questions which you may have regarding the plan. I am sure you can be helpful in arranging for this, and that you will appreciate getting their grassroots ideas.

Sincerely,

MRS. ENID ROBINSON,
Republican State Vice Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 12, 1957.

MRS. ENID ROBINSON,
Republican State Vice Chairman, Republican State Central Committee of Iowa, Des Moines, Iowa.

DEAR MRS. ROBINSON: I am in receipt of your letter of February 7, 1957, along with the enclosed booklet entitled, "A Plan To Raise Farm Income," and I wish to express my appreciation to you for it.

As for myself, I would be most happy to meet with these farmers, to discuss the plan with them, and am looking forward to that date when such arrangements can be made.

Most cordially yours,

MERWIN COAD,
Member of Congress.

REPUBLICAN STATE CENTRAL
COMMITTEE OF IOWA,
Des Moines, Iowa, February 23, 1957.

Hon. MERVIN COAD,
House Office Building,
Washington, D. C.

DEAR MR. COAD: Mr. Elmer Stockdale, one of the authors of the proposed new plan to raise farm income through a representative soil bank, about which I wrote you recently, telephoned me this morning to tell me that he and his three coworkers have been scheduled to appear before the Senate Agricultural Committee in Washington, D. C., on Monday, March 4, at 10 a. m. in room 324 of the Senate Office Building. Mr. Stockdale will be the chief spokesman for the group.

I understand that these men had an opportunity to visit with Senator AIKEN in Des Moines at the time of the recent Farm Institute. Senator AIKEN was apparently impressed with the merits of their ideas, and arranged through Senator ELLENDER for them to get this hearing.

I am sure you Iowa Congressmen will want to meet these Franklin County farmers and hear from them, first hand, what their suggestions are. They plan to fly to Washington on Sunday; their plane and hotel reservations are unconfirmed as of now, but I will advise Senator HICKENLOOPER and Congressman GROSS of their plans as soon as I learn them.

With kind regards, I am,

Sincerely yours,

ENID ROBINSON.

IOWA FALLS, IOWA, *March 6, 1957.*

DEAR CONGRESSMAN COAD: On thinking back about your reactions to the Farm Bureau reaction and objections to the Poage bill, I thought that perhaps you'd have been interested to know that our feed grain approach was presented to our Franklin County, Iowa, Farm Bureau county board and legislative committee.

After we left the meeting they voted unanimously to recommend our plan to the State Farm Bureau office.

We got started too late, but we thought you'd be interested in the actual reaction of good substantial farmers to our plan when they understand it.

Thank you.

Sincerely yours,

ELMER G. STOCKDALE.

The correspondence comes from officials of the Republican State Central Committee of the State of Iowa introducing to me four gentlemen who presently are in the galleries of this Hall. They have come to the city of Washington to place before the House of Representatives and before the other body their feed-grain problem and their solution to this problem. It comes from the grassroots of Iowa, the Corn State of the Nation. If, indeed, we have blood poisoning, Mr. Chairman, we do not treat the open sores which show on the surface. We treat the blood. We try to cure the trouble in the circulatory system. That is what we have to do today if we are going to control and to help solve this corn problem. We have to treat the whole circulatory system of all feed grains, if, indeed, we are ever going to arrive at an effective cure and solution.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COAD. I will not yield at this point.

I would like to make this very crystal clear, that as we come here today facing the realistic problem that faces the corn farmer, let us face it in its entirety. I have sought for 2 days to establish why gentlemen on the Republican side of the aisle and this administration will not face this feed-grain problem here and now. As far as I have been able to determine this is the one and sole reason. That it is simply the fact, as reported in yesterday's issue of the RECORD, that it is because of the possibility of a Presidential veto. But I am perfectly clear in my own mind. I believe I was elected to this great legislative body to attempt to effect the best legislation possible for the greatest number of persons.

My people did not send me here to set up a crystal ball to tell whether the President was going to veto any legislation. So, if there is a Presidential veto, it is not to be my responsibility. I will be held responsible for my stand and my vote on behalf of the best interests of all the people I represent. So I call upon you on both sides of the aisle to stand up and face the problem at its root source and stand up and face it now.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. COAD] has expired.

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the Jones amendment which would limit this bill, the Andresen amendment, to 1 year, and I will tell you why. Our committee has to listen each year to the requests for money to finance all these farm problems. We have the job of selling the Congress on the impairment of the Commodity Credit Corporation. We do work in detail with these programs. Time has proven 2 or 3 serious defects in the original law. One of them is this: You cannot control production by limiting acreage. It is an invitation to every farmer to use more fertilizer and to more exhaustively work the acreage that he has left, and he usually ends up with just as much production with less acreage, and in the process, under the law, he gets still less acres the following year.

Next, the acreage reserve section of soil bank is geared up to the same fallacious belief that we have in the basic law, that by paying the farmers to take acreage out we will reduce production.

You will recall that for 10 years every time we had a soil-conservation program under consideration in this House I was faced by a terrific fight from my Republican friends on the left side of this aisle, saying that the soil-conservation program, where the farmer put up two-thirds of the price, was a giveaway, and we were giving the farmer something for nothing. That program was a piker compared to this soil bank acreage reserve program. My committee is having an investigation now of the acreage reserve in the soil bank. I wish it were completed so I could give you the figures, but may I say I am not differing with the views of my friends who introduced the soil-conservation section of the soil bank. I am talking about the acreage reserve bill as it is and as it is administered. Last fall money was thrown around recklessly in areas where it did not reduce production one bit. Not only that, but I am advised the Department now is agreeing to pay out money on land that will not produce. The present indications are that in certain States people in the cities are going out and buying farms to rent them to the Department and will use the payments received to pay for them. If there is anything that will smear up the farm program it is this acreage-reserve payments in soil-bank program. In other sections we rent land and pay the farmer not to put such land in spring wheat, then he grows winter wheat.

Already, the effects are being felt in every town and village in farm areas.

It will be felt in our cities. In future years it will embarrass every effort at sound farm programs.

I am interested in the permanent welfare of agriculture, and I oppose this 1-year panacea of paying the farmer for nothing, which will cost the farmer plenty in the long run. We have delayed the hearings of our committee until our investigators can come back and tell the sordid story, and that is what it is. It does not reach the point of reducing production; it is not going in the direction that the Members of the House had intended that it go; it is being used to take up the slack in farm income that has occurred during 4 years under Secretary Benson, and just goes to prove the point that reducing price supports does not reduce production.

We had Secretary Benson before our committee, and I listened to him from 10 o'clock in the morning until 6:15 in the evening about a week ago. His views that lowering price supports would reduce production and help the consumer just do not stand up. That is what the record shows. He has reduced price supports about 20 percent. Our farm income has gone down about 20 percent, yet he has not reduced the price to the consumer. He could not show an instance where the lower price to the producer resulted either in decreased production or increased consumption, and I am speaking, of course, of our domestic situation.

Last spring, with an election coming on, they realized that there was a real depression in agriculture. Nearly everybody, of course, joined in the effort to get something into the hands of the farmers. Now we are in another year and the election is over, and the causes, I will not say merits, that may have existed last spring for giving the farmer something, do not exist at this time. We need now to get down and attempt to meet the basic defects in our laws.

What do we see happening as the farmer reduces his acreage? He takes his money and buys irrigation equipment, other farm equipment, fertilizers, and grows more on the reduced acreage than he did on his previous acreage.

As for the Andresen amendment and the regulation of production in commercial areas, for years we regulated our own production only to find out that the rest of the world was increasing theirs. They were getting the markets, and we were paying storage.

Mr. Chairman, if you regulate the commercial corn areas of this country and if the rest of the country, yes, including my State, is not regulated, they will increase their production; they will have the market, and the Government will take commercial corn and store it, and corn sections will go down as the rest of the country goes up in feed production.

I think, in all sincerity, when you study the situation you will want to treat corn on a national basis.

Mr. REED. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would not take the floor but I have a few thoughts struggling for utterance. I do not live in a Corn Belt. I am interested, however, in helping the corn farmer as I have always tried to help all farmers, because farmers are the backbone of our economy and of our country; they are a stabilizing influence. The farmers up in my district and throughout New York State and Pennsylvania are not corporation farmers; they are small farmers with a small acreage, and their principal products are poultry, dairy products, fruits, and small vegetables.

But there is a law on the books, as you know, that limits the production of certain grains, and our farmers who are not in the commercial field as corn producers. They raise grain to feed animals and poultry on their farms. I am referring not to corn but to wheat.

Our farmers find this situation. They have their grain locked up. A Government inspector comes along to inspect the storage of wheat locked up and tested. They have to get out their trucks and go through heavy snowstorms when the snow may be 4, 5, or 6 feet deep, drive in some cases from 10 to 15 miles to get the feed to bring back to the farm to feed their poultry and livestock. They have raised the wheat on the farm to feed to their cattle and poultry but they are limited in production. Then what happens? These law-abiding citizens, and they are substantial, God-fearing people, they are the backbone of the country the same as the corn farmers. My farmers cannot get any relief from this sort of Russian law here that makes criminals out of them if they feed their own feed to their own cattle on their own farms. I say it is all wrong. It is time we had some relief. The Committee on Agriculture is one I respect very highly. I tried my best to get some relief from the Agriculture Committee but I have been turned down. Members of my State have gone before the committee trying to get this relief. That is true not only of New York but Pennsylvania and practically all of the New England States. If we are going to relieve farmers, why not take this tyrannical law off their backs and not make criminals out of them? Some of them have been indicted, and in some cases they have been fined $400 or $500 for raising grain on their own farms to feed their own stock and poultry.

Mr. Chairman, I hope that the Committee on Agriculture will take notice of this when they ask us to vote for corn relief. I want them to take some action for the farmers in the eastern part of the United States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I may say that the penalty to which the gentleman is referring was included in the act of 1938 which the gentleman opposed at that time, as I recollect.

Mr. REED. That is right.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from New York.

Mr. KEATING. I find myself in exactly the same position as does the gentleman from New York. There are many fine farmers in my district, some of whom have written to me opposing this penalty because they feed this grain to their own poultry on their own farms. They use it right there. It strikes them, as it strikes me, that is not the kind of law we ought to have on our statute books. I have been endeavoring to get it changed, as have many other Members, to relieve the situation.

Mr. REED. I think that is true in New York and Pennsylvania. We need this relief and we ought to have it.

Mr. Chairman, I want to address myself to another subject. Many of you people live in that part of the country where you very seldom get snow storms. It is not uncommon up our way to have snow so deep you can hardly get through. I remember that when the trolley was running on the main street in my own city, there were times of the year when there were terrific snow storms, all we could see when the snow was shoved out was the top of the trolley pole as the street car passed. The farmers have to battle through that snow. Ice forms and there are difficulties of that character which my farmers face in trying to get feed for their poultry and livestock.

If we are going to help the farmers, let us help all of the farmers and not make criminals out of them when they are not doing a thing in the world but trying to live on a small farm from the products they raise, to feed their poultry and small herds of cattle and livestock.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I heartily concur in what the gentleman says. Last year when this matter was before the House, it was brought forcibly to the attention of the Committee on Agriculture. That committee assured us at that time, as I recall it, that it was going to do something about giving relief to the small farmers, extending the acreage to permit him to grow that which he used on his own farm and not for commercial purposes. But still nothing has been done about the matter.

Mr. MORRIS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to approach this debate from a little different angle than any, I believe, that has been mentioned up to this time. I am indebted to my distinguished friend, the gentleman from Missouri [Mr. CHRISTOPHER] for these particular figures that I shall first use here. I am sure they are accurate. Here are the figures I refer to.

In 1952 the population of the United States, this great beloved Nation of ours, was 155.5 million; the farm population was 24.1 million. In 1956 the population of the United States was 169.9 million; farm population 22.5 million. Total population of the United States was up 14.4 million; farm population went down 1.5 million.

Mr. Chairman, there is a reason for that and I will give you this reason if you will listen to me for just a moment. This is a tragic thing that is going on

here in our great country. Listen to the figures and give them such consideration as you think they are worthy to receive.

Now as to these other figures I wish to present. Here is a United Press report of very recent date. The date is February 13, 1957. Listen to these figures: "The average American farmer could not pay his bills without extra income from an outside job, an Agriculture Department survey indicated Tuesday. The survey shows that farm spending on family living items such as food, clothing, and shelter averaged $3,309 per family in 1955. The Department records show that the net cash farm income for the average farmer in 1955, plus an allowance for the rental value of his home, was $1,928, which was less than 60 percent of the family living expenses. The gap between farm income and living expenses was covered largely by farmers' earnings on part- or full-time jobs in business and industry, Agriculture Department economists said." Then the article quotes other figures that I will not bother you with at this time. So, it is in fact a report of the Department of Agriculture that the farming industry of this country as we have always know it is not just being depressed; it is being liquidated. And unless this Congress does something more than it has done for the farmer, in some manner, we are going to find ourselves here in America in a very deplorable condition.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I have great respect for my distinguished friend, but I would like to complete my statement before I yield. Now, let me go just a little bit further on that. I have other figures, and I will put them in the RECORD just as soon as I can compile them. But, my understanding at this time is—now, get this—that last year the tariff in this Nation was over $700 million. You are talking about the cost of the committee bill, the Cooley bill. I repeat, the tariff in this country last year was over $700 million. According to the information I have—and I will try to get the exact figures—since George Washington's time the tariff has cost us billions upon billions of dollars, my friends, and, of course, the tariff is a subsidy. And I am not opposed to that. I want to see the manufacturers in the East protected in every reasonable way. I want to see you in the great Corn Belt protected, too. I try to entertain a national view the very best that I can, and I want to see you gentlemen protected. But this bill protects you. It does not hurt you, and you should not want to hurt us in other sections of the country. You ought to go along with us and support this bill.

Now, let me go just a little bit further, my friends—

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I regret my time is so short, and the distinguished gentleman from Illinois suggests that he is not going to permit extensions of time, and therefore I would like to use this time if I may.

Now, let us go a little further. The airlines have their subsidies. The slick magazines, using the postal service, have their subsidies.

Mr. HOFFMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I asked the gentleman to yield a moment ago, which he did not, but I do object to calling us over here his friends.

Mr. MORRIS. Well, if he objects, I will strike that as far as the gentleman individually is concerned. But, I thought he was my friend. I love you as a friend whether you love me as a friend or not.

Mr. HOFFMAN. Mr. Chairman, another point of order. I object to referring to me in that manner. It is out of order. Now, I am his friend, and I shall continue to be, because I do not believe in everything he says.

Mr. MORRIS. Well, that is, of course, mutual. I do not believe in everything the gentleman says, by a jugful. But I still am your friend, and I hope you are my friend, and I regret that any partisan matter has entered into this.

Mr. Chairman, we have billions upon billions of dollars of subsidies in this Nation. Subsidies have been going on since our Nation started. But, the thing is this: When you go to subsidize the farming industry, which is the basic industry of all industries, then you holler that that is socialism or you holler that that is going to bankrupt us.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 115, noes 148.

Mr. JONES of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JONES of Missouri and Mr. AUGUST H. ANDRESEN.

The Committee again divided, and the tellers reported that there were—ayes 144, noes 167.

So the amendment to the amendment was rejected.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

Mr. COOLEY. Mr. Chairman, before the Chair recognizes the gentleman from Minnesota, I would like to see if we cannot agree on closing debate on the Andresen amendment and all amendments thereto.

Mr. BASS of Tennessee. Mr. Chairman, I have an amendment to the Andresen amendment that is at the Clerk's desk.

Mr. COOLEY. Suppose we close debate in 15 minutes. That would give the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Tennessee [Mr. BASS] time to speak on their amendments.

Mr. HARVEY. Mr. Chairman, reserving the right to object, I am a member of the committee and I have been seeking recognition, but have not had an opportunity to speak.

Mr. COOLEY. Certainly, it is not my intention to cut anyone off from speaking.

Mr. Chairman, I ask unanimous consent that all debate on the Andresen amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair would like to read the names of those who were standing at the time the request was made. If other Members were standing at the time, their names will be added, but the names that the Chair has are Mr. HARVEY, of Indiana; Mr. BASS, of Tennessee; Mr. H. CARL ANDERSEN, of Minnesota.

Mr. BASS of Tennessee. Mr. Chairman, that will still give us 5 minutes on an amendment, if a Member has an amendment; will it not?

The CHAIRMAN. Yes; the Chair is trying to work that out so that you will have 5 minutes. Of course, under the 20-minute limitation of time, you would have that time and the committee would have 5 minutes in which to conclude debate.

Mr. COOLEY. Mr. Chairman, how many members does the Chair have listed?

The CHAIRMAN. Four and that includes the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY].

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, did the chairman of the committee reserve 5 minutes in his unanimous-consent request?

The CHAIRMAN. The gentleman from North Carolina would be entitled to that in his individual capacity.

Mr. COOLEY. I did not reserve the 5 minutes. I just happened to be standing. I did not make any such reservation in my request.

Mr. ROGERS of Texas. Mr. Chairman, I was standing at the time the request was made.

The CHAIRMAN. The Chair needs some enlightenment on the question of pending amendments to the Andresen amendment. Are there other amendments besides the one to be offered by the gentleman from Tennessee [Mr. BASS] and the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

Mr. McGOVERN. Mr. Chairman, I have an amendment at the Clerk's desk.

The CHAIRMAN. Is it to the Andresen amendment?

Mr. McGOVERN. Yes, Mr. Chairman.

Mr. BASS of Tennessee. Mr. Chairman, is that going to leave 5 minutes for discussion on each side of an amendment? If not, I will get a preferential motion right away.

Mr. HOFFMAN. I challenge the gentleman's right to a preferential motion unless he is against the bill.

Mr. BASS of Tennessee. Well, I will get against it. I will get against it.

Mr. COOLEY. Mr. Chairman, I will yield one of my minutes to the gentleman from Tennessee if I have any time.

Mr. HOFFMAN. Mr. Chairman, I send up a preferential motion which I have here.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN] in support of his amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment to the Andresen amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN to the amendment offered by Mr. AUGUST H. ANDRESEN: Add a new section at the end thereof to read as follows:

"SEC. 3. Section 114 of the Agricultural Act of 1956 is amended by deleting the words 'under this title' and substituting therefor the words 'under the acreage reserve program.'"

The CHAIRMAN. The gentleman from Minnesota is recognized for 2½ minutes in support of his amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, first, I think there are as good men on the Republican side as on the Democratic side with reference to agriculture. During my 18 years I have seen splendid work by Democrats on that great committee and by Republicans on that great committee. Yesterday and today I have had the feeling that I was more or less attending the burial of the remains of the farm bloc which used to do so much good for agriculture in America. I am sorry to have to witness what I witnessed yesterday and today.

When we consider the greatest of all occupations is agriculture, when we consider that corn is the one great commodity we think of when we talk about agriculture, and finally after a lot of political harangue, I get an opportunity on the second amendment to be offered to this legislation today, to speak for 2½ minutes.

The purpose of my amendment is simply this: It is recognized in the Midwest that the present law makes it impossible for a man who has failed to comply with his corn allotment to even offer barleyland or oatland to go into the conservation reserve, for which he could expect an average of $10 an acre. Because of that law—and I called it to the attention of the House last year, and you all know that I am very much interested in the soil bank. I was the initiator of it in the Congress of the United States. We made a mistake last year when we made it impossible for 60 percent of the corn farmers, who failed to comply, to at the same time offer to put feed grain acreage in the conservation reserve at $10 an acre. At the same time, we all agree that it is the feed grain production that has corn in trouble. My amendment simply corrects that situation.

If you will recall, last year several of the leading agriculturalists on both sides of the House said it should have been in the legislation. Accept this amendment, and you will prevent the production of 150 million bushels of oats and barley which would otherwise go into direct competition with corn.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. JENSEN. Is it not a fact that your amendment will do more for the little farmer who would like to get into the soil-bank program than any amendment that could possibly be offered to this bill?

Mr. H. CARL ANDERSEN. I feel so.

Mr. JENSEN. And is it not also a fact that if your amendment prevails there will be more acres of corn taken out of production and put into the soil-bank reserve than otherwise would be the fact?

Mr. H. CARL ANDERSEN. I think the gentleman from Iowa will agree with me that the basic purpose of the soil bank has been forgotten. We have gone into an extensive acreage reserve program which has no conservation features in the least. We are being asked by our Subcommittee on Agriculture Appropriations to put up $1,254,000,000 for this coming fiscal year.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer a preferential motion.

Mr. BASS of Tennessee. Mr. Chairman, I have a preferential motion pending at the desk.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. How many preferential motions are pending?

The CHAIRMAN. The Clerk will report the only preferential motion that can be entertained at this time.

The Chair recognizes the gentleman from Minnesota to offer his motion.

The Clerk read as follows:

Mr. H. CARL ANDERSEN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes on his motion.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. JENSEN. Here we give a lot of lip service to the family-sized farm, but that is about as far as we ever go. The gentleman's amendment would do good and would benefit those who live on the family-sized farms, would it not?

Mr. H. CARL ANDERSEN. Certainly, every quarter-section farmer who finds it impossible to plan within the small allotment of 30 acres of corn that is given to him would put perhaps 10 or 15 acres of land into the conservation reserve and would take the $10 or $15 per acre paid to him, but there is this little quirk in the law that says he cannot do it, consequently there is a roadblock in the way of his taking advantage of the soil-bank operation.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Indiana.

Mr. HALLECK. Do I understand from what the gentleman just said that his amendment would open up this bill to payments for feed grain that are not presently included in the Andresen bill and about which we have been talking ever since this controversy started?

Mr. H. CARL ANDERSEN. Not at all. I am talking to an entirely different point. The gentleman refers to a proposed acreage-reserve program for feed grains, and I am talking about the present conservation reserve program. My amendment would help take the equivalent of 150 million bushels of feed grain out of production through the conservation reserve. It would have no relationship whatsoever to the controversy over a proposed feed grain acreage-reserve program.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman that some of the provisions of his amendment are contained in the majority committee bill. I would suggest that we should try to write a strictly corn bill here on the floor. I am perfectly willing to sit down with other members of our committee and write a general farm bill that would deal with all these problems and consider the gentleman's amendment on its merits.

Mr. H. CARL ANDERSEN. My colleague admits that the idea is good, but he says the time is not now. I may say to my colleague from Minnesota [Mr. AUGUST H. ANDRESEN] that my amendment, in principle, is just as important to his particular bill as the $51 million acre allotment for which I have voted. It is just as important as the 15-percent feature that the gentleman has in his bill. Moreover, it is strictly corn legislation. I hope the gentleman does not object to it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. AUGUST H. ANDRESEN. Knowing the gentleman's ability and knowledge of agriculture, and particularly corn, I am satisfied that he is acting on his own volition in supporting the Andresen amendment.

Mr. H. CARL ANDERSEN. That is correct. I think I have a reputation for always voting my convictions in what I believe to be the best interests of the good people I represent here in the Congress. At times, however, I find myself in somewhat the same predicament our corn farmers found themselves last December when the corn referendum was before them. It is quite obvious that they did not have the opportunity to vote for what they really wanted and needed, and so they cast their ballots for what appeared to them to be the lesser of two evils. Although I do not see evil in either of the propositions before us today, I am in about the same spot as the corn farmers were last December in that I must choose between proposals neither of which will, in my judgment, get the job done that needs to be done.

The Cooley-Poage bill before us has much to recommend it. However, I do have serious doubts, Mr. Chairman, as to the ultimate cost of the Cooley-Poage bill. We must reduce Federal budgets

wherever possible, and it seems inconsistent for us to vote for a program on which we cannot even calculate the potential costs. There are additional deficiencies such as the failure to provide a fair minimum corn acreage allotment such as the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and I have both advanced in our bills.

I say that in all seriousness the Cooley-Poage bill contains major deficiencies; but at the same time do not let anybody think that I am entirely satisfied with the Andresen substitute; I am not. However, like the corn farmers last December, it is my judgment that the better course for us would be to accept the Andresen substitute and hope that it will be further improved before final passage.

As a minimum, we must have that 51 million acre allotment for corn provided in the Andresen substitute and also in my own bill. Let me tell you briefly some of the other provisions we should have.

Something should be done about the method of apportioning corn allotments to individual farmers. Under the present law as it is administered by the Department of Agriculture, we are in many instances perpetuating inequities. By following the process of making allotments based on historical acreages, we are penalizing the good farmer who followed a diversified program and rotated his crops and giving a bonus, so to speak, to the minority of farmers who mined their soil during the base period. There is something basically wrong with a program which gives one farmer on a half section of land only 30 or 40 acres of corn allotment and his neighbor on the half section across the road 100 acres or more. That should be corrected.

Another very important provision we urgently need is a higher support level under our corn. When I went before the Committee on Agriculture to testify on my bill, several majority Members stopped me the minute I mentioned the words "90 percent of parity." They expressed the view that it was a waste of their time for me to even discuss it, but no one questions the fundamental fact that farm commodity prices are at the heart of all our troubles in agriculture today. Either you believe in price supports or you do not believe in them. There is no part-way or partial approach to this problem of prices. I happen to be one who firmly believes in the principles of price supports and I do not mind saying so.

Now, we are faced with a practical situation in which many seem to be afraid to vote for what they say they believe in because of a possible veto. Let us look for a moment at this problem. Most of the critics of price supports argue that they help the small farmer the least and encourage the big operators to produce the great surpluses piling up in Government bins and warehouses all over the land. They all say they want to help the little fellow, the family-type farmer, and I am offering a solution to the problem. We should adopt something along the lines suggested in my bill whereby we would make the 90-percent of parity supports available on the first 4,000 bushels of corn per farm, and I would welcome an amendment to extend that same principle to the other basics on family-size farms. In this manner we would extend maximum protection to the family farm and also hold that protective umbrella over all production.

None of these features are in the proposals before us. They are important features and if the legislative situation is such today that we cannot get action on them, they should be given priority in the enactment of any other farm legislation.

Now, however, I am hoping the committee will approve the amendment I have just offered as it will do much in my opinion to alleviate the problem we seek to cure.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I will be glad to yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. I think the House should know that the gentleman from Minnesota, who now has the floor, is a dirt farmer in his own right, and that he is the ranking minority member on the Agriculture Subcommittee on Appropriations and that he has been with that committee for many, many years. He has to consider many problems as the able gentleman from Mississippi [Mr. WHITTEN] has just said, dealing with this bill. If it is passed it will become the responsibility of the Appropriations Subcommittee on Agriculture to act; and, as I say, the gentleman who now has the floor is the ranking minority member on that subcommittee. That will be a big problem to resolve and the gentleman from Minnesota [Mr. H. CARL ANDERSEN], knowing agriculture as he does, certainly knows what the corn farmer and the other farmers of America deserve and should have. I hope his amendment will be agreed to.

Mr. H. CARL ANDERSEN. Mr. Chairman, I do not like to become personal or mention my own personal affairs in this matter, but let me give you a little example of what has actually happened on my own farm in this connection. The young man who is my partner told me last spring: "Carl, I cannot operate with an 80-acre allotment on these 369 acres. We have got to have more corn than that. I cannot go into the program and make enough money to get by on." I said, "Henry, I will leave it up to you."

That is why we were forced to overplant on our allotment. But the law says, in effect, that CARL ANDERSEN and Henry Boll cannot offer 40 acres of good productive land in which we had already seeded alfalfa for the conservation portion of the soil bank. I really wanted to put some of this in the soil bank but could not do so. This also applies to hundreds of thousands of corn farmers and that is why so few of them have gone into the program in my area. My amendment would open the door for them.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HARVEY. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. Chairman, a great deal of information has been presented here this afternoon, but it seems to me as I evaluate the whole issue, the real fundamental and long-range objective is being missed. We are trying to bring production into balance with consumption. That applies not only to corn but to all commodities. It was the concept and the philosophy of the soil bank that we would not take the good acres out of production, that we are going to take the marginal acres out of production. That is what the Andresen bill will permit. I am not going into a long statistical analysis of this, but I want to say, and you have got to believe me, that that is what is going to happen if we follow the philosophy of the Andresen bill. For that reason, the bill, if we give it a chance to work, will accomplish that objective. We are at the fork of the road today. We are going in either one or two directions. In my humble judgment, if we follow the philosophy of the Andresen bill we are going to move in the direction of eventually taking controls off of agriculture. That is what I want for agriculture. I think we can get that if you will give it time. On the other hand, the Poage-Cooley bill has the objective of keeping agriculture permanently in the price support category. I do not want to go in that direction.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 133, noes 146.

Mr. H. CARL ANDERSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. H. CARL ANDERSEN.

The committee again divided, and the tellers reported that there were—ayes 164, noes 159.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS] to offer an amendment.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee to the amendment offered by Mr. AUGUST H. ANDRESEN: Add the following new section:

"That section 103 (a) of the Soil Bank Act is amended by striking out the period at the end of the second sentence thereof and inserting '*Provided, however*, That where pursuant to the operations of the acreage allotment and marketing quota provisions (except penalty provisions) of the Agricultural Adjustment Act of 1938, as amended, the farm acreage allotment of any crop referred to in sentence one of this subsection is smaller than the allotment for the same farm for the immediately preceding crop year, the amount of such reduction in acreage shall be eligible for inclusion in the acreage reserve.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee to the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. BASS of Tennessee) there were—ayes 68, noes 129.

Mr. BASS of Tennessee. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MCGOVERN].

Mr. MCGOVERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCGOVERN to the amendment offered by Mr. AUGUST H. ANDRESEN of Minnesota: Add section 3 as follows:

"SEC. 1 (a) section 101 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (g) as follows:

"'(g) (1) Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed to make available through loans, purchases, payments, or other operations, price supports to cooperating producers of wheat, corn, cotton, tobacco, rice, peanuts, milk and butterfat, oats, rice, grain sorghum, barley, soybeans, flaxseed, hogs, lambs, cattle, calves, eggs and farm chickens, if producers have not disapproved marketing quotas or goals for such commodities, at a level not less than 90 percent of the parity price of the commodity.

"'(2) Eligibility of any producer for price support under subsection (1) hereof shall be limited to proportional parts of total sales of all commodities not to exceed in value at the parity price of 14,000 bushels of corn or 10,000 bushels of wheat, whichever is greater.'

"(b) Eligibility of any farmer to receive payments under the programs provided in the other sections of this act shall be limited to $5,000 in any one year."

Mr. MCGOVERN. Mr. Chairman, this amendment is offered for two reasons. It is offered in the first place because I think farmers are entitled to at least 90 percent of a fair return on their production.

It is offered, secondly, in the belief that Federal farm programs should be geared primarily to the family-size farm.

It should now be clear to all that the efforts to reduce farm surpluses by cutting prices below 90 percent of parity has failed. We have eliminated many small farmers, but the farm surplus has multiplied. Farm surpluses, as a matter of fact, have tripled since 1952.

Likewise, farm price-support losses have been 3 times as high for the period since 1952 as they were for the entire 20 previous years.

Furthermore, we have had no relief for consumers following the cutting of prices to farmers. The farmer, whose income has dropped 25 percent since 1952, might draw some consolation from the assurance that lower farm prices would give his city cousins some relief on the grocery bill. Instead the cost of living and the grocery bill are higher than ever before.

My amendment provides that farmers shall be assured that the returns on their commodities will not drop more than 10 percent below a fair price. This amendment is not offered in the interest of any one farm group, but applies to the whole range of farm production.

It limits such parity assurance, however, primarily to family-size farms. Eligibility of any producer for price support under the proposal shall be limited to commodities not to exceed in value at the parity price of 14,000 bushels of corn or 10,000 bushels of wheat, whichever is greater. In other words parity protection is afforded to that part of any individual's production which is under approximately $25,000 gross sales.

It provides further that no farmer shall receive under the soil-bank provisions payments above $5,000 in any one year. This provision is designed to prevent the soil bank from becoming a gigantic giveaway for big-investment operators and corporation-style farms.

Mr. Chairman, I urge the adoption of this family farm parity amendment.

Mr. COOLEY. Mr. Chairman, I yield to the lady from Minnesota.

Mrs. KNUTSON. Mr. Chairman, I rise in opposition to the Andresen amendment; but I support the McGovern amendment and the Cooley bill.

Mr. Chairman, here is the situation as two farmers see it. Said one, "I hear you sold your pig." "Yep. Sold it this morning." "What did you get for it?" "Eight dollars," was the reply. "That doesn't sound like much," the first farmer commented. "What did it cost you to raise it?" "Paid $3 for it and $5 for its feed." "Didn't make much did you." "Nope," was the cheerful reply, "but I had its company all summer."

Mr. Chairman, I am saddened that the eastern city morning papers show so little understanding of the issues now under consideration by this House. I realize, of course, that this situation has been brought about by the veto threats and confusing arguments propounded by the backers of the pending substitute. However, the situation is that our opponents' charges against the committee bill have completely misled many reporters and many Members of this House, concerning both the provisions of the proposals we are discussing and even more important have taken attention away from the major point of this attempt to pass improved farm-income legislation.

My colleagues and I who brought the committee bill to this floor are not fully satisfied with it. But it was the most nearly adequate bill that could command a majority in the Agriculture Committee in the face of circumstances of unbending obdurate opposition of the backers of politically attractive partial panaceas.

The main issue before us, Mr. Chairman, is this: Are we going to act as responsible legislators to do something effective, and in the national interest, to help in 1957 to raise farm family income above the depression low levels, to which sliding scale price support policies pushed it in 1955 and 1956? If the bill we passed last year had not been vetoed there would be no need to be considering this emergency legislation now. If America's farmers had not been subjected to 4 long years of continuously lowering of protection levels and continually weakening of supply adjustment programs we would not now need to be considering emergency legislation for 1957. But the facts are, farm income is at a depression low. We have all read a lot about the farm depression of the 1920's, but how many of us remember that for only 1 year in the 1920's, was the farm price parity ratio as low as the figure the Department of Agriculture released only a few days ago? During the 1920's parity ratio averaged 15 percent higher than it is right now. How many of us have noticed that the income per person on farms from farming has dropped every year for the last 5 years?

Here are the figures: In 1952, income per person on farms from farming as reported by the statistical service of the United States Department of Agriculture was $702; in 1953, $665; in 1954, $650; in 1955, $606; in 1956, $599.

This is a drop of one-seventh in 4 years. The income of farm people even in 1952 was plainly inadequate, nonfarm per person income was nearly double that of the farm population. But that is not the worst of it, while farm income has been dropping steadily and drastically from its already inadequate level, nonfarm incomes have been going up.

The per person income of the nonfarm population rose from $1,833 in 1952, to $2,010 in 1956, almost a 10-percent rise. I happen to feel that even this increase in nonfarm incomes was not adequate progress from many groups; but the fact remains that farm-family income relative to incomes of other people has dropped by almost one-fourth.

Herein lies the major issue we are discussing in this debate. We are trying to do something within the framework of the general welfare that will halt and reverse this tragic drop in farm-family income. That is what we are trying to do. That is why this bill is before us for decision. That is why our Agriculture Committee started immediate action as soon as Congress was in session. That is why we tried so hard to draft a bill that everyone could agree on. Doing something to improve farm-family income is what we are supposed to be about. Let us keep our attention on the fundamental purposes rather than to be diverted into confused thinking.

There are a lot of things that Congress could do now to keep 1957 farm-family income from being as pitifully low as it will otherwise be. There are many proposals that in my opinion would be better than the committee bill. But I repeat we have brought to this House the most nearly adequate bill that could command a majority in the Committee and I support its passage without crippling amendments. Moreover, I shall support all amendments to further strengthen it. But again I say let us keep our attention on the fundamental issue: We are attempting to write legislation that will halt and reverse the tragic drop in farm-family income by means consistent with all other national interests.

The pending substitute amendment is not designed to make a major contribution to improving farm-family income

across this Nation. It will not even contribute very much to the specific narrow purpose claimed for it by its proponents. Their only arguments for their substitute is that the committee bill will be vetoed and that the Committee bill will cost too much. Let us examine these charges.

In the first place the committee bill places a maximum limitation upon expenditures, it is clearly stated in section 4 of the bill. The proposed substitute does not contain a limitation on expenditures. But even more fundamental is this fact. Corn grown in the so-called commercial corn-producing areas is only a part, admittedly an important part of the total feed grain-livestock economy of this Nation. The substitute bill seeks to make the necessary market supply adjustments required to bring the feed grain-livestock economy back to economic health by requiring commercial area corn producers to make all of the adjustments, putting a top on the barrel but leaving the bottom open.

I submit that the approach incorporated in the substitute amendment now pending can only turn out, first, to be more costly in the long run to the public generally and unfair to commercial corn producers; or second, it will be more costly than the committee bill and wreck economic ruin beginning in 1957 on all feed grain and livestock producers except commercial area corn producers and even for them beginning in 1958.

Why do I say this? Let us look at the provisions of the proposed Andresen substitute in relation to other provisions of law. The Andresen substitute would provide an inadequate level of price support to corn grown in the commercial area, the bottom of the sliding scale level provided by existing law. The Andresen amendment only gilds the lily in that regard. It does not in any way improve the price support level provided for corn or any other commodity.

Now what else does the Andresen substitute propose? It proposes a 12-percent cut in corn acreage in the commercial area; it provides for no cuts in the noncommercial corn area, and provides for no cuts in any other feed-grain acreage, other than that farmers might choose to put corn or feed-grain acres rather than artichokes, strawberries, or cantaloups into the unspecified 15 percent of tillable acres requirement. In other words, the only feed-grain supply adjustment of which we could be sure under the Andresen substitute, would be the first 12-percent cut in commercial corn acres, 58 million acres down to 51 million acres. I submit that this is not enough of a supply adjustment to prevent the mounting of huge costs to the Treasury of even the presently pitifully inadequate feed-grain support program, and a heavy downward pressure on the market prices and income. In addition, the Andresen amendment might require largely fruitless payment of up to $45 per acre for approximately 7½ millions of acres taken out of the production, maybe of corn and feed grains, but not necessarily so. The Treasury would be spending a lot of taxpayers' money and not really help anyone. At the best we could expect, operation of the Andresen substitute bill would probably not reduce market supply of feed grains sufficiently to raise either the price of commercial corn or of any other feed grain above the already too low announced price-support levels. The commercial corn farmer who makes the cuts required by the Andresen substitute would not be gaining anything, he would get payments more or less equivalent to the net income he could have earned by producing whatever he agreed not to produce. Nobody would gain a thing, yet the Treasury would have paid out a lot of money. The 1956 fiasco would be repeated.

The committee bill on the other hand is written as a serious solution to the complete problem of needed supply adjustments in the entire feed grain-livestock economy. It requires that noncommercial corn producers, and producers of sorghum grain, oats, barley, rye, flaxseed and soybeans all, in addition to the commercial corn producer, make an uncompensated 15–20 percent cut in feed grain acreage. This would be a voluntary contribution on the part of these farmers if they wanted to participate in the farm income protection programs. Obtaining this cut of approximately 15–20 percent or one-fifth in feed grain planted acreage would not cost the Federal Treasury one single red cent. Yet obtaining an adjustment of that extent would take a real bite into the fundamental supply adjustment problem. In addition, the committee bill would require cooperators to take additional cuts in feed grain acreage of approximately 15 percent, for which they would receive acreage reserve payments at the corn or feed grain rate per acre. These payments would not be a net addition to farm family income but would replace the net income equivalent of lost gross income from not using those acres for commercial production.

In total the committee bill could result in a more than one-fourth cut in the planted acres of all feed grains, and since the committee bill requires that these be feed grain acres, not just any acre, as provided in the Andresen substitute, the committee bill approach could well bring a cut in 1957 of at least one-fifth in the total supply of 1957 feed grains placed on the markets. Doing this would require the market to go to Commodity Credit Corporation to buy feed grains, including corn from their inventories of Government-owned grain. This would mean two things:

First, the Government would not be required to engage in feed grain price-support operations in the 1957 marketing year; instead of taking up a large volume of commercial corn, Commodity Credit Corporation would be selling corn and other feed grains. Market prices would be at least 5 percent and probably more above the established support levels. This would result in a net profit to the Government and the Corporation which would offset a part of the acreage reserve payments made under the bill. And the family income of feed grain farmers in the United States would be raised by whatever amount the market price rises above existing pitifully low support levels.

The net effect of the committee bill is to provide approximately 84 to 87 percent of equivalent parity prices to feed grain farmers all over the Nation and to do it in ways that will be most economical to taxpayers and cause no unbearable burden to consumers, because the payments provided are compensatory in nature whether you call them production payments, soil bank payments, or acreage reserve payments, thus to whatever extent they are effective they result in raising farm income without pushing up consumer prices.

I hope you will reject the Andresen substitute. I simply cannot understand the attitude of some of its backers from heavy wheat and feed-grain-producing areas. Adoption into law of the Andresen substitute can only injure the wheat-grain sorghum farmer, the wheat-barley farmer, the wheat-noncommercial-corn farmer, the hog raiser, the cattle raiser and feeder. And as I have gone to pains to point out the Andresen substitute does not even provide any net help to the commercial corn producer. For the commercial-area corn producer the proposed substitute is just a futile gesture; it provides little if any improvement for the commercial corn producer over existing law, and it is because of existing inadequacies that we are considering this measure today.

Why go to all this trouble merely to mislead and raise false promises? The proposed substitute will not help anyone; it will hurt many. I hope you will reject it. Then in the hours ahead we can improve the committee bill, if we can, and pass it out of this Chamber. I do not believe a better bill can be drafted by the committee. No purpose would be gained by recommitting the bill. If you do not want to do as much as we can to halt and reverse the tragic drop in farm income, then stand up and vote on final passage against the bill. But do not let us duck our responsibilities by hiding behind a recommittal motion.

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I rise in support of H. R. 4901. It may come as a tremendous surprise to many to discover that the farm program is not something new that has been developed within the last 20 to 30 years. It has been with us in some form or another as long as we have had a country. In fact, it came into being on this continent in one form as early as 1623. At that time, the "Grand Assemblie" of Virginia at "James Citie" enacted a law to see that sufficiency of corn be planted. By 1632 they required 2 acres of corn per head to be planted and tended. These laws were repeated many times. Moreover, the "Grand Assemblie" passed laws to control tobacco production. These laws provided for acreage limitations which, in effect, provided incentives for producers to shift from crops produced in excess of requirements to other specified commodities for which demand exceeded supply. From 1645 through

1676 the "Assemblie" passed numerous laws providing for export controls and export subsidies. Exports for a time were prohibited on corn, hides, leather, wool, and grain. Export duties and customs were lifted in 1655 on tobacco to encourage export of a surplus. Price controls were also a part of this earlier legislation. There is much more to be said on the history of the program, but I will not burden you on this matter, except to show that farm programs do have a history. I would suggest that many of you study the matter at your convenience. It is very interesting reading.

But to get on with the matter that we have before us at the present time, I should first like to quote from Ralph Waldo Emerson in his essay on farming: "The glory of the farmer is that, in the division of labors, it is his part to create. All trade rests at least on his primitive activity. He stands close to nature; he obtains from the earth the bread and meat. The food which was not, he causes to be. The first farmer was the first man, and all historic nobility rests on possession and use of land."

Let none of us forget that the farmer, and this term also includes the rancher, is a nobleman in his own right and has so been from the beginning of man. We are here today to help solve a problem that has been created by the blessings of God in an abundance of food and fiber with which to meet our needs. Situations that should cause rejoicing in all quarters, but because of the controlled and regimented economy that has been developed by man, become a problem rather than a blessing; a problem that could as well have been visited upon any other segment of our economy, save for the fact that agriculture is primarily concerned with nature. And, as yet, man has been unable to make any great progress in subjecting nature to his demands or requirements. Hence, if agriculture is to participate on a fair and equal basis in the national income, certain measures must be adopted to prevent unfair discrimination against those who till the soil. Equality in opportunity has been the guiding light of all those who have advocated measures designed to keep the agricultural segment of our economy in balance with other segments. Much effort and exhaustive research have gone into the solution of the many problems involved during our lifetime. The program was designed on a nationwide basis, because it is a national problem. It was never intended that one portion of our country be set aside and given preferred and royal treatment, as against some other section.

The great need for the farm program actually began with the difficulties which overtook the American farmer shortly after World War I. It was the failure to face reality at that time and to do something about it that was a major factor in bringing about the depression in 1932. It might be said that if something good came out of the depression, it was an increasing awareness on the part of the Nation as a whole of the American farmer's plight.

At that time we were faced with the same problem with which we are faced today: Namely, that farm income was too low in relation to income in other segments of the economy.

The three measures in the minds of Members of the House are the present pending bill, the Andresen bill—which I understand will be offered as a substitute—and the bill proposed and sponsored by the Secretary of Agriculture, but which was never introduced. Actually, we are concerned with only two measures, the bill before us and the Andresen substitute. The Andresen bill was introduced as the original farm bill for this session of Congress. The bill that is pending before us was substituted in committee for the Andresen bill. I am sure that everyone thoroughly understands the ramifications of both of these measures because of the fine comments that have been made on the subject during this debate. However, I hasten to point out that the controlling difference in the two measures that should influence everyone in this House to support H. R. 4901, the Cooley bill, as against the Andresen substitute, is the fact that the Andresen substitute deals alone with one feed grain in a confined area in this Nation. Some could say that such an approach amounts to a discrimination against the other feed grains, or conversely, a preferential treatment of corn in commercial areas. Most of us appreciate the tremendous amount of influence that can be exerted by those from the commercial corn areas of this Nation, but we do not fear the exercise of that power. Too long we have yielded to the requests, if not the demands, of the commercial area corn people. We have always felt that they were a substantial part of the agricultural economy of this Nation and we were ready, able, and willing to aid them. This we did on many occasions, but we have never feared them. In fact, it might be that we were too helpful to corn in commercial areas and not helpful enough to the other feed grains, including grain sorghums.

Whether or not the Andresen bill does or does not provide preferential treatment for corn in commercial areas is a subject that could be long debated with good arguments on both sides. However, it is my opinion that our best approach to the problem is to weigh the problem itself, without regard to any particular piece of legislation, and to try to conclude what is best under the circumstances. The entire matter here before us concerns feed grains including grain sorghums. The problem is no different today than it was immediately after World War I. At that time the farmers had been requested, from a patriotic standpoint, to produce more and more during the war. When the war ended, the production capacity did not reduce itself to the prewar level. Hence, a surplus came into being. As the surplus accumulated, the price began to decrease. The farmer, in the exercise of his basic right of self-preservation, immediately began to increase his production in order to have more products to sell for a lesser price so that his income would not be reduced. What he succeeded in doing was just the reverse of that. Every time he increased production, the price of the product decreased, and the farmer's income along with it. It was this situation that finally developed into the depression of 1932. That may be oversimplifying the problem, but it does give us the general situation so that we can go further into the matter by our own thought processes, if we so desire.

The same thing that happened after World War I is what is happening today, and unless firm measures are taken to keep all feed grains in balance, we can look forward to the same result that occurred then. Although many of my friends from the Corn Belt will probably deny this, I think that it can be fully substantiated that in a great many instances, one feed grain can be substituted for another. Such being the case, if the overall problem with which we are wrestling now concerns feed grains, it would be utterly useless, as a benefit to the agricultural segment of our economy as a whole, to treat only one part of the feed-grain group. That is exactly what the Andresen bill does. It creates a premium on corn, a premium to be paid by the Government out of the tax coffers of this country and, if you will permit, it constitutes a definite discrimination against the producers of other feed grains, including grain sorghums. If such a plan is adopted, and I trust that this Congress will not adopt it, the only result from such action would be a repetition today, in the feed-grain segment of our agricultural economy, of the very thing that occurred after World War I.

The corn boys would be the royalty of the agricultural group, and, I am sure, would take great pleasure in their preferred position. However, like most ill-founded propositions, their position of luxury would be temporary—they could not escape the inevitable result, nor could the rest of the country. The other feed grain growers would exercise their right of self-preservation and immediately begin to increase the number of rows on their farms, add fertilizer, and, of course, expand their acreage to grow more of their product, which is bound to sell at a lesser price in order to try to maintain some semblance of relationship between their income and the cost of living. The result of this would be that the people who use feed grains would not buy corn at the high supported price, but would substitute other grains for their needs; grains that they could buy at a much cheaper price. This would mean that the entire economy would be adversely affected. Low prices on feeds have always meant low prices on cattle, poultry, and dairy products. As for the corn, it would go into Government storehouses and be kept there at a high rental cost until it deteriorated and had to be sold for a small part of its original cost, or sold on a foreign or domestic market at much less than it cost the Government to purchase it in the first place. In other words, it would be a situation where the corn farmers would be handed a premium, the payment of which would constitute a denial to the other feed grain producers of even a fair price for their products. I cannot believe that the corn farmers of this Nation, or that the

Republican Party, want such a thing done; therefore, I beg of you in the House of Representatives, who have the great honor of representing the corn-producing areas of this Nation, regardless of your party affiliation, to weigh your position very carefully, not in scales that are concerned alone with the economic aspects of the commercial corn area, but scales that will produce a true measure based upon the best interests of the country as a whole and on all segments of agriculture.

Temporary relief for the Corn Belt would be like treating the left leg of a man who is sick all over. The pain in that particular portion of the body might be deadened for the moment, but the ravages of the disease with which the patient is afflicted would not be lessened. In fact, as soon as the deadening effect wore off, the patient would be in much worse shape than if he had been properly treated in the first place. In fact, the false sense of security provided by the pain-deadening effects on one portion of the body could easily result in the death of the patient for failure to treat the source of the disease. That is exactly what can happen to the agricultural programs of this Nation if we, in this Congress, begin to treat one section of the country as opposed to others. Certainly none of us wants to see more damage done to our farm population than has already fallen their lot. I, for one, want to measurably lessen that damage.

The Cooley bill faces up to the realities confronting this Nation and the agricultural segment of our economy. Much has been said about the cost of the program and subsidies that will be paid. I disagree with this approach to the problem, and I defer to no one in my sincere quest for economy. However, I point out to you that we are not going to be able to pay the public debt of this Nation, which is reaching an all-time record; we are not going to be able to reduce the Federal budget, which is at an all-time high for peace periods, and we are not going to be able to lessen the overpowering tax burden of our people by destroying segments of our economy. Everyone in this House is willing to face reality, and if this is done, there can be no escape from the fact that our foreign aid program could well be advertised as a giant subsidy to big business and big industry in this Nation, traveling under an assumed name: nor could it be successfully denied that big business and big industry have not received one of the most tremendous subsidies ever conceived by the mind of man in the tax write-off authority that has been granted in recent years. It is my understanding that some of the economists in this administration have estimated that such a subsidy, if pinpointed and separated, would amount to over $9 billion in 1 year. If there is or ever was a farm subsidy it fades into insignificance in comparison. But let us, for the sake of argument agree that both bills involve a subsidy. Ask yourself this question: Is it fair to give preferential treatment to one feed grain over another? That is exactly what the Andresen bill does. In fact it gives preferential treatment to corn grown in one area over corn grown in another, as well as other feed grains.

Certainly then, the Andresen bill is not the answer to our agricultural problem. Perhaps the Cooley bill is not the final answer. However, any answer to the problem will come in a fair and equitable consideration of every segment of our agricultural economy and, in my opinion, the Andresen bill does not advance this consideration. The Cooley bill does face up to the realization that all feed grains should receive like consideration by the Congress in order to effect a solution. I, therefore, urge this body to carefully scrutinize these pertinent facts and adjudge the relative merits of the two bills in light of their benefit to our entire agricultural economy.

I ask you in all fairness, as Americans interested in the welfare of the agricultural economy of the Nation as a whole, to vote for H. R. 4901, the Cooley bill, and against H. R. 3011, the Andresen amendment or substitute, or whatever it is called.

Mr. COOLEY. Mr. Chairman, should we not now vote on the pending amendment offered by the gentleman from South Dakota [Mr. McGOVERN]?

The CHAIRMAN. That is correct.

The question is on the amendment offered by the gentleman from South Dakota [Mr. McGOVERN].

The question was taken; and on a division (demanded by Mr. McGOVERN) there were—ayes 138, noes 157.

Mr. McGOVERN. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. McGOVERN and Mr. AUGUST H. ANDRESEN.

The committee again divided and the tellers reported that there were—ayes 168, noes 172.

So the amendment was rejected.

Mr. McMILLAN. Mr. Chairman, members of the Committee, I listened with great interest for approximately 30 days when statements were being made by the Department of Agriculture officials and private individuals for and against the bill we are considering here today. I think this subject was thoroughly explored by our committee and regret very much that the President and Secretary of Agriculture did not include all farm products in their request for additional soil-bank funds to assist the corn farmer.

The tobacco farmer in my district is in a very distressing condition today having had 2 or 3 bad drought years and then last year a 12 percent acreage reduction. The growing seasons were not good for tobacco in South Carolina last year and the farmers received $18 million less for their tobacco in 1956 than they did in 1955 which with the 12 percent forced acreage cut amounts to approximately 37 percent reduction in the tobacco crop in South Carolina for 1956. The Department of Agriculture has this year ordered another 20 percent reduction and it is my opinion that several hundred farmers will be compelled to discontinue farming unless we can have the Secretary of Agriculture approve the 20 percent acreage reduction for soil bank purposes. I have a private bill pending before our committee at the present time specifically requesting that the 20 percent acreage reduction forced on the tobacco farmers for 1957 be acceptable for soil bank purposes. I voted for this soil bank bill that was vetoed by the President and also the Soil Bank Act that is on the statute books today. I was of the impression that it would grant the assistance I am requesting in my bill H. R. 768 now pending before the House Agriculture Committee.

I can see very little assistance for the farmer in the Southern States in the bill we are now considering and I honestly believe the farmers would be actually insulted to accept the small soil bank payments that could be paid to the tobacco and cotton farmer under the pending bill. I certainly have no objection to the corn farmers receiving some assistance, however, I cannot explain to the farmers I represent why I should vote to assist corn farmers in the West when they are suffering to the same extent and worse.

Mr. BREEDING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Chairman, I want to speak out in support of H. R. 4901, the corn bill, because I feel that it deals with the total problem of surplus feed.

I recently returned from my district which is in the heart of the great drought area of our country and whose economic lifeblood depends on wheat, livestock and grain sorghums.

Almost without exception my constituents whom I have consulted with want feed grains to be treated the same as corn is treated under our Federal farm program. They want to see this grain sorghum country of ours, which also raises a smaller quantity of oats and barley, receive equal parity and the opportunity to participate in the soil bank on the same basis as is presently enjoyed by the corn producers. This bill does nothing to hurt the corn producer in the commercial areas. It is still treated as a basic commodity. It does include corn produced outside of the commercial area as the feed grains. It does nothing to change the status in the commercial area. I believe our milo growers should have every consideration the commercial corn growers are now receiving. The general feeling in my area seems to be overwhelmingly for feed grains as included in H. R. 4901. I am going to work for the interest of feed producers and milo growers. They further feel that the corn producers continue to grow feed and continue to grow wheat at the expense of the wheat producers. I am not for continuing this costly farm program whereby the corn growers have received approximately 60 percent of the soil bank reserve payments and the rest of our feed growers nothing. In fact my people are very much opposed to the lowering of parity to 70 percent on milo maize for the crop

of 1957, which only serves to further lower, and drastically, the income of the farmers in my drought-stricken district.

Corn growing in my district is no real threat to the commercial corn producers because it is not suited to the weather conditions of the high plains, but certainly feed grains are.

Mr. COOLEY. Mr. Chairman, I know that all of us are delighted that this debate is now coming to a close. I want to say again that I think it is a rather tragic situation in which we find ourselves at this moment. Obviously we are now operating in an atmosphere that is intensely political, and without any reason on earth. I still do not understand why we cannot approach the solution of this problem with calmness and with some degree of tolerance and with a little intelligent thinking.

I do not know if there is anything that I could add to what has been said, but I do want to agree with what the gentleman from Minnesota [Mr. H. CARL ANDERSEN], said today, that too much time has been devoted to politics and political speeches. I am not trying to accuse the Republicans of engaging in political speaking.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. I just wonder what the gentleman would think about the politics involved in almost solid support on his side for the last two amendments.

Mr. COOLEY. I am not saying that all of the politics is on your side, if we have shocked anybody along political lines, but I still think it is a sad and dreary day for the farmers of America when we meet in this sort of environment.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Why can we not put the vote over until tomorrow and forget politics?

Mr. COOLEY. I am perfectly willing for it to go over until next week, but some people might object to it. Now, we have an important bill. It means that we have a bill or do not have a bill. If you vote for the Andresen bill, then we cannot perfect the provisions of the bill that was reported by the committee. You close the door. You gag the House, so to speak. If we could defeat the Andresen amendment, we could come back and with reason next week or tomorrow, work out a good program. If you do not want feed grains in, we could settle that. If you do not want section 3, we could consider that. We could consider it section by section. But here you are going upon a program the like of which we have never embraced in this Nation before and the like of which no other group of producers in America has ever enjoyed. The cotton farmers were not paid to reduce their acreage, the wheat farmers were not paid to reduce their acreage. Neither were the tobacco farmers nor the peanut farmers nor the rice producers. But last year you paid $179 million to the corn producers in the commercial area and you still had an abundant crop and a surplus crop. Now you propose to spend $217 million on exactly the same program, giving the farmers by act of Congress acreage increases from 37½ million to 51 million, and then let them put it in the soil bank and pay for it, and they do not reduce their corn crop one bushel.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. COLMER. Mr. Chairman, I quite agree with the gentleman that it is very unfortunate for the agricultural interests of this country that this important piece of legislation is being considered in a political atmosphere. In that situation, why would it not be a good idea to send it back to the committee and bring out another bill?

Mr. COOLEY. I did not rush this bill. I did not try to rush it out of the committee. It came out of the committee by a strictly party vote, except for 1 or 2 on each side; I think maybe 1 Member on the Republican side and one on the Democratic side. But it is obvious to the people of America now and to the farmers of the Nation and the farm leaders of the Nation that we are divided along political lines. I have taken great pride in the time that I have served on the Committee on Agriculture in the fact that we have been able to keep party politics out of our deliberations. Why we have it I frankly do not know. This is a vital problem we are dealing with. I urge the membership of the House to defeat the Andresen amendment and then get together, sit down in calmness and work our will upon a bill which will be of service to the people of America.

PROGRAM FOR THE WEEK OF MARCH 11, 1957

Mr. MARTIN. Mr. Chairman, I ask unanimous consent to address the Committee for 1 minute that I may inquire about the program for next week.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. I shall be very happy to advise the gentleman from Massachusetts.

On Monday there is no legislation scheduled.

On Tuesday there is the General Government matters appropriation bill for 1958. Further consideration of H. R. 4901 will follow on Tuesday.

On Wednesday we shall take up H. R. 4602, to increase direct loans for veterans housing.

On Thursday, H. R. 4090, the Tax Rate Extension Act of 1957.

There are the usual reservations, that conference reports may be brought up at any time and any further program will be announced later.

I might say also that if this bill is disposed of one way or the other today we will go over until Monday.

CORN AND FEED GRAIN PROGRAM

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], as amended.

Mr. COOLEY. Mr. Chairman, in the interest of time I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. POAGE.

The Committee divided, and the tellers reported that there were—ayes 180, noes 107.

So the amendment was rejected.

Mr. HARRISON of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: Strike out all after the enacting clause and insert in lieu thereof the following: "That notwithstanding any other provision of law, section 108 of the Agricultural Act of 1956 (Public Law 540, 84th Congress) is amended by adding a new subsection (c), as follows:

"'(c) For the 1957 crop year, corn producers in the commercial corn area may qualify for price support on corn and participate in the soil bank program by complying, in accordance with regulations issued by the Secretary of Agriculture, with either of the alternatives presented to producers in the corn referendum dated December 11, 1956, pursuant to the provision of the Agricultural Act of 1956 (Public Law 540, 84th Congress).'"

The CHAIRMAN. The gentleman from Nebraska [Mr. HARRISON] is recognized.

Mr. HARRISON of Nebraska. Mr. Chairman, in view of the atmosphere this afternoon, I will use the microphone on the Democratic side. I think it might clear the atmosphere just a little. I am going to take the advice of our good Chairman. He said we should approach this in quiet and calm. I feel that I am in the right atmosphere if I am over on this side.

I was happy to see the vote on the amendment come when all of the people on this side stood up for 1 year legislation. My amendment is offered for only 1 year, and I hope that I will get support from all the people on this side who stood up for the Jones amendment which was offered to the Andresen bill.

Mr. JONES of Missouri. Did the gentleman vote for the 1-year provision a minute ago? I do not believe he did. However, I will withdraw the question.

Mr. HARRISON of Nebraska. I will explain in just a few words, my substitute, because it is a very simple substitute for the legislation that is before us. It does this and this only. It gives the farmer an opportunity to choose between the two alternatives that he voted on in the December 11 referendum that was circulated. Sixty-one and one-half percent of the farmers voted for that amendment. This gives them an opportunity to choose between two alternatives that they voted for. In other words, those who wanted 37.3 million acres, with $1.36 price support, with the participation in soil bank voluntarily, as against 51 million acres with $1.31 price support and with 15 percent soil bank participation mandatory. That is the sum and substance of the total substitution that I am offering.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. Yes; I yield.

Mr. AUGUST H. ANDRESEN. I understand that the bill you are proposing as a substitute is H. R. 4555?

Mr. HARRISON of Nebraska. That is correct.

Mr. AUGUST H. ANDRESEN. I believe that when the president of the Farm Bureau appeared before our committee he favored that particular bill and that approach?

Mr. HARRISON of Nebraska. That is my understanding; yes, sir.

Mr. AUGUST H. ANDRESEN. In view of what happened on the vote on the amendment which I offered, I will support the gentleman's amendment.

Mr. HARRISON of Nebraska. I thank the gentleman.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. HOFFMAN. Did I understand you to say this would do just what the amendment offered by Mr. JONES would do?

Mr HARRISON of Nebraska. No. It is for 1 year.

Mr. HOFFMAN. That was offered in good faith, I assume, was it not?

Mr. HARRISON of Nebraska. I am certain it was. But I hope I have explained the substitute sufficiently well so that it is understood by the membership.

Mr. ABERNETHY. Mr. Chairman, will gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. ABERNETHY. Is the gentleman's amendment the same bill that was submitted to us by the Secretary of Agriculture?

Mr. HARRISON of Nebraska. No.

Mr. ABERNETHY. It is not the same bill?

Mr. HARRISON of Nebraska. No, it is not, but it is a bill that the farmers voted for. Since this is the Democratic way of doing business, I think we should give them an opportunity to choose between these two alternatives that they voted for. The cost will not be one iota more than it was last year. There is no more in this from the standpoint of administration, and the only additional cost might come from additional participation in the soil-bank program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. HOEVEN. I want to say to the gentleman that I want a corn bill of some kind, and I will support the gentleman's amendment.

Mr. HARRISON of Nebraska. I thank the gentleman.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. BONNER. I merely wanted to ask the gentleman if this is not the identical bill the farmers voted down in the corn referendum?

Mr. HARRISON of Nebraska. It is what they voted down but 61.5 percent voted for it. It required a two-thirds vote to pass a program under a referendum.

Mr. BONNER. Then it is fair to say that the farmers rejected this proposal.

Mr. HARRISON of Nebraska. It is fair to say that 38½ percent of the farmers rejected it.

Mr. BONNER. What I mean is they did not get the required vote under the referendum and therefore it was voted down.

Mr. HARRISON of Nebraska. That is right.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to suggest that it has been agreed with the ranking minority member that the Committee may now rise and that further consideration of this bill may go over until after the disposition of the appropriation bill on Tuesday next.

I want it understood that that is the agreement on the part of the minority as well as the majority.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. McCORMACK. May I say to the gentleman that if the Committee rises now, in accordance with the conversation had with the acting chairman of the committee and the ranking minority member I will program the bill for Tuesday following the disposition of the appropriation bill.

Mr. POAGE. And let it be understood that that action is in accordance with the agreement had by all parties and is not done at the request of the acting chairman. It is simply an effort to keep the program of the House functioning. The Committee has no desire to delay this bill and is ready to proceed tonight.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman's statement of the understanding is correct.

I would, however, like to mention this, that the first order will be the consideration of the amendment offered by the gentleman from Nebraska [Mr. HARRISON], so that we can get a vote on that before we consider any other amendment.

Mr. POAGE. I understand that will be the procedure.

I want to make this one further statement, that the majority members of the Committee on Agriculture stand ready to meet tomorrow morning in the committee room of the Committee on Agriculture if anybody wants to meet with us and try to work out any further details of this bill. It has been suggested that we should try again to get into an agreement. The majority members are ready to try.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. AUGUST H. ANDRESEN. I recognize that very generous offer, and that means that we are going to meet in order to take over your bill.

Mr. POAGE. I invite you to come. I invite any interested Member to come.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may be allowed to extend their remarks in the body of the RECORD in connection with the bill under consideration today, H. R. 4901.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORN REFERENDUM BALLOT

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to have inserted in the RECORD a copy of the corn referendum ballot which was used in the December election, because that ballot was referred to in the amendment which is now under consideration and I think many Members do not know what it contains.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(The matter referred to follows:)

CORN REFERENDUM BALLOT

If you favor soil bank corn base acreages and a price support program for corn for the 1957 and subsequent crops at such level as the Secretary of Agriculture determines will assist producers in marketing corn in the normal channels of trade, but not encourage the uneconomic production of corn, as provided for in the Agricultural Act of 1956, put "X" in this box. ☐

(Explanation: Under this program, a soil bank corn base acreage of 51 million acres would be apportioned to farms in the commercial corn-producing area for each of the years 1957, 1958, and 1959; and a producer's eligibility for price support as a cooperator would depend upon: (1) his devoting an acreage of cropland on the farm to either the soil bank acreage reserve program for corn or the soil bank conservation reserve program equal to 15 percent of the producer's farm base acreage for corn, and (2) his not exceeding the farm base acreage for corn.)

If you favor corn acreage allotments as provided for in the Agricultural Adjustment Act of 1938, as amended, and price support on corn as provided for in the Agricultural Act of 1949, as amended, put "X" in this box. ☐

(Explanation: Under this program, an acreage allotment of 37,288,880 acres would be apportioned to farms in the commercial corn-producing area for 1957 and an acreage allotment for subsequent years would be established as provided for in the Agricultural Adjustment Act of 1938, as amended; price support on corn would be at level of from 75 to 90 percent of parity, depending upon the supply of corn in relation to the needs for corn; and a producer's eligibility for price support as a cooperator would depend upon his not exceeding the farm corn acreage allotment. Participation in the soil bank acreage reserve program would require a reduction of the corn acreage below the farm corn acreage allotment.)

STRENGTHENING OUR OFFICER TRAINING SYSTEM FOR THE ARMED FORCES

Mr. VAN ZANDT Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I have recently introduced as H. R. 3419 a bill which I believe merits the study and support of all Members of the House.

This bill would strengthen our officer-training system for the Armed Forces, and also greatly help more than 300 of our colleges and universities meet their pressing demands for space and facilities.

The legislation would provide Federal aid for the construction of Reserve Officers Training Corps facilities at the more than 300 colleges and universities—public and private—which maintain ROTC units of the Army, Navy, and Air Force.

At present the Federal Government—which relies on the ROTC as its principal source of officers, both for the Regular and Reserve components of the Armed Forces—pays no part of the cost of supplying classrooms, office space, drill fields, storage space, and the like for this program.

The colleges are responsible for construction, repairs, and maintenance of all facilities, storage space for supplies and equipment and, in the case of the Army, for providing personnel to have custody of the equipment.

The armed services furnish only military instructional personnel, textbooks, and equipment.

It may come as a surprise to many Members of the House to know that a survey conducted in late 1955, through the cooperation of 5 associations of colleges and universities, revealed that the ROTC program was then using space valued at more than 190 millions of dollars in our colleges and universities.

This was on the basis of full-time use of space.

This is a conservative figure as a few institutions did not respond to the survey.

The same survey also showed that between 1950 and 1955 the institutions reporting graduated nearly 135,000 students from the ROTC program of all services.

Of these, more than 71,000 completed the Army ROTC program for commissioning. More than 51,000 the Air Force program and more than 11,500 the Naval ROTC program. These, again are conservative figures.

All these young men assumed an obligation to serve from 2 to 3 years in the armed services and most of them did so serve.

Aside from the comparatively small number in the Navy's Holloway plan program which pays the tuition fees and subsistence of its students, none of these men received any support from the Federal Government during the first 2 years of their program and approximately $30 a month during the academic year in the last 2 years.

The colleges supplied all instruction, except that in military subjects in addition to all facilities.

Mr. Speaker, there is no possible controversy or difference of opinion about Federal aid to education involved in H. R. 3419.

It is a matter of simple justice that the Federal Government pay at least part of the cost of providing facilities for a program which supplies most of the officers for the National Defense Establishment, Regular and Reserve.

We all know of the tremendous problems our colleges and universities face in providing facilities and staffs to meet present and future needs.

We are all concerned about the shortages in science, engineering, and other critical fields.

Enrollment in these fields has been increasing sharply, I am happy to say, in the past 3 years.

Both the Scientific Manpower Commission and the Engineering Manpower Commission now say that the most acute problem is not one of arousing the interest of potential science, engineering, and other students, but of providing facilities for their instruction and staffs to teach them.

All types of institutions of higher education involved in the ROTC program are united in the support of legislation for the general purposes indicated in H. R. 3419.

Late in 1955, the American Council on Education conducted a poll of ROTC institutions of all services which was jointly sponsored by the council, the American Association of Land-Grant Colleges and State Universities, the Association of American Colleges, State Universities Association, and the National Catholic Educational Association.

Ninety-five percent of all institutions expressing an opinion were in favor of ROTC facilities legislation.

It has been approved in principle by the Reserve Forces Policy Board of the Department of Defense and by the Army, Navy, and Air Force separately.

There are differences of opinion as to one or two features of the proposed legislation.

H. R. 3419, as introduced, provides that Federal funds would be available to match up to 50 percent of the cost of construction of ROTC facilities.

Some institutions feel that the Federal Government should pay 100 percent of the cost for such a national defense program.

My bill does not carry a retroactive feature.

I understand that some institutions believe that the legislation should be retroactive to 1945 when the Navy in installing its present ROTC program, made a commitment to seek legislation to provide Federal aid for half the cost of the facilities the colleges were asked to construct or furnish.

The arguments pro and con on these points can be considered by the Armed Services Committee and this House during hearings on the legislation and a decision reached as to what should be done.

My personal opinion is that the legislation should be made retroactive by suitable amendments.

I am unaware of any disagreement as to the general merits of the legislation in some form.

We have a well-established policy of providing aid for training facilities for our Reserve components and we should have such a policy in respect to the facilities for training officers for the Reserve and Regular components.

If this legislation is adopted the colleges and universities will still be carrying a major portion of the cost of the ROTC program by providing maintenance and upkeep of facilities and all instruction except that of a strictly military nature.

At the service academies the Federal Government pays 100 percent of the cost of training officers.

The cost of this legislation will not be high and will be spread out over a period of years.

Survey results indicate that on a matching basis the cost would not exceed an average of $10 million a year over a period of 8 or 9 years even if a retroactive feature were included in the bill.

We have already authorized $500 million for Reserve facilities and legislation is pending to raise this to $750 million.

I hope sincerely that the Department of Defense will provide an early and favorable report on this legislation in order that it may have full consideration by the Armed Services Committee at an early date.

ADJOURNMENT UNTIL MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week and the week following be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TRIAL BY JURY

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, recently I introduced two bills, H. R. 3038 and H. R. 3768, both of which have been

referred to the Committee on the Judiciary, and upon which I hope there will be hearings ordered in the very near future. H. R. 3038 was introduced first, and H. R. 3768 is the same bill with a technical amendment to it which I believe to be desirable. The intended purpose of the bill remains unchanged.

I mailed a copy to each Member of the House, and the written response was to me amazingly great and is genuinely appreciated by me. In addition to a tremendous number of written replies, an even larger number of House Members have talked with me personally and over the telephone about this legislation.

In complete candor, I am pleased to state that every one of my colleagues who has either written to me or spoken to me, or both written and spoken to me, about this legislation has expressed his approval of the purpose of the bill and has stated that he favors it in principle even if not in form. So that the record may be completely clear on this point, if there is any Member who has written to me or spoken to me about it who does not favor this bill, if he will advise me I will take the floor tomorrow in order to set the record straight. Thus far, everyone with whom I have spoken and everyone who has replied to my letter has been unanimous in his support with the principle at least.

I want to emphasize that nothing in the bill is designed or intended to prevent any court from summarily punishing for contempt any person guilty of a contemptuous act or otherwise creating any disorder in the courtroom or in the presence of the court.

It does not take away from any court or any judge the right to maintain order and decorum within the courtroom nor does it deny to such court or such judge the right to punish willful violations of the terms of any order, mandate, writ, process, rule, decree, or command of the court.

It does, however, provide that no American citizen shall be fined or imprisoned or both for an act of contempt of court committed outside the presence of the court and involving a proceeding to which he was not a party until a legally qualified and impartial jury passes upon the question of his guilt or his innocence.

On March 1, 1957, the Colorado Springs (Colo.) Gazette Telegraph had this to say about the bill which I have introduced:

Congressman FLYNT is to be congratulated for making the proposal he has. While we owe much to British law for our understanding and functional employment of due process in an effort to attain justice, we owe nothing to the British Crown, nor should any of our laws or regulations be based upon a presumed inherent right of the Crown to decide arbitrarily against a citizen who may differ from the opinion of the judge in a given case.

We were particularly pleased with this statement, also from Congressman FLYNT:

"The test of all legislation is not what a good and wise man might do with it; the necessary test to be applied is what a bad man can do with it. Absolute power, whether vested in an executive officer or in a judicial officer, is a dangerous thing and would most certainly destroy our framework of government and the basic guaranties of individual liberties which are spelled out in the Constitution of the United States and, I believe, in the constitutions of all 48 States."

We have great hope that the Congress will pass this needed revision to the powers wielded by courts. It is completely contrary to the spirit of our laws that any man, regardless of his office, shall have arbitrary power over another man simply because the one may choose to criticize the other. We hold the right to criticize an inviolable portion of freedom of both speech and press.

I, too, hope the bill will be favorably considered by this Congress.

Coloradans are not the only people who have written in support of the principle which I have advocated in this legislation, because I find that in the Harvard Law Review of June 1924 that two of the professors of law at the Law School of Harvard University, recognized as one of the leading institutions of law education in the world, wrote a 103-page law review article, entitled "The Power of Congress over Procedure in Criminal Contempts in 'Inferior' Federal Courts—A Study in Separation of Powers." This article was written and signed jointly by Hon. Felix Frankfurter, presently an Associate Justice of the Supreme Court of the United States, and Hon. James M. Landis, formerly dean of Harvard Law School, formerly Chairman of the Securities and Exchange Commission and holder of many other notable positions in Government, law, and education.

Justice Frankfurter and Dean Landis began their 103-page article with a quotation from Sir Frederick Pollock, which reads as follows:

A great commandment of our Lady of the Common Law: Thou shalt not make unto thyself any graven image—of maxims or formulas to wit. (Sir Frederick Pollock, A Plea for Historical Interpretation, 39 Law Quarterly Review 163, 169.)

I recommend the reading of this article to every Member of Congress, and it can be found in volume 37, Harvard Law Review—1923–1924, pages 1010 to 1113. I wish I could quote the entire article as part of my remarks today; and while I am not going to impose the entire article at this time, I am proceeding herewith and forthwith to quote parts of it, with the assurance to both the authors and to its readers that I have not taken any portion of it out of context; and if such a charge should be seriously made by any person that I have taken any of this out of context, I will be delighted to immediately include the entire article as an extension of my remarks, notwithstanding that it will exceed the statutory limits and that its cost will have to be estimated by the Public Printer.

POWER OF CONGRESS OVER PROCEDURE IN CRIMINAL CONTEMPTS IN "INFERIOR" FEDERAL COURTS—A STUDY IN SEPARATION OF POWERS

"A great commandment of our Lady of the Common Law: Thou shalt not make unto thyself any graven image—of maxims or formulas to wit." (Sir Frederick Pollock.)

May Congress provide for the ascertainment of disputed facts by a jury, under the usual supervision of a judge, in a very limited and strictly defined class of criminal contempts of the inferior Federal courts, that is, "infractions of the law" resulting from acts not done "in the presence of the court" and "visited with punishment as such," to "vindicate the authority of the court," and not as "remedial enforcements for the benefit of a complainant"? Here is a far-reaching contemporary legal problem. Its scientific answer requires the tolerant and imaginative approach essential to every judicial demarcation of power between Congress and courts.

In its immediate aspect the narrow issue is the allowable extension of the jury, as the ancient instrument of fact finding and of popular cooperation in the enforcement of law, to a special class of offenses known as criminal contempts. But the question has far deeper implications. Its solution will turn on one's conceptions of the scope of the power, specifically conferred by the Constitution upon Congress, "to constitute tribunals inferior to the Supreme Court," and of the meaning necessarily embodied in the judicial power conferred by the Constitution and beyond the zone of congressional definition, once these tribunals are called into being. Plainly, we have here one of those vexing constitutional issues which are always presented, when it is sought to stereotype familiar practices into constitutional necessities out of phrases of undefined vagueness. Such issues have their greatest significance beyond the immediate case, for this tends to create habits of mind which control the disposition of future cases. There opens up a vista of possibilities full of portents for those to whom the vitality of, and public confidence in, the inferior Federal courts are indispensable to a well-ordered national life.

But in answering our question the Supreme Court will not construe the American Constitution merely in the light of those broad considerations pertinent to a delimitation of undefined grants of power. It will not confine itself to constitutional practice as disclosed by legislative history and the general trend of past adjudications. The incidence of our particular problem is new; its solution is much entangled with old English history. Unfortunately, much of the true history about criminal contempt was until recently buried. Wholly unfounded assumptions about immemorial usage acquired a factitious authority and were made the basis of legal decisions. This false history still enjoys wide legal currency. Fortunately, the United States Supreme Court has never been called upon to give final sanction to these errors of the past. On the contrary, the fruits of modern scholarship have already been reflected in one of its landmark decisions concerning criminal contempts. Insofar as judgment on the constitutional power of Congress to regulate the procedure by which the lower Federal courts may exercise their right to punish for criminal contempts calls for a consideration of the problem in its historical setting, the Supreme Court is not likely to embalm exploded history in the Constitution. Once the obstruction of accumulated falsities, which have enveloped the law of criminal contempts, is swept into the capacious limbo of other errors, it will be found, we submit, that the power recently exercised by Congress encounters no constitutional difficulty.

I

At the bottom of our problem lies the doctrine of the separation of powers. That doctrine embodies cautions against tyranny in government through undue concentration of power. The environment of the Constitution, the debates at Philadelphia, the writings in support of the adoption of the Constitution, unite in proof that the true meaning which lies behind the separation of powers is fear of the absorption of 1 of the 3 branches of Government by another. As a principle of statesmanship the practical demands of government preclude its doctrinaire application. The latitude with which the doctrine must be observed in a

workaday world was steadily insisted upon by those shrewd men of the world who framed the Constitution and by the statesman who became the great Chief Justice. A distinguished student of comparative constitutional law, one of Montesquieu's countrymen, has summed up the significance of his doctrine:

"The separation of powers is merely a formula, and formulas are not working principles of government. Montesquieu had chiefly aimed to indicate by his formula the aspirations of his times and country. He could not and did not wish to propose a definite and permanent solution of all questions brought up by the government of men and their long-felt longings for fairness and justice."

In a word, we are dealing with what Sir Henry Maine, following Madison, calls a political doctrine, and not a technical rule of law. Nor has it been treated by the Supreme Court as a technical legal doctrine. From the beginning that Court has refused to draw abstract, analytical lines of separation and has recognized necessary areas of interaction. Duties have been cast on courts as to which Congress itself might have legislated; matters have been withdrawn from courts and vested in the Executive; laws have been sustained which are contingent upon executive judgment on highly complicated factors, instead of insisting on self-defining legislation; even though "the distinction between amnesty and pardon is of no practical importance" the specific power of the President to grant pardons does not invalidate Congressional acts of amnesty; nor does the President's power to pardon offenses preclude Congress from giving the Secretary of the Treasury the authority to remit fines and forfeitures. Even more significant than the decisions themselves are the considerations which induced them, and the insistence on an abstract doctrine of separation of powers which they rejected. "The necessities of the case," "to stop the wheels of government," "practical exposition," are the variations in the motif of the decisions. The dominant note is respect for the action of that branch of the Government upon which is cast the primary responsibility for adjusting public affairs. The accommodations among the three branches of the Government are not automatic. They are undefined, and in the very nature of things could not have been defined, by the Constitution. To speak of lines of demarcation is to use an inapt figure. There are vast stretches of ambiguous territory. Certainly in the first instance Congress must mark metes and bounds. Therefore the courts will not judge what is fundamentally a political problem by technical considerations. On the contrary, the Supreme Court has consistently sustained Congressional discretion when moving in the general legislative field not bound by specific limitations, even though the particular field may border on territory dominantly in control of another department of the Government.

II

In dealing with the lower Federal courts the admixture of Government is written on the very face of the Constitution: "The judicial power of the United States shall be vested in such inferior courts as the Congress may from time to time ordain and establish." To what extent may the work of these courts be determined by their creator, Congress, and to what extent is it predetermined by the conception of judicial power with which they are entrusted by their very creation? The term "judicial power" is not self-defining; it is not, like "jury" or "grand jury," a technical term of fixed and narrow meaning; it does not, like "unreasonable searches and seizures," embody a familiar page of history. "Judicial power" sums up the whole history of the administration of justice in English and American courts through the centuries. Therefore, we are not applying a static conception but are dealing with the process, the activities of which must be left unhampered by particularization, in order to be able to accommodate themselves to the changing demands of the administration of justice. The guiding consideration underlying the constitutional provisions for the judiciary was put presciently by Madison: "Much detail ought to be avoided in the constitutional regulation of this department, that there may be room for changes which may be demanded by the progressive changes in the state of our population." The Constitution followed his wisdom. It marked out broad classes of litigation, relating to types of litigants and the foundation of their claims, within which the judicial power was to be manifested. Especially did the Constitution not deal with procedure, the form in which law is administered, except in those very few instances in which it incorporated safeguards sanctioned by deeply rooted experience.

Thus, the Constitution has prescribed very little in determining the content, and guiding the exercise, of judicial power. Necessarily the work of inferior courts depends upon the exercise by Congress of its express power to constitute them. What then may Congress do under this power? It is futile to draw the answer from abstract speculation. The scope and qualities of a power which has been voluminously exercised since 1789 must be looked for in the cumulative proof of its exercise. What is the picture of Congressional authority over the work of the inferior Federal courts, as revealed by an analysis of all the Acts of Congress dealing with these courts, from the first session of the First Congress down to the present session of the 85th Congress? An adequate picture can be formed only by a detailed scrutiny of what Congress has done, as set forth in a mass of legislation covering 134 years and scattered over the dreary pages of 42 volumes of the Statutes at Large. The decisive meaning of such a study, which is analytically summarized in an appendix, cannot be read in the isolated instances of legislation. The ensemble effect of thousands of laws is the only true measure of the breadth and depth of Congressional power. Any attempt to interpret the effect in a few words is bound to minimize and mutilate the authentic, if not succulent, testimony of the acts of Congress.

Even a surface view reveals a vast and detailed canvass. What courts shall be; where shall they sit and when; what extraordinary circumstances shall justify other sittings; what of a failure to sit; who can sue and where and for what; how are parties to be brought into court; what proceedings may be taken before trial; what proceedings may be taken during trial; how are facts to be established; who is to determine the facts; how is the jury to be summoned and selected when it is the trier of facts; what are the rules for decisions in different classes of cases; when and in what extent must the law of the State in which the Federal court sits be followed; when and what litigation may be taken out of State courts and put into the Federal courts; what remedies may be given; how may the remedies be enforced; to what extent are remedies final; how, when and to what extent are actions of the court subject to review? This only labels the broad divisions with which this legislation is concerned and to which the legislation gives detail and reality. But the mere catalog covers the whole gamut of the work of courts and the way in which they should discharge it. Thus, and thus only, are we enabled to appreciate the intent and the extent of the dynamic power specifically conferred by the Constitution upon Congress when authorized "to constitute tribunals inferior to the Supreme Court." In truth, these courts live and move and have their being through the legislation of Congress.

Are there, then, any limitations upon Congress? Of course there are. Apart from the few specific procedural provisions, these limitations have their source in the fact that the "tribunals inferior to the Supreme Court" which Congress is authorized to constitute must be courts. At the time of the framing of the Constitution, a few basic ideas, more or less definite, had clustered around the very notion of a court. Naturally enough, the Supreme Court, on occasion arose, inferred these ideas from the term "courts" and thereby, for practical purposes, wrote them into the Constitution.

These limiting conceptions may be thus defined: (1) It is the characteristic of courts to decide and not merely to advise. Their work must be definitive and not consultative. They are an independent organ of government with finality of judgment within their domain, and not advisory adjuncts of the Executive or the legislature. (2) Independence of judgment must be left to the court in cases where it may decide. Of course, it is the province of Congress to prescribe rules of substantive law as well as of practice, even to govern a specific litigation. But it may not coerce the judgment of courts by the imposition of an arbitrary rule. Obedience to such an attempt would undermine public confidence in the independence of the judiciary; judicial self-respect forbids obedience; due process precludes it. (3) The aptitude of judges and the quality of judicial machinery puts bounds, as a practical matter, to the kind of business which should come before the courts and which, therefore, courts will assume. The range of the controversy, the interests at stake, the materials for judgment, all may preclude judicial disposition. Courts can deal only with controversies fit for them to handle. Congress cannot thrust upon courts the task of fixing a schedule of freight rates any more than Congress can avoid the unpleasant duty of framing a tax by passing it on to the courts. So again, the conduct of foreign affairs, e. g., the recognition of a de facto government, or the demarcation of international boundaries, raises contentious issues; but the courts are not the organ of government adapted for their solution. (4) As an incident to their being, courts must have the authority necessary in a strict sense to enable them to go on with their work. In doing their work, courts, like others, may encounter obstructions. They must, therefore, be invested with incidental powers of self-protection. A clamor in a courtroom may interrupt proceedings; a contumacious witness may halt a trial. These are actual and not argumentative obstructions. Some action is necessary to enable the court to proceed with its affairs. Courts, then, must have adequate authority to deal with such events. Either Congress must prescribe methods appropriate for such situations, or courts are thrown back upon their own resources. This manifestation of a court's activity is not a mystical emanation inhering in the unique nature of a court; it is referable solely to the fact that a court has business in hand and must get on with it.

The accumulated weight of repetition behind such a phrase as "inherent powers" of the lower Federal courts is a constant invitation to think words instead of things. It is imperative, therefore, to subject it to critical scrutiny. This we have ventured to do by refusing to regard the word "inherent" as a barrier to further inquiry. Whence and why do the powers inhere which are claimed to inhere in the inferior Federal courts? Do they inhere in nature, so that to deny these powers and yet to conceive of courts is a self-contradiction? Do they inhere in our history, so that the formulated experience of the past embodies them? Do they inhere in the idea of a court's usefulness, so that

the courts would otherwise obviously fall in the work with which they are entrusted? These are the tests—analysis, history, and social utility—which have been applied in order to ascertain to what extent the discretionary power of Congress to "constitute tribunals inferior to the Supreme Court" is predetermined by the judicial power entrusted to them upon their creation. The results have been recorded.

III

The particular aspect of inherent power of the inferior Federal courts with which we are dealing concerns their incidental capacity to remove obstructions to the discharge of their work. The conventional description of such obstruction is contempt, and the mode of dealing with it is characterized as the power of courts to punish for contempt. The fact of obstructions to courts is as old as English courts, and so also is the endeavor to remove them. But the ways and means by which this end was sought to be accomplished varied with variations in the nature of the obstruction. Likewise, the manner of removing obstructions was variously exercised by different courts and at different periods.

The problem was a familiar subject matter of legislation by Parliament. Naturally it was included in the first act of Congress dealing with the judiciary. The act of 1789 provided:

"Sec. 17. And be it further enacted, That all the said courts of the United States shall have power to * * * punish by fine or imprisonment, at the discretion of said courts, all contempts of authority in any cause or hearing before the same."

The occasions for the exercise of the power thus conferred were not defined. Courts were left to their own interpretations, based in part upon the traditional material of the common law, and in part upon those pervading conceptions of the liberty of the individual, as reflected in the political philosophy of the times, which underlay American constitutions. While, then, to this extent the matter was left at large and the specific types of obstructions against which the power could be invoked were not enumerated, section 17 did enact "a limitation upon the manner in which the power shall be exercised and must be held to be a negation of all other modes of punishment." Since, however, circumstances under which the power was to be used were not expressly limited, the door was left open for its arbitrary exercise. The possibility of abuse of such an undefined power was recognized by the courts themselves. But such an abuse, it was argued, "will be a public grievance, for which a remedy may be applied by the Legislature."

There was abuse. A succession of grievances against the exercise of arbitrary judicial power culminated in the proceedings of impeachment against James H. Peck, a judge of the Federal District Court for the District of Missouri. The dramatic outlines of the story are well known. But the significance of the case to the subsequent Federal law of contempt lies in the details of its history—the circumstances of the impeachment proceedings, the consideration given to the law of contempt in the course of the arguments at the trial, its repercussion upon the legislation of the country. Judge Peck imprisoned and disbarred a lawyer for publishing a detailed criticism of an opinion while an appeal from him was pending. After the fullest consideration, articles of impeachment were presented by the House of Representatives, and Judge Peck was put to trial before the Senate. Peck's conduct was defended chiefly upon his good faith in following what purported to be the stanch precedents of the common law. These were decisions which Lord Coleridge 18 years later thus characterized: "There are many cases in the older Digests and Abridgments on this subject, undoubtedly of a severe and stringent nature, and such as would ill bear to be applied in the present day." This defense, doubtless considerably reinforced by humane considerations, accentuated in this instance by the judge's age and blindness, saved the day for the judge. He was acquitted, but 21 out of 48 Senators pronounced him guilty.

In his closing argument Peck's chief counsel, the great William Wirt, told the Senate that "if the law (of contempt) as it stands be disapproved, it is in the power of Congress to change it." Peck was acquitted on January 31, 1831. The very next day, February 1, 1831, Congress set in motion the process to change it. On that day the House, without a division, directed its Committee on the Judiciary to inquire into the expediency of defining, by statute, all offenses which may be punishable as contempts of the courts of the United States, and also to limit the punishment of the same. In compliance with this resolution the Committee on the Judiciary, through James Buchanan, who had had charge of the prosecution against Peck, promptly, on February 10, brought in a bill, "declaratory of the law concerning contempts of court." On February 28 the bill passed the House. On March 2 it was reported by Webster from the Senate Committee on the Judiciary. On the same day the measure received its final form in both Houses, was approved by the President, and became law. The powerful legislative influence generated by Peck's trial did not exhaust itself in Congress. So deeply did the Peck case stir the country that State after State copied the new Federal law.

The historic record, thus very briefly summarized, does not leave any doubt as to the origin and objects of the act of March 2, 1831. The lower Federal courts, having lived through this history and felt the statute in its setting, at once respected the restrictions which it imposed. The great contemporary commentator, Chancellor Kent, though he deplored the act, affirmed its limitation of common-law assumptions. Forty years later the Supreme Court sustained it. Its decision recognized that a court must be enabled to do its work free from obstruction; it also recognized the power of Congress to provide for this requirement:

"The moment the courts of the United States were called into existence and invested with jurisdiction over any subject, they became possessed of this power (to punish for contempt). But the power has been limited and defined by the act of Congress of March 2, 1831. The act, in terms, applies to all courts; whether it can be held to limit the authority of the Supreme Court, which derives its existence and powers from the Constitution, may perhaps be a matter of doubt. But that it applies to the circuit and district courts there can be no question. These courts were created by act of Congress. Their powers and duties depend upon the act calling them into existence, or subsequent acts extending or limiting their jurisdiction. The act of 1831 is, therefore, to them the law specifying the cases in which summary punishment for contempts may be inflicted. * * * As thus seen the power of these courts in the punishment of contempts can only be exercised to insure order and decorum in their presence, to secure faithfulness on the part of their officers in their official transactions, and to enforce obedience to their lawful orders, judgments, and processes."

The history of the times, the records of Congress, contemporary judicial construction, contemporary legal writing, the reflex of contemporary State legislation, a series of adjudications culminating in a controlling Supreme Court decision should, one would suppose, have foreclosed any other opinion but that the act of 1831 was intended to, and did, limit drastically the authority of the inferior Federal courts as theretofore exercised in the administration of the law of contempts.

But oblivion overtakes the past. The trial of Judge Peck is now nothing but a moldy volume. And so, in 1918 Chief Justice White is found to say that the act of 1831 "conferred no power not already granted and imposed no limitations not already existing." Abuse of power furnished a great public grievance, the country became deeply aroused, a remedy was deliberately applied by the legislature, it was widely followed in State legislation, it became embedded in the practice and decisions of the Federal courts—yet three generations later the Chief Justice finds that nothing had really happened. Strangely enough, in the same opinion we are admonished that "it is essential to recall the situation existing at the time of the adoption of the act of 1831 in order to elucidate its provisions." Unfortunately, time seems wholly to have dimmed the significant details of the situation out of which the act of 1831 arose and which alone gave it meaning. Pungent events of the early 19th century are sterilized in the faint references to them in 1918. The controlling fact attending the situation which gave rise to the act of 1831 is completely distorted when *Toledo Newspaper Co.* v. *United States* suggests that "the provision was intended to prevent the danger, by reminiscence of what had gone before, of attempts to exercise a power not possessed which, as pointed out in the Marshall case had been sometimes done in the exercise of legislative power." That is to say, there were abuses by Congress and so the courts were curbed. In truth, the abuse was not at all in the exercise of legislative power; the demonstrated abuse was in the exercise of judicial power. On its face the act dealt with courts and not with Congress. But let us avouch the testimony of earlier reminiscence than that of Chief Justice White. In 1882 Mr. Justice Field wrote: "The power for contempt—a power necessarily incident to all courts for the preservation of order and decorum in their presence—was formerly so often abused for the purpose of gratifying personal dislikes, as to cause general complaint, and led to legislation defining the power and designating the cases in which it might be exercised. The act of Congress of March 2, 1831, C. 99, limits the power of the courts of the United States."

How are we to account for this amazing historical solecism of the late Chief Justice? Time plays queer tricks with the past, but particularly when the record of old events is so buried and scattered as is the history of the act of 1831. Moreover, the inevitable limitations on judicial research are sometimes intensified by briefs of counsel. The influence of the brief for the Government in the Toledo Newspaper Co. case did not make for historical accuracy. The question in that case, in the language of the Government, was "purely one of the construction of the statute" of 1831, and more specifically whether certain newspaper criticisms within the facts of that case constituted misbehavior in the court's presence, or so near thereto as to obstruct the administration of justice. To elucidate the meaning of these generalized phrases in their applicability to newspaper criticism, appeal was made by the accused to the history of a Pennsylvania act of 1809 dealing with the law of contempt. This act and its history, it was claimed, were relevant because James Buchanan, the author of the act of 1831, was a Pennsylvanian and presumably patterned his Federal bill upon the experience of his State. The Government met this argument, and urged decisive differences, by a deadly parallel in which it purported to juxtapose the Pennsylvania act of 1809 with the act as it passed Congress in 1831.

This apparent demonstration finds its way into the opinion of the court:

"The contention so earnestly expressed, that the express provision, found in a statute enacted in Pennsylvania in 1809, following impeachment proceedings against certain judges of that State and dealing with the extent of the power to base a contempt proceeding upon a newspaper publication, should be by implication read into the Act of 1831 and by filtration implied in section 268, Judicial Code, we think is answered by its mere statement, since, if it be conceded for argument's sake only that the provision in the Pennsylvania statute relied upon had the significance now attributed to it and that the Pennsylvania statute was the model of the Act of 1831 the omission from that act of the provision referred to as it existed in the Pennsylvania law is the strongest possible evidence of the purpose not to enact such provision."

Thus we see that the deadly parallel in the Government's brief by filtration becomes the opinion of the Supreme Court. Unfortunately, the Government's parallel is not a true picture. It did not print what it purported to print. It mutilated both the Pennsylvania law and the act of Congress.

This true comparison of the two acts incontestably reveals the lineage of the act of 1831. Of course Buchanan was familiar with the Pennsylvania history of contempt. He relied on it in the impeachment proceedings against Peck. He referred specifically to the terms of the Pennsylvania act. He plainly drew on this act when charged by the House with the duty of reporting on the law of contempt in the Federal courts. In his argument in the Peck case Buchanan assumed that the limitations expressed in the Pennsylvania Act impliedly restrained, from the very genius of our institutions, the authority of the Federal courts to deal with contempt. The Peck case dramatically revealed the actualities of abuse. Peck's acquittal might be misinterpreted to sanction such conduct. Having insisted throughout the Peck trial that the power to punish for contempts did not extend to conduct such as the Peck case illustrated, what more inevitable than that when Buchanan came to frame a measure he should deal with the power to punish for contempt in terms declaratory of what he believed the law to be rather than to use terms of innovation. His classification of cases calling for summary remedy, Buchanan substantially modeled upon section 1 of the Pennsylvania act. As for section 2 of the Pennsylvania act, it is not true, as stated in the mutilated parallel of the Government's brief in the Toledo Newspaper Co. case, that this provision was not carried into the Federal statute. Section 2 of the Federal act deals precisely with the subject matter of section II of the Pennsylvania act. Both treat of remoter interferences with the administration of justice, which do not call for summary punishment. Both prescribe in such cases the normal process of indictment. The Pennsylvania act deals with the subject partly negatively, by specifically, and not merely impliedly, excluding the instances dealt with by section II from the scope of section I, but, also, it makes these instances indictable offenses. The act of 1831 in its corresponding section 2 treats the subject altogether positively and formulates a broader generalization of cases for indictment.

The Toledo Newspaper Co. case, as we have seen, merely involved a construction of section 268 of the Judicial Code, the present form of the act of 1831. But the historical misinterpretations which were resorted to in its solution and the uncritical restoration, by way of obiter dicta, of a discredited chapter in the law of contempt have had their baneful influence. Indifferent to past experience, extravagant claims are made in behalf of the inherent power of the lower Federal courts. Stimulated by the Toledo Newspaper Co. case, some of the lower Federal courts, wholly unmindful of the history of the act of 1831, in effect have written this act off the statute books.

IV

But one more act calls for construction. It raises our final problem. By the act of October 15, 1914, familiarly known as the Clayton Act, Congress, in the special class of cases of criminal contempt coming within the purview of that act, provided that the trial of such contempts may be by the court, or, upon the demand of the accused by a jury * * * and such trial shall conform, as near as may be, to the practice in criminal cases prosecuted by indictment or upon information. The act specifically leaves for summary disposition those cases which, in the language of Chief Justice White, involve the characteristic upon which the power to punish for contempt must rest, namely, obstructions to the performance of judicial duty resulting from an act done in the presence of the court. The special class of cases dealt with by the Clayton Act, for which the procedure of a jury trial is authorized, solely affects acts which constitute also a criminal offense under any statute of the United States, or under the laws of any State in which the act was committed. The policy which moved Congress to this legislation has been aptly put by Judge Rose:

"What it had in mind was plain enough. In the course of a strike some one may be assaulted, or some property may be willfully injured or destroyed. If an injunction has been issued, such acts are usually breaches of it, and they, of course, are always criminal offenses. There had been much complaint that a jury trial, to which an accused was entitled if the thing charged against him was a crime, would be denied him if it was called a contempt. Congress felt that substantial rights should not depend upon what appeared to many to be nothing but a play upon words.

"Moreover, when the contempt charged was also a definite criminal offense, it was easy to make adequate provision for its trial by jury. What were the necessary legal elements of the crime in question had been defined in countless cases. The evidence required to prove it had been many times passed upon. Most of the other possible incidents of a trial for the thing charged had received judicial consideration. The rules were fixed and generally known. When the accused was charged with assault, manslaughter, murder, malicious destruction of property, arson, or some other definite crime, the issues upon which the jury would be called upon to pass were simple."

The constitutionality of this legislation has been challenged. Certainly the judges of an earlier generation would have made short shrift of such claim. A series of cases finally established that the Constitution did not compel trial by jury in criminal contempts. Does the Constitution forbid it? Assume that the Clayton Act, within its confines, introduces a new practice for the trial of criminal contempts. Novelty is not a constitutional objection. Mutability, not fixity, is the characteristic of procedure. Only those very few procedural institutions, which survived through the centuries as essential safeguards of individual liberty, found specific lodgment in the Constitution. All else was left to the needs and adaptations of experience. Especially as to procedural matters, Congress, charged with constituting the courts, had to be given the widest discretion.

But the Clayton Act does nothing new. It is as old as the best traditions of the common law. Building on the earlier researches of Mr. Solly-Flood, the senior master of the English Chancery Division, Sir John Charles Fox, in a notable series of essays has rendered luminously clear the common-law history of procedure governing the trial of criminal contempt:

1. Down to the early part of the 18th century cases of contempt even in and about the common-law courts when not committed by persons officially connected with the court were dealt with by the ordinary course of law, i. e., tried by jury, except when the offender confessed or when the offense was committed in the actual view of the court. A striking illustration of this procedure is recorded in the roll of the Eyre of Kent at the time of Edward II (1313–14). The reason for the rule was found in the very conception of criminal contempt. Selden gives us the heat of the matter. Contempts are only trespasses, and so forth, punishable only by fine and imprisonment, or by both, but not until conviction of the parties (as neither are other like offenses) unless the contempt be in the face of some court, against which it is committed, which supplied a conviction.

2. But after the star chamber appeared on the scene it assumed authority over contempts against any court, and it asserted its power, unlike the common-law courts, by a summary procedure without a jury. The star chamber was abolished in 1641. But the atmosphere of corrupt and arbitrary practices which it had generated partly survived. Gradually there appear traces of infection in the King's bench, which succeeded to the jurisdiction of the star chamber. The odious commitments by the Restoration Parliament, as for breaches of privilege, reinforced the practice of arbitrary procedure.

3. Thus, gradually, the summary process of the star chamber slipped into the common-law courts, rendered also somewhat familiar by a series of statutes which gave the courts authority over some special offenses without trial by jury. Nevertheless, until 1720 there is no instance in the common-law precedents of punishment otherwise than after trial in the ordinary course and not by summary process.

4. This infusion of star-chamber methods on the common-law side appears most vigorously in the undelivered judgment of Wilmot, J., subsequently Lord Chief Justice, in *The King* v. *Almon* (1765). This case arose out of a political prosecution for contempt of the King's bench, and more particularly of Mansfield, Chief Justice, in connection with the John Wilkes case. The prosecution was dropped. Wilmot's judgment was merely the draft of an undelivered opinion. It remained buried for 37 years until the piety of a relative published it among Wilmot's notes.

It has bedevilled the law of contempt both in England and in this country ever since. Wilmot's opinion influenced the course of decisions during the 19th century, partly because he spoke with an air of great authority, and partly because the power which he claimed is not unappealing even to high-minded judges bent upon the quick dispatch of business. Wilmot relies on immemorial usage to punish summarily all contempts. Naturally enough it was assumed that immemorial usage covered the accumulated precedents of the common law reaching back into the centuries. Peck's counsel greatly relied upon *The King* v. *Almon*. The historic foundation upon which it purported to rest, urged William Wirt, vindicated its authority. "Lord Chief Justice Wilmot," he told the Senate, "had means of investigating the origin of this power which we cannot possess. He had access to the original rolls of the English courts, to the remotest times." The scholarly Wirt invoked the true criterion; but Wilmot never applied it. "The original rolls of the English courts to the remotest times" crushingly disprove Wilmot's claim. The ground of Wilmot's assumption that contempts out of court were punishable by summary process in accordance with immemorial usage

has been swept away by the learned labors of Sir John Charles Fox.

Wilmot's history is fiction. But the political sources of his demand for summary power well up in his opinion:

"By our constitution, the King is the fountain of every species of justice, which is administered in this Kingdom (12 Co. 25). The king is de jure to distribute justice to all his subjects; and, because he cannot do it himself to all persons, he delegates his power to his judges, who have the custody and guard of the King's oath, and sit in the seat of the King 'concerning his Justice.'

"The arraignment of the justice of the judges, is arraigning the King's justice; it is an impeachment of his wisdom and goodness in the choice of his judges, and excites in the minds of the people a general dissatisfaction with all judicial determinations, and indisposes their minds to obey them."

In resisting the claim of Congress to base its incidental power to punish for contempt upon the Stuart and Georgian practice of the House of Commons, the Supreme Court has held that Congress does not derive from Parliament. Do our courts derive from the Crown—the source of Wilmot's claim of summary power for the English courts? Wilmot continues:

"The principle upon which attachments are granted, in respect of bailiffs, is to facilitate the execution of the law, by giving a summary and immediate redress and protection to the persons who undertake it. The law considers it as a contempt of the authority of the court, to abuse and vilify the person who is acting under it.

"But the principle upon which attachments issue for libels upon courts, is of a more enlarged and important nature—it is to keep a blaze of glory around them, and to deter people from attempting to render them contemptible in the eyes of the public."

Can it be that the blaze of glory meet for Tory judges of George III is to be kept forever burning by the Constitution of the United States?

Such anachronisms will be avoided if the judicial power entrusted to courts constituted by Congress is dealt with in terms of actuality instead of by figures of speech. The Circuit Court of Appeals for the Seventh Circuit has declared the provisions of the Clayton Act which we are considering unconstitutional. Its conclusion is determined by the manner of its approach: "Congress can, as a potter, shape the vessel of jurisdiction, the capacity to receive; but the vessel having been made, the judicial power of the United States is poured into the vessel, large or small, not by Congress but by the Constitution." This assumes that judicial power is a fluid of fixed quantity and fixed ingredients, and that there are fixed, or to use the court's word, "absolute" instruments for measuring the fixed quantity and the fixed ingredients. Judicial power isn't anything of the sort. It is not a fixed something; it is an organic process—the practical business of administering law according to modes and forms suited to the different ends of the law, and adapted from time to time to changing conditions, subject only to the 2 or 3 fixed modes which have been specifically written into the Constitution. The opinion in *Michaelson v. United States* reads as though the court which rendered it was the impersonal conduit of the Constitution; that the Constitution poured its content of judicial power through the court. For all practical purposes, however, the court in the Michaelson case poured Wilmot's judgment into the Constitution and then poured Wilmot's judgment out of the Constitution.

Wilmot confused immemorial usage to punish for criminal contempts and immemorial usage to punish only after verdict by jury. For a hundred years the law has been seeking to extricate itself from his confusion. Not until 1844 was Wilmot's doctrine firmly established in the English courts. Parliamentary efforts to ameliorate the law have been continuous. Bills were brought forward in 1583, in 1892, in 1894, in 1896, and in 1906. In the course of the debate in the House of Lords in 1883 Lord Fitzgerald thus dealt with contempts not referable to conduct in open court:

"The doctrine of constructive contempt was one which he was not inclined to favor. It appeared to him if dealt with at all, it should be dealt with on some broad foundation. The present course of proceedings was exceedingly objectionable. If an article in the newspaper appeared, which was alleged to be such a contempt, and which was one from which an inference could be drawn that it was intended to interfere with the administration of justice, the party was called up summarily, and the matter inquired into, the judge being at once judge of the law, of the fact, of the intention, of the sentence, and his decision was without any power of review. * * * The objections to the present system were that it was uncertain, undefined and depending on capricious discretion."

Lord Bramwell entirely concurred with the remarks of Lord Fitzgerald. Twice the House of Commons adopted a resolution "that the jurisdiction of judges in dealing with contempt of court is practically arbitrary and unlimited and calls for the action of Parliament with a view to its definition and limitations." The House of Commons in these resolutions embodied the opinion of the great Master of the Rolls of the nineteenth century, Sir George Jessel:

"Therefore it seems to me that this jurisdiction of committing for contempt being practically unlimited should be most jealously and carefully watched, and exercised, if I may say so, with the greatest reluctance and the greatest anxiety on the part of judges to see whether there is no other mode which is not open to the objection of arbitrariness and which can be brought to bear upon the subject. I say that a judge should be most careful to see that the cause cannot be fairly prosecuted to a hearing unless this extreme mode of dealing with persons brought before him on accusations of contempt should be adopted. I have myself had on many occasions to consider this jurisdiction, and I have always thought that necessary though it be, it is necessary only in the sense in which extreme measures are sometimes necessary to preserve men's rights, that is, if no other pertinent remedy can be found. Probably that will be discovered after consideration to be the true measure of the exercise of the jurisdiction. But these considerations appear to me to apply with the greatest possible force against extending the jurisdiction to include things which never were included in it before, and to strain the acts of men which were done with a very different purpose so as to make them constructively, so to say, interfering with the ordinary course of justice."

Jessel's opinion is a true index of the dominant reluctance of the English judges to avail themselves of the power which recent precedents had established. Procedure which circumscribes the exercise of the power to punish for contempt out of court in conformity with the ancient traditions of the common law does not contradict but revivifies the traditional conceptions of judicial power entertained by English lawyers and English judges.

In the country when judicial abuses of the law of contempt became acute, Congress promptly dealt with them. We have seen how its effort was warped by obscuring interpretation. Moreover, 1831 was a long time ago. Modern industrialism has evoked equity powers which are new in their impact and pervasiveness. An extraordinarily wide range of conduct is touched by the exercise of this power. Inevitably much conduct is thereby rendered ambiguous. Some of it may constitute offenses against the law because it is obstructive to the administration of justice. Some of it may be the exercise, foolish or wise, of individual freedom. The line between the two types of conduct is vital but precarious. The present Chief Justice has intimated the subtle difficulties to which this power is peculiarly exposed: "The delicacy there is in the judge's deciding whether an attack upon his own judicial action is mere criticism or real obstruction, and the possibility that impulse may incline his views to personal vindication are manifest." These new dangers of abuse were widely felt. They aroused important professional concern. In 1896 they were made the subject of investigation by the Senate Committee on the Judiciary which resulted in the introduction of a bill, defining more closely direct and indirect contempts, and particularly, providing for stricter safeguards, more in accord with criminal procedure in the trial of indirect contempts. Specifically, it was provided that "such trial shall be by the court or, in its discretion, upon application of the accused, a trial by jury may be had as in any criminal case." The bill was reported by a committee of unusual professional distinction, headed by Senator Hoar and including Senators Platt, of Connecticut, Cushman K. Davis, Vilas, Hill, Lindsay, and Daniel. In the Senate the form of the bill was criticized by Senator Platt, but no one suggested that it encountered constitutional difficulty. On the contrary, Senator Platt, in referring to the power to punish for contempt, put the whole matter in a nutshell: "I admit that you can regulate it. I deny that you can take it away." The bill passed the Senate and was reported from the House Committee on the Judiciary in a revised form. But the provision for a jury was retained. By lapse of the congressional session the bill failed of consideration in the House.

Time only served to accentuate the problem. It became increasingly clear that the determination of offenses arising out of industrial controversies is especially adapted for resort to the jury system. The issues turn largely on conflicting testimony as to acts and intention. The jury is our traditional fact-finding instrument for such disputed questions. Perhaps even more important, the jury is the indispensable element in the popular vindication of the criminal law. Since the restraining order of a single judge may bind large numbers, we are dealing with law enforcement en masse. Certainly Congress may be of the opinion that under these circumstances protection against abuse and the necessary confidence in the processes of the lower Federal courts may only be had if a jury cooperates with the judge in finding the facts on which punishment is based.

The pressure behind this conviction culminated in the Clayton Act. In 1912 the House Committee on the Judiciary reported a bill for the regulation of procedure in the contempt cases defined by the bill, which, in substance, on October 15, 1914, was enacted as sections 21 to 25 of the Clayton Act. The act was carefully safeguarded so as not to apply to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of the United States. These and all other cases of contempt not specifically embraced within section 21 of this act, were to be punished in conformity with the prevailing usages at law and inequity. In other words, direct contempts were not

touched at all and were left to be dealt with by the courts in summary fashion. The act did not even deal with all indirect of constructive contempts. From these it carved out a limited class which had been peculiarly productive of persistent and growing concern. The House Committee on the Judiciary thus explained the considerations which demanded attention and the care with which they were met:

"The bill is an evolution from prolonged and varied discussion, by no means limited to a recent date or to the present Congress. Every feature and provision of it has been subjected to attack and defense, but the whole controversy appears to have at length converged upon the issue whether or not the policy and practice of the jury trial in contempt cases shall be admitted in the Federal jurisprudence at all.

"That complaints have been made and irritation has arisen out of the trial of persons charged with contempt in the Federal courts is a matter of general and common knowledge. The charge most commonly made is that the courts, under the equity of power, have invaded the criminal domain, and under the guise of trials for contempt, have really convicted persons of substantive crimes for which, if indicted, they would have had a constitutional right to be tried by jury. It has been the purpose of your committee in this bill to meet this complaint, believing it to be a sound public policy so to adjust the processes of the courts as to disarm any legitimate criticism; and your committee confidently believes that so far from weakening the power and effectiveness of Federal courts, this bill will remove a cause of just complaint and promote that popular affection and respect which is in the last resolve the true support of every form of governmental activity."

A minority of the committee, instead of providing trial by jury for this circumscribed class of cases, proposed to permit the accused to demand trial by another than the accusing judge. Plainly, the two proposals are merely alternative methods of dealing with the same evil, namely, the subtle dangers of bias, unconsciously operating, owing to inevitable human infirmities where one person combines in himself the roles of accuser, trier of facts and intentions, and judge. Both methods involve a recognition of serious problems which call for correction, not merely to protect precious interests of individual liberty but also in order to strengthen the Federal judiciary. Some of the Federal courts have themselves been keenly alive to these dangers. Congress sought to avoid them by resorting to the traditional instrument of the criminal law for ascertaining facts as a basis of punishment. It thereby also availed itself of popular support in the enforcement of the criminal law. To hold that this road was barred, that this alternative was unconstitutional, but that the alternative of substituting judges was constitutional, is to disregard Marshall's solemn warning: "We must never forget, that it is a constitution we are expounding." If it does not inhere in our conception of a court that the judge who accuses must himself ascertain the facts of his accusation, why does it inhere in the very nature of our courts that the method of ascertaining these facts may be by another judge but cannot be by a jury under the supervision of a judge? Whence this necessity? The utter barrenness of the contention was demonstrated, while Congress was considering the alternatives before it, by Mr. John W. Davis, then a leading member of the Committee on the Judiciary and soon to become the distinguished Solicitor General. He thus concluded his argument in support of the bill proposed by his committee:

"If Congress were to take away from the district courts, whether in law or in equity, all the power to enforce their jurgments and decrees, the name might remain but the substance would have disappeared. But will even the most prejudiced opponent of trial by jury in contempt cases contend that provision for such a trial is equivalent to the abolition of all power to carry out the court's decrees? Such a contention would assume—

"First. That the word 'court' is synonymous with 'judge,' and that any power taken from the judge is necessarily taken from the court.

"Second. That because a jury is charged to investitgate the facts, the commisison of a contempt would therefore cease to be punishable.

"The mere statement of these propositions is enough to show without further argument how utterly untenable they are."

The last 10 years have certainly not lessened the gravity of the problem which faced Congress. The remedy which Congress devised may not commend itself generally to the judgment of the profession. For we all become too readily the victims of habit, and those who enjoy power are apt to identify its exercise with the public interest. But professional habits are not the Constitution. "What we call necessary institutions," says de Tocqueville, "are often no more than institutions to which we have grown accustomed." Mr. Justice Moody applied the same thought as the rule of humility in constitutional interpretation: "Under the guise of interpreting the Constitution we must take care that we do not import into the discussion our own personal views of what would be wise, just and fitting rules of government to be adopted by a free people and confound them with constitutional limitations." At least let us not import into the Constitution of the United States discredited practices of Stuart England.

FELIX FRANKFURTER.
JAMES M. LANDIS.

I call these matters, together with this long article, to the attention of the House to show how far afield our judicial processes may be going in the direction of judicial tyranny.

Why, Mr. Speaker, if 20 years ago or even 10 years ago any judge in the United States, Federal or State, had sought to summarily punish for contempt persons who committed acts of doubtful criminality, impeachment proceedings would have been filed on the floor of the House of Representatives before the sun set the following day.

Mr. Speaker, right is right and wrong is wrong. I well remember the first statement I ever heard the present Speaker of the House of Representatives make when I was first elected to Congress, and that statement was substantially this: There are no degrees of honesty, a man is either honest or he is not.

I think that could be paraphrased to say that in a judge there can be no substitute for fairness. A judge is either fair or he is not fair. He is either a judge who administers laws—preferably tempered with mercy—in accordance with established law and precedent, or he is a tyrant who usurps unto himself powers never intended for one man to have.

Mr. Speaker, if we as Representatives of a freedom-loving people are to sit idly and silently by without attempting to restate existing law to clearly show that no one man can ever serve as prosecutor, judge, and jury, then we might as well admit that we are irrevocably heading down the road to tyranny and destruction.

Mr. Speaker, I hope that my bills defining in unmistakable language the power of Federal judges to summarily punish for contempt will be favorably considered at an early date.

HOPKINTON DAM

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to express the hope that the New Hampshire Legislature today will agree to a compact with Massachusetts in order to go ahead with the building of dams in New Hampshire to prevent floods in the Merrimack River. Massachusetts signed the compact last summer. It means everything to us if that compact is agreed to. I also express the hope that the Congress of the United States will help us secure the necessary appropriation in order that we may have the very necessary work done for flood control. We may have a horrible situation in my district if that is not done. We are sitting on a "volcano" in Lowell, which may be very dangerous, with two rivers that may be flooded. New Hampshire cities and towns are also in danger.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. IKARD, for the balance of the week on account of illness in family.

To Mrs. KEE (at the request of Mr. BAILEY) for the balance of the week on account of illness.

To Mrs. BOLTON (at the request of Mr. MCGREGOR) for this week on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOFFMAN, for 20 minutes today.

Mrs. DWYER, for 10 minutes on Tuesday next.

Mr. BAILEY, for 20 minutes on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. KILDAY.

Mr. MACHROWICZ.

Mr. COLLIER.

Mr. WILSON of Indiana.

Mr. PELLY and include extraneous matter.

Mr. HOFFMAN in three instances and include relevant material.

Mr. ANFUSO (at the request of Mr. MCCORMACK) in two instances, in each to include extraneous matter.

Mr. BURDICK.

Mr. MATTHEWS.

Mr. BURNS of Hawaii, and to include a letter.

Mr. CHENOWETH, and to include an editorial.

Mr. NEAL (at the request of Mr. ARENDS), and to include an editorial.

Mr. BOW (at the request of Mr. ARENDS), and to include extraneous matter.

Mr. DINGELL (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. ASHLEY (at the request of Mr. McCORMACK), and to include extraneous matter.

Mr. ABBITT (at the request of Mr. McCORMACK), and to include extraneous matter.

Mr. FLOOD (at the request of Mr. McCORMACK), and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 117. To promote peace and stability in the Middle East.

ADJOURNMENT

Mr. SELDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p. m.), under its previous order, the House adjourned until Monday, March 11, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

578. A letter from the Secretary of Agriculture, transmitting the report of the Federal Crop Insurance Corporation for 1956, pursuant to the Federal Crop Insurance Act; to the Committee on Agriculture.

579. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to increase the retired annuities of the civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School"; to the Committee on Armed Services.

580. A letter from the clerk, United States Court of Claims, transmitting certified copies of the court's opinion rendered on March 6, 1957, in the case of *Equitable Infants Wear, Inc., v. The United States* (Congressional No. 10-54), pursuant to sections 1492 and 2509 of title 28, United States Code, and pursuant to House Resolution 601, 84th Congress; to the Committee on the Judiciary.

581. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "A bill to readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes"; to the Committee on Post Office and Civil Service.

582. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to section 212 (d) (4) of the Immigration and Nationality Act; to the Committee on the Judiciary.

583. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases of certain aliens who have been found admissible into the United States, pursuant to section 212 (a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

584. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to implement further the act of July 15, 1948, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945"; to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 5726. A bill to amend title II of the Social Security Act to increase the minimum benefits payable thereunder, to reduce the age at which such benefits become payable, to increase the amount of outside earnings permitted without deduction from such benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 5725. A bill to provide for the disposition of the oil and gas deposits in lands beneath navigable waters in and adjacent to the Territory of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. BARRETT:

H. R. 5726. A bill to assist cooperative and other nonprofit corporations in the production of housing for moderate-income families, and for other purposes; to the Committee on Banking and Currency.

By Mr. BASS of Tennessee:

H. R. 5727. A bill to amend the Soil Bank Act with respect to its application to producers of flue-cured tobacco; to the Committee on Agriculture.

By Mr. BLATNIK:

H. R. 5728. A bill to clarify the general powers, increase the borrowing authority, and authorize the deferment of interest payments on borrowings, of the St. Lawrence Seaway Development Corporation; to the Committee on Public Works.

By Mr. BROOMFIELD:

H. R. 5729. A bill to clarify the general powers, increase the borrowing authority, and to authorize the deferment of interest payments on borrowings, of the St. Lawrence Seaway Development Corporation; to the Committee on Public Works.

By Mr. CHENOWETH:

H. R. 5730. A bill to provide that the amount of social security benefit based on disability will not be reduced by any benefit awarded under the laws administered by the Veterans' Administration or Armed Forces based on disability; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 5731. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COLE:

H. R. 5732. A bill to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges; to the Committee on Agriculture.

By Mr. COLLIER:

H. R. 5733. A bill to extend to certain former employees of the Bureau of Prisons and Federal Prison Industries, Inc., certain civil service retirement annuity benefits for certain service of a hazardous nature; to the Committee on Post Office and Civil Service.

By Mr. COOLEY:

H. R. 5734. A bill to amend the Agricultural Act of 1956 and the Agricultural Adjustment Act of 1938 relating to cotton; to the Committee on Agriculture.

By Mr. CURTIS of Missouri:

H. R. 5735. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. DENTON:

H. R. 5736. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. DINGELL:

H. R. 5737. A bill to amend title II of the Social Security Act to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to men at age 60 and to women at age 55, and for other purposes; to the Committee on Ways and Means.

By Mr. DIXON:

H. R. 5738. A bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products; to the Committee on Agriculture.

H. R. 5739. A bill to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DORN of New York:

H. R. 5740. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. DORN of South Carolina:

H. R. 5741. A bill to amend title V of the Housing Act of 1949 to provide that an individual may obtain a farm-housing loan thereunder even though he is regularly employed or self-employed in a field other than farming; to the Committee on Banking and Currency.

By Mr. FALLON:

H. R. 5742. A bill to provide for further research and technical assistance required for the control of mosquitoes and other arthropods capable of adversely affecting the health and welfare of man; to the Committee on Interstate and Foreign Commerce.

By Mr. FINO:

H. R. 5743. A bill to amend the Civil Service Retirement Act to permit employees with at least 30 years of service to retire at 55 years of age with full annuities; to the Committee on Post Office and Civil Service.

By Mr. FLOOD:

H. R. 5744. A bill to authorize, for a 2-year period, the purchase by the Government of anthracite in amounts sufficient to maintain normal production and employment in the anthracite region, to promote the general national welfare, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FORAND:

H. R. 5745. A bill to amend the Universal Military Training and Service Act; to the Committee on Armed Services.

By Mr. FULTON:

H. R. 5746. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life

after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. GARMATZ:

H. R. 5747. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

By Mr. McFALL:

H. R. 5748. A bill to appropriate $500,000 for advance planning of the New Hogan Dam on the Calaveras River in California; to the Committee on Appropriations.

By Mr. MILLER of California:

H. R. 5749. A bill to amend the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Maryland:

H. R. 5750. A bill to grant relief to dealers in real property; to the Committee on Ways and Means.

By Mr. PATTERSON:

H. R. 5751. A bill to increase from $600 to $1,000 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

H. R. 5752. A bill to amend section 304 of the International Claims Settlement Act of 1949, as amended, so as to make certain persons who were citizens of the United States on the date of the enactment of such section eligible to file claims thereunder; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. R. 5753. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. SANTANGELO:

H. R. 5754. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE of Texas:

H. R. 5755. A bill to revive and reenact the fourth proviso of the act of March 1, 1893; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas (by request:

H. R. 5756. A bill to amend section 232 of the Veterans' Readjustment Assistance Act of 1952 to increase the amounts which can be earned by veterans receiving on-the-job training without reduction in their education and training allowances; to the Committee on Veterans' Affairs.

H. R. 5757. A bill to increase the maximum amount payable by the Veterans' Administration for mailing or shipping charges of personal property left by any deceased veteran on Veterans' Administration property; to the Committee on Veterans' Affairs.

By Mr. WAINWRIGHT:

H. R. 5758. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Germany; to the Committee on the Judiciary.

By Mr. WRIGHT:

H. R. 5759. A bill to amend the Vocational Rehabilitation Act; to the Committee on Education and Labor.

By Mr. YOUNGER:

H. R. 5760. A bill to amend the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. ABBITT:

H. R. 5761. A bill to amend the Agricultural Act of 1956 and the Agricultural Adjustment Act of 1938 relating to cotton; to the Committee on Agriculture.

By Mr. ASHLEY:

H. R. 5762. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

H. R. 5763. A bill to establish a program of scholarships for students in science and education at institutions of higher education, and for other purposes; to the Committee on Education and Labor.

By Mr. ENGLE:

H. R. 5764. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirement for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture.

By Mr. GATHINGS:

H. R. 5765. A bill to amend clause (6) of section 203 (b) of the Interstate Commerce Act, so as to provide for an exemption in the case of motor vehicles used in carrying commercial fertilizer and fertilizer materials; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLT:

H. R. 5766. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. O'KONSKI:

H. R. 5767. A bill to declare a policy as to the existence of public domain in Wisconsin in lands erroneously meandered and lying between the original meander line and the lake shore, and to protect the rights of landowners whose title to waterfronting property has been brought into question by reason of errors in the original survey; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H. R. 5768. A bill to exclude from taxable income taxes imposed upon employees under the social-security, railroad-retirement, and civil-service retirement systems; to the Committee on Ways and Means.

By Mr. RODINO:

H. R. 5769. A bill to provide for the issuance of a special postage stamp to commemorate the bicentennial anniversary of the beginning of the life-insurance business in the United States; to the Committee on Post Office and Civil Service.

H. R. 5770. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of employers who are engaged in activities affecting interstate commerce, to eliminate certain exemptions, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H. R. 5771. A bill to amend the Standard Time Act of March 19, 1918, so as to provide that the standard time established thereunder shall be the measure of time for all purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5772. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5773. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of employers who are engaged in activities affecting interstate commerce, to eliminate certain exemptions, and for other purposes; to the Committee on Education and Labor.

By Mr. WHITENER:

H. R. 5774. A bill to amend the Agricultural Act of 1956 and the Agricultural Adjustment Act of 1938 relating to cotton; to the Committee on Agriculture.

By Mr. CLARK:

H. J. Res. 267. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. J. Res. 268. Joint resolution designating the 9th day of March in each year as Amerigo Vespucci Day; to the Committee on the Judiciary.

By Mr. HALEY:

H. J. Res. 269. Joint resolution requesting the President to submit to the Congress specific recommendations for cuts in the proposed budget; to the Committee on Government Operations.

By Mr. COOLEY:

H. Con. Res. 132. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. DOOLEY:

H. Con. Res. 133. Concurrent resolution expressing the sense of Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. KILDAY:

H. Con. Res. 134. Concurrent resolution to express the sense of the Congress that the 7th day of March of each year be known and designated in the several States as Friendship Day; to the Committee on the Judiciary.

By Mr. WALTER:

H. Con. Res. 135. Concurrent resolution to print as a House document the publication, Guide to Subversive Organizations and Publications, and to provide for the printing of additional copies; to the Committee on House Administration.

H. Con. Res. 136. Concurrent resolution to print as a House document volumes I and II of the publication, Soviet Total War, and to provide for the printing of additional copies; to the Committee on House Administration.

By Mr. BECKER:

H. Con. Res. 137. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. DEROUNIAN:

H. Con. Res. 138. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. SMITH of Mississippi:

H. Con. Res. 139. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Res. 189. Resolution to print as a House document the publication, Trial by Treason, and to provide for the printing of additional copies; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mrs. CHURCH: Senate Joint Resolution No. 7 enacted by the 70th General Assembly of the State of Illinois, requesting

that the Congress of the United States repeal excise taxes upon transportation of persons and of goods; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to suspend acreage controls on durum and spring wheat during 1957; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 5775. A bill for the relief of Paolino Siano; to the Committee on the Judiciary.

By Mr. BROYHILL (by request):

H. R. 5776. A bill for the relief of Herbert Wolff; to the Committee on the Judiciary.

H. R. 5777. A bill for the relief of Sanford A. McGavern; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 5778. A bill for the relief of Mrs. Shirley Shan Chi Chu; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 5779. A bill conferring jurisdiction on the Court of Claims to make a certain finding with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the United States Air Force, and to provide for payments of amounts so determined to such individuals; to the Committee on the Judiciary.

By Mr. KING:

H. R. 5780. A bill for the relief of Chung Kyoo Pyo; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 5781. A bill for the relief of Hinko Samac; to the Committee on the Judiciary.

By Mr. McCONNELL:

H. R. 5782. A bill for the relief of Mrs. Edmund L. Gruber; to the Committee on the Judiciary.

By Mr. MCCULLOCH:

H. R. 5783. A bill for the relief of Victoria Patan; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 5784. A bill for the relief of Renate Elisabeth Puck; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5785. A bill for the relief of Imre Weinstein, Mrs. Judith Weinstein, Nouret Weinstein, and Esther Weinstein; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H. R. 5786. A bill for the relief of Pak Hak Sun; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. R. 5787. A bill for the relief of Mrs. Olga Doris Moss; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

125. By Mrs. CHURCH: Petition of the Chicago Dental Society expressing strong support of the principles of H. R. 9 and H. R. 10 and urging the passage thereof; to the Committee on Ways and Means.

126. By Mr. HAYS of Arkansas: Petition of the Conway County Fish and Wildlife Association, Inc., together with petitions signed by 1,030 citizens, Conway County, Ark., urging the Soil Conservation Service to include a fish and wildlife project in the Point Remove watershed project, Conway, Pope, and Van Buren Counties, in the State of Arkansas; to the Committee on Agriculture.

127. By the SPEAKER: Petition of the secretary, Holy Family Rectory, Brooklyn, N. Y., petitioning consideration of their resolution with reference to requesting that a law be passed requiring that all goods shipped under any foreign-aid program be plainly marked "made in the United States of America"; to the Committee on Foreign Affairs.

128. Also, petition of the secretary, American Bar Association, Chicago, Ill., petitioning consideration of their resolution with reference to endorsing the principles contained in H. R. 3813, H. R. 3814, H. R. 3818, H. R. 2060, and H. R. 110, and urging their prompt enactment, etc.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Poisonous Drugs in Food

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. BURDICK. Mr. Speaker, in view of several articles which have been brought to my attention regarding the addition of various chemicals and drugs to foods consumed by the public, I wish to have inserted in the RECORD my news release on the subject. There is evidence to show that many drugs and chemicals now in general use as food additives are not only detrimental to the health of human beings, but some of them have been shown to be capable of creating cancer, as proven in experiments on laboratory animals.

Because of the widespread use of chemicals as preservatives in foods, or for other purposes added to many items of human diet, I believe that no time should be lost in conducting a thorough and far-reaching investigation by Congress.

YOUR CONGRESSMAN COMMENTS

(By USHER L. BURDICK, of North Dakota)

POISONOUS DRUGS IN FOOD

WASHINGTON, D. C.—Dr. Harvey W. Wiley was installed as Chief of the Chemical Department of the Department of Agriculture in 1883 and held this position until 1912. Through his efforts the Pure Food and Drug Act was passed by Congress in 1906 and that act is still on the books. It made it a crime to adulterate foods, but the law has never been enforced, so that today poisons are being injected into food without limit, while the people believe they are protected by this law.

To show that the system of drugging food is still continuing unabated, Mr. Folsom, Secretary of Health, Education, and Welfare in 1956, made this statement:

"A recent compilation shows that approximately 500 chemical materials are being added directly to food for various purposes. The Food and Drug Administration estimates that 150 of these 500 chemicals have not been adequately tested to show that they are harmless."

The Consumer Reports for 1956 reads, "An important group of chemicals thought to be safe are synthetic dyes used to color food, drugs, and cosmetics. Today 16 have been certified by the Federal Drug Administration for use in food. Since 1945, 15 food dyes have been reexamined for toxic carcinogenic (cancer-forming) allergenic properties. Only one of these has been conclusively shown to be harmless."

The poisons used in Coca-Cola are clearly in violation of the Wiley law, but the Coca-Cola business goes merrily on. A tooth immersed in this drink has been proved to be totally dissolved in 90 days, yet chemicals are used in city-water supplies to prevent tooth decay, without any competent analysis to indicate what deleterious effects may result.

In 1953 the production of surface-action chemicals, many of which are used to improve the stability of such foods as bread, cake mixes, and desserts, reached 921 million pounds. Agene was used for 30 years to bleach flour, until the University of Aberdeen, Scotland, found it caused running fits in dogs and affected the mentality of humans. After several years this Agene was replaced with a chemical called Alloxan, a poison used in experimental laboratories to induce diabetes in animals.

Over 1,000 chemicals have been used in foods. About 500 have now been discarded, and of this 500, 150 have not been scientifically tested. Of those which have been tested several have been found carcinogenic (cancer-causing).

I am receiving material and protests on this subject from all parts of the country. As one example indicating the serious danger of this practice, I quote Dr. William E. Smith, of Englewood, N. J., cancer researcher, who said "cancer-inducing chemical additives and dyes are going into food for human consumption."

There seems to be a well-formed conspiracy between the big chemical companies and the American Medical Association and the Food and Drug Administration to inject these poisonous chemicals into food, not for the safety of public health, but for the profits arising from the manufacture of the chemicals. An examination of the records leaves little in doubt as to the facts of this conspiracy.

The proper committees of Congress should make a thorough investigation of this matter, which they can do without any extra cost to the people. If we have ample laws now, they should be enforced. If not, then new laws should be enacted. One way to avoid cancer is to not create it by eating poisoned foods. The public has a right to rely on the protection Congress and the Attorney General's office can give it.

Friendship Day

EXTENSION OF REMARKS

OF

HON. PAUL J. KILDAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. KILDAY. Mr. Speaker, today, March 7, is the 26th anniversary of the observance of Friendship Day in Texas. On June 6, 1947, the Legislature of the

State of Texas designated March 7 as Friendship Day. On March 16, 1954, the United States Senate passed Senate Concurrent Resolution 79, expressing the sense of Congress that March 7 of each year be known, designated, and observed by the people of the United States as Friendship Day. During that same Congress a subcommittee of the Committee on the Judiciary favorably reported my resolution (H. Con. Res. 100) to the full Committee on the Judiciary. However, the resolution was not reported to the House by the Committee on the Judiciary.

The General Federation of Women's Clubs, the Texas Federation of Women's Clubs, and the National Society of Arts and Letters have endorsed the observance of Friendship Day. In these perilous times any action which we can take to promote friendship among our own people and among the peoples of the world is well worth our effort. I have today offered a House concurrent resolution expressing the sense of Congress that the 7th day of March of each year be known, designated, and observed by the people of the United States as Friendship Day. It should be noted that my resolution does not create a new holiday, rather it designates 1 day of each year for the thought and promotion of friendship among our people. I hope that favorable action can be taken.

Your Tax Bill

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. HOFFMAN. Mr. Speaker, the President's budget calls for the appropriation or expenditure of $71.8 billion—this in addition to an estimated $70 billion now supposed to be on hand.

Subsequently, the President said that he hoped the budget could be cut. Still later, Secretary of the Treasury Humphrey said:

If we don't over a long period of time (reduce expenditures of this terrific amount, the terrific tax take we are taking out of this country) I will predict that you will have a depression that will curl your hair, because we are just taking too much money out of this economy that we need to make the jobs that you have to have as time goes on.

The actual budget receipts for 1956 were $68.1 billion, the estimated receipts for 1957 are $70.6 billion, and for 1958, $73.6 billion. If all goes as anticipated, that would leave a surplus of $1.8 billion.

Living costs continue to go up. Millions who are forced to live upon a fixed or a decreasing income are forced to purchase less nutritious food, inferior merchandise.

It is axiomatic that, unless dollars can be saved, a new business cannot be established, an old one expanded, hence no additional jobs. The Federal Government is, in my judgment, today's most wasteful and exorbitant spender. If you think the Federal Government intends to quit wasting money, reduce your taxes, you are certainly an optimist, with disappointment certain.

To force a tax reduction, a resolution was introduced by me to repeal the 16th amendment, which has to do with the levying of the income tax. Do not forget to pay your income tax not later than April 15.

An editorial from a Long Island, N. Y., paper characterized the proposal as "the most ridiculous legislation of all."

The News-Palladium, of Benton Harbor, captioned an editorial, "Thanks for Trying." My answer: Never did catch any fish unless I went fishing.

One from the Niles Daily Star, "Don't Let the Patient Die," suggested that my proposal was similar to "killing the dog because his tail had become infected." If I had a dog whose tail was malignantly infected, I would have that tail cut off before the dog died. Last fall, when the surgeon was about to take a look at my "innards," I said, "If you find anything wrong in there, cut it out." He did. Would have been dead if he had not. No one is now suggesting that I am dead.

Ever hear of a candidate who promised practically everything everybody wanted, plus a cut in his tax bill? When elected, how many keep that promise?

Just as long as a majority in Congress can tax, collect, spend, and get reelected, they will continue to do it. You will get no relief from excessive taxation. Shift the power to tax incomes to the State legislatures, where you can really get at your representatives, and the Federal Government will be forced to economize.

Resolution in Support of the Jenkins-Keogh Proposal

EXTENSION OF REMARKS

OF

HON. HAROLD R. COLLIER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. COLLIER. Mr. Speaker, from time to time legislation has been proposed to permit the many self-employed professional people of this country to establish retirement income plans which most of the citizens of the Nation now enjoy.

Up to this time the Congress has not provided for any arrangement which enables our professional people to participate in such a plan. I believe that the failure to recognize the need for equity of such legislation is a discriminatory condition.

I have received recommendations from numerous of my constituents who are in professional fields suggesting that they be permitted to establish retirement income plans or funds for themselves as individuals under the same tax equities that are now provided for the beneficiaries of corporation-sponsored plans. May I point out further that this would relieve the professions of this discriminatory tax inequity and permit them to establish savings funds which would substantially foster the anti-inflationary policies of the Federal Government.

I quote herewith the resolution offered in this connection by the Illinois State Dental Society, to wit:

Whereas the members of the Illinois State Dental Society feel that it is unjust and inequitable for the self-employed not to be granted tax equality with the employees of corporations in connection with amounts contributed to retirement and pension plans: Therefore, be it

Resolved, That the members of the Illinois State Dental Society do favor the principle of the Jenkins-Keogh proposals, H. R. 9 and H. R. 10, to give self-employed individuals comparable rights to tax savings on amounts contributed to voluntary pension or retirement programs to those enjoyed by corporate officials and employees; and be it further

Resolved, That the membership of the Illinois State Dental Society urges the 85th Congress to act favorably and promptly upon this proposal.

May I add that the Chicago Dental Society has also prepared a similar resolution adopted by its board of directors urging the support of H. R. 9 and H. R. 10, which follows:

Whereas self-employed persons such as the members of our profession are not permitted to realize the tax benefits that are available under the Internal Revenue Code to officers and employees of corporations with respect to funds placed in private pension and retirement programs; and

Whereas this is patently an unjust discrimination; and

Whereas the recently proposed H. R. 9 and H. R. 10 introduced by Representative JENKINS, Republican, of Ohio, and Representative KEOGH, Democrat, of New York, embody the principles that have underlain similar bills introduced by these two men in the past several years and gained the approbation and support of both major parties, of the President, of our leading tax authorities and millions of self-employed persons; and

Whereas we feel that the plan has been instituted in other countries and found workable and feasible and because it is a sound program of saving and providing for future retirement funds which is of advantage to the country at large as well as the particular individuals involved; be it

Resolved, That the Chicago Dental Society support the principles of H. R. 9 and H. R. 10, sometimes referred to as the Jenkins-Keogh proposal and urges the Congress to enact it into law.

Mr. Speaker, it is my hope that the other Members of this Congress will appreciate the need and justice of such legislation and will wholeheartedly support these bills when they are reported out of committee.

Statehood for Alaska and Hawaii

EXTENSION OF REMARKS

OF

HON. JOHN A. BURNS

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. BURNS of Hawaii. Mr. Speaker, one of the most able and distinguished Members of this House is the lovely and gracious gentlewoman from Oregon, the Honorable EDITH GREEN. She has represented her constituents with outstanding

industry and sound judgment. Her support of programs that are right and just indicate a remarkable prescience of future effects and needs.

One of the causes to which she has given her talents unselfishly and wholeheartedly is statehood for Hawaii and for Alaska. I believe the Members of Congress would be interested in the letter she wrote to the Christian Science Monitor on this subject a few days ago:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 1, 1957.

To the CHRISTIAN SCIENCE MONITOR:

I read with interest the letter appearing in your edition of February 25 from the editor and publisher of the Alaska Sportsman. In it he purports to set forth the arguments against statehood now for Alaska. The gist of those arguments seems to be that statehood for Alaska would be costly and that he doubts that Alaska could really afford statehood.

That is really putting a price tag on representative government.

It would not surprise me in the least if, around the year 1775, some juggler of figures had not also written a letter to the editor of some British paper proving conclusively, to his own satisfaction, that the American colonies really could not afford freedom and that it was cheaper for them to remain under British rule. If such a letter were written, I am glad the American colonists did not heed that fallacious advice.

Democracy is not something that is sold in the market place to the highest bidder. It is to be striven for even at a sacrifice and once won is to be preserved and nurtured.

EDITH GREEN,
Member of Congress,
Third District of Oregon.

The Federal Budget

EXTENSION OF REMARKS
OF
HON. EARL WILSON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1957

Mr. WILSON of Indiana. Mr. Speaker, my home State of Indiana is in the very heart of grassroots America. People out there believe in the fundamentals on which this Nation was founded and has progressed. The same fundamentals guide them in their own personal conduct and in the management of their homes, their families, their lands, their businesses, and other activities with which they may be connected.

A keystone of their philosophy, Mr. Speaker, is commonsense economy in all operations, whether in their homes or in the local, State, and national governments they help to maintain. For a long time the people of Indiana have been worried about the national debt, about the size of our Federal budgets and many other problems incident to an ever-expanding Federal bureaucracy.

When the budget for fiscal 1958 was proposed, a budget calling for Federal expenditures of $71.8 billion, these people literally "hit the ceiling." Their demands for economy, for a downward revision of the budget, have poured into Washington from all corners of Indiana. My own mail from folks at home now is the heaviest it has been during my entire 17 years of service in this great body, and most of that mail demands budget cutting and a more realistic pattern of Federal spending.

My eight Republican colleagues from Indiana are getting similar protests and in great quantities. They share very deeply the concern of their constituents. They are experienced and conscientious Members of this great Chamber, and they feel that substantial economies in this 1958 Federal budget can be effected and are very much in order.

We Republican members of the Indiana House delegation recently met and drafted a statement expressing our belief that the budget can be reduced without damaging the economy or the security of the country. Our delegation is committed to this drive for economy as the following statement will indicate:

The Indiana Republican delegation in the United States House of Representatives, after careful study and evaluation, has unanimously agreed that a substantial reduction of the $73 billion Federal budget will be in the best interest of the people of the United States.

It was further agreed that every proposed reduction in the budget, which does not curtail essential services or endanger the security of our country, will be supported.

This action is in accord with the admonition of President Eisenhower and Secretary of the Treasury George M. Humphrey that Congress exercise its independent control over Government spending.

CHARLES A. HALLECK, 2d District; F. JAY NIMTZ, 3d District; E. ROSS ADAIR, 4th District; JOHN V. BEAMER, 5th District; CECIL M. HARDEN, 6th District; WILLIAM G. BRAY, 7th District; EARL WILSON, 9th District; RALPH HARVEY, 10th District; CHARLES B. BROWNSON, 11th District.

Timely Salute to a World on Wheels

EXTENSION OF REMARKS
OF
HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1957

Mr. MACHROWICZ. Mr. Speaker, we are all familiar with the maxim, "distance lends enchantment," but today I would like to paraphrase that with: "distance sometimes lends distortion." For I submit that all too often we lose sight of what reciprocal trade really means to nations less fortunate than ours.

I was reminded of this recently by an unusual advertisement which appeared in the Detroit newspapers. The advertisement, entitled "Timely Salute to a World on Wheels," appeared on behalf of the Watchmakers of Switzerland, a trade group representing the Swiss watch industry. It pays tribute to our great automotive industry and to the technological skills with which we have consistently produced the very finest automobiles. In the words of the advertisement, the industry's new cars have been winning "a paean of praise for automotive genius that is purely American."

But the ad goes beyond simple praise of our autos. The Swiss watchmakers contend that the superiority of our cars is the direct result of the industry's fierce competitive spirit and constant striving to make a better car. And free competition is the soil that flourishes and the spur that inspires the desire to make only the best. Although typically American, the zeal to do it better is found equally in other lands, too.

As a Member representing the industrial section of Michigan, home State of our great car and truck industries, I am naturally pleased to see this recognition by a foreign trade group. However, it is not pride alone but a sense of our own self-interest which compels me to speak on the subject. For Michigan has an abiding and profitable relationship with Switzerland and trade statistics prove that so does every other State in the Union.

With the exception of New York, Michigan sells more products and goods to the Swiss than any other State; Switzerland purchases about $15 million worth of Michigan goods yearly, including machinery, metals, metal goods, autos, and trucks. And it is worth noting that the Swiss buy our products with cold cash—in fact, she is our best cash customer in all Europe.

The principle of sound commercial relations with other nations is not new to us, of course. In a very real sense America owes its existence as a strong and independent nation to the concept of free trade. Our Founding Fathers, concerned with our economic growth in the critical years following the Revolution, laid down the basic tenet that favorable and friendly commercial dealings with other lands spelled economic prosperity, independence, and peace for our country. In our own time we can point to the reciprocal trade policies formulated and developed by Cordell Hull, and others, as the logical continuance of those farsighted trade principles.

A true yardstick of the value of our reciprocal trade program is eloquently demonstrated by the trade growth between United States and Switzerland since the Reciprocal Trade Treaty was signed in 1936. In the previous year our trade with the Swiss amounted to only $7 million. It has since jumped 2,200 percent, with the Swiss buying a half-billion dollars or more from us in the last decade. In the first 11 months of 1956 Switzerland sold $150 million in goods and products to us; they purchased $191 million worth of American products in return. Thus, in terms of what this means to both peoples—a better standard of living, a happier way of life—the reciprocal trade concept stands as a basic necessity in our way of life.

But there are those who seek to subvert this tried and proven trade practice to their own narrow interests. In Switzerland's case a powerful group of protectionists has inspired our Government to impose a series of restrictive and punitive measures against Swiss watch imports. Beginning with the 50 percent watch tariff increase in 1954, this

protectionist campaign has now culminated in the demand that watch quotas be instituted, under the highly questionable premise that our watch industry requires protection because, supposedly, it is essential to defense.

We should all be seriously concerned with this flouting of our official trade position of trade, no aid, because it is far from an isolated case. A survey by the respected Journal of Commerce reveals that in 1956 more than 11 percent of Western Europe's exports to the United States faced trade restrictions. We challenged $257 million worth of shipments of the total exports of $2,293 million from Western Europe's 13 countries. English woolens and bikes, German clocks, French woolens, Italian cheese—these and other items faced our trade barriers aimed at their exclusion in 1955.

Recent amendments to our trade laws reflect this dangerous appeasement of the high-tariff forces within our country. The peril-point and escape-clause provisions, the essentiality amendment, the quotas on woolens and cottons, the tariff increases on watches and bicycles—all imposed in the belief that they will alleviate whatever ills our corresponding industries are suffering from—do untold harm to our allies and the other friendly nations overseas.

It would be something less than naive, however, to expect these countries to face our trade harassments without some action in return. In a word: retaliation.

Already there are indications that the west European nations are joining together to protect their commercial trade against tariff restrictions. I refer to their current activities to form a common market, in which the member nations will enjoy very low, and, eventually, no tariff restrictions on their exports to each other.

And in a more specific instance, last July the French Parliament passed a law which levies an annual tax of 100,000 francs, or $287, on automobiles with 16 fiscal horsepower and over. Significantly, the tax affects mostly American-made automobiles in France. It should be noted without comment that we protested to the French that the tax was discriminatory, but to no avail.

Representing Michigan, I am especially concerned over these recent developments because our auto industry will be among the first to be affected by a high tariff war. One need not be a genius in economics to realize that this kind of action opens the way to trade discord and hardship for all parties.

The Swiss watchmakers' ad implies that only through the pressure of free competition will a product be forced to compete at its very best—to the benefit of consumer, industry, and nation. I am in complete agreement with this viewpoint. I say that a superior product, be it a watch, bicycle, automobile, or whatever, should not be penalized for the very thing that makes it noteworthy—namely, its excellence.

In the area of economic trade, I find the golden rule to be quite applicable—let us do unto our trading partners as we would have them do unto us. From World War II we gained the lesson that we cannot live in political isolation. Today it is equally essential that we learn we cannot live in economic separation either.

America's Aging Citizens Need Greater Security

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1957

Mr. ANFUSO. Mr. Speaker, I am pleased to introduce a bill to amend the Social Security Act so as to provide a greater degree of economic security for our older citizens in their declining years of life.

There is a growing interest in the problem of our aging population, whose number is steadily increasing. Economic and social problems have arisen as a result of the growing number of elderly people in the country. Instead of appreciating the fact that medical science has made great progress in extending the longevity of our life span, we tend to forget the human factors involved in supporting an aging population or we simply ignore them.

By ignoring the problems of old age we are committing a grave injustice to millions of our elderly citizens, who have every right to expect better treatment and greater security at a time when they can no longer be economically productive. It is my view that we must give more serious consideration to these people and to their problems from a more realistic and more humane point of view. I believe that we must provide them with the opportunity to spend their declining years in greater comfort and fewer economic worries.

Fortunately, we have established a fine social-security system to provide for some of the needs of these people by giving them a certain degree of economic independence. Some two decades have passed since this system has been set up and, although some changes have been made in its structure and benefits have been somewhat liberalized, it still does not answer the needs of the elderly people. The fault is not theirs. Inflation has taken a sizable chunk out of the social-security dollar. Whereas 5 years ago or more an elderly person or couple was able to get along on the monthly social-security payements, they are today struggling to make ends meet on the same amount.

There are other serious deficiencies in the social-security system which need to be corrected, such as the limitation on outside earnings, the inadequacy of the payments to those who receive only the minimum benefits, and the like. It is for the purpose of correcting these deficiencies and improving the system that I am introducing my bill. Specifically, my bill seeks to improve the social-security law in four ways:

First. Increase the minimum benefits to $40 per month.

Second. Increase the amount of outside earnings to $125 a month or $1,500 a year.

Third. Lower the retirement age for both men and women to 60 years.

Fourth. Permit States to disregard income up to $50 per month in determining need for old-age assistance.

Mr. Speaker, allow me to explain each of these amendments in some detail.

MINIMUM BENEFITS

Under the social-security system as presently constituted, the minimum monthly benefit is $30. How it is possible for an elderly person to subsist on this niggardly sum for a whole month is something which I cannot comprehend. It is hardly enough for rent, let alone food, clothing, and other essentials. This is not only inadequate, but in many instances almost heartrending, since most of these people are physically no longer able to earn even the limited outside income permissible under the law. No wonder many of these older citizens receiving the bare minimum benefit are bitter and resentful and feel that they are the forgotten people of today.

I propose to increase the minimum monthly payments to $40, an increase of only $10 per month. Even at the rate of $40 a month, the daily average comes to only about $1.30, which is hardly enough to take care of the most elementary needs. Yet, small as this increase is, it would be most welcome to many elderly people and give them a greater feeling of security and dignity. I believe it is fair. I believe it is urgent.

OUTSIDE EARNINGS

Those eligible to social-security benefits are permitted under the law to earn up to $100 per month or $1,200 per year without deduction or loss of their benefits. Many of these older folks are still in fairly good health, they wish to keep themselves occupied for a few hours each day in some useful and productive manner. They are still able to render fine services to the community and should not be deprived prematurely of this opportunity. Part-time work is not only desirable for many of these people, but will enable them to maintain a greater degree of economic independence.

For this reason, I propose that the so-called work clause of the Social Security Act be amended to allow these people to supplement their income through part-time work and to make it possible for them to earn up to $125 per month or $1,500 per year. This, too, is a fair request and will be appreciated by many of our senior citizens who prefer to be on their own for as long as they are physically able to do so.

RETIREMENT AGE

It is becoming more and more apparent that the present retirement age will have to be lowered. I was glad to see Congress take the first step in that direction last year when it voted to lower the retirement age for women from 65 to 62. I supported that proposal and voted for it when it come up for consideration in the House. I feel, however, that we have not gone far enough. The retirement age for men still remains at 65. A lowering of the eligibility age for retirement

for both men and women should be given serious consideration.

The present age limitations account for many hardships to people in the age group between 60 and 65, who are suffering from ill health and are no longer able to earn a livelihood. Many of them are forced to become charity cases. Women over 60 have practically no chances of obtaining any kind of employment. Unless they have children to help maintain them, they must turn to public welfare assistance and to swell our relief rolls. Certainly this is a case of false economy.

It is believed that most of those in the 60 to 65 age group would prefer to continue working and earning their livelihood. Some in this group, however, have become too ill to work or have become disabled. They must wait until they reach the retirement age before they can become eligible for social-security benefits—or else become public charges. Surely, this is no way to treat these people who have given a lifetime of work and effort to help build our country and to make it what it is today.

I am, therefore, proposing in my bill to lower the retirement age from 65 to 60 years, and it is to be applicable alike to both men and women. The claim that this will cost us a substantial sum of money is undoubtedly true, but social security has paid for itself from the very first. Each time an effort is made to improve the system and to liberalize its benefits we hear the same arguments, yet the social security system is more solid today than it ever was and its benefits reach more people than ever before. It has been proved time and again that the American people are willing to pay for the benefits accruing to them in their old age.

DISREGARD OF CERTAIN INCOME

Finally, I propose to amend the Social Security Act to permit States to disregard income up to $50 per month in determining the need for old-age assistance. In other words, under this amendment, recipients of old-age assistance would be permitted to earn up to $50 per month without having that amount deducted from their subsistence grants.

Let me explain this proposal. Under the present system, those who receive old-age assistance are discouraged from working. Several years ago the Department of Health, Education, and Welfare established that the average age of these recipients is over 70 years. Surely, they do not constitute a threat to the labor market. They perform certain small tasks, casual labor, odd-and-end jobs, and the like. Under the present system it is required that any money which they earn in this fashion must be deducted from their old-age assistance.

This situation is a holdover from the depression period a quarter of a century ago when the intention was to discourage older people from competing for jobs, no matter how small, because of the huge unemployment in the country. Today there is no longer any need for this. Elderly people should be encouraged to do whatever small tasks they are physically able to do, for the benefit of the community and for their own benefit. Constant leisure and the feeling that their services are no longer needed cannot account for a healthy or a happy state of mind.

Therefore, I believe that it would be a very wise policy to allow these elderly people to perform whatever services they can perform and to enable them to benefit from this small income, without endangering their old-age assistance to which they are entitled. Only, to avoid the possibility of any abuse, I would limit this benefit by making it applicable to the first $50 of such income per month. In other words, the Federal Government is to allow the States to disregard the first $50 of earnings by people who are eligible for old-age assistance and not insist that this income be deducted from their monthly subsistence payment. All earnings over $50 are to be deducted. This, too, I consider as fair and sensible.

In conclusion, Mr. Speaker, I believe that we must take cognizance of the problems of our aging population, and the sooner it is done the better for them and for us. If we continue to ignore this situation it may someday burst upon us with such force that it might disrupt our entire present social-welfare system and cause untold misery to millions of elderly people.

By enacting the changes proposed in my bill, we shall take a decided step forward in the direction of providing greater economic security for them and preventing needless misery and heartache. The amendments I suggest are reasonable and practicable. They will help to eliminate some of the deficiencies of our social-security system. They will make it possible for our older citizens to look forward with greater confidence to receiving adequate economic protection in their old age. This is the least we can and should do for them.

Lower Retirement Age for Social-Security Benefits

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. DINGELL. Mr. Speaker, today I am reintroducing a bill to lower the minimum retirement age for social-security benefits to 55 for women and 60 for men.

Legislation of this nature is desperately needed by many of our older citizens who, through no fault of their own, are unable to work or to find a job in their late middle age.

Congress has not been altogether unmindful of the problems of the people in these dire circumstances. Last year, over the objections of the administration, we passed two amendments to the Social Security Act which show great potential for making this program truly responsive to the needs of the American people. The significance of these changes last session—the reduction of the minimum retirement age for women to 62 and the institution of cash disability benefits for disabled workers age 50 or older—is not entirely in the provisions of the amendments themselves. Their full importance comes from the fact that Congress has finally recognized that there is nothing sacred about age 65 as a factor in determining a person's need for benefits. These amendments recognized the fact that disability, age restrictions on employment, and other circumstances can just as effectively force an individual's retirement as his chronological age.

The lowering of the age for women—the first such retirement age reduction in the 22-year-old history of the act—was a step in the right direction. It was, however, a mincing step and one that was not without its inequities. True enough, the widow or dependent mother of a deceased worker may now receive a full benefit at age 62. But on the other hand, a working woman who may have been contributing to social security for 20 years must be content with 80 percent of her full benefit, and a retired worker's wife will receive only 75 percent of her benefit.

Those who defend these reductions argue that a woman has the freedom of choice to delay her retirement until 65 and receive a full benefit. Such an argument, however, ignores the simple fact of life that a great many men and women are retired in fact long before they reach age 65. For these individuals there is no freedom of choice. They need their benefits at the time of their actual retirement. Any substantial time lag between the time they leave their jobs and their eligibility for benefits means hardship and suffering.

A recent survey by the Department of Labor indicates that employers are not hiring older workers because they believe that they are less productive and greatly increase insurance and pension costs. The administration maintains that it will remedy this situation by an educational program which will convince private and governmental employers of the wisdom of revising their hiring practices in regard to older workers. These efforts, appear to have slackened considerably since the election, and have had an imperceptible effect on the problem. It is difficult to imagine, moreover, that this approach is more than a token attempt to alleviate the basic economic problems of this unfortunate group of older workers.

The amendment I introduce today will go hand in hand with any effort—regardless of how ineffectual—which is designed to provide employment opportunities for older persons. But in contrast to the administration's proposed solution, this amendment is directed at what I believe is the heart of this problem—the provision of minimal income for this segment of our population which is in need of immediate aid. Instead of offering people the faint and pious hope that employers will sometime listen to these pleas, this amendment proposes a concrete solution to this pressing problem.

There are those who maintain that legislation such as I propose will cause a great voluntary exodus from employment. However, past experience indicates that very few people quit their jobs voluntarily in order to receive social-security benefits. In 1955 a survey showed that the greatest number of people receiving retirement benefits did so because they were dismissed for some reason which was beyond their control. The most common reason was their age. The next greatest number, moreover, were retired because poor health made work impossible. It is only reasonable that people wish to work as long as possible when the cost of living continues to rise and social-security benefits remain at such a low level. Average monthly benefits for October 1956—$63.21 for a retired worker, $33.64 for a wife, and $49.24 for a widow—offer very little inducement for voluntary retirement.

The purpose of this reduction in the minimum retirement age is to extend social-security protection to the greatest number of persons within the context of a moderate tax increase. The amendment, which raises taxes 1¼ percent on both employee and employer alike and 1⅞ percent on the self-employed, seems reasonably calculated to preserve the integrity of the Old-Age and Survivors' Insurance Trust Fund.

One Hundred and Fiftieth Anniversary of the Founding of Dover, Ohio

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. BOW. Mr. Speaker, the city of Dover, Ohio, will celebrate its 150th anniversary tomorrow and I regret deeply that the business of the House makes it impossible for me to join with the citizens of Tuscarawas County in the ceremonies marking this historic milestone.

Dover is now a busy, prosperous center of diversified industry and one of Ohio's most progressive cities.

The first settler, in 1806, was Christian Deardorff, who purchased 2,175 acres of land that had been granted Col. James Morrison, of Lexington, Ky., in recognition of Revolutionary War service.

Deardorff, who was joined by Jesse Slingluff, established a gristmill on his land, and in 1807 they founded the village of Dover.

This was historic country even then. In 1772 Moravian missionaries to the Delaware Indians established the village of Schoenbrunn a few miles southwest of the present city of Dover. Schoenbrunn was the site of the first church and the first school in what is now Ohio. Later Fort Laurens was established a few miles north of Schoenbrunn. Both Schoenbrunn and Fort Laurens were abandoned during bloody battle warfare in the final years of the Revolution. Dover was in a sense a new beginning of this earlier pioneer settlement.

A post office was established at Canal Dover, as it was then known, in 1817. The village grew slowly thereafter, until the opening of the Ohio and Erie Canal in 1830 gave it new impetus and it became a grain and flour mill center for the area.

Local resources of ore, coal, and clay brought other development in midcentury. A blast furnace was established in 1855 and a steel rolling mill in 1866. The first brick factory was built about this time. During the Civil War, Dover was an important recruiting center. Camp Meigs, where hundreds of Ohio men entered military service, is now the county fairgrounds.

Dover was incorporated as a village in 1842 and became a city in 1900.

Today it is a handsome Ohio city with the familiar square and tree-lined streets that are characteristic of our area. Many other cities depend on Dover for their supply of coal, steel, and brass castings. The city is famous for supplying brass bushings for ocean liners.

Coal, clay, limestone, shales, molding sand, petroleum, natural gas, and salt are the raw materials furnished by Tuscarawas County for the manufactured products of Dover.

Among the many products of Dover are building brick, fire brick, electric appliances, screw products, tanks, boilers, steel fabrications, drawn tungsten wire, cold rolled strip and stainless steel, chemical and plastic products, wire, stone, steel sheets, roofing, stove and furnace pipe, buckets, tubs, wood stoves, and castings.

Almost every conceivable service and need is available, from watches to diesel trucks, in the 178 retail stores found in Dover.

The city has its own municipal light plant and water system, park, stadium, modern public and parochial high schools, 4 new grade schools and a parochial grade school, 3-story YMCA, Legion Memorial Hall, 20 churches, and a Salvation Army building.

Tuscarawas County fairgrounds and Union Hospital are a part of Dover.

Boating, fishing, and swimming are all available in a short drive from Dover in any one of the Muskingum Watershed lakes. The famous Muskingum Conservancy District, one of the world's outstanding examples of conservation, has its headquarters here.

One Hundred and Seventh Anniversary of the Birth of Thomas G. Masaryk

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. FLOOD. Mr. Speaker, today, March 7, is the 107th anniversary of the birth of Thomas Masaryk, the father of Czechoslovakia, who is regarded throughout the world as a symbol of freedom. It is particularly important to celebrate his birthday now that Czechoslovakia has lost her freedom and lives under the oppressive yoke of Soviet totalitarianism. The people of Czechoslovakia have not forgotten Masaryk any more than we would forget George Washington. He remains an inspiration to them despite the efforts of their Soviet masters to picture their first president as a reactionary and one who opposed the will of the people. The Czechoslovak people know in their minds and feel in their hearts that the life and teachings of Masaryk have a meaning for today, however much the Communists may claim his influence is a closed chapter in history. When we join in celebrating Masaryk's life we give the men and women of Czechoslovakia new courage and strength to resist the degradations to which they are subjected by their Soviet overlords.

Masaryk worked long and hard during the First World War to present the case of Czechoslovak independence. He came to the United States in 1918 and gained the support of Woodrow Wilson for his cause. Indeed, the Czechoslovak Declaration of Independence was formally published in Washington, D. C., on October 18, 1918. Masaryk felt close to America, both because his wife was an American and because of our democratic government. In 1918, he said:

> For myself, I feel nearest to and accept the principles of American democracy. At this time I can declare that those principles always were, are now, and ever shall be, the guiding principles of the political aspect of my life, because they are near to our Nation, and because our people accept them for their own, and will ever be united by them with America, united in this spirit of freedom and democracy.

The nation which Masaryk founded on the ruins of the crumbling Austro-Hungarian empire was a showcase of democracy throughout central Europe. It seemed symbolic of a new era, an era of democracy for all the world which was to be ushered in by the allied victory in the great war. That new world of which Czechoslovakia was the first fruit did not become a reality. It was decisively smashed by the blood bath of Hitler's totalitarianism which was followed almost immediately by Russian communism.

Adolf Hitler was able to end the dream of democracy for Europe because other nations refused to stand united in opposition to this aggression. Czechoslovakia was the first to fall. As Masaryk is the symbol of freedom to a world where today only some may live in freedom, so also he is the symbol of the way in which that freedom must be defended. Today it is important for the free world to celebrate the birthday of Thomas Garrigue Masaryk because his life has a vital lesson to teach us. It is a simple but a profound and tremendously important truth in the world of today. It is the truth that the free nations must be economically and militarily strong and united in opposition to the aggressive expansion of Soviet totalitarianism. Otherwise our democracies too will fall by foreign conquest. Today Masaryk is a hope and inspiration to the subjugated people of Czechoslovakia and he should be a goad to us that we continue to build a close

alliance with other members of the free world in order that democracy may not fall piecemeal before the onslaught of dictators.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. WILL E. NEAL

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. NEAL. Mr. Speaker, we are fast approaching a time when Federal Aid to Education will occupy the most intensive thought and concern of which the Members of this Congress are capable. In all fairness to proposals which have received wide publicity in the field of Federal aid to education, I do not think that we should be totally unapprised that there are other solutions, possibly less complicated, than the ones now occupying newspaper headlines, radio programs, and TV screens.

Therefore, I think it of considerable interest to the Members of this House to read the following editorial written by Mr. Charles Hodel, publisher of the Raleigh Register in Beckley, W. Va., concerning a bill introduced by my distinguished colleague Representative EMERY P. SCRIVNER, of Kansas.

The editorial appearing in the edition of Sunday, March 31, 1957, is self-explanatory:

HERE'S HOW UNCLE SAM CAN AID SCHOOLS

If there must be Federal aid to schools, Representative EMERY P. SCRIVNER, of Kansas, has come up with the best possible means of accomplishing it—simply and directly.

In fact the Scrivner plan is so simple and so protective of States' rights that it completely confounds the Washington bureaucrats. There is nothing in it for them. At the same time it promises to assuage the pain and parde of the school people that they might have to return to first principles of education—Mark Hopkins on one end of a log, the student on the other.

Of course you, the reader, are wondering how such a sound, simple, yet comprehensive plan has been devised. Your next wonderment will be that you didn't think of it yourself.

Here it is, as stated by Mr. SCRIVNER himself in the CONGRESSIONAL RECORD:

"My proposal, simply stated, provides that the collector of internal revenue in each State or Territory shall remit each quarter, for educational or school construction purposes, to the State treasurer a sum equal to 1 percent of the personal and corporate income tax collected during that quarter."

Just like that. No folderol. No expense. And, as Congressman SCRIVNER himself adds: "The money stays where it is earned to be used for educational purposes or school construction just as the people themselves, through their State representatives, decree."

How would West Virginia fare? Well, Mr. SCRIVNER has that figured out, too. During the fiscal year ending last June 30, this State would have retained $2,919,688. Not a big item when modern construction costs are taken into account. But it is all directly applicable—doesn't have to be discounted by the cost of bureaucratic restrictions, direction, and control.

Augmented by increased local financing of schools through direct property tax equalization, just a few years would see the raising of a great deal of money for better education in West Virginia.

At present rates of income taxation the annual total of school aid for all the States would amount to 6250 million—hardly more than half the $1.3 billion proposed in the Eisenhower budget, which would include the useless cost of Federal administration, control, and interference.

And if that proved inadequate, the take could be increased to 1½ or even 2 percent, the entire amount of which could be saved by applying the same direct process to some other Federal functions, as pointed out by the Hoover Commission.

Beyond that, there would not be tacked onto such a bill a strangling amendment like that of Representative ADAM CLAYTON POWELL in the 85th Congress, excluding from Federal aid the States that do not integrate their schools. States' rights would be completely intended in the very nature of the money-raising process.—C. H.

Your Income Tax

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. HOFFMAN. Mr. Speaker, constituents, no longer requesting, are now demanding—as is their right—that we quit taking from their pockets dollars to waste, spend on unnecessary activities, or give or loan to other nations which are well able to supply their own needs.

They may ultimately take from Congress the power to levy excessive taxes upon their earnings.

The national debt is piling up, the interest charge alone is around seven billion dollars a year.

It is evident that just as long as it can tax and spend and a majority be reelected, the Congress will continue to do so.

On the theory that if it does not have the money, the Congress, because it cannot, will not be able to add an ever-increasing burden upon the taxpayer, a proposal to repeal the 16th amendment, which implemented the levying of the income tax, has been introduced by me. That resolution—House Joint Resolution 222—read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

ARTICLE —

SECTION 1. *After 5 years from the ratification of this article, the 16th article of amendment to the Constitution of the United States is repealed, and thereafter the Congress shall not have power to lay and collect taxes on incomes derived from any source.*

SEC. 2. *This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.*

It has been asked—if the amendment is adopted, where will we get the dollars to replace those lost by the adoption of this amendment?

Under the power to levy taxes, Congress can always find ways of providing adequate funds for all necessary governmental activities. The gentleman from Illinois, Congressman MASON, of the Ways and Means Committee, has suggested several.

Power to levy a tax to meet wasteful or unnecessary spending should no longer be in the hands of the Congress.

The power to levy income taxes should be restored to the States, where those who pay the tax can make their desires known to their State representatives, who can be forced to do the peoples will.

Pressure groups, lobbying for additional spending—wasteful or otherwise—will then be forced to deal with members of the State legislature who are, comparatively speaking, next-door neighbors to the taxpayers who are opposed to either unnecessary or wasteful spending. Because of proximity, direct contact, the taxpayers should be able to more effectively attain their objective.

People who want relief from the present outrageous income tax burden should write the Honorable EMANUEL CELLER and the Honorable KENNETH KEATING, Washington, D. C., respectively the chairman and ranking minority member of the House Committee on the Judiciary, requesting a hearing on this resolution.

Civil Rights Legislation

EXTENSION OF REMARKS

OF

HON. D. R. (BILLY) MATTHEWS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. MATTHEWS. Mr. Speaker, we shall soon be called upon to vote on the so-called civil rights legislation. I intend to vote against this legislation and would like to submit my testimony before the Subcommittee on the Judiciary which I gave this year:

TESTIMONY OF HON. D. R. (BILLY) MATTHEWS, EIGHTH DISTRICT OF FLORIDA, CONCERNING CIVIL RIGHTS LEGISLATION, FEBRUARY 14, 1957

Mr. Chairman and members of the committee, I appreciate this opportunity to testify concerning the so-called civil rights legislation. I want to say at the outset that I am very much opposed to this legislation the committee is now considering because I believe it is an unwarranted usurpation on the part of the Federal Government of the functions of our respective State governments.

Mr. Chairman, since maturity I have become increasingly concerned about the attempt, either conscious or unconscious, on the part of many people in this country to bypass the 10th amendment to the Constitution which provides that powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people. The 10th amendment is, in my opinion, one of the basic tenets of the Jeffersonian philosophy of government to which

I adhere. Commonsense, experience in government, and the maintenance of justice for our people require, in my opinion, a strict observance of the 10th amendment. Government which is far removed from the people tends to become government by absentee ownership. Unless our Government remains close to our people, I believe in the not too distant future it will be supplanted by vicious despotism in one form or another.

Mr. Chairman, I cannot help but believe that this legislation is punitive legislation aimed particularly at the people of the South, which is the great section of the country that I represent. Let there be no mistake, however, in assuming that this problem of States rights is peculiar to the South alone. I read in the CONGRESSIONAL RECORD an extension of remarks made by the Honorable J. ARTHUR YOUNGER, of California, in which he included an address by California Assemblyman Casper W. Weinberger on the subject of States rights. Mr. Weinberger, in this very discerning article, mentioned several fields which illustrate very vividly how the Federal Government, usually through the Supreme Court, but occasionally through Congressional action, has already assumed dominion over many fields that people have always assumed belonged, at least, partially, to the State. Mr. Weinberger went on to mention some of these fields, such as water and its control, the matter of the general security of our State government, and the field of civil rights. I think it might be well to emphasize the usurpation of general responsibility for the general security of our State government by the Supreme Court decision in *Pennsylvania* v. *Nelson*. As you will recall, in the Nelson case—and I am now quoting Mr. Weinberger—"the Supreme Court agreed to reverse a conviction of an acknowledged member of the Communist Party under the Pennsylvania State Sedition Act. The Supreme Court held that the various Federal acts, the Smith Act, the Internal Security Act, and the Communist Control Act, required the inescapable conclusion that the Federal Government intended to occupy and legislate in this field exclusively and, consequently, there was no room left for the State governments to act. This conclusion may have been inescapable, but it certainly was unexpressed by the Congress in any of those Federal acts."

I cannot help but express grave concern over the tremendous efforts that seemingly have been made, and are still being made, to safeguard the so-called civil rights of avowed Communists by agencies of Government and by many individuals who do not seem to concern themselves about the rights of many millions of people who live in the South to live and to pursue their vocations in accordance with the 10th amendment to the Constitution. In this connection, I was very shocked to read of the recent meeting of the Communist Party of America in New York City where one of the bold declarations promulgated by that small body of traitors was "to democratize the South." This heinous and vile implication merely emphasizes the point that we in the South have been making for years, and that is that the Communist Party has always determined to stir up strife and dissension between our races, not only of course, in the South but throughout all parts of the country. I never have, and I never will, follow the leadership of the Communist Party, in this area or in any other area of activity. I know this to be the true feeling of the members of this committee. Yet, I am constrained to observe that if this so-called civil-rights legislation were passed, that the rights of Communists would be greater than the rights of American citizens who would find themselves in litigation being required to pay costs and counsel fees whereas the accuser would have his costs paid by the Federal Government.

This so-called civil-rights legislation in my opinion is another Sherman's march to the sea. Rather than granting civil rights to a majority of our people, in my opinion it would deny basic civil rights to a majority of our people.

I should like to analyze H. R. 627, 84th Congress, 1st session, as reported, which is identical to H. R. 1151, 85th Congress, 1st session, and to point out the reasons why I oppose this legislation. I realize, of course, that this committee has not agreed upon any final bill to report, but I am assuming that the principles of these two bills will be embodied in any final bill considered by the committee.

Returning to the analysis of these two bills, and in particular H. R. 1151, part I establishes a Commission on Civil Rights. This Commission is to be composed of six men and will operate in the executive branch of the Government. The Commission will be appointed by the President with the consent of the Senate, and it is specified that not more than three at any one time may be members of the same party. Four members will constitute a quorum. Members of the Commission not in Government service will receive $50 per day actual travel expenses and $12 per diem in lieu of actual subsistence, while members in Government service will receive actual travel expenses and $12 per diem in lieu of actual subsistence.

The duties of the Commission will be (1) to investigate allegations that citizens are being deprived of the right to vote or are being subjected to economic pressure because of color, race, religion, or national origin; (2) to study and collect information on economic, social, and legal denial of equal protection; (3) to appraise Federal laws and policies respecting equal protection of the laws; and to submit interim reports to the President and a final report of activities, findings, and recommendations not later than 2 years from date of enactment. The Commission shall cease to exist 60 days after the submission of the final report. The Commission may appoint a full-time staff director and other personnel subject to civil service and classification laws, and procure services of individuals not in excess of $50 per diem under title 5, United States Code, section 55a. They may accept services of voluntary, uncompensated personnel and pay actual travel and subsistence expenses (or per diem of $12 in lieu of subsistence). They may constitute advisory committees and consult with State, local, and private organizational representatives. Federal agencies are to cooperate fully with the Commission. The Commission or subcommittees of not less than 2 members, 1 of each party, may hold hearings, issue subpenas over signature of Commission or subcommittee chairman for attendance and testimony of witnesses and production of records. Upon application of the Attorney General, Federal district or territorial courts shall have jurisdiction to issue order requiring a person guilty of contumacy or refusal to obey a subpena to appear before the Commission or subcommittee, and failure to obey such order is punishable by contempt proceedings. The necessary funds to carry out this act are authorized to be appropriated out of any nonappropriated money in the Treasury.

My opposition to this part 1 of the proposed legislation is based in the first place on the fact that this Commission would be authorized to investigate election matters over which I believe the Federal Government has no constitutional authority. The authority of the Federal Government concerning right to vote is distinctly limited. It is generally considered unconstitutional except as defined by the 14th and 15th amendments. (See *Minor* v. *Happerset* ((1874) 88 U. S. 162)), *Ex Parte Yarbrough* ((1884) 110 U. S. 651) to effect that right to vote federally created, is dicta. There is no authority to investigate unwarranted economic pressures on right to vote. This issue was decided in *Hodges* v. *United States* ((1908) 203 U. S. 1).

I should like to point out that this work of the Commission seems to me to be contradictory to the rest of the bill. Congress should wait for reports of the Commission before proceeding with passage of legislation.

I am further opposed to this part 1 of the proposed legislation, because I do not believe the Commission should have the power to subpena any person to appear and testify at that person's expense. Even the Committee on the Judiciary of the House, Mr. Chairman, which has jurisdiction over this bill, has no subpena power in civil rights matters. It is my earnest conviction that if this proposed legislation were passed giving the Commission subpena power that citizens of America would have less rights than Communists, who cannot be cited for contempt unless the appropriate body of Congress gives specific approval.

The second part of the legislation provides for an Attorney General who will be a new Assistant Attorney General appointed by the President with the consent of the Senate. Compensation of this new Attorney General will be the same as present Assistant Attorneys General. This new appointment is, of course, based upon the assumption that a new Civil Rights Division will be created under the direction of this additional Assistant Attorney General.

I am against this part of the bill because in my opinion this is an attempt to invade the States and subdivisions in matters relating to integration, education, and primary elections. I am furthermore constrained to note that there is less need for a Civil Rights Division, based on workload, than for any other division in the Department of Justice. For example, I believe that the deportation of aliens who have been illegally admitted to this country is a far greater problem than a Civil Rights Division. I repeat again what I said before: I think this piece of legislation is one which will be used as a punitive measure against the South and one out of which many members of both our great political parties are hoping they can gain voting members.

Part 3 of the proposed legislation would strengthen the civil rights statutes and do many other things. Section 121 amends section 1980, Revised Statutes (42 U. S. C. 1985). The present statute prohibiting conspiracy to interfere with civil rights has added the following new section: "The Attorney General may institute for the United States, or in the name of the United States for the benefit of real party in interest, a civil action or other proceeding for redress, permanent or temporary injunction, restraining order, against any person who have 'engaged or are about to engage in any acts or practices' giving rise to a cause of action under presently existing sections which—

"(1) establish civil liability against 'two or more' persons who conspire to interfere with a United States officer in the discharge of his duties and as a result injures another or deprives another of his rights or privileges as a United States citizen;

"(2) establish civil liability against 'two or more' persons who conspire to intimidate or injure parties, witnesses, or jurors in Federal court actions or conspire to obstruct justice in State court actions with the intent to deny any citizen equal protection of the law, if it results in injury or deprivation of a person's rights or privileges as a United States citizen;

"(3) establish civil liability against 'two or more' persons who conspire or go in disguise on the highway or premises of another to deprive another of equal protection of the law, equal privileges or immunity under the law,

or the right to vote for Federal officer, if such action results in injury or deprivation of another's rights or privileges as a United States citizen."

New section 3 states that district courts given jurisdiction without regard to whether aggrieved party has exhausted administrative or legal remedies.

Section 123 amends title 28, United States Code, section 1343, as follows: Catch line to read: "Civil Rights and Elective Franchise."

Adds new section (4) giving Federal district courts original jurisdiction of civil action to recover damages, equitable, or other relief for abuse of civil rights, including right to vote.

Mr. Chairman, I am very much opposed to this part 3 of the proposed legislation. It is inconceivable to me that the Federal Government should be permitted to go in the business of paying costs and counsel fees for the benefit of a real party in interest and yet insist that the defendant in the case whether finally adjudicated guilty or innocent should have to pay all of his costs and counsel fees. I cannot see for the life of me how such a procedure could be deemed constitutional. Is this not giving certain groups of citizens free legal representation and denying other groups of citizens that same privilege? It is not inconceivable that will-o'-the-wisp rumors will descend upon the household of some innocent citizen and he to clear his name and protect his honor will have to deprive himself of all of his material possessions and yet the accuser enjoys the vast resources of the United States for his prosecution. This is tyranny at its worst. This is the despotism of fascism and communism. This is not the expression of our form of government which regards that all men are equal before the law. In fact, Mr. Chairman, I emphasize that if this proposed legislation were passed, all men in America would not be equal before the law. Prosecutors would have the great advantage. The defendant would be denied his constitutional rights of equal protection under the law.

I am opposed to this section of the proposed legislation because the Attorney General should not be permitted to institute litigation without the knowledge or consent of the real party in interest, regardless of the insistence of various pressure groups. This proposed legislation does not great the accused the rights that are constitutionally his.

One of the most outrageous suggestions of part 3 is the fact that district courts be given jurisdiction without regard to whether the aggrieved party has exhausted administrative or legal remedies. Existing law (Peay v. Cox (1954) 180 F. 2d 128) requires the exhaustion of State administrative remedies before resort is had to Federal courts. The last vestige of States rights would be taken away if this legislation were passed. In my opinion tyranny would inevitably result.

Part 4 of the proposed legislation amends section 2004, Revised Statutes (42 U. S. C. 1971) which guarantees the right to vote without regard to race, color, or previous condition of servitude, as follows: It adds a new subsection (b) prohibiting any person acting under color of law or otherwise to intimidate, threaten, coerce, or attempt to do so, any person, to interfere with his right to vote as he may choose for President, Vice President, electors, Senators, Representatives, Delegates, or Commissioners from the Territories or possessions, at any general, special, or primary election.

A new subsection (c) is added which states that the Attorney General may institute for the United States, or in its name for benefit of real party in interest, a civil action or other proceeding for redress, permanent or temporary injunction, or restraining order against any person who has "engaged or is about to engage in" any act or practice depriving a person of the rights secured by subsections (a) and (b), and that the United States will be liable for the costs.

A new subsection (d) is added which gives the district courts jurisdiction without regard to whether aggrieved party has exhausted administrative or legal remedies.

Many of the arguments against this section apply to previous sections of the proposed legislation. The regulation of voting is traditionally a function of the State. Federal intrusion, except as defined in the 14th and 15th amendments is unconstitutional. Please note case *Minor v. Happersett* ((1874) 88 U. S. 162, 177); *U. S. v. Reese* ((1875) 92 U. S. 214, 217-218). In the case *Peay v. Cox* ((1954) 180 F. 2d 128) it was clearly stated that there should be an exhaustion of administrative remedies because of commonsense. Unless the State can control its voting regulations there is no balance of power between Federal and State sovereignty. Subordinate State officials should be corrected by State officials if they err.

I believe if this bill were passed it may be held that Congress has preempted the field of suffrage. We therefore would have said to us that as States we cannot legislate in the field now not only of sedition, water control, and in other important matters, but we cannot legislate in the field of voting. If this legislation were passed, in my opinion, State election officials will be harassed by endless suits, by the Government, by pressure organizations and individuals.

Mr. Chairman, I am not a lawyer, but I have sought capable advice on the legal aspects of this great issue. I have tried to study thoroughly the various provisions of these so-called civil-rights bills. I am more convinced than ever as a result of this study that no greater disservice could be made to America than to pass this so-called civil-rights legislation. I urgently implore the members of this great committee to kill this proposed legislation in committee, which I sincerely believe for the sake of America ought to be done. It is my firm opinion that we have sufficient laws on the statute books at the present time to enforce properly the civil rights of our people. I think that this superduper piece of legislation is not necessary, is an unwarranted invasion of States rights, will be used as a political instrument to get votes, and will do more to tear our people apart than any piece of legislation which has been considered in Congress since I have been a Member. Thank you again for permitting me this opportunity to testify before you.

Curtailing Power of Judges

EXTENSION OF REMARKS

OF

HON. J. EDGAR CHENOWETH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. CHENOWETH. Mr. Speaker, I am sure the Members of the House will be interested in an editorial that appeared in the Gazette-Telegraph in Colorado Springs, Colo. This editorial refers to a bill introduced by our colleague from Georgia [Mr. FLYNT, Jr.] relating to the power of judges to punish for contempt.

CURTAILING POWER OF JUDGES

We have previously mentioned the incredible power of the court respecting matters of contempt. The American system of jurisprudence, based as it is on both English law and English precedent, has it that the power of the court is traced directly from the Crown. There is a certain royal prerogative which still clothes our judges which prerogative is considered to flow directly from the monarch.

While we do not question this, insofar as British law is concerned, it seems to us a travesty on American independence that American law still contains a holdover from the alleged divine right of kings.

It is particularly noticeable in matters of contempt, since a judge is deemed a law unto himself and can, if he so chooses, cite an individual for contempt of court even when that individual is not in court and not a party to the matter at trial.

The recourse to be had by the cited individual is meager. He cannot be heard before a jury. He is given a chance to present his defense under oath, but the decision of the judge is final and the power of the judge is so great that the luckless cites can find himself fined or imprisoned simply because he exercised what he presumed to be his constitutional right of free speech.

Now it does happen that on at least one occasion the Supreme Court of the United States decided that cases of contempt against citizens not in the court nor privy of the court's findings, could not be valid. This matter was reported in same detail in U. S. News & World Report for February 15 under the heading of "How Much Power Does a Judge Really Have" It makes interesting reading.

Nonetheless, while the Supreme Court did reserve itself in this one instance, there is no reason to believe that it would do so again, and some steps ought to be taken to curtail this unbridled display of power.

Fortunately, others than ourselves have noted this latent potential for tyranny. The Honorable JOHN J. FLYNT, Jr., a Representative to the Nation's Congress from Georgia, has recently introduced a measure in the House which, if approved, would serve to curtail the unbridled use of force which presently pertains.

In presenting his measure, Congressman FLYNT stated: "Nothing in the bill is designed or intended to prevent any court from summarily punishing for contempt any person guilty of a contemptuous act or otherwise creating any disorder in the courtroom or in the presence of the court * * *.

"It does not take away from any court or any judge the right to maintain order and decorum within the courtroom nor does it deny to such court or such judge the right to punish willful violations of the terms of any order, mandate, writ, process, rule, decree, or command of the court.

"It does, however, provide that no American citizen shall be fined or imprisoned or both for an act of contempt of court committed outside the presence of the court and involving a proceeding to which he was not a party until a legally qualified and impartial jury passes upon the question of his guilt or his innocence."

Congressman FLYNT is to be congratulated for making the proposal he has. While we owe much to British law for our understanding and functional employment of due process in an effort to attain justice, we owe nothing to the British Crown, nor should any of our laws or regulations be based upon a presumed inherent right of the Crown to decide arbitrarily against a citizen who may differ from the opinion of the judge in a given case.

We were particularly pleased with this statement, also from Congressman FLYNT:

"The test of all legislation is not what a good and wise man might do with it; the necessary test to be applied is what a bad man can do with it. Absolute power, whether vested in an executive officer or in a judicial officer, is a dangerous thing and would most certainly destroy our framework of government and the basic guaranties of individual liberties which are spelled out

in the Constitution of the United States and I believe in the constitutions of all 48 States."

We have great hopes that the Congress will pass this needed revision to the powers wielded by courts. It is completely contrary to the spirit of our laws that any man, regardless of his office, shall have arbitrary power over another man simply because the one may choose to criticize the other. We hold the right to criticize as an inviolable portion of freedom of both speech and press.

Feed Grain Price Supports and the Size of the Federal Budget

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. PELLY. Mr. Speaker, it is being said that everybody is for economy but no one will say where the budget should be cut.

I am one who has urged a reduction in Federal spending, and thus far 69 other Members of the House of Representatives have responded to my invitation to join in a letter to the Committee on Rules in support of the objectives of House Resolution 170 which would set a limit on appropriations.

In my case, however, I have not only supported the principle of this resolution but I have spoken out as to certain areas where Federal spending might be held within certain limitations. I have said, as is obvious, that there are certain fixed obligations of the Government such as interest on the Federal debt, which cannot be cut. Furthermore I am not in favor of curtailment of normal functions of Government, and as I stated when I appeared personally before the Rules Committee I will always support a pay scale for Federal employees which is in line with private business.

Notwithstanding, Congress has two general areas of governmental expenditures which are flexible—defense and foreign aid. These latter two must be fitted into some overall pattern in relation to fiscal responsibility. I do not think a meat-ax operation is desirable, but we all know of instances of extravagance and waste, and I am hopeful the Committee on Appropriations will eliminate as much of this so-called fat as possible.

One spot we could cut spending is our own swollen legislative budget. Why not call off construction of the new office building? We can get along without it.

Another area for reductions is the farm program. I voted last year for the soil bank; but with great misgivings. My conscience told me I was right, but I wondered if possibly the high sense of right and wrong influencing the decision was completely separated from the sense of what was politically right and politically wrong.

The American farmer can take care of his natural enemies such as oversupply by planting less, but who is to deliver the same farmer from his friends who would kill him with kindness and other people's money.

Last week, Mr. Speaker, prior to the consideration of H. R. 4901, the price-support program for feed grains, I went on record as opposing this legislation. Now again I call attention to the fact that this bill, H. R. 4901, would increase the authorized spending over and above the Eisenhower budget—the very budget we seek to reduce.

Of course I do not think the public has any idea of the amount the farm program costs. For example, H. R. 4901 will cost nearly $1 billion a year. I think just the corn part of the bill will cost that. Why, I thought it was pretty shocking that since April 1954, or in just short of 3 years, the price-support program on corn alone has resulted in a loss of $261 million to the American taxpayer. On top of that we are asked to legislate an emergency program on corn to cost almost $1 billion a year. Add all this to the loss in supporting prices of the other basic commodities—in the case of wheat a 3-year loss of $556 million—and it is no wonder that Government spending increases.

Mr. Speaker, the happiest year of my boyhood was on a farm, and I have never ceased to feel that farmers and farm families are wonderful people. But my adult years have been in urban life, and I know that folks who live on and by the soil have no monopoly on worthy qualities of human character and good citizenship. Nor does the rural population have an exclusive burden of problems such as the acreage allotment plan under H. R. 4901 would attempt to eliminate. Every time Congress passes legislation to limit farm production and thereby raise prices, similar to this corn and feed control measure, the city wage earner faces an increased responsibility of paying in part directly, in part indirectly, for the plan. It is robbing Peter in the city to pay Paul on the farm, because not only are Federal taxes increased but also the higher cost of the product is reflected in the cost of food. Because he grows much of his own of the latter, the farmer pays less proportionately of the cost. In fact, the inflation which results from these agricultural programs hits the wage earner and older retired people while the farmers' land and produce will adjust in value. Furthermore real estate taxes on farms are rarely comparable to city homes or businesses, and while work on the farm is hard in cases such as with the wheat growers, it is seasonal. The farmers increasingly spend the winter months in Florida and California. So frankly I do not think all farmers are entitled to too much sympathy as against other worthy groups such as small-business men and workers in cities and towns.

Furthermore programs where the individual gets the profit if there is one while Uncle Sam takes any loss are not my idea of free enterprise. Nor can I comprehend why we support the price of tobacco at all. But be that as it may, the urban dweller and wage earner in the city—not the farmer—is more the forgotten man in my book.

Thus, Mr. Speaker, I suggest we reduce Federal expenditures by stopping the plowing under, painting potatoes type of legislation. Let us remove peanuts, for example, as a basic crop. Does the public realize the price-support program on peanuts has cost $133 million and that the Commodity Credit Corporation has loans on 131,652 tons of peanuts? This on a crop which represents less than one-half of 1 percent of the national farm income. All the housewife knows is she must pay 45 cents a pound for peanuts. Naturally the consumption has gone way down. Do the taxpayers want their tax dollars used this way to boost the price of these nuts to themselves?

If the public had the facts, the size of the budget would come down. And then taxes and the size of the national debt would follow suit. On the other hand the buying power of wages would go up.

Now, Mr. Speaker, returning to the immediate matter in hand, namely H. R. 4901, I urge, in the interest of the housewives of America, the defeat of this costly and inflationary measure. Vote against another increase in the family cost of poultry, pigs, and food bills—against a rise in the people's taxes, too.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

Thursday, March 7, 1957

Mr. ANFUSO. Mr. Speaker, March 25 of this year marks the 136th anniversary of Greek Independence Day, which goes back to the year 1821. Because of the present international situation and Greece's role as a military bastion of NATO, this anniversary takes on added significance.

After some 400 years of Turkish rule and following 21 fruitless attempts to gain their independence, the people of Greece made yet another attempt in 1821 when they revolted against their Turkish oppressors. It was a bitter struggle which lasted for 3 whole years from 1821 to 1824. Despite the fact that the Turks were then at the height of their power, the revolt of the Hellenes for freedom proved successful. Several great European powers of the time, notably, Great Britain, France, and Russia, aided the Greek people in their struggle for national freedom.

The American people, too, have always supported the independence of Greece. In turn, Greece has traditionally and consistently been one of our staunchest allies.

The people of Greek origin, who inhabit the island of Cyprus, today seek to gain their freedom from British colonialism. They desire to have the right to decide their own political future, which Great Britain has repeatedly denied to them. This desire on the part of the Greek Cypriotes, a highly civilized and mature people, is nothing new or recent. It is a struggle which has been going on

for nearly eight decades, since the British landed on the shores of Cyprus in 1878.

When the British first arrived there, the people of Cyprus welcomed them with open arms as saviors after centuries of domination by the Ottoman Empire. The English were told by the Archbishop of Cyprus that he hoped they would follow up their great work of deliverance of the Cypriotes from the Turks by bringing about the one thing which the people of Cyprus desired most, that is, union with their motherland Greece. Thus, from the very beginning, Britain was aware of the political aspirations of the people of Cyprus. Those aspirations still remain to be fulfilled. Britain still controls Cyprus, and the Cypriotes are still striving for freedom.

It is sometimes asked: Why should Cyprus join Greece? It is a known fact that 82 percent, or 400,000 Cypriotes living on the island, are Greek in ethnic background, Greek in culture, and of the Greek Orthodox faith; they are also Greek in heart, Greek in nature, and Greek by birth.

It was only after all efforts of the people of Cyprus had failed to persuade the British to grant them the opportunity to choose their own form of government that the Greek Government intervened in their behalf. Greece has merely asked that the people of Cyprus be given the right to decide for themselves as to who should govern them. There would be no real validity to a Greek claim for sovereignty unless the Cypriotes voted for union with Greece, commonly referred to as Enosis. Greece has never claimed Cyprus, but merely asks for self-determination by its people. The Cypriotes think of freedom and independence in terms of self-determination and unity with the rest of the free Hellenic nation.

During World World I, Great Britain offered Cyprus to Greece on the condition that Greece join in the war against Germany. At the moment the offer was made Greece was in no position to enter the war, but it did so later and fought on the side of the Allies. The British subsequently claimed that their offer concerning Cyprus had lapsed.

During World War II, Italy had asked Greece in 1940 for the right of passage in order to occupy certain strategic ports, but Greece refused to do so. When the Germans joined forces with the Italians against the Greeks, the latter failed in their efforts to hold them off for very long, although they had succeeded in doing so for about 2 months. Nazi General Keitel later admitted at the Nuremberg trials that if the Germans had not been forced to send so many of their men against Greece the result of World War II would have been in favor of the German Army.

Since 1878, when Cyprus came under domination of the British, the people of Cyprus have never been able to organize their own political parties, and they have had little or no opportunity to participate in the government. Only on the very lowest levels of municipal government have the Cypriotes been permitted to participate in formulating any decisions.

Great Britain claims that she needs Cyprus, in view of the loss of her military base in the Suez Canal zone. Greece does not dispute the need for a base. In fact, Greece has offered to Britain not only the retention of its bases on Cyprus, but has also offered bases in Greece itself, provided Cyprus is given her freedom.

Meanwhile, the fighting in Cyprus continues. There is needless bloodshed. But the people of Cyprus, in their desire for a government of their own choosing, say:

Better 1 hour of freedom than 40 years of slavery and imprisonment.

On the occasion of Greek Independence Day it is worthwhile remembering these words.

Mr. Speaker, I understand also that in connection with this year's celebration of Greek independence an American Queen of Greek extraction is going to be chosen on March 29, 1957, at Manhattan Center in New York City. I have the honor to be one of the judges of this contest. It is my sincere wish that the selected Queen should make a tour of the NATO nations espousing the cause of Cyprus independence.

Statement of Hon. W. M. Abbitt, of Virginia, Before the House Committee on Education and Labor in Opposition to Pending Legislation Providing Federal Aid for School Construction to the Localities

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. ABBITT. Mr. Speaker, on Tuesday, March 5, 1957, I appeared before the Bailey subcommittee of the House Committee on Education and Labor in opposition to the so-called Federal-aid-to-school-construction bills.

Under leave to extend my remarks, I herewith include the statement I made to the committee:

STATEMENT OF HON. W. M. ABBITT, OF VIRGINIA, BEFORE THE HOUSE COMMITTEE ON EDUCATION AND LABOR IN OPPOSITION TO PENDING LEGISLATION PROVIDING FEDERAL AID FOR SCHOOL CONSTRUCTION TO LOCALITIES

Mr. Chairman, I appreciate the opportunity of appearing before your committee in opposition to the so-called Federal-aid-to-education school-construction bills.

This is a most important question. As a matter of fact, it is one of the most important problems facing the people of our country today. It seems to me that a decision must be made by our people. Sooner or later we must decide whether the public schools are to be operated, maintained, and controlled by localities and the States or whether our schools will be turned over to the Federal Government.

The schools of this great country of ours have been a great bulwark for our way of life. They have been the foundation stone of our democracy. We can but know that, if the Federal Government gradually takes over the financial burden of our public schools, so will they gradually take over the control. It is not possible to distribute Federal funds for education without the imposition of an increasing measure of Federal control in matters of educational policy. Local control of education is fundamental to the American type of democracy. It is necessary that education be adapted to local needs. It is necessary that we have a sense of local responsibility for its successful execution. To remove the responsibility of educating our children from the local level will necessarily and unavoidably greatly weaken democracy at the grass roots. The separation of education and the Federal Government, so far as primary and secondary schools are concerned, is as important as the principle of separation of church and state. For many years there has been a general trend toward centralization of power in Washington. There is now an all-out effort to federalize the schools and nationalize the lives of all American citizens.

The present proposal to have the Congress appropriate Federal funds for the construction of local schools is but a step toward the realization of turning over the public-school system to the Federal Government. Many people supporting this legislation will not admit this is true, but the vast majority of its supporters are those who desire the concentration of power in Washington and the centralization of all government at the National Capital. All of us believe that adequate education of American youth is essential to the preservation of the Republic and to the welfare of the Nation. I am convinced that this opportunity can be provided by local communities and States more satisfactorily and more equitably to both than by the Federal Government.

It is most important that local control of our schools remain as it is at present. This will be impossible if we allow the Federal Government to stick its long nose into the financial responsibility of educating our children. If we are to remain a free people, if we are to retain our way of life as we know it, it is necessary that control of our public schools remain at the local level. There is no such thing as Federal aid without Federal control.

Mr. Chairman, I oppose this bill for a number of reasons. First, as I have tried to point out, it is absolutely necessary that the control of our public schools remain at the local level. Not only that, but the citizens in a democracy have certain duties and obligations that they must perform. In my opinion, it is the duty and obligation of the localities and the local citizens to maintain public education. Education of our youth is a function of the localities and not of the Federal Government. I am convinced if we permit the Federal Government to subsidize our public schools generally then we will lose control of the schools so far as the localities and communities are concerned.

Next, I would like to say that the localities and the States are adequately financially able to provide the necessary educational opportunities for the youth of this great country of ours. The States are far better off financially than is the monstrous Federal Government today. There are those who would have us believe that the States are not able financially to carry on the proper educational program to meet the needs of our youth. They contend that the Federal Government has the financial ability to undertake this great task. Unfortunately, nothing is further from the truth. Sadly enough, the national debt now amounts to more than eight times State and local indebtedness. The Federal Government has a national debt of approximately $275 billion. Apparently, there is no hope in the foreseeable future that this debt will be reduced in any appreciable amount.

It is saddening to see on all sides grasping bureaucrats and people who believe in centralized power trying to reach out on behalf of the Federal Government to continue to take over functions and obligations of the States and local communities. We are now at the crossroads. We are about to see this country embark on a gigantic long-time journey into the field of local public education. It is disheartening to me to see this administration sponsor such a program.

Truthfully, the 1958 budget of the Federal Government is such a bizzare combination of fantasy, mystery, and irresponsibility that it alone should convince any individual person of the necessity and urgency of stopping the growth of the Federal octopus. This program will simply add another tentacle to the octopus Federal monstrosity. To those people who say and apparently earnestly contend that the States are unable financially to carry on the proper and necessary educational program for the future welfare of our youth, I desire to call to their attention a most enlightening report by an outstanding committee.

By authority of an act of Congress, there was appointed in 1954 a Commission on Intergovernmental Relations. Fifteen members of the Commission were appointed by the Chief Executive, 5 by the Speaker of the House and 5 by the Vice President. It was the duty among other things of this Commission to make a painstaking study and report on the functions of the Federal Government in various fields of activities. This Commission appointed various study committees to look into and to study particular phases of activity. One such committee was appointed to make a thorough study and report on Federal responsibility in the field of education. This committee was composed of many able American citizens. They made an actual painstaking study of the problem of education, the responsibility of various segments of our society in this field as well as the ability of the several political divisions to carry out the necessary and proper educational programs. A very fine report was made by this committee on October 19, 1954. I am very much surprised indeed that the present administration should apparently discard such a splendid report from such an outstanding group of men from almost every walk of life in this great Nation of ours.

The Study Committee on Federal Responsibility in the Field of Education as selected by the Inter-Governmental Relations Commission was composed of 15 members; Adam S. Bennion, of Utah, as chairman. Mr. Bennion is a leader in the Mormon Church and a close friend, as I understand it, of Secretary Benson. Other members of the study committee included Thomas G. Bousfield, of Richmond; Samuel Miller Brownell, brother of the Attorney General, and since Commissioner of Education; A. Boyd Campbell, a Mississippi businessman; Alfred E. Driscoll, former Governor of New Jersey; Oscar A. Eberhardt, chairman of the St. Louis School Board; Mr. T. Norman Hurd, director of the budget of the State of New York; Edward H. Litchfield, dean of the School of Business Administration at Cornell University; Carl J. Hegel, president of the American Federation of Teachers; Mrs. H. M. Mulberry, a member of the Chicago Board of Education; Very Rev. Msgr. Thomas J. Quigley, of Pittsburgh; Hubert H. Race, of the General Electric Co.; Roy E. Simpson, superintendent of public instruction of the State of California; Paul D. West, superintendent of Fulton public schools in Atlanta, Ga.; Henry H. Wriston, president of Brown University. The director of research and adviser for the committee was Roger A. Freeman, who has since written a book on the subject.

This study committee, after a most careful study of the financial problems facing this country and a painstaking analysis of the responsibilities of education of our youth, has pointed out in no uncertain terms that the duty and obligation to educate the youth is a direct responsibility of the localities and the States. They have also in no uncertain terms found as a matter of fact that "the general conclusion is that Federal aid is not necessary either for current operating expenses for public schools or for capital expenditures for new school facilities. Local communities and States are able to supply both in accordance with the will of their citizens."

I heartily concur in the conclusion of the study committee and commend them for a most enlightening report, as well as for the outstanding job that they did. This study should be read carefully by every Member of Congress who is really interested in the welfare of this country of ours.

I would like for this administration to inform the people why it has cast into the wastebasket such a valuable report from a group of outstanding citizens.

I hope, Mr. Chairman, that the legislation now before this committee which provides for Federal aid to the localities for the construction of schools will not be recommended for passage by your committee so that the localities may retain control of the schools and continue with their duties and responsibilities for the education of our youth, as they are amply financially able to do.

Critical Shortage of Teachers—Tempering Mercy With Justice for Servicemen

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. ASHLEY. Mr. Speaker, I am today introducing two bills, one designed to meet a critical situation facing our entire Nation and the other to temper mercy with justice for thousands of American servicemen, past and future.

The national problem to which I allude, Mr. Speaker, is the critical shortage of teachers, both in our secondary schools and our colleges and universities.

A recent survey reveals that we will need 1,904,889 new teachers by 1965 to replace those who die or leave the profession, and to meet increased enrollments. If this need is to be met, one-half of all college graduates expected during the next decade will have to enter the teaching field.

I recognize, of course, that there are many reasons and factors behind our present shortage of teachers. Not the least of these is the low-salary structure which prevails in all but a few States of the Union. But another factor contributing to this shortage is the inability of thousands of qualified high-school graduates to pursue a higher education and to enter the teaching profession.

The Commission on Human Resources in Advanced Training has estimated that of all high-school students with an I. Q. of more than 130, only 56 percent go to college, and only 47 percent graduate.

If we drop slightly down the scale to those with IQ's of 120 or more, only 47 percent go to college and only 37 percent graduate. Yet the Armed Forces regard all with an IQ of 110 or higher as fit material for officers candidate school.

If we apply these percentages to our college-age population, which is defined by the Bureau of Census as 18–24 years of age, we find that there are approximately 2,900,000 young people in this age group. Under present circumstances, only 1,100,000 will enter colleges and only slightly more than 410,000 will earn degrees. This represents a loss of nearly 2 million young people with IQ's higher than 120 who will not complete college.

There can be no question whatever that many of these scholastically able young people fail to enter or remain in college simply because they are financially unable to do so.

I think that it has also become abundantly clear that the amount of private assistance now available to prevent this colossal waste is far from adequate and that the need can only be met by governmental action.

For this reason, I have introduced a measure today, establishing a national scholarship program.

One of the provisions of my bill would create 50,000 scholarships a year for the next 10 years for students entering the field of education. Before the bogey of Federal control of education is raised, let me point out that this is often only a smokescreen raised by those who are reluctant to act. We have seen during the administration of the GI bill of rights that Federal financing of a student's college education has not resulted in Government control over the policies or curriculum of our colleges and universities. To administer the program of scholarships, there would be created in the Department of Health, Education, and Welfare the position of Director of Scholarships and a Board of 16 drawn from the professional field who would set standards for the recipients of scholarships, making tuition payments direct to the various institutions, and make subsistence payments direct to the qualifying students. Scholarships would be divided on a statewide basis in proportion to the number of high school graduates in each State.

Directly related to the teacher shortage is the equally critical shortage in trained personnel in the scientific fields. The reason for this is not difficult to find. Twenty-three percent of our Nation's public high schools offer no courses in physics and chemistry. During 1954–1955, a total of 7,900 science teachers were needed, but only 3,600 were trained, and of these only 1,700 actually entered the teaching field. According to the National Education Association, the output of science teachers has declined 57 percent from 1950 to 1955. This at a time when science and technology are the very cornerstones of our security and our hope for peacetime prosperity. Yet, how can we expect our young people to become interested in the further study of science when they have been given no chance of becoming acquainted with it.

The second provision of my scholarship bill provides for 20,000 undergraduate scholarships a year for 10 years for qualified students in the field of science.

The president of Massachusetts Institute of Technology, J. R. Killian, Jr., stated in a recent article for Life magazine that our shortage of scientists has become the "best advertised shortage of our time" because of the well-known fact that Russia has been producing more trained scientists than has the United States. Mr. Killian went on to propose a series of national scholarships to meet our emergency needs. He did prefer to have these scholarships financed by private sources, but he also felt that until private funds were available the Federal Government should do something to fill the partial vacuum. I certainly agree with Mr. Killian.

Because quality is as important as quantity, my bill also sets up 5,000 postgraduate scholarships a year in the field of science. This should enable some of our gifted students to continue their education rather than face the necessity of having to accept positions after receiving their B. S. degree. Mr. Speaker, we have every reason to be proud of the men and women whom we entrust today with the education of our children. They are doing an extraordinary job under difficult circumstances. But they need help—and the help of tomorrow must be trained today.

Similarly, Mr. Speaker, we must face squarely the fact that the scientific demands of our Nation in this highly technological era are falling upon too few shoulders. It may be no exaggeration to say that the outcome of the cold war and America's continued leadership may well depend upon how squarely we face the challenging task before us. For this reason, I sincerely hope that the House Committee on Education and Labor will consider my proposals as soon as possible. In the life of both people and nations, there comes a time for decision and action. With respect to our future teachers and scientists, that time is now.

Mr. Speaker, I am also pleased to join in the sponsorship of a measure which will direct the Department of Defense to take a second look at the "less than honorable" or "other than honorable" discharges which have been and are proving an albatross around the necks of tens of thousands of former American servicemen.

This bill proposes to amend existing statutes which do not authorize any of the military review or correction boards to take into consideration as a ground for correcting military discharges that a former serviceman has rehabilitated himself in civilian life. The bill authorizes an application before the appropriate military board for an individual not less than 3 years after he has been dismissed or discharged from the military under other than honorable or under less than honorable conditions endeavoring to establish to the satisfaction of the military board by oral or written evidence or both that such individual has rehabilitated himself in civilian life and that his character and conduct and activities and habits have been good for a reasonable time; in no event not less than 3 years after his original discharge.

The military board is directed to take into consideration each case on its own merits and shall consider the factors involved in the original discharge and dismissals, including the reasons for the nature of the original discharge or dismissal.

Applications and reapplications may be filed at any time beginning after 3 years from the date of original discharge.

The bill provides that no Government benefits shall be afforded any individual who may be issued a new discharge or release by the military board upon review of his application.

If the military board corrects and changes the type of original discharge it shall be dated back to the date of the original discharge and the corrected discharge shall be under honorable conditions.

I want to point out, Mr. Speaker, that my bill does not apply where there has been sentence by general court-martial, but only to offenses which would be considered minor or misdemeanors in civilian life.

The clear purpose of this legislation is to give to the thousands of our American servicemen who received any type of discharge from the military, less than honorable, a reasonable opportunity to (a) erase the stigma which automatically attaches to him for a lifetime as a result of receiving such less than honorable discharge; (b) in applying for work and employment to present a type of discharge which will not cause the employer to immediately say "no" because of the type of discharge presented.

It is believed that many thousands of discharges "less than honorable" are given to lads still in their teen-age years and a large number of them administratively and a great number of resignations by teen-agers when under great stress or strain and without due consideration of results.

There can be no question of the fairness of this legislation, Mr. Speaker. In the fiscal year 1955, a total of 655,955 men and women were discharged from military service. Of these were 69,323 who received undesirable, bad conduct, or general discharges—those subject to review under the provisions of the bill which I have introduced.

Further evidence in support of this legislation is found in the fact that in the 5-year period between July 1, 1950, and June 30, 1955, only 561 discharges were corrected or changed by the Boards for the Correction of Military and Naval Records.

One Way To Cut Taxes

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. HOFFMAN. Mr. Speaker, while many agree that the tax burden should be lessened and profess a great desire to lessen it, little if anything has been done to bring about that most desirable situation.

A method of equalizing the tax burden, while at the same time curbing unnecessary spending, was outlined by our colleague, NOAH M. MASON, a Member of the House Committee on Ways and Means, in a talk he made March 3 over the Manion Forum, South Bend, Ind. Mr. MASON's statement reads:

CONGRESSMAN MASON, OF ILLINOIS, PRAISES HOFFMAN AMENDMENT

Dean MANION. One of the most pleasant features of my service with the Commission on Intergovernmental Relations 2 years ago was my association with Representative NOAH M. MASON, of Illinois. Mr. MASON never missed a meeting of the Commission and never failed to make some constructive contribution to the Commission's work while he was present there.

This distinguished public servant has been a Member of Congress for 18 years. He has used his long experience on the important Ways and Means Committee of the House to become an outstanding authority on the subject of Federal taxation. No Congressman knows more about that involved subject than he does and no Congressman approaches it with a more conscientious sympathy for the overburdened American taxpayer.

Congressman MASON's program for tax reform has been widely publicized. I have asked him to explain it to this audience. There is no person in public life for whom I have greater admiration and affection than the Honorable NOAH M. MASON. Here he is.

Congressman MASON. Thank you, Dean Manion, for that nice introduction. Tax revision and tax reduction are the special problems of the Ways and Means Committee of the House of Representatives. Our total taxload is backbreaking. It is a millstone around the necks of all Americans. It is a wet blanket upon every ambitious individual. It is an ever-present roadblock to business growth and development.

One hundred and seventy-five years ago, American patriots insisted that taxation without representation is tyranny. Today, American taxpayers can truthfully say: "Taxation under present representation is ruin."

Our total taxload in this year 1957 will take more than one-quarter of the national income. Not from everyone, for the load is not spread equitably and certain segments of our economy unhappily carry a disproportionate share. No wonder the American taxpayer is today more tax-conscious and—yes—more tax-complaining than ever before in the history of our Nation.

In 1956, the total tax burden that was piled upon American citizens was $99 billion. The Federal Government took $72 billion; the States grabbed $14 billion; and local governments collected $13 billion.

Federal taxes come from 4 different sources: The first and most productive source—and, I may say, most burdensome—is the tax upon the incomes of individuals, ranging from 20 percent in the lowest bracket to 91 percent in the highest bracket. It produces roughly $39 billion—a little more than half of the total—but it raises this stupendous sum at a dreadful cost to family incomes.

The man in the lowest bracket must work 2 months of every year for the Government and 9 months for himself and his family. The man in the top bracket must work 11 months each year for the Government, with only 1 month left to provide for his family and himself.

Our second source is corporation taxes, which take from 30 percent to 52 percent of corporate profits. In other words, a corporation must make $2 profit for a single dollar it can pay its stockholders. It means that most corporations work a little more than 6 months of each year for the Federal Government and a little less than 6 months of each year for their owners.

To our Government's liberal spenders, the corporation tax is very profitable. It brings in about $22 billion a year.

Third among Government sources of income are excise taxes, which are levied upon the value of goods sold and upon certain services rendered. They range up to 10 percent of the cost of articles sold or services rendered, except upon liquor and tobacco, both of which are taxed at much higher rates. The tax take from excises is roughly $10 billion a year.

The fourth source of Federal income is from miscellaneous taxes—taxes on inheritances, on gifts, tariffs, etc. Federal inheritance taxes range up to 70 percent of the total value of an estate. Tariff rates average 5 percent of the total value of goods imported. Comparatively speaking, the miscellaneous taxes can be considered peanuts—about $3 billion each year.

As things look now, the Federal Government will take in about $74 billion in the fiscal year 1957-58—but with a $72-billion budget already before us and an open-handed administration in the saddle, we'll probably manage to spend every penny of it without cutting down our debts or putting aside a few dollars against the rainy day when hair may be curled again as it was in Mr. Hoover's day.

Well, you ask, what can be done about it? I propose three tax reforms to spread the load more equitably:

First, we should place a tax ceiling upon all Federal income taxes, corporate taxes, and estate taxes.

KARL MARX SHOWED THE WAY

One hundred years ago, Karl Marx announced a two-point program for the destruction of capitalism and the promotion of communism. All estates should be confiscated, he proposed, by the imposition of a 100-percent inheritance tax, and a steeply graduated income tax should be levied upon all incomes.

We have traveled a long way down the road to the destruction that Karl Marx laid out. True, we are not taking 100 percent of inheritances, but 70 percent is close enough to confiscation. We are depleting small incomes by one-fifth, and large incomes by nine-tenths, and half the earnings of corporations are pledged to the bureaucrats and not to the stockholders. It is time to call a halt.

You ask: "Can the Treasury stand the loss of revenue that a tax ceiling would bring about?" Judging the future by the past, the answer is an emphatic "Yes."

Set the ceiling at 40 percent and receipts of $55 billion a year would still flow into the Federal Treasury—more money than was ever collected by the Federal Government up until 3 years ago.

My second tax reform proposes to repeal all excise taxes now on the books, except those on liquor and tobacco, and to substitute a flat 5-percent manufacturer's excise tax, uniformly applied to all end products.

Repeal of present miscellaneous excises—except those on liquor and tobacco—would cost the Treasury about $5 billion a year.

Imposition of a flat 5-percent manufacturer's excise tax upon all end products would produce about $5 billion a year to make up the loss—with the following definite advantages:

1. We would get rid of the present hodgepodge, hit-or-miss, inequitable mess of excise taxes—taxes levied without rhyme or reason—and we would lower our present 10 percent level to 5 percent.

2. A manufacturer's excise tax is the cheapest and easiest of all taxes to administer and collect.

3. Such a shift in taxes would tend to equalize the total burden upon all our people, without hurting any one producer or consumer.

A well-balanced, equitable Federal tax system, fair to all groups and classes of people, should collect about one-third of the needed revenue from individual income taxes, about one-third from corporate taxes, and one-third from excise taxes collected at the manufacturer's level.

My third tax reform would bring about tax equality among all business competitors. Corporations now pay up to 52 percent tax upon their earnings. Co-ops, mutual savings banks, savings and loan associations, credit unions and other mutuals—directly competing with taxpayers in practically all lines of business—pay little or no Federal income taxes.

I have introduced in the 85th Congress two bills—H. R. 501 and H. R. 502—which would correct this existing inequity. These bills would establish tax equality as between business competitors. They would bring into the Treasury a very large sum of money—about $1 billion—from sources that are now escaping their fair share of the tax load. They would also make possible a little easement of the load upon business enterprises that are now vastly overtaxed.

As a consequence of the present tax inequality between business competitors, co-ops and various mutuals are able to use the major part of their profits for expansion, for buying up taxpaying enterprises in their own lines of business. Thus, they keep expanding year after year.

CLAIMS CONGRESS CAN TAX CO-OPS

Spokesmen for the co-ops have always claimed that Congress has no legal right to tax co-ops; that co-ops were simply agents for their patrons; that co-ops make no profits in the sense that corporations make profits, and therefore they were not taxable.

This argument of the co-op spokesmen was settled when the greatest tax authority in the Nation, the Joint Committee on Internal Revenue, rendered an opinion in 1951 saying that under our Constitution and laws Congress does have the right to tax co-ops in the same manner and for the same reason that it now taxes corporations.

Briefly, the report of the joint committee entitled "The Power of Congress To Tax Cooperatives on Net Margins," pointed out:

1. Nearly all co-ops are organized as corporations and have corporate charters granted by the various States; therefore, they are taxable corporations.

2. The few not chartered as corporations are "associations." The definition of a corporation in the Internal Revenue Code includes associations; therefore, for Federal tax purposes, they are considered corporations; and

3. For many years Congress has considered co-ops as corporations, and has by legislation exempted them from the corporation tax. If Congress has the power to exempt co-ops from the corporation tax, then Congress certainly has the power to repeal that exemption.

The joint committee, in its report, has settled for all time the moot question raised by the spokesmen for the co-ops. The Congress does have the right to tax co-ops. The real question is: Does Congress have the courage to do so?

I want to say in closing, Dean Manion, the Hoffman amendment—your program for outright repeal of income taxes—and my program to limit income tax rates do not conflict with each other—they supplement each other.

You ask for the whole loaf in the Hoffman amendment. I ask for only about a half a loaf. My tax program has been bogged down in Congress. If you build up enough pressure for outright repeal, it will tend to speed action upon tax relief in general, and my tax program in particular. We can, therefore, cooperate and work together.

Dean MANION. Thank you, Congressman NOAH MASON. Working with you has always been a profitable pleasure and I am sure it will continue to be. You may count upon thousands of people in this audience to help you to help them escape the slavery of ruinous taxation.

SENATE

FRIDAY, MARCH 8, 1957

(Legislative day of Saturday, March 2, 1957)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God: As on this day of world supplication, at a common altar where bow Thy children of every race and tongue, we would tie, as with golden cords of prayer, all Thy children under all skies around the feet of the one God, Father of all, as we pray for the wide field which is the world. In our oneness in Thee, all barriers are burned away, all gulfs of border or breed or birth are bridged as we take upon our lips the Master's prayer: "Thy kingdom come, Thy will be done, in all the earth as it is in heaven."

And so with deep contrition for all our denials of brotherhood, we ask that Thou wilt make us more worthy to belong to the one great family of Thy children and to take our place at the common table of humanity, where the bread of fellowship is broken and the wine of sacrifice is shared. We ask it in the name of the Elder Brother of all men, the Saviour of the world. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, March 5, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT OF 1945—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 111)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States relating to the Anglo-American financial agreement.

An identical message was sent to the House on Wednesday last and printed in the RECORD; without objection, the message now laid before the Senate will be referred to the Committee on Banking and Currency without its being read.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 117) to authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

The message also announced that the House had passed the following bills and joint resolutions in which it requested the concurrence of the Senate:

H. R. 1288. An act for the relief of Ralph Landolfi;

H. R. 1298. An act for the relief of Vincent M. Caldes;

H. R. 1315. An act for the relief of Mr. and Mrs. Charles H. Page;

H. R. 1316. An act for the relief of T. W. Holt & Co.;

H. R. 1324. An act for the relief of Westfeldt Bros.;

H. R. 1325. An act for the relief of Mrs. Bertha K. Martensen;

H. R. 1359. An act for the relief of Mrs. Theodore (Nicole Xantho) Rousseau;

H. R. 1365. An act for the relief of Elmer L. Henderson;

H. R. 1375. An act for the relief of Otto B. Hauffe;

H. R. 1390. An act for the relief of Robert Francis Symons;

H. R. 1400. An act for the relief of Mitsuko A. Hachita;

H. R. 1419. An act for the relief of Mrs. Hannah Mae Powell;

H. R. 1431. An act for the relief of Edward M. Thompson;

H. R. 1440. An act for the relief of Mrs. Elizabeth Bingham;

H. R. 1441. An act for the relief of the estate of Grady Ward;

H. R. 1460. An act for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley;

H. R. 1474. An act for the relief of Mrs. Jennie Maurello;

H. R. 1494. An act for the relief of the Southwest Research Institute;

H. R. 1536. An act for the relief of Allison B. Clemens;

H. R. 1537. An act for the relief of Jacob Baronian;

H. R. 1544. An act to provide for the conveyance of certain real property of the United States situated in Cobb County, Ga., to the trustees of the Methodist Church, Acworth, Ga.;

H. R. 1575. An act for the relief of Col. Adolph B. Miller;

H. R. 1667. An act for the relief of Fred G. Nagle Co.;

H. R. 1672. An act for the relief of the legal guardian of Frederick Redmond;

H. R. 1673. An act for the relief of Bernhard F. Eimers;

H. R. 1679. An act for the relief of Mrs. Kathryn H. Wallace;

H. R. 1689. An act for the relief of George S. Ridner;

H. R. 1693. An act for the relief of Evelyn Alht;

H. R. 1724. An act for the relief of Mrs. Mary A. Sansone;

H. R. 1725. An act for the relief of Ciro Picardi;

H. R. 1732. An act for the relief of Pasquale Gentile;

H. R. 1733. An act for the relief of Philip Cooperman, Aron Shrire, and Samuel Stackman;

H. R. 1747. An act for the relief of Nicola Marcello;

H. R. 1772. An act for the relief of Sigfried Olsen Shipping Co.;

H. R. 1804. An act for the relief of Robert B. Cooper;

H. R. 1831. An act for the relief of Oather S. Hall;

H. R. 1863. An act for the relief of Mrs. John William Brennan;

H. R. 1864. An act for the relief of Mrs. Lidie Kammauf;

H. R. 1884. An act for the relief of Jack Carpenter;

H. R. 2046. An act for the relief of August J. Strigga;

H. R. 2049. An act for the relief of Mrs. Blanche Houser;

H. R. 2116. An act for the relief of Seymour Robertson;

H. R. 2256. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel);

H. R. 2267. An act for the relief of Charlie Sylvester Correll;

H. R. 2269. An act for the relief of Truck & Axle Manufacturing Co.;

H. R. 2346. An act for the relief of Irmgard S. King;

H. R. 2347. An act for the relief of Robert M. Deckard;

H. R. 2654. An act for the relief of the Martin Wunderlich Co.;

H. R. 2747. An act for the relief of John H. Parker;

H. R. 2753. An act for the relief of Charles C. Lewis;

H. R. 2904. An act for the relief of the Knox Corp., of Thomson, Ga.;

H. R. 2951. An act for the relief of Walter E. Durham;

H. R. 2963. An act for the relief of Edwina L. Lincoln, widow of W. Irving Lincoln;

H. R. 3283. An act for the relief of William Badinelli;

H. R. 3288. An act for the relief of Dr. Frederic S. Schlegar;

H. R. 3322. An act for the relief of James L. Bostwick;

H. R. 3440. An act for the relief of Lillian Schlossberg;

H. R. 3468. An act for the relief of J. A. Ross and Company;

H. R. 3673. An act for the relief of Franz Krudewig;

H. R. 3679. An act for the relief of the E. B. Kaiser Co.;

H. R. 3687. An act for the relief of Paul Levitt;

H. R. 3723. An act for the relief of Maj. Gen. Julius Klein;

H. R. 4159. An act for the relief of Z. A. Hardee;

H. R. 4236. An act for the relief of W. C. Shepherd, trading as W. C. Shepherd Co.;

H. R. 4336. An act for the relief of the First National Bank of Birmingham, Ala.;

H. R. 4535. An act for the relief of Ernest C. St. Onge;

H. R. 4730. An act for the relief of Mrs. Jennie B. Prescott;

H. J. Res. 133. Joint resolution for the relief of certain spouses and minor children of citizens of the United States; and

H. J. Res. 247. Joint resolution for the relief of certain aliens.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 89) approving the granting of the status of permanent residence to certain aliens, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 117) to promote peace and stability in the Middle East, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred to the Committee on the Judiciary:

H. R. 1288. An act for the relief of Ralph Landolfi;

H. R. 1298. An act for the relief of Vincent M. Caldes;

H. R. 1315. An act for the relief of Mr. and Mrs. Charles H. Page;

H. R. 1316. An act for the relief of T. W. Holt & Co.;

H. R. 1324. An act for the relief of Westfeldt Bros.;

H. R. 1325. An act for the relief of Mrs. Bertha K. Martensen;

H. R. 1359. An act for the relief of Mrs. Theodore (Nicole Xantho) Rousseau;

H. R. 1365. An act for the relief of Elmer L. Henderson;

H. R. 1375. An act for the relief of Otto B. Hauffe;

H. R. 1390. An act for the relief of Robert Francis Symons;

H. R. 1400. An act for the relief of Mitsuko A. Hachita;

H. R. 1419. An act for the relief of Mrs. Hannah Mae Powell;

H. R. 1431. An act for the relief of Edward M. Thompson;

H. R. 1440. An act for the relief of Mrs. Elizabeth Bingham;

H. R. 1441. An act for the relief of the estate of Grady Ward;

H. R. 1460. An act for the relief of Tom R. Hickman and Nannie Conley and husband, Jack Conley;

H. R. 1474. An act for the relief of Mrs. Jennie Maurello;

H. R. 1494. An act for the relief of the Southwest Research Institute;

H. R. 1536. An act for the relief of Allison B. Clemens;

H. R. 1537. An act for the relief of Jacob Baronian;

H. R. 1544. An act to provide for the conveyance of certain real property of the United States situated in Cobb County, Ga., to the trustees of the Methodist Church, Acworth, Ga.;

H. R. 1575. An act for the relief of Col. Adolph B. Miller;

H. R. 1667. An act for the relief of Fred G. Nagle Co.;

H. R. 1672. An act for the relief of the legal guardian of Frederick Redmond;

H. R. 1673. An act for the relief of Bernhard F. Eimers;

H. R. 1679. An act for the relief of Mrs. Kathryn H. Wallace;

H. R. 1689. An act for the relief of George S. Ridner;

H. R. 1693. An act for the relief of Evelyn Alht;

H. R. 1724. An act for the relief of Mrs. Mary A. Sansone;

H. R. 1725. An act for the relief of Ciro Picardi;

H. R. 1732. An act for the relief of Pasquale Gentile;

H. R. 1733. An act for the relief of Philip Cooperman, Aron Shrire, and Samuel Stackman;

H. R. 1757. An act for the relief of Nicola Marcello;

H. R. 1772. An act for the relief of Sigfried Olsen Shipping Co.;

H. R. 1804. An act for the relief of Robert B. Cooper;

H. R. 1831. An act for the relief of Oather S. Hall;

H. R. 1863. An act for the relief of Mrs. John William Brennan;

H. R. 1864. An act for the relief of Mrs. Lidie Kammauf;

H. R. 1884. An act for the relief of Jack Carpenter;

H. R. 2046. An act for the relief of August J. Strigga;

H. R. 2049. An act for the relief of Mrs. Blanche Houser;

H. R. 2116. An act for the relief of Seymour Robertson;

H. R. 2256. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel);

H. R. 2267. An act for the relief of Charlie Sylvester Correll;

H. R. 2269. An act for the relief of Truck & Axle Manufacturing Co.;

H. R. 2346. An act for the relief of Irmgard S. King;

H. R. 2347. An act for the relief of Robert M. Deckard;

H. R. 2654. An act for the relief of the Martin Wunderlich Co.;

H. R. 2717. An act for the relief of June Smith;

H. R. 2747. An act for the relief of John H. Parker;

H. R. 2753. An act for the relief of Charles C. Lewis;

H. R. 2904. An act for the relief of the Knox Corp., of Thomson, Ga.;

H. R. 2951. An act for the relief of Walter E. Durham;

H. R. 2963. An act for the relief of Edwina L. Lincoln, widow of W. Irving Lincoln;

H. R. 3283. An act for the relief of William Badinelli;

H. R. 3288. An act for the relief of Dr. Frederic S. Schlegar;

H. R. 3322. An act for the relief of James L. Bostwick;

H. R. 3440. An act for the relief of Lillian Schlossberg;

H. R. 3468. An act for the relief of J. A. Ross & Co.;

H. R. 3673. An act for the relief of Franz Krudewig;

H. R. 3679. An act for the relief of the E. B. Kaiser Co.;

H. R. 3687. An act for the relief of Paul Levitt;

H. R. 3723. An act for the relief of Maj. Gen. Julius Klein;

H. R. 4159. An act for the relief of Z. A. Hardee;

H. R. 4230. An act for the relief of W. C. Shepherd, trading as W. C. Shepherd Co.;

H. R. 4336. An act for the relief of the First National Bank of Birmingham, Ala.;

H. R. 4535. An act for the relief of Ernest C. St. Onge;

H. R. 4730. An act for the relief of Mrs. Jennie B. Prescott;

H. J. Res. 133. Joint resolution for the relief of certain spouses and minor children of citizens of the United States; and

H. J. Res. 247. Joint resolution for the relief of certain aliens.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 89) approving the granting of the status of permanent residence to certain aliens was referred to the Committee on the Judiciary, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress approves the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1044):

A-7421677, Bak, Jozef.
A-7445926, Bjelopetrovich, Mirko Mihailo.
0300-899014, Burzich, Paul.
A-9127241, Chan, Hing.
0300-469942, Chang, Ka Hung.
A-10137543, Chang, Kien-Hui.
A-6026393, Chang, Nelson.
A-7078193, Chang, Helen.
A-6026124, Chang, Ting Chen also known as Robert Ting Chen Chang.
A-6522839, Chang, Meng-Tse also known as Mildred Meng-Tse Chang.
A-8944916, Chang, Yih Yeh Chun.
A-8944919, Chang, Chih Hiang.
A-8944920, Chang, Chih An.
A-8944918, Chang, Chih Ewang.
A-6967553, Chao, Shih Chieh.
A-8881201, Chen, Ah Yeng.
A-7299375, Chen, David Tsu Yu.
A-8103737, Chen, Hsiao Jen.
A-3783283, Chen, Hup Ching.
A-8894864, Chen, Kwan-Lin.
A-6851576, Chen, Ming Mao.
A-6967264, Chen, Frances Hsien-Cheng.
A-10076891, Chen, Shih-Chuan.
A-8870232, Chen, Yvonne or Tse-Ming Chen.
A-7071965, Cheng, Man Yun (Sister Marie Alphonse Cheng).
V-279791, Cheng, Meng Jin (May).
A-7295491, Cheng, Min-Kee Wong.
A-7133266, Cheng, Min-Pi (Sister Mary Girard Cheng).
A-3768973, Cheng, Sally.
A-6851581, Cheng, Steve Chung formerly Sho Chung Cheng.
A-6916525, Cheng, Wu Su or Agnes Su Cheng Wu known also as Sister Joseph Wu.
A-9574856, Chiang, Tak or Tek Chong.
A-7286966, Chien, Ching-Wen.
A-8870672, Chien, Stella Le.
A-10173559, Chien, Kuang Yuh Hsu also known as Mabel H. Chien.
A-8938333, Chien, Yun Nan.
A-8938334, Chien, (Yang) Han Pao.
A-4896380, Chin, Walter.
A-10024868, Chin, Cheong.
V-1183449, Chiu, Frank Teh Pei.
A-6986501, Chou, Ye Tsang.
A-6442557, Chow, Yukon.
A-9705250, Choy, Yee or Choy Yee.
A-10016318, Chu, Daniel.
A-6843405, Chu, Doreen Chen-Yin.
A-7491858, Chung, An-Min.
A-6958555, Chung, Tzu-Shan Mei.
A-7296210, Chung, Wing-Kee or Wilkie John Wing-Kee Chung.
A-9825068, Cyrkler, George also known as Jerzy Cyrkler.
A-7886463, Erbes, Edward Henryk.
A-6315974, Fah, Chu Kun.
A-6851548, Fei, John Ching-Han.
A-9509848, Fong, Kuo Ah.
A-7424927, Frey, Andrea also known as Andrea Clara Ilena Frey.
A-6662092, Fridman, Miriam Rughla (nee Miriam Ruchla Dutkiewicz) also known as Miriam Fridman or M. Fridman.
A-6672161, Froland, Natalia.
A-10141565, Goh, May Chang.
A-8874432, Grismanauskas, Juozas.
A-9825034, Grzegorzevicz, Ryszard Michal.
A-7053508, Havelka, Milada.
A-10143626, Ho, Teh Yung.
A-8154247, Hsieh, Lucy Tzi-Sheng Yang.
A-7396907, Hsiung, Yuh Hwa.
0300-338285, Hsu, Grace Yi or Grace Yi Shang also known as Mrs. Cheng-Chih Liu.
0300-460543, Hsu, Leon Jih-Hung.
A-7350938, Hsu, Yuen Chen.
A-6694149, Huang, Lucy.
A-8830842, Ives, Eduard.
A-8830841, Ives, Elvine Marie.
A-8825725, Ives, Villem.
A-8825726, Ives, Alide.
A-8825727, Ives, Helgi.
A-8825728, Ives, Eve.
A-8091828, Javalds, Roberts Gustav.
T-1499063, Ju, Frederick Dzuin.
A-7365682, Koudsi, George Shukri.
A-8825721, Kalme, Ascold.
A-10077409, Klenovscheg, Adolfo.
A-9764852, Kobielski, Wilhelm or William.
A-9764851, Kobielski, Helena or Helen.
A-10141527, Koczi, Elizabeth.
A-6849451, Koo, Karlson, Lung-sheng.
A-6851534, Chen (Koo), Rosalyn Chin-Ming.
A-7830791, Kosmider, Alina Boleslawa.
A-7865121, Kraut, Elias Z.
A-10066434, Kraut, Chava.
A-10066435, Kraut, Moses.
A-7125703, Krol, Kazimierz Jacob.
A-9758454, Krutow, Wladyslaw Bronislaw.
A-8874434, Kublickas, Lionginas.
0300-462260, Kuo, Joan formerly Feng Ying Hsu.
A-6197692, Kuo, Hsiao-Lan.
0200-86579, Kuo, Hsiao-Mei nee Yen.
A-7450938, Kupiaszewski, Aleksander.
A-10087303, Kwei, Rose Chung-Mei Lu.
A-10035449, Kwiatkowski, Leopold alias Leopold Gryf, Tadeusz Witczak or Leopold Kwistowski.
A-10130747, Kwok, Grace Tsien-Hong Wong.
A-7966397, Lai, Nancy Tseng-Hsin.
A-7274450, Lam, Yat Chang also known as Ming Lam also known as Yuen Chiu Lam.
A-10141628, Lee, Chien-Yuan or George Chien-Yuan Lee.
A-10088690, Lee, Dorothy (nee Dorothy Keng-Pin Chuan).
A-8189302, Lee, Giuffa.
A-8189611, Lee, Tse Yin.
A-10089266, Lee, Hon Kwong.
A-9771460, Lee, Koon Yung.
A-9799245, Lee, Kwai.
A-8938319, Lee, Wan or Tommy Lee.
A-8922651, Lee, William also known as Lee, Wei Lin.
A-6095435, Lee, Yung.
A-6094862, Lee, Violet Chen.
A-6095450, Lee, David (Yu-Chi Lee).
A-8956398, Leong, Ling also known as Liang, Ling.
A-1686215, Li, Jean Teh-Ching now Jean Teh-Ching Li Quan.
A-6967693, Li, Margaret Yung.
0300-434020, Li, Yang.
A-10149190, Lin (Ling), Chiun Tong.
A-9508422, Lobanov, Alexander Feodorovitch.
A-6851326, Loh, Leslie Tsing.
A-9764923, Lorent, Marian Szczepan.
A-7289349, Lowe, Charles Mao Tsu.
A-7985188, Liu, Pang Yun (Sister Leonita Liu).
A-7241246, Liu, Irene En-Hwa.
A-6851371, Liu, Po Tsan.
A-8922583, Liu, Te-Tseng.
A-8922586, Liu, Yvonne Sze-Ying.
A-8922585, Liu, Edward Sze-Yi.
A-8922584, Liu, Suzanna Sze-Hsun.
A-8955782, Lowe, Kingway Hsi-Ku.
0300-439744, Lum, Fook also known as Lum Fook.
A-9825109, Malina, Kazimierz.
A-7133232, Mao, Shun Chen (Sister Lucia Mao).
A-7805888, Negris, Vitalis.
A-7821110, Novacek, Zore.
A-7821111, Novacek, Daniela.
A-7118791, Owyang, Siao Tsen (Sister Joseph Ignatius).
A-7389481, Pao, Richard Hsien Feng.
A-8874433, Paulauskas, Edmundas.
A-6851406, Peng, Kan Chen.
A-7952753, Perl, Benjamin.
V-461137, Perl, Lily (nee Gross).
A-9518782, Ping, Woo.
A-10135864, Raudsepp, Voldemar.
0300-422913, Rosenberg, Jeno.
A-7354753, Sha, Philip Shungtse.
A-10143088, Sha, Therese Kai Sun.
A-10142995, Shen, Yun-Kung.
A-10142996, Shen, Kuo Chung-Ying.
V-905900, Shen, Tsung Lien.
A-10143791, Siao (Shaw), Chen Yung.

A-7070309, Sieu, Yao Tsoong or Kenneth Tsoong-Sieu Yao.
A-9825179, Smikala, Stefanlew or Stanley Smikala.
A-8062876, Sow, Choy also known as Cheng Soy also known as Choy Chung.
0300-377998, Sperber, Pauline or Polla Sperber.
A-7119725, Swen, Hwei-Lan.
A-8885340, Tang, Hsiung Chung also known as Henry Chung Tang.
A-8885339, Tang, I Ming.
9-6848140, Tang, Yu Djang Mao.
A-8091369, Tsang, Kuan also known as Koun Dan, Kaun Tsang, or Chung Man.
A-7065350, Tchen, Tche Tsing.
A-6659869, Trigonboff, Alain Leo.
A-[illegible], Tsai, Shih Tuh also known as Shuh Tuh Stephen Tsai.
A-7274422, Tsang, Simon Tsai Li.
A-7292432, Tsang, Tung.
A-[illegible], Tsow, Sao Fuu or Robert Hua Tsow.
A-6525584, Tung, Shao-Ling.
A-6472690, Tversky, Avram Yankel.
A-7874806, Tzincoca, Remus Petrup.
A-[illegible], Urbanek, Ignacy.
A-1005803, Wang, Chi-Tao Lucie.
A-7606576, Wang, Keng-E Chuan.
A-7174658, Wang, Marina or Yi-Shen Wang.
A-8168364, Wang, Shao-Kai.
A-8793865, Wang, Wei-Cheng (Tao).
A-8189363, Wang, Mimi Niao-Sun.
A-6966519, Wang, Shih Yi.
A-7274657, Wang, Chun Lien Chi.
A-10031084, Wang, Tung Hsing.
A-10143019, Wang, Thomas Yinsan (Yanshan).
A-7202741, Wei, Yuan also known as Wei Yuan alias William Yuan.
A-7870026, Widerman, Irene Wachter.
A-10139767, Wong, Shun Mi.
A-4687570, Woo, James Ji-Tung.
A-8951076, Woo, Margie Wan-Chung.
A-8951077, Woo, Daniel Du-Ming.
A-[illegible], Woo, Robert Du-An.
A-6869922, Woo, Kenneth Kwan Wha or Kwan Wha Woo.
A-6862420, Wu, Amy Chen.
A-6967597, Wu, Li-Chuan.
A-6851710, Wu, Ning-Cau.
A-7830617, Wu, Shu-Wen Hsu.
A-[illegible], Wu, Tien Wei.
A-7804738, Yang, Alfred Chang-Ping.
A-6851696, Yang, Iris Sing-Hua.
A-6403573, Yien, Chen-Hwa.
A-6847884, Yiew, Tan Ju Eu or Lu Tan-Ju.
A-7992[illegible], Yin, Henry Chung-Chiang or Chung-Chi'ng Yin.
A-7456048, Yu, Ying-nien.
A-5548191, Yuan, Grace Chen.
A-2231845, Ajderian, Aram Stephen.
A-2302600, Ajderian, Arshalous (nee Banglian).
A-7041473, Ajderian, Sona.
A-8227677, Balich, Nick, formerly Nikola Barulic.
0300-475991, Bang, Pao Chien, also known as James Holmes Bang-Jenness.
V-189760, Bay, Ancilla Jen-Lien Sung.
A-[illegible], Bezzenutti, Alfredo.
A-6505225, Biderman, Mendel.
A-9853971, Bok, Ah Hong.
0300-398210, Bok, Ling.
0300-391812, Calzussi, Matilde, also known as Matilde Polk.
A-6931602, Chacinski, Leon.
A-10667933, Chan, Hing Kwan.
A-7118659, Chang Chao Wen, known as Sister Macaria Chao.
A-6030229, Chang, Chia-sun, also known as Carsun Chang.
A-7190610, Chang, King Hing (Robert Li-Fu Chang).
A-7991757, Chang, Kong Sun.
A-7355378, Chang, Eno Liu.
A-6579912, Chang, Richard I. Feng.
A-6709866, Chang, Shao-Yuan.
T-1967529, Chang, Zang Fei.
A-8222811, Chao, Flaria C. (nee Lu).
A-8225862, Chee, Hoh Ling.
A-8922693, Chen, Ming Yi (now Mrs. Ming Yi Lowe).
A-7177721, Chen, Yu Yao also known as Timothy Chen.
A-1013552, Chen, Pei-Lan Shen also known as Beulah Chen.
A-8038327, Chen, Ven Ja.
A-8087997, Chen, Cheng Chee also known as Ralph Chen.
A-8087996, Cheng, Ning Chuan.
A-7865258, Cheng, Tung.
A-7190312, Cheng Diana Wen-Yin (nee Young).
E-036290, Chi, Su Shang.
A-6849477, Chi, Wan Shang (Henry).
A-6986576, Chiang, Betty Kuo-An, also known as Betty Chiang (nee Chu Kuo-An).
A-7295487, Chien, Eric Yee Jen.
A-8091398, Ching, Chang Pao.
A-7368985, Cohen, Elias Selim.
A-8871209, Choung-Sum, Chuang or May Chuang Tai.
A-7999491, Chow, Tong.
A-9132945, Choy, Henry.
A-6848518, Chu, Chung Ming.
A-7118720, Chu, Ling Lang (nee Ling Lang Lee).
A-6379692, Chu, En-Lung.
A-7274334, Chu, Si-Si.
A-7960212, Chuh, Ming-Geh Yang.
A-9743790, Chui, Bor Ngai.
A-8001876, Cincery-Ronay, Elizabeth Marie.
03[illegible]-347299, Ding, Ngai Mei (nee Ngai Mei Wei).
A-7274546, Ding-Jeen, Chiang or Ding-Jeen Chiang also known as Dean D. Chiang.
A-6916540, En, Chao Ling known as Sister Johanna Chao.
A-7263721, Fang, Elizabeth Lin.
1300-133619, Fat, Ting Chin.
A-10141611, Fang, Hsio-Min.
A-6881733, Feng, James Shumin.
A-9783658, Fong, Eo Chin.
A-6702140, Fu, Feng Gia.
A-7835200, Gih, Pauline also known as Whee Shuen Gih.
A-8055368, Halpert, Jonas.
E-088730, Halpert, Sarotta.
E-088731, Halpert, Herman.
0300-410500, Ho, Kwai.
T-278564, Hsiao, Ching-Hsi.
A-6148098, Hsien-Kwen, Shih or Samuel H. K. Shih.
A-7397610, Mei-Yuan, Wong or Mary Mei-Yuan Shih.
A-6881763, Hsu, Cheng-Ting.
A-7263689, Hsi, Chia-Chien also known as William Chia-Chien Hsu.
A-6851379, Hsu, Grace Tung-Sieu (nee Uliu, Yung-Sieu).
A-[illegible], Hsu, Chih Kia.
A-6899387, Hsu, S. Wen.
0300-457740, Hsu, Angela.
0300-457738, Hsu, Fern.
0300-457739, Hsu, Margaret.
0300-457741, Hsu, Toni.
A-7126611, Huang, I-Shan (nee Hsu).
A-7647786, Huang, Katherine Law.
A-7005039, Huang, Mengchien also known as Mengchien Clarence Huang.
0300-464388, Huang, Howena, also known as Shen-Ying Huang.
A-7118765, Hui, Hu Wen, known as Sister Engelberta Hu.
A-7200114, Hwang, Lisa Lu alias Tu-hing Lu.
A-5973419, Inamine, Seiho.
A-7486717, Ing, Jr., Samuel W.
A-[illegible], Jen, Chieh Min.
0300-474749, Jin, Eur Char, also known as Paul K. C. Jin.
A-5967545, Kao, Shou.
A-7418226, Kong, Daniel.
T-1499135, Ku, Nelson Jun, also known as Nei Jun Ku.
0300-457388, Kwai, Ai.
A-7354782, Kwang, Wing-Chow.
T-958439, Kwoh, Daisy Shuan-Ming.
A-10076403, Lai, Han or Lai Han.
A-7862487, Lau, Tung-Kwan or Tung-Chuen Liu alias Toni Lau.
A-6965861, Leu, Wen Ngeh.
A-7376937, Lebovits, Fishel.
A-7370088, Lebovits, Milad.
A-7078188, Lee, John Too-Hung, also known as John H. Lee.
0300-471092, Lee, Sam, also known as Sang Lee or Lu Sang.
A-6624083, Lee, Shu-Chen (Helen).
A-10068635, Lesnczyk, Jacob David.
A-7209393, Leung, Dorothy Yuin Dwan.
0300-102691, Leung, Edward Fan Wood.
A-7118669, Leung, Tit-Fei.
A-7268722, Li, Lei-Tong.
A-6090704, Liang, Hsi Huey, alias Siegfried Liang.
A-7136169, Liang, (Max) Ming-Tau.
A-10038094, Lieberman, Chenoch.
A-6855627, Liu, Chien.
A-7836619, Liu, Ming Chuan.
A-7456027, Liu, Young-peon.
A-7118624, Lowe, David Ming-Li.
A-8955183, Lowe, Mary Chien, or Mrs. Hsi Lu Lowe.
A-9709783, Loy, Chu.
A-6846896, Lubicz, Benjamin.
A-6440397, Lubicz, Sara.
A-7133279, Luth, Johnson Yang-Sung.
A-7251845, Maholanyi, Katalyn (nee Mocskovics).
A-7223652, Mahshi, Yacoub Jamil.
A-7224621, Margittai, Armin.
A-7886667, Margittai, Irene.
A-7274660, Miao, Calvin Wen-Teh.
A-7389266, Miao, Angela Hsieh-Cheng (nee Wang).
A-6743773, Ng, Fong Chy-Woon.
A-7768678, Pan, En-Lin.
A-6026148, Pan, Emma Tsen-Ho Liu.
A-6848916, Pao, Yoh-Han.
A-6414653, Pao, Helen Chung-Ying.
A-8099941, Pitp, Anta T.
A-8101418, Pilp, Leida E.
T-2566634, Paszczolinski, Olgierd Heronim.
A-7393989, Schwartz, Dezso.
V-251910, Schwartz, Irene.
0400-55828, Schwartz, Esther.
A-7271064, Sen, Yum Fun.
T-302676, Shah, Wong Wen.
A-8271319, Shon-Lun, Keh also known as Tony Shou-Lun Keh.
A-6884303, Sin, Chan.
A-6962928, Solomon, Salim Sion.
A-7194886, Sung, Nai Jung.
A-7849989, Srodulski, Jan Marion also known as Jan Srodulski.
A-7849524, Szilagyi, Dezso Andras.
0300-167341, Tan, Pei Ying.
A-10141554, Tang, Tse Chang.
A-10141555, Tang, Monetta Hsu Yen Hwa.
A-10141556, Tang, Ming Han.
A-10141557, Tang, Ming Woo.
A-9123929, Taumi, August.
A-7576398, Tom, Ging Cee.
A-6938237, Tseng, Maurice Hsien-Pin.
A-6988389, Tsung-Tzu, Chen or Therese Tsung-Tzu Chan.
A-10063233, Tui, Sai also known as Sai Tuang.
A-6394805, Tung-Yue, Wang known as Tuno-Yue Wang.
0300-474753, Vanags, Haralds.
A-8091354, Wah, Ng Hing.
E-33801, Wan, Pook Sin.
0300-86437, Wang, Evelyn Hsi Tseng Liu.
A-10136136, Wang, James Paul.
A-7860205, Wang, Ping I also known as Aran Ping I Wang.
A-7839613, Wang, Shu-Shin (William).
A-[illegible], Wang, Shyh.
A-[illegible], Wang, Yun-Mgun also known as James Yen-Ngen Wang.
A-6973693, Wei, Francis Lian-Shen.
A-6973672, Wei, Ignatius Chung-Sheng.
A-8955551, Wei, Ying-Lan also known as Angela Ying Lan Wei.
A-6760594, Wen, Theodore Yu-Cheng.
A-7858832, Wienlewski, Stanislaw Mieczyslaw.
T-278552, Wong, Kong Nee.

A-7652757, Wong, Samuel San Ser.
A-10141990, Wong, Yin.
A-6848151, Wu, Blanche Ching-Yi.
A-7354761, Wu, Chi Ling.
A-6848056, Wu, Theodore Tao-Jee.
A-7393988, Wu, Chia-Hua Shih.
A-7439024, Wu, William Sen-Kai.
A-6669697, Yang, Andrew Tienkong.
A-[illegible], Yang, Chia Caih.
A-7860057, Yang, Chung-Tao.
T-1496554, Yang, David Yu-Min.
0300-461344, Yang, Quincy.
E-33862, Yang, Chong also known as Chong Sing-Tai.
A-6848179, Yen, Tai Chu.
A-7355247, Ying, Wei-Ming also known as Paul Ing.
0300-416561, Yiio, Ansi.
A-8091553, Young, Chow Fu or Chow Yong or Chow Tjoe Yong.
A-7860910, Young, Franklin.
T-861692, Young, Lena Ye-Chwang Yin.
V-1800882, Young, Paul Shih Tsuin.
A-7860097, Yuan, Hwang also known as Henry Yuan Hwang.
A-6848469, Yuan, Patricia Shirley.
A-6847968, Yueh, Helen also known as Fan Wen Yueh.
E-086127, Yuen, Choy.
A-7120674, Yuen, Pong Soong also known as Samuel Soong Yuen Fong.
A-8929041, Zen, E-An.
A-10066401, Zhi, Loh Tau.
A-9825064, Andrzejewski, Kazimierz also known as Chris Andrews.
A-9825104, Bartnicki, Wieslaw Jan.
A-8938305, Bosnvich, Ivo.
0300-391818, Chan, Jimmy also known as Chan Kai also known as Ah Moi.
A-6885476, Chan, Richard Sorum.
A-7866898, Chang, Hai-Liang.
A-8035100, Crang, Hao-Ming (Hilda).
A-10085798, Chang, Ming Hsiang.
A-10173911, Chang, Pei Kang.
A-8015601, Chang, Rose Yuen.
A-10173912, Chang, Theresa.
A-10173913, Chang, Angeline.
A-7375769, Chang, Tseng-Hsu.
A-6967616, Chang, Tsu-Shen.
A-7071966, Chang, Tsum (Sister Marie Perboyre Chang).
A-7445191, Chao, Lincoln, also known as Chao Lien.
A-7274272, Chao, Beatrice, also known as Tu Pei-Chiu.
A-6905544, Chao, Ping Lang.
A-8878437, Che, Hang Ching or Sister Bendu Han.
A-8158700, Chen, Lily Li.
A-7297269, Chen, Siu Min Hsu, formerly Shu Min Sieh.
A-8154151, Cheng, Rita Hai-Ying.
A-6687357, Chai, Tung, also known as Chai Tang or Teng.
A-6511967, Chi, Wen Shun.
1300-96990, Hsiao, Tao Fen.
1300-96992, Chi, Szepei.
1300-96991, Chi, Yuan.
1300-96994, Chi, Hsing.
1300-96993, Chi, Yun.
A-6982997, Chiang, I-Chen, or Jimmy I-Chen Chiang.
A-6982512, Chang, Lee-Yong, or Lilian Lee-Yong Chang.
A-7248310, Chiang, I-Kwai.
A-9684347, Chon, Kwok.
A-6163787, Chu, Gordon Pu Kong, also known as Pu Kong Chu.
A-7190689, Chu, Tse Tun.
A-7274338, Chu, Ka Chin (Sister Mary Dorothy Chu).
A-7436711, Chun, Wang Wei, or Charles C. Wang.
0300-469192, Chwang, Inge.
A-6923731, Donn, Pearl, or Pearl Monosyk Donn (nee Perla Monosyk).
A-8080677, Eltman, Kordi.
A-8217765, Engbert, Roman.
A-7368955, Feng, Sino-Chang.
0300-382764, Feng, Kuo Chen Wang.
T-1892066, For, Chong.
T-[illegible], Petino, Mircea.
A-7961355, Prenkel, Samuel.
A-[illegible], Gong, Yee Lin, or Yee Lin Chen.
0300-251392, Halwa, Joyce Korine.
E-1293, Hauptman, Bronislaw.
A-6078873, Hsiang, Chen Ah, also known as Chow Ah Thin.
A-6848542, Hsiao, Bryan, also known as Hsiao Pei Hsiung.
A-6848147, Hsieh, Chiao-Min.
A-7141133, Hsieh, Jean Kan.
A-4915074, Hsu, Tuen Kan.
A-6847838-X, Hwang, Yin-Yi Winnie.
A-6623652, Jacobs, Riva.
A-7244871, Jundef, Faiwus.
A-8846964, Jundef, Golda (nee Lewin).
A-8081629, Kamburis, Vangeli.
A-10024283, Kan, Mary Yung.
A-7188968, Kao, Mary Kuo Ping.
A-7967560, Kao, Tuk Joo.
A-5981961, Kawai, Koichi also known as Manuel Koichi Kawai.
A-9167699, Kem, Chong Jong.
A-10060907, Ki, Nicole Elizabeth Marie.
A-10060006, Ki, Claude Felix.
A-9825024, Korgol, Lech Szczepan.
A-9825107, Kotlarz, Roman Wladyslaw.
A-9625061, Kowalek, Bronislaw.
A-7961379, Kulitis, Arvids.
A-10076533, Kuo, Cheng Tang also known as Thomas Cheng Tang Kuo.
A-7379751, Kwan, Verna Ta'ung K'uan.
A-9649794, Kwong, Lee Ah.
A-10077903, Lai, Yuen May.
A-10088922, Lai, Kwan Wu.
A-6938822, Lamberts, Janis.
A-6938823, Lamberts, Pauline Leontine Amanda.
A-6238825, Lamberts, Harold.
0300-416645, Lau, Gon Fray.
A-4128773, Lee, Choiang Lin.
A-3528732, Lee, Fong also known as Lee Fong Lee or Yu Ken Lee.
A-6973464, Lee, Mei Hit.
A-7368158, Lee, Rose Hwang or Tao La Nee.
A-8198534, Lee, Yuen Wei.
A-6302129, Leung, Kam Fong.
A-10087115, Ley, Shi-Chuan also known as Stream Ley.
A-10087116, Kwang, Li Lin also known as Lily Kwang Ley.
A-9540664, Li, Ding Bow.
A-7365685, Lien-Sheng, Chiang also known as Cynthia Lien-Sheng Chiang.
0300-326694, Lindner, Florian.
A-[illegible], Liu, Chui Fun.
A-10077147, Lo, Chia-Ming or Chia Ming Lo Li or Chia Ming Lo Lee.
A-10077148, Li, Yu-In or Anne Li or Anne Lee.
A-6851329, Lu, Kuo Hwa.
A-6243673, Lue, James Fung Sang.
A-9235866, Lum, Gum Hung.
0300-469618, Mak, Kien Chiu, also known as Mrs. Phillip Lee.
0300-[illegible], Lee, Bailey.
0300-469619, Lee, Sue Quai.
0300-471339, Lee, Sue Jeen.
A-7421889, Nadolny, Bruno, formerly Boenislaw Piotr Nadolny.
A-7280706, Nee, Dom Pei-Ming.
A-[illegible], Nee, Cora Pei-Ying.
A-7280704, Nee, John Kwei-Ih.
A-[illegible], Pawlowski, Roman.
A-8062049, Perez, Giovanni Nino.
A-10065878, Perzullich, Giuseppe Celeste.
A-10067788, Pietrkowski, Chuna.
A-6944211, Pokrovsky, Nicholas George.
0300-442388, Poy, Tang Ah or Tang Poy.
A-10135868, Raudsepp, August Voldemar.
A-10135869, Raudsepp, Sofia.
A-6935390, Senkow, Roman.
A-9625113, Rogalewski, John or Jan or John Rogolewski.
A-7295483, Shen, Jian, also known as Anthony Shen.
A-6847983, Shen, Rosaline Hsiao Mei.
V-1184422, Shen, Yi Tun.
A-6967267, Shih, Helen (nee Yao Mei Chao).
A-6851331, Shih, Li-Chang.
A-10085294, Shio, Wei Ling (nee Woo).
A-10085295, Shio, Helen.
A-10097450, Shio, Bery.
A-10085296, Shio, Julia, also known as Winhma Shio.
A-10085263, Shio, Mary.
A-9325091, Skrzypczak, Stanislaw.
A-9835980, Skrzypczak, Helena (nee Sukowska).
A-7399490, Soo, Deson Chungyuan.
A-6876484, Soo, Lee Sung, also known as Lee Sung Soo.
A-7399491, Soo, Marjorie Wei Kyulin Tam.
E-119241, Tar, Han Wei.
A-8845252, Toheng, Marlena (Yien-Ming) (nee Wang).
A-7445451, Tsang, Wong Kum.
A-7071961, Tsai, Shu Min (Sister Martha Seton Tsai).
A-7879894, Tsao, Kuo-Pin.
A-7879895, Tsao, Amy (nee Hsu).
A-7879896, Tsao, John Mario.
A-7879897, Tsao, Madeline Marguerite.
A-[illegible], Tu, Kao.
A-6975583, Tu, Ching-Shung Tseng.
A-4285833, Wai, Lem Shin.
A-7248493, Wang, David Rafael also known as Chih Eang Wang or Hsin Fu Wang.
A-9013547, Wang, Fa or Frank Fong Wong.
A-7292159, Wang, Foh (Annie) Chen (nee Pao).
A-10089267, Wang, Fu Tsen.
A-10089691, Wang, Lily Lung Yi Liu.
A-7280769, Wong, (Nee) Bessie Pei Hsi.
A-9559955, Wong, Chow or Joseph Wong.
A-6386992, Wong, Yen Leong.
A-7185003, Wu, David Tao-Yang.
A-7952892, Wu, Philip Shi-Sun.
A-7357779, Wu, Robert Pao-Chang.
A-10410997, Wu, Tak Chung alias Glun Seah Lee.
A-7274419, Yang, Te-Che (Daniel).
A-6384077, Yi, Liang Min.
A-6825605, Yon, Lee.
A-10076869, Yu, Lily.
A-7399660, Yuen, Ching.
A-7133280, Yuen, Wen Ying (Sister Columbia Yuen).
A-10024304, Yue, Ruth Chou.
A-6973666, Yuen, Wen Yun Huang.
A-10088996, Yung, David Chih-Chian.
A-9025094, Zdrazilk, Edislaw Stefan.
A-6967504, Au, Chu Jui Lee.
A-7058560, Bau, Henry Tsen-Hung.
A-10141508, Bau, Mary Sim-Shiu Wang.
A-7471680, Sienkowski, Josef Jan Dryja Vel.
A-[illegible], Bilinchevsky, Bronsla.
A-6835571, Bilinchevsky, Helen Boris.
A-7880069, Chai, Winberg.
A-6967618, Chang, Andrew Tsu-Chao.
A-5928214, Chang, Choung also known as Chang, Loy.
A-7805886, Chang, Jen-Sin.
A-6172858, Chang, Jih Jie.
A-7354773, Chang, Kuo-Chin.
A-1586197, Chang, Lucy also known as Shu-Chin Tsai Chang.
A-7002152, Chang, Clarence Bayton also known as Lu-Huang Clarence Dayton Chang.
A-7002153, Chang, Leona also known as Lu-Wen Leona Chang.
A-7436779, Chang, Priscilla Chen-Hsing.
A-7436668, Chang, Tien Sun.
A-7805831, Cheng, Tech Nan.
A-7354336, Chen, Albert Fu-Hong.
A-[illegible], Chen, Josephine Chuan-Sun.
A-10318436, Chen, Angela Sing Sing.
V-2902883, Chen, Cecilia Hsiu Feng.
0300-454170, Chen, Chang Chi, also known as Phoebe Chang.
0300-457504, Chen, Fook Sing.
A-6782953, Chen, Hsueh Hsin.
A-6236775, Chen, Kwong Min.
A-10173556, Chen, Mabel Mei-Mei.
A-7830614, Chen, Nancy Ya-Ming.
A-8222821, Chen, Shou Chai.
A-8234083, Chen, Susan Yolanda (Shaw-Ying Chen).
A-7582014, Chen, Yerk Kun.
A-6967729, Chen, Wen-Liang.

A-6986502, Cheng, Chao-Shing.
A-6703211, Cheng, Peng-Tung Hsu.
A-7298006, Cheng, Chi Ming.
A-10076312, Cheng, Paifong, also known as Robert Cheng.
0900-432309, Cheng, Ching Ho.
A-6851657, Cheng, Robert Suh-Ming.
A-6879205, Cheng, Yu (Jean) Chee Lee.
A-6986550, Chi-Kun, Tao or Chi-Kun Tao.
A-3620637, Cheng, Sung Yuan Kwan.
A-6027149, Chiang, You Keng.
A-7206806, Chiang, Yung Kai.
A-7071964, Chin, Sister Francis Roberta.
A-10165179, Chin, Moo.
A-10165180, Chin, Po-Lan Ho.
A-10165182, Chin, Teresa.
A-10165181, Chin, Nicholas.
A-7389361, Chiu, Ping.
A-7133265, Chow, Man Chin (Sister Fabian Chow).
A-5239727, Chow, Thui Yet alias Choy Yat Cho, alias Choy Wap Cho.
A-8892381, Chu, Charles Kai Hwei.
A-7286666, Chu, Hsiao-Ying alias Ernest Hsiao-Ying Chu.
A-7286939, Chu (Tchou), Raymond.
A-7190608, Chu, Tse-Wei.
A-6271456, Chu, Ting-Ye.
A-6704076, Chu, Grace Yen or Yuan Lee Yen.
A-7952490, Chuang, Kuei.
A-9836632, Chun, Soo.
A-10074081, Cupic, Jelena Branko.
T-358223, Csajkowska, Genowefa.
A-6717300, Czerwinski, Josef Albin.
A-6866841, Dan-Tsao, Huang.
A-10089688, Deng, Chen-Shu.
A-10089892, Deng, Yen-Lan Wang.
A-7890623, Diao, Kai-Jen.
E-057288, Erakovic, Vasilije.
A-8001238, Foo, Tai Ho.
A-7144073, Goldman, Moses.
A-9825138, Goncz, Leon Pawel.
A-9825039, Gregorczyk, Stanislaw.
A-9825105, Grunwald, Szczepan Karol.
A-10073125, Hahnl, Alexander Yugo.
A-10073126, Hahnl, Ninon.
0300-423936, Ho, Kao Yee.
T-302646, Ho, Tse Kong.
A-6959853, Hou, Ma Ching.
A-6848150, Howe, Robert Hsi Lin.
A-7274656, Hsi, Hwei-Kai.
A-10136431, Hsi, Pauline Chiang.
A-7897586, Hsiang, Wilma Wei-Mo.
A-10143678, Hsiao, William Chin-Yao.
A-6848528, Hu, Isabelle Te-Ai (nee Liao).
A-6962965, Hu, Kuo Hao.
A-7389465, Huang, Phyllis Chin-Hsien, formerly Chin Hsien Yu.
A-10077947, Huang, Shang Chien, or Stanley Shang-Chien Huang.
A-6967301, Huang, Shuan Keng.
A-8889853, Huang, Tao.
A-6959733, Huang, Anita W.
T-503813, Huo, Wan Lee, also known as Irene Fok.
A-7277351, Hwa, Rudolph Chia-Chao.
A-7274373, Hwang, Chin-Tsun.
A-7365724, Hwang, Hsia Hsiang.
A-7358963, Ing, David Wei Kou.
A-7427883, Jacob, Aaron.
A-7427884, Jacob, Rachel.
T-358276, Jacob, Florence Angela.
A-7897563, Jen, Hsi-Yin Yu.
A-7286831, Jen, Myra Chi-Fang Ku.
A-10075143, Kan, Chieh Hou.
A-10076741, Kan, Katharine Hsu, also known as Wan Chun Hsu.
A-10077348, Kan, George T., also known as Teh Pei Kan.
A-10076743, Kan, David T., also known as Teh Hou Kan.
A-10077068, Kan, Loretta, also known as Kun Wu Kan.
A-10076740, Kan, Teh Mau.
A-10077069, Kan, Phoebe, also known as Pei Bee Kan.
A-5977407, Kanashiro, Kiyomasa.
A-10073233, Kantor, Janos.
A-7396897, Kao, Lin.
A-8001233, Keng, Cheng Yong, also known as Yung Keng Cheng.
A-9649796, Kian, Kwan Juan, or Juan Kian Kwan.
A-5935303, Koo, Peggy Ven Mei.
0300-435390, Kow, Chu, or Chu Kau.
A-6664460, Kuo, Ah Chong.
A-10067148, Krzentowski, Piotr.
A-9782944, Kwai, Lee.
A-6848539, Kwok, Catherine M. Ho formerly known as Catherine Chin-Yee Ho.
A-6966587, Kwong, Eva Yen-Hwa Hwang.
A-7293125, Lam, Kai Bor.
A-7284219, Lashkareff, Alexander.
A-7284220, Lashkareff, Victoria.
A-7263602, Lee, Alfred Yahchieh.
1301-16051, Lee, Pan.
A-10067116, Lee Kwai Tsung.
A-8267949, Lee Jerry Liang Chang.
A-7201335, Lee, Jui Shuan.
A-7365691, Lee, Ming-Cho.
0300-460542, Lemberger, Moses, or Monek, Monick and Moniek.
0300-462289, Lemberger, Frida (nee Langsam).
A-7415632, Lepper, Aldo.
A-7282066, Li, David Hsiang-Fu.
A-10143627, Liang, Hsiao, Shiu-Hsien.
A-4833817, Liang, Wing Ching or Wing Ching.
A-10060062, Liao, Harry Cheng Liu also known as Harry C. Liao.
A-8065322, Lieu, Shou Tseng Lieu.
V-754173, Lieu, Vi Tuh.
A-9798852, Lim, Kim Seng.
A-6967483, Lin, Daisy Yun Yin.
A-7299376, Lin, Edmund Chi Chien.
A-7882621, Lin, Yu-Li nee Shao alias Lily Yu-Li Lin, Lily Shao, May Lily Elisabeth Shao, May Elisabeth Yu-Li Shao, or Lily Yu-Li Shao.
A-7321157, Ling, Linda Monne-Anne Kwok.
A-7134286, Lio, Shan Ying (Sister Paul Vincent).
A-10135402, Liu Chi Tan Chang.
A-7952395, Liu, James Rusy-Wen or Rusy-Wen Liu.
A-3029149, Liu, Kwan Kwong.
A-6091232, Lo, Lau also known as Lan Lo and Sb Lo.
A-7280751, Lok, Mabel Pei Chu also known as Nee, Pei Chu.
A-6967709, Loo, Tru-Tao.
A-8955780, Lowe, Lily.
A-6851671, Lu, Charles M. also known as Cheng-Ming Lu.
A-7480740, Luan, Li-Hsuan also known as Lawrence Leo Luan.
A-7480739, Chen, Chin Fong also known as Barbara Tsing Pang Luan.
A-7141140, Ma, Keng Ying also known as Keng Ying Chuan.
A-7278816, Ma, Shih-Wen.
A-9825121, Maciag, Bogdan Leszek.
A-7251844, Maholanyi, Zoltan.
A-7118726, Mao, Peter Tchen-Hsi.
A-7886375, Marchesi, Dr. Carlo Mario.
V-542909, Marchesi, Pia Maria.
A-7185292, Marciniak, Jan Richard.
A-6236273, Mi, Clarabelle Fu-Hsin.
A-6923900, Midloch, Milos H.
A-7283675, Midloch, Zusana K.
A-9500582, Mon, Gun Woo, also known as Cheong Yee.
0300-457667, Mon, Lee Hoi, also known as Lee Yee Man and Li Ho Man.
A-7439269, Mucha, Anna.
A-8846523, Natkanski, Zygmunt Bronislaw.
A-9825028, Nestorowicz, Zofia, also known as Kasprzykowska (nee Prinse).
A-6555843, New, John En Chien.
A-8847203, Ng, Kwong Chong.
A-6958553, Ong, Fen Ching.
A-7456047, Ong, Ai-Lien (Eileen).
A-7421667, Opalinski, Tadeusz.
A-10170962, Pajkuric, Nedeljko Alfons.
A-7355250, Pan, Huo-Ping.
A-10023100, Pan, Chiou-Wen Sha.
A-8098046, Pan, Loretta Ren-Taiu.
A-7780134, Pei, Ming Lung.
A-10135677, Pei, Yen-Fen Kiang.
A-10060234, Perl, Luba, nee Luba Schonberg.
A-6936220, Popp, Kaljo.
A-6966563, Puh-Lee, Y. Chiung.
A-9825063, Pytel, Alojzy.
A-9825065, Pytel, Alojzy.
A-9825038, Pytlik, Stanislaw.
A-10135558, Radlica, Andrew or Andreej.
A-8057490, Sang, Wong, or Huang Sheng, or Sang Wong, or Sheng Huang.
A-9782943, Sau, Tsang Loy.
A-[illegible], Shao-Chia, Chou.
A-7865312, Shen, John Ching Ung.
A-7211005, Shen, Theresa Angela-Tan-Jo.
A-7368960, Shen, Tsung Yuen.
T-281448, Sheu, Chen Ah.
A-7209340, Sieh, Christopher P., formerly Fou-Chew Sieh.
A-6967600, Sieh, Ruby Ping-Fong.
A-7283130, Sih, Charles Chang Chi.
A-7376254, Skyba, George, also known as Yura Skyba.
A-6285556, Smiley, Edward.
A-6708068, So, Wong also known as Wong Sou and Wong Sow.
A-7061277, Soong, King Yu.
A-8021914, Suiner, Hanna Fischhof.
A-8881704, Sun, Hun Hsuan.
A-7118722, Sun, Nancy Liu.
A-6967554, Sun, Mung-Chio Chao.
A-6849836, Sung, Laura Hsiu-Chen Hsu also known as Laura Hsu Sung (nee Laura Hsiu-Chen Hsu also known as Chen Hsu).
A-7897612, Sung, Fang-Chieh (James).
A-7299368, Sung, Wei Liang.
A-6353204, Sze, Tsung Wei.
A-7389469, Sze, Frances Chi Gwang Tung.
A-9558312, Tan, Ah Sun.
A-7436691, Tang, Chung Ying.
A-6967256, Tang, Cecilia Yun-Hua Hsieh or Yun-Hua Hsieh Tang.
A-9825131, Terenowicz, Franciszek Marion or Frank Marion Terenowicz.
A-7204870, Tien, Hsin-Ti.
A-5408456-T, Trzcinski, Czeslaw.
A-7365684, Tsai, Betty Koh-Wei.
A-7374332, Tsai, Shu Chin (Sister Mary Pauline Tsai).
A-7365964, Tsao, Ching Jen.
A-10068491, Tseng, Mei-Shiu.
A-8258345, Tsou, Alice Ching Chang.
A-6966568, Tu, Ping Shiu.
A-10034283, Tung, Frank Fu-Chin.
A-10066630, Twanmoh, Yee-Ming.
A-9363830, Wah Ding Leung alias Dins Ah Sens.
A-10143702, Wan, Charles Chun-Ho.
A-10143703, Wan, Lucy Po-Hwa.
A-10143704, Wan, Richard Ti-Kan.
A-7297962, Wang, Cheng-Pin (Joseph).
A-6733174, Wang, Chi.
A-6500819, Wang, Chih-Yi.
A-7125550, Wang, David.
A-7830816, Wang, Mary Yueh Lian.
A-6851555, Wang, Ping Chun.
0300-25101, Wang, Ta.
A-7202728, Wang, Ven Shun also known as Vera Wang.
A-7133281, Wang, Wen Min (Sister Lucille Wang).
A-10137548, Wei, Robert Peh-Ying also known as Bobby Wei.
A-10137544, Wei, Lee Chung Kung.
A-7247149, Wen, Katherine Cheng also known as Dan-Ru Cheng.
T-302704, Wong, David Kon-Sien.
A-7858424, Wong, Catherine Tak-Then Lin.
A-7399264, Wong, David Ping-Zu.
0300-329389, Wong, Lun Sung.
0300-466372, Wong, Grace Siu Meng.
0300-482378, Wong, Margaret Yi-Chung.
0300-432373, Wong, Robert Pan-Sing.
A-7389507, Wong, Shou-Song.
A-6848108, Wong, Wang Mo.
A-6835115, Woo, George Tsung-Yuan.
A-6866068, Woo, Helen Mur Lum.
A-6061892, Wu, Burah Shih-Wei.
A-8211293, Wu, Chang-Ning.
A-10024217, Wu, Grace Wei-Ling.
A-6992017, Wu, Helen.

A-6975067, Wu, Hsiao May.
A-6236239, Wu, John Kuang-Pao.
A-6848190, Wu, Kong.
A-7256967, Wu, Pei-Yi.
A-6953855, Wu, Peter Shu-Ping.
A-10137506, Wu, Vincent Wen-Show.
A-7927174, Wu, Tien Si.
A-6949964, Wu, William Chi Tung.
A-7921391, Yang, Andrew Chang-Wei.
A-6967990, Yang, Theresa Shi-Ling (nee Theresa Shi-Ling Wang).
A-7297984, Yang, Wilox Kan-Hsien.
A-6961548, Yeh (Yip), Stephen or Hwa Kuo.
A-10137485, Yeh (Yip), Kenneth or Hwa Ming.
A-6854121, Yeh (Yip), Sidney, or Hwa Chiang.
A-9455292, Yin, Ho or Ho You.
A-1246243, Ying, Peng or Ying Peng.
A-6958676, Ying, Wu Sai also known as Mary Hsu.
A-6848710, Yu, Chuan-Pong also known as Paul C. P. Yu.
A-6558549, Yu, Han Ku.
A-7158949, Yu, Hwa Nien.
A-5361917, Yu, Paul also known as Pang Kut Yu.
A-10968288, Yu, Shao-Hsien.
A-8778687, Yu, Yao Fay.
A-2935024, Yuan, Chin.
A-7298740, Yuen, Stephen Shui.
A-6851601, Yueh, Jan Lambert.
A-1293284, Yuen, Tan.
A-7384352, Yuk-Kai, Kong Phoebe (nee Wong).
A-10068492, Yung, Henry Chih-Shian.
A-5999761, Tung, Oh Ming also known as Yung Oh Min, Yung, Ah Chiu or Leh Tiu.
A-9656656, Yung, Wong Ah.
A-9363836, Zee, Richard Shu-Juan also known as Zee, Richard.
A-6962231, Zelger, Alfred Gilbert.
A-5062230, Zelger, Margaret Theresa.
A-5062228, Zelger, Rudolph Nicolaus.
A-7368362, Zgrzebnicki, Stanislaw.
A-7210189, Barta, Elizabeth.
A-5042985, Beker, Karl.
A-1932708, Benko, Istvan, also known as Steven Benko.
A-7197764, Berejetski, Maria.
A-7486931, Berman, Moisse (Morris).
A-8031300, Bialy, Marian Jan.
0300-378125, Bucich, Vittorio formerly Vittorio Bucci.
A-10065915, Bumanich, Dominick or Domenico.
A-7134268, Cepelwicz, Leib.
A-10074884, Chai, Fun-Sheng.
A-8199871, Chan, Chu.
A-8848668, Cheng, Chiao Lin.
A-6967545, Chang, Chu-Huei.
A-6786114, Chang, Chung Chong, also known as Mrs. Ruth C. Chang.
A-8899533, Chang, Dzung Tun-Hua.
A-6935271, Chang, Fa Shun.
A-10068619, Chang, Frank, also known as Tse-Jui Chang.
A-10145017, Chang, Molly, also known as Lien-Dee King Chang.
A-10145018, Chang, Lydia, also known as Han-Tsing Chang.
A-10125620, Chang, Wallace, also known as Han-Jen Chang.
A-10136747, Chang, Jack, also known as Han-Teh Chang.
A-7274337, Chang, Martha Gin Chi.
A-8125687, Chen, Josephine Ti-Ti.
A-7190666, Chen, Kao Ling.
A-8066414, Chen, Li Cheo.
A-6966845, Chen, Lillian Meng-Yuan Hsieh.
A-6966160, Chen, Pauline Ten (nee Ten) formerly Kuei Chiu Ten.
A-7274347, Chen, Tien Fou.
0900-73158, Chen, William Kuan formerly Wei Kuan Chen.
A-7248529, Cheng, Chia Chung.
A-8868190, Cheng, Jack Gar.
A-6405953, Cheng, Pao Lun.
A-6947995, Cheng, Sin-I.
A-6967708, Cheng, Jeanie Sing.
T-302797, Cheng, Soa Chang.
A-7992895, Cheng, Yao also known as George Cheng.
A-8884368, Cheung, Yuen.
A-8125650, Chi, Julie Chao-Yung.
A-8897600, Chin, Tieh Cheng.
A-5971916, Chitu, Aurel.
A-6848125, Chiu, Min-Shan Huang.
A-9527094, Cho, Tang.
A-7225120, Chou, Mark, formerly Paul Lien-Tche Chow.
A-7236761, Chow, David Tai Wai.
T-2760119, Chow, Fat Young.
A-6142213, Chu, Chi-Hsuin Ulric.
A-7390061, Chu, Chi-Yen also known as David Chi-Yen Chu.
0900-459080, Chu, Fu Chih also known as Chu Fu Chih.
0300-469511, Chuen, Lee Yuet.
T-302679, Chuen, Low Tum.
0300-417493, Chun, Leong.
A-1828766, Chung, Kuo Kan.
0300-489656, Chung, Lee Ono or Onee Chung Lee.
A-9836574, Chung, Song.
A-2868020, Chung, Wu.
A-7431679, Chylinski, Bogdan or Dennis Chylinski.
0300-469583, Cusin, Friderica.
A-10164216, Deavers, Stephanie (nee Ipper).
A-7967298, Dien, Chi Kang.
A-7268790, Dien, Lien-Tien Hsu.
A-10060032, Doe, Mu-Lan (Molly) Chu.
A-6848531, Dunn, Fa-Chi.
0300-410682, Eng, Woods also known as Eng Woodsee or Jimmy Eng or Jaime Sang or Eng Foon Lum.
T-2585075, Fa, Chung-Hsien (Charles).
A-7463723, Fang, Lucy.
A-6381298, Feng, Chang-Liao.
A-7155848, Fiasella, Iaia.
0300-237534, Fiasella, Ania.
A-6851289, Fong, Kouan.
E-10761, Fong, Zei Peo.
A-6868053, Fue, Virginia Siu-Hung (nee Wang).
A-6016824, Fu, Chien Chia.
A-9825142, Galecki, Zbigniew Henryk.
A-9267847, Greenfeld, Josef.
A-7193910, Gundry, Elizabeth Serena.
A-6612030, Gunther, Louis formerly Lajos Gunther.
E-058793, Hai, Ning Shing.
A-8296711, Hoskafi, Sawday Yousuf.
A-6555844, New, Abraham En-An.
A-6865812, Ho, Yen Hui also known as Franklin Yen Hui Ho.
A-6860825, Ho, Allen Hsi-Yin Chen.
0300-457800, Hosovich, Ivan or Ivan Honovic.
A-3469788, Hsia, Katherine.
A-6942681, Hsiao, Liang Lin.
A-10145053, Hsiao, Katherine, Suei-Ying Huang.
1300-117253, Hsieh, Chauncer Chia Shu.
1300-124919, Hsieh, Bess Chen Chue.
A-4014139, Hsieh, Hsueh Lian.
A-6967865, Hsiung, Chuan Tse.
A-6851853, Hsiung, Du Tung.
A-7446683, Hsiung, Litta Sze Yu formerly Litta Wei Yu Chu.
A-6771671, Hsu, Chi-Hwah (Patrick).
A-7268680, Hsu, Ching (Winnifred Madeleine) (nee Yang).
0300-466680, Hsu, Cyril or Cyril Da Lung Hsu.
T-261811, Hsu, Ta Chun.
0300-343746, Hsueh, Yuan Tse Chao.
A-10143000, Huang, Shuh Wei.
A-8891821, Huang, Wei-Cheng.
A-9225119, Hudzicki, Theodicus Eugene.
A-10143242, Hui, Yuk-Wah Chui.
A-10143241, Hui, Shui Ban.
A-10143240, Hui, Tam Shui-Tung.
A-7544395, Hwa, Wu Ah.
A-8961638, Hwong, Louis Shelling.
A-6087976, Jam, Hai.
E-084364, Jock, Wong.
A-9625079, Kaczmarek, Jan Marian.
E-116667, Kamalich, Selka.
A-6190888, Kan, Ling also known as Ling Tem or Ling Kam Kan.
A-7299372, Kao, Chang-Chung.
A-[illegible], Kaufman, Chaim.
0300-475640, Kaufman, Efraim.
A-6986528, Kiang, Yung Sue.
0300-464593, King, Teng Kwong.
0300-464595, King, Mary Yang.
0300-464895, King, Davis Teng.
A-6847988, King, Wilson.
A-8154000, Klein, Lesser.
A-7126483, Kolinsan, Lazar also known as Jeno Davidowics.
A-7250904, Koo, Donald Charles also known as Chiang-Chong Koo.
A-6727888, Kung, Chang.
A-7078199, Kwan, Tsun Yu.
0300-471118, Kwang, Lucie Su-Fang.
0300-455910, Landkas, Eva Olga.
0300-455911, Landkas, Jana Marie also known as Yana Landkas.
0300-455912, Landkas, Karol Josef also known as Charles Josef Landkas.
A-10142999, Lea, Jean Koo.
A-10142998, Lea, George Koo.
A-10142997, Lea, Edna Koo.
A-6460703, Lederman, Bronislawa (nee Sakalauka or Slabinner).
A-8088517, Lee, Chao-Ling also known as Ywei-Tai Lee or Rosine C. L. Lee.
A-10141504, Lee Chin Fong Wu.
A-10141504, Lee, Betty.
A-10141505, Lee, Anna.
A-8117268, Lee, King.
A-8055456, Lee, Kung Hsing.
0300-464495, Lee, Man Bun.
A-6967565, Lee Mary Foo (nee Mei-Li Foo).
A-7288769, Lee, Michael Lo-Hsin.
0300-454861, Lee, Peter K. also known as Ping Kang Li.
A-7418221, Lee, Robert Che-Kwong.
A-7295512, Li, Agnes Sou Lan.
A-7292447, Li, Kam.
A-6847889, Li, Kun.
A-7399278, Li, Wen-Hwa Tai.
A-6884236, Lieberman, Martha.
A-9236195, Lim, Man Aw.
A-6966556, Lin, Chung-Wu.
A-6958630, Lin, Paul Jen-Su.
A-7123283, Ling, Mary Fong Tong or Sister Maurice Clet.
A-10141591, Liu, Ollene Marguerite.
A-10141590, Liu, Rene Marguerite.
A-10141589, Liu, Juanita Mae.
A-7354772, Liu, Tung.
A-6848101, Liu, Yu-Chen.
A-6966644, Lo, Ching-tao.
A-8954609, Lo, Rose Marie.
A-8937451, Peng, Mary Louise.
A-8937450, Peng, Mary Therese.
A-7197766, Lohmus, Alexander August.
A-6451966, Lohmus, Nina Barejetski.
A-10067215, Lou, Kou Chen.
A-7530133, Lou, Marie King.
A-10145041, Low, Ben Ah Lin also known as Low Bin or Bin Low.
A-7436595, Lowe, Hsiao Shan.
A-7436591, Lowe, Molly Chang-Yee.
A-6961639, Lu, Fung-Chen Li.
A-7143254, Luh, Chien Hong.
A-6862675, Lum, Yuen Kwong.
A-6702160, Ma, Kwong-Kwong Tung.
A-6275869, Ma, Ming Li.
A-7418491, Majewski, Tadeusz.
A-1567579, Malk, August.
A-7866526, Mao-Dunn, Chun-Ming.
A-6862866, Mazaleki, Roman Bogusław.
0300-367367, Miechowics, Edward.
0300-413524, Milkovicich, Antonio.
1600-106924, Ming, Ling See or Ling Ming, or Peter Ling.
PR-0901109, Mui, Ping Chau.
PR-0901110, Mui, Pung Ching.
A-6482265, Wunberg, Helen.
A-7367314, Olson, Pawel also known as Paul Olson also known as John Pakiepa.
A-7125469, Gaulisk, Joseph.
A-7991778, Peras, Martino.
A-1362155, Pick, Laszlo (Leslie).
A-7197540, Pick, Ilona (Helen).
A-1357582, Pick, Peter.
A-7089146, Pietron, Jerzy.

A-6967701, Ping-Teh, Sie.
A-7286729, Sie, Mrs. Ping-Teh or Georgiana Djen-Dzi Wei.
A-9825123, Polowczyk, Leonhard.
A-8979851, Reches, Colman.
A-7982723, Saar, Robert John.
A-7280743, Schwartz, Zoltan.
0300-466464, Shalom, Moise Eddy.
0300-466463, Shalom, Muguette.
A-7118756, Shao, Otis Hung-I.
0300-459687, Shen, Hsi Ching.
A-10141556, Shen, Kwang-Yun.
A-7913446, Shen, Trung Ying.
A-7293120, Shen, Amy Tung-Chung Lin.
A-5967455, Shimabukuro, Koshio.
0300-423766, Shing, Chu Pao.
A-3807174, Shong, Ng.
A-6956856, Shum, Mary Chin-Hwai Chen.
E-29823, Siaw, Joyce.
A-7450356, Siaw, Thomas.
A-7841928, Siaw, Gideon.
A-7841927, Siaw, Caleb.
A-6606834, Sie, Haien Choh.
A-8695492, Sie, Kia Shen.
A-6695388, Sie, Lucy Tang.
A-7283129, Sih, Chang Ming also known as George Chang-Ming Sih.
A-7074026, Siu, Barbara Clare.
0300-293020, Siu, Victoria Mary.
A-9825114, Skoczylas, Roman Franciszek.
A-9825115, Sluszewski, Tadeusz Stanislaw.
E-154059, Statkevicius, Mecislovas also known as Mikas Roma Stonkus.
A-8103733, Stern, Erno.
A-7383486, Sun, Chin Yun also known as Lucille C. Y. Sun.
A-6026526, Sun, Ming Shan.
A-6967749, Yu, Chuan Chang.
A-10060431, Sun, Kungtu Chen.
A-10021941, Talviste, Venda or Wenda Talviste.
A-10170963, Tan, Wong Fi Chang.
A-10170964, Tan, Julia.
A-10170965, Tan, Michiol.
A-10023279, Tang, Thomas Li-Chien.
A-7282139, Tang, Walter Kwei-Yuan.
A-6616172, Ting, Chiang.
A-10145018, Ting, Puying Wu.
A-10145019, Ting, Sheryl or Sin Hwa.
A-10145020, Ting, Mary or May Hwa.
A-6405956, Tong, Kin Nee.
0300-469678, Tong, Ngow.
A-7860193, Trzakowski, Zbigniew.
A-7860163, Trzaakowski, Izabella.
A-8082028, Tsen, Chen Cha now known as Roy Chen.
A-10067923, Tseou, Joseph Ko-Fa.
A-8102918, Tsow, William Pei-Wei.
A-10141600, Tsui, Daisy Teh Haien.
A-5993249, Tsutsui, Juan Teruo.
A-7435704, Tuan, Kai Lin.
A-10141540, Tung, Chi Ling.
0300-410614, Tung, Tom Wing.
A-1753870, Venta, Elmar.
A-9707427, Wah, Wong.
A-9825026, Walczak, Jan.
A-6963136, Wang, Cheng-Ping.
A-7190604, Wang, Ming Yuen.
A-6737214, Wang, Siao-Yun Tsai known as Betty Siao-Yun Tsai Wang.
A-7070046, Wilk, Zygmunt Wladislaw.
1300-135482, Wong, Chin Hsi.
E-096448, Wong, Fong Quen.
A-7399255, Wong, James Wen Hsu.
E-057684, Wong, Roe Ng also known as Wong, Pang Ying.
A-9511718-T, Wong, Sing Lee.
A-6535223, Woo, Pang Tsu.
A-7211015, Wu, Henry Hsin.
A-7295492, Wu, Hui-Yung alias Fatima Wu.
A-7282141, Wu, Wei Djei.
A-6847811, Yao, Joseph Zeu-tse.
A-6851551, Yang, Chen-Sheng.
A-7368973, Yang, Johann Yueh-Han.
A-7368975, Yang, Schuman Chuo (nee Chuo).
A-10141590, Yang, Lilian Li-Lin Chang.
A-6916652, Yen, Ti.
0400-54846, Yuan, Gloria Lettice Liao.
A-7202742, Yuan, Kun.
0300-471517, Yuan, Lomay also known as Lorraine Lomay Yuan.
A-6847933, Yue, Tah Yu (Thomas).
A-7274429, Zia, Zung Teh.
A-7274367, Zia, Yin Chin.
A-7948499, Wang, Cheng Hu.
A-6443013, Wang, Kuei-Fu Fan.
A-8057489, Wang, Julia.

PREVIOUS ORDER FOR RECESS TO TUESDAY, MARCH 12

Mr. JOHNSON of Texas. Mr. President, I desire to point out that on Tuesday, last, an order was entered that when the Senate concludes its business today, it stand in recess until noon on Tuesday next, March 12.

The PRESIDENT pro tempore. The order has previously been entered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF FEDERAL CROP INSURANCE CORPORATION

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report of the Federal Crop Insurance Corporation, for the year 1956 (with an accompanying report); to the Committee on Agriculture and Forestry.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to implement further the Act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945 (with accompanying papers); to the Committee on Banking and Currency.

OPERATIONS OF VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a letter from the Administrator of Veterans' Affairs, expressing his observations concerning the effectiveness and results achieved through the operations of the Voluntary Home Mortgage Credit Program (with an accompanying paper); to the Committee on Banking and Currency.

IMPORTATION OF COMMERCIAL SAMPLES AND ADVERTISING MATTER

A letter from the Secretary of State, transmitting a draft of proposed legislation relating to the International Convention to facilitate the importation of commercial samples and advertising matter (with an accompanying paper); to the Committee on Finance.

REPORT ON UNITED STATES CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Secretary of State, transmitting, pursuant to law, a report on the extent and disposition of United States contributions to international organizations, for the fiscal year 1956 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON TORT CLAIMS PAID BY THE HOUSING AND HOME FINANCE AGENCY

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., reporting, pursuant to law, on tort claims paid by that Agency and its constituent agencies, for the calendar year 1956; to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIEN DEFECTORS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain alien defectors (with accompanying papers); to the Committee on the Judiciary.

INCREASED ANNUITIES FOR CERTAIN CIVILIAN TEACHERS OF UNITED STATES NAVAL ACADEMY AND UNITED STATES NAVAL POSTGRADUATE SCHOOL

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to increase the retired annuities of the civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School (with an accompanying paper); to the Committee on Armed Services.

READJUSTMENT OF POSTAL RATES

A letter from the Postmaster General, transmitting a draft of proposed legislation to readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

BONDING OF BIDDERS AND CONTRACTORS FOR TRANSPORTATION OF MAIL

A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation to amend the laws relating to the bonding of bidders and contractors for the transportation of mail; the advertisement and extension of mail routes; and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Georgia; to the Committee on the Judiciary:

"Senate Resolution 39

"A memorial to the Congress of the United States of America urging them to enact such legislation as they may deem fit to declare that the 14th and 15th amendments to the Constitution of the United States were never validly adopted and that they are null and void and of no effect

"Whereas the State of Georgia together with the 10 other Southern States declared to have been lately in rebellion against the United States, following the termination of hostilities in 1865, met all the conditions laid down by the President of the United States in the exercise of his constitutional powers to recognize the governments of

States, domestic as well as foreign, for the resumption of practical relations with the Government of the United States, and at the direction of the President did elect Senators and Representatives to the 39th Congress of the United States, as a State and States in proper constitutional relation to the United States; and

"Whereas when the duly elected Senators and Representatives appeared in the Capitol of the United States to take their seats at the time for the opening of the 39th Congress, and again at the times for the openings of the 40th and the 41st Congresses, hostile majorities in both Houses refused to admit them to their seats in manifest violation of articles I and V of the United States Constitution; and

"Whereas the said Congresses, not being constituted of Senators and Representatives from each State as required by the supreme law of the land, were not, in constitutional contemplation, anything more than private assemblages unlawfully attempting to exercise the legislative power of the United States; and

"Whereas the so-called 39th Congress, which proposed to the legislatures of the several States an amendment to the Constitution of the United States known as the 14th amendment, and the so-called 40th Congress, which proposed an amendment known as the 15th amendment, were without lawful power to propose any amendment whatsoever to the Constitution; and

"Whereas two-thirds of the Members of the House of Representatives and of the Senate, as they should have been constituted, failed to vote for the submission of these amendments; and

"Whereas all proceedings subsequently flowing from these invalid proposals, purporting to establish the so-called 14th and 15th amendments as valid parts of the Constitution, were null and void and of no effect from the beginning; and

"Whereas furthermore, when these invalid proposals were rejected by the General Assembly of the State of Georgia and 12 other Southern States, as well as of sundry Northern States, the so-called 39th and 40th Congresses, in flagrant disregard of the United States Constitution, by the use of military force, dissolved the duly recognized State governments in Georgia and 9 of the other Southern States and set up military occupation or puppet State governments, which compliantly ratified the invalid proposals, thereby making (at the point of the bayonet) a mockery of section 4, article IV of the Constitution, guaranteeing 'to every State in this Union a republican form of government,' and guaranteeing protection to 'each of them against invasion'; and

"Whereas further, the pretended ratification of the so-called 14th and 15th amendments by Georgia and other States whose sovereign powers had been unlawfully seized by force of arms against the peace and dignity of the people of those States, were necessary to give color to the claim of the so-called 40th and 41st Congresses that these so-called amendments had been ratified by three-fourths of the States; and

"Whereas it is a well-established principle of law that the mere lapse of time does not confirm by common acquiescence an invalidly enacted provision of law just as it does not repeal by general desuetude a provision validly enacted; and

"Whereas the continued recognition of the 14th and 15th amendments as valid parts of the Constitution of the United States is incompatible with the present-day position of the United States as the world's champion of constitutional governments resting upon the consent of the people given through their lawful representatives: Now, therefore, be it

"*Resolved by the General Assembly of the State of Georgia*, That the Congress of the United States is hereby memorialized and respectfully urged to declare that the exclusions of the southern Senators and Representatives from the 39th, 40th, and 41st Congresses were malignant acts of arbitrary power and rendered those Congresses invalidly constituted; that the forms of law with which those invalid Congresses attempted to clothe the submission of the 14th and 15th amendments and to clothe the subsequent acts to compel unwilling States to ratify these invalidly proposed amendments, imparted no validity to these acts and amendments; and that the so-called 14th and 15th amendments to the Constitution of the United States are null and void and of no effect; be it further

"*Resolved*, That copies of this memorial be transmitted forthwith by the clerk of the House and the secretary of the Senate of the State of Georgia to the President of the United States, the Chief Justice of the United States, the President of the Senate, and the Speaker of the House of Representatives of Congress of the United States, and the Senators and Representatives in the Congress from the State of Georgia.

"S. ERNEST VANDIVER,
"*President of the Senate.*
"GEORGE D. STEWART,
"*Secretary of the Senate.*
"MARVIN E. MOATE,
"*Speaker of the House.*
"J. N. BANE,
"*Clerk of the House.*"

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Public Works:

"Senate Concurrent Resolution 4

"A concurrent resolution memorializing the Corps of Engineers and the Congress of the United States relative to the land acquisition program in the Missouri River Basin

"*Be it resolved by the Senate of the State of South Dakota (the House of Representatives concurring)*:

"Whereas the land acquisition program of the Corps of Engineers of the United States Army in connection with lands required for the Missouri River Dams is of such size as to affect a large number of the citizens of the State of South Dakota; and

"Whereas it is unfair to the landowners in that the land appraisals do not take into consideration the fact that the acquisition involves a mass taking of practically the whole Missouri River bottom lands from one side of the State to the other; and

"Whereas as a result of such mass taking, the number of displaced landowners who desire to buy replacement land runs into the hundreds and perhaps thousands and the demand and pressure thus built up forces these landowners to pay much higher prices for such land than they are offered by the Government for their land; and

"Whereas as a result of this pressure and increase the landowner is placed in a much worse position than before the taking; and

"Whereas there are relatively large blocks of school and endowment lands held in trust by the State of South Dakota for the benefit of the common schools and other endowed institutions, which lands are now, through long term leases, a part of, and an asset to residents of the area to be evacuated; and

"Whereas large bodies of such school lands are not available for lease adjacent to land available for resettlement; and

"Whereas the willing seller, willing buyer concept which has been adopted by the courts as a basis for determining the compensation to be paid the landowner is unfair in that the landowner is not a willing seller but is forced to sell: Now therefore be it

"*Resolved*, That this legislature respectfully requests the Corps of Engineers to take into consideration the cost of replacement land and to adopt a scale of appraisals which will enable displaced landowners to purchase other relatively good land at the amounts received by them; and it be further

"*Resolved*, That the legislature respectfully requests the Corps of Engineers to abandon the willing seller, willing buyer concept as a basis for its appraisals and that it take into consideration the fact that the landowner is forced to sell; and be it further

"*Resolved*, That if congressional action be necessary to correct the present unjust system, this legislature respectfully requests the Congress of the United States to take such action promptly; be it further

"*Resolved*, That the replacement value concept be adopted in the appraisal of land by the Corps of Engineers so that it shall conform to the fifth amendment to the Constitution of the United States providing that no private property shall be taken for public use without just compensation, to the end that the owner shall be placed in as good a position pecuniarily as he would have occupied if his property had not been taken; be it further

"*Resolved*, That copies of this concurrent resolution be forwarded to His Excellency, the President of the United States, the Honorable Secretary of Defense of the United States, the Honorable Secretary of the Army of the United States, the Chief of the Corps of Engineers of the United States Army at Omaha, Nebr., to the Honorable KARL MUNDT and the Honorable FRANCIS CASE, United States Senators from South Dakota to the Honorable E. Y. BERRY, and the Honorable GEORGE MCGOVERN, Representatives in Congress from South Dakota, and to the Presiding Officer of both Houses of Congress of the United States.

"L. R. HOUCK,
"*Lieutenant Governor, President of the Senate.*
"NIELS P. JENSEN,
"*Secretary of the Senate.*
"NILS BOE,
"*Speaker, House of Representatives.*
"WALTER J. MATSON,
"*Chief Clerk, House of Representatives.*"

A letter in the nature of a petition from Vincent Brizgys, of Chicago, Ill., expressing his gratitude for the sympathy shown by Senators on the 39th anniversary of Lithuanian independence; to the Committee on Foreign Relations.

A resolution adopted by the Board of Supervisors of Westchester County, N. Y., favoring the enactment of House Joint Resolution 164, providing for the acquisition, preservation, maintenance, and administration of the home of John Jay as a national historical site; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Holy Name Society of the Holy Family Roman Catholic Church, of Brooklyn, N. Y., favoring the enactment of legislation to provide that all goods shipped under any foreign aid program be plainly marked "Made in the United States of America"; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Board of Supervisors of Westchester County, N. Y., favoring the enactment of House bill 5376, providing for the inclusion in the Federal-aid highway system of certain parkways; to the Committee on Public Works.

RESOLUTIONS OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. GREEN. Mr. President, on behalf of myself and my colleague, the junior Senator from Rhode Island [Mr. PASTORE], I present, for appropriate reference, the following resolutions adopted by the Rhode Island General Assembly:

First. Resolution memorializing Congress with respect to the establishing of a national cemetery in the State of Rhode

Island and Providence Plantations for the interment of veterans or servicemen of any of the wars in which the United States has been or may be in the future engaged.

Second. Resolution memorializing the Congress of the United States to enact legislation providing effective aid to labor surplus areas.

There being no objection, the resolutions were received and appropriately referred and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Interior and Insular Affairs:

"Resolution memorializing Congress with respect to the establishing a national cemetery in the State of Rhode Island and Providence Plantations for the interment of veterans or servicemen of any of the wars in which the United States has been or may be in the future engaged

"Whereas, at the January session, 1948, by Resolution No. 18 there was created a special commission to look into the facts and details necessary to have established a national cemetery in the State of Rhode Island and Providence Plantations for the interment of veterans or servicemen of any of the wars in which the United States has been or may in the future be engaged; and

"Whereas it would seem to the members of the General Assembly of Rhode Island that this matter is something which belongs more properly in the congressional field: Now, therefore, be it

"*Resolved*, That the Rhode Island Legislature respectfully requests the Congress of the United States to look into the facts and details necessary to have established a national cemetery in the State of Rhode Island and Providence Plantations for the interment of veterans or servicemen of any of the wars in which the United States has been or may in the future be engaged; and be it further

"*Resolved*, That duly certified copies of this resolution be transmitted by the secretary of state to the Senators and Representatives in the Congress of the United States.

"JOHN A. NOYES, Jr.,
"*Secretary of State.*"

To the Committee on Labor and Public Welfare:

"Resolution memorializing the Congress of the United States to enact legislation providing effective aid to labor surplus areas

"Whereas the Congress of the United States, in 1946 enacted a full employment act, enunciating the principle that full employment is a national responsibility; and

"Whereas any surplus labor area which has a hard core of unemployment is entitled to relief; and

"Whereas Rhode Island is such an area containing a skilled and well equipped labor force; and

"Whereas it is vital to the economy of the country that implementation be given to the principle of full employment by providing for the use of such a labor force; and

"Whereas the Rhode Island contribution to the income of the Federal Government is disproportionately greater than any Federal benefits which it receives: Now, therefore, be it

"*Resolved*, That the General Assembly of the State of Rhode Island and Providence Plantations hereby urges the Congress of the United States to enact legislation which would give meaning to the full employment act by providing loans for labor surplus areas to finance much-needed construction and reconstruction of industrial facilities, guaranteeing a Federal procurement policy assuring labor surplus areas their fair share of Federal purchases, making funds available for essential public construction, and providing suitable training for the unemployed; and be it further

"*Resolved*, That the Senators and Representatives from Rhode Island in said Congress be, and they are hereby earnestly requested to use their concerted effort to bring about the enactment of such legislation; and be it further

"*Resolved*, That the secretary of state be, and he is hereby authorized and directed to transmit to the Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution.

"JOHN A. NOYES, Jr.,
"*Secretary of State.*"

JOINT RESOLUTION OF ILLINOIS LEGISLATURE

Mr. DIRKSEN. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, Senate Joint Resolution 7 of the Illinois State Legislature, with respect to repealing the Federal excise tax on the transportation of persons and property.

There being no objection, the joint resolution was referred to the Committee on Finance and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 7

Whereas Illinois has long been a center of common carrier transportation by rail, by highway, by water, and in the air; and

Whereas millions of dollars in revenues are paid to the State of Illinois by those common carriers; and

Whereas continuation of Federal excise taxes upon common carrier transportation of persons and of goods endangers the continuation of those facilities: Now, therefore, be it

Resolved by the senate of the 70th general assembly (the house of representatives concurring herein), That the Congress of the United States repeal excise taxes upon transportation of persons and of goods; and be it further

Resolved, That a copy of this resolution be sent by the secretary of state to Senator PAUL H. DOUGLAS, Senator EVERETT M. DIRKSEN, and to each Member of the House of Representatives of the United States Congress elected from the State of Illinois.

Adopted by the senate, February 5, 1957.

JOHN WM. CHAPMAN,
President of the Senate.
EDWARD E. FERNANDES,
Secretary of the Senate.

Concurred in by the house of representatives, February 28, 1957.

WARREN L. WOOD,
Speaker of House of Representatives.
FRED W. RUEGG,
Clerk of House of Representatives.

FEDERAL AID TO SCHOOLS—RESOLUTION

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Page County School Board, of Page County, Va., in opposition to Federal aid to schools.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas under the 10th amendment to the Constitution of the United States it is the function and the responsibility of the States to provide schools, to regulate them, and to have complete jurisdiction over them; and

Whereas we have hanging over us the financial nightmare of nearly $300 billion of Federal debt with no evidence of any intention on the part of the Federal Government of making any attempt to provide for paying this debt; and

Whereas the recent fantastic proposed Federal budget is the largest peacetime budget in our history, which, if adopted, will cost every man, woman, and child an average of more than $400, and which will cost the people of Virginia more than $1,100,000,000; and

Whereas it is not denied that there are many problems connected with financing schools, it is believed that most of these problems are either caused by or aggravated by actions of the Federal Government and will not be solved by Federal aid; and

Whereas we believe that the greatest contribution which the Federal Government could make to schools would be to reduce the amount of Federal taxes to a reasonable figure and to stop forthwith yielding to pressure groups who demand more and more Federal waste; and further

Whereas we believe that Federal aid is not necessary either for current operating expenses for public schools or for capital expenditures and that local communities and States are able to supply both in accordance with the will of their residents: Therefore be it

Resolved, That we, the Page County School Board are completely and unalterably opposed to any Federal aid for schools; and further be it

Resolved, That we ask our representatives in the Senate and in the House of Representatives to do everything in their power to prevent the passage of any legislation providing for Federal aid for schools.

REPORTS OF COMMITTEES

The following reports of a committee were submitted:

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 1428. A bill to authorize furniture and furnishings for the additional office building for the United States Senate; (Rept. No. 136);

S. 1429. A bill authorizing the enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the existing Senate Office Building, to provide improved accommodations for the United States Senate; (Rept. No. 137); and

S. 1436. A bill increasing the limit of cost fixed for construction and equipment of an additional office building for the United States Senate; (Rept. No. 138).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Dewey Short, of Missouri, to be an Assistant Secretary of the Army, vice Chester R. Davis, resigned; and

Murray Snyder, of Maryland, to be an Assistant Secretary of Defense.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Vice Adm. William M. Callaghan to be placed on the retired list with the rank of vice admiral and the nomination of Col. Carey A. Randall for temporary appointment to the grade of brigadier general in the Marine Corps, to hold such grade while he is assigned as military assistant to the Secretary of Defense. I ask that these nominations be placed on the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar.

The nominations are as follows:

Col. Carey A. Randall, United States Marine Corps, for temporary appointment to the grade of brigadier general, to hold such grade while he is assigned as military assistant to the Secretary of Defense; and

Vice Adm. William M. Callaghan, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

Mr. STENNIS. In addition to the above nominations, I report favorably a total of 1,671 nominations for temporary and permanent appointment in the Army and Army Reserves. This group includes 1 lieutenant general and 5 major generals for special assignments and the appointment of 41 general officers in the Regular Army and Army Reserves, as well as the appointment and promotion of 1,624 officers in the Regular Army in the grade of captain and below.

All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDENT pro tempore. The nominations will lie on the desk, as requested by the Senator from Mississippi.

The nominations ordered to lie on the desk are as follows:

Maj. Gen. Arthur Gilbert Trudeau, United States Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general;

Maj. Gen. Emerson Charles Itschner, Army of the United States (brigadier general, U. S. Army), for appointment as Chief of Engineers, United States Army, and as major general in the Regular Army of the United States;

Maj. Gen. Herbert Maury Jones, Army of the United States (brigadier general, U. S. Army), for appointment as The Adjutant General, United States Army, and as major general in the Regular Army of the United States;

Brig. Gen. James Melvin Epperly, Dental Corps, United States Army, for appointment as Assistant Surgeon General, United States Army, as major general, Dental Corps, in the Regular Army of the United States and as major general in the Army of the United States;

Maj. Gen. George William Hickman, Jr., United States Army, for appointment as The Judge Advocate General of the Army;

Brig. Gen. Stanley Walker Jones, Army of the United States (colonel, U. S. Army), for appointment as Assistant Judge Advocate General of the Army, as major general in the Regular Army of the United States and as major general in the Army of the United States;

Brig. Gen. Holger Nelson Toftoy, United States Army, and sundry other officers, for temporary appointment in the Army of the United States;

William J. Chilcoat and sundry other persons, for appointment in the Regular Army of the United States; and

William F. Acers and sundry other officers, for promotion in the Regular Army of the United States.

By Mr. CHAVEZ, from the Committee on Public Works:

Brig. Gen. Paul D. Berrigan (colonel, Corps of Engineers) to be a member of the Mississippi River Commission.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 1498. A bill to provide domestic and community sanitation facilities and services for Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1499. A bill to amend title 18, United States Code, so as to regulate the transportation and shipment of fireworks; to the Committee on Interstate and Foreign Commerce.

S. 1500. A bill for the relief of Carlos A. Sanches; and

S. 1501. A bill for the relief of Agnes J. Cook; to the Committee on the Judiciary.

By Mr. IVES:

S. 1502. A bill for the relief of Erika Otto; to the Committee on the Judiciary.

S. 1503. A bill to amend section 18 of the Fair Labor Standards Act of 1938, as amended, to permit States and Territories to exercise exclusive regulatory authority in certain circumstances; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. IVES when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. IVES (for himself and Mr. JAVITS):

S. 1504. A bill to provide for an additional payment of $165,000 to the village of Highland Falls, N. Y., toward the cost of the water filtration plant constructed by such village; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (by request):

S. 1505. A bill to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. KUCHEL:

S. 1506. A bill to amend the Internal Revenue Code of 1954 so as to allow an individual to deduct the expenses, not in excess of $100, paid by him in each taxable year for transportation to and from his place of abode and his place of business or employment; to the Committee on Finance.

S. 1507. A bill for the relief of Aly Wassil; to the Committee on the Judiciary.

(See the remarks of Mr. KUCHEL when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. PURTELL:

S. 1508. A bill for the relief of Salvatore LaTerra;

S. 1509. A bill for the relief of Fumiko Bigelow; and

S. 1510. A bill for the relief of Reginald S. Levy; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1511. A bill for the relief of Mustafa Musaitif; to the Committee on the Judiciary.

S. 1512. A bill to amend the Fair Labor Standards Act by clarifying the definition of "employee," and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. CAPEHART (for himself and Mr. JENNER):

S. 1513. A bill for the relief of the former shareholders and debenture noteholders of the Goshen Veneer Co., an Indiana corporation; to the Committee on the Judiciary.

By Mr. POTTER:

S. 1514. A bill to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 1515. A bill to provide for the conveyance of certain housing projects owned by the United States to the Housing Authority of the city of Decatur, Ill.; to the Committee on Banking and Currency.

By Mr. DIRKSEN (by request):

S. 1516. A bill for the relief of Dr. N. S. Kapany; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 1517. A bill to provide for the issuance of a special postage stamp in commemoration of the celebration of the centennial birthday of Baker University, Baldwin, Kans., February 12, 1958; to the Committee on Post Office and Civil Service.

By Mr. CURTIS:

S. 1518. A bill relating to the shipment of fireworks in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Texas:

S. 1519. A bill for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno; to the Committee on the Judiciary.

By Mr. REVERCOMB:

S. 1520. A bill to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes"; to the Committee on Public Works.

(See the remarks of Mr. REVERCOMB when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1521. A bill to exempt persons appointed to student trainee positions from the provisions of section 9 of the Civil Service Act prohibiting the employment in the classified service of more than two members of the same family; to the Committee on Post Office and Civil Service.

By Mr. MORTON:

S. 1522. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing the burial site of the grandfather of Abraham Lincoln as a national monument; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL:

S. 1523. A bill to authorize the coinage of 50-cent pieces in commemoration of Plimoth Plantation, Inc.; to the Committee on Banking and Currency.

S. 1524. A bill for the relief of Laurance F. Safford; to the Committee on the Judiciary.

(See the remarks of Mr. SALTONSTALL when he introduced the above bills, which appear under separate headings.)

By Mr. ELLENDER (by request):

S. 1525. A bill to provide for participation by States and local agencies in assistance to farmers in major disaster areas;

S. 1526. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended; and

S. 1527. A bill to extend the authority of the Secretary of Agriculture to make special livestock loans, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. WILEY:

S. 1528. A bill for the relief of Arthur Green; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 1529. A bill to provide for the conveyance of certain real property of the United States to Klamath County, Oreg.; to the Committee on Government Operations.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. CARROLL:

S. 1530. A bill to provide for the establishment of a Veterans' Administration domiciliary facility at Fort Logan, Colo.; to the Committee on Labor and Public Welfare.

By Mr. LONG:

S. 1531. A bill to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana; to the Committee on Banking and Currency.

S. 1532. A bill to amend the Civil Aeronautics Act of 1938 in order to require in certain cases that air carriers provide transportation for additional baggage at air-freight rates; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. LONG when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself, Mr. MURRAY, Mr. CHAVEZ, Mr. HILL, Mr. JOHNSTON of South Carolina, Mr. KERR, Mr. LONG, Mr. MAGNUSON, Mr. MANSFIELD, Mr. NEUBERGER, and Mr. SPARKMAN):

S. 1533. A bill to strengthen the Nation by providing auxiliary credit resources required to preserve the family-size farm, providing additional credit for farm enlargement and development, refinancing of existing indebtedness, expansion and simplification of farm ownership and operations credit programs by amendment of the Bankhead-Jones Farm Tenant Act, and extension and simplification of emergency and disaster farm credit by amendment of the acts of April 6, 1949, as amended, and August 31, 1954, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (for himself and Mr. CARLSON) (by request):

S. 1534. A bill to readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN (by request):

S. 1535. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years; and

S. 1536. A bill to amend subsection 307 (a) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bills, which appear under separate headings.)

By Mr. McCLELLAN (for himself and Mr. McCARTHY) (by request):

S. 1537. A bill to create a Supply and Service Administration as a Department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. McCLELLAN when he introduced the above, bill which appear under a separate heading.)

By Mr. McCLELLAN (for himself, Mr. JACKSON, Mr. THURMOND, Mr. McCARTHY, Mrs. SMITH of Maine, Mr. MARTIN of Iowa, and Mr. CURTIS):

S. 1538. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN (for himself, Mr. THURMOND, Mr. McCARTHY, Mr. MUNDT, Mrs. SMITH of Maine, Mr. MARTIN of Iowa, and Mr. CURTIS):

S. 1539. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN (for himself, Mr. JACKSON, Mr. HUMPHREY, Mr. THURMOND, Mr. McCARTHY, Mr. MUNDT, Mrs. SMITH of Maine, Mr. MARTIN of Iowa, and Mr. CURTIS):

S. 1540. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 1541. A bill for the relief of Giacomo Lucchesi;

S. 1542. A bill for the relief of Lori Biagi; and

S. 1543. A bill for the relief of Dorene I. Fast; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 1544. A bill to amend the Tariff Act of 1930 to provide for the free importation of primary nickel; to the Committee on Finance.

S. 1545. A bill for the relief of Fou Tuoh Lee; to the Committee on Armed Services.

By Mr. MONRONEY (for himself, Mr. FULBRIGHT, and Mr. CAPEHART):

S. J. Res. 72. Joint resolution to implement further the Act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945; to the Committee on Banking and Currency.

(See the remarks of Mr. MONRONEY when he introduced the above joint resolution, which appear under a separate heading.)

AMENDMENT OF FAIR LABOR STANDARDS ACT

Mr. IVES. Mr. President, I introduce, for appropriate reference, a bill to amend section 18 of the Fair Labor Standards Act of 1938, as amended, to permit States and Territories to exercise exclusive regulatory authority in certain circumstances. I should like to make a brief statement about this bill.

The Labor Subcommittee of the Senate Committee on Labor and Public Welfare is now holding hearings on proposals to extend coverage of Federal minimum wage protection. Some States, my home State of New York is an example, already have State laws providing such protection for employees, not now covered by the Federal law, who would come under Federal coverage under the proposals now being considered.

Here we would have a case of administrative duplication which, it seems to me, would be not only expensive but also unnecessary. I have therefore introduced this bill, in the interest of economy in government and of local autonomy, for consideration by the Committee on Labor and Public Welfare and its Labor Subcommittee.

The bill provides essentially that where State laws establish minimum-wage, overtime-pay and child-labor protection standards in substantial accord with the Fair Labor Standards Act, the Secretary of Labor may work out an agreement with State officials exempting employees in that State from application of the Federal act under such conditions as the Secretary may find necessary to assure their continued protection under the State law in accord with the policy of the Federal law.

In other words, where State-enforced labor standards are already as good as or better than the Federal standards, there is no point in further burdening the Federal Government with additional administrative costs of education and enforcement in that particular State. Furthermore, the State agencies are likely to be more familiar with the peculiar problems of the retail and service industries to which minimum wage coverage would be extended under proposed amendments before the committee.

Finally, Mr. President, an amendment to the Fair Labor Standards Act as proposed in this bill should encourage the States to improve their own labor standards so they could avoid Federal intervention in an area of commerce which is essentially local in nature.

Mr. President, I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1503) to amend section 18 of the Fair Labor Standards Act of 1938, as amended, to permit States and Territories to exercise exclusive regulatory authority in certain circumstances, introduced by Mr. IVES, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 18 of the Fair Labor Standards Act of 1938, as amended, is amended by inserting in such section, between the first and second sentence thereof, the following: "The Secretary of Labor, whenever he shall find that any State is carrying out the policy of this act with respect to the employees therein in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) by providing under State law (at rates and under standards consistent with the rates and standards established by this act) minimum-wage, overtime-pay, and child-labor protection for such employees which is in substantial accord with that provided in this act, may be agreement with the appropriate officials of such State exempt such employees from the application of this act under such conditions as he may find necessary to assure their continued protection under the law of such State in accord with the policy of this act."

RESTRICTION OF FAIR LABOR STANDARDS ACT IN CERTAIN OVERSEAS AREAS

Mr. SMITH of New Jersey. Mr. President, I introduce, by request, a bill which

is a part of the Department of Defense legislative program, and which would restrict the application of the Fair Labor Standards Act on Guam, Wake Island, the Canal Zone, and in any area within foreign countries that is under the jurisdiction of the United States.

I should like to emphasize that the Department of Labor, and other executive agencies, have several objections to the bill, and that it has been cleared by the Bureau of the Budget for the purpose of providing a basis of consideration by the Congress of the issues involved.

Mr. President, I ask unanimous consent that a letter from the Bureau of the Budget to the Secretary of Defense concerning the bill, and a letter of transmittal from the Secretary of the Navy, explaining the bill, be printed in the body of the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 1505) to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes, introduced by Mr. SMITH of New Jersey (by request), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The letters presented by Mr. SMITH of New Jersey are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 21, 1957.

The Honorable SECRETARY OF DEFENSE.
(Attention: Mr. Frank J. Sherlock.)

MY DEAR MR. SECRETARY: This is in reference to a proposal in your 1957 legislative program entitled "To amend the Fair Labor Standards Act of 1938, as amended."

We are informed that the Senate Committee on Labor and Public Welfare plans to hold hearings beginning February 25, 1957, on coverage of the Fair Labor Standards Act and that these hearings will provide an opportunity for the committee to consider this subject. In view of this fact and in light of the agreement by all agencies concerned that exemption of foreign bases from application of the act are desirable, the Bureau of the Budget would have no objection to the presentation of the subject proposal in its present form. In this form the bill will provide a basis for the consideration by the Congress of the issues presented by the bill. It also will provide a means of affording the Department of Defense and other affected agencies an opportunity to present their views. The qualified nature of this clearance should be specifically called to the attention of the committees.

During the course of the forthcoming hearings, it is understood that the following major points will be brought out as agreed at a meeting on the proposal which was held with representatives of your Department and other interested agencies on February 21, 1957.

1. The opposition of the Labor Department to (a) inclusion of Guam and Wake Island, (b) the proposed bar against liability for past violations of the Fair Labor Standards Act, and (c) authorization of mandatory notice to interested parties, with opportunity for hearing, before the Secretary takes action on industry committee findings and recommendations.

2. The opposition of the Panama Canal Company and government to inclusion of the Canal Zone in the bill.

3. The State Department's concern with the foreign policy aspects of the bill, especially in relation to Guam.

Sincerely yours,

ROGER W. JONES,
Assistant Director for Legislative Reference.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D. C., February 23, 1957.

The PRESIDENT OF THE SENATE,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of proposed legislation "to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1957, and it has been submitted to the Bureau of the Budget for advice as to its relationship to the program of the President. The Bureau of the Budget has advised that it has no objection to the submission of this proposal to the Congress, subject to certain comments as indicated in the enclosed copy of a letter from the Bureau of the Budget.

The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

This proposal would amend the Fair Labor Standards Act of 1938 (29 U. S. C. 201) to provide for restricted application of the principal provisions of that act on Guam, Wake Island, the Canal Zone and in any area within foreign countries that is under the jurisdiction of the United States. As to Guam, the Canal Zone and Wake Island, the proposal provides for establishment of a minimum wage by the Secretary of Labor upon the recommendations of an industry committee appointed by him as is done now for Puerto Rico, the Virgin Islands and American Samoa, except that the industry committee recommendations are made subject to review and approval by the Secretary of Labor. In addition, the Secretary of Labor will be required to give interested persons due notice and opportunity to be heard prior to publication of such recommendations in the Federal Register and prior to filing modified or new findings.

With respect to areas other than a State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (67 Stat. 462), American Samoa, Guam, the Canal Zone, and Wake Island, where the United States may have defense bases or other establishments, the proposal expressly provides that the following provisions of the Fair Labor Standards Act do not apply: section 6 (minimum wages), section 7 (maximum hours), section 11 (inspection of records, investigations, and reports), and section 12 (child labor).

The proposal would authorize the Secretary of Labor, after receiving recommendations of the industry committee, to determine the minimum wage rates for Guam, the Canal Zone and Wake Island. In so doing the Secretary may determine the wage appropriate for the geographical area or particular work performed, not in excess of the minimum rate applicable within the Continental United States ($1 per hour) and taking into consideration the fact that the labor standards in those areas are unlike those in the United States.

In addition, the bill provides that section 7 and section 12 of the act shall not apply to those employees for whom the Secretary is authorized to establish minimum wage rates under the new section 6 (a) (4) except where such wage rates are in effect. Where such wage rates are in effect, the Secretary would be authorized to make rules and regulations providing variations and exemptions from any or all of the provisions of sections 7 and 12 if he should find, after a public hearing on the matter, that economic conditions warrant such action.

The proposal also provides that no employer shall be subject to any liability under the Fair Labor Standards Act or the Portal-to-Portal Act for work performed in foreign countries or in areas under jurisdiction of the United States other than those named in the act. Similarly, employers would not be liable under such acts for work performed in Guam, the Canal Zone or Wake Island prior to the effective date of a minimum wage fixed by the Secretary of Labor. Thus it may be seen that the proposal generally would apply to Guam, the Canal Zone and Wake Island the same provisions of law presently made applicable to American Samoa by the Act of August 8, 1956 (70 Stat. 1118) and additionally it would exempt the application of section 12 (Child Labor). A final provision of the proposal would amend section 17 of the basic act to add the District Court of Guam to those forums having jurisdiction to restrain violations of the act.

The Fair Labor Standards Act covers employees engaged in commerce or the production of goods for commerce. The geographic coverage of the act turns upon the definition of "State" as "any State of the United States or the District of Columbia or any territory or possession of the United States." As a result of this broad definition the act may be interpreted as applicable not only to employees in the United States and its Territories but also to employees upon any United States base anywhere in the world. This broad interpretation of coverage is supported by the decision of the Supreme Court of the United States in *Vermilya-Brown Co., Inc.*, v. *Connell* (335 U. S. 377 (1948)). This case held that the Fair Labor Standards Act, if otherwise applicable, covered employees of United States contractors engaged in construction of a military base for the United States on land in Bermuda acquired from Great Britain under the Destroyer-Lease Agreement. The Court held that the "facts indicate an intention on the part of Congress in its use of the word 'possession' to have the act apply to employer-employee relationships on foreign territory under lease for bases."

The full effect of the *Vermilya-Brown* decision was not immediately felt by the Department of Defense because the Department was not, in 1948, engaged in a mobilization effort which involved extensive overseas construction in areas covered by this decision. However, the expansion of military operations at home and abroad since the Korean incident has precipitated serious problems relating to the applicability of the Fair Labor Standards Act to the various overseas possessions.

The Fair Labor Standards Act imposes a minimum wage of $1 per hour and requires that overtime compensation at time and one-half for all hours worked beyond 40 in a workweek be paid to all employees covered by the act. On bases or establishments in foreign areas where the act may presently be held applicable and where native workers are utilized, labor standards for areas contiguous to the base or establishment are under the jurisdiction of foreign governments and are established at levels consistent with the prevailing local economy. Applying the conditions of the Fair Labor Standards Act to work performed within the base or establishment would require, in most instances, wage payments on the part of contractors performing work for the Department of Defense to be made at much higher wage scales than those generally prevailing in the area. Such wage payments would obviously distort the local economy, and in some instances objections have been received from foreign governments.

In addition, such payments would result in higher costs to the United States.

The principal problem now arises upon Guam, where Department of Defense contractors have been engaged in a major expansion program for improving defense facilities. There have not been sufficient local resident workers to accomplish this program. The remoteness of the island, its climate, and the more favorable economic conditions in the United States have prevented the attraction of sufficient United States workers, particularly in the laboring and semiskilled classifications. As a consequence, a large number of the required workers were recruited under contract from the Philippines. These workers had to be taught new skills and techniques, and their usefulness and productivity suffered from inability to understand English. They have been paid hourly wages and have been provided with lodging, board, and medical care. The compensation and the conditions of employment had the approval of the Philippine Government. The total of such compensation and benefits has been commensurate with their productive efficiency. Although for the less skilled workers the total compensation and benefits have not amounted to the $1 minimum prescribed by the Fair Labor Standards Act, the compensation has been substantial and has been much greater than they would have earned in the Philippines.

The Department of Defense believes that the employment of native workers in foreign areas as well as employment of Filipinos on Guam has been advantageous to the workers and to their countries. The program has been administered fairly, without exploitation, to produce substantial savings for the United States and to promote good international relations. To remove any technical doubt as to the legality of this employment the Department of Defense proposes the exemption from the Fair Labor Standards Act as set forth in the attached draft of legislation. The Department of Defense needs this legislation in order to insure against retroactive liability as to defense contracts in overseas areas and to be able to negotiate future contracts for essential labor unhampered by the existing doubt and uncertainty.

LEGISLATIVE REFERENCES

This proposal was submitted to the 83d Congress in a slightly modified form as part of the Department of Defense legislative program for 1954 and was introduced in the form of H. R. 10181 and S. 3631. No further action was taken on the bills by the 83d Congress. The proposal was submitted to the 84th Congress as a part of the Department of Defense legislative program for 1955 and also for 1956. In the 84th Congress, the proposal emerged as H. R. 11799 and S. 2404. The House Committee on Education and Labor, after extensive hearings, favorably reported H. R. 11799, however, neither of the bills were considered for passage. S. 3956, a bill extending the provisions of the present proposal only to American Samoa, was enacted as Public Law 1023, 84th Congress (70 Stat. 1118). The present proposal is essentially the same as H. R. 11799.

COST AND BUDGET DATA

The United States Government has agreed to indemnify its contractors in the event it is determined in the future that contracts on bases in foreign countries should have been performed under the provisions of the Fair Labor Standards Act. This means that at any time in the future the United States may be faced with the payment of many millions of dollars in retroactive liability, not to mention the increased costs of building and maintaining overseas bases. In the area of retroactive liability, official estimates place the figure at a possible $225 million. This estimate does not cover the cost involved in searching the employment records of thousands of employees nor does it cover the statutory provision for liquidated damages and attorney fees. As to increased future costs to the Government, official estimates indicate a possible increase of $415 million over the next 2 fiscal years, and the figure does not reflect increased costs involved in maintaining the skill differential in wages, or the additional records that would have to be kept.

This proposal would provide relief for the United States Government from a potential outlay of $640 million in direct costs alone, plus an incalculable amount in indirect costs.

Sincerely yours,

C. S. THOMAS,
Secretary of the Navy.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO DEDUCTION OF CERTAIN TRANSPORTATION EXPENSES

Mr. KUCHEL. Mr. President, some of the provisions of the Federal tax laws relating to deductible expenses produce unfairness. They are antiquated. Increasing numbers of Americans are penalized because of the failure of Congress to correct flaws in the Federal revenue system. One glaring instance of inequitable treatment to some taxpayers has prompted me to prepare the bill I now introduce for appropriate reference. I suggest it is worthy of incorporation in this year's tax legislation.

I propose that all persons—not merely a favored few—be permitted to treat as a necessary expense at least a part of their out-of-pocket costs of travel to and from their jobs. The tax law now permits some people this right. Why should it be denied to others?

I propose to amend the Internal Revenue Code of 1954 so as to allow an individual to deduct expenses, not in excess of $100, incurred by him in each taxable year, for transportation to and from his place of abode and his place of business or employment.

For the salaried or wage-earning person, this allowance for a car or public transportation would generally correspond to the automobile expense already allowed as a deduction for sales people and some professional groups using their cars in regular business. Salaried wage-earners are entitled to the same treatment when income tax time arrives.

There can be no question as to the equity of this proposal. It represents a forward step toward modernizing our Federal tax laws so as to take into account the plain fact that the average citizen today has unavoidable travel expenses in earning his bread.

The growth of urban areas, the movement of industries to new locations, the dependence of our people upon transportation systems and automobiles to reach their work, all are relatively recent developments in our way of life.

Few Americans nowadays live close to their offices, their stores, or their plants. They do not walk to and from their place of employment. In my State of California, many people drive as much as 50 or more miles a day just to get to their place of work and return home. This is graphically portrayed in southern California, where the great aircraft industry employs thousands of persons who live in scores of scattered communities.

In the budget of the average family, a fixed amount, sometimes a substantial amount of its annual income, is earmarked for transportation between the home and the place of employment. With bus and street car fares in most metropolitan centers now at a minimum of 15 cents a ride, and more, the office worker, the store clerk, the machine tool operator, and the truck driver who use public transportation must have an additional overhead cost, in travel, for which they receive no reimbursement.

If an employee drives his automobile to and from work he cannot deduct any of the money he pays for gasoline and oil, not to speak of the outlay for repairs and tires. Paradoxically, the man next door who may sell insurance or adding machines or some other article, and who uses his automobile daily in the course of his activities, is entitled by law to deduct from his taxable income a business expense item which covers such costs. This manifest unfairness ought to be remedied. I hope my proposed amendment of the law may be approved by the Congress.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1506) to amend the Internal Revenue Code of 1954 so as to allow an individual to deduct the expenses, not in excess of $100, paid by him in each taxable year for transportation to and from his place of abode and his place of business or employment, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO PROHIBITION OF TRADING IN ONION FUTURES

Mr. POTTER. Mr. President, I introduce, for appropriate reference, a bill to amend the Commodity Exchange Act to prohibit trading in onion futures.

The onion growers not only in the State of Michigan but in other States as well are in great distress as a result of futures trading in their product. I am cognizant of the fact futures trading in storable, nonperishable commodities has certain advantages. By no stretch of the imagination, however, is this true of perishable commodities such as onions. A small group of speculators and manipulators by means of futures trading are able, to the detriment of the onion growers, to reap huge profits for themselves at no benefit to the consumers.

We should not hesitate to enact legislation affording protection to our onion growers from wild speculation and manipulation which is so demoralizing and has such a depressing effect upon the price of their commodity.

The onion industry has never cost the taxpayer a nickel in the way of subsidies or supports. The growers are not asking for preferential treatment when they seek legislation to prohibit futures trading in their product. They want only to grow and sell their produce in an orderly market.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1514) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

DISPOSAL OF CERTAIN FEDERALLY OWNED PROPERTY

Mr. REVERCOMB. Mr. President, I introduce, for appropriate reference, a bill to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways, and for other purposes."

The proposed amendment is designed to bring about a repair of a lock and a dam on the Little Kanawha River in West Virginia. It has fallen into disrepair to such an extent that great damage has been done in that productive and fertile valley.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1520) to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways, and for other purposes," introduced by Mr. REVERCOMB, was received, read twice by its title, and referred to the Committee on Public Works.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF PLIMOTH PLANTATION, INC.

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill to authorize the coinage of a 50-cent piece in commemoration of Plimoth Plantation, Inc.

Plimoth Plantation, Inc., is a group of public-spirited citizens of Plymouth and other parts of Massachusetts who are interested in the preservation of Plymouth because of the very great importance of the community to the history and culture of our Nation. In connection with the restoration of the Plymouth Colony which has been underway for some years, the *Mayflower II*, an exact replica of the vessel which brought the Pilgrims to the new land 337 years ago, will cross the Atlantic from Plymouth, England, to Plymouth, Mass., and is scheduled to begin its voyage in late April of this year.

Elaborate preparations are being made in Plymouth for the arrival of the *Mayflower II* in May.

A tract of land of 100 acres in Plymouth has been selected as the site for the reconstruction of the Pilgrim Village, and the *Mayflower II* will be moored there.

I ask unanimous consent that an article from a special supplement published by the Old Colony Memorial, the weekly newspaper in Plymouth, Mass., be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 1523) to authorize the coinage of 50-cent pieces in commemoration of Plimoth Plantation, Inc., introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The article presented by Mr. SALTONSTALL is as follows:

NEW "MAYFLOWER" VOYAGE TO CATCH EYE OF WORLD—GALA WELCOME PLANNED FOR ARRIVAL IN PLYMOUTH EARLY IN MAY 1957

The *Mayflower* is coming back to Plymouth.

Three hundred and thirty-seven years after the first crossing—one of the most memorable of all time—a new ship just like the old will make a journey to the same port and into the hearts of a nation.

Instead of being an "outcast" it will be sped on its way by whistles and shouts of an admiring populace.

And instead of arriving in a desolate, barren land in the dead of winter it will be met by great throngs of wellwishers and will receive a royal welcome.

That "glimpse into history" will be the big story of 1957. Events are proceeding swiftly on this side of the ocean to give it the setting it deserves.

The voyage of *Mayflower II*—a replica of the staunch Pilgrim ship of "180 tons burden," as it was described in the register—is scheduled to start late in April. It will follow the original route, from Plymouth, England, to Plymouth, Mass.

HANDS ACROSS THE SEA

Here it will be given a permanent home as a good will gift from the people of Great Britain to the people of the United States.

That ship is destined to become a part of a famous shrine of early America, for around it will rise a living Pilgrim Village which will recapture the spirit of those first years.

In the lee of the *Mayflower*, just as it was three centuries ago, men and boys will work in the saw pit, at the grist mill, in the gardens, at the brick kiln, carrying on with the crude tools of that time; while women and girls will spin, weave, churn, dip candles, and make pottery in the way of busy Pilgrim housewives.

Sheep and goats will graze on land as other sheep and goats once grazed long ago.

It will cost more than a million dollars to provide the proper background for this ambitious undertaking.

A tract of land along the Eel River, closely resembling the place where the Pilgrims first settled, has been deeded by the late Mrs. Henry Hornblower, to Plimoth Plantation, Inc., a nonprofit group dedicated to the preservation of the magnificent Pilgrim heritage.

IDEAL SHOWPLACE

On this site, 2 miles south of Plymouth Rock, at a spot which will provide fine natual protection and an ideal showplace for the *Mayflower II*, will be built the Plymouth of 1627 (chosen because that was the year of the first "census").

Everything will be as it was then.

First Street, with its 19 thatched dwellings, laid out as they were in the beginning;

The Fort-Meeting House, the town's place of assembly and defense;

An Indian trading post, like that in which the Pilgrims bartered for furs;

A grist mill, where grain and corn were ground;

An Indian Village, circled with bark huts;

An archeological museum which will house the many priceless relics that have been gathered and to which will be attached a research laboratory;

And, finally, a permanent berth for the *Mayflower*.

The *Mayflower* journey will be one of the most closely followed adventures of the decade. It will have the glamor of a universally known episode in history come to life, plus the warmth of a new expression of kinship between two closely welded nations.

TWO HUNDRED AND FIFTY THOUSAND CONTRIBUTIONS

For the new *Mayflower* will be more than a collection of curved timbers and unfurled sails patterned to the dimensions of a departed craft. It will be a symbol of good will that comes from the heart. It is being built from the freely given contributions (averaging 2 shillings each) of a quarter of a million English people.

There will be special pride for the legion of givers who thus share personally in an important moment in history, as well as for the average American who can understand the nature of friendliness.

It will give a warming lift to the Pilgrim Village shrine that may make it one of the favorite tourist attractions of the future. Some day it may rival the Statue of Liberty as a mecca for sightseers from all over the world. The analogy is apt, for Miss Liberty was also a gift from the people of one nation to the people of another.

The two Pilgrim projects at opposite ends of the Atlantic are in true harmony. The Yankee group made available the services of William A. Baker, of Hingham, famed marine architect and authority on 17th century ships, to Project Mayflower, Ltd., to supervise construction of the vessel in England. And Warwick Charlton, of London, director of that project, has visited Plymouth, Mass., and the spot where the *Mayflower II* will be moored.

"It is a natural setting," Mr. Charlton told his hosts at a Plymouth dinner in his honor. "It could not have been better. If we had such a place in England it would attract thousands and thousands of people."

At Upland's Yard, in the small fishing village of Brixham, Devon, England, the work of fitting out is progressing swiftly on the *Mayflower*. The ship launching was carried through without a hitch September 22, despite a driving downpour.

Here in Plymouth, Mass., detailed planning is going ahead on Pilgrim Village under the supervision of Charles R. Strickland, Plantation architect.

Everything is being done to give the homes that will go up along the new First Street true authenticity, in construction and interior. Oak beams will be hewn from native trees. Some of the ancient timbers in the corner posts and joints will be held together by trunnels or treenails (hand-wrought wooden pegs).

The homes will have the vertical planked sidings, thatched roofs, and sheepskin parchment windows typical of the abodes of that day.

They will be supplied with furniture of the type the Pilgrims used, such as trestle tables, benches, trundle beds, sea chests, and trunks hollowed from trees and covered with animal skins.

Plymouth's First House, Fort-Meeting House, and 1627 House, which have been visited by 2½ million persons since they were opened in 1949, 1953, and 1955, respectively, will be moved to the new site.

Among the first dwellings to be restored will be those in which such familiar figures as Governor Bradford, Elder Brewster, Edward Winslow, Myles Standish, John Alden, John Howland, and Dr. Samuel Fuller lived. Each will be marked with the name of the family that once gave it purpose and industry.

The descendants of these families—and others of the original 19—now populate every State of the Union. Some have gone far afield. But all will be brought closer together by this new project for they are contributing to the cost of bringing back "their" homes.

LAURANCE F. SAFFORD

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill for the relief of Laurance F. Safford, United States Navy, retired. It is not my usual policy to take the time of the Senate with remarks upon the introduction of a private bill. However, in this instance I believe that the circumstances warrant a brief statement. This bill which I am introducing involves not only the relief of an individual, but it involves the pronouncement of a policy vital to our national defense.

Between 1936 and the time of his retirement in 1953, Captain Safford was responsible for the invention of more than 20 cryptographic systems and apparatus, all of which were kept in secrecy status by the United States Navy. Captain Safford devoted his life to providing the Navy with adequate and secure cryptographic equipment. He was responsible for remarkable gains in this field. He was the one man more than any other who was responsible for rendering our codes safe from analysis by the enemy during World War II. I understand that he is one of the world's leading authorities on cryptographic matters.

Safford's contributions to national security have been cited many times. In 1946, as Secretary of the Navy James Forrestal conferred upon Captain Safford the Legion of Merit, he referred to him as "the driving force behind the development of the perfected general cipher and call-sign cipher machines which today give the United States Navy the finest system of encipherment in the world" and as having "contributed essentially to the successful prosecution of the war."

In the words of a highly respected member of the legal profession who was for some time closely associated with Safford, "I feel that Captain Safford is entitled to the almost unreserved appreciation of the Nation for what he did."

This bill is consistent with established precedent in this very same field. Last year Congress by Private Law 625 awarded $100,000 to Col. William Friedman under very similar circumstances. Indeed, there is a long history of congressional recognition of this sort for individuals contributing to this particular art. In 1935 Capt. Russell Wilson, United States Navy, and in 1937, Comdr. William Gresham, United States Navy, were awarded compensatory sums by act of Congress.

The substance of the Safford bill was summed up in the report of the Department of the Army in the case of Colonel Friedman:

> Where the fruit of an inventor's labor has been of substantial benefit to his Government and his right to seek reward for his efforts is impaired for so great a period of time for security reasons, it is equitable that he be compensated for his loss. This view is in accord with the policy of the Department of encouraging technological advancement. To deny an inventor the right to seek gain from his inventions merely because they are vital to our national defense and the security of the Government, while permitting such pursuit by inventors in other fields where security interests are not paramount, would be discriminatory and would discourage advancement in matters vital to our national defense.

I know we are all concerned with retaining skilled, trained personnel in the military service. One of the most effective ways to do this is to demonstrate to them that military service does not mean a complete sacrifice of reward for unusual and extraordinary achievements above and beyond the duties expected of them. It certainly has been our policy by the establishment of proper incentives to encourage the employment and retention of Government scientists and engineers and to give them the incentive to invent. Material gain is certainly a very important aspect of this.

It is in this spirit and with this motive that I introduce this bill for appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1524) for the relief of Laurance F. Safford, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONVEYANCE OF CERTAIN REAL PROPERTY TO KLAMATH COUNTY, OREG.

Mr. NEUBERGER. Mr. President, on behalf of myself, and my distinguished colleague, the senior Senator from Oregon [Mr. MORSE], I introduce a bill to provide for the conveyance of certain real property of the United States to Klamath County, Oreg.

The following statement from the Klamath County Court, at Klamath Falls, Oreg., explains the need for the proposed legislation:

> This is the land upon which the Klamath experimental area is located. It is a cooperative project between Oregon State College and Klamath County. The property has been occupied under contract No. Ilr-883 with the Bureau of Reclamation since 1939. This is a yearly renewable contract to run until 1963. At the time of the lease initiation, this soil was placed in class V by the Bureau of Reclamation as it was considered unfit for agricultural purposes. At that time similar land could be acquired for $30 per acre. The early program of the station was to determine what, if anything, could be done to recover such land for agriculture. A January 2, 1957, appraisal of the local realty board is as follows: 49.29 acres of class 2 at $300, $14,787; 7.68 acres of class 3 at $125, $960; 26.24 acres of class 4 at $75, $1,968.
>
> This gives you some idea of the improved soil situation.
>
> During the past 18 years Klamath County has done extensive developmental work on this property. Buildings valued in excess of $75,000 have been constructed. Extensive land leveling and soil improvement work has been done. Considerable tree plantings have been made and numerous experimental long term projects have been started.
>
> Klamath County budgeted moneys for the construction of a new laboratory and office building for the 1955–56 fiscal year, but decided not to construct it until title to the land could be acquired. * * *
>
> At about the same time, the newly established jet interceptor base has become interested in acquiring this property as it lies immediately west of the base and is separated from it by a railroad and county road rights-of-way.

It should be noted, Mr. President, that a bill quite similar to this one was introduced last year. Upon the introduction of that bill, the Bureau of Reclamation proceeded in the area with a surplus-property declaration to expedite the conveyance of this property to Klamath County. The bill, however, received no legislative action last year; and the property was immediately directed into regular surplus-property-disposal channels. The Klamath County Court thus describes subsequent events:

> Suddenly we became aware that various schools and health agencies were being circularized as to their needs for this property by the General Services Administration. The air base picked it up and made an application for it. Since that time we have been engaged in three-way talks with the GSA and the Western Air Command at Hamilton Field in an effort to establish our just claim to the property. The enclosed copy of a letter from this court to Col. Samuel Grashio written on September 28, 1956, will outline our position on this problem.
>
> Recent talks with Mr. Gifford, Surplus Property Coordinator in San Francisco, and Colonel Richardson, at Hamilton Field, led us to believe that our claim on this property had been recognized. More recently, however, a number of representatives of the United States Army Corps of Engineers have appeared here to appraise the land with the view of making the transfer to the Air Force. There is nothing to indicate that Klamath County will be reimbursed for its investment.

Mr. President, Representative AL ULLMAN, of Oregon, in whose district the land affected is located, has introduced a companion bill, H. R. 5036, in the House.

I ask that my bill be referred to the appropriate committee. I also ask unanimous consent to have included in the RECORD a copy of a letter from the Klamath County court to Col. Samuel C. Grashio, commander, 408th Fighter Group, Klamath Falls, Oreg.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1529) to provide for the conveyance of certain real property of the United States to Klamath County, Oreg., introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. NEUBERGER is as follows:

> SEPTEMBER 28, 1956.
>
> Col. SAMUEL C. GRASHIO,
> *Commander, 408 Fighter Group, Klamath Falls Municipal Airport, Klamath Falls, Oreg.*
>
> DEAR COLONEL GRASHIO: The county of Klamath, Oreg., and the State of Oregon, acting by and through the board of a higher education, are now in possession of a parcel of land encompassing approximately 86 acres. This land is immediately west of the airbase, southeast of Klamath Falls. The General Services Administration, on behalf of the Bureau of Reclamation, has declared this land surplus. This declaration of surplus (X-R2-57-1) was initiated by the Bureau of Reclamation so that title to this piece of property could be acquired by Klamath County through a House of Representatives bill H. R. 10724 introduced on April 23, 1956. The bill was in Committee on Government Operations at the time of the surplus declaration. However, the 2d session of the 84th Congress adjourned before action was taken on this bill and, as a result, this piece of property was released into general surplus channels.
>
> The entire tract is now being used by the Klamath county court and Oregon State College, an institution under the board of higher education, for a very essential agricultural research program. This land has been occupied under a lease with the Bureau of Reclamation since 1939 and the lease provides for yearly renewal until 1963. During this 17-year period of occupancy very substantial amounts of money have been expended in land leveling, drainage, and irrigation, buildings, and research plots. Some of these research plots represent a number of years of effort and are designed to run for still a few more years. It is felt that the information that will be available from this research work will be of considerable value to the people of Klamath County.
>
> It is our understanding that the United States Air Force is interested in the acquisition of a portion of this land. We wish you to know that we do not want to interfere with the civil defense effort of the Air Force or with the expansion of the local base. It is our unanimous opinion that the acquisition of part of the land by the Air Force would leave a remainder that would be of no value to the research program and would necessitate the complete removal of our activities in a very short time. We feel that the experiment station should be reestablished on land and in a manner mutually agreeable to all parties concerned.
>
> The funds that have gone into development of the present experimental program have been from public sources and from private gifts, and reflect rather wide personal interests in the development of an agricultural experiment program in this area. We feel that you may be interested in the above information in order that due consideration might be given to the severance damage which would be suffered by the experiment station in case a move becomes necessary. The station is not able to assume the financial loss. We believe that reimbursement should be from Federal sources. Under the existing circumstances we feel the Air Force should assume the loss to Klamath County and Oregon State College.
>
> We would appreciate it very much if you would forward this letter through the proper channels.
>
> Very truly yours,
>
> KLAMATH COUNTY COURT.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO CARRYING OF PERSONAL BAGGAGE

Mr. LONG. Mr. President, I introduce, for appropriate reference, a bill to amend the Civil Aeronautics Act of 1938. This bill is identical with S. 3879, 83d Congress, and S. 1990, 84th Congress, which I previously introduced.

My proposal would have the effect of requiring the airlines to carry personal baggage, not exceeding 150 pounds, at the same rate as that which would be paid if the baggage were sent by air freight between the same two points.

The personal baggage would be in addition to the regular allowance for personal baggage, for which there is no charge. It would also be required that the additional 150 pounds of personal baggage be carried on the same aircraft as that used by the passenger, unless the number of other passengers and the mail requirements of the particular aircraft precluded it.

In the event that the additional personal baggage could not be carried on the same aircraft as the passenger, my amendment would require that it be sent on the next regular flight of the air carrier where similar circumstances would not prevent it.

On the two previous occasions when I have introduced this proposed legislation, I have called upon the Civil Aeronautics Board to investigate the problem and to take action in accordance with its responsibilities to the public, and particularly the passengers on the airlines. At first, this request met with no response, but I have been pleased to note that during the past year the matter has been receiving some attention.

An investigation was ordered in April 1956, and a public hearing has now been scheduled for March 19, 1957.

Mr. President, I have felt for a long time that the existing arrangement is very unsatisfactory. It represents only one of the several instances in which the rates of the airlines are set to the advantage of the air carriers without regard to the inconvenience of the passengers.

As an illustration of the diversity in rates for similar goods, I ask unanimous consent to have printed at this point in the RECORD a brief table showing the rates for excess baggage, air express, and air freight on 12 different voyages, 2 of them on international routes. This table was prepared for me by the legislative reference service a few days ago.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Excess baggage, air express, and airfreight charges, personal baggage, selected routes and airlines

Route	Airline	Excess baggage (per 100 pounds)		Total	Air express (per 100 pounds)		Total	Airfreight (per 100 pounds)		Total	Airfreight rate per pound excluding tax
		Rate [1]	3-percent tax		Rate [2]	3-percent tax		Rate [3]	3-percent tax		
New York to Miami	National	$28	None	$35.00	$58.90	$1.07	$65.97	$12.50	$0.38	$12.88	$0.16
New York to New Orleans	do	30	None	39.00	39.00	1.17	40.17	12.50	.38	12.88	.15
New York to Los Angeles	American [4]	79	$2.37	81.37	77.40	2.32	79.72	28.88	.87	29.75	.30
New York to Chicago	do	23	.69	23.69	23.00	.69	23.69	9.24	.28	9.52	.11
New York to St. Louis	do	28	.84	28.84	28.40	.88	30.28	10.92	.33	11.25	.13
Boston to Chicago	do	27	.81	27.81	28.40	.88	30.28	10.35	.31	10.66	.12
Chicago to Houston	Braniff	34	1.02	35.02	29.40	.88	30.28	13.20	.40	13.60	.16
Seattle to Los Angeles	United	32	.96	32.96	29.40	.88	30.28	12.02	.36	12.38	(5)
Philadelphia to San Francisco	do	77	2.31	79.31	77.40	2.32	79.72	29.45	.88	30.33	(6)
Atlanta to Los Angeles	Delta	64	1.92	65.92	64.60	1.94	66.54	93.54	.71	94.25	.27
New York to London	Pan American	182	None	182.00	(5)			55.00	1.65	56.65	1.15
New Orleans to Mexico City	do	31	None	31.00	(5)			15.00	.45	15.45	.21

[1] Quoted on a per pound basis. (Rate is computed at ½ of 1 percent of the 1-way fare, except Pan American.)
[2] Quoted on a minimum shipment of 100 pounds.
[3] American airfreight minimum $4 or charge for 50 pounds, whichever is higher.
[4] Not given.
[5] No service.
[6] Not available.

Source: Airlines serving above points for excess baggage and airfreight charges. Railway Express Agency, Inc., for air express rates.

Mr. LONG. Mr. President, it will be seen from this table that the charge for additional personal baggage at the excess baggage rate is in most instances 2 or 3 times as much as the rate charged for air freight. Even though the airlines fight among themselves for air freight, they refuse to carry excess baggage at air freight rates, even when the planes on which it could be carried have ample capacity for the additional shipment. The air express rate over which the air carriers seem to have almost complete control is more nearly in line with the excess baggage charges.

Nevertheless, there is this gross discrimination. A passenger is charged only about one-third as much for 100 pounds of personal baggage carried as air freight as he is charged for 100 pounds of baggage personally carried as excess baggage. In order to obtain everything the traffic will bear, one airline refuses even to accept clothing and other personal items as air freight at any price. If my amendment shall be adopted, the passenger will be benefited, not only by the saving in rates but also because he will be able to take with him additional articles for his personal convenience.

We all know that passengers traveling by bus or rail are permitted far greater free baggage allowance than they get in air travel. My amendment does not propose that the airlines shall be required to carry personal baggage free to the same extent as rail and bus lines carry it. However, it would require that this sharp discrimination be eliminated and that the regular air carriers be willing to give priority to baggage which is accompanying or immediately following a passenger.

Mr. President, odd though it may seem, the airlines incur expenses in the handling of air freight which they do not

incur for excess personal baggage. There is little documentation necessary for excess baggage. Handling difficulties are also at a minimum because the passenger delivers the excess baggage to the designated place at the airfield and picks it up from a designated place at his destination.

For many years the airlines were operated at a loss. It was necessary for the Government to subsidize them heavily in order to get them out of the red and into the black. Any additional income from freight or baggage tended to reduce the necessary amount of Government subsidy.

Today that situation does not exist. The 1956 annual report of the Civil Aeronautics Board states:

> By the close of fiscal 1956, only one domestic trunkline carrier required subsidy for trunkline services. It is expected that in 1957 even this carrier will become self-sufficient as the result of route improvement action taken by the Board. Thus domestically, only the 13 local-service carriers and the 3 helicopter carriers are expected to need Federal governmental assistance. Although the policy of the Board is to scrutinize subsidy carefully, it does not reduce necessary air service simply because additional subsidy results.
>
> Only 8 of the 7 United States carriers providing service abroad require subsidy; and their subsidy has declined from more than $30 million in 1951 to about $7 million.

There is no appreciable amount of subsidy in any other area except for services within and to Alaska.

Any reduction in the cost of excess baggage to the public today would not require an increase in Government subsidy as far as the large airlines are concerned. It would be a net savings to the traveling public. Certainly a rate in excess of the airmail rate should not be charged for personal baggage.

Sometime ago I attempted to see how readily available the airfreight service is for a passenger with excess baggage. In placing my family aboard an airplane, I inquired whether it would be possible to send the excess baggage as airfreight. The reply was that this could be done but that it would be necessary to carry the excess baggage down to a remote hangar and locate an employee there who in turn would see if it were possible to place the bag upon one of the planes leaving immediately. On the whole, I decided that air freight, as presently handled, was only for business shipments, and would hardly fit the needs of the passenger taking personal belongings for use on a short trip.

Mr. President, I have no particular pride of authorship in the details of the bill which I am introducing. If the investigation being conducted by the Civil Aeronautics Board results in an order which will substantially reduce the charges to airline passengers and will provide for more convenient and expeditious handling of excess baggage, I shall certainly not press for action by Congress. I have always recognized that this is a matter which the Civil Aeronautics Board should handle, and I shall be entirely satisfied if they, somewhat belatedly, face up to their responsibilities. I shall, of course, bring my views on the matter to their attention again.

After several months of the preliminary stages of the investigation, the counsel of the Civil Aeronautics Board has outlined some corrective measures which are to be considered at the announced public hearing on March 19, and which are pretty much along the lines which I have been advocating. I ask unanimous consent to have printed at this point in the RECORD the text of his memorandum dated February 4, 1957.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA, CIVIL AERONAUTICS BOARD, WASHINGTON, D. C.—IN THE MATTER OF THE FREE BAGGAGE ALLOWANCES AND EXCESS BAGGAGE CHARGES, DOCKET NO. 7413

BUREAU COUNSEL'S TENTATIVE STATEMENT OF POSITION

I. Free baggage allowance

While bureau counsel recognize there are meritorious arguments in the public interest for not increasing the present baggage allowance of 40 pounds provided in domestic transportation, in view of the increase in capacity of aircraft since the adoption of the 40-pound rule, the fact that the traveling public, and classes of the traveling public, have not yet had opportunity to advance their views with respect to an appropriate baggage allowance,[1] the different conditions which may be applicable to coach vis-a-vis first-class baggage allowances, and the differences in the free baggage allowance in foreign and overseas travel, we are not in a position at this time to accept the 40-pound allowance as a proper allowance. We therefore reserve the right to urge at the conclusion of the proceeding a baggage allowance with respect to coach and/or first-class service not to exceed the 66-pound allowance granted in foreign and overseas air transportation.

II. Excess baggage charges

It is Bureau counsel's position at this time that the present charges for excess baggage of one-half of 1 percent of the applicable adult one way first-class fare are unjustly and unreasonably high and that the just and reasonable charges should not exceed one-fifth to one-fourth of 1 percent of the applicable adult one way first-class fare.

Respectfully submitted.

GEORGE GOBSON, Jr.,
EDWIN I. COLODNY,
Bureau Counsel.

WASHINGTON, D. C., *February 4, 1957.*

Mr. LONG. Mr. President, if the Civil Aeronautics Board fails to act, the logic and justice of the case for making appropriate changes is so obvious that I believe strongly that the Congress of the United States, which created the Civil Aeronautics Board, should impose its own judgment in the matter. In this event, the Board, in my opinion, will have failed in a rather important respect to carry out its responsibilities to the public and will be subject again to the charge, which has been made before in other respects, that it is too much the referee and arbiter among the airlines rather than the servant of the public which the Congress created it to be.

[1] Bureau counsel have received informal advice from the National Council of Salesmen's Organizations, Inc., that they desire to be heard in this proceeding pursuant to rule 14 of the Board's Rules of Practice. We have not been advised of the National Council of Salesmen's Organizations' position.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1532) to amend the Civil Aeronautics Act of 1938 in order to require in certain cases that air carriers provide transportation for additional baggage at air-freight rates, introduced by Mr. LONG, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PROPOSED FAMILY FARM YARDSTICK CREDIT ACT OF 1957

Mr. HUMPHREY. Mr. President, on behalf of myself, and Senators MURRAY, CHAVEZ, HILL, JOHNSTON, KERR, LONG, MAGNUSON, MANSFIELD, NEUBERGER, and SPARKMAN, I introduce, for appropriate reference, a "yardstick" family farm credit bill providing for liberalizing improvements in existing credit programs, as well as for the establishment of new credit services.

A new farm credit crisis is developing out in the country. Continued falling farm prices, rising costs of what the farmer must buy, and higher interest rates on his increased indebtedness, are more than the farmer can stand. We are in another of those eras that have come twice in the past 50 years when the Nation must make a major reform in its farm credit policy.

Congress must help meet the acute credit problem confronting agriculture as a result of the continued depressed conditions of farm prices.

Many of us proposed credit improvements during the 84th Congress. Our efforts resulted in significant improvements in the credit programs provided by the Farmers' Home Administration, and succeeded in blocking the destruction of the yardstick 5-percent-interest rate set up in existing law, despite efforts of Secretary Benson for its repeal.

Despite the improvements we obtained, however, much more needs to be done. It is time we took an overall look at all of our existing authorities for FHA farm-credit programs, and tailored them to better fit existing needs.

That is what this bill seeks to do. However, all the benefits it offers are aimed at strengthening the 5-percent yardstick for private credit sources.

In the depressed conditions they now face, farmers must not be expected to pay more than 5 percent for operating money.

Whatever justification may be offered for higher interest rates to supposedly check inflation in some segments of our economy—and I challenge that premise itself—there certainly is no inflation in agriculture. Just the opposite is true. Farmers are being deflated, and fast.

However, as long as private commercial credit sources are able and willing to meet the farmers' credit needs at 5 percent interest, farmers are not eligible for the lower cost loans proposed in this legislation. It is only when private credit sources hike their interest rates beyond the farmers' ability to pay that Federal programs should offer an emergency backstop. That is the yardstick aim of the proposed legislation.

In simplest terms, this measure would:

First. Reactivate the former depression-time programs of the Department of Agriculture for assisting farmers and creditors with voluntary farm-debt-adjustment procedures;

Second. Reinstitute the policy of adjusting repayment schedules on farm loans to a variable basis taking into consideration the net earnings of borrowers from year to year;

Third. Establish a new title under the Bankhead-Jones Farm Tenant Act under which a rural adjustment credit program would be provided for farm-related small businesses in rural areas as well as for farmers and farm cooperatives, aimed at ameliorating the effects of the agricultural recession and adverse situations caused by conditions beyond the control of farmers and stockmen;

Fourth. Create a more comprehensive family farm development or "domestic point 4" program in 500 most poverty stricken rural counties of the Nation. This is an urgently needed program developed basically by the Senator from Alabama [Mr. SPARKMAN] out of hearings he conducted several years ago to seek a long-range answer to the problems of low-income farmers. His recommendations should have been implemented long ago, and the present token steps in that direction by the Department of Agriculture are a mere gesture compared to what needs to be done.

Fifth. Lower interest rates and expanding loan authorizations for both farm ownership and farm operating loans under existing programs, for farmers unable to borrow through commercial channels at not to exceed 5 percent.

Sixth. Raise maximum permissible size of water-facility loans to cooperatives, irrigation districts, and municipalities.

Seventh. Amend the Production Disaster Loan Act to extend the special livestock-loan program, and add refinancing of existing indebtedness as a permissible purpose for such loans.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a more complete analysis of the bill, section by section.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the section-by-section analysis will be printed in the RECORD.

The bill (S. 1533) to strengthen the Nation by providing auxiliary credit resources required to preserve the family size farm, providing additional credit for farm enlargement and development, refinancing of existing indebtedness, expansion and simplification of farm ownership and operations credit programs by amendment of the Bankhead-Jones Farm Tenant Act, and extension and simplification of emergency and disaster farm credit by amendment of the acts of April 6, 1949, as amended, and August 31, 1954, and for other purposes, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The section-by-section analysis presented by Mr. HUMPHREY is as follows:

ANALYSIS OF PROPOSED FAMILY FARM YARDSTICK CREDIT ACT OF 1957

The proposed bill provides for improving amendments in the Bankhead-Jones Farm Tenant Act, as amended; the Water Facilities Loan Act; the Emergency and Livestock Loans Act (formerly RAOC); the special Emergency Loan Act of August 31, 1954, as amended; directs the Secretary of Agriculture to reactivate the program of assisting farmers and creditors with voluntary farm debt-adjustment procedures, and reinstitutes the policy of adjusting repayment schedules of loans to the net earnings of borrowers from year to year.

Section 2 of the proposed bill amends title I of the Bankhead-Jones Farm Tenant Act, as amended, providing for long-term loans to farm tenants and part- and full-time farm owners to buy farms or enlarge their units, as follows:

Reduces the rate of interest charges to the borrower from 5 to 3 percent.

Increases the authorization for annual appropriation for such loans from $50 million to $150 million beginning in fiscal year 1958.

Increases mortgage insurance guaranty fund for insured private long-term farm loans from $5 million to $50 million.

Reduces interest rate paid to insured private lenders from 4 to 3 percent—this would involve the Government absorbing the cost of the loan insurance risk and administration of such insured loans—since under the amendment the borrower would be charged 3 percent interest on such insured loans and the entire payment would go to the insured creditor. Under existing law the borrower pays 5 percent interest and the creditor gets 4 percent, the Government taking the 1-percent difference.

Eliminates the existing requirement that only farms smaller than average size in the county can me purchased with proceeds of these loans.

Eliminates the existing requirement that the borrower be charged initial service fees for inspection, appraisal, and other service charges, and also eliminates the requirement that the borrower pay the 1-percent annual mortgage insurance charge.

Section 3 of the proposed bill amends title II (farm operating loans) of the Bankhead-Jones Farm Tenant Act, as amended, as follows:

Raises the permissible maximum amount of an initial loan from $10,000 to $25,000 and the permissible size of total indebtedness from $20,000 to $40,000.

Reduces rate of interest charged the farmer borrower from 5 to 3 percent.

Eliminates the 7-year maximum period of indebtedness which existing law allows the Secretary to set aside up to 10 years.

Note: The proposed bill does not change any other provisions of existing farm ownership and farm operating loan titles of the Bankhead-Jones Farm Tenant Act; of special note is that the proposed bill does not either raise or lower the requirement in existing law that a borrower leave the program whenever he can obtain other commercial credit at not to exceed 5 percent per annum; nor does the proposed bill change the requirement that a potential borrower shall have exhausted all other possible sources of obtaining needed credit at not to exceed 5 percent interest before being considered eligible to apply for loans under these programs. The proposed bill neither raises the yardstick 5 percent interest figure of existing law nor lowers it.

Section 4 of the proposed bill raises from $5 to $15 the permissible maximum per diem payment of county Farmers' Home Administration committeemen when engaged in public business in connection with their official duties under the law; and reduces from 5 percent to 3 percent the maximum interest rate the Secretary may charge to farmers under the provisions of the Bankhead-Jones Farm Tenant Act.

Section 5 of the proposed bill raises the maximum permissible size of water facility loans to cooperatives, irrigation districts, and municipalities from $250,000 to $1 million, and eliminates requirement that water-facility borrowers pay certain mortgage insurance and service charges and fees; and establish 3 percent per annum as the maximum rate of interest that the Secretary of Agriculture may require the borrower to pay for water facility loans.

Section 6 of the proposed bill amends the Production Disaster Loan Act (Public Law 38) as follows:

Eliminates the July 14, 1959, termination date of the special livestock loan program and eliminates from the language of the act the already repealed provisions prohibiting such loans of smaller than $2,500.

Adds refinancing of existing indebtedness as a permissible purpose for special livestock loans.

Raises the permissible repayment period of special livestock loans from 3 to 10 years.

Eliminates requirement that large loans be personally reviewed and approved by the Secretary and reduces the maximum chargeable rate of interest from 5 percent per annum to 3 percent.

Authorizes a special loan-in-kind program allowing Secretary to extend all or part of proceeds of special livestock loans from Commodity Credit Corporation stocks of feed grains and also allows repayment in kind. These special feed loans must be repaid within 3 years at 3 percent interest.

Section 7 of the proposed bill amends the special emergency loan act approved August 31, 1954, as amended, as follows:

Eliminates the June 30, 1959, termination date.

Eliminates the $65 million aggregate limitation of total loans of this type that may be made during life of the law.

Eliminates the $15,000 maximum amount of any one loan and the maximum of $20,000 indebtedness to any one borrower of such loans provided in existing law.

Keeps existing maximum interest rate of 3 percent on such loans.

Eliminates requirement that a prospective borrower live in an area that has been designated as a disaster area.

Section 8 of the proposed bill adds a new title V to the Bankhead-Jones Farm Tenant Act, as amended, which new title would require the Secretary of Agriculture and the Secretary of Commerce or the Administrator of the Small Business Administration to establish a new rural adjustment credit program to provide a sounder system of credit in rural areas to ameliorate the effects of the agricultural recession and advance situations caused by conditions beyond the control of farmers and stockmen. Farm related small businesses in rural areas as well as the farmers and farmers' cooperatives would be eligible to participate in the program established by the title. Eligibility for loans would be limited to those unable to obtain adequate credit on reasonable terms from other sources. Banks and other existing creditors of eligible borrowers would be eligible to sell evidences of indebtedness to the new credit program. New title provides for both direct governmental and Government insured loans which vary in terms and conditions in accordance with the purposes for which the loan proceeds will be used.

Section 8 of the proposed bill also adds a new title VI to the Bankhead-Jones Farm Tenant Act, as amended, which new title VI provides for the establishment of a family farm development program in not to exceed the 500 most poverty-stricken rural counties of the Nation. The family farm development program established by this

new title provides (a) direct and insured loans and technical advisory assistance to farmers and stockmen to encourage and facilitate their development of economically adequate full and part-time family farms; (b) strengthening of the services of the State employment services in cooperation with the United States Department of Labor to facilitate and ease the economic adjustments of farm people who wish to obtain part- and full-time off-farm employment; (c) directs the Department of Health, Education, and Welfare to provide special augmented adult vocational training in both farm and nonfarm work in the designated counties; and (d) provides that agencies of the executive branch shall provide technical advisory and service assistance to encourage more rapid industrialization of the low income rural areas in the designated counties.

Section 9 of the proposed bill prohibits the Secretary of Agriculture from requiring the borrowers, or the lenders in insured programs, under any of these farm-loan programs to pay fees or make other payments for insuring or servicing of the loans.

Section 10 of the proposed bill makes mandatory the existing discretionary authority of the Secretary of Agriculture to reactivate the voluntary farm debt adjustment program formerly conducted by the Farmers Home Administration and its predecessory agencies.

Section 11 of the proposed bill authorizes and directs the Secretary of Agriculture to establish with respect to all loans authorized by the act variable replacement plans with payments adjusted, without regard to previous ahead-of-schedule repayments, to the net earnings and debt-paying capacity of the borrower from year to year. Existing law permits the Secretary to establish such a variable repayment schedule only if the borrower has previously gotten ahead of schedules on his repayments.

MARCH 1, 1957.

READJUSTMENT OF POSTAL RATES

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of myself, and the Senator from Kansas [Mr. CARLSON], by request, I introduce, for appropriate reference, a bill to readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes. I ask unanimous consent to have printed in the RECORD a summary of the administration's proposal to increase the postal rates.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the summary will be printed in the RECORD.

The bill (S. 1534) to readjust postal rates and to establish a Congressional policy for the determination of postal rates, and for other purposes, introduced by Mr. JOHNSTON of South Carolina (for himself and Mr. CARLSON), by request, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The summary presented by Mr. JOHNSTON of South Carolina is as follows:

SUMMARY OF LEGISLATIVE PROPOSAL

To readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes.

BASIS FOR RATE ADJUSTMENT AND CONGRESSIONAL POLICY RECOMMENDED

The general statement preceding title I of the bill recognizes that adjustments in present postal rates and fees are necessary, that postal revenues should more nearly equal postal expenses, and that the Congress should establish a firm and integrated postal rate policy to serve as a guide for adjustments in the postal rate structure.

SUMMARY OF RATE REVISION—TITLE I

Short title

Section 101 provides that title I of the proposal may be cited as the "Postal Rate Increase Act, 1957."

First-class mail

Section 102: The rate on first-class mail is increased from 3 cents to 4 cents an ounce. Drop letters are increased from 2 cents to 3 cents. Post cards, each portion of double post cards, and private mailing cards are increased from 2 cents to 3 cents.

Domestic airmail

Section 103: The rate on domestic airmail is increased from 6 cents to 7 cents an ounce. Air post cards are increased from 4 cents to 5 cents.

Second-class mail

Section 104:

(1) Rate increases for second-class mail are applied on that portion of publications addressed for delivery outside the county of publication. These rates are increased by 4 annual increments of 15 percent each year. The increase is not effective as to newspapers with a press run of less than 5,000 copies. The minimum charge is increased from one-eighth cent to one-fourth cent per piece. Neither the increase in rates nor the minimum charge increase affect publications of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations.

(2) The transient rate (publications having second-class entry mailed by other than publishers or as sample copies in excess of 10 percent allowance) is increased from the present rate of 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces to 3 cents for the first 2 ounces and 1½ cents for each additional 2 ounces.

Controlled circulation publications

Section 105: The rate for controlled circulation publications regardless of the weight of individual issues is increased from 10 cents to 12 cents per pound. The minimum charge of 1 cent per piece is not changed. The rate so established will remain in effect until otherwise provided by Congress, thus taking away the authority to seek rate revision with consent of ICC for issues weighing more than 8 ounces.

Third-class mail

Section 106:

(1) The individual piece rate on third-class mail (except books and catalogs) is increased from 3 cents for the first 2 ounces or fraction and 1 cent for each additional ounce or fraction to 3 cents for the first 2 ounces or fraction and 1½ cents for each additional ounce or fraction. For books and catalogs, the individual piece rate of 2 cents for the first 2 ounces is increased to 3 cents and the rate of 1½ cents on each 2 ounces or fraction thereof in excess of the first 2 ounces is replaced by a rate of 1 cent on each ounce in excess of the first 2 ounces.

(2) The rate on third-class matter mailed in bulk, except books and catalogs, is increased from 14 cents per pound and 1½ cents minimum per piece to 16 cents per pound and 2 cents minimum per piece. Bulk mailings of books and catalogs are increased from the present rate of 10 cents per pound with a minimum rate of 1½ cents per piece to 12 cents per pound with a minimum rate of 2 cents per piece. The 2-cent minimum in both categories will be increased to 2½ cents on July 1, 1959.

(3) The fee for a permit to send third-class mail under the bulk mailing rate is increased from $10 a year to $20 a year.

(4) Odd-sized pieces of third-class mail will be subject to a minimum charge of 5 cents, representing an increase of 2 cents per piece.

(5) There will be no increases on mailings of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations.

Fourth-class mail

Books

Section 107: The rate on books is changed from 6 cents on the first pound and 4 cents on each additional pound to 10 cents on the first pound and 5 cents on each additional pound. The category of items entitled to the book rate is substantially increased under the proposal.

The present rate of 4 cents on the first pound and 1 cent on each additional pound for books sent by nonprofit public libraries, organizations, or associations is extended to all colleges, universities, and schools, the category of items entitled to this rate is broadened, and the present restriction of these rates to the third zone is eliminated.

Determination of class of post office and compensation of postmaster and certain employees

Section 108: Where compensation of postmasters or employees in the postal field service may be dependent, in any way, upon gross postal receipts, only 80 percent of the gross postal recipts shall be counted for such purposes, after January 1, 1958. However, nothing in the section will operate to decrease the compensation or allowances in effect immediately prior to January 1, 1958.

Repeals

Section 109: This section repeals the provision of the 1956 Retirement Act which prohibits use of Post Office Department contribution to the funds as costs for rate purposes. Such section specifically provides that the contribution shall be used as costs for rate purposes.

Withdrawal appropriations from Treasury

Section 110: This section amends 31 U. S. C. 695. Under this amendment the Post Office Department, before drawing appropriations from the general fund of the Treasury, will be required to certify that excess of revenue from fourth-class mail does not exceed the cost by more than 3 percent or that the excess of cost over revenue is not more than 3 percent.

Effective dates

Section 111: This section provides effective dates for the various provisions of title I, but does not disturb the effective dates prescribed by section 104 (a) for increases in the second-class mail rates.

SUMMARY OF CONGRESSIONAL POLICY ON POSTAL RATES—TITLE II

Short title

Section 201: This section provides that title II of the proposal may be cited as the "Postal Rate Policy Act."

Findings

Section 202: The policy statement begins with a series of findings and conclusions with respect to the historical background, development, and expansion of the postal service, its contribution to the national economy and public welfare, the need for continuing those services which contribute to the public good, and the manner in which they should be performed.

(1) The postal service was created and has been extended and expanded for the purpose of uniting more closely the American people, to promote the general welfare, and advance national economy; (2) under authority of the Congress, the postal service has expanded into a nationwide network of services and facilities for the communication of intelligence, advancement of education and culture, and the distribution of articles of commerce and industry, contributing substantially to the national economy and the

public good; (3) in the continued expansion of the service and the authorization of services at a calculated loss to the Government, the postal establishment performs some services and functions in which the benefit to the public interest greatly outweighs profit and loss factors; (4) the postal service should be operated in a businesslike manner but not as a commercial enterprise conducted for profit; (5) it is unfair to place on a particular user or class of user of the mails the burden of underwriting those expenses incurred by the postal establishment which, being public services, are not related to the service they receive; (6) Congress, except with respect to fourth-class mail and certain special services, has never laid down a firm policy with respect to the identification and evaluation of services rendered by the postal establishment in whole or in part for the benefit of the general public and those which inure to certain users of the mails; and (7) there is immediate need for a clear and affirmative declaration of congressional policy with respect to the creation and maintenance of a sound and equitable postal-rate structure.

Declaration of policy

Section 203: This section declares that it is the policy of the Congress (1) to provide a more stable basis for the postal-rate structure by the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and (2) in accordance with those general principles, standards, and related requirements, to provide a means by which Congress, from time to time, may adjust the postal-rate structure in the light of periodic reviews of the postal-rate structure, expenses and revenues, and reports and recommendations made by the Postmaster General on the basis of the cost-ascertainment system.

In addition to declaring the policy it outlines the general principles, standards, and related requirements referred to in the policy.

It provides that in fixing and adjusting postal rates, consideration should be given to (1) preservation of the inherent advantages of the postal service in promoting the social, cultural, intellectual, and commercial intercourse of the people of the United States; (2) development and maintenance of a postal service adapted to the present and future needs of the people of the United States; (3) promotion of an adequate, economical, and efficient postal service at just and reasonable rates and fees; (4) the impact of postal rates and fees on users of the mails; (5) the postal requirements as to the manner and form of preparation and presentation of mailings of the various classes; (6) the value of the mails; (7) the value of the time of delivery; and (8) the quality and character of the service measured in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent factors.

Under the recommended policy first-class mail, which, according to the definitions contained in section 208 of the proposal includes airmail, but not air parcel post, is a preferred service and the postage for first-class mail should be sufficient to cover (1) the entire amount of expenses allocated to it, and (2) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors.

The recommended policy provides that services, elements of service, and facilities performed and provided by the postal establishment in accordance with law, including services having public-service aspects, which in whole or in part the Congress, from time to time, determines are public services, are to be administered as follows:

1. The expenses of such services should be assumed directly by the Federal Government and paid for out of general fund of the Treasury. These public-service items should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally.

2. Nothing in this title is to be construed as indicating any intention on the part of Congress that such public services should be limited or restricted or to derogate in any way for the need and desirability of those services in the public interest.

It is required that from time to time that (1) the postal-rate structure shall be adjusted by Congress in the manner provided by this title, and (2) the fourth-class (parcel post) rates, and the fees for special services shall be adjusted by the Postmaster General under authority of sections 246f and 247 of title 39, United States Code, so that the adjusted revenues shall be approximately equivalent to the total amount of expenses. This subsection does not change the standards governing rates and reformations on fourth-class mail which are prescribed in section 247 of title 39, United States Code, as modified by section 695, title 31, United States Code.

The Congress has heretofore declared that fourth-class mail as a whole shall be approximately self-sufficient, excluding from consideration those subclasses of fourth-class mail upon which the Postmaster General's authority has been withdrawn by Congress. These are stated in sections 292a (d) and (e) as amended by this bill and 298 (c) of title 39, United States Code.

Authorization of appropriations

Section 204: An appropriation to the revenue of the Department for each fiscal year of an amount equal to the sum of the public service items referred to in section 203 (c) (3) is authorized. Such appropriation is to be available to enable the Postmaster General to pay into postal revenues at quarterly or other intervals such amounts as he deems to be necessary to reimburse the Department for public-service expenses and losses of revenue.

Application of cost-ascertainment system

Section 205: For the purposes of this title the revenues and expenses of the Department are to be determined and ascertained and each allocation and apportionment with respect thereto are to be made on the basis of the cost-ascertainment system unless otherwise indicated in this title. Nothing in the title is to be construed to affect the cost-ascertainment system or any authority, power, duty, or procedure of the Postmaster General or the postal establishment generally, except to the extent necessary to carry out the provisions of this title.

Reviews, studies, surveys, reports, and recommendations of Postmaster General

Section 206: The Postmaster General is directed to conduct on a continuing basis or from time to time, but not less than every 2 years, a review of the postal-rate structure. The review will include a survey of the expenses incurred and the revenues received in connection with the several classes of mail, kinds of services and facilities provided by the postal establishment with a view to determining for each class and kind of service and facility provided the need for adjustment of postal rates and fees. The Postmaster General must submit to the Senate and House of Representatives before April 15 of each alternate fiscal year beginning with the fiscal year ending June 30, 1959, a report of the results of his review. The report must include information with respect to expenses and revenues pertinent to the allocation of expenses and the determination and adjustment of postal rates and fees, such other information as is necessary to enable the Congress to carry out its function under this title and such other recommendations as the Postmaster General considers appropriate.

Congressional action prerequisite to adjustment of postage rates

Section 207: This title is not to be construed to authorize any change, adjustment, or revision with respect to any postage rate, except as is otherwise provided by law or may be provided by further action of the Congress. It is not intended that there be any new grant of authority to the Postmaster General to fix rates or fees. Furthermore, it is not intended that this title shall, in any way, take away his authority to fix fees for special services (39 U. S. C., 246f) and to seek reformation of rates and other conditions of mailability of fourth-class mail (39 U. S. C., 247).

Definitions

Section 208: This section defines various terms used in title II of the proposal.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Mr. MCCLELLAN. Mr. President, at the request of the Administrator of General Services, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years.

I ask unanimous consent that the letter from the Administrator of General Services addressed to the President of the Senate, and referred to the Committee on Government Operations, which sets forth the purpose of this proposed legislation, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1535) to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years, introduced by Mr. MCCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. MCCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., March 1, 1957.

Hon. RICHARD M. NIXON,
The President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There is transmitted herewith, for referral to the appropriate committee, a draft bill prepared by this agency, "to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years."

The bill is intended to increase economy and efficiency in the maintenance and operation of Federal space by authorizing the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years.

Under present law, the period of such contracts is limited to 1 fiscal year, the period of availability of appropriations made to the General Services Administration for such purposes. It is believed that authority to contract for a longer period will yield lower costs and more efficient service.

A maintenance contractor is required to furnish, under the contract, any equipment needed for performance of the job, such as

delivery trucks, scrubbing machines, polishing machines, ladders, hand trucks, etc. A charge for the use of such equipment is, of course, included in the contract price to the Government. Over a longer period this item of annual cost would be reduced or absorbed.

Where the Government makes annual contracts with the same or different contractors, the cost will generally be higher than under a contract for an assured, longer period of work. Moreover, each new contractor under an annual contract arrangement has to organize for the job and train new employees, so sacrificing the efficiency that comes from experience in doing the job. During this process, which usually takes some weeks, the Government has to put up with work by the new and inexperienced personnel which often produces results only slightly better than unsatisfactory.

For these reasons, this agency urges prompt and favorable consideration of the draft bill.

The Bureau of the Budget advised that there is no objection to the presentation of this proposed legislation to the Congress.

Sincerely yours,

F. G. FLOETE,
Administrator.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Mr. McCLELLAN. Mr. President, at the request of the Administrator of General Services, as a part of the General Services Administration's legislative program for 1957, I introduce, for appropriate reference, a bill to amend subsection 507 (a) of the Federal Property and Administrative Services Act of 1949, as amended.

I ask unanimous consent that a letter addressed to the President of the Senate by the Administrator of General Services, requesting the proposed legislation, together with a sectional analysis of the bill, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and sectional analysis will be printed in the RECORD.

The bill (S. 1536) to amend subsection 507 (a) of the Federal Property and Administrative Services Act of 1949, as amended, introduced by Mr. McCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter and sectional analysis presented by Mr. McCLELLAN are as follows:

FEBRUARY 13, 1957.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith draft of legislation "to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes," together with a sectional analysis thereof.

This proposed bill is a part of GSA's legislative program for 1957. It is strongly recommended that this proposed legislation be enacted by the Congress.

This proposed legislation would amend the Federal Property and Administrative Services Act of 1949, as amended, by requiring the transfer to the National Archives of the United States of any Federal records that have been in existence for more than 50 years.

It is further provided that the Archivist will determine if such records have sufficient historical or other value to warrant their preservation by the United States Government. In each and every case the head of the agency that has custody of such records shall transfer same to the National Archives, or certify in writing that they must be retained for use in the conduct of the regular current business of said agency.

The aforesaid act provides only for the acceptance of records by the National Archives of the United States. This amendment would direct the transfer of these old records. It is not only desirable, but essential that such authority be given GSA, in order to establish legally the policy that all historically valuable Federal records will become a part of the National Archives when no longer requisite for the current business of Federal agencies.

While this legislation would provide for the transfer of custody of certain records which have been in existence for more than 50 years to the National Archives and Records Service of GSA, these records could not be disposed of thereafter without the written consent of the agency head who so transferred such records to the Archivist.

This protection of the interests of the operating agency is set out in section 4 of the Records Disposal Act of 1943, as amended [57 Stat. 380, as amended by 59 Stat. 434], which includes the following language with reference to the submission by the Archivist to the Congress lists or schedules of records which appear to not have sufficient value to warrant their continued preservation:

"*Provided*, That the Archivist shall not submit to the Congress lists or schedules of records of any existing agency of the Government in his legal custody without first having obtained the written consent of the head of such agency."

The enactment of this proposal would not require the expenditure of any additional Federal funds.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

F. G. FLOETE,
Administrator.

SECTIONAL ANALYSIS

This draft bill would amend section 507 of the Federal Property and Administrative Services Act of 1949, as amended, by designating paragraphs (2) and (3) of subsection (a) as paragraphs (3) and (4) and adding an entirely new paragraph (2).

The new paragraph (2) would vest authority in the Administrator to initiate action to effect the transfer of records to the National Archives of the United States. Such authority would be limited, however, to records which have been in existence for more than 50 years.

Under present statutory authority, the Administrator is authorized to accept for deposit in the National Archives of the United States those records of Federal agencies or of the Congress which have been determined to warrant continued preservation. This relegates GSA to the acceptance of records when they are offered by agency heads.

This places the National Archives of the United States in the passive position of only accepting records for preservation, while the heads of other Federal agencies initiate the transfer of such records. GSA should shoulder its share of these duties and responsibilities to perform properly its functions relating to records.

The National Archives Act, as amended (48 Stat. 1112–1124), placed responsibilities, similar to those set out in this proposed legislation, on the National Archives Council. Under the provisions of this legislation, the former National Archives Council issued regulations authorizing the Archivist to direct and effect the transfer of records to the National Archives of the United States.

The above-referenced National Archives Act was repealed by Public Law 754, 81st Congress (64 Stat. 591). This proposal simply seeks similar authority, which has been proven as workable and efficient. This proposed legislation would prevent the retention of historically valuable records by the Federal agency heads when the use of such records in the originating agency had been terminated. Under present conditions each Federal agency head could continue to hold these records regardless of their historical importance, the state of their physical condition, or the consideration of any other factors.

Due to the possible inadequacy of storage and servicing facilities of other Federal agencies, documents of utmost historical importance to the United States might deteriorate beyond the point of reclamation.

This proposal requires the Administrator of General Services to protect and preserve these ancient, historical documents when they are no longer needed in the current operations of the originating agency. This authority is necessary to achieve one of the primary objectives of the Federal Records Act of 1950 (64 Stat. 583).

While this legislation would provide for the transfer of custody of certain records which have been in existence for more than 50 years to the National Archives and Records Service of GSA, these records could not be disposed of thereafter without the written consent of the agency head who so transferred such records to the Archivist.

This protection of the interests of the operating agency is set out in section 4 of the Records Disposal Act of 1943, as amended [57 Stat. 380, as amended by 59 Stat. 434], which includes the following language with reference to the submission by the Archivist to the Congress lists or schedules of records which appear to not have sufficient value to warrant their continued preservation:

"*Provided*, That the Archivist shall not submit to the Congress lists or schedules of records of any existing agency of the Government in his legal custody without first having obtained the written consent of the head of such agency."

PROPOSED SUPPLY AND SERVICE ADMINISTRATION IN DEPARTMENT OF DEFENSE

Mr. McCLELLAN. Mr. President, on behalf of myself, and the junior Senator from Wisconsin [Mr. McCARTHY], by request, I introduce, for appropriate reference, a bill to create a Supply and Service Administration as a Department in the Department of Defense, and for other purposes.

This bill, which is being introduced at the request of the former Chairman of the Commission on Organization of the Executive Branch of the Federal Government, proposes legislative action which would implement certain recommendations of the Commission through an amendment to title II of the National Security Act of 1947, as amended.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1537) to create a Supply and Service Administration as a Department in the Department of Defense, and for other purposes, introduced by Mr.

McCLELLAN (for himself and Mr. McCARTHY), by request, was received, read twice by its title, and referred to the Committee on Armed Services.

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER CERTAIN LAND USED FOR FEDERAL PURPOSES

Mr. McCLELLAN. Mr. President, on behalf of myself, as chairman of the Committee on Government Operations, and Senators JACKSON, THURMOND, McCARTHY, SMITH of Maine, MARTIN of Iowa, and CURTIS, who are members of that committee, I introduce for appropriate reference a bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes.

In a letter dated February 4, 1957, addressed to the President of the Senate and referred to the Committee on Government Operations, the Attorney General has requested that S. 4196, the bill which was introduced in the 84th Congress by myself and the junior Senator from Wisconsin, be reintroduced in the 85th Congress.

As outlined in the committee's report on its activities for the 84th Congress—page 20, Senate Report No. 1, 85th Congress—the original bill was submitted to the Governors and Attorneys General of all the States, for comments. Letters have been received from 23 Governors and 29 State attorneys general. All except one recommended favorable committee action, the lone exception requesting that the Council of State Governments be given an opportunity to submit certain perfecting amendments before the bill was introduced in the present Congress. Copies of the bill have been submitted to the Council. The Department of Justice has unofficially advised the staff that a number of conferences have been held with representatives of the Council, and that no specific amendments to the bill as originally introduced have been recommended.

The bill is identical to S. 4196 of the 84th Congress, as recommended by the Department of Justice. The committee proposes to hold hearings on the bill to permit representatives of the Department of Justice and Governors or others who may be interested in the bill to testify, and to afford the Council of State Governments an opportunity to submit recommended amendments and the necessary information in support of the suggested changes before the committee recommends Senate action.

I ask unanimous consent to have printed in the RECORD the Attorney General's letter which includes a brief statement relative to the purpose of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1538) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, introduced by Mr. McCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 4, 1957.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: It is my privilege to bring to your attention the attached report (pt. I) of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, with a view to your procuring consideration by the Congress of Federal legislation to accomplish the purposes recommended therein.

The Interdepartmental Committee was organized in December 1954, with the approval of the President, to study the problems arising out of possession by the Federal Government, over several thousand areas within the States, of jurisdiction of the character which it exercises over the District of Columbia. The committee's report, issued after a study of more than 16 months participated in by State as well as Federal officials, indicates the presence in most instances of many disadvantages and few advantages to the Federal Government, to the States and local governmental entities, and to individuals, out of Federal possession of such legislative jurisdiction over areas within the States. It is pointed out that while the Congress legislates for the District of Columbia, except in a few particulars it has not done so for areas of the character which were the subject of the study. And the report indicates that solution of the problems arising in such areas lies in Federal possession of less legislative jurisdiction, and of possession of such jurisdiction over fewer areas, rather than in Federal enactment of comprehensive legislation for the areas and maintenance of machinery for administration of the laws enacted.

The Interdepartmental Committee's recommendations are being implemented by the executive branch to the extent now possible. Full implementation of the recommendations is not possible, however, without enabling legislation. Such legislation is outlined beginning on page 71 of the report. Bills to enable carrying out of the recommendations were introduced in the closing weeks of the 84th Congress (H. R. 11950 and S. 4196), but work initiated on them by the House and Senate Committees on Government Operations was not completed at the end of the session.

The States, as well as the Federal Government, have a vital interest in this subject, and I deem it extremely desirable that the legislation finally enacted by the Congress will meet the requirements of both the Federal and State Governments. I hope, however, that such legislation will be enacted during the present session.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

HERBERT BROWNELL, Jr.,
Attorney General.

PROPOSED ANTI-GOVERNMENT COMPETITION ACT

Mr. McCLELLAN. Mr. President, on behalf of myself, and Senators THURMOND, McCARTHY, MUNDT, SMITH of Maine, MARTIN of Iowa, and CURTIS, I introduce, for appropriate reference, a bill to establish a Federal policy concerning termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise.

The bill declares it to be the policy of the Congress that the Federal Government shall not engage in business-type activities, except where it is necessary for the Government itself to perform such activities in the public interest or in furtherance of national programs and objectives established by statute. It provides further for the termination, to the maximum extent compatible with the national security or the public interest, of all business-type activities engaged in by the Federal Government in the United States to the detriment of private-business enterprise.

The President is authorized, by appropriate regulations and instructions, to provide for the termination and limitation of such activities, provided they have not been established pursuant to specific statutory authority. The term "business-type activity" is defined as any activity involving the production of goods and the rendition of services commercially available from private business. Every executive branch department and agency would be required to submit to the Bureau of the Budget full details concerning any new business-type activity in which it proposes to engage, and such agencies may not engage in such activities or expend any funds therefor until 90 days following the submission of such information to the Bureau. Furthermore, the Director of the Bureau of the Budget must, within that 90-day period, submit such report to the President, together with an analysis thereof and a written statement of the opinion of the Director on the question whether the contemplated activity would be consistent with the policy declaration contained in the bill. The President may exempt any agency from these requirements if compliance would be contrary to the public interest.

Mr. President, this bill is substantially similar to a bill, S. 1003, which I introduced in the 84th Congress. Following an extensive analysis of that measure and the entire subject by the staff of the Committee on Government Operations, several amendments were proposed. These amendments, which have materially improved the bill and clarified the congressional intent, have been incorporated in the measure which I have just introduced.

This bill, if enacted, would implement the general objectives of the Commission on Organization of the Executive Branch of the Government, which endorsed the previous bill, and represents the best efforts of the committee staff, in cooperation with the Legislative Council of the Senate, to perfect the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1539) to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes, introduced by Mr. McCLELLAN (for himself and other Senators), was

received, read twice by its title, and referred to the Committee on Government Operations.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO DISPOSAL OF SURPLUS PROPERTY

Mr. McCLELLAN. Mr. President, on behalf of myself, as chairman of the Committee on Government Operations, and Senators JACKSON, HUMPHREY, THURMOND, McCARTHY, MUNDT, SMITH of Maine, MARTIN of Iowa, and CURTIS, members of that committee, I introduce, for appropriate reference, a bill which would vest greater authority in the Administrator of General Services relating to the disposal of surplus Government property.

This bill would give the Administrator of General Services exclusive authority over the sale, utilization, and disposal of excess or surplus Government property throughout the executive branch.

The President, however, is authorized to make such specific exemptions by Executive order from the exercise of the General Services Administrator's authority as he deems to be necessary in public interest or national security.

The bill also exempts any executive agency which disposes of surplus property under its control, when such disposal is made as specifically authorized by public law in the furtherance of a specific activity or program of such agency; including disposal by the Department of Agriculture of agricultural commodities acquired under price support or assistance programs, and disposal by the Tennessee Valley Authority of reservoir lands or power equipment facilities with appurtenant rights-of-way.

This bill, which implements recommendations of the Commission on Organization of the Executive Branch of the Government, is identical to S. 2591 of the 84th Congress, which the Senate passed upon recommendation of the Senate Committee on Government Operations. That bill, however, was not acted upon by the House of Representatives.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1540) to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies, introduced by Mr. McCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT OF DECEMBER 6, 1945

Mr. MONRONEY. Mr. President, on March 6 the President sent to the Congress a message transmitting an amendment to the Anglo-American Financial Agreement of 1945.

On behalf of myself, as chairman of the Subcommittee on International Finance of the Committee on Banking and Currency, and the chairman and ranking minority member of that committee, the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Indiana [Mr. CAPEHART], I introduce for appropriate reference a joint resolution approving the amendment to the Anglo-American Financial Agreement of December 6, 1945.

I ask unanimous consent that the text of this joint resolution be printed in the RECORD at this point, together with a memorandum furnishing background information, and the text of the Agreement To Amend the Financial Agreement of December 6, 1945.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution, memorandum, and agreement will be printed in the RECORD.

The joint resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945, introduced by Mr. MONRONEY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That section 1 of the act of July 15, 1946 (60 Stat. 535; 22 U. S. C. 2861) is hereby amended by changing the period at the end thereof to a comma and adding the following, "and the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, amending said agreement, is hereby approved."

The memorandum and agreement presented by Mr. MONRONEY are as follows:

MARCH 6, 1957.

AMENDMENT TO THE ANGLO-AMERICAN FINANCIAL AGREEMENT—BACKGROUND INFORMATION

President Eisenhower today sent to the Congress a message transmitting an amendment to the Anglo-American financial agreement of 1945. The President stated in his message:

"The amendment to the agreement is a commonsense solution which attempts to carry out the spirit of the agreement in a way that is practical and fair to both parties.

"I recommend that the Congress enact legislation approving the action of the Secretary of the Treasury in signing the amendatory agreement on behalf of the United States."

This amendment to the agreement was signed by Secretary of the Treasury George M. Humphrey, for the United States, and Sir Harold Caccia, the British Ambassador, on behalf of the United Kingdom. It becomes effective after it has been approved by the Congress of the United States and appropriate parliamentary action has been taken.

For several years prior to 1956 the United Kingdom had informally indicated a desire that consultations take place to clarify the waiver provisions. Such consultations are provided for in section 12 of the agreement.

Last December the Government of the United Kingdom, acting on its understanding of the provisions of the 1945 agreement, informed the Government of the United States that the United Kingdom claimed a waiver of the interest portion ($31.6 million) of the payment due on December 31, 1956, and set that amount aside pending consultations. There followed discussions and consideration by representatives of the United Kingdom and the United States looking to appropriate modifications of the language of the 1945 agreement, the modifications being designed to carry out the spirit of the original document.

The Anglo-American Financial Agreement was signed on December 6, 1945, and was approved by the Congress after full debate on July 15, 1946. The agreement authorized a 50-year loan to the United Kingdom of $3¾ billion at 2 percent interest. Repayment was to be made in equal annual installments of $119,336,250 covering both principal and interest, beginning December 31, 1951. A settlement of lend-lease and surplus property obligations in the amount of approximately $650 million on the same terms was also made on December 6, 1945, with annual installments of about $19 million. The total annual installment of principal and interest is $138.4 million. Under this arrangement the United Kingdom has paid $348.4 million in principal and $424.6 million in interest, representing payment in full of installments due in 1951–55, and the principal installment for 1956.

The financial agreement provided that the United Kingdom should receive a waiver, that is, a forgiveness, of the interest portion of any installment under certain conditions. The first of these conditions provided, in substance, for forgiveness if the foreign exchange income of the United Kingdom was insufficient to buy the same amount of imports as in the period immediately before the war. The other condition specified that forgiveness could be obtained only if releases or payments of sterling balances which had accumulated to the credit of overseas governments before the date of the agreement were reduced in the same proportion as the payment to the United States.

The United Kingdom expressed in the agreement its intention of making funding settlements with countries which had accumulated sterling balances prior to the agreement, and thus segregating such balances as readily identifiable amounts. A settlement of the sort contemplated did not prove feasible in spite of vigorous efforts. Hence there is now no practicable way to determine in any year the "releases or payments" of these balances accumulated prior to the agreement, and also no practical way to reduce the annual payments to these sterling creditors in the manner specified in the agreement.

However, the international value of the old balances was greatly reduced by the devaluation of sterling in 1949, whereas the value of our claim, being expressed in dollars, was unaffected. Also the character of the balances has changed and with respect to a number of countries they now constitute working balances, currency reserves, and foreign exchange reserves which could not be restricted without raising serious problems. The condition relating to the level of the United Kingdom's international income also includes as one element a determination as to the amount of annual "releases or payments" from the sterling balances that it was assumed would be funded. This in itself prevents any literal application of this condition, which is furthermore subject to a number of other serious statistical questions.

The amendatory agreement terminates the right of the United Kingdom to claim waiver or forgiveness of any part of its obligation, but authorizes the United Kingdom to postpone a limited number of payments of both principal and interest when it finds such action necessary in view of present and prospective conditions of international exchange and the level of the United Kingdom's gold and foreign-exchange reserves. Not more than seven such postponements may be taken and the amounts thus deferred become payable successively in the years following the present schedule of annual payments. The

interest installment due in 1956 would also be postponed. Interest would be paid annually on all postponed payments.

The amendatory agreement removed those provisions of the original agreement which have now become practically impossible to apply, and will permit the United Kingdom and the United States to carry out the spirit of the original agreement. Statistical complexities have been eliminated and the United Kingdom may exercise its right of deferment if its international financial situation warrants.

A similar agreement amending the 1946 financial agreement between the Government of Canada and the Government of the United Kingdom, of 1,250 million Canadian dollars, has been signed in Ottawa and is being submitted to the Canadian Parliament for approval. The postponement provision of the United States and Canadian amendatory agreements, when utilized by the United Kingdom, are to be utilized simultaneously.

AGREEMENT TO AMEND THE FINANCIAL AGREEMENT OF DECEMBER 6, 1945, BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND THE UNITED KINGDOM

Subject to the provisions of paragraph 3 hereof, it is hereby agreed between the Government of the United States and the Government of the United Kingdom of Great Britain and Northern Ireland as follows with regard to the financial agreement executed by them on December 6, 1945:

1. Section 5 is amended to read:

"5. Deferment of annual installments:

"(i) In any calendar year after December 31, 1956, in which the Government of the United Kingdom advises the Government of the United States that it finds that a deferment is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves, the Government of the United Kingdom may defer the payment of the annual installment for that year of principal repayment and interest specified under section 4. Not more than seven annual installments may be so deferred. The first of any such deferred installments shall be paid on December 31, 2001, and the others shall be paid annually thereafter, in order.

"(ii) In addition, the installment of interest in respect of the year 1956 is hereby deferred, in lieu of any right of waiver hitherto existing. This installment shall be paid on December 31 of the year following that in which the last of all other installments, including installments deferred under the preceding paragraph, is due.

"(iii) Deferred installments shall bear interest at the rate of 2 percent per annum, payable annually on December 31 of each year following that in which deferment occurs.

"(iv) Payment of deferred installments may be accelerated, in whole or in part, at the option of the Government of the United Kingdom."

2. Section 6 is amended to read:

"6. Relation of this line of credit to other obligations:

"The Government of the United Kingdom undertakes not to defer an installment under section 5 of this agreement in any year, unless it also defers the installment due in that year under the financial agreement between the Government of Canada and the Government of the United Kingdom, dated March 6, 1946.

"3. This agreement shall become effective when the Government of the United States has notified the Government of the United Kingdom that the agreement has been approved by the Congress and the Government of the United Kingdom has notified the Government of the United States that the appropriate parliamentary action has been taken."

Signed in duplicate this 6th day of March 1957.

For the Government of the United States of America:

G. M. HUMPHREY,
Secretary of the Treasury of the United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

HAROLD CACCIA,
Her Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

Mr. MONRONEY. Mr. President, I also wish to announce that hearings will be held on this joint resolution in the very near future. All persons wishing to testify before the committee on this subject are requested to notify the clerk of the Committee on Banking and Currency, room 301, Senate Office Building, as soon as possible, and in any event on or before March 15, 1957.

REGULATION, CONTROL, AND ERADICATION OF PLANT PESTS—ADDITIONAL COSPONSOR OF BILL

Mr. ELLENDER. Mr. President, I ask unanimous consent that the name of the Senator from Alabama [Mr. SPARKMAN] may be added as a cosponsor of the bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests, introduced by me (for myself and my colleague, the junior Senator from Louisiana, Mr. LONG), on March 1, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED JUVENILE DELINQUENCY CONTROL ACT—ADDITIONAL COSPONSORS OF BILL

Mr. WILEY. Mr. President, when I introduced the administration's juvenile delinquency control bill (S. 1455) last Monday, March 4, I was glad to ask that the bill lie on the table for 3 days in order that colleagues desiring to join with me in sponsoring this legislation might have an opportunity to do so.

I believe that the enactment of this bill will greatly help in the solution of our modern problem of juvenile delinquency.

I am happy to announce that the senior Senator from New York [Mr. IVES], the senior Senator from Minnesota [Mr. THYE], and the junior Senator from New York [Mr. JAVITS] have expressed a desire to cosponsor this bill.

Mr. President, I therefore ask unanimous consent that the names of these Senators be added as cosponsors of Senate bill 1455.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. THYE:

Address delivered by him at the 15th annual meeting of the Rural Electric Cooperative Association, at Chicago, Ill., March 7, 1957.

By Mr. CASE of New Jersey:

Article written by him entitled "Toward a New Immigration Policy," published in the Reporter magazine of March 7, 1957.

Statement prepared by him commenting on the pamphlet "A Miracle of Social Adjustment," written by Dr. Carl F. Hansen, Assistant Superintendent of Schools in Washington, D. C.

NOTICE OF HEARING ON NOMINATION OF JOHN J. SIRICA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF COLUMBIA

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, March 19, 1957, at 2 p. m., in room 424, Senate Office Building, upon the nomination of John J. Sirica, of the District of Columbia, to be United States district judge for the District of Columbia, vice Henry A. Schweinhaut, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], as chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Indiana [Mr. JENNER].

NOTICE CONCERNING CERTAIN NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON of South Carolina. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

W. Wilson White, of Pennsylvania, to be an Assistant Attorney General, vice J. Lee Rankin, elevated.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, March 15, 1957, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF SCOVEL RICHARDSON TO BE JUDGE OF THE UNITED STATES CUSTOMS COURT

Mr. HENNINGS. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, March 29, 1957, at 11 a. m., in room 424, Senate Office Building, upon the nomination of Scovel Richardson, of Missouri, to be judge of the United States Customs Court, vice William A. Ekwall, deceased.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Utah [Mr. WATKINS], and myself, as chairman.

NOTICE OF HEARING ON HOOVER COMMISSION BILLS

Mr. HUMPHREY. Mr. President, on behalf of the Subcommittee on Reorganization of the Committee on Government Operations, of which I have the privilege of serving as chairman, I desire to announce that a public hearing has been scheduled for Tuesday, next, March 12, 1957, at 10 a. m., room 357, Senate Office Building, on S. 434, to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations. The subcommittee will simultaneously consider S. 316, to provide for stating appropriations on an accrued expenditure basis.

The Secretary of the Treasury, the Director of the Bureau of the Budget, the Comptroller General of the United States, and several Members of the Senate who are cosponsors of these bills will present testimony upon this important legislation which implements the Second Hoover Commission's recommendation for the determination of appropriations on an annual accrued expenditure basis. All Members of the Senate are cordially invited to participate in the hearing or to present testimony to the subcommittee if they desire to do so.

NOTICE OF HEARINGS ON PROPOSALS TO AMEND RAILROAD RETIREMENT ACT

Mr. MORSE. Mr. President, as chairman of the Subcommittee on Railroad Retirement subcommittee of the Committee on Labor and Public Welfare, I wish to announce that hearings will begin Tuesday, March 12, on three bills amending the Railroad Retirement Act: S. 360, introduced by Senator BARRETT, S. 945, introduced by Senator LANGER and Senator MARTIN of Iowa, and S. 1313, introduced by me, Senators MURRAY, NEELY, KENNEDY, NEUBERGER, COOPER, BEALL, YOUNG, HILL, HENNINGS, BARRETT, MCNAMARA, MAGNUSON, HUMPHREY, and IVES.

The Chairman and the two members of the Railroad Retirement Board have been invited to be the first witnesses at the hearings to be held at 10 a. m., Tuesday, March 12, in the Old Supreme Court Chamber, room P63 in the Capitol. Representatives of railroad labor and retired employees will be heard in the afternoon of March 12, and spokesmen for railroad management on Wednesday, March 13, at hearings starting at 10 a. m.

CONSIDERATION OF CERTAIN BILLS ON THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I announce that it is unlikely that Calendar No. 93, Senate bill 1325, to relieve the shortage of funds for home loans; Calendar No. 94, House Joint Resolution 209, a companion measure to Calendar No. 93 Senate bill 1325; Calendar No. 95, Senate bill 323, relating to increased allotments for durum wheat; Calendar No. 96, Senate Resolution 103; citing Pauline Feuer for contempt of the Senate; and Calendar No. 97, Senate Resolution 104, citing Ludwig Rajchmann for contempt of the Senate, will be passed or agreed to on the call of the calendar today; but it is our intention to bring them up by motion. If it is agreeable with the minority leader, with whom I have not yet conferred, I propose to do so on next Tuesday. These measures will then be followed by the banking bill, reported by the Senator from Virginia [Mr. ROBERTSON] from the Committee on Banking and Currency.

Mr. President, I turn now to another subject.

The PRESIDENT pro tempore. The Senator from Texas has the floor.

EVACUATION OF THE GAZA STRIP AND PASSAGE OF THE MIDDLE EAST JOINT RESOLUTION

Mr. JOHNSON of Texas. Mr. President, now that the Israeli evacuation of the Gaza Strip has been completed, we have passed safely through one of the great crises of modern history. Warm congratulations are due to the Israelis and to Premier Ben-Gurion for this wise and statesmanlike decision. The withdrawal took courage of the highest order. But all of us must realize that the evacuation is only a beginning; it does not solve the problems of the Middle East. It merely makes a solution possible.

The United States has a very direct interest in the problems of the Middle East. It is the interest of a free nation which knows that freedom cannot survive unless the countries of the world can maintain their independence and their integrity. If the situation in the Middle East remains chaotic and unstable, it will be a happy hunting ground for communism. And if the Communists take over in the region, the free world will suffer a tremendous setback.

The problems of the Middle East are complex. They involve transit through the Suez Canal; guaranties of the borders of Israel; and the tragic plight of the Arab refugees. Such problems can be solved only through wise statesmanship.

Mr. President, one of the things which made me very proud during the recent debate on the Middle East joint resolution was the fact that every Member on my side of the aisle voted to authorize the continuance of furnishing facilities to the United Nations emergency forces in that area. That vote was a responsible expression of the needs of our times. We recognized that the nations of the world must participate jointly, and that the whole burden cannot fall upon America alone. Passage of the Middle East joint resolution grants the President the tools which are needed and which will be helpful.

Mr. President, the Senate had hardly concluded the final rollcall on the resolution before the President was gracious enough to call me, in my capacity as majority leader, and express his appreciation for the action the Senate had taken on that measure. While I was talking to him, the Secretary of State called me on the other line. I appreciate the responsible cooperation which exists and the tolerance and understanding that the administration showed for the joint thinking and the viewpoints of this body.

I am happy that the House of Representatives has concurred in the Senate amendments, because I think the Senate amendments resulted in great improvements in the Middle East resolution.

All of us hope and pray that the tools we have provided will be used wisely, and that a troubled section of the world will be placed on the road to peace.

USE OF TAX RETURNS IN INVESTIGATION OF CRIMINALS—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I ask unanimous consent that a statement I have prepared regarding the use of tax returns in the investigation of criminals be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERNAL REVENUE SERVICE SHOULD USE TAX RETURNS TO HELP INVESTIGATE THE NATION'S CRIMINALS—SHOULD CONDUCT A TAX BLITZ AGAINST HOODLUMS

The Nation is shocked by the disclosures which have already come out of the special Senate committee investigating underworld infiltration in labor unions, notably the teamsters union.

The honest rank and file of American labor, the overwhelmingly honest leadership of labor, are deeply desirous, as I believe all thinking citizens are, that once and for all the stain of racketeering be cleansed from the trade-union movement.

As a former member of the Senate Crime Investigating Committee, I congratulate my colleague, the distinguished junior Senator from Arkansas [Mr. MCCLELLAN], for the effectiveness of his work to date. I am sure that the whole Congress and the whole Nation wish him and his committee associates well.

I am speaking today basically to make one particular suggestion. It is simply this: It is my hope that there will be a complete analysis by the executive branch—I emphasize, by the executive branch—of the extent to which bribe taking and gangster-consorting union officials may have evaded their fair share of Federal income taxes. I cannot conceive that these corrupt individuals have given honest and complete tax returns to Uncle Sam. Individuals guilty of the evil deeds reflected in these hearings are not the kind of individuals who will file honest, accurate, and complete tax returns.

I do not have any doubt that the Federal Internal Revenue Service is now at long last following the current hearings closely, and that it is cooperating with the McClellan committee, and making available requested tax information. But I ask, Where was the Internal Revenue Service in all the years up until now in this regard? Why did not the Internal Revenue Service help flush out these criminals, itself, by thoroughly investigating their tax returns?

Let me say that in recent years the Internal Revenue Service has trapped a number of professional criminals who have evaded their tax payments. But from all that I have seen, the Service has not touched even a fraction of the culprits, especially the high-up ones.

Some time back, a special racket squad was set up in the Internal Revenue Service, but the drive which started with a bang gradually

petered out, apparently. In my judgment, the drive should be carried on, with a continuous, intensive program.

I am well aware that the United States Treasury Department is not supposed to be in the business of catching criminals, as such. But I am also aware that the tax returns to the United States Government do offer an ideal opportunity for the apprehension of criminals, and I see no reason why this weapon should not be used to the fullest possible extent. I see no reason why the Internal Revenue Service cannot take the initiative and pass along helpful leads to other Federal law-enforcement agencies whose basic job is to track down criminals. And I mean continuous cooperation between Federal agencies, not hit or miss occasional information exchange.

We will thereby serve several purposes simultaneously:

1. We will help put underworld figures where they belong—behind prison bars.

2. We will help reduce the staggering $120 billion annual cost of crime and gambling.

3. We will recover for the Federal Treasury what will undoubtedly be vast sums which might otherwise be lost. The Treasury needs this money—every nickel of it.

4. We will give an assurance to the overwhelming mass of honest taxpayers that they will not have to carry the financial load for the crooks and chiselers who evade their fair share of taxes.

Experience has demonstrated that every Internal Revenue agent who is put on this type of work repays the cost of his employment manyfold.

For the Treasury Department to contend that it is not its basic job to concentrate on scrutinizing criminals' tax returns would, in my judgment, simply be a bureaucratic approach to this problem. The American public is not interested in any Government agency alleging that "it cannot do the job, because the job is not in its jurisdiction." The American public is interested in results—not in bureaucratic excuses.

In a great many instances indictment for tax evasion has proven the only method by which top criminals have been brought to book. The Al Capone case is perhaps the best illustration.

Let us therefore conduct a tax blitz against the underworld, particularly that section of the underworld which is now being exposed to public scrutiny by the McClellan committee, because of infiltration in the trade union movement.

Let the Internal Revenue Service focus its microscope, so to speak, on suspected criminals, so that other Federal agencies, like the great FBI, can more expeditiously fulfill their own respective roles.

TAXES

Mr. WILEY. Mr. President, I ask unanimous consent that a statement I have prepared on the subject of taxes, together with several communications on that subject, be printed in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

ADDITIONAL SUPPORT OF FEDERAL TAX COMMISSION BILL

I am glad once again to bring to the attention of my colleagues in the Senate a few of the many expressions of support which I have received from the American business community in favor of my bill, S. 769, to establish a Hoover-style Federal tax commission.

On previous occasions I have had reprinted in the CONGRESSIONAL RECORD a few of the many splendid letters which have come to me from some of the greatest figures on the American business scene, endorsing the concept of this bill. I send to the desk several additional such expressions.

In one instance, a leader of a major corporation, who prefers to remain anonymous, has recommended enactment of the bill. In accordance with his wishes, I am refraining from the use of his name. His comments are nonetheless welcome and impressive, I believe.

RAILROAD ASSOCIATION APPROVES IDEA OF BILL

Included in this material is a significant expression from the distinguished president of the American Association of Railroads, Mr. William T. Faricy.

Mr. Faricy had brought to the attention of the board of directors of the AAR my proposed legislation, and the board thereafter expressed its endorsement of the objectives of the bill.

In his message, Mr. Faricy points out, however, very constructively that there are two able and hard-working subcommittees of the Ways and Means Committee which are now at work on separate phases of the tax structure; namely, excise taxes and income taxes.

He indicates, therefore, that the board feels that it might be preferable to withhold efforts to enact S. 769 until more is known about the outcome of those two subcommittees.

MAJOR REVISIONS BY HOUSE DOUBTFUL

I certainly want to wish these subcommittees the very best of success in their review efforts.

If past indications are, however, correct, we will not be able to secure from these or other subcommittees the type of high-level, long-range view which is needed for fundamental—I emphasize fundamental—revision of the tax structure.

I think one of the great advantages of the Hoover-style commission approach is that it brings to bear for a long period of time the best judgment of outstanding leaders from private life, in addition to splendid representatives of the expert committees of the Congress.

Now, I should like to point out one particular fact. The newspaper and other response to the idea of a Federal Tax Commission has been enthusiastically affirmative—almost unanimously so.

TWO CONTRADICTORY FEARS EXPRESSED ABOUT COMMISSION

However, in some quarters, there has been concern expressed as to the probable outcome of the findings of the Tax Commission.

Thus, an editorial in one newspaper expressed the concern that the Tax Commission would allegedly be dominated by what it called "big business." So, the editorial asserted that the end result would be more taxes on the little man.

On the other hand, concern of an exactly opposite nature has been expressed in one or two quarters. There has been fear that the Tax Commission would allegedly be dominated by individuals who would recommend a punitive-type role against so-called big business. As a result, even more tax burdens might be added on free enterprise as a whole, it is asserted.

LET THE CHIPS FALL WHERE THEY MAY

Let me state very frankly that there is no reason to be concerned on either count.

If we appoint the type of impartial, top-level men that I envision, then we can all afford to "let the chips fall where they may." Later on, we individually may not agree with all the Commission's recommendations. But we should all be prepared to accept the fact that good and honest men will have devoted a long time toward making as objective a review of this problem as is humanly possible.

NO HIDDEN PURPOSES BEHIND BILL

I have not introduced this Tax Commission bill for the purpose of grinding any particular axes for or against any group.

I have not planned it as a maneuver to put over any specific new taxes, or to abolish any specific taxes.

That does not mean that I do not have any particular tax ideas and suggestions, because I certainly do, and everyone else does.

But I am eager to get this impartial tax-finding group set up to do its job as it sees fit. That is the important thing.

LIBERALS, CONSERVATIVES COMPOSE BILL

Among the cosponsors of the bill on the Senate side are men of a wide range of political opinion—Democrats and Republicans, what might be called "liberals," what might be called "conservatives," and what might be called "middle-of-the-roaders." Their very diversity is the best proof of the intended objectivity of the Commission.

TAX FOUNDATION FINDINGS

Finally, as an illustration of the tremendous complexity and impact of taxes on the American scene, I submit the text of a few of the recent statistics compiled by the noted Tax Foundation. These statistics highlight a few of the many serious implications of taxes throughout our country.

I attach all these materials to my statement in order that they may be printed at this point in the body of the RECORD.

The matters are as follows:

CARRIER CORP.,
Syracuse, N. Y., March 2, 1957.

The Honorable ALEXANDER WILEY,
The United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: Your form letter of February 12 states:

"Taxes are too high."

"Tax changes must be made so as to spur incentive in our American economy."

I am in complete and wholehearted agreement with these statements.

You propose as a long-range project the establishment of a Hoover-type commission on Federal taxation. This seems to me to make a lot of sense.

Assuming the creation of this commission or some similar body, I believe that revenue sources should be carefully examined looking toward eliminating duplications and overlapping of taxes by the Federal, State, and local governments.

Now, then, I would like to try to summarize some of my further views.

Over the years our tax structure has become too complex. Inequities and excessive tax burdens have made it necessary to provide special relief for various groups of taxpayers. What's more, rates have become so high as to provoke resistance and evasion. This could eventually lead to a breakdown of what is essentially a system of self-assessment.

The immediate attention of Congress should be focused in this area, for I believe the high and discriminatory rates are the root of nearly all our tax difficulties. Saying this another way, steeply progressive individual tax rates are a drag on the economy. As I am sure you know, continued economic growth requires an adequate flow of new capital, particularly in the form of equity or venture investment. Such an investment must come mainly from the middle and upper incomes, where the income-tax burden is now the heaviest.

The principle of a balanced budget and provisions for a measure of debt reduction have my wholehearted support. However, I believe both can be accomplished within the framework of a budget balanced at a substantially lower level than has been proposed. Furthermore, I believe that unless action is now taken toward a reduction of

excessively high tax rates the adverse effect of these rates on the national economy will become increasingly more evident.

Assuring you that I welcome this opportunity to express my views, I am,

Sincerely yours,

CLOUD WAMPLER.

THE COLUMBIA GAS SYSTEM, INC.,
New York, N. Y., March 1, 1957.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: I believe your proposal deserves the support of all Americans. Certainly, there is an urgent need for a thorough study and review of the present tax policy and tax structure of the Federal Government. A commission of this type would, in my opinion, furnish a means of developing facts and obtaining recommendations which would be helpful to those who make the law and to those who enforce it.

As the president of a public service corporation employing nearly 12,000 individual taxpayers, having more than 115,000 stockholders, and serving more than 1,335,000 American families, I wholeheartedly support the declaration of policy contained in your resolution.

Sincerely,

GEORGE L. YOUNG.

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., March 5, 1957.

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: This refers further to S. 769, a bill to establish a Hoover-style commission on taxation, and to your letter of January 25, 1957, which I acknowledged on January 31, 1957.

As promised, I reproduced your letter, the bill, and your statement, and brought them to the attention of the 30 railroad presidents who constitute our board of directors, and we discussed the whole subject at our meeting held March 1.

All present heartily approved the objectives of the bill, and regard its general purport as excellent. The railroad industry has believed for a long time that there are important tax provisions which discriminate against common carriers. A striking example is the wartime levied tax of 10 percent on passenger fares and 3 percent on freight charges. These taxes still continue long after the reasons leading to their enactment have disappeared. Recently, I had occasion to call attention to this discrimination in a public letter to editors and commentators, copy of which is hereto attached.

While sharing the views you have so well expressed in your memorandum accompanying the introduction of the bill, I think we should recognize that there are already under way in the House Ways and Means Committee two programs by able subcommittees, looking to improvement in the existing situation. I refer to the subcommittee of which Representative FORAND is chairman, which is engaged in a close study of the excise tax structure, and also to another subcommittee which is under the chairmanship of Representative MILLS, and is engaged in a similar exhaustive review of the 1954 revision of the code as it affects the Federal income-tax structure. I understand the purpose of the latter subcommittee to be the correction of loopholes and inequities which may remain in the revised code. Anyone who has worked with these subcommittees and their able staffs, as have the representatives of the Association of American Railroads, cannot fail to be impressed with the earnest efforts that are being made to try to correct the existing situation.

On the whole picture, therefore, our board of directors suggests that while they are completely in accord with the laudable objectives you are trying to accomplish, it might be preferable to withhold efforts to enact the measure until more is known about the outcome of what is now being done by the above-described subcommittees and their staffs, as well as the Senate Finance Committee and the Joint Committee on Internal Revenue.

We appreciate very much having had the opportunity to express these views.

With kindest regards,

Sincerely,

WILLIAM T. FAERSTY.

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., January 8, 1957.

To Editors and Commentators:

An official of the United States Treasury Department was asked at a Congressional hearing on December 10 whether his Department would oppose any reduction in Federal taxes in 1957. He replied, "Involving a net loss of revenue; yes."

There are two taxes which could be repealed without substantial net loss to the Government and with even the possibility of a net revenue gain. These are the excise taxes on transportation which add 10 percent to passenger fares and 3 percent to freight charges. These taxes—levied during World War II, partly to discourage the use of overburdened public transportation facilities—are on the users of transportation not the carriers.

The taxes now yield about $700 million annually in revenue. This does not mean, however, that the Government collects $700 million more than it would if the taxes were repealed because:

(1) A major part of the transportation taxes is deductible as business expense and hence reduces the amount which the Government would otherwise collect through income taxes.

(2) The transportation taxes are a heavy drag on commerce, reducing the flow of business and thereby decreasing further the amount of net income subject to income tax.

What the Government would gain in tax revenue as a result of the benefits to the entire economy which would come from repeal of these taxes cannot be estimated exactly. These benefits would be cumulative in their effect. They would be felt in lower markups and prices at each stage of the movement of goods, through production, wholesaling and retailing. They would flow from the act of simple justice in removing the manifold discriminations inherent in these taxes—discrimination against the shipper and passenger who must use public transportation and in favor of those who can provide their own; discrimination against the long-haul shipper seeking to compete with the short-haul shipper in common markets; discrimination against United States shippers and in favor of foreign shippers, to whom the tax does not apply.

While these taxes bear unevenly upon some, they are paid, directly or indirectly, by all. Their repeal would, therefore, benefit more people than almost any other conceivable form of tax relief.

Repeal of the taxes on transportation is supported, through the National Conference for Repeal of Taxes on Transportation, by all forms of transportation, by shippers and travelers, and by numerous other national, regional, and local groups and organizations. It is a measure that is truly in the best interest of all—truly deserving of the support of all Americans.

Sincerely yours,

WILLIAM T. FAERSTY.

THE TEXAS & PACIFIC RAILWAY CO.,
Dallas, Tex., March 4, 1957.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Certainly your objective is laudable, and I can conceive that a commission of the type you propose could render a most valuable service. What occurs at once to many of us is that various studies have been undertaken in this general field and the reports thereon have received little public attention, and have soon been forgotten. I am also mindful of the fact that there are several groups now working in this field on something of a crusading basis; and at least some of them are suspect, whether rightly or wrongly, of being motivated by partisanship and self-interest.

If the commission you propose should be established, and if its personnel were uniformly of such quality, caliber, and public recognition as to command very wide public confidence and support, then I think its work might prove to be of lasting benefit. I think too much emphasis could not be placed on the importance of the selection of the members of the commission.

While it is true that there is general dissatisfaction with high taxes, I have not noted any general acceptance of any of the concrete measures proposed by one group or another to alleviate the situation. To be effective, your commission's report would have to command the attention and enjoy the confidence of a majority of all of the important segments of our society. I think that result could be anticipated only if the commissioners were widely known individuals of unusual caliber and above any suspicion of self-interest or partisanship.

Permit me to wish you well in your effort.

With kind regards, I am,

Cordially yours,

W. G. VOLLMER.

DEAR SENATOR: Your proposal that a Hoover-style study be made of our Federal tax structure seems to me to be a sound approach to the development of needed tax reform.

It is inevitable that, as one layer after another is added to a tax structure, the time would come when the entire tax complex should need to be reviewed in its overall impact on the society of which we all are a part. As your letter suggests, the time for a review of this type seems long overdue.

I wish you success in this project as it may be worked out to the satisfaction of the present administration, which I feel confident would be in accord with such action, and of the required majority of the Houses of Congress.

I would rather not have my own name used in connection with a consideration of this important subject, but I would be quite willing for quotations to be made from this letter so long as these quotations would be without use of my name.

(Name withheld.)

TAX FOUNDATION'S MONTHLY TAX FEATURES—TAX BURDEN NOW $1,900 PER FAMILY

Total Government tax receipts in the United States are, for the first time in the country's history, reaching the $100 billion mark. This sum equals $1,900 for each American family.

Preliminary estimates by the Tax Foundation indicate a recordbreaking collection of $99.8 billion. The $100 billion mark may be passed when all final figures are tabulated.

The early estimates calculated that the Federal Government would collect $72 billion, the State governments nearly $15 billion, and local governments $13 billion. The total was almost 10 times as much as was collected by all levels of government only 20 years ago. At that time, the per family tax burden was an estimated $330.

Tax receipts were higher at all levels of government in fiscal 1956 than in the preceding year. At the Federal level they went up about $9 billion; at the State, about $2 billion; and only slightly less at the local level.

Evidences of the increased take at the Federal level are given in the figures: In 1946, Federal tax receipts were $36 billion; by 1956, they had climbed to over $72 billion.

* * * * *

Statisticians calculate that since World War II's end alone, the Federal Government has levied taxes amounting to $494 billion. From 1798 to 1945, Federal taxes levied amounted to $253 billion.

THE 1957 TAX BITE IN THE 8-HOUR DAY

All taxes: 2 hours and 26 minutes.
Clothing: 57 minutes.
Transportation: 43 minutes.
Medical: 23 minutes.
Recreation: 20 minutes.
Other: 25 minutes.
Food: 1 hour and 40 minutes.
Housing: 1 hour and 26 minutes.

The average $4,800-a-year man must work 2 hours and 26 minutes of his 8-hour day to pay for his taxes, according to the Tax Foundation. As the clock shows, more time is spent working for taxes than for food and other items.

PAYMENTS UNDER SOIL-BANK PROGRAM

Mr. WILLIAMS. Mr. President, several weeks ago the Senator from Missouri [Mr. SYMINGTON] joined me in requesting from the Department of Agriculture information as to the number of individuals or groups receiving payments in excess of $25,000 under the soil-bank program.

At the time this legislation was enacted both the President and the Secretary of Agriculture recommended a limitation on the amount of payments available to any one individual; however, Congress did not adopt this recommendation, and this survey was made in an effort to determine the need for such a limitation again being considered.

It developed that only 11 firms are reported as having been paid in excess of $25,000, and we are incorporating in the RECORD a report showing the breakdown of the 11 different payments.

Attention should be called to the fact, as explained in the letter, that this report may not be all inclusive in that it was assembled on the basis of requesting from the different counties information as to payments in excess of $10,000 each, and presumably payments below this amount could have been made in a county to some of the same individuals involved in this report, thereby raising the amount received. Or, presumably, a series of payments below $10,000 could have been made to an individual and still not be included in this report.

Therefore, this report cannot be projected as all-inclusive, and a further study is being conducted.

To further the study in this connection, since the Department of Agriculture in compiling this information has already assembled a report on all payments throughout the Nation in excess of $10,000, we are asking for this additional information.

I ask unanimous consent that a copy of the letter from the Department of Agriculture, along with the report of the 11 different payments, be incorporated in the RECORD at this point.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 6, 1957.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: We are submitting herewith a list of the 11 largest soil bank acreage reserve payments made in 1956 which you requested December 12, 1956. We are quite sure that these figures are accurate. However, they cannot be guaranteed absolutely for the simple reason that, to quote an example, if Mr. of , is the owner of a farm in that participated in the acreage reserve program for 1956 in an amount less than $10,000, that would not necessarily appear in this compilation.

A complete audit of all payments in all the 3,000 counties of the United States considering the duplication of such common names as , etc., would be nearly an impossible task. These figures were compiled by requesting all counties to submit to their States payments in excess of $10,000. The States then submitted to the Washington office all payments in excess of $30,000. The Washington office in turn eliminated payments below $25,000. This is the only practical method that we have been able to devise. As mentioned above, a complete audit would be subject to error at the best and would be very expensive in any event.

It would appear that since there were only 11 participators receiving in excess of $25,000 that a reasonable limitation on payments would not affect the administration of the acreage reserve program. Administratively, this would have to be done much as the ACPS administers their $1,500 limitation by certification of the producer that the amount received does not bring this total payment in excess of the maximum permitted by law.

We appreciate your interest in this program. If we can be helpful in any other matters please communicate with us.

Sincerely yours,

MARVIN L. MCLAIN,
Assistant Secretary.

List of payees receiving 1956 soil bank acreage reserve compensation in excess of $25,000

1. Kansas	$61,354.50
2. Iowa	49,278.00
3. Texas	48,093.00
4. Kansas	45,817.77
5. Texas	40,793.40
6. Connecticut	40,162.55
7. Texas	30,737.22
8. Texas	30,282.00
9. Connecticut	29,829.51
10. California	29,723.53
11. Texas	25,113.73

DAIRY STABILIZATION PROGRAM

Mr. HUMPHREY. Mr. President, there has always been much talk about how farmers should seek to help themselves, instead of turning to their government for assistance.

For a long time, many spokesmen for the dairy industry have pioneered in such efforts, seeking to develop a workable self-help program under which they would use the Government's authority to invoke an industrywide program, but would make it self-financing.

Continued depressed conditions in the dairy industry have led to renewed efforts in this direction. Dairymen have learned that the administration's answer to dairy problems—cutting prices—is not an effective answer. Production has gone up, instead of down. Consumption has not increased to the degree promised.

Dairying is essential to our country, and the dairy industry needs attention of the Congress to survive.

After 6 months of study, a new national Dairy Policy Committee is putting the finishing touches on a proposed new peacetime price support program embodying the domestic parity principles. While I have not yet had an opportunity to give their recommendation thorough study, its outline indicates real promise of a program that Congress will want to give thoughtful consideration. At least they are doing what the Department of Agriculture should be doing—seeking new and better answers to persistent economic problems that can no longer be ignored.

I am proud that a Minnesotan is chairman of this dairy study committee outlining this program. He is William Pearson, Master of the Minnesota State Grange. The National Grange has financed and coordinated the study, but representatives from various segments of the dairy industry have been included. The group has been meeting in Washington the last few days. They have had valuable assistance from W. D. Knox, editor of Hoard's Dairyman, making a real contribution by serving as an ex officio member of the committee, and E. M. "Mike" Norton, executive secretary of the National Milk Producers Federation, another ex officio member.

The new plan was outlined publicly for the first time in the February 25 issue of Hoard's Dairyman, published in Wisconsin.

The committee drafting it includes representatives from New York, North Carolina, Minnesota, Delaware, New Hampshire, Illinois, and Wisconsin.

Mr. President, because we are going to be giving more study to this proposal in months to come I ask unanimous consent to have printed in the body of the RECORD at the conclusion of my remarks the outline from Hoard's Dairyman on February 25, entitled "New Dairy Program Would Boost Dairy Prices 43 Cents," plus an editorial from the same publication entitled "What Are the Prospects for a Better Dairy Program?"

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

NEW DAIRY PROGRAM WOULD BOOST DAIRY PRICES 43 CENTS—AFTER 6 MONTHS OF STUDY, DAIRY POLICY GROUP OFFERS A NEW PEACETIME PRICE-SUPPORT PROGRAM PROVIDING FOR DOMESTIC-PARITY PRINCIPLE IN A SELF-HELP BILL—WOULD BE FINANCED BY THE DAIRY FARMERS

Finishing touches are now being placed on a new peacetime dairy price-support program. After 6 months of intensive study, a national dairy policy committee is proposing a self-help program embodying the domestic-parity principle.

If approved by Congress, and then by dairy farmers in a referendum, the new program would mean an increase of about 53 cents per hundredweight in all milk prices. This would not be net gain, however, because a 10-cent stabilization fee would be paid on every hundredweight of milk marketed. This provides a net of 43 cents per hundredweight. In addition, a lower surplus price

would be paid on about 6 percent of production if he produced at past levels.

A dairy farmer with 30 cows and selling 300,000 pounds of milk per year should realize a net gain of about $1,000 over and above what he receives under the present price-support program.

To understand how the new program would apply on your farm, it is necessary to look into some of the mechanics of the program on the national level.

HOW THEY WOULD VOTE

First, of course, the program must be written into bill form and introduced into Congress. There it is referred to the Committee on Agriculture of the House or Senate, which can hold public hearings to determine whether there is support for it from dairy farmers and their organizations. If that support is shown and encouragement is received from the administration, the prospects are good that the program will be approved by Congress and the President.

Upon becoming law, dairy farmers across the country will vote on the program through a referendum. If approved, they then nominate, through an election, dairy farmers to make up a dairy stabilization board. This board is appointed by the President of the United States from the nominees named by dairy farmers in their votes in 15 proposed dairy districts of the country.

The dairy farmers making up the board will recommend price-support levels, methods of financing the program, and how it will be administered.

Actual operation of the new program, however, rests with the Commodity Credit Corporation of the United States Department of Agriculture, as at present.

Let's assume that Congress has passed the bill and dairy farmers, in a nationwide vote, have approved its going into operation. The Dairy Stabilization Board then drafts its dairy program for the coming year and submits it to the Secretary of Agriculture.

The Secretary, in the meantime, has appointed a Dairy Advisory Committee representing the public, processors, importers, and any other groups he may select. To this committee the Secretary refers the program drafted by the farmers' Dairy Stabilization Board. The Dairy Advisory Committee may recommend to the Secretary the acceptance or rejection of the program.

If the board's program is rejected by the Secretary, he must draft an alternative program and submit both his and the board's program to a joint standing committee of Congress. This committee would be made up of Members of both political parties on the Committees of Agriculture of the United States Senate and the House of Representatives. This is the group which has the final say on what program it will be—the board's or the Secretary's.

Should the board's program be approved by the Secretary, however, it becomes the dairy program for the next marketing year. There is no need to refer the question to the joint standing committee of Congress.

Should the Secretary's program be approved, dairy farmers would not finance the disposal of the dairy surplus.

Assume, for example, that the board's program has been approved, either by the Secretary or the joint standing committee of Congress. It is, then, the program for 1957. The following example illustrates how the program would operate:

HOW PLAN WOULD WORK

Prior to the beginning of the marketing year (April 1) the board meets to review production, sales, surplus stocks, and prices. On the basis of the information it has and its estimates for the coming year, the board recommends the new peacetime dairy program for the next marketing year.

Here is what the board might see if it were meeting next month:

1956 milk sold from farms (billion pounds)	113
Government purchases (billion pounds)	5
1956 price level of manufacturing milk (3.95 test) (per hundredweight)	$3.25
Per capita consumption, steady.	
If new program adopted	
Price-support level (90 percent of parity using 85.5 parity equivalent, see Hoard's Dairyman, Nov. 25, 1956).	$3.78

Market forecast for 1957

	Billion pounds
Milk sold from farms in 1956	113
Less Government purchases	5
Actual 1956 domestic market	108
Add 1957 population increase	2
Total	110
Deduct loss in sales from retail price increase	4
Expected 1957 domestic market	106

The preceding data are used for illustrative purposes only because accurate 1956 figures are not available at this writing. The actual figures will not be far from the example, however.

Using the preceding example, we find that the 1957 domestic market, with increased prices, will be about 7 billion pounds below 1956 production (113–106). It means, in other words, that the domestic market in 1957 will be about 94 percent of the 1956 volume of milk sold from farms.

With this information, the board makes the first of two major declarations it must make prior to the beginning of the marketing year. It declares that the market-surplus ratio for the marketing period is 94:6. (More about this later.)

Next the board must set the price-support level and the surplus price. Let's assume the board sets the price-support level at the minimum, which is 90 percent of parity using the parity equivalent method of calculation. This means a price-support level of $3.78 per hundredweight for manufacturing milk at the national average test of 3.95 percent fat. This is 53 cents above the 1956 level.

The only price decision left, then, is: What will be paid for the remaining 6 percent, or surplus milk?

Last year CCC could realize only 60 cents per hundredweight for its surplus. This year manufactured milk products in CCC hands will cost $3.78 plus about $1 for processing, handling, and storage costs. This means the CCC, if it realizes only 60 cents this year, would take a per hundredweight loss of $4.18.

If CCC must purchase 7 billion pounds and take the $4.18 loss, the total cost would be $292,600,000.

How is the loss financed?

First, a stabilization fee of 10 cents per hundredweight is paid CCC on all milk marketed. This brings in $113 million, leaving a deficit of $179,600,000.

This remaining deficit of $179,600,000 is financed through a levy on all surplus milk, which is 6 percent of last year's production.

If we divide 7 billion pounds of milk into the remaining deficit of $179,600,000, we find that it will take a charge of $2.57 per hundredweight on surplus milk to raise the funds needed.

In 1956 the average national price paid for all milk sold was $4.18. If we add 53 cents, the average national price expected in 1957 would be $4.68. Deduct the $2.57 and the surplus price becomes $2.11. This could be the price on surplus milk for the next marketing period. The board may set such a figure at this time. Let's assume, for purposes of illustration, that the board asks for an additional 6 cents cushion for safety and sets the surplus price at $2.05.

In summary, then, the board has made these decisions:

1. Support prices for manufacturing are increased from $3.25 to $3.78 for the ensuing marketing year.

2. The market-surplus ratio will be 94:6 for at least the next quarter (3 months).

3. The price of "surplus" milk for the next quarter will be $2.05.

How do these decisions affect the dairy farmer?

We use here an example of a dairy farmer marketing 300,000 pounds of milk annually. We assume it is of national average test (3.95). Since almost all milk for fluid purposes has its price based on the price of manufacturing milk, your dollar gains and costs are approximately the same, no matter where you may be.

LAST YEAR

In 1956, a production of 300,000 pounds, or 3,000 hundredweight, at $3.25, brought the dairy farmer $9,750.

THIS YEAR

Upon the announcements of the Dairy Stabilization Board, the first handler of a farmer's milk would total last year's production and apply the 94:6 market-surplus ratio to it. Our dairy farmer would have a "market" of 282,000 pounds, for which the full support price would be assured because of the program. Our friend can, however, produce as much as he wants. He knows that if he does so, the price will be $2.05 for that surplus milk.

Let's suppose he does not sell those 2 cull cows and produces again 300,000 pounds of milk in 1957. Here is his return:

2,820 hundredweight at $3.78	$10,659.60
180 hundredweight at $2.05	369.00
Gross return	11,028.60
Less 10 cents per hundredweight	300.00
Net in milk check	10,728.60
1956 return	9,750.00
Gain on new program	978.60

Obviously, many questions arise which dairy farmers will want answered. Perhaps the best way to handle them is in a question and answer manner.

Just what is the price picture today? Can price supports be lowered under the present program?

The average national price of manufacturing milk (3.95 test) is now supported at $3.25. Under the present program, price supports can be dropped to $2.96 April 1. This would be 75 percent of parity as manufacturing milk parity is now calculated. If we use the parity equivalent method of determining manufacturing milk parity, 75 percent becomes $3.15.

The proposed new program support of $3.78 is 90 percent of parity on manufacturing milk (3.95 test) using the parity equivalent method of determining parity (see Hoard's Dairyman, November 25, 1956).

How far would prices drop if we had no price-support program at all?

Because of the comparatively low demand-price ratio for dairy products, estimates are that manufacturing milk testing 3.95 would drop on a national average to the $2.60 to $2.70 range. Milk testing 3.5 would bring about $2.40 per hundredweight.

Does the dealer or processor gain financially through the deduction on surplus milk?

No. He must pay to the Commodity Credit Corporation the difference between $2.05 and his going, or free-market, price on all surplus or above-market milk. Further, he pays CCC the 10 cents per hundredweight on all milk received. These are, of course, deductions from the farmer's milk check.

The dealer or handler simply acts as the accounting and paying agent. His records are subject to continuing audit by the Government to make certain that all calculations and payments are made according to the program.

Is this program a deterrent to increased, or surplus, production?

Yes. Our large drop in dairy prices in the past few years has been caused by a small surplus, averaging only about 5 percent. The problem, then, has been one of finding means of managing that small surplus without having the entire price structure collapse. The proposed program guarantees a fair parity price for all milk sold in the domestic market but a lower price on the small percentage which cannot find a profitable market.

Obviously, the smaller the surplus, the higher will be the surplus price. The surplus, if high, will cause a lower price on surplus. But under no circumstances will the domestic market price be affected. It is tied to 90 percent of parity.

Could the market be transferred?

Yes. It is currently planned to transfer a market when 2 legs of a 3-legged market stool are moved. For example, a market goes with the herd, farmer, and farm. If any two move together, the market moves, too.

How about a new producer who has no market or base?

During the first year he will receive a market of 70 percent of his current production. The second year, 80 percent; and the third year, 90 percent; and then the full market on his production just like established producers. On this basis, his income the first year will be equal to the income he would receive under the present price-support program.

Marketing 300,000 pounds of milk today, he receives $9,750. Under the new program, as a new producer, he would receive $9,783. At 80 percent, the second year, he receives $10,302.

What happens if I increase the size of my herd and, of course, the amount of milk I ship?

You still receive the full support price on your market quantity. During the current year you receive the surplus price on all above that amount. The next year, however, your market is increased by 50 percent of your previous year's surplus production. This serves to act as a deterrent to overproduction.

You are still better off than you would be under the present program. Let's take an example:

Suppose you produced 300,000 pounds in 1956 and produce 350,000 pounds in 1957 and in 1958.

	Total income	
	1957	1958
Present program	$11,376.00	$11,375.00
New program	12,053.60	12,641.80

Even with the lower price on surplus milk, the man who enlarges his herd gains under the new program compared with the present or old program. Only the more efficient dairymen will want to enlarge their herds, however, because of the lower surplus price on overmarket quantities.

Suppose I have a market of 280,000 pounds. Will I lose part of my market the following year?

No. You are assured that your market will not be reduced.

If this is so, how can the fellows increasing their herds pick up additional market?

Through increased sales resulting from population increase and from normal turnover where farmers leave the dairy business. If this does not increase the market enough to provide for these men at the above percentages, the Dairy Stabilization Board will reduce the amounts that can be added to existing markets.

How much will retail prices be increased by the increase of 53 cents per hundredweight?

About 1¼ cents per quart on bottled milk, 7 cents per pound on butter, and 5 cents per pound on cheese.

Am I guaranteed $3.78 for manufacturing milk?

No. The average national price is supported. This is for manufacturing milk testing 3.95. Some plants will pay a bit more and some less, depending on volume, costs, and distance from markets.

How do I benefit when all my milk is used for fluid or bottling purposes?

Fluid or bottling milk (class I milk) prices are normally based on manufacturing prices. In other words, the class I price is made up of manufacturing prices plus a premium for class I. When manufacturing prices increase, class I prices advance. Your price will increase, therefore, because your foundation price is increased, too.

If the surplus price is quite low, won't it tend to hold down production or at least keep it from expanding? If so, it may make some fluid markets short.

This is true. For this reason, it is proposed that any Federal order area which is able to sell 90 percent or more of its annual production in bottled milk or cream will not have the market-surplus ratio applied. They will, however, pay the 10 cents per hundredweight on all milk marketed.

Because of seasonal variations in milk flow, it was felt that 90 percent fluid utilization was, for all practical purposes, proof of a self-sufficient market. Only a very few markets in the country will qualify. Incidentally, State orders can qualify if their audits are of comparable completeness as those under Federal orders.

Under this program, will dairy farmers be paying for school milk costs?

No. It is proposed that the Federal Government will continue to underwrite the costs of school milk, school lunch, and Armed Forces milk purchases.

Why shouldn't the surplus price eventually become the world or export price?

It can. If it does, the surplus price would be higher. Those in this country who have low costs can then deliberately produce for the export market in addition to the domestic market without having the domestic market fall to world market levels.

Is this production control?

Those who oppose it will probably use such terminology. In reality, it is price support limited to the domestic market. A farmer can produce as much as he wants if he is efficient enough to do so at the surplus price.

Obviously, the lower price on surplus production will deter the inefficient dairyman from adding to the surplus. Even he, however, is better off financially if he continues to produce in the same volume as he has in the past.

This domestic parity, or two-price, plan has been called "dramatic" and "novel." Shouldn't we be wary of such a new idea?

It is only human to be skeptical of a new idea. History is replete with examples of how long it takes to accept a new concept. Certainly this is true of domestic parity. Believe it or not, the principle of domestic parity was first advanced about 30 years ago. Although vigorously supported in various forms by farm groups, it was not enacted into law. Then came the great depression.

How soon can this new program be put in operation?

Probably not before the marketing year beginning April 1, 1958. The bill must be drafted, hearings held, and then be debated and passed by both Houses of Congress. After being signed by the President, it goes to a dairy farmer vote. If passed by a two-thirds vote, elections are held to name the nominees to the Dairy Stabilization Board.

Only then can the program begin to work for dairy farmers.

WHAT ARE THE PROSPECTS FOR A BETTER DAIRY PROGRAM?

For the first time in print, the much-discussed proposed dairy stabilization program is outlined. Obviously, many questions will be raised in addition to those included in the article. Many will involve the prospects for the adoption of the program.

Four years ago the National Milk Producers Federation advanced its self-help program. Experience in Congress indicated that some modifications were needed before it would be considered favorably. To serve that end, Hoard's Dairyman suggested a two-price proposal as an amended self-help bill.

During the past 3 years, there has been a growing realization that both proposals needed additional work and refinement. About a year ago, the National Grange moved to establish a policy committee on dairying. It was the function of this group to review the entire dairy economic picture, possible solutions, and make a recommendation for a peacetime dairy program that was not a warmed-over wartime program which had failed to meet the peacetime need of dairy farmers.

To serve on this committee, Herschel Newsom, master of the National Grange, invited a working group representing many interests and areas. Yet the group was small enough to make steady progress. In addition to four State Grange masters, Newsom invited the president of the largest dairy farmer organization in the New York milksheds, the president of the major dairy farmer organization in the Chicago market, and a representative of the State milk control markets of the Southeast.

In addition, Newsom invited officers of the National Milk Producers Federation and the editor of Hoard's Dairyman because of their interest in and sponsorship of dairy proposals in the past. These men served only in an ex-officio capacity, however.

The committee's chairman was a manufacturing milk producer from Minnesota.

WHAT COMMITTEE SAW

When the committee met for the first time last summer, here is what it saw:

1. After 4 years under the present price-support program, supply and demand were not in balance. The Government was still buying about 5 million pounds of milk a year, trying to support the price.

2. The Government lost the previous year was $140 million.

3. Dairy farmers' hourly income had been reduced about 50 percent in 5 years.

4. Under the present program, price supports could drop another 30 cents per hundred, to 75 percent of parity, beginning April 1.

5. Reliable Government and industry forecasts were that supply and demand would not be in balance, under the present support program, for another 9 years, or 1965.

This information, plus much more, was ample reason for the committee to buckle down in a series of long sessions to develop a sound peacetime program. Their conclusions to date are recorded on page 169.

It should be emphasized that these are the findings of these men as individuals. On the basis of their long experience in the dairy industry, they came to an agreement on the proposal. They could not and did not imply by their actions that their organizations would approve the proposal. Such endorsements can come now only from their memberships, either through annual meetings or by action of boards of directors.

CONSTRUCTIVE SUGGESTIONS REQUESTED

When the committee first met, Mr. Newsom emphasized repeatedly that the findings of the committee were not to be considered a proprietary property of the National Grange. If that happened, the prospects for approval by Congress would be dim because of the ever-present existence of farm and dairy organizational competition that exists on the national scene. The program was to stand on its merits alone. All groups were to be in a position to contribute their thinking to the proposal and then support it as a dairy stabilization bill.

This first report on the program now goes to farm and dairy organizations for review and suggestions for improvement. Particular attention will be given to the personal opinions and reactions of dairy farmers.

Members of Congress will be consulted to obtain their counsel on the proposal.

Armed with this information, the committee will complete its work.

MAY DEPEND ON SECRETARY'S ACTION

Now what are the prospects for its passage and subsequent approval by dairymen?

In our opinion, it depends heavily on the action of the Secretary of Agriculture prior to April 1. If he decides that there is an adequate supply and drops supports to 75 percent of parity, or 30 cents per hundredweight, the proposal would almost certainly be approved quickly by Congress and dairy farmers.

If, however, the Secretary continues to support manufacturing milk prices at $3.25, the acceptance of the new program will depend directly on organized support, shown by dairy farmer groups.

Incidentally, if the Secretary drops price supports 30 cents, it will affect all farmers, not just those selling manufacturing milk. This is true because the base price on almost all fluid milk is the manufacturing price. To this is added a premium for grade A production.

In our reporting of the new program, we made some assumptions for purposes of illustration. Since they may be questioned, we would like to comment on them.

It will be noted that we allowed for a possible decrease in sales as a result of an increase in the retail price. Using the commonly accepted demand-price ratios, we estimated an initial loss of 4 billion pounds. Incidentally, any such estimated loss would be taken only the first year when the retail price was raised. Many experienced dairy observers claim that no such loss will be incurred. If not, then the market-surplus ratio could be 97 to 3.

OVERTONE PARTICIPATES

In some quarters it has been suggested that small producers should be exempt from the market-surplus ratio. To do so would wreck the program, in our opinion. No matter how large or how small the producer, he benefits under the program.

Some may question the reference in the article to converting surplus to export sales. The State Department is on record favoring a properly drawn two-price proposal over the present price-support program. And we think they should feel this way. Whether administrative or foreign policy in future years will give dairymen this opportunity only time will reveal.

What about the markets for new producers and those farmers who want to increase their herd size? Was the committee unrealistic in its recommendations?

You will note that under the program the new producer and the enlarging producer will still be better off than they are under the present program. Will this defeat the purpose of the program?

Only experience can provide an answer. Men on the committee felt, however, that farmers quitting dairying and the continuing consolidation of farms would offset the possible production increases from new or enlarging producers.

Certainly the dairy farmers elected to the Dairy Stabilization Board will watch this part of the program closely during the first few months of its operation.

HISTORY OF DISSENSION

A key question on the future of the proposal hinges on the attitude of the Secretary of Agriculture and the White House.

It is known that the Secretary is personally favorably inclined toward this type of program. He was seriously disillusioned 4 years ago, however, and he has not forgotten the experience. At that time, he appointed a Dairy Task Committee to do exactly what the Dairy Policy Committee has done. But 4 years ago the Secretary's committee failed to agree on anything in the way of a new dairy program.

If farmers and processors do not squabble among themselves or with each other on this proposal, we are confident that administration endorsement may be received. In other words, if farm, dairy, and processor groups take a constructive rather than a negative attitude, the Dairy Policy Committee can reconcile many differences before the proposal reaches bill form. Then strong, near unanimous support may be shown Congress.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to my colleague.

Mr. THYE. Had not my colleague from Minnesota inserted the article and editorial from Hoard's Dairyman, and had he not referred to William Pearson, master of the Minnesota State Grange, I would have done so, because I am impressed by the article and editorial. There is need for a very thorough study of this question, and I am therefore very happy that my colleague has asked that this material be printed in the RECORD. I join with him in making the request for the reason that the material is so timely and important to the dairy producers of the Nation.

Mr. HUMPHREY. I am very happy to have my colleague associate himself with this presentation.

THE FARM PROGRAM

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following these brief remarks, two items which recently appeared in Montana newspapers. They indicate the feeling of a great many Montanans, of both political parties, regarding the Eisenhower-Benson farm fiasco.

One item is a short letter to the editor of the Great Falls Tribune, from Mrs. Ted Wix, of Culbertson, Mont.

The son of Mrs. Wix wanted some spending money to take to the basketball tournament at Sidney. He sold a jackrabbit hide and received 70 cents for it. He also sold a cowhide and received only 60 cents for it.

The Wix family would rather raise cattle than jackrabbits.

The other item I wish to call to the attention of my colleagues in an editorial which appeared in the Park County News, published by Fred J. Martin at Livingston, Mont.

Mr. Martin telegraphed Mr. Benson. Mr. Martin wanted to know why the Commodity Credit Corporation has lost almost $3 billion since Eisenhower and Benson took over in 1953, although the CCC lost only about one-third that amount during the preceding 20 years. A week and more went by, and Mr. Benson had not replied to that telegram.

Editor Martin posed a pertinent question that deserves prompt and full answer. But as many of my colleagues know and as Mr. Martin probably will find out, courteous, pertinent, and important questions addressed to the Secretary of Agriculture frequently are ignored.

There are many such instances. On one occasion, in December 1955, I joined 12 of my distinguished colleagues in a letter to Secretary Benson asking him to start a livestock purchase program. We finally were favored with a short and unfavorable reply in March 1956.

I am glad that newspaper editors are finding out for themselves how difficult it is to obtain information or simply acknowledgment of correspondence from the Secretary of Agriculture.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

[From the Great Falls Tribune of February 27, 1957]

To the EDITOR: Our 13-year-old son was going to the class C basketball tournament at Sidney, so of course he needed money.

We gave him a cowhide to sell and he had a jackrabbit hide.

Guess what? The cowhide brought 60 cents and the rabbit hide 70 cents.

How would Benson explain this?

We don't want to raise rabbits.

MRS. TED WIX, *Culbertson, Mont.*

[From the Park County News of Livingston, Mont.]

BENSON DOESN'T ANSWER WIRE RE MULTI-BILLION PRICE PROP LOSSES DURING LAST 4 YEARS

More than a week ago, after Washington press reports carried a story about Commodity Credit Corporation losses since 1933 of $4,005,000,000, of which $2,994,000,000 occurred in the last 4 years and $1,111,000,000 between 1933 and 1953. The News sent a wire to Secretary of Agriculture Ezra T. Benson requesting an airmail explanatory reply.

The wire said in part: "Respectfully request airmail reply your explanation re CCC report losses only $1,111,000,000 from 1933 to 1953, but nearly $3 billion since 1953 * * *."

Up to press time no reply had been received. Such losses are charged to American farmers. What do our readers think about these losses?

F. J. M.

THE OIL FOR EUROPE PROGRAM

Mr. DIRKSEN. Mr. President, the joint hearings by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary and the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs, dealing with the oil for Europe program, have been under way since the 5th day of February 1957 and are still in progress. These hearings are being conducted under the able leadership of the Senator from Wyoming [Mr. O'MAHONEY] and have been participated in by the Senators of both subcommittees.

From time to time on the floor of the Senate statements have been made by several Senators in regard to some of the

testimony which has been educed at these hearings and statements of several witnesses have been introduced into the RECORD. The views expressed by the various witnesses cover the many aspects of the oil for Europe program.

Yesterday the witness before the joint subcommittee on the oil for Europe program was W. K. Whiteford, who is president of the Gulf Oil Corp. Appearing with him were several other officers and professional consultants to the President who, in the words of the chairman, the Senator from Wyoming [Mr. O'MAHONEY] did a fine job in answering the questions propounded by the Senators and counsel.

So that all points of view in the oil for Europe program may be brought to the attention of the Members of Congress, I ask unanimous consent that the very excellently prepared statement of Mr. W. K. Whiteford, president of Gulf Oil Corp., be printed in full at this point in the RECORD.

In conclusion, Mr. President, from time to time permission to insert summaries of various witnesses' testimony in the RECORD will be requested so that the Members of Congress may be kept abreast of testimony which has been presented on this most important issue of today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY W. K. WHITEFORD, PRESIDENT OF GULF OIL CORP., PITTSBURGH, PA., BEFORE JOINT HEARINGS OF SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE COMMITTEE ON THE JUDICIARY AND SUBCOMMITTEE ON PUBLIC LANDS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, RE OIL FOR EUROPE PROGRAM

My name is W. K. Whiteford. I am president of Gulf Oil Corp. I welcome the opportunity to appear before you and comment on many issues and reply to statements which tend unfairly to discredit the oil industry in the eyes of the American public. I believe Gulf's policies as concern our contributions to the program for shipment of oil to Europe since the Suez crisis, the pricing of crude oil and products, and imports are all on a sound footing.

The Middle East Emergency Committee functions at the express request of the Government. Congress enacted the statute which permits continuance of the petroleum industry voluntary agreement relating to foreign petroleum supply in the public interest as contributing to the national defense. The Attorney General reviewed and approved both the amended voluntary agreement and the plan of action for the organization of MEEC. The Middle East Emergency Committee, acting within the limits set by the Government, can only develop facts and make recommendations for the Government's use. Action by member companies is carried out only after the Government has approved schedules for the same. Government representatives watch in the everyday operations of this committee and they have every opportunity to be intimately acquainted with all of its proceedings.

Frankly, we would prefer not to be a participant in either the voluntary agreement or MEEC, but in view of the Government's request for cooperation we feel it is a duty and we cannot rightfully refuse. At the same time, we do not believe the sort of criticism leveled at Gulf and other companies for so doing is justified in any degree.

Gulf has made and will continue to make arrangements for substantial shipments of oil to Europe. Out of our domestic inventories alone, we made available during the last quarter of 1956, an average of 67,400 barrels daily totaling 6,250,000 barrels of crude and finished products for Europe. Of this total 98.5 percent was crude, and only 1.5 percent was finished products.

In the past few weeks our refinery runs have been reduced 60,000 barrels daily of crude which has been or will be made available for shipment to Europe. For the month of January we made available out of domestic supplies an average of 68,000 barrels daily, totaling 2,103,000 barrels of crude and finished product for Europe.

In addition, we have cooperated with MEEC in making arrangements with other oil companies whereby transportation saving in tanker time has been accomplished through rearrangement and substitution of ships and sources of crude, both domestic and foreign, making possible shorter hauls to Western Europe, resulting in an overall increase in crude availability. I will give you some examples of what we have done.

(1) We made an agreement with another company whereby 35,000 barrels daily of Kuwait crude ordinarily refined in the United States was diverted to refineries in Western Europe substituting an equal volume of domestic crude delivery to us in the United States. During January, this arrangement alone made available to Europe a total of 1,100,000 barrels of crude and resulted in savings equivalent to 8 T-2 tankers.

(2) We modified a contract for Kuwait crude, otherwise destined for the United States, permitting its diversion to Europe in the amount of 12,000-15,000 barrels daily, for which a substitution of domestic crude was made. The overall effect of this single transaction results in a tanker saving equivalent to about three T-2 tankers.

(3) In November 1956, we reversed a pipeline movement and pumped 1 million barrels of Oklahoma crude south into Texas for export movement. At the same time we held in Texas crude that normally would have been pumped north so that it, too, became available for export. This amounted to 1.5 million barrels so the total of this one pipeline operation made available 2.5 million barrels of crude for export.

Including diversion of Middle East imports, I believe we can say that Gulf has contributed an average of 132,000 barrels daily and a total of 16,250,000 barrels of crude and finished product to Europe during the last quarter of 1956 through January 31, 1957.

The industry has been called price gougers and it has been stated that we are not operating in the public interest. Gulf is in business to make a profit, but we follow good business practices in determining the means by which we make a profit. You should appreciate that our domestic crude and product shipments to Europe in the last quarter of 1956 constituted heavy withdrawals from our stocks. If we had wanted to be price gougers, we could have held this crude in anticipation of a price increase which we believed to be imminent and justified. In addition, by making these heavy withdrawals, we may place ourselves in a vulnerable position in the event of any long delay in reopening of the Suez Canal. Our policy has been to do everything possible to supply our customers with their normal requirements of oil and avoid prorating our supplies to them.

We have not made any tie-in sales of gasoline with crude. From an economic and practical viewpoint, it is not a simple matter to drastically change refinery yields. Our domestic customers need finished petroleum products, but their requirements of gasoline and fuel oils vary depending upon the seasonal factor. Our duty to our domestic customers is to avoid petroleum shortages here and at the same time do everything possible to increase the flow of oil to Europe.

When the enormous complexities resulting from the Suez crisis are carefully analyzed, including the economics of refining, the rerouting of available crude both from the Middle East and the Western Hemisphere, and the tanker shortage, it is evident that the industry has been very successful in meeting the emergency.

Turning to the subject of imports, I note that many domestic producers are continuing to press for action under section 7 of the Trade Agreements Act.

Before the closing of the Suez Canal, Gulf was importing a total of 131,000 barrels of crude daily, of which 60,000 barrels were from the Middle East and 71,000 barrels from Venezuela. Immediately after the closing, our imports of Middle East crude dropped to 35,000 barrels daily and because of our cooperation with MEEC have been entirely eliminated since January. Presently all of our imported crude comes from Venezuela and averages 80,000 barrels daily, a very modest increase from that country. We are now importing 50,000 barrels daily less than before the closing of the canal.

Our company in the last few years has reduced its import plans on several occasions in view of the increased domestic productivity. In 1954, for example, when we had a large increase in our refinery requirements our own United States crude-oil production was down. But although we had ample supplies of our own foreign crude oil and products available we increased our total imports by only 2,470 barrels daily while increasing our net purchases of United States crude oil from other producers, at full posted prices, by 37,486 barrels daily. In that situation, although we did not believe there has been any injury to the domestic situation from imports, in our desire to be cooperative, we agreed to conform to the recommendations of the Cabinet Committee.

Gulf was one of the pioneer American companies to venture abroad in the search for oil and its whole eastern seaboard refining and marketing position was largely developed on the basis of utilizing foreign crude, originally from Venezuela, and in more recent years from Venezuela and the Middle East. Gulf's imports of products have always been, and still are, a very small portion of its total imports, inasmuch as its policy has been to do most of its refining for the United States in the United States. All of the company's imports are to the east coast.

Gulf has complied with all requests from the ODM regarding imports, and even before the ODM was involved in this question, Gulf had many times taken action to reduce or hold back increases in its imports when total oil imports in the United States appeared to be growing at an unusually rapid rate.

The result of the above policy has been that the ratio of Gulf's imports to the total for the industry has steadily declined. Since 1947 Gulf imports have declined from 17.4 percent of the total for the industry to an estimated 9.5 percent for last year. This has been due not to any lack of adequate foreign crude of our own which we could have imported but solely to our own voluntary restrictions.

As a consequence of the above and the fact that its own domestic production has not increased fast enough to supply the balance of its refinery requirements, Gulf's purchases of crude from other domestic producers have greatly increased. This year such purchases will average double what they were 10 years ago and greater than the company's entire imports.

We have consistently argued against maintaining the ODM 1954 ratio of imports to domestic production. We have asked ODM to drop all formulas and make a more

realistic approach to this problem. Notwithstanding this position, Gulf has complied with all requests from ODM.

Notwithstanding the increased volume of industry oil imports since 1954, the facts are that domestic crude oil production, drilling, exploration, reserves, and production capacity were all at record high levels in 1956 and are predicted at even higher levels for 1957. One may question the validity of the argument that present levels of imports reduce the incentive for the search for new domestic sources of oil.

In this connection, it must be noted that average domestic discoveries in recent years are less prolific than in earlier years and domestic oil consumption is growing at a more rapid rate than proved domestic reserves. Since the United States has only about 15 percent of estimated world crude reserves, and accounts for more than 45 percent of world oil consumption, it is of vital necessity from both economic and national defense viewpoints that the Government does not adopt a policy which unduly restricts oil imports from foreign areas where the reserves far outstrip the present and expected future consumption of oil.

I do not believe it is true, as has so often been argued, that partial dependence upon imports will endanger national security. Oil is not the only mineral for which future supply is a problem. It is doubtful that any nation is completely self-sufficient in mineral resources for war and peace. Certainly the United States is a have-not nation for many raw materials today, but this alone does not mean that our security is in a precarious position. It does mean, however, that dependence on foreign sources is one of the problems of our economy as well as of national security. The fallacy of self-sufficiency in oil, as anything else, is that costs may be prohibitive.

United States imports of foreign oil have amounted to 5.2 billion barrels over the past 35 years and most of it originated from the Western Hemisphere. If we had prohibited such imports, does anyone here think there would have been the development of present production facilities in those foreign countries that exist today? Obviously not, because no country develops oil reserves except to the extent that it may have prospective markets. If the United States expects other countries to develop their oil resources so that they will be available to us and the free world in time of need, it must offer to them the prospect of a reasonable market outlet on a competitive basis.

There has been much discussion of why MEEC members import Venezuelan crude to the United States and sell domestic crude to Europe when the shortest haul is direct from Venezuela to Europe. Perhaps we could have diverted most of our imports of Venezuelan crude to Europe; however, for the following reasons we have not done so:

(1) Certain Venezuelan crudes have an excellent yield of high-octane gasoline. Due to the increasing demand of this product here, we have geared out operations to utilize a prorated amount of Venezuelan crude as feed stock in our Philadelphia refinery. As mentioned before, operational changes necessary to substitute domestic crudes for this amount of Venezuelan crude are expensive and impractical compared with the savings in tankers.

(2) As you know, the Government has not approved coastwise movements of domestic crude in foreign-flag tankers. We do not have a sufficient number of American-flag vessels to handle the volume of domestic crude necessary to supplant the Venezuelan crude now being used. Consequently, we would have to supplement transportation movements by the use of foreign-flag tankers which, under present conditions, is not possible.

I have noted considerable discussion in your hearings to the effect that imports have discouraged pipeline connections to domestic wells and at least one insinuation that imports are of more concern to Gulf than domestic crude production. This is not true. I have already pointed out that Gulf has complied with the ODM requests with respect to imports. We have been criticized for challenging the constitutionality and the undue burden upon interstate commerce of a State regulation which attempts to force us to buy crude oil in Oklahoma for which we have no use and do not want.

As an indication of our interest in domestic crude production, in the 5-year period, 1953 to 1957, we will have invested $933 million on production, development, and exploration activities. The figures for 1957 are the approved program in which we are now engaged. The trend of those expenditures is upward, increasing from $129 million in 1953 to the current program for 1957 of $227 million. I think with expenditures approaching $1 billion in 5 years, we emphasize our interest in the domestic oil-producing business.

The reasons for the recent domestic crude price increase have been presented and discussed rather fully in previous testimony by others before this committee. Good and valid reasons have been stated which I will not take your time to repeat; however, I would like to make a point or two with regard to the matter. Gulf is a domestic net purchaser of crude oil. Our domestic production is insufficient to meet the needs of our refineries so that we can manufacture the volume of products to take care of our customers, notwithstanding the imports we have brought to the east coast.

In 1956 we refined in the United States over 52.5 million more barrels of domestic crude than we produced. This deficit represents purchases from other domestic producers.

Gulf did not immediately meet the first crude price increase which was effective January 3, 1957, although we had felt for months that a crude price increase was inevitable and justified. Due to the various prices for different crudes, Gulf took a careful review of its situation before announcing a new schedule of prices. Should we meet exactly the prices as announced by some other companies or should Gulf establish a schedule based entirely upon its own appraisal of relative crude values? After taking into account our own situation, we announced our schedule on January 8. In view of the competitive situation, we subsequently made adjustments. We had previously lost 5,000 barrels a day of very desirable crude oil to a competitor who offered a price above Gulf's.

In the recent situation, had we failed to meet the price, we would have had insufficient oil. Had we offered too high a price, we soon would have had more oil than we could use.

I said a moment ago that we had been considering a crude-oil increase for months. Not only had we been constantly studying the economic factors involved in Gulf's own exploration and production costs, but we had been subjected to outside pressures complaining about the price we paid for crude. We have in our files, and there have been furnished to this committee, copies of telegrams received from independent producers and royalty owners asking us to consider an advance in our purchase price of the crude oil we bought from them.

This is understandable. They, too, in their search for and production of oil, have been subjected to the same economic pressures as we—maybe more so. If they are to stay in the business, and they are a vital part of the national economy, then they must receive a living wage.

Since it has already been stated that Gulf is a net purchaser of domestic crude, we cannot escape the fact that the cost of the crude is a major factor in arriving at product prices. There is a direct relationship between the price of crude oil and the price of petroleum products. The record shows that following a crude price increase there has been a product price increase, and this last movement was no exception. Generally the price of gasoline increased about a penny a gallon; however, in Gulf's territory, it amounted to approximately three-fourths cent. Due to competitive pressures, the price fell off in many areas so that as of today we estimate the increase to be less than one-half cent per gallon.

This has been the first general increase in the gasoline price level since June 1953. Today the average tank wagon price of gasoline in Gulf's territory is approximately 16½ cents, or an advance of only 40 percent, over a 10-year period.

As contrasted to this, since 1947 our employees have been given 11 so-called general and cost of living increases amounting to 72 percent. During the same period, the average monthly wage of our employees has increased 92 percent, which reflects merit increases over and above the general increases. Thus labor is an important cost factor in the oil business.

Many people do not realize the great sums of money required to construct, maintain, and operate a modern efficient refinery. Gulf alone has over $680 million invested in its refining facilities, and well over one-half of this sum has been invested in the same 10-year period we are talking about.

The measure of the fixed capital assets employed in our refineries has increased from $1.71 per barrel of crude processed in 1946 to $2.86 per barrel of crude processed in 1956, or an increase of 67 percent.

These refinery costs are also subject to other industry wage and material increases with which you are familiar. Considering all of the cost factors involved, our refinery operating costs, per barrel of crude refined in 1946 as against a barrel of crude refined in 1956, have stepped up approximately 100 percent. Such increases in costs inevitably influence the price of the finished product.

Marketing costs follow the same pattern. By way of illustration, a service station gasoline pump now costs us $408 as compared to $271 in 1947; a 2,000 gallon underground service station tank formerly cost $143 but now we pay $234; for a hydraulic grease rack lift we now pay $731 as against $407 in 1947. A truck costs 54 percent more; a trailer tractor, 139 percent more; and a 2-door passenger car, 89 percent more.

Since 1948, Gulf has increased its octane number for its house-brand gasoline 9½ octanes which costs 1½ cents per gallon. Over this same period of time, our average tank wagon price has increased 2.7 cents per gallon, which demonstrates that over one-half of this price increase was brought about by increased octane requirements alone.

The motorist is primarily concerned with the price to him of a gallon of gasoline at the pump. To make a purchase of Good Gulf gasoline today in Pittsburgh, I would pay 30.9 cents per gallon. The tank wagon price of that same gasoline to the dealer—the actual amount that Gulf would receive for the gasoline—is 15.3 cents per gallon. The company that finds and produces the oil, breaks it up into products, and lays them down at the retail outlet receives less than 50 percent of the retail price of the product.

This is due to several reasons. First, there is a heavy tax load reflected in the price. Both State and Federal taxes are included in the price, and in the example I just cited, 9 cents or over 29 percent of the retail price is directly attributable to taxes.

Then, too, the dealer must have a sufficient markup to stay in business. Like the rest of us, he has been exposed to the same inflationary factors—increased labor, maintenance, utilities, and so forth—and therefore must maintain a reasonable margin. Contrary to popular impression he is the one

who determines the margin and establishes the price of the gasoline at the pump.

Regardless of the above-mentioned factors, the recent price increase has been questioned due to the condition of inventories. There have been divergent opinions expressed as to the reasonableness of gasoline stocks depending upon the speaker. Although these stocks have been at record levels, I noted with particular interest the statements of Mr. Hines Baker, president of Humble Oil & Refining Co., that considering line fill, operating stocks, seasonal demands, location differentials, increasing consumption, and the like, only about 3 to 5 days' supply of this inventory could be actually considered as surplus.

Certainly gasoline inventories have some effect on the selling price of gasoline, but they do not have any effect on the costs of crude oil, manufacturing plant, or marketing distribution.

The fact that the gasoline was in inventory and not made from the costlier crude has nothing to do with it. When there is a decrease in gasoline price, the converse is true, notwithstanding that stocks on hand were made from higher priced crude.

This is true of necessity—otherwise, the independent refiner would be out of business. He has inadequate storage to protect him against delayed price movements, and his products move in a continuous flow from the crude input line to his customers. Therefore, when the price of crude moves, the price of his products must move—and to argue that the manufacturer must absorb the increased crude price is to argue for this man's demise.

One other point should be made before leaving product prices, and that is the highly competitive nature of the market into which they are sold.

In spite of the increasing cost factors, it is obvious that the current price structure is not immune to the competitive pressures which operate in a free market. Reduction in gasoline prices has already occurred in a large area of Gulf's marketing territory, which, in many cases, have eliminated the initial price increase.

It is becoming more and more difficult to replace the reserves behind our growing production. It is true that domestic reserves of crude oil have so far followed an increasing trend, but the new oil found per exploratory well or per foot of wildcat drilling has been declining during recent years. A large part of the reserves additions we have been able to develop to counterbalance the withdrawal of reserves by production has come from extensions of old fields, by development drilling, or by improved technology. As stated by General Thompson of the Texas Railroad Commission:

"The whole United States discovered in new fields and new pools in old fields in 1955 only 476,957,000 barrels of oil, whereas the United States production was 2,419,300,000 barrels. So it will be seen that the United States as a whole produced her oil five times as fast as we found new discoveries."

The effect of the increased costs of finding new oil reserves is that we are forced to replace the oil we are now producing, which was found at low cost in years past, by reserves being discovered and developed now at much greater per barrel costs.

We have already mentioned the large capital expenditures which in recent years have reached record levels. And too often overlooked is the fact that these capital investments must come from profits. In other words, we must have made a profit in order to have available money to plow back into the business. In 1947, for example, Gulf's total invested capital was $687 million, upon which we earned a return of 14.3 percent. By large capital expenditures since that time, we had by 1956 increased our average employed capital to $1,631,000,000; however, the rate of return on this larger investment in 1955 was only 13.7 percent.

Figures for 1956 are not yet available; present indications are that they will approximate the same ratios. Comparing these figures with comparable ones in other industries for 1955, two automotive concerns showed earnings of 23 percent and 25 percent; an electric company showed a return of 19 percent; a chemical company reported earnings of 22 percent; while the steel industry earnings seem to about parallel ours. Our wage scales, and employee benefits, produce a standard of living second to none. These benefits are not free. They add to our cost of doing business. Any way you look at it, it becomes clear that the charge of gouging the public for the benefit of the vested interests is just not true.

I am sure that all industry employees, shareholders, and those connected with the industry join me in protesting any smear which blackens our industry's reputation in the eyes of the public.

SCHOOL INTEGRATION

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address delivered by Mr. Virginius Dabney, editor of the Richmond Times-Dispatch, before a meeting of the National Association of Secondary School Principals, Washington, D. C., on February 26, 1957.

This address was on the subject Where We Are on Integration.

Mr. Dabney is a very distinguished southern editor. While some may not agree with all of his conclusions, I am making this insertion in the RECORD because I am convinced it represents the most sincere expressions from one who has been deeply concerned in the problems created by forced integration and speaks with the authority of one who has made a deep study of this vexing problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF VIRGINIUS DABNEY, EDITOR, RICHMOND (VA.) TIMES-DISPATCH, TO NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS, WASHINGTON, D. C., FEBRUARY 26, 1957

Mr. Chairman and members of the association, I am glad you asked me to speak to you this morning on Where We Are on Integration rather than Where We Are Going on Integration. I would much prefer to try to tell you what the present posture of interracial relations is than to try to predict what the next few years will bring forth. As a newspaper editor, I have to dust off my crystal ball from time to time and to gaze knowingly into my tea leaves, but the job of forecasting the immediate interracial future in certain areas of the South is, I confess, beyond my powers.

As public-school principals you are inevitably concerned over the effect of the interracial controversy upon the public-school systems of the various States. In some of those States the effect has not been particularly pronounced one way or the other, whereas in others it has been profound—even potentially catastrophic.

This latter aspect of the problem is one which also concerns me greatly. As a citizen, as a former teacher in a private preparatory school and a parent with a son in a public high school, I am deeply troubled by the thought that the growing intensity of the struggle over integration in some 8 or 9 Southern States may disrupt, and even close down entirely, the systems of public education in several of those States. A more chaotic condition would be difficult to imagine. Aside from the educational problems involved, consider the enormous rise in juvenile delinquency which would inevitably accompany such a development.

Already we are encountering acute problems in the educational field in a number of Southern States, and the end is not yet. Appropriation of school funds from month to month, uncertainly of the future for schoolteachers, reluctance of citizens to accept appointments to school boards are some of the disturbing phenomena which confront us.

In the border States where integration has been proceeding smoothly for the most part, there have been problems growing out of the 2- to 3-year educational lag often noticed in the performance of Negro students by comparison with white students of the same age. Granted that much of this is due to inferior school facilities heretofore available to colored pupils in those areas, and to inferior living conditions—the problem is a huge and baffling one, nevertheless. The question of how to avoid handicapping white children by throwing them into classes with Negro children who are incapable of doing the work must be giving many of you genuine concern. The parallel question of how to bring the colored students up to the required level of achievement doubtless concerns you no less.

Here in this great city of Washington, where 70 percent of the school population is colored, these problems are particularly acute. Although integration is now in its third year here, solutions are a long way off, according to the best information I can get. It seems clear to me that mixer schools were put into effect here with too much haste and too little preparation.

The situation described by the principal of the John Pitman Elementary School in Kirkwood, Mo. (one of the first schools in that State to desegregate) it is a disturbing one. At the end of 2 years of desegregation, Mrs. B. A. Compton, the principal, said to a representative of Southern School News that the teachers there felt that "the scholastic disparity remains just as great and that it is now complicated by feeling of frustration and defensiveness on the part of the Negroes—feelings which come out in the form of greater aggressiveness, arrogance, and bad temper." It was added, however, that none of this constitutes an argument against integration, and that progress in the immediate future was hoped for.

Against such a report as this must be put that made recently for the city of Baltimore, for example, by Superintendent of Public Instruction John H. Fischer, who said: "On the basis of our experience it seems clear that by desegregating our schools we have substantially improved the educational opportunities of Negro children without reducing in any way those available to white children."

Baltimore, unlike Washington, did not make the mistake of trying to integrate everybody almost overnight. If we are to have integration generally—and many of us in the South are strongly of the opinion that we are a long way from ready for this in numerous parts of the region—the Baltimore system is far superior to the Washington system. Baltimore did not try to force the races together. It allowed pupils of both races to decide which schools they wished to attend. The first year, only 3 percent of the Negroes enrolled in white schools. This rose to 7.4 percent the next year and the figure is now 13.8 percent.

But even Washington, dubious as its school policies seem to me to have been in certain respects, is more restrained than New York City in its approach to the problem. As you are doubtless aware, they are transporting

children all the way across town in New York, away from the neighborhood schools which they have been reaching conveniently on foot these many years, and compelling them to enroll with members of the opposite race. All this is being done at great inconvenience and expense, on the theory that a modest degree of integration is not enough. We must have total and complete integration everywhere and at once, it would seem. The folly and absurdity of this strikes me as obvious.

In my home State of Virginia, the United States Circuit Court of Appeals ruled, on motion of the NAACP, that an excellent regional high school for Negroes in Christiansburg was operating illegally because some of the colored children had to travel longer distances to that school than some of the white children in the area had to travel to their schools. But we now have this same NAACP instrumental in forcing Negro children in New York to travel all the way across town, instead of attending their neighborhood schools, in order that every child may have what is termed "the right to attend a mixed school." Words fail me in commenting on this fantastic arrangement. Benjamin Fine of the New York Times says many New Yorkers are leaving the city for the suburbs because of it, and that the suburban schools are superior, one reason being that they are more "homogeneous."

I find it easy to understand when Omer Carmichael, superintendent of the smoothly integrated Louisville schools, declares, as he did last week, that the NAACP is chiefly responsible for the southern chaos over desegregation. Not content with achieving reasonable gains, this organization continues to press for drastic changes that cannot possibly be granted, and would not work in the South if they were.

The attitude manifested in Arkansas last year illustrates the point. The plan worked out there for progressive integration in the Little Rock schools, beginning on the high-school level in 1957, was rejected by the NAACP as unsatisfactory. Its leaders were unwilling to admit that this plan represented a long advance toward their goal. Obviously they insist on having the moon handed them on a silver platter, and are unwilling to proceed by gradual steps. Such an unstatesmanlike attitude is hard to reconcile with the genuine advances the NAACP has achieved for the colored people of this country.

In Virginia, I regret to say, the State legislature has been unfair to the NAACP. It has passed bills designed to harass that organization by obtaining and publicizing the names of all its members, and their financial contributions. This is a dangerous action, and one which the Virginia assemblymen may well live to regret. The legislative harassment of an organization which happens to be unpopular could easily prove a boomerang for the responsible parties. True, the statutes in question apply equally to such organizations as the White Citizens Councils, which are fighting integration. I am awaiting tangible evidence that these organizations will be harassed in the same manner as the NAACP.

There is no doubt of the unpopularity in the South of both the NAACP and the Supreme Court's 1954 decision ordering an end to segregation in the schools. The latest Gallup poll, which reported that it reflected the views of both white and colored citizens in the Southern States, found two-thirds of those canvassed to disapprove the Court's ruling. By contrast, the poll found nearly two-thirds of those in the rest of the country applauding the same ruling.

All of which raises a question as to the implications of such a situation for the South. How long can the South afford to remain in flat and violent disagreement with the North and West on so fundamental an issue as race relations?

Yet there are no indications whatever at this time of a shift of opinion in 9 of the 11 States which constituted the Confederacy. In Texas and Arkansas the so-called black belt areas appear to be as adamant as ever against integration, although some mixing has gone forward in other regions, especially in Texas. But in Virginia, North Carolina, Tennessee, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana the resistance to integration is tremendous. Except for the much-disputed entry of about a dozen Negroes into the Clinton, Tenn., high school, there has been absolutely no integration in the public schools of these nine States.

If I had to single out one anti-integrationist argument that seems to influence the greatest number of southern whites against mixed schools, it would be the argument that mixed schools lead to mongrelization. Other sections of the United States sneer and jeer at this argument. Herbert Ravenel Sass of Charleston, S. C., presented the ultra-conservative southern position on this about as well as it can be presented, in the November 1956, issue of the Atlantic. Promptly the magazine was flooded with derisive letters from the North and West hooting at Mr. Sass and his thesis.

Now it may be possible to argue that integration would not increase the likelihood of racial amalgamation—although any visitor to most of the countries of Central and South America with his eyes open would be likely to reach the opposite conclusion. But even if we accept this argument, which I do not, the desirability that every race strive to maintain its own integrity seems to me to be indisputable. There is nothing in my thesis of bigotry or prejudice, and nothing having to do with supposed racial superiority or inferiority. My point is that the Negro should wish, no less than the white, to retain his racial identity and his cultural heritage, to the end that his race's indisputably great achievements can be properly recognized and handed down to his posterity.

Perhaps the most alarming phenomenon in the South at this time is to be found in the repeated acts of violence against Negroes which are not only criminal and utterly wrong, but which are bringing the entire region into disrepute in the eyes of civilized people everywhere. The bombings, beatings, and shootings which are occurring in some areas, with whites as the guilty parties, are in glaring contrast to the passive and law-abiding attitude of Negro leaders—in the Montgomery bus boycott, for example.

On the other hand, the criminality and immorality of many Negroes is one of the chief reasons why white southerners object so strongly to mixed schools. Granted that other races might have similar records if they had been enslaved for centuries and then had had to live in slums and to fight against all manner of handicaps. Yet the fact remains that the Negro crime and illegitimacy rates are everywhere so vastly greater than those of the whites that these statistics have an alarming impact on the minds of parents, especially those of adolescent white boys and girls who would be thrown into rather intimate contact with colored boys and girls in integrated schools.

If I may be pardoned a personal reference, I should like to say that for the past quarter of a century I have striven to eliminate some of the major handicaps from which Negroes have suffered in the South. I was a member of the Atlanta conference which met in the early 1940's, in response to an appeal from Negro leaders who had met shortly before at Durham, N. C., and had asked that Southern Negroes be treated more fairly and equitably. I was a director of the Southern Regional Council which was then organized in an effort to achieve these objectives.

I was the first Southern newspaper editor to urge abolition of segregation on streetcars and buses. I proposed this late in 1943, but was unable to persuade the Legislature of Virginia to accept my suggestion.

Our inability to get this and other reasonable concessions for the Negro from the white leaders of the South caused the Negro leaders of the region to turn to their racial compatriots in the North. The South's Negro leadership would have been satisfied, I believe, at least for a time, with much less than the all-out objectives subsequently sought by the NAACP. But the white leaders of the region were unable to deliver, and the result was that the effort of the Negro leadership of the South to "keep the capital of the Negro race in Atlanta," as one of them put it, failed. It was then that the NAACP's drive for the abolition of segregation got under way, with the support of Southern Negro leaders and the "capital" moved to New York.

The tragic fact today in the South is that hardly any liaison remains between the white leadership and the Negro leadership. Not only so, but until a few years ago, Negroes were being elected regularly to city councils and school boards in several Southern States, and it was the most natural thing in the world for white and colored leaders to sit down together for discussion of their mutual problems. These things are no longer true. The two races have been driven apart by the rancorous arguments over segregation, with the result that hardly any avenues of communication exist in most areas. The NAACP leadership has committed all Negroes so completely to its drive for total integration that any white who dissents from this view is stigmatized as an enemy of the Negro race. Of course, Negro dissenters are assailed with still greater violence, and are pilloried in much of the Negro press as "Uncle Toms," "handkerchief heads," and so on.

I hold no brief for the extremist journals in the South published by whites. Some of them are no better than organs of the resurgent Ku Klux Klan. But it is dismaying to find a once well-balanced Negro paper such as the Norfolk Journal and Guide saying, apropos of anti-integrationist legislation adopted in Virginia that there is "a determination on the part of a majority of Virginians to continue slavery in spirit and practice."

And the temper of the more extreme Negro press is seen in a recent editorial which appeared soon after the birthday of Robert E. Lee in the Afro-American chain, largest Negro chain in the Nation. It dealt with the proposal in Congress by a Northern Member to have Lee's citizenship restored. The Afro-American said, in part:

"If Lee was stripped of his citizenship it was because the country just after the war felt that should be the penalty for a traitor who violated his oath and carried on a war to destroy the Union and preserve slavery. * * * He was engaged as a rebel and traitor in a foul and dirty business. The dear God passes judgment on him now."

In view of the universal verdict of leading historians in this country and Great Britain as to the nobility of Lee's character and the purity of his motives, further comment on this outburst seems unnecessary. It does serve to illustrate the bitterness which infuses a large segment of the Negro press.

The Negro school teachers of the South should be deeply concerned over this whole controversy. There are from 75,000 to 80,000 of them, and the great danger is that many of them will lose their positions, if matters are pushed to the ultimate conclusion, and mixed schools are forced in certain areas. The unwillingness of many white southerners to have their children taught by colored teachers is the crux of this situation. Some will consider this attitude narrowminded, but it exists in such definite form that it

cannot be ignored. Several hundred Negro teachers have lost their jobs already in the border States, chiefly Oklahoma, but I understand that most of them have been reemployed elsewhere.

The criticism heaped upon us by our northern friends because many white southerners, by and large, do not wish their children taught by Negro teachers, would come with better grace, I submit, if the public schools of the North employed more Negro teachers. The number, as is well known to each of you, is infinitesimal by comparison with the number in the South. Even where the colored population is enormous, as in New York, Philadelphia, Detroit, and Chicago, there are few Negro teachers. No satisfactory explanation for this has ever come to my attention.

Permit me to remark parenthetically that the average salary of the tens of thousands of Negro teachers in the South is about equal to that of the white teachers, and in at least three Southern States (Virginia, North Carolina, and Tennessee), the average annual salary of Negro teachers is higher than that of white teachers. It must be confessed that the NAACP is largely responsible for bringing Negro teachers' salaries up to the white level. There is no telling how long it would have taken to achieve this objective, had it not been for the suits filed and won by that organization.

While we are discussing the attitude of the North, or certain segments of it, to the race problem, it seems appropriate to emphasize that this problem is not regional but national.

Just the other day I read of how a Negro man was beaten to death on the streets of Boston by white hoodlums who had begun yelling epithets at him when they saw him escorting a white woman.

You are of course familiar with the situation in Chicago, where scores if not hundreds of police had to guard Negro families around the dial for more than 3 years at the Trumbull Park housing project. The clear implication of this situation is that these Negroes would have been mobbed long ago for moving into that housing development, but for the protection afforded them.

The mayor of Dearborn, Mich., makes it a well-publicized practice not to allow a single Negro to settle in that community of 125,000 people. "Negroes can't get in here," his honor declared last year. "Every time we hear of a Negro moving in we respond quicker than you do to a fire." The mayor was given an overwhelming vote of confidence recently, so his policies evidently are regarded with favor and approval by the people of Dearborn.

I hope it is unnecessary for me to say that I abhor the sort of thing that is here described as happening in Boston, Chicago, and Dearborn. These things are disgusting and disgraceful. The fact remains that these occurrences—and others which might be mentioned—have all taken place outside the South. Furthermore, the fact that Negroes had to be protected from mobs 24 hours a day for more than 3 years in the State of Abraham Lincoln is not without its ironic and tragic implications.

Another point which needs to be made, I believe, is the attitude in the North toward the South's so-called lawlessness and "flouting of the Constitution and the Supreme Court."

I do not defend or condone lawlessness, whether in the North or the South, but it is a bit dismaying to observe that some of our northern compatriots seem to regard lawlessness as something which is not only acceptable, but admirable, when it occurs in accordance with what is deemed to be the sentiment of their particular communities.

Only a few weeks ago, for example, Mayor Richardson Dilworth of Philadelphia applauded this attitude. Speaking apropos of a State law forbidding Sunday basketball in the City of Brotherly Love, his honor said:

"Free people refuse to knuckle under to laws which completely ignore their welfare and desires. * * * Just as long as the legislature refuses to permit cities the right to determine what activities their citizens are entitled to engage in on Sunday, it is inevitable that the law will be ignored."

I wonder whether the Philadelphia newspaper which has been denouncing southerners who boggle at all-out integration as bigots and flouters of the law of the land has been equally caustic in its references to Mayor Dilworth, who loudly proclaims his intention to ignore the law. Incidentally, Mayor Dilworth is all for liberalizing the Democratic Party and putting those law-violating southern Democrats in their place.

And while we are on this general subject, a great many of those in the North who are blasting the South for failure to comply with the mandates of the Supreme Court on integration, violated the Constitution and the statutes wholesale during the prohibition era. Of course, I realize that no one in this audience could conceivably have patronized a bootlegger when the late lamented "noble experiment" was our prop and stay, but there were thousands, aye millions, who did so. In doing so, they flouted a duly enacted amendment to the Constitution and duly approved acts of Congress—not opinions handed down by the Supreme Court. Yet some of these very drinkers of white mule and bathtub gin are loudest in clamoring today that the South has no respect for law and order.

Ladies and gentlemen, we are heading into an era of intersectional tension and misunderstanding, and the intolerance that is being manifested on both sides of Mason and Dixon's line is not reassuring. It behooves us all to evidence a greater measure of sanity and good will and to stop hurling epithets.

The recent actions of a Federal judge in Tennessee in connection with the racial disorders at Clinton have alarmed many students of the Constitution both North and South. They feel that the jurist in question showed a lamentable disregard for certain constitutional verities, and ignored the time-honored right of citizens to free speech and of defendants to a jury trial. They feel that the court was too sweeping in its injunctions. The whole episode seemed symbolic of the prevailing tendency in certain quarters to go to the utmost extremes, if integration is thereby promoted—whether by hauling schoolchildren many miles away from their neighborhood schools or by stretching the Constitution and the statutes in the name of liberalism, democracy, brotherhood, or what have you.

I would not wish to seem to imply that all the examples of extremism are to be found in the North. In South Carolina, for instance, something very close to witch hunting and book burning has been approved almost unanimously by the State legislature. That body adopted a resolution last year asking the State library board to remove existing books and to screen future books that are antagonistic and inimical to the traditions and customs of this State.

The civil-rights program now before Congress is a perfect example of the sort of extremist legislation which frightens and dismays the South—and should frighten and dismay the whole country. Has it been seriously contemplated before in this land that persons about to engage in certain acts could be arrested and haled into court? Yet one of the provisions of a pending civil-rights bill embodies this amazing language. Even Congressman ADAM CLAYTON POWELL, of New York, not exactly a race-baiter or a white supremacist, has said that this plan to arrest persons about to engage in certain activities seems to him dangerously like thought control.

The civil-rights program also appears to negate the right to trial by jury, and it would enable the Attorney General to file, at public expense, suits on behalf of persons who contend that their civil rights have been violated. Another provision would seem to empower a proposed civil-rights commission to summon any citizen from any part of the United States to any other part to defend himself against charges the nature of which was completely unknown to him prior to receipt of the subpena.

Most, or all, of the foregoing is vouched for by former judges who are now members of Congress as being in accord with reasonable interpretations of the language of these civil-rights bills. Such far-reaching legislation should have much more careful scrutiny than it appears to be getting. A majority of Congress seems to be so bemused by the phrase "civil rights" that it is reluctant to vote against anything which bears that label, no matter how dangerous its potentialities. And these particular measures have about as many potentialities for evil, and for interracial conflict, as have been presented to Congress in a long time.

In conclusion let me say that I end as I began—reluctant, indeed unwilling to try to forecast the future of the current interracial upheaval in the South. We are heading into stormy seas, I fear. The Deep South, it must be said in all frankness, has no present intention of integrating its public schools. Several of those States have a fixed determination to close their schools entirely, rather than mingle the races in them. All courts, as far as I know, agree that this would be legal, however deplorable from an educational and social standpoint.

Let us hope, therefore, that the NAACP will see the folly of forcing the issue in these States, and will exhibit a statesmanlike restraint. Enormous gains have been made by the Negro race in education and every other sphere throughout the entire South, and additional gains will be made, if only the responsible leadership of the race will assert itself. What the ultimate future holds is not for me to say. I only know that the course of wisdom for the NAACP today is for that militant organization to back up, to consolidate its gains, and to refrain from pushing matters so fast and so far as to pass the point of no return. Otherwise it will do irreparable harm to the cause of Negro advancement and interracial amity.

REDUCTION OF THE FEDERAL BUDGET

Mr. BYRD. Mr. President, next week I hope to present to the Senate for its consideration specific suggestions for reducing the pending budget.

Today I wrote a letter to the Director of the Budget, Mr. Percival F. Brundage, which I desire to read to the Senate:

Hon. PERCIVAL F. BRUNDAGE,
The Director of the Budget,
Washington, D. C.

MY DEAR MR. BRUNDAGE: I have noted with satisfaction your testimony before the House Appropriations Committee on March 6 that you, as Budget Director, have requested all agencies of the Government to submit to you suggestions to reduce the monstrous budget which was submitted to the Congress.

There is not much reason to hope that these agencies will voluntarily recommend that their appropriations be reduced; yet this action, at least, indicates an awareness by the Budget Director of the growing discontent among the people because of the bigness of the pending budget.

I am also encouraged to note that the President, in his press conference yesterday, indicated a study to delay some construction programs included in the budget.

I have never contended that the executive branch must bear the sole responsibility for excessive public spending. The Congress and the people who have heretofore supported heavy spending must bear their share of the blame, but I do think the executive branch has the first responsibility, namely, under the law, to originate a budget, adhering to economy and avoiding waste, and to provide only for the essential functions of government.

For the first time in my 24 years of service in the Senate, I see the people themselves, throughout the Nation, aroused and demanding retrenchment in Government spending. This being a democracy, the Congress is anxious to follow the public will and vote for retrenchment, but the leadership of the executive branch is essential for full success, because it is an overwhelming task to reduce by amendments the 550 executive accounts, many of which do not even appear in appropriation bills.

Such leadership, let me remind you, was given by President Eisenhower in the past. In 1953, when the President took office, he was confronted with a Truman-prepared budget of $78.6 billion. The President, with the aid of Congress, reduced the Truman budget to $67.8 billion, a reduction of over $10 billion in expenditures. What was done then can be done now, if there is the will to do it. I do think, however, and I am writing you with the utmost frankness, that you, as Budget Director, owe a justification to Congress and to the people in that you presented to the President an expenditure budget of $71.8 billion, which is $3 billion in excess of fiscal 1957, and $7 billion in excess of fiscal 1955.

The major increase is not in defense but in domestic-civilian expenditures. What are the present conditions, either at home or abroad, that justify an increase in spending of $7 billion more than in 1955?

Again, I note that in 1954 we spent $3 billion more on defense than you recommend in the present budget. Therefore, this would indicate that the need for defense spending is not as great now as in 1954.

I ask you further to justify the 13 additional State and local grants, making 67 in all, as provided in the pending budget. All of these new State and local grants will grow and grow, and especially the appropriation for local school construction will open up a Pandora box of spending, amounting in future years to billions and billions of dollars.

Although the number of civilian employees is 2,389,793, plus 373,674 foreign nationals not on regular payrolls, your budget creates 31,500 new civilian jobs. I ask you whether a survey was made of civilian employment, which is one of the most fertile fields for retrenchment.

I note you hope that the budget for the following year will not be increased, yet this is inconsistent with your budget recommendation, authorizing nearly $2 billion in excess of expenditures for the coming fiscal year. This would certainly indicate plans for increased spending in the fiscal year thereafter.

This is a luxury budget, padded with increased spending all down the line and has been so denounced by the Secretary of the Treasury, Mr. Humphrey, in even stronger language than I have used.

Passage in its present form will certainly stimulate a new inflation which is beginning rapid growth. It will be another factor in increasing the cost of living. The budget now pending may be our last chance to reduce entrenched spending. Enactment of this expanded budget, under present conditions, will mean we are indefinitely committed to more and more spending.

When tax relief is so urgently demanded by the overburdened taxpayers, the passage of this budget at its present level will make impossible any tax reduction in the foreseeable future.

The claim that the present budget is balanced by revenue is more apt to be wrong than right. You assume that the Congress will pass the 5-cent postal-rate bill, which is estimated to bring in upward of $700 million of new revenue, and that this, together with an anticipated increase in the income-tax receipts, as reflected by an increased national prosperity above 1956, will be sufficient to balance the expenditures.

As Congress has not taken action to increase the postal rates to 5 cents, and, as there is strong evidence that business conditions are leveling off, there is no certainty that your anticipated increase in tax revenue will be realized and a Federal deficit avoided.

I have grave apprehensions that to continue much longer our present tax system will have disastrous results, but tax reduction can only come by reducing Federal expenditures. The total tax take by the Federal, State, and local governments amounts to approximately $110 billion a year, and I give below a detailed statement:

In re tax collections: Federal, State, and local

[In millions]

Federal:	
Net budget receipts, fiscal year 1956	$73,620
Employment taxes:	
Social security	6,609
Federal disability	826
Railroad retirement	665
Total employment taxes	8,100
Highway trust fund tax collections	2,173
Total, Federal	83,893
State and local:	
State (1956, latest figure)	13,335
Local (1955, latest figure)	11,886
Total, State and local	25,221
Total, Federal, State and local	109,114
State unemployment insurance tax collections deposited with Federal Government	1,480
Total, Federal, State, and local, including State unemployment tax collections	110,594

NOTE.—1. State and local figures exclude revenue from sources other than tax collections totaling $11 billion. 2. State and local figures are net of intragovernmental revenues. 3. Federal figures exclude certain trust funds and net receipts of business enterprise funds. They represent net budget receipts.

To complete our fiscal picture, let me point out that if the pending budget is adopted, appropriations and authorizations for expenditure would be available as of July 1, 1957, as follows:

	Billions
Direct budget appropriations in fiscal 1958	$73.8
Appropriations to Federal road trust fund	2.2
Unexpended balances of funds already appropriated	40.0
Authorizations already enacted to spend from so-called debt receipts, and from other sources	24.0
Total	145.5

These figures do not include various trust funds such as social security, etc.

The Federal debt is $276 billion. The contingent liabilities by guaranties of various Federal borrowing programs is $260 billion.

Our national income in 1956 was $325 billion, so our various governments are collecting in taxes in cash more than one-third of the national income.

I do not believe the free enterprise system can long survive under such tax burdens. Most corporations now pay taxes, in all forms—Federal, State, and local—of more than 50 percent of their net revenue, and some individuals pay over 90 percent.

In the face of these conditions, it is foolhardy in the extreme to continue to spend on this high level.

As chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I ask you for a detailed report of the economies actually made effective by adoption of the recommendations of the Hoover Commission. President Hoover has stated that the recommendations of the Hoover Commission point the way to saving in governmental expenditures $5.5 billion annually.

I have been unable to find in the budget where any of these recommendations have been incorporated. I would like to be enlightened as to this.

I firmly believe the pending budget should be reduced by at least $5 billion, and this would leave an expenditure budget $3 billion more than 1955.

I hopefully await the results of your investigations and word from you and the President as to how the pending budget can be reduced.

Cordially yours,

HARRY F. BYRD.

Mr. ANDERSON. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. ANDERSON. Did I understand the Senator from Virginia to refer in his letter to the Director of the Budget to the fact that it will require an increase in postal rates to balance the budget?

Mr. BYRD. That is the way the budget is made up. It is supposed to be balanced by including the postal receipts at increased rates of postage.

Mr. ANDERSON. The Senator from Virginia has been a member of this body for a long time. Does he know whether there has ever before been an effort to increase postal rates?

Mr. BYRD. Such an effort was made last year.

Mr. ANDERSON. It has been made every year for the past 10 years. Does the Senator think there is any particular reason why such an effort will be successful this year as against many years in the past?

Mr. BYRD. I think it is very uncertain. Furthermore, the budget is dependent on increased prosperity.

Mr. ANDERSON. I was going to deal with that subject in a moment. If the Senator were operating a business and saw his expenses going up, and someone said to him, "All you have to do is to budget, because your receipts are going to be greater," would he do that until he saw some possibility that his receipts would be greater, or would he take the prudent course and try to cut down expenses?

Mr. BYRD. What is being done now is to use a totally uncertain basis.

Mr. ANDERSON. Is not the Senator also aware that a balanced budget is

possible only if there is a continually expanding economy? In other words, most businesses which are continually expanding count themselves fortunate, but they do not count the money in their pockets until it is actually there.

Mr. BYRD. That is eminently correct.

Mr. ANDERSON. The budget is based upon an expansion in the economy which has not yet taken place. Does not the Senator agree with me that the budget increased from some $65 billion only 3 years ago to $72.6 billion at the present time, based on an expansion of the national economy.

Mr. BYRD. That is correct.

Mr. ANDERSON. Is it not likely that such an increase may not occur year after year?

Mr. BYRD. It is fairly certain that it will not.

Mr. ANDERSON. I thank the Senator from Virginia.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. First, I wish publicly to express my great admiration and respect for the distinguished senior Senator from Virginia, the learned chairman of the Committee on Finance. Second, I express the hope that the always diligent efforts of the Senator from Virginia to bring about a reduction of nonessential Federal expenditures will meet more sympathy this year than they have in the past.

I may observe that the Senator from Virginia is the chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. I express the wish that that committee, which includes a number of distinguished Senators and Representatives, and also the distinguished Secretary of the Treasury and the distinguished Director of the Budget, will make some formal recommendations to Congress of specific items in the budget which they consider to be nonessential expenditures.

Recently I wrote to some friends in my State, some 39,000 people who through the years have been generous and kind to me, and asked for their recommendations and advice. Of the first thousand replies I received, 519 urged me, as a Senator from their State, to do my utmost to make reductions in the $73 billion budget which has been submitted to Congress—an Eisenhower budget, the greatest peacetime budget in history.

Besides the distinguished chairman of the Committee on Finance, the Committee on Nonessential Federal Expenditures includes the chairman of the Committee on Appropriations, the distinguished chairman of the Committee on Appropriations of the House, Mr. CANNON, both of whom have labored long and valiantly in the vineyard of reducing Federal expenditures.

That committee includes, also, the distinguished Secretary of the Treasury and the distinguished Director of the Bureau of the Budget, for both of whom I have great respect, and both of whom, I believe, want to reduce every expenditure that can possibly be reduced.

The other day I asked one of my friends on the Committee on Appropriations, "Do you not think some formula could be devised whereby a 4-, 5-, or 6-percent cut could be applied to every appropriation bill?"

He answered, "Yes; I agree wholeheartedly with you, provided you except the cost of defense. We must build a strong national defense."

I said, "I think I might go along with you on that point. Let us consider such a formula and see what we can develop. Let us approach the question from a nonpartisan viewpoint."

About that time a distinguished Senator from a neighboring State came into the lunchroom. I expressed the idea to him and asked him, "What do you think of such a plan? Could not you go along with us on it?"

He replied, "I would be happy to do so. I want to see the budget reduced, provided you except the public-works bill."

Mr. President, the national-defense and the public-works bills are two of the largest appropriation bills. So that is the problem which confronts us. It is not an easy one to solve.

I make no promises; I am not optimistic about the results we shall get. But I want to say that I appreciate, and the people of my State appreciate, the efforts of the senior Senator from Virginia to reduce the budget.

While I may not always be associated with him in the individual reduction viewpoints he may take, I certainly wish to tell him that my efforts will be in the direction of trying to make material reductions in this year's budget. I hope that every Senator, on both sides of the aisle, will join with us in that effort.

Mr. BYRD. I thank the Senator from Texas.

MARKETING OF FOREST PRODUCTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial concerning the marketing of forest products, written by Jim Stevens and published in the Timber Operator.

Mr. Stevens points out that successful marketing starts when the farmer or forest owner is informed about the vast complex of nationwide marketing through which his crop of saw timber or pulp timber must move in its conversion to useful products.

One of the ultimate goals of my bill, S. 840, is to develop all of the information the timber grower needs so that he can supply the market with useful products at fair prices. Mr. Stevens points out the important role women play in the selection of homes and products for the home. A complete marketing service would do more than give a monthly list of timber prices. It would tell the woodland owners what the consumer wants, it would guide him as to what to start to grow for the future. It would help him decide what trees to save and what trees to improve by pruning to meet predicted needs. It would assure us of wood for the future and the future of wood. The editorial tells an interesting story.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUT OF THE WOODS

(By Jim Stevens)

FORESTRY'S FINEST HOUR

Arthur B. Langlie, new chief of McCall's, long famous as an American magazine for ladies, remains a man of the forests. The new ties that bind him to western forests are soft to the touch and fair to see, but they are as vital as his old ties with the men of calked boots and Copenhagen snuff in the Washington woods.

For the readers of McCall's, like those of the other publications in its field, are America's homemakers, purchasing agents for the American family in procuring the materials of food, clothing, and shelter.

These ladies are consumers of lumber, plywood, hardboard, shingles, and shakes—and of paper products and fabrics made from wood pulp.

THE REAL MARKET

The homemakers of the land, in fact, are the principal ultimate consumers for the products of the forest industry. More than 26,000 retail lumber dealers look to the lady of the house as the prime mover of their trade. The competitors of the lumber industry—the manufacturers of nonwood building materials and of nonwood homemaking materials and furnishings—have been wide awake to this fact for 50 years.

Now the lumbermen are catching up. The loggers and the foresters, too, are aware nowadays that mamma commonly has the deciding word on whether the family's building budget will help pay wages and taxes and dividends in the timber or pay them in the mines. Friendly persuasion can have a deal to do with the decision in any given case. And there is no surer source of friendly persuasion of this kind that mama's pet periodical.

Strange to tell, in the publications on timber topics that the Federal Government has issued, consumer marketing is seldom mentioned. A lot of stuff has been sent forth by the Government Printing Office on how a farmer can sell sawlogs to a sawmill or pulp logs to a pulpmill, and this is very nice.

However, a first need is for the farmer or other small forest owner to be informed on the vast complex of nationwide marketing through which his crop of saw timber or pulp timber must move in its conversion from part of a tree in the woods to part of a home or farm building in places from 1,500 to 3,000 miles away. This is good news and useful information for the logger to know likewise. And the forest-town businessmen, whose trade depends on forest industry wages and purchases, should know what makes money grow on trees. Mamma might tell them.

EVERY WOMAN KNOWS

These days in the forest industry community the millworker's wife, the logger's wife, and the forester's wife know in detail what is new in homemaking, what is practical and economical, what is beautiful, what is durable, what is preferred by homemakers like herself in California, Florida, Maine, and Iowa, because she reads it all and sees it pictured in McCall's or another popular periodical of the kind.

And the new home she sees and reads about in the pages of these magazines is nearly always unmistakably a home built of Douglas fir, west-coast hemlock, and western red-cedar products, in the whole or in part. She sees the advertisements of the West Coast Lumbermen's Association and sister associations of the western forest industries in the pages of her pet publications and knows that they are paid for as means of friendly persuasion in cities and towns far away, in helping retail lumber dealers to sell forest products to homemakers like herself in far places.

THE RISING COST OF LIVING AND CORPORATION PROFITS

Mr. HUMPHREY. Mr. President, in recent weeks there has been growing evidence that the administration hopes to lay the blame of the rising cost of living upon organized labor, by contending that wage demands have forced upward the cost of goods and services.

Secretary of Agriculture Ezra Taft Benson recently told the farmers that their problems are largely due to "soft wage settlements," and Secretary of Commerce Sinclair Weeks in a news conference talked about "inflationary wage increases."

Before members of the administration self-righteously accuse wage earners as being responsible for record high prices, I suggest that they pause to give serious attention to the behavior of certain large and powerful corporations which recently have been in the news.

I call attention to newspaper reports of February 19 which stated that last year the American Telephone & Telegraph Corp. realized net profits, after taxes, of more than $777 million—which was an increase of $94 million in net profits over the previous year. Of special significance was a statement by the president of the American Telephone & Telegraph Corp., Mr. Frederick R. Kappel:

> Expenses including wages have continued to rise and the higher cost of doing business must be met by further increases in telephone rates. * * * The Bell companies are applying for rate increases in many States and will vigorously pursue this program.

Mr. President, let us examine the facts concerning the profits of the American Telephone & Telegraph Corp. and also the wages to which Mr. Kappel referred. We find that since the year 1949, average wages in the telephone industry have gone up 37 percent. Meanwhile the net profits, after taxes, of the American Telephone & Telegraph Corp. jumped from $241 million in 1949 to $777 million in 1956, an increase in profits of 223 percent. Yet the American Telephone & Telegraph Corp. states that it needs more profits.

In the February 19 newspapers there was another interesting article. It dealt with another well known corporation—Standard Oil of New Jersey. The newspapers reported that the Senator from Wyoming [Mr. O'MAHONEY], had announced that documents of Standard Oil of New Jersey revealed that in December, the corporation's officials were told that net earnings would increase by $100 million a year if the price of crude oil was raised 25 cents a barrel. Two weeks later, Standard Oil's subsidiary, Humble Oil & Refining Co., boosted its crude oil prices 35 cents a barrel. Did Standard Oil of New Jersey need this extra profit? The records show that in 1955 this corporation realized net profits, after taxes, of $709 million, to make it the second biggest profit maker in the entire world; and last year its profits are estimated to be more than $800 million. With the recent boost in the price of crude oil, we can expect Standard Oil of New Jersey to amass profits this year of better than $900 million. From 1947 to 1956, this corporation's net profits have risen 197 percent, while average wages in the petroleum and natural gas industry increased 42 percent.

The fantastic profits of American Telephone & Telegraph Corp., and of Standard Oil of New Jersey, coupled with demands for more and more, are not isolated cases; but, rather, they are typical of the giants of the industry.

In a period such as the one we are now experiencing, I pose this question to the administration: How does it explain these enormous profits and continuing price increases in a time when farmers are in serious financial trouble; small business is being pressed to the wall; home construction is falling off dangerously, due to tight money; and consumers face a steadily rising cost of living?

Mr. President, it is a frightening prospect when the administration sits silently, with its hands folded, while corporate giants push for more and more, despite record-breaking profits that are almost beyond human comprehension. Pious admonitions from the White House are no answer. The problem calls for forceful action, not for sermons.

In 1955, 11 corporations received 23 percent of all the corporate profits made in the United States. When the figures for 1956 are tabulated, this concentration of profits in the hands of a few industrial giants will probably be found to be even higher. Something is seriously wrong when a few enormous corporations can continue to boost their profits, while small- and medium-size firms are feeling the effects of the profit pinch.

I suggest to the administration that it engage in some introspection. If it does, it will discover that price increases are not due so much to America's wage earners as they are to the lack of an intelligent and forceful program by the President and his official family.

Mr. President, I ask unanimous consent that there be inserted at this point in the RECORD, three tables I have had prepared. They show the net profits of the American Telegraph and Telephone Corporation, and Standard Oil of New Jersey from 1949 to 1956, and the net profits in 1955 of the top 11 companies to which I have referred.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Corporations with largest profits in 1955

Rank and name:	Net profit (millions)
1. General Motors	$1,189
2. Standard Oil of New Jersey	709
3. American Telephone & Telegraph	684
4. Ford	437
5. Du Pont	431
6. United States Steel	370
7. Texas Co.	263
8. Standard Oil of California	231
9. Gulf Oil	218
10. Socony Mobil Oil	207
11. General Electric	201

Source: Fortune magazine, supplement, July 1956.

Net income of American Telephone & Telegraph, 1949 through 1956

Year:	Net profit (millions)
1956	$777
1955	684
1954	565
1953	$492
1952	418
1951	376
1950	359
1949	241

Source: Moody's Public Utility Manual.

Net income of Standard Oil of New Jersey, 1949 through 1956

Year:	Net profit (millions)
1956	$800
1955	709
1954	585
1953	553
1952	520
1951	528
1950	408
1949	269

Source: Moody's Industrial Manual.

DEMOCRATIC PARTY MUST LEAD—OR GET LEFT

Mr. HUMPHREY. Mr. President, it has always seemed to me that a worthy attribute of the Democratic Party is our capacity and willingness for self-evaluation. This is a quality which not only is valuable but is well-nigh essential for the continued life and vitality of large organizations. It has always been one of the glories of the Democratic Party that we have had men who are willing to stand up and be counted, to reexamine, rethink, and reappraise.

During his dynamic and vigorous public career, the distinguished junior Senator from Massachusetts [Mr. KENNEDY] has been in the forefront of the movement for new ideas, new policies, and new faces in the Democratic Party. Whether as a best-selling author, a greatly-sought-after public speaker, or as an energetic and effective legislator, Senator KENNEDY has already surpassed the achievements of many others far his senior in years and experience.

In the current issue of Life magazine, our colleague from Massachusetts has contributed a significant and thoughtful article which is must reading for Democrats, and should also, I submit, be a matter of friendly interest for Republicans as well. Senator KENNEDY entitles his article "A Democrat Says Party Must Lead—Or Get Left," a warning which is both timely and to the point.

It does not become the Democratic Party to be a party of complacency or mere criticism. As the times change, so the requirements of the times change. Senator KENNEDY has provided once more the highest kind of service to his party and the American political process by the kind of analyzing and proposing which he has done in his Life magazine article. I ask unanimous consent that the text of his article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DEMOCRAT SAYS PARTY MUST LEAD OR GET LEFT

(By Senator JOHN F. KENNEDY)

"The tour I lately made with Mr. Jefferson," wrote James Madison to his father in somewhat disingenuous terms in the fall of 1791, "was a very agreeable one, and carried us through interesting country, new to us both." This "new and interesting" country—New York and the Connecticut River Valley—was perhaps more interesting for its political possibilities than anything else. For the Democratic Party of Messrs. Jefferson and Madison, then in its prenatal stage and using the Republican or anti-Federalist label, already had growing strength among the small farmers of the South and what was then called the West (western Pennsylvania and Virginia). To this nucleus Jefferson and Madison, astute political organizers as well as scholarly theorists, had added the more aristocratic plantation owners of the South.

Now they were ready to thrust northward, and so between the sessions of the First and Second Congresses they took what they insisted was a "botanical excursion" up the Hudson and down the Connecticut Rivers. Among the interesting specimens of homo-politicus Americanus they studied at length were the politically powerful Messrs. Clinton, Burr, and Livingston of New York.

It was a harsh and cynical world of politics into which the two high-minded agrarians hopefully traveled. New York politicians, according to Secretary of the Treasury Oliver Wolcott, always seemed ready "in the papers and before the world, to tear each other's eyes out—but they will meet some rainy night in a dark entry, and agree, whichever way the election goes, that they will share the spoils together." The powerful Clinton and Livingston clans were now motivated, however, by their grievances against Alexander Hamilton, and Aaron Burr had already discovered the possibilities of the benevolent organization known as the Sons of St. Tammany (which under Burr, as Historian Herbert Agar points out, soon became less benevolent and more of an organization).

The results of this excursion were indeed agreeable. New York in 1800 provided the winning margin for the Jefferson-Burr ticket and the grand alliance of the Democratic Party—today one of the oldest political parties on earth—was thereupon born.

AN UNLIKELY COALITION

It was, in many ways, a strange alliance: Struggling small farmers and wealthy plantation masters, visionary political philosophers and hardened city bosses, unskilled laborers in the East and hardy pioneers in the West. Nearly a century and a half later the alliance, still largely intact under another astute organizer, Franklin Roosevelt, included within its ranks some equally diverse groups: northern Negroes and southern Bourbons, Catholics and Jews, immigrants and veterans, union leaders and farmers, pensioners who wanted higher taxes and small-business men who wanted them lower. Nevertheless the coalition held and flourished, cemented together by the party's record of accomplishment and brilliance of leadership.

It held and flourished, that is, until it collided with 1952, 1956, and Dwight David Eisenhower.

The man and the name were all-important—the political victories that rocked the grand alliance were, in a sense, largely his personal victories—but the years were of no small significance. For those election years of 1952 and 1956 climaxed two decades of change in America—economic, social, and political change that had gradually corroded and crumbled the founations of the Democratic coalition.

The South, still largely rural and undeveloped in 1932, had by 1956 witnessed the growth of bustling new industries and cities at a rate that outstripped the rest of the Nation. The electoral power of the teeming metropolises of the North, courted by the botanists in 1791 and welded by Al Smith in 1928 despite his disastrous electoral vote, had been splintered into ever-increasing clusters of surrounding suburbs. The small farmers who fought on the razor-thin edge of existence—under the banners of Jackson, Bryan, and F. D. R.—against mortgage bankers, railroads, and insects, had seen their farms disappear at the rate of several hundred a day as mechanization and amalgamation produced larger and larger farm units. The worker without a union, the immigrant without a friend, the Negro without a decent home, the oldster without a pension—these and many others, in years gone by, had found in the Democratic Party a champion on issues that in the comfortable prosperity of 1956 no longer burned quite as fiercely. Even the great depression of 1929 was ancient history to a new generation of voters and its scars were no longer deeply felt by its now-contented survivors.

With these changes had come political changes as well. The big-city machines of the North could no longer deliver automatically—as demonstrated by Republican victories in Chicago, Jersey City, and a host of other formerly safe Democratic strongholds. The South could no longer be taken for granted as solid—on the contrary, Eisenhower captured an unprecedented majority of its electoral votes.

The Democratic habit—that psychological pull that kept votes coming even after the key issues and personalities had begun to fade—no longer swayed a majority of voters or guaranteed a score of States. Old warhorses like Senator George and Lehman were retiring; Harry Truman was in Independence; Franklin Roosevelt and Alben Barkley were in their graves. Across the Senate aisle and down Pennsylvania Avenue, Taft was gone and Ike had come—and however superficial the changes, the Republican Party was now sufficiently progressive and internationalist, at least in appearance, to blur the once distinctive position of the Democrats.

In 1956 (as to a slightly lesser extent in 1952) the full impact of these changes upon the "grand alliance" became obvious. Young voters, women voters, union families, immigrant families, Negroes, big city voters, independents, southerners—to name but a few of the pollsters' categories showing great numbers of voters switching Republican—millions who had supported Franklin Roosevelt (or whose fathers had before them) now voted the Eisenhower-Nixon ticket.

A few State Democratic organizations could boast that they had suffered worse losses before, but 1956 clearly represented a disastrous defeat for the Democratic Party—and just as Dickens' A Christmas Carol began with the fact that "Old Marley was as dead as a doornail," so any analysis of the Democratic Party's status must begin with the inescapable fact that we lost the last election.

LOCAL VICTORIES, NATIONAL DEFEAT

To be sure, for a "minority" party, Democrats occupied an extraordinary number of governors' mansions. And true, Democratic majorities were retained in each House of Congress, largely as the result of the party's substantial record of legislative achievement in the 84th Congress. But these majorities do not obscure the party's resounding defeat on the national level and cannot conceal the awesome problems that face us during the next 4 years.

In 1960 the Democrats will (it now appears) be matched against a tough, skillful, shrewd opponent in RICHARD M. NIXON. Far from being the pushover some Democrats smugly expect, Mr. NIXON has 4 well-publicised years ahead in which to increase his public stature, 4 years of basking in the Eisenhower charm in which to campaign for the favor of previously hostile voters, 4 years in the spotlight without being required, as his competitors in both parties will be, to go on record (except in rare cases) on controversial issues, 4 years in which no single Democratic hopeful can possibly receive such a build-up. It will take more than abusive statements to beat Mr. NIXON—those he can read riding in the 1961 inaugural parade.

For in addition to a difficult opponent we will in 1960 be up against the party in control of the executive branch, which demonstrated in 1956 its political ingenuity in the utilization of Federal appointments, defense contracts, farm relief funds and presidential news conferences. We will be up against our usual disadvantages in terms of campaign contributions and editorial support. And we will be facing an electorate which will not have returned a clear national popular majority for the Democrats in 16 years. If this seems hard to believe in view of our congressional majorities, let us realize that outside the South the Democrats have not won a clear majority in both houses of Congress since 1936. Indeed, throughout most of the last century the Democrats have been a minority party, able to win nationally only when the people, alarmed or distressed, found it necessary to be "saved" from the Republicans.

Why should the people vote Democratic in 1960? What can we say or do during the next 4 years to cause them to change?

Certainly, if employment remains high, domestic issues are not likely to be as dramatic or clear-cut as they once were in the days of the great depression and Republican conservatism. The administration's wholehearted endorsement of internationalism leaves at issue largely day to day techniques, judgments and administerial competence rather than broad foreign policy questions. Although a great role for intelligent opposition remains, the political benefit to be reaped must always take second place to responsibility for the national security.

Building a Democratic record, moreover, requires in part opposing a fantastically popular Republican President who is not a candidate for reelection and who has shown marked success in isolating himself from political attack. The Democrats during the last 4 years have repeatedly drawn the political blood of Messrs. Dulles, Wilson and Benson—but they have rarely, in the public mind, scored a direct hit on the President himself.

Faced with an administration obviously to the left of the traditional Republican position, at least as defined by Republican congressional leadership in the thirties and forties, the Democrats are caught on the horns of a dilemma. We cannot, on the one hand, move to the right to oppose (without more progressive alternatives) the President's more constructive measures—on school aid or immigration, for example—without appearing obstructionist or reactionary, appealing only to those already well-represented on the Republican side. But neither, on the other hand, can we move too far to the left in order to distinguish the Democratic position without alienating those wayward moderate and independent Democrats whom we are trying to woo back from the Republican column. Indeed, we cannot move either left or right merely to be distinctive, without considering the national interest or the public's feeling. And if we simply stay in the middle with a policy of "moderation," we will not—assuming continued good times and Republican moderation—distinguish our position sufficiently to arouse the much-needed enthusiasm of our more progressive supporters, particularly in the West, and the presidential race will be reduced to largely a personality contest.

How, then, can we continue to be a national party, comprising all elements, with any hope of success? HARRY BYRD can continue to carry Virginia as a Democrat, and WAYNE MORSE can continue to carry Oregon as a Democrat, but can any Democratic presidential nominee ever hope to run on a record that can carry both States?

Finally, hamstringing our efforts to resolve these dilemmas is the chronic and, fortunately for us, bipartisan political virus of factionalism. In too many States Democrats are busy fighting other Democrats—"old guards" versus "new bloods," "ins" versus "outs," liberals versus conservatives. In some communities more Democrats have been read out of the party than are left in. "Whin ye see two men with white neckties, set in opposite corners while wan mutthers 'thraiter' an' th' other hisses 'miscreant,'" said Finley Peter Dunne's Mr. Dooley some 60 years ago, in words that can be applied in some areas today, "ye can bet they're two dimmycratic leaders thryin' to reunite th' * * * party."

Along the Potomac another series of rifts threatens the party, egged on by a press always eager for controversy: Northerners versus southerners, liberals versus conservatives, congressional leaders versus the national committee. The discordant wings of our party, someone said recently, are held together only by "its debts and its Texans." Without a single titular leader, with prestige and publicity divided among congressional leaders, governors, the national committee, and the party's elder statesmen (such as Messrs. Truman and Stevenson and Mrs. Roosevelt), the Democratic Party appears at times to speak with many voices and in many accents.

These are sobering problems and prospects, which hopeless pessimism will not eradicate nor blind optimism conceal. They call for a penetrating reappraisal of our party and its course. Personally, I am confident of our party's future. We have an impressive array of able leaders and a host of potential issues. But there are dangers that lurk ahead, dangers that arise largely because of our recent defeats and crumbling coalition. Our chief task, it thus seems to me, is to recognize these dangers, to make certain we do escape the fate of becoming a permanent minority and eventually disintegrating.

Fortunately for us, other parties in earlier times have also stood at this crossroads, particularly the Federalists in 1800 and the Whigs in 1852. Both adopted courses that now tempt the Democratic Party, which can plan its own future by recalling their fate. Both frittered away an inheritance of respected leadership and accomplishment. Both died.

The Federalists in 1800 could rightfully lay claim to a historic record of achievement and leadership: A major role in the writing of the Constitution, and later responsibility for the Government's organization and philosophy, the nurturing of the infant Nation.

But the Federalist leaders tarried in the 19th century that had brought them their finest glory, and a great deal of property, while the country plunged buoyantly ahead into the 19th. The industrial revolution, the westward expansion of the frontier, American concern for developments abroad and extension of the franchise to nonproperty holders were viewed with suspicion if not alarm by the squiracrhy. It was a party facing the past, unwilling to recruit new voters or new leaders—a static, pessimistic, negative, provincial group which the onward-rushing Nation inevitably passed by.

It was, moreover, rapidly becoming a wholly New England party, narrowly sectional in its views and leadership, winning elections only on a local level, still powerful enough in Massachusetts to strip the rebellious young John Quincy Adams of his Senate seat in 1808, but never again able to capture the White House.

Besides losing its national influence, the party began rotting at the core. Its decisions and nominations were dictated from on high. Its energies were exhausted in personal feuds which mattered little to the rank and file, feuds both within the party—Hamilton fighting Adams, Adams quarreling with Pickering, and so on to the bitter end—and outside it, in a torrent of venomous hatred against Jefferson and his following of radicals and anti-British warmongers. "Any man who lends his money to the Government," warned a Federalist editorial, "will forfeit all claims to common honesty and common courtesy among all true friends to the country." It became a party of spleen and suspicion, prejudice, and malice, capable of passing the shameful alien and sedition laws but incapable of building an effective party organization at the grassroots level.

The Federalist Party's last futile years of life, marked by tirades against its foes and internal bickering, completed the sorry end of a once resplendent and honored ruler.

What lessons does this hold for the Democratic Party?

We, too, are in danger of relying upon a glorious past, while fundamental changes transform our Nation. "Don't upset the applecart" or "We have enough troubles as it is"—these are the supercautious responses that dampen many a new proposal for regeneration of our party. We take comfort in repeating sonorously our traditional slogans—"The party of all the people" "The party of progress," "The party with a heart"—but we dare not measure their validity in concrete terms for fear of admitting some glaring weakness or alienating some entrenched supporter.

Moreover, the same curse of sectionalism that felled the Federalists threatens the Democrats, if in slightly different fashion. In both North and South the pressures to put local popularity ahead of party unity grow greater every day. Unfounded but bitter assertions that go beyond the expression of sectional differences are heard on every side—assertions that the Democratic Party is the "captive of the ADA" or the "victim of Confederate vengeance," or would do well to cleanse itself of certain elements. Some Democrats—unaware of the fate of the Federalists—may even prefer that the Democratic Party exist only as a loose confederation of sectional parties, continuing to win locally but never nationally, acquiring patronage but never full responsibility.

Finally, the top echelon of the Democratic Party will be hard put to avoid the same excesses of personal and partisan strife that separated the Federalist leaders from the electorate. The first reaction to last fall's disaster was to search for old scapegoats instead of new leadership: whether to blame Stevenson or Kefauver, the volunteers or the professionals, Senator Eastland or Congressman Powell, Lyndon Johnson or Harry Truman or Paul Butler—everyone in fact but Dwight D. Eisenhower. Nor are voters attracted by Democratic factions and personalities struggling in Washington for control of the Congress or the national committee, for public attention or private vengeance. Reckless and unfounded assaults upon the administration, or cries for a Cabinet member's resignation, produce far more headlines in Washington than votes back in the precincts. To be sure, we should not permit the Republicans to take the credit for Stalin's death, but neither should we hold them responsible for how quickly the flooding snows melt in New England.

Such is the lesson of the Federalists. What then can we learn from the passing of the Whigs?

The Whig Party by 1852 could take justifiable pride in the accomplishments of its great leaders, Daniel Webster, Henry Clay, and a host of others; a philosophy of union accepted by the people and the courts and the preservation of that union during the crisis of 1850. Yet it remained a national party only in the sense that it had something in its bag of treats for everyone: tariffs for some, subsidies for others, internal improvements, bonuses, and whatever else was wanted. It could be liberal or conservative, respectable or demogogic, pro or anti. A party of sheer political opportunism, it no longer put the national interest first or seized the initiative on national issues. Its candidates were popular figures but weak fighters. On all the great issues of the day—the extension of slavery westward, the fugitive slave law, even on its own compromise of 1850—the Whig campaign was deliberately ambiguous or silent. The Whig Party soon stood for nothing that some other party did not stand for better and the Nation, particularly in the critical hour of threatened civil war, could place no confidence in it.

A LESSON FROM THE WHIGS

Today the Democratic Party must take special care not to go the way of the Whigs. The very nature of our history as a coalition has led to the same kind of special appeals—to the farm vote, the Negro vote, the veterans' vote, and all the rest. There is something in our platform or legislative record for everyone (no doubt, if we could, we would devise some inducement for the suburban vote—subsidized commuters' cars or tax-exempt lawn mowers). We plot presidential campaigns the same way, not in terms of national issues and trends but in terms of so many southern electoral votes, so many farm States, so many labor areas, and so on and on. (The temptation to gain power by wooing or misleading each supposed bloc of voters is very great indeed. Example: The secret of one well-known governor's success, I was recently told, is that "the poor think he is a friend of the poor—and the rich know he is not.")

We are in danger, too, of imitating the Whigs in their evasion of controversial issues. We tend, in too many of our party declarations, to offer what the cynics call straight from the shoulder generalities or platitudes without fear or favor on civil rights, natural gas, clean elections, and the treaty-making power. Obviously our considerations of these sensitive issues will divide Democrats and antagonize voters—but to ignore their existence or avoid their solution would, if 1852 is any kind of precedent, forfeit our claim to national leadership.

The Democratic Party will never become a radical party, for its nature, its traditions, and its good political sense prohibit it, but neither can we replace the Republicans as the Nation's conservative party or follow those who would made mediocrity out of moderation. I do not say that our task is to oppose Republicans opportunistically for the sake of opposing Republicans, but neither can we afford to stand still during the Eisenhower reign in a defensive caretaker operation. Our candidates must continue to have more than the colorful personality the Whigs thought to be sufficient.

In failing to substitute for its personal and sectional jealousies a program tailored to the current needs of the Nation, the Federalist Party stood still. But the Whig Party, by going to the other extreme to seek favor by appealing to the current demands of every group in the Nation, eventually stood for nothing. The Democratic Party must take care not to founder on either shoal.

The only course for the Democratic Party, if it is not to join the Whigs and Federalists in political limbo, is to move ahead responsibly, courageously, harmoniously. Under Jefferson, Jackson, Wilson, Roosevelt, and Truman our chief claim to the confidence of the Nation, North and South, has been leadership.

But leadership for whom and for what? This is not the time or the place to write a Democratic platform or list campaign techniques. Consequently my comments must be confined to a general statement of several guiding principles:

1. The Democratic Party must be increasingly willing to embrace new ideas, new policies, and new faces, unafraid of controversial issues or candid criticism.

2. Democratic leaders must be increasingly willing to put the party's future ahead of sectional, factional, and personal disputes and ambitions. By 1960—or even 1959—it will be too late for a candidate to pull together the diverse elements that can win locally but are at odds nationally or to build a record against the incumbent administration. That task must be begun now.

3. Congressional Democrats must shape a responsible, progressive record with deeds that match our words. For it is precisely this gap between the rhetoric and the record that casts doubt on the new liberalism of the Republicans. (Indeed, it has been suggested—after comparing the President's legislative proposals with the campaign and inaugural speeches that stated his philosophy—that perhaps Mr. Eisenhower himself is not really an "Eisenhower Republican.") This Democratic record must, of necessity, be shaped largely in the Congress. It is important that our governors, elder statesmen, and national committee express their views through the new national advisory council, more frequent regional and national conferences, and other devices. But the responsibility for the party's actual record on national issues falls primarily upon the Democrats in Congress under the leadership of Speaker RAYBURN and Senate Majority Leader JOHNSON, who—although perhaps not always pleasing to all on the extreme left or right—represent the most effective consensus on most issues of our multi-interest, multi-sectional party today. It is up to us in Congress, despite the restrictions imposed by the compromises necessary to keep our party intact, and despite the possibility of fighting losing battles, to push forward a progressive program any Democratic candidate in 1960 can run on with pride and hope.

4. Congressional Democrats must demonstrate leadership in the problems of prosperity as they have in the past on problems of poverty. We need not run against Herbert Hoover and the great depression. For, new republicanism or no, the differences in the fundamental approaches of the two parties to the issues will become clearer as we move ahead—and real issues do exist, even in this age of abundance, automation, and tranquility pills.

For example:

Nearly a million boys and girls are deprived of full-time schooling by the classroom shortage, and millions more are held back by unwieldy classes of 40 or more as school enrollments continue to increase by more than a million pupils a year. This demands a prompt, imaginative program of Federal aid to local school construction.

Untold numbers of the aged and chronically ill need Congressional action before they can get decent hospital beds and economical medical care. Pitifully inadequate incomes from inflation-eaten social insurance programs still await many of those who are unemployed, disabled, or too old to work and too young to die.

An alltime record of over 65 million people are at work, but nearly two-thirds of them will continue to have no Federal protection against substandard wages unless we can greatly expand the coverage of the Fair Labor Standards Act. Dozens of pockets of chronic unemployment persisting in many States need Federal loans and contracts, technical assistance, supplemental jobless benefits, and other methods of relief and encouragement.

Businessmen, large and small, concerned about the increasing number of business failures and mergers as money tightens, need old legislation improved to meet these new problems.

Hundreds of thousands of small farmers, foreclosed or merged out of existence as the combined burdens of drought, falling prices, and rising costs have proved too much to bear, need new solutions to solve old problems.

The blight, decay, and delinquency that plague our aging cities, inequities in taxation, power shortages, fiscal policies, immigration restrictions—these and a host of other problems can be postponed, ignored, or swept under the rug, but not for long.

Let it not be said that we are fearful or incapable of solving with fairness and forthrightness the sensitive, complex issue of race relations. The Democratic Party is best equipped to provide responsible leadership in this area; first, because we are a national party, including within our membership both a majority of Negroes and a majority of southerners; and secondly, because we have always, as a party, emphasized human values and human ideals. I, for one, do not share the view that Negro voters are leaving the Democratic Party for good. A majority is still with us, because it judges the two parties on their records and leadership on a variety of issues rather than on the civil-rights statements of a few prominent figures.

ALARMING PROBLEMS IN FOREIGN POLICY

5. Democratic spokesmen in and out of Congress must be willing to offer constructive opposition in the field of foreign policy. Modern Republicanism has not eliminated all differences between the parties on foreign affairs. Many alarming problems are in need of careful scrutiny. Among them are, the validity and responsibility of Mr. Dulles' policy statements and administration, the authority of the executive and legislative branches, our policies in the Middle East and Asia, our relations with our Western allies, our neglect of the good-neighbor policy carefully nurtured by Cordell Hull, our answer to the challenge of nationalism and colonialism, the questions of disarmament and atomic control, the deterioration of our comparative defense strength. The party in control of the executive branch cannot reasonably be expected to offer self-examination and criticism (we Democrats didn't when we were in). Thus only the opposition party offers a channel for legitimate concern and dissent on foreign policy—dissent without disunity. But our own uncertainties and divisions over such basic issues as trade, economic aid, and executive prerogatives, recently demonstrated by our votes on the Mid-East doctrine, must to the extent possible be replaced by a positive consensus that gives the Nation a clear alternative.

6. Finally, and perhaps most important of all, Democrats on the local level must be willing to substitute new life and new leadership for the luxury of petty local factionalism. With a new breed of respected, dynamic professional politicians coming into prominence, we can no longer afford to continue in official party positions tired or tarnished holdovers from another era—men whose stature and activities inspire neither the enthusiasm of volunteer workers nor the respect of their communities—men who keep busy by attending meetings, filing gloomy forecasts and complaints, and fighting zealously to hold on to their positions.

We need another kind of local worker and leader in our party, men and women such as those I met last fall in all regions and particularly in the West—full of enthusiasm, full of new ideas, full of determination, asking nothing in return. Not many of them could buy tickets to the $100-a-plate dinners where few votes are changed, but they could all ring doorbells or hold neighborhood teas. Most of them were the younger members of our party, others were at least young in spirit. But all possessed vigor our party can use all over the country. The future of our party hinges upon this kind of new life and leadership, from the precinct level on up to the host of newly prominent young Democratic governors and Senators: Muskie of Maine, Ribicoff of Connecticut, Gore and Clement of Tennessee, Meyner of New Jersey, Williams of Michigan, Clark and Leader of Pennsylvania, Collins and Smathers of Florida, Neuberger of Oregon, Johnson of Texas, Mansfield of Montana, Humphrey of Minnesota, Symington of Missouri, Jackson of Washington and a whole host elected in 1956, as well as other leaders who have long served the Nation as governors, mayors or in the Congress.

I have offered no single magic formula for a successful Democratic Party and I have proposed no candidates for a winning ticket for 1960. For their identity, I believe, is less important than their capacity for wise, progressive, responsible leadership; their methods of campaigning for victory are less significant than the principles that guide their party.

For "the success of a party means little," as Woodrow Wilson said in his first inaugural, "'except when the Nation is using that party for a large and definite purpose." The task of the Democratic Party during the next 4 years is to define such a purpose for all the Nation; and success, I have no doubt, will then be rightfully ours in 1960 and the years beyond.

ADMISSION OF 10,000 REFUGEE ORPHANS

Mr. NEUBERGER. Mr. President, on January 25th, I introduced, for myself and my distinguished colleague from Oregon [Mr. MORSE], the "orphan bill," to reinstate the orphan provisions of the expired Refugee Relief Act and to admit to our country up to 10,000 orphans who have been or will be adopted by American families. In my speech I called attention to the need for prompt action because many orphans already adopted by American families cannot now be admitted, as the fourth preference quotas are oversubscribed and a long waiting period results.

The chairman of the Senate Judiciary Committee promptly wrote on January 30 to the Secretary of State and the Attorney General, requesting reports on my bill from their two executive agencies. More than a month has gone by, while children are separated from their families. Yet I have been advised by the Senate Judiciary Committee that no report has been received from either the Secretary of State or the Attorney General. I hope that these two cabinet members will be able to exercise promptly the responsibilities of their office, and that the reports will be received within the near future.

Since introducing my "orphan bill," S. 866, I have received many hundreds of letters, not only from people of my State, but from people across the Nation, urging prompt action on the bill.

Let me read a letter I recently received from the noted writer and humanitarian, Pearl S. Buck, in support of my bill:

I am delighted to hear that you are interested in a Refugee Act which will enable American children of half-Asian ancestry to be brought into this country for adoption. I am especially pleased because I know personally of many families who would eagerly welcome the children. Some 10 years ago a group of us formed Welcome House, Inc., for the specific purpose of providing adoptive homes for part-Asian children born in the United States. We have been extremely successful and our charter has now been enlarged to enable us to accept children born

abroad. We have an increasing number of families ready to receive these children.

I am glad to hear that the Refugee Act at this time will provide for 10,000 as against 4,000 in the old act. I urge that the act be passed as quickly as possible, for it is sad to think of homeless children waiting on one side of the ocean and childless homes on our side.

I am sure you know, moreover, that these little children of American ancestry in Asia do have and will have an increasingly difficult time, unless and until they are adopted into families.

Mr. President, I know of the great joy and blessings these adopted children have brought to many American homes not only in Oregon but in many other communities across the Nation.

Mr. President, I ask unanimous consent that a letter, dated February 21, which I received from Mr. and Mrs. C. V. Robe, of 480 North Grand Avenue, Burns, Oreg., be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BURNS, OREG., *February 21, 1957.*

The Honorable RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We are greatly pleased to learn of your bill S. 968 to provide visas for 10,000 orphans abroad who have been adopted, to permit orphans who have been admitted on parole visa permanent residence in United States of America, and to continue proxy overseas adoptions under the same safeguards as set forth in the Refugee Relief Act of 1953.

We devoutly hope that this bill will be quickly passed without the hindrances of riders or amendments.

We now have our 11-month-old baby boy adopted from the Korean Government here on parole visa. You may recall we wrote you earlier that we were expecting him. He gained 1 pound and 3 ounces in 4 days! He crows his delight over getting enough food and personal, loving attention. His many visitors of our town, entranced with him, have showered him with lovely gifts—blankets, hand-made animal block quilt, hand-knitted sacque, high chair, teeter-babe, toys, etc. There is no doubt of his being accepted in Burns. Moreover, our own home has been immeasurably gladdened in the way that only a baby can gladden the home.

We thank God and all those who made it possible for us to adopt him. Of course, any thought of his returning to Korea is completely unbearable.

We would like to see others who long for these children given the opportunity to take them into their families so that they also may enjoy the happiness that is ours. The children themselves benefit by being given homes and a decent chance at life.

Enclosed is a snapshot of our son.

Thank you for your kind attention.

Very sincerely,

ELAINE N. ROBE,
C. V. ROBE.

Mr. NEUBERGER. Mr. President, last year the Senate passed in the closing days of the session, my bill to extend and enlarge the orphan quotas of the Refugee Relief Act; but, unfortunately, this proposed legislation was not considered during the adjournment rush of the House of Representatives.

Since many American families had adopted children who were not able to enter the United States because the 4,000 orphan quotas of the Refugee Relief Act had been exhausted, the Attorney General and the Secretary of State—at the urging of the President of the United States, myself, and other Members of Congress—allowed orphans to be admitted under the emergency parole provisions of the Immigration and Nationality Act. The emergency parole provisions, as applied to orphans, expired on February 1, 1957. I have been advised by the Immigration Service that 659 orphans have been admitted to our country under this procedure.

Section 2 of my orphan bill would grant permanent residence in the United States, on the same basis as if they had been issued immigrant visas, to orphans admitted under the parole procedure. Without such a provision enacted into law, these adopted children of American families, such as the 11-month-old boy adopted by Mr. and Mrs. Robe, of Burns, Oreg., would be permanently barred from United States citizenship.

Mr. President, I know of no opposition to admitting to our country up to 10,000 orphans who have been or will be adopted by American families. The plight of these orphans in such countries as Korea, Japan, Greece, Italy, and in the Middle East, is urgent. I hope that the orphan bill, which is noncontroversial, will be considered on its own merits, and will not be attached to the more controversial changes in our general immigration laws, which I also support on their own merits.

I know of no nobler effort than to help these homeless orphans in the distressed areas of the world, and I know of the great happiness which these adopted children have brought to many American homes. I hope the Congress will be able to act promptly on my orphan bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, an excellent article by Bob Stein, which was first published in the St. Louis, Mo., Post-Dispatch, and was reprinted on February 26, 1957, in the Watertown, N. Y., Daily Times. The article tells of the great humanitarian work being done by two outstanding citizens of my State, Mr. and Mrs. Harry Holt, of Creswell.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO HUNDRED AND FORTY KOREAN CHILDREN HAVE ARRIVED IN THE STATES VIA ORPHAN AIRLIFT—IDEA WAS CONCEIVED BY OREGON FARMER WHO ADOPTED EIGHT WAR ORPHANS HIMSELF—HE HAS SINCE BUILT ORPHANAGE IN SEOUL TO COORDINATE MASS ADOPTION PROGRAM

(By Bob Stein)

Eight small children tonight will bow their heads in the nursery of a big Oregon farm home while a kindly gray-haired woman recites a prayer she wrote especially for them.

"And, dear God, remember my parents by birth, my GI father and my Korean mother. Teach them that the Lord Jesus Christ died for their sins, and that believing in Him they may inherit eternal life. And save me, too, so I can meet them in Heaven."

After each child has been tucked in bed and kissed goodnight, Mrs. Harry Holt will snap off the lights and go back down the stairs to her office. There she will continue work on the Holt family's mission to rescue unwanted children from Korea, a mission conceived at a church meeting in Eugene, made possible by a Presidential signature and certainly, says Mrs. Holt, "started by the Lord."

The bedtime ritual reflects the basic way of life which has not changed at the prosperous 350-acre farm at Creswell since Mrs. Holt first recited her GI prayer to the children on October 14, 1955. That was the day the clipper *Trade Winds* landed at Portland's International Airport and a dozen babies, 8 for his own family and 4 for other parents.

The story of Harry and Bertha Holt and their determination to bring mistreated, mixed-blood children from Korea to America began in December 1954, when they drove the dozen miles from their farm to a lecture and movie in Eugene.

The lecturer was Dr. Bob Pierce, president of World Vision, Inc., an interdenominational Christian organization which supports orphans and widows in Korea and Formosa from funds contributed in this country. The movie was about Korean orphans and the tragedy of unwanted children left behind by American servicemen. The film haunted the Holts, haunted them so much it was to change everything about their lives except the principles by which they live.

At home following the lecture and film, Harry and Bertha discussed the evening with their six children. The children were as eager as their parents to do something about the war orphans. They decided it would be fine to double the size of their family, to adopt eight Korean orphans.

That decision led to problem No. 1. The Refugee Relief Act limited to two the number of children they could adopt and bring to America. A special act of Congress was the only answer and Holt dashed off a letter to Oregon's Senator RICHARD NEUBERGER. Before waiting for Congress to act, Holt left for Korea on Memorial Day, 1955. Immediately he set out to find his eight orphans.

Shocked and grieved by what he termed "the pitiful conditions of the GI children in Korea," Holt wrote to his family, "the Koreans have never had a race problem and they are determined not to have one. The mothers hide their children as long as they can, but when they are 2 or 3 years old and get out to play with the other children, the trouble begins. The Korean children mob the mixed-blood children, and in some cases even murder them. Their bodies are washed up on the beaches or found in ditches. * * *"

While Holt traveled by jeep from orphanage to orphanage in war-devastated Korea, Senator NEUBERGER and his colleagues from Oregon, Senator WAYNE MORSE and Representative EDITH GREEN, went to work in Washington. On July 29, 1955, the Senate passed a bill to allow Mr. and Mrs. Holt to bring to the United States 6 Korean war orphans, in addition to the 2 Korean orphans permitted under the Refugee Relief Act. President Eisenhower signed the bill in August 1955.

Following the assist from Congress and the President, the Creswell farm hummed with sounds of harvesting equipment and sewing machines.

"Oh, we were busy, all right," said Mrs. Holt. "We did the harvesting. We varnished and painted old cribs. We made clothes and purchased bottles and dispers. Lots of our friends gave us things, too. We are very thankful for all that people have done for us."

By A-day, as the Holt children called arrival day, the nursery in the farm home was filled with 2 rows of 4 cribs each. Across one wall of the room were three shelves, all stacked with toddlers' clothes, all pretty, all strange and mostly all too large for the undernourished brood about to arrive.

Two tables were shoved together in the dining room, and places, complete with placecards, were set for 16. After leaving final word with a neighbor woman who was to

cook the welcome-home dinner, the Holts piled into their car and a borrowed station wagon for the 125-mile drive to Portland to greet Holt and the newest members of their family.

In Korea, Holt was kept grounded by minor—but frustrating—delays. Some of the tots had not sufficiently recovered from dysentery to make the transpacific flight; visas were slowed up at American headquarters in Honolulu, bounced back to Washington and were not finally straightened out until Senator NEUBERGER wired a strong protest to the Immigration Service; Typhoon Nora at the last minute socked in Tokyo airport, and, once underway, the plane developed mechanical trouble over the Pacific and was forced to return to Wake Island for repairs.

While Holt's wife and children were driving to Portland, the airline announced the mechanical trouble would delay the flight 6 hours. Bertha Holt, accustomed to delays, was philosophical.

"We've been ready for so long, it was just good to get away from home," she said. "A few hours more won't make any difference."

Thousands of persons—more than greeted General MacArthur, said one wag—jammed the sunbathed airport to greet the plane and its cargo. As the plane taxied up to the terminal building Mrs. Holt bowed her head in prayer, then looked up and shouted: "Oh, there's a baby."

Since that moment when Mrs. Holt saw a baby peering from a porthole in the Stratoclipper, a baby, some baby, has been very much a part of her life. And a baby, some baby, has been very much a part of the life of everyone of the other members of the Holt family.

About help to care for the children, Mrs. Holt laughed and said, "We'll have plenty of help. I've raised my own help."

Then she pointed proudly to her own six children.

Exhausted after the 48-hour flight, Holt loaded the children in the station wagon and headed for Creswell. There the mustached, 51-year-old farmer told his story:

"At first we started sponsoring 3 children at $10 a month through the World Vision Orphanage plan. We decided that was not enough. We have lots of room here and lots of food on our farm and lots of help. We decided to bring some here to share it all with us.

"The needs of the children in Korea are beyond an American's understanding. I've picked up babies in my arms in orphanages over there that were mere skeletons. The people over there asked me not to tell Americans how bad it really is, because Americans probably wouldn't understand. I'm only a farmer, I haven't the polished words or vocabulary, but I hope when word gets around, people will support these children who so much need our help."

Picking up the tiny arm of his new daughter, Betty, now age 2, Holt smiled and said: "It has been more fun than you can imagine putting meat on one of these little kids. You know, there was another little girl over in that orphanage. I sure would have liked to have brought her back home. But I had used up my quota * * *."

The word did get around. It got around so fast that the Holt's first dinner together in months was interrupted by a jangling telephone. It was a woman in Albuquerque who wanted information about how to adopt a child.

"Just send me your name and address and I will tell you all about it," Mrs. Holt told the caller. She was too excited at the homecoming to get the woman's name.

Throughout the months since October 1955 the telephone has kept ringing, the letters have kept coming.

The gameroom in the Holt basement was converted into an office where Mrs. Holt and 3 other women answered on the average, 300 pieces of mail which arrived each day. Applications for adoption came from every State except Maine.

The immigration deadline for completion of the orphans' visas expired last December 31, but President Eisenhower ordered an extension in the Holt case until January 31. Senator NEUBERGER plans to introduce a bill in Congress to set up a 5-year program for admission of the Korean orphans.

To coordinate the mass adoption program in Korea Holt built and furnished an orphanage in Seoul, which is run by five people, including his daughter, Molly. Office workers there work out adoption details with the Korean Government while medical personnel care for the children, all of whom are awaiting transportation to American homes.

Since the start of their program, the Holts have brought 240 children to the United States, and, although the adopting parents are expected to pay transportation costs for their newly adopted children, the Holts have spent more than $50,000 of their own funds.

Extra funds are coming in slowly from proceeds from a book Mrs. Holt wrote and had printed herself about the orphans, their plight in Korea, their adjustment in American homes.

The book is sold principally from her home but also in a few bookstores. It is called The Seed From the East, a title taken from a verse in Isaiah, a verse which adorned the birth announcement the Holts sent out in 1956 on the arrival of their eight new children.

The Holts' seeds from the East are Christine, now 4½; Mary, 4; Helen, 2½; Betty, 2; Joseph 4½; Robert, 4; Nathanel, 2½; and Paul, 2.

Today, the youngest Holts eat everything; even the bacon they couldn't touch at first because, as Holt warned, "That fat makes them sick and you'll be sorry if you give it to them."

In the little town of Creswell (population 662), there are no preschool classes and the children are taught at home.

Korean is now a strange language to all but Joe, who acts as official interpreter when the Holts put up an orphan child while he is awaiting transportation to a new home. The older Holts are teaching the youngsters to recite the 23d Psalm as part of their daily training.

TRANSFER OF PRESIDENT'S DISARMAMENT ADVISER, MR. HAROLD STASSEN, FROM WHITE HOUSE TO DEPARTMENT OF STATE

Mr. HUMPHREY. Mr. President, in the past few days the press has reported that the office of the President's Disarmament Adviser Harold Stassen, has been transferred from the White House to the Department of State. It is further stated that although Mr. Stassen would retain a seat on the National Security Council on a personal basis, he would receive policy direction from and report to the Secretary of State.

It seems to me, in light of that announcement, that the President should clarify what this organizational shift portends for the future.

When Mr. Stassen was appointed by the President in March 1955 the peoples of the world were told that this signified that the United States was placing top priority on the problem of achieving control over the weapons of war. Disarmament was regarded as an urgent matter requiring the close attention of the President, and so our Chief Executive selected a man to be his adviser whom he considered a close friend and a valuable and competent member of his team. Many thought that this high-level appointment of Cabinet rank would provide a necessary impetus to bring progress on a problem which for 10 years had remained insoluble.

My question is, Does the switch from the White House to the State Department signify that the control and reduction of armaments is being relegated to a low priority? Does the President believe Mr. Stassen is not able to accomplish his mission? We are entitled to know what the President believes the prospects are for reaching agreement with other nations.

Although many people hailed Mr. Stassen's appointment with favor, there were others who warned that removing disarmament problems from the jurisdiction of the Department of State was a mistake, that disarmament was an integral part of our foreign policy, and could not be divorced from other aspects of our foreign relations. Indeed, we have witnessed more than one occasion when the President's disarmament adviser and the Secretary of State issued conflicting statements. Lack of coordination was not the only deficiency caused by the removal of the disarmament problem from the broad framework of foreign policy. The Senate should know that Mr. Stassen, as disarmament chief, was prohibited from negotiating on certain aspects of the arms control problem. He could not deal with specific control measures for individual geographical areas. He could not discuss with other governments any of the related political issues which bear on the existence of an arms race. These deficiencies should be recognized and corrected in any reorganization of the handling of disarmament by the executive branch.

Integration of the Office of Disarmament into the Department of State should not result in repeating errors of the past.

I would note at this point that the Senate Subcommittee on Disarmament has made a very exhaustive examination, in one of its staff studies, into the relationships of Mr. Stassen's office with other agencies of government. It is worthy of the attention of the Members of Congress.

It seems to me disarmament is at least as urgent as it was in March 1955. Therefore, it must not become lost in a little office on the fourth floor of the State Department, and henceforth be forgotten. It worries me that with the Secretary of State traveling so much, and with his tendency to ignore the advice of able subordinates, opportunities to make progress will be lost. Those who handle disarmament negotiations and planning should give it their full attention. They should have imagination and courage to explore new avenues. They should be competent. They should have authority to see that decisions and plans are not postponed because the interested elements in the bureaucracy cannot reach agreement. That statement is made with some knowledge of the delays which seem to be so prevalent in the bureaus of Government in the executive branch.

In short, the President's decision can provide our Government with a fresh approach and greater efficiency in working for the control of armaments, or it can result in a backward step and another area of our foreign policy where leadership is lacking. It is my hope, as chairman of the Senate Subcommittee on Disarmament, as a United States Senator, and as a citizen, that our country will pursue with renewed vigor and diligence the task of reducing the threat of nuclear annihilation, always recognizing our responsibility to our own country and to the world to make sure that whatever proposals may be agreed upon or advanced are foolproof in terms of any dangers involved.

On Monday afternoon, March 11, at 4 p. m., it is the intention of the Senate Subcommittee on Disarmament to have Mr. Stassen appear before it to explain to us his role under the new organizational arrangements, as outlined recently in the press and on television. I digress to say that, as usual, no formal declaration has come to us regarding the arrangements, but it is always interesting, if one has the time to do so, to learn about one's Government on television. I really enjoy that, if I can find the time to do so. It is always worthy of one's attention to read the press to learn how the Government is being conducted and operated. I commend the press for detailed reports on the new organizational arrangements. Now we shall look forward to hearing from the officer of Government whom these arrangements seem to concern.

MEETING OF SECURITY COUNCIL OF THE UNITED NATIONS, FEBRUARY 21, 1957

Mr. MORSE. Mr. President, on February 21, 1957, there occurred a very interesting meeting of the Security Council of the United Nations, presided over by the February President of the Security Council, Ambassador Jarring, of Sweden. In the course of the Council meeting there were some very interesting remarks by President Romulo, of the Philippines, and Dr. Frank Graham, a former Member of the United States Senate. This meeting dealt with an exceedingly important foreign policy issue. Without taking the time to read the remarks of Dr. Frank Graham and President Romulo, I ask unanimous consent that they be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

At the invitation of the President, Dr. Frank Graham, United Nations representative for India and Pakistan, took a place at the Security Council table:

Dr. GRAHAM (United Nations representative for India and Pakistan). I wish, Mr. President, to give you my cooperative and loyal good wishes for your most important mission. I congratulate you on the opportunity to negotiate with the Governments of two great peoples whom I not only respect, but, if I may say so, have come to love for themselves—their history, their heritage, their heroic struggles with gigantic problems and yet, withal, with a joyous and youthful hope.

I congratulate the Council on your acceptance of this mission, Mr. President, for which you are by ability, experience, and disposition so eminently qualified and to which you bring the prestige of the office of President of the Security Council itself. Godspeed to you on your mission, to the efforts of the Security Council, to the cooperation of the two Governments with you and to the untiring work of an ably led and dedicated Secretariat, as they all work together and stand firm on the moral foundations of the life and values of the United Nations in this time of hazard and hope.

The member nations of the United Nations must apply, with equal justice under the charter, the principles of the United Nations to all nations, large or small, friend or foe, east or west. Problems, situations, disputes, cases on the agenda of the United Nations have their ups and downs and come and go, but the United Nations goes on, deep in the minds and hearts of the people as they do their day's work and pray and hope, in the great adventure of building a freer and fairer peaceful world for all peoples in all lands.

The PRESIDENT. I want to thank Dr. Graham for the kind and encouraging words which I have just heard from him. I am very happy to know that I shall be able to draw upon his great wisdom and experience in the matter we have before us.

* * * * *

Mr. ROMULO (Philippines). The Philippine delegation would like to place on record its appreciation that the President of the Council has decided to accept this delicate and difficult mission that has been entrusted to him. We wish him success and Godspeed.

My delegation also wishes to pay tribute to the statesmanlike performance of Dr. Frank Graham, who also addressed us this afternoon. We are deeply indebted to him for his great devotion to duty, his impartiality in weighing the facts as he found them and the clear manner in which he has placed the issues before us for our guidance and consideration. I am confident that he has won the respect of both parties to the Kashmir dispute, as well as the admiration of the world. I have had the pleasure of going through his reports and I am satisfied that he approached his task with an eminently judicial mind and that his findings constitute a fair and accurate basis for judgment in this case. In the name of my Government, I wish to thank Dr. Graham for his fidelity to this most difficult duty which this Council has assigned to him.

THE CALENDAR

The PRESIDING OFFICER (Mr. PAYNE in the chair). If there is no further morning business, morning business is closed; and, under the order previously entered, the Senate will now proceed to the call of the calendar of bills and other measures to which there is no objection.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFICER. Without objection, it is so ordered.

The clerk will state the first measure in order on the calendar.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 2) to create a joint Congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President was announced as the first measure in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF CARLIS STENDER

The concurrent resolution (S. Con. Res. 12) withdrawing suspension of deportation of Carlis Stender was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. A. 1256 (a)), withdraws the suspension of deportation in the case of Carlis Stender (A-2180275) which was previously granted by the Attorney General and approved by the Congress.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 11) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-9716766, Alfonso, Jose Fortich.
A-6949986, Alter, Chain.
A-10135642, Alter, Paula.
A-6821652, Chao, Chi-Hsien.
A-7174725, Chillemi, Agatino.
A-5225158, Chor, Lin Yet.
A-9769273, Choy, Yen Chu.
A-9635428, Constantinides, Michael.
A-7485232, Crisci, Chung May Fong.
T-2672020, Cuevas-Fausto, Marciso.
A-2545910, Goumas, Costas Theodore.
A-6662794, Halberstam, Hersch.
A-6463603, Halberstam, Brucha.
A-7858110, Halbrecht, Miriam Baraks.
A-7821864, Huerta, Juana Villanueva De.
A-7821806, Huerta-Villaneuva, Elena.
A-7457147, Iniguez-Gomez, Martin.
0900-55633, Iniguez, Petra Martinez De.
A-6760550, Klein, Leon.
0300-403947, Lam, Bee.
A-2976235, Lam, Tit Hong.
T-2671987, Lopez-Martinez Fidencio.
A-5319344, Minami, Tom Miyoshi.
A-4802395, Miyashta, Hizano.
0900-63110, Ortiz-Soto, Efrain.
A-5977278, Santos, Marcolino.
A-1985203, Veronis, Gerasimos Nicholaou.
A-4956624, Wallace, Empson Clarkston.
T-1496984, Uyeyama, Miyasumi.
A-4095935, Aguirre-Ruiz, Jose.
A-7354329, Arbutjman, Lejb Bernardo.
A-6612013, Arzzouni, Achoude.
A-4764317, Bakker, Harry Paul Marinus.
1600-97772, Barra-Duarte, Aureliano.
A-2938135, Beker, Leon.
0900-64192, Camarena-Arias, Juan.
A-6669215, Dedo, Styepo.
A-9737095, De Moura, Julio.
A-7898941, Douskos, Carmen Maria.
A-6507735, Douskos, George.
A-9518412, Foo, Nee Ah.
E-89750, Gee, Chin Jun Kim.
0900-64550, Hernandez-Castro, Juan.
A-6048903, Huerta-Santellan, Angel Magdaleno.
E-056668, Joe, Kwok Liang.
E-056667, Joe, Paylan Liang.

E-056668, Joe, Lee San.
A-6597759, Legister, Albert John.
T-2760961, Levy, Rene Cisneros.
A-7250484, Lockhart, Baleska.
V-319235, Long, Haydee Rueda.
A-4954329, Lumas, Joseph.
A-6726819, Madrazo, Elisa Amparo.
A-8876988, O'Donnell, William John.
A-7270220, Palombella, Francesco.
A-9707191, Ramos, Pedro.
A-6711461, Rizk, Alfred Alexander.
T-2760421, Rodriguez-Garcia, Rafael.
A-3822477, Sanchez-Alejandro, Esteban.
A-3038125, Sanchez-Alejandro, Filomeno.
A-4010160, Sanchez-Alejandro, Gregoria.
A-4209497, Sanchez-de, Natividad Bazan.
T-1499169, Si, Wang.
A-5904796, Su's, Kipeni.
A-4219658, Temita, Tamio.
A-5328975, Traynor, Janet Jessie.
A-9581816, Trojanovic, Pedro.
A-5423899, Tsien, Wei Hwa.
A-923872, Tsien, Wei Nan.
E-44755, Vega, Maria.
A-3610417, Ying, Teresa.
A-10086556, Ying, Yuen.
0966-263, Zamarripa-Barrera, Petra.
0966-264, Zamarripa-Barrera, Enrique.
A-3821296, Cnapich, Joseph.
A-7225061, Di Mambro, Edoardo.
V-1240637, Okana, Takeko.
A-7469332, Nevarez-Meras, Alberto.
A-7044290, Ramirez-Mata, Caries.
T-2672016, Ramirez, Petra Alda Montes De.
A-7188173, Roden, Adolf.
A-5528068, Todeschini, Isidoro Oreste.
A-6346278, Valkana, Constantinos.
A-6357988, Valkana, Panagiota.
A-6078003, Browne, Cynthia.
A-6079549, Browne, Rudolph.
A-8938372, Browne, Albert.
A-6079545, Browne, Leslie.
A-6078002, Browne, Vernon.
A-6870037, Fong, Way Chong.
A-7367898, Chu, Lau Hing.
A-5978605, Engelmann, August Max.
A-5763362, Fong, Liu.
A-4030307, Hoe, Yep.
A-5967408, Ikari, Manuel Enrique.
A-5982007, Katsuro, Shuhei.
A-6886810, Lawrence, Genoveva Adelina.
A-5814895, Marshall, John Neil.
A-4080362, Maya-Ybarra, Francisco.
A-4384530, Miki, Tomiso.
A-10416353, Orozco-Estrado, Pedro.
0300-387312, Quintero-Toscano, Candido.
A-5248778, Singh, Channan.
A-6352536, Soltero, Silverio.
A-8039899, Stumbaugh, Giovanna Fiammini Di Loreto.
A-5901478, Tang, Lily Cheng-Li.
1600-101438, Toro-Moreno, Manuel Del.
A-10504578, Valles, Luz Gasca De.
1500-42507, Velez, Esteban.
1500-42508, Velez, Eduviges.
1500-42509, Velez, Elvira.
A-7283659, Wah, Leung.
T-1892615, Foo, Wong Ah.
A-9747459, Henderson, Cecil Ashton.
A-6097780, Honda, Katsuki.
A-2573276, Li, I-Ying.
A-4829259, Mischler, Richard Robert.
A-6063644, Nielson, Lindsay Franklin.
A-6930858, Paradissis, Philip John.
A-8883007, Petrizzo, Maria Rosaria.
A-7751743, Pigulewski, Nicholas De Lorence.
A-1857088, Redko, Ivay Ivanovich.
A-10086222, Scurvin, Lancelot Seymore.
A-2994820, Alfaro, Lydia Molina De.
A-8021752, Alfaro-Molina, Samuel.
A-6160109, Davis, Guy Henry.
A-7391996, Herrera-Ruiz, Juan.
A-3972563, Kogano, Takashi.
A-9708068, Naum, Lee.
0300-415842, Ong, Min.
A-5186985, Perez-Perez, Ruben.
A-10492500, Perez, Socorro Luna De.
A-10492499, Luna, Maria de Jesus.
A-8062062, Sing, Au.
E-118899, Wong, Ah Liang.
A-2165719, Aile, Alex.
A-5672681, Havlase, Jan Kleczanda.
A-4967880, Korogiannos, Eponinodas.
A-9645741, Lee, De She.
0300-398963, Leong, Mock Fook.
A-8014953, Nardo, Albert Di.
A-6161490, Ozawa, Atsumi Angelica.
A-6354359, Perlaki, Thomas.
A-7764289, Plaushak, Pamela Lysa.
A-7930387, Poy, Ngai Kai.
T-1892169, Sam, Chin You.
A-9513946, Sze, To King.
A-6161489, Yoshimura, Suzuko.
A-7284855, Benn, Hajara Singh.
A-6226075, Carlson, Susan.
A-3497151, Cosgrove, James.
A-8258649, Dominguez, Beatrice Rodrigues De.
A-10474407, Guerra, Maria Tovares De.
A-4352286, Hurtado, Lucia Espinosa De.
A-8832508, Maser, Carmen Enriqueta De.
A-9501884, Michalakis, George.
A-7772769, Pinedo-Tamayo, Adolfo.
A-2706650, Sato, Kunishige.
A-7295956, Villapudua-Sanchez, Armando.
A-2319483, Zara, Thomas.
A-5997836, Gonzalez, Feliciano.
A-5882765, Gutierrez, Angelina Cuellar.
A-3658450, Lee, Hsin Chin.
A-9747187, Locke, George Frederick.
A-2008978, Maticsuk, Nicolaj.
A-6459301, Paneth, Lea.
A-3851449, Ulrych, Boruch.
A-3851450, Ulrych, Chaia Tauba.
A-3812648, Won, Tom Yon.
A-7439457, Aguirre, Rita Talavera De.
A-6484421, Fischer, Isidor.
T-903675, Garcia-Ramos, Eulalio.
A-9333333, Jit, Boh Tong.
A-3818721, Jung, Wood Dar.
A-6039673, Kenul, Joseph.
A-7290162, Lee, John.
A-5360726, Maldonado-Gonzalez, Fidel.
A-8258739, Padron-Lizana, Enrique.
A-1196312, Silverman, Ada.
A-5753515, Sutherland, William George.
A-7363001, Vernazza, Gina Letina.
A-8871495, Ybarra-Torres, Eugenio.
A-7276513, Wing, Jew.
A-9151185, Akerberg, Hjalmar Alfons.
A-9684304, Fat, Lam.
A-7361923, Jung, Guey.
A-9558595, Leetmaa, Kaarel.
A-8870247, Naito, Tomio.
A-4784332, Nelson, Minnie.
A-6496278, Oriel, Benjamin Joseph.
A-4234512, Paz, Alicia Hernandez De.
A-3095797, Tsichlis, Vasilios.
A-4381523, Cook, Anthony.
A-5944685, Crowther, Angela Knez.
A-6899161, Dirks, Hendrik.
A-4820438, Frangos, Nicholas Kostantinos.
A-5154701, La Guardia, Francisco Marti.
A-9117178, Legac, George.
A-5963811, Micalizio, Joseph.
A-10499492, Mohamed, John.
A-4906873, Pizarro, Emilio Anastacio.
A-5997834, Prieto, Angel.
A-5997834, Prieto, Jr., Angel.
A-7201762, Scott, George Edward Wisdom.
A-10416355, Atiliano, Berta Morales De.
A-9517004, Fong, Foh Hua.
A-10075140, Foo, Mah Hong.
A-5549549, Friedrich, Hans Max.
A-7984748, Gonzalez-Perez, Angel.
A-3673618, Green, Caroline Louise.
A-6549172, Lazaro, Pelagia Javier.
A-6614916, Livas, Gregory Panagiotou.
A-5785564, Merayo, Agustin.
A-74445700, Niewolkiewicz, Mary.
A-10416327, Ramirez, Luis Ortega.
A-7841671, Shew, Gee.
A-1306814, Diamond, Phillip.
A-6476840, Figueroa-Ayuso, Eulalio.
A-10256536, Hung, Wong.
A-7140275, Lopez-Barragon, Nicolas.
A-5372469, Marcev, Samuel Anton.
A-5776460, Nass, Fred.
A-7115379, Scime, Marianne.
A-3747236, Tai, Mook Hoo.
A-8883649, Barbosa-Gomes, Luis Emilio.
A-7251809, Kehoe, Sophie.
A-8196275, Lai, William.
A-1945249, Rumenko, Frank.
A-7028911, Shavulsky, David.
A-5415136, Shavulsky, Goldie.
A-7028913, Shavulsky, Sylvia.
A-8582980, Syrigos, Antonios.
A-6849417, Tung, Ching Chen.
A-6967562, Tung, Lillian Liu.
A-9662775, Van Diepen, John.
A-9260398, Ward, Frank Joseph.
A-10255874, Chow, Fai King.

JOAN YUNG-EN CHAO

The bill (S. 63) for the relief of Joan Yung-en Chao was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joan Yung-en Chao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

VINCENT LEE LAO

The bill (S. 75) for the relief of Vincent Lee Lao was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Vincent Lee Lao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HEWEY MALACHI MACKEY

The bill (S. 158) for the relief of Hewey Malachi Mackey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hewey Malachi Mackey shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JEW GIM GEE

The bill (S. 162) for the relief of Jew Gim Gee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jew Gim Gee, shall be held and considered to be the natural-born alien child of Jew Suey Thit, a United States citizen.

I am also encouraged to note that the President, in his press conference yesterday, indicated a study to delay some construction programs included in the budget.

I have never contended that the executive branch must bear the sole responsibility for excessive public spending. The Congress and the people who have heretofore supported heavy spending must bear their share of the blame, but I do think the executive branch has the first responsibility, namely, under the law, to originate a budget, adhering to economy and avoiding waste, and to provide only for the essential functions of government.

For the first time in my 24 years of service in the Senate, I see the people themselves, throughout the Nation, aroused and demanding retrenchment in Government spending. This being a democracy, the Congress is anxious to follow the public will and vote for retrenchment, but the leadership of the executive branch is essential for full success, because it is an overwhelming task to reduce by amendments the 550 executive accounts, many of which do not even appear in appropriation bills.

Such leadership, let me remind you, was given by President Eisenhower in the past. In 1953, when the President took office, he was confronted with a Truman-prepared budget of $78.6 billion. The President, with the aid of Congress, reduced the Truman budget to $67.8 billion, a reduction of over $10 billion in expenditures. What was done then can be done now, if there is the will to do it. I do think, however, and I am writing you with the utmost frankness, that you, as Budget Director, owe a justification to Congress and to the people in that you presented to the President an expenditure budget of $71.8 billion, which is $3 billion in excess of fiscal 1957, and $7 billion in excess of fiscal 1955.

The major increase is not in defense but in domestic-civilian expenditures. What are the present conditions, either at home or abroad, that justify an increase in spending of $7 billion more than in 1955?

Again, I note that in 1954 we spent $3 billion more on defense than you recommend in the present budget. Therefore, this would indicate that the need for defense spending is not as great now as in 1954.

I ask you further to justify the 13 additional State and local grants, making 67 in all, as provided in the pending budget. All of these new State and local grants will grow and grow, and especially the appropriation for local school construction will open up a Pandora box of spending, amounting in future years to billions and billions of dollars.

Although the number of civilian employees is 2,339,792, plus 273,674 foreign nationals not on regular payrolls, your budget creates 31,500 new civilian jobs. I ask you whether a survey was made of civilian employment, which is one of the most fertile fields for retrenchment.

I note you hope that the budget for the following year will not be increased, yet this is inconsistent with your budget recommendation, authorizing nearly $3 billion in excess of expenditures for the coming fiscal year. This would certainly indicate plans for increased spending in the fiscal year thereafter.

This is a luxury budget, padded with increased spending all down the line and has been so denounced by the Secretary of the Treasury, Mr. Humphrey, in even stronger language than I have used.

Passage in its present form will certainly stimulate a new inflation which is beginning rapid growth. It will be another factor in increasing the cost of living. The budget now pending may be our last chance to reduce entrenched spending. Enactment of this expanded budget, under present conditions, will mean we are indefinitely committed to more and more spending.

When tax relief is so urgently demanded by the overburdened taxpayers, the passage of this budget at its present level will make impossible any tax reduction in the foreseeable future.

The claim that the present budget is balanced by revenue is more apt to be wrong than right. You assume that the Congress will pass the 5-cent postal-rate bill, which is estimated to bring in upward of $700 million of new revenue, and that this, together with an anticipated increase in the income-tax receipts, as reflected by an increased national prosperity above 1956, will be sufficient to balance the expenditures.

As Congress has not taken action to increase the postal rates to 5 cents, and, as there is strong evidence that business conditions are leveling off, there is no certainty that your anticipated increase in tax revenue will be realized and a Federal deficit avoided.

I have grave apprehensions that to continue much longer our present tax system will have disastrous results, but tax reduction can only come by reducing Federal expenditures. The total tax take by the Federal, State, and local governments amounts to approximately $110 billion a year, and I give below a detailed statement:

In re tax collections: Federal, State, and local

[In millions]

Federal:	
Net budget receipts, fiscal year 1956	$73,620
Employment taxes:	
Social security	6,600
Federal disability	826
Railroad retirement	665
Total employment taxes	8,100
Highway trust fund tax collections	2,173
Total, Federal	83,893
State and local:	
State (1956, latest figure)	13,335
Local (1955, latest figure)	11,896
Total, State and local	25,231
Total, Federal, State and local	109,114
State unemployment insurance tax collections deposited with Federal Government	1,480
Total, Federal, State, and local, including State unemployment tax collections	110,594

NOTES.—1. State and local figures exclude revenue from sources other than tax collections totaling $11 billion. 2. State and local figures are net of intragovernmental revenues. 3. Federal figures exclude certain trust funds and net receipts of business enterprise funds. They represent net budget receipts.

To complete our fiscal picture, let me point out that if the pending budget is adopted, appropriations and authorizations for expenditure would be available as of July 1, 1957, as follows:

	Billions
Direct budget appropriations in fiscal 1958	$73.3
Appropriations to Federal road trust fund	2.2
Unexpended balances of funds already appropriated	46.0
Authorizations already enacted to spend from so-called debt receipts, and from other sources	24.0
Total	145.5

These figures do not include various trust funds such as social security, etc.

The Federal debt is $276 billion. The contingent liabilities by guaranties of various Federal borrowing programs is $260 billion.

Our national income in 1956 was $325 billion, so our various governments are collecting in taxes in cash more than one-third of the national income.

I do not believe the free enterprise system can long survive under such tax burdens. Most corporations now pay taxes, in all forms—Federal, State, and local—of more than 60 percent of their net revenue, and some individuals pay over 90 percent.

In the face of these conditions, it is foolhardy in the extreme to continue to spend on this high level.

As chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I ask you for a detailed report of the economies actually made effective by adoption of the recommendations of the Hoover Commission. President Hoover has stated that the recommendations of the Hoover Commission point the way to saving in governmental expenditures $5.5 billion annually.

I have been unable to find in the budget where any of these recommendations have been incorporated. I would like to be enlightened as to this.

I firmly believe the pending budget should be reduced by at least $5 billion, and this would leave an expenditure budget $3 billion more than 1955.

I hopefully await the results of your investigations and word from you and the President as to how the pending budget can be reduced.

Cordially yours,

HARRY F. BYRD.

Mr. ANDERSON. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. ANDERSON. Did I understand the Senator from Virginia to refer in his letter to the Director of the Budget to the fact that it will require an increase in postal rates to balance the budget?

Mr. BYRD. That is the way the budget is made up. It is supposed to be balanced by including the postal receipts at increased rates of postage.

Mr. ANDERSON. The Senator from Virginia has been a member of this body for a long time. Does he know whether there has ever before been an effort to increase postal rates?

Mr. BYRD. Such an effort was made last year.

Mr. ANDERSON. It has been made every year for the past 10 years. Does the Senator think there is any particular reason why such an effort will be successful this year as against many years in the past?

Mr. BYRD. I think it is very uncertain. Furthermore, the budget is dependent on increased prosperity.

Mr. ANDERSON. I was going to deal with that subject in a moment. If the Senator were operating a business and saw his expenses going up, and someone said to him, "All you have to do is to budget, because your receipts are going to be greater," would he do that until he saw some possibility that his receipts would be greater, or would he take the prudent course and try to cut down expenses?

Mr. BYRD. What is being done now is to use a totally uncertain basis.

Mr. ANDERSON. Is not the Senator also aware that a balanced budget is

possible only if there is a continually expanding economy? In other words, most businesses which are continually expanding count themselves fortunate, but they do not count the money in their pockets until it is actually there.

Mr. BYRD. That is eminently correct.

Mr. ANDERSON. The budget is based upon an expansion in the economy which has not yet taken place. Does not the Senator agree with me that the budget increased from some $65 billion only 3 years ago to $72.6 billion at the present time, based on an expansion of the national economy.

Mr. BYRD. That is correct.

Mr. ANDERSON. Is it not likely that such an increase may not occur year after year?

Mr. BYRD. It is fairly certain that it will not.

Mr. ANDERSON. I thank the Senator from Virginia.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. First, I wish publicly to express my great admiration and respect for the distinguished senior Senator from Virginia, the learned chairman of the Committee on Finance. Second, I express the hope that the always diligent efforts of the Senator from Virginia to bring about a reduction of nonessential Federal expenditures will meet more sympathy this year than they have in the past.

I may observe that the Senator from Virginia is the chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. I express the wish that that committee, which includes a number of distinguished Senators and Representatives, and also the distinguished Secretary of the Treasury and the distinguished Director of the Budget, will make some formal recommendations to Congress of specific items in the budget which they consider to be nonessential expenditures.

Recently I wrote to some friends in my State, some 39,000 people who through the years have been generous and kind to me, and asked for their recommendations and advice. Of the first thousand replies I received, 519 urged me, as a Senator from their State, to do my utmost to make reductions in the $73 billion budget which has been submitted to Congress—an Eisenhower budget, the greatest peacetime budget in history.

Besides the distinguished chairman of the Committee on Finance, the Committee on Nonessential Federal Expenditures includes the chairman of the Committee on Appropriations, the distinguished chairman of the Committee on Appropriations of the House, Mr. CANNON, both of whom have labored long and valiantly in the vineyard of reducing Federal expenditures.

That committee includes, also, the distinguished Secretary of the Treasury and the distinguished Director of the Bureau of the Budget, for both of whom I have great respect, and both of whom, I believe, want to reduce every expenditure that can possibly be reduced.

The other day I asked one of my friends on the Committee on Appropriations, "Do you not think some formula could be devised whereby a 4-, 5-, or 6-percent cut could be applied to every appropriation bill?"

He answered, "Yes; I agree wholeheartedly with you, provided you except the cost of defense. We must build a strong national defense."

I said, "I think I might go along with you on that point. Let us consider such a formula and see what we can develop. Let us approach the question from a nonpartisan viewpoint."

About that time a distinguished Senator from a neighboring State came into the lunchroom. I expressed the idea to him and asked him, "What do you think of such a plan? Could not you go along with us on it?"

He replied, "I would be happy to do so. I want to see the budget reduced, provided you except the public-works bill."

Mr. President, the national-defense and the public-works bills are two of the largest appropriation bills. So that is the problem which confronts us. It is not an easy one to solve.

I make no promises; I am not optimistic about the results we shall get. But I want to say that I appreciate, and the people of my State appreciate, the efforts of the senior Senator from Virginia to reduce the budget.

While I may not always be associated with him in the individual reduction viewpoints he may take, I certainly wish to tell him that my efforts will be in the direction of trying to make material reductions in this year's budget. I hope that every Senator, on both sides of the aisle, will join with us in that effort.

Mr. BYRD. I thank the Senator from Texas.

MARKETING OF FOREST PRODUCTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial concerning the marketing of forest products, written by Jim Stevens and published in the Timber Operator.

Mr. Stevens points out that successful marketing starts when the farmer or forest owner is informed about the vast complex of nationwide marketing through which his crop of saw timber or pulp timber must move in its conversion to useful products.

One of the ultimate goals of my bill, S. 840, is to develop all of the information the timber grower needs so that he can supply the market with useful products at fair prices. Mr. Stevens points out the important role women play in the selection of homes and products for the home. A complete marketing service would do more than give a monthly list of timber prices. It would tell the woodland owners what the consumer wants, it would guide him as to what to start to grow for the future. It would help him decide what trees to save and what trees to improve by pruning to meet predicted needs. It would assure us of wood for the future and the future of wood. The editorial tells an interesting story.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUT OF THE WOODS

(By Jim Stevens)

FORESTRY'S FINEST HOUR

Arthur B. Langlie, new chief of McCall's, long famous as an American magazine for ladies, remains a man of the forests. The new ties that bind him to western forests are soft to the touch and fair to see, but they are as vital as his old ties with the men of calked boots and Copenhagen snuff in the Washington woods.

For the readers of McCall's, like those of the other publications in its field, are America's homemakers, purchasing agents for the American family in procuring the materials of food, clothing, and shelter.

These ladies are consumers of lumber, plywood, hardboard, shingles, and shakes—and of paper products and fabrics made from wood pulp.

THE REAL MARKET

The homemakers of the land, in fact, are the principal ultimate consumers for the products of the forest industry. More than 26,000 retail lumber dealers look to the lady of the house as the prime mover of their trade. The competitors of the lumber industry—the manufacturers of nonwood building materials and of nonwood homemaking materials and furnishings—have been wide awake to this fact for 50 years.

Now the lumbermen are catching up. The loggers and the foresters, too, are aware nowadays that mamma commonly has the deciding word on whether the family's building budget will help pay wages and taxes and dividends in the timber or pay them in the mines. Friendly persuasion can have a deal to do with the decision in any given case. And there is no surer source of friendly persuasion of this kind that mama's pet periodical.

Strange to tell, in the publications on timber topics that the Federal Government has issued, consumer marketing is seldom mentioned. A lot of stuff has been sent forth by the Government Printing Office on how a farmer can sell sawlogs to a sawmill or pulp logs to a pulpmill, and this is very nice.

However, a first need is for the farmer or other small forest owner to be informed on the vast complex of nationwide marketing through which his crop of saw timber or pulp timber must move in its conversion from part of a tree in the woods to part of a home or farm building in places from 1,500 to 3,000 miles away. This is good news and useful information for the logger to know likewise. And the forest-town businessman, whose trade depends on forest industry wages and purchases, should know what makes money grow on trees. Mamma might tell them.

THAT WOMAN KNOWS

These days in the forest industry community the millworker's wife, the logger's wife, and the forester's wife know in detail what is new in homemaking, what is practical and economical, what is beautiful, what is durable, what is preferred by homemakers like herself in California, Florida, Maine, and Iowa, because she reads it all and sees it pictured in McCall's or another popular periodical of the kind.

And the new home she sees and reads about in the pages of these magazines is nearly always unmistakably a home built of Douglas fir, west-coast hemlock, and western redcedar products, in the whole or in part. She sees the advertisements of the West Coast Lumbermen's Association and sister associations of the western forest industries in the pages of her pet publications and knows that they are paid for as means of friendly persuasion in cities and towns far away, in helping retail lumber dealers to sell forest products to homemakers like herself in far places.

THE RISING COST OF LIVING AND CORPORATION PROFITS

Mr. HUMPHREY. Mr. President, in recent weeks there has been growing evidence that the administration hopes to lay the blame of the rising cost of living upon organized labor, by contending that wage demands have forced upward the cost of goods and services.

Secretary of Agriculture Ezra Taft Benson recently told the farmers that their problems are largely due to "soft wage settlements," and Secretary of Commerce Sinclair Weeks in a news conference talked about "inflationary wage increases."

Before members of the administration self-righteously accuse wage earners as being responsible for record high prices, I suggest that they pause to give serious attention to the behavior of certain large and powerful corporations which recently have been in the news.

I call attention to newspaper reports of February 19 which stated that last year the American Telephone & Telegraph Corp. realized net profits, after taxes, of more than $777 million—which was an increase of $94 million in net profits over the previous year. Of special significance was a statement by the president of the American Telephone & Telegraph Corp., Mr. Frederick R. Kappel:

> Expenses including wages have continued to rise and the higher cost of doing business must be met by further increases in telephone rates. * * * The Bell companies are applying for rate increases in many States and will vigorously pursue this program.

Mr. President, let us examine the facts concerning the profits of the American Telephone & Telegraph Corp. and also the wages to which Mr. Kappel referred. We find that since the year 1949, average wages in the telephone industry have gone up 37 percent. Meanwhile the net profits, after taxes, of the American Telephone & Telegraph Corp. jumped from $241 million in 1949 to $777 million in 1956, an increase in profits of 223 percent. Yet the American Telephone & Telegraph Corp. states that it needs more profits.

In the February 19 newspapers there was another interesting article. It dealt with another well known corporation—Standard Oil of New Jersey. The newspapers reported that the Senator from Wyoming [Mr. O'MAHONEY], had announced that documents of Standard Oil of New Jersey revealed that in December, the corporation's officials were told that net earnings would increase by $100 million a year if the price of crude oil was raised 25 cents a barrel. Two weeks later, Standard Oil's subsidiary, Humble Oil & Refining Co., boosted its crude oil prices 35 cents a barrel. Did Standard Oil of New Jersey need this extra profit? The records show that in 1955 this corporation realized net profits, after taxes, of $709 million, to make it the second biggest profit maker in the entire world; and last year its profits are estimated to be more than $800 million. With the recent boost in the price of crude oil, we can expect Standard Oil of New Jersey to amass profits this year of better than $900 million. From 1947 to 1956, this corporation's net profits have risen 197 percent, while average wages in the petroleum and natural gas industry increased 42 percent.

The fantastic profits of American Telephone & Telegraph Corp., and of Standard Oil of New Jersey, coupled with demands for more and more, are not isolated cases; but, rather, they are typical of the giants of the industry.

In a period such as the one we are now experiencing, I pose this question to the administration: How does it explain these enormous profits and continuing price increases in a time when farmers are in serious financial trouble; small business is being pressed to the wall; home construction is falling off dangerously, due to tight money; and consumers face a steadily rising cost of living?

Mr. President, it is a frightening prospect when the administration sits silently, with its hands folded, while corporate giants push for more and more, despite record-breaking profits that are almost beyond human comprehension. Pious admonitions from the White House are no answer. The problem calls for forceful action, not for sermons.

In 1955, 11 corporations received 23 percent of all the corporate profits made in the United States. When the figures for 1956 are tabulated, this concentration of profits in the hands of a few industrial giants will probably be found to be even higher. Something is seriously wrong when a few enormous corporations can continue to boost their profits, while small- and medium-size firms are feeling the effects of the profit pinch.

I suggest to the administration that it engage in some introspection. If it does, it will discover that price increases are not due so much to America's wage earners as they are to the lack of an intelligent and forceful program by the President and his official family.

Mr. President, I ask unanimous consent that there be inserted at this point in the RECORD, three tables I have had prepared. They show the net profits of the American Telegraph and Telephone Corporation, and Standard Oil of New Jersey from 1949 to 1956, and the net profits in 1955 of the top 11 companies to which I have referred.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Corporations with largest profits in 1955

Rank and name:	Net profit (millions)
1. General Motors	$1,189
2. Standard Oil of New Jersey	709
3. American Telephone & Telegraph	684
4. Ford	437
5. Du Pont	431
6. United States Steel	370
7. Texas Co	263
8. Standard Oil of California	231
9. Gulf Oil	218
10. Socony Mobil Oil	207
11. General Electric	201

Source: Fortune magazine, supplement, July 1956.

Net income of American Telephone & Telegraph, 1949 through 1956

Year:	Net profit (millions)
1956	$777
1955	684
1954	565
1953	$492
1952	418
1951	375
1950	350
1949	241

Source: Moody's Public Utility Manual.

Net income of Standard Oil of New Jersey, 1949 through 1956

Year:	Net profit (millions)
1956	$800
1955	709
1954	585
1953	553
1952	520
1951	528
1950	408
1949	269

Source: Moody's Industrial Manual.

DEMOCRATIC PARTY MUST LEAD—OR GET LEFT

Mr. HUMPHREY. Mr. President, it has always seemed to me that a worthy attribute of the Democratic Party is our capacity and willingness for self-evaluation. This is a quality which not only is valuable but is well-nigh essential for the continued life and vitality of large organizations. It has always been one of the glories of the Democratic Party that we have had men who are willing to stand up and be counted, to reexamine, rethink, and reappraise.

During his dynamic and vigorous public career, the distinguished junior Senator from Massachusetts [Mr. KENNEDY] has been in the forefront of the movement for new ideas, new policies, and new faces in the Democratic Party. Whether as a best-selling author, a greatly-sought-after public speaker, or as an energetic and effective legislator, Senator KENNEDY has already surpassed the achievements of many others far his senior in years and experience.

In the current issue of Life magazine, our colleague from Massachusetts has contributed a significant and thoughtful article which is must reading for Democrats, and should also, I submit, be a matter of friendly interest for Republicans as well. Senator KENNEDY entitles his article "A Democrat Says Party Must Lead—Or Get Left," a warning which is both timely and to the point.

It does not become the Democratic Party to be a party of complacency or mere criticism. As the times change, so the requirements of the times change. Senator KENNEDY has provided once more the highest kind of service to his party and the American political process by the kind of analysing and proposing which he has done in his Life magazine article. I ask unanimous consent that the text of his article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DEMOCRAT SAYS PARTY MUST LEAD OR GET LEFT

(By Senator JOHN F. KENNEDY)

"The tour I lately made with Mr. Jefferson," wrote James Madison to his father in

somewhat disingenuous terms in the fall of 1791, "was a very agreeable one, and carried us through interesting country, new to us both." This "new and interesting" country—New York and the Connecticut River Valley—was perhaps more interesting for its political possibilities than anything else. For the Democratic Party of Messrs. Jefferson and Madison, then in its prenatal stage and using the Republican or anti-Federalist label, already had growing strength among the small farmers of the South and what was then called the West (western Pennsylvania and Virginia). To this nucleus Jefferson and Madison, astute political organizers as well as scholarly theorists, had added the more aristocratic plantation owners of the South.

Now they were ready to thrust northward, and so between the sessions of the First and Second Congresses they took what they insisted was a "botanical excursion" up the Hudson and down the Connecticut Rivers. Among the interesting specimens of homo-politicus Americanus they studied at length were the politically powerful Messrs. Clinton, Burr, and Livingston of New York.

It was a harsh and cynical world of politics into which the two high-minded agrarians hopefully traveled. New York politicians, according to Secretary of the Treasury Oliver Wolcott, always seemed ready "in the papers and before the world, to tear each other's eyes out—but they will meet some rainy night in a dark entry, and agree, whichever way the election goes, that they will share the spoils together." The powerful Clinton and Livingston clans were now motivated, however, by their grievances against Alexander Hamilton, and Aaron Burr had already discovered the possibilities of the benevolent organization known as the Sons of St. Tammany (which under Burr, as Historian Herbert Agar points out, soon became less benevolent and more of an organization).

The results of this excursion were indeed agreeable. New York in 1800 provided the winning margin for the Jefferson-Burr ticket and the grand alliance of the Democratic Party—today one of the oldest political parties on earth—was thereupon born.

AN UNLIKELY COALITION

It was, in many ways, a strange alliance: Struggling small farmers and wealthy plantation masters, visionary political philosophers and hardened city bosses, unskilled laborers in the East and hardy pioneers in the West. Nearly a century and a half later the alliance, still largely intact under another astute organizer, Franklin Roosevelt, included within its ranks some equally diverse groups: northern Negroes and southern Bourbons, Catholics and Jews, immigrants and veterans, union leaders and farmers, pensioners who wanted higher taxes and small-business men who wanted them lower. Nevertheless the coalition held and flourished, cemented together by the party's record of accomplishment and brilliance of leadership.

It held and flourished, that is, until it collided with 1952, 1956, and Dwight David Eisenhower.

The man and the name were all-important—the political victories that rocked the grand alliance were, in a sense, largely his personal victories—but the years were of no small significance. For those election years of 1952 and 1956 climaxed two decades of change in America—economic, social, and political change that had gradually corroded and crumbled the founations of the Democratic coalition.

The South, still largely rural and undeveloped in 1932, had by 1956 witnessed the growth of bustling new industries and cities at a rate that outstripped the rest of the Nation. The electoral power of the teeming metropolises of the North, courted by the botanists in 1791 and welded by Al Smith in 1928 despite his disastrous electoral vote, had been splintered into ever-increasing clusters of surrounding suburbs. The small farmers who fought on the razor-thin edge of existence—under the banners of Jackson, Bryan, and F. D. R.—against mortgage bankers, railroads, and insects, had seen their farms disappear at the rate of several hundred a day as mechanization and amalgamation produced larger and larger farm units. The worker without a union, the immigrant without a friend, the Negro without a decent home, the oldster without a pension—these and many others, in years gone by, had found in the Democratic Party a champion on issues that in the comfortable prosperity of 1956 no longer burned quite as fiercely. Even the great depression of 1929 was ancient history to a new generation of voters and its scars were no longer deeply felt by its now-contented survivors.

With these changes had come political changes as well. The big-city machines of the North could no longer deliver automatically—as demonstrated by Republican victories in Chicago, Jersey City, and a host of other formerly safe Democratic strongholds. The South could no longer be taken for granted as solid—on the contrary, Eisenhower captured an unprecedented majority of its electoral votes.

The Democratic habit—that psychological pull that kept votes coming even after the key issues and personalities had begun to fade—no longer swayed a majority of voters or guaranteed a score of States. Old warhorses like Senator George and Lehman were retiring; Harry Truman was in Independence; Franklin Roosevelt and Alben Barkley were in their graves. Across the Senate aisle and down Pennsylvania Avenue, Taft was gone and Ike had come—and however superficial the changes, the Republican Party was now sufficiently progressive and internationalist, at least in appearance, to blur the once distinctive position of the Democrats.

In 1956 (as to a slightly lesser extent in 1952) the full impact of these changes upon the "grand alliance" became obvious. Young voters, women voters, union families, immigrant families, Negroes, big city voters, independents, southerners—to name but a few of the pollsters' categories showing great numbers of voters switching Republican—millions who had supported Franklin Roosevelt (or whose fathers had before them) now voted the Eisenhower-Nixon ticket.

A few State Democratic organizations could boast that they had suffered worse losses before, but 1956 clearly represented a disastrous defeat for the Democratic Party—and just as Dickens' A Christmas Carol began with the fact that "Old Marley was as dead as a doornail," so any analysis of the Democratic Party's status must begin with the inescapable fact that we lost the last election.

LOCAL VICTORIES, NATIONAL DEFEAT

To be sure, for a "minority" party, Democrats occupied an extraordinary number of governors' mansions. And true, Democratic majorities were retained in each House of Congress, largely as the result of the party's substantial record of legislative achievement in the 84th Congress. But these majorities do not obscure the party's resounding defeat on the national level and cannot conceal the awesome problems that face us during the next 4 years.

In 1960 the Democrats will (it now appears) be matched against a tough, skillful, shrewd opponent in RICHARD M. NIXON. Far from being the pushover some Democrats smugly expect, Mr. NIXON has 4 well-publicized years ahead in which to increase his public stature, 4 years of basking in the Eisenhower charm in which to campaign for the favor of previously hostile voters, 4 years in the spotlight without being required, as his competitors in both parties will be, to go on record (except in rare cases) on controversial issues, 4 years in which no single Democratic hopeful can possibly receive such a build-up. It will take more than abusive statements to beat Mr. NIXON—those he can read riding in the 1961 inaugural parade.

For in addition to a difficult opponent we will in 1960 be up against the party in control of the executive branch, which demonstrated in 1956 its political ingenuity in the utilization of Federal appointments, defense contracts, farm relief funds and presidential news conferences. We will be up against our usual disadvantages in terms of campaign contributions and editorial support. And we will be facing an electorate which will not have returned a clear national popular majority for the Democrats in 16 years. If this seems hard to believe in view of our congressional majorities, let us realize that outside the South the Democrats have not won a clear majority in both houses of Congress since 1936. Indeed, throughout most of the last century the Democrats have been a minority party, able to win nationally only when the people, alarmed or distressed, found it necessary to be "saved" from the Republicans.

Why should the people vote Democratic in 1960? What can we say or do during the next 4 years to cause them to change?

Certainly, if employment remains high, domestic issues are not likely to be as dramatic or clear-cut as they once were in the days of the great depression and Republican conservatism. The administration's wholehearted endorsement of internationalism leaves at issue largely day to day techniques, judgments and administerial competence rather than broad foreign policy questions. Although a great role for intelligent opposition remains, the political benefit to be reaped must always take second place to responsibility for the national security.

Building a Democratic record, moreover, requires in part opposing a fantastically popular Republican President who is not a candidate for reelection and who has shown marked success in isolating himself from political attack. The Democrats during the last 4 years have repeatedly drawn the political blood of Messrs. Dulles, Wilson and Benson—but they have rarely, in the public mind, scored a direct hit on the President himself.

Faced with an administration obviously to the left of the traditional Republican position, at least as defined by Republican congressional leadership in the thirties and forties, the Democrats are caught on the horns of a dilemma. We cannot, on the one hand, move to the right to oppose (without more progressive alternatives) the President's more constructive measures—on school aid or immigration, for example—without appearing obstructionist or reactionary, appealing only to those already well-represented on the Republican side. But neither, on the other hand, can we move too far to the left in order to distinguish the Democratic position without alienating those wayward moderate and independent Democrats whom we are trying to woo back from the Republican column. Indeed, we cannot move either left or right merely to be distinctive, without considering the national interest or the public's feeling. And if we simply stay in the middle with a policy of "moderation," we will not—assuming continued good times and Republican moderation—distinguish our position sufficiently to arouse the much-needed enthusiasm of our more progressive supporters, particularly in the West, and the presidential race will be reduced to largely a personality contest.

How, then, can we continue to be a national party, comprising all elements, with any hope of success? HARRY BYRD can continue to carry Virginia as a Democrat, and WAYNE MORSE can continue to carry Oregon as a Democrat, but can any Democratic presidential nominee ever hope to run on a record that can carry both States?

Finally, hamstringing our efforts to resolve these dilemmas is the chronic and, fortunately for us, bipartisan political virus of factionalism. In too many States Democrats are busy fighting other Democrats—"old guards" versus "new bloods," "ins" versus "outs," liberals versus conservatives. In some communities more Democrats have been read out of the party than are left in. "Whin ye see two men with white neckties, set in opposite corners while wan mutthers 'thraitor' an' th' other hisses 'miscreant.'" said Finley Peter Dunne's Mr. Dooley some 50 years ago, in words that can be applied in some areas today, "ye can bet they're two dimmycratic leaders thryin' to reunite th' * * * party."

Along the Potomac another series of rifts threatens the party, egged on by a press always eager for controversy: Northerners versus southerners, liberals versus conservatives, congressional leaders versus the national committee. The discordant wings of our party, someone said recently, are held together only by "its debts and its Texans." Without a single titular leader, with prestige and publicity divided among congressional leaders, governors, the national committee, and the party's elder statesmen (such as Messrs. Truman and Stevenson and Mrs. Roosevelt), the Democratic Party appears at times to speak with many voices and in many accents.

These are sobering problems and prospects, which hopeless pessimism will not eradicate nor blind optimism conceal. They call for a penetrating reappraisal of our party and its course. Personally, I am confident of our party's future. We have an impressive array of able leaders and a host of potential issues. But there are dangers that lurk ahead, dangers that arise largely because of our recent defeats and crumbling coalition. Our chief task, it thus seems to me, is to recognize these dangers, to make certain we do escape the fate of becoming a permanent minority and eventually disintegrating.

Fortunately for us, other parties in earlier times have also stood at this crossroads, particularly the Federalists in 1800 and the Whigs in 1852. Both adopted courses that now tempt the Democratic Party, which can plan its own future by recalling their fate. Both frittered away an inheritance of respected leadership and accomplishment. Both died.

The Federalists in 1800 could rightfully lay claim to a historic record of achievement and leadership: A major role in the writing of the Constitution, and later responsibility for the Government's organization and philosophy, the nurturing of the infant Nation.

But the Federalist leaders tarried in the 18th century that had brought them their finest glory, and a great deal of property, while the country plunged buoyantly ahead into the 19th. The industrial revolution, the westward expansion of the frontier, American concern for developments abroad and extension of the franchise to nonproperty holders were viewed with suspicion if not alarm by the squirearchy. It was a party facing the past, unwilling to recruit new voters or new leaders—a static, pessimistic, negative, provincial group which the onward-rushing Nation inevitably passed by.

It was, moreover, rapidly becoming a wholly New England party, narrowly sectional in its views and leadership, winning elections only on a local level, still powerful enough in Massachusetts to strip the rebellious young John Quincy Adams of his Senate seat in 1808, but never again able to capture the White House.

Besides losing its national influence, the party began rotting at the core. Its decisions and nominations were dictated from on high. Its energies were exhausted in personal feuds which mattered little to the rank and file, feuds both within the party—Hamilton fighting Adams, Adams quarreling with Pickering, and so on to the bitter end—and outside it, in a torrent of venomous hatred against Jefferson and his following of radicals and anti-British warmongers. "Any man who lends his money to the Government," warned a Federalist editorial, "will forfeit all claims to common honesty and common courtesy among all true friends to the country." It became a party of spleen and suspicion, prejudice, and malice, capable of passing the shameful alien and sedition laws but incapable of building an effective party organization at the grassroots level.

The Federalist Party's last futile years of life, marked by tirades against its foes and internal bickering, completed the sorry end of a once resplendent and honored ruler.

What lessons does this hold for the Democratic Party?

We, too, are in danger of relying upon a glorious past, while fundamental changes transform our Nation. "Don't upset the applecart" or "We have enough troubles as it is"—these are the supercautious responses that dampen many a new proposal for regeneration of our party. We take comfort in repeating sonorously our traditional slogans—"The party of all the people" "The party of progress." "The party with a heart"—but we dare not measure their validity in concrete terms for fear of admitting some glaring weakness or alienating some entrenched supporter.

Moreover, the same curse of sectionalism that felled the Federalists threatens the Democrats, if in slightly different fashion. In both North and South the pressures to put local popularity ahead of party unity grow greater every day. Unfounded but bitter assertions that go beyond the expression of sectional differences are heard on every side—assertions that the Democratic Party is the "captive of the ADA" or the "victim of Confederate vengeance," or would do well to cleanse itself of certain elements. Some Democrats—unaware of the fate of the Federalists—may even prefer that the Democratic Party exist only as a loose confederation of sectional parties, continuing to win locally but never nationally, acquiring patronage but never full responsibility.

Finally, the top echelon of the Democratic Party will be hard put to avoid the same excesses of personal and partisan strife that separated the Federalist leaders from the electorate. The first reaction to last fall's disaster was to search for old scapegoats instead of new leadership: whether to blame Stevenson or Kefauver, the volunteers or the professionals, Senator Eastland or Congressman Powell, Lyndon Johnson or Harry Truman or Paul Butler—everyone in fact but Dwight D. Eisenhower. Nor are voters attracted by Democratic factions and personalities struggling in Washington for control of the Congress or the national committee, for public attention or private vengeance. Reckless and unfounded assaults upon the administration, or cries for a Cabinet member's resignation, produce far more headlines in Washington than votes back in the precincts. To be sure, we should not permit the Republicans to take the credit for Stalin's death, but neither should we hold them responsible for how quickly the flooding snows melt in New England.

Such is the lesson of the Federalists. What then can we learn from the passing of the Whigs?

The Whig Party by 1852 could take justifiable pride in the accomplishments of its great leaders, Daniel Webster, Henry Clay, and a host of others; a philosophy of union accepted by the people and the courts and the preservation of that union during the crisis of 1850. Yet it remained a national party only in the sense that it had something in its bag of treats for everyone: tariffs for some, subsidies for others, internal improvements, bonuses, and whatever else was wanted. It could be liberal or conservative, respectable or demogogic, pro or anti. A party of sheer political opportunism, it no longer put the national interest first or seized the initiative on national issues. Its candidates were popular figures but weak fighters. On all the great issues of the day—the extension of slavery westward, the fugitive slave law, even on its own compromise of 1850—the Whig campaign was deliberately ambiguous or silent. The Whig Party soon stood for nothing that some other party did not stand for better and the Nation, particularly in the critical hour of threatened civil war, could place no confidence in it.

A LESSON FROM THE WHIGS

Today the Democratic Party must take special care not to go the way of the Whigs. The very nature of our history as a coalition has led to the same kind of special appeals—to the farm vote, the Negro vote, the veterans' vote, and all the rest. There is something in our platform or legislative record for everyone (no doubt, if we could, we would devise some inducement for the suburban vote—subsidized commuters' cars or tax-exempt lawn mowers). We plot presidential campaigns the same way, not in terms of national issues and trends but in terms of so many southern electoral votes, so many farm States, so many labor areas, and so on and on. (The temptation to gain power by wooing or misleading each supposed bloc of voters is very great indeed. Example: The secret of one well-known governor's success, I was recently told, is that "the poor think he is a friend of the poor—and the rich know he is not.")

We are in danger, too, of imitating the Whigs in their evasion of controversial issues. We tend, in too many of our party declarations, to offer what the cynics call straight from the shoulder generalities or platitudes without fear or favor on civil rights, natural gas, clean elections, and the treaty-making power. Obviously our considerations of these sensitive issues will divide Democrats and antagonize voters—but to ignore their existence or avoid their solution would, if 1852 is any kind of precedent, forfeit our claim to national leadership.

The Democratic Party will never become a radical party, for its nature, its traditions, and its good political sense prohibit it, but neither can we replace the Republicans as the Nation's conservative party or follow those who would made mediocrity out of moderation. I do not say that our task is to oppose Republicans opportunistically for the sake of opposing Republicans, but neither can we afford to stand still during the Eisenhower reign in a defensive caretaker operation. Our candidates must continue to have more than the colorful personality the Whigs thought to be sufficient.

In failing to substitute for its personal and sectional jealousies a program tailored to the current needs of the Nation, the Federalist Party stood still. But the Whig Party, by going to the other extreme to seek favor by appealing to the current demands of every group in the Nation, eventually stood for nothing. The Democratic Party must take care not to founder on either shoal.

The only course for the Democratic Party, if it is not to join the Whigs and Federalists in political limbo, is to move ahead responsibly, courageously, harmoniously. Under Jefferson, Jackson, Wilson, Roosevelt, and Truman our chief claim to the confidence of the Nation, North and South, has been leadership.

But leadership for whom and for what? This is not the time or the place to write a Democratic platform or list campaign techniques. Consequently my comments must be confined to a general statement of several guiding principles:

1. The Democratic Party must be increasingly willing to embrace new ideas, new policies, and new faces, unafraid of controversial issues or candid criticism.

2. Democratic leaders must be increasingly willing to put the party's future ahead of sectional, factional, and personal disputes and ambitions. By 1960—or even 1959—it will be too late for a candidate to pull together the diverse elements that can win locally but are at odds nationally or to build a record against the incumbent administration. That task must be begun now.

3. Congressional Democrats must shape a responsible, progressive record with deeds that match our words. For it is precisely this gap between the rhetoric and the record that casts doubt on the new liberalism of the Republicans. (Indeed, it has been suggested—after comparing the President's legislative proposals with the campaign and inaugural speeches that stated his philosophy—that perhaps Mr. Eisenhower himself is not really an "Eisenhower Republican.") This Democratic record must, of necessity, be shaped largely in the Congress. It is important that our governors, elder statesmen, and national committee express their views through the new national advisory council, more frequent regional and national conferences, and other devices. But the responsibility for the party's actual record on national issues falls primarily upon the Democrats in Congress under the leadership of Speaker RAYBURN and Senate Majority Leader JOHNSON, who—although perhaps not always pleasing to all on the extreme left or right—represent the most effective consensus on most issues of our multi-interest, multi-sectional party today. It is up to us in Congress, despite the restrictions imposed by the compromises necessary to keep our party intact, and despite the possibility of fighting losing battles, to push forward a progressive program any Democratic candidate in 1960 can run on with pride and hope.

4. Congressional Democrats must demonstrate leadership in the problems of prosperity as they have in the past on problems of poverty. We need not run against Herbert Hoover and the great depression. For, new republicanism or no, the differences in the fundamental approaches of the two parties to the issues will become clearer as we move ahead—and real issues do exist, even in this age of abundance, automation, and tranquility pills.

For example:

Nearly a million boys and girls are deprived of full-time schooling by the classroom shortage, and millions more are held back by unwieldy classes of 40 or more as school enrollments continue to increase by more than a million pupils a year. This demands a prompt, imaginative program of Federal aid to local school construction.

Untold numbers of the aged and chronically ill need Congressional action before they can get decent hospital beds and economical medical care. Pittifully inadequate incomes from inflation-eaten social insurance programs still await many of those who are unemployed, disabled, or too old to work and too young to die.

An alltime record of over 65 million people are at work, but nearly two-thirds of them will continue to have no Federal protection against substandard wages unless we can greatly expand the coverage of the Fair Labor Standards Act. Dozens of pockets of chronic unemployment persisting in many States need Federal loans and contracts, technical assistance, supplemental jobless benefits, and other methods of relief and encouragement.

Businessmen, large and small, concerned about the increasing number of business failures and mergers as money tightens, need old legislation improved to meet these new problems.

Hundreds of thousands of small farmers, foreclosed or merged out of existence as the combined burdens of drought, falling prices, and rising costs have proved too much to bear, need new solutions to solve old problems.

The blight, decay, and delinquency that plague our aging cities, inequities in taxation, power shortages, fiscal policies, immigration restrictions—these and a host of other problems can be postponed, ignored, or swept under the rug, but not for long.

Let it not be said that we are fearful or incapable of solving with fairness and forthrightness the sensitive, complex issue of race relations. The Democratic Party is best equipped to provide responsible leadership in this area; first, because we are a national party, including within our membership both a majority of Negroes and a majority of southerners; and secondly, because we have always, as a party, emphasized human values and human ideals. I, for one, do not share the view that Negro voters are leaving the Democratic Party for good. A majority is still with us, because it judges the two parties on their records and leadership on a variety of issues rather than on the civil-rights statements of a few prominent figures.

ALARMING PROBLEMS IN FOREIGN POLICY

5. Democratic spokesmen in and out of Congress must be willing to offer constructive opposition in the field of foreign policy. Modern Republicanism has not eliminated all differences between the parties on foreign affairs. Many alarming problems are in need of careful scrutiny. Among them are, the validity and responsibility of Mr. Dulles' policy statements and administration, the authority of the executive and legislative branches, our policies in the Middle East and Asia, our relations with our Western allies, our neglect of the good-neighbor policy carefully nurtured by Cordell Hull, our answer to the challenge of nationalism and colonialism, the questions of disarmament and atomic control, the deterioration of our comparative defense strength. The party in control of the executive branch cannot reasonably be expected to offer self-examination and criticism (we Democrats didn't when we were in). Thus only the opposition party offers a channel for legitimate concern and dissent on foreign policy—dissent without disunity. But our own uncertainties and divisions over such basic issues as trade, economic aid, and executive prerogatives, recently demonstrated by our votes on the Mid-East doctrine, must to the extent possible be replaced by a positive consensus that gives the Nation a clear alternative.

6. Finally, and perhaps most important of all, Democrats on the local level must be willing to substitute new life and new leadership for the luxury of petty local factionalism. With a new breed of respected, dynamic professional politicians coming into prominence, we can no longer afford to continue in official party positions tired or tarnished holdovers from another era—men whose stature and activities inspire neither the enthusiasm of volunteer workers nor the respect of their communities—men who keep busy by attending meetings, filing gloomy forecasts and complaints, and fighting zealously to hold on to their positions.

We need another kind of local worker and leader in our party, men and women such as those I met last fall in all regions and particularly in the West—full of enthusiasm, full of new ideas, full of determination, asking nothing in return. Not many of them could buy tickets to the $100-a-plate dinners where few votes are changed, but they could all ring doorbells or hold neighborhood teas. Most of them were the younger members of our party, others were at least young in spirit. But all possessed vigor our party can use all over the country. The future of our party hinges upon this kind of new life and leadership, from the precinct level on up to the host of newly prominent young Democratic governors and Senators: Muskie of Maine, Ribicoff of Connecticut, Gore and Clement of Tennessee, Meyner of New Jersey, Williams of Michigan, Clark and Leader of Pennsylvania, Collins and Smathers of Florida, Neuberger of Oregon, Johnson of Texas, Mansfield of Montana, Humphrey of Minnesota, Symington of Missouri, Jackson of Washington and a whole host elected in 1956, as well as other leaders who have long served the Nation as governors, mayors or in the Congress.

I have offered no single magic formula for a successful Democratic Party and I have proposed no candidates for a winning ticket for 1960. For their identity, I believe, is less important than their capacity for wise, progressive, responsible leadership; their methods of campaigning for victory are less significant than the principles that guide their party.

For "the success of a party means little," as Woodrow Wilson said in his first inaugural, "except when the Nation is using that party for a large and definite purpose." The task of the Democratic Party during the next 4 years is to define such a purpose for all the Nation; and success, I have no doubt, will then be rightfully ours in 1960 and the years beyond.

ADMISSION OF 10,000 REFUGEE ORPHANS

Mr. NEUBERGER. Mr. President, on January 25th, I introduced, for myself and my distinguished colleague from Oregon [Mr. MORSE], the "orphan bill," to reinstate the orphan provisions of the expired Refugee Relief Act and to admit to our country up to 10,000 orphans who have been or will be adopted by American families. In my speech I called attention to the need for prompt action because many orphans already adopted by American families cannot now be admitted, as the fourth preference quotas are oversubscribed and a long waiting period results.

The chairman of the Senate Judiciary Committee promptly wrote on January 30 to the Secretary of State and the Attorney General, requesting reports on my bill from their two executive agencies. More than a month has gone by, while children are separated from their families. Yet I have been advised by the Senate Judiciary Committee that no report has been received from either the Secretary of State or the Attorney General. I hope that these two cabinet members will be able to exercise promptly the responsibilities of their office, and that the reports will be received within the near future.

Since introducing my "orphan bill," S. 866, I have received many hundreds of letters, not only from people of my State, but from people across the Nation, urging prompt action on the bill.

Let me read a letter I recently received from the noted writer and humanitarian, Pearl S. Buck, in support of my bill:

I am delighted to hear that you are interested in a Refugee Act which will enable American children of half-Asian ancestry to be brought into this country for adoption. I am especially pleased because I know personally of many families who would eagerly welcome the children. Some 10 years ago a group of us formed Welcome House, Inc., for the specific purpose of providing adoptive homes for part-Asian children born in the United States. We have been extremely successful and our charter has now been enlarged to enable us to accept children born

abroad. We have an increasing number of families ready to receive these children.

I am glad to hear that the Refugee Act at this time will provide for 10,000 as against 4,000 in the old act. I urge that the act be passed as quickly as possible, for it is sad to think of homeless children waiting on one side of the ocean and childless homes on our side.

I am sure you know, moreover, that these little children of American ancestry in Asia do have and will have an increasingly difficult time, unless and until they are adopted into families.

Mr. President, I know of the great joy and blessings these adopted children have brought to many American homes not only in Oregon but in many other communities across the Nation.

Mr. President, I ask unanimous consent that a letter, dated February 21, which I received from Mr. and Mrs. C. V. Robe, of 480 North Grand Avenue, Burns, Oreg., be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BURNS, OREG., *February 21, 1957.*

The Honorable RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We are greatly pleased to learn of your bill S. 866 to provide visas for 10,000 orphans abroad who have been adopted, to permit orphans who have been admitted on parole visa permanent residence in United States of America, and to continue proxy overseas adoptions under the same safeguards as set forth in the Refugee Relief Act of 1953.

We devoutly hope that this bill will be quickly passed without the hindrances of riders or amendments.

We now have our 11-month-old baby boy adopted from the Korean Government here on parole visa. You may recall we wrote you earlier that we were expecting him. He gained 1 pound and 3 ounces in 4 days! He crows his delight over getting enough food and personal, loving attention. His many visitors of our town, entranced with him, have showered him with lovely gifts—blankets, hand-made animal block quilt, hand-knitted sacque, high chair, teeter-babe, toys, etc. There is no doubt of his being accepted in Burns. Moreover, our own home has been immeasurably gladdened in the way that only a baby can gladden the home.

We thank God and all those who made it possible for us to adopt him. Of course, any thought of his returning to Korea is completely unbearable.

We would like to see others who long for these children given the opportunity to take them into their families so that they also may enjoy the happiness that is ours. The children themselves benefit by being given homes and a decent chance at life.

Enclosed is a snapshot of our son.

Thank you for your kind attention.

Very sincerely,

ELAINE N. ROBE,
C. V. ROBE.

Mr. NEUBERGER. Mr. President, last year the Senate passed in the closing days of the session, my bill to extend and enlarge the orphan quotas of the Refugee Relief Act; but, unfortunately, this proposed legislation was not considered during the adjournment rush of the House of Representatives.

Since many American families had adopted children who were not able to enter the United States because the 4,000 orphan quotas of the Refugee Relief Act had been exhausted, the Attorney General and the Secretary of State—at the urging of the President of the United States, myself, and other Members of Congress—allowed orphans to be admitted under the emergency parole provisions of the Immigration and Nationality Act. The emergency parole provisions, as applied to orphans, expired on February 1, 1957. I have been advised by the Immigration Service that 659 orphans have been admitted to our country under this procedure.

Section 2 of my orphan bill would grant permanent residence in the United States, on the same basis as if they had been issued immigrant visas, to orphans admitted under the parole procedure. Without such a provision enacted into law, these adopted children of American families, such as the 11-month-old boy adopted by Mr. and Mrs. Robe, of Burns, Oreg., would be permanently barred from United States citizenship.

Mr. President, I know of no opposition to admitting to our country up to 10,000 orphans who have been or will be adopted by American families. The plight of these orphans in such countries as Korea, Japan, Greece, Italy, and in the Middle East, is urgent. I hope that the orphan bill, which is noncontroversial, will be considered on its own merits, and will not be attached to the more controversial changes in our general immigration laws, which I also support on their own merits.

I know of no nobler effort than to help these homeless orphans in the distressed areas of the world, and I know of the great happiness which these adopted children have brought to many American homes. I hope the Congress will be able to act promptly on my orphan bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, an excellent article by Bob Stein, which was first published in the St. Louis, Mo., Post-Dispatch, and was reprinted on February 26, 1957, in the Watertown, N. Y., Daily Times. The article tells of the great humanitarian work being done by two outstanding citizens of my State, Mr. and Mrs. Harry Holt, of Creswell.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO HUNDRED AND FORTY KOREAN CHILDREN HAVE ARRIVED IN THE STATES VIA ORPHAN AIRLIFT—IDEA WAS CONCEIVED BY OREGON FARMER WHO ADOPTED EIGHT WAR ORPHANS HIMSELF—HE HAS SINCE BUILT ORPHANAGE IN SEOUL TO COORDINATE MASS ADOPTION PROGRAM

(By Bob Stein)

Eight small children tonight will bow their heads in the nursery of a big Oregon farm home while a kindly gray-haired woman recites a prayer she wrote especially for them.

"And, dear God, remember my parents by birth, my GI father and my Korean mother. Teach them that the Lord Jesus Christ died for their sins, and that believing in Him they may inherit eternal life. And save me, too, so I can meet them in Heaven."

After each child has been tucked in bed and kissed goodnight, Mrs. Harry Holt will snap off the lights and go back down the stairs to her office. There she will continue work on the Holt family's mission to rescue unwanted children from Korea, a mission conceived at a church meeting in Eugene, made possible by a Presidential signature and certainly, says Mrs. Holt, "started by the Lord."

The bedtime ritual reflects the basic way of life which has not changed at the prosperous 353-acre farm at Creswell since Mrs. Holt first recited her GI prayer to the children on October 14, 1955. That was the day the clipper *Trade Winds* landed at Portland's International Airport and a dozen babies, 8 for his own family and 4 for other parents.

The story of Harry and Bertha Holt and their determination to bring mistreated, mixed-blood children from Korea to America began in December 1954, when they drove the dozen miles from their farm to a lecture and movie in Eugene.

The lecturer was Dr. Bob Pierce, president of World Vision, Inc., an interdenominational Christian organization which supports orphans and widows in Korea and Formosa from funds contributed in this country. The movie was about Korean orphans and the tragedy of unwanted children left behind by American servicemen. The film haunted the Holts, haunted them so much it was to change everything about their lives except the principles by which they live.

At home following the lecture and film, Harry and Bertha discussed the evening with their six children. The children were as eager as their parents to do something about the war orphans. They decided it would be fine to double the size of their family, to adopt eight Korean orphans.

That decision led to problem No. 1. The Refugee Relief Act limited to two the number of children they could adopt and bring to America. A special act of Congress was the only answer and Holt dashed off a letter to Oregon's Senator RICHARD NEUBERGER. Before waiting for Congress to act, Holt left for Korea on Memorial Day, 1955. Immediately he set out to find his eight orphans.

Shocked and grieved by what he termed "the pitiful conditions of the GI children in Korea," Holt wrote to his family, "the Koreans have never had a race problem and they are determined not to have one. The mothers hide their children as long as they can, but when they are 2 or 3 years old and get out to play with the other children, the trouble begins. The Korean children mob the mixed-blood children, and in some cases even murder them. Their bodies are washed up on the beaches or found in ditches. * * *"

While Holt traveled by jeep from orphanage to orphanage in war-devastated Korea, Senator NEUBERGER and his colleagues from Oregon, Senator WAYNE MORSE and Representative EDITH GREEN, went to work in Washington. On July 29, 1955, the Senate passed a bill to allow Mr. and Mrs. Holt to bring to the United States 6 Korean war orphans, in addition to the 2 Korean orphans permitted under the Refugee Relief Act. President Eisenhower signed the bill in August 1955.

Following the assist from Congress and the President, the Creswell farm hummed with sounds of harvesting equipment and sewing machines.

"Oh, we were busy, all right," said Mrs. Holt. "We did the harvesting. We varnished and painted old cribs. We made clothes and purchased bottles and diapers. Lots of our friends gave us things, too. We are very thankful for all that people have done for us."

By A-day, as the Holt children called arrival day, the nursery in the farm home was filled with 2 rows of 4 cribs each. Across one wall of the room were three shelves, all stacked with toddlers' clothes, all pretty, all strange and mostly all too large for the undernourished brood about to arrive.

Two tables were shoved together in the dining room, and places, complete with placecards, were set for 16. After leaving final word with a neighbor woman who was to

cook the welcome-home dinner, the Holts piled into their car and a borrowed station wagon for the 125-mile drive to Portland to greet Holt and the newest members of their family.

In Korea, Holt was kept grounded by minor—but frustrating—delays. Some of the tots had not sufficiently recovered from dysentery to make the transpacific flight; visas were slowed up at American headquarters in Honolulu, bounced back to Washington and were not finally straightened out until Senator NEUBERGER wired a strong protest to the Immigration Service; Typhoon Nora at the last minute socked in Tokyo airport, and, once underway, the plane developed mechanical trouble over the Pacific and was forced to return to Wake Island for repairs.

While Holt's wife and children were driving to Portland, the airline announced the mechanical trouble would delay the flight 6 hours. Bertha Holt, accustomed to delays, was philosophical.

"We've been ready for so long, it was just good to get away from home," she said. "A few hours more won't make any difference."

Thousands of persons—more than greeted General MacArthur, said one wag—jammed the sunbathed airport to greet the plane and its cargo. As the plane taxied up to the terminal building Mrs. Holt bowed her head in prayer, then looked up and shouted: "Oh, there's a baby."

Since that moment when Mrs. Holt saw a baby peering from a porthole in the Stratoclipper, a baby, some baby, has been very much a part of her life. And a baby, some baby, has been very much a part of the life of everyone of the other members of the Holt family.

About help to care for the children, Mrs. Holt laughed and said, "We'll have plenty of help. I've raised my own help."

Then she pointed proudly to her own six children.

Exhausted after the 48-hour flight, Holt loaded the children in the station wagon and headed for Creswell. There the mustached, 51-year-old farmer told his story:

"At first we started sponsoring 3 children at $10 a month through the World Vision Orphanage plan. We decided that was not enough. We have lots of room here and lots of food on our farm and lots of help. We decided to bring some here to share it all with us.

"The needs of the children in Korea are beyond an American's understanding. I've picked up babies in my arms in orphanages over there that were mere skeletons. The people over there asked me not to tell Americans how bad it really is, because Americans probably wouldn't understand. I'm only a farmer, I haven't the polished words or vocabulary, but I hope when word gets around, people will support these children who so much need our help."

Picking up the tiny arm of his new daughter, Betty, now age 2, Holt smiled and said: "It has been more fun than you can imagine putting meat on one of these little kids. You know, there was another little girl over in that orphanage. I sure would have liked to have brought her back home. But I had used up my quota * * *."

The word did get around. It got around so fast that the Holt's first dinner together in months was interrupted by a jangling telephone. It was a woman in Albuquerque who wanted information about how to adopt a child.

"Just send me your name and address and I will tell you all about it," Mrs. Holt told the caller. She was too excited at the homecoming to get the woman's name.

Throughout the months since October 1955 the telephone has kept ringing, the letters have kept coming.

The gameroom in the Holt basement was converted into an office where Mrs. Holt and 3 other women answered on the average, 300 pieces of mail which arrived each day. Applications for adoption came from every State except Maine.

The immigration deadline for completion of the orphans' visas expired last December 31, but President Eisenhower ordered an extension in the Holt case until January 31. Senator NEUBERGER plans to introduce a bill in Congress to set up a 5-year program for admission of the Korean orphans.

To coordinate the mass adoption program in Korea Holt built and furnished an orphanage in Seoul, which is run by five people, including his daughter, Molly. Office workers there work out adoption details with the Korean Government while medical personnel care for the children, all of whom are awaiting transportation to American homes.

Since the start of their program, the Holts have brought 240 children to the United States, and, although the adopting parents are expected to pay transportation costs for their newly adopted children, the Holts have spent more than $50,000 of their own funds.

Extra funds are coming in slowly from proceeds from a book Mrs. Holt wrote and had printed herself about the orphans, their plight in Korea, their adjustment in American homes.

The book is sold principally from her home but also in a few bookstores. It is called The Seed From the East, a title taken from a verse in Isaiah, a verse which adorned the birth announcement the Holts sent out in 1956 on the arrival of their eight new children.

The Holts' seeds from the East are Christine, now 4½; Mary, 4; Helen, 2½; Betty, 2; Joseph 4½; Robert, 4; Nathanel, 2½; and Paul, 2.

Today, the youngest Holts eat everything; even the bacon they couldn't touch at first because, as Holt warned, "That fat makes them sick and you'll be sorry if you give it to them."

In the little town of Creswell (population 662), there are no preschool classes and the children are taught at home.

Korean is now a strange language to all but Joe, who acts as official interpreter when the Holts put up an orphan child while he is awaiting transportation to a new home. The older Holts are teaching the youngsters to recite the 23d Psalm as part of their daily training.

TRANSFER OF PRESIDENT'S DISARMAMENT ADVISER, MR. HAROLD STASSEN, FROM WHITE HOUSE TO DEPARTMENT OF STATE

Mr. HUMPHREY. Mr. President, in the past few days the press has reported that the office of the President's Disarmament Adviser Harold Stassen, has been transferred from the White House to the Department of State. It is further stated that although Mr. Stassen would retain a seat on the National Security Council on a personal basis, he would receive policy direction from and report to the Secretary of State.

It seems to me, in light of that announcement, that the President should clarify what this organizational shift portends for the future.

When Mr. Stassen was appointed by the President in March 1955 the peoples of the world were told that this signified that the United States was placing top priority on the problem of achieving control over the weapons of war. Disarmament was regarded as an urgent matter requiring the close attention of the President, and so our Chief Executive selected a man to be his adviser whom he considered a close friend and a valuable and competent member of his team. Many thought that this high-level appointment of Cabinet rank would provide a necessary impetus to bring progress on a problem which for 10 years had remained insoluble.

My question is, Does the switch from the White House to the State Department signify that the control and reduction of armaments is being relegated to a low priority? Does the President believe Mr. Stassen is not able to accomplish his mission? We are entitled to know what the President believes the prospects are for reaching agreement with other nations.

Although many people hailed Mr. Stassen's appointment with favor, there were others who warned that removing disarmament problems from the jurisdiction of the Department of State was a mistake, that disarmament was an integral part of our foreign policy, and could not be divorced from other aspects of our foreign relations. Indeed, we have witnessed more than one occasion when the President's disarmament adviser and the Secretary of State issued conflicting statements. Lack of coordination was not the only deficiency caused by the removal of the disarmament problem from the broad framework of foreign policy. The Senate should know that Mr. Stassen, as disarmament chief, was prohibited from negotiating on certain aspects of the arms control problem. He could not deal with specific control measures for individual geographical areas. He could not discuss with other governments any of the related political issues which bear on the existence of an arms race. These deficiencies should be recognized and corrected in any reorganization of the handling of disarmament by the executive branch.

Integration of the Office of Disarmament into the Department of State should not result in repeating errors of the past.

I would note at this point that the Senate Subcommittee on Disarmament has made a very exhaustive examination, in one of its staff studies, into the relationships of Mr. Stassen's office with other agencies of government. It is worthy of the attention of the Members of Congress.

It seems to me disarmament is at least as urgent as it was in March 1955. Therefore, it must not become lost in a little office on the fourth floor of the State Department, and henceforth be forgotten. It worries me that with the Secretary of State traveling so much, and with his tendency to ignore the advice of able subordinates, opportunities to make progress will be lost. Those who handle disarmament negotiations and planning should give it their full attention. They should have imagination and courage to explore new avenues. They should be competent. They should have authority to see that decisions and plans are not postponed because the interested elements in the bureaucracy cannot reach agreement. That statement is made with some knowledge of the delays which seem to be so prevalent in the bureaus of Government in the executive branch.

In short, the President's decision can provide our Government with a fresh approach and greater efficiency in working for the control of armaments, or it can result in a backward step and another area of our foreign policy where leadership is lacking. It is my hope, as chairman of the Senate Subcommittee on Disarmament, as a United States Senator, and as a citizen, that our country will pursue with renewed vigor and diligence the task of reducing the threat of nuclear annihilation, always recognizing our responsibility to our own country and to the world to make sure that whatever proposals may be agreed upon or advanced are foolproof in terms of any dangers involved.

On Monday afternoon, March 11, at 4 p. m., it is the intention of the Senate Subcommittee on Disarmament to have Mr. Stassen appear before it to explain to us his role under the new organizational arrangements, as outlined recently in the press and on television. I digress to say that, as usual, no formal declaration has come to us regarding the arrangements, but it is always interesting, if one has the time to do so, to learn about one's Government on television. I really enjoy that, if I can find the time to do so. It is always worthy of one's attention to read the press to learn how the Government is being conducted and operated. I commend the press for detailed reports on the new organizational arrangements. Now we shall look forward to hearing from the officer of Government whom these arrangements seem to concern.

MEETING OF SECURITY COUNCIL OF THE UNITED NATIONS, FEBRUARY 21, 1957

Mr. MORSE. Mr. President, on February 21, 1957, there occurred a very interesting meeting of the Security Council of the United Nations, presided over by the February President of the Security Council, Ambassador Jarring, of Sweden. In the course of the Council meeting there were some very interesting remarks by President Romulo, of the Philippines, and Dr. Frank Graham, a former Member of the United States Senate. This meeting dealt with an exceedingly important foreign policy issue. Without taking the time to read the remarks of Dr. Frank Graham and President Romulo, I ask unanimous consent that they be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

At the invitation of the President, Dr. Frank Graham, United Nations representative for India and Pakistan, took a place at the Security Council table:

Dr. GRAHAM (United Nations representative for India and Pakistan). I wish, Mr. President, to give you my cooperative and loyal good wishes for your most important mission. I congratulate you on the opportunity to negotiate with the Governments of two great peoples whom I not only respect, but, if I may say so, have come to love for themselves—their history, their heritage, their heroic struggles with gigantic problems and yet, withal, with a joyous and youthful hope.

I congratulate the Council on your acceptance of this mission, Mr. President, for which you are by ability, experience, and disposition so eminently qualified and to which you bring the prestige of the office of President of the Security Council itself. Godspeed to you on your mission, to the efforts of the Security Council, to the cooperation of the two Governments with you and to the untiring work of an ably led and dedicated Secretariat, as they all work together and stand firm on the moral foundations of the life and values of the United Nations in this time of hazard and hope.

The member nations of the United Nations must apply, with equal justice under the charter, the principles of the United Nations to all nations, large or small, friend or foe, east or west. Problems, situations, disputes, cases on the agenda of the United Nations have their ups and downs and come and go, but the United Nations goes on, deep in the minds and hearts of the people as they do their day's work and pray and hope, in the great adventure of building a freer and fairer peaceful world for all peoples in all lands.

The PRESIDENT. I want to thank Dr. Graham for the kind and encouraging words which I have just heard from him. I am very happy to know that I shall be able to draw upon his great wisdom and experience in the matter we have before us.

* * * * *

Mr. ROMULO (Philippines). The Philippine delegation would like to place on record its appreciation that the President of the Council has decided to accept this delicate and difficult mission that has been entrusted to him. We wish him success and Godspeed.

My delegation also wishes to pay tributes to the statesmanlike performance of Dr. Frank Graham, who also addressed us this afternoon. We are deeply indebted to him for his great devotion to duty, his impartiality in weighing the facts as he found them and the clear manner in which he has placed the issues before us for our guidance and consideration. I am confident that he has won the respect of both parties to the Kashmir dispute, as well as the admiration of the world. I have had the pleasure of going through his reports and I am satisfied that he approached his task with an eminently judicial mind and that his findings constitute a fair and accurate basis for judgment in this case. In the name of my Government, I wish to thank Dr. Graham for his fidelity to this most difficult duty which this Council has assigned to him.

THE CALENDAR

The PRESIDING OFFICER (Mr. PAYNE in the chair). If there is no further morning business, morning business is closed; and, under the order previously entered, the Senate will now proceed to the call of the calendar of bills and other measures to which there is no objection.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFICER. Without objection, it is so ordered.

The clerk will state the first measure in order on the calendar.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 2) to create a joint Congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President was announced as the first measure in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF CARLIS STENDER

The concurrent resolution (S. Con. Res. 12) withdrawing suspension of deportation of Carlis Stender was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. A. 1256 (a)), withdraws the suspension of deportation in the case of Carlis Stender (A-2180275) which was previously granted by the Attorney General and approved by the Congress.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 11) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6716766, Alfonso, Jose Fortich.
A-6049986, Alter, Chain.
A-10135642, Alter, Paula.
A-6821652, Chao, Chi-Hsien.
A-7174725, Chillemi, Agatino.
A-5225158, Chor, Lin Yet.
A-9769273, Choy, Yen Chu.
A-9635428, Constantinides, Michael.
A-7485232, Crisci, Chung May Fong.
T-2672020, Cuevas-Fausto, Marciso.
A-2545910, Goumas, Costas Theodore.
A-6662794, Halberstam, Hersch.
A-6463603, Halberstam, Brucha.
A-7858110, Halbrecht, Miriam Baraks.
A-7821864, Huerta, Juana Villanueva De.
A-7821806, Huerta-Villaneuva, Elena.
A-7457147, Iniguez-Gomez, Martin.
0900-55639, Iniguez, Petra Martinez De.
A-6760550, Klein, Leon.
0300-403947, Lam, Bee.
A-3976235, Lam, Tit Hong.
T-2671967, Lopez-Martinez Fidencio.
A-5319344, Minami, Tom Miyoshi.
A-4802395, Miyashta, Hisano.
0900-63110, Ortiz-Soto, Efrain.
A-5977278, Santos, Marcolino.
A-1985208, Veronis, Gerasimos Nicholaou.
A-4956624, Wallace, Empson Clarkston.
T-1496984, Uyeyama, Miyasumi.
A-4095935, Aguirre-Ruiz, Jose.
A-7354329, Arbutjman, Lejb Bernardo.
A-6612013, Arzrouni, Achoude.
A-4784317, Bakker, Harry Paul Marinus.
1600-97772, Barra-Duarte, Aureliano.
A-2938135, Beker, Leon.
0900-64192, Camarena-Arias, Juan.
A-9669215, Dedo, Styepo.
A-9737095, De Moura, Julio.
A-7898941, Douakos, Carmen Maria.
A-6507735, Douakos, George.
A-9518412, Foo, Nee Ah.
E-89750, Gee, Chin Jun Kim.
0900-64550, Hernandez-Castro, Juan.
A-6048903, Huerta-Santellan, Angel Magdaleno.
E-056666, Joe, Kwok Liang.
E-056667, Joe, Paylan Liang.

E-056668, Joe, Lee San.
A-6507759, Legister, Albert John.
T-2760961, Levy, Rene Cisneros.
A-7250484, Lockhart, Baleeka.
V-319235, Long, Haydee Rueda.
A-4954329, Lumas, Joseph.
A-6736819, Madrazo, Elisa Amparo.
A-8676965, O'Donnell, William John.
A-7270220, Palombella, Francesco.
A-9707191, Ramos, Pedro.
A-6711481, Risk, Alfred Alexander.
T-2760421, Rodriguez-Garcia, Rafael.
A-3822477, Sanchez-Alejandro, Esteban.
A-3038125, Sanchez-Alejandro, Filomeno.
A-4010160, Sanchez-Alejandro, Gregoria.
A-4209497, Sanchez-de, Natividad Bazan.
T-1499169, Si, Wang.
A-5904796, Su'a, Kipeni.
A-4219056, Temita, Tamio.
A-5328975, Traynor, Janet Jessie.
A-9581816, Trojanovic, Pedro.
A-5423889, Tsien, Wei Hwa.
A-6036572, Tsien, Wei Nan.
E-44755, Vega, Maria.
A-3610417, Ying, Teresa.
A-10086556, Ying, Yuen.
0966-363, Zamarripa-Barrera, Petra.
0966-364, Zamarripa-Barrera, Enrique.
A-2821296, Cnapich, Joseph.
A-7225061, Di Mambro, Edoardo.
V-1240687, Okana, Takeko.
A-7469332, Nevarez-Meras, Alberto.
A-7044290, Ramirez-Mata, Carlos.
T-2672016, Ramirez, Petra Aida Montes De.
A-7188173, Roden, Adolf.
A-5528068, Todeschini, Isidoro Oreste.
A-6346278, Valkana, Constantinos.
A-6357988, Valkana, Panagiota.
A-6078003, Browne, Cynthia.
A-6079549, Browne, Rudolph.
A-8938372, Browne, Albert.
A-6079545, Browne, Leslie.
A-6078002, Browne, Vernon.
A-6870027, Fong, Way Chong.
A-7367898, Chu, Lau Hing.
A-5978605, Engelmann, August Max.
A-5763362, Fong, Liu.
A-4030307, Hee, Yep.
A-5967406, Ikari, Manuel Enrique.
A-5982007, Katsuro, Shuhei.
A-6886810, Lawrence, Genoveva Adelina.
A-5814895, Marshall, John Neil.
A-4080362, Maya-Ybarra, Francisco.
A-4334330, Miki, Tomiso.
A-10416358, Orosco-Estrado, Pedro.
0300-387312, Quintero-Torcano, Candido.
A-5248778, Singh, Channan.
A-6352536, Soltero, Silverio.
A-8039899, Stumbaugh, Giovanna Flammini Di Loreto.
A-8901478, Tang, Lily Cheng-Li.
1600-101438, Toro-Moreno, Manuel Del.
A-10504578, Valles, Luz Gasca De.
1500-42507, Velez, Esteban.
1500-42508, Velez, Eduviges.
1500-42509, Velez, Elvira.
A-7283659, Wah, Leung.
T-1892615, Foo, Wong Ah.
A-9747459, Henderson, Cecil Ashton.
A-6097780, Honda, Katsuki.
A-2573276, Li, I-Ying.
A-4829250, Mischler, Richard Robert.
A-6063644, Nielson, Lindsay Franklin.
A-6930858, Paradissis, Philip John.
A-8683007, Petrizzo, Maria Rosaria.
A-7761743, Pigulewski, Nicholas De Lorence.
A-1857088, Redko, Ilsey Ivanovich.
A-10086222, Scurvin, Lancelot Seymore.
A-2994820, Alfaro, Lydia Molina De.
A-8021753, Alfaro-Molina, Samuel.
A-6160109, Davis, Guy Henry.
A-7391996, Herrera-Ruiz, Juan.
A-3972563, Kogano, Takashi.
A-9708088, Naum, Lee.
0300-415842, Ong, Min.
A-5166985, Perez-Perez, Ruben.
A-10492500, Peres, Socorro Luna De.
A-10492499, Luna, Maria de Jesus.
A-6082062, Sing, Au.
E-118899, Wong, Ah Liang.
A-2185719, Alie, Alex.
A-5672561, Haviasa, Jan Kiecanda.
A-4967860, Korogiannos, Eponinodas.
A-9645741, Lee, De She.
0300-398983, Leong, Mock Fock.
A-8014958, Nardo, Albert Di.
A-6161490, Ozawa, Atsumi Angelica.
A-6354359, Perlaki, Thomas.
A-7764289, Plaushak, Pamela Lyss.
A-7930337, Foy, Ngai Kai.
T-1892169, Sam, Chin You.
A-9513946, Sze, To King.
A-6161489, Yoshimura, Suzuko.
A-7284855, Benn, Hajara Singh.
A-6226075, Carlson, Susan.
A-3497151, Cosgrove, James.
A-8258649, Domingues, Beatrice Rodrigues De.
A-10474407, Guerra, Maria Tovares De.
A-4352288, Hurtado, Lucia Espinosa De.
A-8832503, Maser, Carmen Enriqueta De.
A-9501884, Michalakis, George.
A-7772769, Pinedo-Tamayo, Adolfo.
A-2706650, Sato, Kunishige.
A-7295956, Villapudua-Sanchez, Armando.
A-2319483, Zara, Thomas.
A-5997836, Gonzales, Feliciano.
A-5882765, Gutierres, Angelina Cuellar.
A-3658450, Lee, Hsin Chin.
A-9747187, Locke, George Frederick.
A-2008978, Maticsuk, Nicolaj.
A-6459301, Paneth, Lea.
A-8851449, Ulrych, Boruch.
A-8851450, Ulrych, Chaia Tauba.
A-3812648, Won, Tom Yon.
A-7439457, Aguirre, Rita Talavera De.
A-6484421, Fischer, Isidor.
T-303675, Garcia-Ramos, Eulalio.
A-9333333, Jit, Boh Tong.
A-3818721, Jung, Wood Dar.
A-8039673, Kenui, Joseph.
A-7290162, Lee, John.
A-5360726, Maldonado-Gonzales, Fidel.
A-8258739, Padron-Lizana, Enrique.
A-1196312, Silverman, Ada.
A-5753515, Sutherland, William George.
A-7363001, Vernazza, Gina Letina.
A-8871495, Ybarra-Torres, Eugenio.
A-7276512, Wing, Jew.
A-9151185, Akerberg, Hjalmar Alfons.
A-9684304, Fat, Lam.
A-7361923, Jung, Guey.
A-9538393, Leetmaa, Kaarel.
A-8870247, Naito, Tomio.
A-4758337, Nelson, Minnie.
A-6496278, Oriel, Benjamin Joseph.
A-4234512, Paz, Alicia Hernandez De.
A-3095797, Teichlis, Vasilios.
A-4381523, Cook, Anthony.
A-5944885, Crowther, Angela Knez.
A-6899161, Dirks, Hendrik.
A-4820438, Frangos, Nicholas Kostantinos.
A-8154701, La Guardia, Francisco Marti.
A-9117178, Legac, George.
A-5963811, Miculinic, Joseph.
A-10499492, Mohamed, John.
A-4906873, Pizarro, Emilio Anastacio.
A-5997834, Prieto, Angel.
A-5997834, Prieto, Jr., Angel.
A-7201763, Scott, George Edward Wisdom.
A-10416855, Atiliano, Berta Morales De.
A-0517004, Fong, Foh Hua.
A-10075140, Foo, Mah Hong.
A-5549546, Friedrich, Hans Max.
A-7984748, Gonzalez-Perez, Angel.
A-3673618, Green, Caroline Louise.
A-6549173, Lazaro, Pelagia Javier.
A-6614916, Livas, Gregory Panagiotou.
A-5785564, Merayo, Agustin.
A-74445700, Niewolkiewicz, Mary.
A-10416327, Ramirez, Luis Ortega.
A-7841671, Shew, Gee.
A-1305814, Diamond, Philip.
A-6478840, Figueroa-Ayuso, Eulalio.
A-10256536, Hung, Wong.
A-7140275, Lopez-Barragon, Nicolas.
A-5372459, Marcev, Samuel Anton.
A-5775460, Naess, Fred.
A-7116379, Scime, Marianne.
A-3747236, Tai, Mook Hoo.
A-8883649, Barbosa-Gomez, Luis Emilio.
A-7251809, Kehoe, Sophie.
A-8190275, Lai, William.
A-1945349, Rumenko, Frank.
A-7028911, Shavulsky, David.
A-5415136, Shavulsky, Goldie.
A-7028913, Shavulsky, Sylvia.
A-8582980, Syrigos, Antonios.
A-6849417, Tung, Ching Chen.
A-6967562, Tung, Lillian Liu.
A-9662775, Van Diepen, John.
A-9260398, Ward, Frank Joseph.
A-10255874, Chow, Fai King.

JOAN YUNG-EN CHAO

The bill (S. 63) for the relief of Joan Yung-en Chao was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joan Yung-en Chao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

VINCENT LEE LAO

The bill (S. 75) for the relief of Vincent Lee Lao was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Vincent Lee Lao shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HEWEY MALACHI MACKEY

The bill (S. 158) for the relief of Hewey Malachi Mackey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hewey Malachi Mackey shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JEW GIM GEE

The bill (S. 162) for the relief of Jew Gim Gee was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jew Gim Gee, shall be held and considered to be the natural-born alien child of Jew Suey Thit, a United States citizen.

KEW CHAN AND OTHERS

The bill (S. 225) for the relief of Kew Chan and others was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kew Chan (Chan Kew), Nancy Tsui Mei (Leung) Chan, and Cecilia (Oi Fan) Chan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such aliens as provided in this act, the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the appropriate quota for the first year that such quota is available.

KI YOUNG KWAN—BILL RECOMMITTED

The bill (S. 446) for the relief of Ki Young Kwan was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. JOHNSTON of South Carolina. Mr. President, acting for the Committee on the Judiciary, I wish to state that Senate bill 446 was reported favorably on February 4, 1957, by the Committee on the Judiciary, and was placed on the calendar. Subsequent to that action, information was received which indicates the necessity for further investigation by the committee.

I therefore move that the bill be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina that the bill be recommitted.

The motion was agreed to.

ATHANASIOS NICHOLAS PRITTES

The bill (S. 458) for the relief of Athanasios Nicholas Prittes (also known as Thomas Prites, or Tom N. Phillips) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Athanasios Nicholas Prittes (also known as Thomas Prites, or Tom N. Phillips) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PAUL YEN-HSIUNG FENG AND OTHERS

The bill (S. 461) for the relief of Paul Yen-Hsiung Feng and his wife, Mary Stella Pao-Ching Feng, and their minor child, Joseph Shao-Ying Feng was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Paul Yen-Hsiung Feng and his wife, Mary Stella Pao-Ching Feng, and their minor child, Joseph Shao-Ying Feng, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

CALE P. HAUN AND JULIA FAY HAUN

The Senate proceeded to consider the bill (S. 674) for the relief of Cale P. Haun and Julia Fay Haun, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 5, after the word "stockholders", to strike out "until the two hundred and fiftieth" and insert "beyond the thirtieth", so as to make the bill read:

Be it enacted, etc., That, for the purpose of determining the individual liability for income taxes for the taxable year 1953 of Cale P. Haun and Julia Fay Haun, the elections of said Cale P. Haun and Julia Fay Haun, sole stockholders of River Grange Co., Inc., which was liquidated pursuant to a plan of complete liquidation adopted on December 24, 1953, to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code shall be considered to have been filed within 30 days after the date of adoption of such plan, such benefits having been denied because the mailing of such election was delayed, without negligence or fault on the part of such stockholders, beyond the 30th day following the adoption of such plan.

Mr. PURTELL. Mr. President, reserving the right to object, may we have an explanation of the bill?

The PRESIDING OFFICER. Does the Senator object to the consideration of the amendment?

Mr. PURTELL. I do not object to the consideration of the amendment. I reserve the right to object to the passage of the bill.

Mr. JOHNSTON of South Carolina. Mr. President, this bill will grant relief to the claimants by providing that in determining their 1953 individual income-tax liability they shall have the benefit of certain provisions of the Internal Revenue Code to which they would have been entitled if they had filed an election within 30 days. They did not file an election because the attorney who was handling the matter for them suffered a disabling cerebral hemorrhage. As soon as the claimants themselves learned of the default, they filed the election. The committee has approved similar relief for another claimant in the bill, H. R. 1596 of the 82d Congress, which became private law. The bill would confer no advantage to the claimants except that which they would be entitled to under general law if they had filed within the prescribed period.

The situation was brought about by no fault of their own, but by reason of the condition of their attorney.

Mr. PURTELL. I thank the Senator from South Carolina for his explanation. I offer no objection.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF AIRCRAFT FLIGHTS OVER URBAN AREAS

The resolution (S. Res. 87) favoring regulation of aircraft flights over urban areas was considered and agreed to, as follows:

Resolved, That it is the sense of the Senate that the Civil Aeronautics Board and other appropriate authorities exercise immediately and to the fullest practicable extent the authority which they now possess under existing law to regulate the flight of civilian, military, and private aircraft including experimental, test, or other flight, over and in the vicinity of urban areas in order that the possibility of damage to persons and property resulting from airplane accidents be lessened and that greater safety be provided both in the air and on the ground.

CHARGING OF INTEREST ON DEPOSITS TO THE CREDIT OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The bill (S. 601) relating to the charging of interest on deposits to the credit of the civil service retirement and disability fund was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 (e) of the Civil Service Retirement Act, as amended, is amended by adding at the end thereof the following: "No interest shall be charged for any period of separation from the service which began before October 1, 1956."

Sec. 2. The amendment made by this act shall take effect as of October 1, 1956.

ORDER NO. 62

Mr. JOHNSTON of South Carolina. Mr. President, S. 601 makes a technical change in Public Law 854, approved July 31, 1956, the effective date of which was October 1, 1956, in order to prevent the imposition of an inequity on a limited number of Federal employees. Correction of the inequity has been recommended by the Civil Service Commission and the Comptroller General.

The situation to be corrected is as follows: Under the law which existed prior to October 1, last year, employees who had withdrawn their deposits from the retirement fund were not charged interest during periods of separation from the service. Under the law which was enacted last year, it became mandatory that interest be charged from the date the refund was obtained to the date it was repaid, irrespective of whether the employee was in or out of the Federal service.

The interpretation given the law was that it had a retroactive effect. This was not intended. It was intended that it should apply only to cases that arise in the future.

APPOINTMENT OF JOHN NICHOLAS BROWN TO THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The joint resolution (S. J. Res. 47) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. TALMADGE. Mr. President, Calendar No. 70, House Joint Resolution 202, is identical with Senate Joint Resolution 47. I ask unanimous consent for the present consideration of the House joint resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 202) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (H. J. Res. 202) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 47 is indefinitely postponed.

PRINTING OF HEARINGS TO AMEND SECTION 2 OF THE CLAYTON ACT

The concurrent resolution (S. Con. Res. 13) to provide for the printing of additional copies of hearings held by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on the Judiciary 2,000 additional copies of the hearings held by the Subcommittee on Antitrust and Monopoly on June 21, 26, 27, 29, 30, July 3, and 5, 1956, on bills to amend section 2 of the Clayton Act.

RESOLUTION PASSED OVER

The resolution (S. Res. 24) to amend Rule XIV of the Standing Rules of the Senate was announced as next in order.

Mr. PURTELL. Over.

Mr. CLARK. Over.

The PRESIDING OFFICER. The resolution will be passed over.

LEE CHONG TAIK

The bill (S. 94) for the relief of Lee Chong Taik was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (A) of the Immigration and Nationality Act, the minor child, Lee Chong Taik, shall be held and considered the natural-born alien child of Mr. and Mrs. Otto V. Byhre, citizens of the United States.

CORAZON A. MANAYAN

The bill (S. 96) for the relief of Corazon A. Manayan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Corazon A. Manayan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DR. CHEN-EN LU

The bill (S. 97) for the relief of Dr. Chen-en Lu was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Cheng-en Lu, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARY C. FREDERICK

The bill (S. 184) for the relief of Mary C. Frederick was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Administrator of Veterans' Affairs is authorized and directed to pay to Mary C. Frederick, the widow of Alex J. Frederick (XC-11542142), a sum equal to the amount which would have been payable to her as death benefits for the period beginning March 24, 1950, and ending on May 2, 1953, on account of the death of the said Alex J. Frederick, had her application for such benefits been filed within one year from the date of the death of her husband.

MARY PALANUK

The bill (S. 185) for the relief of Mary Palanuk was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding any statute of limitations, lapse of time, or any prior adjudication of this claim by any court of the United States, jurisdiction is hereby conferred upon the United States District Court for the District of North Dakota to hear, determine, and render judgment in the claim of Mary Palanuk, arising out of the death of James Palanuk, on December 25, 1947, under a policy of national service life insurance issued on the life of the said James Palanuk by the Veterans' Administration. In the adjudication of such claim the said James Palanuk shall be held and considered to have filed timely application for waiver of premiums under said policy of national service life insurance on the ground of total disability for the period August 25, 1945, to December 25, 1947, date of death. Such suit may be instituted at any time within 1 year after the date of enactment of this act: *Provided, however,* That nothing contained in this act shall be construed as an inference of liability on the part of the United States Government.

JOHANNES SUKEVAINEN

The bill (S. 271) for the relief of Johannes Sukevainen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Johannes Sukevainen. From and after the date of enactment of this act, the said Johannes Sukevainen shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

MARGARET KWEI CHANG (MARGARET HUA-CHEN KWEI)

The bill (S. 589) for the relief of Margaret Kwei Chang (Margaret Hua-Chen Kwei) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Margaret Kwei Chang (Margaret Hua-Chen Kwei) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JOSEPHINE RAY

The bill (S. 615) for the relief of Josephine Ray was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of any laws conferring rights, privileges, or benefits upon widows of veterans of World War I, Josephine Ray, of Long Beach, Calif., shall be held and considered to have been lawfully married to William Thomas Ray (deceased, XC-1932111), a veteran of World War I, during the period from December 16, 1925, to October 7, 1948, the latter date being the date upon which the marriage between the said Josephine and William Thomas Ray was legally consummated, after the said persons discovered that the original marriage contract between them on December 16, 1925, was invalid.

Sec. 2. The said Josephine Ray shall be entitled to any benefits she becomes entitled to by reason of the enactment of this act as of the date of the death of her husband, William Thomas Ray.

GEORGIANA CHING HSIEN (LIANG) NEW

The bill (S. 753) for the relief of Georgiana Ching Hsien (Liang) New was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act,

Georgiana Ching Haien (Liang) New shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

GUILLERMO B. RIGONAN

The bill (S. 827) for the relief of Guillermo B. Rigonan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That for the purposes of the Immigration and Nationality Act, Guillermo B. Rigonan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

REDENTOR LIGOT ROMERO

The bill (S. 890) for the relief of Redentor Ligot Romero was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding any other provision of the Immigration and Nationality Act, Redentor Ligot Romero shall be held to be classifiable as a nonimmigrant student under section 101 (a) (15) (F) of the act and permitted to remain in the United States for a period of not more than 2 years, or until such time as he completes his musical education, whichever occurs sooner.

PETER V. BOSCH

The Senate proceeded to consider the bill (S. 189) for the relief of Peter V. Bosch, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the word "of", where it appears the first time, to strike out "$250" and insert "$175," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter V. Bosch, of Rugby, N. Dak., the sum of $175, representing the value of his Holstein cow which died shortly after and as a result of injuries sustained by her while undergoing an examination for disease conducted by representatives of the Disease Eradication Branch of the Agricultural Research Service of the Department of Agriculture on May 6, 1955: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTHER GUAGLIARDO

The Senate proceeded to consider the bill (S. 288) for the relief of Esther Guagliardo, which had been reported from the Committee on the Judiciary with an amendment in line 4; after the numerals "(12)", to insert "(17)", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (9), (12), (17), and (19) of section 212 (a) of the Immigration and Nationality Act, Esther Guagliardo may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That, this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JULIAN D. DYCAICO

The Senate proceeded to consider the bill (S. 407) for the relief of Julian D. Dycaico, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding any statute of limitations or lapse of time, the Secretary of the Army is authorized and directed (1) to consider and determine any claim filed under section 2734 of title 10 of the United States Code within 1 year after the date of enactment of this act, by Julian D. Dycaico, of the Province of Pampanga, Republic of the Philippines, for compensation for the use of certain land belonging to him in the Republic of the Philippines by the Armed Forces of the United States during World War II and for damage to such land alleged to have been caused by the Armed Forces of the United States, and (2) to pay to the said Julian D. Dycaico, or to certify to Congress in accordance with the provisions of such section, the amount of compensation payable under such section to which he would have been entitled had such claim been filed within the time and in the manner provided by such section.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IRENE MONTOYA

The Senate proceeded to consider the bill (S. 493) for the relief of Irene Montoya, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 8, after the word "of", to strike out "$25,000" and insert "$3,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Irene Montoya, Belen, N. Mex., in addition to the sum paid to such legal guardian under the provisions of Private Law 699, 79th Congress, the further sum of $3,500, in full satisfaction of her claim against the United States for compensation for expenses incident to the provision of artificial limbs and other expenses arising as a result of the loss of a leg in the explosion of a bomb which had been dropped and left unprotected in a field by the United States Army near Belen, N. Mex., on August 12, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN LEARY

The Senate proceeded to consider the bill (S. 797) for the relief of John Leary, which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "this", to strike out "act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available." and insert "act", so as to make the bill read:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, John Leary shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES F. WALSH

The Senate proceeded to consider the bill (S. 120) for the relief of James F. Walsh, which had been reported from the Committee on the Judiciary with amendments on page 1, line 5, after "$6,472.35", to strike out "Such sum represents compensation received by him as an employee of the Air Materiel Command at Wright-Patterson Air Force Base, Ohio, during the period beginning October 11, 1954, and ending November 1, 1955, while he was also receiving military retirement pay in excess of the $3,000 dual compensation law." and insert "Such sum represents compensation received by him as an employee of the Air Materiel Command at Wright-Patterson Air Force Base, Ohio, during the period beginning October 11, 1954, and ending October 1, 1955, in violation of the dual office restriction contained in the Act of July 31, 1894, as amended (5 U. S. C. 62).", and on page 2, line 13, after the word "him", to insert a colon and "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.", so as to make the bill read:

Be it enacted, etc., That James F. Walsh, of Washington, District of Columbia, is hereby relieved of all liability to refund to the United States the sum of $6,472.35. Such sum represents compensation received by him as an employee of the Air Materiel Command at Wright-Patterson Air Force Base, Ohio, during the period beginning October 11, 1954, and ending October 1, 1955, in violation of the dual office restriction contained in the act of July 31, 1894, as amended (5 U. S. C. 62). In the audit and settlement of the account of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said James F. Walsh, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YEE CHUNG FONG MING AND OTHERS

The Senate proceeded to consider the bill (S. 649) for the relief of Yee Chung Fong Ming, Yee Chung Nom Ming, and Gee Shee Ming, which had been reported from the Committee on the Judiciary with amendments on page 1, line 4, after the name "Fong," to strike out "Ming," and insert "Ming and", and at the beginning of line 6, to strike out "Ming, and Gee Shee Ming," and insert "Ming", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Yee Chung Fong Ming and Yee Chung Nom Ming shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Yee Chung Fong Ming and Yee Chung Nom Ming."

M. F. COMER BRIDGE AND FOUNDATION CO.—RESOLUTION PASSED OVER

The resolution (S. Res. 97) referring to the Court of Claims the bill (S. 156) for the relief of M. F. Comer Bridge and Foundation Co. was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. BARRETT. Mr. President, I believe the resolution should go over because it involves a matter of policy which ought not to be decided on the call of the calendar, but rather by the whole Senate after it is brought up by motion and the Senate has an opportunity to give full consideration to it. Consequently, I ask that the resolution go over.

The PRESIDING OFFICER. Objection is heard.

Mr. HOLLAND. Mr. President——

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Wyoming withhold his objection for a moment?

Mr. BARRETT. I am glad to withhold it.

Mr. JOHNSTON of South Carolina. Mr. President, the committee has reported Senate Resolution 97 as an original committee resolution. It would refer the bill, S. 156, for the relief of M. F. Comer Bridge & Foundation Co., to the Court of Claims for findings of fact and conclusions of law and a report back to the Congress. The bill as introduced proposed to pay to the claimant $113,480.69. Because of a complicated factual situation and conflicting contentions by the Department of the Navy and the claimant, the committee believes that the Court of Claims is the best forum for the determination of the issues.

In other words, the Court of Claims would determine the issues and report its findings to the Senate for further action. We would not act until the court had reported.

Mr. BARRETT. Of course, the Senator is correct. Nevertheless, we believe that this bill should come before the Senate and be considered on motion and that it should not be considered on Calendar Day. I shall not have any objection to having the resolution brought up on motion, but at this time I must insist that the resolution go over.

Mr. JOHNSTON of South Carolina. Of course, the Senator has the right to object to its consideration at this time. It is a question of what is the best course to follow. The Senator from Florida knows a great deal about this particular claim and I should like to have him make a brief statement about the resolution for the RECORD.

Mr. HOLLAND. Mr. President, I thank the Senator from South Carolina and the Senator from Wyoming. I introduced S. 156, for the relief of M. F. Comer Bridge & Foundation Co., the gist of which is to allow a substantial sum of money to that company because of claimed delays caused by the Navy giving improper defense priorities to the contractor, this company, which had been employed by the Navy to build a certain pier at the Key West Naval Base.

I may say that I thoroughly approve of the suggestion of the committee that the matter is so complicated that there is sound ground for asking that the bill be referred, under sections 1492 and 2509 of title 28 of the United States Code, to the Court of Claims for appropriate findings under those statutes, and to report the findings to the committee for its final action.

I also understand clearly the position taken by the Senator from Wyoming and his associate, the distinguished Senator from Connecticut [Mr. PURTELL], with whom I have had an opportunity to confer prior to the call of the calendar. I have also conferred with the distinguished majority leader, who tells me that he will have no objection to bringing the bill up on motion next Tuesday, but prefers that it not be brought up at the conclusion of the call of the calendar today. That course is acceptable to me.

I appreciate the announcement of the calendar committee of the minority to the effect that they feel a question of policy is involved, which should be passed upon by the entire Senate, but that they do not intend to object to the consideration of the bill when it is referred to the whole Senate for action, in its wisdom.

Mr. JOHNSON of Texas. Mr. President, I am delighted to confirm what the very able Senator from Florida has stated with regard to bringing the bill up by motion on Tuesday next. I should like to have the Senate on notice that the bill will be brought up for action, so that any Senator who may care to present views on the bill will have the opportunity to do so.

I am sure I express not only my hope, but the hope of every Member of the Senate that the desires of the Senator from Florida, for whom we have such high regard and so much affection, can be met and that the proposed legislation will be acted upon early on Tuesday.

Mr. HOLLAND. I thank the distinguished majority leader.

Mr. BARRETT. Mr. President, I think it would be remiss if I did not suggest to the Senate that it would be very unwise, when the bill is called up on motion, to act favorably on the bill, although I would not object to its being considered.

It seems to me that it would not be a proper policy for the Senate to adopt, because it would open the floodgates and permit thousands of such cases to be referred to the Court of Claims. Then, too, when the Court of Claims submitted its report to the Senate, the implication of its report would be such that the Senate would feel obligated to pass the bill which the Committee on the Judiciary had reported.

As I understand the facts, they are somewhat complicated. However, it is not charged that the Navy neglected to issue priorities, but, rather, that the suppliers failed to fill the priorities, and that that caused the delay.

I am advised that there are thousands of similar cases, and it is not possible to say whether they would involve 1 million or 100 million or several hundred million dollars in the aggregate, if all the claims were brought to the attention of Congress and bills dealing with them were introduced and passed.

Mr. HOLLAND. I may say that I did not believe this to be the appropriate

time to discuss the facts in the case. However, inasmuch as the Senator from Wyoming has mentioned them in rather broad respects, I feel I should say that some years ago the Senate acted upon an identical claim growing out of an identical situation in the same area, the Key West-mainland area.

That case also involved the circumstance of priorities not being secured seasonably. In that case money relief was granted. If the amount in this case were as small as it was in the former case, I suspect that the committee would have been inclined to do the same thing this time.

At the same time, I completely approve of the caution of the committee in believing that a claim of this size—I believe the amount involved is in excess of $100,000—should have the benefit of close study by a judicial body. I am completely willing to have that course followed.

When the time comes, I shall expect to discuss, if it is necessary, the reason for introducing the bill and the reason which I believe animated the committee in seeking the judgment of the Court of Claims and its recommendation before the committee acted.

I should like to correct the possible implication suggested by the statement of the Senator from Wyoming. I am sure he did not mean it; but the implication, as I gathered it, is that the committees always, regardless of the facts reported by the Court of Claims, grant the relief sought.

To the contrary, I think the record is otherwise, and that the committees rather carefully look for the equities and legalities that are disclosed by the Court of Claims. I believe that is the exact purpose of the reference under the statutes which were enacted for this purpose, so that the committees would have the benefit of careful judicial inspection.

Mr. BARRETT. Mr. President, I realize the Senate would be under no obligation to pass appropriate legislation, if the Court of Claims should report its findings to the Senate with a recommendation that the claim be given some consideration. However, I still maintain that that would be a strong implication that the relief should be granted.

Mr. PURTELL. Mr. President, I wish to confirm what the distinguished Senator from Florida said about a conversation which he had prior to the call of the calendar. I told him that I thought the measure should not be passed on the call of the Consent Calendar, and I assured him that I thought if it were brought up by motion there would be no objection to its consideration on the part of the minority.

Mr. JOHNSTON of South Carolina. Mr. President, when the facts and circumstances are before the Judiciary Committee, it will then be up to the committee to study them in the light of the law, and report to the Senate what should be done in the matter.

That is the only thing we are asking at this time. We think that is right and just, but, inasmuch as this claim involves quite a sum of money the Senator from Wyoming is correct in stating that it should not be considered on the call of the calendar, but should be taken up in proper order and every Senator should have time to study the case before the bill is acted upon.

The PRESIDING OFFICER. The Senator from Wyoming has renewed his objection. Therefore, the bill will go over.

TERMINATION OF FEDERAL SUPERVISION OF THE KLAMATH TRIBE OF INDIANS

The bill (S. 469) to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, and to defer such termination for a period of 18 months, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate bill 469?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I should like to address an inquiry, if I may, to the distinguished Senator from Oregon [Mr. NEUBERGER].

This bill is of especial interest to me, because the Legislature of South Dakota is nearing the final day of its session. It will finally adjourn either today or tomorrow. It is considering legislation involving the acceptance by the State of jurisdiction over law and order as affecting the Indians. I note on page 18, section 18 (a), of the report the following language:

> Upon removal of Federal restrictions on the property of the tribe and individual members thereof, the Secretary shall publish in the Federal Register a proclamation declaring that Federal trust relationship to the affairs of the tribe and its members has terminated.

Then, in particular, this sentence:

> Thereafter individual members of the tribe shall not be entitled to any of the services performed by the United States for Indians because of their status as Indians and, except as otherwise provided in this act, all statutes of the United States which affect Indians because of their status as Indians shall no longer be applicable to the members of the tribe, and the laws of the several States shall apply to the tribe and its members in the same manner as they apply to other citizens or persons within their jurisdiction.

Can the able Senator from Oregon tell me whether it was necessary in the case of the Klamath Tribe for the State of Oregon to enact a law accepting responsibility for jurisdiction in the application of laws?

Mr. NEUBERGER. It is my understanding that it was not necessary for Oregon to pass such legislation.

Mr. CASE of South Dakota. When Dakota Territory was divided into North Dakota and South Dakota there was a provision in the organic act whereby the new States ceded to the Federal Government jurisdiction over crimes committed on Federal property or tribal land. That has raised a question concerning which lawyers disagree.

I was wondering whether, if the grant of jurisdiction were rescinded, that would be sufficient to enable the State to go ahead and handle the law and order problems. Any light the Senator from Oregon can shed on the subject will be gratefully received.

Mr. NEUBERGER. It is my further understanding that Oregon received jurisdiction over Indians in my State under Public Law 280 of the 83d Congress.

Mr. CASE of South Dakota. A special act was passed about which there was some question as to whether the assent or consent of the Indians should have been received.

Mr. NEUBERGER. I was not a Member of that Congress, but I believe the Senator is correct.

SUGGESTION RELATING TO APPROPRIATIONS AND EXPENDITURES

Mr. BRIDGES. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. BRIDGES. Mr. President, reserving the right to object, I will say that I am not proposing to address myself to this particular bill; but I wish to take a minute or so to talk about the general proposition of appropriations and expenditures.

On the calendar there are many bills calling for the expenditure of money. Generally speaking, I have been for economy, whether Roosevelt, Truman, or Eisenhower happened to be in the White House, and I intend to continue along that line. Unless we get at the roots of the trouble, it is a most difficult task which we face.

When the Senate and the House are in session they pass authorization bills, most of which, perhaps, are very desirable, but, nevertheless, they call for the expenditure of money.

I do not know in what direction we are going, but I hold in my hand a copy of the Washington Evening Star of this afternoon, which says that the administration is planning 105,000 new Federal jobs. I do not know whether that is a fact. I should like to know whether it is, and I think Congress had better look into it, because we have enough Federal employees today. I read an article the other day which said that the Agriculture Department was going to employ between 4,500 and 5,000 more persons. They are needed as much as I need three hands.

If we are going to stop governmental expenditures, Mr. President, we must stop them at the authorization level. I hope that as we proceed, the committees will find out whether in the big budget which we have before us there are 105,000 new Federal jobs provided for. If so, this expansion of personnel should be stopped.

I believe Senator after Senator is feeling the impact of the people at home more today than at any time for many years with reference to the matter of reducing taxes. I think if we do not cut down on appropriations and expenditures, we shall have to do a great deal of explaining.

Mr. CHAVEZ. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. CHAVEZ. I agree completely with the statement being made by the Senator from New Hampshire, but I have found throughout the years that in the Appropriations Committee of which the Senator from New Hampshire is a member and of which I am a member, we recommend the appropriations and the departments fill the jobs. So I believe it is up to the Senator from New Hampshire and other Senators on the Appropriations Committee to do a little cutting this year.

Mr. BRIDGES. I agree with that. I wish to point out that if Congress did not provide the authorizations—and, of course, deserving projects are authorized, as well as others—the Appropriation Committees of the Senate and the House would not be in the position of being blackjacked in some cases into appropriating funds.

There is one thing we can do, and I should like to call it to the attention of the acting majority leader [Mr. TALMADGE] and the acting minority leader [Mr. SALTONSTALL], who can take it up with the respective leaders.

I believe that when a bill is on the calendar calling for the eventual appropriation of money, we should adopt the policy that there should be filed with the bill when it is reported an estimate of what the bill will cost in the current year, and its projected cost over a period of years, so that at least the Senators, when they act on the innocent-looking and innocuous bills which appear on the calendar from time to time, will have an idea of what they are voting for. I do not believe we shall ever get overall control of the budget unless we start at the roots. That is a fundamental way of getting at the roots. I invite attention of the leadership on both sides of the aisle to this suggestion.

I hope the leadership of this Senate of both political parties will give it attention. I should like to see such a policy adopted. I think it would be in the interest of Congress and the American taxpayers if such a policy could be adopted and adhered to. I intend to speak on this subject at length later.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WILLIAMS. Is not the average annual cost of maintaining an employee on the Federal payroll approximately $4,000?

Mr. BRIDGES. That is my understanding.

Mr. WILLIAMS. The addition of 105,000 employees would therefore necessitate an additional payroll expenditure of $420 million; would it not?

Mr. BRIDGES. That is correct.

Mr. WILLIAMS. Is it not also true that meeting the Federal payroll, even as it now exists, costs more annually than it took to run the entire Government at the height of the New Deal administration in the 1935–39 period?

Mr. BRIDGES. I think so, although I have not examined the most recent figures. Salaries and Federal compensation have certainly increased tremendously.

Mr. WILLIAMS. If I am not mistaken, the top appropriation in 1939 was about $11 billion. The Federal payroll today is $10 billion.

I think the Senator from New Hampshire has put his finger on a very important point. The only way whereby Congress can stop these expenditures is to stop the authorization of some of the new projects which are proposed. If we continue to authorize new programs, certainly it will take more employees.

I think the American people are aware of this fact, and that they are willing to give up some of the projects if Congress, across the board, will reduce the appropriations. I think the people will back us up. We, as Members of Congress, have a responsibility to make certain that some degree of fiscal responsibility is restored to the Government.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CASE of South Dakota. I believe the 75th Congress was the first Congress in which the distinguished senior Senator from New Hampshire began his service in the Senate, and it was the first Congress in which I served as a Member of the House. In that year the total appropriations for all the expenditures of the Government were about equal to what the interest requirements for the national debt are today.

Mr. BRIDGES. I thank the Senator from South Dakota for his statement.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. NEUBERGER. I share with the distinguished Senator from New Hampshire the desire for governmental economy. However, I hope that this particular bill, which is being considered on the call of the calendar, is not to be made the object of such an undertaking, for this particular reason——

Mr. BRIDGES. I may say to the Senator from Oregon that I had been looking at a bill or two ahead on the calendar, and I selected this one at random. I am not aiming at this particular bill when I make my statement; and I am not attempting today to put my proposed policy into practice. But before this session of Congress proceeds much further, I hope we make progress in the direction I have indicated. I hope we may receive the cooperation of the leaders of both parties; and the calendar committees of both the majority and the minority.

But today I simply wanted to use the opportunity to enunciate the principle to which I hold, because it is a sound one, and should be put into practice. We cannot begin to reduce expenditures and get to the heart of appropriations unless we start with the authorizations.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CHAVEZ. I again wish to thank the Senator from New Hampshire. Why should a bill which involves a large expenditure, whether it be $10 million or $10 billion, be passed on the unanimous-consent calendar?

Mr. BRIDGES. I do not think it should be. The cost of a particular bill might be $100,000 a year at the start, but over a period of 10 or 11 years the cost might run to $100 million.

Mr. CHAVEZ. I myself think that it is bad practice to have bills of this nature considered on the call of the calendar. Let them be called up on motion and be debated. The other day I said that I favored limiting debate. The Senate thought otherwise.

If an appropriation entailing millions of dollars is not important enough to be debated, or at least to have Senators know about what they are voting, I do not know what else we can do.

Mr. BRIDGES. I cannot believe that it is correct to say there is a proposal to create 105,000 new Federal jobs. But if it is correct, that would be one item in which money might be saved and appropriations reduced, because the Federal Government is functioning pretty well today. I do not believe 105,000 more persons are needed on the Federal payroll in order to make the Federal Government function better.

Mr. CHAVEZ. There is an excessive number of employees in every Department. Better results could be obtained in the executive branch if there were a reduction of 10 percent in the number of employees in each of the departments.

Mr. BRIDGES. Many persons raise a hue and cry about the armed services. I yield to no one in my support of the armed services. But there is no Member of the Senate who can stand on the floor of the Senate and successfully contend, as the able chairman of the subcommittee knows, that there cannot be a reduction in the cost of operating the armed services. If he is not deaf, dumb, and blind, such an individual could, by walking over a military establishment, see that for himself.

Mr. CHAVEZ. I will go beyond that. I have observed the personnel of the armed services and of the other Departments of the Government as they follow the games throughout the football season. The members of the armed services provide excellent business in Dallas, Miami, and Hollywood. In the pheasant-shooting season in South Dakota, there is more business at Camp Mitchell than there is during the other months of the year.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. BRIDGES. I yield.

Mr. WILLIAMS. I asked the Committee on Appropriations recently to compile a report showing the number of employees and the amount of appropriations for each of the various agencies of the Government for the period beginning 1949 and extending through 1957. This report also includes the projected budgets for 1958. It shows how each agency has grown in its demands for more money and more employees.

I ask unanimous consent that the table may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD.

New obligational authority and civilian employment [1] by major agency, fiscal years 1949 through 1956

[Dollar amounts in millions]

	1949		1950		1951		1952		1953	
	Amount	Number of employees	Amount	Number of employees	Amount	Number of employees	Amount	Number of employees	Amount	Number of employees
Legislative branch	262	22,382	291	22,906	263	22,853	275	22,517	276	22,312
The judiciary	21	3,579	24	3,772	26	3,090	27	3,953	28	3,951
Executive Office of the President	10	1,167	11	1,256	8	1,219	10	1,411	9	1,342
Funds appropriated to the President:										
Mutual security program:										
Military	6,745	3,672	5,407	4,422	7,686	5,124	7,284	5,366	6,003	4,465
Economic										
Expansion of defense production					1,662		800			
Other	19		8		11		80		1	
Independent offices:										
Atomic Energy Commission	[illegible]	4,634	830	4,881	1,976	5,709	1,307	6,734	4,152	6,941
Civil Service Commission	234	4,039	224	3,487	225	4,428	337	4,694	344	4,702
Export-Import Bank of Washington		128		130		133	1,000	136		131
Farm Credit Administration	3				33		70		28	
Federal Civil Defense Administration					82	617	75	1,108	43	764
General Accounting Office					34		32		32	
National Advisory Committee for Aeronautics	65	6,986	35		74	7,705	69	7,654	85	7,038
Railroad Retirement Board	39	2,396	131	7,295	43	2,118	43	2,199	83	2,179
Reconstruction Finance Corporation	[illegible]	4,601	42	2,276	250	2,881	106	2,345		2,045
St. Lawrence Seaway Development Corporation				4,622						
Small Business Administration										
Tennessee Valley Authority	30	13,174	61	13,923	195	18,936	238	21,300	336	22,466
Veterans' Administration	5,804	195,488	6,611	188,402	5,822	182,812	4,454	174,597	4,191	178,472
Other	202	48,816	284	39,284	136	38,133	201	39,400	169	41,422
Total, independent offices	7,635	280,202	8,327	264,800	8,919	281,268	7,926	280,767	9,303	266,021
General Services Administration (FWA)	1,042	28,369	545	29,864	2,091	30,370	788	29,142	317	28,958
Housing and Home Finance Agency	131	11,310	4,709	13,578	374	13,446	479	12,698	1,357	12,053
Department of Agriculture	1,250	86,518	3,512	84,379	1,375	81,430	1,817	78,559	1,510	78,404
Department of Commerce	911	52,302	927	50,514	1,274	64,700	941	65,172	911	55,119
Department of Defense:										
Military functions	11,165	879,875	14,360	753,149	47,776	1,233,488	60,574	1,337,095	46,916	1,312,068
Civil functions	2,149		1,374		882		655		598	
Department of Health, Education, and Welfare (FSA)	1,457	34,728	1,536	37,380	1,750	34,994	1,609	34,153	1,934	35,408
Department of the Interior	543	38,802	675	36,251	588	64,938	555	61,334	590	59,364
Department of Justice	127	25,825	137	28,402	159	31,648	203	32,194	173	30,423
Department of Labor	15	3,606	258	6,183	230	7,712	258	7,815	295	8,542
Post Office Department	527	501,743	558	484,679	624	492,284	740	507,779	660	506,452
Department of State	378	21,283	311	24,629	290	29,424	262	31,302	241	30,534
Treasury Department	5,980	88,662	6,354	86,286	6,349	82,460	6,617	86,460	7,279	83,499
District of Columbia	12		12		11		11		18	
Total	40,181	2,102,109	49,298	1,960,708	83,134	2,482,686	91,415	2,600,612	80,308	2,558,416

	1954		1955		1956		1957		1958	
	Amount	Number of employees	Amount	Number of employees	Amount	Number of employees	Amount (estimate)	Number of employees [2]	Amount (estimate)	Number of employees
Legislative branch	254	21,972	256	21,711	259	22,114	290	16,643	297	
The judiciary	28	4,045	32	4,136	37	4,355	40	4,532	45	
Executive Office of the President	9	1,175	9	1,157	10	1,196	11	1,228	12	
Funds appropriated to the President:										
Mutual security program:										
Military	4,725	5,856	1,204	6,526	1,016		2,018		2,450	
Economic			1,577		1,687		1,787		1,950	
Expansion of defense production										
Other	4		11		50		20		20	
Independent offices:										
Atomic Energy Commission	1,118	6,193	1,265	6,076	1,179	6,537	1,961	6,673	2,326	
Civil Service Commission	351	4,284	89	3,804	352	4,254	343	4,441	23	
Export-Import Bank of Washington		133	300	148		173		188		
Farm Credit Administration	2	1,101	27	1,078	9	1,038	2	1,008	2	
Federal Civil Defense Administration	47	704	49	743	60	1,078	94	1,113	130	
General Accounting Office	32		32		33		34	5,886	38	
National Advisory Committee for Aeronautics	88	7,161	57	7,508	73	7,861	78	7,668	118	
Railroad Retirement Board	83	2,253		2,344		2,122		2,251		
Reconstruction Finance Corporation		1,018								
St. Lawrence Seaway Development Corporation	105			33		26		36	81	
Small Business Administration	58	601	97	736	47	821	102	950	78	
Tennessee Valley Authority	193	23,933	120	19,434	27	14,708	5	14,887	43	
Veterans' Administration	4,276	178,857	4,304	177,656	4,800	176,653	4,990	177,262	4,990	
Other	188	46,250	181	45,745	258	46,633	339	31,117	320	
Total, independent offices	8,160	272,862	8,085	268,784	6,748	262,163	8,120	253,100	8,353	
General Services Administration (FWA)	163	26,765	231	25,729	709	26,436	259	27,120	447	
Housing and Home Finance Agency	433	10,715	284	11,082	868	10,163	1,666	9,833	1,194	
Department of Agriculture	4,283	76,376	2,841	83,384	3,598	80,398	3,888	82,421	3,158	
Department of Commerce	996	41,865	1,426	[3] 46,079	2,726	47,175	764	47,904	944	
Department of Defense:										
Military functions	34,790	1,208,883	30,787	1,186,380	33,187	1,179,836	36,337	1,191,408	35,500	
Civil functions	529		600		666		664		703	
Department of Health, Education, and Welfare (FSA)	1,916	35,442	2,010	40,405	2,107	46,058	2,506	49,947	3,071	
Department of the Interior	596	57,496	491	55,107	516	54,143	657	48,982	718	
Department of Justice	180	31,622	189	30,686	211	30,870	316	30,520	233	
Department of Labor	302	5,126	447	5,051	470	5,795	431	5,027	438	
Post Office Department	420	507,135	564	511,613	470	508,587	853	[4] 860,516	67	
Department of State	144	30,436	131	30,959	149	32,405	226	33,104	230	
Treasury Department	7,134	80,602	7,138	76,180	7,716	77,781	8,004	78,417	8,154	
District of Columbia	10		10		30		33		42	
Total	62,765	2,407,676	57,076	[5] 2,397,309	63,198	2,398,470	[6] 70,274	2,741,291	[6] 72,841	

[1] Employment data are those reported for year end by the Civil Service Commission and contained in the Statistical Abstract of 1955 and 1956 and the Monthly Employment Report of July 1956.

[2] Source: Monthly Report of Federal Employment, December 1956, U. S. Civil Service Commission. Figures represent preliminary report as of Dec. 31.

[3] As subsequently revised by the Civil Service Commission.

[4] Includes 340,000 postal employees for Christmas rush.

[5] Excludes allowance for contingencies of $250.

[6] Excludes allowance for contingencies of $500.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. POTTER. I wish to concur in what the Senator from New Hampshire has said. I returned from Michigan last night. On my visit to the State, I met many people.

I have now been a Member of Congress for 10 years. I have never seen the people so greatly concerned over the cost of operating the Government as they are at present.

I think it is well to recall that in the past, as the distinguished Senator from New Hampshire well knows, the House of Representatives examined the budget with a jaundiced eye and made many reductions. But the Senate almost as regularly in the past restored much of the reductions which the House had made.

I think a good tone would be set if in one of the first appropriation bills to come from the House—perhaps it will be the appropriation bill for the Department of the Treasury—the Senate would not restore the cuts which the House has made. Secretary of the Treasury Humphrey looks at a dollar with a careful eye. The budget for his department was a low budget to begin with. Yet the House reduced it by some $23 million.

Secretary Humphrey came before the Senate Committee on Appropriations and asked our committee not to restore one red cent.

I think that type of dedication toward reduction of Federal expenditures on the part of administration leaders, as well as such a desire on the part of the Members of the Senate, is necessary in order to bring about a reduction of the entire budget this year. Then possibly at a later date the people of the country may have a tax reduction, which would serve as a great shot in the arm for our economy.

The PRESIDING OFFICER. The Chair will have to insist that the regular order be followed during the call of the calendar.

Mr. BRIDGES. Mr. President, I offer an amendment, on page 5, beginning on line 6, to strike out paragraph (h). Now I shall speak on the amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WILLIAMS. Would not one approach be that Congress should serve notice on the executive departments that we are expecting them to make a minimum reduction of 5 percent in their budgets, and that we are asking the departments, as they come before the Committee on Appropriations, to tell the committee how they think the reductions can best be put into effect. If they do not voluntarily cooperate in making reductions, we will then have arbitrarily to cut their requests across the board. This is not always the best policy but, if necessary, it can be done.

I think the executive departments of the Government should be put on notice that Congress is determined that cuts shall be made, and that if they cannot put their houses in order, Congress will have to do it for them. I am positive this budget can be cut if Congress only has the will to do it.

Mr. BRIDGES. Mr. President, I withdraw my amendment.

Mr. NEUBERGER. Mr. President, inasmuch as this bill has been the subject of such extended discussion, I think I should make a brief explanation of the bill.

The bill is of especial importance in the Pacific Northwest because it delays the termination of Government supervision over the Klamath Indian Tribe. It was found by nearly all groups in our area, after termination legislation had passed, that one of America's greatest stands of pine timber would perhaps be gutted and utterly wasted unless the abandonment of Government supervision was slowed.

This measure, although it is my bill, represents a compromise between my own views, those of the able senior Senator from Utah [Mr. WATKINS], and those of the Secretary of the Interior.

I should like to pay particular tribute to three members of the Klamath Tribe Council for the generous and unselfish way in which they have cooperated with us in this urgently needed measure. They are Mr. Dibbon Cook, Mr. Boyd Jackson, and Mr. Jesse L. Kirk.

In conclusion, Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a statement I have prepared, explaining the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

The bill now pending before the Senate, S. 469, which I introduced on behalf of myself and the senior Senator from Oregon [Mr. MORSE], amends Public Law 587 of the 83d Congress—the so-called Klamath Indian Termination Act.

I should like to review briefly the actions which lead up to the passage of the Klamath termination program in 1954, and the situation that has developed necessitating the amendments which are contained in S. 469.

The House and Senate during the 83d Congress unanimously adopted House Concurrent Resolution 108. That resolution expressed on the part of the Congress a new policy in our relationships with Indians; namely, that all of the Indian tribes in certain States and other specified tribes should be removed from Federal supervision and control at the earliest possible time. It was further declared to be the sense of Congress that the Secretary of the Interior report to the Congress before January 1, 1954, his recommendations for such legislation as in his judgment was necessary to accomplish the purposes of the resolution. Subsequently, the Secretary of the Interior submitted proposed legislation to terminate the Klamath Indian Tribe in the State of Oregon. The senior Senator from Utah [Mr. WATKINS], introduced the Klamath bill, and extensive hearings were conducted on the measure. The bill passed the Senate in a form which permitted the Indians to organize themselves into a corporation or utilize some trust arrangement to manage the tribal assets. The House Interior Committee adopted certain amendments to the bill, which changed it to provide that individual members of the Klamath Tribe could withdraw from tribal membership and have their pro rata share of tribal assets converted into cash and paid to them. It also provided for the appointment of management specialists by the Secretary of the Interior to carry out certain duties under the terminal program. The Senate accepted the House version of the bill, and it was signed by the President on August 13, 1954.

The Klamath termination program has now been under way for 2½ years, and by the terms of Public Law 587, the termination must be completed by August 13, 1958. Our Senate Subcommittee on Indian Affairs has had a continuing interest in the operation of the Klamath program, and has held hearings both here and in Klamath Falls, Oreg., at which members of the tribe, the management specialists, representatives of the Department of the Interior, and other interested parties testified with respect to the overall operation of the program. As I have already mentioned, the Klamath act permits an individual Indian to withdraw from the tribe and to have his share of the reservation sold. It is this feature of the act that has caused a great deal of concern, because studies which have been made by and under the direction of the management specialists discloses that almost 70 percent of the Indians desire to have their shares sold and the cash paid to them. The principal asset of the Indians on the Klamath Reservation is the tribal forests. There are approximately 2,800,000,000 board feet of tribally-owned Ponderosa and sugar pine timber, growing on 590 thousand acres classed as commercial timberland. This is one of the finest stands of timber in America. In order to satisfy the claims of the withdrawing Indians, it is estimated that it may be necessary to sell almost 2.7 billion board feet of saw timber during a period of less than 1 year. These sales would undoubtedly glut the timber market in the Klamath Basin, bring greatly reduced stumpage prices to the Indians, and virtually destroy a sustained-yield forest capable of furnishing millions of board feet of timber annually. Such forced sales would also damage watershed protection, wildlife habitat and waterfowl propagation.

It was obvious to those charged with the responsibility of carrying out the provisions of the Klamath Act, as well as to the members of the Committee on Interior and Insular Affairs, that an amendment to extend the final termination date was necessary. In addition, other corrective measures were desirable in order to carry out the termination in a manner that would safeguard the interests of the Indians and the community in which they live. In January of this year, the Secretary of the Interior submitted to the Congress proposed legislation amending the Klamath Act, to delay the sales of tribal property and provide for an orderly disposal of the tribe's assets. Senator WATKINS introduced the departmental bill, and I introduced legislation designed to accomplish a similar purpose. The bill before us, although my bill, represents a compromise between my proposal and that of the Interior Department which will solve some of the problems that have arisen. S. 469 provides for a delay of the sale of tribal property until the end of the second session of the 85th Congress. Such a delay will afford Congress an opportunity to consider alternative means of protecting the economy and preserving good conservation practices in the Klamath Basin. If no action is taken by the Congress during the interim provided in this bill, the management specialists will begin selling the tribal property, as presently provided by law. S. 469 will also extend the final termination date from August 13, 1958, to August 13, 1961, in order that the sales of tribal property may be arranged at times and in quantities that will not unreasonably depress the market.

The 1954 Klamath Act provided that the Klamath Tribe would pay all of the expenses incurred in carrying out the termination program. This legislation would amend the law to provide for Federal payment of these costs. The committee has incorporated in S. 469 several technical amendments

to the present law, all of which are fully explained in the committee report. These amendments are endorsed by the Klamath Indians, the management specialists, and the Department of the Interior.

In connection with this proposed legislation I should like to pay tribute to the representatives of the Klamath Tribe, and particularly to three members of the tribal executive commitee, Mr. Dibbon Cook, Mr. Boyd Jackson, and Mr. Jesse L. Kirk. These gentlemen have, in my judgment, performed an outstanding service for the Klamath Tribe and the non-Indians who reside in the Klamath Basin. They recognize that unless some provision is made to preserve and continue the tribal forests, the economy of the Klamath Basin may be severely damaged. They have expressed their concern to our committee, and have requested amendments to the law that will adequately protect not only the members of their tribe, but those non-Indians who depend upon the timber resources of the reservation. I should also like to say that the management specialists, Mr. T. B. Watters, of Klamath Falls, and Mr. Eugene Favell, of Lakeview, Oreg., have done commendable work in supervising the terminal program, and their studies and recommendations have been of immense help to our committee.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have an article and an editorial included in the RECORD, following my comments. The article, which appeared in the New York Times of February 10, 1957, was written by Mr. Lawrence E. Davies, and is entitled "Indians in Oregon Give United States a Riddle." The editorial appeared in the February 1957 issue of American Forests, and is entitled "Forestry Faces a Social Problem."

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times of February 10, 1957]

INDIANS IN OREGON GIVE UNITED STATES A RIDDLE—LAW TO END IN 1958 ITS RULE OF TIMBER-RICH KLAMATH LANDS MEETS OBSTACLES

(By Lawrence E. Davies)

SAN FRANCISCO, February 9.—New steps toward solution of an American Indian problem are being taken by congressional committees.

Involved is the Klamath Tribe and its 567,000-acre timber-studded reservation in southern Oregon. The tribe members must be put on their own, freed from nearly a century of Federal supervision, by mid-August of 1958 if provisions of a termination law adopted in 1954 are followed. The measure was voted on August 13, 1954, in the last hours of the 83d Congress.

A whole series of bills aimed at holding up disposition of the tribal lands pending further study has been introduced at this session of Congress. The Senate Indian Affairs Subcommittee started action on these bills yesterday by approving one that would postpone an end of Federal supervision over the Klamaths pending further congressional study of the termination procedures.

Thomas B. Watters, of Klamath Falls, Oreg., management specialist for the Klamath Reservation, left for Washington today. He and his associate, Eugene C. Favell, of Lakeview, Oreg., are to testify before the House Interior Committee Monday.

APPRAISAL MEETS DELAY

In the process of determining the disposition of the reservation an appraisal of its worth was to have been complete February 13. Mr. Watters disclosed that he and his associate had recommended that a 30-day extension be granted to the appraisers.

Estimates in the last 2 years have put a valuation of about $80 million on the property, which has rich stands of ponderosa and sugar pine.

The management specialists were appointed by Douglas McKay when he was Secretary of the Interior to draw up recommendations on the methods for removing from the Federal Government its responsibility for management of the reservation. The Klamath termination law gives to all adult members of the tribe the right to say, on behalf of themselves and their minor children, whether they will leave the tribe and get their rightful shares of the tribal property or stay in the tribe and participate in a management program to be operated by or for those who remain.

The prospective choices have not only led to factional strife in the tribe but have aroused Southern Oregon to alleged dangers inherent in any wholesale withdrawal of tribal members. The management specialists say reports to them indicate that 70 percent of the tribe members will choose to withdraw.

FEDERAL PURCHASE URGED

The specialists, after more than a year and a half of study, have recommended Federal purchase of the tribally-owned resources as the best way to assure "the long-term welfare of the tribal members." There is some evidence that Fred A. Seaton, Mr. McKay's successor in the Interior Department, is sympathetic to this view.

The specialists take cognizance of the amount of timber that would have to be sold to pay off 70 percent of the tribesmen. The tribe owns an estimated 3,800,000,000 board feet of merchantable timber. This is about 90 percent of the value of tribal property.

The specialists note that if 70 percent of tribal members withdraw about 2,660,000,000 board feet of timber would have to be sold to pay them their shares.

"Under the present provisions of Public Law 587," the specialists said in their latest report, "almost all of this Indian-owned timber, equal to nine times the average volume of timber cut each year by all the sawmills in the upper Klamath Basin, would be sold in a period of less than 1 year."

WARN ON "FORCED SALES"

These "forced sales," the specialists argue, would mean depressed prices, with resultant losses not only to the tribe members who withdraw but also to those who remain to participate in the management of whatever resources are left.

"Even the effects of the law on the economy of the upper Klamath Basin," their report stated, "will eventually work against the interest of the real Indian people, most of whom will remain on the land which has been their home, their heritage. After the creation of a veritable boom, based on cheap stumpage prices and hastily constructed sawmills, there will follow an eventual decline in the timber industry of the area.

"This decline will come at a time when many of the Indian people will be trying to adjust themselves to a condition of self-sustaining employment. Such a decline would no doubt react much more severely against the welfare of the average Klamath Indian than it would against his better-trained white neighbor."

[From American Forests for Feruary 1957]

FORESTRY FACES A SOCIAL PROBLEM

The move to liberate the Klamath Indians in Oregon as provided for by Public Law 587 now appears to have been a hasty and ill-advised action in terms of the best interests of: (1) The Indians; (2) the timber and other resources on the 850,000-acre reservation; and (3) the economy of Oregon.

As set forth by Mr. Anthony Netboy in his article Uproar on the Klamath Reservation of last month, the Secretary of the Interior under the terms of the law is directed to: "(1) Have an appraisal made of all tribal property, showing its fair market value by predictable logging or other appropriate economic units; (2) to give each adult member of the tribe an opportunity to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in a management plan; (3) determine * * * the portion of the tribal property which, if sold at the appraised value, would provide sufficient funds to pay the members who elect to have their interests converted into money, arrange for the sale of property, and distribute the proceeds * * * and; (4) cause a plan to be prepared * * * satisfactory to the tribe and to the Secretary for the management of tribal property through a trustee, corporation, or other legal entity."

As of this month, February 17, to be exact, the Indians may call for the sale of their tribal assets including the carving up of the last great remaining stand of ponderosa pine in the world—unless Congress moves with dispatch to prevent it. According to reports from Oregon about 70 percent of the members of the tribe will elect to take their money and get out—which means that enough timber must be said to provide every man, woman, and child with approximately $40,000. Needless to say such a move would wreck the present sustained yield management program on these Indian lands, glut the pine market in Oregon, and indeed the whole Nation and give forestry one of the worst black eyes it has ever received in 50 years of constant progress. Or to be more specific, perhaps we should say industrial forestry would get a black eye since it is at that doorstep that the public would lay the bulk of the blame if this magnificent pine forest is destroyed.

All this would be bad enough in itself. What makes this situation even more distressing is the fact that human resources are involved here—the Klamath Indians themselves—and if reports now reaching us from Oregon are true the bulk of these Indians are no more prepared to assume the responsibilities of citizenship than the aboriginal head hunters in the Fly River area of New Guinea. There are today sound and respected businessmen in the Klamath region of Oregon who say flatly that many of these Indians, once they receive their money from the sale of the forests, will promptly "blow it" and thereafter swell the relief roles to unprecedented heights or elect to live on their relatives.

That this sort of intelligence is a far cry from the soothing sirup the public was handed several years ago when Public Law 587 was enacted is certainly true. The question might well be asked "Where were the people responsible for looking after these Indians, their rights, and their resources 2 years ago?" when Congress, in good faith, enacted a law to end the Klamath Tribe's status as a ward of the state and to presumably welcome them to both the privileges and responsibilities of first class citizenship. The report that was presented to the public at that time was that the Indians were ready.

Well, they aren't ready. Authority for some of this new evidence that today is reaching Washington comes from the team of management specialists appointed by the Secretary to remove Government supervision over the Klamath Tribe by August 13, 1958. Instead of starting removal of such supervision, this team was in Washington last month declaring that unless prompt action is instigated, the law, as presently set up will do irreparable damage to the Indians, their resources including the timber held in trust for them, and the economy of the region.

All of which prompts us to ask isn't it about time that we started putting a little more emphasis on this business of educating the Indian and preparing him to take his place in society and a little less emphasis on this business of separating him from his assets? Forestry, in our judgment, faces a social problem here and it ought to move fast. We don't know the answers to this problem either, but one thing that we can do is to get behind the Morse-Neuberger bill (S. 469) and the Ullman bill (H. R. 2518) to freeze this whole Klamath problem right where it is for 18 months to give us time to decide whether to repeal the whole Klamath bill and be done with it or decide on any other proper action.

There isn't much time but those two bills provide a stopgap answer that will fend off liquidation until we can decide. The American Forestry Association was moving last month with all possible speed in urging the enactment of these bills to give our Board of Directors time to come up with a permanent and constructive final solution.

Mr. BRIDGES. Mr. President, I told the distinguished Senator that I would not object to consideration of the bill. However, I want him to know that it is my understanding that the bill proposes an increase of approximately $1 million in the appropriation for this purpose. Even though on the surface the bill would not appear to call for a big expenditure of money, I am not blind as to what the bill will do. I do not want us to embark on such a program or change of policy unless due notice is given.

Mr. NEUBERGER. I should like to explain to the Senator from New Hampshire that the increase of the appropriation to the extent of approximately $1,100,000, "to reimburse the tribe for such expenditures of tribal funds," is to reimburse the Klamath Tribal Council for the cost of termination. The termination was initiated by the United States and its Department of the Interior. In other cases—for instance, in that of the Menominee Tribe, in Wisconsin, reimbursement was made from Federal funds. Certainly the Congress should proceed fairly with respect to the other tribes. That is the reason for this bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 469) to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, and to defer such termination for a period of 18 months, which had been reported from the Committee on Interior and Insular Affairs with an amendment, to strike out all after the enacting clause and insert:

That (a) the act entitled "An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes," approved August 13, 1954 (68 Stat. 718), is amended by adding at the end thereof the following new section:

"SEC. 27. Notwithstanding any other provisions of this act, no sales of tribal property shall be made pursuant to paragraph (3) of subsection (a) of section 5, or section 6 of this act prior to the adjournment of the second session of the 85th Congress."

(b) Subsection (b) of section 5 of such act is amended to read as follows:

"(b) Such amounts of Klamath tribal funds as may be required for the purposes of this section shall be available for expenditure by the Secretary. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Secretary deems necessary, but not to exceed $1,100,000 to reimburse the tribe for such expenditures of tribal funds.".

(c) Subsection (b) of section 6 of such act is amended by striking out "4 years" and inserting in lieu thereof "7 years."

(d) Subsection 5 (a), paragraph (2), of the act is amended to read as follows:

"(2) Immediately after the appraisal of the tribal property and approval of the appraisal by the Secretary, give to each member whose name appears on the final roll of the tribe an opportunity to elect to withdraw from the tribe and have his interest in tribal property converted into money and paid to him, or to remain in the tribe and participate in the tribal management plan to be prepared pursuant to paragraph (5) of this subsection; in the case of members who are minors, persons declared incompetent by judicial proceedings, or deceased, the opportunity to make such election on their behalf shall be given to the person designated by the Secretary as the person best able to represent the interests of such member;".

(e) Subsection 5 (a), paragraph (3), of the act is amended by deleting the second proviso and by inserting in lieu thereof the following: *"Provided further,* That if such property is not purchased for public use any person whose name appears on the final roll of the tribe, or a guardian on behalf of any such person who is a minor or an incompetent, shall have the right to purchase, for his or its own account but not as an agent for others (which fact shall be subject to final and conclusive determination by the Secretary), any of such property in lots as offered for sale for not less than the highest offer received by competitive bid; any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property; and if more than one right is exercised to purchase the same property pursuant to this proviso the property shall be sold to one of such persons on the basis of competitive bids:".

(f) Subsection 2 (e) of the act is amended to read as follows: "'Adult' means a person who is an adult according to the law of the place of his residence."

(g) Subsection 8 (c) of the act is amended by inserting after "on land owned by" the words "one or by."

(h) Subsection 8 (b) of the act is amended by deleting the language that precedes the proviso and by inserting in lieu thereof "All restrictions on the sale or encumbrance of trust or restricted interests in land, wherever located, owned by members of the tribe (including allottees, purchasers, heirs, and devisees, either adult or minor), and on trust or restricted interests in land within the Klamath Indian Reservation, regardless of ownership, are hereby removed 4 years after the date of this act, and the patents or deeds under which titles are then held shall pass the titles in fee simple, subject to any valid encumbrances."

SEC. 2. Nothing in the act of August 13, 1954 (68 Stat. 718), shall affect the authority to make timber sales otherwise authorized by law prior to the termination of Federal control over such timber.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, to defer sales of tribal property, and for other purposes."

BILLS PASSED OVER

The bill (S. 1325) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. CLARK. Mr. President, I ask that this bill and also Calendar No. 94, House Joint Resolution 209, to provide interim assistance through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions, be passed over, because they are not measures which properly should be dealt with during the call of the Consent Calendar. On the contrary, they are substantive measures. As a member of the Democratic calendar committee, I hope to support both of them when they are brought up by motion.

The PRESIDING OFFICER. Objection being heard, Senate bill 1325 and House Joint Resolution 209 will be passed over.

The bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, was announced as next in order.

Mr. PURTELL. Mr. President, I ask that this bill and also Calendar No. 96, Senate Resolution 103, citing Pauline Feuer for contempt of the Senate; and Calendar No. 97, Senate Resolution 104, citing Ludwig Rajchmann—or Rajchman—for contempt of the Senate, be passed over, as not properly being calendar business.

The PRESIDING OFFICER. Objection being heard, Senate bill 323, Senate Resolution 103, and Senate Resolution 104 will be passed over.

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF ASHUN YUNG

The concurrent resolution (S. Con. Res. 18) withdrawing suspension of deportation of Ashun Yung was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. A. 1256 (a)), withdraws the suspension of deportation in the case of Ashun Yung (A-4196469) which was previously granted by the Attorney General and approved by the Congress.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 17) favoring the suspension of deportation in the case of certain aliens, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named,

in which case the Attorney General has suspended deportation pursuant to the provisions of section 244 (a) (5) of the Immigration and Nationality Act (66 Stat. 214; 8 U. S. C. 1254 (c)):

A-1618471, Avia, Solomon.
A-5972321, Barbalat, Robert Samuel.
A-4530872, Caplan, Jacob.
A-8291885, Dreska, Parres.
A-5962370, Givot, Simon.
A-5341909, Gutierrez-Cantu, Matilde.
A-2069878, Jurado-Portillo, Alberto.
A-4689730, Korkaris, Spiridon Ioanou.
A-10085801, Kratka, Abraham.
A-3843882, Lentzner, Rudolf.
A-3560108, Lopez-Varela, Angel.
A-3731973, Mandisky, Ceslaw.
E-072770, Olson, Gustav Olov.
A-1385420, Radman, Annie Elizabeth.
A-1917568, Slobodian, Moses.
A-4587587, Burck, Jacob.
A-1407731, Romano, Antonio.
A-4963167, Zaytoun, Eunice Zatone Eunice.
A-4811396, Dagostaro, Sebastiano.
A-5055225, Fishman, Nathan.
A-2144176, Flores-Duran, Jesus.
A-8619031, Goldbogen, Joseph.
E-131756, Hermans, Charles Ferdinand.
A-5006378, Jez, Franciszek.
A-2109682, Lopez, Secundo.
A-3549317, Murphy, George Patrick.
A-5905086, Rintrona, Paul.
A-4308639, Scuteri, Antonino.
A-3787439, Soeldner, William.
A-4167441, Swain-Rios, Raul.
A-1266712, Pozniak, Joseph George.
A-4237764, Rios-Beltran, Francisco.
A-3903054, Bernhardt, Joseph.
A-4390213, Bernhardt, Julia.
A-2854445, Chatlos, Peter Joseph Paul.
A-3663770, Drosda, Steve.
A-2922834, Gallo, Ettore.
A-8291783, Ginsberg, Samuel.
A-8729317, Iezna, Louis.
A-5398485, Kleingeld, Jan Antonie.
A-1667195, Kyederis, George.
A-1805400, Paculka, William.
A-1953488, Rizzo, Emanuel.
A-3334498, Rosko, Gleb.
A-5920850, Tilinski, Blaise.
A-1832692, Hasenji, Janos.
A-4643788, Spist, Casimer Joseph.
A-4036508, Wojcik, Andrzej.
A-3549327, Acks, Benjamin.
A-3540280, Camarillo-Hernandez, Melecio.
A-5957928, Conforti, John.
A-5283567, Herman, Carl.
A-4699846, Herman, Helen.
A-2931814, Geier, Michael.
A-4451943, Glocher, Louis.
A-3023919, Gomes-Romero, Macario.
A-3927637, Gordon, Sidney Dimitro.
A-3906717, Gloria, Modeste.
A-4578869, Kolak, Karl Charles.
A-3113854, Lichtstrahl, Nathan.
A-3284190, Nagy, Ferenc Fre.
A-10392851, Semrau, Otto.
A-3328451, Stefanich, Robert John.
A-4951723, Baker, Cyril Joseph.
A-1125010, Delgadillo-Bautista, Jose Au-
[illegible]
A-2684715, Farhat, Assad.
A-3023157, Henry, Nellie.
A-5357358, Maggio, Anthony.
A-8728319, Mel, Felix.
A-1776754, Meldahl, Dudvik Theodore.
A-5283674, Oaxaca-Licon, Miguel.
A-3654973, Palacios, Manuel Antonio.
A-1009790, Pina, Edwin James.
A-5875661, Sowinski, Andrew Michael.
A-1356134, Strand, Emil.
A-10146914, Thomson, George Washington.
A-4827436, Corona, Vidal.
A-4576246, Corona, Maria Mercedes Murillo
[illegible]
A-3955408, Fillion, Pierre Joseph.
A-5003117, Steigerwald, Joseph.
A-3960477, Yettra, Max Henry.
A-4538625, Zinkiewicz, Theodore Stanley.
A-7387847, Aboglio, Andrew.
A-10238757, Falsbein, Lillie.
A-3559487, Farino, Pasquale.
A-3946019, Januskiewicz, Stella.
A-2872504, Navarro, Antonio.
A-3343833, Bollack, Walter.
A-5556763, Ross, George.
A-5164395, Stagliano, Alexander.
A-3917082, Vitale, Marie Rose Dolores.
A-5606431, Wagman, Anna.
A-5953152, Zuniga-Ayala, Gil.
A-5532981, Angelo, Joseph.
A-1136722, Battista, Domonick.
A-3115920, Cutrona, Paolo.
A-3433364, De Witt, Hendrick Mathilde.
A-2313150, Garza-Martinez, Anastacio.
A-5642228, Ivnitsky, Morris.
A-5055209, Johnson, Eric Gustav Christian.
A-8390014, Jurine, Stephen Martin.
A-5267881, Kacsmarek, Anthony Frank.
A-5576905, Karaziewicz, Bronislaw Daniel.
A-5536604, Karov, Harry.
A-4920068, Murphy, Frances Lavine.
A-3940909, Ferrone, Gasper.
A-4229759, Quong, Mong Lai.
A-4818926, Rivnyak, Michael.
A-5383872, Rosenzweig, Joseph.
A-4935411, Rye, Agil.
A-2837467, Teleshefsky, Harry.
A-4325513, Tkachuk, Peter.
A-1755685, Zajats, Ivan.
A-6959188, Pajardo, Marcos.
A-4371961, Gum, Tang.
A-5621394, Geoniotes, Demetros Georgi.
A-3455978, Kucharik, John Paul.
A-4753662, Lubrano, Daniel.
A-4813965, Sanchez, Gil Ramirez.
A-4426360, Schwartz, Nathan.
A-3823508, Schwartz, Rebecca.
A-5907730, Abouketes, Nick.
A-3556329, Ciechomski, John.
A-2816600, Evtushik, Ulian.
A-5264444, Kahan, Isidore.
A-3149068, La Hood, John Joseph.
A-10165019, Leonard, Joseph Frank.
A-4647042, Maskovic, John Peter.
A-2917332, Mitchell, George Paul Vuceneric.
A-1288853, Strauber, Erwin.
A-3193490, Tresca, Benny.
A-3956111, Trost, Molly.

OBSERVANCE OF NATIONAL HOSPITAL WEEK

The concurrent resolution (S. Con. Res. 10) favoring appropriate observance of National Hospital Week was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HILL. Mr. President, I offer and send to the desk an amendment suggested by the distinguished minority leader, the Senator from California [Mr. KNOWLAND].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and to insert:

That the President of the United States is requested to issue a proclamation designating the week beginning May 12, 1957, and ending May 18, 1957, as National Hospital Week, and urging the people of the United States to join in proclaiming the importance of hospitals in the American community and their tradition of devoted service to the American people, and inviting the communities of the United States to observe such week with appropriate ceremonies and activities.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

The concurrent resolution (S. Con. Res. 10), as amended, was agreed to.

The preamble was agreed to.

JOSEPHINE SUYDAM

The bill (S. 124) for the relief of Josephine Suydam was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Josephine Suydam, shall be held and considered to be the natural-born alien child of Mr. John A. Suydam, a citizen of the United States.

NELSON SHU-YUNG CHUANG

The bill (S. 363) for the relief of Nelson Shu-Yung Chuang was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nelson Shu-Yung Chuang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

NATHANIEL WONG

The bill (S. 515) for the relief of Nathaniel Wong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nathaniel Wong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANTHONY AGUSTINO SCRIVANICH

The bill (S. 644) for the relief of Anthony Agustino Scrivanich was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Anthony Augustino Scrivanich shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DAVID Y. ONG

The bill (S. 657) for the relief of David Y. Ong was considered, ordered

to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, David Y. Ong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JOHN (IOANNIS) LEGATOS

The bill (S. 754) for the relief of John (Ioannis) Legatos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, John (Ioannis) Legatos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

ELDUR EHA

The bill (S. 799) for the relief of Eldur Eha was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Eidur Eha shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control office to deduct one number from the appropriate quota for the first year that such quota is available.

MARIA NALDO

The bill (S. 800) for the relief of Maria Naldo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Naldo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JOSEFA KUSIAK

The bill (S. 895) for the relief of Josefa Kusiak was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Josefa Kusiak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

STYLIANOS LECOMPLES

The Senate proceeded to consider the bill (S. 687) for the relief of Stylianos Lecomples, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Stylianos Lecomples shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTABLISHMENT OF ADDITIONAL POSTAL STATIONS AT MILITARY CAMPS AND POSTS—BILLS PASSED OVER

The bill (S. 913) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. By request, Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. PURTELL. Mr. President, I also ask that Calendar No. 130, House bill 4815, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, be passed over.

The PRESIDING OFFICER. On objection, calendar No. 130, House bill 4815, will also be passed over.

EMPLOYMENT OF TEMPORARY STAFF MEMBERS BY THE COMMITTEE ON LABOR AND PUBLIC WELFARE

The resolution (S. Res. 101) authorizing the Committee on Labor and Public Welfare to employ certain temporary staff members and assistants, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ELLENDER. Mr. President, let me inquire whether the employees are additional ones, over and above the number the committee had last year.

Mr. HILL. We had some temporary employees last year, for certain special work, such as that for which we are requesting these temporary employees. They are requested in connection with certain special work at this time.

Mr. ELLENDER. How many additional employees are being requested now?

Mr. HILL. The resolution authorizes six additional temporary employees. They would be for the Subcommittee on Labor, which now is studying the bill to extend coverage under the Fair Labor Standards Act, and which also is considering proposed welfare and pension legislation; and for the Subcommittee on Railroad Retirement, which must go into the matter of the railroad retirement fund; and for the Subcommittee on Veterans' Affairs, headed by the Senator from South Carolina [Mr. THURMOND], which has jurisdiction over, and will handle, the bills proposing extension of the GI bill of rights, and similar measures.

Mr. ELLENDER. Can the Senator from Alabama tell us how many employees the committee has, aside from those regularly provided for under the Reorganization Act?

Mr. HILL. We have four clerical positions which are provided for.

Mr. ELLENDER. Those are in addition to the ones regularly provided for under the Reorganization Act, are they?

Mr. HILL. Yes.

Mr. ELLENDER. Now six more are being requested; is that correct?

Mr. HILL. Two of the employees we are requesting would be stenographic, and all of them would be on a temporary basis.

Mr. ELLENDER. I merely wish to remark that we have been hearing, here on the floor of the Senate, during the past 15 or 20 minutes, considerable debate regarding the saving of money and regarding reducing the budget. It seems to me that we who serve in the Senate should set an example by trying to reduce expenses here, before we begin asking other Government agencies to do likewise.

The PRESIDING OFFICER. Is there objection to the present consideration of resolution?

There being no objection, the resolution (S. Res. 101) was considered and agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized, from March 1, 1957, through January 31, 1958, to employ 4 additional professional staff members and 2 additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202 (e), as amended, of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, 80th Congress, approved February 19, 1947, as amended.

PRINTING OF A STUDY ENTITLED "THE RIGHT TO BUY AND ITS DENIAL TO SMALL BUSINESS"

The resolution (S. Res. 105) authorizing the printing of a study entitled "The Right To Buy and Its Denial to Small Business" was considered and agreed to, as follows:

Resolved, That there be printed as a Senate document a study on "The Right To Buy

and Its Denial to Small Business," prepared for the Senate Select Committee on Small Business by Dr. Vernon E. Mund; and that 4,000 additional copies be printed for the use of the committee.

PRINTING OF ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "TAX GUIDE FOR SMALL BUSINESS"

The resolution (S. Res. 106) to print additional copies of a committee print entitled "Tax Guide for Small Business" was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Select Committee on Small Business of the Senate, 6,000 additional copies of the committee print entitled "Tax Guide for Small Business" prepared during the 84th Congress, 2d session.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 2966, 84TH CONGRESS

The concurrent resolution (H. Con. Res. 62) authorizing the printing of 5,000 additional copies of House Report No. 2966, 84th Congress, was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON THE NATIONAL HIGHWAY PROGRAM

The concurrent resolution (H. Con. Res. 82) authorizing the printing of additional copies of the hearings on the national highway program for the use of the Committee on Public Works, House of Representatives, was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON EXCISE TAXES

The concurrent resolution (H. Con. Res. 104) authorizing the printing of additional copies of the hearings on excise taxes held by the Committee on Ways and Means during the 84th Congress, 2d session, was considered and agreed to.

REAPPOINTMENT OF DR. ARTHUR H. COMPTON

The joint resolution (H. J. Res. 23) to provide for the reappointment of Dr. Arthur H. Compton as Citizen Regent of the Board of Regents of the Smithsonian Institution was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1423) to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, I am a cosponsor of the bill, and I am very much in favor of its passage. However, by request, I must object to consideration of the bill at this time, on the call of the unanimous-consent calendar.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (S. 1451) to amend and revise the statutes governing financial institutions and credit was announced as next in order.

Mr. TALMADGE. Over, Mr. President. That is substantive legislation and, in my opinion, not calendar business.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

LUCY LIN AND MINOR CHILD PETER LIN

The bill (S. 16) for the relief of Lucy Lin and her minor child, Peter Lin, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Lucy Lin and her minor child, Peter Lin, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

PATRICK K. Y. YIP

The bill (S. 17) for the relief of Patrick K. Y. Yip was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Patrick K. Y. Yip shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PAVEL BLAHO

The bill (S. 87) for the relief of Pavel Blaho was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Pavel Blaho shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MAX MAZAK TERIAN AND MARIA TERIAN

The bill (S. 247) for the relief of Max Mazak Terian and his wife, Maria Terian, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Max Mazak Terian and his wife, Maria Terian, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

ESTABLISHMENT OF ADDITIONAL STATIONS AT MILITARY CAMPS, POSTS, OR STATIONS OF THE ARMED FORCES—BILLS PASSED OVER

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar No. 111, Senate bill 913, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON of South Carolina. That bill was passed over a little while ago and I ask that the Senate now consider it.

The PRESIDING OFFICER. The Chair will advise that Calendar No. 111, Senate bill 913, and also Calendar No. 130, House bill 4815, both of which deal with the same subject, were passed over.

Mr. PURTELL. Mr. President, I raised objection, on request. I understand the objection has been withdrawn, and I offer no objection to the passage of the two bills.

The PRESIDING OFFICER. Is there objection to the present consideration of the Senate bill 913?

There being no objection, the Senate proceeded to consider the bill, S. 913, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I have nothing further to say if the bill is passed.

The PRESIDING OFFICER. The Chair will advise that there is an amendment in the Senate bill which is not in the House bill.

Mr. JOHNSTON of South Carolina. That is true.

Mr. CLARK. Mr. President, in order that the parliamentary situation may be straightened out, is my understanding correct that Calendar No. 111, Senate bill 913, has been passed?

The PRESIDING OFFICER. No. The Chair will advise that Senate bill 913 has not been passed.

Mr. CLARK. Mr. President, I should like to see the bill passed. Then I should like to make an appropriate motion with reference to House bill 4815, which is Calendar No. 130, and which is a companion measure. I have no objection to Calendar No. 111, S. 913. I hope the Chair will put the question for immediate passage.

The PRESIDING OFFICER. The Chair will advise that the procedure which he believes the Senator from Pennsylvania is trying to arrive at is to take up the House bill, strike out all after the enacting clause, substitute the text of the Senate bill, and pass the House bill as amended.

Mr. CLARK. It is my understanding that should be done after Calendar No. 111, S. 913, is passed. Then I shall ask unanimous consent——

The PRESIDING OFFICER. The Chair will advise that is the procedure in the House of Representatives, but not in the Senate.

Mr. JOHNSTON of South Carolina. Mr. President, to clear up the situation, I ask that Senate bill 913, Calendar No. 111, be laid aside temporarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. I now ask unanimous consent for the present consideration of Calendar No. 130, House bill 4815. When that is done I shall offer to the House bill the amendment the committee made to the Senate bill.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 4815?

There being no objection, the Senate proceeded to consider the bill (H. R. 4815) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, I offer to the House bill the amendment which the committee made to Senate bill 913.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, after line 5, it is proposed to insert:

SEC. 2. The paragraph relating to basic compensation of employees of Senate committees in the Legislative Appropriation Act, 1956, is amended by striking out "the basic compensation of one employee of each such committee may be fixed at any rate not in excess of $8,460 per annum" and inserting in lieu thereof "the basic compensation of two employees of each such committee may be fixed at any rate not in excess of $8,460 per annum."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from South Carolina. Without objection, the amendment——

Mr. ELLENDER. Mr. President, I wonder if we could have an explanation. I understood the bill concerned permanent authority for the Postmaster General to establish postal stations for the Armed Forces. What connection is there between the amendment and the bill?

Mr. JOHNSTON of South Carolina. The amendment gives each committee the right to raise the salary of one existing position from $13,600 to $14,300.

Mr. ELLENDER. Why attach such an amendment to a bill which deals with another subject? Why is not that done on its own, separately?

Mr. JOHNSTON of South Carolina. It was thought that it would expedite matters to have it done in this way.

Mr. ELLENDER. Personally, I should like to look into the question. It means further expenditures by the Senate.

Mr. JOHNSTON of South Carolina. I call attention to the fact that a great many believe there should be such a provision. It is badly needed at the present time to enable each chairman to establish and maintain a proper salary alinement among staff employees. For the Senator's information committee chairmen in the House of Representatives have such authority.

Mr. ELLENDER. If the House wants to spend a lot of money, that is no reason why we must do the same thing. I have heard the argument advanced so often that I am sick and tired of hearing it. We ought to attend to our own business and let the House attend to its business. If this amendment is going to be put into the bill, I shall object to it. I will ask that the bill go over.

Mr. JOHNSTON of South Carolina. I ask that the bill go over, and shall ask that the bill be set for consideration as soon as possible.

The PRESIDING OFFICER. The Chair understands that both Calendar No. 130, House bill 4815, and Calendar No. 111, Senate bill 913, will go over. Is that correct?

Mr. JOHNSTON of South Carolina. I ask that both bills go over.

The PRESIDING OFFICER. Both bills will be passed over.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STAFF SALARIES IN THE SENATE AND HOUSE

1. SENATE

The general ceiling on salaries of Senate staff employees is $13,600, except that the salary of one employee may be fixed at not to exceed $14,300, and a second employee at not to exceed $14,800. In other words, only two employees of each committee, including subcommittees thereof, can be paid a salary in excess of $13,600.

2. HOUSE

On the House side, the salary of the Chief Clerk and all the professional staff employees is limited only by the $14,800 ceiling. In other words, the Chief Clerk and every professional staff employee can be paid a salary of $14,800.

The record shows that on the House side most committees are paying their Chief Clerk and professional staff employees a top salary of $14,800.

For example, the Interstate and Foreign Commerce Committee has 5 employees at $14,800; the Judiciary Committee has 4 employees at $14,800; the Appropriations Committee has 3 employees at $14,800; the Banking and Currency Committee has 4 employees at $14,800; the Education and Labor Committee has 5 employees at $14,800; etc.

Mr. JOHNSTON of South Carolina. There is no justification for this difference in authority to fix the pay of staff employees that exists between the House and the Senate.

HELEN DOLLY ARGYROPOULOS

The bill (S. 626) for the relief of Helen Dolly Argyropoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Helen Dolly Argyropoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

VICTOR CHARLES HUNT

The Senate proceeded to consider the bill (S. 91) for the relief of Victor Charles Hunt, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Victor Charles Hunt. From and after the date of enactment of this act, the said Victor Charles Hunt shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF TIME FOR FILING CERTAIN REPORTS BY THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 110) to extend the time for the filing of certain reports by the Committee on the Judiciary was considered and agreed to, as follows:

Resolved, That the time for filing a report by the Committee on the Judiciary, pursuant to Senate Resolution 165, 84th Congress, 2d session, as extended by Senate Resolution 84, 85th Congress, is hereby extended to April 4, 1957.

INCREASED BENEFITS FOR WIDOWS OF FORMER LIGHTHOUSE SERVICE EMPLOYEES

The bill (S. 235) to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section and section 2 of the act entitled "An act to provide benefits for widows of certain persons

who were retired or are eligible for retirement under section 6 of the act entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' approved June 20, 1918, as amended," approved August 19, 1950 (33 U. S. C. 771 and 772) are each amended by striking out "$50 per month" and inserting in lieu thereof "$75 per month."

SEC. 2. The amendments made by this act shall take effect on the first day of the first month which begins after the date of the enactment of this act.

WAIVER OF RETIREMENT PAY BY FORMER LIGHTHOUSE SERVICE EMPLOYEES

The bill (S. 236) to amend section 6 of the act of June 20, 1918, as amended, relating to the retirement pay of certain members of the former Lighthouse Service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 20, 1918, as amended and supplemented (33 U. S. C. 763), is amended by adding at the end thereof the following: "Any person entitled to retirement pay under this section may decline to accept all or any part of such retirement pay by a waiver signed and filed with the Secretary of the Treasury. Such waiver may be revoked in writing at any time, but no payment of the retirement pay waived shall be made covering the period during which such waiver was in effect."

INVESTIGATION BY FEDERAL TRADE COMMISSION OF PRODUCTION, DISTRIBUTION, AND SALE OF NEWSPRINT—CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. ELLENDER. Mr. President, reserving the right to object, and I shall object, I understand this concurrent resolution has just come from the Committee on Interstate and Foreign Commerce, and that the hearings with respect to the resolution have not been as yet printed. I further understand that the chairman of the Committee on Interstate and Foreign Commerce has agreed to keep the record open until March 13, as I recall the date, for the purpose of receiving more evidence on the subject. Therefore, it will not be until after that date that a printed record is available.

It strikes me we in the Senate should have a little more information with respect to the resolution before we act upon it. As I understand, the purpose of the resolution is to have the Federal Trade Commission undertake an investigation for which it already has ample authority. I cannot understand why the concurrent resolution is necessary. I was informed that someone promised the Federal Trade Commission that if the resolution were adopted and the investigation begun, funds would be provided to conduct it. I do not see any earthly need for this resolution, since it is my understanding that the Federal Trade Commission can undertake such an investigation as is now proposed under existing law. Of course, the Commission may take the position it does not have enough money available to do so. If this is correct, the concurrent resolution does not supply any money. All it does is to direct the Commission to do something it could do under existing law.

It strikes me that the Federal Trade Commission should come before us, if it needs funds, if this investigation is necessary, and make a showing for whatever money it requires. There is no necessity for the study to come through the back door, so to speak.

I ask that the concurrent resolution be passed over.

The PRESIDING OFFICER. Objection is heard.

Mr. POTTER. Mr. President, will the Senator withhold his objection for a moment?

Mr. ELLENDER. Certainly.

Mr. POTTER. In response to the statement by the Senator from Louisiana I should like to say that the Committee on Interstate and Foreign Commerce held hearings on the so-called newsprint problems. As the result of the hearings which were held, it was determined that a thorough study should be made by the Federal Trade Commission.

I thoroughly agree with the distinguished Senator from Louisiana that the Federal Trade Commission has the authority to carry on such a study. However, it was felt that it would be well for the Federal Trade Commission to have an expression of the Congress by concurrent resolution, to aid it in going into this economic and legal investigation.

What has prompted the Senate Committee on Interstate and Foreign Commerce to act is this: We have known for some time that there has been a newsprint problem in the United States. Production and supply have been about on a par. About 70 percent of our newsprint comes from Canada.

We also know that in the future there will be a great need for further newsprint production. As a matter of fact, the evidence before our committee indicated that there is great likelihood of new newsprint facilities being located in some of our Southern States. The timber there is suitable, and the power is available for greater activity in the newsprint production field.

The purpose of the proposed study by the Federal Trade Commission is, first, to find out whether there is a conspiracy to fix prices. It seems unusual, for example, to find an increase of $4 a ton by one of the major companies, and immediately to find one after another newsprint production company increasing its price by $4 a ton. Certainly we know that $4 is not a magical figure. Every company did not base its increase in price on increased production costs. It does not work that way. Increased production costs would not result in a round figure of $4 for every company.

What the Commission can do, which we do not have the time in the Senate to do, is to make an economic and legal study to find out whether there is a price fixing conspiracy in the newsprint production field.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. ELLENDER. Is it not a fact that when the Interstate and Foreign Commerce Committee asked for funds to carry on this investigation, a showing was made that it was necessary in order to ascertain the reason for a number of increases in the cost of newsprint? Now we find it necessary to not only look into the issue of a possible short supply, but into the question of whether or not there is a newsprint monopoly.

It strikes me that the reason for establishing the Federal Trade Commission was to have an organization charged with the duty of doing the very thing the Senator is seeking to have it do by means of a concurrent resolution. Am I not correct?

Mr. POTTER. That is correct.

Mr. ELLENDER. The Commission would use this resolution as a basis for coming to Congress to ask for more money. That would be the result, as the Senator knows. Why not let the Commission come to Congress in the regular way? If the Commission thinks it is necessary that an investigation be made, let it say so, and make its showing before the Congress for whatever money it may need to do the work.

Mr. POTTER. The only thing we are proposing to do is to say to the Federal Trade Commission, "We think this study should and must be made." If we leave it to the discretion of the Federal Trade Commission, it will take the easy way out, and it may never make the study. We were proposing to tell the Commission, "This subject is within your jurisdiction. You do the job."

Mr. ELLENDER. In this resolution we are simply suggesting that the Commission do it. A letter from the chairman of the committee would serve the purpose just as well. As for the Commission taking the easy way out, I refuse to believe that if the Commission feels that a study of a possible newsprint monopoly, or restraint of trade in the newsprint industry is necessary, it would decline to undertake such an investigation. All I am saying is that if there is to be a Trade Commission study, it should come about in a proper manner—not through the back door.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. BARRETT. Over, by request.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

That completes the call of the calendar.

INCREASED ALLOTMENTS FOR DURUM WHEAT

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 95, Senate bill 323.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CARROLL in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, this bill, to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, was introduced by the Senator from North Dakota [Mr. YOUNG]. It was also sponsored by the senior Senator from North Dakota [Mr. LANGER], both Senators from South Dakota [Mr. MUNDT and Mr. CASE], both Senators from Minnesota [Mr. THYE and Mr. HUMPHREY], both Senators from Montana [Mr. MURRAY and Mr. MANSFIELD], and the distinguished minority leader, the Senator from California [Mr. KNOWLAND].

We think time is of the essence in connection with this particular measure, and we hope most sincerely that the Senate will unanimously pass the bill.

Mr. YOUNG rose.

Mr. MANSFIELD. I now yield to the Senator from North Dakota, the author of the bill, and the leader in the sponsorship of this particular measure.

Mr. YOUNG. Mr. President, I should like to make a brief explanation of the bill. It affects only durum wheat. Durum wheat is a special wheat, used almost exclusively in the making of spaghetti, macaroni, and puffed wheat. It had been produced in only a few States. Up until the past 2 or 3 years, 85 percent of it was produced in my own State of North Dakota.

Now there is considerable production in Montana, and a little in California. Because of a bad disease, known as 15b rust, production had decreased to 5 million bushels, or only a small proportion of the wheat that was needed 3 years ago. Since then we have been passing incentive legislation year after year to encourage more production. The pending bill is badly needed to secure the necessary production to meet our minimum needs this year.

The bill has the support of the Farm Bureau of North Dakota, the American Farm Bureau Federation, the Farmers Union, the Farmers Union Grain Terminal Association, the National Association of Grain Co-ops, the Minneapolis Grain Trade, the milling industry, and the Macaroni Manufacturers Association. It was reported unanimously by the Committee on Agriculture and Forestry. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the first four pages of the committee report.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, having considered the same, report thereon with a recommendation that it do pass with amendments.

GENERAL

This bill would, on a greatly reduced basis, extend to the 1957 crop the increased durum-wheat acreage-allotment provisions of section 334 (e) of the Agricultural Adjustment Act of 1938. The bill, with the committee amendments, modifies section 334 (e) in the following respects:

(1) It extends it to the 1957 crop.

(2) It provides for increasing allotments by only ½ acre of durum (instead of 2) for each acre of the original allotment devoted to durum. (Thus, the bill provides for a one-third reduction in allotment below 1956 for farmers planting the full amount authorized by section 334 (e).)

(3) It limits the increase for any farm to 100 acres.

(4) It limits the extent to which farmers receiving increased allotments may participate in the wheat-acreage reserve. No part of the increase, or of that part of the original allotment on which the increase is based, would be permitted to be put in the acreage reserve.

HISTORY OF CRITICAL DURUM SITUATION

In January 1954 Congress enacted section 334 (e) to provide increased allotments in 1954 and 1955 for durum wheat, which was then in critically short supply. This legislation proved insufficient, and early in 1955 Congress passed Public Law 5, 84th Congress, to increase allotments further. The Department of Agriculture, after discussing the urgency of the need for legislation in its report of January 20, 1955, on S. 145 (S. Rept. 9, 84th Cong.), described the situation as follows:

"Durum wheat, class II, has a usage substantially different from that for any other class of wheat because it is the source of semolina from which satisfactory quality macaroni products are manufactured. It is a spring wheat and is grown in the States of North Dakota, South Dakota, Montana, and Minnesota. The supply situation with respect to durum wheat is critical, due to damage from stem rust 'race 15b.' In 1952 the production of durum wheat totaled 22 million bushels, which was only 60 percent of the 10-year 1942–51 average production of 37.4 million bushels. In 1953 the crop was 13.9 million bushels, and the estimate for the 1954 crop is only 5.5 million bushels. The normal requirement for domestic use, exports, and carryover is about 35 million bushels per year.

"These three successive crop failures have endangered the entire durum-wheat industry, both on the production and milling sides. The macaroni-industry members report it is faced with a shrinking market, due almost entirely to the production of an inferior product resulting from the use of classes of wheat not well suited for such products.

"An effort was made by the Congress in 1953 to relieve the situation by enacting section 4 of Public Law 200 (68 Stat. 4). Under this statute, the 1954 acreage allotments and marketing quotas for wheat producers who had grown durum wheat during 1 or more of the preceding 3 years were increased to permit the growing of increased acreages of durum wheat, class II. Our investigation indicates that the program, under these provisions, has not and will not be effective because (1) the seeding of other spring wheat is limited to the pro rata share of the regular wheat allotment attributable to such spring wheat as a condition of qualifying for the additional allotment for durum wheat, and (2) eligibility for the additional allotment to produce durum is dependent upon the producers having grown durum wheat, class II, in 1 or more of the preceding 3 years. Producers feel that the growing of durum wheat against the hazards of stem rust 'race 15b' is too great to expect them to gamble on seeding a substantial part of their farm wheat-acreage allotments to such class of wheat.

"Under the proposed bill, farmers would be permitted in areas capable of producing durum wheat, class II, from which acceptable semolina may be produced for the production of satisfactory macaroni products, to grow such class of wheat over and above the regular farm wheat-acreage allotments without regard to the class of wheat seeded within the allotments. The acreage permitted to be grown would be limited only by the total acreage of cropland on the farm well suited for the production of wheat. Farmers operating in the areas to be selected would be eligible for the increased allotments for durum-wheat production regardless of whether they had previously produced such wheat."

By early 1956, with the aid of durum allotments limited only by the cropland well suited for wheat production, the situation was somewhat improved, and Congress extended section 334 (e) to the 1956 crop, but limited the increase in allotments to 2 additional acres of durum for each acre of the original allotment devoted to durum. With the aid of this legislation, favorable weather conditions which produced yields averaging between a third and a fourth higher than yields during the 5-year period 1949–53, and the planting to durum of acreage on which winter wheat had been winterkilled in Montana, it is estimated that the 1956 crop will exceed consumption and exports by about 10 percent. Contributing further to this balancing of supply and demand for 1956 is the fact that macaroni manufacturers, during the period of shortage, had switched to a blend of farina and semolina. Because they had already contracted for other wheats, and because the abundant supply of the 1956 crop was not available during the first 3 months of the marketing year, macaroni manufacturers have used less semolina flour this year than would have otherwise been the case. This is also true of the breakfast food industry. Macaroni manufacturers testified that they intend to return to the use of 100-percent semolina.

In view of the fact that the balance of supply and demand in 1956 was dependent upon so many factors, which cannot be counted upon in 1957, your committee recommends that incentives for durum production should be extended to the 1957 crop; although it may now be safe to reduce those incentives by 50 percent. Two million five hundred fifty-eight thousand acres were planted to the 1956 crop of durum wheat. The Department advises that no figures are available as to what part of this acreage represents additional acreage provided for by section 334 (e), but since for any farm 2 out of 3 acres could represent additional acres, termination of section 334 (e) could result in a substantial reduction in acreage. Furthermore, witnesses before the committee testified that farmers do not intend to plant any part of

their allotments to durum unless some incentive is provided, in view of the difficulties they have had with it in recent years and the high yields which can be obtained from certain other wheats. Last year, when Montana winter wheat was subject to winterkill, durum acreage increased from 271,000 acres in 1955 to 978,000 acres in 1956. Montana, it appears, will have a good winter-wheat crop this year, and it is likely that many Montana farmers who grew durum last year will not do so this year.

The Department of Agriculture reported that it does not favor enactment of S. 323, principally because (1) rust resistant strains of durum are now in adequate supply, (2) the 1956 crop exceeded domestic consumption and exports, and (3) the industry has already lost a part of its market since macaroni producers have developed satisfactory blends of semolina and farina. Your committee does not agree with the Department's views. The macaroni manufacturers have testified that they want and intend to return to pure semolina, since it will make the best product and is demanded by consumers. Since the beginning of the shortage of semolina a part of their market has been taken over by imports which have increased from 689,000 pounds in 1949 to 5,262,574 pounds in 1955. Your committee feels that until the macaroni industry, the semolina millers, and the durum producers are assured of an adequate supply and given a fair chance to regain their lost markets, Congress should not reduce durum allotments more than is provided by the bill.

Mr. YOUNG. Mr. President, I should like to offer an amendment at this time.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. ELLENDER. I should like to say that the Senator's amendment has the unanimous support of the Committee on Agriculture and Forestry. The entire membership agrees that the acreage should be reduced and limited to 60 acres. Is that correct?

Mr. YOUNG. That is correct. I am prepared to offer the amendment now. The bill as at the present drawn provides that no one farmer can gain more than 100 acres over his allotment. I propose, at the bottom of page 2, in line 23, to strike out the words "one hundred" and insert in lieu thereof the word "sixty." In other words, no one farmer will gain more than 60 acres.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] to the committee amendment on page 2, line 23.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The secretary will state the committee amendment, as amended.

The CHIEF CLERK. On page 2, line 22, after the word "section", it is proposed to insert "(1) no acreage allotment shall be increased under this subsection by more than 60 acres, and (2)."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The secretary will state the remaining amendments of the Committee on Agriculture and Forestry.

The remaining committee amendments were, on page 3, line 18, after the word "this", to strike out "subsection." " and insert "subsection."; and on page 3, after line 19, to insert:

For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection "wheat acreage on the farm" shall include acreage in the wheat acreage reserve.

The amendments were agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, as I understand, the committee agrees to the amendment to the committee amendment which the Senator from North Dakota offered.

Mr. YOUNG. The Senator is correct.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the 5 years, 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than 15 acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Pelissa' shall be regarded as 'other wheat.' Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than 60 acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

"For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

"(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

"(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection 'wheat acreage on the farm' shall include acreage in the wheat acreage reserve."

Mr. CASE of New Jersey obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. CASE of New Jersey. I yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The chief clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey [Mr. CASE] has the floor.

ECONOMIC DEVELOPMENT OF THE UNDERDEVELOPED AREAS OF THE WORLD

Mr. CASE of New Jersey. Mr. President, I should like to discuss this afternoon a matter vital to the security of the United States—the economic development of the underdeveloped areas of the world. Such a discussion, I believe, is especially timely in the light of two reports which recently have been presented to the President.

On Wednesday of this week the President made public a report of the so-called Fairless committee dealing with the mutual security program. This morning the President released the report made to him by the International Development Advisory Board of which Eric Johnston was chairman. The Johnston report deals directly, as the Fairless report does not, with the question which is my concern today.

My concern is with the development of a comprehensive, systematic, and adequate program of economic assistance for underdeveloped nations. From the long-range viewpoint such a program may well be of even greater significance to our security than is the mutual security program.

As the basis for discussion let me state a proposition which I believe few will dispute. I do it in the words of Paul H. Nitze, president of the Foreign Service Education Foundation, used in his recent testimony before the Committee on Foreign Affairs of the House of Representatives:

The relative strength of the U. S. S. R. and of the United States are so nearly balanced that what happens to the intervening states and the positions which they take can be crucial in affecting that balance.

Russia's violent reaction to the Hungarian uprising shows that she understands this very clearly. A successful defection by Hungary would have been so disastrous to the Russian position that she felt obliged to suppress it in the most brutal fashion, even though her brutality cost her dearly in terms of world opinion.

Similarly, the defection to the Soviet side of the European countries or the loss of the Afro-Asian bloc or of the other presently uncommitted peoples would be a shattering blow to us.

Presently outside the Soviet orbit are nations, containing almost half the population of the world, which are relatively underdeveloped, socially and economically. In all these nations there is rising pressure to achieve freedom, both in terms of the absence of external control and also in the positive sense of capacity to decide and act on their own. Rightly, these countries, and especially the individuals in these countries with the capacity for leadership and the ambition to exercise it, look upon economic development as a necessary condition to real nationhood.

Whether we like it or not, these countries will drive for economic development. It is almost impossible to overstate how important it is to our security that that drive should proceed along lines which will enable these countries to retain their independence and not along a course which will lead them into the Communist camp.

It is by no means clear that if we do nothing about it the development of these countries will proceed along independent lines. Indeed, the preponderance of the evidence suggests that the other—and, for us, disastrous—result will follow.

Communism—not its ideology but its totalitarian methods—has a strong attraction to those with leadership capacities in the underdeveloped countries. A number of reasons account for this unfortunate fact.

A prime requirement for economic development is capital. But these countries are desperately poor, and their income is barely sufficient for the subsistence of their people. Without totalitarian controls, it is difficult, if not impossible, to persuade people whose total earnings are barely enough to keep themselves alive to divert a significant part of those earnings from consumption into productive investment. A hungry man is not likely to forgo bread in order to buy lathes. In a Communist totalitarian society the managers can turn the screws on the people and forcibly extract from their meager earnings the capital required for economic expansion.

Economic development means that many of the old habits, customs, and ways of life of a people will be changed. This is unsettling and in many cases unpleasant for great numbers of people. Under a totalitarian regime, the necessary changes can be imposed regardless of the wishes of the people. It is impossible to disprove that economic reconstruction, in its early stages at least, may well proceed more rapidly in a totalitarian than in a democratic society. The whip is easier to apply than self-discipline.

And it cannot be denied that in the underdeveloped countries the kind of social organization which exists under communism all too often has a powerful fascination for the people of ability, for the managers, for those capable of running the show. As Walter Lippmann has pointed out, the Communists are proposing to this group "a plan of economic reconstruction which promises much quicker results than anything we can propose, and with it all the privileges of supreme personal power for themselves." Empty promise or not, the prospect has an attraction as undeniable as that of the green apple for the youngster on the other side of the fence.

To offset this last attraction there is not much that we can do directly. We can and must do everything possible to establish and maintain sympathetic communication between the Western World and the leadership groups of the underdeveloped countries. The exchange-of-persons programs at all levels can be vitally important here, as can our own direct personal contacts with individuals, especially the educated classes in these countries.

But the black and sinister aspects of Communist totalitarianism were undoubtedly burned into the minds of political and intellectual leaders the world over by Russia's conduct in Hungary. Surely, since the events of last November, the Communist method must seem a good deal less attractive than it did before. I suggest that it is a good bet that the leadership groups in the underdeveloped countries, like many of those in Poland and some of the other satellites, are now somewhat disenchanted with communism. I suspect that many of them are now at least willing to try to bring about the development of their countries in ways which avoid entangling themselves and their countries in the Communist web.

But, with the best will in the world, these countries cannot get economic development underway without investment capital. And the hard fact is that for the immediate present in many countries only totalitarian methods can squeeze that capital out of the earnings of their own people—earnings which are barely sufficient to keep them alive. If their economic development is to proceed along democratic lines, most of the capital, at least at the beginning, must come from the outside. It would seem reckless, indeed, not to seize the opportunity to make it possible for these countries to develop along lines compatible with our own interests. That means we must find a way to help provide the capital without which economic development is impossible.

I am sure that at this point there will be some who will say: "Ah, yes, it is the same old story. He is talking about foreign aid—the giveaway programs, more money down the rathole, and the like."

Of course, we have had foreign-aid programs before. I am the last to suggest that there have not been abuses and in some instances waste and failures. Yet, on the whole, the foreign-aid programs of the past have succeeded in their purposes—the relief of postwar distress, the rebuilding of Western Europe and the military strengthening of friendly nations in Europe and Asia. And we have scattered programs of technical assistance, and a very minor amount of direct assistance to economic development.

It comes as a surprise to many to discover just how minor that amount has been. The Johnston report points this out: Of a total of $3.8 billion currently appropriated for mutual security, only 10 percent, or $351 million, is allocated for technical assistance and economic development for all countries with which we do not have security arrangements. Two-thirds of United States nonmilitary aid goes to 6 nations with which we have security arrangements who together have a total population of 170 million. The remaining one-third is spread among other nations representing a total population of 900 million.

But, as Howard C. Peterson, of the Committee for Economic Development, told the House Foreign Affairs Committee last fall, we are now facing something new—the challenge of economic development abroad which is only now rising to major importance and which we have not previously tried to meet on a major scale.

The fact is that we have not had a comprehensive, systematic, or adequate program for assistance to economic development in the underdeveloped world.

I believe it is because we have not yet had such a program that our so-called foreign aid or mutual security programs have had increasingly rough going in Congress in recent years. I am equally confident that if our stake in the economic development of the underdeveloped countries is made clear to the American people, they will not reject an adequate program for assistance in such development and will not shrink from its costs.

Indeed, the country's leading polls have consistently shown overwhelming support among the American people for the aid programs. According to one recent poll, 85 percent of our people favor economic assistance to less developed countries, an even higher percentage than favor military assistance.

A number of studies have been made, and others are still under way, of the problem of the economic development of the underdeveloped countries and of what should be American policy in regard to assisting such development.

At the outset I referred to the recent report of the Fairless committee. That report does not contain a single direct reference, to say nothing of an adequate discussion, of a true development program. I regret this deeply, and I cannot understand it.

(At this point Mr. CASE of New Jersey yielded to Mr. TEYE, and a colloquy ensued, which appears at the conclusion of the speech by Mr. CASE of New Jersey.)

Mr. CASE of New Jersey. Mr. President, perhaps the committee felt that the consideration of a true development program was outside its frame of reference. In any case, the committee's emphasis throughout its report is on collective security. This is, of course, an entirely different matter from a comprehensive, systematic, and adequate program to aid the economic development of the underdeveloped countries. Even the conclusion of the Fairless report that United States expenditures need not exceed the 1956 level is specifically directed to expenditures for collective security. I know of no other ground on which to account for the committee's failure to discuss the question of a long-range program for economic development—a proposal widely and intensively studied and regarded as of the highest importance by a large number of thoughtful and responsible persons.

In the circumstances, it is indeed fortunate that the Johnston committee report, which deals directly with this matter, became available this morning. It is fortunate, too, that we can expect the proposal to be fully dealt with in the review now under way by the Senate Committee on Foreign Relations. In addition, the House Committee on Foreign Affairs conducted extensive hearings on the subject last fall, and a number of thoughtful studies have been made by highly competent private organizations.

I have tried to follow the thinking of many of those, both within and without the Government, who have been engaged in these studies. There is, I believe, an extraordinary degree of unanimity in the broad conclusions of most of them on these propositions:

First, that the United States has a vital interest in the economic development of the underdeveloped countries along independent lines.

Second, that a comprehensive program for assisting such development by supplying essential capital and know-how is feasible and has a reasonable prospect of success.

Third, that in its own interest the United States must take a leading role in developing such a program and putting it into effect.

There are differing views among the experts as to the specifics of such a program. But almost everyone is agreed that assistance for economic development under such a program ought not be tied to military alliances. Not that our allies and friends do not deserve particular consideration. Of course they do, and the mutual-security program is built on that relationship. But the goal here is not to seek allies or active affection. We know that true friendship, among nations as among individuals, cannot be bought. Nor do we seek to make over other nations in our image.

Our goal is to make possible the economic development of almost half the world's people—a development which is as inevitable as it is desirable—to take place in ways consistent with our legitimate interests and not under Communist totalitarian auspices. We seek to strengthen world stability and order and to prevent the frustration of the natural ambitions of the underdeveloped countries from becoming a source of disturbance, hostility, and aggression in a world already tense and explosive. As the President put it in his inaugural address:

> We must use our skills and knowledge and, at times, our substance, to help others rise from misery, however far the scene of suffering may be from our shores. For wherever in the world a people knows desperate want, there must appear at least the spark of hope, the hope of progress—or there will surely rise at last the flames of conflict.

There is general agreement also that if such a program is to succeed it must provide assurance of continuity. The underdeveloped countries must know that if they undertake a broad and well-planned effort for economic advance and carry it out in good faith, they can be sure that the help which they need from the outside will not suddenly be withdrawn.

Working up a river-development project, for example, requires time, effort, and skill. It certainly takes more than a year to do the engineering surveys and other preliminary work, draw the blueprints, put out the bids, and make the necessary financing arrangements. More than one country may be involved with all that that can mean in time-consuming negotiations. Understandably, a country will want assurance of support through to completion before embarking on any such project, much less an overall development program. But our existing programs are on a year-to-year basis, which requires that funds be committed the year they are appropriated.

And finally, as to the duration of such a program, there is general agreement that it should continue long enough to support the economic development of a country to the point where it gets the investment capital it needs out of its own savings and from private and normal international investment. When that point is reached, aid should cease. We would in no sense be embarking on a scheme for perpetual handouts or doles. The object of the project is to help these countries to achieve a position where they could stand on their own feet, carry on on their own.

The time has come, I believe, when those at the highest levels of our Government must give a top priority to the consideration of a comprehensive, systematic, and adequate program of assistance for the economic development of the underdeveloped countries.

The primary responsibility for preparing a specific proposal rests, of course, with the executive branch of our Government and particularly with the Department of State. In meeting that responsibility it should consult freely with congressional leaders of both parties and with the congressional committees having special responsibility in this area. As was true in the case of the Marshall plan, a wholly bipartisan approach must be made if this effort is to succeed. I know that the responsible leadership will fully cooperate.

Working out a concrete proposal will not be easy. What does a comprehensive, systematic, and adequate program involve? For example, does it mean we should try to do this work entirely on our own, or that we should channel our aid primarily through international agencies, notably the specialized agencies of the United Nations?

Clearly there are advantages to each method. On the one hand, it is certainly desirable to have other nations share to the extent that they are able in providing capital. An international program is also less likely to be suspect, less vulnerable to charges of imperialism or colonialism. Use of an international agency tends to minimize the hostility or bitterness which the rejection of a particular request for aid may otherwise bring. And there are other benefits.

On the other hand, a bilateral or direct nation-to-nation program also offers distinct advantages. To cite a few, it can generally provide a greater measure of flexibility, it can act with more speed, it can draw on readier sources of expert personnel, and it affords accountability of real value to both nations. My own view is that there is room and need for both approaches. The important thing is that the efforts be coordinated so that they will supplement, not compete with, each other.

Then there is the question of loans and grants. It is sometimes suggested that all our economic aid should be given in the form of loans, even if of necessity they must be so-called soft loans. I personally have some sympathy with those who object that it is usually sounder, psychologically and politically, as well as financially, to make an outright grant, rather than a loan that is a loan in name only. And I see no point to blinking the fact that the countries which most need help are frequently the ones least able to borrow. Again, I think evidence is clear that both are needed—grants to some countries or for some projects, schools or health centers, for example, which cannot by their nature provide a direct return, but which are nonetheless essential to increased productivity; and loans to those countries, or for those activities which can reasonably be expected to pay for themselves in time.

In both cases, an administrative structure which can assure continuity will be needed. Various suggestions have been made—for example, the establishment of a capital fund which could be, in part, at least, revolving, and from which disbursements would be made according to clearly defined criteria established by Congress. I shall not attempt to discuss them here for the immediate need, I believe, is to recognize that continuity is essential to an effective program, and that it need not involve loss of Congressional prerogative.

Not least among the problems are the scope and size of the program. Various estimates have been made as to the amount of capital the underdeveloped countries can actually absorb productively. At best, these are of necessity only informed guesses. This is so only in part, because cost figures of a rounded development program for particular countries are not available. Perhaps even more important, the capacity

of a country to use capital productively is directly influenced by social and other factors not strictly economic. The political climate, the stability of the government in the broad sense, the availability of competent personnel, the general level of education and health, the strength of the determination to advance—these, as well as physical resources and fiscal and financial policies of a country, all play a part.

As a consequence, opinions as to what an adequate program might cost us range between one-half a billion and two billion dollars annually, over a period of from 5 to 10 or 12 years. A significant part of our contribution could undoubtedly be made in the form of surplus agricultural products. The sums for that purpose would, of course, be in addition to funds supplied as part of continued military assistance and defense support to particular countries.

I hold no brief for any particular amount. In fact, the precise amount does not now seem to me to be the important point. What does seem to me to be of real urgency is that we face the question of our participation in meeting the need in a forthright and sensible fashion. Piecemeal or sporadic help, a jot here and a tittle there, will be, I am convinced, not good enough—either from our point of view or from that of the underdeveloped countries.

Mr. President, it will not be easy to formulate a concrete program for this purpose. Yet the effort must be made, for, as the Johnston report states:

> An economic development program as an instrument of United States foreign policy is our most promising and perhaps our only method of dealing with the rising aspirations of the underdeveloped nations.

John J. McCloy, whose distinguished record needs no elaboration from me, put it in these words:

> Already a large part of the underdeveloped area is under Communist domination. I do not think we can sit back and see the remainder with its immense population and resources drift away from us. But if we are really to do something about it, if we are to enlist the cooperation of the non-Communist areas and persuade them of the underlying seriousness of our intent, we cannot pursue a half-hearted policy. We must indeed have a real try at what I would call a true development program.

Mr. President, many other grounds can be urged for favoring a program of this nature. Not the least of these is the added lift and vitality it would give to United States leadership of the forces of freedom and decency among all the peoples of the world. For many, the moral and humanitarian aspects of the program would constitute its highest justification. But apart from all other considerations, such a program, as I suggested at the outset, is vital to our national security.

Leadership of the highest quality, as well as at the highest levels, is essential. No problem is more crucial for the future and no opportunity is greater than the problem and the opportunity of making it possible for the underdeveloped nations of the world, with almost half of the world's people, to emerge as strong, responsible, and independent nations.

During the delivery of the speech by Mr. CASE of New Jersey:

Mr. THYE. Mr. President, will the Senator yield, so that we may establish for the RECORD who Mr. Fairless is?

Mr. CASE of New Jersey. I should be very glad, indeed, to yield. Mr. Fairless is the chairman of a committee of citizen advisers whom the President appointed to consider the mutual-security program and to make recommendations to him.

Mr. THYE. What is the background of Mr. Fairless?

Mr. CASE of New Jersey. The previous background of Mr. Fairless is one of distinguished service in private industry. Among other things, he was the chairman of the board of directors of the United States Steel Corp.

Mr. THYE. Does not the Senator from New Jersey agree with me that Mr. Fairless is one of the most factual, conservative, and scientific business executives this Nation has had the good fortune to have as one of its citizens?

Mr. CASE of New Jersey. I am certain the Senator is absolutely correct in that statement. I do not like to use the word "conservative," but Mr. Fairless is certainly one of our most distinguished and sound citizens.

Mr. THYE. In other words, he could not be expected to be visionary in any sense, could he? There would have to be a factual, economic, beneficial accomplishment; otherwise he would not support it.

Mr. CASE of New Jersey. I think that is true, although I would amend the Senator's statement in this way: Mr. Fairless would certainly not be visionary in any unsound sense.

Mr. THYE. That is what I wanted to get into the RECORD, because I have had the good fortune to listen to Mr. Fairless testify before various committees. I know that he has always been looked upon and recognized as a very sound businessman. It was for that reason that I wanted the RECORD to show that this was a sound businessman's appraisal of the international situation.

Mr. CASE of New Jersey. I am very grateful, indeed, to the Senator from Minnesota for his contribution to the discussion. I know it will be most useful.

Mr. President, I ask unanimous consent that the colloquy in which I have just engaged with the Senator from Minnesota be placed at the end of my remarks, if that be satisfactory to the Senator.

Mr. THYE. I should be very happy to have the colloquy appear at the end of the remarks of the Senator from New Jersey, so as not to interrupt the chain of thought of the Senator in his speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER (Mr. CARROLL in the chair). Does the Senator from New Jersey yield to his colleague?

Mr. CASE of New Jersey. I am glad to yield.

Mr. SMITH of New Jersey. I desire to commend my distinguished colleague for the contribution he has made to the discussion of a very important and significant subject, and for doing so at about the time when we are beginning to think in terms of our foreign-aid program for the fiscal year 1958.

I desire to ask the distinguished Senator several questions. First, I believe he stated that the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House of Representatives are currently making a very careful study of this matter, including the testimony and opinions of distinguished experts, in respect to various areas of the world, in order to secure the most outstanding judgment on these matters. I assume that my colleague believes that such a program should be studied this year. As a member of the Foreign Relations Committee, I wish to welcome his sound support of the program.

Mr. CASE of New Jersey. I thank the Senator. Of course I am aware of the fine work his committee is doing and of the splendid group it is bringing together. I have been in consultation with many of its members, and I know it will be of tremendous help in connection with the entire program.

Mr. SMITH of New Jersey. The Senator has referred to the program. I suppose he includes in it the operations we are conducting in various parts of the world by way of technical assistance, as well as those involving the investment of funds.

Mr. CASE of New Jersey. Yes, indeed; the two go hand in hand, I believe—that is to say, technical aid and the making of direct expenditures.

Mr. SMITH of New Jersey. Of course, today in South America such technical aid is not only more greatly needed than are large development projects, but is widely welcomed by the people there, who need the technical know-how in order to bring about economic progress.

Mr. CASE of New Jersey. I am sure that is true, and I appreciate having my colleague bring out that point. That makes it pertinent, I think, for me to observe that, of course, there is a great difference between the rates at which different countries are progressing in their economic development.

Mr. SMITH of New Jersey. Yes; indeed.

Mr. CASE of New Jersey. Some of them have reached a stage where they desperately need capital. Others can almost supply their own capital needs; they need only a little capital assistance, plus some know-how or technical aid. So there is not a uniform picture over the world, and flexibility is a very important part of such a program.

Mr. SMITH of New Jersey. My colleague is entirely correct.

I wonder whether he is familiar with a very important study, made about 2 years ago and issued under the aegis of the Council of Foreign Relations, in New York City. The study, which is entitled "The Future of the Underdeveloped Countries," was edited by Mr. Edward Staley. It examines all the questions my colleague has been discussing so ably.

Mr. CASE of New Jersey. Indeed, I am familiar with it, Mr. President; in fact, I am indebted to my colleague for

lending me the report, which I read with avid and great interest.

Mr. SMITH of New Jersey. I wondered whether many of the excellent ideas my colleague included in his speech were taken from that report.

Mr. CASE of New Jersey. Many of them were; and even more came directly, I may say, from my senior colleague.

Mr. SMITH of New Jersey. The Senator is very kind to say that.

Mr. President, does not by colleague feel that in approaching these problems, we can make a more effective contribution than we have made in the past if we develop what I call a favorable climate for American or other investors in these countries, and by encouraging the promotion of programs soliciting the investment of private capital, and at the same time relieve the United States Government of much of the burden of overseas financing.

Mr. CASE of New Jersey. Indeed, that problem is an important one. Of course, there is no one answer to it.

Mr. SMITH of New Jersey. That is true; many approaches exist.

Mr. CASE of New Jersey. But certainly that is one. I am sure that certain tax amendments and other provisions—perhaps not all of them statutory in nature—dealing with the relationships between our Government and the people of the other countries and the countries themselves, in both official and unofficial ways, and contacts which can be extremely helpful in strengthening the position of American private investments in such countries, will eventually, I hope, together with private investments from the outside, be able to carry the entire load, although I am sure that is not possible at the present time.

Mr. SMITH of New Jersey. Mr. President, again I congratulate my colleague for presenting in a most excellent way a very timely subject.

Mr. CASE of New Jersey. I thank the senior Senator from New Jersey.

Mr. THYE. Mr. President, will the Senator from New Jersey yield to me?

Mr. CASE of New Jersey. I yield.

Mr. THYE. I, too, wish to compliment the distinguished junior Senator from New Jersey for bringing these matters before the Senate.

I believe we need to give thought to the situation in some of the underprivileged countries, insofar as their youth is concerned. They have the same hope and aspirations that American youth have. If the youth of the underprivileged countries see no future in their economy or no hope of improving their lot in life, as compared with that of their parents, they will be very likely to turn to some philosophy or ideology such as that of the Soviets. Of course, we know that the Soviet agents endeavor to be active in the midst of all such groups and endeavor to plant the thought that if they will follow Communist teachings or Communist philosophy, they can improve their lot. Therein lies the danger to the future of the free people.

If the Soviets are successful in making inroads in areas where there is not an opportunity for youth, and as a result youth turns to their type of philosophy, generations to come will b' faced with a vast percentage of the population of the world turning toward the Russian or communistic philosophy, rather than the free-enterprise system which we know here in America, and which has given the United States the greatest and the highest standard of living in the history of mankind.

I think therein lies the importance of the question, and the distinguished Senator from New Jersey has touched on it and has led us to the thought that we had better be thinking of technical assistance, which is an inexpensive undertaking when compared with the cost of a general atomic war or with what would happen if the underdeveloped nations of the world should be so unfortunate as to become the victims of the endeavor of the Soviet Union to deprive mankind of its rightful independence and freedom.

Therefore, I again wish to commend the distinguished Senator from New Jersey for having spoken so forthrightly on the question, first, of the Johnston report, and then on the report of the committee, under Mr. Fairless and his associates, that went abroad to look into the economic-assistance program. The Senator has brought his thoughts to the attention of the Senate, so that we may give the subject further thought and study as we proceed to develop a necessary program.

Mr. CASE of New Jersey. I thank the Senator from Minnesota very much for his most kind remarks. I agree with the emphasis he has placed on the importance of this subject.

Mr. President, I yield the floor.

LEND-LEASE AND CANADA

Mr. KNOWLAND. Mr. President, in the CONGRESSIONAL RECORD of March 5, 1957, at page 3094, there appeared a colloquy between the senior Senator from Nevada and myself, which I should like to read into the RECORD at this point, before reading a letter which I received from the Canadian Ambassador:

Mr. MALONE. I should further like to ask the distinguished minority leader if it is not true that the United States has continually, from the beginning to date, paid more money to each of the member nations of the United Nations than they have provided to the United Nations, the World Bank, or to any other organization.

Mr. KNOWLAND. No; that is not true of all the members of the United Nations. We have not made contributions, so far as I know, to Canada. As an example, Canada did not get lend-lease, or at least it has not received Marshall Plan aid since the termination of World War II.

Mr. MALONE. Canada got some lend-lease assistance.

Mr. KNOWLAND. Canada got some lend-lease during the war, but it has not received any aid from us since then. Not all nations are in the same category.

Mr. President, in answer to the second statement of the Senator from Nevada, I inadvertently made a mistake in my reply to him, and I am glad at this point to correct it in the RECORD. I received a letter, under date of March 6, 1957, from Mr. A. D. P. Heeney, Canadian Ambassador, reading as follows:

MY DEAR SENATOR: In the CONGRESSIONAL RECORD of March 5, page 3094, you are reported as saying that "Canada got some lend-lease during the war, but it has not received any aid from us since then."

I am sorry that this misconception that Canada, at any time, came under lend-lease (or any other United States aid program) keeps cropping up. Under the terms of the Hyde Park agreement of 1941 our two countries did exchange impressive quantities of military supplies—but for cash.

Indeed, Canada was so far from being under lend-lease that in 1949, when the wartime accounts between our two countries were settled, the United States Treasury delivered a check for $3,675,000 to the Canadian Embassy to settle your debt to us.

While the United States was providing lend-lease to its allies other than Canada, we were providing a similar service in the common cause which we called mutual aid. From the end of the war until now Canada has made available more than $4 billion of financial and economic assistance to other countries. This effort in relation to population and gross national product is at least comparable to the very impressive performance of your country in this period.

I hope you will find an early opportunity to correct the statement that Canada at any time came under lend-lease.

With kind personal regards,

Yours sincerely,

A. D. P. HEENEY.

Mr. President, I received the letter just today. I took the earliest opportunity to have the RECORD corrected. I think both the Government of Canada, as well as her people, and the people of the United States, can be very proud of the excellent record which Canada has made.

RECESS TO TUESDAY

Mr. STENNIS. Mr. President, there seems to be no Senator present who desires to speak. Therefore, I now move, under the order previously entered, that the Senate take a recess until next Tuesday at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 16 minutes p. m.) the Senate took a recess, the recess being, under the order entered on Tuesday, March 5, 1957, until Tuesday, March 12, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 8 (legislative day, March 2), 1957:

IN THE ARMY

1. I nominate the following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3065, in rank as follows:

Maj. Gen. David Ayres Depue Ogden, O12061, United States Army, in the rank of Lieutenant General.

Maj. Gen. Garrison Holt Davidson, O16755, Army of the United States (brigadier general, United States Army), in the rank of Lieutenant General.

2. I nominate the following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Maj. Gen. Samuel Leslie Myers, O17189, Army of the United States (colonel, United States Army).

Maj. Gen. Verdi Beethoven Barnes, O17198, Army of the United States (colonel, United States Army).

Brig. Gen. William Mattingly Breckinridge, O17310, Army of the United States (colonel, United States Army).

Brig. Gen. Wilhelm Paul Johnson, O17229, Army of the United States (colonel, United States Army).

Maj. Gen. Carl Ferdinand Fritzsche, O17234, Army of the United States (colonel, United States Army).

Brig. Gen. Ralph Joseph Butchers, O17242, Army of the United States (colonel, United States Army).

Maj. Gen. Thomas Lilley Sherburne, Jr., O17293, Army of the United States (colonel, United States Army).

Maj. Gen. Stanhope Brasfield Mason, O17295, Army of the United States (colonel, United States Army).

Maj. Gen. Paul DeWitt Adams, O17306, Army of the United States (colonel, United States Army).

Maj. Gen. Alfred Benjamin Denniston, O17315, Army of the United States (colonel, United States Army).

Maj. Gen. Robert Henry Wisnecke, O41569, Army of the United States (colonel, United States Army).

Brig. Gen. Richard Joseph Werner, O29107, Army of the United States (colonel, United States Army).

Brig. Gen. Walter King Wilson, Jr., O17512, Army of the United States (colonel, United States Army).

Brig. Gen. Thomas Jahn Sands, O17521, Army of the United States (colonel, United States Army).

Maj. Gen. Carl Henry Jark, O17556, Army of the United States (colonel, U. S. Army).

Maj. Gen. Edwin Hugh John Carns, O17560, Army of the United States (colonel, U. S. Army).

Maj. Gen. John Elliot Theimer, O17566, Army of the United States (colonel, U. S. Army).

Maj. Gen. George Elial Bush, O17634, Army of the United States (colonel, U. S. Army).

Brig. Gen. William Carson Bullock, O17636, Army of the United States (colonel, U. S. Army).

Maj. Gen. Robert William Ward, O17637, Army of the United States (colonel, U. S. Army).

Maj. Gen. Paul Wyatt Caraway, O17650, Army of the United States (colonel, U. S. Army).

Maj. Gen. James Bernard Quill, O17673, Army of the United States (colonel, U. S. Army).

Maj. Gen. Russell Lowell Vittrup, O17681, Army of the United States (colonel, U. S. Army).

Maj. Gen. Paul Lamar Freeman, Jr., O17704, Army of the United States (colonel, U. S. Army).

3. I nominate the following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. Raymond Wiley Curtis, O16784, Army of the United States (colonel, U. S. Army).

Brig. Gen. Raymond Earle Bell, O16897, Army of the United States (colonel, U. S. Army).

Brig. Gen. Wilhelm Paul Johnson, O17229, Army of the United States (colonel, U. S. Army).

Brig. Gen. Thomas Jahn Sands, O17521, Army of the United States (colonel, U. S. Army).

Brig. Gen. Roy Ernest Lindquist, O18125, Army of the United States (colonel, U. S. Army).

Brig. Gen. Walter Bernard Yeager, O20464, Army of the United States (colonel, U. S. Army).

Brig. Gen. Edwin Anderson Walker, O18552, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. Clarence Price Canby, O17904, Dental Corps, United States Army.

Col. Roger Gaylord Prentiss, Jr., O17826, Medical Corps, United States Army.

Col. Morton Elmer Townes, O18255, United States Army.

Col. Charles Lowman Decker, O16549, Judge Advocate General's Corps, United States Army.

Col. Nathaniel Brewning Rieger, O51027, Judge Advocate General's Corps, United States Army.

Col. Charles Michael Baer, O18718, United States Army.

Col. Frederick William Coleman 3d, O19216, United States Army.

Col. Reuben Henry Tucker 3d, O19694, Army of the United States (lieutenant colonel, United States Army).

4. I nominate the officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of the Reserve Officer Personnel Act of 1954, Public Law 773, 83d Congress:

To be major generals

Brig. Gen. Waldemar Fritz Breidster, O221917, National Guard of the United States.

Brig. Gen. George Samuel Cook, O231434, National Guard of the United States.

Brig. Gen. Kenneth Cooper, O184126, National Guard of the United States.

Brig. Gen. Joseph Clifford Hodgin, O120835, National Guard of the United States.

To be brigadier generals

Col. Harry Elmer Bailey, O275145, Corps of Engineers, United States Army Reserve.

Col. Truman Graves Blocker, Jr., O475788, Medical Corps, United States Army Reserve.

Col. Clifford Laurence Dier, O246685, Infantry, United States Army Reserve.

Col. John Jeremiah Fitzgerald, O290834, Artillery, National Guard of the United States.

Col. Howard Penimore Haines, O178170, Artillery, National Guard of the United States.

Col. Carl Schulze Junkermann, O278976, Medical Corps, United States Army Reserve.

Col. Francis Burke McSwiney, O305589, Artillery, National Guard of the United States.

Col. John Chester Monning, O337254, Corps of Engineers, United States Army Reserve.

Col. Albert Harold Mosun, O264243, Artillery, United States Army Reserve.

Col. Clay Olbon, O246675, Artillery, United States Army Reserve.

Col. Clemont C. Parrish, O279901, Artillery, United States Army Reserve.

Col. Robert Herman Simmert, O271897, Artillery, United States Army Reserve.

Col. Herbert Alfred Smith, O189961, Infantry, National Guard of the United States.

Col. Maurice Lynn Watts, O932663, Artillery, National Guard of the United States.

Col. Robert Clifford Wilson, Jr., O613824, Artillery, United States Army Reserve.

5. I nominate the officer named herein for appointment as Reserve commissioned officer of the Army under the provisions of title 10, United States Code, section 593 (a):

To be major general

Lt. Col. Raymond Frederick Huffi, O345018, National Guard of the United States.

IN THE MARINE CORPS

Having designated, in accordance with the provisions of section 5232, title 10, United States Code, Maj. Gen. Verne J. McCaul, United States Marine Corps, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of lieutenant general while so serving.

EXTENSIONS OF REMARKS

A Miracle of Social Adjustment

EXTENSION OF REMARKS

OF

HON. CLIFFORD P. CASE

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, March 8, 1957

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I have prepared on a pamphlet entitled "A Miracle of Social Adjustment." The pamphlet, which was written by Dr. Carl F. Hansen, Assistant Superintendent of Schools in Washington, D. C., comments on integration in the public schools in the city of Washington.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Supreme Court decision outlawing public school segregation confronted great sections of our land with profoundly difficult problems of adjustment. Men of good will were sincerely troubled whether the law of the land could be translated into sound and effective educational terms. Recently, for example, we witnessed widely conflicting claims about the effects of integration in the Washington school system.

Those who are concerned with an objective, factual account of the Washington problems and how they were met will find it in the authoritative study by Dr. Carl F. Hansen, Washington Assistant Superintendent of Schools, just published by the Anti-Defamation League of the B'nai B'rith. Dr. Hansen calls his study A Miracle of Social Adjustment, and his documented story justifies the title.

Successful school integration in Washington was the product of the efforts of thousands—pupils, parents, teachers, and administrators—who scrapped ancient habits and prejudices in an orderly and rational adjustment to the best ideals of our democratic heritage. To achieve this result it was necessary to cope with drastic shortages of money and with inequities arising from what the Washington Post called the "old separate-but-hardly-equal system." Moreover, it was necessary to overcome the obstacles deliberately created by meddlers who sought to prove that integration couldn't work by forcing its failure.

I hope the Miracle of Social Adjustment will be read widely here and abroad. It can show educators and public officials of good will how integration can be achieved by offering the example of a school system in which the majority of children are colored. Abroad, it can demonstrate to that two-thirds of the world's people who are colored that equality of opportunity is not only an

American ideal but an accelerating and successful fact.

The heart of Hansen's story is to be found in one very moving passage which cannot be quoted too often:

"Anyone who views the Washington story in its entirety, including the problems, disappointments, and errors in judgment, will be impressed with the evidence of the integrity of most of the people in it, and will feel a glow of pride that in the Nation's Capital, the ideal of individual dignity and worth, no longer simply an idle phrase in a textbook on American democracy, is now to a much larger extent a living reality in the lives of its citizens."

Address Delivered by Hon. Edward J. Thye, of Minnesota, Before Annual Meeting of Rural Electric Cooperative Association

EXTENSION OF REMARKS

OF

HON. EDWARD J. THYE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, March 8, 1957

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of the address I delivered at the 15th annual meeting of the Rural Electric Cooperative Association in Chicago on March 7, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. EDWARD J. THYE, UNITED STATES SENATOR FROM MINNESOTA, AT THE 15TH ANNUAL MEETING OF THE RURAL ELECTRIC COOPERATIVE ASSOCIATION, CHICAGO, ILL., MARCH 7, 1957

It is a pleasure and an honor for me to join with you on this occasion of the 15th annual meeting of the Rural Electric Cooperative Association.

It was suggested that I use as a topic the title "A Senator Looks at the Rural Electrification Program." It is one thing for a United States Senator to look at such a program but it is more significant to determine what a Senator sees in such a program. In order to see anything clearly one needs light. This applies literally to objects and figuratively when applied to a theory, a policy, or a program.

As one who has lived through the transition from the kerosene lamp to light by electricity, I am firm in my conviction that the electrification of rural America stands as one of the most dramatic episodes in the history of our Nation's social and economic progress.

Many of you in this assembly here today were pioneers in this vast program. I have worked with many of you in the development of rural electrification. On this occasion it is tempting to devote the time allotted to me by recalling my associations with you during past years. However, I shall consider three main avenues of discussion:

First, a brief look into the past so that we may determine how far we have come along the road of progress.

Second, consideration of the present status of the rural electrification program.

Third, and most important, a look into the future to see what new horizons have opened up as a result of our past effort and the advent of atomic power.

I can recall the days when rural America lived in the glimmer of the kerosene lantern. The electric light was looked upon as the property of the city residents in my boyhood. It was in 1882 that Thomas A. Edison built his famous Pearl Street plant in New York. Twenty-five years later electrical current could not be distributed more than 10 miles from the generating station. In 1935 after 53 years of electricity's development only 10.9 percent of all farms in the United States had electric service. Today over 95 percent of our farms are enjoying the benefits of electricity. This record of development is a tribute to your efforts and planning and to the entire REA program. No other nation in the world has accomplished as much in a comparable period of time. This development has been a major factor in giving us the highest standard of living in the world.

As we look over this past period of time we have come to realize that the United States has been blessed with a rich assortment of natural resources. Our resources have been developed by a freedom loving and industrious people. Although our population is small in comparision with the teeming millions throughout the world, we have established world leadership in the efficient production of food and factory products. We have been able to make this progress through the use of machinery which has multiplied the productive manpower by many many times our actual population. According to one estimate, machinery supplies every worker in the United States with the equivalent of 279 mechanical helpers.

To keep these machines working for us, power in vast quantities is needed. Every month brings new records in demand for electric energy. Last year the electric industry, of which the rural electric cooperatives are a part, sold an estimated 529 billion kilowatt-hours more of energy than was sold in the preceding year. In the 10 years from 1946–56, sales of electric energy increased 177 percent. These figures refer to the growing power needs of America as a whole. The same sharp upward trend in power requirements appears in rural areas. A recent report of the Rural Electrification Administration shows that borrowing systems sold nearly 15 percent more power in 1956 than they sold in 1955. Farmers are continually using more power as an agricultural production tool. Ever since the REA electric loan program was established rural power consumption has grown at a rate that has astounded even its most optimistic supporters. Today REA financed systems alone serve nearly 4½ million rural consumers.

This growth of electric power has completely changed rural living in the United States. It has produced both social and economic changes. To list these changes would consume more time than I could possibly take. In general terms, it has increased production and at the same time, eased the burden of farm work. It has brought modern appliances into the farm homes, making the farm more attractive to youth.

We must keep this in mind as we consider our present plant capacity and operations. For 1957 alone, the electric industry as a whole has budgeted $4.8 billion of capital expenditures. This is nearly 28 percent more than was spent by electric utilities last year. Approximately 46 percent of this year's budget is earmarked for generation, as compared to 39 percent in 1956. During fiscal 1956, REA loans to electric borrowers totaled about $190 million. For other recent fiscal years, REA electric loan totals were relatively stable: $167½ million in 1955; $167 million in 1954; and $165 million in 1953. When we are considering these figures we must also point out the success of the electric industry to date in holding down costs as compared to many other sectors of our economy. REA co-ops have made a significant contribution in holding the line on power costs. This is especially important in farm areas where rates were once prohibitive. You who have worked with the rural electrification program have reason to be proud of the pioneer work REA-financed systems did in cutting construction costs. Many of the innovations which you developed have since been adopted by the electric industry.

Many technological advances in the electric power industry have increased efficiency and helped keep down costs. To cite only one: coal consumption per kilowatt-hour of steam generated power dropped to a new low of 0.93 pound during 1956. This compares to 1.29 in 1946 and represents a substantial improvement over the 10-year period. If only new and modern plants were included in the figure even greater improvement would be apparent.

Today we need a renewed effort on the part of all groups to hold the line against power costs in the face of inflationary pressures. All electric utilities, whether big or little, public or private, commercial or nonprofit, must look for ways to save. One way to do this is through improved management and long-range planning to avoid waste and to get maximum benefits from new construction. Best use must be made of available power supplies and the greatest good for the largest number must be our yardstick in using our natural resources to develop power. Our future power needs and the problems involved in meeting them are too great to permit complacency on the part of the power industry. The job is too big for any one group, whether government, cooperatives, or power companies to do alone. What is needed is the best effort of all groups working together toward the common objective of meeting consumers' needs adequately.

Dissension and suspicion have divided various groups of the electric industry at different times and places. But the time has passed when the industry can afford the luxury of permitting prejudice and suspicion between public and private power and between companies and cooperatives to interfere with the efficient overall development of our national power resources. Unwarranted sniping at justified public-power projects or blind support of unjustified Government power developments are equally wasteful of money and energies better spent in productive effort. The wise and prudent use of our power resources is of far greater importance than the aims or desires of any one individual or group of individuals.

The situation today demands that industry should make concentrated efforts to develop and pool our resources wisely and to integrate facilities where this will cut costs and assure firm power supplies. There is evidence that this approach has worked well in a number of instances.

It is my understanding that the REA-financed generation and transmission borrowers which operated their systems on a completely self-contained basis have experienced power costs considerably higher than those which had worked out integration arrangements. Some systems which started out on a self-contained basis have found it advantageous to integrate and interchange with neighboring utilities. As I see it, any system faced with the necessity of increasing its power supplies would be well advised to look carefully into the advantages which would result from a pooling arrangement with a neighboring system. Whether such pooling arrangements go by the name of interconnection or integration is not too important. The important thing is to see that the rights and interests of both cooperatives and companies are properly safeguarded and that consumers benefit from good service and reduced costs. I believe that a

climate is developing in the industry favorable to such an efficient utilization of our power resources.

In my own State of Minnesota, for example, a group of REA cooperatives and three power companies got together and worked out a joint plan for distributing Missouri River power in order to obtain the most economic arrangement. There are other instances of this type of cooperative enterprise which have produced good results.

We have now reviewed past accomplishment and have considered the present status of the rural electrification program. Now we must ask ourselves—What does the future hold in store? Today our Nation faces a challenge as great as ever in the history of the Nation. In a world divided between the free and the slave, the United States must maintain its position of world leadership for the cause of freedom. Our job is to keep the light of freedom burning for all to see. That light must penetrate into the darkest corners of the world in the constant struggle against world domination by Communist powers. Much of our success will depend upon what use we make of our power resources in the years ahead. Our entire agriculture production and our industrial output is geared to power.

The key to success in future years will be wise planning and management which has as its foundation the economic welfare of the ultimate user of electric power.

Cooperatives as well as local, State, and Federal agencies and private companies must become increasingly alert in planning to meet the long term needs for power.

This type of approach is reflected in REA's third annual survey of construction plans and financial needs. This recently completed study shows that borrowing systems plan to spend $967 million during the 5-year period beginning July 1, 1957, for electric facilities to serve rural areas. Results of this survey reflect a considerable upward revision in the plans of rural electric systems as reported in an earlier survey completed last year. Present plans call for investing about 28 percent of this amount in generation and transmission facilities. To help finance the new construction, the rural electric systems plan to apply for about $676 million in REA loans in the next 5 years. This includes $143 million in loan applications planned by power-type borrowers.

I have examined those survey figures very carefully in my office. I am convinced that they point to a need for providing REA with additional electrification loan funds for this year and for the next year too. As nearly as I can determine the need will amount to somewhere between $150 and $225 million more during the next 18 months, than the rural electric systems themselves anticipated in the earlier surveys. When these latest construction survey figures have been refined and translated into terms of additional loan fund dollars, and officially presented to the Congress for action, I feel confident that the Congress will act speedily and favorably to meet the need. As a member of the Senate Appropriations Committee I can pledge my support for the additional amount which I believe will be needed.

From REA Administrator David A. Hamil on up to President Eisenhower himself, the present national administration has demonstrated on many occasions, its confidence in and support for the rural electrification program. Both the administration and the Congress have given their full support to the program and I have utmost confidence that this support will be forthcoming to the maximum degree necessary to meet the need created by the current upswing in rural use of electric power.

The planned construction of additional generating and transmission capacity by Federal and other public agencies is essential, if we are to maintain adequate supplies of electric energy for our farms and factories.

In planning for the future we must also recognize and develop the full use of atomic power for commercial use. The development of atomic energy opens up another exciting chapter in the history of power development. It will prove to be just as revolutionary as Thomas Edison's first plant in 1882.

It represents to us a new challenge. Congress appropriated to the Atomic Energy Commission the sum of $25 million to be spent in research and development of this new type of power. I believe that it bodes well for the future of nuclear power in the United States that in promoting its production, our Government is following a pattern of cooperation between private enterprise and Government assistance. With big and small power organizations, including a number of REA borrowers, actively working on development projects with the Atomic Energy Commission, I have no doubt that the dream of putting nuclear energy to work on the farms of America will become a practical fact. Substantial progress has been made toward developing small nuclear reactors suitable for supplying rural power systems. We all must realize that it is going to take time before atomically produced electricity can hope to effect savings in areas where conventional fuels are abundant and relatively cheap. Our tendency as humans is to become impatient with progress or what seems to be the lack of progress.

The danger in viewing something as revolutionary as nuclear power is to assume that everything can be accomplished overnight. Success or failure of any program cannot be measured in terms of days, months, or even years in some cases. In looking back over the past as we have done—who can categorically state that the development of electric power came too fast or too slow? The important thing is that it has come during your lifetime and mine and it has produced comforts, safety and a way of life undreamed of in 1882. Wise action on the part of the Congress, the administration, electric cooperatives, and private utilities can bring forth a program which will be most beneficial to the entire Nation.

Our future success as a nation will become dependent upon the orderly and patient research, development, and construction of nuclear-energy plants.

Also looking to the future I know that you are wondering if there will be an increase in the interest rate on REA loans. I can say that as one Member of the Senate, I would not favor an increase in the interest rates. I don't even know whether this question will even come before the Congress. I would believe that a proposal to increase interest rates would not be approved.

It is true that currently the cost of money to the Government is substantially above 2 percent. It is equally true that for a number of years since the 2 percent rate was established by the Congress the cost of money to the Government was below 2 percent.

Some few may label the present spread between the cost of money to the Government and the 2 percent interest rate on REA loans as a subsidy. If it is a subsidy, it is one of the most worthwhile subsidies that our Government has become involved in. We know what the rural electrification has meant to the progress of our Nation. Government loan dollars alone, could not have accomplished this. Into the vast change that rural electrification is bringing in our way of rural life has been poured something of far greater value than all of the loan dollars put together. I speak of the tireless energy, the boundless faith, the unswerving determination and the wholehearted loyalty of millions of farm families that have brought this dream of rural electrification to reality. In return the United States has received not only dollars in return but it has also received a vastly expanded and improved agricultural economy.

I know this is so, because I am a Minnesota farmer—one who has kept pace step by step with the advance of rural electrification since its inception a generation ago.

All of us here have had the privilege and honor of participating actively in a program which has lifted our rural America from an age of darkness into an age of light. Our present program is strong and vital. The future presents new horizons of unpredictable progress and growth.

Toward a New Immigration Policy

EXTENSION OF REMARKS

OF

HON. CLIFFORD P. CASE

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, March 8, 1957

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article prepared by me which appeared in the Reporter magazine of March 7, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOWARD A NEW IMMIGRATION POLICY

(By Senator CLIFFORD P. CASE)

The flood of refugees from Hungary following the uprising in that country last fall has forced us to focus our attention on our overall immigration policies. There is a fairly general feeling of dissatisfaction about our immigration laws and practices. But there is less agreement on what ought to be done and still less about how to go about accomplishing it.

No one suggests that we could, or should, admit to the United States everyone who would like to come here. The problem, then, is one of limitation and, unavoidably, selection. I suppose no one would quarrel with the general proposition that the best interests of the United States, both domestically and in our relations with other countries, and basic fairness to individual human beings should be our guides in determining the numbers to be admitted and the criteria for their admission. But beyond that point there are no easy answers. Attorney General Brownell spoke accurately when he said:

"I am frank to state that it is extremely difficult to devise any system which is in the best interests of the country, is considered fair by other countries, has readily definable standards, is manageable, and does not leave too much to any one person or group's discretion."

Ever since the early 1920's the national-origins quota system has governed the selection of immigrants to this country. I believe this system has never been, and is not now, in the best interests of the United States or fair to the individuals affected. Secretary Dulles had this to say about the matter: "* * * honorable persons willing and eager to make their homes in the United States, know that they cannot do so except after a wait of many years, while other persons similarly situated but living in more favored countries, can do so without delay. The impact of this situation is felt in our relationship with friendly nations every day."

I am confident that eventually the defects in the national-origins quota system, and its unfairness, will be generally recognized and

that we will abandon it. But I do not believe that either Congress or the country is yet ready to take this step, in considerable part because of the difficulty in agreeing on an alternative.

Therefore, I fully support the two major amendments which President Eisenhower has suggested to Congress to the McCarran-Walter Act—our basic immigration statute.

These changes would:

Base quotas on the 1950 instead of the 1920 census figures. This would raise the number of quota immigrants admissible each year by 65,000.

Permit the redistribution of quotas presently unused by such countries as Great Britain, Ireland, and Germany among nationals of other European countries on a first-come basis, giving effect to provisions of existing law for preference to persons with skills needed in this country and those having close relatives already here. This amendment would increase the number of persons admitted to this country by an additional 60,000 annually.

In practical effect these two changes would permit the admission each year of up to 125,000 additional immigrants from the European area, without regard to their national origin. This is highly significant in view of the fact that the total number now admitted from that area under national-origins quotas is less than 100,000 annually. Therefore, if these amendments were adopted, the national-origins system would apply to less than half the quota immigrants from this area.

These changes clearly would represent a long step in the right direction in the light both of our self-interest and greater fairness to individuals.

Many of the skills that are becoming scarce in this country could be supplied by immigrants whose admission is indefinitely delayed by the national-origins quota system. And I believe, with the President, that our economy has expanded to a point where such liberalization of our immigration laws would not impair our ability to maintain domestic labor standards.

On this point our experience with the admission of Hungarian refugees is relevant. Tracy Voorhees, Chairman of the President's Commission for Hungarian Relief, recently wrote to me:

"The job offers already received considerably outnumber the employable refugees. An examination of these job-offer listings will, I know, disclose the existence of many lines of occupational activity which are in short supply and many communities in which certain manpower shortages exist. * * * Thus far we have been able to move refugees into employment in a steady flow with no known instances of displacement of qualified Americans."

DUE PROCESS FOR ALL

Another major need is to give our immigration laws sufficient flexibility to enable us to meet special problems and emergencies.

Since the October uprising 170,000 Hungarian refugees have fled across the border into Austria. The Austrian economy could not possibly have supported this additional burden. If other countries, including our own, had not stepped in, Austria would have had to turn these people back to persecution, and in many instances to exile or death. It was fortunate, indeed, that the President was able to use the expiring Refugee Relief Act and the parole provisions of existing law as a means to enable us to take a share of this load.

Accordingly, in addition to seeking legislation for the permanent admission of Hungarian refugees already in this country under parole, the President has urged Congress to establish a continuing program under which approximately 70,000 refugees from Communist tyranny might be admitted annually. I have suggested that this program be broadened to include such other refugees from oppression as the Jews driven from Egypt.

The President has also proposed technical amendments to the McCarran-Walter Act to eliminate discrimination against certain Asians, fingerprinting requirements for visitors, and various unfair features of the law. Certain other due-process amendments are, in my judgment, desirable.

THE ART OF THE POSSIBLE

The President's proposals have been criticized from both sides. Many persons who are opposed to the national-origins quota system complain because the President has not asked for the immediate total abolition of that system. On the other hand, Representative WALTER has complained that the Eisenhower program would actually admit more immigrants each year than would any of the other bills which have been introduced. And, indeed, this is true.

All things considered, I am convinced that the President's approach is not only very much in the right direction but, in its major provisions, is also the one that would carry us further along the way toward improvement of our immigration policies and practices than any other now pending or proposed. Among other things, it would give us an opportunity for experience with the admission, in effect without regard to national origin, of up to 125,000 European immigrants annually. If this works well, as I am confident it will, we shall have laid the groundwork for the elimination of the national origins-quota system far more quickly than by seeking its direct repeal.

But though the President's program does reach for the possible instead of the unattainable, its enactment will by no means be easy to accomplish.

The general attitude throughout the country, as well as in Congress, has been and still is one of caution on this issue. That attitude cuts across party lines. As I pointed out earlier, the national origins-quota system has been in effect since 1921. In 1952 the McCarran-Walter Act, reaffirming that system, was adopted over President Truman's veto by more than a majority of the members of both parties in both the Senate and the House.

Despite its caution, Congress has on occasion acted with boldness and generosity on problems in this field. The passage of the Displaced Persons Act in 1948 and the Refugee Relief Act in 1953 is evidence of that fact. Both these acts were adopted with a supporting majority of the members of both parties, and as a Republican I take satisfaction in the fact that both were adopted during Republican control of Congress.

The response of our people during the recent Hungarian emergency gives further ground for belief that Americans are not blindly set against all change. A few weeks ago private citizens of Milwaukee airlifted directly to freedom a planeload of Hungarian escapees in 4 days' time. This was perhaps the most spectacular incident in our refugee effort, but all over the country private citizens and church and civic groups responded generously and effectively to the challenge.

It is my deep belief that the one insurmountable barrier so significant improvement in our existing immigration laws would be disunity among those who seek such improvement. If all those who sincerely wish to improve our immigration laws and practices will make common cause in the fight for those improvements which are within the realm of the possible, even though less far-reaching than many of us would like, I think we can succeed.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 11, 1957

The House met at 12 o'clock noon.

Dr. Myron C. Cole, Central Christian Church, Indianapolis, Ind., offered the following prayer:

In the light of our religious heritage we bow before Thee, O God, to invoke Thy blessing and feel Thy sustaining power.

Our infinite weaknesses need the touch of Thy infinite strength. We thank Thee for the opportunity to serve Thee in that we serve our fellows.

We are grateful for men and women of courage and insight. Bless them in their multitudinous tasks.

Our deliberations now we set before Thee. Make us ever keen of mind and perceptive of spirit. Forgive our involvements in too many things which are unimportant, when we dishonor Thee and ourselves with trivia, when the insignificant dissipates our energies, when we give our major attention to minor matters.

O God, we would not be guilty of mouthing pious platitudes. Therefore, make us objective of mind and spirit.

And now let justice roll as the waters and righteousness as a mighty stream. This we pray in the name and spirit of Him whose daily food it was to do Thy will, even Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Thursday, March 7, 1957, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment joint resolutions and concurrent resolutions of the House of the following titles:

H. J. Res. 23. Joint resolution to provide for the reappointment of Dr. Arthur H. Compton as Citizen Regent of the Board of Regents of the Smithsonian Institution;

H. J. Res. 302. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress;

H. Con. Res. 62. Concurrent resolution authorizing the printing of 5,000 additional copies of House Report No. 2966, 84th Congress;

H. Con. Res. 92. Concurrent resolution authorizing the printing of additional copies of the hearings on the national highway program for the use of the Committee on Public Works, House of Representatives; and

H. Con. Res. 104. Concurrent resolution authorizing the printing of additional copies of the hearings on excise taxes held by the Committee on Ways and Means during the 84th Congress, 2d session.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 16. An act for the relief of Lucy Lin and her minor child, Peter Lin;

S. 17. An act for the relief of Patrick K. Y. Yip;

S. 62. An act for the relief of Joan Tungon Chao;

S. 75. An act for the relief of Vincent Lee Lao;

S. 87. An act for the relief of Pavel Blaho;

S. 91. An act for the relief of Victor Charles Hunt;

S. 94. An act for the relief of Lee Chong Talk;

S. 96. An act for the relief of Corazon A. Manayan;

S. 97. An act for the relief of Dr. Cheng-en Lu;

S. 120. An act for the relief of James F. Walsh;

S. 124. An act for the relief of Josephine Suydam;

S. 158. An act for the relief of Hewey Malachi Mackey;

S. 162. An act for the relief of Jew Gim Gee;

S. 184. An act for the relief of Mary C. Frederick;

S. 185. An act for the relief of Mary Palanuk;

S. 189. An act for the relief of Peter V. Bosch;

S. 225. An act for the relief of Kew Chan (Chan Kew), Nancy Tsui Mei (Leung) Chan, and Cecilia (Oi Fan) Chan;

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

S. 236. An act to amend section 6 of the act of June 20, 1916, as amended, relating to the retirement pay of certain members of the former Lighthouse Service;

S. 247. An act for the relief of Max Mazak Terian and his wife, Maria Terian;

S. 271. An act for the relief of Johannes Sukevainen;

S. 288. An act for the relief of Esther Guagliardo;

S. 323. An act to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat;

S. 363. An act for the relief of Nelson Shu-Yung Chuang;

S. 407. An act for the relief of Julian D. Dycaico;

S. 458. An act for the relief of Athanasios Nicholas Prittes (also known as Thomas Prites, or Tom N. Phillips);

S. 461. An act for the relief of Paul Yen-Hsiung Feng and his wife, Mary Stella Pao-Ching Feng, and their minor child, Shao-Ying Feng;

S. 469. An act to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, to defer sales of tribal property, and for other purposes;

S. 493. An act for the relief of Irene Montoya;

S. 515. An act for the relief of Nathaniel Wong;

S. 589. An act for the relief of Margaret Kwei Chang (Margaret Hua-Chen Kwei);

S. 601. An act relating to the charging of interest on deposits to the credit of the civil service retirement and disability fund;

S. 615. An act for the relief of Josephine Ray;

S. 626. An act for the relief of Helen Dolly Argyropolous;

S. 644. An act for the relief of Anthony Agustino Scrivanich;

S. 649. An act for the relief of Yee Chung Fong Ming and Yee Chung Nom Ming;

S. 657. An act for the relief of David Y. Ong;

S. 674. An act for the relief of Cale P. Haun and Julia Fay Haun;

S. 667. An act for the relief of Stylianos Lecomples;

S. 753. An act for the relief of Georgiana Ching Hsien (Liang) New;

S. 754. An act for the relief of John (Ioannis) Legatos;

S. 797. An act for the relief of John Leary;

S. 799. An act for the relief of Eldur Eha;

S. 800. An act for the relief of Maria Naldo;

S. 827. An act for the relief of Guillermo B. Rigonan;

S. 890. An act for the relief of Redentor Ligot Romero;

S. 895. An act for the relief of Josefa Kusiak;

S. Con. Res. 10. Concurrent resolution favoring appropriate observance of National Hospital Week;

S. Con. Res. 11. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 12. Concurrent resolution withdrawing suspension of deportation of Carlis Stender;

S. Con. Res. 13. Concurrent resolution to provide for the printing of additional copies of hearings held by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary;

S. Con. Res. 17. Concurrent resolution favoring the suspension of deportation in the case of certain aliens; and

S. Con. Res. 18. Concurrent resolution withdrawing suspension of deportation of Ashun Yung.

GRAVE MATTER

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include an editorial from the Augusta Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, I have reference to an editorial in the March 6, 1957, issue of the Augusta (Ga.) Chronicle which clearly indicates the ill effects which can result from the abuse of authority in so-called civil-rights cases. It further indicates that the warnings in opposition to so-called civil-rights proposals were well founded. This Augusta Chronicle editorial makes reference to an article by Mr. David Lawrence in which he states that the action of the Department of Justice in making the United States party to the Clinton, Tenn., case eliminated the possibility of a jury trial for 18 defendants in a suit involving contempt of court.

I submit that one's anxiety to change the existing pattern of society and social customs can never justify ignoring fundamental rights of citizens as a means of accomplishment. Trial by jury affords the greatest protection for the rights of all citizens whose rights are being disregarded through the use of expedient methods to regulate social relationships. As the editorial states, this action by the Department of Justice in the Clinton, Tenn., case is indeed a flagrant abuse of power, which, if it be allowed to stand, will eventually strip from the American people the protection of law and justice.

GRAVE MATTER

David Lawrence, one of the Nation's soundest news commentators, has drawn attention to unprecedented, inexcusable, and frightening conduct on the part of the United States Department of Justice.

In a devious move, of which the public was entirely ignorant until Mr. Lawrence exposed it in his column, published in the Chronicle and elsewhere in the United States, the Department of Justice has substituted for the names of a local school board, in a lawsuit in Federal court, the words "The United States" as party to the suit.

This occurred in the Clinton, Tenn., segregation suit in which 18 citizens were arrested on a charge of hindering the Federal injunction issued in connection with disturbances that arose during the effort to integrate the Clinton High School.

That injunction brought storms of protests because of its no-limits application to any and all persons, whether or not they were directly involved in the case. At that time, Mr. Lawrence pointed out the grave implications of such a no-limits injunction by the court. Now he has drawn attention to a graver matter.

The subsequent action of the Department of Justice in making the United States party to the Clinton case eliminated the possibility of a jury trial for the 18 defendants because—Mr. Lawrence pointed out—Federal law eliminates trial by jury when the United States itself is party to a suit involving contempt of court.

That in itself is bad enough. Worse still is the fact that the Department of Justice should resort to a stratagem of that kind—action that must be condemned by all honest citizens.

Mr. Lawrence declared that the 18 defendants in the Clinton case can be deprived of a trial by jury and put in jail as unfairly as if they were living in a totalitarian state. They are, in other words, being deprived of their civil rights in an outrageous manner by the Federal Government itself, which is crying aloud hypocritically for the enactment of a civil-rights program in Washington to protect certain classes of people in this country.

One wonders if the 18 defendants in the Clinton case were even informed, in person or through their attorney, that the original petition was to be amended so as to make the United States a party to the suit.

"If," declared Mr. Lawrence, "the Federal judge in Knoxville, Tenn., approves this request and it is sustained on appeal by the courts it will not be necessary for the Congress to legislate on civil rights. All that will be needed is for the Department of Justice to write out the order and the courts will uphold them."

This is indeed a flagrant abuse of power, which if it be allowed to stand, will eventually strip from the American people the protection of law and justice.

The question now is not whether 18 persons in Clinton, Tenn., are guilty of contempt of a Federal court injunction but rather it is: Are the citizens of the United States entitled to a fair trial by a jury of their peers on any and all charges of law violation?

If that right no longer exists the American people have become subjects instead of citizens—mere pawns upon the political chessboard, to be moved here and yon according to the dictates of those in power in Washington.

What the Department of Justice has done in the Clinton case calls for an investigation by Congress and for action to protect the rights of the masses of the people.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUBCOMMITTEE ON HOUSING

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Housing Subcommittee, of which the gentleman from Alabama [Mr. RAINS], is chairman,

may have permission to sit during general debate for the remainder of the week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AUDIOVISUAL AIDS TO EDUCATION

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include 2 editorials.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, as a former public-school teacher I share the concern of many of my colleagues about the educational problems that face us in America. The House Committee on Education and Labor at the present time is holding a series of extensive hearings on a Federal-aid-to-education bill. Primarily the bill is aimed at the schoolbuilding shortage and no informed person on the needs of education will deny that we have a classroom shortage in this country. However, I am convinced that there are many more problems that are allied to the emergency we are facing today in the proper education of the youth of America.

For example, I might mention the great problem of what I might call loading down the public-school curriculum with courses that perhaps should not be there in the first place. These courses are concerned with certain extracurricular activities and although desirable make it necessary to employ an ever-increasing number of school specialists. Allied to this problem is the fact that in many of our schools we are requiring the school budget to assume costs of mental health, medical attention, and other services to schoolchildren that properly, in my opinion, should not be charged to the school budget. The taxpayer is told that he is paying so much of his taxes for proper education of youth, whereas a certain portion of that tax money goes for purposes that are not clearly evaluated in their relationship to education.

Another great problem that I have mentioned before on the floor of the House is the submergence of the talented child and the great difficulty that we have in inspiring the future Edisons of this country to do their best work, surrounded as they are by so many children of lesser abilities. Consecrated teachers all over this country of ours are struggling with this problem to the best of their ability, but they need much more cooperation from the community.

I think the biggest problem facing education in America today is the fact that we pay our schoolteachers such a low salary that it is becoming increasingly impossible for them to stay in the profession. I do not care how many beautiful school buildings that we construct—and admitted again that they are needed—I believe even a greater necessity now is to try to do something today to give our schoolteachers a higher salary scale.

The problem becomes more complex when you realize that each year millions of schoolchildren start the educational process, which means thousands of more schoolteachers are needed. The tax dollar is thus further restricted and it becomes apparent that we are only going to be able to keep our heads above water and do very little for our teachers as far as paying them adequate salaries are concerned, unless we get more money out of the tax dollar for them, especially in our States and local communities, and at the same time explore every appropriate method for using less manpower in the teaching processes.

This latter method is particularly intriguing to me. I have often wondered how much we could pay our schoolteachers if we could devise some way to save precious manpower, and of course at the same time have the type of education that will be most meaningful to our boys and girls.

Perhaps we could shorten the educational year and by more intensive application on the part of the student, shorten the length of the school years. I attended, for example, an Army school during World War II and I felt that I learned as much psychology in one course that I took over a period of 6 weeks as I did in an entire semester at a great university where I obtained my liberal arts degree. I do not mean to criticize my university, because it was and is a great one, and I had an excellent teacher of psychology. The simple fact was that the Army gave me a more intensified course, and I found it to be altogether satisfactory. Educators and parents will disagree with me, perhaps, in suggesting this solution and I realize that it is an area that logically would cause a great deal of disagreement.

I think a much better way to save the manpower of our schoolteachers and perhaps point the way to the possibility in the immediate future of giving them far better salaries, is by adapting audiovisual aids to the educational processes. I am pleased to enclose at this point in the RECORD one article from the New York Times of February 15, 1957, and another article from the Evening Bulletin of Philadelphia of February 18, 1957. These articles follow:

[From the New York Times of February 15, 1957]

A YEAR OF PHYSICS BEING PUT ON FILM—$500,000 PROJECT DESIGNED TO HELP HIGH SCHOOLS THAT LACK SCIENCE TEACHERS—FINANCED BY FORD FUND—COURSE TAUGHT BY CALIFORNIA PROFESSOR CONSISTS OF 162 HALF-HOUR SESSIONS

(By Benjamin Fine)

A complete course in high school physics is being put on motion-picture film, in sound and color.

This is believed to be the first full-year course in this country and is being financed by a $500,000 grant from the Ford Foundation Fund for the Advancement of Education.

The project is designed to help schools that lack science teachers. For some time school administrators have complained that they have been unable to get enough chemistry or physics teachers. Many schools do not offer physics because they cannot get instructors.

The course will consist of 81 hours of films, divided into 162 half-hour classes. The first half of the course has been completed; the rest will be ready by June 1.

More than 500,000 feet of color film will be used to photograph the course in a multiple-camera set-up in a Pittsburgh studio-classroom. The complete course will consist of more than 160,000 feet of film.

TO BE OFFERED IN WISCONSIN

Twelve communities in Wisconsin will offer the course on film in individual classrooms starting this fall. The University of Wisconsin's extension division also plans to offer the course to adults.

The responsibility for putting the course on film was assigned by the fund to Encyclopedia Britannica Films, Wilmette, Ill. This organization also will handle the distribution. Company officials described the course as the largest single 16-millimeter project ever attempted.

The project has been under study for more than a year. Dr. M. H. Trytten, director of the office of scientific personnel of the National Academy of Science, served as chairman of the advisory committee.

Dr. Harvey E. White, professor of physics at the University of California, is in charge of the program. He is teaching a complete course in introductory physics that is being televised for the high schools in the Pittsburgh area. Simultaneously, it is being filmed.

A 5-day format, consisting of 30-minute lecture demonstrations on Monday, Wednesday, and Friday, plus half-hour laboratory sessions on Tuesday and Thursday, was established. The first lecture went before the cameras on September 10. Dr. White has given a lecture on every school day since then.

STIMULUS TO SCIENCE

Educators hailed the project as a means of stimulating interest in science. Less than 5 percent of high school students now study physics, compared with 20 percent a half-century ago. The percentage is steadily dropping. Educators see the physics films as serving these purposes:

Actually teaching physics to students in schools with no physics faculties.

Providing a desperately needed foundation of information to support the strained capacity of teaching personnel in schools where biology, chemistry, and general science teachers have been assigned to fill the lack of physics personnel.

Providing a valuable opportunity for teachers in training to watch a top instructor, supported by lavish demonstration facilities.

Enabling adults now employed in industry to get the basic instruction in physics that they missed in school.

School systems will be charged $13,000 for each set of 162 black and white prints of the series, and $25,000 for the color sets. The Britannica officials estimate that each set will have a serviceable life of 10 years.

[From the Philadelphia Evening Bulletin of February 18, 1957]

PHYSICS LESSONS ON FILM

The theory that 1 picture is worth 10,000 words has been overworked in the field of visual education. An occasional instruction film in the schoolroom may leave very little impression and some young students are expert in watching movies without using the muscles of their minds.

More promising is a project financed by the Ford Foundation fund and now nearing completion. It is designed to give a full course in basic physics, one of the most visual subjects in the undergraduate curriculum. Much of a physics course is spent in watching things happen and learning why and how they happen. But watching would

not be enough without explanation and repetition, and by observing how one thing leads to another. A course consisting of 162 half-hour films, with classroom time left for questions, quizzes, and assignments, could cover the subject effectively.

One purpose of the project is to help schools that are short of science teachers, as many are. The films will be sold to school systems for $13,000 a set and twice as much in color, and will have a life expectancy of 10 years' service. One physics course in film can be used by several schools and many classes. It sounds like a bargain in education, and the fact that the Encyclopedia Britannica film division is making the movies promises that they will be scientifically sound.

Mr. Speaker, it would be noted that for the first time a complete course in high-school physics is being put on motion-picture film in sound and color. The project is being financed by a $500,000 grant from the Ford Foundation's Fund for the Advancement of Education. The responsibility for putting the course on film was assigned by the fund to Encyclopaedia Britannica Films, Wilmette, Ill. This very capable organization will handle the distribution.

I will not discuss in detail these articles, but I hope all Members of the House will read them thoroughly. Now, here is the important fact to remember: This complete course in basic physics will cost $13,000 a set for films in black and white and twice as much in color. Most schools would probably be interested, naturally, in the $13,000 set. This one course in film can be used by several schools and many classes and will be serviceable for a period of 10 years. It is easy to conceive of the fact that in our large city school systems 15 or 20 schools each year would be able to use this one set of films; and even in our rural areas, with good transportation and our consolidated school system, many schools could use the same set of films each year. An excellent course in physics that would ordinarily cost hundreds of thousands of dollars to the various schools that can participate in this program of visual instruction may be obtained for just a fraction of that amount. Now, the important thing to remember is that we find a shortage of physics teachers. None of our present physics teachers will lose their jobs if we make a modest start on visual instruction. Those who are now earning inadequate salaries could surely be paid two and even three times as much as they are now receiving because of the savings that will be made. Project this same idea, if you will, into other fields of instruction. I want to congratulate the fine people in the State of Florida who are working on this program of visual aids. And here in Washington this past week earnest educators from all over the country have been talking about this glorious possibility, as I see it, in the field of education.

Techniques in teaching, Mr. Speaker, in my opinion, have not received the research that they need. I hope that our great educational institutions will promote in every way possible more intensive research in the use of audiovisual aids. I believe it is the one bright aspect in an educational problem of instruction that is dark, indeed. It is a prospect that should mean excellent education for our youth and a better salary for the dedicated men and women who teach them. This new venture should not and will not replace the classroom teacher. It can, however, point the way for the use of less teachers and for more adequate salaries for the tragically underpaid teachers of America.

AMENDMENT OF SOIL BANK ACT WITH RESPECT TO TOBACCO

Mr. BASS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BASS of Tennessee. Mr. Speaker, on March 7 I introduced a bill that was entitled "A bill to amend the Soil Bank Act with respect to its application to producers of flue-cured tobacco." The title of the bill was in error and should have read to include all types of tobacco instead of just the flue-cured tobacco. Today I am introducing a new bill which will correct that situation.

Also, as a member of the Committee on Agriculture, may I say that we have been sitting for the past 3 days trying to work out some sort of compromise to bring to the House on the corn bill. I can say frankly to the House that I believe we are further apart on the corn legislation than we were when we had the big wrangle on the floor the other day. It appears to me at this speaking that most of the members of the Committee on Agriculture have given up compromises for Lent.

THE BUDGET

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, if I understand correctly, President Eisenhower was elected largely by the conservative element of the American people, those who believe in a sound dollar, those who believe in a sound economy, and those who believe in protecting the security of this country by sound fiscal policies.

In view of President Eisenhower's appeal to the conservative electorate in 1952 and in 1956, it is shocking to me to see the trend of affairs since the first of this year. The administration admits that inflation is a great threat to our people on one hand, then on the other hand they are proposing the largest peacetime budget in the history of the United States. Now I understand that the administration is advocating an increase in the number of Federal employees by approximately 105,000. The American people are greatly alarmed over this trend. Every new day brings to light plans for more employees, more bureaus, more agencies, and ever more stupendous Federal expenditures. All talk of tax cuts, of a balanced budget, the reduction of the national debt apparently has vanished from this administration. The lifetime savings of our people are in jeopardy, and nothing is being advanced by the administration to alleviate these fears of our people. The great issue before America today is a sound dollar. The threat of inflation is undermining our defense expenditures. A sound dollar is necessary to reassure our people, protect our economic well-being, and build the materials of war necessary to preserve peace. I find it hard to believe that the executive branch of our Government today would advocate a vast increase in the number of Federal employees.

Mr. Speaker, we are already one-third of the way toward communism, because the average American is working one-third of each year to pay taxes. During each year he spends 4 months working for the government. If this is not part-time communism, I do not know the meaning of the term. Then add to the taxpayer's burden another 100,000 employees on the Federal payrolls. It will only be a short time before all of us will be either working for the Federal Government directly or indirectly through taxation. The time has come for this Congress to stand up and preserve our economy and our place among the nations of the world. Regardless of party affiliation, we must cut down these Federal expenditures and protect our people from an insidious Federal dictatorship through bureaucracy and excessive taxation. We must take this step at this session of Congress over the opposition of the executive branch of the Government.

INTEGRATED PROGRAM OF ASSISTANCE TO SMALL BUSINESS

Mr. COFFIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. COFFIN. Mr. Speaker, one of the hottest issues of the recent campaign was the plight of small business. If lip-service to that essential part of our economy was nourishment for small business, small business would, I am sure, flourish for years to come. Unhappily, this is not the case.

The economic strength of our country is closely identified with the economic strength of small business. Moreover, I know personally that many smaller concerns in the State of Maine are beset with perplexing problems. I have, therefore, studied with keen interest the activities of the Small Business Administration.

The Small Business Administration, established in 1953, is one of the newer agencies of our Government. It is charged with the duty to "assist, and protect insofar as possible the interest of small-business concerns in order to preserve free competitive enterprise." This agency is authorized to make loans

to small firms, to assist them to obtain Government contracts, and to counsel them on problems of management, finances, production, and the like.

While it is clear that the establishment of SBA is a move in the right direction, some question can be raised as to how far the administration is willing to go on behalf of small business. I note, for example, that although on August 7, 1956, the President's so-called Cabinet Committee on Small Business issued a number of recommendations designed to strengthen small business, these suggestions have remained largely in the recommendation stage. Certainly it is clear that the Committee has recommended certain tax reforms for small business and these tax reforms were greeted by the administration with enthusiasm prior to election. We now find, however, that much-needed tax relief for small business no longer has the enthusiastic support of the administration.

I have also found that the Small Business Administration is a temporary agency and has been operated on a year-to-year basis. Obviously, the temporary status of the SBA must hamper the effectiveness of its programs. Nevertheless, I have not heard up to this time that the administration has been willing to demonstrate a serious commitment to small business by recommending that SBA be established as a permanent agency. I have found, however, that many Members of Congress genuinely concerned with the future of small business have introduced legislation to make SBA a permanent agency. This seems to me to be most desirable.

I have read with great interest the semiannual reports to Congress issued by the Small Business Administration. Like a stockholders' report from some uranium companies, they sound a busy and optimistic note, but nothing much seems to happen. I have found very little of substance in the SBA reports. It seems to me that SBA has been unduly preoccupied with its operating programs. Perhaps this is natural in a new and temporary agency.

I am happy to learn from the SBA semiannual reports that the Small Business Administration has made so many loans for such and such amount of dollars and that it has set aside certain hundreds of thousands of dollars of Government contracts to be placed with small business. But these reports do not shed any light on the basic problems faced by the smaller firms today.

I do not understand how Congress can enact a long-range legislative program to strengthen small business if it is not advised of the fundamental problems of small business. If the Small Business Administration does not report to Congress on fundamental small-business problems, what Government agency may Congress look to for this information?

On March 6, I introduced three bills which represent an integrated program to strengthen the Small Business Administration and to meet some of the more pressing difficulties which face small business.

The first, and perhaps the most important, is H. R. 5651, which amends the Small Business Act of 1953 to direct the SBA to make extensive, comprehensive, and continuing studies of the problems of small business and to file semiannual reports on the results of such studies. While it may be that SBA presently has the authority to make such studies, the fact is that it has not done so. This proposal not only directs the agency to face up to and to report on the basic problems of small business; it also provides greater authority to that agency to employ private persons and organizations to conduct studies and perform research.

I might add parenthetically that there may be some question as to whether the Bureau of the Budget will permit SBA to make recommendations for legislation that will strengthen small business. But there should be no excuse for SBA to fail in its basic duty to report in a competent and intelligent manner on the problems of small business.

My second bill, H. R. 5693, will authorize the Small Business Administration to make loans to local private nonprofit organizations formed to assist, develop, and expand the economy of any locality or area. Under this proposal sound and secured loans may be made, without limitation on amount, to private groups such as development-credit corporations and industrial foundations to help local organizations to help themselves to establish new industry in their area and to strengthen existing enterprises.

I am advised that SBA has made such loans in a limited way. I must confess that I am hard put to ascertain the authority under which such loans are made. According to my understanding, the Small Business Administration is authorized to make business loans only to a small-business concern. Nevertheless I believe such loans are desirable. Such loans enable the local community to take responsibility for meeting their own economic problems. I think that this is where, in the first instances, the responsibility belongs.

The third bill which I have introduced, H. R. 5650, authorizes SBA to make loans found by the President to be necessary to avoid or alleviate the effect of a serious economic disaster, depression, or dislocation affecting any group, area, or industry. This is a logical extension of the Small Business Administration's present disaster loan program. That agency now is permitted to make loans to individuals and business enterprises, both large and small, that have suffered from the effects of floods, or other natural disasters. Economic disasters can be as devastating to a community as a hurricane. Nevertheless at this time the President does not have authority to avoid or lessen the effect of an economic disaster upon a community or industry by granting the same kind of financial assistance available in the event of a natural catastrophe.

It is not intended that this legislation should in any way conflict with the aims of proposed area assistance legislation. But it appears to me to be completely sensible to give the President a tool necessary to meet unanticipated economic problems that may not fall within the scope of any area assistance legislation. For example, it should not have been necessary when commercial fisheries needed emergency help for Congress to establish a separate loan program. It does not seem to me to be desirable to require special legislation each time a different economic problem occurs. This places an unnecessary burden on Congress. Moreover, it is more economical and efficient to center, as much as practicable, all such lending functions in one Government agency that already has the know-how.

Small-business men and the communities they serve are watching this Congress to see if words are transformed into deeds. Although their number is great, they have little time to write letters, to testify, to lobby. But their cause warrants the help of every Member of Congress.

I know I express the views of all Members when I say I would not like to see this Nation depend for its economic strength on a handful of giants. The community businessman cannot hold out indefinitely. He looks to this session for leadership in rolling back, or at least stemming, the tide of bigness.

YOUNG PEOPLE CAN STILL SUCCEED

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, our country is great today because our young people can climb the ladder of success if they have the will to do it; and, can maintain the integrity which we have inherited from the pioneers.

If the time ever comes when they cannot do that, then our beloved land will go the way of the great nations of the past.

I am disturbed by the trend of our economic structure in recent years. I am not against bigness as such. We are a big country—the leader of the free world—and we need big business, big labor, and big agriculture as integral parts of the process of survival in this atomic age. However, bigness must never be allowed to swallow littleness as large fish swallow little ones in our lakes and streams. If business becomes so big that it becomes a monopoly; if organized labor becomes so big that it forgets the reason for its existence, the protection of those who labor; if agriculture gets so big that big farms drive out the small farmer—then we are in for a sea of trouble. Domestic monopoly is just as dangerous and deadly as government monopoly.

When our small business people and small farmers, like the ones who helped make this country what it is, can no longer grow and prosper enough to sustain a home and family, but are forced to leave by the thousands for jobs elsewhere, something is wrong in the heartstream of this Nation.

May the time never come when big people are not little people, and when little people are not big people. Our Nation cannot survive without both.

POLAND

Mr. CEDERBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CEDERBERG. Mr. Speaker, we have been reading in the newspapers where a commission from Communist Poland has come to the United States in an effort to secure economic aid. Then, in yesterday's Sunday Washington Post, I read an article date lined Monrovia, Liberia, and one paragraph of that article says that President Tubman, President of Liberia, said he rejected a recent offer of aid from Communist Poland to develop natural resources on the ground that Liberia does not want economic partnership with other governments, but only with private companies.

Now, I cannot understand how we, as a nation, can consider giving economic aid to Communist Poland when Communist Poland at this very time is offering economic aid to other countries of the world. I would suggest that we take a good, long look before we offer any economic aid to Communist Poland. I have a number of fine Polish constituents and we are all aware that they make some of the finest citizens of our country. We are also interested in the citizens of Poland. But, I do not think this is the way to aid the people of Communist Poland in their fight against Communist tyranny. It is about time that we looked into this matter very carefully.

VALUE OF COAL AS A SOURCE OF ELECTRIC ENERGY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, because of the fascination which the atom's potential holds for all of us, there is sometimes a tendency to move a bit recklessly in the attempt to convert to reality those undeveloped creations that so far have been confined to man's dreams and drawing boards. Perhaps one of the reasons for the outstanding scientific evolutions that have come about in America is that there are no governors on our dreams—they can be raced at top speed, as they sometimes are, with scientific knowledge and skill in swift pursuit. The idea itself must always lead the way; then the design, the laboratory, and the testing block. This procedure—underwritten by private investment—has been largely responsible for America's industrial leadership despite the Nation's comparative youth.

Because much of the research on fissionable materials has necessarily been sponsored by the United States Government, putting the peacetime atom to work poses a number of questions which are unique in a free economy. An invention normally is nurtured from idea to application on the theory that its fruition will produce a profit for the individual or firm who undertakes to pay the cost of incubation and development.

In the case of the atom, particularly as it applies to the generation of electric power, the possibility of profit is too remote at this time for us to expect private capital to assume the complete load. The Government has already used great sums of Federal funds in its atomic energy laboratories and workshops. The chain of expenditures was begun by military establishments charged with the responsibility of drafting the atom as a weapon. Once this effort was successful, officials of the executive department, collaborating with the Congress, set out to adapt the atom to peacetime uses.

The subsequent studies, experimentations, and accomplishments have been and will continue to be extremely expensive. I think, however, that they have been necessary, if only from the standpoint of international prestige.

How far Government contribution must supplement or substitute for private investment is the question which has to be answered. It is a delicate question, for Congress must appropriate the funds necessary to encourage continued development of atomic energy, yet must not permit Government dollars to upset the scale of an economy based on freedom of business operation and opportunity. In order to remain on the side of a sober management policy without crossing over into sprees of inebrious spending, Congress must wherever possible be guided by fact rather than fancies, theorems rather than hypotheses, and horse sense rather than political intuition. It is therefore sometimes necessary for us to go back and do a little checking instead of moving too quickly on a beclouded work schedule.

I have recently looked over one of the written contributions of Dr. Arthur Compton, noted educator and physicist, whose participation in the field of atomic science is well known and who in fact directed the work resulting in the first atomic chain reaction. Because the normal impulse of all of us is to accept a statement of so highly respected a person of learning, we often overlook obvious errors that no doubt come about through careless research rather than intended distortion.

In Dr. Compton's treatise on the necessity for expediting development of atomic-generated electric power, this statement is included:

> The supplies of petroleum in the United States have dwindled sufficiently that we are now importing more than is being produced in our own territory. We have coal supplies adequate for many centuries, but the coal is becoming increasingly difficult to mine. In other countries, such as, for example, Britain, the once abundant supplies of coal have already become so difficult of access that the cost is rising rapidly. In the meantime, our society is becoming dependent upon a fast-growing supply of mechanical and electrical power. We also need the organic materials that come from coal and oil as the base from which to make a vast variety of chemical products. These products include plastics and textiles, as well as dyes and artificial rubber. We cannot long afford to use our precious supply of fossil organic material as fuel. To do so is like breaking up the furniture to stoke the furnace.
>
> It is thus that atomic energy is coming just in time to meet a fundamental human need. As our experience grows, the cost of power from uranium and thorium will inevitably decrease and that of power from coal and oil will become greater. It can hardly be before the end of the present century that uranium will to a very large extent supplant coal as the source of commercial heat and power.

Mr. Speaker, I need not dwell upon the fallacy contained in the very first sentence of this excerpt. I am sure that there are enough of my colleagues, especially from the Southwest, familiar with our oil imports program and with domestic oil-production schedules to recognize that there is no justification for that sentence. While I am firmly opposed to permitting international oil companies to continue their current heavy shipments into this country, I must readily admit that these imports do not approach the quantities produced in the United States. I merely remind Dr. Compton's researchers that the State of Texas alone produces more crude oil than all the crude and products imported into this country.

Now let us look into the Compton comment on coal supplies. The conclusions accepted by the author in this regard have already been disputed by Government studies, and by estimates of private fuel experts, as completely without fundation. In this discussion today I shall refer only to the McKinney panel report, whose estimates are based on United States Bureau of Mines figures and are universally acknowledged for their authenticity and accuracy. The report lists economically recoverable reserves of coal in the United States at 948 billion tons—enough to last for almost 2,000 years at present rates of production. Here is a breakdown of those figures:

About 237 billion tons of our reserve stockpile are minable at or near present prices.

An additional 285 billion tons are available at ¼ to 1½ times present prices.

An additional 426 billion tons are available at 1½ to 4 times present prices.

As a source of electric power, even the coal most expensive to mine may prove to be the best fuel bargain regardless of how far we advance in our ability to harness power from fissionable materials.

The present average delivered cost of coal in the United States accounts for only 3 mills per kilowatt-hour in the cost of electricity. The cost of this coal at the mine—leaving out the transportation charges—averages just 2 mills per kilowatt-hour. Thus even if the cost of mining increases by one-half, this rise would add only 1 mill per kilowatt-hour to the price of electricity. Now, if we add the 237 billion tons of coal available at or near present prices to the 285 billion tons that may cost as much as 50 percent more to get out, we find that there are 522 billion tons available before coal gets into a price range which might reduce the cost advantage of coal over nuclear power by as much as 1 mill.

At today's rate of production, this advantage for coal would extend into the year 2900. Recognizing that coal requirements will increase as electric generating capacity soars upward, there is a good possibility that United States demand will reach a billion tons within the next 20 years. Even so, coal will be available for another 5 centuries before the cost element increases more than 1 mill per kilowatt-hour.

I might point out that the latter estimates disregard the fact that utilization efficiency in coal-burning steamplants is steadily tending upward. Here is an assessment from the McKinney report:

Electrical generating plants at present consume about 1 pound of coal per kilowatt-hour. This is expected to be reduced by at least five one-hundredths pounds per kilowatt-hours for each 5-year period. The report further states: The corresponding overall plant thermal efficiencies are 40 percent in 1960 and 45 percent in 1980. It is believed that such improved performances can be obtained through gains in the straight-steam cycle through the use of higher pressures and temperatures. The forecast does not include the possibility of combination gas turbines and steam turbine cycles which might possibly result in even larger gains in efficiencies. However, such possible gains cannot be accurately forecast without a comparable forecast for the cost of the plants using such combination cycles. In event such combination cycles do come into widespread use, these would tend to diminish the rate of growth of nuclear fuel plants.

I have another comment to express on the business of finding coal—as Dr. Compton puts it—extremely difficult to mine. I want to point out that the coal industry has invested huge sums of money in technological improvement of mining machinery and methods. The United Mine Workers of America have welcomed this ambitious program for increased productivity. Twenty years ago the average output per-man-day at bituminous coal mines in this country was 4.62 tons. Today the per-man-day production figure is in the vicinity of 11 tons and tending upward.

Another consideration is the improvement in coal quality through technology. Throughout our coal-producing States, large preparation plants loom on the horizon and in some areas dominate the landscape. These great coal laundries stand as testimony to the industry's determination to utilize every possible contribution of science and engineering to give consumers a better product. A preparation plant makes it possible for the coal company to deliver more B. t. u.'s per carload than was the case only a few years ago. Through a series of treatments, impurities are removed and the coal is upgraded. By applying these and perhaps yet-to-be-developed processes to lower grade coals, including lignite, the industry will be able to assure a good supply of most efficient fuels even further into the future.

I think perhaps Members of Congress should acquaint themselves with the recent statement by Commissioner Harold S. Vance, of the Atomic Energy Commission, at a hearing before the congressional Joint Committee on Atomic Energy on February 25, 1957. Mr. Vance reviewed the advantages of developing atom-generated electric power in a number of Western Europe countries where coal is not in such abundance as in the United States. Then, turning back to our own needs, Mr. Vance offered this observation:

Now our domestic situation is quite different. We are blessed with large supplies of coal, oil, and gas. They are relatively cheap and are fairly well distributed in relation to power demand. It follows that we are not under the same pressures as are our foreign friends, and we are free, at least so far as our economy is concerned, to follow a plan which, as in the fable of the tortoise and the hare, may appear to be slow at first but which will win out in the end of the race.

I associate myself with the position outlined in the Vance statement. Admittedly most areas of the world are far less fortunate than we with respect to reserves of coal. The Federal Government's present intensive program of research in atomic energy offers an opportunity for us to promote the welfare of all the people in the world; in all probability even the United States, at some time in the far distant future, will need to supplement its traditional power sources as the demands for energy continue their rapid increase.

What is mandatory, however, is that efficiency must always be the watchword of our atomic-energy program. We must not become panicked into spending orgies prompted by erroneous estimates relating to energy sources and reserves. Dr. Compton's book is not the first study by atomic-power enthusiasts who unintentionally have permitted fallacy to displace fact as they carry their important messages to the general public. I salute Dr. Compton for his devotion to the job of helping to extract more and more marvels from the atom, and I am sure that he would be the first to object to any misinterpretation whether or not it would be regarded to be in support of his philosophy.

On the matter of atomic energy, as in every phase of life, our attitude must conform to the pattern expounded by Abraham Lincoln in his letter to Horace Greeley:

I shall try to correct errors where shown to be errors, and I shall adopt new views as fast as they shall appear to be true views.

WASHINGTON, March 7.—Coal is likely to be the lowest cost electric-power fuel for at least several more centuries, Representative JAMES E. VAN ZANDT said today in the speech prepared for delivery on the floor of the House. He pointed to the following factors in support of this estimate:

1. About 237 billion tons of coal reserves are available in the United States for mining at or near present costs, and an additional 286 billion tons are mineable at from 25 to 50 percent more than present costs. At the present rate of production, these reserves alone would last for more than a thousand years.

2. Utilization efficiency of coal-burning generating plants is tending steadily upward.

3. Upgrading of coal through technology will continue to increase the efficiency of this fuel.

The statement by Congressman VAN ZANDT, who is a member of the Joint Committee on Atomic Energy, was issued in reply to the published work of a prominent scientist who predicted that "it can hardly be before the end of the present century that uranium will, to a very large extent, supplant coal as the source of commercial heat and power."

Congressman VAN ZANDT said that the Federal Government's atomic energy research program "offers an opportunity to promote the welfare of all the people in the world," and that "in the far-distant future" fissionable materials may be needed to supplant traditional power energy sources. But he cautioned his colleagues against becoming "panicked into spending orgies, prompted by erroneous estimates relating to fuel reserves," adding that "efficiency must always be the watchword" of the atomic-energy program.

"How far Government contribution must substitute for private investment in furthering atomic-energy research is the question which has to be answered," Congressman VAN ZANDT explained. "It is a delicate question, for Congress must appropriate the funds necessary to encourage continued development of atomic energy, yet must not permit Government dollars to upset the scale of an economy based on freedom of business operation and opportunity.

"In order to remain on the side of a sober management policy without crossing over into sprees of lustrious spending, Congress must be guided by facts rather than fancies, theorems rather than hypotheses, and horsesense rather than political intuition."

In concluding his address, the Pennsylvania representative referred to a recent statement by Atomic Energy Commissioner Vance, who pointed out advantages of developing atom-generated electric power in some western European countries but emphasized that the same situation was not applicable in the case of the United States, which has vast stores of coal, oil, and natural gas.

EASIEST ROUTE TO EFFECTIVE ECONOMY LIES IN HOOVER COMMISSION PROPOSALS TO TAKE GOVERNMENT OUT OF COMPETITION WITH PRIVATE BUSINESS

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, at no time in my 6¼ years service in Congress has the public of my district been so sincerely aroused over the size of the budget, the rate of Federal spending and waste in Government resulting in high taxes. The letters I am receiving in unprecedented numbers are not inspired by any organized pressure group but represent the spontaneous and angry protests of citizens of all walks and all income levels.

To reduce taxes and retain any sense of fiscal responsibility Congress must reduce authorizations, appropriations and spending. What money must be spent, must be spent with maximum efficiency and effectiveness. Certainly the prompt consideration of the recommendations of the second Hoover Commission by all agencies of the executive and by the Congress itself is a first step toward achieving the efficiency and economy which makes possible skillful cuts in the budget, not only this year, but for years in the future.

Mr. Speaker, I am proud today to join with members on both sides of the aisle in introducing legislation suggested by

the citizens committee report as an outgrowth of the recommendations and conclusions of the second Hoover Commission.

As Chairman Clarence Francis, of the Citizens Committee, declared:

If there was one good reason for the Hoover report when the Commission began its work in 1953 there are two today. Since then a dangerous strain on our national economy has become clearly apparent. Today the cry is to economize. There are great differences of opinion, of course, as to where budget cuts should be made. But there is one point on which no one can disagree: Inefficiency, waste, overlapping, and obsolete governmental business procedures are costing us billions of dollars a year. Now is the time to get busy and put the findings of the Hoover Commission to work. This is no longer a merely desirable objective. It is a national necessity.

On February 4 and 5, the Citizens Committee held their third national reorganization conference, here in Washington. Adopting as their slogan, "Better Government at a Better Price," 25 distinguished Americans from government, industry, and the professions gathered to confer and discuss with good citizens from all over the country the question, "How to make 1957 the year of fulfillment" for the remaining 61 percent of the Hoover report.

After careful deliberation, this bipartisan group concluded that adoption of the remaining proposals can make possible savings of more than $5 billion to the American taxpayer—over $100 for each American family.

The first bill I have introduced today is one to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise. This legislation originates in recommendations of the Subcommittee on Business Enterprises. The Committee on Business Organization of the Department of Defense has transmitted these recommendations to the Commission on Organization of the Executive Branch of the Government, more familiarly known as the second Hoover Commission.

In a 200-page report, titled "Subcommittee Report on Business Enterprises," this group under the chairmanship of Joseph B. Hall, president of the Kroger Co., submitted 15 conclusions and 3 recommendations to the Committee on Business Organization of the Defense Department. This subcommittee report was accompanied by a staff study on business enterprises outside of the Department of Defense which resulted in 16 additional recommendations.

The subcommittee report on business enterprises in the Department of Defense is for sale by the Superintendent of Documents for 55 cents. The staff study on business enterprises outside of the Department of Defense is available from the Superintendent of Documents for 35 cents. The report of the Commission on Business Enterprises is available from the Superintendent of Documents for 45 cents.

In this last 113-page report, the second Hoover Commission devotes the first 42 pages to a discussion of Department of Defense business enterprises, with the remainder of the report dealing with business enterprises in the civilian agencies of Government. There are 22 recommendations, overall, of which 9 are directed at business enterprises in the Defense Department. Thirteen are directed at business enterprises in the Department of Justice, the Post Office Department, the Department of the Interior, the General Services Administration, and such other governmental agencies as Federal corporations, Federal lending agencies, and in the field of printing.

The problem of Government competition with privately owned, taxpaying business is not a new one, by any means. Emergencies resulting from wars and economic depressions have served to create most business-type enterprises in Federal Government. The problem is always one of terminating the Federally operated business-type enterprise after the emergency is over.

Business-type enterprises created by Government during World War I, the depression, and World War II are still very much with us. In most cases these Government business-type enterprises pay no taxes, pay little or no interest on the capital invested, seldom charge depreciation and frequently do not include executive personnel payrolls as part of their operating expense. It is most unfortunate that, in addition to the fact that they usually pay no taxes, most Government business-type activities deprive all echelons of Government, local, State, and National, of taxes which would otherwise be collected from private enterprise performing the same functions.

As long ago as 1933, the House of Representatives found the Federal Government still operating 232 business-type activities from World War I. This special committee of the House of Representatives reported:

The evidence in general indicates that the operations of the Federal Government in the field of private enterprise has reached a magnitude and diversity which threatens to reduce the private initiative, curtail the opportunities, and infringe upon the earning powers of tax-paying undertakings while steadily increasing the levies upon them.

Today, the Hoover Commission notes that it is almost impossible to estimate accurately the total number of commercial and industrial-type facilities in the Department of Defense, alone. The total number probably exceeds 2,500 with Government capital invested in excess of $15 billion. Some are essential parts of the military service and are not competitive with private enterprise. Many of them are competitive and not so essential.

In 1951 and 1952 I became acquainted with the intricacies of this problem while serving on the Bonner subcommittee of what was then the House Committee on Expenditures in the Executive Departments. We inspected military operated coffee roasting plants, tire retreading shops, vehicle rebuilding facilities, and optical and dental manufacturing facilities. Time after time we listened to owners of small businesses who were being forced to the wall as the military competed with them from the vantage point of federally-owned buildings and facilities. There may be little that big government can do to help small business; there is much it can do to crush it.

In 1952 President Eisenhower defined in broad terms his concept of the relationship of government and its citizens when he said:

To bring government closer to the people we will set up these principles and adhere to them: That no Federal project, large or small, will be undertaken which the people can effectively do or be helped to do for themselves; that no Federal project will be undertaken which private enterprise can effectively undertake; that no project and no program will be started on the Federal level which can be undertaken and effectively carried through on the State or local level.

The President's criterion is simplicity in itself; the ability of the people to accomplish the project for themselves. It is noteworthy that he makes no mention of competition or of comparative costs. It is obvious there are not common grounds for comparing corresponding private and Government business costs since the Government pays no income taxes, keeps its accounts in a different manner than business, and enjoys other special advantages.

During the period 1953 through 1956 marked progress was made in some areas by the executive departments which followed President Eisenhower's philosophy to a degree. During the past 3 years, as a result of an administration review of Federal commercial-type activities, 492 such installations were discontinued or curtailed by military and civilian agencies.

The Defense Department decided to discontinue 355 of its commercial-type activities, including 83 office equipment repair shops, 79 automotive repair shops, 45 tree and garden nurseries, 22 bakeries, 20 cobbler shops, 15 laundries, 11 cement mixing plants, 4 coffee roasting plants, as well as some 70 others ranging from dry-cleaning plants to a tire retreading shop.

In the last 3 years, Federal civilian agencies have discontinued or curtailed 137 of their commercial-type installations, including 76 bakeries, 21 ice manufacturing plants, 20 surgical and orthopedic appliance units, and 15 ice-cream plants. In addition, they have turned back to the United States Treasury well over a billion dollars through the liquidation of the Reconstruction Finance Corporation and the sale to private industry of such Government-operated ventures as synthetic rubber plants, the Inland Waterways Corporation, the PWA built Bluebeard's Castle in the Virgin Islands, the Island Trading Corporation of Guam, and many others.

In January of this year the Postmaster General recommended the discontinuance of the 46-year-old Postal Savings System. A measure accomplishing this end is expected to be reported out by the House Committee on Post Office and Civil Service this week.

In spite of this progress, Government is still the businessman's biggest and his most unfair competitor. The taxpayers' money in the form of Government capital is still invested in commercial and

industrial-type activities to the tune of $12 billion to $15 billion. As far as I can determine, the Army still raises flowers and manufactures clothing, paint, ice cream, rubber stamps, and eye glasses. The military still repairs furniture, mixes cement, carefully tends tree and garden nurseries, runs the world's biggest airlines, operates steamships and a railroad or two. At least one of the civilian agencies of the Federal Government still conducts one or more of these same activities and, in addition, produces helium, sells hot dogs at the national parks, manufactures fertilizer, engages in printing, baking, dry cleaning, and laundering.

Legislatively, the program toward elimination of Government competition in business-type activities has lagged. The Defense Department's decompetition activities virtually ground to a halt in June 1955 with the insertion of section 638 in the fiscal year 1956 Defense Appropriation Act. This section, making it mandatory for a committee of Congress to approve specifically each instance where Government business-type enterprise was to be curtailed, was withdrawn when the fiscal year 1957 defense appropriations were voted on in the House last session. I participated in the debate on this specific point.

However, a Senate Appropriations Committee report instructed the Department of Defense to maintain all commercial and industrial-type facilities, unless disposal or transfer is economically justified and unless no increased costs result. Despite a Budget Bureau policy declaration that comparative costs should not be the major consideration in deciding whether to discontinue activities involving highly competitive products, the Pentagon has been charged with devoting most of these past 6 months studying the feasibility of the Senate report and little has been accomplished in dissolving their business-type enterprises.

For three consecutive Congresses attempts have been made to enact policy provisions for the termination of Government operations which are in competition with private enterprises. The House Committee on Government Operations reported out July 21, 1954, the bill authored by the gentleman from New Jersey [Mr. OSMERS] written to accomplish this purpose. The measure passed the House on July 23, 1954.

In the 84th Congress six similar bills were introduced and referred to the Subcommittee on Legislative Reorganization. Mr. HOFFMAN's bill, was reported to the House Government Operations Committee as early as July 4, 1955, where it remained without action until the end of the session.

On last May 15, the Bureau of the Budget released the first inventory in history of certain commercial-industrial activities of the Government. It is a photolithographed book 8 inches by 10½ inches by a half inch thick. It weighs 16 ounces and contains 108 pages detailing 19,771 commercial- and industrial-type activities of the Federal Government. It represents a distinct step forward on which the administration is to be congratulated because it defined, for the first time, the extent of the problem of Government tax-free competition with business, even after the executive and legislative attempts to date.

This survey shows that 32 civilian departments and agencies were then engaged in operating 18,964 commercial-type enterprises with assets of $760,655,575. The Government owns another 301 commercial-industrial activities with assets of $4,028,545,658 which are operated by private contractors, under contracts with civilian agencies. The Department of Defense had 357 manufacturing installations with assets of $2,229,454,160 which it operated itself plus 149 installations with capital assets of $4,855,335,176 which were contractor operated.

Roughly, then, the Federal Government operates 19,711 Government-owned, or partly Government-owned plants and commercial-type facilities in which it has invested $11,863,990,569 of the taxpayers' money. These activities involve 258,425 civilian employees of the Government plus 8,096 other employees, roughly 10 percent of the entire Federal payroll. This apparently does not take into account military personnel, in uniform, used in supervision or in conduct of these activities.

This total Federal investment of $11.86 billion in business-type enterprises is over twice the valuation of the complete physical plant, before depreciation, of General Motors Corp., which listed its physical assets at $5,066,065,645 last September. The Federal investment is over 4 times the depreciated value of the physical assets of General Motors Corp., last September, which was $2,843,931,323. General Motors had 624,011 employees as compared with the total of 266,521 listed in the Bureau of the Budget study, Inventory of Commercial-Industrial Activities of the Government.

Commercial ventures reported by the Bureau of the Budget included automobile repair shops, garages, service stations, hotels, rooming houses, camps, and other lodging places. The Government also is running wholesale trade establishments, credit agencies, and eating and drinking places.

Industrial operations cover such fields as mining, printing, publishing, furniture making, and rubber and leather production. Four agencies—Agriculture; Health, Education, and Welfare; Interior; and General Services—are engaged in painting, paperhanging, and decorating, for instance. The Department of Defense, Veterans' Administration, Interior, and HEW engage in making bread and other bakery products, except biscuits, crackers, and pretzels.

The purpose of this bill is clearly stated in section 2. It is to provide for the termination, to the maximum extent compatible with national security and the public interest, of all business-type activities engaged in by the Federal Government in the United States to the detriment of private business enterprises.

It puts the Congress on record as opposing Federal business-type activities except where it is necessary for the Government itself to perform such activities in the public interest or in furtherance of national programs and objectives established by statute.

Other provisions require the Commerce Department to hear complaints from businessmen about Government competition and where the facts warrant to consult with the appropriate Federal officials to terminate or limit that competition. It requires the Budget Bureau to review and make recommendations to the President on each new type of business activity proposed that would be in competition with private enterprise. This bill also requires an annual report to Congress by the President on actions taken under this legislation.

Of all the ways open to Congress to cut the budget and increase tax revenue, this route of curtailing Government business-type activities may well be the most painless as well as one of the most effective.

I am also introducing today another bill which has resulted from the recommendations of the second Hoover Commission and the followup of the Citizens Committee for the Hoover Report. It has as its purpose the creation of a Supply and Service Administration in the Department of Defense and is offered in the form of legislation to amend title II of the National Security Act of 1947, as amended.

In the near future I plan to ask for time to discuss this measure in some detail, stressing the history of this particular concept, in order to place this current legislation in its proper perspective.

LEGISLATION TO IMPLEMENT THE SECOND HOOVER COMMISSION RECOMMENDATIONS

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, following my program of introduction of legislation to implement the recommendations of the second Hoover Commission—signalized in the 84th Congress by my introduction of 77 bills—I have today, at the request of the Citizens Committee for the Hoover Report, introduced the following three bills:

First. A bill to create a Supply and Services Administration as a Department in the Department of Defense, and for other purposes. This bill incorporates four recommendations of the Second Hoover Commission which are aimed at eliminating unnecessary waste—duplicate stocks, distribution systems, facilities and overhead personnel.

Second. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes. This bill declares it to be the policy of the Federal Government to encourage private competitive enterprise to the maximum extent consistent with national security and the public interest; and sets forth instructions, rules, and

regulations providing for the termination, to the maximum extent compatible with national security, of all business-type activities engaged in by the Federal Government.

Third. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies. This bill gives greater authority to the Administrator of General Services as regards the sale, utilization, and disposal of excess or surplus Government property. This bill does, however, authorize the President to make such specific exemptions by Executive order from the exercise of the General Services Administrator's authority as he deems to be necessary in public interest or national security.

Implementation of these particular recommendations of the second Hoover Commission—following the earlier introduction by me of H. R. 211, a bill to establish a Joint Committee on Foreign Intelligence, and H. R. 3961, providing for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, together with bills still to be introduced in this Congress—will prove a substantial step forward in achieving for the country and for the overburdened taxpayer at least an approach toward the increased Government efficiency and economy toward which the Second Hoover Commission recommendations are pointed. As you know, the Commission itself has indicated a possible annual saving, through the implementation of its recommendations, of some $5 billion.

I would certainly urge the chairman of the committees to which these bills will be referred to hold prompt hearings.

GROWTH AND EXPANSION OF THE DISTRICT OF COLUMBIA

Mr. HYDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. HYDE. Mr. Speaker, I have recently introduced House Concurrent Resolution 128, which provides for the establishment of a joint congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area.

This investigation and study is of utmost importance because it involves one of the most serious crises facing America today.

This is borne out by an article appearing in the February 1957 issue of the pamphlet Looking Ahead, published by the National Planning Association. This article is an NPA joint statement calling for a 10-year program for metropolitan areas which says in part:

The urban centers of the United States are becoming obsolete in many ways. Traffic strangulation; spreading slums; bankrupt mass transportation systems; inadequate schools, parks, hospitals, water supplies, and sewers; air pollution; the flight to the unprepared suburbs; and aggravated social frictions are symptoms of a developing situation of dramatic seriousness to the welfare of the American people. * * *

The situation calls urgently for vigorous action, action which can be based only on new lines of metropolitan planning, jointly undertaken by government, business, labor, and the urban and suburban populations.

This Nation can well afford to modernize present urban centers and metropolitan complexes, indeed to create entirely new cities. In fact, the Nation cannot afford not to make this necessary investment in its urban centers. Outlays now for city modernization would pay huge dividends, not only in better living for the American people, but in raising national productivity and greatly strengthening our national security. Effective modernization of our cities cannot be carried out without sizing up the requirements in advance and making comprehensive and balanced development programs and plans. * * *

The National Planning Association believes that a thorough review of current urban renewal and housing development programs will show that much more can and will be done through private investment provided the multiplicity of regulatory and approving agencies is eliminated, the unnecessary hurdles to action are removed, a place is made, where appropriate, for a fair profit, and basic development plans are adopted which command confidence. * * *

If Americans continue to stumble into future developments in and around the rapidly expanding metropolitan areas on the basis of thousands of separate and unrelated private development schemes and local plans, and if they deal separately with highways, with schools, with housing, and with hospitals, they are likely to misdirect their efforts and waste their time and resources. And what happens to the future requirements for open spaces and recreation, or any other need which happens not to be powerfully represented by an interest group at a given moment of decision?

The answer to the last question in the above quotation is, of course, that future requirements for open spaces and recreation will be lost or will have to be acquired at prohibitive costs.

This whole problem is certainly a subject of major national importance into which this Congress should take a serious look.

LEGISLATIVE PROGRAM FOR THIS WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if there is any change in the program which he cares to announce.

Mr. McCORMACK. The program is that if the Rules Committee should bring out a rule making in order consideration of the House resolution reported from the Appropriations Committee on Friday, that would be the first order of business, to be followed by the general Government matters appropriation bill, and then further consideration of the corn minimum acreage allotment bill.

Mr. ARENDS. I thank the gentleman.

QUESTION OF PERSONAL PRIVILEGE

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. BOW. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. BOW. Mr. Speaker, I rise to a question of personal privilege in that the Washington Evening Star of Wednesday, March 6, and other newspapers in this area, published statements of Dr. T. Edward Rutter, superintendent of schools of Arlington County, Va., that my remarks in the House on March 5 were "an outright lie," which widely published statements adversely affect the rights, the reputation, and the integrity of his representative capacity of the Member from the 16th Congressional District of Ohio. The statements appearing in the Star read:

Mr. Rutter said Mr. Bow's statement is a "wholly false impression" and declared that one of the "luxuries" listed by the Congressman—a $1,500 harp—"is an outright lie."

"This was requested by one of the schools, but was cut out of the budget by the supervisors before it even reached my desk. It is an outright lie to say that it is in our budget," Mr. Rutter said.

The SPEAKER. In the opinion of the Chair the gentleman has stated a question of personal privilege.

The gentleman is recognized.

Mr. BOW. Mr. Speaker, last week I called attention in the House to the fact that the chairman of the Arlington County School Board, Dr. L. Clark Keating, had announced in a reputable Washington newspaper that he would not reveal details of the proposed Arlington County school budget for the coming school year.

Inasmuch as the budget of Arlington County includes a sizable donation from the Federal Government, including money collected in taxes from the citizens of my own congressional district, I obtained a copy of the proposed budget, which I have here today, and revealed certain of the items contained therein.

I did so dispassionately and with no intention other than pointing out that the Arlington school budget was being hidden by secrecy, that it contained items which appeared to me to be extravagant, and that my experience on the Committee on Appropriations had shown that secret budgets usually are so classified because there is something to hide.

I was literally amazed by the outburst of the superintendent of schools, Dr. Rutter. When he called my statement "an outright lie," he strengthened my impression that he did have something to hide.

Mr. Speaker, I have been in the political arena for some time. I was not particularly disturbed when various partisans of the superintendent referred to me as a carpetbagger, a huckster of hokem, a modern Thad Stevens, or said that they pitied me.

These are common enough in the interchange of political argument. I had some concern when responsible newspaper editorials accused me of being "half cocked" and using erroneous figures.

But it gave me great concern when the man charged with responsibility for the education of some 20,000 children reflected upon my integrity and representative capacity by charging that my statements in this House were an "outright lie."

I was shocked at his terminology. I hope that it was the result of a temper outburst rather than a reflection of the general attitude of this school official toward officials of our Government and Members of this House.

Mr. Speaker, a great Virginian, George Washington, once said:

> I hope I shall always possess firmness and virtue enough to maintain what I consider the most enviable of all titles—the character of an honest man.

This has always been my hope and aim in public life.

The same accusation, although not in the same words, was made by Mrs. Elizabeth Campbell, a former member of the Arlington School Board, in testimony before the Subcommittee on General Education, March 6.

I quote from the record:

> Mrs. CAMPBELL. There is no harp in the budget which the superintendent has presented to the school board.
>
> Mr. GWINN. Was it in there at one time?
>
> Mrs. CAMPBELL. There was never a harp in it.

The Superintendent, Mrs. Campbell, and others stated, first, that there was no budget; and second, that the budget did not include $1,500 for a harp.

Mr. Speaker, I have here in my hand the document upon which my original statement was based. Call it anything you wish—it is a loose-leaf notebook consisting of over 100 pages on which are listed, by departments, the amounts proposed to be spent within the Arlington school system during the next school year.

Here in the Congress a similar Federal document is called a budget. Further, this document contains on the page I am now showing to the House a request for a harp with a price of $1,500. Nothing on this page shows that the request was disapproved.

I may say that I was glad to learn from the superintendent's later comments that a request for a harp had been disapproved.

But I repeat that in this budget document, containing requests of the school system—and furnished by the superintendent to the members of the school board—the document which the chairman of the school board stated he would not reveal publicly—there is a request for $1,500 for this musical instrument and there is no indication that anyone has rejected the request.

This is, of course, a side issue—in line with the familiar technique of seizing upon a side issue to deflect the principal criticism that has been made.

My principal criticism was concerned with the refusal to reveal details of the budget. I am surprised that the Arlington County Council of Parent-Teacher Associations and the Arlington Federation of Civil Associations were willing to adopt resolutions endorsing the budget—which the superintendent says did not exist—without first demanding full details.

However, I consider that this is their own business insofar as their own tax funds are concerned.

It indicates considerable faith in the superintendent, or a regrettable lack of civic alertness, or both, but it is their own affair.

Another great Virginian, Thomas Jefferson, at one time made this wise observation:

> There is no safe deposit (for the function of government) but with the people themselves; nor can they be safe with them without information.

I am glad to report that my interest in this budget seems to have accomplished my purpose.

Following my first discussion, certain hitherto secret details of the budget were released. And I ask leave to include as part of my remarks a newspaper article which states that the school board is conducting a study with a view to presenting to the public the details of future budgets in a form which may be subject to ready analysis by any citizen.

This was my hope in raising the subject, and I am glad to note the board's action.

[From the Washington Star of March 8, 1957]

SCHOOL BUDGET DETAILS ASKED

An Arlington school-board member, E. R. Draheim, last night asked that additional classroom budget details be made public.

Mr. Draheim's suggestion dealt with budget requests which are submitted to Superintendent T. Edward Hutter.

At the same time, Chairman L. Clark Keating asked for a study aimed at making future budgets less difficult for residents to analyze.

SPARKED BY RECENT CHARGES

Interest in the Arlington school budget situation was stirred this week with charges by Representative BOW, Republican, of Ohio, of budget secrecy and extravagance. A counterblast against Federal "meddling" in local affairs came from Representative BROYHILL, Republican, of Virginia's 10th District.

The suggestions by the two board members were made during a session which ended with adoption of a proposed $10.5 million operating budget for the 1957-58 fiscal year.

Mr. Draheim asked if it would be possible when the board submits its recommended budget to the county board, also to submit requests which were made to the superintendent. This is the procedure followed by Arlington County Manager A. T. Lundberg.

TOO LATE FOR THIS YEAR

Assistant School Superintendent E. J. Braun, in charge of finance and construction, said this additional information could be shown in a separate document, as is done by the county manager. He added, however, that it is too late to carry out the suggestion this year.

The criticism by Representative Bow came after a story was printed in the Star, which quoted Mr. Keating as saying that in line with past board policy administrative salary figures would not be made public.

I think it will make for a healthier situation in Arlington. I am sure that Arlington citizens can handle this problem if they are given access to the proposed budgets.

A secondary issue has entered the discussion, however. My colleague the gentleman from Virginia [Mr. BROYHILL] and others have characterized my interest in this matter as evidence of Federal interference in local schools and some have seen it as a warning of what may happen if the Congress enacts the general Federal aid to education bills now pending.

I am glad that this issue has arisen.

Arlington County operates a school system which is considerably more expensive per pupil than the average in the United States. Its teachers receive higher salaries than most other school systems pay. With this I have no quarrel. Teachers invariably are underpaid.

Even so, the cost of salaries for teachers is only slightly over one-half the total cost of the system, indicating that the county schools must have many expenses not directly connected with instruction of children.

Arlington is a wealthy county. One of my recent correspondents from Arlington claims that it has the highest per family income in the United States.

This may be the case—and I certainly have no objection—nor any right to object—if the people of Arlington wish to support their schools at a level considerably higher than average.

However, I do have an interest in that portion of the Arlington County budget that is contributed by the Federal Government and which amounts to about 12 percent.

Congress has a right to know how Federal funds are used by the recipients of Federal aid. It is their duty to make certain that Federal funds are not used wastefully, for if they are we should take steps to reduce such funds.

It is our duty to make certain that the people of the United States are not taxed for unnecessary projects.

I have tried to make a comparison of per pupil costs in various school systems. For example, my own home city spends $278 per year. The average for Ohio last year was $258. The most recent average figure I have been able to obtain for Virginia is $192.

A Washington newspaper recently stated that the costs per pupil were $332 in the District, $300 in Falls Church, $302 in Montgomery County, $309 in Fairfax County, and $259 in Prince Georges.

In my remarks of a few days ago I cited Arlington County as having a per pupil cost of $426. This figure, for last year, apparently included debt service not included in the other figures cited—but without debt service the Arlington cost is still $376, considerably higher than its neighbors, the national average, or the Virginia average.

There can be no question but that Arlington is enabled to spend this additional sum because it receives a large subsidy from the Federal Government.

It receives that subsidy, under Public Law 874, because of Federal ownership of land within the county, because of

the enrollment of children whose parents live on federally owned land, and because of the enrollment of children whose parents work for the Federal Government.

The element of need is entirely lacking in this system—and obviously Arlington cannot be said to need Federal aid.

My attitude is easily explained. I think that a payment in lieu of taxes for federally owned property—to the extent that it actually reduces the tax base of a school district—may be justified.

I think that a tuition payment for children living on federally owned property where their parents are stationed may be justified.

I find it hard to justify payments for children whose parents happen to work for the Federal Government.

Yet I understand that a payment of $92 per year is given for each child whose parents work for the Federal Government—even though those parents may have lived in Arlington for many years, own their own homes, pay State and county taxes like any other citizens, and are, in fact, permanent legal residents of Arlington County.

It seems to me that a wealthy county supporting an elaborate school system is really mining the taxpayers of the United States when it collects funds under this circumstance.

I believe that there should be a reexamination of the philosophy of Public Law 874—and that steps should be taken to make certain that Federal funds are not provided when a need is not shown.

This certainly is a proper function of the Congress. In fact, I feel it is the duty of Congress.

The gentleman from Virginia [Mr. BROYHILL] and editorials in several newspaper have interpreted my activity as an indication that there is a danger of Federal interference in any Federal aid to education.

I think this is correct. I believe it is axiomatic that Federal control will follow Federal dollars. This principle has been recognized by the Supreme Court when, in the case of *Wickard v. Filmore*—volume 317, United States Reports, section 111, page 131, October term 1942—the Court stated that:

> It is hardly lack of due process for the Government to regulate that which it subsidizes.

Can we, as Representatives, appropriate the public funds without controlling expenditures?

Have we the right to issue blank checks?

I think not. There must be control to assure that Federal money spent for local purposes is not wasted or used to promote extravagance.

In the case of Arlington County, I think there is evidence that our control on the use of Public Law 874 funds has been too lax.

Mr. Speaker, may I again quote Thomas Jefferson, that great Virginia:

> I place economy among the first and most important virtues, and public debt as the greatest of dangers. * * * We must make our choice between economy and liberty, or profusion and servitude. If we can prevent the Government from wasting the labors of the people under the pretense of caring for them they will be happy.

And I assure you, Mr. Speaker, that I believe economy begins at home—and home is my great State of Ohio. If the gentleman from Virginia [Mr. BROYHILL] had taken the floor of this House to object to the appropriation of $5 million to be turned over to officials in the city of Cleveland or Cuyahoga County to build a stadium and swimming pool, I would not have charged the gentleman with meddling or with interference.

I would have applauded his action and his zeal as an effort to protect the taxpayers of Arlington County, Va., from the misuse of their tax funds in the building of a stadium and swimming pool in northern Ohio; and, Mr. Speaker, as an Ohioan living but a few miles from the site of the pan-American games, I assure you I will oppose the spending of $5 million from the United States Treasury for the building of these luxuries in my own State of Ohio.

If we are sincere in the desire for economy—if we mean what we say every day on the floor of this House that budgets must be cut and taxes reduced—then it becomes the duty and responsibility of every Member, regardless of political implications, to point out wastefulness, improper expenditures, and areas of encroachment upon the Federal Treasury which are unwarranted and not in the national interest.

My opposition to Federal aid for education should be no surprise. I have stated many times that I believe education is the responsibility of the local community and should be jealously guarded.

I think that Federal control or interference with local education is a danger that must be avoided at all costs.

I understand the alarm expressed by the gentleman from Virginia [Mr. BROYHILL] and some of the Arlington citizens in recent days—and I think that this entire episode may have been justified if nothing were accomplished other than to show these recipients of Federal munificence that they must expect and will get Federal interference in their use of such money.

Since the issue of Federal aid generally has been raised, I would like to call attention once again to the proposal embodied in bills introduced by the gentleman from Kansas [Mr. SCRIVNER], myself, and others which propose a system of providing additional funds for education in the States without Federal control or interference.

This is the proposal to refund to the States at the time of collection, 1 percent of all individual and corporate income taxes collected.

I am not convinced that there is any State that cannot support its schools without Federal aid, but if the consensus of the House is otherwise—and if it is generally believed that additional money is required—I will strongly urge that it be provided by the 1 percent refund plan, a plan that eliminates any possibility of Federal control.

In closing, let me state once again that my original statement on the subject of Arlington County schools was based upon the volume of budget request I have here today, and was undertaken only because of my objection to secrecy in the use of Federal funds.

I regret that it was the subject of comments reflecting on my integrity and representative capacity, and I trust that any doubt of the validity of my statement has been erased by this explanation.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, it is not the purpose of the gentleman from West Virginia to come to the defense of the gentleman from Virginia [Mr. BROYHILL] or of Arlington County. But I think there are some basic facts that the gentleman from Ohio is overlooking. The Federal contributions under Public Laws 815 and 874 are approximately $95 per pupil toward the cost of educating these pupils. It costs $410 or $412, approximately, to educate a youngster in Arlington County. I believe the gentleman will agree with me that most of the people living in Arlington County are faced with this situation. The Federal Government controls approximately one-half of the wealth of Arlington County in the concessions that they have there and the gentleman will agree that the citizens of Arlington County, Va., in educating those children are taking over a responsibility that the Federal Government should assume, because $95 is only a small part of the $410 that it takes to cover the cost of educating one of those youngsters.

Mr. BOW. I think the gentleman's figures are correct. May I say to the gentleman that if the seat of government were moved from Washington, the county of Arlington would be a very lovely, sleepy, rural community. The seat of government being here is what has made the county of Arlington what it is. There are people in Arlington who have lived there for years and years and years; who own their own homes, pay taxes on their property, pay State income taxes, who are Federal employees the same as so many others. Still we pay $92 per child for people of that kind. So I would say to the gentleman from West Virginia that it is time to resurvey the law and see whether or not there are instances where we are making payments that are not justified.

Mr. BAILEY. Why did the Federal Government make appropriations for the District? Because most of the property here is owned by the Federal Government. That is true in Arlington County.

Mr. BOW. If the gentleman will read the Constitution, the gentleman will find that the District is set up as the seat of Government, and the Constitution provides that we shall do that. That happens to be the Constitution. I find nothing in the Constitution of the United

States which states that we should pay $92 each for the children of Arlington County where their parents are regular residents the same as they may be in my district.

Mr. DORN of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. DORN of South Carolina. Certainly the distinguished gentleman from Ohio, a member of the great Committee on Appropriations, has every right to look into expenditures of the Federal Government, all of them. Is it not the gentleman's opinion that if we have this so-called Federal aid to education, school boards and the trustees of local schools all over the United States will be hauled before the committees of Congress and before the Department of Health, Education, and Welfare to give an account of the money they receive from the taxpayers all over this country?

Mr. BOW. I agree with the gentleman.

Mr. DORN of South Carolina. Is it not a fact further that every single State in the American Union is in better shape financially to build its school than the Federal Government?

Mr. BOW. The gentleman is so right.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman from Ohio has been here for several years and has rendered most distinctive and outstanding service to the country and as a representative of his district. However, apparently he has failed to, shall I say, orient himself. I cannot understand why he has not realized from the press here in Washington that this is the all-important center of the world, and that no Congressman coming here from outside—of course, we all come from outside the District—no Congressman coming here properly appreciates the advantages you have here or is cognizant of the welfare of this community. According to the press, as I get it over the years, we are just a bunch of outsiders who have no consideration, no thought, for the welfare of the District.

Then along comes this statement the other day that one payday here in Washington amounted to between $16 and $18 million for that month, 1 month. I do not know why the spread in the figures.

Having lived here for some time, some twenty-odd years, and going down once in a while when I can get the money to the beautiful little city to get a meal, I notice it has been growing all the time. For example, on the east of the main street as you go through, before you get to an old church, the Washington Church, there was an old, let us say 4 or 5 stories high, big building. The windows were out. Why, it was an old wreck. Look at all those new buildings down there now. Outsiders' dollars have built a new city.

The gentleman spoke about Cleveland. Does he think Cleveland would be willing to take the Nation's Capital out there and the payroll that would go with it?

Mr. BOW. I would not be surprised if they would be willing to take it.

Mr. HOFFMAN. I cannot cry over the disadvantages of the people here in the District and Alexandria any more than I can over the poor farmers who were described here last week. They are in a terrible situation, too.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio.

Mr. SCHENCK. I commend our colleague from Ohio on the work he has done on this matter. As the gentleman knows, I served as a member of the Dayton Board of Education for 10 years, and served as its president for 7 years. I think I know something about the operation and financing of a school system. It has been my understanding that the basic reason for Public Laws 815 and 874 is that when an impaction exists as the result of a Federal activity being moved into a district which brings into the district more people than the district would normally have, there is some justification then for the Federal Government's sharing in the expense of running the school system. But it is also my impression that when the Federal Government does share in the expense of a school system, we would be very derelict in our duty if we did not also apply certain controls and rules and regulations. That happens on every other kind of Federal-aid program. As a former member of a board of education, I would certainly be most reluctant to have Uncle Sam sitting on a school board. Yet, when Uncle Sam does provide some of the funds, Uncle Sam certainly has a right, and we would be derelict in our duty if we did not make certain rules and regulations for the expenditure of that money. The same is true with all kinds of Federal-aid programs. So, I want to commend and compliment the gentleman from Ohio for his clear and proper presentation of this problem.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. BAILEY. Some 3 or 4 years ago, the Federal Government chose a site in a city in western Ohio for an atomic-energy plant. I want to ask the gentleman if the State of Ohio was ready and willing to build $20 million worth of classrooms in 3 or 4 adjoining counties near the town of Waverly where this plant was to be located.

Mr. BOW. I must say to the gentleman that I cannot answer the question because I do not know the circumstances. Had that been a thriving community with an experience of the Federal Government being at its side for many, many years with a great income that comes from the seat of Government into a community, I would rather think that, perhaps, the people of Ohio, most of them coming from areas of conservative people probably would have said, "Yes, we would like to have it come in and we will take care of it." Now there are areas where there are transients and where it is not a permanent thing, and I see the necessity of it in such a situation. I am not questioning it, but I do say to you, sir, that if we are going to do it then we have a right to see how the money is being used and we would be neglecting our own constituents and neglecting the taxpayers of this country if we simply turned money over to a group and say, "You spend it any way you want to." I think this whole situation has brought out two things. One is that if you are going to have Federal aid, you are going to have—you may call it Federal interference. If you have Federal aid, then you are going to have extravagance. Those two things, I think, have been pointed up by this matter which has been brought to the floor.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. McCULLOCH. Mr. Speaker, I am particularly happy that our colleague, the Honorable FRANK BOW, of Canton, Ohio, is a member of our Committee on Appropriations. I know that FRANK BOW, as long as he is a member of that committee, will expose and oppose secrecy in budget making whether it be on the part of the National Government or school districts or States or any other public, political subdivision that uses Federal money. I think the gentleman has been doing a magnificent job.

Mr. BOW. I thank the gentleman.

Mr. SCHERER. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. SCHERER. Mr. Speaker, I think from the documentary evidence presented to the House by the gentleman from Ohio that the superintendent of schools of Arlington made a serious mistake when he charged that the gentleman from Ohio lied. I think the superintendent owes to the Congressman from Ohio an apology for that statement and a retraction.

Mr. BOW. May I say that I do not resent it so much for myself as I do for the entire Congress of the United States. I take great pride in having the opportunity of serving in this greatest legislative body in the world. When anyone makes an attack of that kind upon a single Member, it is an attack on the entire House. I would not have raised this question, Mr. Speaker, if I did not feel it was a reflection on this entire body, on everyone who sits on either side of this aisle. That is the reason I have raised this question.

I think, too, Mr. Speaker, that it is unfortunate that any one who is charged with the training of children, bringing up the youth of this Nation, should become so intemperate as to use the language of "liar" when he refers to a Member of this House. The disrespect that may come from that, if it is not answered, the disrespect in the minds of the youth of the country, is something I could not let go by without raising the question and showing the proof that in this budget document the item exists in which I was called a liar. That was my resentment, the reflection upon this House. We have in the shadows of this

Capitol some of the greatest men in America, men who have been in these Halls many years. America is great today because of this House of Representatives. Members on this side of the aisle and Members on the other side of the aisle have labored through the entire history of the Republic to provide the kind of government we have. When those who have the training of youth in their hands begin to refer to the House and the membership of the House in the intemperate term that the superintendent used, he is affecting the respect that the Nation will have for this great body and its leadership.

Oh, gentlemen, you can look around here, and putting aside our political affiliations, I have said in my home, and I want to say it right now on this floor, I do not know where you could find 435 more dedicated men and women on both sides of this aisle—dedicated to the preservation of the future of this great country of ours, and I resent any attempt that is ever made to lessen that respect.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio.

Mr. VORYS. I feel that the way in which the gentleman from Ohio [Mr. BOW] has met this challenge as to his veracity has not only gone far to uphold the dignity of this House, but to go into the fundamental problems which the gentleman's inquiries involve. I have Federal impact schools in my district. I have been thinking about whether I and the gentleman from Ohio or any other Congressman would be justified in inquiring what those schools spend the money they do not get from the Federal Government for. The formula in the present Federal impact district law is somewhat complex, but that formula was set up by the Congress, and presumably that formula bore some relation to the impact that the Federal operation had upon the schools. Some people say that the best way to proceed is with an open mind, and the best way to have an open mind is to have a vacant mind. But I am happy to say many of us feel that is not the right way to operate. The gentleman, through this unfortunate attack upon him, and through his response to it, has brought before this House and before the country this fundamental question as to whether the Congress and the Members of Congress have not only the right but the duty if they are going to do something for education or for the schools or for anything else, to find out how the schools are operated, and what they spend their money for, in order to legislate intelligently on the formulas that they will use.

I think that the gentleman has today made a contribution to the thinking of our county on some very important subjects.

Mr. BOW. Mr. Speaker, I shall not take any more of the time of the House; I have taken too much already, but I hope the membership will realize that I did not want to interfere and never did interfere in the rights of the States to conduct their own business. If the States will keep their hands out of the Federal Treasury I will not interfere with the States, but so long as people want to get their hands into the Federal Treasury I reserve the right to take a look and see where that money is going.

I believe in the rights of the States to conduct their own business, and I have so voted on the floor of this House; I shall continue to vote that way. I believe in it sincerely, and that is the effort I will make.

Mr. MINSHALL. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield.

Mr. MINSHALL. Mr. Speaker, I have long held my distinguished colleague from Ohio [Mr. BOW] in very high esteem, and certainly his remarks today have added to that estimation. I for one have agreed to vote with the economy bloc at every available opportunity in an effort to try to reduce this Gargantuan Federal budget, and along that line I should like to make one other observation in conjunction with the statement that my colleague has made in reference to pan-American games and the sum of $5 million for Federal participation.

A year ago I sparkplugged the pan-American games issue here in the Congress. Since that time circumstances and conditions have changed very drastically. But I want to make one point crystal clear: Although I am not going to oppose the pan-American games, I cannot in good conscience go along and spearhead any move at this time that would promote them. I think my colleague has summed up the situation most ably and I want to commend him on his remarks. He has vindicated his position.

Mr. BOW. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the subject on which I have spoken.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RACIAL DISCRIMINATION IN THE AMERICAS

The SPEAKER pro tempore (Mr. BONNER). Under the previous order of the House, the gentleman from Massachusetts [Mr. MACDONALD] is recognized for 60 minutes.

Mr. MACDONALD. Mr. Speaker, I am bringing to the attention of the Members of Congress today a matter which came as a great surprise and shock to me. I feel that every Member of Congress will be amazed to learn that there is at least one country in our American Hemisphere which divides holders of United States passports into first- and second-class citizens and either admits or rejects the issuance of a visa to these persons accordingly.

The story is simple, brief, and shocking. A constitutent of mine, the Reverend Oscar G. Phillips, who is pastor of the Shiloh Baptist Church in Medford, Mass., together with his wife, was recently honored by being selected by the Massachusetts Baptist Ministers Association, to make a good-will tour to Mexico, Guatamala, El Salvador, and Nicaragua. This association is comprised of the ministers of the Baptist faith throughout Massachusetts, and is affiliated with the American Baptist Home Mission Society. Reverend and Mrs. Phillips were to travel in conjunction with 33 other Baptist leaders, all of whom were of the Caucasian race. The group was to leave during the week of February 17. This week, as you recall, was not just an ordinary week, but a week dedicated to brotherhood, a period dedicated to a reappraisal of man's relationship to his fellowman. The selection of Reverend and Mrs. Phillips to go on this trip was especially noteworthy during this week dedicated to brotherhood, for the Reverend and Mrs. Phillips are Negroes, and were the only Negroes to be included within this good-will group. Many thought that it would be a fine occasion to illustrate to the people of Mexico and Central America that the widespread Communist distortions about the treatment of the Negro race in the United States were false, for here were two outstanding Negro citizens traveling on a basis of equality with other white American leaders. The arrangements were completed and Reverend and Mrs. Phillips left for New York, where they were to meet with the others in the party. On February 21, in the middle of Brotherhood Week, and after a period of shilly-shallying as to the true reason for a nonissuance of a visa to El Salvador, they were bluntly informed that they were refused visas to that country. This refusal was based on one reason and one reason alone. They were refused permission to visit for a 2-day period the country of El Salvador. This refusal was not based on any qualms concerning their high character, their moral stability, or their prominence in this local community. They were refused on the sole basis that they were of the Negro race. Mrs. Phillips, in showing her United States passport, wondered whether the El Salvador Government had decided that there were two classes of citizens carrying a United States passport and was bluntly informed that under chapter 3, article 25, section 14, of the migration law of that country, El Salvador's consular officers were prohibited from issuing visas on United States passports to persons of the Negro race. This applied as well to United States citizens who were merely in transit. The law of course goes further in stating that no person of the Negro race, regardless of nationality, could enter the country as an immigrant or as a potential permanent resident.

Now, Mr. Speaker, there may be some Members of this House who may wonder why I raise the question regarding the migration laws of a sovereign state, which El Salvador unquestionably is. My answer to that is twofold. First, it would appear clear to me that our State

Department should insist that there is but one class of American citizenship. That class is comprised of any person deemed worthy to be issued a United States passport by our State Department. I also feel that the State Department should make clear to countries with whom we have diplomatic relations that these passports should be honored, regardless of the color or race of the bearer of the passport.

Secondly, I point out to my colleagues that the average United States taxpayer has a rather unique interest in the sovereign country of El Salvador. As the following tables will indicate, the United States taxpayer has contributed $7,878,000 in American dollars to this tiny republic since the foreign-aid program has gone into effect. This amount is exclusive of military equipment transfers under the Mutual Security and Mutual Defense System Acts, which I am sure would add millions of dollars more to the total. The breakdown is clearly outlined in these tables.

United States Government grants and credits to El Salvador—World War II period, July 1, 1940, through V-J Day

Net grants and credits	$2,778,000
New grants	1,908,000
Technical assistance (including Institute of Inter-American Affairs and predecessor agencies)	1,038,000
Lend-lease [1]	877,000
Net credits [2]	870,000
Export-Import Bank:	
Direct loans	900,000
Less principal collected	30,000

[1] Includes military equipment transfers under the lend-lease programs, some part of which were actually on a credit basis. Repayment provisions of this assistance are classified for individual countries and are available only for the American Republics as a whole.

[2] Does not include lend-lease, as discussed in footnote 1. Net credits do not include interest collections, which totaled $68,000 in the war period.

Source: Foreign Aid by the United States Government, 1940–51, United States Department of Commerce, Office of Business Economics.

United States Government nonmilitary[1] grants and credits to El Salvador postwar, V-J Day through June 30, 1956

Program	Total	Postwar decade, fiscal years 1946–55	Fiscal year 1956
Net grants and credits	$4,805,000	$3,466,000	$1,339,000
New grants	5,675,000	4,327,000	1,348,000
Mutual security aid:			
From economic and technical assistance appropriations	2,492,000	2,425,000	67,000
Famine and other urgent and extraordinary relief	41,000	41,000	
Donations of surplus agricultural commodities through private voluntary relief agencies and the United Nations Children's Fund	131,000		131,000
Technical assistance	1,362,000	1,342,000	
Inter-American and related highways	830,000	519,000	280,000
Net credits [2]	−870,000	−721,000	−149,000
Export-Import Bank:			
Direct loans	579,000	579,000	
Less principal collected	1,449,000	1,297,000	149,000

[1] Excludes military equipment transfers under the Mutual Security and Mutual Defense Assistance Acts; such data for individual countries are classified for security reasons.

[2] Includes principal repaid on credits utilized in the World War II period. As of June 30, 1956, no principal indebtedness was outstanding to the United States Government. Net credits do not include interest collections, which have totaled $350,000 in the postwar period. Data do not include collections on lend-lease credits, which are classified for individual countries and available only for American Republics as a whole. The 29th Report to Congress on Lend-Lease Operations (H. Doc. 436, 81st Cong., 2d sess., p. 32) shows collections for articles lend-leased to El Salvador through June 30, 1949, to have totaled $300,000, and the 33d report (H. Doc. 227, 83d Cong., 1st sess., p. 3) notes that on May 26, 1950, the Government of El Salvador completed payment of its obligations for defense aid furnished under the terms of the lend-lease agreement of Feb. 2, 1942.

Source: Foreign Grants and Credits by the United States Government, June 1956 Quarter, U. S. Department of Commerce, Office of Business Economics.

According to figures obtained from the last census taken, El Salvador has a total population of 1,855,917. Simple arithmetic shows that the American taxpayer, regardless of race or color, has contributed $4.08 to each man, woman, and child alive in El Salvador today.

I think that it is well to bear in mind that like most South American countries, El Salvador is a producer of surplus raw materials and that the United States imports over 90 percent of the combined total exports of that country. These exports are consumed by all the citizens of the United States, including all races and color. I point out that we furnish to El Salvador about 75 percent of all its imports. These, of course, are produced by United States citizens of all races and color. I repeat, that under all these circumstances it would appear clear to me that El Salvador should have a very kindly feeling toward all our citizens, at least a kindly enough feeling, to permit these citizens to visit El Salvador.

The treatment of Reverend Phillips and his wife seems even more peculiar when one realizes that the international background of this country should have no basis which would lead them to false racial notions, such as those promulgated by such countries as Fascist Germany. It should seem abundantly clear to a nation such as El Salvador that the false claims of racial superiority as illustrated by the white, Nordic supremacy claims of the late Third Reich in Germany, with its insulting treatment of people of the colored race, led only to the quicksands of self-destruction.

It seems interesting that any racial superiority theories should be held by El Salvador, when the most recent figures on racial background in that country indicates that of the total population, only 2.1 percent is listed as white and 5.6 percent as Indian, while the remaining 92.3 percent are of mixed or Mestizo blood. Of this total population, over 60 percent are illiterate, which makes it even more preposterous, the rejection for a good-will visit of a minister and his wife. Reverend Phillips is a graduate of Bishop College of Texas, and of Andover Newton Theological Seminary in Boston, and Boston University.

I ask with genuine curiosity what possible reason should there be to reject a visit of such a man and his wife who were coming to the country with the best motivations possible, that of showing firsthand the end result of the best democratic system in the world, that of the functioning of the democratic system of the United States of America.

I by no means suggest that El Salvador is not a sovereign state or suggest that we should meddle in her internal affairs, nor am I suggesting that El Salvador is not a welcome member of the Inter-American defense plan. However, I am suggesting that international cooperation is not a one-way street. While I have long been an outspoken advocate of foreign aid, as my record proves, I think I reflect the thinking of a number of people who are becoming increasingly dissatisfied with the situation which prevails in the world today when the United States hesitates to speak up against inequitable treatment of our citizens in order not to interfere with international good will.

Is it that the need for international good will as expressed by the proponents of continual foreign spending, exists only on our side? Is it true that we must constantly court the good will of other nations, while at the same time closing our eyes to breaches not only of good will, but of outright bad treatment of our United States citizens by other countries?

Recently here on the floor of Congress a Member who was asking for an investigation of alleged murder of a constituent was reproached for his zeal on the grounds that such an action would perhaps upset international good will. I suggest that good will is a two-way street and certainly countries who are eager, if not anxious, to obtain our tax dollars either by means of direct, or indirect, grants-in-aid should illustrate some slight concept of public relations and show a desire to court the so-called good will of all our United States citizens whose tax dollars make these grants-in-aid possible.

It is no secret here in the Congress that American citizens of Jewish ancestry are not permitted entry into the Arab States by virtue of having proper United States passports. However, it may surprise many of our citizens to know that we Members of Congress who would like to see both sides of the Middle East problem at firsthand, are refused entry into Arab countries if an Israeli visa has been stamped on our Congressional passports first. Congressmen have the choice of visiting the Arab countries and not Israel, or Israel and not the Arab countries. I feel that there are many sins being committed in the name of international amity and international good will. While I do not want to offend the sensibilities of our Latin good neighbors, I feel that the State Department in passing out largess via a tremendous tax burden on all our citi-

zens, should at least receive back in return simple courtesies of ordinary travel. These, of course, should include the issuing of visas to our taxpaying citizens whose moral character is of such a nature as to permit the State Department's issuance of a passport on their behalf.

While at this time I am not going to suggest any extraordinary measures, such as the cutting off of American tax dollar supported grants-in-aid to a country such as El Salvador which does not honor passports of all qualified American citizens to visit its country, I have written Secretary Dulles, asking for a reappraisal of this situation. I feel strongly that no longer should American tax dollars be taken for granted by countries such as El Salvador, which refuses to treat all American citizens as first-class citizens of this country. I have made a very simple request of Mr. Dulles and that is, that I urge him and his State Department representative in El Salvador merely to undertake such action which will enable them to live up to the words, contained in every American passport—"I, the undersigned, John Foster Dulles, Secretary of State of the United States of America, hereby request all whom it may concern to permit safely and freely to pass, and in case of need, to give all lawful aid and protection to a citizen of the United States."

I feel that the country of El Salvador owes an apology to Mr. and Mrs. Phillips, not only personally but as representatives of their race. I also feel that the State Department owes them an apology for permitting this embarrassment to occur to them and their race, and I, as their Congressman, feel apologetic that the Congress of the United States has permitted our State Department to acquiesce in making our Negro citizens second-class citizens in the eyes of foreign nations. Especially those foreign nations which are being supported, at least in part, by taxes raised from American citizens, including Negroes.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I want to congratulate the gentleman from Massachusetts on what I feel is a truly outstanding statement. I feel certain that Congressman MACDONALD's constituents will be proud of him. He has in a sense come to the defense of two of his constituents.

In a larger measure, Mr. Speaker, I feel that he has put his finger on a problem which reflects upon the integrity of our Nation. I should like to ask the gentleman from Massachusetts whether or not he feels, as I am sure he may, that the silence of the State Department in this episode indicates acquiescence in, and accepts the fact of, second-class citizenship in the United States?

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

STATE DEPARTMENT ACCUSED OF ALLOWING DISCRIMINATION TO UNITED STATES NEGROES

Mr. ASHLEY. Mr. Speaker, last week I was informed that the Government of El Salvador on February 21 refused to issue a visa to an outstanding citizen of the United States, the Reverend Oscar G. Phillips. Reverend Phillips, who is pastor of the Shiloh Baptist Church in Medford, Mass., had previously been selected to make a good-will tour to Mexico, Guatemala, El Salvador, and Nicaragua. Reverend Phillips and his wife were to travel in conjunction with 33 Baptist leaders, the group being scheduled to depart during Brotherhood Week, which began February 17.

When I looked into this matter, Mr. Speaker, I learned that there was one reason, and one reason only, why Reverend Phillips and his wife were refused visas by El Salvador. Reverend Phillips and his wife are Negroes.

Mr. Speaker, 170 million United States citizens are proud of the bonds of friendship which have been developed with our neighbors in Central and South America. This friendship has been built up over a period of many years, and at no time within my experience or to my knowledge have our citizens been reluctant to demonstrate their feeling of close association and brotherhood by acts of generosity. And we are grateful for the relationship which exists among the inter-American nations.

But certainly El Salvador has indicated that our friendship is reciprocated only in part. The laws of El Salvador which prohibit the issuing of visas on United States passports to persons of Negro race are evidence that this state has no great friendship for the 17 million Negro citizens of the United States.

But it would be hypocritical, Mr. Speaker, for any Member of this body to express surprise or moral indignation over the example of overt discrimination by the Government of El Salvador, for in large measure we must look to ourselves for the blame. If that Government—or any government—does not know that friendship for a democratic nation is not divisible according to races or ethnic groups, then we must face up to the fact that we have failed to demonstrate that the principles upon which our country was founded are a living reality.

In the Declaration of Independence our forefathers stated that all men are created equal, and in our Constitution, the Bill of Rights, and subsequent constitutional amendments, we have established the principle of equality of citizenship. We are all aware that this equality has been bitterly contested and that even today there are those who seek to perpetuate practices of second-class citizenship, which have been outlawed by the Supreme Court of the United States. But it is shocking to me that the executive branch of our Federal Government is willing to share in this responsibility. It is one thing for the Government of El Salvador to deny the issuance of visas to United States citizens on the sole ground that they are Negroes, but it is quite another thing for our State Department to close its eyes or turn its head to an episode of this sort. Who can question that the silence of our State Department implies acquiescence and acceptance of second-class citizenship in our own country.

The time has come, Mr. Speaker, for those of us who hold high public office to decide whether we mean what we say about equality of citizenship in the United States and for us to make our position known without equivocation.

The blame for the recent incident involving Reverend Phillips and his wife may rest in large measure with the Government of El Salvador, but I believe that basically and essentially it rests with the Government of the United States. When we say what we mean and mean what we say, we will no longer be humiliated by shameful episodes of this sort. It is high time, Mr. Speaker, that the Department of State make known the position of the United States.

Mr. MACDONALD. Mr. Speaker, first of all I should like to thank the gentleman for his remarks. Secondly, I should like to be fair to the State Department. In one sense Secretary Dulles or his assistant, or whoever has had relegated to him the responsibility of answering this letter of mine, has not yet had time to answer. The letter was sent just last week, because this preposterous situation was called to my knowledge only last week.

However, I can point out to the gentleman that this law, which I have researched, has been in existence in El Salvador since 1933. Certainly I cannot conceive of this being the first time it had ever been called to the attention of the Department of State. So that it would seem clear that they have acquiesced in this situation. I feel very strongly that they have, and I will be positive of that feeling if no action is forthcoming from that Department after this discussion.

Mr. BOYLE. Mr. Speaker, would the gentleman yield?

Mr. MACDONALD. I yield to the distinguished gentleman from Illinois.

Mr. BOYLE. Mr. Speaker, the disclosures which our colleague from Massachusetts has just made concerning a prejudice exercised by the nation of El Salvador against United States citizens, is shocking. I want to commend the gentleman for the objectivity which he has displayed in pointing up this challenge and this affront to American respectability and American honor. Too long and in too many places too many people with the responsibility of fabricating good will have adopted the thinking that good will is a commodity so highly fracturable that we must waive good will or good morals to expediency.

I do not think American good will is of such a character. I think it is all wool and a yard wide. I think it can understand problems and can effect their solution. But we are not going to win many friends or influence many people if we just sit idly by day in and day out and let our American citizenry be pushed around only because we have to dance on all four corners of the world with people who are continuing to challenge our honor and our respectability.

I think the gentleman from Massachusetts is to be commended for the way in which he has brought this to the attention of the House today. I think in wanting to fault the State Department he is doing a real service, but I think now the onus passes to the State Department to say what they are going to do in this latest instance, which, to my mind, at least, represents a real offense to American honor.

Mr. MACDONALD. I thank the gentleman for his remarks. I have tried to be as factual and objective as possible, because I think this is the sort of thing that should be removed from the heat of emotion. Certainly I think it is sort of queer that we have but one sort of citizen whose moral character is approved when the State Department gives its visa. Certainly I agree with the gentleman that all the citizens of the United States should be treated the same by our State Department.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. MACDONALD. I yield to the gentleman from Wisconsin.

Mr. REUSS. I, too, want to thank and commend the gentleman from Massachusetts for calling to the attention of this House a flagrant and unlovely piece of discrimination against an American citizen. It seems to me a cause for special sadness that it comes from a friendly country which is a Christian nation and which bears as its name the name of our Saviour. I would have wished that the Gospel according to St. Matthew had not been so forgotten in the matter of its visa policy.

I think, too, that the gentleman has been realistic in referring to the idea that, while we must respect the sovereignty of other nations, we must try to work out a method whereby consistently with respect for that sovereignty we can make our moral force felt. By our own silence we should not acquiesce in or approve of discrimination.

May I make this suggestion: Would it not serve a great and useful purpose if the State Department, after reviewing the matters presented to them by the letter the gentleman has written to them, were to make a clear and forthright statement that we as a nation ask other countries to treat our nationals alike and not discriminate among them on the basis of religion, race, or any other cause. Would not such a simple declaration unbacked by any threats, sanctions, or interferences with sovereignty at least indicate we are not a party to this most un-Christian act?

Mr. MACDONALD. I quite agree with the gentleman and commend him for suggesting such a plan. I will relay his thoughts to the State Department on that subject. However, I should like to point this out to the gentleman. Because I did not want to broaden the scope of this, I have made no statements concerning other countries. I feel strongly that El Salvador is not the only country within the American Hemisphere that also practices this discrimination that is being resorted to. I have asked in my letter to have the State Department tell me how many countries do use this practice of discrimination among American citizens holding passports.

Second, I should like to tell the gentleman that I feel that a mere declaration that this should not be done by the State Department is not enough. I feel that it is long overdue that the United States State Department stop worrying so much about the sensibilities of the people who are accepting our aid and start worrying a little more about the sensibilities of the taxpayers who are contributing their tax dollars to the State Department for handing over to foreign countries. From some we have a flowback of goods, from others we have no flowback at all or a bad flowback.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MACDONALD. I yield to the distinguished gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I have been much impressed by the restrained and objective manner in which the distinguished and scholarly gentleman from Massachusetts has presented to the House a matter that reaches so deeply into our emotions and so strongly raises the question in all our minds as to whether in the quest for the good will of all peoples we are not bartering away the sacred concept of equality among men that we proclaimed in our Declaration of Independence. The gentleman has made a factual presentment without haranguing, and the facts speak with all the greater emphasis because of the simplicity and the honesty with which by the gentleman's presentment they were made known to us.

For some time I had been concerned at the complacency with which our great country has accepted the dictum of some foreign countries that some of our citizens could be admitted to their realms while as to others the doors were closed. I fear at times that we are losing the respect of the world because we have lost our own self-respect. As individuals we would have no respect for a member of a household that went gaily as guest into the home of a neighbor that was barred to the entry of mother, father, brother, and sister of the same quality of character. We would say that such a family member had lost his self-respect in bartering away for personal favor the recognition of the dignity of the other members of the family.

It is distressing to me that our Government in the case of nations that bar from entry Americans of good character but of minority religions or minority races acquiesces in this visitation of discrimination under the excuse that we want the good will of everyone. I am afraid we will end up with no good will and certainly with no respect for no one of any land can give respect to another who does not stand up for his own.

The distinguished gentleman from Massachusetts in an address that, in my opinion, was outstanding, as it must have been in the opinion of my colleagues, stated that even Members of the Congress who had papers of admission to Israel could not obtain papers of entry into the Arab States. It is not interference in the domestic affairs of another nation when we insist on respect for ourselves and for our nationals of good character and regardless of their race, their religion, or their station. It is standing up for our own dignity and that of our national family.

For myself I would not wish to visit any land where my fellow Americans of good character were not accorded the same degree of welcome. This I know must be the sentiment of every Member of this body on both sides of the aisle. There are occasions, of course, when Members of the Congress on official missions may have to visit such countries, but I am sure that it is always with a deep protest in their hearts and in their minds. It is possible too that some of our countrymen on necessary business missions must visit countries that discriminate against Americans, not on the basis of character but on the basis of bigotry, but certainly Americans who go to other countries for the purpose of sightseeing and their own pleasure well may give thought before they sail to that which they are accepting and thus are encouraging.

The time has arrived, Mr. Speaker, when in self-respect and in honor our State Department must take a strong stand on this discrimination against Americans based solely on religion or race.

The incident in San Salvador—you will notice, Mr. Speaker, that in my old-fashioned Americanism I still hold to the old name of San Salvador—was presented so clearly that in no American mind, certainly not in that of an old-fashioned American, can there be any avoidance.

As Americans we must stand together or we fall together. Make no mistake on that point. If we permit a foreign nation to divide us by making us partners with it in discrimination against some good Americans, fawning favors to other good Americans, we do not fight subversion but we embrace it.

There was no question of the quality in character and in standing of our fellow American who was barred on grounds of race and of the estimable lady who is his wife. Their mission was that of brotherhood, and one of the purposes of their undertaking was to dispel in foreign lands the exaggerated stories of race discrimination spread by our communistic enemies. They were good people, giving their lives in service to God and country, and they were left hanging on the clothesline of discrimination. I repeat, Mr. Speaker, we cannot permit that sort of thing to continue.

When the State Department presented to us a resolution bearing upon the situation in the Middle East we were told that its benefit to us would be in the psychological effect and that this effect would be destroyed entirely unless we showed a national unity by the Democratic Congress standing side by side with the President elected as a Republican. I thought that this was a valid argument. But if it were a valid argument in that situation, is it not also a valid argument that we, to gain the good will and the respect of the world, must show national unity among our people by insisting that no American of good character when he goes abroad shall be shown any less respect than another American because of his religion or because of his race?

I am glad that the gentleman from Massachusetts mentioned the fact that the law of San Salvador that barred these estimable fellow Americans was enacted back in 1933. At that time we in our own country had an immigration law that barred the Mongolian. Indeed, it was only last year in the 2d session of the 84th Congress that we wiped out this shameful prohibition.

I had not known that in the laws of San Salvador was a provision barring the entry of persons of the Negro race. I do not know why or under what circumstances such a law was ever enacted. That is not my business, and it is not the business of the Congress of the United States. We do not meddle in the domestic affairs of other peoples. We do not presume to tell them what laws they should have or what laws they should not have. We are concerned when those laws unjustly and unequally affect our visiting fellow Americans. We can properly show our resentment of discrimination against Americans on any grounds other than character by restricting our visits and our trade to the barest necessity. When any country says to us in effect, "Yes; you can send Tim, but you cannot send Jim; you can send Jean, but you cannot send Mary," it becomes our affair because when we have passed upon the right to citizenship and the protection of this Government of any American we do not submit our action to the veto power of another government.

As the distinguished gentleman from Massachusetts has said, and as I have repeated, the immigration law of San Salvador responsible for this regrettable occurrence was enacted back in 1933. It is possible that today in the new climate of brotherhood that has spread all over the universe the people and the lawmakers of San Salvador may be considering, as, indeed, we in this body are considering, changes in immigration laws bringing them into closer harmony with the spirit of these times. I do trust that the restrained and objective presentment of the shameful incident of two good Americans being barred from San Salvador because of their race will result in letters of deep and sincere regret on the part of the Government of San Salvador and our own State Department. The incident cannot be permitted to stand unexplained. Again I commend the gentleman from Massachusetts for bringing this to our attention and for the manner in which he did it.

Mr. MACDONALD. I thank the gentleman. And to expound for a moment on one thought, which the gentleman expressed, it seems that our State Department not only acquiesces in separating Bill from Joe who are ordinary citizens, but as you recall and as the Congress will recall well, just recently we agreed to separate a GI Joe from a GI Bill in the handling of the matter of an airport in the Middle East where we, supposedly the proudest and strongest Nation in the world let an Arab monarch dictate to us what kind of a United States soldier might man an airport in the Middle East. King Saud as you will recall refuses to permit any United States soldiers of Jewish ancestry to serve at the Dhahran Airbase.

Mr. O'HARA of Illinois. Can we find any justification in good morals in such a position as our State Department has taken?

Mr. MACDONALD. I certainly disagree 100 percent with the position of the State Department on that matter, but like everything else here in the Congress, you either accept it in toto—we either accept the proposition of trying to secure peace in the Middle East or we have to vote against any plan. There is no alternative plan. We are handcuffed here very often, partially by a lack of time for debate and secondly because, when the bill comes out, it comes out in such a form that you either vote for what is morally right that is trying to achieve peace and in so doing include an immoral position such as going along with Saud's request about our airmen of Jewish ancestry. Many of the Members of Congress, I know, share our feeling, and yet we have to vote for the President's policy as a method of trying to bring peace in the Middle East for we have been permitted to discuss no other plan.

GENERAL LEAVE TO EXTEND

Mr. MACDONALD. Mr. Speaker, I ask unanimous consent that all Members who care to do so may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. BONNER). Without objection, it is so ordered.

There was no objection.

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, if this policy which El Salvador has pursued as just described by the gentleman from Massachusetts has been going on since 1833 or 1933—both dates were mentioned—why have not the gentlemen who have spoken and who have been here for so many years done something about it before now? Did Dean Acheson, former Secretary of State, know of this matter? Did he tolerate it? Did he approve of it? I would presume he did. He was Mr. Truman's Secretary of State. If this condition is as the gentleman says, then Mr. Acheson and Mr. Truman must have had reasons why they approved of it. I would suggest that Mr. Acheson be contacted by the gentleman to learn his views on this problem.

Mr. MACDONALD. Mr. Speaker, I ask unanimous consent to include two tables in my revision and extension of remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SPECIAL ORDER VACATED

The SPEAKER pro tempore (Mr. BONNER). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 20 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the special order granted me today be vacated; and that on Wednesday next, at the conclusion of all other business and other special orders, I may address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

GROWTH OF FEDERAL CIVILIAN EMPLOYMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. ALEXANDER] is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, within the brief time that I shall speak this afternoon, I want to call to your attention one aspect of the development of our Federal Government which is, in my judgment, of the highest importance to every Member of this body. I refer to the alarming growth in the number of civilian employees in the executive branch of the Government, and to the probability that this growth will continue unless Congress takes strong steps immediately to curb its rate.

May I outline briefly the history of the expansion of the Federal bureaucracy. At the start of Washington's first administration, there were only 350 employees. In 1801 there were approximately 2,100; and by the end of the century the number had increased about 10 times. In 1900 there were about 377,000 employees and a decade later, under the influence of World War I, the number was up to slightly more than 842,000. Ten years later the total had dropped back to nearly 560,000. Even with the addition of all the New Deal agencies in the 1930's, Federal employment was under a million in 1939, just before World War II. After the tremendous increase to about 3¼ million by the end of the war, the number decreased rapidly to a low of about 1,961,000 in 1950. The Korean war and our new world responsibilities produced a rise in 1951 and 1952 to a postwar high of about 2,584,000 in 1953.

Slight decreases in 1954 and 1955 and 1956 brought the total, as of July 1, 1956, to 2,371,988. This figure is more than 400,000 above the postwar low in 1950. It is only 192,000 less than the total in 1953, when the Korean war had produced Federal employment inevitably higher than peacetime levels. This carries us up to the present—now may we take a look at the future.

On January 16 of this year the President of the United States transmitted to the Congress the Federal budget for the fiscal year 1958, with the customary accompanying message. In discussing the budget policy, the President stated:

> It is also important to hold to a minimum any increase in Government personnel in the coming period. I have directed the heads of the Federal agencies to give renewed emphasis to their efforts in this regard—efforts which have resulted in a net reduction of approximately 240,000 in the civilian work force during the past 4 years. Vacant positions are to be filled by new employment only if careful review by each agency has demonstrated that the positions cannot be abolished or filled by transfer. All proposals which might produce higher Federal payrolls in the future will be critically examined and evaluated.

This was a most encouraging statement, and I anticipated that, when our Committee on Appropriations—of which I have the honor to be a member—began careful study of the details of the budget, we would find little necessity for criticizing it on the score of its personnel requests. But what did we find?

According to reliable computations—because there are no totals of the detailed personnel data in the budget—actual Federal civilian employment as of June 30, 1956, was 2,371,968. The estimated employment as of June 30, 1957, will be 2,418,443—an increase of more than 46,000. Estimated employment as of June 30, 1958, will be 2,447,934—an increase of 29,473 over a year earlier and of 75,946 over 2 years earlier. There is no means of determining accurately the increased cost in salaries for these nearly 76,000 employees, but if they average $4,000 apiece—and that well may be far too low a figure—the annual cost would be almost a third of a billion dollars. Even in these days of $72 billion budgets a third of a billion dollars' increase in a 2-year period is worth considering.

The Committee on Appropriations was not alone in noticing the increased personnel situation in the President's budget. About 2 weeks after it was transmitted to the Congress and made available to the general public, the Wall Street Journal, February 6, 1957, presented a thorough analysis of its contents as they related to Government employment. May I quote from this article which presents not the views of a Congressional committee controlled by Democrats, but those of a first-class newspaper generally favorable to Republicans, and particularly to President Eisenhower:

> The Nation's biggest employer, Uncle Sam, will build up his huge work force anew to handle his expanding responsibilities. * * *
>
> The new hiring wave comes atop a current increase in Federal employment. From the Eisenhower administration low point of 2,334,000 executive-branch employees at the end of January last year (1955), the number climbed to 2,378,000 at the close of 1956, not counting the Post Office's temporary Christmas help. The total rose each month for the 7 straight months from January through August. The latest figure was some 47,000 over a year ago and the highest for any year and since 1953. * * *
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> Until a year ago, the Eisenhower team hacked away at the stubborn total of Federal jobholders with some success. From 2,623,000 on executive-branch payrolls at the end of January 1953, just after Ike took office, the number shrank nearly 300,000 by the end of January last year. * * *
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> While administration officials volunteer no single explanation of the rebound in employment, it's plain that growing Government and loss of economy seal underlie the rise. A longtime Justice Department personnel expert philosophizes: "Any administration cuts the Government work force when it takes office, then after it's been in power a while starts to build it up again." * * *
>
> But the trend is clear. From the Census Bureau to the Weather Bureau to the Atomic Energy Commission to the Export-Import Bank to the Bureau of Public Roads to the Securities and Exchange Commission, Federal employment is heading higher. The surge sweeps right up to the highest councils of Government. At the White House itself, the work force has grown nearly 50 percent since Mr. Eisenhower became its tenant.

I might add, also, that the Davis Manpower Utilization Subcommittee, of which I had the honor to be a member for the past 4 years, has been very much concerned with the problem of increased civilian employees in the Federal Government. In my opinion the committee has done a good job in bringing to light the trend of the departments to ever increase their personnel.

I cannot review, department by department and agency by agency, all the requests for additional employees which the President has incorporated in the budget now before the Congress. A few illustrations will make my point. The House has passed the appropriation bills for three departments. The Post Office Department with 508,587 employees in 1956, is estimated to have 13,145 more by the end of fiscal 1957. They asked for over 6,000 in addition to the 1957 number by the end of fiscal 1958. Treasury jumped from 77,781 to over 79,000 in fiscal 1957. They asked for over 81,000 in fiscal 1958. Interior, following the same pattern, had 54,145 employees in fiscal 1956, with an estimated 56,751 by the end of fiscal 1957. They have requested 59,066 by the end of fiscal 1958. I do not have information indicating the effects on the personnel figures which will result from House action on these three measures. Only the Department of Defense has made estimated cuts in civilian personnel during 1957 and has requested further decreases in 1958. If one considers the situation in the independent agencies he finds increases in all of the larger ones and most of the smaller ones, too.

My deepest concern with the steady growth in the number of Federal employees is the fact that an established pattern of increase exists. If in one fiscal period all departments and agencies simultaneously asked for, let us say, a 5-percent increase in their personnel every one would be shocked and we would undoubtedly act vigorously to prevent such mushrooming. But the pattern of increase amounts to a few dozen or a few hundred more employees in each bureau or division, every year. Instead of mushrooming, the growth is like the addition of layers to a snowball. This is far more difficult to appreciate and to control.

What can Congress do to remedy this situation? Well, we still have before us all of the appropriation measures for 1958, except those for the Departments of the Treasury, Post Office, and Interior. We can be more critical and examine more carefully remaining appropriation bills with regard to increased personnel than has been done in the past. The time to start to reverse the trend toward increased Government employment is now—not next year. The appendix to the budget for fiscal 1958 contains about 350 pages describing the personnel situation in every department and agency in the greatest detail. There you have statistics of actual employment at the end of fiscal 1956. It is too late to do anything about those. The estimates for 1957 are included—and those, too, are beyond the control of Congress. But the 1958 estimates are merely the requests made by the executive branch. It is the duty of Congress to consider those with the greatest care. The praiseworthy general statements of President Eisenhower and other members of the executive branch must not divert us from the hard, cold facts which are contained in page after page of detailed statistics in the budget.

There is no way of making this task an easy one. But, as an aid to my fellow Members, I ask for the insertion in the RECORD of a condensed table presenting actual and estimated employment in the executive branch in 1956, 1957, and 1958, and also of the special article in the Wall Street Journal from which I have quoted.

[From the Wall Street Journal of February 6, 1957]

PUBLIC PAYROLL—UNCLE SAM SEES HUGE AS AGENCIES START NEW TASKS, OLD ONES GROW—VOICE OF AMERICA ADDS UNDAY EXPERTS; CAA WILL HIRE MORE CONTROL TOWER MEN—WHITE HOUSE JOBS JUMP 50 PERCENT

WASHINGTON.—The Nation's biggest employer, Uncle Sam, will build up his huge work force anew to handle his expanding responsibilities.

To prepare for the jet airliner era due in 1959, for example, the Civil Aeronautics Administration, Federal traffic cop for the airways, plans to boost its personnel to more than 26,000 by mid-1958 from about 18,000 now. "The lion's share will go into traffic control," says personnel chief J. Meisel. That means thousands more control tower workers, communications men and the like at the Nation's airports.

The Government's overseas propaganda arm, the United States Information Agency, aims to increase its staff to more than 13,000 by the middle of next year from around 11,000 now. Persons hired will be mostly foreigners. "From chauffeurs to Ph. D.'s," says L. K. Little, agency personnel director. Some will furnish films and other services for the large number of new TV stations going up abroad. Addition of more languages, such as Urdu, Uzbek, Telugu, and Gujarati, to Voice of America broadcasts also creates new jobs.

SENATOR WILL BE INTERESTED

Employment in the Social Security Administration, up 7,000 in the past 3 years, "will go up even more as more people are covered," says a spokesman for the parent Health, Education, and Welfare Department. He looks, too, to some further rise in total HEW jobholders, now totaling nearly 50,000. "I guess Senator Byrd will be interested in these figures," this official adds with a weak chuckle. The Virginia Senator, an ardent economizer, heads Congress' Joint Committee on Reduction of Nonessential Federal Expenditures.

The Agriculture Department's broadening endeavor to help the farmer is expected to tack on a sizable 1957 addition to its 82,000-man work force, though perhaps less than last year's gain of 6,000. "The new budget increases funds, and money means people," notes Personnel Director Ernest V. Betts, Jr. Candidates for more manpower are such programs as farm research, soil conservation and the soil bank.

To help carry out United States foreign policy in the troubled Mid-East and elsewhere, State Department plans call for adding 1,372 employees in the fiscal year starting in July. "Of these, 1,086 will be to beef up operations, that's a good Republican term," says Ernestine Colmatine, a Department personnel officer. As for the others, he points to a snowballing effect: "As you increase operating staffs, you have to increase communications, security operations and other sectors."

BUDGET BUREAU HIRING

The very agency that's charged with overseeing Federal economy efforts, the Budget Bureau, is now in the process of building up its staff with more accountants and management specialists, in line with Hoover Commission recommendations. The target: 470 employees by mid-1958, up from 422 in mid-1956.

The new hiring wave comes atop a current increase in Federal employment. From the Eisenhower administration low point of 2,334,000 executive branch employees at the end of January last year, the number climbed to 2,378,000 at the close of 1956, not counting the post office's temporary Christmas help. The total rose each month for the 7 straight months from January through August. The latest figure was some 47,000 over a year ago and the highest for any year-end since 1953.

As for the future, administration officials won't say just what total executive branch employment is contemplated under the new budget. But a Budget Bureau spokesman looks for a very moderate rise in personnel during the fiscal year ahead. Though Mr. Eisenhower, in his budget message to Congress last month, talked determindly of curbing Federal employment, he indirectly acknowledged the prospect of expansion when he said: "It is * * * important to hold to a minimum any increase in Government personnel in the coming period."

DEFENSE DEPARTMENT REDUCED

Until a year ago, the Eisenhower team hacked away at the stubborn total of Federal jobholders with some success. From 2,623,000 on executive branch payrolls at the end of January 1953, just after Ike took office, the number shrank nearly 300,000 by the end of January last year. But the net reduction to date is entirely accounted for by the Defense Department alone, and even there it came only from the Army and Navy. Among nondefense agencies, all in all, there's been a slight net increase.

Here and there, cuts may continue. Defense chiefs aim to trim their giant 1.2 million person civilian establishment by 8,000 in the next year and a half as a result of, in bureaucratic jargon, "firming up our requirements and hardening down on our position." Veterans' Administration officials predict a downtrend in VA nonmedical employment will finally overtake an uptrend in medical personnel. But these prospects are clearly exceptions to the rule.

While administration officials volunteer no single explanation of the rebound in employment, it's plain that growing Government and loss of economy seal underlie the rise. A longtime Justice Department personnel expert philosophizes: "Any administration cuts the Government work force when it takes office, then after it's been in power a while starts to build it up again."

Even without further increases, the Government's executive branch employs nearly 4 percent of the Nation's civilian wage earners. Its payroll numbers more than three times as many people as that of the Nation's biggest private employer, the Bell System. Looking back over the past 25 years, Senator Byrd says, "We have increased the Federal civilian payroll from 575,000 and increased their pay from less than $1 billion to more than $10 billion. This is an index of the big Federal Government and the concentration of power in Washington."

The impact of the vast Government work force is by no means confined to the neighborhood of the Nation's Capital. In fact, as of last September 30, there were 3,000 more Federal employees toiling in California than the 230,000 in the District of Columbia and in its Maryland and Virginia environs. Sizable numbers of Government workers labor in other States—187,000 in New York, 134,000 in Pennsylvania, and 119,000 in Texas.

It's noteworthy that if machines weren't taking on more and more Government workloads, the rise in employment undoubtedly would be steeper than it is. In the past 4 years the Treasury's Bureau of Engraving and Printing has trimmed its work force 40 percent, "pretty exclusively due to modernization of equipment," says Samuel T. Adams, Treasury personnel director. Officials report automatic processing of social-security and passport data is saving manpower, though they can't pin down just how much.

FIND THEM OTHER JOBS

But a social-security official says regardless of displacement of men by machines, "we wouldn't let these people go. We've got an investment in them, so we find other jobs for them." A Passport Office spokesman says that despite more machines his outfit is taking on more girls. The reason: "We figure we'll have 12 percent more business this year than in 1956." Artemus Weatherbee, post-office deputy personnel chief, agrees automation isn't going to fire anybody. "We'll be lucky if we can keep the work force from growing," says he.

The employment uptrend is overcoming other obstacles. Claudius L. Fike, assistant personnel director of the Federal Power Commission, complains that for the past 2 years the FPC hasn't been able to hire all the help the budget allows—because it's hard to find qualified people. Mr. Betts of the Agriculture Department reports: "We are experiencing a little difficulty recruiting scientists and engineers."

The down-and-up pattern apparent in total Federal employment under Eisenhower shows up in one agency after another. Consider the Interior Department, custodian of the Nation's natural resources and guardian of its Indian wards. Its labor force started 1953 at over 56,000. With the help of a 3,000-man transfer to another agency, the Department cut employment nearly 10,000 by the end of 1955. Since then, there's been a climb of over 2,000 and the end is not in sight.

ADDING AND EXPANDING

"We're hiring a lot of social workers in an effort to talk Indians into leaving their reservations and becoming self-supporting citizens," one official says. "The National Park Service, under our improvement program, is expanding. And someday we'll have to start adding manpower to step up construction on the upper Colorado reclamation project."

Even at the Justice Department, where employment stays pretty steady, jobholder numbers slid from an average of more than 31,000 in Mr. Truman's last full fiscal year, ended in mid-1952, to less than 29,000 3 years later. In the current year the average is due to climb back above 30,000. Though a tiny slope-off is expected next year, passage of the administration's civil-rights bills, says one official, "would mean a big increase in our work force."

In some agencies, the recent rebound has sent employment past the Eisenhower starting point. The Labor Department work force, cut from 5,425 in 1953 to 4,446 last year, already has vaulted back above the 1953 high. Plans call for 5,700 employees next year. Why? The Department is toughening its enforcement of the $1-an-hour minimum wage law that took effect last year. It's improving its wage-price data and planning to expand the unemployment insurance and Mexican farm labor programs if Congress O. K.'s Presidential plans.

MORE PEOPLE OVERSEAS

The Government's foreign-aid dispenser, the International Cooperation Administration, also has surpassed the early 1953 employment level of its predecessor agency. What's more, says an official, if the President's Mid-East aid proposal is well received in Congress and in the affected region, "we'd have to have more people overseas to carry it out." If the United States starts giving aid to Tunisia and Morocco as expected, a spokesman adds, "we'd have to set up new missions there."

The third biggest Federal employer, the Veterans' Administration, now boasts a force of 178,000 people, a shade above its level of 4 years ago. A spokesman says all the rise has come in the VA's medical department, in everything from brain surgeons to latrine cleaners. He stresses the need to staff increased numbers of new hospitals reaching completion and adds: "Veterans are getting older and you have to take care of more complaints."

At some Government establishments, employment has been increasing at an accelerating rate. After cutting back to less than 508,000 at the end of 1953, the giant Post Office added 1,000 employees during 1954, more than 2,000 the next year and more than 10,000 last year. An official attributes the growth entirely to population increases, especially in the suburbs.

NO DROP IN SOME OFFICES

"The population is going up all over the place," he says. "Considering the fact that mail volume is up 12 percent in the last 4 years, the growth in employment has been small."

In a few agencies, there never was any drop in jobholders after Mr. Eisenhower came to town—and there's been a more or less steady increase under his regime. At the Agriculture Department total employment has risen each year for the past 6 years, under the impetus of expanding aid to the farmer.

Some of the momentum for such growth has come from brand-new programs that didn't exist in the pre-Eisenhower days. As part of the Agriculture Department's soil conservation work, a scheme has been adopted to install small upstream watershed improvement projects. Reports a personnel man: "Starting from zero, there's been an increase of about 1,100 employees in the watershed program."

In much the same situation is the Small Business Administration, born in 1953 and growing persistently ever since. Its regular work force already has shot up to 950 from 760 only a year ago, and it's had to borrow some extra people from other agencies. Officials have just asked Congress for funds to boost the regular staff to 1,225 by mid-1957. Personnel Chief E. E. Holland says the explanation is simple: "A big upsurge in loan applications far above the expectations of the SBA, the Budget Bureau, or Congress."

BOOST BLAMED ON CONGRESS

Not all such multiplication in Federal payrolls springs from administration plans alone, of course. An Agriculture Department personnel official stresses that Congress has outdone administration ideas for many programs. He notes: "The last 2 or 3 years appropriations—which mean personnel—have been in excess of recommendations for programs like soil conservation, rural electrification, and school lunch."

Some responsibility even is laid at the Supreme Court's doorstep. Personnel man Fike opines that the recent rise in FPC personnel results from the 1954 Court decision which brought independent natural-gas producers under Commission regulation. Says he: "If you're behind anyway, then get something like that decision * * *." He shrugs helplessly.

For advocates of smaller Government there are some consolations amid the rising tide of Federal employment. Total employment remains below past heights. The Defense Department's civilian help is far fewer than at wartime peaks, and even the Agriculture Department's growing staff falls shy of its pinnacle in New Deal days.

GETTING MORE WORK DONE

The rise in foreign-aid personnel has been in "technicians, agriculturists, educators, and other experts overseas," brags an ICA official. "It shows we're getting more people into the field. We're getting more work done."

Even as his Agency makes plans to take on hundreds more workers, Mr. Little, of the United States Information Agency, claims: "It's like getting water out of a rock to get an O. K. for a new job."

But the trend is clear. From the Census Bureau to the Weather Bureau to the Atomic Energy Commission to the Export-Import Bank to the Bureau of Public Roads to the Securities and Exchange Commission, Federal employment is heading higher. The surge sweeps right up to the highest council of Government. At the White House itself the work force has grown nearly 50 percent since Mr. Eisenhower became its tenant.

Federal civilian employment in the executive branch, fiscal years 1956–58, actual and estimated

	Actual 1956	Estimated 1957	Estimated 1958
Total	2,371,988	2,418,471	2,447,274
Executive Office of the President	1,198	1,250	1,255
Executive departments:			
Department of Agriculture	86,205	86,831	88,230
Department of Commerce	47,778	52,845	51,525
Department of Defense—Military functions:			
Office of the Secretary of Defense	1,020	1,120	1,122
Department of the Army	407,433	404,915	405,235
Department of the Navy	334,659	304,865	300,142
Department of the Air Force	368,573	378,650	372,325
Department of Defense—Civil functions	43,144	45,340	47,640
Department of Health, Education, and Welfare	46,608	52,325	54,000
Department of the Interior	54,146	56,754	56,000
Department of Justice	26,876	31,242	31,116
Department of Labor	5,939	6,177	6,230
Post Office Department	508,587	521,722	526,000
Department of State	22,287	22,669	23,575
International Cooperation Administration	10,256	10,400	10,300
Treasury Department	73,281	76,250	81,241
Independent agencies with approximately 5,000 employees and more:			
Atomic Energy Commission	6,027	7,011	7,100
Civil Service Commission	5,258	5,714	5,500
General Services Administration	28,420	31,000	30,300
Housing and Home Finance Agency	10,182	11,107	11,531
National Advisory Committee for Aeronautics	7,961	8,053	8,030
Selective Service System	6,899	6,900	6,000
Tennessee Valley Authority	14,700	16,177	17,000
United States Information Agency	16,431	13,220	13,641
Veterans' Administration	175,653	175,000	170,000
Aggregate employees of other independent agencies	17,000	19,500	20,000

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. I want to take this opportunity to commend and compliment the distinguished gentleman from North Carolina [Mr. ALEXANDER] on the presentation that he has just made. As the gentleman has stated, he served as a member of the Manpower Utilization Subcommittee during the past 4-year period and is thoroughly familiar with the strenuous efforts which that subcommittee has made to hold down the ever-increasing number of Federal civilian employees. My own belief is, and I am firmly convinced of it, that the work of the Federal Government could be done efficiently, without any loss of essential service, by 2 million Federal civilian employees. The payment to Federal civilian employees now is well over the $10 billion mark, and if a 10-percent reduction should be made it would mean a relief of more than $1 billion to the taxpayers of this country. There are very few areas now in which substantial reductions can be made in Government spending. There is very little prospect of making reductions in the Veterans' Administration. We cannot make any reductions in the interest on the public debt. There is some possibility of reduction in the Defense Department but not on a wholesale scale. But this area that the gentleman has been talking about is one area where substantial savings could be made without interfering at all with the essential services of Government.

Mr. Speaker, I am most appreciative of the interest which the gentleman has shown in this most important subject, and I am glad to see from his talk today that his interest continues in it.

Mr. ALEXANDER. I thank the gentleman very much for his generous remarks. I want to say this, that the Manpower Utilization Subcommittee has done a tremendous job in this field, and I feel that that committee, with the small staff that they have, is one of the few committees that has done a tremendous job in the personnel field, and I want to compliment the gentleman from Georgia [Mr. DAVIS], as chairman of that subcommittee, on the fine work it has done.

Mr. DAVIS of Georgia. I thank the gentleman.

THE BUDGET

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. ABERNETHY] is recognized for 15 minutes.

Mr. ABERNETHY. Mr. Speaker, in this Congress I have voted in every instance to uphold the committees of the House which have labored to reduce the budget. I intend to be consistent about this. I intend to continue to vote for cuts in the budget on each and every opportunity.

I regard inflation as the chief and most immediate peril faced by our Nation and its people. The cost of living is at the highest point in our history as a nation. Month by month the cost of living has mounted and there is still no end in sight.

The cost of living has mounted despite the fact that lower farm prices have been acting to hold it down. If farm prices had moved upward as other prices have done, the cost of living would have gone up faster and higher. We would be having an intolerable situation.

Every time the cost of living goes up one point the value of the dollar comes down one point in terms of what it will purchase in goods and services. Every time the value of the dollar goes down the actual value of every insurance policy goes down, the value of every fixed pension goes down, the value of every bond—including those of the United States Government—goes down, the value of every dollar deposited in a bank or a savings account goes down.

Inflation is the greatest thief in the world today. It works in silence day and night stealing away our substance and our hopes.

We have an inflationary situation in America for basically simple reasons. We have the highest defense expenditures we have ever borne in peacetime. Defense expenditures will be high next year and the year after. We have, on every level of government, the greatest public works program ever undertaken at one time by any nation in the world. We are living in a period in which industrial expansion, in large part based on continuing defense orders, is as great as it has ever been. These three pressures acting in concert have created the force which is sending prices upward in an ever-mounting spiral and by the same token is reducing the value of the dollar.

We must put a brake on this upward movement of prices somehow.

The Congress can exercise control over the expansion of industry only in an indirect way. This is a growing country.

We have reached a population of 172 million. We must supply their wants. We must have jobs available for an ever-growing labor force. It would be ill-advised, in my judgment, to put a brake on the growth of our productive capacity if that lay in our power.

But Congress does have control, direct control, of one of the factors which contributes to inflation more directly than any other factor. That is the size of the Federal budget.

The Federal budget is at the highest point it has reached in any year in which we were not engaged in an outright war. It stands, as it was sent to us by the executive branch, at approximately $72 billion. Yet as we all know that is not the end of it. There are unseen costs which will make the total expenditure of the Federal Government in the next fiscal year considerably higher than that.

The President and the Secretary of the Treasury know that this is an inflationary budget. They know that it is too high. They invited the Congress to reduce it. They passed the buck to us here at the Capitol. They gave us a challenge. And for one, I accept it. When the Appropriations Committees of this Congress labor long and hard to cut budgetary requests, I am going to vote to uphold their hands.

When the Director of the Bureau of the Budget, Mr. Percival F. Brundage, testified before a Committee of this House this week that the Federal budget which the administration will submit in January of next year will be substantially the same as the inflationary budget of $72 billion with which we are now wrestling, he made one of the most glaring

admissions I have ever heard from a high public official.

What Mr. Brundage admitted was that this administration has lost control of the Federal budget.

This administration knows that the budget which it submitted to the Congress in January is too high. It knows it is dangerously high. Yet the administration has declared that it has been incapable of reducing it.

Now the chief budget officer of the administration comes here and tells us that the budget which will be submitted next year, in January 1958, is going to be just as high. Mr. Brundage declares that the various departments and agencies have been asked to submit ideas on getting the budget reduced. He says in advance that he does not think there will be any substantial reductions.

He has made it perfectly clear that the White House has not ordered the departments and agencies to cut down. He has made it clear that the administration has so given up hope of reductions—if it ever had any such hope or desire—that it is no longer making any effort to obtain them.

It has lost control of the budget.

There is no Member of this House who does not know the great pressures against cutting budgetary items. The pressures come from the departments and the agencies involved. They come from employees who feel that they would be affected one way or another. At times they come from industries and from organizations representing industries. They come from a Member's State or his region. They come from a Member's own district.

These pressures are difficult to resist. But in the greater interest, the larger interest of all our people and their welfare, they must be resisted. We must take some of the inflationary punch out of the Federal budget. We cannot continue to attempt to put out the fires of inflation by pouring on them the gasoline of tremendously increased Federal expenditures.

I have not heard anyone use that word "prudence" lately. It seems to be out of style. It is old fashioned. The language, it seems, may lose this word. Yet, if there is anything we need today it is prudence in dealing with Federal expenditures.

It is not enough, in my opinion, to hold the line, although that would be difficult enough. We ought to tighten our belts, and we ought to be willing to forego until a more propitious time public construction of types which are not immediately essential to the general welfare and relief of human suffering.

We must hold down Federal spending. It is in our power to do so and we must do it. Prudence demands that we not only balance our budget; it demands in these times of unparalleled prosperity that we reduce the Federal debt. It is in our power to do so. It is our duty to do it.

TREATMENT OF THE MENTALLY ILL

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in yesterday morning's Star there appeared a résumé of a speech made by Dr. Overholser, the head of St. Elizabeths Hospital, to the young scientist award scholars from the different States of the Union regarding the treatment of the nervous and mentally ill. It warned against the use of the shock treatment indiscriminately; in fact, the speaker said that St. Elizabeths was using it very little. The article will appear at a later date. It warned against the indiscriminate use of so-called tranquilizing drugs because therein lies considerable danger, as I have felt.

Last Friday night I dined with these young scientists who won awards from many of the States and the Westinghouse officials and the scientific awards group. I am extremely proud that a young boy named Charles Thomas Phillips from Lincoln, in my district, received a science award from Massachusetts. Four years ago his brother, Allen Phillips, won the top award for all over the country, and I am hoping that this young man will win the top award this year. He belongs to an outstanding and distinguished family of scientists. His father is a professor and his mother is a chemist. I have the greatest respect for these boys and girls and for what they are doing today in the world of science. Members of the House know how desperately needed scientists are, both young and old, because the wars of the future may well be fought largely through science development, and the peace of the world brought about in that way. We know also of the tremendous scientific advancement in medicine and surgery that are taking place—I am grateful to Westinghouse for their patriotic generosity.

H. R. 11 SUPPORTED BY TEXAS SERVICE STATIONS, ASSOCIATED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I received a letter from the Texas Service Stations, Associated, endorsing H. R. 11 and S. 11. The members of this group have not been misled by the propaganda put out by the large oil companies.

The truth is H. R. 11, the equality of opportunity bill, is nothing more or less than an effort to induce businessmen to comply with the golden rule in business. The Robinson-Patman Act is intended to prevent a manufacturer from favoring one customer over another in the same competitive area by giving a favorite customer a secret preferential discount.

The Robinson-Patman law provides that a manufacturer or seller may select his own customers; the law does not require any concern to select any particular customer under any circumstances to sell his goods, wares, or merchandise. However, when the manufacturer selects 2 customers in a small town—1, an interstate chain and the other a hometown merchant—this manufacturer is compelled, under the Robinson-Patman law, to apply the golden rule in his business and not give the interstate chain such a low preferential price that it can destroy or seriously harm the hometown merchant across the street. The law contemplates that under certain circumstances there will be differences in the cost of manufacturer's sale and delivery in the merchandise to different customers. Any savings in this respect may be accounted for and allowed. The law will prohibit the manufacturer to give a special discount to one of his customers, who is a retail dealer, and not give the same discount to another customer, who is a retail dealer in competition with him under the same facts and circumstances.

In the case of gasoline, Standard Oil having 3 customers at 1 street intersection, operating stations, has a perfect right to reduce its price to 1 of these 3 stations to meet the competition in good faith of an off-brand dealer, operating a station at the fourth corner of the intersection in competition with Standard's 3 stations provided Standard gives the other 2 stations the same opportunity to compete with the off-brand dealer. It certainly is not wrong for Standard to be required to treat its customers fairly and since Standard has 3 stations at that intersection, why should not Standard be required to give the same price to all 3 stations so that all 3 stations can compete with the off-brand dealer instead of just giving the opportunity to 1 of Standard's favorite stations to do so? A lot is said about Standard being allowed to meet competition in good faith; there is nothing proposed that would prevent this. Why should anyone object to Standard also being required in good faith to treat all of its customers in that same competitive area right by giving them the same opportunity?

There is a lot of misunderstanding caused by untrue propaganda of the proposal contained in H. R. 11.

The letter is as follows:

TEXAS SERVICE STATIONS, ASSOCIATED,
Austin, Tex.

Hon. WRIGHT PATMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN PATMAN: Officers and directors of Texas Service Stations, Associated, met in executive session March 4 and 5 in the Stephen F. Austin Hotel, Austin, Tex., for the purpose of further discussing H. R. 11 and S. 11 and the propaganda being spread in opposition to this legislation.

Opponents of these bills charge that H. R. 11 and S. 11, will render a major company helpless to assist, etc., in a price war; that H. R. 11 and S. 11 will produce chain price wars; that a major company could not patrol a station in one location without doing the

same thing for all stations under their brand if this amendment is passed.

In its present form the primary provisions of the Robinson-Patman Act are directed against five classes of harmful discriminatory preference; namely, secret rebates and other kinds of preferential concessions to favored buyers; quantity discounts which exceed actual differences in cost of manufacture, sale, and delivery or which are available only to a favored buyer; special allowances or discounts in the guise of brokerage payments made by sellers to buyers; advertising, display, or promotional allowances which are not offered on proportionally equal terms to all competitors, regardless of size, or which are given for services not performed; and, services or facilities not accorded to all purchasers on proportionally equal terms.

If opposition charges were true the Robinson-Patman Act in its present form would create the conditions being warned against. H. R. 11 and S. 11 would simply amend this law to make major companies responsible for acts of preferential treatment. If such preferential treatment is questioned as being discriminatory, an attempt to fix prices or an effort to create a monopoly; in any hearing on a complaint under this section the burden of proof that it is not falls upon the company.

Our original requests for support of H. R. 11 and S. 11 were based upon the sincere belief that strengthening the Robinson-Patman Antiprice Discrimination Act would help prevent price wars rather than cause them as is charged. Plugging the loopholes in the law as it now exists, we concluded is essential if violators are to be prevented from hiding discrimination, price fixing, and attempts to promote a monopoly behind so-called good faith preferential treatment.

Having thoroughly reviewed all evidence at hand, the officers and board of directors of Texas Service Stations, Associated, concluded that the opposition's charges, in their opinion, are completely without foundation; that the amendment of section 2 (b) to the Robinson-Patman Act as provided in H. R. 11 and S. 11 is imperative in the public interest and essential to the preservation of the small, independent businessman; and, finally, that H. R. 11 and S. 11 demand our continued confidence and support.

I sincerely believe the fate of the small-business man is in your hands, and very earnestly request your support of this amendment.

Very sincerely yours,

BEN COMER, *President.*

A BILL TO INCREASE THE MIGRATORY BIRD CONSERVATION FUND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that after all other special orders heretofore entered today the gentleman from Michigan [Mr. DINGELL] may extend his remarks in the body of the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, this bill would double the migratory bird conservation fund by extending to it the principle of Federal cooperation long available to the Forest Service for protection against forest fires and for forest-tree planting. In this case, however, Federal funds match payments collected from migratory bird hunters rather than by appropriations of the several States, a most important change. My bill would require one-half the total fund resulting to be expended for acquisition of migratory waterfowl refuges.

The present situation is such that at the existing rate of use all available wildfowl habitat will have been used up by 1975 except what is available on State and Federal lands. Worse than that, present habitat in the United States is barely sufficient to harbor already declining waterfowl populations.

My bill would result in a sixfold increase in the refuge acquisition program. The source of support would thereby be broadened to include every citizen, including all who thrill to the sight and sound of geese and ducks as they follow with mysterious accuracy their seasonal migrations.

A Federal migratory bird-hunting stamp, to which this bill refers, must be in the possession of every person over 16 years of age while hunting migratory wildfowl. This is a requirement of the act of March 16, 1934, generally known as the Duck Stamp Act—volume 48, United States Statutes at Large, page 451; title 16, United States Code, section 718. Each stamp costs $2, and the proceeds from their sales are deposited in the specially created Migratory Bird Conservation Fund. As now constituted, the act provides that 85 percent of the fund shall be available for "the location, ascertainment, acquisition, administration, maintenance, and development of suitable areas for inviolate migratory-bird sanctuaries," for other purposes incident to their administration, and for research in the protection and encouragement of migratory birds. The remaining 15 percent is to cover the costs of production and sale of the stamps.

Since enactment of the Duck Stamp Act in 1934, and including the fiscal year ending June 30, 1956, collections from the sale of stamps totaled $49,485,423. Of this amount, $4,392,167 was used to purchase 264,729 acres. This is a little more than 8 percent of the money for whose collection the Congress had voted. As stated in the act, most of the fund was designated "for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds." Yet, in his report to the Secretary of the Interior for 1954, the Director of the Fish and Wildlife Service admitted that only about one-sixth of that year's duck-stamp sales receipts had been used for actual land purchases. Based on stamp sales for the fiscal year 1954 totaling $4,542,860, it appears that about three-quarters of a million dollars were so used.

Even with a greatly accelerated program of the kind I propose here, it will be guaranteed only that the Government can purchase annually something like 72,000 acres. At this rate of acquisition something like 40 years will elapse before the Bureau of Fish and Wildlife can acquire its modest goal of 4 million acres of additional lands.

Of course, if the full amount available under this bill is expended for purchase of refuges the acquisition program can be completed in something in excess of 20 years.

During the fiscal year ending June 30, 1956 purchases by 2¼ million hunters, at $2 a duck stamp, turned into the Federal Treasury a total of $4,739,760. Of this amount over $1 million are reported to have been spent for land purchases. All the rest was used to administer and develop some 3½ million acres in existing refuges, to do research, and to pay for engraving and selling the stamps.

Recent allocations for land purchase slightly exceed the yearly average of some $150,000 during the 22 years since enactment of the Duck Stamp Act. But the amount that goes to land purchase is small compared with the large sums used to administer and develop the areas, to protect the birds, and to enforce the Migratory Bird Treaty Act and its regulations. The whole program has been dragging at a snail's pace for want of funds. Worse, duck-stamp revenues have been diverted for all kinds of purposes at a time when this program is lagging so badly. Scarcely more than 12,000 acres have been added each year to the nationwide system of refuges. With this pitifully slow progress it will take 333 years to reach the additional 4 million acres which the Fish and Wildlife Service have announced as their goal.

My bill would double the only money available to the migratory bird conservation fund. One-half of the whole sum then available must be spent for actual purchase of land so necessary to the protection of migratory wildfowl. The other half may be and should be spent in the same manner, but some discretion for research and improvement of new and existing refuges is permitted under the policy established by the original duck stamp law.

The Migratory Bird Conservation Commission, as authorized in the act of February 26, 1929, would be better able to carry out its responsibilities for the purchase or rental of desirable land and water areas.

The United States could give more constructive support to the purposes of the Migratory Bird Treaty of 1916, under which this country and Canada are striving to lessen the dangers threatening the migratory birds that cross our borders in their annual flights. The larger sums of money earmarked for land acquisition would permit, as never before, "the acquisition of areas of land and of water to furnish in perpetuity reservations for the adequate protection of such birds," as commanded by the Duck Stamp Act.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ALEXANDER for 30 minutes today.

Mr. IKARD for 1 hour on Monday next.

Mr. SIKES for 20 minutes on Thursday next.

Mr. DAVIS of Georgia (at the request of Mr. FORRESTER) for 1 hour tomorrow.

Mr. MACK of Washington on Wednesday next for 30 minutes.

Mr. ABERNETHY today for 15 minutes.

Mr. SISK on Wednesday next for 30 minutes.

Mrs. ROGERS of Massachusetts for 5 minutes today.

Mr. POWELL (at the request of Mr. McCORMACK) for 1 hour on Wednesday, March 13.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. HARRISON of Virginia (at the request of Mr. HUDDLESTON) and to include extraneous matter.

Mr. MULTER (at the request of Mr. BOLAND) and to include extraneous matter.

Mr. DORN of South Carolina in two instances.

Mr. EDELE and to include extraneous matter.

Mr. BERRY and include extraneous matter.

Mr. COUDERT (at the request of Mr. ARENDS) and include a speech by Secretary of Commerce Weeks before the Women's National Republican Club of New York.

Mr. GATHINGS and include related matter.

Mr. JOHANSEN and include a letter he wrote to the Common Council of the City of Detroit in response to a communication received from the common council relative to a pay increase for postal employees.

Mr. ALGER.

Mr. GWINN on Federal aid to education.

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GROSS (at the request of Mr. JENSEN), for a period of 3 days, on account of being called to Iowa to attend the funeral of Mrs. Gross' mother, Mrs. Lillian Webster, of Cresco, Iowa.

To Mr. LANHAM (at the request of Mr. THOMAS) for the rest of the week, on account of official business, meeting with Board of Visitors at Naval Academy, Annapolis, Md.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 16. An act for the relief of Lucy Lin and her minor child, Peter Lin; to the Committee on the Judiciary.

S. 17. An act for the relief of Patrick K. Y. Yip; to the Committee on the Judiciary.

S. 63. An act for the relief of Joan Yungen Chao; to the Committee on the Judiciary.

S. 75. An act for the relief of Vincent Lee Lao; to the Committee on the Judiciary.

S. 87. An act for the relief of Pavel Blaho; to the Committee on the Judiciary.

S. 91. An act for the relief of Victor Charles Hunt; to the Committee on the Judiciary.

S. 94. An act for the relief of Lee Chong Tait; to the Committee on the Judiciary.

S. 96. An act for the relief of Garabed A. Mansyan; to the Committee on the Judiciary.

S. 97. An act for the relief of Dr. Cheng-en Lu; to the Committee on the Judiciary.

S. 120. An act for the relief of James F. Walsh; to the Committee on the Judiciary.

S. 124. An act for the relief of Josephine Suydam; to the Committee on the Judiciary.

S. 158. An act for the relief of Hewey Malachi Mackey; to the Committee on the Judiciary.

S. 162. An act for the relief of Jew Gim Gee; to the Committee on the Judiciary.

S. 184. An act for the relief of Mary C. Frederick; to the Committee on the Judiciary.

S. 186. An act for the relief of Mary Palanuk; to the Committee on the Judiciary.

S. 189. An act for the relief of Peter V. Boach; to the Committee on the Judiciary.

S. 225. An act for the relief of Kew Chan (Chan Kew), Nancy Tsui Mei (Leung) Chan, and Cecilia (Oi Fan) Chan; to the Committee on the Judiciary.

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

S. 236. An act to amend section 6 of the act of June 20, 1918, as amended, relating to the retirement pay of certain members of the former Lighthouse Service; to the Committee on Merchant Marine and Fisheries.

S. 247. An act for the relief of Max Masak Terian and his wife, Maria Terian; to the Committee on the Judiciary.

S. 271. An act for the relief of Johannes Sukevainen; to the Committee on the Judiciary.

S. 288. An act for the relief of Esther Guagliardo; to the Committee on the Judiciary.

S. 323. An act to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat; to the Committee on Agriculture.

S. 363. An act for the relief of Nelson Shu-Yung Chuang; to the Committee on the Judiciary.

S. 407. An act for the relief of Julian D. Dycsico; to the Committee on the Judiciary.

S. 458. An act for the relief of Athanasios Nicholas Pritites (also known as Thomas Prites, or Tom N. Phillips); to the Committee on the Judiciary.

S. 461. An act for the relief of Paul Yen-Hsiung Feng and his wife, Mary Stella Pao-Ching Feng, and their minor child, Shao-Ying Feng; to the Committee on the Judiciary.

S. 469. An act to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, to defer sales of tribal property, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 493. An act for the relief of Irene Montoya; to the Committee on the Judiciary.

S. 515. An act for the relief of Nathaniel Wong; to the Committee on the Judiciary.

S. 589. An act for the relief of Margaret Kwei Chang (Margaret Hua-Chen Kwei); to the Committee on the Judiciary.

S. 601. An act relating to the charging of interest on deposits to the credit of the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

S. 615. An act for the relief of Josephine Ray; to the Committee on the Judiciary.

S. 626. An act for the relief of Helen Dolly Argyropolous; to the Committee on the Judiciary.

S. 644. An act for the relief of Anthony Agustino Scrivanich; to the Committee on the Judiciary.

S. 649. An act for the relief of Yee Chung Fong Ming and Yee Chung Nom Ming; to the Committee on the Judiciary.

S. 667. An act for the relief of David Y. Ong; to the Committee on the Judiciary.

S. 674. An act for the relief of Gale P. Haun and Julia Fay Haun; to the Committee on the Judiciary.

S. 687. An act for the relief of Stylianos Lecompios; to the Committee on the Judiciary.

S. 739. An act for the relief of Georgiana Ching Helen (Liang) New; to the Committee on the Judiciary.

S. 754. An act for the relief of John (Ioannis) Legatos; to the Committee on the Judiciary.

S. 797. An act for the relief of John Leary; to the Committee on the Judiciary.

S. 799. An act for the relief of Eldur Ehe; to the Committee on the Judiciary.

S. 800. An act for the relief of Maria Maldo; to the Committee on the Judiciary.

S. 827. An act for the relief of Guillermo B. Rigonan; to the Committee on the Judiciary.

S. 890. An act for the relief of Redantor Ligot Romero; to the Committee on the Judiciary.

S. 895. An act for the relief of Josefa Kuziak; to the Committee on the Judiciary.

S. Con. Res. 10. Concurrent resolution favoring appropriate observance of National Hospital Week; to the Committee on the Judiciary.

S. Con. Res. 11. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 12. Concurrent resolution withdrawing suspension of deportation of Carlis Stender; to the Committee on the Judiciary.

S. Con. Res. 13. Concurrent resolution to provide for the printing of additional copies of hearings held by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary; to the Committee on House Administration.

S. Con. Res. 17. Concurrent resolution favoring the suspension of deportation in the case of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 18. Concurrent resolution withdrawing suspension of deportation of Ashun Tung; to the Committee on the Judiciary.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. J. Res. 23. Joint resolution to provide for the reappointment of Dr. Arthur H. Compton as citizen regent of the Board of Regents of the Smithsonian Institution.

H. J. Res. 302. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 47 minutes p. m.), the House adjourned until tomorrow, Tuesday, March 12, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

565. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Postal Savings System for the fiscal year ended June 30, 1955. (H. Doc. No. 113); to the Committee on Post Office and Civil Service and ordered to be printed with illustrations.

586. A letter from the Chairman, Federal Communications Commission, transmitting a draft of a proposed amendment to section 307 (d) of the Communications Act of 1934 entitled "Permitting broadcast licenses to be for a 5-year period instead of only 3"; to the Committee on Interstate and Foreign Commerce.

587. A letter from the executive vice president, National Fund for Medical Education, transmitting a signed report of an audit of the National Fund for Medical Education for the year ended December 31, 1956, made by Price Waterhouse & Co., New York City; to the Committee on the Judiciary.

588. A letter from the clerk, United States Court of Claims, transmitting certified copies of the court's opinion in the case of *Electric Ferries, Inc., a Corporation* v. *The United States* (Congressional No. 6-54), pursuant to sections 1492 and 2509 of title 28, United States Code, and pursuant to House Resolution 548, 83d Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 7, 1957, the following bill was reported on March 8, 1957:

Mr. ANDREWS: Committee on Appropriations. H. R. 6788. A bill making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 186). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 11, 1957*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. House Resolution 190. Resolution requesting the President for certain information pertaining to the 1958 budget, without amendment (Rept. No. 187). Referred to the House Calendar.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 2401. A bill to provide for the reconveyance of certain land to the city of Spearfish, S. Dak.; without amendment (Rept. No. 188). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 4271. A bill to provide that the Delegate from Alaska in the House of Representatives of the United States shall be a member of the Alaska International Rail and Highway Commission; with amendment (Rept. No. 189). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 182. Resolution for the consideration of House Resolution 190, a resolution requesting the President for certain information pertaining to the 1958 budget; without amendment (Rept. No. 190). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 7, 1957, the following bill was introduced on March 8, 1957:

By Mr. ANDREWS:

H. R. 6788. A bill making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes.

[*Introduced and referred March 11, 1957*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 5789. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

By Mr. ALGER:

H. R. 5790. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BOYLE:

H. R. 5791. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BROWNSON:

H. R. 5792. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mrs. CHURCH:

H. R. 5793. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. COFFIN:

H. R. 5794. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. DORN of South Carolina:

H. R. 5795. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. OSTERTAG:

H. R. 5796. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. REUSS:

H. R. 5797. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. WRIGHT:

H. R. 5798. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. ANFUSO:

H. R. 5799. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

By Mr. BARING:

H. R. 5800. A bill to provide for the conveyance of certain real property of the United States to the city of Las Vegas, Nev.; to the Committee on Banking and Currency.

By Mr. BARTLETT:

H. R. 5801. A bill to provide cost-of-living allowances to judicial employees stationed outside the continental United States or in Alaska; to the Committee on the Judiciary.

By Mr. BASS of Tennessee:

H. R. 5802. A bill to amend the Soil Bank Act with respect to its application to producers of all types of tobacco; to the Committee on Agriculture.

By Mr. BENNETT of Florida:

H. R. 5803. A bill to amend the Railroad Retirement Act of 1937, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BENTLEY:

H. R. 5804. A bill to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers); to the Committee on Ways and Means.

By Mr. BERRY:

H. R. 5805. A bill to amend title II of the Social Security Act to provide that the adoption of a child shall not terminate his entitlement to child's insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 5806. A bill to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS of Louisiana:

H. R. 5807. A bill to amend further and make permanent the Missing Persons Act, as amended; to the Committee on Armed Services.

By Mr. BROWNSON:

H. R. 5808. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

By Mr. BURNS of Hawaii:

H. R. 5809. A bill to provide for a U. S. S. *Arizona* memorial at Pearl Harbor, T. H.; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 5810. A bill to provide reimbursement to the Tribal Council of the Cheyenne River Sioux Reservation in accordance with the act of September 3, 1954; to the Committee on the Judiciary.

H. R. 5811. A bill to amend subdivision b of section 14—Discharges, when granted—of the Bankruptcy Act, as amended, and subdivision b of section 58—Notices—the Bankruptcy Act, as amended; to the Committee on the Judiciary.

By Mrs. CHURCH:

H. R. 5812. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

H. R. 5813. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

By Mr. CUNNINGHAM of Nebraska:

H. R. 5814. A bill to provide funds to pay nationals of the United States who have war damage claims against Germany and Japan, without additional direct appropriations therefor, and to amend the Trading With the Enemy Act and the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. DAGUE:

H. R. 5815. A bill to provide that amounts received under life-insurance contracts on account of the death of the insured shall not be considered in determining eligibility for benefits under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. DAVIS of Georgia:

H. R. 5816. A bill to amend the act entitled "An act authorizing and directing the Commissioners of the District of Columbia to construct two 4-lane bridges to replace the

existing 14th Street or Highway Bridge across the Potomac River, and for other purposes"; to the Committee on the District of Columbia.

By Mr. DINGELL:

H. R. 5817. A bill to authorize for each fiscal year an appropriation into the migratory bird conservation fund equal to all moneys received for Federal migratory-bird hunting stamps during the next preceding calendar year, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 5818. A bill to repeal the 3 cents per pound processing tax on coconut oil, and for other purposes; to the Committee on Ways and Means.

By Mr. DONOHUE:

H. R. 5819. A bill to provide for the control of certain advertising on federally owned or controlled lands adjacent to the National System of Interstate and Defense Highways, and to encourage such control on other lands adjacent to such national system; to the Committee on Public Works.

By Mr. DORN of South Carolina:

H. R. 5820. A bill to promote the development and use of improved methods for the humane handling, transporting, and slaughtering of livestock and poultry in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. FARBSTEIN:

H. R. 5821. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military and Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. HARRIS:

H. R. 5822. A bill to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; to the Committee on Interstate and Foreign Commerce.

H. R. 5823. A bill to amend section 203 (b) (6) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 5824. A bill to amend the Federal Power Act to provide that the depreciation allowance for electric utility companies for ratemaking purposes shall be identical with those used by such companies in computing Federal income taxes; to the Committee on Interstate and Foreign Commerce.

H. R. 5825. A bill to amend part II of the Interstate Commerce Act to subject certain forms of for-hire motor carrier transportation to regulation; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRISON of Virginia:

H. R. 5826. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

By Mr. HAYS of Arkansas:

H. R. 5827. A bill to provide for financial aid in industrialization of underdeveloped areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. HEMPHILL:

H. R. 5828. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

H. R. 5829. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 5830. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

By Mr. KING:

H. R. 5831. A bill to amend section 1234 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. LANKFORD:

H. R. 5832. A bill to increase the retired annuities of the civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School; to the Committee on Armed Services.

By Mr. LOSER:

H. R. 5833. A bill to provide for a U. S. S. *Arizona* Memorial at Pearl Harbor, T. H.; to the Committee on Armed Services.

By Mr. MARSHALL:

H. R. 5834. A bill to amend section 1402 of the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

Mr. MILLER of Nebraska:

H. R. 5835. A bill to provide for Federal cooperation with the Nebraska Midstate Reclamation District, Nebraska, in the construction of the midstate project; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY:

H. R. 5836. A bill to readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'KONSKI:

H. R. 5837. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. RAINS:

H. R. 5838. A bill to amend title II of the Social Security Act so as to permit the State of Alabama to provide for the extension of the insurance system established by such title to service performed by certain policemen and firemen in such State; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 5839. A bill to readjust postal rates and to establish a congressional policy for the determination of postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SHELLEY:

H. R. 5840. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of employers who are engaged in activities affecting interstate commerce, to eliminate certain exemptions, and for other purposes; to the Committee on Education and Labor.

By Mr. SMITH of Wisconsin:

H. R. 5841. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct from gross income an allowance for the depreciation of property owned and occupied by him as his residence; to the Committee on Ways and Means.

By Mr. THORNBERRY:

H. R. 5842. A bill to amend title II of the Social Security Act to include Texas among the States which may obtain social-security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. WILLIS:

H. R. 5843. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. HARRIS:

H. Res. 191. Resolution to amend House Resolution 152, 85th Congress, agreed to February 7, 1957; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 5844. A bill for the relief of Mojseej and Leah Eisenbach; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 5845. A bill for the relief of Lawrence R. Ecoffey; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 5846. A bill for the relief of the Aetna Casualty & Surety Co.; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H. R. 5847. A bill for the relief of Mrs. Mitzuko Ogiyama Ray; to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H. R. 5848. A bill for the relief of 16 customs inspectors employed at the port of Honolulu, T. H., from liability for certain amounts paid and demand for refund thereof; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 5849. A bill for the relief of Calvin Shui-Kut Tse and Ann Kiok Eng Ong Tse; to the Committee on the Judiciary.

By Mr. DELLAY:

H. R. 5850. A bill for the relief of Mrs. Aurora DeMaroo; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 5851. A bill for the relief of Mrs. Mattie Jane Lawson; to the Committee on the Judiciary.

By Mr. HULL:

H. R. 5852. A bill for the relief of Hazel Margaret Hernsdorf; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5853. A bill for the relief of Dr. Hans Tiedemann; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 5854. A bill for the relief of Ronald Bernard Brindley and Robert Keith Dawson; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. R. 5855. A bill for the relief of Manuel Mello; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ANDERSON of Montana: Memorial of the House of Representatives of Montana relative to requiring owners of lode or placer claims to observe soil-conservation practices; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of Montana favoring depressed areas bill; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of Montana relative to diversion of water from Madison River by the Bureau of Reclamation; to the Committee on Interior and Insular Affairs.

By Mr. BARING: Memorial of the State of Nevada, Assembly Joint Resolution No. 4, memorializing the Congress of the United States to study the problems involved in civil defense; to the Committee on Armed Services.

Also, memorial of the State of Nevada, Assembly Joint Resolution No. 5, memorializing the President of the United States and the Secretary of Defense to consider an east-of-the-Sierra Nevadas civil defense plan to include the development of a defense highway and railway system, the establishment of reserves of fuel, food, and other supplies, and Federal financing of such a program; to the Committee on Armed Services.

Also, memorial of the State of Nevada, Assembly Joint Resolution No. 2, memorializing Congress to enact legislation adopting the Beam plan for the benefit of the domestic gold industry; to the Committee on Banking and Currency.

Also, memorial of the State of Nevada, Assembly Joint Resolution No. 1, memorializing the Congress of the United States to grant Federal loans to needy students for graduate studies and providing for repayment over 20 years; to the Committee on Education and Labor.

By Mr. BENTLEY: Senate Concurrent Resolution No. 24 adopted by the Senate of the Michigan Legislature February 18, 1957, protesting the proposed revision of official standards for wheat promulgated under the authority of the United States Grain Standards Act, as amended; to the Committee on Agriculture.

Also, Senate Concurrent Resolution No. 22 adopted by the Senate of the Michigan Legislature on February 15, 1957, requesting Congress to issue a special commemorative stamp in honor of the diamond anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD: Memorial of Michigan State Legislature protesting the proposed revision of the moisture standard of wheat and urging the United States Department of Agriculture to withdraw the revised standard; to the Committee on Agriculture.

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to adopt an antisegregation amendment to the school construction bill; to the Committee on Education and Labor.

Also, resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to enact S. 826, a bill to provide for the establishment of the Cape Cod National Park in the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN: Resolutions of the General Court of Massachusetts memorializing Congress to adopt an antisegregation amendment to the school construction bill; to the Committee on Education and Labor.

Also, resolutions of the General Court of Massachusetts memorializing Congress to enact S. 826, a bill to provide for the establishment of the Cape Cod National Park in the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST: Memorial of the Legislature of the State of Idaho transmitting their Senate Concurrent Resolution No. 11; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Idaho, transmitting their House Joint Memorial No. 3; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Idaho, transmitting their House Joint Memorial No. 6; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to establish Camelback Mountain as a national monument; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States requesting favorable action on legislation restricting the movement of unmarried juveniles across international boundaries; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States requesting the establishment of an Academy of Foreign Service and Public Affairs; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States to consider the sentiment of the people of the State of Idaho who consider that the use of power and other revenues from multipurpose hydro power projects to aid reclamation development is essential to the future development and full utilization of water resources and that they endorse the principle and the use of said power revenues for said purposes; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States relative to submitting an amendment to the Constitution which would limit the power of the Congress to lay a tax and to fix a maximum rate of tax which may be levied by the Federal Government upon income, inheritance, and gifts; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States that a system of taxation be developed that will encourage development of the mineral resources of the States, etc.; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to adopt an antisegregation amendment to the school construction bill; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact S. 826, a bill to provide for the establishment of the Cape Cod National Park in the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to the recreational area of the Madison River, etc.; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States that funds be made available to promote industries to locate on the various reservations of the State of Montana or to locate as near as possible to the reservations to offer job opportunities to Indian citizens of the State of Montana; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States be urged and requested to enact into law certain determinations and policies in regard to the protection of farm and grazing lands of the State of Montana, etc.; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to consider an east of the Sierra Nevadas civil defense plan to include the development of a defense highway and railway system, the establishment of reserves of fuel, food, and other supplies, and Federal financing of such a program; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to study the problems involved in civil defense; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to enact legislation adopting the Beam plan for the benefit of the domestic gold industry; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to grant Federal loans to needy students for graduate studies and providing for repayment over 20 years; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States relative to capital-gains tax on land acquired by eminent domain; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to repeal excise taxes levied on the transportation of persons, property, and messages by common and contract carriers; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States against legislation to provide Federal aid for school construction; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States with reference to passing legislation to exempt landowner payments for construction of flood-control works on the Snake River in Jackson Hole; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to amend the Internal Revenue Code to allow the oil-shale industry the same depletion allowance as that given the oil and gas industry; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

120. By Mrs. CHURCH: Resolution adopted by the house of delegates of the Illinois Pharmaceutical Association on January 16 urging that the collection of Federal excise taxes on toiletries, jewelry, and luggage be transferred to the manufacturers of these products; to the Committee on Ways and Means.

130. By Mr. SMITH of Wisconsin: Resolution unanimously approved at a mass meeting of Lithuanians in Kenosha, Wis., commemorating the 39th anniversary of Lithuania's declaration of independence, resolving that the President and Government of the United States use all the available means for liberation of Lithuania and other Communist-enslaved countries, and for this purpose work through the United Nations by raising the problem of enslavement of Lithuania and by demanding the withdrawal of Soviet troops from Lithuania as from other subjugated European countries; to the Committee on Foreign Affairs.

131. By the SPEAKER: Petition of the president, Kenosha chapter, American Lithuanian Council, Kenosha, Wis., petitioning consideration of their resolution with reference to urging that all available means be used for liberation of Lithuania and other Communist-enslaved countries, etc.; to the Committee on Foreign Affairs.

132. Also, petition of Fred S. Warner, and others, Elgin, Joliet & Eastern Railway, Chicago, Ill., with reference to being opposed to and requesting the defeat of the bill H. R. 4353, etc.; to the Committee on Interstate and Foreign Commerce.

133. Also, petition of James A. Hamilton, the Methodist Board of Temperance, Washington, D. C., relative to the concern of Methodists and fellow Christians in regard to the wanton destruction of human life, and urging the House of Representatives to authorize further investigations into the causes of traffic accidents; to the Committee on Interstate and Foreign Commerce.

134. Also, petition of Mrs. M. Becker and 129 others, Seguin, Tex., requesting a thorough congressional investigation of the Food and Drug Administration to correct abuses and restrain this branch of Government from trying to destroy the Hoxsey treatment for cancer; to the Committee on Interstate and Foreign Commerce.

135. Also, petition of the president, Organized Women Voters of Arlington County, Arlington, Va., requesting that the bills H. R. 1151 and S. 83 be defeated, or any bill which would usurp the authority delegated to the Congress by the Constitution of the United States in section 5, article 14; to the Committee on the Judiciary.

136. Also, petition of Sophia W. Asbury, Montgomery, Ala.; transmitting additional material in connection with her petitions of January 17 and January 21, 1957; to the Committee on the Judiciary.

137. Also, petition of the director, Wild Life and Fisheries Commission, New Orleans, La.; urging the establishment of a weather station in the Gulf of Mexico, etc.; to the Committee on Merchant Marine and Fisheries.

138. Also, petition of the secretary, Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, Local Division No. 1126, Duluth, Minn., petitioning consideration of their resolution with reference to enacting legislation providing for salary adjustment for postal employees, and urging passage of H. R. 3474 and S. 27; to the Committee on Post Office and Civil Service.

139. Also, petition of the acting clerk, county of Westchester, White Plains, N. Y., relative to requesting passage of H. R. 3376 and House Joint Resolution 164; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Washington Report by Congressman Bruce Alger, of Texas

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. ALGER. Mr. Speaker, since coming to Congress to represent the Fifth Congressional District of Texas, more commonly known as Dallas County, it has been my pleasure to report weekly to my constituents. In this report, I endeavor to summarize so far as space limitation and my experience permit those items I feel to be of greatest interest to my constituents.

For those who read the CONGRESSIONAL RECORD, including my colleagues, therefore I submit my newsletter of March 10:

H. R. 4901, to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, provoked the year's first big political fight in the House. This bid for the farmers' vote may well kill him with attention. Almost without regard for the recently inaugurated new programs of the last Congress, past experiences, or the farmers' expressed wishes in last December's corn referendum, the Democrat and Republican members of the Agriculture Committee went after each other hammer and tongs, promising more help for the farmer. For 2 days of bitter debate I listened and abstained from participating in the strict party line votes while groping for the facts. Now I realize we may never have the facts. "Utter confusion," Judge SMITH, Virginia Democrat and statesman, labeled it. It's apparent that few, if any, know what the program is.

How much will the program add to the present cost of subsidy? Don't know—estimate between $250 to $1,000 million. (Added to budget beyond present $5,000 million program—the letter is now half as much as the farmers' total net income of $10,000 million.) Will it help or hurt the farmer? Don't know, but it would double the soil bank program, quite possibly scuttling it, will all other subsised crops being affected and Government machinery vastly increased. (Agriculture personnel: 1955, 70,000 employees; 1956, 77,520; 1957, 81,000; 1958, 90,000 estimated, a 9,000 increase.)

Other conclusions demonstrably true: (1) Strictly political, with Democrat leadership trying to maneuver the administration into a bad light; (2) hastily conceived and complicated without regard to present program and long-range good; (3) more Federal control of farmer, not less, moving farther from supply and demand realities of the free market. Where now is the concern over cutting the budget, as the legislators ask for hundreds of millions more, beyond the already heavy budget? In sorrow over the farmer, who weeps for the taxpayer? Where is the sense of morality? It's a case of bad laws breeding more bad laws. Where will this end? The answer—socialism, complete subservience to government. So we go over to next week, a later recurrence of a bad dream.

Co-authoring six constitutional amendments comprised my own week's legislative efforts. They are: (1) A forced balanced budget (Byrd-Bridges); (2) reform of income tax (Reed-Dirksen); (3) electoral college reform (Mundt-Coudert); (4) States empowered to amend Constitution without Congress (Reed-Walter); (5) treaty law of no effect if contrary to Constitution (Bricker); (6) Government can't engage in business (Gwinn).

The sixth proposed amendment reads: "Proposing an amendment to the Constitution of the United States relative to prohibiting the United States Government from engaging in business in competition with its citizens." This commonsense amendment is needed to put and keep Government in its place. In direct violation of the Constitution, the Government is in several thousand business enterprises right now. This amendment is a natural companion to efforts along the Hoover Commission lines, reducing Government size, thus cutting cost, and making tax cuts possible. The House and Senate have proven their inability to exercise self-discipline; therefore, a constitutional amendment is the only way.

The Mid-East resolution passed 350 to 60 (see February 1 newsletter). Again, I necessarily opposed it, since the constitutional violation remained, despite attempted Senate amendments. The bill states, "If the President determines the necessity thereof, the United States is prepared to use armed forces * * *." The Constitution says this is the prerogative of Congress, and the self-contradictory nature of the resolution is not worthy of this high legislative body. I approve the end in view—a firm stand against Russia. I still do not believe the end justifies the means when it violates the Constitution.

Other objections include (1) foreign aid should be in separate legislation; (2) while required to report to Congress intended expenditures, there is no limitation on the President, so the provision is meaningless; (3) section 4 binds the United States to participate in any war between Arab-Israeli, regardless of being requested as in the resolution; (4) "gag rule" prevented House Members, the people's representatives, from being heard once again, though the Senate freely discussed and amended it; (5) a concurrent resolution, rather than this joint resolution, would have clearly stated our intent—been unanimous, and Congress then would not have been circumvented.

Introduction of Bill To Improve Methods for Handling, Transporting, and Slaughtering of Livestock and Poultry

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. DORN of South Carolina. Mr. Speaker, today I am introducing a bill, the purpose of which is to promote the development and use of improved methods for the humane handling, transporting, and slaughtering of livestock and poultry in interstate and foreign commerce.

My bill would authorize the Secretary of Agriculture to conduct, assist, and foster research, investigation, and experimentation to develop and encourage the adoption of improved methods for humane handling, transporting, and slaughtering livestock and poultry. It would also authorize the Secretary of Agriculture to appoint an advisory committee composed of nine members who would consult and advise him in carrying out the proposed legislation. He would also be authorized to allow the advisory committee their necessary travel and subsistence expenses in connection with their attendance at meetings called by him or his designee. This bill of mine further provides for the Secretary of Agriculture to report to the Congress annually, commencing January 1, 1959, concerning actions taken pursuant to the legislation, and authorizes the appropriation of necessary funds to carry out the bill's provisions.

Mr. Speaker, the bill I am introducing today is a realistic and practical approach to this problem. Many idealistic proposals and opinions have been advanced dealing with the humane slaughter of animals. We are all in favor of the most humane and practical way to

slaughter animals for market. The difference of opinion and controversy now existing is due only to the method of slaughter. The meatpacking plants of our country have been constantly striving for many years to develop their slaughtering processes along the lines of efficiency and the most humane methods possible under the circumstances. These techniques and methods are tied closely to employment, humaneness, and the quality of meat. For them to change their methods by mandatory legislation overnight would necessitate employment readjustment, new construction, and new machinery. Hasty, mandatory legislation might even result in more inhumane treatment of animals. I believe the proper approach is through this legislation that I am introducing today. We should, first, have competent experts in the Department of Agriculture, in the industry, and in the humane societies get together, study the situation, and make recommendations which will have the support of all concerned. I believe this can be done with the kind of study this bill provides for. I believe that out of this research and investigation, which this bill would sponsor, would come recommendations which would improve our transportation, handling, and slaughtering. This research and investigation, I am sure, would have the full cooperation of the Department of Agriculture, the meatpacking industry, and the humane associations.

Letter to Detroit Common Council

EXTENSION OF REMARKS

OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. JOHANSEN. Mr. Speaker, under permission to extend and revise my remarks, I include the following letter which I have written to the Common Council of the City of Detroit in response to a resolution adopted by the council relative to an increase in pay for postal employees:

MARCH 11, 1957.

COMMON COUNCIL, CITY OF DETROIT,
Hon. THOMAS D. LEADBETTER,
City Clerk, Detroit, Mich.

SIRS: I am in receipt of a letter under date of March 7, 1957, from the Honorable Thomas D. Leadbetter, city clerk of Detroit, together with an undated copy of a resolution of your honorable body reading as follows:

"Whereas our postal employees, underpaid for many years, should receive favorable consideration in their quest for increased remuneration in recognition of the faithful and exemplary service they render: Now, therefore, be it

"*Resolved*, That we urge our national legislative members of Michigan to do everything possible to bring about this measure of relief to the employees of one of our most important bureaus of government.

"Adopted unanimously."

In the spirit of fairness and respect, I must suppose that the members of the common council, in adopting this resolution, acted on the assumption that they were exercising the constitutional right of petition for the redress of grievances. I am a firm believer in that right, but I believe there are other principles involved in this action.

I invite your attention to the fundamental separation of the powers and responsibilities under our Federal form of government, and I respectfully suggest that the common council of Detroit on further consideration, might not wish to appear in the role of a lobbyist for a particular group of Federal employees or for their employee organizations.

I also venture to suggest that the premise asserted by your resolution that "our postal employees (have been) underpaid for many years"—whether true or false—has not been a subject of official investigation or determination by the common council of Detroit.

I further respectfully suggest that a corresponding appeal on my part as a Member of Congress, or an appeal by formal resolution of the Congress of the United States, to the common council of Detroit to provide relief in the form of pay increases to the firemen, policemen, or other employees of the city of Detroit, would quite justifiably be regarded by your honorable body as entirely out of order.

As a Member of Congress and as a member of the House Committee on Post Office and Civil Service, I am aware of the faithful and exemplary service of employees of this important bureau of the (Federal) Government.

As a Member of Congress and as a member of the House Committee on Post Office and Civil Service, I shall, without reference to the unanimous resolution of the common council of Detroit, endeavor to continue in the future as I have in the past to meet, to the best of my ability and judgment, my responsibilities to all Federal employees and also to the Federal taxpayers of the Nation who are called upon to underwrite the ever-mounting costs of Federal Government.

Yours very truly,

AUGUST E. JOHANSEN.

Orphans' Benefits Under Social-Security Law

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. BERRY. Mr. Speaker, it has been brought to my attention that under the present social-security law, adopted children are, in certain instances deprived of benefits which I believe should be restored. With that in mind, I have introduced a measure in the House today to provide that the adoption of a child shall not terminate his entitlement to child's insurance benefits under the Social Security Act.

Under the present law, when a child of a deceased insured person is adopted, his payments end unless the adopting person is the child's stepparent, grandparent, aunt, or uncle. I am advised that as a result of this provision, there have been instances where children have been kept in the homes of grandparents, for example, who could not give them the care and guidance they needed, but who would not consent to their adoption because the grandparents wanted to retain this social-security income. Younger couples, who would like to adopt these children, are prevented from doing so by the operation of this law.

In the case of veterans' benefits, including insurance, pension, and compensation, the children of deceased veterans continue to receive these payments even after adoption, as long as they meet the age and other general requirements. To me, it seems only fair that the same procedure should apply to social-security benefits. After all, the natural parents of these youngsters contributed to the social-security program with the understanding their dependents would be taken care of after their death.

I believe the program could be administered in much the same manner as the Veterans' Administration handles payments to minors. Generally speaking, the court names a legal guardian for the child, and close supervision is maintained on the expenditure of the benefits paid. Annual audits are made of the accounts to make certain proper use is being made of the funds paid to the child.

It would be entirely possible, for example, that the payments could be accumulated and used for the education of the child in later years. Regardless, there would be no question but that the child himself would receive the benefits, and the adopting parents would receive no personal gain.

It is my conviction that it is the responsibility of Congress to correct the existing system whereby orphans, when adopted, are, in certain cases, denied benefits to which they are rightfully entitled. I hope favorable action will be taken on my bill during this Congress.

Reasons Why the Appropriation Should Be Made To Provide for the Maintenance of the Domestic Production of Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Under Public Law 733 of the 84th Congress

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. ENGLE. Mr. Speaker, the following is a brief statement of the reasons we believe the Appropriations Committee should restore the funds for the domestic mining program under Public Law 733:

First. The 84th Congress, after full consideration by the proper committees of both Houses, and after lengthy debate, passed Public Law 733 and the President signed it in July 1956. It will be a breach of faith with the people who work for and have invested in the domestic critical minerals mining industry if the necessary appropriations obligated in the passage of Public Law 733 are not made available.

Second. The national security and economy both demand that these highly specialized industries in which about $100 million of private capital has been invested be kept going so as to preserve the trained manpower and technological skills that have been developed.

Third. This is not a direct subsidy, but a price-support program under which the Government buys commodities which can be stored indefinitely.

Fourth. At present no exact military requirements for these materials are known and the Defense Department has stated that new requirements data cannot be assembled until the fall of 1957. All of the concerned Government agencies recommend the continuation of the appropriations until a long-term program for the preservation of these industries can be submitted and enacted by the Congress. Dr. Flemming, of ODM, testified in support of these appropriations on February 26, 1957, to dispel any false impression that he was opposing the appropriations. A consumer of tungsten whose profit interest lies in low prices for tungsten has recommended the discontinuation of the appropriation, but all of the domestic producers of tungsten are supporting the appropriation.

Fifth. Deputy Secretary of Defense, Ruben B. Robertson, Jr., in discussing rapid technical advance in weapons on December 13, 1956, said:

It is anticipated that by the time new guidance can be developed by the Joint Chiefs of Staff and requirements data computed, submission will not be available until the fall of 1957.

Sixth. Dr. Flemming, Director of ODM, in testifying before the Senate Committee on the Interior on February 26, 1957, said:

Taking into consideration a number of factors we do believe that it is important for Congress to follow through on the policy that was reflected in Public Law 733, as passed by the Congress and signed by the President * * * it just does not make good sense from any point of view to permit these mines to close down.

Seventh. Mr. R. H. Thielemann, chairman of the department of metallurgy of Stanford Research Institute, testifying on February 17, 1957, before the House Committee on the Interior said:

The need for metals and alloys which will have useful engineering properties at temperatures of 2,000° F. and higher is urgent. The best and probably the only method we have of developing these materials is with the four higher melting point refractory metals, columbium, molybdenum, antimony, and tungsten.

On February 26, 1957, in an address at New Orleans, La., Mr. Thielemann said:

In developing alloys for service at temperatures above 1,800° F. tungsten, with its high melting point, high modulus of elasticity and high recrystallization temperature appears to be the most attractive for the extremely high temperature requirements—it is relatively inexpensive.

Eighth. On February 21, 1957, General Doolittle, Chairman of the National Advisory Committee for Aeronautics, said:

The revolution in military technology has been accelerated. By word and deed the Soviets are challenging us in aviation. They are building more aircraft than we. They are training more aeronautical engineers and scientists than we * * *. We must redouble our efforts to maintain our technological lead.

Ninth. Congressman CARL T. DURHAM, chairman of the Subcommittee on Stockpiling of the House Armed Services Committee, has told us on the floor of the House:

The stockpile goal for tungsten most likely has to be reset in the light of the increasing need for high-temperature materials in the high-temperature era that lies before us.

Tenth. "In this age of peril we are not dealing with an emergency that is here today and gone tomorrow, but with an emergency that will be with us as long as most of us shall live." This statement, made by Dr. Flemming, should be remembered, and it would be a very grave error for us in the Congress to fail to make these appropriations and cause the shutting down of these domestic mining industries which are not adequately protected by tariffs and cannot operate in competition with low wage production from abroad.

Eleventh. The Government still has many contracts for the purchase of tungsten abroad at prices around $55 a unit and all of them will not expire until the end of 1959. Surely, we will not treat the foreign producers better than we will our people at home.

Legislative Issues as Viewed by Voters of the Seventh Congressional District of Virginia

EXTENSION OF REMARKS

OF

HON. BURR P. HARRISON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. HARRISON of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the results of a questionnaire sent to 53,000 voting households in the Seventh Congressional District of Virginia. Answers were received from 6,476 of them, as compared with 3,668 returns on a questionnaire sent the same number of families last year.

The questions and results follow:

	Yes		No		No opinion	
	Number	Percent	Number	Percent	Number	Percent
1. A resolution before Congress would authorize the President to use American troops to combat future Communist aggression in the Middle East and to spend approximately $400,000,000 in Middle East countries at his discretion. Do you favor this?	2,288	35.4	2,634	40.6	574	8.8
2. A bill in Congress proposes that the Federal Government should contribute out of Federal tax revenues toward financing local school construction, subject to local compliance with Federal regulations. Do you favor this?	2,189	34.0	4,078	63.7	209	3.2
3. For the operation of the United States Government in the fiscal year ending June 30, there is being spent, pursuant to appropriations by Congress $68,900,000,000. It is now proposed that for next year Congress should approve the spending of $71,800,000,000. Do you favor this?	777	12.0	5,288	82.7	341	5.3
4. Last year Congress adopted a soil-bank plan which, at an annual cost of approximately $1,000,000,000, pays farmers for taking certain farm lands out of production. Do you favor this continuation of the soil bank?	2,088	32.9	4,050	63.9	206	3.1
5. The closed shop is outlawed by the Taft-Hartley Act. A bill in Congress would legalize agreements in the construction industry under which unions could select the employees on construction jobs and require that new workers join a union within a short period after going on the job. Do you favor this?	880	13.3	5,277	80.7	280	4.0
6. For the purpose of protecting the civil rights of citizens from discrimination on account of race or religion, a bill in Congress proposes, among other things:						
1. That the President appoint a commission with power to subpoena persons and records to investigate claims of discrimination.						
2. That the Attorney General might bring lawsuits, with lawyers and court expenses paid by the taxpayers, to recover money for people who claim their civil rights have been violated.						
3. That citizens, under Federal court injunction, might be sentenced to prison without jury trial for violating, or being about to violate, another's civil rights.						
Do you favor this bill?	738	11.7	5,318	83.6	686	5.1
7. A bill in Congress would extend the Federal minimum-wage and overtime law to retail stores and service establishments. Do you favor this?	2,158	33.9	2,707	42.5	411	6.3
8. Present law provides for the admission of 865 Hungarian quota immigrants a year. In recent months, nearly 35,000 Hungarians have been permitted to enter the United States, most of them on temporary permits. A bill in Congress would make these temporary admissions permanent and liberalize future immigration of refugees from other countries. Do you favor this bill?	1,090	28.1	4,634	71.4	253	3.9
9. A bill in Congress provides for an increase in overall number of immigrants admitted to the United States each year, and for an additional increase in immigrants from Southern and Eastern Europe by transferring unused immigration quotas to countries whose quotas are exhausted. Do you favor this bill?	2,271	29.6	5,021	73.3	374	5.9
10. Do you favor the bill in Congress which provides that Hawaii and part of Alaska become the 49th and 50th States of the United States?	4,080	66.8	1,388	22.6	664	10.8
11. In the present fiscal year, there is being spent, pursuant to appropriations by Congress, $4,100,000,000 in military and economic aid to foreign nations. A bill now pending would increase the amount to $4,400,000,000 for the next fiscal year. Do you favor this increased support for the foreign aid program?	1,600	26.3	4,020	66.0	484	8.0
12. Without emphasis on any particular proposal, do you favor generally the program proposed by President Eisenhower?	2,600	42.4	2,819	46.0	710	11.6

Many of those returning the questionnaire expressed doubt that the language of question No. 6 describes fairly the provisions of the pending civil rights legislation. This merits special comment, because I believe it is highly important for the people to realize how drastic the bill is. If the question is unbelievable, it is only because the bill is unbelievable. Space did not permit including other incredible elements of the legislation.

Senator BYRD has described it accurately as "the most vicious proposal ever made to Congress." Mr. Virginius Dabney, the enlightened editor of the Richmond Times Dispatch, has said:

The civil-rights program also appears to negate the right to trial by jury, and it would enable the Attorney General to file, at public expense, suits on behalf of persons who contend that their civil rights have been violated. Another provision would seem to empower a proposed civil rights commission to summon any citizen from any part of the United States to any other part to defend himself against charges the nature of which was completely unknown to him prior to receipt of the subpena.

Is it a self-conscious anger born of embarrassment which seems to prompt pseudo-liberals to cry "Unfair!" or "Bias!" when their proposals are made to stand public judgment for what they are?

A Bill To Promote Uniform Accounting, Auditing, and Cataloging in the Department of Defense

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. DORN of South Carolina. Mr. Speaker, I am introducing today a bill which I believe will promote a saving of the taxpayers' money in the Defense Department. This bill will provide for another department in the Department of Defense charged with supplying all branches of the Armed Forces with common-use items. It will eliminate the many and various pipelines of supplies going in different and often in opposite directions to the various branches of the defense services.

I believe this bill would save our taxpayers money in promoting uniform accounting, auditing, and cataloging of all common-use items. This bill has the backing of the Citizens Committee for the Hoover Report and is designed in the interest of a sound economy and better fiscal practices.

This Congress can do something to cut this proposed budget. This is a step in that direction. I believe some saving can be accomplished even in the Defense Department. This would be a good beginning. It was widely argued at the time the Unification Act was passed in 1947 that unification would promote a great saving of money. That saving has not been forthcoming and it is time for the Congress to implement the Unification Act with a bill of this nature.

Mr. Folsom's Colossal Error

EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. GWINN. Mr. Speaker, for 25 years the United States Office of Education has been a hot center of propaganda, reports, speeches, studies, estimates, and conferences in a buildup for Federal aid for schoolroom construction. It prepares and publicizes the so-called figures of shortages across the Nation. It exercises a kind of national monopoly of information on this subject. Indeed it has been the only source up until the committee hearings. That Office apparently wants to substitute Federal intervention for liberty of the people. The United States Office of Education has certain natural satellites. One is the National Education Association, one of the biggest lobbies in Washington, with hundreds of thousands of members and spends millions of dollars annually. Another is the Council of Chief State School Officers, the top professional leadership in education. Now it appears these figures are grossly inaccurate and misleading. And the United States Office of Education is responsible.

On April 30, 1954, Mrs. Hobby, then Secretary of the Department of Health, Education, and Welfare, testified before the Senate Committee on Labor and Public Welfare, that:

The school facilities survey conducted under title I of Public Law 815 shows an existing shortage of instruction rooms for public elementary and secondary schools of approximately 340,000 in 1953.

This study was made at a cost to the taxpayers of $1,800,262.25 and to the States of $2,187,801.26, and took a period of 4 years, beginning in 1950 and ending in 1954. At the conclusion of the study it was generally considered that it was outdated and of little value.

This fact is emphasized by the action of Secretary Hobby after the above appearance before the Senate committee in April 1954, by letter printed in the hearings of the House Education and Labor Committee dated July 30, 1954, in which she wrote:

To construct school buildings to provide 370,000 classrooms currently needed would cost $10 billion to $15 billion.

Everyone admits now, with Mrs. Hobby, that the whole show of calamity for the children and deficits in school construction was worse than erroneous. It induced a statement by the President, in his special message on education to the Congress February 8, 1955, relying on the information in which he repeated the fiction when he said:

The latest information submitted by the States to the Office of Education indicates that there is a deficit of more than 300,000 classrooms.

Thus it became an accepted erroneous fact that there was a schoolroom shortage of grave proportions. The damage to the idea of freedom and responsibility of the States for their own children was done. This is a good example of predetermining our thinking by Government propaganda.

On February 16, 1955, before the Senate Committee on Labor and Public Welfare, Mrs. Hobby testified again to this effect:

The State school-facilities survey, which is the only national survey that we have, is now 2 years old. So I do not believe anyone can say with absolute certainty what the classroom shortage in the United States is. We believe it is over 300,000 classrooms.

By March 29, 1955, Mrs. Hobby was thoroughly disturbed. She appeared before the House Education and Labor Committee and completely revised her previous estimate:

On the basis of the reports * * * received * * * we find a substantially different picture of classroom needs from the projections previously made on the basis of the 1951 survey * * *. Our rate of classroom construction has increased since 1953 from 50,000 to 60,000 classrooms per year * * *. We find that the estimated classroom deficit by the year 1959–60 would be 176,000 classrooms, rather than 407,000.

With all that money and 4 years spent, Mrs. Hobby, herself a very competent public servant, could not get a correct figure. Mrs. Hobby pointed out that:

The State estimates thus show that the classroom deficit is much less than that projected a year ago. A continuing improvement is to be anticipated in the next 5 years, if we can maintain current construction levels.

Now, in February 1957, here comes Mr. Folsom with a questionnaire which the Health, Education, and Welfare Department officials admit themselves was not sent out with any intention of its being used as the basis on which Congress would be asked to appropriate $3,600,000,000 or an equivalent large sum of money for school construction. The resulting tabulation of estimated and incomplete figures on Circular 490 is referred to by officials as a "quickie" study.

Mr. Folsom, reducing Mrs. Hobby's figures further, says the shortage is only 159,000 as of October 1, 1956. So, on Mr. Folsom's estimates, the States have exceeded again what the Federal bureaucracy estimated the States would do. But Mr. Folsom plays the same old song that the States are still unable to do the job and the Federal Government must come into the picture. He says this in spite of the fact that his present information comes from sources that had no business to make estimates of schoolroom shortages for the purpose of getting billions of appropriations. Indeed, the estimates were not collected for such use as he now makes of them. The personnel of the Research Department of the United States Office of Education professed to be shocked to think that their figures were being used as a basis for asking for such appropriations. They

made it clear that they were. They admitted that the information on Circular 490, the only information used to support the shortage of 159,000, was practically all estimates or guesses generally by some clerk or assistant. Several States did not answer at all. In only seven States did the superintendent of education or assistant superintendent sign these United States Office of Education questionnaires for the information in question.

Mr. Folsom has made no survey, conducted no study on the ground to get his 159,000 figure. Not a man went into the field from Washington to visit a single school district out of the 51,000 he now presumes to speak for. It would have been much easier to ask the school districts themselves directly about their shortages. Not one has been asked. No governor, no legislature, no school board has come forward asking for Federal aid. Federal aid and control is literally being thrust on the States in spite of themselves so far as the record or testimony goes. The answers reported in Circular 490 of the Department of Health, Education, and Welfare came by a most informal, precarious route—sometimes as a result of post cards sent out to the local superintendents of schools; sometimes the schoolteachers answered them. Not a single bit of information about the schoolroom shortage came from any school board, the only authority that can speak for any school district. It alone can speak for the people on schoolroom shortage and its obsolete schoolrooms, if any. There may be, often is, violent differences of opinion on these matters between the school board and the superintendent of schools.

Some of the questionnaires were filled in by pencil, some in ink, some by notes and in a large proportion of them the notation was made generally in ink "these are estimates" or "estimates only" or "no information available."

Where there was no information available the United States Office of Education took on the job itself of making its own estimates or guesses on the schoolroom shortages. If it did not like the answer that came back from the person who filled in the questionnaire in the State Education Office it would return it to the State for revision.

The United States Office of Education complained to one State about its failure to answer the questionnaire to the satisfaction of the Department of Health, Education and Welfare. It threatened the State official by saying, "The United States Office of Education does not want to make an official complaint regarding the inadequacy of data supplied by your State." Of course he was under no obligation to reply at all. Yet we are assured that we shall have Federal aid without Federal control.

In several instances the figures were very considerably raised. Old estimates were stricken out and new estimates put in as a result of the United States Office of Education telephoning or writing a State. After that, increases were written in. They make up a substantial part of the 159,000 schoolroom needs. Indeed, where States failed or refused to answer the questionnaire at all, the United States Office of Education itself made up an additional 19,000 new schoolrooms needed for those States all in even nice round figures. If there was ever a case of a bum's rush involving billions by a professional group, this is it.

There was no attempt to indicate how many needy school districts there were in the country. Of course not, these Folsom figures were made up in a few days as a sort of a quicky annual inventory taking. They had no relation whatever to needy districts as compared to wealthy or well-to-do districts clearly able to take care of themselves. No one knows whether there are 10 or 1,000 needy districts so far as the Folsom figures go. All that circular 490, the only report guessed at or otherwise on the subject of alleged shortages shows, is that there is a total of 159,000 quickly estimated or guessed at shortages. On the face of the report, about 85 percent of these are in States quite able to meet their own needs.

By surprise, Mr. William M. Adams, chairman of the Municipal Securities Committee of the Investment Bankers Association of America, came forward to ditch completely Mr. Folsom's much publicized figure of 159,000 shortage. Mr. Adams produced daily records of school bond sales advertised and sold and the prices of bonds sold in each State up to date. By taking the total sales of school bonds for the Nation for a year we can get the number of schoolrooms the proceeds will build. $30,000 will on the average build 1 schoolroom for 30 pupils. By dividing $30,000 into the total funds raised for the Nation for schoolroom construction we get the total number of classrooms built from those funds with close proximity.

Mr. Adams, businessman himself and a statistician of note, with two assistants and with their bond sales publications and other documentary papers, showed that 96,600 new classrooms will be financed on the basis of money made available by school-bond sales for 12 months beginning October 1, 1956. Mr. Adams' two assistants were Mr. Frank Morris, Research Director, and Mr. Gordon Calvert, Municipal Director, of the Investment Bankers' Association. This organization is the recognized national authority on school-bond sales and municipal securities.

Mr. Adams said, in part:

The actual financing during the past 4 months (beginning October 1, 1956) demonstrates indisputedly that State and local school agencies have been able to finance school construction at prevailing interest rates.

Indeed, it is apparent that with few exceptions school-district bonds are one of the best investments in the country and sell at very low interest rates.

Mr. Adams continues:

In short, the school financing for the past 4 months (beginning with October 1, 1956) projected for a full year would mean an expenditure for school construction of approximately $2,900,000,000 to provide about 96,600 classrooms in addition to the 69,300 scheduled for completion—

As shown on Circular 490, hereto attached.

If you divide $2,900,000,000 bond sales mentioned by $30,000, the average schoolroom cost for the Nation, you come out with 96,600 classrooms mentioned by Mr. Adams above. Up-to-date figures show February 1957 is accelerating the rate of sales of bonds compared to previous months. Thus Mr. Folsom's estimates may be ready for another reduction of proposed Federal aid. But it is apparent from the testimony that in the South where practically all the classroom shortages are, the cost of constructing a classroom is less than $10,000 in many States. For example Georgia, in her statewide program of construction now going on, builds for considerably less than $10,000 per classroom. So that it is possible in the South, if let alone, they may double or even treble the classroom construction and thus make the total far above the 96,600 calculated on the basis of average cost for the Nation. If that is true, then the Folsom figures of estimates and guesses becomes the more ridiculous.

The records above referred to by Mr. Adams are confirmed in their accuracy and show the rate of construction in the States by another published figure for the Nation. That is to say, school bonds authorized November 9, 1954, plus those authorized through January 31, 1957, aggregated over $1,920,825,000. These are not actual sales, but they are authorizations recorded for the period. This means that the school boards have voted to recommend the issuance of school bonds for schoolroom construction and that the people in the school districts had voted to approve the propositions to that extent. This was done, remember, between November 9 and January 31 just passed.

We must add to this figure the construction funds generally available through regular current appropriations of the school districts out of current taxation, sinking fund provisions or other means of financing other than public sale of bonds. That amounts to about 30 percent of the total. And on that basis we have actual provision or authorization of over $2,743,000,000 already committed by vote of the people to schoolroom construction. That is over 91,400 new classrooms at $30,000 per classroom as figured in the first case. This is new financing in terms of authorization in addition to 69,200 classrooms already financed as of October 1, 1956. This approach projected for 12 months roughly confirms the first calculation measured by school bond sales.

Witnesses testified that additional bond approval elections are scheduled according to the public press for coming months at about the same rate that has been applicable for the past year or two. Large amounts of authorized school bonds are being offered and sold daily on the markets of the country. For example, continuing from Mr. Adams' testimony:

The Bond Buyer contained invitations for bids on Friday, February 15, for $14,127,500 school bonds; on Monday, February 18, for $35,745,000 school bonds; on Tuesday, February 19, for $38,176,000 school bonds; and on Wednesday, February 20, for $19,674,500

school bonds—a total of over $87,500,000 in the last 4 days.

If you project these figures for a year we come out again as illustrated above.

Mr. Adams then pointed out that:

Bond sales during the last 4 months should provide about 88,600 additional classrooms, and the rate of school bond sales during the last 4 months projected for the full year would provide construction of over 66,600 classrooms in addition to 69,900 classrooms scheduled as of October 1, 1956, for completion during the current school year. These figures show that there is no crisis in classroom construction and that State and local agencies are rapidly providing the needed classrooms.

We rejoice in the knowledge of this great progress made in the traditional American way by the States themselves.

If the States have done as good a job in education as the local educators have themselves boasted for years, down until the present-day madness for Federal interference took possession of its leadership, then what has happened to change the character of the American people so radically? What has made them suddenly quit doing in the last 25 years what they have always done before throughout the history of our country?

The answer is obvious. The bureaucratic personnel in great numbers in the United States Office of Education were lulled to sleep on their own assumptions that the States were so poor or negligent or willful or selfish that the Federal Government should have to come to their rescue; it must prod them or cajole or offer them costly bribes. Meantime the States were actually outdoing themselves building more school rooms than the said bureaucrats wanted to think possible.

A farmer representing the American Farm Federation, with 2,600 county farm bureaus out of the 3,000 counties, in commenting upon the alleged and "temporary" nature of the so-called education crisis, said that we are all beginning to learn that "there is nothing so permanent as a temporary Federal program." The farmers do not want any Federal aid. The main purpose of his volunteering to come to Washington to express the opposition of the farmers of this country, represented by one of the largest farm organizations that we have, was to oppose vigorously Federal aid and control of education. The experience of the farmers with Federal aid and control in the subsidy food and farm programs is bad. They have their stomachs full of that.

To vote for this legislation Congress must find: First, that there is a shortage of 159,000 classrooms on the basis of the testimony of a single witness, namely, the United States Office of Education, and, second, that the States or the people themselves are financially unable to build the necessary requisite number to meet their needs. It would have to believe the unsupported testimony of the United States Office of Education. It would have to overlook the unreliable guesswork of the United States Office of Education. On the record, on the basis of experience Mr. Folsom must soon withdraw his present-day figure of 159,000 and reduce it as Mrs. Hobby did hers.

To illustrate the utter futility of the Federal Government attempting to inject itself into the business reserved to the States and the people especially in education, consider this fact: 41 of the legislatures of the States are meeting this very year, 1957; many of them will adjourn in a few weeks, all of them probably by June or July. Most of them will not meet again for 2 years. All the bills being considered by the Committee on Education and Labor provide that the State legislatures must set up a matching plan in order to qualify for Federal aid under Federal legislation. So that if the Congress should pass any one of these bills providing Federal aid, it would be in the year 1960 before the States could qualify to receive Federal aid. States would have to appropriate funds by act of the legislature in order to qualify for matching. Some of them would have to submit the proposition to a vote of the people before they could provide such funds. So that on the face of it, if we take the United States Office of Education figures—which is very hard to do for any purpose—all the States will have met their own needs by 1960 except 10. Five of these will have provided for themselves by 1961-62.

Testimony in opposition to Federal aid to education from nearly all of the States, either by personal appearance of witnesses or by filed reports or by letter or telegram, will be reported by me in another speech on this subject soon. Thus the Members may know what their own States have said on this subject.

FEBRUARY 19, 1957.

CIRCULAR 490, UNITED STATES OFFICE OF EDUCATION

This is the summary of information by the United States Office of Education of the Department of Health, Education, and Welfare from answers to a questionnaire, copy of which is attached, sent out by the United States Office of Education to the State departments of education of the 48 States and Territories. The number of needy districts does not appear. The information supplied to the United States Office of Education was in summary form, as called for in the questionnaire. The breakdown between the school districts able to build their own school rooms and those that it is claimed are financially unable to do so will have to be supplied by other testimony.

State, by region (1)	Inventory of instruction rooms: Completed during 1955–56 school year (18)	Inventory of instruction rooms: Available beginning 1956–57 school year (19)	Additional instruction rooms needed (as of fall, 1956): Total (20)	To accommodate excess enrollment reported (21)	To replace unsatisfactory facilities (exclusive of those in col. 21) (22)	Instruction rooms scheduled for completion during 1956–57 school year (23)
Continental United States	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Northeast:						
Connecticut	798	13,795	2,600	2,100	500	2,[illegible]
Maine	240	7,100	900	575	325	294
Massachusetts	1,186	27,[illegible]	2,240	1,240	1,000	1,420
New Hampshire	177	3,493	690	280	410	320
New Jersey	1,877	37,873	3,841	2,391	1,298	1,438
New York	6,090	(1)	(2)	1,300	(2)	7,000
Pennsylvania	2,162	52,788	8,366	1,525	6,841	5,434
Rhode Island	181	5,479	700	200	500	203
Vermont	137	2,977	862	198	664	297
North Central:						
Illinois	5,798	88,548	5,432	1,936	3,511	2,400
Indiana	1,822	30,527	4,170	1,470	2,700	2,100
Iowa	893	20,072	1,000	(2)	(2)	450
Kansas	900	15,200	1,800	800	1,000	350
Michigan	3,430	49,603	3,500	2,250	1,050	2,000
Minnesota	1,043	28,048	4,345	3,825	520	1,200
Missouri	1,200	28,200	4,000	700	3,300	1,200
Nebraska	358	11,400	478	235	163	302
North Dakota	390	3,318	570	470	100	325
Ohio	2,275	55,961	4,400	3,698	2,424	1,500
South Dakota	212	7,508	395	145	100	150
Wisconsin	1,736	26,768	470	120	350	3,000

[1] Includes estimate for unreporting States.
[2] Data not available.
[3] Represents ½ of the remaining 414 classrooms to be constructed for the school years 1956–58 through 1960–61 under the 1954 School Building Act.

State, by region (1)	Inventory of instruction rooms: Completed during 1955–56 school year (18)	Inventory of instruction rooms: Available beginning 1956–57 school year (19)	Additional instruction rooms needed (as of fall, 1956): Total (20)	To accommodate excess enrollment reported (21)	To replace unsatisfactory facilities (exclusive of those in col. 21) (22)	Instruction rooms scheduled for completion during 1956–57 school year (23)
South:						
Alabama	589	13,045	11,354	9,594	1,760	407
Arkansas	386	8,355	5,334	3,454	1,870	350
Delaware	43	2,108	25	25		[4] 138
Florida	1,988	23,821	4,043	3,029	1,114	1,594
Georgia	1,770	28,162	7,471	6,471	1,000	2,700
Kentucky	[4] 1,098	18,657	7,000	2,000	5,000	800
Louisiana	1,200	23,661	(2)	(2)	(2)	1,100
Maryland	986	14,749	3,180	1,988	1,192	831
Mississippi	350	17,020	6,579	2,192	4,387	600
North Carolina	1,786	34,264	4,867	1,586	3,281	2,076
Oklahoma	1,780	21,600	590	340	180	1,200
South Carolina	1,400	19,055	6,453	1,953	4,500	1,186
Tennessee	950	25,052	(2)	(2)	(2)	(2)
Texas	5,487	86,617	7,361	4,336	3,025	1,054
Virginia	1,214	25,088	4,974	2,680	2,294	902
West Virginia	300	16,097	1,833	780	1,043	450
District of Columbia	170	3,846	537	537		50
West:						
Arizona	265	5,548	295	175	80	220
California	9,000	81,000	10,000	4,000	6,000	10,000
Colorado	1,043	11,849	1,197	621	576	1,000
Idaho	269	4,579	613	181	432	208
Montana	204	6,219	661	214	447	309
Nevada	244	1,880	271	137	134	106

[4] Includes 123 new classrooms produced by remodeling other space and 365 abandoned classrooms reconquered.

State, by region (1)	Inventory of instruction rooms: Completed during 1955–56 school year (18)	Inventory of instruction rooms: Available beginning 1956–57 school year (19)	Additional instruction rooms needed (as of fall, 1956): Total (20)	To accommodate excess enrollment reported (21)	To replace unsatisfactory facilities (exclusive of those in col. 21) (22)	Instruction rooms scheduled for completion during 1956–57 school year (23)
West—Continued						
New Mexico	100	(2)	(2)	837	(2)	100
Oregon	650	13,992	(2)	680	(2)	700
Utah	565	6,746	709	432	277	124
Washington	1,322	19,784	3,344	1,455	1,889	3,417
Wyoming	130	3,190	210	60	150	100
Outlying parts of the United States:						
Alaska	199	1,[illegible]	305	151	114	155
American Samoa	11	187	6		6	35
Outlying parts of the United States—Continued						
Canal Zone	16	376	7		7	4
Guam	27	451	27	27		15
Puerto Rico	828	8,267	7,745	5,880	1,876	1,043
Virgin Islands:						
St. Croix	31	69	33	9	24	30
St. Thomas and St. John	7	58	31	18	13	1
Hawaii	818	4,284	432	114	370	376

[1] Data not available.

The number of needy districts out of a total of 80,000 estimated for all of the States (see col. 21) will obviously be much less than the 80,000 figure. The need for replacing so-called unsatisfactory facilities, that is, old buildings and rented buildings, is, of course, subject to wide differences of opinion as to what are obsolete facilities. The figure of 79,000 (see col. 22) should also be broken down to indicate the able and unable districts to provide for themselves. So that it is apparent that instead of having a shortage of classrooms last year of 370,000 it has been reduced as of October 1956 down to 159,000. We have a smaller figure even than 80,000 if we are to confine Federal aid to the needy school districts.

United States Savings Bonds

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. MULTER. Mr. Speaker, the following is my testimony before the House Ways and Means Committee on February 21, 1957, regarding the interest rate on United States savings bonds:

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. Thank you, Mr. Chairman and members of the committee, for the privilege of appearing here today.

The CHAIRMAN. We will be glad to hear you on H. R. 4734, Mr. MULTER.

Mr. MULTER. I am sorry I do not have a prepared statement, but I did not know until yesterday that the committee intended to have these hearings today.

The bills that are before you, H. R. 4734 and H. R. 4735, to amend the Second Liberty Bond Act to authorize a change in the maximum interest rate permitted on United States savings bonds, as I read them, apply to sales of bonds after the enactment of these bills.

I think, as already indicated, it is the intention of this legislation to cause the American public not only to invest in these bonds, but to continue their present investments in them. I think an important thing that you must consider is that those who hold these bonds today, particularly the E-bonds, must be encouraged to continue to hold those bonds rather than to cash them in.

As early as 1951, I introduced bills in the House, two companion bills, to accomplish the purpose of causing the general public to retain their E-bonds, and, as they purchased them in the future, to retain those additional investments for the longest possible term.

I have been putting similar bills in at every session since, and on January 3 of this year I again introduced the same bills which bear the numbers H. R. 2480 and H. R. 2481.

The one bill, H. R. 2480, provides for payment of a premium on savings bonds and savings certificates, while H. R. 2481 provides for tax exemption on the earnings on these E-bonds.

If you enact the bill as you have it before you, you are creating, instead of an incentive to holders of E-bonds to hold them, an incentive to cash them in and buy the new bonds if and when the Treasury issues them at the higher rate.

I think it is just as important if not more important that you give an incentive to the present holders of E-bonds to retain them for the maximum period possible. You will accomplish that if you enact bills similar to the bills that I have mentioned to you a moment ago.

I know the aversion to tax exemption, but I can think of no greater incentive to the holder of E-bonds than to say to him, "If you will hold your bonds for 10 years you will then have tax exemption on the earnings on those bonds."

My bill provides that the tax exemption shall be earned only if he holds the bonds for the full period of 10 years. It also provides that if he should decide to cash them in at some time before the end of the 10 years, then the income on those bonds is taxable.

It may be that you will decide that a better way of doing it is to increase the interest rate or give a premium for holding the bonds.

Rather than proceeding as indicated in Chairman Cooper's and Congressman Reed's bills, of increasing interest rates, my bill H. R. 2480 provides for a premium to be paid for holding the bonds for the full 10-year period. As I indicated, it would apply to bonds that are presently issued and outstanding, as well as new bonds. Again I urge upon you, that is extremely important.

The CHAIRMAN. Does that complete your statement?

Mr. MULTER. In a half moment, sir.

There are, according to the Federal Reserve Bulletin of January 1957, some $50 billion in E bonds or E and F bonds outstanding today. If you are going to increase the rate of interest payable on your new bonds you are going to cause those bonds to be cashed in in large part. Once the owners of those bonds cash them in, it is doubtful as to how many will then reinvest them in other E bonds or Government bonds.

Today, because of the higher yield being obtained from other sources of investment—stocks and particularly municipal and State bonds which are tax exempt—the person who will cash in his bonds—and many of them are doing it today—will buy something other than these Government securities.

The fact of the matter is that since 1951, every year, there have been more E bonds cashed in than have been sold during each of those years.

I urge the committee to consider seriously the terms of H. R. 2480 and H. R. 2481 in connection with the bills that you have before you. I do trust that, in any event, you will increase the rate not only on new issues but on the presently outstanding issues that are being held by the public, so as to give them an additional incentive to hold those bonds.

The CHAIRMAN. Does that complete your statement?

Mr. MULTER. Yes, sir.

The CHAIRMAN. We thank you for your appearance and the helpful information given the committee. We will bear your suggestions in mind.

Mr. KEOGH. Mr. Chairman?

The CHAIRMAN. Mr. Keogh.

Mr. KEOGH. May I commend my colleague from New York for his obviously fine statement, and say for the record that he has presented himself in a manner that those who know him know he always does, with great diligence and competence.

Mr. MULTER. Thank you, sir.

Mr. BETSHLARTER. Mr. Chairman?

The CHAIRMAN. Mr. JENKINS of Ohio will inquire.

Mr. JENKINS. I know you are an expert on this matter. You have introduced your bills, and our chairman has introduced a bill, and so has Mr. REED.

There are a lot of people interested in what we are talking about all over the country.

What do you think as between your proposed legislation and the legislation proposed by these gentlemen? Do you not think that their legislation would be preferable to these thousands of people who are interested?

Mr. MULTER. I have the utmost confidence in Chairman COOPER and Congressman REED, and I am sure that in introducing their bills they thought that was the best way to tackle the problem.

But I have pointed out to you, as I read the bills introduced, they apply to future

sales of these bonds. I think it is extremely important to give an incentive to holders of outstanding bonds that they shall hold on to their bonds.

You can imagine what it would do to inflation if only half of the outstanding $50 billion or $25 billion were cashed in within a short time after this bill is enacted because the new bonds are going to carry a higher interest rate than their bonds.

I might say this: there has been newspaper comment and magazine comment across the country most favorable to my bills. I have received hundreds of letters from all over the country supporting my bills. I will say that at that time the bills by Chairman COOPER and Congressman REED had not yet been introduced. But I think the point I have made about them is a very valid one and should be seriously considered by the committee.

Mr. JENKINS. That is all, Mr. Chairman.

The CHAIRMAN. Mr. EBERHARTER will inquire.

Mr. EBERHARTER. Mr. MULTER, you have touched upon a subject which I have previously thought about.

It occurs to me that there would be a tremendous switch from 3-percent bonds to 3¼-percent bonds. And whether or not the proper way to handle it is by the bills introduced by Mr. COOPER and Mr. REED is open to serious question in my mind.

It seems to me if we can convince the public to hold on to their present bonds we should do so. But now they have no incentive to hold on to them when they can switch over and get one-quarter percent more interest a year. So the Government will not gain anything by a switchover. In fact, it would lose money because of the higher interest rate.

That is your main contention, is it not?

Mr. MULTER. That is my contention.

May I point out to this committee that, as you well know, the E bond was always intended to carry about one-half of 1 percent per annum more interest than other Government securities. And when you increased the rate the last time it was with that in mind. There has been no increase since.

The result is that today your other Government securities, which you can buy today and cash in tomorrow without losing a penny's interest, are paying a higher rate than these bonds. There is no incentive for anybody to hold an E bond, and most people today are cashing them in as fast as they get them. Under these payroll plans, a man gets his bond today with his paycheck, and tomorrow he cashes it in.

The CHAIRMAN. All right.

We thank you for your appearance and the information given the committee.

Mr. MULTER. Thank you, Mr. Chairman.

Secretary Weeks Speaks Before Women's National Republican Club in New York City

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EXTENSION OF REMARKS

OF

HON. FREDERIC R. COUDERT, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. COUDERT. Mr. Speaker, under leave to extend my remarks, I include an address by the Honorable Sinclair Weeks, Secretary of Commerce, before the Women's National Republican Club in New York City last Saturday, March 9:

We gather today in this, the first year of the second century of the Republican Party, proud of its accomplishments and determined that our generation shall lay the foundation of another hundred years of dedicated service.

At the start of a new Congress and a reelected administration, it is a fitting time to take our bearings and chart our course. So let's study some of the lessons of recent events and discuss frankly a few controversial topics which Al Smith used to call hot potatoes.

I shall try to do so without reflecting narrow partisanship and by giving full credit to those Democrats in Congress and the Nation who believe in sound principles and support the President.

THE NEW DEALISM CHARGE

Now let's tackle the first controversial "hot potato"—New Dealism.

Right here I should like to say a word to those old friends we sometimes hear complaining that the Eisenhower program is "just like the New Deal."

Obviously, this just isn't so, period.

How short are some memories. How blind are some eyes. If the Eisenhower program really is a repeat performance of the New Deal why is it that old line New Dealers and a new crop of left-wingers are fighting that program tooth and nail?

If it is a New Deal carbon copy, why did the Republican National Convention—representing rock-ribbed Republicans from every State in the Union—endorse that program?

This administration's actions are different in spirit from the New Deal practices of its predecessors, who tried to pack the Supreme Court, seize the steel mills, and draft strikers into the Army.

The record clearly proves the sharp contrast between our middle-of-the-road administration and the New Deal, which fostered socialized medicine and socialized agriculture, filled regulatory agencies with members hostile to private enterprise, tried to make electric power a Federal monopoly, used the tax system to change the social order—encouraged the squandering of tax funds, harrassed honest business, retarded the sound recovery of agriculture, set class against class, played politics with civil rights, treated spy hunts as red herrings and some of whose leaders even condoned corruption.

Let those who grumble that we are New Dealish point out in what way the following great popular accomplishments of the Eisenhower administration are a second edition of the New Deal.

We rejected the despairing philosophy that prosperity must be based on a war boom. We stopped the agony and slaughter in Korea and thereby freed a peacetime economy to produce the greatest prosperity in all history.

We rejected the alien theory of nursemaid government, which claims that distant bureaucrats know better how to run business and meet a payroll than businessmen.

In sharp contrast, and often with the help of members of both parties in the Congress, we created a climate favorable to private competitive enterprise and free labor, we removed straitjacket controls, we reduced Government competition with private industry we checked fast-rising inflation, we kept Government's hand off the scales in collective bargaining, we checked monopoly and helped small business by enforcing antitrust laws, we established new programs to promote world trade, we made the greatest tax cut in history, paid installments on the public debt, balanced the budget twice, and plan to do it again this time. And we are making progress with the recommendations of the Hoover Commission.

The disposal of the Government's smelter in Texas, its synthetic rubber plants, and the liquidation of the RFC and its former activities, plus the release of cash previously held for working capital for these programs, have resulted in a return to the United States Treasury of more than $1 billion. That's the kind of benefit the public receives when this administration gets government out of business—and I have cited only a part of this particular program.

Yes, my friends, when President Eisenhower was inaugurated in 1953, the New Deal went out and a new day dawned.

A wave of confidence lifted this Nation to unprecedented heights of prosperity because of his inspired leadership.

That which this administration is doing today is a projection of the Republican record of the past 4 years and is in keeping with the 1956 Republican campaign promises.

THE 1958 BUDGET

Now, let's tackle a second "hot potato"—the budget. It provides for the expenditure of $71.8 billion between next July 1 and June 30, 1958, to finance national security and other services. It was designed to carry out the Republican program of peace, prosperity, and progress.

In order to present the whole truth about the budget, let us tell the public some of the facts which some critics fail to mention.

It is a fact, based on the latest comparative figures, that while Federal expenditures went down 13.2 percent, State and local spending went up 22.8 percent.

It is a fact that our population has grown more than 11 million in the last 4 years—that in the same period our gross national product rose more than $49 billion and that our national income increased $40 billion. Obviously the Federal Government must expand some functions to keep pace with this tremendous growth.

It is a fact, nevertheless, that whereas in 1953 the budget, measured against the gross national product, was 20 percent, it has now gone down to about 16 or 17 percent.

It is a fact that the chief reason for the current size of the budget is national security—payment of former wars and spending to keep us out of future wars. The price of security and peace is not cheap.

This problem can be readily appreciated by showing where the budget dollar goes: 62.6 percent of expenditures are earmarked directly for national security, including defense and aid to our free nation partners; 27.7 percent are earmarked for interest on the national debt, veterans' benefits, agricultural supports, and grants to States; 9.7 percent are earmarked for all the rest of Government—executive, legislative, and judicial—actually less than a dime in every dollar appropriated.

I repeat with grim emphasis that Americans, living under the awful shadow of the hydrogen bomb, must pay a lot of money to remain free and stay alive.

A disturbing paradox of modern times is that while science, technology, and invention have enriched modern civilian life, these innovations also have increased the heavy burden of national defense.

Every year it takes more money to buy the absolutely essential new weapons in the field of guided missiles, atomic forces, and other ultramodern war material.

One example will suffice:

The old B-29 bomber plane cost $693,000; our current B-52 bomber costs $6 million. Suppose a necessary household expense jumped from $6.93 to $60, can you imagine what a problem that would create in a family budget? Yet that is the comparative increase in just one type of modern airplane.

If we are ever to escape from the increasing burden of military expense, we must concentrate our utmost efforts in easing world tensions, in making friends among the nations, in spreading international good will, and in bringing a just and lasting peace to this war-cursed generation.

I say—what I believe is the response of every woman at this gathering—that no man

on earth is working harder and doing more to bring this era of peace than our great President, Dwight D. Eisenhower.

Because the price of survival is so high, we dare not waste our substance. If we are to provide the private savings to produce the new plant and equipment that create jobs for the growing number of young people, we must do a better job in reducing the drain of taxes.

I should like here to enlarge on my reference to that portion of the budget—27.7 percent—which goes for interest, veterans' benefits, agricultural supports, grants to States, etc.

The almost insatiable demand of different groups and different people for new government services and the continued expansion of the old is one of the most difficult aspects of the budget problem. In turn, the temptation on their Representatives in Congress to vote for money to be spent in their districts is almost irresistible. And, just so no one will think I'm trying to let the executive branch off too lightly, let me admit that in my opinion we in the executive branch can improve upon our record in this regard.

If we ever are going to be able to tighten the tap on public spending, all of us must throw our weight against the mounting pressure, year after year, to swell special favors, subsidies, pet projects, grants to States and pork-barrel expenditures. By all of us, I mean the executive branch, the Congress, and the public.

Ask most anyone today if he favors reducing the cost of government and the reply is "Yes." Then suggest stopping some Federal service which he wants and the reply is a loud "No." We'll not get very far in reversing the trend in Government spending if everyone says, "Cut the other fellow's benefit, but don't touch mine."

If every section, every segment, every pressure group succeeds in grabbing more and more, the future economy could crumple under the increasing weight of taxes. But if, on the other hand, the aroused people of the United States rise up and demand greater economy in Federal, as well as local and State appropriations, then they will get greater economy.

Let me ask every woman in this room to reflect a minute: Are you a member of any group which is pressing for projects that will expand the Federal budget? Is your husband? If you are, consider well whether your activity in this respect is right or wrong.

MEETING MODERN NEEDS

Still another "live wire" subject is meeting modern needs.

Complicated life in an urban industrial society and the rapid progress of science create many serious problems—undreamed of a few years back—which must be solved soon or we and the coming generation could face stagnation in our economy and other critical conditions.

Progress in an electronic-atomic age is one of the corner stones of the Eisenhower Republican program.

To meet modern needs, programs have been designed for highways, peaceful uses of atomic energy, water resources, power development, St. Lawrence Seaway, flood control, soil bank, widened opportunities for small business, a transport policy aimed at cheaper transportation and a 4-year emergency program of Federal cooperation with States in overcoming the critical shortage of schoolrooms.

Although there may be some differences of opinion about some of these items, they are aimed at helping to create valuable private and public assets and at meeting the requirements of a growing population and a growing economy.

For example, in my own Department is lodged the duty of protecting the safety of those who fly—now and in the jet age.

Already the highways of the sky face congestion. The situation is being handled now. But it could grow more dangerous in the years ahead as slow-moving vertical-flight helicopter cross the slanted path of commercial and military jets, traveling at breathless speed.

If we do not get ready now to safeguard the airways of the future, the toll of tomorrow's crackups and collisions could be appalling.

To forestall such a hazard, the President appointed Edward P. Curtis, an outstanding expert, to recommend a long-range solution. In the interim the Civil Aeronautics Administration of the Commerce Department is embarked on the greatest air safety program in history and is providing air navigational aids such as radars, electronic devices and other safe air traffic controls. But this is costing money—nearly three times the bill in 1953.

One of the great current and future needs which we are trying to meet at the Bureau of Public Roads of the Commerce Department is modern highways. Had public demands not been neglected so long, we might not have had such traffic bottlenecks and road accident slaughter as now.

Although the President's highway program is by far the greatest public works program in all history, its cost does not appear in the bucget. Instead of passing along debts for our children to carry we have undertaken—thanks to sound legislation—the first major project of its kind that is entirely self-liquidating. Pay-as-you-build taxes on the gasoline and oils of highway users are footing the bill. Not a mile of road is laid until the money to pay for it is in the Treasury.

MODERN REPUBLICANISM

In conclusion, let us size up modern Republicanism—about which there is so much interesting talk today.

Modern Republicanism is not something brand new, dreamed up recently—as some folks think—by maverick stargazers. It is as old as the principles of the first successful Republican candidate for the Presidency, Abraham Lincoln.

The Republican Party, in its finest hours, has been concerned with human freedom and human welfare. In fact, it was born to fight for freedom—and still does.

The Republican record of a century clearly proves that all through our history our party has provided sound government services to foster the well-being of farmers, workers, businessmen, children, and others, and to meet future national needs.

The Lincoln administration founded the Department of Agriculture and initiated the first Homestead Act, which gave land to farm families who would work it. Republicans passed the Sherman Antitrust Act to protect small business against monopoly. To insure workers' rights Republicans started the Bureau of Labor which later became the Department of Labor. Republicans established the merit system through the Civil Service Act of 1883.

Republicans protected family health through the passage of the Pure Food and Drug Act and the Meat Inspection Act. Republicans in 1912 established the Children's Bureau after the passage of child labor laws in many Republican States.

The Panama Canal was built to meet future needs. Under President Theodore Roosevelt, programs also were launched to conserve the Nation's forests, minerals, and water resources. One of the conservation measures to preserve water and timber resources was the Weeks' Act of 1911—introduced in Congress by my father, when he was a Representative.

Later the Reconstruction Finance Corporation was established; the Federal land banks were strengthened; a new system of agricultural credit banks was organized and the Home Loan Bank System was created to assist individual farm and individual home owners. These latter protections against adversity were initiated in the administration of your honored guest, that life-long humanitarian—President Herbert Hoover.

Republican policies today are the expression of our party's great century-old principles, dressed in the clothing of this current age.

So we are in keeping with a century of Republican accomplishments for the American people, when Republicans insist that Government must have a heart as well as a head.

We also are in harmony with our 1956 platform, in step with our Republican President and in line with the overwhelming majority of American citizens, when we support programs reflecting a hard head, a warm heart, and a far-seeing eye.

Let us go home with renewed faith that Republican policies are helping to encourage a healthy and growing economy with prosperity widely shared and are helping to advance peace, justice, and freedom. Let us, by our attitude on public issues, prove worthy of the trust the American people have placed in our party and in our great President, Dwight D. Eisenhower.

National Rice Week—March 10 to 16, 1957

EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. GATHINGS. Mr. Speaker, why is more of the world's money spent on rice each year than any other commodity, even wheat? Because it is a delicious food; wholesome, easy to prepare, and economical. No finer rice is produced anywhere than in Arkansas, and it is our second largest crop. Yet, for lack of recipes, our local consumption of 6 pounds per person per year falls far under the world's per capita use of 24 pounds. For this reason, I have collected for you the favorite rice recipes of many countries scattered over the earth. Let us boost our Arkansas product. Let us eat more rice.

From the Embassy of France:

ENTREMENTS AU RIZ

One-quarter pint rice; 1¼ pints precook milk; 6 eggs; 3 ounces sugar; pat butter or margarine; salt; vanilla. Wash rice, drain, then rinse in lukewarm water. Place, well-drained, in a casserole with precooked milk, with flavoring added as preferred, sugar, butter, and a small pinch of salt. Put on fire, cover casserole and boil gently over moderate heat for 30 minutes. Do not stir during boiling, to prevent its sticking to bottom of pan. Remove rice from stove, add 6 egg yolks, beaten with a fork. Add more sugar, according to taste. Orange or lemon peel may be substituted for vanilla flavoring.

From the Embassy of Turkey:

DOLMAS (STUFFED VEGETABLES)

One-quarter cup uncooked rice; 1 tablespoon tomato sauce (optional); 1

pound ground lamb or beef (from fatty part of meat); 1 teaspoon chopped mint; 1 chopped onion; 1 teaspoon chopped dill; salt and pepper.

Place meat in bowl and add onion, rice, mint, dill, salt and pepper, and tomato sauce. Knead well. This stuffing may be used for a variety of dolmas: eggplant, green pepper, tomato, zucchini (Italian squash). (These may be cooked separately, or together, for assorted dolmas.) Place dolmas in saucepan; add 2 tablespoons butter and 1 cup water; cover and cook over moderate heat about 30–40 minutes or until vegetables are soft.

POLAY (RICE)

Two cups uncooked rice; 4 medium tomatoes (or canned tomatoes); one-eighth pound butter or margarine; 3½ cups liquid (water, meat stock, or chicken broth); 2 teaspoons salt.

Wash and drain rice well, then set aside. Cut tomatoes, peeled and seeded into small chunks. Heat butter and tomatoes together until a tomato paste is obtained, then add liquid and salt and boil for 2 minutes. Add rice while liquid is boiling, stir once, cover and cook over medium heat without stirring again until rice has absorbed all the liquid. Turn flame very low and simmer for another 20 minutes. Remove from stove and leave covered for 30 minutes—do not stir.

When transferring rice to serving dish, use a flat serving spoon, handling the rice very gently, to keep it fluffy.

From the Embassy of Brazil:

CANJA (CHICKEN SOUP WITH RICE)

One cup uncooked rice; 1 stewing chicken; 1 tablespoon butter or margarine; small pieces cooked ham; small amount minced onion, parsley.

Cut chicken in serving pieces and brown in butter over low flame. Cover with water, season with salt and pepper, add seasoning (which should be tied up in a small bag), and cook until chicken is tender. Remove chicken from liquid and separate meat from bones and skin. Place chicken back in liquid together with rice. Add ham. Simmer until rice is done. Season again with salt and pepper to taste. Discard condiment bag. Canja is usually served as a soup course, but if allowed to thicken may be used as a main dish.

RICE A LA RIO

One pound rice; salt, and pepper; 1 peeled tomato (if desired); 2 teaspoons shortening; 1 chopped onion, parsley, and very small amount of garlic enclosed in bag.

Rice should be cooked in heavy casserole or stone pot. Melt shortening (if stone pot is used, do this in separate frying pan) and brown rice, stirring continually to prevent sticking. This should take about 5 minutes and is a very important factor in producing a loose product with a nutty taste, which is a prime requirement of Brazilian rice. With the browned rice in casserole or pot, add bag of condiments and tomato; pour salted boiling water until level is slightly above rice in utensil. This is a rather ticklish operation and care is required to avoid hot substance spitting back, which may cause burns. Cover and let boil for 5 minutes over smart fire. Discard condiment bag, then reduce flame and cook until rice is done. Remove from flame and set aside until latent heat in heavy utensil does its share in fluffing rice, which will swell up. When properly cooked, each grain of rice should be separate from the others and not stick to serving spoon.

From the Embassy of Indonesia:

NASI GORENG (FRIED RICE)

Four cups cooked rice; 1 tablespoon tomato catsup; 1 teaspoon chopped garlic; 1 bouillon cube, diluted; 1 tablespoon chopped onions or one-half teaspoon onion powder; 2 tablespoons chopped fresh shrimp or shredded dried shrimp; one-half teaspoon ground red pepper or one-fourth teaspoon black pepper (optional); one-eighth pound butter or margarine.

Saute all the ingredients in the butter, except the rice, on a low flame. Add the rice and mix thoroughly. Remove from fire. Serve hot, garnished with shredded omelet, fried peanuts and pickles. May also be served with any other dry dish, but no sauces.

From the Embassy of Cuba:

ARROZ CON POLLO (CHICKEN WITH RICE)

One pound rice; 1 roasting chicken; 4 large tomatoes or one-half can; one-fourth can petit pois; 2 tablespoons olive oil; 1 pinch of Spanish saffron; 1 onion; 1 garlic bud; 1 green chopped pepper; 1 small can Spanish pimentoes; 1 wine glass dry sherry; 2 cloves; 2 bay leaves; 1 quart shortening; one-fourth can artichokes; salt and pepper.

For arros con pollo use an earthen casserole, or a Dutch oven (in which case, transfer the chicken to a covered pyrex dish before garnishing). Garnish and allow to steam. Disjoint the chicken and brown quickly in shortening, add chopped onion and bay leaves, saffron, cloves, pepper and salt. Let simmer for 10 minutes. Cover with water and boil until chicken is tender. Add rice, previously washed, cook over a moderate fire until the water has been absorbed, then sprinkle the sherry and olive oil over the top. Cover and allow to steam on a very slow fire until done.

From the Embassy of Lebanon:

STUFFED SQUASH

One-half pound uncooked rice; 2 teaspoons salt; 1 pound ground shoulder of lamb; one-half teaspoon pepper; 16 long summer squash; 1 cup tomato paste; one-quarter teaspoon cinnamon.

Scoop the squash. Mix the other ingredients. Stuff the squash with the meat and rice mixture. Arrange the stuffed squash in a 6-quart saucepan. Cover with hot water to which has been added one 2-ounce can tomato paste, and boil gently until tender—about 30 minutes.

From the Embassy of Egypt:

RICE OF DAMIETTE

One pound rice; one-half cup pine nuts; 6 whole cloves; 1½ teaspoons salt; one-quarter pound butter; 1 medium onion; 1 quart chicken broth; 1 cup white raisins; 1 stick celery; 2 tablespoons tomato paste.

Wash rice and drain until fairly well dry. Melt butter in heavy medium sized skillet. Add rice to brown very slowly in skillet. Sprinkle finely chopped onions over rice. Add the 2 tablespoons tomato paste. In a separate pan, fry nuts in a little butter; add to rice mixture. Add salt and mix well. Stir in chicken broth and cover skillet with tightly fitting lid. Simmer for a half hour. Stick cloves into the celery and add to the pot. Simmer for another half hour. Then add the cup of raisins and cook another 15 minutes before serving.

From the Embassy of New Zealand:

RICE PUDDING

One and one-half ounces rice; 1 pint milk; 1 tablespoon sugar; one-fourth teaspoon salt; small piece butter or margarine; flavoring; nutmeg, lemon rind, vanilla, or bay leaf.

Wash the rice. Put the rice, milk, and sugar in a greased pie dish. Add the flavoring and stir well, or grate nutmeg on top. Bake in moderately hot oven, reducing heat after 10 minutes. Cook slowly for 2 hours.

From the Embassy of Greece:

PILAF

One cup rice; one-eighth pound butter or margarine; two cups clear chicken broth; salt to taste.

Bring chicken broth and half of the butter to boil in a saucepan. Wash and strain rice thoroughly. Put it into the boiling chicken broth, stirring until broth comes to a boil again. Add enough salt, cover well, and allow to boil on a very low fire until all the broth has been absorbed. Heat the remaining butter until it becomes brown and pour it over the cooked rice, leaving it covered for about 5 minutes. Then serve with any roast or boiled dish. A little pepper, if desired, may be added.

LEMON AND EGG SOUP

Two teaspoons rice; 4 cups broth (beef, lamb or chicken); lemon juice (to taste); 1 egg; salt, pepper (to taste).

Bring broth to a boil and add rice. Let it boil until rice is cooked. Beat the egg well and add lemon juice. Pour some of the broth little by little into the beaten egg and lemon juice, stirring briskly at the same time in order to prevent the curdling of the egg. When this mixture is warm enough pour it back into the soup, over a weak flame and stir briskly until it comes to a boil.

From the Embassy of Italy:

CROCHE DI RISO (RICE CROQUETTES)

One-half pound rice; 2 eggs; 2 cups peanut oil; 4 ounces grated Parmesan cheese; 2 tablespoons chopped parsley; 1 cup toasted bread crumbs; salt and pepper.

Wash and boil rice in 3 quarts of salted water for about 25 minutes or until soft. Drain and cool. Beat eggs lightly; add to rice. Add cheese and parsley and mix thoroughly. Roll in small balls (about size of walnut); dip in breadcrumbs; fry in deep hot oil about 3 minutes or until golden brown. May be served as side dish with meat or fowl. Serve hot. Serves 6.

RISOTTO MILANESE (RICE MILANESE)

Two cups rice; 1 large onion, sliced; 4 ounces grated Parmesan cheese; 2 quarts chicken broth; one-half pound chopped chicken giblets; one-quarter pound butter or margarine; one-half teaspoon saffron; salt and pepper to taste.

Cook giblets in pint of boiling salted water about 20 minutes or until tender. Remove; chop into small pieces.

Melt butter in large pot; fry onion over low flame about 5 minutes or until brown. Remove onion. Add cleaned, washed rice and stir for 5 minutes to prevent burning. Then add 1 cup of broth; stir constantly. Dissolve saffron in one-half cup of broth; allow to stand 5 minutes. Then strain saffron; add colored broth to rice, stir well. Gradually add remainder of broth as the rice absorbs it. When rice has cooked about one-half hour, add half the cheese and continue stirring. Add giblets, stir constantly. Add additional cup of broth if rice becomes too dry. Entire process takes about 45 minutes, and when done is moist and creamy. Add balance of grated Parmesan cheese.

From the Embassy of Israel:

PALESTINE RICE PLATE

One cup rice; 4 medium tomatoes; 1 green pepper; one-half pound ground meat or diced cooked meat—liver or kidneys are excellent—1 onion; 1 clove garlic.

Fry meat in some fat until brown. Remove meat, add to the fat the rice, tomatoes, pepper, onion, and garlic, and season with salt and pepper—some saffron may be added—and pour over whole 2 cups of boiling water. Cook for 15 minutes. When water is absorbed, add the fried meat, stir, taste to assure that seasoning is adequate; cover and leave on very low heat until rice is done.

From the Embassy of Mexico:

ARROZ A LA MEXICANA (MEXICAN STYLE RICE)

One-half pound rice; 4 ounces shortening; 4 ounces cooked peas; 6 tablespoons tomato puree; 2 hard-boiled eggs; one-half teaspoon onion juice; 2 cups meat stock; 1 teaspoon chopped parsley; 2 avocadoes; 1 cup cold water; 2 Mexican chorizos—spicy Mexican pork sausages.

Soak rice in hot water 15 minutes. Wash it well in cold water and drain. Skin sausage, fry well in shortening. Take out and reserve. Fry rice in same grease. When golden, pour off grease and add tomato puree and onion juice. Reduce flame. As mixture dries, add water, salt, and cooked peas. When water has evaporated, add hot meat stock, and cover. Simmer over slow flame until done—grains should be dry, soft, and separate easily. Serve on hot platter, sprinkle with parsley, garnish with slices of hard-boiled egg, strips of avocados, and slices of sausage.

WHITE RICE

One-half pound rice; 3 ounces butter or margarine; one-half teaspoon juice of an onion; 2 cups of milk; salt; 4 ounces shortening; one-half pound cream cheese; 2 cups of cold water; 4 ounces of cooked peas; 6 peppers.

Soak rice in hot water 15 minutes. Wash well in cold water, drain and fry in shortening with onion juice. Before the rice browns pour off grease and add water. When dry add milk and salt to taste. When it starts to dry again, add cooked peas and skinned, veined and seeded peppers, roasted and filled with the cream cheese. Cover pan and let rice cook over slow fire until done. Add butter or margarine in small pieces, when melted serve on a hot platter.

From the Embassy of Cambodia:

PHOAT KHSAT (ROYAL RICE)

Three cups cooked rice; 2 chicken legs, uncooked; ½ pound lean pork; 1½ cups medium white sauce; salt and pepper; juice of 1 lemon; 4 shrimp, shelled and deveined; 4 to 6 cloves garlic; 20 scallions; one-eighth teaspoon of Chinese 5-spice essence; 2 eggs, slightly beaten; three-fourths cup of lard or fat; pinch of fennel seed; 2 tablespoons of vinegar; 3 tablespoons of powdered sugar; 2 tablespoons of pimento strips.

Wash chicken, pork, and shrimp, then dice. Brown garlic and scallions in fat in large skillet. Add diced meat and shrimp and saute until flavor is nicely blended, about 30 minutes. Pour cooked rice over mixture and mix well. Add fennel, vinegar, white sauce, five-spice essence, sugar, salt, and pepper. Heat a few minutes to blend flavors. Pour eggs into greased skillet making a thin layer. Heat until almost firm then turn over. Remove from heat, cut into very thin strips and add to the rice mixture. Place rice mixture in a serving dish and garnish with the pimento strips. Serves four.

From the Embassy of Iran:

LOOBIA POLAU

Three cups rice; one-half pound butter or margarine; 3 cups cut string beans; one-half cup chopped onions; 3 cups round steak cubed; 1½ teaspoons salt; 3 tablespoons salt; 1 teaspoon tumeric powder; one-fourth teaspoon black pepper.

Wash rice in lukewarm water about four times and drain, then cover with water after adding 3 tablespoons of salt. Soak in salt water for 2 hours. Then add onions and saute until light golden brown. Add meat and brown lightly. Add beans. Cook mixture for 10 minutes; then add salt, pepper, tumeric powder, and 2 cups water. Cook until liquid has evaporated. Remove from fire, drain salt water from rice and add 2 quarts boiling water. Boil for 5 minutes. Remove from fire, drain rice in strainer and rinse with warm water. Into a heavy cooking utensil (a Dutch oven is very desirable) put the remaining one-fourth pound butter and melt. Pour one-half of this mixture into another container and put to one side. Put one-half of the rice into the heavy utensil with the remainder of the melted butter and add all of the meat mixture on top of it. Then place the remainder of the rice on top. Cook over a slow fire for 25 minutes. Add remainder of melted butter by spreading over the top of the mixture. Continue to cook over a slow fire for about 1 hour. When ready to serve, remove utensil from fire and set in shallow pan of warm water for 10 minutes. Place on platter for serving. The rice in the bottom of the pan should be crisp and golden brown and easily removed for cutting into small squares and placing on top of the dish. Serves eight.

From the Embassy of Australia:

CRESTED RICE SHAPE WITH APRICOT SAUCE

One cup rice; 2 cups boiling water; 1 slice lemon rind; three-fourths pint warm water; 2 tablespoons dried milk; 1 dessert spoon butter or margarine; 4 tablespoons sugar; 1 teaspoon vanilla; 1 dessertspoon lemon juice.

Wash rice, thoroughly cover with boiling water; add rind, cook quickly and drain thoroughly. Add dried milk into warm water, add sugar, cook over low heat, stirring frequently until thick. Remove from heat, add butter, vanilla, and lemon juice. Put into shaped mold, chill for 1 to 1½ hours. Unmold onto serving dish and surround with apricot halves. Pour apricot sauce over it. For the sauce recipe, one will need:

One cup sirup from apricots; 2 teaspoons arrowroot (cornstarch) blended with some of cold sirup; 1 dessertspoon of lemon juice; one-half teaspoon grated lemon rind; 1 tablespoon apricot jam.

Put into pan, stir till boiling and simmer 2 minutes. Color slightly if wish with lemon coloring and allow to cool before pouring over rice shape.

From the Embassy of Saudi Arabia:

RICE WITH LAMB AND NUTS

1 cup uncooked rice; 1 pound lamb chunks; 2 handfuls pine nuts; 1 handful of almonds; 4 tablespoons butter or margarine; salt, pepper, cinnamon.

Put lamb through meat grinder. Melt butter and add ground lamb, pepper, salt, and cinnamon. Fry the pine nuts until golden; drain and put aside. Fry the almonds in the same manner. Add the washed, uncooked rice to the lamb and simmer for about 5 minutes. Then add boiling water (enough to cover the rice). Let the rice and meat mixture cook until water is absorbed and rice is cooked. Add the sauteed pine nuts and the almonds to the rice. Mix well and serve.

From the Embassy of Germany:

RICE A LA TRAUTMANNSDORFF

Three-fourths cup rice; 2 cups milk; 3 tablespoons sugar or vanilla-sugar extract; 2 tablespoons rum or brandy; one-half envelope gelatin; 1 cup whipping cream; peaches, apricots, or cherries to decorate.

Boil rice in water, pour water away, and bring rice again to a boil in the boiling milk. Let the rice get cool and mix into the mass the gelatin, sugar, and brandy well mixed together. After the rice cools off, mix the whipped cream in, pour into a bowl and chill well. Put on a plate and decorate with peach halves, apricot halves, or black cherries.

SWEET RICE WITH APPLE SAUCE, SERVES 4

One and one-fourth cups of rice, two-thirds tablespoon sugar; vanilla extract; apple sauce; 4 cups milk; salt; 2 tablespoons butter or margarine.

Rinse rice and bring to a boil in salt water. Pour the water into the sink and put the rice into the boiling milk and let it rest. Flavor the rice, mix the butter in and if you like cover it with sugar and

cinnamon. Should be served with apple sauce.

From the Embassy of Ireland:

IRISH PUDDING

One pint milk; one-half ounce butter or margarine; one-half ounce sugar; 1 egg; flavoring.

Two ounces rice.

First: Wash the rice by putting it into a strainer then allow cold water to run through it. Second: Bring the milk to the boil, sprinkle in the rice, bring back to the boil, stirring all the time. Cover with a lid, place over a low heat (with a gas stove use an asbestos mat) and cook gently until the grains swell and become soft, thus absorbing a lot of the milk. Stir occasionally. Time, about 30 minutes. Third: Add sugar, butter, and flavoring, mix well and allow to cool slightly. Fourth: Beat the egg, pour the rice on to it, beating to prevent the egg from curdling. Fifth: Grease a pie-dish and pour the rice into it. Sixth: Bake in a moderate oven until set and nicely browned—about half an hour. Seventh: Sprinkle a little castor sugar on top and serve. Note—If liked, a little nutmeg may be grated on top of pudding before putting into the oven, instead of adding flavoring.

From the Embassy of the Philippines:

KAKANIN AND BIBINGKA (ROYAL RICE CAKE)

Rice; sugar; salted eggs; native cheese; grated coconut; granulated sugar.

Galapong, or rice dough, serves as the base for most of the kakanin, and is prepared by soaking rice in water overnight and grinding the rice the next day in a small hand-driven native stone mill. The dough becomes sour from the overnight soaking and thus serves as its own leavening. When an extra rise in the dough is desired, as in those popular little rice cakes called bibingkas, a small amount of well-fermented galapong is mixed with the dough. The ingredients used in bibingkas vary. Granulated sugar is sometimes used for sweetening, or panicha (cane sugar in lump form). Salted eggs, native cheese, grated coconut are added refinements. The interesting thing about this native cake is the way it is baked. The thin batter prepared from the galapong is placed in clay pans, covered, and, as a Tagalog nursery song goes, is baked so that there is fire both above and below it.

BOMBONGOS DE ARROS

One cup boiled rice; 2 eggs; 6 teaspoons coconut milk; 2 teaspoons baking powder; one-half teaspoon salt; 1 cup flour; 1 teaspoon vanilla.

Boil rice (soft boiled) and set aside. Mix and sift the flour, baking powder, and salt. Add the well-beaten eggs, coconut milk, then the soft-boiled rice, and mix thoroughly. Add flavoring. Drop by spoonfuls into hot fat and when golden brown remove and drain. Serve hot with thick sirup coating.

From the Embassy of Japan: Rice is rarely cooked with other ingredients in Japan. Most often it is eaten plain with other dishes of the meal. To us, rice is best as is. The use of flavoring on rice to some Japanese is like covering a fine steak with catsup to some Americans. Please note, however, that rice is eaten at all meals, including breakfast.

My favorite rice recipe:

RICE WITH MUSHROOMS

One cup uncooked rice; 1 can consomme; 1 small can mushrooms; one-eighth pound margarine.

Melt butter in skillet. Add rice and fry until it pops like popcorn. Put rice in a baking dish and add the consomme and mushrooms. Cook 45 minutes in oven at 350 degrees. Thanks to Mrs. John Cooper, West Memphis, for first introducing me to this.

SENATE

TUESDAY, MARCH 12, 1957

(Legislative day of Saturday, March 2, 1957)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, Father of our spirits, with a faith that will not shrink though pressed by every foe, we would this day climb the altar stairs which slope through darkness up to Thee. Our assurance and comfort lie, not in our feeble hold of Thee, but in Thy mighty grasp of us.

We thank Thee for the stirrings of discontent within us with things as they are, in ourselves and in our world. Keep us true to the highest and to the unceasing challenge to the best that is in us, with Thy grace, to be and to do.

Direct, control, suggest, this day
All we design or hope or say,
That all our powers with all their might
In Thy sole glory may unite.

In the name of the Master who giveth us the promise and the power. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Friday, March 8, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Labor and Public Welfare.

(For nominations this day received, see the end of Senate proceedings.)

AGREEMENT WITH MEXICO CONCERNING RADIO BROADCASTING—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, as in executive session, I move that the injunction of secrecy be removed from Executive G, 85th Congress, 1st session, the agreement between the United States of America and the United Mexican States concerning radio broadcasting in the standard broadcast band which was signed in the English and Spanish languages at Mexico City on January 29, 1957, by the respective plenipotentiaries of the two Governments.

The PRESIDENT pro tempore. Without objection, the ban of secrecy is removed from the agreement, and the agreement, together with the President's message of transmittal, will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the agreement between the United States of America and the United Mexican States concerning radio broadcasting in the standard broadcast band which was signed in the English and Spanish languages at Mexico City on January 29, 1957, by the respective plenipotentiaries of the two Governments.

I transmit also, for the information of the Senate, the report by the Secretary of State and its enclosures with respect to the agreement. For the reasons indicated in the report, I urge the Senate to give favorable consideration to the agreement.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 12, 1957.*

(Enclosures: 1. Report by the Secretary of State, with enclosed copy of letter from Chairman, Federal Communications Commission. 2. Agreement with Mexico on standard band broadcasting, signed at Mexico City January 29, 1957.)

LEAVES OF ABSENCE

On request of Mr. KNOWLAND, and by unanimous consent, Mr. AIKEN was granted leave from the sessions of the Senate today and tomorrow.

On request of Mr. KNOWLAND, and by unanimous consent, Mr. MCCARTHY was granted leave from the sessions of the Senate until next Tuesday, because of his absence from the city on behalf of the Select Committee on Investigation of Improper Activities in Labor-Management Relations.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there

may be the usual morning hour, for the introduction of bills and the transaction of other routine business, subject to the customary 3-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE NATIONAL MEDIATION BOARD

Mr. JOHNSON of Texas. Mr. President——

Mr. MORSE. Mr. President, will the majority leader yield for a question?

Mr. JOHNSON of Texas. If I still have the floor, I shall be glad to yield.

Mr. MORSE. I should like to call the attention of the majority leader to a nomination on page 2 of the Executive Calendar, under the heading "The National Mediation Board." It is the nomination of Robert O. Boyd, of Oregon, to be a member of that Board.

I should like to state to the majority leader that Mr. Boyd has been off the payroll for 1 month. The brotherhoods and the carriers have made known to me that both groups would like to have the nomination confirmed at the earliest possible date. In fairness to Mr. Boyd, I think the nomination should be confirmed promptly, because the other two members of the Board need Mr. Boyd's assistance. Furthermore, the committee has favorably reported the nomination.

So I should like to ask whether the majority leader can indicate whether we may be able to consider the nomination today.

Mr. JOHNSON of Texas. Mr. President, I shall be glad to discuss the matter with the Senator from Oregon as soon as we have an opportunity to do so. I am not prepared to have the executive calendar called today, let me say to the Senator from Oregon. His views always carry great weight with the majority leader, and I shall be glad to have him elaborate on them, and, of course, I shall give due and proper consideration to them. I expect to have the executive calendar called very shortly, but not today.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. SMITH of New Jersey. I wish to support what my good friend, the Senator from Oregon, has said. The nomination of Mr. Boyd has been pending a long time. Finally we have gotten it reported from the committee, and it should be considered and confirmed at the earliest possible moment.

Let me say to the majority leader that I am not urging that action be taken today on the nomination; I simply wish to add a word to what the Senator from Oregon has said.

Mr. JOHNSON of Texas. Mr. President, the record of the 84th and 85th Congresses in regard to the executive calendar and the dispatch with which the nominations and other matters on it have been handled will compare very favorably with that of any other Congress. I ask Senators who wish to have action taken on certain nominations to be patient for a short time, and I am confident the nominations will be acted on.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the following enrolled joint resolutions, and they were signed by the President pro tempore:

H. J. Res. 23. Joint resolution to provide for the reappointment of Dr. Arthur H. Compton as citizen regent of the Board of Regents of the Smithsonian Institution; and

H. J. Res. 202. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

EGYPT'S CHALLENGE TO THE AUTHORITY OF THE UNITED NATIONS

Mr. JOHNSON of Texas. Mr. President, Egypt's challenge to the authority of the United Nations is a matter of the deepest concern.

It is understood that in Egypt there are internal political problems which are difficult for the authorities to handle. But in Israel there are also internal political problems, which Premier Ben-Gurion faced courageously and decisively.

This is a two-sided dispute. There are rights and wrongs on both sides, and they must be adjusted by men of reason. It will not be possible to consider the merits of the case, however, if either side insists on creating crises.

The PRESIDENT pro tempore. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUDIT REPORT ON POSTAL SAVINGS SYSTEM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Postal Savings System, Post Office Department, for the fiscal year ended June 30, 1955 (with an accompanying report); to the Committee on Government Operations.

KALJU LIBE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Kalju Libe (with an accompanying paper); to the Committee on the Judiciary.

HANS KUZURA

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Hans Kuzura (with an accompanying paper); to the Committee on the Judiciary.

FRANTISEK HANISKO

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Frantisek Hanisko (with an accompanying paper); to the Committee on the Judiciary.

AUDIT REPORT OF NATIONAL FUND FOR MEDICAL EDUCATION

A letter from the executive vice president, National Fund for Medical Education, New York, N. Y., transmitting, pursuant to law, an audit report of that organization, for the year ended December 31, 1956 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Three joint resolutions of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"Joint memorial of the Senate and the House of Representatives of the State of Montana to the Congress of the United States; Hon. James E. Murray and Hon. Mike Mansfield, United States Senators of Montana; Hon. Lee Metcalf and Hon. LeRoy Anderson, Members of the House of Representatives, of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; the Secretary of the Interior; and the United States Commissioner of Reclamation, urging that the Congress declare its intent with respect to the diversion of water from the Madison River under plans proposed by the United States Bureau of Reclamation, and that the Congress assure the preservation of recreational and fishery resources values of the Madison River Valley

"Whereas the United States Bureau of Reclamation since 1942 has been investigating various plans to divert water from the Madison River in Montana; and

"Whereas the Bureau has indicated that it intends to carry out more detailed studies of its so-called plan E-1, which consists of a 53-mile canal diverting water from the Madison River upstream from the town of Ennis, diversion of 570 cubic feet per second of water from said river during the irrigation season, and use of Hebgen Lake as a storage reservoir for irrigation purposes; and

"Whereas this plan would result in heavy drawdown of Hebgen Lake during the summertime irrigation season, causing serious fluctuations in the lake level, creating unsightly mud flats and reducing the value of homes and tourist accommodations which are located on the shores of Hebgen Lake; and

"Whereas Hebgen Lake and the Madison River below it are universally recognized as being among the finest rainbow trout fishing waters in the entire world, and sportsmen in large numbers, not only from Montana but from all sections of North America, make annual pilgrimages to these waters to enjoy this recreational area and its fishing; and

"Whereas fluctuations in the levels of Hebgen Lake and the Madison River would result in serious adverse effect, if not complete destruction, of these fishery resources under some plans contemplated; and

"Whereas the Federal Power Commission, after consultation with the United States Forest Service and United States Fish and Wildlife Service, has demonstrated the Federal Government's interest in preserving the recreational values of Hebgen Lake by requiring that the power licensee on the Madison River hold its drawdown of Hebgen Lake to a minimum level of 6,540 feet elevation during the period of June 1 to October 1 of each year; and

"Whereas the diversion of 570 cubic feet per second of water from the Madison River would reduce the flow of the river below the intake of the canal by one-third to one-half during the irrigation season, causing serious adverse effect on recreation and fishing and on landowners with long-standing water rights on the river, and reducing the power output of the Madison powerplant by nearly 40 percent; and

"Whereas if provisions were made to release sufficient water from Hebgen Lake to allow diversion of water into the canal and still maintain normal river flow below the canal it would require that Hebgen Lake be

drastically drawn down and would result in high water conditions adversely affecting lands and property between the lake and the point of diversion; and

"Whereas the Bureau of Reclamation has studied a number of plans, some of which could virtually reduce the Madison River to a mere trickle of water, any one of which could be pursued and adopted by the Bureau at any time: Now, therefore, be it

"*Resolved*, That the Senate and the House of Representatives of the State of Montana memorialize the Congress of the United States to declare it to be the intent of Congress that further planning which would jeopardize the recreational area of the Madison River and which would result only in impractical, unwise, and costly irrigation projects far distant and remote from the said Madison Valley, shall cease; and be it further

"*Resolved*, That the appropriate committees of the Congress convey to the Department of the Interior and the Bureau of Reclamation notice of this Congressional intent; and be it further

"*Resolved*, That we call upon the Department of the Interior and the Bureau of Reclamation to abandon all plans for Madison River water which would adversely affect the recreational values, sports fishery resources, and water rights of the region; and be it further

"*Resolved*, That copies of this memorial be submitted by the secretary of the State of Montana to each of the individuals and to the chairman of each of the committees and agencies named in the title of this memorial and to the presiding officers of the House of Representatives and the Senate of the United States Congress.

"PAUL CANNON,
"*President of the Senate*,
"EUGENE H. MALONEY,
"*Speaker of the House*."

"Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; Senator James E. Murray, of Montana; Senator Mike Mansfield, of Montana; Congressman Lee Metcalf, of Montana; Congressman LeRoy Anderson, of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives, and the Secretary of the Interior, Frederick B. Seaton; requesting that moneys made available to economic depressed areas be utilized in promoting employment of Indian citizens at or near reservation areas in the State of Montana, and promoting job opportunities in the State of Montana, and promoting job opportunities at or near reservation areas

"Whereas there has been made available by the Congress of the United States certain moneys to assist in the alleviation of unemployment in economic depressed areas in the United States; and

"Whereas on all of the reservation areas within the State of Montana there are serious unemployment and welfare problems; and

"Whereas unless special attention is given to these problems through endorsement by the State and National Government to get industry decentralized to these areas there is no immediate hope to assist Indian citizens to become economically self-sufficient; and

"Whereas because of the lack of economic opportunities at or near the reservation areas it has been necessary to transplant many Montana Indian citizens away from their homes and their families; and

"Whereas because of the lack of economic opportunities on the reservations of Montana the welfare burden on Federal and State Governments is disproportionate to that of the rest of the population of Montana: Now, therefore, be it

"*Resolved by the 35th Legislative Assembly of Montana of 1957, now in session (the Senate and House of Representatives concurring)*, Do recommend to the Congress of the United States that funds be made available to promote industries to locate on the various reservations of the State of Montana or to locate as near as possible to the reservations to offer job opportunities to Indian citizens of the State of Montana; and be it further

"*Resolved*, That copies of this memorial be submitted by the secretary of the State of Montana to the Congress of the United States, Senator James E. Murray and Senator Mike Mansfield, of Montana, Congressman Lee Metcalf, and Congressman LeRoy Anderson, of Montana, the Committee on Interior and Insular Affairs of the United States Senate, the Committee on Interior and Insular Affairs of the United States House of Representatives, and to the Honorable Frederick B. Seaton, Secretary of the Interior.

"PAUL CANNON,
"*President of the Senate*.
"EUGENE H. MALONEY,
"*Speaker of the House*."

"House Joint Memorial 19

"Joint memorial of the Senate and the House of Representatives of the State of Montana to the President of the United States, Dwight D. Eisenhower; the Congress of the United States; the Honorable James E. Murray and the Honorable Mike Mansfield, Senators from the State of Montana; the Honorable Lee Metcalf and the Honorable LeRoy Anderson, Representatives from the State of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; the Committee on Public Works of the United States Senate; the Committee on Public Works of the United States House of Representatives; the Secretary of the Interior, Frederick B. Seaton, requesting the introduction and enactment into law of the necessary and proper legislation to require the owner of a lode or placer claim who performs or causes to be performed the annual work, or makes the improvements required by the laws of the United States in order to prevent the forfeiture of the claim, to perform or cause to be performed the annual work or make the improvements in such manner or form that proper soil-conservation practices are observed to the end that the legislative determinations and policies in regard to the protection of farm and grazing lands of the State of Montana may be carried into effect

"Whereas, by the laws of the United States, owners of lode or placer claims are required to perform certain annual representation work to prevent forfeiture of said lode or placer claim; and

"Whereas, in the performance of said annual representation work, the practice of using modern heavy machinery has increased; and

"Whereas the use of said machinery damages watersheds, trails, timber, and causes soil erosion; and

"Whereas the damage caused by the soil erosion creates hazards to stock and water reservoirs in the entire watershed where said lodes and placers are located: Now, therefore, be it

"*Resolved by the Senate and House of Representatives of the State of Montana*, That the Representatives of the State of Montana and the Senators of the State of Montana in the Congress of the United States be urged and requested to introduce, and the Congress of the United States be urged and requested to enact into law, necessary and proper legislation to require owners of mining claims on Government land, where such owners are performing only the minimum annual work required to prevent forfeiture of their mining claims, to perform such minimum annual work on said mining claims in such manner or form that proper soil-conservation practices are observed to the end that the legislative determinations and policies in regard to the protection of farm and grazing lands of the State of Montana may be carried into effect; be it further

"*Resolved*, That the secretary of State of the State of Montana transmit this memorial to the various Federal governmental officials, agencies, and committees referred to in the title of this memorial.

"EUGENE H. MALONEY,
"*Speaker of the House*.
"PAUL CANNON,
"*President of the Senate*."

A resolution of the General Assembly of the State of Georgia; to the Committee on Foreign Relations:

"H. R. 205

"Resolution requesting Congress to create a United States Academy of Foreign Service and Public Affairs; and for other purposes

"Whereas the Army, the Navy and the Air Force have academies for the training of their respective officers, which have proven to be indispensable in furnishing highly skilled persons in their chosen fields; and

"Whereas it would be highly desirable and in the best interests of this country if an academy were established to train those who administer our diplomatic affairs, both at home and abroad; and

"Whereas, legislation along these lines has been introduced in this session of Congress: Now, therefore, be it

"*Resolved by the General Assembly of Georgia*, That the Congress of the United States is respectively requested to establish an Academy of Foreign Service and Public Affairs; be it further

"*Resolved*, That the Clerk of the House of Representatives is hereby instructed to transmit a copy of this resolution to the presiding officers of the United States Senate and House of Representatives, and to each member of the Georgia Congressional delegation.

"Read and adopted February 19, 1957.

"S. ERNEST VANDIVER,
"*President of Senate*.
"GEORGE D. STEWART,
"*Secretary of Senate*.

"Read and adopted February 18, 1957.

"MAURICE S. MOATE,
"*Speaker of House*.
"J. V. BANE,
"*Clerk of House*."

A joint resolution of the Legislature of the State of Idaho; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 5

"*To the honorable Senate and the House of Representatives of the United States of America in Congress assembled:*

"We, your memorialists, the Legislature of the State of Idaho, as assembled in its 34th session, do respectfully represent that—

"Whereas the complicated and costly multipurpose projects are essential today to the fullest utilization of Idaho's and the West's limited water supplies, and that power is a more and more important paying partner in reclamation development; and

"Whereas the use of power revenues to aid in the repayment of irrigation costs is almost as old as the Federal reclamation program: Now, therefore, be it

"*Resolved by the House of Representatives of the 34th Legislature of the State of Idaho (the Senate of such legislature concurring)*, That the Congress of the United States of

America be and it is hereby memorialized to promptly, fairly, and diligently consider the sentiment of the people of the State of Idaho, who consider that the use of power and other revenues from multipurpose hydropower projects to aid reclamation development is essential to the future development and full utilization of water resources and that they thereby endorse the principle and the use of said power revenues for said purposes; be it further

"*Resolved*, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator HENRY C. DWORSHAK, United States Senator FRANK CHURCH, and Representatives in Congress GRACIE PFOST and HAMER BUDGE, to the Secretary of the Interior and the Commissioner of Reclamation."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolution memorializing Congress to adopt an antisegregation amendment to the school-construction bill

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to pass legislation which would forbid the expenditure of Federal funds to States or school districts who have failed to comply with the May 17, 1954, United States Supreme Court antisegregation decision; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"House of representatives, adopted, February 25, 1957.

"LAWRENCE R. GROVE,
"*Clerk*.

"Senate, adopted, in concurrence, February 27, 1957.

"IRVING N. HAYDEN,
"*Clerk*.

"A true copy.
"Attest:

"EDWARD J. CRONIN,
"*Secretary of the Commonwealth*."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs:

"Resolutions memorializing Congress to enact S. 826, a bill to provide for the establishment of the Cape Cod National Park in the Commonwealth of Massachusetts

"Whereas the Cape Cod Canal is unique among the Nation's waterways because of its background of history in connection with the use of rivers, which are now replaced by the canal, by the Pilgrims from Plymouth in their trading at Aptuxcet Trading Post with the Dutch of Manhattan, and its special grandeur and beauty, deserving of preservation of the land on both sides of the canal in an unspoiled state, as set forth in S. 826 now pending in the United States Senate; and

"Whereas in the days of the Pilgrims there were two rivers now replaced by the Cape Cod Canal of which rivers one called Scusset River rising just beyond the present location of the Sagamore Bridge flowed into Cape Cod Bay and the other called the Monument or Manomet River and rising in Herring Pond and flowing into Buzzards Bay; and

"Whereas the Plymouth Colonists by shallop or canoe were wont to transport skins and other material down Cape Cod Bay, thence up the Scusset River to land between it and the Manomet River, there portaging over to the Manomet River, down to the Aptuxcet Trading Post in Bourne whither came the Dutch from Manhattan to trade; and

"Whereas there were also trails through the forests between Plymouth and the Manomet River used by the Plymouth Colonists to carry their articles of trading to the Manomet River, thence to the Aptuxcet Trading Post which was located in what is now land of the town of Bourne; and

"Whereas the trading carried on at Aptuxcet with the aid of the said 2 rivers furnished for at least 3 different years sufficient income to tide over the economy of the Plymouth Plantation or settlement; and

"Whereas there has been established this background of history in connection with the earliest days of the Plymouth Plantation or Colony; and

"Whereas the United States Government still retains some 1,100 acres of the land originally taken over during the developments of the canal; and

"Whereas further sales of the said lands for commercial purposes would detract from the present natural beauty of the canal as well as its being maintained in the interest of the history of the Pilgrims; and

"Whereas the said S. 826 is a bill to establish a Cape Cod Canal National Park to preserve in its natural state these lands on both sides of the canal, particularly described in said S. 826, both to keep alive the historical background as well as to preserve in their natural state the said lands: Now, therefore, be it

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to enact the said S. 826; and be it further

"*Resolved*, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the presiding officers of both branches of the Congress and to the Members thereof from this Commonwealth.

"Senate, adopted, February 20, 1957.

"IRVING N. HAYDEN,
"*Clerk*.

"House of representatives, adopted, in concurrence, February 28, 1957.

"LAWRENCE R. GROVE,
"*Clerk*.

"A true copy.
"Attest:

"EDWARD J. CRONIN,
"*Secretary of the Commonwealth*."

A joint resolution of the Legislature of the State of Idaho; to the Committee on the Judiciary:

"Senate Joint Memorial 7

"*To the Honorable Senate and House of Representatives of the United States in Congress assembled:*

"We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

"Whereas article V of the Constitution of the United States provides the method for proposing amendments to the Constitution of the United States; and

"Whereas the existing rate of Federal taxes on the income of the people of this State, and upon their right to transfer or receive property by way of gift or inheritance, is adversely affecting the economy of the State of Idaho, and hampering the State in securing sufficient revenue to support the necessary functions of State government: Now, therefore, be it

"*Resolved by the 34th session of the Legislature of the State of Idaho, now in session (the Senate and House of Representatives concurring)*, That we do most earnestly petition the Congress of the United States to have drafted and submit to the legislatures of the several States, an amendment to the 16th amendment to the Constitution of the United States, to limit the power of the Congress to lay a tax and to fix a maximum rate of tax which may be levied by the Federal Government upon income, inheritances, and gifts; and be it further

"*Resolved*, That such limitation shall not apply during the time the United States is engaged in a grave national emergency declared by Congress; provided, however, the Congress by a vote of three-fourths of the members may, for a period not exceeding 1 year, increase such a tax beyond the limit of the rate prescribed by such amendment upon income subsequently accruing or received, or with respect to subsequent devolution or transfer of property with power to repeat such action as often as may be made necessary by such grave national emergency; and be it further

"*Resolved*, That the secretary of state of the State of Idaho be, and he hereby is, authorized and directed to forward certified copies of this memorial to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, and to the Senators and Representatives representing this State in the Congress of the United States."

Concurrent resolution of the Legislature of the State of North Dakota; to the Committee on Agriculture and Forestry:

"Senate Concurrent Resolution II

"Concurrent resolution requesting the Congress of the United States to suspend acreage controls on durum and spring wheat during 1957

"Whereas the Legislative Assembly of the State of North Dakota is vitally interested in the acreage limitation imposed on hard spring wheat and durum wheat because North Dakota produces 86 percent of all durum wheat grown in the United States, plus a large portion of hard spring wheat; and

"Whereas a proposal will be made in this session of Congress that inasmuch as North Dakota does not raise any surplus wheat there should be no acreage limitation, because there is no national surplus of durum or hard spring wheat as distinguished from winter or soft wheat grown in other areas; and

"Whereas high quality flour used in making bread requires a substantial portion of hard spring wheat of the type North Dakota supplies; and

"Whereas durum wheat is far superior to other grain in the manufacture of macaroni products, a shortage of durum wheat could seriously handicap the macaroni industry; and

"Whereas there is no reason why North Dakota wheat growers should be so drastically limited in acreage as to imperil the economic security and existence of small farms: Now, therefore, be it

"*Resolved by the Senate of the State of North Dakota (the House of Representatives concurring therein)*, That the Congress of the United States is hereby urged and requested to suspend controls upon the planting and raising of durum and hard spring wheat during the year 1957, and that permission be granted to plant and raise durum and hard spring wheat without acreage controls; be it further

"*Resolved*, That the secretary of the senate forward copies of this resolution to the President of the United States Senate, Speaker of the United States House of Representatives, United States Secretary of Agriculture, to each member of the North Dakota congressional delegation, and to the chairmen of the respective congressional Committees on Agriculture of the United States Senate and House of Representatives."

Two concurrent resolutions of the Legislature of the State of South Dakota; to the Committee on Finance:

"Senate Concurrent Resolution 5

"Concurrent resolution memorializing the Congress of the United States and the Department of the Treasury relative to capital-gains tax on land acquired by eminent domain

"Be it resolved by the Senate of the State of South Dakota (the House of Representatives concurring):

"Whereas the Federal Government is continually acquiring privately owned lands through the right of eminent domain; and

"Whereas the sale of such lands to the Government is a forced sale and often against the wishes of the seller; and

"Whereas if the seller re-invests the money received for such land in like land within 1 year, he will not have to pay a capital-gains tax on the selling price of such land; and

"Whereas in many cases it is impossible for the forced seller to purchase like land, and where it is possible it is often at a considerably higher price and at a great distance from the seller's locality; and

"Whereas this capital-gains tax on lands acquired through the forced sale by an unwilling seller is unfair and unjust in that the Government forces a person to sell, and then takes a large share of the purchase price away from the seller with the capital-gains tax: Now, therefore, be it

"*Resolved*, That this legislature respectfully requests that the Congress of the United States enact legislation eliminating the capital-gains tax on real estate acquired by eminent domain; be it further

"*Resolved*, That copies of this concurrent resolution be forwarded to His Excellency the President of the United States, the Honorable Secretary of the Treasury, to the Honorable KARL MUNDT and the Honorable FRANCIS CASE, United States Senators from South Dakota, to the Honorable E. Y. BERRY and the Honorable GEORGE MCGOVERN, Representatives in Congress from the State of South Dakota, and to the Presiding Officers of both Houses of Congress of the United States.

"L. R. HOUCK,
"Lieutenant Governor, President of the Senate.

"NELS P. JENSEN,
"Secretary of the Senate.

"NILS A. BOE,
"Speaker, House of Representatives.

"WALTER J. MATSON,
"Chief Clerk, House of Representatives."

"Senate Concurrent Resolution 9

"Concurrent resolution requesting the Congress of the United States to repeal excise taxes levied on the transportation of persons, property, and messages by common and contract carriers

"Be it resolved by the Senate of the State of South Dakota (the House of Representatives concurring therein):

"Whereas certain excise taxes imposed during World War II are still in effect; and

"Whereas the reason given for imposing said taxes was to discourage use by civilians of common and contract carriers of persons, property, and messages during a period when an extraordinary demand was placed on all transportation agencies by the large increase in traffic due to World War II; and

"Whereas, these taxes have caused, and continue to cause, substantial diversion of traffic to private carriers thus causing higher rates to be charged by common carriers especially on the transportation of property, which places a heavy burden on the farmer, the small-business man, and the small manufacturer because they do not have sufficient volume to engage in transportation of their own property and must depend on common and contract carriers for their transportation needs, and

"Whereas, these excise taxes are discriminatory because the amount of transportation tax required to be paid by a farmer or other producer or a receiver of agricultural machinery increases on the same items with distance from terminal market or from source of supply, and

"Whereas, the repeal of these excise taxes will result in a direct reduction in transportation costs and eliminate the tax discrimination against shippers who live a long distance from the terminal market for their commodities produced and sold and against farm machinery and other dealers who live a long distance from the point where the machinery and other items they buy and resell are manufactured; and

"Whereas the same discriminatory situation exists where persons use common carrier passenger service and long-distance communications service, and

"Whereas these taxes were declared at their inception to be temporary and to be enacted because of an emergency which has long since ceased to exist: Now, therefore, be it

"*Resolved by the Senate of the State of South Dakota (the House of Representatives concurring therein)*, That we respectfully request the Congress of the United States to take the necessary steps at its present session to terminate these excise taxes;

"*Resolved further*, That the Senators and Representatives in the Congress from the State of South Dakota be urged and requested actively to support and work for legislation now introduced in the Congress for the repeal of such taxes and, if necessary and advisable, to introduce in the Congress other or additional bills to that end; be it further

"*Resolved*, That the secretary of state transmit copies of this resolution to the Senate and the House of Representatives of the Congress of the United States and to Hon. KARL MUNDT and Hon. FRANCIS CASE, Senators from South Dakota, and to Hon. E. Y. BERRY and Hon. GEORGE MCGOVERN, Members of the House of Representatives from South Dakota.

"L. R. HOUCK,
"Lieutenant Governor, President of Senate.

"NELS P. JENSEN,
"Secretary of the Senate.

"NILS BOE,
"Speaker, House of Representatives.

"WALTER J. MATSON,
"Chief Clerk, House of Representatives."

A resolution adopted by Local 578 of the Union of Sugar Industry Workers, affiliated with the CIO Packing House Workers of Puerto Rico, Arroyo, P. R., relating to the lowering of the social security eligibility age to 60 years; to the Committee on Finance.

A resolution adopted at a mass meeting of Americans of Lithuanian Descent, at Kenosha, Wis., relating to the 39th anniversary of Lithuania's Declaration of Independence; to the Committee on Foreign Relations.

A resolution adopted by the Hawaii Annual Mission Conference of the Methodist Church, Honolulu, T. H., relating to statehood for Hawaii; to the Committee on Interior and Insular Affairs.

The petition of Lillian Kubias, Los Angeles, Calif., relating to the separation of church and state; to the Committee on the Judiciary.

A resolution adopted by the Organized Women Voters of Arlington County, Va., relating to civil rights; to the Committee on the Judiciary.

Resolutions adopted by the House of Delegates of the American Bar Association, relating to the qualifications of Federal judges, and so forth; to the Committee on the Judiciary.

A resolution adopted by Local Division 1128, Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, of Duluth, Minn., relating to adjustment of salaries of postal employees; to the Committee on Post Office and Civil Service.

By Mr. GOLDWATER:

A resolution of the Senate of the State of Arizona; to the Committee on the Judiciary:

"Senate Memorial 3

"A memorial requesting that the Congress of the United States take favorable action on legislation restricting the movement of unmarried juveniles across international boundaries

"To the Congress of the United States:

"Your memorialist respectfully represents:

"The Legislature of the State of Arizona is aware of Senate bill 969 introduced in the 84th Congress, 1st session, by Senator ESTES KEFAUVER and others, which provided that unmarried juveniles, unaccompanied by a parent or guardian, were not to be permitted to leave the United States without a permit issued by the Attorney General of the United States or the facilities of the United States Department of Justice for such purposes. The State of Arizona being a border State and therefore cognisant of the many problems created by this situation, is favorably impressed with the necessity for similar legislation and the need for its immediate passage.

"Wherefore your memorialist, the Senate of the State of Arizona, prays:

"That the Congress of the United States give serious consideration to and take favorable action on a bill similar to Senate bill 969, which would prohibit unmarried juveniles, unaccompanied by parent or guardian, from leaving the United States without first having obtained a permit."

(The PRESIDENT pro tempore laid before the Senate a resolution of the senate of the State of Arizona, identical with the foregoing, which was referred to the Committee on the Judiciary.)

A resolution of the house of representatives of the State of Arizona; to the Committee on Interior and Insular Affairs:

"House Memorial 2

"A memorial proposing that the Congress of the United States establish Camelback Mountain as a national monument

"To the Congress of the United States:

"Your memorialist respectfully represents:

"Camelback Mountain, northeast of Phoenix, Ariz., in Maricopa County, is known to virtually every person in the State of Arizona. In fact, Camelback Mountain, because of its unique shape and formation, has attained international distinction. The unique shape and formation of this mountain has been publicized the length and breadth of the United States, and visitors from other States and countries to the Valley of the Sun always include in their itinerary a view of Camelback Mountain.

"Wherefore your memorialist, the house of representative of the State of Arizona, prays:

"That the Congress of the United States enact appropriate legislation making Camelback Mountain, northeast of Phoenix, Ariz., in Maricopa County, from the elevation of 1,600 feet above sea level to the top thereof, a national monument."

The PRESIDENT pro tempore laid before the Senate a resolution of the House of Representatives of the State of Arizona, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.

CONCURRENT RESOLUTIONS OF INDIANA LEGISLATURE

Mr. JENNER. Mr. President, I take great pleasure in presenting, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a concurrent resolution recently passed by the General Assembly of the Senate of Indiana.

This resolution expresses the firm conviction of the people of Indiana that attempts to have the Federal Government supply financial support for education violate the deepest principles of American liberty, because they create a vast supervisory bureaucracy, and remove government, especially education, from observation and control of the people.

The people of Indiana rightly regard the attempts of organizations urging this unnecessary invasion of the States as usurpation of their inalienable rights.

The legislators of Indiana call upon the Congress to reject any and all efforts to appropriate funds to the States for school buildings or any purposes related to education in the States.

There being no objection, the concurrent resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Enrolled Concurrent Resolution 6

A concurrent resolution memorializing the Congress of the United States to resist the efforts of proponents of centralization of Government to invade the field of education and usurp or encroach upon the right and duty of the people in the local communities to provide for and supervise the education of their children

Whereas the matter of education of the children of this State is now, and always has been of utmost concern to our citizens, both individually and collectively, and they have never hesitated to provide funds through taxation and otherwise in sufficient amount, both locally and statewide, to meet their obligation to provide proper educational facilities; and

Whereas the differential that existed between construction and/or staffing of education facilities and student population arose through no fault or lack of interest of the people but was caused by wartime stresses and conditions when all peacetime construction and career planning, of necessity, was deferred in order that a maximum war effort could be put forth; and

Whereas through thoughtful planning and economical and efficient use of available financial resources this State, and the local communities therein, have at this time, for all practical purposes, achieved an equalization between school facilities and school population without sacrificing quality of school plants or personnel, and, further, the office of superintendent of public instruction of this State, in cooperation with local school authorities has instituted an education planning program so as to provide property for the future population growth; and

Whereas in recent years, through the efforts of certain national groups there has developed a strong movement to have the Federal Government step into or invade the education field on the pretext that the State and local authorities are unable to cope with the school problem, whereas the real reason therefor is to remove the whole field of education from the supervision, operation, and control of the people of the local communities; and

Whereas any such movement is objectionable upon several grounds among which are:

(a) Any Federal program must be regulated which, in turn, calls for creation, establishment, and staffing of various boards and bureaus with the usual waste, inefficiency, and consequent dissipation of badly needed tax money, attendant thereon;

(b) Apart from financial or economic considerations is the even greater danger that such movement could and, eventually, would remove from the observation and control of the people of local communities the teaching methods, philosophy, source material, and like matters, thus paving the way for a subtle insinuation of the teachings of subversive ideologies into school curriculums, and resulting in the possible warping, twisting, and poisoning of the impressionable minds of children against our democratic principles and processes; and

Whereas since the very inception of this program of unwarranted attempted usurpation of these inalienable rights and duties of the people, the State of Indiana has fought it militantly and unyieldingly, as a result of which, the aforesaid national groups have intentionally, knowingly, and unconscionably issued reports containing absolutely false misstatements and discoloration of fact and truth concerning this State's educational facilities and program in an insidious attempt to discredit, embarrass, and belittle it and its citizens before the Congress of the United States and the people of this country; and

Whereas such action upon the part of said national groups strengthens and confirms our suspicions that the tears they shed for the educational welfare of the children of this State and Nation are, truly, crocodile in nature and serve but to camouflage the ulterior socialistic motives they so poorly conceal; and

Whereas the aforesaid distortions and untruths by said groups concerning the situation in the State of Indiana lead but to the conclusion that statements concerning the educational facilities and programs in other States are equally erroneous and fallacious; and

Whereas this State, and the citizens hereof, are now, always have been and always shall be unequivocally, uncontrovertibly and unalterably opposed to any Federal invasion, encroachment, or infringement of the fundamental right, obligation, and duty of the people and their local governmental authority to provide, supervise, and control the education of the children of this State or the educational processes concomitant thereon: Therefore be it

Resolved by the Senate of the General Assembly of the State of Indiana (the House of Representatives concurring),

SECTION 1. That the Congress of the United States be and it is hereby memorialized to reject any and all efforts to obtain the passage of legislation by the terms of which, money would be appropriated and made available to the States, through grants-in-aid or otherwise for school building or other purposes, which either indirectly or directly would infringe upon the rights, duties, and obligations of local and State governments or authorities to provide, supervise, and control the education of the children of this country or the accompanying educational processes.

SEC. 2. That a copy of this resolution be sent to the following:

1. The Honorable Dwight D. Eisenhower, President.

2. Marion B. Folsom, Secretary of Health, Education, and Welfare.

3. All Representatives in the United States Senate and House of Representatives.

4. The governors of all other States of these United States.

5. The commissioner on interstate cooperation in each of the other 47 States.

Mr. JENNER. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the CONGRESSIONAL RECORD, House Concurrent Resolution No. 16, passed by both Houses of the Indiana State Legislature on March 6, 1957, relating to the Federal tax policy.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 16

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana (the Senate concurring):

A concurrent resolution from the GENERAL Assembly of the State of Indiana to the Congress of the United States.

We, the elected representatives of the people of Indiana have carefully observed the effect of high Federal tax rates on individuals and business, and we are deeply concerned over what we see.

Highly progressive income-tax rates, the invention of Socialist Karl Marx, have made the accumulation of personal venture capital virtually impossible and have destroyed the incentive for individuals to invest in new and untried business ventures.

High Federal tax is the basic cause of many mergers which are slowly but surely absorbing the middle-sized company with its independent management, and concentrating business and economic power in the hands of large corporations.

Small corporations are finding it impossible to retain sufficient profits after tax collection to permit reasonable and healthy growth.

We see the Federal Government dominating almost every field of taxation. It has become the tax octopus, taking more and more away from our citizens, and leaving State and local governments on a starvation diet. Federal tax policies are encouraging the forced acceptance of "Federal aid" and the centralization of governmental power in Washington.

The highly progressive income tax with rates ranging up to 91 percent is, in fact, confiscation of income, and through high estate and gift taxes we have confiscation of property as well. Because this socialistic philosophy is repugnant to Americans, many taxpayers feel they have moral justification for evasion; thus, dishonesty is encouraged and the equitable collection of taxes is impossible.

To make available venture capital, to restore the incentive to engage in new job-creating enterprises, to give small business the opportunity to prosper and grow, to stop the trend toward concentration of industry, to restore the personal right to dispose of property by gift or at death without penalty, to enable the States to assume the responsibilities which are rightfully theirs,

We respectfully recommend to our Congress for immediate consideration:

1. Substantial reduction of the combined normal and surtax rates on personal income.

2. Tax relief for small corporations to permit normal and healthy growth.

3. Drastic reduction of Federal estate and gift taxes.

4. Extension of excise taxes at a uniform rate to remove inequities between industries and to meet budget requirements.

We Hoosiers believe these fundamental tax reforms are essential to the preservation of economic freedom and the vital incentives which have made our Nation great.

JOINT RESOLUTIONS OF NEVADA LEGISLATURE — SENATORS MALONE AND BIBLE, OF NEVADA

Mr. MALONE. Mr. President, on behalf of myself and my colleague the junior Senator from Nevada (Mr. BIBLE), I present for appropriate reference and ask unanimous consent to have printed in the RECORD at this point Assembly Joint Resolutions Nos. 1, 2, 4, and 5 of the Nevada State Legislature authorizing the position of the Legislature of our State of Nevada on certain matters—the important subjects of education, the gold standard, and civil defense—signed by the secretary of state, Mr. John Koontz, and the legislative counsel, Mr. J. E. Springmeyer.

There being no objection, the joint resolutions were referred and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

"Assembly Joint Resolution 1

"Memorializing the Congress of the United States to grant Federal loans to needy students for graduate studies and provides for repayment over 20 years

"Whereas numbers of our young people are prevented from pursuing graduate courses of study because of lack of funds; and

"Whereas in the interest of national defense the Federal Government would profit from increased education for certain students. Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Congress of the United States be, and the same hereby is, memorialized to authorize Federal loans to needy college or university students for the pursuit of graduate studies when the following conditions are met: Need for such assistance; and graduation from a basic college course, and certification by the college that the student is qualified for higher training; and repayment, with interest, over a 20-year period; and be it further

"*Resolved*, That certified copies of this resolution be forwarded by the secretary of state of the State of Nevada to the President of the Senate, the Speaker of the House of Representatives, and each Member of the Nevada Congressional delegation.

"Adopted by the senate, February 8, 1957.

"REX BELL,
"*President of the Senate.*
"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly, January 30, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*
"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*
"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Nevada, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.)

To the Committee on Banking and Currency:

"Assembly Joint Resolution 2

"Memorializing Congress to enact legislation adopting the Beam plan for the benefit of the domestic gold industry

"Whereas in 1934, with the passage of the United States Gold Act and the creation of the International Monetary Fund, the gold standard was abolished, and restrictions were placed on the possession and use of gold which seriously threatened its historic mission as the bulwark of our monetary system; and

"Whereas the price of gold was fixed at $35 per fine ounce, which price has remained stationary since despite greatly increased costs of production, and two tragic results have followed. The first has been the deterioration of our domestic straight gold-mining industry, with 96 percent of the mines forced to close because of the unrealistic price established for gold by the Federal Government. The second result has been the lifting of safeguards inherent in the gold standard designed to prevent unbridled manipulation of credit and inflationary practices; and

"Whereas the basic problem is to find a method to augment our gold reserve by increasing domestic production which cannot be answered by rescission of the United States Gold Act of 1934 or the setting of another and higher arbitrary price for gold; and

"Whereas the Beam plan proposed by L. Mills Beam offers an enormous potential for domestic gold production by proposing that the United States Mint receive gold for processing as now, but that it return to the producer upon request, coins from his gold, stamped by content of gold, rather than by value, such as "1 ounce" and "one-half ounce." The plan applies only to newly mined gold. The gold producer then may keep, sell, or use his coins on an open market at whatever price it may bring; but one change in the present structure must be made in order to restore the law of supply and demand to gold as a commodity, and that is to terminate the United States Treasury's practice of selling gold to private industry and to the arts; and

"Whereas the request of the gold-mining industry for this basic change is fully within the rights and privileges granted to American citizens by the Constitution, and will terminate the present unique discrimination policy directed against those who produce gold as the one commodity: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Congress of the United States be, and it is hereby, memorialized to enact legislation immediately to encompass and include the principles of the Beam plan proposed by L. Mills Beam, which is the only hopeful outlook across an otherwise dim horizon for our gold-mining industry; and be it further

"*Resolved*, That a duly certified copy of this resolution be transmitted by the secretary of state of the State of Nevada to the Speaker of the House of Representatives, the President pro tempore of the Senate, and to the United States Senators and Congressmen from the State of Nevada.

"Adopted by the senate February 14, 1957.

"REX BELL,
"*President of the Senate.*
"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly February 6, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*
"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*
"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Nevada identical with the foregoing, which was referred to the Committee on Banking and Currency.)

To the Committee on Armed Services:

"Assembly Joint Resolution 4

"Memorializing the Congress of the United States to study the problems involved in civil defense

"Whereas recent scientific developments have so altered previous civil-defense planning that it has now become apparent that an effective national civil-defense program can only be achieved by the Federal Government's acceptance of responsibility for both defining and financing such a program; and

"Whereas the previous position of the Federal Government that civil defense is primarily a responsibility of the several States controverts the Federal Constitution which clearly assigns the responsibility for the common defense to the national Government; and

"Whereas it has been clearly demonstrated during the past 4½ years that, with the several States dependent upon each other for civil-defense support, many States are neither financially able or inclined to go along with the current Federal program which demands matching fund participation to the degree necessary to provide adequate fall-back support for their sister States: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Legislature of the State of Nevada respectfully memorializes the President and the Congress of the United States to study the problems involved in the new concept of civil defense resulting from the greater destructive powers of presently developed weapons and make adequate plans realistically to provide an effective national civil defense program to the extent necessary, and be it further

"*Resolved*, That the secretary of state of the State of Nevada be directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, each Senator and Representative from Nevada in the Congress of the United States, the Secretary of Defense, the Secretary of the Army, and the Secretary of the Navy.

"Adopted by the senate February 6, 1957.

"REX BELL,
"*President of the Senate.*
"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly February 1, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*
"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*
"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

"Assembly Joint Resolution 5

"Memorializing the President, the Congress of the United States, and the Secretary of Defense to consider an east-of-the-Sierra Nevadas civil defense plan to include the development of a defense highway and railway system, the establishment of reserves of fuel, food, and other supplies, and Federal financing of such a program

"Whereas the current international picture of world events makes the prospects of another grim and bloody international incident a distinct probability; and

"Whereas in the event of an enemy sneak attack on one of the densely populated metropolitan coastal cities there would be an exodus of countless thousands seeking refuge in the eastern part of the Sierra Nevadas; and

"Whereas upon Nevada will fall the Herculean task of caring for such displaced persons because of California's physical propinquity to our great State; and

"Whereas it is imperative that Nevada establish large reserves of fuel, food, medicine, and other supplies in strategic locations, and provide for the establishment of a modern defense highway and railway transportation system to facilitate the evacuation of people and the rapid dispatch of troops and ammunition; and

"Whereas the placement of trackage on the abandoned Mina-Bishop section of the Southern Pacific Railroad will complete a direct San Pedro-Hawthorne-Portland east-of-the-Sierra Nevadas defense railway; and

"Whereas it has become apparent that such a defense plan can only be achieved if the Federal Government finances the program: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the President, the Congress of the United States, and

the Secretary of Defense be memorialized to consider the development of a defense highway and railway transportation system to include a railroad from San Pedro, Calif., to Portland, Oreg., via Hawthorne, Nev.; and be it further

"*Resolved*, That the President, the Congress of the United States, and the Secretary of Defense be memorialized to consider the establishment of reserves of fuel, food, medicine, and other supplies at the following strategic locations within the States of California and Nevada: Bridgeport, Bishop, Tonopah, Goldfield, Ely, Wells, Elko, Winnemucca, Las Vegas, Yerington, Lovelock, Fallon, Mina, Schurz, Reno, Carson City, Gardnerville, Gerlach, and other locations as may be hereafter selected; and be it further

"*Resolved*, That the President, the Congress of the United States, and the Secretary of Defense be memorialized to consider the problems involved and consider the Federal Government financing such a civil-defense program; and be it further

"*Resolved*, That copies of this resolution be sent by the secretary of State of the State of Nevada to the President, the Speaker of the House of Representatives, each Senator, and Representative from Nevada in the Congress of the United States, the Secretary of Defense, the commanding general of the 6th Army at the Presidio in San Francisco, Calif., the commanding officer of the Naval Ammunition Depot in Hawthorne, Nev., the commanding officer of the Sierra Ordnance Depot in Herlong, Calif., the commanding officer of Naval Test Laboratories in Inyokern, Calif., and the commandants of the 11th, 12th, and 13th Naval Districts.

"Adopted by the senate February 6, 1957.

"REX BELL,
"*President of the Senate.*
"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly February 1, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*
"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*
"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received, from the Lieutenant Governor of New Mexico, Senate Joint Memorial 4 memorializing the Congress of the United States to support all efforts and take whatever action is necessary to effectuate a reasonable limitation on petroleum imports in the interest of national security, and Senate Joint Memorial 5, memorializing the Congress of the United States to amend the Natural Gas Act.

Both of these memorials were passed by the New Mexico State Legislature and have been signed by the Governor.

I ask unanimous consent that the memorials may be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolutions were received, referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"Senate Joint Memorial 4

"A joint memorial memorializing the Congress of the United States to support all efforts and take whatever action is necessary to effectuate a reasonable limitation on petroleum imports in the interest of national security

"Whereas increasing tensions and uncertainties which threaten world peace have emphasized the paramount importance of adequate petroleum supplies within the control of the United States, and make mandatory, specific national policies to assure a strong and capable domestic petroleum producing industry; and

"Whereas an urgent need for an effective limitation on imports of crude petroleum and its products has been emphasized by present world conditions; to wit:

"Item I. The Suez crisis, and the resulting disruption of oil transportation from Middle East oil producing areas, has created shortages in wide areas of the free world and has given emphasis to the danger of reliance for vital oil supplies on areas beyond the control of the United States and its allies.

"Item II. Excess oil-producing capacity in the United States has made possible the shipment of substantial quantities of petroleum to our free world allies denied access to Middle East oil, thereby demonstrating that a healthy domestic petroleum industry is of primary importance not only to our country but to our allies as well.

"Item III. The danger inherent in excessive oil imports and increasing reliance on inaccessible foreign-oil supplies was recognized by the Congress when it adopted section 7 of the 1955 Trade Agreements Extension Act, giving the President authority to reduce petroleum imports when they threaten to impair the national security.

"Item IV. Following repeated studies, the executive branch of Government determined that import levels prior to the Suez crisis represented a threat to the national security, and efforts were initiated by the Office of Defense Mobilization to limit petroleum imports through individual, voluntary action of oil importing companies.

"Item V. Despite continuing Government efforts to limit petroleum imports over a period of 1½ years, oil imports continued to increase beyond levels determined by Government as harmful to the national security, illustrating the ineffectiveness of voluntary import restraints and the vital necessity of positive Government action.

"Item VI. The need for effective limitation on petroleum imports has been increased, rather than reduced, by events in the Middle East, and action to accomplish this should be forthcoming before changing conditions can again enable imports to reach the destructive levels which existed prior to the Suez crisis: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States be, and hereby is, urged to support all efforts and take whatever action is necessary to effectuate a limitation on petroleum imports which will prevent injury to the national defense and the general economy and welfare of the Nation; be it further

"*Resolved*, That copies of this joint memorial be transmitted to Members of this State's delegation in the Congress, to the Director of the Office of Defense Mobilization, to the United States Secretary of State and Secretary of the Interior, and to the attention of the President of the United States.

"JOE M. MONTOYA,
"*President, Senate.*
"GRACE MCAFEE,
"*Chief Clerk, Senate.*
"DONALD D. HALLAM,
"*Speaker, House of Representatives.*
"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*
"Approved by me this 9th day of March 1957.
"EDWIN L. MECHEM,
"*Governor, State of New Mexico.*"

To the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 5

"A joint memorial memorializing the Congress of the United States to amend the Natural Gas Act

"Whereas interpretation of the Federal Natural Gas Act by the Supreme Court of the United States and the current interpretation of that Supreme Court decision by the Federal Power Commission threaten the traditional and historical right of the State of New Mexico to regulate and control the production and gathering of oil and gas in the best interest of the people of the State of New Mexico and the Nation; and

"Whereas despite many years of interpretation to the contrary, the 1954 Supreme Court interpretation of the Natural Gas Act and the orders of the Federal Power Commission based on that interpretation, now apply utility-type control of price and market for gas to independent producers; and

"Whereas the State of New Mexico, through the commissioner of public lands, who is the trustee of State lands under the Federal Enabling Act, is the largest royalty owner of oil and gas in the State; and

"Whereas royalties, rentals and bonuses from oil and gas on State land are the major support of public schools and State institutions; and

"Whereas the regulation of the independent production of gas, and the inevitable resultant regulation of the production of oil, by the Federal Power Commission contemplates control of the price received for these resources at the wellhead, thus affecting the right and the duty of the New Mexico commissioner of public lands to receive the full benefit of its State lands for the schools and institutions of the State, such royalties, rentals and bonuses commensurate with a fair price established by arm's length negotiations; and

"Whereas the State of New Mexico, through its oil conservation commission, has pioneered in laws and regulations to prevent waste of oil and gas and has spent many years establishing a method of control beneficial to the State and the Nation and fair to those engaged in the oil and gas exploration and production business; and

"Whereas the State of New Mexico does not recognize the independent producer of natural gas as a public utility; and

"Whereas this legislature and the responsible officials of the State of New Mexico recognize:

"That the tried and proven method of arm's length negotiations has been beneficial to the development and establishment of the reserves of both oil and gas;

"That the industry under these circumstances has met rapidly the expanding demand for gas and currently supplies about one-fourth of the Nation's mineral energy;

"That the field price of gas on a heat content basis is far lower in cost than any other fuel;

"That the natural gas producers' field price currently amounts to less than 10 percent of the residential consumer's gas bill;

"That since 1945 the cost of living has risen about 50 percent yet the cost of gas to the household consumer has risen only about 10 percent;

"That the State of New Mexico and the Nation's fuel problem can better be served by a continuation of the longstanding interpretation of the Natural Gas Act wherein independent producers were excluded from Federal Power Commission control: Now, therefore be it

"*Resolved*, That the 23d Legislature of the State of New Mexico does hereby memorialize the Congress of the United States to take

such steps as are necessary to amend the Natural Gas Act to exclude the independent producers of natural gas from the control of the Federal Power Commission; and be it further

"*Resolved*, That copies of this memorial be sent to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to the members of New Mexico's delegation in the Congress of the United States.

"JOE M. MONTOYA,
"*President, Senate.*
"GRACE MCAFEE,
"*Chief Clerk, Senate.*
"DONALD D. HALLAM,
"*Speaker, House of Representatives.*
"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*

"Approved by me this 9th day of March 1957.

"EDWIN L. MECHEM,
"*Governor, State of New Mexico.*"

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Interstate and Foreign Commerce.)

By Mr. BARRETT:

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Public Works:

"Joint Memorial 5

"Joint memorial memorializing the Congress of the United States of America with reference to passing legislation to exempt landowner payments for construction of flood-control works on the Snake River in Jackson Hole

"Whereas the Snake River, a tributary of the Columbia River, is subject to almost annual floods of a severe nature which cause damage to agricultural lands, towns, residences, highways, bridges, and other valuable items in the Jackson Hole country of Wyoming; and

"Whereas in the past, residents of the area and the State Highway Department have been forced to expend much money and effort in combating and repairing damage caused by floods on the Snake River; and

"Whereas the storage of water in Jackson Lake Reservoir, constructed by the Bureau of Reclamation contributes materially to the stage and damage caused by the floods; and

"Whereas 98 percent of the waters of the Snake River, both natural flow and storage is used for the benefit of the people of Idaho and only 2 percent is allowed Wyoming for unrestricted use, thereby in actuality making the Snake River a canal carrying water to Idaho; and

"Whereas 96 9/100 percent of the area of Teton County, which comprises the Jackson Hole country, is owned by the Federal Government, leaving a very small tax base for the county; and

"Whereas a flood-control district has been organized in Teton County pursuant to the laws of Wyoming; and

"Whereas the Army Corps of Engineers has evolved a plan for flood control on the Snake River to alleviate the damage that has occurred in the past, and has made construction of these works dependent upon monetary contributions by the residents of the area: Now, therefore, be it

"*Resolved by the House of the 34th Legislature of the State of Wyoming (the Senate of such legislative concurring)*, That the Congress of the United States of America, be and it is hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to exempt the landowners and flood-control district from making monetary contributions to the construction of flood-control works now contemplated or that may be contemplated by the United States Army Corps of Engineers for the Snake River in Jackson Hole, Wyo.; and be it further

"*Resolved*, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, Representative in Congress E. KEITH THOMSON, to the Secretary of Defense, the Secretary of the Interior, the Chief of the Army Corps of Engineers, and to the Governor and Legislature of the State of Idaho.

"EARL T. BOWEN,
"*President of the Senate.*
"LEE E. KEITH,
"*Speaker of the House.*

"Approved February 5, 1957.

"MILWARD L. SIMPSON,
"*Governor.*"

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming identical with the foregoing, which was referred to the Committee on Public Works.)

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Finance:

"Joint Memorial 6

"Joint memorial, memorializing the Congress of the United States of America to amend the Internal Revenue Code to allow the oil shale industry the same depletion allowance as that given the oil and gas industry

"Whereas it is becoming apparent that the United States must eventually turn more and more to synthetic sources to supplement its petroleum resources, and for this reason the promotion and development of new domestic sources of fuel oils, including the mining and production of oil shale, is essential; and

"Whereas the depletion allowance now allowed on the mining of oil shale is 5 percent as compared with a 27½-percent depletion allowance given the oil and gas industry; and

"Whereas the oil shale industry, in the exploration and promotion of oil shale deposits and in the mining of oil shale, should be given the same economic assistance as is given the oil and gas industry, in order to expand the oil shale industry and create a competitive market between the two industries; Now, therefore, be it

"*Resolved by the House of Representatives of the 34th Legislature of the State of Wyoming (the Senate of such Legislature concurring)*, That it respectfully memorialize the Congress of the United States of America to amend the Internal Revenue Code so as to provide that the depletion allowance allowed on the mining of oil shale be raised from 5 percent to 27½ percent of the value of the oil produced from oil shale mined; be it further

"*Resolved*, That a copy of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to United States Senators FRANK A. BARRETT and JOSEPH C. O'MAHONEY and Representative in Congress E. KEITH THOMSON.

"EARL T. BOWEN,
"*President of the Senate.*
"LEE E. KEITH,
"*Speaker of the House.*

"Approved February 16, 1957.

"MILWARD L. SIMPSON,
"*Governor.*"

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming identical with the foregoing, which was referred to the Committee on Finance.)

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Labor and Public Welfare:

"Joint Memorial No. 7

"Joint memorial memorializing the Congress of the United States of America, against legislation to provide Federal aid for school construction

"Whereas legislation is pending before the Congress to authorize a program of Federal grants for school construction; and

"Whereas Federal aid for school construction would be only the first step toward Federal aid for school operation; and

"Whereas the White House Conference on Education reported that no State has demonstrated a financial incapacity to build its own schools; and

"Whereas Wyoming is one of the few States which is demonstrating both a political determination and a financial capacity to build and operate its own schools, despite the fact that the Congress refuses to let Wyoming own and tax 53 percent of its land area, which is consequently not available for school support; and

"Whereas despite this tremendous disadvantage, the State of Wyoming is much more solvent than the Federal Government; and

"Whereas any form of Federal subsidy brings with it the implied threat or self-evident need for Federal supervision or regulation; and

"Whereas with respect to building, financing and operating Wyoming schools, the sovereign State of Wyoming has no intention of relinquishing its right and privilege to any Federal agency or even to the Congress of the United States: Now, therefore, be it

"*Resolved by the Senate of the 34th Legislature of the State of Wyoming (the House of such Legislature concurring)*, That Wyoming is firmly opposed to the passage of any proposal to extend or provide new Federal grants for any school purpose and the Congress of the United States of America is hereby memorialized against any and all such proposals; and be it further

"*Resolved*, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator FRANK A. BARRETT, United States Senator JOSEPH C. O'MAHONEY, and Representative in Congress E. KEITH THOMSON, and to the Secretary of the Department of Health, Education, and Welfare, and to the Commissioner of Education.

"EARL T. BOWEN,
"*President of the Senate.*
"LEE E. KEITH,
"*Speaker of the House.*

"Approved, February 12, 1957.

"MILWARD L. SIMPSON,
"*Governor.*"

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.)

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Interstate and Foreign Commerce:

"Joint Memorial 7

"Joint memorial memorializing the Congress of the United States of America with reference to legislative action necessary to correct the policy of the Interstate Commerce Commission in making percentage increases on freight rates and charges without regard to the increase in distance, and directing such protest to the Interstate Commerce Commission, Washington, D. C.

"Whereas it is the present policy of the Interstate Commerce Commission to grant percentage increases on freight rates and charges; and

"Whereas such policy of the Interstate Commerce Commission results in a larger amount of increase on rates and charges as the distance increases; and

"Whereas such percentage increase disrupts the relationship in rates between marketing areas; and

"Whereas such percentage increases hinder commercial progress in the State of Wyoming: Now, therefore, be it

"*Resolved by the House of Representatives of the 34th Legislature of the State of Wyoming (the Senate of such Legislature concurring)*, That the Congress of the United States of America, be and it is hereby memorialized to provide, by appropriate legislation, that where any increase on freight rates or charges be found necessary by the Interstate Commerce Commission then such increase should be a definite amount per 100 pounds based on an amount found necessary for a shorter distance; be it further

"*Resolved*, That certified copies hereof be promptly transmitted to Senators Frank A. Barrett and Joseph C. O'Mahoney and Congressman E. Keith Thomson; the Honorable Owen Clarke, chairman of the Interstate Commerce Commission, and to each Commissioner as follows: Hon. A. F. Arpaia, Hon. R. F. Mitchell, Hon. Howard Freas, Hon. K. H. Tuggle, Hon. John H. Winchell, Hon. Everett Hutchinson, Hon. R. L. Murphy, Hon. R. W. Minor, Hon. L. K. Walrath and the Honorable D. P. McPherson; and the National Association of Railroad and Utilities Commissioners; be it further

"*Resolved*, That certified copies hereof be promptly transmitted to: (1) the legislative councils of the following States: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, North Dakota, Nebraska, Kansas, Oklahoma, Texas, and South Dakota; (2) Senator Warren G. Magnuson, chairman, Senate Committee on Interstate and Foreign Commerce; and (3) Mr. Elton McQuery, regional representative, Council of State Governments.

"EARL T. BOWEN,
"*President of the Senate.*
"LEE E. KEITH,
"*Speaker of the House.*

"Approved February 20, 1957.

"MILWARD L. SIMPSON,
"*Governor.*"

RESOLUTION OF RENVILLE COUNTY (MINN.) ERICSON FARMERS UNION LOCAL

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Ericson Farmers Union Local, of Renville County, Minn., concerning the corn program. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

SACRED HEART, MINN., *March 2, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The resolutions committee of the Ericson Farmers Union of Renville County, Minn., met February 26, 1957, and enacted the following resolution:

"With the corn acreage reduced to 42 percent below the original base acreage, which the allotment is based on, and the price reduced from $1.64 to $1.36 per bushel national average and still to get in the soil bank it has to be reduced from the allotted acres. This causes a great concern for the farmers; be it

"*Resolved*, That the allotted corn acres be raised with a 90-percent price support and the soil-bank compliance be taken out of other agricultural acres; be it

"*Resolved*, That the conservation reserve be reduced from a 5-to-3-year minimum requirement.

"The signup dates should be set ahead so that Congress may have time to put through a bill that would give the farmer a fair income. The soil bank will not receive a favorable signup unless Congress enacts a program that will be workable."

As of March 1 the acreage agreement signed in Renville County was only 76 out of over 3,000 corn farms and most of these where out of small nonprofitable tracts of land.

Sincerely,

MRS. MARVIN SUHVOLD,
Secretary, Ericson Farmers Union Local.

RESOLUTION OF MEDICAL SOCIETY OF NEW YORK COUNTY, N. Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Medical Society of the County of New York, New York City, embodying a resolution adopted by that society, relating to the inclusion of self-employed individuals under the Social Security Act.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, *March 5, 1957.*

The Honorable JACOB K. JAVITS,
The United States Senate,
Washington, D. C.

DEAR SIR: At the stated meeting of the Medical Society of the County of New York held on February 25, 1957, the following resolution was adopted:

"Whereas the Medical Society of the County of New York has previously gone on record favoring the inclusion of self-employed physicians in the old-age and survivors (social security) insurance system and in the extended benefits under the Jenkins-Keogh bill, and

"Whereas present laws permit the establishment of approved corporation pension plans with the tax result that employees participating in these plans under the statute do not have to include their employers' contribution in their individual gross income, until pensions are received, and company contributions are deductible by the employer in the year in which made, and

"Whereas the Jenkins-Keogh bill would give an opportunity to the 10 million self-employed individuals in the United States to provide for their own retirement security, and

"Whereas the said bill would do much to reverse the present tax inequity and discrimination against self-employed persons: Therefore be it

"*Resolved*, That the Medical Society of the County of New York go on record as reaffirming its stand favoring the Jenkins-Keogh bill (H. R. 9 and H. R. 10) currently pending before the House Committee on Ways and Means, Washington, D. C.; and be it further

"*Resolved*, That the society transmit the above resolution (or an amended version thereof) to Congressman KEOGH; the chairman of the Senate Finance Committee; and also to United States Senators IRVING M. IVES and JACOB K. JAVITS; and be it further

"*Resolved*, That a suitable notice be published in New York Medicine urging the membership to express their approval, giving reasons therefor, by directing letters or telegrams to their United States representatives in Washington."

Sincerely yours,

WILLIAM L. WHEELER, Jr., M. D.,
Secretary.

BROTHERHOOD WEEK—STATEMENT OF ALBANY (N. Y.) MINISTERIAL ASSOCIATION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on brotherhood, adopted by the Albany (N. Y.) Ministerial Association and the Capitol District Board of Rabbis, relating to Brotherhood Week.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON BROTHERHOOD ADOPTED BY THE ALBANY MINISTERIAL ASSOCIATION AND THE CAPITOL DISTRICT BOARD OF RABBIS, FEBRUARY 1957 AT ALBANY, N. Y.

The ministers and rabbis of the Capitol District would direct the attention of the people of this area to the traditional observance of Brotherhood Week which will take place February 17 through 24, 1957. They would recommend that peoples of all creeds and persuasion join together in occasions of common worship and engage in programs of thoughtful study to the end that friction and misunderstanding be lessened and genuine feelings of brotherhood be fostered and promoted.

The concern of all men and women of good will is invited in particular to the matter of the immigration of dislocated and uprooted peoples into the United States of America.

Outstanding Americans and outstanding American institutions have protested the unfairness and inequities of our present immigration policy as borne into law by the McCarran-Walter Act. President Eisenhower, himself, has characterized the act as "thoroughly undemocratic in its nature." Others who have been outspoken in this regard include former President Truman, the National Council of Churches, the National Catholic Welfare Conference, the Synogogue Council of America, leaders of the American Federation of Labor-Congress of Industrial Organizations, and editors of our greatest newspapers.

The present immigration policy of our Government discriminates against immigrants according to quotas established for various nationalities. These quotas have been set not in accordance with need, but based upon a prejudiced concept of racial and national desirability. The McCarran-Walter Act has created second-class citizenship for naturalized citizens and interferes with earnest efforts to win good will among freedom-loving peoples by offending those nationalities against whom we discriminate.

We ministers and rabbis firmly believe that the greatness of this Nation derives from the wealth of cultures brought here by peoples of countless diverse origins, made possible by our traditional policy of unimpeded immigration and the full-hearted welcome extended to all who knocked upon our doors. Until the 1920's America was ever the great haven of refuge, the warm and sheltering mother. Every newcomer was greeted and welcomed as an asset. And every tyrant and persecuter of these past three centuries has driven into our open arms the fathers and mothers of all who dwell here now. Their hands, their brains, and their hearts have made this Nation great.

One again the world is beset with the problem of homeless people. Homelessness has become a permanent aspect of our times. Wars and political oppression have robbed millions of people like ourselves of their homes and jobs. But now our gates are barred by cruel and unconscionable restrictions.

As religious people, we believe that these unfortunate homeless are our concern. Their plight is a hazard to peace. As freedom-loving people, we are convinced that we must

preserve our American heritage as a friend of the oppressed.

We abhor those provisions of the McCarran-Walter Act which contain national origin quotas, threats to the security of foreign-born citizens, and other violations of America's traditional democratic welcome to all.

We applaud President Eisenhower for his consistent opposition to this law and for his continuing efforts to open our gates to the oppressed of the world.

We call upon the Congress of the United States to amend the McCarran-Walter Act in such a manner, as to reaffirm America's position as the defender of the free human spirit by enacting democratic and workable immigration legislation. Such changes in our national policy would truly constitute translation of idealism into merciful acts of brotherhood.

We ask all religious and thoughtful people in our churches and synagogues and outside to inform themselves on the issues which United States immigration policy presents to their reason and conscience. We ask them to join with us this Brotherhood Week and all weeks of the year to develop positive opinions about the relationship of our present unfortunate policy to the problems of this troubled world.

We have joined together in brotherhood determined to grapple with this problem and have agreed to devote our preaching and teaching during this period to this matter of immigration and the defense of freedom.

Brotherhood Week committee: The Reverend Herbert J. Guth, Third Reformed Church; president, Albany Ministerial Association; Rabbi Solomon Bernards, Knott Terrace Synagogue; president, Capitol District Board of Rabbis; the Reverend Wallace T. Vlets, Calvary Methodist Church; Rabbi Alvin S. Roth, Temple Beth Emeth.

REPORTS OF COMMITTEES

The following reports of a committee were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1291. A bill to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska (Rept. No. 141); and

S. 1482. A bill to amend certain provisions of the Columbia Basin Project Act, and for other purposes (Rept. No. 140).

REPORT ENTITLED "TECHNICAL ASSISTANCE" (S. REPT. NO. 139)

Mr. MANSFIELD, from the Committee on Foreign Relations, pursuant to Senate Resolution 214, 83d Congress, 2d session; Senate Resolution 36, and Senate Resolution 133, 84th Congress, 1st session; Senate Resolution 162, 84th Congress, 2d session; as extended by Senate Resolutions 60 and 99, 85th Congress, submitted a report entitled "Technical Assistance," which was ordered to be printed with illustrations.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Thorsten V. Kalijarvi, of New Hampshire, to be an Assistant Secretary of State;

David K. E. Bruce, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to the Federal Republic of Germany;

Amory Houghton, of New York, to be Ambassador Extraordinary and Plenipotentiary to France;

William J. Sebald, of the District of Columbia, a Foreign Service Officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Australia; and

Elbridge Durbrow, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Vietnam.

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

Olin Hatfield Chilson, of Colorado, to be Under Secretary of the Interior, vice Clarence A. Davis, resigned.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HENNINGS:

S. 1546. A bill to provide for the establishment of the Wilson's Creek Battlefield National Park, in the State of Missouri; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN:

S. 1547. A bill to authorize the appointment of an Assistant Secretary of State for African Affairs; to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of New Jersey:

S. 1548. A bill for the relief of David Del Guidice; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 1549. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. KEFAUVER:

S. 1550. A bill to amend the Administrative Procedure Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HENNINGS:

S. 1551. A bill to extend the educational benefits of the Veterans' Readjustment Assistance Act of 1952 to persons who perform active service in the Armed Forces after January 31, 1955, and before the termination of compulsory military service under existing laws of the United States; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT:

S. 1552. A bill to authorize the Secretary of Agriculture to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes; to the Committee on Agriculture and Forestry.

S. 1553. A bill to increase by $200 million the borrowing authority of the Housing and Home Finance Agency for purposes of making loans for college housing; to the Committee on Banking and Currency.

(See the remarks of Mr. FULBRIGHT when he introduced the above bills, which appear under separate headings.)

By Mr. JAVITS (for himself and Mr. IVES):

S. 1554. A bill to amend the Immigration and Nationality Act so as to provide for the admission into the United States of certain escapees who, because of persecution, have fled from any Communist country or country within the general area of the Middle East; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG (for himself and Mr. LANGER):

S. 1555. A bill for the relief of John Rudolph Mohammed (also known as Ralph Gordon); to the Committee on the Judiciary.

By Mr. YOUNG (for himself, Mr. O'MAHONEY, Mr. MUNDT, Mr. MANSFIELD, Mr. CASE of South Dakota, Mr. LANGER, Mr. MURRAY, and Mr. BARRETT):

S. 1556. A bill granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact relating to their interest in, and the apportionment of, the waters of the Little Missouri River and its tributaries as they affect such States, and for related purposes; to the Committee on Interior and Insular Affairs.

By Mr. JENNER:

S. 1557. A bill for the relief of Dr. Victor Villadolid; to the Committee on the Judiciary.

By Mr. POTTER:

S. 1558. A bill to amend section 1034 of the Internal Revenue Code of 1954 so as to allow a taxpayer who sells his residence 5 years in which to purchase a new residence for the purposes of such section, to the Committee on Finance.

By Mr. MARTIN of Iowa:

S. 1559. A bill to restore the right of persons in the active service to apply for participating national service life insurance; and

S. 1560. A bill to authorize the issue of participating national service life insurance to certain World War II and Korean conflict veterans who apply therefor within 1 year; to the Committee on Finance.

(See the remarks of Mr. MARTIN of Iowa when he introduced the above bills, which appear under separate headings.)

By Mr. HILL:

S. 1561. A bill to amend the Vocational Rehabilitation Act in order to remove the 2-year duration limitation on any course of study in physical medicine and rehabilitation furnished under such act; to the Committee on Labor and Public Welfare.

By Mr. MONRONEY:

S. 1562. A bill for the relief of Winifred C. Lydick; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. MCCLELLAN, Mr. YOUNG, Mr. LANGER, Mr. BRICKER, Mr. BIBLE, Mr. JOHNSTON of South Carolina, Mr. IVES, Mr. SPARKMAN, Mr. HILL, Mr. GREEN, Mr. STENNIS, Mr. SCOTT, and Mr. ERVIN):

S. 1563. A bill to permit a taxpayer carrying on a trade or business in the conduct of which 10 or less persons are engaged to elect to take a standard deduction, in lieu of itemized deductions, for expenses attributable to such trade or business; to the Committee on Finance.

(See the remarks of Mr. THURMOND when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 1564. A bill to improve and extend, through reciprocal legislation, the enforcement of duties of support in the District of Columbia; to the Committee on the District of Columbia.

S. 1565. A bill to establish a medal to be known as the Congressional Medal for Arts and Sciences, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. BUTLER:

S. 1566. A bill for the relief of Arthur Sew Sang, Kee Yin Sew Wong, Sew Ing Lin, Sew Ing Quay, and Sew Ing You; to the Committee on the Judiciary.

By Mr. BUTLER (for himself and Mr. BEALL):

S. 1567. A bill to permit the flying of the flag of the United States for 24 hours of each day on the estate known as Terra Rubra, the birthplace of Francis Scott Key, in Carroll County, Md., and at the grave of Key in Mount Olivet Cemetery, in Frederick, Md.; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. MALONE):

S. 1568. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada; to the Committee on Interior and Insular Affairs.

S. 1569. A bill to provide for the conveyance of certain real property of the United States to the city of Las Vegas, Nev.; to the Committee on Banking and Currency.

By Mr. BUSH:

S. 1570. A bill for the relief of Julia Fodor; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 1571. A bill to amend section 1362 of title 18 of the United States Code in order to provide penalties for malicious damage to certain private communication facilities; to the Committee on Interstate and Foreign Commerce.

(See the remarks by Mr. BRICKER when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 1572. A bill to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 1573. A bill to provide for the making of payments to State tax authorities with respect to Federal real property of amounts equal to the sums which would be paid as special assessments thereon for public improvements if such land were privately owned; to the Committee on Government Operations.

S. 1574. A bill to provide for the disposal of certain Federal property in the Coulee Dam and Grand Coulee areas, to provide assistance in the establishment of a municipality incorporated under the laws of Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GREEN (by request):

S. J. Res. 73. Joint resolution to amend Public Law 843, 80th Congress, as amended, providing for membership and participation by the United States in the International Labor Organization and authorizing appropriations therefor; to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. MCNAMARA:

S. J. Res. 74. Joint resolution to provide for return of the budget to the President with a request that he, in accordance with law, submit to the Congress as soon as possible, specific recommendations in the form of budget amendments as to where and in what amounts, in his judgment, economies can be effected in the budget for fiscal 1958, without curtailing essential functions of the Government or impairing the national defense; to the Committee on Appropriations.

(See the remarks of Mr. MCNAMARA when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

Mr. HENNINGS submitted a concurrent resolution (S. Con. Res. 21) favoring speedy action on the passport application of William Worthy, which was referred to the Committee on Foreign Relations.

(See concurrent resolution printed in full which appears under a separate heading.)

RESOLUTIONS

The following resolutions were submitted and referred, as indicated:

By Mr. JENNER:

S. Res. 112. Resolution concerning procedure on measures when constitutional questions are raised in their consideration; to the Committee on Rules and Administration.

(See resolution printed in full when submitted by Mr. JENNER, which appears under a separate heading.)

By Mr. HUMPHREY:

S. Res. 113. Resolution changing the name of the Committee on Foreign Relations to the Committee on International Relations; to the Committee on Rules and Administration.

(See resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

PROPOSED WILSON'S CREEK BATTLEFIELD NATIONAL PARK, MO.

Mr. HENNINGS. Mr. President, I introduce, for appropriate reference, a bill to provide for the establishment of the Wilson's Creek Battlefield National Park, in the State of Missouri. I ask unanimous consent that a statement prepared by me relating to the bill, together with a resolution adopted by the Wilson's Creek Memorial Park Steering Committee and a roster of the committee members and their duties, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement, resolution, and roster will be printed in the RECORD.

The bill (S. 1546) to provide for the establishment of the Wilson's Creek Battlefield National Park, in the State of Missouri, introduced by Mr. HENNINGS, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement, resolution, and roster presented by Mr. HENNINGS are as follows:

STATEMENT BY SENATOR HENNINGS

For many years the Historical Society of Greene County, Mo., the American Legion, the Chamber of Commerce, and other local patriotic and civic organizations have been interested in obtaining a park to give appropriate recognition to the Civil War battle of Wilson's Creek, which was fought 10 miles west of Springfield, Mo. Like many another citizen of my State and of the Middle West, to whom the history of our country is an inspiration, I have been greatly interested in this project, and last year I introduced a bill to establish a national memorial park on the site of that battle. I am now reintroducing it, in the hope that it may be considered by the Congress at the earliest opportunity.

A ceremony, commemorating the 100th anniversary of that battle, is to be held on the battleground in 1961, and some of the leading citizens of Springfield, and of Greene County, are now doing their utmost to see that this historic soil is appropriately marked and set aside for the education of posterity. A steering committee of these citizens has been formed, and a nonprofit corporation, the Wilson's Creek Battlefield Foundation, Inc., stands ready to give to the Federal Government, by proper conveyance, a 37½-acre tract known as the Bloody Hill portion of that battlefield.

That tract is appropriately named. During 5 hours of fighting in this encounter which helped save the State of Missouri for the Union, more than 2,500 men who wore the Blue or the Gray, were killed or wounded. The casualties in this battle were greater than in any other which was fought west of the Mississippi River. Although the southern forces won a temporary victory, their casualties in men and their losses in supplies and transport were so great that they were forced soon thereafter to withdraw back to Arkansas, relieving St. Louis of all danger of attack.

This was one of the decisive battles of the war. It enabled General Grant to move southward into Kentucky, Tennessee, and Mississippi in the campaign which gave the Union control of all territory west of the Alleghanies. It is interesting to note that there is no memorial park commemorating the story of the War Between the States west of the Mississippi, yet one of the most important campaigns of the war was fought in this area.

The fine people of the Ozark region of Missouri are, of course, imbued with a thorough understanding of the significance of the Wilson's Creek battle. They seek to make its site a place to which many thousands of citizens of the West and Midwest may repair for a day of historical sightseeing and relaxation. This is a wonderful section of our country, rugged and picturesque. It is served by excellent roads, and its economy is now about equally based on agriculture, industry, and the tourist trade.

It is my earnest hope that this Congress will act favorably upon the proposal for this national park, before adjournment of this session, so that patriotic and civic-minded citizens of Greene County may move forward with assurance of success in their planning of the 1961 centennial at Wilson's Creek.

RESOLUTION

At a special meeting of the Wilson's Creek Memorial Park Steering Committee held on February 8, 1957, in Springfield, Mo., a resolution was unanimously adopted as follows:

"*Resolved*, That United States Senator THOMAS C. HENNINGS, JR., be and he is respectfully requested by the Wilson's Creek Memorial Park Steering Committee to introduce a bill to acquire the necessary land and provide for the establishment of a Wilson's Creek Battlefield National Park; and be it further

"*Resolved*, That the committee stands ready to help in any way and at any time to make the Wilson's Creek battlefield site a national park; and be it further

"*Resolved*, That the Wilson's Creek Battlefield Foundation, Inc., a nonprofit corporation, stands ready to give by proper conveyance to the Federal Government its 37½-acre tract known as the Bloody Hill portion of the Wilson's Creek Battlefield."

WILSON'S CREEK MEMORIAL PARK STEERING COMMITTEE,
By JOHN K. HULSTON, *Coordinator*.

The Wilson's Creek Memorial Park Steering Committee organized in June 1956, will continue to operate as a single unit.

The composition of the Steering Committee is as follows:

I. L. E. Meador, representing Wilson's Creek Battlefield Foundation;

I. C. Benton Manley, representing Springfield Chamber of Commerce;

3. James E. Ruffin, representing Goad-Bellinger Post, No. 69, the American Legion;

4. Charles Sheppard, representing Greene County Historical Society;

5. Dr. Francis T. H'Doubler, Jr., representing Springfield Junior Chamber of Commerce; and

6. John K. Bulston.

The objective of the committee shall continue to be to help make the Wilson's Creek battlefield site a national park.

The immediate job of the committee is to assist in the preparation and passage of the bill to be introduced to make the battlefield site a national park. To carry out this job, the committee is preparing a resolution which will be sent Senator THOMAS C. HENNINGS, Jr., on February 14. The resolution will also be forwarded to Senator STUART SYMINGTON and Congressmen CHARLES H. BROWN, A. S. J. CARNAHAN, MORGAN M. MOULDER, GEORGE H. CHRISTOPHER and CLARENCE CANNON.

Specific assignments were made to the members of the committee as follows:

1. Dr. L. E. Meador to be in charge of research, information and education designed to show that Wilson's Creek was a battle of national significance and decisive and to prepare himself for an appearance in Washington, D. C., when called.

2. Dr. Francis T. H'Doubler, Jr., to prepare the necessary information as to the delineation of the battlefield site and as to the vestiges of the titles thereto.

3. Charles Sheppard to act as liaison between the committee and all local, regional, civil, governmental, patriotic, and recreational groups.

4. C. Buxton Manley to act as liaison between the committee and various other States who may be interested parties because they had troops at the Battle of Wilson's Creek, and to be in charge of raising any funds necessary to carry out the immediate objectives of the committee.

5. James E. Ruffin to act as liaison between the committee and Senator HENNINGS and Congressman BROWN and all other interested Senators and Representatives and officials in Washington.

6. John K. Bulston, coordinator of the committee.

ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS

Mr. GREEN. Mr. President, during my recent study mission in Africa, I was greatly disturbed to realize that United States policies toward that continent had failed to keep pace with its quickening development. I was particularly dismayed by our failure to manifest that degree of interest in its future or an understanding of its problems which is commensurate with Africa's rapidly increasing stature in world affairs.

Here is an immense region, whose global importance is rapidly coming to be matched by its vital political significance in the relentless conflict between East and West. Yet at the present time, Mr. President, one single top-level official in the Department of State has charge of South Asian affairs, Near Eastern affairs, and African affairs. This concentration of organization under one Assistant Secretary of State may have had some justification before World War II. However, in view of current world developments, such an arrangement makes it virtually certain that the many and complex issues which are arising in Africa will not get the day-to-day top-level consideration in the Department of State which they require in our interest.

For this reason, Mr. President, I believe it to be essential, if our interests in the African area are to be protected properly, that there be added to the Department of State an additional Assistant Secretary who will have responsibility solely for Africa. The creation of such a post would not only fill a need long manifest, it would also constitute for the peoples of Africa no tangible measure of the new importance which the United States recognizes of their position in world affairs.

I know that many of my colleagues are as much concerned about the need for such an official in the Department of State as I am. In an address delivered on this floor last June, the distinguished Senator from Montana (Mr. MANSFIELD) made a similar recommendation, calling attention to the unrealistic organization of the Department, which lumps African affairs as a kind of appendage to Near Eastern and South Asian matters.

I know that other Senators are equally convinced that our policies toward Africa cannot receive the attention which they deserve unless responsibility for the direction of African affairs is vested in an Assistant Secretary whose functions are restricted to problems of the African continent.

It seems to me, Mr. President, that the creation of such an office is long overdue, and that the national interest will best be served by enacting legislation which establishes an additional Assistant Secretaryship in the Department of State, specifically devoted to African affairs.

I introduce for appropriate reference a bill which will accomplish the objective I have in mind.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1547) to authorize the appointment of an Assistant Secretary of State for African Affairs, introduced by Mr. GREEN, was received, read twice by its title, and referred to the Committee on Foreign Relations.

EXTENSION OF VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

Mr. HENNINGS. Mr. President, I introduce, for appropriate reference, a bill to extend the educational benefits of the Veterans' Readjustment Assistance Act of 1952 to persons who perform active service in the Armed Forces after January 31, 1955, and before the termination of compulsory military service under existing laws of the United States.

Under the two GI bills of World War II and the Korean conflict, millions of our young Americans who had given some years of service to the Armed Forces of this country were enabled to obtain a college education, vocational training, or on-the-job training which has been useful to them and to the country at large. There is no profession, career, or vocation today which does not contain in its ranks a great many people who received their education because of these GI bills.

Our defense industries, our building trades, our hospitals and universities, our schools and our courts are all the better staffed today because of the wisdom of that legislation. I see no reason why our country should be deprived of similar educational opportunities for veterans for as long as we require the services of our young people under the draft.

Individuals who have entered the service since January 31, 1955, are entitled to no GI bill benefits whatsoever. I believe that extension of educational benefits under the GI bill for as long as the draft may continue is the very least that we can do for these young men and women who are giving all that is asked of them for several years of their lives. We should certainly be prepared to give them whatever educational opportunities they may require when they leave the service, and such a program would be of inestimable value to the country.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1551) to extend the educational benefits of the Veterans' Readjustment Assistance Act of 1952 to persons who perform active service in the Armed Forces after January 31, 1955, and before the termination of compulsory military service under existing laws of the United States, introduced by Mr. HENNINGS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

COMMERCIAL PRODUCTION OF CERTAIN FISH

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill which, if enacted, would authorize the Secretary of Agriculture to institute and carry out a program of research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and to develop suitable methods for the harvesting and marketing of such fish crops.

I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1552) to authorize the Secretary of Agriculture to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes, introduced by Mr. FULBRIGHT, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to contract with the University of Arkansas for the establishment of an experiment station or stations within the State of Arkansas for the purpose of carrying on a program of research and experimentation—

(1) to determine species of fishes most suitable for culture on a commercial basis in shallow reservoirs and flooded ricelands;

(2) to determine methods for production of fingerling fishes for stocking in commercial reservoirs;

(3) to develop methods for the control of parasites and diseases of brood fishes and of fingerlings prior to stocking;

(4) to develop economical methods for raising the more desirable species of fishes to a marketable size;

(5) to determine the effects of fish-rice rotations, including crops other than rice commonly grown on rice farms, upon both the fish and other crops;

(6) to develop methods for the control of obnoxious weeds developing in the fish-rice rotation; and

(7) to develop suitable methods for harvesting the fish crop and preparing it for marketing, including a study of sport fishing as a means of such harvest.

SEC. 2. For the purpose of carrying out the provisions of this act, the Secretary of Agriculture is authorized (1) to acquire by purchase, condemnation, or otherwise such suitable lands, to construct such buildings, to acquire such equipment and apparatus, and to employ such officers and employees as he deems necessary; (2) to cooperate with State and other institutions and agencies upon such terms and conditions as he determines to be appropriate; and (3) to make public the results of such research and experiments conducted pursuant to the first section of this act.

SEC. 3. The United States Fish and Wildlife Service of the Department of the Interior is authorized to cooperate in carrying out the provisions of this act by furnishing such information and assistance as may be requested by the Secretary of Agriculture.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

INCREASE OF COLLEGE HOUSING LOAN FUND

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill to increase by $200 million the authority of the Housing and Home Finance Agency to make college housing loans; and I request the appropriate reference of the bill. It would enable the college-housing-loan program to continue at a moderate pace. It is estimated that the present enrollment of 3 million in our colleges and universities will double by 1965, and the continuation of this loan program is essential.

I am prompted to introduce this bill because hearings on general housing legislation will begin next week, and to date the Congress has not received from the President a specific legislative proposal on this subject. The budget message indicated that an increase of $175 million was needed, and would be requested; but I am fearful that this amount is inadequate, and that the request may not reach the Senate in bill form before the hearings begin next week. I anticipate that the hearings will develop convincing evidence to support the need for this proposed legislation.

In this connection, I invite the attention of my colleagues to a recent study prepared by Prof. John D. Long and Dean Arthur M. Weimer, of the University of Indiana, for the American Council on Education. The study delineates the housing problems faced by our institutions of higher education, and indicates the prospects for solving these problems. The study is entitled "Financing of College and University Student Permanent Housing," and it should be most valuable to the Congress as it considers proposed legislation in this field.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1553) to increase by $200 million the borrowing authority of the Housing and Home Finance Agency for purposes of making loans for college housing, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to amend the Immigration and Nationality Act by the inclusion of provisions which would allow the admission, as parolees, of refugees from Middle Eastern countries fleeing persecution on account of religious and political opinions, and it would add escapees from behind the Iron Curtain to the administration's program of admitting parolees. I introduce the bill on behalf of myself and my colleague, the senior Senator from New York [Mr. IVES].

I point out that approximately 12,000 Egyptian Jews have been forced to flee from Egypt because of fear of persecution, and have had their property confiscated. That is a quarter of Egypt's total Jewish population. I think the admission of such persons would fall within the context of the foreign policy of our country, in view of the fact that they are products of Communist machinations, and I respectfully submit that they, too, should be admitted to the United States under the refugee program.

The bill would provide for admission into the United States of certain refugees, who because of persecution, have fled from any Communist country or the following countries in the Mideast—Egypt, Ethiopia, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Saudi Arabia, Sudan, Syria, and Turkey.

The proposed legislation provides that whenever the President finds that it would be in the best interests of the United States to permit the prompt entry of escapees, he may direct the Attorney General to admit refugees who are within the limits of any country which is neither Communist, Communist dominated, nor Communist occupied. The bill limits the number of escapees who may enter in any year to approximately 77,000 and defines escapee as an alien who has fled any Communist-dominated area or from a country in the Middle East because of racial, religious, or political persecution. In the bill, Mideast is defined as the area between and including Libya on the west, Turkey on the north, Pakistan on the east, and Saudi Arabia and Ethiopia on the south.

This bill is similar to the administration measure, S. 1006, providing for the admission of refugees from Communist states, but the Ives-Javits bill would add escapees fleeing the tensions in the Middle East to the list of refugees eligible to enter the United States, and add 10,000 to the number annually admissible under the administration bill to deal with this situation.

We must now recognize that our policy with respect to refugees and escapees is an important part of our overall foreign policy. The flight from Hungary of thousands of refugees and our policy in helping resettle them effectively illustrates that. The plight of those of Jewish faith expelled from Egypt poses another serious problem we must face and there may yet be other eruptions from behind the Iron Curtain.

As I have said, approximately 12,000 Egyptian Jews, according to the latest figures available, have been forced out of or from Egypt as a result of the policy of persecution by Col. Nasser's government. This figure represents almost one-fourth of Egypt's total Jewish population of 50,000.

Certainly, these unfortunate men and women who were expelled or who fled after having been systematically pauperized, maltreated and interned as common criminals because of their adherence to their faith or because they are not Egyptian citizens are no less refugees and no less deserving of sympathetic assistance from the Government and people of the United States than those who were able to escape the terror in Hungary.

This bill would provide for the admittance of a share of these people into the United States as well as establishing the framework for the admission of other groups of escapees whatever their race or religion from future terroristic oppression or from Communist dominated regimes.

One of our tasks in the fight against communism is to provide an attractive alternative to those living under communism, offering those seeking escape from behind the Iron Curtain the prospect of resettlement and realization of their hope to live under free institutions.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1554) to amend the Immigration and Nationality Act so as to provide for the admission into the United States of certain escapees who, because of persecution, have fled from any Communist country or country within the general area of the Middle East, introduced by Mr. JAVITS (for himself and Mr. IVES), was received, read twice by its title, and referred to the Committee on the Judiciary.

RESTORATION OF RIGHT OF CERTAIN PERSONS TO PARTICIPATE IN NATIONAL SERVICE LIFE INSURANCE

Mr. MARTIN of Iowa. Mr. President, I introduce, for appropriate reference, a bill to restore the right of persons in the active service to apply for participating national service life insurance.

The bill, if enacted, would restore, on a permanent basis, authority to issue participating national service life insurance to persons in the active service on and after the date of enactment of the bill under the same terms and conditions

such insurance was available to persons who served prior to April 25, 1951, which was the effective date of Public Law 23, 82d Congress. Persons who apply within 120 days after entrance into active service would be granted insurance without medical examination upon the assumption their good health would continue for that period of time.

In order not to burden the national service life insurance fund with impaired risks, persons who apply more than 120 days after entry into active service, including those in the active service on the date of enactment of the bill, would be required to show good health. Persons insured under the bill would pay the premiums for their insurance. If they met the requirements, they could attach the so-called total disability income rider to their policies.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1559) to restore the right of persons in the active service to apply for participating national service life insurance, introduced by Mr. MARTIN of Iowa, was received, read twice by its title, and referred to the Committee on Finance.

ISSUANCE OF PARTICIPATING NATIONAL SERVICE LIFE INSURANCE TO CERTAIN VETERANS

Mr. MARTIN of Iowa. Mr. President, I introduce, for appropriate reference, a bill to authorize the issue of participating national service life insurance to certain World War II and Korean conflict veterans who apply therefor within 1 year.

The bill would restore for 1 year the right, in effect prior to April 25, 1951, of persons who served between October 8, 1940, and September 2, 1945, to apply for and be granted participating national service life insurance upon payment of premiums and showing of good health. Such persons would also have the privilege of attaching the so-called total disability income rider to their policies. Further, the bill would authorize the issue, under the same terms and conditions, of participating insurance to Korean conflict veterans who served between June 27, 1950, and January 31, 1955.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1560) to authorize the issue of participating national service life insurance to certain World War II and Korean conflict veterans who apply therefor within 1 year, introduced by Mr. MARTIN of Iowa, was received, read twice by its title, and referred to the Committee on Finance.

STANDARD DEDUCTION IN LIEU OF ITEMIZED DEDUCTIONS FOR CERTAIN TAXPAYERS

Mr. THURMOND. Mr. President, on behalf of myself and Senators MCCLELLAN, YOUNG, LANGER, BRICKER, BIBLE, JOHNSTON of South Carolina, IVES, SPARKMAN, HILL, GREEN, STENNIS, SCOTT, and HAYDEN, I introduce, for appropriate reference, a bill to permit a taxpayer carrying on a trade or business in the conduct of which 10 or less persons are engaged to elect to take a standard deduction, in lieu of itemized deductions, for expenses attributable to such trade or business.

Existing tax laws have the practical effect of requiring all small businesses to keep books and other records in order to substantiate itemized trade and business expense deductions as shown on their respective income-tax returns. Theoretically, this is a valid requirement. In the case of small businesses, however, there are many cases where proprietorships, partnerships, and corporations have neither sufficient funds to hire the services of an accountant nor the time and facilities necessary to keep a sufficient accounting record themselves. This is especially true of small retail establishments, tradesmen, and farmers.

This bill is designed to relieve all small businesses from the burden of bookkeeping. It is also designed to relieve the Internal Revenue Service of the time-consuming task of checking the many tax returns of small businesses based on inadequate records. However, the bill is not designed to lower taxes.

The essence of the bill is that any business, whether an individual proprietorship, partnership, or corporation, if it engages less than 10 persons in its business, may, in lieu of itemizing trade or business expenses as is now required, elect to take a standard deduction.

Generally speaking, the business would be required to keep a record of total receipts only. Net taxable business income would be arrived at by deducting the standard deduction from total receipts. The standard deduction would be in lieu of all items of business or trade expense, including the cost of goods sold, depreciation, taxes, insurance, and so forth. In no manner would the proposed bill affect personal deductions of any kind.

It should be pointed out that farming is a small-business enterprise within the meaning of the proposed bill. And today, Mr. President, many of our farmers do not have the time or the facilities to keep the records required for reporting their income-tax deductions.

The amount of the standard deduction would be as follows: On December 1 of each year the Secretary of the Treasury or his delegate would prescribe a percentage figure for each category of trade or business for use in the following year. The application of the appropriate percentage figure to total receipts would result in the sum that the business could subtract from gross income to arrive at net taxable business income.

If the business has kept books and wishes to elect to itemize trade and business expenses, it may do so. However, it would not be compelled to keep books as to trade and business expenses in the event it uses the standard deduction.

Earlier in the year I placed in the CONGRESSIONAL RECORD a concurrent resolution from the South Carolina General Assembly memorializing the Congress to enact this type legislation. I am glad to have these 12 distinguished colleagues join with me today in sponsoring this bill. Congressman JOHN MCMILLAN, dean of the South Carolina Congressional delegation, is introducing in the House today a companion to this bill.

Mr. President, I also ask unanimous consent that the bill may be printed in the RECORD, and that it lie on the table for the rest of the week so that others who have not had sufficient time to consider the provisions of the proposed legislation and who may desire to join us as cosponsors may do so.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from South Carolina.

The bill (S. 1563) to permit a taxpayer carrying on a trade or business in the conduct of which 10 or less persons are engaged to elect to take a standard deduction, in lieu of itemized deductions, for expenses attributable to such trade or business, introduced by Mr. THURMOND (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof a new section as follows:

"SEC. 178. Standard deduction for trade or business expenses of small business enterprises

"(a) General rule: In the case of a taxpayer who is engaged in a trade or business as a small-business enterprise, there shall be allowed as a deduction (in lieu of the deductions allowed by this part, other than this section, which are attributable to the trade or business of such small-business enterprise) an amount equal to the percentage, prescribed by the Secretary or his delegate under subsection (b) for the category to which such trade or business belongs, of the gross income derived during the taxable year from such trade or business.

"(b) Percentage:

"(1) Determination by Secretary or his delegate: The Secretary or his delegate shall, on December 1 of each year, prescribe for each category of the trades or businesses which are carried on by small-business enterprises, the percentage of the gross income derived from the trade or business which will be allowed as a deduction under subsection (a). The percentage so prescribed for each category of trade or business shall be effective for all taxable years ending during the succeeding calendar year. The Secretary or his delegate shall, insofar as possible, prescribe percentages under this paragraph which will relieve small-business enterprises of the burden of keeping detailed records necessary to support the allowance of the deductions allowed by this part (other than this section), but will not relieve any taxpayer from liability for his fair share of the taxes imposed by this chapter on all taxpayers.

"(2) Categories of trades or businesses: For purposes of paragraph (1), the Secretary or his delegate shall divide the trades or businesses which are carried on by small business enterprises into as many different categories as he deems necessary. The determination as to what category of trade or business any particular trade or business belongs shall be made under regulations prescribed by the Secretary or his delegate.

"(c) Election:

"(1) Time and manner: The deduction provided by subsection (a) shall be allowed only if the taxpayer elects to take such deduction at the time of filing his return for the taxable year. Such election shall be made and signified in such manner as the Secretary or his delegate shall prescribe by regulations. If the taxpayer fails to signify, in the manner so prescribed, his election to take the deduction provided by subsection (a), such failure shall be considered his election not to take the deduction provided by subsection (a).

"(2) Effect: If a taxpayer elects to take the deduction provided by subsection (a) he shall not be allowed for the taxable year any deduction under any other section of this part which is attributable to his trade or business. An election under paragraph (1) for any taxable year may not be revoked except with the approval of the Secretary or his delegate. This paragraph shall not apply if it is determined that the taxpayer was not, for the taxable year, engaged in a trade or business as a small business enterprise.

"(d) Small Business Enterprise Defined: For purposes of this section, the term 'small business enterprise' means—

"(1) Incorporated business: Any corporation in which, on each day of the taxable year, 10 or less officers and employees are actively engaged in the conduct of the trade or business of the corporation.

"(2) Unincorporated business: Any individual proprietorship or partnership in which, on each day of the taxable year, 10 or less persons (including the proprietor or the partners) are actively engaged in the conduct of the trade or business of the proprietorship or partnership.

"The determination of whether an officer or employee of a corporation is actively engaged in the conduct of the trade or business of the corporation and of whether a person is actively engaged in the conduct of the trade or business of a proprietorship or partnership shall be made under regulations prescribed by the Secretary or his delegate.

"(e) Exception: This section shall not apply to any trade or business carried on by a taxpayer which consists of the performance of services by the taxpayer as an employee."

(b) The table of sections for such part is amended by adding at the end thereof:

"SEC. 178. Standard deduction for trade or business expenses of small business enterprises."

SEC. 2. The amendments made by this act shall apply only to taxable years ending after December 31, 1957.

PENALTIES FOR MALICIOUS DAMAGE TO CERTAIN COMMUNICATIONS FACILITIES

Mr. BRICKER. Mr. President, I introduce, for appropriate reference, a bill to amend section 1362 of title 18 of the United States Code. This bill provides penalties for malicious damage to certain private communications facilities.

The proposed legislation would make unlawful any willful or malicious act which injures or destroys any of the works, property, or material of any radio, telegraph, or telephone system leased by the United States or leased, operated, or controlled by any common carrier, as defined in section 3 (h) of the Communications Act of 1934. Section 1362 of title 18 of the United States Code already provides penalties for willful or malicious damage to any means of communication operated or controlled by the United States, but existing penalties do not extend to damage inflicted on communications systems leased by the Government or those leased, operated, or controlled by federally regulated common carriers.

Our commercial communications system is essential to the Strategic Air Command, the Ground Observer Corps, and, in general, to the effective functioning of our defenses against enemy aircraft. It is entirely conceivable that any act of sabotage against any segment of our commercial communications system might gravely endanger the safety of the Nation and might result in the loss of hundreds of thousands of lives. For that reason, I believe that State legislation relative to malicious damage to private communications facilities should be supplemented and reenforced by the additional power which would be given to the Federal Government by the bill I am introducing.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1571) to amend section 1362 of title 18 of the United States Code in order to provide penalties for malicious damage to certain private communications facilities, introduced by Mr. BRICKER, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

APPROPRIATIONS FOR PARTICIPATION IN INTERNATIONAL LABOR ORGANIZATION

Mr. GREEN. Mr. President, by request, I introduce, for appropriate reference, a joint resolution which would increase from $1,750,000 to $3 million the ceiling on the annual contributions of the United States to the International Labor Organization.

This increase has been requested by the Secretary of State, and I am introducing the appropriate proposed legislation in order that there may be a specific joint resolution to which the public and Members of the Senate may direct their comments.

I reserve my right to support or oppose this joint resolution, as well as any suggested amendments to it, when this matter is considered.

I ask unanimous consent that the joint resolution may be printed at this point in the RECORD, together with a letter from the Secretary of State to the Vice President in regard to it.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and without objection, the joint resolution and letter will be printed in the RECORD.

The joint resolution (S. J. Res. 73) to amend Public Law 843, 80th Congress, as amended, providing for membership and participation by the United States in the International Labor Organization and authorizing appropriations therefor, introduced by Mr. GREEN (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the following law of the United States is hereby amended in the following particulars:

Public Law 843, 80th Congress, as amended by section 1 (c) of Public Law 806, 81st Congress, is hereby further amended by striking out the figure "$1,750,000" in subsection (a) of section 2 thereof and inserting in lieu thereof the figure "$3,000,000."

The letter presented by Mr. GREEN is as follows:

JANUARY 31, 1957.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: I submit herewith a proposed draft amendment to Public Law 843, Eightieth Congress, as amended, to increase from $1,750,000 to $3 million the authorization of the amount which may be appropriated to provide for the annual contributions of the United States to the International Labor Organization.

On July 15, 1956, letters were addressed to you and to the Speaker of the House by the Acting Secretary of State requesting favorable congressional action to establish new statutory ceilings of $3 million on the amount of the United States contributions to the Food and Agriculture Organization and the International Labor Organization. Detailed statements in support of this request were attached. The substance of the request was ultimately embodied in S. J. Res. 97, 84th Congress, 2d Sess., but this resolution was not acted upon by the Congress. The statutory ceiling for United States contributions to the Food and Agriculture Organization was raised to $3 million by the provisions of Public Law 726, 84th Congress, but no similar action was taken by the Congress concerning the International Labor Organization.

The 29th International Labor Conference adopted a budget of $7,617,708 for 1957. The United States has been assessed 25 percent of this amount or $1,904,427 but a credit has reduced the assessment to $1,792,117 which is some $42,000 above the present statutory ceiling. Unless favorable action by the Congress is forthcoming the United States will be unable to pay its full assessment for 1957. Furthermore there are strong indications that the scale of assessments will be revised during 1957 and that the United States will be assessed more than 25 percent for future years. If the present ceiling of $1,750,000 is not increased, the United States will not only be in arrears on its payments but will have very limited flexibility for negotiations, especially in connection with the scale of assessments. The Department of State and the Department of Labor are convinced that the United States would be in a better position to secure the most favorable solution on this issue as well as on other important issues if our Government is not forced to take a negative position. The proposed increase of the statutory ceiling to $3 million would provide the flexibility which is desired.

In view of the above-mentioned facts it is hoped that the Congress will take favorable action on this request as early as possible in the current session.

A similar communication is being sent to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposal to the Congress for its consideration.

Sincerely yours,

JOHN FOSTER DULLES.

RETURN OF BUDGET TO THE PRESIDENT FOR CERTAIN RECOMMENDATIONS

Mr. MCNAMARA. Mr. President, in 1921 Congress saw fit to pass the Budget

and Accounting Act, creating the Bureau of the Budget under the Treasury Department. It directed the President to submit to the Congress his proposed budget. It provided that:

"The budget shall set forth in such form and detail as the President may determine:

"(a) estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year."

In 1939, all functions and personnel of the Bureau of the Budget, by Executive order, were transferred to the Executive Offices of the President. This order provided "that the Bureau should be administered by the Director of the Bureau of the Budget under the direction and supervision of the President."

In 1950, the statute creating the Bureau of the Budget was amended to provide that "the budget shall set forth, in form and detail, as determined by the President, the functions and activities of the Government."

On January 16, 1957, President Eisenhower, apparently in compliance with the foregoing statute, presented to Congress for its consideration a $72 billion budget supposedly representing his best judgment on estimated expenditures of the executive arm of the Government for the fiscal year 1958.

That very same day, that is, on January 16, George Humphrey, his Secretary of the Treasury, urged, in a press conference, that the budget be cut. He expressed the thought that leadership must come from the executive branch for cuts in the budget and of necessity from the White House. It was at this press conference that he made his now-famous "depression that will curl your hair" comment unless expenditures were drastically reduced. Later, at his press conference, the President added to the confusion by agreeing with Mr. Humphrey's contention that the budget should be cut.

Percival F. Brundage, Director of the Bureau of the Budget, then got into the act. On March 1, 1957, he told a subcommittee of the House that whereas Government departments and agencies have been asked to propose budget cuts he had little hope that material reductions could be made. He added that he had no specific suggestions for cutting the fiscal 1958 budget. Mr. Brundage, it will be remembered, is the gentleman directed by law to counsel and advise the President in the preparation of the budget.

A few days later the scene shifts to Detroit, Mich., where on March 6, Mr. Humphrey told a Republican fund-raising dinner that he is confident that "specific and substantial" cuts can be made in President Eisenhower's budget without impairing security or public service. He added that "we have asked Congress to cooperate with us" in trimming Mr. Eisenhower's proposed budget.

To say that the conflicting remarks of the President, Mr. Humphrey, and Mr. Brundage are confusing is to make the understatement of the year. Even the staid old Saturday Evening Post, never noted for any animosity toward the President, in a recent editorial referring to the statements of Mr. Humphrey and the President that the Congress look for hundreds of items where cuts could be made, pointed out that "it is the responsibility of the Budget Bureau and the Executive to point to these hundreds of items."

I suppose we could go on indefinitely listening to the Humphrey chant of "Yes, we can," the Brundage refrain, "No, we can't," and the President's soft echo, "Perhaps you both are right." But this is hardly in keeping with the duties and responsibilities of the President.

The duties of the President and his Bureau of the Budget, under the statute are clear. Obviously someone has fallen down on the job. I can see no alternative but for the Congress to return the proposed budget to the President.

It is for this purpose that I introduce, for appropriate reference, a resolution calling the President's attention to his duties under the law with respect to the budget, together with a request that he submit as soon as possible, pertinent recommendations as to whether the budget can be cut and if so, where and in what amounts.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 74) to provide for return of the budget to the President with a request that he, in accordance with law, submit to the Congress as soon as possible, specific recommendations in the form of budget amendments as to where and in what amounts, in his judgment, economies can be effected in the budget for fiscal 1958, without curtailing essential functions of the Government or impairing the national defense, introduced by Mr. McNamara, was received, read twice by its title, and referred to the Committee on Appropriations.

PASSPORT APPLICATION OF WILLIAM WORTHY

Mr. HENNINGS. Mr. President, I submit, for appropriate reference, a concurrent resolution by which the sense of both Houses of Congress will be expressed that the State Department reverse its position on the passport application of Mr. William Worthy.

I read in a recent newspaper that a request for a new passport by Mr. Worthy had not been granted by Secretary of State John Foster Dulles' aids in the State Department. It will be recalled that Mr. Worthy defied the arbitrary and adamant position taken by Mr. Dulles in forbidding travel by any American citizen to mainland China, regardless of the reason for that travel, and regardless of whether he knowingly went entirely at his own risk.

I have taken the position that if Mr. Dulles' narrow and illogical policy does not amount to the denial of the constitutional right to freedom of movement, it at least results in what amounts to serious censorship of the United States news coverage.

For a number of years the American public has been forced to rely for its news about China upon foreign news sources. During part of this time, the Chinese Communists have forbidden the entry of American newsmen. Now that China is willing to grant entry to representatives of the United States press—and to publicly guarantee them safe treatment—our shortsighted State Department completely reverses its course and says they are forbidden to go.

Mr. William Worthy—and two representatives of Look magazine—defied Mr. Dulles' fiat and went to Red China to have a look for themselves. At last, Americans have had a chance to view Communist China through the eyes of anti-Communist American newsmen.

As I recall, when Mr. Dulles first learned that these newsmen had gone to China, he threatened criminal prosecution upon their return. Apparently he has been unable or unwilling to carry out this threat. However, he is retaliating against Mr. Worthy by refusing to grant a new passport to him. The resolution which I submit would make it plain that it was the sense of the Senate that Mr. Dulles should reverse himself—as he has done in so many other matters—and grant the passport application to Mr. Worthy.

Although this resolution deals with a single passport application, I think its ramifications are very wide. It deals with one element of the principle of freedom of information which is so important to a dynamic and informed public opinion in a democratic society.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Edward W. Barrett, dean of the Graduate School of Journalism at Columbia University, entitled "Diplomacy, Press, and China," which appeared in the Saturday Review. Dean Barrett has presented a praiseworthy analysis of the issues involved in the denial of passports to newsmen, and I commend it to the attention of my colleagues.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 21) was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the passport application of Mr. William Worthy be acted upon favorably and without delay.

The article presented by Mr. HENNINGS is as follows:

DIPLOMACY, PRESS, AND CHINA

Back in December 1949 the dictators of Red China expelled non-Communist newspaper correspondents. The United States protested lustily, then and thereafter, against the suppression of free news reporting.

Today Red China has reversed itself, offering visas to American correspondents. The State Department, in turn, has obdurately opposed their going into China.

After a procession of strange events and stranger argumentation, we appear to the world as opposing a free flow of information, which the Red Chinese now profess to favor. To some, we and they seem to have battled our way into each other's shoes.

The State Department is not utterly without a case. Any American correspondent in Red China, however much he professes to be on his own, automatically becomes a

cause celebre, engaging the prestige of his country as soon as he is jailed or shot up. "Freedom of the press," that sometimes abused term, should not automatically be accepted as an argument without examination. And anyone who has ever been a State Department official groping for ways to free American held hostage by Communists can understand the Department's tendency to clutch desperately at any bargaining device it can find.

But basic, far-reaching issues are involved. They make it wise for responsible citizens to weigh the question with care.

The present chapter began last August, when Red China suddenly offered visit visas to some 30 American correspondents, most of whom had sought entry for months or years. The State Department announced it would not permit such visits so long as Communist China continued to hold as "political hostages" 10 American citizens whom it had previously promised to release. Moreover, it argued, it couldn't provide any protection for news reporters in China.

In telegrams and editorials, leading press figures protested that communism thrives on darkness and that the retention of an iron curtain of our own violated basic American principles. Press associations and newspapers laid plans to send correspondents into Communist China, irrespective of the ban.

At that point the State Department announced that the President had indicated his "full concurrence" in the State Department's new policy. The great majority of the press protests subsided—leaving the odd impression that a wrong principle somehow becomes right as soon as President Eisenhower concurs in it.

Actually, the subsiding followed a large amount of backstage wire-pulling. In private, top-ranking officials had pleaded with editors and publishers. They said Alexis Johnson, United States representative in the interminable Geneva negotiations over the release of Americans held prisoner in Red China, was in a tough spot: He had insisted that no Americans would be permitted to enter Red China until the captives were released; he was using the issue of correspondents as a bargaining weapon. If the press now went ahead and sent correspondents anyway, the officials argued, it would undercut Johnson's whole case and even "jeopardize the lives of American citizens."

Reluctantly key editors agreed to cooperate, at least one of them specifying that he would do so only if the President himself publicly concurred in the State Department's argument. Mr. Eisenhower's "full concurrence" followed. In succeeding months the press held its tongue—with the notable exceptions of the trade journal Editor and Publisher, Herbert Brucker of the Hartford Courant, and a few others.

Finally 3 reporters, 2 from Look magazine and 1 from the Afro-American newspapers, went into China anyway. They scouted around, sent cables without censorship, interviewed at least one of the American captives, and departed. State Department representatives made awkward, ineffective efforts to pick up their passports, and the Department repeatedly mumbled threats of canceling passports and of seeking prosecution under the Trading with the Enemy Act.

At a press conference early in February, Secretary Dulles stuck to his position, marshaling a rather astounding array of arguments for doing so. In effect, he said American newspaper organizations could not send reporters to Communist China because (a) the United States doesn't recognize Communist China and hence cannot protect any reporters there; (b) the Red Chinese are seeking to hand-pick reporters and use them as channels for its own propaganda; (c) the Communists are now trying to blackmail us by offering to free the captives if we send correspondents, and we don't propose to knuckle under; (d) the Chinese Communist government is an untrustworthy, inhuman regime that doesn't deserve cooperation or respectability.

Incredulous Washington correspondents scratched their heads at the implication that the Chinese were now seeking to blackmail us into doing what Alexis Johnson had been trying to do all along.

The whole subject is a fascinating, if complex, test of the hitherto basic American policy of advocating the greatest possible flow of competently reported news. Broken down into its component questions, the issue looks about like this:

1. Knowing that Communist China is inhuman, untrustworthy, and vicious, why should we lend it the respectability it is seeking by sending in correspondents?

It is precisely because the Communists are disregarding the basic decencies of civilization that news organizations want to send reporters to learn and tell all they can about what is really going on. Conceivably, the best way of freeing the 10 American captives is to report every available fact about them and their condition. Throughout history, the news that has warranted public attention and aroused the public to action has been news about scoundrels. Any other course, as has been said, would be like a newspaper refusing to report the doing of a crooked politician because he isn't nice to reporters.

If the civilized world were to follow to the extreme the policy now indicated by the State Department, it would withdraw reporters from Russia and Hungary and thereafter rely for information on the official Communist propaganda output. Indeed, the free world knew of last year's outrages in Hungary mainly because of reporters who took risks. Our Government itself had to rely heavily on press reports during the crisis weeks.

2. Should we permit reporters to go to an area where the State Department cannot afford protection?

We always have. We did so in the Soviet Union and its satellites for years. War correspondents have never been under an illusion that our defense forces guaranteed their safety.

3. Would American correspondents obtain the full truth even if they were in Communist China?

The answer is clearly no. Obtaining news is always difficult in an authoritarian state. But they would bring the American people far more of the truth than now comes through roundabout channels and through official Communist propaganda. Even the most ruthless censorship, incidentally, cannot prevent the reporter from telling all when he leaves the censoring country.

4. What about Mr. Dulles' argument that the Chinese Communists are handpicking the correspondents in order to use them as a channel for propaganda?

Among those seeking and now offered Chinese visas are some of the most respected individuals in American journalism. They are the kind who are not easily taken in by public figures here, let alone by Communists abroad. (American journalists as a class are as skeptical a group of citizens as exist. An occasional correspondent is gullible, including perhaps a small minority of those on the Chinese visa list. But the idea that a government must protect the gullible press from being used is enough to cause our Founding Fathers to spin in their graves.

5. Why yield to Communist blackmail by letting correspondents go into China in return for the freeing of American captives?

If Red China were indeed seeking such a deal, it would be a remarkable occurrence. It would be, as James Reston expressed it, "the best offer from the Communists since the invention of vodka."

The theory that we should steer away from doing anything that the Communists are willing to have us do presupposes Communist omniscience. If carried to the logical extreme, it would mean that we would never cover the news in a hostile state that permits us to do so.

6. Have the Communists really adopted this new blackmail-deal approach?

Neither the CIA nor the President knew about it at the time Mr. Dulles used it as an argument in his press conference.

No one who has worked with Foster Dulles entertains doubts about his knowledge and mental capacity. We find ourselves, therefore, concluding that at least in this case he is indulging in the lawyer's practice of inconsistent pleading—the technique of presenting to the court every conceivable argument, without regard to consistency, on behalf of a client and inviting the judge to take his choice. Some able lawyers have attached more importance to this technique than to factual precision. Mr. Dulles may have forgotten that a press conference is not a court.

7. Isn't it true that any correspondent in Communist China, even if he formally foregoes government protection, can involve his nation in an international incident?

Obviously it is true, and the point clearly deserves attention. The ability of the American people to be informed, however, will be seriously impaired when we drop the principle of permitting reputable reporters from entering, at their own risk, unsafe areas abroad or at home.

8. Is the right of a citizen to travel abroad an item to be granted, withheld, or rescinded according to the judgment of 1 man or 1 department?

The courts are casting increasing doubt on this. Long before the Eisenhower administration took office a legally dubious practice developed within the Department of State. Individuals considered as holding extremist views were denied passports without hearings and without any formal proceedings. The courts have now started whittling away at such administrative practice. There is a growing belief that the passport and the right to roam the globe should be denied only in cases of clear and present danger to the Nation, provable in open hearings and subject to judicial review.

On balance, the State Department's new policy appears clearly ill-advised. The sound course obviously would be for the Department to announce simply that any reporter entering Red China does so at his own risk, with no right to claim official United States protection.

Perhaps this is one of those rare cases where a government should and could admit to an error and frankly reverse itself. If it won't do so, the American press can force the issue in the courts. It is time for a highest level clarification of whether the right of citizens to roam the globe and the obligation of the press to pursue news everywhere can be used as pawns in a diplomatic chess game, however important the match.

The founders of the Nation believed deeply that truth could stand against all comers in the market place. They wove the principle of an unimpeded flow of information into our constitutional fabric. Throughout most of the cold war our Government, including President Eisenhower, impressed the world by stoutly opposing iron and bamboo barriers to the flow of information. The principle is basic. It is doubtful that even the highest minded official should be permitted to use a fundamental principle as an item of bargaining in international negotiations.

AMENDMENT OF RULE RELATING TO CONSIDERATION OF CERTAIN MEASURES

Mr. JENNER. Mr. President, it is one of the outstanding achievements of the Constitution that it establishes a system

of government embodied in a fundamental charter, approved by the sovereign people. This fundamental law cannot legally be changed by legislative majority or executive action, but only by processes laid down in the Constitution itself, which require the consent of most of the sovereign people to any proposed change.

In the past we have relied chiefly upon judgments by the Supreme Court to declare unconstitutional any laws or acts which exceeded the powers granted in the Constitution. Such judgments were invoked by suits brought in the courts by private citizens or others, to establish rights threatened by the acts or laws in question.

In recent years the problem of legislation beyond the bounds of the Constitution concerns chiefly laws granting additional powers to the executive branch. The executive branch is under no legal requirement to bring suit in court to prove it has been granted too much power. This means, however, that the American people are without their traditional means of limiting, barring, or rescinding legislation which grants unconstitutional powers in areas which are detrimental to our liberty and our security. The duty to remedy this gap in our defense of the Constitution falls on Congress.

Members of the Senate can, under our established procedure, call for a vote of the Members of this body on the question of constitutionality of any measure. A majority vote decides the issue.

This remedy, however, is not sufficient to meet the requirements of the Constitution, which clearly intends that changes shall not be made in the Constitution with majority approval only.

It is time, I believe, for Congress to establish stronger defenses against either legislative or executive acts which, in effect, amend the Constitution by extending the powers of the executive branch far beyond its constitutional limits, and remove the checks which preserve our system of limited government under law.

I believe we in this body must set up stronger barriers to legislation which would give the executive branch powers the legislative branch does not have the right to bestow.

I submit a resolution which would amend the Senate rules, and establish a regular procedure in the Senate for a careful test of the constitutionality of any bill or resolution which is challenged by any Member.

In my opinion, nothing will contribute so much to restoring a strong sense of unity among the American people, in dealing with foreign and military matters, as assurance that the Congress has procedures for insuring that every doubtful measure shall be judged for its constitutionality before legislative action is completed, and that bills granting doubtful or unconstitutional powers to the executive branch will never again pass the barriers which Congress hereby erects, in defense of our system of limited government under law.

Mr. President, I submit the resolution, and ask for its appropriate reference.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 112) submitted by Mr. JENNER was referred to the Committee on Rules and Administration, as follows:

Resolved, That section 3 of rule XIV of the Standing Rules of the Senate is amended by inserting "(a)" after "3." and by adding at the end of such section a new subsection, as follows:

"(b) Whenever a Senator makes the point of order that any provision of any bill, joint resolution, or other resolution which is under consideration by the Senate is not in conformity with the Constitution of the United States, the question with respect to the constitutionality of such provision shall be referred to the Committee on the Judiciary for a full report thereon; and no further consideration shall be given to such bill, joint resolution, or other resolution until the Committee on the Judiciary has reported to the Senate on such question and the Senate has decided, by a vote of two-thirds of its members present and voting, that such provision is in conformity with the Constitution of the United States."

CHANGE OF NAME OF COMMITTEE ON FOREIGN RELATIONS TO COMMITTEE ON INTERNATIONAL RELATIONS

Mr. HUMPHREY. Mr. President, I submit, for appropriate reference, a resolution which would change the name of the Committee on Foreign Relations to the Committee on International Relations. I ask unanimous consent that the text of the resolution be printed at this point in my remarks.

There being no objection, the resolution (S. Res. 113) submitted by Mr. HUMPHREY was ordered to be printed in the RECORD, as follows:

That subsection (1) (l) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations." Subsection 6 (a) of rule XVI of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations."

Mr. HUMPHREY. Mr. President, even before World War II, although some people did not realize it, we had reached a point in American history where our dealings with other nations were no longer foreign to us. Yet even now, here in Washington and across the country, we Americans still talk too much about our foreign policy. The phrase is obsolete. It is not only obsolete, but it is disruptive. It creates suspicion and fosters distrust. I think it is highly important that we learn to talk instead about our international policy.

Frankly, and I know many of my colleagues agree, there is no longer even any domestic policy which is unrelated to our international policy. Nor is there anything within the framework of our so-called foreign policy which does not affect us deeply here at home. It is high time that the Senate itself formalized its awareness of the changed world in which we live by adopting a more appropriate title for its most important committee.

It is time that we changed the title of the Committee on Foreign Relations to the Committee on International Relations. Such a new designation would be both more palatable to our friends abroad and more characteristic of our relations as they actually exist today.

I am aware of the importance of precedents in the functioning of the Senate. Consequently I want to stress that my suggestion is not new in terms of Senate procedure. For instance, the name of the Committee on Expenditures in the Executive Departments, so designated by the LaFollette-Monroney Act, was changed as late as 1952 to the Committee on Government Operations. That change, like the one I propose today, resulted in a more accurate description of the committee's functions and duties. I am sure that few would dispute the statement that a change in title for the Committee on Foreign Relations to the Committee on International Relations would be in tune with the spirit which motivates our country today in its efforts in the international field.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 113) submitted by Mr. HUMPHREY was received and referred to the Committee on Rules and Administration.

WAR CLAIMS ACT OF 1948 AND TRADING WITH THE ENEMY ACT—AMENDMENTS

Mr. YOUNG submitted amendments, intended to be proposed by him, to the bill (S. 600) to amend the War Claims Act of 1948, as amended, and the Trading With the Enemy Act, as amended, and to provide for the payment of certain American war-damage claims, which were referred to the Committee on the Judiciary and ordered to be printed.

FINANCIAL INSTITUTIONS ACT OF 1957—AMENDMENTS

Mr. O'MAHONEY submitted an amendment, intended to be proposed by him to the bill S. 1451, to amend and revise the statutes governing financial institutions and credit, which was ordered to lie on the table and to be printed.

Mr. FULBRIGHT (for himself, Mr. SPARKMAN, Mr. DOUGLAS, Mr. MONRONEY, and Mr. CLARK) submitted amendments, intended to be proposed by them, jointly, to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS (for himself and Mr. MONRONEY) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1451, supra, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS (for himself and Mr. CLARK) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1451, supra, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS (for himself, Mr. MONRONEY, and Mr. CLARK) submitted amendments, intended to be proposed by them, jointly, to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

Mr. SPARKMAN (for himself and Mr. MAGNUSON) submitted amendments, intended to be proposed by them, jointly, to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

PROPOSED NATIONAL OUTDOOR RECREATION RESOURCES REVIEW COMMISSION—ADDITIONAL COSPONSORS OF BILL

Mr. ANDERSON. Mr. President, when I introduced Senate bill 846, for the establishment of a National Outdoor Recreation Resources Review Commission, I invited a number of Senators to join me. However, the names of some of those wishing to join in sponsoring this legislation did not reach me in time to have their names printed on the bill. I understand there has been a big demand for copies of this legislation and a reprinting will likely be necessary. I, therefore, ask unanimous consent that when the bill is reprinted the names of the Senator from Oregon [Mr. MORSE] and the Senator from South Dakota [Mr. MUNDT] be printed as cosponsors of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REVISION OF FEDERAL ELECTION LAWS—ADDITIONAL COSPONSOR OF BILL

Mr. HENNINGS. Mr. President, I ask unanimous consent to have the name of the distinguished senior Senator from Rhode Island, and my predecessor as chairman of the Senate Rules Committee, the Senator from Rhode Island [Mr. GREEN] added as a cosponsor of the bill (S. 426) which I introduced on January 9, to revise the Federal election laws.

The PRESIDENT pro tempore. Without objection, it is so ordered.

INCOME TAX REDUCTION FOR POLITICAL CONTRIBUTIONS—ADDITIONAL COSPONSOR OF BILL

Mr. HENNINGS. Mr. President, I ask unanimous consent, too, to have the name of the very able junior Senator from New York [Mr. JAVITS] added as a cosponsor of S. 920, the bill I introduced on January 29, which would allow citizens to deduct up to $100 a year from their taxable income for political contributions to candidates for elective Federal offices.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXPANSION OF FARM-CREDIT PROGRAM—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, the name of the distinguished junior Senator from Pennsylvania [Mr. CLARK] was inadvertently omitted from the list of cosponsors of Senate bill 1533, a farm credit bill, when it was introduced in the Senate on March 6. I wish to have the RECORD show that the Senator from Pennsylvania [Mr. CLARK] is a cosponsor of that measure. I ask unanimous consent that if a reprint of the bill is made, his name appear as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF FAIR LABOR STANDARDS ACT—ADDITIONAL COSPONSOR OF BILL

Mr. STENNIS. Mr. President, I ask unanimous consent that the name of the junior Senator from South Carolina [Mr. THURMOND] may be added as a cosponsor of the bill (S. 1418) to amend the Fair Labor Standards Act of 1938, as amended, with respect to handling of agricultural commodities, and for other purposes, introduced by me, for myself, the Senator from Florida [Mr. HOLLAND], and the Senator from Iowa [Mr. HICKENLOOPER], on February 27, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GREEN:

Address entitled "A Contribution to International Friendship," delivered by him at the ninth annual Bucknell-Burma Weekend, at Bucknell University, Lewisburg, Pa., on Saturday, March 2, 1957.

By Mr. WILEY:

Address by him on the subject "Prosperity for America," delivered by transcription over Station WGN, Chicago, on March 10, 1957.

By Mr. HENNINGS:

Statement prepared by him dealing with the problem of juvenile delinquency among American Indians.

By Mr. PAYNE (for Mr. MUNDT):

Article entitled "United States Academy for Diplomats," written by George Todt and published in the Valley Times, of North Hollywood, Calif., of March 6, 1957, together with statement by Senator MUNDT.

REAR ADM. RICHARD E. BYRD

Mr. SALTONSTALL. Mr. President, it is my sad duty to announce to the Senate the passing of Adm. Richard E. Byrd, United States Navy, retired. In a day when most frontiers in the world have vanished, he found new ones to penetrate. He was on board the first airplane to fly over the North Pole and the first plane to fly over the South Pole. He was on the first multiengined aircraft to fly nonstop across the Atlantic. He had taken part in 5 expeditions to the South Pole and 2 to the North Pole. He gave to his country important and meritorious service on the fighting fronts in two world wars.

Very early in his naval career, Admiral Byrd realized the significance of the polar regions, both from the strategic and other aspects; and his many expeditions contributed vast areas of land and water to which the United States has laid claim, and also new scientific knowledge of great value.

His honors were many. They included the Congressional Medal of Honor, the highest award this Nation can give. He was honored by four Presidents of the United States. Calvin Coolidge, Herbert Hoover, and Franklin D. Roosevelt presented him with medals, and Dwight Eisenhower appointed him officer in overall charge of our permanent unit for Antarctic activity. Congress awarded him special medals on 3 occasions, in 1930, 1937, and 1946. He held the Navy Cross, the Navy Distinguished Service Medal, the Navy Flying Cross, the Legion of Merit, and many other citations. He held more than 65 other medals from governments, and more than 200 awards from private organizations, including the National Geographic Society. He had 18 honorary degrees. When he was made a rear admiral he was only 41, the youngest to hold that rank at that time.

Less than a month ago, on February 21, in a ceremony held in his home in Boston, Adm. Arleigh Burke, Chief of Naval Operations, pinned on Admiral Byrd the Medal of Freedom, as the result of his fifth and last expedition to the Antarctic region during 1955 and 1956. The citation presented to him at that time bore these words:

TO REAR ADM. RICHARD EVELYN BYRD, USN, RETIRED, FOR EXCEPTIONALLY MERITORIOUS SERVICE TO THE UNITED STATES

As officer in charge, United States Antarctic programs, since October 21, 1955, Admiral Byrd has demonstrated outstanding leadership and great skill. By virtue of his unparalleled experience, he has made a unique contribution to the Antarctic expeditions of the past 3 years, the development of permanent Antarctic legislation and international scientific understanding and good will.

He has exercised his special talents in the promotion of United States interests in the Antarctic with foreign countries and has personally laid the groundwork for the present large-scale Antarctic effort of the United States.

These accomplishments represent a lifetime of service which has encompassed unequalled exploits of skill, daring, and imagination, including a flight across the Atlantic Ocean, the initial flights across the North and South Poles and five historic expeditions to Antarctica.

His actions and performance of these duties have been in keeping with the highest traditions of the United States Government service. It gives me great pleasure to award Admiral Byrd the Medal of Freedom.

He was the greatest explorer of our times. He paved new ways.

I am proud that he made Massachusetts his second home for 36 years. Our sympathy goes to his widow, who supported him in all his endeavors; to his distinguished brothers, one of whom is our respected colleague the Senator from Virginia [Mr. BYRD]; to his son, Richard, Jr.; and to his three daughters.

Mr. JOHNSON of Texas. Mr. President, I should like to associate myself with the statement made by the senior Senator from Massachusetts. The passing of Rear Adm. Richard E. Byrd can

only be described as a great national tragedy.

By any standards that can be devised, Admiral Byrd was one of the towering figures of our time. His life was marked by gallantry, bravery, and an unquenchable desire to serve his country.

To Admiral Byrd the unknown represented a challenge—a challenge which he was compelled to face. And, because of that compulsion, the vast mysterious spaces of the earth's last frontier were brought within the realm of human knowledge.

But Admiral Byrd was much more than a great historical figure. He was a man of character—a member of a family which has helped to shape our country's history from its earliest beginnings.

No one, liberal or conservative, can look into the face of a Byrd and fail to see integrity, patriotism, and profound conviction. That was true of Admiral Byrd; it is true of our colleague; it is true of young Richard Byrd and his brother, Harry, Jr.

Mr. President, I am well aware of how inadequate words can be on an occasion such as this. But I believe there is one note of consolation that can be sounded for the grieving family.

It is that Admiral Byrd has carved for himself a permanent place in the history of our Nation and in the history of the world. In a very real sense, he will never leave us.

So long as there are men who love bravery, men who value gallantry, and men who seek to push back the frontiers of human knowledge, the name of Richard E. Byrd will be a living and imperishable force.

Mr. ROBERTSON. Mr. President, it has been the privilege of the junior Senator from Virginia to know the Byrd family of Virginia for many years.

I was privileged to know the very brilliant lawyer, Richard Evelyn Byrd, and his three distinguished sons, sometimes referred to in Virginia as Tom, Dick, and Harry.

As some of my colleagues may know, the junior Senator from Virginia and the senior Senator from Virginia, who is the Harry of the trio I have mentioned, were born in the same town and the junior Senator was born just 13 days ahead of the senior Senator.

Tom Byrd, not so well known to the general public as his two brothers, is one of the greatest horticulturists in the United States and no one has been more successful in the raising of commercial apples. For many years he has been in the apple business with his brother Harry.

We, of course, are aware of the outstanding statesmanship of the eldest brother, HARRY BYRD, our colleague who has served in the Senate for 24 years. But, from the standpoint of national and international fame, the most distinguished of these three remarkable Americans was Dick, the Adm. Richard Evelyn Byrd—named for his father—who died in Boston yesterday.

Last week Senator BYRD went to Boston to see his brother and upon his return he told me Dick's condition was not good. Therefore, while I was distressed, I was not surprised this morning to learn of his death.

Time does not permit me to do adequate justice to the memory of this great man. I do take this brief opportunity, however, to express not only my deep personal regret at his lamented death but also to express the regret of other Virginians and Americans generally and to say that all of us who had the privilege of his personal acquaintance will cherish his memory and recall with pride his outstanding achievements.

In conclusion, Mr. President, I ask leave to insert in the RECORD as a part of my remarks a brief speech which I made on January 29, 1948, on the occasion of the presentation to Admiral Byrd of a gold medal of achievement.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

It gives me pleasure to present on behalf of the Society of Virginia its gold medal of achievement to one of Virginia's most distinguished sons. He was born in the historic city of Winchester, just 1 year after I was born in the neighboring city of Martinsburg and spent a boyhood in the company of heroes of the Confederate Army who were followers of Lee and Jackson and some of whom participated in the 49 battles in which Winchester was either won or lost during the War Between the States.

It is not surprising that one reared in that atmosphere should have selected Jackson's school in Lexington—the Virginia Military Institute—as his first college after leaving a preparatory school that gave military training, the Shenandoah Valley Military Academy. After taking literary courses at the University of Virginia he entered the United States Naval Academy, where he was graduated in 1912.

It has been truthfully said that the three major factors influencing a man's destiny are his heredity, his environment, and his willpower. Admiral Byrd inherited the spirit as well as the blood of the Englishmen who started with four little islands that could have been placed in the State of Texas, where his father was born, with an area the size of Virginia left over and developed them into an empire on which the sun never set. His environment was that which produced Daniel Morgan, of the Long Rifles, in the Revolutionary period, leaders in the War Between the States, and leaders in the subsequent business, political, and religious life of the Old Dominion, which frankly makes all of us proud to say that we are Virginians.

But over and above all else, the destiny of Dick Byrd was shaped by his willpower, which overcame the physical handicap which he incurred from a naval injury and which caused him in many an emergency to meet danger unafraid because he had faith in God and faith in himself.

When he had been out of the Naval Academy for less than 7 years he had received 17 governmental citations, 4 of which were for bravery in World War I.

Ten years later he was promoted to the rank of rear admiral, being the youngest officer up to that time to hold that rank in the Navy.

In two world wars he served in an outstanding way. The lack of publicity concerning his service in World War II is thus explained by the Chief of Naval Operations, Admiral Nimitz, who recently said:

"From the many questions asked about Admiral Byrd, I know that there is a very widespread interest in this country as to what has become of him after he vanished from the news columns 6 years ago after his last expedition ended in 1940. Now it can be told.

"He disappeared from view in 1941, first, because his work has been largely of a very secret nature, and, secondly, because he chose and insisted upon completely subordinating himself in teamwork as good naval officers believe in doing.

"I am happy to tell you that Dick Byrd did the splendid job in the war that his fellow citizens would expect of him. This is his fourth citation for war work. He was overseas four times, having been at both fronts in connection with aviation and other matters. He has not been frozen in at the South Pole during all these years, but has been serving his country."

In between those two wars Admiral Byrd was a member of the crew of the ZR-2, which blew up in England over the Humber River and killed 42 out of the 46 men aboard, he commanded the aviation unit of the Navy-MacMillan Polar Expedition in 1925, he flew over the North Pole in 1926, he made a nonstop flight to France in 1927. He led a 2-year expedition to the South Pole in 1928 and a second expedition to the South Pole in 1933, and the Government expedition to the South Pole in 1939. For his war services and for his contribution to science Admiral Byrd has received 70 medals. Of the 25 citations that he has received from the United States Government 10 mention courage, including 2 mentions of extraordinary heroism.

The greatest, noblest, and most important to human society of all of his explorations is the one in which he is now engaged, namely, to plumb the depths of the human heart to find the way by which men can live together in peace and unity, and civilization as we know it can be protected from an atomic war which undoubtedly would fulfill the prediction of H. G. Wells, who said:

"Civilization, which commenced in a cave and behind a windbreak, will end in the disease-soaked ruins of a slum."

With all the accumulated evidence in the 2,000 years of recorded history which recounts the futility of mankind to permanently settle international differences by means of armed conflict, Dick Byrd will need, more than he ever needed when he faced the killing power of enemy batteries, his faith in God. But Dick Byrd believes that peace begins in a man's heart when he demonstrates his faith. In his own life he has found that peace. His present supreme mission in life is to take that message to others. He realizes that the conflict that is shaping up in the world is between those who profess faith in God and those who deny that faith. He realizes that those who profess faith in God far outnumber those who deny it, but that they lack the zeal and willingness to sacrifice of the smaller group. He realizes that no material measure—no political change, no economic reform, no international organization—will of itself establish peace, and that peace has escaped the chancelleries mainly because it has found no home in the hearts of men. While he wants us to continue to work through international cooperation for the economic welfare of the masses and a system of law throughout the world based upon equality and justice, he also wants us to recognize the fundamental fact that progress is first mental and spiritual. Therefore, he is working to help us find peace at home by overcoming hate, greed, and fear, and by our works to prove our faith in the Golden Rule.

I am happy to associate myself with him in the belief that if we do so we will find that there is a power stronger than the atomic bomb to rend the Iron Curtain behind which 180 million misinformed people regard us as enemies bent upon their destruction.

In voting to award Admiral Byrd its first Gold Medal of Achievement the Society of Virginia likewise desired for that award to be accompanied with the following citation:

"The citation for the Gold Medal of Achievement of the Society of Virginia,

awarded Rear Adm. Richard Evelyn Byrd, January 29, 1948.

"Taking counsel of his own courage, spurred on by an irresistible desire and an indomitable will to explore the flaming walls of the world, steeled by a quiet determination to obtain for his country and for science firsthand knowledge of the unknown lands in the icy embrace of the two poles, Richard Evelyn Byrd, in a series of precarious and daring adventures by land, sea, and air, extending over a period of 20 years, in constant and unceasing jeopardy of his own life and carrying the fearful responsibility of the lives of others, explored, charted, and added to the geography of the world for all time the seas, lands, and mountain ranges of the vast regions of the Poles.

"He is the first man to fly over the North Pole, the first man to fly over the South Pole, and the only man to fly over both. He has looked down upon more square miles of unknown area than any human being in all history. He has added to the knowledge of mankind scientific data of incalculable value, geographical, geological, meteorological, and geodetic. He has carried the American flag over both poles and planted it at the farthest points north and south that have ever beheld its shining folds.

"He is the only living American who has added 1 square mile of territory to his country's empire and the only American since Lewis and Clark who has extended the American domain by exploration and discovery. With the antique courage of an Achilles, the dogged perseverance of a Ulysses, and the skill and daring worthy of his long line of Virginian forebears, he has made himself a scientist notable in an age of science, a patriot outstanding in an age of patriotism, and an explorer high in the rank of all time and second to none in the world today. Sic Igitur ad Astra."

Admiral Byrd, warrior, scientist, and Christian leader, I salute you; the sons and daughters of your native State salute you; the whole world will applaud my action in now presenting to you this Gold Medal of Achievement.

Mr. SMITH of New Jersey. Mr. President, I wish to associate myself with the remarks of the Senator from Virginia. I had the great privilege of knowing Admiral Byrd personally, as had a number of the members of my family. With reference to his friendship and as a man of outstanding achievement, I valued and admired him most highly.

To the senior Senator from Virginia and Mrs. Byrd, and to all the members of Admiral Byrd's family, I express, on behalf of Mrs. Smith and myself, our deepest sympathy in their hour of bereavement.

Mr. HOLLAND. Mr. President, I should like to add a word of appreciation while expressing my sorrow at the passing of Rear Admiral Byrd. I doubt if throughout the whole history of the United States any other American citizen has ever undertaken more dangerous duties voluntarily in the service of his Nation than did Admiral Byrd. His exploration of the unknown area of the North Pole and later, in much greater detail, the exploration of Antarctica were magnificent achievements, which redounded to the benefit of his country and shed luster upon him.

I had the pleasure and privilege of talking to him several times about his Antarctic explorations. I think many of us, even though we live in the same time in which he has lived, have a very scant idea of the deprivations, of the tremendous risks, and of the incalculable benefits that were involved in Admiral Byrd's south polar explorations.

Mr. President, I do not wish to detain the Senate with a long discussion of the subject, but I do want to say that in his book Alone, written some years after the incident itself, there was taken into consideration the day-by-day entries in his log, which he made during the many months of solitude, when he was spending the Antarctic winter darkness alone, at a spot far removed from his men, in the recesses of the South Polar Continent. That book, I think, is probably the most valuable of his several books from the standpoint of psychology, from the standpoint of his relation of the experiences and the thoughts of a single person in the far-off recesses of polar darkness, throughout the months when death threatened him many times and when unconsciousness came upon him several times, as a result of the hardships which he had imposed upon himself.

Mr. President, if ever a man bared the feelings of his naked soul under conditions which were simply indescribable, Admiral Byrd did it in the writing of the book Alone. It will always be one of the priceless things I shall recall, in connection with my own life, that I had the very great privilege of knowing Richard Evelyn Byrd, the younger, the Admiral, and of having heard from his own lips some of the experiences which he underwent in the course of those dangerous explorations, which always were made from a single point of view—that is, what he could do to better secure his country in the difficult times which he saw lying ahead, through the exploration of the polar vastnesses of the Antarctic Continent.

The future will speak of him always with veneration, as an American who saw ways to serve his country where many persons could not see the opportunity to serve, and where weaker persons would have been repelled by the tremendous dangers which they saw confronting them.

Our Nation has lost one of its finest, most courageous, most patriotic sons in the passing of Admiral Byrd.

Mr. JAVITS. Mr. President, I wish to join my colleagues in paying tribute to a great American hero, Admiral Byrd, and to inform my colleagues that in the Nation's largest city, New York City, this morning the leading news story in every one of our newspapers is the death of Admiral Byrd, who is enshrined in the hearts of American youth everywhere.

As a tribute to Admiral Byrd from New York City, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks several of the newspaper accounts to which I have referred.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 12, 1957]

ADMIRAL BYRD DIES AT 68—MADE 5 POLAR EXPEDITIONS

BOSTON, March 11.—Rear Adm. Richard E. Byrd, USN, retired, the first man to fly over the North and South Poles, died in his sleep tonight at his Brimmer Street home. He was 68 years old.

His death was attributed to a heart ailment brought on by overwork in connection with his many activities.

The polar explorer, who had been named head of the Navy's Operation Deepfreeze in Antarctica, had been ill for several months. This prevented him from assuming on-the-spot supervision of the polar expedition in the International Geophysical Year beginning July 1.

Admiral Byrd was decorated on February 21 with the Defense Department's Medal of Freedom. The presentation was made quietly by Adm. Arleigh Burke, Chief of Naval Operations, who flew to Boston, made the award, and returned immediately by air to Washington.

Admiral Byrd had been under the care of Dr. William E. Greer and Dr. Paul Dudley White, heart specialist who was a consultant when President Eisenhower suffered a heart attack.

At Admiral Byrd's bedside when he died were his wife, the former Marie D. Ames, whom he married in 1915, and their four children, Lieut. Richard E. Byrd, Jr., of the Navy; Mrs. William A. Clarke, Jr., of Swarthmore, Pa.; Mrs. Robert G. Breyer, of Los Angeles; and Mrs. Lawrence J. Stabler, Jr., of Milmont Park, Pa., a suburb of Philadelphia.

FROZEN TESTING GROUND

America's strategic concept of polar defense is an outgrowth of Admiral Byrd's five exploration ventures into the Arctic and Antarctic.

After his 1946-47 expedition into the Antarctic, the lines of national defense moved to the polar regions. In addition to establishing the new defense lines, Admiral Byrd's explorations laid the groundwork for claims to potentially vast deposits of metals and other minerals. From the military standpoint they provided a testing ground for various types of uniform and equipment in low temperatures running far below zero.

When he was a boy, Admiral Byrd heard his geography teacher say that the Antarctic was an ocean. During his lifetime he was to play a leading part in establishing it as the Antarctic Continent, the world's last frontier.

The land beyond the horizon always had a fascination for Richard Evelyn Byrd. In pursuit of it he went around the world at the age of 12, flew over both the North and South Poles, across the North Atlantic and other thousands of miles in both the Arctic and Antarctic regions.

FIRST TRIP IN 1928-30

The explorer's first expedition to Antarctica, in 1928-29, was highlighted by his flight to the South Pole and back on November 29, 1929. His second expedition was from 1933 to 1935.

It was during a 6-month vigil at an advance weather base, where he saw no other living thing and with the radio his only link with the outside world, that he received the inspiration for the peace work into which he threw his energies in 1936.

In line with this decision, Admiral Byrd accepted the honorary chairmanship of the No-Foreign-War Crusade sponsored by the Emergency Peace Campaign headed by Dr. Harry Emerson Fosdick.

The qualities of leadership that Admiral Byrd displayed even in early life were a natural heritage from distinguished ancestors. His family was one of the oldest in Virginia. An ancestor, William Byrd, landed at the then crown colony in 1674 to found the American branch of the family. The first Byrds owned large tracts of land, at one time holding title to more than 100,000 acres.

BORN IN VIRGINIA

Richard E. Byrd was born in Winchester, Va., October 25, 1888, in a household of tradition and affluence. His father was a lawyer.

One brother, Harry, became Governor of Virginia and later United States Senator from Virginia. His mother once said that "Richard was born an adventurer and explorer, absolutely without fear."

Admiral Byrd graduated from the Naval Academy in 1912 and went to sea. An old injury continued to bother him, however. After 5 years, unable to carry his weight on the injured ankle for the long watches that Navy duties required, he was forced to retire.

Admiral Byrd was recalled to active duty in the Navy Department in World War I. Irked by desk duty, he requested assignment to flying school. Navy physicians told him that he was not well enough to learn to fly. He begged for a month in which to prove his ability to "come back."

He went to Pensacola for instruction and was there when a new flying boat was built by the Navy. It was the NC-1, prototype of one that later made the first crossing of the Atlantic. Admiral Byrd conceived the idea of flying it across the ocean to be delivered to the Navy for patrol work.

With Walter Hinton, who later made the flight, Admiral Byrd practiced navigation out of sight of land, and in July 1919, he asked permission to pilot the NC-1 to Europe.

But instead of flying to Europe he was sent to Halifax, N. S., to take command of an air station there.

The war ended and found him still in Nova Scotia. When he got back to Washington he learned that the Atlantic flight was being taken up in earnest. Admiral Byrd was ordered to Pensacola, but managed to get the orders canceled so that he could help in the preliminary work of preparing the navigation instruments and data for the flight.

Opportunity was beginning to come nearer, although it did not come in the way he thought it would. He was assigned to work on a proposed flight of the dirigible Shenandoah over the North Pole in 1924. The flight was to have started in Alaska and ended in Spitabergen, the group of Arctic Ocean islands between Greenland and Franz Josef Land, on the other side of the Canadian Arctic. This flight was called off by President Coolidge. But the idea of flying in the Arctic was firmly in Admiral Byrd's mind, and he went to work to make such a flight possible.

It was at this time that he was promoted to lieutenant commander by Congress, promotion having to come in this way to one on the retired list.

His new rank gave him the chance to ask for support for an Arctic flight. He wanted to reach the Pole by air. He obtained funds from Edsel Ford and from John D. Rockefeller, Jr., who had backed him in all his ventures. Capt. Robert Bartlett, Admiral Robert E. Peary's ship captain, also raised some money.

Donald B. MacMillan, also a polar explorer and later a rear admiral, had asked the Navy Department for two planes and so had Admiral Byrd. As there were only three amphibians in the Navy, they had to join forces. With three planes and a picked group of mechanics and pilots, Admiral Byrd started off as the flying officer of the expedition. It was on this trip that he became acquainted with Floyd Bennett, who later flew with him over the Pole. Mr. Bennett was a Navy enlisted man who became one of the service's greatest aviators. A friendship began that lasted until Mr. Bennett's death in 1928.

With Mr. Bennett, Admiral Byrd made several notable flights over Greenland and as far north as Ellesmere Land. It was dangerous flying, accompanied by depressing toil of preparation. But it gave him his first taste of the North, and he liked it. The mystery and silence of the frozen land got into his blood. As a result of his experience, he and Mr. Bennett decided that a flight to the North Pole was possible. Admiral Byrd began to plan quietly to accomplish it.

It was not until 1926 that he could obtain leave for himself and Mr. Bennett. They decided to go alone and obtain the necessary money as best they could. They had to raise more than $100,000, and when he returned, Admiral Byrd was $30,000 in debt. He obtained a ship, the *Chantier*, from the Government, got together a crew of volunteers, and sailed for Spitsbergen in April.

From Spitsbergen they proceeded by plane. They reached the pole on May 9, 1926. Sixteen hours after they had left their base at Kings Bay on the Arctic Ocean they were back after having flown 1,360 miles.

The news of the flight was received with enthusiasm all over the world.

When he returned to New York, Admiral Byrd was welcomed as a hero. The Medal of Honor was bestowed on him. He was promoted to commander, while Mr. Bennett received the rank of warrant officer. Admiral Byrd's modesty and smiling courtesy added to his fame, and his popularity grew as much from his personal qualities as from what he had done.

Admiral Byrd took time out from polar exploration in 1927 to join in the air race across the Atlantic. The flight he and his crew made was one of several that prepared the way for regular transatlantic airplane service. He soon returned to his effort to conquer the polar frontier.

When he returned to the United States in 1927, after a flight to France, Admiral Byrd was already full of plans for his next venture. He soon set in motion the machinery for the most expensive and, he hoped, the most complete expedition to the Antarctic. It was to cost $500,000, but before it started, the money raised and materials offered to him amounted to $800,000.

The plan included not only a flight to the pole but also, what was of greater scientific importance, exploration of a part of the vast continent of 5 million square miles, which was almost unknown, except for a few places on the outer edge.

To supplement the exploration work of the planes Admiral Byrd took with him a scientific staff of 13 men, all kinds of instruments, and dog sleds for laying down bases and doing some work of exploration. With this equipment he hoped to clear up many of the mysteries of the Antarctic. His flying was to be chiefly over King Edward VII Land and the country to the south and east, which was within easy striking distance of his base.

The expedition left Dunedin, New Zealand, on December 2, 1928. The *City of New York*, a slow and heavily loaded auxiliary wooden bark, was towed to the ice pack about 2,000 miles south of New Zealand by the *Eleanor Bolling*. There the two ships joined the *Larsen*, a large Norwegian whaler, which towed the *City of New York* through the pack in 8 days, despite unusually heavy ice conditions. On the other side of the pack, which was 240 miles wide that year, the *City of New York* left the *Larsen* and headed for the ice barrier, which was sighted on Christmas day.

After a brief stay at Discovery Inlet the ship went on to the Bay of Whales. Admiral Byrd found the bay filled with ice, which showed no signs of going out, as it had done when Roald Amundsen had wintered there. Unloading operations began at once, however, and the heavy load of shelters, food, gasoline, oil, and other supplies was hauled distances of from 8 to 11 miles to the base camp at the head of an ice inlet off the bay. These operations lasted more than a month and a half, and during this time Admiral Byrd did some flying to the eastward.

His four pilots were Brent Balchen, a Navy aviator, who was chief; Dean Smith, a veteran of the airmail service; Alton Parker, who had been with him in the Arctic; and Harold June, a Navy flier of wide experience.

Flying to the east was always difficult because of the fog and clouds, which frequently came up rapidly and barred the way. But on the first short flight Admiral Byrd saw mountains that were later photographed and explored in detail and named the Rockefeller Mountains, after John D. Rockefeller, Jr., one of the backers of the expedition.

The coastline was also traced eastward from the Bay of Whales farther than a ship had been able to penetrate by sea, and some distance beyond the nunataks—insular hills surrounded by ice sheets—discovered by the British explorer Robert F. Scott, and named after him.

The geological party, headed by Dr. Laurence M. Gould, had gotten underway sometime before Admiral Byrd was ready for the long flight to the South Pole. Dr. Gould's party was at the Queen Maud Mountains reporting on weather conditions. An airplane supply base had also been placed at the foot of these mountains by plane.

Besides Admiral Byrd, those in the plane were Mr. Balchen, pilot; Mr. June, copilot and radio operator, who also watched the fuel and took motion pictures; and Capt. Ashley McKinley, aerial photographer.

When it reached the vicinity of the Pole as definitely as could be determined, a radio message was sent back by Admiral Byrd and relayed in a few minutes to the New York Times. The radio played a dramatic part in the entire expedition, for not only did it serve to keep units of the expedition in touch at all times but also enabled the late Russell Owen, the correspondent of the Times with the expedition, to send back news with little interruption. It was the first time an Antarctic expedition had been in almost daily contact with home.

POLAR FLIGHT ECLIPSED WORK

The South Pole flight because of the long preparations for it and the continuous radio news from the Antarctic, caused even more of a sensation than Byrd's North Pole flight. He was promoted to rear admiral by Congress, and a Congressional Medal was struck to be presented to all the members of the expedition.

But the most important result of the expedition work was eclipsed by the polar flight. A few days later Admiral Byrd, with Mr. Parker as pilot instead of Mr. Balchen, made a flight to the northeast and for once was not stopped by clouds and fog. He traced the coast to its most northerly point in this sector of the Antarctic, reaching a region that had been and still is beyond the reach of ships by sea.

He also discovered the entire eastern boundary of the Ross Sea. He found that the sea ended on the east, as it did on the west, in a magnificent mountain range split by huge glaciers. It was the most important discovery of the expedition, but it went almost unnoticed. It was another instance of how frequently the spectacular in exploration triumphs over the scientific.

Admiral Byrd returned to the Antarctic in 1933. This expedition covered a greater territory than any other expedition that had been to the Antarctic.

UNDER FEDERAL AUSPICES

In November 1939 he sailed from Boston on an Antarctic expedition on which, among other things, he discovered more than 100,000 square miles of area.

A crowning recognition for Admiral Byrd's polar experience came in 1946, when he was placed in command of the Navy's Antarctic Developments Project 1947, the most ambitious polar expedition ever attempted. The Navy dispatched 13 ships and their planes with a complement of 4,000 officers and men to the Antarctic on Operation High Jump. The operational commander was Rear Adm. Richard Harold Cruzen, who had been Byrd's second in command in the 1939–40 expedition.

In 1954, Admiral Byrd was named head of the Navy's Operation Deep Freeze, a huge polar expedition.

ADMIRAL FLEW OVER BOTH POLES AND HELPED ESTABLISH ANTARCTIC AS A CONTINENT—EXPLORER SET UP OUTPOSTS FOR UNITED STATES—AS HEAD OF NAVY'S OPERATION DEEP FREEZE HE ESTABLISHED YEAR-ROUND POLAR BASES

Adm. Richard E. Byrd's greatest polar expedition was achieved when he was in his late sixties. He was in overall command of the Naval task force that, between 1955 and 1959, was to prepare, supply and maintain a series of scientific stations in the Antarctic. In addition, he was appointed the Government's chief Antarctic policy-maker.

It took him years of work to achieve Government sponsorship of the expedition.

In 1949 and again in 1953 Admiral Byrd made unsuccessful attempts to organize another South Polar expedition to get weather information and to afford training to Navy personnel for defense purposes.

His activity was successful in 1954, when the Government decided to sponsor his 5th expedition, Operation Deep Freeze of 1955–59, as part of its participation in the International Geophysical Year of 1957–58. This exercise is a cooperative effort of governments and scientific societies to develop information about the earth by simultaneous and coordinated observation.

The expedition was set up by the Navy to land men and equipment to build 6 scientific observation bases, 1 at the South Pole. The bases were for 148 civilian scientists.

EIGHTEEN HUNDRED MEN INVOLVED

In the first phase, 1955–56, 7 ships and 14 aircraft, with 1,800 men, were involved. They constructed the two largest year-round bases ever set up in the Antarctic. One was a 73-man outpost in Kainan Bay at Little America. The other was a 23-man outpost on Ross Island in McMurdo Sound.

They also established an air-operating facility at McMurdo Sound to support the construction of a manned station at the South Pole, 800 miles away. They stockpiled 500 tons of cargo at McMurdo Sound for the Pole station and 550 tons at Little America for a station to be built in Marie Byrd Land, 500 miles away.

For work in the 1957 season, 12 ships, 28 aircraft and 3,525 men were detailed. The second phase was to build the Pole and Marie Byrd Land stations, at least 2 more in the Knox Coast and Weddell Sea areas, and to resupply. The third phase, 1957–58, was to resupply all stations, and the fourth was to wind up the scientific program in 1958–59.

Admiral Byrd visited the Antarctic from December 17, 1955, to February 3, 1956. He flew over the Pole, as he had done in 1929 and 1947, on January 6, 1956. The flight carried him deep into a region never seen before.

Almost at the outset the fifth expedition began yielding scientific discoveries. One was of a vast trough of ice, between Victoria Land and Wilkes Land, thousands of square miles in extent. In this chute the vilest weather in the world is spawned and through it glacial ice slides into the Indian Ocean.

DID NOT REJOIN EXPEDITION

Admiral Byrd, at 68, was to have left January 15, 1957, to rejoin his expedition. But he was obliged to cancel his plans by declining health and the need to support legislation on the Antarctic program.

Besides being in overall command of the expedition, he was placed by President Eisenhower in charge of all Antarctic activities of the United States. He was also adviser to the Operations Coordinating Board of the National Security Council on the preparation and execution of Antarctic policy. In addition, he was to coordinate the activities of governmental departments participating in the establishment of a permanent unit for Antarctic activity.

This was a victory for his policy, which was aimed to achieve permanent settlement of the continent. When he headed home from the Antarctic in February 1956, he had reiterated his desire to see the United States establish permanent stations in the remote continent, to him, as he scanned the vast white spaces, a beautiful place.

DESPERATE AIR VOYAGE ADDED TO BYRD'S FAME—1927 FLIGHT HELPED TO SHOW VALUE OF SAFETY FEATURES

Richard E. Byrd was one of a group of leading aviators in the midtwenties who took part in a race to be the first to cross the Atlantic Ocean nonstop from west to east by airplane.

Admiral Byrd, then a commander, and his crew, came in third. Charles A. Lindbergh, flying alone, made it from New York to Paris on May 20–21, 1927. He covered 3,610 miles in 33½ hours. Then Clarence D. Chamberlain and Charles A. Levine flew from New York to Eisleben, Germany, on June 4–5, 1927. They covered 3,905 miles in 42½ hours.

Admiral Byrd and his crew flew nonstop from New York to Ver-sur-Mer, France, on June 29–30, 1927. They covered 3,477 miles in 43 hours, 21 miles. These and many other flights of the period demonstrated that the day of transoceanic and transcontinental nonstop flight was dawning.

The idea of taking part in the race came to Admiral Byrd while he was still in the Arctic after he had flown to the North Pole in 1926. While his expedition ship, the *Chantier*, was still at Kings Bay, Spitsbergen, Admiral Byrd stood on deck one day with Floyd Bennett, the Naval aviator, and other friends. They talked about the future.

"I'd like to fly the Atlantic now," said Admiral Byrd.

"So would I," said Mr. Bennett. "We can do it with that plane."

Admiral Byrd found an eager and enthusiastic backer in this venture in the late Rodman Wanamaker, who had long cherished an ambition to send a plane from America to Paris. Mr. Wanamaker had furnished the money for the construction of the *America*, the first big flying boat ever built and the prototype of the NC planes that finally made the first Atlantic flight.

However, when the plane was flown on its first test flight, in 1927, when it seemed certain that Admiral Byrd would be the first to get away on the Atlantic flight, it turned over in landing. Admiral Byrd's wrist was broken, and Mr. Bennett was injured so badly that for a time it was thought he would not recover. The accident also damaged the plane so badly that Admiral Byrd was out of the race. Before the plane could be repaired, Charles A. Lindbergh made his epical solo flight to Paris on May 20–21, 1927.

Mr. Bennett's place was taken by Bert Acosta, and the others in the crew were Bernt Balchen and George O. Noville. On June 29, 1927, the weather seemed good enough for a takeoff. The huge America rose slowly from the field and started for Paris with a circling escort of small planes. That was the beginning of one of the most desperate air voyages ever undertaken.

The weather was bad all the way. For hours they flew through fog, over clouds, and past dark, towering masses of mist that would have inspired awe in the heart of the bravest man.

When they saw the coast of France, it was the most welcome bit of coastline they had ever seen. But the worst conditions were at the end of the flight. They found north central France enveloped in a violent storm.

So the nose of the plane was turned again toward the sea. After another long battle with the storm they reached the coast and picked up the lighthouse near Ver-sur-Mer. Flares were dropped, and by their illumination Mr. Balchen brought the plane down. As it touched the waves, the wheels were torn off. The America landed with a crash and filled with water. The crew made its way to land in a collapsible boat.

Admiral Byrd had not reached his objective, but he had given the world a more dramatic moment than if he had. The flight added greatly to his reputation. His care in preparing for the venture had been fully justified. Again the three-motored airplane had proved its safety, and the radio had enabled fliers to navigate when the earth and the sky and the sun were obscured. It was the first really scientific flight over the ocean, a flight in which safety was made a major objective.

EXPEDITION OF 1933 IMPAIRED HIS HEALTH

When Admiral Byrd returned to the Antarctic in 1933 he used two ships much larger than he had used on his first expedition.

During the winter period of this expedition Admiral Byrd isolated himself in a hut 125 miles south of Little America for the purpose of making meteorological observations to be checked against those at the northern base. Gas fumes from his stove, resulting from a clogged chimney, incapacitated him during the winter, so that he was sick and weak when a tractor party reached him early in the spring. His health was so impaired that he was able to go on only one of the airplane flights during the summer season of exploration, although he mapped out the work to be done.

This expedition obtained contours that showed a plateau of about 4,000 feet between the Edsel Ford Range and the Queen Maud Mountains. This disposed of the theory that there was a frozen strait, partly filled in, through this part of the Antarctic, between the Ross and Weddell Seas.

AERIAL NAVIGATION AIDS WERE INVENTED BY BYRD

Aerial navigation attracted Admiral Byrd, and he made a special study of the instruments used in the science. He invented several that contributed to greater accuracy in air navigation.

One was a bubble sextant, for obtaining an artificial horizon and calculating position in flight. Another was a sun compass, which served as a check upon and substitute for the magnetic compass. He also devised a drift indicator, for measuring departure from course.

Mr. THURMOND. Mr. President, seldom in the annals of this country have parents produced three such outstanding sons as Senator Harry Byrd, Adm. Richard E. Byrd, and Tom Byrd, the horticulturist.

I was grieved to hear of the death of Admiral Byrd last evening. Admiral Byrd was a great American. He was the first man to fly over both poles. Admiral Byrd was the first man to have mapped 2 million square miles of new territory. By his explorations he made valuable contributions to scientific knowledge not only in this country, but throughout the world. He will long be remembered as a great scientist, a great naval officer, and a great American.

Long will his memory be enshrined in the hearts of the people of the Nation, who are grateful to him for the magnificent services which he rendered to his country, to humanity, and to the world.

Mr. MALONE. Mr. President, I should like to join in the remarks of the distinguished majority leader and other colleagues concerning the death of Admiral Byrd, one of the greatest of the great American explorers.

Mr. President, I want to pay my respects to a great lady—Mrs. Richard E. Byrd and to say that she must realize that her husband was a great man and as is often the case recognition comes too late to be enjoyed by the man who did the work.

I invite the attention of the Senate to the fact that Admiral Byrd made the most intensive survey of the Antarctic Region, for example, that has ever been made. He suggested the possibility of strategic materials being found there and it is now well recognized.

I wish to invite the attention of my colleagues to Senate Document No. 53, of the 84th Congress, part 3, section 4 on the Antarctic, which was edited by Admiral Byrd.

Admiral Byrd will go down in history as one of the outstanding explorers of new and unexplored territory of all time.

Mr. PASTORE. Mr. President, Rhode Island mourns the passing of Rear Adm. Richard E. Byrd. The feelings of the people of Rhode Island are expressed by an article entitled "Byrd Had Soft Spot for Rhode Island—First Command Was Here," and published in the Providence Journal of this morning.

I wish to read the article into the RECORD:

BYRD HAD SOFT SPOT FOR RHODE ISLAND—FIRST COMMAND WAS HERE

Rear Adm. Richard E. Byrd had a soft spot in his heart for Rhode Island.

It was in this State that he held his first command, a duty he assumed just 5 days after the United States Navy put him on the retired list as a lieutenant, junior grade.

The duty, which started March 21, 1916, was the command of the Rhode Island Naval Militia. The purpose was to organize that command for Federal service in World War I.

He trained many officers and men for the Naval Air Service and his 140-horsepower hydroplane became a familiar sight over Narragansett Bay during the war at home.

FETED IN 1916

Admiral Byrd retained the post for a year, becoming, meanwhile, naval aide to former Governor Beekman. When officers of the naval battalion gave a dinner for him in December 1916, Commander Byrd said his Rhode Island duty had been a pleasant one.

He did not forget it. The first radio message for transmission through a commercial station ever to come from within the Arctic Circle was sent by Admiral Byrd to former Governor Pothier.

Received by WJAR, on May 20, 1936, the message expressed thanks for Governor Pothier's good wishes on the polar flight and added:

"One of the pleasantest experiences of my life was my duty in Rhode Island as commander of your splendid naval militia."

REPORTS TO JOURNAL

On that same Polar expedition, Admiral Byrd cabled his own accounts for publication in the Providence Journal.

The next year, when Admiral Byrd's fame was international, it was discovered that he was still on the State's naval militia roster.

The general assembly promptly promoted him to captain and retired him in that rank. In sending his thanks for the promotion, Admiral Byrd told of the soft spot in his heart for this State.

In the late 1920's and early 1930's Admiral Byrd spoke in Providence on several occasions, addressing audiences at the Auditorium, Infantry Hall, and the Biltmore Hotel.

I should like further to say, Mr. President, that I am certain the people of Rhode Island would be pleased to have me, on their behalf, express their condolences to the family of Admiral Byrd.

VISIT TO THE SENATE BY DAME FLORA MACLEOD

Mr. ERVIN. Mr. President, there is seated in the Members' gallery today a very distinguished visitor, Dame Flora MacLeod, the 28th hereditary chieftain of Clan MacLeod of the world. She is one of the most outstanding and beloved women of England and Scotland. I ask her to rise at this time.

[Dame Flora MacLeod rose, and was greeted with applause.]

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MORSE. Mr. President, I ask unanimous consent that the Subcommittee on Railroad Retirement of the Committee on Labor and Public Welfare be permitted to hold hearings both this afternoon and tomorrow afternoon, in case the Senate is in session tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas subsequently said: Mr. President, I wish to delay momentarily a request I should like to make, because the senior Senator from Oregon [Mr. MORSE] has left the Chamber. I shall ask unanimous consent that the action which the Senate took in giving unanimous consent for the subcommittee of the Committee on Labor and Public Welfare to meet be rescinded.

I see that the senior Senator from Oregon is now on the floor, and I should like to make a brief statement in connection with this subject.

Mr. President, personally I have no objection to any committee holding a meeting today or tomorrow. However, because we have responsibilities for the procedures of the Senate and for scheduling sessions of the Senate, requests for committees to meet during sessions of the Senate are, as a matter of custom and practice over many years, channeled through the majority and minority leaders. I have never made such a request unless I first had the approval of the minority leader, because, obviously, any Senator has the right to object to such a request.

While I was in the rear of the Chamber, my good friend, the senior Senator from Oregon, I am informed, made the request that the Subcommittee on Railroad Retirement of the Committee on Labor and Public Welfare be permitted to meet during the sessions of the Senate today and tomorrow. Had I been given the information that the request would be made, I would have called it to the attention of the minority leader. I understand that he did have an objection to any committees meeting today.

Therefore, Mr. President, until we can clear up the matter, I owe it to myself and to my colleagues, both on the majority and on the minority sides, to ask unanimous consent to rescind the action previously taken. I shall then attempt to work out the matter.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I am glad to yield.

Mr. MORSE. What the majority leader has said with regard to procedure is news to me. Of course, I would not want to do anything which would in any way embarrass the majority leader, so far as any understanding he has with the minority leader is concerned. Therefore, with the unanimous consent of the Senate, I withdraw my request.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator from Oregon. I shall be glad to work out the matter.

Mr. KEFAUVER subsequently said: Mr. President, I ask unanimous consent that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary may sit this afternoon, notwithstanding the session of the Senate.

Mr. PAYNE. Mr. President, reserving the right to object—and I shall object—earlier a matter of this nature was brought to the attention of the Senate. The distinguished majority leader set forth very clearly the position of the leadership that until such requests had been cleared with both the majority leader and the minority leader, consent would not be granted. I therefore object.

Mr. JOHNSON of Texas. Mr. President, at this time I wish to make an announcement.

The minority leader and the majority leader have no desire to dictate to the Senate what it must do or should do. However, we frequently recommend procedures.

I may say for the benefit of Senators who are present and for Senators who may later read the RECORD that for some time it has been the practice in the Senate, when unanimous-consent requests have been made for committees to meet during the sessions of the Senate, to have such requests cleared through the leadership.

The minority leader is now exploring the question whether members of the Committee on Labor and Public Welfare from his side of the aisle may meet today. I am certain that he will be glad to accommodate the Senators concerned, if that be possible. I do not know which Senator made that request.

Mr. KEFAUVER. It was not I; I have made the present request.

Mr. JOHNSON of Texas. I am certain the minority leader wishes to accommodate the Senator from Tennessee and will explore the question with Senators on his side of the aisle.

But I should like to have the Presiding Officer, with the assistance of the attachés at the desk, including the Parliamentarian, the reading clerk, and others, when a request is made to have a committee sit during a session of the Senate, call such a request to the attention of the leadership before the question is put; because unless the request has been cleared, it will involve one of us breaking a commitment, and that will not be in the interest of orderly procedure.

Mr. KEFAUVER. I am sorry I did not speak about this matter with the majority leader and the minority leader. I know such a rule was in effect during the debate on the Middle East resolution, but I did not know it had been continued into this week. I will consult with both the majority leader and the minority leader.

WELL-KNOWN NEWSMAN GOING STRONG AFTER 55 EVENTFUL YEARS IN STATE OF MONTANA

Mr. MANSFIELD. Mr. President, every individual of accomplishment has a trademark. A cigar in his mouth, a cane carried with jaunty flourish, an armload of papers and magazines, and a genial smile for all are the trademarks of one of Montana's most distinguished citizens, Tom Stout, a fluent and able newsman of Billings, Mont., and a political veteran who bases his knowledge of state and national affairs on 55 years of personal experience. Tom Stout, whose wit and wisdom have sharpened with age, is approaching his 78th birthday.

Tom continues his vigorous activity each day as editorial writer for the Billings Gazette. His colorful life has been well rounded, laying claim to numerous professions—journalist, teacher, newspaper editor, coach, lawyer, and State and national offices in government.

The name of Tom Stout is not new to the Halls of Congress. He served in the House of Representatives from 1914 to 1917. He was one of a congressional group that was sent to France in 1917 to confer with General Pershing.

There are four distinguished Members of Congress who served with Tom Stout in the House, the President pro tempore of the Senate, CARL HAYDEN, now presiding over this body, who came to Washington as Arizona's first Representative in Congress in 1912, the distinguished chairman of the Senate District Committee, MATTHEW NEELY, the Speaker of the House of Representatives, SAM RAYBURN, who has held the position as Speaker longer than any other person in the Nation's history, and CARL VINSON of Georgia, the outstanding chairman of the House Armed Services Committee. In addition, Mr. President, the father of our distinguished minority leader, the senior Senator from California [Mr. KNOWLAND] served with Tom Stout and, I believe, came to Congress in the same year.

The senior Senator from Arizona, the senior Representative from Georgia, and the Speaker knew him, as I have known him for 25 years, as a man of great wisdom, tolerance and understanding. I only hope that when I reach the age of 78 I will have retained a small part of the youthful attitude associated with Tom Stout.

Mr. President, the February 17, 1957, issue of the Great Falls Tribune carries a wonderful feature story about Tom Stout, relating a number of the colorful events in his life. I ask unanimous consent that this article and various letters I have received be printed at the conclusion of my remarks so that all my Senate colleagues may have an appreciation of the fine character of this man.

There being no objection, the article and letters were ordered to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune of February 17, 1957]

WELL-KNOWN NEWSMAN GOING STRONG AFTER 55 EVENTFUL YEARS IN STATE

(By Neil B. Mellblom)

BILLINGS.—The cigar is gone, but that's all.

For Tom Stout, giving up the Habana habit was a tremendous concession to a doctor's wishes. "I was under the weather and he thought it best," he says, "but I hated the idea—a cigar had become part of my trademark."

Many of the thousands of Montanans Stout can count as friends miss the sight of a stogie in his mouth. But they find other familiar features intact—the cane carried with a jaunty flourish, the armload of papers and magazines and the smile and genial greeting as genuine as ever.

But most of all, after nearly 55 years in the States and as his 78th birthday approaches, Tom Stout maintains his position as one of Montana's most fluent and able newsmen and a political veteran who bases his knowledge of State and National affairs on personal experience.

If the years have done anything to Tom Stout, they have sharpened his wit and wisdom, prolonged his youthful attitude. They have given him opportunity to use a sober, conservative second sight to excellent advantage.

Today he continues an activity long a part of his daily existence—he reads voluminously, keeping track of the world's minute as well as earthshaking developments, and he writes.

From his office in the Billings Gazette, Tom hunts and pecks out editorials in a way that proves deep thought and honest concern over the follies and foibles of mankind.

From his second-floor office Tom can glance out a window and pinpoint the spot of Montana ground three blocks away that first felt the press of his foot.

That was 55 years ago this March 30, an Easter Sunday, when the 22-year-old schoolteacher from Missouri stepped into a brand-new life.

It was a bit of pure chance, coupled with basic economics, that brought Tom Stout to Billings. The story has been told often; one version, in a 1913 issue of the Saturday Evening Post goes this way:

"Tom had in his jeans a certain sum of ready cash. He had—not in his jeans, but in his mind—a well-defined desire to go away from New London, Mo.—to migrate—to step fearlessly out into the world and seek new fields for certain deeds of high emprise he had under consideration, one of which was the getting of more than $25 a month for teaching school.

"So he counted his money carefully, secured a few railroad folders, read the various excellencies of the trains that ran northward and westward, and consulted the local ticket agent, who had been his friend from boyhood days.

"'I desire to go somewhere,' Tom said.

"'Where?' asked the agent.

"'Oh, I dunno; want to go about $37.40 worth.'

"'Which direction?'

"'It's immaterial to me. Pick out some good place that is $37.40 from here.'

"The agent pondered, and consulted schedules.

"'I can sell you to Boise, Idaho,' he said, 'for the whole $37.40, or I can land you in Billings, Mont., for $34.80.'

"'Gimme Billings,' said Tom, 'I may want to eat.'"

The article was written 11 years after Tom landed in Montana. In that time he had leaped into the newspaper business in Billings, moved on to Lewistown to found his own paper, was elected to the Montana Legislature as a Fergus County senator and won a seat in the House of Representatives in Washington, D. C.

Life began to move fast for the young Missourian in the days that followed his arrival. He now attributes his entry into the newspaper field as a means of escape from his first Billings job.

Nearly broke and hungry, Tom took the first money-making opportunity that came his way. "I was offered $2 for a 10-hour day, shoveling cement for the new basement floor in Yegen's Store," he said.

"I thought I was in good shape, but by noon I was just about able to climb out of that basement," he continues. "I had earned a dollar, so I took it, quit the job and bought a good 35-cent meal."

With money in his pocket and his immediate hunger satisfied, Tom was able to be more selective in his next venture. Up the street was the Billings Times, so, considering his schoolteaching background and ability to write a logical sentence, it seemed as good a place as any to stop.

Col. M. C. Morris, father of the present Times owner, put him to work at $15 per week, first as an ad solicitor and later as a reporter.

In the weeks that followed, Tom augmented his salary by donning a catcher's mask and playing baseball with the Billings semiprofessional team. He gave up active participation in athletics years ago, but remains an avid follower who pays particular attention to the Billings Mustangs and St. Louis Cardinals.

Tom must have made a quick, strong impression in his newfound newspaper profession, for by May of 1902 the Lewistown Argus needed a city editor and he landed the position.

The Argus had called the Billings Gazette looking for a man and John Gilluly of that paper recommended young Tom Stout. Today, exhibiting an ingrained modesty, Tom says, "My friends either wanted me out of Billings or the Argus was badly in need of help."

He stayed with the Argus until 1904, when with Harry Kelly, a composing room foreman, he started the Fergus County Democrat. By 1916, when the Associated Press service became available, the paper went from weekly to daily status and was renamed the Daily Democrat News. Tom bought Kelley's interest 2 years later. He maintained control of the paper until 1946.

The young editor's entry into politics was also a chance happening. As he tells it, in 1910 the Fergus County Democrats found themselves without a candidate for the State Senate. "Gene Lane and I flipped a coin. I lost," he says, "so I ran and somehow got elected."

He served a second term in the State Senate and in 1914 moved on to Washington, D. C., as one of Montana's two representatives-at-large. He served through the 63d Congress and in March 1917 went back to his Daily News desk.

Later that year President Woodrow Wilson named Tom to accompany a congressional group to inspect the battlefront and confer with General Pershing in France.

On that trip Tom got a firsthand glimpse at the treadmill idiosyncracies of French government. "Two or three of us headed out to Paris to pay our respects to Poincaire, the Premier," he relates. "But by time we arrived Poincaire's government had fallen and Clemenceau was the new Premier."

Back in Lewistown, Tom kept close touch with State affairs from his editorial room at the News. He served on the Montana Public Service Commission in 1932, chairmaned the Democratic State Central Committee in 1924 and returned to the State legislature as a Fergus County representative in the 1943, 1945, and 1947 sessions. He has been with the Billings Gazette since 1947.

In addition to teaching school, mixing cement, editing newspapers, and holding State and national governmental positions, Tom Stout has also been a football coach and a lawyer.

He proudly recalls that he coached Lewistown's first gridiron squad, in 1903, but beyond that he doesn't elaborate. When asked about the team's record, Tom says, "I don't think we won a game. I wasn't retained as coach the next year."

His background as a lawyer is even more unique. He has been admitted to the bar in both Missouri and Montana and has never handled a single case.

His formal legal education consists of a year's reading in a law office and a semester at the University of Missouri. And he attributes his admission to the bar in that State as a fluke of the system.

But, somehow—to the advantage of his daily readers—the man's chosen existence seems particularly right.

"District judges appointed examining boards of three attorneys to test the applicant," he explains. "In my case the board consisted of a brother-in-law, a close friend of the family, and one of the lawyers from the office where I read the statutes."

Many years later, Tom continues, he became involved in an argument over a legal point with Dan Kelly, Montana attorney general. To settle the battle, Tom declared his qualification as a lawyer, and produced his Missouri certificate to prove himself.

"Not long after that I was surprised to be called before Chief Justice Theodore Brantley," he says.

"I didn't know what it was all about until Kelly made a formal motion that I be admitted to the Montana bar, on the strength of my Missouri certification. That about knocked me over."

Tom says Justice Brantley eyed him sternly then inquired "whether the applicant plans to practice in the State of Montana."

"I do not," Tom says he replied. "And Justice Brantley commented, 'Then he'll do no harm—admitted.'"

Looking back, Tom Stout claims but one regret—that he has never acquired a sideline hobby. "I should have taken up photography, or stamp collecting in my spare time," he says.

And it becomes obvious, as he bends over his keyboard to talk to the world, that he doesn't really mind having no outside consuming interest. He is, and will remain the same young Tom Stout who grabbed and held on to opportunity when a city editor's job opened in Lewistown 55 years ago.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
March 5, 1957.

Hon. MIKE MANSFIELD,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR MIKE: It was good of you to tell me that Tom Stout is soon to have a 78th birthday, which makes him a little younger than I am, and to have you say that he is enjoying life even though deprived of his cigars, which the doctor has not yet done to me.

Tom came to the House of Representatives on March 4, 1913, about a year after I did, and we soon became the best of friends. Montana and Arizona are the two great copper-producing States so we had a common interest in the welfare to mining industry. We were both made members of the House Committee on Public Lands and on Irrigation of Arid Lands. Working together on the two committees soon showed that our ideas about development of the land and water resources of the West were very much alike.

I do not know why he decided not to become a candidate for reelection to the House in 1916. I do know that Montana lost the services of a highly intelligent and very able, experienced Congressman.

From one old timer to another, may I ask you to please convey to Tom the very best of all good wishes.

Sincerely,

CARL HAYDEN.

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 2, 1957.

Hon. MIKE MANSFIELD,
The United States Senate,
Washington, D. C.

DEAR MIKE: I have your letter of February 26, 1957, stating that in a few days you intend to insert in the CONGRESSIONAL RECORD a story on Tom Stout as he nears his 78th birthday. This is a gracious act on your part, and I desire to send a word to you about my recollection and my estimation of Tom Stout.

I came into Congress in 1913, and Tom Stout came at the same time as a Representative from the State of Montana. At that time, he was a delightful gentleman, a man of great industry and devoted great energy and talent to the service of his State and country. Added to all of this, he was one of the finest gentlemen it has ever been my privilege to know. He made his mark here, and a few of us still remaining here who served with him remember him with great affection and admiration.

With every good wish, I am,

Sincerely yours,

SAM RAYBURN.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., February 27, 1957.

Hon. MIKE MANSFIELD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: After 43 years in the House of Representatives, I occasionally find myself recalling the early days in 1914 when I first came to Washington to represent my district in the Congress. Time has a wonderful habit of leaving only the happy memories embedded in one's mind. Tom Stout is one of those happy memories. Affable, capable, and well informed, he was a man of many accomplishments. I have always thought that the Congress of the United States and the State of Montana suffered a loss when Tom did not seek reelection in the 65th Congress.

I recall him as a member of the Public Lands Committee; and I also recall that he went to France in 1917. He was well on his way to becoming an outstanding Member of the House of Representatives when, for reasons best known to himself, he decided to return to Montana. But apparently the Capitol's loss was Montana's gain. As an editor, Tom has undoubtedly played an important part in the molding of public opinion.

Our Nation is better today because of men like Tom Stout and I am extremely pleased to learn that he is still active in one of his many professions.

I extend to him my heartiest congratulations on his approaching 78th birthday, and I wish for him many more years of useful and intelligent service to Montana and to mankind.

Sincerely,

CARL VINSON,
Chairman.

Mr. MURRAY subsequently said: Mr. President, earlier this afternoon my distinguished colleague [Mr. MANSFIELD], made some remarks on the occasion of the 78th birthday of Tom Stout, an outstanding citizen of Montana.

I should like to associate myself with the generous remarks of my colleague concerning Tom Stout. In my States, Tom Stout is held in very high esteem because of the distinguished record of public service he rendered during the period he served as Representative in Congress from Montana. He served in the House of Representatives with Senator HAYDEN, of Arizona, and Representative RAYBURN, the present Speaker of the House, and was recognized among his colleagues as an able, conscientious, and hardworking Member of the House.

Like many Montanans, Tom Stout came to Montana as a young man with little money but a lot of energy. He early distinguished himself as an enterprising reporter and editor in Lewistown, Mont. He served in the State legislature in Helena, and later was elected Representative at Large from Montana.

Subsequently he returned to his Lewistown newspaper, from which he went to Billings where he continues to write his comments on the national and world scene for the Gazette.

Tom Stout has been identified with and has been a leader of many of Montana's most worthwhile endeavors. Editor, teacher, lawyer, coach—and still an avid baseball fan—Tom Stout has been one of Montana's most articulate spokesmen.

I salute my good friend, Tom Stout, and wish him many more years of good health to continue his service to our great State. I congratulate him on the fine record he has made and extend to him my best wishes on his 78th birthday.

DIFFICULTY IN OBTAINING PASSPORTS TO VISIT ISRAEL

Mr. CASE of New Jersey. Mr. President, several constituents have complained to my office that they are unable to obtain passports to visit the nation of Israel. This is particularly important to many Americans during the coming month of April. Many Christians are desirous of visiting the Holy Land during the celebration of Easter, which falls this year on April 21. Likewise, many Jews are interested in visiting Israel during the festival of Passover, which starts this year on April 16.

In addition to these considerations, we all know how important tourist income and international trade are to the economy of Israel.

The forces of Israel have been withdrawn to its own borders. There is no reason to penalize the nation by withholding American tourists and visitors from her land.

The present policy of the State Department, I am told, is to issue passports for Israel only in cases of unusual hardship or to persons who are involved in substantial business transactions. This policy has reduced the number of tourists substantially. Last year this Government issued 986 passports to

Israel for the first quarter of the year. During the month of January this year only 11 were issued. Last year the largest quarter was the second one, extending from April through June, inclusive, and I am hopeful that the State Department will see fit to remove the limitation on travel so that many Americans will not be disappointed in their travel plans for this period.

I feel that a resumption of normal travel will in itself be a step toward achievement of a better exchange of information between Israel and the United States.

I recognize, of course, that the State Department has a responsibility to consider the safety of Americans traveling abroad and that the final decision must necessarily rest with the Department. But in reaching its decision the Department should, and I am confident will, give full weight to the positive factors in favor of free travel by American citizens to Israel.

FEDERAL SPENDING

Mr. SMITH of New Jersey. Mr. President, there has understandably been a great deal of agitation on the subject of Federal spending.

The whole matter of Federal spending has been a subject of great concern to the country and at the present time a large part of my mail relates to it. I am sure that such is also the experience of my colleagues.

In trying to get light on the subject I find the solution to the problem difficult. In the New York Times of March 10 a column entitled "Congress has Problems in Cutting Budget," by Mr. Edwin L. Dale, Jr. of the New York Times staff, sets forth clearly what some of those problems are.

Also Mr. David Lawrence in his column in the New York Herald Tribune of Monday, March 11, deals with the same subject under the title "Educating the Public Called Only Way of Cutting Budget."

As a matter of interest to all of us I ask unanimous consent to have printed both the Dale and Lawrence articles in full in the body of the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 10, 1957]

CONGRESS HAS PROBLEMS IN CUTTING BUDGET—EVEN IF IT HACKS AWAY, 1958 SPENDING WILL END UP CLOSE TO $71.8 BILLION

(By Edwin L. Dale, Jr.)

WASHINGTON, March 9.—Next August, about the middle of the month, the Government will issue through the Budget Bureau a new set of estimates on the budget for the 1958 fiscal year—the much criticised budget that President Eisenhower submitted to Congress in January.

In the meanwhile, Congress, according to tradition and the Constitution, will have had a whack at it. The public outcry against the huge spending total in the budget has been unusually great, and congressional sentiment is correspondingly antispending. Judging from present attitudes, it seems highly probable that Congress will succeed in cutting the budget by something between $2 billion and $4 billion.

It will be a feat of considerable courage, accompanied by more than considerable sound and controversy.

And yet when the August figures are published, they will quite likely estimate spending higher, not lower, than the $71.8 billion estimated by the President in January. If perchance the August estimate is lower, the main reasons will have little or nothing to do with the annual congressional agony over appropriations.

In 1955, for example, Congress cut the budget for fiscal year 1956 by $2 billion. Spending in the fiscal year, which ended last June, turn out to be precisely $4 billion higher, not lower, than the President's original estimate.

The reason for this paradox—almost as little understood in Congress as outside it—is that Congress cannot cut the budget at all.

QUESTION OF WORDS

What most persons, including Members of Congress, call the budget is the $71,800,000,000 of spending that the President estimated in January. And that is precisely what Congress, under present law, cannot cut.

The paradox is illustrated by a semantic fallacy of headlines. On January 18 headlines all over the country read: "President Asks $71,800,000,000." They were mistaken. He did no such thing. He estimated, not asked, that the Government would spend that much.

This estimate was only in part related to what he "asked"—namely a package of appropriations totaling a quite different figure, $73,300,000,000. That $73,300,000,000 is the only "budget" that Congress can cut.

The two budgets are two quite separate things. Not all spending even needs appropriations. A substantial part of appropriations—for such items as aircraft carriers and atomic energy plants—cannot possibly be spent in the year they are voted, but carry over to be spent later.

The best way to show the difference between the President's estimate of spending and his appropriations request is to break down the $71,800,000,000 estimated spending total into its three components according to their controllability by Congress:

1. Money to be spent out of appropriations voted by Congress in past years. This was $24,200,000,000, or 34 percent of the total. It obviously cannot be cut by Congress.

A good example of this kind of money is foreign aid. If Congress did not vote a single penny of foreign aid this year, the Government would still spend $3 billion.

2. Money required to be spent by existing law. Technically much of this, though not all, is subject to appropriation by Congress, but the appropriation process has no meaning. If Congress cuts, the Government by law can go right on spending, then come back for an urgent deficiency appropriation the next year.

This kind of money accounts for $17,600,000,000, or 24 percent of the President's total estimate. It includes such major items as interest on the national debt, farm price supports, the soil bank, aid to the States for assistance to the needy aged and veterans' benefits.

It is uncuttable without a change in law—a change in law that appropriations committees are not empowered to make. There is no noticeable sentiment elsewhere in Congress for repeal of a single law that now requires spending of Government funds—only sentiment to cut the budget.

3. Money that actually does require an appropriation by Congress and that, in both practice and theory, it is possible to cut. This comes to $30 billion, or 42 percent of the total.

But this large slice is not as easily cuttable as might be supposed. It includes, for example, the pay and feeding and ordinary maintenance of all the armed services. It also provides the pay of all the Government employees. It includes the year's cost of all the Government public works projects that are already underway.

Finally, it includes the relatively piddling amount of $215 million for the total expenses of all the new welfare State programs asked by the President, such as aid to education. Congress can refuse to approve every one of these and the results would not even be visible in the overall budget totals—at least not this first year.

When the new spending estimates are made in August, a number of things will have happened to change the original spending estimate of $71,800,000,000. Probably the least important of these things, in money terms, will be the appropriations actions Congress has taken. The important items will include the following:

1. The size and prices of farm crops. This will determine the amount of crops offered for price support and thus the money spent on agriculture. This money is not subject to appropriation at all.

2. Prices of industrial goods. This will largely determine the total of defense spending on procurement—most of which is out of past years' appropriations. It is entirely possible, even probable that Congress will cut the defense budget by as much as $1 billion and still see defense spending wind up higher than the January estimate of $38 billion.

3. The course of interest rates. This will greatly influence the cost of interest on the public debt. This, too, is not subject to appropriation.

4. The number of old persons and veterans who apply for assistance. They will get it, whether or not Congress cuts the budget for veterans and old-age assistance.

5. Whether Britain decides to draw on her $500 million line of credit at the Export-Import Bank. Again, the whole transaction is not subject to appropriation.

Does the appropriations process have no meaning, then? The answer is that it definitely does have meaning, in at least two ways:

First, on a wide range of small individual items congressional appropriations action determines the level of activity of the Government agency involved. Congress will decide: How many extra inspectors the Securities and Exchange Commission can hire; how many new reclamation projects the Interior Department can start; what aid will be granted to the American Indians, and the like. These do not add up to much in budget totals, but can have substantial meaning for the Government programs involved.

Second, appropriations actions this year can and do affect Government spending next year. If Congress had not cut foreign aid last year, for example, this year's level of estimated spending would almost certainly have been higher. If Congress wants to take the risk of cutting deeply into the defense budget, next year's spending might possibly be brought down.

ANXIOUS TO CUT

It is certain, in any case, that many Members of Congress are determined to try this year. The kind of budget-cutting talk that is now being heard has not filled the Capitol since the last 2 years of the Truman administration.

Two efforts have been made in recent years to solve the basic congressional budget problem—the problem of not being able to control actual Government spending.

In 1952, an amendment to the defense budget was offered in the House and passed. It set a ceiling on total defense spending out of both new and old appropriations. President Truman hit the ceiling and the Senate, after debate, killed the rider.

Last year the administration backed a proposal of the Hoover Commission on Organization of the Government that would

change the whole appropriating process. Under the bill which passed the Senate, Congress each year would vote actual spending, not appropriations. This is the system followed in most foreign countries.

But the bill died in the House because it was blocked by both the Republican and Democratic leaders on the Appropriations Committee.

[From the New York Herald Tribune of March 11, 1957]

EDUCATING THE PUBLIC CALLED ONLY WAY OF CUTTING BUDGET

(By David Lawrence)

WASHINGTON, March 10.—This seems to be the era of "buck passing" in Government.

The executive says to Congress: "You cut the budget."

The Congress says to the President: "You cut the budget."

The American people say: "You—both Congress and the President—cut the budget. But don't touch our pet projects—our agricultural subsidies, our business subsidies, our social-security subsidies, our school lunches, our highway subsidies, and all the other things that make it possible for us in this community to get our share of the money that's being spent."

But whose responsibility really is it to cut the budget? The Constitution gives the President the power to recommend but not to legislate. The Constitution says:

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

This means that the final decision is up to Congress. But when Congress tackles the job, what does it find? First, that 63 percent of the total budget is for national security—assurance of survival in an atomic age.

ONLY 12 PERCENT LEFT

Next, 25 percent of the budget is for programs fixed by Congress in laws passed in previous years. This includes veterans' benefits, agricultural price supports, soil-bank payments, grants to the States for welfare payments, and interest on the Federal debt. Thus we have 88 percent of these 2 categories alone and, as the Secretary of the Treasury, George Humphrey, explained it in a speech in Detroit last week, "this leaves but 12 percent of Federal spending in which there is some elasticity in the opportunity to save money."

In actual totals this 12 percent is a sum of $8,000,000,000. It cannot all be eliminated. Mr. Humphrey says:

"It therefore becomes quite obvious that while some savings can always be made by ferreting out waste, extravagance, and duplication, the really substantial reductions in Government spending can come only from changes in programs. These programs now in effect by decision of the Congress can be changed only by new decisions of the Congress.

PUBLIC SUPPORT NEEDED

"The executive branch must, of course, work closely with the Congress to arrive at the best judgments as to what the various programs must provide for. That is exactly what the Eisenhower administration is currently doing with the Congress in this campaign which has received so much public notice recently in searching to find ways and means of reconsidering existing programs so as to make substantial reductions in Government spending without either impairing our security or the necessary services to be rendered the public. * * *

"Whose job is it to cut Federal spending? It is everybody's job. It needs the active support—not just the approval—of the public. Basically it is the job of the American people, for it is with the people—at the thousands of crossroads over the Nation—that the pressures for spending begin. A group of people who want some assistance or who get into trouble of some kind, turn to the Federal Government for help on the mistaken theory that money from the Federal Government does not cost anybody anything. The pressures applied are well known and are visible in Washington every day. * * *

REAL STORY OF HIGH BUDGETS

"We need a campaign of public education so that the public will better understand the facts of life about Federal spending. They must realize that there is no bottomless well of unlimited money in Washington. * * *

"There is all too prevalent an attitude of 'getting our cut so long as everyone else is getting theirs.' "

That's the real story of why Federal budgets are high. But the picture isn't as black today as it has looked in the past. For 2 years the Treasury has taken in more than it has spent—and there is the same outlook for the coming year. This, as the Secretary of the Treasury points out, is "the first time we have had a real prospect of 3 balanced budgets in succession for more than 25 years."

Also in terms of prewar dollars—that is in the 60-cent dollars of today—the budget can be regarded as approximately $43.2 billions and not $71.3 billions. Inflation works both ways—it sends Government expenses up even as it calls for a larger volume of dollars in tax receipts. What's dangerous is not the size of the present budget by itself but what it may portend.

JOB OF PREVENTION

The current budget can be cut by perhaps two or three billions—which is something. But what is more important is to prevent the budget from going even higher next year.

This is everybody's job, which means the electorate really has to keep informed so that political demagoguery doesn't produce a rivalry in spending for welfare purposes and exploitation on the stump by one political party of the cuts made by the other party. Mr. Eisenhower isn't going to run for office again, but the Republican Party in Congress faces an election in 1958. It can be defeated once more as it was in 1956 in the West because the Democrats deliberately blamed low farm prices on the failure of the Republicans to spend more money to subsidize agriculture. Only last week the Democrats were trying to push upward in Congress the soil bank payments despite all the talk about cutting the Federal budget. It's the uninformed or short-sighted, selfish voter who really is responsible for past failures to cut the budget.

FEDERAL ASSISTANCE TO PUBLIC SCHOOL CONSTRUCTION

Mr. SMITH of New Jersey. Mr. President, in recent weeks the United States Chamber of Commerce has been vigorously vocal in opposition to the enactment of a program of Federal assistance to public school construction. The Chamber has been attempting to demonstrate that there is actually no shortage of public school classrooms.

Secretary Folsom, a former director of the United States Chamber of Commerce, has appropriately called attention to the misleading and inaccurate nature of the Chamber's contentions.

Mr. President, 2.3 million schoolchildren in this country are being educated under substandard conditions because of overcrowding, half-day sessions, or makeshift facilities. The classroom shortage exists. It has existed for too many years.

I ask unanimous consent that a letter of March 8 from Secretary Folsom of the Department of Health, Education, and Welfare to Mr. John S. Coleman, president of the United States Chamber of Commerce, be printed in the RECORD as the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D. C., March 8, 1957.

Mr. JOHN S. COLEMAN,
President, Chamber of Commerce of the United States, Washington, D. C.

DEAR MR. COLEMAN: Several Members of Congress, newspaper editors, and others have called my attention recently to publications of the United States Chamber of Commerce which discuss Federal assistance for public school construction.

From my experience as a director of the United States chamber for 6 years, and as a former president of my local chamber, I know that you and your associates seek to uphold high standards of reliability in the basic information you present to the public.

I have, therefore, been surprised and deeply disappointed at certain seriously misleading and inaccurate statements in the chamber's publications. I feel that you would want me to call these inaccuracies to your attention.

I fully respect the chamber's right to oppose—and oppose vigorously—the President's school construction program. The public, however, is entitled to accurate basic information upon which to judge this significant issue.

Before discussing specific examples, I should like to emphasize that the Department's school statistics are compiled from data reported by the State education agencies. These agencies are closest to the situation and, I believe, best able to get the facts. The chamber's presentation reports some of this information incorrectly and ignores a major part of it.

The chamber's Washington Report of February 1 undertakes to compare the number of classrooms built with the number of classrooms needed for enrollment increases in the school years 1947–48 through the current year, 1956–57. The chamber's conclusion is that 490,000 classrooms were built while only 291,000 were needed for increased enrollment.

This presentation is misleading and erroneous in several respects.

First, the Washington Report ignores the new classroom needs resulting from obsolescence, population shifts, school consolidation, or losses due to fire and natural disasters.

All these factors combined represent a considerable additional need for new classrooms each year. By a conservative estimate these needs range from 14,000 to 20,000 classrooms each year. Thus, over the 10-year period, these needs alone amount to about 140,000 to 200,000 classrooms.

Second, the chamber makes a major error in comparing construction during one school year with the increased enrollment at the beginning of that same year.

The schools, of course, need to have classrooms available when the pupils enroll, not later. An accurate presentation would compare construction during one school year with the classrooms needed to meet enrollment increases at the start of the next year.

To illustrate this point, I cite the discussion in the chamber's February issue of News and Cues. This publication states: "In 1947, spiraling enrollments required approximately 9,500 new classrooms. School boards all over the Nation countered by building 16,000."

Actually, the need for 9,500 new rooms for increased enrollment in September 1947, should be compared with the 9,000 rooms

built in the school year 1946–47. And the 16,000 rooms built in the school year 1947–48 should be compared with a need of 19,000 rooms for increased enrollment alone in September 1948.

Third, not only is the basis for comparison wrong, but some of the classroom figures cited by the chamber are inaccurate in themselves.

News and Cues states that "in 1955–56, 38,500 were needed—67,000 were built." Actually, the State education agencies report that 62,500 classrooms were built last school year, not 67,000.

News and Cues further states: "Topping this picture, the Office of Education's most recent estimate placed the need for 1956–57 at 41,300 classrooms—69,000 were built." In this statement the chamber is counting rooms that have not yet been built. The figure of 69,000 was an estimate by the State education agencies of the rooms they expected to be built by next fall. Whether this rate of construction will actually be achieved is, of course, not certain.

To summarize these points, the chamber does not present a true picture when it concludes that 490,000 classrooms were built while only 291,000 were needed for enrollment increases; a more accurate and complete presentation, corrected to reflect the factors I have cited, would show that needs for some 444,000 to 504,000 additional classrooms developed during the last 10 years, while only 406,000 were built.

These figures, of course, deal only with a specific 10-year period. A further important factor—omitted from the chamber's figures—is the backlog of shortage which first began to build up during the depression and World War II, when school construction was very limited.

The Washington Report states: "It is becoming increasingly apparent that demands for Federal school-construction funds aren't the result of needs." The publication further contends that its presentation "shows clearly that local and State action is meeting needs."

For 3 years in a row, the Office of Education has asked the State school agencies to report on the number of pupils in excess of normal capacity of the schools in use. For 3 years in a row, the figure has been about the same, 2½ million children above capacity. These children, with millions of their classmates, have been forced into half-day sessions, makeshift facilities, or obviously overcrowded rooms. Since there has been no appreciable reduction in this figure over 3 successive years, it is obvious that State and local efforts are falling far short of meeting classroom needs.

To get more complete information on the total classroom shortage, the Office of Education last fall also asked the State education agencies to report on total additional classrooms needed at the start of this school year. The State agencies estimated 80,000 additional rooms were needed simply to accommodate the excess enrollment mentioned in the previous paragraph. Further, the States reported an additional 79,000 classrooms were needed to replace facilities now unfit for use. Thus the State agencies estimated the total backlog of shortage at the start of this school year at 159,000 classrooms.

Little progress is being made in reducing this shortage. The enrollment increase next fall will require 45,000 new rooms, and additional replacement needs will require 14,000 to 20,000, for a total additional need of 59,000 to 65,000 new rooms. Thus, even if the estimated 69,000 new classrooms are completed, the backlog of shortage would be reduced by only 4,000 to 10,000 rooms.

At this rate the classroom shortage, far from being solved, would continue to handicap the education of many children for many years.

Finally, Washington Report states that "Federal-aid advocates obviously are attempting to establish the principle of Federal financing and control from which they can leap into actual control of the schools."

There is no sound or justifiable basis for this statement.

The President has repeatedly stated his deep conviction that Federal support can and must be administered without Federal control of education. The Federal Government has financially supported education in various ways for over 100 years without imposing Federal domination. In recent years, for example, the Federal Government has invested $18 billion to help war veterans continue their education, and $1.2 billion to help build and operate schools in communities overburdened by nearby Federal defense installations. These activities have not resulted in Federal control of the schools. Furthermore, the proposed legislation specifically prohibits any Federal direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system.

In my long and pleasant association with the chamber, I have learned to appreciate the chamber's contributions over the years in calling attention to the value of good schools and in encouraging community support for improvements in education. I firmly believe that the primary responsibility for meeting classroom needs must remain at the State and local levels. The President has said many times, however, that Federal assistance is needed now on an emergency basis to help remove the backlog of shortage. Then States and communities can meet future needs as they develop. The administration's proposals are carefully designed to encourage greater State and local efforts.

In the interest of better public understanding of the classroom problem, I am making this letter public.

Sincerely yours,

M. B. FOLSOM.

POLICY OF CORPS OF ENGINEERS CONCERNING INFORMATION TO BE FURNISHED MEMBERS OF CONGRESS UPON REQUEST

Mr. KEFAUVER. Mr. President, there has been furnished to me a copy of a letter which was sent by Maj. Gen. Emerson C. Itschner to the field engineers announcing a change in policy as to the information which the engineers can furnish to Members of Congress upon request.

As many Senators have learned, during the past year the policy was changed. Whereas previously a Member of the Senate or House was entitled to all information concerning projects which had been surveyed or proposed by the Corps of Engineers, during the last year a new policy was put into effect, and no information could be furnished regarding any project which was not made a part of the current year's budget.

This makes it very difficult for any Member of Congress properly to represent his constituents, as under such a policy he was refused the basic information regarding projects in his home State. In connection with the hearings on the confirmation of the nomination of General Itschner, this point was brought up in the Armed Services Committee especially by the Senator from Oregon [Mr. MORSE] who made a lengthy statement on the subject. We learned that the policy was not inaugurated by the Corps of Engineers, but was directed by the Bureau of the Budget.

General Itschner has just informed us that as a result of the hearings by the Armed Services Committee a new policy, which he himself announced, is now in effect, and that once again Members of Congress will be able to get basic information about projects in their home States.

Mr. President, I desire now to turn my attention to another subject.

The PRESIDENT pro tempore. The Senator from Tennessee has the floor.

BROADENING OF LOAN REGULATIONS TO AID INDIAN TRIBES IN ATTRACTING INDUSTRY

Mr. KEFAUVER. Mr. President, I have received a release from the Bureau of Indian Affairs relating to the broadening of loan regulations in order to aid Indian tribes in attracting industry. I am very happy to see the progress that is being made on this, since the Juvenile Delinquency Subcommittee, of which I was chairman for several years, and of which the Senator from Missouri [Mr. HENNINGS] is now the chairman, conducted hearings throughout the United States on the plight of the American Indian and the impact on their youth. The Senate Indian Affairs Subcommittee has done constructive work in this field.

When I was the chairman of the subcommittee I designated the Senator from North Dakota [Mr. LANGER] as acting chairman to conduct the hearings, and was fortunate enough to be with him at one of the hearings at Fort Yates, N. Dak. The Senator from North Dakota and I were both impressed with the zeal with which the Indian leaders and individuals came before the subcommittee and stated frankly that what was needed was regular employment so that an opportunity of improving the economy of the people would be afforded. The Senator from North Dakota heard these same statements time and time again in other sections of the country. One of the recommendations of the Juvenile Delinquency Subcommittee was for a program by the Federal and State Governments to induce industry to come in or near Indian reservations. The Senator from North Dakota was one of the leaders in a movement to bring the Jewel Bearing plant to Rolla, N. Dak., which plant hires Indian people exclusively. With that plant as a pilot project, six other plants were inaugurated in different parts of the country. I am happy to say that one of the companies is from my State of Tennessee, namely, the Leathercraft Co., Inc., of Knoxville, Tenn., which has established a plant at Cherokee, N. C. Very recently the Senator from North Dakota introduced S. 809, the purpose of which is to provide a fund of $200 million for loans or grants to Indian tribes, to Indians and to non-Indians interested in bringing industry to or near Indian reservations. Twenty other Senators, including myself, cosponsored the bill. I hope that this bill will receive favorable consideration for it would be one of the most conservative measures to correct many of the problems facing the American Indian. I ask unanimous consent that the

release from the Bureau of Indian Affairs be printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

LOAN REGULATIONS BROADENED TO AID INDIAN TRIBES IN ATTRACTING INDUSTRY

The Federal regulations governing the United States credit program for Indian tribes are being broadened to permit loans of funds which the tribes can use for the purpose of attracting industry to the vicinity of reservations, the Department of the Interior announced today.

In explaining the significance of the changes, Indian Commissioner Glenn L. Emmons pointed to the example of the Navaho Tribe in Arizona, New Mexico, and Utah which has appropriated $300,000 of its own funds both this year and last year for an industry-fostering program. The new types of loans, he added, will make it possible for other tribes with little or no cash reserves to offer similar inducements.

Such inducements might include assistance in furnishing facilities, in training programs, and in the recruitment of qualified workers.

Loans will be made only to tribes having a form of organization acceptable to the Secretary and at interest rates and under terms and conditions found by the Secretary to be in the public interest.

Encouragement of industry to establish plants near Indian reservations is an important phase of Commissioner Emmons' program to advance the economic and social welfare of Indian people. The work is headed by Carl W. Beck, assistant to Commissioner Emmons.

Following is a tabulation of the plants which either have been established or definitely planned to date as a result of the program:

Name and home base of company	Name and location of new plant	Type of plant	Approximate opening date (actual or anticipated)	Tribes involved	Anticipated employment of Indians
Saddlecraft, Inc., Knoxville, Tenn.	Cherokee Leathercraft Co., Cherokee, N. C.	Leather goods	May 1956	Eastern Cherokee	40.
Baby Line Furniture Co., Los Angeles, Calif.	Navajo Furniture, Inc., Gallup, N. Mex.	Juvenile furniture, shutters, etc.	Nov. 10, 1956	Navaho	100.
Lear, Inc., Santa Monica, Calif.	Lear Navajo, Flagstaff, Ariz.	Electronics	Nov. 15, 1956	do	100.
Parsons & Baker, Phoenixville, Pa.	Casa Grande Mills, Inc., Casa Grande, Ariz.	Garments	March 1957	Pima Papago	125 (immediately); 700 (ultimately).
The First Americans, Inc.	The First Americans, Inc., Lame Deer, Mont.	Fishing tackle, plastics and wood products.	In operation (January 1957).	Northern Cheyenne	75 to 100.
New Moon Mobile Homes Co.	New Moon Mobile Homes Co., Rapid City, S. Dak.	Manufacture of house trailers.	March 1957	South Dakota Sioux groups.	75 to 100.

CURE FOR CORRUPTION IN UNIONS

Mr. MORSE. Mr. President, I ask unanimous consent that I may speak for not more than 5 minutes on the first item I wish to insert in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, the Oregon Labor Press, the official publication of the AFL–CIO in the State of Oregon, on March 8, 1957, published an editorial entitled "Democracy Is the Cure for Corruption in Unions."

The editorial sets forth in clear and uncompromising language the sentiments shared, in my judgment, by the vast majority of fair-minded citizens of my State.

Because of the timely nature of the editorial, and as a healthy corrective to the exaggerated statements given currency by those who would seek to besmear all union labor because of the alleged iniquities of a few men in the labor movement, I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD.

(See exhibit A.)

Mr. MORSE. Mr. President, in my opinion, the Oregon Labor Press and its editor, Mr. James W. Goodsell, deserve commendation for their wholesome approach to this problem.

Mr. President, in regard to this problem I wish to say that in recent days I have been very much concerned about testimony and information based upon allegations concerning certain persons in my State, which have been made a part of the record before the McCLELLAN committee. At the conclusion of the hearings held by that committee, so far as the so-called Oregon features of the hearing are concerned, I propose to make remarks on the floor of the Senate, on the basis of what I think the record warrants.

But, Mr. President, today I desire to assure my colleagues in the Senate and, while speaking from this desk, I wish to assure the people of the United States, that the great City of Roses, Portland, Oreg., is not the mire-filled, filthy city that one would be led to believe from reading the "trial by press" in the Oregon newspapers, in regard to the conditions existing in Portland.

I wish to say to the law-enforcement officials of my State—that if there is any ground for criminal prosecution based upon any allegations made before the McClellan committee, it is the clear duty of such officials to proceed forthwith prosecutions.

Mr. President, as one who for many years taught criminal procedure, I wish to say that in determining the guilt or innocence of fellow Americans, there is no substitute for the judicial courtroom, where the rules of procedure which prevail will protect the innocent and will give the guilty a fair trial.

I wish to make it very clear, Mr. President, that I make no criticism of the McClellan committee. It is following the established practices and customs of the Senate in conducting its investigation. However, again I raise my voice in the Senate of the United States, as I have done on more than one occasion in the past 12 years, to insist that the procedure in connection with Senate investigations needs much revision, so that when a question of the guilt or innocence of a fellow American is before a Senate committee, the precious safeguards of procedure which are so essential to a fair trial in our country will be preserved and guaranteed to him in the interests of justice.

Basic among these procedural protections is the bill of particulars. In many speeches I have made during the last 12 years on behalf of reform of procedures in Congressional investigations I have stressed the importance of submitting in advance to anyone brought before a committee a bill of particulars setting forth the specific charges upon which he is to be investigated. This is not asking too much where a witness' reputation or freedom are often at stake, at least indirectly.

Another recommendation which I deem of great importance, and which I repeat today, is that anyone charged of any wrongdoing involving alleged criminality shall be confronted by his accusers in open hearing, where the searchlight of full public disclosure can be brought to bear upon all the facts set forth.

By the same token, one who is accused in this fashion before a Congressional committee should have the right to cross-examine his accusers through counsel. This is a precious procedural right if the essence of fair trial is to be maintained in our committees.

Oh, yes; I know it is said that a Senate investigation is not a trial. However, that is but a technical distinction, because we all know that in the past several days, as we have read in the papers about the investigation of alleged labor racketeering in my State, there has been trial, at least by the press, of various people who have been called before the committee.

Another basic procedural right which we should insure is the right of the accused, with the assistance of counsel, to pursue his own defense in orderly fashion, subject, of course, to the right of the committee and of those involved in his testimony to cross-examine him on his testimony.

Likewise, I have urged, and wish to stress in these remarks today, the importance of the procedural requirement that probative evidence be brought forth in support of allegations made. Whispers, rumors, hearsay, and possible frameups have no standing, as we all know, in our criminal courts. The unreliability of such sources of information has been recognized from the founding of our Republic and the safeguards against such dangers to the reputation and character of men and women should be impeccably followed in Congressional

investigations. My faith in the procedural guaranties of a fair trial in America is so abiding that I am convinced that any phase of alleged labor or employer racketeering, of labor or employer participation in vice conditions, or of labor and employer participation in any form of political corruption, can be proven or disproven beyond a question of a doubt on the record of any investigation or courtroom proceeding without resort to the use of any procedural short cuts that deny the procedural guaranties to which I have referred.

Mr. President, I hold no brief for the people who have been called before the committee, but I do insist, as one who taught criminal law and criminal procedure for years, that the judgment of guilt or innocence should be determined by a jury of peers within the procedural safeguards of an American courtroom. That is why I have just said that I call upon the law-enforcement officials of my State to carry out their public duty if they find that there is any basis in fact for any criminal charges against anyone involved in these hearings. It is through such criminal prosecutions in the courtrooms of my State that the important question of guilt or innocence should be determined, and not in a Senate hearing.

I am making these remarks today as the Senior Senator from Oregon, because in that capacity I have been barraged by questions from colleagues in the Senate and from many people outside the Senate who want to know whether conditions in my State are as bad as the press paints them upon the basis of this hearing.

Mr. President, no other Member of the Senate is more anxious than I am to have cleaned up any criminality which may have woven its way either into the labor movement or into the employer movement or within the officialdom of my State. But, Mr. President, I know the great difference which exists between accusations and proof; and I know that testimony by persons of questionable veracity, such as alleged prostitutes, procurers, exconvicts, or gamblers before any legislative committee—where the precious safeguards of procedure so essential in determining the proof of guilt or innocence should prevail—may appear to be quite different when the testimony is given by such witnesses in court on cross-examination under the procedures of a fair trial.

Therefore, Mr. President, in defense of my great State, not of individuals against whom allegations have been made—because I hold no brief for anyone who has been accused or against whom allegations have been made, before the Senate committee—but in defense of my State, I wish to say to my colleagues, "Reserve judgment until in the judicial atmosphere of a fair courtroom, where these procedural guaranties are always available to those accused, judgment is finally rendered by a jury of one's peers."

Mr. President, I wish to say to my colleagues in the Senate I am sorry that in the hearings which thus far have been held, evidence which has been brought forth in some instances would seem to be the basis of a prima facie case at least supporting a suspicion that all is not well in certain segments of the labor movement in my State, and that all is not well, also, apparently, in connection with certain segments of the employer groups in my State, as well as in the officialdom of my State.

But, Mr. President, I would have my colleagues know that in the case of labor racketeering, as well as in the case of bribery, more than 1 person must be involved; at least 2 are necessary. Just as one cannot bribe himself, so it is that in the case of the small minority of labor leaders who apparently have been resorting to labor-racketeering methods, they cannot engage in it without collusion on the part of an equally small number of employers who have not recognized their obligations to the great bulk of employers in the United States.

Mr. President, I close these remarks by asking my colleagues to reserve judgment on many of the allegations which have been made until the judicial processes of our great system of government by law run their course.

EXHIBIT A

[From the Oregon Labor Press of March 8, 1957]

DEMOCRACY IS THE CURE FOR CORRUPTION IN UNIONS

First of all, let us say for the record that the Oregon Labor Press will withhold opinion of the guilt or innocence of accused teamster officials until the current Senate committee hearings and local grand-jury proceedings, criminal prosecutions, and libel suits are completed. In our book, every man is innocent until proved guilty.

But let us make one thing perfectly clear. If the shocking charges against any of these teamster officials are proved true, we believe they should be punished to the full extent of the law. And they should be removed permanently from positions of authority and trust in the labor movement.

"No person should hold or retain office or appointed position in the AFL–CIO or any of its subordinate bodies who is commonly known to be a crook or racketeer preying on the labor movement and its good name," says the ethical practices code adopted by the AFL–CIO executive council.

Let's face the facts. One corrupt national union in the AFL–CIO is one too many. One corrupt local union official is one too many. It takes just one to soil the good name of all clean and democratic unions, including yours and mine.

We can't close our eyes and say, "This is the teamsters' problem; let them cope with it." In terms of public opinion and public trust, the current Senate hearings and local indictments have hurt every union, every union official, every union member. The wounds we are receiving may take years to heal.

It doesn't do much good to point out that 99 percent of all unions are clean and democratic, and that 99 percent of all union leaders are honest and conscientious men of complete integrity.

It doesn't do much good to point out that a higher percentage of businessmen and bankers are convicted of felonies each year than union officials. The sins of a banker don't rub off on his fellow bankers, but the sins of one union official can soil the good name of organized labor as a whole.

For labor unions, it's not enough to be 99 44/100 percent pure. The hard, uncomfortable fact is that all unions and all union leaders must be, like Caesar's wife, above suspicion.

How do we attain this seemingly impossible goal?

We attain it through democracy in unions. No local or national union that is really democratic can ever become corrupt.

The overwhelming majority of unions have never been tainted with any hint of corruption. Why? Because they are democratic—run by and for their members.

Democracy is the life blood of good unionism. No union should ever be run from the top down. No union official should ever be beyond control and recall through the democratic ballot of his members. The acts of every union official should be subject to the full scrutiny and veto of his members.

This, we believe, is the underlying reason why the Teamsters have been scorched by the hot breath of scandal. Basically the Teamsters are not a democratic union. Great power is vested in officials who are appointed, not elected. Local unions can be kept indefinitely under trusteeship, which means that their members have no right to elect officers or control finances. Through the misuse or threat of trusteeship, the Teamsters' Union is run from the top down.

What would happen if the president of your union sold his house to the union for $162,000 and kept the house? In most unions the president, and the executive board who approved the transaction, would be thrown out on their ears. But this sort of thing apparently can happen in the Teamsters. Honest and decent local union leaders and members can only shake their heads in shame and frustration.

Labor has no ills that the good medicine of democracy cannot cure. If the AFL–CIO or the United States Senate can find a way to assure real democracy in all unions, there will never again be any need for radical surgery to remove the cancer of corruption.

DENIAL OF PASSPORTS TO AMERICAN NEWSMEN WISHING TO VISIT RED CHINA

Mr. HUMPHREY. Mr. President, the State Department's unfortunate denial of passports to American newsmen who wish to visit Red China continues to have serious repercussions around the country.

Mr. President, this matter was referred to earlier in the session of the Senate today by the Senator from Missouri [Mr. HENNINGS], who, as we recall, introduced a joint resolution to require the issuance of a passport to one newspaper reporter.

Many editorials and editorial comments relating to the denial by the Secretary of State of passports to American newsmen have been called to my attention. Many of these editorial comments refer to speeches and statements I have made in the Senate, in deploring the action of the State Department.

Mr. President, I would also note for the record that the Senate Committee on Foreign Relations has today under consideration the entire matter of the issuance of passports or the failure by the Secretary of State to issue them. The distinguished Senator now presiding over this body [Mr. FULBRIGHT] has expressed his concern, as have the Senator from Oregon [Mr. MORSE] and myself.

Among the editorial comments which have come to my attention is one entitled "It's Prompted by Fear," which was published in the Marshall (Minn.)

Daily Messenger. I ask unanimous consent that the editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Marshall (Minn.) Daily Messenger of February 12, 1957]

IT'S PROMPTED BY FEAR

Yesterday Senator HUBERT HUMPHREY said he will ask the Senate Foreign Relations Committee to investigate the denial of passports for newsmen's visits to Communist countries.

Senator HUMPHREY told the Senate that the State Department has engaged "in an unwarranted abuse of the right to travel," in denying such permits and in attempting to take up the passports of reporters who visited Communist China in defiance of the policy.

Senator HUMPHREY hit on something that must be regarded by all freedom-loving Americans. It's not so much a case of freedom to travel as it is a case of the intellectual freedom to investigate, inquire, to think, and to believe.

The State Department's action in this case obviously was prompted by fear. It either was afraid that these newsmen would engage in espionage or else the State Department was afraid the newsmen would be corrupted by associations with Communists and exposures to their propaganda.

The State Department, perhaps, was afraid that democratic ideas would not stand up in the free market place of ideas.

This lack of confidence has all sorts of dangerous implications. During this cold war, when the democratic ideas are being challenged, questioned, and argued around the world, we must remain steadfast in our belief that ideas have the right to be heard. We must grant the minority the right to become the majority through an orderly process of democratic exchange of ideas.

Had someone, during President Hoover's time in the White House, suggested such things as social security, farm price supports, wage and insurance laws, that person would have been stoned. Yet today the conservative party, the Republican Party, is outdoing even the most liberal thinkers of the Democratic party of Hoover's time. People haven't changed so much as their ideas have changed.

There are people among us who fear open competition with strange and foreign ideas. This is weakness, not strength.

So long as ideas are presented and discussed and considered and argued, according to the American standard of fair play, we have nothing to fear.

The newsmen who went to Communist China possibly are fellow travelers. We certainly won't convince them communism is bad by restricting them to this country. We may convince them of communism's inherent tyranny by letting them see both political philosophies in the open market place of ideas.

If not, to allow a department of our Government to tell us when and where we can travel is still bad. Some day that Government may tell Catholics they cannot travel to Rome and Norwegians they cannot visit the Scandinavian countries.

Mr. HUMPHREY. Mr. President, I hope the State Department will take immediate steps to remedy this situation. Instead of having to call the Secretary of State before the appropriate Congressional committees, in order to get him to do what he should do, I suggest that while he is visiting in Asia, he do what many of our Asian friends do—meditate; and I suggest that after due meditation, he come to the decision to permit the American people to have information about a part of the world which is very important, and to permit them to obtain that information from true, trusted, and experienced newsmen who can properly interpret what is developing in one of the areas of Asia which causes the American people great worry and concern, and is a country which fundamentally affects what will develop in the world in the days to come.

Mr. President, I turn now to another subject.

he PRESIDENT pro tempore. The Senator from Minnesota has the floor.

INADEQUACY OF FARM CREDIT

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter which I received from one of our State Representatives in the 65th District of Minnesota, Mr. B. M. Wichterman. Mr. Wichterman addressed a letter to me, under date of February 15, 1957, relating to the inadequacy of farm credit. He is a gentleman who knows the needs of his constituents, and knows the failures and inefficiencies of the present farm credit service. He urges that Congress take some action in the farm credit field before it is too late.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
HOUSE OF REPRESENTATIVES,
Plummer, Minn., February 13, 1957.

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Something is wrong with our Government agencies that have been created to provide credit for the farmers of our area. As a member of the legislature, I have received more pressure from farmers regarding FHA loans and other emergency Government credit than I have from any State issue or any other issue with the exception of price supports.

Reports through news releases, farm magazines, and other publications have given wide publicity that a farmer may receive substantial credit at reasonable rates through Government agencies if he is not able to do so from banks and private lenders. As a matter of fact, these people are receiving very little help from the Federal loaning agencies.

I had a farmer over to see me the other day who started 3 years ago to get an FHA loan to build a barn and to buy cattle and other necessary items needed to have a good efficient unit. He was told at that time that he must secure additional land so he arranged to purchase another quarter section. The local FHA board approved this loan but things did not materialize. Consequently, the quarter section was sold to someone else. About a year ago he attempted again to secure an FHA loan and again he was told he must purchase additional land. Presently he has another quarter section available; his loan has again been approved by the board, but for some reason or other he gets no action.

I have had several other farmers that are in an area that suffered a 100-percent loss by hail and in my judgment should be eligible under the emergency provisions of the FHA Act. These loans have also been approved by the local boards, but they are receiving no action from the administration. Unless something is done and soon, these people will be forced off the farms because they can no longer live on the broken promises that they have received from the FHA, which exodus from farms here in northwestern Minnesota is increasing at an alarming rate and this, of course, creates problems for others who are in business and must depend upon farmers for their livelihood. If something isn't done to correct this situation, many of our small towns are going to disappear.

I would like to know if there is a deliberate slowdown in processing applications for loans under FHA. Our local board tells me that they are doing everything in their power to secure this financing for our farmers, or is it our State administrator or the regional or national administrators who are responsible for this?

Since you represent us in Washington, D. C., I hope that you will be able to get us an answer to some of these questions and straighten things out so that we can keep these farmers on their land.

Thanking you kindly, I remain,

Sincerely yours,

B. M. WICHTERMAN,
Representative, 65th District.

PROPAGANDA EFFORTS OF PRIVATE POWER COMPANIES

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I received a few weeks ago from Mr. Clyde T. Ellis, general manager of the Rural Electric Cooperative Association, and along with his letter, I ask unanimous consent to have printed a copy of the advertisement which was carried in a number of magazines in the United States by America's independent electric light and power companies. It is this advertisement to which Mr. Ellis' letter refers. I would have my colleagues note that Mr. Ellis, who is well known to Members of Congress for his outstanding work in the field of rural electrification, takes sharp dissent from the suggestions and attitudes of the power companies. In his letter to me Mr. Ellis states what he believes to be the truth relating to the private utilities and their relationship to public power programs, and, in particular, the greatest of all public power programs, the Rural Electrification Administration and its activities.

I ask unanimous consent that Mr. Ellis' letter, my letter to him in reply, and the advertisement be printed in the body of the RECORD.

There being no objection, the letters and advertisement were ordered to be printed in the RECORD, as follows:

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington, D. C., February 11, 1957.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Attached for your information is the latest ad in the propaganda series of the power companies. We wrote to you on this matter with a copy of an earlier ad on December 31.

We want to call to your attention the following part of the ad:

"These companies can have this power ready when you need it because they don't have to wait for an act of Congress—or for a cent of tax money—to build the plants. The same experience, imagination, and enterprise that electrified the Nation in a single lifetime are at work shaping your electric future. That's why in the years to come, as in the past, you will benefit most when you are served by independent companies like the ones bringing you this message."

These statements are simply not true.

When the power companies say that they don't have "to wait for an act of Congress—or for a cent of tax money"—they are implying, and falsely, that they do not receive any subsidies from the Federal Government. The facts are that they have already received certificates entitling them to interest free loans of $1.4 billion and ultimate subsidies of $4.7 billion under section 168 of the Internal Revenue Act of 1954, and they stand to obtain benefits far in excess of those amounts under section 167 of the same act.

When the power companies attribute to themselves the credit for electrifying "the Nation in a single lifetime," they are rewriting history by denying credit to local and State governments for activities along this line which date back to 1882, and they are erasing the ugly record of most of the private companies in excluding rural people from receiving modern electric service until rural people and the Congress through the rural electric systems with funds and technical assistance from the Rural Electrification Administration did most of the rural job and forced the power companies to move into the field.

Placed against the background of the long propaganda campaign of the power companies, using funds supplied by electric consumers, this ad is pointing to a bright future and propagandizing against the Federal power program, State and local electric systems, and the rural electric program, that is, against all enterprise in the electric industry except private monopoly.

We do not question the right of any American to free speech. We do question the privilege exercised by utility monopolies to spread false and misleading propaganda against our program. And we wish to protest as strongly as polite language will permit the right of the power companies to finance this kind of propaganda out of funds collected from electric consumers, including a majority of the consumers of our own member systems. And we protest the privilege the power companies exercise in declaring such expenditures to be a part of the legitimate expense of serving people with electricity, and deducting these expenses from their profits before taxes. Since electric utilities operate, in effect, under cost-plus contracts with the electric consumer, they should not be permitted to add the cost of misleading propaganda to the ratepayers' bill and reduce their income taxes simultaneously.

We sincerely hope that the Congress will take action affirmatively to prohibit these activities, leaving the officials and owners of the power companies free to say whatever they please as individuals, provided they do it at their own expense.

Sincerely,

CLYDE T. ELLIS,
General Manager.

POWER COMPANIES BUILD FOR YOUR NEW ELECTRIC LIVING

Your air conditioner, television, and other appliances are just the beginning of a new electric age.

Your food will cook in seconds instead of hours. Electricity will close your windows at the first drop of rain. Lamps will cut on and off automatically to fit the lighting needs in your rooms. Television screens will hang on the walls. An electric heat pump will use outside air to cool your house in summer, heat it in winter.

You will need and have much more electricity than you have today. Right now America's more than 400 independent electric light and power companies are planning and building to have twice as much electricity for you by 1967. These companies can have this power ready when you need it because they don't have to wait for an act of Congress—or for a cent of tax money—to build the plants.

The same experience, imagination, and enterprise that electrified the Nation in a single lifetime are at work shaping your electric future. That's why in the years to come, as in the past, you will benefit most when you are served by independent companies like the ones bringing you this message. (America's Independent Electric Light and Power Companies.)[1]

MARCH 4, 1957.

Mr. CLYDE T. ELLIS,
General Manager, National Rural Electric Cooperative Association, Washington, D. C.

DEAR CLYDE: I want to thank you for again calling my attention to the continuing propaganda efforts of the private power companies. As you know I have placed your previous letter in the CONGRESSIONAL RECORD along with comments of my own.

I am going to follow it up with additional comments soon.

We should find some way to call a halt to this abuse that is paid for out of the rate-payers' bills and also deducted from taxes as business expense.

Sincerely,

HUBERT H. HUMPHREY.

CONDITIONS IN POLAND

Mr. BEALL. Mr. President, I wish to quote an excerpt from an article entitled "Titoism: The New Marxist Empire," written by my friend, Dr. Joseph F. Thorning, of the Free State of Maryland, and published on Sunday, November 25, 1956, in the national magazine Our Sunday Visitor.

The paragraph to which I desire to refer particularly reads:

In Poland, as many Polish patriots have pointed out, Soviet trickery produced a relatively bloodless transition from Stalinism to Titoism. One Communist Gauleiter, Mr. Wladyslaw Gomulka, was substituted for another. This was easy because the masterminds in the Kremlin had every reason to trust Mr. Gomulka. As early as 1944, the new head of the Marxist-Leninist régime in Warsaw had been hailed by the Moscovites as "the Stalin of Poland." By liquidating (i. e. murdering) Polish patriots during World War II Gauleiter Gomulka dug the grave of the Polish Republic.

The annihilation of anti-Communists (i. e., true champions of freedom) in Poland was recalled in a recent report of the Associated Press (October 22, 1956). Mr. Wladyslaw Gomulka, it was revealed, had "helped the Soviets to liquidate the anti-Communists of Poland."

To be sure, Mr. Gomulka and his fellow-conspirators in Warsaw want independence and sovereignty. But, with equal ferocity, they are determined to maintain the new régime: "Titoist" National Communism.

I also submit for the consideration of my distinguished colleagues an editorial from The New York Times which gives some indication that the truth about Marxist-Leninist Poland is beginning to suggest itself to a number of news analysts. This interesting editorial makes manifest the disappointment of many of those who had indulged in a vast amount of wishful thinking about the Marxist-Leninist Gauleiter of Poland, Mr. Wladyslaw Gomulka. It also underlines the value of independent analyses such as those that have been brought to the attention of the United States Senate and the United States House of Representatives by the Maryland scholar, author, professor, and diplomat, Dr. Joseph F. Thorning. Dr. Thorning expresses his conclusions about international events only after months of research, reflection, and consultation among the most trustworthy thinkers of the United States of America and of other nations where freedom and true socio-progress prevail.

The New York Times editorial to which reference has been made is entitled "Ominous News from Poland." It reads as follows:

OMINOUS NEWS FROM POLAND

Disquieting and puzzling developments are taking place in Warsaw. High ranking Stalinists who opposed last October's peaceful Polish revolution are retaining or gaining positions of power and influence. Progressive Polish writers who helped mobilize their country's conscience against Stalinist oppression are under attack. A deliberate campaign seems to be under way to reduce the free speech which has recently been so healthy a feature of the Polish scene. This newspaper's Warsaw correspondent reports "despair" among Polish intellectuals now feeling this pressure.

These developments are apparently taking place with the full knowledge of Wladyslaw Gomulka, the Polish Communist chief who is usually regarded as the individual symbol of Poland's new independence. The indication is that M. Gomulka is bowing to heavy pressure from Moscow. This is particularly surprising because of the way this apparent retreat now contrasts with developments last summer. After last June's Poznan demonstrations Soviet Premier Bulganin publicly demanded that the Polish press be muzzled. It took considerable courage then to refuse to obey Bulganin's order, but that courage was shown and it helped lay the groundwork for last October's revolution. No such courage is being shown now.

It may be that the recent disquieting developments should not be exaggerated. Much that is new and sound is continuing in Poland. Free enterprise is being permitted to bring its vigor to the solution of some pressing economic problems. The oppression of collective farming has been lifted from most of those once subject to it. Polish foreign economic relations today exhibit a high degree of national independence, illustrated, for example, by the presence in this country of a Polish delegation negotiating for American economic aid.

The foundation for these gains was laid these past 2 years by the progressive increase in the freedom of the Polish press, and by the courageous and capable manner in which the Polish intellectuals took advantage of that increasing freedom to write the truth. Any attack on this foundation must raise questions about the future of all the progressive developments in Poland. It must also raise questions about the future of our own attitude and policy toward Poland.

TERMINATION OF WATER DIVERSION FROM LAKE MICHIGAN

Mr. WILEY. Mr. President, State and municipal officials of Wisconsin are delighted that the so-called emergency diversion of water from Lake Michigan into the Illinois waterway has now been terminated. I share their gratification, and I trust that the termination will not itself be terminated, and that we will not see a resumption of the stealing of water

[1] Company names on request through this magazine.

from Lake Michigan, so as to flush sewage down the Illinois waterway.

I send to the desk the text of an article on this subject from the Thursday, February 28, issue of the Milwaukee Journal, together with a significant resolution introduced in the city council of Superior. I ask unanimous consent that these items be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal of February 28, 1957]

CITY HAILS END OF EXTRA DIVERSION FROM LAKE

The end of emergency diversion of Lake Michigan water into the Illinois waterway elated Milwaukee officials Thursday.

"We hope that Illinois waterway interests will not perpetually look to Lake Michigan to solve the low-water problems of the Mississippi Valley," commented Harry C. Brockel, Milwaukee port director and one of the opponents of the diversion order.

The Army engineers ordered the extra diversion halted at midnight Thursday. The rate of water taken out of the lake at Chicago was raised from 1,500 cubic feet per second to 8,500 last December 16, after shipping interests had complained of low water in the Mississippi River locks at Alton, Ill.

Brig. Gen. Paul D. Berrigan, north central division engineer at Chicago, said Thursday that the diversion was put back to normal because rains and warm weather had raised the water levels in the waterways.

General Berrigan said that the flow from the upper Mississippi measured 28,500 cubic feet per second Tuesday and 30,000 Wednesday at lock 26, 100 miles north of St. Louis, Mo. The Illinois River joins the Mississippi about 75 miles south of there.

NEVER FULL AMOUNT

Flow in the Illinois River at Meredosia, Ill., increased from 15,000 to 18,000 cubic feet per second in one day, General Berrigan added.

"With normal weather and rainfall, no further emergency should develop until next fall," General Berrigan said.

He ordered the Chicago sanitary district, which controls the locks at the mouth of the Chicago River, to cut diversion in three stages—back to 6,000 cubic feet a second at midnight Wednesday, to 3,100 at noon Thursday and to 1,500 at midnight Thursday.

Army engineers said that the diversion never was permitted to reach the full 8,500 cubic feet, because currents so swift they would have impeded navigation would have been created.

The rate did climb to 7,900 cubic feet and averaged 6,950 for the 74-day period. The increase in flow of water down the Illinois waterway raised the level of the lower gate of lock 26 from 6 to 11 inches. That permitted the passage of boats and barges stranded there by low water.

The increased diversion had been authorized by the United States Supreme Court, which governs the flow of water from the lake.

PRINCIPLE WRONG, VIEW

Brockel said that his office would "continue to oppose efforts by Mississippi Valley interests to make Lake Michigan a storage reservoir for the Mississippi."

Harry C. Slater, deputy city attorney, said: "We are happy to note that the engineers have recommended a termination of the division. We regard this as especially important since we are on the threshold of what appears to be a fight on legislation that would permit diversion."

Bills which would permit such diversion are "wrong in principle," said Slater. He added that the city was prepared to inform Congressmen of its opposition.

Mayor Zeidler said he was glad that the diversion was ended and hoped that a bad precedent had not been set which might be used by "Chicago forces" to seek permanent diversion of a larger amount.

Zeidler said he was waiting word from the Great Lakes Harbors Association on its request for a Presidential commission to study the Chicago sanitary district, "so the cities of the lakes will not constantly be plagued with Chicago's requests for more water to flush its sewage."

RESOLUTION INTRODUCED BY THE CITY COUNCIL OF THE CITY OF SUPERIOR, WIS., OPPOSING THE INCREASED DIVERSION OF WATERS FROM LAKE MICHIGAN THROUGH THE CHICAGO DRAINAGE CANAL

Whereas the States and Provinces of Canada bordering on the Great Lakes hold title to the waters of the Great Lakes, in trust for the public use and enjoyment by the peoples of the Great Lakes States for purposes of navigation, recreation, conservation, fishing, domestic water supply, industrial use, and the generation of power; and

Whereas the abstraction and diversion of the waters from the Great Lakes at Chicago through the Chicago Drainage Canal has caused large and continuing damages to the Great Lakes States and their peoples; and

Whereas the United States Supreme Court by its decree of April 21, 1930, has limited the diversion of waters from the Great Lakes through the Chicago Drainage Canal to 1,500 cubic feet per second, plus domestic pumpage; and

Whereas numerous bills have been introduced in Congress this month to authorize an increase in diversion of water from the Great Lakes at Chicago over and above the amount fixed by the Court's decree of April 21, 1930; and

Whereas increase in diversion over and above the amount fixed by the Supreme Court would result in great injury and continuing damages to the port cities and their peoples: Now, therefore, be it

Resolved, That the City Council of the City of Superior expresses its unalterable opposition to any permanent increase in diversion of water from the Great Lakes through the Chicago Drainage Canal.

Passed and adopted this 5th day of March 1957.

Approved this 6th day of March 1957.

HILDA J. HENRICH,
President of the Council.

Attest:

R. E. MCKEAGUE,
City Clerk.

CITATION OF PAULINE FEUER FOR CONTEMPT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, if the morning hour has been concluded, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 96, Senate Resolution 103.

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). The resolution will be stated, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 103) citing Pauline Feuer for contempt of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSTON of South Carolina. Mr. President, this is a contempt citation to replace the citation approved by the Senate during the previous session of the Congress. Through an unfortunate clerical error that citation was referred to the United States attorney for the District of Columbia. Properly the citation with respect to Mrs. Pauline Feuer should be referred to the United States attorney for the eastern district of Louisiana. The resolution now before the Senate so provides. The Senate should ratify its previous action and make it effective by approving the pending resolution, which is unanimously reported by the Judiciary Committee of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Senate Resolution 103 was agreed to, as follows:

Resolved, That the President of the Senate certify, under the seal of the United States Senate, to the United States attorney for the eastern district of Louisiana, the report of the Committee on the Judiciary of the United States Senate as to the refusal of Pauline Feuer before the Subcommittee To Investigate the Administration of the Internal Security Act and other Internal Security Laws of the Committee on the Judiciary of the United States Senate, to answer questions pertinent to the subject matter under inquiry, together with all the facts in connection therewith, to the end that the said Pauline Feuer may be proceeded against in the manner and form provided by law.

CITATION OF LUDWIG RAJCHMANN (OR RAJCHMAN) FOR CONTEMPT OF THE SENATE

Mr. HOLLAND. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 97, Senate Resolution 104.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. Resolution (S. Res. 104) citing Ludwig Rajchmann (or Rajchman) for contempt of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSTON of South Carolina. Mr. President, this is a c[illegible] of contemptuous defiance of the authority of the Senate.

When Mr. Rajchmann was served with a subpena, he thrust it to the floor, and declared he would not accept it. As soon as information with respect to his actions in this regard had been telephoned to Washington, which was within a few minutes thereafter, and communicated to the chairman of the Committee on the Judiciary, the latter sent a telegram to Mr. Rajchmann, which telegram read as follows:

You are hereby advised that your failure to comply with the subpena of the Senate Internal Security Subcommittee has been formally noted in the public record and that unless you forthwith purge yourself of this contempt a motion will be made to cite you for contempt of the United States Senate.

Mr. Rajchmann made no reply to the telegram. He did not communicate with the committee in any way, either in person or by counsel; and on the following day, left by air for Europe.

Under ordinary circumstances, although it is entirely clear that the Senate has authority to summon a witness on short notice, even by means of a forthwith subpena, it is doubtful whether contempt would be voted against a witness served one night in New York, to appear in Washington the following morning, if the witness made a showing of good faith attempt to comply with the subpena, and showed why he could not do so because of the shortness of time. Here we do not have such a case, but rather a case of a man who completely rejected the subpena the instant it was served upon him. He could have gotten in touch with the committee and obtained permission to testify at a later date. He did not choose to do so. It is clear this man chose not to recognize the authority of the Senate committee in any way. The only proper way to deal with this situation is by citing him for contempt of the Senate.

The Senate Committee on the Judiciary has unanimously recommended to the Senate that it adopt this contempt resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 104) was agreed to, as follows:

Resolved, That the President of the Senate certify, under the seal of the United States Senate, to the United States attorney for the District of Columbia, the report of the Committee on the Judiciary of the United States Senate as to the failure and refusal of Ludwig Rajchmann (or Rajchman) to respond to a subpena ad testificandum issued by the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary of the United States Senate, appear before it as a witness and to answer questions pertinent to the subject matter under inquiry, together with all the facts in connection therewith, to the end that the said Ludwig Rajchmann (or Rajchman) may be proceeded against in the manner and form provided by law.

M. F. COMER BRIDGE & FOUNDATION CO.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 89, Senate Resolution 97.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution—Senate Resolution 97—referring to the Court of Claims, the bill (S. 156) for the relief of M. F. Comer Bridge & Foundation Co.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HOLLAND. Mr. President, the purpose of Senate Resolution 97 is to refer S. 156, a bill for the relief of M. F. Comer Bridge & Foundation Co., together with all the accompanying papers, to the Court of Claims for findings of fact and conclusions of law sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

The principle involved in S. 156 relates to an undue delay or the failure of the Government to issue an appropriate priority rating and does not involve the general operation of the priority system as a matter of sovereignty. Congress has passed many private bills involving this principle.

The claimant in this case is a contractor who had entered into a contract with the Navy during the Korean difficulty for the construction of a pier at the naval base in Key West, Fla. The priority system was in effect at that time, and that system governed the distribution of steel, which it was necessary, of course, for the contractor to obtain in order to perform his obligations.

The question involved is the adequacy of the arrangements made by the Navy to recognize the difficulty which was the inability of the contractor to get the priority ratings which were needed; secondly, when he did get them, to obtain the materials which were necessary.

The committee, realizing that a substantial sum was involved—something over $100,000—filed the Senate resolution, requesting the reference of the whole file to the Court of Claims, as is permitted under two separate statutes.

However, the real point at issue in the consideration of Senate Resolution 97 is whether a Congressional committee, in this case the Senate Judiciary Committee, may avail itself of the provisions of sections 1492 and 2509 of title 28 of the United States Code, in order to obtain assistance from the Court of Claims in making findings of fact and conclusions thereon in the determination of the nature and character of a demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant. Mere reading of these two statutes leaves no doubt in one's mind that they were enacted to take care of a situation such as that presented by the M. F. Comer Bridge & Foundation Co. bill, and certainly the committee should not be denied the opportunity to avail itself of these statutes in order to perform its duties properly. No Congressional committee is under obligation to follow recommendations of the Court of Claims, but findings of facts by that body are often essential to the proper handling of complicated cases and in this case I believe, as does the Senate Judiciary Committee, that such assistance is necessary.

Mr. President, I ask unanimous consent to have printed at this point in my remarks sections 1492 and 2509 of title 28 of the United States Code, so that Senators may read for themselves the statutes involved.

There being no objection, the sections of the statutes referred to were ordered to be printed in the RECORD, as follows:

Section 1492. Congressional reference cases:

The Court of Claims shall have jurisdiction to report to either House of Congress on any bill referred to the court by such House, except a bill for a pension, and to render judgment if the claim against the United States represented by the referred bill is one over which the court has jurisdiction under other acts of Congress. (June 25, 1948, ch. 646, § 1, 62 Stat. 941.)

Section 2509. Congressional reference cases:

Whenever any bill, except for a pension, is referred to the Court of Claims by either House of Congress, such court shall proceed with the same in accordance with its rules and report to such House, the facts in the case, including facts relating to delay or laches, facts bearing upon the question whether the bar of any statute of limitation should be removed, or facts claimed to excuse the claimant for not having resorted to any established legal remedy.

The court shall also report conclusions sufficient to inform Congress whether the demand is a legal or equitable claim or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant. (June 25, 1948, ch. 646, § 1, 62 Stat. 977.)

Mr. HOLLAND. In concluding my case, I should say that when the resolution was announced on the call of the calendar several days ago, the two Senators who serve on the minority calendar committee, the distinguished Senator from Connecticut [Mr. PURTELL] and the distinguished Senator from Wyoming [Mr. BARRETT], raised the point that they believed a question of policy was involved, and, therefore, felt that the Senate as a whole should pass upon the matter.

They also stated, as the RECORD will show, that they would have no objection to taking up the resolution and to its disposition by the Senate as a whole.

I know of no objection to the adoption of the resolution.

Mr. PAYNE. Mr. President, unfortunately a situation has developed which complicates the consideration of this measure at this time. The situation does not involve the merits of the proposed legislation. It is simply a misunderstanding which apparently exists as to the measures which are to be taken up for consideration today.

When the distinguished majority leader put in the RECORD a list of the measures which were to be considered today, Calendar No. 89, Senate Resolution 96, the pending business, was not included.

The minority leader passed over to me the position of trying to protect Members on this side of the aisle, as acting minority leader. In view of the fact that I have not been able to get clearance for the final consideration of the resolution, it is necessary that I must do one of two things. Either I must ask the acting majority leader, the Senator from Florida, to request that his unanimous-consent request to consider the resolution be rescinded, or I shall have to suggest the absence of a quorum, so that I may have time to check the matter with the minority leader, and in that way clarify the situation.

Mr. HOLLAND. Mr. President, I am perfectly willing to have the distinguished Senator from Maine check the request with the minority leader. I would not wish to have the consideration of the resolution displaced at this time. I should like to call to the attention of the distinguished acting minority leader a comment on page 3365 of the CONGRESSIONAL RECORD of March 6, the day when

portant since we are on the threshold of what appears to be a fight on legislation that would permit diversion."

proceeded to consider the resolution.

Mr. JOHNSTON of South Carolina. Mr. President, this is a contempt citation

Mr. Rajchmann made no reply to the telegram. He did not communicate with the committee in any way, either in per-

inform the Congress of the nature and character of the demand as a claim, legal

House, except a bill for a pension, and to render judgment if the claim against the

a comment on page 3365 of the CONGRESSIONAL RECORD of March 8, the day when

this Senate Resolution was before the Senate on a call of the calendar. I had just stated that it was my understanding that the resolution would be called up today. The distinguished majority leader then said:

Mr. JOHNSON of Texas. Mr. President, I am delighted to confirm what the very able Senator from Florida has stated with regard to bringing the bill up by motion on Tuesday next. I should like to have the Senate on notice that the bill will be brought up for action, so that any Senator who may care to present views on the bill will have the opportunity to do so.

There is no doubt about the announced intention to bring the bill up on motion today. However, either the distinguished acting minority leader may suggest the absence of a quorum, or I shall do so, so that he will have time to look into the matter.

Mr. PAYNE. The statement of the Senator from Florida is absolutely correct. It so happened that I was the Presiding Officer of the Senate at the time the colloquy took place during the call of the calendar on last Friday. I am sure that this is merely a matter of misunderstanding which has arisen with regard to the announcement of the majority leader with respect to the procedure the Senate would follow today, and the earlier arrangements which had been entered into in connection with the resolution itself when it was under consideration by the Senate.

I would refer my distinguished colleague from Florida to page 3340, at which point the distinguished majority leader mentioned the specific measures to be brought up on Tuesday, today. We find that Calendar 89, Senate Resolution 97, is not one of them. I understand that the Senators who raised an objection on the call of the calendar afterwards withdrew their objection because of the fact that they felt that the matter should be considered in the ordinary course of business, and not on the call of the calendar.

Mr. HOLLAND. Mr. President, the Senator from Maine is correct. The original announcement by the majority leader could not have included the resolution, because it was assumed that it would be passed on the call of the calendar. When it developed that that could not be done, arrangements were made very clearly for it to be called up today, and it was added to the list of measures to be considered today.

Furthermore, I should like to call the Senator's attention to what the Senator from Connecticut (Mr. PURTELL) said, as recorded at the bottom of page 3365 of the CONGRESSIONAL RECORD of March 8:

Mr. PURTELL. Mr. President, I wish to confirm what the distinguished Senator from Florida said about a conversation which he had prior to the call of the calendar. I told him that I thought the measure should not be passed on the call of the Consent Calendar, and I assured him that I thought if it were brought up by motion there would be no objection to its consideration on the part of the minority.

I believe it is quite clear just what happened. I suggest the absence of a quorum.

Mr. PAYNE. Mr. President, will the Senator from Florida temporarily withhold the suggestion?

Mr. HOLLAND. Mr. President, I withdraw my suggestion of the absence of a quorum, and ask unanimous consent that the pending resolution be laid aside until the Senator from Maine [Mr. PAYNE] can confer with the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED AUTHORIZATION FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. HOLLAND. Mr. President, I ask unanimous consent that Calendar No. 93, Senate bill 1325, be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1325) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill (S. 1325) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

M. F. COMER BRIDGE & FOUNDATION CO.

Mr. HOLLAND. Mr. President, I ask unanimous consent that S. 1325 be laid aside and that the Senate resume the consideration of Calendar No. 89, Senate Resolution 97, referring to the Court of Claims the bill (S. 156) for the relief of M. F. Comer Bridge & Foundation Co.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the resolution (S. Res. 97).

Mr. HOLLAND. Mr. President, I ask that the Senate now agree to the resolution.

The PRESIDING OFFICER. The resolution is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 97) was agreed to, as follows:

Resolved, That the bill (S. 156) entitled "A bill for the relief of M. F. Comer Bridge & Foundation Co." now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any legally or equitably due from the United States to the claimant.

INCREASED AUTHORIZATION FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. HOLLAND. Mr. President, I ask unanimous consent that Calendar No. 93, S. 1325, providing for an increased authorization for the Federal National Mortgage Association, be again made the unfinished business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate resumed the consideration of the bill (S. 1325) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

Mr. SPARKMAN. Mr. President, I call attention to the fact that Calendar No. 94, is House Joint Resolution 209, which seeks to accomplish the same purpose as S. 1325.

I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 209, and that all after the enacting clause of House Joint Resolution 209 be stricken and the language contained in S. 1325 be inserted in lieu thereof.

The PRESIDING OFFICER. As the Chair understands, the purpose of the Senator is to offer an amendment to House Joint Resolution 209. The text of the Senate bill would then become the pending amendment.

Mr. SPARKMAN. Yes. The amendment would be to strike out the language of the House joint resolution and to insert in lieu thereof the language of S. 1325, and to consider House Joint Resolution 209 as an original resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the Senate proceeded to the consideration of the joint resolution (H. J. Res. 209) to provide interim assistance through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions.

Mr. SPARKMAN. Mr. President, I now offer an amendment to strike out all after the enacting clause of House Joint Resolution 209, and to insert in lieu thereof the text of Senate bill 1325.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

Mr. SPARKMAN. Mr. President, S. 1325 is an original bill reported by the Committee on Banking and Currency to provide emergency assistance to finance home building through the Federal National Mortgage Association, and to make a technical amendment to section

220 of the National Housing Act, which relates to mortgage insurance on structures in urban renewal areas.

The increasing shortage of mortgage loan funds from all sources during the past several months has resulted in a marked increase in the number of mortgages offered to FNMA. The dollar amount of mortgages offered to FNMA has increased to a level of more than $100 million a month. At the present level of operations, this amount will be exhausted in about a week or two from now.

In order to provide additional funds for the purchase of home mortgages, this bill would authorize the Federal National Mortgage Association to sell to the Secretary of the Treasury $50 million of FNMA preferred stock. Since FNMA's total borrowing authority under its secondary market operations is limited to 10 times its capital and surplus, the sale of $50 million of preferred stock would increase its borrowing authority by $500 million, making a total of about $1.6 billion.

The second provision of the bill would increase from $50 million to $100 million the revolving fund made available to FNMA for the purchase of cooperative housing mortgages. The present fund is virtually exhausted, and the need for replenishing this fund is as acute as the need for additional secondary market operations funds. The per State dollar limit on outstanding commitments was also increased from $5 million to $12.5 million. It is my understanding that the administration is in favor of increasing this fund.

Mr. LONG. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. SPARKMAN. I yield.

Mr. LONG. The amount for each State was increased from $5 million to $12,500,000. I have discussed the matter with those who are interested in these amounts, including the Senator from Pennsylvania, who suggested this change. So far as I can determine, there is no objection to settling for an amount less than $12,500,000.

The reason for the suggestion is that with only an additional $50 million available, it would be possible for 4 or 5 States to obtain all the emergency money.

So I should like to offer an amendment to strike out the $12,500,000 and to reduce the amount to $10 million. I would suggest to the Senator from Alabama that when only $50 million was available, there was a $5 million limit; in other words, any one State could not obtain more than 10 percent of the money. If my amendment is accepted, the ratio will remain the same and no one State will be able to obtain more than 10 percent of the money. I suggest that unless we make such an arrangement, it is possible that a great many States may have no opportunity to participate in the program, which I believe to be a very worthy and meritorious one.

Mr. SPARKMAN. Mr. President, I appreciate the suggestion of the Senator from Louisiana. In originally providing for the $50 million fund to assist in the building of FHA section 213 cooperative housing, we provided that no one State could obtain more than $5 million, or 10 percent of the total authorization. There was a precedent for doing so, for the Senator from Louisiana may remember that in the Housing Act of 1949, when we wrote title I, pertaining to slum clearance, we provided that no one State would be able to receive more than 10 percent; and when we made provision for the public housing, we included a similar limitation.

Mr. LONG. The Senator from Alabama will recall that prior to the imposition of some of the limitations, there was a tendency on the part of some States, particularly the larger ones, to receive all the funds available under the program, and for some other States—particularly Alabama and Louisiana—simply to be ignored. However, our States wish to participate in the program. That being the case, we suggest such a limitation, in order to see to it that the program be spread as much as possible, so that the entire Nation will be able to share in its benefits.

Mr. SPARKMAN. The Senator from Louisiana is correct.

When we added the $50 million, the thought was that the increased fund would continue to be subject to the 10 percent limitation. However, because some States had already used up their total amount under the original allocation—that is to say, $5 million—the suggestion was made that the maximum should be a little higher than 10 percent, in order to take care of such States.

Furthermore, the Senator from Louisiana may recall—for he served for quite a period of time on the Banking and Currency Committee and on its Housing Subcommittee—that when there was a 10-percent limitation on slum-clearance funds, it become necessary to change it, in order to make it possible for New York, Chicago, and Philadelphia, I believe, to receive additional funds, because they had used up their allotments, whereas many other areas of the country were not ready to use any at all.

Mr. LONG. I should like to have the Senator realize that in Louisiana the housing industry is simply coming to a halt. The tight money situation is so adversely affecting builders in Louisiana that a great number of them have been compelled to stop building houses. We hope very much that, as a result of this amendment, some benefit will be available to the builders and the building industry in Louisiana.

I suggest to the Senator from Alabama that although the tight money situation is not helping the housing industry anywhere, in the areas which are away from the great financial centers the situation is more desperate, I believe, than it is in the larger cities, insofar as the money available is concerned.

I certainly hope the Senator from Alabama will agree to such an amendment so as to make the figure not more than $10 million.

Mr. SPARKMAN. Personally, I would have no objection. When we reach the amendment stage, I should like to exchange a few suggestions with the Senator from Louisiana. I have here some material on that point which I should like to call to his attention.

Mr. President, the committee also considered and approved S. 1056, which would permit FHA to increase its maximum mortgage amounts for housing in urban renewal areas by $1,000 per room, without regard to the number of rooms per dwelling unit. The committee bill contains the language of S. 1056 to clarify the Congressional intent with respect to this point and to eliminate the possibility of misinterpretation.

Mr. President, it was the intention of Congress in previously acting on this matter to take care of that provision. However, because of some little kink in the law or in its interpretation, it was felt that clarifying language was needed. This proposal is made for the purpose of clarifying it, and to make it possible for projects such as the one which is ready to proceed—I refer to the one in Southwest Washington, close to the Capitol—to get under way.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Florida.

Mr. SMATHERS. I should first like to congratulate the able Senator from Alabama for offering an amendment. The proposed legislation, which would authorize the Federal National Mortgage Association to lend more money for homes, is obviously needed. I should like to ask the Senator whether it is the view of the committee that this loan is sufficient to bolster a rather sagging industry. I am sure the Senator is familiar with the way the industry is suffering today. Is this the only remedy the committee is going to propose?

Mr. SPARKMAN. No. First let me say the pending legislation is not sufficient. It is far from being sufficient. This really amounts to pumping money into the Federal National Mortgage Association for the purpose of running its secondary mortgage operations. However, the way the Federal National Mortgage Association is operating, the mortgages are bought at a discount, just as some private investment companies buy them. This proposed legislation is not going to make it any easier to get money. It will provide a secondary market, with discounts. The second part, that relating to section 213 housing, is a different operation. It is designed to encourage the building of cooperative housing under FHA section 213. In those cases, the Federal National Mortgage Association is required by law to buy mortgages at 99 cents on the dollar.

Mr. SMATHERS. Is my understanding correct that the committee will at a later date consider other proposals which have been made?

Mr. SPARKMAN. Yes. This is emergency legislation, because FNMA is about out of funds. By the way, the committee will start hearings next Monday on all housing bills which have been introduced up to this time.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LONG. With regard to the second section, are we to understand that the first $50 million available for cooperative housing has been exhausted?

Mr. SPARKMAN. Almost. I believe at the present time less than $1 million is available; the fund is practically exhausted. Later on I intend to put into the RECORD a table showing what has been used, and what may be left.

Mr. LONG. Assuming the passage of the bill, there will then be available approximately $50 million, which is the amount of new money being put into cooperative housing?

Mr. SPARKMAN. That is correct; and I point out that the money constitutes a revolving fund.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. With respect to the comments made by the distinguished Senator from Florida [Mr. SMATHERS], does the Senator from Alabama recall that there was within the subcommittee, when the measure was being considered, some thought that the provisions under which FNMA is charging large discounts, which results in running up the costs of home mortgages, might be attacked at this time, and also that there ought to be a very substantial revision with respect to the special assistance funds, with the object of making more mortgage money available for use in urban areas and the like? Is it not the Senator's recollection that there was a showing that such legislation was badly needed and must be brought before the Senate, if possible, before this session of Congress adjourns?

Mr. SPARKMAN. The Senator from Pennsylvania, who is a very able and conscientious member of the Housing Subcommittee, is correct in the statement he has made. I must say that in committee both he and the distinguished Senator from Maine [Mr. PAYNE] were quite insistent that this proposed legislation should go further than it does. The Senator will recall we did not adopt that view simply because this was emergency legislation, to be gotten through Congress quickly, but the assurance was given that we would consider other suggestions in the regular hearings, which will begin next Monday.

Mr. CLARK. I thank the Senator.

Mr. SPARKMAN. I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I commend the distinguished Senator from Alabama for the very able and outstanding contribution he has made in the field of housing throughout the years, and particularly for his leadership in connection with the proposed legislation which is before the Senate today.

The very able Senator from Alabama first came to the Congress in the 75th Congress. Is that not correct?

Mr. SPARKMAN. Yes, Mr. President, and as I recall, I came to the Congress just 2 months before the Senator from Texas did.

Mr. JOHNSON of Texas. Since the Senator from Alabama arrived in Congress he has been what Congress considers an outstanding authority in the field of housing. I am very pleased to state that on many occasions I have taken great pride in associating myself with the viewpoint expressed by the distinguished and able Senator from Alabama, and I do so again today.

Mr. President, the 84th Congress made an outstanding record so far as housing legislation was concerned. I am very proud of that record, much of which, I think was due to the many, many hours the Senator from Alabama worked in this field and the great confidence the Members of the Senate had in him.

Mr. President, the administration has requested us to take immediate action in the field of home financing, and that is why the Senate finds itself today considering Senate bill 1325.

We have been told that the Federal National Mortgage Association will soon run out of funds with which to support the secondary mortgage market, and to meet that emergency we must increase or add to their lending authorization.

It is my information the administration requested a total lending authority of $1 billion. The committee has recommended in the pending bill an emergency increase of half that amount, some $500 million. I am confident the Senate will take prompt and proper action, and do it promptly.

There is another emergency condition existing in the home financing field, Mr. President, with which the bill now under consideration does not deal. I refer to the financing of veterans' housing under the GI loan program.

A large number of my colleagues joined me on January 17 in introducing a bill designed to meet that emergency. That bill would make available a portion of the National Service Life Insurance Fund for direct lending purposes during the time that private funds are unavailable.

It is my feeling that during this temporary emergency it would be a mistake to increase the interest rates on veterans' mortgages, since interest payments add substantially to the total cost of a veteran's home. Accordingly, I believe that the Government itself, which has created this special housing program for veterans, should make money available in the absence of private funds, until such time as private financing is again in a position to flow into the veterans' financing market at reasonable rates.

It is my judgment that the pending bill is the best approach to this emergency problem. High cost money has received far too much impetus already. I do not believe we should add to that impetus.

Loans which may be made directly by the Veterans' Administration under our bill, Senate 726, to which I have previously referred, can be purchased at any time by private mortgage lenders. Therefore I am sure that when the temporary shortage-of-funds period passes most of the loans which may be made during this emergency period will find their way into the hands of the regular private lending institutions.

I have urged the Senate Committee on Banking and Currency to hold hearings on Senate bill 726. I am informed by the distinguished Senator from Alabama [Mr. SPARKMAN] that the committee plans to start hearings next Monday on a series of housing bills which are pending before that committee.

It has been suggested to me that I offer Senate bill 726, or at least a portion of it, as an amendment to the pending bill. I do not believe that orderly procedure and good judgment dictate offering as amendments bills which are still pending in committee, and upon which hearings have yet to be held. For that reason I will not embarrass my colleagues by requesting them to support an amendment which I might offer to the bill, when I have such confidence in the members of the Committee on Banking and Currency. I believe that the Senator from Alabama, the Senator from Indiana [Mr. CAPEHART], and other Members on both sides of the aisle will consider thoroughly all bills before them and will then render their best judgment. I express the hope that during the hearings the Senator from Alabama and other Senators on both sides of the aisle may find it possible to associate themselves with the viewpoint which I have expressed.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excellent article on the subject which I have been discussing. The article is entitled "Home Interest-Rate Battle Builds Up on Capitol Hill." It was written by Robert J. Lewis, and was published in the Washington Evening Star for Saturday, March 9.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of March 9, 1957]

HOME-INTEREST-RATE BATTLE BUILDS UP ON CAPITOL HILL

(By Robert J. Lewis)

Congress heard a crescendo of testimony this week urging an increase in interest rates on safe-as-Gibraltar GI loans.

The campaign was led by the administration itself, supported strongly by lending groups.

One administration official, Under Secretary of the Treasury W. Randolph Burgess, went so far as to say that higher interest rates would not raise the cost of housing to GI's. His testimony was given before the House Banking Committee's Subcommittee on Housing.

The battle for a rate boost was being waged largely on the basis that interest rates need more "flexibility."

If this "flexibility" is not given to interest rates on Government-backed mortgages, veterans won't be able to get loans for homes, testimony implied.

BUILDERS MORE DUBIOUS

Builders' reaction to this testimony in favor of higher interest rates appears to be more and more on the dubious side.

Many builders are convinced that, instead of more flexibility, an increase in the GI interest rate may freeze interest at higher rates. They fear that a GI rate increase will put a solid floor under the present higher conventional and FHA rates that will keep interest rates permanently higher even after the money supply loosens up. They point to past experience which shows that, almost invariably, the maximum rates permitted by the Government automatically become the minimum rates at which you can obtain a loan.

Increases in rates permitted on Government-supported loans have had chiefly the effect, in the past, of raising rates on conventional loans still higher, of putting a nationwide damper on home-building production, of dashing the hopes of a greater number of families who would like to buy homes, but who are made ineligible when interest rates are raised.

Under Secretary of the Treasury Burgess told a House committee, in effect, that by raising the present 4½-percent GI rate to 5 percent Congress would be doing veterans a favor.

ARGUMENT USED BEFORE

The argument used by Mr. Burgess in support of 5-percent mortgages for GI's was similar to the one used only a few months ago by advocates of an increase in FHA interest rates.

They said: "Raise the rates and you will be able to get mortgage funds without having to pay the lender so much to grant you the loan."

Before FHA interest rates were raised 3 months ago by the Government, builders in the Washington area were having to pay lenders around $2 to $3 for each $100 of loan amount in order to obtain the loan.

What happened after the interest rate was raised to 5 percent?

Very little, builders say, so far as availability of money, and its cost for new mortgages was concerned. Lenders still charged builders around the same amount to provide money for 5-percent mortgages as they previously had charged for 4½-percent mortgages.

And, instead of the old 4½-percent FHA mortgage selling for $97 or $98 per $100 as before, its value fell, almost immediately, to $93 or $94. And, at the same time, GI loans were put at a sharper disadvantage.

Thus, the net effect was chiefly to raise the interest rate and the housing cost to the buyer without markedly alleviating the builders' problem or eliminating the so-called "hidden cost" of obtaining the loan.

RESULT IN DOUBT

If as little advantage is gained for either the buyer or the builder in case the GI interest rate is raised as was gained from the FHA rate increase, neither veterans nor builders could count on the "hidden cost" of mortgage money being eliminated, builders point out.

And if the cost of obtaining mortgage money is not sharply reduced or eliminated, Mr. Burgess' contention that an interest-rate boost will not increase the cost of housing doesn't appear to be a supportable one. For, if interest rates are raised and there is not a compensatory reduction in the "hidden" charge to builders for mortgage money, the veteran will find he has to pay more to buy a home.

The fly in the ointment at the moment is, of course, that 4½-percent GI loans must compete with FHA 5-percent loans—and with conventional loans of a still higher rate—to attract the funds of investors.

At the same time, however, GI loans are logically more attractive to lenders in some respects than FHA loans, and this could have a bearing on their future standing as investments.

Their attraction for some investors results from the Veterans' Administration's policy of paying cash in full to the lender in case the veteran fails to meet his payments.

LOAN SECURITY GOOD

This, in effect, has given the GI loan a 100-percent guaranty against default, removing all the risk for the lender. The legal safeguards make these loans as safe as having hard cash in a lockbox.

In contrast, conventional loans are not backed by Government insurance or guaranty; and FHA loans, while Government insured, are somewhat less attractive for this reason: If the FHA loan payments are not met by the home buyer and the property is taken over, the lender may receive from FHA the principal amount of his loan not in cash but in FHA debentures which pay a lower rate of interest than the mortgage loan itself.

Considering these and other factors, Congress appears to be taking a dim view, so far, of the proposals to raise GI rates, and seems inclined to contrive some other means of encouraging investment in GI loans—both by direct Federal lending and in other ways.

Builders, themselves, since the scandalously disappointing result of the FHA interest rate increase, are beginning to wonder whether a GI rate increase is as much an answer as advocates have contended. Some builders have raised the question of whether an increase now may not have a tendency to lock the industry into an interest-rate structure permanently higher and inescapably less flexible than exists today in the light of alternative aids which Congress may be expected to supply as a means of maintaining an adequate supply of homes for veterans.

Mr. CAPEHART. Mr. President, I offer, as an amendment to the Sparkman substitute, the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana to the substitute amendment of the Senator from Alabama [Mr. SPARKMAN] will be stated.

The CHIEF CLERK. On page 1, line 10, in the Sparkman substitute, it is proposed to strike out "$50,000,000" and insert in lieu thereof "$75,000,000."

On page 2, line 9, it is proposed to strike out "$50,000,000" and insert in lieu thereof "$75,000,000."

On page 2, line 18, it is proposed to strike out "$1,350,000,000" and insert "$1,525,000,000 or an amount greater than $1,350,000,000 if such purchase is made prior to July 1, 1957."

Mr. CAPEHART. Mr. President, I introduced the original bill which the Senate is now considering, calling for $100 million rather than $50 million.

As the Senator in charge of the bill, the able Senator from Alabama [Mr. SPARKMAN], well knows, the committee reduced the amount to $50 million. The administration recommended $100 million, but in line with the economy move on the part of the Congress and the administration, as well as the people generally, I have reduced the amount from $100 million to $75 million, which would help reduce the budget, but would increase the amount in the pending proposal from $50 million to $75 million.

There is no question about the need for additional funds on the part of FNMA. It is purely a question of how much we wish to increase the obligations of the Federal Government. So far as the need is concerned, there is great need at the moment for more funds for FNMA to finance mortgages in almost every part of the United States, particularly in those sections where money is very scarce.

I strongly recommend that the amount be increased from $50 million to $75 million, which would enable FNMA to lend an additional $250 million, because under the law it would be able to multiply by 10 the amount of the proposed increase of $25 million.

Mr. SPARKMAN. I yield.

Mr. SMATHERS. Mr. President, I wish to associate myself with the able majority leader in his commendation of the junior Senator from Alabama for his leadership in the field of housing, which he has demonstrated over the course of the years I have been a Member of this body.

Again I congratulate him and the able Senator from Indiana [Mr. CAPEHART] for having brought before the Senate the pending bill, which would authorize an increase in the Federal National Mortgage Association's lending authority. I am prepared to support the bill as well as the amendment which has been offered by the Senator from Indiana [Mr. CAPEHART], but I should like to caution that this is in no way a total solution for the present serious situation which confronts one of America's great industries, as well as the American home-buying public.

The bill which is now before the Senate would authorize the Treasury to purchase preferred stock in the amount of $50 million. By approving this action, we will enable the Federal National Mortgage Association to issue its debentures in the amount of one-half billion dollars, thus providing funds for the purchase of a like amount of GI and FHA mortgages.

The impact of the tight money policies of the administration and the Federal Reserve Board has been most grievously felt within the home-building industry. As a result of this policy of steadily increasing the cost of money, VA guaranteed mortgages—with their fixed rate of interest—have proved less and less attractive to private institutional investors in mortgages. As private investors have looked to other forms of investment offering more attractive and higher yields, the building industry and the American home buyer have been forced to rely increasingly upon the services of the FNMA. The FNMA, as we know, was established by the Congress to act as a support to the mortgage market for FHA and GI loans. In periods of stringency, such as the present situation, the FNMA is forced to increase its volume of purchases in order to maintain the flow of funds into the home-mortgage market.

The steadily worsening condition of the home-mortgage market has made it necessary for FNMA to step up its mortgage-purchasing activities and I am informed that at the present time it is buying FHA and GI mortgages at the rate of approximately $120 million a month. I am also informed that, as a result of this increasing volume of purchases, the FNMA is now virtually out of funds and it is therefore necessary for the Congress to take emergency action to keep this very necessary agency in operation at a highly critical time. Yet it is obvious that we are doing little more in this particular bill than equipping FNMA to maintain its operations at approximately its current level for a period of no more than 4 or 5 months.

In my opinion, the Congress must, before the end of this current session, consider much more basic and far more drastic action to correct what I firmly

believe is a dangerous slump in American home building.

Last year the production of new houses in this country dropped by some 200,000. This figure, dramatic as it is, does not begin to tell the real story of what happened in 1956. In terms of employment, this means that we lost half a million jobs in the construction industry. Equally important, this means that some 200,000 American citizens of modest income were deprived of the opportunity to buy a new home, since virtually all of the decline which took place last year was in the modest-priced programs of the FHA and the VA.

These figures cover an entire year. The more significant fact is that this dangerous downturn is today accelerating and there is every indication that conditions will rapidly worsen unless prompt remedial action is taken. I am advised that current applications for new construction being received by both the FHA and the VA are at levels so low, compared with the relatively normal situation in 1955, that it can be conservatively estimated that we may suffer another drop of 15 to 20 percent in new home construction this year.

I am fully aware that the members of the Banking and Currency Committee share my concern with this whole situation and are now engaged in hearings and studies preparatory to recommending the proper action which the Senate should take. It is my earnest hope that this task can be completed in the shortest possible time, because every day that passes at this time of year is a day lost at the height of the American home building season. In the meantime, however, it is obviously essential that we take the emergency stopgap action which would be made possible by the pending bill in order to prevent the complete deterioration of an already bad situation.

Mr. SPARKMAN. Mr. President, may I ask whether the amendment offered by the Senator from Indiana is the pending question?

The PRESIDING OFFICER. The Senator is correct.

Mr. CAPEHART. I offered an amendment to strike out $50 million and to insert $75 million. That is the pending amendment, as I understand.

Mr. SPARKMAN. I wish to say only a few words with respect to the amendment and the bill. The administration had asked for $100 million, as the distinguished Senator from Indiana has stated. That would have authorized Fannie May to buy a billion dollars' worth of mortgages.

However, the committee decided to cut that figure in half, and to provide $500 million in additional lending authority.

Personally, in the committee deliberations I supported the full amount of $1 billion. I did that, not so much because it is necessary to have that much in the till immediately, but because psychologically, if the agency has a sufficient amount of money to do the job it is supposed to do, there will not be the demand on it that builds itself up, more or less, similar to a run on a bank. I felt that the $1 billion certainly will be needed throughout the year to complete the job. While the $750 million lending authority provided by the Capehart amendment would provide some relief, let us not fool ourselves into believing that it will meet the requirements of Fannie May during the next fiscal year. It simply will not do so. It will be necessary for the administration to come back to Congress, to ask for additional authorization.

It does not make a great deal of difference, because, as I said a few minutes ago, we are starting hearings next Monday on all the housing legislation which will be before the committee at that time. The administration will be before us, asking for legislation affecting the various divisions of the wide-flung housing operations. I am certain the Government will ask for additional authorization, and I feel certain that it will be necessary for Congress to grant the additional authorization.

In brief, the point I am trying to make is this: I wish to emphasize again that the measure we are considering today is emergency legislation, in order to tide us over for a short time, when there is such a dearth of funds available to take care of home mortgages, and when the demand on the Federal National Mortgage Association for its secondary-market operations is so high. Certainly, when we consider the overall housing picture, we shall have an opportunity to consider the manner in which Fannie May is operating, and to consider whether there should be basic changes made in the law relating to Fannie May, as well as the question of special-assistance programs, and all the other phases of our housing program.

So far as I am concerned, I have no objection to the amendment offered by the distinguished Senator from Indiana [Mr. CAPEHART]. I merely wished to make it clear that the committee itself voted for the $50 million, although I personally supported the full $100 million.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. Will the Senator be good enough to tell us when we will have an opportunity to consider the question of interest on VA mortgages, which is a very pertinent part of the whole subject under consideration.

Also, if I may ask two questions in one, I should like to call attention to the problem of selling VA mortgages at discount. I understand this morning that such mortgages were being offered for as low as 91½, with the 8½ points being passed to the buyer, thus defeating the very thing Congress has been trying to do, in addition to jeopardizing the economy of the country by blocking home buying and some construction, which traditionally, since the end of the war, has been one of the most constructive economic developments the country has ever known.

Mr. SPARKMAN. Let me say to the distinguished Senator from New York that we are greatly concerned about discounts. Two or three Senators have made remarks on that subject today. That subject will be considered along with other housing matters in the hearings which are to commence next Monday. All housing bills will be before the committee, and all matters pertaining to housing will be taken up in the comprehensive hearings.

With reference to the interest rate increase, I believe a bill has been introduced pertaining to that subject. However, that is a matter which is being considered by another committee. Since the bill deals with the Servicemen's Readjustment Act, it was referred to the committee handling veterans' affairs, which is the Committeee on Labor and Public Welfare. I am not prepared to answer the question of the Senator as to when action may be taken on that matter.

Mr. JAVITS. Mr. President, will the Senator from Alabama yield further?

Mr. SPARKMAN. I yield.

Mr. JAVITS. Does not the Senator feel, however, that if we pass this measure it will have some effect with reference to unblocking many contracts which are now closed because mortgages cannot be obtained.

Mr. SPARKMAN. I do not know what bill the Senator has in mind, but it will certainly bring some relief, because it does provide a secondary market. But I stated a while ago, when I was making my direct statement on the bill, that, unfortunately, it has nothing to do with the vicious practice which has grown up and which, I am sorry to say, has been encouraged, I feel, by Fannie May itself, of buying mortgages at very great discounts.

Mr. LONG. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. LONG. Does not the Senator realize that this is a part of the overall picture of the price of money in the loan market being much too high? My feeling is that the culprit in this picture is the Federal Reserve Board. The Secretary of the Treasury has something to say about it, but the President attempted to say that the Federal Reserve Board was responsible in these matters. It seems to me that efforts should be made to bring the entire level of interest rates down to a more reasonable basis. I think the Banking and Currency Committee is the committee which has jurisdiction.

Mr. SPARKMAN. I certainly go along with the distinguished Senator from Louisiana in his statement that it is a part of the overall picture. However, when it comes to direct legislation relating to interest charges on veterans' loans, that is a matter which goes to the Committee on Labor and Public Welfare.

I agree with the Senator that the whole interest situation today is in large part the cause of the trouble we are having in the housing field and in other fields, and I certainly feel that interest rates are too high. The bad feature is that they are still pushing upward, and, as they do so, they are pushing up the cost of living and making it even more difficult to obtain money for housing, for small businesses to operate, for farmers, and for all other persons who have to rely on credit as a part of their operations.

Mr. LONG. I suggest that the answer is not the raising of interest rates on veterans' loans, like a dog chasing his tail, but, instead, Congress should pass direct legislation relating to the failure of the Federal Reserve Board properly to discharge its responsibilities. Congress should see to it that the general level of interest rates is reduced.

The Senator knows that during the last world war and during the Korean conflict interest rates were kept within reason, even against tremendous inflationary pressures. We are now told that inflation is the cause of the difficulty. The fact of the matter is that there are many other devices which can be used by the Federal Reserve Board and by other agencies of the Government to meet the threat of inflation.

It seems to me that legislation designed to hold down interest rates or to bring them back within reason should be considered by one committee or the other, and I think we should reach an overall solution to the problem. That kind of measure should go to the Banking and Currency Committee.

Mr. SPARKMAN. Mr. President, we could easily carry on a very long discussion, but let me say that I am serving as chairman of the Housing Subcommittee, and although it is true that Federal Reserve matters come under the jurisdiction of the Banking and Currency Committee, our purpose today is to deal with a relatively small emergency matter, and not with the overall program.

Undoubtedly, in the hearings which will start next Monday on the overall housing program, we shall hear a great deal concerning interest rates, and about the vicious discounts, and all the other practices which are being carried on in the field of housing and home financing.

Mr. LONG. If the Senator from Alabama will yield further, I should like to suggest to him that before the present session of the Congress is over, regardless of which committee has jurisdiction, I hope the Members of this body and the Members of the House may have an opportunity to vote on whether they are in favor of high interest rates or whether they wish to bring them down to reasonable levels with regard to interest on the national debt, on veterans' loans, and on general business loans.

Mr. GORE. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. GORE. Mr. President, this has been a very interesting discussion between the distinguished Senator from Alabama and the distinguished Senator from Louisiana, but I would not want the RECORD to stand as showing that the principal or sole responsibility for increased interest rates rests with the Federal Reserve Board. The bellwether of high and higher interest rates is the Secretary of the Treasury. One of his very first public speeches as Secretary of the Treasury, if not the first one, was made in Seattle, Wash., on the subject of the benefits of high interest rates; and it was the first big bond issue he floated after coming into office that started the spiral of interest rates upward.

Mr. SPARKMAN. I agree completely with the Senator from Tennessee. I started to say that a while ago to the Senator from Louisiana, but I did not care to get into an argument on the relative merits of the Treasury Department and the Federal Reserve Board.

In the fall of 1952 we knew that if this administration won the election we were going to have high interest rates. I think everyone knew that it was a part of the Republican program. We knew that every effort was going to be made to press down farm prices and push up interest rates. It was a part of the program all the way through. We knew that.

If anyone will look back at the record it will be seen that the program started immediately following the election.

Of course, as the Senator has correctly pointed out, everyone knew, even before Secretary Humphrey made his speech, that we were going to have a policy of high interest rates. In every appearance that he or Dr. Burgess—a very fine and distinguished economist and banker—made before every committee dealing with the subject, the doctrine of high-interest rates was preached.

Mr. GORE. I am not so much concerned about their preachments as about their action.

Mr. SPARKMAN. They have preached and practiced the same line.

Mr. GORE. Earlier in his discourse the Senator from Alabama said that interest rates were pushing themselves upward——

Mr. SPARKMAN. And they are still going up.

Mr. GORE. And he has told us that they are being pushed up. Is not the latter the correct statement?

Mr. SPARKMAN. I certainly think so.

Mr. GORE. There have been and there still are deliberate policies to push interest rates up not only on Government obligations but on the price of money generally.

Mr. SPARKMAN. I think the Senator is absolutely correct.

Mr. BUSH. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to my good friend and colleague on the Banking and Currency Committee, the distinguished Senator from Connecticut, whom I might describe also as an expert on interest rates and other financial matters.

Mr. BUSH. Mr. President, I wish the Senator were correct in his description. I should like to be able to qualify as such an expert, but I am not so qualified, though I do have a considerable interest in the subject.

Inasmuch as the Senator has said that this administration has had a policy of encouraging high interest rates, and, as he told the Senator from Tennessee, implemented it by their actions, I think he should inform the Senate what some of those policies have been and what the actions have been which have given the Senator the impression that it has been the policy of the administration to create high interest rates.

In contravention of that statement, I should like to observe that: I do not believe this administration is in favor of high interest rates at all. I think the administration would very much like to see interest rates come down. I think that anyone who considers objectively and fairly the reason for high interest rates will come to the conclusion that interest rates have gone up because of the large demand for money which has been created by the very high degree of industrial and business activity and prosperity in the United States. That is what has brought about the increase; it has not been brought about by any deliberate attempt on the part of this administration to create high interest rates or to maintain high interest rates.

Mr. SPARKMAN. I may say, in reply to my distinguished friend from Connecticut, that I think the record can be documented to bear out the statement I made and the statement which the Senator from Tennessee made about the deliberate action on the part of this administration to push up interest rates.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. May I go a little further? Beginning at the time even before the ballots had been counted there was talk all across the country about high interest rates. Examine the files of the newspapers and see if high interest rates were not freely predicted.

But the first overt act came in February or March—I do not remember the exact date—in 1953, when a bond paying 3¼ percent was issued. That was a rate much higher than the rate for any long-term bond issue in many, many years in this country. I may say, incidentally, that that bond issue was oversubscribed many times. Within a few days, we saw the value of those bonds go up, up, and up, while the value of others went down, down, and down.

Senators can bet their bottom dollars that those who knew that the prices of bonds would go up did not get stuck. I think it would be most interesting, if ever the record were unfolded, to see what happened in the United States Government-bond market between, say, October 1, 1952, and May 1, 1953. I should like to see who got rid of their low-priced, 2½- and 2¾-percent bonds because they knew that 3¼-percent bonds were coming—and they came.

The holders of the high-value Government bonds were trying to exchange them. But what about the little fellows who owned the E-bonds?

Mr. BUSH. Is the Senator asking me that question? I can answer it.

Mr. SPARKMAN. Very well, in just a moment. Could the holders of the E-bonds, paying 2.9 percent, exchange them without any cost whatsoever? No, they could not exchange them. I am not speaking from hearsay; I am speaking according to the testimony given by Secretary of the Treasury Humphrey before the Joint Economic Committee, of which I am a member. We asked him, "Why did you not let the little fellows who hold E-bonds exchange them?"

Oh, they could have sold their bonds; but, if they sold them short of 10 years, they would have had to take a pretty severe discount. Furthermore, if they sold them, they would have had to pay income taxes on the increment during the time the bonds were held. Furthermore, it is necessary to have a broker buy one's bonds. But those who held

the big bonds did not have to get a broker. They did not have to sell them or do anything about them except exchange the low-priced bonds for the high-interest-rate bonds.

Ever since that time the interest rates have been pushed up, and they are still going up.

I find it quite disagreeable to differ with my friend from Connecticut on any matter, particularly in the field in which he is so expert. But how wrong he is when he says that this administration wants the interest rates to come down. Mr. President, this administration does not think the interest rates are high enough yet.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am still trying to implement my statement for the benefit of the Senator from Connecticut.

The record is replete with references to the high interest rates, beginning in the campaign of 1952 and continuing until this date. I predict that interest rates will not come down unless this administration gets scared.

A friend of mine said to me recently, "Interest rates are not too high so long as they are below 6 percent. Six percent is the right rate for interest."

There is still room to increase interest rates. The administration pushed the interest rate on FHA-insured loans up to 5 percent while Congress was not in session. The administration is trying to increase the interest rate on VA loans to 5 percent, on the ground that such an increase will attract money. It will not attract any money at all.

The administration said the same thing in 1933. The FHA interest rate was 4¼ percent. The administration raised it to 4½ percent, and then induced Congress to raise the VA rate to 4½ percent, saying that that was all that was necessary to get plenty of money.

It is a matter of record in the printed hearings of the Committee on Banking and Currency that the presidents of investment companies, insurance companies, and similar organizations throughout the country said, "Raise the interest rate by a half percent, and plenty of money will come rolling in."

Did it? Not at all! Increasing the VA rate or increasing the FHA rate will not provide the money for mortgages in the present market.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BUSH. Does not the Senator realize—and, of course, he must realize it, as he has been a member of the Committee on Banking and Currency for many years—that the proposition about which he is talking is in the hands of the Federal Reserve Board?

The Senator specifically spoke of the spring of 1953, when he referred to a decline in the bond market. If there was any agency which could have controlled that situation, it was certainly the Federal Reserve Board.

I remind the Senator from Alabama, who seems to be making a political issue of the question of interest rates—and I think it is very obvious that he is doing so—that all the members of the Federal Reserve Board were appointed by the preceding administration; and I must say that administration chose very well. I doubt that there could be found or secured in the United States today a better man to preside over the Federal Reserve Board than Bill Martin, the present Chairman of the Board of Governors. The policies about which the Senator from Alabama is speaking are the policies of Bill Martin and the Federal Reserve Board today. I doubt that anyone can cast any reflections of any kind on their methods.

I think the Senator from Alabama and others who continue to talk about the high interest rate policy of this administration render the people a great disservice in doing so, for this reason: High interest rates have resulted in one of the most important things that has ever happened favorably to the people of the United States in the past 4 or 5 years; namely, the cessation of the inflationary trend, which was eating away at the savings of the people.

I think that anyone who makes any fair and objective analysis of the facts must agree that the result of the policy of the administration has been to stop inflation and not to promote high interest rates.

Mr. SPARKMAN. I shall not debate that point with the Senator from Connecticut. There is, however, one thing I should like to say; that is, the issuance of the 3¼ percent bonds to which I referred a while ago was not of the making of the Federal Reserve Board. That was done by the Secretary of the Treasury. I realize that there may be differing views, but I shall always feel deeply that it was done deliberately. Again, Mr. President, I believe that the documented record will support that statement.

I wish to say one word about inflation: I simply do not understand some of the arguments I hear today to the effect that the price of things has been stabilized and that there is no inflation, when, as a matter of fact, for the past 5 months we have had a succession of 5 peaks in the cost of living, which is at an all-time high. When the cost of living rises, the value of the dollar decreases.

Mr. LONG. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. SPARKMAN. I yield.

Mr. LONG. Speaking of inflation, does the Senator from Alabama know the one item which has been inflated the most since the present administration took office? It is the cost of borrowing money.

Mr. SPARKMAN. Yes, the interest rate has risen tremendously; and everyone understands that, without having the benefit of any economic charts.

Mr. LONG. For example, a farmer who is operating a farm has to borrow money in order to keep his farm going, and he has to borrow money in order to build a new home. In some cases the interest cost for money borrowed for such purposes has been increased 50 percent.

Congress is being asked to reduce the $72 billion budget which has been proposed by the administration. The greatest single reduction we could make this year would be made if we were to instruct the Federal Reserve Board and the Secretary of the Treasury to use the same policies which were used before this administration came into power, and to save the Government $1 billion this year on refinancing short-term obligations, because the cost of those obligations has been inflated more than 50 percent. There is the greatest single item of inflation. If the administration continues as they are doing now with the next $34 billion which they will refinance this year, they will increase the cost of the Government by another $340 million.

I know that the able Senator from Connecticut [Mr. BUSH] has defended that policy. He does not want the Federal Reserve Board to get into an open-market operation to hold down the cost of refinancing Government obligations. I have heard him make many speeches in defense of that position. But if we wish to reduce the cost of the Government, there is the easiest place to begin.

The particular item I am talking about—namely, the cost of borrowing money—is injuring every person in the United States who is trying to buy his home; everyone who is trying to buy an automobile on credit; everyone who is trying to buy household appliances on credit; and all the taxpayers of the United States; and it is injuring the United States Government itself, which has to pay more when refinancing its obligations.

The Senator from Alabama knows, as I do, that this administration can do a great deal about the matter.

Reference was made to the fact that a Democratic President appointed many of the members of the Federal Reserve Board. What the Senator did not refer to was the fact that a Democratic President was ready to discuss with the members of the Board their proposal to raise the interest rates higher than would be in the public interest.

Mr. President, the political affiliation of the members of the Board is completely immaterial, so far as I am concerned. I submit that we who serve in the Congress should vote on this issue during this Congress, and I hope we will do so at the present session.

I should like to help work out a piece of proposed legislation which would instruct the Federal Reserve Board to change its policy, and to proceed to bring down the interest rates.

Although the pending bill will do a little good for the housing industry, it will not do a great deal of good. One of the best ways to be of great help to the housing industry, and to the small-business man, and even to that element of big business which takes the risks, is to reduce interest rates.

There are many other ways by which we can meet the inflationary threat much more effectively. The Senator served on the Banking and Currency Committee at the time when the Nation

was at war, and when goods were scarce from one end of the Nation to the other; and he recalls the kind of devices used at that time to meet the inflationary threat. He knows as well as I do that when interest rates are raised, the effect at least half of the time is to increase inflation, rather than to reduce it, because the cost of borrowing money is one of the costs of living.

Mr. BUSH. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. BUSH. I should like to take advantage of the presence of the Senator from Louisiana to ask him a question, if the Senator from Alabama will permit me to do so.

Mr. SPARKMAN. Certainly.

Mr. BUSH. Then, Mr. President, I ask the Senator from Louisiana whether he recalls that last spring, at a meeting of the Finance Committee which I attended only as a guest, the Secretary of the Treasury was testifying; and the distinguished Senator from Louisiana asked him some questions, one of which had to do with the recent rise in the rediscount rate. Does the Senator from Louisiana recall that colloquy between himself and the Secretary of the Treasury? He asked the Secretary of the Treasury why it was that he approved of such a move at that time. The Secretary of the Treasury replied that he had not approved of it, but he actually had disagreed with the Federal Reserve Board, insofar as that matter was concerned. I offer that testimony in evidence of the fact that the Treasury Department does not control the interest rates, but that the Federal Reserve Board is the authority that does. That point was developed very clearly by the distinguished Senator from Louisiana when the Secretary of the Treasury was on the stand before the Finance Committee last spring. I think that is the best evidence we have had on that point.

Mr. LONG. Mr. President, I should like to answer the Senator from Connecticut.

Mr. SPARKMAN. Very well; I yield to the Senator from Louisiana.

Mr. LONG. Let me say that the testimony of the Secretary of the Treasury was that he had been in favor of the first five increases, but that even he though the last one went too far. Nevertheless, he said he thought it would be better if he went along with the Board in increasing it even the sixth time.

Mr. BUSH. So he was opposed to it.

Mr. LONG. The Secretary was testifying at that time in favor of a $600-million increase in the tax on gasoline and automobile tires and accessories. My statement to him was that I did not see how I could vote for a $600-million increase in taxes, when he and the Federal Reserve Board were exercising their responsibility in such a way as to increase the cost of Government by more than $1 billion because of increased interest payments on the national debt.

Mr. BUSH. I do not recall the rest of the testimony. I may not have remained during the entire meeting. But I do remember the impression it made upon me to hear the Secretary of the Treasury say that after the event—he had not agreed with it then—the Federal Reserve Board increased the rate, anyway.

Mr. LONG. He said he had been in favor of 5 out of 6 increases in interest rates.

Mr. BUSH. At any rate, he opposed that one. But regardless of his opposition, the increase was made, anyway.

The Senator has said that savings in the Federal budget could be achieved by pegging the bond market and by keeping interest rates low, artificially. I wish to say that I have previously referred to the very able statement made on this point by the senior Senator from Illinois [Mr. DOUGLAS], who in 1951 absolutely destroyed that argument by saying that the creation of artificially low interest rates was costing the taxpayers billions of dollars in the budget, by driving up the cost of goods which had to be obtained under the procurement program, and that possibly it was the most wasteful thing which could be done from the standpoint of the Government of the United States. I ask the Senator whether he recalls that able argument made in 1951 by the distinguished Senator from Illinois. Is not that true?

Mr. LONG. Mr. President, will the Senator from Alabama yield to me, to permit me to answer the Senator from Connecticut?

Mr. BUSH. I was asking the question of the Senator from Alabama.

Mr. SPARKMAN. Let me say that I do not remember the details the Senator from Connecticut has stated, but I know that the Senator from Illinois of course has all along believed in the separation of the powers of the Federal Reserve Board and those of the Treasury Department. I know that he feels that the Federal Reserve Board should have the power to exercise those controls.

Mr. LONG. Mr. President, will the Senator from Alabama yield further to me?

Mr. SPARKMAN. I yield.

Mr. LONG. I must say that when the distinguished senior Senator from Illinois made an argument in favor of getting the Federal Reserve Board out of the picture, insofar as the open-market operations were concerned, which would make it possible for the banks to advance interest rates, I never saw the Members of the Senate on the Republican side of the aisle greet any proposal with a warmer reception. Once that suggestion was made by a Democrat, we have had a Republican Secretary of the Treasury proclaim it on every possible occasion. But even the distinguished Senator from Illinois did not say that was the answer as of today. That particular speech was made in 1950, while the Korean war was going on. The argument at that time was that although we had direct controls on credit permitting the Federal Reserve Board to put more money into circulation had an inflationary effect.

For instance, we had controls on the exporting of cotton; and those who produced cotton were having to sell their cotton at about 30 percent below the world market price. In addition, we had controls on credit, and we had controls on downpayments on automobiles, and we had controls on about everything else on which controls could be imposed effectively. That was done in an effort to hold prices within reason at that time.

That is not the situation which exists now. But the administration, when it talks about controlling inflation, does not talk about using direct or effective controls. No; it talks about one control, raising the interest rates. I say that is self-defeating. It is not controlling inflation. It makes those who have very little pay several billions of dollars into the pockets of those who have a great deal already.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Tennessee. After that I hope we shall be able to get back to the pending legislation which is before the Senate.

Mr. GORE. It strikes me it is rather an anomaly that the distinguished Senator from Connecticut would maintain that this administration is without a monetary policy. Surely, he would not maintain that this happened by accident. Surely, he would not maintain that the Secretary of the Treasury would go to Seattle and speak to a governors' conference on August 3, 1953, on the subject of higher interest rate benefits without having some policy on the matter. Surely, he would not maintain that an administration which has brought about seven successive increases in interest rates did so by accident. Surely, he would not maintain that an administration that has a fixed policy of subordinating all other independent agencies of government, such as the instance in which former Governor Sherman Adams, as was brought out by a Senate investigating subcommittee, called the Chairman of the Federal Power Commission with respect to action in a contested case; that an administration which would undertake to destroy and take away the administrative functions of the Board of Directors of the TVA and invest those functions in the Bureau of the Budget; that an administration which seeks to direct, by Executive fiat, to subordinate the Atomic Energy Commission; and that an administration which seeks, as I have said, to subordinate all independent agencies of the Federal Government, would, when it comes to the Federal Reserve Board, be wholly unconscious of its existence, even though it be publicly reported that the Secretary of the Treasury and the Chairman of the Federal Reserve Board have lunch together once a week. Surely, Mr. President, he would not maintain that this administration is unaware of the existence of the Federal Reserve Board, whose members are appointed by the President of the United States, in whom is vested the leadership of this Government.

The distinguished Senator from Connecticut maintains that increased interest rates are not the result of a policy. I say it is surely a strange sort of administration that can bring about higher interest rates on disaster loans to farmers, higher interest rates on veterans'

home loans, higher interest rates in every bank of the United States on private loans, and do it entirely without policy, purely by accident.

Mr. BUSH. Mr. President, will the Senator yield? The Senator has mentioned my name very freely.

Mr. SPARKMAN. I shall be very glad to yield to the Senator from Connecticut. I wish he would not mention any Senator's name, in order that we might get back to the pending measure. I yield to the Senator from Connecticut.

Mr. BUSH. I ask the Senator from Alabama to indulge me for just a moment. I merely wish to say that the sweeping remarks of my very dear friend from Tennessee were so extensive that I cannot possibly remember them all. The Senator touched on policy, and the absence of policy except when it comes to interest rates, and he asserted the administration has a policy of high interest rates.

I should like to complete my comments by reminding my colleagues what it is they are talking about when they discuss interest rates, and the effect that interest rates may have on the national economy. I submit that the policy of this administration has been to prevent inflationary forces from getting out of control, to hold them in check, which the administration has done, to a remarkable extent, in light of the highest industrial expansion and prosperity the country has ever known.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes. I yield to the Senator from Ohio.

Mr. LAUSCHE. Will the Senator from Alabama tell me to what extent the mortgages, on which buyers are charged fees going up to as high as 10 percent in order to obtain money, eventually find themselves in FNMA?

Mr. SPARKMAN. The Federal National Mortgage Association is set up to conduct a secondary market operation for two types of mortgages: FHA-insured and VA-guaranteed. That is a secondary market operation. The Senator well understands, of course, since he is a member of our Housing Subcommittee, that there is also a special assistance program, which covers various other types of FHA-insured mortgages.

When a mortgage is offered to FNMA in the secondary market program, FNMA is supposed to pay a price "within the range of market prices," which is the wording of the law. FNMA interprets the language to mean it shall pay the going market price. Now, as a matter of fact, when it comes to its actual operation—as has been demonstrated since the first of this year—when its money supply gets low, FNMA tends to lower its prices, for the apparent purpose of discouraging holders of mortgages from trying to sell those mortgages to it. But when a mortgage is sold to Fannie May, it is sold just as it would be sold in the private market, and FNMA pays the price within the range that a bank, lending institution, or private individual would pay if it were buying the mortgage.

Mr. LAUSCHE. Am I correct in my understanding that if the veteran, who is being exploited through some lending institutions or builders extracting from him a 10-percent premium in making the purchase, is to get aid from FNMA, it can only happen in those instances when FNMA buys the security which has been exacted by reason of an exploited transaction?

Mr. SPARKMAN. The mortgage ordinarily would be sold to FNMA by the mortgage lender. Any discount would be collected from the holder of the mortgage, and theoretically it would not be passed on to the veteran. Under the regulations it cannot be passed on; but, as the distinguished Senator from Ohio knowns, in the long run a builder could not absorb it and remain in business. He would go broke. So 1 of 3 things must happen. First, a builder will go broke if he continues to absorb the discount. He cannot avoid it. Second, he can cut corners in the houses he builds, and build them more cheaply, putting less value in them for the same price. Third, he will find some other way of passing the discount on to the veteran. So in the long run, the consumer will pay for it.

Mr. LAUSCHE. Mr. President, will the Senator from Alabama yield to me for a moment?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. My belief is that the time has come when careful study must be made to insure that, instead of giving the veteran a tonic, we are not giving him poison when we induce him to buy under terms which eventually will make it difficult for him to meet his obligation.

I am in favor of the $50 million recommendation. However, I was on the bench at a time when many foreclosures were taking place, and when, in the unraveling of the facts, it appeared that premiums of 5, 10, and 15 percent were being paid. It further appeared that because of such premiums the poor buyer never had a chance to save his property. We have an obligation to take a look into the situation and make sure that we are not hurting the veteran instead of helping him.

Mr. SPARKMAN. I thoroughly agree with the distinguished Senator from Ohio. Of course, he will be on the committee during the time when we shall be considering over-all housing legislation. I hope that when the bill, whatever it may be—and I have no idea what may be in it—comes before the Senate there will be a full, fair, and frank discussion on the floor of what our housing legislation today amounts to, what it is doing, and what it is failing to do.

As I stated a few minutes ago, as chairman of the subcommittee, I have no objection to the amendment offered by the Senator from Indiana [Mr. CAPEHART]; but let me make it clear that that was the position I took in the subcommittee and in the full committee. I do not know whether any of the other Members would object to it or not, but I am ready for a vote upon it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the substitute amendment proposed by the Senator from Alabama [Mr. SPARKMAN].

Mr. ELLENDER. Mr. President, may we have the amendment to the amendment stated?

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 10, in the Sparkman substitute, it is proposed to strike out "$50,000,000" and insert in lieu thereof "$75,000,000."

On page 2, line 9, it is proposed to strike out "$50,000,000" and insert in lieu thereof "$75,000,000."

On page 2, line 18, it is proposed to strike out "$1,250,000,000" and insert "$1,525,000,000 or an amount greater than $1,350,000,000 if such purchase is made prior to July 1, 1957."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the substitute amendment proposed by the Senator from Alabama [Mr. SPARKMAN]. [Putting the question.] The "ayes" appear to have it.

Mr. BUSH. Mr. President, I ask for a division.

On a division the amendment to the amendment was rejected.

Mr. LONG. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the substitute amendment proposed by the Senator from Alabama [Mr. SPARKMAN] will be stated.

The LEGISLATIVE CLERK. On page 2, line 22, in the Sparkman substitute, it is proposed to strike out "$12,500,000" and insert in lieu thereof "$10,000,000."

Mr. LONG. Mr. President, this amendment is offered to try to make sure that each State will have an opportunity to participate in the program. Previous legislation on this subject provided that the limitation of $5 million of a $50 million total authorization, should not be exceeded in any State. In other words, no State could obtain more than 10 percent of the funds available.

This amendment would carry out exactly the same theory in increasing the amount of funds from $50 million to $100 million. The 10-percent limitation would be continued.

No State contains more than 10 percent of the people. As a practical matter, the larger States of the Nation do not have as tight a credit situation as do many of the smaller States, particularly some of the Southern and Western States. That being so, I see no reason why the 10-percent limitation should not be continued.

I have discussed this subject with members of the committee, particularly with the mover of the 12-percent figure in the first instance. So far as I can find, there is no objection to retaining a 10-percent limitation. I hope the subcommittee will be willing to agree to it. I have discussed the question with the chairman of the subcommittee. I hope we can agree to that limitation so as to maintain the same general theory in trying to see that each State shall have an opportunity to share in this program.

Mr. SPARKMAN. Mr. President, as the Senator from Louisiana correctly stated, when the first $50 million was made available we provided for the usual 10 percent limitation for any one State. When the second $50 million authorization was proposed, it was pointed out that 1 or 2 of the larger States had used up completely the $5 million allocated to them under the first $50 million authorization. It was thought that probably they would use up the extra money under the $50 million authorization more rapidly than many other States. Several States have not used any; that was the reason for the stepped-up amount. However, I think it is perfectly proper to hold the limitation to the same percentage. The effect of the amendment offered by the Senator from Louisiana is to carry forward the 10 percent provision which applied in connection with the other authorization.

Under the statute FNMA is authorized to enter into advance commitment contracts and to purchase mortgages in an amount not to exceed $50 million.

I have before me a statement, together with three tables which show the extent to which this program has been carried on, and what the effect of this allocation would be. I ask unanimous consent to have the statement and tables printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement and tables were ordered to be printed in the RECORD, as follows:

COMMITMENT OF FNMA FUNDS (SEC. 213) UNDER THE STATE LIMIT ($5 MILLION OR $12.5 MILLION)

Under the statute (sec. 305 (e)) FNMA is authorized to enter into advance commitment contracts and to purchase mortgages in an amount not to exceed $50 million outstanding at any one time. With respect to any one State, FNMA may have outstanding commitments not to exceed $5 million at any one time.

The $50 million relates to commitments and purchases. The $5 million to commitments only. This means that a State may actually exceed the $5 million figure. To date, only one State, New Mexico, has done that.

As of December 31, 1956, 14 States (including Hawaii) had received FNMA commitments. These commitments totaled $45,448,079. Two States, New Mexico and Arizona, had actually sold mortgages, thereby replenishing the State authorization.

One State, New Mexico, had, under this procedure received commitments totaling $5,286,250. Two other States, California and New York, had received commitments of exactly $5 million. The remaining 11 States which have participated thus far have received commitments between $291,600 (Pennsylvania) and the $5 million limit. As stated above, the total of these commitments and purchases is $45,448,079.

If it can be assumed that these same States will continue to seek FNMA commitments and that having some experience may be more successful, one may raise the question, what would be the result of maintaining the present $5 million per State limit. In order to arrive at these figures, it must be assumed that no State will get more than $5 million. As has been shown, this is not entirely correct, but no evaluation can be made to indicate how much each State may exceed the $5 million limit.

Under these assumptions, 3 States, California, New Mexico, and New York, would get nothing. The 11 other States shown would get amounts varying from $4,100 in the case of Hawaii to $4,708,400 in the case of Pennsylvania. If each State were to receive a full $5 million, this would make a total of $265 million. If each of the States which have been active receive a total of $5 million, this would make a total of $70 million. Presumably $100 million will be made available, which would leave $30 million for the remaining 37 States.

Assuming that the State limit is raised to $12.5 million, each of the 14 presently active States could conceivably receive an additional allotment ranging from $7,213,750 in the case of New Mexico to $12,208,400 in the case of Pennsylvania. Assuming that $100 million is made available, these 14 active States could consume $175 million, or $75 million more than the total, leaving nothing for the remaining 37 States.

The next question which may be raised is whether the States which have been active will continue to be active in the cooperative program and whether additional States will become active. This can best be shown by indicating the cooperative projects by States for which the FHA has (1) issued commitments for insurance, and (2) applications which are presently being processed. Table 2 indicates that as of February 26, 1957, 17 States have received FHA commitments for a total of 240 projects, including 7,267 units and a dollar volume of $94,382,000.

Table 3 indicates that 20 States have applications for commitments in process as of February 26, 1957, totaling 218 projects for 13,277 units and a dollar volume of $150 million.

TABLE 1.—*State entitlement to FNMA funds for cooperative mortgages as of Dec. 31, 1956*

	Existing FNMA commitments	Under $5,000,000 limit	Under $12,500,000 limit
Arizona	4,415,720	584,280	5,084,280
California	5,000,000	0	7,500,000
Colorado	3,892,600	1,107,400	5,307,400
Indiana	3,494,050	1,515,950	5,015,950
Iowa	1,053,500	3,946,500	11,446,500
Louisiana	963,500	4,036,500	12,136,500
Michigan	4,369,450	550	7,500,550
Nebraska	1,639,100	3,360,900	10,860,900
Nevada	4,080,600	919,400	5,419,400
New Mexico	5,286,250	0	6,213,750
New York	5,000,000	0	7,500,000
Ohio	845,800	4,154,200	11,654,200
Pennsylvania	291,600	4,708,400	12,208,400
Hawaii	4,995,900	4,100	7,504,100
Total	45,448,079	21,858,180	122,061,930

NOTE.—States for which no figures are shown would be entitled to either $5 million under existing law or $12.5 million under the Senate committee bill.

TABLE 2.—*FHA sec. 213 commitments outstanding as of Feb. 26*

	Projects	Number of units	Dollar amount
Arizona	17	480	$4,198,000
California	41	1,709	24,501,000
Colorado	11	264	4,761,000
Maryland	1	9	128,000
Florida	1	11	169,000
Georgia	1	50	804,000
Hawaii	13	310	4,960,000
Indiana	18	244	5,174,000
Iowa	12	276	3,975,000
Kentucky	5	118	1,612,000
Louisiana	10	155	1,772,000
Michigan	34	439	6,411,000
New Jersey	2	190	3,375,000
New Mexico	22	420	6,031,000
New York	15	2,032	25,195,000
Nevada	10	189	2,589,000
Ohio	4	67	847,000
Total	240	7,267	94,382,000

NOTE.—Total dollar amount reduced by $50 million.

TABLE 3.—*FHA sec. 213 applications in process in FHA as of Feb. 26*

	Number of projects	Number of units	Dollar amount
Alabama	1	8	$97,000
Arizona	22	802	8,251,000
California	5	180	1,938,000
Colorado	20	355	4,152,000
District of Columbia	6	1,540	19,921,450
Maryland	2	102	1,219,400
Florida	1	20	241,000
Georgia	1	10	153,000
Indiana	3	75	750,000
Louisiana	22	552	5,534,000
Michigan	16	249	3,502,000
Mississippi	1	9	113,000
Nebraska	7	272	2,751,000
Nevada	4	87	1,420,000
New Jersey	1	25	475,000
New York	57	1,401	22,481,000
Ohio	3	48	710,000
Oklahoma	1	16	159,000
Tennessee	2	18	253,000
Texas	44	907	13,959,000
Total	218	13,277	150,000,000

Mr. SPARKMAN. Mr. President, I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG] to the substitute amendment proposed by the Senator from Alabama [Mr. SPARKMAN].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the substitute amendment of the Senator from Alabama, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 209) was read the third time.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the passage of House Joint Resolution 209.

The joint resolution (H. J. Res. 209) was passed.

The title was amended, so as to read:

A joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

The PRESIDING OFFICER. Without objection, S. 1325 is indefinitely postponed.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business

today, it stand in adjournment until 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINANCIAL INSTITUTIONS ACT OF 1957

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 120, S. 1451.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1451), to amend and revise the statutes governing financial institutions and credit.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. O'MAHONEY. Mr. President, I rise to submit an amendment to S. 1451, the omnibus banking bill. In so doing, I wish to call attention to the fact that the amendment has only one purpose, which is to add to title III a saving clause for the antitrust laws, the same as that which is to be found in title II of the bill. The saving clause merely acknowledges, as has been acknowledged heretofore in the last session of Congress, that nothing in the bank consolidation bill or in this bill shall be construed or interpreted as "approving any act, action, or conduct which is or may be in violation of existing law, nor shall anything contained in this chapter constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct."

They are the same saving provisions which appear in title II. I felt that they should also appear as a part of title III.

My reason for submitting the amendment is that there is now pending before the Senate Committee on the Judiciary a bill to amend the Clayton Act, which would have the effect of bringing bank mergers under the application of section 7 of the Clayton Act. This bill, commonly called the premerger notification bill, was passed in the House of Representatives last year and was recommended to the Senate for passage. Because the report of the Senate Committee on the Judiciary came toward the end of the session, no action was possible.

A similar measure is now under consideration in the House, and will be under consideration before the Senate Committee on the Judiciary in the near future.

The proposed amendment to the omnibus banking bill has the effect only of providing in title III the same safeguard which is provided in title II, which is a codification of the Bank Holding Act which was passed at the last session of Congress, on May 9, 1956.

It has thus been made clear by the Committee on Banking and Currency, both last year and this year, in reporting the omnibus banking bill, that it was not the intent of the committee to authorize a bill which would be subject to any interpretation or construction that it was intended by any of the provisions of S. 1451 to grant exemption from the Sherman Act or section 7 of the Clayton Act.

In presenting this amendment I must make it clear that I am not opposed to the provisions of section 23 of title I. These do represent a step forward in subjecting bank mergers to closer governmental supervision. However, the provisions contained in this bill do not go far enough in arresting the dangerous bank merger movement. For that reason, the Antitrust and Monopoly Subcommittee has as I have said presently under consideration S. 128 which would subject all bank mergers to section 7 of the Clayton Act. In view of the fact that this subcommittee will soon be actively considering the measure and since the House Judiciary Committee is presently conducting hearings on a similar bill, it would be appropriate to adopt this antitrust savings clause to insure that the further consideration of the bank merger problem could be completed by the Judiciary Committee.

In proposing the amendment I want to urge strongly that even if this bill in its present form is enacted, the antitrust laws would still apply. The Sherman Act has always applied to banks, and section 7 of the Clayton Act has always applied to bank mergers accomplished by stock acquisitions. Nevertheless, such a savings clause is necessary in the interest of orderly administration and to make clear that by enacting such a measure the Senate is not foreclosing the Judiciary Committee from acting on the bill now before it subject in bank mergers to section 7 of the Clayton Act.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. ROBERTSON. Mr. President, before I make my statement on the bill, I want to submit two amendments and ask that they lie on the table and be printed. One of these amendments is a modification of the provision dealing with audits of Federal credit unions. The other amendment contains a number of technical corrections of punctuation, typographical errors, and clarifying language. I intend to call these amendments up later as committee amendments, and I am sure these amendments will be supported by every member of the Banking and Currency Committee.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. BUSH. Has the Senator sent his amendments to the desk?

Mr. ROBERTSON. I send to the desk the two amendments which are in the nature of committee amendments, one relating to credit unions, and the other consisting of technical amendments recommended by the agencies, and changing some commas, periods, and semicolons, and placing the emphasis on the penult instead of the antepenult.

Mr. BUSH. In the interest of having all amendments together in the RECORD, may I ask the Senator if he would approve of having an amendment which I had sent to the desk before the Senator came to the floor, respecting the disclosure of bank stock holdings, printed in the RECORD following the amendments which the Senator from Virginia himself has offered?

Mr. ROBERTSON. As I have previously indicated, this is a technical subject, and I hope that every Senator who is interested in proposing amendments will send them to the desk and ask that they be printed. Unanimous consent for so doing is practically always granted. I also ask that my amendments be printed in the RECORD.

Mr. BUSH. Mr. President, I ask that my amendment be printed in the RECORD following the amendments presented by the Senator from Virginia.

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table, and, without objection, they will be printed in the RECORD.

Amendment intended to be proposed by Mr. ROBERTSON to the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit:

On page 231, strike out (b) of section 7 and insert in lieu thereof the following:

"(b) The director shall encourage every Federal credit union to make an adequate internal audit of its affairs at least once each year. In any case in which the director deems it is necessary, either because of the absence or inadequacy of any such internal audit or for any other reason arising in the course of the supervision of any Federal credit union, he may require at such times as he deems necessary that such Federal credit union have an audit by an independent individual or firm approved by the director or in the alternative require that it be audited by the Bureau. The expense of any such audit by the Bureau shall be considered part of the examination fees authorized in subsection (a) of this section."

Amendments intended to be proposed by Mr. ROBERTSON to the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit:

On page 16, section 21 (d), lines 6 and 7, strike the words "of any surplus funds in excess of its common capital plus its undivided profits and reserves" and insert in lieu thereof "by which the surplus funds plus undivided profits and reserves exceed the bank's common capital."

On page 32, section 36 (a), line 23, strike "An" and insert in lieu thereof "And."

On page 34, section 36 (a), lines 10 and 11, strike the word "greatest" and insert in lieu thereof "greater."

On page 49, section 52 (d), lines 10, 11, and 12, strike the words ", and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the consolidated banking association."

On page 51, section 54 (d), lines 10, 11, and 12, strike the words ", and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the consolidated banking association."

On page 54, section 55 (d), lines 10 and 11, strike the words ", and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the receiving association."

On page 77, section 8 (a), first line, strike the word "here" and insert in lieu thereof "hereby."

On page 86, section 14 (b) (2), last sentence, strike the word "their" and insert in lieu thereof "its."

On page 91, first line, strike the word "in" and insert in lieu thereof "at."

On page 106, section 31 (c), line 3, strike the words ", as amended."

On page 107, lines 3 and 4, strike the words "as amended,".

On page 107, line 7, strike the words "as amended,".

On page 110, section 33 (d), last line, strike the word "provision" and insert in lieu thereof "provisions of section 21."

On page 111, line 5, after the words "provided in," insert "section 23 (m)."

On page 111, section 35 (c), line 3, strike the designation "(a)" and insert in lieu thereof "(1)."

On page 111, section 35 (c), line 6, strike the designation "(b)" and insert in lieu thereof "(2)."

On page 117, section 39 (i), line 2, insert a comma after the word "collateral."

On page 121, section 42 (a) (3), line 3, strike "its" and insert in lieu thereof "the."

On page 121, section 42 (a) (3), line 4, strike "the" and insert in lieu thereof "its."

On page 123, section 43 (c), line 5, strike "agents" and insert in lieu thereof "agent."

On page 125, section 44 (a) (2), line 5, insert a comma after the words "foreign banking."

On page 125, section 44 (b), line 4, delete the comma after the word "approve."

On page 134, section 50 (a), line 2, strike the word "this section" and insert in lieu thereof "sections 45, 46, and 47."

On page 137, section 52, line 7, insert a comma after the word "agency."

On page 151, section 5 (d), line 12, strike the word "Administrator" and insert in lieu thereof "Board."

On page 156, section 11 (b), line 8, strike the word "him" and insert in lieu thereof "it."

On page 163, section 23, line 12, strike "district" and insert in lieu therof "District."

On page 164, section 23, line 1, strike "subsection" and insert in lieu thereof "section."

On page 164, section 23, line 2, after the word "Board" and before the comma, insert "of Governors of the Federal Reserve System."

On page 167, section 29, line 15, strike the word "him" and insert in lieu thereof "it."

On page 181, section 40, lines 1 and 2, strike the word "district" and insert in lieu thereof "District."

On page 185, section 6, in heading, strike "home-loan banks" and insert in lieu thereof "Home Loan Banks."

On page 197, section 13, last line, strike "effect" and insert in lieu thereof "force."

On page 201, section 21 (a), line 4, insert a comma after the word "Corporation."

On page 203, section 2 (c), strike the words "by the Board."

On page 206, section 5 (d) (2), line 20, strike "association of its affairs" and insert in lieu thereof "association and its affairs."

On page 207, section 5 (d) (2), line 23, strike "whether" and insert in lieu thereof "Whenever."

On page 207, section 5 (d) (3), line 1, strike ", in the opinion of the Board," and insert in lieu thereof "it appears to the Board that."

On page 207, section 5 (d) (3), last line, strike "bank" and insert in lieu thereof "association."

On page 208, section 5 (g), line 5, strike "2111 or 3301" and insert in lieu thereof "2111 and 3301."

On page 210, section 5 (j), line 2, strike the comma after the word "association."

On page 213, section 7 (c), line 8, strike the words "the home" and insert in lieu thereof "home."

On page 216, section 403 (c) (5), line 23, strike "provisions" and insert in lieu thereof "provision."

On page 223, section 408 (b), line 2, strike "which ever" and insert in lieu thereof "whichever."

On page 235, section 15, last sentence, strike the word "subdivision" and insert in lieu thereof "section."

On page 241, section 25, line 4, strike the words "who are either" and insert in lieu thereof "who either are."

On page 246, paragraph (150), insert the number "6," between the numbers "5, 7."

On page 251, after section 805, insert the following new section:

"REFERENCE IN OTHER LAWS

"SEC. 806. Any reference in any other law of the United States to any provision of any act or part thereof revised or reenacted by any title of this act shall, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, be deemed also to refer to the corresponding provision as so revised or reenacted by this act."

On page 6, Table of Contents, after "SEC. 805. Savings Clause," insert "SEC. 806. References in other laws." and renumber the following sections of title VIII accordingly.

Amendments intended to be proposed by Mr. BUSH to the bill S. 1451:

On page 1, table of contents, strike "SEC. 23. Disclosures of stock ownership" and renumber the following sections in title I of the table of contents accordingly.

On page 17, strike the sentence beginning on line 2 with the words "Such list" through the words "such stock." on line 5.

On page 17, strike section 23 and renumber the following section of title I accordingly.

On page 41, line 6, strike "section 32" and insert in lieu thereof "section 31."

On page 45, section 49 (e), line 2, strike "section 59 (b)" and insert in lieu thereof "section 58 (b)."

On page 60, section 59 (a), line 3, strike "section 20" and insert in lieu thereof "section 29."

On page 95, section 23 (c), line 4, strike "section 48" and insert in lieu thereof "section 47."

On page 96, section 23 (d), line 4, strike "section 32" and insert in lieu thereof "section 31."

On page 96, section 23 (f), strike the sentence beginning on line 4 with "Such list" through the words "such stock." on line 7.

On page 97, strike subsection (g) of section 23 and renumber the following subsections of section 23 accordingly.

On page 99, section 23 (l), lines 15 and 16, strike "section 59" and insert in lieu thereof "section 58."

On page 118, section 39 (i), line 3, strike "section 34" and insert in lieu thereof "section 33."

On page 165, section 27 (a), strike the sentence beginning on line 4 with "Such list" through the words "such stock." on line 7.

On pages 165 and 166, strike section 27 (b).

Mr. ROBERTSON. Mr. President, before undertaking to discuss the provisions of S. 1451, I wish to make the observation that we are dealing with a technical subject in a technical form. We are dealing with a code of all the banking laws and credit laws. I am sure it will be of great assistance to all Members of the Senate in voting on amendments which may be proposed if the Senators who are interested in offering amendments will send them to the desk and let them be printed and lie on the table, to be called up later, after the membership has had an opportunity to read them and to know what they involve.

In keeping with that suggestion, Mr. President, I have sent to the desk two amendments to be printed and lie on the table and to be later called up as committee amendments. I feel sure that all members of the committee will join me in those amendments. One of them modifies the provision concerning the audit of Federal credit unions. Incidentally, the proposed amendment has been shown to the national leadership of the organization of credit unions, and it meets with the approval of that leadership. I may say it also meets with the approval of our committee.

Mr. ELLENDER. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. ELLENDER. The Senator will recall that I brought this matter to his attention on several occasions.

Mr. ROBERTSON. I have with me a letter from Mr. H. Vance Austin, the managing director of the Credit Union National Association, saying that there is no objection to the amendment. For the first time, we provided in the bill that there should be an audit made by an independent outside auditor or auditing firm approved by the Bureau in Washington. The credit unions objected to that, and this amendment takes care of this objection.

Mr. ELLENDER. Does the Senator from Virginia feel that the pending legislation meets objections as to audits raised by a number of my constituents, which objections I called to the attention of the Senator on several occasions.

Mr. ROBERTSON. I am glad to assure the Senator from Louisiana that my amendment will take care of that provision, also the provision on exchange, in which the Senator from Louisiana was interested has been deleted.

Mr. ELLENDER. The matter of exchange was taken care of in the bill as reported, was it not?

Mr. ROBERTSON. Yes. That was done before the bill was reported.

Mr. THURMOND. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. THURMOND. I was wondering in what way it would be taken care of.

Mr. ROBERTSON. The amendment with reference to the credit unions provides that if the director of the Bureau feels that a given union is not being properly administered and that the safety of the savings of the members of the union is at stake, he has the right to direct them to have an independent audit made.

Mr. THURMOND. Who is it that has that right?

Mr. ROBERTSON. The director of the Federal Credit Union Bureau. The Senator must remember that while this is a relatively new phase of saving, it is no longer a small one. It involves assets of some $1½ billion. There are more Federal credit unions in the nation than there are national banks, and each one of them has a national charter. They are all operated under the auspices of the Federal Government. There is in the Department of Health, Education, and Welfare a bureau established for their administration, just as the Comptroller of the Currency controls national banks.

Mr. THURMOND. I thank the Senator.

Mr. ROBERTSON. The Congress has a responsibility. We may as well face up to it.

The committee decided that possibly we were going a little too far. So we modified the measure in such a way as to discharge our responsibility for the safety of the savings of a large group of working people, without placing any unnecessary burden upon the management of the small credit unions.

Mr. THURMOND. I should like to ask two other simple questions. As I understand, the amendment relative to the exchange has been eliminated.

Mr. ROBERTSON. It is completely out of the bill.

Mr. THURMOND. I was very much interested in that amendment.

Mr. ROBERTSON. I can well imagine the Senator's concern, because I heard from a few of the Senator's constituents on that subject.

Mr. THURMOND. The other question relates to the provision concerning the writing of insurance by national banks. As I understand, that provision, too, has been eliminated.

Mr. ROBERTSON. That provision was eliminated by the committee.

Mr. ELLENDER. In other words, the law will stand, just as it is today.

Mr. ROBERTSON. That is correct. The national banks may remain in the insurance business if they are located in towns having less than 5,000 population. If the population goes above 5,000, the national banks cannot write insurance.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. ELLENDER. The Senator from Virginia has been most generous in answering many questions pertaining to changes made since the original bill was considered. He will recall that I took up with him the matter of limiting the establishment of branches of Federal savings and loan associations in line with authority given State chartered building and loan associations, savings and loan associations, and mutual savings banks of the various States to establish branches. Has this matter also been corrected? That is, were changes made in the original bill?

Mr. ROBERTSON. That provision is in the bill, but the distinguished Senator from Illinois [Mr. DOUGLAS] opposed it in committee, and I understand he will offer an amendment to strike it from the bill. It is, of course, the privilege of the committee members to oppose provisions in the committee and to oppose them on the floor. The chairman of the subcommittee, in charge of the bill, approved it, and the majority of the committee approved it. The provision is in the bill.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. STENNIS. I wish to commend the Senator from Virginia, first, for the fine knowledge of the subject matter of the bill which he has shown during its preparation. I know he will continue to show the same fine comprehension of the subject matter and understanding of the bill during the debate. I also desire to commend him for the very painstaking way in which he has considered the many problems which have arisen in connection with a complicated bill of this kind, a bill having far-reaching effects. The Senator from Virginia was just as much interested in doing justice and right and in avoiding injury to the very smallest institutions, as he was in the case of the larger ones.

I especially appreciate, on behalf of the banking institutions of my State, the utmost consideration which the Senator from Virginia and his colleagues gave to the numerous complicated questions involved. I appreciate the way in which the committee went to the bottom of the problem, as represented by the exchange feature of the bill, which is considered a small matter in banking circles as a whole, but is very vital to the small banks. The action of the committee will mean much to the small communities and towns which the small banks serve. The committee reached the right conclusion, in my opinion, and I sincerely thank the Senator from Virginia and his colleagues for their excellent work. That is not unusual for them, but it certainly is helpful, and we appreciate it.

Mr. THURMOND. Mr. President——

Mr. ROBERTSON. I yield.

Mr. THURMOND. I take this opportunity to congratulate the distinguished and able junior Senator from Virginia for the outstanding work he has done on the bill, the vision he has displayed, and the great consideration which he has shown to the small country banks. I am convinced that if an amendment had been included with regard to the exchange it would have seriously affected a great many country banks in my State, and might even have closed some of them. We are very grateful to him for the consideration which he gave to this matter.

I wish to commend the Senator from Virginia also for the interest he has shown in the amendment pertaining to the writing of insurance by national banks. This is a subject which vitally affects a great many small insurance agents in my State. I felt certain that it would have had some effect in a great many other States. We greatly appreciate what the Senator from Virginia and the committee have done, and we extend to the able Senator from Virginia our gratitude.

Mr. ROBERTSON. I thank the Senator from South Carolina.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. FREAR. I have had the pleasure and privilege of serving on two great committees and on many subcommittees of the Senate. I think the Senator from Virginia has demonstrated his exceptional intelligence in this matter, because he always lends to witnesses something that will bring out the point in a most unusual way. Sometimes—in fact, quite often—a bit of humor is injected, in which the witness concurs, thus making the hearings move along a little more easily.

I also believe that the Senator from Virginia has great confidence in his counsel, Mr. Rogers, who I think was of unlimited support and help to the chairman of the subcommittee.

My faith in the chairman of the subcommittee is without bounds. He knows the subject, as was stated by the Senator from Mississippi [Mr. STENNIS], and he exemplified to the witnesses who appeared at the hearings.

I believe the bill prepared by the Senator from Virginia, and which is now before the Senate, is one of more than casual interest to every Senator, because it affects not only the small banker, but the large banker, as well. It affects all citizens indirectly.

I wish to thank and to give sincere praise to the Senator from Virginia for the great bill he has brought before the Senate.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. ELLENDER. Before the Senator from Virginia begins his main address, I wish to join the Senator from Mississippi [Mr. STENNIS] and the Senator from Delaware [Mr. FREAR] in complimenting the Senator from Virginia on his diligence and for the fair manner in which he has handled this bill.

As the Senator from Virginia will recall, I wrote him a number of letters based upon complaints I had received about the bill in its original form. I am glad to observe that almost all the complaints which were voiced by me and by other Senators who were concerned about essentially the same provisions have been adjusted in the bill. I hope the bill receives the careful attention of the Senate and that it will be passed without undue delay.

Mr. ROBERTSON. The junior Senator from Virginia acknowledges with great appreciation the very fine and sincere tributes which have just been paid him by his distinguished colleagues from Mississippi, South Carolina, Delaware, and Louisiana. As a matter of fact, the distinguished Senator from Louisiana [Mr. ELLENDER], who sits immediately in front of the Senator from Virginia and gives him many helpful suggestions, both on the floor and in committee, on how to economize in Government, whispered, "This would be a good time to pass the bill. There are not many Senators here, and those who are seem to be with you."

Mr. President, I have confidence in the bill. As Senators have said, a large amount of work has gone into its preparation. For me, it has been a labor of love.

First, I felt it would be of some constructive service to the banking industry if the banking laws were codified—something which has never before been done in the history of the Nation.

Second, in my 24 years of service in Congress, I have never undertaken a project in which I have had better cooperation than that which I received from those for whom the proposed legislation is intended and from those who helped me prepare it. I had the assistance of a wonderful advisory committee comprised of 27 outstanding experts in the financial field. Also, as the Senator from Delaware has said, I had the help of a very able committee counsel, who had done notable work from the beginning. I had exceptionally fine help from the members of the committee.

I appreciate the references made to the fact that I considered carefully the viewpoint of the small banker. It may surprise Senators to learn that on one day, on the issue of extending the right of the national banks to go into the insurance business, I received 125 telegrams of protest from just one State.

It was quite a task to answer all the communications addressed to me; but I answered them, and I signed all of the replies myself. Whenever a Senator referred a letter to me, I would give him the facts, and reply fully to the letter. If a Senator said that certain of his constituents wanted to see me, I always saw them, just as I saw all of my own constituents. I did so, Mr. President because we want this bill to have the approval of every Member of the Senate when the time comes for the Senate to vote on it.

I wish to say that if the bill contains anything wrong, I wish to know about it. If any provision of the bill would harm the dual banking system, I wish to know about it, because I believe in the dual banking system, and I believe in States rights. At the same time, we must remember we are dealing with an industry which now has resources in excess of $200 billion. The Federal credit unions, which deal with working men who deposit nickels and dimes, have built up $1½ billion of savings. The credit unions have been wonderfully fine institutions for many people.

I did not know much about the credit unions until I sat down and began to study the situation. I received some protests to the effect that the bill on which we were working would not be the kind of bill the credit unions wanted. Then I began to read the laws on the subject. I found that those groups were completely exempt from taxation, and I found that they could not charge more than 1 percent a month on the unpaid balances. However, this is 12 percent a year; and it adds up rather rapidly, although it is a great deal less than the loan brokers charge.

I also considered the remarkable growth of the savings and loan associations with over $43 billion in assets.

So, Mr. President, I can well understand that when Members of the Senate find themselves confronted with a bill more than 250 pages in length, bearing the formidable title: "The Financial Institutions Act of 1957," and covering many technical and complicated subjects, they may fear that they will be called upon to vote without adequate opportunity to know what is contained in the bill.

I want to assure my colleagues, however, that the bill is not so formidable as its length would make it appear, because much of it is merely a restatement of existing laws. It has been slowly evolved and carefully considered, as I shall point out as I proceed. It is supported by an overwhelming majority of those in the banking and financial business field, and I am convinced that its passage will serve the best interests of our Nation and its citizens.

In this brief statement I shall not attempt to analyze the bill, but Senators will find a comprehensive, section by section, analysis in the 96-page report of the Banking and Currency Committee which has been made available to every Member of the Senate.

All I want to do today is to explain how the bill happens to be before the Senate, and to state some of the things it is and some of the things it is not.

As we have pointed out in the introduction to our committee report, the laws governing operations of banks and other financial institutions in the United States are a result of gradual, and sometimes haphazard, growth. They have been added to and amended from time to time when specific needs were recognized. Many of these changes were tucked away in laws dealing primarily with other matters. Statutes no longer needed or which had lost their significance were forgotten, but remained on the books. Duplications appeared which were known only to lawyers specializing in this field, until they were brought to wider attention by court tests.

The last comprehensive study of the banking and credit laws was the one made by the Aldrich Commission in 1908–12, and it was followed by adoption of the Federal Reserve Act in 1913. The last major revision of the financial statutes was the Banking Act of 1935, sponsored by my predecessor in the Senate, Carter Glass, of Virginia, which still was based in part on the results of the earlier Aldrich study.

During the last two decades there has been tremendous growth in our economy, and there have been corresponding changes in the financial needs of our people. As chairman of the Banking Subcommittee of the Senate Banking and Currency Committee, in handling individual items of legislation in that field, I became increasingly aware of the need for a broader look at the Federal statutes under which we are operating.

I was aware of proposals—from several sources—that a modern counterpart of the Aldrich study be undertaken, and I saw merit in those suggestions. I did not feel, however that an adequate job in the broader field could be done by my subcommittee, by the Senate Banking and Currency Committee, or, indeed, by any group composed entirely of Members of the Congress carrying a heavy load of legislative duties.

I did feel that a start might be made with respect to improving the Federal banking and credit laws if we took advantage of the period when the Congress was in recess, to bring together, into one place, the various financial laws, and then to propose amendments dealing with problems of daily operations, rather than with broad theories of finance.

Mr. President, I first submitted a resolution authorizing the Senate Banking and Currency Committee to undertake this kind of limited study; but after some conferences with the staff and other members of the committee, I was convinced we could do the job under our existing authority, and with the modest appropriations already authorized, if we could obtain the cooperation of Federal administrative agencies and voluntary efforts of groups of private citizens in the financial field.

Pursuing this course last fall, I asked the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the Federal Bureau of Credit Unions to give me a compilation of the statutes under which each of those agencies operated; to review those statutes; and to make recommendations as to changes which they regarded as desirable. This resulted in a compilation of financial laws running to 352 printed pages, and produced 175 proposals for amendments, in a volume of 212 pages.

Next, with the cooperation of other members of the Banking and Currency Committee, I appointed an advisory committee of 27 men, outstanding in the financial field, who were willing to serve without compensation—not even mileage for their trips to Washington—to make suggestions for our study. The caliber of this committee is indicated by the fact that it included five former presidents of the American Bankers Association. But it also included some small-town bankers who were aware of the problems of smaller institutions; and, of course, it included persons familiar with savings and loan associations, credit unions, and other types of financial institutions.

In November, the committee participated in hearings at which it heard statements from, and questioned, representatives of the Federal agencies.

My colleagues will find on their desks two sets of hearings. The first set contains the hearings of last November, to which I have just made reference. The second set contains the hearings the committee held in January and February of this year.

The Advisory Committee held its own executive sessions, and came up with a report containing more than 200 suggestions for legislative changes.

The next phase of our study was the review of all the suggestions of the agencies and those of the Advisory Committee by myself and the competent staff of the Banking and Currency Committee. We drafted a committee print bill which served as the basis for public hearings held by the Banking Subcommittee from January 28 to February 18 of this year. The committee print included what I considered to be the best of the recommendations submitted by the various groups, but not all of the recommendations.

On the bill so drafted we received testimony from members of our Advisory Committee, from all major trade organizations, from individuals who requested to be heard, and, finally, from the heads of the Federal regulatory agencies.

I wish to refer for a moment to the amendment the distinguished Senator from Connecticut [Mr. BUSH] has sent to the desk. His amendment seeks to delete from the bill a provision concerning the disclosure of bank stock ownership. The amendment was not proposed by any of our advisory groups or by any of the Federal agencies. So far as I can recall, it is the only provision in the entire bill of 251 pages which was not considered at the public hearings. I mention that, Mr. President, to reinforce the statement the Senator has made that the bill has been very carefully prepared.

Mr. BUSH. Mr. President, will the Senator yield for an observation at this point?

Mr. ROBERTSON. I yield.

Mr. BUSH. I mentioned earlier, before the Senator from Virginia started his prepared remarks, that I had an amendment at the desk. I should like to call to the Senator's attention the fact that the amendment proposes to strike from the bill the provision to which the Senator has called attention, requiring the disclosure of bank stock ownership.

I wish to compliment the Senator from Virginia for the way in which he has presented this matter. It is true that we did not have any witnesses in connection with that particular issue. The bankers were given an opportunity to be heard. In fact, I do not recall that a single witness was given an opportunity to be heard before the committee on that particular issue. We did receive some letters commenting on the point from the viewpoint of the agencies involved, the Federal Reserve Board, the Comptroller of the Currency, and the FDIC, all of whom opposed the section of the bill requiring disclosure of bank-stock ownership. The Federal Reserve officials pointed out that the place to deal with the situation is in the Securities and Exchange Act, where the proxy question is dealt with, and where matters pertaining to purchase, sale, and ownership of securities are dealt with. That is the place where this matter should be dealt with, if it needs to be dealt with.

I see the Senator from Ohio sitting in the Chamber. He is chairman of a subcommittee, on which I have the honor to serve as a member, which deals with the whole matter of proxy rules. If the Senate will dispose of this issue by leaving it to the subcommittee of the Senator from Ohio, that is the place where it ought to be handled and considered in great detail, along with laws pertaining to stockholders of other companies besides banks. I do not know why banks should be singled out, as against public utilities, industrial companies, or any other companies.

Mr. ROBERTSON. The Senator from Virginia wishes to call attention to the fact that there are two very distinguished Senators from Ohio present on the floor at this time. I want the RECORD to show that the Senator from Connecticut referred to the distinguished junior Senator from Ohio [Mr. LAUSCHE], who sits to my left, while on my right sits the distinguished senior Senator from Ohio [Mr. BRICKER].

Mr. BUSH. I thank the Senator for the correction, but I was referring to the Senator who is chairman of the subcommittee [Mr. LAUSCHE], and not to the senior Senator from Ohio [Mr. BRICKER].

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MONRONEY. I wish to take this occasion to express my appreciation to the distinguished chairman of the Subcommittee on Banking for what I think has been one of the most tremendous jobs involving the careful consideration of proposed legislation covering a category of particularly important activities of the Federal Government, namely, those governing financial institutions.

The way he has organized this careful study and brought into it financial institutions and others who are either participating in the active management of financial institutions, or in other credit work, I think sets a high-water mark for the development of a codification of laws by any single Member of Congress. It has taken a great deal of patience, and an extreme amount of ability, and when the bill was finally drawn together, I certainly think it was one of the most carefully considered pieces of major proposed legislation I have ever known to come before the Senate. I express my appreciation for the competence of the work and the fine staff that joined the junior Senator from Virginia in drafting the bill.

That is not to say that I, or other Senators, agree to everything contained in the bill. Some Members who wished to have certain provisions written into the bill were not successful in the long road which the committee had to travel in its consideration. Other Members who did not want certain provisions in the bill found that those provisions remained in the bill.

I disagree with my distinguished colleague, who is a member of the committee, the Senator from Connecticut [Mr. BUSH], that the provision with respect to the listing and disclosure of true ownership of bank stock was not carefully considered. So far as I know, I believe the committee spent as much time on that question as it did on many of the other provisions of the bill. The fact that the provision is opposed by banks makes it important for the amendment to be presented by the distinguished Senator from Connecticut, because Senators on the floor who are not members of the committee are certainly entitled to hear the debate and know the reasons pro and con, for the suggestion that the ownership of the stock of the Nation's banks should not be anonymous.

One of the reasons for the provision was the fact that the banking scandal in Illinois had its seeds in the circumstance that the banking commissioner there was permitted to own bank stock holdings without its being revealed. So while one particular case does not necessarily mean that the law should be changed, I think it points up the need for the definite identification of those who do own bank stocks, because it is on the integrity of the ownership of banks that our confidence is built up.

Mr. BUSH. Mr. President, will the Senator yield for an observation?

Mr. ROBERTSON. Before I yield to the Senator from Connecticut, I wish to acknowledge the fine tribute paid the junior Senator from Virginia by the Senator from Oklahoma. I also wish to say that the Senator from Oklahoma was eminently correct in his statement that the committee gave as much consideration to the bank stock ownership provision as to any other provision of the bill. However, the point made by the Senator from Connecticut was that the provision was not discussed in public hearings, the banks were not heard on it, nor were the Federal agencies, such as the Federal Reserve Board, the Comptroller of the Currency, and the FDIC. They were not heard, and their testimony does not appear in the printed hearings.

The chairman of the subcommittee would like to point out that he placed in the tentative draft, and it was carried in the committee bill, a provision that whenever stock in excess of 10 percent changed hands, the bank would have to report it. That provision was subject to hearings, and no objection was raised. The other proposal is a new one, which came before the committee when it was in executive session. It is true that the committee had ample time to consider it. There was a recorded vote on it, and the majority voted to place the provision in the bill.

I now yield to the Senator from Connecticut.

Mr. BUSH. I thank the Senator. I simply should like to correct what may be a misapprehension on the part of the Senator from Oklahoma, although I do not think it is. He spoke about banks having anonymous lists of stockholders. The objection the Senator from Connecticut has to the item in the bill is that, of all corporations, it singles out banks and provides that in the case of banks full disclosure of beneficial ownership must be made. The law would include only banks, and no other corporations.

No law requires other corporations as such to disclose beneficial ownership of stocks, but there is a provision in the pending bill which requires banks to do so. That puts a very heavy burden on many banks. For instance, the Senator will be interested in this, I am sure. Only yesterday an official of a bank or trust company in Hartford, Conn., which operates what is called a common-stock fund, with some 1,200 participants, telephoned me and said that if the provision stays in the bill it means they will have to list the 1,200 names. Whenever the company elects a new president it will be necessary to find out whether he or she is a beneficial owner. It will place a very heavy burden of reporting on such institutions. No one is really interested in such information, and I cannot see how the public interest would be particularly well served, if served at all, by the extra burden of reporting placed upon financial institutions.

I want the Senator to understand that we are not talking about disclosure of controlling interests or holdings by officers and directors of banks, which is required of registered companies under the Securities and Exchange Act. I think whether banks should come under that provision is another question, but it is not a question we face in connection with this bill.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ROBERTSON. Before I yield again, let me make one observation. Under the Rules of the Senate there will be unlimited debate on all the amendments. With all due deference, I think the debate on this particular amendment had better occur when the amendment comes before the Senate for action, especially in view of the fact that the distinguished senior Senator from Ohio [Mr. BRICKER] is to be the next speaker. The junior Senator from Virginia had stated that he would require only 25 minutes. That was more than 30 minutes ago. He is beginning to feel a little embarrassed because he is not nearly through what he has to say, but he will yield to his friend from Oklahoma.

Mr. MONRONEY. Does not the distinguished chairman of the subcommittee feel that knowledge with respect to ownership of a bank far exceeds in importance knowledge of the ownership of a ladies' ready-to-wear establishment, or an automobile concern, or some such organization? We are discussing a fiduciary interest, in which confidence in the ownership of the bank is of great importance. We do not want to see racketeers, buying under assumed names, taking over the control of some of our large banks and operating them for their own devices, or as financial milk cows for some of their operations. I certainly feel that to say that bank ownership is on a par with the ownership of the average rank and file of corporations listed on the stock exchange is putting a very low estimate on the character which I think stock ownership in banks assumes.

Mr. ROBERTSON. The junior Senator from Virginia may be taking a provincial viewpoint on this question, but he never heard of any bank in Virginia owned by any racketeers. He did not think such a law was needed in Virginia. He voted accordingly. However, this is a subject which will be discussed, and every Senator will have the privilege of voting his honest convictions.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. ANDERSON. Is it not true that the laws of many States require a disclosure of ownership of bank stock?

Mr. ROBERTSON. That is true.

Mr. ANDERSON. I bought some stock in a bank at one time. At the same time I had a deposit of a substantial size in another bank. That bank called me immediately and inquired whether I was transferring my deposit, long before I announced that I had bought some stock.

What was wrong with disclosing the fact that I had bought some stock? I do not see anything wrong with a provision which requires such disclosure. The situation of a bank is not like that of the ordinary corporation. We all know that one can buy stock in a corporation and hold it in the name of an attorney. When one incorporates he may use three names of incorporators who are not even remotely concerned with ownership.

A bank is in a little different situation. A bank cannot start by using fictitious names. I could organize a corporation tomorrow morning, and no one would ever know that I owned one share of stock. But I cannot start a bank on that basis. I remind Senators that we also have laws requiring the disclosure of ownership of newspapers. Is that wrong?

Mr. ROBERTSON. The Senator from Virginia repeats what he has already said. There are a number of questions involved in the issue of disclosure of ownership. There are many pros and cons. However, disclosure in this instance goes a little further than the distinguished Senator from New Mexico has indicated. It impinges on the privilege of certain large banks to lend on bank collateral. They have many correspondent banks. They get money from those banks and lend it to customers. One of the correspondent banks may say, "Mr. A has applied for a loan, and we cannot handle the transaction. He owns stock in our bank. We want you to handle it."

As the Senator from Virginia has pointed out, he is belatedly trying to make good on his promise to the Senator from Ohio to allow him an opportunity to speak before the Senate concludes its business for the day.

This subject will be fully discussed when the amendment in question is offered.

Mr. ANDERSON. I only point out that time after time we have placed special provisions in the law. Years ago there was a provision that the man who owned bank stock was subject to double liability. We eliminated that provision, but it must be admitted that that was a provision which existed with respect to no other corporation.

The reason it existed with respect to banks was that people wanted to be sure that when they put their money in a bank it was safe. One of the things which I believe impresses people with confidence is that they have an opportunity, as a rule, to find out who owns a bank.

Some years ago I organized a small corporation for the purpose of handling foreclosures on property. No one cares who does the foreclosing. When one holds mortgages and decides that he must foreclose on them, he may assign them to a side corporation. Such control is perfectly permissible. But when it comes to ownership of bank stock, most people would like to know who owns control, and why they own control.

While I do not wish to prolong this discussion, I had hoped that there would be recognition of the fact that ownership of bank stock has long been considered in a little different category from ownership of stock in an ordinary corporation.

Mr. ROBERTSON. In the opinion of the Senator from Virginia, that viewpoint cannot be successfully challenged. It was recognized by the Senator from Virginia in connection with this bill. Senators will recall that in the bank holding company bill we used the figure of 25 percent. We used ownership of 25 percent in two or more banks as the test of a bank holding company. We said that such ownership might be controlling. Ordinarily 25 percent ownership is not controlling.

What have we placed in this bill, in line with the suggestion of the distinguished Senator from New Mexico? We have said that these institutions are impressed with a public responsibility, and that if stock in excess of 10 percent is transferred, the bank must report it immediately so that control may not be shifted to gangsters, or to anyone who is hostile to the interests of the community without the proper authorities knowing it. Such control should not exist without its being known.

The other new amendment, is entirely different. That question can be adequately discussed when we reach it.

I shall now resume where I left off when I first yielded to the distinguished Senator from Oklahoma by saying that what is in this bill—and this amendment is not in the bill—was discussed in 1,073 printed pages of testimony, copies of which are on the desks of Senators today.

Following these hearings the full Banking and Currency Committee, in executive sessions, reviewed the entire bill, made numerous changes, and then voted to report it to the Senate in the form in which it is now before Senators.

That, then, is the background of S. 1451.

As Senators will gather from what I said about my reasoning in undertaking the study which produced it, this is not a bill to radically change our financial system or to resolve major controversies in the field of finance. We have left these problems to be considered in a study such as the President has recommended, and which I personally feel should be made by a staff of full-time experts, working in cooperation with the executive branch of the Government and with the appropriate committees of the Congress.

What we have tried to do in this bill falls mainly into two categories: First, to remove obsolete provisions from the statutes and, second, to add new authority where needed to meet modern-day conditions. What simplifies the matter for Members of the Senate is the fact that the greater part of the bill is existing law or is to repeal obsolete provisions.

Touching only briefly on the negative side:

We found more than 50 sections of law dealing with circulation of national bank notes, which have not been circulated since 1935. We found more than 40 sections dealing with the National Agricultural Credit Corporation, which has not been active since the early 1930's. We found provisions dealing with the long since forbidden issue of gold notes and circulation of national bank notes and even some provisions which applied to setting up the original organization committee for the Federal Reserve System in 1913, but which have had no significance since that time.

Our bill trims out all of that deadwood and much similar matter.

On the positive side, we have tried to remove unnecessary or hampering restrictions on the operations of financial institutions, to plug loopholes in the laws which have permitted abuses and to give recognition to problems and practices which have come into existence since 1925.

But I wish to emphasize the fact that although we had the advice of bankers and others engaged in financial undertakings, this is not a bankers' bill, which merely changes the law to make things easier for them.

We had the advice of agencies charged with responsibility for protecting the

public interest, and provisions in that behalf were inserted in the bill.

In considering proposals to loosen or tighten existing law a due regard for the best interest of the public has been the controlling factor.

To mention only a few highlights from the bill:

On the liberalizing side—

First. We would make it easier for banks to obtain capital needed for expansion by permitting them to issue preferred stock, when approved by the Comptroller of the Currency.

Second. We would simplify bank reports and make reporting requirements more uniform as applied to national banks and to Federal Reserve member banks.

Third. We would permit banks to respond more readily to the needs of modern business by allowing them to make loans on frozen foods, dairy cattle, consumer installment paper, construction loans and working capital loans where the chief security is the general credit of a going concern rather than a mortgage on its real property.

On the restrictive side:

First. We have strengthened "conflict of interest" provisions by authorizing agencies to regulate the acceptance of jobs by former employees with institutions they have supervised.

Second. We would require disclosures of bank stock ownership.

Third. We have provided stricter rules for removal of officers and directors of banks and savings and loan associations whose performance is subject to criticism.

Fourth. We would prohibit an institution from representing itself as a bank unless authorized by law to do so.

Fifth. We would require annual audits of the Federal Reserve Board and examination of Federal Reserve banks, with reports made to the Banking and Currency Committees of the Senate and the House.

Sixth. We would take away from Federal Reserve banks the rarely used privilege of making industrial and commercial loans and permit return to the United States Treasury of the $27,500,000 advanced to them for that purpose.

Seventh. We would restrict establishment of branches by Federal savings and loan associations to States where that privilege is given to State savings and loan associations and mutual savings banks.

That is a matter in which my distinguished colleague, the Senator from Louisiana [Mr. ELLENDER] earlier in the afternoon indicated an interest.

Eighth. We would provide for regulation of savings and loan holding companies, in line with action by the Congress last year in passing a bank holding company bill.

Ninth. We would require annual audits of credit unions.

However, as I have indicated, we would not require them except where there is strong evidence that such audits were needed.

Among other provisions of the bill are those which would:

First. Make cumulative voting for directors of banks optional with them instead of compulsory. This is similar to the bill which passed the Senate last year and was reported by the House Banking and Currency Committee, but which reached the House floor too late to be acted on before adjournment.

Second. Provide for regulation of bank mergers by the bank supervisory agencies which would be required to consider competitive and monopolistic angles. This, too, is similar to a bill passed by the Senate last year. I ask unanimous consent to have printed in the RECORD at this point a letter addressed to me by the American Bar Association, indicating that the house of delegates of that organization has changed its position and now favors the type of regulation which we propose, rather than making bank mergers subject to supervision by the Department of Justice under the antitrust laws.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
February 20, 1957.

Hon. A. WILLIS ROBERTSON,
Senate Banking and Currency Committee, Senate Office Building,
Washington, D. C.

DEAR SIR: The American Bar Association, by unanimous action of the house of delegates at its midwinter meeting in Chicago, yesterday adopted the following resolutions:

"*Resolved*, That the American Bar Association recommends to the Congress that, instead of legislation amending section 7 of the Clayton Act by extending the asset provisions to banks, banking associations, and trust companies, legislation be enacted amending the Federal Deposit Insurance Act by prohibiting the merger or consolidation of any insured bank with any other insured bank, or the acquisition of the assets of or assumption of the deposit liabilities of any other insured bank without the prior written consent of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation, depending upon the status of the resulting, acquiring, or assuming bank as a national bank, a State member bank, or a nonmember insured bank; and providing that the appropriate agency shall take into consideration whether the effect of the merger, consolidation, acquisition, or assumption may be to lessen competition unduly or to tend unduly to create a monopoly.

"*Resolved*, That the officers and councils of the sections of antitrust law and of corporate banking and business law be directed to urge legislation embodying the foregoing principles upon the proper committees of Congress."

While I realize that the hearings on the committee print of the Financial Institutions Act of 1957 are concluded, I am hopeful that this letter and the resolutions can be included in the record of those hearings, as the position taken by the association yesterday differs from the one adopted at its midwinter meeting in 1956, which was held before the introduction of S. 3911, the provisions of which have been included in section 23 of title III of the present bill; and before the association had an opportunity to weigh the relative merits of that measure and H. R. 8043 of the last session.

Very truly yours,

CARL W. FUNK,
Council Member.

Mr. ROBERTSON. The bill would also:

Third. Allow the Federal Deposit Insurance Corporation to deal with small insolvencies by acting as conservator instead of requiring that banks in this condition be placed in receivership or have their assets taken over by another bank.

Now, Mr. President, I want to comment briefly on some sections which were included in the committee print, primarily for study purposes, but which the full committee did not see fit to include in the bill it reported.

Some Senators may have heard from your constituents about one or more of the sections of the committee print that were eliminated. Unfortunately, some interested organizations, acting with more enthusiasm than knowledge, may have inspired requests for Senators to vote against this bill, because they disapproved of 1 paragraph in a text of more than 250 pages. I know I have received telegrams and letters of that kind from persons who, I am sure, favor 99 percent or more of what we are proposing to do and who, if they had been fully informed, would merely have suggested an amendment instead of indicating opposition to the bill.

As examples of provisions which inspired many critical telegrams or letters I might mention:

First. A proposed change in the Criminal Code which would have imposed heavy penalties on employees of regulatory agencies who accepted employment by institutions with which they had had dealings and imposed similar penalties on officers of institutions who offered jobs to such employees.

We eliminated this, and substituted authorization for the Federal agencies to set up rules governing terms under which their employees might accept employment from regulated institutions.

Second. A proposal to prohibit absorption of exchange. This caused concern among non-par banks which felt that if absorption of exchange by State banks were outlawed they would have to start clearing at par. We struck out that section.

Third. A proposal to substitute a single administrator for the present three-member board of the Federal Deposit Insurance Corporation. This was struck out of the bill.

Fourth. A proposal to allow national banks to issue notes and debentures to increase their working capital. This was eliminated.

Fifth. Authority for national banks to handle insurance in towns of more than 5,000 population in locations where State banks are given that privilege. This aroused heavy criticism from the insurance industry and was eliminated.

I emphasize that the Banking and Currency Committee made little effort to pass on the merits of these proposals. We merely recognized that they were controversial and felt that if considered by the Senate they should be handled in separate bills. We feared that if they were left in our general bill several blocs which objected to individual sections might consolidate into an opposition movement that would delay, if not actually prevent passage, of a codification of the banking and credit laws which we feel is favored by an overwhelming majority of those who are informed

about and concerned with the operations of financial institutions.

I might add that there were other omissions from the bill because we wanted to avoid any question of jurisdiction being raised by other committees. It was for this reason that we did not include a provision desired by many bankers which would have allowed them to accumulate greater reserves for bad debts, but which involved a tax angle that should be considered first by the House Ways and Means Committee and then by the Senate Finance Committee. The same theory applied to our omission of a provision requested by the Federal Deposit Insurance Corporation to exempt its examiners from some civil-service regulations, but which should first be considered by the Senate Civil Service Committee.

Except for that type of omission we have tried to make this financial code as complete as possible because we felt it was important to have all the laws in this field assembled in one place where they could be readily found. If a particular provision of this bill is unsatisfactory now or proves unworkable in the future it can be dealt with by amendment. But there is grave danger in obscure and scattered statutes which invite unexpected litigation.

I stress this point because one thing which impressed me during the hearings was the number of times when a witness would say he did not like a section of our committee print bill and ask us not to make that change when, as a matter of fact, we were not proposing to change existing law but merely had brought to his attention something which had been the law all along but which he did not know about.

In that connection I might also say that in codifying the financial laws it is not our intention to affirm or deny the correctness of every administrative interpretation of these laws or of regulations issued under their authority.

I am dealing now with what we call legislative history. It would be our expectation that the courts would rule on questions of interpretation in the light of the language of the law and its original legislative history rather than assuming that in putting a particular statute into this code we have passed on all such angles.

Necessary amendments to existing law, when clearly indicated and strongly endorsed, have been included. A majority of our committee approves of all of the bill. A minority report indicates 3 or 4 provisions that those signing the minority report disapprove.

The bankers of the Nation approve this bill and welcome the codification of the laws under which they operate.

In that connection, Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter sent to 2,500 correspondent banks by Mr. Homer J. Livingston, president of the First National Bank of Chicago, together with his analysis—not mine, but his—of what is contained in the bill. He recommends their favorable consideration of it, although, as he said, there are some sections of the bill with which he does not agree.

There being no objection, the letter and analysis were ordered to be printed in the RECORD, as follows:

THE FIRST NATIONAL
BANK OF CHICAGO,
Chicago, Ill.

DEAR ———: You have undoubtedly read articles in recent financial publications or participated in discussions concerning the proposed Financial Institutions Act of 1957, now being considered by the Banking and Currency Committee of the United States Senate. This bill proposes many changes in the existing Federal laws governing banks, savings and loan associations, credit unions, and the powers of all the Federal supervisory agencies.

In the preparation of this bill the existing Federal laws relating to our primary private financial institutions have been subjected to an extensive study since last July by the Senate Banking and Currency Committee and its staff, the staffs of the Federal supervisory agencies, and by the advisory committee of private citizens appointed by the Senate Banking and Currency Committee to assist it in this study.

I am a member of the advisory committee and participated in its consideration of the changes in existing laws proposed in this bill. It contains a great many substantive and technical changes from the present law and I have had Mr. James J. Saxon, attorney for our bank and secretary to the advisory committee, prepare a résumé of the more important provisions of the bill. There are, of course, certain provisions in this bill with which we, and I am sure others, may disagree. In general, however, it is an excellent bill and deserves the serious consideration of all bankers.

In the thought that this résumé might be of some assistance to you in determining your own attitude toward the bill, and in responding to inquiries you may receive on its merits, I am sending along a copy to you.

If you have any questions or comments on the matters covered in this résumé or on provisions of the bill not included in it, I shall be glad to hear from you.

Cordially,

H. J. LIVINGSTON,
President.

PREFERRED STOCK

The bill authorizes a national bank to issue preferred stock as a means of acquiring additional capital, subject to a determination by the Comptroller of the Currency that the most practicable method of obtaining desired and needed additional capital is through the issuance of preferred stock, and subject to approval by a majority vote of the stockholders owning two-thirds of the common stock. The provisions of existing law authorize a national bank to issue preferred stock, but the history and text of these provisions imply that such stock is authorized and issued in unusual, urgent, or emergency circumstances. The provision in the bill tends to diminish the basis for inference that preferred stock authorized and issued under it is authorized or issued in unusual, urgent, or emergency circumstances. The advisory committee recommended that a national bank be authorized to issue preferred stock as a normal and usual means of obtaining additional capital, on the ground that such stock afforded a desirable and flexible means of adjusting the capital requirements of banks.

DECLARATION OF DIVIDENDS BY NATIONAL BANKS

The bill would amend existing law with respect to the declaration of dividends by a national bank to require the specific approval of the Comptroller of the Currency in any case where the total of all dividends declared in any calendar year exceeds the net profits for that year plus retained net profits for the preceding 2 calendar years. This is a new provision intended to prevent abuse arising from the declaration and payment of unearned dividends. Net profits is defined in this section of the bill to mean the remainder of all earnings from current operations plus recoveries less current operating expense, actual losses, accrued preferred stock dividends, and Federal and State taxes.

CUMULATIVE VOTING

The bill makes cumulative voting by shareholders in the election of directors of national banks permissive, rather than mandatory as under existing law. Under the new provision cumulative voting in the election of directors would obtain if the articles of association of a national bank specifically provide for cumulative voting; otherwise, noncumulative voting would obtain.

TRUST POWERS

The bill would transfer from the Federal Reserve Board to the Comptroller of the Currency the power to license and regulate the exercise of trust powers by a national bank. This provision makes no other substantive change in the existing law under section 11 (k) of the Federal Reserve Act. But this transfer of powers would not affect the present authority of the Federal Reserve Board under section 564 of the Internal Revenue Code to regulate common trust funds maintained by banks.

LOAN ON PERISHABLE STAPLES

The bill would authorize a national bank to lend to one obligor for a period not exceeding 6 months not more than 25 percent of capital and surplus against insurable, refrigerated or frozen, readily marketable staples. Under present law readily marketable staples must be nonperishable in order to qualify as security under exception 6 of section 5200 of the revised statutes.

CONSUMER INSTALLMENT LOANS

The bill would limit to 25 percent of capital and surplus the amount of negotiable or nonnegotiable recourse or guaranteed consumer installment paper which may be acquired by a national bank from one seller, unless the bank certifies in writing that it is relying on the maker rather than the endorser for the payment of such paper in which case the basic 10 percent limitation on obligations of the maker is the sole applicable limitation. Under present law recourse or guaranteed consumer installment paper is subject to the general 10 percent limitation of the statute if non-negotiable, but is not subject to any limitation of capital and surplus if negotiable.

OBLIGATIONS ON DAIRY CATTLE

The bill would authorize a national bank to acquire to a limit of 25 percent of capital and surplus recourse or guaranteed obligations of a dealer in dairy cattle arising out of the sale of such cattle. Under present law such obligations frequently would not qualify under any of the exceptions to the basic 10 percent loan limitation. This has resulted in unnecessary and undesirable obstacles to the convenient financing and sale of dairy cattle.

TEMPORARY INDUSTRIAL AND COMMERCIAL CONSTRUCTION LOANS

The bill would authorize a national bank to make loans, secured by a mortgage or lien on the real estate on which the building is being constructed, with maturities not exceeding 18 months to finance the construction of industrial and commercial buildings provided there is a takeout by a responsible lender on completion of the building, without such loans being considered as real-estate loans. Such loans are not permissible to a national bank under present law. Under the bill no specific aggregate limitation is placed on the amount of such loans a national bank may have outstanding at one time, but the bill would impose a general

limitation of 100 percent of capital and surplus on the combined aggregate of outstanding construction loans for residential, farm, industrial, and commercial construction. The bill would thus correct an unnecessary restriction of the present law, the effect of which is to deny access to a national bank for such temporary construction financing.

WORKING CAPITAL LOANS

The bill would amend existing law to authorize a national bank to make loans to manufacturing and industrial businesses where the bank looks for repayment to the operations of the borrower's business but takes a mortgage on the borrower's real estate as additional security, without such loans being classed as real-estate loans. Thus, such loans would be considered as ordinary commercial loans, even though the bank has taken a mortgage or similar lien on the plant real estate as supplemental security. It is logical and desirable that this should be so, since the primary security on which the lender relies in such loans is the borrower's general credit standing and the forecast of his operations, and not the real estate which is taken as supplemental security as a precaution against contingencies. The risk that such a loan made under present law would be classed as a real-estate loan could have the illogical result that the bank would finance the construction on an unsecured basis, thus depriving the lender of the possible benefit of supplemental security. This provision was recommended by the Advisory Committee and approved by the Comptroller of the Currency.

PROHIBITED PRACTICES

The bill would prohibit any financial institution to represent or advertise that it is a bank unless it is authorized by law to be a bank. There is no such provision under existing law. This provision of the new bill is intended to eliminate advertising practices which have the effect of blurring the distinctions between banks and any other type of financial institution.

FEDERAL RESERVE ACT, TITLE II

RESERVE BANK DIRECTORS AND FEDERAL ADVISORY COUNCIL MEMBERS

The bill makes certain changes in the present Federal Reserve Act with respect to the residence qualification and terms of service of directors of the respective Federal Reserve banks, and with respect to the terms of service of members of the Federal Advisory Council.

Under the bill a director—except the Chairman—of a Federal Reserve bank cannot serve more than 2 full consecutive terms of 3 years each, and a member of the Federal Advisory Council cannot serve more than 6 full consecutive terms of 1 year each, until after an intervening period of 3 years in each case. Under present law there is no limitation on the tenure of either office. The Advisory Committee opposed adoption of this recommendation of the Federal Reserve Board, on the ground that the tenure of these offices should be left to the determination of the respective Federal Reserve Districts.

The bill also would require that a Reserve bank director shall be a resident of the district of the Federal Reserve bank on the board of which he is serving, or reside within a 50-mile radius of such Federal Reserve bank, and shall cease to be a director when he ceases to meet this residence requirement. Under present law there is no residence requirement with respect to a class A or B Reserve bank director, but a class C director must have been for at least 2 years a resident of the district for which he is appointed. Further, under present law there is no requirement that any Reserve bank director of any class must continue to be a resident of the Federal Reserve district during his term of office. The Advisory Committee approved this recommendation of the Federal Reserve Board with respect to the residence qualifications of Reserve Bank directors.

LOANS TO EXECUTIVE OFFICERS

The bill makes substantial changes in the present law governing the indebtedness incurred by an officer of a member bank to his own bank or to any other bank.

Under present law a member bank may loan to one of its own officers a maximum of $2,500 if the loan is approved in advance by a majority of the entire board of directors of the bank. Under the bill the amount of such a loan is increased to $5,000, and the officer incurring the indebtedness is required to make a written report to the board of directors of his bank.

Further, under present law an officer of a member bank must report in writing to the board of directors of his bank any indebtedness he incurs to any other bank. Under the bill an officer of a member bank must report to the board of directors of his own bank indebtedness incurred to another bank, only if the aggregate amount of such indebtedness exceeds $15,000 in the case of home mortgage loans and $5,000 in the case of other loans.

This recommendation originated with the Advisory Committee in order to substitute a reasonable and practical rule for the burdensome requirements of present law with respect to borrowings from banks by officers of member banks.

ABSORPTION OF EXCHANGE

The bill does not change the existing statutory laws with respect to the payment of interest on demand deposits, and hence does not affect the existing diverse rulings of the Federal Reserve Board and the Federal Deposit Insurance Corporation with respect to absorption of exchange. But the Senate Banking and Currency Committee report on the bill to the Senate states that the Federal Deposit Insurance Corporation and the Federal Reserve Board should have a uniform rule with respect to absorption of exchange.

INVESTMENTS IN BANK PREMISES

The bill would authorize a State member bank to invest in bank premises up to a maximum of 100 percent of capital or 50 percent of capital and surplus, whichever is greater, without obtaining the prior approval of the Federal Reserve Board. A similar provision would apply to national banks under the National Bank Act. Under present law a member bank may invest in bank premises up to 100 percent of capital without obtaining the prior approval of the supervisory authority.

FEDERAL DEPOSIT INSURANCE ACT, TITLE III

STAGGERED TERMS FOR APPOINTIVE DIRECTORS

The bill would change the existing law with respect to the management of the Federal Deposit Insurance Corporation by providing staggered terms for the two appointive directors, but the bill does not otherwise change the existing management setup of the corporation.

REPORT OF LARGE TRANSACTIONS IN BANK STOCK

The bill would amend the Federal Deposit Insurance Act to require every nonmember insured bank to notify the corporation immediately of any single transaction recorded on the bank's stock transfer books involving the purchase or sale of 10 percent or more of the outstanding shares of such bank. The bill would also amend the National Bank Act and the Federal Reserve Act to impose a similar requirement on national banks and member banks, respectively, to report any such transaction to the Comptroller of the Currency or the Federal Reserve Board, as the case may be. There are no such provisions under the existing law.

The bill would also require the record owner of any stock in any national, State member, or nonmember insured bank to notify the bank in writing within 30 days after becoming a record stockholder, or within 90 days after the enactment of this act, whichever is later, the name of any person or persons having a beneficial or equitable interest in such stock. It would also require the record owner to report any change in the beneficial or equitable interest in such stock. Further, a transferee of any such stock is required to cause his name to be listed as the record owner thereof within 30 days after the transfer of such stock. Any willful violation of this provision is punishable by fine. Any data supplied to the bank under this provision must be included in the shareholders' list, which must be transmitted to the Comptroller of the Currency, the Federal Reserve Board, or the Federal Deposit Insurance Corporation, as the case may be, on demand therefor made, verified under oath.

There is no such provision in existing law. This provision was adopted by the Senate Banking and Currency Committee in executive session, and accordingly there was no opportunity for public hearings on it. Every bank will want to give careful consideration to the many and complex administrative and legal problems this provision will pose, if enacted. Under this provision a bank is put on notice of outstanding beneficial interest in persons or trustees other than the owner of record. Such notice would raise legal questions relating—to cite a few examples—to the transfer of shares by stockholders of record without the authority of the beneficial owners, the transfer of shares owned by a trustee held in the name of a nominee, the determination of beneficial ownership, the authority of a nominee to execute a proxy particularly where beneficial interests are vested in more than one person, and possible liability in connection with dividend payments.

EMPLOYMENT OF SUPERVISORY PERSONNEL BY SUPERVISED INSTITUTIONS

The bill would make it unlawful for any employee or former employee of the Federal Deposit Insurance Corporation to accept employment in any nonmember insured bank within 2 years after the termination of his employment by the Corporation except pursuant to regulations prescribed by the Corporation. This is a penal provision; violations thereof are punishable by fine or imprisonment or both. The bill would write a similar provision into the National Bank Act, the Federal Reserve Act, and the Home Loan Bank Act. There are no such provisions in the existing law applicable to these institutions.

MERGERS

The bill would amend the existing Federal Deposit Insurance Act to enable the bank supervisory authorities to deal more effectively with merger, consolidation and assumption transactions. It would place in the bank supervisory authorities the final authority to pass on the competitive and other aspects of any such transactions, on the ground that the supervisory authorities are best qualified by virtue of their intimate knowledge and long experience with banks to exercise this authority. This provision is supported by the bank supervisory agencies. A bill to this same effect was passed by the Senate in the last Congress, but was not considered by the House of Representatives due to the lateness of the session. There is now pending in the Senate and House Judiciary Committees legislation relating to bank mergers which would vest final authority over such mergers in the Justice Department by amendment to the Clayton Act. This proposed legislation is opposed by the bank supervisory agencies.

SAVINGS AND LOAN ASSOCIATIONS, TITLES IV, V, AND VI

BRANCHES OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS

The bill would authorize a Federal savings and loan association with the approval of the Home Loan Bank Board to establish and operate branches within the State in which its home office is located if branches are authorized in that State to State-chartered savings and loan associations or mutual savings banks. The effect of this provision would be to prohibit branches of Federal savings and loan associations in 24 States. The bill would prohibit establishment of any branch of a Federal savings and loan association outside the State in which its home office is located. The bill also provides that approval by the appropriate State supervisory authority will not be required for the establishment of any branch. There are no such provisions under the present statutory law applicable to the establishment and operation of branches of Federal savings and loan associations.

REGULATION OF HOLDING COMPANIES

The bill would empower the Home Loan Bank Board to regulate companies holding or acquiring prescribed interests in savings and loan associations, having capital stock. The provision would apply to associations having nonwithdrawable stock, permanent stock, guaranteed stock or stock of similar nature. The provision would not apply to mutual associations. In general, this provision of the bill would make it unlawful for any company to acquire control, or more than 10 percent of the voting stock, of more than one insured savings and loan association. This provision would also freeze the status of existing holding companies in this area. There is no such provision under present law for the regulation of such holding companies.

MERGERS

The bill would require the prior approval of the Home Loan Bank Board for any merger of any insured savings and loan association, whether accomplished by stock or asset acquisition or any other means. There is no such authority in the Home Loan Bank Board under present law with respect to mergers involving insured savings and loan associations.

DIRECTORS AND OFFICERS OF SAVINGS AND LOAN ASSOCIATIONS

The bill adds to the existing law a number of restrictive provisions applicable to officers and directors of Federal savings and loan associations and, in some cases, to officers and directors of insured savings and loan associations. Similar provisions are now, and have long been, applicable to directors and officers of commercial banks. Thus, for the first time directors and officers, and in some cases employees and other agents, of these savings and loan associations would be subject to the restrictions applicable to officers and directors of commercial banks. These provisions relate (a) to transactions between a Federal savings and loan association and any of its directors involving the purchase or sale of property; (b) to the disclosure of any profit or other consideration received by any director as a result of any such transaction; (c) to any discriminatory payments to officers, directors, employees, or agents on shares held by them; (d) to the employment by such associations of persons convicted of dishonesty or breach of trust; (e) to the acceptance of any fee, commission, gift or any other thing of value for procuring or endeavoring to procure any loan or renewal or extension thereof; (f) to the imposition of criminal liability on any agent, officer or director of any insured or uninsured member savings and loan association who knowingly violates or permits the violation of key provisions of law applicable to such association; and (g) to loans by a Federal savings and loan association to any of its executive officers.

FEDERAL CREDIT UNION ACT, TITLE VIII

AUDIT OF FEDERAL CREDIT UNIONS

The bill would require that all Federal credit unions with assets in excess of $100,000 or more shall have an annual audit by an independent individual or firm approved by the Director of the Bureau of Federal Credit Unions. This same provision would also require that Federal credit unions with assets of less than $100,000 shall be audited annually by the Bureau of Federal Credit Unions. There are no similar provisions under existing law.

LOANS BY FEDERAL CREDIT UNIONS

The bill would increase from $400 to $500 the unsecured loan limit of a Federal credit union.

REGULATION OF LOANS BY FEDERAL CREDIT UNIONS

The bill amends the existing law to empower the Director of the Bureau of Federal Credit Unions to establish by regulation the aggregate limit on loans to any member, but this limit may not exceed the limit specified by law. Thus, under the bill no loan by a Federal credit union may exceed $200 or 10 percent of the credit union's paid-in and unimpaired capital and surplus, whichever is greater, but the supervisory authority may establish a lesser aggregate limit for all credit unions or for any one or more classes of credit unions.

Mr. ROBERTSON. Mr. President, in conclusion, I desire to express my deep appreciation for the cooperation I have had from all who have participated in this effort to modernize our financial laws.

The Federal agencies were unanimously responsive to my requests for information and for suggestions. The businessmen I called on—and particularly the 27 members of the advisory committee—were most generous in giving their time and knowledge without expense to the Government. Trade groups and financial publications also have been most helpful and cooperative. And, finally, I am grateful for the cooperative spirit in which members of the Banking and Currency Committee have worked on this task, and I am aware of the hard work and devoted service of the members of our committee staff.

For an understanding of the bill I commend to the Senate membership the committee report. It will indicate how conservative we have been with respect to changes in the present law. Nothing was included in S. 1451 which was not the subject of public hearings, except for the one amendment dealing with the registration of bank stock.

In the preparation of the committee print and in final committee action a number of controversial issues were deliberately omitted.

We, therefore, feel that the bill now pending is entitled to the support of the Senate.

Mr. BENNETT. Mr. President, I wish to endorse the statements made by the Senator from Virginia. He has performed an outstanding service in preparing this proposed legislation, and I am sure that every Member of the Senate appreciates the long hours he has devoted to the task, as they also appreciate the long hours the staff has devoted to it.

I should like to invite attention to the provisions of the bill dealing with cumulative voting, bank mergers, and Federal savings and loan branches, and in addition, a proposal which is not in the bill to restrict political contributions by persons connected with financial institutions. I understand that amendments will be offered on these four subjects, and, so far as I know these will be the only controversial matters to be debated. Therefore, I should like to outline the position of the majority of the committee on these subjects.

Section 26 (c) on page 18 of the bill permits cumulative voting in the election of national bank directors only if the articles of association of the individual bank authorize this privilege. The present law makes is mandatory that every national bank permit its shareholders to cumulate their votes.

Cumulative voting means that a shareholder is allowed to cast as many votes as are represented by the total number of his voting shares, multiplied by the number of directors to be elected. He can cast them for a single candidate instead of voting for all directors to be elected. Without cumulative voting, a director of a national bank could be elected only with the approval of a majority of the shareholders.

The purpose of cumulative voting is to permit minority representation on a board of directors. However, the arguments for cumulative voting in the election of corporate directors generally do not apply in the case of national bank directors. National banks are subject to supervision by the Comptroller of the Currency. Thus, every banking operation is subject to the scrutiny of the Comptroller and his examiners. Directors and officers who engage in unsafe or unsound practices can be removed by the Federal Reserve Board at the request of the Comptroller. It is obvious that the protection afforded to stockholders as well as depositors by the Comptroller far exceeds any corrective action that could be taken by a minority director.

Since this provision was added to the law in 1933, it has been rarely used. However, in some cases where minority directors have been elected through cumulative voting, the results have been detrimental to the bank concerned. This device has been used as a means to elect men to the board of directors merely for the purpose of enhancing their prestige in the community. It has also been used to promote larger dividend payments or to open the way for the sale or merger of the bank to another institution.

It must be remembered that the directors of a bank are the trustees of the depositors' funds, as well as representatives of the shareholders. The directors must be men worthy of the confidence and trust of the depositors. If the directors lack the proper qualifications, the institution will suffer and its usefulness in the community will be diminished.

This provision in the pending bill is the same as S. 256, as passed by the

Senate in the 84th Congress. That bill was ordered favorably reported by the House Banking and Currency Committee, but the adjournment of Congress prevented action on the House floor. The American Bankers Association, the Independent Bankers Association, many State bankers associations, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have all endorsed this provision.

The existing law contains no provision for cumulative voting in the election of directors of Federal savings and loan associations or of Federal credit unions. The committee has followed the principle throughout this bill that banks, savings and loan associations, and credit unions should be subject to the same restrictions and privileges to the greatest extent possible. If cumulative voting is to be made mandatory for national bank directors, then it should be also made applicable to the election of directors of savings and loan associations and credit unions. Of course, the majority of the committee believes, and has so voted, that mandatory cumulative voting is detrimental in any financial institution, and none should be subject to it.

I should like now to turn to the provision in section 23 on page 163 of the bill providing for the regulation of bank mergers and consolidations.

I am sure every Member of the Senate is aware of the great number of bank mergers in recent years, and I am also sure every Member of this body wants to preserve competition in the banking field. The present laws governing bank mergers are inadequate and ineffective. Theoretically, all bank mergers are subject to scrutiny under sections 1 and 2 of the Sherman Antitrust Act, but that act has never been so applied.

Similarly, section 7 of the Clayton Act has never been used to prevent a bank merger. The reason for this is that the Clayton Act applies only to bank mergers by stock acquisitions and does not cover asset acquisitions, which is the common way to accomplish a bank merger or consolidation.

The National Bank Act and the Federal Deposit Insurance Act require advance approval by the banking agencies of certain mergers involving insured banks. However, the banking laws specify no standards to be applied in such transactions, and, in particular, no mention is made of the competitive and monopolistic aspects.

The provision in S. 1451 is designed to remedy this situation. It contains two fundamental provisions:

First. The administration of the law follows the traditional structure of the banking statutes by placing authority in the three Federal banking supervisory agencies.

Second. The banking agencies would be required to consider whether the proposed bank merger would lessen competition unduly or tend unduly to create a monopoly.

I should like to discuss these two points in some detail. Section 23 of the bill requires every insured bank to give advance approval before it can acquire the assets of another bank by merger, consolidation, or assumption of deposit liabilities. The authority to give consent to bank acquisitions is divided along traditional lines between the three banking agencies. Thus, prior written consent would be required from the Comptroller of the Currency if the acquiring, assuming, or resulting bank is to be a national bank; the Federal Reserve Board if the acquiring, assuming, or resulting bank is to be a State member bank; or the Federal Deposit Insurance Corporation if the acquiring, assuming, or resulting bank is to be a State nonmember insured bank.

The 3 banking agencies would be required to consider the banking factors enumerated in section 15 of the Federal Deposit Insurance Act. These factors cover the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, and the convenience and needs of the community to be served by the bank. In addition, the three agencies would be required to consider whether the effect of each asset acquisition may be to lessen competition unduly or to tend unduly to create a monopoly. The committee adopted this new competitive test of unduly lessening competition in preference to the substantially lessening of competition standard used in section 7 of the Clayton Act. The new test is intended to permit the agencies to take into consideration the before-mentioned factors peculiar to banks, and to permit mergers where it is in the best interest of the community.

In order to achieve uniform standards, the agency having jurisdiction in a particular merger must seek the views of the other two agencies on the competitive and monopolistic aspects of the transaction. In addition, the banking agencies may also request the opinion of the Attorney General. I am sure that when the banking agencies are faced with an unusually difficult competitive situation, they will consult freely with the Attorney General. This provision, coupled with the fact that the Attorney General would retain his authority under sections 1 and 2 of the Sherman Act, adequately protects the legitimate interests of the Attorney General in the banking field.

The bank merger provision has been unequivocally endorsed by the Treasury Department, the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Advisory Council, the American Bankers Association, and many individual bankers throughout the country.

I should now like to discuss the provisions of the bill dealing with branches of Federal savings and loan associations. Section 6 on page 211 provides that the Federal Home Loan Bank Board may authorize branch offices for Federal savings and loan associations only in States where branches are permitted for State savings and loan association and mutual savings banks by State law or custom.

The present law contains no explicit authority for the Federal Home Loan Bank Board to authorize Federal savings and loan associations to operate branch offices. However, such authority has been exercised by the Board on the theory that this power is implied in the general statutory authority of the Board to charter and regulate Federal savings and loan associations. Thus, in considering applications for branch offices, the Board applies the same statutory test that is applied to applications for charters.

These statutory requirements make no reference to the consideration of the law or practice of the State where the branch is to be established. Consequently, the Board has granted branches in States where the same privilege is denied to State savings and loan associations and mutual savings banks.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BENNETT. I am glad to yield.

Mr. LAUSCHE. Is my understanding correct that under the present Federal law, a branch building and loan association, federally licensed, could be started in Ohio, even though under Ohio law an Ohio building and loan association could not have branches?

Mr. BENNETT. That is true, provided the Federal Home Loan Bank Board approved the application for that purpose; but the Board apparently has assumed that under existing law it has that power, regardless of what the Ohio law may be.

This provision in the bill would correct that situation and would limit the power of the Federal Home Loan Bank Board in authorizing branches of Federal savings and loan associations to the same conditions as those in State laws limiting State building and loan associations.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. ROBERTSON. The Senator will also recall that our bill provides that all branches now in operation may be continued. The bill provides further that if a Federal and a State savings and loan association merge, they may retain all their branches; or if two Federal associations merge, they may retain their branches.

The real restriction is as has been pointed out with respect to the State of Ohio. For instance, in the future, if a Federal savings and loan association wants to establish an additional branch, the application cannot be approved by the Federal Home Loan Bank Board unless a similar right has been extended, by the law of the State, to State and Federal loan associations and mutual banks.

Mr. BENNETT. I appreciate the additional information which the chairman of the subcommittee has supplied.

Section 6 is in line with the provisions of the bill relating to branches of national banks. Thus, national banks can have branches only in States where State banks are permitted this privilege. Section 6 similarly places Federal savings and loan associations on a like and equal footing in relation to State savings and loan associations. This is in keeping with the theory of the committee which I mentioned earlier that savings and loan associations and banks should be subject to the same privileges and restrictions.

The effect of the provision would prohibit the establishment of branches by Federal savings and loan associations in 24 States. This recognizes the rights of the States to determine the extent to which branching is in the public interest in their State.

All three subjects I have mentioned thus far have been considered by the Senate in recent years, and I am sure that every Member of the Senate is familiar with all the factors involved. I wish now to discuss a new proposal that was rejected by the committee, and therefore is not contained in the bill.

As I understand the proposed amendment, it has two primary purposes: First, to make it a criminal offense for any bank insured by the Federal Deposit Insurance Corporation or any institution insured by the Federal Savings and Loan Insurance Corporation to contribute to any candidate for political office. It must be remembered that this proposal covers State-chartered institutions whose only connection with the Federal Government is through the two insurance programs. I believe, therefore, that this is a matter for the States to regulate. I am sure that all Members are aware of the various State laws restricting political contributions by State-chartered corporations.

I digress for a moment to observe that national banks are denied this opportunity under Federal law, but that denial, it seems to me, is in keeping with the basis on which national banks are chartered, because they are chartered federally.

I also feel that this is a matter which is outside the jurisdiction of the Banking and Currency Committee and should be included in this bill. We do have several amendments to the Criminal Code in title VIII. However, these amendments involve no new policy considerations but are merely extensions of the present law. This is a matter that could be more properly handled by the Subcommittee on Privileges and Elections of the Committee on Rules and Administration or the Committee on the Judiciary.

The second part of the amendment would make it a criminal offense for any institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or for any officer, director, or employee of such institution, to make a contribution to any official who exercises supervisory powers over the institution or who has authority to deposit public moneys in the institution. This part of the amendment is also subject to the objection that it is not properly within the jurisdiction of the Banking and Currency Committee.

In addition, this proposal is even more objectionable because, for the first time, it singles out a special group of private individuals and prohibits them from making political contributions. I do not believe that the record of what happened in a few banks in Illinois is an adequate reason for such drastic legislation. I believe the amendment is wholly unnecessary, is improperly being considered by the Committee on Banking and Currency, and would set a dangerous precedent.

The action by the Committee in approving the bill was taken only after careful study and consideration. I, therefore, urge the Members of the Senate not to attempt to legislate on the Senate floor, but to support the Committee and approve the bill without amendment.

Mr. ROBERTSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

ORDER FOR RECESS TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Thursday at noon.

In explanation of the request, Mr. President, I may say that earlier in the day I requested the Senate to enter an order that when the session of the Senate today was concluded the Senate stand in adjournment until tomorrow at noon. However, since that time I have conferred with the distinguished minority leader, who informs me that he would prefer that the Senate not be in session tomorrow as there are certain committees which desire to meet on tomorrow. For that reason I should like to have the previous order modified.

Therefore I now ask unanimous consent that, following today's session, the Senate meet next on Thursday at noon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE PENN-TEXAS CORP.-FAIRBANKS, MORSE & CO. CONTROVERSY

Mr. BRIDGES. Mr. President, in recent weeks there have appeared in the press throughout the country various accounts of a pending contest for the control of Fairbanks, Morse & Co. Speeches on the subject have also been made in the Congress.

In both the press accounts and speeches, reference has been made to a speech which I delivered 16 years ago on the floor of the Senate, where I brought out very questionable methods being used by the Fairbanks, Morse & Co. to the detriment of the public interest. This speech may be found in the CONGRESSIONAL RECORD, volume 87, part 1, pages 57–62. I have no interest in the pending controversy except as the public interest is affected.

My attention has been called to statements in the CONGRESSIONAL RECORD of February 6, 1957, by Representative WALTER, of Pennsylvania, appearing on pages 1611–12, and by Representative HERMAN P. EBERHARTER, of Pennsylvania, on February 14, 1957, appearing in the CONGRESSIONAL RECORD of that date, which indicate that the techniques being used in this controversy are the same as those which I denounced on the floor of the Senate 16 years ago, and that they are used by the same concern.

The Representatives from Pennsylvania were concerned because an organization active in their constituencies and contributing very greatly in recent years to the industrial rehabilitation and development of their communities was under attack.

I found the footprints of some of the employees or hirelings of the Fairbanks, More & Co. even up in my own State after I made my speech on the floor of the Senate, although it did them very little good.

The distinguished Representatives from Pennsylvania were speaking on behalf of a constituent, the Penn-Texas Corp. They denounced what they characterized as a "shocking fraud on the public."

These activities, according to Representative WALTER, are being carried on by a so-called protective committee of Penn-Texas stockholders. According to Representative WALTER, far from protecting the interests of the Penn-Texas stockholders, this so-called protective committee is "serving interests diametrically opposed" and is admittedly being financed by Robert H. Morse, Jr., the president of Fairbanks, Morse & Co. Penn-Texas is a heavy owner of stock of Fairbanks, Morse & Co. Morse is fighting this ouster by means of a "Trojan horse" committee which he and others organized when, according to Representative WALTER, they did "not own a single share of stock of Penn-Texas between them."

Mr. President, I do not believe that the Congress should become involved in proxy contests for control of American corporations. If proxy contests are conducted according to the rules of the game, so that the stockholders thereby preserve, and are able to exercise, their democratic right of freely electing the managements of the companies which they own, they are in accordance with the American tradition. And it does not matter that such proxy contests become rough and tumble political affairs.

Corporate democracy, like political democracy, thrives on the vigorous exercise of the right of dissent. For this reason, the right of corporate dissenters to organize collectively in protective committees to make their dissent effective, must be zealously safeguarded. Otherwise, corporate democracy in the United States may ultimately be converted into a form of corporate autocracy, beyond the effective reach of the true owners of our great corporations, and, perhaps, even beyond the reach of existing legislation designed to preserve the democratic form and processes of American corporate enterprise.

Mr. President, I have no interest in the outcome of the struggle for control of Fairbanks, Morse & Co. But, I submit, no Member of either House of Congress can read the revelations of Representative WALTER without feeling that the democratic processes by which stockholders of corporations elect their management may be jeopardized.

Representative WALTER pointed out in his remarks of February 6, 1957, that the same Fairbanks, Morse & Co. has a history of questionable activities which I first exposed in the CONGRESSIONAL RECORD of January 8, 1941. There I cited in detail the practices by which Fairbanks, Morse was promoting the socialization of municipal powerplants in this country so that they could be converted from steam to diesel energy, and thus become customers for diesel motors to be sold to them by Fairbanks, Morse & Co.

In those days, using a former minister of the Gospel, Carl Deal Thompson, who had forsaken the cloth to found the Socialist Ownership League, Fairbanks, Morse & Co. took over the League as the "Trojan horse" of an operation similar to that employed in the organization of the so-called Penn-Texas Stockholders Protective Committee.

Working with a supposedly independent engineering firm, Thompson would agitate for public ownership in various municipalities. The "independent" engineering firm followed up with "objective" estimates and surveys showing the economic advantages of converting from privately owned utilities to public ownership. Fairbanks, Morse would then see to it that the city fathers "voted right." The activities of Fairbanks, Morse & Co. are documented in my CONGRESSIONAL RECORD remarks of 1941.

There is, it seems to me, a parallel between the actions of Fairbanks, Morse management in the thirties and what its president and his associates are accused of doing now. Then, fronted by a Socialist, Fairbanks, Morse & Co. set out by highly questionable practices to socialize free enterprise in the public utility field, through the Public Ownership League.

Mr. President, Representative WALTER has charged that the "Trojan horse" protective committee has engaged in activities that are of concern to both Houses of Congress.

If Representative WALTER's declaration is correct, he has raised issues of legislative policy of concern to both the Senate and the House. He has raised doubts as to the adequacy of legislation and proxy regulations which countenance the use of "Trojan horse" protective committees to endanger the democratic processes of free corporate elections.

Mr. President, it may be that the revelations of Representative WALTER clearly indicate that the time has come when the appropriate committee of the Senate should take a good look at the adequacy of the rules under which modern proxy contests are conducted. Should they not, in particular, take a good look at the use of the stockholders' committees by incumbent corporate managements to maintain themselves in control against the will of their stockholders?

There has been an attempt to involve certain public agencies in the current controversy. I want to commend the care and discretion with which the Securities and Exchange Commission has proceeded in this matter in order to avoid any semblance of improper exercise of its responsibilities and those of other agencies which have been approached in similar fashion.

In order that my remarks may be fully documented, I desire to ask unanimous consent that my statement of January 8, 1941, appearing in the CONGRESSIONAL RECORD, volume 87, part 1, pages 57–62, may be reprinted in the RECORD at the close of my remarks.

Mr. BENNETT. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. BENNETT. Does the Senator from New Hampshire realize that the Penn-Texas organization used Representative WALTER's speech in a reprint in defiance of the rules of the Securities and Exchange Commission?

Mr. BRIDGES. No, I did not.

Mr. BENNETT. This is a matter in which there is great animosity on both sides.

I think the Senator from New Hampshire will find that Representative WALTER's contribution has been used, as I have said, in defiance of the rules of the Securities and Exchange Commission, which is trying, within its existing power, to bring some order out of the chaos existing in connection with this particular proxy fight.

Mr. BRIDGES. I am interested in that because, as I have indicated to the Senate, my interest in the matter goes back to a time 16 years ago—to January 8, 1941—when I found the trail of the Fairbanks-Morse Co. operating in city councils, and in various ways; and I know of its activities thereafter, in trying to punish those who exposed them at that time.

I hold no brief for either side in this controversy. I am not taking part in the Penn-Texas Co. and the Fairbanks-Morse Co. battle. But in referring to the way Fairbanks-Morse Co. operated at the time when I made my speech of 16 years ago, I shall request that my speech be printed in today's RECORD; and it will show one of the most astounding trails ever followed by a corporation in this Nation.

Mr. President, I have no personal interest in who wins in the present proxy contest, but I wish to point out that this company has been quite an operator before. I would not have made these remarks except for the fact that my speech was quoted by certain distinguished Members of the House of Representatives as authority for a part of what they said. Therefore, I wished to bring out the background showing why I made the speech.

Mr. BENNETT. In view of what happened in connection with Representative WALTER's material, I very respectfully suggest that the Senator from New Hampshire might well consult with the Securities and Exchange Commission about any uses which might be made of the material he is now putting in the RECORD.

Mr. BRIDGES. So far as I am concerned, I wish to commend the Securities and Exchange Commission for the manner in which it has proceeded in this matter and the way it has exercised its responsibilities. I think it is a government agency which attempts to do a good job; and any agency of the government which does a good job should be commended.

Mr. President, having referred to the speech I made 16 years ago, which was documented in A, B, C form, I now wish to ask unanimous consent that the speech be printed in today's RECORD, at the conclusion of my remarks, rather than to read the speech at this time.

Mr. LAUSCHE rose.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator from Ohio.

Mr. LAUSCHE. I object to the request of the Senator from New Hampshire. I witnessed last week the use of a statement made in the Congress of the United States by a contestant in a proxy fight who distributed the statement to prospective voters at an election.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. LAUSCHE. Yes.

Mr. JOHNSON of Texas. I wonder if the Senator will agree to yield to me for the purpose of suggesting the absence of a quorum, with the understanding that he will not lose the floor, so we can notify the Senator to whom he refers?

Mr. LAUSCHE. Yes.

Mr. JOHNSON of Texas. I see the Senator from New Hampshire is present.

Mr. BRIDGES. Mr. President, I assumed my speech was in the RECORD. I thought it was.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will inform the Senator from New Hampshire that it was not.

Mr. BRIDGES. I thought the Senator from Ohio was temporarily in the chair, and I assumed the speech was in the RECORD, because there was no objection raised. I waited for 2 or 3 minutes, and then left the Chamber.

The PRESIDING OFFICER. That is true, but the parliamentarian informs the Chair that the question was not put to the Senate. Does the Senator from New Hampshire wish the Senator from Ohio to yield for the purpose of repeating the request?

Mr. BRIDGES. If that is the case, I will read the speech. The Senator from New Hampshire desires to say that if Senators are going to start objecting to requests, he will return the compliment manifold.

The PRESIDING OFFICER. Will the Senator yield to the Chair? The Chair does not understand that there was any opposition to the Senator's request. The matter——

Mr. JOHNSON of Texas. Mr. President, it is very difficult for me to understand the parliamentary situation. First of all, the Senator from New Hampshire made a request that he be permitted to include his speech in the RECORD.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. I understood there was no objection. I thought the Senator from Texas was subsequently recognized.

The PRESIDING OFFICER. The parliamentarian informs the Chair, if the Senator will yield, that the question

was not put to the Senate. The occupant of the chair was desirous of leaving the chair to make some remarks, and I suppose, in the process of business, overlooked it.

Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. LAUSCHE. I do.

Mr. BRIDGES. My request was made. I thought it was granted. I am now informed by the Chair it was not granted.

The PRESIDING OFFICER. It can be renewed, however.

Mr. BRIDGES. I will renew it, although the request was still before the Chair. If it was not turned down, it was still pending, if no action was taken.

The PRESIDING OFFICER. The question is on agreeing to the request of the Senator from New Hampshire. The Chair hears no objection——

Mr. LAUSCHE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BRIDGES. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. BRIDGES. The Senator from New Hampshire has the floor. He was making a request. If the Senator had objected, the Senator from New Hampshire would not have left the floor, if he had known the request had not been granted.

The PRESIDING OFFICER. The Chair recognized the Senator from Ohio, who yielded to the Senator from New Hampshire for the purpose of renewing his request.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Ohio may yield to the Senator from New Hampshire for the purpose of making a statement, with the understanding that the Senator from Ohio will not lose the floor thereby.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from New Hampshire may proceed.

Mr. BRIDGES. I shall proceed to read my speech. This is an unheard of procedure. The Senator from New Hampshire made a speech 16 years ago. It was a speech which attracted much attention at that time. The Senator from New Hampshire had reason for bringing up the speech today, namely, that it was referred to by various Members of Congress in the other House. Inasmuch as it has been referred to and quoted from, the Senator from New Hampshire thought it was well for the whole story to be told and known.

I am shocked at the objection; but the Senator from New Hampshire will proceed to read his speech. I am sorry to detain the Senate, but it will take an hour or two to do this.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. BRIDGES. Certainly.

Mr. JOHNSON of Texas. It is past the hour of 5. I wonder if it would not be agreeable to the Senator from New Hampshire and the Senator from Ohio to have the Senator from New Hampshire deliver the speech on Thursday instead of today.

Mr. BRIDGES. No. The Senator from New Hampshire, having made certain remarks, wants to put the speech in the RECORD now. He dislikes to have to take the time to read it today. It is the first time the Senator from New Hampshire has heard a Senator refused the right to put his own speech in the RECORD. If it was something else, the Senator from Ohio might be in a better position to object. It is a speech which has appeared in the RECORD. This is the first time such a precedent has been established, but having been established, I assure the Senate it will be followed many times.

Mr. JOHNSON of Texas. It may be that the precedent has not been established. I should like to act as peacemaker.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor. Does the Senator from New Hampshire yield, and if so, to whom?

Mr. LAUSCHE. Mr. President, will the Senator yield for a statement?

Mr. BRIDGES. Yes.

Mr. LAUSCHE. Last week it was disclosed that a president in a very important proxy fight very improperly and illegally used a statement which was made on the floor of the other House disparaging the character of persons involved in the proxy fight. That knowledge came to my attention as chairman of the Subcommittee on Securities, of which the Senator from Utah [Mr. BENNETT] is a member. It was conceded that the use of the statement made on the floor of the other House of Congress of the United States was illegal. When that matter came to my attention, there dawned upon me the graveness of making statements on the Senate floor. My statement can be made and it can be distributed wherever an improperly minded person desires to channelize it. The subcommittee of which the Senator from Utah is a member, and of which I am chairman, has meticulously tried to avoid having the Senate of the United States participate in a proxy fight, and I think that we are entirely correct in our objective.

I do not mind repeating that, as the Senator mentioned to me that others have been making statements on the House floor, I felt the same reaction today that I felt last week when the statement was read before the subcommittee. I do not know to what extent the subcommittee will be able to refrain from checking into this matter, if the dignified Congress of the United States is being used—and I am not saying my distinguished colleague, for whom I have the greatest respect, is using it in that direction—for the purpose of propagandizing the minds of the stockholders of Fairbanks, Morse & Co., and letting them either give their proxies or cast their votes. The subject is far graver than superficial attention can possibly ascribe to it.

With that statement, I will withdraw my objection to the inclusion into the RECORD of the statement of the Senator from New Hampshire.

Mr. JOHNSON of Texas. I appreciate very much the action of the Senator from Ohio. Any statement made by any Senator in this Chamber is made on his own responsibility. I know nothing about the statement of the Senator from New Hampshire, other than that he is an experienced, able, and responsible Senator. I trust we have not reached the point where we would engage in a form of censorship of our colleagues.

Every Senator has many great responsibilities. One of his responsibilities is to express himself completely and freely on any subject of his choosing. I pray that the day will never come when Senators will not have the opportunity to exercise this greatest and most priceless of all our privileges.

As I understand the parliamentary situation, the Senator from Ohio has withdrawn his objection. Will the Chair put the question, so that we can finally resolve this situation?

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

PUBLIC OWNERSHIP OF UTILITIES

Mr. BRIDGES. Mr. President, during the past few months, in the Senate and over the radio, and in the recent campaign a good many statements were made about public ownership of utilities and the activities of the Public Ownership League. I made various comments upon this subject, and from time to time they have been questioned, and from time to time I have been asked for further explanation of them. In order to expedite the explanation and not take the time of the Senate, I ask that an exhibit which I have prepared be included in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

"EXHIBIT 1

"THE PUBLIC OWNERSHIP RACKET—SECRET SALES AGENT FOR ENGINEERING FIRMS AND EQUIPMENT MANUFACTURERS—AN EXPLANATORY COMPILATION OF DATA

"The public-ownership movement has long been sustained by its moral appeal. Its advocates have dressed themselves in the cloak of righteousness, painting their purpose as that which will fulfill one of the ideals of our ethical code—elimination of greed from an important segment of our economic life.

"This has been accomplished in part by the association of greed with the so-called profit motive. This connection of the two ideas has confused and misled many earnest and sincere leaders of public opinion.

"The Russian experiment has demonstrated, of course, that elimination of the profit motive from a nation's economy only accentuates greed in other fields of human endeavor, particularly manifest in cruel and bloody greed for personal political power.

"In America the sanctimonious atmosphere which has surrounded the public ownership (or Marxian) movement has served the further purpose of shielding it from ordinary rough-and-tumble political attack. By identifying their opponents with the forces of greed and/or evil, public-ownership advocates have cleverly sought to cloak themselves in the robes of righteousness as a sanctuary against attack.

"In actual fact, the public-ownership movement would have died a-borning but for the very profit motive it is proposed to eliminate.

"It is not an accident that public-ownership agitation has been confined chiefly to electric and water distribution. In those fields there exist powerful interests which can and have been richly rewarded for their financial support of the movement.

"Nor is it by accident that the titular leadership of the movement rests with a saintly looking, white-haired former minister of the gospel. His evangelical fervor, his attacks on sin—in the form of private enterprise—endow him with just the proper atmospheric coloration to lead what is supposed to be, among other things, a moral crusade.

"This man, Carl Dean Thompson, according to Who's Who, terminated his first pastorate after 3 years to enter politics as a Socialist in Wisconsin in 1901. His active connection with that party continued through the 1916 campaign, when he was Socialist national campaign manager. At the time he founded the Public Ownership League of America in 1914 Thompson was director of publicity of the Socialist Party. He continues to be a professing Socialist, but apparently has long since ceased active participation in party affairs.

"By the time of the organization of the Public Ownership League in 1914 socialism, as an economic theory and as a basis for political action, had become generally discredited in the public mind. Despite a few local exceptions, the party's efforts in the national campaigns had become the butt of political jokers.

"The strategy then adopted by many Socialist leaders was to continue advocacy of Marxian objectives under color of organization names more acceptable to the public. Thus the transmission belt technique later adopted by the Communists, as recently exposed by the Dies committee, was first devised and used by less violent advocates of communism—the Socialists.

"The first such Socialist transmission belt organization was Thompson's Public Ownership League. Others followed. For example, the Intercollegiate Socialist Society took on the more palatable title of League for Industrial Democracy in 1921—but retained identical personnel.

"The Public Ownership League was founded for the purpose of bringing about public—national or local—ownership and production of all natural resources including minerals, forests, lands, and water power; and in addition the public ownership and operation of railroads, electric, water, telephone, and other utilities. In short, the objectives of the Public Ownership League were identical with those of the Socialist Party. In fact it differed with the Communist Party only as to the methods to be used in achieving these ends, the latter advocating violent overthrow of the existing regime as was done in Russia. The function of the league was, and is, educational, i. e., the expert use of propaganda to influence public opinion.

"But even organizations dedicated to what its supporters assert to be the cause of idealism cannot live on love alone. In its early days the league eked out a modest existence through the support of a few wealthy 'parlor pink' supporters supplemented by Thompson's paid lectures—usually under the auspices of the Intercollegiate Socialist Society or its titular successor, the L. I. D. The former source largely dried up shortly after the World War when the shocking results of the ruthless Russian experiment in Marxism cooled the ardor of many earnest early-day believers in socialism. That democracy cannot exist under the planned totalitarian type state, which Karl Marx blue-printed, dawned on many who had formerly felt that socialism was the hope of humanity.

"But, as enthusiasm waned for the broad objectives of the Public Ownership League, a new source of support for one of its several objectives began to appear—municipal ownership of public utilities.

"The Public Ownership League came to hand as an ideal sales front for those professional, financial, and industrial interests which found considerable profit in the selling of generating and distributing equipment, financing and engineering for municipal electrical plants.

"Improvement of the diesel engine to an efficiency point which sometimes made it a fair competitor in generating economy of some central station systems came in the midtwenties. A new and profitable market for such engines and collateral equipment was to be had in municipal plants. Private companies were not interested in diesels because, with few exceptions, systemwide distribution of steam-generated power was far cheaper and more dependable than small, isolated diesel engines.

"Advertisements for diesel engines and like equipment, from municipal bond houses, engineering firms specializing in municipal electrical distributions, began to flood the pages of the Public Ownership magazine. The financial influence of this new source of revenue soon showed in the policies of the Public Ownership League.

"Without at first openly abandoning the broad objectives of public ownership of all natural resources and other Marxian steps, the Public Ownership magazine and the league gradually became the champion of municipal electric utilities almost to the exclusion of other Marxian propaganda. The magazine soon became practically an undercover house organ for the diesel-engine manufacturers and engineers specializing in municipal ownership. The league in reality was the active sales organization preparing the field for these interests. In scores of American cities the league 'fronted' for the engineers and manufacturers.

"Typical is a recent article appearing in the Public Ownership magazine, by Carl Thompson, on How To Start, Conduct, and Win Municipal Ownership Campaigns. Embedded in the text is this advertisement for Burns & McDonnell:

"'Have engineers make a preliminary survey of your city to determine, roughly at least, how much the private company's property is worth if purchased by the city; what it would cost to build new and what savings and advantages could be realized.

"'These are vital matters. It is especially important that you get engineers that are not only experienced and capable but loyal to the cause of public ownership and, above all, men who are not in the pay or under the influence of private power companies. The league has such engineers affiliated with its organization and upon inquiry can put you in touch with them.'

"R. E. McDonnell, senior partner of the firm of Burns & McDonnell, the leading firm of municipal ownership engineers for many years, was—and still is—not only chairman of the finance committee of the league but is also an associate editor of the magazine—as is also his wife. For many years the firm has been a regular advertising supporter of the league.

"Chief diesel manufacturing company giving financial support to the league by means of advertising has been the firm of Fairbanks, Morse. For many years this firm carried an annual contract for a full-page advertisement on the back cover. It is interesting that this form of public support was discontinued late last spring after there had been threatened a Congressional investigation of the league and the financing of Carl D. Thompson. Whether the league receives direct contributions from this source is not known.

"For years, since the league came under the financial dominance of commercial and professional groups financially interested in the sale of services and equipment to municipally owned plants, the Public Ownership League has been a mere racket. It has been the covert sales organization and propaganda machine for interests financially profiting by its activities. The imposing list of public figures listed as officers of the organization were unwittingly lending their names to this scheme.

"How wholly dominated by these interests was Carl Thompson and his sales and service promotion organization, the Public Ownership League, will be found in a pair of incidents that are a matter of public record.

"First example: Fairbanks, Morse had encountered sales resistance in Oklahoma because of a constitutional provision prohibiting issuance of municipal bonds without a referendum by the voters of the community involved. This provision did not close the doors to municipal ownership but only required that the question be put to public vote. In another instance where such a provision did not apply, at Two Rivers, Wis., it has been shown in a city council investigation made public and unanimously accepted by the council on March 23, 1935, a representative of Fairbanks, Morse had offered $1,000 per head for councilmanic votes in favor of a diesel plant for that city. In spite of prayerful urgings by Dr. Thompson and offers of bribes by the company, the company failed to put over its deal.

"Still the company apparently preferred dealing directly with a city council than to put the question to a referendum test as required in Oklahoma. So it secretly engaged an Oklahoma City attorney and political figure, the late W. C. Bryant, to agitate for a constitutional amendment and to obtain sufficient signatures for a State referendum known as State Question No. 205. Bryant also was called upon to defend the legality of his petitions and retained one Herschel V. Lewis to appear on his behalf. The financial backing of the Fairbanks, Morse firm was not then disclosed—this was in the spring of 1935. But Bryant died leaving Lewis' fee unpaid. So Lewis sued, not Bryant's estate but the Fairbanks, Morse Co. To prove that Fairbanks, Morse was the real sponsor of the petition and that Bryant had only acted for it, Lewis produced three letters from responsible officers of Fairbanks, Morse to Bryant which not only enclosed checks for Bryant's services but which also gave campaign directions and instructions. These letters, produced in October 1938, proved a political bombshell and destroyed whatever chance the referendum may have had. The company maintained a majestic silence about it all.

"The letters also disclosed the closeness of the alliance between the machinery company and Carl Thompson as well as suggesting the alliance between the firm and the engineering company of Burns & McDonnell.

"One of the letters to Bryant signed by F. C. Dierks, secretary of the company, dated April 26, 1935, contains the following paragraph:

"'I might mention that while at Washington in connection with other business I had an opportunity of discussing this matter with Mr. Carl D. Thompson, and he has made a special note to invoke all possible assistance in support of the constitutional amendment in Oklahoma. I also spoke to him regarding the probability of asking for his services to cover several public talks over the radio when the matter has actually been submitted to an election. Dr. Thompson was perfectly agreeable to this suggestion, and personally the writer feels that this would be a splendid idea, with the understanding, however, that both of us would review in advance his proposed address.'

"Note that before the estimable Thompson is permitted to go on the air in a political address in favor of a secretly financed referendum election, he must submit his speech to an officer of a company which is the hidden sugar daddy of the referendum movement and his State political agent, for review in advance of his proposed address.

"Could any Power Trust charge against Thompson be as revealing of the smug hypocrisy of this ancient agitator as this matter-of-fact discussion of how and where

to make use of his services by an officer of a diesel firm?

"In the same series of letters L. H. Carr, manager of this firm's Kansas City office, tells Mr. Bryant under date of July 9, 1935, that:

"'Our Mr. Guernsey called Burns & McDonnell today. Mr. R. M. McDonnell, Sr. [sic], is still out of the city, and his son will not take the initiative in making a contribution.'

"At least they were not strangers. Of that tieup there is more to be said in its proper place.

"Second example: If Dr. Thompson was a part-time tool of the machinery crowd, he was, and to this day is, the full-time stooge of the engineering firm of Burns & McDonnell, of Kansas City. McDonnell, in his capacity as chairman of the finance committee of the Public Ownership League, has stated that 92 percent of the business of his firm originated through the activity of that organization. A letter of inquiry to the Public Ownership League of America by a city councilman as to the possibilities of a municipal plant in his city results not only in an encouraging letter from the Public Ownership League but also a persuasive sales letter from Burns & McDonnell soliciting business. Thousands of pamphlets advertising the firm of Burns & McDonnell, written by McDonnell or members of his staff, have been distributed by and under the imprimatur of the Public Ownership League of America.

"Thompson, by his own naive admission, has lobbied in the Halls of Congress for McDonnell.

"McDonnell almost built a plant at a fat fee in a Missouri town about 5 years ago, but when the matter was put to a vote the question was lost. McDonnell was furious at the interference with his plans by the campaign against the proposal conducted by a Milwaukee advertising agency openly employed by the local private electric company. He sent Thompson to Washington to lobby for an investigation of the concern. The story is told in the March 1937 issue of the Public Ownership League magazine, as follows:

"'At the urgent request of many different public-ownership leaders in different parts of the country, and especially of R. E. McDonnell, of Kansas City, Mo., Secretary Thompson took this matter up with Senator La Follette, Congressman Rankin, and others, and made a careful investigation to see if some existing commission or committee of Congress could undertake an investigation of this and similar organizations. It was finally agreed that under the acts governing this matter no existing committee or commission could under present provisions undertake the investigation. And that, therefore, a new act of Congress should be introduced instructing the Federal Trade Commission to proceed with the investigation and making the necessary provision for the requisite funds.

"'United States Senator Norris readily agreed to introduce the bill in the Senate and Congressman Rankin in the House. The measures were immediately introduced, and, it is hoped, will quickly be passed by both Houses. If so, we are sure the President will add his approval and the investigation be made. We will then be in a position to reveal these most recent and most pernicious activities of the private power companies in their effort to block and finally to destroy the municipal and public-ownership movement of the country.'

"The sequel to this story was never told by the Public Ownership magazine.

"When Senator Norris introduced the Thompson-lobbied bill, he recited the grievances of the public-ownership advocates by reading a bill of particulars written by R. H. McDonnell, of the Burns & McDonnell firm. That the Senator, however, was quite innocent that he was pulling the chestnuts of a fee-foiled engineer out of the fire is demonstrated by what followed. When the matter came up in the Senate, Senator King objected to the investigation because it was one sided. The Senator from Utah agreed to passage provided the resolution be amended so as to authorize a double-barreled investigation, including such organizations as the Public Ownership League and its financial backing, or such firms as Fairbanks, Morse and Burns & McDonnell. Senator Norris, not realizing that this was the last thing Thompson or McDonnell wanted, readily agreed to the King amendments and the resolution was passed by the Senate. Thereupon Thompson and McDonnell promptly lost interest in the measure, and it died in committee in the House.

"Thompson's bland boast of lobbying for McDonnell, his finance chairman, in Washington leaves unnecessary further proof of his fidelity to his hidden meal ticket.

* * * * *

"In fact, these two instances cited above clearly demonstrate that Thompson is not the idealistic evangel against greed in the form of the profit motive, but, to use the parlance of "confidence" men, merely the "shill" for apparently respectable engineering and machinery firms, which certainly operate for the profit motive.

"But why did the pressure suddenly slacken for passage of the resolution to investigate municipal-ownership elections after the measure had been broadened to include the Public Ownership League? What had it and its backers to fear?

"A little research discloses that such an investigation, unless carefully conducted as a whitewash similar to Biddle's TVA investigation, would have been dangerous to the reputations of certain persons financially interested in the Public Ownership League's activities.

"For example:

"1. The Akron case: During a municipal election campaign in Akron a photostatic copy of the following letter was reproduced in the Akron Beacon-Journal of October 23, 1935:

"'JUNE 26, 1934.

"'R. E. MCDONNELL,
"'*Kansas City, Mo.:*

"'As you know, Dr. Hayes is a candidate for Congress from the 14th District. In my early negotiations with the city of Akron I found it would be necessary to get the active support of Hayes and his campaign manager, R. C. Witwer.

"'Had it not been for these two parties I do not think we would have been able to secure the engagement. At that time I told Hayes we would contribute to his campaign fund in the event he made the race for Congress. No amount was mentioned and we are not definitely committed to any figure. However, in presenting our proposal I had this in mind when I made the total amount $15,500 instead of $15,000.

"'Both Hayes and Witwer brought this matter up on my last trip to Akron, and it appears that they expect more than we could possibly afford to contribute.

"'The main plank in the platform will be municipal ownership, and speeches will be made in Akron, Lorain, Elyria, and all the other cities and towns in Summit, Portage, and Lorain Counties. I have agreed to prepare some of these speeches and have also arranged a meeting between Hayes and my friend William Smith, councilman from Elyria, who is running for State legislature.

"'They are probably going to campaign jointly in Lorain County. If Hayes is elected, we will have a strong friend in Washington, also he plans on delivering M. O. speeches on the slightest provocation throughout Ohio. There is no question but that his election will be of considerable benefit to us.

"'I had hoped to discuss this matter with you personally and it might be well for you to get Bartlett's opinion before making a definite decision. Please write me your reaction to this and what amount you believe we would be justified in distributing.

"'BURNS & MCDONNELL,
"'*Engineers.*

"'H. J. ROBSON.'

"The letter is self-explanatory. Its authenticity was never denied. The plain inference to be had from it is that the taxpayers of the city of Akron were overcharged in order to take care of the politicians whose influence made the $15,000 engineering fee possible.

"Had this fact been aired in the national publicity of a Federal investigation, wherever the firm were employed in the future, the question would arise in the minds of the citizens as to who had been bought and how much they had gotten and to what extent the fee had been padded. Even the most sanguine believers in municipal ownership might question the estimates of an engineering firm whose ethics are known to be no higher than those of an ambulance-chasing lawyer and on whose own estimates of feasibility depend future fees and business.

"2. The Ainsworth, Nebr., case: This is a case where the city of Ainsworth was enjoined from purchasing a diesel engine after a preliminary survey by Burns & McDonnell, engineers, whose contract called for a $5,000 fee conditioned upon the purchase of an engine.

"Here the court held 'for some reason the engineer approved not only a bid * * * on the original specifications that the city council refused to accept, because it did not conform to the specifications.' The court stated, in part:

"'That the law, under certain conditions, permits the city to employ and pay a special engineer, there can be no doubt. When employed, he becomes a representative of the city, and his contract should be such as would leave him entirely free to act at all times fairly and for the best interests of the city.

"'The engineer's contract provides for the payment only if the city contracts. No contract, no pay. A conditional contract, and one that requires a bidder to advance to the city to enable the city to pay a $5,000 fee to an engineer, might be, under some conditions, an inducement to approve or advise the approval of a bid or contract, where to reject it might be to receive nothing for work done. For some reason the engineer approved, not only a bid that failed materially to comply with the amended specifications, but also approved a bid on the original specifications that the city council refused to accept, because it did not conform to the specifications.

"'To say that certain specific requirements in the specifications were omitted in the bid because they were unnecessary or not essential, the engineer and the city council having said they were, will not answer and leaves the thinking mind in doubt as to what brought it all about.

"'The original specifications, and the bid of Fairbanks, Morse & Co., and that of Bouligney, a duplicate of Fairbanks, Morse & Co; the amended specifications that reduced the cost several thousand dollars, and the same bid in amount by Fairbanks, Morse & Co. on the amended specifications as on the original specifications; and other things that I need not mention might justify the allegations of the plaintiff that there was collusion between the engineer and Fairbanks, Morse & Co.

"'Who was interested in having the bid of Fairbanks, Morse & Co. accepted? Fairbanks, Morse & Co. to get the contract, and the engineer to get his $5,000. While the evidence is silent on the question, I venture the assertion that the engineer never conferred

with the city council on these emissions. Did the city council then know what a master clock was, or that it had been omitted from the bid? Did the engineer inform the city council, or did it know, that the specifications called for a closed cooling system, and that an open one was to be furnished? Cannot the same be said of the day tanks and the plumbing fixtures?'

"And the court added: 'As to the alleged charge of collusion, I do not want it understood that what I have said expresses an opinion. Merely a suggestion to be considered if the city takes further action * * *.'

"There are other cases that indicate a flagrant disregard for engineering ethics and civic decency involving these two firms in their scramble for municipal ownership contracts.

"3. The contractual tie-in between Burns & McDonnell and diesel manufacturers: Two organizations have been operating on a you-scratch-my-back-and-I'll-scratch-yours basis for many years. In the Two Rivers, Wis., case, where it was shown by a city investigation that the diesel manufacturers had offered to buy council votes for $1,000 per head, the Burns & McDonnell report of August 29, 1933, to E. J. Donnelly, city manager, read as follows:

"'It is evident, therefore, that even with the reduced rate charged by the city it will be to the city's advantage to build a plant at this time, and we recommend that the city make application to the Government for a loan under the new Federal Emergency Act. The 2,000-kilowatt diesel plant still shows to the best advantage and we recommend its installation.'

"One guess who the principal speaker in the agitation for the diesel was. Dr. Carl D. Thompson, of course. Addressing an audience at Two Rivers on March 25, 1934, Thompson said: 'The cost of the plant would be $246,134. These figures are based upon an engineer's report made by one of the best firms of engineers in the United States.' Then he went on to attack greed—the profit system.

"As early as 12 years ago the Burns & McDonnell tieup with Fairbanks, Morse Co. had been reduced to a contractual relationship in at least one instance. Copy of a contract approved June 22, 1928, between Burns & McDonnell and Fairbanks, Morse Water Supply Co., a subsidiary manufacturing municipal water-supply equipment, gives the broad basis of the relationship between the two organizations at that time. For a fee of 10 percent of the ultimate sale price, Burns & McDonnell agreed to make preliminary surveys to determine the soundness and feasibility of possible projects, render all necessary engineering services, supervise the letting of subcontracts, etc. Perhaps the unusually high fee of 10 percent as against the normal 5 percent is explained by the following clause in that contract, certainly calling for services seldom required of bona fide engineers:

"'The engineers agree when and during the progress of their preliminary surveys, estimates and report to assist the owner in clearly presenting all the facts, advantages and benefits to be derived from the proposed water-supply project; and to make talks before councils, boards, or civic organizations, explaining all the engineering facts and features that would be helpful in closing a contract for the water-supply project as proposed by the owner.'

"4. Thompson's abuse of the Congressional franking privilege: For years Thompson has openly boasted of his ability to have propublic ownership propaganda inserted in the CONGRESSIONAL RECORD and then distributed under Congressional frank. The league has actually advertised for sale literature bearing the Congressional frank.

"These are but a few examples of many that can be cited going back over a dozen years of profitable political sales activities by all three parties.

"Certainly no Federal investigation of municipal ownership agitation could overlook the long trail of this alliance between a supposedly pure white public ownership organization and its benignant appearing director, Carl D. Thompson, on the one hand, and the firms of Burns & McDonnell and the diesel manufacturers on the other.

* * * * *

"With the coming of the New Deal the scope of these groups was vastly expanded. Despite their clever operation, the stark fact that private efficiency had overbalanced the tax and capital cost, public ownership advantages in the operation of electric systems had made public ownership in this field increasingly unpopular. To overcome this handicap, public ownership advocates were able to induce Public Works Administrator Ickes—himself a member of the Public Ownership League and for many years a personal friend of Thompson—to establish a public power division in the PWA. Cities were induced to go into municipal ownership by the free gift of 30 percent—and later, 45 percent—of the cost. This was excellent both for Burns & McDonnell and for the diesel manufacturers since being an unemployment-relief agency, the PWA could not grant funds for purchase of existing systems, but was bound to insist on construction of new and usually duplicating systems. That meant a gravy train for both organizations. Burns & McDonnell were retained in scores of towns for engineering surveys and other services. PWA showed a strong preference for diesel power. So strong was this preference that in one instance the PWA refused the plea of the city of Carbondale, Ill., for a steam generating plant and insisted on diesels even though the town is virtually built on a coal mine and is situated in the heart of the rich southern Illinois coalfields.

"Perhaps it is only a coincidence that during these early days of the PWA Dr. Thompson served as an examiner of applications for municipal power grants in the power division of the PWA—and boasted of his activities in the Public Ownership magazine.

"By 1937 the economic fallacy of using work-relief funds to construct public systems in duplication of private systems had become so apparent that Congress took cognizance of the situation and even before the end of PWA the latter agency had become considerably hampered in this field.

"But new fields opened up for Thompson. While still retaining his directorship of the league and editorship of its magazine, Thompson went on the payroll of the Bonneville Administration early in November 1938. His salary is $5,600 per annum and his title is 'power consultant,' whatever that means. Under the laws of the States of Washington and of Oregon, districts, countywide, and larger, may be organized for the generation or purchase of power for distribution within their areas. These laws were specifically enacted for the purpose of purchasing power from the great Federal Columbia River Dams. The Pacific Northwest has been a ferment of political activity in connection with numerous public utility district elections for several years. Under the Bonneville Act one-half of the power from that project must be reserved for public agencies until January 1, 1943.

"The same act limits the promotional activity of the Administration to supplying all pertinent information and data to interested parties. The Administrator, however, has construed that limitation so broadly as to provide speakers for political rallies in local PUD elections. In the opinion of most lawyers this activity is clearly in violation of section 9 (a) of the Hatch Act, which reads as follows:

"'It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns.'

"Dr. Thompson, with his years of experience in public-ownership agitation, has become an ace electioneer for the Bonneville Administration. The story of his activities in Washington and Oregon is amply related in the House hearings for the 1941 appropriation for the Interior Department, pages 254 to 284, inclusive.

"There seems little doubt that Thompson, by the very nature of his activities in the Northwest, should be discharged as a Hatch Act violator. But there is small chance of such an eventuality, inasmuch as he continues on despite the protests of Congressman Dudley White to Dr. Raver, Bonneville Administrator, during last year's hearings.

"The chief beneficiary of this public-ownership racket appears to be the engineering firm of Burns & McDonnell, not Carl Thompson, who is only a come-on man for the game.

"The diesel manufacturers find municipal plants only a fractional outlet for their product and seem to be losing interest in this market with the increase of Federal waterpower development.

"It is pertinent, therefore, to appraise this firm both as to its ethical and professional standing.

"The technique of this firm usually is to obtain a contract by hook or crook for a 'preliminary survey' as to feasibility of a municipal system. Whether a clause for consulting services is conditioned on the favorable report or not there is no record of a report by this firm against the feasibility of such a plant. Once the 'preliminary survey' job is completed they make every effort to stir up by local agitation, through their 'shill,' Thompson, and by direct personal agitation, to put the proposition over.

"The record of the firm as to accurate estimates of savings and profits from proposed systems is scandalous. It is understandable that it would not be otherwise in face of the fact that only by such underestimates it can obtain the fat fees that go with further services as consultant should their estimates be accepted.

"Some years ago the firm was retained by the city of Knoxville, Tenn., to make a preliminary survey of the possible revenues of a competing system. The Knoxville Journal looked up the record as to Burns & McDonnell original estimates and actual results, which showed that the firm has been off as much as 50 percent.

"Significant excerpts from this article published by the Journal, November 24, 1933—never denied by Burns & McDonnell—follow:

"'An amazing record, to say the least, has been made by the Burns & McDonnell Engineering Co., of Kansas City, Los Angeles, and Cincinnati, in connection with its activities to put over municipal ownership in different parts of the country.

"'A study of the firm's history reveals the fact that Knoxville was particularly unfortunate in its selection of an engineering firm to make the city's report on municipal ownership of electric facilities.

"'TREMENDOUS ERROR

"'For instance, in Crown Point, Ind., on June 7, 1932, the people voted $38,000 for the construction of an electric plant. Burns & McDonnell's estimate of the cost was $38,167. The actual cost of the plant to date is $62,423 and construction has not yet been completed.

"'A report made for St. Paul, Minn., is interesting by comparison with the report for Knoxville in that the firm required from November 1932 to July 1933 to prepare the

first report and then submitted a revised report 3 months later.

"'A charge of $45,000 was made for the report, whereas a report was given Knoxville in the space of a few days for $2,370.

"'Upon the demand of the mayor of St. Paul, the engineering firm was willing to revise its report to eliminate the item of going concern value and to reduce working capital allowance, thus reducing its estimate of the value of the company's property by $2,227,164. This amounted to a reduction of about 10 percent from the original report.

"'In the past year or two, Burns & McDonnell have gone into 21 cities and recommended the construction of electric plants and distribution systems which, if they had been built, would have cost $28,626,700, according to the estimates.

"'For making the reports, Burns & McDonnell were paid various fees. In addition, many of their contracts called for percentages of the cost of construction ranging from 3½ percent to 10 percent.

"'The firm recommends the building of municipal systems almost invariably.

"'LOW FEE FIRST

"'Engineering firms catering to business from city councils make it a practice to offer to make a preliminary report for a low fee, as was the case in Knoxville. But the fees exacted for serving as consulting engineers are on a much higher basis and sizable sum. For instance, 5 percent of $3,225,000 would be $161,250. Quite naturally, the paramount interest of the engineering firm in business getting is not emphasized by the company and that point is not often appreciated by the public.

"'Why did R. E. McDonnell come to Knoxville to speak at the mass meeting last night unless he did so to further his firm's chances of getting the consultants' fee if the city votes bonds?

"'Mr. McDonnell appeared aggressively in a campaign to vote bonds for municipal ownership of a plant at Cleburne, Tex. He appeared twice before the city council at Columbus, Miss., advocating muncipal ownership.

"'At Elko, Nev., in August 1931, Burns & McDonnell and Fairbanks, Morse were sending out pamphlets to the citizens of that town advocating that the city build a power plant under the Fairbanks, Morse plan. Other instances could be cited.

* * * * *

"'Mr. McDonnell states that the paramount difference between private and municipal ownership is: With private ownership, "profit first"; with municipal ownership, "service first"; but he is not adverse to making contracts for the construction of municipal plants by the firm of Burns & McDonnell, which are said to give a nice profit to the firm.

"'It is not impossible that his interest is more in personal profit than in public good.

* * * * *

"'If a novice were to purchase a horse he would not knowingly select the brother of the owner of the horse to make an examination and advise him as to whether the horse had hives, splints, or curbs. If he was going to buy a house he would not employ the foreman of the firm which had done the plumbing job to advise him as to whether there was good plumbing in the house.

"'And yet that is what Knoxville did when it engaged Burns & McDonnell to make its municipal-ownership report.

"'LOSE AGAIN

"'It required 6 months' time for Burns & McDonnell to make a construction survey of Fort Thomas, Ky., a city of 10,008 persons. The City Council of Fort Thomas voted, however, 4 to 1 against the proposed municipal light ordinance, which called for submission of a bond issue of $245,000.

"'In other words, the engineers required only 2 or 3 weeks to make a survey and estimate the cost of construction of the Knoxville municipal distribution system at $3,225,000, but 6 months' time was required to make the survey for Fort Thomas, Ky., a town only one-eleventh the size of Knoxville.

"'FIFTY PERCENT OFF

"'Burns & McDonnell, upon whose advice the Canal Commission of Augusta, Ga., gave its approval to an oil-engine plan, made a provable error of approximately $57,000 in estimating the profits they said might be made from the oil-engine plant. Since they estimated net profits of only about $125,000, the error reduced their claim of profits by nearly 50 percent.

"'In June 1932, Mayor Ralph Mackey, of Belvidere, Ill., signed a contract with Burns & McDonnell for the construction of a municipally owned electric plant in competition with the Illinois Northern Utilities before the bond issue had been voted.

"'Before the election the contract came to light, and the people discovered that it gave Burns & McDonnell 5 percent of the cost of said construction improvements, exclusive of any purchase price of the distribution system. More to their perturbation, they found that this 5 percent was over and above "service for expert testimony before any court, commission, or arbitration, or other boards or organizations by a member of the firm of Burns & McDonnell, engineering company.

"'OVERWHELMING DEFEAT

"'Such experts under the contract were to be paid for at the rate of $75 per day "plus all traveling and hotel expenses of the engineers' representative or representatives while absent from the office." The bond issue was defeated in every ward of the city, the total being 2,334 against and 1,204 for it.

"'In the Judicial Bulletin of the Oklahoma Utilities Association, issued September 21, appears the following letter written to that association by D. A. Willis, president of the Pennant Pearl Button Co., of Muscatine, Iowa, under date of September 12:

"'"'I have found that many of the statements put out by the Public Ownership League of America and printed in the Public Ownership magazine are absolutely false. In the early part of 1930, this magazine printed an article, entitled 'Muscatine Making Good' and stated that the net profits of the municipal electric-light plant in 1929 were slightly over $20,000 a month, making a total profit of about $240,000. The total business done by the plant for that year from the sale of electric current was $227,000. Therefore, the statement made the profits more than all the business done.

"'"'Then again they have made a savings over old company rates several hundred thousand dollars more than all the business done in 7½ years, from the start until December 30, 1931. However, in a so-called audit made by Burns & McDonnell they did not claim any profits but they claim very large savings. The Muscatine plant has been featured around the country as a wonderful success, but it seems to be a well-established fact that they could have bought the current at the beginning of 1929 at about one-half of what it cost to produce it."

* * * * *

"'Paducah, Ky., was persuaded in 1928 to engage Burns & McDonnell to make a preliminary report on the electric-light situation in that city, and for this report a substantial sum was paid. The report strongly recommended the erection of a municipal plant, at a cost of about $800,000, and stated that the plant could—

"'"'* * * pay all interest charges, set aside a sinking fund for paying off the bonds, and still make a new profit of nearly $30,000 per year."

"'When this report was examined in detail by competent electrical engineers and compared with actual sales of electric power in Paducah, it was found that the Burns & McDonnell estimate of receipts was $70,000 too high and their estimates of expenditures was $30,000 too low. This showed that instead of a yearly profit of $28,500, the plant would show a yearly loss of $72,100.

"'Paducah decided not to embark on the project.'

"Nor are these old and isolated cases of slack appraisal work by this firm. The case of Yonkers, N. Y., is another example. In an appraisal of the properties of the Yonkers Electric Light & Power Co. for the city in a pending rate case, the estimate of Burns & McDonnell amounted to $8,500,000, while the company estimate was $18 million. In defending the discrepancy, one M. P. Hatcher, of the Burns & McDonnell firm, stated that he had spent 3 or 4 weeks solidly in consultation as to costs of the underground wiring with the firm of G. M. Gest, New York contractors, specializing in such work. This testimony brought forth a sworn statement from Mr. Gest and his assistant, J. H. Lopez, with whom Hatcher had worked, that instead of 3 or 4 weeks Hatcher had actually spent but 32 hours with Lopez. Pertinent excerpts from the sworn statement, appearing in the Yonkers Herald Statesman of March 29, 1935:

"'I desire here and now to disclaim this responsibility and desire to point out a few examples of misstatements and misinterpretations.

"'Mr. Hatcher, on and about page 7115 of the April 3 transcript, refers to the time spent with us and states he talked with us solidly for 3 or 4 weeks in our office and talked to us almost continuously, getting there as early as I could get there in the morning, and spent most of the day on it. These statements are more than inaccuracies. They are misstatements.

"'Mr. Lopez put in a total of 48 hours, of which but about 32 were with Mr. Hatcher. It is my judgment that our engineers would have had to spend appreciably more than even 3 or 4 weeks continuously to supply Mr. Hatcher with the kind and quantity of information which he has erroneously asserted we did supply him with; and, moreover, we ourselves would not use such information without having had actual contact with and a study of the property itself. We made no real examination in Yonkers, nor did we analyze the actual records or performances as would be necessary if we were to take the responsibility; and I must, and do, repudiate the charge of responsibility for the result shown in the Burns & McDonnell testimony.

"'Too many questions as to conditions may arise which will alter any preconceived idea of values, and this is particularly so in underground work when all has been installed and covered up. Conclusions in this class of work can only be reached by those who have actually had experience in the work itself.

"'It is my wish to impress upon you that advantage has been taken of us in a way most distasteful to me. Please do not consider these comments as an analysis of the testimony, but just a statement of facts as to our contact with the subject involved. I have personally reviewed the transcript but I have not attempted to prepare statements as to the numerous errors in the details attributed to us.

"'I should, however, call your attention to the fact that I notice in the transcript the inference that the conduit work in its entirety, as stated by Mr. Hatcher, could be installed in a calendar year of 300 working days. This must be a voluntary statement on Mr. Hatcher's part, because there was no conclusion reached in this office to that effect either by Mr. Lopez or myself.

and I do not consider it practicable to reach such a conclusion.

"In closing I wish to repeat that all we did for Burns & McDonnell was to supply general information on Mr. Hatcher's hypothetical questions.'

"This memorandum is intended to sketch in briefly some of the well-known facts about the strange public-ownership movement in America. It is far from a complete and detailed study. A plethora of similar cases are available which space does not permit here. The purpose has been to demonstrate that the public-ownership movement, while clinging to the atmosphere of righteousness, has in fact descended to the level of a cheap racket for the sale of goods and services. To cite further facts than those above would serve no purpose but redundancy."

Mr. JOHNSON of Texas. Mr. President, I desire to thank the Senator from New Hampshire for his courtesy in the matter.

Mr. BRIDGES. I desire to thank the distinguished Senator from Texas and the distinguished Senator from Ohio.

Let me say, in order that it may be clear, that I am not taking this action in order to enter into any proxy fight. I have stated that I have no interest in it. I would regret very much if the remarks which I make, or the speech which I placed in the RECORD, should be circularized to help one side or the other.

In view of the fact that the remarks which I made more than 16 years ago have been referred to and quoted not only in various speeches in the House of Representatives but in the press, I thought it was well that I make some introductory remarks and place the entire speech in the RECORD. It was quite a speech, I will admit, but it was documented at that time. A few hirelings were sent into the State of New Hampshire to see if they could defeat me, which they did not succeed in doing. I do not think they will be successful in the future.

My thought is to give the entire record. Let me say to the distinguished Senator from Ohio that I hope what I have said will not be used as he has indicated. I am taking this action in order to keep the record straight.

I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I desire to commend the Senator from Ohio for his attitude and the action he has taken. Any statement which the Senator from New Hampshire makes is made on his own responsibility.

I should like to make it abundantly clear that an order has been entered that when the Senate concludes its business today it will stand in adjournment until 12 o'clock noon on Thursday next.

FURNITURE AND FURNISHINGS FOR THE NEW SENATE OFFICE BUILDING

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 132, Senate bill 1428.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1428) to authorize furniture and furnishings for the additional office building for the United States Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the Committee on Public Works has had this bill under consideration and has reported it favorably. It urgently recommends the enactment of this proposed legislation.

The purpose of the bill is to authorize and direct the Architect of the Capitol, under the direction of the Senate Office Building Commission, which is presided over by the very able Senator from New Mexico [Mr. CHAVEZ], to provide furniture and furnishings for the additional office building for the Senate.

As most Members of the Senate are aware, it is our intention to move into the new building on January 1. It is therefore necessary for us, under the auspices of the Senate Office Building Commission, and under its direction, to enter into negotiations for the furniture which will go into that building.

So far as I am aware, there is no opposition to the bill. I have cleared it with the distinguished minority leader [Mr. KNOWLAND]. I hope the Senate will take prompt action upon it.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Architect of the Capitol, under the direction of the Senate Office Building Commission, created by the Sundry Civil Appropriation Act of April 28, 1904 (33 Stat. 481), as amended, is hereby authorised and directed to provide furniture and furnishings for the additional office building for the United States Senate, authorized to be constructed and equipped by the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029).

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act, and the Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into contracts and to make such other expenditures, including expenditures for personal and other services, as may be necessary to carry out the purposes of this act. Any appropriations made available under authority of this act may be expended without regard to section 3709 of the Revised Statutes of the United States, as amended, and section 1316 of the Supplemental Appropriation Act, 1954 (67 Stat. 459).

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the vote by which Calendar No. 132, Senate bill 1428 was passed, be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPROVEMENT OF ACCOMMODATIONS IN THE EXISTING SENATE OFFICE BUILDING

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 133, Senate bill 1429.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1429) authorizing the enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the existing Senate Office Building, to provide improved accommodations for the United States Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the purpose of this bill is to authorize and direct the Architect of the Capitol, under the direction of the Senate Office Building Commission, to enlarge and remodel certain suites in the existing Senate Office Building, to make the necessary structural, mechanical, and other changes and improvements therein, and to authorize the sums necessary to carry out the provisions of the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Architect of the Capitol, under the direction of the Senate Office Building Commission, created by the Sundry Civil Appropriation Act of April 28, 1904 (33 Stat. 481), as amended, is authorized and directed to enlarge and remodel Senators' suites and to make structural, mechanical, and other changes and improvements in the existing Senate Office Building, to provide improved accommodations for the United States Senate, in accordance with plans to be prepared by or under direction of the Architect of the Capitol and to be submitted to and approved by the Senate Office Building Commission.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act, and the Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into contracts and to make such other expenditures, including expenditures for personal and other services, as may be necessary to carry out the purposes of this act.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move that that motion be laid on the table.

The motion to lay on the table was agreed to.

INCREASE IN LIMIT OF COST FOR CONSTRUCTION AND EQUIPMENT OF NEW SENATE OFFICE BUILDING

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the

Senate proceed to the consideration of Calendar No. 134, Senate bill 1430.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1430) increasing the limit of cost fixed for construction and equipment of an additional office building for the United States Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, there was a quorum call preceding the consideration of these bills. This bill, like the other two, was referred to the Committee on Public Works, and has been reported favorably by that committee. It involves an increase in the limit of cost previously fixed for the construction and equipment of an additional Senate office building.

The net effect of the bill will be to increase the cost of construction and equipment by $2,846,000. When the authorization originally passed, it was estimated by the architects and those responsible for the construction that the project could be completed for $20,600,000.

Because of the increased costs and the modification of plans made since that time, there has been an increase, which the pending bill is required to correct.

The committee realizes that since the authorization of the additional building, plans for building in the Capitol area have been greatly enlarged in scope. The committee believes that it is desirable to integrate the building and the plans in that connection. We are providing for a desirable subway system, and that represents a part of the additional cost.

The committee urgently recommends that this proposed legislation be enacted, so that steps may be taken between now and January to make the office building available to the Senate when we return next year.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the amount of $20,600,000 fixed by the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029) as the limit of cost for construction and equipment of an additional office building for the United States Senate is hereby increased by $2,846,000.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move that that motion be laid on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I see on the floor the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from New Hampshire [Mr. BRIDGES], both of whom are members of the Senate Office Building Commission. I commend them for the fine work they have done thus far, and I express the hope that the Commission may take the necessary steps to have the office buildings available so that some of the congestion which now exists in the operation of the affairs of the Senate can be relieved.

Mr. SPARKMAN. Mr. President, I am very pleased to see the Senate take action on the bills which have just been passed, because it is highly important that such authorizations be granted, if we are to have both the new building and the present building ready for occupancy with the five-room suites which we hope to provide for each Senator next January.

Mr. BRIDGES. Mr. President, in my opinion it was very wise for the Senate to take action today on bills looking forward to bringing into use the new Senate Office Building and remodeling the present office building.

I believe we have postponed too long action to provide this needed additional space. I hope that now, with the passage of the bills, we will see immediate action taken, the plans made, and the program inaugurated whereby the new building will be ready for occupancy in January of next year, as it should be, and we will not have to wait a year or two for the remodeling of the present building.

Instead, I hope the remodeling of the present building will start immediately following the adjournment of Congress this year, and that the present building will be ready at least in part when we return in January, at which time, of course, the new building should be ready also. I realize that it will not be possible to have the present building completely remodeled by then, but it should be possible to have it remodeled in part.

I wish to commend the Committee on Public Works, particularly its chairman, the Senator from New Mexico [Mr. CHAVEZ], and the minority leader, the Senator from California [Mr. KNOWLAND], who agreed with the distinguished majority leader to have these measures passed by the Senate. I hope, as I know the distinguished majority leader hopes, that this action will be a green light to go forward.

Mr. JOHNSON of Texas. I appreciate very much the comments of the distinguished Senator from New Hampshire. I hope that judicial notice will be taken of them.

AMENDMENT OF INTERNAL REVENUE CODE TO PROVIDE FOR THE PAYMENT OF THE ESTATE TAX IN INSTALLMENTS

Mr. SPARKMAN. Mr. President, on January 7 I introduced S. 348, a bill to amend the Internal Revenue Code of 1954 so as to permit the payment of the estate tax in installments. Nine Members of this body joined me in sponsoring S. 348. My cosponsors are Senators HILL, HUMPHREY, KEFAUVER, NEUBERGER, KENNEDY, MORSE, THYE, SCHOEPPEL, and KUCHEL. All of these very able gentlemen have been keenly interested in the problems of small business, and I was, therefore, gratified to receive their assistance in cosponsoring S. 348. I trust that when I have completed my explanation of this bill here today, my cosponsors and I may be able to count on the support of a majority of this body to speed the early enactment of S. 348 into law.

Estate taxes are peculiarly damaging to small businesses, whether they be closely held family corporations, partnerships or sole proprietorships. Upon the death of an owner of a major interest in a family business, the cash required to pay the Federal estate tax frequently places a very heavy drain on the assets of the estate. Under present law, the estate tax is due and payable 15 months after the death of the decedent, and the tax is payable in cash. The business of the decedent may have been prosperous in terms of book value of his holdings in the business, but that value seldom consists of cash in the bank or readily convertible assets. Such values are more often reflected in the brick and mortar and inventory of the small business. Raising the cash to pay the estate tax can, and frequently does, result in the sale of the business, because there is just no other way to raise substantial sums of cash to meet the tax. It is generally conceded that the impact of estate taxes has had a very definite part in the trend of recent years toward greater concentration of economic power in the hands of fewer large companies. The survivors of a majority owner of a small-family business, unable to raise the cash to pay the estate tax upon the death of the decedent, within the time specified by the present law, look around for a way out. And most frequently, the only way out is to sell out to a larger competitor. We who serve on the Select Committee on Small Business have seen this happen much too often.

The present law authorizes the Secretary of the Treasury to permit the payment of the Federal estate tax over a period of 10 years where the payment of the tax within the statutory period of 15 months would cause hardship. The difficulty with this provision of the law has arisen in the definition of hardship. Under existing estate tax regulations, the Treasury Department takes the position that no hardship results so long as the estate can sell its assets at a fair price in order to raise the funds to pay the estate tax. Thus, the effect of the present law and regulations on the Federal estate tax is to condone the forced sale of a small family business in order to be able to pay estate taxes. No consideration is given to the fact that the sale of the business, in and of itself, writes an end to what the decedent and founder probably intended to be an enduring legacy, a continuing livelihood and security for his widow and his children. No consideration is given to the fact that one more small business falls by the wayside. So long as the Government receives its tax dollars on the death of the decedent, and on time, no hardship results.

I submit that each such demise of a family business is a severe hardship. It is a very real and practical hardship on the surviving members of the family. It

is likewise a very real and practical hardship to our economy. Small business must be encouraged to continue its dynamic role in our economy. It must be encouraged to keep going, to grow and to thrive. Every obstacle in the path of this growth must be eliminated wherever possible. I say the present law on Federal estate taxes is such an obstacle to the continued heath and vitality of small business and that it must be amended to ease the impact of those taxes on small family businesses.

S. 348 is designed to do just that. It would permit the payment of estate taxes in installments over a period of 10 years without any showing of hardship. In addition, where the payment of the tax would impose a hardship under the 10-year payment method, the Secretary of the Treasury would have the authority to extend the payment period to 20 years. The bill defines "hardship" in terms of the decedent's holdings in a business, and thus takes the matter of definition of "hardship" out of the realm of administrative judgment and places it where it should be, in the law itself.

The Federal estate tax is currently yielding approximately $1 billion a year in revenue. The adoption of S. 348 would, of course, result in some immediate loss in revenue, but over the long run there would be no net loss. The amount of immediate loss would be entirely dependent upon the number of estates that took advantage of the election in S. 348 to pay the tax over a period of years. The bill as written does not call for the payment of any interest on the deferred payments, but if there be any major concern over the possibility of revenue loss in early years as a result of the enactment of the bill, provision could be made for an interest payment in the amount of 4 percent on the deferred balance of the tax—just as estates pay now where they are granted the 10-year payment privilege. I for one, however, do not feel that such interest should be exacted, for the reason that the slight loss in revenue that might be involved would be well worth the price in terms of the many small businesses that would thereby be saved and permitted to contribute to our economic health and vitality as a nation.

I was encouraged to note last August that the President's Cabinet Committee on Small Business recommended the adoption of a provision very similar to S. 348. In spite of Secretary Humphrey's recent expressions of opposition to any small-business-tax assistance that might result in revenue loss, I would hope that the President's endorsement of his Cabinet Committee's proposal would encourage the Republican as well as the Democratic Members of this body to lend their full support to S. 348. The impact of the enactment of S. 348 on the Federal revenues would be relatively slight, but its impact on our economy, particularly in terms of its encouragement to the continuation of family businesses, would be very great. In my opinion, S. 348 deserves the full support of every Member of this body who understands the problems of small business and who wants to see those problems surmounted. I submit that the Federal estate tax is a very real problem to the small-business man and that S. 348 provides the solution to that problem. I trust that the vast majority of my colleagues will join me in pressing for early and favorable action on the bill.

NOTICE OF EXECUTIVE SESSION ON THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that it is the intention of the leadership to have the Executive Calendar called at the next session of the Senate on Thursday.

THE RESERVE EQUALIZATION OF RETIREMENT BENEFITS BILL

Mr. SPARKMAN. Mr. President, on February 7, 1957, I introduced S. 1085, for myself and the Senator from Washington [Mr. JACKSON]. Its purpose is not to enact a new law, or to extend the provisions of an existing law, but is to affirm the long-standing policy of Congress to treat reservists the same as regulars by clarifying paragraph 4, section 15 of the Pay Readjustment Act of 1942 so as to insure its correct interpretation by the affected governmental agencies. Specifically, S. 1085 involves the rephrasing of the act so that no one can question the fact that it does apply to Reserve officers who have been retired with pay and who have had service in World War I, just as it has been held to apply to Regulars with World War I service.

Paragraph 4, section 15 of the Pay Readjustment Act of 1942 states:

> The retired pay of any officer of any of the services mentioned in the title of this act who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, hereafter retired under any provision of law, shall, unless such officer is entitled to retired pay of a higher grade, be 75 percent of his active duty pay at the time of his retirement.

S. 1085 defines "any officer" so as to read, "any officer of the armed services of the United States, including the Reserve components thereof." This clarification is necessary because governmental agencies have held in effect that the words "any officer" means any "Regular" officer, thus reading into the law a limitation not put there by Congress and depriving Reserve officers, otherwise qualified for retirement and clearly included in the words "any officer," of 75 percent special retired pay to which they are entitled for the same World War I service.

Although the change just mentioned is the major clarification, there are others. The words "Armed Forces of the United States" replaces "any of the services mentioned in the title of this act" to accord with the more recent terminology used in legislation and also to avoid references to the title of an act which, with the exception of the previously mentioned paragraph has been repealed.

The words "heretofore or" have been added to accord with the terminology used by Congress in section 513 of the Career Compensation Act of 1949, which act reenacted paragraph 4 of section 15 of the Pay Readjustment Act of 1942 by expressly excepting it from repeal. "With pay" has been added to make it clear that the only Reserve officers entitled to 75 percent retired pay for World War I service are those who stayed in the organization the required number of years to qualify for such retirement. The words "of his rank and length of service" replace "at the time of his retirement" to prevent the retired pay of any officer, Regular or Reserve, from being frozen to the pay scale in effect "at the time of his retirement."

By 1949 and the reenactment of paragraph 4, section 15, World War I was 31 years past. With the exception of a few World War I Reserve officers who had not remained in the Reserve program and who, after some gap in service, integrated into the Regular services, there were no World War I Regular officers still on active duty who would benefit by the reenactment as they were either eligible for, or had been, retired under other statutory provisions. Hence it could only apply to those Reserve officers with World War I service who, in 1949, had not yet qualified for retirement under the general law, applicable to them. It cannot be assumed that the law was reenacted in 1949 to favor those few who integrated into the Regular service as their rights had already been held to have been protected by the 1942 act.

The Senate sponsor and the chairman of the subcommittee handling the Pay Readjustment Act of 1942 have stated that it was the understanding of the Senate in 1942 that there be no discrimination between Regular, Reserve or National Guard officers in pay for similar military service. It is felt that S. 1085 will effectuate the legislative intention and obviate the misinterpretation of the words "any officer" so as to stop the withholding of the benefits now enjoyed by Regular officers, and contemplated by the Pay Readjustment Act of 1942.

ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, if no other Senator desires to address the Senate at this time, I move that, pursuant to the order previously entered, the Senate stand in adjournment until 12 o'clock on Thursday next.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, March 14, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 12 (legislative day of March 2), 1957:

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service:

FOR APPOINTMENT

To be senior assistant surgeon

James N. Winblad
John B. Lapp
John F. Commerford
Irving Mauer
Charles M. Bowyer
Samuel C. Alexander, Jr.
Bernard Kliman
John R. M. Phelan
C. Hunter Montgomery
Jack C. Robertson

To be assistant surgeon

Philip H. Geisler
Ellsworth Y. Ching
Ferdinand R. Hassler, Jr.
George H. Christ
Joseph M. Torruella
S. Ross Fox, Jr.
Kenneth N. Beers
David N. Smiley
Stanley R. Mohler
Richard I. Myers

To be senior assistant scientist

Thomas M. Asher.

To be senior assistant nurse officer

Catherine Wegner.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 12, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou great God of our spirits, in each new day of this Lenten season, may we cultivate a deeper faith in Thee and in the reality and vitality of the spiritual values.

Inspire us with a finer perception of the moral laws and principles which Thou hast ordained for the blessedness of all mankind.

Grant that we may always seek to live the positive life, affirming a strong and radiant faith, as over against the negative life of doubt and unbelief of the cynic and the skeptic.

Help us to understand more clearly that for those who do not believe in the spiritual no explanation is possible and that for those who do believe, no explanation is necessary.

May we daily put our minds and hearts on the side of faith, believing when and where we cannot prove.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONSENT CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday next be dispensed with and that it be in order to call the Consent Calendar on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE ADMIRAL RICHARD EVELYN BYRD

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON of Virginia. Mr. Speaker, it is my sad duty to announce to the House the death of a great American, Adm. Richard Evelyn Byrd, who departed this life at his home in Massachusetts last night. Admiral Byrd was born in my home community of Winchester, Va., and spent much of his life there.

His life has been a fine one. At the age of 12 he traveled around the world by himself. He is the only man to have flown over both the North and South Poles. He was one of the first to fly across the Atlantic Ocean, United States to Europe, on a nonstop flight.

While we can review the long and varied career of Admiral Byrd, we cannot appraise fully today his contributions to science and to his Nation. As the potentialities of the great Antarctic Continent receive more intensive examination in the years ahead, it is likely that our debt to him will prove far greater than we now can imagine.

On his Antarctic expeditions, Admiral Byrd was responsible for the charting of approximately 2 million square miles of the earth's surface previously unseen by man in recorded history. His active interest in the South Polar region spanned three decades.

Admiral Byrd's energetic service on active duty in the Navy up to very recent months makes it difficult to realize that he first was retired from the naval service in 1916, only 4 years after graduating from Annapolis, where he suffered a number of injuries in football and other athletics. His interest in naval aviation blossomed in World War I. Shortly after the conclusion of that conflict, he made notable inventive contributions to aerial navigation while assigned to the Naval Bureau of Aeronautics in Washington—a wind-drift indicator and a bubble compass.

His first fame in polar exploration was gained in the opposite end of the globe from that which occupied his attention in more recent years. In 1925 he commanded a naval aviation unit which accompanied a MacMillan expedition to the Arctic. On May 8, 1926, came his famed flight over the North Pole. Then there was his transatlantic flight in 1927 with Bert Acosta, Bernt Balchen, and George Noville.

When, nearly 30 years ago, Admiral Byrd began making plans for a major expedition to Antarctica, he was obliged to look to private individuals and organizations for financial support. The expedition was successful in mapping more than 400,000 square miles of icy continent and, on November 28, 1929, Admiral Byrd flew over the South Pole with Bernt Balchen, Harold A. June, and Ashley McKinley.

The expedition brought him the rank of rear admiral at the age of 41 by special act of Congress.

Three years later he was back in the Antarctica on a second privately financed expedition and almost gave his life in the cause of scientific inquiry. For 5 months of the cruel Antarctic winter night he stayed alone in an ice-buried shack, 90 miles from the expedition base at Little America. Overcome by carbon monoxide and too weak to turn the crank of the hand generator of his radio set, Admiral Byrd was in serious condition when anxious members of his expedition came for him.

The third Byrd Antarctic expedition, it will be remembered, had the official sponsorship of the Federal Government, and extensive air and coastal surveys again were carried out on this trip, 1939 to 1941.

Far more extensive discoveries were made in the big 1947 expedition, which engaged 13 ships and more than 4,000 men as a Navy project.

A little more than a year ago, Admiral Byrd was back in the Antarctic again on his fifth expedition and, until about 2 months ago, had planned to return once more in his capacity as officer in overall charge of the Antarctic investigations of the United States Government.

Admiral Byrd has left us with his work undone, but this was inevitable. In the spirit of the true scientific explorer, he demonstrated throughout his long career that he regarded the completion of one project merely as a release to prepare for the next challenge. His life was dedicated to the advancement of the American frontier and to the promotion of world peace. His fellow Virginians, and I know his many friends in this House, will be grieved to learn of his passing.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, I am deeply grieved to read in this morning's papers of the death of Adm. Richard E. Byrd. It was my good fortune to know him personally. He was one of the great Americans—not only one of the great men of his time and of his period but a great man in the entire history of our country and that includes not only the constitutional history of our country but goes way back to the colonial history of the Western Hemisphere. His was a striking personality. He made great and marked contributions during his lifetime to the betterment and progress of our country and of our people and of the world in general. Admiral Byrd lived a most constructive life. He was always doing good and always forging ahead for the betterment of mankind. I join with my distinguished friend from Virginia in expressing my deep personal sorrow at his passing and extending to his loved ones my profound sympathy.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the distinguished minority leader.

Mr. MARTIN. Mr. Speaker, I, too, want to join in expressing my deep regret at the passing of Admiral Byrd. It was my privilege to enjoy his close and warm friendship for more than 30 years. He served his country with distinction in many fields. As an explorer his name will live in history. Through his sacrifices and patience much of the land at the South Pole was made American territory. One of my choice mementos is a little American flag he carried in his explorations to both the North and South Poles as well as when he made his nonstop flight across the Atlantic Ocean.

I recall his first voyage to the North Pole. The ship sailed from Boston, and I recall a little boy who wanted to bid his father goodby. I remember holding him on my shoulders so he could do so. That son is now a gallant officer in the United States Navy, carrying on with all the traditions of an honorable father and a great Virginia family.

Honest, sincere, patriotic, Admiral Byrd was highly esteemed and respected by all who knew him. A native son of Virginia, who in later years became a resident of Massachusetts, he lived a useful life.

The United States has suffered a great loss, particularly because he had not entirely completed the work for which in reality he gave his life. Unquestionably his life was curtailed because of the sacrifices and privations he sustained for his country.

To his wife and family I extend my sincere sympathy.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HARRISON of Virginia. I yield.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the news of the passing of Adm. Richard Evelyn Byrd, United States Navy, has just reached me. This sad news has gripped me with a very deep sorrow. Admiral Byrd and his lovely wife and children over a wide expanse of years were great friends of mine and of my late husband, who preceded me as a Member of the Congress.

It is with a most heavy heart that I now reflect back to the many occasions of fun and good times all of us enjoyed together. In the informal outings and picnics which we enjoyed in those years gone by, as well as in our many intellectual conversations and discussions together, my late husband and I learned to know the greatness of his character and warmth and loyalty of his friendship and the fineness of his family.

In addition to his accomplishments well recognized over the world, Admiral Byrd was kind, courteous, thoughtful, and always a gentleman, never one to take unfair advantage but always ready to help and contribute to another's objectives.

Admiral Byrd was a leader of men. He was convincing because he knew when he was right and had the courage to stand with the right. Little is it remembered now of the great fight that was made in this House in those years at the close of World War I by Admiral Byrd together with my late husband, John Jacob Rogers, Congressman Kelly, and the late Speaker Nicholas Longworth, to keep the United States Navy afloat. Even in those days there were many who held the belief that this great country could exist without a powerful Navy. The appropriation limitations at that time were so drastic that if they had been approved the United States Navy would have ceased to exist. Little do many of the great flag officers of the United States Navy of recent years realize what a debt of gratitude they owe to Admiral Byrd and this group of courageous and determined Members of Congress.

In these very recent years, a few of the Members of the Congress know full well of the unselfish and courageous fight made by another naval officer to save the United States Navy and United States Marine Corps from being liquidated. On these two occasions the United States Navy as a military force was successfully saved. On both of these occasions neither of the officers involved received appreciation or credit or advancement for the great contributions made not only to the United States Navy but to the defense and military power of the United States of America. On both of these occasions these officers unselfishly did not consider career but only the greatness of the Navy and Marine Corps as a military force in the military might of a powerful America. They fought for principle and for the right course. They navigated tremendous victories for the Navy and for their country.

An outstanding leader of men, a great scientific explorer, a daring adventurer, Adm. Richard Evelyn Byrd, possessing all of these qualities, by his imagination, his courage, his force, his mental stamina, and his great determination, carved his place into the granite of history. At this time, the greatness of his value and his contributions to his country cannot be adequately or fully appreciated or appraised. In the years to come the trails blazed across the Arctic and Antarctic icelands will begin to bear fruit and value. In the years to come, the histories of America that are written will contain the great deeds of accomplishment of Admiral Richard Evelyn Byrd.

As the history of the United States Navy unfolds and is written, the deeds of Admiral Byrd surely must be noted and given proper significance. Overcoming a physical handicap, overcoming discouragement of the deepest nature, overcoming hardship, his mental stamina, imagination and determination brought Admiral Byrd through difficult times and serious lack of appreciation. On his own and with his own force and courage, he blazed on until he accomplished so much for his country that his country had to recognize him as the great leader he was. His country did recognize him and the people of the United States of America, through their Representatives in the Congress, recognized his contributions and his greatness by not only awarding him the Congressional Medal of Honor but by promoting him to the permanent rank of rear admiral, United States Navy.

Sometimes it appears so evident that those in authority in the United States Navy, as well as its many flag officers, should look back a little and think and realize how much they owe to a few men who have given them so much and provided and made it possible for them to go forward with their careers. When the chips are down and one must fish or cut bait in the battle of principle, many a man runs to cover to save his own career. It is in just such a time, however, that there stand forth a few, and I know of them, as do many of you, who will not compromise principle for expediency, who will not turn from what they believe to be right, regardless of orders or policy, but who continue their efforts and fight on until victory is achieved. To these men, and Admiral Byrd was one of them, and there are others, the United States Navy owes a continuing debt of gratitude.

Mr. Speaker, and Members of the House, Adm. Richard Evelyn Byrd was first of all a great American, loyal and true, a great naval officer, and a great gentleman. A member of an honorable and respected Virginia family, whose brothers many of us know and respect so greatly, Admiral Byrd has indeed achieved for his country honor and respect and glory.

With his distinguished family, I mourn his passing. With the people of his great native Commonwealth of Virginia, and with the people of his home State and mine, the Commonwealth of Massachusetts, I mourn the passing of this great patriot and great American.

My deepest sympathies are with his lovely wife and his distinguished family.

His last command order would be, "Carry on."

Mr. HARRISON of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, Richard E. Byrd was truly a servant of his day. His contributions to science have been tremendous and outstanding. He was one of the finest gentlemen it has ever been my privilege to know. His like does not come this way too often.

His loved ones have my deep sympathy.

Mr. PHILBIN. Mr. Speaker, the great American explorer, Adm. Richard E. Byrd, was buried today at Arlington National Cemetery in the presence of many high-ranking officials of the services and the Government, civil dignitaries and a host of friends and admirers. With solemn military and religious rites, this great American hero was borne to his last resting place.

I would not try here to recite or to appraise the illustrious achievements of this stupendous figure of our age. Born into a distinguished, historic family of successful business people and outstanding public officials, Admiral Byrd selected a naval career and almost immediately became marked and noted for his exceptional ability, imagination and creative talents in many fields.

He was a pioneer in the development of modern aircraft and was one of the first men to fly across the Atlantic Ocean in the famous flight of the Navy from Newfoundland to the Azores.

Almost every month of his life saw new laurels come to this great American.

He flew across the North Pole, not once, but twice.

With superlative courage, he flung himself into the incredible rigors of the Arctic regions in order to carry out his scientific research.

Admiral Byrd was not performing these exploits merely for their own sake; behind each and every exploit was some scientific objective, and it is unquestionably the fact that his explorations brought us invaluable knowledge of vast unexplored regions of the world hardly ever touched by man. How much this work contributed to our defense could never be appraised.

On several occasions, he led very successful exploratory expeditions to the Antarctic and he remained in the frozen, barren wastes of snow and ice and terrifying low temperatures for months and

months at a time in order to pursue his goal and complete his assignments.

The Navy Department, which he served with all his heart, not only in peace, but in two great wars, may well be proud of him as one of the greatest heroes in its history. Science, education, and learning in many fields—geography, astronomy, biology, botany, navigation, and many other special fields are lastingly indebted to this great man for new knowledge he made possible, which broadened the horizons and spread information regarding the vast Polar regions, obscured for so long in the mists of frigidity and barren silences.

Like all Americans, I greatly admired Admiral Byrd and was proud of my friendship with him that endured for many years. He had splendid personal qualities. Of pleasing, impressive personality and approachable manner, he was friendly, courteous, and cordial. His firmness of demeanor, his power of decision and his wise, sound judgments inspired confidence wherever he was known, and wherever he was in command, because Admiral Byrd was one man who knew what he was doing, how to do it, and he was of unceasing perseverance in reaching his aims.

It is difficult for me, as a friend and admirer, to find proper words to pay Admiral Byrd fitting tribute. To my mind, he was not only one of the greatest Americans of our time but one of the truly great Americans who ever lived. His intrepid, courageous, fearless exploits will be emblazoned imperishably upon the most magnificent pages of American history. His achievements and contributions will live in the minds and hearts of the American people for many years to come. The star of his glorious accomplishments will shine as a beacon light throughout the centuries to inspire and guide men of courage to seek new and broader horizons either on this earthly globe or in the outer reaches of space.

Great naval hero, patriot, and greatest of all explorers, Admiral Byrd takes a place in American history, reserved for the noble and the great. May he rest in peace.

To his stricken family in their sorrowful bereavement, I extend most heartfelt sympathy, and hope sincerely and pray devoutly that the Divine Maker may strengthen and encourage them to bear their irreparable loss—which is the Nation's and the world's loss as well—with that understanding and resignation that faith in Him can give.

JOSEPH H. McGANN, SR.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I wish to call to the attention of the Members of the House that a native son of Ohio, Joseph H. McCann, Sr., who served 55 years as a staff member of both the former Committee on Rivers and Harbors and the present Committee on Public Works retired on January 31, 1957.

Mr. McGann was frequently affectionately referred to as "Old Man River" on Capitol Hill because of his long service and special knowledge of rivers and harbors matters. He came to Washington from Cleveland, Ohio, in 1902, at the age of 29, for a temporary 8 weeks assignment on the staff of the Committee on Rivers and Harbors. The Committee was then under the chairmanship of a well known Ohio Republican, the Honorable Theodore E. Burton. During this period of over one-half century, Mac, as he is affectionately known to all of us, served under 9 Presidents and 10 committee chairmen in the capacity of chief clerk and later consultant to the committee.

On Monday, March 4, the Committee on Public Works held a reception to observe the retirement of Mr. McGann. He was presented with a gift of a beautiful sterling silver bowl, suitably inscribed.

I am sure every Member of Congress who had any dealings with Mr. McGann joins with me when I say that we extend to him and his wife our best wishes and many thanks for his services, not only to our committee but to this great Nation, which he loves so well.

CHARLES G. TIERNEY

Mr. McGREGOR. Mr. Speaker, on Monday, March 4, the Committee on Public Works held a reception observing the resignation of Charles G. Tierney, from the staff of the Committee on Public Works.

"Chick," as he is well known to all of us, accepted an appointment as general attorney for the State insurance fund of the State of New York. Mr. Tierney served as one of the attorneys on the committee for 6 years, having been first appointed as chief counsel in 1951 by the Honorable Charles A. Buckley. Mr. Tierney performed excellent services for our Public Works Committee. He has a keen mind, a definite sense of fairness, and one whose integrity and loyalty cannot be questioned.

We hate to lose "Chick" Tierney from our staff of the Committee on Public Works, but our sincere best wishes go with him in his new endeavors. "Chick," we wish you the best of luck.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 16]

Allen, Calif.	Flynt	Moulder
Barden	Green, Pa.	Powell
Bolton	Gross	Riley
Bowler	Hemphill	Scherer
Celler	Holt	Shelley
Cooley	Holtzman	Siler
Dies	Hosmer	Spence
Diggs	Jackson	Staggers
Dooley	Lankford	Van Pelt
Evins	Maillard	
Fino	Morrison	

The SPEAKER. On this rollcall 398 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENT OF SMALL RECLAMATION PROJECTS ACT OF 1956

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 193, Rept. No. 191), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF SECOND LIBERTY BOND ACT

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 194, Rept. No. 192), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

THE 1958 BUDGET

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 192 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 190) requesting the President for certain information pertaining to the 1958 budget, and all points of order against said resolution are hereby waived. After general debate, which shall be confined to the resolution and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and I now yield 5 minutes to the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Speaker, it is a very unusual situation to be discussing a resolution requesting the President of the United States to explain or attempt to explain his budget. We are faced with this unusual situation because it is the first time in the history of our Nation that a President has submitted a budget for the operation of the Government, yet neither he nor his Secretary of the Treasury has made any attempt to justify this budget.

I agree with the rule that is before the House and I also agree in principle with the resolution whose consideration the rule makes in order. However, I do not believe the resolution is strong enough. I do not believe the resolution will succeed in securing the necessary information from the President. Therefore, I should like to call the attention of the Members of the House to a resolution which was introduced by my colleague from Florida [Mr. HALEY].

The gentleman from Florida [Mr. HALEY] introduced two resolutions on this subject. One was introduced on February 21 and the other on March 7. The whereases in these resolutions are very simple. They state the facts as to why the President should be asked to submit a new budget. Then the final part of the resolution is, as follows:

That the President is requested to submit to the Congress not later than April 15, 1957, specific recommendations in the form of budget amendments as to where and in what amounts economies are to be effected so as to reduce expenditures requested for fiscal year 1958 to an amount not exceeding $60 billion.

Now this $60 billion is not a figure that was drawn out of the air. It is a figure that was originated by the President himself. I would refer you to the statement that was made on October 2, 1952, in Peoria, Ill. The President said at that time, and I quote:

Federal spending can be cut from the present rate of $81 billion a year. My goal, assuming that the cold war gets no worse, is to cut Federal spending to something like $60 billion within 4 years. Such a cut would eliminate the deficit in the budget and would make way for a substantial tax reduction.

Those are the words that the then candidate for President made in 1952. Then, on September 12, 1952, after the late Senator Taft had a conference with Mr. Eisenhower, Senator Taft made this statement:

General Eisenhower emphatically agrees with me in the proposal to reduce drastically our over-all expenses. Our goal is about $70 billion for fiscal year 1954, and $60 billion in fiscal year 1955.

I sincerely believe that the economy can be affected in our Government whereby we can operate on a $60 billion budget. Therefore, I hope that when the time comes for amendment on this resolution, that it will be possible either to substitute the bill that has been offered by Mr. HALEY or to amend this bill to set a definite goal over the budget this year.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BASS of Tennessee. I am happy to yield to the gentleman.

Mr. HALLECK. You are so sure that spending can be held to $60 billion a year. Under the Constitution of the United States, the responsibility is yours and it is mine. So why don't you go ahead and meet those responsibilities and cut this budget, if you can find a place to cut it?

Mr. BASS of Tennessee. I would like to inform the gentleman if he does not already know that it is also the responsibility of the President to make requests on a realistic basis for the operation of the Government. He has made them, but he has not to any degree substantiated the requests or attempted to justify the submission of the greatest peacetime budget in the history of the country.

Mr. HALLECK. Mr. Speaker, will the gentleman yield further?

Mr. BASS of Tennessee. I am happy to yield to the gentleman.

Mr. HALLECK. Of course, the President submitted his budget as required by the Budget and Accounting Act. I fail to see anyplace where there is a failure to sustain the budget requests. But, there again the Committee on Appropriations has 50 members, 30 Democrats and 20 Republicans. They call before them the representatives of the executive branch of the Government to justify the appropriations that are asked in the budget. Why is it not now up to the Congress under the Constitution to meet its responsibility and cut this budget, if you can.

Mr. BASS of Tennessee. I believe my distinguished colleague has enough experience in the Congress to know full well that the period of time that the Congress has to work on this is limited, as well as their technical resources.

Mr. HALLECK. Mr. Speaker, would the gentleman be good enough to yield further?

Mr. BASS of Tennessee. I am happy to yield to the gentleman.

Mr. HALLECK. I would just like to say that I have had experience here as majority leader in two Congresses. Of course, they had to be Republican, if I was the majority leader, as the gentleman knows.

Mr. BASS of Tennessee. I sympathize with the gentleman.

Mr. HALLECK. In the 80th Congress, we got Mr. Truman's budget. After he had submitted his budget, we did not ask him to suggest places to cut the budget. We assumed our responsibility and we cut that budget a total of over $6 billion. Then, in the 83d Congress, we took the budget that had been submitted by the outgoing President. True, we had help from the new administration, but we proceeded to cut that budget $10 billion. And, if you people feel that way about it on your side of the aisle, you have the votes, why do you not get in here and do what you are supposed to do under the Constitution?

Mr. BASS of Tennessee. I would like to say to my colleague from Indiana that when Harry Truman submitted a budget large or small he defended it. This situation was not inspired from our side. The President himself did it. We would have been willing to give whatever was requested, if he could justify it, but all he has done is to submit the budget and then say, "I was in error."

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself 5 minutes.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. TABER. I wonder if the gentleman from Tennessee [Mr. BASS] who has just spoken, was ashamed of the resolution that his folks have brought out, because he did not indicate that they were responsible for it.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. Speaker, I feel that this resolution was conceived in a spirit of political expediency, and I hope that the membership, when it comes time to vote, will not continue that spirit.

As the gentleman from Tennessee [Mr. BASS] has mentioned, this is a precedent. Since the establishment of our Government the Congress has not brought forth with such a resolution as this.

We all know it is the function of the Chief Executive to prepare a budget. It was prepared while we were in adjournment last fall, when we were back home in our districts. Now, after being submitted it is the responsibility of the Appropriations Committee to act. The Constitution says the Apropriations Committee shall appropriate the money. I think they realize that it is their duty and responsibility to cut the budget.

I refer to page 110 of the budget for 1958, the matter that the gentleman from Indiana [Mr. HALLECK] referred to. On page 110 of that budget, in the 82d Congress, a budget was submitted for $105 billion estimate. It was reduced by the Congress over $4,720,000,000. In the 84th Congress, first session, the estimate was $66 billion, and the Appropriations Committee and the Congress reduced that by over $2 billion.

So I say again the Appropriations Committee, like every other committee

of the House, has the responsibility to do that. The subcommittees of the Appropriations Committee hold hearings. They bring witnesses before them. It is their duty to reduce any item in this budget that they see fit, and I was hopeful they would do so without resorting to this political expediency.

I was surprised and disappointed, like many of you, in the size of the budget. The Cooley farm bill presently before us provides for over $900 million additional. This bill should be defeated. Regarding the postal deficit, this Congress can reduce by several hundred million dollars by resorting to a sound fiscal policy in the Post Office Department by raising postal rates. The Kelley bill requires about $3 billion for Federal aid for schools. Personally, I believe we should confine Federal aid for schools to construction of schools in congested areas, caused by the assembly of military men. In other words, there are several military posts where there are many soldiers with many children. They are not residents of those particular districts. They are not taxpayers. I think it is only right for the Congress to provide for schools in those military areas.

We can and should drastically reduce the budget regarding welfare funds and foreign aid.

Yes, we have a job to do and we should do it. It is our responsibility and we should accept the responsibility.

Another thing I might suggest is that probably if they would follow the Hoover recommendations the budget could be reduced by several billions of dollars through better organization and more efficiency in our Government. I repeat that I am going to ask for a rollcall on this rule. I do not believe in this type of measure. I reiterate, it was conceived for political expediency. That we should even take up the time of the House to debate a resolution of this kind for 3 or 4 hours when a measure of such importance to the corn farmer is pending, to my mind, is unthinkable.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I do not have any more time.

Mr. HARRIS. Will not the gentleman take an additional minute that I may ask a question?

Mr. ALLEN of Illinois. I cannot, all my time has been allotted.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, it is mighty easy to say that such a resolution as this is political, but that is something the American people will decide.

I think there is a real sound reason for the Congress showing the courtesy to the President in view of what has transpired of asking him to point his finger at those places where he thinks the budget can best be cut. If you will recall, about the time the budget was submitted, the Secretary of the Treasury wrote an article in the U. S. News & World Report in which he indicated that this budget ought to be cut somewhere between 2 and 2½ billions of dollars.

The minority leader, Mr. MARTIN, has said it ought to be cut over $3 billion. Now, that is the Republican leadership in the House and in the executive department. They have said this Democratic-controlled Congress should reduce the budget. They in the press, and even the President, has indicated that the budget should be cut. Now, this Democratic Congress having had this request on the part of the leadership on the Republican side both in the Cabinet and out have expressed themselves and I think it is but common courtesy to ask their assistance in trying to reach those places where the budge can best be cut.

I want to point out another reason why I think it is absolutely essential that we pass this resolution and ask the help of the President where we and the Congress can reduce the budget. In this bill is contained more than $4 billion, recommended by the President for foreign aid. If you will think about it you will realize that as long as you have billions of dollars for foreign aid it is next to impossible for us to make cuts in the domestic budget to any substantial degree, and if we cut foreign aid they go to the press and say we are hurting national defense.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield for a correction?

Mr. WHITTEN. I yield to the gentleman.

Mr. PASSMAN. The gentleman referred to $4 billion for foreign aid. There is $4,400,000,000 in the budget for foreign aid, not $4 billion.

Mr. WHITTEN. I am glad to be corrected, because when it comes to dealing with such large figures it is easy to get confused. But, as I say, we need support and help from the President if we undertake to reduce foreign aid, for every time we attempt to reduce it, and I have and will, we are told we are tinkering with our national defense. I do not agree with that, but you know the hue and cry which goes up each year.

Mr. Speaker, I have been a member of the subcommittee of the Committee on Appropriations handling our subcommittee on military appropriations for the last 2 years. This will make my third year. I tell you from the very depths of my heart and in all sincerity after months of testimony, in my opinion, there is more waste in the name and guise of national defense for which we get no real defense than in all the rest of the budget. Yet because the title "National defense" is placed at the head of the appropriation, it becomes a holy cow and cannot be touched because the American people have been scared to the point where, if we do not have the help of the President in pointing out these places where reductions may be made, we will not have much luck in cutting national defense back to the point where you get a dollar's worth of defense for every dollar spent. There is really the key to our inflation.

In defense bills present here on this floor it has been said: "We have something for everybody in these bills, something for everybody's district." I have in my pocket a statement showing that we have spent $80 billion with the 50 leading corporations in the country in the last 5 years. The stock of those corporations has gone up over threefold in the last 10 years. You should read the findings of our investigators on military procurement policies and practices. It led Secretary Wilson to say, it made him sad and mad.

We are in this Congress accepting the statement of the Defense Department that Russia has this, that, or the other, but not a body in this Congress has before it the Central Intelligence Agency, which sets up those figures submitted by our military, and which we must follow almost blindly.

Mr. Speaker, if you want to save money in this budget, and you will not hurt real national defense, the two places that we must work on if we really want to do something to stop inflation, if you want to do something to keep our economy from getting wrapped up in the military, which has led every other nation into war, you will have to operate on foreign aid, you will have to operate on national defense, yet I do not mean to hurt national defense, but getting out the water that is in it in trying to pump-prime certain favorites throughout the Nation.

Believing that, Mr. Speaker, I think it only fair to enlist the aid of our distinguished President so that we will stand united in cutting out the needless appropriations which have led to further and further inflation, that is leading our country to getting tied up more and more in pump-priming operations which led Germany into war, which led Japan into war. I have no apology on my part for asking the help of our President at this time when even he says we need to reduce the budget.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I think this resolution, H. R. 190, is one of the most important pieces of legislation that the Congress will consider this session. My desk is piled high with mail from people back in Indiana saying that this $72 billion budget must be reduced.

Every person in this Chamber can reflect their minds back to 1952 when candidate, not President, Eisenhower, and the late Senator Taft told the American people that this Government could be operated in peacetime on a $60 billion budget and keep up our defenses. Millions of Americans voted on the statement of those two distinguished leaders in 1952.

The Rules Committee has been holding hearings on resolutions offered by 4 Members on the other side of the aisle, very good resolution, to limit our budget to $65 billion. The gentleman from New York [Mr. PILLION] made one of the most outstanding statements before our committee this morning. I asked to have a copy of his statement furnished me. The gentleman from New York [Mr. PILLION] before our committee this morning made a statement that should be considered as one of the strongest reasons why this resolution should be passed.

Let me read you two lines from the statement of the gentleman from New

York [Mr. PILLION] made before our committee this morning. He said:

> The President's budget becomes the bible instead of being treated as an advisory request for appropriations.

The gentleman from New York [Mr. PILLION] was correct in that statement.

He further testified and I read verbatim from his statement:

> Appropriations are influenced, compared with, and controlled in a large measure by the President's budget.

That statement by the gentleman from New York, Congressman PILLION, a Republican, should be considered by every Member in this House when we vote on this resolution. The President should call together his department heads in conference and say to Mr. Humphrey, Mr. Benson, Mr. Weeks, Mr. Summerfield, and other department heads, "Where can we help the Congress in its effort to reduce this budget?"

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I am sure the gentleman does not want the House to get the impression that the gentleman from New York [Mr. PILLION] advocated this resolution.

Mr. MADDEN. No; I did not say that.

Mr. MARTIN. Well, the gentleman gave that impression.

Mr. MADDEN. But the statement before our committee this morning by the gentleman from New York [Mr. PILLION] should be the real testing argument on this resolution.

Mr. MARTIN. The gentleman from New York [Mr. PILLION] is not going to sacrifice his own obligations to cut that budget.

Mr. MADDEN. I did not say that, but when the gentleman from New York [Mr. PILLION] said that the President's budget has become the bible, I say that we should have help from the President and his department heads in reducing it.

Mr. MARTIN. During a Republican Congress the budget was cut. We did not think a budget was sacred. We did not dodge our responsibility. We cut the budget. And if you can, you should.

Mr. MADDEN. Mr. Speaker, I refuse to yield further.

Let me answer the gentleman's question by saying this: The President received a 9 million majority of the American people last November, and when the gentleman from New York, Congressman PILLION, a Republican, stated that the President's budget recommendation is the "bible" for expenditures, the Members of this Congress should take that literally and ask the President and his department heads to aid this Congress in reducing the size of this budget. If they cannot reduce it to $60 billion as they told the people in 1952, they certainly should aid the Congress in reducing the budget so that the taxload on the American people will be reduced. Only last week the subcommittee of the Appropriations Committee reduced the postal budget less than 2 percent and the administration through Secretary Summerfield denounced the committee in all the newspapers. We need help on the part of the executive department to cut this budget and reduce taxes. They spend the money and contract expenditures, not the Congress.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker and Members of the House, if I believed for one moment this rule, or the resolution that it makes in order, would be of any help and of any benefit in obtaining greater economy in the conduct of our Federal affairs, I would be the first to support it. I will be glad at any time to have anyone check my record as far as my economy votes in this House are concerned with the voting records of those who have proposed and are supporting this legislation.

A vote for this rule, or a vote for this resolution, is not a vote for economy. Instead, each will be a vote to pass the buck to the President of the United States and an attempt to escape our own obligations as Members of the Congress under the Constitution of the United States. The Constitution provides, as most of you, and I am sure all of you probably know, that all appropriation bills must originate in the House. Why, it was not until 1921, my friends, that under the Accounting and Budgeting Act we even had a budget sent to Congress by the President of the United States.

When my good friend, and namesake, the young man from Missouri [Mr. CANNON] was before the Committee on Rules yesterday, he frankly admitted this resolution was reported from his committee by practically—I think there was one change—a party line vote. He agreed with me as to the responsibilities and the obligations of the House as under the Constitution concerning this making of appropriations. He further agreed with me that this resolution will establish a precedent; that never in all of the years he has served on this committee—and I think he has been in the House about 35 years and was here before as Parliamentarian—was the President of the United States, even after 1921, after submitting his budget, ever requested to submit to the Congress suggestions of ways to cut or reduce it. Instead, he admitted to our Committee on Rules that the responsibility and the obligation, under the provisions of the Constitution, has always rested first with the House Committee on Appropriations, and finally with the House itself.

Mr. MULTER. Mr. Speaker, would the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. MULTER. Is it not a fact that this is the first time we have had a budget message from any President in which the President indicated that the budget should be cut?

Mr. BROWN of Ohio. No; I think I have known of instances of other Presidents doing the same thing. But let me say this to the gentleman: While I respect him very much, in my opinion he has never been considered a champion of economy in government, and I do not think he has earned the right to speak as such to those of us who have, over the years, consistently attempted to make cuts in appropriations.

Mr. MULTER. Would the gentleman yield further?

Mr. BROWN of Ohio. I do not yield further.

Never in regard to any of the budgets submitted by President Roosevelt and President Truman, when we were running great deficits, did the gentleman from Missouri [Mr. CANNON] or the other members of his party introduce a resolution in this House requesting the President to instruct us as to how we should reduce the budget, or as to how we should appropriate the funds to operate the Federal Government.

Mr. HALLECK. Mr. Speaker, would the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. These new-found advocates of economy in the Federal Government, my good colleague from Indiana [Mr. MADDEN] and the good gentleman from New York [Mr. MULTER], who just spoke, signed with 30 Democrats a statement of a program for the House of Representatives. They said in part:

> The proposed program for Democrats in the House of Representatives in this Congress goes beyond the administration's recommendations in a number of areas including the treatment and compensation of Government employees, revision of the labor-relations law, housing, revision of the tax laws, tax relief for small business, an improved unemployment program, assistance to industry in depressed areas, and the revision of farm legislation. The program also calls for a repudiation of the administration's partnership approach to the development of natural resources, and its replacement by what the signers of the proposed program describe as a return to the historic resources development partnership, including farmer cooperatives, public-power districts, private enterprise, and the Federal Government.
>
> * * * * *
>
> We favor an increase in the compensation of Government employees to meet the increased cost of living and to compare with the compensation paid to persons performing similar work in nongovernmental employment.
>
> * * * * *
>
> We favor the enactment of legislation to assist States and local communities in building schools and providing essential health and safety facilities to all schoolchildren. This legislation should be similar to that proposed in the last Congress. It should not include the unsound financial provisions recommended in the first Eisenhower education bill in the 84th Congress or the unworkable proposal for the distribution of funds incorporated in what was described by the Republican candidate as the one clear call to action on education.
>
> We favor an expanded program of Federal aid for medical education, hospital construction, and health services.
>
> We shall support increased benefits under the social-security program, the extension of coverage, and the raising of the wage base upon which benefits depend.
>
> We will propose and support an expanded and improved Federal housing program designed to meet the special needs of low-income and middle-income families, and senior citizens. We will also support an expanded urban redevelopment program.
>
> * * * * *
>
> The problems of drought relief and crop insurance would be met by the expansion, the improvement, and the effective administration of the existing drought-relief and crop-insurance programs.
>
> * * * * *
>
> We will work for a stepped-up, sound program of public works projects in rivers and harbors, hydroelectric, flood control, and public buildings to better utilize existing resources and provide better and more adequate facilities and services to meet the needs of an ever-increasing population in an expanding economy.
>
> * * * * *
>
> We will continue to work for the adoption of a generous Federal program to assist Indian tribes in the full development of their human and natural resources and prompt settlement of Indian claims against the United States, including negotiation and compromise in the best interests of both parties.
>
> * * * * *
>
> We will continue to press for legislation to compensate veterans and their dependents for the physical, economic, and the other losses which they have suffered as a consequence of military service.

Why, as a matter of fact, if they supported all those programs and they were in this budget, this budget would not be $72 billion, but would be for billions more.

Mr. BROWN of Ohio. I can speak for myself, and I feel I can speak for the Republican delegation from Ohio in this House; which was the first delegation to go on record unanimously in favor of cutting this budget. And so speaking, I will say that if the gentleman from Missouri [Mr. CANNON], as chairman of the great Committee on Appropriations, the author of this resolution, will give us the benefit of his great knowledge, his unusual parliamentary skill, and his clever thinking in reducing this budget as it should be reduced, we shall support him.

The SPEAKER pro tempore (Mr. MILLS). The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a very unusual resolution, it has one purpose and one purpose alone and that is to distract our attention away from the job of cutting the budget, which is up to the Committee on Appropriations and to this House.

The Democrats do not seem to be ready to go along with previous practice. There were some hearings held on this budget this year and there the gentleman from Texas [Mr. MAHON] offered a question. He asked for a table to be put in the record—and it appears on page 110 of the hearings on this budget—that the Committee on Appropriations has had printed. Those figures indicate, beginning with the 79th Congress, cuts in the appropriations ranging from $257,495,000 to $12,033,828,000. The largest cut was the first session of the 83d Congress. The lowest was the last session of the Congress last year.

You will remember that there were large increases above the budget in some items last year and it was only because of the reduction accomplished in the foreign-aid proposition that they did not appropriate more than the budget. They did raise the ante on military construction of airplanes by $950 million.

I do not know why we cannot go along and operate the way we have been going this year without having to ask somebody whose business it is not at this time to pass on the budget. We ought to have the sense to go ahead and cut it where it can be cut.

Frankly, I have been able to support the bills the committee has so far brought in. Instead of being marked up, they have been marked down, and that is the way to keep them going. We cannot keep them going that way unless we are on the job and attending to it; and that is our main business. We cannot do it by asking a question of the President.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. HOEVEN. Can the gentleman tell the House why this politically inspired resolution should take precedence over a very important emergency corn bill, which is again being unduly delayed?

Mr. HALLECK. I think by all means the measure dealing with the corn situation should have come on. As a matter of fact, it was scheduled that way. I recognize the right of the majority leader to change the program. He says new programs may be announced, so he announced this program. But of all the ridiculous, absurd things to be bringing in here to take the time of the House of Representatives when we have important things to do, I think this is really the worst.

Let us try to get this in perspective. The Budget and Accounting Act says a lot of things, but among other things it says that the President shall transmit to the Congress estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year. We have followed that through the years. The President has sent his budget suggestions to the House of Representatives, to the Congress.

I hope we still operate under a Constitution in this country, and the Constitution states:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law.

Why, that is the reason it is stated all the time that the Congress of the United States is the guardian of the purse strings of the Federal Treasury.

I am surprised and amazed that some of my good friends on the Democratic side of the aisle who through the years have made a record for economy—and in speaking of them I am not going to include some who have not made any such record at all, all the time I have been here—I am surprised at them, or I will be if they go along with this thing, which I think is just a kind of crybaby act.

My good friend from Indiana referred to certain testimony before the Committee on Rules to the effect that it was up to the agencies to come in and show where the cuts should be made.

If you will read the report that accompanies this, you will find out first of all that the President and the executive branch has ordered the departments to do now what they have done all along in this administration and that is to conduct a day-by-day, week-by-week, and month-by-month search for places to save the taxpayers' money. That is what I want. That is what you ought to want. The report also states:

> This drive to retrench is apparently already under way, for only 10 days ago the Director of the Budget advised the committee that each department had been requested to submit to the Bureau of the Budget recommendations as to where cuts, both in fiscal years 1957 and 1958, can be made. Furthermore, it is the Director's plan to take up the matter with the Cabinet.

Now, my friends here who support this resolution, what more do you want? Already the executive branch is doing everything that could possibly be fairly required of it to carry on with the making of these economies.

Mr. Speaker, I want to get back to this fundamental proposition.

Mr. MADDEN. Mr. Speaker, will the gentleman yield since he mentioned my name?

Mr. HALLECK. I yield.

Mr. MADDEN. I just want to correct and clarify a statement that my good friend from Indiana made a moment ago regarding my signature being attached to several legislative propositions. Let me say; there is nothing contained in those legislative propositions that we advocate that President Eisenhower did not advocate in the last campaign.

Mr. HALLECK. I do not know whether that is true or not. I just happen to believe that it is not true, but the gentleman is entitled to his opinion and I am entitled to my opinion. I think the American people understand what the issues were in that campaign. The President received a majority of 9½ million votes. He ran pretty well.

Mr. MADDEN. Advocating the very things contained in these legislative proposals.

Mr. HALLECK. Then why did you and your Democrat colleagues say in your statement, "the proposed program for Democrats in the House of Representatives in this Congress goes beyond the administration's recommendations in a number of areas"? The President drew a line. All I can say is I wish everybody who is an advocate of economy in Federal spending would read that piece in the CONGRESSIONAL RECORD which 30 of you started with and now some 60 or 70 of you advocate in the way of programs because I say again—I will not say that many of these objectives are not worth while—many of them are desirable, but all I want to say is that if your proposals were put into effect, Heaven only knows what this spending budget would be. The statement is found in the RECORD for January 30, 1957, at page 1324. It comes with poor grace, in my opinion, to try to shift the burden from the Congress of the United States where the burden really lies and to try to put it on the shoulders of the Executive.

Again, may I say, the President followed the law. He sent his budget to the Congress of the United States. Immediately that that budget was here received, Mr. Chairman of the Committee on Appropriations, you took on a responsibility. I have heard you talk about economy around here. Good, let us get busy. If there are places here where we can cut this budget, let us do so.

Mr. Speaker, there is one other thing that I would like to point out. I think sometimes committees protest too much. In the final paragraph of their report, the committee says:

> It should not be inferred that the committee in anywise is suggesting that the House, or the committee, abdicate its constitutional responsibilities.

Then, they go on to say they are not necessarily going to follow these recommendations.

I said earlier in this session, and I will say it again, before the session is over, a lot of you people here who are talking about economy are going to be up here spending more money while on our side of the aisle, standing with our great President, we are going to be voting to keep down the expenditures of Government. So I say this rule ought to be voted down. The House should not spend its time fooling with such a matter as this. I sincerely trust that this rule will be defeated.

Mr. SMITH of Virginia. Mr. Speaker, I yield 6 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am sure my colleagues on both sides, and particularly on the Democratic side, realize that the gentleman from Indiana [Mr. HALLECK] was not his usual self when he was speaking a few minutes ago. It was very apparent that he realized he had a very weak case.

It was very apparent that he realized inwardly, although he will not admit it outwardly, that the mere cry of being political is not going to satisfy the American people. It was apparent to me that he realized, as did the gentleman from Illinois, Mr. ALLEN, who said that "this is the first time in the history of the country that any thing like this happened," that this is the first time in the history of the country that Cabinet officers have repudiated the President of the United States. This is the first time that I know that the President's own political party has repudiated him, because they have come out themselves. I am wondering if this is not a device of the Old Guard Republicans to take a collateral and backhanded attack at the President. It has all the appearances of that to me.

The gentleman from Ohio [Mr. BROWN]—and there is none better; he is tops in my book, personally, and as a legislator; there is no one more clever than he—says he believes that this resolution will prevent economy. What ground has he to believe that the President of the United States would not respect a request from the House of Representatives?

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Having mentioned the gentleman's name, I yield briefly.

Mr. BROWN of Ohio. It will prevent economy by delaying the House in doing that which it ought to do.

Mr. McCORMACK. Oh, no. As a matter of fact, what we should have done in the light of Humphrey's statement, in the light of the statement of the Republican policy committee, what the Democrats should have done is to send the budget back to the President. That is what we should have done, and made him send up a real budget.

Only a few days ago President Eisenhower himself said that there are many projects in his budget message that can be deferred. If that is so, does he not have the constitutional responsibility of letting the other coordinate branch of our Government, the legislative branch, know about it? If we are going to appropriate money and then, after appropriating it, he is going to freeze it—and that is what that statement intimates, and he knows what those projects are—do you not think he has the constitutional responsibility of letting the Congress of the United States know what they are?

The gentleman from Indiana [Mr. HALLECK] says, "Week by week and month by month, the President and the Cabinet have been trying to make a survey to reduce the budget message."

This resolution invites the President to convey to the Congress the results of those week-by-week and month-by-month surveys. The only thing I see as a result of their surveys is that they intend to increase the personnel of the Federal Government by 105,000 employees. Where is the economy there?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Having mentioned the gentleman's name, I yield briefly, yes.

Mr. HALLECK. I referred to the report of the committee——

Mr. McCORMACK. I am yielding for a question.

Mr. HALLECK. Will the gentleman yield for a correction? The reference I made to the week-by-week and day-by-day survey was not a survey in respect to a new estimate for the budget, but that that survey was with reference to the fact that the expenditures be kept below the budget estimates, not only for the upcoming fiscal year but for the past fiscal year.

Mr. McCORMACK. Well, I go to a higher authority than the gentleman. The President of the United States on March 7, in a press conference, said, "I am now making, with the Cabinet and other responsible officers, surveys to see whether some of these cannot be slowed up."

Those projects are what he had in mind; the appropriations he recommended in his budget must be slowed up "in order to reduce our spending and take that much pressure off the rising curb of which you speak."

One of the reporters asked him a question in connection with the increase in the cost of living. That was his answer only a few days ago. So I will quote a higher authority than my friend from Indiana who is supposed to be the official spokesman of President Eisenhower here in the Congress.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes, for a question.

Mr. HALLECK. I think the question——

Mr. McCORMACK. The gentleman is in a weak position; he is in very bad shape, floundering around.

Mr. HALLECK. You let Mr. HALLECK look after that.

Mr. McCORMACK. Mr. HALLECK can look after it, but I am entitled to do my own evaluating.

Mr. HALLECK. Now will the gentleman permit me to ask a question?

Mr. McCORMACK. Sure.

Mr. HALLECK. Does the gentleman mean to say that the President is a greater authority than the chairman of the great Committee on Appropriations, the gentleman from Missouri?

Mr. McCORMACK. The President of the United States has the whole machinery of Government at his command.

Mr. HALLECK. I asked the gentleman——

Mr. McCORMACK. Wait a minute; he has 470 employees alone in the Bureau of the Budget. He has budget officers in every department and every agency. He has hundreds of millions of dollars appropriated that he can use if necessary for the purpose of preparing his budget.

I am amazed at the statement of my friend from Indiana.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, let us frankly recognize the proposition before us today for what it really is. The majority leadership has brought it here simply as a political maneuver designed to deceive the people. But I am quite sure the American people will not be deceived by idle gestures. This Democrat-controlled Congress will be evaluated not by such a masquerade of words, which this proposed resolution represents, but by what it actually does as the individual appropriation bills come before us.

At this very minute we should be working on the pending emergency legislation to help the corn farmer. Instead we are indulging in all this political claptrap that is meaningless, except as the Democrats who control the legislative program hope that it will serve their selfish political ends and provide them, the acknowledged spenders, with a propaganda line.

My hope is that this House will stay in session this afternoon, attend to its real responsibilities, and act on matters vital to the country instead of consuming all this precious time on something of this character. All important business directly affecting the people's welfare has been set aside by the Democrat majority leadership for an afternoon of politics, pure and simple and, I might add, somewhat disgraceful. Can it thus be concluded that this Democrat-controlled Congress is more interested in its

own potential political fortunes as a party than in the country's urgent needs?

It has been truly said: "By their deeds ye shall know them". Words become empty in the light of contradictory deeds. And so, let us look briefly at what has taken place over the last several years that the Democrats controlled the Congress. Let us recall how, and by whose hands, the Federal budget grew and grew.

I ask you, as the American people are asking, why have we not had legislative action on the recommendations of the Hoover Commission during these last several years? President Eisenhower has repeatedly urged their early consideration by Congress. In the last Congress he sent up a special message urging action, but the Democrat leadership left them to die in the Committee on Government Operations. There they still remain, although you have had and now have the control to effectuate the recommendations that would actually make possible budget expenditure reductions.

And more than that, while allowing economy measures to be ignored, you have added yourself to the budget. Take the civil functions of the Corps of Engineers, for example. A significant increase in the President's budget recommendations for fiscal year 1958 was required—I repeat, it was required—because of the action taken by the Democrat-controlled Congress in 1956 and 1957 civil functions appropriation bills. Specifically, the House added 64 unbudgeted new starts on projects to the President's recommendations for those years. These projects had an estimated total cost of over $856 million, and about $57 million in the 1958 budget is required to continue work on these projects you initiated.

The other body added 96 projects, costing a total of $900 million more. Thus we find in this 1958 budget $168 million for projects initiated by the very people who then, as now, controlled the Congress, but today are presenting this pretense of interest in reducing expenditures.

That is the way the budget grew, and that is why there are these additional requests in the 1958 budget. Always bear in mind that individual items costing $5 million, $10 million and $15 million and up become huge sums.

There is a saying in the "street," amongst the betting fraternity: "Put your money where your mouth is." We should use our mouths in solid voting for actual reduction in appropriations and not in uttering a lot of words. That is what the people want—action, not words.

And so, I remind the gentleman from Mississippi [Mr. WHITTEN] that it was his side of the aisle, under the leadership of himself and his party, that there was added such substantial sums, such as the $900 million or more for projects not requested by the Eisenhower administration budgets.

We must be realistic. Let us act with responsibility. Let us cut where cuts should be made. And let us stop adding recklessly to the budget and then when the expenditures mount complain because they are so large and try to put the blame on someone else.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT of Pennsylvania. Mr. Speaker, I never thought that we would have to go back to this kind of fundamentals in this body. But let us begin with the Constitution, article I, section 1:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Nobody has any responsibility but this body and the other body to decide how much we shall spend and how much we shall appropriate and how much money we shall raise to do it.

It seems to me that this Democratic-controlled Congress in fostering this resolution is in the position of writing a letter to the President of the United States in which you are saying to him something like this: "Dear Mr. President, we have looked your budget over. We cannot agree on how to cut it. Of course, you understand, Mr. President, we want to vote for all the projects that our constituents want. Now, Mr. President, this is very embarrassing but we have thought of a way to eat our cake and to have it, too. You tell us where to cut it. We will then ignore your suggestions. In that way we can vote for bigger spending and we can blame the result on you."

You can sign it "sincerely" if you desire.

What reductions have you gentlemen made? What economies have you made? What belt-tightening have you voted for? What savings have you offered to give the people?

You say the budget is not realistic. If it is not realistic it is up to the Congress to say where it is not realistic. You cannot evade, you cannot abrogate, your responsibility, otherwise what do we have committees for? What do we have all of these expert staffs for? What do we have a Congress for?

Mr. Speaker, it seems to me that this is nothing in the world but a political attempt to pass the buck to the President by admitting the inability and the unwillingness of the majority leadership of this House to do its plain constitutional duty.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Speaker, this rule and resolution calls for the most complete and abject abdication of responsibility and duty that I have ever seen. It is more than a pass-the-buck play; it is a multi-billion-dollar pass-the-buck effort.

As you have been told, and as you know, it is the constitutional job and the sole responsibility of the Congress to control appropriations. If this Democrat-controlled Congress will do as good a job as the 80th and 83d Republican-controlled Congresses, these appropriations will be reduced. You can reduce the Federal debt, you can reduce the spending. You have the votes if you have the will and, as we say out in Kansas, if you have the guts to do it.

You know as well as I do that the President of the United States, the executive department, cannot spend one single solitary nickel that has not been authorized by laws passed by the Congress and thereafter money appropriated for the purpose. Since 1930 every Congress except the 80th and 83d have been a Democrat-controlled Congress. Since 1930 the budget has gone from $3.3 billion to $71.8 billion as the result of laws passed by the Congress, most of which, of course, were passed by Democrat-controlled Congresses, just as you have control today. You have a Democrat Speaker, you have a Democrat chairman of every committee, legislative or appropriation, you have a Democrat majority. As I said a while ago, you have the power, you have the votes, if you have the guts to reduce this budget.

One conclusion is inescapable. For the most part, the laws which have been passed calling for and making possible bigger and bigger spending, calling for bigger and bigger taxes, have been passed by Democrat-controlled Congresses.

On the other hand, the only two Republican Congresses—the 80th in 1946–47 and the 83d in 1952–53—made outstanding records of reducing Presidential requests for appropriations. These two Republican Congresses reduced the Federal payrolls; we reduced the Federal debt; and we reduced taxes.

Now the facts are just this simple. The Democrats have the majority in this, the 85th Congress, just as they had in the 84th Congress. Every chairman is a Democrat. The majority on every committee is Democrat. They have the votes to cut the appropriations. They have the votes and the power to repeal spending programs.

Now, Mr. Speaker, the President's budget is no more nor less than a request that Congress appropriate $71.8 billion. Like any request, it can be refused, in whole or in part. In presenting it to us, he has fulfilled his legal obligation.

There has been a lot of talk about "the biggest peacetime budget in history." Peace—yes—in the sense that since early 1953, not a single young American has died on a foreign field of battle. Peace—yes—but—an uneasy peace—and it will be uneasy as long as Soviet Russia is a threat to the peace of the world—including us.

The last two real peacetime years were 1939, just before World War II, and 1949, just before the Korean debacle.

Were it not for Russia's mere existence—we could whack $20 billion tomorrow.

It is inspiring to learn that most of the Democrat leaders are now urging, "Cut the budget."

A lot of us have been working on that for years without much help from them. Some of those very men calling for cuts this year are the same ones who forced the Defense Department last year to take $900 million the Defense Department did not even ask for.

Of course, the President and his department heads should seek to reduce

spending—but in all fairness, it should be realized that when Congress passes a law calling for certain programs, it takes people to do these things. People means payroll—payroll means spending—and spending means taxes.

Foreign aid, of course, can be cut. Military—some cuts are in prospect. How about agriculture? Will you cut a big deficit of $700 million a year in the Post Office by raising postal rates? How about Welfare? Health? National forests? Power dams? Public Housing? Aviation assistance? Civil defense? Business aids? Rural electrification? and Telephones? Increased pay for all Federal workers? School lunch? Veterans pensions? Veterans hospitals and other benefits? The FBI? Our courts? Immigration? The Weather Bureau? Atomic energy? Farm surplus programs?

Those are the questions. It'll be interesting to see what answers this 85th Congress will give us after all their talk about economy.

I repeat, Mr. Speaker, the Democrat majority in this House has the votes to cut—it has the power to cut—if it has the guts—or, if you prefer—the will to do so.

As a member of the Republican minority, I will be right there helping cut this budget to the lowest possible figure.

I, for one, will accept the responsibility the Constitution places on me as a Member of the House of Representatives.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remaining time on this side to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, if this is not purely a political gesture I never saw one, and I would judge from the comments of the various speakers that they all think it is. I regret to see the Congress come to such a position where it is shirking its own responsibility. It is passing the buck to the President to do what is its constitutional obligation. We forget that until 1921 no President ever was called upon to submit a budget to the Congress. Money is the chief obligation of Congress. The Congress did the spending, and it is our prerogative and our duty to control the purse strings. If we do not like this budget—and I am one of those who do not; I am one who believes that it can be substantially cut, and I am going to try to cut it. But let us do the job that we took the oath of office to do.

Now, do not let anyone think this fake economy resolution is going to clear anybody with the American people as to their being for economy. You cannot fool the people. You may think you can, but you will find differently. People are smarter today than some people think they are, and they have ways of getting information. This resolution is not an economy vote. This is a buck-passing vote pure and simple.

We are going to have another vote a little later. A billion dollars will be in issue. I hope that some of the fake economy boys will be voting for an amendment that will really help economy. The time to save money is when the motions to increase spending are before us.

In fairness let us remember that the budget is one largely dependent upon new obligations forced upon the Treasury by the Congress. Let me show how the budget has grown. In 1950 we spent $2,900 million upon agriculture and now 8 years later $4,965 million. The national security defense bill accounts for $30 billion of the increase. All the civilian activities increased about $2 billion. Veterans costs went up $900 million; interest charges from $5,817 million to $7,360 million; public assistance from $1,125 million to $1,634 million.

There are many new proposals for spending. If these are enacted it of course means higher budgets and higher taxes. There is no escape. You must pay for the services you vote. This Democratic Congress must bear the full responsibility. The Congress spends the money and the people know it. The President cannot spend a thin dime that is not given him by Congress.

Let us vote against the rule and let us go on with the legislation that the people who sent us here want.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

A CALL FOR PUTTING THE BRAKES ON FREE-WHEELING FEDERAL SPENDING AND FOR AT LEAST A $3 BILLION CUT IN THE PROPOSED BUDGET

Mr. CRAMER. Mr. Speaker, it is essential that Congress this year put the brakes on freewheeling Federal spending. I am convinced that the $71.8 billion proposed budget for fiscal 1958 can be substantially reduced without impairing any essential Government service by a minimum of $3 billion. The American people, including those in the First District of Florida, are aroused, and justifiably so, over the rapid increase in Government expenditures, which have increased from $64.6 billion in 1955 to $71.8 billion proposed in 1958. This increased spending which, of necessity, requires a continuation of high wartime emergency tax rates, prevents any relief for today's overburdened taxpayer. Although the budgets for 1956–58 are balanced and allow some reduction of $5.1 billion in the national debt, the continued increase in spending has ruled out needed tax reductions.

The present budget proposal seems to be permeated with the philosophy that because our great national prosperity is bringing in increased tax receipts the Government is entitled to increased expenditures equal to increased tax receipts. Every bureau and department asks for more money; to expand authority and to increase the number of employees.

A $3 billion budget reduction would merely mean a 5 percent across-the-board cut in other than fixed expenditures, and my experience with governmental agencies convinces me that such a cut would in no way hamper the rendering of essential service.

I am firmly convinced that a $3 billion cut could be effectuated by removing a billion dollars of fat and duplication from the $38 billion Department of Defense budget. Another billion could be cut from foreign aid, which is scheduled for $4.4 billion, and another billion from the $19.1 billion for other governmental activities, exclusive of fixed interest charges.

As earlier pointed out, it is up to Congress to halt this cascade of Federal spending. This body must under the Constitution authorize and make all appropriations before the budget requests can become effective. However, a great deal of the time appropriations are made to meet the demands and pressures from people back home. This, I think, has become apparent to the American public who are now ready to pull in their belts and recommend to each Member of Congress soul-searching study of absolute necessity in each request made.

In my opinion there will be a substantial reduction in the budget this year with a substantial reduction in the national debt and some possible tax cuts as a result. The Republican policy committee has stated Republican position for a reduced budget, the President and Secretary Humphrey have put their stamp of approval on a reduced budget and, I believe, will provide the needed leadership to accomplish that end.

BUDGETARY MALPRACTICE

Mr. MULTER. Mr. Speaker, on February 5, 1957, while the House was considering the urgent deficiency appropriation bill of 1957, I addressed the House in part as follows:

> Mr. Chairman, I dare predict that when the history of this era is written, this administration will be referred to as the great buck-passing administration. The President has passed the buck to us on domestic policy. He has passed it to us on foreign policy. He has passed it to us on monetary policy. He has passed it to us for budget making.
>
> I do hope, in fact I am almost certain, that this great Committee on Appropriations under the leadership of the distinguished chairman, the gentleman from Missouri [Mr. CANNON] is going to do a good job in cutting that budget.
>
> I have a suggestion to make, and I do hope the Appropriations Committee will not think that one who is not a member of that committee is presumptuous in indicating a course of action. I suggest that the head of every department seeking an appropriation be advised that unless that department comes in and shows to the committee how it can cut the proposed budget by at least 10 percent, that you will cut their request 10 percent straight across the board. If they cannot come in and justify the figures submitted, warn them that the first 10 percent is going to come out of the salaries of the exempt jobs. Tell them that you are going to cut 10 percent off their salaries if they cannot show you how they can cut their own budget. Everybody in the administration says the budget is too high and that it can be cut and it should be cut. Then, the administration leaves it to the Congress to find the ways and means of doing it.

The resolution by the distinguished chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], will come before the House for action on adoption of the rule we are now considering. The gentleman's resolution follows, in part, the suggestion which I made to the House on February 5, 1957.

It indeed would be comical, if it were not so tragic, to hear our Republican friends talk about the unusual action we are about to take in urging the President to perform his constitutional duty. It is just as strange to watch our Republican colleagues take refuge in the Constitution and pretend that the job to be done is that solely of the Congress.

If this action we are about to take is unprecedented, it is brought about by the new precedent established by President Eisenhower and now sought, so illogically, to be justified by the members of his party in the House. There has been no President in the history of this country who has ever sent a budget request to the Congress and then told it that the amount requested cannot be justified and must be cut.

History is indeed being rewritten by this administration. Heretofore, the President and the heads of his departments have sent in their budget requests and then staunchly defended them before the Congress and its committees, urging that the Government could not be properly operated unless they receive the minimum amount requested.

True, there have been times when the Congress has appropriated for very specific projects more money than the executive departments have asked.

This administration presents the sad spectacle of the President and top members of his Cabinet insisting that the President's budget requests must be cut and, at the same time, refusing to tell Congress how and where the cuts should be accomplished.

Only last week, top Republicans made speeches about the increased budget being brought about by the necessity of increasing our defense budget. To make the argument, they, of course, ignored the facts.

The budget, as presented for the new fiscal year, is almost $72 billion, an increase of more than $7 billion. Of that increase, less than $2½ billion is for national security. Over a billion dollars of the increase is for international affairs and finance. Half a billion is for commerce and housing. Over a billion dollars of the increase is for interest, all of which increase must be laid at the doors of this wasteful big-business administration, whose main interest in life is big business and big banking.

In the Department of Agriculture alone, so that Secretary Benson can build up bigger surpluses and greater deficits, he proposes in his budget to increase his personnel by 12,132 persons.

The latest monthly figures show a 4-point drop in farm prices and a 2-point rise in the cost of what farmers must buy. Secretary of Agriculture Benson criticized the "swollen bureaucracy" that he took over in 1953. In 20 years of supporting farm prices under the Democrats, the cost to the Government was just over $1 billion. Under Mr. Benson, during the last 4 years, that cost has been just under $3 billion. He consistently attacked the $2½ billion in farm surpluses warehoused under the Democrats and then succeeded in building up those surpluses under his own administration to more than $8 billion.

I remember well how our Republican friends screamed to the high heavens under Democratic administrations that there was no excuse for having a greater number of Federal employees than two million persons. The Eisenhower administration by its budget proposes to increase Federal employees to 2,447,933, an increase of almost 76,000 over the year 1956. Let us put a limit on this administration of 2 million Federal employees. That will be 1 Federal employee for every 83 men, women, and children in the country. That should be enough.

If there is any politics in this resolution, it is being dragged in by our Republican colleagues in an effort to camouflage and cover up their mismanagement, an effort that we on the Democratic side are determined to condemn to failure.

Mr. POFF. Mr. Speaker, political chicanery and legislative hyprocrisy have no proper place in the Chamber of the House of Representatives. It would perhaps be unfair to say that House Resolution 190 is the product of such, because doubtless many Members of this body are actuated by the purest and most patriotic motives in their support of this resolution. However, it is fair to say that the effect, calculated or otherwise, will be political buck-passing of the most indefensible type. Never fear but that the American people will readily recognize it as such.

No matter how hard the Congress may by such resolutions try to conceal the fact, the fact still remains that the size of the spending budget is the constitutional responsibility of the Congress. The Chief Executive has no constitutional authority to appropriate a single spending dollar. Neither can he authorize new program starts. Only the legislative branch can do so. The executive branch can spend what and only what the legislative branch makes available to it. Accordingly, passage of this resolution will be a shameless abdication of the constitutional responsibilities of this body.

Those who authored this resolution think that those who vote against it will be put on the political spot because their vote may be interpreted by some as a vote against economy. They are mistaken. The people will judge their Representative's economy record on the basis of every spending bill which comes before the House this year. The test of the sincerity of those who vote for this resolution will be their voting record on the individual spending bills. Any Member of the House who votes for this resolution and later this session votes for a single budget increase or against a single budget cut will be called to account for their duplicity. The people are not easily fooled by plays to the political grandstands.

Those of us in Congress who favor tax relief and oppose centralization of power in Washington were greatly disappointed in the $72 billion spending budget recently presented to the Congress. We feel that it can be reduced and we are pledged to do everything in our power to see that it is reduced. Any reduction that can be effected without impairment of essential governmental services will have President Eisenhower's blessing. Indeed, he has already welcomed every constructive criticism. However, what he does not welcome and what no fair-minded person welcomes is the destructive criticism which is so obviously colored by the paint of partisan politics. Those who currently are offering the loudest criticism are the same people who have in the past consistently voted to increase budgeted appropriations. They are the people who preach economy for the headlines but practice extravagance on the record.

In 1933, our total spending budget was only $6.7 billion. By 1953, it was $74.6 billion, representing better than a 1,000-percent increase. In that 20-year period, the Federal Government spent a total of $775 billion. That figure is equal to more than 15 times the value of all the monetary gold in the world. During the years of the Truman administration alone, total expenditures were $415 billion. That sum is equal to 4 times all of the money spent by the Federal Government between the years 1789 and 1933. Moreover, a great part of this spending was done on a deficit basis. In 1933, the national debt was $22 billion. By 1953, it was $267 billion, representing a 1,171-percent increase. The interest alone on that debt was $75 billion, $3 billion more than all of the spending projected for every phase of Government endeavor under the new 1958 budget.

As former President Truman was leaving office in 1953, he presented his spending budget for peacetime 1954, totaling $77.9 billion. This budget which President Truman said could not be cut a thin dime, estimated a $9.9 billion deficit for 1954. Even though during the postwar readjustment period actual Government revenue fell $3.3 billion below the estimate, the Republican 83d Congress cut this deficit to $3.1 billion. The 1955 deficit was reduced to $2.9 billion. In 1956, the deficit was replaced with a $1.6 billion surplus. In fiscal 1957, which ends next June 30, we will have accumulated another $1.7 billion surplus. In the new budget for fiscal 1958, there is an estimated surplus of $1.8 billion. The combined surplus for these 3 fiscal years, aggregating $5.1 billion, will be applied as payments on the national debt. This debt payment will save the American taxpayers approximately $150 million in interest payments.

President Eisenhower's critics complain that the big spending budget contributes to inflation which robs the dollar of its purchasing power. There can be no doubt but that excessive spending by Government has some inflationary impact. However, when the budget is balanced as it is today, the force of that impact is minimized. The real stimulant to runaway inflation is deficit spending accompanied by deficit financing. History proves that fact. Between the years 1939 and 1953, the Federal Government spent $327 billion more than it took in. During that same period, the value of the dollar fell from

100 cents to 53 cents. Since 1953, while the annual deficit was being steadily reduced, the budget was being balanced and the accumulated surplus was being applied in payments on the national debt, the value of the dollar fluctuated about 3 pennies. Moreover, prior to 1953, there were strict Government controls on credit, prices, and wages which were supposed to retard inflation; since 1953, fiscal stability has been achieved in an economy free of these artificial controls.

This policy of fiscal stability benefits the so-called little man in this country. The big man with a lot of dollars can absorb the loss of the purchasing power of his dollars, but the little man with a few dollars suffers a real hardship when his dollars buy less and less at the grocery store. Accordingly, every wage earner in this country with a modest income should be the first to demand a reduction in Government expenditures, a balanced budget, and a regular annual payment on the national debt.

Mr. Speaker, I shall vote against the resolution as a protest against this transparent attempt to play politics with the Nation's fiscal affairs. I shall also accept my one Member's share of the constitutional responsibility of Congress by standing up and voting for every budget cut which does not impair any essential Government obligation. On the basis of those votes I am willing to be judged by my constituents.

Mr. ULLMAN. Mr. Speaker, I would like to take this opportunity to explain my stand on this resolution.

I have found it very strange during the last few months to observe the reaction of various administration officials with regard to the President's budget. After the President submitted this budget, various members of his administration publicly stated on frequent occasions that the budget was too large and that it should be reduced. The instances in which these statements have been made are numerous and can be found by any cursory reading of the newspapers.

Mr. Speaker, I voted for this resolution because I think the administration should have an opportunity to point out where and how, and to what extent the budget should be reduced. I regret that my Republican colleagues have not found it possible to join with their Democratic brethren in granting the President this opportunity.

However, I wish to go on record now, and I believe that most members of the Democratic Party will agree, that while I favor a reduction in the budget, I will sanction no reduction which will impair necessary governmental services to the people, nor which will prevent the construction of certain necessary public works. After all, it has been the Democratic Party which has greatly aided in the development of areas such as the Pacific Northwest by construction of dams and other facilities. Nor can it be forgotten that it was the Democratic Party which first established and implemented a program of social legislation, which still continues.

Mr. Speaker, I earnestly hope that the President can suggest a reduction in the budget which the Democratic Party can support and which will also gain the support of his administration.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, I regret the turn that this debate has taken this morning. I am sorry to see it become a political issue. I think those who know me here know that I have been earnestly and sincerely concerned about cutting appropriations over the years. I have cooperated with the Members on the left and I have cooperated with the Members on the right who have sought to reduce expenditures of Government.

Mr. Speaker, I am supporting this resolution, and I want to say to you that I am not supporting it from any political motives on one side or the other. I am supporting it because the most serious thing before this Congress is to cut these appropriations, and cut them now. I am supporting it because you know as well as I do that the country is for cutting these appropriations, and I believe that the membership of this House, by and large, is very serious and very earnest and very sincere in their desire to cut these appropriations and to cut them in the places where they will do the least harm to the administration of Government. Therefore, I think it is entirely in order, and I regret to see my friends opposing it. I think it is entirely in order that we should ask the President if he can help us. Maybe he can. We need all the help we can get. I welcome help on this project from any source. Certainly I welcome it from the President, who has the responsibility for sending us the budget.

Why all this political furor about asking the President if he will not help out on what he has said ought to be done and that he hoped we would do? I think we have gotten off on the wrong foot on this resolution.

Sixty-five of my very sincere and earnest colleagues on the Republican side have sent a letter to the Committee on Rules asking that committee to vote out a resolution to cut this budget to $65 billion. I know that those gentlemen are sincere in their desire, but I believe that they want all the help they can get from the President on that subject. Why should we not ask his help? Why should we not welcome his assistance? Why should there be all this political furor about something that ought to go away over and beyond the question of politics? Because we are all interested in it, and all of our people, whether they are Democrats, Republicans, or mugwumps, are interested in this matter of reducing these appropriations in order to make it possible some good day to reduce the tax burden that is so heavy on the backs of the American people.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. MASON. As one of the signers of that letter, I do not need, and I do not want, any advice from the President on where to cut. I know where to cut, and I have already stated where it can be cut.

Mr. SMITH of Virginia. I just differ with the gentleman; I want all the help I can get from every source.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. I am completely convinced that the President is as interested in economy in Federal spending as any one of us here. I call attention of the gentleman to the report itself where it says:

> This drive to retrench is apparently already under way, for only 10 days ago the Director of the Budget advised the committee that each department had been requested to submit to the Bureau of the Budget recommendations as to where cuts, * * * can be made.

Mr. SMITH of Virginia. I think that is fine. Why not give him a little encouragement? Do not laugh. I did not mean that remark to be funny. Do not let us laugh while the American taxpayers cry for relief. Let me say that this is not a laughing matter, this is not any joke. I am in dead earnest. I am not trying to inject politics into this matter. I am not trying to put anybody on the spot and, above all, I am not trying to duck my responsibility for cutting these appropriations.

I want this House to remember what I said a few days ago, that it does not make any difference what the President recommends, it does not make any difference what he ask him, it does not make any difference what he replies. The responsibility for this is on our backs and we cannot take the monkey off our backs and put it on the President.

We pass the authorizations for these appropriations. We have been very extravagant on that and we must all take our share of that blame. The budget can be cut. These appropriations can be reduced. Some very desirable projects can be deferred to a better day. If the President can give us any advice on that, certainly I, as one who is seriously and earnestly for reducing these expenditures, will welcome that advice.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Speaker, may I remind the gentleman that the Secretary of the Treasury and the President both expressed the hope that this budget would be cut. Our subcommittee took them at their word. We cut the appropriations for the Post Office Department 1.7 percent, less than 2 percent, and yet we have been castigated by the Department from one end of the United States to the other. They have been telling the people that the cut will ruin the postal service, and that they will have to fire a great many of their employees.

Mr. SMITH of Virginia. Let me say to my colleague, who likewise is devoted to economy, that the castigation he has received because of the Post Office Department appropriation bill is not going to be a drop in the bucket to the castigation he and other Members are going to get from their constituents,

from the people who elected us to Congress, unless we drastically reduce these appropriations.

Mr. Speaker, I move the previous question.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

Mr. ALLEN of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 219, nays 185, answered "present" 1, not voting 27, as follows:

[Roll No. 17]

YEAS—219

Abbitt	Forrester	Natcher
Abernethy	Fountain	Norrell
Adair	Frazier	O'Brien, Ill.
Addonizio	Friedel	O'Brien, N. Y.
Albert	Garmatz	O'Hara, Ill.
Alexander	Gary	O'Konski
Anderson, Mont.	Gathings	O'Neill
Andrews	Gordon	Passman
Anfuso	Granahan	Patman
Ashley	Grant	Perkins
Ashmore	Gray	Pfost
Aspinall	Green, Oreg.	Philbin
Bailey	Gregory	Pilcher
Barden	Griffiths	Poage
Baring	Hagen	Polk
Barrett	Haley	Powell
Bass, Tenn.	Hardy	Preston
Beckworth	Harris	Price
Bennett, Fla.	Harrison, Va.	Rabaut
Blatnik	Hays, Ark.	Rains
Blitch	Hays, Ohio	Reuss
Boggs	Healey	Rhodes, Pa.
Boland	Hébert	Rivers
Bolling	Herlong	Roberts
Bonner	Holifield	Robeson, Va.
Boykin	Holland	Rodino
Boyle	Huddleston	Rogers, Colo.
Bray	Hull	Rogers, Fla.
Breeding	Ikard	Rogers, Tex.
Brooks, La.	Jarman	Rooney
Brooks, Tex.	Jennings	Roosevelt
Brown, Ga.	Johnson	Rutherford
Brown, Mo.	Jones, Ala.	Santangelo
Brownson	Jones, Mo.	Saund
Buckley	Karsten	Scott, N. C.
Burleson	Kee	Selden
Byrd	Kelley, Pa.	Sheppard
Byrne, Pa.	Kelly, N. Y.	Shuford
Cannon	Keogh	Sieminski
Carnahan	Kilday	Sikes
Celler	Kilgore	Sisk
Chelf	King	Smith, Miss.
Christopher	Kirwan	Smith, Va.
Chudoff	Kitchin	Steed
Clark	Kluczynski	Sullivan
Coad	Knutson	Teague, Tex.
Coffin	Landrum	Teller
Colmer	Lane	Thomas
Cooley	Lanham	Thompson, La.
Cooper	Lennon	Thompson, N. J.
Davis, Tenn.	Lesinski	Thompson, Tex.
Dawson, Ill.	Long	Thornberry
Delaney	Loser	Trimble
Dempsey	McCarthy	Tuck
Denton	McCormack	Udall
Dingell	McFall	Ullman
Dollinger	McGovern	Vanik
Donohue	McMillan	Vinson
Dowdy	Macdonald	Walter
Doyle	Machrowicz	Watts
Durham	Mack, Ill.	Whitener
Eberharter	Madden	Whitten
Edmondson	Magnuson	Wier
Elliott	Mahon	Williams, Miss.
Engle	Marshall	Willis
Fallon	Matthews	Wilson, Ind.
Farbstein	Metcalf	Winstead
Fascell	Miller, Calif.	Wright
Feighan	Mills	Yates
Fisher	Morgan	Young
Flood	Morris	Zablocki
Fogarty	Moss	Zelenko
Forand	Multer	
	Murray	

NAYS—185

Alger	Arends	Bass, N. H.
Allen, Ill.	Auchincloss	Bates
Andersen, H. Carl	Avery	Baumhart
	Ayres	Beamer
Andresen, August H.	Baker	Becker
	Baldwin	Belcher
Bennett, Mich.	Harden	O'Hara, Minn.
Bentley	Harrison, Nebr.	Osmers
Berry	Harvey	Ostertag
Betts	Hazlett	Patterson
Bosch	Henderson	Pelly
Bow	Heselton	Pillion
Broomfield	Hess	Poff
Brown, Ohio	Hiestand	Prouty
Broyhill	Hill	Radwan
Budge	Hillings	Ray
Burdick	Hoeven	Reece, Tenn.
Bush	Hoffman	Reed
Byrne, Ill.	Holmes	Rees, Kans.
Byrnes, Wis.	Horan	Rhodes, Ariz.
Canfield	Hyde	Riehlman
Carrigg	James	Robison, Ky.
Cederberg	Jenkins	Rogers, Mass.
Chamberlain	Jensen	Sadlak
Chenoweth	Johansen	St. George
Chiperfield	Jonas	Saylor
Church	Judd	Schenck
Clevenger	Kean	Schwengel
Cole	Kearns	Scott, Pa.
Collier	Keating	Scrivner
Corbett	Keeney	Scudder
Coudert	Kilburn	Seely-Brown
Cramer	Knox	Sheehan
Cretella	Krueger	Simpson, Ill.
Cunningham, Iowa	Laird	Simpson, Pa.
	Latham	Smith, Calif.
Cunningham, Nebr.	LeCompte	Smith, Kans.
	Lipscomb	Smith, Wis.
Curtin	McConnell	Springer
Curtis, Mass.	McCulloch	Stauffer
Curtis, Mo.	McDonough	Taber
Dague	McGregor	Talle
Davis, Ga.	McIntire	Taylor
Dawson, Utah	McIntosh	Teague, Calif.
Delay	McVey	Tewes
Dennison	Mack, Wash.	Thomson, Wyo.
Derounian	Martin	Tollefson
Devereux	Mason	Utt
Dixon	May	Van Pelt
Dooley	Meader	Van Zandt
Dorn, N. Y.	Merrow	Vorys
Dorn, S. C.	Michel	Vursell
Dwyer	Miller, Md.	Wainwright
Fenton	Miller, Nebr.	Weaver
Ford	Miller, N. Y.	Westland
Fulton	Minshall	Wharton
Gavin	Moore	Whitnall
George	Morano	Wigglesworth
Griffin	Mumma	Williams, N. Y.
Gubser	Neal	Wilson, Calif.
Gwinn	Nicholson	Withrow
Hale	Nimtz	Wolverton
Halleck	Norblad	Younger

ANSWERED "PRESENT"—1

Frelinghuysen

NOT VOTING—27

Allen, Calif.	Gross	Morrison
Bolton	Hemphill	Moulder
Bowler	Holt	Porter
Dies	Holtzman	Riley
Diggs	Hosmer	Scherer
Evins	Jackson	Shelley
Fino	Kearney	Siler
Flynt	Lankford	Spence
Green, Pa.	Mailliard	Staggers

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Frelinghuysen for, with Mr. Siler against.

Mr. Holtzman for, with Mr. Holt against.

Mr. Lankford for, with Mrs. Bolton against.

Mr. Fino for, with Mr. Scherer against.

Mr. Moulder for, with Mr. Allen of California against.

Mr. Green of Pennsylvania for, with Mr. Mailliard against.

Mr. Shelley for, with Mr. Hosmer against.

Mr. Porter for, with Mr. Jackson against.

Mr. Hemphill for, with Mr. Kearney against.

Until further notice:

Mr. Morrison with Mr. Gross.

Mr. ZABLOCKI changed his vote from "nay" to "yea."

Mr. FRELINGHUYSEN. Mr. Speaker, I have a live pair with the gentleman from Kentucky [Mr. SILER]. If he were present he would have voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 190.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 190 with Mr. COOPER in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the House resolution was dispensed with.

Mr. CANNON. Mr. Chairman, of all the domestic problems which confront the Nation, the most insistent is the imperative need for early and effective tax reduction. We must reduce taxes to boster up our lagging economy. We must reduce taxes to lower the cost of living, to stabilize the purchasing power of the dollar, to maintain employment and to make possible needed industrial replacement and expansion.

In the face of this great need, a need which is universally conceded, why have we not reduced taxes? Why has tax relief been excluded from the administration program? The answer is simple. We have not reduced taxes and we do not plan to reduce taxes this session because the budget is so large as to require every dollar that can be raised. Nothing is left for tax reduction or reduction of the national debt.

We are enjoying the largest Federal revenues in the history of this or any other government. In addition we are still imposing war taxes levied in war time to support our armies in the field.

But the faster the money accumulates the faster we spend it.

For we also have the largest budget in the history of the American Congress, nearly $3 billion above last year, billions above any previous peacetime budget in the history of the Nation.

This is not a partisan question, Mr. Chairman. Some of the most vigorous denunciation of this profligate policy comes from the President's warmest supporters. For example, the St. Louis Globe-Democrat, which has consistently supported the President and his administration, one of the great newspapers of the continent, says in an editorial which has just been reprinted in the CONGRESSIONAL RECORD:

> Who is responsible for the galloping extravagance that has bloated Federal spending almost 20 percent in 3 years? And mark the fact, these have been nonwar years, climaxed by the biggest peacetime budget in American history.

Similar editorials can be quoted from almost any metropolitan paper in the country.

The leaders on both sides of the aisle have concurred in this estimate. On that side of the aisle, the majority leader and the ranking member of the Committee on Appropriations, after conference with the President of the United States, said that this budget ought to be cut and could be cut all the way from

$2 billion to $5 billion. There is no difference of opinion, apparently, about this oversized budget and about the necessity of bringing it down to the point where we can, if possible this year, reduce the taxes which are strangling national industry.

There is no mystery about the method of formulating the fiscal policy of the Nation.

The President initiates the spending program. He formulates the budget and transmits it to Congress. And as the history of past Congresses testify his recommendation largely determines the eventual character of the appropriation bills.

Of course Congress must enact the money bills. And all of us can testify that taxation with representation when bludgeoned by militant minority groups can be as tyrannical as taxation without representation.

In this routine the Committee on Appropriations has a large part. And this year in particular we have availed ourselves of every possible source of information in an effort to determine where and how much fat we can cut from the estimates sent to us by the President.

We have consulted the Departments, the Bureaus, and every Federal agency. We called in the Director of the Bureau of the Budget and members of the President's Cabinet who gave press interviews criticizing the budget and demanding that Congress reduce it.

And now that the President himself has also expressed to the press the opinion that it was the duty of Congress to cut the budget, we have shown him the courtesy of inviting him to give us the benefit of his counsel and advice if he thinks substantial reductions can be made.

The resolution is an innovation. It does create a precedent. No similar resolution has ever been introduced in the fiscal history of the United States.

But the condition which it is proposed to meet is also an innovation and likewise establishes a precedent. Never since our budgetary system was enacted has any President of the United States sent down a budget and then announced to the country through the press and through his official family that the budget was too high and asked Congress to reduce it. If it is too high, why was it not reduced before transmission to Congress? And if it is considered too high why has not the President sent us a supplementary budget revising the estimates? No more puzzling pronouncement has ever been disseminated in all the papers of the Presidency.

And the country in general seems as much at sea over the real intent of the President as we are here on the floor today.

I got a letter in the mail just this morning which appealed to me to stand by the President and reduce the budget.

There is no doubt about the paternity of the child.

This budget was prepared under the direction and supervision of the President. He approved it, he signed it, he sent it to Congress. It is his budget. Then he and the most prominent members of his official family in effect repudiate it.

In a speech discussing the budget in Detroit last Wednesday, Secretary Humphrey had this to say:

> We are working and will keep working on a day-and-night basis to find additional ways and places to save money so that we may come out with a lower spending figure at the end of the budget year. There is reason to be optimistic about the prospects for success in this effort as everyone is cooperating with vigor and sincerity.

At another point in that speech, he also said:

> The executive branch must, of course, work closely with the Congress to arrive at the best judgments as to what the various programs must provide for. That is exactly what the Eisenhower administration is currently doing with the Congress in this campaign which has received so much public notice recently searching to find out ways and means of reconsidering existing programs so as to make substantial reductions in Government spending without either impairing our security or the necessary services to be rendered to the public.

You will find in this morning's Wall Street Journal, the issue of March 12, 1957, a very interesting symposium in which it quotes three outstanding members of the administration in which they decry this budget and urge its reduction. The Under Secretary of the Treasury, Mr. Burgess, in a speech last night before the American Bankers Association in New York, said:

> The budget is too big for the long-term best interests of the country. It calls for taking from the people an amount of taxes that hampers economic progress.

As I have said before, the budget touches the principal problem before the American people today, oppression by what in many cases amounts to confiscatory taxation. We are paying today the same war taxes we paid when we were supporting armies in the field; and in addition we are pouring into the United States Treasury the greatest revenue ever to flow into any national treasury.

Notwithstanding this extraordinary national revenue, notwithstanding these wartime taxes still in effect, this budget is so big there is some question as to whether we can balance the budget this year or not. Mr. Burgess entertains no doubts about it whatever. He says emphatically it is too big, and that it calls for an amount of taxes that hampers economic progress. If any man in the American Government is in a position to know whereof he speaks from first hand information Mr. Burgess is that man.

Now let us listen to Mr. Robert E. Merriam, Assistant Director in the Budget Bureau, in a speech he made at Chicago last night and which is reported in all of the metropolitan papers this morning. He says the States are asking for things better done by themselves, by their own State governments or private resources, and that if this were not the case we would be well down the road to a smaller Federal budget. If the official family wants a smaller Federal budget here is the way to get it.

A third man direct from Washington who spoke last night at Detroit before the Detroit Economic Club: Gabriel Hauge, Special Assistant to President Eisenhower declared that in times of inflation, and he was referring to the situation as it is today, public spending should be limited strictly limited to what the needs of the country imperatively require. The presidential aide left no doubt that he thought this budget should be reduced to actual and inperative needs.

In taking up this resolution let us consider first what the resolution does not do. We have had a great field day here in which imagination has run riot, and in which the principal defense seems to be charges of political maneuvering. Time and again we were told that we were trying to shift the burden of responsibility from the shoulders of Congress to the Executive. Nothing could be further from the truth. No one who reads the resolution, and it is very brief, could get that impression. Here it is in full:

> Whereas the House of Representatives must, in the public interest, make substantial reductions in the President's budget for the fiscal year 1958, be it hereby
>
> *Resolved*, That the President respectfully be requested to indicate the places and amounts in his budget where he thinks substantial reductions may best be made; and be it further
>
> *Resolved*, That a copy of this resolution be transmitted to the President.

It delegates no powers. It abdicates no functions or prerogatives of the committee or of the House. We do not ask the President to cut the budget. All we ask of the President is counsel and advice.

Section 3 of article II of the Constitution provides that the President "shall from time to time give to the Congress information of the state of the Union and shall recommend to their consideration such measures as he shall judge expedient and necessary." Surely so vital a measure as the budget, which may spell national life and death, comes within this category.

No one else in the world is in a better position than the President to give this advice. We can send our investigators, and we have sent them, into every department, and we have secured all the statistical data that we could possibly use. That is not the kind of information we are asking of the President. We are asking of the President whether or not he has changed his policy since he sent this budget to us, and whether or not recent developments at home or abroad make it necessary to emphasize or to reemphasize any proposed appropriation in this bill. Only the President of the United States can answer that question.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to my distinguished leader.

Mr. McCORMACK. As a matter of fact, this resolution enables the President to assume fully, in the light of events subsequent to the sending of the budget message to Congress, his constitutional responsibility in cooperation with the responsibility of the Congress. Is that right?

Mr. CANNON. Exactly.

Mr. McCORMACK. Furthermore, let me call attention to the fact that when the President sends for the Democratic leaders to consult with him, we do not raise any question of constitutional separation. We have gone there on the Middle East and other matters because there is a constitutional responsibility on the part of the President and there is a constitutional responsibility on the part of the legislative branch. For the Republicans to take the position they do, saying there is a barrier—we Democrats never created any barrier in connection with President Eisenhower. When he has asked us to consult with him on any matter, whether domestic or foreign affairs, we have kept alive the real policy and spirit of bipartisanship in doing our part.

Mr. CANNON. That is true. The desire for this information is not confined to the committee. It is not confined to this House. It is widespread through the length and breadth of the land and among the people generally. It is nationwide. In every hamlet and on the remotest farm they are asking what does the President ask to be done when he says reduce his budget? Will it mean eventually a reduction in our burdensome taxes? Will he tell us what he has in his heart?

Only the President can answer.

Mr. TABER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the political nature of this operation and this resolution was emphasized in its very origin. I have the resolution before me, House Resolution 190. It reads:

> March 11, 1957: Mr. CANNON submitted the following resolution; which was referred to the Committee on Appropriations.
>
> March 11, 1957: Referred to the House Calendar and ordered to be printed.

The last meeting of the Committee on Appropriations was on the 8th day of March. At that time this resolution was presented without the knowledge on the part of any of the minority members that it was going to be, or without their having any idea of what it contained. It was not distributed to the membership of the committee when they arrived at the meeting. This resolution would not be before the House if it were dependent only upon the record. But it is here under a rule which waives all points of order, and, of course, it is here for a vote now anyway; you cannot stop it. But that indicates the character of the resolution.

The minority members of the committee have gone along just as far as they could go on the write-up and marking-down of the appropriations that have so far been presented to the Congress.

My own position is that we can cut the budget very considerably. It has been that from the day it was presented, and I expect it to continue that way all through the time that appropriations bills are under consideration.

How much we will be able to cut and just the items we will be able to cut I do not know, and nobody knows, because we cannot tell until after we have had the hearings and completed our work upon them. But it is going to be a pretty serious job.

To my mind the integrity of our situation in the cold war is dependent not only upon the enormous number of troops that we have and the enormous military equipment of planes and that sort of thing, but it is also dependent upon our ability as a nation to take enough taxes out of the people to sustain the effort and still not upset our economy. For that reason I believe that every unnecessary item should be cut out. We are going to have a lot of things to consider, a lot of them that involve nearly $4 billion that is not in the budget yet but for which we have notice that they are going to be transmitted later, or it is expected that they will be, and a lot of those programs require authorizing legislation. One of the worst things that the Appropriations Committee is up against is authorizing legislation for enormous expenditures and those authorizations should not be approved.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, a number of statements have been made as to the opinions of the Secretary of the Treasury that this budget should be cut. Some have led us to believe that the Secretary of the Treasury perhaps has parted company with the President of the United States on this subject. It seems to me that the record should be made straight. I have heard it said here today that Cabinet officers have broken with the President on this question. I think we should keep the record straight as to what the Secretary of the Treasury, Mr. Humphrey, has said and where he stands.

The Secretary appeared before the full Committee on Appropriations of the House this year—just a few weeks ago—at the request of the chairman of the committee. I want to read a part of Mr. Humphrey's testimony so that there will be no misunderstanding on the subject. I am reading now from page 17 of the printed hearing. This is what the Secretary said:

> What I said, and what the fact is, is this: this budget was worked over with the greatest of diligence. Everybody in the Government spent a great deal of time on the budget trying to work it out and trying to bring it down as low as it could be and still render the services that the law provides for and the degree of security that we believe we must have. So I have no quarrel with the budget as it is.

There is no break there with the President of the United States. The Secretary of the Treasury has said he has no quarrel with the budget as it is. He continued and said:

> I have never seen a man work harder on it than the President himself. He worked with the different departments and with different people in the preparation of this budget. So I do not have any criticism of any particular items of the budget itself. My whole point is this: We have been working for several weeks, some months, in attempting to go over the various items in this budget to pare it down to what we believe is the most realistic budget that can be presented to the Congress now. But it will be 18 months before the last of the money will be spent under his budget.

Then he stated further on page 19:

> From your point of view, Mr. Chairman, and the point of view of all you gentlemen here, I think you can make a very substantial contribution. You are going to go over all of these figures. You are going to consider all of these cases. You can hear witnesses; you can call people in and question them. If you approach this in the same way that it has been prepared, you may very well in your efforts turn up places here and there where some economies can be effected. You may very well turn up ideas that have escaped us where some reductions can be made.

Then, further, on page 19:

> So my plea to you is that you study the various items of this budget with the care you usually do, and that you search out and find out every place you can where proper results can be obtained for less money; satisfy yourselves that you are justified in it and exercise the authority that is yours by law.

The Secretary of the Treasury said, on page 20:

> You will remember that the President said in his state of the Union message that he is going to direct every department of this Government from now on—and he has already been doing it, but he is going to reemphasize it, and has reemphasized it—that they each day, every day in the week, devote themselves to seeing how they can search out duplication, waste, extravagance, and get a better result for less expenditure.

Then he said:

> Now, I would just like to add this one thing: I am not prepared, nor do I propose, to criticize any department, or to pinpoint in detail what any department of this Government ought to do, or to point out what changes in this budget that can be made today. If I could do that I should have done it at the time the budget was being prepared.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to ask the gentleman this: I presume he has read all of the hearings.

Mr. BOW. Yes, I have, and I attended all hearings.

Mr. SHEPPARD. Would the gentleman mind referring to the questions he was asked about why he recommended budget cuts to the press and later to our committee?

Mr. BOW. My time has expired. I should leave that to the gentleman to answer in his own time. Let us not delegate our powers. Let us face up to our duties. Let us cut this budget and bring about fiscal responsibility.

Mr. SHEPPARD. I am sorry the gentleman finds it necessary to obviate one of the prerequisites for the record.

Mr. BOW. I have no further time or I would gladly answer the gentleman—I think I understand him.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, last week during the floor debate on the corn and feed grain program, the gentleman from Virginia [Mr. SMITH] used as a partial

basis for his argument that economy is needed in Government a publication recently published under the supervision of the United States Fish and Wildlife Service in the Department of the Interior.

At that time I questioned the gentleman's use of the publication as a suitable example for his illustration. Upon study of the material in my file, I find that my objections were completely justified. In fact, my investigation shows that the gentleman was incorrect in using the publication A National Survey of Fishing and Hunting in an attempt to make his point. The gentleman's attempt to depreciate the good work of the Fish and Wildlife Service is unjustified. I am quite certain that if he had known the facts he would not have used this booklet as an example. Governmental economy, in my opinion, can better be achieved by curtailing programs which have outlived their usefulness—and such as foreign and others which have become an intolerable and unrewarding drain upon the American people.

So that my colleagues will have the correct information I will give them this brief background of the National Survey of Fishing and Hunting and the reasons for its publication.

First, and understand this clearly, not 1 cent of regularly appropriated moneys was used either to undertake this long-needed survey or to publish the collected data in concise form for public information. This survey was financed out of the administrative funds specified in the Federal Aid in Wildlife Restoration Act of 1937 and the Federal Aid in Fish Restoration Act of 1950. As many of my colleagues know these two fine national programs are actually financed by fishermen and hunters by means of special excise taxes on arms and ammunition, and on fishing rods, reels, and creels.

Contrary to the charges of the gentleman from Virginia, the United States Fish and Wildlife Service hired not one single opinion taker to canvass "the country for 2 months to get the data upon which another horde of officeholders produced this wonderful piece of work here." This study was undertaken and the report made by a statistical firm, expert in taking such large sample surveys, Crossley S-D Surveys, Inc., of New York City, under contract to the Fish and Wildlife Service. This compilation of data cost $134,000, which, as I pointed out previously, was borne out of administrative funds from the Federal aid in wildlife and fish restoration programs.

The study was conducted at the direction of the Fish and Wildlife Service largely as a result of a request by the International Association of Game, Fish, and Conservation Commissioners, representing the fish and game departments of 48 States. The Association, at its annual meeting in September 1954, recommended that the Fish and Wildlife Service contract with an independent survey organization for a nationwide economic survey of expenditures and number of participants in recreational-fishing and hunting activities throughout the Nation. It was further recommended by this association as well as by many national conservation organizations, that the study be financed from the Federal aid programs.

The reason for a single national study conducted by one organization is clear. For years individual States have conducted studies with varying emphasis and degree of coverage on the number of persons that hunt and fish. Because these studies varied considerably both in scope and coverage, the results were not comparable, and had little actual value for compiling a national picture of the numbers of our citizens who hunt and fish and the total business created by their outdoor activity.

In its simplest sense, this study was motivated by the recognized need for information about the number of Americans that hunted, fished, or did both. Since continuation of fishing and hunting opportunity depends on the wise management of the fish and game resources on which these recreational pursuits depend, the economic benefits from fishing and hunting, as well as the number of persons who participate are an indication of the value of fish and wildlife conservation.

Gentlemen, never before have we had available such a complete compilation of information. Its implication is revealing—and startling.

One in every three households in the United States in 1955 had one or more fishermen or hunters—20,813,000 persons fished, 11,784,000 persons hunted, and 25 million both hunted and fished in 1955.

The business generated by these persons for tackle, guns, equipment, and such services as food, lodging, and travel amounted to nearly $3 billion.

Contrast this to household expenditures for electricity in 1955 which amounted to $3.2 billion; telephone and telegraph at $3.1 billion; physicians services $3.1 billion; radio and television receivers, records, and similar expenditures at $2.4 billion. Hunting and fishing expenditures are significantly larger than the estimated $1.7 billion spent for all spectator amusements such as movies, theaters, concerts, football, baseball, basketball, and other sports.

From the foregoing, you can see that hunting and fishing are without question the top outdoor recreational pastimes of the American people. Conservationists long have suspected this, but prior to the study leading to publication of the National Survey of Fishing and Hunting, there was no factual basis for their assumptions.

Now we come to the very real purpose of the study. Armed with this important information, the Nation's wildlife administrators are going to be able to program their functions and justify appropriations so as to make sure that hunting and fishing opportunity can be maintained for Americans of today as well as in the future. Knowing how many people hunt and fish, how far they traveled, their requirements for such things as food and lodging, and their many other expenditures provides administrators—as well as businessmen—with a real set of values on public modes and movements.

In addition the publication is an important document for businessmen, and State and regional travel and tourist agencies. From the assembled information there can be assimilated useful information—relating to the business opportunities that are generated by and can be augmented by our immense national appetite for hunting and fishing. In short, this study measured the pulse beat of a vast outdoor recreational pursuit and presented information which will be of paramount importance to natural resources administrators and businessmen for many years to come.

Mr. Chairman, it is evident that the gentleman from Virginia did not know the background of the National Survey of Fishing and Hunting when he held it in ridicule before the House last week. He obviously did not know that it was the sportsmen of America—all 25 million of them—who both requested and paid for this very worthwhile study and booklet.

I include the following letter:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., February 7, 1957.

We are pleased to send you herewith a copy of a report recently completed by the United States Fish and Wildlife Service on the economic survey of fishing and hunting in the United States. This report is designed to show the extent and character of participation in these outdoor sports by Americans in calendar year 1955.

You will be interested to note that 1 out of every 3 households in the United States contains at least 1 person who hunted or fished in 1955. The total participation included 25 million persons 12 years of age or over. In pursuit of these sports they spent nearly $3 billion in 1955. This is about equal to the amount spent for electricity by all the households in the United States in the same year.

A number of the other figures on the survey, which are included in the report, may be of interest to you.

The survey was made by the Fish and Wildlife Service of this Department in response to a request from the International Association of Game, Fish, and Conservation Commissioners. This is the principal organization of the directors and commissioners of the 48 State fish and game departments. As you will note, the survey was done under contract with the Fish and Wildlife Service by the Crossley, S-D Surveys, Inc., a prominent independent surveying and opinion firm. The cost of the survey was financed from proceeds of the special excise taxes on sporting arms and ammunition and on certain types of sport fishing equipment. These funds are normally used for Federal aid to the States in wildlife and fish restoration. In any event, no general tax funds were used to finance the survey; it was paid for entirely from proceeds of the special excise taxes. Funds used to pay the cost of the survey otherwise would have been allotted to the States to finance their Federal aid programs.

We recognize that the principal values of fishing and hunting cannot be measured in monetary terms. These principal values are the contribution which they make to the health and well-being of our citizens. Nevertheless the survey report indicates that fish and wildlife resources create a good deal of business in the economic channels of the country.

We believe the magnitude of participation by the people of the Nation in hunting and fishing and the amount they spend give increased emphasis to fish and wildlife conservation, which is to be reflected in the expanded overall program now being developed by the United States Fish and Wildlife Service.

As you no doubt know, this intensified program was made possible by the favorable and sympathetic attention given to our vital fish and wildlife resources by the Congress.

We shall be pleased to respond to any questions you have regarding the survey or the report, or to furnish you with supplementary material.

Sincerely yours,

ROSS LEFFLER,
Assistant Secretary.

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I want to make 1 or 2 remarks which I think are entirely apropos at this time; but prior to that may I say that my own intention is to vote against the resolution just as I voted against the rule.

However, it seems to me that the Members of this body are putting themselves in a very unsound position to ask the President to make recommendations for a reduction in the budget when their own agency, the legislative branch, has probably the worst record for the curtailment of expenditures in the last 3 years of any governmental agency. In other words, people in glass houses should not throw stones.

May I read from the budget as submitted the exact figures of the legislative branch of the Government for fiscal year 1956, fiscal year 1957, and fiscal year 1958. The actual expenditures in fiscal year 1956 for the legislative branch of the Government were $84,846,383. The estimated expenditures in this current fiscal year for the legislative branch are $108,778,430. In other words, there has been a $24 million increase in expenditures between fiscal year 1956 and fiscal year 1957 for the legislative branch of the Government.

Now let us look at what is the proposed budget for the legislative branch for fiscal year 1958. I remind you this is our part of the Government. The President has no control over it. This is our responsibility, not that of the President. Here is the legislative branch estimate for the fiscal year 1958. It is $121,604,617. In other words, comparing fiscal year 1958 with fiscal year 1956 we are going to expend in the legislative branch $36 million more than we did 2 years ago, an increase of 43 percent. I do not think there is an agency in the Federal Government that can match that extravagance.

If you take fiscal 1958 and compare it with fiscal 1957, there has been a $12 million increase, or an 11-percent increase. That is bad extravagance in itself.

As we look around this side of the Capitol, at the buildings, the services, the help, and everything else available to the Members of the House of Representatives I do not think we have a very enviable record for economy. I do not think there is going to be a more elaborate and extravagant building in the District of Columbia than the new House Office Building. I do not think there is any governmental agency that has more help, better paid help. The legislative branch of the Federal Government has its full share of high-priced chauffeur-driven vehicles. I do not know whether the new Members know that the Architect of the Capitol, his assistant, and his assistant, each 1 of the 3 of them, has a chauffeur-driven automobile. This is extravagance of the worst sort.

I think we in the legislative branch should assume our full responsibilities in the handling of appropriations and expenditures. I do not think we should ask for any additional help from the President. Furthermore, I think that we should set a better example for economy than we have set so far.

One more point: A good bit of the increased expenditure in the Federal Government has come solely because of additional authorization legislation enacted by previous Congresses. I daresay that, when we have additional requests for pay increases, fc. increased pensions, and all the other things that add expenditures, many of the people who are going to ask the President today for budget reductions will be the ones who will vote for that legislation.

I repeat, I reemphasize, and I reiterate that all of us ought to do a little soul searching, that we ought to set a better example, we ought to have a little more courage, and we should not try to pass the buck to somebody else, when the Constitution of the United States states that we in the legislative branch have the prime responsibility to handle the fiscal affairs and the fiscal responsibilities of the Federal Government.

I hope and trust that those who vote for this resolution today are really sincere about economy. Their past record is to the contrary. They always seem to vote for more appropriations and authorizations. If they, on that side of the aisle, would cooperate with the President and the Republican Members, we could continue fiscal responsibility in the Federal Government.

Mr. NEAL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Chairman, in my opinion, instead of approaching a budget cut in this manner, the Congress would be more consistent if time consumed in this debate was spent in exploring proposed requested funds that could properly be eliminated without in any way weakening the national defense.

It would appear that this resolution is throwing the challenge to the Executive to correct a situation for which the Congress in its past free-spending authorization and appropriation habits is entirely responsible. The budget is too big—every Congressman should know from back home that his constituents know it is too big too—and every conscientious Congressman knows if the budget is going to be reduced he himself will have to forget political promises of handouts back home and personally sacrifice along with every other phase of Government spending. Let us not ask the President to assume the obligation of holding the line on policies heretofore the responsibility and the creation of the Congress itself. This budget can be materially reduced if we, as Congressmen, face the issue boldly.

Mr. CANNON. Mr. Chairman, I yield 17 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the tumult and the shouting incident to the adoption of the rule has receded, and perhaps we can think more quietly about this problem which confronts us here today. But I would not say that the tumult and the shouting was inappropriate. I think this spirited discussion today on the question of the Federal budget has all been in the public interest. It is high time that we have a field day, if you want to call it a field day, to talk about the $72 billion budget. It is the highest budget in peacetime history. It is presented by an administration which has professed to have near to its heart the cause of economy in Government. I mark my words when I say there is much validity to the budget. It was carefully prepared and it cannot be recklessly and drastically cut.

The gentleman from New York has said that this is a most unusual procedure today, and it is a most unusual procedure; but we are confronted with a most unusual situation, and unusual situations call for unusual treatment. So that is what we are trying to do. The gentleman from New York said in speaking before the adoption of the rule, "Why do not we do as we have been doing?" That is the thing which we are seeking to avoid. We are seeking to avoid doing what we have been doing, permitting the costs of the Government to soar upward, and upward, and upward and out the top of the tent. No, we cannot go along with the same old, time-honored, ineffective ways and methods. The new situation confronting us requires courageous action. It does not require political action. I think, perhaps, this hue and cry for economy is bad politics if one is thinking only of political considerations.

I realize we are getting a few letters for economy and a number of people are seriously concerned. Everybody ought to be seriously concerned. I am not so convinced, however, that this is good politics by the Democratic side for bringing out this sort of effort to focus the attention of the Nation on the need for economy. The interests of the Nation must come before politics. One of my colleagues said to me today, "Aren't you afraid that this thing will backfire on Congress?" I said, "Yes, it may backfire, but in order to get Government spending within proper balance, if it is necessary that there be a backfire on Democrats or on Republicans or on the Congress, let us have the backfire." But, let us have more economy and better management in the Government. So this should not be interpreted to be a political action. As to the Congress abdicating or showing a lack of courage, I fail to find any showing of the white feather in this action of the Congress. Why we are not only going as far as we ordinarily do in searching and scrutinizing the budget in our effort to get economy in Government and eliminate waste, we are not only doing everything we formerly have done, we are courageously

and in the face of bitter criticism going a step further because the emergency is so great and we are saying to the President respectfully—and he is a good President for whom I have great respect—"Please give us more information as to where economies may be effected." I have no aspersions to cast on the President or Secretary Humphrey—they are good and devoted officials—but they have met a proposition of rising costs of government and they have been unable to successfully cope with it. So, we seek to encourage them, and we go further than usual and we say, "Will you not undertake to cooperate with the Congress in finding ways to cut this budget?"

It is a very practical procedure. We must admit that the President is a man of considerable prestige in the country. We must admit that while we often talk of economy in the House, we do not always get results. We might adopt measures toward economy in one House or the other, but the end result is not always too gratifying. It seems that we do have the wheels turning for economy in the Congress—the gentleman from Massachusetts [Mr. MARTIN], the former Speaker, says that we ought to cut the budget. The minority leader of the other body says that we ought to cut it, I believe, about $2 billion. Everybody is trying to select a figure and talking of cutting the budget, Democrats and Republicans. But, if the President will say, "I will join with you and make this a cooperative venture," the chances for success will be enhanced. Then I know when Congress adjourns, we will have achieved a very considerable measure of success. That is the only interest I have in this measure because as far as politics is concerned, you can throw politics out the window. I do not think this is a place for politics for one side or the other. What we are looking for, I hope, is the overriding and overall interest of the United States of America. Talk about lack of courage to cut the budget? We always cut the budget whether we have a Democratic President or a Republican President. We are nonpartisan in that respect.

What do we say in this resolution? Is there any timidity in this resolution? Some have not read it. We begin by saying:

> Whereas the House of Representatives must, in the public interest, make substantial reductions in the President's budget.

We call upon the President to give us an order of priority, so to speak. You cannot tell me that everything in the President's budget is of equal essentiality. We ask him to please indicate—and he has more than a million civilian workers at his disposal—we ask him to indicate—and he has more than 2 million people in the military—we ask him to indicate where in his judgment these cuts which we must make and propose to make may best be made. I do not see anything timid about it. We say, "We must cut the budget. Now will you help us." We are working on the military budget now of $38 billion. Two programs, the intermediate range ballistic missile program and the intercontinental ballistic missile program, may be in the public interest. We have the two programs. The President is regarded as a great military expert and if we could get his support and guidance we might make substantial cuts in this field but we must proceed with great care. He could knock some heads together in the Pentagon, and give us the best possible guidance. I do not think the military budget is untouchable. But if we have not sought and received prestige of the President in our reductions, we are in greater difficulty if we expect to achieve success.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. SCRIVNER. The gentleman is chairman of the military subcommittee of the Committee on Appropriations. You have mentioned the programs for ICBM and the IRBM and Jupiter and Thor. Are you going to suggest which of those two programs is to be abrogated and stopped in order to save money? Are you going to tell us we are going to get rid of so many B-52's or a new atomic-powered carrier? Where do you suggest that we cut the military budget now as far as our hearings have proceeded?

Mr. MAHON. In my brief time I could not go into the military budget and how it can be cut. That is what we are working on now in committee.

Mr. SCRIVNER. Will you admit that the President's budget is nothing more than a request which you, in your position as chairman, can either approve or deny in whole or in part? In this resolution you say, "We must cut it."

Mr. MAHON. We have a job, and we propose to do it, because we said we must cut the budget. We have this duty to perform, but we need all the help we can get from the heads of the Government agencies and the military leaders of the country. We will make cuts when we know we can safely make them. We say to the President, "Will you not lend your prestige and your time to the project?" The Budget and Accounting Act says this:

> The President shall send up a budget with estimates of spending and appropriations, as in his judgment are necessary.

Well, since that budget was submitted, many things have transpired which lead me to believe that in the President's judgment this is not the budget which he feels Congress should be considering.

Some reference was made by the gentleman from Ohio to the able Secretary of the Treasury. He is the man who works closest with the budget—he and the President. This is what was said by Mr. Humphrey at his press conference:

> I think there are a lot of places in this budget that can be cut.

However, it is not his judgment that is at issue, the law says it must be the President's judgment.

And we find here a question which was asked of Secretary Humphrey:

> Don't you think that it is the Executive's problem, and must not leadership come from the executive branch for cuts in the budget?
>
> Secretary HUMPHREY. That is right.

Someone has suggested that this section today reminds him of a crybaby Congress. There is some weeping going on; there is a cry from the taxpayers asking for more fiscal responsibility in the administration and in the Congress. If you want to call the taxpayers crybabies, call them that, but there is a great determination on the part of the people to achieve more fiscal responsibility in their Government. They have a right to expect it. We have not had it to the extent we had a right to expect.

I see the gentleman from Illinois, who I believe referred to me in his remarks. He said we ought not to be talking about the budget today, that we ought to be talking about corn. It seems to me we must have touched a vital spot, because a great deal of interest has been manifested here today, and despite the fact that this has been a touchy subject with many, I do not think the gentleman ought to change the subject to corn. I think we had better take hold of this spending problem and try to do something about it, because it has to do with the defense and the security of this Nation for many years to come.

This thing was not originally political; it should not have been political to begin with, and it would not have become political had not the unexpected happened. When this resolution was offered in committee, I thought that the gentleman from New York [Mr. TABER] would be among the first to say: "I will not gratuitously attack the head of my administration, but I will go along with the Congress in order to ask that the budget be reevaluated."

Was it not this administration and a high Cabinet officer who coined the phrase "a new look"? We simply ask in all humility for a new look at this budget, but the failure of the minority party to go along on this resolution has unfortunately made it a political issue. I do not think, however, that it is political with the people of this country. Had we said in the resolution: "Whereas the present administration is the most reckless administration within the history of government; whereas it has submitted the highest budget in the peacetime history of our country" and so forth, if we had put political language of that nature in the resolution then, of course, the minority would never have supported it; but we simply say: "Whereas the House of Representatives must in the public interest make substantial reductions in the budget we respectfully request the President to give us his best advice as to where those cuts can be made."

I submit to you that though the minority may vote solidly against this economy resolution, the American people will clap their hands and say "Hooray! Congress is taking note of the necessity for economy and we are pleased."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. TABER. The gentleman thought when he offered the resolution in the committee that it was political because it was concocted in a group of the majority, the Democratic members of the committee.

Mr. MAHON. I make no apology for its having been drawn up on the majority side. It was high time somebody began trying to bring about a closer scrutiny of Government spending.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I think it is really self-evident now that the House itself thinks there should be some adjustment downward in the President's budget; and, since that must be brought about, does the gentleman think it is any less than fair to ask for suggestions from the head of the Government?

Mr. MAHON. I do not think so. Suppose somebody was running your farm and you told him you could not spend as much money this year as last year, would it not be a wise thing on your part to ask the man running the farm about those operations on which you could spend less? If there is anything wrong with that procedure, I fail to see it.

I am not in favor of irresponsible reductions in the President's budget. The budget is not wholly bad. It represents a sincere effort of the administration. We are simply trying to achieve some economies and pave the way for reduced taxes. Not all reductions are in the best interest of economy and good government. Spending must necessarily remain high, and that fact emphasizes the need for all safe and proper reductions in the costs of Government.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, as a new Member of the Congress, this is the first time I have imposed upon this body for audience; and I do so with the sense of humility that most of you must have experienced at some time in the past.

Also, as a new Member of this body, I have reviewed on several occasions the duties, obligations, and responsibilities I accepted on this floor on January 3, 1957. I feel deeply about these responsibilities and equally as deeply in my oath never to neglect or shirk them. It was for this reason that I found myself in an uncompromising position which necessitated my vote against the President's Middle East doctrine, which I felt provided for transferring these powers and responsibilities to the executive branch of Government.

I cannot help but feel, in the face of the prolonged oratory this afternoon and the premature political campaigning that House Resolution 190 is indeed a sad proclamation of the shirking of a solemn responsibility on the part of many Members of this Congress, a deplorable admission that they are not equal to the task which the law of the land provides they discharge. This responsibility and the power to discharge it is invested solely in the Congress by the Constitution of the United States, which I hold in the highest regard despite the frequent abuses it has sustained.

In reviewing the CONGRESSIONAL RECORD of January 15, 1951, I observed that the Chief Executive presented a budget request of $71.6 billion for the fiscal year ending June of 1952. This was a budget equally as disturbing as that which President Eisenhower presented for the fiscal year ending June 1958. Despite the fact that many of the same members of the present Committee on Appropriations were likewise members of the same committee when the Truman budget of 1951 was presented, they did not take the same action as is sought in House Resolution 190, presented before this body today. It is obvious that this unprecedented action has been prompted by more than the surface expression for a needed cut in this budget and the effecting of economy measures in Government.

Less than a week ago, proposals were made on the floor of the House to adopt farm legislation which would have been a notable step in the direction of Government economy. The same Members of this body who opposed this particular measure and other economy measures now propose and support a resolution calling for the Chief Executive to pinpoint reductions in this budget. At best, this action is consistently inconsistent and has a marked flavor of petty politics.

The Chief Executive has submitted a budget which the majority Members of Congress are agreed needs reduction. The Chief Executive has submitted this request for appropriations to the Congress, which has the sole power under the Constitution to approve, reject, or pare these appropriations. It is, therefore, the responsibility divested in us as Members of the House of Representatives to fulfill these responsibilities and pursue the job which is ours in a manner of sound judgment, courage, and statesmanship.

Lest we forget, final approval on appropriations must ultimately be made by this body and not by the Chief Executive in whose lap Members of Congress propose to place the responsibility for the reductions which they admit are necessary but lack the courage to describe.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, I had the privilege as a Member of the Committee on Appropriations to listen to the presentations that were made to the Appropriation Subcommittee on Armed Services. I was somewhat chagrined this morning, and perhaps a little surprised, that my friend, the gentleman from Indiana, and also my good friend, the gentleman from Massachusetts [Mr. MARTIN], were seemingly taking the request before us to the Executive of the United States so seriously and that it was such a terrific affront as they expressed. In fact, the gentleman from Indiana [Mr. HALLECK] very properly and honestly called our attention to the magnificent political support which President Eisenhower had received from the Nation at last election. But I would like to call his attention to the fact that with that tremendous support also went a tremendous obligation. As long as under our present law the budget is supposed to have its origin in the executive branch of the Government, I fail to see where we, as Members of Congress, be we Democrats or Republicans, are encroaching on any prerogatives of the White House by asking the President to assist us, premised upon the fact that he himself has said publicly, and his Secretary of the Treasury has also said, "that we are running a constant review of the budget."

In making this request I do not want to usurp the position or thinking of my colleagues on the committee. Each one is an individual and fully capable of expressing his own views and I am in no manner in supporting this resolution abrogating my position if evidence is presented to cut the budget further than the recommendations that might possibly come from the President of the United States, if he does send up recommendations.

I can see no reason at all for anyone here suffering mental combustion, as it were, or playing a political piano upon the premise that you are affronting the President. I think this administration has gone to great lengths, both publicly and otherwise, in trying to get our foreign affairs into a cooperative concept by Republicans and Democrats alike. I believe that has been very thoroughly expressed from time to time in the press and otherwise. If there is to be acceptable coalition in that aspect—you should remember that is the framework upon which a military bill has its origin—I cannot see by any stretch of the imagination why we cannot approach this issue with that thought and get this resolution passed, requesting the gentleman in his responsibilities and in the position which he occupies, to make any suggestion where it might help us in our analytical processes covering a budget which had its origin some 10 months ago under his administration.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Indiana.

Mr. HALLECK. Will the gentleman from California, who is one of the finest Members of this body, agree with me that there is no reason for any of us to believe that the President will not in good faith do everything that can possibly be done to bring about further reductions in the cost of the Federal Government?

Mr. SHEPPARD. Well, of course, I am not going to take the position, may I say to the gentleman from Indiana, of questioning the integrity of the President. I never have and I never will. My politics do not take me that far afield. But I would like to say this to the gentleman: I have watched the reviews of the military budget for a good many years, and up to date we have had no recommendation from that particular branch of the Government to give us an opportunity to make reductions over and above the budget request as it came up. In fact, every man in the military has been charged with the responsibility of supporting that budget, and you know that.

Mr. HALLECK. That has been true through the years, as a matter of fact.

Now, I would like to call the attention of the gentleman to this statement in the committee report accompanying this resolution. Apparently with commendation the committee speaks of the drive to retrench that has been undertaken, and it says:

It is the Director's plan to take up the matter with the Cabinet.

And then follows this sentence:

The committee has no assurances at this point that such information will be made available for guidance in processing the budget.

Now, I would just like to say for myself that the very fact that the policy of retrenchment has been undertaken would mean to me that the President and his people, acting in good faith, will do everything that they can in the direction that we all seek, which is to cut down Federal spending within reasonable limits.

Mr. SHEPPARD. Well, I would like to call the attention of my friend from Indiana, for whom I have a very deep personal affection, although I do not always agree with him, to this: Your comments reminds me of a story told by one of my friends in the great State of California. When I was asking him about an incident in the past tense, he said, "Harry, if you don't mind, I suggest you talk about my future. It is spotless."

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. SHEPPARD. Certainly.

Mr. HALLECK. I would not undertake to say that the President's record is spotless, but I think it approximates it.

Mr. SHEPPARD. As I say—and I will close with this comment—I have no criticism of the gentleman. I have had the pleasure of knowing him for quite some years, as I am sure my friend from Indiana knows. However, that does not preclude the fact that he can very ably give us assistance in this program of budget reduction and not close the gate for us to also do a job even after he has made his suggestions.

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, it has been my privilege to serve on the House Committee on Appropriations for the last 15 years. I have been closely associated with both Republicans and Democrats on the committee, both in subcommittee and in the full committee. Of course, I have always felt that actions speak louder than words, and I have seen actions of members of both parties on the subcommittee, and certainly most of the Democrats on the committee have been the great spenders. We do have some conservative Democrats on the Committee on Appropriations, just as we have on other committees of the Congress. Now the American people know the great spenders' record and nobody can fool them for a second, with this kind of a resolution to duck our constitutional responsibility as Members of Congress. The American people know the Democrats have been spending money like drunken billionaires, the people's money, for many, many, many years. Now apparently—and I hope they are sincere—they have been baptized into the conservative ranks and so we should all rejoice if some souls have been saved. And by the saving of those souls, who are so powerful on the Committee on Appropriations, they will save this great Nation of ours from financial ruin. If I thought that were the case, then certainly I would be right with you every step of the road, I will say to my good Democratic friends. But I fear you will not stand up when the acid test comes. You will not change one iota. You will continue to vote for wasteful spending day in and day out. Every time an authorization bill comes to the floor or an appropriation bill comes to the floor and amendments are offered to reduce, I am quite sure that we will see our Democratic colleagues rise up almost as one and say, "While I am for economy, this is no place to save. This would be pennywise and pound foolish."

I have sat in committee with my friend, the chairman of the Committee on Appropriations [Mr. CANNON], and have had an awful struggle with him sometimes when I tried to save some money, because he could not see it that way. I have had struggles with him on this floor when I tried to save a dollar here and a dollar there, but he could not see it that way. But I am happy that he has now taken the other course and is henceforth going to save tax dollars as demanded by the American people today. If they stand up when the acid test comes, then let us rejoice and sing hallelujah, for the salvation of our blessed land. I hope that henceforth the Democrats will join with us to cut expenditures and cut deeply.

Mr. HOFFMAN. Mr. Chairman, would the gentleman yield?

Mr. JENSEN. I yield.

Mr. HOFFMAN. Has the gentleman any idea that the gentleman to whom he refers will follow through and vote against these appropriations.

Mr. JENSEN. I am hoping he and his party will, but we will know when the acid test comes and that time will be here when the next appropriation bill reaches the floor.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, we have listened today to debate on a resolution that has developed into strictly a political sounding board and, in effect, will accomplish nothing.

What we need is action—not words—to accomplish a realistic economy program.

A responsibility of the President is to require governmental departments to submit a budget under which they can do the work they are required to perform, and at minimum cost to the taxpayers.

However, the responsibility for authorization and appropriation of funds is entirely that of the Congress. We cannot shirk our responsibility.

This amendment we have before us—and which has taken the full day for discussion—may at least have the effect of putting some of our reckless spenders on record as favoring economy so that when we are called upon to actually reduce the budget, maybe we can get some additional support.

Without a doubt this ill-conceived resolution will pass. Its result, I believe, will amount to nothing more than an admonition from the President to proceed and do our duty.

I am for and consistently have voted for economy in the Federal Government to try and balance the budget in the hope that we can soon start paying something to reduce the national debt, and work toward the time when taxes may be equalized and reduced.

That, it seems to me, is the responsibility of the Congress and should be the goal toward which our consistent effort should be directed.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I think we should face this resolution realistically. There is absolutely no hope that the record spending now proposed for 1958 by the administration will even be held down to the suggested enormous level of $71.8 billion. On the contrary, if experience of the recent past is any indicator, spending in 1958 will be far in excess of the present estimates.

Here is the record of the past two budgets. The original 1956 budget sent down by the President in January 1955, estimated spending at $62,400,000,000. But the year 1956 closed with an actual expenditure of $68,500,000,000, an overrun of $4,100,000,000 over the original budget.

Nineteen hundred and fifty-seven: The original budget submitted just a year ago estimated spending at $65,900,000,000. This figure has been revised and expenditures for fiscal 1957 are now reflected at $70,100,000,000, representing an increase to the tune of $4,200,000,000.

Now, let us consider the fact that Federal expenditures for fiscal 1958 will actually exceed the estimates included in the budget. I am afraid that the public, the press, and Members of this House will keep the $71,800,000,000 estimate in mind and forget that supplemental appropriations and appropriations made mandatory by legislation passed during this session of the Congress will be included in expenditures for fiscal 1958.

Mr. Chairman, I think it should be pointed out to the committee that the President's budget is a closely guarded secret until it reaches the House in January. Not a Member of this House knows anything about what is in the budget until it is submitted to the Congress in January. We have from 2 to 6 months to consider the budget and report the bills out, about 12 of them, and get them on the statute books by July 1.

On the other hand, the Director of the Budget is a fulltime official surrounded

by 425 experts, and they have 18 months to scrutinize every request made by the President's departments. You know and I know that a man who has had 18 months fulltime to study the budget should be more familiar with its contents than Members of the House who have had from 2 to 6 months to study it, during which time they also had to attend to other congressional duties such as House meetings and daily correspondence.

On account of the statements made by the President, by Mr. Humphrey, and by Mr. Brundage and other high officials in the Government, that the budget should and could be cut, why should we not request that those officials who have had sufficient time to study the budget estimates thoroughly recommend where the additional cuts they advocate could be made. They should either cooperate or stop popping off. Had they kept their mouths shut, we would not have this Resolution 190 on the floor this afternoon.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. Is the gentleman aware that there are items in the budget as presented by the Director of the Budget that were not even requested by the various departments affected?

Mr. PASSMAN. Does the gentleman mean in the President's budget, submitted by the Budget Bureau?

Mr. MARSHALL. Yes.

Mr. PASSMAN. Yes. I repeat, Members of this House have had only a few short weeks to study the budget and point out where cuts could be made. We have only from 2 to 6 months to pass the money bills and get them on the statute books by July 1 of the calendar year. Are we to determine in this short period of time where cuts can be made when officials of the Bureau of the Budget have not been able to establish where cuts could be made after studying the budget full time for 18 months?

So I say the resolution is in order. I do not consider it as political, on the basis of statements made by high public officials. They have repudiated the budget. Now let them stand up and be counted, and point out where it can be cut. If they cannot do that, let them say so.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, to me today there are many in the committee who would write this sort of a message to the President of the United States:

"Mr. President, we in the House of Representatives, especially we who serve on the House Appropriations Committee, are in an awful morass. We face a terrible dilemma and we do not know what to do about it. We do not know the way out and we are calling upon you for help. Mr. President, we realize that you, exercising your rights and obligations under the Constitution of the United States, have sent to the Congress a budget, and you have told us in almost so many words that it is about the best job you can do with the information on hand. You, in effect, challenge us to do a better job, and if the Congress can do it, make cuts and document those cuts in a proper way.

"But, Mr. President, we do not like this job. We realize that, under the Constitution of the United States, we have the responsibility of measuring your requests and determining what the Federal agencies should have in the new fiscal year, but we do not like our job. The heat is on—the heat is on, but we would rather the heat be on you. O Mr. President, we realize that over a period of years we have voted for authorizations for the expenditure of funds which make it doubly difficult for us today to do the job that the taxpayers of our country seemingly want us to do. So we are passing the ball back to you and we are abdicating our congressional responsibilities."

Now, it was not so many days ago that the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] told the Associated Press that the President's budget was unconscionable. We had some discussion about this word when our committee sat en banc with the Secretary of the Treasury as a witness sometime thereafter. I made this statement:

I am sure that our chairman, Mr. CANNON, must have measured that word when he used it. It is a very severe, a very harsh word. But, the distinguished gentleman from Missouri has served on this Appropriations Committee for more than three decades and he knows figures, he knows appropriations, and he knows budgets.

I said, also, before the full committee:

I am looking forward to the amendments that our chairman, Mr. CANNON, will propose on the floor of the House. If those amendments that he proposes are properly documented, here is one Member of Congress who is going to march along with him.

But to date, and, in all fairness, we have not considered so many money bills, there have been no so-called Cannon amendments. There was the day—there was a day in yesteryear when the distinguished chairman of our committee was not calling upon the President of the United States to help the Congress effect cuts in his budget, to pinpoint where he thought the budgets ought to be cut. On July 31, 1953, in the 1st session of the 83d Congress, the distinguished chairman of our committee [Mr. CANNON] boasted in the House that:

At the close of World War II the House Appropriations Committee hurried back to Washington and after freezing every allocation, rescinded $64 billion, leaving a net obligation far below that of today.

This occurred during the debate on a request to raise the statutory debt limit from $275 billion to $290 billion. No; the House was not impotent in those days.

On January 17, 1955, the gentleman from Missouri [Mr. CANNON] again pointed to the action of the Committee on Appropriations and the Congress, following World War II, saying:

The huge amounts of unobligated funds were reviewed by the Committee on Appropriations and in consequence of its recommendations vast sums were rescinded.

On August 2, 1955, the chairman of our committee again speaking said:

The Committee on Appropriations and the Congress will cooperate by holding down and even further reducing the spending requests. The appropriation bills returned to the President will be below the budget on which they are based as they have been for many years.

On January 16, 1956, the chairman of our committee [Mr. CANNON], referring to the budget said:

May I urgently suggest that this Congress make such needed reductions in the estimates as to provide a surplus that will leave no doubt about the balancing of the budget and provide means for carrying out a progressive fiscal program.

On January 16, 1957, Chairman CANNON said of the budget for the fiscal year 1958:

The Congress ought to effectively revise it so as to lead the way to sound spending and sound fiscal policies.

Mr. Chairman, I do hope the House will never negate its constitutional responsibility as the resolution before us would require.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ASHLEY. Mr. Chairman, the resolution now under debate has probably generated more interest and more heat than any legislation which has come before the House thus far this session. I find this a little surprising in view of the simplicity of the request which it contains. The resolution, very briefly and concisely, requests President Eisenhower to indicate to the Congress where he believes his budget should be cut.

This budget, as we all know, relates to the Federal expenditures for fiscal 1958, and it was prepared by the executive branch, headed by President Eisenhower. It was approved and signed by President Eisenhower, and submitted to the Congress at the direction of President Eisenhower.

The fact that it is the biggest peacetime budget in the history of the United States, and the further fact that it has provoked nationwide attention and protests, make it no less the product of the branch of Government under the direct responsibility of the President of the United States.

We all know, as do the American people, that there is a dual responsibility for effecting economy in our Federal Government. The executive branch, under the direction of the President, has the responsibility of preparing a sound and realistic budget sufficient to supply the departments and agencies within the executive branch economically and efficiently. The Congress has the responsibility of reviewing the many requests contained in the President's budget and effecting further economies wherever it is possible to do so.

The controversy which lies at the heart of today's debate centers on the responsibility of the President. Shortly

after his budget for fiscal 1958 was made public, the Secretary of the Treasury stated for the press that the budget was too high and that it would have to be trimmed. Since that time the President has agreed that Congress should effect cuts in the budget which, only a few weeks before, he had approved and sent to the House and Senate.

Republican members of this body are now claiming that this resolution is politically inspired. I suppose, Mr. Chairman, that any effort or any comment intended to fasten responsibility to President Eisenhower is certain to be subjected to such a charge. But the fact remains that there is a dual responsibility which must be assumed by both the President and the Congress if intelligent economy in the Federal Government is to be achieved.

It is a matter of common knowledge that tens of thousands of man-hours are devoted to the preparation of the individual department and agency budget requests by administration officials. Thousands of additional hours are devoted to reviewing these requests by economic experts in the Bureau of the Budget and the Department of the Treasury. It was their combined efforts that produced the President's $72 billion budget.

If, as the President and Secretary Humphrey now assert, this budget can be reduced, is not it their responsibility to inform the Congress where these cuts can be made? After all, who should know better than the people who are in charge of the administration of our Federal Government?

Mr. Chairman, I do not agree with those who would shackle President Eisenhower to the $60 billion fiscal budget which, during an election campaign 4 years ago, he dangled before the voters of this Nation. This simply would not be realistic. If the resolution does not go far enough, it is because we failed to ask the President what changes have occurred since he submitted his budget 2 months ago—changes which now lead him to believe that that budget was too high and that it can be trimmed by several billion dollars.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CANFIELD. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. CEDERBERG. I yield.

Mr. CANFIELD. Mr. Chairman, the parliamentary inquiry is this: The gentleman from Missouri [Mr. CANNON] was just accorded unanimous consent to extend his remarks following my remarks. My inquiry is this: In those remarks proposed by the chairman of the committee is he permitted to comment on statements I have made in my presentation?

The CHAIRMAN. The gentleman from Missouri can comment on anything that pertains to the resolution. If the remarks of the gentleman from New Jersey pertained to the resolution, I presume he would be free to comment on those remarks.

Mr. CANNON. It was my hope that the gentleman would not object to my answering any remarks he made when he mentioned me by name.

Mr. CEDERBERG. Mr. Chairman, I do not wish to yield any further.

I refer to the CONGRESSIONAL RECORD of January 30, pages 1324, 1325 and 1326, in which is stated the proposed program for the Democrats in the House of Representatives. It is signed by 80 Members on the Democratic side, 7 of them members of the House Appropriations Committee and 3 of them chairmen of major committees in this House, in which they state, "This program covers foreign policy, immigration, civil rights and civil service, education, health and housing, taxes, business, industry and labor; agriculture, public works, resources, atomic energy, veterans, Government operations."

Here is what they say. They talk about reducing the budget, but under foreign policy they say:

> We believe, also, that unless the world situation improves significantly, there should be no reduction of the personnel in the armed services. We will support legislation and appropriations necessary to accomplish these purposes.
>
> We therefore favor the continuance of an adequate aid program to meet the needs of our Western European and other allies * * *
>
> We favor an expanded point 4 program.

Under education, health, and housing, they say:

> We favor the enactment of legislation to assist States and local communities in building schools and providing essential health and safety facilities to all schoolchildren.
>
> We favor an expanded program of Federal aid for medical education, hospital construction, and health services.
>
> We shall support increased benefits under the social security program, the extension of coverage, and the raising of the wage base upon which benefits depend.
>
> We will propose and support an expanded and improved Federal housing program designed to meet the special needs of low-income and middle-income families.

Then they say:

> We favor legislation to improve the water and soil-conservation program, to insure that the soil bank be used for the purposes for which it was designed.
>
> We favor an expanded school-lunch program and other programs for the disposal of agricultural surpluses.

Under public works they say:

> We will work for a stepped-up, sound program of public-works projects in rivers and harbors, hydroelectric, flood control, and public buildings to better utilize existing resources and provide better and more adequate facilities and services to meet the needs of an ever-increasing population in an expanding economy.
>
> We will continue work to build up momentum for an effective, long-range, expanded, and accelerated Federal-aided highway and public-roads program.
>
> We will continue to work for the adoption of a generous Federal program to assist Indian tribes in the full development of their human and natural resources and prompt settlement of Indian claims against the United States.

In other words, these 80 individuals promise a little of everything for everybody in the United States and it would seem to me that these people will look a little ridiculous to vote for a resolution that has anything to do with the possibility of reducing the budget. The program consists of increasing the budget. Seven members on the Appropriations Comimttee, and all the Democratic Members of my own State of Michigan signed this expanded program for more Federal expenditures and not less. So I do not see how they can possibly go along with this resolution requesting the President to do anything about reducing the budget, when all of their programs are designed to increase it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. HOFFMAN. I think you have answered my question already, but when they voted, if they did vote for the resolution which we passed, were they asking the President to cut or to increase appropriations for the next year? It would indicate to me that if the President were to go along with these 80 Members he would have to make a request for increased appropriations.

Maybe that is what they are asking.

Mr. CEDERBERG. That evidently is it. I cannot understand how seven members of the Appropriation Committee could go for this resolution who support a program of this type which has nothing whatsoever in it but increased Federal spending.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I think this resolution is about as ridiculous an action that can be proposed in this House of Representatives. The President submitted his budget for the years 1957–58. After submitting it, he indicates that the Congress should cut it wherever they believe it possible to do so.

Therefore, it is our responsibility, spelled out in the Constitution of the United States, to make cuts after an interrogation of all the Departments of the Government. The Appropriations Committee has been holding hearings and have already recommended several cuts and I have been happy to support them. I am certain they could recommend many more cuts in other appropriation bills to reduce this budget by at least $3½ billion, including a large cut in foreign aid.

In the Republican-controlled 80th Congress, the Appropriations Committee under the chairmanship of JOHN TABER, of New York, did not ask the President to review his own budget and indicate reductions, but went right ahead and cut 6 billions off the spending thereby reducing taxes at that time.

In the Republican 83d Congress, again under the chairmanship of JOHN TABER, the committee lopped some $12 billion from the Truman proposed budget for the years 1953–54, thereby permitting a tax cut for the people in 1954.

It is obvious this resolution is merely a political dodge by the Democrats to duck their responsibility. I am ready and willing, and have indicated ever since the budget was presented to the House, to vote against unnecessary spending, and will continue to do so. No service to the people will be adversely affected by so doing.

If the Members of the House advocating this resolution would vote for some economy on the proposed appropriations, a real contribution could be made by them, rather than trying to pass the buck back to the White House.

We have the responsibility and the power to do the job. Let us get at it and do it, for I know it can be done. Let us stop proposing new methods of spending the taxpayers' money and find the ways of cutting the spending.

I am willing to do my part and accept my responsibility.

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, the majority members of the House Appropriations Committee are advocating here today, in supporting this resolution, a complete escape from their responsibility to cut this budget as members of the legislative branch. We have heard a lot of talk about economy in Government today. It seems that this is the day that the Democrats are going to be for economy in Government. All the rest of the year they will be busy increasing authorizations and appropriations.

It might be well for us to look at this budget which is before us. Substantial cuts can be made by this Congress if the Congress is willing to exercise its responsibility as the controller of the purse strings of this Nation. It is well for us to look at some of the legislation that was passed in the 2d session of the 84th Congress and see how the resulting increases are reflected in this budget. Take, for instance, the social security bill that was supported by almost every Member on the other side of the aisle. That particular bill will increase Federal spending by $1,500,000,000 in this next fiscal year, of this almost $400 million was in new expanded grant and aid programs for the States.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Illinois.

Mr. PRICE. I am very happy the gentleman is honest enough to give the Democratic representation credit for this legislation, because Republican candidates last fall attempted to steal all that credit for themselves.

Mr. LAIRD. I just want to tell the gentleman that I was interested in economy in government, and I opposed provisions in that bill which added $400 million of unnecessary Federal expense. This added unnecessary expense is reflected in this budget. My vote on the rollcall was recorded in favor of economy.

Then you went along for a new universal veterans' pension law, for nonservice-connected veterans. You went along for further pay and retirement raises for Federal workers, and just last week on Thursday you marched down the middle of that aisle in support of the McGovern amendment which would have added at least $2 billion to the budget which is before us today.

I think it is well to talk about economy, but when some of these authorization measures are out on the floor in this session of Congress I hope that some of these economy suggestions that have been made on the other side of the aisle will be remembered.

I believe this budget can be cut, but it cannot be cut by passing the buck to the executive branch of the Government. The legislative branch, this Congress, must exercise its responsibility and make the necessary cuts. We can cut this budget by $6 billion if we are willing to face our constitutional responsibility.

Let us quit passing the buck and get busy on the job before us.

Mr. TABER. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I come over to this side because from observations I have made this side makes better listeners than the other side. I have been a Member of this House for 20 years and I want to say that if there is one independent minded Member of this House, if there is one Member of this House who votes in a nonpartisan way, if there is one Member of this House who votes his own convictions, perhaps I will qualify. The older Members of the House must know that.

In the short time allotted me I want to do what the chairman of the Appropriations Committee should have done as a part of his responsibility to this House and that is to point out the items that can and should be cut. I am doing that because I want to prove that so far as I am concerned I do not need the advice of the President or the suggestions of the President as to where this budget can and should be cut.

I submitted to my own people on February 18 a weekly letter in which I called their attention to the places where the budget could and should be cut. This is what I gave them and every one of these items are additional expenditures to last year's budget:

	Millions of dollars
Additional welfare expenditures	200
Additional farm subsidies	1,000
Additional school aid proposed	600
Additional foreign aid	1,000
Public works, mainly to build dams to irrigate desert acreage in order to grow additional crops to go into the surpluses that we already have	300
Public highways	1,400
Additional total appropriations or suggestions for appropriations	4,500

And not $1 of that, except possibly with reference to foreign aid, is $1 on the defense programs.

Mr. Chairman, I think the defense program can be cut and I think it should be cut. I am talking about items that I know should be cut because not $1 of these items affects the defense budget. So I felt quite free to tell my people where the budget could and should be cut and where I propose to vote, at least one vote, to cut it.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I only know what has been going on in this House from observation during the past 15 years. When I came here I found that the Republicans were voting for economy and trying to help save the taxpayers' money. We Republicans were in the minority for most of the 10 years, but we joined up with a group of people, fine Democrats from the South mostly, 15 or 20 of them, and through the years we on the Republican side helped to save the taxpayers billions of dollars.

Finally, in the 80th Republican Congress we came to power. We did not cry-baby or try to bring up a resolution asking the then Democrat President to tell us where to reduce the budget. We did not resort to such politics as trying to put somebody in the middle as this resolution has for its background. We knew, as you know, today that it was our responsibility then, and it is the responsibility of the 435 Members of this House to reduce this budget. The Congress holds the purse strings under the Constitution. If you on the Democrat side today have interest of the people at heart, you who have a majority in this House and on every committee have the courage to vote for economy as you are talking today we will greatly reduce the budget without trying to embarrass the busy President.

In the 80th Republican Congress we reduced the cost of Government and balanced the budget for the first time in 20 years. We reduced the budget in the 80th Republican Congress enough so that we were able to give the people a tax reduction of about $5 billion. Then we went on and we lived through the period of tax and tax and spend and spend enunciated by Harry Hopkins and one of the Presidents of the Democratic Party, and I was convinced, and I think most of the Members on that side of the House were convinced, that it was the policy—at least, the voting showed it by those on the right—that their policy consistently was a policy of reckless spending, to spend and spend, to tax and tax, and to elect and elect.

So this resolution comes here today. It brings these pleasant and unpleasant memories to my mind. Then in 1952, when the people became so utterly disgusted and fearful, they turned the party of spendthrifts out of power and they elected our great President Eisenhower. I say to you that the first 2 years when we had a majority in this House we made a record of economy that has not been witnessed by the American people and by the taxpayers in the past 30 years. We did not cry out to Harry Truman in 1948 to help us balance the budget. We went ahead and did it. Then in 1953 we took the budget that Truman left and said it could not be cut, and we reduced it by about $10 billion and effected other economies that made it possible in 1954 to give the people a tax cut of $7.4 billion. We established a record of economy and efficiency in Government that put us on the road to national prosperity. And then the people made the great mistake—and I think most of them know it now—of failing to give President Eisenhower a Republican Congress for

the latter 2 years of his administration, with the result that there is no question but that the fault must lie on the right-hand side of the House and over in the Senate that the cost of Government has gone up for the past 2 years. It appears to have been your policy to increase budgets and trying to prevent us from balancing the budget. But we were successful and gave the people a balanced budget, we fought off the depression, and we brought real prosperity to this country that has employed over 60 million people. And we again made it possible to balance the budget.

We do not need to call on the President. We know what we are going to do. We have not changed our spots or stripes or colors. We are still for economy in Government, as our votes will show on every rollcall and I hope you who are supporting this resolution will help us. I hope you have got yourself before the American people and so tightly hooked that you cannot run away when we bring up this corn bill tomorrow where we have a chance to save the people a billion dollars, which you tried to tie on the backs of the taxpayers a couple of days ago. I hope when the school bill comes up that we can at least cut that bill something like $2 billion that you people in the committee have already added to it. I hope you have yourselves so completely hooked by your talk today that when we come before the House with appropriations you will be too embarrassed to ask for additional funds as has been your record and that you will go through and make a record for honest economy for one session and help the conservative Republicans that have been making this fight through the years to bring about better economic conditions and greater strength to the Nation.

I hate to say this; but I am fearful you will never do it.

Mr. ALGER. Mr. Chairman, the President has submitted the budget to the Congress, whose responsibility now as custodian of the purse is to make the changes as it sees fit. This resolution, therefore, is unnecessary. The President's suggestions are always welcome, of course. Congress will do as it pleases regardless. The Democrat-controlled Congress apparently is trying to pass its responsibility to the President. Cutting the budget requires deeds, not talk. Let us see who really wants to cut the budget, in practice. Here is an admirable chance for the Democrat-controlled Congress to build a responsible and unusual record. The Members of Congress are known to each other, as they should be known publicly, by their voting records. Let us look at the voting records of those now most vociferously supporting this resolution. Let us challenge them to substantiate their interest in economy with performance, if not in the past, then from this time on, joining with those of us who have a voting record for economy in government.

I want to join all efforts toward economy but not in this demogogic outburst of talk which by all is recognized a political grandstand play. Where have these economically minded Members been for all the years passed? Now, let us see who votes for economy in government in this Congress. Even now, as we debate this, we are postponing the farm bill consideration, which will present to us the Democrat bill to add $250 million to $1,000 million to the already heavy budget. How will these recently economy-minded Members vote? And so it goes on each vote—who has been and who will be economical in practice? The people ought to know, and they are about to find out.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the mail that I receive, the conversations I have, the magazine articles I read, and the editorial comments that come to my attention, one and all, leave no doubt that our people are deeply conscious and concerned over the size of our Federal budget and the effect it has on maintaining a heavy tax burden.

There is, in my opinion, a general desire upon the part of the Members of Congress to reduce the size of the budget as submitted. However, the adoption of this resolution is not the way to do it.

The resolution—House Resolution 190—now before the House for its consideration provides that whereas the House of Representatives must, in the public interest, make substantial reductions in the budget for the fiscal year 1958, therefore, it is resolved, "That the President respectfully be requested to indicate the places and amounts in his budget where he thinks substantial reductions may best be made," and, further resolves that a copy of the resolution be transmitted to the President.

There is no need for the passage of this resolution. The House by its vote, and, the Appropriation Committee of the House by the fulfillment of its duty to our people, has the authority, as well as the obligation, to cut the budget figures, whenever and in whatever amounts, they are found unnecessary. The President has fulfilled his duty when he submits the suggested budget for the next fiscal year. The Constitution of the United States places upon the Congress the responsibility of making appropriations to carry on the government of the United States. The President has no constitutional power by budget or otherwise to bind the Congress. The President cannot legislate the appropriations to be made other than by accepting or vetoing the acts of Congress. The power of fixing the appropriations belongs in the first instance to the House. This is a constitutional provision. Even the Senate cannot do so until the House has first acted. The House can accept or ignore amounts suggested by the Budget. Thus, to pass this resolution indicates in my opinion a disposition to run away from our constitutional duty, a desire to evade our full duty and obligation. Suppose this resolution is adopted. It would not have the effect of binding Congress to abide by a new or revised budget that the President might or might not submit. The responsibility still remains with the Congress, and, this means the House in the first instance, as I have already pointed out.

There is, in my opinion, a general desire upon the part of the Members of Congress regardless of political affiliation to reduce the size of the budget as submitted. However, this is easier said than done. Too often the desire is to reduce only items that have no appreciable importance to the individual district represented by the Member of Congress. Expenditures that seem important and necessary to the particular Member of Congress representing a particular congressional district are those that have a favorable bearing on his own district. And when any considerable number of congressional districts are similarly interested then there is a coalition formed to protect such expenditures. Thus, as President Roosevelt is reported to have once said: "Yes, the budget can be cut. Go ahead and do it." He knew it was easier said than done.

It is no easy task to estimate the appropriations that should be made to run a Government as large as this is. The budget for the next fiscal year, submitted by the President each year for the consideration of Congress, consists of a book nearly double the size of the telephone directory for a city the size of Washington, Philadelphia, or any other similarly large city. It is printed on thin paper, both sides of the page, and in small type. It covers thousands upon thousands of different items of expense. It shows plainly that the Government of the United States is of tremendous size, and its activities of such a varied character as to defy the reasonable possibility of ever being put together in a manner that could make plain what is, or, is not necessary for the functioning of this Government "of the people, by the people, and for the people."

It can be readily understandable that a spending program of nearly $82 billion, as provided for in the budget as submitted, cannot be explained in detail in a limited speech such as this. The most that can be done is to give in broad outline the general scope of the expenditures.

The largest item of expenditure naturally relates to defense. The amount for this purpose in the next fiscal year will approximate $43.6 billion. This vast amount of money goes directly to 2.8 million people who serve in the armed services. Nearly $3 billion is paid toward strengthening the military allies of our Nation. And the balance goes to meet the costs of new weapons, for research, for construction of military housing, building new and strengthening established military bases, constructing ships of different types for the Navy, airplanes for the Air Force, maintenance of military development of atom missiles, pensions for retired military personnel, and providing stockpiles of strategic materials. This enumeration may be considered inadequate, but it is sufficient at least to give some idea of the extent of our military activities and the millions of wage workers who are necessarily employed in producing and manning the necessary activities incident to maintaining an efficient and effective system of defense.

Next in importance as a source of expenditure relates to the extensive welfare activities carried on by our Government. This will cover approximately $14 billion. It includes our expenditures for pensions for retired Government employees, widows and orphans, the needy aged, blind and otherwise handicapped, to the unemployed, for medical research, school lunches, hospital construction for medical research, and numerous other types of welfare activities.

More than $5½ billion is paid out for veteran benefits, including pensions and compensation to veterans, their widows and dependents, hospital and medical care for veterans, education and training programs, veterans' life insurance, guarantee of home loans, and to build veterans hospitals, and provide other aids. At the present time 2.9 million veterans receive benefits in one form or another, and also approximately 880,000 families of veterans who have died. The educational benefits go to over 570,000 veterans and 9,000 war orphans.

The farmers of the Nation form a group that receive nearly $5 billion in aid, such as price supports, soil bank payments, conservation programs, rural power and telephone programs, and numerous other forms of aid programs.

Various items designed to be helpful, such as highway building, aid to housing, to promote aviation, for civil defense, for slum clearance, disaster relief, postal service deficit, and numerous other forms of aid provide a total of nearly $4 billion.

Concluding this short summary of some of our governmental expenditures, we must not overlook the fact that our foreign-aid programs approach $3 billion, and that we are now spending upward of $7 billion for interest on the outstanding national indebtedness and for general management.

The difficulty that is experienced in cutting the budget can be readily understood. Notwithstanding, the task is difficult to decide where and how much of a cut there should be. Nevertheless, the Congress should zealously strive to reduce the cost of Government in the hope that it can result in a surplus of receipts over expenditures sufficient to make some cut in taxes.

It will be nearly 18 months before a final accounting can be made of the projection of the Government's financial position on June 30, 1958. Budget planning that far ahead is a hazardous business. Probably one of the greatest uncertainties arises from what may be our expenditures on our commitments throughout the world in the event of an unseen emergency arising that requires us to defend our foreign policy if it is seriously challenged by the Soviet Union. This is only one of the emergencies that can arise, although at the present time it does not seem likely. And, we trust, it won't arise. But careful planning, as outlined by Secretary of the Treasury Humphrey, to enable us to withstand the impact of unforeseen emergencies, seems to me to be the wise course to be followed. It is fortunate that we have at this time a man of the ability and strength of character and adherence to sound financial principles as characterize our Secretary of the Treasury.

It is very significant that Secretary Humphrey has made a special appeal "not simply to keep within the limits of this budget, but to make actual and substantial reductions." Whether Congress may find ways to reduce the spending figure is uncertain at this time. However, I am of the opinion that a budget as large as the present one provides room for searching examination and substantial reductions without weakening the efficiency of our governmental structure. This is now the responsibility of the House Appropriation Committee, and, later of the House and Senate.

There is no more patriotic service that Members of Congress can render at this time than to make certain that we do not weaken the financial structure of this Nation by excessive or unnecessary expenditures. Our expenditures for foreign aid have grown to totals that are appalling. As a people we have been willing to make such expenditures, with the sacrifices inherent therein, in the belief that we were thereby strengthening not only our own Nation but also the weaker nations, who are our allies, in the fight against communism. The making of such expenditures has and may continue to require curtailment of some projects of a domestic character that seem necessary in order that we may continue to bolster our strength and that of our allies as against the day we may need their assistance in fighting a common enemy.

Before the last of the appropriation bills is enacted there will be time for a later and up-to-date consideration and study of the state of our domestic economy and likewise on the developments abroad. The Congress has a responsibility to measure these carefully in reaching its final decision on appropriation needs and make reductions wherever possible.

Mr. VANIK. Mr. Chairman, the discussion today has concentrated upon the illusive nature of responsibility for the President's unprecedented budget. It is indeed strange to witness the attack upon the integrity of the budget by its very own authors.

While much has been said today about ways and means of slicing Federal expenditures and reducing taxes, very little has been said about increasing the tax yield of the Government within the machinery of existing laws.

For example, there is no present justification for the arbitrary issuance of quick amortization certificates by the Office of Defense Mobilization. As a matter of fact the authority to issue new depreciation certificates should be withdrawn by this Congress. It is through this device that billions of dollars have escaped the Federal Treasury.

In view of the current discussions on oil, it is abundantly clear that no justification exists for the special depletion allowance which oil enjoys under our present laws. Certainly there is no justification for such a tax depletion allowance on oil recovery in foreign countries.

If this Congress will eliminate the quick tax writeoffs which selected industries enjoy and if the discriminatory oil-depletion allowance can be eliminated, the fiscal affairs of this Government will be in a sounder position and we will be closer to a tax reduction for all of the people instead of tax-saving gimmicks for a few.

The reduction in Federal expenditures must be coupled with a redoubled effort to close loopholes in our tax structure in order that the burdens of government may be more equitably distributed.

Mr. TABER. Mr. Chairman, I yield 2½ minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, everyone here is for economy—at least you have said so. In Indiana we often say "put your money where your mouth is." Right now I would say "put your vote where your mouth is." At the proper time today I intend to introduce an amendment which can help us onto the economy road.

I am witnessing something very unusual here today. I see some Democrats shedding crocodile tears for a reduced budget and lower taxes. This is indeed unusual. Throughout the 17 years I've served in this body, I've seen expenditures and taxes rise to the skies—always under the rule of our Democrat brethren who now, all of a sudden, are becoming economy minded.

In my service here I have seen only 2 balanced budgets and only 2 tax reductions—both under Republican Congresses. In fact, every Republican Congress of my experience has reduced taxes and yet balanced the budget. In this 85th Congress, the Democrats have the power, they can control this budget situation. It is up to them to act, to lead the way.

It seems that this issue is turning into politics and is delaying action on corn legislation so direly needed by Midwestern farmers. That corn matter also has become a political football. I told the farmers in my congressional district, when the gentleman from North Carolina [Mr. COOLEY], was there to speak in behalf of my opponent during the 1956 election campaign, what the corn-hog farmers would get under a Democrat-controlled Congress. Men now heading the Agriculture Committees of both bodies of Congress are cotton, rice, and peanut champions—so, we Midwest farmers get little out of agriculture programs but peanuts.

If our farmers do not get a corn-hog bill this session, it is going to be the fault of a Democrat Congress trying to sabotage the program and further sabotage the soil bank program so severely delayed and damaged by Democrat politicians in the 1956 campaign period. All of us can clearly remember the farcical mishandling of farm legislation in the 84th Congress.

Under Republican Congresses we have had men like Cliff Hope of Kansas heading up our Agriculture Committee, and he was seriously intent upon working out programs for the benefit of all farmers. The record will show that, under Mr. Hope's chairmanship, all segments of the Nation's agricultural economy received fair treatment.

Mr. CANNON. Mr. Chairman, I yield one-half minute to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CARNAHAN. Mr. Chairman, in a spirit of nonpartisanship, House Resolution 190 is a perfectly reasonable and orderly procedure. In asking the President for definite and specific suggestions for reducing the administration's budget which the President's major advisers say should and can be cut, the Congress is not dodging any responsibility nor is it passing the buck. The Congress will ultimately authorize and appropriate the funds which the President will spend during fiscal 1958.

The executive branch of the Government under the direction of the President, through its many departments, has studied, prepared, and submitted to the Congress a budget. This 72 billion administration budget is necessary for our best interest, so says the administration. Every item has been justified in the opinion of the administration. They say we need every item and also say that the budget should be cut. In a strange situation of this sort it would be unwarranted presumption to act without seeking at least major sources of information and help. The President should welcome this spirit of mutual concern. The executive branch of our Government should have the very best advice and counsel available in connection with budgetary needs.

The President sought congressional advice and approval for his Mid East resolution. Through this resolution, he sought advice in the exercise of his constitutional powers as President. Congress responded courageously and I concur in that response. The best interest of us all now demands a similar spirit of cooperation in dealing with the budget.

Mr. TABER. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, as I said earlier today, when speaking on the rule, the passage of this resolution calls for the most abject abdication of responsibility and duty by the House of Representatives I have ever seen. In fact, it is the greatest abdication in the history of this great Republic.

I have sat here this afternoon listening to outstanding members of the Committee on Appropriations, men with long years of experience, some of whom have said that there never was a budget presented to this Congress that could not be cut; men who know the budget forward and backward. I had hoped that in their expressed desire for economy that they were sincere and in that sincerity they would stand up here before us and tell us exactly where the budget presented by the President for fiscal year 1958 could be trimmed. I have listened in vain. There has not been one of those men who would point out a single place where the budget should be cut.

I repeat, the President's budget is merely a request to Congress to appropriate certain funds. Like any request, it can be granted in full or it can be refused in full; it can be granted in part or refused in part. It is no more and no less than the experience that some of you have had with your own children. One of your children wants a $2 or a $5 weekly allowance. That is the request he makes of you. "Dad, give me $5 a week."

Listen. Just because your son asks for it and because you love him, you do not have to give him the five bucks; and no matter how high regard you have for the President of the United States you will never at any time, be he Democrat or Republican, give him everything he asks for in the budget. The job is yours to control appropriations.

My beloved chairman of the Military Subcommittee on Appropriations, Mr. MAHON, was talking a while ago about how the public would applaud the President if he gave us suggestions for economy. Why should not we as Members of Congress acting in our positions of responsibility do our job and get the public applause ourselves?

Mr. MAHON. The gentleman has mentioned my name.

Mr. SCRIVNER. Yes; and I am going to mention it again.

Mr. MAHON. I am not so sure that anybody is going to get any applause for economy, although we need economy. We put ourselves squarely on record before the world in this resolution. We say, "Whereas the House of Representatives must"——

Mr. SCRIVNER. Yes; you say whereas the House must, and we must. That is our responsibility.

Mr. MAHON. We must cut expenses, so we merely ask the President to give us an idea so we will least interfere with any necessary program of the Government.

Mr. SCRIVNER. All I will say about that is this: It is known in military circles that the buck can never be passed up; it is passed down.

I have been with the gentleman from Texas on this committee for a long time, and we get along pretty well most of the time. The same thing is true of the gentleman from Missouri [Mr. CANNON]. But lots of times they just do not want to go as far as I would like to go in economy.

I was noticing one of the comments made by the gentleman from Texas when he was talking about this man that owned a farm. He suggested going out there and ask his hired man and say, "Now, we have to save money. Where can we save?" If that man is smart enough to save and earn and buy a farm, he himself is smart enough to know where to economize and should not have to ask the hired man how to economize.

Mr. MAHON. I think I said that if you have someone running your farm——

Mr. SCRIVNER. That is the hired help.

Mr. MAHON. And you must cut expenses, you might very well confer with him as to how best it might be done.

Mr. SCRIVNER. If you are smart enough to obtain that farm in the first place, you are surely smart enough to tell your hired hand where to economize.

Mr. MAHON. We could work together on that sort of a project.

Mr. SCRIVNER. There is an old neighbor of mine, or he used to be; well, as a matter of fact we served in the same artillery regiment during World War I. He lives over in Independence, Mo., now. He is retired. He is a former President of the United States. But he said something one day that I have always remembered, and it is just as true as can be. He said, "If you cannot stand the heat, get out of the kitchen." Now, if you cannot accept your responsibility here as a Member of the House of Representatives, why stay here? The responsibility for appropriations is squarely on the shoulders of the Congress of the United States and you cannot avoid or evade it. You cannot duck it. If you did not want to accept that responsibility, you should not have accepted the job when the people elected you to do it.

The gentleman from Louisiana [Mr. PASSMAN]—and I think the world and all of him—put his finger on one thing that is as true as can be. The President of the United States, no matter who he is, whether it is Roosevelt, Truman, Eisenhower, or whoever may be the future President, cannot spend one nickel that is not authorized by law and appropriated for by Congress. The gentleman from Louisiana pointed out to you when he was talking about the last two budgets that in there were increases that were made mandatory by laws passed by Congress. You had the votes to make those expenditures mandatory and you have the same votes and the same power to cut that spending if you but will.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I should like to mention something that may not have to do with what the gentleman has just said, but my friends on the gentleman's side of the aisle are talking about the economy that has been effected in government under President Eisenhower. Is it not true that when Mr. Eisenhower moved into the White House the public debt stood at $266 billion, and during the past 4 years under Republican leadership we have spent all of the revenue in sight and the Republicans have increased the public debt by $10 billion?

Mr. SCRIVNER. You know why—because we had to pay a lot of c. o. d. bills that were run up under a previous administration.

Mr. Chairman, I must decline to yield further to the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BROWN of Ohio. I would like to ask the gentleman if the President of the United States had last Friday, for instance, sent a message to your Committee on Appropriations telling you where to cut various items, how many members

of the Committee on Appropriations of this House would immediately have raised the cry of dictatorship and said the President is trying to tell us what to do when it is our constitutional right to do what we think.

Mr. SCRIVNER. I do not know. The President knows what duty is. As a military man, he has always lived under the rigid requirements of duty. He has fulfilled his duty under the law when he sent the budget request up here. Under the Constitution, it is our duty to cut the budget.

Mr. BROWN of Ohio. I agree with the gentleman.

Mr. SCRIVNER. We should do something about it or quit talking about it.

Mr. PASSMAN. Mr. Chairman, will the gentleman permit me to ask him a question?

Mr. SCRIVNER. Mr. Chairman, I refuse to yield further to the gentleman.

Mr. Chairman, there has been a lot of talk about the biggest peacetime budget in history. Peace? Yes, in that there has not been a young American die on the field of battle in a foreign land since early 1953.

Sure, it has been peace in a sense of the word. But, you know and I know it is an uneasy peace, and that as long as—and I have heard this from the Democratic side as well as the Republican side—as long as Soviet Russia remains a threat to the peace and security of the world including our peace and security, you cannot call it anything but an uneasy peace. And, if it were not for the existence of Russia, and we have been hearing of this threat for weeks and months, we could whack $20 billion off this budget tomorrow.

Mr. SHEPPARD. $40 billion.

Mr. SCRIVNER. No; I do not think so. Well, I am talking about the military. Maybe we could go as high as $30 billion. But, certainly, if it were not for that one thing, the Communist threat, this uneasy peace, we could whack it. I have yet to hear one sound suggestion of where the military budget can be trimmed. Oh, sure, the committee have had investigators out, but I have not seen a report from that yet that has indicated where to make a cut in the military budget.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BOYLE. There is just one question that bothers me. I cannot understand how the Secretary of the Treasury and these three other individuals—was it Burgess and Merriam and Gabriel Hauge?—can bastardize their own budget. Would you clear that up for me? They said it could be cut.

Mr. SCRIVNER. Let us get this thing square. You and I know, as politicians, we never are defeated by the speech we never make and, like many others, including Members of the House and the other body, sometimes when they are being interviewed, people make a statement in passing that they do not give full thought and consideration to. You have done it, I have done it, all of us have. And they have been following just exactly what so many people have been doing and talking about. Sure, the budget ought to be cut. I agree with that. I have been working on it for 11 years. Once in a while, our chairman, the gentleman from Missouri [Mr. CANNON], has helped me on it, but a lot of times he has not. So, in closing, I say let us not abdicate or shirk our duty. Let us not fail to carry out our own responsibility as Members of the House of Representatives. Let us work on this budget ourselves and bring about reduction.

Mr. CANNON. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, perhaps I should never have been recorded on this resolution because our 2 subcommittees on appropriations—namely, Treasury and Post Office and Interior—did go to work on this budget and we did cut $141 million. However, I am going to vote for the resolution, if it will do one thing so far as I am concerned, and that is, elicit from the Secretary of the Treasury and from the President of the United States a statement on this budget in relation to the gross national product. I want to read just two statements and then I shall sit down. On page 67 of the budget hearings when Secretary Humphrey came before us, I asked him:

> In 1958, what is the estimated gross national product that we will produce if we spend the $71.8 billion?

The reply—in effect:

> It is something over $400 billion, and if we spend $70 billion that is 20 percent, less than 20 percent.

> Mr. SIEMINSKI. You think from that we can provide the country with a compass, or a norm to run the country and the land?
>
> Secretary HUMPHREY. I think it is too much. I think that is too high a percentage to take.

The Secretary says therefore that 20 percent is too much, and Secretary Weeks the other night said it is now 17 percent, because the gross national product is rising. I would like to have the Secretary of the Treasury and the executive branch tell this House what they think a fair norm is. They are big-minded businessmen. They should know. If I would make a budget proposal to my company, or you to yours, I would not stand much show unless I could say what percentage to gross or to estimated net it was.

Mr. Chairman, the second point I want to mention is this, if we know from the executive branch what a right percentage of budget to gross national product is, whether it is 10, 15, or 17 percent, more or less, this House could, with utmost wisdom, gauge the result of its vote to add to, or to slash any budget presented to it.

For example, in the same hearings on the budget, I asked Budget Director Brundage, on page 148 of the hearings, the following:

> Mr. SIEMINSKI. Mr. Brundage, would you care to venture an estimate as to what a $10 billion slash in this budget, which would bring it down to $52.8 billion, would do to our gross national product?
>
> Mr. BRUNDAGE. I am afraid not, no.

I further said, in an effort to get this administration to reduce taxes—on page 149 of the hearings:

> Individuals are now paying 19 billion more dollars into the Treasury than corporations are paying, not counting the 8 billion that goes for employment taxes. If we were told, in the next Congress, to give that $19 billion back to the people, it would be a terrific dividend to them, based of course upon what it would do to the gross national product. We want the gross national product to keep growing.

Obviously, this House could act on the budget with greater wisdom if the big-minded businessmen in the executive branch of the Government made the same kind of bold, daring, forceful and courageous declaration of what par for the course was, of what the right percentage was. Banks do it to borrowers. It seems to me the Executive must declare itself on the budget in relation to the gross national product. It has not done this. What is the right percentage, Mr. Secretary of the Treasury, what is the right percentage, Mr. President? Is Secretary Weeks correct when he says 17 percent is O. K.? How do we know?

Another thing, Mr. Chairman, in seeking to extract a principle of budget operation and budget allocations, I asked Mr. Brundage, on page 149 of the hearings:

> Do you think we could ever adjust this budget so that we could have one-third for defense, one-third for public affairs, and one-third for reserve: 33⅓ percent for defense, 33⅓ percent for public affairs, and 33⅓ percent for reserve?
>
> I wonder if you can foresee the time when the United States budget can come into that sort of balance.
>
> Mr. BRUNDAGE. It sounds like a swell idea. I do not see it in the immediate future.

Again, on page 150 of the same hearings, I observed as a mark of caution, lest we concentrate too much on gold and the golden calf while the energies and needs of the people parch and shrivel from an inadequate flow of funds, the following:

> In 1914, if my information is correct, the treasuries of England, Germany, and France were loaded with gold. There was no question of a deficit or of an insurmountable public debt, which we hear much talk about here today. Yet war followed. The question is, why?
>
> Again, this is open to discussion. Was it because of more money that England, Germany, and France wanted? Was it because of a surplus? Or was it because of needed markets to give the people more goods and services, which means that when the needs of the people are not met or are threatened war follows, regardless of the status of the budget.
>
> Thus it would appear that the needs of the people and their plans must coincide with their budget and vice versa. Money must match the people and their energies.

I trust that this resolution elicits action on some of the points mentioned herein.

I would double the salary of everyone in Government if I thought that by it we could avoid war for 60 years—within the life span of my 4 months old grandson.

Today, we allocate some $5 billion a year for veterans affairs. In 30 years, that figure will take a drop. In 60 years

it should almost vanish if we stay out of war.

Again, I hope that this resolution forces the executive branch of Government to show a little more quid for the quo that we spend abroad. Let us have a rollcall of Ambassadors and the nations they serve. Let us show what our investments in those nations are and what we get from them. Let us put the State Department back in the game. Make the Ambassadors talk it up for Uncle Sam as well as the country to which they are accredited.

Marco Polo did a great job in selling the Orient to Europe, so great that nations have been jockeying for routes to it via America, Canada, and the Pacific and overland through Europe and the Mediterranean ever since.

Unless the rollcall of the Ambassadors is taken and tallies made on mutual progress, this House in its desire to be thrifty will drastically cut foreign aid. And if we pull out of developing overseas markets, the nations of Europe with surplus capital to invest will fill any vacuum our pullout might create. If we can afford this pullout, fine. But let us know what we are doing before we do.

Wars were started, it is said, over quests for markets. Should we slash funds in areas of developing purchasing power and consumption? It seems not. The Executive holds the ball on this. I hope it comes clean with the facts. The House will give it a square shake, I am certain.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. SIEMINSKI] has expired.

Mr. CANNON. Mr. Chairman, I listen always with pleasure to the gentleman from Kansas [Mr. SCRIVNER]. He is a very interesting and entertaining speaker. But let us consider the substance of his remarks. He discussed first the question of the responsibility devolving upon the Committee on Appropriations. That is not before us. As I had previously explained carefully, and as a reading of the resolution will show, there is not the faintest reference to such a subject in the bill before the House.

The gentleman then proceeded at some length to elaborate on the fact that you could not appropriate a nickel unless by act of Congress. That question is not before us at all today, as the resolution will so show. His discussion of the subject was wholly beside the point.

The gentleman then took up another extraneous subject. He said that we had not killed a man since President Eisenhower stopped the war. The pending resolution in no way touches on that subject. But he gave our President full credit of bringing the war to a close. Everybody knows that negotiations to close the war had dragged along, and were nearing their close. In fact the only remaining point of difference—the last obstacle to peace was the fact that President Truman insisted that the enemy release certain American soldiers who were held prisoners. When President Eisenhower came in he yielded that point, and those prisoners are still incarcerated abroad, so far as we know.

As far as the question of the President being authorized to change the budget, he can change it any time he wishes. He sent down to us today, and the Speaker referred to the Committee on Appropriations, 2 communications, 2 instances in which he changed the budget; 1 in which he reduced a previous estimate and 1 in which he increased the amount requested. So, taking it as a whole, I cannot see that the gentleman from Kansas [Mr. SCRIVNER], has said anything that particularly pertains to the subject before us.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. SCRIVNER. One of the things that is strange is that you are stressing the importance of the President's recommendations. I recall a year ago when you did not have such a high regard for the President's recommendations, when you forced the military to take $900 million more than the President asked for.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield.

Mr. MAHON. With respect to the $900 million added to the defense bill by the other body last year, the President's representatives in the Department of Defense and intelligence agencies gave us information which led us to believe that the Soviet Union was producing intercontinental jet bombers faster than the United States. This was an alarming situation. The other body added the $900 million as a result of that information. Since the Congress has resumed this year we are all aware of the fact that the defense officials have advised us that they were in error last year in their estimates of the situation, and therefore the information on which we acted last year was in error. I blame no one for it, but we should understand the situation that prompted the other body to put the money in the defense bill last year. I did not originate the idea of the increase, but in view of the reports received at the time, the addition seemed valid and there have been no waste or harmful results from the action taken.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has again expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, I am going to support this resolution. It is inevitable in the consideration of legislation of this kind that politics will creep in, and I may indulge in a little myself.

Four years ago the Eisenhower administration was dedicated to a program of economy for the American people. The American people have not had it. Reference was made a little while ago to the national debt. At the time Mr. Eisenhower took office the national debt stood at $266 billion. This morning it was $275 billion plus. In other words, Mr. Chairman, we are $9 billion deeper in the "red" than we were before we had this economy program.

We are confronted today with the largest peacetime budget in history. I believe that it can be cut; but, frankly, when you read this budget it is hard to determine where it would be safe to cut.

The budget calls for the appropriation of approximately $71.8 billion. Of this amount $13.7 billion represents interest payments, cost of Government housekeeping, and veterans' benefits, and so forth. These are fixed charges. You cannot make any reductions there.

The next item in this budget is military spending, for national defense. That calls for $43.3 billions. Many of us who are not experts in military affairs and are not on the Committee on Armed Services are reluctant to make cuts which might endanger our national security, but would like some guidance from President Eisenhower who was an outstanding military man. His advice would carry considerable weight.

In the field of foreign policy the budget calls for the appropriation of $2.4 billion. The President has said that this is necessary. No cuts can apparently be made if the program is necessary.

After all of these items, Mr. Chairman, there remains about $12 billion available for other things. In the field of labor and public welfare 80 percent of the amount budgeted goes into public-health education, school construction, and programs of that nature.

Mr. PRICE. Mr. Chairman, will the gentleman yield for a correction?

Mr. KARSTEN. I yield.

Mr. PRICE. The request for 1958 is $4.4 billion rather than $2.4 billion.

Mr. KARSTEN. Probably it has been upped since I last saw it.

Mr. MASON. Mr. Chairman, will the gentleman yield for a correction?

Mr. KARSTEN. I yield.

Mr. MASON. You are both right.

Mr. KARSTEN. I do not see how that can be.

Mr. MASON. You are both right on it, because foreign aid is split up into two parts. Half of it is carried in our defense estimates.

Mr. KARSTEN. Nevertheless, approximately $2.4 billion is the amount we have to consider in the budget.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. HAYS of Ohio. If this resolution passes does the gentleman think that the President would make any recommendation to cut out the two helicopters it is proposed to park at the White House to carry the President and his friends out to Burning Tree golf course?

Mr. KARSTEN. I am sure the passing of this resolution could result in a number of worthwhile suggestions as to where cuts can safely be made.

Let me return to the general budget items. In the field of agriculture 84 percent of the budget goes for agricultural programs such as price supports, soil conservation, and so forth.

Over half of the Commerce Department budget goes for such things as aid to aviation, housing, community development, and programs of that nature. As long as the American people want these necessary programs continued the area where significant reductions might be made is extremely limited.

I think Congress will welcome, and that it is entitled to, the benefit of the advice of the President as well as the heads of the executive departments.

Heretofore the heads of Government departments have been reluctant to furnish any information but they have freely quoted the following from the President's budget message in advocating budget reductions before Congressional committees and elsewhere:

> It is my firm belief that tax rates are still too high and that we should look forward to further tax reductions as soon as they can be accomplished within a sound budget policy.

Recently when the Secretary of the Treasury was before the Committee on Ways and Means we took advantage of that opportunity to try to secure some information as to budget reductions. Oh, yes; he admitted that cuts could be made, but when he was questioned as to where and how, all he would say was that he really thought it could be done. On one occasion the Secretary declined to answer questions put to him. It is the first time in the 24 years I have been in Washington that I ever heard a Cabinet member refuse to answer proper questions before a Congressional committee, but that is exactly what Secretary Humphrey did.

I think we are entitled to this information. Cabinet officers are in a position to submit suggestions as to what reductions can be made, what expenditures can be cut without undue injury to governmental services.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. PRICE. The gentleman in his remarks has made reference to the fact that under this economy-minded administration the public debt has jumped $9 billion.

Mr. KARSTEN. Yes; $9 billion plus.

Mr. PRICE. I wonder if the gentleman would comment on the fact that up to the end of this fiscal year under this economy-managed administration we will reach a record high in the number of civilian employees on Government payrolls?

Mr. KARSTEN. Perhaps we have already reached that point. I think a resolution of this kind directed to the President is constructive and might result in some suggestions which could be helpful.

The CHAIRMAN. All time has expired. The Clerk will read the resolution for amendment.

The Clerk read as follows:

> *Resolved*, That the President respectfully be requested to indicate the places and amounts in his budget where he thinks substantial reductions may best be made.

Mr. H. CARL ANDERSEN. I move to strike out the last word. Mr. Chairman, this is a serious moment in American history. We have before us a proposal which, if approved, will have a direct bearing on the constitutional responsibilities of this legislative body.

In my years in the House I have been deeply impressed by the remarks of our great Speaker when he has gone into the well of the House to speak to us about the great dignity and important responsibilities of the House of Representatives. His words have made a deep impression upon me and they were never more significant than at this very moment.

We have a Presidential budget before us which many of us believe is too big. There is nothing new about that. I am now in my 10th year in this distinguished body, and I have seen many budgets come before us which we honestly believed should be reduced. More than that, we did reduce them—not once but many times. In so doing we lived up to the great responsibilities placed upon us by the Constitution and the American people.

Personally, I deeply regret that anyone should even think of bringing before us a resolution of this nature. The President has sent us his budget. It is in the nature of a recommendation and we must assume its integrity. Now, our great Appropriations Committee and its subcommittees have held and are holding hearings to determine as best we can the appropriations bills we can recommend to the House for approval.

It is inconceivable that we should now turn to the President and say, in effect, "Mr. President, you have sent us your budget. Now we ask you to do our constitutional job for us and tell us how to write the appropriations bills." I, for one, am not ready to admit for one moment that the Congress cannot live up to its responsibilities. I hope the resolution will be defeated; for its approval would constitute a serious departure from our constitutional responsibilities and would set a very dangerous precedent for future consideration.

Mr. CANNON. Mr. Chairman, I rise in opposition to the pro forma amendment. There is not the slightest ground for interpreting the pending resolution as a concession that the House of Representatives is incapable of discharging its duties.

Can the gentleman indicate language, a statement or a word, that would carry out such an idea?

Mr. H. CARL ANDERSEN. Is the gentleman referring to the gentleman from Minnesota?

Mr. CANNON. Yes. My friend from Minnesota.

Mr. H. CARL ANDERSEN. Why, the resolution itself shows that we are stating that we are inept and incapable to do the job we are elected to do.

Mr. CANNON. The gentleman has not read the resolution.

Mr. H. CARL ANDERSEN. I certainly have.

Mr. CANNON. The proposition before the House is merely to invite the President to counsel and advise. He is not asked to discharge any of the duties of the Committee or the House. The gentleman has not read it at all.

Mr. H. CARL ANDERSEN. I have read the resolution and I have studied it very carefully.

Mr. CANNON. I will read the resolution:

> That the President respectfully be requested to indicate the places and amounts in his budget where he thinks substantial reductions may best be made.

That is all there is to it. Is there anything there that concedes incompetency on the part of the House? I insist, Mr. Chairman, that gentlemen on that side are evading the question when they attempt to read into the resolution words or meanings that are not there. The question of the competency of the House of Representatives or of its turning any of its prerogatives over to the executive branch of the Government is wholly aside from anything presented by the resolution.

Mr. WILSON of Indiana. Mr. Chairman I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WILSON of Indiana:
>
> On page 1, line 2, immediately after "indicate" insert the following: "to the House of Representatives."
>
> On page 1, immediately after line 4, add the following: "*Resolved*, That the President instruct the Secretary of Defense to inform the House of Representatives, at the earliest possible date, as to the manner in which, and the extent to which, the amounts requested in the budget estimates of the Department of Defense for the fiscal year ending June 30, 1958, could be reduced by an aggregate amount of $3,000,000,000 with the least possible adverse effect upon the national defense of the United States; and be it further."

Mr. WILSON of Indiana. Mr. Chairman, I am somewhat like the little boy riding through the woods one dark and rainy night. The lightning was cracking all around and he was scared. He got off his horse, knelt down and said: "Dear God, won't You give me a little more light and a little less noise?"

That is what we need here right now, a little more light. My amendment proposes to do that. The pending resolution, without my amendment, will not do the job we want done. My amendment does not tell the President to whom he should make his report regarding the budget. It does not tell him how much we expect him to reduce the budget.

All of us here know that the gentleman from Texas [Mr. MASON], heads up the Appropriations Subcommittee which clears our biggest appropriations, for the Department of Defense. If we are going to effect any material economies, it is not going to be through reductions in budgets for the District of Columbia or any of the other lesser budgets outside the area of defense. We must look where the big money is being spent, and 60 cents out of every budget dollar is for defense and related efforts.

I fully expect that some of you will arise when the District of Columbia bill comes before the House and you will be the greatest of conservatives. Your hearts will cry for the taxpayers at the expense of the District of Columbia. You will mail your speeches and comments back to your constituents when the next election campaign rolls around.

Actually, the District of Columbia appropriations item is a very small drop when placed alongside the Defense Department budgets. The same is true of other civil budgets. The people of America know this. They are smarter than some of you may think.

The gentleman from Louisiana [Mr. PASSMAN], my colleague on the Appropriations Committee, has said that "under Eisenhower the budget has gone up and the debt has gone up." If such is the case, then I would point out with all the emphasis at my command, Mr. Chairman, it is an indictment of a Democrat

Congress which has the power to control budgets and taxes.

If we pass this resolution as it stands, we are abdicating our responsibility. It is clearly the responsibility of the Congress to cut the budget, to balance, to reduce taxes—and we can do all that by controlling appropriations.

Every Republican Congress under which I have served has cut appropriations commensurate with the size of the budget and has balanced it.

You who are in the majority in this body are saying, in effect, that you are the Democrat majority but you cannot do this job, you want the President to do it for you. You want to escape responsibility.

Let us place responsibility for Defense Department budget cutting up to those most capable of doing the job properly. I will state here and now that I will vote for a $3 billion cut in defense appropriations—and I firmly believe it can be done without jeopardizing our national security one iota.

Remember when we were going to coordinate all branches of the Defense Department? Did we get it done? No. Instead of having 2 branches of the military, which we originally had, we now have 3—and each of them is building itself with big appropriations and wasteful and duplicating efforts.

I think every Member of this body knows, Mr. Chairman, that the biggest waste in Government is in the Defense Department. I have heard many of you say so. Now we are faced with the challenge and the opportunity. If we want to effect economy without jeopardizing defense, then we must have the expert advice and cooperation of the Defense Department.

I would point out to the gentleman from Texas [Mr. MAHON], that last year he would not accept the President's recommendations. He took the Defense Department's recommendation and then approved of an addition of $900 million. Now, however, he seems not to want the recommendation of the Defense Department; he wants the President to say where the Defense Department reductions shall be made. What a fine example of consistency. I just cannot understand that way of thinking.

If we are sincere, let us add my amendment. Let us thereby tell the Defense Department that we look to it to give sincere and intelligent assistance in our efforts to reduce Federal expenditures. That is the commonsense way.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to commend the gentleman from Indiana [Mr. WILSON] for his sincere desire to more specifically and effectively reduce the budget. I want to commend him for his cooperation with the Committee on Appropriations in trying to bring this whole matter before the House of Representatives.

I do not think it is unfair to say that this amendment was offered by the gentleman in the Committee on Appropriations. The object of this resolution which we have offered is merely to assert to the President and to the world that we must cut the budget in the public interest and we ask the President to give us an order of priority, or to advise us where in his opinion it can best be cut. It has become perfectly evident to the whole wide world that the members of the President's Cabinet feel that the budget should be cut. But the Congress must not overstep itself. It must respect the proprieties between the legislative and executive branches of the Government. I do not think it would be proper for us to adopt the gentleman's amendment.

But let me say, too, that some real efforts are being made toward finding ways to reduce the defense budget. The Committee on Appropriations has requested the Secretary of the Air Force to tell us how he would apply a $1.5 billion cut, or an increase, or a smaller reduction. The Secretary of the Army has been asked to tell us, if we arbitrarily reduced the Army budget by $1 billion how it would be applied. We have made the same request of the Navy Department.

In other words, this request has already been made and I think I violate no confidence when I say that Secretary Wilson told me a few days ago over the telephone in discussing this matter:

> I have the Secretaries of the Army, Navy, and Air Force in my office and I want to ask you about this request which you have made of the Department of Defense.

I said to him:

> Mr. Secretary, we have made it in all earnestness. We need help. We do not want to hurt the defense of our country and we want you to undertake to help us in this field.

He said that he would. Secretary Wilson has been most cooperative and I commend him highly for his attitude of helpfulness.

It is not the object of this resolution to have the President himself, personally, offer suggestions as to all these reductions. The job is too big for just the President. We expect the President to do what he has already done to some extent, to summon his Cabinet people and have them all work on it, with these thousands and hundreds of thousands of employees they have, and come in with a recommendation that will assist us in this project.

Mr. FORD. Mr. Chairman, would the gentleman yield?

Mr. MAHON. I am delighted to yield to the gentleman from Michigan. I may say I was a little unhappy when earlier in the day he spoke disparagingly of the House of Representatives for providing additional buildings for us to do a better job as Members of Congress. It would have been proper for my friend to have objected when we were acting on those appropriations for needed office space, in the public interest, in the interest of economy. But it came a little late today and it was not quite up to the usual exceptionally high standard of the gentleman from Michigan.

Mr. FORD. May I say that in such a comment the gentleman sounds a bit like some of these bureaucrats who come before our committees and who want economy every place except in their own department.

But may I ask the gentleman this question? It is true that our subcommittee has asked the various agencies of the Department of Defense for places where they could make reductions?

Mr. MAHON. That is right.

Mr. FORD. But I think it is also fair to point out that there has been a persistent effort on the part of some members of our subcommittee primarily on the gentleman's side of the aisle to find out where the various bureaus or departments could spend more money. The testimony will indicate quite clearly when it is printed that there has been prodding on the part of the Democratic members of the subcommittee to find out why these departments did not get more money than the President's budget requested; is not that true?

Mr. MAHON. In my opinion, the record will not quite agree with the gentleman's statement. There has been this. It has been developed that the Air Force, for example, had a flash budget of about $23 billion. Later it had a more firm budget of $21 billion. Later it was brought down to about $17 billion. We have explored all the workings of the Department in the formulation of the budget, because we wanted to know everything we could about the validity and the adequacy of the budget in order that we might know how much weight to give it in our considerations.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. So I do not think there has been any effort to prod the departments into asking for more money. We have undertaken to ascertain the facts and we have asked them what they would do if additional funds were available.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am delighted to yield to the gentleman from Illinois.

Mr. ARENDS. As the gentleman knows, I have a great admiration for him.

Mr. MAHON. It is entirely mutual, may I say.

Mr. ARENDS. He is one of the gentlemen who always tries to do a constructive job. I was just a little disappointed last year and somehow I feel the gentleman was, too, when Congress saw fit through action in the other body to add to our national defense budget the sum of $900 million. We had testimony just recently in our committee from the Joint Chiefs of Staff, from the civilian and the military heads, and I think it was the best information that we have yet received, to the effect that while they say they have reduced the budget to the minimum, yet they are not requesting any more money. I sincerely hope that we will not find ourselves again in the same position where they are forced into taking more money than they requested.

Mr. MAHON. I fully agree with my friend. The gentleman knows that it

was the other body that originated the increase last year on the basis of intelligence supplied us by the executive branch. As my friend knows, the intelligence estimates have been revised this year but we had already taken the previous action in 1956.

Some who talk glibly about cutting the defense budget this year by $2 billion or $3 billion I think should be more careful in their thinking and in their statements. It is not easy to reduce the defense budget by billions. Will you cut out the new atomic carrier? Will you cut out the airplanes? The airplanes of the Air Force have been cut by several hundred. Will you cut the Army, which may not be adequate for its worldwide commitments? It is easy to talk about how much you can cut the Department of Defense, and there is waste in such a large organization. We are always trying to improve it, and I must say that Secretary Wilson and the other leaders are doing the best job they can. They are sincere. But I do not believe we can recklessly cut $3 billion from the defense request of President Eisenhower.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. WILSON of Indiana. Who is in the best position to give us leads as to where we can do away with waste and the least necessary expenditures in the Defense Department?

Mr. MAHON. We have asked for that information and we shall continue to probe with all diligence. I predict that the defense budget will be reduced.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, without regard to how Members feel on the pending resolution, I think it would be highly inadvisable to adopt the amendment offered by my friend from Indiana, respecting him as I do and appreciating the fineness of his intent. The language states that the President shall "instruct the Secretary of Defense." This is a direct violation of the constitutional relationship between the legislative and the executive branches, when it seeks to instruct the President to "instruct the Secretary of Defense." I think that is highly inadvisable, and it is certainly a violation of the constitutional separation of powers.

The President submits the budget. Instruct the Secretary of Defense to inform the House of Representatives? In other words, the Secretary should inform us when it is the President's duty to inform us? So, recognizing the intent of the gentleman from Indiana, I think the language that he has used is entirely undesirable.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WILSON of Indiana. The original resolution was merely a committee resolution asking the Secretary of Defense to tell the committee where a $3 billion economy could be effected without affecting our security materially. But I could not get that out of committee and I could not have gotten the rule on it. So the only way I could make this germane was to ask the President to instruct the Secretary of Defense to do it. It was the only way I had of doing it without having it ruled out of order. It is not unconstitutional. There is nothing wrong at all with the President's asking the Secretary of Defense to tell us where we can make the cut with the least amount of damage to our defense effort.

Mr. McCORMACK. If you ask the President to request the Secretary of Defense to inform him so he could inform the Congress, that would be all right, but the language the gentleman uses is that the President instruct him. That is mandatory language from the House of Representatives to the President that he "instruct." I think the gentleman is on untenable ground in that respect.

Mr. WILSON of Indiana. Would the distinguished majority leader like to offer that as an amendment?

Mr. McCORMACK. No; I am simply offering the gentleman technical advice.

Mr. WILSON of Indiana. The amendment is all right as it is. It would be a great service to the taxpayers of this country if we adopted it, as well as to the security of the country.

Mr. McCORMACK. I am not entering into a discussion of the merits of this amendment; all I am saying is that it would be highly inadvisable to adopt the amendment.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. MAHON. Is it not true that the resolution applies to the Defense Department and all the other departments, that it is all-inclusive? While there is some merit in the idea of the gentleman from Indiana, the whole thing is covered in a more appropriate way in the original resolution.

Mr. McCORMACK. I agree with the gentleman. I will say in connection with the Defense Department that if the committee will look into the stock funds you might find some available money there.

Mr. WILSON of Indiana. Those of us who have a sincere desire to reduce expenditures and feel that some reduction can be done in the Defense Department want to find out where we can best do it. We have to come to the floor of the House with hardly any information. We do not want to make an across-the-board cut.

Mr. McCORMACK. That is why you and my Republican friends should support this resolution, because this resolution prevents a meat-ax cut, whereas later on if there is going to be a meat-ax cut, and I look for it in foreign assistance, I might say that in view of Secretary Humphrey's statement of his position that if it takes place, which I hope it will not, I am going to look to the Republican leadership to try and put the cuts back.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WILSON].

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HOFFMAN: On page 1, line 4, after the word "further" insert: "*Resolved*, That the Speaker of the House indicate to the Congress the place and amounts in the budget where he thinks substantial reductions may be made in the request for appropriations for the legislative branch of the Government; and be it further."

Mr. HOFFMAN. Mr. Chairman, the amendment is offered in good faith. A majority of the House has decided that the President has sent up a budget which is too large, and exercising their good judgment and being extremely desirous of economy in spite of the fact that many of those who voted for the resolution are supporters of bills which call for more money, and in spite of the fact that from that side there is pending now before our subcommittee of the Committee on Government Operations, and I understand some Republicans joined in it, a bill for civil defense and our good colleague, the gentleman from California, I think, is chairman of that subcommittee, which will call for somewhere between $16 billion and $30 billion to build bomb shelters and which some who today ask the President to tell them where to cut—will no doubt vote for that expenditure. In my opinion it is a fine thing to try to economize—but why ask the President to reduce the budget totals while supporting bills which call for additional billions.

If the record is checked, my vote will be found many, many times for economy. Sometimes there were three of us. Once there was one. Twice there were six. Thirty or forty times there were fifty, or less, and some say I have been consistently wrong. So you will excuse me if I am wrong again. But, if we are to economize, why should we not set an example to the executive department. We have today and on other days heard many, many words, all of them justifiable, in praise of our great Speaker. He has been Speaker longer than any other man, and he probably knows far more about the operations of the House, its procedure, and the legislative program than any half dozen of us. And I am not facetious about that. I honestly think he does. So why, if we want economies, why if we are sending back to the President a budget which he sent up, and asking his opinion as to where it can be cut—why not ask the topman, the Speaker, where we can cut appropriations made for our operations? What will be the answer to our request to the President? What can it be? Will he say his advisers were mistaken in the first place? They will probably send it back as it is. If they do not, some Members will be grievously hurt if their pet projects are cut out. But as long as we are sending it down, why not ask the Speaker to tell us where we can economize a little in our own department, the legislative

branch. Recently there has been considerable criticism in the press about some $16,500 for a doorkeeper. I have no objection if that is the will of the House. It would not do me any good if I did object. I remember when the majority, the Democrats, over my protest, passed a pension bill giving the Comptroller General a pension for life of $17,000 a year when he retired after 10 years. Economy? How do you like that one? Then the minority employees of the House get something too. The Speaker, in this great emergency of ours, when people are clamoring for economy, I am sure could find some place where he could cut off one automobile here and there that either the Speaker or the majority leader or the minority leader now has, and may need. But as long as this great emergency is with us, why not economize right here on the Hill? We might even cut something from our clerical allowance and our stationery allowance, and so on down. I know that suggestion will not make me popular with the Members.

Now, we are willing, just like so many other people, to practice economy if it does not affect us. Is that not about it? That is the way with the pressure groups. Every pressure group—and there have been many of them around here lately—wants more for the members of its group, and wants us to cut someplace where they are not affected. If we are really in favor of economy, if we want to save the taxpayers something, I suggest that we adopt this amendment and call upon the Speaker, from his great wisdom and experience, to tell us where, without interfering with our legislative duties and the adequate performance of our duties, we can make some cuts; where we can prove the sincerity of our words by our acts, our votes.

I notice the chairman of the Committee on Appropriations is on his feet. Time and again I have heard the gentleman from Missouri, [Mr. CANNON], chairman of the committee, come in here and advocate economy; oppose a bill in committee, and then when it came on the floor, support it, after he said on the floor it was a bad bill.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that this amendment may be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN. I object.

The CHAIRMAN. Does the gentleman object to the Speaker's request?

Mr. HOFFMAN. That the amendment be withdrawn? Yes; I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very pleased that the House has taken today to discuss the question of Government expenditures. I think a discussion of the general subject of where we are going is long overdue.

I am particularly pleased to note from the speeches that have been made that at long last Members of this House on both sides of the aisle are in agreement about the need for thrift and economy and reduction in Government expenditures. I hope, however, that that agreement is not just limited to this day, but that it will be a continuing agreement through the remainder of this session.

Of course it should be made clear that this resolution we have before us does not reduce Government expenditures by one penny. What interests me most in this debate is the apparent overnight concern on the Democratic side of this House over economy. Perhaps that results from the fact that this resolution does not cut any expenditures but just talks about expenditures in the abstract and in general terms.

Mr. Chairman, I have difficulty being convinced of the sincerity of the proponents of this resolution when my memory takes me back to last Thursday. At that time we had before this Congress an authorization bill, and let us remember that that is where expenditures are made and that is where budgets and expenditures are made, in authorization and appropriation bills, not in resolutions of this kind. Last Thursday we had before us an authorization bill and I saw the Democrat Members to a man go down the center aisle voting for an amendment offered by the gentleman from South Dakota which would have increased the budget for expenditures in the field of agriculture by billions, and billions, and billions; and you know that was the case. Not a soul on that side voted against it. It would have supported everything grown on the farm, irrespective of what it was or under what conditions, at a maximum mandatory support of 90 percent of parity and we all know that amendment would have increased the budget and the cost of the present agriculture program by many billions of dollars a year.

You also at the same time refused to vote for an amendment providing a solution to the corn problem offered by the Republican side and insisted on a bill that was going to cost more money, a bill that is going to cost at least $700 million a year more than the Republican-sponsored proposal.

In view of that record of last Thursday I find it difficult to convince myself of the sincerity of the backers of this resolution.

Let me say that I believe the President does have responsibility in the field of Government expenditure. I am extremely disappointed in the way he has carried out that responsibility as far as the 1958 budget is concerned; but let me say this: The President has a much better record of economy in government than does the Democratic 84th Congress. Let us look at the record; let us just run down some of the bills passed by that Congress at the insistence of Democrat Members who today are making these great speeches for economy; bills passed by the Democrat Congress that the President had to veto because of their excessive cost. The postal pay bill in the first session of the 84th Congress vetoed by the President, and you know why. If it had been enacted into law this budget today would be much in excess of what it is as presented by the President.

The President vetoed the civil service retirement bill that was passed in that session. If that bill had not been vetoed the budget would be in excess of what it is. In the second session of the 84th Congress the President vetoed the general agricultural bill. The chairman of the Committee on Agriculture, I am sure, will admit that the cost of that bill would have been greatly in excess of what our agricultural programs are under present agricultural legislation. He vetoed at the end of the 84th Congress the public works bill because it was loaded with projects we could not afford.

To me the President has shown a much greater responsibility as far as economy is concerned than the Democrat Congress has done in the last 2 years. It therefore comes with poor grace for the Democrat majority to try to pass the buck to the President.

This whole maneuver smells of insincerity. I shall vote against the resolution.

Let me assure my colleagues, on both sides of the aisle, I will always support any real move that will actually save some money for the taxpayers.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, every time we talk about economy certain Members turn to the Department of Agriculture and I want to turn with you because while I believe in sound farm programs, I believe I have always supported economy in the Department of Agriculture.

Reference has been made here to that Department and I think all Members would be interested in this fact. I have served for about 8 years as chairman of the Subcommittee on Agricultural Appropriations. I served when Secretary Wickard was head of that Department, I served when Secretary Anderson was head of that Department and I served when Secretary Brannan was head of that Department. Each and every year I was able to show you, and the facts bear this out, that we held the Department of Agriculture's operations far below any department in Government. In fact, when Secretary Benson came into office, the total operations of the Department of Agriculture—the actual activities of the Department—were something like $700 million plus. Even with that holding down of the Department's expenses, the first notice out of Mr. Benson's office when he came in as Secretary was to the effect that he had inherited the greatest overgrown bureaucracy in Government.

Let me tell you what the score is since Mr. Benson became Secretary. We had him before our committee about 10 days ago. We kept him from 10 to 6:15 in the afternoon. On this high level price support he testified before the committee, and he was unable to show a single fact to support his contention that reduced price supports has helped in any direction. Reduction in price supports

under 90 percent of parity has not decreased production, reduction in price supports has not increased domestic consumption, reduction in price supports has not been reflected in any decrease in the price the consumer has to pay. Under Mr. Benson the employees of the Department of Agriculture, which he said was the biggest overgrown bureaucracy in Government when he came in, although it was held below any other department, in this year's budget will run to 16,254 more employees than Mr. Benson had to start with.

What does that represent? It represents Secretary Benson's theory that you can substitute Federal employees for farm income.

Now with reference to this so-called economy in the bill that we had up in the Committee on Agriculture, let me point out that Mr. Benson, in addition to having more than $2 billion in this year's budget for the general operations of the Department, has a billion-two-hundred-odd million dollars for the soil bank, including the acreage reserve. I will stand with any man on this floor and vote to get rid of that acreage-reserve program tomorrow. The American people are led to believe that you are giving $1,250,000,000 to the farmer, and you are, out of the Treasury, but the farmer is not getting anything because in consideration of that payment he is giving up production upon his land and his net income situation will not be improved. That is the program that Secretary Benson has recommended to this Congress. It is not helping the farmer and does serious injury to every village and town in the Nation and in the long run will injure the farmer.

Mr. Chairman, I say that agriculture is not a sacred cow to me and I will vote with you to hold its costs down. This is the same Secretary who has had 4 years of office, who has to admit that his theories and his ideas and his reasonings have not been proven to date. The records show that reductions in price support have been approximately 20 percent, and he has to further admit that farm income has dropped approximately 20 percent, and I say to him, "Mr. Secretary, when your program has not reduced production, has not increased consumption, has not been reflected in reduced prices to the consumer, when your costs have gone up more than 100 percent and you have to have 16,000 more employees, Mr. Benson, as stubborn as you are, it looks like that ought to raise some question even in your mind as to whether you are sound in your theories."

Mr. GUBSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GUBSER: Strike out lines 1 through 6 and insert the following in lieu thereof:

"*Resolved*, That the House of Representatives commend the President and the Director of the Budget for their recently announced decision to request each department to submit to the Bureau of the Budget recommendations as to where cuts, both in fiscal years 1957 and 1958, can be made.

"*Resolved*, That the President respectfully be requested to make available to the House of Representatives at the earliest practicable date the information gained from aforementioned requests to various departments of government.

"*Resolved*, That a copy of this resolution be transmitted to the President."

Mr. GUBSER. Mr. Chairman, I will be very brief. I believe the amendment I have proposed accomplishes everything that House Resolution 190 in its original form would accomplish, but it does not attach the stigma of buckpassing to the House of Representatives and it does not proclaim before all the world that we admit that we are incapable of fulfilling the constitutional duty which has been imposed upon us.

I would like very briefly to quote from the committee report:

This drive to retrench is apparently already under way, for only 10 days ago the Director of the Budget advised the committee that each department had been requested to submit to the Bureau of the Budget recommendations as to where cuts, both in fiscal years 1957 and 1958, can be made.

I interpret the language of this report to mean that House Resolution 190 asks the President to do that which he has already started to do. Certainly the fair-minded Members of this House can find no objection to commending the President for an early start on what you are today asking him to do.

Now, there may have been a point to House Resolution 190 in its original state, because the committee goes on further to state:

The committee has no assurances at this point that such information will be made available for guidance in processing the budget.

My amendment will assure the House of Representatives that this information which has already been requested by the President will be made available to the Congress. It does everything that House Resolution 190 started out to do. It accomplishes all the good that could be in it, but it does not admit to the world that we are incapable of doing the job which was assigned to us by the voters of this country.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield for 1 or 2 questions?

Mr. GUBSER. I yield.

Mr. JOHANSEN. First of all, I wonder if the gentleman would agree that if there were some way of translating all of the energy that has been spent today on economic oratory into effective work by the Committee on Appropriations and the legislative committees, in the matter of appropriating and in the matter of authorizations, we would have some very substantial economy.

Mr. GUBSER. I am quite sure that the Committee on Appropriations works very diligently and does a fine job. I am also sure that some of this energy could have been expended more beneficially elsewhere.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Indiana.

Mr. HALLECK. I am glad the gentleman has offered the amendment. Some of us took the position earlier that the executive branch of the Government is already doing everything that could reasonably be expected. Now, the gentleman from Virginia [Mr. SMITH] said "Well, let us just give the President some encouragement." Well, the gentleman's amendment would encourage him. Obviously the folks on the other side of the aisle are not going to accept any amendment, and they are going to vote this resolution out, and if it goes down to the President, he will be required to respond to it. I would like to suggest that I would like nothing more than to be in his position, with the record that is back of him, to make that response; maybe to speak of a few records, a few things that have been done, a few things that some have tried to do, and go to the country with it, because I think it would make interesting reading to the people of this country who believe in real economy and just not a lot of shadowboxing like we have seen here today.

Mr. JOHANSEN. If the gentleman will yield for my second question, I wonder if the gentleman has any theories as to whether this new zeal for economy is going to continue until Thursday next when there will come before the Committee on Post Office and Civil Service a bill for the relief of at least one former President of the United States in the form of a pension and a $70,000 office staff.

Mr. CEDERBERG. Mr. Chairman, would the gentleman yield to me?

Mr. GUBSER. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I was interested in the remarks of my good friend, the gentleman from Mississippi [Mr. WHITTEN] regarding the budget of the Department of Agriculture. I would respectfully submit that the Democrats have the majority on the Committee on Appropriations, they have the votes, so if they feel it ought to be cut I would suggest they go right ahead and cut it where they feel it ought to be cut; then come in with a bill to the floor of the House and we can vote it up or vote it down.

Mr. WHITTEN. Mr. Chairman, would the gentleman yield to me?

Mr. GUBSER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I should like to say that we recessed our committee in order to put investigators out into the field to find out what happened to the $1,250,000,000 in the soil bank, and in so far as I am capable of doing it, I shall support my committee in whatever action they decide to take.

Mr. GUBSER. Mr. Chairman, I do not like to interrupt the gentleman, but I have only a few seconds of my time remaining and I should like to point out to the House that the issue before it at the present time is my amendment. I consider that it is a good amendment, that it does everything the original resolution proposes to do, but I think it is a distinct improvement. I urge an "aye" vote.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not believe that what I am going to say will find very much opposition on either side. Believe it or not—and I am sure some of the

Republicans will find it hard to believe—I am not going to be partisan at all about this very partisan matter. I am going to try in a few minutes to defend the Congress of the United States and the House of Representatives. I get a little bit amused and somewhat more than amazed sometimes at some people who get up, every time we talk about economy, and start saying that the Congress is a spendthrift organization, and that we ought to start by slashing here.

I do not know whether we are stopping to think that the number in the House of Representatives has not increased for many, many years, while Government expenditures in the same length of time have gone up probably 10 or 20 times and the number of Government employees has increased by similar percentages. Yet the people back home—and they have a right to—expect us to police this big Government. They expect us to know what is going on in all the departments, and they expect us to make intelligent decisions. And if they have any problems with any of the departments they expect us to be their liaison between themselves and this big Government, because they have nowhere else to turn.

When I came to this Congress 8 years ago the Members were paying their own telephone bills out of their own pockets. I could not find at that time that any bureaucrat or any head of a department was paying his own telephone bill. He picked up the phone and called any place in the United States—yes, any place in the world if he thought he had any business there—and then he would come in and get an appropriation for it. If the appropriation did not already exist, he would get a supplemental.

The Congress of the United States limits its Members strictly to a certain number of minutes per month as a result of legislation that I had something to do with, but does pay for a minimum number of calls that Members have to make to the people back home.

I merely point that out to show that sometimes people who get up here to speak apparently think that there is some political value in assailing the body that, after all, represents the people of the United States, because they have no other contact with the Government.

I hear a lot of talk about foreign aid, and I want to plead guilty to having voted for it. I hear a lot of criticism of it; and as I have looked at it in a rather cursory manner, because that is all the time we have, I am convinced that there are plenty of grounds for criticism. But I wonder how some of these people who say we ought to cut Congress down, that we ought to cut our staff down, that we ought to do this, that, and the other, think about how we would find out what these people are doing with the $4½ billion, or whether they need $4½ billion a year. You can read articles in all the magazines—perhaps some by disgruntled employees; I do not know—saying that the money is wasted, that it is thrown away, that it is being poured out in an absolutely fantastic manner. Yet how else are we going to know about this unless we make some on-the-spot investigations or we hire somebody to do it for us? It just is as simple as that.

I heard my friend from Michigan talking about the limousines. I do not begrudge them to the top officials of this House. I think they have a total altogether, maybe, of 6 limousines. The Cabinet officers have a limousine, the Assistant Secretaries have a limousine, and then when you get down to the assistants to the Assistant Secretaries they ride around in station wagons; and if some employee or clerk in any one of the bureaus is going from the Pentagon downtown he rides in a Government car with a Government chauffeur.

How do you go downtown if you want to go on Government business? How does your staff go downtown? They go in a taxicab, and you pay for it yourself.

I do not know what political profit there is in getting up and assailing this body, but as it is now I will stand up for what I say in defense of it.

Mr. HOFFMAN rose.

Mr. HAYS of Ohio. Do you want some time?

Mr. HOFFMAN. No; I will get it myself.

Mr. HAYS of Ohio. I thought maybe you wanted to defend yourself.

Mr. HOFFMAN. Defend myself? I do not need anything from you.

Mr. HAYS of Ohio. I was not going to defend you. Do not worry about that.

Mr. Chairman, the point I make is that we ought to get after the big items and we ought not to belittle, we ought not to downgrade the Congress of the United States, because that is the people of the United States and the people's representatives ought to be able to have at least a little bit of what bureaucrats have.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Mississippi asked a very good question. He said that the Secretary of Agriculture when he first came to office expressed the hope that he could cut the vast bureaucracy in that Department and save money, and why has he not done it? It is true that the number of employees in that Department has jumped 11,000 in 2 years. I think the answer is simple. We are trying to control practically everyone in the rural areas of America, and it takes a lot of people to control them. We have the soil bank. That takes an army of employees. Now we have the Cooley-Poage corn bill before us, which will take 9,122 employees more in the Department of Agriculture if we supervise another 115 million acres of land. It would nearly double the number of acres now under supervision. The answer to the gentleman's question is simple. We are trying to control too many farming people in the United States and Congress is forcing upon the Secretary of Agriculture that responsibility. Now, I am interested in seeing who votes to add the 9,122 more employees to the Department of Agriculture by supporting the Cooley-Poage bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I hope the gentleman will differentiate on the agricultural bills, because the proposal which I made will not force one additional cent over and above the budget at the present time. If he is referring to the majority committee bill, I will say that that will cost about a billion dollars more than what is contained in the budget.

Mr. DIXON. I thank the gentleman from Minnesota. I refer to the Cooley-Poage bill—not to your bill which adds nothing to the budget or to the staff.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. WHITTEN. I would like to say that that is one of the fallacies, if I may differ with my distinguished friend.

Mr. CORBETT. Mr. Chairman, I make the point of order that there is an amendment pending and the present discussion is not germane to that amendment.

The CHAIRMAN. The gentleman will proceed in order.

Mr. WHITTEN. I would like to raise the point that many folks take the view that every time you have a new program, you have to have more employees. That does not necessarily follow. The Department already has some 70,000 employees and by shifting employees from one department to the other, the needs could be met. When you start comparing the two bills, you cannot just look at the soil-bank payments as to the cost but you must look to the supporting operations of the Commodity Credit Corporation where the cost of the commercial-corn bill could be greater than the other bill. But, because the Department says, "We want 9,000 more employees for a program," it does not mean that they ought to have it or that they will get it.

Mr. DIXON. Will the gentleman admit that there are now under the Department's supervision 119 million acres? That is correct; is it not?

Mr. WHITTEN. I would not argue with the gentleman's figures because I do not have the figures. I said earlier that we were having an investigation now.

Mr. DIXON. Would the gentleman also take cognisance of the fact that the Cooley-Poage bill could bring in another 115 million acres which practically doubles the acreage under Federal control and greatly increases the workload. How can the Department supervise all that without any more employees?

Mr. WHITTEN. They have 70,000 employees which the Secretary can transfer to that activity, if he sees fit.

Mr. COOLEY. Mr. Chairman, I insist on the point of order that was made a moment ago by my colleague. We are not here talking about the corn bill. We are here talking about the pending resolution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. GUBSER).

Mr. GUBSER. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chairman appointed as tellers Mr. GUBSER and Mr. CRAMER.

The committee divided, and the tellers reported there were—ayes 142, noes 160.

So the amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Page 1, line 5, immediately preceding the word "Resolved" insert:

"*Resolved*, That the signers of the proposed program for the Democrats in the House of Representatives in the 85th Congress, as printed in the January 30, 1957, issue of the CONGRESSIONAL RECORD, page 1324, be and they hereby are most respectfully requested to furnish to the Clerk of the Committee on Appropriations a statement indicating whether the amounts named in the budget as submitted for foreign policy and national defense; for Federal aid to education; for civil rights and civil service; for health, education, and housing, are excessive or deficient, and in what amount; and be it further."

Mr. CANNON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. I make the point of order against the amendment on the ground that it is not germane.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. HOFFMAN. Yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. HOFFMAN. It is just the same except it is directed to certain Members of the House instead of the President. It is basically the same as the resolution.

The CHAIRMAN. Is the gentleman through?

Mr. HOFFMAN. Yes.

The CHAIRMAN. The Chair is prepared to rule.

The pending resolution deals entirely and exclusively with the request for information from the executive branch of the Government. The gentleman's amendment deals entirely with a request for information with respect to the House of Representatives, part of the legislative branch of the Government, and is not germane.

The point of order is sustained.

Mr. HOFFMAN. Mr. Chairman, I offer a privileged motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his privileged motion.

Mr. HOFFMAN. Mr. Chairman, the membership will not hasten the passage of the resolution any by yelling "Vote." If you keep that thought in mind it might be helpful to some. I will give you a demonstration as long as you want to test it.

Mr. Chairman, may I have order? I ask that the Members be quieted.

The CHAIRMAN. The Committee will be in order.

Mr. HOFFMAN. Mr. Chairman, we must assume the ruling of the Chair is correct. But I would like to call attention to the fact that while the resolution does refer to the executive branch of the Government, the overall purpose is to get advice as to how we may reduce the budget without hurting anyone; so, of course, I assumed that a similar request to Members of the House who knew something about the situation and who have sponsored or supported the resolution making the request of the President, I supposed, of course, in my ignorance that what the Members wanted by this resolution was information which would aid in cutting appropriations, but apparently that is not what they really desire.

As for what the gentleman from Ohio [Mr. HAYS] said, I realized, as I understood him, that there would not be any great room for making suggestions, but before we vote let us consider the letters we get from the folks back home and I assume other Members have had similar letters from their constituents indicating that the Congress does have a little obligation to the taxpayers; to give an example by our own action.

The gentleman from Ohio [Mr. HAYS] today as on other occasions attributed to me a political motive when I suggested that we set an example for the executive department by reducing our own requests for tax dollars.

In effect, he called upon the membership to ostracize me, to frown on me, to in someway indicate their displeasure just because it was suggested that we personally might lessen the total tax bill.

The gentleman is entitled to his opinion and it is his privilege to express the thought that another Member is motivated either solely by a desire for publicity or political advantage. It is my privilege to accept the thought that Congressmen, like an overwhelmingly majority of the people, are fairminded and willing to demonstrate by their own acts and conduct their faith in the soundness of their arguments. That I am not alone in the desire that we practice economy is made clear by a paragraph from a news report released by the gentleman from California, CHARLES M. TEAGUE, on February 28th last and from which I quote:

The Operation of My Own Office.—I am afraid that there is a tendency on the part of those of us here in Congress to be very critical about the waste and inefficiency that goes on in the executive branch of the Government without considering that we may be at considerable fault ourselves. Perhaps we should offer a better example than we sometimes do. At least, I am trying to do my part in this regard. I can vote for these various economy measures with better conscience knowing that each year I do not withdraw from the United States Treasury several thousand dollars which I could have expended for additional office help, that my telephone bills are very much smaller than the average Congressman, and that thus far I have not taken any trips at Government expense except from Washington to Philadelphia to check a Veterans' Administration insurance office. Many of these trips which Congressmen take are necessary and are productive of good results in giving better understanding concerning some matter over which they must legislate. However, the privilege is sometimes abused and I mean to let the taxpayers pay for any trip I take only if I have resolved in the affirmative the old question we had during the war: "Is this trip really necessary?"

It is not intended to affect a "holier than thou attitude" toward my colleagues or convey the impression that my office is a model of economical operation. There are still improvements which my very fine staff and I hope to make. Perhaps another question those of us in Government should ask ourselves is: "If this were my own business, would I do what I am doing, or am I less careful because this money I am spending is the taxpayers' instead of my own?" If we all really met that test, we could cut the budget by several billion dollars without abolishing or reducing any important or worthwhile Government service or function.

Our colleague has well expressed my thought.

The enacting clause should be stricken because, as was so concisely, logically, and forcefully stated by the gentleman from Michigan [Mr. CEDERBERG]—perhaps some of this is repetitious—many of those who vote to request the executive department to tell us where we could cut—while I assume they do not want any increases sent up by the President—are on record as of January 30, page 1324, for increases over and above the amounts carried in the budget of which they today complain.

In the CONGRESSIONAL RECORD of January 30, is the following:

Mr. Speaker, the signers of this proposed program are convinced that if a sufficient number of the so-called modern Republicans join in support of the program there will be no difficulty in securing passage of legislation to carry it out.

Signers of the proposed program for the Democrats in the House of Representatives in the 85th Congress are STEWART L. UDALL; JOHN E. MOSS; JOHN F. SHELLEY; JOHN J. MCFALL; B. F. SISK; JAMES ROOSEVELT; CECIL R. KING; CHET HOLIFIELD; CLYDE DOYLE; D. S. SAUND; BYRON G. ROGERS; WAYNE N. ASPINALL; GEORGE P. MILLER; GRACIE PFOST; WILLIAM L. DAWSON; BARRATT O'HARA; JOHN C. KLUCZYNSKI; THOMAS J. O'BRIEN; JAMES B. BOWLES; THOMAS S. GORDON; SIDNEY R. YATES; CHARLES A. BOYLE; RAY J. MADDEN; WINFIELD K. DENTON; J. FLOYD BREEDING; CARL D. PERKINS; EDWARD P. BOLAND; CHARLES C. DIGGS, JR.; LOUIS C. RABAUT; JOHN C. DINGELL; JOHN LESINSKI, JR.; MARTHA W. GRIFFITHS; THADDEUS M. MACHROWICZ; EUGENE J. MCCARTHY; JOHN A. BLATNIK; ROY W. WISE; COYA KNUTSON; FRANK M. KARSTEN; LEONOR K. SULLIVAN; A. S. J. CARNAHAN; GEORGE H. CHRISTOPHER; LEE METCALF; LEROY H. ANDERSON; PETER W. RODINO, JR.; HUGH J. ADDONIZIO; FRANK THOMPSON, JR.; LESTER HOLTZMAN; VICTOR L. ANFUSO; EUGENE J. KEOGH; EDNA F. KELLY; EMANUEL CELLER; ABRAHAM J. MULTER; JOHN J. ROONEY; ALFRED E. SANTANGELO; LEONARD FARBSTEIN; LUDWIG TELLER; HERBERT ZELENKO; JAMES C. HEALEY; ISIDORE DOLLINGER; LEO W. O'BRIEN; WAYNE L. HAYS; CHARLES A. VANIK; THOMAS L. ASHLEY; AL ULLMAN; EDITH GREEN; CHARLES O. PORTER; WILLIAM A. BARRETT; KATHRYN E. GRANAHAN; JAMES A. BYRNE; EARL CHUDOFF; WILLIAM J. GREEN, JR.; HERMAN P. EBERHARTER; GEORGE M. RHODES; ELMER J. HOLLAND; GEORGE S. MCGOVERN; DON MAGNUSON; HENRY S. REUSS; LESTER R. JOHNSON; CLAIR ENGLE.

Read it and weep all you who desire economy—read it and blush all you who announced that program and who today called upon the President to point out ways and means of cutting the appropriations called for by the budget and which are not only necessary but must be increased if the legislation you promised to support is to be enacted.

Permit me to read a few of the legislative proposals for which you pledged your support and which we all well know

call for billions upon billions of additional dollars if they are to be made effective.

Listen while I read:

PROPOSED PROGRAM FOR THE DEMOCRATS IN THE HOUSE OF REPRESENTATIVES, 85TH CONGRESS

FOREIGN POLICY AND NATIONAL DEFENSE

We believe, also, that unless the world situation improves significantly, there should be no reduction of the personnel in the armed services. We will support legislation and appropriations necessary to accomplish these purposes.

We will continue to give strong and consistent support to the United Nations. We urge the administration to work through this agency whenever feasible, not only in the military and diplomatic fields, but also in economic and cultural areas.

We favor an expanded point 4 program, and we are hopeful that the Eisenhower administration, after 4 years of hesitation and contradiction, will develop and present such a program to the Congress.

We favor an increase in the compensation of Government employees to meet the increased cost of living and to compare with the compensation paid to persons performing similar work in nongovernmental employment.

EDUCATION, HEALTH AND HOUSING

We favor the enactment of legislation to assist States and local communities in building schools and providing essential health and safety facilities to all school children.

We favor an expanded program of Federal aid for medical education, hospital construction, and health services.

We shall support increased benefits under the social security program, the extension of coverage, and the raising of the wage base upon which benefits depend.

We will propose and support an expanded and improved Federal housing program designed to meet the special needs of low-income and middle-income families, and senior citizens. We will also support an expanded urban redevelopment program.

As the budget and general economic conditions indicate, the income tax should be reduced.

We propose to strengthen the unemployment-compensation system, to extend its coverage and improve its benefits, and to adjust it to meet the problems of automation and industrial change.

AGRICULTURE SUBSIDIES

We will propose and support the enactment of legislation to improve the farm program so as to assist the farmers of the United States to secure parity of income.

We favor legislation to improve the water- and soil-conservation program, to insure that the soil bank be used for the purposes for which it was designed, rather than an instrument of political expediency.

We favor an expanded school-lunch program and other programs for the disposal of agricultural surpluses.

PUBLIC WORKS

We will work for a stepped-up sound program of public-works projects in rivers and harbors, hydroelectric, flood control, and public buildings to better utilize existing resources and provide better and more adequate facilities and services to meet the needs of an ever-increasing population in an expanding economy.

We will continue work to build up momentum for an effective, long-range, expanded, and accelerated Federal-aided highway and public-roads program.

We will continue to work for the adoption of a generous Federal program to assist Indian tribes in the full development of their human and natural resources and prompt settlement of Indian claims against the United States, including negotiations and compromise in the best interests of both parties.

VETERANS

We will continue to press for legislation to compensate veterans and their dependents for the physical, economic, and the other losses which they have suffered as a consequence of military service.

Now please do not misunderstand: No opinion is being expressed as to the desirability or soundness of your program or any part of it.

The point is that you are calling for legislation which cannot be made effective unless billions are added to the budget which you today ask the President to tell you how to cut.

Let us bow our heads, not in silent prayer, but in consideration of our consistency or lack of it.

Our colleague from Michigan cited some of those just read.

Our colleague from Indiana called attention to several of them today, and very forcibly.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. It was suggested by one of my colleagues from Indiana that the things they were for were just those that the Eisenhower administration was for, but in the statement itself they say their proposals go beyond in many areas the proposals of the Eisenhower administration and a reading of the statement will indicate that. Let me ask the gentleman this question: If we really wanted to save some money, do you not think that if some of the proponents of these programs, and some of them are all right, would relax their efforts we would be much better off than doing what we are doing today?

Mr. HOFFMAN. Beyond doubt. Along the line of what the gentleman is saying, they want economy, they want the President to tell them where to cut, but on the record here are 12 or more propositions, all calling for more money.

What is the sense, Mr. Chairman, of coming in here and passing a resolution, after we debate it all afternoon, calling on the President to send up recommendations for cuts here and there when at the same time some of these gentlemen are on record asking for legislation which in 12 or more instances call for additional million, yes, billions of dollars of appropriations?

Sure my colleagues are consistent and sincere about this; they say there is no politics in it, but here they are today making this request, begging to be told how you can cut the taxpayers' burden while on the 30th they in effect said they were going to ask for more money than the President advocated in his budget. The only conclusion that can be drawn from your declaration of policy made on the 30th, knowing you are honest and sincere, is that you want more money and that today—well, draw your own conclusion.

Mr. HALLECK. Some of those gentlemen have been quite vigorous today in their speeches in support of the resolution before us. I am quite concerned in respect to some of those programs. If they are equally vigorous in connection with those programs, we may wind up having a much more expensive budget than we have now.

Mr. HOFFMAN. About that there can be no doubt. Does the gentleman mean the President might comply with their wishes and send down requests for additional funds to carry out the legislation they propose and promise to support—if it be enacted?

Mr. HALLECK. In the future, as in the past, he might have to veto some legislation that certain of these able Members of the House will cause the House to enact. The President will have to protect the taxpayers of this country.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, the question has been asked many times today, where can the budget be cut? I think I will be able to help the President and members of his Cabinet make a substantial reduction. The President has requested $4,400,000,000 for the foreign-aid program for the fiscal year 1958. If the Members would take the time to get a report on the foreign-aid program, they will discover that there are many billions of dollars of prior appropriations on hand unexpended and unobligated. Some of them may be in reservations, but, that is a misnomer. That is something new in appropriations. The administrators of this program cannot find any place to obligate the money, so they put it over in reservations. So, I think that we can make a very substantial reduction in the foreign-aid program, and those of you who may believe that it is wise to continue this handout will still have as much money as the President needs to carry on the foreign-aid program in the 66 of the 84 nations of the world.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Does the gentleman realize that 7 Democratic members of the Committee on Appropriations signed this 85th Congress program?

Mr. PASSMAN. To reduce the foreign-aid program? That is fine. I am glad to get that information.

Mr. CEDERBERG. To increase it.

Mr. PASSMAN. To increase the foreign-aid program?

Mr. CEDERBERG. Yes.

Mr. PASSMAN. Does the gentleman mean seven members signed it?

Mr. CEDERBERG. Seven Democratic members.

Mr. PASSMAN. Signed to increase the foreign-aid program?

Mr. CEDERBERG. That is correct.

Mr. PASSMAN. I wish the gentleman would cite the page of the RECORD.

Mr. CEDERBERG. It was January 30, page 1323.

Mr. PASSMAN. How many Republican members signed it along with them?

Mr. CEDERBERG. Not a one.

Mr. PASSMAN. I want to say this: The request for $4.4 billion is from a Republican President, and I happen to know that your side of the aisle is going to hold out for most of the $4.4 billion; but if I have my way, I am going to make a substantial reduction. Now, those of you who are economy minded, I want you to place yourselves in a position to help the committee and the Congress to reduce this foreign-aid appropriation.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. I will yield for a question only.

Mr. CEDERBERG. I just want to state that this is correct, that on January 30——

Mr. PASSMAN. Oh, the gentleman wants to make a speech. I refuse to yield further.

We can make a very substantial reduction in the foreign-aid program without hurting the program if it is a good program. You know and I know that last year we were criticized for having reduced the foreign-aid program. We were accused of having crippled the program, yet there is a billion dollars on hand, unexpended, and only last week we had $200 million, untouched, unobligated, unspent, that we gave the President to start a lot of new programs over in the Middle East that may eventually cost the taxpayers of this Nation a billion dollars. You must keep yourselves in readiness now to help carry out any programs that are initiated with the original $200 million.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I just want to state this, if the gentleman will permit me, that 90 Members of the House, including 7 members of the committee——

Mr. PASSMAN. The gentleman can do that on his own time. I thought the gentleman wanted to support me in my position to make drastic reductions in the foreign-aid program.

Mr. CEDERBERG. The gentleman and I have been working together on this for a long time.

Mr. PASSMAN. Then, let us not be too critical. How about joining up with me, and you call up the President or one of his assistants and see if you cannot get some support to reduce the program below the 1957 level.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. ARENDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARENDS: After line 4, insert:

"*Resolved*, That the chairman of the Committee on Appropriations, an expert on Government budgets, be asked within 3 weeks to report to the House as to where reductions can be made in the budget."

Mr. CANNON. Mr. Chairman, I regret to raise a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. The amendment is not germane to the resolution.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard?

Mr. ARENDS. Only except this: I am very glad the gentleman paid some attention to the amendment, because I think in his responsibility as chairman of this great committee he could do a great job in the next 3 weeks to carry out the things that he said so many times he would do in bringing about reductions in appropriations.

The CHAIRMAN. The Chair is ready to rule, since the point of order has not been discussed.

For the same reason stated in ruling on the previous point of order, the Chair holds that the amendment is not germane and sustains the point of order.

The Clerk read as follows:

And be it further

Resolved, That a copy of this resolution be transmitted to the President.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, this procedure today is most unusual. This resolution as I understand it, asks the President to advise the House of Representatives where reduction in the budget may be made.

It makes it appear the House of Representatives is shirking its responsibility. Let us not be charged with buckpassing or abdicating as has been suggested by other Members who have spoken on this measure. Whoever heard of the House making such request?

This House has a Committee on Appropriations who are charged with the responsibility of holding hearings on all appropriation proposals, whether in the budget or not. The members of that committee are all experienced and responsible members. Most of them have served for many years. There are 50 members on that committee—30 Democrats and 20 Republicans. The committee has a big staff of experts. They bring any and all people they want before the committee. They examine the witnesses both for and against the requests. They prepare reports and make them available to the members. The members are given opportunity to work their will.

The disturbing thing, as I have said, is the proponents of this resolution act as if they do not want to discharge their full responsibility. Surely they do not want to do that.

I have listened to the arguments presented here today. I have not heard one of the 50 members of the committee say he did not have access to whatever information he requested. The administration heads, whether we agree or not, have always been willing to furnish any and all information requested.

Sure, we should, and must, reduce expenditures of Government. We will need to make some deep cuts. But, let us do it in accordance with our responsibility, and not depend upon someone else to do it for us. It is our job. That means you and me. Let us discharge our duty as we see it.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. R. 190) requesting the President for certain information pertaining to the 1958 budget pursuant to House Resolution 192, he reported the resolution back to the House.

The SPEAKER. The question is on the resolution.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. When may I ask for a reading of the engrossed copy?

The SPEAKER. This is not a bill, so that is not necessary.

Mr. HOFFMAN. It does not apply to resolutions?

The SPEAKER. It does not apply to resolutions.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. TABER. I am.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. TABER of New York moves to recommit the resolution to the Committee on Appropriations with instructions to report back forthwith with the following amendment: Strike out lines 1 through 6 and insert the following in lieu thereof:

"*Resolved*, That the House of Representatives commend the President and the Director of the Budget for their recently announced decision to request each department to submit to the Bureau of the Budget recommendations as to where cuts, both in fiscal years 1957 and 1958, can be made; be it further

"*Resolved*, That the President respectfully be requested to make available to the House of Representatives at the earliest practicable date the information gained from aforementioned requests to various departments of Government; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the President."

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 185, nays, 214, not voting 33, as follows:

[Roll No. 18]

YEAS—185

Adair	Baldwin	Bow
Alger	Bass, N. H.	Bray
Allen, Ill.	Bates	Broomfield
Andersen, H. Carl	Baumhart	Brown, Ohio
Andresen, August H.	Beamer	Brownson
Arends	Becker	Broyhill
Auchincloss	Belcher	Budge
Avery	Bennett, Mich.	Burdick
Ayres	Bentley	Bush
Baker	Berry	Byrne, Ill.
	Betts	Byrnes, Wis.
	Bosch	Canfield

Curtis, Mass.
Curtis, Mo.
Dague
Delaney
Dennison
Devereux
Dixon
Dooley
Dorn, N. Y.
Dorn, S. C.
Dwyer
Fenton
Ford
Frelinghuysen
Fulton
Garin
George
Griffin
Gubser
Gwinn
Hale
Halleck
Harden
Harvey
Haskell
Henderson
Heselton
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holmes
Horan
Hyde
James
Jenkins
Jensen
Johansen
Jonas
Judd
Kean
Kearns
Kesting
Keogh
Kilburn
Knox
Laird
Latham
LeCompte
Lipscomb
McConnell
McCulloch
McDonough
McGregor
McIntire
McIntosh
McVey
Mack, Wash.
Martin
Mason
May
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Minshall
Moore
Morano
Mumma
Neal
Nicholson
Nimtz
Norblad
O'Hara, Minn.
Osmers
Ostertag
Patterson
Pelly
Pillion
Poff
Prouty
Radwan
Ray
Reece, Tenn.
Reed
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robeson, Ky.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Schwengel
Scott, Pa.
Scrivner
Scudder
Seely-Brown
Sheehan
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Stauffer
Taber
Talle
Taylor
Teague, Calif.
Tewes
Thomson, Wyo.
Tollefson
Utt
Van Pelt
Van Zandt
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolverton
Younger

NAYS—214

Abbitt
Abernethy
Addonizio
Albert
Alexander
Anderson, Mont.
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Bailey
Barden
Baring
Barrett
Bass, Tenn.
Beckworth
Bennett, Fla.
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Boykin
Boyle
Breeding
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Buckley
Burleson
Byrd
Byrne, Pa.
Cannon
Carnahan
Celler
Chelf
Christopher
Chudoff
Clark
Coad
Coffin
Colmer
Cooley
Cooper
Davis, Ga.
Davis, Tenn.
Dawson, Ill.
Delaney
Dempsey
Denton
Dingell
Dollinger
Donohue
Dowdy
Doyle
Durham
Edmondson
Elliott
Engle
Fallon
Farbstein
Fascell
Feighan
Fisher
Flood
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gordon
Granahan
Grant
Gray
Green, Oreg.
Gregory
Griffiths
Hagen
Haley
Hardy
Harris
Harrison, Va.
Hays, Ark.
Hays, Ohio
Healey
Hébert
Herlong
Holifield
Holland
Huddleston
Hull
Ikard
Jarman
Jennings
Johnson
Jones, Ala.
Jones, Mo.
Karsten
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kilgore
King
Kirwan
Kitchin
Kluczynski
Knutson
Landrum
Lane
Lanham
Lennon
Lesinski
Long
Loser
McCarthy
McCormack
McFall
McGovern
McMillan
Macdonald
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Matthews
Metcalf
Miller, Calif.
Mills
Morgan
Morris
Moss
Moulder
Multer
Murray
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
O'Neill
Passman
Patman
Perkins
Pfost
Philbin
Pilcher
Poage
Polk
Powell
Preston
Price
Rabaut
Rains
Reuss
Rhodes, Pa.
Rivers
Roberts
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Rutherford
Santangelo
Saund
Scott, N. C.
Selden
Sheppard
Shuford
Sieminski
Sikes
Sisk
Smith, Miss.
Smith, Va.
Staggers
Steed
Sullivan
Taber
Teague, Tex.
Teller
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thornberry
Tuck
Udall
Ullman
Vanik
Vinson
Walter
Watts
Whitener
Whitten
Wier
Williams, Miss.
Willis
Wilson, Ind.
Winstead
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—34

Allen, Calif.
Bolton
Bowler
Dawson, Utah
Dies
Diggs
Eberharter
Evins
Fino
Flynt
Green, Pa.
Gross
Harrison, Nebr.
Hemphill
Holt
Holtzman
Hosmer
Jackson
Kearney
Lankford
Mailliard
Morrison
Porter
Riley
Roosevelt
Scherer
Shelley
Siler
Smith, Wis.
Spence
Springer
Staggers
Thornberry

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mrs. Bolton for, with Mr. Roosevelt against.
Mr. Scherer for, with Mr. Holtzman against.
Mr. Holt for, with Mr. Fino against.
Mr. Allen of California for, with Mr. Hemphill against.
Mr. Mailliard for, with Mr. Riley against.
Mr. Hosmer for, with Mr. Thornberry against.
Mr. Jackson for, with Mr. Staggers against.
Mr. Kearney for, with Mr. Porter against.
Mr. Siler for, with Mr. Evins against.

Until further notice:

Mr. Morrison, with Mr. Harrison of Nebraska.
Mr. Dies with Mr. Gross.
Mr. Flynt with Mr. Dawson of Utah.
Mr. Shelley with Mr. Smith of Wisconsin.
Mr. Lankford with Mr. Springer.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

Mr. CANNON. Mr. Speaker, on that I demand the yeas and nays.

Mr. HOFFMAN. Mr. Speaker, I demand a reading of the engrossed copy of the bill.

The SPEAKER. There is no bill to be engrossed.

Mr. HOFFMAN. I should say the resolution. I demand a reading of the engrossed copy of the resolution.

The SPEAKER. That is not in order.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 178, not voting 34, as follows:

[Roll No. 19]

YEAS—220

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Anderson, Mont.
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Bailey
Barden
Baring
Bass, Tenn.
Beckworth
Bennett, Fla.
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Boykin
Boyle
Bray
Breeding
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Buckley
Burleson
Byrd
Byrne, Pa.
Cannon
Carnahan
Celler
Chelf
Christopher
Chudoff
Clark
Coad
Coffin
Colmer
Cooley
Cooper
Davis, Ga.
Davis, Tenn.
Dawson, Ill.
Delaney
Dempsey
Denton
Dingell
Dollinger
Donohue
Dowdy
Doyle
Durham
Edmondson
Elliott
Engle
Fallon
Farbstein
Fascell
Feighan
Fisher
Flood
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gordon
Granahan
Grant
Gray
Green, Oreg.
Gregory
Griffiths
Hagen
Haley
Hardy
Harris
Harrison, Va.
Hays, Ark.
Hays, Ohio
Healey
Hébert
Herlong
Holifield
Holland
Huddleston
Hull
Ikard
Jarman
Jennings
Johnson
Jones, Ala.
Jones, Mo.
Karsten
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kilgore
King
Kirwan
Kitchin
Kluczynski
Knutson
Landrum
Lane
Lanham
Lennon
Lesinski
Long
Loser
McCarthy
McCormack
McFall
McGovern
McMillan
Macdonald
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Marshall
Matthews
Metcalf
Miller, Calif.
Mills
Morgan
Morris
Moss
Moulder
Multer
Murray
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
O'Neill
Passman
Patman
Perkins
Pfost
Philbin
Pilcher
Poage
Polk
Powell
Preston
Price
Rabaut
Rains
Reuss
Rhodes, Pa.
Rivers
Roberts
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Rutherford
Santangelo
Saund
Scott, N. C.
Selden
Sheppard
Shuford
Sieminski
Sikes
Sisk
Smith, Miss.
Smith, Va.
Steed
Sullivan
Teague, Tex.
Teller
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Trimble
Tuck
Udall
Ullman
Vanik
Vinson
Walter
Watts
Whitener
Whitten
Wier
Williams, Miss.
Willis
Wilson, Ind.
Winstead
Wright
Yates
Young
Zablocki
Zelenko

NAYS—178

Alger
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Arends
Auchincloss
Avery
Ayres
Baldwin
Bass, N. H.
Bates
Baumhart
Beamer
Becker
Belcher
Bennett, Mich.
Bentley
Berry
Betts
Bosch
Bow
Broomfield
Brown, Ohio
Broyhill
Budge
Burdick
Bush
Byrns, Ill.
Byrnes, Wis.
Canfield
Carrigg
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clevenger
Collier
Corbett
Cramer
Crosser
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Dellay
Dennison
Derounian
Devereux
Dixon
Dooley
Dorn, N. Y.
Dorn, S. C.
Dwyer
Fenton
Ford
Fulton
Gavin
George
Griffin
Gubser
Hale
Halleck
Harden
Harrison, Nebr.
Harvey
Haskell
Hébert
Henderson
Heselton
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holmes
Horan
Hyde
James
Jenkins
Jensen
Johansen
Judd
Kean
Kearns
Keating
Keesee
Kilburn
Knox
Krueger
Laird
Latham
LeCompte
Lipscomb
McConnell
McCulloch
McDonough
McGregor
McIntire
McIntosh
McVey
Mack, Wash.
Martin
Mason
May
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Minshall
Moore
Morano
Mumma
Neal
Nicholson
Nimtz
Norblad
O'Hara, Minn.
Osmers
Ostertag
Patterson
Pelly
Pillion
Poff
Prouty
Radwan
Ray
Reece, Tenn.
Reed
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robeson, Ky.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Schwengel
Scott, Pa.
Scrivner
Scudder
Seely-Brown
Sheehan
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Stauffer
Taber
Talle
Taylor
Teague, Calif.
Tewes
Thomson, Wyo.
Tollefson
Utt
Van Pelt
Van Zandt
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Withrow
Wolverton
Younger

NOT VOTING—34

Allen, Calif.
Baker
Bolton
Bowler
Dawson, Utah
Dies
Diggs
Eberharter
Evins
Fino
Flynt
Green, Oreg.
Green, Pa.
Gross
Hemphill
Holt
Holtzman
Hosmer
Jackson
Kearney
Lankford
Mailliard
Morrison
Porter
Riley
Roosevelt
Scherer
Shelley
Siler
Smith, Wis.
Spence
Springer
Staggers
Thornberry

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Roosevelt for, with Mr. Allen of California against.
Mr. Holtzman for, with Mr. Baker against.
Mr. Fino for, with Mrs. Bolton against.
Mr. Thornberry for, with Mr. Holt against.
Mr. Dies for, with Mr. Hosmer against.
Mr. Morrison for, with Mr. Kearney against.
Mr. Porter for, with Mr. Siler against.
Mr. Lankford for, with Mr. Scherer against.
Mr. Green of Pennsylvania for, with Mr. Mailliard against.
Mr. Shelley for, with Mr. Jackson against.

Until further notice:

Mr. Hemphill with Mr. Dawson of Utah.
Mr. Riley with Mr. Gross.
Mr. Flynt with Mr. Smith of Wisconsin.
Mr. Evins with Mr. Springer.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING MARCH 13, 11 A. M.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

Mr. SCHWENGEL. Mr. Speaker, reserving the right to object, as I recall, when we adjourned last Thursday there was some understanding that we would get on with the Agriculture bill today. I believe the statement was made that there had been an understanding of the leadership on both sides to that effect.

We have spent the entire day on House Resolution 190 and nothing has been done for the 800,000 farm families in the State of Iowa and the hundreds of thousands of farm families in other States of the Midwest that are looking to this Congress to take some action on the corn bill.

Mr. ALBERT. I will advise the gentleman from Iowa that the corn bill is one of the measures to be taken up tomorrow.

Mr. SCHWENGEL. Will that be the first order of business?

Mr. ALBERT. The first order of business will be the Government matters appropriation bill. That will be followed by the corn bill. It is planned to dispose of both pieces of legislation tomorrow if possible.

Mr. SCHWENGEL. Can the gentleman estimate when we will get on with this corn legislation?

Mr. ALBERT. I am unable to advise the gentleman as to what time we will get to the consideration of the corn bill. That will depend on the Government matters appropriation bill. That must be disposed of first.

Mr. SCHWENGEL. Could the majority leader say whether there is any rule in prospect on that bill?

The SPEAKER. Appropriation bills come up under general rules of the House.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. MARTIN. I understand that bill will not take over three-quarters of an hour or an hour at the most.

Mr. ALBERT. The gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations is present. Possibly he would care to make a statement.

Mr. CANNON. Mr. Speaker, it would take, I would say, not to exceed half an hour.

Mr. SCHWENGEL. We have postponed this question of getting action on the farm legislation for a long time. I for one have tried to be very cooperative in emergencies that arise in certain sections of the United States, particularly in the case of the Southwest, but have been waiting now for some cooperation to get action on the corn bill that concerns our people.

Mr. ALBERT. I will advise the gentleman that the purpose of my request to meet at 11 o'clock tomorrow was to insure consideration of the corn bill.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Is there objection?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on House Resolution 190.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEAVE OF ABSENCE

Mr. CELLER. Mr. Speaker, I ask unanimous consent for an indefinite leave of absence for the gentleman from New York [Mr. HOLTZMAN] on account of illness.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROTECTING THE CITIZENSHIP OF CLERGYMEN

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, until about 20 years ago, clergymen and members of religious orders came to the United States in large numbers to help meet the religious needs of our communities. Since World War II this situation has reversed itself, and now the entire world is drawing on our theological schools for its graduates. These men and women are being called upon to serve abroad, and some of them, while otherwise willing to do so, refuse for the reason that they are naturalized citizens and would lose their citizenship by accepting such employment abroad.

In order to eliminate this hardship, I have introduced a bill, H. R. 791, to amend the Immigration and Nationality Act to permit clergymen, members of religious orders, and representatives of bona fide religious organizations to perform their religious duties abroad without loss of their citizenship, provided that such persons register each year at the appropriate Foreign Service Office.

The second part of my bill would restore citizenship status to those persons fulfilling religious assignments abroad at the time of the enactment of the Immigration Act in 1952, who lost their citizenship rights for that reason. Such persons would be restored to citizenship by taking the required oaths referred to in section 310 (a) of the Immigration Act.

I hope we can have hearings on this bill in the near future and bring about its early enactment.

REFERENCE OF H. R. 5382 AND H. R. 5701, AMENDING CERTAIN SECTIONS OF THE SERVICEMEN'S AND VETERANS' SURVIVORS' BENEFITS ACT

Mr. HARDY. Mr. Speaker, I ask unanimous consent that the bills H. R. 5382 and H. R. 5701 be rereferred from the Committee on Veterans' Affairs to the Committee on Armed Services. I have discussed this matter with the chairmen of both of the committees and they are in agreement that this should be done.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ECONOMIC ASSISTANCE FOR POLAND

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker. I have been reading with considerable interest the articles and news items appearing in our newspapers during the past few weeks, and most notably during the past few days, regarding Poland's desperate plight in its quest for freedom—and its pleas for American aid.

I am particularly disturbed over the statements made by well-meaning but perhaps inadequately informed individuals, having the effect of placing in jeopardy our whole American policy of peaceful liberation of the satellite countries.

The whole problem of economic assistance to Poland, with its varied legal and international implications, is now before the executive branch of our Government where it is receiving careful study and consideration.

Until such time that the executive branch finds its necessary to bring before us, through its available channels, a request for legislative action in the matter, I feel it wrong to do anything at this time to rock the boat.

ANNIVERSARY OF CORONATION OF HIS HIGHNESS, POPE PIUS XII

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, today marks the 18th anniversary of the coronation of His Holiness, Pope Pius XII. This is an occasion of significance for all men of good faith, and an especially notable day because it follows so closely the birthday of this good and gifted leader.

It was a little over 81 years ago, on March 2, 1876, that a little boy was born in Rome who was destined to bear the resounding name of Eugenio Maria Giuseppe Giovanni Pacelli. But though, as Father Pacelli, Monsignor Pacelli, Bishop Pacelli, Archbishop Pacelli, and Cardinal Pacelli, this man, through the years, made his name known and loved to an ever-widening and increasing throng, it was when he dropped his name that Eugenio Pacelli began his career of world fame and greatness.

His years of education, leading to a triple doctorate; his diplomatic missions and negotiations; his outstanding work in Canon Law, in diplomacy, and in the guidance of Vatican foreign policy—all these were but a prelude or preface to the great career he commenced when he accepted, with prayerful humility, the office of Pope, and chose to be called Pius XII.

Pope Pius XII adopted the name Pius, I am sure, for a complex of different reasons. As a Latinist, he was undoubtedly thinking, first and foremost, of the Latin meaning of the word, as applied to Aeneas by Virgil. In Latin, "pius" is a word of strength and virility, quite different from the softer modern English meaning of "pious." To the Romans, it meant a devotion at once patriotic and religious, to family and state and God—a devotion manly and courageous, compounded of honesty, honor, justice, and integrity.

In choosing the name Pius, he must also have been thinking of Pius X, the saintly man whom he knew in his young priesthood, and at whose canonization he was recently privileged to preside, and of Pius XI, his own immediate predecessor, the peaceloving scholar and diplomat under whom he served as Vatican Secretary of State and as Papal Camerlengo or Chamberlain.

But most of all, perhaps, Pius XII chose his name for its atmosphere of simplicity and humility. It is typical both of the ambition and of the achievement of this man. By his simple and unassuming human quality, he has won love and praise that his office, without these personal qualities, could not have attracted.

His transparent honesty and shining courage have made him a rallying point for all who seek to defend religion from the attacks of atheistic communism. With a firm courtesy born of a half century of experience in high-level diplomacy, Pope Pius XII checks and counters each move of Communist agents to split or take over Catholic hierarchies in various countries. But, more than this, Pius XII convinces people, by word and look and action, that he is a man of dedicated spirit, serving God selflessly, and loving each man whose life comes in any way before him. He is the kind of man who can look at a crowd, and have each man go home convinced that His Holiness has looked directly at him.

Since his early youth he has fervently opposed despotic rule by the state, whether of the Fascist or Communist variety. He has lived all his life in accordance with the doctrine of Christianity, that part of society is greater than the whole—the individual more than the nation. For this reason he will keep a crowd or a national delegation waiting while he hears the confession of someone with no more claim on him than the fact of being a sinner, or while he gives his individual blessing to a blind baby or to a cripple.

The warmth of this human relationship, depicted in many a candid camera shot, and in many a traveler's anecdote, has made for Pius XII a circle of friends that easily circles the globe. He is reputed to be the most accessible Pope there has ever been—and surely it is no coincidence that he is the most widely known and loved.

There is an illuminating series of anecdotes to illustrate the continuity of Vatican world policy. Pius IX, when told Garibaldi was marching on Rome, and that he had better start thinking about artillery, is said to have pointed to the silver crucifix on his desk, and said: "That is my artillery." The same crucifix stands today on the desk of Pope Pius XII.

Cardinal Merry del Val, papal secretary of state under Pius X, asked for the secret of Vatican foreign policy, said simply, "The New Testament."

When Pope Pius XII was told of Josef Stalin's contemptuous inquiry, "How many divisions has the Pope?" he is said to have replied mildly, "You may tell my son Joseph he will meet my divisions in Heaven."

Similarly illustrative, too, of the career of this brave and noble leader of peace is the quotation from St. Augustine that he used to telling effect in 1928, when, as papal nuncio to Berlin, he addressed representatives of the press of all countries and invited them to cooperate in the work of peace.

> It is more glorious to kill war through words than to kill men through iron, and to obtain peace through peace rather than through war.

Not only Catholics, but all Christians and all men of good will, join in celebrating the coronation of this great and good man. Most fervently of all, I am sure, believers in God who now live in silence and darkness under Soviet tyranny, knowing the heart of Pius XII, and how it suffers for them, must be calling down God's blessing upon his venerable head.

FOREIGN SERVICE ACADEMY

The SPEAKER. Under previous order of the House, the gentlewoman from New Jersey [Mrs. DWYER] is recognized for 10 minutes.

Mrs. DWYER. Mr. Speaker, I have today introduced a bill to establish a United States Foreign Service Academy. I have taken this action, after considerable study and consultation with the Department of State, with two basic purposes in mind:

First, I believe very deeply that in this world of ever-diminishing horizons in which the question of war or peace balances so precariously on the tightrope of international tensions and suspicions, far greater thought must be given to the career preparation of the men and women who represent us in our Foreign Service.

Second, with a subcommittee of the Senate Foreign Relations Committee presently engaged in a study of the advisability of establishing such a Foreign Service Academy, and with Senator MUNDT of South Dakota recently having introduced legislation calling for the establishment of a commission to prepare recommendations for such an academy, I respectfully believe it is important to introduce legislation in this field as an aid in such studies.

We all know that the idea of a Foreign Service Academy is not new. From time to time during the years, legislation in this field has been introduced in both Houses of Congress and by representatives of both parties. Indeed, in this session, my distinguished colleague and fellow New Jerseyan, Mr. FRELINGHUYSEN, has introduced a Foreign Service Academy bill. Each of these bills, including my own, has points of merit; each, perhaps, has weaknesses, too. But successful legislation in such a complex field seldom is the product of one person's thinking. It is the product of the work and study and experience of many. It is heartening to me that so many lawmakers in the Congress have in the past and still are giving thought and study to this problem. From such efforts, I am confident, there will evolve a sound program for meeting the future needs of our country for highly trained career diplomats.

Certainly, the broad agreement shown on both sides of the aisle in acting on President Eisenhower's Middle East resolution indicates beyond dispute an ever-increasing awareness of our responsibilities as a Nation in the field of foreign affairs. These are responsibilities which we cannot minimize, or ignore, or escape; our very survival depends, in large measure, on how wisely and courageously we meet them.

In the new pattern of relations between nations which has been shaped by the racial, economic, religious, and ideological tensions of the cold war, the men and women of our Foreign Service have become the front-line fighters of democracy as well as our salesmen of the way of life we all cherish.

I believe the American people, who each year are investing billions of dollars in mutual defense and all the other programs in the field of international relations, have the right to demand the highest type of leadership in the people who are entrusted with the job of representing America on the far-flung horizons of the world. Even more important than dollars, the very lives and dreams and aspirations of unborn generations of Americans, as well as those of us living today, are unalterably tied to the decisions of our diplomats. Our future strength and hopes of peace and prosperity depend on not merely the billions of dollars we invest overseas, nor on any show of military might, but also on the deportment, the tact, and the wisdom of those who represent us in other lands.

We have traditionally provided the highest caliber career training for our military leaders. Yet we have not provided any similar program for the training of leaders in the equally vital field of Foreign Service. That job, through the years, has been placed mainly in the hands of our universities.

I believe we all recognize the valuable contributions our universities have made, and are making, in the training of specialists in foreign affairs. But—in view of the continuous expansion of the responsibilities of our State Department; the increasing complexity of the problems confronting our diplomats, and with our very survival depending so much on their actions and their decisions—I believe it would be most unwise to depend solely upon our overtaxed higher education system for the training of such vital leadership in the future.

Studies by competent agencies indicate that the colleges and universities of our land—already faced with tremendous problems of expansion—will be confronted with even more staggering problems in the future. An unprecedented rise in college enrollment already has seriously taxed the facilities of our institutions of higher learning, and it is predicted that the present level of college enrollment will double by 1971.

In the face of this growth problem, our universities even today cannot fill the Nation's increasing demand for trained engineers, doctors, teachers, scientists, Government experts, and technicians in practically every field of endeavor. Yet these same universities are expected to serve as the sole fountainhead for the training of our career diplomats.

In this respect, I feel it would be wise to note a report on the Role of the University in International Relations made by the American Academy of Political and Social Science in 1955.

This report states that college and university courses devoted to world affairs are taken by relatively few students; that an analysis of such programs aimed at the training of specialists in international relations for the Foreign Service indicates most of such programs "are focused on training for academic rather than public careers," and that "there has not been sufficient national planning or coordination" in the training of Foreign Service specialists. The report adds that "the task of training these specialists with a view to the application of their work in international situations is one which few institutions have been able to attack successfully."

I know the Department of State has reservations concerning the establishment of a Foreign Service Academy, and I have tried to supply the answers to some of the Department's objections in my legislation. I also am aware that there is growing recognition—by the public, by our educators and even by our Department of State—that better training of our Foreign Service specialists is needed.

I believe the Congress can evolve a Foreign Service Academy program which would meet these needs. I believe it is essential that we do so; I believe, as Senator MUNDT so eloquently stated recently, that we no longer can afford luxury of using Foreign Service personnel who lack the best training in diplomatic endeavors our nation can provide.

It is time that we provide a program under which capable young Americans from all of our States and Territories, and from all walks of life, be given an opportunity to serve their country on the diplomatic front on the basis of their abilities and not on the basis of whether they can finance a costly college education necessary for Foreign Service.

I believe such a program will insure our nation of the highest type personnel to meet the challenges which face our Diplomatic Corps in this troubled world.

SMALL BUSINESS COMMITTEE OF THE HOUSE MEETS TO ANNOUNCE PROGRAM TO PRESS AND NAMES OF SUBCOMMITTEES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include some extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, today, March 12, the Committee on Small Business had a meeting in its committee room, 129 House Office Building. It was an informal meeting with the press and other interested people.

As chairman of the committee, I first presented the following statement:

PROGRAM OF THE HOUSE SMALL BUSINESS COMMITTEE

Ladies and gentlemen, I invited members of the press to meet with the committee so that they may hear about the investigations and studies which the committee plans for this session of Congress. We have organized six subcommittees to carry out the detailed work of a number of specific investigations which we have decided upon. The committees thus established are as follows:

Subcommittee No. 1: JOE L. EVINS, chairman; SIDNEY R. YATES; CHARLES H. BROWN; WILLIAM M. MCCULLOCH; CRAIG HOSMER.

Subcommittee No. 2: ABRAHAM J. MULTER, chairman; SIDNEY R. YATES; TOM STEED; R. WALTER RIEHLMAN; HORACE SELLY-BROWN, Jr.

Subcommittee No. 3: SIDNEY R. YATES, chairman; JOE L. EVINS; ABRAHAM J. MULTER; TIMOTHY P. SHEEHAN; R. WALTER RIEHLMAN.

Subcommittee No. 4: TOM STEED, chairman; ABRAHAM J. MULTER; JAMES ROOSEVELT; HORACE SELLY-BROWN; CRAIG HOSMER.

Subcommittee No. 5: JAMES ROOSEVELT, chairman; TOM STEED; CHARLES H. BROWN; TIMOTHY P. SHEEHAN; CRAIG HOSMER.

Subcommittee No. 6: CHARLES H. BROWN, chairman; JOE L. EVINS; JAMES ROOSEVELT; WILLIAM M. MCCULLOCH; TIMOTHY P. SHEEHAN.

Of course, I, as chairman of the full committee, and Hon. WILLIAM S. HILL, Republican of Colorado, as the ranking minority member of the full committee, are members ex officio of each of the subcommittees. In a moment, I will ask each of the chairman of these subcommittees to outline the investigations to be made by his subcommittee, and after that all members of the committee will welcome any questions.

Now as to the work of the full committee:

SPECIFIC PROBLEMS FOR MEMBERS

A primary function of the committee is to investigate specific problems referred to us by Members of the House. Members of the House are called upon in a great many instances, by small business constituents for help in solving some problem which has arisen in connection with such things as a Federal procurement contract, an SBA loan application, or some business practice which may be violative of the Federal antitrust or trade regulation laws. Such requests for help usually require investigation and negotiation with one Federal agency or another; and as in the past, all such requests will receive my personal attention, and we will have staff assigned to work exclusively on these matters.

In addition, we are committed to make two investigations and studies which will require the attention of the full committee from the outset.

IRON AND STEEL SCRAP

One of these is an investigation of the iron and steel scrap problems. While particular aspects of some of the conflicts which have arisen over these materials have been explored, and recommendations have been made, the problem now is to determine whether there is reason to expect that these periodic conflicts may continue. If so, we must determine what the various commercial interests are, what policies will best protect the interests of small firms—including both dealers and users. At the same time

we must, of course, recommend policies which will serve both our national defense and our strategic commitments abroad.

SMALL BUSINESS FINANCING

A second investigation to be made by the full committee will go into the financing problems of small business. Here we will want to determine, if possible, how well the private financial institutions are serving small business, and to get a clearer picture than we now have of the effects of present monetary policy on small business financing. This study will require factual surveys, some of which are now being made by the Federal Reserve Board and others by the Reference Service of the Library of Congress. One of the things we will want to look into is the extent to which boards of directors of the big financial institutions and the big industrial and commercial corporations are interlocked, and how these interlocking boards affect the ability of smaller industrial and commercial companies to obtain financing.

CHAIRMEN OF SUBCOMMITTEES PRESENT PLANS

I would like now to introduce, in turn, each of the subcommittee chairmen, so that you may hear their statements.

STATEMENT OF HON. JOE L. EVINS, CHAIRMAN, SUBCOMMITTEE NO. 1, ON LAW ENFORCEMENT AND SUBSIDIES AFFECTING SMALL BUSINESS

Subcommittee No. 1 on Law Enforcement and Subsidies Affecting Small Business, of which I, Hon. SIDNEY YATES, Hon. CHARLES BROWN, Hon. WILLIAM M. MCCULLOCH, and Hon. CRAIG HOSMER are members, will investigate, study, and report on the procedures, operations, and results obtained by agencies of the Federal Government in their enforcement of laws designed to protect small business from unfair, predatory, and restrictive trade practices. This will include a review of the complaints which have been made by small-business men and which were brought to the attention of the appropriate Federal agencies. That review will include a study of the action taken by those agencies on such complaints encompassing an examination of the practices complained about and the formal action, if any, taken by the agencies to stop such practices. In that connection, an effort will be made to determine whether the formal complaints filed adequately covered the practices about which small business had complained.

Our subcommittee will also review and study not only the practices covered by the formal complaints filed by the agencies, but also those covered by orders and decrees which made disposition of the formal complaints. That will be done for the purpose of determining whether the practices prohibited by the orders and decrees include all of the practices which had been covered by the formal complaints. Likewise, it is the plan of the subcommittee to look into the matter of enforcement of the orders and decrees for the purpose of determining whether they have been made effective for the protection of small and independent business.

The subcommittee will also make an investigation and report on the policies and practices pertaining to Federal research and development contracts and other Federal subsidies and incentives to business, with particular attention to the effect of these Federal activities as they relate to national antitrust policies. This will include a study of small-business interests in Federal policies pertaining to the acquisition and control of patents on federally-financed inventions.

One of the purposes of this study is to ascertain why officials and agencies of the Federal Government had adopted policies and procedures in connection with grants and subsidies for research and development programs which provide greater opportunities for big business and foreclose more and more the opportunities of small business to receive such grants and subsidies.

On November 9, 1956, the Attorney General of the United States, in reporting to Congress as provided for in section 708 (e) of the Defense Production Act of 1950, as amended, made some pertinent observations regarding this problem. In that connection it was stated:

"The imprecise factual indicators discussed in this report may point a warning that the total effect of the research and development effort may well tend to increase concentration of economic power. Moreover, that evidence indicates that this tendency toward concentration may be accentuated, and not retarded, by the administration of Government financing of research and development.

"As noted in the preceding pages of this report, the agencies administering the program have made no adequate compilation of statistical materials in this important area. The few analyses made have not adequately considered the problem of economic concentration.

"The vital importance of preserving our economic system makes obvious the need for greater effort in this regard by the administrative agencies concerned. There should be provided a more comprehensive and detailed basis for analysis of the day-to-day operation of that activity. A comprehensive delineation of the exact problem is a necessary first step to its solution. That delineation should include in detail the distribution of Federally-financed research and development projects among the various size classifications of industry, as well as the exact scope and distribution of other tangible benefits, such as patents and subsequent procurement, which result from participation in these projects. It may be observed that, important as the preservation of small business' opportunity may be, it is equally important to insure that the intermediate size groupings of business should also be given full consideration. It must be recognized that it is from the companies in those intermediate classifications that the strongest and most vigorous competition will flow."

The concentration of economic power flowing from these policies of the Government and the manner in which they have affected small business will be subjected to a careful scrutiny by our subcommittee.

I think it pertinent to point out at this time that the Select Committee on Small Business of the House of Representatives, in the 84th Congress, in its final report, at pages 85–92, dealt with this problem, and in its recommendation No. 9, appearing on pages 152–153 of the final report, recommended "that early in the next Congress, the House Select Committee on Small Business consider and make a prompt recommendation" on questions relating to Government contracts granting funds for research and development.

It was made clear in the final report of this committee on January 3, 1957, that what happens in research and development might well spell out what happens to small business. It was emphasized that great commercial advantages are going only to higher brackets of private industry. It was pointed out that of almost $5 billion of grants and subsidies put out by the Defense Department for research and development from 1954 to 1956, inclusive, more than 90 percent had gone to the 500 largest contractors. At one point in 1954, big business got more than 98 percent of these subsidies.

Our committee proposes to look into these matters and to report whether and to what extent the actions of the Federal Government on these matters have affected small business.

STATEMENT OF HON. ABRAHAM J. MULTER, CHAIRMAN, SUBCOMMITTEE NO. 2 ON SMALL BUSINESS ADMINISTRATION AND PROBLEMS RELATING TO GOVERNMENT PROCUREMENT, LOAN, AND DISPOSAL ACTIVITIES

Subcommittee No. 2 of the House Select Committee on Small Business is composed of the following members: The Honorable SIDNEY R. YATES, Democrat, Illinois; Hon. TOM STEED, Democrat, Oklahoma; Hon. R. WALTER RIEHLMAN, Republican, New York, and the Honorable HORACE SEELY-BROWN, JR., Republican, Connecticut, and myself as chairman. Our subcommittee is charged with the general jurisdiction of small-business problems connected with the Small Business Administration and problems relating to Government procurement, loan, and disposal activities. In view of the expiration of the authority of the Small Business Administration, the subcommittee, by unanimous consent, will hold hearings on the operations and policies of that Agency on March 26, 1957.

For many years Congress has formulated public policies which recognize the importance of small business to our economic livelihood and to our American way of life. In virtually every field of economic activity Congress has enacted laws to provide small business with an equal share when competing for Government contracts and in the sale of surplus property. The continued question which confronts this committee and Congress is whether these public policies are being carried out.

The problem of the disposal of surplus products has had such a great effect on the economy of the country and especially has affected so many small- and medium-sized businesses that it is necessary for this committee to review the operations of the numerous disposal programs of the Government.

In 1953 the Small Business Administration was created to aid and assist small business and to carry out the congressional intent to safeguard the interests of small business and to secure its growth in the free-competitive enterprise system.

In 1955 with the proximity of the expiration date of the Small Business Administration which was to expire on June 30, 1956, this committee held extensive hearings on the operation of the Small Business Administration. Upon the conclusion of these hearings a unanimous report (H. Rept. 1045) entitled "The Small Business Administration and Related Activities" was submitted to the House. The report contained numerous legislative recommendations to the appropriate legislative committee, recommending among other things that the Agency be extended for another 2 years and giving additional authority and responsibility to the Agency to carry out the stated public policy that small business receive a fair and equitable share of Government procurement.

One of the major functions of the Small Business Administration is to grant financial assistance to small business. It is the intent of the committee in its study of the practices of the Small Business Administration to determine whether this function has been adequately performed and whether the great need for financial assistance in the tight credit market is being fulfilled.

The same problem again confronts the Congress of the United States.

The Small Business Administration's legal authority will expire on July 30 this year. Consequently, this agency will be first on our list of programs for review and study. We have therefore scheduled the hearings to commence on March 26, 1957, in Washington. All those wishing to be heard are invited to advise the committee in order that their names may be listed as witnesses.

The hearings will deal with a complete and comprehensive study of the Small Business Administration and all its operations to determine whether the Agency should be continued after July 30, and if so, under what form of organization and law. It is our intent to make a full appraisal of these programs and if possible to find methods to improve them, in order that we can make the appropriate recommendations to the Banking and Currency Committee and the House of Representatives.

STATEMENT OF HON. SIDNEY R. YATES, CHAIRMAN, SUBCOMMITTEE NO. 3 ON MINERALS AND RAW MATERIALS

In the 84th Congress our committee conducted a comprehensive and exhaustive study of the problems of the small and medium sized nonintegrated users in the aluminum industry. These studies and inquiries made by the committee revealed that our national policy with reference to our domestic mineral and metal industries is not realistic.

For many years there have been shortages of basic raw and strategic materials from time to time which have interfered with the growth of small and medium sized manufacturers and processors.

Investigations by the committee established that the shortages were caused by various reasons. Some of these are: great industrial expansion, new uses, stockpiling for national defense. Shortages have occurred in such basic minerals and metals as aluminum, copper, nickel and steel, required by fabricators in various diversified industries.

Several stockpile programs have been created under the Stockpiling Act, the DPA stockpile under the Defense Production Act, the supplemental stockpile under Public Law 480, 83d Congress.

From our studies it would appear that during times of shortages of these basic minerals and metals that the small and medium sized manufacturers and processors bear the brunt of these shortages.

In the 84th Congress, the subcommittee undertook a comprehensive study of the aluminum industry because we found that the small and medium sized nonintegrated users of pig, ingot and billet were confronted with drastic shortages. The recommendations of the committee were submitted to the Congress by a unanimous report of the committee (H. Rept. No. 2954).

Presently the small and medium sized manufacturers and processors are facing a price squeeze on semifabricated and semifinished products. It would therefore appear that additional study of the problems of the small-business concerns in the aluminum industry should be undertaken.

In view of the possible adverse effect of the stockpiling programs on the economic position of the small and medium sized manufacturer and processor, a comprehensive study may be made by the committee of the stockpiling procedures, policies, regulations, and goals.

Upon completion of these studies public hearings will be held in May 1957, by the subcommittee of which I am chairman and the Honorable JOE L. EVINS (Democrat, Tennessee); Hon. ABRAHAM J. MULTER (Democrat, New York), Hon. TIMOTHY P. SHEEHAN (Republican, Illinois), and the Honorable R. WALTER RIEHLMAN (Republican, New York) are members.

The entire problem of recurring shortages of basic raw materials requires a searching investigation. The small-business concerns that depend upon these essential production materials cannot survive unless steps are taken to guarantee them a fair share of available supplies. It is our intent to make these necessary studies in order that we can make the necessary recommendations to appropriate legislative committee or committees and the Congress.

STATEMENT OF HON. TOM STEED, CHAIRMAN, SUBCOMMITTEE NO. 4, ON THE AIRCRAFT INDUSTRY

Subcommittee No. 4 of which I am chairman is composed of the following Members: Hon. ABRAHAM J. MULTER, Democrat, New York; Hon. JAMES ROOSEVELT, Democrat, California; Hon. HORACE SEELY-BROWN, JR., Republican, Connecticut, and the Hon. CRAIG HOSMER, Republican, California.

We have studied the aircraft industry for several years and held many hearings. We feel results have been good. The subcommittee will complete this study and get out a report.

The problems as we see them can be simply stated.

The aircraft parts industry is largely a small-business industry. It is composed of firms which make a countless variety of parts, pieces, components, instruments, and so forth, which go into the assembled aircraft. This is a relatively new industry which was developed, for the most part, of the necessities of World War II. The full productive potential of these firms will be urgently needed if a national emergency arises. But there is a serious question whether they will be killed off, not by any productive problems, but by the military's procurement and paperwork procedures.

These firms grew up under a system of direct contracting with the military. The problems incident to this system were always bad enough. The procedures were complicated and subject to arbitrary change by the military.

Changes in types of aircraft, as well as other weapons, always makes a severe impact on small contractors. Renegotiation, taxation, and financing are continuing problems that, to some degree at least, stem from some governmental causes.

There are other problems of course. For example, there is still confusion as to whether the subcontractors can receive progress payments, and if so, under what conditions.

Certainly, the small firms in the aircraft industry have shown great flexibility and great adaptability to a rapidly changing technology. In fact, it is their quick adaptability and ingenuity which make them an essential part of a dynamic industry. If and when aircraft manufacture ever becomes unprogressive, with methods and designs long unchanged, then perhaps the parts making can as well be done in huge centralized plants. But as long as small firms are essential, we expect to keep informed on what is happening to them. I hope that we can soon bring ourselves up to date and make a report.

STATEMENT OF HON. JAMES ROOSEVELT, CHAIRMAN, SUBCOMMITTEE NO. 5, ON DISTRIBUTION PROBLEMS

Subcommittee No. 5 is composed of Representatives TOM STEED (Democrat, Oklahoma), CHARLES H. BROWN (Democrat, Missouri); TIMOTHY P. SHEEHAN (Republican, Illinois), CRAIG HOSMER (Democrat, California), and myself as chairman.

In our hearings during the 84th Congress on the problems of trade relations between small and highly competitive firms and a relatively few large corporations, the subcommittee developed what I believe to be a substantial legislative record as to the practices which exist. Unfortunately, the basic problems of the struggle for survival which small business is constantly up against have not diminished or abated, and the encroachments of monopoly continue. The subcommittee has received, and has been studying, a number of complaints from jobbers, distributors, retailers, and other small-business men. These complaints, in effect, assert that business is being unfairly lost by reason of certain prices charged by the major oil companies with which the independent cannot compete. There allegedly continues to exist great pressure upon gasoline station owners to keep them from purchasing the products of independent suppliers. Gasoline stations under the control of the major producers are alleged to be the vehicles of price discrimination in a given trade area so that prices are depressed beyond a point with which independently owned stations can compete.

The constant friction between large, well-controlled and financially able corporations and the people they do business with has an effect upon consumer prices. The subcommittee is naturally concerned that price manipulations and unfair, coercive practices end up in higher prices for gas and oil products at the consumer level. For instance, after the recent increase in the price of crude oil, which is now the subject of much investigation, the consumers of this Nation were faced with a 1-cent-per-gallon price increase at the pump in the face of the largest supply of gasoline for domestic use in our history. In a number of places this price increase was not maintained, but the subcommittee is informed that in a majority of the trade areas it remains of questionable economic justification.

On January 3, 1957, in anticipation of our subcommittee's activities, I introduced a bill (H. R. 426), which would provide, for the divorcement from retail gas and oil dealer operations of producers who sell at wholesale for resale to retailers. I also introduced a bill (H. R. 428), which would make unlawful fee or commission arrangements between oil producers and manufacturers of tires, tubes, batteries, and automobile accessories for the use of exclusive lines at the retail level. I introduced a bill (H. R. 425), modeled upon the automobile dealers' bill passed at the last session of Congress and signed by the President providing for a dealer's day in court. It is upon the principles embodied in these bills that our subcommittee expects to hold hearings. After a suitable period of investigation, it is expected that we will hold hearings in Washington, and some or all of the following cities: Los Angeles, Houston, St. Louis, Cleveland, and Chicago.

The subcommittee plans to have a look at the automotive parts and accessories industry. The matter of food distribution will be reviewed in the light of the ever-increasing cost of living and the difficulties faced by the independent retail grocer. It is also planned to inquire into complaints which have been received affecting small-business men in the music and music publishing field.

The subcommittee has received reports indicating that the work accomplished in the 84th Congress helped to produce better results between major suppliers and their lessee dealers and franchise holders with whom they do business. If continued price discrimination and other practices which have been so injurious to small business are uncovered, the subcommittee will endeavor to present reports which it hopes will enable our full committee to recommend to the Congress remedial legislation for consideration of the appropriate committees of the House.

At a time when our American system is under attack by an organized conspiracy in every corner of the world, we cannot afford the luxury of monopoly at home. Economic collapse here is what our enemies seek to promote. Our subcommittee feels it has a responsibility to seek out the sore spots in our economy that reflect adversely upon

small business and the consuming public. And that is what we propose to do.

STATEMENT OF HON. CHARLES H. BROWN, CHAIRMAN, SUBCOMMITTEE NO. 6 ON FOOD INQUIRIES

Our subcommittee will begin an immediate investigation into problems faced by small business in maintaining and securing open, free and competitive markets, centering primarily on problems of small-business men in the processing and distribution of meat, milk and eggs.

We propose first to look into the complaints that small hatcheries, feed manufacturers, and food processors have made to Members of Congress concerning alleged predatory credit practices on the part of some giant feed companies and packers in broiler and turkey production and marketing.

There will be no inquisitions, and we have been pledged the complete cooperation of the American feed manufacturers. Our purpose is to get at the facts of the situation, its merits and demerits, and to see if there is any way that the Government might help keep fair competition alive in this very important and growing industry.

Government figures show that there were 1.4 billion broilers produced in the United States in 1956, compared to 800 million in 1951.

Turkey production in 1956 totaled 71 million birds, compared to 53 million in 1951. Market prices to producers last year fell to a postwar low, often below cost of production.

Small-business complaints charge that certain feed companies and packers are responsible for the overproduction because they are actually the owners of hundreds of millions of broilers as well as millions of turkeys, and have virtually eliminated free and open competition in the production and marketing, the subcommittee reports.

Overzealous sales effort and credit practices, some small-business men charge, have resulted in "company contracts" with producers that have made "sharecroppers" out of broiler and turkey producers at wages of about 40 cents an hour.

Numerous small hatcheries and feed companies also claim that Government credit agencies are being used to finance the necessary poultry houses and equipment involved.

According to the complaints, the effect has been to glut the domestic market for poultry meat, squeeze out smaller concerns who cannot possibly match the huge capital outlays involved, freeze out competition with a hatchery-feed company-processor combine, and force out of business many established independent farmer-producers.

"It is a very serious problem which affects not only the small business involved, but also the thousands of broiler and turkey producers who are, in a sense, small businesses themselves."

"It is not in the public interest for these independent producers to become 'sharecroppers.'"

We hope to arrive at some constructive recommendations for the Government agencies involved and because it involves farmer-producers as well as business, we hope to have some members of the House Agricultural Committee with us on some of the hearings.

Members of the subcommittee in addition to Hon. CHARLES H. BROWN, Democrat of Missouri, are Hon. JOE L. EVINS, Democrat of Tennessee; Hon. JAMES ROOSEVELT, Democrat of California; Hon. TIMOTHY P. SHEEHAN, Republican of Illinois; and Hon. WILLIAM M. MCCULLOCH, Republican of Ohio.

PERSONAL STATEMENT

After the completion of the statements, I personally submitted on my own and not for the committee or necessarily for any member of the committee, but for myself, the following statement:

Two years ago when I introduced a resolution to establish the Small Business Committee in the 84th Congress, I offered a prediction that we were then coming into a new period of business expansion. This was, of course, a view which was then shared by many people. I also pointed out, however, that for several reasons the small-business sector of the economy was in no position to make its proportionate share of the expansion. (CONGRESSIONAL RECORD, vol. 101, pt. 1, p. 254.)

Since that time a large business expansion has taken place. But the decline in the position of small business which has taken place at the same time, has been even greater than the most pessimistic expectations. The mounting toll of small-business failures has been only one symptom of this. These failures which hit a near-record in 1955 jumped by another 16 percent last year. Furthermore, in the first 9 weeks of the present year, 11 percent more firms failed than in the first 9 weeks of last year.

Looking now to the 2 years ahead, the prospects for another 2 years of continuing business expansion and general prosperity are much less certain than they were 2 years ago. This is not a good sign for small business. Ups and downs in the fortunes of small firms naturally go through much wider swings—with turns in the general level of business—than do the fortunes of the big corporations. In periods of recession, the fortunes of small business decline much more and in periods of business expansion the fortunes of small business have, until recently, expanded much more than the fortunes of big business.

If a recession does come, or if there should be a drop in the rate of business expansion, small business will be in serious trouble.

The worsening position of small business cannot, I think, be laid to any single cause. There are however, several causes which have been working simultaneously against almost all small firms.

First and foremost, the tax structure is working against small business. The effect of the individual income tax and the corporate income tax combined, places a greatly discriminatory burden on smaller firms and shifts both the funds for expansion and the incentive for expansion to the giant corporations.

Secondly, but of no less importance, has been the weakening of antitrust law and the weakening of antitrust law enforcement. I have in mind particularly, the reemergence and growth of discriminatory pricing practices since the Supreme Court's decision in the Standard Oil (Indiana) case. No matter how efficient smaller firms may be, and no matter how much credit they might be able to obtain, small business cannot survive in a regime of discriminatory pricing. Firms in business today are so greatly unequal as to their size and market power, that a gross abuse of this power is bound to result in the smaller firms being destroyed.

Finally, the central economic policies of the present Administration have greatly added to the hazards of small business' survival. In the face of repeated promises to check inflation and insure a sound dollar, the Administration has followed more and more inflationary spending policies.

Furthermore, it has refrained from using even the most modest method of checking big business price increases and unwarranted profit taking, which is to call attention to specific price increases and thus use the force of public opinion to restrain inflation from this source. While following inflationary policies itself, except with reference to the agricultural segment of the economy, the administration has done nothing more than to shift the burden of trying to check inflation over onto the Federal Reserve Board, encouraging the Board in its use of crude methods it has for trying to counteract the administration's policies. This has resulted in the so-called tight money which, in its effects on small business, and on the concentration of business, gives about the same result as repealing all of the antitrust laws.

Business failures

1957	
Jan. 3 through Feb. 28 (9 weeks)	2,522
Jan. 3	222
Jan. 10	256
Jan. 17	278
Jan. 24	258
Jan. 31	320
Feb. 7	267
Feb. 14	317
Feb. 21	300
Feb. 28	284
1956	
Jan. 5 through March 2	2,280
Jan. 5	198
Jan. 12	245
Jan. 19	269
Jan. 26	264
Feb. 2	273
Feb. 9	236
Feb. 16	252
Feb. 23	230
Mar. 2	293

Failure rate for 1956 (unadjusted), monthly average (per 10,000 firms), 48.

Failure rate for 1955 (unadjusted), monthly average (per 10,000 firms), 41.8.

Failure rate for 1954 (unadjusted), monthly average (per 10,000 firms), 42.

Failure rate for 1953 (unadjusted), monthly average (per 10,000 firms), 23.2.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. HOLTZMAN (at the request of Mr. MULTER) for an indefinite period on account of illness.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DAVIS of Georgia for 1 hour on Tuesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RADWAN.

Mr. GAVIN (at the request of Mr. SCHWENGEL) the remarks he made in the Committee earlier today and to include extraneous matter.

Mr. POWELL (at the request of Mr. ALBERT) and to include extraneous matter.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that

that committee did on March 8, 1957, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 117. Joint resolution to promote peace and stability in the Middle East.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 40 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 13, 1957, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

589. A letter from the secretary, the National Grand Army of the Republic, transmitting the Final Journal of the Grand Army of the Republic, which was organized April 6, 1866, and closed officially October 16, 1956, pursuant to Public Law 249, 77th Congress (H. Doc. No. 114); to the Committee on Armed Services and ordered to be printed with illustrations.

590. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "a bill for the relief of Kaiju Libe; to the Committee on the Judiciary.

591. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "a bill for the relief of Frantisek Hanisko"; to the Committee on the Judiciary.

592. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "a bill for the relief of Hans Kusura"; to the Committee on the Judiciary.

593. A communication from the President of the United States, transmitting proposed supplemental appropriations and other authorizations for the fiscal year 1957, and for other purposes, in the amount of $202,581,324, for various agencies (H. Doc. No. 115); to the Committee on Appropriations and ordered to be printed.

594. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1958 involving a net reduction in the amount of $10,963,170 for various agencies and an increase in the amount of $406,800 for the District of Columbia (H. Doc. No. 116); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY: Committee on Rules. House Resolution 193. Resolution providing for the consideration of H. R. 2146, a bill to amend the Small Reclamation Projects Act of 1956; without amendment (Rept. No. 191). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 194. Resolution for consideration of H. R. 5520, a bill to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds; without amendment (Rept. No. 192). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 5856. A bill to provide for the purchase of certain cattle to carry out the provisions of section 32 of Public Law 320, 74th Congress; to the Committee on Agriculture.

H. R. 5857. A bill to amend the Soil Bank Act to permit grazing land to be included in the conservation reserve program; to the Committee on Agriculture.

By Mr. ANDERSON of Montana:

H. R. 5858. A bill to amend the Federal Crop Insurance Act, as amended, to provide for administration by farmer committeemen and improve application of the crop insurance program in drought and other disaster areas, and for other purposes; to the Committee on Agriculture.

By Mr. BENNETT of Florida:

H. R. 5859. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BLATNIK:

H. R. 5860. A bill to amend Veterans Regulation No. 10 to provide that the widow of a veteran of the Spanish-American War (including the Philippine Insurrection and the Boxer Rebellion) who married the veteran before January 1, 1938, may be eligible for death compensation; to the Committee on Veterans' Affairs.

H. R. 5861. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

H. R. 5862. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOLAND:

H. R. 5863. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which may be received by an individual while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BROWN of Missouri:

H. R. 5864. A bill to provide for the establishment of the Wilsons Creek Battlefield National Park, in the State of Missouri; to the Committee on Interior and Insular Affairs.

By Mr. BURNS of Hawaii:

H. R. 5865. A bill to amend the Hawaiian Organic Act to permit the Territorial legislature to provide for the election of members of a certain board of trustees; to the Committee on Interior and Insular Affairs.

By Mr. COLE:

H. R. 5866. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. CRETELLA:

H. R. 5867. A bill to provide educational benefits for children of veterans of World War II or of the Korean conflict where, because of a permanent and total service-connected disability, the veteran was unable to complete the education for which he was eligible under programs administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. DAGUE:

H. R. 5868. A bill to amend the Internal Revenue Code of 1954 to provide that annuitants may elect to have their annuities taxed in the manner provided by the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. DEVEREUX:

H. R. 5869. A bill to permit the flying of the flag of the United States for 24 hours of each day on the estate known as Terra Rubra, the birthplace of Francis Scott Key, in Carroll County, Md., and at the grave of Key in Mount Olivet Cemetery in Frederick, Md.; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 5870. A bill to exempt certain shipments of farm produce from the tax on the transportation of property; to the Committee on Ways and Means.

H. R. 5871. A bill to affirm and recognize the water laws of the States lying wholly or partly west of the 98th meridian; to the Committee on Interior and Insular Affairs.

H. R. 5872. A bill amending the Packers and Stockyards Act, 1921, to permit deductions for a self-help meat-promotion program; to the Committee on Agriculture.

By Mr. FOGARTY:

H. R. 5873. A bill to authorize contributions to colleges and universities to provide buildings for instruction in military science; to the Committee on Armed Services.

By Mr. FORAND:

H. R. 5874. A bill to provide for a national cemetery in the State of Rhode Island; to the Committee on Interior and Insular Affairs.

By Mr. HAYS of Ohio:

H. R. 5875. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 5876. A bill to permit the flying of the flag of the United States for 24 hours of each day on the estate known as Terra Rubra, the birthplace of Francis Scott Key, in Carroll County, Md., and at the grave of Key in Mount Olivet Cemetery in Frederick, Md.; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 5877. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer an additional income tax exemption for a spouse or dependent who is a student and whose educational expenses are paid by such taxpayer; to the Committee on Ways and Means.

By Mr. KRUEGER:

H. R. 5878. A bill granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact relating to their interest in, and the apportionment of, the waters of the Little Missouri River and its tributaries as they affect such States, and for related purposes; to the Committee on Interior and Insular Affairs.

By Mr. MCGOVERN:

H. R. 5879. A bill to amend the Federal Crop Insurance Act, as amended, to provide for administration by farmer committeemen and improve application of the crop insurance program in drought and other disaster areas, and for other purposes; to the Committee on Agriculture.

By Mr. MCMILLAN (by request):

H. R. 5880. A bill to permit a taxpayer carrying on a trade or business in the conduct of which 10 or less persons are engaged to elect to take a standard deduction, in lieu of itemized deductions, for expenses attributable to such trade or business; to the Committee on Ways and Means.

H. R. 5881. A bill to amend the District of Columbia Business Corporation Act; to the Committee on the District of Columbia.

By Mr. MAHON:

H. R. 5882. A bill to require separate levels of support for light and heavy spotted cotton; to the Committee on Agriculture.

By Mr. MURRAY:

H. R. 5883. A bill to provide for the discontinuance of the Postal Savings System; to the Committee on Post Office and Civil Service.

By Mr. NEAL:

H. R. 5884. A bill to provide for the establishment of the Blennerhassett Island National Monument on Blennerhassett Island in the Ohio River near Parkersburg, W. Va.; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of California:

H. R. 5885. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 5886. A bill to amend the act of August 27, 1954 (68 Stat. 883), relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries; to the Committee on Merchant Marine and Fisheries.

By Mr. WILLIS:

H. R. 5887. A bill to revise, codify, and enact into law, title 20 of the United States Code, entitled "Education"; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 5888. A bill to amend the act of August 27, 1954 (68 Stat. 883), relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries; to the Committee on Merchant Marine and Fisheries.

By Mr. DURHAM:

H. R. 5889. A bill to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. JOHNSON:

H. R. 5890. A bill to strengthen the Nation by providing auxiliary credit resources required to preserve the family-size farm, providing additional credit for farm enlargement and development, refinancing of existing indebtedness, expansion and simplification of farm ownership and operations credit programs by amendment of the Bankhead-Jones Farm Tenant Act, and extension and simplification of emergency and disaster farm credit by amendment of the acts of April 6, 1949, as amended, and of August 31, 1954, and for other purposes; to the Committee on Agriculture.

By Mr. ZABLOCKI:

H. R. 5891. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; to the Committee on Education and Labor.

By Mr. ABERNETHY (by request):

H. R. 5892. A bill to amend the act entitled "An Act Relating to Children Born Out of Wedlock," approved January 11, 1951; to the Committee on the District of Columbia.

H. R. 5893. A bill to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driver-training purposes from the payment of certain fees and taxes during the period of such loan, and for other purposes; to the Committee on the District of Columbia.

By Mr. BONNER:

H. R. 5894. A bill to amend the laws relating to the endorsement of masters on vessel documents; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYLE:

H. R. 5895. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

H. R. 5896. A bill to facilitate the transfer of storage facilities between the military departments; to the Committee on Armed Services.

H. R. 5897. A bill to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations; to the Committee on Government Operations.

H. R. 5898. A bill to provide for the appointment of postmasters, United States marshals, and collectors of customs through written competitive examination in accordance with the civil-service laws and regulations; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H. R. 5899. A bill to allow certain expenses paid for the repair and maintenance of a personal residence as an income-tax deduction; to the Committee on Ways and Means.

By Mr. WITHROW:

H. R. 5900. A bill to establish fifth-class mail; to the Committee on Post Office and Civil Service.

By Mrs. DWYER:

H. J. Res. 270. Joint resolution establishing a United States Academy of Foreign Service; to the Committee on Foreign Affairs.

By Mr. HAYS of Arkansas:

H. J. Res. 271. Joint resolution to implement further the act of July 15, 1946, by approving the signature of the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1956; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI:

H. Con. Res. 140. Concurrent resolution to express the sense of Congress with respect to the return of 450 American prisoners of war who have not been accounted for by the Communists; to the Committee on Foreign Affairs.

By Mr. KELLEY of Pennsylvania:

H. Res. 195. Resolution to authorize the Committee on Ways and Means to investigate and study the administration of the "disability freeze" and disability-insurance-benefit programs under title II of the Social Security Act; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAMER:

H. R. 5901. A bill for the relief of Jan M. Hoogfeldt; to the Committee on the Judiciary.

By Mr. BOGGS:

H. R. 5902. A bill for the relief of Constantin Noutsios and Mrs. Calliopi Noutsios; to the Committee on the Judiciary.

By Mr. COLMER:

H. R. 5903. A bill for the relief of Mrs. Fumi Ishikawa Clark; to the Committee on the Judiciary.

By Mr. CRAMER (by request):

H. R. 5904. A bill for the relief of Thomson Contracting Co., Inc.; to the Committee on the Judiciary.

H. R. 5905. A bill for the relief of J. Harold Anderson; to the Committee on the Judiciary.

H. R. 5906. A bill for the relief of Dent R. Spaur; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 5907. A bill for the relief of Jose Trinidad Maldonado Ortiz; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 5908. A bill for the relief of Randall De Costa Moore; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 5909. A bill for the relief of Santiago Aguirre-Iranoqui; to the Committee on the Judiciary.

H. R. 5910. A bill for the relief of Rudy Rigutto; to the Committee on the Judiciary.

By Mr. FORD:

H. R. 5911. A bill for the relief of Francesco Terranova; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H. R. 5912. A bill for the relief of Casimiro Cortes Garcia; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 5913. A bill for the relief of Mercedes Garavito de Corona; to the Committee on the Judiciary.

H. R. 5914. A bill for the relief of Erika Combe; to the Committee on the Judiciary.

By Mr. LANKFORD:

H. R. 5915. A bill for the relief of Dr. Hsun-Tiao Yang; to the Committee on the Judiciary.

By Mr. LENNON:

H. R. 5916. A bill for the relief of Dionisios Vasiliou Tsiros; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 5917. A bill for the relief of George Vukasic; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:

H. R. 5918. A bill for the relief of Wilmore E. Balderson; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 5919. A bill for the relief of Takayuki Itakura; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 5920. A bill for the relief of Pedro Gonzales; to the Committee on the Judiciary.

By Mr. REECE of Tennessee:

H. R. 5921. A bill for the relief of Magdaleno Duenas; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 5922. A bill for the relief of William Lavallo; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 5923. A bill for the relief of Demo Somogyi; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 272. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 273. Joint resolution to waive the provisions of section 212 (a) (9) and (12) of the Immigration and Nationality Act, in behalf of certain aliens; to the Committee on the Judiciary.

H. J. Res. 274. Joint resolution to waive the provision of section 212 (a) (9) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

140. By Mr. BUSH: Resolution of the Pennsylvania State Dental Society passed at the 2d session of the 87th annual meeting of the house of delegates of the Pennsylvania State Dental Society, urging the passage of legislation proposing an amendment to the tax laws to permit dentists and physicians to voluntarily set aside certain amounts for retirement programs that would not be taxable during the years in which earned; to the Committee on Ways and Means.

141. By Mr. HAYS of Arkansas: Petition of Edward Gordon, Morrilton, Ark., and others urging the Soil Conservation Service to include a fish and wildlife project in the Point Remove watershed project, Conway, Pope, and Van Buren Counties, in the State of Arkansas; to the Committee on Agriculture.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308 (b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

QUARTERLY REPORTS

The following reports for the third calendar quarter of 1956 were received after October 20, 1956, too late to be included in the published reports for that quarter:

A. Active-Retired Lighthouse Service Employees Association, P. O. Box 2169, South Portland, Maine.
D. (6) $743. E. (9) $450.89.

A. Chas. J. Alexander, 1836 Jefferson Place NW., Washington 6, D. C.
B. The Navaho Tribe of Indians residing in Arizona, Utah, New Mexico, and Colorado.
D. (6) $115. E. (9) $10.

A. American Cancer Society, 521 West 57th Street, New York City, N. Y.
E. (9) $7,146.71.

A. American Civil Liberties Union, Inc., 170 Fifth Avenue, New York 10, N. Y.
D. (6) $1,437.27. E. (9) $1,437.27.

A. American Dental Association, 222 East Superior Street, Chicago 11, Ill.
D. (6) $10,196.86. E. (9) $10,196.86.

A. American Hospital Association, 18 East Division Street, Chicago 10, Ill.
D. (6) $12,764.87. E. (9) $10,154.87.

A. The American Legion, National Headquarters, 700 North Pennsylvania Street, Indianapolis 6, Ind.
D. (6) $1,898.89. E. (9) $22,516.36.

A. American Library Association, 50 East Huron Street, Chicago 11, Ill.
D. (6) $70. E. (9) $4,954.81.

A. American Humane Association, 896 Pennsylvania Street, Denver, Colo.
D. (6) $2,970. E. (9) $379.78.

A. American Veterinary Medical Association, 600 South Michigan Avenue, Chicago, Ill.
E. (9) $1,104.14.

A. Arthritis & Rheumatism Foundation, 23 West 45th Street, New York, N. Y.
E. (9) $1,286.42.

A. George E. Ashley, 195 Broadway, New York, N. Y., 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.

A. J. A. Beirne, 1808 Adams Mill Road NW., Washington, D. C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D. C.

A. Carl H. Berglund, 1306 Washington Building, Tacoma, Wash.
E. (9) $437.95.

A. Helen Berthelot, 1808 Adams Mill Road NW., Washington, D. C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D. C.
D. (6) $3,320.50. E. (9) $2,328.50.

A. Charles B. Blankenship, 1808 Adams Mill Road NW., Washington, D. C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D. C.
D. (6) $3,323.71. E. (9) $3,323.71.

A. Boston and Maine Railroad, 150 Causeway Street, Boston, Mass.

A. Roland Boyd, McKinney, Tex.
B. Hub Hill, 2121 North Field Street, Dallas, Tex.
D. (6) $4,500. E. (9) $1,352.11.

A. Boykin & DeFrancis, Shoreham Building, Washington, D. C.
B. Studiengesellschaft fur Privatrechtliche Auslandsinteressen E. V. Contrescarpe 46 Bremen, Germany.
E. (9) $584.84.

A. Brotherhood of Locomotive Engineers, 1122 Engineers Building, Cleveland, Ohio.

A. C. Blake Brown, 839 17th Street NW., Washington, D. C.
B. National Association of Motor Bus Operators, 839 17th Street NW., Washington, D. C.

A. Mrs. Rollin Brown, 700 North Rush Street, Chicago, Ill.

A. Bernard N. Burnstine, 900 F Street NW., Washington, D. C.
B. Jewelry Industry Tax Committee, Inc., 50 Broadway, New York, N. Y.

A. Edward T. Butler, 1191 Clay Avenue, Bronx, New York City, N. Y.
B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $520. E. (9) $425.69.

A. John L. Carey, 270 Madison Avenue, New York, N. Y.
B. American Institute of Accountants, 270 Madison Avenue, New York, N. Y.
D. (6) $1,000.

A. Chesapeake Gardens, Inc., 2406 Greenmount Avenue, Baltimore, Md.
E. (9) $2,250.

A. Committee for Oil Pipelines, 418 Munsey Building, Washington, D. C.

A. Committee for Return of Confiscated German and Japanese Property, 926 National Press Building, Washington, D. C.
D. (6) $200. E. (9) $100.

A. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D. C.
D. (6) $1,099,678.33. E. (9) $5,652.21.

A. Bernard J. Conway, 222 East Superior Street, Chicago, Ill.
B. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $2,750.

A. Cooperative Health Federation of America, 343 South Dearborn Street, Chicago, Ill.
D. (6) $300. E. (9) $317.

A. Council of Conservationists, 598 Fifth Avenue, New York 36, N. Y.
B. Fred Smith & Co., Inc., 598 Fifth Avenue, New York, N. Y.

A. Council of State Chambers of Commerce, 1025 Connecticut Avenue, Washington, D. C.
D. (6) $203.24. E. (9) $203.24.

A. Donald M. Counihan, 1001 Connecticut Avenue NW., Washington, D. C.
B. American Corn Millers' Federation, 173 West Madison Street, Chicago, Ill.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $73,368.11. E. (9) $557.25.

A. Edward B. Crosland, 195 Broadway, New York, N. Y., and 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.
D. (6) $4,375.

A. S. P. Deas, 520 National Bank of Commerce Building, New Orleans, La.
B. Southern Pine Industry Committee.
E. (9) $161.47.

A. Ralph B. Dewey, 1625 K Street NW., Washington, D. C.
B. Pacific American Steamship Association, 16 California Street, San Francisco, Calif.
D. (6) $236. E. (9) $431.97.

A. Cecil B. Dickson, 1600 I Street NW., Washington, D. C.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D. C.
D. (6) $3,900. E. (9) $1,200.

A. District of Columbia Petroleum Industries Committee, 1625 K Street NW., Washington, D. C.
B. Petroleum Industry Trade Association.
D. (6) $995.65. E. (9) $995.65.

A. William C. Doherty, 100 Indiana Avenue NW., Washington, D. C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D. C.
D. (6) $1,500.

A. Robert F. Donoghue, 236 Wyatt Building, Washington, D. C.
B. Pacific American Tankship Association, 25 California Street, San Francisco, Calif.
D. (6) $1,625.

A. J. R. Dunkerly, 12 East 26th Street, New York, N. Y.
B. American Bankers Association, 12 East 36th Street, New York, N. Y.
D. (6) $462.50. E. (9) $75.

A. William M. Dunn, 1808 Adams Mill Road NW., Washington, D. C.
B. Communications Workers of America, 1808 Adams Mill Road NW., Washington, D. C.

A. John W. Edelman, 718 Jackson Place NW., Washington, D. C.
B. Textile Workers Union of America, 99 University Place, New York, N. Y.
D. (6) $2,360. E. (9) $610.87.

A. Otis H. Ellis, 1001 Connecticut Avenue NW., Washington, D. C.
B. National Oil Jobbers Council, Suite 825, 1001 Connecticut Avenue NW., Washington, D. C.
D. (6) $5,000.

A. John W. Emeigh, 1040 Warner Building, Washington, D. C.
B. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D. C.
D. (6) $611.50. E. (9) $10.

A. Emergency Conservation Committee, 767 Lexington Avenue, New York, N. Y.
D. (6) $160. E. (9) $268.55.

A. Mrs. Albert E. Farwell, Box 188, Route 2, Vienna, Va.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. James Finucane, 926 National Press Building, Washington, D. C.
B. Committee for Return of Confiscated German and Japanese Property, 926 National Press Building, Washington, D. C.
D. (6) $100.

A. Russel J. Fisher, Gordonsville, Va.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Ronald J. Foulis, 195 Broadway, New York, N. Y., and 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.
D. (6) $2,250.

A. Fowler, Leva, Hawes & Symington, 1701 K Street NW., Washington, D. C.
B. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N. Y.
D. (6) $11,200. E. (9) $5.39.

A. Nolen J. Fuqua, Duncan, Okla.
B. National Association of Soil Conservation Districts, League City, Tex.

A. General Federation of Woman's Clubs, 1734 N Street NW., Washington, D. C.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
D. (6) $150. E. (9) $157.54.

A. Cassius B. Gravitt, Jr., 1110 F Street NW., Washington, D. C.
B. National League of Postmasters of the United States, 1110 F Street NW., Washington, D. C.
D. (6) $1,700. E. (9) $200.

A. Carl O. Gustafson, 588 Fifth Avenue, New York, N. Y.
B. Council of Conservationists, 588 Fifth Avenue, New York, N. Y.
E. (9) $4,372.23.

A. William A. Hanscom, 1126 16th Street NW., Washington 6, D. C.
B. Oil, Chemical and Atomic Workers International Union, 1640 California Street, Denver 1, Colo.
D. (6) $2,085. E. (9) $180.

A. Robert E. Harper, 1413 K Street NW., Washington, D. C.
B. National Business Publications, Inc., 1413 K Street NW., Washington, D. C.

A. Joseph B. Henderson, 431 Belter Building, New Orleans, La.
B. American Association of Small Business, 431 Belter Building, New Orleans, La.
D. (6) $1,500.

A. Housewives United, 2915 Fuxhall Road NW., Washington, D. C.
D. (6) $50.

A. Harold K. Howe, Mills Building, Washington, D. C.
B. American Institute of Laundering, Box 1187, Joliet, Ill.
D. (6) $2,649.99. E. (9) $1,173.92.

A. Harold K. Howe, 307 Mills Building, Washington, D. C.
B. The Lawn Mower Institute, Inc. 307 Mills Building, Washington 6, D. C.
D. $1,400.

A. Ray L. Hulick, 1040 Warner Building, Washington, D. C.
B. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D. C.
D. (6) $411.50. E. (9) $12.

A. W. J. Hynes, 611 Idaho Building, Boise, Idaho.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.

A. International Association of Machinists, Machinists Building, Washington, D. C.
D. (6) $2,150. E. (9) $2,150.

A. William T. Jobe, 810 18th Street NW., Washington, D. C.
B. National Association of Ice Industries, 810 18th Street NW., Washington, D. C.

A. John E. Kane, 1625 K Street NW., Washington, D. C.
B. American Petroleum Institute, 50 West 50th Street, New York, N. Y.
D. (6) $3,000. E. (9) $474.23.

A. John E. Kane, 1625 K Street NW., Washington, D. C.
B. District of Columbia Petroleum Industries Committee, Washington, D. C.
D. (6) $300. E. (9) $695.65.

A. Jerome J. Keating, 100 Indiana Avenue NW., Washington 1, D. C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D. C.
D. (6) $1,374.

A. James P. Kem, 1625 K Street NW., Washington 6, D. C.
B. Mrs. M. Veronica DePataky, 7965 Parkholm Drive, Los Angeles, Calif.
D. (6) $1,000. E. (9) $16.20.

A. Elizabeth A. Kendall, 2310 Connecticut Avenue, Washington, D. C.

A. Thomas R. Kingsley, 16th and P Streets NW., Washington 6, D. C.
B. Movers Conference of America, 16th and P Streets NW., Washington, D. C.
D. (6) $100.

A. Kominers & Fort, 529 Tower Building, Washington, D. C.
B. Marine Transport Lines, Inc., 11 Broadway, New York City, N. Y.

A. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. John Lawler, 270 Madison Avenue, New York 16, N. Y.
B. American Institute of Accountants, 270 Madison Avenue, New York, N. Y.
D. (6) $500. E. (9) $25.

A. Miss Esther Lipsen, Railway Progress Building, Washington, D. C.
B. Federation for Railway Progress Building, Washington, D. C.
D. (6) $300. E. (9) $10.

A. Norman M. Littell, 1220 Jefferson Place NW., Washington, D. C.
B. The Navaho Tribe of Indians residing in Arizona, Utah, New Mexico, and Colorado; address of Superintendent: Window Rock, Ariz.
D. (6) $240. E. (9) $10.

A. Charles E. Lofgren, 522 Rhode Island Avenue NE., Washington, D. C.
B. Fleet Reserve Association, 522 Rhode Island Avenue NE., Washington, D. C.
D. (6) $2,000.

A. Otto Lowe, Cape Charles, Va.
B. National Canners Association, 1133 20th Street, Washington, D. C.
D. (6) $750.

A. Powers Luse, North Baltimore, Ohio.
B. Pennsylvania-Ohio-New York Committee on Low Cost Niagara-St. Lawrence Power, Box 187, North Baltimore, Ohio.
D. (6) $1,516.29. E. (9) $2,280.69.

A. William A. McClintock, Jr., 7447 North Skokie Boulevard, Skokie, Ill.
B. The National Committee for Insurance Taxation, The Hay-Adams House, Washington, D. C.

A. Joseph F. McSparron, 320 North Hopkins Street, Sayre, Pa.
B. International Association of Machinists, Machinists Building, Washington, D. C.
D. (6) $525. E. (9) $525.

A. MacLeish, Spray, Price & Underwood, 134 South La Salle Street, Chicago, Ill.
B. National Committee for Insurance Taxation, 231 North La Salle Street, Chicago, Ill.
D. (6) $10,350. E. (9) $240.94.

A. Harry B. Madsen, 1559 North McKinley Road, Lake Forest, Ill.
B. The National Committee for Insurance Taxation, The Hay-Adams House, Washington, D. C.
D. (6) $1,350. E. (9) $214.86.

A. Don Mahon, Box 959, Ben Franklin Station, Washington, D. C.
E. (9) $196.80.

A. Kenneth A. Meiklejohn, 1622 Jefferson Place NW., Washington, D. C.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N. Y.
D. (6) $1,248.

A. Kenneth A. Meiklejohn, 1622 Jefferson Place NW., Washington, D. C.
B. Retail, Wholesale, and Department Store Union, 132 West 43d Street, New York, N. Y.
D. (6) $675.

A. William R. Merriam, Railway Progress Building, Washington, D. C.
B. Federation for Railway Progress, Railway Progress Building, Washington, D. C.

A. Aubrey C. Mills, Foot of Washington Avenue Bridge, Minneapolis, Minn.
B. Upper Mississippi Association Waterway, Foot of Washington Avenue Bridge, Minneapolis, Minn.
D. (6) $600.

A. Joseph L. Miller, 1025 Connecticut Avenue NW., Washington, D. C.
D. (6) $3,422. E. (9) $744.53.

A. Movers Conference of America, 16th and P Streets NW., Washington, D. C.
D. (6) $483.10. E. (9) $483.10.

A. John H. Myers, 1224 Cleveland Street, Wilmette, Ill.
B. National Committee for Insurance Taxation, Hay-Adams House, Washington, D. C.

A. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N. Y.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D. C.
D. (6) $342,460.86. E. (9) $4,890.04.

A. National Association of Motor Bus Operators, 830 17th Street NW., Washington, D. C.
D. (6) $205.16. E. (9) $205.16.

A. National Association of Refrigerated Warehouses, Inc., 1210 Tower Building, Washington, D. C.

A. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D. C.
D. (6) $750. E. (9) $750.

A. National Business Publications, Inc., 1413 K Street NW., Washington 5, D. C.

A. National Committee for Insurance Taxation, The Hay-Adams House, Washington, D. C.
E. (9) $11,779.36.

A. National Cotton Compress and Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. National Council Against Conscription, 513 West 166th Street, New York, N. Y.
D. (6) $354.63. E. (9) $319.54.

A. National Federation of Business and Professional Women's Clubs, Inc., Dupont Circle Building, Washington, D. C.
D. (6) $2,629.85. E. (9) $1,318.09.

A. National Federation of Independent Business, Inc., 740 Washington Building, Washington, D. C.
D. (6) $8,864.46. E. (9) $8,864.46.

A. National Institute of Social Welfare, 300 New Jersey Avenue SE., Washington, D. C. and 1031 South Grand Avenue, Los Angeles 15, Calif.
D. (6) $228.06. E. (9) $2,945.73.

A. National Multiple Sclerosis Society, 270 Park Avenue, New York, N. Y.
E. (9) $357.61.

A. National Reclamation Association, 897 National Press Building, Washington, D. C.
D. (6) $10,025. E. (9) $9,213.66.

A. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington D. C.
D. (6) $319.93. E. (9) $590.

A. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D. C.
D. (6) $11,648.88. E. (9) $8,773.98.

A. National Tax Equality Association, 231 South La Salle Street, Chicago, Ill.
D. (6) $6,506.42. E. (9) $7,603.94.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D. C.
B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.
D. (6) $4,250.04. E. (9) $1,890.68.

A. George R. Nelson, Machinists Building, Washington, D. C.
B. International Association of Machinists, Machinists Building, Washington, D. C.
D. (6) $900.

A. Blake T. Newton, Jr., 195 Broadway, New York, N. Y., and 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.
D. (6) $3,041.67.

A. Christian P. Norgord, 1617 Rhode Island Avenue NW., Washington, D. C.
B. The American Humane Association, Denver, Colo.
D. (6) $2,970. E. (9) $379.78.

A. Francis A. O'Connell, 625 Colorado Building, 1341 G Street NW., Washington, D. C.
B. Air Transport Division, Transport Workers Union of America, 80-07 Broadway, Elmhurst, N. Y.
D. (6) $1,885. E. (9) $1,584.52.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
E. (9) $307.54.

A. Thomas R. Owens, 917 15th Street NW., Washington, D. C.
B. United Rubber, Cork, Linoleum and Plastic Workers of America, High at Mill Street, Akron, Ohio.
D. (6) $1,690. E. (9) $260.

A. Charles A. Parker, 1346 Connecticut Avenue NW., Washington, D. C.
B. National Aviation Trades Association, 1346 Connecticut Avenue NW., Washington, D. C.
D. (6) $705.92. E. (9) $1,227.06.

A. Peoples Lobby, Inc., 1337 21st Street NW., Washington, D. C.
D. (6) $342.

A. Andrew A. Pettis, 1404 New York Avenue NW., Washington, D. C.
B. Industrial Union of Marine and Shipbuilding Workers of America.
D. (6) $2,842.28. E. (9) $2,771.43.

A. Walter C. Ploeser, 50 South Bemiston Avenue, Clayton, St. Louis, Mo.

A. Mrs. R. I. C. Prout, 1734 N Street NW., Washington, D. C.
B. General Federation of Women's Clubs, 1734 N Street NW., Washington, D. C.

A. Luke C. Quinn, Jr., 1001 Connecticut Avenue NW., Washington, D. C.
B. American Cancer Society, Arthritis and Rheumatism Foundation, United Cerebral Palsy Associations, National Multiple Sclerosis Society, and National Committee for Research in Neurological Disorders.
D. (6) $7,409.97. E. (9) $5,511.52.

A. Mrs. Richard G. Radue, 3406 Quebec Street NW., Washington, D. C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Donald J. Ramsey, 1612 I Street NW., Washington, D. C.
B. Silver Users Association, 1612 I Street NW., Washington, D. C.
D. (6) $4,250.01. E. (9) $1,223.98.

A. Sydney C. Reagan, 3840 Greenbrier, Dallas, Tex.
B. Southwestern Peanut Shellers Association, Box 48, Durant, Okla.
D. (6) $150.

A. Stanley Rector, Washington Hotel, Washington, D. C.
B. Unemployment Benefit Advisors, Inc.
D. (6) $2,000.

A. Otis M. Reed, 1107 19th Street NW., Washington, D. C.
B. The Joint Committee of the National Creameries Association and the American Butter Institute, 1107 19th Street NW., Washington, D. C.
D. (6) $1,250. E. (9) $1,118.76.

A. Otis M. Reed, 1107 19th Street NW., Washington, D. C.
B. The National Creameries Association, 617 New York Building, St. Paul, Minn.
D. (6) $625. E. (9) $377.36.

A. Hubert M. Rhodes, 740 11th Street NW., Washington, D. C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $550. E. (9) $7.25.

A. Edward O. Rodgers, 1107 16th Street NW., Washington, D. C.
B. Air Transport Association of America, 1107 16th Street NW., Washington, D. C.
D. (6) $1,250. E. (9) $66.20.

A. George L. Rodgers, 1504 Public Service Building, Portland, Oreg.
B. Pacific Power & Light Co., the Montana Power Co., Portland General Electric Co., and the Washington Water Power Co.
D. (6) $880. E. (9) $351.74.

A. Harry N. Rosenfield, 1735 DeSales Street NW., Washington, D. C.
B. Elisabeth von Oberndorff, 200 East 66th Street, New York, N. Y.

A. James F. Rowan, 16th and P Streets NW., Washington, D. C.
B. Movers Conference of America, 16th and P Street NW., Washington, D. C.
D. (6) $93.75.

A. L. B. Sanford, 21 West Street, New York, N. Y.
B. Shipbuilders Council of America, 21 West Street, New York, N. Y.

A. Schoene & Kramer, 1625 W Street NW., Washington, D. C.
B. Railway Labor Executives' Association, 401 Third Street NW., Washington, D. C.
D. (6) $5,056.25. E. (9) $44.51.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D. C.
B. Carpet Institute, Empire State Building, New York, N. Y.
D. (6) $3,000. E. (9) $103.62.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D. C.
B. Mobile Homes Manufacturers Association, 20 North Wacker Drive, Chicago 6, Ill.
D. (6) $1,249.96. E. (9) $34.20.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D. C.
B. New York Coffee and Sugar Exchange, 113 Pearl Street, New York, N. Y.
D. (6) $1,200. E. (9) $24.48.

A. Paul Sifton, 716 Jackson Place NW., Washington 6, D. C.
B. United Automobile, Aircraft, Agricultural Implement Workers of America, 8000 East Jefferson, Detroit 14, Mich.
D. (6) $1,740. E. (9) $2,200.81.

A. Silver Users Association, 1612 I Street NW., Washington 6, D. C.
E. (9) $10,121.14.

A. Smaller Magazines Postal Committee, Post-office Box 975, New Canaan, Conn.
D. (6) $2,075. E. (9) $2,686.22.

A. Fred Smith & Co., Inc., 588 Fifth Avenue, New York 36, N. Y.
B. Edward Mallinckrodt, Jr., 16 West Moreland Place, St. Louis, Mo.
D. (6) $4,873.61.

A. Stanley L. Sommer, 715 Albee Building, 1426 G Street NW., Washington 5, D. C.
D. (6) $550. E. (9) $565.

A. Southern Pine Industry Committee, 820 National Bank of Commerce Building, New Orleans 12, La.
D. (6) $3,922.24. E. (9) $4,131.24.

A. Lyndon Spencer, 305 Rockefeller Building, Cleveland 13, Ohio.
B. Lake Carriers' Association, 355 Rockefeller Building, Cleveland 13, Ohio.

A. Howard M. Sterling, 527 Washington Building, Washington 5, D. C.
B. Association of Casualty and Surety Companies, 60 John Street, New York 38, N. Y.
D. (6) $150.

A. Preble Staver, 1107 16th Street NW., Washington, D. C.
B. Air Transport Association, 1107 16th Street NW., Washington, D. C.
D. (6) $1,250. E. (9) $40.63.

A. Sterck, Rickards & Roots, 1026 Connecticut Avenue NW., Washington, D. C.
E. (9) $541.28.

A. Eugene C. Struckhoff, 95 North Main Street, Concord, N. H.
B. Boston and Maine Railroad, North Station, 150 Causeway Street, Boston, Mass.
E. (9) $434.58.

A. Synthetic Organic Chemical Manufacturers Association of the United States, 41 East 42d Street, New York 17, N. Y.
D. (6) $48.95. E. (9) $46.95.

A. Dwight D. Taylor, Jr., 918 16th Street NW., Washington 6, D. C.
B. American Airlines, Inc., 918 16th Street NW., Washington 6, D. C.
D. (6) $1,800. E. (9) $420.

A. John H. Todd, 1063 Shrine Building, Memphis 3, Tenn.

B. National Cotton Compress and Cotton Warehouse Association, 1065 Shrine Building, Memphis 3, Tenn.

A. Touche, Niven, Bailey & Smart, 208 South La Salle Street, Chicago 4, Ill.
B. The National Committee for Insurance Taxation, 231 North La Salle Street, Chicago, Ill.
E. (9) $91.22.

A. The Townsend Plan Inc., and Townsend National Weekly, Inc., 6875 Broadway, Cleveland 5, Ohio.

A. United Cerebral Palsy Associations, 369 Lexington Avenue, New York 17, N. Y.
E. (9) $1,429.23.

A. R. G. Van Buskirk, Clinton, La.
B. American Medical Association, 535 North Dearborn Street, Chicago 10, Ill.
D. (6) $1,250.

A. Herbert F. Waltson, 7447 Skokie Boulevard, Skokie, Ill.
B. The National Committee for Insurance Taxation, the Hay-Adams House, Washington, D. C.

A. Richard H. Weis, 551 Fifth Avenue, New York, N. Y.
B. Bowling Proprietors' Association of America, Inc., 188 North Wabash Avenue, Chicago, Ill.

A. William E. Welsh, 897 National Press Building, Washington, D. C.
B. National Reclamation Association, 897 National Press Building, Washington, D. C.
D. (6) $3,750. E. (9) $555.46.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Arapahoe Tribe of Indians, Wind River Reservation, Fort Washakie, Wyo.
E. (9) $12.50.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. The Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $11.64.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Klamath Indian Tribe, Klamath Agency Oregon.
E. (9) $7.03.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Menominee Tribe of Indians, Keshena, Wis.
E. (9) $22.48.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Nicholas B. Perry, 1101 Barnaby Terrace SE., Washintgon, D. C.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Quinaielt Indian Tribe, Taholah, Wash.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Spokane Indian Tribe, Wellpinit, Wash.
E. (9) $3.10.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington 6, D. C.
B. Ute Indian Tribe of the Uintah and Ouray Reservation, Fort Duchesne, Utah.
E. (9) $1.

A. Wilkinson, Cragan, Barker & Hawkins, 744 Jackson Place NW., Washington 6, D. C.
E. (9) $13.36.

A. Kenneth Williamson, Mills Building, Washington 6, D. C.
B. American Hospital Association, 18 East Division Street, Chicago 10, Ill.
D. (6) $2,650.87. (9) $24,407.

A. Joseph M. Wyatt, 501 Keyser Building, Baltimore 2, Md.
B. Chesapeake Gardens, Inc., 2406 Greenmount Avenue, Baltimore 18, Md.
E (9) $499.66.

A. Howard Zahniser, 6232 43d Avenue, Hyattsville, Md.
B. Council of Conservationists, 588 Fifth Avenue, New York 36, N. Y.
E. (9) $250.

A. William Zimmerman, Jr., 1700 K Street NW, Washington 6, D. C.
B. Association on American Indian Affairs, Inc., 48 East 86th Street, New York 28, N. Y.
D. (6) $125. E. (9) $40.92.

QUARTERLY REPORTS

The following quarterly reports were submitted for the fourth calendar quarter 1956:

(NOTE.—The form used for reports is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

File two copies with the Secretary of the Senate and file three copies with the Clerk of the House of Representatives.
This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.
Place an "X" below the appropriate letter or figure in the box at the right of the "Report" heading below:
"PRELIMINARY" REPORT ("Registration"): To "register" place an "X" below the letter "P" and fill out page 1 only.
"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) In General: This "Report" form may be used by either an organization or an individual, as follows:
(i) "EMPLOYER".—To file as an "employee," state in Item "B" the name, address, and nature of business of the "employer." (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee.")
(ii) "Employer".—To file as an "employer," write "None" as answer to Item "B."
(b) Separate Reports.—An agent or employee should not attempt to combine his Report with the employer's Report.
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING.—(1) State name, address, and nature of business; (2) if this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers; except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—Section 302 (e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place ☐ an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (a) description; (b) quantity distributed; (c) date of distribution; (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. *If* this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this Item "C 4" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

NOTE ON ITEM "D".—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302 (a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYER.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter
5. $_____Received for services (e. g., salary, fee, etc.)
6. $_____TOTAL for this Quarter (Add items "1" through "5")
7. $_____Received during previous Quarters of calendar year
8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . loan . . ."—Sec. 302 (a).

9. $_____TOTAL owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during the Quarter

12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": _____

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* ("Period" from Jan. 1 through....., 19....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N. Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302 (b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYER. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6"), and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures
9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year
11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . loan . . ."—Sec. 302 (b).

12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blatten, 3127 Gremlin Bldg., Washington, D. C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Claris Adams, 1701 K Street NW., Washington 6, D. C.

B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. J. Carson Adkerson, 976 National Press Building, Washington 4, D. C.
E. (9) $2.25.

A. Arthur F. Ackerold, 900 F Street NW., Washington 4, D. C.

B. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., Washington 4, D. C.
D. (6) $1,461.90. E. (9) $20.

A. AFL-CIO Maritime Committee, Third Street SE., Washington 3, D. C.
D. (6) $8,661.18. E. (9) $10,349.13.

A. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington 5, D. C.
D. (6) $4,259.45. E. (9) $4,259.45.

A. W. L. Allen, 8605 Cameron Street, Silver Spring, Md.

B. The Commercial Telegraphers' Union, International, 8605 Cameron Street, Silver Spring, Md.

A. William B. Allen, 917 15th Street NW., Washington 5, D. C.

B. United Rubber, Cork, Linoleum and Plastic Workers of America, High at Mill Street, Akron 6, Ohio.
D. (6) $1,810. E. (9) $300.40.

A. Thomas H. Alphin, M. D., 1523 L Street NW., Washington 5, D. C.

B. American Medical Association, 535 North Dearborn Street, Chicago 10, Ill.
D. (6) $875.

A. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington 6, D. C.

A. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N. C.
D. (6) $2,813.98. E. (9) $2,813.98.

A. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill., and 425 13th Street NW., Washington, D. C.
D. (6) $27,008. E. (9) $27,089.

A. American Federation of Labor and Congress of Industrial Organizations, AFL-CIO Building, Washington, D. C.
E. (9) $36,940.02.

A. American Federation of Musicians, 570 Lexington Avenue, New York, N. Y.
E. (9) $13,791.54.

A. American Federation of the Physically Handicapped, Inc., 1370 National Press Building, Washington, D. C.

A. American Hospital Association, 18 East Division Street, Chicago, Ill.
D. (6) $11,375.34. E. (9) $10,075.34.

A. American Hotel Association, 221 West 57th Street, New York, N. Y.
D. (6) $55,552.10.

A. American Hull Insurance Syndicate, 99 John Street, New York, N. Y.
E. (9) $260.

A. American Humane Association, 606 Pennsylvania Street, Denver, Colo.
E. (9) $1,727.10.

A. American Institute of Marine Underwriters, 99 John Street, New York, N. Y.
E. (9) $560.

A. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. American Medical Association, 535 North Dearborn Street, Chicago, 10, Ill.
D. (6) $15,000. E. (9) $12,764.99.

A. American National Cattlemen's Association, 801 East 17th Avenue, Denver 18, Colo.
D. (6) $8,625.13. E. (9) $5,800.

A. American Nurses' Association, Inc., 2 Park Avenue, New York 16, N. Y.
D. (6) $24,178.40. E. (9) $2,329.02.

A. American Optometric Association, Inc., Care of Dr. H. Ward Ewalt, Jr., 8001 Jenkins Arcade, Pittsburgh, Pa.

A. American Osteopath Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $476.20. E. (9) $476.20.

A. American Paper & Pulp Association, 122 East 42d Street, New York, N. Y.

A. American Parents Committee, Inc., 132 Third Street SE., Washington, D. C., and 52 Vanderbilt Ave., New York, N. Y.
D. (6) $2,584.76. E. (9) $1,476.59.

A. American Petroleum Institute, 50 West 50th Street, New York, N. Y.
D. (6) $783. E. (9) $13,976.

A. American Pulpwood Association, 220 East 42d Street, New York, N. Y.

A. American Retail Federation, 1145 19th Street NW., Washington, D. C.
D. (6) $62,678.40. (E. (9) $24.98.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue, NW., Washington, D. C.
D. (6) $1,662.66. E. (9) $1,662.66.

A. American Tariff League, 19 West 44th Street, New York, N. Y.

A. American Textile Machinery Association, 60 Batterymarch Street, Boston, Mass.
D. (6) $7.50.

A. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N. Y.
D. (6) $3,000. E. (9) $5,566.63.

A. American Trucking Associations, Inc., 1424-16th Street, NW., Washington, D. C.
D. (6) $10,290.06. E. (9) $9,413.25.

A. AMVETS (American Veterans World War II), 1710 Rhode Island Avenue NW., Washington, D. C.
E. (9) $1,530.

A. American Vocational Association, 1010 Vermont Avenue NW., Washington, D. C.

A. American Warehousemen's Association—Merchandise Division, 222 West Adams Street, Chicago, Ill.

A. American Zionist Committee for Public Affairs, 1737 H Street NW., Washington, D. C.

A. America's Wage Earners' Protective Conference, 815—15th Street NW., Washington, D. C.
D. (6) $2,460. E. (9) $2,311.19.

A. Samuel W. Anderson, 1700 K Street NW., Washington, D. C.

B. American Watch Association, Inc., 1700 K Street NW., Washington, D. C.
D. (6) $6,249.99.

A. John R. Arant, 1102 Ring Building, Washington, D. C.

B. American Mining Congress, Ring Building, Washington, D. C.
D. (6) $1,125.

A. Hector E. Aring, 826 Woodward Building, Washington, D. C.

B. Johns-Manville Corporation, 22 East 40th Street, New York, N .Y.
D. (6) $1,250.

A. Arkansas Railroad Committee, 1115 Boyle Building, Little Rock, Ark.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D. C.

B. Indians of California.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D. C.

B. Simon & Schuster, 630 Fifth Avenue, New York, N. Y.
D. (6) $1,000. E. (9) $89.33.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D. C.

B. Committee for Hometown Television, Inc., Box 9140, Bridgeport, Conn.
E. (9) $2.89.

A. W. C. Arnold, 200 Colman Building, Seattle, Wash.

B. Alaska Salmon Industry, Inc., 200 Colman Building, Seattle, Wash.

A. Associated General Contractors of America, Inc., Munsey Building, Washington, D. C.

A. Association of American Railroads, 929 Transportation Building, Washington, D. C.
D. (6) $6,463.41. E. (9) $6,463.41.

A. Association of American Ship Owners, 76 Beaver Street, New York 5, N. Y.

A. Association of Casualty and Surety Companies, 60 John Street, New York 38, N. Y.
D. (6) $1,878.93. E. (9) $1,878.93.

A. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $1,500.

A. Association of Western Railways, 474 Union Station Building, Chicago, Ill.

A. Edward Atkins, 51 East 42d Street, New York, N. Y.

B. National Association of Shoe Chain Stores, Inc., 51 East 42d Street, New York, N. Y.
D. (6) $250. E. (9) $250.

A. Charles E. Babcock, Route 4, Box 126, Vienna, Va.

B. National Council, Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.
D. (6) $150. E. (9) $2.25.

A. Harry S. Baer, Jr., 1115 17th Street NW., Washington, D. C.

B. Aeronautical Training Society, 1115 17th Street NW., Washington, D. C.
D. (6) $2,000.

A. George P. Baker, 16 Eliot Street, Cambridge, Mass.

B. Transportation Association of America, 16 Eliot Street, Cambridge, Mass.

A. John A. Baker.

B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D. C.
D. (6) $2,800. E. (9) $161.30.

A. George W. Ball, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. J. H. Ballew, Nashville 3, Tenn.
B. Southern States Industrial Council, Nashville, Tenn.
D. (6) $2,600.

A. Hartman Barber, 401 Third Street NW., Washington, D. C.
B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati 2, Ohio.
D. (6) $2,100. E. (9) $057.66.

A. Robert C. Barnard, 224 Southern Building, Washington 5, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington 5, D. C.

A. James M. Barnes, 1026 Connecticut Avenue NW., Washington 6, D. C.
B. Reciprocal Inter-Insurers Federal Tax Committee, United Artists Building, Detroit 26, Mich.
E. (9) $172.01.

A. Arthur R. Barnett, 1200 18th Street NW., Washington, D. C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.
D. (6) $327.51. E. (9) $138.53.

A. Irvin L. Barney, 401 Third Street NW., Washington, D. C.
B. Brotherhood Railway Carmen of America, 4929 Main Street, Kansas City, Mo.
D. (6) $2,625.

A. William G. Barr, 711 14th Street NW., Washington, D. C.
B. National Parking Association, Inc., 711 14th Street NW., Washington, D. C.

A. Ralph E. Becker, 1700 K Street NW., Washington, D. C.
B. American National Theater and Academy, 1545 Broadway, New York, N. Y.
E. (9) $198.60.

A. Ralph E. Becker, 1700 K Street NW., Washington, D. C.
B. The League of New York Theatres, Inc., and The National Association of the Legitimate Theatre, Inc., 137 West 48th Street, New York, N. Y.
D. (6) $500. E. (9) $139.35.

A. Ralph E. Becker, 1700 K Street NW., Washington, D. C.
B. National Association of Concert Managers, 30 Lafayette Avenue, Brooklyn, N. Y.

A. Beghtol, Mason, Knudsen & Dickeson, 714 Stuart Building, Lincoln 8, Nebr.
B. Roberts Dairy Co., 4469 Farnam Street, Omaha, Nebr.
E. (9) $266.61.

A. Frederick J. Bell, 2000 K Street NW, Washington, D. C.
B. National Automobile Dealers Association, 2000 K Street NW., Washington, D. C.
D. (6) $2,460.12.

A. Julia D. Bennett, Hotel Congressional, Washington, D. C.
B. American Library Association, 50 East Huron Street, Chicago, Ill.
E. (9) $1,694.88.

A. Ernest H. Benson, 401 Third Street NW., Washington, D. C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $4,500.

A. Carl E. Berglund, 1306 Washington Building, Tacoma, Wash.
D. (6) $2,000. E. (9) $331.80.

A. Tell Berna, 2071 East 102d Street, Cleveland, Ohio.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D. C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D. C.
D. (6) $3,122. E. (9) $209.74.

A. Walter J. Bierwagon, 900 F Street NW., Washington, D. C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 900 F Street NW., Washington, D. C.

A. Hudson Biery, 1012 Federal Reserve Bank Building, Cincinnati, Ohio.
B. Ohio Valley Improvement Association, Inc., 1012 Federal Reserve Bank Building, Cincinnati, Ohio.

A. Bigham, Englar, Jones & Houston, 99 John Street, New York, N. Y., and 839 Shoreham Building, Washington, D. C.
B. The American Institute of Marine Underwriters, the Association of Marine Underwriters of the United States, American Cargo War Risk Reinsurance Exchange, and American Hull Insurance Syndicate.
D. (6) $600. E. (9) $60.

A. Robert J. Bird, 731 Washington Building, Washington 5, D. C.
B. Massachusetts Protective Association, Worcester, Mass.

A. Robert J. Bird, 731 Washington Building, Washington 5, D. C.
B. Paul Revere Life Insurance Co., Worcester, Mass.

A. John H. Bivins, 50 West 50th Street, New York 20, N. Y.
B. American Petroleum Institute, 50 West 50th Street, New York 20, N. Y.
D. (6) $462.50.

A. James C. Black, 1623 K Street NW., Washington 6, D. C.
B. Republic Steel Corp., Republic Building, Cleveland 1, Ohio.
D. (6) $600. E. (9) $500.

A. William Rhea Blake, 1918 North Parkway, Memphis 12, Tenn.
B. National Cotton Council of America, Box 9905, Memphis 12, Tenn.

A. Blue Cross Commission, 425 North Michigan Avenue, Chicago 11, Ill.
E. (9) $5,572.59.

A. Blum, Lindsey & Powell, 1741 K Street NW., Washington 6, D. C.
B. Committee for Study of Revenue Bond Financing, 9 South William Street, New York 4, N. Y.
D. (6) $410. E. (9) $75.

A. Leo V. Bodine, 1319 18th Street NW., Washington, D. C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D. C.

A. Hyman Bookbinder, 815 16th Street NW., Washington, D. C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D. C.
D. (6) $3,122. E. (9) $348.

A. Joseph L. Borda.
B. National Association of Manufacturers of the U. S. A., 918 16th Street NW., Washington, D. C.

A. Lyle H. Boren, Seminole, Okla.
B. The Association of Western Railways, 474 Union Station Building, Chicago 6, Ill.

A. Robert T. Borth, 777 14th Street NW., Washington 5, D. C.
B. General Electric Co., 570 Lexington Avenue, New York 22, N. Y.
D. (6) $375. E. (9) $299.25.

A. Boston & Maine Railroad, 150 Causeway Street, Boston 14, Mass.
E. (9) $402.50.

A. Ray B. Bowden, 600 Folger Building, Washington, D. C.
B. Grain and Feed Dealers National Association, 100 Merchants' Exchange Building, St. Louis 2, Mo.
D. (6) $25.

A. Joseph E. Brady, 2347 Vine Street, Cincinnati 19, Ohio.
B. International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America, 2347 Vine Street, Cincinnati, Ohio.
E. (9) $913.76.

A. Harold P. Braman, 907 Ring Building, Washington 6, D. C.
B. National Savings and Loan League, 907 Ring Building, Washington 6, D. C.
D. (6) $500.

A. Harry R. Brashear, 610 Shoreham Building, Washington 5, D. C.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C.

A. Frank P. Brennan, Avoca, Iowa.
B. Iowa Power & Light Co., Des Moines, Iowa.

A. William A. Brennahan, 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.

A. Clark L. Brody, 4000 North Grand River Avenue, Lansing, Mich.
B. Michigan Farm Bureau, 4000 North Grand River Avenue, Lansing, Mich.
D. (6) $225. E. (9) $41.35.

A. W. S. Bromley, 122 East 42d Street, New York 17, N. Y.
B. American Pulpwood Association, 220 East 42d Street, New York 17, N. Y.

A. Milton E. Brooding, 215 Fremont Street, San Francisco 19, Calif.
B. California Packing Corp., 215 Fremont Street, San Francisco 19, Calif.

A. Derek Brooks, 1026 Connecticut Avenue NW., Washington, D. C.
B. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.
D. (6) $600. E. (9) $405.

A. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $3,512.83. E. (9) $3,512.83.

A. Brown, Lund & Fitzgerald, 1625 I Street NW., Washington, D. C.
B. National Association of Electric Cos., Ring Building, Washington, D. C.
D. (6) $850. E. (9) $944.15.

A. Thad H. Brown, Jr., 1771 N Street NW., Washington, D. C.
B. National Association of Radio and Television Broadcasters, 1771 N Street NW., Washington, D. C.

A. Toby E. G. Brunner, 815 15th Street NW., Washington, D. C.
B. Council for Improved United States-Japanese Trade Relations, 815 15th Street NW., Washington, D. C.

A. George S. Buck, Jr., 1832 M Street NW., Washington, D. C.
B. National Cotton Council of America, box 9905, Memphis 12, Tenn.
D. (6) $168.75. E. (9) $12.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.
D. (6) $1,350. E. (9) $9.45.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. The Vulcan Detinning Co., Sewaren, N. J.

A. George J. Burger, 250 West 57th Street, New York, N. Y., and 740 Washington Building, Washington, D. C.
B. Burger Tire Consultant Service, 250 West 57th Street, New York, N. Y., and National Federation of Independent Business, 740 Washington Building, Washington, D. C.

A. Donald T. Burke, 1200 18th Street NW., Washington, D. C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.

A. Thomas H. Burke, 718 Jackson Place NW., Washington, D. C.
B. International Union United Automobile, Aircraft and Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich., and 718 Jackson Place NW., Washington, D. C.
D. (6) $995.67. E. (9) $624.

A. Burley and Dark Leaf Tobacco Export Association, Box 960, Lexington, Ky.
D. (6) $12,025.02. E. (9) $2,254.97.

A. George B. Burnham, 132 Third Street SE., Washington, D. C.
B. Numerous stockholders of the Burnham Chemical Co., 132 Third Street SE., Washington, D. C.
D. (6) $118. E. (9) $118.

A. William J. Burns, 1424 16th Street NW., Washington, D. C.
B. Munitions Carriers Conference, 1424 16th Street NW., Washington, D. C.

A. Robert M. Burr, 101 Park Avenue, New York, N. Y.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N. Y.

A. Orrin A. Burrows, 1200 15th Street NW., Washington, D. C.
B. International Brotherhood of Electrical Workers, 1200 15th Street NW., Washington, D. C.
D. (6) $2,874.99.

A. Charles C. Butler, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $262.50. E. (9) $1.63.

A. Lawrence V. Byrnes, 401 Third Street NW., Washington, D. C.
B. Brotherhood of Locomotive Engineers, B. of L. E. Building, Cleveland, Ohio.
D. (6) $3,313.50.

A. C. G. Caffrey, 1145 19th Street NW., Washington, D. C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N. C.
D. (6) $760.20. E. (9) $21.

A. Leonard J. Calhoun, 410 Washington Building, Washington, D. C.
B. Public Information Committee of the Cotton Industries, 410 Washington Building, Washington, D. C.
D. (6) $3,000.

A. Carl C. Campbell, 1832 M Street NW., Washington, D. C.
B. National Cotton Council of America, P. O. Box 9905, Memphis, Tenn.

A. James A. Campbell, 900 F Street NW., Washington, D. C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D. C.
D. (6) $2,961.56. E. (9) $296.16.

A. Robert S. Carr, 1220 Pennsylvania Building, Washington, D. C.
B. Hiram Walker & Sons, Inc., Penobscot Building, Detroit, Mich.

A. T. C. Carroll, president, Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.

A. Henderson H. Carson, 600 First National Bank Building, Canton, Ohio, and 744 Pennsylvania Building, Washington, D. C.
B. East Ohio Gas Co., 1405 East Sixth Street, Cleveland, Ohio.
D. (6) $1,000. E. (9) $800.

A. Albert E. Carter, 1026 16th Street NW., Washington, D. C.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $3,000. E. (9) $1,617.01.

A. Clarence B. Carter, P. O. Box 798, New Haven, Conn.
B. Railroad Pension Conference, P. O. Box 798, New Haven, Conn.

A. William L. Carter, 1012 14th Street NW., Washington, D. C.
B. The National Tire Dealers and Retreaders Association, Inc., 1012 14th Street NW., Washington, D. C.

A. Benjamin F. Castle, 1145 19th Street NW., Washington 6, D. C.
B. Milk Industry Foundation, 1145 19th Street NW., Washington 6, D. C.

A. Larry Cates, 861 National Press Building, Washington 4, D. C.
B. Air Line Pilots Association, 55th Street and Cicero Avenue, Chicago 38, Ill.
D. (6) $3,034.24.

A. Francis E. Cawley, 1101 Vermont Avenue NW., Washington 5, D. C.
B. Magazine Publishers Association, Inc., 232 Madison Avenue, New York 16, N. Y.
D. (6) $315. E. (9) $123.37.

A. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D. C.

A. Justice M. Chambers, 2521 Connecticut Avenue NW., Washington, D. C.
B. M. Golodetz & Co., 120 Wall Street, New York, N. Y.
D. (6) $3,000.

A. Justice M. Chambers, 2521 Connecticut Avenue, NW., Washington, D. C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D. C.
D. (6) $1,875.

A. Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $5,873.27. E. (9) $4,421.94.

A. Earl W. Clark, 132 Third Street SE., Washington, D. C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D. C.
D. (6) $825. E. (9) $108.45.

A. Omar W. Clark, 1701 18th Street NW., Washington, D. C.
B. Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $2,919.71.

A. Robert M. Clark, 525 Shoreham Building, Washington, D. C.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill.

A. Clear Channel Broadcasting Service, 532 Shoreham Building, Washington, D. C.

A. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.
B. The Papermakers' Felt Association, 1215 Unity Street, Philadelphia, Pa.
E. (9) $54.23.

A. Clarence E. Cleveland, Montpelier, Vt.
B. Vermont State Railroads Association, Montpelier, Vt.

A. Herman Clott, 711 14th Street NW., Washington, D. C.
B. International Union of Mine, Mill and Smelter Workers, Tabor Building, Denver, Colo.
D. (6) $1,287. E. (9) $442.

A. Clay L. Cochran, 2000 Florida Avenue NW., Washington, D. C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW, Washington, D. C.
D. (6) $14.32.

A. Coles & Goertner, 812 Washington Building, Washington, D. C.
B. The American Tramp Shipowners Association, Inc., 11 Broadway, New York, N. Y.
E. (9) $154.51.

A. Colorado Railroad Legislative Committee, 615 C. A. Johnson Building, Denver, Colo.

A. Howard O. Colgan, Jr., 15 Broad Street, New York, N Y.
B. New York Stock Exchange, 11 Wall Street, New York, N. Y.
D. (6) $142.64. E. (9) $42.64.

A. Don C. Collins, Kit Carson, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.

A. Committee for Broadening Commercial Bank Participation in Public Financing, 80 South La Salle Street, Chicago, Ill.
D. (6) $2,000. E. (9) $7,456.19.

A. Committee for Collective Security, 90 John Street, New York, N. Y.
D. (6) $90. E. (9) $115.

A. Committee For Oil Pipelines, 418 Munsey Building, Washington, D. C.

A. Committee for Study of Revenue Bond Financing, 9 South William Street, New York, N. Y.
D. (6) $18,500. E. (9) $7,567.28.

A. Arthur D. Condon, 1000 Vermont Avenue NW., Washington, D. C.
B. Amana Refrigeration, Inc., Amana, Iowa.

A. Arthur D. Condon, 1000 Vermont Avenue NW., Washington, D. C.
B. Independent Advisory Committee to the Trucking Industry, Inc.

A. Arthur D. Condon, 1000 Vermont Avenue NW., Washington, D. C.
B. Salt Producers Association, 726 La Salle-Wacker Building, Chicago, Ill.

A. Lawrence R. Condon, 165 Broadway, New York, N. Y.
B. Estate of Mary Clark DeBrabant and Katherine C. Williams, 120 Broadway, New York, N. Y.

A. John C. Cone, 815 16th Street NW., Washington, D. C.
B. Pan American World Airways System, 815 15th Street NW., Washington, D. C.

A. Conference of Local Airlines, 800 World Center Building, Washington, D. C.

A. Conference on State Defense, 111 Eighth Avenue, New York City, N. Y.

A. Julian D. Conover, Ring Building, Washington, D. C.
B. American Mining Congress, Ring Building, Washington, D. C.
D. (6) $2,500.03.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D. C.
B. National Coal Association, 15th and H Streets NW., Washington, D. C.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D. C.
B. New York Stock Exchange, 11 Wall Street, New York, N. Y.

A. J. Milton Cooper, 1100 Bowen Building, Washington, D. C.
B. R. J. Reynolds Tobbaco Co., Winston-Salem, N. C.

A. Wilmer A. Cooper, 104 C Street NE., Washington, D. C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D. C.
D. (6) $150.

A. Cordage Legislative Committee, 350 Madison Avenue, New York, N. Y.
D. (6) $150. E. (9) $1,400.

A. Edward J. Coughlin, 900 F Street NW., Washington, D. C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D. C.
D. (6) $195. E. (9) $20.

A. Council for Improved U. S.-Japanese Trade Relations, 815 15th Street NW., Washington, D. C.
D. (6) $8,000. E. (9) $6,509.48.

A. Council of Mechanical Specialty Contracting Industries, Inc., 610 Ring Building, Washington, D. C.
D. (6) $170. E. (9) $10,270.34.

A. Etsall Lee Couplin, 441 East Jefferson Avenue, Detroit, Mich.
B. Michigan Hospital Service, 441 East Jefferson Avenue, Detroit, Mich.
D. (6) $750. E. (9) $59.20.

A. Covington & Burling, 701 Union Trust Building, Washington, D. C.
B. Chicago & North Western Railway System, 400 West Madison Street, Chicago, Ill.

A. Covington & Burling, 701 Union Trust Building, Washington, D. C.
B. Club Managers Association of America, 408 Olive Street, St. Louis, Mo.
E. (9) $28.35.

A. Covington & Burling, 701 Union Trust Building, Washington, D. C.
B. Committee on Joint Resolution, 1955 Legislature, post-office box 3170, Honolulu, T. H.

A. Covington & Burling, 701 Union Trust Building, Washington, D. C.
B. Embassy of Denmark, 2374 Massachusetts Avenue NW., Washington, D. C.
E. (9) $14.99.

A. Covington & Burling, 701 Union Trust Building, Washington, D. C.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. Covington & Burling, 701 Union Trust Building, Washington, D. C.
B. Roberts Dairy Co., 4449 Farnam Street, Omaha, Nebr.
D. (6) $518.48. E. (9) $20.11.

A. A. M. Crawford, 704 Title and Trust Building, Phoenix, Ariz.
B. Southern Pacific Co., 65 Market Street, San Francisco, Calif., and the Atchison, Topeka & Santa Fe Railway, 121 East Sixth Street, Los Angeles, Calif.

A. Edward B. Crosland, 195 Broadway, New York, N. Y.; 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.
D. (6) $4,375.

A. John W. Cross, 920 Southern Building, Washington, D. C.
B. Deutsche Amerikakohlen-Transportgesellschaft, M. b. H. (American-German Coal Transport Co.), 17 Grabenstrasse, Dusseldorf, Germany.
D. (6) $5,000.

A. Leo J. Crowley, 540 Equitable Building, Denver, Colo.
B. Legislative Committee, 613 O. N. Johnson Building, Denver, Colo.

A. Ralph E. Curtiss, 917 15th Street NW., Washington, D. C.
B. National Licensed Beverage Association, 420 Seventh Street, Racine, Wis.
D. (6) $675.

A. Bernard Cushman, 1001 Connecticut Avenue NW., Washington, D. C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D. C., and 11 South La Salle Street, Chicago, Ill.

A. R. Harvey Dastrup, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,406.25. E. (9) $16.31.

A. Paul J. Daugherty, 820 Huntington Bank Building, Columbus, Ohio.
B. Ohio Chamber of Commerce, 820 Huntington Bank Building, Columbus, Ohio.
D. (6) $675. E. (9) $159.80.

A. Bertram G. Davis, care the American Legion, 1608 K Street NW., Washington, D. C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $1,635.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Chicago Bridge & Iron Co., 1305 West 105th Street, Chicago, Ill.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. Ontario Land Co., 807 Lonsdale Building, Duluth, Minn.

A. Charles W. Davis, 1 North La Salle Street, Chicago, Ill.
B. The Singer Manufacturing Co., 149 Broadway, New York, N. Y.
E. (9) $214.04.

A. Walter S. Davis, Jr., League City, Tex.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Donald S. Dawson, 731 Washington Building, Washington, D. C.
B. Hilton Hotels Corp., 720 South Michigan Avenue, Chicago, Ill.

A. Donald S. Dawson, 731 Washington Building, Washington, D. C.
B. Schenley Industries, Inc., Empire State Building, New York, N. Y.

A. Michael B. Deane, 1700 K Street NW., Washington, D. C.
B. American Watch Association, Inc., 1700 K Street NW., Washington, D. C.
D. (6) $4,250.22.

A. Tony T. Dechant.
B. Farmers' Educational and Cooperative Union of America, 1404 New York Avenue NW., Washington, D. C., and 1575 Sherman Street, Denver, Colo.

A. Mary S. Deuel, 3026 Cambridge Place NW., Washington, D. C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D. C.

A. R. T. DeVany.
B. National Association of Manufacturers of the United States of America, 918 16th Street NW., Washington, D. C.

A. Cecil B. Dickson, 1600 I Street NW., Washington, D. C.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D. C.
D. (6) $3,900. E. (9) $1,200.

A. George J. Dietz, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $875. E. (9) $14.95.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D. C.
B. Sacramento-Yolo Port District, California Fruit Building, Sacramento, Calif.
D. (6) $2,872.97. E. (9) $247.97.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D. C.
B. Westlands Water District, 741 North Fulton, Fresno, Calif.
D. (6) $2,568.67. E. (9) $243.87.

A. Disabled American Veterans, National Headquarters, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $4,235.

A. Disabled Officers Association, 1604 K Street NW., Washington, D. C.
E. (9) $3,500.

A. District of Columbia Petroleum Industries Committee, 1625 K Street NW., Washington, D. C.
B. Petroleum Industry Trade Association.
D. (6) $537.60. E. (9) $537.60.

A. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D. C.
D. (6) $14,314.38. E. (9) $14,895.75.

A. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D. C.
E. (9) $6,620.37.

A. Division 689, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, 900 F Street NW., Washington, D. C.

A. Paul R. M. Donelan, 1523 L Street NW., Washington, D. C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $437.51.

A. James L. Donnelly, 39 South La Salle Street, Chicago, Ill.
B. Illinois Manufacturers' Association, 39 South La Salle Street, Chicago, Ill.
E. (9) $158.25.

A. Robert F. Donoghue, 236 Wyatt Building, Washington, D. C.
B. Pacific American Tankship Association, 25 California Street, San Francisco, Calif.
D. (6) $1,625.

A. Thomas J. Donovan, 155 East 44th Street, New York, N. Y.

A. J. Dewey Dorsett, 60 John Street, New York, N. Y.
B. Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.
D. (6) $116.75.

A. C. L. Dorson, 900 F Street NW., Washington, D. C.
B. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., Washington, D. C.
D. (6) $1,391.12. E. (9) $80.

A. Robert E. Dougherty, 1319 18th Street NW., Washington, D. C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D. C.

A. James W. Douthat.
B. National Association of Manufacturers of the United States of America, 918 16th Street NW., Washington, D. C.

A. Fayette B. Dow, Munsey Building, Washington, D. C.

A. W. A. Dozier, Jr., 17 Molton Building, Montgomery, Ala.
B. The Medical Association of the State of Alabama, 17 Molton Building, Montgomery, Ala.
D. (6) $2,499.99. E. (9) $225.

A. Ben DuBois.
B. Independent Bankers Association, Sauk Centre, Minn.
D. (6) $3,300.

A. Harold R. Duffie, 2517 Connecticut Avenue NW., Washington, D. C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D. C.

A. J. R. Dunkerley, 12 East 36th Street, New York, N. Y.
B. American Bankers Association, 12 East 36th Street, New York, N. Y.
D. (6) $462.50. E. (9) $35.

A. Read P. Dunn, Jr., 1832 M Street NW., Washington, D. C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.

A. Henry I. Dworshak, 1102 Ring Building, Washington, D. C.
B. American Mining Congress, Ring Building, Washington, D. C.
D. (6) $1,125.

A. Joseph L. Dwyer, 1625 K Street NW., Washington, D. C.
B. American Petroleum Institute, 50 West 50th Street, New York, N. Y.
D. (6) $3,276. E. (9) $436.50.

A. Herman Edelsberg, 1003 K Street NW., Washington, D. C.
B. Anti-Defamation League of B'nai B'rith, 515 Madison Avenue, New York, N. Y.
D. (6) $140. E. (9) $15.

A. Otis H. Ellis, 1001 Connecticut Avenue NW., Washington, D. C.
B. National Oil Jobbers Council, 1001 Connecticut Avenue NW., Washington, D. C.
D. (6) $4,000.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D. C.
B. American Public Power Association, 1025 Connecticut Avenue NW., Washington, D. C.
D. (6) $2,000.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D. C.
B. Department of Water and Power of the City of Los Angeles, 207 South Broadway, Los Angeles, Calif.
D. (6) $1,500.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D. C.
B. East Bay Municipal Utility District, 512 16th Street, Oakland, Calif.
D. (6) $1,400.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D. C.
B. Imperial Irrigation District, El Centro, Calif.
D. (6) $2,100.

A. Ely, McCarty & Duncan, 1200 Tower Building, Washington, D. C.
B. Six Agency Committee and Colorado River Board of California, 909 South Broadway, Los Angeles, Calif.
D. (6) $4,147.50. E. (9) $11.06.

A. John W. Emeigh, 1040 Warner Building, Washington, D. C.
D. (6) $515.50.

A. Emergency Conservation Committee, 757 Lexington Avenue, New York, N. Y.
D. (6) $25.

A. K. Blyth Emmons, 801 19th Street Building NW., Washington, D. C.
B. National Small Business Men's Association, Inc., 801 19th Street Building NW., Washington, D. C.
D. (6) $2,700. E. (9) $68.50.

A. Myles W. English, 966 National Press Building, Washington, D. C.
B. National Highway Users Conference, Inc., 966 National Press Building, Washington, D. C.

A. The Ethanol Institute, 624 Associates Building, South Bend, Ind.
E. (9) $648.45.

A. Farmers' Educational and Cooperative Union of America (National Farmers Union), 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D. C.
D. (6) $24,037.49. E. (9) $18,070.78.

A. Harold E. Fellows, 1771 N Street NW., Washington, D. C.
B. National Association of Radio and Television Broadcasters, 1771 N Street NW., Washington, D. C.

A. John A. Ferguson, 918 16th Street, NW., Washington, D. C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D. C.

A. Josiah Ferris, 510 Union Trust Building, Washington, D. C.
B. American Sugar Cane League, New Orleans, La.; United States Sugar Corp.; Clewiston, Fla.; Pellsmere Sugar Producers Association, Pellsmere, Fla.; Okealanta Sugar Refinery, Inc., South Bay, Fla.
D. (6) $5,850.

A. Financial General Corp., formerly the Morris Plan Corp., 103 Park Avenue, New York, N. Y.

A. Barnard M. Fitzgerald, 1625 I Street NW., Washington, D. C.
B. National Association of Electric Companies, King Building, 1200 18th Street NW., Washington, D. C.
D. (6) $67.50.

A. Stephen Fitzgerald & Co., Inc., 575 Madison Avenue, New York, N. Y.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.

A. Berchmans T. Fitzpatrick, 1101 Vermont Avenue NW., Washington, D. C.
B. Wood, King & Dawson, 48 Wall Street, New York, N. Y.
E. (9) $130.

A. Norman A. Flaningam, 425 13th Street NW., Washington, D. C.
B. Consolidated Natural Gas Co., 30 Rockefeller Plaza, New York, N. Y.

A. Roger Fleming, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,541.66. E. (9) $8.50.

A. Donald G. Fletcher, 820 Midland Bank Building, Minneapolis, Minn.
B. Rust Prevention Association, 820 Midland Bank Building, Minneapolis, Minn.
D. (6) $2,500. E. (9) $174.81.

A. John F. Floberg, 800 World Center Building, Washington, D. C.
B. Automatic Phonograph Manufacturers Association, 1603, Orrington Avenue, Evanston, Ill.

A. Florida Citrus Mutual (Legislative Fund), Lakeland, Fla.
E. (9) $1,540.45.

A. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.
E. (9) $1,359.45.

A. Florida Railroad Association, 404 Midyette-Moor Building, Tallahassee, Fla.
D. (6) $4,750. E. (9) $2,460.39.

A. Forest Farmers Association, Post Office Box 7264, Station C, Atlanta, Ga.

A. James W. Furistel, 1823 L Street NW., Washington, D. C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $712.50.

A. James F. Fort, 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $350. E. (9) $47.30.

A. Ronald J. Fouts, 195 Broadway, New York, N. Y., 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.
D. (6) $2,250.

A. Fowler, Leva, Hawes & Symington, 1731 K Street NW., Washington, D. C.
B. Bulova Watch Co., Inc., Bulova Park, Flushing, N. Y.

A. Fowler, Leva, Hawes & Symington, 1731 K Street NW., Washington, D. C.
B. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N. Y.

A. L. S. Franklin, 2309 Pine Croft Road, Greensboro, N. C.
B. National Tax Relief Coalition, 2309 Pine Croft Road, Greensboro, N. C.
D. (6) $660. E. (9) $660.

A. George H. Frates, 1163 National Press Building, Washington, D. C.
B. National Association of Retail Druggists.
D. (6) $2,900. E. (9) $1,124.

A. Walter Freedman, 829 Washington Building, Washington, D. C.
B. Patchogue-Plymouth Corp., 261 Madison Avenue, New York, N. Y.
E. (9) $13.28.

A. Elmer M. Freudenberger, 1701 18th Street NW., Washington, D. C.
B. Disabled American Veterans, National Headquarters, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,575.

A. Philip P. Friedlander, Jr., 1012 14th Street NW., Washington, D. C.
B. National Tire Dealers and Retreaders Association, Inc., 1012 14th Street NW., Washington, D. C.

A. Friends Committee on National Legislation, 104 C Street NW., Washington, D. C.
D. (6) $16,192.99. E. (9) $3,444.97.

A. George Milan Fuller.
B. National Association of Manufacturers, 918 16th Street NW., Washington, D. C.

A. Wallace H. Fulton, 1625 K Street NW., Washington, D. C.
B. National Association of Securities Dealers, Inc., 1625 K Street NW., Washington, D. C.

A. Nolen J. Fuqua, Duncan, Okla.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Henry T. Gage, 1100 National Press Building, Washington, D. C.
B. Wine Institute, 717 Market Street, San Francisco, Calif.

A. Lawrence H. Gail, 918 16th Street NW., Washington, D. C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D. C.

A. M. J. Galvin, 307 Union Depot Building, St. Paul, Minn.
B. Minnesota Railroads.
D. (6) $600.

A. Earl H. Gammons, 1735 DeSales Street NW., Washington, D. C.

A. Marion R. Garstang, 1731 I Street NW., Washington, D. C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.
D. (6) $10. E. (9) $6.35.

A. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N. Y.
E. (9) $1,092.18.

A. Gaston, Snow, Rice & Boyd, 82 Devonshire Street, Boston, Mass.
B. American Research and Development Corporation, 200 Berkeley Street, Boston, Mass.

A. Gus F. Geissler, 1575 Sherman Street, Denver, Colo.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers' Union), 1404 New York Avenue NW., Washington, D. C., and 1575 Sherman Street, Denver, Colo.

A. J. M. George, 165 Center Street, Winona, Minn.
B. The Inter-State Manufacturers' Association, 163–165 Center Street, Winona, Minn.
D. (6) $1,500.

A. J. M. George, 165 Center Street, Winona, Minn.
B. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.
D. (6) $8,000.

A. Ernest Giddings, 1301 16th Street NW., Washington, D. C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D. C.
D. (6) $1,246. E. (9) $75.10.

A. William F. Gleason, 80 Broad Street, New York, N. Y.
B. Maritime Association of the Port of New York, 80 Broad Street, New York, N. Y.
D. (6) $6,455.60.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.

A. Leif Gilstad, 1001 Connecticut Avenue NW., Washington, D. C.
B. Transportation Association of America, 1001 Connecticut Avenue NW., Washington, D. C.

A. Henry W. Goodall, 38 East Jackson Boulevard, Chicago, Ill.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $1,875.

A. Nathaniel H. Goodrich, 1625 I Street NW., Washington, D. C.
B. American Jewish Committee, 386 Fourth Avenue, New York, N. Y.
D. (6) $162.42.

A. John A. Gosnell, 1145 19th Street NW., Washington, D. C.
B. Adhesives Manufacturing Association of America, 441 Lexington Avenue, New York, N. Y.
D. (6) $625.

A. John A. Gosnell, 1145 19th Street NW., Washington, D. C.
B. National Small Business Men's Association, 801 19th Street NW., Washington, D. C.
D. (6) $600.

A. Lawrence L. Gourley, 1757 K Street NW., Washington, D. C.
B. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $875.

A. Government Employees' Council, 100 Indiana Avenue NW., Washington, D. C.
D. (6) $4,952.42. E. (9) $5,261.03.

A. Government Relations Committee (formerly the Legislative Committee) of the Office Equipment Manufacturers Institute, 777 14th Street NW., Washington, D. C.

A. Grain and Feed Dealers National Association, 100 Merchants Exchange Building, St. Louis, Mo.
D. (6) $300. E. (9) $75.46.

A. Grand Lodge of the Brotherhood of Locomotive Firemen and Enginemen, 218–418 Keith Building, Cleveland, Ohio.
D. (6) $20,853.10. E. (9) $9,526.69.

A. Robert A. Grant, 634 Associates Building, South Bend, Ind.
B. The Ethanol Institute, 634 Associates Building, South Bend, Ind.
D. (6) $900. E. (9) $238.85.

A. Mrs. Edward B. Gray, 2501 Williamsburg Lane NW., Washington, D. C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Mrs. Virginia M. Gray, 2501 Williamsburg Lane NW., Washington, D. C.
B. Citizens Committee for UNICEF, 132 Third Street SE., Washington, D. C.

A. Jerry N. Griffin, 721 Washington Building, Washington, D. C.
B. National Coal Association, 15th and H Streets NW., Washington, D. C.
D. (6) $1,575.

A. Warren Griffiths, 104 C Street NE., Washington, D. C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D. C.
D. (6) $946.16.

A. Weston B. Grimes, 1001 Bowen Building, Washington, D. C.
B. Cargill, Inc., 200 Grain Exchange, Minneapolis, Minn.
D. (6) $6,000.

A. I. J. Gromfine, 1001 Connecticut Avenue NW., Washington, D. C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington D. C.

A. Clair P. Guess, Jr., League City, Tex.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Frank E. Haas, 260 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 474 Union Station Building, Chicago, Ill.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D. C.
B. AFL-CIO Maritime Committee, 132 Third Street SE., Washington, D. C.
D. (6) $1,560. E. (9) $178.08.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D. C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D. C.
D. (6) $325. E. (9) $165.39.

A. Hal H. Hale, 423 Transportation Building, Washington, D. C.
B. Association of American Railroads, Transportation Building, Washington, D. C.

A. Hugh F. Hall, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2800 Merchandise Mart, Chicago, Ill.
D. (6) $1,062.50. E. (9) $13.

A. Radford Hall, 801 East 17th Avenue, Denver, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $2,500.

A. E. C. Hallbeck, 711 14th Street NW., Washington, D. C.
B. National Federation of Post Office Clerks, 711 14th Street NW., Washington, D. C.
D. (6) $2,874.96. E. (9) $447.47.

A. Harold F. Hammond, 1001 Connecticut Avenue NW., Washington, D. C.
B. Transportation Association of America, 1001 Connecticut Avenue NW., Washington, D. C.

A. William A. Hanscom, 1126 16th Street NW., Washington, D. C.
B. Oil, Chemical & Atomic Workers International Union, 1840 California Street, Denver, Colo.
D. (6) $1,287.50. E. (9) $225.

A. Murray Hanson, 425 13th Street NW., Washington, D. C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D. C.
D. (6) $600. E. (9) $464.60.

A. Eugene J. Hardy.
B. National Association of Manufacturers of the U. S. A., 918 16th Street NW., Washington, D. C.

A. Ralph W. Hardy, 1735 DeSales Street NW., Washington, D. C.
B. Columbia Broadcasting System, Inc., 485 Madison Avenue, New York, N. Y.

A. Robert E. Harper, 1413 K Street NW., Washington, D. C.
B. National Business Publications, Inc., 1413 K Street NW., Washington, D. C.

A. Winder R. Harris, 441 Washington Building, Washington, D. C.
B. Shipbuilders Council of America, 21 West Street, New York, N. Y.

A. Merwin K. Hart, 7501 Empire State Building, New York, N. Y.
B. National Economic Council, 7501 Empire State Building, New York, N. Y.

A. Stephen H. Hart, 620 Equitable Building, Denver, Colo.
B. National Live Stock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $875.

A. Robert N. Hawes, 601 Associations Building, Washington, D. C.
B. Hardwood Plywood Institute, 600 South Michigan Avenue, Chicago, Ill.
D. (6) $300. E. (9) $25.

A. Robert N. Hawes, 601 Associations Building, Washington, D. C.
B. United States Plywood Corp., 55 West 44th Street, New York, N. Y.

A. Joseph H. Hays, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 474 Union Station Building, Chicago, Ill.

A. John C. Haven, 801 Sheraton Building, Washington, D. C.
B. National Retail Dry Goods Association, 100 West 31st Street, New York, N. Y.
E. (9) $1.25.

A. Health Insurance Association of America, 1701 K Street NW., Washington, D. C.

A. Patrick B. Haley, 1731 I Street NW., Washington, D. C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.
D. (6) $150.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N. Y., and 132 Third Street SE., Washington, D. C.
B. American Parents Committee, Inc., 132 Third Street SE., Washington, D. C.

A. Robert B. Heiney, 1133 20th Street NW., Washington, D. C.
B. National Canners Association, 1133 20th Street NW., Washington, D. C.
D. (6) $875. E. (9) $561.15.

A. Kenneth G. Heisler, 907 Ring Building, Washington, D. C.
B. National Savings and Loan League, 907 Ring Building, Washington, D. C.
D. (6) $300.

A. Joseph D. Henderson, 431 Balter Building, New Orleans, La.
B. American Association of Small Business, Inc., 431 Balter Building, New Orleans, La.
D. (6) $1,500.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N. Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N. Y.
D. (6) $1,459.67. E. (9) $334.67.

A. Maurice G. Herndon, 1002 Washington Loan and Trust Building, Washington, D. C.
B. National Association of Insurance Agents, 96 Fulton Street, New York, N. Y.; and 1002 Washington Loan and Trust Building, Washington, D. C.
D. (6) $156.50. E. (9) $156.50.

A. Robert C. Hibben, 1105 Barr Building, Washington, D. C.

A. W. J. Hickey, 2000 Massachusetts Avenue NW., Washington, D. C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D. C.
D. (6) $196.88.

A. M. F. Hicklin, 507 Bankers Trust Building, Des Moines, Iowa.
B. Iowa Railway Committee, 507 Bankers Trust Building, Des Moines, Iowa.

A. Ray C. Hinman, 150 East 42d Street, New York, N. Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N. Y.
D. (6) $1,250.

A. L. S. Hitchner, Associations Building, Washington, D. C.
B. National Agricultural Chemicals Association, Associations Building, Washington, D. C.

A. Claude E. Hobbs, 1625 I Street NW., Washington, D. C.
B. Manufacturing Chemists' Association, Inc., 1625 I Street NW., Washington, D. C.
D. (6) $1,250.

A. Frank N. Hoffmann, 1001 Connecticut Avenue NW., Washington, D. C.
B. United Steelworkers of America, 1600 Commonwealth Building, Pittsburgh, Pa.
D. (6) $3,000. E. (9) $3,200.

A. John R. Holden, 1710 Rhode Island Avenue NW., Washington, D. C.
B. AMVETS, 1710 Rhode Island Avenue NW., Washington, D. C.
D. (6) $1,000. E. (9) $75.

A. Charles Holloway, 1201 16th Street NW., Washington, D. C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D. C.
D. (6) $438.50.

A. J. M. Hood, 2000 Massachusetts Avenue NW., Washington, D. C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D. C.
D. (6) $300.

A. Samuel H. Horne, Munsey Building, Washington, D. C.
B. Chicago Bridge & Iron Co., 1305 West 105th Street, Chicago, Ill.

A. Samuel H. Horne, Munsey Building, Washington, D. C.
B. The Singer Manufacturing Co., 149 Broadway, New York, N. Y.
E. (9) $214.04.

A. Donald E. Horton, 222 West Adams Street, Chicago, Ill.
B. American Warehousemen's Association, 222 West Adams Street, Chicago, Ill.

A. J. Cline House, 711 14th Street NW., Washington, D. C.
B. National Federation of Post Office Clerks, 711 14th Street NW., Washington, D. C.
D. (6) $3,000.

A. Harold A. Houser, 1616 I Street NW., Washington, D. C.
B. Retired Officers' Association, 1616 I Street NW., Washington, D. C.
D. (6) $1,500.

A. Housewives United, 2015 Foxhall Road NW., Washington, D. C.
D. (6) $9.

A. Vernon F. Hovey, 101 Nott Terrace, Schenectady, N. Y.
B. National Dairy Products Corp., 260 Madison Avenue, New York, N. Y.
D. (6) $3,000. E. (9) $411.38.

A. S. H. Howard, 1414 Evergreen Avenue, Millvale, Pittsburgh, Pa.
B. Brotherhood of Railroad Signalmen of America, 503 Wellington Avenue, Chicago, Ill.

A. Harold K. Howe, Mills Building, Washington, D. C.
B. American Institute of Laundering, Box 1187, Joliet, Ill.
D. (6) $2,649.99. E. (9) $1,354.97.

A. Harold K. Howe, 307 Mills Building, Washington, D. C.
B. The Lawn Mower Institute, Inc., 307 Mills Building, Washington, D. C.
D. (6) $2,400.

A. Ray L. Hulick, 1040 Warner Building, Washington, D. C.
B. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D. C.
D. (6) $515.50. E. (9) $11.

A. C. E. Huntley, 2000 Massachusetts Avenue NW., Washington, D. C.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D. C.
D. (6) $275.

A. Illinois Railroad Association, 29 South Clark Street, Chicago, Ill.
E. (9) $825.

A. Independent Advisory Committee to the Trucking Industry, Inc., 1000 Vermont Avenue NW., Washington, D. C.

A. Independent Bankers Association, Sauk Centre, Minn.
D. (6) $9,480. E. (9) $7,021.69.

A. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D. C.
D. (6) $25,572.31.

A. International Union of Electrical, Radio and Machine Workers, 1126 16th Street NW., Washington, D. C.
E. (9) $937.50.

A. The Inter-State Manufacturers Association, 163-165 Center Street, Winona, Minn.
D. (6) $3,000. E. (9) $0.19.

A. Institute of Scrap Iron and Steel, Inc., 1729 H Street NW., Washington, D. C.
D. (6) $300.

A. Iron Ore Lessors Association, Inc., W-1481 First National Bank Building, St. Paul, Minn.
D. (6) $6,900.

A. Robert C. Jackson, 1145 19th Street NW., Washington, D. C.
B. American Cotton Manufacturers Institute, Inc., 1301 Johnston Building, Charlotte, N. C.
D. (6) $675. E. (9) $204.44.

A. Japanese American Citizens League, 1759 Sutter Street, San Francisco, Calif.

A. Daniel Jaspan, Post Office Box 2012, Washington, D. C.
B. National Association of Postal Supervisors, Post Office Box 2012, Washington, D. C.
D. (6) $2,412.50. E. (9) $28.

A. Ray L. Jenkins, 841 Washington Building, Washington, D. C.
B. Societe Internationale, Pour Participations Industrielles Et Commerciales, S. A., Peter Merianstr, Basle, Switzerland.
E. (9) $453.98.

A. Peter D. Joers, 810 Whittington Avenue, Hot Springs, Ark.
B. Dierks Forests, Inc., 810 Whittington Avenue, Hot Springs, Ark.

A. Johns-Manville Corp., 22 East 40th Street, New York, N. Y.
E. (9) $1,290.

A. Gilbert R. Johnson, 1208 Terminal Tower, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. J. P. Johnson, 17 Varick Street, New York, N. Y.
B. National Association of Refrigerated Warehouses, Inc., 1210 Tower Building, Washington, D. C.

A. Reuben L. Johnson, Jr.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D. C.
D. (6) $1,094.96. E. (9) $69.02.

A. W. D. Johnson, 401 Third Street NW., Washington, D. C.
B. Order of Railway Conductors and Brakemen, O. R. C. & B. Building, Cedar Rapids, Iowa.

A. L. Dan Jones, 1110 Ring Building, Washington, D. C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D. C.
E. (9) $17.

A. Rowland Jones, Jr., 1145 19th Street NW., Washington, D. C.
B. American Retail Federation, 1145 19th Street NW., Washington, D. C.

A. Wallace M. Jopling, People's Hardware Building, Lake City, Fla.
B. Florida Railroad Association, 404 Midyette-Moor Building, Tallahassee, Fla.
D. (6) $450.

A. Orrin G. Judd, 453 Madison Avenue, New York, N. Y.
B. Dr. Ching-Lin Hsia and wife, Wei Tsung Hsia, 31 Park Place, Great Neck, N. Y.
E. (9) $0.99.

A. John E. Kane, 1625 K Street NW., Washington, D. C.
B. American Petroleum Institute, 50 West 50th Street, New York, N. Y.
D. (6) $3,200. E. (9) $1,053.18.

A. John E. Kane, 1625 K Street NW., Washington, D. C.
B. District of Columbia Petroleum Industries Committee.
D. (6) $300. E. (9) $237.68.

A. James C. Kelley, 1900 Arch Street, Philadelphia, Pa.
B. American Machine Tool Distributors' Association, 1900 Arch Street, Philadelphia, Pa.

A. I. L. Kenen, 1737 H Street NW., Washington, D. C.
B. American Zionist Committee for Public Affairs, 1737 H Street NW., Washington, D. C.

A. William J. Kennard, M. D., 1523 L Street NW., Washington, D. C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $650.

A. Harold L. Kennedy, the Ohio Oil Co., 420 Cafritz Building, Washington, D. C.
B. The Ohio Oil Co., Findlay, Ohio.
D. (6) $500. E. (9) $200.

A. Miles D. Kennedy, 1608 K Street NW., Washington, D. C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $8,166. E. (9) $570.49.

A. Ronald M. Ketcham, Post Office Box 351, Los Angeles, Calif.
B. Southern California Edison Co., Post Office Box 351, Los Angeles, Calif.

A. Omer B. Ketchum, 419 Wire Building, 1000 Vermont Avenue NW., Washington, D. C.
B. Veterans of Foreign Wars of the United States.
D. (6) $3,275. E. (9) $257.50.

A. Jeff Kibre, 1341 G Street NW., Washington, D. C.
B. International Longshoremen's and Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.
D. (6) $609.42. E. (9) $735.80.

A. H. Cecil Kilpatrick, 918 American Security Building, Washington, D. C.
B. Minot, DeBlois & Maddison, 204 Washington Street, Boston, Mass.
D. (6) $6,000. E. (9) $601.67.

A. Kenneth L. Kimble, Life Insurance Association of America, 1701 K Street NW., Washington, D. C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.
D. (6) $187.50.

A. T. Bert King, 812 Pennsylvania Building, Washington, D. C.
B. United States Saving & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $2,400. E. (9) $6.60.

A. Thomas R. Kingsley, Corner 16th and P Streets NW., Washington, D. C.
B. Movers Conference of America, Corner 16th and P Streets NW., Washington, D. C.
D. (6) $100.

A. Bill Kirchner.
B. Independent Bankers Association, Sauk Centre, Minn.
D. (6) $2,475.

A. Clifton Kirkpatrick, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $990. E. (9) $3794.

A. Rowland F. Kirks, 3000 K Street NW., Washington, D. C.
B. National Auto Dealers Association, 3000 K Street NW., Washington, D. C.
D. (6) $1,052.47.

A. C. W. Kitchen, 777 14th Street NW., Washington, D. C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D. C.

A. Burt L. Knowles, Munsey Building, Washington, D. C.
B. The Associated General Contractors of America, Inc., Munsey Building, Washington, D. C.

A. Robert M. Koch, 619 F Street NW., Washington, D. C.
B. National Agricultural Limestone Institute, Inc., 619 F Street NW., Washington, D. C.

A. Robert M. Koch, 619 F Street NW., Washington, D. C.
B. National Crushed Limestone Institute, Inc., 619 F Street NW., Washington, D. C.

A. Herman C. Kruse, 245 Market Street, San Francisco, Calif.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.

A. Frank W. Kuehl, 1523 L Street NW., Washington, D. C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $475.

A. Catherine G. Kuhns, Dupont Circle Building, Washington, D. C.
B. National Federation of Business & Professional Women's Clubs, Inc., Dupont Circle Building, Washington, D. C.

A. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D. C.
D. (6) $4,605. E. (9) $4,864.74.

A. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. James W. Lamberton, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. A. M. Lampley, 401 Third Street NW., Washington, D. C.
B. Brotherhood of Locomotive Firemen and Enginemen, 816 Keith Building, Cleveland, Ohio.
D. (6) $2,750.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D. C.
B. American Fair Trade Council, Inc., 1434 West 11th Avenue, Gary, Ind.
D. (6) $250.12.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D. C.
B. National Patent Council, Inc., 1434 West 11th Avenue, Gary, Ind.
D. (6) $1,000.

A. Fritz G. Lanham, 2737 Devonshire Place NW., Washington, D. C.
B. Trinity Improvement Association, Inc., 718 Insurance Building, Fort Worth, Tex.
D. (6) $1,275.

A. La Roe, Winn & Moerman, 743 Investment Building, Washington, D. C.
B. Eastern Meat Packers' Association, Inc., Statler Hotel, New York, N. Y.

A. La Roe, Winn & Moerman, 743 Investment Building, Washington, D. C.
B. National Independent Meat Packers' Association, 740 11th Street NW., Washington, D. C.

A. Dillard B. Lasseter, American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $2,499.99.

A. John V. Lawrence, 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $8,749.98.

A. Robert F. Lederer, 1632 M Street NW., Washington, D. C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.

A. Ivy Lee and T. J. Ross, 405 Lexington Avenue, New York, N. Y.
B. Committee of American Steamship Lines, 1701 K Street NW., Washington, D. C.
D. (6) $4,500. E. (9) $3,845.36.

A. James R. Lee, 1426 G Street, Washington, D. C.
B. Water Heater Division, Gas Appliance Manufacturing Association, 60 East 42d Street, New York, N. Y.
D. (6) $1,000. E. (9) $187.23.

A. G. E. Leighty, 401 Third Street NW., Washington, D. C.

A. Hal Leyshon, 122 East 42d Street, New York, N. Y.
B. American Federation of Musicians, 570 Lexington Avenue, New York, N. Y.
D. (6) $4,999.98. E. (9) $9,585.46.

A. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y., and 1701 K Street NW., Washington, D. C.
D. (6) $5,875.73. E. (9) $5,875.73.

A. L. Blaine Liljenquist, 917 15th Street NW., Washington, D. C.
B. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.
D. (6) $3,000. E. (9) $21.47.

A. John W. Lindsey, 1625 K Street NW., Washington, D. C.
B. National Association of Securities Dealers, Inc., 1625 K Street NW., Washington, D. C.

A. Robert W. Lishman, 411 Washington Building, Washington, D. C.

A. Robert G. Litschert, 1200 16th Street NW., Washington, D. C.
B. National Association of Electric Cos., 1200 16th Street NW., Washington, D. C.
D. (6) $132.50. E. (9) $112.22.

A. John M. Littlepage, 15th and K Streets NW., Washington, D. C.
B. The American Tobacco Co., Inc., 150 East 42d Street, New York, N. Y.

A. Gordon C. Locke, 418 Munsey Building, Washington, D. C.
B. Committee for Oil Pipe Lines, 418 Munsey Building, Washington, D. C.

A. Charles E. Lofgren, 1303 New Hampshire Avenue NW., Washington, D. C.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D. C.
D. (6) $2,000.

A. Benjamin H. Long, 4045 Penobscot Building, Detroit, Mich.
B. Blue Cross Commission, 425 North Michigan Avenue, Chicago, Ill.
D. (6) $1,450. E. (9) $723.92.

A. Leonard Lopez, 1029 Vermont Avenue NW., Washington, D. C.
B. District No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D. C.
D. (6) $1,750.21. E. (9) $15.

A. Otto Lowe, Cape Charles, Va.
B. National Canners Association, 1133 20th Street, Washington, D. C.
D. (6) $750.

A. Lowenstein, Pitcher, Spence, Hotchkiss, Amann & Parr, 95 Broad Street, New York, N. Y.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D. C.
B. Acacia Mutual Life Insurance Co., Washington, D. C.
D. (6) $450. E. (9) $17.50.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D. C.
B. American Finance Conference, 176 West Adams Street, Chicago, Ill.
D. (6) $1,250. E. (9) $5.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D. C.
B. Bicycle Manufacturers Association of America, 122 East 42d Street, New York, N. Y.
D. (6) $750. E. (9) $9.40.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D. C.
B. Mobile Homes Manufacturers Association, 20 North Wacker Drive, Chicago, Ill.
D. (6) $1,000. E. (9) $23.43.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D. C.
B. Republic of Panama, Panama, Panama.
D. (6) $500. E. (9) $22.92.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D. C.
B. State Loan and Finance Corporation, 1200 18th Street NW., Washington, D. C.
D. (6) $300. E. (9) $8.50.

A. Lucas and Thomas, 1025 Connecticut Avenue NW., Washington, D. C.
B. Adolph von Zedlitz, 60 Sutton Place South, New York, N. Y.

A. Milton F. Lunch, 2020 K Street NW., Washington, D. C.
B. National Society of Professional Engineers, 2020 K Street NW., Washington, D. C.
D. (6) $750.

A. Powers Luse, North Baltimore, Ohio.
B. Pennsylvania-Ohio-New York Commission on low cost Niagara-St. Lawrence Power, Box 187, North Baltimore, Ohio.
D. (6) $2,535. E. (9) $1,753.95.

A. John C. Lynn, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $2,718.75. E. (9) $25.53.

A. A. E. Lyon, 401 Third Street NW., Washington, D. C.
B. Railway Labor Executives' Association.
D. (6) $750.

A. Robert J. McBride, 1424 16th Street NW., Washington, D. C.
B. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $550.

A. John A. McCart, 900 F Street NW., Washington, D. C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D. C.
D. (6) $1,997.70. E. (9) $24.

A. Frank J. McCarthy, 1223 Pennsylvania Building, Washington, D. C.
B. The Pennsylvania Railroad Co., Suburban Station Building, Philadelphia, Pa.

A. J. L. McCaskill, 1201 16th Street NW., Washington, D. C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D. C.
D. (6) $756.25. E. (9) $114.02.

A. Angus McDonald.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D. C.
D. (6) $1,809.47. E. (9) $187.65.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D. C.
B. Alaska Juneau Gold Mining Co., 436 Crocker Building, San Francisco, Calif.
E. (9) $5.94.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D. C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D. C.
B. Transportes Maritimes Mexicanos, S. A., Avenue Insurgentes No. 432, Mexico City, D. F.
E. (9) $10.87.

A. Rev. A. J. McFarland, 126 North Eighth Street, Sterling, Kans.
B. The Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $325. E. (9) $250.

A. Thomas Edward McGrath, 4012 14th Street NW., Washington, D. C.
B. Taxpayers, U. S. A., 4012 14th Street NW., Washington, D. C.

A. J. V. McLaughlin, 929 Transportation Building, Washington, D. C.
B. Association of American Railroads, Transportation Building, Washington, D. C.

A. W. H. McMains, 1132 Pennsylvania Building, Washington, D. C.
B. Distilled Spirits Institute, 1132 Pennsylvania Building, Washington, D. C.

A. Ralph J. McNair, 1701 K Street NW., Washington, D. C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.
D. (6) $383.33.

A. Francis J. McNamara, 610 Wire Building, Washington, D. C.
B. Veterans of Foreign Wars of the United States.
D. (6) $2,062.50. E. (9) $30.75.

A. William F. MacCracken, Jr., 1152 National Press Building, Washington, D. C.
B. American Optometric Association, Inc., care of Dr. H. Ward Ewalt, Jr., 8001 Jenkins Arcade, Pittsburgh, Pa.
E. (9) $33.82.

A. William F. MacCracken, Jr., 1152 National Press Building, Washington, D. C.
B. Frankel Brothers, 521 Fifth Avenue, New York.
E. (9) $1.25.

A. John G. MacFarlan, Washington, D. C.
B. Railway Express Agency, Inc., 1503 H. Street NW., Washington, D. C.
D. (6) $1,312.50. E. (9) $562.39.

A. Maclay, Morgan & Williams, 76 Beaver Street, New York, N. Y.
B. Association of American Ship Owners, 76 Beaver Street, New York, N. Y.

A. W. Bruce Macnamee, 1701 K Street NW., Washington, D. C., and 11 Broadway, New York, N. Y.
B. American Merchant Marine Institute, Inc., 1701 K Street NW., Washington, D. C., and 11 Broadway, New York, N. Y.
D. (6) $875.55. E. (9) $435.15.

A. William J. Mahon, 1 Broadway, New York, N. Y.
B. Associated Railroads of New York State.

A. Carter Manasco, 4301 Chesterbrook Road, Falls Church, Va.
B. National Business Publications, Inc., 1413 K Street NW., Washington, D. C.
D. (6) $900.

A. Carter Manasco, 4301 Chesterbrook Road, Falls Church, Va.
B. National Coal Association, Southern Building, Washington, D. C.
D. (6) $3,000. E. (9) $160.92.

A. Carter Manasco, 4301 Chesterbrook Road, Falls Church, Va.
B. Southern Pine Industry Committee, Post Office Box 1170, New Orleans, La.
D. (6) $375.

A. Manufacturing Chemists' Association, Inc., 1625 I Street NW., Washington, D. C.
D. (6) $2,275. E. (9) $2,275.

A. Olya Margolin, 1637 Massachusetts Avenue NW., Washington, D. C.
B. National Council of Jewish Women, Inc., 1 West 47th Street, New York, N. Y.
D. (6) $1,625.78. E. (9) $91.01.

A. James Mark, Jr., 1435 K Street NW., Washington, D. C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D. C.
D. (6) $3,802.

A. Edwin E. Marsh, 414 Crandall Building, Salt Lake City, Utah.
B. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
D. (6) $2,374.98. E. (9) $397.60.

A. Winston W. Marsh, 1012 14th Street NW., Washington, D. C.
B. National Tire Dealers & Retreaders Association, Inc., 1012 14th Street NW., Washington, D. C.

A. Fred T. Marshall, 1112-1118 19th Street NW., Washington, D. C.
B. The B. F. Goodrich Co., 500 South Main Street, Akron, Ohio.

A. Mike M. Masaoka, 1217 Hurley Wright Building, Washington, D. C.
B. Japanese American Citizens League, 1759 Sutter Street, San Francisco, Calif.

A. Walter J. Mason, 815 16th Street NW., Washington, D. C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D. C.
D. (6) $3,122. E. (9) $348.

A. P. H. Mathews, 929 Transportation Building, Washington, D. C.
B. Association of American Railroads, Transportation Building, Washington, D. C.
D. (6) $754.62. E. (9) $285.90.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D. C.
B. National Association of Waste Material Dealers, Inc., 271 Madison Avenue, New York, N. Y.

A. Cyrus H. Maxwell, M. B., 1523 L Street NW., Washington, D. C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $675.

A. The Medical Association of the State of Alabama, 17 Molton Building, Montgomery, Ala.
E. (9) $2,724.99.

A. The Medical Society of the District of Columbia, 1718 M Street NW., Washington, D. C.

A. James Messer, Jr., 404 Midyette-Moor Building, Tallahassee, Fla.
B. Florida Railroad Association, 404 Midyette-Moor Building, Tallahassee, Fla.
D. (6) $1,875.

A. J. T. Metcalf, 1002 L. & N. Building, Louisville, Ky.
E. (9) $122.45.

A. James G. Michaux, 1145 19th Street NW., Washington, D. C.
B. American Retail Federation, 1145 19th Street NW., Washington, D. C.

A. Michigan Hospital Service, 441 East Jefferson Avenue, Detroit, Mich.
E. (9) $814.66.

A. Clarence R. Miles, 1615 H Street NW., Washington, D. C.
B. Chamber of Commerce of the U. S. A., 1615 H Street NW., Washington, D. C.

A. Milk Industry Foundation, 1145 19th Street NW., Washington, D. C.

A. Miller & Chevalier, 1001 Connecticut Avenue, Washington, D. C.
B. The Blue Cross Commission, 425 North Michigan Avenue, Chicago, Ill.
D. (6) $3,000. E. (9) $721.76.

A. Miller & Chevalier, 1001 Connecticut Avenue, Washington, D. C.
B. Blue Shield Medical Care Plans, 425 North Michigan Avenue, Chicago, Ill.
D. (6) $2,275. E. (9) $218.49.

A. Dale Miller, Mayflower Hotel, Washington, D. C.
B. Dallas (Tex.) Chamber of Commerce.
D. (6) $2,200.

A. Dale Miller, Mayflower Hotel, Washington, D. C.
B. Intracoastal Canal Association of Louisiana and Texas, 1028 Electric Building, Houston, Tex.
D. (6) $1,500.

A. Dale Miller, Mayflower Hotel, Washington, D. C.
B. Texas Gulf Sulphur Co., Newgulf, Tex., and New York, N. Y.
D. (6) $2,250.

A. Edwin Reid Miller, 1004 Farnam Street, Omaha, Nebr.
B. Nebraska Railroads Legislative Committee, 1004 Farnam Street, Omaha, Nebr.
D. (6) $2,226.

A. Seymour S. Mintz, 810 Colorado Building, Washington, D. C.
B. Republic Steel Corp., Cleveland, Ohio.

A. Seymour S. Mintz, William T. Plumb, Jr., Robert K. Eifler, and Richard A. Mullens, 810 Colorado Building, Washington, D. C.
B. Hughes Tool Co., Houston, Tex.

A. Clarence Mitchell, 100 Massachusetts Avenue NW., Washington, D. C.
B. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N. Y.
D. (6) $2,000. E. (9) $37.40.

A. M. B. Mobley, 1010 Vermont Avenue NW., Washington, D. C.
B. American Vocational Association, Inc.

A. Harry L. Moffett, 1102 Ring Building, Washington, D. C.
B. American Mining Congress, Ring Building, Washington, D. C.
D. (6) $1,350.

A. F. E. Mollin, 601 East 17th Avenue, Denver, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $3,300.

A. Donald Montgomery, 777 14th Street NW., Washington, D. C.
B. American Hotel Association, 221 West 57th Street, New York, N. Y.
D. (6) $2,450. E. (9) $80.45.

A. Donald Montgomery, 718 Jackson Place NW., Washington, D. C.
B. United Automobile, Aircraft, Agricultural Implement Workers of America, Solidarity House, 8000 East Jefferson Avenue, Detroit, Mich.
D. (6) $3,100. E. (9) $1,827.79.

A. Walter E. Moorman, 4550 East-West Highway, Bethesda, Md.
B. The Maryland Railroad Association, care of E. H. Burgess, 2 North Charles Street, Baltimore, Md.
D. (6) $2,500. E. (9) $95.23.

A. Silas A. Morehouse, post-office box 4085, Jefferson Manor, Alexandria, Va.
B. Silok Inc., post-office box 4085, Jefferson Manor, Alexandria, Va.
E. (9) $2.75.

A. Jo V. Morgan, Jr., 615 15th Street NW., Washington, D. C.
B. Whiteford, Hart, Carmody & Wilson, 815 15th Street NW., Washington, D. C.
D. (6) $450.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D. C.
B. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D. C.
E. (9) $6.46.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D. C.
B. Ford Motor Co., 3000 Schaefer Road, Dearborn, Mich.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D. C.
B. Group Health Dental Insurance, Inc., 120 Wall Street, New York, N. Y.

A. Morison, Murphy, Clapp & Abrams, Pennsylvania Building, Washington, D. C.
B. Salyer Water District, Post Office Box 488, Corcoran, Calif.
E. (9) $28.05.

A. Morison, Murphy, Clapp, & Abrams, Pennsylvania Building, Washington, D. C.
B. The Sperry & Hutchinson Co., 114 Fifth Avenue, New York, N. Y.
D. (6) $180.

A. Giles Morrow, 1111 E Street NW., Washington, D. C.
D. (6) $4,374.99. E. (9) $162.96.

A. Harold G. Mosier, 610 Shoreham Building, Washington, D. C.
B. Aircraft Industries Association of America, Inc., 610 Shoreham Building, Washington, D. C.
D. (6) $3,750. E. (9) $421.

A. William J. Mougey, General Motors Corp., Washington, D. C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. Movers Conference of America, 16th and P Street NW., Washington, D. C.
D. (6) $428.29. E. (9) $125.23.

A. Fisher Muldrow, Post Office Box 983, Oklahoma City, Okla.
B. Associated Motor Carriers of Oklahoma, Inc., Box 983, Oklahoma City, Okla.

A. T. H. Mullen, 711 14th Street NW., Washington, D. C.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N. Y.

A. T. H. Mullen, 711 14th Street NW., Washington, D. C.
B. American Pulpwood Association, 220 East 42d Street, New York, N. Y.

A. Walter J. Munro, Hotel Washington, Washington, D. C.
B. Brotherhood of Railroad Trainmen.

A. Dr. Emmett J. Murphy, 5737 13th Street NW., Washington, D. C.
B. National Chiropractic Insurance Co., National Building, Webster City, Iowa.
D. (6) $300. E. (9) $300.

A. Ray Murphy, 60 John Street, New York, N. Y.
B. Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.
D. (6) $118.75.

A. J. Walter Myers, Jr., post-office box 7284, Station C, Atlanta, Ga.
B. Forest Farmers Association Cooperative, post-office box 7284, Station C, Atlanta, Ga.

A. Paul A. Nagle, 1300 Connecticut Avenue NW., Washington, D. C.
B. National Postal Transport Association, 1300 Connecticut Avenue NW., Washington, D. C.
D. (6) $3,000.

A. National Agricultural Limestone Institute, Inc., 619 F Street NW., Washington, D. C.

A. National Associated Businessmen, Inc., 910 17th Street NW., Washington, D. C.
D. (6) $801.12. E. (9) $500.40.

A. National Association of Alcohol and Tobacco Tax Field Officers, 402 Fourth Avenue, New Kensington, Pa.
D. (6) $1,192.95. E. (9) $404.96.

A. National Association and Council of Business Schools, 418 Homer Building, 601 13th Street NW., Washington, D. C.

A. National Association of Direct Selling Companies, 163-165 Center Street, Winona, Minn.
D. (6) $14,187.50. E. (9) $26.85.

A. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.
D. (6) $114.51. E. (9) $4,862.18.

A. National Association of Frozen Food Packers, 1415 K Street NW., Washington, D. C.

A. National Association of Insurance Agents, 96 Fulton Street, New York, N. Y.
D. (6) $3,160. E. (9) $5,903.28.

A. National Association of Margarine Manufacturers, Munsey Building, Washington, D. C.

A. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N. Y.
D. (6) $23.

A. National Association of Postal Supervisors, Post Office Box 2013, Washington, D. C.
D. (6) $14,163.14. E. (9) $6,497.09.

A. National Association of Refrigerated Warehouses, Inc., 1210 Tower Building, Washington, D. C.

A. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $719.34. E. (9) $238.20.

A. National Association of Travel Organizations, 1424 K Street NW., Washington, D. C.
D. (6) $27,932.31. E. (9) $682.50.

A. National Business Publications, Inc., 1413 K Street NW., Washington, D. C.

A. National Canners Association, 1133 20th Street NW., Washington, D. C.
D. (6) $411,054.13. E. (9) $2,703.13.

A. National Coal Association, 802 Southern Building, Washington, D. C.

A. National Committee on Parcel Post Size and Weight Limitations, 1625 I Street NW., Washington, D. C.
E. (9) $44.73.

A. National Committee of Shippers and Receivers, 100 West 31st Street, New York, N. Y.
D. (6) $2,462.50. E. (9) $2,752.68.

A. National Conference for Repeal of Taxes on Transportation, care of D. G. Ward, Mathieson Building, Baltimore, Md.
E. (9) $91.66.

A. National Cotton Compress and Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $1,610.35. E. (9) $1,610.35.

A. National Council on Business Mail, Inc., 105 West Monroe Street, Chicago, Ill.

A. National Council, Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.
E. (9) $203.20.

A. National Crushed Limestone Institute, Inc., 615 F Street NW., Washington, D. C.

A. National Economic Council, Inc., 7501 Empire State Building, New York, N. Y.

A. National Electrical Contractors' Association, Inc., 1200 18th Street NW., Washington, D. C.

A. National Electrical Manufacturers' Association, 155 East 44th Street, New York, N. Y.

A. National Federation of Independent Business, Inc., 740 Washington Building, Washington, D. C.
D. (6) $7,986.35. E. (9) $7,986.35.

A. National Federation of Post Office Clerks, 711 14th Street NW., Washington, D. C.
D. (6) $134,063.63. E. (9) $21,204.93.

A. National Food Brokers' Association, 1916 M Street NW., Washington, D. C.
D. (6) $1,460.40. E. (9) $1,460.40.

A. National Housing Conference, Inc., 1026 Connecticut Avenue NW., Washington, D. C.
D. (6) $8,367.30. E. (9) $12,403.49.

A. National Live Stock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $675.

A. National Lumber Manufacturers' Association, 1319 18th Street NW., Washington, D. C.

A. National Milk Producers' Federation, 1731 I Street NW., Washington, D. C.
D. (6) $804.90. E. (9) $804.90.

A. National Parking Association, Inc., 711 14th Street NW., Washington, D. C.

A. National Postal Transport Association, 1300 Connecticut Avenue NW., Washington, D. C.
D. (6) $66,375.20. E. (9) $9,000.

A. National Reclamation Association, 897 National Press Building, Washington, D. C.
D. (6) $15,245.50. E. (9) $10,297.86.

A. National Retail Dry Goods Association, 100 West 31st Street, New York, N. Y.
D. (6) $4,123. E. (9) $4,226.57.

A. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.

A. National Rivers and Harbors Congress, 1730 M Street NW., Washington, D. C.
D. (6) $900. E. (9) $4,079.73.

A. National Rural Letter Carriers' Association, 1002 Warner Building, Washington, D. C.
D. (6) $5,865. E. (9) $9,454.82.

A. National Savings and Loan League, 15th and M Streets NW., Washington, D. C.
D. (6) $2,358.26. E. (9) $800.

A. National Small Businessmen's Association, 801 19th Street Building NW., Washington, D. C.
D. (6) $5,000. E. (9) $2,264.22.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D. C.
D. (6) $43,696.42. E. (9) $1,199.06.

A. National Tire Dealers & Retreaders Association, Inc., 1012 14th Street NW., Washington, D. C.

A. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
D. (6) $21,866. E. (9) $2,772.66.

A. Nation-Wide Committee of Industry, Agriculture and Labor on Import-Export Policy, 618 15th Street NW., Washington, D. C.
D. (6) $80,112.50. E. (9) $10,363.74.

A. Robert R. Neal, 1701 K Street NW., Washington, D. C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D. C.

A. William S. Neal, 918 16th Street NW., Washington, D. C.
B. National Association of Manufacturers, 918 16th Street NW., Washington, D. C.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D. C.
B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.
D. (6) $4,249.88. E. (9) $2,300.47.

A. A. E. Nelson, 1319 18th Street NW., Washington, D. C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D. C.

A. George S. Newcomer, 1000 Maryland Trust Building, Baltimore, Md.
B. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.

A. Blake T. Newton, Jr., 195 Broadway, New York, N. Y., and 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.
D. (6) $3,041.67.

A. New York and New Jersey Dry Dock Association, 161 William Street, New York City.
D. (6) $4,250. E. (9) $4,017.30.

A. New York Stock Exchange, 11 Wall Street, New York, N. Y.
E. (9) $2,161.29.

A. Christian F. Norgard, 1617 Rhode Island Avenue NW., Washington, D. C.
B. The American Humane Association, 896 Pennsylvania Street, Denver, Colo.
D. (6) $990. E. (9) $134.50.

A. O. L. Norman, 1200 18th Street NW., Washington, D. C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.

A. Harry E. Northam, 185 North Wabash Avenue, Chicago, Ill.
B. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.

A. Northern Hemlock and Hardwood Manufacturers Association, Washington Building, Oshkosh, Wis.
D. (6) $100.

A. E. M. Norton, 1731 I Street NW., Washington, D. C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.
D. (6) $100. E. (9) $217.43.

A. E. H. O'Connor, 176 West Adams Street, Chicago, Ill.
B. Insurance Economics Society of America, 176 West Adams Street, Chicago, Ill.
D. (6) $4,544.86.

A. Herbert R. O'Conor, 1701 K Street NW., Washington, D. C.
B. American Marine Institute, Inc., 1701 K Street NW., Washington, D. C., and 11 Broadway, New York, N. Y.

A. Herbert R. O'Conor, Jr., 10 Light Street, Baltimore, Md.
B. McCabe-Powers Auto Body Co., 3900 North Broadway, St. Louis, Mo.
D. (6) $1,500. E. (9) $20.

A. Herbert R. O'Conor, Jr., 10 Light Street, Baltimore, Md.
B. National Automobile Dealers Association, 3000 K Street NW., Washington, D. C.
D. (6) $625.

A. John A. O'Donnell, 1424 16th Street NW., Washington, D. C.
B. American Trucking Association, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $3,000.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D. C.
B. National Association of Wool Manufacturers, 386 Fourth Avenue, New York, N. Y.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D. C.
B. Textile Fibres Institute, 271 Madison Avenue, New York, N. Y.

A. Eugene O'Dunne, Jr., Southern Building, Washington, D. C.
B. Wool Stock Institute, 271 Madison Avenue, New York, N. Y.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.

A. Alvin E. Oliver, 600 Folger Building, Washington, D. C.
B. Grain and Feed Dealers National Association, 100 Merchants' Exchange Building, St. Louis, Mo.
D. (6) $40.46. E. (9) $2.

A. E. L. Oliver, 1001 Connecticut Avenue NW., Washington, D. C.
B. Labor Bureau of Middle West, 1001 Connecticut Avenue NW., Washington, D. C., and 11 South La Salle Street, Chicago, Ill.

A. Fred M. Oliver, 110 East 42d Street, New York, N. Y., and Investment Building, Washington, D. C.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N. Y.

A. Robert Oliver, 815 16th Street NW., Washington, D. C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D. C.
D. (6) $2,066. E. (9) $324.

A. Clarence E. Olson, care of the American Legion, 1608 K Street NW., Washington, D. C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $2,370.

A. Samuel Omasta, 619 F Street NW., Washington, D. C.
B. National Agricultural Limestone Institute, Inc., 619 F Street NW., Washington, D. C.

A. Order of Railway Conductors and Brakemen, O. R. C. & B. Building, Cedar Rapids, Iowa.
E. (6) $112.02.

A. Morris E. Osburn, Central Trust Building, Jefferson City, Mo.
B. Missouri Railroad Committee.

A. Mrs. Theodor Osholm, 19 East 53d Street, New York, N. Y.

A. Pacific American Tankship Association, 26 California Street, San Francisco, Calif.
D. (6) $200. E. (9) $1,628.

A. L. M. Paramore, Town House Hotel, Kansas City, Kans.
B. Missouri-Arkansas Basins Flood Control and Conservation Association, Town House Hotel, Kansas City, Kans.
D. (6) $2,333.36. E. (9) $2,233.34.

A. Lovell M. Parker, 611 Colorado Building, Washington, D. C.
B. Maryland Electronic Manufacturing Co., College Park, Md.; W. A. Sheaffer Pen Co., Fort Madison, Iowa; Pittsburgh Plate Glass Co., Pittsburgh, Pa.; and Record Industry Association of America, Inc., New York, N. Y.
D. (6) $1,200.

A. A. Lee Parsons, 1145 19th Street NW., Washington, D. C.
B. Manufacturers Institute, 1501 Johnston Building, Charlotte, N. C.
D. (6) $382.50. E. (9) $44.39.

A. James G. Patton.
B. The Farmers' Educational and Co-Operative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D. C.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D. C.
B. N. R. Caine and Co., 40 Exchange Place, New York, N. Y.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 1614 I Street NW., Washington, D. C.
B. National Committee for Insurance Taxation, 221 North La Salle Street, Chicago, Ill.
D. (6) $9,862.50. E. (9) $118.91.

A. Edmund W. Pavenstedt, care of White & Case, 14 Wall Street, New York, N. Y.

A. Albert A. Payne, 1300 Connecticut Avenue NW., Washington, D. C.
B. National Association of Real Estate Boards, 1300 Connecticut Avenue NW., Washington, D. C.
D. (6) $1,510.68. E. (9) $132.69.

A. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.

A. J. Hardin Peterson, Box 111, Lakeland, Fla.
B. Color Legislative Fund, Lakeland, Fla.
E. (9) $3.45.

A. J. Hardin Peterson, Box 111, Lakeland, Fla.
B. Florida Citrus Mutual (legislative fund), Lakeland, Fla.
D. (6) $1,500. E. (9) $60.45.

A. J. Hardin Peterson, Box 111, Lakeland, Fla.
B. Peoples Lobby, Inc., 1337 21st Street NW., Washington, D. C.
E. (9) $3.61.

A. J. Hardin Peterson, Box 111, Lakeland, Fla.
B. West Coast Navigation District, Courthouse, Bradenton, Fla.
D. (6) $600. E. (9) $22.79.

A. Kenneth Peterson, 1126 16th Street NW., Washington, D. C.
B. International Union of Electrical, Radio, and Machine Workers, 1126 16th Street NW., Washington, D. C.
D. (6) $667.50.

A. Philco Corp., Tioga and C Streets, Philadelphia, Pa.

A. J. E. Phillips, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Company of California, 225 Bush Street, San Francisco, Calif.
D. (6) $300. E. (9) $250.

A. Albert T. Pierson, 84 Meadow Street, New Haven, Conn.
B. The New York, New Haven & Hartford Railroad Co., 54 Meadow Street, New Haven, Conn.

A. Albert Pike, Jr., 488 Madison Avenue, New York, N. Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.
D. (6) $62.50.

A. James F. Pinkney, 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $1,000. E. (9) $66.45.

A. Piper & Marbury, 1000 Maryland Trust Building, Baltimore, Md.
B. The Peoples Water Service Co., 1607 Mercantile Trust Building, Baltimore, Md.
E. (9) $3.15.

A. Walter C. Ploeser, 50 South Bemiston Avenue, Clayton, St. Louis, Mo.

A. J. Francis Pohlhaus, 100 Massachusetts Avenue NW., Washington, D. C.
B. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N. Y.
D. (6) $1,417.

A. Pope Ballard & Loos, 707 Munsey Building, Washington, D. C.
B. Admiral Corp., 3800 Courtland Street, Chicago, Ill.
E. (9) $24.50.

A. Pope Ballard & Loos, 707 Munsey Building, Washington, D. C.
B. Sunkist Growers, Inc., and Diamond Walnut Growers, Inc., Los Angeles, Calif.; Northwest Nut Growers, and Oregon Filbert Commission, Portland, Oreg., and California Almond Growers Exchange, Sacramento, Calif.
D. (6) $2,500.50. E. (9) $833.79.

A. Frank M. Porter, 50 West 50th Street, New York, N. Y.
B. American Petroleum Institute, 50 West 50th Street, New York, N. Y.

A. Nelson J. Post, 1731 I Street NW., Washington, D. C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.
D. (6) $10.

A. William I. Powell, Ring Building, Washington, D. C.
B. American Mining Congress, Ring Building, Washington, D. C.
D. (6) $1,275.

A. William H. Press, 1616 K Street NW., Washington, D. C.
B. Washington Board of Trade, 1616 K Street NW., Washington, D. C.
D. (6) $4,700.

A. Thomas L. Preston, 929 Transportation Building, Washington, D. C.
B. Association of American Railroads, Transportation Building, Washington, D. C.

A. Allen I. Pretzman, 50 West Broad Street, Columbus, Ohio.
B. Scioto-Sandusky Conservancy District, 50 West Broad Street, Columbus, Ohio.
D. (6) $75. E. (9) $18.56.

A. Harry E. Proctor, 1110 Investment Building, Washington, D. C.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York City.
D. (6) $112.50. E. (9) $3.

A. Public Information Committee of the Cotton Industries, 410 Washington Building, Washington, D. C.

A. Ganson Purcell, 910 17th Street NW., Washington, D. C.
B. Insular Lumber Co., 1406 Locust Street, Philadelphia, Pa.
E. (9) $0.50.

A. Purcell & Nelson, Barr Building, Washington, D. C.
B. Devalin Corp., 120 Wall Street, New York, N. Y.
D. (6) $3,125. E. (9) $20.50.

A. Purcell & Nelson, Barr Building, Washington, D. C.
B. Little & Christman, 120 Wall Street, New York, N. Y.
D. (6) $1,400. E. (9) $1.41.

A. Alexander Purdon, 1701 K Street NW., Washington, D. C.
B. Committee of American Steamship Lines, 1701 K Street NW., Washington, D. C.
D. (6) $843.75. E. (9) $288.20.

A. C. J. Putt, 920 Jackson Street, Topeka, Kans.
B. The Atchison, Topeka & Santa Fe Railway Co., 920 Jackson Street, Topeka, Kans.

A. Alex Radin, 1757 K Street NW., Washington, D. C.
B. American Public Power Association, 1757 K Street NW., Washington, D. C.
D. (6) $2,925.

A. Mrs. Richard G. Radue, 2406 Quebec Street NW., Washington, D. C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.
D. (6) $66. E. (9) $62.60.

A. Railway Labor Executives' Association, 401 Third Street NW., Washington, D. C.

A. Alan T. Raina, 777 14th Street NW., Washington, D. C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D. C.

A. D. C. Ramsey, 610 Shoreham Building, Washington, D. C.
B. Aircraft Industries Association, 610 Shoreham Building, Washington, D. C.

A. Donald J. Ramsey, 1612 I Street NW., Washington, D. C.
B. Silver Users Association, 1612 I Street NW., Washington, D. C.
D. (6) $4,250.01. E. (9) $528.94.

A. Sydney C. Reagan, 3460 Greenbrier, Dallas, Tex.
B. Southwestern Peanut Shellers Association, Box 48, Durant, Okla.
D. (6) $150.

A. Reasoner & Davis, 806 Transportation Building, Washington, D. C.
B. American Institute of Architects, 1785 New York Avenue NW., Washington, D. C.
D. (6) $1,600.

A. Stanley Rector, Washington Hotel, Washington, D. C.
B. Unemployment Benefit Advisers, Inc., Washington Hotel, Washington, D. C.
D. (6) $1,000.

A. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $1,107.44. E. (9) $1,107.44.

A. James Francis Reilly, 1626 K Street NW., Washington, D. C.
B. Potomac Electric Power Co., 929 E Street NW., Washington, D. C.
D. (6) $3,000. E. (9) $349.90.

A. Reserve Officers' Association of the United States, 2517 Connecticut Avenue NW., Washington, D. C.

A. Retired Officers Association, 1616 I Street NW., Washington, D. C.
D. (6) $45,279.79.

A. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., Washington, D. C.
D. (6) $4,320.52. E. (9) $7,972.78.

A. Roland Rice, 618 Perpetual Building, Washington, D. C.
B. Regular Common Carrier Conference of American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.
D. (6) $386.25.

A. Harry Rieck, Preston, Md.
B. National Association of Soil Conservation Districts, Longue City, Tex.

A. Siert F. Bieptna, Munsey Building, Washington, D. C.
B. National Association of Margarine Manufacturers, Munsey Building, Washington, D. C.

A. C. E. Rightor, 3300 Rolling Road, Chevy Chase, Md.
B. Committee for Study of Revenue Bond Financing, 9 South William Street, New York, N. Y.
D. (6) $840. E. (9) $735.02.

A. George D. Riley, 815 16th Street NW., Washington, D. C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D. C.
D. (6) $3,122. E. (9) $248.

A. John J. Riley, 1128 16th Street NW., Washington, D. C.
B. American Bottlers of Carbonated Beverages, 1128 16th Street NW., Washington, D. C.

A. E. W. Rising, 1028 Connecticut Avenue NW., Washington, D. C.
B. Western Beet Growers' Association, Post Office Box 742, Great Falls, Mont.
D. (6) $300. E. (9) $258.77.

A. Paul H. Robbins, 2029 K Street NW., Washington, D. C.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D. C.
D. (6) $250.

A. Roberts Dairy Co., 4449 Farnam Street, Omaha, Nebr.
E. (9) $556.53.

A. Frank L. Roberts, 1700 K Street NW., Washington, D. C.
B. Chrysler Corp., 341 Massachusetts Avenue, Detroit, Mich.

A. George L. Rodgers, 1504 Public Service Building, Portland, Oreg.
B. Pacific Power & Light Co., Montana Power Co., Portland General Electric Co., Washington Water Power Co.

A. Frank W. Rogers, 1701 K Street NW., Washington, D. C.
B. Western Oil & Gas Association, 609 South Grand Avenue, Los Angeles, Calif.
D. (6) $3,975.

A. Watson Rogers, 1916 M Street NW., Washington, D. C.
B. National Food Brokers' Association, 1916 M Street NW., Washington, D. C.
D. (6) $1,000.

A. George B. Roscoe, 1200 18th Street NW., Washington, D. C.
B. National Electrical Contractors Association, 1200 18th Street NW., Washington, D. C.

A. James F. Rowan, 16th and P Streets NW., Washington, D. C.
B. Movers Conference of America, 16th and P Streets NW., Washington, D. C.
D. (6) $98.75.

A. Roland H. Rowe, 400 Investment Building, Washington, D. C.
B. United States Wholesale Grocers' Association, Inc., 400 Investment Building, Washington, D. C.

A. Albert R. Russell, 1916 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $196. E. (9) $121.18.

A. Francis M. Russell, 1625 K Street NW., Washington, D. C.
B. National Broadcasting Co., Inc., 1625 K Street NW., Washington, D. C.

A. Horace Russell, 221 North La Salle Street, Chicago, Ill.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $4,782.20. E. (9) $190.59.

A. M. O. Ryan, 777 14th Street NW., Washington, D. C.
B. American Hotel Association, 221 West 57th Street, New York, N. Y.
D. (6) $3,750. E. (9) $369.

A. William H. Ryan, 1029 Vermont Avenue NW., Washington, D. C.
B. District Lodge No. 44, International Association of Machinists, 1029 Vermont Avenue NW., Washington, D. C.
D. (6) $2,250.27. E. (9) $60.

A. Robert A. Saltzstein, 511 Wyatt Building, Washington, D. C.
B. Associated Business Publications, 205 East 42d Street, New York, N. Y.
D. (6) $4,700. E. (9) $42.01.

A. Robert A. Saltzstein, 511 Wyatt Building, Washington, D. C.
B. Smaller Magazines Postal Committee, Post Office Box 975, New Canaan, Conn.
D. (6) $1,666.68. E. (9) $149.97.

A. Kimball Sanborn, 705 Transportation Building, Washington, D. C.
B. Association of American Railroads, 705 Transportation Building, Washington, D. C.
E. (9) $995.

A. L. R. Sanford, 21 West Street, New York, N. Y.
B. Shipbuilders Council of America, 21 West Street, New York, N. Y.

A. Harrison Sawyer, 1201 16th Street NW., Washington, D. C.
B. Division of Legislation and Federal Relations of the National Education Association of the United States, 1201 16th Street NW., Washington, D. C.
D. (6) $329.69. E. (9) $7.80.

A. Satterlee, Warfield & Stephens, 460 Park Avenue, New York, N. Y.
B. American Nurses' Association, 2 Park Avenue, New York, N. Y.
D. (6) $2,500. E. (9) $30.14.

A. O. H. Saunders, 1616 I Street NW, Washington, D. C.
B. Retired Officers Association, 1616 I Street, NW., Washington, D. C.
D. (6) $1,200.

A. Stuart T. Saunders, 8 North Jefferson Street, Roanoke, Va.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va.

A. Schoene and Kramer, 1625 K Street NW., Washington, D. C.
B. Railway Labor Executives' Association, 401 Third Street NW., Washington, D. C.
E. (9) $218.01.

A. Mildred Scott, 1370 National Press Building, Washington, D. C.
B. American Federation of the Physically Handicapped, Inc., 1370 National Press Building, Washington, D. C.

A. Durward Seals, 777 14th Street NW., Washington, D. C.
B. United Fresh Fruit and Vegetable Association, 777 14th Street NW., Washington, D. C.

A. Hollis M. Seavey, 532 Shoreham Building, Washington, D. C.
B. Clear Channel Broadcasting Service, 532 Shoreham Building, Washington, D. C.

A. James D. Secrest, 777 14th Street NW., Washington, D. C.
B. Radio-Electronics-Television Manufacturers Association, 777 14th Street NW., Washington, D. C.

A. Harry See, 401 Third Street NW., Washington, D. C.
B. Brotherhood of Railroad Trainmen.

A. Howard L. Shannon, acting trustee for Color Legislation Fund, Lakeland, Fla.
E. (9) $3.45.

A. Alvin Shapiro, 1701 K Street NW., Washington, D. C.
B. American Merchant Marine Institute, Inc., 1701 K Street NW., Washington, D. C., and 11 Broadway, New York, N. Y.
D. (6) $213.75. E. (9) $43.76.

A. John H. Sharon, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. A. Manning Shaw, 1625 I Street NW., Washington, D. C.
B. Brown, Lund & Fitzgerald, 1625 I Street NW., Washington, D. C.
D. (6) $636.50.

A. Leander I Shelley, 30 Broad Street, New York, N. Y.
B. American Association of Port Authorities, Washington, D. C., and Airport Operators Council, Washington, D. C.
D. (6) $625. E. (9) $144.86.

A. Bruce E. Shepherd, 488 Madison Avenue, New York, N. Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.
D. (6) $131.25.

A. W. Lee Shield, 230 North Michigan Avenue, Chicago, Ill.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. Robert L. Shortle, 801 International Building, New Orleans, La.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $2,000.

A. Charles B. Shuman, Merchandise Mart Plaza, Chicago, Ill.
B. American Farm Bureau Federation.
D. (6) $1,354.17.

A. Silver Users Association, 1612 I Street NW., Washington, D. C.
E. (9) $8,926.45.

A. Six Agency Committee, 909 South Broadway, Los Angeles, Calif.
E. (9) $3,011.06.

A. Stephen Slipher, 812 Pennsylvania Building, Washington, D. C.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $2,000. E. (9) $5.

A. Smaller Magazines Postal Committee, Post Office Box 975, New Canaan, Conn.
D. (6) $3,147.50. E. (9) $2,940.03.

A. Elizabeth A. Smart, 144 Constitution Avenue NE., Washington, D. C.
B. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $806.12. E. (9) $161.41.

A. T. W. Smiley, Room 1150, La Salle Hotel, Chicago, Ill.
B. Illinois Railroad Association, 38 South Clark Street, Chicago, Ill.

A. James B. Smith, 719 Omaha National Bank Building, Omaha, Nebr.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $2,750.

A. Lloyd W. Smith, 416 Shoreham Building, Washington, D. C.
B. Chicago, Burlington & Quincy Railroad Co., 547 West Jackson Boulevard, Chicago, Ill., and Great Northern Railway Co., 175 East Fourth Street, St. Paul, Minn.
D. (6) $3,962.

A. Wallace M. Smith, Pennsylvania Building, Washington, D. C.
B. American Mutual Alliance, 20 North Wacker Drive, Chicago, Ill.

A. Edward F. Snyder, 104 C Street NE., Washington, D. C.
B. Friends Committee on National Legislation, 104 C Street NE., Washington, D. C.
D. (6) $1,038.45.

A. J. D. Snyder, La Salle Hotel, Chicago, Ill.
B. Illinois Railroad Association, 38 South Clark Street, Chicago, Ill.
D. (6) $825.

A. Southern States Industrial Council, 1103 Stahlman Building, Nashville, Tenn.
D. (6) $28,070.26. E. (9) $37,042.75.

A. Lyndon Spencer, 305 Rockefeller Building, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Spokesmen for Children, Inc., 19 East 92d Street, New York, N. Y.
D. (6) $195. E. (9) $396.36.

A. Thomas G. Stack, 1104 West 104th Place, Chicago, Ill.
B. National Railroad Pension Forum, Inc., 1104 West 104th Place, Chicago, Ill.
D. (6) $1,800. E. (9) $3,628.01.

A. Howard M. Starling, 837 Washington Building, Washington, D. C.
B. Association of Casualty & Surety Companies, 60 John Street, New York, N. Y.
D. (6) $150.

A. Mrs. Nell F. Stephens, Post Office Box 6234, Northwest Station, Washington, D. C.

A. Russell M. Stephens, 900 F Street NW., Washington, D. C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D. C.
D. (6) $240. E. (9) $20.

A. William T. Stephens, 700 Washington Building, Washington, D. C.
B. American Utility Trailer Rental Association, 700 Washington Building, Washington, D. C.

A. William T. Stephens, 700 Washington Building, Washington, D. C.
B. Chicago Rental Trailer Association, Chicago, Ill.

A. William T. Stephens, 700 Washington Building, Washington, D. C.
B. Nationwide Trailer Rental System, 1720 East Morris, Wichita, Kans.

A. Herman Sternstein, 1001 Connecticut Avenue NW., Washington, D. C.
B. O. David Zimring, 1001 Connecticut Avenue NW., Washington, D. C., and 11 South La Salle Street, Chicago, Ill.

A. Charles T. Stewart, 1800 Connecticut Avenue NW., Washington, D. C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $1,375.

A. Nelson A. Stitt, 815 15 Street NW., Washington, D. C.
B. Council for Improved United States-Japanese Trade Relations, 815 15th Street NW., Washington, D. C.
D. (6) $900.

A. Edwin L. Stoll, 1300 Connecticut Avenue NW., Washington, D. C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill.
D. (6) $958.24.

A. W. S. Story, 1729 H Street NW., Washington, D. C.
B. Institute of Scrap Iron and Steel, Inc., 1729 H Street NW., Washington, D. C.
D. (6) $300.

A. Sterling F. Stoudenmire, Jr., 61 St. Joseph Street, Mobile, Ala.
B. Waterman Steamship Corp., 61 St. Joseph Street, Mobile, Ala.
D. (6) $1,000.

A. Mrs. Ada Barnett Stough, 132 Third Street SE., Washington, D. C.
B. American Parents Committee, Inc., 132 Third Street SE., Washington, D. C.
D. (6) $192.20.

A. Francis W. Stover, 610 Wire Building, 1000 Vermont Avenue NW., Washington, D. C.
B. Veterans of Foreign Wars of the United States.
D. (6) $1,437.50. E. (9) $23.75.

A. Paul A. Strachan, 1370 National Press Building, Washington, D. C.
B. American Federation of the Physically Handicapped, Inc., 1370 National Press Building, Washington, D. C.

A. O. R. Strackbein, 815 15th Street NW., Washington, D. C.
D. (6) $2,307.60.

A. O. R. Strackbein, 815 15th Street NW., Washington, D. C.
B. International Allied Printing Trades Association, Box 728, Indianapolis, Ind.
D. (6) $625.

A. O. R. Strackbein.
B. Nation-Wide Committee of Industry, Agriculture, and Labor on Import-Export Policy, 815 15th Street NW., Washington, D. C.
D. (6) $5,000.

A. Arthur Sturgis, Jr., 1145 19th Street NW., Washington, D. C.
B. American Retail Federation, 1145 19th Street NW., Washington, D. C.
D. (6) $21.96. E. (9) $3.

A. J. E. Sturrock, P. O. Box 2084, Capitol Station, Austin, Tex.
B. Texas Water Conservation Association, Post Office Box 2084, Capitol Station, Austin, Tex.
D. (6) $1,800. E. (9) $977.28.

A. Frank L. Sundstrom, 350 Fifth Avenue, New York, N. Y.
B. Schenley Industries, Inc., 350 Fifth Avenue, New York, N. Y.

A. Noble J. Swearingen, 1790 Broadway, New York, N. Y.
B. National Tuberculosis Association, 1790 Broadway, New York, N. Y.

A. Glenn J. Talbott.
B. Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D. C., and 1575 Sherman Street, Denver, Colo.

A. Tax Reduction League of New York, 141 Broadway, New York, N. Y.
D. (6) $54.26. E. (9) $54.26.

A. Edward D. Taylor, 777 14th Street NW., Washington, D. C.
B. Office Equipment Manufacturers Institute, 777 14th Street NW., Washington, D. C.
D. (6) $25. E. (9) $3.

A. Texas Committee of Correspondence, Post Office Box 912, Austin, Tex.
D. (6) $1,131.24. E. (9) $6.

A. Texas Water Conservation Association, 207 West 15th, Austin, Tex.
D. (6) $7,392.25. E. (9) $9,803.25.

A. J. Woodrow Thomas, 806 Connecticut Avenue NW., Washington, D. C.
B. Trans World Airlines, Inc., 10 Richards Road, Kansas City, Mo.
D. (6) $1,500.

A. Oliver A. Thomas, 48 Sierra Street, Reno, Nev.
B. Nevada Railroad Association, 48 Sierra Street, Reno, Nev.
D. (6) $1,050.

A. Chester C. Thompson, 1025 Connecticut Avenue NW., Washington, D. C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue NW., Washington, D. C.
D. (6) $6,500. E. (9) $65.55.

A. Julia C. Thompson, 711 14th Street NW., Washington, D. C.
B. American Nurses' Association, Inc., 2 Park Avenue, New York, N. Y.
D. (6) $1,723.15.

A. Eugene M. Thore, 1701 K Street NW., Washington, D. C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.
D. (6) $1,312.50. E. (9) $16.63.

A. G. D. Tilghman, 1604 K Street NW., Washington, D. C.
B. Disabled Officers Association, 1604 K Street NW., Washington, D. C.
D. (6) $3,500.

A. E. W. Tinker, 122 East 42d Street, New York, N. Y.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N. Y.

A. William H. Tinney, 1223 Pennsylvania Building, Washington, D. C.
B. The Pennsylvania Railroad Co., Suburban Station Building, Philadelphia, Pa.

A. S. G. Tipton, 1107 16th Street NW., Washington, D. C.
B. Air Transport Association of America, 1107 16th Street NW., Washington, D. C.
D. (6) $43.27. E. (9) $1.

A. M. S. Tisdale, 4200 Cathedral Avenue, Washington, D. C.
B. Armed Services Committee, Chamber of Commerce, Vallejo, Solano County, Calif.
D. (6) $295. E. (9) $180.31.

A. H. Willis Tobler, 1731 I Street NW., Washington, D. C.
B. National Milk Producers Federation, 1731 I Street NW., Washington, D. C.
D. (6) $300. E. (9) $9.10.

A. John H. Todd, 1066 Shrine Building, Memphis, Tenn.
B. National Cotton Compress and Cotton Warehouse Association, 1066 Shrine Building, Memphis, Tenn.

A. Harry L. Towe, 241 Main Street, Hackensack, N. J.
B. Associated Railroads of New Jersey, Pennsylvania Station, New York, N. Y.

A. F. Gerald Toye, 777 14th Street NW., Washington, D. C.
B. General Electric Co., 570 Lexington Avenue, New York, N. Y.
D. (6) $96. E. (9) $96.55.

A. Transportation Association of America, 6 North Michigan Avenue, Chicago, Ill.

A. Matt Triggs, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 1300 Merchandise Mart, Chicago, Ill.
D. (6) $2,156.25. E. (9) $44.71

A. Glenwood S. Troop, Jr., 812 Pennsylvania Building, Washington, D. C.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $1,000. E. (9) $17.

A. Paul T. Truitt, 1700 K Street NW., Washington, D. C.
B. National Plant Food Institute, 1700 K Street NW., Washington, D. C.

A. Harold J. Turner, Henry Building, Portland, Oreg.
B. Spokane, Portland & Seattle Railway Co., Southern Pacific Co., and Union Pacific Railroad Co., Henry Building, Portland, Oreg.

A. William S. Tyson, 736 Bowen Building, Washington, D. C.
B. Local No. 30, Canal Zone Pilots, Post Office Box 493, Balboa, C. Z.
E. (9) $59.25.

A. Union Producing Co., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.

A. United States Citizens Association, Canal Zone, Box 354, Balboa, C. Z.
D. (6) $1,978.25. E. (9) $1,707.32.

A. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
E. (9) $19,808.70.

A. Vegetable Growers Association of America, Inc., 528 Mills Building, Washington, D. C.
E. (9) $4.35.

A. Weston Vernon, Jr., 15 Broad Street, New York, N. Y.
B. New York Stock Exchange, 11 Wall Street, New York, N. Y.
D. (6) $18.75.

A. Richard E. Varnor, 1701 K Street NW., Washington, D. C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.

A. R. K. Vinson, 1346 Connecticut Avenue NW., Washington, D. C.
B. Machinery Dealers National Association, 1346 Connecticut Avenue NW., Washington, D. C.

A. Stanley W. Vogt.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D. C., and 1575 Sherman Street, Denver, Colo.
D. (6) $1,534.96. E. (9) $45.71.

A. Vulcan Detinning Co., Sewaren, N. J.

A. Paul H. Walker, 1701 K Street NW., Washington, D. C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N. Y.
D. (6) $150.

A. Woollen H. Walshe, 2600 Woodley Road NW., Washington, D. C.
B. Standard Oil Company of California, 1700 K Street NW., Washington, D. C.

A. Stephen M. Walter, 1200 18th Street NW., Washington, D. C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D. C.
D. (6) $59.75. E. (9) $1.77.

A. Thomas G. Walters, 100 Indiana Avenue NW., Washington, D. C.
B. Government Employees' Council, 100 Indiana Avenue NW., Washington, D. C.
D. (6) $2,625.

A. Marion G. Ward, Post Office Box 3798, Little Rock, Ark.
B. Arkansas Bus and Truck Association, Inc., Post Office Box 3798, Little Rock, Ark.

A. Qualfe M. Ward, 1146 19th Street NW., Washington, D. C.
B. American Retail Federation, 1145 19th Street NW., Washington, D. C.

A. Washington Board of Trade, 1616 K Street NW., Washington, D. C.

A. Washington Home Rule Committee, Inc., 824 14th Street NW., Washington, D. C.
D. (6) $1,611.93. E. (9) $1,944.82.

A. Vincent T. Wasilewski, 1771 N Street NW., Washington, D. C.
B. National Association of Radio and Television Broadcasters, 1771 N Street NW., Washington, D. C.

A. Waterways Council Opposed to Regulation Extension, 21 West Street, New York, N. Y.
D. (6) $375.

A. J. R. Watson, room 1, ICRR passenger station, Jackson, Miss.
B. Mississippi Railroad Association, room 1, ICRR passenger station, Jackson, Miss.

A. Watters & Donovan, 161 William Street, New York City, N. Y.
B. New York and New Jersey Dry Dock Association, 161 William Street, New York, N. Y.
D. (6) $3,750.

A. Henry B. Weaver, Jr., Henry H. Glassie, Edwin H. Pewett, Thomas M. Cooley II, and Ray S. Donaldson, 1225 19th Street NW., Washington, D. C.
B. Philco Corp., Tioga and C Streets, Philadelphia, Pa.

A. William H. Webb, 1720 M Street NW., Washington, D. C.
B. National Rivers and Harbors Congress, 1720 M Street NW., Washington, D. C.
D. (6) $1,880.40. E. (9) $412.71.

A. Bernard Weisser, 1712 New Hampshire Avenue, Washington, D. C.
B. Jewish War Veterans of the United States of America, 1712 New Hampshire Avenue, Washington, D. C.
D. (6) $2,499.96. E. (9) $234.94.

A. Richard H. Wels, 551 Fifth Avenue, New York, N. Y.
B. Bowling Proprietors Association of America, Inc., 153 North Wabash Avenue, Chicago, Ill.

A. William E. Welsh, 897 National Press Building, Washington, D. C.
B. National Reclamation Association, 897 National Press Building, Washington, D. C.
D. (6) $3,750. E. (9) $1,413.10.

A. West Coast Inland Navigation District, Court House, Bradenton, Fla.
E. (9) $624.68.

A. Robert V. Westfall, 401 Third Street NW., Washington, D. C.
B. Brotherhood of Railroad Trainmen.

A. George Y. Wheeler II, 1625 K Street NW., Washington, D. C.
B. Radio Corporation of America, 1625 K Street NW., Washington, D. C.

A. Wheeler and Wheeler, 704 Southern Building, Washington, D. C.
B. Montana Power Co., Electric Building, Butte, Mont.
E. (9) $2.96.

A. Wheeler and Wheeler, 704 Southern Building, Washington, D. C.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg.
E. (9) $2.96.

A. Wheeler and Wheeler, 704 Southern Building, Washington, D. C.
B. Washington Water Power Co., Spokane, Wash.
E. (9) $2.96.

A. Wherry Housing Association, 1737 H Street NW., Washington, D. C.

A. John C. White, 838 Transportation Building, Washington, D. C.
E. (9) $136.83.

A. Richard P. White, 635 Southern Building, Washington, D. C.
B. American Association of Nurserymen, 635 Southern Building, Washington, D. C.
D. (6) $3,375. E. (9) $83.38.

A. White, Sorrell, and Williamson, 1026 Connecticut Avenue NW., Washington, D. C.
B. Mobilehome Dealers National Association, 39 South La Salle Street, Chicago, Ill.
D. (6) $1,500. E. (9) $153.74.

A. Whiteford, Hart, Carmody, and Wilson, 815 15th Street NW., Washington, D. C.
B. The American Humane Association.
D. (6) $450.

A. H. Leigh Whitelaw, 60 East 42d Street, New York, N. Y.
B. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N. Y.

A. Louis E. Whyte, 918 16th Street NW., Washington, D. C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D. C.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place, Washington, D. C.
B. Arapahoe Tribe of Indians, Wind River Reservation, Fort Washakie, Wyo.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. The Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Klamath Indian Tribe, Klamath Agency, Oreg.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Menominee Tribe of Indians, Menominee Indian Agency, Keshena, Wis.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Quinaielt Indian Tribe, Taholah, Wash.

A. Wilkinson, Cragun, Barker & Hawkins, 744 Jackson Place NW., Washington, D. C.
B. Spokane Indian Tribe, Wellpinit, Wash.

A. Franz O. Willenbucher, 1616 I Street NW., Washington, D. C.
B. Retired Officers Association, 1616 I Street NW., Washington, D. C.
D. (6) $2,100.

A. Leon W. Williams, 2 Gouverneur Place, Bronx, N. Y.
E. (9) $5.80.

A. John C. Williamson, 1200 Connecticut Avenue NW., Washington, D. C.
B. National Association of Real Estate Boards, 1200 Connecticut Avenue NW., Washington, D. C.
D. (6) $3,200. E. (9) $91.03.

A. Kenneth Williamson, 17th and Pennsylvania Avenue NW., Washington, D. C.
B. American Hospital Association, 18 East Division Street, Chicago, Ill.
D. (6) $2,566.87. E. (9) $515.60.

A. James L. Wilmeth, 3027 North Broad Street, Philadelphia, Pa.
B. The National Council of the Junior Order of United American Mechanics of the United States of North America.
D. (6) $53.20. E. (9) $53.20.

A. John J. Wilson, 815 15th Street NW., Washington, D. C.
B. Whiteford, Hart, Carmody & Wilson, 815 15th Street NW., Washington, D. C.
D. (6) $450.

A. W. E. Wilson, 1525 Fairfield Avenue, Shreveport, La.
B. Union Producing Co., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.

A. Everett T. Winter, 1978 Railway Exchange Building, St. Louis, Mo.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.
D. (6) $3,750. E. (9) $208.05.

A. Theodore Wiprud, 1718 M Street NW., Washington, D. C.
B. The Medical Society of the District of Columbia, 1718 M Street NW., Washington, D. C.

A. Wood, King & Dawson, 48 Wall Street, New York, N. Y.
B. Committee for Broadening Commercial Bank Participation in Public Financing, 50 South La Salle Street, Chicago, Ill.

A. Walter F. Woodul, 1828 Bank of Southwest Building, Houston, Tex.
B. Angelina & Neches River Railroad Co., Keltys, Tex., et al.
D. (6) $6,052.27. E. (9) $968.19.

A. Walter F. Woodul, 1828 Bank of Southwest Building, Houston, Tex.
B. Humble Oil & Refining Co., Houston, Tex.
D. (6) $10,634.54. E. (9) $570.92.

A. Albert Young Woodward, 1625 I Street NW., Washington, D. C.
B. Signal Oil & Gas Co., 811 West 7th Street, Los Angeles, Calif.

A. Frank E. Woolley, 425 13th Street NW., Washington, D. C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $2,437.50.

A. Edward W. Wootton, 1100 National Press Building, Washington, D. C.
B. Wine Institute, 717 Market Street, San Francisco, Calif.

A. Donald A. Young, 1615 H Street NW., Washington, D. C.
B. Chamber of Commerce of the U. S. A.

A. J. Banks Young, 1832 M Street NW., Washington, D. C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $156.

A. William Zimmerman, Jr., 1700 K Street NW., Washington, D. C.
B. Association on American Indian Affairs, Inc., 48 East 86th Street, New York, N. Y.
D. (6) $125. E. (9) $49.36.

A. O. David Zinring, 11 South La Salle Street, Chicago, Ill., and 1001 Connecticut Avenue NW., Washington, D. C.
B. Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, AFL–CIO, and various railroad labor organizations.

REGISTRATIONS

The following registrations were submitted for the fourth calendar quarter of 1956:

(NOTE.—The form used for registration is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3" and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....	REPORT PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT	P	QUARTER 1st	2d	3d	4th
			(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report.
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302 (e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report disregard this item "C 4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. Louis J. Allen.
B. Class I railroads in Tennessee.

A. AMVETS, 1710 Rhode Island Avenue NW., Washington, D. C.

A. Walter M. Anderson, Jr., Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.

A. George W. Ball, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. Robert C. Barnard, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. Ralph E. Becker, 1700 K Street NW., Washington, D. C.
B. American National Theatre and Academy, 1545 Broadway, New York, N. Y.

A. Ralph E. Becker, 1700 K Street NW., Washington, D. C.
B. League of New York Theatres, Inc., and National Association of the Legitimate Theatre, Inc., 127 West 48th Street, New York, N. Y.

A. Ralph E. Becker, 1700 K Street NW., Washington, D. C.
B. National Association of Concert Managers, 30 Lafayette Avenue, Brooklyn, N. Y.

A. G. Stewart Boswell, 1832 M Street NW., Washington, D. C.
B. National Cotton Council of America, P. O. Box 9905, Memphis, Tenn.

A. Boykin & DeFrancis, Shoreham Building, Washington, D. C.
B. Mrs. Claire Hugo Stinnes, Sr., Grossenbaumerstrasse 253, Mulheim-Ruhr, Germany.

A. Brookhart, Becker & Dorsey, 1700 K Street NW., Washington, D. C.
B. Comision de Defensa del Azucar y Fomento de la Cana, Ciudad Trujillo, Dominican Republic.

A. Henry Brown, 726 Fairmont Avenue, Fairmont, W. Va.
B. National Charcoal Association, 726 Fairmont Avenue, Fairmont, W. Va.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. The Florida Ship Canal Navigation District, 700 Florida Title Building, Jacksonville, Fla.

A. H. St. John Butler, 1624 I Street NW., Washington, D. C.
B. Richard Easter, 2720 Freeman Lane, Santa Ana, Calif.

A. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.
B. The Papermakers' Felt Association, 1215 Unity Street, Philadelphia, Pa.

A. Cooper & Silverstein, 1100 Bowen Building, Washington, D. C.
B. American Council of Life Underwriters, 206 South La Salle Street Building, Chicago, Ill.

A. Cooper & Silverstein, 1100 Bowen Building, Washington, D. C.
B. Fountain Pen & Mechanical Pencil Manufacturers' Association, Inc., 1436 G Street NW., Washington, D. C.

A. John M. Costello, 3434 Porter Street NW., Washington, D. C.
B. American League for an Undivided Ireland, care of Charles T. Rice, 122 East 42d Street, New York, N. Y.

A. Caresse Crosby, 2008 Q Street NW., Washington, D. C.
B. Commonwealth of World Citizens, 2008 Q Street NW., Washington, D. C., and 13 Prince of Wales Terrace, London.

A. Rudolph T. Danstedt, 1346 Connecticut Avenue NW., Washington, D. C.
B. National Association of Social Workers, Inc., 1 Park Avenue, New York, N. Y.; Washington Branch Office, 1346 Connecticut Avenue NW., Washington, D. C.

A. John D. deButts, 195 Broadway, New York, N. Y., and 1001 Connecticut Avenue NW., Washington, D. C.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N. Y.

A. Robert E. Dougherty, 1145 19th Street NW., Washington, D. C.

A. Carlyle M. Dunaway, 1800 H Street NW., Washington, D. C.
B. The National Association of Life Underwriters, 1800 H Street NW., Washington, D. C.

A. Dwight, Royall, Harris, Koegel & Caskey, Wire Building, Washington, D. C.
B. Rayon Staple Fiber Producers Association, 7319 Empire State Building, New York, N. Y.

A. Harold Edwards, 1001 Connecticut Avenue NW., Washington, D. C.
B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.

A. Ely, McCarthy & Duncan, 1200 Tower Building, Washington, D. C.
B. Department of Water Resources, State of California, Sacramento, Calif.

A. John B. Fisher, 1112 Pennsylvania Building, Washington, D. C.
B. American Coal Shipping, Inc., 17 State Street, New York, N. Y.

A. John B. Fisher, 1112 Pennsylvania Building, Washington, D. C.
B. Bangor & Aroostook Railroad, 84 Harlow Street, Bangor, Maine.

A. John B. Fisher, 1112 Pennsylvania Building, Washington, D. C.
B. C. H. Sprague & Son Co., 10 Post Office Square, Boston, Mass.

A. The Florida Ship Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.

A. Fowler, Leva, Hawes & Symington, 1701 K Street NW., Washington, D. C.
B. Bulova Watch Co., Inc.

A. J. M. George, 165 Center Street, Winona, Minn.
B. National Association of Direct Selling Companies, 163 Center Street, Winona, Minn.

A. Robert N. Hawes, 1145 19th Street NW., Washington, D. C.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D. C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D. C.

A. John I. Heise, Jr., 724 15th Street NW., Washington, D. C.
B. Civil Service employees or retired employees of the New York Naval Shipyard, Brooklyn, N. Y.

A. John R. Holden, 1710 Rhode Island Avenue NW., Washington, D. C.
B. AMVETS, 1710 Rhode Island Avenue NW., Washington, D. C.

A. Ray L. Hulick, 1040 Warner Building, Washington, D. C.
B. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D. C.

A. Geo. Bliss Jones, Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.

A. Ludlow King, 2071 East 102d Street, Cleveland, Ohio.
B. National Machine Tool Builders' Association, 2071 East 102d Street, Cleveland, Ohio.

A. King and Noble, 1026 Connecticut Avenue NW., Washington, D. C.

A. J. M. DeW. (Jack) Kyle II, Post Office Box 1520, Washington, D. C.
B. Dav-Philians Social Security Organization, Inc., Supermarket Building, Rizal Avenue, Republic of the Philippines.

A. James W. Lamberton, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. Joseph J. McDonald, 1001 Connecticut Avenue NW., Washington, D. C.
B. United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa.

A. Robert P. McElroy, 801 Sheraton Building, Washington, D. C.
B. National Retail Dry Goods Association, 100 West 31st Street, New York, N. Y.

A. Jo V. Morgan, Jr., 815 15th Street NW., Washington, D. C.
B. Whiteford, Hart, Carmody & Wilson, 815 15th Street NW., Washington, D. C.

A. The National Association of Life Underwriters, 1800 H Street NW., Washington, D. C.

A. National Association of Social Workers, Inc., 1 Park Avenue, New York, N. Y., and 1346 Connecticut Avenue NW., Washington, D. C.

A. John A. O'Donnell, 2400 16th Street NW., Washington, D. C.
B. Philippine Sugar Association, 2400 16th Street NW., Washington, D. C.

A. Prefabricated Home Manufacturers' Institute, 1117 Barr Building, Washington, D. C.

A. Theron J. Rice, 1615 H Street NW., Washington, D. C.
B. Chamber of Commerce of the U. S. A., 1615 H Street NW., Washington, D. C.

A. Rice & King, Southern Building, Washington, D. C.
B. D. Gottlieb & Co., 1140 North Kostner Avenue, Chicago, Ill.

A. William Neale Roach, 1424 16th Street NW., Washington, D. C.
B. American Trucking Associations, Inc., 1424 16th Street NW., Washington, D. C.

A. Robert M. Ruddick, 738 Shoreham Building, Washington, D. C.
B. United Air Lines, 5959 South Cicero Avenue, Chicago, Ill.

A. John H. Sharon, 224 Southern Building, Washington, D. C.
B. Cleary, Gottlieb, Friendly & Ball, 224 Southern Building, Washington, D. C.

A. Leonard L. Silverstein, 1100 Bowen Building, Washington, D. C.
B. National Association of Women's and Children's Apparel Salesmen, Inc., Atlanta, Ga.

A. Marvin J. Sonosky, 1028 Connecticut Avenue NW., Washington, D. C.

A. W. W. Spear, Fremont, Nebr.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.

A. Erskine Stewart, 1028 Connecticut Avenue NW., Washington, D. C.
B. National Council on Business Mail, Inc., 105 West Monroe Street, Chicago, Ill.

A. Norman Strunk, 231 North La Salle Street, Chicago, Ill.
B. United States Savings and Loan League, 231 North La Salle Street, Chicago, Ill.

A. Joseph Monroe Sullivan, 1701 K Street NW., Washington, D. C.
B. Committee of American Steamship Lines, 1701 K Street NW., Washington, D. C.

A. Surrey, Karasik, Gould, and Efron, Woodward Building, Washington, D. C.
B. Ronson Corp., 31 Fulton Street, Newark, N. J.

A. Richard A. Tilden, 441 Lexington Avenue, New York, N. Y.
B. R. E. Schanzer, Inc., 608-612 South Peters Street, New Orleans, La.

A. Veterans of World War I of the United States of America, Inc., Post Office Box 1626, Washington, D. C.

A. White, Sorrell, and Williamson, 1028 Connecticut Avenue NW., Washington, D. C.
B. Veterans of World War I of the United States of America, Inc., Post Office Box 1626, Washington, D. C.

A. Whiteford, Hart, Carmody, and Wilson, 815 15th Street NW., Washington, D. C.

A. Warren E. Whyte, 535 North Dearborn Street, Chicago, Ill.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.

A. John J. Wilson, 815 15th Street NW., Washington, D. C.
B. Whiteford, Hart, Carmody, and Wilson, 815 15th Street NW., Washington, D. C.

EXTENSIONS OF REMARKS

Nepal Observes Seventh Anniversary of Democratic Government

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 12, 1957

Mr. POWELL. Mr. Speaker, when I came back from the Asian-African Conference at Bandung, I announced that I would address the United States Congress each time there was an anniversary of one of the 29 participating nations on friendly terms with the United States. February 18 was the seventh anniversary of National Day in Nepal and I rise to felicitate that country.

I wish to extend to the people of Nepal, His Majesty Mahendra Bir Bikram Shah Deva, and His Excellency Shanker Shamsher Jang Bahadur Rana, Ambassador of Nepal, congratulations and best wishes on this occasion.

Nepal boasts one of the world's oldest traditions of independence. However, February 18 each year is celebrated as National Day, the day on which democratic government was introduced into the country in 1950. The world will long remember the dramatic way in which the Nepalese overthrew the rule of absolutism and so freed the country from a feudal yoke. The country is passing through a difficult period of transition from an autocratic to a democratic regime. Faced with grave problems, constitutional reforms have been instituted and much effort has been expended in programs for the betterment of the people. The eyes of the world are fixed upon Nepal until the stable democracy of which it dreams is firmly established.

Nepal has risen from almost obscurity to a key strategic position in the free world. Nepal is a member of the United Nations. She is also an associate member of the Economic Commission for Asia and the Far East, an agency acting within the framework of the policies of the United Nations, designed to assist the governments of the region in their efforts to reconstruct and develop the economic structure of their countries.

The United States heartily supports the ideals of democracy everywhere. East and West meet in Nepal in a very specific way. From the United States and other sources emanate programs to help Nepal emerge out of feudalism; to strengthen its economy; encourage it to set up democratic institutions, and so ward off infiltration which threatens everywhere on the periphery of communism's empire. The hundreds of miles of the Himalayas stretching across Nepal's frontier no longer constitute an impregnable fortress. The United States realizes this fact and is trying to help Nepal bolster its defenses—economic, military, and geographic.

I salute Nepal on this momentous occasion of National Day and pray for her continued peace, prosperity, and progress as she embarks upon a new year of national life.

Scrambled Phony Vision Rears Its Ugly Head

EXTENSION OF REMARKS
OF
HON. EDMUND P. RADWAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 12, 1957

Mr. RADWAN. Mr. Speaker, a recent newspaper item datelined Washington, February 27, announced that a majority of the Senate Commerce Committee is expected to recommend a full-scale trial run of pay-as-you-see television. Experimentation with this vicious proposal sounds like a first step toward total approval by the Federal Communications Commission.

Since 1955, when the greedy promoters of pay television first reared their ugly heads, I have been strongly opposed to the substitution of pay TV for the present free TV. These promoters suggest that television stations which are now broadcasting free programs—free after you pay for your set, of course—should scramble the image on the picture tube and the sound into a sort of unassembled jig saw puzzle. Such scrambled programs could be unscrambled only when a costly gadget, attached to your set at your expense, was fed a coin, a key, or a card for which you, the viewer, would pay, either in cash or as part of your phone bill.

It is no answer that you would not have to watch these pay programs if you did not want to. Since a station cannot televise two programs at once, any station broadcasting a scrambled pay-television program would necessarily have to eliminate its free program during that time period. In other words, pay television would black out the best of free television. It would render the television owner blind, and then rent him a seeing-eye dog at so much a program, to partially restore the sight he had previously enjoyed free as a natural right.

The amusing part of it all is the excuse offered for the change. They say it is needed to improve the quality of the programs. But if current programs need improvement, the answer is not in increasing the profits by skinning the public. Sponsor support is now more than sufficient for the finest programs, with some entertainers commanding million-dollar contracts, and the sale of world-series rights running into eight figures. If there is anything wrong with TV, and most people are completely satisfied, the trouble is not lack of money. TV has already brought into the home great box office attractions, sports events, movies, current and patriotic events. Letting promoters take in as much as $8 million for a single 30-minute program will not improve the program. It will just line the pockets of the promoters.

I am reminded of one of the favorite stories of comedian Victor Borge. He tells of an uncle of his in Denmark who was a genius. The uncle invented a cure for which there was no disease. Then, he adds, his aunt caught the cure—and died.

That is exactly what pay television represents—a cure for which there is no disease. It is up to you, the viewing public, and us, your representatives, to see that you are not hurt by the cure. An aroused public is a tremendous force. When this scheme was first suggested, letters to the FCC were 16 to 3 in favor of pay TV. Since the true picture has been brought home to the public, the voting has been 9 to 1 against.

Your letters have helped to bring about this shift. Together, we can lick this thing.

United States Academy for Diplomats

EXTENSION OF REMARKS
OF
HON. FREDERICK G. PAYNE
OF MAINE
IN THE SENATE OF THE UNITED STATES
Tuesday, March 12, 1957

Mr. PAYNE. Mr. President, on behalf of my colleague, the distinguished Senator from South Dakota [Mr. MUNDT], I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "United States Academy for Diplomats," written by George Todt and published in the Valley Times of North Hollywood, Calif., of Wednesday, March 6, 1957, together with a statement by the Senator from South Dakota.

There being no objection, the article and statement were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MUNDT

A few days ago I introduced Senate Joint Resolution 65 for the purpose of establishing an academy for foreign diplomats. Many newspaper writers have commented favorably on this proposal and I have received a number of letters in support of it.

Mr. George Todt, who writes an interesting column for the Valley Times in North Hollywood, devoted his column on Wednesday, March 6, to the desirability of establishing such an academy, and I should like to have this column printed in the CONGRESSIONAL RECORD.

[From the Valley Times, North Hollywood, Calif., of March 6, 1957]

UNITED STATES ACADEMY FOR DIPLOMATS

(By George Todt)

"Strange how much you've got to know—
Before you know how little you know."
—*Anonymous.*

Wouldn't it be the course of wisdom for the American people to establish a sort of West Point or Annapolis for training of personnel in the field of foreign affairs or foreign diplomacy?

One solon who thinks we should is astute Senator KARL MUNDT, of South Dakota. He recently offered a joint resolution (Senate Joint Resolution 65) in the Senate providing for the study of the possibility and desirability of establishing a United States Foreign Service Academy. Said Senator MUNDT:

"It seems quite obvious, in view of the large amounts of money we are spending today in the field of diplomacy and in the field of so-called mutual defense, with the cold war having the temperature it constantly engenders, that it would be good economy and good judgment on our part to prepare and educate a trained corps of Foreign Service officers by sending them through the kind of institution I envisage before they go abroad to represent us in the tricky world in which we live.

"Obviously, if our diplomats make serious errors, it could result in a terrible war, the cost for one hour of which would more than pay the cost for such an academy."

This seems to me to be a wise provision, and one which certainly should have been implemented long before this day. Events of the past two decades, in which we have been driven from pillar to post on the world stage, indicate that we could do much better in the diplomatic field than has thus far been the case. Perhaps a better trained professional corps is at least part of the answer.

However, before we get our hopes trained on sights too high in this instance, let me point out a couple of obvious factors. In the first place, there have been previous attempts to get this kind of legislation enacted by Members of the House and the Senate—but their efforts have invariably come to naught.

In the second place, Senate Joint Resolution 65 doesn't provide for the establishment of such an academy for Foreign Service officers once it is passed—but only for a commission of 12 members to study the desirability of establishing such an institution. It is to report back to Congress, in its final stage of closeout, on or before January 1, 1960. Interim reports will be made between the date of passage of the bill and the final-report date mentioned. There doesn't seem to be any special hurry in this case.

Composition of the proposed Commission on the Academy of Foreign Service is designated as follows: (a) Four appointed by the President of the United States, 2 of these from the executive branch of the Government and 2 from private life; (b) 4 appointed by the President of the Senate, 2 of these from the Senate, and 2 from private life; and (c) 4 appointed by the Speaker of the House of Representatives, 2 of these from the House and 2 from private life—a total of 12.

This seems like a good move, but why no sense of urgency here? There's a job which really needs to be done in this case, so why not get on with it? In these troubled times—in which we have had the major portion of the non-Communist world's global burden shifted on us—is there any excuse for fiddling while Rome burns?

A Contribution to International Friendship

EXTENSION OF REMARKS
OF
HON. THEODORE FRANCIS GREEN
OF RHODE ISLAND
IN THE SENATE OF THE UNITED STATES
Tuesday, March 12, 1957

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered on Saturday, March 2, at the ninth annual Bucknell-Burma weekend at Bucknell University at Lewisburg, Pa. This address is entitled "A Contribution to International Friendship," and I believe it will be of interest to the Members of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A CONTRIBUTION TO INTERNATIONAL FRIENDSHIP

(Address by United States Senator THEODORE FRANCIS GREEN at the Ninth Annual Bucknell-Burma Weekend, Bucknell University, Lewisburg, Pa., Saturday, March 2, 1957)

These weekend proceedings in which you have so kindly asked me to participate are, I believe, unique in American education. The concept of a regular reunion of former classmates is, of course, a well established tradition in the United States. On the other hand, an annual program designed to bring together students from a particular foreign country with which an American college has a special attachment is imaginative, indeed.

The more one reflects upon it the more one wonders why other educational institutions in our country have not appropriated the idea for themselves. Associations with the people of a foreign country such as the one which you have developed here at Bucknell with the people of Burma, are of a most satisfying and mutually rewarding nature. The personal friendships and impressions which are fostered thereby endure beyond the limited period of residence abroad, and necessarily affect the attitudes of the student when he reluctantly must take leave of his temporary home and his new friends.

I am particularly glad that Burma is an example of this, for I have visited Burma several times, both town and country, and I have very dear friends among its people. It has an especial place in my interest and in my affection.

You have built this association on a most impressive basis. Surely the fact that it has already endured for almost 100 years is ample evidence of its solidity. That the first foreign student at Bucknell—Mong Shawloo, of the class of 1864—was a great grandson of the King of Myawaddy, may explain why Bucknell's interest was drawn to Burma at the beginning. As you know, America's spiritual affiliation with Burma was initiated several decades earlier by Adoniram Judson, one of the first, if not the greatest, of the missionaries ever sent abroad from the United States. It was this devout and dedicated man who translated the Bible into Burmese, and for whom Judson College was named.

However, all these earlier contacts do not and cannot explain why this interest has been maintained for almost a century, or how it has grown into the warm and loyal bonds of fellowship which are so manifest on the annual weekends such as this.

No. It was not just the fortuitous appearance at Bucknell of the first of a widening body of students from Burma. There have been many other factors feeding this stream of sympathetic understanding and good will, which are among mankind's most precious—and sometimes scarcest—commodities.

During the hundred years of your academic kinship with the so-called "Golden Peninsula," sons and daughters of Bucknell went to Burma as teachers, missionaries, doctors, and Government representatives. Then, too, scholarships given by Bucknell's alumni to students at Rangoon, furthered an already warm relationship.

Yet the association between Bucknell and Burma should not be regarded as an isolated illustration of the way in which a harmonious fellowship can be developed between student groups in different countries. Similar associations have existed between Harvard and Leyden, between the University of Chicago and Frankfurt, as well as between the University of Michigan and the Philippine Islands. The relationship between the latter two became so close and so well known that

it seemed quite natural for a Michigan man, Frank Murphy, to become Governor General of the Philippines before the United States voluntarily granted the islands their independence. This relationship has done much to spread good will among our two peoples.

Burma's high literacy rate undoubtedly encourages an effective interchange of students and teachers, and facilitates awareness and understanding of the mainsprings of American policy. But this is always a two-way street; the presence in the United States of Burmese students should help us to understand some of the problems which Burma faces, and its passionate devotion to the cause she has been pursuing in her national interest.

Prejudices and misplaced conceptions of another nation do not survive long in the warmth of the welcome which the student from abroad ordinarily receives. And when he returns to his homeland, he takes with him memories of his college or university experience which he shares with others. In this same way, the American student for whom Burma may have meant theretofore an unreachable, exotic region of curious conventions, acquires an understanding and a sympathetic appreciation of the age-old culture and ineffable charm of the Burmese people.

This kind of contact between two peoples in our educational life is invariably favorable. And, as I have already said, its benefits are not merely those of a personal relationship between a few students. When a Burmese student at Bucknell, or a Bucknellian at Rangoon, returns home, one can never measure with accuracy the pervasive extent of the impact which is produced upon the social milieu in which he lives.

Its effects may be far reaching in space and in time. We may not see this until years afterwards, perhaps during a period of crisis, when either the existence or lack of mutual understanding between governments may spell the success or failure of a policy. It is to be expected that many of those who return to Burma from the United States will eventually hold responsible positions in their Government or in their educational institutions, where their knowledge and understanding of the United States and of the American people will be of great use to them.

This is not a mere bit of philosophising or conjecture on my part. After the First World War, from a group of Belgian students who had studied in the United States there came forth a Prime Minister and six Cabinet members. At the outbreak of the Second World War, nearly 25 percent of the teaching and research faculty of Belgian universities had been graduate students in the United States. It is not just the academic knowledge gained abroad by a student which thereafter serves him and his country. Of greater worth are the spiritual ties of brotherhood, mutual respect and understanding which can only come through people-to-people contact.

I have found this to be true of activities of our Government abroad under the mutual security program—particularly in such fields as that of technical cooperation, which it has been my privilege to study at firsthand. Almost without exception there arises between American technical personnel and the people with whom they work, a depth of understanding, respect, and affection which endures.

Possibly those of you who are commemorating this ninth annual Bucknell-Burma weekend may not think of your educational experience in the broad framework of international intercourse. But rest assured it makes a significant contribution to the harmonious relations between our two nations. It is a basic policy of the United States to support other nations of the free world in their desire to remain independent. We are not being altruistic in pursuing such a policy, because it is in our own highest interests to do so. Students from those countries who reside here cannot fail to become aware of this. They cannot fail to appreciate that we have no ulterior political motives toward their homelands. And that educational and commercial intercourse between our peoples do not mask a subversive purpose.

Unfortunately, there are other governments in the world whose interest is not merely that of a mutually beneficial interchange of ideas and improved international understanding. For these governments, education, technical aid, and trade relations are implements designed to facilitate economic and political domination of another country.

The barter agreements which various countries, including Burma, have concluded with the Soviet Union, are an example of how this device works. One of the major difficulties facing the Government of Burma has been the disposal of its rice surplus. Regrettably, the United States is a competitor of Burma in exporting rice. The natural outlet for Burmese rice is in Asia. And so, when the Soviets offered to buy 400,000 tons of rice annually from Burma over a 4-year period, it is easy to understand why such an offer was accepted.

Yet this agreement, like other commercial agreements with the Soviet Union, had much more than an economic implication. The Soviets do not pay in foreign exchange for the rice, so as to enable Burma to purchase its needs from other countries. Instead, Burma has received Soviet equipment, Soviet capital goods, Soviet machinery, and along with all this, Soviet technicians and replacement parts which, of course, have to come from the Soviet Union. The ultimate consequence of such an agreement would be increasing economic dependence. And this economic dependence inevitably erodes a nation's political independence.

It has not taken Burma's leaders long to recognize some of the hazards implicit in Soviet barter arrangements. The former Prime Minister of Burma is reported to have said that anyone who agrees to barter "when he can get cash is out of his mind." There has been much dissatisfaction in Burma with the results of its agreements with the Soviet Union, both as to price and quality of the goods.

Much resentment has likewise been provoked by the Communist Chinese practice of buying rice from Burma at fictitious prices, and then selling it to Burma's own customers, including Ceylon, Pakistan, and even Japan. This, of course, has the effect of enmeshing the free countries in the Communist economic web, while at the same time reducing the amount of rice which the free countries can market.

To recognize such hazards is the first step in resolving them. The Burmese Government is fully cognizant of their extent. For my part, I am confident that it will eventually find the solution to them.

The cultural heritage of the peoples of our two countries may be dissimilar; but in a number of important respects they are very much alike; they both possess the eternal qualities of self-reliance and resourcefulness. In both America and Burma, character, courage and self-reliance rank with national and individual honor. And the Burmese possess all of these qualities in abundance. Only a people of stern fiber could have overcome the discouraging obstacles which Burma faced after the Second World War.

Like a number of other countries, Burma had suffered enormous destruction. Her transportation system, industry, and economy were virtually shattered. The Government faced a succession of crises with disorders and insurrections in every region of the country, often fomented by the Communists. The Government of Burma met this challenge. It gradually restored law and order. Its progress since those early terrible days is a heartening and inspiring saga of determination, of courageous leadership, and of hard work.

I rejoice with you that Burma is again on its feet. Its people can feel justly proud of their achievement. It is true that during the critical period of 1951–53, the United States provided the limited sum of $20 million in aid. But since 1953 the Burmese Government has been on its own.

I do not mean to suggest that Burma's problems are over. Very serious problems still remain. Fortunately, however, in the vital matter of subsistence, the Burmese are able to feed themselves. The country is not one which, like some others I have visited, has such limited resources that outside aid is necessary to keep its people from starving. Burma has, in addition, considerable natural resources which are not developed, potential sources of power, and excellent prospects for further growth of its industries.

But Burma has other problems. It has needs on which some of its neighbors seek to capitalize, both in an economic and a political way. The Burmese Government is very conscious of all this. With admirable resolve it has tried to meet the country's special economic needs without endangering its national existence as a free people.

We in the United States have a vital interest in supporting the efforts of other nations to remain free and independent. It is our hope that through understanding of our motives, we can succeed in convincing those nations whose basic interests are identical with ours, that we have no concealed designs; that we do not wish to subvert their institutions or dominate their governments; and that the cultivation of international understanding and fellowship, such as you are undertaking here at Bucknell, will with patience and tolerance usher in an era of permanent peace, for the greater glory of mankind.

Juvenile Delinquency Among American Indians

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 12, 1957

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which deals with the problem of juvenile delinquency among the American Indians, and which pays particular tribute to our friend and colleague, the senior Senator from North Dakota [Mr. LANGER].

Among his other great works, Senator LANGER has labored long and hard in an attempt to alleviate the problems of juvenile delinquency, not only in his own part of the country, but throughout the length and breadth of the land.

I am certain that all of my distinguished friends in the Senate join me in wishing Senator LANGER a speedy recovery from the illness which has incapacitated him for a number of weeks. We all hope that he will be back with us very, very soon—not just to help us wrestle with the problems of juvenile

delinquency, but the myriad other problems with which he has had such wide experience.

Come back soon, Bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON JEWEL BEARING PLANT AT ROLLA, N. DAK.

The other day the Secretary of Defense advised Senator WILLIAM LANGER that the jewel bearing plant at Rolla, N. Dak., which had been scheduled to close on December 31, 1956, will continue in operation. What is so significant about this statement is that a pilot project to bring employment and improve the economy of the Indian people will continue in operation.

The United States Senate Juvenile Delinquency Subcommittee of which I am chairman, in 1954, with Senator LANGER as acting chairman, conducted a series of hearings in the State of North Dakota to determine the relationship of the plight of the American Indian and its effect on the Indian youth on various Indian reservations. During the course of those hearings, Indian leaders and the Indians themselves urged the subcommittee to do everything in its power to bring industry in or near Indian reservations to provide employment for the Indian people and thereby improve their economy.

Through the efforts of Senator LANGER, Senator YOUNG, the North Dakota Congressmen BURDICK and KRUEGER, and State officials in the State of North Dakota, the jewel bearing plant at Rolla, N. Dak., was instituted. This plant hires exclusively Indian labor. The success of this plant was brought to the attention of the United States Senate by Senator LANGER and the Juvenile Delinquency Subcommittee, and with the aid of the Commissioner of the Bureau of Indian Affairs, a program was inaugurated to induce industry to go to other Indian reservations throughout the United States. To date there are plants at Gallup and Zuni, N. Mex.; Flagstaff and Casa Grande, Ariz.; Cherokee, N. C.; and Lamb Deer, Mont. These plants hire Indians exclusively. There are plans for a greater number of such industries to be brought to or near Indian reservations.

However, with the announcement of the closing of the Rolla jewel bearing plant, Indian leaders and public officials dealing with Indian affairs became greatly alarmed since the closure would seriously affect the existing plants above mentioned and also affect the plans for future installations of industry near Indian reservations.

Senator LANGER, acting in a dual capacity of Senator from North Dakota and as a member of the Juvenile Delinquency Subcommittee, which had done so much to aid the program of bringing industry to or near Indian reservations, immediately took up the matter with the Secretary of Defense, Charles E. Wilson, and with Mr. Arthur Flemming, Director of the Office of Defense Mobilization. He called together a meeting at his office with Senators from 11 States who joined with him in sending a letter to Secretary of Defense Wilson pointing out the reasons why the jewel bearing plant in Rolla should continue in operation. Attached to this statement is a memorandum of the meeting held in Senator LANGER's office pointing out some of the reasons why the Rolla plant should remain open and the reason for industry being urged for areas near Indian reservations.

In concluding my statement, I want to take this opportunity of expressing the Juvenile Delinquency Subcommittee's thanks to Senator LANGER for the zeal which he has always shown in problems affecting the American Indian both as a Senator from the State of North Dakota and as a member of the Juvenile Delinquency Subcommittee which has held hearings throughout the United States on problems affecting the American Indian and its relationship to their youth. I believe that the decision of the Defense Department to keep the Rolla jewel bearing plant open is of great significance and I am happy for the role that the Senate Juvenile Delinquency Subcommittee played.

MEMORANDUM ON MEETING HELD IN OFFICE OF SENATOR LANGER ON JANUARY 7, 1957, PERTAINING TO INDUSTRIES ON INDIAN RESERVATIONS

At a meeting called jointly by Senator LANGER and Senator YOUNG, of North Dakota, on January 7, 1957, in Senator LANGER's office, Senators and their representatives from 10 States met with representatives of the Department of Defense, Office of Defense Mobilization, Department of Interior, Department of Commerce, and two Senate subcommittees; there were two primary subjects of discussion: (1) A plan to bring more industrial plants to or near the various Indian reservations in the United States, and (2) to inquire into the feasibility of continuing operation of the Turtle Mountain ordnance plant at Rolla, N. Dak., which hires almost exclusively Indian skilled labor in the production of jewel bearings for defense and other purposes.

The following Senators appeared in person: Senator CHAVEZ, of New Mexico, Senator CHURCH, of Idaho; Senator ANDERSON of New Mexico; Senator MUNDT, of South Dakota; Senator MORSE, of Oregon; Senator O'MAHONEY, of Wyoming; Senator YOUNG and Senator LANGER, of North Dakota. Representatives of Senators attending the meeting were as follows: Charles E. Munson, of Senator BARRETT's office; Vic Reinemer, of Senator MURRAY's office; Herb Kirstein, of Senator WILEY's office; Roy Dockstader, of Senator MANSFIELD's office; Wilson Hefner, of Senator WILEY's office; Earl Reynolds, of Senator DWORSHAK's office; Ken Gunthner, of Senator CASE's office; W. E. O'Brien, of Senator MUNDT's office; William Connell, of Senator HUMPHREY's office; Arthur Juhnke, of Senator CASE's office; Sterling Munro, of Senator JACKSON's office; and John A. Carver, of Senator CHURCH's office. Those representing Government agencies were: Victor Cooley, of the Office of Defense Mobilization; Carl Beck, of the Bureau of Indian Affairs; William Zimmerman, of the Association of American Indian Affairs; and T. R. Baldwin, of the Office of Defense Mobilization. Those representing Senate subcommittees were Peter N. Chumbris, of the Juvenile Delinquency Subcommittee, and James Gamble, of the Senate Interior Committee. Robert Danielson represented the Bulova Watch Co.

After fully discussing both of the above issues for nearly 3 hours, in summary these points were reached: (1) That the Indian people have proven themselves as capable, industrious and have an excellent record of average daily attendance on the job. It was pointed out that at the Rolla jewel bearing plant in North Dakota the turnover of employees was only 3 percent whereas in a similar plant in Massachusetts of non-Indian labor, the turnover of employees was 100 percent. (2) That the Indian people contrary to some public belief have adapted themselves to a special type of skilled labor. (3) That there are now industrial plants that have been established on or near Indian reservations in Rolla, N. Dak., Gallup, N. Mex., Flagstaff, Ariz., Cherokee, N. C., Lamb Deer, Mont., Casa Grande, Ariz., and Zuni, N. Mex. There are also under consideration plants in Oklahoma, Wyoming, and in the area in close proximity on the borders of Washington, Oregon and Idaho on the McNary site. (4) That it was pointed out many Indian reservations have the facilities for industrial power availability of water including use of power, transportation, available sites for expansion, and a stable source of labor supply. (5) That the Indian leaders on all Indian reservations have expressed the desire for industrial plants to be brought in or near the Indian reservation to stabilize the economy of the Indian people. It not only will provide salaries for workers, but will aid other factors in the stabilizing of economy of these communities. At the same time it will permit Indians to obtain jobs near their reservations and near their families and cultures, rather than force them to go to large cities away from their families and traditions. This is especially significant since the relocation program cannot possibly absorb enough Indians to stabilize the economy of the Indian people living on the Indian reservations. (6) That the Indian people through their leaders have expressed the desire that they want to provide for themselves and their children by obtaining stable and gainful employment so that they may become a self-sustaining people and not depend, any more than necessary, on the services accorded by the Federal and State Governments. Not only will they be more self-sustaining economically, but it will further establish in them the strong family and community pride that has always been a part of the Indian people. (7) That the Commissioner of the Bureau of Indian Affairs has personally met with the leaders of the Indian tribes throughout the country. (8) That the Senate Juvenile Delinquency Subcommittee has held hearings on or near Indian reservations in all parts of the country and that the Senate Subcommittee on Indian Affairs has likewise conducted investigations on problems regarding the Indian people and that through the representatives at this meeting each expressed views which coincide with the views expressed at this meeting. As a result of the above, Senator LANGER announced that he is submitting a bill for $200 million which has as its primary purpose the aiding of the Indians and the Indian tribes in establishing industries on or near Indian reservations. This bill will be submitted to the Senators from the various States which have Indian reservations.

Summarizing the views on the reason for continuing the Rolla plant, other than those expressed above, it was pointed out: (1) That there are over 50 million jewel bearings needed to accommodate our defense needs in this country. (2) That we only have approximately 3,600,000 jewel bearings in storage at this time. (3) That the Rolla plant is the only available source of jewel bearings from plants in this country. (4) That Russia produces over 200 million jewel bearings each year and they are not dependent upon outside sources for jewel bearings. (5) That Switzerland which is and has been a source of supply of jewel bearings to the United States, in the event of war, may be stopped in some fashion by Russia from either the production or the distribution of jewel bearings for the use of the United States. (6) That without question jewel bearings are an essential ingredient of almost all phases of our defense activities whether it be in the form of missiles, equipment, or transportation facilities. (7) That the differential in cost and quantity of production has reached the point where it is feasible for us to continue production at Rolla.

A motion was made and unanimously passed in which the Senators who attended the conference would write to the Secretary of Defense and to the Director of the Office of Defense Mobilization urging that the Rolla plant continue in operation as originally proposed. The conferees also agreed to exert all possible action to bring industry in or near the Indian reservations.

Prosperity for America

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, March 12, 1957

Mr. WILEY. Mr. President, last Sunday evening it was my pleasure to deliver by transcription, over station WGN, Chicago, an address on what I feel to be a three-point program designed to maintain confidence in America's free enterprise system.

In the course of my remarks, I set forth specific ways and means by which I feel this country can continue to achieve still higher levels of prosperity.

I ask unanimous consent that the text of this address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS NO. 1 KEY TO UNITED STATES PROSPERITY IS MAINTAINING CONFIDENCE—PRESENTS PROGRAM FOR NATIONAL MONETARY COMMISSION, TAX STUDY COMMISSION, CORRUPTION ELIMINATION—STRESSES SOUND RISK, CAPITAL EXPANSION AS KEY TO GOLDEN TOMORROW

(Radio address delivered by Senator ALEXANDER WILEY, Republican, Wisconsin, over station WGN, Chicago, Ill., on the Your Senator's Report series, March 10, 1957)

I would like to talk to you tonight, my friends, about prosperity for America. I mean prosperity for all 170 million of us, for the laboring man and the farmer, for the housewife and the businessman, for the student in school, and for the retired old folks.

During the next quarter hour, I would like to discuss some of the ways and means by which we can help assure continued prosperity for America. I am going to answer a series of questions about our country's bright future. In turn, I would like my listeners to write in to me after you have heard this broadcast. Give me the benefit of your own judgment on the answer to this question, the $64,000 question: How can we keep our beloved America prosperous?

1960 OUTLOOK BRIGHT

Senator WILEY, what do you feel is the basic outlook for prosperity?

My answer is: The outlook is excellent. I mean both the short-range outlook and the long-range outlook.

For example, what the economists call our gross national product—the total output of our goods and services—is a huge $412 billion a year now.

By the end of this decade, by 1960, that total should increase by $60 billion more.

By 1960, too, we are going to have around 11 million more people in our country.

We are going to have around 2 million more people employed—over and above our present 65 million workers.

And estimates on other future trends are likewise encouraging.

SOFT SPOTS IN HOME CONSTRUCTION, FARM INCOME

Question. How about the few clouds on the economic horizon?

Answer. Well, we do know realistically that there are some soft spots in our economy.

Those soft spots reflected in recent declines in average levels on the Nation's securities exchanges.

Then, too, when we look, for example, at home construction (which is expected to reach around 1 million units this year), we see a very real soft spot. When we look at the problems of our 5½ million farm families, we also see a major problem—the serious drop in farm income.

But I'm satisfied that we're going to remedy these serious, but isolated soft spots.

RAISING STANDARDS OF LIVING FORMERLY

Question. And if we do remedy them, Senator, what then?

Answer. Well, then, we are truly going to enjoy a golden tomorrow—prosperity greater than any we have ever before known, even in this best boom time.

And I mean sound prosperity, lasting prosperity, universal prosperity.

Without wearing rose-colored glasses, we can well foresee more jobs, more income, more take-home pay, more so-called fringe benefits, more dividends, more capital gains, more leisure time than we have ever before known.

All this means more automobiles on the roads, more radio and TV sets, more refrigerators, washing machines, vacuum cleaners in the homes.

It means more money available to be invested in our banks, in our life insurance policies, in our savings and loan associations, in stocks and bonds, in American corporations.

HARD WORK ESSENTIAL

Question. But all this will take work?

Answer. Absolutely. All this isn't going to happen automatically or by mere wishes.

It is going to come about through hard work, through rising productivity in American industry.

It must come about through self-sacrifice, self-discipline in America—a willingness to work and to save and to invest soundly.

CONFIDENCE OUR FOREMOST NEED

Question. Senator, if you were asked the single most important step to assure this American prosperity, what might your answer be?

Answer. I can sum up that answer in one word: Confidence.

The future prosperity of America depends basically upon the confidence of the people of America.

Confidence in what? In whom?

Confidence by Americans in America itself. Confidence in their Government—Federal, State, and local.

Confidence in the value of the dollar.

Confidence in the prospects for world peace (a matter in which I personally am naturally especially interested, as senior Republican on the Senate Foreign Relations Committee).

Yes, I mean confidence in the growing, expanding market for our goods and services.

CONFIDENCE IN SOUND, PRUDENT, ECONOMICAL GOVERNMENT

Question. What do you mean by confidence in Government?

Answer. I mean that our people must have faith—well-merited faith that government is going to act wisely—that it will strengthen our free enterprise system and leave it free of any unnecessary restrictions; that it will keep its own financial house in order, economize in spending wherever possible; that it will keep the traffic light green—not red—to advance, rather than halt, the dynamic expansion of America.

Question. How, specifically, can we expand our American economy?

NEW JOBS NEEDED FOR 400,000 NEW WORKERS EACH YEAR

Answer. Well, take the matter of our expanding population—our growing labor force.

You all know that more than 4 million babies are being born every year in America.

But what you may not realize is that aside from this boom in the baby rate, we have a tremendous number of new workers, age 17, 18, and older, coming out of schools every year. Each year, more than 400,000 new workers join America's labor force. There must be jobs for these workers. And there must be new-type jobs for many of our existing 65 million workers.

RISING INVESTMENT FOR EACH NEW JOB

Question. What does it take, Senator WILEY, to create new jobs?

Answer. Well, it takes very sizable investments.

It has been estimated that it takes $12,500 to create a single new job on the average.

That means that it requires that much of an investment in plant and equipment, in lands and natural resources and working capital, $12,500 on the average; to start a brand new job with new equipment costs still more.

In other words, for the 400,000 new workers alone every year, for them, we need around $5 billion a year, just for new equipment.

In addition, we need more investment to replace obsolete machinery and plants, so as to keep our productivity moving ahead. That will mean, in turn, a higher living standard. So, for more productivity, we need around $10 billion per year.

Moreover, believe it or not, we need still additional sums, simply to maintain existing plants and equipment, to keep them in working order, without adding to them or improving them, just maintaining them.

And that means around $25 billion more a year.

Now, all of these huge multi-billion dollar estimates may be pretty hard to understand. But what they boil down to is this: Our country needs, perhaps, around $40 billion per year in new capital to keep our economy in high gear and at an expanding rate.

RISK CAPITAL MUST COME FROM PEOPLE'S SAVINGS

Question. Where is all that capital coming from?

Answer. Well, it must come basically from you, the American people, from your own savings, from your own willingness to provide money to American industry to expand.

The American people must be willing to give to industry the money basically for what is known as risk capital. That is capital which is willing to take chances in developing new products and services. Capital devoted, for example, to research and experimentation, and trying out new types of ventures.

And, of course, this risk capital won't be forthcoming until and unless the American people are confident in their own future. That is why confidence plays so crucial a role.

WE DARE NOT DRY UP RISK CAPITAL

Question. What happens if confidence drops and if fear takes over?

Answer. That would indeed spell trouble. If risk capital were ever partly to dry up, if industry couldn't confidently expand with new equipment, new plants, there would be fewer jobs, less purchasing power, a shrinking market.

That must not happen; it will not happen.

Question. In the light of all of these facts, Senator, what can we do specifically to keep up confidence in America?

AVOID TWIN EVILS OF INFLATION, DEFLATION

Answer. Let me suggest this three-point program:

First, we must maintain confidence in the American dollar. By and large, we have succeeded in doing this. But we must remain vigilant in keeping to this objective.

In order to maintain confidence in the dollar, we have to avoid the twin evils of inflation (at one end of the pole), or deflation (at the other end of the pole.)

Inflation robs value from every dollar in your savings bank, in your life insurance policy, and in your annuity and in your pension.

Deflation, on the other hand, can drag our economy down, decrease the number of jobs, lower purchasing power, and put the economy in low gear.

APPROVE MONETARY COMMISSION STUDY

One of the ways by which we can maintain the value of the dollar is by taking a whole new look at America's prosperous but complex financial structure.

That is why I urge the Congress to approve President Eisenhower's splendid suggestion of a top-level commission to study America's whole monetary and credit system. That means our powerful Federal Reserve System—which, on the whole, has been functioning quite well—as well as reviewing our whole money structure.

Virtually everyone is agreed that this long overdue study should be made. The only remaining question is: Who should review our vital financial system—the Congress or a distinguished panel of private citizens, or both?

ENACT WILEY BILL FOR HOOVER-STYLE FEDERAL TAX COMMISSION

Question. What is the second step in your confidence-creating program for America, Senator?

Answer. The second step is to reform taxes. I mean make our tax system—which is now unfortunately an obsolete hodge-podge—make it a well-coordinated aid to free enterprise, instead of a drag on free enterprise. That is why I have introduced the Wiley bill to establish a Hoover-style Federal Tax Commission. Fourteen Senators are cosponsoring this Wiley bill.

The reasons we are making this suggestion are (1) to assure adequate tax revenue to Uncle Sam, while (2) assuring adequate incentive for expansion of America.

REVIEW DOUBLE TAXATION OF CORPORATE DIVIDENDS

Let's take a brandnew look at our overall taxes—our present double taxation on corporate dividends, our taxes on capital gains, our excise taxes, and income taxes and surtaxes and every other kind of taxes.

Question. You believe that a commission-type approach is the best way of straightening out our tax system and creating incentive for investment and expansion?

Answer. Definitely; yes.

A commission is, of course, no cure-all. It can be no better than the men who are on the commission and the men who review the commission's recommendations. And I certainly don't believe in establishing a commission, simply in order to delay action. The commission approach, as such, can be overdone.

At the same time, significant top-level commissions such as the one to study America's monetary structure and another to study our tax structure—such commissions can render invaluable service to America.

CLEAN OUT CHISELERS, RACKETEERS

Question. What is a third step in your confidence-creating program?

Answer. A third step is to clean up the whole variety of negative, destructive influences which have wormed into some parts of the American free-enterprise system.

I refer, for example, to parasites like the occasional stock chiselers, the swindlers, the racketeers who bamboozle some of the American people into buying hundreds of millions of dollars of worthless securities. This very small minority of chiselers often gives American stocks a bad name—which stocks as a whole don't deserve.

TEAMSTER INVESTIGATION EXPOSES CRIME TAKE

Question. What would be another illustration of the negative forces at work in some areas of free enterprise?

Answer. Well, you are all familiar with the current Senate investigation of racketeering infiltration in labor unions. This investigation is providing a shocking exposé of some of these negative influences at work among the teamsters and elsewhere.

I say that no industry can possibly operate soundly with gangsters and racketeers and hoodlums at its throat. It has been estimated that crime and gambling cost America as much as $20 billion per year. This is money being used nonproductively. It represents a staggering social waste. The American people are paying a tremendous amount of money wasted—costs added artificially to goods and services—because racketeers are syphoning off huge sums from the top and from the bottom.

SUMMARY

Question. Senator WILEY, remedying this crime evil represents then, the third point in your confidence-creating program for the American people.

You had earlier stressed the importance of maintaining the value of the American dollar, of avoiding the twin dangers of inflation and deflation.

You mentioned the importance of a new look at our Nation's financial structure, and have cited the need for improvements in America's tax system.

And you have emphasized that we must utilize our national energies and resources cleanly and constructively, instead of allowing criminal forces to drain away billions of dollars from our free enterprise system.

Answer. That about sums it up. I have enjoyed this opportunity of chatting with you tonight. And I appreciate the courtesy of station WGN in making this period available.

I would like most cordially to invite the reactions of my listeners to this program.

Thank you for your attention. I look forward to speaking to you again in the future.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 13, 1957

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal and ever-blessed God, at the beginning of this new day, we are again coming unto Thee in the fellowship of praise and petition, beseeching Thee to give us a vivid and victorious sense of Thyself as our companion and counselor.

May we be more eager to hear and heed Thy voice and the demands of Thy holy will which we know, in our inmost heart, are benign and beneficent.

Teach us to trust Thee always and everywhere; in our times of conflict and confusion, of trial and tribulation, and in our days of weakness and weariness when life seems so drab and meaningless.

Grant that we may be in the vanguard of those who are dedicating and devoting their lives to the ministry of goodness and truth, of righteousness and peace.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1423. An act to authorize furniture and furnishings for the additional office building for the United States Senate;

S. 1429. An act authorizing the enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the existing Senate Office Building, to provide improved accommodations for the United States Senate; and

S. 1430. An act increasing the limit of cost fixed for construction and equipment of an additional office building for the United States Senate.

NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, while we in the United States continue to permit and allow hypocrisy to blind us from the obvious, our foreign friends around the world are enjoying increased prosperity from millions of American dollars pouring into their government coffers.

A recent news item from London reports that England, the latest country to join the lottery bandwagon, is experiencing a boom. The New York Daily News, a strong advocate for a national lottery, headlined this item: "Cash Pours Into Britain's Lottery." The information from London is that in the first 4 months of operation, the British Treasury has taken in $175 million from only 2¼ million participants.

Yet, notwithstanding these impressive facts and figures, we continue to close our eyes to a tremendous source of revenue that is waiting to be tapped in the United States. In spite of the fact that over 57 percent of our adult population is ready, willing, and anxious to participate in a Federal lottery, we persist in ignoring the wishes of a majority of the American people.

In the 5 years that I have sponsored a bill and fought for a national lottery, the mail has been overwhelmingly in support of this type of legislation. In all of the letters that I have received the taxpayers urge my lottery bill as the only avenue left for a tax cut. This conclusion becomes more and more apparent when we witness continuous budget increases and dimmer hopes for tax relief.

I again urge the Members of this House to show enough courage to make this tax-relief dream a reality. A majority of the American taxpayers want it and it is the duty and responsibility of this Congress to enact it.

The adoption of my bill, H. R. 3520, would establish a national lottery which will not only provide a legal outlet for our American gambling spirit but would also enrich our Government Treasury by $10 billion which would provide a much needed and deserved tax cut for the hard-pressed taxpayer.

How long must the overburdened taxpayer wait before we display the intestinal fortitude to banish hypocrisy?

CONTROL BY CONGRESS OVER FEDERAL BUDGET

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, I have today introduced a bill in the House of Representatives to provide for more effective control by Congress over the budget of the Federal Government.

The Constitution places on the Congress the responsibility for appropriating the funds of the Federal Government. Prior to World War I, Government operation was relatively simple and the amount of money involved in the Federal budget was relatively small. Congress, under these circumstances, could exercise effective control over the Federal budget. The expansion of Government activity during World War I, and the period following, during the depression years of the thirties, and again during World War II, and in the postwar period has created a serious problem concerning congressional control over the Federal expenditures.

Under the procedure which is followed by the Federal Government today, a budget is first prepared by each of the agencies of the executive departments of the Government. These departmental or agency budgets are then consolidated in the comprehensive budget by the Bureau of the Budget. The Bureau of the Budget is a part of the executive branch of the Government. The Bureau itself has well over 450 employees who work in preparing the budget. Following the preparation and the approval of the budget by the Bureau, officials of the Bureau of the Budget and the various executive agencies which are affected appear before the Appropriations Committees in order to testify in support of the budget requests.

Under this procedure, no adverse or critical governmental witnesses are called. Adverse testimony may be offered by nongovernmental personnel or organizations or by Members of Congress who may have some special information regarding the operation of the specific agencies. The principal responsibility for examining the recommendations of the Bureau of the Budget rests on the Appropriations Committees of the House and of the Senate.

The House committee is assisted by a staff of approximately 21 people, 4 of whom are clerical or stenographic personnel. This means, in effect, that as far as the House of Representatives is concerned, a thorough analysis of the budget must be accomplished by a staff of about 17 experts, plus the members of the Appropriations Committee. The Senate Appropriations Committee functions with a staff of about 24 people, about half of whom are stenographic or clerical personnel. Obviously, it is impossible for the Appropriations Committees, with their limited staffs, to examine thoroughly the requests of the Bureau of the Budget.

In recent years, widespread attention has been given to this problem, and various reorganizational plans intended to solve the problem have been proposed. The major accomplishment, insofar as Congress was concerned, was the passage of the Legislative Reorganization Act of 1946. Despite the excellent provisions of this act, it has not provided adequate control over the appropriation of Federal funds.

The Legislative Reorganization Act of 1946 authorized the chairmen of the House and Senate Appropriations Committees to pool their staffs and to set up a kind of Joint Committee on Appropriations so that duplication of work between the House and the Senate could be avoided.

The two committees have never exercised this authority. Cooperation between the two staffs would raise innumerable questions. For example, how would the budget be divided between the two staffs? Even though this type of cooperation could be worked out, it is doubtful that it would be more than halfway effective. The Joint Staff would still not have enough personnel to handle the job adequately. They would still be in the position of having to wait until the final preparation of the budget and its presentation to Congress before their analysis could begin. Even if duplication and overlapping were eliminated, a staff of 50 people would still be wholly inadequate to carry out a thorough analysis of the budget and make the necessary report to the Appropriations Committees.

The bill which I have introduced authorizes the Comptroller General, as head of the General Accounting Office, at the request of the chairman of either the House or Senate Appropriations Committee, to analyze the budget requests submitted by the Federal departments and agencies and by the Bureau of the Budget, as well as the justifications submitted in support thereof, and to report to the Appropriations Committees the results of its findings. The Comptroller General would be required to provide such reports—either orally or in writing as requested—on those items in which the Appropriations Committees are particularly interested.

There are a number of reasons for placing this power and responsibility in the hands of the Comptroller General. First, the office of the Comptroller General, with the General Accounting Office, is not an agency in the executive branch of the Government, but rather is the instrument of the Congress itself. As the Comptroller General wrote on January 8, 1953, its function is "to advise and assist the Congress and the departments and agencies on matters relating to public expenditures." Second, the General Accounting Office either has, or can secure, adequate personnel. At the present time it employs approximately 5,400 people. Third, the General Accounting Office is prepared, both in terms of staff, training, and experience to carry on this important work. The General Accounting Office, as a matter of fact, already performs functions which are similar in nature to that which would be required under the terms of the bill which I have introduced. The General Accounting Office now conducts studies of the expenditure of funds for the purpose of determining and reporting to Congress whether or not the funds are expended by the various agencies in conformity with the provisions of law and in an efficient and economical manner. These post-expenditure audits by the General Accounting Office have been most helpful to Congress. The effect of my bill is, in a sense, to authorize the General Accounting Office to make what might be called preexpenditure audits of the Federal budget, and on the basis of this examination of the budget to make recommendations to the Congress regarding the proposed appropriations.

It is my opinion that under ordinary conditions a preaudit such as I propose is clearly desirable. Under the extraordinary conditions accompanying the presentation of President Eisenhower's 1958 budget, such a preaudit is vitally necessary.

This budget, the highest peacetime budget in the history of the country, is the administration's budget. Yet it is scarcely supported by the administration. Not only do various members of the administration differ in their support of it, but the same members, on different days, take contradictory positions. The Secretary of the Treasury and the President are both for the budget and against it. They are hopeful that Congress will cut it, yet it contains the expenditures which the administration requested.

In the face of this failure of the administration to accept and carry out its responsibilities, the House of Representatives, which has primary and initial responsibility for appropriations, should prepare itself to carry out as competently as possible this responsibility. The passage of the bill which I have introduced will, in my opinion, enable the House to discharge this obligation more effectively and responsibly.

GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1958

Mr. ANDREWS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5788) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion I ask

unanimous consent that general debate on the bill be limited to one-half hour, one-half of the time to be controlled by the gentleman from Pennsylvania [Mr. FENTON] and one-half by me.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5788, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ANDREWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill provides funds for 14 Government agencies. Appropriations recommended in the bill total $16,021,870, which is a decrease of nearly 24 percent from the Budget request for these agencies. The amounts recommended are only about $14,000 above the appropriations for 1957 for the same agencies. There are certain mandatory items contained in the bill as in all other appropriation bills for 1958 resulting in an increase over the 1957 appropriations because of the contributions to the retirement fund, social-security taxes for proposed increases in temporary employment, and the further fact that there is an extra working day in 1958.

So the amount recommended in this bill, although it is slightly higher than the 1957 appropriations, there is, as a matter of fact, an actual decrease in funds available for employment and services for fiscal 1958.

This bill changes section 201 of the general provisions relating to limitations on the purchase price of automobiles and station wagons. The limitation of $1,350 for automobiles has been increased to $1,500, and the limitations for station wagons has been increased from $1,800 to $1,950. The committee heard testimony from representatives of General Services Administration—the agency which buys for civilian Government agencies—to the effect that current bids preclude the purchase of any but stripped-down 6-cylinde models from only two companies.

The bill provides appropriations of the amounts of the budget estimates for the compensation of the President, the White House Office, special projects, and the Executive Mansion and grounds, $150,000, $2,051,970, $1,500,000, and $400,000 respectively.

The bill provides $375,000 for Council of Economic Advisers, a reduction of $23,000 under the budget request.

Mr. HARRISON of Virginia. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Forty-seven Members are present, not a quorum. The Clerk will call the roll.

CALL OF THE ROLL

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

Allen, Calif.	Gross	Morrison
Bolton	Gubser	Moulder
Bowler	Hébert	Powell
Boykin	Holt	Prouty
Dies	Holtzman	Riley
Diggs	Hoeven	St. George
Evins	Jackson	Scherer
Flynt	Kearney	Siler
Gray	Lankford	Teague, Tex.
Green, Pa.	Mailliard	
Gregory	Metcalf	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5788, and finding itself without a quorum, he had directed the roll to be called, when 401 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1958

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, for the National Security Council the bill provides $700,000, a decrease of $10,000 in the estimates but an increase of $452,000 above the appropriation for 1957. The entire increase is the result of the inclusion in this item of the funds for the Operations Coordination Board which has heretofore been financed from appropriations made to the Departments of State and Defense and the Central Intelligence Agency.

The bill includes $2,100,000 for the Office of Defense Mobilization, a decrease of $280,000 in the estimates and $100,000 below the appropriation for 1957. Testimony disclosed that many of the planning and stockpiling functions of the ODM have been virtually completed, and while plans for mobilization are never static, the continuation of so large a staff did not seem warranted to the members of the committee.

The bill provides $1 million for the emergency fund for the President, the same amount as has been appropriated for each of the 2 preceding years. This was a reduction of $4 million from the budget request for such funds. The testimony showed that as of February 15, 1957, the President had spent only $55,000 from the $1 million emergency fund appropriated by Congress for fiscal 1957.

For the American Battle Monuments Commission the bill provides appropriations of $2,500,000, $1,250,000 each for salaries and expenses and construction. The construction program of the Commission is expected to be concluded in fiscal 1958. As the construction program draws to a close, the salaries and expense item, which includes maintenance and operation of cemeteries and memorials, must necessarily increase.

The bill includes $44,000 for the Corregidor Bataan Memorial Commission. The amount appropriated for this Commission in 1957 was $56,000. This $100,000 constitutes the total authorized to be appropriated to the Commission.

The bill provides $835,000 for the Foreign Claims Settlement Commission, which is $65,000 below the budget request.

The bill includes $375,000 for the Subversive Activities Control Board, which is $20,000 below the budget request. In the opinion of the members of the committee the amount appropriated will cover the mandatory costs and should permit the continuation of the staff budgeted for in the current year.

Most of the work of the Subversive Activities Control Board has been stymied for the last year due to the fact that in April 1956 the Supreme Court reversed the Board's findings in the case of the Communist Party of the United States against the Subversive Activities Control Board. The Board had spent many years conducting a hearing against the Communist Party and had spent thousands of dollars conducting such hearings.

On April 20, 1953, the Board unanimously directed the Communist Party to register, finding upon the overwhelming weight of the evidence that the Communist Party is substantially directed, dominated, and controlled by the Soviet Union, and that it operates primarily to advance the objectives of such world Communist movement. This finding was upheld by the United States Court of Appeals for the District of Columbia Circuit. In its appeal of its hearing before the court of appeals the Communist Party, in addition to raising issues of fact as to the findings of the Board and to challenging the constitutionality of the act, had moved that court to remit the case to the Board for the taking of evidence as to the credibility of three witnesses. The Attorney General and counsel for the Board opposed the party's motion and contended that the Board was sustainable without the evidence of these witnesses. The court of appeals, after consideration of the entire case, overruled the Communist Party's motion to remand the latter's judgment sustaining the Board's findings and the act's constitutionality.

The Supreme Court of the United States on April 30, 1956, reversed the court of appeals' ruling and remanded the case with instructions that the Board either hold a hearing to ascertain the truth of the party's allegations as to the credibility of the witnesses, to assume the truth of the allegations and, without further hearing, expunge their testimony. Other questions which the party raised, including those of the act's constitutionality were left undecided.

On May 16, 1956, in accordance with the Supreme Court decision, the court of appeals remanded the Communist Party case to the Board. It was necessary for the Board to suspend all of the investigations and comply with the ruling of the Supreme Court.

On December 18, 1956, the Board completed its reevaluation and reaffirmed its decision that the party was in fact a Communist organization as defined by the statute.

The decision of the Supreme Court, remanding the Communist Party case was by a 6 to 3 vote. In his dissenting opinion Justice Clark stated:

> The Communist Party brought the case here on April 12, 1956, by petition for certiorari. The relative unimportance of this motion in the eyes of the party is shown by the fact that its 131-page petition devotes but 2 pages to a discussion of this point. The party's brief devotes only 4½ of its 270 pages to the motion. Still the Court now says the court of appeals erred in its denial of the motion of these 3 witnesses and remands the case directly to the Board for it to determine again the credibility of these 3 witnesses. It refuses to pass on the important questions relating to the constitutionality of the Internal Security Act of 1950, a bulwark of the congressional program to combat the menace of world communism. Believing that the Court here disregards its plain responsibility and duty to decide these important constitutional questions, I cannot join in its action.

> I have not found any case in the history of the Court where important constitutional issues have been avoided on such a pretext. The action today is taken merely for delay and can only result in the Board reaffirming the action. The only purpose of this procedural maneuver is to gain additional time before the order to register can become effective. This proceeding has dragged out for many years now, and the function of the Board remains suspended and the congressional purpose frustrated at a most critical time in world history.

The case was reversed on a technicality. The reversal granted valuable time to the Communist Party. The work of the Subversive Activities Control Board was stymied for about 10 months. It is no wonder then that the Washington Post on May 2, 1956, stated:

> Justice Department lawyers said they were astounded by the majority opinion. Some declared it may prove to be the most important Communist victory in the courts of the past decade.

I wish each of you would get the hearings and read the statement made by the Chairman of the Subversive Activities Control Board to the effect that their hands have been tied by that Supreme Court decision which, as the Justice Department lawyers said, was the greatest victory the Communist Party has won in the courts of the past decade.

Mr. Chairman, as I stated previously, we have cut this budget 24 percent from the budget request. We did that not with the advice or help of any agency head. You will find in the hearings that we asked each agency head to tell us where his budget could be cut. Not a single one made a single suggestion that resulted in the cutting of one thin dime from this bill. The only way to reduce this budget is to take your pencil and reduce the budget figures to a lesser amount.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FENTON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the bill before you today is the smallest of the regular annual appropriation bills. It provides, however, for the very necessary housekeeping, advisory, and staff services for the President; for the organizations which make up the Executive Office of the President; and for various independent agencies and organizations.

The total amounts of the budget estimates were $20,921,870, as compared with appropriations for the current year of $16,007,475. The committee recommends to you a bill appropriating $16,021,370, a reduction of $4,900,500 in the estimates and only slightly above the current year's appropriation. Of this reduction in the estimates, $4 million applies against the estimate for the Emergency Fund for the President-National Defense. It is obvious that the $1 million appropriated for each of the preceding 2 years has been more than adequate, and in fact, it was stated that some presidential advisers, not the President, urged the request of $5 million.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. MARTIN. I understand the President did not ask for this $5 million; is that correct?

Mr. FENTON. That is absolutely correct. The President did not ask for the $5 million. For the further information of the committee, of the current $1 million given to the President for emergency purposes, only $55,000 has been used to date.

Considerable—nearly 4 percent—of the funds recommended in this bill will be required to carry out the financing of certain legislative requirements which have no bearing on employment or rate of operations, namely, approximately $572,000 for employer contribution to the civil service retirement fund, about $30,000 in pay for the extra working day in the next fiscal year, and about $7,000 for employer's social-security contribution occasioned by increases in temporary employment. When all of these required items are considered, it is clear that employment, or rate of operations, or both will be reduced in the aggregate by something in the order of $600,000 worth.

However, our full committee saw fit to reduce the Bureau of the Budget from $4,300,000 allowed by the subcommittee to $4,205,000 or a further reduction of $95,000, this made a total cut of $195,000 from their request.

The real major cut was in reducing the budget estimate of $5 million for the emergency fund for the President, for national defense, to $1 million which is the same as it has been in the 2 previous years.

It was testified that the President did not initiate this request for $5 million, but it was considered advisable by his advisers to have flexibility in a world of turmoil such as we are now in.

Of the $1 million appropriated for this emergency fund for this fiscal year only $55,000 had been used as of January 10.

We feel certain that if the occasion for a larger amount is needed—in an emergency—that this Congress will grant a larger amount.

The estimates of the budget for the White House Office, special projects and the Executive Mansion and grounds were not changed.

The only other item granted in full was $44,000 to the Corregidor Bataan Memorial Commission which completes the total amount of money authorized for that Commission.

The National Security Council. The committee allowed the National Security Council $700,000 which is a decrease of $10,000 under the budget estimate of $710,000.

In the report, page 7, it is listed as an increase of $452,000 over the current fiscal year amount of $248,000.

Under an Executive order—No. 10483—authority was given to incorporate into the National Security Council the Operations Coordinating Board which formerly had functioned as an interdepartmental committee or group and financed out of departmental budgets. The amounts appropriated to the interdepartmental group or committee for 1957 was $450,000—$300,000 from the CIA and $150,000 from the Defense Department and administered by the State Department.

The number of personnel will also be transferred to the National Security Council rolls which accounts for the increase of personnel of the Security Council. As a matter of fact, there will be 1 less, 49 instead of 50 transferred, which added to the 28 personnel provides a total of 77 people in the new setup for the National Security Council.

In asking for $710,000 for the National Security Council, an increase of $12,000 over the combined 1957 amounts, it was pointed out that the agency absorbed $37,321 for statutory increases in pay and civil service retirement. There was therefore a net saving of $25,000 by the agency. With a $10,000 cut by the committee there is a net increase of $2,000.

OFFICE OF DEFENSE MOBILIZATION

Dr. Arthur S. Flemming, the Director of the Office of Defense Mobilization, appeared before our subcommittee for the last time as Director of that agency.

I understand, however, that he will continue as a member of the President's Advisory Committee on Government Organization.

In leaving the Office of Defense Mobilization, the administration loses the services of one of America's outstanding men and I am sure we all wish him continued good health and happiness in the years to come.

The budget estimate for the Office of Defense Mobilization was $2,380,000 which was an increase of $180,000 over the fiscal year. Our committee allowed them $2,100,000 or $280,000 below the budget estimate for 1958 and $100,000 below the 1957 appropriation. A great many prior functions of the Defense Mobilization have eased up—such as the tax amortization program, the stockpiling of strategic and critical materials, and the allocation of materials.

It is my understanding that a great deal of the time of the Defense Mobilization Office is taken up with our preparedness or readiness program.

Under the tax amortization plan, the amount of tax amortization certificates now totals around $36 billion for private investments. Of that, $22 billion was given in rapid writeoffs, or roughly 60 percent.

Dr. Flemming claims that at no time in our history has our mobilization base been in as strong a position as it is at the present time.

Likewise, in our stockpiling of strategic and critical materials program progress is continuing in the direction of achieving various goals.

There is now in our stockpile materials valued at $6½ billion out of a goal of $11 billion.

Whether the $11 billion goal is reduced depends on new strategic concepts on military requirements.

Dr. Flemming, the retiring Director, has done a splendid job in drawing together for the first time in our history comprehensive plans on what the Government should and must do in order that we may be assured of having a Government in the event of an attack upon this Nation. His duties in the field of materials and production readiness have largely reached a point where only housekeeping and the problem of keeping current remain. I am sure that all of the membership of the committee wish to join in applauding a difficult job well done. With such a large measure of success behind him and his staff, we felt that the remaining job of completing some portions of the mobilization program and keeping up to date on plans and orders would not require the scope and magnitude of appropriations heretofore granted. The recommendation before you, an appropriation of $2,100,000, reflects this thinking, and represents $100,000 below current year's appropriation and $280,000 below the estimates.

PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT OPERATIONS

The budget estimate for this Committee the same as the appropriations for the current year—$57,500. The Appropriations Committee allowed $50,000—a cut of $7,500.

In 1955 this organization turned back into the Treasury about $10,000; in 1956 they returned about $18,000 to the Treasury; in 1957 they estimate that they will turn back $20,000.

The amount of work done by this group depends on the demands of the President.

COUNCIL OF ECONOMIC ADVISERS

The committee allowed $375,000—a cut of $23,000 below the $398,000 budget estimate or an increase of $9,300 over 1957.

It is to be noted that the personnel of the Council of Economic Advisers is fairly constant since 1952—varying between 39 in 1952 to 35 in 1957 which includes the 3 Council members.

The increase in their 1958 budget is due to the increase in salary of the 3 council members from $16,000 to $20,000; for salary adjustments and contributions to the civil-service retirement fund.

SUBVERSIVE ACTIVITIES CONTROL BOARD

The committee allowed this Board $375,000—a decrease of $20,000 from the budget estimate and an increase of $25,000 over the current year.

This Board is composed of 5 members and member in point of service on the Board was appointed October 11, 1955. Three were appointed in 1956 and Mrs. Dorothy McCullough Lee was appointed chairman of the Board on January 2, 1957.

Because of the Supreme Court's decision in the case of the Communist Party of the United States of America against the Subversive Activities Control Board the work of the Board has been hampered to some degree.

As of February 28, 1957, there were 13 active cases—2 of which were in process of a report and order of the Board.

FOREIGN CLAIMS SETTLEMENT COMMISSION

The budget request for fiscal 1958 for this agency was $635,000. The committee allowed them $570,000, or a decrease of $65,000. This compares with a decrease of $130,000 from the 1957 appropriation.

Since the $635,000 which was reduced to $570,000 is for the administration and settlement of international claims under Public Law 248 and $265,000 for administration and settlement of World War II claims, Public Law 997, are reimbursable from the War Claims fund the Commission will actually have $835,000 in funds for the administration of claims. This is $35,000 more than they have in fiscal 1957.

AMERICAN BATTLE MONUMENTS COMMISSION

The committee allowed $2,500,000 for fiscal 1958—$1,250,000 for salaries and expenses and $1,250,000 for construction of memorials and cemeteries. This is a reduction of $300,000 from the budget estimate of $2,800,000 and an increase of $310,000 from fiscal 1957 of $2,190,000.

This Commission under Brig. Gen. Thomas North has done an outstanding job and from the testimony given our committee the program will be completed sometime in 1958.

It was estimated in 1948 that this program would cost $39 million.

Since that time the Hawaiian and the East and West Coast Memorials and Pershing Memorial plans were included.

General North is of the opinion that the program including those additions will be completed under the $39 million estimate and he is to be congratulated for his efforts along those lines.

BUREAU OF THE BUDGET

The estimate for funds for 1958 for the Bureau of the Budget was $4,400,000 which the subcommittee reduced to $4,300,000—a reduction of $100,000.

The full committee saw fit to reduce it further by $95,000 giving them a working fund of $4,205,000 or $270,000 more than in 1957.

As the matter now stands $230,500 of the increase goes for the mandatory increases—Civil Service Retirement Fund, pay increases and the extra day pay for next year.

From that, it is obvious that the actual increase over last year will be $39,500.

The requests of the Bureau of the Budget for an increase in the per diem pay from $50 to $75 and the limitation of money available for consultants from $20,000 to $30,000 were rejected by the committee.

The Bureau asked for an additional number of personnel. They have 458 for this fiscal year and they would like an increase of 20 for a total of 478.

The Director of the Bureau of the Budget testified that their request represents, in their opinion, "the basic budgetary requirements if the Bureau of the Budget is to do the kind of a job that is expected of it."

I believe that statement to be to a great extent a fact.

With many protests coming in daily from all parts of the country about the big 1958 budget, it appears to me that we are penalizing the one agency in our Government that we look to to keep down departmental requests for appropriations.

Had the 478 positions been allowed, the Bureau would have had 56 less personnel than in 1951 and 37 less than in 1953.

Since the Bureau will have about the same amount of money for 1958 as they did in 1957, I will abide by the decision of the majority of our committee and hope that the Bureau will do the best job they can.

Mr. Brundage says that their work is increasing—and that is the reason for their request.

Mr. Brundage also said that if there was a cut in his request that they would live within the amount appropriated. I believe this to be a fair statement and certainly hope that he can do the job expected of him.

I indicated in my opening statement the amount of money required for increases in this, the smallest of all appropriation bills.

For the information of the House the estimated cost of the extra day's pay for all civilian employees of the Federal Government in fiscal 1958 is $37,531,900.

The total amount of contributions to the civil-service fund is estimated to be $1,150,968,000—approximately half of which or $565,791,000 will be charged against appropriations.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. JENSEN. I think congratulations are in order to the gentleman from Pennsylvania [Mr. FENTON], and to the chairman of the committee, Mr. ANDREWS, and to every member of that subcommittee for the good job they have done. They have cut the budget 24 percent, and certainly that is commendable. If the other subcommittees would take the same course, I am sure the resolution that was passed yesterday would have no purpose whatsoever in taking the time of this House. You gentlemen took this bill as it came from the budget and you went through it item by item. You used your own good judgment after you heard many departmental officials testify in support of the budget. But you did not take their word for it. You took your own good judgment, and I certainly commend the gentleman and his committee for the fine job they have done.

I have served on a committee with Dr. FENTON for many, many years. I know how Dr. FENTON operates. He operates in a manner which is always commendable. He is a conservative at heart, but willing to spend money where that money should be spent, but not willing to waste a dime.

Mr. FENTON. I thank the gentlemen very much.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. BEAMER. I also want to commend this committee for the cut it has made in this particular budget. I know that all of us who serve on other committees respect the responsibility that has been assigned to the Appropriations Committee. It is not an easy task.

I wonder if the gentleman would be willing for me to make two brief observations. It is commendable that this budget is cut nearly $5 million, but is that not $14,000 more than was in the budget last year? So, while we are cutting this year, we still are not down to the previous level.

Mr. FENTON. Of course, the gentleman will realize there are civil-service contributions.

Mr. BEAMER. That is correct.

Now for the second observation; yesterday many of us were pleased to hear the expressions of economy from certain Members. My record of voting for economy and efficiency in Government is well established, and I shall continue to vote for economy. Today I have introduced a bill, and I hope many other Members will introduce other bills, that probably will begin to effect economies here and there. I feel that it is the duty of the Members of Congress to offer such suggestions. I read in the Washington Evening Star last night that a new library nearing completion in Independence, Mo., has been offered to GSA, and they desire to accept it:

> Under a law concerning Presidential libraries passed by the last Congress which had the Truman collection in mind, such libraries may be accepted by the Government unless Congress objects within 60 days.

Today I have introduced a bill providing that we cannot accept the Harry S Truman Library, which will be an additional expense to the Federal Government and to the taxpayers. I hope the proper subcommittee of the Committee on Appropriations or the legislative committee to which this bill will be referred will give recognition to the fact that we must again give actual service instead of lip service to the matter of reductions. Here is one place it can be reduced.

Mr. ANDREWS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FLOOD], a member of the Committee on Appropriations.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Chairman, under the rules of the House it is not permitted to refer to any visitors who may be in the gallery. I shall not do so today. However, in coming across the plaza of the Capitol Grounds, a few minutes ago I saw a group of very attractive ladies, several hundred of them, having their pictures taken on the steps of the Capitol. I inquired who they were and was advised by the photographer that this was a delegation of 700 ladies from the Democratic Clubs of the great State of Pennsylvania. I am sure all the Members present appreciate, as I do, the thrill of their visit to our Capitol on a beautiful day such as this, especially when one sees such beauty as we observe today.

Mr. Chairman, this is the 100th anniversary of this very room in which we sit. One hundred years ago this Hall was opened as the Hall of the House of Representatives. Visitors who join in commemorating this historic occasion are particularly welcome. This is their Capitol, and we who represent and speak for them here are always happy to see them visiting the shrines of America; and today, as always, as their Members in Congress we express a warm welcome.

Mr. FENTON. Mr. Chairman, the gentleman from Pennsylvania [Mr. FLOOD] has made very appropriate remarks regarding the delegation of ladies who came from the State of Pennsylvania. They deserve those generous remarks.

Mr. FENTON. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, the vast majority of Pennsylvanians look with disfavor on the ambition of recent resident Harold Stassen to aspire to the governorship of the Keystone State.

We do not have to go outside of our State to find well-qualified candidates for governor. There are many men who have their roots deep in Pennsylvania who possess a vast knowledge of the needs and problems of the people of our State. These men are better fitted for the governorship than Mr. Stassen.

Has Mr. Stassen so worn out his welcome in his home State of Minnesota, where he served ably as governor, that he hesitates to return there? Is this the reason that he contemplates an attempt to exercise his ambitions in Pennsylvania where he has spent very little time in the past several years? For his own sake, I would advise him to reconsider.

I feel that he has no more right to offer himself as a candidate for Governor of Pennsylvania than a Pennsylvanian, who had become a recent resident of Minnesota would have the right to offer himself for Governor of Minnesota. In fact, I feel that a Pennsylvanian would make a better showing as a candidate in Minnesota than Mr. Stassen would in Pennsylvania.

I would like to call my colleagues' attention to an example of editorial opinion from outside our State on Mr. Stassen's efforts to pursue his ambitions in Pennsylvania. It is the following editorial entitled "Swirling Stassen" which appeared in the Washington Post February 23, 1957. I also include a short editorial from the Pittsburgh (Pa.) Sun-Telegraph entitled "Stassen Shift":

[From the Washington Post and Times Herald of February 23, 1957]

SWIRLING STASSEN

Former Gov. Harold E. Stassen seems to be bidding for the role of the most unpredictable man in public life. His plan to resign early next year as the President's righthand man on arms control in order to seek the governorship of Pennsylvania will carry him back to State politics by a very circuitous route. At the age of 31 he flamed across the political skies as the youngest governor his native Minnesota had ever had. By electing him three times Minnesotans also conceded that he was one of the best governors they ever had. The Governor further strengthened his foothold in big politics as leader of the spectacular movement which gave Wendell Willkie the Republican nomination at Philadelphia in 1940.

After serving 27 months in the Navy during the war in the Pacific, Mr. Stassen began an extended and relentless campaign for the Presidency. He pursued his ambition with a persistence which caused some critics to feel that he had too much horsepower for his flywheel—a metaphor that Secretary Wilson is supposed to have invented. After his defeat in 1948 he became president of the University of Pennsylvania, but seemed to keep on running for the White House. In 1952 he was again a candidate, and, after the election, joined the Eisenhower administration.

Last year Mr. Stassen indicated that he would not again be a presidential candidate, but many of his friends and critics alike think he has not yet got the White House virus out of his system. No doubt this will hurt him as he bids for votes in his adopted State of Pennsylvania. The old-timers in that State could have a high regard for his ability and still reject him as a political adventurer seeking power in order to sway national policy his way. His futile fight against the renomination of Vice President Nixon last fall is sufficient indication of his continued interest in national politics even though he may not again seek the presidential nomination for himself.

If Mr. Stassen should succeed in building up a large following in his adopted State, as he did in his native State, that feat alone would make him a formidable political figure. At this point, however, it is difficult to overcome the impression that, having been disappointed in national politics he is trying to retread the path that led to his initial success. In some respects he is today a tragic figure—a man of great ability and much political know-how who served his State well and cut a considerable swath in Washington, but whose ambition, like the errant missile, is out of control.

[From the Pittsburgh Sun-Telegraph of March 6, 1957]

STASSEN SHIFT

Harold E. Stassen has not been kicked upstairs or downstairs but sort of sideways. A lateral boot, so to speak.

President Eisenhower has shifted the jurisdiction of Mr. Stassen as special assistant to the President on disarmament, with unusual and unusually vague authority, to the State Department, where it belongs.

Mr. Stassen will retain the special assistant title but into the coop goes his other one, secretary of peace, which always brought to our mind the image of an extremely talkative dove.

The threat remains to Pennsylvania that Mr. Stassen may try for the governorship next year.

To the more than 300 State and local Republican leaders who seem strangely cool to the idea we say:

Stiff upper lip, chips.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman would then consider the Honorable Mr. Stassen as a carpetbagger if he wants to run in Pennsylvania?

Mr. GAVIN. Why, certainly. I am glad to have the gentleman's opinions. He has no background in Pennsylvania as far as I am concerned to offer himself as a candidate for the gubernatorial nomination in my State. If he was Governor of Minnesota three times I do not know why he does not go back home to his own State of Minnesota and run for Governor of Minnesota. We have men of ability in Pennsylvania and with knowledge of the economic and industrial life of our State who understand matters concerning Pennsylvania, men who are residents of Pennsylvania and eminently qualified to seek the nomination for Governor of my great State of Pennsylvania. We do not have to call on Minnesota for any candidate, we have a number of qualified and eligible men in Pennsylvania.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Minnesota.

Mr. WIER. Coming from the State of Minnesota, I trust that you are not making any plans to send him back to Minnesota, since he has indicated his interest and voting domicile in your great State.

Mr. GAVIN. Certainly not, believe me I have no plans for the gentleman. Mr. Stassen however has indicated what his plans are. Therefore I wish to make my position and thinking clear as to what I think of his ambition as far as the gubernatorial nomination for Governor of Pennsylvania is concerned. I would like to suggest, though, to my good and able friend from Minnesota whom I greatly admire, that you take him back to Minnesota where he rightfully belongs.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, namely.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

NINETY PERCENT OF PARITY PRICE SUPPORTS FOR FAMILY-SIZE FARMS

Mr. H. CARL ANDERSEN. Mr. Chairman, when we had the very important corn bill on the floor for consideration the other day, it was impossible for Members such as myself who had bona fide amendments to offer to secure more than 2½ minutes to even discuss the amendments we proposed to offer.

Being a member of the Committee on Appropriations I am taking this opportunity to try to say a few words as to what we should do this afternoon when the important corn bill comes before us for further consideration.

First let me say that, in my opinion, every man from our area will concede that the 51 million acre allotment is absolutely necessary, just as it is necessary to give a proper allotment to cotton and to wheat if the farmers of our great United States are going to have sufficient income so that they may earn their living.

Mr. Chairman, let me point out that because of the fact that the key provision, the 51 million acres, was in the Andresen substitute, that is the reason why I voted for the Andresen substitute when it was offered. I will support any reasonable proposal which contains that essential provision.

There is nothing whatsoever in either of the bills before us to offer an incentive to farmers to comply. Even though we do have a 51-million-acre allotment, what incentive is there for any farmer to comply when the support level is only 75 percent of a square deal? Will anybody tell me that? Have we sunk so low here in the great Congress of the United States that all we are prepared to offer to agriculture is 75 percent of a square deal? Are we sunk so low here that we must admit that we cannot even give family-sized farms the protection that they should have by at least protecting to a 90-percent level that part of their production, say, up to 4,000 bushels of corn, 25 bales of cotton, and 3,000 bushels of wheat? Why can we not get down to business and come to a compromise, my friends, a compromise which will pass the Congress of the United States, but most of all will do good for our agricultural economy? For 18 long years, as all of you know, I have been talking on the floor of this House for a fair deal for agriculture, and I am frank to tell you, my friends, that, to me, 75 percent of parity is not fair. May I remind you, my friends on the Republican side, that we have grounds to perhaps get a little disturbed at the fact that the parity level fell down to 80 percent on February 15. Yes; we saw during the Truman administration the beginning of the break where the parity-price level fell 19 points from the top level. But now where is it? It is down to 80. And corn is at 66 percent of parity in my particular Congressional District.

Are we going to sit here and do nothing whatsoever except to provide for this allotment of 51 million acres, which we must have; do nothing whatsoever to help to improve the agricultural economy of our Nation? I am asking you that as a prelude to what we are going into this afternoon. I am asking of you, my friends, that we confine our remarks, if possible, this afternoon to matters having reference to the bill itself. Let us give to anybody who has an amendment to offer which he thinks might improve the bill an opportunity to offer that amendment and have more than 2½ minutes to discuss it. Let us give him an opportunity to discuss his amendment instead of on both sides of the House going into political discussions which certainly will not help the farmers of America in any way.

I am taking a few minutes now to discuss briefly the amendment I propose to offer this afternoon if the legislative situation permits. I hope every Member interested in good farm legislation will consider the merits of my amendment and give it the support it deserves.

FAMILY-FARM AMENDMENT

Mr. Chairman, my amendment is designed to provide necessary, minimum protection to the family-size farms of this Nation. I emphasize that term "family-size farms" because there has never been any question in the Congress but what these are the farmers we want to protect. In the past, there has been criticism of price supports because they seemed to help the big producers more than the small farmers who needed the protection the most. My amendment meets that objection.

Everyone wants to help the family-size operator without at the same time piling up huge surpluses in bins and warehouses all over the country. This amendment does just that.

Everyone wants to help the family-size operator at the lowest possible cost to the Government. This amendment does that.

It is a simple, sensible approach to an otherwise complex problem. It meets the objections of most of those opposing the 90 percent of parity price supports by limiting them to the small operators who do not actually produce the surpluses. It provides maximum protection where it is most needed, and also provides an umbrella over the market for all producers. It will do more than anything yet proposed to get our farm economy back of its feet without a tremendous outlay of Federal funds in price support operations.

The amendment contains five important provisions.

First, it provides a minimum acreage allotment for corn of 51 million bushels as proposed in the Andresen and other amendments.

Second, it provides for the apportionment of corn allotments on the basis of tillable acreage. This will correct a present deficiency in the law whereby the good farmers with balanced production have been penalized and the few who have mined their soil have been given an allotment bonus. Every good farmer in the corn area favors this provision.

Third, it provides 90 percent of parity supports on the first 4,000 bushels of corn, the first 25 bales of cotton, and the first 3,000 bushels of wheat per farm. This is the cornerstone of the whole amendment as it takes care of the family-type farms of this Nation without the burden of supporting at 90 percent of parity the great surpluses produced on the large farms. It is a well known fact that the family-size farms did not produce the surpluses now stored up in

bins and warehouses all over the land, and it is grossly unfair for our average family-sized farmers to have to pay the economic penalty for those surpluses.

The corn provision will have a loan value of about $8,480. It will afford maximum protection to the average family-type farm and will also have an indirect effect on all market prices by holding this umbrella of protection over the first 4,000 bushels produced on any one farm. We will have the protection without the cost of supporting the surplus production.

The cotton provision will have a loan value of about $4,125. It will also afford maximum protection to the average, family-type cotton farmer without the excessive costs of protecting all of the surplus production at that level. At the same time, it will hold a protective umbrella over all production at the lowest possible cost.

The wheat provision will have a loan value of about $6,720. This will take care of the average, family-type wheat farm at minimum cost to the price-support program. The same umbrella will have its protective effect over all production without the excessive costs of supporting the surpluses at the higher level.

One of the greatest farm Congressmen in history, Clifford Hope, of Kansas, sought a similar two-price plan for wheat and it would be a great tribute to his 30 years of service in this body to see this proposal approved today.

The fourth provision of my amendment is very important. It provides the price we are willing to pay in the commercial corn area for the protection we ask for at this time. It requires a producer, to be eligible for price support, to put cropland equal to 20 percent of his corn allotment in the soil bank. This is 5 percent more than has yet been proposed, but we are ready to make our contribution to the effort to reduce surpluses in order to gain the protection we seek for the family-size farms. By reducing corn or feed grain production 20 percent below the allotment level we will greatly reduce production and start the process of using up the surpluses now stored at such great expense to the Government. By so doing, we will minimize the need for price supports and thus further reduce the costs of the entire program. By making this sacrifice we bring balance to the entire operation.

The fifth and final provision is identical to that approved by the Committee last Thursday. It is simply a correction of an error in the soil-bank bill we enacted last year in that it opens up the low-costs conservation reserve to corn farmers who do not take advantage of the acreage allotment and price support provisions. It has no relationship to the controversial proposal to establish a feed grain acreage reserve program, but it will bring vast acreages now producing feed grains into the low-cost conservation reserve.

Mr. Chairman, this amendment offers a basis for compromise which should have approval across both political and commodity lines. It is a low-cost program which will do more than anything else to bolster our family-farm economy. It is equally fair to the North, South, East, and West. I hope it will be approved.

VALUE OF AGRICULTURAL ECONOMY TO INDUSTRY AND COMMERCE

The trade associations recognize the value of the rural market. All of the trade and commercial publications treat the subject—even the Wall Street Journal and the New York Times regularly carry articles on the farm economy.

Congressmen from nonagricultural districts may lose sight of the fact that rural America is their biggest and best market for the things their people produce. Take a look at the mechanics of the farm economy and you will see what I mean.

Last year, production costs in agriculture were over $22 billion. That was money our farmers spent merely for the production of our bountiful supply of food and fiber. That was money spent for tractors, trucks, fuel, fertilizer, chemicals, rubber, electrical equipment, and all the other manufactured and processed equipment produced in nonagricultural areas.

Add to that $22 billion the living expenditures of farm families. In 1955, farm families spent an average of $3,309 for living expenses. That is another $15 billion farm people poured into commercial and trade channels. Farm people spent $427 million for clothing; $379 million for transportation; and $453 million for other goods and services.

Even with a reduced economy the farm people of America last year spent almost $40 billion for production and living expenses. Think of that, and think what a tremendous market we provide for the goods produced in the nonagricultural areas of this Nation and see whether it is not to your own best interests to help us sustain our economy and our purchasing power.

Think also of the fact that we are spending about $40 billion for production and living expenses, according to the United States Department of Agriculture, and our cash income from marketings in 1956 was only $29,999,000,000. Even when you add to that the value of Government payments, home consumption, rental value of dwellings, and all the other elements our realized gross farm income was only $32,979,000,000 last year.

Any way you look at it, rural America is earning less than it is spending and that is why farm mortgage debt and other indebtedness of farm people is soaring. We are operating on credit, but our credit is running out. If you do not help us get our economy up to a fair level, we will soon be out of money to spend for the goods and services produced in the nonagricultural areas of this Nation. You stand to lose a goodly portion of a $40 billion market and I do not think your constituents want to see that happen any more than mine do. Approve my bill to sustain the family farms of this Nation, and we will not only keep your $40 billion market but we will shortly provide you a $50 billion market and your prosperity will rise to new heights.

The Clerk read as follows:

TITLE I

EXECUTIVE OFFICE OF THE PRESIDENT

Compensation of the President

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by the act of January 19, 1949 (3 U. S. C. 102), $150,000.

Mr. ANDREWS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to points of order and amendments at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. Are there any points of order? Are there any amendments?

Mr. ANDREWS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5788) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I have supported and voted for this bill, and am glad to see a substantial reduction in any governmental expense, where a vital governmental operation is not injured thereby. The cut contained in this bill, of 24 percent below the Budget Bureau recommendations, is one of the most substantial reductions to be reported to the House by the Committee on Appropriations.

I sincerely hope it will not injure the efficiency of the Executive Office of the President and is not viewed as any kind of partisan action.

The absence of any argument against this cut by administration spokesmen in this body would seem to indicate that the cuts are not so regarded by the President, and will not result in damage to efficiency.

I will welcome the opportunity to vote for any reductions in the budget where similar conditions prevail.

I am not prepared to vote for any budget cuts that will result in reduced power or effectiveness for America's military forces at this time, nor will I support budget cuts that slow down or halt the vital work now under way to control and conserve our Nation's most vital natural resource—our water supply. Economy that is not selective is a false economy we cannot afford.

LOCAL MANAGEMENT OF SAVINGS AND LOAN ASSOCIATIONS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 196, Rept. No. 193), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4138) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. COOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Allen, Calif.	Gross	Mailliard
Bailey	Gubser	Metcalf
Bolton	Hébert	Morrison
Bowler	Holland	Moulder
Boykin	Holt	Powell
Celler	Holtzman	Prouty
Dies	Hosmer	Riley
Diggs	Jackson	St. George
Eberharter	Kearney	Scherer
Flynt	Lankford	Siler
Green, Pa.	McConnell	Teague, Tex.

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

CORN AND FEED GRAIN PROGRAM

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage-reserve programs for diverted acres and for feed grains, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4901, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday last there was pending an amendment offered by the gentleman from Nebraska [Mr. HARRISON]. Without objection the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: Strike out all after the enacting clause and insert in lieu thereof the following: "That notwithstanding any other provision of law, section 103 of the Agricultural Act of 1956 (Public Law 540, 84th Cong.) is amended by adding a new subsection (c), as follows:

"'(c) For the 1957 crop year, corn producers in the commercial corn area may qualify for price support on corn and participate in the soil-bank program by complying, in accordance with regulations issued by the Secretary of Agriculture, with either of the alternatives presented to producers in the corn referendum dated December 11, 1956, pursuant to the provision of the Agricultural Act of 1956 (Public Law 540, 84th Cong.).'"

Mr. H. CARL ANDERSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. Mr. Chairman, when will it be in order for a Member to offer a substitute for the Harrison amendment?

The CHAIRMAN. It will be in order when any Member is recognized for the purpose of offering a substitute.

Mr. COOLEY. Mr. Chairman, I offer a substitute for the Harrison amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY as a substitute for the amendment offered by Mr. HARRISON of Nebraska: Strike out all after the enacting clause of H. R. 4901 and insert:

"That notwithstanding any other provision of law—

"(1) Base acreages (based on a total base acreage for the commercial corn-producing area of 51 million acres) shall be established for corn as provided in section 105 (b) (1) of the Agricultural Act of 1956 for 1957 and for each subsequent year for which an acreage reserve program is in effect for corn;

"(2) Acreage allotments shall not be in effect for the 1957 and subsequent crops of corn; and

"(3) Subject to subsections (a) and (d) of section 326 of such act, price support shall be made available by Commodity Credit Corporation for the 1957 and subsequent crops of corn at such level as the Secretary determines, taking into consideration the assistance necessary to aid producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn, and the factors set forth in section 401 (b) of the Agricultural Act of 1949, as amended: *Provided*, That the level of price support for any crop of corn for which an acreage reserve program is in effect shall not be less than 70 or more than 90 percent of the parity price therefor."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, as I understand it, when a substitute is pending in the form of the Harrison amendment and the amendment offered by the gentleman from North Carolina is a substitute for the pending amendment, I am unaware of the fact that you could have two substitutes pending at the same time.

The CHAIRMAN. The Chair will advise the gentleman that an amendment is pending and there is a substitute to the pending amendment. That is the present situation. The gentleman from North Carolina has offered an amendment in the form of a substitute for the amendment offered by the gentleman from Nebraska.

Mr. AUGUST H. ANDRESEN. That would mean two substitutes pending at the same time because the gentleman from Nebraska offered a substitute for the committee bill.

The CHAIRMAN. The Chair believes that the gentleman from Minnesota is under a false impression about the amendment offered by the gentleman from Nebraska. That is an original amendment to strike out and insert material.

Mr. AUGUST H. ANDRESEN. I defer to the Chair's ruling.

The CHAIRMAN. The Chair believes the gentleman from Minnesota does not understand the nature of the amendment offered by the gentleman from Nebraska.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I may say that I do not want to preclude the chairman of the Committee on Agriculture from offering his amendment. I just wanted to have the situation noted.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I do not know whether or not the Members of the House recognize this document which I am now presenting for your consideration.

Mr. Chairman, the history of this legislation is somewhat unusual. We are told that there is an emergency existing in the corn-growing areas of the country, and that I do not doubt. Our committee was authorized in the last session of the Congress to conduct hearings, make studies and investigations, and we were ready, eager, and willing at all times to consider matters of importance to agriculture. The President spoke in January, and his only reference

to the problems of agriculture was to say in effect that agriculture was all right; that he would have something further to say about corn in his budget message, or about agriculture in his budget message, and when the budget message came he spoke only about corn. Our committee was ready to start consideration of any recommendations which might be forthcoming from the Department of Agriculture.

Finally, an executive communication came from Secretary Benson to the Speaker of the House, and I am sure to the Vice President of the United States, and the Speaker transmitted the Secretary's letter, together with the draft of a bill, to me as chairman of the House Committee on Agriculture. I think within 2 days after the committee was officially organized we started consideration of corn legislation.

I introduced this amendment for the purpose of affording the membership of this House an opportunity to accord a degree of courtesy to the Secretary of Agriculture, who drafted this bill. If you want to know what I have offered, I have offered the bill of the Eisenhower administration. No other Member of this House was willing to become the author of this measure, although I shopped around with it for 2 or 3 weeks and I said, "Here is a communication from the Secretary of Agriculture, enclosing the draft of corn legislation. Is there anyone on the committee who wishes to offer the bill?" No one offered it. Now that the gentleman from Nebraska [Mr. HARRISON] has offered a very monstrous sort of a proposal, I feel thoroughly justified in offering Mr. Benson's proposal, which, I say to you, is far more acceptable, far more worthy, far more understanding than the proposal submitted here by my friend, the gentleman from Nebraska [Mr. HARRISON].

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. May I ask my distinguished chairman whether or not he will support this amendment?

Mr. COOLEY. I expect to support it, and I urge the membership of this House to vote for it, and I want to know what you think about the handiwork and the draftsmanship and the philosophy of Mr. Benson. You know that I do not agree with him. You know that I do not want to do the things which Mr. Benson wants to do. I assume that the gentleman who is now addressing the Chair likewise is not in accord with Mr. Benson's views, but I say to you in all sincerity that I would much prefer to have Mr. Benson's proposal than to have this monstrosity which is now before the House, and I say this in all friendliness to the author of the proposal.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. Yes.

Mr. HOEVEN. Will the gentleman vote for the bill if his amendment is adopted?

Mr. COOLEY. If this amendment is adopted?

Mr. HOEVEN. Yes.

Mr. COOLEY. To the Harrison bill?

Mr. HOEVEN. Yes. It is a substitute, as I understand.

Mr. COOLEY. Yes, it will be a substitute for the Harrison bill. If this amendment is adopted, I think I would be inclined to vote for it, only in the hope that in conference we could perfect it and make it workable and acceptable. I know you do not want the 70-percent provision in here. I know that you do not want a lot of the things that are in here, but if this is adopted, we can work it out in conference.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. You say that the gentleman from Iowa does not want the 70-percent provision in here. I ask you if the Harrison bill has a 70-percent floor under it.

Mr. COOLEY. No.

Mr. POAGE. Of course not.

Mr. COOLEY. Not only that, but I want to say now in all frankness and friendliness to my distinguished and beloved friend, the gentleman from Nebraska [Mr. HARRISON], I hope that he will be able to explain his proposal to the House. It refers to the laws of 1938; it refers to the laws of 1949; it refers to the rules and regulations of the Department of Agriculture issued prior to a referendum, which are not incorporated in the bill the gentleman has proposed. The only way that the House can understand this measure is to read a codification of all the laws referred to in the gentleman's amendment.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. I yield.

Mr. HOEVEN. May I ask the chairman of the committee this question: This relates only to corn and does not pertain to other basic commodities or feed grains; is that correct?

Mr. COOLEY. That is my understanding.

Mr. HOEVEN. Does the substitute apply to the year 1957?

Mr. COOLEY. Yes, sir. These are exactly the words of Mr. Benson, just as he drafted them.

Mr. HARVEY. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. HARVEY. I have a question I would like to ask the Chairman and it has a great deal of import. I note that the amendment offered by the gentleman would do away in 1957 with corn allotments. This bill was drafted, as the gentleman knows, some time ago. What was the date, if the gentleman knows?

Mr. COOLEY. Back in January, I believe.

Mr. ABERNETHY. If the gentleman would yield to me, it was submitted by departmental letter on January 28. We received it on the 30th.

Mr. HARVEY. The point that I am making and the question I have in mind is this: This would have the effect, if I read it correctly, of doing away with acreage allotments for 1957.

Mr. COOLEY. Permanently.

Mr. HARVEY. Yes. And the allotment signup has been completed. We have a very sizable signup. I believe the report is approximately 4 million acres have been signed up for the soil bank on the basis of this signup that has been concluded, between the time when this bill of the Secretary's was offered and now when we are considering it. So the question I want to ask the Chairman is: What would be the effect of this bill if it were approved on the contracts that have already been signed and concluded?

Mr. COOLEY. I would not want to affect adversely or modify or change the contracts which have been made and I do not know that this proposal would do that.

Mr. HARVEY. I believe it would.

Mr. COOLEY. After all, bear in mind, this is not my draftsmanship. These are the words of the Secretary of Agriculture.

Mr. HARVEY. I understand.

Mr. COOLEY. Permit me to make one other observation about the Harrison amendment. The date for signing up corn in the soil bank is past and the Harrison amendment does not even propose to reopen the sign-up date. It does not authorize nor does it direct the Secretary to carry on a program, whereas the proposal of the committee does authorize and does direct the Secretary to carry on a program and to reopen the sign-up date.

Mr. Chairman, before I take my seat I should like to say this: Over the weekend we did exactly what Members of the House wanted us to do. I was called out of the city on an emergency. The gentleman from Texas [Mr. POAGE] stayed here and worked Friday, Saturday, and Monday in an effort to compose differences and agree on a bill. He will tell you what degree of cooperation he received and the attitude that he met with. He has worked out—I do not mean to say that he has, but members of the committee have worked out an amendment which the gentleman from Texas [Mr. POAGE] will propose to the committee bill. If this amendment I am now proposing is defeated and the amendment of the gentleman from Nebraska [Mr. HARRISON] is defeated, we can then have the amendment of the gentleman from Texas [Mr. POAGE], which I think will be acceptable to the membership of the House. It takes care of every objection that was made here the other day. They talked about the enormous cost of the program, and all of us were frank to say we did not know what it would cost.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Under the Poage amendment, you now know exactly what it is going to cost, and it is very substantially below the figures we were talking about the other day.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has offered an amendment to a pending amendment. The vote first would come on the substitute the gentleman has

offered as against the Harrison substitute.

Mr. COOLEY. Right.

Mr. HALLECK. Did I correctly understand the gentleman to say that if the substitute he is presently offering prevails in the Committee of the Whole against the Harrison substitute, he is then prepared to vote for the Harrison substitute as amended by his own substitute as against the committee bill?

Mr. COOLEY. No. I said on final passage if we come out with nothing other than Mr. Benson's bill, I think now I would vote for it.

Mr. HALLECK. That is what I want to be sure about, because I think there was some misunderstanding here. As the gentleman spoke originally, it meant to me that if his substitute to the substitute prevailed, he would vote for the amendment to the committee bill.

Mr. COOLEY. No.

Mr. HALLECK. But even if the gentleman's substitute to the substitute prevails, he would still vote against the amendment as amended; that is, the substitute as amended?

Mr. COOLEY. To make it clear, I prefer Mr. Benson's proposal to the Harrison proposal. I prefer Mr. POAGE's proposal to all of them, even including the committee bill, because I can see the weaknesses in the committee draft. The first thing is the enormous cost of it, the unknown cost. With the Poage amendment to the committee bill, I would prefer that to any of these others. I am honestly and sincerely trying to get a bill.

Mr. HALLECK. I appreciate that, and a lot of us are trying to do the same thing. We have been deeply concerned as we have been debating this measure as to whether or not we are going to get a bill that we could support and that could become law. If the gentleman were prepared to go the full length with his substitute on to passage, as I thought I heard him say, then go on to conference and try to work out a bill, I would be inclined to believe we could wind this up very quickly. However, as I understand it, that is not the gentleman's attitude.

Mr. COOLEY. No. I would prefer the committee bill as it will be amended by the Poage amendment, but if worse comes to worst and we have to take Mr. Benson's proposal, I would much prefer that to Mr. HARRISON's proposal, and we could go to conference and fix the bill up so that it would be acceptable.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. Is my understanding correct that if the amendment the gentleman has just offered as a substitute for the Harrison amendment is accepted by the House, the gentleman then wants to go ahead and offer in addition the new Poage amendment?

Mr. COOLEY. The gentleman from Texas will offer an amendment. If that is defeated we will end up with the Benson proposal, and I much prefer that.

Mr. JUDD. Will not the Poage amendment to a considerable degree in effect be a substitute for the amendment the gentleman is offering right now?

Mr. COOLEY. No.

Mr. JUDD. In a way it overrules his amendment, does it not?

Mr. COOLEY. No. The Poage amendment would be an amendment to the committee bill. I hope the Committee will hear the gentleman from Texas patiently in order to understand what he proposes to do. I have never known anybody to work more diligently and more sincerely than the gentleman has over this weekend.

Mr. JUDD. Is not the Poage amendment in effect a substitute which would then take the place of the substitute the gentleman has offered?

Mr. COOLEY. Yes.

Mr. JUDD. That is my point. The gentleman offers this now hoping to kill the Harrison bill; then he wants to throw his amendment out with the new Poage substitute.

Mr. COOLEY. I think the gentleman has sized it up exactly right.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

(By unanimous consent, at the request of Mr. HOFFMAN, Mr. COOLEY was permitted to proceed for 2 additional minutes.)

Mr. HOFFMAN. Perhaps I should not ask this, but it is for guidance for a very confused and dismayed Member from the Fourth Congressional District of Michigan. Assuming that one is opposed to subsidies but realizes we are going to have them, how should he vote on the gentleman's amendment, and, if that is defeated, on the Harrison amendment, and then finally on the Poage amendment, to get the least—what the Member considers—evil out of it?

Mr. COOLEY. In answer to that question, if you are against subsidies, of course you will vote against the bill on final passage, because there is definitely a subsidy here.

Mr. HOFFMAN. Suppose I want to hedge a little on political support.

Mr. COOLEY. If you want to minimize it, you will vote for the Poage amendment, because he has a definite, fixed limitation beyond which the President and the Secretary cannot go.

Mr. HOFFMAN. I thank the gentleman.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ARENDS. I hope that we can be brutally frank here, because we all want to pass a bill because we are all interested in the welfare of agriculture. If I understand the gentleman's position, he intends to put through his amendment to the Harrison amendment, then in case that carries he will support in turn the Poage amendment, which will eventually kill the amendment which he now supports? I am trying to get information. I am lost a little bit as to what you are going to do.

Mr. COOLEY. The gentleman is right up to that point. Let us go one step further. Suppose my amendment is adopted now.

Mr. ARENDS. Your amendment to the Harrison amendment?

Mr. COOLEY. Yes; suppose that is adopted now. Then the Poage amendment is offered to my amendment and the Poage amendment is defeated, then we will have only the Benson bill.

Mr. ARENDS. Assuming that the gentleman helps the Poage amendment and turns around and supports the Poage amendment after supporting your own amendment, then we again go right back to where we were formerly.

Mr. COOLEY. No; if we adopt the Poage amendment, we will have a far better bill than either the Benson proposal or the proposal as contained in the Harrison bill.

Mr. ARENDS. Why is the Poage proposal not up here now instead of your proposal because all you are going to do is to wash out the Harrison bill by that procedure. I think I am right—I do not know.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. The amendment which I propose to offer, if I have an opportunity to do so at a later time, will not affect section 1 but will leave it as written by the gentleman from Nebraska, if his amendment does not carry or as written by the Secretary if this amendment does carry. It will not change one word in section 1 so it will not wipe out the work that is about to be done now, and, in fact, will in nowise change section 1.

Mr. ARENDS. But your bill continues to be all inclusive in regard to feed grains.

Mr. COOLEY. There are some modifications.

Mr. POAGE. The amendment I expect to offer, if I have an opportunity to do so, will simply add a section 2 which will make provision for placing diverted grains in other sections of the United States in the soil bank as well as within the three I's—Iowa, Illinois, and Indiana.

Mr. HARVEY. Mr. Chairman, I offer an amendment to the Cooley substitute.

The Clerk read as follows:

Amendment offered by Mr. HARVEY to the substitute amendment offered by Mr. COOLEY: In section 3 after the words "Commodity Credit Corporation", strike the words "the 1957 and."

Mr. COOLEY. Mr. Chairman, permit me to make a point of order on the ground, if I heard the Clerk correctly, the amendment refers to section 3 and I just wonder if there is any section 3 in the bill. I will reserve the point of order if the gentleman wishes.

The CHAIRMAN. The Clerk will again report the amendment offered by the gentleman from Indiana.

The Clerk again reported the amendment.

Mr. COOLEY. Mr. Chairman, inasmuch as there is a paragraph which is No. 3, I suppose the point of order would not lie.

The CHAIRMAN. The gentleman from North Carolina withdraws the point of order.

Mr. HARVEY. Mr. Chairman, this amendment does the very thing that was brought out in the colloquy just had between the gentleman from North Carolina [Mr. COOLEY] and me. It would

have the effect of removing that phase of the Cooley proposal which would outlaw the 1957 corn acreage signup, just concluded. If we are going to consider this Cooley proposal in good faith, and I believe we should, we certainly do not want to be in the position of supporting this bill without my amendment.

The farmers have signed up some 4 million soil-bank acres, as I understand it. I do not think the total figures have been confirmed yet, but it is an excellent signup. In fact, it is much better than was anticipated. It is obvious to me, as I am sure it must be to most of you, if this provision for 1957 were left in, it would have a demoralizing effect throughout the Corn Belt. I am sure the gentleman from North Carolina [Mr. COOLEY] did not intend to do so in presenting his amendment. The mere fact that it was presented in the terms of the Secretary's own language is very easily explained, it is due to the fact that his suggestion was offered almost 2 months ago. So I hope the amendment will be accepted by the chairman, for it is certainly offered in good faith.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. COOLEY. Will the gentleman explain just what the situation would be in the event his amendment should be adopted?

Mr. HARVEY. All the provisions of that section now would apply to any subsequent crop. It would not negate the signup that has presently been carried out in the Corn Belt.

Mr. COOLEY. What makes the gentleman think that would be the effect of the amendment, when it strikes out 1957?

Mr. HARVEY. As I read your amendment, it does away with allotments for 1957, and certainly allotments are in effect. The farmers have signed up in good faith on the basis of the 37 million allotment figure. If I am any reader at all, I know that the effect would be to outlaw those contracts that have been entered into throughout the Corn Belt, in good faith.

Mr. COOLEY. Certainly the Secretary of Agriculture had no intention of outlawing the contracts at the time he had this amendment prepared.

Mr. HARVEY. That is right, but the signup had not even commenced at that time.

Mr. COOLEY. Oh, yes; quite a few had already been signed up at that time. It seems to me you are taking away from the Secretary the right to make any allotment with reference to the 1957 crop.

Mr. HARVEY. Oh, no. If you leave the language in there, you would destroy all of the contracts that are presently in existence.

Mr. COOLEY. The effect of your amendment is to do away with price supports. That is the price-support section you are attempting to amend.

Mr. HARVEY. I do not think it would have that effect at all.

Mr. COOLEY. It says:

> Price supports shall be made available by Commodity Credit Corporation for 1957.

You are striking that out.

Mr. HARVEY. Now let us look at this.

Paragraph 3 is the paragraph to which I am referring. The amendment that I have offered would make the paragraph read like this:

> Subject to subsections A and B of section 308 of such act, price supports shall be made available by the Commodity Credit Corporation for subsequent crops of corn.

Mr. COOLEY. But the effect of that would do away with price supports for 1957, and I know you do not want to do that.

Mr. HARVEY. I cannot see how it would. You have outlawed price support for corn for 1957.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. JENSEN. I want to ask the gentleman and also the gentleman from North Carolina [Mr. COOLEY] if the substitute offered by Mr. COOLEY is amended and this language included, "No existing contracts are hereby nullified by this provision," will that not solve the problem which the gentleman from Indiana [Mr. HARVEY] seeks to solve by his amendment?

Mr. COOLEY. Or some provision to the effect that 1957 contracts shall be in no way affected.

Mr. JENSEN. That is right.

Mr. COOLEY. I am not accepting any amendment to Mr. Benson's proposal. I want the House to vote on it just as he drafted it.

Mr. HARVEY. I offered it in good faith.

Mr. JENSEN. I can see the point of view of the gentleman from Indiana, and I appreciate it. He does not want to take any chance of having these contracts already in existence nullified by this provision, I may say to the gentleman from North Carolina. Why does the gentleman from North Carolina not just amend his substitute saying in effect that in no sense does the language of this substitute affect contracts now in existence for 1957?

Mr. COOLEY. If the gentleman from Indiana will yield.

Mr. HARVEY. I yield.

Mr. COOLEY. If the gentleman from Indiana will listen, this is a provision for price support for corn in 1957. The language is clear and unambiguous. If the gentleman strikes out the later date he is going to take it out of the price support section.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(On request of Mr. ABERNETHY and by unanimous consent, Mr. HARVEY was allowed to proceed for 3 additional minutes.)

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Will the gentleman not yield to me first that I may conclude what I was saying about the effect of his amendment.

Mr. HARVEY. I yield to the gentleman.

Mr. COOLEY. It is not the gentleman's intention I am sure to take corn out of the price support program for 1957.

Mr. HARVEY. Certainly not, but I cannot agree with the gentleman's deduction that that would be the effect. I do not believe it would have the effect of taking corn out of price support for 1957; rather, to the contrary, it would have the effect of preserving the program as already signed up by the farmers for 1957.

Mr. COOLEY. What preference did the Secretary have in mind when he put that language in here?

Mr. HARVEY. It was before the signup was in effect. It is one thing to affect the nature of a contract before it has been concluded; it is another thing to affect the contract after the signup date and the contract has been signed.

Mr. COOLEY. The Secretary now recommends that the acreage allotment be removed permanently and that a price-support program be set for corn for 1957 as set forth in the section the gentleman's amendment would strike out.

Mr. HARVEY. But the growers have already signed up on the program.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I think I am in entire sympathy with what the gentleman is trying to do, but I think his amendment will not do what he is trying to do; in fact, I think if he leaves the language as it is he will get exactly what he is attempting to do by striking out the language.

Let me read the gentleman the language:

> SUBSEC. 3. Subject to subsections (a) and (e) of section 308 of such act—

What are they talking about? Price support.

Mr. HARVEY. That is right.

Mr. ABERNETHY. Price support shall be made available for 1957 and subsequent crops.

Now, if the gentleman's amendment prevails it would strike out the date "1957" and the RECORD would very clearly show that this House struck out the year "1957." The only way the Solicitor for the Department could interpret that would be that this House did not intend for price supports to apply to the 1957 crop. We would have made legislative history here and a legislative record which would tie the hands of the Secretary in supporting corn in 1957.

Mr. HARVEY. The gentleman is a very able lawyer.

Mr. ABERNETHY. No; I am only a country lawyer.

Mr. HARVEY. But I am not. If the gentleman has better wording to offer than I, I shall be happy to have him suggest it.

Mr. ABERNETHY. This is one time I agree with Secretary Benson's language. Ordinarily, I don't. But, in this instance I think he is correct.

Mr. HARVEY. I think the gentleman is being facetious.

Mr. ABERNETHY. Not now.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, all of us understand that the gentleman does not want to deprive the corngrowers of price support for 1957. I certainly do not want to

deprive them of any support program, and I do not think the Secretary of Agriculture does. He has already announced the 1957 program and he certainly is not going to break faith with the farmers by lowering prices.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

(By unanimous consent Mr. HARVEY was allowed to proceed for 2 additional minutes.)

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. ARENDS. I still am confused in my thinking. I was hoping that the House would adopt the amendment offered by the gentleman from North Carolina, that it would be perfected and that we would forgo any more substitutes, and so on and so forth. If we could get that kind of an agreement I do not see why we cannot proceed. I think we are all in agreement as to what the ultimate result is going to be but no one knows which way to turn at this time.

Mr. COOLEY. I have not confused the gentleman. I had the Clerk read Mr. Benson's corn bill. I said it is not perfect.

Mr. ARENDS. Which I would be glad to agree to, I may say to the gentleman, but I am confused as to why you want to knock it out by indirection.

Mr. COOLEY. I think when the gentleman understands the amendment to be offered by the gentleman from Texas, he will prefer that to either of these other ideas.

Mr. ARENDS. Is Mr. POAGE's bill confined to seed grains?

Mr. COOLEY. Yes, with some modifications.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman is attempting to protect the farmers who are already signed up in the soil bank to the extent of 3½ to 4 million acres. If the gentleman would withdraw his amendment I think we can resolve this matter very quickly, then request that the Chairman of the Committee, the gentleman from North Carolina [Mr. COOLEY], insert language in his substitute to the effect that the contracts already signed up shall not be affected by the provisions of his substitute. Cannot the gentleman do that?

Mr. COOLEY. I certainly do not think it is necessary to do that. The gentleman from Indiana [Mr. HARVEY] is the author of the amendment.

Mr. JENSEN. The gentleman from Indiana [Mr. HARVEY] thinks it is.

Mr. COOLEY. The gentleman from Indiana [Mr. HARVEY] does not want to interfere with the 1957 contracts and I certainly have no desire to interfere with them. I do not believe that Mr. Benson can interfere with them or would interfere with them.

Mr. JENSEN. What harm would there be to so stating in plain words in the gentleman's amendment that in no sense shall this provision interfere, cancel out or abrogate contracts that are now in existence?

Mr. HARVEY. My amendment, in light of the debate just had, will do exactly what we want it to do. I do not think it has the effect of doing what the gentleman from North Carolina [Mr. COOLEY] thinks it will do. I hope the Committee will concur in this amendment. I certainly believe there is an earnest desire on the part of all Members of the House to produce a good bill.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think this amendment shows us very clearly the utter folly of the attitude of those who have said that "you must pass my bill without any amendment." I think it shows us very clearly the utter folly of the stiff-neck attitude we have observed in the committee day after day and day after day in refusing to make any kind of compromise or if a compromise is offered, then phoning up and saying, "I cannot go through with it." I do want to say that certain minority members of the committee did try to make a compromise but they were hushed up in a hurry, and they cannot proceed on their own.

Some of those who have proposed substitutes apparently do not know what they have offered, and I say that in all kindness. I ask now if I do not correctly state the situation when I say that the Harrison amendment as it now stands would allow the planting of 51 million acres of corn, and putting an additional 7,650,000 acres in the conservation reserve, on which the farmer could receive payments, making a total of 58,650,000 acres in the commercial Corn Belt, either planted or paid for, which is more corn than was ever grown in the commercial Corn Belt? I ask the gentleman from Nebraska [Mr. HARRISON] if I am not telling the truth.

Mr. HARRISON of Nebraska. Will the gentleman yield?

Mr. POAGE. Of course I yield to the gentleman.

Mr. HARRISON of Nebraska. I have never known the gentleman to tell anything but the truth.

Mr. POAGE. I am asking the gentleman if I am not giving you a correct interpretation of the bill that the gentleman has before us.

Mr. HARRISON of Nebraska. Those are big figures. I wish the gentleman would state them again.

Mr. POAGE. I stated that as your amendment now stands, it would allow theoretically 51 million acres of corn to be planted, 7,650,000 acres to be put in the conservation reserve, making a total of 58,650,000 acres. That is right, is it not?

Mr. HARRISON of Nebraska. I think those figures are correct, but I do not know what you are attempting to prove by it.

Mr. POAGE. You do not know what I am attempting to prove by it? I am just asking you about the facts. Now I will ask the gentleman from Ohio [Mr. POLK] if that is not the fact. He offered the same bill.

Mr. POLK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. POLK. As I understand the gentleman from Texas, the figure he uses includes all the corn.

Mr. POAGE. No. It includes commercial corn only.

Mr. POLK. It is ridiculous to assume that all of the corn is going into the soil bank.

Mr. POAGE. I have not for one moment said that it all would. I ask you if it does not allow it. That is right, is it not?

Mr. POLK. If all the corn was signed up and put in the soil bank, then the figures you gave are correct, I assume.

Mr. POAGE. That is right. And you would have more corn than you ever grew in the Corn Belt.

Mr. POLK. I know that the gentleman in his wisdom knows that will never happen.

Mr. POAGE. I do not think it will happen, either. I never said that it would. But, I am saying that you authored a bill here that would or could, allow farmers to plant or be paid for more corn acres than was ever grown in the commercial Corn Belt. You are offering a bill that will not even guarantee a 75-percent price support, and I ask you to point out if there is anything in the bill that guarantees such a support price.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to give the date of the signup. That was January 28, the very day we received the bill from the Department, which clearly indicates that the Secretary of Agriculture knew what he was doing, and he did not by this bill propose to have a signup——

Mr. POAGE. Of course, the Secretary knew what he was doing, when he intended to do what we did not intend for him to do. He intended what we did not intend should be done. He intended to break the support price on corn. Even his most enthusiastic apologists would not support him. No Republican has been willing to present his bill. Had it not been for your generosity and courtesy the Secretary's bill would have never had a day in court. But we further understand that we have two monstrosities before us and you cannot explain either one of them. The authors of the Harrison bill cannot explain your own bill; you know you cannot, and you do not know what it will cost. You cannot tell us what it will cost and you cannot tell us at what percent of parity corn would be supported.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HARVEY. I would just like to say to the gentleman from Texas that I have conferred with Members on both sides of the aisle who are very excellent lawyers, and they have insisted to me that this amendment that I have offered would not have the effect of negating contracts already signed, so I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman now offer his own amendment?

Mr. POAGE. Yes, Mr. Chairman, I now offer an amendment to the Cooley amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE to the substitute offered by Mr. COOLEY: At the end of the pending amendment add the following new section:

"SEC. 2. Section 103 (b) of the Agricultural Act of 1956 is amended to read as follows:

"'(b) Notwithstanding any other provision of law, in addition to all other programs authorized by this act, the Secretary is authorized and directed to formulate and carry out an acreage-reserve program for 1957 for acreage diverted from the production of each of the commodities specified in subsection (a) of this section except corn produced in the commercial corn-producing area. Individual farms may participate in such acreage-reserve program for diverted acres up to the lesser of an acreage equal to 18 percent of the farm-acreage allotment or allotments for such commodities (or 1 acre, whichever is greater) or the extent to which such participation results in a reduction of the individual farmer's feed grain acreage. For purposes of this subsection the measure of feed grain acreage on the farm shall be the average acreage planted in the 3 most recent years, adjusted for unusual weather conditions, to the following crops for harvest as grain: Corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, and oats.

"'Compensation under this subsection shall be at the rate per acre of the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county in which the farm is located, but in no event less than $10 nor more than $25 per acre. For the purpose of compensating producers for participation in the acreage-reserve program authorized by this subsection, the Secretary shall allocate and make available for such purpose all funds heretofore allocated by him for compensation of producers under the 1957 acreage-reserve programs for wheat, cotton, rice, and tobacco which on April 1, 1957, have not been obligated for payment to producers under such programs. All applicable terms and conditions of the acreage-reserve program including the limitation on the total compensation of producers thereunder contained in section 105 (c) shall apply to the program authorized by this subsection.'"

Mr. POAGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POAGE. I am afraid I have gotten as confused on the parliamentary situation as some of my colleagues have on the substance. I had hoped to offer this as an amendment to the Harrison amendment. Of course, it would be to the Cooley amendment if the Cooley amendment prevailed; but I understand it was reported as an amendment to the Cooley amendment directly. It is my intention to offer this amendment as an amendment to the Harrison amendment. So that I would like to offer it to the Harrison amendment directly instead of to the Cooley amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. In what position would the substitute which I have offered to the Harrison amendment be? Would it take precedence over the gentleman's amendment in that case, because mine would be offered as a substitute to the Harrison amendment?

The CHAIRMAN. It would not be in order to offer it until this amendment and the Cooley amendment are disposed of.

Mr. H. CARL ANDERSEN. I may be incorrect, but it is my position that the Cooley amendment must first be disposed of, or the Cooley substitute must first be disposed of and when that is disposed of would not then a substitute to the Harrison amendment be in order?

The CHAIRMAN. Yes; if the substitute amendment was voted down it would be in order. But unless it were voted down, the gentleman could not offer it.

Mr. H. CARL ANDERSEN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. I cannot agree, then, that the gentleman from Texas [Mr. POAGE] has the right to offer his amendment to the Harrison amendment prior to my substitute for the Harrison amendment. Am I correct or incorrect in that? I am proposing to offer mine as a substitute to the Harrison amendment in its entirety.

The CHAIRMAN. The gentleman from Minnesota could not offer that kind of an amendment until the Cooley amendment has been disposed of.

Mr. H. CARL ANDERSEN. That is correct, Mr. Chairman. I am trying to determine the status of my amendment in connection with the amendment of the gentleman from Texas.

The CHAIRMAN. Perhaps the Chair can clarify the situation, at least, to this extent: We have now pending an amendment offered by the gentleman from Nebraska [Mr. HARRISON]. It has been referred to as a substitute, but actually it is an amendment. It is an original amendment, was in order, and was the only amendment pending at the time it was offered. The gentleman from North Carolina [Mr. COOLEY] offered a substitute amendment for the amendment offered by the gentleman from Nebraska [Mr. HARRISON]. The gentleman from Texas [Mr. POAGE] offered an amendment to the Cooley substitute and now seeks to transfer it from the Cooley substitute to the Harrison amendment.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Would it not be in order for the gentleman from Texas to offer his amendment as a perfecting amendment to the amendment I offered?

The CHAIRMAN. It would, and that is what he has pending now.

Mr. COOLEY. If it is offered as an amendment to the Harrison amendment, the vote would first be on my amendment?

The CHAIRMAN. The vote would come first on the perfecting amendment to the Harrison amendment. Then we would vote on any amendments to the gentleman's substitute. There can be only four amendments pending at one time, an amendment, a substitute, and an amendment to each of those.

Mr. HALLECK. Mr. Chairman, I make a point of order against the Poage amendment for the reason that it introduces matter not covered in the amendment which it seeks to amend. The amendment as offered deals only with corn as one commodity. The gentleman's amendment to that seeks to broaden that to include feed grain.

Mr. COOLEY. If the gentleman will yield, the original bill deals with feed grains.

Mr. HALLECK. I insist that the amendment must be germane to the amendment it seeks to amend, and it is not germane because it introduces new matter.

The CHAIRMAN. The gentleman from Indiana is correct in insisting it must be germane, of course, and that is what the Chair will determine.

Does the gentleman from Texas desire to be heard on the point of order?

Mr. POAGE. I do, indeed, Mr. Chairman.

The Harrison amendment has for its purpose the control of excess corn. The whole purpose of it is to control the oversupply of corn. The amendment I have offered is in furtherance of that stated objective of controlling the supply of corn. It is not necessary, as I understand it, that the amendment adopt exactly the same means of control that the original proposal adopted. The Harrison proposal adopts one means of effecting the control of surplus corn. The Poage amendment adopts another means of controlling the excess supply of corn. Since they are both directed at achieving the same result, I submit the amendment is in order.

Mr. HOFFMAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Michigan on the point of order.

Mr. HOFFMAN. I want to cite this precedent, Mr. Chairman. Yesterday, when we had before us a resolution calling on the President to tell us how to cut the budget, an amendment was offered asking the Speaker of the House to do the same thing for us in the same way; that is, give us information. It was ruled out of order.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. COOLEY. Mr. Chairman, may I say that the bill H. R. 4901 deals with all of the commodities that are known as feed grains, not restricted only to corn. If I understand the gentleman's amendment correctly, he modifies some of the language of the bill that we reported out of committee, to wit, H. R. 4901.

With reference to the Harrison amendment, if the Chair will look at the language of the Harrison amendment he will observe that the Harrison amendment by reference is an amendment to the law of 1956 under which the referendum was held, and it states, "Pursuant to the provisions of the Agricultural Act of 1956."

Mr. POAGE. And it refers to the Agricultural Act of 1938 and refers to the Price Support Act of 1949. My amendment amends those very same acts.

Mr. COOLEY. I thought the gentleman from Indiana raised the point of order because the Poage amendment dealt with grains other than corn.

Mr. HALLECK. It certainly does. I say his amendment must be germane to the amendment to which it is addressed. It clearly goes way beyond that. I think the gentleman from Texas, in fact, conceded the point of order when he tried to say that there is some connection between trying to do something about the corn production and anything that might affect that in any way would hence become germane. I just do not believe that you can pursue the rule of germaneness that far. In other words, Mr. Chairman, I insist that an amendment must deal with the subject matter of the amendment which it seeks to amend. Instead of doing that, it goes far beyond that by including many other commodities not included in the amendment.

Mr. POAGE. Mr. Chairman, may I be heard further?

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. POAGE. I yield.

Mr. MILLER of Nebraska. The amendment being offered by the gentleman from Texas is to the Harrison amendment or to the Cooley amendment?

The CHAIRMAN. It was offered to the Cooley substitute amendment.

Mr. MILLER of Nebraska. Then he tried to withdraw it and offer it to the Harrison amendment? Was that done?

The CHAIRMAN. The Chairman has not yet put the unanimous consent request to do so because in the meantime the gentleman from Indiana raised a point of order against the amendment on the ground that it was not germane.

Mr. POAGE. May I suggest to the Chair, as I tried to do a few moments ago, that this, of course, is germane to the Harrison amendment as well as to the Cooley amendment because they are both, as the bill points out, directly reducing the acreage of corn. We adopt different methods to approach that goal. That is all there is to any amendment. There never is anything to an amendment except a different approach to achieve the same results. We are seeking to achieve the results by a different route from the Harrison amendment. We have a right to adopt a different route to achieve the same result.

Mr. COOLEY. Mr. Chairman, the bill which the committee reported, and the bill which the committee is now considering deals with all the grains known as feed grains. Certainly, any amendment that is germane to the bill is germane to any part of the bill, and does not have to be germane to the Harrison amendment. If, by chance, it is not germane to the Harrison amendment, certainly it is germane to my amendment and germane to the bill itself.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, it is quite obvious that the Poage amendment is simply an amendment on the diverted acres of feed grain. It has nothing to do with corn or corn acres. It provides that on the diverted acres there should be made certain payments on the acreage reserve program. How anyone can figure out that diverted acreage on feed grains has anything to do with corn in the commercial corn area is beyond any reason that I can find. So, the point of order should be sustained because the amendment offered by the gentleman from Texas is obviously out of order.

Mr. COOLEY. Mr. Chairman, it seems to me, if I may suggest before the Chairman rules on the question, that the Chair should look at section 103 of Public Law 540, which is the soil bank law, which deals with every agricultural commodity known. To say that the amendment offered by the gentleman from Texas [Mr. POAGE] is not germane, it seems to me, is without any foundation whatsoever because section 103 refers to tobacco and everything else that anyone could mention. The Harrison amendment is an amendment to section 103.

Mr. HOFFMAN. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The Committee is proceeding in the regular order.

Mr. HOFFMAN. I thought the gentleman from Texas [Mr. POAGE] had time allotted to him and that that time must have expired.

The CHAIRMAN. That time has long expired, but the gentleman from Indiana made a point of order against the amendment and the Chair is now trying to decide that very difficult question.

Mr. HOFFMAN. Then the gentleman from Texas [Mr. POAGE] does not have the floor at the present time?

The CHAIRMAN. The Chair will recognize the gentleman from Texas, if he desires to speak further on the point of order.

Mr. MASON. Mr. Chairman, will the Chair recognize me for a parliamentary inquiry?

The CHAIRMAN. The Chair is ready to rule.

Mr. MASON. It touches on the question, whether the Chair rules one way or the other.

The CHAIRMAN. The Chair is about to rule.

Mr. MASON. May I inquire before the Chair rules?

The CHAIRMAN. Does it touch this question of the ruling?

Mr. MASON. It does, yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MASON. My point is this: The question really before this House after this point of order is whether the gentleman from Texas [Mr. POAGE] may change the application of his amendment from the Cooley amendment to the Harrison amendment.

The CHAIRMAN. The Chair would prefer to pass upon the point of order first, and then the Chair will answer the gentleman's question.

The question touches the germaneness of the formula or plan offered by the gentleman from Texas [Mr. POAGE] as an amendment to the plan offered by the gentleman from North Carolina [Mr. COOLEY]. As the gentleman from Texas says, it is related to the corn program. It differs as to method, and since it differs as to method and not in substance, it is related to the purposes of the legislation, and the Chair therefore overrules the point of order.

Now the Chair will answer the gentleman's parliamentary inquiry.

In response to the question raised by the gentleman from Illinois [Mr. MASON], the gentleman from Texas [Mr. POAGE] would require unanimous consent to withdraw his amendment. If that is granted, he can immediately offer it, or if it is voted down he could offer an amendment to the pending amendment, but it requires unanimous consent for him to withdraw his amendment first. The Chair will put the request that the gentleman made, that he transfer this amendment to the Harrison amendment rather than to the Cooley amendment.

Mr. MASON. And to that I object.

The CHAIRMAN. Objection is heard.

Mr. POAGE. Mr. Chairman, I offer an amendment to the Cooley amendment.

The CHAIRMAN. The Chair believes that is the correct procedure for the amendment to be offered to the Harrison amendment.

Mr. MASON. But it must be withdrawn first.

Mr. KEATING. Mr. Chairman, is it not necessary to vote on this amendment and dispose of it before it is offered at some other place?

The CHAIRMAN. We would have to perfect the Harrison amendment first, and no other amendment to the Harrison amendment was pending at the time the gentleman tendered his amendment. He now offers it to the Harrison amendment.

Mr. MASON. Mr. Chairman, I have objected to his transferring it from the Cooley amendment.

The CHAIRMAN. The gentleman is correct. The Chair intended to say "the Cooley amendment." The Chair appreciates the gentleman putting him right.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry. Where are we now?

Mr. ARENDS. I am still confused.

Mr. POAGE. Mr. Chairman, may I be recognized to offer an amendment?

The CHAIRMAN. Yes.

Mr. POAGE. Mr. Chairman, I offer an amendment to the Harrison amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE to the Harrison amendment: At the end of the pending Harrison amendment add the following new section:

"SEC. 2. Section 103 (b) of the Agricultural Act of 1956 is amended to read as follows:

"'(b) Notwithstanding any other provision of law, in addition to all other programs authorized by this act the Secretary is authorized and directed to formulate and carry out an acreage reserve program for 1957 for acreage diverted from the production of each of the commodities specified in subsection (a) of this section

except corn produced in the commercial corn-producing area. Individual farms may participate in such acreage reserve program for diverted acres up to the lesser of an acreage equal to 15 percent of the farm acreage allotment or allotments for such commodities (or 1 acre, whichever is greater) or the extent to which such participation results in a reduction of the individual farmer's feed grain acreage. For purposes of this subsection the measure of feed grain acreage on the farm shall be the average acreage planted in the 3 most recent years, adjusted for unusual weather conditions, to the following crops for harvest as grain: Corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, and oats.

"'Compensation under this subsection shall be at the rate per acre of the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county in which the farm is located but in no event less than $10 nor more than $25 per acre. For the purpose of compensating producers for participation in the acreage reserve program authorized by this subsection, the Secretary shall allocate and make available for such purpose all funds heretofore allocated by him for compensation of producers under the 1957 acreage reserve programs for wheat, cotton, rice, and tobacco which on April 1, 1957, have not been obligated for payment to producers under such programs. All applicable terms and conditions of the acreage reserve program including the limitation on the total compensation of producers thereunder contained in section 105 (c) shall apply to the program authorized by this subsection.'"

Mr. POAGE (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with. It is the same amendment I offered a minute ago.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Texas yield for a parliamentary inquiry?

Mr. POAGE. I yield, Mr. Chairman.

Mr. HALLECK. Is the Poage amendment to the Cooley amendment still pending?

The CHAIRMAN. Yes.

Mr. HALLECK. I might suggest that it would seem that the pending amendment should be disposed of before we proceed to another amendment.

The CHAIRMAN. The Chair will advise the gentleman from Indiana that it is in order for four amendments to be pending at the same time. As the parliamentary situation now stands we have that situation. The gentleman from Nebraska [Mr. HARRISON] offered an amendment; the gentleman from North Carolina offered a substitute; the gentleman from Texas has now offered an amendment to both the pending amendments, and we now have as much as the parliamentary situation can absorb.

The gentleman from Texas will proceed.

Mr. POAGE. Mr. Chairman, since we have cleared up the parliamentary situation let us try to clear up the basics of this thing, and the basics are on the question of whether we want simply to continue a program that does nothing toward solving the underlying problem of oversupply of feedstuff, or whether we want to accept a program that will attempt at least to meet that general problem by dealing with feed grains all over the Nation if they come from diverted acres. The latter is exactly what the substitute does.

Now, the substitute will not go nearly so far as it has been suggested we should go—not nearly so far as I feel we should go. It will not solve the problem, but it will make a dent in it. It will do something toward reducing the tremendous oversupply of feed grains both in and out of the commercial Corn Belt, and will do it without any new money.

I want to call the attention of all the Members to the last paragraph of this substitute:

For the purpose of compensating producers for participation in the acreage reserve program authorized by this subsection—

And this subsection is all I am amending—

the Secretary shall allocate and make available for such purpose all funds heretofore allocated by him for compensation of producers under the 1957 acreage reserve programs for wheat, cotton, rice, and tobacco, which on April 1, 1957, have not been obligated for payments to producers under such programs. All applicable terms and conditions of the acreage reserve program including the limitation—

Get this—

including the limitation on the total compensation of producers thereunder contained in section 105 (c) shall apply to the program authorized in this subsection.

In plain language, Mr. Chairman, that means that you cannot spend a new dollar on this program which I propose—that every dollar that is used to implement this program will be taken from the funds already allocated by the Secretary to the particular commodity whose diverted acres we are going to take out of feed grains, a long and a vast difference between any other program that has been presented to this House.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is now prepared to tell the Committee that the additional cost cannot exceed $171,139,000?

Mr. POAGE. That is correct and those will not be additional costs. That money has already been allocated by the Secretary of Agriculture. It will simply be a transfer of funds from one use within the Department to another use, all for the soil-bank program.

Mr. COOLEY. When I used the word "additional" I meant in addition to money already made available for corn, $98 million of this comes out of the cotton fund?

Mr. POAGE. That is right.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Do I understand that the gentleman's amendment applies to 1957?

Mr. POAGE. Yes; it does apply to 1957, and only to 1957.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. JENSEN. Can the gentleman tell us just what his amendment to the Harrison amendment would do? Is that what is pending now?

Mr. POAGE. That is pending, yes.

Mr. JENSEN. What would it do for the corn farmer?

Mr. POAGE. It will leave the Harrison amendment exactly as it is written without changing an "i" or a "t."

Mr. JENSEN. It will leave in the 51 million acres?

Mr. POAGE. It will leave in the 51 million acres.

Mr. JENSEN. All right. Now go on from there.

Mr. POAGE. It would provide, if every man in the commercial Corn Belt complied, that they could grow 51 million acres, they could in addition put 7,550,000 acres in the conservation reserve and be paid for it out of the conservation reserve. That is what it means in the commercial Corn Belt. Frankly, I feel that it gives the commercial corn area an unreasonable advantage over the rest of the country, but I hope it will result in some cutting down.

I have been told here so often that "You people from other areas do not understand our problems in the commercial Corn Belt and you ought to let us solve our own problems," that is this case we are going to let you try to solve those problems. This leaves the Harrison amendment word for word as it was offered, with all of its evils, with all of its ambiguities, with all of its confusion and with all of its uncertainty.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, reserving the right to object, and I do not know whether I will object or not, may I say that I was confused when I came into the House on this farm bill today. I am much more confused now. The longer these people talk the more confused I get. I do not know whether it pays to extend their time to speak or not. Unless they can clear up this subject so that the average person who is not a member of the Agricultural Committee can understand it, I shall object. I will not object now but I will object to all future requests for an extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JENSEN. I may say, Mr. Chairman, that we are trying our best to clarify this whole matter and to make it understandable to everyone. I hope

that I can understand it better. If the gentleman from Illinois [Mr. MASON] will bear with us, we will try to clarify this so he and the rest of the Members will understand it.

What does the gentleman's amendment do to the Harrison amendment which will add to the benefits or straighten out this whole matter for the corn farmer?

Mr. POAGE. Frankly, it does not straighten it out at all. It leaves the Harrison amendment in its present state of confusion, just exactly like it is written. It does not change one word of the Harrison amendment.

Mr. JENSEN. All right. What does the gentleman's amendment add then?

Mr. POAGE. It adds the proviso that diverted acreage outside of the commercial corn area—that is acres diverted from cotton, wheat, rice, or tobacco, which have been in feed grains, can be placed in the soil bank. In this way we hope to reduce the tremendous expansion of feed over the entire country.

Mr. JENSEN. You contend when you take any acres out of production that it benefits all grains, including corn; is that your contention?

Mr. POAGE. That is exactly right.

Mr. JENSEN. And that is what you are trying to do?

Mr. POAGE. That is exactly right. And we give to commercial corn farmers exactly what the Harrison amendment would give them.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Do I understand the gentleman correctly that the section which he proposes will not go beyond the allocation of funds already announced by the Secretary for each separate commodity?

Mr. POAGE. That is right. That is exactly right.

Mr. H. CARL ANDERSEN. In other words, the gentleman can assure the House that his proposal will not go beyond or, in other words, will not cost the taxpayers a single additional dime except in relation to the placing into the soil bank, which we all want, of certain surplus feed acreage, which, in turn, then will help out the corn situation?

Mr. POAGE. That is right. And, more than that, I can assure the gentleman that even beyond that the total limit upon the amount that can be spent under my section 2 for feed grain acres outside of the commercial Corn Belt, is limited to the amount of money already allocated to the commodities grown in those areas and nothing more. Under my amendment no money can be taken from the allocation already made to commercial corn to take corn out of production in the noncommercial area. That would be paid from the funds already allocated to cotton and like crops.

Mr. H. CARL ANDERSEN. I feel this way: If we are going to get a bill through this House and get it over to the Senate for consideration and then back to conference, I think we perhaps better accept the gentleman's amendment.

Mr. POAGE. May I say just this before I yield further. This, gentlemen, is our last clear chance, if you really want a bill. There is not going to be anything else. This is our last clear chance, and we from the noncommercial areas are making tremendous concessions. You have heard what I think of the Harrison amendment, but we are saying to you people: "You claim to know more about corn than we do; we defer to your judgment; we accept your provision word for word. We take what you tell us is good for commercial corn. We ask only that you let us spend the money that is already in the cotton, wheat, rice, and tobacco areas in those areas in a slightly different way which we believe will help every corn man in the United States."

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. As I understand, of course, you cannot go beyond the total amount allotted. All of the money allotted to cotton, that can be used by the cotton farmer, will come out first, and then the wheat farmer, the rice farmer, and all the rest of them, and after the money has been spent for the crops that are put in the soil bank for this commodity, only that remaining, can be used in this program.

Mr. POAGE. That is correct.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman from Oklahoma brought out the point I wanted to bring out. The gentleman's amendment requires that wheat, cotton, tobacco, and other basic crop producers use their own money.

Mr. POAGE. Yes.

Mr. ABERNETHY. The money that has already been allocated to them by the Department of Agriculture to finance this program.

Mr. POAGE. Yes.

Mr. ABERNETHY. Their money and no one else's.

Mr. POAGE. Let me make this statement before my time runs out. I want to state to the gentleman from Nebraska [Mr. HARRISON] and to the House that if you adopt this amendment to the Harrison substitute, I will vote for the substitute when it comes up with this amendment today and will vote for it on final passage.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is quite obvious that when we try to write complicated legislation on the floor of the House it adds to the confusion that already exists. Now, the gentleman from Texas has had at least 20 minutes to explain his amendment, and I am sure that most members of the committee do not understand it better now than before he started in. He has not explained his amendment.

I recognize some of the features of the original Cooley-Poage bill in it, because it deals with diverted acres. But, he has in no manner explained the provisions of his amendment. He has talked about other things and has not given the House an opportunity or the committee an opportunity to have his provisions explained.

Mr. SIMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Illinois.

Mr. SIMPSON of Illinois. All in the world that the Poage amendment does is completely change the soil-bank program that was passed last year before it ever becomes effective.

Mr. AUGUST H. ANDRESEN. There is no question about that. It tries to amend the entire soil-bank program so that under the guise of doing something for corn you are going to do something for the other basic commodities so they may come under the acreage reserve.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Indiana.

Mr. HALLECK. I ask the gentleman to yield only to direct a question to the gentleman from Texas, the author of this pending amendment. What I cannot understand is, if you wanted to amend the committee bill, why do you not withhold your amendment until you have an opportunity to act on the committee bill?

Mr. POAGE. It seems that now is the last chance anybody is going to have, and I think we have offered you a most generous proposition.

Mr. HALLECK. What I am talking about is the parliamentary situation which is unfortunate. I am talking about what would be orderly procedure. In other words, there are some of us who believe that this legislation should be limited to the critical situation affecting the corn growers of this country.

Mr. POAGE. Then the gentleman would vote against my amendment, of course?

Mr. HALLECK. Yes. Then there are pending two substitutes or one amendment and one substitute, one offered by the gentleman from Nebraska [Mr. HARRISON], and the other offered by the gentleman from North Carolina [Mr. COOLEY]. Why was not the gentleman from Texas [Mr. POAGE] willing to let those be voted up or voted down, as we would vote first on the Cooley amendment to the Harrison amendment and then we would have a vote on the committee bill, and if that prevailed, that would be it. If it did not prevail, then it would seem to me that the gentleman would be in a much better position to amend the committee bill because then we could take it section-by-section and line-by-line and know what we were doing.

Mr. POAGE. Because we recognize that if the substitute is adopted, that ends the whole thing. There will be no further discussion and no further opportunity to make any kind of compromise here. Since the gentleman's side would not compromise we have offered to give you what you have asked.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I refuse to yield further. Speaking about compromises, the gentleman from Texas [Mr. POAGE] has assumed the attitude during the entire discussion on the corn program that he will either take over the soil bank or

wreck it, one or the other. Some on the Committee on Agriculture. I would not say have as much brains as the gentleman from Texas [Mr. POAGE], but we do have a little intelligence. We have agreed upon the Harrison amendment or the Andresen amendment as two proposals that we need in this emergency to handle the corn situation in the commercial corn area. My amendment was defeated last Thursday, so we are offering the Harrison amendment today.

Any amendment offered by the gentleman from Texas is for the sole purpose of adding to the confusion and wrecking the soil bank program. You can take it for that. I do not say that out of any lack of regard for my good friend from Texas because I have a high regard for him and his sincerity in those things he promotes. But we are now dealing with the 1957 crop of corn in the commercial corn area. Either we are going to get an emergency program or we are not going to get one. The test is here today.

Mr. Chairman, I urge the membership to vote down the Poage amendment and adopt the Harrison amendment which I am supporting and which my colleagues on the Committee on Agriculture are supporting here today.

Mr. ARENDS. Mr. Chairman, would the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Illinois.

Mr. ARENDS. Does the gentleman agree with the position taken a moment ago by the gentleman from Illinois [Mr. SIMPSON], that this would completely rewrite the Soil Bank Act?

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. ARENDS. In other words, we would be writing completely new legislation on a project which, as the gentleman from Illinois [Mr. SIMPSON] has said, has not yet been given the opportunity to function. Here we have an emergency in the corn area which apparently the gentlemen on the other side are not willing to face without doing something else about it, and I am going to oppose that.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer a perfecting amendment to the Cooley amendment.

The CHAIRMAN. The Chair will advise the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] that there is an amendment pending to the Cooley substitute and an additional amendment would be in the third degree and not in order.

Mr. AUGUST H. ANDRESEN. Is that the Harvey amendment?

The CHAIRMAN. It is the Poage amendment.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope I can shed just a little light on this situation before us. Before making the attempt, I want to say that personally I am sorry the debate of a few days ago was of such a partisan character; but it was and I suppose it cannot be erased.

One of the most unfortunate things that has happened to American agriculture in recent years is the partisan atmosphere into which the farm programs have been thrown. We didn't have this situation until the most recent years. Heretofore the Committee on Agriculture has had no difficulty in reaching agreement on various programs. We always came to the floor united.

Consumers have been played against farmers. Farmers have been played against one another. Now everyone has been so divided that I doubt we can ever or will ever restore the bipartisan approach that heretofore prevailed. I hope we can do it. And I, for one, am willing to try.

I am not going to engage in a political or partisan discussion now. I shall try to cover some points that might help us solve this very troublesome problem.

First let me say, Mr. Chairman, that the pushing and shoving we have witnessed during the debate on this bill is an example of what invariably happens when you start handing out Federal checks to people for doing nothing. Do you remember how we used to complain about WPA? We used to criticize it for paying people to simply lean on their shovels. But at least the WPA required a man to hold the shovel in his hand, with leaning on it permitted. But under the soil bank he can just throw his shovel under the house, forget about it, take a seat on the porch, and wait for the postman to come by and hand him his soil-bank check—for what? For doing nothing, absolutely nothing. Is there any wonder that we have such pushing and shoving as has been witnessed on this floor. The scene has been even worse at the offices administering the soil-bank program.

I say that not in any criticism of anyone. It just points up the fact that when we start handing out do-nothing checks it results in just such a mess as we have now. I think at the end of this year we would be better off if we got rid of this whole program. In the interest of the taxpayers, in the interest of farmers who want to work for what they receive, and in the interest of maintaining the real worthwhile programs for agriculture, we ought to repeal the soil-bank program.

Now, the gentleman from Texas [Mr. POAGE] has offered to this body a fair choice. He has offered to support either Mr. HARRISON's proposal or Mr. Benson's bill, with his amendment tied thereon.

A good deal of complaint has been made as to the cost. Mr. POAGE's amendment would not add one single dollar to those which have already been allocated by the Department of Agriculture for soil-bank purposes. It does not rewrite, with all deference to those who have said that it does, the Soil Bank Act. No man on this floor has made a more accurate statement than did the gentleman from Minnesota [Mr. H. CARL ANDERSEN] a moment ago when he interrogated the gentleman from Texas [Mr. POAGE] on his amendment and agreed with him that the Poage amendment kept the expenditures exactly within the limitations of the President's budget.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I certainly will. I think the gentleman has made a great contribution, probably the greatest that has been made up to now, in an effort to get this thing on the road.

Mr. H. CARL ANDERSEN. As a former chairman of the Agricultural Appropriations Subcommittee, and having dealt for 15 years with agricultural problems on that subcommittee, and I think I speak for the gentleman from Mississippi [Mr. WHITTEN] too, may I say that we on that subcommittee are much disturbed about the fact that we have $1,200,000,000 in that bill for the soil bank. We have a staff now looking into the operations of the soil bank. What leads me to support the amendment offered by the gentleman from Texas [Mr. POAGE] is that his amendment at least will not add to that $1,200,000,000.

Mr. ABERNETHY. Furthermore, not one single employee will be added to the present personnel of the Department of Agriculture, not one; and it will not add one single dollar to the allocations that have been made.

We have tried hard to solve our differences. We have worked week after week. We met last Friday and made no progress whatever with our Republican friends on the committee to solve our differences. They told us it was still their bill or nothing. We met again Saturday and we got nowhere. We met again Monday and got nowhere. Now, two reasonable choices have been offered. I just think we ought to accept one or the other and get something to conference.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman would not object to us who represent the commercial corn area of America trying our best to get a few benefits for the corn farmer.

Mr. ABERNETHY. I certainly do not. I am doing my best to assist. I simply want it to be a workable program. A repetition of what happened last year with soil-bank money in the commercial corn area will not help you. It would do serious damage to commercial corn and every segment of American agriculture.

Mr. JENSEN. But I want to be realistic, and I am sure the gentleman does, as every Member of Congress does. We realize that the Democrats are going to write this bill in the final analysis.

Mr. ABERNETHY. No; the Democrats will not be writing this bill. All of us will be writing it. That is the way it ought to be, and that is the way it will be if everyone will recognize the benefit of working together.

Mr. JENSEN. You are going to have the big say. Your party is going to have the big say. I am trying to be realistic about this thing. I am just hoping that I can do something that will improve this bill a little and say something that will improve it a little, as I have been trying to do. Then when the bill goes to the conferees, after the other body

passes it—and I hope they will in plenty of time; we are just rushing along—I had hoped that the party in control, your party, Mr. ABERNETHY, will remember always that the corn farmers are in trouble, and I am sure you will.

Mr. ABERNETHY. I see the gentleman's point. I agree with it—corn farmers are in trouble. We were told last year that the soil bank would solve your problem, but it did not. Mr. Benson spent $179 million out there and did not reduce the corn surplus one bushel. In fact, it was increased over the alltime high of the year before. He sent his Assistant Secretary, Mr. Marvin McLain, before our committee, and Mr. McLain told us in plain language that grain production, including corn, from the diverted acres caused your problem. Should we repeat the mistake of last year? Should we pour more millions down the drain?

I believe if I lived in the commercial corn area I would welcome a reduction in grain production in the area outside the commercial belt. Mr. POAGE's amendment is directed at the very sore spot which Mr. McLain complained about.

Let us accept it. Let us do a good job. Why repeat the horrible performance of last year? For one, I am not willing to do it.

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN. This motion is not offered just to get the time. Sometimes a motion of this kind might be so considered.

It appears that the committee is hopelessly confused. Here are four amendments. Being against subsidies, I asked the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], a little while ago what my vote should be on these four pending propositions, that is, so that I would do the least damage or, perhaps in the least degree minimize my desire to oppose subsidies. I did not get an answer. There has not been any. We have in our country or rather in my section, not only in Michigan but in adjoining States, the situation with reference to wheat where many of our people who are honest and law abiding and who try to observe the law having fed their extra wheat, that is, the wheat grown on acreage that they should not have planted, to their chickens, poultry, and cattle, and who have been haled before the United States district court and fined. In lieu of the payment of a fine, of course, they would have to go to jail. This bill does not contain anything to help them, although we have long been asking for relief and several bills have been introduced to relieve them of that situation. We hear often about a free world, the free nations, and free people. But take a look at the citizen who owns land, who plants it to wheat. Can he sow, reap, and use what he grows on his land as his own? He cannot. Then why claim—say—he is free? If a certain number of farmers vote for the farm program the individual—by that vote through legislation enacted by the Congress is deprived of his freedom of his property—why not forget all this bunk about freeing the people of the world until Americans are free? Now, the corn boys complain and apparently they are not to get any relief unless our friends from the South are permitted to put the feed grains into competition with our corn and get paid for so doing. That seems to be the situation today.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; but I do not want you to take too much of my time.

Mr. COOLEY. I will not do that, but I just want to tell the gentleman, you asked about the possible cost.

Mr. HOFFMAN. I did not ask about any cost. Have not said a word about cost.

Mr. COOLEY. The gentleman asked about the possible cost when I was talking a while ago. You said something about wanting to vote for the one that had the least subsidy in it, and this is it—the Poage bill. The total possible cost under the Poage bill would be $171,193,000.

Mr. HOFFMAN. All right, I got it, I got it. So I must take the Poage bill to get even partial relief. And our farmers will be fined or sent to jail if they plant and use the wheat from 11 acres when the allotment is 10 acres. And this is not Russia—the practice is that of Russia.

Well, I am a little suspicious about—unduly suspicious of my friends from the South because I find in the RECORD where some from the South and some from the west coast, although I love the California people more than I do those from Florida, although I have never been in either place except on a little business, perhaps I find where a corporation in California during the 3 years, 1953, 1954, and 1955 got $3,365,090.81 via a subsidy for cotton. I found that the people from the State of the gentleman who just spoke to us, the gentleman from Mississippi [Mr. ABERNETHY], on cotton alone during those same 3 years, the Delta Pine and Land Co., a corporation—not one of those poor little farmers that they are complaining about and all the time profess to be trying to help—oh, no, no, no—not a poor little farmer with a wife and children but a big, fat British-controlled corporation, it got $4,536,321.03 in those 3 years. The very last cent they collected—the 3 cents—they had to have that too. Now, if I must continue to vote, and the story is the same all the way through, and it has been the same ever since the program went into effect, we in the North have had to pay year after year millions of dollars not to the little man from the South with whom we all sympathize and wish to aid but to these big, rich corporations that if you listen to them on the floor, you would think they were always against. If I must vote to pay them—it is my purpose to make the payment as small as possible—no doubt sometime before final vote someone will come along with an amendment to limit the size of the payment. But that limitation will probably disappear when the act is administered. The price carried now in the proposal is too high a price for me to pay to vote for the Poage amendment, much as I admire and respect and, I will say, love, although that is stretching it a little, the gentleman from Texas [Mr. POAGE].

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I rise in opposition to this motion for the same reason that the gentleman who offered it did. I am rising to say that I think the gentleman from Texas was correct when he said this is our last opportunity to try to get together and get some legislation.

As we came on the floor today I think it was apparent to everyone that we knew that the Harrison amendment would be defeated; we knew that the Andresen amendment was already defeated. We knew the committee bill would be defeated, and we would be left without any legislation at all, and the Congress could rightfully be chargeable with doing nothing for the corn farmer.

Frankly, I could not vote for the Harrison amendment as it stands, without the Poage amendment. And I will have to take that with the hope that in conference we can improve that a little.

Now, why do I say that I cannot vote for the Harrison amendment?

I have tried my best to reach a compromise on this bill. In offering an amendment to the Andresen bill the other day, to make it applicable for 1 year, I predicted that if that amendment was adopted his bill would be adopted. My amendment was defeated and his amendment failed by only 7 votes.

The Harrison bill, as it was drafted—I know not by whom—was indefinite and confusing to the point that even the author, whose name it carried, had contended up until last Saturday that the bill did not go as far as it goes. I know he was honest in his representation that the bill proposed that some of the additional acres provided for a base acreage of corn would have to be placed in the soil bank, but, of course the bill does not do that. It proposes an increase of 12,711,111 acres to the present 37 million acre corn allotment for 1957, in the commercial corn area. Not a single acre of this corn base acreage of 51 million acres in the commercial corn area would have to be placed in the soil bank acreage reserve. Not only that, but not a single acre of any other grain acreage in the commercial corn area would have to be placed in the soil bank acreage reserve. The only requirement is that, for the producer to become eligible for price supports on his part of the 51 million acres is that he place in the soil bank conservation reserve an acreage of cropland on the farm—not cornland and not grainland—equal to 15 percent of the producer's base acreage for corn.

Also, please understand, Mr. Chairman, that the Harrison bill applies only to corn in the commercial corn area, and there is absolutely no incentive for producers of corn outside the commercial area to reduce either their corn or grain

planting. If the Harrison proposal is adopted it would not only result in greater production of corn and other feed grains, but would also make the Government liable for additional soil-bank payments without requiring any additional reduction in either corn or feed grains, from which the problem has stemmed.

Frankly, I believe very few Members have ever read the Harrison bill which is now offered as an amendment. There are only a few in my opinion who know exactly what this amendment would do. Too many have relied on explanations of the intent of the bill, and these explanations have not always been exactly accurate. If you have not read the regulations on the corn referendum issued last December by the Secretary of Agriculture, you do not know what this Harrison bill proposes and if you do read and understand the regulations, I do not see how anyone can vote for the Harrison bill.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. H. CARL ANDERSEN. Is it not true that the Poage amendment retains that portion which gives to the corn farmers a 51-million-acre allotment?

Mr. JONES of Missouri. It does.

Mr. H. CARL ANDERSEN. And also the farmer can take 15 percent out of his feed-grain acreage and put it into the conservation reserve?

Mr. JONES of Missouri. He does not have to take it out of that. He can take it out of other land, if he has any, or he can take it out someplace else. He also has the privilege of taking 15 percent out of his corn allotment, if he wants to.

The reason I opposed the Harrison amendment was the fact that until Saturday morning it was assumed by a lot of people that while it gave a 51-million-acre allotment, the author was presuming that 15 percent of that would go into the soil bank and it would actually be planting about 43 million acres in the commercial corn area. So I say that the Harrison amendment as it is, unless we put the Poage amendment on there, is not going to be acceptable. If we are interested in getting a corn bill passed, that is the only legislation we can possibly get, and even then we have some doubts whether it will be passed.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. ALBERT. Would not the gentleman follow the gentleman from Texas on this amendment and if the Poage amendment to the Harrison amendment is adopted, would he support the Harrison amendment and send the bill on?

Mr. JONES of Missouri. I would support it only as a compromise.

Mr. ALBERT. Will the gentleman yield to permit me to ask the chairman of the committee if the Democratic Members are not in favor of that?

Mr. COOLEY. I am not privileged to speak for other members of the committee, but I am glad to say to the House that if the Poage amendment to either the Harrison amendment or to my amendment is supported, I will still vote for it in the hope that we may perfect it in conference.

Mr. JONES of Missouri. I do not say that is the perfect thing, but at least it gets something done, to get the show on the road and get a bill passed.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. H. CARL ANDERSEN. That is exactly where I agree. Let us do something to get the show on the road.

Mr. JONES of Missouri. I hope other Members on your side will go along with that, and we will get something done.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the preferential motion.

The preferential motion was rejected.

Mr. HARVEY. Mr. Chairman, I move to strike out the last word.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield briefly, for a question.

Mr. COAD. Under the Harrison amendment is the Secretary of Agriculture required to support corn at between 75 and 90 percent of parity or between zero and 90 percent of parity?

Mr. HARVEY. I prefer to let the gentleman from Iowa answer his own question. I do not yield further at this time.

I want to devote my attention at this time to what is actually at stake here in this proposal, and I am going to do it as factually and without prejudice. I think all of you will agree that my efforts have been devoted to the welfare of agriculture. I have tried to see the problems not in terms of just 1 area or 1 community, but that agriculture as a whole must prosper.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. POAGE. I want to commend the gentleman for a serious effort to try to work something out.

Mr. HARVEY. I thank the gentleman. What we have at stake here, and I want you to listen to this if you have not listened to anything else I have said here, I want you to listen very carefully to what is at stake, then make up your mind how you want to vote. At stake here we have under consideration an approximate amount of acres to be treated as basics for the soil-bank purpose. The amount of acres of the basic commodities, in other words, the sum total of all the basic commodity acres today is a little over 100 million. This Poage amendment would bring into consideration for soil-bank treatment an amount also in excess of 100 million acres.

The statement made by the gentleman from Texas is correct. I want to be fair about it. His statement was that for this year an additional amount of money over and above the present authorization would not be allowable, but if you accept the philosophy that all of these other feed grains are treated—for soil-bank purposes—as basics, you are going to be obligated in future years to follow up the policy established by this Poage amendment.

Let us make no mistake about it, that is what you are voting on here. It is not a question of exceeding the budget, it is not a question of where you are going to get the acres; it is a question of whether you are going to bring feed grains in for soil-bank purposes and treat them as basics and pay for them at excess prices. That is what is at stake. I am going to leave the decision to you, but I hope you will be able to recognize the principle that is at stake.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. But it is true that it is limited to diverted acres from basic crops already within the soil-bank picture.

Mr. HARVEY. Yes; that is right; but the principle that is involved I think the gentleman from Oklahoma will agree is that we are establishing a policy which will make all these feed grains eligible for treatment as basics for soil-bank purposes for future years. That is the policy we are considering. I think you should realize what you are doing when you vote on it.

Mr. JONES of Missouri. Does not the gentleman think that in order to be fair we will have to say that we have also changed the philosophy of the price-support theory when we are supporting corn without any limitation on production; that is, we have left it to that extent.

Mr. HARVEY. The gentleman well knows that the corn program has always been a voluntary program and that throughout the years corn has not been a surplus commodity. We are not experiencing an increase in corn production today. The reason corn as a commodity is having difficulty is because of the surplus feed grains that have been brought into the pattern of production and have thereby displaced corn from its normal pattern of use.

Mr. JONES of Missouri. That is true because we have a surplus, and this legislation is here to deal with that situation.

Mr. HARVEY. That is a good statement of the situation. Here is what I wanted to emphasize and want you to be clear about in your thinking as you approach a vote on this matter: Whether you are going to put these acres into the conservation reserve phase of the Soil Bank Act on a long-range basis at a price fair to all or whether you are going to muss up the whole program by bringing them in as basic commodities and pay for them at an excess price as a part of the acreage reserve.

Mr. HAGEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I merely want to make two points in connection with the amendment offered by the gentleman from Texas [Mr. POAGE]. There is a vast difference between allocating money and spending money. True, this money is allocated, but it is not necessarily true that it is going to be spent. The gentleman is establishing a new method of spending it.

To those of you who come from areas that grow 1 of the 6 basic crops, may I say that you might deprive your farmers of some of their opportunity to participate in the soil bank because to the extent there are moneys remaining which have not been put in the initial signup, the opportunity is still open to your cotton growers, your tobacco growers, your peanut and rice growers, to make further signups in the soil bank. The Poage amendment would work this money into the feed grain areas.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Illinois.

Mr. ARENDS. I am glad the gentleman brought up that point because that is exactly what is going to happen to the detriment of the corn areas.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Some of us have not been able to study the Poage amendment. Does the gentleman have any way of telling the Committee here today which areas would participate or are likely to participate in this feed program? For instance, in my area of Louisiana, would it participate or does it grow the feed grains that would normally participate? Would you be taking money allocated to the cotton program down there and spending it for the corn program and maybe later on take it from the cotton program again?

Mr. HAGEN. You would to an extent. This ceiling of $25 per acre on payments would exclude a great many producing areas even though they might grow feed grains. Frankly, I think your area, may I say to the gentleman from Texas [Mr. POAGE], is an area where they grow most of the feed grains on a dry-farm basis and they might be satisfied with a $25 an acre payment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Texas.

Mr. POAGE. I hope the gentleman will point out the amendment provides that the allocation of funds shall be made from the amount of money that is remaining available after the Secretary has made his allocation and after he has allocated money for the soil bank on April 1. The Secretary advised us that by the 25th of this month all of the signups will be closed and there will be no possibility of depleting anybody's fund that might be helpful to anyone in any other way because the money will simply be frozen there after March 25. The signup was completed on everything except corn on the first day of the month. It was completed on corn on the 8th. I understand those who want to put further amounts of land in can come back, but they are to be precluded after the 25th. Consequently, on the 1st of April, which is the date set out in this amendment, there will be no opportunity to use that money to the advantage of cotton, wheat or any of these other commodities. If it is to be of any value to the communities now allocated, whether California or South Carolina, it will have to be allocated through this diverted-acre program. I realize there will be more feed grain in some areas than others. But if we are going to attack the national program involving an unworkable surplus that is going to bear down on the corn supply and threaten our livestock industry, we are going to have to deal with feed grains where they are grown, whether in Louisiana, California, or Texas.

Mr. HAGEN. In reply to the gentleman from Texas, may I say that it is conceivable some of these deadlines might be further extended. Basically, here is a proposal that is a regional proposal. It does not have a uniform impact around the country. It will be of little value to the farmers of my State.

Mr. BROOKS of Louisiana. May I ask the gentleman, this $98 million under the cotton program will not be used for cotton under the cotton program, is that true? Are we not setting up a new type of program which means in the future the cotton program may be stripped of a large part of the money which normally would go into the cotton program under the soil bank arrangement?

Mr. HAGEN. In answer to the gentleman's question, I think that is basically correct.

Mr. BROOKS of Louisiana. It would put the cotton program in serious jeopardy when you do that, would it not?

Mr. HAGEN. To the extent that these cotton dollars have not been committed by contract, total aggregate contracts on individual farms, they would be diverted into another program.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

May I have the attention of the gentleman from Texas [Mr. POAGE]? Do we understand that these feed grains, and tobacco, and cotton, which you include in your amendment, would become basic crops and would be treated the same as our other six basic crops?

Mr. POAGE. They would be treated exactly the same as feed grains in the commercial corn area are treated: Farmers with diverted acres which have been planted to feed grains could put up to 16 percent, just as you take out corn. Under section 1 of the Harrison provision here, you do not have to take any corn out in the commercial corn area. We do not make food grains basic crops. We did eliminate section 3, which is the section you have in mind, I am sure, and which at one time did attempt to make provisions in relation to feed grain acreage somewhat similar to basic crops. But, this amendment just relates to diverted acreage.

Mr. JENSEN. And I note that the acreage you put in conservation reserve is to be paid for between $10 and $25 an acre.

Mr. POAGE. That is the actual acreage you put into the acreage reserve, not to exceed $25 an acre. The acreage put in the conservation reserve will average in our area about $8 and $9. The limitation is clear across the board and applies to any and all acres put in the soil bank.

Mr. JENSEN. Now, then, another question. In your explanation of your amendment you say that the Secretary shall allocate money available for such purposes all funds hereinbefore allocated by him for compensation to producers on the 1957 acreage reserve program for wheat, cotton, rice, tobacco, and so forth. Now, then, would your amendment tend to allocate funds for these products and take it away from corn?

Mr. POAGE. No. It will not take anything away from anybody. Here are the figures as of March 1. The Secretary had committed himself to $119 million for cotton out of an allocation of $217 million, which leaves $98 million.

Mr. JENSEN. You are talking about 1957.

Mr. POAGE. That is right. Of course, this bill is a 1-year bill. This bill does not extend beyond 1 year.

Mr. JENSEN. I thank the gentleman.

Mr. BROWN of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, would you listen to a voice in the wilderness for a moment? For the last 15 years I have visited with thousands of farmers all over America. That was the way I made my living—interviewing farmers, getting the story of their operation, and writing their case histories. I do not profess to have any magic answers to the farm problem; and I have learned here in Washington that no one else has. But could we restate a few fundamentals here, and see if they have any merit?

First of all, what this Congress is trying to do here, apparently, is to patch and plug a basic crop, flexible price support, soil bank farm program that has already been patched and repatched too many times. This is another law that will further complicate the network of complicated farm laws, when the truth is the laws have been getting more and more complicated as we go along and more and more negative in their cutbacks and controls. So complicated, in fact, that it now takes a large army of employees in the Department of Agriculture to police them. The Government is now spending a record $5.5 billion on a crazy-quilt farm program, and what has it accomplished? The greatest farm depression since the 1920's. Now, I submit, the real fundamental we must face is that agriculture can no longer be controlled by controlling six basic crops, and all the soil-bank adaptations and everything else so far adopted have not changed that fundamental. Talk all you like, I seriously question if we can ever make a smooth, smart, and saucy 1957 model out of a 1938 agricultural program merely by patching and plugging and repainting the component parts. There have been too many changes in agriculture since 1938 and we must face the facts of life. Twenty years ago we did not have any dacron and nylon or other synthetic fibers. Cotton was a lot more basic 20 years ago than it is today.

Twenty years ago you ladies were not dieting quite so much. You were eating a lot more bread, and people were buying flour by the 24-pound and 48-pound bag. Down South they were buying it by the 200-pound barrel. Wheat was a lot more basic then. And what about corn? The Iowa-Illinois-Indiana corn bloc tells us that corn is just as basic as it ever was, that it is the whole life-and-death key to the livestock and poultry production in this country. But now just a minute; what is the whole story? Corn is just

about 50 percent as basic as it was 20 years ago and therein lies the root of the whole problem.

Twenty years ago the people in the Corn Belt were producing a 200-pound hog with 22 or 24 bushels of corn. But they are not feeding that way any more. They are producing a 200-pound hog with 13 bushels of corn and 100 pounds of protein supplement, soybean or cottonseed meal. Now, which is basic, the corn or the soybean and the cottonseed meal?

On hogs, we have to face it that the corn market potential has been cut 50 percent by changes in feeding methods. I am not saying that it was wrong. I am just saying let us be realistic and recognize what has happened.

Poultry rations today are made up mostly of small grains, maize or milo because producers have found them better or more economical.

Less than one-fourth of the current dairy ration is corn. That is a big change from 20 years ago.

And what about beef? The latest figures for 13 States, including the 9 Corn Belt States, show that less than 5 percent of the cattle are fed anything but grass and protein supplement for as much as 6 months, and less than 25 percent of the cattle in this country ever see any corn for as much as 3 months out of the year. By far the biggest portion of the beef produced in this country today is grass-fed, with a little cottonseed or soybean supplement during the winter months.

I had a steak in one of the restaurants on Capitol Hill the other day and I guarantee that that bull never saw an ear of corn. I think he was fed on Johnson grass and Jimson weed.

Changes in feeding habits all over the Nation and including the Corn Belt have seriously reduced the demand for corn in the past 20 years. Yet, the corn bloc apparently insists on 51 million basic acres, just like old times. And 55 million acres of corn will be grown, whether Congress applies this patch to the crazy quilt farm program or not.

Let me ask, why did not the corn States come here with a program to increase the usage of corn by offering a premium for lean-type corn-fed pork or for Choice and Prime corn-fed beef? Why did not somebody come in here with a program to convert that corn to some finished food for the people over 65 who are struggling desperately to get by on $30 a month social security payment or less in these days of cold-war inflation? Or to some food we could store for defense in the event of enemy attack?

Why did not somebody come in with a proposal to pay the farmer a decent, honest price for reasonable production so that he would not have to plant every one of his acres? Why not a program to get more corn into foreign markets, even at a loss?

No, what we are offered is another patch on a gigantic soil-bank program of $1 billion for bare acres to get people not to produce 6 basic crops.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BROWN of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Let us be honest. Have any of you seen some of these soil-bank acres in the Corn Belt that were placed in the soil bank? Do you know what they were? Were they corn acres? They were, in many instances, the worst acres on the man's farm, often just brush, plain brush; and yet Mr. Benson paid those people $42 an acre rental for 1 year on those brush acres.

Now, if we want to be provincial about this, which I do not want to be, I refuse to be a party to any program that is going to continue $42 an acre payments for brush in the Corn Belt when my people cannot get $42 an acre for their brush in south Missouri.

Now, let us face this problem squarely and get away from this corn bloc, wheat bloc, cotton bloc approach to the farm problem. Let us look at the whole national farm picture, not as acres but as people. We have approximately 5 to 5½ million farm families in the United States, owners and tenants. Why can we not look at their problems realistically, on a positive, affirmative approach? If it takes the rest of this Congress, I cannot think of anything that we could do that would serve a greater purpose or benefit this Nation more than to come up with a bold, forward-looking national farm program. Next to world peace, the two gravest problems confronting this Nation are first the farm problem where people have seen their incomes decline in the face of spiraling inflation; and second, the problem of our people over 65 who have seen their incomes stand still in the face of a cold war inflation that they did not cause and could not foresee. Cannot we look at these problems squarely and seek answers that might help solve both of these problems with each dollar?

If it takes the rest of this session, cannot we find a way to get more for our money than to spend $1 billion and still not cut back production of unmarketable surpluses of six basic crops that are no longer as basic as they used to be?

Why cannot we face agriculture 1957 instead of patching and repainting agriculture 1937?

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments close at 3:30.

Mr. AUGUST H. ANDRESEN. Reserving the right to object, Mr. Chairman, that request covers the Harrison amendment, the Cooley-Benson amendment, and the Poage amendments?

Mr. COOLEY. That is right. It covers all the amendments that are now pending.

Mr. AUGUST H. ANDRESEN. I have no objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, my interest in this legislation stems from the fact that I am a farmer and a member of the House Committee on Agriculture and all matters before the committee are, in part, my responsibility. When reported to the floor, they become the responsibility, of course, of every Member of the House. The gentleman from Missouri has made some observations which, within the general framework of his remarks, have been very much in my mind as we have had this legislation before our committee. I think he was right when he stated his concern that a great deal of our farm legislation has been, as he described it, patchwork legislation. I am a member of the Family Farm Subcommittee, as it was set up in the last session of Congress. I visited many areas where the family farm is in a very serious situation by virtue of cutback in acreage under quota legislation on the basic commodities. I certainly have seen and heard the witness of many farmers who are seriously involved in these acreage adjustments. I am very much in sympathy with the problem which the gentleman from Missouri outlined. Let me say to those on my right, and the gentleman from Missouri is in that group, that analyzing this legislation in the light of his remarks or the principles he set forth, I came to a very definite conclusion—that this legislation should not include feed grains at this time. I have expressed to the members of our committee that I am very much interested in the soil-bank legislation being put on the track, you might say, and making it applicable in production adjustments beyond just simply the basic commodities.

My interest in this basic principle, of course, has required me to analyze this legislation and on the basis of that I came to the conclusion that this is not the appropriate time under good, sound procedure to bring in feed grains and the problems incident to legislation of that nature. I say this objectively and not in criticism of those who disagree with me on it, but as one coming out of the Northeast from a feed-deficit area I have also analyzed these pieces of legislation in respect to the impact in the area. I say, that, of the legislation that you have had presented to you, the impact will be less on the basis of legislation if it deals strictly with corn than it will be if it deals across the whole gamut of feed grains, including corn and all the rest. I say that those of us coming from these feed-deficit areas have something at stake in all farm legislation and, as one Member, I feel a responsibility to express my reasons in relation to this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN], for 3 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, as the gentleman from Missouri [Mr. JONES] stated previously, we are up against a very realistic situation. If anybody had asked me this morning if I would ever have agreed to this sort of compromise I would have said "No." I had hoped to propose and get serious consideration of the House on the basic

problem of providing 90 percent protection on the family-size farm production.

Now, coming back to being realistic, I know that the temper of the House is such that it would refuse to give me the sort of consideration that that problem deserves. Consequently I am personally open to compromise.

I had intended this morning, as I said in a speech just before we went into this particular Committee, to force the issue of 90 percent parity on family-size production of 4,000 bushels of corn, 25 bales of cotton, and 3,000 bushels of wheat. I discussed the other feature of my proposal which has met with such widespread acceptance. But we must get the bill over to the other body. Unfortunately, I believe there are too many Members in this House who would just as soon see this legislation killed, and have no legislation at all. That is the only reason I am backing down in my viewpoint. I am willing to yield temporarily on the intention I had to force this price-support issue. I am willing to accept Mr. HARRISON's section 1. That is partially what my farmers are interested in. That says that we shall have an allotment of 51 million acres of corn. The farmers in the Corn Belt cannot survive with less. We have been urged to get that, which to me is the most important thing in this bill. If we have to concede something to our neighbors down South, what is wrong with that? We cannot shut them entirely out of this picture. I, for one, as a Member from the corn-producing area, do not intend to say to the South that they cannot have any of the advantages of far-reaching agricultural legislation which we propose. So I am willing to accept the Poage amendment, mainly because, as has been stated before, it does not add a single dime to the cost for the soil-bank operation this coming year, $1,200,000,000, which is already before my subcommittee on appropriations.

Secondly, it will give us the 51 million acres corn allotment we must have.

Third, it will help get a lot of this feed grain acreage out of production, and if any of you think you are facing this basic problem without taking into consideration this acreage of feed grain production down South, you are not facing up to the situation.

Furthermore, it is obvious to me and should be to everyone that it is either this compromise or no legislation and we must pass a bill today.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABERNETHY. Mr. Chairman, I yield my time to the gentleman.

Mr. H. CARL ANDERSEN. I thank the gentleman.

I am pleading with you. Let us do something. I am yielding somewhat on my position. I voted for the Andresen substitute the other day because the House had accepted my amendment which had to do with feed grain acreage and a 51 million acre corn allotment was provided. My amendment was a part of it when I voted for it. Now the Poage amendment helps the Harrison amendment to some extent and I hope the bill will do some good. As the originator of the soil bank in the Congress, I want to see the soil bank go on through to success. Unless you do something along the line of reducing this feed grain acreage, wherever it may exist, we will never overcome this surplus feed-grain problem and the soil bank will not have a reasonable chance to succeed.

We are at a crucial point in farm legislation and much depends on our approving this compromise today.

Let me plead with the House, therefore, to finish this debate and accept the Harrison amendment as amended by the Poage amendment. Let us send it over to the Senate, Mr. Chairman. The Senate will then work its will, the conferees can get together, and I am sure we will have, as always is the case with such conferences, worthwhile agricultural legislation.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. ABERNETHY. Is not the feeling in the commercial Corn Belt that one of the things which has created their feed surplus problem is the planting of diverted acres in the Wheat Belt and other basic crop areas?

Mr. H. CARL ANDERSEN. There is no question about that.

Mr. ABERNETHY. Has not that been a problem that has plagued them for several years?

Mr. H. CARL ANDERSEN. Yes; and it will remain a problem unless we adopt the Harrison amendment together with the Poage amendment.

Mr. ABERNETHY. If the Poage amendment is adopted and it operates to take out a bushel of corn here and a bushel there in sections where wheat and other basic crops were heretofore planted, it would actually benefit the commercial corn area, would it not?

Mr. H. CARL ANDERSEN. I, as a producer of corn up in the State of Minnesota, will benefit directly for every bushel of grain that is not produced outside the commercial corn area.

Mr. ABERNETHY. Of course.

Mr. H. CARL ANDERSEN. Certainly the effects will be reflected right on the terminal market in Chicago.

May I conclude with the plea that we finish this. Let us have a reasonable bill, Mr. Chairman. What is before us is not 100 percent satisfactory to all of us, especially when I think of what I would like to see passed by this Congress, when I think of the protection I would like to see afforded to the family-sized farm, and certain other improvements in the farm program. I realize we have no opportunity to do all we would like today. But let us do what we can, let us try to do something for the corn farmers everywhere in the United States, and let us do it in time so the corn farmer can make his plans for the coming spring.

This would not be a bad compromise under the circumstances; and, when you consider it in the face of the hard reality that our choice is between this and no bill at all, there should be no hesitancy on the part of anyone to vote for the Harrison amendment together with the Poage amendment. All legislation is a compromise and this bill is no exception.

The CHAIRMAN. The gentleman from Iowa [Mr. JENSEN] is recognized.

Mr. JENSEN. Mr. Chairman, I would like to endorse the position just taken by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and I do it because I know and you know, every one of you knows, whether you are a Republican or a Democrat, whether you are in this House or out of this House, any place in America, that the party in power in Congress is going to write this bill in the final analysis, and that the southerners who have a majority on both the House and Senate Agriculture Committees are going to take care of their people. You cannot blame them for that. I try to take care of my people the best I can, and you try to take care of the people you represent here in the Congress of the United States. You cannot condemn the Representatives from the South for looking after their people. They are in power and they are going to have the final say. That is sure.

Let us, therefore, be realistic and get the best we can for the people we represent and in fairness to the taxpayers of America.

The gentleman from Missouri [Mr. BROWN] just made a very interesting speech a few minutes ago. He asked why we from the Corn Belt do not come in here with some recommendations for this and that. I want to inform him that I have joined with Senator MUNDT in a bill which would provide that all of our gasoline be mixed with 5 percent Agrol, alcohol distilled from surplus agricultural products. Do you realize that a 5-percent Agrol mix in all our gasoline would consume in 1 year 1,440,000,000 bushels of grain? We have in Government storage in corn and wheat today just a little over 1,700,000,000 bushels. So if our proposed bill is made law in 15 months we could thus consume every bushel of wheat and corn in Government storage so in a couple of years we would have no occasion to be considering this farm bill here today.

Do you realize that our horses and mules before the advent of the iron horse used to eat the production of 43 million acres of our land? And then we wonder why we have a surplus, and why we have a farm problem in America today, knowing that to be the fact.

Senator MUNDT and I recently appeared before the President's Commission which is looking into the new industrial uses of farm products. They had a meeting of the full Commission for us with their chemists, their investigators, and research staff, and I am happy to say they are giving the Jensen-Mundt bill very serious attention. They will bring their report to the Congress some time toward the end of this month. We are hoping they will endorse the Jensen-Mundt bill.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I would like to compliment the gentleman from Minnesota [Mr. H. CARL ANDERSEN] for the very good speech he made and also my colleague from Missouri. I should like to address my remarks to Representatives from our big urban centers and I hope they will read the figures which will appear in my extension of

remarks. I have a few figures here which I am going to give you.

I have had the statement made to me by a few Representatives from our big cities that they were going to vote against any kind of farm legislation regardless. They seem to have the idea the farmer is lolling in the lap of luxury and that they are being robbed. They are being robbed as far as that is concerned, but the farmer is not doing the robbing.

The city consumer finds these changes in his price since 1 year ago:

Round steak up 3 cents a pound.
Bread up 1 cent a loaf.
Milk up 1 cent a quart.
Coffee up 17 cents a pound.
A month's rent up 2.4 percent.
A pair of men's shoes up 44 cents.
Average man's suit up $1.18.
A pair of blue jeans for a boy less than 10 years old up 13 cents.
A gallon of gasoline up 1 cent.
A new car up $138.
One gallon of heating oil up 1 cent.

Mr. Chairman, those things are happening while the American farmer is going broke. I have stated to the Members of this House at different times that you could start a depression on the American farm but you could not keep it there. I have not the time to read all of these figures but I am going to leave them here so that they may be extended in the RECORD.

The profit squeeze—Some well-known companies whose earnings in 1956 were below 1955

	1955	1956	Down
Life Chalmers Manufacturing	$34,[illegible]	$30,[illegible]	Percent [1] 18
Massey-Harris-Ferguson [2]	12,168,[illegible]	3,1[illegible],501	74
Clark Equipment	8,[illegible],636	8,401,[illegible]	11
Westinghouse Electric	42,[illegible],747	28,637,[illegible]	34
Radio Corporation of America	47,[illegible],[illegible]	40,[illegible],[illegible]	16
Philco	8,[illegible],329	[illegible],690	95
Motorola	8,[illegible],[illegible]	7,970,000	18
General Motors	1,[illegible],477,[illegible]	943,[illegible],[illegible]	29
Ford	[illegible],[illegible],000	320,[illegible],000	49
Eaton Manufacturing	13,[illegible],[illegible]	12,[illegible],[illegible]	12
Standard Screw	2,[illegible],211	1,[illegible],774	35
United States Steel	570,[illegible],253	347,[illegible],198	18
Bethlehem Steel	180,191,708	[illegible],411,[illegible]	10
Scovill	[illegible],[illegible],[illegible]	4,[illegible],[illegible]	23
Monsanto Chemical	41,[illegible],970	35,[illegible],[illegible]	18
Texas Gulf Sulphur	33,[illegible],404	28,[illegible],[illegible]	13
Commercial Solvents	2,431,[illegible]	2,[illegible],[illegible]	18
Ward Baking	1,322,400	1,313,[illegible]	14
Continental Baking	7,737,327	7,[illegible],[illegible]	13
National Tea	7,[illegible],[illegible]	7,[illegible],[illegible]	13
United Fruit	23,[illegible],[illegible]	20,[illegible],[illegible]	10
Boston & Maine R.R.	3,[illegible],[illegible]	741,[illegible]	78
Union Pacific	79,[illegible],[illegible]	78,[illegible],[illegible]	11
Budd	13,[illegible],[illegible]	9,[illegible],[illegible]	38
New York Air Brake	2,144,[illegible]	1,[illegible],[illegible]	13
Ryan Aeronautical [3]	1,[illegible],[illegible]	1,[illegible],[illegible]	19
Grumman Aircraft	8,[illegible],[illegible]	7,[illegible],[illegible]	11
Seiberling Rubber	1,127,[illegible]	1,051,[illegible]	17
B. F. Goodrich	[illegible],[illegible],[illegible]	63,[illegible],[illegible]	4
General Time	2,110,[illegible]	1,[illegible],[illegible]	17
Bausch & Lomb	1,[illegible],[illegible]	1,[illegible],[illegible]	15
American Viscose	24,[illegible],[illegible]	14,[illegible],[illegible]	40
Rayonier	15,917,652	14,[illegible],[illegible]	11
Armstrong Cork	14,[illegible],[illegible]	13,[illegible],[illegible]	8
National Gypsum	15,[illegible],[illegible]	14,[illegible],[illegible]	10
Libbey-Owens-Ford Glass	38,[illegible],[illegible]	30,[illegible],[illegible]	19
Republic Pictures [4]	[illegible],[illegible]	[illegible],[illegible]	17
P. Lorillard	8,[illegible],[illegible]	6,[illegible],[illegible]	31

[1] Profit decreased even though company did a bigger business in 1956 than in 1955.
[2] Year ended Oct. 31.
[3] Before adjustment for change in inventory valuation. Company reported profit as $3,492,081 after the change.
[4] 52 weeks ended on last Saturday of October.

This table shows the decrease in net earnings of many of our large corporations in 1956, in comparison with their net earnings of 1955. Even General Motors lacked 29 percent of making as much money in 1956 as they did in 1954. Ford lacked 46 percent. The Massey-Harris-Ferguson Co. lacked 74 percent of making as much net profit in 1956 as they did in 1955.

The reason is not far to seek. In the last 4 years the American farmer has lost $9 billion in net income. He has lost $6,700,000,000 in the inventory value of the livestock on his farm. He has just that much less money to spend for the products of industry.

I hope, Mr. Chairman, that the Members will check these figures I will include in my extension of remarks because they are very revealing and I assure you they cannot be contradicted.

I remember quite distinctly the things which have happened to American agriculture over the past 50 years—because I have been a part of it. The first time in a century that the American farmer ever received anything comparable to a fair share of the national income was during the 4 years of the administration of Woodrow Wilson, and farm prices were at 100 percent of parity when the Republicans took over in 1920.

I will not dwell on those 12 long years during which a farm depression that began in 1921 and 1922 spread further and further until it engulfed industry, labor, the railroads, and the banks. By 1932 the per capita income of farm people had sunk to less than $100; 15 million laboring people were without jobs; our life-insurance companies were operating under a moratorium; 9,976 banks had failed in the United States, with not a single deposit insured or guaranteed; credit had dried up; factory chimneys had ceased to smoke; and a storm of mortgage foreclosures were taking farms, as well as the homes of town and city dwellers, all over the United States.

Then, in utter desperation, the people of the United States, in their hour of misery and ruin, turned to the Democratic Party—the party that has always heard and heeded the cry of distress, want, and misery. The party that has the record of having fed the hungry, clothed the naked, and sheltered the destitute.

I will not list the beneficial legislation which was passed during the first 4 years of Franklin D. Roosevelt's administration. Let it suffice to say that it laid the groundwork for farm programs that, in a 20-year period, raised the per capita income of farm people more than 700 percent. It took this legislation, of which the Democratic farm program was a part, 8 years to pull the American farmer up to 100 percent of parity—but it did do the job. From that time on until 1952 the price of all food and fiber produced on American farms sold for an average of a little more than 100 percent of parity.

When the Republican Party came back into power in 1952, many of us knew the farming industry was headed for trouble; and that grave trouble has developed in the Farm Belt, no one on either side of this aisle doubts for a minute.

Between the dates of December 31, 1952, and December 31, 1956, the American farmer increased his bank debt $3.1 billion. He increased his farm mortgages $3.8 billion, and he suffered an inventory loss on the value of his livestock of $8.7 billion. This is a total loss for these 3 items alone of $15.6 billion. Now add to this a $9 billion loss in net income over that same 4-year period and you come up with $24.6 billion.

People in the cities engaged in manufacturing, merchandising and transportation should never lose sight of the fact that they have no better customer in the world than the American farmer and they should remember that the $24.6 billion that the farmer lost during that 4-year period, could and would have been spent for the goods and services produced by labor and industry.

If the staggering loss the farmer has suffered had been reflected in lower prices for finished food and fiber to the consumer—it might have some justification, but this has not been the case. The city consumer is paying more for groceries and clothing today than he has ever paid at any time in our history—even in the war years. The cost of living is now 118 percent of the 1943 to 1947 average, and it must be remembered that during the 1943 to 1947 period, the farmer was receiving 100 percent of parity, and the cost of living was 18 percent lower than it now is.

Another point I want to make is this. During Democratic farm programs which extended over a period of 20 years, Commodity Credit Corporation had in storage $2.4 billion worth of farm commodities; but 4 years of bungling and Benson has increased those holdings to $8.2 billion, and during this same 4 years of time, debt in the United States—both public and private—has increased $136 billion.

It makes little difference what sort of farm legislation we pass here in the House today—or if we pass none. Any legislation the Congress may pass will be turned over to Ezra Taft Benson to administer and it has two strikes against it as soon as that is done. Since his appointment, Secretary Benson has demonstrated by every official action that it is his intention to drive farm prices lower and lower; eliminate two million farmers; bring about corporation farming; and destroy the family-sized farm. He has, so far, been quite successful because while the population of the United States has increased 14.4 millions, the farm population has gone down 1.5 millions, and from all indications we will have Mr. Benson at the helm in the Department of Agriculture for another 4 years.

Let me conclude with this statement. Bankrupt farm prices and Republican administrations have been synonymous for almost a hundred years and this administration is running true to form. It is my hope that it will not take another depression such as we had in 1932 to teach farmers to quit voting the Republican ticket, but I sometimes think it may take just that.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, West Virginia's position with relation to the commercial farmer can be expressed in the soliloquy of the colored boy who, when passing by a large church picnic gathering where copious portions of luscious watermelon were being passed to the participants, dropped his head and was heard to say, "Umm, such good times and me not in 'em."

No matter what existing legislation supporting basic crops or how successful the Congress may be in providing aid to commercial corngrowers, the plight of West Virginia farmers, with one exception—the tobacco growers—will remain at the bottom of an economic squeeze. The total of corn loan and storage in West Virginia in 1956 is only 15,900 bushels.

West Virginia is not in the commercial corn area. There are no corn-acreage allotments. Those who have wheat allotments can be counted on one's fingers. Only tobacco growers with allotments can participate in the soil bank.

Corn production falls short of the State's demands for animal feeds. Since most farms are in the family-size class, with no croplands to spare, they cannot qualify for soil-bank aid either in reduced acreage plantings or existing provisions governing conservation payments.

There is just no way our farmers can benefit from provisions of the corn legislation under discussion in this House. During the December referendum only 242 farmers took the trouble to cast their votes and I daresay 95 percent of them were tobacco growers who sought the chance to recoup their diminishing acreages through the soil-bank route.

The debate on this corn bill has developed a clear pattern of antagonism of the wheat and corn growers of the Central and Western States against the producers of other basics in the Southern States, while West Virginia sits on the sidelines unable to escape her proportionate tax burden to support basics nor to avoid paying the increased cost of animal food, and human food and raiment processed therefrom.

If West Virginia's hilly terrain were measured in flat acres, Texas would have little to brag about. Croplands are at a premium. But thousands of acres lie neglected because price support and conservation laws provide assistance only to States with large areas of tillable soil. Were the regulations governing croplands extended to West Virginia hills, suitable for grazing and reforestation, the sturdy young men of the hill countries would no longer be compelled to desert the land of their birth for employment in other fields.

For the sake of future generations, equal attention should be given to preserving the economic welfare of the hill countries where favorable climate, abundant rainfall, and natural beauty prevail, as is being given in subsidies distributed to the less fortunate areas where seasonal drought, wind erosion, and destructive floods are repeated threats to the efforts of the farmer and the crops as well.

Yet, existing farm legislation, instead of encouraging the family-size farm, continues to pay large sums of our tax money to keep the big commercial producers of basic crops, many of whom are sideline operators, from piling up surplus commodities year after year, at the expense of the small- and middle-class farmer who, if free to do so, could meet the market demand and command a price commensurate with the supply.

With all due respect to past and present lawmakers, legislation designed to solve the farm problems simply serves to complicate and confound the farmer's position and tighten the straitjacket that will eventually enslave him to the bureaucrat.

Witness the plight of West Virginia's dairymen and herders of meat animals. Lacking sufficient croplands to produce an adequate supply of feeds, they are caught in the vise of high cost of animal feeds on the one hand and ridiculously low prices of beef and pork on the other.

West Virginia's receipts for 1956 for livestock and livestock products amounted to four times the amount received from the marketing of crops, including the payments from promiscuous Government subsidies for conservation.

Only a sturdy mountaineer, dedicated to his obligation to make an abundant supply of animal foods available to the rapidly increasing nonfarming population, may be expected to continue an unprofitable contribution without some faint hope for future relief. Let us quit passing farm laws that make second-class citizens in neglected areas of our Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REUSS. I intend to offer an additional amendment to the Harrison amendment at such time as the Poage amendment is disposed of. Am I correct in assuming that I will be permitted to offer that amendment and speak in behalf of it without limitation of the present limitation of time secured by the gentleman from North Carolina [Mr. COOLEY]; in other words, the 3:30 limitation?

The CHAIRMAN. The Chair understood the unanimous-consent request to be that debate upon the pending amendments would be limited to the 3:30 period.

Mr. REUSS. I just want to make sure, Mr. Chairman, that that does not include additional amendments to the Harrison amendment, which, of course, is the pending amendment.

The CHAIRMAN. The gentleman really asked two questions. One pertains to the parliamentary situation and the other as to the time. The Chair thinks that the gentleman should take his 3 minutes now and discuss his amendment in order, and then he can offer the amendment later.

Mr. REUSS. The amendment is at the desk, and I should like to have it read for the information of the Committee.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Add an additional section as follows: "Eligibility of any producers to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to $5,000 in any one year."

Mr. REUSS. Mr. Chairman, this amendment would limit to $5,000 the amount that any one farmer can receive in any 1 year from the soil bank. The main aim of a good farm program should be to support the income of the family-sized farmer. But in practice much of the benefits of the soil bank—paid for by taxpayers' dollars—are going not to the family-sized farmer but to large agricultural corporations and combinations which have no need for subsidies. As the figures just released by the Department of Agriculture show, here are some of the current payments made under the soil bank:

McCarthy & Hildebrand (California)	$29,722.53
J. W. B. Farms, Inc. (Colorado)	45,817.77
Garvey Farms (Colorado and Kansas)	61,884.50
Kupchunos Bros., Inc. (Connecticut)	29,829.81
J. E. Shepard (Connecticut)	40,162.56
Adams Bros. & Co. (Iowa)	49,948.00
Dewazi Harper (Texas)	30,737.22
George C. Chance (Texas)	58,093.00
Tom Moore (Texas)	40,792.40

These lavish payments repeat what we have been guilty of for some time under the price-support program. Commodity Credit loans in 1 year of $1,900,000 had been made to Delta & Pine Land Co., to United States Wheat Corp. of $348,000 in 1 year, to Leo Horrigan Farms of $354,339 in 1 year, and to Adams Bros & Co. of $190,000 in 1 year.

Last year Secretary of Agriculture Benson paid out $179 million of taxpayers' money in soil-bank payments to corn farmers alone. Under the amendment of the gentleman from Nebraska [Mr. HARRISON], additional corn farmers would qualify under the soil bank, and thus the amount of payments would presumably increase. Certainly we can lop from this amount that portion which is made not to the family-sized farmer but to the corporation farmer. The $5,000 limitation to any one farm producer means that Government help will go where it is needed, not where it is not needed. Aid to the large-scale producer merely increases the tendency away from the family-sized farm. If everyone who has said a good word for economy in Government and for the family-sized farmer in the last few days will vote for this amendment, it should pass unanimously.

Mr. KEATING. Mr. Chairman, would the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. KEATING. Mr. Chairman, I want to say that while I am opposed to the bill I do favor the amendment offered by the gentleman from Wisconsin [Mr. REUSS]. Many of the most vigorous criticisms of the farm program have arisen from those large payments made to big corporate-type farms. I

think the step the gentleman is proposing is a wise one. I hope his amendment carries.

Mr. REUSS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BEAMER] for 3 minutes.

Mr. BEAMER. Mr. Chairman, I do not come before the Committee as an expert in agriculture, but I do come to speak to the Committee very briefly and very sincerely because I was raised on a farm in the Corn Belt; I have helped as perhaps many of you have helped to plant, to hoe, to cultivate, and garner a crop of corn.

I want to urge this upon every Member. Today I am going to suggest that everybody offer a prayer that Republicans and Democrats, particularly from this great Corn Belt will somehow, in some way, get together and support a bill without making a partisan issue of it, such as has been demonstrated here previously.

I have read this proposed legislation with a great deal of care. Members may find my comments thereon in the CONGRESSIONAL RECORD of March 6. Mr. Chairman, you will note that I referred to the Harrison bill, H. R. 4555, which I understand is the substitute that has been offered.

I also have a letter from the gentleman from Ohio [Mr. POLK] who has offered a similar bill. I am quite sure all Members have received letters and explanations from these two Members clearly defining and outlining the purpose and intent and content of the proposed legislation. It is not confusing if you will read the statements of these two gentlemen.

For that reason I shall support those Members who want to defeat the Poage amendment; and I say this in all kindliness to the gentleman from Texas because I have a high regard for him. To me it is just another plan of confusion. Apparently it is just another demonstration of delaying tactics such as were used last week and the delaying tactics that were used in the preparation and presentation of the soil-bank plan last year.

I am going to suggest one more thing that is very, very important. Do not forget that in our area—and may I interpolate that approximately 49 percent of the corn is raised in 4 States—the 4 States are Indiana, Illinois, Iowa, and Nebraska. How many Members are there on the Committee on Agriculture from those States? Only four. The gentleman from Nebraska [Mr. HARRISON] is one of them. He knows what he is talking about. I am quite sure the other Members from those States know what they are talking about. We live there. Corn is not corn alone. It is so many pounds of pork and so many pounds of beef.

The gentleman from Missouri made a statement a few minutes ago that we are raising more hogs on less corn. Yes we are, but do not forget we are raising many more hogs and cattle and consumption has increased because the population has increased. Consequently we are having a demand for more corn than ever before despite the fact that today we are adding supplementary protein feeds, as we properly should.

Letters and telegrams from the district that I have the privilege to represent and from other sections of Indiana definitely support the Harrison bill which we now are supporting. In fact, the Indiana Farm Bureau has expressed itself in support of these same principles for the corn farmer.

Incidentally, the Farm Bureau has more than 131,000 members in Indiana. Their resolutions and recommendations originate from the grass roots meetings of the local or township units. Thus, these recommendations of Farm Bureau members and others in the Corn Belt should be respected because they know the corn problems.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman from Indiana just pointed out that there were only 4 members on the Committee on Agriculture from the 4 largest corn States, and suggested they were the only ones who knew anything about corn.

I just wanted to point out that, in deference to that viewpoint, but without accepting it, the amendments I have pending recognize and accept that viewpoint and accept word for word the proposal of the distinguished gentleman from Nebraska, who has been cited as being an authority, and a proper spokesman for the commercial corn area. My amendment lets him write every word that relates to the commercial Corn Belt. Then I thought it might be permissible for some of those of us who do not live in the commercial Corn Belt to write some of the phraseology that relates to the sections outside the commercial Corn Belt. That is exactly the way the amendments were prepared.

Mr. MATTHEWS. I thank the gentleman from Texas for that observation.

Mr. Chairman, I am going to favor the Poage amendment to the Harrison substitute because I believe it helps the corn farmers of America. I think they desperately need help as well as all of the other farm segments of our economy. I think it tries to do something to keep the supply of feed grains from being overproduced, from having an overproduction of feed grains, which I believe will further depress the prices of our livestock and our poultry. I think the Poage amendment to the Harrison substitute will prevent this bill from costing one dime more.

May I say, Mr. Chairman, how much I have enjoyed this earnest debate today. I have seen both sides of the aisle try to get together on this problem. I want to tell my colleagues who come from the corn area how much I appreciate their attempt to help us solve this problem. I sincerely hope we do not ever forget that the farm segment of this economy, despite all we try to do, is still the segment that needs the most help. We are not going to get that help and get the kind of program we need for them unless we can cooperate in all of these programs, the price supports, the section 32 funds, and the marketing agreements, and try to do just one little thing, and that is, give the farmer a fair share of the consumer's dollar. Until he gets a fair share of the consumer's dollar his problems cannot be solved. I hope we earnestly continue to strive for progress in that respect.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to Mr. AUGUST H. ANDRESEN.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Chairman, I rise in support of the pending amendment, in the nature of a substitute, offered by the gentleman from Nebraska [Mr. HARRISON]. It is identical with the measure introduced by the gentleman from Ohio [Mr. POLK], and along the same lines as a bill I previously introduced.

The pending amendment has the support of the American Farm Bureau, which is the largest and finest farmers' organization in the country. It has the active support of the vast majority of corn farmers. And it is my understanding that it has the approval of the Secretary of Agriculture.

It is generally agreed that there is an urgent need for corn legislation, and the pending amendment will meet that need. It meets the emergency need not only of the corn farmer. It meets the need of the livestock producer, the dairy farmer, and the poultry raiser for a stabilization of prices.

There is nothing really new or novel in the pending proposal. It simply presents to the corn farmer an option which was offered in the referendum last December. It gives to the minority the program they wish, of staying within the 37.3 million corn acreage allotment with price support of at least $1.36 per bushel. It also gives to the majority the program they wish, of higher acreage at 51 million at lower price support of $1.31 per bushel, but with the requirement that an acreage of cropland equal to 15 percent of the base be placed in the soil bank.

In the December referendum 61.5 percent of the corn farmers voted for the soil-bank base with lower price supports. In my home State of Illinois it was 80.8 percent who so voted this preference of program. The pending amendment simply gives these farmers the very program we offered in the Agricultural Act of 1956.

In the referendum only 38.5 percent said they preferred the lower acreage allotment with higher price supports. In my home State of Illinois the percentage who so voted was only 19.2. Nonetheless, the pending bill as a substitute for the measure reported by the Committee on Agriculture would give these corn farmers, although a small minority, the very program they want.

And so I say, there is nothing really new or novel about the amendment offered by the gentleman from Nebraska [Mr. HARRISON].

A point to be emphasized is that it does not increase the cost in the price support and soil-bank programs over that which we proposed in the Agricultural Act of 1956. Yesterday we heard much about the budget and the need for economy. Now is our opportunity to vote for economy by voting for this amendment. The committee bill would add between $500 million to $1 billion to the already heavy cost of the agriculture program.

The pending amendment does not grant any special privilege to the corn farmer. On the contrary, it corrects an inequity of existing law. The producers of cotton, rice, wheat, peanuts, and some types of tobacco are provided by existing law with minimum allotments. This is denied the corn farmer. That is why he is faced with an acreage cut in 1 year from 56 million to 37 million.

If the wheat farmer were on a comparable basis, with no minimum allotment protection as now denied the corn farmer, he would be faced with an acreage cut from 55 million to 12.4 million. If the cotton farmer were in the same position as the corn farmer with respect to the agriculture program, he would be faced with an acreage cut from 17.6 million to 1.9 million.

And so I say again by this amendment we are not granting the corn farmer a special privilege. We are correcting an inequity.

By this amendment we are not only helping the corn farmer, we are helping the producers of beef, pork, poultry, eggs, and milk, as well as mutton and lamb. It must be borne in mind that a large part of corn is used for feed. But corn farmers are the only farmers producing feed grains who are required to cut acreage to be eligible for price support. Producers of basic commodities have been free to shift acreage out of such crops as cotton, wheat, peanuts, and tobacco into feed grains. As these substitutes for corn are fed to livestock and poultry, corn has been locked up in Government storage bins and, at the same time, the corn farmer has to take a corn acreage reduction. It is unfair to saddle the corn farmer with this burden.

The proposal of the gentleman from Nebraska [Mr. HARRISON] is a reasonable method of doing something constructive about the corn situation now before corn planting time. I urge its adoption. It is emergency legislation to be effective for only 1 year. As soon as this is enacted we can then proceed with the bigger and more complicated problem of balancing feed supplies of all kinds in accordance with market demands.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, a year ago under the leadership of the gentleman from Texas [Mr. POAGE] and those from the South and Southwest, they delayed for months and finally were able to pass the first monstrosity of a farm bill, which President Eisenhower vetoed. We then passed a new and workable soil bank farm bill. Now it appears they, POAGE and COOLEY, have come back to try to get everything that they lost at that time which they should not have because it was our purpose who were trying to help all phases of agriculture, to confine the soil bank only to the six basic crops. A great mistake can be made here today if we fail to meet the corn emergency. Some have been trying to play down the importance of corn. I should like to point out that the Department of Agriculture has recently given out these figures, which shows the importance of corn. For 1956, the corn production had a value of $4,571,000,000 as against cotton $2 billion, wheat $2 billion, and tobacco a little over $1 billion. Feed grains are not even mentioned. It appears there are people here today who would prevent the right kind of legislation that would help all phases of our agriculture from being passed on the floor of this House in order to protect feed grains which were not even mentioned, and probably if they were mentioned have a value of perhaps $500 million. What we hope to do here today is to give the farmers what they voted for, the 37-million-acre program and 51 million acres last December. We can give them, in the Harrison bill, their choice of each program, which is supported and which has been endorsed by the Farm Bureau Federation of 1,500,000 farmers and which is backed by the Illinois Agricultural Association of my State with 200,000 members. We can give all the farmers who participated in the referendum last December what they chose and what they voted for. In that way we can do something for a basic farm crop upon which livestock depends, and livestock provides about 55 percent of the corn farmers' income. I hope we will finally come through and pass the Harrison amendment.

The passage of this bill will make a direct and effective attack to reduce surpluses that have been depressing all phases of agriculture.

It is a compromise which I repeat will give the farmers of the Nation what they voted for in the corn referendum last December, when 61½ percent of them voted for the 51 million acre base, and it will also give the 38 percent who voted for the 37$\frac{7}{10}$ million corn allotment just about what they voted for.

In my State of Illinois, last December, 52,925 farmers voted for the 51 million acre corn base program while only about 12,655 Illinois farmers voted for the 37 million acre corn allotment base.

This legislation can and should be passed promptly. Neither of these bills will increase the cost in 1957 of the price support and soil bank programs, which were offered to corn farmers by the Agricultural Act of 1956.

Farmers have their allotment notices under these programs, so that administrative action to put the programs into effect will be as small as possible.

The Harrison amendment would give the farmers what they have signified they desired by their vote in the corn referendum in December, and is the quickest way to put a workable program into effect.

It is for 1 year only, and this legislation will result in a substantial reduction in corn production in 1957; will help stabilize livestock, dairy and poultry prices, and meet the emergency affecting the corn and livestock producers of the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. POLK].

Mr. POLK. Mr. Chairman, as is well known I have supported the Andresen bill both in the committee and in the vote last Thursday. Today I am supporting the Harrison amendment as the best compromise on corn legislation that can be passed at this time. At the time the gentleman from Nebraska [Mr. HARRISON] presented his amendment, I had a similar amendment prepared and would have offered it had he not been recognized to offer his amendment. I am very much interested in securing a workable corn bill. I am deeply concerned about the provisions that the gentleman from Texas [Mr. POAGE] has offered in his amendment. Substantially, the Poage amendment which is before us is section 2 of the bill H. R. 4901. It is a very broad, inclusive measure which I believe will cause serious difficulty. I am urging the Members on my side of the aisle to vote "no" on the Poage amendment. I would like to point out that the Poage amendment states that compensation under this subsection shall be at the rate per acre of the rate per bushel of corn. Those of us who have had any practical experience with farming know that it costs a whole lot more to produce a crop of corn than it does a crop of rye or oats or barley or any of the other small grains. For this and many other reasons I favor the Harrison proposal without amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, we are in a confused muddle when it comes to this legislation with 3 or 4 amendments pending.

I am opposed to the Poage substitute. No one can predict, in spite of what the gentleman from Texas [Mr. POAGE] says, as to the cost of that program. No one can predict how much money will be diverted from one area to another area, to take care of the peanuts, cotton, tobacco, and ricelands in diverted acres. When the funds are allocated in the corn signup, which I have heard is to be around $149 million—if that increased acreage of corn is 51 million acres, it will mean they will have to extend the time of the signup to take in that new acreage, and the amount of new cornland going into the program may be increased to use the entire $219 million which will be appropriated. So that for anyone on either side of the aisle to make any accurate estimate of how much can go into this

diverted feed grain area is beyond my comprehension, and I am satisfied that even the Department of Agriculture will be unable to make any estimate as to what the signup will be in the event we increase the acreage to 51 million acres.

Another thing, it will take thousands of employees of the Department of Agriculture, at a cost of at least $30 million, to go out over the country in the basic commodity areas to determine what acreage had been diverted from tobacco, cotton, and peanuts.

I am standing by my support of the Harrison bill. That is a sound bill and will not cost any more money than will be provided in the budget. It is a bill that the farmers want in the commercial corn area. We ought to give them what they want. As I said, it will not increase the expenditure of funds. It will not increase the appropriations this year, and if you are interested in economy you ought to vote down the Poage bill, vote down the Cooley bill, and vote for the Harrison amendment as it has been proposed to you here.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ARENDS. I was called to the long-distance telephone and I did not get to hear the statement the gentleman just made, but someone informed me that the gentleman made the statement that it would increase the cost. Is it true that the best estimate you have available of the cost of the Poage bill will be an additional $30 million?

Mr. AUGUST H. ANDRESEN. That is right.

Mr. ARENDS. In other words, we are voting for $30 million more than we said we would vote yesterday?

Mr. AUGUST H. ANDRESEN. Thirty million over and above the amount requested heretofore.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HALLECK. As a matter of fact, is it not inevitable that unless we are kidding these people who are going to divert acres and put them into the soil bank, in feed-grain areas, this program is bound to cost millions and millions of dollars?

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. HALLECK. Otherwise they could not participate.

Mr. AUGUST H. ANDRESEN. That is correct.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ALGER. Mr. Chairman, if only authorities on farm matters had spoken to us in clear and understandable, if not statesmanlike, terms, I would hesitate to participate. Since this is not so, and since I represent many overburdened taxpayers paying for the farm subsidies, I would like to add another thought. Why has not someone suggested that there are too many farmers producing; that overproduction is being encouraged by Government bonuses; that "doing nothing" is being subsidized by the soil-bank payments? Could it not also be said that since the *Mayflower* pilgrims landed our Nation has gradually been industrialized, with farmers leaving the farm to seek their fortunes elsewhere. The open market of supply and demand was the balance factor. Obviously when the free market counterbalances are upset by Government's artificial bonuses and subsidies, our free enterprise economy is put in a tailspin. So we have done it to ourselves. Our present farm mess is the result of our own shortcomings. It seems to me that in refusing to recognize and to discuss the causes of the unfortunate farm situation, we are assuring the failure of our proposed solutions. If we do not honestly recognize the cause of our farm problem, namely, overproduction through Government subsidy—too much produced by too many—how can we correct the situation? Certainly we cannot solve the corn or farm problems by political bloc votes of Republicans and Democrats competitively offering more of the taxpayers' money to the farmers. Such a course is immoral and unrealistic.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized to close the debate.

Mr. COOLEY. Mr. Chairman, it seems to me very reckless statements have been made here with reference to this important matter. I do not know where the gentleman from Minnesota could have possibly obtained the information as to the additional cost involved in the Poage amendment. Everyone on the floor of the House already knows that we have committeemen in every corn-growing community in America.

The gentleman from Mississippi [Mr. ABERNETHY] made a statement which I think is absolutely accurate, that the Poage amendment would not add one single dollar to administrative costs nor would it add one additional employee in the Department of Agriculture.

You talk about the cost of the Poage amendment. It is completely limited. Permit me to read it to you:

For compensation to producers under the 1957 acreage reserve programs for wheat, cotton, rice, and tobacco, which on April 1, 1957, have not been obligated.

There is your limitation; you cannot go beyond the money now in the Secretary's Department for this purpose.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. No; I have only 3 minutes.

Here is the final proposition which you have before you. I said I would vote for the bill if you adopt the Poage amendment to the Harrison amendment, or if you adopt the Poage amendment to my amendment I will still vote for it, or if you adopt the Poage amendment to the Andresen amendment, I will vote for it.

We want a bill. What we are trying to do is to help the corn farmers inside the area and outside the area by permitting the farmers outside to participate in this program in a limited fashion. If you do not do that, where is all this tobacco, cotton, and wheat land going? It is going into the production of some other grain. We know this is true, because the Secretary of Agriculture and Mr. McLain both told us just that.

If you want a corn bill, this is your chance to have one. If you do not adopt the Poage amendment to either one of these two propositions, it is plain to see you will not have a corn bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired.

The question is on the amendment offered by Mr. POAGE to the amendment offered by Mr. HARRISON of Nebraska.

Mr. COOLEY. Mr. Chairman, in the interest of time I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee divided, and the tellers reported that there were—ayes 139, noes 159.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment offered by Mr. HARRISON of Nebraska: Add an additional section as follows:

"Eligibility of any producers to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to $5,000 in any 1 year."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Texas [Mr. POAGE], to the substitute amendment offered by the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, in the interest of time, I demand tellers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. As I understand it, we are now voting, by teller vote, on the Cooley substitute to the committee bill.

The CHAIRMAN. No. The Chair will state for the gentleman's information that we are voting upon the amendment offered by the gentleman from Texas [Mr. POAGE], to the substitute amendment offered by the gentleman from North Carolina [Mr. COOLEY]; in other words, the vote is on the Poage amendment.

Mr. VORYS. Mr. Chairman, is that not the identical vote we just had?

Mr. AUGUST H. ANDRESEN. As I understand, we just had a vote on the Poage amendment.

The CHAIRMAN. The vote just taken was on the Poage amendment offered to the Harrison amendment. This vote is on the Poage amendment offered to the Cooley substitute.

Tellers were ordered, and the Chairman appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee divided, and the tellers reported that there were—ayes 141, noes 166.

So the amendment to the amendment was rejected.

Mr. REUSS. Mr. Chairman, I offer an amendment to the Cooley substitute.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment offered by Mr. COOLEY: Add an additional section as follows:

"Eligibility of any producer to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to $5,000 in any one year."

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY] to the amendment offered by the gentleman from Nebraska [Mr. HARRISON].

Mr. COOLEY. Mr. Chairman, in the interest of time, I ask for tellers on this vote.

Tellers were ordered, and the Chairman appointed as tellers Mr. ABBITT and Mr. AUGUST H. ANDRESEN.

The Committee divided, and the tellers reported there were—ayes 141, noes 167.

So the amendment was rejected.

Mrs. KNUTSON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Substitute proposed by Mrs. KNUTSON as amendment to Harrison amendment:

"That section 101 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection, as follows:

"'(g) The level of price support for corn to cooperators within the commercial corn-producing area for the 1957 crop shall be not less than $1.60 per bushel for not to exceed for any one producer 14,000 bushels multiplied by the ratio that the total sales of corn by such producer bears to the total sales by such producer of all farm commodities.'

"Sec. 2. Section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: 'Notwithstanding any other provision hereof, the acreage allotment for corn for 1957 shall not be less than 51 million acres.'

"Sec. 3. Section 408 (b) of the Agricultural Act of 1949, as amended is amended by inserting after the first sentence thereof the following: 'For the purpose of price support in the commercial corn-producing area for the 1957 crop, a "cooperator" shall be a producer (1) on whose farm the acreage of corn to be harvested for grain does not exceed 85 percent of the farm-acreage allotment for corn; and (2) who devotes in acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage-reserve program for corn or the conservation reserve program equal to 15 percent of such producer's farm-acreage allotment for corn.'"

Mrs. KNUTSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Mrs. KNUTSON. Mr. Chairman, section 1 provides that corn in the commercial corn-producing area shall be supported at $1.60 per bushel, only about 65 or 70 percent of a fair parity income, but only the family-farm production part of the first 14,000 bushels of corn of each producer would be eligible for support. This is to prevent the program from extending its major benefits to the factory-type agricultural production units but would be a real help to the family-type farm. Every producer is protected up to the proportional part for corn of the 14,000 bushel family-farm limitation, but no producer would be eligible for the $1.60 supports on any more than the 14,000 bushels. Every producer would be eligible on his entire production for the 75 percent of price parity supports in existing law.

Section 2 of my substitute motion provides for establishment for 1957 of a 51-million-acre acreage allotment for corn in the commercial corn-producing area instead of approximately 37 million established in existing law. Producers would be required to place 15 percent of their tillable land in the soil bank as a condition of eligibility for price supports and could harvest corn from only 85 percent of their corn acres.

Section 3 provides that all a corn producer in the commercial corn-producing area needs to do to qualify for the $1.60 per bushel support level on the proportional part of his first 14,000 bushels is to keep his corn plantings within 85 percent of acreage allotment for his farm and devote an equivalent to the 15 percent of any tillable to the conservation or acreage reserve. For the average producer the acreage allotment under this amendment for 1957 would be almost two-fifths larger than the acreage allotment already assigned to the average farm under the 37-million-acre allotment under existing law, and is equal to the base acreages that have already been assigned to each farm.

With the support level set at $1.60 per bushel with a national allotment of 51 million acres in 1957, you can be sure that participation will be very high. The production of corn will be cut and farm prices and incomes raised without resorting to the heavy payments and Commodity Credit Corporation losses contemplated under the Harrison-Polk amendment. Under the Andresen amendment and the Harrison-Polk amendment, the commercial area corn producers would be required to make the adjustments required to help all corn and feed-grain producers. But under the Knutson amendment, commercial area corn producers would not be required to do so at a financial loss to themselves and the Government. Moreover, adoption of my amendment will raise market prices of corn at least to the $1.60 support level, and this in turn would raise the market prices of noncommercial corn and the other feed grains well above the 70 percent tragically low parity price level to which Secretary Benson recently reduced them.

The CHAIRMAN. The question is on the substitute amendment offered by the gentlewoman from Minnesota [Mrs. KNUTSON] to the amendment offered by the gentleman from Nebraska [Mr. HARRISON].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Nebraska [Mr. HARRISON], as amended.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Has debate been closed on the Harrison amendment?

The CHAIRMAN. That is correct. The debate was closed.

Mr. JONES of Missouri. A further parliamentary inquiry, Mr. Chairman.

If the amendment is adopted, then is the bill still open to debate?

The CHAIRMAN. No. The bill will not be open for further debate if the Harrison amendment is agreed to.

Mr. JONES of Missouri. I thought the request was that the debate be closed on the amendment and all amendments thereto.

The CHAIRMAN. That is correct, but the Harrison amendment is pending, and it is in the nature of a substitute for the bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers on the vote.

Tellers were ordered, and the Chair appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. JONES of Missouri.

The Committee divided, and the tellers reported that there were—ayes 174, noes 155.

So the amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4901, to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, pursuant to House Resolution 181, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 169, noes 139.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MORANO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MORANO. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MORANO moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 168, nays 237, answered "present" 1, not voting 26, as follows:

[Roll No. 22]

YEAS—168

Abbitt
Abernethy
Addonizio
Alexander
Anderson, Mont.
Andrews
Anfuso
Ashmore
Auchincloss
Bailey
Barden
Baring
Barrett
Bass, N. H.
Bass, Tenn.
Becker
Bennett, Fla.
Blatnik
Bliteh
Boggs
Boland
Boykin
Boyle
Breeding
Brooks, La.
Brown, Ga.
Brown, Mo.
Buckley
Burleson
Byrne, Pa.
Canfield
Cannon
Chudoff
Clark
Coffin
Colmer
Cooley
Corbett
Cretella
Davis, Ga.
Dawson, Ill.
Delaney
Dingell
Doffinger
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Ertns
Fallon
Farbstein
Fascell
Feighan
Fino
Fisher
Fogarty
Forand
Forrester
Fountain
Friedel
Fulton
Garmatz
Gary
Gavin
Gordon
Granahan
Green, Oreg.
Griffiths
Hale
Haley
Hardy
Harrison, Va.
Healey
Hemphill
Herlong
Heselton
Hoffield
Holland
Huddleston
James
Jennings
Jones
Jones, Mo.
Karsten
Keating
Kee
Kelly, N. Y.
Keogh
Kilburn
Kilgore
Kirwan
Kitchin
Klucznski
Landrum
Lane
Lanham
Lennon
Lesinski
Long
McCarthy
McCormack
McCulloch
McDonough
McFall
McGregor
McIntire
McIntosh
McVey
Macdonald
Machrowicz
Magnuson
Mahon
Marshall
Matthews
Metcalf
Miller, N. Y.
Morano
Multer
Murray
O'Brien, N. Y.
O'Neill
Ostertag
Passman
Pelly
Philbin
Pillion
Poage
Porter
Preston
Rabaut
Radwan
Reed
Riehlman
Rivers
Roberts
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rutherford
Santangelo
Saund
Saylor
Scott, N. C.
Selden
Shelley
Sheppard
Shuford
Sieminski
Sikes
Sisk
Smith, Kans.
Smith, Miss.
Smith, Va.
Sullivan
Taber
Teller
Thomas
Thompson, La.
Thompson, N. J.
Trimble
Tuck
Udall
Ullman
Vanik
Vinson
Wainwright
Walter
Wharton
Whitener
Whitten
Williams, Miss.
Williams, N. Y.
Willis
Winstead
Wright
Yates
Zelenko

NAYS—237

Adair
Albert
Alger
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Arends
Ashley
Aspinall
Avery
Ayres
Baker
Baldwin
Baten
Baumhart
Beamer
Beckworth
Belcher
Bennett, Mich.
Bentley
Berry
Betts
Bolling
Bonner
Bosch
Bow
Bray
Brooks, Tex.
Broomfield
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Bush
Byrd
Byrne, Ill.
Byrnes, Wis.
Carnahan
Carrigg
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Christopher
Church
Clevenger
Coad
Collier
Cooper
Cretella
Cramer
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Tenn.
Dawson, Utah
Dennison
Denton
Devereux
Dixon
Donohue
Dooley
Doyle
Dwyer
Edmondson
Elliott
Engle
Fenton
Flood
Ford
Frelinghuysen
Gavin
George
Gray
Gregory
Griffin
Gubser
Gwinn
Hagen
Halleck
Harden
Harris
Harrison, Nebr.
Harvey
Hackell
Hays, Ark.
Hays, Ohio
Henderson
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holmes
Horan
Hull
Hyde
Ikard
Jarman
Jenkins
Jensen
Johansen
Johnson
Jones, Ala.
Judd
Kearns
Keeney
Kelley, Pa.
Knox
Knutson
Krueger
Laird
LeCompte
Lesser
McCarthy
McCormack
McCulloch
McDonough
McGovern
McGregor
McIntire
McIntosh
McVey
Madden
Martin
Mason
Meader
Merrow
Michel
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mills
Minshall
Moore
Morgan
Morris
Moss
Mumma
Natcher
Neal
Nicholson
Nimtz
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
Osmers
Patman
Patterson
Perkins
Pfost
Phillips
Poff
Price
Prouty
Halpa
Ray
Reece, Tenn.
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Robison, Ky.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
Schenck
Schwengel
Scott, Pa.
Scudder
Seely-Brown
Sheehan
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Talle
Taylor
Teague, Calif.
Tewes
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Ulit
Van Pelt
Van Zandt
Vorys
Vursell
Watts
Weaver
Westland
Wier
Wigglesworth
Wilson, Calif.
Wilson, Ind.
Withrow
Wolverton
Young
Younger

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—26

Allen, Calif.
Bolton
Bowler
Dellay
Dies
Diggs
Eberharter
Flynt
Green, Pa.
Gross
Hebert
Holt
Holtzman
Hosmer
Jackson
Kearney
Lankford
Mailliard
Morrison
Moulder
Riley
St. George
Scherer
Siler
Teague, Tex.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Kearney against.
Mr. Morrison for, with Mrs. Bolton against.
Mr. Holtzman for, with Mr. Scherer against.
Mr. Riley for, with Mr. Dellay against.
Mr. Teague of Texas for, with Mr. Jackson against.
Mr. Dies for, with Mr. Holt against.
Mr. Derounian for, with Mr. Moulder against.
Mr. Bowler for, with Mr. Mailliard against.
Mr. Green of Pennsylvania for, with Mr. Allen of California against.
Mr. Lankford for, with Mr. Siler against.
Mr. Powell for, with Mr. Hosmer against.

Until further notice:

Mr. Flynt with Mrs. St. George.
Mr. Eberharter with Mr. Gross.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I respectfully request that the well be cleared.

The SPEAKER. Does the gentleman from Minnesota want to insist on that request? I am afraid if he does we will be doing it for a long time.

Mr. AUGUST H. ANDRESEN. Yes, Mr. Speaker, I respectfully request that the well be cleared.

The SPEAKER. Then we will be doing it every vote.

Members will retire from the well and submit their requests from their seats.

Mr. DELANEY, Mr. FRIEDEL, Mr. MAGNUSON, Mr. CANNON, and Mr. ASHMORE changed their vote from "nay" to "yea."

Mr. CHRISTOPHER and Mr. RAINS changed their vote from "yea" to "nay."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from Missouri [Mr. MOULDER] who is in New York on official business. Had he been present he would have voted "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 188, nays 217, answered "present" 1, not voting 26, as follows:

[Roll No. 23]

YEAS—188

Adair
Albert
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Arends
Ashley
Aspinall
Avery
Ayres
Baker
Baldwin
Bass, Tenn.
Baumhart
Beamer
Beckworth
Belcher
Bentley
Berry
Betts
Bolling
Bonner
Bosch
Bow
Bray
Brooks, Tex.
Broomfield
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Bush
Byrne, Ill.
Byrnes, Wis.
Carnahan
Carrigg
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Christopher
Church
Clevenger
Coad
Collier
Cooper
Cramer
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Tenn.
Dawson, Utah
Dennison
Denton
Devereux
Dixon
Donohue
Dooley
Doyle
Dwyer
Edmondson
Elliott
Engle
Fenton
Evins
Fenton
Flood
Ford
Frazier
Frelinghuysen
Gathings
George
Grant
Gray
Gregory
Griffin
Gubser
Hagen
Halleck
Harden
Harris
Harrison, Nebr.
Harvey
Hays, Ark.
Hays, Ohio
Henderson
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holmes
Horan
Hull
Hyde
Ikard
Jarman
Jenkins
Jensen
Johansen
Johnson
Jones, Ala.
Judd
Kearns
Keeney
Kelley, Pa.
Knox
Knutson
Krueger
Laird
LeCompte
Lesser
McCarthy
McCormack
McCulloch
McDonough
McGovern
McGregor
McIntire
McIntosh
McVey
Mack, Ill.
Madden
Martin
Mason
Meader
Metcalf
Michel
Miller, Md.
Miller, Nebr.
Mills
Moore
Morgan
Morris
Moss
Mumma
Natcher
Norrell
O'Hara, Minn.
O'Konski
Patman
Perkins
Pfost
Poff
Price
Prouty
Rains
Reece, Tenn.
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Robeson, Ky.
Rogers, Mass.
Schenck
Schwengel
Scott, Pa.
Scriver
Sheehan
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Talle
Taylor
Thompson, Tex.
Thomson, Wyo.
Thornberry
Ulit
Van Pelt
Van Zandt
Vorys
Vursell
Watts
Weaver
Westland
Wier
Wigglesworth
Wilson, Ind.
Withrow
Wolverton
Young
Younger

NAYS—217

Abbitt
Abernethy
Addonizio
Alexander
Alger
Anderson, Mont.
Andrews
Anfuso
Ashmore
Auchincloss
Bailey
Barden
Baring
Barrett
Bass, N. H.
Bates
Becker
Bennett, Fla.
Bennett, Mich.
Blatnik
Bliteh
Boggs
Boland
Bolling
Bonner
Bosch
Boykin
Boyle
Breeding
Brooks, La.
Brown, Ga.
Brown, Mo.
Broyhill
Buckley
Burleson
Byrd
Byrne, Pa.
Canfield
Cannon
Celler
Chudoff
Clark
Coffin
Cole
Colmer
Cooley
Corbett
Cretella
Coudert
Cretella
Curtis, Mo.
Davis, Ga.
Dawson, Ill.
Delaney
Dempsey
Dingell
Dollinger
Donohue
Dorn, N. Y.
Dorn, S. C.
Dowdy
Doyle
Durham
Dwyer
Fallon
Farbstein
Fascell
Feighan
Fino
Fisher
Fogarty
Forand
Forrester
Fountain
Friedel
Fulton
Garmatz
Gary
Gavin
Gordon
Granahan
Green, Oreg.
Griffiths
Hale
Haley
Hardy
Harrison, Va.
Healey
Hemphill
Herlong
Heselton
Hoffield
Holland
Huddleston
James
Jennings
Jones
Jones, Mo.
Karsten
Keating
Kee
Kelly, N. Y.
Keogh
Kilburn
Kilday
Kilgore
Kitg
Kirwan
Kitchin
Klucznski
Landrum
Lane
Lanham
Latham
Lennon
Lesinski
Lipscomb
Long
McConnell
McFall
McMillan
Macdonald
Machrowicz
Mack, Wash.
Magnuson
Mahon
Marshall
Matthews
May
Merrow
Miller, Calif.
Miller, N. Y.
Minshall
Morano
Multer
Murray
Neal
Nicholson
Norblad
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Osmers
Ostertag
Passman
Patterson
Pelly
Philbin
Pilcher
Pillion
Poage
Porter
Powell
Preston
Rabaut
Radwan
Reed
Riehlman
Rivers
Roberts
Robeson, Va.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Sadlak
Santangelo
Saund
Saylor
Scott, N. C.
Scudder
Seely-Brown
Selden
Shelley
Sheppard
Shuford
Sieminski
Sikes
Sisk
Smith, Kans.
Smith, Miss.
Smith, Va.
Sullivan
Taber
Taylor
Teague, Calif.
Teller
Thomas
Thompson, La.
Thompson, N. J.
Tollefson
Trimble
Tuck
Udall
Ullman
Vanik
Vinson
Wainwright
Walter
Wharton
Whitener
Whitten
Widnall
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Winstead
Wright
Yates
Zablocki
Zelenko

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—26

Allen, Calif.
Bolton
Bowler
Dellay
Dies
Diggs
Eberharter
Flynt
Green, Pa.
Gross
Gwinn
Hébert
Holt
Holtzman
Hosmer
Jackson
Kearney
Lankford
Mailliard
Morrison
Moulder
Riley
St. George
Scherer
Siler
Teague, Tex.

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kearney for, with Mr. Hébert against.
Mrs. Bolton for, with Mr. Morrison against.
Mr. Scherer for, with Mr. Holtzman against.
Mr. Jackson for, with Mr. Riley against.
Mr. Holt for, with Mr. Teague of Texas against.
Mr. Mailliard for, with Mr. Dies against.
Mr. Moulder for, with Mr. Derounian against.
Mr. Allen of California for, with Mr. Bowler against.
Mr. Hosmer for, with Mr. Green of Pennsylvania against.
Mr. Siler for, with Mr. Lankford against.

Until further notice:

Mr. Diggs with Mr. Gross.
Mr. Eberharter with Mrs. St. George.
Mr. Flynt with Mr. Dellay.

Mr. KEARNS changed his vote from "nay" to "yea."

Mr. PATTERSON changed his vote from "yea" to "nay."

Mr. DAWSON of Utah changed his vote from "nay" to "yea."

Mr. BROYHILL changed his vote from "yea" to "nay."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from Missouri [Mr. MOULDER]. If he were present, he would vote "yea." Therefore, I withdraw my vote of "nay" and vote "present."

Mr. SCOTT of Pennsylvania changed his vote from "nay" to "yea."

Mr. TEAGUE of California changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

GENERAL LEAVE TO EXTEND REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill just under consideration.

The SPEAKER. Is there objection?

There was no objection.

RECREATIONAL BOATING SAFETY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, I rise to make a statement concerning a study which the Committee on Merchant Marine and Fisheries has recently completed. I am prompted to make this statement because of the many inquiries coming to the committee staff and myself as to when we will release our report on this study and further, because I feel that the many interested persons, and indeed the many State legislatures, that are awaiting our report are entitled to have some word.

Last July our committee commenced a study of recreational boating safety in the United States. When it is realized that there are approximately 6 million pleasure boats in operation today in this country, taking over 25 million of our citizens afloat each year, you can get some idea of the safety responsibilities involved. Although the Coast Guard had brought to our attention the problems being created on the navigable waters of the United States by the tremendous growth and expansion of pleasure boating, we were also urged to conduct such a study by the boating industry itself.

We held hearings in Washington in July of last year and following the adjournment of the last Congress, we held public hearings in the principal boating centers of the country.

We listened to more than 300 witnesses who apeared before us and now have a 3-volume record containing 1,638 pages of testimony. The hearings were concluded last December and the record is presently being analyzed preparatory to review and consideration by the committee and the adoption of a report with recommendations for appropriate action by legislation or otherwise. I have scheduled an executive session of the full committee to take up this important matter next Wednesday, March 20.

From testimony received during the hearings and from subsequent communications we have received, we know that at least some of the States which desire to consider boating legislation are waiting for guidance from our report. I hope our report will be helpful to them and that it will result in general uniformity of boating laws throughout the country. I do feel that it is the responsibility of our committee and the Congress to assist the States in this manner, by the enactment of an up-to-date, model Federal law applicable to the navigable waters of the United States over which the Coast Guard has jurisdiction but which are of great and direct concern to the States bordering them.

The problems involved, however, are many and varied, and we have a great deal of testimony to evaluate. I have instructed the committee staff to take all the time necessary to turn out the best possible report. Although some additional legislation appears to be desirable, we did not find that any emergency situation exists and I therefore am not going to be rushed into any hasty action.

I now feel that our committee can complete its consideration of the record and make a report to the House late this month. It should be printed and available by early April.

I hope that making this announcement will be helpful to the many public and private organizations and individuals who are interested in the results of the committee study.

COMMITTEE INVESTIGATIONS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, in the 84th Congress the Committee on Merchant Marine and Fisheries produced a record of constructive activity unequaled in many years both in the legislation it handled and the special investigations and inquiries it conducted. Even so we were unable to get into some of the important subjects which required careful study by the Congress. In a statement concerning the committee's activities during the 84th Congress on August 11, 1956, I enumerated a number of the subjects which I felt should receive consideration early in this Congress. The investigating authority which the House granted to the Committee on Merchant Marine and Fisheries under House Resolution 149 on February 27, was requested in large part because of these important and urgent matters.

As the first step in continuing our studies of merchant marine problems I plan to schedule hearings about March 27 to begin an inquiry into the ship

transfer, trade-in and reserve fleet policies under the administration of the Department of Commerce.

It is always a matter of concern to me as to whether our merchant marine is being maintained at levels sufficient to meet minimum mobilization requirements. This matter has been highlighted by requests in recent years for legislation to help build up a reserve of usable tankers for national defense, as well as to encourage the construction of newer, larger, and faster tankers for American-flag operation. The requested legislation was enacted but has apparently not accomplished its intended purpose.

We have no reserve of tankers today at all.

In the meantime there have been a number of transactions approved by the Maritime Administration whereby usable vessels, particularly tankers, have been approved for transfer to foreign registry subject to certain specific conditions, such as the flag to which transfer is made and agreement to build new tonnage in American shipyards.

I also understand that many of the vessels being transferred are vastly superior to ships in the reserve fleets, which another policy decrees must be maintained even though obsolete or badly damaged.

These are matters, related to each other, which suggest a possible conflict of policy in relation to the overall objective of an adequate, well-balanced American-flag merchant fleet.

In view of these questions, therefore, I feel that our first inquiry in this session should be directed toward securing a greater understanding of the effect of these several administrative policies on our mobilization requirements.

Finally there have been suggestions of possible questionable aspects concerning some of the transactions involving approvals for transfer of American-flag tankers to foreign registry. In our investigation of this subject I will, of course, want the committee to make every effort to determine whether any improprieties have been involved in particular situations.

COMPULSORY FEDERAL INSPECTION OF POULTRY

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, the Poultry and Egg Subcommittee of the House Committee on Agriculture has been conducting hearings on my bills, H. R. 12 and H. R. 5398, along with a large number of other bills of varying degrees of effectiveness proposing compulsory Federal inspection of poultry for wholesomeness.

These hearings will resume on Friday, when Members of Congress are to testify. Previous witnesses have been from Government agencies, consumer groups, farm organizations, and the poultry-processing industry. Friday's hearing, as I understand it, is for those of us who have sponsored bills and for other Members who wish to testify.

My purpose in calling this matter to the attention of the House at this time is to urge all Members who wish to see the consumer interest made uppermost and paramount in the drafting of this long-overdue legislation to convey to the subcommittee on Friday, at least, by statement or letter, their support for the type of bills which I have introduced.

H. R. 12 would cover poultry under the existing provisions of the Meat Inspection Act, which has been successful for over 50 years in protecting the consumer from unwholesomeness in the red meats. I prefer this approach. H. R. 5398, which is identical to the Humphrey bill in the Senate, would establish a set of new standards and provisions dealing exclusively with poultry. Either bill would protect the consumer far better than other bills before the subcommittee which are endorsed by the poultry industry but which do not require inspection of the poultry before as well as after it is slaughtered. Public health authorities insist we need ante mortem as well as post mortem inspection of this poultry to make sure it is wholesome and fit for human food.

THE SAND CRUMBLES

Mrs. GRANAHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Pennsylvania?

There was no objection.

Mrs. GRANAHAN. Mr. Speaker, in my first statement here as a Member of Congress on February 26 I raised a question which bothered me a great deal, and it concerned the danger of trying to build peace in the Middle East on the whims of the Egyptian dictator. I asked if our Government had any firm commitment from Nasser in connection with the demands which we were making and which we were insisting the United Nations should make upon Israel.

Now the news is full of reports of dismay on the part of our Government—dismay that Nasser has run out on his agreements; that his ministers and spokesmen were only kidding.

This is the consequence of trying to build on sand. The sand—in this case Nasser's whim—has shifted.

Our Government, I am afraid, has been compromised by a crafty dictator.

What are we going to do about it? We threw our strength and power into disciplining Israel, knowing full well the aggression had really begun from the other side of the line. Nasser has apparently decided to make the United States sit up and beg.

America has seldom been treated with such humiliating contempt. This is the reward for appeasement of a junior-grade dictator.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit next week during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. PATMAN. Mr. Speaker, reserving the right to object, and I do not expect to object, I would like to ask the chairman of the committee when we can possibly get a hearing on H. R. 11 that is pending before the Committee on the Judiciary. We are receiving many inquiries. A year ago it passed the House by a vote of 393 to 3, and I was hoping we could get an early hearing on that bill.

Mr. CELLER. I am anxious to accommodate the gentleman on that important bill. I think we can get a hearing and action on his bill directly after the recess.

Mr. PATMAN. What do you mean by "recess"?

Mr. CELLER. The Easter recess.

Mr. PATMAN. That would be near the first of May. I hope the gentleman will look over his schedule and see if he cannot revise it and give us a hearing before that time. However, I shall not object to the request.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

JAPANESE PROGRAM FOR THE CONTROL OF EXPORTS OF COTTON TEXTILES TO THE UNITED STATES

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, great interest has been shown for some time by members of both Houses of Congress in the situation of the domestic textile industry as affected by imports and particularly by imports from Japan. On January 16, 1957, the Japanese Government announced a broad program for the control of its exports of cotton textiles to the United States. I wish now to address myself to that program and its background.

As the House knows, I have the honor to be chairman of the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means. The subcommittee conducted hearings in Washington during the adjournment period of the last session. In those hearings the situation of the domestic textile and apparel industries was the subject of considerable testimony. In connection with the studies of the subcommittee, I also had the opportunity, along with my colleagues, the gentleman from Wisconsin [Mr. BYRNES], and the gentleman from Connecticut [Mr. SADLAK], last December, to discuss the problems of Japanese export with Japanese and American Government officials and Japanese industry leaders. The honorable Senator from Tennessee [Mr. GORE], the gentleman from New York [Mr. KEATING], and the gentleman from Iowa

[Mr. TALLE] also participated in some of our conferences in Japan. I have also had the opportunity within the past few weeks to discuss these questions with the Secretary of Commerce, Mr. Weeks, and with other officials of the executive branch.

The subcommittee's hearings, the conferences in Japan and my other studies and contacts have made me acutely conscious both of the problems of the domestic textile industry and of the importance of our trade relations with Japan to our general foreign policy. When I was in Japan last December, the discussions between officials of the United States and Japanese Governments relating to the Japanese program for the control of exports of cotton textiles to the United States were in progress. In my view the program that eventuated promises to meet a difficult situation with a minimum of disturbance to domestic cotton producing and manufacturing industries and to our foreign economic policy.

In expressing this view I am not unmindful of the difficulties of the domestic cotton textile and apparel industries and their importance to the economy of the United States. In many communities these industries provide the bulk of total employment. They have faced many difficult times through the years, and in the past half century they have more often than not failed to enjoy the prosperity that other manufacturing industries were experiencing. These industries have always been vigorously competitive, to the great advantage of consumers. In recent years they have encountered increasing competition not only from imports of their products but also from paper and plastic products, mainly of domestic origin. They have also been confronted with problems resulting from the Government price-support program for raw coton.

THE UNITED STATES COTTON TEXTILE INDUSTRY AND ITS COMPETITION FROM IMPORTS

The trend of our imports of cotton textiles was sharply upward from 1949 to 1955. In 1949 the value of such imports from all sources was $49 million; the comparable figure for 1953 was $82.2 million, and, for 1955, $132.5 million. The increase in imports of cotton manufacturers from Japan was much more spectacular. The value of such imports rose from $2.7 million in 1949 to $19.4 million in 1953 and $60 million in 1955. It is true that even in 1955 our total imports of cotton manufactures were equivalent to less than 2 percent of domestic production. The disturbing effects of the rapidly increasing imports from Japan, however, were attributable to a number of factors. In the first place, the rapidly mounting imports gave no sign of tapering off. Moreover, the overall comparison of the volume of imports and domestic production was not indicative of the impact of imports on particular sectors of the domestic cotton textile industry. In ginghams, velveteens, and blouses imports in 1955 supplied from 30 to 75 percent of United States markets. Another factor that was especially disturbing was that the landed prices of Japanese goods after payment of duty were almost always conspicuously below the prices of comparable domestic products. For this reason even relatively small volumes of imports had important effects on the prices obtainable by domestic producers.

Other factors that have been emphasized by the domestic cotton textile interests in seeking relief by both administrative and congressional action have been the following: First, the Japanese textile mills have had access to raw cotton at lower prices than domestic mills; second, wage rates have been only a fraction of those in the United States although the Japanese industry has been extensively modernized since the war, and the productivity of labor in the industry is probably not far, if at all, below the level in the United States; third, the large imports from Japan of such goods as ginghams, velveteens, blouses, and knit apparel at much lower prices than those of comparable domestic products have been undermining the entire price structure of domestic cotton manufacturers and thereby reducing the returns from domestic cotton textile production—returns which were already below the average for American industry; and fourth, the confidence of the entire domestic cotton textile industry has been shaken because of the fear that severe competition from Japanese imports would spread to additional lines of cotton textiles.

UNITED STATES TARIFF POLICY AND JAPANESE IMPORTS

An element in the background of the Japanese program for the restriction of exports of cotton manufactures to the United States has been the trade and tariff policy of this country under our reciprocal trade agreements program. The reductions in our tariff duties made under this program have been intended to be selective and confined to items on which duty reductions could be made without serious injury to domestic industries. In recommending extensions of the Trade Agreements Act both the present and former administrations have emphasized their concern and intention that domestic industries should not be seriously injured by the trade agreements program. The reductions made in our duties under the program, however, have been extensive and in the case of many import classifications, including textiles, the duty reductions have been great. In pursuance of trade agreement negotiations with Japan in 1955, our duties were reduced on many classifications of cotton textiles. For the duties applicable to the less expensive types of "countable" cloth the reductions made in pursuance of the Japanese negotiations amounted on the average to about 25 percent.

The trade agreements program has been recognized to be an important feature in the postwar period of the country's foreign policy in general. In connection with our relations with Japan, the program has been directed to increasing Japan's opportunities to engage in export trade of which Japan is in dire need. The rapid increase in imports of Japanese cotton textile and other cotton manufactures became the basis of serious criticism of this country's trade and tariff policy. It seems fairly obvious that the Japanese program for the control of exports to the United States has been developed with a view to preventing injury to the United States industries involved without as serious an impact on the United States foreign trade and tariff policy as might otherwise have occurred.

THE INTRODUCTION OF THE JAPANESE PROGRAM FOR THE CONTROL OF EXPORTS OF COTTON TEXTILES TO THE UNITED STATES

In the fall of 1955 the Japanese Government and cotton textile interests became greatly concerned about the demands being voiced in the United States for increased restrictions on United States imports of cotton textiles and other cotton manufactures. A number of leaders of the Japanese industry visited the United States to study the United States market and to obtain, at first hand, an understanding of the attitude of the United States cotton textile industry and trade. On December 1, 1955, Secretary of State Dulles in a letter to the distinguished Senator from the State of Maine [Mrs. SMITH] reported that he had "personally advised representatives of the Japanese Government that they should exercise restraint in their exports and not attempt to capture so much of the American market that an American industry would be injured." Apparently as a result of their studies of the American market and the advice offered by the Secretary of State, the Japanese on December 21, 1955, announced the establishment of controls on exports of cotton textiles to the United States for the calendar year 1956. Under these controls a ceiling of 150 million square yards for the year was established on Japanese exports to the United States of cotton cloth. Within this total quota, subquotas of 5 million square yards were established on velveteens and 20 million square yards on print cloth. A ceiling of 2.5 million dozen was established on Japanese exports of women's cotton blouses to this country.

The Japanese announcement of December 1955, as Members of Congress will remember, did not still the demands for the imposition of increasing import restrictions by the United States Government on our import of cotton textiles. The domestic interests concerned contended that since the Japanese export controls could be changed at will by the Japanese Government, they provided no assurances on which the domestic industry could depend. It was also contended that the announced quotas were not sufficiently restrictive and not sufficiently detailed to prevent a concentration of imports in particular classifications to prevent serious injury to the domestic mills specialized on the production of such items.

It has also been sometimes alleged that the Japanese Government has not and possibly cannot maintain effective control on the volume of its cotton textile products coming into the United States. A difficulty for maintaining such controls arises from the possible transshipment of Japanese exports in third countries such as Hong Kong. I

have obtained from the Department of Commerce data relating to Japanese exports of cotton textiles to the United States in 1956 and the official statistics of United States imports of cotton textiles from Japan in 1956. Only with respect to velveteens, do the United States import data show any significantly larger yardage than the Japanese export quota. This, however, may be attributable to the fact that exports leaving Japan in December 1955 or even earlier were reported in the United States import statistics for 1956. I am informed that the Department of Commerce is looking into this matter. I think it can be said at this time, however, that there is no clear evidence that the Japanese have not been able and have not in fact restricted their exports of cotton textiles to the United States in 1956 within the limits announced in December 1955.

One modification in the Japanese restriction on their exports to the United States during 1956 should be noted. This was a reduction in the quota on cotton blouses for the year beginning April 1, 1956; from 2.5 million dozen per year, the quota previously announced, to 1.5 million dozen per year.

EFFORTS OF DOMESTIC COTTON TEXTILE INTERESTS TO SECURE RESTRICTIONS ON IMPORTS BY THE UNITED STATES

Section 22: One of the earlier efforts of the domestic cotton textile industry to secure relief from Japanese competition was represented by a petition of the American Cotton Manufacturers Institute to the Secretary of Agriculture for the imposition of quotas on imports of cotton textiles under section 22 of the Agricultural Adjustment Act. Under this legislation the Secretary could recommend to the President that an investigation be made by the Tariff Commission with a view to determining whether imports were interfering with the program of the Department of Agriculture with respect to cotton. Upon such a determination the President could impose fees or quotas on imports of cotton manufactures as necessary to prevent such interference. The initiation of this petition was probably undertaken before the announcement of the Japanese program for the control of exports of cotton textiles to the United States, but the petition was filed with the Secretary of Agriculture only on December 29, 1955.

The Under Secretary of Agriculture on February 6, 1956, advised the American Cotton Manufacturers Institute that the Department's study did not indicate that he would be justified in recommending restrictions on imports of cotton manufactures under section 22 of the Agricultural Adjustment Act. In this connection the Under Secretary pointed out that the imports of cotton manufactures in 1955 represented less than 1½ percent of the domestic mill consumption of raw cotton. The Under Secretary's letter also stated that exports of cotton manufactures from the United States in 1955 exceeded imports to the extent of about 400,000 bales—raw cotton equivalent.

The Under Secretary's letter also noted that Japan was the leading foreign outlet for United States raw cotton. This factor along with those previously noted will call attention to the fact that the policy that is advantageous for the United States to pursue with respect to the country's foreign trade in raw cotton and cotton manufactures is extremely difficult and complex.

Escape clause proceedings: In 1956 four applications for escape-clause investigations by the Tariff Commission were filed by domestic cotton manufacturing interests. These applications related to cotton blouses, pillowcases, velveteens, and ginghams.

The escape-clause application with respect to imports of cotton blouses was filed in February 1956. The application was withdrawn on June 20, 1956, by the petitioner after the Japanese, as previously noted, had acted to reduce the ceiling on exports of cotton blouses from 2.5 to 1.5 million dozen a year.

The application with respect to imports of pillowcases was filed in February 1956, and the Tariff Commission's investigation was completed in November 1956. In that investigation the Tariff Commission concluded on the basis of a 3-to-2 vote that the evidence did not warrant its making a recommendation for increased restrictions on imports.

The escape-clause application with respect to velveteens was filed with the Tariff Commission in January 1956 and the Commission issued its report thereon in October 1956. In this case the Commission recommended the application of increased duties to imports of velveteens. The President temporarily deferred a decision on the Commission's recommendation, but on January 22, 1957, announced that he had decided not to act upon the Commission's recommendation. In this connection he referred to the Japanese amended program of restricting exports of cotton textiles to the United States announced January 16, 1957. I shall describe that program later in this speech. It may be noted here, however, that a feature of the amended program involved the reduction of the quota on Japanese exports of velveteens to 2.5 million square yards for the year. The 1956 Japanese export quota on velveteens as previously mentioned had been 5 million square yards. It seems practically certain that the Japanese export quota on velveteens will be more effective in restricting the volume of such imports from Japan than the increase in duties recommended by the Tariff Commission.

The escape clause application with respect to ginghams was filed in June 1956, and the Tariff Commission had not concluded the investigation when on January 29, 1957, the petitioners requested the Commission to discontinue the investigation. In this request the Japanese program of restricting exports to the United States announced January 16, 1957, was cited in explanation.

CONGRESSIONAL INTEREST

During 1956 many bills were introduced in the Congress which reflected the concern of their sponsors about the competition of Japanese imports with the domestic cotton textile industry. A Senate resolution—Senate Resolution 236—as originally drafted would have directed the Tariff Commission to make an immediate escape clause investigation under section 7 of the Trade Agreements Act to determine whether any textile products were being imported in such increased quantities as to cause or threaten serious injury. The Tariff Commission in commenting on this proposal indicated that it would not be feasible for the Commission, within the 9-month period provided by the statute for the completion of such investigations, to complete the numerous investigations that the resolution would have required. The resolution was amended before adoption to direct the Tariff Commission to give priority to escape clause investigations relating to textiles. This was the only action taken by Congress bearing directly on the subject matter.

STATE LEGISLATION

In the spring of 1956 the States of South Carolina and Alabama passed legislation requiring the posting of signs in retail stores selling Japanese textile products. The Secretary of State publicly deplored these enactments. He pointed out that these laws appeared to be contrary to the treaty of friendship, commerce and navigation between the United States and Japan which had been ratified by the Senate.

DEVELOPMENT OF THE JAPANESE COTTON-TEXTILE EXPORT CONTROL PROGRAM FOR 1957

Because of the continued concern on the part of our Government and domestic cotton-textile interests, the Secretary of State requested the Japanese Government early in 1956 to provide more detailed information on the Japanese program of export control than had previously been available. On May 16, 1956, the Japanese Government officially provided such a statement and announced its intentions to exercise similar control in 1957 and to give 3 months' prior notice if, for any reason, any of the quotas on exports of cotton textiles to the United States were increased.

In the summer of 1956, following the adjournment of Congress and the defeat of efforts in the Congress to impose import quotas, a series of discussions were begun between Japanese Embassy officials and representatives of the United States Governmen from the Departments of State, Commerce, and Agriculture. These discussions were aimed at exploring measures which might further alleviate the situation and at conveying to the Japanese Government a better appreciation of the nature of the American market and the desirability of a program of orderly marketing and sound merchandising.

During the long period over which these discussions continued, United States Government agencies obtained a better understanding of the nature of the domestic problems. Many Members of Congress became interested in the broad issues involved. At stake was the economic well-being of a major industry, the future of which would affect our national prosperity. At stake also was our foreign trade policy which had stood for a quarter of a century. This was reflected during the course of the hearings which the Subcommittee on Customs, Tariffs, and Reciprocal Trade Agreements held in September and October of 1956.

In my discussions with the Secretary of Commerce, Mr. Weeks, he told me that domestic manufacturers had assisted the Government in working out many difficult problems. He paid tribute to the patience and reasonableness of these people. I am also informed that it was the regular practice of the Commerce Department in their consultations with the domestic interests involved and with the Japanese to obtain the advice of the Department's legal advisers and of the Justice Department to assure that the discussions were conducted in accordance with the laws of the United States.

To return now particularly to the discussions between officials of the United States and Japanese Governments; I am informed that on September 27, 1956, the Japanese Government advised the United States as to the principles on which it intended to base its control of exports of cotton textiles to the United States during 1957 and the subsequent years. This note described the Japanese intention of diversifying their exports with a view to avoiding excessive concentration in any particular period or of exports of particular items.

From time to time during these discussions the Japanese officials made reference to the concern of their Government about the State legislation designed to discriminate against Japanese goods and also about restrictive action that might be taken by the United States Government with respect to Japanese imports. This concern was expressed in a note of September 27, 1956, which read as follows:

> The action now contemplated by Japan is based on the condition that all feasible steps will be taken by the United States Government to solve the problem of discriminatory State textile legislation and to prevent further restrictive action with regard to the importation of Japanese textiles into the United States.

As already indicated, the Secretary of State as far back as April 1956 had expressed his concern about discriminatory State textile legislation and had indicated his belief that such legislation was inconsistent with our obligations under treaties of friendship, commerce, and navigation.

THE CURRENT JAPANESE PROGRAM FOR THE CONTROL OF EXPORTS OF COTTON TEXTILE TO THE UNITED STATES

The Japanese program announced on January 16, 1957, is of much interest to all of us. It is a 5-year program for the control of Japanese cotton textile exports to the United States.

The overall annual ceiling for the export of cotton manufactures to the United States announced by the Japanese Government is 235 million square yards. Within this ceiling the limit for cotton cloth is 113 million square yards; the limits for woven and knit apparel total 83 million square yards; and the limits for household goods and miscellaneous items total 35 million square yards.

The cloth ceiling of 113 million square yards compares with ceiling of 150 million square yards in 1956. Individual ceilings are specified for velveteens, ginghams, and high grade—combed—cotton fabrics. The export limit for velveteen is 2.5 million square yards for each of the first 2 years. The export limit for ginghams is 35 million square yards for each of the first 2 years. With respect to the remaining 75.5 million yards for all other fabrics, a limit for high-grade—combed—cotton fabrics of 26 million square yards is established.

In the other groups covering cotton made-up goods individual annual ceilings have been established for pillowcases, dish towels, handkerchiefs, table damask, blouses, sport shirts, dress and work shirts, brassieres, and other body-supporting garments, men's and boys' T-shirts, and gloves and mittens.

The program also provides for Japanese cotton textile exports to the United States to be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands. The Japanese Government will also take all feasible steps to prevent transshipments to the United States through third parties.

Finally, the Japanese give emphasis to their intention of avoiding excessive concentration of exports in any particular area and of diversifying their exports by stating that they will consult with the United States Government to determine an appropriate course of action, whenever it appears that there is developing an excessive concentration of Japanese exports in a particular item or class of items.

INDUSTRY REACTIONS

If the proof of the pudding is in its eating, the tasters in this case are the groups and individuals comprising our domestic cotton textile industry. Thus their reactions to the Japanese announcement are of great significance. I am in close touch with these groups and I am familiar with their sentiments. I do not want to suggest that all segments of the industry are satisfied, but I think I can sum up the published reactions as being optimistic regarding the program's value, pleased that the industry's problem has been recognized and met in a practical way, and hopeful that adequate enforcement will occur.

I would like to quote significant portions of some of the statements made on this program by representative groups.

From the statement made by the American Cotton Manufacturers Institute:

> It is our considered opinion that the plan, if adequately enforced, is basically sound and workable and that it should dissolve promptly the cloud of doubt and uncertainty which has disrupted United States cotton textile markets for almost 2 years, and which has threatened the future of United States cotton in the American market. We believe the plan deserves a firm trial. It is logical that the Japanese exporters will also benefit from more orderly marketing conditions in this country.

From the Northern Textile Association:

> The announcement of limitations on exports of Japanese cotton textiles to this country is a significant development. It constitutes official acceptance of the use of such limitations to meet the pressing needs of the industry.
>
> The success of the arrangement depends upon the sincerity with which its principles are carried out, but it is indeed hopeful that the principles are recognized and agreed upon. With this pattern established there is no reason why, in the future, damage to our industry should not be prevented before it occurs.

The Association of Cotton Textile Merchants of New York had this to say in part:

> While the program may not be perfect in all particulars and must stand the test of experience, it embodies the essence of the safeguarding principles for which the industry has long contended. Its operation in good faith should do much to resolve the Japanese problem and set at rest the fears of continuous encroachment of American markets. With definite knowledge as to the yardage of low-cost goods in each item which can be exported annually from Japan, future plans can be made with more confidence and textile markets should gather strength in their release from uncertainties. Although direction of the program and its success, lies with the Japanese, it is their best interest to make it work and I feel sure their commitments can be taken at face value.

The Journal of Commerce in its issue of January 28, 1957, carries a story incorporating comments made by spinners of carded cotton yarns. The lead paragraph of the story, dateline Henderson, N. C., January 27, is:

> The carded-yarn industry appeared today to be ready to shake free of the doldrums blamed on uncontrolled low-wage imports from Japan. Industry leaders are pinning their hopes on the recently announced import control plan worked out in conferences between the United States and Japanese Governments.

Numerous stories from the daily press and trade papers could be cited, but the tenor of all of these is the same as I have just outlined.

I should like to make one final observation on public reaction before moving on to other phases of my discussion. The American Tariff League views this voluntary agreement with considerable skepticism, yet their January issue of Topics has this to say as part of the league's comments:

> Noting that categories of goods and quality were recognized in establishing the new Japanese cotton textile export quotas to the United States, ATL President Helfrich commented: "Whatever the propriety of the Japanese plan, it does have the merit of dividing the cotton manufactured products, for quota purposes, into categories, not only by class of article, but by its quality grade. Thus the arrangement recognizes a fair basic principle for which we have long fought."

CONCLUSION

When I was in Japan last December, the likelihood of a detailed program of self-imposed quotas was being widely discussed. Many Japanese textile-industry leaders doubted the wisdom and desirability of such a program. Nevertheless the Japanese, mindful of the broader issues involved, decided to go ahead with it. It was more than a gesture of friendship on the part of one of our stanchest allies in the free world.

The Japanese Government also recognized the need for stabilizing their country's trade with the United States in its own long-range interest.

On this basis the Japanese Government obtained the cooperation of their industry.

Perhaps a similar situation prevails here in the United States where industry and Government have also recognized the need for sincere cooperation in meeting these problems.

In the situation with which I have dealt, Members of Congress have been and will undoubtedly continue to be watchful guardians of the program herein discussed and its administration. In my view the program should be given an opportunity to prove itself. I hope that the Congress and other groups will permit it to have such an opportunity. It may be that serious questions will arise about various features of the program. In the light of the difficult problems that have occasioned the development of the program and its importance to our trade relations with Japan and indeed to our foreign policy in general, I think the program should be given a serious trial.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during general debate tomorrow.

The SPEAKER. Is there objection?

There was no objection.

CORN LEGISLATION NOT DEAD

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I wish to say as chairman of the House Committee on Agriculture that as far as I am concerned corn legislation is not dead. I am ready, anxious, and willing to call our committee together at any time the minority expresses a desire to meet with us in good faith to try to work out legislation which will be beneficial to the corn producers of our country.

I know that the majority members of our committee sincerely hope it will be possible for us to draft legislation that will be acceptable, and if the minority will indicate when they are ready to meet with us I assure you we will be ready to meet and consider legislation.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MARTIN. Does the gentleman have any belief he can come any nearer agreement than he has in the last 2 months?

Mr. COOLEY. I certainly do hope so, and I believe we can if we approach the problem as it should be approached, in a friendly spirit and with open minds and dispel partisan politics from our committee room.

I said during debate that it was a tragic, a sad, and a sorry day for American agriculture when we had divided as we did divide on this issue along strictly party lines. If the gentleman can use his influence with his colleagues I think I can exercise a little influence with my colleagues on the committee and we will in good faith try to reach sound legislation which will be beneficial to the corn producers, both inside and outside of the commercial corn area. Partisan politics has played a dangerous and a deplorable part in this debate and in the deliberations of this House. It is unfortunate that the minority would neither offer nor accept amendments to the bill which was finally reported by our committee. Now that our labors have proved to be futile I am perfectly willing to start all over again, but we must meet in a spirit of friendliness and in an environment that is free from politics.

REPEAL OF EXCISE TAX ON COCONUT OIL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, I have introduced a bill, H. R. 5818, the purpose of which is to eliminate the 2-cent-per-pound excise tax on coconut oil as provided for in section 4511 (a) of the Internal Revenue Code of 1954, leaving in force the additional rate of 2 cents per pound on coconut oil provided for in section 4511 (b) of the Internal Revenue Code of 1954 which is bound in the Philippine-American trade agreement until 1974.

The excise taxes on coconut oil and other oils were originally imposed in 1934 in the Internal Revenue Act of May 10, 1934, section 602½ (a) and (b), at a time when our country and the rest of the world were suffering from a serious depression and when a large portion of the coconut oil imported into this country, principally from the Philippines, went into edible uses in the manufacture of margarine in combination with other oils produced in the United States. For instance, during the 2 preceding years, 1932 and 1933, coconut oil constituted from 72 to 75 percent of the total oils used in the manufacture of oleomargarine. Also at that time the United States was a net importer of fats and oils. So Congress found it, therefore, necessary to impose these excise taxes on coconut oil and other oils to protect our fats and oils industry.

Since World War II, however, the fats and oils situation in the United States has changed. Coconut oil has been eliminated as an ingredient in the manufacture of oleomargarine and the United States has become a net exporter of fats and oils. The need for protecting the domestic fats and oil industry through this tax no longer exists and this bill seeks to repeal it on coconut oil.

The repeal of the tax will not only benefit American consumers of soap and other products manufactured in this country, in which coconut oil is a necessary ingredient, but also help the economy of our tested ally and friend, the Philippines, which supplies our country practically all our requirements of copra and coconut oil.

Recognizing that the processing tax on the Philippine coconut oil was an indirect duty on the product of a country under our sovereignty, Congress provided in the Internal Revenue Act of 1934 that the taxes so collected on Philippine coconut oil be held in trust to be refunded to the Philippine Treasury for Philippine economic development. The refund of these taxes ceased upon the independence of the Philippines on July 4, 1946, and since then all taxes collected on Philippine coconut oil reverted to the general fund of the United States Government. When Congress terminated the remission of the processing taxes collected on Philippine coconut oil to the Philippine Treasury it not only placed a heavy burden upon the economy of the Philippines but it also imposed an indirect duty on a Philippine product which might well be considered a violation of the trade agreement that we have with the Philippines.

The repeal of the 3-cent tax on coconut oil is, in my opinion, in consonance with our intent in rendering assistance to the Philippines and in harmony with our self-interest in the improvement of the social and economic conditions of the peoples of the free world.

UNEMPLOYMENT IN THE PLYWOOD INDUSTRY

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 30 minutes.

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include copy of a proposed bill dealing with the importation of hardwood plywood.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, considerable unemployment exists today in the plywood industry of the United States. A number of plants have suspended operations indefinitely and many others are operating on a curtailed basis.

Most of these curtailed operations and this shrinkage in employment are the result not of a reduced domestic consumption of plywood or overproduction of it but as the result of overly large imports of foreign plywood, mostly from Japan, where the wage rate is less than 12 cents an hour.

To relieve this unemployment in the plywood industry, I and a number of other Congressmen, today, have joined in introducing bills that will have the effect of reducing plywood imports from low-wage nations. These bills seek to limit plywood imports to 15 percent of the

domestic consumption of the previous year.

Hardwood plywood imports, last year, totaled about 705 million square feet or almost one-half of our national consumption of 1,500,000,000 square feet.

The bill which I and others have introduced today, if it had been in effect last year, would have limited these imports to about 225 million square feet with the result that American producers would have received orders for about an additional 500 million square feet. The result of this extra business would have been that our American plants could have operated at full time instead of on a curtailed basis, and there would have been little or no unemployment in the industry.

Here is how the present deplorable condition of the plywood industry developed.

In 1951, the Truman democratic administration, then in political control of the country, drastically reduced the tariff on plywood imports, cut it from 40 percent on the wholesale value to 20 percent.

From the moment that tariff was reduced, Japan's exports of plywood to the United States began to increase. These have been increasing by leaps and bounds ever since.

When the Republicans were in control of Congress during the years 1953 and 1954, they did nothing to correct the harm being done by these increased plywood imports. Nor did the Democrats when they were in control of Congress during 1955 and 1956 do anything to slow down these plywood imports. Both political parties are to blame for the present plight in which this great American industry now finds itself.

Recently the unemployment in this great industry has become so great that it now is apparent to everyone who knows this industry that something ought to be done promptly by Congress to slow down Japanese imports of plywood into this country.

In 1951, before the Truman administration reduced the plywood tariff, Japan's plywood exports to the United States were only 67 million square feet. Last year, 1956, foreign countries shipped into the United States 705.7 million square feet of plywood or more than 10 times as much as they did 5 years ago.

Hardwood plywood consumption in the United States has been increasing during the past 5 years. That increased consumption should have brought increased prosperity and employment to the American plywood industry. It has not done so because of the steadily enlarged share of the American plywood market that has been and is being captured by Japan where plywood is produced at wages of less than 12 cents an hour.

For example:

In 1951, the American consumption of hardwood plywood was 671 million square feet. Of this Japan supplied 67 million square feet, or about 7 percent of the consumption, and domestic producers 805 million square feet, or 93 percent of the market. By 1956, American consumption had increased to 1,500 million square feet. Of this Japan supplied 527 million square feet, or 35 percent, and other foreign countries 11 percent of the total consumption while American producers supplied 810 million square feet, or 54 percent of the consumption.

Total consumption of hardwood plywood in the United States has increased in the last 5 years by almost 700 million square feet. Foreign producers are supplying all but 5 percent of that increase.

Sales of the American hardwood plywood industry are standing still. It is selling no more plywood than it did 5 years ago and even to hold its 1951 markets has been compelled to cut prices in many cases below the cost of production.

Some ascribe the present weakness in the plywood sales and employment to overproduction. It is not overproduction that is crippling the American plywood industry. It is overly large imports of plywood from Japan that is responsible.

If plywood imports from Japan were slowed down, the American plywood industry would spring to life immediately.

In the political campaigns of 1950 and 1952, I warned the plywood industry and workers in that industry that they could not compete with the 12-cent wage of Japan and that unemployment inevitably would result, if tariffs on plywood imports were decreased. My opposition in those campaigns pooh-poohed my warning. He said trade is a two-way street, and we must let more Japanese plywood and Japanese fish come into the American market. He predicted such imports would be small and do no harm. The events of these past 5 years have proved he was wrong, and I was right.

Japanese plywood is produced by labor that is paid, at last report, 11.5 cents an hour. The American plywood industry must pay, under the Federal minimum wage law enacted by Congress, not less than $1 an hour and in most areas pays far more than that. While Congress very properly compels American manufacturers to pay wages of not less than $1 an hour, it at the same time holds open the doors of our country to imports produced by 12-cent-an-hour foreign labor. This is not right, fair or just. American workers cannot and should not be expected to compete with the starvation wages of the Orient.

Most plywood mills on the Pacific coast produce softwood not hardwood plywood, but these softwood mills are jeopardized as well as hardwood ones, too, are being injured by Japanese hardwood plywood imports.

Japanese plywood, produced by less than 12-cent-an-hour labor, is being sold at such low prices in the United States that in many areas imported hardwood plywood sells for less than softwood plywood. Some builders are using imported hardwood plywood in place of domestic softwood plywood on construction jobs on which softwood panels normally are used. This has reduced the market for softwood plywood. As a result of this reduced market many plywood plants are idle and their workers unemployed.

Government also suffers from this decline in plywood production and employment. Idle mills earn no profits. The operators pay less or pay no income taxes at all. With the annual earnings of workers in the industry also curtailed the amount of taxes paid by these workers declines. The Federal Government loses tax income. Also the idled American workers are forced to seek unemployment benefits. The Federal Treasury must pay out unemployment benefits it would not pay had jobs not been lost to imports.

The Government loses tax income. At the same time it is placed at the extra expense of paying unemployment benefits. This does not help balance the budget or pay the cost of a $71.8 billion budget.

When we import too much plywood we are in fact exporting jobs—the jobs of American workers.

It is far better for the solvency and prosperity of the country that plywood industry workers should be lined up paying income taxes than they be forced into the lines of those drawing unemployment benefits.

Congress can change the present unemployment lines into income tax paying lines by placing quota limits on the amount of 12 cents an hour produced plywood Japan is allowed to ship into the United States.

The sooner Congress acts the sooner jobs will be restored and unemployment declined.

In order that the exact provisions of my bill may be fully understood by all, I include at this point in the RECORD a copy of my bill and also a brief explanation of its provisions:

A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood

Be it enacted, etc., That it is the purpose of this act to authorize the establishment of a quota on imports of hardwood plywood under the conditions hereinafter specified in order to stabilize hardwood plywood imports under conditions of fair competition, and to establish the basis for an expanding foreign trade of the United States by removing from import competition its destructive aspects without creating hardship for the domestic hardwood plywood industry.

SEC. 2. (a) The total quantity of hardwood plywood entered or withdrawn from warehouse, for consumption, in any calendar year shall not exceed 15 percent of the domestic consumption of hardwood plywood in the preceding calendar year determined as hereinafter provided.

(b) For the remainder of the calendar year 1957, the import quota shall be prorated on the basis of the quota for the full calendar year as provided in subsection (a).

SEC. 3. (a) The United States Tariff Commission shall, within 60 days after the effective date of this act for the purpose of the quota for the remainder of the calendar year 1957, and within 60 days after the close of each calendar year, for the purpose of quotas for calendar years after 1957, determine the domestic consumption of hardwood plywood for the preceding calendar year.

(b) On the basis of such determination the Commission shall establish the quotas for hardwood plywood as provided in section 2.

(c) If imports of hardwood plywood come from more than one country of origin the permissible total quantity shall be allotted on the following basis:

(1) Ninety-five percent of the quota shall be allotted to the countries of origin on the

basis of the average entries from each such country during the calendar years 1952, 1953, and 1954.

(3) The remaining 5 percent shall be allotted to any country or countries not exporting hardwood plywood to the United States during any of the calendar years 1952, 1953, or 1954.

Sec. 4. (a) The Tariff Commission shall report to the President the quotas established by it and the President shall by proclamation promptly impose such quotas.

(b) If there is no claimant country or countries before the end of the third quarter of any year for the 5 percent set aside for new exporting countries, or if any part of the 5 percent is not claimed, the whole or the unclaimed part of such 5 percent shall be distributed among the original participating countries according to their proportional shares and the President shall issue a proclamation modifying the original quotas in accordance therewith.

Sec. 5. In any year in which the domestic consumption of hardwood plywood cannot be determined for the purposes of section 3, the Tariff Commission shall estimate the domestic consumption for the preceding year and establish preliminary quotas which shall be proclaimed by the President pending the establishment of final quotas.

Sec. 6. (a) As used in this act—

(1) The term "hardwood plywood" means an assembly composed of two or more layers of veneer or veneer in combination with lumber, hardboard, fiberboard, particle board, chipboard, or other material, bonded by an adhesive and having at least one layer of hardwood.

(2) The term "domestic consumption" for any calendar year, with respect to hardwood plywood, means the total quantity of hardwood plywood, on a square-foot surface-measure basis, shipped by producers in the United States to the domestic market in such year plus the total quantity of imported hardwood plywood entered, or withdrawn from warehouse, for consumption in such year.

Sec. 7. The provisions of this act shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effectuate a modification or termination of any international obligations of the United States with which the act might conflict, but in any event not later than 60 days after the date of enactment of this act.

EXPLANATION OF PROPOSED BILL TO REGULATE THE FOREIGN COMMERCE OF THE UNITED STATES BY ESTABLISHING QUANTITATIVE RESTRICTIONS ON THE IMPORTATION OF HARDWOOD PLYWOOD

The bill provides for a yearly quota on imports of hardwood plywood of 15 percent of the consumption in the year preceding the quota year. Consumption is defined as the sum of the shipments by the United States producers and the imports of hardwood in the preceding year.

The Tariff Commission shall determine the consumption and shall establish the quota within 60 days from the end of the calendar year. Ninety-five percent of the quota shall be allotted to countries of origin on basis of average entries during the calendar years 1952, 1953, and 1954. Five percent shall be allotted to countries not having a historical position in the base year.

It is provided that the act shall take effect within 60 days after enactment to permit the President to negotiate the modifications or termination of trade agreements which would be effected by the act.

The quota of 15 percent on consumption restores to domestic competition a portion of the market taken over by low-priced imports. The basing of the quota on consumption assures to the foreign producers a share of the expanding domestic market. The quota is to be allocated on a historical basis, using as the base years the 3-year period 1952-54 which a study of the imports indicates to be the most representative years since World War II.

Mr. WESTLAND. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. WESTLAND. I want to associate myself with the remarks of the gentleman from Washington because I, too, have introduced a similar bill. It strikes me that this matter goes beyond the local area, for I understand that plywood mills in North Carolina and in the Middle West and the New England States as well are suffering because of this import of plywood.

In my own specific district, plywood mills are now operating on a 4-day basis where we have our cooperative organizations in plywood. They have voluntarily cut their own wages from as high as $3.50 an hour that they were paying themselves down to $1.50 an hour in an effort to meet this competition. It seems to me there is even more than that to this. The philosophy of perhaps this administration or previous administrations has gone to the extent in Japan of providing funds over there through the military government to furnish the finest and most modern equipment that you can find to build plywood mills, then make this plywood industry pay the workers 12 cents an hour and ship that plywood to this country and expect labor in this country to compete with that sort of thing. It strikes me if we expect to maintain wages at a level that is commensurate with our way of life something has got to be done in reference to this matter. The only step, I believe the gentleman from Washington will agree, is legislation of this nature. I hope it will receive the attention of the proper people.

Mr. MACK of Washington. If we were to cut down the imports of Japanese plywood or had they been cut down last year, the American mills would have sold under the legislation we propose 800 million more feet of plywood which would have given jobs to a great many people.

Mr. TOLLEFSON. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. TOLLEFSON. Mr. Speaker, I want to commend the gentleman for the statement he is making. What he has said is very applicable to my Congressional District. In recent weeks I have received scores of letters from plywood workers and plywood people complaining about the damaging effect of the increased imports of foreign plywood produced at a much cheaper rate than we can produce it. My colleague from Washington [Mr. WESTLAND] has indicated that the mills in his area have cut down their work to a 4-day week. The same thing has happened in my own district.

I approached this subject in the Congress 2 or 3 years ago and I predicted at that time that unless we did something the imports would increase tremendously. The passage of time has indicated that is true. The gentleman addressing the House in support of his bill has indicated that since 1951 the amount of the domestic market taken by foreign imports has increased from 7 percent to 46 percent of the market. I have introduced legislation identical to that introduced by the gentleman who has the floor. I sincerely trust, as I am sure my colleagues from Washington do, that these bills will be given consideration and will receive favorable action.

Mr. MACK of Washington. May I say to the gentleman from Washington that this is not a partisan matter because the mills in the southern part of the United States are being affected just as much or even more so than the mills in the Pacific Northwest.

Mr. SCUDDER. Mr. Speaker, I wish to associate myself with my colleague, the gentleman from Washington [Mr. MACK] in an effort to lend some stability to the plywood industry which is in a very critical position at the present time. I have today introduced a companion bill, and we from the lumber-producing area are very anxious that something may be done to relieve the impact which has beset this industry.

Plywood import duties in 1951 were decreased by 50 percent. This has opened the doors to a terrific import of plywood.

I have every sympathy toward helping to stabilize the Japanese industry, but I believe in all fairness that we should place a limitation on the import of given commodities so that the import of these products produced by cheap, substandard labor will not go so far as to ruin American industry.

When you realize that plywood imports in 1956 amounted to three-fourths of a billion square feet, which is almost one-half of the entire domestic consumption in the United States, you must admit it is excessive, and we desire to amend the law to provide that not more than 15 percent of the domestic consumption shall be imported in a given year. I thoroughly concur in the statement of my colleague and enthusiastically support the program to protect the workers in this great American industry.

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent that any Member who desires to do so may have permission to insert his remarks at this point in the RECORD on the subject just discussed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

YANKEE HOMECOMING FOR 1958

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, New England is not only an important part of our country from every angle but it is

particularly important from the historic angle. The people of New England are very hospitable. All of New England is replete with events that occupy most prominent pages in the history of our country. In addition, throughout generations, countless of hundreds of thousands of New Englanders have gone to other parts of the country and their descendants are now located in all sections of the United States. Those descendants still have their ties through family tradition and relationship with New England.

Starting in the early part of 1958 there will be a program known as Yankee Homecoming for 1958. Briefly, the Yankee Homecoming for 1958 program is an enterprise plan to attract to New England next year hundreds of thousands more visitors than usual to see our historic sites and our unsurpassed recreational, scenic, and industrial attractions.

This program, Yankee Homecoming for 1958, was originated and planned by a noted New England artist, Mr. Jack Frost, of the Cape Cod section of the Commonwealth of Massachusetts. He has the support of many public officials and outstanding private persons, as well as public and private agencies in New England. The Yankee Homecoming Founders Council consists of outstanding New Englanders in all walks of life.

In a recent announcement in relation to the coming Yankee Homecoming for 1958 year, Governor Furcolo, of Massachusetts, said, in part:

Yankee is a way of life. It does not apply today to any individual or racial group. It is rather a product of our New England culture and accomplishment.

An exciting calendar of Yankee homecoming events is planned. This includes concerts, tours, festivals, sports events, fairs, and expositions.

In addition, there will be visits to historic trails, shrines and houses, and new tributes to the pioneers who made history in New England and who made famous and available to all of us New England and its products.

Like Governor Furcolo, I am completely enthusiastic about this coming event which, as I have said, will cover a period of approximately 1 year.

I am referring to this at the present time so that the people throughout the country may become acquainted at this early date with this important happening that will take place in 1958, inviting each and every person who can possibly do so to visit New England during the period the program will run. The historic importance of New England alone is such that every person in the United States who can do so at some time or another should visit New England and see the historic sites, and have the direct opportunity of feeling the impact and influence of the historic atmosphere of this great area which goes back over 300 years.

For the contributions of New England, both in colonial days and under constitutional government, have been marked and most prominent. A visit to New England will leave treasured impressions of a lasting nature.

The Yankee Homecoming for 1958 affords the opportunity to crystallize in the minds of as many of our people as possible the desire and intent to visit New England during 1958.

I might also say that the headquarters of Yankee Homecoming for 1958 is located at 62 Boylston Street, Boston, Mass. Anyone seeking information can obtain the same by sending a letter to Mr. Jack Frost, Yankee Homecoming, Inc., 62 Boylston Street, Boston, Mass.

A MOST FLAGRANT VIOLATION OF SECURITY

The SPEAKER pro tempore [Mr. HALEY]. Under previous order of the House, the gentleman from California [Mr. SISK] is recognized for 30 minutes.

Mr. SISK. Mr. Speaker, at 1 o'clock in the afternoon of January 16, 1957, 5 great B-52 bombers of the Strategic Air Command, United States Air Force, took off from the runway of Castle Air Force Base near Merced, Calif., in my district, on a highly secret mission of historic importance and worldwide significance.

Forty-five hours and 19 minutes later, at 10:19 o'clock on the morning of January 18, 3 of these great planes landed at March Air Force Base near Los Angeles, Calif. They had girdled the globe, nonstop, in less than 2 days. They had demonstrated the ability of our Air Force to deliver a crushing blow anywhere in the world. Their course had taken them across the Middle East and shown capabilities there while crucial foreign policy decisions vitally concerning the Middle East were under consideration by the Congress and were in the spotlight of worldwide attention. These planes had performed simulated bombing operations over the Indian Ocean, 12,000 miles from their base. It was an historic mission and a demonstration to the people of the United States and the world of the courage and training of our flyers, the technical excellence of our equipment, and, above all, the intention and ability of the United States to back up its foreign policy and assume its responsibility as the leader of the nations of the free world.

This historic operation had added significance to the people of the district I have the honor to represent, for the crews manning the bombers and the thousands of technicians who service the planes and operate Castle Air Force Base are our friends and neighbors. The people of the United States were thrilled and proud when this most significant flight was announced following its completion on January 18. But my people experienced a deeper pride and a greater joy, for our own planes and crews had overcome great hazards and won the admiration of the country. Under these circumstances, I am sure, Mr. Speaker, that the Members will understand the personal interest and concern which has prompted me to speak here today and to undertake the inquiry I am going to discuss. And I may say that this preliminary inquiry has revealed facts concerning violations of security at the very top level of our Government which may have endangered the lives of these flyers and the successful completion of this mission—facts which I believe it to be my duty to bring to the attention of the Members and which I believe merit and require further development and investigation under oath.

The part of this operation which concerns me deeply and which many of the people I represent are questioning, is the manner, circumstances, and times when information concerning it was released. We want to know the source and responsibility for information leaks and actions which appear to violate the security precautions designed to prevent premature disclosure.

To get at these facts and to fix responsibility and to guard against future violations of security, I have today asked the Subcommittee on Information of the Committee on Government Operations to undertake an inquiry into all the facts and circumstances surrounding disclosure of this operation before, during, and after its completion. Here are some of the facts and some of the implications I am calling to the attention of the committee to provide the basis for the inquiry I am requesting:

This entire operation was given the security classification of "Secret." It is my understanding that a secret classification forbids disclosure of any information of any kind whatsoever before or during a military operation—or even after its completion—until the information is cleared for release.

I have made some inquiries as to the reason for this security classification. I was informed that all missions of the Strategic Air Command are under secret classification. We can understand this, because the Strategic Air Command is operating under a continuous ready or alert state. It is on a wartime footing. It is our immediate striking arm, prepared to counter force with force, to meet aggression with retaliation. Information concerning the disposition, current missions and projects of the Strategic Air Command could be of immeasurable benefit to an enemy intent upon opening a war with a surprise strike at the United States.

In this particular global operation, we can well believe other considerations may have influenced a decision to maintain secrecy. This was a training mission, and a part of that training could well be the schooling of crews and all personnel in maintaining the security precautions essential to war operations. It is not beyond possibility that some country which might be placed in a poor position by the success of this demonstration would send up interceptors and seek to shoot down these planes. I call to your attention that on a number of occasions in recent years American military planes operating in the vicinity of Iron Curtain borders have been shot down. In my mind, this was a very real danger considering the stake in the Middle East, the state of tension, and the prestige in that area the United States could gain through successful operation. To me, it is evident that violation of the security classification placed a very real danger on the crews and planes taking part in this mission.

Then too, it may have been considered necessary to guard against possible failure to complete the assignment to fly around the world. I understand crews were briefed in security precautions in event they landed elsewhere than at a United States Air Force base. If this mission were announced before it was completed and it had not been carried out as planned, we would have looked very foolish in the eyes of the world.

The final, top-level decision to undertake this flight was made during the week ending January 8. In view of the importance, the significance in relation to national defense, the foreign policy implications, and the prospective use of this flight as an instrument of national policy, I have no doubt that the White House, the National Security Council, the State Department, and the Joint Chiefs of Staff participated in this consideration, but the final decision must have been made by the President of the United States.

I was perfectly astounded to learn that the following day, on January 9, 1957, and before this decision was known outside the highest offices of our Government, representatives of Life magazine waited on the United States Air Force and requested to be supplied with all color pictures made during this mission. That this request was in the nature of a command that this publication be given the exclusive right to publish these photographs can be inferred from the fact that Life magazine did, in fact, obtain all these pictures and did publish many of them exclusively, and would have had completely exclusive rights to all photographs made in flight had it not been for a mere chance discovery by other news media which permitted them to gain access to some of the photographs only hours before Life magazine was on the newsstands.

Now, this situation causes some serious questions to arise. We must wonder whether our information security system is being used to pay political debts. We must consider whether a security classification has been manipulated to give exclusive news rights to publications enjoying access to inner political circles, while denying information to others. We must ask whether the lives of these fliers, and their B-52 planes, and the success of this historic mission were less important to persons high in our Government than the political advantage they might receive by playing ball with a political publication.

Let us consider the background of this most unusual disclosure of classified information to Life magazine, and the sequence of events that permitted it to get information and use information denied to other news media.

You will recall that Life magazine is one of the Luce publications, along with Time magazine and others. This publisher has been an ardent supporter of the administration. The publisher's wife, until recently, was the United States Ambassador to Italy by Presidential appointment. Employees and executives of these publications have been sitting in the inner circle of the White House, members of the President's staff. The news columns of these magazines are notoriously biased and slanted on behalf of the administration and probably could best be described as administration propaganda. Certainly the administration owes a large debt of gratitude to Henry Luce for unusual favors.

Now, I would not condemn the enterprise of Life magazine in securing exclusive news and pictures, but I seriously question the propriety of officials of our Government playing fast and loose with our Nation's security in order to assist them.

As I inquired into this matter, I found other facts equally astounding. When these planes took off on their mission on January 16, an Air Force officer photographed the takeoff. These pictures were immediately flown to Los Angeles, where they were turned over to Life magazine on the evening of January 16, and were sent to the New York office of the publication for immediate processing. Meanwhile, all information was being rigorously withheld from all other newspapers, radio stations, and wire services. Hundreds of members of the staff of Life magazine had access to photographs of the takeoff of this flight while it was in progress in potentially hostile parts of the world. These photographs had not been processed to reveal what they disclosed and had not been cleared for security. Other pictures of the takeoff were not released to newspapers or wire services until the flight landed on January 18, and up to midnight of January 17 the responsible officials were denying any information. At that hour, a bare announcement was made that "an event of historic importance" would take place the following day.

Now, I ask you to recall that at one time a self-admitted Communist espionage agent occupied a position of responsibility with the Luce publications. I am not inferring in any way, nor do I believe, that foreign espionage agents are currently on the staff of these publications. But I ask the question—is not a secret security classification intended to avoid the ever-present possibility that information will fall into improper hands? Is it not intended to restrict information to those who have been completely cleared for handling of secret information? Is the completely uncleared handling of secret information in this case in violation of those regulations?

Let us go further into the later handling of information in a manner which the Air Force chooses to consider a snafu, but which raises added questions in my mind.

Crewmen participating in this flight were supplied with cameras and were instructed in operating them to obtain pictures in flight. It originally had been intended to take both black and white and color pictures and you will recall Life magazine had asked for all color pictures. Before January 16 it had been decided taking both kinds of pictures would be impractical. Only color pictures were taken. When the planes landed at March Air Force Base, the cameras and film were collected by an Air Force officer and all the film, completely unprocessed and undeveloped, was turned over to Life magazine. It not only was not cleared for security, but the Air Force itself did not and could not know what pictures it was releasing, although it is claimed that under flight conditions they could not have revealed classified information.

There were an estimated 160 representatives of newspapers, wire services, radio and television stations, and magazines covering this landing. No publication, other than Life, was offered these pictures. None of them even knew inflight pictures had been taken. If they had learned about the pictures and asked for them, they could not have been released to them, because all the film had been turned over to the exclusive control of this one magazine. After processing the film, Life selected the pictures it wanted to use in its issue placed on sale on January 23. It is presumed these pictures were cleared for security in New York before publication. The films were then returned to the Air Force. There is some question as to whether all pictures were returned, but I do not know this fact, one way or the other.

By the merest chance, other news media learned of the existence of these pictures on January 22. They were questioning a member of the crew during a news conference in Los Angeles. He was asked what he did during the flight. He answered that he was principally occupied in taking pictures. The newsmen immediately inquired "What pictures?" and the existence of this film was for the first time made known.

I understand the wire news services immediately asked the Air Force in Washington about these pictures. I was somewhat surprised to find that at that time they were not safely in official custody, but were in an automobile parked at the home of an Air Force officer. They were recovered and a limited number of prints made for distribution late on the night of January 22, 6 days after completion of the mission and 4 days after all pictures had been made exclusively available to Life magazine.

There were other leaks of security information on this operation. On January 14 Aviation Daily published a limited article, but I understand it withheld much information it had in the interests of security. I admire its enterprise, but I would like to know the official source of its information.

On the evening of January 17, while the flight was in progress, the Chicago Tribune published an announcement, while the responsible officials were continuing to withhold all information. Again, I admire the enterprise of the reporters, though I may question their judgment in publishing secret information, and I am primarily concerned with finding out what responsible official provided this information.

I am concerned too, with the problem faced by literally thousands of newspapers, radio and television stations all over the country who try to abide by codes of ethics and respect security information. Here was information in the possession of selected and privileged competitors which was being officially denied to them.

In my own district, where the families of these Air Force men live, who were anxiously awaiting news, none was forthcoming. Such newspapers as the Merced Sun-Star, the Madera News-Tribune, the Turlock Journal, the Modesto Bee and the Fresno Bee, serving the homes of Castle Air Force Base, were denied news or pictures or an opportunity to serve their readers on an equal basis with their competitors. The information officer of Castle Air Force Base, to whom they look for news releases, had been taken from the base and sent to San Francisco, where he was denying there was any news.

Now I believe it was necessary and most desirable that information be withheld while this flight was in progress, but I cannot approve withholding it from some and giving it to others. This is not a free press—it is a move toward a kept press, a system of official release through mouthpiece publications.

I want to make it clear I have the highest respect for the United States Air Force and its courageous men. I don't think they are ultimately responsible for this mess. I don't want to see some junior officers made the goats to protect higher-ups who must bear the ultimate responsibility and blame.

The pattern is too clear, the repeated premature disclosure to selected news media too consistent, to permit us to dismiss this episode as a succession of innocent errors. It is time we got to the bottom of this mess and fixed responsibility. If we need security regulations, they must be made to protect the security of this Nation and not be manipulated for private or political gain.

SHOCKING DISCOUNTS—INADEQUATE HOUSING—TIGHT MONEY—HIGH INTEREST—USE NSLI FUNDS TO MAKE VETERAN LOANS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, developments in the residential-construction industry are most disturbing. The decline in new residential construction which began in mid-1955 continues unabated. The volume of new-housing activity for the first 2 months of this year fell 8 percent below the corresponding 1956 figure. This marks the second successive year in which new-housing activity has declined below the earlier year's level.

The answer to inflation is production. We need more housing units.

The crisis in home building has reached serious proportions. Home building is being restricted in the price ranges that Congress wanted to see activity expanded when it established the VA and FHA programs. The tight credit policy which is aimed at channeling funds away from housing for the low-income brackets is also permitting lenders to take unfair advantage of veterans and other purchasers who badly need housing.

Outrageous discounts and fees are being charged by lenders to provide financing on mortgages insured or guaranteed by the United States Government. This is one of the most shocking developments I have heard of in all my years in Congress. It is not unusual for me to receive letters every day complaining of having to pay as much as $1,500 in discounts and fees in order to secure financing for the purchase of a $12,000 house.

Congress needs to take a good hard look at what is going on in the residential-building industry, as a result of the tight credit policy.

I am hopeful that the housing subcommittee which is now holding hearings on this subject will soon come up with some recommendations that will enable us to get national housing policy back on the right track before permanent damage to the industry and our housing standards results.

Mr. Speaker, I had the opportunity to testify before the housing subcommittee on March 4 and ask permission to include my statement in the RECORD.

STATEMENT OF REPRESENTATIVE WRIGHT PATMAN, DEMOCRAT, OF TEXAS, BEFORE THE HOUSING SUBCOMMITTEE OF THE BANKING AND CURRENCY COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MARCH 4, 1957

Mr. Chairman and members of the Housing Subcommittee, I am happy to appear here this morning to testify on this important question of home financing.

This subcommittee can make an important contribution by focusing attention on the serious plight of the home-building industry and the excessive burdens that have been imposed upon home builders and home buyers as a result of the uneven impact of general credit restraints.

I. EXPANSION OF HOME BUILDING IN 1957 NEEDED TO PROVIDE AN IMPORTANT PROP TO THE ECONOMY

As chairman of the Joint Economic Committee, which recently concluded hearings on the President's Economic Report for 1957, I can also tell you that the outlook for our economy this year pretty much depends upon what this subcommittee does with respect to easing the squeeze on home financing. Witnesses before our committee expressed some doubt about the economic outlook beyond the first 6 months of 1957 based upon expectation that the expansionary force of the capital goods boom would be leveling off soon. In this connection, Dr. Martin Gainsbrugh, Chief of the National Industrial Conference Board, testified:

"I am hopeful that in the light of what has been said this morning about some of the forces that will be tapering off as 1957 moves along, that housing can become a sustaining if not expansionary force in terms of timing." (Hearings before Joint Economic Committee, January 30, 1957, p. 162.)

So you see housing is being counted upon to provide a very important prop to our economy in 1957.

II. THE IMPORTANCE OF FEDERAL RESERVE CREDIT POLICIES

Whether or not housing can make that contribution depends upon the availability of mortgage funds at reasonable interest rates.

Determination of the total availability of credit rests with the Federal Reserve Board. What the "Fed" does determines whether you have enough credit to support a healthy level of home building or whether you have an inadequate amount of credit and a chaotic situation in the home-building industry.

Unfortunately, the Federal Reserve Board has decided that home builders are expendable. The Vice Chairman of the Federal Reserve Board in a speech before the Mortgage Brokers Association in Dallas, Tex., termed housing demand "postponable" along with schools and other projects with a similar high social priority.

The policies of the Federal Reserve Board have not only had an adverse effect on the home-building industry but on farming, small business, and State and local government financing of public facilities, too. We need to find out more about how these Federal Reserve policies are determined and whether their effects can be safely predicted in advance. That is one of the reasons I have introduced H. Res. 85. I hope that if H. Res. 85 is approved, the broad national monetary study, which is envisaged under it, will be able to find answers to those questions.

III. HOUSING SURPLUS OR SHORTAGE?

In the last few years, the rate of new home building per capita has fallen significantly. Comparing 1956 with 1950, the per capita rate of home construction fell 27 percent.

This means we are falling further and further behind in the job of providing every American family with a decent home. We are faced with a serious housing shortage, particularly in moderate-priced units, unless this trend is halted.

IV. PROPONENTS OF CREDIT RESTRICTION FEAR OVERBUILDING

There are those, however, who see the danger of a glut of lower-priced housing.

I am placing in the RECORD an editorial from House and Home for December 1956, "Washington's Best Known Secret," which discloses that an "anonymous" housing expert in official Washington foresees an enormous surplus of cheap housing, even if no more low-cost housing is built.

There are certain logical implications, which follow from this expert's forecast. They add up to cutbacks in the price ranges of housing financed under the VA and FHA programs and construction of higher priced homes.

It is said that this anonymous expert is a top staff adviser at the Federal Reserve Board.

There are other high officials who welcome the cutback in housing. Among them are the Under Secretary of the Treasury in charge of debt management and monetary affairs. I would point out to this subcommittee the speech delivered by the Under Secretary at the annual convention of the United States Savings and Loan League, November 1956, in which he noted that there were certain advantages in the tight-money policy, among them the fact that the market could absorb the heavy overbuilding of new homes.

V. HOUSING CUTBACKS ENCOURAGING RENT INCREASES

The tight-money policy, which, according to the Under Secretary of the Treasury, is designed to keep housing costs from rising, is succeeding in doing just the opposite.

Only recently, I read in the Washington Evening Star that rents are being raised in anticipation of a housing shortage.

VI. HIGHER INTEREST RATES MEAN HIGHER COSTS; NO SOLUTION

Under the tight-money policy, we have had a persistent trend toward higher interest rates on home mortgages; a vicious mortgage discount practice; and outright refusal to make GI loans in many sections of the country.

The typical administration answer to the problem in the field of mortgage financing is "Raise the interest rate." You may be interested to know that out in San Francisco recently, a panel on tight credit, which I chaired, composed almost exclusively of homebuilders, including Republicans as well as Democrats, went on record as opposing

any further increase in the GI mortgage interest rate. They viewed the higher rate solution as not a solution but a dangerous threat to an ever-narrowing market for homes.

VII. THE GI MORTGAGE MARKET CAN BE STABILIZED

An important contribution can be made toward the stabilization of the GI mortgage market, elimination of discounts and maintaining the present 4½ percent interest rate by utilizing a portion of the national service life-insurance funds.

Both the chairman of this subcommittee and I have introduced bills directed toward this end.

H. R. 22, the Patman bill, would authorize and direct the Secretary of the Treasury to invest 25 percent of the NSLI funds in VA guaranteed mortgages at par. An additional $2 billion of FNMA special assistance fund is also authorized for such purchases, if necessary. Thus, a total of $3.5 billion would be available for direct support of the VA guaranteed mortgage at the 4½-percent rate.

VIII. NO RISK INVOLVED IN USE OF NSLI FUND

There is no risk involved to the NSLI fund. Any GI mortgage that defaults after acquisition by the NSLI fund shall be immediately purchased by the Administrator of Veterans' Affairs. In addition, the return to the NSLI fund would be increased 50 percent from the present 3 percent on the special Treasury notes in which NSLI funds are invested to 4½ percent on VA guaranteed mortgages.

H. R. 22 would put veterans' funds to work for veterans and make possible higher NSLI dividends or lower insurance premiums to GI's, who contribute to the fund.

IX. FEDERAL HOME LOAN BANK ACT AND 1954 HOUSING ACT PROVIDE FOR INVESTMENT OF PUBLIC FUNDS IN NON-GOVERNMENT OBLIGATIONS

Objections are raised that there is no precedent for investing money in Government trust funds in non-Government obligations. The fact is, there are two precedents, both established under Republican administrations. In 1932, under President Hoover, the Federal Home Loan Bank Act was passed. Section 15 (pars. 16 and 17) provides:

"Obligations of Federal home-loan banks issued with the approval of the Board under this act shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer thereof."

And it then states: "All obligations of Federal home-loan banks shall plainly state that such obligations are not obligations of the United States and are not guaranteed by the United States."

Thus, in 1932, and for nearly 20 years thereafter, obligations of an agency that did not even have a line of credit with the Treasury were held to be lawful investments for public trust funds, although such obligations were not obligations of the Government or even guaranteed by the Government.

The second precedent is more recent. It was enacted by the Republicans in 1954. Section 211 of the Housing Act of 1954 declares that all FNMA obligations "shall be lawful investments" and may be accepted as security for public funds, the investment of which shall be under control of the United States or any officer thereof.

And section 304 requires that the association plainly state that its obligations "are not guaranteed by the United States and do not constitute a debt of the United States or of any agency or instrumentality thereof except the association."

In contrast to these Republican precedents, H. R. 22 provides that NSLI funds be invested in Government-guaranteed mortgages, and upon default of the mortgagees they are required to be purchased by an agency of the United States.

X. ANSWERS TO OTHER OBJECTIONS TO USE OF NSLI FUND

Another objection raised to the use of 25 percent of the NSLI fund for this purpose is that it will result in capital losses if the Treasury obligations in which they are now invested are sold.

The answer is simple. The Treasury may purchase its own obligations, and does so. The Treasury can buy the special issues at par.

It is objected further that the Treasury will have to raise the additional funds in the market, thereby causing a further tightening of funds and higher rates.

The answer is that the Treasury refinances close to $75 billion of its debt each year and over $1.5 billion each week. I am certain that the spreading out of $1.5 billion of additional borrowing, which may be needed if the NSLI fund is drawn down by that amount, will not be an insurmountable debt-management task.

XI. FREQUENT DISCOUNT ABUSES ON VA AND FHA MORTGAGES

I would now like to comment on the mortgage discount problem. It is a scandal. I am against it, and my bill prohibits such discounts in connection with home building aided by the VA and the FHA.

Our great Government is being accused of being in a racket. Good citizens of our country in letters to me often make this statement or a similar one in connection with the big discounts that are being required of them in order to sell a home or to buy a home. One letter from a supplier of homebuilding materials stated:

"I think it is a shame what is happening and the way it is being manipulated by the big finance companies demanding outrageous discounts on these type loans. We closed a VA loan the other day and it cost the veteran and ourselves on a $10,900 loan around $750.

"It is being said that there is tight money, etc., but I call it 'blood money,' if you will give the big discounts there is plenty of money available for the paper. I feel like the lumbermen are all being used to steal from the veteran and give it to the finance companies. I noticed what you have to say the other day in the paper about straightening this deal out, and I think it is a good approach to it. We do not object to there being a 5 percent interest charge, but we certainly do object to being made to make the veteran sign a note for par value and then FNMA, itself, buy that piece of paper if they get a big discount—anywhere from 4 percent to 7 percent. It makes a lot of us feel like our Government, itself, is in a racket; and we think that this matter should have something done about it immediately.

"I think the whole thing could be straightened out in 48 hours. If you make money available to FNMA at par value for VA and FHA then let private capital handle it if they desire to; and I am sure in just a short time private capital will buy at par.

"I wish to let you know that we lumbermen appreciate the effort you are putting forth to get the matter straightened out, but it does need something done about it immediately as we are practically frozen at this time."

I have a letter from one of my own constituents in Texarkana, Tex., in which she states:

"I am writing regarding the GI home loan which you said you were going to bring up in Congress.

"We have sold our home and the buyer has been trying to get a GI loan. That is, we have everything completed, but the investor that is buying the papers wants us to discount our papers 8 percent and we think that is outrageous.

"Could you please advise us concerning this bill. When are you going to bring this bill and do you think it will pass? Also, how long do you think it will be before it will be in effect?

"Mr. PATMAN, we would appreciate it very much if you could let us know about this matter as soon as possible. Thank you."

Another letter from Houston, Tex., as follows:

"I am pretty doggone sore. You see, early last November I had an opportunity to buy a house here in Houston that I liked, at a price I liked, under a FHA 4½-percent loan.

"I accepted the deal. So did the owner. And I duly applied for the 4½ percent FHA loan through the mortgage company that had got the commitment from the FHA and was willing to make the loan, provided I could qualify.

"All this was before the interest rate was raised to 5 percent.

"While my application was in the mill, the FHA told the mortgage company it could sock me for even more interest than it had asked for in the first place.

"I hope I'm making this kinda clear: Seller, buyer, mortgage company, agent, even FHA, had all agreed on 4½ percent, and application was made before the rate was changed on December 4. Yet when my loan was finally approved, somebody had arbitrarily authorized the money lenders to knife me for an extra pound of flesh—ex post facto.

"At least that's what the mortgage company says my Government has done to me. And they're probably right, aren't they?"

XII. REPEAL OF DISCOUNT CONTROL IN 1954 HOUSING ACT OPPOSED

Authority to control discounts existed in the Housing Act of 1950. But this administration and the Republican 83d Congress succeeded in removing that protection from the Housing Act of 1954.

I tried hard to keep that protection in there. When the administration bill, H. R. 7839, reached the floor I offered an amendment striking title II, which not only gave a broad grant of authority to the President to vary terms and rates on VA mortgages but also repealed the VA's authority to prohibit discounts on VA-guaranteed mortgages. The House overwhelmingly approved my amendment, thereby restoring the VA's authority to control discounts.

When the bill went to the Senate, however, the administration persuaded the Members that the authority to limit discounts was no longer needed since the credit situation had been eased. Moreover, it was asserted the 1953 interest rate increase had made VA mortgages competitive with other long-term investments.

A Senate amendment to H. R. 7839, adopted June 3, 1954, restored the repealer of section 504, which my amendment had deleted from the House bill.

In the ensuing conference I was necessarily absent because I was engaged in a primary contest. The House conferees agreed to the Senate repealer of section 504, but the managers on the part of the House conferees made the following strong statement on the matter:

"The Senate amendment added to the House bill a provision repealing section 504 of the Housing Act of 1950, which directed the Federal Housing Commissioner and the Administrator of Veterans' Affairs to limit and control the fees and charges imposed by lenders upon builders and purchasers in connection with mortgages and home loans. A similar provision in the House bill was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House. Section 504 of the Housing Act of 1950 is no longer needed, since adequate

authority for the control of these fees and charges is otherwise available. The conference substitute includes the provision added by the Senate amendment. This is intended in no way to remove any protection afforded to veterans and other purchasers against excessive fees and charges in connection with VA and FHA home loans. The VA and FHA will continue to have adequate authority under other provisions of law to control fees and charges paid by purchasers in connection with the initiation of such loans and the disbursement of loan proceeds, and it is the intention of the committee of conference that those agencies will continue to exercise their authority to protect veterans and other purchasers against excessive fees and charges" (Rept. No. 2271, dated July 17, 1954).

In other words, the House agreed to the repeal of section 504 because its conferees were led to believe that the practice of discounts would be controlled and that there was adequate authority on the part of the VA and FHA to do so without section 504.

XIII. ADMINISTRATION STATEMENT ON AUTHORITY TO CONTROL FEES AND CHARGES

And in an interpretation of the Housing Act of 1954, put out by the Housing and Home Finance Agency, Detailed Summary of the Housing Act of 1954, at page 16, the following appears:

"CONTROL OF LENDERS' CHARGES AND FEES

"Section 504 of the Housing Act of 1950, which directed the Federal Housing Commission and the Veterans' Administrator to limit and control the fees and charges imposed by lenders upon the builders and purchasers in connection with mortgages and home loans, is repealed. This provision is no longer needed, and adequate authority for the control of those fees and charges is otherwise available."

Nevertheless, within a year after section 504 was repealed, the practice of discounting was revived and in 1955 with the renewed hard-money, high-interest rate drive, it reached scandalous proportions.

On November 6, 1955, I called the attention of the administration's housing officials to discounts as high as 9 percent being charged on GI home loans, and a widespread practice of 5 points being charged in many sections of the country. I suggested that the FHA and VA issue regulations setting a maximum permissible discount fee pending a more satisfactory solution for handling the problem of channeling more funds into the home-building industry.

No action was taken by VA or FHA to police the discount abuses despite the assurances given in 1954 to the Congress that adequate authority existed and despite the strong language in the report of the managers on behalf of the House conferees that their action was in no way intended to remove protection afforded to veterans and other purchasers against excessive fees and charges in connection with GI and FHA home loans.

Because the administration acquiesced in these exorbitant discounts, lenders were encouraged and emboldened to demand higher ceiling interest rates on VA home mortgages.

That is why we are confronted with the problem that we now face regarding the financing of home construction under the VA-guaranteed home-mortgage program.

I hope that this subcommittee will act favorably on the bills, which have been introduced to eliminate the discount abuse on Government-aided mortgage loans.

XIV. RESTORE FNMA TO WHOLLY OWNED GOVERNMENT STATUS

I would now like to comment briefly on FNMA. In my judgment, Congress made a mistake in 1954 when it converted FNMA into a mixed ownership corporation instead of a Government-owned institution. I opposed it and I believe events have vindicated my position.

FNMA has been operated like a conservative investment banking house since 1954. It has not been operated in the public interest. It has not provided substantial support to the mortgage market. Instead, it has unstabilized the market and contributed to the most vicious discount practice we have ever seen.

FNMA actually has depressed the price of Government-guaranteed homes mortgages.

FNMA's purchase prices discriminate against sections of the country that need credit the most.

FNMA has been taking large discounts and financing charges out of the pockets of GI's and other home purchasers so that it can pay big dividends on its stock, which is privately held, as well as on the stock held by the Treasury.

Since 1954, FNMA has declared $669,533 dividends on Treasury-held preferred stock and $147,660 on privately held common stock.

It has set aside in undistributed earned surplus, which will be available to the stockholders when it becomes entirely privately owned as the charter provides, $2,269,750.

In addition, it has paid to the Treasury, $3,309,619 in taxes on its profits.

Millions of dollars have been extracted from the pockets of home buyers since 1954 by FNMA in the form of discounts and builders' fees for use of the facility.

It is time for Congress to change this disgraceful situation. FNMA can and should buy United States Government-guaranteed or insured mortgages at par. FNMA should be restored as a wholly owned Government institution.

XV. FNMA'S SPECIAL ASSISTANCE ACTIVITY

I should like to see FNMA's special assistance activity stepped up. In this connection, H. R. 22 provides that up to $2 billion of FNMA special assistance funds be authorized for support of the GI mortgage market at the 4½ percent interest rate.

XVI. VETERANS' LOAN GUARANTY PROGRAM SHOULD BE CONTINUED

Several bills have been introduced to maintain the veterans' special preference by permitting lower down payments for them under the FHA program and to lower financial costs to the veteran by having the Government pay the annual FHA insurance premium.

My position is that since many Korean war GI's have not yet had the benefits of the special housing preference provided by the Congress for veterans of World War II, we should do all we can to maintain veterans' preference in housing for them. However, I want to make it perfectly plain that I am opposed to any program that contemplates the abolition of the VA loan guaranty program.

XVII. SUMMARY

The record of this administration's handling of the financing of home mortgages underwritten by the Government has been one of imposing ever-higher interest costs on the home-builder and hard-pressed home-purchaser and diverting the money into the profits of the banks and other institutional lenders.

It is time to call a halt to this policy before the home-building industry is strangled.

If we do not act affirmatively now, the needless interest-boosting spiral will continue with one rate increase leading to still another and sooner or later the average GI's family will not be able to meet the high monthly payments on a home.

Instead of pricing more families out of the housing market by raising financing charges, there is an urgent need to lower the financing costs of housing so that families of modest means can afford decent shelter without having to curtail their essential food, clothing, and medical outlays.

The No. 1 need of the home-building industry is reasonably priced mortgage credit. Congress must make certain that credit is forthcoming. Without a supply of such credit, the home-building industry cannot undertake the volume production essential to provide GI's and their families and other home buyers with decent housing within the means of their modest incomes.

Legislation authorizing the use of NSLI funds to purchase GI mortgages at par will not only put a brake on the interest spiral, but it will also help curb the scandalous discount practice.

The VA-guaranteed GI mortgage is a safe investment and 4½ percent is a reasonable return on a Government-backed investment.

If we stand firm and hold the line, I am confident that private investors will adapt themselves to the 4½ percent rate and we will find before long an ample flow of private funds into the GI housing market.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. KEARNEY (at the request of Mr. ARENDS) on account of illness.

Mr. TEAGUE of Texas (at the request of Mr. KILDAY) for the rest of the week on account of illness in family.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts for 5 minutes tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. NATCHER and to include extraneous matter.

Mr. MCCARTHY.

Mr. THOMPSON of New Jersey in two instances and include extraneous matter.

Mr. DORN of South Carolina.

Mr. PATMAN in two instances and include extraneous matter.

Mr. SCUDDER and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1428. An act to authorize furniture and furnishings for the additional office building for the United States Senate; to the Committee on Public Works.

S. 1429. An act authorizing the enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the existing Senate Office Building, to provide improved accommodations for the United States Senate; to the Committee on Public Works.

S. 1430. An act increasing the limit of cost fixed for construction and equipment of an additional office building for the United States Senate; to the Committee on Public Works.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 12, 1957,

present to the President, for his approval, joint resolutions of the House of the following titles:

H. J. Res. 23. Joint resolution to provide for the reappointment of Dr. Arthur H. Compton as citizen regent of the Board of Regents of the Smithsonian Institution.

H. J. Res. 202. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

ADJOURNMENT

Mr. SISK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.), the House adjourned until tomorrow, Thursday, March 14, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

595. A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting the statistical supplement-stockpile report to the Congress for the period July to December 1956; to the Committee on Armed Services.

596. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend and clarify the reemployment provisions of the Armed Forces Reserve Act of 1952, as amended, and the Universal Military Training and Service Act, as amended"; to the Committee on Armed Services.

597. A letter from the Assistant Secretary of the Interior, transmitting a report on lands within Indian reservations valuable for power or reservoir sites or necessary for use in connection with irrigation projects, for the calendar year 1956, pursuant to section 13 of the act of June 25, 1910 (36 Stat. 858); to the Committee on Interior and Insular Affairs.

598. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend certain sections of title 13 of the United States Code, entitled 'Census'"; to the Committee on Post Office and Civil Service.

599. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation entitled "A bill to amend the Communications Act of 1934, as amended, to provide a small civil penalty for certain specific violations of the rules and regulations of the Commission applicable to all radio stations other than those in the broadcast services, and to further provide for remission or mitigation thereof by the Commission"; to the Committee on Interstate and Foreign Commerce.

600. A letter from the Administrator, Veterans' Administration, transmitting the report of the activities of the Veterans' Administration as of June 30, 1956, pursuant to Public Law 346, 76th Congress, and also including the annual report of the Veterans' Educational Appeals Board, pursuant to Public Law 610, 81st Congress (H. Doc. No. 8); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WINSTEAD: Committee on Armed Services. H. R. 3513. A bill to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers; without amendment (Rept. No. 194). Referred to the Committee of the Whole House on the State of the Union.

Mr. TRIMBLE: Committee on Rules. House Resolution 196. Resolution for consideration of H. R. 4155, a bill to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies; without amendment (Rept. No. 193). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 5924. A bill relating to the International Convention To Facilitate the Importation of Commercial Samples and Advertising Matter; to the Committee on Ways and Means.

By Mr. REED:

H. R. 5925. A bill relating to the International Convention To Facilitate the Importation of Commercial Samples and Advertising Matter; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 5926. A bill to amend section 401 (a) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. BEAMER:

H. R. 5927. A bill to repeal so much of the Federal Property and Administrative Services Act of 1949 as authorizes the acceptance by the Administrator of General Services of any presidential archival depository; to the Committee on Government Operations.

By Mr. BOSCH:

H. R. 5928. A bill to amend the Federal Employees' Compensation Act, approved September 17, 1916, as amended, by providing for reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies, and for other purposes; to the Committee on Education and Labor.

H. R. 5929. A bill to provide for the payment of expenses of administration of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes; to the Committee on Education and Labor.

By Mr. DORN of South Carolina:

H. R. 5930. A bill to amend the War Orphans' Educational Assistance Act of 1956 to provide educational assistance thereunder to the children of veterans who are permanently and totally disabled from wartime service-connected disability, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ELLIOTT:

H. R. 5931. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. FULTON:

H. R. 5932. A bill for the establishment of the United States Commission on the Aging and Aged; to the Committee on Education and Labor.

By Mr. GRANT:

H. R. 5933. A bill to control the preparation, distribution, importation and exportation of virulent hog-cholera virus, and for other purposes; to the Committee on Agriculture.

By Mr. HAGEN:

H. R. 5934. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture.

By Mr. HARRIS:

H. R. 5935. A bill to amend section 307 (d) of the Communications Act of 1934 to increase from 3 to 5 years the maximum period for which a broadcast license may be granted; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS of Arkansas:

H. R. 5936. A bill to require the deposit with the Federal Bureau of Investigation of certain information concerning un-American activities or loyalty of Government employees; to the Committee on Un-American Activities.

By Mr. HOFFMAN:

H. R. 5937. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed or food on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. KING:

H. R. 5938. A bill to amend section 812 (e) (1) (D) of the Internal Revenue Code of 1939 with respect to certain decedents who were adjudged incompetent before April 2, 1948; to the Committee on Ways and Means.

By Mr. LAIRD:

H. R. 5939. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. LENNON:

H. R. 5940. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. McCARTHY:

H. R. 5941. A bill to amend section 206 of the Legislative Reorganization Act of 1946, so as to enable the Comptroller General more effectively to assist the Appropriations Committees in considering the budget; to the Committee on Government Operations.

By Mr. MACK of Washington:

H. R. 5942. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. MAGNUSON:

H. R. 5943. A bill to amend the act of August 27, 1954 (68 Stat. 853), relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries; to the Committee on Merchant Marine and Fisheries.

H. R. 5944. A bill to amend paragraph 1620 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature; to the Committee on Ways and Means.

By Mr. NICHOLSON:

H. R. 5945. A bill authorizing the construction of protective measures in the city of New Bedford and the town of Fairhaven, Mass., to afford hurricane tidal flood protection for New Bedford, Fairhaven, and Acushnet, Mass.; to the Committee on Public Works.

By Mr. NORBLAD:

H. R. 5946. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. PILLION:

H. R. 5947. A bill to provide for the payment to certain employees of the Immigration and Naturalization Service of overtime compensation which they never received for services performed during the fiscal year 1948; to the Committee on the Judiciary.

By Mr. ROBERTS:

H. R. 5948. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. ROGERS of Texas:

H. R. 5949. A bill to provide for the conveyance of certain real property of the United States located at the Veterans' Administration hospital near Amarillo, Tex., to Potter County, Tex.; to the Committee on Government Operations.

By Mr. SIKES:

H. R. 5950. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 5951. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. WESTLAND:

H. R. 5952. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. BARING:

H. R. 5953. A bill to provide for the construction of sewer and water facilities for the Elko Indian Colony, Nev.; to the Committee on Interstate and Foreign Commerce.

H. R. 5954. A bill to provide for an experimental research program in cloud modification; to the Committee on Interstate and Foreign Commerce.

By Mr. BERRY:

H. R. 5955. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. BLATNIK:

H. R. 5956. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

By Mr. DURHAM:

H. R. 5957. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. ENGLE:

H. R. 5958. A bill to provide for an experimental research program in cloud modification; to the Committee on Interstate and Foreign Commerce.

H. R. 5959. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KITCHIN:

H. R. 5960. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 5961. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. PORTER:

H. R. 5962. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SAUND:

H. R. 5963. A bill to provide for the orderly marketing of turkeys and to assure consumers an adequate supply of turkeys and turkey products of wholesome quality; to the Committee on Agriculture.

By Mr. SCUDDER:

H. R. 5964. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. SMITH of Virginia:

H. R. 5965. A bill to improve and extend, through reciprocal legislation, the enforcement of duties of support in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SMITH of Virginia (by request):

H. R. 5966. A bill to amend the act entitled "An act to regulate the practice of optometry in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. TOLLEFSON:

H. R. 5967. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. JUDD:

H. Con. Res. 141. Concurrent resolution relative to inviting Spain to become a member of NATO; to the Committee on Foreign Affairs.

By Mrs. KELLY of New York:

H. Con. Res. 142. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. KING:

H. Con. Res. 143. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. PHILBIN:

H. Con. Res. 144. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. PRICE:

H. Con. Res. 145. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mrs. SULLIVAN:

H. Con. Res. 146. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. ZELENKO:

H. Con. Res. 147. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. MERROW:

H. Con. Res. 148. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ADAIR: Senate concurrent resolution of the 90th session of the Indiana General Assembly memorializing the Congress of the United States to resist the efforts of proponents of centralization of government to invade the field of education and usurp or encroach upon the right and duty of the people in the local communities to provide for and supervise the education of their children; to the Committee on Education and Labor.

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to support the establishment of the Garrison diversion unit, Missouri River Basin project, and the appropriation of funds therefor; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States favoring the early construction of the Bowman-Haley Dam and Reservoir project on the North Fork of the Grand River, N. Dak., and urging the Corps of Engineers to expedite the development and completion of a favorable report thereon; to the Committee on Public Works.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to repeal excise taxes levied on the transportation of persons, property, and messages by common and contract carriers; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAGUE:

H. R. 5968. A bill for the relief of Esther Danon Wright; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 5969. A bill for the relief of Mrs. Wilhelmine Kind; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 5970. A bill for the relief of Joseph S. Jimenez; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 5971. A bill for the relief of Heinz Kohn; to the Committee on the Judiciary.

By Mr. HOFFMAN:

H. R. 5972. A bill for the relief of Sayoko Yoshihara; to the Committee on the Judiciary.

By Mr. KEARNEY:

H. R. 5973. A bill for the relief of Graziella Gregory; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 5974. A bill for the relief of Mrs. Marilyn M. McGough; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5975. A bill for the relief of Chook You Yee; to the Committee on the Judiciary.

By Mr. McVEY:

H. R. 5976. A bill for the relief of Chester Tomasi; to the Committee on the Judiciary.

By Mr. MERROW:

H. R. 5977. A bill for the relief of Shizuko Hayashizaki; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 5978. A bill for the relief of Pasquale Capaldo (or Capaldi); to the Committee on the Judiciary.

By Mr. WAINRIGHT:

H. R. 5979. A bill for the relief of Elizabeth Susskind; to the Committee on the Judiciary.

H. R. 5980. A bill for the relief of Janos and Rosa Marthy; to the Committee on the Judiciary.

By Mr. YOUNG:

H. R. 5981. A bill for the relief of Mrs. Marita Ilse Bauer Curl; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

142. Mr. LeCOMPTE presented a petition of sundry citizens of Mahaska and Marion Counties, Iowa, urging prompt enactment of legislation for the authorization and construction of flood-control dams in the Des Moines River Valley in Iowa, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

Questions and Answers on H. R. 11

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. PATMAN. Mr. Speaker, I have received a letter from the executive secretary of the Gasoline Merchants of Brooklyn, which asks four specific questions about what could and could not be done under the strengthened antitrust laws which will result from enactment of H. R. 11, the equality of opportunity bill. I know that other Members are receiving similar questions about this bill, so I think they may be interested in these questions and my answers. They appear in my reply to Mr. Azarow, which is as follows:

MARCH 14, 1957.

Mr. NAT AZAROW,
Executive Secretary, Gasoline Merchants of Brooklyn,
Brooklyn, N. Y.

DEAR MR. AZAROW: I am very glad to have your letter asking me specific questions about what can and cannot be done under H. R. 11, and I am happy to have the opportunity of answering these questions.

Question No. 1: Could the major oil company meet the lower price of the off-brand supplier who is in intrastate commerce?

Answer: Yes. The fact that the off-brand supplier is in intrastate commerce only, creates no complication to the major supplier's privilege of discriminating to meet competition.

Question No. 2: If this lower price could be given, would it have to be given to every retailer customer of the major oil supplier throughout the country, State, or city?

Answer: No. H. R. 11 would tend to require the supplier to give the same price to all of its dealers who are in actual competition among themselves, but even among competing dealers it would not require absolutely fair and equal treatment. On the contrary, the bill would forbid the supplier to discriminate among competing dealers to such a gross and prolonged extent that the effect of the discrimination may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly." In other words, even under this bill dealers would not have protection against a mere "injury" to competition.

Question No. 3: Would H. R. 11 in effect protect the off-brand price cutter (in intrastate commerce) so that he could operate without fear of competition even if he sold below the tank-wagon price of the major supplier?

Answer: No. The bill would give some increased protection to the small refiner, but not much. The major company could still give a special price allowance to its dealer across the street from an off-branch station, but under the bill it would also tend to require the major to give the same allowance to its other dealers down the street, or at other locations where trade would be diverted from them by the allowance to the first dealer. It is from this fact that, under the bill, the major oil companies would find it slightly more difficult to destroy small refiners; in other words, the majors could still abuse their great power in competing, directly or indirectly, with a small refiner, but they could not pinpoint their great marketing power quite so sharply.

Question No. 4: In order to give price assistance to retailers in a local price war in Chicago, would the major suppliers have to lower the price to a retailer in New York?

Answer: No. I believe this question is fully answered in my statement above.

I appreciate your giving me the opportunity to answer these questions.

Sincerely yours,

WRIGHT PATMAN.

The President Finally Decides Small Business Is Here To Stay

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. THOMPSON of New Jersey. Mr. Speaker, this administration has taken a number of conflicting positions on the matter of making the Small Business Administration a permanent agency.

This administration has maintained for years that the Small Business Administration should be continued on a temporary basis, apparently on the assumption that small business might go away.

It is true, of course, that the present Big Business Cabinet has done its full share in trying to help big business become even bigger and, at the same time, small business to become ever smaller.

A full 95 percent of Federal research funds goes to companies employing more than 500 workers. In the past 3 years, research contracts totaling $4.7 billion have been awarded. Of this $4.6 billion, or 98.1 percent, has gone to the 500 largest contractors.

These and other equally interesting facts were developed by the House Small Business Committee under the skilled and able leadership of Representative WRIGHT PATMAN, Representative ABRAHAM J. MULTER, and others.

The first straw in the wind that this administration had decided that small business was here to stay and that the Small Business Administration should be permanent was the statement by Wendell Barnes that he favored such a course. Mr. Barnes made his earth-shaking announcement before the Multer subcommittee of the Select Committee on Small Business of the House of Representatives on March 26, 1957.

Just a few days previously he had testified before the Senate Small Business Committee to the exact opposite—that is, that the SBA should be continued on a temporary basis rather than be made a permanent agency.

Now we were to see a parade of administration big-wigs before the Multer subcommittee testifying that the Small Business Administration should be a permanent agency.

On Thursday, April 4, the administration bill to make the Small Business Administration permanent was introduced in the Senate and House.

This agency, it is now argued by the administration, should be given permanent status, it is 4 years old, and has proved its effectiveness in all respects. If made permanent, the SBA will be able to attract more competent personnel, banks will more willingly participate in loans to small business, its procurement activities in behalf of small business can be expanded, and so on.

These things are so obvious that it is utterly impossible to understand why it took this Republican administration and the President so long to arrive at this unassailable conclusion.

Well, better late than never, I always say.

Of course, I introduced a bill, H. R. 2513, on January 10, 1957, to make the Small Business Administration a permanent Government agency, so administration support is welcome for my position, even though it is almost exactly 3 months late.

I include here a statement by George Burger, vice president of the National Federation of Independent Business. This organization has been campaigning for years to make the SBA an independent permanent agency.

Also, I include an article by Drew Pearson from the Washington Post and Times Herald of April 1, 1957. Mr. Pearson reports on the matter of tax relief promised by the Republican Party.

Mr. Pearson also has some very interesting things to say about Secretary of the Treasury Humphrey, who is a member of the Loan Policy Board of the Small Business Administration:

STATEMENT OF GEORGE J. BURGER, VICE PRESIDENT, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, BEFORE SUBCOMMITTEE NO. 2, HOUSE SMALL BUSINESS COMMITTEE, SMALL BUSINESS ADMINISTRATION, MARCH 28, 1957

I am George J. Burger, vice president and Washington representative of the National Federation of Independent Business, Inc. I am appearing here solely for the membership of the federation.

We represent independent business and professional people in all vocations from all parts of the country. We have the largest directly supporting membership of any business organization in the country.

Our position on legislation is dictated directly by our membership. We poll our members on all important issues, and are committed by their majority vote.

The federation, of course, has a vital stake in seeing to it that the operation of the Small Business Administration is carried out in accordance with the will of the Congress. In view of this, Mr. Chairman and members of the committee, it might be well to do as the late Al Smith often said: "Let's look at the record" as it pertains to the actions of the federation since the Small Business Administration was created by the Congress, to make certain that the agency has carried out the will of the Congress in its help to small business of this Nation.

First. The record will show that in our appearances before the Banking Committees of the Congress we recommended the creation of the agency, and more important,

that it be an independent agency, subject at all times to review by the Congress. This was the action we took in 1953.

In view of the statement made before your committee by the Administrator, Mr. Barnes, a day or two ago, that the administration favors the agency being made a permanent agency of the Government, if this recommendation is followed up by the Congress in making the Small Business Administration a permanent agency, with full control vested in the Administrator will result in increasing the efficiency of the operation of the agency which will act as a morale builder for small business of this Nation, and the establishment of the agency on a permanent basis will also attract more competent personnel.

Second. Shortly after the agency was created in the summer of 1953, I made my usual annual visit to the head office of the federation at Burlingame, Calif., and during the time of this visit out there I had an opportunity to visit some few regional offices of the visit to the head office of the federation at Burlingame, Calif., and during the time of this visit out there I had an opportunity to visit some few regional offices of the agency and confer with the regional directors. Mr. Chairman at the time of these visits I always make it a must to be accompanied by someone else so that whatever my findings are they can be confirmed by others present.

During our visits to the regional offices of the Small Business Administration in the West and Middle West we found a situation as to policy that was not in keeping with the intent of Congress, and as a result of our findings on my return to Washington a joint meeting was held with Treasury and Commerce officials on October 26, 1953, which resulted in a complete change of policy through which all small business could be helped through the SBA. I might say that in November 1953 the press gave full publicity to that action. Shortly thereafter Mr. Wendell Barnes became the Administrator.

Third. During the life of the agency the closest liaison has existed between the Washington office of the Federation and the top officials of the agency. Many conferences have been held with Br. Barnes and his deputies—all in keeping with the intent of being a help to the agency, and we believe the information we have been getting from our nationwide membership, commonly referred to as the grassroots has tended to advance the standing of the Small Business Administration with small business throughout the Nation. During these past 3 years we have made it our business to visit regional offices of the agency throughout the Nation for the sole purpose of finding out what was taking place at the local level.

Fourth. On July 5, 1956, speaking for the Federation, I conferred with Dr. Arthur Burns, Economic Adviser to the President, and presented to him as Chairman of the President's Cabinet Committee on Small Business, seven specific recommendations on small business to be considered by his group when they made their report to the President. Among the recommendations made by us were (1) that the agency be made a permanent agency of the Government, and (2) that the control of the agency be placed exclusively in the hands of the Administrator, eliminating the policy board as heretofore existing in that agency. In making the above recommendations we reaffirmed the recommendations which we made from the first instance when the legislation was proposed.

Fifth. In our appearances before the platform committees of both national conventions—in Chicago and San Francisco, 1956—we urged these committees to have the same recommendations adopted in their respective platforms.

Sixth. On December 11, 1956, I had a 2-hour conference with Mr. Barnes and his deputy, at which time I gave to them our recent findings after personal visits to regional offices of SBA in certain sections of the Nation. As a result of that 2-hour-or-more conference we believe that SBA is showing a steady progress in carrying out the will of the Congress. However, there is still plenty of room for improvement. The subject matters discussed during this conference were: (1) Tight money, (2) inventory, (3) credit formula, (4) direct loans, (5) advisory groups, (6) ceiling on loans.

Seventh. On the opening of the new Congress we urged introduction of legislation to make the agency a permanent one, with full power as to the overall policy of the agency being placed in the hands of the Administrator. We are more than pleased to advise that quite a few bills have been introduced along the line of these recommendations, and we have just completed a nationwide poll of our entire membership on S. 545 introduced by Senator TEPE, and H. R. 2513 introduced by the Honorable FRANK THOMPSON, Jr., both of which bills provide for the establishment of the Small Business Administration as a permanent agency, and with full control vested in the Administrator. The result of the poll disclosed: 83 percent for, 14 percent against, 3 percent no vote.

It is our hope that at no time will Congress ever permit the agency to become a part of the Department of Commerce.

Of course, there are many other operations the Small Business Administration can fulfill and carry out, such as making greater and greater efforts toward securing an equal share of Government contracts for small business, even if necessary, to take the prime contract.

There is another important recommendation which should be considered, and that is that the regional and national advisory groups to the Small Business Administration should be made up exclusively of independent businessmen because through this action those groups will be able to give to the agency, both at the national and local levels the correct picture facing small business in the respective areas. We look upon this as very important for a successful administration of the agency. It is with this operation of the agency at this time that we have our most grievous complaint, and to substantiate—within the past week we have received statements from members of the advisory groups to the Small Business Administration—1 from the west coast, and 1 from the east coast.

The report from the west coast states: "I am a member of the advisory board and have been for several years. At no time has the regional director ever called a meeting of the advisory group, which was the original intent and purpose expressed to us at the time we were appointed. The area covered by this board is quite extensive and we don't know anything about the situation down there, whether small-business men need help in one category or another. All it is is a setup as an office, with a lot of bulletins, etc. But small-business men come to me week after week advising of the problems on which they need help. The whole situation, as it reflects to small business in that area is that SBA is not operating for the interest of small business in that area. There has been no meeting of the advisory board in that area in 2 years."

As it relates to the loan policy in that area, the west coast report states: "A Member of Congress from this area recently said at the time Barnes was up for extra money that he was very pleased to know banks in his area were cooperating with SBA. This does not check with my personal knowledge of the situation. A few small, independent banks are cooperating but none of the large banks or big chain banks will do business with SBA in participating in any loans."

From the east, the member of the Advisory Board is well informed in the financial world. As the loan situation applies in his area, he states: "SBA is not credited within our county, in my opinion, as being sympathetic in their approach to loan applicants or loan applications. They appear to treat the applicant, as well as an application, in the same light that the ordinary commercial bank analyzes it (there is no need for SBA unless that agency is going to take a different approach)."

I might say, Mr. Chairman, at this point, that this was the same reaction I received last summer in Chicago, San Francisco, etc.

The east coast advisory board member further states: "If SBA was really trying to get the small-business man to consider that agency as a helpful medium, they most certainly have not been successful. Disparaging remarks seem to be predominant not only among loaning officers in the commercial banks, but also the small-business man."

Mr. Chairman, he constructively criticizes the agency and, bear in mind he is a member of the advisory committee, but at the same time he goes further. He makes these recommendations:

"1. Their approach to making loans should be the same as the personal-loan companies; which is, only when they have losses do they really know and believe that they are doing a job. If they try to avoid making losses, it is because they are not making the necessary volume of loans that they were created for.

"2. Hire a couple of top-grade personal-loan men in the loanmaking division of SBA—they will show them how to get loan applications and make them."

It was very encouraging to hear members of the committee during the past day or two of hearings remark that when this agency is made permanent it will be able to attract competent personnel and this was the same opinion expressed by some members of the Senate Small Business Committee during their recent hearings on the Small Business Administration.

We have noted, and the Small Business Administration is to be commended for the action they have taken in the issuance of publications for distribution which provide information as an aid to small business. We also recommend that this action be continued and improved upon as time goes on.

As the views I have expressed come from the grassroots we trust that Congress will take early action in following through on such recommendations.

[From the Washington Post and Times Herald of April 1, 1957]

THE WASHINGTON MERRY-GO-ROUND

(By Drew Pearson)

TAX RELIEF KILLED BY WHITE HOUSE

One of the GOP campaign pledges pounded on prior to November 6 was aid for small business. President Eisenhower promised at Lexington, Ky., on October 1: "I shall call for further help to small business with some dozen specific recommendations for action, including special tax measures." He also said on October 22 that he planned to ask Congress to give small-business men about $600 million in tax relief.

Last week, however, Republicans lined up almost solid against an amendment to the tax bill by Senator WILLIAM FULBRIGHT, of Arkansas, giving 8-percent tax relief to small business netting up to $25,000. The final vote was 52 to 33 against the amendment.

Cleveland tycoons

Cyrus Eaton of the Chesapeake & Ohio Railroad and the Cleveland investment firm, Otis & Co., had a recent private huddle with top Democratic leaders regarding another

well-known Clevelander, Secretary of the Treasury George Humphrey.

Eaton urged a full Senate investigation of Humphrey, pointed out that the Secretary of the Treasury has not sold his stock in his farflung M. A. Hanna Co., said the stock had appreciated some $806 million while Humphrey was in the Treasury, and that almost everything the Treasury handled affected Humphrey's private interests in one way or other.

Foreign business firms, he pointed out, had in some cases purchased coal from Humphrey's Pittsburgh Consolidation Coal Co., largest coal company in the world, because their countries had to do important business with the Secretary of the Treasury. Humphrey is a member of the board which controls the Export-Import Bank from which many countries have to borrow money.

Later, Eaton wrote a private letter to the Senators, dated March 8, which follows:

Sixty-billion-dollar orbit

"A further illustration of the manner in which George Humphrey continually uses his high public post to buttress his private business interests is provided by the recent preemption of top offices of the Federal Reserve Bank of Cleveland by Humphrey henchmen.

"First, Arthur VanDuskirk, a director of Humphrey's Pittsburgh Consolidation Coal Co., was made chairman of the bank. This was swiftly followed by the naming of J. H. Thompson, president of Humphrey's M. A. Hanna Co., as vice chairman of the bank. With these adroit moves, another powerful financial institution boasting assets of $4,755,000,000 was added to the Humphrey orbit, to bring to the incredible total of $60,755,000,000 the combined assets of the corporations interlocked by officers and directors in the Humphrey-Hanna-Pittsburgh consol group.

"This does not tell the whole story, however, for there are other companies in which Humphrey exercises great influence without representation among officers and directors.

"Since the Secretary of the Treasury holds office by virtue of Senate approval, does not the Senate have a continuing moral obligation to take corrective action when the Secretary constantly uses his official public position to further his private business fortunes?"

Additional Editorial Comment Favoring Trinity River Partnership Plan

EXTENSION OF REMARKS

OF

HON. HUBERT B. SCUDDER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. SCUDDER. Mr. Speaker, in its edition of February 26, 1957, the San Rafael (Calif.) Independent Journal comments editorially in favor of the partnership plan which would provide for construction of the power phase of the Trinity River project in California by a private utility company.

In its lead sentence, the newspaper states:

A real storm has blown up over the Trinity River portion of California's water plan.

During debate in the House of Representatives on legislation to authorize the Trinity River project, it was pointed out specifically that the proposal by the Pacific Gas & Electric Co. to construct the power portion of the project would be decided on its merit. The proposal has not as yet been presented to the Congress. In spite of this the subject has already developed into a controversy over the issue of private versus public power development.

There is no question but what the Trinity project is financially feasible. However, the fact cannot be ignored that its 3.31 to 1 benefit-cost ratio could not be achieved without the development of hydroelectric power in connection with the project.

The P. G. & E. Co. has offered to build four powerplants involved in the project. They are the Trinity plant at Trinity Dam with a capacity of 98,000 kilowatts; the Lewiston powerplant at Lewiston Dam with the capacity of 600 kilowatts; the Clear Creek powerplant at Whiskeytown Reservoir with a capacity of 132,000 kilowatts; and the Spring Creek powerplant at Keswick Reservoir with a capacity of 153,000 kilowatts. In addition the company will pay for auxiliary buildings and facilities required for construction, operation, and maintenance of the powerplants.

The Secretary of the Interior has recommended to the Congress that the private company be permitted to undertake this construction and operation of the powerplants. Commenting on the Secretary's recommendation, the San Rafael Independent Journal had this to say:

Secretary of the Interior Fred A. Seaton recommended to Congress that the Trinity River unit of the Central Valley plan be developed in partnership with the Pacific Gas & Electric Co., which would build and operate the power facilities of the project.

Seaton reasoned this way: If P. G. & E. builds the power facilities, the project estimated to cost $236 million, would cost $55½ million less. In addition, P. G. & E. would pay for the privilege of using the project's "falling water" about $165 million during the 50 years the partnership would be in effect. Seaton declared:

"Under the present Central Valley rate structure, the Trinity power facilities, if built by the United States, would require substantial assistance from other project revenues in order to meet repayment requirements. Joint development under the proposed agreement, would convert Trinity falling water into a substantial net asset of the project."

And there is more. Estimates are that P. G. & E. would pay $83 million in Federal taxes and $82 million in State and local taxes in that period. If the United States built the powerhouse, there would not be one cent of tax for either.

The Independent Journal further points out that it is seldom that there is an opportunity to compare the real costs of Federal power with that of private industry. The report by the Commissioner of the Bureau of Reclamation states that the sale of falling water by the Federal Government to a private power company would result in an estimated surplus of $165 million to the Federal Government by the end of the year 2013. To meet this $165 million differential in surplus the Government would have to increase project power rates by 0.9 of a mill per kilowatt-hour. Opponents of the partnership plan are aware of this fact and in commenting upon the comparison of costs and savings to the taxpayers with respect to private versus public development, the San Rafael Independent Journal has this to say:

We have always maintained that a private concern can produce anything cheaper than a bureaucratic organization. But it is difficult to collect the figures to prove this because the true costs are lost in the complications of taxes, rates, and special charges. But in this case the figures are laid out for all to see.

To begin with there are $55½ million the taxpayer won't have to cough up for construction. Then there is the $165 million profit the Federal Government makes on the deal. And finally, the $83 million in Federal taxes and $82 million in State and local taxes more than cover the extra amount the preferred customers will have to pay for their power.

The partnership plan will result in a savings of $55.5 million in capital outlay by the Federal Government, and be a direct cut in this year's budget. In commenting on this phase of the plan, the San Rafael Independent Journal concluded its editorial with the following statement:

The mere fact that the $55½ million won't be needed for construction means it can be diverted to distribution or other parts of the CVP system.

The project will be making a profit of $165 million for use of the falling water's power potential, without diverting a single drop of the water from irrigation. This means that much can be used to reduce the cost of the water to the Central Valley's farmers and industries. They can get just as much water for less.

Statement of Hon. William H. Natcher, Before the Subcommittee on Tobacco of the Committee on Agriculture, House of Representatives, in Support of House Joint Resolution 195 and H. R. 4690

EXTENSION OF REMARKS

OF

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. NATCHER. Mr. Speaker, on Wednesday, March 13, 1957, I appeared before the Subcommittee on Tobacco of the Committee on Agriculture, House of Representatives in support of House Joint Resolution 195 and H. R. 4690.

House Joint Resolution 195 restores the acreage reduction for dark air-cured and dark fire-cured tobacco ordered by the Secretary of Agriculture on January 25, 1957, and relates generally to dark air-cured and dark fire-cured tobacco acreage allotments and marketing quotas. Under the terms of this resolution the 1957 State acreage allotments of dark fire-cured and dark air-cured tobacco would be the same as the 1956 allotments. H. R. 4690 amends the Soil Bank Act with respect to its application to producers of fire-cured and dark air-cured tobacco, and under the terms of this bill any and all acreage reductions in the 1957 allotment for dark air-cured and dark fire-cured tobacco will automatically be placed in the soil bank, and for this our farmers will be paid 50 percent of parity instead of the present parity rate of 37½ percent.

Under leave to extend my remarks I herewith include the statement I made to the committee:

STATEMENT OF REPRESENTATIVE WILLIAM H. NATCHER, SECOND DISTRICT OF KENTUCKY, BEFORE THE COMMITTEE ON AGRICULTURE OF THE HOUSE OF REPRESENTATIVES

Mr. Chairman and members of the committee, for the record my name is WILLIAM H. NATCHER, and I have the honor of representing the Second District of Kentucky. I am very grateful for the opportunity to appear before your committee in support of House Joint Resolution 195 introduced by me on January 28, 1957, and H. R. 4690, introduced by me on February 11, 1957.

House Joint Resolution 195 restores the acreage reduction for dark air-cured and dark fire-cured tobacco ordered by the Secretary of Agriculture Ezra T. Benson on January 25, and relates generally to dark air-cured and dark fire-cured tobacco acreage allotments and marketing quotas. Under the terms of this resolution the 1955 State acreage allotments of dark fire-cured and dark air-cured tobacco would be the same as the 1956 allotments.

H. R. 4690 amends the Soil Bank Act with respect to its application to producers of fire-cured and dark air-cured tobacco, and, under the terms of this bill, any and all acreage reductions in the 1957 allotment for dark air-cured and dark fire-cured tobacco will automatically be placed in the soil bank, and for this our farmers will be paid 50 percent of parity instead of the present parity rate of 37½ percent.

Kentucky is one of the great tobacco-producing States of this country. During the calendar year of 1955 the farmers of our State produced $533 million worth of agricultural commodities with tobacco representing 44.9 percent of this amount.

It is a recognized fact that the family-size farmer is today bearing the brunt of the postwar decline in farm income. The net income of Kentucky farmers was off some $100 million during the year 1955. The farmer's costs have soared and his gross income has diminished.

The dark tobacco farmer of Kentucky has suffered acreage reductions amounting to approximately 36 percent during the past few years and the reduction order, entered by the Secretary of Agriculture on January 25, is not necessary. Our tobacco farmer is not in a position financially to take an acreage reduction at this time, and I still am of the opinion that an orderly removal of present surplus stocks can be effected if the 1956 allotments for dark tobacco are retained.

The 1956 dark tobacco crop was a dry-weather crop. Most of it was thin, sunburned, yellow, white faced, and very coarse. Only a small portion of it was graded in straight grades, and the poor quality resulted in the Government's purchase of some 29.66 percent of the entire crop. This dry-weather crop and the 1946 production has placed our dark tobacco stocks temporarily in bad shape. The Department of Agriculture knows full well that in 1946 our dark tobacco farmer, against his best judgment, was induced to increase production. Sufficient time has not expired to work off this increase which was forced on the trade at that time. If given a chance the soil bank will correct this situation.

From 1951 through 1955 we have 46,700,000 pounds of type 36 dark air-cured Green River tobacco produced, and our disappearance during this period was 47,700,000 pounds. During this time all types of dark tobacco produced in Kentucky suffered acreage reductions. Between 1946–55, 17,000 acres were cut from the allotment on types 35 and 36, and the production fell from 45,600,000 pounds to 27,800,000 pounds. Type 35 one-sucker acreage was reduced from 23,000 acres in 1946 to 12,600 acres in 1955, and this brought about a reduction of 10.4 million pounds. Type 36 Green River tobacco acreage was reduced from 14,000 acres in 1946 to 7,200 acres in 1955 bringing about a decline in production of 7,400,000 pounds.

According to figures submitted to me on March 1, the total production for type 22 dark tobacco for 1956 was 40.8 million pounds; for type 23, 14.7 million; for type 35 one-sucker, 19.8 million; for type 36 Green River, 10.5 million; for types 35 an 36, 30.3 million.

One of the most practical ways to assist in solving the surplus problem would be to increase the soil-bank payments for dark tobacco. Twelve cents per pound for dark air-cured tobacco and 13 cents per pound for dark fire-cured tobacco is inadequate. A reasonable increase of the soil-bank price per pound for dark tobacco will place it in line with prices paid for other commodities. We should further remove the dollar limit per acre restriction. The time for placing dark tobacco in the soil bank should be extended to April 1, 1957, since it is admitted that the present limit of February 28 will not allow growers sufficient time to become familiar with the provisions of the law and to determine what they should do with reference to taking advantage of provisions of same.

It is necessary that the authority provided for under Public Law 540 for a payment of the fair amount for tobacco acreage be utilized immediately. Forty-five million dollars was set aside in the soil bank for tobacco for fiscal year 1957. Only a small portion of this amount has been consumed. It is admitted that the amount set aside for burley to be placed in the soil bank will not be consumed. The number of applications now pending in most counties requesting permission to place dark tobacco acreage in the soil bank consumes more than the allotted money set aside for dark tobacco. According to figures recently submitted to me, the number of applications now pending for dark tobacco seeking admission into the soil bank together with the 10-percent acreage reduction for dark fire cured and 15-percent acreage reduction for dark air cured will make the total reduction for 1957 amount to some 35 percent. Certainly no such reduction should be brought about during the year 1957.

Since the introduction of House Joint Resolution 195 and H. R. 4690, the Secretary of Agriculture has removed the ceiling on the amount of a grower's tobacco acreage allotment which may be placed in the soil bank. The order provides that in counties with acreage allotments under 2,000 acres, growers will be permitted to place up to 100 percent of their allotment in the soil bank, and in the major producing counties with more than 2,000 acres of allotments, growers will be permitted to bank up to 100 percent of their allotments if the county and State agricultural stabilization and conservation committees certify that it will not injure the area's general economy. This action was proper and now places the dark tobacco farmer in a position where he can help correct any surplus problem with which we are now confronted.

I believe that our export market for dark tobacco will improve during the next few years. Public Law 690 of the 83d Congress transferred the agricultural-attaché program from the State Department to the Department of Agriculture, and this transfer, in my opinion, will continue to facilitate trade with foreign areas as the direct result of the coordinated effort of our present worldwide system of agricultural attachés and with our commodity and country specialists working in full cooperation with our trade and Government contacts. Improvement in the staffing and general overall accomplishments of the Foreign Agricultural Service will bring about improvements in our export trade for dark tobacco and our other agricultural commodities.

Exports of unmanufactured tobacco from every source during fiscal year 1956 amounted to 578 million pounds-export weight, and this was 25 percent larger than the amount exported during the previous year. In fact, this was the largest amount exported since the fiscal year of 1947. According to my information, the value of exports for this particular year amounted to $379 million. The factors involved which stimulated United States exports during the past fiscal year included the following: Sales for foreign currency as provided for under Public Law 480; low stocks abroad in relation to consumption of tobacco products; increasing world consumption of cigarettes manufactured from light tobaccos; high levels of economic activities abroad; expanded imports of foreign goods into the United States; and improved gold and dollar reserves position in a number of important foreign markets.

The domestic export market for dark tobacco shows a total of 23,125,000 pounds sold during the fiscal year 1955–56.

We will be confronted with a 35-percent reduction in dark tobacco in the year 1957 if the Secretary's acreage order is sustained and the applications now pending for admission into the soil bank are accepted.

I respectfully urge that this committee take the necessary action favorably reporting House Joint Resolution 195, restoring the acreage reduction for dark air-cured and dark fire-cured tobacco ordered by the Secretary of Agriculture on January 25. If the committee deems this action inadvisable, then a favorable report should be given to H. R. 4690, which amends the Soil Bank Act to the extent that any and all acreage reductions in the 1957 allotment be automatically placed in the soil bank with the farmers being paid 50 percent of parity instead of the present rate of 37½ percent of parity.

Again I want to thank you, Mr. Chairman and the members of your committee, for the opportunity to appear before you in support of House Joint Resolution 195 and H. R. 4690.

Mississippi Valley World Trade Conference

EXTENSION OF REMARKS

OF

HON. EUGENE J. McCARTHY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. McCARTHY. Mr. Speaker, on February 18, 1957, our esteemed colleague, the Honorable HALE BOGGS, of Louisiana, delivered a very significant address before the 12th Mississippi Valley World Trade Conference held in New Orleans, La. He incisively and eloquently described some of the problems faced by the United States with respect to our foreign trade policies and also summarized the work of the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means. The gentleman from Louisiana [Mr. BOGGS] is chairman of this subcommittee.

At the meeting of the 12th Mississippi World Trade Conference in New Orleans on February 18 our colleague, the Honorable HALE BOGGS, was given the annual Mississippi Valley World Trade Award. This is indeed a deserved honor.

Under leave to extend my remarks I include his speech in the RECORD, and I commend it to the attention of all the Members:

The speech follows:

ADDRESS BY THE HONORABLE HALE BOGGS BEFORE THE MISSISSIPPI VALLEY WORLD TRADE CONFERENCE, FEBRUARY 18, 1957

I was honored to receive your invitation to participate in the 12th Mississippi Valley World Trade Conference. It is always a pleasure for me to meet with you and particularly so here at home in New Orleans, the gateway to the Mississippi Valley. You will recall that Mark Twain once wrote, "The basin of the Mississippi is the body of the Nation. All other parts are but members, important in themselves, yet more important in their relations to this * * * a dwelling place for civilized man it is by far the first upon our globe." No one will contest this moderate and accurate appraisal of our region.

It would be superfluous for me to describe the role that foreign trade has played in the growth of the Mississippi Valley region, or, to use Mark Twain's words, in the growth of its other "members"—the rest of the United States. Nor do I have to emphasize the continuing importance of expanding foreign trade to you. The record of the first 10 months of 1956, which marked an increase of 20 percent in the trade cleared through the New Orleans customs district over the comparable period in 1955—and this is a trade of $1½ billion—is graphic testimony in itself.

I need only observe that the United States is on the verge of achieving a level of merchandise export and import trade equal to $30 billion and constituting ⅛ of the total trade of the world. The importance of such trade is reflected in the jobs and incomes, production and sales of every segment of our economy and in every region of our country. And important as such trade is to the economy of our country, it is the lifeblood of the nations of the free world and on the course of world trade will depend the strength and vitality of the free world community.

I have been asked to participate in this panel in order to discuss customs and tariffs, that is, the foreign trade policy of the United States. This is a subject as you well know in which I have taken great interest. It is a subject which is all the more important to me today because I was recently honored by being appointed chairman of a subcommittee of the Ways and Means Committee which has undertaken a comprehensive study of our foreign trade policy. Our subcommittee began its work last August and will continue to work through the present Congress.

What I want to discuss with you today are the recent developments in our foreign trade policy. There are many problems and many opportunities. I earnestly believe that the work of our subcommittee can make an important contribution in the formulation of our foreign trade policy and that our work can have an important consequent effect on the foreign trade position of the United States and other free world countries.

Let me observe at the start that our customs and tariff policies constitute only one of the many factors that influence the course of world trade. Our trade and tariff policy can either facilitate or impede the movement of trade which is the product of the enterprise and the decisions of many businessmen. It has been the historical policy of the United States, initiated by Cordell Hull in 1934 in the reciprocal trade agreements program, to give increasingly greater freedom to private enterprise and to businessmen in the conduct of world trade. Unfortunately, this program has been under continuing attack from certain quarters and at no time in its long and honorable history has it been under more serious attack than it is today. There are those who seek to reverse the trend of the Reciprocal Trade Agreements program and to inject into the world trade environment greater controls and restrictions on the enterprise of American business and commerce. They represent the point of view that foreign trade, for some reason or other, is a likely candidate for special restrictions and restraints as compared with domestic commerce. When they get into some business difficulty—whatever the cause—they look first to curtailing imports. I reject this shopworn idea; foreign trade does not constitute a form of second-class economic activity. Its importance to our country and to the world is too great to permit second-class treatment.

Yet it would serve no constructive purpose to turn our eyes from the fact that our foreign-trade policy has reached a crossroads. The trade-agreements program and the liberal trade policy that it represents has not in decades been in greater jeopardy. There are many evidences of this. You well know that the Reciprocal Trade Agreements Act was extended only by the barest majority in the House of Representatives, and it was passed by the Senate only after serious and important amendments were made in the legislation. The legislation contained a very modest grant of authority to the President to enter into trade agreements, while at the same time it opened up the escape clauses which permitted upward adjustment of tariffs and other import restrictions. Today there are many who predict that when the Trade Agreements Act is before the Congress for renewal in 1958, it may not be enacted unless new vision and direction is given to our trade policy.

A second example of this developing crisis in our trade policy can be seen from the fact that the bill authorizing United States membership in the Organization for Trade Cooperation, which would administer the important 35 country trade agreement known as the General Agreement on Tariffs and Trade, was not enacted last year. It was reported out favorably by the Ways and Means Committee by a sizable majority, but no further action was taken on it. As further evidence of the situation that I am describing, one need only point to the growing pressure that has arisen for increased restrictions against imports, through import quotas which would involve direct control of the amount of imports that are permitted to enter the United States. If such legislation were enacted, it could reverse the whole trend of our historical trade policy to the serious disadvantage of American export trade.

At the same time that these developments are taking place, we are confronted with the fact that our foreign economic policy, of which our trade and tariff policy is an important part, is faced with new challenges in the world. Not the least of these has been the challenge presented by the economic warfare of the Soviet bloc. That bloc recognizes that foreign economic policy is an important instrument of national policy in the cold war.

Recent developments in Western Europe and the emergence of Japan as an important trading country, which I will discuss in more detail a little later on, are important factors to be taken into consideration. All of which means, to my mind that we need a trade policy that is tied in with our overall foreign economic policy requirements, that can serve the national interest of the United States in this period of rapid change. We need to chart new directions that reflect the dynamic changes of the times we live in.

I have said that we stand at the crossroads. At home, conflicting pressures from all directions converge on the Congress and the administration and demand consideration. It is the responsibility of the Congress to resolve the conflicting demands, to study the implications of alternative lines of action and to make policy that will serve the interests of the Nation as a whole.

It is in the light of this situation that the establishment of our subcommittee with a broad charter to study and examine the range of problems and challenges facing our foreign trade policy is of special interest. It marked the first time within my memory that a committee of the Congress has undertaken a comprehensive study of this question. In studying our trade policy and legislation we are dealing with a very complex and technical subject. And we were fortunate in obtaining the services of a highly competent staff of experts. I was particularly pleased that I was able to persuade my old friend Charlie Nutter of International House to take a leave of absence of 4 months in order to give the subcommittee the benefit of his advice and assistance.

In the first phase of our work which was completed in January the subcommittee held hearings in Washington and prepared a report on many aspects of our customs and tariff legislation. This unanimous report which is now being published is in the nature of a stocktaking and appraisal of the existing legislation and an exploration of the points of controversy that have arisen. It is designed primarily for the information of the Members of the Congress and the public in an effort to point out particular aspects of our legislation that deserve further study prior to undertaking any new legislation.

In some ways you can say that the body of legislation covering customs and tariff matters grew like Topsy. Our customs legislation has its roots in the early history of the Republic. The second law enacted under the Constitution was the Tariff Act of 1789. Some features of our laws may not go all the way back to 1789, but certain ones, such as our system of tariff classification, still reflect the legislation of a century ago. In any event, the purpose of the analysis of our customs and tariff laws which we have undertaken has been to assess the present situation with respect to these laws as a first step in determining what further studies would be profitable.

Because the impact of our trade policy on foreign countries is a vital aspect of our policy, the subcommittee in November arranged a series of conferences and discussions in Western Europe and Japan, one group visiting Western Europe and another group, including myself, going to Japan. Discussions were held in both places with leading officials of foreign governments, and with foreign and American businessmen. I feel, and I know that the other members of the subcommittee feel, that these meetings were very profitable and great benefit was derived in terms of a better understanding of each other's problems and points of view.

For example, we arrived in Tokyo at a time when the textile export quota was under negotiation between our Government and the Government of Japan. Feelings in Japan were running high; the continuing controversy over Japanese cotton textile imports into the United States had resulted in irritation and sensitivity. I feel that our visit and the discussions we held with the Japanese helped to restore a measure of good feeling. After we returned to the United States, I received a letter from the economic counselor of our Embassy in Tokyo and I want to quote a passage from that letter. He wrote:

"We in the Embassy were delighted to have had the opportunity of discussing with you the various trade problems which exist between Japan and the United States. These discussions were of great benefit to the Embassy staff and the Japanese with whom you met have also expressed on many subsequent occasions their appreciation for the consideration which the subcommittee extended. You may be interested to know that after your visit was concluded, Mr. Ishizaka and the other Japanese businessmen joined in informing the press that their meeting with the subcommittee had been so beneficial to both sides that they were contemplating the establishment of a permanent committee for the purpose of holding similar discussions on problems of mutual interest with distinguished American visitors in every field and were even considering the possibility of sending a top-level team of Japanese businessmen to the United States for that purpose. Even if these plans come to naught, the good will which you and your colleagues generated during your brief stay in Japan has been clearly presented to the Japanese public and will doubtless continue favorably to reflect on the relations between the two countries for sometime to come."

I won't dwell in great detail on the observations and information we obtained. One of the sections of our report contains a thorough discussion of this subject. But let me summarize the overall impressions which the subcommittee came back with.

It is clear that Western Europe and Japan have made remarkable progress in the reconstruction of their economies. That reconstruction has, for all practical purposes, been completed, and these countries are now looking increasingly to trade and the development of trade relations as an essential element in their further economic progress. There is a great mutuality of interest between these countries and the United States in matters relating to trade. In the case of Japan—despite the controversy that has arisen over the cotton textile problem, which I believe is being solved in a satisfactory manner—the areas of mutual interest in trade are overwhelming. Japan is the most important market for American farm exports and we continue to sell her considerably more than she sells to us. For example, we shipped 647,000 bales of cotton to Japan in 1955, and, in 1956, these exports are estimated to have risen by 50 percent—to 1 million bales. In dollar terms, we sold Japan $120 million of raw cotton in 1955 and, by comparison, imported $60 million worth of cotton textiles and apparel.

Much the same situation obtains in our trade with Europe. Europe continues to run a deficit in its trade with the United States. These countries look to the expansion of trade with the United States and to the continued liberalization of their own trade restrictions as circumstances permit. I know that we feel that not as much progress has been made in dismantling these import restrictions as we would like to see, but I suppose it is better that progress be made slowly, if steadily and irreversibly. We were impressed as well with the importance that these countries placed on United States leadership in matters of trade and tariff policy. They expressed concern over the protectionist drift in this country, over the escape clauses of our trade-agreements legislation—which make our tariff commitments unstable in their eyes—and with the failure of the Congress to ratify membership in the Organization for Trade Cooperation.

In this connection, I have worked for United States membership in the Organization for Trade Cooperation because it is important as an indication of our continuing commitment to a liberal and multilateral foreign trade policy. It would be evidence of our intent to continue to cooperate with other countries with respect to trade problems. For example, this year the United States will begin important discussions with other GATT countries looking to the accelerated relaxation of the quotas and other special import restrictions which they imposed during and after the war when their trade positions were seriously out of balance. Our membership in OTC would strengthen our hand immeasurably in these forthcoming discussions.

As important as have been the developments in the economies of these countries and in their foreign trade positions over the first decade since the war, we came away with the feeling that the next 10 years will see even more significant developments of importance to the economics and political areas of the free world countries. Many of these developments are already foreshadowed. In Western Europe in each country that was visited the subcommittee was impressed with the strong interest in the development of a common market of the Western European countries. Plans looking toward the establishment of such a common market arrangement seem likely to be agreed upon in the near future and will provide for a gradual removal of all tariffs and other restrictions on trade among the Western European countries that join the common market. It will imply the coordination of financial and economic policies among these countries. If successful, a unified Europe would mean a mass market of 250 million people. It could mean the basis for prodigious economic growth. The political implications of European economic integration are vital and could mean the establishment of a real force on the continent of Europe standing against further Soviet expansion. It is a real step toward a United States of Europe. These developments challenge our foreign economic policy, as well as our military planning.

The emergence of Japan as a major trading country is clearly a significant development of interest to the United States. This is so not only because Japan looks to the United States market for the expansion of her exports but also because Japan must quite literally trade in order to support its present population and to maintain its industrial production and a prosperous Japan is vital to the military defense of the United States. Clearly there are mutual advantages to be gained if Japan could develop sound and stable trade relations with her neighbors in south and southeast Asia and with the expanding economies in Western Europe. But there are a variety of impediments that have made it difficult for Japan to develop such trade relations. Exchange difficulties have channeled Japan's foreign trade into 2-way patterns instead of multilateral 3-way and 4-way trading relations. What can our foreign economic policy do to facilitate the development of a thoroughly multilateral trading world? This is one of the challenges that faces our trade policy as it relates to Japan.

In looking to the future, therefore, our subcommittee has its work cut out for it. Our aim is to devise programs founded on sound and technical understanding of the problems of world trade and which reflect the needs and requirements of a rapidly changing world. The agenda that we have prepared for our continuing work reflect these considerations. Of overriding importance is the role of our trade and tariff policy in our foreign economic policy and foreign policy. It is illogical to put the different aspects of our foreign economic policy in watertight compartments. Our military aid, our aid for economic development, private investment policy, agricultural and commodity policy all are bound together with our foreign-trade policy.

We have, therefore, made only a beginning.

One of the subjects that we intend to study is our trade relations with our neighbors to the south. Latin America acquires one-third of all its imports from the United States, and almost one-fourth of all our exports go to Latin America. Because of the nature of our import trade, tariffs may not be as important an element as they are in our trade with highly industrialized countries, but there are other aspects of Latin America's $8-billion trade with the United States that are of vital importance. I draw your attention to a study recently published by the Department of Commerce analyzing the role of United States private investment in Latin America. Such private investment amounts to almost $10 billion today. United States companies produced $5 billion worth of goods and services in Latin America in 1955, and the exports of these companies to the United States amounted to 30 percent of all exports from Latin America to the United States.

This investment is one of the dynamic factors accounting for the tremendous economic growth that has taken place in Latin America. What we have observed is, I believe, only the beginning. The Latin American Continent can be compared with our continent of 100 years ago. It is a continent rich in natural resources, many of them as yet not measured, with large land areas that have the potential of extensive cultivation and with the prospect of a rapidly expanding industrial development. We can be sure of one thing, and that is that Latin America offers the promise of becoming the most important market for American exports—a market, one should keep in mind, which is potentially of continental size like that of our own country. Of course, unlike the United States, there are barriers, both real and artificial, that separate the Latin American Republics—for example, the lack of adequate transport facilities and differing monetary systems. Although I have not studied the subject adequately—and as far as I know it has received very little attention as yet—I find the idea of economic integration in Latin America an intriguing one. I am sure that the developments in Western Europe will be followed closely to see what bearing they may have on economic developments in Latin America.

Careful analysis and thorough understanding of such factors in our trade relations are essential to the formulation of American trade policy. Let me share with you my personal views with respect to the guidelines that I believe should direct our foreign-trade policy. First, we must maintain a climate which is conducive to high and expanding levels of world trade and this means that we must discard, once and for all, the idea that there is something second rate or even un-American about trade, particularly import trade.

Second, in order to improve this climate, we must provide for greater stability and certainty in the conditions under which trade is conducted. The conduct of trade requires long-run decisions and planning by businessmen; constant changing of the rules is intolerable to the proper conduct of trade. The various escape clauses in our legislation and their potential for protection have to be examined in the light of this consideration.

Third, we need to look carefully at our customs and tariff laws to see what can be done in the way of real simplification of customs procedures and to see what tariffs are seriously restrictive of imports that can be reduced.

Finally, I want to emphasize that the interest, understanding, and involvement of the public is essential if we are to make progress. That is a responsibility that falls particularly on the shoulders of people that are actively engaged in trade, such as you are.

It is clear to me that at this juncture of our history, the United States cannot enjoy the luxury of indecision. The choice we have is one that was aptly described by Theodore Roosevelt four decades ago when he said: "The United States has not the option as to whether it will or will not play a great part in world affairs. It must play a great part. All that it can decide is whether it will play that part well or badly."

"The Regulation of the Press Is the Most Difficult, Dangerous, and Important Problem They Have To Resolve. Mankind Cannot Now Be Governed Without It, Nor at Present With It," Said John Adams

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EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. THOMPSON of New Jersey. Mr. Speaker, in 1946 a Commission on Freedom of the Press, financed by a grant of $200,000 from Time, Inc., and $15,000 from Encyclopaedia Britannica, Inc., completed a 3-year study which reached the conclusion that freedom of the press is today in danger for three major reasons. The reasons given by the commission were as follows:

First, the importance of the press to the people has greatly increased with the development of the press as an instrument of mass communication. At the same time the development of the press as an instrument of mass communication has greatly decreased the proportion of the people who can express their opinions and ideas through the press.

Second, the few who are able to use the machinery of the press as an instrument of mass communication have not provided a service adequate to the needs of the society.

Third, those who direct the machinery of the press have engaged from time to time in practices which the society condemns and which, if continued, it will inevitably undertake to regulate or control.

The commission's report created considerable controversy at the time it was published and its findings were questioned.

The issues with which it dealt were deeply controversial, and have been so throughout the history of this Republic.

President John Adams, for instance, wrote in 1815 that—

If there is ever to be an amelioration of the condition of mankind, philosophers, theologians, legislators, politicians, and moralists will find that the regulation of the press is the most difficult, dangerous, and important problem they have to resolve. Mankind cannot now be governed without it, nor at present with it.

My distinguished colleague from California, Representative JOHN E. MOSS, JR., as chairman of the Government Information Subcommittee of the Government Operations Committee, is constantly faced with important aspects of the pressures operating against an entirely free press in our country.

The American Society of Newspaper Editors has an important committee on freedom of the press, and this committee has a full-sized job on its hands.

Some time ago Adlai E. Stevenson issued a warning against any "deterioration of democracy, when self-criticism withers, debate dries up, and power over the mass mind is concentrated in a few hands." To Mr. Stevenson's mind there exists a crisis in the honest political communication on which an informed electorate must depend.

The Democratic standard bearer continued:

Ordinarily, the party in power can confidently rely on both the minority party and the press for critical examination. This was true—and then some—when we were in power. But alas it is not true now.

Mr. Stevenson's view of the situation was given a strong factual basis last week in New York City at a meeting of the National Editorial Association, a group whose membership totals about 5,500 publishers and editors, mostly of smalltown weeklies.

Dr. John Tebbel, chairman of the department of journalism, New York University, declared that "only the most myopic partisan would deny that for the past 20 years the press has been overwhelmingly Republican." Dr. Tebbel reported on the partial results of a study of political campaign coverage by the newspapers in seven cities.

The New York Times on Saturday, March 23, carried the following article regarding Dr. Tebbel's findings:

PRESS IS CALLED REPUBLICAN

At an earlier session, Dr. John Tebbel, chairman of the department of journalism, New York University, declared that "only the most myopic partisan would deny that for the past 20 years the press has been overwhelmingly Republican."

Dr. Tebbel reported partial results of a study of political campaign coverage by the newspapers in seven cities. The study was made possible, he said, through a $5,000 grant from the Skinner Foundation, a Michigan fund.

Twenty-one newspapers published in New York, Providence, Chicago, Memphis, Houston, Kansas City, Mo., and Los Angeles were surveyed.

Dr. Tebbel said he had found little evidence of bias in the writing of news, but considerable bias in picture coverage. Also, "the general tendency was to give Mr. Eisenhower better position and more favorable headlines," he said.

"The device of the press conference, which Mr. Eisenhower used adroitly as a campaign weapon, was abetted by some newspapers through the common practice of splitting up the conference into special topic stories," Dr. Tebbel reported.

He criticized the "unfortunate tendency" by some newspapers to display in the news columns political stories by staff writers "which are really highly partisan editorials and columns."

One of America's great editors, William Allen White, once said:

Too often the publisher of an American newspaper has made his money in some other calling than journalism. He is a rich man seeking power and prestige. He has the country-club complex. The business manager of this absentee owner quickly is afflicted with the country-club point of view. Soon the managing editor's wife nags him into it. And they all get the unconscious arrogance of conscious wealth. Therefore, it is hard to get a modern American newspaper to go the distance necessary to print all the news about many topics.

In the last 30 years, according to Mr. White, newspapers "have veered from their traditional position as leaders of public opinion to mere peddlers and purveyors of news, the newspapers have become commercial enterprises and hence fall into the current which is merging commercial enterprises along mercantile lines."

What Thomas Jefferson saw in 1786 as true then is even more true today. He said:

Our liberty depends on the freedom of the press, and that cannot be limited without being lost.

He also said that "where the press is free, and every man able to read, all is safe."

Jefferson also said:

No government ought to be without censors; and where the press is free, no one ever will.

The distinguished editor, Virginius Dabney, of the Richmond Times-Dispatch, wrote a few years ago that "Today newspapers are big business, and they are run in that tradition."

Which brings me to my subject today.

II

It seems to me there exist compelling reasons for a national labor newspaper today, and that the establishment of such a paper would be a major contribution to a free press, and the cause of freedom in our country.

The need for such a national labor newspaper today was illustrated best, I think, though this conclusion was not reached, in the dissenting opinion by Associate Justice William O. Douglas in the case involving the United Auto Workers and the Taft-Hartley Act provision prohibiting union expenditures in connection with Federal elections. Justice Douglas was joined in his dissent by Chief Justice Earl Warren and Justice Hugo L. Black.

Justice Douglas wrote that—

We deal here with a problem that is fundamental to the electoral process and to the operation of our democratic society. It is whether a union can express its views on the issues of an election and on the merits of the candidates, unrestrained and unfettered by the Congress.

The Jeffersonian thesis that "our liberty depends on the freedom of the press, and that cannot be limited without being lost" has been undermined and endangered by the Court's position.

The text of the brilliant dissenting opinion by Justice Douglas is included here as part of my remarks:

[From the AFL-CIO News, Washington, D. C., of March 23, 1957]

DISSENTING OPINION ON UAW VOTE CASE SCORES BREACH OF RIGHTS

The following is excerpted from the dissent by United States Supreme Court Justice William O. Douglas in the case involving the auto workers and the Taft-Hartley Act provision prohibiting union expenditures in connection with Federal elections. The majority of the Court found that the UAW must stand trial on charges of violating the act. Douglas was joined in his dissent by Chief Justice Earl Warren and Justice Hugo L. BLACK.

"We deal here with a problem that is fundamental to the electoral process and to the operation of our democratic society. It is whether a union can express its views on the issues of an election and on the merits

of the candidates, unrestrained and unfettered by the Congress.

"The principle at stake it not peculiar to unions. It is applicable as well to associations of manufacturers, retail and wholesale trade groups, consumers' leagues, farmers' unions, religious groups, and every other association representing a segment of American life and taking an active part in our political campaigns and discussions.

"It is as important an issue as has come before the Court, for it reaches the very vitals of our system of government."

POLITICAL SPEECHES NOT CRIMINAL

"Making a speech endorsing a candidate for office does not deserve to be identified with antisocial conduct. Until today political speech has never been considered a crime.

"It usually costs money to communicate an idea to a large audience. But no one would seriously contend that the expenditure of money to print a newspaper deprives the publisher of freedom of the press. Nor can the fact that it costs money to make a speech—whether it be hiring a hall or purchasing time on the air—make the speech any the less an exercise of first amendment rights.

"Yet this statute, as construed and applied in this indictment, makes criminal any expenditure by a union for the purpose of expressing its views on the issues of an election and the candidates.

"The principle applied today would make equally criminal the use of a union of its funds to print pamphlets for general distribution or to distribute political literature at large.

"Can an act so construed be constitutional in view of the command of the first amendment that Congress shall make no law that abridges free speech or freedom of assembly?"

SIZE OF AUDIENCE IRRELEVANT

"The Court says that the answer on the constitutional issue must await the development of the facts at the trial.

"It asks, 'Did the broadcast reach the public at large or only those affiliated with appellee?' But the size of the audience or its nature has heretofore been deemed wholly irrelevant to first amendment issues. One has a right to freedom of speech whether he talks to 1 person or to 1,000. One has a right to freedom of speech not only when he talks to his associates and friends but also when he talks to the public.

"It is startling to learn that a union spokesman or the spokesman for a corporate interest has fewer constitutional rights when he talks to public than when he talks to members of his group.

"The Court asks whether the broadcast constituted 'active electioneering' or simply stated 'the record of particular candidates on economic issues.' What possible difference can it make under the first amendment whether it was one or the other?

"The first amendment covers the entire spectrum. It protects the impassioned plea of the orator as much as the quiet publication of the tabulations of the statistician or economist. If there is an innuendo that 'active electioneering' by union spokesmen is not covered by the first amendment, the opinion makes a sharp break with our political and constitutional heritage.

"The Court asks, 'Did the union sponsor the broadcast with the intent to affect the results of the election?' The purpose of speech is not only to inform but to incite to action. * * * To draw a constitutional line between informing the people and inciting or persuading them and to suggest that one is protected and the other not by the first amendment is to give constitutional dignity to an irrelevance.

"Any political speaker worth his salt intends to sway voters. His purpose to do so cannot possibly rob him of his first amendment rights unless we are to reduce that great guarantee of freedom to the protection of meaningless mouthings of ineffective speakers.

"Finally, the Court asks whether the broadcast was 'paid for out of the general dues of the union membership or may the funds be fairly said to have been obtained on a voluntary basis.' Behind this question is the idea that there may be a minority of union members who are of a different political school than their leaders and who object to the use of their union dues to espouse one political view.

"This is a question that concerns the internal management of union affairs. To date, unions have operated under a rule of the majority. Perhaps minority rights need protection. But this way of doing it is, indeed, burning down the house to roast the pig. All union expenditures for political discourse are banned because a minority might object."

Walter P. Reuther, president of the United Auto Workers, recently declared that he considers "the development of an effective labor daily newspaper to be one of the most important challenges and opportunities which confronts the united labor movement."

Now that we have achieved a united labor movement—

Mr. Reuther wrote—

I feel that the question of developing effective means of communication with the great mass of our membership is a matter of compelling urgency. Certainly a daily labor paper is one of the essential instruments of communications.

It is to be hoped that the Supreme Court will take no position that will hinder or impede such an important development as the establishment of a free and independent press in this country.

III

The other day I saw a newspaper headline which caused me concern. It said: "Labor's Daily's Future at Stake. ITU Can No Longer Go It Alone: Hurd"

Labor's Daily is, as every Member of Congress doubtless knows, a unique and praiseworthy project begun about 4 years ago by the ITU, whose President is Woodruff Randolph. The ITU is the 104-year-old International Typographical Union, the printers' union, affiliated with the AFL-CIO. The ITU is the oldest continuous labor union in United States history. The "Hurd" mentioned in the headline is Don F. Hurd, ITU secretary-treasurer.

The headline was bannered across the front page of the national edition of Labor's Daily, a tabloid-size newspaper generally of 12 pages which has an influence far in excess of its nationwide circulation, said to be in the neighborhood of 10,000.

As I understand it, the ITU began the national edition as an adjunct of several local editions which were used, in effect, as strike weapons at locations where the union's locals were striking against publishers. The national edition itself apparently was founded also for idealistic reasons, and it has been continued in that same vein until now it alone remains out of nearly a half-dozen local ventures at one time associated in one major project.

As I mentioned, this newspaper is truly unique, and it would be tragic if it were to have no future. Until Labor's Daily was established, the United States had never had a national labor paper. This seems rather astonishing when one realizes the United States has more free trade union members than any other country. Europe, by contrast, has many labor dailies.

I don't say these things as a partisan of labor but as a partisan of the cause of free competition of the press.

Competition in this field, like so many others, seems to be declining.

New examples of this are provided often by the news services, but one of the most recent summaries of this trend was provided by the Commission on Freedom of the Press, composed of a number of prominent civil leaders from outside the press itself. Their book on the topic was published by the University of Chicago in 1946, and was entitled "A Free and Responsible Press."

Among other things, the booklet documents the conclusion that the responsibility for organizing and selecting news for national distribution is being concentrated in the hands of fewer and fewer people, under a declining number of publishers.

In many places—

The report summarized—

the small press has been completely extinguished. The great cities have 3 or 4 daily newspapers each; smaller cities may have 2; but most places have only 1. Newsgathering is concentrated in 3 great press associations, and features are supplied from a central source by syndicates. . . .

Throughout the communications industry, the little fellow exists on very narrow margins, and the opportunities for initiating new ventures are strictly limited.

Details of this distressing picture have improved little since 1947, I'm sure, despite or perhaps even in part because of the advent of television.

Perhaps the lack of competition is causing the press to become complacent. One of Washington's journalistic statesmen, Thomas L. Stokes, commented the other day he thought the complacency of the press is partially responsible for the closing of avenues of information in Government here, so that reporters are hamstrung in trying to dig out the facts in their effort to keep the public informed.

We all realize competition in the field of ideas is of foremost importance in the search for truth. Each limit on such competition is as potentially dangerous as a cancer cell getting a foothold in living tissue.

Freedom of the press is always in danger, for it is the first target of those who would limit the right of the people to learn how they may best elect their governments, and govern themselves.

As Alexander Hamilton, in an address in 1804 in defense of Harry Croswell who had been indicted for libel of President Jefferson, said:

The liberty of the press consists, in my idea, in publishing the truth, from good motives and for justifiable ends, though it reflect on government, on magistrates, or individuals. If it be not allowed, it excludes

the privilege of canvassing men, and our rulers.

If this be not done, then in vain will the voice of the people be raised against the inroads of tyranny.

In addition to these compelling reasons for the continuation of Labor's Daily to help provide press competition, there are other reasons which relate to the characteristics of organized labor itself.

We may not realize it, for example, but the publication of Labor's Daily is a continuous flow of living, current history. I am sure future historians will find it a valuable source of material with which to write the story of the labor movement. No other publication contains so much daily news about labor.

What is more, there are many areas in this country where the voice of labor is not permitted to be heard in the local press. If it is heard, it is distorted and maligned and attacked until many union officials have adopted a policy of not making any statements to their local newspapers. Labor's Daily gives—or would give—them a chance to present their own views.

Most of those areas are in the South, where a recent Gallup poll found 31 percent of the people disapprove unions altogether.

It seems to me a national labor daily with a special southern edition made available in large quantities in certain areas could be of great importance in helping southerners become better acquainted with the reasons for trade unions.

A national labor daily with a reputation for honesty and accuracy could do much to dispel the growing smog about labor's weaknesses and failings which is obscuring its basic integrity and practical worth in an economy such as ours.

It is hardly necessary to point out that few of the daily newspapers which carry the smoking headlines about foul balls in part of the labor movement ever bother to carry news of the myriad of worthy activities conducted by union rank-and-file members and the majority of their leaders.

It seems to me the truth would be greatly helped if the public had easy access to a national labor daily which told of labor's daily efforts to get more civil rights for all people, to get better educational facilities for all children—whether of union members or not, to get more health and welfare programs for the sick, disabled, and the aged; to make use of the Federal Government's facilities to prevent localized depressions before they become big, national depressions; and to raise wage standards for those in the lower wage brackets—most of whom are not union members.

I could go on with this list at great length.

There are many union leaders and others who agree with me and who have expressed their congratulations to the International Typographical Union for having started Labor's Daily, and who would like to find a way to see to it that the United States continues to benefit from an independent newspaper such as Labor's Daily is well on the road to becoming.

At the same time there have been other interesting comments from readers of Labor's Daily, such as that of Barrow Lyons, Washington newspaperman and author of several books, who wrote:

If there is anything organized labor needs most it is objective, straight information about what is going on in the world, and especially what is going on within organized labor. It is impossible for labor leaders to form sound judgments without such information. And certainly, if we uphold the democratic principle, we must believe that only a well-informed rank and file is capable of choosing leaders able to meet successfully the issues which labor must face today.

I think the whole sorry mess now being unfolded by the Senate Select Committee on Improper Activities in the Labor or Management Field, popularly known as the Senate Rackets Committee, headed by Senator MCCLELLAN, is a living demonstration of the truth in this advice of Barrow Lyons. I am confident that an overwhelming majority of all labor representatives are completely honest, as are the union members who elect them. What is needed is an honest labor paper to help them get at the truth and clean up their own situations—which they will do, make no mistake about that.

While there have been many proposals set forth as to how a labor daily newspaper can be firmly established, only two seem to me to be practical enough for further consideration:

First. There should be a national conference of trade union and civic leaders who believe ways should and can be found to establish an independent labor daily. Among ways and means that should be considered by such a conference are subsidies from a number of powerful international unions and moral support from those unions which cannot afford to give such financial support.

An independent national committee should be organized to supervise publication of the labor daily so that no single union or group of unions can dictate its policy to the detriment of other unions. Such a committee should include leaders from the communications industries who are familiar with the problems and idiosyncrasies of daily newspapers.

Second. Some national private foundation devoted to the theory that competitive freedom in the world of ideas is worthy of promotion should offer its services and financial support to any group or person who can set forth a sensible method to maintain a daily labor paper on a nationwide scale.

This suggestion was among those proposed by the Commission on Freedom of the Press in 1946. This commission included such outstanding members as Zechariah Chafee, Jr., professor of law, Harvard University; Arthur M. Schlesinger, professor of history, Harvard University; George N. Shuster, president, Hunter College; Reinhold Niebuhr, professor of ethics and philosophy of religion, Union Theological Seminary; and Jacques Maritain, president, Free French School for Advanced Studies.

Surely somewhere leaders will come forward to shoulder the burden of such a project which could go down in history as one of the great steps in the history of the free press in the United States.

This is an appeal for such leaders to step forth now before it is too late.

I am sure history will reward them for the foresight they show and the work they do in behalf of such a worthy enterprise.

Alabama Service Station Association Asks for Passage of H. R. 11, the Equality of Opportunity Bill

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

Mr. PATMAN. Mr. Speaker, any time we try to legislate to strengthen the antitrust laws, or plug some loophole in the antitrust laws, we encounter some powerful opposition. This has been the case with H. R. 11, although this bill would give small-business firms only quite modest and reasonable protection from big business' abuse of power.

The giant corporations in several industries have been carrying on campaigns against the bill. This biggest and most powerful campaign is being waged by the super-giant corporations in the oil industry. This is not I imagine, because the major oil companies are more opposed to H. R. 11 than are the major corporations in some of the other industries. It is because these corporations have more lavish funds to spend on such campaigns, they have bigger and better oiled machinery for conducting a nationwide grassroots campaign and, so it has seemed, the officials of these corporations are more arrogant and irresponsible even to what is, in the long run, their own self-interest.

On January 28, and again on February 5, I called attention to a "false front" lobby which is being conducted by some of the major oil companies, to prevent passage of H. R. 11. This lobby was conceived and organized within the American Petroleum Institute, and it utilizes all of the most modern and effective techniques of lobbying. It is appropriately called a false-front lobby for the reason that the major oil companies have not set about to persuade the public that the legislation will be bad for the major oil companies; rather, they have set about to persuade oil jobbers and retail dealers that the legislation will be bad for these small-business men who, in fact, will be greatly helped by the legislation.

DEALERS ARE NOT DECEIVED

Despite all this expenditure of money and effort by the major oil companies however, most of the independent gasoline dealers appear not to have been persuaded that black is white, and that they will be hurt by an antitrust law which would give them some protection against abuse of power which is inherent in these

multi-billion dollar oil corporations. In fact, I have received many letters from retail gasoline dealers and from State associations of retail gasoline dealers which express just the opposite point of view. One of these letters from a State association has come to me from Mr. Allen Smith, chairman of the board of directors of the Alabama Service Station Association.

Mr. Smith's letter, omitting personal references to me appears below, after which I will comment on the reasons why H. R. 11 is in the public interest:

ALABAMA SERVICE STATION
ASSOCIATION, INC.,
Birmingham, Ala.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR SIR: I have just finished reading, with interest, your addresses in Congress on January 28 and February 5.

* * * * *

We, even collectively, cannot possibly raise funds and supply time and effort to fight our own battles as they should be fought. Fortunately, however, there are a few of us who are willing to make a sacrifice of time and money to see that justice is received by our more timid fellow men. I am sure that you have already found our association on record as supporting H. R. 11.

Are you receiving full support from our representatives?

We are thoroughly in accord with you in that if the big oil companies cannot meet competition at the established prices they should cut their tremendous earnings to meet it or else we need new blood in the oil industry.

Please notify us of any way we can be of any help in this battle for us.

Sincerely,

T. ALLEN SMITH,
Chairman, Board of Directors, Alabama Service Station Association, Inc.

H. R. 11 GIVES ONLY MODEST PROTECTION TO DEALERS

Now what does H. R. 11 do? Does it say to the major oil company that it cannot discriminate in price to meet the competition of an off-brand dealer? Does it say that the oil company cannot discriminate in price to assist one of its independent dealers to meet the price of an off-brand dealer? Does it say that if a major oil company cuts its price to meet the competition of an off-brand dealer in Chicago, that it must also cut its price in New York—or at least, perhaps, that it must cut the price throughout the State of Illinois?

The answer to all of these questions is—no.

What H. R. 11 does say to the major oil company is this: You may cut your price to one of your dealers in order to meet the competition of an off-brand station, but if you do so, then you must also cut your price to your other dealers who are in competition with that dealer for whom you wish to cut the price.

Now of course, if the bill said that the major oil company must give absolutely equal treatment to its competing dealers, then the bill might prove troublesome and inconvenient to the oil company. But the bill does not require absolutely equal treatment. It only cautions the oil company against making discriminations which are so gross and so prolonged that the effect may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly."

As I have said, I believe that in the long run H. R. 11 will prove to be a vital safeguard to continued private ownership of the major oil companies. However, it is easy to see why, from a narrow, short-run point of view, the big oil companies prefer the law as it is. Under the Supreme Court's interpretation of section 2 of the Clayton Antitrust Act, as amended by the Robinson-Patman Act, an oil company may discriminate in price among its dealers as it pleases, if the lower of its prices meets a competitor's price.

BIG OIL COMPANIES BENEFIT FROM DISCRIMINATION

This unrestrained license to mobilize great marketing power and pinpoint the whole weight of that power on any market—on any neighborhood—gives a formidable advantage to the big oil companies.

It permits the major oil company to take business from an off-brand filling station, and from the small refiner who supplies the off-brand station, at only an insignificant cost to the major oil company. Under the law as it now stands, the major oil company can cut prices to one of its dealers just across the street from the off-brand station, so that the dealer may meet the price of the off-brand station; but—and this is the point small business objects to—the oil company need not, at the same time, reduce prices to its other dealers just down the street who also lose business, and perhaps go out of business, because of the first dealer's price reduction to meet competition.

The practical result of this kind of "price meeting" is, of course, that the off-brand dealer is either squeezed out of business, or kept barely alive on a starvation volume, depending upon the major oil company's preference in the matter. An equal result is that some distributor who supplies that off-brand dealer is squeezed out, and the small refiner who supplies that distributor is squeezed out. Independent refiners have been going out of business faster than retail filling stations over the past several years. But unlike the retail filling stations, as independent refiners have gone out of business, no new independent refiners have sprung up to take their place. More and more of the business is taken over by the major oil companies.

MAJOR OIL COMPANIES LIKE A LITTLE OFF-BRAND COMPETITION

The present license to discriminate to drive out the off-brand dealer is the basic power advantage by which the major oil company reaps many other advantages. For example, while there is no great number of off-brand stations in the country, the major oil companies find it advantageous that a scattering of such dealers remain in business. Obviously, by the discriminatory devices which the oil companies regularly use, all of these off-brand stations could easily have been driven out of business long ago. In fact, some major oil companies actually supply many of these off-brand dealers—with first-grade gasoline to be sold as unbranded gasoline. There are no longer enough independent refiners to supply them, located as they are at many places where freight costs make them inaccessible to the independent refiners.

These off-brand dealers then provide the major oil companies with an excuse for discriminating in price to squeeze their dealers' margins. The major oil company simply cuts its price to one of its dealers in an area, knowing that dealer will cut prices to meet the off-brand station, or to meet the price of a price-cutting dealer of another major brand, and this will then force down dealer margins in the whole area.

PRICE DISCRIMINATION IS THE MEANS OF MONOPOLY PROFITS

But does this major oil company control over prices and competition result in consumers receiving lower prices than if the monopoly control did not exist?

No, the major oil companies determine the retail price; and retail prices are set at that level which will yield the maximum profit, considering the volume which will move at that price. Squeezing the dealers' margin, then, is simply a device whereby the oil companies take a maximum portion of the profit contained in the retail price. In other words, the discriminatory technique has two effects: one, it gives the major oil companies the power to set retail prices at levels which maximize profits; and, two, it is the means by which the major oil companies take a maximum portion of these profits. It is thus both the instrument of monopoly and the means of milking the benefits of monopoly.

H. R. 11 WILL CUT BIG OIL COMPANY PROFITS ONLY SLIGHTLY

As I have said, H. R. 11 will not prevent the oil company from meeting competition. But the bill will do this: It will say to the oil company that when it cuts its prices to one of its dealers, it must also cut prices to its other dealers who are in actual competition with that dealer. Of course, this will mean that it will cost the oil company a little more money—a little less profit—to meet the off-brand dealers' competition. The company will have to reduce its prices, not in all of the States in which it markets, and not throughout a State where the competition occurs; but it will have to reduce prices to all of its leaders within an area who are so directly in competition among themselves that one dealer's selling at a lower price than another would result in a substantial diversion of business from the others.

I believe that the major oil companies can afford the very modest reduction in profits which would be required to treat their dealers fairly. Whenever they discriminate in price to subdue an off-brand dealer and drive out small refiners who supply such off-brand dealers, they would only have to be careful not to put their own dealers out of business.

SENATE

THURSDAY, MARCH 14, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, who art from eternity unto eternity: We would in prayer seek to understand our destiny as children of Thine. Here we stand, weak and mortal, amid the immensities of nature. But blessed be Thou, O Lord God, that Thou hast made us in Thine own likeness and hath breathed into us the breath of Thine own life. From this Chamber of governance, which in these anxious and crucial times is set in the white light of world concern, we would lift up our minds beyond all time and space to Thee, that the light of Thy countenance may illumine all our life.

Help us to keep in mind how uncertain is our hold upon our bodily life, as we remember the faces, the forms, and the voices of those once here, but who no longer tread these aisles. Let us use this world, but not abuse it; let us be in it, but not of it. Give us to understand the vanity of the temporal and the glory of the eternal, even as we toil in these fields of time. We ask it in the name of that Holy One who did always the things that pleased Thee. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, March 12, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 5788) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5788) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antimonopoly Subcommittee of the Committee on the Judiciary was authorized to meet today during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Labor Subcommittee of the Committee on Labor and Public Welfare was authorized to meet today during the session of the Senate.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, for the consideration of the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Joseph F. Downing, Jr., Wayne Searcy, and William Caldwell Fisher, to be postmasters at Keller, Va., Tallahassee, Fla., and Morrow, La., respectively, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will proceed to state the nominations on the calendar.

UNITED STATES DISTRICT COURT

The Chief Clerk read the nomination of Randolph H. Weber, of Missouri, to be United States district judge for the eastern district of Missouri, which nomination had previously been passed over.

The PRESIDENT pro tempore. The question is, will the Senate advise and consent to this nomination?

The nomination was confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of C. Douglas Dillon, of New Jersey, to be a Deputy Under Secretary of State.

Mr. CASE of New Jersey. Mr. President, I rise in support of the nomination of C. Douglas Dillon, of Bedminster, N. J., to be Deputy Under Secretary of State for Economic Affairs.

Mr. Dillon is an old friend, Mr. President; but it is good to be able to commend his outstanding talents to the Senate for more meaningful reasons.

We in New Jersey are proud of his intellect and the distinguished record he brings to his new task.

Douglas Dillon is exceedingly well trained for his new assignment. He and the world of economics are no strangers. He has been brought up in the business community; and he was chairman of the board of Dillon, Read & Co., one of this country's best known investment houses, when he left to become our Ambassador to France in 1953.

He was an excellent Ambassador. The Sunday New York Times magazine section had this to say about Doug Dillon last September:

> An ambassador should be a diplomat, a historian, a linguist, a political reporter, an executive, a public speaker, a traveler, a gracious host, a good miner capable of enduring endless ceremonies and handshaking, not without being bored (which would hardly be possible) but without appearing bored; and in France he should be a gourmet.
>
> Other desirable qualifications might be added, but this list would suffice, with luck to insure a large measure of success.
>
> He should take with him to his post a personable wife able to achieve popularity in her own right in a role that will subject her to many invidious comparisons and to jealously critical appraisal.
>
> The United States does not invariably get all these assets for the $25,000 a year it pays its highest ranking ambassadors. But it got a good bargain in Dillon, who received one of the most difficult missions when he became United States Ambassador to France.
>
> Dillon is not a professional diplomat nor yet a historian. But his tastes and training would have gone a long way toward fitting him for a diplomatic career had circumstances not drawn him instead into a financially far more profitable occupation in his father's investment firm, Dillon, Read & Co. For he has been interested in the study of history and foreign relations since early youth and won an honors degree at Harvard with a thesis on the Spanish-American War.

Mr. President, Doug Dillon's qualifications go beyond even this glowing reference.

He served in World War II, for example, entering the Navy as an ensign, and rising to the rank of lieutenant commander.

He has served as a member of the board of governors, New York Hospital; as an overseer at his alma mater, Harvard University; and is a member of the Metropolitan Museum, of New York.

Mr. President, the Department of State and the American people are much the richer for this nomination, which the Senate is about to confirm.

Mr. SMITH of New Jersey. Mr. President, I desire to associate myself with the remarks of my distinguished colleague regarding Mr. Dillon.

For many years Mr. Dillon has been a resident of New Jersey and an intimate friend of mine. He is one of our outstanding citizens. We are indeed proud of the record he made in Paris as our Ambassador; and we know we shall be proud of the record which I am certain he will make now as Deputy Under Secretary of State, following the confirmation of his nomination.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

The PRESIDENT pro tempore. The next nomination on the calendar will be stated.

The Chief Clerk read the nomination of C. Frederick Reinhardt, of California, to be Counselor of the Department of State.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE SUPREME COURT—NOMINATION PASSED OVER

The Chief Clerk read the nomination of William Joseph Brennan, Jr., of New Jersey, to be an Associate Justice of the Supreme Court of the United States.

Mr. KNOWLAND. Mr. President, we have received a request that the nomination go over. Personally, I am in favor of the nomination; but one of our Members who is absent today has asked that the nomination be passed over.

Mr. JOHNSON of Texas. Mr. President, I ask that the nomination be passed over. The Senator from Wisconsin [Mr. MCCARTHY] is interested in the nomination, and he is not present today.

The PRESIDENT pro tempore. Objection being heard, the nomination will be passed over.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of D. Malcolm Anderson, Jr., of Pennsylvania, to be United States attorney for the western district of Pennsylvania for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COUNCIL OF ECONOMIC ADVISERS

The Chief Clerk read the nomination of Paul W. McCracken, of Michigan, to be a member of the Council of Economic Advisers.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FEDERAL HOME LOAN BANK BOARD

The Chief Clerk read the nomination of Albert James Robertson, of Iowa, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1957.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

OFFICE OF DEFENSE MOBILIZATION

The Chief Clerk read the nomination of Gordon Gray, of North Carolina, to be Director of the Office of Defense Mobilization.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE NATIONAL MEDIATION BOARD

The Chief Clerk read the nomination of Robert O. Boyd, of Oregon, to be a member of the National Mediation Board for the term expiring February 1, 1960.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the postmaster nominations will be considered en bloc; and, without objection, they are confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Murray Snyder, of Maryland, to be an Assistant Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE ARMY

The Chief Clerk read the nomination of Dewey Short, of Missouri, to be an Assistant Secretary of the Army.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

MISSISSIPPI RIVER COMMISSION

The Chief Clerk read the nomination of Brig. Gen. Paul D. Berrigan (colonel, Corps of Engineers), to be a member of the Mississippi River Commission.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

IN THE NAVY

The Chief Clerk read the nomination of Vice Adm. William M. Callaghan, USN, when retired, to be placed on the retired list with the rank of vice admiral.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

IN THE MARINE CORPS

The Chief Clerk read the nomination of Col. Carey A. Randall, 005132, United States Marine Corps, for temporary appointment to the grade of brigadier general, to hold such grade while he is assigned as Military Assistant to the Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Thorsten V. Kalijarvi, of New Hampshire, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Olin Hatfield Chilson, of Colorado, to be Under Secretary of the Interior.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the Diplomatic and Foreign Service be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations for appointment, transfer, or promotion in the Army, which nominations had previously been placed on the Vice President's desk.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations in the Army be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until Monday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY C. D. JACKSON ON THE MIDDLE EAST CRISIS

Mr. JOHNSON of Texas. Mr. President, I am most disturbed by press reports of a speech made in Toronto, on March 12, by C. D. Jackson, a former special assistant to President Eisenhower. I ask unanimous consent to have printed at this point in the RECORD an Associated Press dispatch which appeared in the Washington Evening Star of Wednesday, March 13, 1957; and a portion of a transcript of a news conference held by President Eisenhower, which appeared in the New York Times of Thursday, March 14, beginning with a question by Mr. Ray L. Scherer, of the National Broadcasting Co., and ending with the President's reply to that question.

I am placing these articles in the RECORD so there can be complete fairness and objectivity in the discussion.

There being no objection, the dispatch and excerpt from the press conference

were ordered to be printed in the RECORD, as follows:

[From the Evening Star of March 13, 1957]

MIDEAST POLICY CALLED SHOWDOWN WITH SOVIET

TORONTO, March 13.—C. D. Jackson, former special assistant to President Eisenhower, said yesterday the United States touched off the Middle East crisis to force a showdown with Russia.

Russia's shift in cold-war strategy to an economic offensive was difficult to combat because it left the West open to blackmail by countries seeking aid, said Mr. Jackson, new editorial vice president of Time, Inc.

He told the Advertising and Sales Club of Toronto the United States looked for a favorable position for a showdown and found it in the Middle East. He said this was an area outside the Communist orbit that could get mad at the United States and be left to rely on Russian promises.

Mr. Jackson said that to precipitate the showdown the United States withdrew its offer to help Egypt build the Aswan Dam while Egypt's President Nasser was negotiating with Russia for aid.

Mr. Jackson said he had lunch with Secretary of State Dulles immediately after the offer of aid was withdrawn and nationalization of the Suez Canal was mentioned as one of the possible ways Colonel Nasser might retaliate.

Mr. Jackson said perhaps "we told Nasser a trifle too abruptly," but the move proved the emptiness of Russian promises of aid.

[From the New York Times of March 14, 1957]

Ray L. Scherer of the National Broadcasting Co.—Mr. President, one of your former assistants here in the White House, C. D. Jackson, said in Toronto last night that we withdrew our offer to Egypt to help build the Aswan Dam to force a showdown with Egypt over playing off Russia against the United States in the Middle East. How does that square with your knowledge of the facts?

Answer—Well, I think that is his speculation; that's all.

Mr. JOHNSON of Texas. According to the Associated Press, Mr. Jackson told the Advertising and Sales Club of Toronto that—and I quote the Associated Press:

> The United States touched off the Middle East crisis to force a showdown with Russia.

The article further stated:

> Mr. Jackson said to precipitate the showdown the United States withdrew its offer to help Egypt build the Aswan Dam while Egyptian President Nasser was negotiating with Russia for aid.
>
> Mr. Jackson said he had lunch with Secretary of State Dulles immediately after the offer of aid was withdrawn and nationalization of the Suez Canal was mentioned as one of the possible ways Colonel Nasser might retaliate.

Mr. President, I have no way of knowing whether Mr. Jackson was quoted correctly. But as we all know, the Associated Press has long had a reputation for accurate and factual reporting.

For several months, Mr. President, the world has been most disturbed by the situation in the Middle East. I think it is only candid to say that we are far from a solution of this most dangerous crisis.

In the course of this dispute, the United States has unfortunately antagonized its oldest allies, the British and the French. Even at this moment there are reports that the little nation Israel has lost faith in our promises about the Gaza strip.

The Suez Canal is not yet opened, and there is no one in this part of the world, either in the United Nations in New York or here in Washington, who can honestly say he knows what Colonel Nasser will do next.

Now we are told by a former high adviser to the present administration that the United States deliberately precipitated this whole crisis. I am aware that President Eisenhower, at his press conference yesterday, referred to the Jackson speech, in reply to a question, as "speculation." But, Mr. President, this is not speculation by a newspaperman or an informal observer. This is speculation by an informed expert who has served the present administration in precisely this particular field.

Mr. Jackson is quoted as having had lunch with the Secretary of State and as discussing this problem immediately after the crisis was precipitated.

It is not for me, Mr. President, to prejudge this issue. There is always the possibility that Mr. Jackson was misquoted, and there is always the possibility that Mr. Jackson did not know what he was talking about. I hope that one or both of these things are true.

Nonetheless, this is a mater of so much importance to our Nation and so much importance to the world that I strongly hope that Mr. C. D. Jackson will be called to Washington to appear before the subcommittee, of which the senior Senator from Arkansas [Mr. FULBRIGHT] is chairman, to elaborate on his Toronto speech, and certainly to make any corrections if he has been misquoted. It would seem to me that it is of such crucial importance that this should be done in the next few days, and I express the hope that the chairman of the subcommittee, the senior Senator from Arkansas will take appropriate notice of this statement.

Mr. FULBRIGHT subsequently said: Mr. President, I just arrived in the Chamber, prepared to make a few remarks about the pending business, but I understand that the majority leader made reference to a statement by Mr. C. D. Jackson in Canada, which statement was brought to my attention yesterday.

Let me say, in accord with the suggestion of the majority leader, that I think it would be very appropriate that the statement of Mr. Jackson be examined by the subcommittee which is looking into problems of the Middle East, and that Mr. Jackson be invited to discuss with the subcommittee in greater detail the subject which he discussed in Toronto. I agree with the statement of the majority leader, and I shall request that Mr. Jackson be invited to appear before the subcommittee.

Mr. JOHNSON of Texas. I appreciate the Senator's assurance.

Mr. HUMPHREY subsequently said: Mr. President, earlier today the majority leader commented upon a press dispatch which appeared late yesterday afternoon in various newspapers. According to the dispatch, Mr. C. D. Jackson, a former special assistant to President Eisenhower, addressed himself to the Middle East situation and the role of the Government of the United States in that critical international crisis. I now read the article:

> MIDEAST POLICY CALLED SHOWDOWN WITH SOVIET
>
> TORONTO, March 13.—C. D. Jackson, former special assistant to President Eisenhower, said yesterday the United States touched off the Middle East crisis to force a showdown with Russia.
>
> Russia's shift in cold war strategy to an economic offensive was difficult to combat because it left the West open to blackmail by countries seeking aid, said Mr. Jackson, new editorial vice president of Time, Inc.
>
> He told the Advertising and Sales Club of Toronto the United States looked for a favorable position for a showdown and found it in the Middle East. He said this was an area outside the Communist orbit that could get mad at the United States and be left to rely on Russian promises.
>
> Mr. Jackson said that to precipitate the showdown the United States withdrew its offer to help Egypt build the Aswan Dam while Egypt's President Nasser was negotiating with Russia for aid.
>
> (President Eisenhower called Mr. Jackson's views his own speculation and no more. A newsman asked the Chief Executive about the Toronto reports at the Presidential news conference today.)
>
> Mr. Jackson said he had lunch with Secretary of State Dulles immediately after the offer of aid was withdrawn and nationalization of the Suez Canal was mentioned as one of the possible ways Colonel Nasser might retaliate.
>
> Mr. Jackson said perhaps "we told Nasser a trifle too abruply," but the more proved the emptiness of Russian promises of aid.

Mr. President, first of all, let me say that the Associated Press is considered to be a responsible news-gathering organization, and I accept it on that basis. Undoubtedly it gave fair coverage and responsible treatment to the remarks of Mr. C. D. Jackson, formerly associated with this administration in a very important and high position.

If Mr. Jackson is telling the truth, then some explaining needs to be done by this administration.

If Mr. Jackson is engaged in fiction writing, then the President ought not merely to say that those were Mr. Jackson's views—in other words, thus adopting a hands-off attitude. Instead, the President ought to denounce the statement, and he should renounce the statement, and he should completely dissociate himself from the meaning of Mr. Jackson's statement.

What Mr. Jackson was saying was that the international crisis which faces us today is of our making. But the Secretary of State told us that it was, at least in part, of the making of the Soviet Union.

Mr. President, I repeat that the statement made by Mr. Jackson is incredible; it is outrageous; and it is unbelievable. I say further, if it is true, then the administration should be called to account; and if it is untrue, the President of the United States ought to say so, so that our friends and neighbors around the world will know what is going on.

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes, I yield.

Mr. SALTONSTALL. As I read the President's remarks at his press conference, he stated very clearly that what Mr. Jackson said was purely personal speculation on his part. That would seem to me to be a complete disavowal of the remarks of Mr. Jackson, so far as the President is concerned.

Mr. HUMPHREY. I appreciate the tender thoughts of the Senator from Massachusetts for the President, and I know of his loyalty to the President and the party. I hope the President's remarks can be interpreted in the manner in which the Senator from Massachusetts has interpreted them; but again, I repeat, there is grave doubt they can be so interpreted. I think the record ought to be quite clear: Did we or did we not precipitate the crisis? I think it ought to be very clear: Did we, when we withdrew the Aswan Dam offer, know we were precipitating a crisis? If we did, then the committees of Congress have been sadly misinformed.

So, Mr. President, I repeat the suggestion that someone, if not the President, then the Secretary of State when he returns, or the Acting Secretary of State, Mr. Herter, repudiate the statement and make the record abundantly clear that we had no part in this kind of policy.

MEYER KESTNBAUM'S STATEMENT REGARDING ADMISSION OF RED CHINA INTO THE UNITED NATIONS

Mr. BRIDGES. Mr. President, at times in the past we have heard quite a good deal about the China lobby. Without going into the merits or demerits of such a so-called organization, it is quite clear that there now must be a Red China lobby operating in the United States and around the world. Various individuals have spoken but one of these individuals whose remarks I considered to be wholly out of place is Meyer Kestnbaum, an assistant to President Eisenhower. He recently made a statement to the effect that Red China should be admitted to the United Nations, should be recognized by the United States, and several supporting remarks of like nature. He said, of course, he was expressing his personal views, but nevertheless, he is a Presidential assistant and has this official capacity. I am becoming sick and tired of persons in official capacities who speak of official matters outside their own jurisdictions under the guise of personal opinions. If Mr. Kestnbaum did not have an official capacity, if he were not a Presidential aid, nobody would have paid attention to what he had to say. They would have ignored him.

Let me tell Mr. Kestnbaum that the Senate of the United States and the Congress of the United States have on several occasions, by unanimous vote, taken a position on Red China in opposition to its being recognized by the United States and admitted into the United Nations. If Mr. Kestnbaum does not know that, he had better get the CONGRESSIONAL RECORD and read the record.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. JOHNSON of Texas. May I ask to whom the Senator refers?

Mr. BRIDGES. Mr. Meyer Kestnbaum, who is an assistant to President Eisenhower, who, in Honolulu, on March 7, made a statement, and he repeated it again yesterday, which is directly contrary to the policy of the United States. It certainly is contrary to the policy of the Congress of the United States. I do not believe officials of the Government, particularly when they hold positions as Presidential assistants, should be traveling around the world and expressing, without authority, policy views in the very sensitive area of international diplomacy. I spoke about the matter the other day. Subsequently Mr. Hagerty, speaking for the White House, repudiated Mr. Kestnbaum's statement so far as the President was concerned. This clearly indicates he was not speaking for the President or with his consent.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I do.

Mr. KNOWLAND. I am pleased to state that the Secretary of State, Mr. Dulles, who has been attending a conference in the Far East, has also again reiterated that the United States policy is opposed to the admission of Communist China into the United Nations and its recognition by the Government of the United States. So I think the statement of the Secretary of State, who is the official spokesman for the Government in the matter of foreign policy, and the statement of Mr. Hagerty at the White House the other day are indicative that Mr. Kestnbaum not only does not represent the views of the Congress, but he does not represent the views of the executive branch of the Government.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. JOHNSON of Texas. I wonder if the distinguished minority leader could give us that same assurance about Mr. Jackson.

Mr. KNOWLAND. No; I cannot. Mr. Jackson holds no position now, so far as I know, under the executive branch of the Government. I certainly hope he was not proposing to speak for the Government of the United States, and I do not believe he was.

Mr. JOHNSON of Texas. I appreciate what the Senator has said. I express the same hope. I trust he was not speaking as an informed individual who held a high position at that time.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. Let me say to the majority leader that what the Senator from California has said regarding C. D. Jackson's remarks can be corroborated by me. This corroboration is based upon one or more meetings which I attended when the Aswan Dam project was discussed and where the reasons for its abandonment were given by responsible officials.

Mr. BRIDGES. Mr. President, here is a man who might be construed as speaking for the President of the United States who has been repudiated by Mr. Hagerty. I am pleased with Mr. Hagerty's prompt action as the Senator from California, the distinguished minority leader [Mr. KNOWLAND] has said, he has also been repudiated by the State Department. Yet he is still a Presidential assistant, traveling around the world and making statements which are contrary to the policy of the Congress of the United States—which I believe still represents the people—the State Department spokesman, Secretary Dulles, and the President, to whose office he is assigned. I think his usefulness is about at an end.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. The difficulty with statements such as that which Mr. Kestnbaum made is the adverse effect on the morale in the Far East, not only in the Republic of China, with which we have a mutual-defense pact under which we have given assistance in the way both of economic and military aid, but in Korea, the Philippines, Thailand, and other countries which are under the gun of the Chinese Communists.

I think every responsible person recognizes that in the defense of any country, our own included, morale is an important factor. When a person in the position which Mr. Kestnbaum occupies makes a statement which tends to undermine the morale of the people we are seeking to help, in effect what he is doing is undermining American foreign policy in that area of the world.

Mr. BRIDGES. I agree.

The final point I wish to make is this: I have no objection to Mr. Kestnbaum traveling around the world in the official conduct of his duties, but I do have an objection to his making statements which are exactly contrary to the policy of the President for whom he directly works, as well as the policy of the State Department, which directs our foreign policy, and the Congress of the United States which represents the public viewpoint. I think at least he should keep his mouth shut on subjects of that kind.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SMITH of New Jersey. I was as much concerned as was the Senator from New Hampshire when I learned of this statement by Mr. Kestnbaum. When I checked the matter I found that, as the Senator from California [Mr. KNOWLAND] has said, the Secretary of State had made a corrective announcement in the Philippines.

I also understand that when the President was questioned about the statement, he said it did not represent the position of the administration. So I am glad to have the situation clarified.

I share the view of the Senator from New Hampshire that persons in such positions as the one occupied by Mr. Kestnbaum are on dangerous ground when they make statements on their own which are contrary to the foreign policy of the Nation. On many occasions in the past both the Senate and the House of Representatives have taken a strong position in opposition to the

admission of Red China into the United Nations.

The PRESIDENT pro tempore. Routine morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROTECTION AGAINST DISEASE IN LIVESTOCK AND POULTRY

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide further protection against the dissemination of diseases of livestock or poultry, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

STATISTICAL SUPPLEMENT—STOCKPILE REPORT

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a confidential Statistical Supplement—Stockpile Report, for the period July–December 1956 (with an accompanying report); to the Committee on Armed Services.

REPORT OF VETERANS' ADMINISTRATION

A letter from the Administrator, Veterans' Administration, Washington, D. C., transmitting, pursuant to law, a report of the activities of that Administration, as of June 30, 1956 (with an accompanying report); to the Committee on Finance.

REPORT RELATING TO WITHDRAWAL OF PUBLIC LANDS IN CERTAIN CASES

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report by the Director of the Bureau of Land-Management showing withdrawals and restorations made of public lands in certain cases, during the period from January 1, 1956, through December 31, 1956 (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON CERTAIN LANDS WITHIN INDIAN RESERVATIONS

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on certain lands within Indian reservations valuable for power or reservoir sites or necessary for use in connection with irrigation projects; to the Committee on Interior and Insular Affairs.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO CIVIL PENALTIES

A letter from the Chairman, Federal Communications Commission, Washington, D. C., proposing the enactment of legislation amending the Communications Act of 1934, as amended, to provide a small civil penalty for certain specific violations of the rules and regulations of the Federal Communications Commission applicable to all radio stations other than those in the broadcast services, and to further provide for remission or mitigation thereof by the Commission; to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF LABOR-MANAGEMENT RELATIONS ACT OF 1947

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Labor-Management Relations Act, 1947, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

AMENDMENT OF TITLE 13, UNITED STATES CODE ENTITLED "CENSUS"

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend certain sections of title 13 of the United States Code, entitled "Census" (with accompanying papers); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the legislature of the State of North Dakota; to the Committee on Finance:

"House Concurrent Resolution G

"Concurrent resolution requesting the Congress of the United States to repeal excise taxes levied on the transportation of persons, property, and messages by common and contract carriers

"Whereas certain excise taxes imposed during World War II are still in effect; and

"Whereas the reason given for imposing said taxes was to discourage use by civilians of common and contract carriers of persons, property, and messages when an extraordinary demand was placed on transportation by the large increase in traffic due to World War II; and

"Whereas these taxes have caused, and continue to cause, substantial diversion of traffic to private carriers, thus causing higher rates to be charged, especially on the transportation of property, which places a heavy burden on the farmer, the small-business man, and the small manufacturer because they do not have sufficient volume to engage in the transportation of their own property and must depend on common and contract carriers for their transportation needs; and

"Whereas these excise taxes are discriminatory, as illustrated by the tax on a carload shipment of grain weighing 100,000 pounds to Minneapolis, Minn. From Waynata, Minn., the tax is $4.05; from Fairmount, N. Dak., $9.30; from Beach, N. Dak., $17.10; and from Havre, Mont., $24.30; and

"Whereas the repeal of these excise taxes will result in a direct reduction in transportation costs and eliminate the tax discrimination against shippers who live a long distance from the market for commodities produced and sold, or supplies and equipment manufactured at distant locations; and

"Whereas the same discriminatory situation exists where persons use common-carrier passenger service and long-distance communication service: Now, therefore, be it

"*Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein)*, That we respectfully request the Members of the United States Senate and House of Representatives from the State of North Dakota to introduce legislation to repeal the excise tax of 10 percent on the transportation of persons and messages, 3 percent on the transportation of property by rail, motor, and water common carriers, and 4½ percent on the transportation of crude petroleum and petroleum products by common carrier pipeline; be it further

"*Resolved*, That the secretary of state transmit copies of this resolution to United States Senator WILLIAM LANGER, United States Senator MILTON R. YOUNG, Representative USHER L. BURDICK, Representative OTTO KRUEGER, Vice President RICHARD NIXON, and Speaker SAMUEL RAYBURN.

"B. WOLF,
"*Speaker of the House.*
"GERALD F. STAIR,
"*Chief Clerk of the House.*
"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*"

A concurrent resolution of the legislature of the State of North Dakota; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution I

"Concurrent resolution urging the President, the Congress and the Secretaries of Interior, Agriculture and Defense to support the establishment of the Garrison diversion unit and the appropriation of funds therefor

"Whereas the Garrison diversion unit of the Missouri River Basin project located in North Dakota has been authorized by Congress and when developed will—

"1. Promote the future economic welfare and prosperity of the people of North Dakota, particularly of those residing in the project area;

"2. Provide for the eventual irrigation of about 1,000,000 acres of land periodically afflicted by drought thereby stabilizing the production of crops;

"3. Replenish and restore the depleted waters of lakes, rivers, and streams in the project area and stabilize the flow of such streams;

"4. Make available within the project area waters diverted from the Missouri River for irrigation, domestic, municipal and industrial needs, production of hydroelectric power, recreation and other beneficial and public uses; and

"Whereas the development of the Garrison diversion unit will provide for a greatly expanded agricultural and business economy in North Dakota thereby enhancing the future economic prosperity and growth of the State; and

"Whereas the investigations of the project by the Bureau of Reclamation indicate that the project is economically feasible and that construction of the project facilities can be initiated as soon as congressional appropriations are available; and

"Whereas the farmers and other residents in the project area have indicated a definite interest in and demand for the development of the project at as early a date as is possible: Now, therefore, be it

"*Resolved by the Senate of the State of North Dakota. (The House of Representatives concurring therein)*, That the President of the United States, Congress, the Secretaries of Interior, Agriculture and Defense are respectfully urged to wholeheartedly support the early construction of the facilities for the Garrison diversion unit, Missouri River Basin project, and take all necessary action to provide for the appropriation of funds to initiate construction thereof; and be it further

"*Resolved*, That the secretary of state is directed to send copies of this resolution to the President, the President of the Senate, the Speaker of the House of Representatives, the Secretaries of Interior, Agriculture, and Defense, the chairman of the Committees on Appropriations in Congress, Senators WILLIAM LANGER and MILTON R. YOUNG and Representatives USHER L. BURDICK and OTTO KRUEGER.

"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*
"B. WOLF,
"*Speaker of the House.*
"GERALD L. STAIR,
"*Chief Clerk of the House.*"

A concurrent resolution of the legislature of North Dakota; to the Committee on Public Works:

"Senate Concurrent Resolution K

"Concurrent resolution favoring the early construction of the Bowman-Haley Dam and Reservoir project on the North Fork of the Grand River, N. Dak., and urging the Corps of Engineers to expedite the development and completion of a favorable report thereon

"Whereas recurring floods on the North Fork of the Grand River, N. Dak., have caused heavy damage to agricultural lands, improvements thereon, and livestock for more than 50 years; and

"Whereas such floodwaters are vitally needed for beneficial uses in the area and should be stored and released as needed; and

"Whereas investigations and surveys by the Bureau of Reclamation and Corps of Engineers have been carried on spasmodically in the basin for more than half a century, without any favorable results up to this time, the last activity being a hearing conducted by the Corps of Engineers, United States Army, in the city of Bowman, N. Dak., on August 28, 1956: Now, therefore, be it

"*Resolved by the Senate of the State of North Dakota (The House of Representatives concurring therein)*, That the 35th legislative assembly of the State of North Dakota favors the construction of the proposed Bowman-Haley Dam and Reservoir project on the North Fork of the Grand River, N. Dak., and urges the development and completion by the Corps of Engineers of a favorable report thereon in time for inclusion in the next flood control bill; and be it further

"*Resolved*, That copies hereof be mailed by the secretary of state to the President of the Senate, the Speaker of the House of Representatives, the chairmen of the Committees on Public Works, the Chief of Engineers, the Omaha district engineer, and to Senators WILLIAM LANGER and MILTON R. YOUNG, and Representatives USHER L. BURDICK and OTTO KRUEGER.

"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*
"B. WOLF,
"*Speaker of the House.*
"GERALD F. STAIR,
"*Chief Clerk of the House.*"

A joint resolution of the legislature of the State of Idaho; to the Committee on Finance:

"House Joint Memorial 6

"*To the Honorable Senate and House of Representatives of the United States in Congress assembled:*

"We, your memorialists, the House of Representatives of the State of Idaho, as assembled in its 34th session, the Senate concurring, respectfully represent as follows:

"Whereas the Western Governors Mineral Policies Conference, meeting at Sacramento, Calif., on November 7 and 8, 1955, and the Western Governors Advisory Council, produced certain recommendations for the development of a national mineral policy; and

"Whereas these recommendations were subsequently adopted by the Conference of Western Governors; and

"Whereas it is the considered opinion of the Legislature of the State of Idaho that the adoption and execution of said policy is necessary if the mineral industry of the West is to survive and develop in accordance with the Nation's needs: Now, therefore, be it

"*Resolved by the House of Representatives of the 34th session of the Legislature of the State of Idaho (the Senate concurring therein)*, That the Congress of the United States be, and is hereby, memorialized as follows:

"First, gold: To restore gold to the free channels of commerce.

"Second, silver: That the practice of tendering newly mined silver to the Treasury Department for coinage be continued, and that the sale of Government-owned silver at less than its coinage value of $1.2929 per troy ounce be prohibited.

"Third, lead and zinc: That an excise tax of 2 cents per pound be established on imports of zinc and lead to take effect whenever the price of zinc falls below 14 cents, East St. Louis, and the price of lead to 16 cents, New York; that stockpiling of lead and zinc be continued.

"Fourth, copper: That the present excise tax on imported copper be maintained.

"Fifth, molybdenum: That the national stockpile program on molybdenum concentrates be continued until maximum emergency defense requirements are met.

"Sixth, fluorspar: That the fluorspar industry be afforded tariff protection and/or restriction of fluorspar imports sufficient to permit its survival.

"Seventh, uranium-vanadium: That the Atomic Energy Commission maintain an adequate purchase program and to prepare for transition to industrial requirements, and that maximum information be made available to the industry for effective future planning, and facilitate and plan continuity of studies of problems of the industry related to the marketing of uranium ores.

"Eighth, rare earths, thorium, and cobalt: That a tariff be placed on foreign monazite, rare earth compounds and cobalt which is sufficiently high to permit domestic producers to survive, and that the Atomic Energy Commission establish a purchase program for thorium.

"Ninth, quicksilver: That the present purchases by the General Services Administration be continued after December 31, 1957, or other adequate steps taken to protect the industry.

"Tenth, tungsten: That an adequate tariff be established and the present purchase program be continued.

"Eleventh, antimony: That a minimum tariff be established on antimony ore and concentrates at not less than 15 cents per pound of contained antimony; and on antimony smelter products at not less than 30 cents per pound of contained antimony.

"That if it is not possible to obtain such tariffs then a tariff of 6 cents per pound on contained antimony metal in imported antimony metal, ores or concentrates should be established. The proceeds of this tariff must be distributed to the producers of primary antimony, produced and sold within the United States, in proportion to their production.

"LANDS

"That the practice of duplicating the withdrawal of huge tracts of lands in the Western States for military purposes be discontinued, and that no further withdrawals be made until public hearings are held.

"TAXES

"That a system of taxation be developed that will encourage development of the mineral resources of the States; be it further

"*Resolved*, That the House of Representatives of the State of Idaho, the Senate concurring, that this Legislature recommends to the executive and legislative branches of the United States of America the favorable consideration of the national mineral policy as formulated by the Conference of Western Governors acting through the Western Governors Mineral Policies Conference; be it further

"*Resolved*, That the secretary of state of the State of Idaho be authorized, and is hereby directed, to forward certified copies of this memorial to the President of the United States, Secretary of State, Secretary of the Interior, Director of the Office of Defense Mobilization, Senate, and House of Representatives of the United States, to the Senators and Representatives representing the State of Idaho in the Congress of the United States, and to the Honorable Robert E. Smylie, Governor of the State of Idaho; the Honorable Ernest W. McFarland, Governor of the State of Arizona; the Honorable Goodwin J. Knight, Governor of the State of California; the Honorable Stephan L. R. McNichols, Governor of the State of Colorado; the Honorable Hugo Aronson, Governor of the State of Montana; the Honorable Charles H. Russell, Governor of the State of Nevada; the Honorable John E. Davis, Governor of the State of North Dakota; the Honorable Robert D. Holmes, Governor of the State of Oregon; the Honorable George D. Clyde, Governor of the State of Utah; the Honorable Albert D. Rosellini, Governor of the State of Washington; and the Honorable Milward L. Simpson, Governor of the State of Wyoming."

The petition of Ted Durst Ward, of Sargent, Nebr., relating to the Selective Service System; to the Committee on Armed Services.

JOINT RESOLUTIONS OF NEVADA LEGISLATURE

Mr. BIBLE. Mr. President, on behalf of myself, and my colleague, the senior Senator from Nevada [Mr. MALONE], I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, the following Senate joint resolutions of the Nevada State Legislature:

No. 1, memorializing the President of the United States, the Postmaster General, and the Congress to officially recognize the discovery of the Comstock Lode in 1859 and to issue a centennial stamp in commemoration thereof.

No. 2, memorializing the President, the Secretary of the Treasury, and the Congress to issue commemorative centennial half-dollar silver coins celebrating Nevada's silver centennial.

No. 8, commending the Boy Scouts of America and supporting the 1957 Boy Scout Jamboree at Valley Forge.

The PRESIDENT pro tempore. The joint resolutions will be received and appropriately referred.

The joint resolutions were received, appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Post Offices and Civil Service:

"Senate Joint Resolution 1

"Resolution memorializing the President of the United States, the Postmaster General, and Congress of the United States to officially recognize the discovery of the Comstock Lode in 1859, and to issue a centennial stamp in commemoration thereof

"Whereas on January 28, 1859, diggings were commenced in the vicinity of Gold Hill, Nev., and shortly thereafter Henry T. P. Comstock claimed the Ophir discovery, which subsequently made Virginia City, Nev., the richest and most celebrated gold and silver mining community of all time; and

"Whereas the Comstock was the first silver-mining camp in the United States, and its discovery brought multitudes of Americans from the East to the silver slopes of Nevada; and

"Whereas the golden memories and unforgettable history of the Comstock are deemed by the Legislature of the State of Nevada to

be of sufficient importance to warrant commemoration by every means and consequently should be recognized in the year 1959 by the issuance of a silver centennial commemorative stamp by the Government of the United States: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Legislature of the State of Nevada respectfully memorializes the President, the Postmaster General, and the Congress of the United States to take whatever action is necessary to the end that a commemorative postage stamp recording this great and historical event shall be issued during the year 1959; and be it further

"Resolved, That the secretary of state of the State of Nevada shall transmit certified copies of this resolution to the President, Postmaster General, the President pro tempore of the Senate, the Speaker of the House of Representatives, and each Senator and Representative from the State of Nevada in the Congress of the United States.

"Adopted by the senate, January 24, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.

"Adopted by the assembly, January 31, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

To the Committee on Banking and Currency:

"Senate Joint Resolution 2

"Resolution memorializing the President, Vice President, Secretary of the Treasury, and Congress of the United States to issue commemorative centennial half dollar silver coins celebrating Nevada's Silver Centennial

"Whereas during the year 1959 the people of the State of Nevada will celebrate, with creditable pageantry and commemoration, the 100th anniversary of the discovery of silver by Henry P. T. Comstock at Virginia City, Nev., which became one of the richest and most famous mining communities of all times; and

"Whereas it was at the special instance and request of President Abraham Lincoln that statehood for Nevada was sought and passed, so that throughout the great conflict between the States the producing treasure of Virginia City aided mightily the cause of the Union in winning ultimate victory; and

"Whereas the magnificent fortitude those thousands displayed, the romance, the tragedies which befell them, and their efforts—sometimes fantastic, sometimes glorious—to re-create on this western frontier the culture of the civilizations from whence they came, have blended into song and story and a saga of romance and heroism which belongs to the whole world; and

"Whereas since silver has played such an important part in the history of Nevada and our glorious country, it is the opinion of this legislative body that $1 million in commemorative silver coins of the denomination of one-half dollar be issued, and authority be granted for their distribution in this State and elsewhere by 1959; Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Legislature of the State of Nevada respectfully memorializes the President, Vice President, Secretary of the Treasury, and the Congress of the United States to take whatever action is necessary to issue $1 million in commemorative silver coins of the denomination of one-half dollar, commemorating the centennial silver discovery in Nevada, and to authorize their distribution in Nevada and elsewhere by 1959; and be it further

"Resolved, That if the Federal Government deems it inadvisable to issue and authorize the sale and distribution of such commemorative silver coins, the Legislature of the State of Nevada respectfully memorializes the President, Vice President, Secretary of the Treasury, and the Congress of the United States to take whatever action is necessary to authorize the manufacture from silver and sale to the public by 1959 of suitable commemorative souvenirs; and be it further

"Resolved, That the secretary of state of the State of Nevada shall transmit certified copies of this resolution to the President, Vice President, Secretary of the Treasury, the President pro tempore of the Senate, the Speaker of the House of Representatives, and each Senator and the Representative from the State of Nevada in the Congress of the United States.

"Adopted by the senate January 24, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
Secretary of the Senate.

"Adopted by the assembly January 31, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Nevada, identical with the foregoing, which was referred to the Committee on Banking and Currency.)

To the Committee on Labor and Public Welfare:

"Senate Joint Resolution 8

"Resolution commending the Boy Scouts of America and supporting the 1957 Boy Scout Jamboree at Valley Forge

"Whereas the Boy Scouts of America, one of the greatest character-building institutions in the world, is holding its Fourth National Jamboree at Valley Forge Park, Pa., July 12 to 18, 1957; and

"Whereas based upon the experience of the three prior national jamborees held under the auspices of the Boy Scouts of America, it has been proven that there are innumerable benefits to the boyhood of America through such national jamborees, such as:

"1. An unforgettable scouting experience for approximately 50,000 American boys;

"2. An opportunity to see some of the wonderful country in which we live, and visit historic shrines located at Valley Forge and at Washington, D. C., and in places en route and returning from the jamboree;

"3. A practical method of teaching Americanism, good citizenship, and leadership training;

"4. A realistic opportunity to teach Boy Scouts the value of the Scout Law—A Scout Is Thrifty, and encourage him to earn his own way to the jamboree; and

"5. For an unrivaled opportunity to accelerate the whole character-building program of the Boy Scouts of America: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, (jointly), That the Legislature of the State of Nevada, in full recognition of the success of the Boy Scouts of America, earnestly requests the Congress of the United States, State Legislatures, State executive officers, boards of county commissioners, city councils, and other governmental bodies and officers to give the fullest support and endorsement to the Boy Scouts of America and the Fourth National Jamboree to be held at Valley Forge Park, Pa., July 12 to 18, 1957; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to each Senator and Representative from Nevada in the Congress of the United States.

"Adopted by the senate February 8, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.

"Adopted by the assembly February 8, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

Mr. MALONE. Mr. President, on behalf of myself, and my colleague, the junior Senator from Nevada [Mr. BIBLE], I present, for appropriate reference, a joint resolution of the Legislature of the State of Nevada, which was sent to me by John Koontz, secretary of state of Nevada. I ask unanimous consent that the joint resolution may be printed in the RECORD.

There being no objection, the joint resolution was referred to the Committee on Armed Services, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 4

Resolution memorializing Nevada congressional delegation to discard the proposal of the Secretary of the Army that Army National Guard enlistees be required to undergo 6 months' active duty training and urges legislation providing a more realistic program of active duty

Whereas the Army National Guard of the State of Nevada has attained the unprecedented peacetime strength of 950; and

Whereas the Army National Guard of the State of Nevada is organized into 19 units and organizations located in 11 communities in this great State; and

Whereas the Army National Guard of the State of Nevada is the exclusive military force of this State and under the command of the Governor; and

Whereas the Secretary of the Army has directed that all nonprior service enlistees of the Army National Guard of this State be required to undergo a period of 6 months' active duty training with the United States Army as a condition precedent to their enlistment; and

Whereas this requirement is unreasonable, unrealistic, exceedingly detrimental to the Army National Guard of the State of Nevada and will cause a serious reduction in the strength thereof; and

Whereas a similar requirement applied to the Army Reserve has failed materially to attract any significant number of young men into that component despite herculean efforts by the Department of Defense and the Department of the Army and the expenditure of millions of dollars in an effort to overcome opposition thereto; and

Whereas the 6-month active duty training program can be accomplished in approximately 3 months with efficient organization and the omission of unnecessary features; and

Whereas a 3-month active duty basic training program as a condition of enlistment is acceptable to the Army National Guard, and would encounter little if any opposition from industry, educators, religious groups, and the parents and the young men of the Nation: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Legislature of the State of Nevada views with great alarm and disapproval the unwarranted and ill-advised proposals of the Secretary of the Army and that the congressional delegation of the State of Nevada be, and it hereby is,

memorialized to introduce and endeavor to seek legislative action that will provide a more realistic program of active duty basic training for the Army National Guard; and be it further

Resolved, That the secretary of state of the State of Nevada be, and he hereby is, authorized and directed to transmit properly certified copies of this resolution to the National Guard Bureau, the Secretary of the Army and to each member of the Nevada congressional delegation.

Adopted by the assembly February 11, 1957.

WM. D. SWACKHAMER,
Speaker of the Assembly.
C. A. BASTIAN,
Chief Clerk of the Assembly.

Adopted by the senate February 15, 1957.

REX BELL,
President of the Senate.
H. E. ROWNTREE,
Secretary of the Senate.
CHARLES H. RUSSELL,
Governor of the State of Nevada.

By Mr. KERR:

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Agriculture and Forestry:

"Enrolled Senate Concurrent Resolution 4

"A concurrent resolution relating to the Federal watershed program; requesting a reevaluation of the present program and a realistic reappraisal of the current and proposed budget therefor; directing that copies of this resolution be mailed to President Dwight D. Eisenhower, Secretary of Agriculture Ezra Taft Benson, Mr. Don A. Williams, Chief of the Soil Conservation Service, United States Department of Agriculture, and to each member of the Oklahoma congressional delegation.

"Whereas the Federal watershed program, as provided by Public Law 566, as amended by Public Law 1018, is of vital importance to the State of Oklahoma, as well as to other States of the Nation; and

"Whereas actual surveys indicate that Oklahoma has 720 subwatersheds, of which 85 percent require land treatment and work of improvement as preventive measures to reduce flooding, erosion, and to protect said watersheds and water supplies; and

"Whereas the development of watersheds will enable local organizations, municipalities, and other sponsoring political subdivisions to provide their people with water supplies for beneficial uses, such as municipal supplies, industrial use, irrigation, and others; and

"Whereas 34 watershed applications were on file with the State soil conservation board as of December 1, 1956; and

"Whereas at the present rate of planning it will require approximately 24 years to complete the planning of watersheds which are now on file; and

"Whereas the estimated rate that watershed applications will be received by the State soil conservation board is 30 per year for the next 5 years; and

"Whereas at the present time Oklahoma has 1 planning party available, capable of planning from 2 to 2½ watersheds per year; and

"Whereas at the current rate of planning, the completion of this watershed phase of the soil conservation program will require approximately 300 years; and

"Whereas some 15 to 20 other States of the Nation are in a position similar to that of Oklahoma; and

"Whereas State and local agencies in Oklahoma are willing to give appropriate financial assistance within the limits of funds available, but cannot be expected to shoulder the total financial load: Now, therefore, be it

"Resolved by the Senate of the 26th Legislature of the State of Oklahoma (the House of Representatives concurring therein), That President Dwight D. Eisenhower, Secretary of Agriculture Ezra Taft Benson, Mr. Don A. Williams, Chief of the Soil Conservation Service, United States Department of Agriculture, and all members of the Oklahoma congressional delegation are hereby respectfully requested to reevaluate the watershed program and make a realistic reappraisal of the present budget: Therefore, be it further

"Resolved, That a copy of this resolution be made a part of the permanent journals of this 26th legislature and that a duly authenticated copy of this resolution be mailed to President Dwight D. Eisenhower, Secretary of Agriculture Ezra Taft Benson, Mr. Don A. Williams, Chief of the Soil Conservation Service, United States Department of Agriculture, and each member of the Oklahoma congressional delegation.

"Adopted by the senate the 29th day of January, 1957.

"COWBOY PINK WILLIAMS,
"President of the Senate.

"Adopted by the House of Representatives the 25th day of February 1957.

"ARTHUR A. KELLY,
"Speaker of the House of Representatives."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Interior and Insular Affairs:

"Enrolled Senate Concurrent Resolution 8

"A concurrent resolution memorializing the Congress of the United States to act promptly and favorably to provide authority and funds for the construction of the Canton irrigation project water distribution works; directing that authenticated copies of this resolution be forwarded to the President of the United States and to members of the Oklahoma congressional delegation

"Whereas the Congress of the United States did approve and provide funds for construction of Canton Reservoir on the North Canadian River, Canton, Okla.; and

"Whereas the reservoir was constructed to include outlet works and storage for the irrigation of 16,000 acres of land in the Canadian River Valley; and

"Whereas in 1945 the landowners in the valley below Canton Dam did organize and perfect the Canton Irrigation District under Oklahoma law, comprising aforesaid 16,000 acres of land; and

"Whereas the Canton Irrigation District is ready and willing to enter into contract negotiations for the repayment of construction costs of the project's water distribution works to serve the lands of said district; and

"Whereas the Secretary of the Interior has, through the Bureau of the Budget, presented to the Congress the Canton project report for its consideration and approval: Now, therefore, be it

"Resolved by the Senate of the 26th Legislature of the State of Oklahoma (the House of Representatives concurring therein), That we respectfully request the 85th Congress of the United States, now assembled, to act promptly and favorably to authorize the construction of the Canton Irrigation District project water distribution works and to provide the necessary funds to initiate construction of said works at the earliest possible date; and be it further

"Resolved, That an authenticated copy of this resolution be forwarded to the President of the United States and to each member of the Oklahoma congressional delegation.

"Adopted by the Senate the 14th day of February 1957.

"COWBOY PINK WILLIAMS,
"President of the Senate.

"Adopted by the house of representatives the 25th day of February 1957.

"ARTHUR A. KELLY,
"Speaker pro tempore of the House of Representatives."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Public Works:

"Enrolled Senate Concurrent Resolution 6

"A concurrent resolution memorializing the 85th Congress of the United States to act promptly and favorably and enact any additional authorizing legislation necessary or required to immediately begin construction of the Optima Flood Control Reservoir (Hardesty site) on the North Canadian River, located in western Oklahoma, and to provide the necessary funds to begin construction of the Optima Reservoir project (Hardesty site) at the earliest possible date; directing that a copy of this resolution be transmitted to Dwight D. Eisenhower, President of the United States, and to each member of the Oklahoma Congressional delegation.

"Whereas the Congress of the United States did authorize for construction the Optima Reservoir for flood control and other purposes under H. R. 308, 74th Congress, 1st Session, 1936; and

"Whereas the Congress did reaffirm its prior authority for construction of the Optima project by enactment under H. R. 5472, Public Law 516, 81st Congress, 2d session, in 1950; and

"Whereas the State of Oklahoma, through its Oklahoma Planning and Resources Board, on July 1, 1942, did adopt a comprehensive plan for the control and development of the water resources of the North Canadian River which includes the Optima project; and

"Whereas the present severe drought has demonstrated without question the urgent need for the additional regulation and control of the water resources of the Canadian River that would be provided by the Optima Reservoir; and

"Whereas the President of the United States recently made a personal inspection of this area of Oklahoma to determine ways and means of relieving the economic stress in this area and to find a solution to prevent as nearly as possible a recurrence of the present situation; and

"Whereas the construction of the Optima project at this time would greatly arrest the economic stress of the area, and at the same time provide a sound, long-range investment in the general welfare of the area, the State and the Nation: Now, therefore be it

"Resolved by the Senate of the Twenty-Sixth Oklahoma Legislature (the House of Representatives concurring therein), That we respectfully request the 85th Congress of the United States, now assembled, to act promptly to provide ways and means and the necessary funds to initiate construction of the Optima Dam and Reservoir at the earliest possible date; be it further

"Resolved, That a duly authenticated copy of this resolution be transmitted to Dwight D. Eisenhower, President of the United States, and that a copy hereof be transmitted to each member of the Oklahoma Congressional delegation.

"Adopted by the senate the 6th day of February 1957.

"DON BALDWIN,
"President pro tempore of the Senate.

"Adopted by the house of representatives the 7th day of February 1957.

"GLEN HAM,
"Acting Speaker of the House of Representatives."

RESOLUTIONS OF NORTH DAKOTA COOPERATIVE WOOL MARKETING ASSOCIATION

Mr. YOUNG. Mr. President, the North Dakota Cooperative Wool Marketing Association has adjourned one of its biggest and best annual conventions in years.

The resolutions adopted at this convention are most constructive, and I think of a nature which will interest every Member of Congress, and particularly those who are directly concerned with a solvent agriculture.

I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED AT THE 37TH ANNUAL MEETING, NORTH DAKOTA COOPERATIVE WOOL MARKETING ASSOCIATION, FARGO, N. DAK., FEBRUARY 26, 1957

Whereas production costs of producing wool and wool textiles in the United States are considerably higher than in foreign countries and that the growth, prosperity, and preservation of the domestic sheep and wool industry of the United States is dependent upon adequate protective tariffs to enable it to compete favorably with foreign-produced wool and wool textiles where general costs of operation and rates of pay for labor are very low: Therefore be it

Resolved, That we, the members of the North Dakota Cooperative Wool Marketing Association, assembled here for our 37th annual meeting, do respectfully request the North Dakota congressional delegation to do all in their power to resist further attempts to reduce tariffs on raw wool, wool cloth, wool fabrics, and woolen articles in general which are now being imported from foreign countries; be it further

Resolved, That our congressional delegation study carefully the provision of H. R. 8954, which is a bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions and for other purposes, and that they use their considered judgment as to the effect this bill may have on the domestic wool-growing industry before voting on the measure.

Whereas agricultural products in general have suffered severe price declines for the past several years, while industrial prices and services have increased greatly; and

Whereas it has been necessary for the Government of the United States to support farm commodities, and that additional assistance will be needed by agriculture to meet rising cost of operation; and

Whereas there is before the Interstate Commerce Commission a petition by United States railroads seeking further freight-rate increases: Therefore be it

Resolved, That in view of the fact that farm income has declined approximately 30 percent since 1951, we, the members of the North Dakota Cooperative Wool Marketing Association, assembled here on the 26th day of February 1957 in annual convention, do respectfully request that the Public Service Commission of the State of North Dakota, the United States Department of Agriculture, and the Interstate Commerce Commission use every reasonable means to prevent further freight-rate increases on farm commodities and farm supplies.

Be it resolved, That the members of the North Dakota Cooperative Wool Marketing Association thank the North Dakota congressional delegation for their support of needed appropriations for the United States Fish and Wildlife Service branch of predator and rodent control to carry on the effective and needed work in North Dakota and request their support of continued appropriations at last year's level.

ALEXANDER HAMILTON BICENTENNIAL COMMISSION

Mr. HRUSKA. Mr. President, on March 4, 1957, the Senate devoted a part of its proceedings to the commemoration of the 168th anniversary of the institution of the Congress under the Constitution, and also, in connection therewith, to the commemoration of the bicentennial of the birth of Alexander Hamilton, which is being celebrated this year.

Since the occurrence of those proceedings, I have received proclamation issued by the Honorable Victor E. Anderson, Governor of the State of Nebraska, relative to the celebration of the Alexander Hamilton bicentennial.

I ask unanimous consent that the proclamation may be printed at this point in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Alexander Hamilton, at the age of 30, was recognized as one of the principal architects and leaders of the movement for a more perfect Union of the States.

Five years earlier Hamilton's imagination had shown him the noble and magnificent prospect of a great Federal Republic, closely linked in the pursuit of a common interest, tranquil and prosperous at home, and respected abroad. His vision, together with that of other patriots, brought forth the United States of America under the Constitution.

The opportunity has now come to our generation to demonstrate our gratitude and our obligation to Alexander Hamilton by a fitting celebration of the 200th anniversary of his birth—a happy opportunity for all of us to think afresh of his sincere efforts and inspiring leadership in the work of the men who laid the foundations, raised the structure, and built the sustaining traditions of the Government of the United States.

Now, therefore, I, Victor E. Anderson, Governor of the State of Nebraska, do hereby designate the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial and call upon all our citizens to join in observance of this great occasion by participating in appropriate activities and ceremonies, in honor to Alexander Hamilton in recognition of his inspiring role in our national life.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Nebraska to be affixed.

Done at the capitol, in the city of Lincoln, this 25th day of October 1956.

By the Governor:

VICTOR E. ANDERSON.
ROLAND A. LOWRYKE,
Assistant Secretary of State.

Mr. HRUSKA. Mr. President, I ask also that the proclamation be included in the document which is being prepared on this subject.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with an amendment:

S. 332. A bill to amend the act of June 4, 1920, as amended, providing for allotment of lands of the Crow Tribe, and for other purposes (Rept. No. 142).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRIDGES:

S. 1575. A bill for the relief of Mrs. Helen M. Sargent; to the Committee on the Judiciary.

By Mr. ERVIN:

S. 1576. A bill to exempt the sale of materials for certain war memorials in the District of Columbia from the District of Columbia Sales Tax Act; to the Committee on the District of Columbia.

By Mr. POTTER (by request):

S. 1577. A bill to repeal section 309 (c) of the Communications Act of 1934, relating to protests in cases where instruments of authorization are issued or renewed without hearing; to the Committee on Interstate and Foreign Commerce.

By Mr. EASTLAND:

S. 1578. A bill for the relief of Hovhannes H. Haidostian;

S. 1579. A bill for the relief of Jamil G. Nassar;

S. 1580. A bill for the relief of Mrs. John C. Batepe;

S. 1581. A bill for the relief of Shew Shei Lan and Chow Shong Yep; and

S. 1582. A bill for the relief of Helen Demouchikova; to the Committee on the Judiciary.

By Mr. GREEN (for himself and Mr. WILEY) (by request):

S. 1583. A bill to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Congress); to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above bill, which appears under a separate heading.)

By Mr. MARTIN of Pennsylvania:

S. 1584. A bill to authorize certain improvements on Chartiers Creek in the City of Washington and the Township of Canton, Pa., for flood protection purposes; to the Committee on Public Works.

By Mr. MCCLELLAN (for himself, Mr. ALLOTT, Mr. ALDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CHAVEZ, Mr. CHURCH, Mr. CURTIS, Mr. EASTLAND, Mr. ERVIN, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GREEN, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JAVITS, Mr. JENNER, Mr. JOHNSTON, of South Carolina, Mr KEFAUVER, Mr. KENNEDY, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MCCARTHY, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. NEUBERGER, Mr. PASTORE, Mr. PAYNE, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG):

S. 1585. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Government Operations.

(See the remarks of Mr. MCCLELLAN when he introduced the above bill, which appears under a separate heading.)

By Mr. SALTONSTALL:

S. 1586. A bill to eliminate the financial limitation on real and personal estate holdings of the American Historical Association and to exempt from taxation certain property of such association in the District of Columbia; to the Committee on the District of Columbia.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

S. 1587. A bill authorizing the construction of protective measures in the city of New Bedford and the town of Fairhaven, Mass., to afford hurricane tidal flood protection for New Bedford, Fairhaven, and Acushnet, Mass.; to the Committee on Public Works.

By Mr. JAVITS:

S. 1588. A bill to provide an additional income-tax exemption for certain physically handicapped taxpayers; to the Committee on Finance.

S. 1589. A bill for the relief of Nina Maslova Greenberg; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. JAVITS (for himself and Mr. MORSE):

S. 1590. A bill to amend the District of Columbia Sales Tax Act so as to exempt from tax sales of food for human consumption off the premises where such food is sold; to the Committee on the District of Columbia.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 1591. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on transportation of persons and the tax on the transportation of property; to the Committee on Finance.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR:

S. 1592. A bill for the relief of Lois Eleanor Higgs; and

S. 1593. A bill for the relief of Elisabeth Lesch; to the Committee on the Judiciary.

By Mr. CARROLL (for himself and Mr. HUMPHREY):

S. 1594. A bill to amend the Federal Crop Insurance Act, as amended, to provide for administration by farmer committeemen and improve application of the crop-insurance program in drought and other disaster areas, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CARROLL when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1595. A bill to promote the welfare of the American Indian citizens of Minnesota, and to establish the Minnesota Indian Administration, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART:

S. 1596. A bill to require equal tax treatment for similarly situated taxpayers; to the Committee on Finance.

By Mr. MURRAY (for himself, Mr. BEALL, Mr. CARLSON, Mr. CARROLL, Mr. COOPER, Mr. HENNINGS, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. KEFAUVER, Mr. MAGNUSON, Mr. MCNAMARA, Mr. MORSE, Mr. NEELY, Mr. NEUBERGER, Mr. SMATHERS, and Mr. SPARKMAN):

S. 1597. A bill to establish the Federal Agency for Handicapped; to define its duties, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. THURMOND (for himself, Mr. BARRETT, Mr. CHAVEZ, Mr. ERVIN, Mr. FLANDERS, Mr. JOHNSTON of South Carolina, Mr. MALONE, Mr. MCCARTHY, Mr. TALMADGE, Mr. CAPEHART, Mr. JENNER, Mr. WILEY, Mr. STENNIS, Mr. SCOTT, Mr. BRIDGES, Mr. HOLLAND, Mr. POTTER, Mr. PAYNE, Mr. MARTIN of Pennsylvania, Mr. EASTLAND, and Mr. MCCLELLAN):

S. 1598. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Finance.

(See the remarks of Mr. THURMOND when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 1599. A bill to exclude from gross income for Federal income-tax purposes amounts received as reimbursement for certain moving expenses; to the Committee on Finance.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

By Mr. DWORSHAK:

S. 1600. A bill for the relief of the C-L Electric Co.; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1601. A bill to amend the Securities Exchange Act of 1934, as amended, so as to require that proxies given with respect to certain securities disclose the beneficial ownership of such securities; to the Committee on Banking and Currency.

By Mr. BUTLER:

S. 1602. A bill to provide for a heliport in the District of Columbia, for use in helicopter service between the Friendship International Airport and the downtown area of the District of Columbia; to the Committee on Interstate and Foreign Commerce.

S. 1603. A bill to provide for the procurement by the Government of insurance against risk to civilian personnel of liability for personal injury or death, or for property damage, arising from the operation of motor vehicles in the performance of official Government duties, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

S. 1604. A bill for the relief of Manuel Gil and Jesus Torrado; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 1605. A bill to amend the Career Compensation Act of 1949, as amended, to allow credit for certain service for purposes of pay, and for other purposes; to the Committee on Armed Services.

By Mr. DOUGLAS:

S. 1606. A bill for the relief of Linton Seymour Young; and

S. 1607. A bill for the relief of Cladito Di Giovanni; to the Committee on the Judiciary.

S. 1608. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Festival of the Americas, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

By Mr. CAPEHART (for himself and Mr. SPARKMAN) (by request):

S. 1609. A bill to amend the National Housing Act and other laws relating to housing and for other purposes; to the Committee on Banking and Currency.

By Mr. ALLOTT (for himself, Mr. CHAVEZ, Mr. BEALL, Mr. IVES, Mr. BRICKER, Mr. CASE of South Dakota, Mr. JOHNSTON of South Carolina, and Mr. MARTIN of Pennsylvania):

S. 1610. A bill to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to making loans to farmers and stockmen, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. J. Res. 75. Joint resolution proposing an amendment to the Constitution of the United States to prevent interference with, and to eliminate limitations upon, the power of the States to regulate health, morals, education, marriage, and good order therein; to the Committee on the Judiciary.

By Mr. CARLSON:

S. J. Res. 76. Joint resolution to investigate the advisability of establishing national monuments in certain areas of the State of Kansas; to the Committee on Interior and Insular Affairs.

RIGHT OF SELF-DETERMINATION BY GOVERNMENT OF IRELAND

Mr. BUTLER submitted the following resolution (S. Res. 114), which was referred to the Committee on Foreign Relations:

Whereas the United Nations Charter, article I, paragraph 3, declares it to be the intention of member nations "to develop friendly relations among nations based on respect for the principle of * * * self-determination"; and

Whereas the Atlantic Charter, in listing the objectives to be sought by the United States and Great Britain, declares "respect for the rights of all peoples to choose the form of government under which they will live" and expresses the wish "to see sovereign rights and self-government restored to those who have been forcibly deprived of them"; and

Whereas the unnatural division of Ireland is the result not of the express wishes of her inhabitants but of arbitrary action which has operated to "forcibly deprive" the people of Ireland of their inherent right of self-determination; and

Whereas use of the veto by Communist Russia to deprive Ireland of United Nations membership is the most persuasive recommendation the Republic could have for fair treatment by the free nations of the world; and

Whereas, while Ireland naturally belongs in the Atlantic Pact, where its advantageous location would offer vital air and shipping bases, it is forced to abstain from membership in the North Atlantic Treaty Organization because part of its territory is occupied by one of the participating powers: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that the Republic of Ireland should enjoy the same right of self-determination as to the form and extent of its government as is guaranteed to all nations under the United Nations and Atlantic Charters, and that, in the spirit of and under the authority of these charters, steps should be initiated looking toward a general plebiscite at which the people of all 32 counties of Ireland could be given opportunity, free of coercion or outside intervention, to declare for or against the union of the countries of Northern and Southern Ireland.

AMENDMENT OF UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

Mr. GREEN. Mr. President, by request, on behalf of myself, and the Senator from Wisconsin [Mr. WILEY], I introduce, for appropriate reference a bill designed to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948.

This bill contains a number of small but important changes in the act which, in the judgment of the executive branch, will improve the operation of United States programs of information and educational exchange.

In addition to these changes in administrative authority, the bill contains as its most important feature new provisions which will authorize the establishment of a new category of career officers of the United States Information Agency.

Members of the Senate will recall that the President of the United States in his state of the Union message called for the establishment of a career personnel service for the United States Information Agency. This bill has been jointly prepared and is sponsored by the United States Information Agency and the Department of State. The bill is identical in its purpose and similar in most of its provisions to S. 3638, which was passed by the Senate last year, but which was not acted upon by the House.

I am introducing the bill at the request of the executive branch. I reserve my right to support or oppose the bill or any suggested amendments to it.

Having reserved my freedom of action with respect to the bill, I nevertheless desire to record my full support for the main principle of the bill.

The United States information program is essential to the accomplishment of the foreign policy objectives of the United States. We cannot expect to have a good information program unless we have good people serving in the program. We must find ways to attract to the information service officers of the highest competence if the information program is to be a useful instrument in foreign relations.

At the present time, we have only a stopgap personnel system covering employees of the United States Information Agency. They serve around the world and in the United States under short-term appointments, and they lack any semblance of career opportunities.

As I have stated, I am not prepared to say now that this bill fully meets the needs to which I have just referred. The subject matter of the bill is, however, obviously important, and I hope that the Senate will give the measure its most careful study.

Mr. President, I ask unanimous consent that the bill may be printed at this point in the RECORD, together with a section-by-section analysis of the bill prepared by the executive branch, and a summary of differences between the proposals on personnel legislation for the United States Information Agency contained in this bill and those contained in S. 3638, also prepared by the executive branch.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis will be printed in the RECORD.

The bill (S. 1583) to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Congress), introduced by Mr. GREEN (for himself and Mr. WILEY), by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 of the United States Information and Educational Exchange Act of 1948, as amended, is amended by adding before the final period a semicolon and the following new subparagraph (d) to paragraph (2):

"(d) the development of projects for diffusion of knowledge which are of interest and value to the United States and other countries."

SEC. 2. (a) Section 201 (a) of such act is amended by striking out the second sentence and substituting therefor the following:

"The Secretary may provide for orientation courses and other appropriate services and materials in the case of persons coming to the United States from other countries and for persons going to other countries from the United States under the provisions of this act or under other similar exchange programs when the Secretary determines that such orientation courses and services and materials will enable persons under such other programs to assist in accomplishing the objectives of this act."

(b) Section 201 of such act is further amended by adding a new paragraph as follows:

"(c) The Secretary may provide for the attendance of nationals of a cooperating country at selected institutions or places of study in any cooperating country for the purpose of study of subjects pertaining to the United States or for participation by nationals of such countries in meeting sponsored by individuals or public or private organizations of the United States, when he determines that urgent foreign relations objectives would be served thereby, provided, that this paragraph shall not authorize the Secretary to provide for the attendance of any foreign national at any institution or meeting in any country controlled by international communism."

SEC. 3. Section 602 (a) of such act is amended (1) by inserting before the period at the end thereof a colon and the following: "*Provided*, That no office under a State university, land-grant college, or other similar educational institution shall be deemed to be a compensated Federal or State office for the purposes of this subsection."; and (2) by adding the following new sentence: "After July 1, 1957, the Commission on Information shall consist of seven members, not more than four of whom shall be from any one political party; and the appointments of the two additional members initially shall be for terms ending in January 1960 but thereafter shall be for 3-year terms."

SEC. 4. Section 603 of such act is amended by striking out the word "a semiannual" and substituting the words "an annual" therefor.

SEC. 5. Title VI of such act is amended by adding at the end thereof a new section as follows:

"USE OF BINATIONAL COMMISSIONS

"SEC. 604. The Secretary is authorized, wherever practicable, to utilize in the administration of exchange programs under this act the services of any binational commission or foundation established under authority of any other law providing for similar exchange programs."

SEC. 6. Section 801 (6) of such act is amended (1) by striking out the period at the end of the first sentence and inserting in lieu thereof a semicolon, and by adding the following: "and from time to time to hold meetings of representatives of United States cultural and educational institutions and other organizations interested in programs under this act for the purpose of making reports on, and obtaining comments and suggestions with respect to, such programs. Such persons will not be considered as persons 'employed or assigned to duties by the Government' within the meaning of the act."; and (2) by striking from the last sentence the words "and not to exceed $10 per diem in lieu of subsistence and other expenses" and substituting therefor the following: "and per diem in lieu of subsistence and other expenses at the rate prescribed by or established pursuant to section 5 of the Administrative Expense Act of 1946, as amended (5 U. S. C. 73b-2),".

SEC. 7. Section 902 of such act is amended:

(1) by inserting "contracts of insurance, guaranty, and indemnity, and" after the first "including" in paragraph (2); and

(2) by striking "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon, and by adding after paragraph (4) the following new paragraphs:

"(5) to pay emergency medical expenses and expenses of travel incurred by reason of illness for alien employees while assigned temporarily for duty outside the countries in which they reside or for participants in activities authorized by this act and to pay for accompanying medical attendants in such cases; and

"(6) to pay the travel expenses, including a per diem allowance in lieu of subsistence, of alien employees and their dependents when such employees are authorized to travel in connection with appointment, change of duty, or separation."

SEC. 8. The first sentence of section 902 is amended by inserting after the words "other government" the words "or any international organization of which the United States is a member."

SEC. 9. Section 1008 of such act is amended by inserting before the period at the end thereof a comma and the following: "except that the report concerning activities under the educational exchange programs authorized by this act shall be submitted annually on or before the 31st day of December of each year to apply to activities conducted during the previous fiscal year."

SEC. 10. The United States Information and Educational Exchange Act of 1948 is further amended by adding the following new sections at the end thereof:

"PAYMENT OF CERTAIN CLAIMS

"SEC. 1012. For the purpose of promoting and maintaining friendly relations abroad by the prompt settlement of meritorious claims arising in a foreign country, the Secretary of State and the Director of the United States Information Agency, and such other officers as they may designate for such purposes, and under such regulations as they may prescribe, are hereby authorized to consider, ascertain, adjust, determine, and make payments, where accepted by the claimants in full satisfaction and in final settlement, of claims, excluding claims of subrogees, on account of damage to or loss or destruction of public or private property both real and personal or on account of personal injury or death of inhabitants of a foreign country, including claims respecting personal property bailed to the Government and claims for damages incident to the use and occupancy of real property, whether under a lease, express or implied, or otherwise, whenever caused by any agency, instrumentality, officer, agent or employee in or of the Department or Agency, incident to the performance of any official functions for the United States, when the amount of such claim does not exceed $5,000: *Provided*, That in cases where the amount exceeds $2,500 but does not exceed $5,000, payment shall be made only after approval by the Secretary or Director.

"The Secretary or Director may certify to Congress any meritorious claim or portion thereof which is in excess of $5,000 as may be deemed to be just and reasonable for payment out of appropriations that may be made by Congress therefor.

"No claim shall be considered unless presented within 1 year after the claim arose.

"Every claim settled under the authority of this act shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary.

"UNITED STATES INFORMATION OFFICERS

"SEC. 1013. (a) There is hereby established a category of officers of the United States Information Agency to be known as United States information officers who shall, except as provided in this section, be subject to the provisions of the Foreign Service Act of 1946, as heretofore or hereafter amended (hereinafter referred to as the Foreign Service Act), and any other provisions of law which are or may become applicable to Foreign Service officers: *Provided*, That no person shall be eligible for appointment as a United States information officer unless he meets standards and has passed examinations substantially equivalent to those required for appointment as a Foreign Service officer under the Foreign Service Act.

"(b) Such authority as is or may become available by statute to the Secretary of State with respect to Foreign Service officers, shall be available on the same basis to the Director of the United States Information Agency (hereinafter referred to as the Director) with respect to United States information officers, except as otherwise provided in this section, and except for the following sections of the Foreign Service Act or portions thereof which shall not apply to United States information officers: 201 (Director General of the Foreign Service), 211 (a) (Board of the Foreign Service), 401 (1) (chiefs of mission), 411 (chiefs of mission), the first three sentences of section 412 (classes of career ambassador and career minister), 421-422 (officers temporarily in charge), 431 (chiefs of mission), the last sentence of section 443 (designation of hardship posts), 501-502 (principal diplomatic representatives), the second and third sentences of section 517 (lateral entry), 518-519 (career ambassadors, career ministers, and chiefs of mission), 571 (b) (eligibility of Foreign Service officers to serve as Director General), and section 631 (retirement of career ambassadors and career ministers).

"(c) There are hereby established in the United States Information Agency (1) a Board composed of 4 senior officers of the Agency designated by the Director, and 1 officer of the Department of State designated by the Secretary of State, 1 of whom shall be designated Chairman by the Director, and (2) a Board of Examiners designated by the Director, which Board shall carry out with respect to foreign service personnel of the Agency the functions vested by the Foreign Service Act in the Board of the Foreign Service and the Board of Examiners for the Foreign Service, respectively.

"(d) The Secretary of State may, upon request of the Director, recommend to the President that United States Information Officers be commissioned as diplomatic or consular officers, or both, in accordance with section 512 of the Foreign Service Act. The Secretary of State may, upon request of the Director, assign United States Information Officers, commissioned as diplomatic or consular officers, to serve under such commissions in accordance with sections 512 and 514 of the Foreign Service Act.

"(e) The Director shall establish and administer an independent retirement and disability system for United States Information Officers in accordance with the provisions of the Foreign Service Act.

"(f) Regulations prescribed by the Director with respect to appointments, promotions, assignments, separations, and the general administration of the United States Information Officer personnel system shall at all times be compatible with and, to the extent practicable, similar to those applicable to the Foreign Service Officer Corps.

"(g) Nothing in this legislation shall be construed to authorize the Director to establish a Foreign Service Institute, as provided in title VII of the Foreign Service Act.

"(h) Nothing in this legislation shall be construed to make permanent the separation of the overseas information program from the Department of State.

"UNITED STATES INFORMATION SERVICE

"SEC. 1014. The Agency established by section 1 of reorganization plan No. 8 of 1953 shall hereafter be known as the 'United States Information Service,' and all references in such reorganization plan or in any statute, regulations, agreement, or other legal instrument to the 'United States Information Agency' shall be construed to refer to the 'United States Information Service.' Nothing in this section shall be construed to alter or affect in any way the functions, authorities, or responsibilities of the Agency."

The section-by-section analysis presented by Mr. Green is as follows:

SECTIONAL ANALYSIS

SECTION 1 (STATE DEPARTMENT PROPOSAL)

Public Law 402 now authorizes three means to be used by the Educational Exchange Service in cooperating with other nations to achieve the objectives of the act. This adds a fourth, authorizing the development of projects in these fields.

It has been found that the continuity of carefully planned educational exchange projects engender binational support and cumulative effectiveness, which cannot be gained from single isolated exchanges.

This proposal would permit the establishment of chairs in American studies in educational institutions abroad utilizing American and American-trained professors.

This provision would also permit the arranging for special seminars abroad. This would enable the bringing together of groups of American professors, lecturers, and researchers, already abroad under this program or the Fulbright program, for the purpose of presenting an intensive course in various phases of American subjects.

These special conferences would be attended by foreign nationals who had been exchange visitors under the program, as well as some foreign nationals who had not had such an experience. For the former, this would be a refresher, or followup, session where they could in a sense recharge their batteries and continue to shine brightly as advocates among their people for the things achieved through their experiences in the United States. For those attending such sessions who have not, and in many instances cannot, become exchangees, it will give them an insight into American studies and American educational techniques. For example, a group of foreign high-school teachers of American history or English could attend such sessions, even though they might not be able to come to this country under this program. The cost would be small when compared with the cost of bringing them to this country.

It should be noted that the various provisions granting new authority which will require the expenditure of funds are all permissive in nature. No additional funds are to be requested by the Department for the implementation of the new provisions during fiscal year 1958, but certain changes will be made in programing to permit the use of some funds for the new activities. The estimated costs of each amendment, based on the planned program for 1958, are indicated at the end of the sectional analysis.

SECTION 2 (A) (STATE DEPARTMENT PROPOSAL)

Section 2 (a) provides for the orientation of foreign nationals, in this country, who are not exchangees under the Government program. Orientation is now given to Government grantees. This would enable the same thing to be done for persons in this country under private programs, when such programs are similar to the one conducted by the Government under this act and the orientation will help to accomplish the objectives of this act. The Government can take advantage of the presence of such persons in this country and, at relatively small expense, give them something that will make them more effective witnesses for the United States when they return home.

SECTION 2 (B) (STATE DEPARTMENT PROPOSAL)

Section 2 (b) will permit the Secretary to arrange for the attendance of nationals of cooperating countries at institutions of learning or places of study in any cooperating country.

This would be done sparingly, but situations arise where an activity of this type would be extremely helpful and most effective. For example, the Department might want to bring together a group of Latin American English teachers in, say, Quito, Ecuador, to take an intensive course under American professors in the teaching of English as a foreign language.

The Department might find it desirable to bring together nationals of several Asiatic countries at the University of the Philippines for courses in American literature, American history, etc., either under American professors or under Filipino professors who had American training.

This provision would also permit the sending of nationals of other countries to such fine American schools as the American University of Beirut or Robert College. This is now permissible under the Fulbright Act, and the Department feels it should also be authorized under the Smith-Mundt Act.

SECTION 3, ITEM 1 (STATE DEPARTMENT PROPOSAL)

Item 1 of section 3 will permit officers of State universities and land-grant colleges to be considered for appointment to the United States Advisory Commissions. It is believed that such persons should be eligible. The inclusion of the provision would improve and simplify the procedures for the selection of persons for the Commissions in that it would enlarge the field from which members could be chosen and would make it unnecessary to examine State constitutions and statutes before selections are made from certain educational institutions. The members of these Commissions are appointed by the President and confirmed by the Senate.

This will solve a problem that exists, especially in connection with the membership of the Commission on Educational Exchange.

SECTION 3, ITEM 2 (USIA PROPOSAL)

Item 2 of this section adds a new sentence to be added to section 602 (a) of the act to increase the membership of the Commission on Information from 5 to 7. The increased membership will provide a broader representation of American experience, knowledge, and pursuits on the Commission.

SECTION 4 (JOINT USIA AND STATE PROPOSAL)

The change in section 603 of the act would permit both Advisory Commissions to report to the Congress annually rather than semiannually as now required. In general, reporting on an annual basis would produce reports that would be more complete and meaningful because the programs are planned and administered in terms of 1 or more years. A period of 1 year is required to complete a single cycle. This change

would not preclude the submission of interim reports, however, as a given situation might require.

SECTION 5 (STATE DEPARTMENT PROPOSAL)

Section 5 authorizes the Secretary of State to utilize binational commissions, created under the Fulbright Act, in administering the programs authorized in the Smith-Mundt Act. No authority is requested for creation of any new commissions. The use of the existing commissions in countries where programs are conducted under both acts will assure maximum coordination and acceptability of the combined program in the host country, at a minimum of additional expense under this act. The budget of these commissions is subject to the approval of the Secretary of State.

SECTION 6, ITEM 1 (JOINT USIA AND STATE PROPOSAL)

Section 6 amends section 801 (6) of the act so as to authorize the calling of meetings to obtain advice and assistance of private and public educational institutions and other similar organizations. This would permit better cooperation between governmental and nongovernmental programs so that the effectiveness of both would be increased, especially in the exchange of persons area. Persons attending such meetings at the invitation of the Government would not require full field investigations of the kind conducted for persons employed or assigned to duty. Such investigations are not considered necessary since the persons attending would serve in advisory capacities only and would not have access to classified material.

There is general authority now under which individuals may be brought in for consultation and advice, but specific authority as a part of this act would be extremely helpful in attracting the type of individuals needed for this program.

SECTION 6, ITEM 2 (JOINT USIA AND STATE PROPOSAL)

Section 6 further amends section 801 (6) of the act so as to authorize an increase from $10 to $15 in the per diem rates payable to members of advisory commissions and committees. Such persons serve without compensation. The $15 rate conforms to the general rate now prescribed for consultants and others serving without compensation. The authority requested would bring these commission and committee members under the general legislation prescribing rates of per diem for experts and consultants serving the Government without compensation.

SECTION 7, ITEM 1 (USIA PROPOSAL)

This section will permit the Information Agency to give assurances to private parties that assistance they render to the information program will not result in loss or damage to them.

For example, the Agency frequently borrows paintings and other art objects from private parties for distribution in its exhibits program. Naturally, it must give the owner assurance that, in case of loss or damage, he will be made whole.

The estimated cost of purchasing insurance to cover borrowed paintings and other objects for exhibit would be less than $25,000 per year. The Agency also finds from time to time that prospective distributors and exhibitors of its films or kinescopes want the Agency's protection against claims by persons subsequently asserting ownership of rights in the films or kinescopes. This latter is an especially difficult situation because the intangible rights in motion pictures, kinescopes and similar properties are manifold and exceedingly complicated and it is frequently necessary for the Agency to use materials in which full rights cannot be obtained or where the exact rights acquired by the Government cannot be ascertained.

The Agency is not able to estimate the extent of the liability which might be incurred by it under contracts indemnifying exhibitors of its films against third party claims. However, the Agency would not employ such contracts of indemnity except in unusual situations where the financial risk of the United States was outweighed by the benefits to be derived from the film showings. Few such situations are anticipated.

SECTION 7, ITEM 2 (JOINT USIA AND STATE PROPOSAL)

Section 7 further provides authority for payment of emergency medical expenses for alien employees and participants in the program. The lack of authority to pay such expenses in emergency cases has given rise to serious problems.

Under the exchange program, foreign participants are really guests of this Government while in this country and the inability of the Government to meet their emergency hospital and medical expenses, which the individuals often are unable to meet, places them in an embarrassing position. The same is true of American participants abroad. Authority is requested also to pay the expense of travel incurred by reason of illness. In a number of instances, participants in the program have suffered mental or physical disorders that require their return home accompanied by an attendant. The proposed provision would permit payment of travel costs incurred under such circumstances.

It has been the policy of the Information Agency to bring selected local employees (foreign nationals) to the United States for orientation and indoctrination, and on occasion, it is necessary to send alien employees away from their homes or countries of residence to other countries on temporary duty. In the past, there has been no provision permitting the Agency to provide hospitalization and medical care for these alien employees in cases where they become ill while on assignment away from home. In the interests of good public relations and personnel policy, it is thought desirable that the Agency, in its discretion, be authorized to provide such care.

Section 7 further provides authority for the Information Agency to pay travel expenses of alien employees and their dependents, when such aliens are required for work in the United States or in countries other than their native ones.

At present, the act does not permit the Agency to pay transportation expenses for dependents of these employees. When the information program was conducted by the Department, special authority to do this was available in the Department's annual appropriation acts. But, for unspecified reasons, such authority has been left out of the annual appropriation acts for the Agency. As a result, the Agency is presently in the difficult position of trying to hire persons native to other countries for essential positions in the United States without being able to pay the expenses of transporting their families to the United States. This limitation has created great difficulties in securing necessary foreign nationals, particularly those with language skills required by the Far East Division of the Voice of America for its broadcasting operations in Far Eastern languages.

SECTION 8 (STATE DEPARTMENT PROPOSAL)

Section 8 of the bill amends section 902 of the act to permit the acceptance of funds from international organizations of which the United States is a member for operation of programs authorized by the act. Authority now exists for the acceptance of such funds from foreign governments. The additional authority is needed to permit this Government to assist in administering some of the fellowship programs of the United Nations. The funds would be accepted and used for only those specific projects for which they are made available by such organizations.

For example, under the United Nations Fellowship Program, a grantee from India seeks training of the type given in the Bureau of Standards. United Nations has the funds to pay for such training, but authority is needed to accept and use the funds.

This would grant such authority and would permit handling the project in the same way it would be handled had the request for training come directly from the Government of India.

SECTION 9 (STATE DEPARTMENT PROPOSAL)

The change proposed in section 1008 would permit the Secretary of State to report to the Congress on the educational exchange program annually. He is now required to report semiannually. Since a year is required to meet a complete cycle of the exchange program, reports presented on this basis would be more complete and more meaningful.

SECTION 10, NEW SECTION 1012 (JOINT STATE AND USIA PROPOSAL)

The new section 1012 permits the Secretary of State and the Director of the United States Information Agency to settle meritorious claims arising from activities of this Government in foreign countries. The expeditious settlement of such claims will aid immeasurably in maintaining and promoting friendly relations abroad.

The authority set out in the proposed new section 1012 for the settlement of claims abroad is patterned on the authority presently available to the armed services (31 U. S. C. 224 (d)). The Department of State has very limited authority to settle tort claims abroad which is based on the domestic tort claims law (28 U. S. C. 2672). The Agency relies upon the language in its appropriation acts authorizing settlement of claims arising out of torts occurring in other countries in accordance with the domestic tort claims law. The domestic law authorizes only settlement of claims up to $1,000 for which the United States, if a private party, would have been liable under the law of the place where the tort occurred. This language makes the law difficult to apply abroad because of the great variation in notions of legal liability among different countries abroad, whose legal systems differ widely from the common-law system in the United States. As a result, the Agency has been confronted with most difficult problems in connection with several claims which were borderline from the viewpoint of technical, legal liability but which did create substantial inequity.

The new provisions will also tend to reduce the number of cases in which American employees of the Department and the Agency, whose actions cause injuries or damage to the citizens of foreign countries, will be sued in foreign courts.

In view of the nature of the United States Information Agency operations and its special duty to create the best relations for the United States among foreign peoples, it is important that the Agency be able to settle and pay just claims of foreign nationals arising out of the actions of its agents and employees.

SECTION 10, NEW SECTION 1013 (USIA PROPOSAL)

General: The authority of this section will enable the agency to establish a career personnel system for the Agency's professional overseas officers, and enable the Agency to recruit and retain the best qualified persons available for its overseas service. Under its present authority, the Agency is limited to the appointment of Foreign Service reserve and staff officers for its Foreign Service. When the Agency was established, it was recognized that this limited personnel authority granted to the new Agency under Reorganization Plan No. 8 and implementing Executive orders was not adequate. In the message he sent to the Congress with the reorganization plan, the President said:

"While these [personnel] arrangements will enable the new Agency to function with reasonable effectiveness from the outset, I do not consider them permanently suitable."

Professional overseas personnel of the Agency work with and under the same conditions as Foreign Service officers of the Department of State in our diplomatic and consular establishments abroad. This section proposes, therefore, that, with certain stated exceptions, career officers of the Agency be made subject to the provisions of law which apply to Foreign Service officers. Thus professional officers of both the Department of State and the Agency who work together under the same conditions in overseas establishments will be assured equality of treatment. Also, by applying the Foreign Service officer system to the new career personnel system of the Agency, the Agency will be able to profit from the years of experience of the Department in administering the Foreign Service Officer Corps.

Subsection (a): The new category of officers to be established by the legislation will be known as United States Information officers who will be required to pass examinations and meet qualifications and standards for appointment substantially equivalent to those required for Foreign Service officers under the act. Sufficient flexibility is provided in this subsection to permit the Agency to tailor its examinations to selection of officers with specific qualifications required by the program.

Subsection (b): Certain of the laws applicable to Foreign Service officers are not pertinent to USIO's. Laws which pertain, for example, to chief of missions, career ambassadors, or career ministers have no direct application to USIO's as such. This subsection, therefore, specifies the statutory authorities available to the Secretary of State which are not made available to the Director with respect to USIO's. The Director is not authorized by this section to appoint Foreign Service officers or consular agents.

Certain authorities of the Foreign Service Act which are vested in the President, such as authority to regulate allowances and post differentials, have been delegated by Executive order to the Secretary of State. These delegated authorities of the Secretary of State are not made available to the Director under this section. The Director will continue to have the authorities made available to him by the President under Executive orders implementing Reorganization Plan No. 8 which established the Agency.

Subsection (c): Two boards are established by subsection (c) to perform with respect to Agency Foreign Service personnel the functions vested by the Foreign Service Act in the Department of State's Board of the Foreign Service and the Board of Examiners. The boards will perform functions with respect to all categories of Agency Foreign Service personnel as in the case of their counterparts in the Department.

Subsection (d): Under subsection (a), USIO's will be eligible to be commissioned as diplomatic or consular officers, or both, and for assignment to serve under such commissions in any diplomatic or consular capacity other than as a Chief of Mission. This subsection merely establishes procedures for commissioning and assigning USIO's in a diplomatic or consular capacity which will be the same as those now followed by the Agency and the Department of State in commissioning and assigning Foreign Service Reserve and Foreign Service staff officers of the Agency. No change in present arrangements is contemplated.

Under these procedures, the director, when he considers it necessary to carry out the Agency's functions, will request the Secretary of State to recommend to the President that USIO's be commissioned as diplomatic or consular officers, or both, by and with the advice and consent of the Senate, or to assign USIO's so commissioned to serve in a diplomatic or consular capacity. In this way, the Secretary of State retains responsibility for commissioning Agency personnel and for their assignment to serve under their commissions in diplomatic or consular capacities. The director retains authority over assignment and transfer of USIO's in other than diplomatic or consular capacities.

Subsection (e): Under subsection (a) of this section, USIO's will be subject to a retirement system established pursuant to the provisions of title VIII of the Foreign Service Act which sets up a retirement system for Foreign Service Officers. The Agency would be required to follow all the provisions of the Foreign Service Act relating to retirement. This subsection makes it clear that the Agency will establish and administer an independent retirement fund on behalf of its USIO's, rather than participate in the State Department fund. In setting up its system, the Agency will be guided by the experience of the Department of State and will follow to the greatest possible extent the regulations of the Department relating to its retirement system.

Subsection (f): To the extent that its needs will permit, the Agency intends to take advantage of the experience of the Department in the administration of the Foreign Service Officer Corps and to pattern its regulations after those of the Department. The Agency will continue to be bound by governmentwide regulations relating to allowances issued by the Department. Close coordination will be maintained with the Department in regard to such matters as policies and procedures with respect to appointments, promotions, assignments and separations. The Agency Board of the Foreign Service which is responsible for making recommendations to the Director on these matters will include a member designated by the Secretary of State.

Subsection (g): Title VII of the Foreign Service Act is concerned with the establishment and operation of the Foreign Service Institute and with the general training and development of the personnel of the Service. This subsection makes it clear that the Agency will not have authority to establish a Foreign Service Institute to parallel that of the Department of State. The Agency will continue to make use of the facilities of the Foreign Service Institute of the Department under appropriate financial arrangements and will use those provisions of title VII which pertain to training and development of Foreign Service personnel in training and developing its USIO's. The provisions of title VII which pertain to training and development of Foreign Service reserve and Foreign Service staff officers are now available to the Agency under reorganization plan and Executive Order 10477.

Subsection (h): This subsection is intended to place on record that the enactment of the legislation is not to be construed as making permanent the separation of the information program from the Department. The overall effect of the section is to establish in the Agency a personnel system which will parallel that of the Department of State. The existence of parallel personnel systems would simplify the return of the program to the Department of State if such course should be decided upon.

SECTION 10, NEW SECTION 1014 (USIA PROPOSAL)

The proposed section 1014 changes the name of the United States Information Agency to the United States Information Service. The reason for this proposal is that the overseas information offices and personnel of the United States have functioned for a number of years under the name of the "United States Information Service." After establishment of the United States Information Agency under that name by Reorganization Plan No. 8 of 1953, it was decided to preserve the title "United States Information Service" for all overseas operations of the Agency, because that name (USIS) had become so well known in foreign countries. Unfortunately, the existence of two names for the Agency has caused considerable confusion. It is not clear to many whether there is one Agency or two, or what the relationship is between USIS and USIA. To eliminate this confusion and cumbersomeness, it is considered important to bring the domestic name of the organization into conformity with the name by which it is already so well known overseas—the "United States Information Service"—so that operations may be carried on under a single name both domestically and abroad.

ESTIMATED ANNUAL COSTS OF PROPOSALS (STATE DEPARTMENT AND USIA)

Section 1, estimated cost (Department), $100,000.

Section 2 (a), estimated cost (Department), $50,000.

Section 2 (b), estimated cost (Department), $140,000.

Section 3, item 1, no additional cost.

Section 3, item 2, estimated cost (USIA), $1,000.

Section 4, estimated cost, a small saving would result.

Section 5, no additional cost.

Section 6, item 1, estimated cost (Department and USIA), $1,300. (Department, $300; $5,000; USIA, $2,500.)

Section 6, item 2, estimated cost (Department and USIA, $1,300. (Department, $300; USIA, $1,000).

Section 7, item 1, estimated cost (USIA), $25,000.

Section 7, item 2, new paragraph (5), estimated cost (Department and USIA), $27,000. (Department, $25,000; USIA, $2,000.)

Section 7, item 2, new paragraph (6), estimated cost (USIA), $50,000.

Section 8, no additional cost.

Section 9, no additional cost.

Section 10, new section 1012, estimated cost (Department and USIA), $7,000. (Department, $2,000; USIA, $5,000.)

Section 10, new section 1013, estimated cost (USIA), $125,000.

Section 10, new section 1014, no additional cost.

AMENDMENT OF LEGISLATIVE REORGANIZATION ACT OF 1946, RELATING TO EVALUATION OF FISCAL REQUIREMENTS OF EXECUTIVE AGENCIES

Mr. McCLELLAN. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Arkansas may proceed.

Mr. McCLELLAN. Mr. President, on behalf of myself and 60 other Senators, namely, Senators ALLOTT, ANDERSON, BARRETT, BEALL, BENNETT, BIBLE, BRICKER, BRIDGES, BUSH, BUTLER, CAPEHART, CARLSON, CARROLL, CASE of New Jersey, CHAVEZ, CHURCH, CURTIS, EASTLAND, ERVIN, FLANDERS, FULBRIGHT, GOLDWATER, GREEN, HICKENLOOPER, HOLLAND, HRUSKA, HUMPHREY, IVES, JACKSON, JAVITS, JENNER, JOHNSTON of South Carolina, KEFAUVER, KENNEDY, LAUSCHE, MAGNUSON, MALONE, MANSFIELD, MARTIN of Iowa, MARTIN of Pennsylvania, McCARTHY, MONRONEY,

MORSE, MORTON, MUNDT, NEUBERGER, PASTORE, PAYNE, PURTELL, SALTONSTALL, SCHOEPPEL, SMITH of Maine, SMITH of New Jersey, SPARKMAN, STENNIS, TALMADGE, THURMOND, WILEY, WILLIAMS, and YOUNG, I introduce, for appropriate reference, a bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States. This proposed legislation would create a Joint Committee on the Budget composed of seven members from each of the House and Senate Committees on Appropriations. Its objective is to remedy serious deficiencies in appropriation procedures and to improve the surveillance over the expenditure of public funds. It constitutes a positive approach to the elimination of extravagance, waste, and needless or excessive appropriations.

The ever-increasing cost of operating the Federal Government, with annual budgets now exceeding $70 billions, and continued annual deficits of billions of dollars that pyramid the already astronomical national debt, dictates the compelling necessity of reducing the cost of government, where it is prudent to do so, in order to restore sound fiscal policies.

Every Member of this body has learned from contacts with the people back home that there is a tremendous ground swell of public sentiment for economy in Government, and demands for action in eliminating unnecessary expenditures in the operation of the Government. The bill I am introducing today is designed to remedy the existing deficiencies related to appropriation procedures and the expenditure of public funds by providing the machinery which is necessary to enable the Congress to do the job.

The action taken on Tuesday of this week by the other body in adopting a resolution requesting the President to indicate the places and amounts in his budget where he thinks substantial reductions may best be made, is a clear indication that the Congress does not have adequate information upon which to act in carrying out its constitutional responsibilities for maintaining adequate controls over Government expenditures.

The Senate has repeatedly attempted to enact legislation which would provide the machinery necessary to effect reductions in Federal expenditures. On recommendations of the Committee on Government Operations, the Senate approved, in the 82d, 83d, and 84th Congresses, bills similar or identical to the bill I am introducing in the Senate today. The bill was approved by a vote of 55 to 8 in the 82d Congress and, after the committee had adopted further perfecting amendments, passed the Senate under unanimous consent in both the 83d and 84th Congresses. The House of Representatives in each instance has withheld approval of these bills, although no vote has ever been permitted on the merits of the proposal. The Congress and its Appropriations Committees continue to labor under a tremendous handicap in passing judgment on budget requests for the executive branch of the Government. Failure to provide adequate facilities for the procurement of factual information that is needed and indispensable to enable the Congress and its committees to make sound and judicious determinations with respect to appropriations requested in the budget, has resulted in a demand on the part of the public for remedial action. It is my earnest judgment that the bill I am introducing today will meet and satisfy that demand.

As Members of the Senate know, the Commission on Organization of the Executive Branch of the Government made specific recommendations to the Congress with a view to improving governmental budget and accounting methods and procedures. A bill which, among other provisions, called for the submission of budget requests to the Congress on an annual accrued expenditure basis was passed by the Senate during the 84th Congress, as recommended by the Hoover Commission. This provision was stricken in conference at the insistence of members of the House Committee on Appropriations. Legislation to implement this part of the Hoover report has been introduced in the present Congress, but there have been certain objections raised to this approach on the basis that it might seriously impair the effectiveness of the Committees on Appropriations, particularly in relation to contract authority. In view of this development, the Subcommittee on Reorganization of the Committee on Government Operations was forced to cancel a hearing scheduled for Tuesday of this week, at the request of the witnesses scheduled to appear in behalf of the legislation, pending the completion of efforts to solve some of these problems.

It is my conviction that the bill I am introducing today, along with 60 other Senators who have joined as cosponsors, will not only provide the Congress with adequate facilities to carry out its constitutional functions and to retain control over the purse springs, but will provide the medium through which the necessary economies in governmental operations can be effected. It will set up machinery through which all of the recommendations of the Hoover Commission can be fully implemented under authority which will be vested in the proposed Joint Committee on the Budget without further legislative action, and with the further advantage of retaining complete legislative control over all appropriations and the expenditure of Federal funds.

Section 1 of the bill charges the joint committee with the duty "to inform itself on all matters relating to the annual budget of the agencies of the United States Government"; "to provide the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate with such information on items contained in such budget and the justification submitted in support thereof, as may be necessary to enable said committees to give adequate consideration thereto." That is the heart of the bill.

The bill makes it the duty of the joint committee "to report to the Appropriations Committees of the House of Representatives and the Senate its findings with respect to budget estimates and revisions in appropriations required to hold expenditures to the minimum consistent with the requirements of Government operations and national security." That is the goal the bill seeks to attain.

To enable the joint committee to properly function and render the services and perform the duties prescribed, the committee is empowered to employ a professional, technical, and clerical staff and, upon the written authority of the chairman or the vice chairman, the members of the professional and technical staff "shall have the right to examine the fiscal books, documents, papers, and reports of any agency of the United States Government within or without the District of Columbia, and data related to proposed appropriations in the annual budget transmitted by the President."

The joint committee is also authorized to hold hearings at any time whether the Congress is in session, in recess, or has adjourned, in order to examine into and inform itself on matters relating to the Federal budget, requested appropriations, and the expenditure of public funds. It will then report its findings to the two Appropriations Committees.

The bill, as introduced, contains a provision approved by the committee in the 84th Congress, which authorizes the Comptroller General of the United States to undertake special investigations upon the request of the Chairman of the Joint Committee on the Budget. This section of the bill is designed to conform to a number of suggestions submitted to the committee relative to the desirability of establishing a qualified staff on a permanent and nonpolitical basis to make such investigations and reports as may be required by the joint committee to supplement the work of its own professional staff with respect to designated agencies.

The proposed legislation authorizes the joint committee to adopt rules respecting its organization and procedures, and contains a further subsection requiring the inclusion in the annual budget of the United States of a special analysis of all active long-term construction and development programs and projects authorized by the Congress, including grants-in-aid programs, under a separate grouping covering a projected period of 10 years.

The need for the services which would be performed by the joint committee, for both the Appropriations Committees and for the Congress, is obvious. The Bureau of the Budget, an arm of the executive branch of the Government, employs more than 500 people the year around, at an annual cost in excess of $3½ million, who devote themselves to the preparation and submission of the annual budget of the President to the Congress. Every agency and department of the Government has its own budget staff and employees separate and apart from the Bureau, the number and cost of which is indeterminable. All of these Federal employees represent the views of the executive branch with reference to appropriations to cover the operating cost of that branch of the Government. When appropriation bills are before the committees of Congress, the hearings

conducted are ex parte in nature. Witnesses appearing before the committee are the heads and representatives of the agencies desiring the money to spend. Their purpose is to support and defend the budget requests both as to necessity and amounts.

The Appropriations Committees have not heretofore been equipped with adequate permanent professional and technical staffs charged with the duty or responsibility of thoroughly examining and evaluating proposed expenditures. Neither the Congress nor the taxpayers are represented by witnesses who are prepared and competent to refute with facts and reliable information the claims or the evidence submitted by representatives of the executive branch in support of the budget requests.

Under this procedure it is most difficult, if not impossible, for the Appropriations Committees to screen the requests before them and make fair and judicious decisions with reference to all appropriation items. They only hear one side of the case. A joint committee, as proposed by the bill, properly staffed and functioning, will be able to present to the Appropriations Committees and to the Congress factual information that will justify the elimination of some items entirely and a reduction in the amounts of many others.

This committee would follow up on funds appropriated by the Congress and report on the prudence of their expenditure. On the basis of such reports the Congress would then be able to make more intelligent determinations with respect to subsequent appropriations.

The need for the kind of facility and the service this measure would provide has heretofore been recognized and confirmed by both Houses of Congress. The Senate, in recognition of the urgency for action, passed bills in the 82d, 83d, and 84th Congresses which were virtually identical to that which I am introducing today.

The Congress cannot with good grace and conscience continue to ride herd on the agencies and departments of the executive branch in an effort to eliminate waste, duplication, and extravagance—nor can it depend upon the President to recommend adjustments in his own budget, if it is unwilling to set an example by putting its own legislative machinery in order.

I ask unanimous consent that the bill lie on the desk until the close of business today so that other Senators, who may wish to do so, may cosponsor it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Arkansas.

The bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, introduced by Mr. MCCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

ELIMINATION OF FINANCIAL LIMITATION ON REAL AND PERSONAL ESTATE HOLDINGS OF AMERICAN HISTORICAL ASSOCIATION

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill to eliminate the financial limitation on real and personal estate holdings of the American Historical Association and to exempt from taxation certain property of such association in the District of Columbia.

The charter of the American Historical Association was approved by Congress in 1889 under an act of incorporation sponsored by Senator George Frisbie Hoar, of Massachusetts. The association was founded in 1884 for "the promotion of historical studies, the collection and preservation of historical manuscripts, and for kindred purposes in the interest of American history, and of history in America." The association has continuously pursued those objectives.

The act of incorporation of 1889 authorized the association to hold real and personal property in the District of Columbia to an amount not exceeding $500,000. As a result of the devaluation of the dollar in the 1930's and the existing general prosperity of the country, the securities now held by the association have a market value of about $650,000. In addition, it owns real estate valued at about $40,000, which is used entirely for nonprofit, educational, and historical purposes.

It is my feeling that all the property of the association should be made tax exempt in the District of Columbia so that this association may enjoy the same exemptions which are now granted by law to similar organizations. The bill which I am introducing will remove the existing limit of $500,000 on the real and personal property which may be exempt.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1586) to eliminate the financial limitation on real and personal estate holdings of the American Historical Association and to exempt from taxation certain property of such association in the District of Columbia, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on the District of Columbia.

ADDITIONAL INCOME TAX EXEMPTION FOR CERTAIN PHYSICALLY HANDICAPPED TAXPAYERS

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to extend to the physically handicapped the same $600 exemption which is now given to blind persons. It is estimated that the bill, if enacted into law, would affect about 400,000 or 500,000 persons, many of whom could be removed from the public-assistance rolls and helped to become self-sustaining, and thus make it possible for them to overcome the severe drain on their resources which is caused by the necessity of obtaining special rehabilitation and training devices, and prosthetic and other equipment.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1588) to provide an additional income-tax exemption for certain physically handicapped taxpayers, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Finance.

EXEMPTION OF CERTAIN FOOD FROM DISTRICT OF COLUMBIA SALES TAX ACT

Mr. JAVITS. Mr. President, on behalf of myself, and the senior Senator from Oregon [Mr. MORSE], I introduce for appropriate reference a bill to repeal the present 1 percent sales tax imposed in the District of Columbia on food purchased for home consumption. The bill would not affect the levy on restaurant meals.

The receipts from the tax have been very disappointing, in that only about $2,225,000 a year has been collected from it, as contrasted with the very much higher estimate. The amount involved is a very minor proportion of the total budget of the District of Columbia, of about $220 million.

A tax on sales of food is not imposed in such large cities as New York, Philadelphia, Boston, Los Angeles, or San Francisco. Furthermore, it falls on those who are least able to pay it, and can least afford to do so. We believe the provision should be repealed.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1590) to amend the District of Columbia Sales Tax Act so as to exempt from tax sales of food for human consumption off the premises where such food is sold, introduced by Mr. JAVITS (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on the District of Columbia.

REPEAL OF TAX ON TRANSPORTATION OF PERSONS AND PROPERTY

Mr. NEUBERGER. Mr. President, I introduce for appropriate reference, a bill to repeal the present Federal excise taxes on transportation of persons and of goods. A similar bill, H. R. 5557, has been introduced in the House of Representatives by Representative CHARLES O. PORTER, of Oregon's Fourth Congressional District. I am offering this bill for myself and for my colleague, the able senior Senator from Oregon [Mr. MORSE].

We believe that it is right and logical that the repeal of these particular excise taxes should be sought by representatives of the Far West in the two Houses of Congress, because geographical discrimination against the West is the outstanding characteristic which differentiates these excise taxes from any of the other personal Federal excises.

Many of the other wartime excise taxes may be undesirable and perhaps discriminatory against particular businesses or producers. But they strike the producers and consumers of the taxed goods and services alike no matter where

in the United States they may live. The excise taxes on transportation alone strike very unequally and unfairly at different Americans, for no other reason than the distance at which they may happen to live from the large economic and population centers of our Nation.

THESE PERSONAL PRODUCT TAX ACTS AS BARRIER TO WESTERN PROGRESS

Mr. President, it is easy to cite many examples to show how both producers and consumers in my own State of Oregon, in Washinton State or Idaho or Arizona or California, or anywhere at a great distance from the industrial and commercial heartland of the United States, must pay many times the amount of transportation excise tax which is collected from producers and consumers of the same goods elsewhere in our country. At a time when rising transportation costs are already placing an economic strain on these more distant areas within our country, the transportation excise taxes have the further effect of increasing, for economic purposes, the distance which we must overcome from major American markets by 3 percent in the case of goods and by 10 percent in the case of persons traveling as passengers. I believe that this is directly contrary to sound economic policy for our vast and farflung country, which should be designed to tie its various regions closer together, rather than to increase artificially the economic distance between its parts.

However, Mr. President, I shall not now take the time of the Senate to read all the examples which may be cited to illustrate what is actually a self-evident point. I ask unanimous consent, instead, that there be printed in the RECORD, at the conclusion of my remarks, a letter which I addressed last December 13 to Representative AIME J. FORAND, chairman of the Subcommittee on Excise TAXES of the Committee on Ways and Means of the House of Representatives, in which I urged that committee to end Federal excise taxes on transportation at this time.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1591) to amend the Internal Revenue Code of 1954 to repeal the tax on transportation of persons and the tax on the transportation of property, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Finance.

The letter presented by Mr. NEUBERGER is as follows:

UNITED STATES SENATE,
Washington, D. C., December 13, 1956.

Hon. AIME J. FORAND,
Chairman, Subcommittee on Excise Taxes, Committee on Ways and Means, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I regret that I am not in the capital and thus unable to appear before your committee in person to present the case for the abandonment of the present excise tax on transportation of persons and property. I am therefore summarizing my statement in this letter to you, in hope that it may be placed in the record of your hearings and may come to the attention of the members of your committee in formulating your decision with respect to continuation of these particular excise taxes.

Your committee has previously heard testimony from many individuals and organizations interested in the ending of excise taxes, most of which were instituted as emergency measures during the Second World War with the expectation that they would expire at the end of the war. Our unexpected postwar military and international needs and consequent budgetary requirements have made it impossible for us to live up to this expectation, and with the expansion of the economy the burden of these taxes has considerably increased. I understand that the impact of the excise taxes on transportation alone has grown twenty-fold since their enactment, from about $25 million in 1943 to more than $700 million collected from passengers and shippers of goods in 1955.

Some of the regressive and discriminatory effects of these transportation taxes have been described by other witnesses, and while I share the view that many of the excise taxes, including those on transportation, are inequitable and undesirable, I do not intend to duplicate the many statements to this effect in this letter. My purpose is specifically to emphasize the geographic discrimination inherent in the excise taxes on transportation, which goes beyond any inequities which may exist in respect to excises on particular goods and services by falling more heavily on the people of some States and regions of the United States than on others.

I know that the Treasury Department has stated that, in view of budgetary requirements the coming fiscal year, the Federal Government cannot afford any net loss in revenue and that it may thus be impossible to permit excise taxes to expire this year. In view of the claims universally made by those subject to such excises, in many cases with great justice, your committee may be urged to the conclusion that no excise taxes should be abandoned piecemeal when it is impossible to give relief in the case of others. I want to urge, however, that the excise tax on transportation is uniquely different from those on particular goods, to the point where it would be entirely logical, as well as extremely desirable, to end this tax irrespective of what may be possible or necessary in the case of other Federal excise taxes.

This crucial difference in the case of the taxes on transportation is that it places a wholly disproportionate burden on the people and the economies of the States west of the Continental Divide, particularly those of the Pacific coast, such as my own State of Oregon. This burden falls equally upon the shippers of the great bulk of the goods which we contribute to the economy of the rest of the Nation, and upon the consumers of Oregon with respect to the great bulk of the goods which we must obtain from the rest of the country. While this inequitable impact of the transportation taxes on the people of Oregon is obvious at first glance, a number of examples of typical exports and imports shipped between Oregon and a representative point at the heart of the eastern market and population area will illustrate the magnitude of the discrimination. (In the following examples, Pittsburgh, Pa., has been arbitrarily chosen as this representative eastern point. Within 500 miles of Pittsburgh is found 55 percent of the Nation's population and the overwhelmingly greater portion of its industrial and consumer market. Portland, Oreg., is from 2,000 to 2,900 miles from points within this circle.)

Typical long-haul shipments from Oregon and neighboring Western States might include lumber—Oregon's principal export and mainstay of our economy—apples, wheat, cattle, and canned fruits and vegetables.

A carload of Oregon's lumber will be assessed freight charges of $475 for shipment from Portland, Oreg., to Pittsburgh. Transportation charges for the same carload of pine from Georgia's forest are $410. The Federal excise tax on transportation collected from the Oregon lumberman is 40 percent larger than that paid by the Georgia timber merchant.

Oregon canners shipping canned fruits or vegetables to eastern population centers may pay transportation charges of $1,032 per carload, compared with perhaps $264 per carload shipped by a midwestern food processor. The midwestern shipper will pay a transportation tax of $7.92, but the Federal Government will charge the Oregon shipper a transportation tax of $36.96—almost 5 times greater.

The Federal excise tax on transportation of a carload of grain from Oregon's farms will be over 2½ times the tax on grain from the central United States, that on Oregon cattle 3.8 times the tax paid by midwestern shippers, to reach the great consumer market of the eastern population centers.

Altogether, it is estimated that farmers pay almost one-fourth of the national transportation excises. Western farmers, who face the highest transportation costs to reach their markets and to purchase the manufactured items they need, are saddled with a far greater burden of this Federal tax than are their fellow citizens elsewhere in the Nation.

Moreover, the discriminatory impact of the transportation tax on the people of Oregon applies to most of the things we consume, other than fresh food, as well as to our products. For example, it costs $10 to ship an automatic washing machine to Portland, Oreg., from a hypothetical eastern manufacturer in an industrial center such as Pittsburgh, Pa., about 4 times as much as it costs to ship the same machine within the 500-mile circle of greatest population concentration, for example, $2.61 to Terre Haute, Ind. The Portland housewife is taxed 4 times more on her washing machine than are the majority of all American homemakers who live within the eastern 500-mile radius.

The Oregon farmer who purchases wire fencing, a new tractor, or tires for his old one, from eastern factories will be taxed by his Federal Government on four times greater transportation costs than those paid by his midwestern colleague.

A pound of coffee is shipped to the Northwest at six or more times the cost and tax ad which it reaches an eastern or midwestern consumer. Clothing, shoes, radios, small domestic appliances, all such manufactured goods reach Oregon at from 3 to 6 times the transportation costs which the majority of Americans must pay—and at proportionately greater Federal excise tax costs.

In summary, the people of Oregon and other Western States are the victims of a discriminatory Federal excise tax which penalizes them for the uncontrollable factors of our country's size and physical geography. Transportation is in no way a luxury or a special service—it is an inevitable and irreducible element in every phase of the Nation's economic activity, and a disproportionately large and essential element in the economy of the Far West. The Federal excise taxes on transportation have the effect of lengthening by 3 percent the distance which, economically, separates the American West from the East, as far as the movement of products in both directions is concerned, and by 10 percent with respect to travel between these areas.

Thus, fairness and equity to the citizens of our Western States, as well as the better development and integration of our national economy, demand an end to the discrimination against the West which is uniquely inherent in these particular Federal excise taxes. I very much hope that your committee will find it possible to recommend their abandonment this year.

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

AMENDMENT OF FEDERAL CROP INSURANCE ACT, RELATING TO FARMER COMMITTEEMEN

Mr. CARROLL. Mr. President, on behalf of myself and the Senator from Minnesota [Mr. HUMPHREY], I introduce for appropriate reference a bill of an emergency nature having to do with the crop-insurance program in drought and other disaster areas.

I have been informed that in the State of Colorado from 6 to 8 counties will be eliminated from the Federal crop-insurance program. The nature of the emergency, I assure the Senate, is such that time is of the essence.

There is now being promulgated in the office of the manager of the crop-insurance program a series of rates and schedules which will be sent to the farm policyholders within a very few weeks. As a matter of fact, in the normal procedure, they will be distributed about April 1.

Mr. President, since the bill is a very short one, I ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1594) to amend the Federal Crop Insurance Act, as amended, to provide for administration by farmer committeemen and improve application of the crop-insurance program in drought and other disaster areas, and for other purposes, introduced by Mr. CARROLL (for himself and Mr. HUMPHREY), was received, read twice by its title, referred to the Committe on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Federal Crop Insurance Act, as amended, is further amended as follows:

(a) Section 507 is amended by adding at the end thereof the following new subsection:

"(f) The Board and the Secretary shall utilize the State and county farmer committees established pursuant to section 8 of the Soil Conservation and Domestic Allotment Act, as amended, to carry out the provisions of this title, except that following a public hearing and based upon the findings thereof the Secretary may determine that a different agency shall be utilized in a particular State or county."

(b) Section 508 is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of this title, (1) crop insurance shall be provided in any county with respect to any crop if written applications therefor are filed covering at least two hundred or one-third, whichever is smaller, of the producers normally producing such commodity, except that such applications may be refused on basis of the finding of a public hearing in such county that the premium cost of such insurance would exceed the value of the program to eligible producers; and (2) premiums charged shall be based on actuarial risks covered by the policies calculated with 50 percent of the weight on county or type of farm area experience, and 50 percent of the weight on statewide recommendations and experience and shall not include any charge for administrative and experimental costs of the program. Notwithstanding the other provisions of this subsection the annual premium charged on any policy shall not exceed 25 percent of 75 percent of the indemnity coverage of such policy. Appropriations by Congress to the corporation are hereby authorized in such amounts annually as may be required to equal the excess of indemnities paid over premiums collected in any year in any area designated by the President to warrant assistance of the Federal Government under Public Law 875, 81st Congress, (42 U. S. C. 1855), as amended."

Mr. CARROLL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an explanatory statement, together with tables and charts, with reference not only to Colorado, but also to other States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Federal crop insurance program in Colorado is facing elimination. This fact, if it occurs, which now seems almost inevitable, will be not only a disaster to the Wheat Belt but will be a terrific economic loss to all of eastern Colorado.

In order to comprehend the full importance of this development a short reference should be made into the purpose of the Federal crop insurance program. The history of the plains area has been one of high risk to farming enterprises. A variety of hazards are always ready to impose a disastrous result upon the farmer. Among these, of most importance are hail, insects, excessive wind, and the appalling impact of prolonged drought. These are hazards that the farmer is unable to control in most cases. It singles out no one individual and, generally speaking, all farmers in the area are hit with the same economic loss.

Each time, in the years past and currently, when such disaster hit an area and the farmers were facing complete loss and economic ruin, the Federal Government inaugurated disaster relief measures. These measures were and are often late and ineffective. Many of the smaller farmers are forced to capitulate long before aid can be made available. As a result, farmers were on a constant plane of decline and fall in economic stability. Every relief measure was designed to aid farmers who were almost economically ruined. In addition, these so-called drought-relief measures were extremely costly both from administration and from immense funds required to alleviate the situation.

The question arose—Couldn't there be a more effective program to assist farmers in maintaining a more stabilized agriculture on the Great Plains, one in which a farmer could buy protection against hazards beyond his control? In other words, insurance or investment protection—all risk insurance that would insure a farmer's investment in his current crop. Would the cost of this type of program be prohibitive or could it be arranged to pay its way?

It was under conditions such as this that the Congress of the United States granted funds for the establishment of the Federal Crop Insurance Corporation to administer the program known as Federal crop insurance. It was a movement that had not been tried or proven and in this light it was originated as a measure for experimental purposes. An appropriation of $100 million was granted the Corporation to use as a capital reserve. Each county signing up enough insurance units to qualify for participation in the program was appraised for production capabilities in accordance with proper land use. Actuarial teams set a rate and coverage for each of these counties individually. Land was classified so as to assure that improper land management would not occur as a result of insurance protection. In other words, land not suited for the growing of crops was ineligible for insurance coverage. Counties individually had classified areas that were eligible and unclassified areas that were not eligible.

Since there was no past actuarial experience to set these rates and coverages the original ones were based on appraisal of each county's past production records. During the years immediately after the inception of the program, crop growing conditions improved and many counties showed premium reserves of considerable size. As drought and various other crop disasters localized in other counties, they showed premium deficits. From time to time during the years of operation of the Corporation, changes were made to improve the program. Each year the policyholders were notified of changes and if they were dissatisfied with the changes, they were permitted to cancel their policy. The whole program was voluntary and cross participation in other programs was not made a requisite for participation.

As actuarial experience became available, certain changes were made as to land eligibility and poor farm operators that were not considered average risks because of their land or their own abilities were canceled from the program. The growth of the policyholders insured by the Corporation grew to tremendous numbers—some counties having more than 90-percent participation.

Crops that were eligible for insurance protection were primarily the basic crop in a particular area. This, however, was extended to multiple crops in areas that relied on a variety of crops for their main source of income.

Not until the last few years has the Corporation found a large-scale disaster confronting it. Generally, localized areas that were affected by crop losses were offset by larger areas showing bountiful harvest and premium reserves for the Corporation. However, beginning in 1952, the present drought made its first real entrance on the records of the Corporation in Colorado. As the dry conditions spread northward over the Wheat Belt, Colorado counties began to suffer increasingly larger losses. Soon premium reserves were liquidated and replaced by premium deficits. In the face of impending disaster, additional farm operators were quick to see the benefit of buying crop insurance protection and participation swelled to unprecedented heights in all counties—particularly in eastern Colorado and Wyoming, not to mention Kansas, Oklahoma, and Texas. With this added liability the Corporation paid nearly $4 million in indemnities in 1955 in Colorado alone. This was more than the program had lost in all of its previous years in Colorado. The same story holds true for other Great Plains States.

Colorado State summary of wheat premiums and indemnities, 1936–56

Year	Premiums	Indemnities	Accumulated balance (premiums less indemnities)
1939	$32,473	$90,292	−$58,819
1940	137,779	261,384	196,405
1941	274,910	95,942	−1,637
1942	190,584	99,839	88,208
1943	211,147	83,608	217,685
1944	(1)	(1)	(1)
1945	4,206	3,965	217,946
1946	670,301	323,206	565,041
1947	958,440	472,058	991,523
1948	171,988	538,813	1,023,697
1949	242,896	249,381	1,017,192
1950	224,982	360,724	882,450
1951	436,335	326,038	993,077
1952	787,172	825,709	954,541
1953	1,165,822	2,421,230	−1,274,863
1954	1,003,280	3,262,948	−3,534,731
1955	1,724,273	5,172,905	−6,982,444
1956 [2]	1,150,100	2,027,118	−8,310,462

[1] Insurance not offered.
[2] Preliminary.

Summary of wheat crop insurance experience, 1939–56

COLORADO

County and period	Number of contracts in force	Accumulated balance (premiums less indemnities)	Average price	Coverage: Bushels	Coverage: Amount	Premium rate: Bushels	Premium rate: Amount
Adams:							
1939–47		$140,822					
1948	32	201,274	$1.96	5.4	$10.58	0.63	$1.23
1949	148	264,638	1.81	5.4	9.68	.63	1.01
1950	151	219,530	1.80	5.4	9.64	.63	1.01
1951	161	218,600	1.80	5.4	9.64	.63	1.01
1952	158	212,496	1.80	5.4	9.64	.63	1.01
1953	151	235,054	1.91	5.4	10.31	.66	1.26
1954	127	204,250	1.91	5.1	11.65	.65	1.24
1955	115	−5,012	1.91	5.1	11.65	.59	1.13
1956	223	−194,210	1.91	5.1	11.65	.65	1.24
1957	323		1.79	6.1	10.74	.97	1.71
Arapahoe:							
1939–47		80,650					
1948	107	56,758	1.93	5.4	10.31	.58	1.11
1954	108	72,239	1.91	5.7	10.89	.61	1.17
1955	137	−117,981	1.91	5.7	10.89	.61	1.17
1956	181	−213,906	1.91	5.7	10.89	.79	1.51
1957	241		1.78	6.7	10.03	.92	1.63
Bent:							
1939–47		90,223					
1948	29	111,505	1.93	5.8	10.92	1.00	1.93
1949	48	142,672	1.97	5.8	11.63	1.00	1.97
1950	80	74,946	1.97	5.8	11.47	1.00	1.97
1951	183	−173,644	1.97	5.8	11.63	1.00	1.97
1952	326	−623,301	2.16	5.8	12.53	1.00	2.16
1953	470	−1,533,437	1.92	5.8	10.75	1.00	1.92
1954	595	−2,265,418	1.92	4.7	9.02	1.24	2.38
1955	700	−2,383,132	1.92	4.7	9.02	1.75	3.42
Cheyenne:							
1939–47		19,971					
1951	145	−79,340	1.80	5.5	7.68	.85	1.05
1952	223	−6,411	1.80	5.5	7.68	.85	1.05
1953	248	35,025	1.93	5.5	8.38	.72	1.39
1954	234	−230,221	1.93	5.5	8.38	.72	1.39
1955	371	−660,054	1.93	5.5	9.25	1.08	1.93
1956	370	−1,111,049	1.93	5.5	9.25	1.42	2.74
1957	354		1.78	6.5	8.34	1.75	3.12
Elbert:							
1939–47		93,291					
1950	148	21,068	1.63	4.3	7.00	.41	.66
1951	157	16,930	1.60	4.3	7.00	.41	.66
1952	185	18,897	1.60	4.3	7.00	.41	.66
1953	169	15,298	1.91	4.3	9.17	.44	.84
1954	151	−17,891	1.91	4.3	9.17	.51	.97
1955	171	−97,274	1.91	4.3	9.17	.51	.97
1956	181	−163,886	1.91	4.3	9.17	.77	1.47
1957	203		1.76	5.3	9.33	.89	1.57
Kiowa:							
1939–47		10,324					
1952	279	30,870	1.69	4.1	6.93	.63	1.04
1953	425	−374,364	1.63	4.1	7.91	.70	1.35
1954	539	−599,675	1.53	4.5	8.69	.77	1.40
1955	620	−1,708,457	1.53	4.5	8.69	.99	1.91
Kit Carson:							
1939–47		64,254					
1948	26	72,022	1.93	5.4	10.42	.69	1.33
1949	147	90,660	1.93	5.4	8.90	.69	1.12
1950	182	96,823	1.93	5.4	8.94	.69	1.19
1951	284	23,692	1.60	5.4	8.64	.69	1.19
1952	395	101,267	1.60	5.4	8.64	.69	1.10
1953	462	157,633	1.93	5.4	10.42	.74	1.43
1954	411	−34,092	1.93	5.4	10.42	.74	1.43
1955	579	−873,011	1.93	5.4	10.42	.74	1.43
1956	673	−1,881,208	1.93	5.4	10.42	.96	1.85
1957	628		1.78	5.4	9.61	1.44	2.56
Lincoln:							
1939–47		11,799					
1952	98	13,479	1.60	6.6	10.56	.72	1.15
1953	86	9,785	1.91	6.6	12.61	.74	1.41
1954	55	−12,302	1.91	7.0	13.37	.78	1.49

County and period	Number of contracts in force	Accumulated balance (premiums less indemnities)	Average price	Coverage: Bushels	Coverage: Amount	Premium rate: Bushels	Premium rate: Amount
Larimer—Con.							
1955	82	−57,422	1.91	7.0	13.37	.87	1.66
1956	84	−36,361	1.91	7.0	13.37	1.31	2.50
1957	94		1.76	7.0	12.32	1.57	2.76
Lincoln:							
1939–47		−2,287					
1951	293	−19,554	1.80	4.8	7.68	.72	1.15
1952	316	29,191	1.60	4.8	7.68	.72	1.15
1953	237	20,792	1.91	4.8	9.17	.78	1.49
1954	272	−44,457	1.91	4.8	9.17	.78	1.49
1955	337	−363,343	1.91	4.8	9.17	.78	1.49
1956	477	−754,027	1.91	4.8	9.17	1.01	1.93
1957	431		1.76	4.8	8.45	1.28	2.43
Logan							
1939–47		82,551					
1948	266	79,168	1.62	6.3	10.21	.63	1.02
1949	252	98,430	1.60	6.3	10.08	.63	1.01
1950	213	65,012	1.60	6.3	10.08	.63	1.01
1951	250	75,591	1.60	6.3	10.08	.63	1.01
1952	263	81,993	1.60	6.3	10.08	.63	1.01
1953	316	86,962	1.91	6.3	12.03	.69	1.32
1954	253	85,219	1.91	5.9	11.37	.77	1.47
1955	296	7,572	1.91	7.0	13.37	.83	1.62
1956	338	93,160	1.91	7.0	13.37	.93	1.78
1957	473		1.76	7.0	12.32	1.01	1.78
Phillips:							
1939–47		291,364					
1948	52	248,566	1.64	7.3	11.96	.75	1.23
1949	188	248,000	1.62	7.3	11.83	.75	1.22
1950	230	278,938	1.60	7.3	11.68	.75	1.20
1951	278	292,775	1.60	7.3	11.68	.75	1.20
1952	290	240,234	1.60	7.3	11.68	.75	1.20
1953	311	240,165	1.93	7.3	14.09	.77	1.49
1954	345	297,412	1.93	7.9	15.25	.75	1.45
1955	388	351,345	1.93	7.9	15.25	.75	1.45
1956	391	403,952	1.93	7.9	15.25	.75	1.45
1957	415		1.79	7.9	14.06	.75	1.34
Prowers:							
1939–47		23,778					
1950	185	−25,108	1.60	4.8	7.68	.75	1.20
1951	320	−129,731	1.60	4.8	7.68	.75	1.20
1952	473	−164,301	1.60	4.8	7.68	.75	1.20
1953	440	−473,549	1.93	4.8	9.26	.81	1.56
1954	449	−930,412	1.93	4.8	9.26	1.08	2.08
1955	469	−1,211,773	1.93	4.8	9.26	1.39	2.66
Sedgwick:							
1939–47		44,045					
1950	124	84,321	1.60	7.3	11.68	.81	1.30
1951	143	87,323	1.60	7.3	11.68	.81	1.30
1952	198	95,243	1.60	7.3	11.68	.81	1.30
1953	215	127,038	1.93	7.3	14.09	.83	1.60
1954	221	158,344	1.93	7.3	15.05	.82	1.58
1955	244	195,778	1.93	7.3	15.05	.82	1.58
1956	256	211,090	1.93	7.3	15.05	.82	1.58
1957	259		1.79	7.3	13.06	.82	1.47
Washington:							
1939–47		36,848					
1951	215	49,779	1.60	4.3	7.68	.39	0.94
1952	250	84,933	1.60	4.3	7.68	.39	0.94
1953	216	123,918	1.91	4.3	9.17	.64	1.22
1954	271	127,088	1.91	5.1	10.51	.72	1.38
1955	298	−92,571	1.91	5.1	10.51	.72	1.38
1956	312	−380,774	1.91	5.1	10.51	.72	1.38
1957	352		1.78	5.1	9.03	.97	1.70
Yuma:							
1939–47		34,703					
1953	215	86,043	1.92	6.0	11.52	.80	1.54
1954	281	94,297	1.92	6.0	11.52	.80	1.54
1955	351	21,927	1.92	6.0	11.52	.80	1.54
1956	308	−114,165	1.92	6.0	11.52	.80	1.54
1957	298		1.77	6.0	10.62	.93	1.66

In the face of a dwindling capital reserve, the Corporation readjusted rates to compensate for these losses. As long as the rate was within reason and in line with the coverage, the policyholders were understandably agreeable to the increase. However, as the rates proceeded to get out of line with the coverage, the policyholders were forced to drop this insurance as it no longer could return enough to insure their crop investments.

In 1956, the Corporation felt that it no longer could offer investment protection in the form of Federal crop insurance to 16 southwest counties in Colorado, Kansas, Oklahoma, and Texas because it was losing too much money and the risk involved in those counties did not show where they could recover it and maintain a premium that the policyholder could afford. In Colorado, these counties were Baca, Prowers, and Kiowa; and in addition, three multiple counties were withdrawn, namely, Las Animas, Conejos, and Otero.

Rates are now in some counties and areas nearly 50 percent of the coverage; this is prohibitive and is no longer a feasible program for a wheatgrower to participate in. As a result, the growers then are literally priced out of this protection.

Just what has Federal crop insurance meant to the Great Plains States and counties and particularly to Colorado counties? Nearly $10 million has been poured into the bloodstream of 15 eastern Colorado counties in the last 4 years. Were it not for this money, the intenseness and severity of the drought would have forced thousands of farmers from their farms. The economy in every town east of the Rockies would have suffered a severe setback not cushioned by the indemnity check of the insured farmer who had a complete loss.

Several million dollars were lent to Colorado farmers last year on the sole strength of a collateral assignment of their Federal crop insurance. It has been a tremendous buffer to complete ruin for thousands of courageous insured farmers. As has been said many, many times, "It has helped me pay my bills and get the next crop in." "Without it I would have had to give up." The program has saved the average farmer from tremendous loss—losses that would have either ruined him or severely crippled his operation for years to come.

What has been the cost of this to the taxpayer? With the exception of the administration it has been nothing. Premiums have paid the losses. The Corporation is now showing a premium deficit, however, and in order to recover this deficit in the capital reserve, rates will go up again next year. This will force the policyholders to cancel; they will have no other alternative, and the program will have been eliminated.

What can be done by the Corporation to prevent this? According to the existing regulations set forth in the original bill, they can do nothing, since premiums must be adjusted to pay the loss and to hold the capital reserve at its original amount of $100 million.

No one foresaw the extensiveness and the intenseness of this current drought. Crop insurance has weathered the test in a very simple but dramatic fashion. Given the chance to continue with its present participation, it could rebuild its losses in time. The need and the democratic principles on which it is operated are its two most prominent references. In order for it to continue as an implement of the farmer to stave off economic disaster as a result of crop losses, it must have the help of Congress.

There are many minor changes that could improve upon the effectiveness of the program, but the most important thing now is to hold its present high participation, and that can only be done by providing this insurance protection at a cost the farmer can afford to pay.

Congress can provide this help in the same way as it has met other drought emergencies, with the exception that it will not require the vast amount of public funds nor additional administrative machinery required to make this program function. Congress, by underwriting the losses in excess of premium income, could accomplish a tremendous help to hard-stricken areas as a result of drought. This would relieve the Corporation of increasing the rates to insured producers. The cost would be minute compared to present soil-bank payments, as would be exemplified by a $10 million deficit for crop insurance in Colorado since 1939 and a $32 million expenditure for soil-bank payments in Colorado in 1957.

Rates and coverages for the next crop year, 1958, must be in the hands of the policyholder by April 15, 1957. If Congress is going to continue with Federal crop insurance in the majority of counties on the Great Plains, then action will of necessity need to come SOON.

The type of program in which a farmer enters into a business proposition voluntarily with the Government and pays a premium rate per acre to insure himself against the hazards of nature, in order that he will not need be a relief statistic or a ward of the State, is a most worthy and useful type of program. To see it destroyed in the areas in which it is serving its purpose so dramatically and accomplishing so much would be a tragedy.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CARROLL. I am glad to yield.

Mr. HUMPHREY. I am happy to be associated with the distinguished junior Senator from Colorado in the introduction of the bill. It is proposed legislation of an urgent, emergency nature. As a member of the Committee on Agriculture and Forestry, I shall do everything I can to promote its immediate, quick, and favorable consideration.

Mr. CARROLL. I thank the distinguished Senator from Minnesota. A companion bill has been introduced in the other body.

Action on the bill is urgent. I therefore ask unanimous consent that it may lie upon the President's desk until at least the conclusion of another legislative day, so that other Senators from drought and disaster areas may support and cosponsor the bill, if they so desire.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WELFARE OF AMERICAN INDIAN CITIZENS OF MINNESOTA

Mr. HUMPHREY. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference, a bill to promote the welfare of the American Indian citizens of Minnesota, to establish a Minnesota Indian Administration, and for other purposes. In the 84th Congress it proved impossible to hold hearings on a similar bill, S. 4281. During recent months, this bill has been discussed in Minnesota by the Indians, by State officials, and by other interested private individuals and organizations. The revised bill which I now introduce is the result.

Discussion of this proposal has been enhanced, Mr. President, by a series of events in Minnesota which have helped to attract public attention to the Minnesota Indian situation as never before. During this time the Governors Human Rights Commission has prepared a program to help the Indians in Minnesota improve their economic well-being. The Community Welfare Council of Hennepin County has issued a comprehensive report which deals primarily with the migration of Indians to the Twin Cities and the resulting economic and social problems.

Another event has perhaps been more important in directing public attention to these problems. One of the most talented and dedicated newspapermen in the country, Mr. Carl T. Rowan, of the Minneapolis Tribune, has written for his newspaper a series of 15 articles which already have attracted notable acclaim, and which deserve even more widespread attention.

Minnesotans have become increasingly proud of the career and contributions of Carl Rowan. He is already known for his earlier journalistic achievements—reporting which has taken him to scenes of American racial tension, to Asian village development projects, and to the United Nations headquarters in New York. In his latest series of articles on the plight of the 75,000 citizens of Indian descent in the upper Midwest, Mr. Rowan has exposed one of the most tragic and difficult social problems of contemporary America. He has rendered all of us an inestimable service.

Mr. Rowan calls his series "The First Are Last." All of his work on this subject is worth reading, and I have had difficulty in making a selection from the several articles in his series. Some of them are more detailed and less comprehensive than others. It seems to me that the 1st, 4th, 13th, and 15th are particularly worthy of general rather than local, interest. I ask unanimous consent that these 4 articles be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune of February 17, 1957]

ONCE HE RULED AMERICA—TODAY'S INDIAN IS HERE TO HUNGER, DIRT, AND DISEASE

(EDITOR'S NOTE.—One of the most serious—and for years, most ignored—social problems in the upper Midwest is the plight of the area's 75,000 citizens of Indian descent. Today welfare workers, clergymen, and public officials at many levels are seeking ways to help Indians to become responsible, happy members of society. This is one of a series of articles, to run Sunday and daily in the Minneapolis Tribune, in which staff writer Carl T. Rowan reports on what the problems actually are and what is being done to solve them.)

(By Carl T. Rowan)

This is the story of a forgotten people, of the vanishing Americans who forgot to vanish.

It is the story of those 400,000 Americans of Indian ancestry who today languish in almost silent misery at the bottom of the totem pole in a land they once ruled alone.

START IT TODAY

Our story has many settings:

A wretched, vermin-infested row of Minneapolis apartments hardly a tomahawk's throw from the desk at which I write. There, a distraught Indian mother asks for a drink of whisky because "I just want to forget everything."

A thousand tarpaper shacks, leaning away from the bitter winds that sweep the lonely prairies of North Dakota and South Dakota, their roofs sagging under the winter snow.

The north woods of Minnesota where, this very Sunday morning, many Indians wander almost frantically, looking for the rabbit or squirrel that will mean the difference between eating Sunday dinner and fasting.

A drab county welfare office, filled with hard benches and harder stares from welfare workers who have seen these same faces come and go and come again, asking for poor relief to help fill stomachs that remain empty because the rabbits and squirrels seem to be going the way of the buffalo.

You sense quickly that this is no pretty story, when the welfare worker in Mille Lacs County, Minn., tells you that during those last winter days of March 1956 95 out of every 100 Indians in the county were receiving some kind of public assistance.

This is the story of citizens—about 75,000 of them in the Upper Midwest—who live, for the most part, in poverty, dirt, and disease, people whose lives are full of misery, bitterness, confusion, and insecurity bordering on despair.

Sometimes it is a pathetic story, spread across the police blotters of a hundred cities and towns; filling thousands of pages of welfare records, of hospital emergency books, of Indian bureau relief rolls; of entrance books at houses of correction for boys and girls gone wrong.

I recall a pink-cheeked girl of 15, beautiful beyond the radiance of youth, sitting forlornly in the Sauk Centre school for girls, whispering to me that she did not care what the authorities did with her, for her, or to her as long as they did not force her to return to her home on the White Earth Reservation.

"If I go back, I'll only get in trouble again," she explained. "There is nothing to do there but go to a beer tavern or park in the woods with a boy."

I also remember John Soeth, principal of the all-Indian school at White Earth, shaking his head as he explained why he had only 9 students left in the seventh and eighth grades when he began the year with 16.

"Three boys were sent to Red Wing reformatory for theft and four of our girls were sent to Sauk Centre," he said.

"The girls told the judge that they were not running away from school, but from home.

"Then one of our teachers got a letter from one girl after she had been at Sauk Centre a while. The letter said: 'We all are very happy here. We have eaten every day since we arrived.'"

And I recall strolling into a shack on the Standing Rock Reservation at Fort Yates,

N. Dak., to renew an old acquaintance with Mrs. Josephine Kelly, the first Indian girl to graduate from Carlisle—back in the days when Carlisle was a famous name because Jim Thorpe was cutting legendary capers on the football field.

Mrs. Kelly was sitting in an old wooden chair, a coal scuttle between her feet, a pasteboard box in her lap, picking wild grapes for jelly and jam she hoped would sustain her through the bitter winter.

The wind sang as it danced through the tin on the roof, rattling the cardboard covering the hole in the wall, shaking the carton of milk that sat in the "refrigerator" (the north window) and ruffling a lock of Mrs. Kelly's long gray hair.

The pride was gone from the voice of this woman who served four terms as head of her tribal council until she got too deeply involved in a losing fight against the Federal Bureau of Indian Affairs.

"I know what it is to have been well off, and now I know what it means to be hopelessly poor," she said. "The Indian is so miserable and hard up these days, and the situation is getting worse."

These are glimpses into the lives of the first Americans, the people who now make up the most ill-fed, ill-housed, ill-clothed, ill-trained group in the American population.

Sure, there are notable exceptions, of whom Thorpe was only one.

Pretty Evelyn Yellow Robe left the Rosebud Reservation of South Dakota and earned a doctor's degree and a job teaching English at Vassar.

N. B. Johnson left a Cherokee farm in Oklahoma where he had never seen a white man and rose to a place on the Oklahoma supreme court.

Ben Reifel left the Pine Ridge Reservation in South Dakota and worked his way through Harvard, later to become Aberdeen area director of the Bureau of Indian Affairs—and the American Indian of the year in 1956.

These are the notable exceptions. And there are other Indians who have cut tribal ties and discovered they can make their way in the mainstream of American life.

But tens of thousands more—the majority—drift in a world of dark hopelessness. This is the way Reifel describes them:

"They still listen to a voice of the past and, in our time, they are lost.

"The grim specter of hunger, disease, and ignorance lurks in every cabin they occupy on the reservation and haunts them in every hovel and shack in our cities and towns.

"They are the unsuspecting and helpless victims of a way of life fit for a day long since gone * * * a system of living so different from the white pattern of behavior that those who are still held in its grip are unable to cope with the social and economic demands of our time."

For more than 6 months now I have moved about the upper Midwest, asking what is being done to free the Indian from this "voice of the past," this "grim specter of hunger, disease, and ignorance."

"Not much," whispered one Indian ashamedly—ashamedly because he was a minister "trying to help my people until I became so disgusted that no progress seemed possible, then I fell off the wagon. I drink. In hopelessness, I have fallen victim to this curse of the Indian."

Dorothy Allen, executive secretary of Mille Lacs County Welfare Board, has this to say: "This is my eighth year here. I go to meetings and go to more meetings and everybody talks about solving the Indian problem.

"But it's all lipservice. We go over and over the problem, but we do nothing to solve it."

Why? I found that many upper Midwest whites are filled with guilt, anger, and frustration which they fight by ignoring the problem as much as possible.

"I don't give a damn what you write. Just keep this miserable problem in the woods out of my sight," one Beltrami County, Minn., businessman said to me.

Still I did see much evidence of growing concern about the plight of the Indian, of efforts to render more than lipservice toward helping him find his place in modern America. For example:

Efforts to end school segregation among Indians are under way in the upper Midwest, just as a program to desegregate Negroes goes on in the South.

The Public Health Service has taken over the task of changing the primitive life-sapping health conditions of Indians.

There is a growing Federal relocation program to help Indians leave the reservations in search of greater economic and cultural opportunities.

But all this takes place in an atmosphere of confusion, resentment, legal red tape, and suspicion.

Then, too, no one is sure what the Indian wants because he has been a voiceless American; in all the Nation no articulate Indian spokesman has risen up to cry aloud about his people's plight.

You talk to the pink-cheeked girl at Sauk Centre, and you conclude—much too quickly—that the Indian wants to get away from the backwoods, the timeless misery and squalor, and try to paddle his own way up the mainstream of American life.

But soon you sit before an old man lying on his sick bed at Red Lake gesturing almost wildly as he cries:

"This is the Indian's home. The reservation must never be destroyed. We must always have some place to come home to. A bunch of slick schemers down in Bemidji have their eyes on this land and lake."

So, as you move across the land of the Chippewa, then the Sioux, you see that the Indian himself faces the problem of being unable to set a goal for himself.

But you meet Indians and white men who tell you that the problem is not of the Indian's making. They say he is the victim of Federal paternalism, geographic and cultural isolation, of education starvation.

And what about those areas in the Upper Midwest where even the most valiant struggle by an Indian will not earn him the status of a first-class citizen—those counties which, for financial reasons, refuse to view the Indian as anything but a "ward" of the Federal Government?

These are questions being pondered by ministers, legislators, county officials, and many others who are coming to speak of the plight of the Indian as "our local problem," who are beginning to ask what must be done and to seek ways to do it.

Why are so many Indians unemployed? Are they simply "lazy and shiftless," as many Upper Midwest citizens say they are?

What about juvenile delinquency? Illegitimate babies? Liquor problems? Are these really special problems among Indians? If so, why?

Is it best to break up the reservations and put the Indians on their own as "plain American citizens"?

Do southerners have a basis for charging that whites in the Upper Midwest are as prejudiced against Indians as southerners are against Negroes?

What about the relocation program? Is it another scheme in the long history of cheating Indians out of their land, as some magazine writers have charged?

What do these Indians face when they leave the reservation for Minneapolis, Rapid City, or Chicago?

These are the questions we will face for the next 14 days as we strip away the legends of Sitting Bull and Crazy Horse and look at the modern problems of some tribes that lost their heart and hope in the land of Hiawatha.

[From the Minneapolis Tribune]

SUFFERING AND DEATH ARE INDIAN'S LOT AS DISEASE THRIVES

(EDITOR'S NOTE.—This is the fourth in a series of articles on the plight of the upper Midwest's 76,000 citizens of Indian descent.)

(By Carl T. Rowan)

"Two-thirds of my family goes hungry throughout the winter," Mrs. Winfield Morrison said matter of factly.

The Indian woman nestled her smiling infant closer to her and invited me inside the 2-room dwelling her family of 9 had called home since 1947.

With an intelligence and education that seemed out of keeping with her simple dress and the drabness of her shack, Mrs. Morrison explained what it means to be an Indian mother on the Red Lake Reservation, trying to keep a family of 9 alive on $118 a month.

It means children sleeping on pallets on the floor, some in the one bedroom with the parents, some in the combination kitchen-sitting room.

It means begging for help from the tribal relief fund during winter months of unemployment. "You have to have a good alibi just to get $30 worth of groceries," she said.

It means buckets on the floor to catch the rain, and then the melting snow, that leak through, leaving ugly brown blots on the ceiling.

It means a frightful amount of sickness, that stark and brutal gage of the Indian's woeful status in American life.

"Last month we had a severe outbreak of diarrhea here," said Mrs. Morrison, a high-school graduate who worked 3 years for the Indian Bureau till the 7 children (oldest 11) began to arrive.

"Our water caused it. We get water from a spring about 400 yards away, as do about two-thirds of the people here."

She saw my puzzled expression as I looked out at the big water tank towering over the town.

"That's for the big-shots," she said, referring to the Indian Bureau and hospital employees who live in a cluster near the tank. The hospital and the school also use water from this tank.

Morrison spoke with a bitterness that belied the usually quiet attitude of Indians:

"I went to North Africa, Sicily, and Italy in World War II. Fought 37 months and 28 days and I got hit 3 times. They promised me everything, but what did I get? You see it. I got a rooking."

Still, the Morrisons were much better off than hundreds of Indian families I saw. They had a refrigerator, an old washing machine and electricity with which to operate them.

In Minnesota and the Dakotas, I saw thousands more Indians living under conditions that are sickeningly primitive.

"No other group in the United States lives under comparable conditions," the Public Health Service informed Congress last year. The Indian is half a century behind the rest of the Nation when judged in terms of health, said the health service, which in 1955 was given the job of improving Indian health.

What does it mean, in human terms, to be half a century behind? Simply that:

The average Indian dies at age 37—25 years earlier than the average American.

Fewer than half the Indians born reach the age of 20; one-third of them die before the age of 5.

Indians are afflicted by tuberculosis at 9 times the rate of the general population; pneumonia at more than 100 times the geneal rate; trachoma, a contagious eye disease, at 700 times the general rate; dysentery at 40 times the normal rate.

Of every 1,000 Indian babies born, 76 will not live to be a year old—3 times the infant death rate for other Americans.

Dr. Herbert A. Hudgins, director of the Aberdeen area of the Public Health Service, gave me health statistics on Indians in the Upper Midwest.

There is a long list of diseases like whooping cough, measles, chicken pox, infectious hepatitis, syphilis, gonorrhea, influenza—diseases that, for the most part, medical science has put beyond the worry of most Americans.

For the Indian, these diseases still mean suffering and death in the backwoods and the arid plains.

Hudgins' figures seem unbelievable—until you visit the reservations of poverty and squalor, gaze on children with sore-masked faces and runny noses, watch teachers give baths and food to children who could get neither at home.

A survey of the Cheyenne River Reservation in South Dakota produced this report:

"The scarcity of water for domestic use contributed greatly to sanitation and health problems. It is surprising indeed that the survival rate is as high as it is.

"Contaminated water is hauled, stored in open barrels, then used for drinking without any kind of purification.

"During the late summer months, after the sun and wind have lowered the water level of the livestock reservoirs and rivers and the stock has wallowed in them, the water is exceedingly foul."

On many reservations in the area the winter supply of drinking water is not much better.

It is customary to roll a wagon up to an old snowdrift and load the wagonbox with snow, and all the dust and debris that has collected in it. This snow is melted on the family stove, then drunk.

If there is no snow, ice blocks are cut from lakes, rivers, stock reservoirs, or other sources and melted as needed.

The Health Service has told Congress that many families use primitive privies which frequently have no pits and are so dilapidated that fly breeding is unhampered.

"In some communities, wastes are thrown or deposited on the ground at random, resulting in extreme nuisance conditions in addition to health hazard," the Service said.

Why does the Indian live amid such poor health conditions? The Public Health Service explains it this way:

Primitive living conditions in housing, waste disposal, water supply, and food preparation, combined with poverty, hunger, and inadequate clothing, contribute substantially to the frequency and severity of disease among the Indians.

"We are 50 years behind because we live in the rural slums," said Dr. Benjamin Finkelstein, head of the Bemidji area office of the health service.

"Our problem now is preventive health. We cannot pour more penicillin down Indians to fight the end product of disease and ignorance. We must fight disease before it begins."

So the health service is struggling to educate the Indian, to get him to buy a refrigerator instead of a used car so the meat will not spoil; to put screens on windows and doors to keep flies out; to stop throwing garbage and excreta out on the ground; to be more diligent in applying water to skin.

But there are two major obstacles: the health service cannot get enough public health nurses to do the job; and the Indian shows psychological resistance to new health teachings, to this new "invasion of the white man in Indian affairs."

Both these obstacles arise from the geographical and social isolation of the Indian.

Few nurses, social workers, and doctors are willing to live in remote rural areas, far from the entertainment and conveniences of normal American life, to provide health training and treatment for Indians.

Similarly, people who have lived out of the mainstream of life for decades, many of them having never seen an escalator, television set, dial telephone or toothbrush, have developed superstitions and fears that rule out newfangled medical practices.

Health remains the only area in which the Indian still is, in effect, a ward of the Federal Government. This arises from Federal recognition that, for more than a century, too little money and concern have been directed toward solving Indian health problems.

The Health Service estimates that $27 million is critically needed for facilities and equipment for the 315,000 Indians still living on reservations.

The Service now operates 56 Indian hospitals, 12 of them in Minnesota and the Dakotas. It has told Congress, however, that some of these—like those at White Earth and Redlake, Minn., and Fort Yates, N. Dak.—"are in such poor condition and so inadequate" that they must be replaced.

The Health Service also estimates that there is a critical need for $5,235,000 for water supplies and sewage disposals in upper Midwest Indian communities.

The few wells drilled in Indian country date back to the WPA, and most of these today stand in disrepair, rusty reminders of neglect by the Indian and by those responsible for caring for their wards.

Although Congress last year appropriated its largest amount in history for Indian health, including almost $9 million for new construction, there is little evidence that resources now available will enable the Health Service to do more than hold the line.

Meanwhile, the Federal Government seems eager to get out of the Indian hospital business as quickly as possible, posing some distressing questions for those Indians in areas where community leaders refuse to view them as anything but Federal wards.

"The life of an Indian is a vicious circle that seems to grow more vicious with time," said a North Dakota Chippewa.

[From the Minneapolis Tribune]

RELOCATION PROGRAM—WHITE MAN'S PLOT OR INDIANS' SALVATION?

(Thirteenth article in a series)

(By Carl T. Rowan)

The choices facing the American Indian today are as difficult and unpalatable, perhaps, as any ever placed before a group of human beings:

He can cling to that leisurely reservation life in which he feels at home knowing that, even if he fights off starvation, the economic and cultural gap between him and the rest of America will grow wider.

Or he can cut culture and geographic roots that go back for centuries and venture out into the now-strange American world of fierce competition and hard knocks, even with the knowledge that he ventures forth under handicaps that burden no other group of Americans.

It is no secret that the Federal Government wants the Indian to take the second choice, for the Bureau of Indian Affairs is committed, under this administration, to making Indians full citizens so it can get out of the Indian business.

Toward this end, the Federal Government runs an ever-expanding program to help Indians leave the reservations and relocate in key industrial centers of the Nation.

This relocation program is perhaps the most bitterly debated aspect of Indian life today.

It has been called everything from the salvation of the noble red man to the newest scheme of the white man to bleed the Indian of his last, miserable plot of barren land.

The Federal Government insists (and no evidence to the contrary has been presented) that the program is voluntary and seeks to show the Indian people that there is a better life awaiting them if they have the courage to leave the reservation.

Through last April 30, a total of 12,625 Indians chose to leave the reservation under this program. Another 10,000 will have left by July 1957.

Still, there are many who call the program the most diabolical plot in the long history of trickery by white men grasping for Indian land.

Dr. Ben Reifel, director of the Aberdeen area office of the Bureau of Indian Affairs, calls these charges nonsense and out of tune with the facts of life.

He points out that if all the 1.8 million acres of the Pine Ridge Reservation (which is scattered over 3 counties) were organized into farm and ranch units, they would not support more than 500 families.

Yet, from 1,500 to 2,000 families now live on this land. And among these families, fewer than 100 are capable of earning a decent living in agriculture, Reifel adds.

This means that virtually every family on the Pine Ridge Reservation is living at a substandard level.

Dr. C. W. M. Hart, professor of sociology at the University of Wisconsin, explored this question while surveying Minnesota Indians for the public health service. He reported:

"Those well wishers of the Indians, particularly in the cities and Eastern States, who oppose (all efforts toward ending the reservation system) on grounds that (the effort) is just another attempt to deprive the Indian of his valuable lands, are talking nonsense as far as northern Minnesota reservations are concerned. If all the northern Minnesota reservation lands were put up for sale tomorrow, 90 percent of them would not find a buyer."

Hart pointed out that the Consolidated Chippewa Tribe of Minnesota owns about 100,000 acres of land scattered through 6 reservations. The tribe will earn no more than $13,000 from this land this year—or less than $1 for each of the 15,000 enrolled members, he added.

Vernon Ashley, a tribal leader at the Crow Creek Reservation for 8 years and now relocation officer at the Standing Rock Sioux Reservation in the Dakotas, gives almost emotional praise to the relocation program.

"Our one salvation is education," he says. "We've lost our pride someplace, and if we can reacquire it, some day we'll come out on top. Relocation is one step toward a solution."

Congress allocated $3,472,000 for relocation this fiscal year. Now an Indian man, woman, or family can get transportation from his reservation to Chicago, Denver, Colo., St. Louis, Mo., or San Francisco and San Jose, Calif.; subsistence expenses for up to 4 weeks; emergency subsistence for up to 3 weeks if he becomes unemployed through no fault of his own; a grant of tools and equipment for apprentice workers; Blue Cross medical insurance for a year; total grants up to $350 for clothing, household wares, and furniture; full tuition for a year of night-school training of the "three R's" vocational type; help in purchasing a home under a pilot program where the Bureau of Indian Affairs will match the savings of a few relocated families.

Is the program a success? Glenn Emmons, Commissioner of Indian Affairs, says it is. He reported to Congress recently that in fiscal 1955 some 71 percent of the persons relocated remained in their new environment.

Ashley's report for Standing Rock is not so glowing. Of the 153 persons he helped leave the reservation in fiscal 1956, 47 percent returned.

Why? Some offered no reason at all. Others were "homesick." Some were dazzled by the big city habit of installment buying and wearied of trying to make the payments. Some came back for free medical care, since Blue Cross was not being provided them.

Dennis G. Ogan, who works out of the Bemidji agency helping to relocate Minnesota Indians, says no one ever is relocated in the Twin Cities, which are classed as "migrant towns."

"Minneapolis is too close to home. All the Indians head right back for the reservation during rice or potato-picking season," he explains.

The Association of American Indian Affairs recently completed a study of the relocation program. It reports that the following are among major criticisms: Indians are placed in slum housing; they are placed in Negro or "mixed" neighborhoods; Indians are driven to alcoholism by the pressure of city life.

The association recommends that the relocation program be extended to smaller cities where the Indian may not be so bewildered at first and where he may develop a sense of belonging more quickly.

Meanwhile, the great argument will go on in many reservations: to leave or not to leave?

More and more Indians are likely to accept this answer by Ogan:

"The Indian must move toward assimilation. Segregation is no answer for any minority group."

But for years to come, powerful voices will resist this trend and try to hold Uncle Sam to treaty provisions that are all but forgotten—except by those aging Indian leaders who keep yellowing documents tucked away for safekeeping in the corner of their cabins.

Thus the American Indian will, for many years, be spread across two worlds, unable and unwilling to speak with anything close to a single voice.

[From the Minneapolis Tribune]

WHAT CAN SOCIETY DO TO HELP SET FREE TODAY'S INDIAN?

(Fifteenth article in a series)

(By Carl T. Rowan)

What, then, you ask, can upper Midwest citizens do to solve this Indian problem?

For 8 months now I have read millions of words, listened through hundreds of interviews, sprawled on many a cabin floor, sat on the chairs of welfare offices and of too many hovels to remember.

The voices I remember best say that society will do very, very little until it is willing to attack the causes rather than the symptoms of what ails our first citizens:

"Give the Indians jobs, not more relief * * * public health training, not penicillin * * * schools, gymnasiums, and recreation centers, not bigger reformatories * * * a chance to live in decent neighborhoods, not more policemen to stand guard over skid rows * * * guidance and rehabilitation for young girls who lack parental supervision, not bigger funds for aid to dependent children, or bigger staffs at county workhouses."

These voices acknowledge, however, that none of this is possible until non-Indians cease to regard the Indian as a special problem to be pawned off on some other State or county or level of government, or as long as Indians are viewed as a racial gamble rather than as individual persons of individual merit or demerit.

But you still are thinking of Standing Rock and Nett Lake and White Earth—those sprawling rural slums. You ask if the answer is to abolish these reservations.

I saw nothing on any reservation that gave me even a remote hope that the Indian can become a healthy, self-respecting citizen living in the bleak isolation of these desolate forests and prairies.

It seems less than an idle dream that industries are going to flock to these areas—far from communications, or power or trained labor or the other things that usually attract industry—just to accommodate impoverished Indians.

Ah, then, you say, so the answer is to make the relocation program compulsory, to force all Indians to return to our cities the way we once forced them to retire to reservations?

I can recall no one who showed any knowledge of this problem who would endorse such a program. There is a generation of Indians who have a legal and a moral right to decide what happens to those reservations, a generation that would be hopelessly lost in a modern American city.

It seems safe to assume this older generation of Indians will die on these reservations. But most of the younger generation sees that the arrow is broken, the tribe is dead, that they must move or perish with SIX SIX.

It is this younger group that can provide a solution—perhaps in little more than a generation—with the proper education and opportunity.

Wait, now. Does this mean endorsement of that often mentioned solution of "paying off all the Indian claims and then turning them loose as plain Americans with no special status?"

No. Stop in Corson County, S. Dak., and talk to the Indian who suddenly got $30,000 in a land-claim settlement. Look at the Cadillac, Packard, and Dodge convertible in front of his shack, two of them up on jacks. They are all he has of his $30,000.

But suppose there was that Indian-type GI bill that the Senate Committee on Juvenile Delinquency mentioned. A bill recognizing a debt to these Indians similar to the debt to GI's. A bill making it possible for Indian youth to take "3 R's" and vocational and professional training instead of quitting school after grade nine to pick potatoes and wild rice because the family is starving.

Suppose, also, Congress decided that for a generation it would provide enough funds to really put some public health nurses, social and welfare workers, into reservation areas.

Added to all this, of course, would have been to be some effort to remove the reluctance of employers to hire Indians (and better trained, more confident Indians would be a big factor here), to remove what obviously is a stigma of being an Indian in the upper Midwest.

What about the cost?

Many people are convinced that a really concentrated effort to make full-fledged, self-respecting citizens of Indians would cost less in the long run than does the current program of funneling eighty to ninety million dollars through the Indian Bureau to preserve a rather nebulous situation in which the Indian is neither free nor unfree.

Indeed, any proposed solution to this problem raises the question whether the Indian Bureau should be abolished, a subject of heated debate in Congress for years.

What does the Indian think of the Indian Bureau?

I believe it safe to generalize and say that most of them despise the regimentation it imposes over the lives of Indians. At the same time they fear that if it is abolished they will lose the Federal benefits now being given through the Bureau.

A leader of the Consolidated Minnesota Chippewa Tribe told me the group is planning to close its office in Bemidji "because everything we decide is overruled by the Indian Bureau.

"We are supposed to be self-governing, but that's a big joke," he said.

The facts are these:

The Bureau still exercises more control over the lives of Indians than has been exercised over any group of people in America since the end of slavery.

The Secretary of the Interior (and through him, other Bureau officials) hold veto rights over any action by tribal council.

Even Bureau officials admit that it would make no difference whatsoever to more than half the Nation's Indians if the Bureau were abolished tomorrow—but that it would matter greatly to the others.

There is no substantial evidence that the Bureau is working itself out of existence.

Much of the money now being allocated by Congress goes for paper shifting, redtape, and salaries of Bureau personnel.

Mrs. Lizzie Watkins, 1501 Second Avenue South, Minneapolis, got a letter last August from the "inheritance examiner" of the Interior Department, advising her that finally they had decided her grandfather's pony claim.

This claim was filed against the Government May 8, 1891.

After all these years, and probably no one knows how much outlay in salaries to examiners, lawyers, secretaries, and in supplies, correspondence, and so forth, the Government is prepared to divide $36 among Mrs. Watkins and 20-odd other heirs.

Mrs. Watkins figures she will get 90 cents.

Still, many obvious things are being done by the Bureau that cannot be halted abruptly.

The Indian Bureau wields this power over the life of the Indian because of one fact most Americans seem to have forgotten: Indian tribes are, in the eyes of the law, conquered nations.

As conquerors, we have helped to restore to grace the peoples of Germany, Italy, and Japan. Only the Indians, the conquered in our midst, have failed to reap the fruits of the victors' generosity.

It is foolish to assume that mere abolition of the Indian Bureau will solve all the Indians' problems—or that upper Midwest problems will vanish the day the Nation readopts the old notion that an Indian any place is a Federal responsibility.

The Association on American Indian Affairs holds that Congress should adopt an American Indian point 4 program to elevate Indian communities to the general level of health and well-being of other American communities. The Indian Bureau would be altered and given the task of conducting this program.

The 84th Congress failed to adopt this program, however, largely out of a belief on the part of many that the Indian, and not his isolated communities, is what the Nation must elevate.

This inevitably will mean increasing numbers of Indians moving to the cities of the Nation. Need this be merely a shifting of the problems?

Says the association in its report on the relocation program:

"The American people in the large cities, seeing Indians living as strangers among them, must stop evading their share of national responsibility by saying that the Bureau of Indian Affairs should take the Indians back to areas adjacent to the reservations where they will be happy; they must help them to be happy where they are.

"The American people in the areas adjacent to Indian reservations, seeing Indians living in squalor among them, must stop insisting that the Bureau of Indian Affairs extend reservation service and status to Indians who have left their ethnic community for the mixed community just over the reservation border.

"They must accept the Indian's right to be there, or anywhere he wishes, and help him solve his problems in their own community's framework."

Until Americans accept this broader sense of responsibility, the Nation's first citizens very likely will continue to be last—last in all those things that go to make life worth living for other Americans.

Mr. HUMPHREY. Mr. President, as a part of the upsurge of attention now being given to the problems of Minnesota and Northwest Indians generally, it occurred to me a few months ago that it would be helpful to have a comprehensive report on what the Bureau of Indian Affairs is currently doing, or says it is doing, in the State of Minnesota. Consequently, on December 14, 1956, I wrote to Mr. Glenn L. Emmons, Commissioner of the Bureau of Indian Affairs, and asked for a specific itemization of the amount of money now being spent by the Bureau in Minnesota for various activities, including salaries, tuition, payments for Indian students, agency costs, and roadbuilding. I also asked the Commissioner for an accounting of Bureau expenditures during the past fiscal year, as compared with expenditures over the past 10 fiscal years.

Earlier this week, I was delighted to receive a report from the Bureau of Indian Affairs, in reply to my request. I do not vouch for all the information contained in the report. Several questions occur to me, and I intend to ask them at a later time. Indeed, I shall want to ask for certain additional information, in order to fill gaps and resolve ambiguities which have suggested themselves to me, as I have briefly considered the report during the past few days. Nevertheless, I am deeply grateful to the Bureau for producing this document. It will be of immediate and useful assistance to all the members of the Minnesota congressional delegation, to the Governor's Human Rights Commission in Minnesota, to the various community welfare councils of Minnesota dealing with Indian problems, and to all observers presently concerned with the actual operation of our national Indian policy.

Consequently, Mr. President, I ask unanimous consent that there be printed at this point in the RECORD the text of my correspondence with the Bureau of Indian Affairs, leading up to, and including, the report itself.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

DECEMBER 14, 1956.

GLENN L. EMMONS,
Commissioner, Bureau of Indian Affairs, Department of the Interior, Washington, D. C.

DEAR MR. EMMONS: As you know, I have introduced various bills during past sessions of Congress concerning the welfare of Minnesota Indians. I intend to reintroduce some of this legislation, perhaps in revised form.

It occurs to me that it would be decidedly helpful all around for me and other interested Minnesotans to have a comprehensive report on what the Bureau of Indian Affairs is currently doing in the State of Minnesota. I had in mind particularly a specific itemization of the amount of money being spent by the Bureau in Minnesota for various activities—e. g., salaries, tuition, payments for Indian students, agency costs, road building, and so forth. Perhaps it would be feasible to have a survey of such expenditures and/or activities during the past fiscal year compared with the 3 prior fiscal years, as well as with comparable expenditures and/or activities 10 years ago, say fiscal year 1946 or 1947.

I do not wish to add unduly to your burdens. I do hope that someone on your staff will find this information readily available and can reduce it to usable form for me within the next couple of weeks or so.

Thanks and best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington D. C., January 2, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: This will acknowledge your letter of December 14 in which you request a comprehensive report on Bureau of Indian Affairs activities in the State of Minnesota, including information on funds that have been programed for the various activities, which would be helpful to you and others interested in the welfare of the Minnesota Indians.

We shall be glad to look into this matter and furnish you with a report within the next several weeks.

Sincerely yours,

THOMAS M. REID,
Assistant Commissioner.

UNITED STATES
DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D. C., March 7, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: This will refer to your letter of December 14, 1956, and our acknowledgment of January 2, with regard to your request for a comprehensive report on Bureau of Indian Affairs activities and expenditures in the State of Minnesota.

We are enclosing a summary report relating to Indian population, economic condition, acres of trust land, Bureau activities and expenditures.

We are hoping that this information will be helpful to you and others interested in the welfare of the Minnesota Indians.

Sincerely yours,

W. BARTON GREENWOOD,
Acting Commissioner.

INFORMATION RELATING TO THE INDIANS OF MINNESOTA, JANUARY 1957

POPULATION

The total Indian population in the State of Minnesota, as of June 30, 1956, is estimated at 21,310. An estimated 42 percent of this total now lives on trust land in reservation communities.

Group	Number of persons on tribal roll		
	Living on reservation	Living off reservation	Total
Fond du Lac: St. Louis and Carlton Counties	550	930	1,480
Grand Portage: Cook County	175	285	460
Leech Lake: Central Minnesota in Beltrami, Hubbard, Itasca, and Cass Counties	1,970	340	2,310
Mille Lac: East Central Minnesota in Aitken, Crow, and Pine Counties	440	20	460
Nett Lake: Northern Minnesota in Koochiching and St. Louis Counties	460	380	840
White Earth: Central Minnesota in Becker, Clearwater, and Mahnomen Counties	2,600	8,630	11,230
Red Lake: Northern Minnesota in Beltrami County	2,478	952	3,430
Southern Minnesota Sioux Communities: Prairie Island in Goodhue County, New Upper Sioux in Yellow Medicine County, Prior Lake in Redwood County, Lower Sioux in Scott County, and individual Indians located within Big Stone, Swift, Kandiyohi, Meeker, Wright, Anoka, and Washington Counties, and all counties in the State south thereof	302	298	600
Total	8,974	12,335	21,310

ECONOMIC CONDITION

The majority of the Indian people in the State of Minnesota living on reservations or in reservation areas are in the low-income group with extremely poor housing conditions. Reservation resources are inadequate to provide avenues to better the present standards of living for all the people still residing on some of the reservations. There is an estimated 2,077 Indian families residing on reservations. Of the 555 families living on the Red Lake Reservation only about one-fourth are reported as self-supporting from wages from tribal enterprises. The remaining three-fourths receive welfare financial aid in varying degrees.

Their sources of income today include wages (largely in seasonal employment); hunting, fishing, and trapping; gathering wild rice and wild berry crops; sale of forest products. Only on the Red Lake Reservation are hunting, fishing, and trapping still significant sources of income.

While the Red Lake Band still has a valuable resource in its reservation lands, timber, and lakes, this resource in its present state of development is inadequate to support more than two-thirds of the reservation population.

INDIAN TRUST LAND

Acreages of Indian trust land under the jurisdiction of the Bureau's Minneapolis area office in the State of Minnesota as of June 30, 1956, are as follows:

Reservation and community	Allotted	Tribal	FSA[1] acres	Hand land acres	Total acres
Fond du Lac	19,011	3,874			22,885
Grand Portage	9,435	9,840		21,854	41,129
Leech Lake	33,434	12,240			35,674
Mille Lac	172	3,252			3,984
Nett Lake	42,373	25,998			68,269
White Earth	3,527	21,370	28,176		55,013
Red Lake	163	573,228			573,340
Public Domain:					
Nett Lake	541				541
Other	927				927
Southern Minnesota Sioux		3,281			3,281
Total	101,482	653,780	28,176	21,854	805,292

[1] Resettlement lands, commonly referred to as submarginal lands, were purchased by the Department of Agriculture, Farm Security Administration, and title taken in the United States, for Indian use.

BUREAU SERVICES

Education: Indian children in the State of Minnesota are educated in the public schools of the State along with other resident children. Where aid is needed by the public school districts because of the presence within the district of tax-exempt Indian-owned land and relatively large numbers of Indian children, the Bureau of Indian Affairs

extends financial assistance to the Minnesota State Department of Public Instruction on behalf of these districts, as authorized by the act of April 16, 1934 (48 Stat. 596), amended. The following table shows the amount of funds provided and the number of children involved for the fiscal year 1946, and the past 3 fiscal years:

Fiscal year	Net amount of assistance	Number pupils enrolled	Average daily attendance
1946	$140,000	2,323	1,443
1954	200,000	2,903	2,006
1955	200,000	2,727	2,034
1956	200,000	2,762	2,179

The relationships between the State and the Bureau in administration of this aid program have been mutually satisfactory. We believe that the State has administered this program in a way that has done much to promote the education of its Indian children and has brought about improvement in the educational and social level of the Indian people.

The Bureau has been able to provide limited funds in the form of grants to Indian students seeking higher education. These have been used to supplement other resources available to students enrolled in college or other schools of higher learning. The amount appropriated for this purpose in the fiscal year 1956 was increased and a total of 202 individuals were assisted in 1956. Thirteen of these were from the Minneapolis area, nine attending schools within the State of Minnesota.

Welfare: The Bureau of Indian Affairs has a contract with the State Department of Public Welfare for a maximum of $150,000 for foster home care for Indian children from five counties (Cass, Becker, Mille Lacs, Mahnomen, Beltrami). The Bureau of Indian Affairs also employs a social worker at the Red Lake Reservation and costs of assistance at that reservation are met from tribal funds. Other welfare needs of Indians in Minnesota are met through the welfare programs administered by county welfare departments.

In 1946 and 1947 the only welfare expenditures were for social service staff at Red Lake agency.

Law and order: The act of August 15, 1953 (67 Stat. 588), conferred civil and criminal jurisdiction on the State over all Indian country with the exception of the Red Lake Reservation, where the tribe finances the entire program, including court of Indian offenses, under the supervision of the Bureau. Four groups enacted ordinances legalizing the introduction, possession, and sale of intoxicants on their reservations under the act of August 15, 1953 (67 Stat. 588).

Realty: During fiscal year 1956, 1,893 realty cases in the State of Minnesota were closed. These include the issuance of 10 patents-in-fee which gave the Indian owners the right of management and disposal of their lands without restrictions. They also include 563 supervised sales in which the Indian owners were assisted in disposing of their lands. In addition, there were 1,330 other transactions involving trust or restricted land, such as leasing, probate work, etc.

Road program: A road-construction and maintenance program is being carried on at all the northern large reservations of the State. The program has been based upon the coordinated planning by the Bureau, Indian tribal councils, counties, and the townships concerned. Due to the status of land ownership on all the reservations, except the Red Lake Reservation, there has been considerable cooperation between the Bureau and local governments on the construction of roads on the Bureau system. The construction programs have been in accordance with the Bureau policy to construct roads to an adequate standard under an agreement with the local government whereby the local government agrees to add the road to its system and be responsible for the maintenance of the road.

Increased construction funds were provided for the fiscal years 1955, 1956, and 1957, under the Federal-Aid Highway Act of 1954, and funds will again be increased due to the increased authorization for Indian reservation roads in the Federal-Aid Highway Act of 1956. Both highway acts provide contractual obligation authority which has made it possible to carry out long-range, realistic planning of our programs.

Land operations: At present the activities of the branch of land operations in the State of Minnesota are confined to a program, initiated this year, for the control of noxious weeds on Indian farmlands. This service is made available to Indian farmers through the weed-control facilities of the State of Minnesota in accordance with the contract between the Bureau and the State of Minnesota.

A review of soil and moisture conservation activities on Indian lands in Minnesota indicate that inventory surveys and land classification work were conducted in this area a few years ago.

Forestry: Of the 805,403 acres of Indian trust land, 556,208 acres are classed as forest land:

Reservation and community:	Forest acres
Fond du Lac	18,183
Grand Portage	41,000
Leech Lake	21,060
Mille Lac	2,900
Nett Lake	62,000
White Earth	33,126
Red Lake	377,936
Total	556,208

Following is a table showing the use of Indian forest resources in the State of Minnesota:

Use of Indian forest resources in State of Minnesota

Calendar year ending Dec. 31—	Thousand feet (board measure of timber)			Value of timber cut		
	Cut		Total cut	Cash receipts	Value free use	Total value
	Cash sales	Free use				
1955	[illegible]	4,678	27,211	[illegible]	[illegible]	[illegible]
1954	[illegible]	4,502	24,935	174,[illegible]	[illegible]	[illegible]
1953	17,961	5,340	23,301	165,001	8,287	173,288
1947	[illegible]	5,474	33,[illegible]	107,647	5,[illegible]	112,[illegible]
1946	32,661	4,771	37,432	100,421	4,[illegible]	105,[illegible]

The operating profit of the Red Lake Tribal Sawmill, after payment for value of stumpage used, is shown below:

Fiscal year ending June 30—	
1956	$192,866.22
1955	193,538.60
1954	142,410.98
1953	114,196.81
1947	37,236.15
1946	50,529.95

Extension: In connection with the transfer of the Bureau's extension work to the United States Department of Agriculture and the respective State extension services, a contractual agreement, in the amount of $12,000, was entered into during the fiscal years 1956 and 1957, between the Bureau of Indian Affairs and the University of Minnesota. This contract provides for full-time extension services of an agricultural extension agent and a home demonstration agent to work with Indian families in Beltrami and Mahnomen Counties which embody the Red Lake and the White Earth Indian Reservations. Through such special arrangements the Indians are encouraged to fit into local community life and obtain their extension assistance through the same channels as other citizens. These positions were filled on August 1, 1956.

Prior to this time there was very little extension activity on these reservations as the Indian families had gradually abandoned their limited farming opportunities for making a cash income by logging and sawmill operations and commercial fishing. In previous years some educational extension work was carried on by other branches of the Bureau. In 1949, when some farming and subsistence gardening was resumed by the Indians, the Bureau allocated $4,557 to finance an agricultural extension agent's position, and an agent was employed until June 1953.

During the past, also, tribal funds had been made available to Indians for various purposes such as loans on a reimbursable basis for the purchase of stock, farm machinery, and generally for the repair and rehabilitation of their homes. These loans were generally quite small.

During the fiscal years 1952 to 1954 the Bureau endeavored to negotiate a contract with the State University for Home Demonstration services to Indians and set aside $6,060 for this purpose. However, the university was unable to find suitable employees to fill these positions and in the fiscal year 1955, the Bureau withdrew this amount for reallocation to other areas in need of additional funds.

Relocation: A relocation services program is in operation at the Minnesota agency, and provides service to all Indians under its jurisdiction. There has been good response to the program and more Indians have applied for relocation than could be assisted with funds available. The following number of Indians were assisted to relocate to cities where opportunities for full-time permanent employment were available. They received a full range of community adjustment services to enable them to establish themselves on a self-sufficient basis.

1953	190
1954	214
1955	141
1956	159

In response to this interest we were able on July 1, 1956, to add one additional person to the existing relocation services staff. Funds available for relocation services in fiscal year 1957 will be sufficient for the first time to meet the needs of all interested applicants.

In order to stimulate opportunities of employment for Indians within the State of Minnesota plans are presently being formulated to appoint a person whose function would be to give active attention to full-time local employment through cooperation with the Minnesota State Employment Service.

Funds: The statement on the following page will provide information on comparative amounts for fiscal years 1949 through 1956 on an obligation basis. In this connection actual obligations at the level requested are not available prior to fiscal year 1949. The amounts of current program are furnished so as to provide a comparative program for as many years as possible.

The descriptive title of the activities shown on the statement under the Bureau's appropriation structure will indicate the purposes for which the funds were obligated.

The information on health activity for fiscal years 1956 and 1957 is not included in this tabulation as the Indian health functions were transferred to the Public Health Service, Department of Health, Education and Welfare on July 1, 1956.

Bureau of Indian Affairs statement of amounts obligated for Indian service activities in the State of Minnesota for fiscal years 1949–56 and amounts programed for fiscal year 1957

Appropriations and activities	Program 1957	Obligations 1956	1955	1954	1953	1952	1951	1950	1949
(Health), education and welfare services:									
Hospitals, disease preventive and curative services			$742,901	$333,812	$757,925	$705,527	$853,951	$409,[illegible]	$417,[illegible]
1. Educational assistance, facilities and services	$[illegible]	$815,249	327,115	354,500	430,056	443,332	324,000	450,[illegible]	208,025
2. Welfare and guidance services	152,225	170,782	172,702	196,079	86,178	41,940	14,444	15,475	414
3. Relocation services	82,295	13,122	22,110	44,878	42,075	43,352	21,577	14,954	
4. Maintaining law and order	12,058	10,189	10,267	17,827	16,901	16,995	11,183	8,265	3,200
Total	502,900	815,342	1,276,155	1,351,196	1,333,434	1,252,158	1,225,159	984,248	724,305
Resources management:									
1. Forest and range lands	146,190	92,757	84,894	80,921	82,074	79,358	75,072	64,768	67,714
2. Fire suppression	[illegible]	[illegible]	40	90	2,061			130	3,035
3. Agricultural and industrial assistance	24,405	21,[illegible]	12,008	12,624	18,702	14,790	13,358	13,146	4,337
4. Soil and moisture conservation			4,629	10,996	8,758				
5. Operation, repair and maintenance of Indian irrigation systems									
6. Development of Indian arts and crafts									
7. Management of Indian trust property	79,747	81,344	54,786	53,796	56,008	56,899	43,858	43,607	34,483
8. Repair and maintenance of buildings and utilities	41,114	29,235	30,[illegible]	25,281	20,961	24,772	20,784	23,618	18,561
9. Weed control	2,000								
Total	297,456	205,907	186,691	193,702	191,554	175,819	158,077	155,282	127,314
Construction:									
1. Buildings and utilities	31,000	10,977	15,511	58,910	451,149	17,100	401,933	216,[illegible]	263,120
2. Irrigation systems									538
3. Land acquisition						685		8,402	13,772
Total	31,000	10,977	15,511	58,910	451,149	17,785	401,933	225,328	277,430
Road construction and maintenance (liquidation of contract authorization):									
1. Road maintenance	103,000	104,046	88,457	87,988	97,303	102,374	99,339	113,284	114,900
2. Road construction	198,000	252,177	115,723	85,000	54,016	15,317	42,113	21,283	35,467
Total	301,000	356,223	204,180	172,988	151,411	117,691	141,452	134,567	150,367
General administrative expenses	55,501	47,395	57,710	66,403	69,680	82,875	135,289	107,454	97,177
Grand total	1,240,847	1,125,815	1,740,247	1,838,049	2,221,428	1,646,326	2,062,838	1,608,752	1,376,640

[1] Transferred to Public Health Service, July 1, 1956 (68 Stat. 674-675).

Mr. HUMPHREY. Mr. President, naturally the Bureau of Indian Affairs is convinced that it is doing a better job than some of its outside critics feel that it is doing. Today, I do not intend to argue that point. I only intend to make what seems to me to be a fair and reasonable point, based on all the studies and documents I have just described. We now know, beyond a shadow of a doubt, that no existing State or Federal agency is functioning with anything approaching adequacy to cope with the present Indian situation.

Time and again there runs through Mr. Rowan's articles the theme that existing services, at their very best, will do little more than hold the line. Most of these services are already, and have been for some time, hopelessly inadequate.

Mr. President, it seems to me that even based on the statistics provided by the Bureau of Indian Affairs, it is clear that the Bureau does not have an expanding program to meet its expanding problems—problems of unemployment, poor housing, lack of education, and all the related problems of basic poverty and disease. Indeed, Mr. President, in the face of this growing challenge, all the information I have indicates that the Bureau has been curtailing its operations in Minnesota, and probably intends in the near future to withdraw completely. In the report of the Governor's Human Rights Commission, Bureau representatives are quoted as saying that the Federal Indian Bureau cannot get down to the details of helping individual Indians or groups work out their economic hopes and problems. At the same time, the State of Minnesota has no single agency which is equipped or authorized to step into this partial vacuum.

The report of the committee welfare council makes it clear that the migration of Indians to the cities by itself is not the solution. Many of the Indians who do move do not establish permanent residence. If they lose their jobs in the city, they are likely to return at least temporarily to the Indian community to which they belong. Because of their nonsettled status, many Indian families do not meet the legal requirements for assistance from local agencies off the reservation. Mr. Rowan's articles deal in a detailed and devastating manner with the implications of these problems.

Mr. President, what are we to do about all this? The problems are now currently before us. They have been carefully, analytically presented. Action by Congress is now inescapable if we are to fulfill our responsibilities in good conscience. No single piece of legislation can hope to solve this problem. The problem itself will take continued review and reevaluation over the years; but the basic start, which has been lacking up to now, must now be made.

Already, Mr. President there are pending in the 85th Congress bills which deserve the most careful and prompt committee consideration. One of them is Senate bill 380, entitled "The Indian Hospital Aid Act of 1957," introduced by the distinguished senior and junior Senators from Montana. I ask unanimous consent that a letter I have just received from Dr. R. N. Barr, secretary and executive officer of the State of Minnesota Department of Health, be printed at this point in the RECORD, as a part of my remarks. Dr. Barr, on behalf of the Minnesota State Board of Health, endorses S. 380, and urges immediate and favorable action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF HEALTH,
Minneapolis, March 8, 1957.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The Minnesota State Board of Health has reviewed the provisions of S. 380 and H. R. 2021 (exhibit I) introduced by Senator MURRAY and Representative METCALF entitled "Indian Hospital Aid Act of 1956." The board wishes to express its approval and requests every possible consideration to favorable action on this bill.

At the last meeting of the State and Territorial Health Officers the subject of medical care for the Indians was given serious consideration. It was the consensus of this group that the Indian medical service in some areas could be resolved best through an integrated hospital service.

If passed, this legislation will allow for joint planning of community hospitals and will require that the State hospital and medical facilities survey and construction authority develop hospital plans in cooperation with the USPHS Division of Indian Health, the community and the local Indians in the hospital area. It will in certain areas provide greater assurance of quality hospital and medical service to the entire population without duplication of services and the inevitable increased costs which attend such duplication. It will be a further step in the integration of the Indian into the community life.

We have also discussed this legislation with the Minnesota legislative interim committee on Indian affairs. Senator Gerald T. Mullin, its chairman, has indicated that this committee and certain other State officials will be in conference with you and the other Minnesota Members of Congress in Washington on March 18, 1957. He intends to include this proposed legislation in the discussions.

We have reviewed information in this office relative to Indian hospital services and needs and believe consideration might properly be given toward assisting the following proposed community hospitals in their construction programs. All are or will be eligible for Hill-Burton aid within the next 1 or 2 years. (Exhibit II, "Hospital Services Available to Indians in Minnesota," dated January 24, 1956, gives further details.)

	Estimated number of beds needed for Indians
1. St. Mary's Hospital, Detroit Lakes: 28-bed addition to existing hospital will be started this spring	1-2
2. Mahnomen Hospital: Construction will probably be undertaken this spring for a new 25-bed hospital	6-8
3. Bemidji Lutheran Hospital: Will probably be eligible for Hill-Burton aid for a 36-bed addition to existing 52-bed hospital with 1958 fiscal allotment of Hill-Burton funds	20-22
4. Cloquet Community Hospital: Construction has started on a new 76-bed hospital for Indians and whites. Construction costs exceed the estimate by $439,066	6-8
5. Grand Marais: Construction will probably be undertaken this spring for a new 12-bed hospital	2-3
6. Cook: Eligible for Hill-Burton funds from 1958 fiscal allotment. Will be included on construction schedule when additional local funds are raised and assurances can be given that this community hospital will have two or more physicians on its staff for continued good operation. An 18-bed hospital is proposed	2-3

The above additional 37-46 hospital beds for Indians in community hospitals will complete that part of the State hospital plan to assure good hospital services to Indians and whites alike in all communities in which Indians reside in Minnesota.

We believe, as outlined in exhibit II, that the hospital services should be supplemented by good diagnostic and treatment centers and services at Red Lake, White Earth, and Cass Lake, and that the Cass Lake Indian Hospital should eventually be converted into a community hospital with the community providing additional beds and remodeling the existing facilities.

Respectfully,

E. N. BARR, M. D.,
Secretary and Executive Officer.

Mr. HUMPHREY. Yet the basic challenge, Mr. President—to dealing with the causes, rather than with the symptoms—remains. Listen to Mr. Rowan's words as he begins the last article of his series:

What, then, you ask, can upper Midwest citizens do to solve this "Indian problem"?

For 6 months now I have read millions of words, listened through hundreds of interviews, sprawled on many a cabin floor, sat on the chairs of welfare offices, and of too many hovels to remember.

The voices I remember best say that society will do very, very little until it is willing to attack the causes rather than the symptoms of what ails our first citizens:

"Give the Indians jobs, not more relief * * * public-health training, not penicillin * * * schools, gymnasiums, and recreation centers, not bigger reformatories * * * a chance to live in decent neighborhoods, not more policemen to stand guard over skid rows * * * guidance and rehabilitation for young girls who lack parental supervision, not bigger funds for aid to dependent children or bigger staffs at county workhouses."

Can anyone say, Mr. President, that Congress is seriously moving ahead with an affirmative, constructive answer of the kind Mr. Rowan has in mind? There are various legislative proposals which might mark the beginning of progress. One of them, Mr. President, could be S. 574, sponsored by the Senators from North Dakota, South Dakota, Minnesota, and Wisconsin. Although I am not prepared to state that this bill is a complete remedy for the Indian problems in Minnesota, I believe that the Congress should reexamine the question of Federal responsibility.

In my judgment, it is not sufficient to say, as the 83d Congress said when it adopted House Concurrent Resolution 108, that it is the sense of the Congress that Federal supervision of Indians should be terminated as early as possible. To withdraw Federal assistance and protection is no solution to the economic and social problems which confront the Indians. Premature withdrawal will further injure the Indians, and will merely transfer responsibility to other agencies. I certainly believe that House Concurrent Resolution 108, of the 83d Congress, does not reflect the present sentiment of the Congress. I do believe that it is not a proper guide for present-day Indian Bureau policy. Present sentiment, I believe, is better reflected in Senate Concurrent Resolution 3, of the 85th Congress, sponsored by the senior Senator from Montana [Mr. MURRAY], which proposes positive steps for the economic improvement of our Indian population.

Be that as it may, in an effort to help meet this complex and confusing situation, I have revised the text of the Minnesota Indian bill which I introduced last year. My new bill is simpler, but it has all the essentials of the old bill. Representative MARSHALL, of Minnesota, intends to introduce a companion bill in the House of Representatives.

Mr. President, in this bill I propose the establishment of a Minnesota Indian Administration which would operate independently of the Bureau of Indian Affairs. The proposed Minnesota Indian Administration would take over some of the functions now discharged by the Bureau of Indian Affairs, and would be authorized a 20-year period of existence. Such an extended period of existence is essential in view of the evident purpose of the men who presently direct the Bureau of Indian Affairs to curtail their operations and to eliminate essential services to the Indians of Minnesota.

The proposed new Minnesota Indian Administration would take on new responsibilities to help Minnesota Indians to help themselves on an individual, tribal, and community basis. The establishment of the proposed Minnesota Indian Administration would center Federal responsibility in a new agency with representation from the Indians in Minnesota and from the State of Minnesota, and would bring the Federal Government closer to the problems of our Minnesota Indians. Among other activities, the new Minnesota Indian Administration would engage in land-use planning, research and experimentation to develop new Indian products and handicrafts, tree planting and reforestation of Indian lands, loans to individuals and Indian communities or tribes for various Indian-run enterprises, resource development in the Indian areas, encouragement of private capital for new business, road building, home building and repair, financial aid for education, and the development of social, recreation, or community centers for Indians.

The administration would be authorized to draw from a revolving fund of $10 million to carry out its activities.

Members of the five-man board of directors of the administration would serve without salary, and would draw only per diem and travel expenses.

Mr. President, action on the bill during the present session will reassure our Indian people of the decency and helpfulness of our Government's intentions.

I ask unanimous consent that the bill be printed at this point in the RECORD, as a part of my remarks, and that it be given the earliest possible committee action.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1595) to promote the welfare of the American Indian citizens of Minnesota, and to establish the Minnesota Indian Administration, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, for the purpose of promoting and advancing the welfare and economic situation of the Indians in the State of Minnesota, there is hereby established the Minnesota Indian Administration, hereinafter referred to as the "administration." The administration shall be subject to the general direction of the President of the United States, or the head of such agency as he may designate as his representative.

SEC. 2. The administration shall have its principal office in the State of Minnesota, at a location convenient to the majority of the Indian population, and it may establish branch or other offices in the District of Columbia, or in the State of Minnesota in such places as it may deem necessary in the conduct of its business.

SEC. 3. The administration is authorized to engage in the following activities when it finds that such activities will further the purposes of this act:

(a) To promote and engage in land-use planning, to the end that the lands owned by the Indians shall be put to the most beneficial use.

(b) To investigate and conduct research and experimentation in the production, distribution, and marketing of any products of Indian lands and waters, and of any articles

and materials, including handicrafts, which are or may be produced by Indian labor.

(c) To promote, sponsor, or engage in a plan or program of tree planting and reforestation on Indian lands, tribal or allotted, in order that a future supply of timber may be harvested on the principle of sustained-yield management.

(d) To make loans to any Indian, band, tribe, or community for the establishment, construction, reconstruction, repair, enlargement, improvement, or operation of any industrial, commercial, agricultural, or related enterprise in the State of Minnesota. The administration may require and accept such security or collateral as it deems sufficient, provided, that no loans shall be secured by a mortgage on tribal lands. The administration shall charge interest on loans at a rate reasonably expected to cover the current interest cost of funds to the United States, but in no event to exceed 3 percent per annum.

(e) To establish, maintain, operate, and engage in, upon, and for its own account, any enterprise, business, or activity for the development of the industrial, commercial, mineral, agricultural, fishery, forest, or other resources of the Indians in Minnesota.

(f) To encourage and enlist the investment of private capital in commercial, industrial, agricultural, and other enterprises or undertakings for the purpose of insuring the maximum development of Indian resources.

(g) To make grants-in-aid or loans, or both, in its discretion, for the construction and maintenance of roads and trails across or on Indian lands, when such roads or trails cannot be built from other funds.

(h) To make grants-in-aid or loans, or both, in its discretion, either to individual Indians or to tribes, bands, or communities, for the maintenance, repair, and construction of homes and appurtenant buildings, including the acquisition of lands by purchase, exchange, gift, or otherwise.

(i) To establish a program of financial aid to students in vocational schools, business schools, colleges, art, and other professional schools, by granting scholarships either directly to specially selected students or by grants to institutions.

(j) To promote, establish, and operate social, recreational, or community centers, within or without Indian reservations, including facilities which would permit and encourage programs of adult education.

SEC. 4. The administration shall have and may exercise the following general powers:

(a) To have succession for 20 years from the date of the approval of this act or until a later date if authorized by act of Congress.

(b) To sue and be sued.

(c) To acquire any property, real, personal, or mixed, to hold, use and operate the same, and to lease, sell, or otherwise dispose of such property whenever any of such transactions are deemed appropriate or necessary to the conduct of the activities authorized by this act.

(d) To enter into and perform such cooperative agreements, leases, contracts, or other transactions with any agency or instrumentality of the United States, or with the State of Minnesota or any political subdivision thereof, or with any institution, corporation, association, or person, as may be deemed necessary or appropriate to the conduct of the activities authorized by this act.

(e) To appoint or employ, without regard to the provisions of the civil-service laws, such persons, including attorneys, as may be necessary for the conduct of the business of the administration; *Provided*, That preference shall be given first to qualified Indian residents, and second, to other qualified residents of Minnesota. If the administration requires bonds from any of its officers or employees, the premiums therefor shall be paid by the administration. In the appointment and promotion of employees no political test shall be permitted or given consideration, but all such appointments and promotions shall be made on the basis of merit and efficiency.

(f) To use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government.

(g) To settle and adjust claims held by it against other persons or parties, and by other persons or parties against the administration.

(h) To request and accept gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible, including any property which may be declared surplus by the Bureau of Indian Affairs, or by any other Federal agency, in aid of any of the activities authorized by this act.

SEC. 5. (a) For use in the performance of the administration's duties and functions, an appropriation of $10 million is hereby authorized to be made to a revolving fund when requested by the administration.

(b) As the administration repays the advances received from the Treasury, the repayments shall be made to the revolving fund: *Provided, however*, That interest received by the administration shall be paid into the Treasury as miscellaneous receipts.

SEC. 6. (a) The management of the administration shall be vested in a board of directors of five members: one, appointed by the Secretary of the Interior, to serve for 1 year; one, appointed by the Governor of Minnesota, to serve 2 years; two, selected by the tribal executive committee of the Minnesota Chippewa Tribe, one of whom shall be designated to serve 3 years, and one to serve 4 years; one, to be selected by the other four, shall be a resident of the State of Minnesota and shall serve 5 years. At the end of the first term of service, each successor director shall be similarly selected and shall serve a full term of 5 years. Any member of the board shall be eligible for reappointment and shall serve until a successor is selected and sworn in.

(b) Directors to represent the Minnesota Chippewa Tribe may be, but need not be, enrolled members of the tribe. Appointees to the board by the Secretary of the Interior and the Governor of Minnesota may be persons regularly employed by the United States, the State of Minnesota, or any political subdivision or agency thereof.

(c) Directors shall receive no salary for their services on the board, but they shall be allowed and paid reasonable per diem fees, not to exceed $50 per diem, and allowance in lieu of subsistence expense, and their necessary travel expenses, for attendance at meetings of the board and when engaged in official service of the administration. Such schedule of fees and allowances shall be fixed by the board.

(d) The board shall elect its own chairman. The board shall hold regular meetings at least quarterly, and may meet at other times at the call of the chairman or at the written request of any two directors.

SEC. 7. (a) No program, plan or project shall be carried out by the administration on Indian lands except at the request of, or with the consent of, the Indian tribe, band or group, or individual owner. Tribal or other group consent shall be expressed through the governing body, or by majority vote of the members, as the constitution or rules may provide.

(b) Nothing in this act shall be construed to change or amend the existing rights or powers of the Minnesota Chippewa Indian Tribe, or of any other recognized Indian group in Minnesota, or any individual members thereof.

(c) Appropriations and expenditures under this act shall be considered as if made pursuant to the act of June 19, 1934 (48 Stat. 984), and shall not be considered proper offsets under section 2 of the act of August 13, 1946 (60 Stat. 1049).

SEC. 8. This act shall apply to the Minnesota Chippewa Tribe, the Sioux Indian communities, and all other Indians in the State of Minnesota except the Red Lake Band.

SEC. 9. This act may be cited as the "Minnesota Indian Act of 1957."

PROPOSED FEDERAL AGENCY FOR HANDICAPPED

Mr. MURRAY. Mr. President, on behalf of myself, and Senators BEALL, CARLSON, CARROLL, COOPER, HENNINGS, HILL, HUMPHREY, JACKSON, KEFAUVER, MAGNUSON, MCNAMARA, MORSE, NEELY, NEUBERGER, SMATHERS, and SPARKMAN, I introduce for appropriate reference a bill to establish a Federal Agency for the Physically Handicapped. I ask unanimous consent to have printed in the RECORD a press release, prepared by me, explaining the purposes of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the press release will be printed in the RECORD.

The bill (S. 1597) to establish the Federal Agency for Handicapped, to define its duties, and for other purposes, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The press release presented by Mr. MURRAY is as follows:

FEDERAL AGENCY FOR HANDICAPPED BILL

Together with several colleagues, including Senators J. GLENN BEALL, Maryland; FRANK CARLSON, Kansas; JOHN A. CARROLL, Colorado; JOHN SHERMAN COOPER, Kentucky; THOMAS C. HENNINGS, Missouri; LISTER HILL, Alabama; HUBERT H. HUMPHREY, Minnesota; HENRY M. JACKSON, Washington; ESTES KEFAUVER, Tennessee; WARREN G. MAGNUSON, Washington; PAT MCNAMARA, Michigan; WAYNE MORSE, Oregon; MATTHEW M. NEELY, West Virginia; RICHARD L. NEUBERGER, Oregon; GEORGE A. SMATHERS, Florida; and JOHN J. SPARKMAN, Alabama; I have today introduced a bill to establish the Federal Agency for Handicapped.

This bill presents a most comprehensive and well-balanced approach to the needs and problems of our 45 million handicapped citizens, approximately 10 million of whom are from 60 percent to 100 percent disabled. Passage of the bill would not only benefit the handicapped, themselves, but their families, communities, the States, and the Nation.

When we consider that our most eminent scientists and educators warn us, daily, that Soviet Russia is rapidly spanning the gap between our production volume and theirs, due to their stressing the educational necessity for training technicians and specialists in all lines, we must not overlook the fact that our own greatest reservoir of untapped energy today is our millions of handicapped citizens.

Undoubtedly, many of these, if given proper treatment, training, guidance, and placement, would be lifted out of their unhappy plight of enforced idleness and be able to take their places on the production lines, on the farms, and in the businesses of our Nation. Thus, they would become taxpayers instead of tax eaters.

Paul A. Strachan, president, American Federation of the Physically Handicapped,

and author of National Employ the Physically Handicapped Week (which has been primarily responsible for placement of some 3,250,000 handicapped in suitable jobs), and other legislation beneficial to handicapped, states that in view of the tremendous need for manpower, all potentials available should be brought to their highest pitch of physical and mental capacities, and for this reason Congress must not be laggard but should pass this bill immediately.

In collaboration with other interested Senators, I am glad to introduce this bill and will work hard for its passage. Among other things, it would provide:

1. Maximum extension of medical services, vocational guidance and counseling, education and training, and full employment opportunities to citizens handicapped by physical or mental disabilities.

2. Effective coordination of functions of the 35 Federal agencies, each of which now has a part of this program relating to rehabilitation and employment of handicapped.

3. An independent agency for the handicapped, and in such agency, an Advisory Council on Affairs of the Handicapped.

4. An Office of Services for the Blind.

5. Cooperative enterprises for handicapped.

6. Rehabilitation centers for handicapped throughout the country.

7. Special programs for severely handicapped persons, including establishment of suitable workshops.

8. A Federal services to handicapped revolving loan fund, from which States may borrow money at such times as their funds for vocational rehabilitation or employment of handicapped, or for both, are exhausted (and this is frequently the case), and to appropriate the initial sum of $10 million for such fund.

9. A Division for Handicapped in the United States Civil Service Commission.

10. Public safety programs designed to eliminate and prevent conditions which tend to promote injuries and diseases in public buildings, institutions, parks, and other public places.

11. Variable grants to States for vocational rehabilitation.

12. Grants to handicapped persons who require special home training.

13. A Federal second injury fund and tax so that millions of handicapped who have multiple disabilities shall not suffer from lack of opportunity for employment now denied them by insurance laws and rulings, and unfair discrimination otherwise.

14. A commission to survey and determine proper selective placement of handicapped so that we may ascertain how to fit the variously handicapped into the 25,339 different kinds of jobs in the United States of America.

15. Interpreters for the deaf and other physically handicapped who cannot communicate in words, who may be called as litigants or witnesses before Federal courts, departments or agencies, or Congressional committees.

16. Grants to States for aid to the totally disabled, declared by Federal-State rehabilitation agencies to be unfeasible for rehabilitation, such grants to provide such unfeasible case with a minimum of $75 per month.

17. In the United States Department of Labor, in cooperation with the States, training courses especially to develop specialists in counseling and placement of handicapped (of which specialists there are only a relative handful today, whereas many thousands are urgently needed), and to develop procedures, manuals, handbooks, special disability guides, physical demand studies on 25,339 jobs now listed in the Occupational Directory; methods of getting proper medical appraisal of work capacities, and methods of placing the severely handicapped, in cooperation with physicians, educators, rehabilitation and social workers and other experts in this field.

I believe that the public should, wholeheartedly, lend support to this bill and make its views known to all Members of Congress.

RESTRICTIONS ON THE IMPORTATION OF HARDWOOD PLYWOOD

Mr. THURMOND. Mr. President, I ask unanimous consent that I may speak for not more than 6 minutes, on a bill I am about to introduce.

The PRESIDENT pro tempore (Mr. CARROLL in the chair). Is there objection?

Mr. FULBRIGHT. Mr. President, reserving the right to object, what was the request?

The PRESIDENT pro tempore. The Senator from South Carolina asked unanimous consent to speak for 6 minutes.

Mr. FULBRIGHT. The majority leader, who asked me to sit in his chair and act as majority leader, requested me to object to such requests, because there are several of us waiting to speak on the pending legislation. It is quite unfair, to the other Members who are waiting, to ask to speak in the morning hour in excess of the time allowed under the rule. I have a speech which I should like to make. If the Senator will confine himself to the time allowed within the regular rule, that will be all right, but I do not know how else to reach any degree of equity in the morning hour if we extend the time allowed. The majority leader asked me to object to extensions of speeches in the morning hour.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. THURMOND. I yield. I was going to introduce a bill and speak for about 5 minutes.

Mr. HUMPHREY. The morning hour extends to 2 o'clock.

Mr. FULBRIGHT. Not necessarily.

Mr. HUMPHREY. I say it would be easier to yield to our colleague from South Carolina and let him make his presentation. I personally exceeded the 3-minute limitation. It is not unusual for other Senators to do so. The Senator from South Carolina was asking for permission within the rules, and I hope the Senator from Arkansas will give him that privilege.

Mr. FULBRIGHT. I agree with the Senator's remark that Senators often go beyond the usual time allowed under the rule. That being so, it, nevertheless, leads to a situation where some of us who have prepared speeches on the pending legislation have to wait. I do not know how to arrive at a fair solution, unless all of us exercise a certain degree of restraint. In view of the fact that some Senators have been sitting here for an hour and a half waiting to make speeches, it seems only fair that such Senators should have priority. That is the only question involved. There is no way to make any Senator do anything he does not wish to do. I agree that the Senator from South Carolina, if he desires to, can take time. I shall not make objection to the request, but I think such procedure is not in the interest of good order.

Mr. FLANDERS. Mr. President, reserving the right to object, I wish to say I have a 4-minute speech which I wish to make, and I was waiting until after the morning hour to make it, in an endeavor to obey the rules of the Senate. Of course, when unanimous consent is obtained, a Senator is obeying the rules of the Senate; but if the Senator from South Carolina is given unanimous consent, I shall ask such consent for myself. I do not object.

The PRESIDENT pro tempore. Is there objection?

Mr. THURMOND. Mr. President, if there is any objection, I shall withdraw the request. I intend to introduce a bill. I understood the morning hour ended at 2 o'clock.

Mr. ANDERSON. Mr. President, reserving the right to object, if the Senator from South Carolina had gone ahead at the time he requested permission, he would have finished his statement. I wish to introduce a bill and make a statement taking 2 or 3 minutes. I am anxious to get back to a meeting of the Special Committee on Lobbying. The Senator from Arkansas is entirely correct, but I hope the Senate will approve the request of the Senator from South Carolina, and perhaps my request will be granted. I have to attend a committee which is meeting supposedly at 1 o'clock. I want to get on my way.

Mr. THURMOND. I have a Subcommittee on Railroad Retirement to which I am anxious to go. That is the reason I made the request. If there is objection, I will not make the request.

The PRESIDENT pro tempore. Is there objection to the unanimous consent request of the Senator from South Carolina to speak for 6 minutes? The Chair hears none, and the Senator from South Carolina is recognized for 6 minutes.

Mr. THURMOND. Mr. President, on behalf of myself and Senators BARRETT, CHAVES, ERVIN, FLANDERS, JOHNSTON, MALONE, MCCARTHY, TALMADGE, CAPEHART, WILEY, STENNIS, JENNER, SCOTT, BRIDGES, HOLLAND, POTTER, PAYNE, MARTIN of Pennsylvania, EASTLAND, and MCCLELLAN, I introduce, for appropriate reference, a bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood.

This bill would not only give relief to the plywood and veneer industry; it would also give relief to the farmers of many States who sell logs from their woodlots to plywood and veneer plants. Shutdowns of plants and cutbacks in work at the plants directly affect the quantity of logs purchased from farmers and the prices paid them for the purchases.

There are 343 plants scattered over 27 States in every region of the country, except the Pacific coast, which produce hardwood plywoods or veneers. In the Pacific region there are some 29 other plants producing hardwood plywood.

Mr. President, the need for this legislation is best proved by citing a few very pertinent statistics. The casualty rate for hardwood plywood and veneer plants was high during the 1954-56 period. A total of 65 plants shut down or had cutbacks in production. Twenty-eight plywood plants and 15 veneer plants shut down completely.

From 1951 through 1956, imports of hardwood plywood from Japan increased 4,120 percent. Plywood imports from all competing countries increased during that period 1,000 percent. These imports have now reached the point where they constitute 46.6 percent of the total plywood consumption in the United States.

It is most significant that this tremendous increase in plywood imports has taken place since 1951, because that was the year in which the tariff was reduced on plywood imports. This reduction was made despite the strong protests of the American plywood industry.

In 1954 efforts to secure administrative relief through the Tariff Commission and also to secure voluntary quotas failed completely.

Mr. President, I wonder how long the Congress and the executive branch of the Federal Government will continue to regard our own industries so lightly while endeavoring to create a more advantageous position for foreign manufacturers.

Since 1951 the cost of making plywood products in this country has increased about 30 to 40 percent. However, the effect of plywood imports during the same period has been to depress the price paid for plywood products in relation to other commodities.

The Department of Labor index for hardwood plywood stands at 104, compared with a figure of 124 on wholesale prices on commodities other than farm products and food.

I consider it most significant that, although the consumption of hardwood plywood in this country has risen 74 percent in the past 5 years, the consumption of hardwood plywood produced in this country has risen a mere six-tenths of 1 percent during the same period.

Mr. President, I believe this is more than sufficient evidence that the time has come when action should replace sympathetic words to farmers engaged in logging and to the makers of hardwood plywood in this country.

The bill I am introducing, if enacted, would limit annual importation to a quota of 15 percent of the consumption of hardwood plywood in the United States during the preceding year.

I do not anticipate that even this restriction would approach full recapture of the domestic market lost to the low-wage countries. Japanese laborers are paid approximately 11 cents per hour for their work in the plywood plants of that country. Our plywood plants are under the minimum wage law which requires a minimum payment of $1 per hour. But this bill would help to make it possible for the makers of plywood in the United States to compete on somewhat more favorable terms than at present.

I sincerely hope that early action will be taken on this bill to save our domestic plywood industry from further unfair competition with the low-wage countries which have flooded our domestic markets.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of the bill together with a brief explanation of its provisions and two tables which are pertinent to the plywood problem.

I also ask unanimous consent to have printed in the RECORD an outstanding editorial from the Orangeburg (S. C.) Times and Democrat, which is edited by Mr. Edward H. Sims, who also operates a Washington news bureau for a number of South Carolina newspapers and radio and television stations. The editorial is entitled "Plywood Complications," and it gives a good, factual discussion of the problems confronting the plywood and veneer industries.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, editorial, and tables will be printed in the RECORD.

The bill (S. 1598) to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood, introduced by Mr. THURMOND (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That it is the purpose of this act to authorize the establishment of a quota on imports of hardwood plywood under the conditions hereinafter specified in order to stabilize hardwood plywood imports under conditions of fair competition, and to establish the basis for an expanding foreign trade of the United States by removing from import competition its destructive aspects without creating hardship for the domestic hardwood plywood industry.

SEC. 2. (a) The total quantity of hardwood plywood entered or withdrawn from warehouse, for consumption, in any calendar year shall not exceed 15 percent of the domestic consumption of hardwood plywood in the preceding calendar year determined as hereinafter provided.

(b) For the remainder of the calendar year 1957, the import quota shall be prorated on the basis of the quota for the full calendar year as provided in subsection (a).

SEC. 3. (a) The United States Tariff Commission shall, within 60 days after the effective date of this act for the purpose of the quota for the remainder of the calendar year 1957, and within 60 days after the close of each calendar year, for the purpose of quotas for calendar years after 1957, determine the domestic consumption of hardwood plywood for the preceding calendar year.

(b) On the basis of such determination the Commission shall establish the quotas for hardwood plywood as provided in section 2.

(c) If imports of hardwood plywood come from more than one country of origin the permissible total quantity shall be allotted on the following basis:

(1) Ninety-five percent of the quota shall be allotted to the countries of origin on the basis of the average entries from each such country during the calendar years 1952, 1953, or 1954.

(2) The remaining 5 percent shall be allotted to any country or countries not exporting hardwood plywood to the United States during any of the calendar years 1952, 1953, or 1954.

SEC. 4. (a) The Tariff Commission shall report to the President the quotas established by it and the President shall by proclamation promptly impose such quotas.

(b) If there is no claimant country or countries before the end of the third quarter of any year for the 5 percent set aside for new exporting countries, or if any part of the 5 percent is not claimed, the whole or the unclaimed part of such 5 percent shall be distributed among the original participating countries according to their proportional shares and the President shall issue a proclamation modifying the original quotas in accordance therewith.

SEC. 5. In any year in which the domestic consumption of hardwood plywood cannot be determined for the purposes of section 3, the Tariff Commission shall estimate the domestic consumption for the preceding year and establish preliminary quotas which shall be proclaimed by the President pending the establishment of final quotas.

SEC. 6. (a) As used in this act—

(1) The term "hardwood plywood" means an assembly composed of two or more layers of veneer or veneer in combination with lumber, hardboard, fiberboard, particle board, chipboard, or other material, bonded by an adhesive and having at least one layer of hardwood.

(2) The term "domestic consumption" for any calendar year, with respect to hardwood plywood, means the total quantity of hardwood plywood, on a square foot surface measure basis, shipped by producers in the United States to the domestic market in such year plus the total quantity of imported hardwood plywood entered, or withdrawn from warehouse, for consumption in such year.

SEC. 7. The provisions of this act shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effectuate a modification or termination of any international obligations of the United States with which the act might conflict, but in any event not later than 60 days after the date of enactment of this act.

The editorial and tables presented by Mr. THURMOND are as follows:

[From the Times & Democrat of March 10, 1957]

PLYWOOD COMPLICATIONS

Southerners in Washington are concerned over the threat to the plywood industry of this country. The main source of concern is Japan, where good grade plywoods can be produced for a fraction of the cost of the same material in this country.

A recent estimate showed that the Japanese can produce 1,000 square feet of good plywood for $4.17. In this country it costs more than $30 to manufacture the same 1,000 square feet of the same grade of plywood.

The United States industry is looking to Washington for relief and it seems that the plywood industry has an excellent case. This case is strongly supported by the fact that 33 plants have been shut down and 22 have cut down their production in the last 24 months because of increasing competition from foreign imports.

In this State alone, seven plywood and veneer plants have been forced out of business. In North Carolina 15 plywood and veneer factories have folded.

This, obviously, is a serious situation and one which warrants attention. It is a direct cause of concern in Orangeburg, where U. S. Plywood has a plant which provides a sizable payroll to this community. If that company is forced into financial difficulties or if operation of that plant becomes less and less profitable, and production is curtailed, or other drastic measures taken, it will be a blow to the economy of this section.

Therefore, we urge all Members of the South Carolina Congressional delegation to do everything in their power, actively, to see that a fair business opportunity is safeguarded for the plywood industry. It is good to know that our delegation is already actively working, and we commend them for what they have already done, and urge them to make every possible effort to alleviate what is obviously a crucial situation for this industry.

Record of shutdowns or production cutbacks of hardwood plywood and veneer plants (period 1954–56)

Shutdown		Cutback	
Plywood plants	Veneer plants	Plywood plants	Veneer plants
Meyerwood Compound Lumber Co., Mobile, Ala.	Whitewall Veneer Co., Tallahassee, Fla.	Berry Veneer & Plywood Co., Monticello, Fla.	Quality Veneer Co., Liberty, N. C.
Jefferson Lumber Co., Monticello, Fla.	Sylvania Veneer Co., Sylvania, Ga.	Georgia Pacific Plywood Co., Savannah, Ga.	Stubbs Veneer Co., Windsor, N. C.
Monticello Manufacturing Co., Boyd, Fla.	Kenmore Veneer Co., Junction City, Ky.	Perry County Plywood Co., Beaumont, Miss.	Edenton Veneer Co., Edenton, N. C.
Atlas Plywood Corp., Brunswick, Ga.	Denny Veneer Co., Rocky Mount, N. C.	Stifley Plywood Co., Conway, N. C.	Truss Veneer Co., Burgaw, N. C.
Toccoa Manufacturing Co., Toccoa, Ga.	Denny Veneer Co., Roseboro, N. C.	W. M. Ritter Lumber Co., Hillsboro, N. C.	Weldon Veneer Co., Weldon, N. C.
Georgia Veneer & Lumber Co., Thomasboro, Ga.	Mayo Veneer Co., Whitakers, N. C.	McLeod Plywood Co., Wadesboro, N. C.	Bridgton Veneer Co., Bridgton, N. C.
Plywood Products, Inc., Tacoma, Ga.	Atlantic Veneer Co., Whitakers, N. C.	Virginia Plywood Co., Danville, Va.	Beck Bros. Veneer Co., Zebulon, N. C.
Waynesboro Veneer & Plywood Co., Waynesboro, Ga.	Alexander Veneer Co., Georgetown, N. C.	Weil Plywood Corp., Rocky Mount, Va.	Benson Veneer Co., Benson, N. C.
Southern Plywood Co., Thomasville, N. C.	Clark Veneer Co., Allendale, S. C.	Globe Plywood Corp., Rocky Mount, Va.	Seabrest Veneer Co., Statesville, N. C.
Standard Plywood Co., Fairmount, N. C.	Landrum Veneer Co., Landrum, S. C.		L. D. T. Veneer & Panel, Dillon, S. C.
Atlantic Plywood Co., Florence, S. C.	Butler, Butler, Ala.		
	Truss, Lyons, Ga.		
Atlas Plywood Corp., Goldsboro, N. C.	A mill, De Ridder, La.		
	Denny Veneer Co., St. Steven, S. C.	Alexander Wood Products Co., Georgetown, S. C.	Franklin Veneer & Lumber Co., Rocky Mount, Va.
Peerless Plywood Co., High Point, N. C.	Charleston Veneer Co., Charleston, S. C.	Larson Plywood Co., Sheboygan, Wis.	
Fairmont Plywood Co., Fairmont, N. C.			
Syncor, Inc., Alma, N. C.			
Southern Plywood Co., High Point, N. C.			
Daystrom Corp., Alma, N. C.			
Atlantic Plywood Co., Atlantic, N. C.			
Waccamaw Co., Whiteville, N. C.			
Plywood Plastics, Hampton, S. C.			
Vanville Door Co., Vanville, S. C.			
Standard Plywood Co., Hampton, S. C.			
Atlas Plywood Corp., Newport, Vt.			
Atlas Plywood Corp., Richford, Vt.			
Moorefield Plywood Co., Moorefield, W. Va.			
Shawano Laminating Co., Shawano, Wis.			
John Corp., Shawano, Wis.			
Baldwin Plywood Co., Gillett, Wis.			

Current geographical locations of plywood and veneer plants in the United States

State	Plywood units	Veneer units	Total
Alabama	5	17	22
Arkansas	7	3	10
Florida	5	7	12
Georgia	7	11	18
Illinois	1	4	5
Indiana	3	23	26
Kentucky	5	6	11
Louisiana	2	2	4
Maine	7	2	9
Maryland		3	3
Massachusetts		1	1
Michigan	6	5	11
Minnesota	2	1	3
Mississippi	5	8	13
Missouri		2	2
New Hampshire	1	2	3
New York	7	10	17
North Carolina	21	15	36
Ohio		3	3
Pennsylvania	1	3	4
South Carolina	14	18	32
Tennessee	8	4	8
Texas	1	2	3
Vermont	3		3
Virginia	8	15	23
West Virginia	1	3	4
Wisconsin	12	13	25
Total	136	207	343

Supplementary data relative hardwood plywood production, by region (veneer data unavailable)

Region	Number of units	Payroll	Number of employees
		Thousands	
New England	16	16,[illegible]	1,[illegible]
Middle Atlantic	7	2,[illegible]	[illegible]
North Central	22	15,[illegible]	4,[illegible]
South Atlantic	57	15,[illegible]	6,[illegible]
East South Central	15	8,[illegible]	1,[illegible]
West South Central	7	3,[illegible]	1,[illegible]

NOTE.—In the Pacific region there are approximately 29 plants producing hardwood plywood; however, their payroll and number of employee figures are not available.

Source: 1954 Census of Manufacturers—Plywood Industry, May 1956, series MC—24-2.1).

EXPLANATION OF PROPOSED BILL TO REGULATE THE FOREIGN COMMERCE OF THE UNITED STATES BY ESTABLISHING QUANTITATIVE RESTRICTIONS ON THE IMPORTATION OF HARDWOOD PLYWOOD

The bill provides for a yearly quota on imports of hardwood plywood of 15 percent of the consumption in the year preceding the quota year. Consumption is defined as the sum of the shipments by the United States producers and the imports of hardwood in the preceding year.

The Tariff Commission shall determine the consumption and shall establish the quota within 60 days from the end of the calendar year. Ninety-five percent of the quota shall be allotted to countries of origin on basis of average entries during the calendar years 1952, 1953, and 1954. Five percent shall be allotted to countries not having a historical position in the base year.

It is provided that the act shall take effect within 60 days after enactment to permit the President to negotiate the modifications or termination of trade agreements which would be effected by the act.

The quota of 15 percent on consumption restores to domestic competition a portion of the market taken over by low-priced imports. The basing of the quota on consumption assures to the foreign producers a share of the expanding domestic market. The quota is to be allocated on a historical basis using as the base years the 3-year period 1952–54 which a study of the imports indicates to be the most representative years since World War II.

Mr. THURMOND. Mr. President, I ask that the bill lie on the table until Monday, so that any of our colleagues who would like to join us in cosponsoring this legislation may have the opportunity to do so.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXCLUDING FROM GROSS INCOME AMOUNTS RECEIVED AS REIMBURSEMENT FOR CERTAIN MOVING EXPENSES

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a bill to exclude from gross income for Federal income tax purposes amounts received as reimbursement for certain moving expenses. I wish to make a very brief statement concerning the bill.

The PRESIDENT pro tempore. The Senator from New Mexico may proceed.

Mr. ANDERSON. Mr. President, the Internal Revenue Bureau has ruled that money paid to employees working at Sandia Corp., the Atomic Energy Commission installation at Albuquerque, N. Mex., for moving and travel expenses to Albuquerque from their previous places of residence, is taxable, even though the employees were promised it would not be.

When it became necessary to recruit employees for this installation, it was found that the Government would need highly trained engineers, technicians, and craftsmen. The Government, through its agent Sandia Corp., was unable to hire these skilled employees in Albuquerque. Therefore, at a cost of several hundred thousand dollars, many recruiting teams were sent all over the United States, and an extensive nationwide advertising campaign was launched to obtain the necessary specialists.

The Sandia Corp. agreed to assume the cost of transporting the employees and their families to Albuquerque. This was necessary because specialists of this type could have obtained employment or stayed on their jobs with

comparable salaries much nearer their homes than Albuquerque. They would not leave their homes and jobs if it meant taking a financial loss. That is why Sandia Corp. agreed to insure them against such loss by assuming the actual expenses of moving.

Now, several years later, the Internal Revenue Service has come back on several hundred employees of Sandia Corp., stating that these payments for moving expenses are taxable. Information furnished me indicates that Sandia Corp. paid $156,493.51 in 1953 and $174,714.66 in 1954 to reimburse new employees for these moving expenses. In reliance on Revenue Ruling 54–429—Internal Revenue Bureau, 1954–40, page 15—and prior rulings, the Sandia Corp. advised its new employees that the payments were not includible in gross income. However, as the result of a later ruling, Revenue Ruling 55–140, C. B. 1955–1, 317, the Internal Revenue Service has advised the Sandia Corp. that the payments represent taxable income to the employees.

The Sandia Corp. employees feel that this is an unfair imposition of tax, and have asked me to assist them by having the Internal Revenue Code amended so as to exempt them from the tax on these payments.

I introduce the bill, and ask unanimous consent that it may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1599) to exclude from gross income for Federal income-tax purposes amounts received as reimbursement for certain moving expenses, introduced by Mr. ANDERSON, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is hereby amended by renumbering section 121 as section 122 and by inserting immediately after section 120 the following new section:

"SEC. 121. Reimbursement for certain moving expenses.

"There shall be excluded from gross income amounts received by the taxpayer from a new employer as reimbursement for expenses incurred in moving from one locality to another to accept employment with such new employer."

(b) The table of sections for such part III is amended by striking out

"SEC. 121. Cross references to other acts."

and inserting in lieu thereof the following:

"SEC. 121. Reimbursement for certain moving expenses.

"SEC. 122. Cross references to other acts."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

SEC. 2. (a) Section 22 (b) of the Internal Revenue Code of 1939 (relating to exclusions from gross income) is hereby amended by adding at the end thereof the following new paragraph:

"(17) Reimbursement for certain moving expenses: Amounts received by the taxpayer from a new employer as reimbursement for expenses incurred in moving from one locality to another to accept employment with such new employer."

(b) The amendment made by this section shall apply only to amounts received after December 31, 1952.

INCREASED EQUIPMENT ALLOWANCE TO RURAL CARRIERS—ADDITIONAL COSPONSOR OF BILL

Mr. CARLSON. Mr. President, I ask unanimous consent that the name of the Senator from South Carolina [Mr. JOHNSTON] may be included as a cosponsor of the bill (S. 70) to increase the equipment allowance payable to rural carriers, introduced by me on January 7, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ASSISTANCE TO DEPRESSED AREAS—ADDITIONAL COSPONSOR OF BILL

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent that the name of the junior Senator from New Jersey [Mr. CASE] may be added as a cosponsor of Senate bill 1433, the depressed area bill, introduced by me on February 28, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONTROL OF PLANT PESTS—ADDITIONAL COSPONSORS OF BILL

Mr. ELLENDER. Mr. President, I ask unanimous consent that the names of the Senator from Alabama [Mr. HILL] and the Senator from Mississippi [Mr. STENNIS] may be added as additional cosponsors of the bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests, introduced by me, for myself and my colleague, the junior Senator from Louisiana [Mr. LONG], on March 1, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KNOWLAND:

Address delivered by him at Charter Day banquet, Long Island University, Waldorf-Astoria Hotel, New York, N. Y., on March 13, 1957.

By Mr. CASE of South Dakota:

Address on the subject of roadbuilding, delivered by him before the American Road Builders Association, Chicago, Ill., January 28, 1957.

By Mr. POTTER:

Address entitled "An Ounce of Prevention," delivered by the Secretary of the Treasury at the Masonic Temple in Detroit, Mich., on March 6, 1957.

By Mr. ANDERSON:

Address delivered by Hon. CARL T. DURHAM, chairman, Joint Committee on Atomic Energy, before National Industrial Conference Board Conference on Atomic Energy in Industry, at Philadelphia, Pa., on March 14, 1957.

NOTICE OF HEARING ON NOMINATION OF WILLIAM J. JAMESON TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF MONTANA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 10:30 a. m., Friday, March 22, 1957, in room 424, Senate Office Building, upon the nomination of William J. Jameson, of Montana, to be United States district judge for the district of Montana, vice Charles N. Pray, retiring.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Utah [Mr. WATKINS].

NOTICE OF CONSIDERATION OF NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the following nomination:

John Clifford Folger, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium, vice Philip W. Bonsal, reassigned.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARING ON INTERNATIONAL PLANT PROTECTION CONVENTION

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to give notice that the committee will hold a public hearing Tuesday, March 19, on the International Plant Protection Convention—Executive D, 84th Congress, 2d session—which was open for signature at Rome from December 6, 1951, to May 1, 1952, and which was transmitted to the Senate by the President on January 12, 1956.

The hearing will be held at 10 a. m. in the Foreign Relations Committee room in the Capitol.

RESOLUTION OF SENATE REPUBLICAN CONFERENCE

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the RECORD a resolution unanimously adopted by the Republican conference on Tuesday afternoon, March 12, 1957.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas it is necessary to preserve a sound, stable economy which avoids inflation and deflation, which maintains the purchasing

power of the dollar, and which encourages growth and expansion; and

Whereas excessive Federal spending under present conditions adds to inflationary pressure and requires high taxes to avoid deficit financing; and

Whereas tax reduction wherever practicable will strengthen the economy and increase the purchasing power of every citizen; and

Whereas the appropriation of funds for Federal Government activities is the constitutional responsibility of the Congress; and

Whereas the Republican conference of the Senate is in accord with the President's recommendation that the Congress reduce the budget wherever possible: Therefore be it

Resolved, That the Republican conference of the Senate recommends—

1. That the Congress reduce the budget wherever possible consistent with the security of the national defense and the essential functioning of the Government; and

2. That the Appropriations Committee of the Senate consider carefully each appropriation with a view of keeping expenditures within the lowest practicable bounds; and

3. That hereafter each legislative committee of the Senate, in reporting a bill to the Senate, include in its report a statement of the estimated initial and projected cost of any activity authorized by the legislation which requires expenditure of funds; and

4. That the Congress by its appropriations limit civilian employment to the lowest levels consistent with the authorized operation of the department or agency involved.

RICHARD EVELYN BYRD

Mr. STENNIS. Mr. President, it was a sad procession, indeed, which crossed Memorial Bridge to Arlington Cemetery this morning, carrying to his last resting place the great Adm. Richard E. Byrd.

It was a severe loss to the Nation when he was called to his eternal reward while sleeping in his home in Boston.

He was one of the truly great men in America. His accomplishments are familiar to every schoolboy in the land, his conquest of the last vast areas of the unknown—Antarctic regions and the northern polar regions—and the charting of millions of miles of then unexplored frozen waste have made a lasting contribution to man's knowledge of the earth, which is home to us all.

His interest in navigation, a necessary tool to his calling, led to inventions of the bubble sextant and the sun compass, which today are commonplace in the profession of navigation. These fundamental improvements in that ancient art are almost byproducts of the mind which saw beyond the horizons of ordinary men and drove him to move relentlessly on and conquer the difficult, the unknown, until overwork caused his heart to stop.

It was my pleasure to know Admiral Byrd. In the past few years I have enjoyed several meetings with him and listened to his enthusiastic plans for the current expedition which he headed at the time of his death. It was impossible to be in his company without sensing the presence of greatness, feeling the great strength of his character, and seeing the true brilliance of this man of stature.

The sympathy of the Nation has gone out to his family, and I should like to add the sentiments of my own feeling, as well as echo the sadness and grief of the people of the State of Mississippi, for the loss of this noble gentleman of Virginia.

Mr. President, I ask unanimous consent that a short editorial appearing yesterday in the Washington Evening Star be inserted in the RECORD at this point as a concise summary of the sympathy and sentiment of our Nation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BEYOND THE POLE

"But thou,
Heroic sailor soul,
Art sailing on thy heavenly voyage now,
Toward no earthly pole."

Tennyson's epitaph on Sir John Franklin, lost in the wastes of the Arctic a century ago, comes strongly to mind with the passing of Adm. Richard E. Byrd.

The place in history of the first man to fly over North Pole and South Pole, the first man to look on more than a million square miles of the earth's land surface, is secure. He joins the company of Franklin and Peary, Livingstone and Stanley, Magellan and De Soto. Admiral Byrd had established himself firmly in this position years ago. But the poles of one little planet were far from his ultimate goal. One of his most frequent expressions was "beyond the pole."

This was no mystical concept—although above all he was a mystic. He referred to the vast unknown between the South Pole and the Weddell Sea which no man ever had entered or flown over. It was an entirely hardheaded, practical idea. Admiral Byrd ever was hardheaded and practical in his explorations. His greatest boast after flying to the pole in 1947 was that he had gone about 50 miles into the "beyond."

The expression, however, takes on a special and mystical significance now. It was an expression of his eternal concern with all "beyonds"—so familiar to those who knew him, and his favorite topic with chosen and sympathetic friends. He was concerned with the beyonds of the earth, the beyond of creation, of space and time—most of all the beyonds of the human spirit across the bournes of birth and death.

Into those beyonds the explorer has gone. His spirit, if that of any man, will reach their poles.

Mr. MARTIN of Pennsylvania. Mr. President, the United States and the world have suffered a great and tragic loss in the sudden death of Rear Adm. Richard E. Byrd.

Few men in our time have contributed so much to the glory of our Republic and our flag as Admiral Byrd.

He has gained an everlasting place of honor in the history of the United States and in the annals of advancing civilization.

He has achieved never to be forgotten fame as an intrepid adventurer into the unknown who pushed back the frontiers of the world for the benefit of mankind.

I hope every American, especially all young Americans—our boys and girls—will become familiar with the story of his illustrious career in exploration and discovery, for they will find it a supreme source of inspiration for patriotic Americanism.

Admiral Byrd lived in the highest tradition of the courageous pioneers who built the greatness of the United States with their toil and sacrifice.

Here in this Chamber the passing of Admiral Byrd is brought closer to us by our association with his brother, our distinguished friend and colleague, the senior Senator from Virginia. In this hour of their grief we extend our deepest sympathy to Admiral Byrd's wife, to his children and to our bereaved colleague.

The Wall Street Journal published a very able editorial on the passing of Admiral Byrd, entitled "The Pathfinder," and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PATHFINDER

When Richard E. Byrd was 12 years old he set off alone from his Virginia home and traveled around the world. And for upward of 50 years he kept restlessly on the move in the tradition of the great pathfinders of history, helping to open some of the great frontiers of the 20th century.

His exploits as an explorer of the Arctic and Antarctic are well known. What is less well remembered nowadays is that he was one of the real pioneers also of the conquest of the air, both as a theoretician, and as a flying participant in some of the great early flights.

As a little-known junior officer in the Navy he helped map and organize the cross-Atlantic flight of the NC-4. He became an early authority on long-range aerial navigation, inventing navigational instruments which have been developed into the precise ones used by the globe-girdling airlines today. He organized, financed—partly through a personal debt—and flew on the first flight over the North Pole in 1926. A year later his trimotor, *America*, was on the starting line for the race across the Atlantic when the unknown Lindbergh took off on the first successful flight. Shortly thereafter Byrd made it too. In 1929 he flew over the South Pole, mapped extensive areas of the Antarctic, and proved without a doubt that it was indeed a continent.

His life spanned the era of man's last great geographical conquest of the earth and of its last great ocean, the air. His contributions surely were enough to rank him with some of the great discoverers and explorers of the 15th and 16th centuries. He died at a time when there was no place left on earth that man has not left his calling card.

The measure of his stature is that those who come after must make their calls to other places, measured by the distance to planets unexplored.

Mr. BRICKER. Mr. President, before discussing the pending bill, I wish to associate myself with the remarks of the distinguished Senator from Mississippi [Mr. STENNIS] and the distinguished Senator from Pennsylvania [Mr. MARTIN] concerning the lamented death of Admiral Byrd. I know of no man whose career has afforded greater inspiration to the youth of the country. Admiral Byrd typified the exploring spirit of America as perhaps no other man in recent history has done. He was a magnificent representative of a great family. I sincerely regret his passing.

I wished to say these brief words for the RECORD because of the appreciation I have for the services Admiral Byrd rendered to the country and for the inspiration he has provided those who are pioneering in the unknown places of the world.

HUNGARIAN FREEDOM DAY

Mr. CASE of New Jersey. Mr. President, tomorrow, March 15, will be Hungarian Freedom Day, the Magyar counterpart of our own Fourth of July. It is

the 109th anniversary of the demand for independence by a group of Hungarian students which led to the brief free government of Louis Kossuth—a government which was crushed by Russian czarist armies acting at the behest of the Hapsburgs. This anniversary is the most important day of the year to all freedom-loving Hungarians. I trust that its observance in Hungary at this moment will not add to the pain of that already stricken people.

Few events in our lifetime have been so moving as the recent attempt by the men, women, and children of Hungary to free themselves from their Soviet masters. Our own people have been profoundly stirred. I believe we must be as profoundly grateful. The action of the Hungarian people, while it resulted only in pain and suffering for themselves, brought a tremendous advantage to the entire free world.

It exposed the illusion of Communist power in Eastern Europe and revealed the reality that 100 satellite divisions can no longer be counted a firm asset to the Soviet military position. Indeed, in my consideration, they may be a liability, and in recognition of that fact the men in the Kremlin must now assign Soviet troops to watch them.

The American people have responded nobly and generously to these events. As Soviet armor and terror were reimposed upon Hungary, I believe we have experienced a renewed dedication to the basic documents and principles of our own freedom. The splendid work of the voluntary agencies and of the President's Committee for Hungarian Refugee Relief, headed by Mr. Tracy Voorhees, is evidence of this rededication. We are providing refuge in our country for thousands of Hungarians who fled the Soviet terror, among whom are some of the best and most courageous of their young people.

Today, thousands of American communities are receiving these gallant refugees in a rarely equalled display of spiritual kinship.

I know it is the desire of the American people, and of this body, that we should do all that we legitimately can to be of assistance to the Hungarian nation in its fight for freedom as we were in giving haven to its refugees. We all want to help the people of Hungary, and in all the satellites, realize their dream of freedom.

In this connection I welcome the announcement made a few hours ago in New York of the formation of the National Representation of Free Hungary, headed by Miss Anna Kethly, Minister of State of the Nagy regime, the last legal Government of Hungary.

As I understand, one of the functions of the group will be to present evidence before the hearings of the Special Committee on the Problem of Hungary set up by the General Assembly of the United Nations. In other ways, too, it should be invaluable in helping to keep the facts of the tragic situation in Hungary before the people of the world.

I am confident that Miss Kethly and her associates, including Gen. Bela Kiraly, defender of Budapest, and Mr. Joseph Kovago, mayor of that great city, will find that their efforts are as wholeheartedly supported by the American people as has been the great humanitarian work of resettling the refugees.

Mr. HUMPHREY. Mr. President, on September 12, 1849, a meeting of citizens in Springfield, Ill., passed a resolution reading in part as follows:

That, in their present glorious struggle for liberty, the Hungarians command our highest admiration and have our warmest sympathy; that they have our prayers for their speedy triumph and final success.

This resolution had been drafted and submitted to the meeting by a three-man committee headed by one of their fellow Illinoisans, the Honorable Abraham Lincoln. It referred to the Hungarian national rebellion of 1848, which resulted in a brief period of freedom under the leadership of the brilliant Louis Kossuth. Then, as in November 1956, a free Hungarian Government was crushed by Russian troops.

In 1851, Louis Kossuth came to the United States and set out on a nationwide speaking tour. His presence in this country was the signal for widespread demonstrations for Hungarian freedom. On January 2, 1852, another public meeting was called at Springfield, Ill., and Abraham Lincoln was again prominent in the proceedings. He addressed the gathering to explain his purpose and headed the committee which, the following day, reported a resolution which is striking in its applicability to the situation today. Indeed if we could substitute for the name Kossuth the name Anna Kethly, today's Foreign Minister of State, or Jozsef Koevago, the last mayor of free Budapest, Lincoln's resolution would express precisely the feelings of millions of Americans today. That resolution adopted in Springfield 105 years ago reads as follows:

Whereas, in the opinion of this meeting, the arrival of Kossuth in our country, in connection with the recent events in Hungary, and with the appeal he is now making in behalf of his country, presents an occasion upon which we, the American people, cannot remain silent, without justifying an inference against our continued devotion to the principles of our free institutions, therefore,

Resolved,

1. That it is the right of any people, sufficiently numerous for national independence, to throw off, to revolutionize, their existing form of government, and to establish such other in its stead as they may choose.

2. That it is the duty of our Government to neither foment, nor assist, such revolutions in other governments.

3. That, as we may not legally or warrantably interfere abroad, to aid, so no other government may interfere abroad, to suppress such revolutions; and that we should at once announce to the world our determination to insist upon this mutuality of nonintervention, as a sacred principle of the international law.

4. That the late interference of Russia in the Hungarian struggle was, in our opinion, such illegal and unwarrantable interference.

5. That to have resisted Russia in that case, or to resist any power in a like case, would be no violation of our own cherished principles of nonintervention, but on the contrary, would be ever meritorious, in us, or any independent nation.

6. That whether we will, in fact, interfere in such a case, is purely a question of policy, to be decided when the exigencies arise.

7. That we recognize in the Governor of Hungary (Kossuth) the most worthy and distinguished representative of the cause of civil and religious liberty on the continent of Europe, a cause for which he and his nation struggled until they were overwhelmed by the armed intervention of a foreign despot, in violation of the more sacred principles of the laws of nature and of nations—principles held dear by the friends of freedom everywhere, and more especially by the people of these United States.

Mr. President, tomorrow will be Hungarian Freedom Day, the 108th anniversary of the proclamation of Kossuth's free Hungarian Republic. It is an anniversary that will be observed with profound mourning in Hungary and by liberty loving peoples everywhere for whom the memory of Hungary's recent bitter struggle for freedom is still vivid.

Mr. President, I shall not dwell here upon the painful days during which the glorious Hungarian uprising of last fall was finally put down by Soviet treachery and tanks. But the Hungarian freedom fighters' gallant resistance was marked by an episode with special meaning and poignance for us Americans as we observe tomorrow's anniversary.

One of the last free Hungarian voices to be heard by American listening posts on November 4, 1956, was that of Radio Csokonay, location unidentified. Appropriately enough, it was a voice reading Lincoln's Gettysburg Address. Much of the reading was drowned by atmospheric interference and Russian jamming. Our monitors heard the beginning of the address, then interfering noises, and finally, just before the station became inaudible altogether, these simple words—

The brave men living and dead who struggled here have consecrated it far above our poor power to add or detract.

Mr. President, this conclusion was a fitting epitaph of Hungary's fight for freedom. But we Americans know the words that would have followed it. They express the core of our meaning as a Nation and our aspirations for mankind. It is for us to rededicate ourselves in their spirit on this most important Hungarian anniversary—so that government of the people, by the people, and for the people may become a reality in Hungary, and in all countries, as it is in these United States.

All of us know that this is no light undertaking, nor one in which our efforts can be expected to be decisive. But part of the responsibility is ours, and we must bear it.

Last week I brought to the attention of the Senate a recent editorial in Life magazine entitled "If There's a New Hungary." The editorial listed four steps, far short of war or danger of war, by which we might have acted through the United Nations to prevent the Soviet attack on the free government of Imre Nagy and preserved the gains of the Hungarian rebellion. If we had tried, and been successful, the results might have marked a turning point in modern history potentially as important in its consequences as the Bolshevik revolution itself.

Mr. President, I raise this point not in idle recrimination, but in the sober interests of reassessing our national policies. The Soviet empire is restive and new outbreaks may occur in Eastern Europe. We may be presented with a new Hungary at any time, and if it comes we must have policies and plans for dealing with it—policies and plans whose fundamental principles are understood and approved by our people. I suggest that we had neither in the case of Hungary last fall.

This is a problem of vital importance to the safety and freedom of America itself, and I urge immediate and intensive consideration of its complexities by the administration, by Congress, and by the public.

We would be in a better position to make a constructive beginning if we knew whether the administration agrees with the editors of Life, and with such Hungarian leaders as Miss Anna Kethly and Gen. Bela Kiraly, that the Soviet slaughter of Hungary might have been peaceably averted. If the administration does agree, it would be instructive to know why the attempt was not made. If the administration does not agree, it would help to know why.

This noon in New York City the formation of the National Representation of Free Hungary was announced. This new organization is headed by Miss Anna Kethly, the Minister of State of the Nagy government, and will combine the refugee forces of Hungarian democracy. Christian Democratic, Peasants, Smallholders and Social Democratic party leaders have joined in this new group. I welcome this development with all my heart and I suggest that one of the first steps the administration might take in preparing a policy for the future is to consult with this new group and its leaders, consultation which, I regret to say, has not sufficiently occurred up till now.

I suggest also that, looking to the immediate future, we recognize the unique position Hungary now occupies in the Soviet empire. This is the first instance in which Soviet domination of a satellite country has ceased to be effective through local Communists. Notwithstanding the meager facade provided by the Kadar regime, the Russian Government has in reality imposed a military occupation over the unanimously hostile Hungarian people. They are in such a rigid deadlock that it is highly unlikely that the Russians will be able soon to re-create an effective puppet regime.

At least as long as this remains true, it is essential that the peoples of the world be kept constantly aware of this open spectacle of Communist imperialism, and that the world community exert maximum peaceful pressure upon the Soviets to abandon it.

Mr. President, Senators will know of the investigation currently being conducted by the United Nations Special Committee on the Problem of Hungary. Hearings are now being held in Geneva by the special committee to obtain testimony from former officials of the Hungarian Government, leaders of the freedom fight, non-Hungarian observers, military and civilian refugees. Following similar hearings in Vienna, the special committee is expected to issue a report to the General Assembly. I want to announce, here and now, Mr. President, that as one member of our delegation to the General Assembly, that I hope that our Government will seriously consider requesting an immediate special session of the General Assembly to consider and act upon the report. In that way we could prove, Mr. President, that the cause of Hungary is still a living issue—fit for more than memorial messages.

MAY 1957—PLUMBING, HEATING COOLING MONTH

Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR POTTER ON PLUMBING, HEATING, COOLING MONTH, MAY 1957

A CAMPAIGN TO MODERNIZE AND REMODEL OLDER HOMES

It is seldom that all segments of an industry unite to campaign for better homes and improved living conditions for the American people. For this reason, I wish to notify this distinguished body of a significant event which will occur in May.

The event is the all-industry plumbing-heating-cooling campaign to which the month of May is dedicated. For the 31 days of May, manufacturers, wholesalers, contractors and labor groups in the plumbing, heating and cooling industries will devote their time and energies to a nationwide home improvement campaign.

Over 65,000 members of these industries will unite to call attention to the plight of some 25 million American homes which lack proper plumbing, heating and cooling facilities.

This figure may seem terribly high especially since 25 million is approximately half the total of American homes. But the figure is substantiated by facts obtained from the National Association of Plumbing Contractors and the 1950 United States Census of Housing.

Of the 50 million homes in America, almost half—25 million—are at least 30 years old. Ten million are 50 years old or older. The very age of these homes alone indicates a tremendous need for improvements of one sort or another.

According to the United States Census of Housing, taken in 1950, 3,144,000 American homes are dilapidated and lack a private bath, toilet or hot running water. Another 20 million homes have no central heating plant and over 8 million homes have no private bath or shower.

Besides the need for improved plumbing, heating and cooling facilities, these statistics indicate a need for other improvements. It is obvious that older homes need more constant care and attention than new houses to keep them from becoming completely rundown and causing blight and slum areas.

Across the Nation, hundreds of communities are marked by dying houses. These dilapidated houses destroy property values. They contribute to blight and slums. They drive other property holders from the community and they wreak havoc with family and community life.

The elimination of slum and blight areas is among the objectives of the All-Industry Plumbing-Heating-Cooling Committee. Specifically, the goals are:

First, modernization and remodeling of residential properties through improved plumbing, heating, and cooling facilities.

Second, participation with Government agencies, industries, national trade associations, and other groups to promote the rehabilitation and modernization of neighborhoods and communities through home improvement.

Third, to call attention to the need for care and maintenance of new homes to prevent their deterioration.

These commendable ambitions are emphasized by the all-industry slogan, "Renew the Heart of Your Home, Plumbing-Heating-Cooling," which is imprinted within a heart-shaped seal.

I also would like to congratulate the officers and members of the All-Industry Plumbing-Heating-Cooling Committee for their noteworthy efforts.

General chairman of the All-Industry Committee is Wilbur S. Hokom, of Beverly Hills, Calif., also vice president of the National Association of Plumbing Contractors.

Mr. William A. Landers, of Oklahoma City, is president of the National Association of Plumbing Contractors, a sponsoring trade association.

Peter T. Schoemann, Washington, D. C., is general president of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, and a member of the All-Industry Committee.

Other officers include Mr. H. A. Bergdahl, Chicago Crane Co.; Claude W. Owen, Washington, D. C., representing the American Institute of Wholesale Plumbing and Heating Supply Association; Daniel J. Quinn, New York, American Radiator & Standard Sanitary Corp., representing the manufacturers; Jerome O. Hendrickson, executive secretary of the National Association of Plumbing Contractors; and Kenneth H. Clark, Des Moines, chairman of the Special Coordinating Committee for Plumbing-Heating-Cooling Month.

Other officers include Charles W. Thompson, St. Louis, president of the Central Supply Association; William Kramer, secretary of the Plumbing Fixture Manufacturers Association; and E. R. Buchi, Nashville, Tenn., chairman of the National Committee to Develop Plumbing-Heating-Cooling.

I would also like to call attention to the participation of Charles Becler, Donald Doane, and Walton Crooks, of Battle Creek, Mich.; William Blough, Bennie L. Suski, Rush Jacobs, Chester D. Baughan, and Robert Eagleson, of Flint, Mich.; and Ted Herrema and Charles Fulte, of Grand Rapids, Mich.

Other Michigan committee members taking part in this home-modernization program include Messrs. M. E. Cole, O. R. Beach, George Davis, C. Evans, J. Grant, of Lansing; Donald Reed and Gene Reed, of Jackson; Mike Gulu, Jr., Hazel Park; Loyal Braybrooks, Plainwell; Lionel G. L'Esperance, Kalamazoo; and A. Jerome Geisler, of Dearborn, president of the Michigan Association of Plumbing Contractors.

I respectfully suggest that every citizen, elected official, and representatives of the Nation's press, radio, television, and magazine industries give wholehearted support to this campaign to improve American homes. It is hoped that officials in every town and city throughout America will use the following proclamation to announce May as Plumbing-Heating-Cooling Month:

PROCLAMATION OF MAY 1957 AS PLUMBING-HEATING-COOLING MONTH

Whereas we recognize that the home is the heart of the American way of life; and

Whereas we uphold that love of God and our fellowman, pride of country and good citizenship being in the home; and

Whereas we strive to provide, by private enterprise and initiative, a modern, comfortable home for every American family who seeks such a goal; and

Whereas 27 million American homes have inadequate or no private bathroom facilities of any kind; and

Whereas 20 million American homes have no central heating plants and many more have inadequate heating systems; and

Whereas the absence of such convenience tends to lower property values and cause slum or blighted neighborhoods; and

Whereas it is our duty as Americans and homeowners to eliminate and prevent slums and below-standard housing for the sake of our country and the good of our children: Therefore be it

Resolved, That I (name of official), as duly elected (title), of (name of city), do hereby proclaim the month of May as Plumbing-Heating-Cooling Month. And I wholeheartedly urged every official, businessman, and citizen of our community to endorse these and other home improvements as investments in America.

In closing, I salute the officers, chairmen, and participants of this noteworthy campaign. I sincerely hope that the 31 days of May prove successful and fruitful for the all-industry plumbing-heating-cooling committee and its efforts to encourage home improvements throughout America.

NEW MID-EAST CRISIS FORMING

Mr. JAVITS. Mr. President, the free world and our own country face a new crisis in the Mid-East. It is due to the impending return of Egyptian civil administration to the Gaza Strip. This caps developments of the last few days directly contributing to the crisis indicating that Egypt will not allow if it can help it Israel's shipping to move through the Gulf of Aqaba or the Suez Canal and does not propose to be bound by the six principles for the operation of the canal established with its agreement by the United Nations Security Council. This latter position it has shown by rejecting the interim plan for Suez Canal operation proposed by the United States, Britain, France, and Norway. The free world is tragically familiar with dictators who learn nothing and forget nothing.

A profound moral obligation exists shared by our country and the free world generally to bring peace to the Mid-East, to allow freedom of international waters for peaceful commerce and to prevent fedayeen raids directly threatening Israel's national survival.

It is but a brief step from Egyptian civil administration of the Gaza Strip to ordering out the U. N. emergency force especially in view of the legal situation which leaves at best up in the air the question of whether or not this force would withdraw if faced with such a demand. From yesterday's statement by Israel's prime minister it would seem that in such event we might well face a renewal of the conflict which ended when Israel was induced to withdraw its troops in response to the U. N. resolution.

We have learned through bitter experience that to wait until events overtake us only multiplies our difficulties and more gravely endangers peace. Accordingly, it would be well now to make clear some of the things we can do if events deteriorate further. These are three:

First, notice to Egypt as to the free world's responsibility to prevent a repetition of the grave and repeated provocations that have brought on the hostilities of October 1956 and a reminder of the President's address of February 21, 1957, that "We should not assume that if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations then this should be dealt with firmly by the society of nations."

Second, if Egypt should attempt to send troops into the Gaza Strip we would consider that an imminent threat to the peace and demand United Nations General Assembly action firmly determining the role of the existing or any other needed U. N. force to keep the peace.

Third, that unless Colonel Nasser complies with the six principles for the operation of the Suez Canal in which Egypt concurred and carries this out in practice, we shall help the free peoples of Europe to bypass the canal.

Let us now forget the example of Mossadegh's Iran, which for a time seemed as stridently opposed to the requirements of fairness to the free world as Egypt seems to be now, but which found that the free world could not be defied indefinitely, when it refused to trade with a declared enemy.

It will take fortitude and money to deal with Colonel Nasser, but this plus the early declaration of our declared position is a lot cheaper and less dangerous than a new outbreak of hostilities in the Middle East.

I ask unanimous consent to have printed in the RECORD, as a part of my remarks, two editorials dealing with the subject, published in the New York Times and in the Washington Post and Times Herald.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 12, 1957]

NASSER CHALLENGES U. N.

The threat of a new crisis hangs over the Middle East today as a result of President Nasser's repudiation of his private assurances to the United Nations and the United States. He is now attempting to restore the status quo ante, which would permit him to resume his war against Israel and to hold the world at ransom by his unrestricted control of the Suez Canal. Within a few days after Secretary General Hammarskjold had announced the complete withdrawal of all invading forces in compliance with United Nations resolutions, which saved Egypt from the consequences of its military debacle, the Egyptian dictator dropped his soothing dissimulation and announced the following defiant moves:

1. Taking advantage of obvious Egyptian-inspired riots in the Gaza Strip against the United Nations civil administration and police force established there, President Nasser appointed a new Egyptian governor for Gaza and demanded that an Egyptian administration take over responsibility for the strip immediately. At the same time his spokesman reiterated that the United Nations police force had only one function—namely, to supervise the withdrawal of Israeli forces behind the armistice lines. The implication is that since this withdrawal has been completed the United Nations police had no further business in the area. This implication was underlined by Egyptian protests against United Nations police action to stop the Gaza riots which the Egyptians are trying to build up into a mass movement of open rebellion and noncooperation with the United Nations.

2. President Nasser's regime rejected the United Nations demand that it renounce the state of war against Israel and the belligerent rights it presumes to derive therefrom, and declared that it will resume the blockade against all shipping to Israel in both the Aqaba Gulf and the Suez Canal. (Israel charges that Egyptian guerrilla incursions into Israeli territory have already been resumed.)

3. President Nasser's regime likewise rejected the interim plan for the Suez Canal proposed by the United States, Britain, France, and Norway which would leave the operation of the canal in Egyptian hands, pending a final settlement, but would have the World Bank, or the United Nations, or some other neutral agency, collect all tolls, with half going to Egypt immediately. Egypt continues to insist on complete and unlimited control of the canal, including the collection of all tolls, with only faint hints of the possibility of further bargaining.

The Egyptian moves against Gaza, Israel, the United Nations police, and the Suez Canal are in flagrant violation of the basic United Nations resolution of November 2, which calls for scrupulous observation of the armistice agreement that rules out any belligerent rights, and for the restoration of secure freedom of navigation in the Suez Canal. They are in flagrant violation of both the 1888 Suez Canal Convention and the Security Council decisions calling for insulating the canal from Egyptian politics. They are in flagrant violation of the Egyptian assurances which persuaded Mr. Hammarskjold to announce that Egypt would henceforth fully observe the armistice agreement and would afford effective assistance to the United Nations auxiliary organs.

Finally, they are in flagrant violation of the Egyptian assurances which prompted President Eisenhower to promise that there would be no return to the precarious conditions prior to the recent hostilities, that Gaza could look forward to a better future under United Nations auspices, and that the United States would take action to secure freedom of passage into the Aqaba Gulf and did not expect any bar to Israeli shipping in the Suez Canal.

It was on the basis of both this legal situation and the Egyptian assurances that Israel was persuaded to withdraw and that the United Nations force took over Gaza. The Egyptian assurances in particular were supposed to mitigate the precarious condition created by Mr. Hammarskjold's initial ruling, accepted by the Assembly, that the United Nations police could stay in Egypt only with Egyptian consent, and that such consent was also necessary to establish a United Nations administration in Gaza. But reliance on the good faith of a dictator is again proving to be a dangerous procedure.

The situation is all the more critical because Israel has served notice that if Gaza threatens to become again a base for Egyptian guerrilla raids Israel reserves freedom to act in self-defense, and that in any case it will defend its shipping rights in the Aqaba Gulf, if necessary by force.

In these circumstances it becomes the obvious duty of the law-abiding majority in the United Nations, and the United States leadership of it, to take immediate action to ease the situation before it flares up into new conflict which the United Nations may not be able to stop.

[From the Washington Post of March 13, 1957]

WARNING COLONEL NASSER

The United States has a special and solemn responsibility to deter Colonel Nasser from

provoking a new war in the Gaza Strip. American pressure was in large measure responsible, along with American assurances, for inducing Israel to withdraw her troops in response to the United Nations resolution. That is all the more reason, apart from considerations of elemental justice, why the United States ought to see to it that infractions by Egypt also are called quickly to account.

So far, except for what appeared to be inspired riots in Gaza, the Egyptian threat has been mostly verbal. The appointment of an Egyptian governor of Gaza is not in itself cause for great concern except as it may herald further moves. But the Cairo radio, for which Nasser has full responsibility, proclaims that Egypt intends to demand the ouster of United Nations forces from Gaza. Some of this may be mere propaganda, but the hostility toward the U. N. is ominous and should not be discounted.

Legally the situation is a quagmire. U. N. forces are in Gaza by sufferance of Egypt, unhappily—primarily because a two-thirds vote could not be mustered in the General Assembly to take a new look at the entire Israeli-Egyptian problem, and the Assembly contented itself with a new and more comprehensive attempt to enforce the 1949 armistice. This armistice permits Egyptian occupation of Gaza. Nevertheless, Gaza is not Egyptian; it is Palestinian. Nasser had given assurances to Secretary General Hammarskjold within a matter of days that Egypt would not exercise control over Gaza, and that day-to-day administration could be handled by U. N. civil authorities.

If now Egypt intends to force the issue, at the very least a breach of faith is involved, because the Israeli withdrawal was predicated on the understanding that the U. N. would remain in actual control of Gaza. One thing appears certain: If Egypt attempts to send troops back into Gaza there will be trouble. Israel has asserted that she will not assent to the creation of bases for new fedayeen raids.

What can the United States do to prevent a clash? First, it can warn Nasser in forceful terms that if new hostilities result from Egyptian moves in Gaza contrary to the understanding with the U. N., Egypt will be held responsible. Israel would have the support of many countries which previously had insisted upon her withdrawal, and this time Nasser could not expect the U. N. to rescue him. It might be well to remind Nasser of what he ought to know only too well—that the Israeli Army went through Egyptian defenses like a knife through warm butter.

Second, the United States can be ready to call for an emergency session of the U. N. General Assembly. Because of the confused legal situation in Gaza, it probably would be difficult to obtain an Assembly vote on the question of civil administration. But if Egypt should attempt to send troops back, an imminent threat to the peace would arise. A new resolution defining U. N. functions in keeping the peace in Gaza might then be possible. Similarly, it might be possible with American urging to obtain approval for the recruitment of a small permanent U. N. police force, which would be more satisfactory for use in Gaza and in patrolling the border than separate national contingents subject to withdrawal.

Third, the United States can let it be known that it is prepared to give material support to Israel in the event of hostilities provoked by Egypt. This support should be given through the U. N., if possible, but on an individual basis if necessary.

Fourth, and perhaps most meaningful, the United States can give Nasser to understand that this country is ready to boycott the Suez Canal if such a step should be required to bring Egypt to terms. Prohibitions against use of the Canal by American-flag and American-owned shipping might necessitate legislation; but there is very little doubt, in light of the strong congressional opposition to sanctions against Israel, that this legislation could be obtained.

There already has been talk in Britain of nonuse of the canal because of Nasser's refusal to discuss toll-payment procedure. If the United States were to undertake a deliberate policy of avoiding the canal, and if it made a greater effort to help Europe meet oil needs, it probably could obtain the cooperation of the European allies. The construction of the new pipeline through Israel and the laying down of additional long-range tankers would provide additional bargaining levers. All of this would serve to deflate Nasser's expectations of early revenue from the canal. The oil squeeze has had a severe effect on the economies of other Arab States, and there is reason to hope that they would not obstruct such moves. Perhaps Nasser, who is a shrewd opportunist, will conclude before these steps are taken that he had better not push his luck further. But a warning is in order. The United States must be ready to show that it is not hamstrung by the limitations on action in the United Nations. Senator LYNDON JOHNSON has done well to emphasize, to the administration as well as to Nasser, the congressional concern with evenhandedness in the situation. The President and Mr. Dulles, who were so effective in obtaining Israeli compliance, have an obligation to show the same kind of determination with Egypt.

RELEASE OF FRANK COSTELLO

Mr. WILLIAMS. Mr. President, on Monday the Supreme Court released Frank Costello, one of the Nation's most prominent racketeers, from the Federal penitentiary pending a further review of his 5-year prison sentence involving Federal income-tax evasion.

Frank Costello was indicted in the Federal courts for income-tax evasion. He was convicted by a jury and sentenced to 5 years in the Federal penitentiary. His conviction was appealed by his attorney all the way to the Supreme Court, and that Court has once reviewed that conviction.

Now, according to yesterday's report it appears that the Supreme Court is evidently asked to consider reducing his sentence from 5 years to 1 year, thereby giving this racketeer his immediate freedom.

If the Supreme Court of the United States decides that 1 year is the maximum sentence which can be given to this racketeer for his flagrant violation of the Federal income-tax laws, then I think a review of the decisions which have been made in connection with many other individuals should also be reviewed.

For 30 years the Government and some Federal courts have been coddling this racketeer, and there are many people who are beginning to ask the question as to why they should be required to pay Federal income taxes if the members of the underworld and other individuals through some technicality or loophole in the law can escape prosecution or have their cases dismissed with nominal sentences or fines.

To further complicate the understanding of this case, at the same time the courts are bending over backward to be lenient with this racketeer, the Department of Justice has supposedly been attempting through the courts to have Costello deported as an undesirable alien and one who obtained his citizenship illegally.

I respect and will protect the right of any American citizen to defend himself in the courts against any charge and have consistently refrained from interfering with or criticizing the decisions of the courts, but the kid-glove manner in which the courts have handled the case of this and other racketeers deserves some comment, and I am sure this decision is raising a lot of questions in the minds of many law-abiding citizens.

I shall not attempt to review the tax evading history of Frank Costello, but I do feel that this case is of such importance that I shall incorporate in the RECORD here today a series of reports and articles showing the chronological order of the handling of this case.

First, I ask unanimous consent to have incorporated in the body of the RECORD as a part of my remarks a report made 5 years ago on Frank Costello, some of his associates, and their operations. This report which lists the tax-evasion record of these racketeers was the basis of accelerating the investigation leading to Costello's conviction.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN J. WILLIAMS

Mr. President, on previous occasions I have discussed the manner in which the Treasury Department has been enforcing the income tax laws as affecting certain prominent racketeers. Today I shall place in the RECORD the case histories of 2 more.

The first case is that of Frank Costello, 115 Central Park West, New York, N. Y.

Frank Costello filed no returns for the years 1926 to 1932, inclusive.

On June 25, 1934, a jeopardy assessment for these years was made against Frank and Loretta B. Costello in the following amounts:

Years	Deficiency in tax	50-percent penalty	25-percent penalty	Interest
1926	$221.86	$110.78	$55.39	$96.74
1927	5,214.06	2,607.03	1,303.51	1,952.84
1928	1,006.38	503.19	251.59	318.06
1929	8,240.18	2,120.09	1,060.04	1,088.21
1930	2,647.71	1,323.86	661.93	681.05
Total	[illegible]	6,664.94	3,332.46	4,996.90
Grand total	[illegible]			

On July 6, 1934, additional assessments were made for the years 1931 and 1932 as follows:

Years	Deficiency in tax	25-percent penalty
1931	$300.38	$149.95
1932	1,020.00	255.00
Total	1,319.38	404.95
Grand total	1,724.33	

On August 2, 1933, Frank Costello and his wife submitted an offer in compromise offering to pay $15,000 in full settlement of all their tax liabilities, penalties, and interest, totaling $28,941.04 for the years 1926 to 1932, inclusive.

This offer was rejected on April 24, 1934.

A second offer was filed on June 19, 1934, in settlement of tax liabilities, penalties, and interest, totaling $29,339.61; this offer read in part as follows:

"Twenty-five hundred dollars cash submitted with the offer and the remaining balance of $12,500 to be paid at the rate of $750 per month commencing on the 15th day of the first month after notice of acceptance. This offer is in lieu of the above liabilities and complete discharge of civil and criminal liability of Frank Costello and his wife, Loretta B. Costello."

This offer was rejected as inadequate, the Commissioner having officially notified the taxpayers of the rejection on October 11, 1935.

In June 1935, the collector of the third New York district, having an assessment of $27,315.36 on the books against Costello, levied against the United States Fidelity & Guaranty Co., to reach certain United States bonds then with the company as security for a bail bond. Costello at that time was under indictment and arrest for conspiracy to transport stolen jewels from Florida to New York and the bonds were thought to belong to him.

This criminal case of *United States* v. *Costello* (U. S. District Court for the Southern District of New York), was nolle prossed in June 1937. Mr. Charles S. Rich then demanded the release of the bonds to him as the owner. The intelligence unit investigated and determined that Rich was the owner, and on May 12, 1939, Commissioner Helvering authorized the collector to vacate the levy.

Three suits were begun in 1940 by the United States in the eastern district of Louisiana to collect (1) $5,266.32 balance of 1937 income tax due from Costello; (2) $11,088.44, $2,079.82, and $5,154.13 income taxes for 1927, 1928, and 1930 due from Frank and Loretta B. Costello jointly and severally; and (3) $2,024.23 income tax for 1931 and 1932 due from Loretta B. Costello. Judgments were obtained for the full amounts on June 24, 1942.

While the taxpayers made some payments on the above deficiencies during the next few years, it was not until 1947 that this item was finally collected.

Frank Costello and Philip F. Kastel were criminally prosecuted in New Orleans, La., and on May 15, 1940, the jury was directed by the court to render a verdict of not guilty at the conclusion of the cases because of lack of direct proof of the charges alleged in the indictments.

On June 14, 1944, Mr. Costello mislaid $27,200 in currency in a New York taxicab, which money was then turned over to the Property Clerk of the New York Police Department. This latter individual refused to return the cash to Frank Costello until he could prove his right to same. The Government thereupon intervened in the case after filing liens against the cash, and as the result of a decision of the New York Court of Appeals on February 5, 1947, judgment was entered whereby $24,233.60, the full liability due, was paid to the Government, and the balance of the cash was paid to Mr. Costello.

Thus we find that on February 5, 1947, this tax claim referred to above of approximately $25,000, which had been allowed to remain outstanding on the books of the Federal Government nearly 20 years, was finally collected.

Not only was this amount allowed to remain outstanding for these many years, but also I find no record of where the Government prosecuted Frank Costello for his failure to file his tax returns for the 6-year period involved.

Long before the Government got around to collecting this deficiency the taxpayer was in trouble for subsequent years.

Frank Costello in his 1936 and 1937 income tax returns reported $78,955.83 and $66,461.94, respectively, and paid income tax of $20,149.97 and $12,564.06, respectively.

Costello's earnings for these years are significant when we consider that he was then delinquent in his 1927 to 1930 taxes over $25,000 and the Government not only was allowing his account to remain unpaid on the books, but was even giving consideration to his offer to compromise the amount due.

On August 12, 1943, a 90-day letter was mailed indicating deficiencies as follows:

Years	Deficiency	Overassessment	50-percent penalty
1936	$119,401.62		$59,700.81
1937	117,618.80		58,809.40
1938	137.89		
1940		$16.04	
Total	237,177.91	16.04	118,510.21

The income reported by Costello for 1936 and 1937 represented one-half of Philip Kastel's distributive share of the earnings of the Bayou Novelty Co. of New Orleans, La. The partnership return for the taxable year ended August 31, 1936, indicated that the following were partners: H. Geigerman, D. Geigerman, G. R. Brainerd, and Philip Kastel. G. R. Brainerd died on June 20, 1937, after which he was replaced by James Brocato. For 1936 and 1937 partnership returns were also filed in the name of Philip Kastel. These indicated an equal division of Kastel's share in the Bayou partnership with Costello.

The Bureau, in issuing statutory notices to Costello and Kastel, took the position that each of the said individuals owned a 50 percent interest in Bayou and that the other named partners were mere stooges or nominees for Costello and Kastel.

Kastel's case was tried before the Board of Tax Appeals on February 16, 1942, and under date of June 1, 1942, an opinion was promulgated holding that Kastel had failed to overcome the presumptive correctness of the Bureau's determination of the deficiencies. Kastel filed a petition for review and the case was remanded back to the Board for a further hearing. On November 6, 1945, the Tax Court held that on the record the partnership had four members and that Kastel's interest was 30 percent and later 40 percent. This share was held taxable to petitioner and his wife in full without diminution by reason of the subpartnership with Frank Costello.

As to Costello's interest in the Bayou Novelty Co. partnership, the Tax Court said at page 19 of its opinion promulgated November 6, 1945:

"It is not necessary to discuss in detail the history of the formation of the Bayou partnership or the contribution made by each partner. It is sufficient to note that Costello, to whom the respondent ascribed the ownership of one-half interest therein, had no part in the launching of the venture, had nothing to do with its operation and received directly from it none of its profits. On the contrary, he specifically and emphatically disclaimed any desire to engage in the business and refused to do so. The petitioner offered to Costello, and the latter accepted, a one-half interest in his share of the profits from Bayou. All of Costello's income derived from Bayou's activities was received through the petitioner. He had no direct contact with the company and on the record here made was not a partner therein."

On pages 20 and 21 the Tax Court further states that:

"We have held that Kastel had a 30 percent, and later a 40 percent interest in Bayou and that Costello was not a partner in Bayou. From this it follows that such share was taxable in its entirety (subject to our later ruling as to rights under community-property law) to Kastel, irrespective of the fact that Kastel and Costello had an arrangement, or partnership agreement, under which they divided such share between them equally. The share was earned by, paid to, and first belonged to Kastel. The subsequent division with Costello in no wise affected its original taxability to Kastel."

In view of the Tax Court's decision and mandate from the Fifth Circuit Court of Appeals, it followed that the Bureau could not only not support the taxing of one-half of the Bayou income to Costello, but was forced to eliminate the income reported by Costello from this source (which was all he reported) which resulted in refunds due Costello of $20,149.97 and $12,564.06 for 1936 and 1937, respectively.

As a result of The Tax Court's findings, a final decision was entered in Kastel's case on February 26, 1946, wherein The Tax Court determined deficiencies for the years 1936 and 1937 in the respective amounts of $19,000.59 and $14,295.76. The collector of internal revenue at New Orleans was unable to make any collections on the said deficiencies, since he was unable to locate any assets owned by Kastel. Although Costello was under no legal obligation to have his refunds applied to Kastel's deficiencies, he agreed that whatever refunds he was entitled to should be applied against Kastel's uncollectible deficiencies for 1936 and 1937. The refunds were so applied.

While Frank Costello filed no returns for the years 1926 to 1932, inclusive, all returns, 1933 to 1950, inclusive, were filed on time, an extension to June 15, 1951, having been granted for the year 1950 by the collector.

Notwithstanding the fact that Frank Costello's record of tax payments with the Bureau was very poor, it is noted that his tax returns during the World War II period were not audited; however, I am advised that they are now in the process of being investigated. The Treasury Department explained this failure to audit his returns on the basis that due to shortage of help only a small percentage of taxpayers' returns can be audited each year and that ordinary procedure did not require their audit.

I recognize that it is impossible for the Treasury Department to audit every taxpayers' returns, but surely men of Costello's record should be on the preferred list for an annual audit.

The second case is that of Philip F. Kastel, 1860 Broadway, New York, N. Y.

A 30-day letter issued on February 10, 1934, proposed the following deficiencies:

	Deficiency in tax	50-percent penalty	25-percent penalty
1927	$14.02	$7.01	$3.51
1928	7,780.43	3,890.22	1,945.11
1929	124.07	62.04	31.02
1930	227.71	113.86	56.93
1931	7,758.41	3,879.21	
1932	None		
Total	15,904.64	7,952.34	2,036.57

No protest was filed and criminal prosecution was not recommended, accordingly a statutory notice was issued on April 5, 1934. The deficiency in tax for 1928 was increased by $7.49 in this letter. Suits to enforce collection filed in eastern district of Louisiana.

A 30-day letter was issued for 1934 on May 16, 1938, proposing a deficiency in tax of $14,659.25 and a 5 percent negligence penalty of $732.96. An examination for 1935 disclosed no additional tax liability.

The actual deficiency assessed for 1934 was tax $1,316.25, 5 percent penalty $65.81.

On June 7, 1940, a jeopardy assessment of the following amounts was made against Kastel:

Years	Income tax	50-percent penalty	6 percent interest
1936	$150,523.36	$75,261.68	$29,198.54
1937	145,564.89	72,781.95	19,472.46
Total	296,087.25	148,043.63	[illegible]
Grand Total	[illegible]		

Criminal action was brought against the taxpayer and his associates directly by the

Department of Justice, indictments having been obtained in New Orleans in August 1939. As the result of the trial, which began May 6, 1940, the court, after the Government's case had been presented, upon motion of defense counsel, instructed a verdict of not guilty.

Revenue agent was unable to locate any assets belonging to Kastel which could be attached for taxes.

A jeopardy transferee assessment was made against Mrs. Elsie C. Manville, a former wife of the taxpayer.

The collector of internal revenue, Hartford, Conn., was notified of jeopardy assessments aggregating $354,958.58 for 1936 and $237,819.50 for 1937, based on field examination in Louisiana. General lien filed against the taxpayer in the town clerk's office in Stamford, Conn., on June 10, 1940. No assets located in Connecticut; so on October 31, 1940, the entire accounts were transferred to Jacksonville, Fla., as the taxpayer was reported to be living in Fort Lauderdale, Fla. From there the accounts were transferred to the second division, New York, on December 12, 1940, and were transferred back to Connecticut on May 16, 1941.

The years 1936 and 1937 were ruled on by the United States Board of Tax Appeals, and they on June 1, 1942, handed down a memorandum opinion in favor of the Government on all issues except fraud. The taxpayer appealed the case, and in June 1943 the fifth circuit court of appeals remanded the case to the Board for retrial. The case was retried in 1945, and findings were in favor of the Commissioner on all points except the taxpayer's domicile. This decision was upheld by the court of appeals.

On December 9, 1942, that office was advised that included in these assessments for 1936 and 1937 were fraud penalties of $75,381.68 and $72,731.95 which should be eliminated based on a decision of the United States Board of Tax Appeals.

On December 9, 1942, the above $148,043.63 was written off (Schedule IT-94789).

On March 20, 1943, the balance of the 1936 account, $179,091.90, and the balance of the 1937 account, $165,037.55, totaling another $344,729.45, was written off as uncollectible (Form 53, Abatement Schedule No. 9627).

On June 4, 1946, $30,659.66 of this was restored to the books for 1936 and $22,210.13 for 1937 and these amounts, which had previously been written off, were sent to the collector in New Orleans, La., on June 18, 1946.

(In reality the Government never collected any extra money from this $52,869.79 restoration. The only credit made on this account was a $32,714.08 item which was transferred from Frank Costello's account to the Kastel account. This transfer was the result of a court decision declaring certain income as being taxable to Kastel instead of to Costello and since Costello had already paid the assessment, it was merely transferred. On June 10, 1947, a payment of $582.32 was made, and on June 11, 1947, the remaining $19,573.44 was again marked off as uncollectible.)

The years 1936 to 1946, inclusive, were all made the subject of systematic investigations by the revenue agents. Subsequent years are now under consideration by the special racket squad although it does not appear that any timely examination was made of the year 1947. Deficiencies in tax were disclosed for each of the years 1940 to 1946, inclusive. The years 1941, 1943, and 1944 were carried to the United States Tax Court by the taxpayer.

All returns for the years 1940 to 1950, inclusive, were timely filed although the collector granted extensions for the years 1940, 1946, and 1950.

No offer in compromise has been filed by this taxpayer.

It appears that warrants for distraint for collection have been issued only in connection with additional taxes for the year 1940 in the Louisiana district, and delay was attributable to the fact that the accounts were transferred July 5, 1944 to the New York district for collection and retransferred to this office in November 1944 and collection made on February 14, 1945.

Reference should be made to data submitted on the closely related case of Frank Costello.

A review of Kastel's record shows that this racketeer has had very little respect for our income-tax laws and that the Government has an equally poor record of collection of taxes from him. Altogether during the past 15 years a total of $315,156.01 representing income taxes due from Kastel has been marked off—or an average of over $20,000 per year. This does not include the $148,043.63 which was marked off by the Government in 1942 as representing cancellation of proposed penalties.

The excuse used by the Treasury Department for marking off, in 1943 and again in 1946, Philip Kastel's huge tax obligation as being uncollectible was that the revenue agent was unable to locate any assets belonging to Kastel which could be attached for taxes.

Likewise, the excuse used by the Treasury Department for their allowing a $35,000 to $30,000 unpaid balance to remain outstanding against Frank Costello for a period of over 15 years (until late 1947), was that they were unable to locate any assets owned by this individual.

I find this excuse difficult to accept in view of the fact that there were certain extremely profitable ventures in which both these individuals were engaged during that same period; for instance:

During the same period in 1943 in which both Frank Costello and Philip Kastel were delinquent in their income taxes and even having a substantial portion of them canceled as uncollectible, both of these individuals were engaged in numerous profitable operations throughout the country.

One of these operations was the Louisiana Mint Co., New Orleans, La.

This partnership, composed of Philip Kastel; Frank Costello; A. G. Rickerfor, New Orleans, La.; Thomas Hill and P. Hand, New Orleans, La.; and Jack Lansky, Hollywood, Fla., was organized on December 1, 1942, by this group of racketeers for the purpose of operating slot machines throughout the State of Louisiana.

In the fiscal year beginning December 1, 1942, and ending November 30, 1943, Philip Kastel's share of the profit from this partnership was $70,095.69, and Frank Costello's share, $61,095.69.

In the next fiscal year, December 1, 1943, to November 30, 1944, Philip Kastel and Frank Costello drew income from this partnership in the amounts of $83,379.45 and $71,379.46, respectively.

In the fiscal year beginning December 1, 1944, and ending November 30, 1945, Philip Kastel's earnings from this partnership were $74,087.64 while Frank Costello's share was listed as $62,087.64.

For the fiscal year beginning December 1, 1945, and ending November 30, 1946, their earnings from this same partnership were $28,235.25 for Philip Kastel and $19,235.25 for Frank Costello.

During this 4-year period the net reported income for the Louisiana Mint Co., after all expenses, was nearly $1 million, of which amount about one-half was assigned to Philip Kastel and Frank Costello.

Another partnership was organized August 1, 1943, in which Frank Costello had a financial interest. This time his interest was placed in the name of his wife, Mrs. Loretta Costello, 115 Central Park, New York City.

This partnership was the Crescent Music Co., 743 Baronne Street, New Orleans, La.

Partners listed were J. Joffe, 123 Baronne Street, New Orleans, La.; Mrs. Loretta Costello; and Mrs. Jennie Isenberg, 110 Seaman Avenue, New York City. This partnership was formed for the reported purpose of distributing and operating electrical phonograph boxes.

For the fiscal year beginning August 1, 1943, and ending July 31, 1944, Mrs. Costello drew from this partnership $6,765.06.

For the short period beginning August 1, 1944, and ending September 15, she drew $949.37.

On that date (September 15, 1944) the partnership was changed to include Philip Kastel and Mrs. Loretta Costello—the other partners having withdrawn.

For the fiscal year beginning September 15, 1944, and ending August 31, 1945, Philip Kastel and Mrs. Costello each drew $17,595.51 from this partnership.

For the fiscal period beginning September 1, 1945, and ending August 31, 1946, Mr. Kastel and Mrs. Costello each drew from this partnership $15,864.37.

For the fiscal period beginning September 1, 1946, and ending August 31, 1947, the partnership reported a loss of $19,431.96, which was assigned 50 percent to each Philip Kastel and Mrs. Costello.

A third profitable venture in which Kastel and Costello were interested was the Beverly Country Club, La Barre Road and Jefferson Highway, New Orleans, La.

The Beverly Country Club was a swank club operated by Philip Kastel; Frank Costello; Carlos Marcello, 320 Romain, Algiers, La.; A. G. Rickerfor, 3635 Gentilly Road, New Orleans, La.; Meyer Lansky, in care of Emby Distributors, Inc., New York; and Dudley Geigerman, 3637 Dreux, New Orleans, La.

It is interesting to note that the partnership setting up this country club was organized on December 8, 1945, during the period in which both Kastel and Costello were, and had been for many years, delinquent in their taxes and also during the period in which the Government was actually writing off as uncollectible over a quarter of a million dollars for Kastel. Yet in this one venture alone Philip Kastel's initial investment in December 1945 was $84,774.07, while Costello put up $67,919.25.

In the first year of their operations, beginning December 8, 1945, and ending November 30, 1946, Philip Kastel's shale of the net profit as reported was $10,286.57, while Costello drew $8,228.25.

On November 30, 1946, the partnership was dropped, and a corporation was formed under the name of the Beverly Country Club, Inc., with Philip Kastel listed as president.

During that year (December 1, 1946, to November 30, 1947), the corporation reported a salary being paid to Philip Kastel in the amount of $13,000.

During the next 3 years (1948, 1949, and 1950), Philip Kastel drew a salary as president of this corporation of $12,000, $18,000, and $19,800, respectively.

On April 26, 1944, Frank Costello formed the 79 Wall Street Corp., 30 Broad Street, New York, N. Y., with himself listed as president and George Wolf, of New York City, treasurer.

This corporation likewise was formed at a time when Frank Costello owed the Government over $30,000 and the Treasury Department was claiming they were unable to find where Frank Costello owned any assets whereby the debt could be collected.

The principal asset of this corporation was a building on Wall Street which was carried on the books of the corporation at a valuation of $78,000.

During the first year of the corporation's operations (June 1, 1944, to May 31, 1945) rents collected from this property totaled $63,657.77, out of which the normal expenses of maintaining property were deducted.

Frank Costello drew a salary that year as president of $2,311.22.

For the fiscal year beginning June 1, 1945, and ending May 31, 1946, they collected rents totaling $67,671.57, and Frank Costello was paid a salary of $5,157.06.

During the next fiscal year (June 1, 1946, to May 31, 1947) the corporation collected in rentals $75,192.11, and Frank Costello drew a salary that year of $6,115.48.

During the fiscal year beginning June 1, 1947, and ending June 1, 1948, this corporation collected in rentals and other fees $98,872.24 and paid Frank Costello a salary of $5,590.50.

Beginning June 1, 1949, and ending May 31, 1950, the corporation collected in rentals and other fees a total of $98,676.05, out of which amount Frank Costello was paid a salary of $6,000.00.

What Frank Costello and Philip Kastel own today I do not know, but it is an established fact that they did possess these assets during the period in which they were allowed to remain delinquent several thousand dollars in their income taxes. During this same period the Treasury Department was not only claiming inability to locate any assets worth attaching, but also was actually writing off a substantial part of their debts as uncollectible.

In addition to these 4 highly profitable partnerships and corporations which Frank Costello and Philip Kastel controlled, these 2 racketeers were making investments in other quarters.

For instance, in the years 1947 to 1949, Frank Costello and Philip Kastel spent several thousand dollars drilling for oil in the Louisiana-Texas area. These drillings were conducted as joint ventures; however, their own names did not appear in the actual drillings.

What other investments this pair of racketeers had I do not know; however, those outlined in this report surely are enough to raise a big question mark as to why the Treasury Department failed to collect the taxes due. To say the least these are rather substantial investments and earnings for a couple of bigtime racketeers who have been delinquent in their income taxes and who have been pleading inability to pay.

This "fair deal" administration has done a lot of boasting about being the defender of the average man; however, that claim has a hollow ring when one observes the manner in which they have enforced the income-tax laws against America's most notorious racketeers as compared with the manner in which our tax laws are being enforced against the average taxpayers.

Mr. WILLIAMS. Mr. President, about this time Frank Costello was sentenced to 18 months in a Federal penitentiary for contempt of Congress, and he had scarcely begun serving this sentence before the Department of Justice initiated action to cancel his citizenship and to have him deported.

Upon receipt of this information I promptly addressed a letter to the Attorney General, Mr. James P. McGranery, suggesting that this racketeer be compelled to serve his full time in the penitentiary, during which time the Government complete its tax case, and after this racketeer had paid all of his income taxes and after he had paid his debt to society by serving his full prison term, he then be deported.

To me it did not make sense that he be released from prison and deported with all his ill-begotten gains and the Government left holding the bag.

At this point, I ask unanimous consent to have incorporated in the RECORD my letter of September 15, 1952, addressed to the Attorney General, Mr. James P. McGranery.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 15, 1952.

Hon. JAMES P. MCGRANERY,
Attorney General of the United States,
Washington, D. C.

MY DEAR MR. ATTORNEY GENERAL: I notice in the press that you are planning to cancel Frank Costello's citizenship and deport him. I understand this action is being taken on the grounds that in 1925, when he applied for citizenship, he committed perjury in that he failed to disclose a prior criminal record of a 10-month sentence which he received in 1915 for carrying a pistol.

In view of the fact that Mr. Costello's prison record along with his false application for citizenship has been kept in the Department of Justice files for the past 27 years, I am at a loss to understand the sudden urgency of deporting him. I certainly have no objections to canceling his citizenship; however, I do urge that before this action is taken, while we have this racketeer behind bars for the first time in 25 years, we keep him there until he has paid his debt to society in full. Let us not deport him until we have obtained satisfactory answers to the following three questions:

1. Has the Treasury Department given Frank Costello's tax account a thorough going-over, and have all outstanding assessments been collected?

2. Who is responsible for this evidence upon which he is now apparently being deported, lying dormant in the Department files for the past 27 years?

3. Who in official circles has been giving Mr. Costello and the other racketeers of this country their protection?

I am sure you recognize there is a strong possibility that Mr. Costello could be a key witness during the coming months at the trials of some of our former key Government officials.

After we have obtained answers to these questions and to any others which might arise, then deportation proceedings can be resumed.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, Frank Costello remained in the penitentiary and after having served 12 of his 18-month sentence was granted a parole.

I ask unanimous consent to have incorporated in the RECORD at this point an article announcing this parole which appeared in the Journal-Every Evening, of Wilmington, Del., under date of October 19, 1953.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal-Every Evening of October 19, 1953]

FRANK COSTELLO TO GET FEDERAL PAROLE OCTOBER 29

MILAN, MICH., October 21.—Kingpin gambler Frank Costello, sentenced to an 18-month term for contempt of Congress, will be released on conditional parole October 29 from Milan Federal Penitentiary.

He has served 12 months of the sentence handed down April 8, 1952, by Federal Judge Sylvester J. Ryan after he refused to answer questions at a New York hearing in 1951 before the Kefauver Senate committee investigating organized crime.

Costello will be released under Federal regulations allowing time off for good behavior, Warden B. M. Heritage said.

Costello was transferred here from the Lewisburg (Pa.) Federal Penitentiary last December.

Mr. WILLIAMS. Mr. President, on October 30, 1953, this parole became effective, and the Times Herald carried a story describing Costello's departure from the prison. This story is entitled "Costello Free, Leaves Prison at 80 Miles per Hour."

While this has nothing to do with the tax case it does demonstrate the complete lack of respect which this racketeer has for any law.

I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Times Herald of October 30, 1953]

COSTELLO FREE, LEAVES PRISON AT 80 MILES PER HOUR—GAMBLING CHAR STILL FACES CHARGES

DETROIT, October 29 (INS).—Kingpin gambler Frank Costello, haggard but boasting a deep tan rather than prison pallor, was released from the Federal Correctional Institution at Milan, Mich., Thursday, and sped away at 80 miles an hour in an effort to outdistance newsmen.

However, Costello's chauffeur-driven rented Cadillac was caught twice by newsmen and photographers, and after posing for pictures, the ex-convict commented:

"I'm not going to New York. I'm just going out of town for a while. I need a rest."

SERVED 14½ MONTHS

Then Costello's car, carrying his wife and attorney, disappeared in Detroit traffic.

Costello was freed from the so-called "country club" prison after serving 14 months, 15 days of an 18-month contempt-of-Congress sentence. His stay was shortened by time off for good behavior.

He now faces possible deportation proceedings and a Federal indictment for income-tax evasion.

The reputed "Mr. Big" of syndicated crime in the United States remains free on bond under a Federal indictment charging he owes the Government $73,000 in back income taxes.

DEPORTATION PLANS

Shortly after his imprisonment the Immigration Service launched deportation proceedings, claiming the Italian-born Costello fraudulently obtained his American citizenship.

But agents of neither service claimed him on detainers at the moment of his release.

Newsmen and photographers were barred from the prison itself for the first time since Robber Anthony Chebatoris was hanged July 8, 1938.

The star witness before the Kefauver crime committee, wearing a $25 prison suit, jumped into the car and roared through the prison gates. Newsmen scattered to their cars and took up the chase.

Caught at a stop street, Costello rolled down a window and said:

"No comments, fellows. You understand. Promise you won't follow me. No; I can't say where I'm going. Take my picture, but don't follow."

"DON'T KNOW WHERE"

Mrs. Costello, who had arranged the release at 8:05 a. m., piped up:

"We don't know where we are going."

Prison officers said Costello's release was arranged to take place shortly after dawn "so not to disrupt routine any more than necessary."

They emphasized that Costello's release was in no way a parole.

Mr. WILLIAMS. Mr. President, the next four articles relate to the Government's prosecution of the tax case against Costello.

The first appeared in the Washington Evening Star under date of April 8, 1954, entitled "Costello's Source of Income Queried."

On May 6, 1954, the Wilmington Morning News carried an article entitled "Costello Lawyer Tries To Kill Tax Evasion Case."

The third article is one appearing in the Washington Evening Star under date of Thursday, May 13, 1954, entitled "Costello Tax Case Goes to Jury."

The fourth article is one appearing in the Washington Evening Star under date of May 17, 1954, entitled "Costello Gets 5-year Term and $30,000 fine."

I ask unanimous consent that all four of these articles be printed at this point in the RECORD.

There being no objection, the four articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of April 8, 1954]

COSTELLO'S SOURCES OF INCOME QUERIED

NEW YORK, April 8.—The prosecution in Gambler Frank Costello's income-tax evasion trial has produced testimony that while he itemized on his tax returns all charitable contributions claimed, he listed miscellaneous income items without giving a source.

The testimony was given yesterday by William N. Murphey, Internal Revenue Service accountant.

Mr. Murphey said that in Costello's 1946 return he listed—in the space for income received from partnerships, bonds, real estate, etc.—these items:

Partnership, Louisiana Mint Co.: $19,335.25.

Miscellaneous income: $8,229.25.

Costello, whose trial continues today, is charged in a 4-count indictment with evading income taxes totaling at least $73,437 for the years 1946 to 1949. If convicted, he could draw up to 8 years in prison and a $10,000 fine on each count. He is 63.

The 1946 listing of revenue from the Louisiana Mint Co., a slot machine outfit in New Orleans, was a decade after Costello's first venture into New Orleans slot-machine operations. In 1951, Costello testified at a Senate Crime Committee hearing that he took over slot-machine operations in Louisiana in 1935 at the invitation of the late Huey Long, then Senator from Louisiana.

[From the Wilmington Morning News of May 6, 1954]

COSTELLO LAWYER TRIES TO KILL TAX EVASION CASE OF UNITED STATES

NEW YORK, May 5.—Frank Costello's lawyer tried today to wreck the Government's income-tax evasion case against the big-time racketeer.

Defense Attorney Leo C. Fennelly demanded that the Government be forced to add $292,564 to its estimate of Costello's net worth during the years 1946 through 1949—the years in which Costello allegedly cheated the Government of at least $73,000 in taxes.

The $292,564 was income for years prior to 1946. The defense is trying to show that Costello may have drawn on reserves in order to live above his reported income during the indictment period.

The Government has contended that Costello spent at least $809,762 during the 4-year period covered by the indictment—or $158,891 more than he reported in his income-tax returns.

Addition of prior income—presumably held in reserve—might account for Costello's above-income expenditures from 1946 through 1949.

Judge John F. X. McGohey reserved decision on the defense move.

Outside the court, Fennelly told reporters that if these prior income figures were carried over into the indictment period, it would wreck the Government's case.

[From the Washington Evening Star of May 13, 1954]

COSTELLO TAX CASE GOES TO JURY IN NEW YORK

NEW YORK, May 13.—The fate of gambler Frank Costello on income tax evasion charges rested with a jury today.

After Federal Judge John F. X. McGohey delivered his charge, the jury of 7 men and 5 women received the case at 11:25 a. m. The trial began 6 weeks ago.

Costello, 63, is charged with evading at least $52,239 in income taxes from 1946 through 1949.

[From the Evening Star of May 17, 1954]

COSTELLO GETS 5-YEAR TERM, $30,000 FINE

NEW YORK, May 17.—Racketeer Frank Costello, 63, was sentenced today to 5 years in prison and fined $30,000 for income tax evasion. He also was assessed the cost of his trial, which ended last Thursday after 6 weeks.

Costello was convicted on 3 counts of having evaded payment of $39,015 in Federal income taxes from 1947 through 1949.

He was sentenced by Federal Judge John F. X. McGohey.

The racketeer could have received up to 15 years imprisonment.

Costello, whose hoarse voice became familiar to millions during his televised testimony before the Senate's Crime Investigating Committee, has been in jail twice before: 10 months on a gun charge 39 years ago, and 14 months for contempt of the Senate Committee in 1952–53.

A native of Italy who came to the United States at the age of 4, Costello also faces a deportation action.

Mr. WILLIAMS. Mr. President, after receiving a 5-year prison sentence on May 17, 1954, Frank Costello, armed with a doctor's affidavit, appeared before the Federal court and asked that the 5-year prison sentence be suspended. The newspaper article quotes Frank Costello at that time as telling the judge "I am a very sick man."

I ask unanimous consent that this news article appearing in the Washington Star on May 31, 1955, be printed at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of May 9, 1955]

COSTELLO WINS NEW HEARING

NEW YORK, May 9.—Gambler Frank Costello, armed with a doctor's affidavit that he has cancer again, has been granted a Federal court hearing on his new move to escape imprisonment for income-tax evasion.

Government attorneys have been directed to show cause Monday why Costello's 5-year term should not be suspended or reduced.

Judge Sylvester J. Ryan granted the hearing yesterday after the 63-year-old defendant declared in a court affidavit that "I am a very sick man."

Mr. WILLIAMS. Mr. President, on June 19, 1954 Justice Robert H. Jackson, of the United States Supreme Court, ruled that this underworld character be freed on $50,000 bail, pending a decision on the appeal from his prior conviction.

I ask unanimous consent that the article published in the Washington Post of June 19, 1954, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 19, 1954]

JUDGE FREES COSTELLO IN $50,000 BAIL

NEW YORK, June 19.—Gambler Frank Costello was released from jail in $50,000 bail today on an order from United States Supreme Court Justice Robert H. Jackson.

Jackson ruled the underworld czar should be free while his appeal from an income-tax evasion conviction is under consideration.

The dapper, 61-year-old Costello was taken from the Federal House of Detention shortly before noon and was released by Federal Judge John F. X. McGohey. A professional bondsman made bail for Costello.

Jackson overruled the circuit court of appeals, which recently turned down Costello's plea for release in bail. He was convicted in May for income-tax evasion and sentenced to 5 years in prison and a $30,000 fine.

Mr. WILLIAMS. Mr. President, on July 20, 1954, I placed in the CONGRESSIONAL RECORD documents supporting the charge that Frank Costello was a part owner of the Tele-King Corp., in New York City.

This company was owned by Frank Costello and other racketeers with the usual so-called respectable front.

I placed in the RECORD copies of Government contracts which had been awarded to this company at prices substantially higher than other responsible bids. I also incorporated in the RECORD letters from the Defense Department confirming that during the Korean war this company had been granted top secret clearance, thereby making them eligible to examine or bid on top secret contracts.

Under the same date I also incorporated in the CONGRESSIONAL RECORD documents showing that a member of this firm had been given a position as Assistant to the Director of the War Mobilization Board.

To further illustrate the unusual treatment extended to associates of this racketeer, the man who was employed as Assistant to the Director of the War Mobilization Board was given this employment without any FBI check, but was cleared and employed solely upon the recommendation of Maj. Gen. Harry Vaughan.

The complete details of that transaction and the documents supporting this charge can be found in the CONGRESSIONAL RECORD of July 20, 1954.

This is simply another illustration of the coddling of this racketeer by a Government agency. We must not lose sight of the fact that the top-secret clearance was given to this racketeer's company at a time when a leak in our military secrets could have been serious.

On October 10, 1955, the Supreme Court decided to review the conviction of Frank Costello and his 5-year sentence for income tax evasion.

I ask unanimous consent that the notice of the decision by the Supreme Court, as published in the Washington Evening Star on October 10, 1955, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star of October 10, 1955]

HIGH COURT REVIEW DUE COSTELLO, DENIED BEARD

(By Robert E. Walsh)

The Supreme Court today refused to review the income-tax-evasion conviction of Samuel B. Beard, former Washington gambler.

The Court at the same time announced it would review the case of Frank Costello, former New York gambler who was convicted of income-tax evasion and was sentenced to 5 years in prison. The sole point on which the Costello appeal will be heard, however, is on the basis of his complaint that he was indicted on hearsay testimony of Internal Revenue Service agents and other tax experts.

In a separate order the Court rejected another Costello appeal—this one from his conviction for contempt and $500 fine for refusing to answer questions asked in a Government suit to cancel his 1925 naturalization.

In refusing to review the Beard case which originated in Federal court in Baltimore, the Supreme Court did not act today on a somewhat similar case involving Emmitt Warring, a Washington gambler who also was convicted in Federal court in Baltimore last year on tax charges. Beard had based his appeal mainly on a contention that income-tax records which a taxpayer is required to keep come under the protection of the fifth amendment provision concerning possible self-incrimination.

The Beard and Costello cases were among several score which the Supreme Court today either accepted for review later in the term or refused to review. Such refusal leaves standing the lower court convictions in effect.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Costello Ignores Subpena on Taxes," published in the Philadelphia Inquirer of Thursday, January 19, 1956.

This article refers to Frank Costello's refusing to appear in the Supreme Court of New York and answer questions about his State income tax. The article further illustrates this racketeer's contempt of the law.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of January 19, 1956]

COSTELLO IGNORES SUBPENA ON TAXES

NEW YORK, January 18.—Frank Costello failed to appear in supreme court today to answer questions about back State income taxes he allegedly owes, and the State tax commission immediately took a default against him.

This means that the State now may move to punish the gambler for contempt for his failure to answer the subpena which seeks to probe his financial resources and ability to pay the tax judgment.

According to records on file in the New York County clerk's office, the tax commission claims that Costello and his wife Loretta, owe a total of $190,982.24 for back taxes.

Mr. WILLIAMS. Mr. President, Frank Costello's appeal from his 5-year prison sentence on the basis that he was sick was denied, and on May 16, 1956, an article entitled "Costello Goes to Prison" was published in the Washington Post and Times Herald.

I ask unanimous consent that the article appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOES TO PRISON

Gambler Frank Costello is shown waving goodby in New York City yesterday after surrendering to begin a 5-year prison sentence for income-tax evasion. Costello, 65, tried to avoid prison by claiming he is suffering from a recurring cancer.

Mr. WILLIAMS. Mr. President, a couple of weeks after Costello had started his prison sentence, the Government began his denaturalization trial on the charge that he had obtained his citizenship fraudulently by denying that he had ever been convicted of a crime.

An article published in the New York Herald Tribune on May 30, 1956, finishes with the statement that "to avoid going to prison on the tax charge Costello once offered to leave the country voluntarily and permanently."

With the tax collector at his heels, and with Costello facing the prison door, he became interested in seeking a new climate; significantly he did not offer to pay his taxes.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTELLO TRIAL SET FOR JUNE 11

A denaturalization trial for Frank Costello was scheduled yesterday for June 11 in the United States district court of Judge Edmund L. Palmieri. Costello now is serving a 5-year prison sentence for evading $28,532 in income taxes.

Costello, who surrendered May 7 to serve his term, had been scheduled to stand trial Monday, but one of his attorneys, Jack Wasserman, of Washington, asked to withdraw from the case because of other commitments. Permission was granted by Judge David N. Edelstein, and the trial was rescheduled.

Government attorneys contend that Costello, a native of Italy, obtained his citizenship fraudulently September 10, 1952, by denying he ever had been convicted of a crime. He served a prison term in his youth for carrying a concealed weapon.

To avoid going to prison on the tax charge, Costello once offered to leave the country voluntarily and permanently.

Mr. WILLIAMS. Mr. President, on January 19, 1957, Frank Costello appealed to the Supreme Court to hear arguments that his sentence of 5 years for income-tax evasion was illegal.

This racketeer, who for 30 years had shown utter disregard and contempt for all laws, suddenly became quite an authority on his legal rights.

I ask unanimous consent that the notice of this action, as published in the Washington Post and Times Herald, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTELLO SEEKS COURT REVIEW

(By Frank B. Kent, Jr.)

Frank Costello, former kingpin gambler, has asked the Supreme Court to hear his argument that his sentence for income-tax evasion for 5 years in prison and $20,000 in fines is illegal.

The gambler contends that he should have been sentenced under a statute providing a maximum of 1 year in jail or fine of $1,000 or both.

The issue is whether a general provision dealing with any means of of tax evasion or a more specific one applying to false returns and carrying a lesser penalty should have governed the case.

Costello's attorneys have raised a question the Department of Justice would like to have clarified by the high tribunal. Solicitor General J. Lee Rankin says the Government will not oppose the gambler's petition for a review. But Rankin made clear in his brief the Justice Department does not agree with the contentions by Costello's lawyers.

The Supreme Court last March upheld an affirmation of the gambler's conviction by the United States Second Circuit Court of Appeals in New York. This time Costello's attorneys, including Edward Bennett Williams, of Washington, are asking for review of a dismissal of the lower courts of a motion for correction of the sentence.

Costello began serving his sentence last May. Williams said yesterday if the High Court should agree with the arguments the gambler would be eligible for release next month. The Costello brief says the statute under which he was sentenced is too broad in its phrasing and the more specific one with lesser penalties should have taken precedence.

The Justice Department brief disagrees. But it says the question concerning the two statutes has been left undecided by the High Court and is being raised with "increasing frequency in the lower courts."

"It may be assumed," the Justice Department brief said, "that until definitely resolved by this Court the question will continue to be litigated in the lower courts."

Mr. WILLIAMS. Mr. President, on March 11, 1957, the Supreme Court acted upon the aforementioned petition, and ordered Costello released on bail.

I ask unanimous consent that the article entitled "Highest Court Frees Costello in $25,000 Bail" published in the New York Daily News of Tuesday, March 12, 1957, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGHEST COURT FREES COSTELLO IN $25,000 BAIL

(By Norma Abrams)

A few hours after the United States Supreme Court had ruled that Frank Costello should enjoy freedom under bail pending further legal action, the gambler, nattily dressed but 15 pounds underweight, walked into Federal court here and was formally released in $25,000 bail at 6:10 o'clock last night.

The 65-year-old Costello, who has served a year of a 5-year sentence for income-tax evasion, was taken by United States Marshal Thomas F. Lundy from the Federal House of Detention here to the chambers of Judge Thomas F. Murphy.

Though dapper as ever in blue overcoat, gray suit, and gray hat, he carried all his possessions wrapped in a brown paper bag.

HOARSE FROM A COLD

He was beaming, but his voice was extremely hoarse and quavering, and he explained that he has been suffering from a severe cold the last 3 months.

Costello's breather from the Federal pen resulted from his lawyers' argument that he should have been sentenced under a provision of the Internal Revenue Code which covers the filing of false returns—and carries a 1-year maximum term.

Instead, he was given 5 years under another section relating to failure to pay income taxes.

FREE PENDING RULE

The Supreme Court ordered in Washington that until it rules, probably late this session, on the issue involved, Costello should be allowed out on bail.

A similar tax case is before the Court from Dallas, Tex., and arguments will be heard the last week of April.

To free Costello by nightfall, one of his attorneys, Edward Bennett Williams, flew from Washington to New York with the necessary legal papers.

THROUGH THE MILL QUICKLY

In turn, while the lawyers went to Judge Murphy's chambers, Costello was being taken from the House of Detention, and the formalities of bail approval were quickly dispatched.

The gambler was convicted in 1954 of evasion of $28,532 Federal taxes for the years 1946 and 1949. After previous appeals were exhausted, he began serving his term last May 14.

Accompanied by his lawyers and a friend, he left immediately for his home.

Mr. WILLIAMS. Mr. President, this is a brief résumé of the Costello story. While members of the legal profession perhaps can follow this maneuvering, as a layman I join thousands of other American citizens in saying, "I just do not understand it."

Let us not overlook these facts as supported in the first insertion, the statement of June 20, 1952: First, Costello was carried as a tax delinquent on the books of the Treasury Department for 20 years with no prosecution; second, Costello failed to file his tax returns for some of these years—no prosecution.

In conclusion, and as a striking contrast between two cases, I ask unanimous consent to have printed at this point in the RECORD an article entitled, "United States Threatens To Sell $5,000 Home for $3.90 Tax," and published in the Houston Press of May 27, 1952.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES THREATENS TO SELL $5,000 HOME FOR $3.90 TAX

The United States Government has threatened to sell Silas Gray's $5,000 home to collect a $3.90 unpaid income-tax bill.

"It's the most ridiculous thing I've ever heard," said the 59-year-old partially disabled retired watchman, scratching his head.

DEMOCRAT, TOO

"And I'm a Democrat, too.

"They'll wait 2 or 3 years to collect from a man who owes thousands of dollars, but they pour it on me."

RECEIVE NOTICE

Mr. Gray, of 4015 Averill, said he got a notice from the Internal Revenue Bureau in Austin dated May 5, which stated he and his wife, Onalee, a department store saleswoman, were short on their 1951 remittance.

Two days ago this letter, signed by Acting Collector Kirby H. Jackson and dated May 23, was received:

TEN-DAY NOTICE

"If full payment is not received within 10 days, the law provides for issuance of a warrant for distraint which authorizes collection by seizure and sale of your property or right to property, or by levy upon salary, wages, or other income."

"I've hardly had time to pay the bill—and they threaten to sell my home," Mr. Gray said.

PAID $222

Mr. Gray, who was forced to quit his night watchman job 3 years ago because of a heart attack and can't get around much anymore, said the statement showed he had paid $222.10 to cover the 1951 bill, but that the total was for $226.

He said the 3-room bungalow which the Government threatened to seize unless the $3.90 is sent pronto was bought 5 years ago. "We only owe about $1,400 on it," he said.

SENDING NOTE

What is he going to do?

"I'm going to pay the $3.90. I'm going to enclose a note that I heard a fellow on the radio say the country was almost broke and that I hope this will help them out a bit."

THE POSTAL DEFICIT

Mr. JOHNSTON of South Carolina. Mr. President, President Eisenhower, in his press conference yesterday before departing for Bermuda, said he thought one "great item" which would cut the budget would be the elimination of the postal deficit.

The President, in truth, is talking about a toothpick in a redwood forest, and has confused the raising of taxes with the spending of money.

First of all, eliminating the postal deficit in the way the President wishes to eliminate it—by raising postal rates—would not lower expenditures at all. It would simply be a way of raising taxes. It would merely be taking the money out of a different pocket of the taxpayers' trousers. Perhaps the President, in his anxiety to spend money on foreign governments, has lost sight of the fact that the budget is still a fancy Washington name for spending taxpayers' dollars. So how can he claim the peoples' expenditures can be reduced by making them pay the same expenditures out of a different pocket?

Suppose the President's theory that eliminating the postal deficit by raising postal rates would reduce the budget were sound; certainly it would be no "great item," for the postal deficit amounts to only seven-tenths of 1 percent of his multi-billion-dollar expenditure program, and would not make a ripple on the waters of his spending flood.

In these circumstances, if the President is concerned about the size of the budget, as he should be, I suggest that the most fertile field for the production of "great items which would cut the budget" is his foreign-aid programs, one of which he recently sent to Congress, and which Congress approved by legislation.

NAVIGATION AND THE INDUSTRIAL BOOM IN OKLAHOMA

Mr. KERR. Mr. President, a few days ago I made some remarks on the subject of navigation opening up an industrial boom in Oklahoma. I ask unanimous consent that I may have printed at this point in the RECORD a statement I have prepared on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NAVIGATION TO OPEN UP INDUSTRIAL BOOM IN OKLAHOMA

(Statement by Senator ROBERT S. KERR, of Oklahoma)

As Oklahoma celebrates her golden anniversary of statehood, a new era dawns along the historic waterways. The network of rivers which beckoned to the trail blazers of Oklahoma will open up a new frontier for a gigantic industrial development. Construction has started on key projects assuring the navigation of the Arkansas River to a point near Tulsa. The proposed Central Oklahoma Canal, from Oklahoma City to southeast Oklahoma would be connected to the Arkansas system. We also expect to get the authorization for the navigation of the Red River extended from Shreveport to Lake Texoma.

The rich virgin territory of Oklahoma once offered a bonanza to enterprising pioneer farmers. The dramatic land runs starting in 1889 brought about the most frenzied rush for farm homes in the history of the world. But, when modern industry learns of the vast opportunities opening up in this great industrial frontier by reason of navigation, there will take place another spectacular series of "Oklahoma runs."

I am frequently asked by outsiders about the origin of the term "Sooner," which continues to be a nickname for our beloved State. I explain that it was applied to those ingenious and industrious farmers who found a way to get into the land of opportunity "sooner" than the date fixed for the official run. This spirit of enterprise and energy still prevails in Oklahoma.

Today, there is a group of industrial "Sooners" who have already scented the tremendous opportunities about to be made available through water conservation and navigation, and they have staked their claims. We invite inspection and investigation by all American industry seeking the best economic conditions for operations, plus the security of inland location.

Oklahoma is the brightest spot in the area of maximum opportunity which economist Roger Babson has christened the "Magic Circle of the Nation." Oklahoma can boast the greatest amount of good water, the greatest amount of energy fuel, together with a vast area of productive soil and excellent labor. In all the Nation, there is no other such combination of resources, productivity, and labor altogether in one place. Added to that is the friendly congenial spirit that characterizes the people of Oklahoma.

And now we are assured low-cost water transportation. That will be the spark that lights the fuse to explode the greatest economic development in the Nation's future. Here in Oklahoma we have the last great industrial frontier. The Arkansas and the Red Rivers are the only major tributaries of the Mississippi yet to be made navigable.

Recalling the Tennessee Valley before 1933 and the Ohio Valley before its navigation program really got under way, Oklahoma can be assured of its own great potentialities. The thriving Tennessee Valley demonstrated to the Nation the unlimited value of resource development. The recent industrial boom on the Ohio River has soared in the last 6 years to the fantastic total of $9.3 billion committed for expanding old industrial plants and building new ones.

Spurred by the success in other valleys, the Oklahoma-Arkansas campaign for a navigation channel continuously picked up momentum. The combined effort of the people and their leaders has finally won the green light from Congress and clearance from the

United States Budget Bureau. The feasibility and desirability of the entire program has been underlined by the enthusiastic support of Uncle Sam's chief technical authority and big boss for such operations, the Chief of Army Engineers, Maj. Gen. E. C. Itschner. In fact, General Itschner recently showed that the Arkansas Valley has even greater opportunities than the fabulous Ohio Valley.

Speaking in Oklahoma recently before the Arkansas Basin Development Association, General Itschner cited the vast expansion of the Ohio Valley industry which he attributed primarily to the combination of coal, low-cost water transportation, and abundant water supply. "Here in the Arkansas Basin," he pointed out, "the same elements are present with oil and bauxite, and chemicals, in addition.

"Once, waterway transportation is available for hauling of bauxite, and pig metal and fuels; once hydropower is available near at hand to backstop the low-cost power advantage inherent in the coal resource and the easily available natural gas; once water-supply possibilities are developed to the fullest possible extent, the Arkansas Basin will possess the physical attributes needed for truly great expansion."

The authorized program for the Arkansas Basin calls for the construction of 30 flood-control or multiple-purpose reservoirs, 14 of which already are finished. General Itschner outlined the timetable for future construction, expressing the hope that the schedule would be accelerated to final completion in 12 or 13 years. This would open a 9-foot, year-round navigation channel extending 525 miles across the States of Arkansas and Oklahoma, terminating at Catoosa near Tulsa on the Verdigris River.

Recently the Army engineers reported that the average annual benefits for similar projects exceed the annual costs in the amount of more than $3 for every Federal dollar appropriated for them.

Another good investment expected to repay a large part of its cost would be the 100-mile water supply and barge canal tapping the tremendous source of sparkling plentiful water in the mountains of southeast Oklahoma and extending across the State to Oklahoma City. One of the first of its kind in the Nation, this marvelous man-made river would run water uphill by a series of lifts and locks.

This central Oklahoma project was originated by two of the Southwest's most eminent engineers—Guy Trest, of Oklahoma City, and Col. Francis Wilson, of Tulsa—and it is viewed favorably by the Chief of Army Engineers. We hope to get congressional funds this session for the Army engineers to move forward on it with their own preliminary survey. This far-flung project would round out a major part of the State's water program. It would develop the great potentialities of the watershed in southeast Oklahoma with a series of new dams, provide ample municipal and industrial water to many eager communities who would help pay the bill for the entire project, and bring navigation into the heart of the State close enough to benefit all Oklahoma producers and consumers.

In our modern society water is the magnet for industry. The cost of transportation actually determines both the location and markets of industry. A rapidly increasing population—an annual increase equal to the total population of the average State—is booming our domestic markets. These facts of modern life have made the Nation's inland waterways the happy hunting ground for new industry. Oklahoma will have the best to offer as it becomes linked up with this great network of low-cost transportation.

Despite its inequities in railroad freight rates and the hauling distances, Oklahoma has experienced a phenomenal growth from wigwams to skyscrapers in the comparatively short span of a half century. I predict, however, that Oklahoma's water resources in the next 50 years will be more valuable, promote more industry, create more jobs for workers and cause more growth than oil and gas have in the past 50.

In our first half century, the oil derrick and the "corn as high as the elephant's eye" silhouetted against the Oklahoma horizon have symbolized our economic strength. In another decade or two, the streamlined barge and towing vessel lining our inland waterways will identify a new era of industrial progress.

Having learned the lessons of "land, wood, and water" from my pioneer father, I am thrilled by the increasing conservation and development of Oklahoma's natural resources. I had my first opportunity to promote all phases of the program on a statewide basis when I was elected Governor in 1942.

I appointed the original committee in Oklahoma that worked with one appointed by the Governor of Arkansas in formulating the general plan to develop the Arkansas River project. Our group personally appealed to Congress, resulting in the authorization of the development plan for the Arkansas, featuring the navigation program. My first piece of legislation as a Senator brought about an interagency, interstate comprehensive survey of the Arkansas-White-Red Rivers. This blueprint just completed and presented to Congress will speed and coordinate the many projects, by all agencies and people affected. This mobilization of resources, coupled with the technical and fiscal support of the Federal Government, should translate our dreams into reality in the next decade or two.

The vanguard of Oklahoma's river traffic will start on the Arkansas. After that, the flow of water transportation will move into the very heart of central Oklahoma, and then along our southern border on Red River to Lake Texoma. It will cause the greatest boom in our history, benefiting both producers and consumers, and favorably affect the entire national economy. Like the tent cities which sprang up overnight on the plains of early Oklahoma, this new industrial frontier will be transformed with magic speed, and continue to grow and prosper.

NATIONAL FOOD RESERVES

Mr. HUMPHREY. Mr. President, it was my privilege to present to the United Nations, a month ago, a proposal for international cooperation through the U. N. toward the establishment of national food reserves.

The text of my remarks at that time was recently printed in the CONGRESSIONAL RECORD at the request of the junior Senator from Iowa [Mr. MARTIN]. I appreciate very much the kind remarks made at that time by the Senator from Iowa, regarding my efforts to have the United States take a realistic step toward wiser use of our abundance of food and fiber for human needs.

I have consistently advocated such approaches, including establishment of some form of international food and fiber reserves. I have not changed my hope that eventually we shall achieve some progress in that direction. However, as I indicated in my remarks to the United Nations, I am realistic, and in view of repeated obstacles which have blocked any definite action toward specific international reserves, I was pleased to propose for the United States a workable alternative of international cooperation toward the establishment of national reserves to meet emergency needs, and to offer United States help for that purpose.

I have just received a report from Mr. William J. Stribravy, executive officer to the United States delegation to the General Assembly of the United Nations, outlining the reception at the General Assembly to the proposal I was privileged to outline.

I note that the offer was described by Mr. Stribravy as the only new move made by the United States in the field of international cooperation during the General Assembly just concluded. I am pleased that we were at least able to come up with one new suggestion, and to make progress on it. The United States resolution introduced to carry out the proposal I outlined was unanimously approved by the United Nations members.

Mr. President, I ask unanimous consent to have printed in the RECORD the report of Mr. Stribravy, plus the attached resolution approved by the General Assembly.

There being no objection, the report and resolution were ordered to be printed in the RECORD, as follows:

UNITED STATES MISSION,
February 26, 1957.

To: Senator HUBERT HUMPHREY.
(Attention: Mr. Herbert Waters.)

From: William J. Stibravy, United States delegation to the General Assembly of U. N. executive officer, Committee 2.

Subject: Reception at the U. N. General Assembly of the United States offer to cooperate in the establishment and maintenance of national food reserves against emergencies.

The United States offer, announced by Senator HUMPHREY in the second committee, to make available surplus agricultural commodities for the establishment and maintenance of national stocks of foodstuffs to help meet emergency needs, was warmly received by most members of the second committee.

The offer represented a new move by the United States at the General Assembly in the field of international economic cooperation and the only one made by the United States during the past session of the General Assembly. It came at a time when it appeared that the second committee would have to content itself either with rehashing the substance of previous recommendations on economic matters before the General Assembly or with merely providing for additional studies on subjects which had already been on the Assembly's agenda for some time. Furthermore, the offer was made under an item—Proposal for the Establishment of a World Food Reserve—which, at least temporarily, seemed to have reached a dead end in view of the unwillingness of the United States and other countries to support the establishment of a multilateral food reserve. It thus opened up possibilities of concrete action in this field along other lines.

The United States initiative was explicitly welcomed during the committee's discussions by Ceylon, France, Yugoslavia, China, Australia, India, Canada, Ireland, Indonesia, the United Kingdom, Burma, Thailand, and Costa Rica. A number of countries such as Australia, Canada, Denmark, New Zealand, Burma and Thailand at first were apprehensive that the United States was contemplating new and greatly increased activity in the field of surplus disposal without regard to the recommendations previously developed in the Food and Agriculture Organization

concerning methods of disposal of surplus agricultural commodities and that it was attempting to utilize this occasion in order to obtain General Assembly approval for such new disposal operations without safeguards concerning usual marketings of such commodities by other countries. However, these countries were completely satisfied by a number of appropriate amendments to the United States sponsored resolution on this subject designed to make clear that surplus disposal to help establish national food reserves would continue to be a matter for consideration and discussion in the Food and Agriculture Organization. The United States also made a number of statements in the Committee designed to assure these countries that any surplus disposal for this purpose by the United States would be within the framework of the principles governing surplus disposal developed in the Food and Agriculture Organization and previously accepted by the United States.

The United States resolution (copy attached) was then adopted unanimously with the votes of all of the U. N. members, including the Soviet bloc.

INTERNATIONAL COOPERATION IN THE ESTABLISHMENT OF NATIONAL FOOD RESERVES—RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 455TH PLENARY MEETING ON FEBRUARY 20, 1957

(Adopted on the report of the Second Committee (A/3516))

The General Assembly, having in mind the desirability of achieving the objectives set forth in its resolution 827 (IX) of December 14, 1954, considering that one of these objectives is the possible use of food reserves for relieving famine and other emergency situations, considering further that many countries may need to establish or increase national reserves for this purpose, and recognizing that many countries which are in the early stages of economic development are faced with special difficulties in establishing adequate reserves, such as the fact that levels of consumption in the less developed countries are generally relatively low, noting that Economic and Social Council resolution 621 (XXII) of August 6, 1956, requests the Secretary General, in consultation with the Food and Agriculture Organization of the United Nations, to report to the Council at its 24th session, inter alia, on the feasibility, and, if feasible, the manner, of using food reserves for meeting unforeseeable food shortages, noting further that the Food and Agriculture Organization is engaged at the present time in a special study of the question of the establishment of national reserves against emergencies—

1. Requests the Secretary General, in preparing his report pursuant to Economic and Social Council resolution 621 (XXII), to include, on the basis of his consultations with the Food and Agriculture Organization of the United Nations, an analysis of the possibilities and desirability of promoting, by means of consultations between importing and exporting member states, the use of surplus foodstuffs in building up national reserves to be used in accordance with internationally agreed principles:

(a) To meet emergency situations;

(b) To prevent excessive price increases arising as a result of a failure in local food supplies;

(c) To prevent excessive price increases resulting from increased demand due to economic development programs, thus facilitating the economic development of less developed countries;

2. Further requests the Secretary General, in his analysis of the possibilities and desirability of the use of surplus foodstuffs for the above purpose, to examine whether such use may lead to the displacement of markets for those commodities and what effects it may have on the economic and financial position of those countries which depend primarily on the export of similar commodities;

3. Requests the Economic and Social Council to consider the possibility of postponing until its 25th session its examination of the report of the Secretary General, in order to be in a position to take fully into account the discussions and the expert technical studies being undertaken by the Food and Agriculture Organization concerning the establishment of national food reserves;

4. Invites both importing and exporting member states to continue to consult, through the appropriate bodies established by the Food and Agriculture Organization, with a view to facilitating the establishment of national food reserves, with due regard for the principles of surplus disposal recommended by the Food and Agriculture Organization,[1] particularly the need to avoid harmful interference with normal patterns of production and international trade and to insure that the use of surplus reserves will result in genuine additional consumption as defined in the principles of the Food and Agriculture Organization.

AID TO BACKWARD COUNTRIES

Mr. MONRONEY. Mr. President, we have heard a great deal about foreign aid and help we are extending all around the world. I think sometimes we fail to give adequate attention to the countries of Latin America which are so loyal and friendly to us. I speak particularly of the Caribbean region. In the case of Haiti, which has one of the lowest standards of living to be found anywhere in the world, our aid does not seem to be very effective for the masses of the population.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks two letters from Mr. Atherton Lee, an American who retired from the United Fruit Co., I believe, and established an outstanding flower-growing industry, giving employment to some 150 Haitian workers. By the use of air express, he now sells his products over the entire Caribbean area, and even in Florida.

Mr. Lee, through many years' work with the Haitians, has demonstrated that he understands some of the needs and problems involved in putting across a workable program. Therefore, because of his experience and his dedication to helping the masses of Haiti, I ask unanimous consent to have printed in the RECORD a letter published recently in the Wall Street Journal, under the title of "Aid in Haiti," and a letter to the editor of the Washington Post under the heading "Backward Countries."

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of February 18, 1957]

AID IN HAITI

EDITOR, THE WALL STREET JOURNAL:

Concerning the economic aid program of our Government, do not United States funds available to foreign countries promote a trend toward socialistic government enterprises? In contrast, has not extension of industries into foreign countries by private enterprise, which is our normal American way of life and currently so successful, been seriously neglected?

To an American pleasantly retired in the mountains above Port-au-Prince, the following are some of the business activities of the Haitian Government directly financed by agencies of the United States Government: Sisal plantations and decorticators, lumbering and sawmills, rice production and, on a lesser scale, rubber production.

Indirectly, the United States Government has judiciously financed road construction and other public works, but the funds so released to the Haitian Government are then employed to finance the Government ownership of sugar plantations and a sugar factory, a banana export company, electric utilities and lesser activities.

Disastrously, for a small country such as Haiti, none of these Government ventures into the fields of private enterprise has resulted profitably; to the contrary, year after year these operations have drained the Haitian treasury of urgently needed funds. Haiti, which is a historic ally of the United States dating back to 1776, is in dire poverty yet only 750 miles offshore from Miami, the latter an impressive example of the wealth and prosperity of our free-enterprise system.

There should be no criticism of our Government personnel here, or of the Haitian Government for the foregoing; because of the widespread unemployment and poverty the Government has tried to create employment and revenue, since there is no private capital to undertake these enterprises.

Presumably what is happening here is occurring to some degree in other countries receiving financial aid from the United States Government.

In short, our American financing of foreign countries creates a trend to government socialistic operations in activities which are usually considered the fields of private enterprise.

Few home-side Americans appreciate the substantial, widespread economic aid accomplished by private enterprise. Every sugar, banana, rubber, mining, or petroleum enterprise of American administration in backward countries maintains schools, hospitals, portable water supplies, sanitation systems, often forestation and soil conservation, and with major support to the balance of trade of such countries.

Here in Haiti only recently the Reynolds Metals Co. has initiated bauxite mining operations and already has built first-class roads, wharves, utilities, installed fine water and sanitary systems, while paying taxes to both the United States and Haitian Governments. The Reynolds' hospital averages treatments of 1,200 patients per month, not restricted to employees but available free to the community. The public works of Reynolds Metals Co. would cost our United States International Cooperation Administration several million dollars, all in outgo from the United States Treasury.

The obvious need is for some catalyst to stimulate investment capital for these countries. Mr. Fairless and his eminent committee studying foreign aid can do much for our friends and neighbors if they can steer our United States Government into inducements for American private investment in foreign countries. Carefully studied tax advantages for pioneering investment could be such an inducement. Could not such enterprises at the same time contribute to the welfare of our home-side consumers in the production of needed supplies such as coffee, cacao, abaca, newsprint, and perhaps other commodities?

With such large sums of money involved, is not a studious factual evaluation also timely of the present type of economic aid as a diplomatic and economic instrument? Though it has value in such functions, nevertheless can it not be substantially reduced with great economies, and in considerable part replaced by private enterprise? Is not such a replacement substantially in the interest of our free enterprise system and American way of life?

ATHERTON LEE.

PORT-AU-PRINCE, HAITI.

[1] Food and Agriculture Organization of the United Nations, Commodity Policy Studies, No. 10, Functions of a World Food Reserve—Scope and Limitations, annex III, Rome, 1956, distributed to the members of the Economic and Social Council under the symbol E/2855.

[From the Washington Post and Times Herald of January 15, 1957]

BACKWARD COUNTRIES

Haiti is historically an ally of the United States with active participation in our own revolution of 1776, and substantially thereafter.

In backward countries, in the absence of private capital for such industries, the use of economic-aid funds develops a trend toward socialistic government enterprises, the form of government to which our people are in general opposed.

Few in the United States appreciate the great factor contributed by American private enterprise in the development of backward countries.

Take as a trenchant example Pan American Airways: With no fanfare and little subsidy from government they have trained a widespread corps of thousands of competent pilots and mechanics in Latin America, with its subsidiaries bringing safe and cheap transportation, newspapers, and commerce to most remote populations.

Private enterprise such as the foregoing does not require large annually recurring appropriations from the United States Treasury; to the contrary it contributes to the Treasury. Encouragement of private pioneering is the normal logical way to develop backward countries and extend our conception of the American private-enterprise system as compared to socialistic government enterprise.

Perhaps a more flexible instrument to encourage production in backward countries is possible; tax inducements to American pioneering ventures, in specified friendly countries, can be selected to contribute to the welfare of the American consumer. For example, would not American consumers welcome greater production of coffee and cacao? Manila hemp is a defense material wanted by our Navy and is in seriously short world supply; American cordage manufacturers want more of it. There is no world overproduction of bananas.

All of these crops are preeminently adapted to our long-time ally, Haiti. It seems a simple, logical, inexpensive way to help our nonvocal neighbor and friend, while substantially helping ourselves.

Could not such selective tax inducements become a useful diplomatic and economic instrument in American foreign policies? Our economists could find similar ways to aid Bolivia, Chile, and other friendly countries.

ATHERTON LEE.

PORT-AU-PRINCE, HAITI.

ASSISTANCE TO POLAND

Mr. WILEY. Mr. President, the other day I received a letter from the Wisconsin State Chapter of the Polish American Congress containing a most significant expression. I send to the desk the text of the letter, and I append to it a most helpful and clarifying editorial entitled "Aid to Former Satellites," published in the Washington Post of March 11, 1957. I ask unanimous consent that those items, together with my statement, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

MILWAUKEE POLISH-AMERICAN CONGRESS CHAPTER RECOMMENDS APPROVAL OF ARRANGEMENTS FOR AID TO POLAND—SENATOR WILEY SAYS, LET US INDEED GIVE STATE DEPARTMENT CHANCE TO NEGOTIATE A SOUND PROPOSAL

The other day, I received from the Wisconsin State Chapter of the Polish-American Congress a most significant expression.

Mr. Anthony Szymczak, president of the chapter, urged approval of legislation which may ultimately come out of the present negotiations between the American and Polish Governments as regards the possibility of future aid to Poland.

These current negotiations involve a problem about as complex and as fraught with significance for the entire world as almost any phase of our current international negotiations, including even the all-important Middle East.

There is obviously tremendous controversy and honest differences of opinion even at the opening stage of the current negotiations. The following points are, however, indisputable:

POINTS ON WHICH MOST PEOPLE AGREE

1. The people of the United States are now, as they have always been, utterly opposed to communism in any way, shape, or form.

2. Polish-Americans of my State and others among the 6 million Americans of Polish descent in the United States—devout, patriotic Americans—are even more opposed to communism than most other Americans. Why? Because they appreciate the suffering which communism has caused throughout the world and, in particular, in the homeland from which their forefathers came.

3. There is, however, a definite distinction to be drawn between the Polish Government and the Polish people.

USE FOOD SURPLUS CONSTRUCTIVELY

Men may differ as to whether the advantages outweigh the disadvantages in aiding the Gomulka government, as such. There is and should be less disagreement, however, concerning the possibility of relieving the suffering of the Polish people themselves—through carefully supervised distribution of much-needed foodstuffs. Yes; there should be far less disagreement over constructive humanitarian use of United States surplus supplies.

4. Most Americans would agree that we should welcome any progress made in Poland or in any other satellite state toward a greater measure of freedom and sovereignty.

That does not mean that we approve so-called national communism. It does not mean that we ignore the previous record of these so-called national Communists, particularly as regards the evil which they did to truly democratic, freedom-loving elements, especially in the immediate postwar period.

DON'T SLAM DOOR ON NEGOTIATIONS

5. My own position is that we of the Congress should keep our minds open and our eyes and our ears open. My position is that we should give the State Department our faith and confidence as it proceeds methodically. We should give it the full opportunity to explore this matter, most carefully as it sees fit.

We definitely should not slam the door on the negotiations. We definitely should not lock ourselves into a position where we have no room for negotiation.

We—in Congress—definitely should not seek to impose beforehand completely inflexible rules which might make the success of sound negotiations impossible.

We definitely must not ignore the fact that the ruthless Kremlin Government undoubtedly at this very moment would like a pretext to exterminate the flickering light of the beginnings of freedom in Poland.

Diplomatic negotiations take time. They require patience. They require opportunity for frank discussion and, yes, very often for thoroughly confidential discussion, until matters are in shape where they can be presented, as they must eventually be, publicly.

The Senate will not, of course, abandon, in the slightest, its prerogatives under the Constitution. The Senate will require the facts necessary to come to its own decision on this matter later on. So, too, my colleagues of the House of Representatives will likewise require the facts before they give approval to any proposed legislation.

This matter, therefore, will have to be studied in all of its implications—legal, economic, budgetary, political, social, psychological.

WARSAW DEVELOPMENTS MAY BE TURNING POINT IN HISTORY

Let me point out finally that the eyes of the world, especially behind the Iron Curtain, are on the Warsaw Government, in large part.

Through Warsaw, we may be able to effect an important step in the prevention of world war III by our helping to ease the satellites toward a greater degree of independence from Moscow. But the situation is fraught with difficulty.

Let us give the State Department the chance to try to work this matter out in the national interest and in the interest of world peace and freedom.

We are at an important transition point today in the world's history, in the history of the relations between Moscow and the satellites. Let us not toss away the historic opportunities—to divide the Soviet Empire—which may be ours.

Let us not allow the martyrdom of Hungary to be forgotten nor the less dramatic but nonetheless meaningful struggle of other brave peoples—who are inching step by step on the road to freedom.

NEITHER BLANK CHECK NOR BLIND OPPOSITION

Let us neither bind ourselves in advance toward a blank check (which we certainly will not sign), nor bind ourselves in advance to an utterly rigid, dogmatic position which might lose for us an oppportunity which is ours to grasp at this time.

I send to the desk now the text of the letter from Mr. Szymczak and his associates. I append to it the text of a most helpful and clarifying editorial which was contained in Monday's Washington Post. I ask that both items be printed at this point in the body of this CONGRESSIONAL RECORD.

POLISH AMERICAN CONGRESS, INC.,
WISCONSIN STATE CHAPTER,
Milwaukee, Wis., March 6, 1957.

Hon. ALEXANDER WILEY,
House of Senate,
Washington, D. C.

DEAR SIR: At present there are negotiations being carried on between our Government and representatives of Poland as to aid which our country could render to the Polish Nation, and as to what form is this aid to take—whether in finance or products, or both.

When the question of this aid comes before the House we hope that you, Mr. Senator, will do your utmost to have this bill pass as nearly unanimously as is possible.

Poland needs aid now—the material aid we may render this nation now will not only help to reduce its physical distress, but this aid will also become a moral uplift from which the Poles will be able to absorb hope and trust in the future.

Since the June upheaval and the break with Moscow, there has been an ever lessening of tight and tyrannical rules and an ever increasing form of freedom for the people for which they have been striving for so long.

There is also a feeling of relief in the nation—relief which manifests itself especially in a much better understanding way of government for the people, and a much better understanding of other nations for Poland's plight.

We urge you once again therefore to exert your influence and try to do your utmost to promote and pass this bill for aid to Poland.

Thanking you for any assistance you may render this nation in its plight we are

Yours most sincerely.

ANTHONY SZYMCZAK,
Polish American Congress, President.
FRANK PLESNIA, *Secretary.*
EDMUND BANASZKIEWICZ,
Chairman for Polish Affairs.
LEONINE D. WOJINSKI,
Secretary.

[From the Washington Post and Times Herald of March 11, 1957]

AID TO FORMER SATELLITES

The difficulties that are being encountered in the negotiations with Poland indicate the need for a new policy in dealing with former satellite countries that are trying to establish their independence from Moscow. The Eisenhower administration has manifested its interest in giving some aid to the Gomulka regime in Poland, but it is up against stiff legal restrictions against helping any Communist country. In our opinion, the time has come to recognize the changed conditions that are coming about in the satellites in our laws as well as in our sympathies.

The purpose of such a policy is not, of course, to aid any sort of communism. The doctrines that have come to be associated with communism are repugnant to all free peoples, and they will remain so whether promulgated from Moscow, Warsaw, Belgrade or any other capital. Because of this fact, however, the free world has a most direct interest in helping people who have suffered under Communist dictators to regain control of their own destiny. The United States and its allies have no desire whatever to interfere in the internal affairs of Poland or to draw that country into any anti-Russian alliance. But they do have an enormous interest in extending the area of freedom from Moscow's domination as a means of discouraging aggression and enhancing the outlook for peace.

Congress passed the Battle Act prohibiting aid to Communist regimes before the satellite revolutions began. The situation with which it was then dealing was rather distinctly black and white. Now patches of gray have appeared. Secretary of State Dulles has found from an abundance of evidence that the Gomulka regime in Poland is not under domination by the Kremlin. This makes it possible for the United States to sell surplus farm products to Poland, but the door apparently remains closed to the granting of Export-Import Bank loans and to guaranties that would make private credit feasible. Clearly Congress ought to lift these restrictions from satellites emerging into a state of independence.

In opposing any aid to Poland, Senator KNOWLAND contends that such action would make it "difficult to discriminate against Rumania, Bulgaria, Czechoslovakia, and Hungary." If these countries should achieve their independence, no one would want to discriminate against them. With the satellites free, the United States could well afford to help them because our own security would be less of a problem. So long as these countries remain under Moscow's domination, however, a distinction between them and semi-independent Poland can and must be drawn.

Of course, the United States must be cautious in aiding satellites in the transitional stage between ruthless suppression and independence. The aid given must be limited not only because of the economic risks involved but also to avoid a Russian response which might touch off world war III. But when people who have risked much for a breath of freedom and are willing to risk much more come to the United States for moderate help, this country cannot close the door to them without being untrue to its own basic policies and to its immeasurable interest in a better world.

Mr. FLANDERS. Mr. President, I have become greatly disturbed by expressions of belief that assistance to Poland is assistance to communism. I believe that we should know more about the situation inside Poland than we do now before we come to this possibly erroneous conclusion.

Let me go back in history for a few weeks and remind my fellow Senators of some of the heartbreaking incidents of the Hungarian revolution. A people of immense courage and with a driving thirst for freedom rose against their Soviet oppressors, well knowing that they were risking death in so doing. Their superb courage overturned the Communist government and for a considerable period so startled their rulers in Moscow that they made no attempt to put down the outbreak by force of arms.

What they feared we do not know. It is probable that the ticklish situation in Poland, in East Germany, and possibly in others of their satellites led them to fear that the uprising might become too great to be put down. There was also in their minds without doubt the thought that the NATO powers might come to the rescue.

But when England, France, and Israel moved into Egypt and the attention of the NATO powers was directed on that area as the predominant military crisis, the rulers of the Soviet Empire took heart. They sent in their soldiers; they sent in their artillery; they sent in their tanks. The revolt was crushed in bloodshed.

Meanwhile, as this murderous repression proceeded, we got over the radio heartrending expressions of the hope for help. As that hope faded, there were despairing appeals for support of the Hungarian patriots by the free world. No one who carries those appeals in his memory can ever forget them. In the minds of the patriots we have failed the cause of freedom.

Mr. President, there is great danger that we may again fail the cause of freedom when it can be served by economic assistance in a critical time. Reports which come from private sources indicate that the people of Poland thirst for freedom, that they are determined to eliminate communism from their political life and from their economy, having witnessed over many years the fact that it fails to provide the good life for those who are subjected to its slavery.

The people of Poland do not ask for armed assistance. They do need economic support from existing funds which will make it possible for them to rebuild private industry and production on farms and in factories. For instance, we would provide equipment for the family farm, not for the great collectives.

We may well be uncertain as to which way Gomulka will go. No more can we be sure that if the spirit of freedom increases and spreads the Soviet Government will not again move in with tanks and artillery. We cannot, however, afford to risk missing an opportunity which has strong possibilities in its favor even though it may lack complete certainty. We may feel sure that proper support at this time will in the long run strengthen the spirit of freedom not merely in Poland but in the other satellites as well.

With carefully planned assistance of the kind which will encourage, support and develop free enterprise in a freedom-loving country, let us support the cause of Poland as we failed to support it in Hungary. We must not miss this duty and this opportunity.

SALUTE TO NATIONAL INVEST-IN-AMERICA WEEK, APRIL 28 TO MAY 4, 1957

Mr. WILEY. Mr. President, in our country, we enjoy a great many commemorative observances—special days, weeks, and months. Some of them are for rather important purposes, others less so.

I should like to invite attention, today, to a very important occasion which will be commencing in a little over a month.

I mention it today because I would like to give every possible advance encouragement toward the greatest possible grassroots success of this effort this year; success which I know it will enjoy.

By mentioning it this far in advance, I am hoping to throw the spotlight, so to speak, on it well ahead of time, thus perhaps, stimulating even more communities throughout our land to participate fully in it.

I refer in this instance to the celebration during the week of April 28 to May 4 of the third annual National Invest-in-America Week.

This is the splendid occasion in which every American who has invested in jobs, in savings, in homes, in insurance, in securities, is reminded anew of his stake, of our stake, in the great free-enterprise system.

I cannot too highly commend this forthcoming occasion. It is well spearheaded by the National Invest-in-America Committee, headquartered in the Chamber of Commerce Building at 121 South Broad Street, Philadelphia, Pa.

Last year's successful celebration of Invest-in-America Week was highlighted by telegram on April 18, 1956, from President Dwight D. Eisenhower to the Honorable Daniel W. Bell, chairman of the Washington, D. C., Invest-in-America Committee.

IKE'S TELEGRAM IN 1956

President Eisenhower said:

To the Invest-in-America Committee. I extend congratulations on its efforts to emphasize, through the April 29–May 5 observance, that everyone who has a savings account, an insurance policy, a share of stock or a bond, is an investor in American competitive enterprise. Better public understanding of this feature of our economic system should contribute to our Nation's future prosperity and economic progress.

DWIGHT D. EISENHOWER.

This year, advance indications are that there is going to be an even more successful celebration.

IMPORTANCE OF MORE RISK CAPITAL

This is all to the good. Americans need to pause to remember the vital significance of providing the capital with which to finance this country's steady expansion, yes, especially the risk capital for new plants, new machinery, new jobs.

We are all aware that the America of 170 million population of 1957 will soon be the America of 200 million in 1967.

If we are to provide for them a still higher standard of living, as we certainly will; if we are to create the new jobs for the 400,000 Americans who enter the labor force each and every year, then we must have still more savings and investments in America, still sounder investments by still more of our people.

This very week's Time magazine devotes its lead story to the great American insurance industry—with its 106 million policyholders—a symbol of one notable phase of our free-enterprise system.

SPECIAL INVESTMENT BANKERS' BULLETIN

I was pleased to note, moreover, that the January 1956 issue of the Educational Bulletin of the Investment Bankers Association of America was devoted to a special Invest-in-America edition. It is a most helpful presentation.

LETTER FROM WALTER SCHMIDT

I should like to quote from a letter now from the chairman of the executive committee of the National Invest-in-America Committee, received this morning by one of our Senate staff members who had taken up this matter in my behalf:

Invest-in-America was founded on the belief that there is a tremendous need to educate the American people on the important role their savings play in financing the economy of the country. Hence the slogan "Every American an investor in jobs, savings, homes, insurance, and securities." If this basic truth can be implanted in the minds of an ever-increasing number of people, a program of savings and investment will result which will most certainly help to strengthen the economy of the country.

Senator WILEY's philosophy is closely akin to that of our committee. We are delighted with the interest you have shown in our program.

Sincerely yours,

WALTER A. SCHMIDT,
Chairman, Executive Committee.

I send to the desk excerpts from other material published by the committee.

1955, 1956, AND 1957 OFFICERS

I include the full list of the 1955 and 1956 officers of the committee, as well as the 1957 officers—an outstanding group of Americans contributing of their time and efforts for a splendid, patriotic purpose.

Naturally, communities throughout our land will want to know more about how they can set up and/or expand their own particular local celebration. They can obtain full information from the National Investment-in-America Committee, headquartered in Philadelphia.

ACCOMPLISHMENTS IN WASHINGTON

However, so that they can see right at hand exactly how one community performed, I am pleased to include pages from the Investment Bankers' Bulletin of last year which describe exactly what was done in our Nation's Capital by an outstanding group of civic leaders in 1955. I believe that what Washington, D. C., accomplished can serve as a model which other cities across the Nation can follow, and I know that the 1957 celebration in Washington will be still finer.

I ask unanimous consent that these materials be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

THE NATIONAL INVEST-IN-AMERICA COMMITTEE, INC., 1957

(Eleventh floor, Chamber of Commerce Building, 121 South Broad Street, Philadelphia 7, Pa., Pennypacker 5-9320)

OFFICERS

Chairman, National Invest-in-America week, April 28–May 4, 1957, T. S. Petersen, San Francisco, Calif.

Chairman of the board, Frederic A. Potts, Philadelphia, Pa.

Vice chairman, J. Earle Jardine, Jr., Los Angeles, Calif.

Chairman, executive committee, Walter A. Schmidt, Philadelphia, Pa.

Secretary, Rudolf F. Vogeler, Philadelphia, Pa.

Treasurer, Alexander Biddle, Philadelphia, Pa.

Counsel, Samuel R. Rosenbaum, Philadelphia, Pa.

Executive secretary, Kathryn M. Duffy.

DIRECTORS

James B. Black, San Francisco, Calif.; John F. Bunn, Jr., Philadelphia, Pa.; J. Whitney Bunting, New York, N. Y., chairman, eastern division, Invest-in-America Committee; Daniel J. Cullen, San Francisco, Calif.; chairman, western division, Invest-in-America Committee; Robert A. Dowling, New York, N. Y.; Wilfred D. Gillen, Philadelphia, Pa.; Lee S. Harris, Jr., Philadelphia, Pa.; Dr. Louis P. Hoyer, Philadelphia, Pa.; John Latshaw, Kansas City, Mo., chairman, central division, Invest-in-America Committee; Ruddick C. Lawrence, New York, N. Y.; Howard C. Petersen, Philadelphia, Pa.; Mrs. Mary G. Roebling, Trenton, N. J.; Eliot H. Sharp, New York, N. Y.; C. A. Sienkiewicz, Philadelphia, Pa.; Edward Starr, Jr., Philadelphia, Pa.; Reese H. Taylor, Los Angeles, Calif.; Franklyn Waltman, Philadelphia, Pa.; T. Johnson Ward, Philadelphia, Pa.; Phelps Witter, Los Angeles, Calif.

NATIONAL INVEST-IN-AMERICA COMMITTEE, INC., 1956

BOARD OF GOVERNORS

Officers

Chairman, Frederic A. Potts, the Philadelphia National Bank.

Vice chairman, J. Earle Jardine, Jr., partner, William R. Staats & Co., Los Angeles; vice chairman, executive committee.

Chairman, executive committee, Walter A. Schmidt, senior partner, Schmidt, Poole, Roberts & Parke, Philadelphia.

Secretary, Rudolf F. Vogeler, executive director, the Chamber of Commerce of Great Philadelphia.

Treasurer, Alexander Biddle, executive vice president, Philadelphia-Baltimore Stock Exchange.

Counsel, Samuel R. Rosenbaum, impartial trustee, music performance trust fund, American Phonograph Industry.

Governors

James B. Black, president, Pacific Gas & Electric Co., San Francisco.

John F. Bunn, Jr., partner, Bioren & Co., Philadelphia.

Dr. J. Whitney Bunting, consultant-education research, General Electric Co., New York.[1]

Daniel J. Cullen, general partner, Walston & Co., San Francisco.[1]

Wilfred D. Gillen, president, the Bell Telephone Company of Pennsylvania, Philadelphia.[1]

Lee S. Harris, Jr., assistant to president, Frank G. Binswanger, Inc., Philadelphia.[1]

Dr. Louis P. Hoyer, superintendent of schools, Philadelphia.

John Latshaw, resident partner, E. F. Hutton & Co., Kansas City.[1]

John O. MacFarlane, partner, Manley, Bennett & Co., Detroit.

Howard C. Petersen, president, Fidelity-Philadelphia Trust Co., Philadelphia.

Mrs. Mary G. Roebling, president, Trenton Trust Co., Trenton.

Eliot H. Sharp, editor, Investment Dealers' Digest, New York.[1]

C. A. Sienkiewicz, president, Central-Penn National Bank, Philadelphia.

Edward Starr, Jr., partner, Drexel & Co., Philadelphia.[1]

Reese H. Taylor, president, Union Oil Company of California, Los Angeles.

Franklyn Waltman, director of public relations, Sun Oil Co., Philadelphia.

T. Johnson Ward, resident partner, Merrill Lynch, Pierce, Fenner & Beane, Philadelphia.

Phelps Witter, resident partner, Dean Witter & Co., Los Angeles.

National chairman of the week

R. G. Rincliffe, president, Philadelphia Electric Co., Philadelphia.

Divisional chairmen

Western division: Daniel J. Cullen, vice chairman.

Eastern division: Dr. J. Whitney Bunting, vice chairman.

Central division: John Latshaw, vice chairman.

(Available to Invest-in-American sponsors, Opportunity U. S. A. A 25-minute, 16 mm., sound picture that develops the saving-investment theme. For information write to education committee, Investment Bankers Association of America, 425 13th Street NW., Washington 4, D. C.)

NATIONAL INVEST-IN-AMERICA COMMITTEE, INC., 1955

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Chairman, Frederic A. Potts, president, the Philadelphia National Bank.

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Chairman, executive committee, Walter A. Schmidt, senior partner, Schmidt, Poole, Roberts & Parke, Philadelphia.

Secretary, Rudolf F. Vogeler, executive director, the Chamber of Commerce of Greater Philadelphia.

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Dr. J. Whitney Bunting, consultant, educational research, General Electric Co., New York.

Robert S. Byfield (deceased), G. H. Walker & Co., New York.[1]

Wilfred D. Gillen, president, the Bell Telephone Company of Pennsylvania.[1]

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[1] Member, executive committee, National Invest-in-America Committee.

Lee S. Harris, assistant to president, Frank G. Hinewanger, Inc., Philadelphia.[1]

Dr. Louis P. Hoyer, superintendent of schools, Philadelphia.

John Latshaw, resident partner, E. F. Hutton & Co., Kansas City.

John O. MacFarlane, partner, Manley, Bennett & Co., Detroit.

Howard G. Petersen, president, Fidelity-Philadelphia Trust Co., Philadelphia.

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Edward Starr, Jr., partner, Drexel & Co., Philadelphia.[1]

Reese H. Taylor, president, Union Oil Company of California, Los Angeles.

Franklyn Waltman, director of public relations, Sun Oil Co., Philadelphia.

Phelps Witter, resident partner, Dean Witter & Co., Los Angeles.

National chairmen of the week

Reese H. Taylor, president, Union Oil Company of California, Los Angeles.

Local committee chairmen

Atlanta: Clement A. Evans, president, Clement A. Evans & Co., Inc.

Charlotte: Jonathan G. Gullick, Interstate Securities Corp.

Denver: O. Jerry Jorgenson, executive vice president, Peters, Writer & Christensen, Inc.

Detroit: T. F. Wilimore, Jr., Merrill Lynch, Pierce, Fenner & Beane.

Houston: Joseph R. Neuhaus, vice president, Underwood, Neuhaus & Co.

Kansas City: John Latshaw, resident partner, E. F. Hutton & Co.

Lincoln: Evert M. Hunt, vice president, the First Trust Company of Lincoln.

Los Angeles: Y. Frank Freeman, vice president, Paramount Pictures, Inc.

Minneapolis: Ira D. Owen, vice president, Allison-Williams Co.

New York: Jeffrey S. Granger, Jr., Young Men's Board of Trade, Inc.

Oklahoma City: Edgar B. Oppenheim, partner, Leo Oppenheim & Co.

Omaha: John C. Schutz, vice president and secretary, Chiles-Schutz Co.

Philadelphia: T. Johnson Ward, resident partner, Merrill Lynch, Pierce, Fenner & Beane.

Pittsburgh: Kirkwood B. Cunningham, executive vice president, Cunningham, Schmertz & Co.

Providence: J. Irving McDowell, partner, McDowell, Dimond & Co.

Richmond: W. Barrett Disney, resident partner, Abbott, Proctor & Paine.

San Francisco: Daniel J. Cullen, general partner, Walston & Co.

St. Louis: Elvin K. Popper, partner, I. M. Simon & Co.

Topeka: Carl Meyer, secretary and treasurer, the Columbian Securities Corp.

Tulsa: Evan L. Davis, Kennedy Building.

Washington, D. C.: Millard F. West, Jr., partner, Auchincloss, Parker, Redpath.

Wichita: James O. Davidson, the Ranson-Davidson Co., Inc.

FACT SHEET, THIRD ANNUAL NATIONAL INVEST-IN-AMERICA WEEK, APRIL 28 TO MAY 4, 1957

STATEMENT OF PRINCIPLES

The statement of principles of the National Invest-in-America Committee reads as follows:

"The American competitive-enterprise system was founded on the work and savings of the people and has produced the highest standard of living in history. Our people, of their own free will, have made all forms of investment from Government bonds to venture capital for new enterprises. Competitive enterprise is dependent on the continued supply of these funds, which benefit consumers, workers, and the national interest, as well as investors.

"Investing in America has helped to make our country great. This idea needs to be brought home to all the people, men and women. We are fighting to preserve our economic, religious, and political freedom, and the battle must be won in the field of ideas as well as on the battlefield."

SLOGANS

The following slogans expressing the Invest-in-America principles have developed out of Invest-in-America Weeks:

1. Eagle insignia with caption "Invest in America for More and Better Jobs."
2. Every American an Investor in Jobs, Savings, Homes, Insurance, Securities.
3. Finance, the Lifestream of Competitive Enterprise.
4. Money at Work Means Men at Work.
5. Every American a Capitalist.
6. Work—Save—Invest.

GENERAL APPLICATION

One of the gravest problems facing American business and industry is the source of the capital funds that will be needed in the next few years to pay for the expansion and modernization of facilities required to meet the needs of this country with its rapidly increasing population. An estimated $42 billion of capital per annum must be provided for the next 10 years from retained earnings and the savings of the people. The generation of such sums is a Herculean task in the face of current taxation and other governmental restrictions.

Invest-in-America is a movement designed to assist in the solution of that problem by encouraging saving and investment and by promoting a better understanding of the role capital funds play in our American way of life. Finance is the "Lifestream of competitive enterprise."

Invest-in-America Week is an effective 1-week medium for educating the American people on this basic economic and financial problem we face. During the past summer, National Invest-in-America headquarters developed a TV pattern for putting this story across on the air on a year-round basis.

STATEMENT IN IBA EDUCATIONAL BULLETIN

The National Invest-in-America Committee, Inc., is most appreciative of the Investment Bankers Association of America having compiled the complete record of the 1956 celebration of Invest-in-America in 22 cities throughout the country.

It should provide additional ideas for those cities who have staged programs in the past—and should be a guide to other cities throughout the country who are in the process of getting started this year.

We are encouraged by the number of large corporations who realize that Invest-in-America—with the slogan "Money at work—men at work"—is probably the best medium of pointing up the free individual enterprise system to the mass of people who benefit from our American way of life.

If every worker in industry realized that he was a capitalist when he owned a home, an automobile, an insurance policy, a savings account, a Government bond or a share of stock, it would be a great step forward. It would automatically combat communism head on, and at the same time widen the necessary base if our economy is going to be prepared to see our population grow to at least 200 million by 1975.

From my standpoint, I am proud that IBA has had a part in the development of this program. I think every city in all parts of the country should organize itself to further the effort. You will see additional advantages in a coordinated effort with your chamber of commerce, banks, stock exchanges, junior achievement, securities firms, and insurance organizations.

WALTER D. SCHMIDT,
Chairman, Executive Committee,
Invest-in-America Committee, Inc.

1955 CELEBRATION IN WASHINGTON, D. C.

A highly successful celebration of Invest-in-America Week in Washington, resulted in an increased incentive on the part of the financial, business, and industrial community to conduct a second such celebration in 1956, according to Bernard J. Ness, secretary, Washington, Invest-in-America Committee, partner, Johnston, Lemon & Co.

The two sponsoring organizations of the Washington celebration were the Washington Board of Trade and the Southeastern Group of the Investment Bankers Association of America. With the assistance of William H. Press, executive vice president of the board of trade, a citywide Invest-in-America Committee was established to represent all segments of industry, business, and finance in the Washington metropolitan area. The services of Lou Brott, professional public relation representative, were obtained for planning, coordinating, and conducting the week in cooperation with the operating committees of the sponsoring organizations.

Members of the Washington, D. C., Invest-in-America Committee:

OFFICERS

Chairman, Robert V. Fleming, president and chairman of the board, Riggs National Bank.

Vice chairman, James M. Johnston, senior partner, Johnston, Lemon & Co.

Francis J. Kane, president, Washington Board of Trade.

COMMITTEE

Ben McKelway, editor, the Evening Star.

Thomas E. Melloy, president, Melpar, Inc.

Herbert J. Rich, president, Merchants and Manufacturers Association.

Francis E. Robey, president, District of Columbia Bankers Association.

Thomas C. Anglin, president, Bond Club of Washington.

E. C. Baltz, president, Perpetual Building Association.

Everett J. Boothby, president, Washington Gas Light Co.

J. A. B. Broadwater, president, Capital Transit Co.

Edgar B. Rouse, chairman, Washington branch, Philadelphia-Baltimore Stock Exchange.

C. Melvin Sharpe, president, Board of Education, D. C.

Robert B. Swope, president, Southern Oxygen Co.

Philip M. Talbott, senior vice president, Woodward & Lothrop.

Charles H. Tompkins, president, Chas. H. Tompkins Co.

Millard F. West, chairman, education committee, Southeast Group Investment Bankers Association.

Raymond O. Williams, president, District of Columbia Building and Loan League.

Carey Winston, president, Washington Real Estate Board.

John F. Donohoe, president, Federation of Business Men's Association.

R. Roy Dunn, president, Potomac Electric Power Co.

Henry Gichner, president, Greater Washington Industrial Commission.

Wilfred L. Goodwyn, chairman, Southeast Group Investment Bankers Association.

Pat J. R. Gorman, chairman, Economic Education Subcommittee, American Ideals Committee, Washington Board of Trade.

Frances C. Hunter, resident partner, Merrill Lynch, Pierce, Fenner & Beane.

A. L. Jagoe, president, Junior Chamber of Commerce.

Howard W. Kacy, executive vice president, Acacia Mutual Life Insurance Co.

[1] Member, executive committee, National Invest-in-America Committee.

The objective of this program, as set forth by the committee, was to emphasize to the general public in the metropolitan area of Washington the importance of savings and investment in the free enterprise capitalistic system.

Upon the request of Mr. Robert V. Fleming, chairman of the committee, the Board of Commissioners of the District of Columbia issued a formal proclamation declaring April 24 to May 1, 1955, Invest-in-America Week for the District of Columbia. The proclamation was presented by Mr. Samuel Spencer, president of the Board of Commissioners, to the chairman of the committee, in the presence of representatives of the press at the District Building.

Posters for employee bulletin boards, calling attention to Invest-in-America Week, were distributed to approximately 500 businesses in the metropolitan area and also easel-type counter and window placards were distributed, with the assistance of the Junior Chamber of Commerce and associates of investment firms, for display to the general public. Through cooperation with Capital Transit Co., posters were furnished for 300 streetcars and buses.

A specialist folder and covering letter were forwarded to more than 200 organizations in the Washington metropolitan area, outlining the objectives of the Invest-in-America Week. Contained in the letter was a request that each organization, sometime in the future, include in the agenda of their meetings a showing of the Washington Board of Trade's motion picture "It Is Everybody's Business," pointing out that speakers would be made available by the Invest-in-America Committee.

In the field of radio and television activity, 2 television stations—WMAL-TV and WTOP-TV—presented the Washington Board of Trade 20-minute film together with an appropriate explanation of the week. Also, a series of announcements were distributed to the 22 Washington metropolitan area radio and television stations, as well as to program directors and well-known local television and radio personalities. It has been estimated that the Invest-in-America Week celebration was mentioned approximately 300 times over these media.

Under the joint auspices of the Traffic Safety Week Committee and the Washington Evening Star, an award contest was conducted during the week. The Star published four-column pictures of pedestrian groups with the heads of two pedestrians circled. Awards were offered to those pedestrians who identified themselves in the photographs. The awards consisted of a $25 United States Savings Bond, $25 for opening a savings account in any bank selected by the winner, $25 for opening an account in any building and loan association selected by the winner, and one share of Potomac Electric Power Co. common stock.

ADDRESS BY LT. GEN. MERRILL B. TWINING, COMMANDANT OF THE MARINE CORPS SCHOOLS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a Navy Day address by Lt. Gen. Merrill B. Twining, Commandant of the Marine Corps Schools, which was made on the 26th of October 1956. This speech first came to my attention last fall and I believe it to be one of the finest that I have seen on the proper role of sea power, particularly the large carriers and the amphibious fleet, in any conflict of the future. It is often easy to consider our national military power solely in terms of strategic bombing and all-out nuclear war, and it is often easy to overlook the basic concepts of a balanced military force. As the Middle East has shown us, we must be prepared to meet any threat of Communist aggression anywhere at any time. Much of this preparedness depends upon the control of the seas and our ability to establish advance bases. As we review our national defense policy and defense appropriations for the coming year, I think it is timely to give consideration to the very valid discussion of naval power which a marine general has provided us. Such an example of interservice understanding is indeed reassuring.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NAVY DAY SPEECH OF LT. GEN. MERRILL B. TWINING, USMC, DELIVERED IN LOS ANGELES, CALIF., BEFORE THE NAVY LEAGUE OF THE UNITED STATES

All of us are here today because of a common bond—our interest in naval affairs. It may focus sharply on some one facet of the naval service, based on personal experience or an absorbing interest in a particular professional aspect. I expect that a former carrier man, or submariner, thinks first and oftenest of the branch he knows and loves the best. As a marine, I presume I, too, could be accused of a certain solicitude for the fortunes and affairs of the Marine Corps. But fundamentally, the interest of all of us stems from a common source; our overall concern for the welfare and continued usefulness of the Naval Establishment which provides and supports the fleet.

The various elements view the fleet from different vantage points, based on history, wartime experience, and service aspirations. I know you are quite familiar with most of these varying service outlooks. There is, however, one point of view upon which I feel qualified to speak, and which may be of interest as a matter of first impression for many in this audience. I mean the point of view of the Marine Corps as a sister service of the Navy within the Naval Establishment—I mean the particular regard in which the Marine Corps views the overall naval problem as the Navy's partner in combat. In short, I mean to portray to you, as lucidly and as faithfully as I can, a marine's eye view of the United States Fleet.

As we all know, the Army, the Navy, and the Marine Corps were brought into being by separate legislative acts, enacted at various times during the Revolutionary War. These three services continued their separate existence until the establishment of the Federal Government, when they were all brought together under the War Department and placed under the authority of the Secretary of War.

This unsatisfactory arrangement was terminated in 1798, as a result of weaknesses disclosed prior to the naval war with France. In April 1798 there was created the Department of the Navy as we know it today. To it was transferred the title to the ships of the fleet, the dockyards which maintained them, and authority over the officers and men who sailed them. The act made no mention of marines or the Marine Corps, but the latter, by common consent and as a matter of course, went over to the new establishment as a sister service of the United States Navy.

This is much more than a matter of historic trivia. It is the first plain indication of the philosophy befitting a great maritime nation, and which has dominated our naval policy throughout our national existence; that the United States, unlike the European countries, was to make the sea its ally and not its enemy; that it would use the sea as a friend in conveying its power and influence throughout the world and not merely as a sterile barrier protecting its shores from the threat of invasion. For, note that it had included within its Naval Establishment, not only a fighting fleet, but a small land component intended to provide the fleet with the means necessary to project its power ashore through establishment of bases overseas to support its activities and give them a degree of permanence beyond that of mere transient raids and incursions. This had been one of the great naval lessons of the Revolutionary War, and it was heeded by the designers of our national defense. It formed the basis of a continuing concept which was later to become familiar to us all—the balanced fleet of World War II or, as we might more precisely describe it today—the functional fleet.

In the ensuing century, 1798–1898, this fundamental idea was almost lost from sight. Lack of appropriations resulted in a chronic state of poverty which reduced the Navy to a shadow fleet and the Marines to a skeleton corps, represented by a handful of ships detachments, rather than a vigorous force, organized, trained, and equipped for combat ashore in support of the fleet, as it had been during the Revolution.

Even during the Civil War, the Navy was unable to accomplish any great strategic purpose of its own, even in areas ideally suited to its operations, due to just such a lack.

A case in point was the ill-fated assault on Fort Fisher on the North Carolina coast. It was a brilliant strategic conception to land and seize this key fortress of the coastal islands and put an end to the dreary and costly business of blockading by sea the entire Carolina coast. It was using a navy for its intended purpose, as an instrument for the enforcement of seapower by combined action of the components of the fleet. It resulted, however, in bloody failure, because the troops assigned were sailors and marines detailed from the ships of the South Atlantic Squadron. They were neither trained to work together nor properly equipped for the business at hand—that of projecting the power of the fleet ashore for a local purpose of utmost national importance.

Years later, in another war in another quarter of the globe, Adm. George Dewey was to assert that the presence within his fleet of a small organized force of marines would have permitted him to occupy Manila and force a quick peace, thereby avoiding the delays which led to the long, costly, and needless war of the Philippine Insurrection.

Largely as a result of these two instances, the fleet organization was radically overhauled after the Spanish War. Battleships, carriers, and torpedo boats were organized into homogeneous squadrons and flotillas to operate as such within the fleet. There was likewise organized an advanced base force of marines for service with the fleet, not by detachments, but as a force organized into regiments and battalions—forerunner of today's Fleet Marine Force of 3 divisions and 3 air wings.

Strangely enough, there was nothing new in all this. It marked nothing beyond a return to the original pattern of the functional fleet of the Revolutionary War.

It was with just such a force that, in 1776, Commodore Esek Hopkins descended upon and seized the Bahama Islands, in the first successful overseas campaign in our naval history.

We have adhered to this pattern for over half a century—adding to it a third, and most vital element, in the form of our carrier aviation. So organized, it became, and still is, a functional fleet; one capable of fighting on, over, or under the sea, and able to secure its gains through its capability of projecting its power ashore by the seizure and defense of advance bases.

No other navy—not even the British, has adhered to this concept as faithfully as we;

nor, significantly, have any of them exploited the seas as successfully and effective as we.

It was the functional fleet; land, surface, and air, which turned the tide at Midway and reversed the course of the war at Guadalcanal. It was the functional fleet which moved via the Marshalls, the Marianas, and the Palaus, to break the back of the oceanic empire erected under the Rising Sun in the days following the treachery of Pearl Harbor. No other campaign, no other group of operations in the course of the war, can be compared with these for scope, boldness of concept, and matchless execution. They were the work of a professional instrument—the United States fleet.

Even during the war, and despite its brilliant successes, our naval concept was sometimes subjected to criticism. It was stated that it represented an incursion into the assigned fields of both the Army and the Air Force, the implication being that task groupments of elements of the three major services would have served the same purpose with greater efficiency and greater logic.

For a mass overseas movement, as a prelude to an invasion such as Normandy, such a position may well be correct. It was never challenged nor violated by the Navy or Marine Corps in any of their operations.

An operation of the magnitude of Normandy, is characterized by years of the most meticulous planning, preparation, and build-up of forces. The naval commander, engaged in a desperate effort to control the seas, enjoys no such opportunity. He fights a different war, catch-as-catch-can, with whatever forces he can muster at the moment. He must be a gifted opportunist, with flexibility as his stock in trade.

Following Midway, for example, Admiral King sensed a fleeting opportunity to reverse the course of the war in the Pacific. In a matter of days, he was able to assemble carriers, covering forces, submarines, transports, and a division of marines, for a descent on the Solomons. What happened is history, but the great professional lesson is not so widely understood. He was able to seize the opportunity in time, only because the forces were at hand and under his control, ready and eager to be turned loose on the job for which they had been trained together in time of peace.

Such a force cannot be improvised. We tried and failed at Port Fisher in the Civil War. The British tried and failed in 1940 when, lacking a fleet marine arm, they landed ill-prepared British infantry on the coast of Norway to wander aimlessly inland to ignominious surrender.

The flexibility and efficiency of the functional fleet was again demonstrated in 1950 at Inchon. The desperate situation of our forces in South Korea inspired us to emergency action, and we successfully conducted the most difficult amphibious assault in the history of warfare, with forces of Navy, and marines hastily summoned from the ends of the earth and thrown into the attack. Their salvation lay in their mutual understanding of a common doctrine, born of years of service together in the functional fleet of World War II.

With the perfection and wide availability of atomic weapons, our basic naval concept is again under scrutiny.

It is said, that since we place our sole reliance on the nuclear attack, the problem of the modern Navy should be to provide and protect carrier platforms for the projection of nuclear munitions against strategic targets.

It is said, that in the face of atomic attack, the amphibious assault is no longer feasible.

It is said, that under our concept of all-out nuclear attack, an amphibious capability in our fleet is a needless luxury.

The future of our naval establishment, the United States Navy and the United States Marine Corps, and perhaps even the future of our country, depends upon our ability to seek and find objective and true answers to these problems.

First, has the all-out nuclear attack become the primary mission of our fleet?

The carrier arm possesses this valuable capability to a high degree. It can reinforce our strategic air arm, adding to the depth and intensity of its attack. Its mobility enables it to move in and take over in areas where our fixed land airbases may have been wiped out. Valuable though these functions may be, they remain in the category of a collateral task, rather than a primary mission. The United States does not maintain two strategic air forces, any more than it will tolerate, for example, a second land army in the form of a Marine Corps.

To attempt to duplicate, rather than reinforce the role of the strategic Air Force, would be a grave mistake. It would lend strength and logic to the Air Force claim to operational control over our carriers as a force operating primarily in a role which the law assigns to them. The effect of such an assignment would be the complete disruption of the Navy as a balanced fleet. It would become a secondary force, tied to the operational apronstrings of the Air Force, and with little or no remaining capability for independent operation in its own sphere—control of the sea.

We think, therefore, that the advent of the atomic weapon has changed nothing insofar as the carrier forces are concerned. Stronger and more important than ever, they remain essentially what they were in World War II, the strong right arm of the fleet, operating in concert with the surface, subsurface, and landing forces in the enforcement of sea power.

Their additional capability to reinforce, strengthen, or even locally take over the strategic air effort, is of utmost importance and might even be decisive, but it remains a collateral assignment nonetheless, and not a primary mission.

Second, have atomic weapons made amphibious operations impossible? If so, the fleet has lost one of its most useful capabilities and the one upon which it has always depended for a sustained and progressive advance.

We believe that amphibious operations involving concentrations, such as we had at Iwo Jima for example, are out of the question. For that matter, so are any other concentrations of forces on the scale of World War II, whether of ships, troops, or aircraft. They would expose us to unacceptable losses.

To avoid such concentrations, the Marine Corps has brought to a high state of development, in 10 years of unrelenting effort, the concept of the all-helicopter landing. It is known as the vertical envelopment. It presents no remunerative target for the bomb, and permits us to concentrate with speed, mass, and shock effect far exceeding the best of our World War II landings.

The Navy is building troop transports which carry helicopters in lieu of landing craft. They can land their embarked troops from dispersed locations far at sea. The concept has been tested, found successful, and we are ready to employ it whenever the need arises.

Finally, it is said, that being wedded to the all-out nuclear attack on the enemy homeland, no need for amphibious operations will arise.

I cannot speak of our war plans, and I believe you would agree it would be improper if I did. But it is obvious, that since we are placing primary emphasis on the effect of massive retaliatory damage inherent in the use of the big bomb, our enemies will do their best to defeat our intent, either by aborting the blow, rendering it politically impossible, or by some other course. God knows, they have shown skill, devilry, and ingenuity in their attempts to frustrate us in other fields of economics and diplomacy where we considered ourselves unassailable. This being the case, when he unleashes his attack, we must be prepared for surprises from more points of view than time and place alone. The more fixed and rigid are our plans, the easier it is for our opponent to outwit us. A preconceived strategic notion is not only useless, but highly dangerous to a nation which is not in a position to take the initiative. We must accept this, keep our plans flexible, and remain in a position to respond vigorously to any initial course of action the aggressor nation elects.

For example, in 1939 we were told that the revised war plans did not contemplate a step-by-step advance across the central Pacific. Instead, the battle fleet, supported by the fleet train alone, was to carry the war directly into Japanese waters. This was a blow to the Marine Corps which had worked so long and intensively at the discouraging task of developing successful techniques for amphibious warfare. We were left out of the picture.

We all know what happened 2 years later. Something that many in the Navy had predicted occurred—by virtue of his power of initiative, the enemy, in his opening gambit, defeated our rigidly preconceived strategic purpose—by destroying the instrument we had created for its execution.

The remaining carriers represented the scant margin of strength by which we maintained our tenuous hold in the Pacific for the first year of the war—until such time as a reconstituted fleet began its step-by-step advance across the central Pacific. The war planner, who had told us in 1939 that no amphibious operations were contemplated, became known by 1945 as the Navy's foremost landing admiral.

In the future, as in 1941, we must face up squarely to the fact that the aggressor will possess initial freedom of action as to time, place, and method of attack. He is the master of this phase of the war, and we must expect to dance to his tune until such time as we can wrest the conductor's baton from his grasp.

We can't perceive where, how, or when the opportunity to do so will come, but come it will, and we must seize it as Ernie King seized it in the summer of 1942. This implies the existence somewhere of a flexible, versatile, highly mobile force in being as a national strategic reserve, uncommitted to preplanned operations, capable of responding to the opportunity and racing to meet the target. The United States fleet, in the form it exists today, is just such a force, and is tailored to the exact requirements. Its flexibility enables it to meet nearly any situation. An occupation, a brush fire war, a nonatomic war in a Communist-controlled satellite area, or a major assault on the enemy's homeland. All these require varying degrees of military force, nicely graduated to fill the gap between scattering leaflets and dropping hydrogen bombs.

Its mobility and availability is its great asset. Our Army will be pinned down by enemy pressure abroad and the demands of mobilization at home. Our Air Force is definitely committed. The fleet, alone, retains both mobility and freedom to move in any direction. It can do again what it did in 1942—reverse the course of a disastrous war, provided we preserve our capability of acting together as a coordinated whole, of surface, subsurface, air and landing forces.

Naval strength, therefore, lies in the aggregate power and capability of the fleet as an entity, rather than in the arithmetical sum of the strength of its several components. This is plainly demonstrated by the naval history of the Korean conflict.

For example, the 1st Marine Division at Inchon in September 1950, was able to accomplish a major strategic purpose in a few days. This brilliant success was due to many

factors in addition to the bravery, skill, and combat discipline of the division itself. There was the mobility of the fleet which assembled and placed it there. There was the skill of the amphibious forces in coping successfully with tides and hydrographic conditions which beggar description. There was the training and know-how of the gunners of the naval fire support ships covering the exposed and tortuous approach. There was the skill and perception of the carrier pilots who covered the landing area, supported marines on the ground with bomb and rocket, and interdicted the battlefield to the approach of enemy reinforcements. It was the combination of these elements in concert which produced, at Inchon, a strategic reaction exceeding many fold the cumulative or total capabilities possessed by each element of the fleet acting alone.

We marines were to become aware of this only too keenly in the days which followed. The First Division became the warhorse of the United Nations Forces in Korea, from the Chosin Reservoir to Panmunjon. But it was never to participate again in a great strategic stroke like that at Inchon. The winning combination which had taken Inchon and Seoul had been broken up. The surface ships, operating as a form of floating artillery, bombarded Wonsan and the northern ports for years with no discernible result; the carriers participated with the Air Force in operations against the enemy lines of communication—the 1st Marine Air Wing was separated from its teammate, the 1st Marine Division, thereby destroying the most effective air-ground team the world had ever seen. The wing was placed under Air Force command and operated as a component of the 5th Air Force. In my time, we never saw it again, and the sense of loss was very real.

The fleet, which had performed so brilliantly in September 1950 as a balanced instrument of seapower, had been dispersed by circumstances into separate, relatively ineffective, components—of land, sea, and air.

I do not mean to imply that the fleet can, should, or ever has operated in a strategic vacuum, unconnected with the activities of the Army and Air Force, and this brings into view the larger problem of the position of the naval establishment in the overall defense structure. Many, at this time, are advocating a one-uniform, one-service structure, presided over by a single military chief. Since this is certainly not in accordance with the present law, and is in opposition to the statements of some of our highest leaders, I feel free to discuss it here.

Under present organization, the overall control of the Armed Forces is vested in the civilian hands of the Secretary of Defense, advised by the chairman and the members of the Joint Chiefs of Staff. Admiral Radford is the distinguished chairman, and Admiral Burke the naval member, by virtue of his position as Chief of Naval Operations. General Pate, commandant of the Marine Corps, while not a member, has coequal status with the others in all matters of direct concern to the corps.

For 2 years, as Deputy Chief of Staff of the Marine Corps, I was privileged to attend the meetings as Assistant to our Commandant. It was a heartening experience. I can assure you that the Chiefs have done, and are doing, their difficult job in an admirable manner. They transact successfully and efficiently the complex business of national defense, and in a traditionally American manner, based on full consideration and free discussion of all aspects of important problems. In the comparatively few cases where they are unable to agree among themselves, the matter is referred to the Secretary, who is at liberty to take additional and wider counsel before making up his mind or, in cases of extreme importance, referring the matter to the White House.

The system works. It gave us victory in the last war. It is the American approach to a problem for which no mathematically perfect solution can exist. This approach takes into account the very real and vital human relations problems involved in some of these major decisions; it recognizes the importance of tolerance and restraint, even with respect to military decisions. The leaders at the top have long since learned, that to secure successful and loyal execution of plans and orders, such directives must be tempered in some degree with the element of acceptability and with due regard for every shade of considered, sincere, and responsible opinion relative to matters involving the security of this country.

It is said, that under a single military chief, and wearing a single uniform, all differences of opinion would cease and no divergence of thought would ever reach the press.

I have two questions:

First, would such differences cease?

Second, would this even be desirable?

With respect to the first, let us take a look at history. In the 1920's the Army found it necessary to court-martial a general officer, Billy Mitchell. Mitchell was a product of the old Army, who had spent only a few years in the fledgling Army Air Service. He had the same background and had always worn the identical uniform worn by those who sat in judgment on him. He had violated the orders of a single Chief of Staff. Every condition was present which the single suiters now try to tell us will end differences within the Armed Forces. Yet, Mitchell was convicted as the culminating incident in the most acrimonious dispute in American military history. Despite the common background, common uniform, and long friendship, there had arisen, in 3 short years, a difference of opinion affecting a matter so vital to the United States defense as to disrupt the solidarity of the officer corps of the Army.

The answer is that good men will differ more sincerely over the validity of abstract ideas than over any material cause.

If an identical uniform, a common background, and a single Chief of Staff could not insure harmony in the tightly knit little Army of 1921, it would most certainly fail to unify the Gargantuan and complex defense establishment of today.

In this country, orders and decisions once arrived at have always been loyally executed, even by those who disagreed at the time of their formulation. But we are certain to reach better major decisions in the conduct of our national defense if they are reached at the highest level, with a full knowledge of the facts and based upon consideration of all points of view. Autocratic and arbitrary leadership led Germany to disaster in two wars, through avoidable errors in military judgment on the part of a one man boss who did not listen to his advisers.

We won the last war under a cooperative form of military direction, with cooperation intensified to the form of coordination by the President whenever needed. All points of view were considered and the soundest advice seems to have been heeded.

The same has been true of the Joint Chiefs under their present organization. Their path over the past 10 years has been beset by obstacles and pitfalls. They have patiently surmounted most of the former and have successfully avoided all of the latter.

The Marine Corps feels that the evolutionary process of strengthening the direction of American military affairs should not give way to a radical reorientation, particularly along Prussian general staff lines.

Many of us feel that a gradual strengthening of the existing civilian mechanism would be helpful, rather than its replacement by total military control which would be inevitable if we go to a general staff system.

The Pentagon is spending $37 billion of your money every year. No such power has ever been placed in the hands of man in the history of the world. Its effect extends not only to industry, but into the social, scientific, and educational and political life of the country. It is the dominant force in the life of our country today. A fact which we have been slow to accept.

The major problems of the Pentagon are, therefore, seldom entirely military these days. Their solution requires a breadth of knowledge encompassing fields little known to the military. We require to educate and build up, from the college campus to Washington, a group of broadly educated and trained individuals retaining their civilian viewpoint, yet with a thorough understanding of military organization and the operations of the Armed Forces. Such a group would, in time, provide a form of civilian control which would complement the Joint Chiefs of Staff organization, filling in many of the present blind spots and relieving the chiefs of the great and tedious burden of nonmilitary matters which, by default, has become a part of their administrative responsibility.

On this Navy Day, I can assure you that the naval establishment has reached an enviable state of readiness. New men and new weapons are being incorporated into a fleet which is bound together by a common doctrine, tested and found successful in the wars of the past. As Marines, we view our place with a double pride; pride in the fleet as a great instrument of national policy, and pride in our own contribution to its accomplishments. Let us all continue our enthusiastic support of the naval service as it exists today, a functional fighting force which has brought honor, greatness and glory to the Navy and Marine Corps, and security to our country.

MR. DULLES AND NEUTRALISM: ROUND 2

Mr. HUMPHREY. Mr. President, like the Bourbons, Secretary Dulles seems determined not to learn by experience. One might have thought that after the merry-go-round of views on neutralism, expressed by the President, the Vice President, and the Secretary last July, everybody would be more cautions on the subject in the future. But not, apparently, the Secretary of State.

Yesterday's papers reported that Secretary Dulles injected some remarks about "putting on the garb of neutralism" in the sessions of the SEATO conference in Australia. He immediately embarrassed his hosts sufficiently so that Australian External Affairs Minister Richard Casey had to disclaim Mr. Dulles' remarks, and the British Secretary of State for Commonwealth Affairs had to imply publicly that Mr. Dulles' comments were out of order.

I ask unanimous consent, Mr. President, that two articles from the Washington Post and the New York Times of yesterday, describing the situation at the SEATO conference, be printed at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 13, 1957]

DULLES BARS AT NEUTRALS STIRS SEATO DEBATE

(By Bruce Russell)

CANBERRA, AUSTRALIA, March 12.—Secretary of State John Foster Dulles today coupled

a denunciation of Communist China with an attack on countries "putting on the garb of neutralism" but leaning toward communism.

He told fellow foreign ministers in the Southeast Asia Treaty Organization (SEATO) that his country will "adhere steadfastly" in its refusal to recognize the Peiping regime.

The eight SEATO countries—the United States, Britain, France, the Philippines, New Zealand, Australia, Pakistan, and Thailand—are pledged to resist Communist aggression in the treaty area.

Recognition of Communist China, Dulles said, would "strengthen and encourage influences hostile to us and our allies."

Britain and Pakistan already recognize the regime.

REMARKS HOTLY DEBATED

Dulles said he did not intend to make the United States China policy a matter of Council debate or Council principles.

But his remarks on a policy toward Asian countries which are neutral in the Communist-non-Communist struggles were hotly debated.

The sessions were held in secret but the delegates' views were disclosed to newsmen at briefing sessions.

Dulles said the United States is wary of countries "putting on the garb of neutralism" but leaning toward communism. He said neutralism is not a thing to be promoted.

But Australian External Affairs Minister Richard Casey said Australia will respect the desire of any country to follow a policy of neutrality. He added the policy should be one of "genuine neutrality."

[From the New Yrok Times of March 13, 1957]

DULLES RESTATES BAN ON RED CHINA—REITERATES POLICY TO SEATO TO ALLAY RUMORS OF CHANGE

(By Foster Hailey)

CANBERRA, AUSTRALIA, March 12.— Secretary of State Dulles used the forum of the Southeast Asia Treaty Organization Council meeting today to restate the position of the United States against recognizing Communist China and seating it in the United Nations.

It would not be in the United States interest to do so, he said.

A spokesman for the United States delegation who was asked why the Secretary of State chose this time to restate policy said it was to quiet reports that a change in policy was being considered.

The Earl of Home, British Secretary of State for Commonwealth Affairs who heads the British delegation to the third session of the eight-nation council, immediately asked whether Mr. Dulles would make clear it was simply a statement of the United States stand and not intended to open the matter for discussion and for the council to take a stand. Mr. Dulles was reported to have said that was his intent.

There was no further discussion in the council on the matter, but the Philippine delegation later issued a statement welcoming the restatement of United States policy toward Communist China. The United States delegation, in a departure from the first day's procedure, later released for publication the text of the Secretary's statement.

Britain and Pakistan are the only members of the eight-nation alliance that recognize Peiping. Pakistan had no comment on the Dulles statement.

A British spokesman said this evening there was nothing new in the Dulles statement. His attitude could be accurately described as one of disapproval.

DULLES IS WARY OF NEUTRALISM

CANBERRA, March 12.—Secretary of State Dulles said today the United States was wary of countries "putting on the garb of neutralism" but leaning toward communism. He said neutralism was not a policy to be promoted.

But Richard G. Casey, Australian External Affairs Minister, said Australia would respect the desire of any country to follow a policy of neutrality. He added the policy should be one of "genuine neutrality."

Mr. HUMPHREY. Mr. President, all of this was perfectly avoidable. The Secretary, of all people, should have been acutely aware of the importance of avoiding such a situation. The controversy last July on previous official statements regarding neutralism, reverberated around the world. I myself devoted some time to it on the Senate floor—CONGRESSIONAL RECORD, volume 102, part 9, pages 12649–12655. I ask unanimous consent that a press release which I issued on July 13, 1956, be printed at this point in my remarks.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

NEUTRALISM CONFUSION THREATENS ENTIRE UNITED STATES FOREIGN POLICY, SENATOR HUMPHREY WARNS

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, warned the Senate today that bipartisan support for foreign policy was threatened "by such an abysmal lack of executive leadership as has been demonstrated recently on this question of neutralism."

"Like the twists and turns of our official attitudes on colonialism, it would be difficult to envision a less coherent policy, even if one were to try deliberately to create this confused result," Senator HUMPHREY said.

"The President, the Vice President, and the Secretary of State have practically told us that various members of the administration disagree on fundamentals. Even individually, the Vice President and the Secretary of State seem incapable of talking and acting today the way that they did yesterday or will again tomorrow.

"One day official statements are made to appeal to one segment of the population here and abroad. The next day, contradictory statements are made to appeal to other segments of the population, here and abroad."

Senator HUMPHREY said such a device, "while deplorable, has sometimes seemed excusable to American politicians when conducting domestic political campaigns," but added:

"It is a device which is intolerable and inexcusable in the conduct of our foreign relations.

"If these various contradictory views were expressed by a single individual in private life, a psychiatrist would say that this individual did not know what he wanted or where he wanted to go. His basic convictions would seem to be so out of focus that he would be considered unpredictable and unreliable by his friends."

Senator HUMPHREY warned against "further evidence, through high official statements, that the administration in the foreign relations field is reflecting an unbalanced national mind.

"The costs would be immeasurable if the rest of the world ever became convinced, as some peoples already are, that American foreign policy is conducted under the flippant and expedient auspices of tactless and politically minded men.

"Such an international reputation will drain our reservoirs of good will, trust, and confidence. To the degree that such a reputation actually becomes us, we in truth will have become unworthy of the world's respect," Senator HUMPHREY declared.

Senator HUMPHREY appealed "for a new, responsible, nonpartisan approach to our behavior on the world scene."

"I shall support this administration, as I have on many occasions when I felt it was honestly presenting a national viewpoint," he declared. "Frequently I have given the administration position the benefit of the doubt. I have complimented President Eisenhower when I have felt that he has embodied and symbolized a valid nonpartisan position. It was with the same sincere approval that I complimented the Vice President on the Senate floor over his Lafayette College speech.

"But I cannot, and I am sure my colleagues on this side of the aisle cannot, support an administration that constantly reveals such an abysmal lack of executive leadership as has been demonstrated recently," Senator HUMPHREY said.

Mr. HUMPHREY. It was only a couple of days ago, Mr. President, that the Eric Johnston report on foreign aid suggested redoubled attention to the so-called neutralist countries of Asia and Africa. The Secretary of State has been away, so probably he has not read about it.

But there have been other straws in the wind for some time, Mr. President, to the effect that we had better climb off our high moralistic horse and get to work with some steady, constructive, positive approaches to the uncommitted, neutralist, two-thirds of mankind, who are not alined with either side in the cold war, but who may decide the future of us all.

From time to time we are encouraged that a new approach is taking place—Mr. Nehru's visit to Washington, Mr. NIXON's significant tour of Africa, the President's inaugural message. But then suddenly we are brought up short again by something like Secretary Dulles' new blooper in Australia. We are not going to make much headway toward the formulation of a new world policy by all these fits and starts: 1 step forward, and 2 steps back.

I ask unanimous consent that an editorial appearing in this morning's Washington Post be printed at this point in my remarks. It summarizes in a pungent way precisely what I have to say.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HERE WE GO AGAIN

Mr. Dulles seems to have contracted another case of hoof-and-mouth disease. His new lecture to neutrals in Asia is unlikely to produce many converts to his cause. In his remarks at the SEATO meeting at Canberra the Secretary of State avoided a literal repetition of his blooper of a year ago that neutralism is immoral, but the effect was much the same. He roundly condemned countries that put on the garb of neutralism yet lean toward communism. He also said, in pledging this country to do or die for Chiang Kai-shek, that recognition of Communist China would strengthen and encourage influences hostile to us and our allies.

What are the neutral countries of Asia? Well, the major ones include Afghanistan, India, Ceylon, Burma, Indonesia, Vietnam, Cambodia, and Laos. Afghanistan lies athwart both the Soviet and Chinese borders and hardly is a promising candidate for a military alliance. India will not be moved by moralizing. Ceylon and Burma have made plain their dislike of communism, but for reasons of proximity and trade they deal with Communist China. Vietnam, Cambodia, and Laos are prohibited by the Geneva armistice from entering military alliances (although the orientation of the latter two sometimes has seemed to waver). Indonesia is preoccupied with internal troubles. Then what country was Mr. Dulles talking about? Nepal?

Neutralism certainly is not something to be encouraged, but it is at least understandable in newly independent countries on the periphery of China. Mr. Dulles boxed himself in with his flat assertion that the United States will continue to oppose recognition of Communist China and the seating of the Peiping regime in the United Nations. These remarks seemed more calculated to impress Senator KNOWLAND than the SEATO allies, some of which already recognize China. If this is the yardstick by which neutrality and friendship are to be tested, it is a pretty unrealistic measure. At least the Secretary can be sure of one thing: his strictures won't produce much neutralism toward Mr. Dulles.

CREDIT FOR FARMERS

Mr. JOHNSTON of South Carolina. Mr. President, last week in the Washington newspapers there appeared four related articles on the same day. Three of these stories appeared together on the same page of the Post and the fourth appeared in the Star.

The headlines on the stories were as follows: "Slowing up of expenses urged by Eisenhower," "Prospect dim for big cut in Eisenhower budget," "Senate doctrine vote pleases Eisenhower," "Ike asks British loan be eased."

Mr. President, on that same day I was winding up with the Farmers Home Administration some business involving an attempt to get fertilizer and seed loans for farmers of my State. The Farmers Home Administration had instituted a policy of refusing to make loans to farmers in my State with incomes of less than $2,000 a year, on the theory that lending them money this year would neither make them self-sufficient next year nor prosperous enough to entice some private lending institution to advance them credit next year.

Now, these farmers, all of whom have less than 5 acres of basic commodities under cultivation, have been borrowing money from the Government for seed and fertilizer since as far back as 10 or 12 years ago, and have been paying back these loans every year. They have other means of adding to their meager living. They fish, cut pulpwood, and sometimes have a little livestock. But they depend, in the main, on their farming income for a living. In 1 county, for example, the number of farmers in this category numbers approximately 2,000. If they were cut off from these loans, they would go on the relief rolls of my State.

Yet, their Government, which is supposed to be looking out for their interest, was, until last week, promoting a program to put them out of business. Their loans amount to from $50 to $200 or $300 a year. Only after threats of investigation and a multitude of protests did the FHA move to ease the credit situation for these farmers.

Mr. President, the point of this discussion is this: We have the President of the United States saying he is pleased the Senate has passed a resolution giving him authority to spend hundreds of millions of dollars in the Middle East to rejuvenate the Garden of Eden, to paraphrase my colleague from Georgia [Mr. TALMADGE], while his representatives in the Agriculture Department are carrying out his agriculture program to drive American land owning, taxpaying citizens off their own land.

We have the presentation of the President of the United States urging a slow-up in domestic spending by the various Government Departments—which order no doubt resulted in cutting off loans for the small farmers of my State—while he gleefully accepts authority to spend hundreds of millions of dollars abroad, and while he dramatically appeals to us to ease our hold and wipe out all interest on a multi-billion-dollar loan owed us by a foreign power.

Mr. President, I cannot understand the philosophy, the illogical deduction, the utter ridiculous theory, or the reasoning, if any, behind the administration's program of economically whip-lashing our own people while bestowing favors upon foreign governments which, without exception, have eyed with jealous passion our hard-earned riches and who, except for our own strength, would have long ago stripped us of our riches and our freedoms.

In one of the articles to which I have referred, President Eisenhower, in answering questions about cutting the National budget, referred to what he called an amusing story about a farmer in the drought-stricken West who wrote the President expressing alarm over the budget's size. The President, according to press reports, said he wrote the farmer back, agreeing with him, and asked the farmer what he thought was the most important part of his letter—his criticism or his request for Federal drought aid.

Mr. President, we have President Eisenhower, backed up by his Secretary of the Treasury, stating that the Federal budget is too big and urging that it be cut. But the President has also said foreign aid cannot be cut and has fought harder for Middle East giveaway programs than anything else. I do not have any letter from the President to refer to, but I do have his press reports. So I should like to ask the President this question: Which of the two does he think most important, his suggestions to cut the budget, or his request to continue and increase his foreign aid?

Mr. President, frankly I saw no humor in the President's story about the farmer, and I expect no one to see humor in mine. I am deadly serious.

I know of the case of a Federal employee going to India to work for the Government in one of our programs over there. I do not know specifically, and I doubt if many other Senators know, just what we are doing in India or for India. But I do know that the cost of sending this Government employee to India would alone provide enough money to lend nearly 200 small farmers in South Carolina sufficient sums to enable them to plant their crops this year. We will get our money back from the South Carolina farmer. But in the case of the employee going to India we will not get it back, and in all probability we will make the farmer in South Carolina pay for it.

I know that India has more than 17 million acres of arid land which has been brought under irrigation in the past 5 years and which is now producing, among other things, cotton and tobacco which are competing with the products of American farmers.

Did President Eisenhower's foreign-aid program do this? Is the program of the people's choice setting Indian farmers up in business and putting American farmers out of business?

Mr. President, my comments may fall on deaf ears, but my conscience is clear. As sure as I am standing here, we are heading down a one-way road that leads to civilization's bottomless pit of lost nations. We will no longer need to unearth the remains of ancient civilizations to determine what caused their downfall. We will learn at firsthand if we do not turn back.

No nation can last when it taxes and economically or otherwise enslaves its own people in order to support and build up other nations. We are tearing down and destroying the people's confidence and respect in their government.

We are setting the stage for us to play the part of Rome, which crumbled apart because of overtaxation and overextension.

Mr. President, I ask, Who will pick us up when we fall?

Will the advocates of foreign aid traipsing about this globe on unlimited expense accounts come home to fill the public till and feed us?

I think not. Only we in the United States Congress can turn back the tide and restore the order in which our Government looks after first the people from whom all powers held by the Government are derived—our own people in the United States.

ONE HUNDRED THIRTY-SEVENTH ANNIVERSARY OF THE ADMISSION OF THE STATE OF MAINE TO THE UNION

Mr. ALLOTT. Mr. President, in behalf of the distinguished junior Senator from Maine [Mr. PAYNE], I desire to make the following statement.

Tomorrow, March 15, marks the 137th anniversary of the admission of the State of Maine to the Union. Since I understand that the Senate will not be in session tomorrow, I ask unanimous consent that a statement which the junior Senator from Maine [Mr. PAYNE] has prepared to mark this anniversary be printed into today's CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE

Tomorrow, March 15, will mark the 137th anniversary of the admission of the State of Maine to the Union. When President Monroe signed the Maine statehood bill on March 3, 1820, and when the Massachusetts Legislature effected the separation of the district of Maine from that State 12 days later, a long struggle on the part of Maine citizens for recognized statehood was brought to an effective conclusion.

Under the leadership of her first governor, William King, the State of Maine quickly

assumed her place among the Union of States which comprise this great Nation. During the past 137 years the State of Maine has more than fulfilled the hopes and visions of her Founding Fathers. From her farms and forests, her mills and factories, and from her coastal waters the people of Maine built an economy which has long influenced the life of all New England. The majestic lakes, tall forests, rolling hills, and surging coastline of the Pine Tree State have attracted thousands of Americans annually, who come to "Vacationland" to share with the citizens of Maine these gifts of natural beauty.

The State of Maine's greatest resource, however, has always been her people. The land and the sea are reflected in the spirit and character of Maine men and women who, imbued with qualities of Yankee individualism, have served the Nation well in all walks of life. And wherever Maine people go they always express a longing to return to their native State as though attracted by some mystical power which expressed in the words of Roger Vinton Snow, composer of the State of Maine song:

"Should fate unkind send us to roam,
The scent of the fragrant pines,
The tang of the salty sea will call us home."

As the State of Maine enters her 138th year of statehood, she stands on the threshold of a challenging and promising future. Industrial progress and resource development are foremost in the minds of Maine citizens, and progressive ways to develop the State are ever being sought by all those who hold Maine dear to their hearts.

On the occasion of the 137th anniversary of her admission to the Union, I want to salute the State of Maine and her citizens of which I am truly proud to be one.

WAGE AND PRICE INCREASES

Mr. GOLDWATER. Mr. President, during the course of the President's annual message to the Congress on the state of the Union, he counseled labor and management to exercise restraint in the fields of wage increases and price increases. This is an area that is not an easy one for the general public to understand, because until recent times wages and prices have been adjusted by the natural operation of the law of supply and demand, and people accepted these adjustments as the inevitable result of the operation of that economic law. Lately, however, through industrywide bargaining, and the seeming acceptance by management that the results of this bargaining could be quickly passed on to the public in the form of higher prices, the natural functioning of the economic laws have been bypassed.

Mr. McLellan Smith, writing in the Magazine of Wall Street, of February 16 of this year, explains how bypassing this law by one segment of our economic system affects prices. So that my colleagues may have the benefit of this article, I ask unanimous consent that it be printed in the body of the RECORD, at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRICE WE ARE PAYING FOR LABOR LEADERS' UNECONOMIC DEMANDS

(By McLellan Smith)

Organized labor is spawning destructive inflation by overreaching and flouting the simple rules of good business economics—even the tenets of self-preservation.

This is not indictment by labor baiters. It is counsel implicit, as well as bold in expression, from President Eisenhower and from the No. 1 man nationally in the labor movement, AFL-CIO President George Meany.

Never before has such a blunt warning been issued to labor as came in the President's state of the Union message. He reiterated, and gave added force, in his economic message. President Eisenhower has placed inflation at home about on par with armed conflict abroad as major dangers of the United States today.

It is not unduly straining the point to say that Ike has told the labor unions they are holding the knife at the throat of American welfare.

When this country's export trade fails to progress in normal fashion, even drops behind in job-making categories; when industry looks toward trimming its facilities-expansion program because new plants may not return their cost, hence prove unprofitable; when company after company is setting up in foreign countries to beat destructive production costs, there is a problem, edging into peril.

MINE WORKERS' RAISES WILL BE PACEMAKERS

Yet the facts add up to this, and more. There are labor-management contract openings ahead. The United Mine Workers contract, up for renewal this year, is certain to "up" pay and fringe benefits that will be pacemakers for other industries. Hundreds of thousands of payrollers will get boosts this year solely on cost-of-living rise, without a line of new agreement being penned, but adding to production cost without increasing productivity.

The Supreme Court last month ruled that long-term contracts cannot prevent strikes, if they carry a wage reopening clause—a union may strike halfway through its long-term contract.

Against this background and growing collateral problems the President issued his warning. It was in recognition of this that George Meany called for a stocktaking. But, as Meany wrestles with internal problems of the huge AFL-CIO—racketeering, interunion raiding—the inflation issue may get lost in the shuffle.

Heretofore, inflation has stemmed from two sources: (1) The creation of artificial money through the payment of Government obligations by means of the printing press or sale of Government securities to banks, and (2) unsound credit policies by central banks which have led to excessive credit extension by the private banking systems.

Now a new force for inflation has appeared—the upward trend of wage rates without definite or normal relationship to market conditions, or without regard for the ratio of man-hour productivity to wages. The problem is acute for the United States, a nation where trade unions are united to wield a power that at times has seemed superior to that of laws—statutory or economic.

COMPARATIVE LABOR COSTS

INDUSTRIES WITH HIGH LABOR COST RATIOS

Labor cost as percent of 1955 sales

Aircraft (average, 40 percent):	
Boeing Airplane	37
Douglas Aircraft	45
General Dynamics	46
Lockheed Aircraft	42
United Aircraft	33
Electrical products (average, 38 percent):	
General Electric	36
Radio Corporation of America	33
Square "D" Co	41
Westinghouse Electric	37

COMPARATIVE LABOR COSTS—Continued

INDUSTRIES WITH HIGH LABOR COST RATIOS—con.

Labor cost as percent of 1955 sales—Con.

Steels (average, 32 percent):	
Armco	26
Bethlehem	34
Inland	23
Jones & Laughlin	34
Republic	33
U. S. Steel	39
Containers (average, 30 percent):	
American Can	25
Continental Can	27
Owens-Illinois Glass	38

INDUSTRIES WITH LOW LABOR COST RATIOS

Chemicals (average, 25 percent):	
Allied Chemical & Dye	24
Dow Chemical	27
Du Pont	28
Monsanto Chemical	20
Automobiles (average, 24 percent):	
Chrysler	27
Ford Motor	20
General Motors	23
Paper (average, 22 percent):	
Crown Zellerbach	26
International Paper	22
Rayonier	23
Scott Paper	19
Food products (average, 19 percent):	
California Packing	25
Corn Products Refining	15
Penick & Ford	17
Petroleum (average, 15 percent):	
Atlantic Refining	21
Continental Oil	11
Gulf Oil	12
Phillips Petroleum	17
Standard Oil, N. J.	13
Texas Co.	14

INFLATION OR RECESSION

Wage rates that rise in excess of productivity increases, forced by union economic or political power, send prices up. For industry to maintain activity and employment, there must be an increased supply of money. Government or the banking system then must supply this inflationary volume of money or resort to the alternative of curtailed activity and increased unemployment.

This latter course—curtailed activity and mounting unemployment—is economically and socially undesirable. On the other hand, the alternative of inflation—which too easily becomes endless—will ultimately bring economic collapse.

Inflation is impartial in its destruction—it hits employers and wage earners alike. Savings accounts shrink in value; pension funds, life-insurance policies lose purchasing power. Mortgages, bonds—even currency itself—can become little more than pieces of paper. Caught in a treadmill of spiraling costs are wage earners, those on fixed incomes, or those whose incomes rise slowly. They all suffer acutely lowered living standards.

Failure of man-hour productivity to keep abreast of wage hikes creates a new force for inflation. Labor has stoutly maintained that wage hikes were running behind increased productivity. The claim is without merit—cannot stand up under analysis. Unimpeachable figures by so impartial an agency as the United States Bureau of Labor Statistics utterly refute the claim.

During the 1939–55 period, the hourly earnings of factory workers, exclusive of the cost of fringe benefits, almost trebled. In an almost identical period (1933–53, latest year covered by figures of BLS), output per man-hour rose only 29 percent. In brief, wages went up approximately 200 percent while productivity rose 29 percent.

Another claim of labor is that wage hikes are needed to meet mounting living costs. Parenthetically, living costs mount largely because of labor's demands for more and more pay, greater fringe benefits. Like the productivity versus wage rates dispute, this claim is fallacious on the record. In the 1947–57 decade, living costs mounted 26.7 percent, while net take-home pay of industrial workers has advanced nearly 70 percent.

If organized labor's leaders are genuinely concerned with the welfare of their rank-and-file membership, they would do well to heed the President's warning and take economic facts into consideration.

Industry's dollar is split 6 ways—49 cents for materials; 20 cents for payrolls; 9 cents for taxes (Federal, State, and local); 6 cents for repairs and replacements; 8 cents for research and promotion; and 4 cents for profits. When wage hikes are demanded and productivity is not proportionately increased, there is less money for the other necessities of industry unless it resorts to price boosts.

Automatic pay increases scheduled for 1957 and possible impact on earnings

Date	Company or industry	Union	Employees	Amount	Possible annual cost [1] (millions)	Annual earnings
Mar. 4	Dow Chemical	UMW District 50	7,300	7 cents	$1.1	[2] 7
4	North American Aviation (Ohio and Calif.)	Auto workers	32,800	3 percent (6 cents minimum)	4.1	98.6
18	Douglas Aircraft (Long Beach and Tulsa)	do	28,000	7 cents	4.1	93.2
Apr. 1	Douglas Aircraft (California)	Machinists	32,000	do	4.7	83.2
1	Bituminous coal	Mine workers	200,000	80 cents a day	[3] 41.6	
May 23	Boeing (Washington)	Machinists	23,000	7 cents	3.3	96.8
29	General Motors	Electrical workers	40,000	2½ percent (6 cents minimum)	5.6	1,189.0
29	do	Auto workers	375,000	do	46.8	1,189.0
June 1	International Paper (Southern Kraft Division)	AFL-CIO unions	12,300	5 percent (9 cents minimum)	2.3	93.1
1	Chrysler Corp.	Auto workers	140,000	2½ percent (6 cents minimum)	17.5	100.1
1	Ford Motor	do	140,000	do	17.5	437.0
July 1	Steel industry	Steel workers	600,000	7 to 13 cents	72.8	
1	Anaconda Copper	Mine-Mill	8,600	6 cents plus	1.1	[4] 111.4
1	Kennecott Copper	do	10,000	7 cents	1.5	125.5
29	Caterpillar Tractor	Auto workers	18,000	6 to 7 cents	2.2	58.4
Aug. 1	Aluminum Company of America	Steel workers	17,400	7 cents plus	2.6	67.6
23	International Harvester	Auto workers	40,000	2½ percent (6 cents minimum)	5.0	69.6
28	Allis-Chalmers	do	9,000	do	1.1	24.8
Sept. 1	Bendix Aviation	do	16,000	do	2.0	24.5
1	Armour	Packinghouse	25,000	7½ cents	2.9	14.7
1	Swift	do	20,000	do	2.1	14.0
15	General Electric	Electrical workers	83,000	3 percent (4½ cents minimum)	7.8	[5] 99.9
25	Libbey-Owens-Ford	Glass	10,000	5 cents or fringes	1.0	56.0
25	Pittsburgh Plate Glass	do	12,000	do	1.2	61.4
Oct. 1	American Can	Steel workers	30,000	7 cents	2.9	35.0
1	Continental Can	do	17,000	do	2.6	24.2
14	Westinghouse Electric	Electrical workers	55,000	3 percent (5 to 10 cents maximum)	[6] 5.7	[5] 42.8
Nov. 1	Class 1 railroads	Nonoperating employees	728,000	7 cents	106.0	

[1] Computed at minimum rate of increase for 2,080 hours at straight time.
[2] For 280 working days.
[3] Estimated.
[4] Calculated at 5 cents per hour.
[5] 1955 figure. Estimated earnings for 1956—strike year—$3.5 million.

WAGE INCREASES VALUELESS

And price increases travel all down the line, get right back to labor itself, thus making the wage increase valueless. When a basic commodity—such as steel—advances in price, even labor's pantry is affected. The cost of tin cans perforce advances, and canned foods comprise about 22 percent of the family larder. Meanwhile, management wishes to stay competitive—tries to hold down prices—finds itself looking for other ways to trim costs, very possibly defers plant expansion. Such deferment means less work for building trades workers, consequently less work for employees in such industries as steel, cement, brick, and lumber, to name a few.

If, however, the manufacturer elects to absorb the whole cost increase—hold prices down—he has to whittle profits as well as defer plant expansion. When profits take a dip, there is less money for stockholders to spend for the ten thousand and one products of labor. The loss is then shared by labor and investor alike.

In its seeming insatiable appetite for more and more wages, regardless of lagging productivity increases, organized labor has gone to unreasonable lengths in enforcing those demands. Such enforcement has worked to the detriment of workers, contributed to inflation.

WESTINGHOUSE STRIKE

An outstanding example might be cited in last year's 156-day Westinghouse strike. Payroll losses to individual workers ran close to $100 million; production loss to Westinghouse stood close to $300 million. It is estimated that wage gains will need 9 years to offset wages lost on the picket lines.

In the meantime, Westinghouse lost portions of its domestic and foreign markets some of which will never be regained. The absence of Westinghouse production left a vacuum in their specialties which was not fully filled by competitors, thus creating shortages. Shortages created a seller's market, thus forcing prices upward, further nicking the purchasing power of the dollar, be it labor's or management's. In short, the Westinghouse strike moved the inflation spiral upward.

As for the lost foreign markets, other manufacturers lost some, too. Not because of the Westinghouse strike, but because labor costs were pricing us out of foreign markets, notably Latin America, where West Germany is selling more and more electrical appliances—products which make jobs for American workers.

Stanley H. Ruttenberg, director of the AFL-CIO research department, has said that more than 3 million American workers depend on exports for their jobs. If inflationary wage demands of organized labor drive our products from foreign markets, then organized labor, along with the rest of the taxpayers, will have the burden of maintaining the 3 million persons now dependent upon exports for their daily sustenance.

Except for shipments of coal, oil, and steel, American export trade has been almost static for the past few years. Export trade has not fallen behind in any specific line, but annual percentagewise increases have not kept pace with domestic sales. In fact, the increases become less each year, indicating they may soon cease, and be followed by annual declines. Such declines must increase unemployment here.

SHIFT TO FOREIGN SHORES

In the past decade many American firms, harrassed by labor costs which outrun productivity increase, have built production facilities abroad. These overseas facilities give American manufacturers an opportunity to compete with foreign manufacturers in foreign markets. This, however, contributes nothing to employment in this country. Further, many American firms with overseas facilities are finding it profitable to pay ocean freight and import duties to market their wares here.

This has been especially true with respect to automobiles. The small European-type car has not yet caught on here to an extent threatening to domestic automobile industry. However, imports steadily mount. And it must be borne in mind that each imported car means one less sale for domestic auto builders. It would not be wise to toss the imported small car aside with the thought that when, as, and if Americans want small cars, Detroit will build them.

Assume the small-car demand becomes great (and it is a growing demand) it would take many months for the automobile industry to retool to meet the demand. Retooling would mean enforced idleness for tens of thousands of production and assembly line workers. With retooling complete, the demand for production and assembly line workers would decrease by many thousands. The small car could be built with fewer hands, could be turned out in less time.

Thus far there has been treatment of labor's direct needs to curb inflation, with citation of examples of what labor does to its own disadvantage when it "contributes" to inflation with ever-mounting wage demands. Now it is well to point up a basic root of the inflationary tendency—the institution of industry-wide labor unions, headed by leaders with power to bring about industrywide strikes.

COMPETITION AMONG UNIONS

Leaders of these unions, always seeking to outdo one another in raising employment costs in their respective industries, are rarely economists. They operate within a social framework where their achievements are measured by dollars in weekly pay envelopes, never by the purchasing power of those dollars. At this time, the industrial worker's net take-home pay is at an alltime high. His wage boosts have mounted far faster than either his productivity or his cost of living.

His gains over the past decade or so have not, however, gone sufficiently into the more substantial things of life—a home, increased insurance, or savings accounts. Rather, the increase has flowed into channels for purchases of the ephemeral things—entertainment, more expensive diet, and consumer goods of negligible durability. In brief, too much of wage boosts have gone into channels that cause mounting inflationary pressures.

There is no purpose in challenging the intelligence of the industrial worker, but economists' observation in many years of contact with such workers leads to the conclusion that most wage hikes are measured in terms of more money to spend Saturday night; seldom in terms of more insurance, savings bonds, building and loan shares, or the purchase of a home. Of course, this is not 100 percent true, but it applies all too often to the average worker's view of a pay boost.

Reverting a moment to the industrywide unions which exercise monopoly control over the labor supply of an industry: When these unions demand wage increases which discount productivity gains far in advance, price reductions of mass-produced products become impossible. Buying power is unfairly shifted from the public as a whole to a favored few who happen to work in that particular industry.

HARM OF UNION MONOPOLY

Monopoly power of the unions distributes economic rewards among those under the canopy of the monopoly, to the harm of all other economic interests. In the situation existing today, where monopoly power over the labor supply is a fact in a majority of the Nation's basic industries, manufacturing, communications, mining, transportation, the threat of growing inflation remains constant.

Leaders of these vast unions make it a practice to set fixed terms, with little or no regard for local conditions or the competitive position of an individual employer. The employers must submit or face long, costly strikes, costly to the national economy, to individual communities, to employers and to stockholders.

HIGHER GOVERNMENT COSTS MEAN STATIC OR INCREASED TAXES

The Federal budget while technically in balance, will show a small surplus, provided revenues continue at the present rate. A series of wage demands by labor, remembering Government is today's biggest buyer, can shift the budget balance from black to red ink with resultant currency inflation, further devaluation of the dollar and consequent wiping out of wage gains—in short, intensifying inflation.

Basically, labor is the largest cost of production. The manufacturer who pays out 29 cents of each incoming dollar for wages, is also paying the 29 cents wages of the supplier of raw materials who adds labor cost for those raw materials. Ergo, excessive wage demands by organized labor clearly are the most serious inflationary threat today.

In reminding labor leaders to heed the President's warning against unreasonable wage demands, one might paraphrase a verse from Scripture and ask:

What profiteth it a man to gain an excessive wage increase if thereby he ruin the value of his dollar?

Collective bargaining timetable—1957 highlights

Contract expires	Company or industry association	Union	Employees
February	Goodyear Tire & Rubber	Rubber workers	24,000
March	Owens-Illinois Glass	Glass bottle blowers	10,000
Do	Atlantic Refining	Independent	11,000
Do	B. F. Goodrich	Rubber workers	15,000
Do	Lockheed Aircraft, Georgia Division	Machinists	10,400
April	United States Rubber	Rubber workers	35,000
May	Clothing Manufacturers Association of United States of America	Clothing workers	150,000
Do	Southern Bell	Communications workers	14,000
Do	Montgomery Ward	Teamsters	15,000
June	Sinclair Oil	Oil workers	10,000
Do	Bell Telephone of Pennsylvania	Brotherhood of Electrical Workers	14,400
December	Massachusetts Shoe Manufacturers	Shoe workers	12,000
(1)	Bituminous	Mine workers	200,000

[1] Contract expires on 60-day notice after September 1957.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the amendments of the Senate to the resolution (H. J. Res. 209) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans pending further investigation of housing credit conditions.

FINANCIAL INSTITUTIONS ACT OF 1957

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business which is S. 1451.

The Senate resumed the consideration of the bill (S. 1451), to amend and revise the statutes governing financial institutions and credit.

Mr. YOUNG. Mr. President, the senior Senator from North Dakota [Mr. LANGER] is presently in the Naval Hospital at Bethesda, Md. His office has received telegrams from citizens and organizations in the State of North Dakota, expressing their views on S. 1451, known as the Financial Institutions Act of 1957.

Senator LANGER's office has transmitted to me these telegrams, and I ask unanimous consent that they be printed at this point in the RECORD for the information of Members of Congress.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.:

The members of the IAPES Credit Union are firmly opposed to provisions in Financial Institutions Act of 1957, S. 1451, giving Director of the Bureau of Federal Credit Unions the right to lower loan limits to less than 10 percent of assets and requiring an outside audit of credit unions over $100,000 assets. Will appreciate your cooperation.

J. R. HAAN, *President.*

MINOT, N. DAK.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We strongly urge opposition to a bill title 7, in Financial Institutions Act of 1957, S. 1451. We are opposed to both amendments.

CITY AND COUNTY MUNICIPAL FEDERAL CREDIT UNION,
H. L. YULY, *President.*
WM. KRAFT, *Vice President.*
ANGELA LEE, *Treasurer.*
MERLE KITTERMAN, *Secretary.*
R. R. BARCUS, *Director.*

MANDAN, N. DAK.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Reference Financial Institutions Act of 1957, S. 1451. Board of directors of the Mandan Credit Union voiced their opposition at a special meeting to title 7 of the above bill.

BOARD OF DIRECTORS, MANDAN CREDIT UNION.

MCVILLE, N. DAK., *March 11, 1957.*

Hon. WILLIAM LANGER,
Senator, Senate Office Building,
Washington, D. C.:

We urge very strongly the deletion of provisions in Financial Institutions Act of 1957, S. 1451.

BOARD OF DIRECTORS,
MCVILLE CREDIT UNION,
ROY W. L. JOHNSON,
Secretary-Treasurer.

EDGELEY, N. DAK., *March 11, 1957.*

Senator WM. LANGER,
Washington, D. C.:

We firmly protest provisions in S. 1451, title 7 in Financial Institutions Act of 1957. First, why not leave the power to lower loan limits with the board of directors. Second, it surely isn't necessary to require outside audits of Federal credit unions with over $100,000 in assets.

EDGELEY CREDIT UNION,
JOE DIEMERT.

JAMESTOWN, N. DAK., *March 11, 1957.*

Hon. WILLIAM LANGER,
Senator, Senate Office Building,
Washington, D. C.:

Senator LANGER, members of the State Hospital Employees Credit Union request that you register firm opposition and urge deletion of the Financial Institutions Act of 1957, S. 1451, as amended.

PRINCE LEONARD,
President, State Hospital Employees Credit Union.

RIVERDALE, N. DAK., *March 11, 1957.*

Hon. WM. LANGER,
Senator, Senate Office Building,
Washington, D. C.:

We request your opposition to title 7 in Financial Institutions Act of 1957 permitting Director of Bureau of Federal Credit Unions to lower loan limits and requiring outside audits of credit unions having $100,000 in assets.

RIVERDALE FEDERAL CREDIT UNION,
MAX TAYLOR, *Treasurer.*

MANDAN, N. DAK., *March 12, 1957.*

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Mandan Rural Credit Union opposes provisions in title 7, S. 1451, to permit lowering loan limit and requiring outside audit of credit unions.

MANDAN RURAL CREDIT UNION,
W. R. UHLENHOLS, *Secretary.*

FARGO, N. DAK., *March 12, 1957.*

Hon. WILLIAM LANGER,
Senator, Senate Office Building,
Washington, D. C.:

Respectfully urge you strongly oppose title 7, S. 1451, re credit union loan limit and outside audit for credit unions. Will appreciate advice your action.

N. P. CREDIT UNION,
R. W. HARRIS, *President.*

NEW ENGLAND, N. DAK., *March 10, 1957.*

Hon. WILLIAM LANGER,
Senator, Senate Office Building,
Washington, D. C.

DEAR MR. LANGER: The credit unions are of vital importance to the lower income group of American citizens. Through these locally owned, controlled, and operated organizations these people have done much to improve and help themselves financially.

We believe that these groups should control these organizations as much as possible without interference from a centralized group who have very little or no knowledge of what might be taking place in the lives and trials of these people.

We therefore urge you to oppose the bill, title 7 in Financial Institutions Act of 1957, S. 1451. Thank you.

Sincerely yours,
NEW ENGLAND CO-OP CREDIT UNION,
K. H. ERICKSON, *Secretary-Treasurer.*

Mr. BRICKER. Mr. President, the proposed Financial Institutions Act of 1957 is one of the most important bills we will consider during this session of Congress, if for no other reason than that it will be possible in the future to consult it, and to find in one place the governing law, instead of having to consult several statutes in an effort to determine what the law is from a reading of the various conflicting statutes which have been passed by Congress during the past many years.

The pending bill, if enacted, is destined to rank in the field of financial legislation with the National Bank Act of 1864, the Federal Reserve Act of 1913, and the Banking Acts of 1933 and 1935.

The Senator from Virginia [Mr. ROBERTSON] is to be congratulated for his leadership in formulating this proposed legislation. He is certainly upholding the traditions set by his illustrious predecessor, Carter Glass. It has been a great privilege for me to work with him on the bill.

I know of no bill considered by the committee of which I am a member which has received more thorough consideration than this one, under the chairmanship of the distinguished Senator from Virginia. Likewise I wish to commend the staff for the research work that was done in the preparation of the bill in the beginning, and for the very fine contribution made to the consideration of the bill by the Advisory Committee which was appointed by the chairman and the committee, particularly the head of the Advisory Committee, the distinguished former president of the Ohio Bankers Association and former president of the American Bankers Association, Mr. Everett Reese, of Newark, Ohio, who was appointed at my suggestion.

For the first time all the statutes governing banks, savings and loan associations, and credit unions are brought together in one bill. Furthermore, the statutes are arranged in a more orderly manner, so that all the law on a given subject can readily be found in one place. By deleting numerous obsolete provisions—some dating back to 1864—a great deal of confusing statutory language has been eliminated. I am sure that every person who has occasion to refer to these statutes will appreciate being able to find the law more easily and knowing that the provisions are actually in effect. If the bill did nothing more than this, it would well merit enactment by Congress and, I am certain, would receive the praise and credit of practitioners at the bar throughout the country.

Even more important are the new provisions designed to enable our financial institutions and the supervisory authorities to do a more effective job. One example is the new provision authorizing national banks to issue preferred stock. At the present time national banks are faced with the problem of raising additional capital and the only means available is through the issuance of common stock. There is a provision in the existing law permitting preferred stock, but it is only available in emergency situations.

That statute was enacted at a time when the country was in dire financial straits, for the purpose of permitting permanent investments in stock by the Reconstruction Finance Corporation to help out the banks.

We believe that banks, in accordance with general corporate practice, should be permitted to issue preferred stock on a nonemergency basis. Of course, appropriate safeguards have been added. The approval by two-thirds of the shareholders of the common stock is required, as well as the approval by the Comptroller of the Currency after a determination by him that this is the most practicable means of raising additional capital.

Limitations on lending authority of national banks have been liberalized in recognition of modern-day business needs.

One of the reasons for the many consolidations which have taken place throughout the country has been the competition between financial institutions with greater assets. This measure will help to put the financial institutions of the country on a better competitive basis. Thus, the bill specifically authorizes loans on the security of dairy cattle, frozen foods, and consumer installment paper.

National banks are also permitted to make loans in connection with the Government's lease-purchase program for the construction of public buildings. Similarly, 18-month industrial and commercial construction loans are authorized, and the aggregate loan limitation on all construction loans is increased to 100 percent of capital and surplus. These provisions will help meet the present shortage of funds in the construction field.

Under existing law, if a national bank makes a loan for working capital purposes to an industrial concern, and takes a mortgage as additional security, the loan is classified as a real-estate loan. Thus, a banker is penalized for being prudent. S. 1451 remedies this by providing that loans for working capital purposes shall be considered ordinary business loans even though the banker takes a mortgage on the property for additional protection.

These are only a few of the more important provisions to assist these institutions in their day-to-day operations. Of a more technical nature are provisions such as simplifying the reporting requirements of national and member banks, providing procedures for the amending of articles of association, and for the election of directors in the event the annual meeting fails on a legal holiday.

All these provisions were adopted only after the most careful consideration by the committee based on the advice of the Federal agencies concerned, and likewise upon the recommendations of the advisory committee.

On the other hand, the bill adds a number of restrictive provisions to enable the supervisory authorities to function more effectively. Restrictions are placed on the payment of dividends by national banks to prevent the dissipation of needed funds. The authority of the Federal Deposit Insurance Corporation to terminate the insurance of institutions for engaging in unsafe and unsound practices is strengthened. The provisions for the removal of officers and directors of national and member banks are tightened, and for the first time these statutes are made applicable to officers and directors of Federal savings and loan associations.

In this connection, I should like to point out that the Administrative Procedure Act is specifically made applicable to the procedure for the removal of officers and directors and the termination of insurance. Added protection is given these institutions by requiring that the review by the court shall be upon "the weight of the evidence."

New provisions are included to prohibit bank mergers which lessen competition unduly, and to require approval of the Federal Home Loan Bank Board for mergers of savings and loan associations.

I have mentioned that in the case of mergers, the removal of officers and directors and the termination of insurance, savings and loan associations are covered by new provisions. This is in line with the theory of the bill that savings and loan associations, to the greatest extent possible, should have the same privileges and be governed by the same restrictions as banks. Thus, the present law governing the conduct of officers and directors of Federal Reserve member banks is made applicable to officers and directors of Federal savings and loan associations. Branches of Federal savings and loan associations are restricted to States where State savings and loan associations are permitted to have branches.

Thus placing them on a par with State savings and loan institutions. This branch restriction, of course, is in line with the present restrictions on national banks. In addition, savings and loan holding companies are regulated, and this is similar to the Bank Holding Company Act passed by the Congress last year.

The committee believed that savings and loan associations and banks should operate on the same general ground rules, so that the Congress could not be charged with favoring one type of institution over another, even though they operate in somewhat dissimilar fields.

Mr. President, this is probably the biggest bill in length that the Senate will consider this year. However, no piece of legislation in recent years has received more thorough scrutiny. S. 1451 represents the result of a study carried on by the committee, its staff, the Government agencies concerned, the financial trade organizations, and many private individuals over a period of 8 months. I was impressed by the general support for the bill by the various witnesses that appeared before the committee. Although some witnesses objected to one or two provisions, no one spoke in opposition to the entire proposal, or to the general purposes of the bill. We have succeeded in ironing out the major controversies in committee and have reported an excellent bill. I urge every Member of the Senate to support our committee and to vote for the bill without amendment.

Although there will be several amendments offered in the consideration of the bill, practically all of them were under consideration by the committee, and the committee, I think, gave due consideration to both the proponents and the opponents of the amendments in passing upon the various issues involved.

So I recommend, Mr. President, that the bill pass substantially as reported by the committee.

Mr. FULBRIGHT. Mr. President, I desire to make some remarks concerning an amendment which I shall offer at the proper time; but before entering upon those remarks, I should like to say a few words about the subcommittee which handled the bill.

I wish to compliment particularly the chairman of the subcommittee, the distinguished junior Senator from Virginia [Mr. ROBERTSON], for the thorough, painstaking manner in which he conducted the hearings. As Senators will recall, shortly after the election last fall the chairman of the subcommittee, the Senator from Virginia, called together the members of the advisory committee he had appointed, consulted with them, and held hearings regarding the proposed financial institutions legislation.

I think an excellent bill has been produced. I should like to join with the distinguished senior Senator from Ohio [Mr. BRICKER] in the remarks which he made a few minutes ago in a very excellent speech regarding the proposed legislation.

I think the bill serves a most desirable purpose. The committee, in the work of which the senior Senator from Ohio played a very important part, has gone to great pains to effect reasonable and proper compromises on several controversial issues, some of which will have to be settled, perhaps, by special legislation at a later time; that remains to be seen. In any case, the committee has done outstanding work in producing a bill which will be beneficial to the banks and other financial institutions of the United States.

The amendment which I shall offer has special significance. It has resulted from some of the hearings which the committee held last year in connection with the Illinois situation.

BANKING COMMITTEE'S HODGE INVESTIGATION SHOWS NEED TO STOP PAYOFFS TO PUBLIC OFFICIALS

For a banker to pay $4,600 to a public official as a payoff for a million dollar interest-free deposit is not in accord with proper standards of conduct. Yet that is an actual situation we found in our Illinois investigation. A bank can earn between $30,000 and $90,000 a year on such a deposit of public funds, so it is easily worth far more than $4,600. But this type of transaction ought to be outlawed, at least in the case of persons connected with banks insured by the Federal Deposit Insurance Corporation.

Congress should prohibit banks and bankers from making any kind of payment to public officials who have the power to grant or withhold favors to the bank. The same goes for those connected with savings and loan associations insured by the Federal Savings and Loan Corporation. Members of the committee who join me in sponsoring an amendment to S. 1451, the financial institutions bill, to carry these principles into effect, are Senators SPARKMAN, DOUGLAS, MONRONEY, and CLARK. The exposures as a result of the committee's investigation of the Illinois Hodge scandal last fall clearly demonstrates the need for such laws.

WHAT OUR AMENDMENT WOULD DO

The amendment we propose would apply precisely the same political restrictions to federally insured banks as those which already apply to national banks, and prohibit federally insured banks and savings and loan associations, or those closely identified with them, from giving money to public officials who supervise them or who deposit publicly controlled moneys.

This amendment differs from that which the committee failed to accept. The previous amendment on page 250 of the committee print, outlawed "contributions or expenditures in connection with any election at which any official who has authority to regulate or supervise, or direct the placement of funds in such bank." Although court decisions have not so interpreted this language, the words "in connection with any election" led some members of the committee to be fearful of general political restrictions on individual bankers. The amendment we propose eliminates this difficulty of interpretation. In the case of individuals, it makes it entirely clear that it does not apply to elections generally. It prohibits individuals connected with federally insured financial institutions from making gifts or contributions only to those who have, or may have, the power to grant or withhold favors to the institution.

Mr. President, I ask unanimous consent to insert our complete amendment at this point in the RECORD.

There being no objection, the amendment was ordered printed, as follows:

Amendment intended to be proposed by Mr. FULBRIGHT (for himself, Mr. SPARKMAN, Mr. DOUGLAS, Mr. MONRONEY, and Mr. CLARK) to the bill (S. 1451) to amend and revise the statutes governing financial institutions and credits, viz: On page 249, after subsection (h) of section 803 insert two new subsections as follows:

"(i) Section 201 of title 18 of the United States Code is amended—

"(1) by inserting '(a)' immediately preceding 'Whoever';

"(2) by striking out 'section' in the last sentence and inserting in lieu thereof 'subsection'; and

"(3) by adding at the end thereof a new subsection as follows:

"'(b) It shall be unlawful for any bank or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or for any person who is an employee, officer, or director of such bank or institution, to make any gift, gratuity, or contribution in any form directly or indirectly to any elective or appointive official who exercises supervisory or regulatory powers over such bank or institution, or who has authority to deposit public moneys or trust funds in such bank or institution, or to any person who is a candidate for an office having any of such powers. Any person, corporation, or other institution convicted of violation of this subsection shall be fined not more than three times the amount or value of such gift, gratuity, or contribution.'

"(p) (1) The first paragraph of section 610 of title 18 of the United States Code is amended by inserting after 'or any corporation organized by authority of any law of Congress,' the following: 'or any bank, association, or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation,'.

"(2) The second paragraph of such section 610 is amended by inserting after 'corporation' wherever it appears 'or bank, association, or other institution'."

Mr. FULBRIGHT. Before developing in detail the need for these amendments, I should like to list six summarizing points about them.

First, the committee's investigation of the Illinois Hodge scandal disclosed payments by federally insured banks and savings and loan associations, and by those identified with them, to public officials with power to supervise these institutions or deposit money in them.

Second, our amendment would stop these unethical and unsafe practices without interfering with normal political rights.

Third, our amendment is not inspired by partisanship. The committee exposed gifts to both Republican and Democratic officials. A former Republican Governor of Illinois who was connected with one of the banks investigated, Dwight Green, recommended restrictions on the political activity of federally insured State banks. And the report to the Illinois Budgetary Commission, citing evidence developed by our committee, recommended the prohibition of contributions by banks and bankers to public officials with power to deposit public funds.

Fourth, our amendment creates no new precedents. It merely applies the same restrictions to federally insured State banks as already apply to national banks, and adds another unsound practice to the list of those already prohibited for persons connected with federally insured financial institutions.

Fifth, the amendment will remove a major temptation for both financial men and public officials. Those connected with banks and savings and loan associations will no longer be tempted to provide gifts to public officials in the hope of receiving favored treatment. And public officials with power to grant and withhold favors to banks and savings and loan associations will no longer be tempted to solicit funds from them.

Sixth, the amendment will protect bankers from shakedowns by unscrupulous public officials.

REFORMS SHOWN NECESSARY BY COMMITTEE'S HODGE INVESTIGATION

The committee conducted its investigation into the Illinois banking situation after Chicago newspapers had exposed thefts of State funds by the Illinois State auditor, Orville E. Hodge, amounting to some $2½ million, much of it through the connivance of an official of a federally insured bank. The committee approved this investigation in order to carry out our responsibilities in assessing the role of the Federal agencies affected and the need for additional Federal legislation.

As State auditor of Illinois during the years 1953–56, Mr. Hodge supervised State banks and savings and loan associations, including those with accounts insured by the Federal Government. Much of Mr. Hodge's thefts resulted from the cashing of fraudulent State checks at the Southmoor Bank & Trust Co., of Chicago. Before Mr. Hodge's assistant, Edward Epping, cashed these checks, Edward A. Hintz, executive vice president of the Southmoor Bank, approved them. Hodge, Hintz, and Epping are all currently serving prison sentences for these thefts.

The committee's Hodge investigation exposed certain deficiencies in the Federal banking statutes and demonstrated the need for six major reforms. These reforms would be to:

First, make it easier for the Federal banking agencies to remove bank officers and directors who have engaged in unsound practices.

Second, shorten the period for compelling compliance with FDIC regulations.

Third, correct the flaw in the law which forced depositors of a federally insured bank which was closed to wait 7 weeks before being paid the money they had on deposit.

Fourth, cover conflict-of-interest situations where Federal banking agency employees, who work on a bank's affairs, leave to accept employment with that bank.

Fifth, require the disclosure of the true ownership of federally insured bank stock.

Sixth, prohibit payments by those connected with federally insured banks and savings and loan associations to officials who exercise supervisory power over such institutions, or who allocate the deposit of publicly controlled moneys.

The bill, as reported, deals with the first five of these necessary reforms, but it contains no provision to stop payments to political officials with power to restrict or grant favors to federally insured banks and savings and loan associations.

ALL FEDERALLY INSURED BANKS SHOULD HAVE SAME RESTRICTIONS

The Federal laws prohibit national banks from making campaign contributions in connection with any election. They also prohibit State banks, as corporations, from making contributions in connection with national elections. However, State banks can contribute to State and local political contests without violating any Federal law.

It seems to me that national banks and State banks insured by the FDIC should have the same restrictions on political activity. The opposition to this amendment apparently stems from the principle that the States, rather than the Federal government, should determine what political restrictions should apply to State-chartered institutions. However, the vast majority of State banks have felt it desirable to have deposit insurance provided by the FDIC. Moreover, the Federal government has thought there was a sufficient national interest in State banks to insure their deposits, and to provide a considerable degree of regulation of the insured State banks on the basis of the insurance.

Of course, our amendment does not have application to a State bank not insured by the FDIC. It applies only to those insured by the FDIC. Therefore, I think it improper to raise the States rights issue.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Arkansas yield to the Senator from Oklahoma?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. I concur 100 percent in the statement the Senator from Arkansas has made about the need for the proposed restriction on State banks which enjoy the protection of the FDIC. We oppose malpractice in connection with contributions by banks not only to political affairs, but also, as the investigation showed, to flower funds and other funds, so as to encourage the placement of public deposits in the banks. Those developments certainly indicate that one rule should be applied to all banks which benefit from FDIC insurance. To allow large numbers of banks to remain outside the law simply because they hold State charters, and at the same time to permit them to benefit by the FDIC insurance, is entirely in the face of the sound system and the great record the FDIC has built up over the years. So I am glad to join the distinguished Senator from Arkansas in urging favorable action on the amendment he now proposes to the law.

Mr. FULBRIGHT. I thank the Senator from Oklahoma for his remarks. Of course a State bank which becomes involved in a scandalous situation, such as the one which developed in Illinois, casts reflection upon the entire FDIC system. Its association with the FDIC is thus involved. If a bank does not choose to become subject to these restrictions, it can give up the insurance; it is not obligated to come under them.

Participation in the FDIC system is quite voluntary on the part of State banks. Some State banks have chosen not to participate in the FDIC system. But banks which have chosen to participate in the FDIC system should be willing to accept these restrictions which are necessary to stop situations such as the one which developed in Illinois.

In fact, if the FDIC were to label political contributions as an unsound banking practice—as I think it might well do—these contributions could be stopped by FDIC, or their insurance withdrawn, under existing laws.

During the committee's Hodge investigation, the committee looked into the affairs of the Bank of Elmwood Park, of which Mr. Hodge secretly owned a large share. We found that this bank had made numerous political contributions, and was deeply involved in politics.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of the political contributions made by the Bank of Elmwood Park during the years 1953, 1954, 1955, and a part of 1956. This list appears at pages 657 to 658 of part 2 of the committee's hearings on the Illinois banking situation.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Bank of Elmwood Park, contributions, raffle and dinner tickets, etc., May 27, 1953, to Aug. 21, 1956*

1953	
Sept. 9: Alderman Alfred J. Cilella Golf Day	$20.00
1954	
May 11: John B. Brenza, employees fund	150.00
June 26: 21st Ward Democratic Organization Golf Days	20.00
July 3: Harry Smith Day	52.50
July 9: William Erickson Day	30.00
Aug. 6: 36th Ward Regular Democratic Organization	25.00
Aug. 14: Elmer J. Hoffman Golf Day	100.00
Aug. 24: Alderman Alfred J. Cilella Golf Day	70.00
Aug. 28: 36th Ward Regular Republican organization	10.00
Sept. 9: William Runzel for sheriff dinner	100.00
Sept. 16: Alderman P. J. Cullerton Golf Day	10.00
Sept. 25: Committee on Uniform Taxation dinner	100.00
Oct. 5: Republican Citizens Finance Committee dinner	200.00
Oct. 9: Herbert C. Paschen campaign fund	200.00
Oct. 10: Thomas J. Godfrey campaign fund	100.00
Oct. 30: 36th Ward Regular Republican organization	25.00
1953 and 1954 total	1,212.50

TABLE 1.—*Bank of Elmwood Park, contributions, raffle and dinner tickets, etc., May 27, 1953, to Aug 21, 1956*—Continued

1955	
Mar. 17: Merriam Day dinner	$300.00
Mar. 21: One Million Friends of Warren Wright dinner	250.00
Apr. 9: Citizens Economy Party	20.00
Apr. 16: Herbert C. Paschen, employees association fund	300.00
May 28: Regular Republican Voter's League of Leyden Township	10.00
June 3: Cook County Democratic Dinner Committee	200.00
June 3: John Ropa Day Committee	20.00
June 3: Leyden Township Regular Democratic organization	25.00
June 4: Leyden Township Regular Democratic organization	25.00
July 11: Herbert C. Paschen Golf Day	40.00
July 18: Walter McCarron Golf Party	20.00
July 28: Charles J. Fleck Day Committee	60.00
July 29: John W. Carroll, chairman, Everett Dirksen dinner	15.00
Aug. 6: 36th Ward Regular Democratic organization	25.00
Aug. 6: Leyden Township Regular Democratic organization	10.00
Aug. 9: Alderman Alfred J. Cilella Golf Day	100.00
Aug. 20: Senator Everett Dirksen testimonial dinner	300.00
Sept. 2: Alderman F. J. Cilella Golf Day	30.00
Sept. 20: Harry Smith Day	60.00
Oct. 4: Citizens Republican Finance Committee dinner	200.00
Dec. 15: Republican Committee dinner	200.00
1955 total	2,210.00
1956	
Jan. 9: 36th Ward Regular Republican organization	25.00
Jan. 19: Elmer J. Conti testimonial dinner	100.00
Mar. 30: Joseph A. Kovac, State finance chairman, Warren Wright for Governor	500.00
May 31: Leyden Township Regular Democratic organization	25.00
June 7: Herbert C. Paschen, employees association fund	300.00
June 18: 36th Ward Regular Democratic organization	25.00
June 23: Leyden Township Regular Democratic organization	20.00
July 17: William Erickson Day	30.00
1956 total	1,025.00

Source: Hearings on Illinois banking situation, pages 657–658.

Mr. FULBRIGHT. Mr. President, lest anyone should get the mistaken notion that this bank was merely an isolated instance of a single bank's going wrong, let me say that the committee followed up on some of these political contributions, to find out just how widespread they were. We found such bank contributions prevalent throughout the entire Chicago metropolitan area.

Mr. BUSH. Mr. President, I should like to ask a question about page 2 of the amendment the Senator from Arkansas is proposing. On that page he deals with the question of donations. Let me ask the Senator from Arkansas whether in his judgment the amendment he proposes will make it illegal for an officer or director or other employee of a bank to make a contribution to a State central committee of either party in the State in which he lives, when a governor or State treasurer is running for office. Certainly such officials have supervisory or regulatory powers over such a bank or institution.

In asking the question, let me say that upon reading the language of paragraph (b), it seems to me that it is too restrictive and would actually have the effect of making it impossible for a bank officer to make a contribution to the State central committee of his party which might be conducting a campaign in an election of the type I have just mentioned. I should like to have the Senator from Arkansas comment on that point.

Mr. FULBRIGHT. First, let me say that the first part of the amendment applies to federally insured State banks the same restrictions as those which already apply to national banks. Is the Senator from Connecticut suggesting that he would like to have that restriction removed, as being unworkable in the case of national banks?

Mr. BUSH. No; I think the Senator from Arkansas has misunderstood my question. I did not say I was opposed to the existing legislation which prohibits a corporation from making a gift. Instead, I am referring to an individual. I know of no law which makes it illegal for an individual—be he an officer or director of a corporation, whether a bank or other corporation to make a political contribution of the type I have mentioned. I am asking the Senator from Arkansas whether the amendment he proposes would make such a gift illegal.

Mr. FULBRIGHT. We seek to make it illegal for an officer or director of a bank to make contributions, directly or indirectly, to an individual who has power over the bank—for instance, a supervisory official or one who makes publicly controlled deposits in the bank. That does not mean that such a bank official could not make a customary contribution to a political party or to the election of a governor or a sheriff or anyone else who is not an official who supervises his bank or makes public deposits. The purpose of the proposed restriction is to stop payments by banks and bankers to public officials who wield power over them.

Mr. BUSH. Before the Senator from Arkansas calls for a vote on the amendment, I should like to ask him to consider very carefully the observation I have made, because in studying the matter this morning, I reached the conclusion that it would be very perilous for a bank officer or director or other employee to make a contribution to a State central committee under the circumstances I have outlined, because to do so might be a violation of this provision.

Mr. FULBRIGHT. Does the Senator from Connecticut refer to a committee which ultimately might seek to assist only a particular candidate whom this language seeks to restrict from making direct contributions? Is that the Senator's point?, If so, then the amendment would apply. But the restriction would not apply to the central committee of a political party.

Mr. BUSH. Let us say there is a State ticket; for instance, in my State, on the ticket, besides the governor, there are the lieutenant governor, and the State treasurer. The governor has the power to appoint the banking commissioner, and in that way the governor certainly exercises some supervisory or regulatory power over the banks and other such institutions in my State. Since the Senator's amendment refers to contributions in any form, directly or indirectly, it seems to me that language is so broad as to make it very questionable whether a bank officer or other employee could with impunity make a contribution in a political campaign of that nature.

Mr. FULBRIGHT. That is not the intent of this amendment and I do not think that would be a reasonable interpretation of the language. If the contribution were made to a State central committee of a political party which had very general relationship to the candidate, I do not think such a contribution would come within the prohibition imposed by this language.

Let me state the exact cases which ocurred, and with which we were dealing. There were no circumstances of the sort which the Senator has used in his illustration. The instances cited were direct cases in which the contributions were made to the man, the official, who had the immediate and direct authority to supervise financial institutions or allocate the deposit of public funds. Although they would not admit it, the effect of the bargain was to say "You have $1 million in public deposits in your bank. Give me a $1,000 contribution or I will take it out."

In matters of this kind it is quite true we are sure to run into borderline cases. Using the illustration the Senator gave, I would think a contribution to the central State committee of the Republican Party which supports a governor, who may in turn appoint a banking commissioner, would not apply to the restrictions in our amendment. I think it would be an unusual interpretation to say the provision applies in a case of that kind.

Mr. BUSH. I have great respect for the Senator's purpose in this matter.

Mr. FULBRIGHT. Does the Senator have a suggestion as to how to limit the provision?

Mr. BUSH. I will have a suggestion, which will be to strike it out, unless we can arrive at better language than that suggested. Possibly because of the difference in the political machinery which exists in my State and that which exists in the Senator's State, where the contests are few and far between, my first reaction in reading the language was that it would be very perilous, indeed, to make a contribution to any political organization in my State which was backing a governor or which was backing a State treasurer in an election. I even wondered whether it might not affect a contribution for the campaign of a United States Senator who might be on the Banking and Currency Committee, or, at any rate, was a Member of the Senate, and voting on legislation which directly affected the different institutions. I think the language proposed by the Senator is very broad indeed.

Mr. President, I assure the Senator I am in sympathy with the main purpose he has in mind, which is, in effect, to prevent bribery of public officials. That is what the purpose is.

Mr. FULBRIGHT. That is correct.

Mr. BUSH. I am sure the Senator is right in wanting to prevent the bribery of public officials, and I desire to support him in that effort; but I believe the language proposed is too broad. The only testimony I was able to find in the hearings on this point was from Mr. Cravens, of St. Louis, a very reputable banker, protesting very strongly that the provision would interfere with his rights as an American citizen, and would inhibit him from making a contribution, because of the very broad language in this particular bill.

Mr. FULBRIGHT. I point out that Mr. Cravens' testimony was relevant to an amendment which has since been changed. The language discussed by Mr. Cravens was "contribution or expense in connection with any election at which any official who has authority to regulate or supervise or direct placement of funds in such bank"—in other words, in any election in which an official was involved. I have limited the provision so that the contribution must be made to the supervisory or depositing official or the candidate for such an office, himself, before the restriction applies. The words "in connection with any election" have been eliminated.

Mr. Cravens has not testified on this particular amendment. The main purpose in changing the amendment was to try to restrict its application because it was too broad.

The Senator has stated that the purpose is to prevent bribery. One very, very important objective of the amendment is to protect banks from being imposed on by officials. It is very clear that, in the Illinois situation, the banks were very reluctant, but they were solicited for contributions, and were under pressure to give them. I think this provision would give bankers a perfectly proper, and I think welcome, defense when persons came around and said, "Listen, we have these deposits to make. We want one-tenth of one percent." That was the accepted formula. Bankers could say, "I would love to do it, but it is against the law." I think it is a perfectly proper way to assist bankers to resist that kind of solicitation.

In my opinion the fear of the Senator from Connecticut is not well founded. I would go as far as possible to make it clear, and am willing to make it quite clear, that the very remote connection to which the Senator has referred is too remote to constitute a reasonable interpretation of the provision. I go further and say that if the Senator can suggest some reasonable qualification of the language, I shall be very much interested in entertaining any improvement in it. I certainly do not wish to prevent the participation of bankers in elections generally. The amendment is designed to apply only to cases where it is very clear that a public official can impose himself on a banker.

Mr. BUSH. I thank the Senator for those assurances. As I have said, I am entirely in sympathy with what the Senator has just stated as his objective in connection with this amendment, but I have stated what my thoughts were from a reading of the language this morning.

In view of what the Senator has said, I wonder if he would consider—and I am not trying to phrase an amendment—simply inserting in about line 7 or 8, language to the effect that "this does not include," or "this specifically excludes," any legitimate campaign contribution in an organized State election, or something of that kind, so as to make it clear that the Senator does not mean to interfere with the right of a bank officer to make a political contribution.

Mr. FULBRIGHT. I had not thought about this before. We are discussing possibilities. One reason why I wanted to speak today was to give Senators an opportunity to consider the matter, and perhaps by Monday, if we could reach some agreement, it would be all to the good.

Mr. BUSH. I appreciate the Senator's bringing it up in that way and for that purpose. That is why I stayed on the floor to hear him.

Mr. FULBRIGHT. Perhaps the language could be restricted so it would very clearly not result as the Senator from Connecticut had suggested it might. I shall be glad to try to work it out, so that next Monday, when the Senate meets again, we may perhaps reach an agreement on some improvement in the language.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. One of my colleagues asked me at lunch if we could complete action on the bill this week. I believe I said it would go over to next week. He said this is the type of bill that cannot be hurt by delay. My comment is "No; I think the more thought Senators give to the subject, the quicker the bill will reach the stage of final passage."

Is it not a fact that, with the exception of the provision in the bill which is contained in section 23, title 1, and other titles, relating to disclosure of bank stock ownership, there is nothing in S. 1451 which was not recommended either by one of the Federal agencies, or a national organization, or by the Advisory Committee, and which was not the subject of public hearings?

Mr. FULBRIGHT. That is my information about it. I may say that before the Senator came to the floor I tried to pay a tribute to the Senator's very efficient and thorough conduct of the hearings on this proposed legislation, beginning last fall, right after the election. I do not know of anyone who has gone to greater limits to work out a bill which has been thoroughly considered from every point of view.

With regard to offering this amendment, I hope the Senator understands I think the language which was originally considered by the comimttee was too broad.

Mr. ROBERTSON. Undoubtedly.

Mr. FULBRIGHT. I hope we can find some language which will meet the type of case we encountered in Illinois, without unduly restricting any legitimate contribution.

Mr. ROBERTSON. The language submitted in committee, which the committee voted down, would have prohibited contributions to any political campaigns for any office.

Mr. FULBRIGHT. I do not wish to do that, and our amendment, as introduced, would not have that effect.

Mr. ROBERTSON. The Senator from Arkansas and the Senator from Illinois were very much disturbed by a very bad bank situation in Chicago. There can be no question that it was bad.

So far as the Senator from Virginia is aware, Illinois is the only State in which the auditor of public accounts controls the banks. That is point No. 1.

Point No. 2 is that there are very few States in which the man who controls the banks is elected. In Virginia, banking is a branch of what we call the State Corporation Commission. In Virginia there are only three elective officers; namely, the Governor, Lieutenant Governor, and attorney general. That is in accord with the Byrd short-ballot plan. Members of the State Corporation Commission are elected by the legislature, and they appoint the bureau heads, including the head of the banking department.

Would it not be simpler, fairer, easier, and more equitable if we were to ask the State of Illinois to enact a State statute to take care of contributions by banks to a candidate for the office of auditor of public accounts, who supervises the banks, or else to strengthen the State's law against bribery? When a bank is to be supervised by a certain individual, if a representative of the bank takes him into a back room and says, "Here is $1,000 for your campaign," that is pretty close to bribery; is it not?

Mr. FULBRIGHT. It certainly is.

Mr. ROBERTSON. It is certainly very unethical.

The law in Virginia prohibits any candidate from making any promise of appointment to office while he is a candidate for office. That is absolutely illegal in Virginia. To give a big contribution to the man who is to sit in judgment on the operations of a bank is still worse.

We have before us a bill in which all of us can take a little pride, because it has been so carefully prepared. There are many controversial features—perhaps some good ones—which are not in it. Perhaps they should be included. The point the Senator from Virginia wishes to make is that what is in the bill was proposed by some national organization, after the pros and cons were settled, or by a competent advisory group, after arguing back and forth, or by a national agency, such as the FDIC, the Comptroller, the Federal Reserve Board, the Savings and Loan Administration, or the Credit Union Bureau.

They all had an opportunity to make their recommendations. We narrowed down the area to matters which we hoped would be noncontroversial.

The biggest controversies were in connection with features which were not handled in that way. One such controversy arose in connection with the subject matter of the amendment offered by

the Senator from Connecticut [Mr. BUSH], which involves registration and disclosure of stock. There was in the committee print bill a provision requiring notice with respect to ownership of stock above 10 percent. The other proposal goes much further. It was not recommended to us by any of the public agencies.

The other issue which the Senator from Arkansas was discussing is bound to stir up a great deal of difficulty, because, as the Senator from Connecticut pointed out, in most States, the proposal impinges on the inherent right of a citizen to speak in a campaign in behalf of his friends whom he wishes to see elected, or to contribute a little of his cash to help a legitimate cause. The Senator from Arkansas certainly improves the situation when he limits the application of the provision to those who hold supervisory positions. A contribution may be either direct or indirect. Under the language of the provision in question, if one gives $10 to a State committee, and it uses $1 of it, the donor is a criminal. That is the thing that bothers the Senator from Virginia. The Senator from Arkansas has not answered that question.

Mr. FULBRIGHT. That is not the intention of this amendment. I have just said to the Senator from Connecticut that we can limit the amendment so as to meet the objection. It is not the purpose to do what the Senator from Virginia has suggested. Therefore this provision would not create any difficulty in Virginia.

Mr. ROBERTSON. The Senator is eminently correct. It would not touch us.

Mr. FULBRIGHT. There would be nothing to fear in Virginia.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. Does the governor appoint the responsible officer in Virginia?

Mr. FULBRIGHT. I think the Senator is going so far afield that the provision could not possibly apply to the election of a governor.

Mr. BUSH. It might apply indirectly.

Mr. FULBRIGHT. I am more than willing to try to assure the Senator by a change in the amendment, if possible, to reach the desired end.

Mr. ROBERTSON. The amendment does apply to treasurers as well as to those who supervise banks. Treasurers deposit money. Treasurers were formerly elected in Virginia. Now they are appointed by the governor. The provision does apply to those States which still elect their treasurers.

Mr. FULBRIGHT. The Senator is correct.

Mr. ROBERTSON. Under the proposed language nobody could contribute to any campaign in which the name of such an individual was on the ticket.

Mr. FULBRIGHT. The contribution must be to the individual.

Mr. ROBERTSON. Then what is the meaning of the word "indirectly" in the Senator's amendment?

Mr. FULBRIGHT. The contribution must be made to the individual. He himself must get it, and not merely the ticket.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. It is not illegal—as I understand, it is provided for under Federal laws—to make contributions directly to an individual. There is a limit as to what a candidate for the United States Senate may receive, for example.

It varies from State to State, but I think it is effective. In my State there is a limitation of $25,000 with respect to any campaign. The Democratic committee or the Republican committee may make contributions directly to candidates. They send a check made out in the name of the candidate.

In my State—and I presume in others—if a man is running for State Treasurer or some other office, he may receive contributions given to him, made payable to him directly, to assist him in his campaign. Candidates for the House of Representatives in my State may receive contributions directly for their campaigns. The checks are made out to them. Some candidates endorse such checks over—as I always have done—to the treasurer or to the State central committee, and they are spent for general campaign purposes.

I hope that when the Senator is considering the revision of his proposal, he will remember that direct gifts for political campaigns are legal in many States. What the Senator really intends to accomplish by his amendment is to stop bribery, but not to inhibit anyone from exercising his legal rights with respect to campaign contributions. That is the whole point.

Mr. FULBRIGHT. I recognize the difficulty in drawing the line in this field, but I remind the Senator that the law already contains prohibitions against bankers making loans or giving gratuities to examiners. There is very little difference between making a loan or a gift to the man who examines a bank and making a loan or gift to his boss, the man who controls the examiner. That provision is already in the law, and no one is complaining about it. This proposal goes one step further. It arises from the Hodge case, in which this element was clearly important. The Senator does not object to the prohibition against a banker making a loan to the man who is examining the bank, does he?

Mr. BUSH. No. I do not think that would happen in any well operated bank, under any circumstances.

Mr. FULBRIGHT. Of course not; but the trouble is that there are some banks that are not well operated. If all banks were well operated, we would not need most of these laws, either in the banking field or any other. Such laws are necessary in order to prevent the abuses we have been discussing in cases in which banks are not well operated.

Mr. BUSH. I agree with the Senator that the kind of transaction to which reference has been made should be prohibited. Whether such a provision should be in this bill or not is, I think, still open to question.

Mr. FULBRIGHT. I do not think there is any difference between the Senator and myself so far as the objectives are concerned. The only question is, Is this the best, most precise language we can develop to reach the evil which I think the Senator agrees exists?

Mr. BUSH. The Senator is quite correct.

Mr. FULBRIGHT. Perhaps we can tighten the language. I think the Senator will agree that it is better language than the committee had before it. It is less broad.

Mr. BUSH. The only other reservation I have is the same as that expressed by the Senator from Virginia, as to whether this bill is the place to accomplish this very worthy objective. Whether the particular situation should be handled on the State level is still a question.

Mr. FULBRIGHT. I would say to the Senator that it is our responsibility to keep the FDIC as free as possible from being involved in State situations. The State responsibility is another matter. If the State authorities do not wish to do it, that is another matter, of course, and the State authorities are free to turn it down.

We already have laws restricting officers and directors of insured banks in similar situations. Federal laws restrict them from making loans or gratuities to examiners, and they cannot receive gifts for procuring loans. Some people can take fees, like finders' fees, but not bankers. What we have in mind is not very different from any of those other restrictions.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. Our advisory committee, on the complaint of many bankers, that they were being taxed more than they felt they should be taxed, wanted us to sponsor a tax amendment which would give bankers a larger set-aside for bad debts. We said, "No, we cannot do that, because another committee is charged with the handling of that subject. It is the Finance Committee in the Senate and the Ways and Means Committee in the House."

Then we were told by the Federal agencies, "We are being hampered in selecting the right men because of civil-service restrictions. We want to find some way of getting out from under some of the civil-service restrictions."

We said, "No. That subject is under the jurisdiction of the Committee on Post Office and Civil Service."

Along that line, could we not also say that here is a question which concerns pure elections, and that it should be handled by the Subcommittee on Privileges and Elections? Should not that subcommittee consider the question of the kind of limitation which should be placed on contributions made by bankers? At least, we should give the bankers a chance to be heard as to whether such a limitation should be placed on them.

Mr. FULBRIGHT. The Senator has misconceived the purpose of the amendment. It is not a matter of pure elections. The purpose of the amendment is to protect the bankers from impositions by people who wield power over them, as was the case in Illinois. This amendment has absolutely no relevancy to the purity of elections.

The Senator from Tennessee [Mr. GORE] and others have given some attention to the subject of pure elections. I am afraid the Senator from Virginia misconceived the objectives of my amendment.

We are trying to stop a situation where a man comes to a banker and says, "If you don't contribute to the campaign of the commissoner of banks," or "to the State treasurer, we will remove all of your public deposits, or we will close you up."

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. Does that not indicate that the man who was running for office was impure, because if he had been pure, there would have been no danger to the bank.

Mr. FULBRIGHT. In many cases the contributions were not made during the election campaign of a candidate. The contributions were often made after public funds had been deposited. Quite as a coincidence, it would seem, shortly after a deposit had been made, there would be a contribution given to the man who had deposited the money. It was not only the State auditor who was involved, but also a local official. In Cook County, Mr. Charles Fleck, the public administrator, had the disposition, I believe of $3½ million of publicly controlled trust funds, and he got contributions from persons connected with banks where some of the funds were deposited.

Mr. ROBERTSON. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. Would it not follow that if it were not a political contribution, it was certainly a gift to a man in order to influence him, and an attempt at bribery under such conditions would be illegal on the face of it?

Mr. FULBRIGHT. The Senator knows, I am sure, that proving intent in a bribery case is almost impossible.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. What would be the purpose of making it unlawful for a banker to contribute to a person who he believed to be a worthy public servant if such public servant was in a position where he could not bring any pressure on the banker?

Mr. FULBRIGHT. The amendment is not intended to prohibit anything like that. It is intended only to prohibit a contribution to the person who has power over the bank. The real purpose is to keep the banker from being subjected to shakedowns by these people, who can say to a banker, "If you don't give me a contribution, I will either remove the money from the bank or I will close you up."

Mr. LONG. The Senator's amendment would not make it unlawful, then, for a person in the banking business to contribute to someone who was running for office but who was in no position to bring any pressure on the banker?

Mr. FULBRIGHT. No; we do not intend to do that. That is not the intention of the amendment at all. It deals only with the direct connection between the banker and the person who has the power of punishing the banker if he does not contribute.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. The language of the Senator's amendment contains the language: "to make any gift, gratuity, or contribution in any form directly or indirectly to any elective or appointive official who exercises supervisory or regulatory powers over such bank or institution."

Could that language be construed to mean that an individual banker could not make a contribution to a candidate who was running for the governorship of his State if, as governor, he had the authority to appoint the comptroller of the State, who, in turn, of course, would control, in some respects, the banks?

Mr. FULBRIGHT. I certainly did not intend that the amendment should have that effect, or that it should apply to such cases. That was the point raised by the Senator from Connecticut [Mr. BUSH] a moment ago. I believe such a situation is too remote from the intention of the amendment. We do not intend to reach such cases as that.

What we had in mind was to prevent situations like those in Illinois from occuring. There, we know, there was a welfare fund, or what was called a welfare fund, but which actually was a fund used for political purposes also.

Of course a statute must be interpreted with some degree of reason. If it were carried out to the bitter end of possibility, it would become an unreasonable statute. If it should be applied in the manner the Senator from Connecticut [Mr. BUSH] indicated it might be applied, that would be bad legislation, and I certainly would not favor it.

Mr. SMATHERS. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. Would the proposed language in the amendment go so far as to make it possible to include within the terms of the amendment a candidate for the United States Senate who, we will say, had some friends who may have sat on the Federal Deposit Insurance Corporation Board?

Mr. FULBRIGHT. It could not possibly include a candidate for United States Senator.

Mr. SMATHERS. Does the Senator believe it could include a candidate for the House of Representatives?

Mr. FULBRIGHT. No. It could not include a candidate for the House.

Mr. SMATHERS. In other words, it is the intention of the Senator from Arkansas to limit his amendment only to prevent contributions being made to the individuals who actually have immediate and direct control over the banking policies of the State? Is that correct?

Mr. FULBRIGHT. The Senator is correct. That is the intention and purpose of the amendment. It is to cover State officials who have jurisdiction over federally insured State banks but who are not now covered under any existing restrictions with respect to contributions.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CLARK. I wonder whether the distinguished Senator from Arkansas will agree with me, first, that this is a penal statute we are considering and, therefore, will be most strictly construed as to the coverage which it will have.

I am now thinking of the question asked me by the distinguished Senator from Florida [Mr. SMATHERS]. Therefore, the language "any elective or appointive official who exercises supervisory or regulatory powers over such bank or institution, or who has authority to deposit public moneys or trust funds in such bank or institution, or to any person who is a candidate for an office having any such powers" would have to be strictly construed, so as to bring about the result which the Senator from Arkansas has indicated.

With all due deference to the great lawyer, my friend the Senator from Florida, I suggest that his fears would be groundless with respect to what he believes would be the coverage of the law, and that the statute would be a penal statute, restricted to cover only certain individuals.

Mr. FULBRIGHT. The Senator is correct. That is certainly the intention and purpose of the sponsors of the amendment. It was not intended to have a broad application to persons who may be indirectly and remotely influenced in this field. It applies only to those who are actually supervising or controlling the depositing of money. I do not mean to say that the language cannot be made more clear. We shall see what we can do about that.

Mr. LONG. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. It seems to me that on page 2, line 8, beginning with the words "official who exercises supervisory or regulatory powers" the language would be improved by inserting after the word "exercises" the word "direct", because the Senator will notice that on line 11 the language is "or to any person who is a candidate for an office having any of such powers."

A governor would have some supervisory or regulatory powers and would exercise some such powers. It seems to me that the catchall language obviously includes the Governor of a State, and so I suggest the insertion of the word "direct".

Mr. FULBRIGHT. I think that is a good suggestion. It is in line with the thought of the Senator from Connecticut [Mr. BUSH].

Mr. LONG. Also on line 9, with reference to one who has authority to deposit public moneys, the word "direct" should be inserted before the word "authority."

Mr. FULBRIGHT. I am inclined to think the Senator has made a very useful

suggestion. I believe it does make it clear that it affects only those who are directly exercising authority, and that would clearly exclude the governor of a State.

Mr. BUSH. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from Connecticut.

Mr. BUSH. I would suggest "primary" authority.

Mr. FULBRIGHT. Would the Senator suggest the word "primary" in place of the word "direct"?

Mr. BUSH. I would include both. The man who has the primary authority is the one, I think, we have in mind. A governor would not have such authority.

Mr. SMATHERS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. I hope the Senator from Arkansas will accept the amendment, because it will indicate that it is not the intent of this amendment to proscribe the acceptance by a candidate for governor of contributions from an individual banker who might want to make a contribution. There are not many who want to make contributions, but I do not believe we would wish to make it appear that a contribution would be improper. I believe the word "direct" would more specifically meet the intention of the Senator from Arkansas.

Mr. FULBRIGHT. I shall not offer the amendment until Monday. As I said, between now and Monday I shall confer with my cosponsors and see if we cannot agree on either or both of the suggested words being inserted in the amendment. I am confident they feel the same way I do.

We wish to restrict it to those who actually have direct authority in this field, and we do not wish to include persons who only remotely have some connection with it.

Mr. SMATHERS. Is the Senator from Arkansas at all disturbed about the fact that, apparently, this would be the first time in our history when we would be saying by law that a group of individual citizens as such could no longer be permitted free expression in a political campaign, a right which all other citizens are privileged to enjoy? Is the Senator disturbed about setting a precedent whereby in years to come action might be taken to prevent someone participating in a political campaign on other grounds?

Mr. FULBRIGHT. There are many bankers to whom the provision will not have any application at all. We are saying, in effect, that a banker occupies a special relationship to the public. Bankers have a fiduciary relationship. We extend to them privileges we would not extend, for instance, to the proprietor of a grocery store. We expect a banker to have a high degree of honesty in the conduct of his business, and we expose him to regulations and examinations we do not require in other businesses. Moreover, we are giving the banker an answer to the man who comes to him and says, "If you do not kick in on my election, I will take all the public deposits from your bank, or I will close up your bank, because you are doing something I do not like." That kind of power is subject to great abuse, as our Illinois investigation demonstrated.

This is not a restriction. It is only incidental to the main purpose, which is to protect the banker from improper pressure.

Mr. SMATHERS. I am certain the Senator from Arkansas, having in mind one particular situation, would not wish to impute to all bankers such weakness of character as that they would yield to same corrupt official who said, "I will put certain moneys in your bank if you will make a contribution to a certain fund." I am sure the Senator would not want to say that all bankers are so weak that they would do that sort of thing.

Mr. FULBRIGHT. No. I can only say that in the State in which the investigation took place the practice seemed to be quite common. It affected not merely 1 bank or 2 banks; but many banks. The information is all contained in the evidence in the studies made by the committee. It would seem to be quite a common practice. Our investigation showed that it is so common that many persons think there is nothing particularly wrong with it, that it is simply an old custom. Bankers are not anxious to give away their money, but they are in a rather vulnerable position in regard to regulatory and depository officials.

Mr. SMATHERS. Most of the bankers I know would probably welcome this measure, so that if anyone asked them for a campaign contribution they could say, "Well, I have an excuse."

But it seems to me we are beginning to move into legislating with reference to certain classes of persons and that we may set a precedent which might be bad in the future.

The Senator from Oklahoma [Mr. MONRONEY] is a member of a committee which has jurisdiction over the Federal Communications Commission. The day may come when we do not want a man who owns a televison station to make a contribution to any sort of a campaign, and we can argue, as the Senator from Arkansas can argue, "We have given him the right to operate a television station, but he cannot do it without the authorization of the Federal Communications Commission."

Therefore, having given him this right, we have it in our power to take something away from him, to wit, his right to participate in an election as freely as does the next citizen. I wonder if it may not be a somewhat dangerous precedent.

Mr. FULBRIGHT. There is already in the law a prohibition against national banks making contributions to any election. Does the Senator think that law should be repealed?

Mr. SMATHERS. Not with respect to banks. The Senator is talking, for the first time, about individuals, persons, having names, who otherwise have the free right to enjoy their privileges under the Constitution as individuals. But as to the law with respect to institutions, I say absolutely let us not repeal it. However, as to individuals I do not know whether we may not be starting on something which next year will lead the Senator from Louisiana [Mr. LONG] and perhaps the junior Senator from Florida to say, "Wait a minute."

For instance, the CAA regulates the air lines. There may be a couple of men who will be after me whom I like. They may be beneficiaries of the CAA Act, because they may receive some indirect subsidy. Shall we take them off the political roll, and say, "From now on you cannot make a contribution"?

Mr. FULBRIGHT. I think the Senator from Florida will agree that it is bad practice for a supervisory authority to go to a bank and seek a contribution.

Mr. SMATHERS. Absolutely.

Mr. FULBRIGHT. How would the Senator approach the situation? Does he have any better way to approach it than what is proposed?

Mr. SMATHERS. In answer to the Senator's question, I think the matter is probably within the jurisdiction of the State. Its regulation ought to be by penal statute. Cases of this kind ought to be handled as was the case of Hodge.

When a higher caliber banker or bank examiner is secured, this kind of trouble will not occur. But we are, in effect, again trying to legislate morals. I wonder if that is what we should do.

Mr. FULBRIGHT. All national banks must be members of the FDIC. A considerable number of other banks do not belong to it.

Mr. SMATHERS. Most successful banks today are members of the FDIC. Anyone who operates a bank today almost has to get Federal deposit insurance if the bank is to be any kind of success at all.

Mr. FULBRIGHT. One reason for that condition is that the existence of Federal deposit insurance has had a beneficial effect upon banking. It is a fine system.

Mr. SMATHERS. That is very true.

Mr. FULBRIGHT. I think what happened in Illinois is a great reflection upon the FDIC. I criticize the administration of the FDIC for it. I think they should have been much more alert in meeting the situation than they were.

Under the provisions of the proposed legislation, I cannot conceive of those problems arising. I think Congress has a responsibility to protect the FDIC and its relationship with the banks—that is, to make it easier for the banks to defend themselves from such a situation as that which arose in Illinois.

Mr. SMATHERS. Does the Senator from Arkansas know of any conceivable construction of legislation previously enacted which prohibits an individual or a group of individuals, as such, from participating freely in an election and from making political contributions up to the amount limited by law, which is the limit that applies to everybody? I do not know of any. I think we are getting into a field in which we may start something that we will have a hard time ending.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. Is it not a fact that it is again the Federal statutes for anyone to solicit any Federal employee for any kind of political contribution?

I think the statute provides a penitentiary sentence merely for solicitation. Congress thought that that was an important field in which to legislate.

As I understand, it is also a criminal offense for a contractor engaged on Government work to make a political contribution in any way connected with the letting of a contract.

Persons or officials occupying regulatory positions should not be subject directly or indirectly to improper influence by donations or by attempts to bribe. It has been a longstanding part of our history that national banks are prohibited from making such contributions. That principle has never been challenged. Does the same reasoning not apply to the president of a bank, to the chairman of the board, or to the cashier? I can see no difference. If the principle that banks must be prohibited is a good one, then I think the officers of the bank also should be restricted.

Mr. FULBRIGHT. If the president of a bank is a very large stockholder, he simply makes a contribution as an individual, because he is the main person in interest.

Mr. MONRONEY. So the principle is violated now in the case of practically every donation, unless the bank is one of the mammoth metropolitan banks, whose president and other officers own an infinitesimal part of the stock. It certainly seems to me that there was good reason for enacting the law in the first instance in connection with national banks. As the Senator from Pennsylvania [Mr. CLARK] has said, the bill has narrow application to those who exercise supervisory or regulatory powers over such bank or institution, or to any banking institution or official who might wish to contribute to a candidate for an office having such powers.

I think it is as clear as a bell that we are proposing to amend the law concerning the making of contributions to persons who exercise supervisory or regulatory powers over banks or lending institutions. But if the distinguished chairman can think of anything which should be specified in the bill, to the effect that the money will not be expended, we would be glad to consider such an amendment.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. The Senator said that this was only a logical extension of the present limitation on banks to individuals or to the owners of banks.

Mr. MONRONEY. That is true. That regulation has been in effect for from 50 to 75 years.

Mr. SMATHERS. That is correct. But this particular amendment would apply the prohibition to individuals for the first time.

Mr. MONRONEY. That is correct.

Mr. SMATHERS. I presume it would apply not only to bank presidents, but also to trust officers, and perhaps also to all the employees who might work in the bank.

Mr. MONRONEY. I would expect that it would apply to any employee, officer, or director of a bank who held any position which could be influenced by direction of the regulatory authority. I can see no great extension of power. If we are trying to reach an officer, whether it concerns the gift of a bank or the gift of an officer of a bank, there is the same chance of being a corrupt influence if the gift be directly given to an official who has supervisory or regulatory power over the bank. Banks are in a special category. If the kind of practice which is reminiscent of the boys in the back rooms of saloons is to be permitted, then we will have that kind of financial institution, and we do not want that to happen.

Mr. CLARK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. CLARK. I suggest it is very difficult indeed to conceive of a situation where a contribution of the sort which is here prohibited could be made for a proper motive. I cannot think of any sound basis on which an officer or a director of a bank would want to contribute to the political campaign of an individual who was going to examine the bank, or of an individual who had the power to deposit or not to deposit, except for the purpose of currying favor.

To be sure, the national banking system and the FDIC of the Federal Government are somewhat remote from the affairs of a city, but we have had in our charter in Philadelphia for well over 40 years a provision which prohibits any policeman or fireman from making any contribution of any sort to any kind of political campaign. We adopted that provision because experience had shown the corrupting influence, on members of our uniformed services, of solicitations for political purposes and contributions to curry favor. That prohibition, I can assure the Senate, will never be taken out of our charter, because it has proved its usefulness.

I suggest that the same motivation applies on the national scene; that this is really, in effect, a normal, logical extension of the conflict of interest principle which this body is so careful to enforce in considering nominations to positions in the executive arm of the Government.

Mr. FULBRIGHT. I thank the Senator from Pennsylvania.

There were one or two observations I wished to make, drawing upon our experience and the facts as they were developed in Illinois.

Regarding the point as to how best to apply this principle, we had the case of a public administrator in Chicago, Mr. Charles Fleck. He was appointed by the Governor, but he was the one who had the power of disposition of the deposits. The restriction we propose, clearly would affect Mr. Fleck, not the Governor. I wanted that statement in the legislative record in order to emphasize that it would be a wholly unreasonable interpretation, in my view, to have the law apply to any contribution to the governor under those circumstances, although he may be the appointing power.

I particularly wish to call the attention of the Senator from Florida to the restraints I mentioned a moment ago which already apply to bankers. Federal laws already prohibits them from making loans or gratuities to bank examiners, whether State or Federal examiners. It is considered an unsound practice, and the FDIC officials can discipline a bank which engages in it. Does the Senator think that to make such a contribution an unsound practice would be a better way to approach the problem, rather than simply to prohibit such contributions by law, as the amendment would seek to do?

Mr. SMATHERS. I think the amendment regarding that matter is desirable and good. There are certain provisions of the Senator's amendment which I consider to be good. My only basic question is, first, as to the general breadth of the amendment, as it would apply to individuals. To whom would we be saying that bank officials could not contribute? The Senator from Arkansas has been very helpful by limiting the language so as to provide that such contributions cannot be made to those who exercise direct supervisory or regulatory powers.

As to the proscriptions here proposed, let me say that I agree with them, and I think they are perfectly proper and, as a matter of fact, will result in some good.

In answer to the Senator's question, let me say on this particular point that a contribution to a bank examiner himself, of course, obviously should not be permitted.

My only point is that I wish to have it made clear that we do not try to say that bankers, as such, are hereafter prohibited from making contributions to a political campaign for a candidate for governor or for Representative in Congress or for United States Senator or for some similar position, because such bankers may have Federal deposit insurance on their banks or because their banks may be national banks. That is the principal objection I have.

Mr. FULBRIGHT. I wish to make it very clear that I have no desire to prohibit the making of contributions in that field.

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. CARLSON. I have been very much interested in the colloquy which has occurred. In that connection, I should like to get down to a specific case. For instance, I have a son-in-law who is the vice president of a national bank. Do I correctly understand that under the provisions here proposed, he would not be allowed to contribute to my campaign?

Mr. FULBRIGHT. No, Mr. President; that is not at all the meaning.

Mr. CARLSON. I should like to have that point made clear, because I understand that it is intended to impose restrictions upon specific banks.

Mr. FULBRIGHT. If a State treasurer has the right to determine where the State moneys shall be deposited—for instance, suppose he has authority to decide where $10 million of State funds shall be deposited—we seek to prohibit him from coming to the Senator's son-in-law or to some other bank official and

saying to him, "Here is a $10 million deposit, and of course I will expect a contribution for my campaign, or I shall withdraw it." That is what we are seeking to prohibit. We wish to prohibit such activities on the part of one who directly supervises banks or who decides in what banks public funds shall be deposited. In the case of the Senator from Kansas, he would have no influence whatever, and thus the situation he has mentioned would clearly be beyond the application of the proposed law.

Mr. CARLSON. Having served as Governor of a State, in which position I have appointed bank examiners for the State of Kansas—examiners dealing with State banks, of course, and not with national banks—I should like to know what the situation would be under similar circumstances.

Mr. FULBRIGHT. I have just stated that the proposed law would not apply to a governor who appoints such supervisory officials.

Mr. CARLSON. Very well.

Mr. FULBRIGHT. I referred to the case in Chicago, where the local man—he was the public administrator, rather than the supervisor—had control of the depositing of the publicly controlled trust funds which fell under his care. He could deposit them, free of any interest charge, wherever he liked. He is appointed by the Governor. This measure clearly would not apply to the Governor, but would apply only to the public administrator, or, in the Senator's case, to the bank commissioner.

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. Certainly.

Mr. CARLSON. I wish to be very specific on that point. Certainly I would not want this measure to permit contributions to be requested from banks which needed assistance or which received such help; but at the same time I would not want the bill to be so stringent as to prohibit a bank official from contributing to those who are engaged in political campaigns.

Mr. FULBRIGHT. I certainly would not want that to be the case, either. The principal objective here is to have the banker have a defense against one who might come to him and say, "We expect a contribution of so much."

At one point I asked, "What was the usual formula?"

The reply was, "Well, it was not a formula; but it was understood that one-tenth of 1 percent would be the usual contribution."

The purpose of this measure is to enable such a person to say, "We cannot do business in that way. If we were to do so, we would lose our insurance." The purpose of this measure and the purpose of this debate is to make such situations impossible.

BANK GIFTS TO THOSE WHO DEPOSIT PUBLIC FUNDS

Mr. President, consider the $100 contribution made by the Bank of Elmwood Park on August 14, 1954, to the "Elmer J. Hoffman Golf Day." Mr. Hoffman was Illinois State treasurer during the years 1953 and 1954, with custody of over $1 billion of State funds. The Elmwood Park Bank had $1.1 million State funds on deposit when it opened its doors in May of 1953. At the request of Dwight Green, chairman of the bank's board of directors and former Governor of Illinois, Mr. Hoffman deposited another million dollars in the bank.

Now let us see what happened to the proceeds of the "Elmer J. Hoffman Golf Day." In response to the questions about these golf days by Mr. Robert Wallace, committee staff director, the following testimony ensued—hearings on the Illinois Banking Situation, page 823:

Mr. HOFFMAN. Yes. In 1953 there was a golf day in my honor.

Mr. WALLACE. In 1953?

Mr. HOFFMAN. Yes. I took office and it was held in Du Page County. That is the county in which I lived, and they realized the sum of approximately $5,500 from that golf day.

Mr. WALLACE. $5,500 from the golf day?

Mr. HOFFMAN. Yes. There was another one in 1954 at the same place from which they realized something like $6,500. That money was turned over to me, and I placed it on deposit in the Gary-Wheaton Bank of Wheaton, Ill., under the name of Elmer J. Hoffman Campaign Fund.

Mr. WALLACE. Do you know how much money was raised in the years 1955–1956?

Mr. HOFFMAN. Yes. It seemed as though when it wasn't turned over to me any more, they did better. They made approximately $9,000 in 1955 and this year [1956] they cleared a little better than $11,000.

Mr. WALLACE. That is a little better than a total of $30,000 over the 4-year period. But this was all for campaign purposes, was it not?

Mr. HOFFMAN. Yes. But not for my campaign purposes. Only the first 2 years.

Mr. WALLACE. For your campaign purposes it would be $12,000 for the 2 years, but it would be $30,000 for the county's purposes in the years after that.

Mr. HOFFMAN. That is right.

Thus the Elmwood Park Bank, a federally insured institution, made contributions to a political official who had given it an extra million dollars of low-interest deposits.

Mr. Warren Wright, who followed Mr. Hoffman in serving as Illinois State treasurer during the years 1955 to 1956, fared even better. Going back to the contribution list of the Bank of Elmwood Park, we find that the bank, on March 21, 1955, gave $250 to the One Million Friends of Warren Wright dinner. This dinner, financed at a $50 a plate rate by banks, and attended by an estimated 600 bankers from all over the State of Illinois, raised $57,100. The money was used to buy a 36-foot trailer—$12,000—and an automobile and a jeep to tow it—$6,000. The rest of the money went for the expenses of driving the trailer around the State of Illinois. The purpose of the trailer was to "educate" the people of Illinois about the operation of the office of the State treasurer. During the investigation, the Senator from Alabama [Mr. SPARKMAN] questioned Dwight Green, chairman of the board of the Elmwood Park Bank, who was also toastmaster of the dinner. The Senator from Alabama brought out the following interesting testimony in this regard—hearings, page 548:

Senator SPARKMAN. Did it [the trailer] advertise Mr. Wright? Anything on it to indicate it was Mr. Wright who was traveling in it?

Mr. GREEN. It had his name all over it.

Senator SPARKMAN. You refer to that as educating the people? Was that the same as campaigning among the people?

Mr. GREEN. Just plain campaigning, I would think.

Senator SPARKMAN. The dinner was really for the benefit of Mr. Wright?

Mr. GREEN. Oh, yes.

Another witness testified that Wright had offered to make the trailer available for campaign purposes. But Wright did not stop with merely raising $57,100 by means of a testimonial dinner. He decided to run for Governor, and both banks and bankers were solicited to finance his campaign. Returning once more to the list of contributions made by the Bank of Elmwood Park, we see an item of $500 which the bank itself on March 30, 1956, gave to "Joseph A. Kovac, State finance chairman, Warren Wright for Governor." Testimony disclosed that Mr. Kovac had sent over 100 letters to bankers soliciting contributions for Mr. Wright's campaign. Hearings, page 965. I elicited the following testimony from Mr. Kovac:

The CHAIRMAN. There was no formula which you suggested?

Mr. KOVAC. I did not suggest any formula, but I became aware in talking to some of these individuals in banks that they did have an idea there was some sort of formula.

The CHAIRMAN. What was that? What was their idea of the formula?

Mr. KOVAC. Well, one-tenth of 1 percent of the deposits.

The CHAIRMAN. What deposits?

Mr. KOVAC. I assume it was deposits of State funds.

The CHAIRMAN. Did you attach any notice to any of the letters you sent out?

Mr. KOVAC. Yes; I had a little memorandum, wherever the party at the other end requested an indication of what would be a substantial contribution, what would be an acceptable contribution, I had a little note to the effect that there was no standard of such contribution, and that they were accepting whatever voluntary contributions they felt like making; that we have sections where we have—with respect to the one-tenth of 1 percent—that we have received somewhat more in some instances and in most instances somewhat less, and in many instances none.

The CHAIRMAN. That was included in your memorandum?

Mr. KOVAC. Words to that effect, sir.

Mr. Kovac collected some $25,000 from banks and bankers who had State funds on deposit. He collected these funds for Mr. Warren Wright, the Illinois State treasurer, who had the power to place or take away these valuable State deposits in Illinois banks.

GIFTS OF FDIC-INSURED STATE BANKS NOT COVERED BY LAW

The Bank of Elmwood Park was a State bank insured by the FDIC. A national bank insured by the FDIC is prohibited from making such contributions. It seems to me that the same restrictions should apply to State banks.

This amendment is not intended to punish banks for getting into politics; on the contrary, it will protect them from

political shakedowns. I should think the banks would welcome such a protection.

When the Senator from Alabama [Mr. SPARKMAN] discussed this matter with Governor Green, the chairman of the board of the Bank of Elmwood Park, the Senator found, I believe, that the bankers themselves would welcome some protection from having to make political contributions. The Senator from Alabama developed the following testimony—hearings, page 551:

Senator SPARKMAN. Do you feel that contributions to campaign funds or to welfare funds have anything to do with deposits of the county funds in the banks?

Mr. GREEN. I think it depends largely on the individuals. But there is no sense in playing ostrich about the thing. It seems to me to be perfectly obvious that if someone does a favor for you, why you are going to reciprocate if you can.

Now I am not speaking about the propriety of it, or the ethics of it, or the morals of it. It struck me as being peculiar that here were, under the National Banking Act, the national banks—they cannot make political contributions of any kind. But I don't find any law where it prohibits a State bank making a political contribution. A State bank cannot, of course, give money or property, or any emolument of any character to a State treasurer because he has State funds on deposit. And I don't know. It——

Senator SPARKMAN. You regard the part you talked about as being purely practical. But let me ask you this. You do not approve a system that would require banks to make a contribution in order to obtain deposits of State funds, do you?

Mr. GREEN. Oh, certainly not.

Senator SPARKMAN. Do you think that kind of practice is to be frowned upon?

Mr. GREEN. Yes, I do, and I think perhaps your committee might recommend and enact legislation which would definitely prohibit a State bank from making a political contribution—that is a State bank where there were funds on deposit which were insured by the FDIC.

SAVINGS AND LOAN ASSOCIATION PAYMENTS

The committee's Hodge investigation exposed political gifts by federally insured savings and loan associations, as well as by banks. Mr. C. Oren Mensik, president of the City Savings and Loan Association, of Chicago, caused this federally insured institution, itself, to give Hodge $6,800 in cash for political advertising. In return, Hodge helped to lobby through the State legislature a bill to permit private stock savings and loan associations, and gave Mensik charters for two new private stock savings and loan associations. Mensik was also a member of the Board of Directors of Hodge's Elmwood Park Bank and the savings and loan association of which he was president made loans to Hodge.

PERSONAL PAYMENTS TO REGULATORY AND DEPOSITING OFFICIALS

The second part of the amendment would prohibit those connected with federally insured financial institutions from making "gifts" to public officials who have the power to grant or withhold favors—who either regulate the institutions or allocate publicly controlled funds for deposit. I have no desire to restrict the political activity of any person. The only individual contributions which the amendment would prohibit would be those made to public officials who can demand them as a price of profiting from the deposit of public money, or even as a price for staying in business.

HOW HODGE GOT HELP FROM A BANKER

One of the questions to which the committee sought an answer during its investigation was: How did Hodge obtain the complicity of a banker? It is quite possible that the answer lies in the mixing of politics with banking, induced by the fear of political regulation and the lure of lucrative, low-interest, or interest-free deposits of publicly controlled money.

The Southmoor Bank, of which Hintz was an officer, ran into difficulties with the FDIC beginning in 1953, and these difficulties became more and more severe. The FDIC maintained that the bank was overloaned; it needed more deposits in relation to the amount of its loans outstanding. Thus, Hintz could not incur the wrath of Hodge, the State banking supervisor, who had the power to close the bank. The evidence developed by the committee indicated that Hintz used Hodge's influence to get more State deposits. The committee also brought out the fact that Hintz made cash gifts to political figures in order to secure additional publicly controlled deposits. This was borne out by the sworn testimony of Mr. Leon Marcus, chairman of the board and majority stockholder of the Southmoor Bank, as follows, as appears on pages 981 and 982 of the hearings:

Mr. WALLACE. And I believe you testified, and you correct me if this is not true, I believe you testified that Mr. Hintz was a good banker, that he got private deposits and public deposits?

Mr. MARCUS. Yes, sir.

Mr. WALLACE. But in the process of doing this he had certain expenses?

Mr. MARCUS. Yes, sir.

Mr. WALLACE. And the purpose of these cash expenses which you wrote [checks for], and you discussed previously, were to help him get more public deposits and private deposits?

Mr. MARCUS. More deposits.

Senator DOUGLAS. And you knew that this included public deposits?

Mr. MARCUS. I would say, "Yes."

Mr. WALLACE. Well, yes.

Mr. MARCUS. Naturally, if he had to spend some money for himself, expenses, or giving it away, I personally didn't care what he did with the money as long as he brought in deposits.

Both the Southmoor Bank, where the fraudulent checks were cashed, and the Elmwood Park Bank, a large part of which Hodge owned secretly, had publicly controlled funds on deposit, and either the banks themselves or someone connected with them made contributions to those with the power to allocate such funds. This was true in the case of the Cook County public administrator, Cook County treasurers, and Illinois State treasurers.

PAYMENTS TO PUBLIC ADMINISTRATORS

Let us consider, first, the Southmoor Bank's acquisition of public administrator deposits and gifts of Southmoor Bank officers to Charles J. Fleck, the Cook County administrator.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table comparing public administrator deposits in the Southmoor Bank, and gifts by Hintz and Leon Marcus of the Southmoor Bank to Fleck.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Funds deposited in interest-free accounts in the Southmoor Bank & Trust Company of Chicago by Charles J. Fleck, public administrator of Cook County, Ill., and checks written on the account of Leon Marcus, chairman of the board and majority stockholder of that bank, for money to be given to Fleck by Edward A. Hintz, vice president of the bank*

Date and amount of deposit		Date, number, and amount of check for Hintz to give Fleck, and notation on check stub	
Nov. 18, 1954	$100,000		
Dec. 13, 1954	50,000		
Dec. 19, 1954	50,000		
Feb. 8, 1955	100,000	Mar. 8, 1955, No. 1043, "Charles Fleck, E. A. H."	$312.97
Mar. 18, 1955	50,000		
Apr. 26, 1955	150,000	May 16, 1955, No. 1097, "Charles Fleck, E. A. H."	349.35
		June 29, 1955, No. 1099, "Fik—E. A. H."	852.70
July 19, 1955	100,000		
		Sept. 29, 1955, No. 1018, "E. A. Hintz per L. M."	500.00
Nov. 21, 1955	100,000		
Dec. 7, 1955	100,000		
		Dec. 15, 1955, No. 1026, "Charles Fleck per E. A. H."	2,929.18
		Dec. 16, 1955, No. 1028, "Charles Fleck per E. A. H."	457.50
Feb. 2, 1956	100,000		
Mar. 12, 1956	100,000		
Total	1,000,000		4,580.77

Source: Hearings on Illinois Banking Situation, testimony of E. A. Hintz and Leon Marcus.

Mr. FULBRIGHT. Mr. President, this table shows that contributions to Mr. Fleck were interspersed with deposits. Moreover, the committee's hearings developed the fact that Hintz and Marcus made these contributions because of the deposits. Passage of the amendment we propose would remove all doubts about the legality of such gifts. They would be outlawed.

In the case of the Elmwood Park Bank, Mr. Frank Frisk, a member of the board of directors of the bank, raised $3,500 in contributions for Fleck in 1952, when Fleck was the campaign manager for Governor Stratton and the Illinois Republican ticket. When the bank opened in 1953, Frisk called Fleck and said: "Charley, would you help us out? We have got a new bank here. Would you put some of your money in this bank?"—hearings, page 701. He also said, "Charley, you know I am a good Republican, and you might as well help us out, because I am able to help you out when you run for office"—hearings, page 703. Fleck apparently obliged, for he deposited $800,000 in an interest-free account in the bank.

As public administrator, Fleck had $3½ million to place on deposit. Over half of it went into the Southmoor and Elm Park Banks.

BANK PAYMENTS TO COUNTY TREASURER

The Cook County treasurer has the authority to allocate over $100 million in interest-free deposits. Of these, the Southmoor bank had $450,000, and the Elmwood Park Bank had $300,000. Both contributed one-tenth of 1 percent, that is $450 and $300, respectively, each year to a so-called county treasurer's Employees Welfare Fund.

Let us look at this so-called welfare fund for a moment. Returning to table 1, to the list of contributions made by the Elmwood Park Bank, we see that on May 11, 1954, the bank contributed $150 to the "John B. Brenza Employees Fund." On April 16, 1955, the bank gave $300 to the "Herbert C. Paschen Employees Association Fund," and on June 7, 1956, the bank paid in $300 to the "Herbert C. Paschen Employees Association Fund."

John B. Brenza served as treasurer of Cook County, Ill., in 1954, and Herbert C. Paschen succeeded him for the years 1955–56. As county treasurer, these men had the authority to allocate over $100 million in county funds in interest-free deposits to banks in Cook County. Although the purpose of these welfare funds was charitable, such as the purchase of flowers for the widows of deceased employees, the committee found that they also were used for political purposes. In the case of the Paschen welfare fund, which at one point amounted to $28,000, the committee discovered that the same man who wrote checks against the fund, Mr. John W. F. Smith, also wrote checks against Paschen's campaign treasury. Mr. Paschen was a candidate for governor in 1956, before the existence of this fund was discovered. As it happened, the man who wrote checks against both accounts wrote some checks for political purposes against the employees welfare fund. After this fact had been made public, he said it was a "mistake." Somehow, the "mistake" of writing a check against the campaign account for charitable purposes never occurred.

Another way political expenses came from this so-called charitable account, which the committee exposed, was the expenditure of money for political advertisements. This came out in the following testimony:

Mr. WALLACE. How would an expenditure to an official of a ward organization occur? Would it be in the form of an advertisement in a program?

Mr. SMITH. Yes.

Mr. WALLACE. In other words, a ward organization would hold a party, and you would have a program and there would be advertisements on the program.

Mr. SMITH. That is right.

Mr. WALLACE. What would the advertisement advertise?

Mr. SMITH. It would be just a mat, and it would state, "The compliments of Herbert C. Paschen, county treasurer."

Senator SPARKMAN. Would there be anything on it to show that it came from this employees welfare fund?

Mr. SMITH. No, there would not, Senator. I never saw one in any way that did.

BANKERS' PAYMENTS TO STATE TREASURERS

The committee questioned four former Illinois State treasurers who allocated the deposit of State funds. All had received cash from bankers of banks with State funds on deposit. Mr. Ora Smith, State treasurer during the years 1949–50, received little from bankers prior to his election, but after he gained control over the deposit of State moneys, he got gifts from bankers desirous of protecting their State deposits ranging up to $700, which amounted, probably, to $20,000. This was developed in the following testimony—hearings, pages 772–773:

Mr. WALLACE. What was the attitude of the bankers toward you, generally, in the process of your campaign? Did they think you would win?

Mr. SMITH. No. They used the term I "didn't have a Chinaman's chance." And I made the statement the lightning might strike—and it did.

Mr. WALLACE. They didn't attempt to contribute to your campaign during the election?

Mr. SMITH. No.

Mr. WALLACE. After you became State treasurer, did their attitude toward you change?

Mr. SMITH. Very much so.

Mr. WALLACE. Did any of the bankers or anyone connected with banks make donations of money to you for use after your election?

Mr. SMITH. Yes. I had donations, but not direct from bankers.

Mr. WALLACE. But how many of these made contributions to you?

Mr. SMITH. I wouldn't know, because they weren't made as bankers. Individuals would always bring the money, not a check, and I always assumed that they were interested in some bank.

Mr. WALLACE. How much would you estimate they contributed to you?

Mr. SMITH. I would say between ten and twenty thousand, somewhere.

Mr. WALLACE. What was the purpose of these contributions?

Mr. SMITH. I assumed that they felt that their deposits would be more secure and they certainly realized I must have had quite a campaign deficit, which I did have.

Mr. WALLACE. Do you recall what the largest donation that you received was?

Mr. SMITH. Well, I kept no record of the donations; no individual record. I would say—really I couldn't tell you exactly what they were. I suppose I received maybe as much as from $500 to $700.

It seems perfectly clear that these contributions were made because of the State deposits. Mr. Smith testified that he complied with requests for deposits of State funds, drawing down on the deposits of other banks in order to do so. As a matter of fact, the banker who refused to contribute to Smith before his election and told him that he did not have a "Chinaman's chance," lost $10 million in State deposits. The following testimony tells what happened—hearings, page 781:

Mr. WALLACE. When you became State treasurer, did the Merchandise Mart Bank in Chicago have $20 million in State deposits?

Mr. SMITH. That is right.

Mr. WALLACE. What did you do with that bank?

Mr. SMITH. Took $10 million.

Mr. WALLACE. Away?

Mr. SMITH. $10 million, from them, yes.

Mr. WALLACE. Had that bank supported your campaign for State treasurer?

Mr. SMITH. It was one bank that told me I didn't have a "Chinaman's chance," one of the banks that I really visited before the election.

Mr. WALLACE. Who was it that told you that in that bank?

Mr. SMITH. Mr. Redfer, who is now retired, and he is back in, I think, Pennsylvania, or some place.

Mr. WALLACE. Did Mr. Redfer protest your decision to withdraw the State deposits?

Mr. SMITH. He objected strenuously. It was entirely out of line for a bank of his size at that time.

Mr. WALLACE. Do you recall how big a bank it was?

Mr. SMITH. I don't recall now. It was entirely out of line and I took it—I tried to be easy with them. I didn't want to tear their window dressing all to pieces. I gave them 30 days' notice. I think I started drawing $500,000 a month, and then went up to drawing $1 million a month until I got it out.

Mr. Smith also received a campaign contribution from Leon Marcus, of the Southmoor Bank, and, after coming to power, increased that bank's deposits from $500,000 to $750,000.

Of course, a clearcut case of a payment in return for a lucrative public deposit would be bribery; but to prove bribery, a prosecuting attorney would have to prove intent. This is virtually impossible. The banker can maintain that his gift was a legitimate campaign contribution, and that he would have made it whether or not he had public deposits at his bank. Moreover, the public official need maintain merely that his allocation of the deposit had nothing to do with the gift. One banker, Henry J. Beutel, who was the president of the old Elmwood Park Bank, cut through this smokescreen and said flatly that the contributions he made were strictly for more public deposits or to hold on to those he had. Having no money of his own, he took the bank's money to make these payments, and was convicted of misapplication of funds.

The committee received corroborative evidence on two points Beutel made: (1) That he received what amounted to solicitations for contributions based on State deposits in his banks, and (2) that he had, in fact, made such a contribution.

Beutel declared that he had been visited by a Mr. Lester Klick, of the State treasurer's office, and subjected to what amounted to a "shakedown." Testimony on this point follows—hearings, page 447:

Mr. BEUTEL. Because at the time that I was with Mr. Klick on the occasions that I was with him, he had a list of all the State funds that were on deposit in all of the State banks or in all of the banks. At least it appeared so. I knew at the time that he turned to a page and he looked at Belmont National Bank. He said, "You have $700,000, and I think a contribution of so much would be in order."

Senator SPARKMAN. He had a list of banks throughout the State that had deposits?

Mr. BEUTEL. I only saw one page, but on that page were a list of banks with the deposits with the State on.

Senator SPARKMAN. Did he suggest that the contribution be based on the percentage of the—or in relation to the amount on deposit?

Mr. BEUTEL. Well, it—he didn't suggest percentage. He said, "Well, I think that on the basis of your deposit that your contribution should be either $800 or $1,000 this time."

Senator SPARKMAN. And you made the contribution?

Mr. BEUTEL. And I made the contribution.

Senator SPARKMAN. In what form?

Mr. BEUTEL. Cash.

Senator SPARKMAN. Did he solicit contributions from you more than one time?

Mr. BEUTEL. Yes.

When Klick testified before the committee, he admitted that he "worked" some 500 or 600 banks—that is, he would call on them. He denied "soliciting" money, but he told bankers that if they did not "make some gesture as to trying to save their deposits, they'd lose it." When asked if he did not think that the suggestion of making "some gesture" might be interpreted as a solicitation, Klick admitted that he could "understand how it might be" and that "it did result in contributions being made"—hearings, pages 932 to 933.

OFFICIAL STATE REPORT SUPPORTS AMENDMENT

Support for the prevention of payments to officials who allocate public deposits was included in the Morey-Jenner report to the Illinois Budgetary Commission. This report, based on independent audit and investigation of the Hodge financial transactions, stated:

> Testimony before the United States Senate Committee on Banking and Currency established that political contributions were made by financial institutions; chiefly through individuals having official position with the institutions; that in some instances the individuals are reimbursed by the institutions; that in some few instances the contribution is made by the institution itself; that there is a practice whereby contributions are made even though no campaign is in progress; and that in some cases the contributions bear some percentage relation to public funds on deposit.
>
> Those who testified before the Senate committee with one exception stated that the contributions were not for the purpose of influencing the exercise by the public official of his discretion with respect to the deposit of public funds or of private trust funds.
>
> The distinction between "intent" to influence official opinion, decision or judgment on the one hand and the making of a good faith political campaign contribution on the other is often difficult to draw, and virtually impossible to prove. Criminal statutes are properly given strict construction.
>
> The very least that can be said is that contributions by or identifiable with financial institutions, directly or indirectly, may be subject to misconstruction. Furthermore, they breed public suspicion.

The report then concludes:

> The existing practices and customs especially as they involve financial institutions and public officials having custody of public funds or private funds in trust are disruptive of the public in trust. Inability to distinguish between good and bad faith intent or motive dictates that all contributions or payments of any kind by, through, on behalf of or identifiable with financial institutions, directly or indirectly, to, or for the benefit of a public official, or candidate for an office, having custody or control of public funds or private funds in trust be prohibited. (Reports and Recommendations to Illinois Budgetary Commission, December 7, 1956, pp. 75 (a), 75 (b).)

PAYMENTS TO SUPERVISORY OFFICIALS

Gifts to public officials based on publicly controlled deposits are not the only evil which the committee's Hodge investigation exposed. Others, at least as bad, are gifts and contributions to those who supervise banks and savings and loan associations. Although Hodge used his influence to get State deposits for banks, he, himself, had no power to allocate such deposits. He did, however, have the power to examine and close State banks and savings and loan associations, including those insured by the Federal Government. He also had the power to grant charters to new banks and savings and loan associations.

Hodge denied one application for a new bank which his fellow conspirator, Hintz, opposed because it would be competitive with the Southmoor Bank. However, he granted a charter to a new bank which J. Roy Browning was interested in. Browning was an attorney, who gave Hodge $35,000, which he had received from the Union Electric Co., of St. Louis, for lobbying.

Mr. C. Oren Mensik, president of the City Savings and Loan Association of Chicago, and a member of the board of directors of Hodge's Elmwood Park Bank, contributed $3,000 to Hodge. As we have pointed out, the savings and loan association of which he was president made loans to Hodge, but, worse, this federally insured institution itself gave Hodge $6,800 in cash for political advertising. In return, Hodge helped to lobby through the State legislature a bill to permit private stock savings and loan associations, and gave Mensik charters for two new private stock savings and loan associations.

PRECEDENTS FOR RESTRICTIONS ON UNSOUND PRACTICES

In prohibiting persons connected with federally insured financial institutions from making contributions to certain public officials, we would merely be adding another restricted practice to those already listed in the law. For example, officers, directors, and employees of all FDIC-insured banks are already prohibited from:

1. Making loans or gratuities to examiners, whether State or Federal (18 U. S. C. 217);
2. Accepting gifts for procuring loans (18 U. S. C. 220);
3. Stealing a bank's funds (18 U. S. C. 656); and
4. Making false entries (18 U. S. C. 1005).

Actually, our amendment merely applies the same restrictions on gifts to public regulatory or depositing officials as already apply to bank examiners.

That federally insured banks or savings and loan associations should give payoffs to political officials who have the power to grant or withhold valuable favors is an indefensible situation.

The prohibitions we suggest would remove the temptation of the banker or savings and loan officer to try to influence public officials, and also the temptation of the treasurer, auditor, or other like officeholders or candidates for such an office, knowing that he has favors to grant or withhold which are of great value to bankers, to solicit political contributions or even personal gifts.

The removal of temptation is one of the best means of preventing an improper practice. And in the face of the obvious inadequacy of existing State laws, and the fact that the institutions affected are federally insured, the proposed amendments of the Federal law would seem justified.

Mr. CARLSON. Mr. President, will the Senator yield for 2 or 3 questions?

Mr. FULBRIGHT. Certainly.

Mr. CARLSON. I have not had the opportunity to study the bill very closely. It consists of some 250 pages. Immediately after receiving the bill and a copy of the report from the committee, I submitted them to the Kansas bankers and their legislative representative, and I received a letter in reply stating that they were pleased with the work of the committee. Everything seemed to be in order. However, since that time I have received two telegrams today in regard to section 23, which deals with the disclosure of stock ownership. I have been reading that section since I received these telegrams. I should like to read one of the telegrams which I have received with regard to this section, from the executive secretary of the Kansas Bankers Association, at Topeka, Kans. The telegram reads as follows:

TOPEKA, KANS., *March 14, 1957.*

Senator FRANK CARLSON,
United States Senate Office Building, Washington, D. C.:

Re S. 1451. Objection strongly expressed to new provisions in section 23 of title 1 making various requirements of owners of stock and transferees respecting beneficial interests therein. This would be unduly burdensome and difficult of complete compliance by many concerned.

RED M. BOWMAN,
Executive Secretary, Kansas Bankers Association.

Another telegram has been received from Mr. J. E. Merriam, president of the Central National Bank & Trust Co. of Topeka, Kans. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TOPEKA, KANS., *March 14, 1957.*

Hon. FRANK CARLSON,
United States Senate, Washington, D. C.:

It is my belief that Senate bill 1451 including Bush amendment is good and desirable legislation. I hope you will find it possible to favor it.

J. E. MERRIAM,
President, Central National Bank & Trust Co.

Mr. CARLSON. I should like to ask the chairman of the committee if a thorough study was made of this particular section, and if hearings were held on it. Will the chairman kindly explain to me just what it does, and why bankers are complaining about it?

Mr. FULBRIGHT. Let me go back for a moment. The origin of the provision, I believe, was the situation in which Mr. Hodge owned a very large amount of stock in the Elmwood Park Bank—about 40 percent, I believe—but had it registered under a phony name—a designee, so to speak. He was the auditor of the State, which, in that State, includes the power of most bank commissioners; namely, the power of supervision of the banks. However, he had this disguised interest. That was the origin of the

particular provision, and that is the reason for bringing it up at this particular time. However, there are other factors involved, in addition to the exclusion of such a situation as the disguising of the interest of the supervisory authority.

There is a problem which has arisen not only with banks, but in connection with industrial enterprises, dealing with the ascertainment of who holds the beneficial ownership. As a matter of fact, that question is now in controversy in connection with a well known proxy fight. It impinges on the same question, namely: Is it not in the public interest to know who holds the beneficial ownership of the stocks in all corporations, and especially in banks, which are affected with a peculiar fiduciary relationship to the public?

At the present time, when a bank applies for a charter, the Comptroller of the Currency, in the case of national banks—and I think the same would be true of the FDIC in the case of federally insured State banks—goes over the proposed list of stockholders very carefully, and in many cases rejects an application for a charter because he does not feel that the stockholders are proper, for one reason or another. Special scrutiny is given to the proposed owners.

It seems to me quite logical that if it is a matter of such importance in connection with granting a charter, it is also important at least to know who is interested in the ownership of a bank as it continues its existence. If there is any merit at all in the comptroller being so careful about who is to start a bank, why is there not merit in ascertaining who owns it after it is started? That is a part of the logic behind this proposal. It is important to know the facts. The committee voted 11 to 3, I believe, in favor of this particular amendment.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. Certainly.

Mr. BUSH. Let me say for the benefit of the Senator from Kansas [Mr. CARLSON], who made the inquiry with respect to section 23, that as soon as I can obtain the floor I shall argue in favor of an amendment to strike it out. I shall attempt to present to Senators, through the RECORD, what the opposition is, and why there is such strong opposition to that section.

Mr. FULBRIGHT. I realize that there is a controversy. There is no doubt that it would involve some burden on the banks. It is a question of balancing the good features against the objectionable features.

Some of us recommended prohibition of ownership of bank stock by officials who have supervisory authority over banks. However, it seems to me that a requirement for the revelation of the information would perhaps be more acceptable, and would accomplish the same object. I believe that if revelation of the ownership had been required in the Illinois case, so that the public might know who owned the stock, that would have had the effect of prohibiting such ownership. The individual in question would not have dared to engage in this kind of dealing with the bank stock had the information been made public.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CARLSON. I wish to express my appreciation to the distinguished chairman of the committee. As I have stated, I am not familiar with the bill. In the first place, I do not follow the activities of the Committee on Banking and Currency very closely. I depend upon the committee members and the reports. That is the reason why I brought up this question. My first impression of the position of the bankers in my State was that there was no objection to the bill. However, today I have received the telegrams to which I have referred, and I am somewhat concerned. I sincerely hope that before we take final action there may be some debate on this particular section, so that we may know what is to happen to it.

Mr. FULBRIGHT. The Senator has been assured on that point, I think, by the statement of the able Senator from Connecticut.

Actually I played a very small part in the consideration of the bill. The Senator from Virginia [Mr. ROBERTSON] introduced the bill and followed it through very carefully, beginning last fall, within a few days after the election, with hearings. I think I can assure the Senator that the committee, and especially the subcommittee, has been extremely careful in evaluating the various provisions in the bill. It is a long bill, and certainly the Senator is quite within his rights and his duty when he raises a question about such a provision as this. No one pretends that the bill is perfect. It is a very involved bill. I should certainly welcome such debate as the Senator has suggested.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CARLSON. As I understand, the bill is a recodification of the banking laws.

Mr. FULBRIGHT. The Senator is correct.

Mr. CARLSON. Having participated to some extent in the writing of the Revenue Act of 1954, which became about as large as a catalog, I know some of the problems involved in this field, which is a large field.

Mr. President, if the Senator will further yield, I have 2 or 3 additional telegrams which I should like to make a part of the RECORD.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Did not the Senator from Kansas request that the telegrams to which he referred a moment ago be printed in the RECORD?

Mr. CARLSON. The Senator from Kansas made such a request. In addition, I am about to send forward several more telegrams, one of which I shall read. It is typical of many which I have received. It reads as follows:

WICHITA, KANS.

FRANK CARLSON,
Senate Office Building,
Washington, D. C.:

We receive no subsidy from the Government nor any funds, therefore we oppose provision in S. 1451 giving power to set loan limit to director of Credit Union Bureau and requiring outside audit in addition to present examination, would favor CPA audit in place of present examination.

JOHN M. MICHENER,
Treasurer, Kansas Federal Credit Union.

Mr. President, I ask that several additional telegrams which I have received be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

KANSAS CITY, KANS.,
March 9, 1957.

Senator FRANK CARLSON,
Senate of the United States,
Washington, D. C.

The 10 officers of the Central Baptist Seminary Federal Credit Union in Kansas City, Kans., respectfully request you to urge an amendment to Senate bill 1451 altering these two undesirable provisions: the one giving the Director of the Bureau of Federal Credit Unions power to set limit on size of loans, and the other requiring that the larger Federal unions be required to have annual audits conducted by public accountants not Federal employees. These proposals limit rights of democratic self-government and impose needless expense.

ERIC G. HADEN,
President Central Baptist Seminary Federal Credit Union.

HUTCHINSON, KANS., *March 9, 1957.*

Senator FRANK CARLSON,
Senate Office Building,
Washington, D. C.:

We urge that you use your utmost influence in opposing title U of the financial institution pact of 1957. The maximum loan limit under present law has proved satisfactory placing the power of limiting the size of loans in the hands of one individual is undemocratic. The present system of examination by Bureau of Federal Credit Union has proved effective and satisfactory. Additional audits by outside firms should be left to the decision of the credit unit.

RENO CO-OP FEDERAL CREDIT UNION.

Mr. CARLSON. I am sure that the chairman of the committee is familiar with some of the complaints. We have received a large number of telegrams. I wonder if the chairman can advise me whether any provision is being considered to change this provision so as to take care of the situation described.

Mr. FULBRIGHT. I am informed that the chairman of the subcommittee, the Senator from Virginia [Mr. ROBERTSON], intends to offer an amendment with regard to the audit provisions which are referred to in that telegram.

Mr. CARLSON. I have every reason to believe, then, that the matter will receive full consideration before the bill is finally passed.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ALLOTT. Will the Senator direct his attention to the credit-union provision? I presume the amendment to which the Senator is referring to, which will be submitted by the Senator from Virginia [Mr. ROBERTSON], deals with the discretionary power with respect to an audit in the credit-union portion of the bill.

Mr. FULBRIGHT. That is correct.

Mr. ALLOTT. I should like to ask a question of the Senator from Arkansas. The language in the act is some-

what obscure, particularly as I read section 15, dealing with credit unions. That is found at page 235. I assume that the Director could, under that provision, fix a lesser amount or percentage of loan in any category of loans, no matter what the size of the credit union. I should like to have the fact established legislatively that that is the purpose of the language.

Mr. FULBRIGHT. The Senator is correct. I am also informed that the Senator from Alabama [Mr. SPARKMAN] will submit an amendment to clarify the situation in that respect.

Mr. ALLOTT. The reason I asked the question is that in reading the report it seems to me to raise the confusing idea that the language might apply only when the paid-in unimpaired capital and surplus is $2,000 or less.

I wished to make sure of that. If that be true, and I have been assured that it is, what is the reason for the adoption of such a restriction with respect to credit unions?

Mr. FULBRIGHT. I will say to the Senator that I am informed by the staff, that the present rate is 10 percent of a credit union's unimpaired paid-in capital and surplus. The language that has been added is:

or such lesser amount or percentage as may be established pursuant to regulations prescribed from time to time by the Director.

Mr. ALLOTT. Did another member of the committee handle this particular subject?

Mr. FULBRIGHT. I did not handle this particular subject. I was trying to utilize the knowledge of the staff. The Senator from Virginia [Mr. ROBERTSON], who is unfortunately not in the Chamber at the moment, handled this section.

Mr. ALLOTT. Perhaps we can wait until he returns to the floor to ask him about this section. I realize that the bill covers an extensive subject matter.

Mr. FULBRIGHT. It is a very large bill, of course.

Mr. ALLOTT. And I did not know which Senator handled this particular matter.

Mr. FULBRIGHT. The staff has informed me as to that particular point. The addition, of course, was the latter part of the language I read.

Mr. ALLOTT. I am well aware of what it does. It is restrictive in nature.

Mr. FULBRIGHT. It is considered to be restrictive. It is a matter of discretion for the director and it could be restrictive.

Mr. BUSH. Mr. President, I wish to express my appreciation to the Senator from Arkansas [Mr. FULBRIGHT] for his patience in dealing with all the questions we have raised concerning his amendment. I believe all of us benefited from the discussion which the Senator from Arkansas led this afternoon in connection with the matter.

For the same reason which caused him to explain his amendment, I wish to speak on my amendment. The purpose of my amendment is to strike from the bill section 23, which is the disputed section the Senator from Kansas [Mr. CARLSON] mentioned a few moments ago.

First I should like to read section 23 on page 17 of the bill:

SEC. 23. Disclosure of stock ownership

The record owner of any stock in any national bank shall, within 90 days after the enactment of the Financial Institutions Act of 1957 or within 30 days after becoming such record owner, whichever is the later, notify the bank in writing of the name of any person or persons having a beneficial or equitable interest in such stock. In the case of stock held in a trust, this requirement may be satisfied by filing a copy of the trust instrument with the bank. Any change in the person or persons having a beneficial or equitable interest in any such stock, except pursuant to any trust instrument which is on file as herein provided, shall be promptly reported to such bank by the record owner. The transferee of any such stock shall, within 30 days after such transfer, cause his name to be listed as the record owner thereof. Any person convicted of any willful violation of this subsection shall be fined not more than $5,000.

Similar sections apply to members of the Federal Reserve and members of the FDIC.

I have had the pleasure of being a member of the committee which considered this proposed legislation, and I helped to prepare it. I may say, respecting this particular provision, that a very important point to consider is that no hearings were held on it, or the substance of it. No member of the banking fraternity had an opportunity to testify regarding the proposal, and no agency of the Federal Government—the Federal Reserve Board, FDIC, or the Comptroller of the Currency—was invited to testify, in fact no opportunity was afforded anyone to testify.

The provision was offered in executive session—and I think it was the last executive session of the committee—and it was adopted by the committee at that session by a rollcall vote.

I am sure that some of the members of the committee who voted in favor of the amendment have changed their views and will reverse their positions when they have an opportunity to do so on the floor of the Senate.

The main point I wish to make is that no hearings have been held and no opportunity has been given to interested parties to testify regarding this section of the bill.

This is no small matter. It is a matter of very vital concern to a great many people. I have before me, for instance, a letter from Mr. Earl Cocke, president of the American Bankers' Association, which I read:

THE AMERICAN BANKERS ASSOCIATION,
Atlanta, Ga., March 13, 1957.

The Honorable PRESCOTT BUSH,
United States Senate,
Washington, D. C.

DEAR SENATOR BUSH: I am enclosing herewith a brief preliminary analysis of the provisions in S. 1451, the proposed Financial Institutions Act of 1957, with respect to disclosure of stock ownership of bank stock. Inasmuch as these provisions in the bill were not subject to public hearings, there was no opportunity for the interested and affected parties to offer testimony thereon, and, further, there was no advance notice which would have afforded an adequate opportunity to make a close and detailed study of such provisions. However, in the limited time since the bill has been available for public examination, we have attempted to outline some of the areas of routine bank operations which would be seriously affected by these provisions. Even on the basis of the limited present analysis, it is clear to us that these provisions would raise serious legal, operating, and administrative problems for the banks, without, at the same time, necessarily accomplishing the apparently intended purpose of these provisions.

I sincerely regret that we have not had ample time to give these provisions the extended analysis such technical provisions require in the interest of sound legislation.

I am taking the liberty of bringing this matter to your attention in the hope that you may have the opportunity to present it to the Senate. Your cooperation will be greatly appreciated.

Sincerely,

EARL COCKE.

The letter is written on the stationery of the American Bankers Association, apparently from his office in the Fulton National Bank, Atlanta, Ga., of which, I believe, he is one of the senior officers, if not the senior officer.

In addition to that, Mr. President, Mr. Cocke gave me a memorandum. I shall not take the time of the Senate to read the memorandum, but I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

The provision of the proposed Financial Institutions Act requiring disclosure of beneficial or equitable interests in bank stock raises serious legal and operating problems for banks and imposes burdens on the record owners of bank stock which are not imposed on the record owners of other corporate shares. It would appear and it is so vague and indefinite as to be unenforceable. It will abrogate rights arising under State laws.

The provision in the bill is vastly more stringent than the provisions of law administered by the Securities and Exchange Commission, wherein the burden of reporting is imposed on the beneficial owner and the report of such interest is made to the Commission and not to the issuing corporation. Further, the SEC provisions apply only to persons having a substantial interest. Under the proposed Financial Institutions Act the burden is on all record stockholders without limitation and the report of beneficial or equitable interest by the record owner is required to be made to the bank.

Mr. BUSH. Under the bill only record bank stockholders incur onerous, and under some circumstances, impossible reporting requirements and are faced with heavy criminal penalties in the event of noncompliance.

The provisions of the Uniform Stock Transfer Act in force in many States, and of similar statutory enactments in other States, will not protect a bank or transfer agent which has been put on notice of beneficial or equitable interests in persons other than the stockholder of record. For example, it is a widespread business practice for trustees, acting under testamentary or living trust agreements, to hold stock in the name of a nominee in order to facilitate the operation of the trust and the transfer of shares. Shares are freely purchased and sold by such nominees and transferred under the protection of the Uniform Stock Transfer Act upon presentation of the stock certificate properly endorsed by the record owner. Section 1

of the Uniform Stock Transfer Act protects the corporation and its transfer agents as well as the transferee of the shares in such cases.

Where a bank has actual knowledge, resulting from notice or from the receipt of a copy of the trust instrument, it cannot transfer such shares from the name of the nominee without ascertaining the powers of the trustee and in many instances obtaining the approval of the beneficiaries of the trust to the transaction. See Fletcher on Corporations, sections 5545, 5540; *First National Bank* v. *Pittsburgh F. W. & C. Ry. Co.* (31 F. Supp. 381). In any such case the bank would act at its peril in permitting a transfer of its shares and in many cases would be forced to require a court order before permitting a transfer of shares if for no other reason than to protect itself against claims of minors and persons under legal disability, unborn issue, and other trust beneficiaries unable to give their valid consent to the transfer of bank shares.

In many instances, it would not be possible to determine the existence or extent of outstanding beneficial interest without litigation. For example, questions frequently arise as to the completeness of a gift of corporate stock in cases where the donor remains in a position to control the stock. It is frequently the case that a parent will transfer shares of stock by opening an account with his broker in the name of his wife or child to whom he intends to make a gift, retaining the right to control operations in the account. Stock in such instances is held in the name of a nominee for the broker who may actually have little actual knowledge of the transaction and who would be in no position to make a legal determination as to whether the gift has been technically completed and whether the donor or donee, in our illustration, is the beneficial owner of the stock. Similarly, the beneficial interest of a wife in shares standing in the name of her husband, residing in a community property State, can seldom be determined prior to divorce or the death of the husband. In most such cases the extent of her beneficial interest, if any, would be of little consequence except as compliance with this act would make such a determination necessary in the case of bank shares.

Where a bank shares are accepted as collateral for a loan, there is a transfer of a "security title" which is an absolute assignment, in form, and is certainly a beneficial interest in the shares assigned although in the nature of a conditional transfer of title. Not only would the disclosure of this beneficial interest in the lender be onerous to the stockholder borrower but under the next to the last sentence of subsection (c) of section 23 of the bill literal compliance would require either that loans collateralized by bank stock be limited to a 30-day term or that the stock be registered in the name of the lender 30 days after the extension of credit and assignment of the bank stock as collateral. It is to be noted that this provision is an obligation of the lender and not of the stockholder in default of which the criminal penalties will apply.

Under the court decisions of most of the States, a corporation is not bound to look beyond its books to determine who is entitled to dividends but may safely pay them to its registered shareholders. It will be protected in making such payments notwithstanding transfers of beneficial interests outstanding before the dividend was declared which were not entered on its books and of which it had no notice. Section 3 of the Uniform Stock Transfer Act preserves this common law protection. If the corporation has notice that persons other than the stockholder of record are beneficially interested and it pays the dividend to the person appearing on its books as the owner, it remains liable for such payment to any person beneficially entitled thereto even if the stock is assigned merely as collateral and notwithstanding the failure of the assignee or persons beneficially interested to have the stock transfer registered. See Fletcher on Corporations, sections 5499 and 5504 and cases there cited. Where a bank must be put upon notice of outstanding beneficial interests or equitable interests in persons other than the owner of record of its shares, it will pay dividends or permit the voting of its shares at its peril.

It is obvious from the foregoing that even if compliance with the act should be possible it will largely increase the risks falling upon banks in their relationship with their stockholders, will be productive of litigation and for many reasons will make bank stock a less desirable investment for shareholders than stock in other corporations.

Mr. FULBRIGHT. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. FULBRIGHT. Aside from the situation which I mentioned a moment ago of Mr. Hodges holding some 40 percent of the stock of a certain bank, there is under very active consideration the problem of ownership of corporations generally in this country. There is developing, I sense from the fight going on in one of the big industrial enterprises—and we had the same thing last year in the Montgomery Ward case, and I believe the Senator from Connecticut had one in his State——

Mr. BUSH. That is correct.

Mr. FULBRIGHT. I sense that there is a rising feeling, an increasing feeling, that not only the ownership of banks but of corporations generally should be made a matter of public knowledge. Gangsters should not be able to move in on legitimate American business and gain control without anyone knowing about it. If that is true of ordinary enterprises, it is doubly true of a banking enterprise which, as I have stated, has a fiduciary relation to the public.

Mr. BUSH. Mr. President, I am glad that the Senator from Arkansas has raised that point. I was going to raise it myself. I am grateful to him, and I think it was very appropriate for him to raise it when he did. But agreeing fully that this is a subject of the moment and that careful consideration of the whole question of disclosure of ownership is important for many reasons, including the possibility of avoidance of the tax laws of the United States, and other reasons, I submit that the place for this type of provision is not in a recodification of the banking laws, but in connection with the Securities and Exchange Act.

May I invite the Senator's attention to the fact that one of the subcommittees of his committee which is presided over by the distinguished occupant of the chair [Mr. LAUSCHE] has now got this subject in hand, and, as a member of the subcommittee, I can assure the Senator from Arkansas that there will be some interesting developments as a result of the work of the subcommittee headed by the distinguished Senator from Ohio. I assure him and the chairman of the full committee that they will have my full cooperation.

I am not sure that banks should be treated any differently from other businesses enjoying the markets of the United States. It has been presumed that they would have to file statements such as other corporations do, but for some reason they do not want to do it. I think it is a matter which should be dealt with and considered fully, but I do not think it is appropriate here to slip into a large bill of this kind a matter involving stock ownership when there is not before the committee a single shred of testimony in favor of the provision. Not one banker has endorsed it. In addition to that, it is opposed by the FDIC and the Comptroller of the Currency.

So I think the provision should be deleted from the bill and referred back to the Banking and Currency Committee.

Mr. MONRONEY. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. MONRONEY. I must disagree most violently with the Senator from Connecticut. To my personal knowledge, there was more mention of it in the committee than of nine-tenths of the other provisions. I do not see how the Senator from Connecticut can say it was slipped into the bill. Granted, it was not dictated as a part of the bankers' ideas of what should be in the bill. But does not the Banking and Currency Committee of the United States Senate have some ideas on a question so important as this? We can do no one any harm by asking about the ownership of banks. That is all the provision does. We took out a little of the surplusage in connection with the list, but it says that the list should contain an accurate, truthful account of who owns the bank in which the people are going to deposit their money. It is not like buying a garage. The people who are going to deposit their money in the bank are entitled to know whether there is a racketeer connected with the ownership of it, or whether some fellows have been given an easy ride with a supervisory official who may own a controlling block of stock.

I have talked to many persons, including the distinguished president of the American Bankers Association, who say it might be a little more trouble, but they can see no reason for not being asked to report the facts. I think they would be putting themselves in an untenable position by not wanting the facts to be required by law.

Mr. BUSH. Mr. President, I have yet to see any letter or endorsement of any kind which favors the retention of this section in the bill.

Mr. MONRONEY. Much as I respect and admire the distinguished Senator from Connecticut, I am not of the opinion that the United States Senate should never consider any piece of proposed legislation unless it is recommended by the American Bankers Association, or by the stock market, or some other organization concerned with the bill. I think the tens of millions of American depositors who are represented by the Senate are entitled to insist on protection in connection with the accuracy, reliability, and truthfulness of those who constitute the ownership of our great financial institutions.

Mr. BUSH. Mr. President, in answer to that, I would simply observe that the committee went to great pains to give the bankers of the country and others interested an opportunity to testify. They had opportunity after opportunity. But this particular item, unless my memory fails me, was not considered by the committee until it went into executive session, and no witness has had an opportunity to testify concerning it. In spite of what the distinguished Senator from Oklahoma says, I believe the practice of the Senate, and, certainly, of the committee, since I have been a member of it, has been, when there is pending an important piece of proposed legislation which affects any great industry of the country, to give interested persons an opportunity to testify.

If it happens to be an industry in connection with which we have supervisory agencies, we call representatives of the agency and have them testify.

The Comptroller of the Currency says, in a letter dated February 25:

> We believe this alternative language is preferable to that enclosed with your letter. However, this office is opposed to adoption of either of these suggestions, as we do not believe that the merits of such legislation would justify the substantial amount of additional work which would be required of bank stockholders and the banks by these criminal provisions. Furthermore, we believe that either of the proposals would leave undesirable loopholes, and we are unable to devise on short notice any practicable means of eliminating all possibility of evasion.
>
> The proposal might serve to discourage investment in bank stock by many desirable investors, including those holding stock in a fiduciary capacity. In many cases the burden of furnishing to a bank a list of all the beneficiaries of a trust or the undesirability of filing with the bank a copy of the trust instrument will, in our opinion, cause trustees to consider avoiding investing in bank stocks. We have encountered no problems in determining the true names of substantial holders of national bank stock.

In other words, there is no evidence that there is a problem, so far as the Comptroller of the Currency is concerned. Mr. Gidney continues:

> We are not vitally concerned with small holders of such stock. Consequently, we urge that the committee not adopt either of these proposals. If, however, the committee decides to proceed, we recommend that the proposed law be binding only on the owner or owners of 10 percent or more of the stock of a national bank.

Of course, if that provision were in the bill, the bill would then conform with the reporting regulations for most corporations which use the security markets of the United States.

The Federal Reserve System also has sent a letter to Mr. Rogers, under date of February 26, 1957. It reads, in part, as follows:

> The Board wishes respectfully to suggest that the provision not be incorporated in the bill unless there has been an opportunity for careful study by those who might be affected. It is possible that the burdens on many law-abiding citizens who may be beneficial owners of bank stocks would be so great as to outweigh the contemplated advantages of the proposal.

In the next paragraph they say:

> We are aware of the provisions of section 16 (a) of the Securities and Exchange Act of 1934 * * * which require the beneficial owners of more than 10 percent of any registered security and every director or officer of the issuer of such a security within 10 days to file a statement with the securities exchange and with the SEC of the amount of such security owned by him. Although we have not had an opportunity to consult with the SEC with respect to this matter, it is possible that some disclosure provision of this kind might be explored as an alternative approach to the problem which the Banking and Currency Committee has in mind.

Mr. President, I may say that prior to the entry onto the floor of the distinguished Senator from Illinois [Mr. DOUGLAS], this matter was discussed with the chairman of our committee. I made the point then, and I make it again, that the place for this type of proposed legislation would be in connection with SEC legislation. I suggest that the whole matter should be referred back to the Committee on Banking and Currency and to the subcommittee over which the distinguished Senator from Ohio is now presiding very vigorously.

I also have a letter from the Federal Deposit Insurance Corporation, in which they express disapproval of this section. I shall not read all of the letter, but merely parts of it. It is dated February 26, 1957, and was written by Mr. H. E. Cook, chairman. He says, in the middle of paragraph 3:

> Since it is most important that banks be properly capitalized, we counsel against proposals that will make holdings of bank stock unattractive.

That, Mr. President, is what the FDIC thinks this provision will do.

In the fifth paragraph, Mr. Cook says:

> You should be aware that neither of the proposals completely forestalls the circumvention of the intention of the legislation. As suggested at the conference, the device of an individual lending to an associate substantial sums on short terms for the purchase of bank stock, the loan being in an amount beyond the ability or capacity of the borrowing associate to repay, is a means of avoiding full disclosure. Likewise, the device of option escrow agreements is another means of escaping disclosure.

In the next paragraph, Mr. Cook says, in part:

> However, we believe that the provisions of this proposal place burdens on both stockholders and banks alike which would discourage, in many instances, the investment of funds in bank stock. Thus, it is our conclusion that the benefits to be obtained by the proposal would not outweigh the general disadvantages resulting from its enactment.

Mr. President, I ask unanimous consent that all three of these letters, in full, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY,
Washington, February 25, 1957.

DONALD L. ROGERS, Esq.,
Senate Banking and Currency Committee, United States Senate, Washington, D. C.

DEAR MR. ROGERS: This is in reply to your letter of February 25, 1957, in which you request our views on a proposed amendment to the Financial Institutions Act of 1957 which would make it unlawful for the owner of stock of any national bank to list on the stock transfer book of a bank any other name than his own as the owner of the stock and make unlawful the use of the name of a nominee or a stockbroker. In a meeting with members of your staff alternative language was drafted. It is our view that the alternative language would more adequately accomplish the purposes sought. It reads as follows:

"The record owner of any stock in a national bank shall, within 90 days after the enactment of the Financial Institutions Act of 1957 or within 90 days after becoming such record owner, whichever is later, notify the bank in writing of the names of any person or persons having a beneficial or equitable interest in such stock. In the case of stock held in a trust this requirement may be satisfied by filing a copy of the trust instrument with the bank. Any change in the person or persons having a beneficial or equitable interest in any such stock, except pursuant to any trust instrument which is on file as herein provided, shall be promptly reported to such bank by the record owner. The transferee of any such stock shall, within 30 days of such transfer, cause his name to be listed as the record owner thereof. Any person convicted of any violation of this subsection shall be fined not more than $5,000 or imprisoned not more than 1 year, or both."

We believe this alternative language is preferable to that enclosed with your letter. However, this office is opposed to adoption of either of these suggestions, as we do not believe that the merits of such legislation would justify the substantial amount of additional work which would be required of bank stockholders and the banks by these criminal provisions. Furthermore, we believe that either of the proposals would leave undesirable loopholes, and we are unable to devise on short notice any practicable means of eliminating all possibility of evasion.

The proposal might serve to discourage investment in bank stock by many desirable investors, including those holding stock in a fiduciary capacity. In many cases the burden of furnishing to a bank a list of all the beneficiaries of a trust or the undesirability of filing with the bank a copy of the trust instrument will, in our opinion, cause trustees to consider avoiding investing in bank stocks. We have encountered no problems in determining the true names of substantial holders of national bank stock. We are not vitally concerned with small holders of such stock. Consequently, we urge that the committee not adopt either of these proposals. If, however, the committee desires to proceed, we recommend that the proposed law be binding only on the owner or owners of 10 percent or more of the stock of a national bank.

Sincerely yours,

RAY M. GIDNEY,
Comptroller of the Currency.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, February 26, 1957.

Mr. DONALD L. ROGERS,
Counsel, Committee on Banking and Currency, United States Senate, Washington, D. C.

DEAR MR. ROGERS: Receipt is acknowledged of your letter of February 25, 1957, enclosing a copy of an amendment to the proposed Financial Institutions Act of 1957 now before the Senate Banking and Currency Committee. We have also seen the revised copy prepared by the staff of the Banking and Currency Committee yesterday afternoon. You state that the intent of the proposal is to disclose the actual ownership of stock in national banks, State member banks, and nonmember insured banks.

It is understood that the use of nominees in connection with the ownership or transfer of stock of many corporations, including banks, is a common and widespread practice. This practice occurs particularly in connection with stock held in a fiduciary capacity where the title is in the fiduciary and beneficial ownership in the beneficiaries of the trust. Without an opportunity to give the matter further study, the Board does not feel that it is in a position to weigh the relative advantages and disadvantages of these practices. However, it is possible that this proposal would create serious practical problems in the transfer or the ownership of bank stock held in fiduciary capacities and might tend to discourage the holding of bank stock in this manner.

The proposal as submitted with your letter and the revised draft may well have effects that cannot be immediately seen and, since the provision is not one which has been included in the bill heretofore, the Board wishes respectfully to suggest that the provision not be incorporated in the bill unless there has been an opportunity for careful study by those who might be affected. It is possible that the burdens on many law-abiding citizens who may be beneficial owners of bank stocks would be so great as to outweigh the contemplated advantages of the proposal.

We are aware of the provisions of section 16 (a) of the Securities and Exchange Act of 1934 (15 U. S. C., sec. 78p), which require the beneficial owners of more than 10 percent of any registered security and every director or officer of the issuer of such a security within 10 days to file a statement with the securities exchange and with the SEC of the amount of such security owned by him. Although we have not had an opportunity to consult with the SEC with respect to this matter, it is possible that some disclosure provision of this kind might be explored as an alternative approach to the problem which the Banking and Currency Committee has in mind.

Sincerely yours,

WM. MCC. MARTIN, JR.

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, February 26, 1957.

Mr. DONALD L. ROGERS,
Committee Counsel, Banking and Currency Committee, United States Senate, Washington, D. C.

DEAR MR. ROGERS: In your letter of February 25, you have requested that we give consideration to a proposed amendment to the Financial Institutions Act of 1957, having as its general purpose the disclosure of actual ownership of stock in national banks, State member banks, and nonmember insured banks. Since time was short, we have not had an opportunity to present this matter to the board, but we do give you herewith our comments after a hurried study of the proposal.

Our attention has been called to the fact that you and members of your staff, together with representatives of the three Federal supervisory agencies, met yesterday afternoon and drafted a second proposal to be substituted in lieu of the proposal submitted with your letter.

At the outset, may we say that we are in complete sympathy with the proposition that it would be advantageous to the supervisory agencies if satisfactory legislation could be enacted that would require a full and prompt disclosure of actual or beneficial ownership of stock in insured banks. However, we are doubtful whether any practical means can be devised which will, in all instances, require a full disclosure, and at the same time not be onerous to the banks or stockholders therein, so as to discourage investments in bank stock. Since it is most important that banks be properly capitalized, we counsel against proposals that will make holdings of bank stock unattractive. We would call your attention to the fact that only in isolated instances is the control of insured banks, under present law and procedures, unknown to the supervisory authorities. Thus, the provisions in reference to full and prompt disclosure will at best be of only occasional benefit.

Referring directly to the original proposal in your letter, we have come to the conclusion that this amendment will not, in practice accomplish its avowed purpose. Your third question indicates a major defect in that a registered holder of stock could properly insist that he was the lawful owner thereof, but still hold such stock in trust or in a representative capacity, or subject to other conditions.

You should be aware that neither of the proposals completely forestalls the circumvention of the intent of the legislation. As suggested at the conference, the device of an individual lending to an associate substantial sums on short terms for the purchase of bank stock, the loan being in an amount beyond the ability or capacity of the borrowing associate to repay, is a means of avoiding full disclosure. Likewise, the device of option escrow agreements is another means of escaping disclosure.

If a proposal on this subject be included in the current act, we would recommend, as a more effective means of accomplishing the end result, the second proposal drafted by agency representatives. However, we believe that the provisions of this proposal place burdens on both stockholders and banks alike which would discourage, in many instances, the investment of funds in bank stock. Thus, it is our conclusion that the benefits to be obtained by the proposal would not outweigh the general disadvantages resulting from its enactment.

We call particular attention to the heavy penalties that are contained in both proposals. We would urge that if either proposal be adopted, the penalties be not so severe.

In reference to the inclusion of any amendment on this general subject matter, we approve the placing of the amendment in the sections as suggested in the proposals accompanying your letter.

With personal regards, I am,

Sincerely yours,

H. E. COOK, *Chairman.*

Mr. BUSH. Mr. President, I have spoken of the opposition to section 23, as that opposition has come from the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency. I have pointed out that none of them was called before the committee to testify. When we asked for their opinion, we received the three letters I have already inserted in the RECORD.

Mr. ROBERTSON. Mr. President, will the Senator from Connecticut yield for a question?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Connecticut yield to the Senator from Virginia?

Mr. BUSH. I yield.

Mr. ROBERTSON. When I learned of the new proposal, which had not come to us from any of the groups which had been invited to make proposals, and had not been the subject of public hearings, I consulted with these three agencies. As the Senator from Connecticut has pointed out, each of them objected.

The Federal Reserve Board concluded by saying that it would be more appropriate if the matter were handled in the SEC bill.

The Comptroller of the Currency said it would be burdensome on all banks, would be unworkable for many of the large banks, and in his opinion would serve no useful purpose.

The representative of the Federal Deposit Insurance Corporation said the penalties proposed were too heavy; and that if we were to have legislation of this kind, the amendment should be very drastically redrafted; and he added that in his opinion it would discourage bank ownership.

On the basis of those expressions, I objected to inclusion of the provisions in the bill. But the committee voted me down.

Since that time I have read expressions from many banks and from some of the outstanding bank lawyers of the country. They are unanimously opposed to this amendment. Up to this point I have not heard of a single banker who endorses the amendment.

Under the circumstances, as I have said about a number of other possibly very good provisions, I did not elect to include them in this particular codification, but left them for separate action if a majority of the Congress regarded them as of sufficient moment to be added later on. That has been the position of the chairman of the subcommittee upon this particular phase of the bill.

Mr. BUSH. I thank the Senator from Virginia very much.

While he is here, I should like to ask his consent to read or to insert in the RECORD a letter addressed to him by a partner of the John W. Davis firm, of New York. The letter is in regard to this matter, and is signed by Charles H. Willard. Does the Senator from Virginia object to having me request that the letter be printed at this point in the RECORD?

Mr. ROBERTSON. I do not object. The letter is written by one who is among the best banking lawyers in the entire United States. Certainly no one in the United States has followed the course of this measure any more closely than has he.

Mr. BUSH. I thank the Senator from Virginia very much. Let me say that the firm of Davis, Polk, Wardwell, Sunderland, and Kiendl, of which Mr. Charles H. Willard is a partner, is one of the most distinguished law firms in the business. It is one of the largest. Its senior partner for many years was John W. Davis, who was the nominee of the Democratic Party to be President of the United States, and, as a matter of fact, was a distinguished Virginian by birth. Certainly, as the Senator from Virginia has said, Charles Willard is an outstanding authority on the question of banking law. His letter of March 11, addressed to the Senator from Virginia [Mr. ROBERTSON], is a very strong argument against the provision we are discussing.

So, Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter addressed to the Senator from Virginia, signed by Charles H. Willard, of the firm of Davis, Polk, Wardwell, Sunderland, and Kiendl.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DAVIS, POLK, WARDWELL,
SUNDERLAND & KIENDL,
New York, N. Y., March 11, 1957.

Re: Financial Institutions Act of 1957.

Hon. A. WILLIS ROBERTSON,
United States Senate,
Committee on Banking and Currency, Washington, D. C.

DEAR SENATOR ROBERTSON: I am grateful to you for your letter of March 6, 1957, and for your courtesy in having a copy of S. 1451, and of your proposed remarks, sent to me.

We have gone over the commercial-banking parts of the bill quite carefully and I continue to believe that you and your associates have done a remarkable job, although, as will appear below, I think that one fly has gotten into the ointment.

I am glad to see that you have picked up my suggestion of eliminating the words "in the form of notes" in section 29 (1) of the Federal Reserve Act.

Although we have not read every word of every section, we have noted only one typographical error. In the first line on page 164, the word "subsection" should be "section."

I am very sorry to see the burdensome requirements that have been imposed on bank-stock holders in section 23 of the National Bank Act (p. 17), section 23 (g) of the Federal Reserve Act (p. 97), and section 27 (b) of the Federal Deposit Insurance Act (pp. 165–166). If the act is passed with these provisions in it, a new and large class of lawbreakers will have been created. Every person who becomes a stockholder of a bank, no matter how small the bank, nor no matter how small his holding, will be forced to register the transfer. And every bank-stock holder will be required to notify the bank of all beneficial or equitable interests in stock registered in his name. It is inevitable that hundreds, probably thousands, of bank-stock holders throughout the country will fail to comply with these requirements, through ignorance or inadvertence.

So far as I am aware the requirements of these provisions are wholly new in our statutes. The nearest analogy I can think of is section 16 of the Securities Exchange Act of 1934, which imposes notification requirements on directors, officers, and 10-percent stockholders of all corporations whose stock is listed on a national securities exchange. The scope of this section is very much narrower than the scope of the three new sections that would be added to the banking laws. The Securities Exchange Act applies only to corporations which are large enough to have their stock listed on a national securities exchange, and as to those corporations, section 16 applies only to the directors, officers, and 10-percent stockholders, a highly sophisticated group.

The burden and risk imposed on the banks will be very considerable. Suppose, for example, that stock of an insured bank is registered in the name of A, and A notifies the bank that there is a beneficial interest in B. Subsequently A sells the stock to C, and C presents the certificate for registration in his name. Is the bank required to investigate, in every case of this kind, whether the sale by A was proper? A glance at the Uniform Stock Transfer Act will show that the whole trend in recent years has been to eliminate as many obstacles as possible to the free transferability of stock.

Undoubtedly the Hodges scandal in Illinois was unfortunate, but one is entitled to wonder whether the disclosure of the true ownership of the stock involved in that case would really have prevented the collapse of the bank. Unscrupulous people will undoubtedly find ways to circumvent these provisions, but thousands of innocent bank-stock holders will almost surely be caught by them.

I am sorry to have to record my opposition to this one feature of what is otherwise a splendid job.

Sincerely yours,

CHARLES H. WILLARD.

Mr. BUSH. Mr. President, let me also ask the Senator from Virginia whether he would object to the inclusion at this point in the RECORD of a letter, also addressed to him, from another distinguished law firm—that of Drinker, Biddle & Reath, of Philadelphia.

Mr. ROBERTSON. I have no objection. The letter was written as a public letter.

Mr. BUSH. I thank the Senator from Virginia.

Therefore, Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a letter from Carl W. Funk, of the firm of Drinker, Biddle & Reath, of Philadelphia, under date of March 12, 1957. Mr. Funk is a partner in that firm.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DRINKER, BIDDLE & REATH,
Philadelphia, March 12, 1957.

The Honorable A. WILLIS ROBERTSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ROBERTSON: On behalf of the Philadelphia Clearing House Association, which we represent, I wish to urge that some change be made in section 23 of title I, section 23 (g) of title II, and section 27 of title III of S. 1451 of the Financial Institutions Act of 1957. These sections all relate to the disclosure of stockownership and require each record owner of stock of a national, member, or insured nonmember bank to notify the bank in writing of the name of any person or persons having a beneficial or equitable interest in the stock; and in the case of stock held in trust, to file a copy of the trust instrument with the bank. They also require reports of changes in any beneficial or equitable ownership, except pursuant to any trust instrument which has been filed.

While we do not question the desirability of a bank having a record of the beneficial owners of significant amounts of its stock, we think this objective should be accomplished without requiring the notice to be given to the bank concerning every beneficial owner of every small holding of its shares, and without requiring the filing with the bank of every will and deed of trust by every fiduciary who happens to own one or more shares of bank stock. Such provisions put a wholly unnecessary burden on fiduciaries administering trust estates, and on the banks of the country, which will undoubtedly receive innumerable reports, wills, and deeds of trust involving minute amounts of their stock, which will have no importance whatever to anyone. These requirements may make bank stocks less attractive investments for fiduciaries than other types of property.

We therefore urge that this matter be reviewed to see whether the requirements should apply only where a substantial percentage of the outstanding stock of a bank is involved, such as 10 percent; or whether the objective of the sections cannot be obtained in some less burdensome manner.

Very truly yours,

CARL W. FUNK.

Mr. BUSH. Mr. President, I have before me a telegram from the New York Clearing House Association, 77 Cedar Street, New York City. I shall read the telegram because it emphasizes the importance which this group attaches to the amendment I have submitted and, really, the importance it attaches to section 23, which is under discussion. The telegram reads as follows:

NEW YORK, N. Y., *March 13, 1957.*

Hon. PRESCOTT BUSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR BUSH: We have wired every Senator today as follows: "Re. S. 1451, urge your support of the Bush amendment because of the tremendous burden imposed on member banks of this association under section 23 of title I and related sections."

THE NEW YORK CLEARING HOUSE ASSOCIATION.

Mr. President, I have before me some other telegrams which bear on this subject. I should like to have them printed at this point in the RECORD. One of the telegrams is from Harold E. Rider, president of the Stamford Trust Co., of Stamford, Conn., and also president of the Connecticut Bankers Association. Others are from Harold P. Splain, of the Savings Bank of Danbury, Conn., Jonathan E. Eno, Jr., vice president and treasurer of the Simsbury Bank & Trust Company, of Simsbury, Conn.; Benjamin Blackford, of the Greenwich Trust Co., of Greenwich, Conn. John B. Byrne and Harold E. Read of the Connecticut Bank & Trust Co., and G. Harold Welch, of the New Haven Bank, N. B. A. I ask unanimous consent that these telegrams be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

STAMFORD, CONN., *March 14, 1957.*

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.:

Regarding Senate bill 1451, Financial Institutions Act of 1957, we are wholeheartedly in favor of bill with your amendment to eliminate new burdensome requirements for disclosure of beneficial bank stock ownership. This requirement if enacted into law might affect banks ability to raise capital which would not be in public interest. Favorable action of the bill and amendment is urged. As president of the Connecticut Bankers Association I believe I can speak for the majority or our members who favor the above.

HAROLD E. RIDER,
President, the Stamford Trust Co.

DANBURY, CONN., *March 14, 1957.*

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.:

I urge your support of S. 1451, including Bush amendment.

HAROLD P. SPLAIN,
Savings Bank of Danbury, Conn.

SIMSBURY, CONN., *March 14, 1957.*

Senator PRESCOTT BUSH,
Washington, D. C.:

We would appreciate your complete support of the Robertson bill, S. 1451, including Bush amendment.

JONATHAN E. ENO, JR.,
Vice President and Treasurer, the Simsbury Bank & Trust Co.

GREENWICH, CONN., *March 14, 1957.*

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.:

We are in favor of Senate Bill 1451, Financial Institutions Act of 1957, with your amendment.

GREENWICH TRUST CO.,
BENJAMIN BLACKFORD.

HARTFORD, CONN., *March 14, 1957.*

Senator PRESCOTT BUSH,
Washington, D. C.:

Re Senate 1451 requirement disclosure of true ownership bank stock. Severe and unwarranted burden on trust departments. Adverse effect on market for bank stock. Unexplored effect on stock transfer and dividend procedures. Discrimination against bank stock as investment. Unknown implications of far-reaching proposal all dictate need for elimination of this provision from the bill and public hearings. Similar telegram being sent Senators PURTELL and ROBERTSON urging support of your amendment.

CONNECTICUT BANK & TRUST CO.,
JOHN B. BYRNE,
HAROLD E. REAG.

NEW HAVEN, CONN., *March 14, 1957.*

Hon. PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.:

Urge support of the Financial Institutions Act with your amendment.

THE NEW HAVEN BANK N. B. A.,
G. HAROLD WELCH.

Mr. BUSH. Mr. President, I have also received a telegram from Reese H. Harris, Jr., senior vice president of the Connecticut Bank & Trust Co., of Hartford, Conn. I have talked with him on the telephone about this matter. He is very much concerned about it; and his particular concern relates to the following situation: In that trust company they have a common stock fund in which people have permission to join as participants. It is sort of a joint account, I suppose; but it happens to have 1,200 members. Mr. Harris, who is a very expert banker, and knows his banking law, opposes this provision of section 23, because he says it will place an impossible or certainly a very difficult task upon him, by requiring him to report the names of each of the participants in the fund, or to be in the fund, as they come and go; and he sees no useful purpose to be served by requiring such reports. I agree that I cannot see any possible useful purpose to be served by requiring the making of such reports.

I ask unanimous consent that Mr. Harris' telegram be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HARTFORD, CONN., *March 11, 1957.*

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.:

As member of advisory committee to Senate subcommittee and as trust banker am strongly opposed to effect of disclosure of ownership provisions of Senate 1451, Financial Institutions Act, 1957. Desirable as these provisions may be in theory, effect on trust business and on market for bank stock would be serious and hardly justification.

Respectfully,

REESE H. HARRIS, Jr.,
Senior Vice President,
The Connecticut Bank & Trust Co.

Mr. BUSH. So, Mr. President, I submit that no testimony in favor of section 23 of the bill has come from the industry involved. Not only has there been no such testimony, but no witness has been given an opportunity to testify regarding section 23 of the bill. The United States agencies involved have not been invited to testify. Despite the argument made by my good friend, the distinguished Senator from Oklahoma [Mr. MONRONEY]. I say that the custom of the Senate, and certainly the custom of the Banking and Currency Committee since I have been a member of it, has been to give persons and organizations who are seriously affected by any proposed legislation before our committee a chance to be heard. That practice was followed in connection with the whole bill, the Financial Institutions Act of 1957, and the hearings were very ably presided over, and very patiently presided over, by the distinguished Senator from Virginia [Mr. ROBERTSON].

Mr. President, I do not intend to call up my amendment at the present time, but I did want to make this record today, just as the Senator from Arkansas [Mr. FULBRIGHT] has, and I understand the distinguished Senator from Illinois [Mr. DOUGLAS] is going to make a record, which will be helpful to Senators in forming their views when they come to vote on the amendments and the bill next week.

I should like to say, in conclusion, I feel very strongly that this type of legislation belongs in the Securities and Exchange Act. It should be taken up by the subcommittee in that connection, and it can be done this year. Hearings should be held and persons given an opportunity to appear. There is good room for argument, at least, that banks might be brought under the Securities and Exchange Act. That is open question, which I have not heard debated in committee or otherwise. I believe, when we are talking about stockholder relationships and disclosure of stock ownership, that type of legislation should go into the law which deals with the general subject, and should not be incorporated in a codification or recodification of the banking laws.

With all due respect to my good friend, the very able Senator from Illinois, I do not think he has submitted any evidence at all of the necessity for such a provision. With respect to the fact that gangsters or crooks might get control of banks, there has not been a single bit of evidence given, even in committee, that that might be the case; but the only suggestion has been that perhaps that could be the case.

I believe careful hearings on a bill of this kind would disclose that the measures taken in section 23 would offer very little protection against gangsters or crooks owning bank stocks, because they have good ways of covering up their activities. I do not believe it would do very much good even if the section had the force of law behind it.

I believe for the moment that is all I have to say on the subject. I yield the floor.

INCREASED AUTHORIZATION FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

Mr. SPARKMAN. Mr. President, the House has agreed to the amendments of the Senate to House Joint Resolution 209. I ask unanimous consent that the President pro tempore of the Senate may be authorized to sign that joint resolution during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451), to amend and revise the statutes governing financial institutions and credit.

Mr. DOUGLAS. Mr. President, before discussing the bill I should like to acknowledge—and I do so very gladly—the extremely hard and public spirited work of the junior Senator from Virginia [Mr. ROBERTSON], who serves as the Chairman of the subcommittee in charge of this measure.

The job of recodifying the statutes dealing with all the financial institutions of the country is very large; but in addition there were a host of proposals for changes in the law, coming from the financial institutions themselves and from organizations representing them, as well as from various Government agencies, advisory committees, and members of the general public, as well as from members of the Banking and Currency Committee itself.

In this connection, I have always thought that members of the Committee on Banking and Currency were privileged to suggest amendments, even though they had not been suggested by the American Bankers Association.

To consider and weigh all these recommendations added further strain. All this the chairman has borne cheerfully; and although some of us disagree on a number of the major decisions which were made, I wish to express my appreciation for his great industry in a job which largely passed unnoticed by the press, but which is of great importance to the country.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. The junior Senator from Virginia acknowledges with deep appreciation the fine tribute which has just been paid him by his distinguished colleague.

Mr. DOUGLAS. It is a very sincere tribute.

Mr. ROBERTSON. The junior Senator from Virginia wishes to say that while he does not always agree with the economic views of his distinguished colleague, he knows that his colleague is always sincere. He is always sincere, and he is always vigorous in the assertion of his position. He is always diligent in the service he renders to his State and to his Nation. It is a real pleasure to all of us to have on our committee a man who has a mind trained in economics, a mind that is alert, a mind that is inquisitive; a man who is fearless in challenging us whenever he thinks we are wrong. I thank my colleague again.

Mr. DOUGLAS. That is very gracious of the Senator from Virginia, and I appreciate his comments very much. His statement greatly exaggerates my virtues, but I am grateful for it.

I wish also to thank the able counsel for the subcommittee, Mr. Donald L. Rogers, for his energy, accuracy, and clear-headedness. We members of the Banking and Currency Committee are justly proud of the excellent staff which our Chairman, Senator FULBRIGHT, has assembled, and Mr. Rogers is one of its ablest members. He has done fine work on this bill. I am also grateful to the anonymous people around the Hill who are responsible for much of the good we may do, but who seldom receive, in public, the credit which they deserve.

While agreement has been reached on the vast body of provisions in the bill, there are some very important matters with respect to which, as the debate this afternoon shows, there is a great deal of disagreement, and upon which the Senate as a whole must decide. While I do not see serried ranks of Senators about me, I assume that a considerable number of Senators will read the RECORD. Possibly the discussion this afternoon, though not heard by many Senators, may be read by more.

We shall discuss the details of these issues at greater length on Monday, when I suppose the amendments will come up.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. The chairman of the subcommittee understands that the Senate will begin voting on amendments on Monday. So far as he knows, the amendments proposed are all now at the desk.

The distinguished Senator from Illinois is eminently correct in assuming that, while he is planning to make a rather extended speech late in the afternoon, when there is no large attendance of Senators in the Chamber, it will be read, because everyone knows that the Senator from Illinois has four amendments which will have to be voted upon—no doubt by record vote—and, of course, they will wish to know his views.

Mr. DOUGLAS. We shall then discuss the details of the amendments at greater length when they are offered. I think it is appropriate to indicate here, in the general discussion, however, what the issues are, why they have developed, and what responsibility, if any, the Federal Government should properly assume.

My colleague, the chairman of the committee, the distinguished Senator from Arkansas [Mr. FULBRIGHT], pointed out the unhappy situation which was revealed in my own State of Illinois, as between a number of banks on the one hand, and State and local treasurers and both Federal and State examiners on the other. That situation indicated some great weaknesses, which, in my judgment, we cannot safely ignore.

Our committee played a wholesome part in revealing the detailed nature of some of these abuses. I doubt whether they would have been fully exposed if it had not been for the work done by the Committee on Banking and Currency. Our recommendations grew directly out of those disclosures.

DEPOSITS OF PUBLIC FUNDS IN INTEREST-FREE OR LOW-INTEREST ACCOUNTS CREATE SERIOUS PROBLEMS

At the root of much of the trouble is the fact that in the case of the huge deposits of local, county, State, yes, and even Federal funds, a very large proportion of these deposits are interest free. Here the banks pay no interest to the governmental units. These deposits are, for bookkeeping purposes, generally termed demand deposits, although very commonly there is a considerable nucleus which is always kept on deposit and upon which the individual banks can depend as long as they and the depositing official remain on good terms. Then on the so-called time deposits, a very low rate of interest—often 1 percent—is commonly paid, which is appreciably below the percentage paid on private deposits.

Since these liquid funds, obtained either at no cost or at low cost, can be invested by the banks at a very good rate of return—ranging from a minimum of 3 percent to perhaps an average of 6 percent, and in some cases more than 6 percent—it is plain that when this arrangement occurs, it is very profitable to the banks. Most of them, therefore, are naturally eager to get those deposits on such favorable terms.

This opens the door to two sets of abuses. On the one hand, the officers and directors of banks are tempted to make gifts or political contributions to the public official who handles public money or to the candidate for such office. They hope thus to ingratiate themselves or obligate the official or candidate so that he will choose their bank as a depository. On the other hand, the depositing officials—particularly if they are to be elected or are high political appointees—are tempted to shake down the banks for contributions.

Sometimes the officials seek personal donations, but probably more often the contributions are to the political campaigns of the officials and their parties or the aspirants for the given offices. Sometimes they take the form of contributions to so-called welfare funds which are ostensibly designed to reduce the continued pressure upon public officials to purchase tickets to dinners and benefits, buy advertising space in charitable, religious, and local publications, contribute heavily to charity and churches, and send flowers to cheer the sick and honor the dying.

Only those who have served in State and local governments—and I served on the Chicago City Council—can appreciate the terrific pressures which are thus applied upon public officials by community groups which believe their purposes to be good, which they generally are, but which in their totality of demand are almost impossible to comply with. The welfare funds seem to have been devised as a way for these officials to escape from this dilemma. But, at best, this is improper and, at most, it is a thin disguise for personal or political payments.

CHANGES IN METHODS OF HANDLING DEPOSITS OF PUBLIC FUNDS ARE NEEDED

The basic remedy for this difficulty is, of course, largely to dry up the sources of improper profit from these transactions and to handle Government finances in the same prudent and honest way that would be expected of men in their private capacity.

A larger share of liquid public balances should, for example, be directly invested in short-term Government notes with their attractive present rates of return, by the Government authorities themselves, so that the public authorities could get the interest.

A better classification of public deposits in banks would also help, with a general reduction in those listed as demand deposits, and with the full prevailing rate on time deposits which is paid to private depositors. But such reforms as these will take a long time to effect and, thus, will be only partial.

FEDERAL REGULATORY AGENCIES NOT SUFFICIENTLY CONCERNED

Those of us who are sponsoring the amendments in question believe, for reasons which we shall develop more fully later, that the Federal Government cannot wash its hands of this problem. I have been disappointed by the failure of the Federal banking agencies to take these problems seriously, and their general tendency to sweep them under the rug. That would be a mistake.

I may say—and I wish the Senator from Connecticut [Mr. BUSH] were in the Chamber—that we had the same objections from all the so-called regulating authorities to the idea of preventing political contributions that we now hear from them and from the banks with respect to making public the list of stockholders. We had the same objections from the bankers, and the same objections from FDIC, and the same objections from the Comptroller of the Currency and, I think, although I am not certain, the same objections from the Federal Reserve Board.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MONRONEY. I wish to compliment the distinguished Senator from Illinois on the address he is making, and also on the fact that from the investigation which was conducted in his home State by the Committee on Banking and Currency and the staff of the committee, there was generated the need for corrective legislation which would prevent such a situation from recurring.

Is it not a fact that that has been the history of progress in our Government? I refer to going into a situation and finding out what happened. For example, as a result of the stock market crash, the SEC was established. The FDIC was established as a result of bank closings. Each time when spectacular scandals occur, the Government moves in to correct the abuses which are found to exist.

I should like to ask the distinguished Senator from Illinois, who was very close to this investigation and who was very enthusiastic in seeing to it that it was made——

Mr. DOUGLAS. I should like to say that, because I come from the State of Illinois, because there was a political campaign under way at the time, and because leading members of the opposing

political party were involved, I was very careful to divorce myself from the investigation of this matter.

Mr. MONRONEY. The Senator means from the conduct of it.

Mr. DOUGLAS. All I did was to take some testimony at one time from a witness who had to be sworn, and when I was the only Senator within several hundreds of miles who could take that testimony. Aside from that, I was scrupulous in keeping my hands off the investigation, lest it be charged that I was taking part in it for political purposes.

Mr. MONRONEY. But two of the amendments which the distinguished Senator sponsors resulted directly from the scandals that occurred. Is that correct?

Mr. DOUGLAS. The Senator is correct.

Mr. MONRONEY. If the provision relating to donations by banking officials, and the provision relating to truthfulness in reporting bank ownership, had been in the code, it is possible that the degree of scandal that occurred might have been less. Is that not correct?

QUESTIONABLE MANAGEMENT OF PUBLIC FUNDS NOT CONFINED TO ILLINOIS

Mr. DOUGLAS. The Senator is correct. I understand that the distinguished Senator from Connecticut [Mr. BUSH], earlier in the afternoon, said that these scandals could only have occurred in the State of Illinois.

While I am ashamed at the revelations of what has been happening in my own State, I cannot believe that we in Illinois are really worse than those in any other part of the country.

Senators are realists and men of the world, and I believe they know that such evils are fairly widespread, even though they may not be as lurid as was the Hodge affair.

I am not content with merely punishing the guilty. That, of course, must be done however much we may pity the perpetrators and the victims. We are not prosecuting attorneys, however, or judges in criminal courts. We are legislators and, as the Senator from Oklahoma said, if we cannot learn from these lessons and try to guard against such dangers, I do not know that there is much use of conducting any investigations.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am happy to yield.

Mr. MONRONEY. From learning, through these investigations, the cause of the failures, it must be presumed that we, as well as members of legal firms who represent banks, or those in Government Bureaus who have a particular interest in banks know something about the subject of banking. Is that not correct?

Mr. DOUGLAS. That is correct; and yet, on this question of gifts and political contributions, they are opposing our efforts to outlaw those practices which our investigation exposed.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG. The Senator recognizes, does he not, that, generally speaking, almost every American citizen has a right to support not only with his vote but with political contributions the campaign of a party or of a person whom he believes to be a good public servant; and that he even has a right to be selfish about it, in that he has the right to support someone he feels would make it possible for him to benefit personally, perhaps even in a financial way, so long as what he does is legitimate?

Mr. DOUGLAS. I would say that, as an individual, every citizen has the right to contribute to a party. I am dubious, however, whether we should encourage contributions or permit contributions by banks or by bank officials to the campaigns of individuals who have the power to deposit or withhold deposits from their institutions.

Mr. LONG. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. LONG. Will the Senator tell me what is the difference between that type situation and the situation in which a person depending on interest income, for instance, supports the administration, knowing that the policies of the administration will increase interest rates?

Mr. DOUGLAS. I know we cannot remove all the economic interest in the world, and I recognize that contributions are frequently made for other than altruistic purposes. With the world as it is, it may be a long time before we eliminate those things. But it is well known, if we are candid with ourselves, that here in this banking situation is a common source of influence; namely, getting deposits of public funds at appreciably less than the market rate of interest.

Mr. LONG. The point I had in mind was that it is perfectly honorable and legitimate. There is nothing illegal about it for one who is living on an interest income to support an administration which proposes to increase his interest.

Mr. DOUGLAS. I have never supported this administration; I have never voted for it; and I am not entering its lists so far as its interest policy is concerned.

Mr. LONG. I hope the Senator will clear that up for the record at some time, because it was only yesterday that the distinguished Senator from Connecticut [Mr. BUSH] listed the Senator from Illinois as a leader behind the fight for high interest rates. It has been stated that the Senator from Illinois has been in favor of high interest rates.

Mr. DOUGLAS. I do believe that the Federal Reserve Board should control the total quantity of money and credit with a view not only of getting maximum employment, but also of stabilizing prices. I have always stood for that. I stand for it now. But if the Senator from Louisiana has read my comments in the last economic report of the Joint Economic Committee, he will have seen that I criticized the Federal Reserve Board for the manner in which the interest rate situation has been handled.

Mr. LONG. Of course I should like to see the policy pursued which was pursued 4 or 5 years ago, a policy of holding interest rates at a low level. Our present interest rate policy will cost the Government a large sum of money. It does not seem to me very important to try to cut out some little river and harbor improvement somewhere, when this policy of the administration, when fully pursued and implemented, will increase the cost of Government by $3 billion.

Mr. DOUGLAS. At an appropriate time I shall be quite ready to discuss with the Senator the question of the stabilization of the price level and certain other matters, but I should like today to confine our discussion to the bill which is before us. I know I have presented a very tempting target to the Senator from Louisiana, but I shall not shrink from taking up the matter on some future occasion.

Mr. LONG. I hope the Senator will at least disabuse the mind of the Secretary of the Treasury and perhaps the minds of some Members of this body of the irea that the Senator from Illinois is in favor of high interest rates, which are becoming so high that when a man buys a home he has to pay more money in interest than he pays for his house.

Mr. DOUGLAS. It is not a new thing for the Senator from Illinois to be misquoted by the Secretary of the Treasury. He has been misquoting me for a number of years, but I pay little attention to it. It is what I expect from the Secretary of the Treasury, and I shall have to let my record answer him.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield to another and very different HUMPHREY, the Senator from Minnesota.

Mr. HUMPHREY. It is oftentimes the fact that the Secretary of the Treasury and the junior Senator from Minnesota are the victims not only of misquotations, but of mistaken identity. I told the Secretary of the Treasury the other day that I hoped it was not hurting him too much, and that I was not quite prepared, myself, to give a factual report of what was happening to me.

Mr. DOUGLAS. If I were the Senator from Minnesota, I would make clear my real identity on every occasion.

Mr. HUMPHREY. It is not so much that, as it is the expression regarding economics which the Senator from Louisiana has just made. I realize that it is not exactly germane to the legislative item, but it is a subject of growing concern. I can recall that the Senator from Illinois was attacked by this administration not long ago for being a prophet of doom and gloom when he was pointing out that some of the fiscal policies, credit policies, and hard-money policies being pursued by the administration were bringing hardship upon our private enterprise economy. So, there are spokesmen in the administration who like to whipsaw responsible economists and responsible leaders, and I think the Senator from Illinois has been a target for that kind of a whipsaw attempt.

Mr. DOUGLAS. I feel perfectly ready to stand up to the Secretary of the Treasury or anyone else and ask for no favors, and meet them with simple facts. I placed in the RECORD approximately 2 years ago the misquotations of the Secretary of the Treasury in dealing with

me, and his warping of the record, and I can document it again by putting the reference to these facts into the RECORD this evening before it is printed, so that he who wants to may read. The material will be found in the CONGRESSIONAL RECORD, volume 101, part 2, beginning at page 2805.

Mr. LONG. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. LONG. I am delighted that the Senator is now a member of the Committee on Finance before whom the Secretary of the Treasury will appear and discuss some of these matters. I hope the Senator will make his position clear at that time.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Is the Senator going to address himself to some of the amendments?

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. I have reecived so many messages, letters, and telegrams relating to amendments proposed by the Senator that I wanted to be present when he discussed them.

FULBRIGHT AMENDMENT WILL STRIKE AT A NUMBER OF THE WORST ABUSES REVEALED

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of the amendment proposed by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Pennsylvania [Mr. CLARK], and myself, which I should like now to discuss.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 240, after subsection (h) of section 803 insert two new subsections as follows:

"(i) Section 201 of title 18 of the United States Code is amended—

"(1) by inserting '(a)' immediately preceding 'Whoever';

"(2) by striking out 'section' in the last sentence and inserting in lieu thereof 'subsection'; and

"(3) by adding at the end thereof a new subsection as follows:

"'(b) It shall be unlawful for any bank or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or for any person who is an employee, officer, or director of such bank or institution, to make any gift, gratuity, or contribution in any form directly or indirectly to any elective or appointive official who exercises supervisory or regulatory powers over such bank or institution, or who has authority to deposit public moneys or trust funds in such bank or institution, or to any person who is a candidate for an office having any of such powers. Any person, corporation, or other institution convicted of violation of this subsection shall be fined not more than three times the amount or value of such gift, gratuity, or contribution.'

"(j) (1) The first paragraph of section 610 of title 18 of the United States Code is amended by inserting after 'or any corporation organized by authority of any law of Congress,' the following: 'or any bank, association, or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation,'.

"(2) The second paragraph of such section 610 is amended by inserting after 'corporation' wherever it appears 'or bank, association, or other institution'."

Mr. DOUGLAS. I may say, Mr. President, that this amendment was opposed by all the regulatory authorities and by the bankers. But I think they made a great mistake and have put themselves in a false light before the country in objecting to it.

Mr. ALLOTT. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. ALLOTT. I should like to ask a question, if I may. Beginning at line 7, page 2, the language has reference to any elective or appointive official who exercises supervisory or regulatory powers over a bank or institution, and it is provided that it shall be unlawful for any bank or other institution, and so forth, to make any gift or contribution to such elective or appointive official.

Would the Democratic State Central Committee of Illinois running a man for the office of bank commissioner be included?

Mr. DOUGLAS. No; I am sure it would not.

Mr. ALLOTT. What we are trying to do is to strike out contributions to individual funds.

Mr. DOUGLAS. I know what the amendment is aimed to strike at. But as I read this language, I do not believe it applies to the committees to which the Senator from Colorado refers. It is a very difficult thing to accomplish.

Mr. ALLOTT. I realize that, but certainly that is an indirect contribution.

Mr. DOUGLAS. I think we can make the parliamentary record clear that it is not intended as such within the meaning of this amendment.

Mr. ALLOTT. But the Senator would consider a contribution made to—I dislike to abuse the name "Smith"——

Mr. DOUGLAS. To the candidate himself as compaign funds.

Mr. ALLOTT. Or to direct it.

Mr. DOUGLAS. That is correct.

Mr. ALLOTT. I thank the Senator.

Mr. DOUGLAS. I thank the Senator from Colorado.

It is important to reduce the dangers and temptations for the future and to raise the moral standards of both banking and politics. That is why some of us are seeking by the amendment proposed by the Senator from Arkansas [Mr. FULBRIGHT], to tighten the present standards by, first, extending to State banks which are federally insured the same prohibition against political contributions which now apply in the case of national banks, and second, prohibiting banks and bankers from making gifts, gratuities, or contributions to any public official who has the power to examine the bank or to deposit funds therein. While the committee did not finally include such provisions in the bill as reported, we hope that the Senate will approve them when they are called up on the floor.

RESTRICTIONS ON EXAMINERS' EMPLOYMENT BY BANKS IS DESIRABLE ADDED SAFEGUARD

We were, however, successful in the light of the Hodge scandal in writing two safeguards into the bill which I hope we can retain in spite of efforts which may be made to knock them out. To help check the danger of fostering "soft" bank examinations—and I think some bank examinations have become soft, in view of the failure of certain banks and the embezzlements in many financial institutions—the examiners and supervisors are not to be permitted to take a position with a bank which they have examined for 2 years after leaving the Government, except pursuant to regulations which the agencies would be required to adopt, and also by special permission of the examining agency concerned.

The examining agencies have, up to now, refused to recognize the dangers in present practices, namely, a situation where an examiner will examine a bank and will then be offered a position in the bank which he has been examining. The acceptance of such a position, in the Hodge case, seemed to soften the rigors of the examination.

I am frank to say that this protection is likely to be very weak unless the agencies show more awareness and concern than they have thus far. Nevertheless, it is a desirable start.

REQUIREMENT FOR DISCLOSURE OF REAL OWNERS OF BANK STOCKS IS ANOTHER DESIRABLE PROTECTION

There has been considerable discussion this afternoon about another feature of the bill which was agreed to by the committee by a very large majority, but which the banks are now trying to have taken out of the bill, namely, to prevent the real owners of bank stock from concealing their identity behind fronts, as State Auditor Hodge did with the Elmwood Park Bank. This was a case in which the State auditor, who was the examining authority, really owned two-thirds of the stock in the bank which he was examining, and which he had really created out of the failure (possibly forced) of a previous bank. Yet the president of the bank swore that he did not know who owned the stock. The FDIC swore that they did not know who owned the stock.

Here was the chief owner, who was a politician, supposedly examining the bank and acting in the public interest, who was the real owner of the bank, hiding behind a front.

I thought then that the FDIC would welcome such a proposal as has been made; but, no, they fought it.

I understand the Senator from Connecticut [Mr. BUSH] said that this proposal came upon them as a surprise. It was developed in the hearings in October and November before the committee, to the indignation of many members of the committee, that this situation existed. We were startled that Mr. Hodge owned two-thirds of the stock in the bank—the controlling interest—and that that fact was not known. It certainly could not have burst upon the FDIC as a surprise that there were some members of the committee who would

have a social concern in the matter and at least try in the future to have the real ownership become known.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. The distinguished Senator from Connecticut (Mr. BUSH), in his previous speech, made the statement that this provision was slipped into the bill. The distinguished Senator from Illinois well knows, and I feel the senior Senator from Connecticut must know, that this provision, while it was not the subject of testimony by the bankers, was discussed at great length by the committee members, in whose hands must rest the protection of the public. Even if it should cause slight trouble in bookkeeping or reporting, the proper origin or source of such remedial legislation would naturally be in the members of the Committee on Banking and Currency, would it not?

Mr. DOUGLAS. Exactly so. Furthermore, in the hearings in November, the examination which some of us gave to the representatives of the FDIC, should have told the bankers and the public that there were some of us who were very much concerned about the ability, under the present law, of the real owners to conceal their ownership behind false fronts. I had thought that the banking fraternity would join with us in trying to remove this evil. It really comes as a source of surprise to me to find banking groups lining up almost unanimously against this proposal, which is merely intended to let the public know, to let the Government know, and to let the management of the banks know who really owns the banks.

Mr. MONRONEY. Is it not a fact that in the case of the organization or the merger of any financial institution, the list of the stockholders of the new bank is the first thing the FDIC Board of Directors wishes to examine? That is the prime matter of importance when they consider whether the bank is worthy of insurance. Of course, they consider the economic factors, but the character of the stockholders and the officers is of paramount importance.

Yet we are told that this matter ought to be in the SEC Act; it should not be in the Banking Act.

We are dealing with banks, and we are dealing with the character of people who handle the money of millions of Americans. If there is any reason for operating under an alias in the ownership of bank stock, I have not heard it mentioned on the floor. Nobody who has corresponded with me in connection with this matter has been able to tell me what is wrong about wanting to sign one's own name.

Mr. DOUGLAS. I quite agree with what the Senator from Oklahoma has said. He has put this position into pungent language, language which I certainly could not equal.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I have asked the Senator to yield only to express a note of thanks to both the Senator from Illinois and the Senator from Oklahoma, who are members of the Committee on Banking and Currency, for having developed this kind of language in the Financial Institutions Act. It is language that will safeguard the public interest and will also make it possible to have the kind of careful examination and scrutiny of bank stock ownership to which the public is entitled. I cannot see how a bank could be operated as a holding company without knowing who the owners of the stock are or without knowing who has interest in the bank, without the actual names of the owners being available to the appropriate agency of the Government. In this instance, that agency might be the Comptroller of the Currency, the Federal Reserve Board, or the Federal Deposit Insurance Corporation.

I am not a member of the Committee on Banking and Currency. I speak almost as a layman on the subject. But I gather that if one were to ask any member of the public as to whether the names of the stockholders of the great, responsible financial institutions, such as banks, should be made known, I think the public would automatically say, "Yes."

If the problem is one of bookkeeping, that is not an insurmountable problem. New mechanical equipment is constantly being developed which can take over some of the responsibility. I thank the Senator from Illinois and the Senator from Oklahoma. I am happy to be able to listen to them and to participate in the discussion.

Mr. DOUGLAS. Now I want to be restrained in what I am about to say.

I believe the conduct of our banking institutions is overwhelmingly in honorable hands. However, I wish to say that the possibility of concealing real ownership makes it possible for underworld influence to control banks without the knowledge of the supervisory agencies. Although I certainly am not an expert on the financial transactions of the underworld, and although I know very little about such transactions, I think it is probably true that the underworld needs financial "periscopes," and that at times it is an advantage to the underworld to be able to control banks, so as to be able to convert illegitimate gains into legitimate investments.

Again, let me emphasize that I do not want to have the press or the public think I am saying such a situation is characteristic of many banks. I am not saying that. But I say there is such a possibility, and I think some such control will be necessary before the underworld will be able to operate effectively.

I say that members of the underworld should be permitted to invest, just as they should be permitted to walk the streets. We cannot divide society into two classes—one class composed of so-called good citizens, and the other class composed of bad citizens—and say that only the good citizens have rights, and that the bad citizens will be denied such rights. Justice is intended to be equal for all, and I do not intend to proscribe certain citizens and have them put completely beyond the pale in their legitimate activities. But in connection with a matter as important as the financial institutions of the country, I say we should at least know who the real owners are.

Mr. President, in this connection let me say that I do not know whether under existing international law we can reach the accounts in the Swiss banks; but it is well known that the Swiss banks, operating on an international scale, have large numbers of accounts, the real owners of which are never stated. I do not fully share all the fears entertained by some financial writers about these accounts; but I say that, if possible, we should find out who the real owners are, and in particular, we should find this out in connection with the ownership of bank stock.

We have tried to draft the amendment in such a way as to protect the legitimate interests of estates and heirs, in the case of stock ownership by trusts. For myself, I might be willing to consider a limiting amendment based on the amount of stock held. Certainly I would not agree to a limitation of 10 percent, because such a limitation—as the Senator from Oklahoma has pointed out—would permit 3 or 4 persons, each owning 9 percent, to conceal their identity and, in effect, to control the bank. But I am not insisting that every infinitesimal fraction of ownership be stated. I think we need to be careful about what we do, however, so as not to miss the goal at which we are aiming.

I hope very much that the banking fraternity will consider this matter carefully, and will withdraw its objection, which to my mind puts it in what I should like to regard as a false light. I do not wish to see either politicians or the underworld conceal their identity by using trust arrangements and by seeking to use as a shield the protection afforded to widows and orphans.

Mr. MONRONEY. Mr. President, at this point will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. Is it not also a fact that the committee gave a great deal of time and attention to the dangers and evils of bank mergers, unless they are properly watched? Also, on the subject of the true ownership of stock, is it not highly necessary, if even the bankers are to be forearmed, that they be forewarned of what might be transpiring in the ownership of the stock of their own banks?

Mr. DOUGLAS. I think the Senator from Oklahoma is entirely correct. In a moment I shall come to that point. Certainly the danger of merger through purchase, through the acquisition of stock, is great; and a banker in such a situation might suddenly find that control of the bank had been taken away by persons theretofore unknown.

Mr. MONRONEY. And then there would be no chance for such a bank, which faced the possibility of being gobbled up in that way, we might say, by a competitor, to organize its forces in such a way as to be able to combat that threat, because in that case it would be fighting in the dark.

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. It would not know that widows and orphans were not cashing their A. T. & T. stock, in order to buy the stock of that bank. In fact, there would be all types of operations. For the life of me, I cannot understand the legitimacy of the argument and of the opposition to so simple a provision as this one, which—as the distinguished Senator from Illinois has said—prevents the ownership of bank stock by regulatory officials—a situation which in itself would lead to corruption and grave danger. This provision of the bill will prevent bank-stock ownership by racketeers or other members of the underworld.

Mr. DOUGLAS. It will not prevent it, but it will require that such ownership be disclosed.

Mr. MONRONEY. Yes; the disclosure is the best means of protection the public can have.

Mr. DOUGLAS. Yes, it is the best method in a democratic society, because it provides the sunlight of publicity, and generally acts as a restraining influence which is far more effective than criminal sanctions could ever be.

Mr. HUMPHREY. Mr. President, at this point will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I recall that last year and, I believe, prior thereto, the Senator from Illinois held hearings on union health and welfare funds; and there were hearings on a bill which would require the same kind of disclosure, for instance, regarding the salaries of union officials and the fees paid to officials of insurance companies or to union officials. In other words, one of the provisions of the Senator's bill would require public disclosure of accounts.

Mr. DOUGLAS. That is still the case.

Mr. HUMPHREY. And that still is a very salutary principle. In fact, the Senator, I recall, recommended the same for Members of Congress some years ago, and still does.

Mr. DOUGLAS. That is true.

Mr. HUMPHREY. So it is not as if the Senator from Illinois and those of us who are interested in this matter are picking on somebody.

Mr. DOUGLAS. No; we are not singling out banks. I think there would be a disclosure of facts concerning welfare and pension funds, and the bill which we introduced last year, and also this year, did that.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. Is it not a fact that a good many States require disclosure of true ownership? Certainly I do not think the States are being oppressive in their laws when they seek to know who are the owners of fiduciary corporations. Such corporations have certain rights beyond those of ordinary businesses. Certainly the facts about all the relationship of trust officers should be disclosed.

Mr. DOUGLAS. I am startled at this argument of the bankers that if we make public who owns shares of stock the people will not want to buy bank stocks and, therefore, it will decrease the price of the shares.

When I was a young man, I remember the leading people in the town where I lived were people who owned stocks in the bank. Since when are people afraid to own bank stocks or be known to own them? In the first place, it is profitable. In the second place, it is honorable. I would think it was a sign of distinction.

Mr. HUMPHREY. If that is the only test of courage, I would not mind owning some.

REMOVAL OF REQUIREMENT FOR CUMULATIVE VOTING FOR NATIONAL BANK DIRECTORS IS UNWISE PROVISION

Mr. DOUGLAS. We shall also introduce two amendments to help preserve democratic protection inside bank ownership, and to slow down the rate of bank mergers, in order to reduce the danger of growing monopoly in the banking field.

Mr. President, let me deal now with the cumulative voting provision. One of the backward steps in the present bill is the elimination of the requirement for cumulative voting for directors of national banks which was provided in the Banking Act of 1933. Cumulative voting, as we know, is a provision whereby a minority of the stockholders or voters may, if they so desire and vote, obtain a roughly corresponding proportion of the number of directors. In this case, this would be the boards of directors of the national banks. It should be clearly recognized that this right of representation of the minority does not mean giving control to the minority. The majority would still control. All cumulative voting does is to make it possible for a considerable minority which wants representation to have it.

In this way, all owners can become better informed about the problems of the business and the questions up for decision. In the light of the facts, unjustified doubts can be quieted and truer harmony created. If, after inspection, the majorities' policies still seem unwise, alternative courses of action can be suggested. In the long run, this will be better for the banks, and even for the majority. For organizations tend to suffer from an excess of "yes-men" and frequently blunder into unwise and, indeed, disastrous policies because of lacking a doubtful or corrective voice.

MINORITY REPRESENTATION GIVES ADDED STRENGTH

We all recognize this need here in Congress, where the presence of two robust parties which correct their opposite numbers with vigor, if not always with charity, makes our ultimate decisions far wiser and more sound. In Illinois, for example, as a result of the agitation carried on by Joseph Medill, the former publisher of the Chicago Tribune, we elect the members of our State House of Representatives by cumulative voting within three-member districts. This has given a much steadier balance to our legislature than would otherwise be the case. We also prescribe cumulative voting for those companies which are incorporated in Illinois. This has, on the whole, worked out very well. The recent contest for the control of a large mail-order house in Illinois caused more energetic management to be installed and stockholders to be given deserved benefits which had previously been withheld.

Similarly, I have received direct endorsements of the value of the cumulative voting principle for national banks from a number of bankers who have seen this principle at work. But the best testimony was given by J. L. Robertson, now a member of the Federal Reserve Board, but before that for many years, the First Deputy Comptroller of the Currency, and the man who probably knows more about the inner workings of the national banks of the country than does anyone else in the Nation because I think it is an open secret that he largely ran the Office of Comptroller of the Currency for many years. Mr. Robertson's testimony was as follows, and I read directly from the hearings, at page 862:

> Well, Senator, I think I would have to answer that on the basis that I am not so much interested in what use he made of the statute, as I am in the principle of cumulative voting—the principle of permitting minority interests to be represented on the board of directors of national banks. I have seen a great number of these cases and I have never seen a case where there was real abuse of this. I have heard allegations of it, and maybe it is true, but I have also seen a number of cases where one who was not desired did get on the board of directors and did make that board of directors consider problems which they should have considered and, as a result, the bank was benefitted by it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. It so happens that less than a month ago one of the distinguished citizens of my State, who is a retired banker, spoke to me about this very proposition, without any regard at all, I may say, to the proposed legislation before us. He mentioned to me that in some of the large banks the controlling group looks upon the minority members as sort of nuisance members and would like to do away with them. He indicated to me it would be well if I would sort of keep a weather eye on the matter. I never thought that the occasion would really come about. It is the first time I had noted this particular feature, and I noted it only because of the Senator's observation.

It so happens that what the Senator is saying, or repeating what Mr. Robertson has said, is almost identical, at least in spirit, with what was told to me less than a month ago. This comes from a man who spent some 40 years in the banking business, and in a national bank.

Mr. DOUGLAS. I appreciate what the Senator has said. At this point I should like to read into the RECORD a letter from a distinguished Chicagoan and a distinguished banker, Mr. Laurance H. Armour, Jr., vice chairman of the board of the La Salle National Bank. Mr. Armour has written me on a number of occasions and has talked with me about his strong feeling on cumulative voting.

I asked whether I would be permitted to quote him on the floor. He has now given me permission to do so, and I should like to read his letter, because he is a member of one of the great economic families in the country, the Armour family, a great meatpacking family, who is himself distinguished in industry and in finance. He wrote me as follows:

DEAR SENATOR DOUGLAS: I understand that the omnibus banking bill has passed the Senate Banking Committee and that action will soon be taken on it in the Senate.

While I feel that, in general, the bill will modernize our banking laws and right some longstanding wrongs in the banking system, there are certain provisions which I feel are unnecessary and would be an injustice to people who are financially interested in banking institutions.

The provision which most disturbs me, and about which I have written you on previous occasions, is the proposal to make cumulative voting of bank shares optional in national banks. Holders of a minority interest, even a large minority, could lose any voice they might now have in the affairs of their institution. Illinois corporations, other than banks, are required by the laws of this State to permit cumulative voting in the election of directors. I think this provision applied to banks as well as other corporate institutions, has been a healthy thing. As the law now stands with respect to banks, a minority interest, even a large minority, cannot capture a majority of the board of directors of a bank, but it can seat directors who at least are able to represent and express the opinions of the minority.

Under the new law, the ownership of even 49 percent of a national bank could be entirely without representation on the board.

In spite of the testimony of certain individuals and groups in the banking business favoring its adoption, it is my firm opinion that the elimination of mandatory cumulative voting in the election of bank directors goes against the modern trend in corporate thinking in this country, that all shareholders should have a right to be represented and to express themselves through their elected representatives in proportion to the size of their holdings.

I understand that you plan to attack the provision on optional cumulative voting on the floor of the Senate and I feel you should be encouraged in your action.

With kind personal regards, I am,

Sincerely,

LAURANCE H. ARMOUR, Jr.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I am afraid that those who support the elimination of cumulative voting must have seen the show, "The Solid Gold Cadillac," with Judy Holliday.

Mr. DOUGLAS. I have never seen it.

Mr. HUMPHREY. The Senator should have seen that show before he made this excellent speech. While it is not exactly a financial treatise, it is a treat—at least, a comedy treat. It portrays a dissident shareholder with cumulative voting, much to the chagrin of the majority stockholders.

Mr. DOUGLAS. Mr. President, I think I should call attention in the RECORD also to the strong statement by Mr. Maurice S. Brody, director of the Denver National Bank, submitted to the Senate Committee on Banking and Currency on this point, in which he advocates cumulative voting. It will be found in the hearings beginning on page 738.

There was also persuasive testimony to the same effect from another banker, Mr. Fred Walker, director of the First National Bank of Arlington, Virginia. Those men have been minority directors who, I think, have made good on the boards to which they have been elected under the principle of cumulative voting.

DESIRE OF SOME BANK OFFICIALS TO ELIMINATE MINORITY REPRESENTATION SHOULD NOT BE CONTROLLING

Why, then, did the committee eliminate the cumulative voting provision from the banking law? It is eliminated if we make it optional for the majority to eliminate it—as the committee bill does—because the majority does not generally tolerate opposition.

It was done because the advisory committee of 27 recommended it. I do not intend to impugn the motives of that committee. I am sure that they are good citizens and that they thought they were right. But, I should like to point out that this committee was overwhelmingly composed of bank managers and executives. No less than 23 out of its 27 members were either presidents, vice presidents, or chairmen of private financial institutions. At least 13, and possibly more, were officials of national banks.

Bank presidents and chairmen—like most other executives—like to run things and do not relish opposition any more than do most people. Cumulative voting offered the prospect that opposition might develop among their stockholders and find representation on their boards of directors. They doubtless did not like this. Therefore, they thought it desirable to take it out of the law when we were making a general revision of all the banking and insurance acts. In this way, it might be possible to accomplish what much the same groups tried and failed to do 2 years ago when they passed a repealer through this body only to find that it failed in the House.

Yet, in support of their proposal, the opponents of cumulative voting were unable to produce a single specific case in which cumulative voting had been abused. It is true that Mr. Gidney, the present Comptroller of the Currency, said that he knew of such cases but, when challenged to be specific, he refrained from mentioning any case. Against his general statement, moreover, we have the exactly opposite testimony from the experienced Governor Robertson.

In all this, we need to remember that bank managers and executives, like their industrial opposite numbers, are supposed to be the agents of the owners, who are stockholders. They should, of course, be imbued with a due sense of social responsibility, and it is desirable that they should have some financial stake in the companies they direct. But ultimate control under our system of capitalism is vested in the stockholders.

BANK MINORITIES DO NOT HAVE PROTECTIONS LIKE THOSE UNDER SECURITIES AND EXCHANGE ACT FOR PROXY SOLICITATIONS

The managers and executives are emphatically not supposed to be the masters of the stockholders. Yet sometimes that very thing tends to happen, and a more or less self-perpetuating inner group of executives wields the real power. The general tendencies in this direction are reinforced in the case of banks. By the Securities and Exchange Act, the solicitation of voting proxies in companies listed on the stock exchanges was put on a much fairer basis than had previously been the case. Minorities are, therefore, given more of a chance in the field of corporations listed on the stock exchanges to inform themselves and be heard than was true 25 years ago.

In this connection, I wish to say that Mr. Lewis Gilbert and his brother, and Mrs. Wilma Soss have played a great part in being active in stockholders' meetings, and have been highly beneficial in their influence upon the policies of corporations.

But this improvement in the matter of proxies, however, has not affected the banks. This has not been due, as many believe, to any specific exemption of the banks as such, but to the fact that no bank stock that I know of is listed on the exchanges; and, not being listed on the exchanges, it is therefore not under the Securities and Exchange Commission. That, I think, is the answer to the suggestion of the Senator from Connecticut [Mr. BUSH] that we should leave these issues to the SEC. As a practical matter, the SEC does not have jurisdiction in these matters.

The provision for cumulative voting in national banks is needed, therefore, to compensate at least partially for the lack of proxy protection. To knock out the present provisions for cumulative voting would be to heap an added disadvantage upon those who may be dissatisfied with the way a bank is being run, since they do not have the ordinary proxy protection.

One final objection may be dealt with. That is the fear that if cumulative voting is retained, improper influences may get representation on boards of directors and injure the banks. Such merit as there is in this proposal is, however, met by the provision which some of us inserted into the draft providing for the disclosure of real ownership. In the sunlight of this knowledge, improper elements could never get or maintain a foothold in the national banks, even with cumulative voting. And yet, curiously enough, much of the opposition to compulsory disclosure comes from the same groups which are also opposing cumulative voting.

Mr. President, I now ask unanimous consent that the amendment which the Senator from Pennsylvania [Mr. CLARK] and I intend to propose, dealing with the question of cumulative voting, be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 18, in the third and fourth lines of subsection (c) of section 26, strike out ", the articles of association so provide,".

PROTECTIONS AGAINST MERGERS AND MONOPOLY IN BANKING SHOULD BE TIGHTER

Mr. DOUGLAS. Let me turn from the subject of cumulative voting to that of mergers.

Just as the aim of our cumulative voting amendment is to protect democracy inside our national banks and give it a chance to grow, so, in our handling of bank mergers, we should similarly try to preserve democracy within our overall banking system.

Here it is well to note how concentrated banking and financial power has become in England and Western Europe. All of the commercial banking business in England is done by the so-called big five. Virtually all the commercial banking in France is done by four financial institutions. There are only a handful of commercial banks in modern Germany. Banking in Canada also is closely concentrated.

This concentration of financial power puts businessmen in the hands of a relatively small group of financial managers who have the power to decide whether or not credit should be extended to them. The concentration of credit has not only gone with, but has helped to create the concentration of industrial power in all of these countries. This has made it more and more difficult for small-business men to get started and medium-sized businesses to grow. It has also inevitably led to the demand for the nationalization of credit which has already gone far in France.

Yet this concentration of financial power came slowly and was scarcely noticed while it was occurring. A century ago there were large numbers of relatively small provincial banks in England which helped to supply credit for local merchants and manufacturers. Those who have read Walter Padget's work Lombard Street will remember his description of the role of the independent provincial banks.

Gradually, these were merged and absorbed in the great London banks: Lloyds, Barclay, the London and Westminster, the National Provincial, and the Midlands. It was not until after World War I that England woke up and found out what had happened, namely, that her banking resources had become closely concentrated.

CONCENTRATION OF FINANCIAL CONTROL LEADS TO CONCENTRATION IN AND CARTELIZATION OF INDUSTRY

Very quickly thereafter her industry began to cartelize, and monopoly and quasi-monopoly spread over England, aided by the banks which participated in the so-called reorganization of the textile industry and of the iron and steel industry.

I have talked with numerous English experts on this subject and have asked them if they could do it over again, whether they would take the course their country has taken or whether they would try to keep banking decentralized. Almost without exception, they said that if it were possible, they would prefer to have much greater diffusion of financial power. But they added, "it is now too late. The consolidations have taken place and we cannot turn the clock back."

As I listened to them and as I have studied the financial systems of their country and of the countries of Western Europe, I found myself wishing with all my strength that we in the United States may never go through the course that they have traveled, because I think it is ultimately destructive of a true democracy. For if economic power becomes concentrated in a relatively few hands, then political power will go into those same hands, and we shall have traveled far from the faith of our fathers.

Now, of course, we have certainly not gone anywhere nearly as far as these other countries in the way of concentrating financial power. But we need to be alert and to keep from doing it. We owe a great debt to Andrew Jackson and Thomas H. Benton and others who on the floor of the Senate nearly a century and a quarter ago broke the power of the Second Bank of the United States and prevented a banking monopoly from being created in this country.

FINANCIAL CONCENTRATION IN UNITED STATES IS ALREADY TOO FAR ADVANCED

We have already, however, gone much further than we should in the direction of centralized financial control. This has been effected in a variety of ways, not only by the growth of the original banks themselves, but also (a) by the establishment of branches, (b) by bank mergers such as we are now discussing, and (c) by bank holding companies. Fortunately, we took a step in the bank holding company bill to prohibit acquisitions across State lines unless specifically permitted by State law.

One of the things that I am particularly proud of in my service in the Senate is that I was the author of that amendment and played at least some part in getting it adopted by the Senate and by Congress.

And yet the process of consolidation has gone so far that out in the Far West, in California, Oregon, Arizona, and Nevada, 1 or 2 financial interests control the majority of the lending capacities of these States. There is much the same situation in Utah, while out in what used to be known as the Northwest, namely, Minnesota, the Dakotas and Montana, holding company acquisitions had been proceeding apace until checked by our Federal law.

While the holding company bill was being held up and not being signed by the administration, one of these great holding company chains proceeded to gobble up banks at a terrific rate, in order to make hay while the sun shone.

It is because this question of bank mergers should not be taken lightly that some of us are going to try to stiffen up the present bill. But first, I think we should see whether this is a false fear of ours, or whether concentration of financial power has already gone far. In table I, I present figures showing the proportion of assets for each of 54 cities which are classified as central reserve and reserve cities by first, the largest commercial bank; second, the 2 largest commercial banks; and third, the 5 largest commercial banks. These figures are as of June 30, 1956.

I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Assets of (1) the largest commercial bank, (2) the 2 largest commercial banks, and (3) the 5 largest commercial banks as percentages of the total assets of all commercial banks in central reserve and reserve cities—1956*

City	Percentages as of June 30, 1956		
	Largest bank	2 largest banks	5 largest banks
Birmingham, Ala	88.41	98.41	99.33
Little Rock, Ark	53.92	86.13	93.29
San Francisco, Calif	55.71	70.60	92.53
Los Angeles, Calif	39.19	63.08	92.64
Denver, Colo	32.48	38.39	73.80
Pueblo, Colo	50.42	73.56	100.00
Washington, D. C	30.31	47.71	74.42
Jacksonville, Fla	34.78	68.53	94.90
Atlanta, Ga	32.19	58.58	93.71
Savannah, Ga	39.15	84.24	97.33
Chicago, Ill	25.78	49.53	68.41
Indianapolis, Ind	41.09	69.17	86.54
Des Moines, Iowa	31.17	58.65	91.09
Cedar Rapids, Iowa	60.04	83.83	100.00
Sioux City, Iowa	25.49	47.72	94.05
Kansas City, Kans	34.15	62.43	89.32
Topeka, Kans	38.72	57.04	83.37
Wichita, Kans	47.60	77.86	94.37
Louisville, Ky	30.70	52.80	88.88
New Orleans, La	39.93	92.19	100.00
Baltimore, Md	33.94	44.55	86.83
Boston, Mass	34.03	58.35	90.20
Detroit, Mich	46.23	65.55	96.68
Minneapolis, Minn	38.31	75.11	97.05
St. Paul, Minn	35.85	70.59	93.58
Kansas City, Mo	34.79	56.45	78.85
St. Louis, Mo	27.79	56.15	73.21
Helena, Mont	56.85	100.00	100.00
Omaha, Nebr	47.98	67.86	93.93
New York, N. Y	20.09	30.85	63.84
Buffalo, N. Y	52.72	85.79	100.00
Charlotte, N. C	36.21	80.14	97.30
Cincinnati, Ohio	35.77	62.60	87.50
Cleveland, Ohio	46.91	70.01	97.74
Columbus, Ohio	33.46	74.54	97.35
Toledo, Ohio	39.12	75.87	97.61
Oklahoma City, Okla	48.41	73.54	98.18
Tulsa, Okla	42.27	80.36	92.20
Portland, Oreg	47.83	93.68	99.78
Philadelphia, Pa	25.23	48.52	79.66
Pittsburgh, Pa	60.04	78.73	93.19
Memphis, Tenn	45.72	80.30	98.97
Nashville, Tenn	36.58	70.23	89.62
Dallas, Tex	35.84	71.65	90.75
El Paso, Tex	47.10	90.51	100.00
Fort Worth, Tex	37.39	72.80	88.83
Houston, Tex	32.90	52.78	83.67
San Antonio, Tex	37.72	54.90	81.91
Ogden, Utah	67.54	93.36	100.00
Salt Lake City, Utah	24.47	43.59	92.64
Richmond, Va	35.03	58.73	92.64
Seattle, Wash	40.14	77.68	99.67
Milwaukee, Wis	45.19	65.09	83.10

Source: Office of the Comptroller of the Currency.

Mr. DOUGLAS. I shall pick out a few of the figures for comment. I should like to note that in Birmingham, Ala., 88.41 percent of the banking assets are held by 2 banks. In San Francisco, Calif., 70.60 percent of the assets are held in 2 banks. In Washington, D. C., 47.71 percent are held by 2 banks.

In Jacksonville, Fla., 68.53 percent of the banking assets are held in 2 banks.

In Atlanta, Ga., 58.58 percent are held in 2 banks.

In Chicago, Ill., no mean city, which has a population of around 4 million, and in whose metropolitan area lives a population of nearly 6 million, 49.53 percent of all banking assets are held by 2 banks.

In Indianapolis, Ind., the center of that State, 69.17 percent of the assets are held in 2 banks. In Louisville, Ky., 52.5 percent are held by 2 banks. That is the city from which the present occupant of the chair [Mr. MORTON] comes.

New Orleans, La., 62 percent in 2 banks. Baltimore, Md., a big city, 44.55 percent. Boston, Mass., 68.35 percent. Detroit, Mich., a great city of close to 2 million people, 65.5 percent in 2 banks.

In Minneapolis, Minn., 75 percent are held by 2 banks. In Kansas City, Mo., 56.45 percent are held by 2 banks. In St. Louis, Mo., another great center, 54.15 percent are held by 2 banks.

In New York City, which is the greatest financial center in the world, 39.8 percent are held by 2 bankr, and 65.8 percent in the 5 largest banks.

In Cleveland, the city from which our distinguished Secretary of the Treasury comes, 70 percent are held by 2 banks.

In Columbus, Ohio, the capital of Ohio, 74.84 percent of all the bank assets are held by 2 banks. In Portland, Oreg., 93.03 percent are held by 2 banks. In Philadelphia, 48.52 percent are held by 2 banks. In Pittsburgh, Pa., 78.73 percent are held by 2 banks.

I now refer to some Texas cities. Dallas, 71.05 percent in 2 banks. In El Paso, 90 percent of all banking assets are held by 2 banks. In San Antonio, Tex., 54.9 percent are held by 2 banks.

In Ogden, Utah, 92.58 percent are held by 2 banks. In Seattle, Wash., 77.68 percent are held by 2 banks.

In Milwaukee, Wis., 65.69 percent of all banking assets are held by 2 banks.

I wish to emphasize the fact that in most cases small- and medium-sized businesses must get their credit from local financial institutions. Therefore it is the local concentration which is extremely important.

PROTECTIONS AGAINST MERGERS IN COMMITTEE BILL ARE TOO SOFT

The bill which is presently before us gives discretionary power of approval or disapproval of mergers to the same national authorities which now examine the various classes of banks. This means that in the case of the national banks, approval or disapproval would rest with the Comptroller of the Currency. In the case of those State banks which are members of the Federal Reserve System, similar powers would be lodged in the Federal Reserve Board. The State banks which are not members of the Federal Reserve System, but have their deposits insured by the FDIC, would be subject to the approval of that organization.

Various standards are laid down for these groups to consider. One of these is whether or not such a merger would unduly restrict competition. This, it should be noted, is a softening of the language as compared with the law on industrial combinations which used instead the test of whether or not a given merger substantially limits or restricts competition.

Under the proposed bill, the regulatory authorities may ask the Attorney General for an opinion on whether or not there is an undue limitation of competition, but they do not have to ask for such an opinion and can proceed without it or, if they obtain it, they can proceed against the recommendation of the Attorney General.

BANK REGULATORY AGENCIES TEND TO BE TOO COMPLIANT IN MERGER CASES

I believe that the three Federal banking agencies should not be given sole administrative authority over bank mergers and that they should not be permitted to entirely bypass the Department of Justice. As some of us pointed out in the report, the granting of authority to the three Federal banking agencies to approve or disapprove mergers, without the concurrence of the Depatrment of Justice, does not assure that competitive factors will be given sufficient weight.

These three Federal agencies primarily touch their appropriate groups of banks in their examining functions. The main purpose of the examining functions of these Federal banking agencies is to assure the financial health of the banks for the protection of depositors. It is obvious that if a bank has less competition, it can more easily keep itself financially healthy.

But this may be maintained at the expense of the public, which depends on competition to keep charges low and to have industrial progress occur.

Now, I want to make it clear that I do not level any charges of bad faith or pro-monopoly philosophy at the three Federal banking agencies. But we should be aware of at least two things. First, that there is a common administrative tendency for regulatory agencies to be more or less taken over, with the passage of time, by the industries which they are supposed to regulate.

Second, the record shows that these agencies have apparently worried very little in the past about the tendency of banks to merge. Only after the House last year passed the Celler bill, covering bank mergers by asset acquisition under the Clayton Anti-Trust Act, and that measure came over here to the Senate, did these agencies finally come up with a bill themselves.

The only conclusion I could draw was that they were trying to head off the Celler bill. This was a much weaker measure, and it is the one which is now included in the bill reported by the committee.

Aside from a lack of leadership toward stemming the recent tide of bank acquisitions, the record of these agencies in disapproving mergers under the present laws is certainly not inspiring. From 1950 to 1955, inclusive, the Comptroller of the Currency approved 460 mergers in national banks. He had given formal disapproval to only nine, and informal disapproval to only 13. In other words, he had approved between 95 and 96 percent of all the applications. In the year 1956, the Comptroller approved 105 mergers and disapproved only 3 or 4, still maintaining the 96 percent record of approval.

Now the Federal banking agencies plead that they have had insufficient legislative criteria upon which to base any disapproval. But their bill and their testimony in favor of their bill, both last year and this year, show very clearly that they have little belief in the social and economic need for competition.

So far as the softening of the language and the substitution of "unduly" for "substantially" is concerned, Mr. H. E. Cook, Chairman of the Federal Deposit Insurance Corporation, stated during our hearings last year:

> We believe that it is essential that the Corporation be free to act in transactions which are in the public interest, notwithstanding the fact that there is a substantial lessening of competition.

The use of the word "unduly" would cause a whole series of court cases to determine what it meant judicially.

APPROVAL OF ATTORNEY GENERAL SHOULD BE REQUIRED AND STRONGER TEST APPLIED

We favor instead, therefore an amendment which would require the Attorney General to give an opinion on the competitive and monopolistic aspects of each bank merger. This would replace the purely discretionary authorization which is contained in the bill before us. And we favor the substitution of the stronger test of "substantially" lessening competition, which has a more clearly defined meaning in the law under existing Court decisions, for the softer test now in the bill, of "unduly" lessening competition.

In other words, we want the Department of Justice consulted in every instance so that the enforcement of this statute shall be uniform and in line with the enforcement of other anti-trust laws.

This is what is advocated by the Attorney General, himself. We go beyond him a little bit. We also wish to have his consent required for the completion of a merger so that joint approval by him and by the examining authority would be necessary.

Let it be clear that I do not idealize the office of the Attorney General. He has become in recent years and under administrations of both parties too largely a political officer. But his office is thoroughly familiar and concerned with the competitive and monopolistic problems of our country and can be depended upon, in the main and over the long run, to protect competition more effectively than the Federal banking agencies, which tend to be more interested in the financial condition and soundness of the banks than with their competitive position.

It has been objected that our requirement would not permit the Attorney General to take cognizance of other important factors involving the financial solvency of the banks and the protection of the accounts of depositors. We do not believe this is true, since the United States Supreme Court has decided in the International Shoe Co. case (280 U. S. 291), that under certain conditions, the merger of a failing corporation would not violate the intent of the Clayton Act. But to remove any doubt, we are adding a proviso that consent can still be given, even though it lessens competition or tends to create a monopoly, if the Attorney General finds that such a transaction is necessary to prevent the probable failure of one of the banks concerned.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the amendment proposed by the Senator from Oklahoma [Mr. MONRONEY], the Senator from Pennsylvania [Mr. CLARK], and myself.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 164, in the sixth line, strike out "to lessen competition unduly or to tend unduly" and insert in lieu thereof "substantially to lessen competition or to tend."

On page 164, in the eleventh line, strike out "may" and insert in lieu thereof "shall."

On page 164, in the fifteenth line, after the period insert a new sentence as follows: "If the Attorney General finds that the effect of the proposed transaction may be substantially to lessen competition or to tend to create a monopoly, consent shall not be given under this section unless the Attorney General finds further that such a transaction is necessary to prevent the probable failure of one of the banks concerned."

Mr. DOUGLAS. Mr. President, I submit that this is an extremely important point and that our amendment is in the public interest and is in the true American tradition.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS SHOULD BE GRANTED BROADER RIGHTS TO SET UP BRANCHES

An amendment is also needed, Mr. President, in the Federal Savings and Loan title of the bill to foster greater competition among financial institutions.

I shall offer an amendment for this purpose, to permit Federal savings and loan associations to have branches in States which extend branch privileges to commercial banks.

The Senate adopted such an amendment in 1955 when it passed S. 972 dealing with this subject. Without this amendment the effect of paragraph 6 of section 501 of S. 1451, pages 211–212, would be to restrict unduly the branching possibilities of Federal savings and loan associations. It would thus put them at a competitive disadvantage in relation to commercial banks in many States.

COMMITTEE BILL CUTS OFF BRANCHING RIGHTS IN 24–25 STATES

S. 1451 as reported by the committee does this by limiting the establishment of Federal savings and loan branches to those States which permit branches for State-chartered savings and loan and mutual savings banks.

It merely gives the same privilege to federally chartered savings and loan institutions as the individual States give to State savings and loan institutions, and therefore subjects them to the same disadvantages which the State savings and loan institutions have in competition with commercial banks in those States. It would thus prohibit branching in at least 24 States as follows: Alabama, Arkansas, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, South Dakota, Tennessee, West Virginia, Wisconsin, Wyoming, and South Carolina.

And Minnesota, according to my information, may properly be added to this group.

COMMERCIAL BANKS WOULD SECURE COMPETITIVE ADVANTAGE OVER FEDERAL SAVINGS AND LOANS

The committee bill would therefore outlaw branch Federal savings and loan institutions in approximately half the States of the country.

In at least 21 of those States commercial banks enjoy some form of branch privileges, either through favored State law or through corporate devices, such as bank holding companies, or chain or group banking, not available to savings and loan associations.

Banking institutions are more and more entering into the home financing and mortgage business. We find them, therefore, in the business of financing construction, home acquisitions, and home improvements. These commercial banks, like savings and loan associations, solicit savings from the public and make home mortgage loans. Thus the committee bill would strike a heavy blow at fair and equal competition among these rival financial institutions.

This competition has been healthy and beneficial to the public, and there is no need to curtail it merely to make it soft for the banks. The commercial banks are doing all right and no not need Congress to eliminate new competitors for them.

The commercial banks, on the whole, have done an admirable job in the promotion of thrift and also in the home-financing field. But competition with the savings and loan institutions serves the public interest and is also healthy for the institutions involved. One representative of the Home Loan Bank Board observed that where new savings and loan facilities have been approved in an area, existing institutions have continued to prosper and, in some instances, have had even better and more healthy growth than before.

FEDERAL ENCOURAGEMENT OF THRIFT AND HOME-FINANCING SHOULD NOT BE SET BACK

It is urged, in support of these provisions in the committee bill, that Congress should leave it up to the States to decide whether or not our citizens should have Federal thrift and home-financing institutions. But this would completely reverses the longstanding policy of Congress that establishment of thrift and home-financing facilities is an integral function of the Federal Government. For example, we have authorized the GI loan program, the Federal Housing Administration, the Federal National Mortgage Association, the insurance of savings, the Federal Home Loan Bank System, the Federal Reserve System, and the chartering of Federal Savings and Loan Associations and national banks. So far, Congress and the courts have not permitted any State to supersede these Federal functions.

Far from merely following State laws, Congress prescribed that the Home Loan Bank Board, in approving new Federal Savings and Loan Associations, should employ the best practices of local mutual thrift and home-financing institutions in the United States. The Home Loan Bank Board, in accordance with the policies laid down by Congress, has not required or permitted the creation of Federal associations pursuant to 48 separate sets of State laws. Instead, the Board has taken the best practices and has incorporated them into a uniform system.

Before abdicating this Federal function to the States, we should also recall that the banks tend to be more influential in State capitols than the more modest savings and loan associations and mutual savings banks. Thus, the banks can and do get written into State laws advantages for themselves which in the situation that would be created by the committee bill would reverse the affirmative Federal policy of fostering thrift and home-financing institutions.

Furthermore, today we have a definite shortage of home mortgage money staring us in the face, and it looks to me like a paradox of the highest order to consider legislation which would further reduce or retard the normal and needed growth of the supply of long-term savings so necessary for home mortgages. Yet this bill, if passed in its present form, would do precisely that. Savings and loan associations make between 35 and 40 percent of all home mortgage loans made in the United States. To arbitrarily limit their right to establish branches and convenient savings repositories would give a competitive advantage to commercial banks, leading in all probability to more bank deposits compared with savings and loan accounts, but shrinking the proportion of savings going for home mortgages.

RECORD OF SAVINGS AND LOAN BRANCHES REVEALED NO ABUSES

The testimony in the hearings held on this issue during the past 3 or 4 years has clearly shown that the Federal Home Loan Bank Board has not abused its branch-granting authority. It has granted branches only where the applicants have demonstrated a need for the new facility in the public interest. The Board provides for a formal hearing and gives everyone affected the opportunity to express his views. I might add, parenthetically, that the Comptroller of the Currency grants national bank branches administratively without any hearing at all. An indication that the Board exercises its authority to grant branches cautiously is the fact that no Federal savings and loan branch has failed.

A comparison between branches of Federal savings and loan associations and branches of other financial institutions makes it even more evident that there has been no abuse on the part of the Federal Home Loan Bank Board. A tabulation prepared as of December 31, 1956, shows that there are many fewer Federal savings and loan branches per 100 institutions than there are in the case of banks.

I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Tabulation of branches of financial institutions*

	Number of institutions	Number of branches	Number of branches for each 100 institutions
Federal savings and loan	1,739	397	23
Banks, member Federal Reserve	6,462	5,886	91
All banks	14,167	7,955	56
Mutual banks	528	366	70

Mr. DOUGLAS. Mr. President, I merely point out that whereas in the case of banks which are members of the Federal Reserve System there are 91 branches for every 100 institutions, in the case of all banks there are 56 branches for every 100 institutions, and in the case of mutual banks there are 70 branches for every 100 institutions. But in the case of savings and loan associations there are only 23 branches for every 100 institutions.

SAVINGS AND LOANS PERFORM ESSENTIAL FINANCING SERVICES

The great rank and file of savings and loan members are working people. The average savings account is small. There is a natural temptation to spend rather than to save. Access to convenient facilities, with a constant urging to use them, is an important factor in establishing the savings habit.

This is very important in connection with the move to the suburbs, where people are fanning out from the cities, and where the people need local institutions to accept their savings and, in turn, to have the institutions make loans to them for the construction of homes.

Since the savings and loan institutions are mutual organizations, it is hard to organize them de novo. It would, however, be relatively easy for savings and loan institutions which are located in the cities to establish branches in the suburbs and to offer their facilities to those who live there.

BRANCHING BY SAVINGS AND LOANS DOES NOT LEAD TO MONOPOLY—IT FOSTERS DIFFUSION OF CONTROL

The precedent of the McFadden Act in reference to branching by national banks, cited in the committee report, seems to me in no way applicable. Federal savings and loan associations are quite different. It is very important that we should realize this difference. They are mutuals, owned by their customers. Added branches for these associations do not lead to more concentration. By virtue of mutuality, they lead to a broader diffusion of ownership. New persons are brought in on the same terms as those who are already members.

Federal savings and loan associations are limited in their lending to a radius of 50 miles from their home office. They cannot become giant monopolies or dominate the financial field in any community or area. They are, as I have said, mutual institutions owned by the persons who use their facilities; and when a mutual institution takes in branches, the investors in the branches are equal owners along with the original group. Unlike some other forms of banking, as Federal savings and loan associations expand, control is diffused among more people, and the benefits are extended to greater numbers.

Therefore, because of their peculiar nature, far from promoting monopoly, the expansion of savings and loan associations extends public participation, widens the area of service, and diffuses power. This promotes democratic control and helps competition, both major goals—or they should be major goals—of Federal banking policy, to which I have earlier referred in connection with other amendments.

The testimony at the hearings did not contend that branches of Federal savings and loan associations were evil or unsound. No member or customer of a Federal savings and loan association has complained about branches. The Federal Home Loan Bank Board opposes these provisions of the committee bill. State-chartered savings and loan associations as well as Federal savings and loan associations oppose them.

As I understand it, the State-chartered institutions are not asking to have the Federal institutions loaded with all the disadvantages which State institutions have.

It would appear, from the testimony, that the only groups who favor these provisions are those in direct competition with Federal savings and loan associations for savings accounts and home loans. This is not a sufficient justification for the drastic restrictions on branching by savings and loan associations which are made in the committee bill.

BROADER BRANCHING WOULD BE DESIRABLE TO KEEP PACE WITH BANKS

In principle, I would favor permitting such Federal savings and loan branches in all States which either directly give this right to commercial banks or in effect extend such a privilege by permitting the operation of bank holding companies or chain or group banking. I believe that the Federal savings and loan associations should be able to have branches to accept savings and to make loans for home financing, wherever other financial institutions could have such branches or engage in group banking.

If this were to be done, it would extend the branching privilege to approximately 21 of the 25 States which are to be denied it under the committee proposal.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ALLOTT. I presume, then, in line with the Senator's thinking, that he would also consider it to be satisfactory to permit this privilege where the State laws allow State savings and loan institutions, as well as banks, to have branches.

Mr. DOUGLAS. The committee proposal is to say that the federally chartered savings and loan associations should have the right to establish branches only where the State laws permit State savings and loan associations to have branches. My point is that, by State laws, savings and loan associations suffer from a disadvantage as compared with the commercial banks, and that we should take as our standard not what the State law permits State savings and loan institutions to do, but what State and Federal laws permit commercial banks to do. That is the point I am trying to make.

Mr. ALLOTT. I appreciate the Senator's explanation.

SAVINGS AND LOAN AMENDMENT REPRESENTS A COMPROMISE

Mr. DOUGLAS. Mr. President, this is what I should like to do if I could persuade the Senate and the House of Representatives to approve it. Some years ago I offered an amendment to this effect, but I obtained only 14 votes for it. So, as Margaret Fuller once said, "I accept the universe"—at least, temporarily.

Therefore, the proposal I intend to call up in behalf of the Senator from Oklahoma [Mr. MONRONEY] and myself does not go as far as this, but only proposes to add to the bill permission for Federal savings and loan associations to have branch privileges in those States which permit commercial banks to have branches, and would not extend this privilege where there are bank holding companies or where there is chain banking.

This amendment would thus affect 10 States wherein commercial banks can have branches, but where savings and loan associations could not. These are: Alabama, Georgia, Idaho, Michigan, Mississippi, Nevada, New Mexico, North Carolina, South Carolina, and Tennessee.

It is my understanding that Kentucky has changed its State laws since this compilation was made; so it might be included also, although on this point I am not certain.

AMENDMENT WAS APPROVED BY SENATE IN 84TH CONGRESS

Finally, Mr. President, I should like to remind my colleagues again that at the last session of Congress, the Senate passed S. 972, the branch bill, with a provision identical, in effect, to the amendment we are offering on this point. In fact, the amendment accepted then was essentially the amendment that the Senator from Connecticut [Mr. BUSH] originally had offered in committee in 1954. It is interesting to note that after the Senate went on record in favor of this principle, the committee nevertheless voted it down. A vote for this amendment would, therefore, be a vote to reaffirm one of this body's earlier decisions.

Mr. President, I ask unanimous consent that the amendment we have prepared on this matter be printed at this point in the RECORD.

There being no objection, the amendment intended to be proposed by Mr. DOUGLAS (for himself and Mr. MONRONEY) was ordered to be printed in the RECORD, as follows:

On pages 211 and 212, strike out section 6 in its entirety and insert in lieu thereof a new section 6, as follows:

"§ 6. Federal savings and loan branches

"An association may retain or establish and operate a branch or branches under the following conditions:

"(a) An association may retain and operate such branch or branches as it may have in operation on the effective date of this paragraph, the establishment and operation of which had been approved by the Board.

"(b) If, after the effective date of this paragraph, a State savings and loan association is converted into or consolidated with a Federal savings and loan association, or if two or more Federal savings and loan associations are consolidated, such converted or consolidated association may, with respect to any of the associations, retain and operate any of their branches which are in lawful operation on the date of such conversion or consolidation.

"(c) An association may, with the approval of the Board, establish and operate new branches within the State in which the home office of such association is situated, if such

establishment and operation are (i) at the time expressly authorized to State savings and loan associations or mutual savings banks, or (ii), after June 30, 1957, expressly authorized to State banks or trust companies, by the law of the State in question, or, in the absence of any such law, if such establishment and operation are at the time in conformity with the practice within the State with respect to branches of State savings and loan associations or mutual savings banks, or, after June 30, 1957, in conformity with the practice within the State with respect to branches of State banks or trust companies; except that no approval of the State authority having supervision over State savings and loan associations or mutual savings banks or banks and trust companies shall be required. Any such new branches shall be subject to the least onerous restrictions with respect to number and location as may be imposed by the law of the State or the practice therein with respect to branches of State savings and loan associations, mutual savings banks, or State banks and trust companies. No branch of any Federal savings and loan association shall be established outside the State in which its home office is located. The Board shall, before approving or disapproving an application of a Federal savings and loan association to establish and operate a branch, give consideration to the same requirements as are set forth in this act with respect to the granting of charters of Federal savings and loan associations.

"(d) No branch of any Federal savings and loan association shall be established or moved from one location to another without the prior consent and approval of the Board.

"(e) The term 'branch', as used in this section, shall be held to include any branch savings and loan association, branch office, branch bank, branch agency, additional office, or any branch place of business located in any State at which shares are issued, sold, withdrawn, repaid, or repurchased, or at which deposits are received, checks paid, or money is lent, or dues or dividends are paid or credited.

"(f) The words 'State savings and loan association' or 'State savings and loan associations', as used in this section, shall be held to include savings and loan associations, building and loan associations, cooperative banks, and homestead associations organized and operated according to the laws of the State in which they are chartered or organized.

"(g) The words 'State banks and trust companies', as used in this section, include all banks and trust companies organized under the laws of any State which have among their powers the power to accept thrift deposits and to engage in home financing.

"(h) The term 'State', as used in this section, includes the several States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii."

Mr. DOUGLAS. Mr. President, the amendment is a compromise between two extremes. It does not go as far as I would like it to go. It would not entirely please the banking industry or the savings and loan industry. Each group concedes something, and each group gains something, under this compromise. But it would keep the doors open to Federal savings and loan branching in 10, and possibly 11, more States where their competitors have the same right. Therefore, it seems to be a sort of middle-of-the-road amendment—a position which I am told is an extremely popular one these days.

The Advisory Committee to the Senate Banking Committee, which was composed primarily of bankers and of some savings and loan executives, apparently tacitly agreed to the compromise in Senate bill 972 of last year, and hence to the principles of our amendment, for these principles were in the original committee print of the bill. Then they disappeared. I would add that our amendment contains the one specific recommendation of that group on the subject, namely, that branches of Federal savings and loan associations shall not cross State lines. I heartily agree that they should not.

The amendment, I shall offer is fair, logical, and necessary. It will foster savings, home financing, and more equal competition among the financial institutions which offer these needed services. I hope the Senate will adopt it, along with the other amendments I have discussed today.

Mr. President, in conclusion, let me say that I hope the discussion of these measures by various Senators this afternoon will be read with care by the Members of the Senate and by the press, because although the subject seems to be somewhat dry, and perhaps is not fully understood by a large portion of the population, it is extremely important. I believe in the system of democratic capitalism and of free competitive enterprise, but in order to make that system work, we must purge it of abuses, and must make it democratic. The decisions the committee has made, with perhaps a few exceptions, are, in the main, I think, such as would weaken the present banking laws; and unless they are corrected, the ultimate results would be unfortunate.

I hope very much the subject will be studied further before the vote is taken on Monday, and that the case may be fully considered by the Senate and by the people.

Mr. MANSFIELD. Mr. President, I have received numerous communications and telephone calls from credit unions in the State of Montana. I am hopeful that some of the objections raised by the Montana credit unions will be answered in the course of the debate on the pending bill.

I ask unanimous consent that I may have printed in the body of the RECORD, immediately following the remarks of the Senator from Illinois, the text of the communications I have received from Montana relative to the credit union provision in the bill now under consideration.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

LIVINGSTON, MONT., *February 8, 1957.*

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D. C.:

We ask that you oppose and vote against the advancement or passage of Senate bill as presented by Senator A. WILLIS ROBERTSON to restrict Federal credit unions from making loans on automobiles and home appliances, also contained in this bill to give Director of Federal Credit Unions power to set the amount credit unions may lend on a loan secured by collateral, also the provision requiring that credit unions be examined by local CPA in addition to Federal examinations.

LIVINGSTON NORTHERN PACIFIC EMPLOYEES FEDERAL CREDIT UNION,
W. H. MARTIN, *Treasurer-Manager.*

GREAT FALLS, MONT., *March 10, 1957.*

Hon. MIKE MANSFIELD,
Senate Office Building,
Washington, D. C.

DEAR MR. MANSFIELD: The limitation on credit unions contain in title 7 of Senate bill 1451 is in our estimation against credit union principles and would merit your opposition. Thank you.

C. BRYAN JENSEN TEAS,
ACM Employees Federal Credit Union.

MISSOULA, MONT., *March 10, 1957.*

Hon. MIKE MANSFIELD,
United States Senator,
Senate Office Building,
Washington, D. C.:

The Montana Credit Unions League, 134 member credit unions with approximately 2,500 members, is concerned about title 7, Financial Institution Act of 1957, S. 1451. We oppose giving Director of Bureau of Federal Credit Unions regulatory power on lowering loan limits for Federal credit unions; we also oppose section requiring outside audits for all Federal credit unions with assets over $100,000. Bill omits provision which could permit a credit union to name a loan officer, which we favor. Your careful study of these matters is appreciated. Letter will follow.

DAVID L. BRYAN,
Managing Director.

SIDNEY, MONT., *March 12, 1957.*

Hon. MIKE MANSFIELD,
United States Senate Office Building,
Washington, D. C.:

This credit union is opposed to the passage of Senate bill 1451, pertaining, among other things, to giving power to the Director to restrict size of loan made by credit unions and providing for outside audits. We urge your opposition to the passage of this bill.

J. HARRY JOHNSON,
President, Richland County Cooperators, Federal Credit Union.

SIDNEY, MONT., *March 11, 1957.*

Hon. MIKE MANSFIELD,
United States Senate,
Washington, D. C.:

I urge your opposition to Senate bill 1451, giving power to the Director to restrict size of loans made by credit unions and providing for outside audits.

DAVID T. CLARK,
Alternate National Director, Montana Credit Unions League.

HELENA RAILWAY EMPLOYEES FEDERAL CREDIT UNION,
Helena, Mont., March 9, 1957.

Referring to title 7 in Financial Institutions Act of 1957 (S. 1451).

Hon. MIKE MANSFIELD,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR MR. MANSFIELD: We are very much opposed to the matter of the Director of the Bureau of Federal Credit Unions having the power to lower loan limits. We are also opposed to the proposal that credit unions with assets of $100,000 or over be audited by an outside agency.

We do not feel that this power should be placed in any one individual's hands. Under present regulations this power is delegated to Congress and we feel that is the place it should be. Under present conditions it is our feeling that loan limits should be increased rather than decreased. This is

especially true in the case of unsecured loans, we do have members whose character is the very best and a larger loan limit on unsecured loans would be very desirable.

As to the matter of outside audits we are very much opposed to this procedure. In the past we have been very proud of the fact that we can tell our members and prospective members that we are audited annually by Federal examiners, and this fact gives us a certain amount of prestige. Very few if any outside auditing firms know the philosophy of the credit-union movement. In the past our Federal examiners have had training in our field and they are well acquainted with our system of bookkeeping and are therefore better qualified for the position.

Our movement has been built on sound principles, and we can see no reason why the Federal department has a desire to shift a part of its workload to outside interests. We are definitely opposed to this change.

Originally there was a paragraph in this bill referring to the appointment, by the credit committee, of a loan officer. It seems this part of the bill has been lost somewhere along the line. We are very much interested in this part of the bill, as there are times that a loan officer, especially if he were the treasurer, would be able to render much faster and better service.

Our movement is based on service to our fellow man, and we feel that we are rendering a service in the financial field of this great country of ours.

Trusting that we may have your support along the lines we have discussed and thanking you very kindly for whatever you may be able to do to help us move forward and be able to better serve our members and the economy of this great land of ours.

Thanking you very kindly, we remain,

Very truly yours,

H. W. SCHMITT,
President, Gates of the Mountains Chapter of Credit Unions, Helena, Mont.

MONTANA CREDIT UNIONS LEAGUE,
Great Falls, Mont., March 11, 1957.

Hon. MIKE MANSFIELD,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR MR. MANSFIELD: Last evening I sent you a wire in regard to title 7, Financial Institutions Act of 1957 (S. 1451).

The Montana Credit Unions League feels that to give power to the Director of the Bureau of Federal Credit Unions to lower loan limits on all credit unions or for classes of credit unions is placing too much power in the hands of one person. The Bureau has regulated this type of lending, where credit unions have become quite large, by requiring additional reserves. This has tended to make the directors of individual credit unions careful about making any large (over $5,000) loans. We feel that credit unions are basically self-help organizations and that too stringent regulation tends to destroy this basic concept of credit union operation.

We are also opposed to the requirement which would make it mandatory for all Federal credit unions with assets over $100,000 to have an audit performed by an independent audit firm instead of being examined by examiners from the Bureau of Federal Credit Unions. Such a requirement would work an undue hardship on many credit unions, financially speaking. We feel that the chartering agency should be the examining agency because only the chartering agency has authority to insist on the credit union's complying with the Federal Credit Union Act and with the provisions of the credit union's own bylaws. This is a very important factor concerning the safety of members' funds in the credit union.

We have, in Montana, 141 credit unions with 134 of these being members of the league. These credit unions have approximately 25,000 members. The service rendered these members by their own organization, the credit union, is inestimable. The millions of dollars saved by these members is probably money saved that would not have been saved otherwise. The help given members in time of need through a loan from their credit union is great. How great, no one knows, for it is a service without measure. I feel certain that you, as a representative of these members, would not want to see any restrictions placed on their organizations which would hamper or make impossible the type of service they now render.

Your careful study of this legislation is sincerely appreciated.

Thank you.

DAVID L. BRYAN,
Managing Director.

Mr. MANSFIELD. Mr. President, I venture to suggest that by tomorrow some members of the committee will either have the answers to these objections or will be in a position to offer amendments—on the part of these very meritorious organizations—so that the objections can be overcome.

Mr. HUMPHREY. Mr. President, like other Senators, I have received a number of telegrams and other communications and messages relating to various sections of Senate bill 1451. In particular, a number of telegrams have come to me from savings and loan association members, requesting my support of an amendment submitted by the Senator from Illinois [Mr. DOUGLAS] to authorize the Federal Home Loan Bank Board to grant branches on parity with chain or group banking.

I also wish to state for the RECORD that I have received a substantial number of telegrams in support of amendments relating to the credit-union provisions of the pending bill. The telegrams refer to title VII of the Financial Institutions Act of 1957, and express opposition to the section which would permit the directors of the proposed organization or agency to permit loan limits to be imposed and to require outside audits. Objection is also made to including in the bill a provision for a loan officer under the credit-union structure.

Mr. President, I am not too familiar with all the details, let me say. I have been examining the report on the bill. Therefore, I ask unanimous consent that the telegrams and other communications to which I have referred be printed at this point in the RECORD. I hope that as the debate progresses, these complaints, which are registered by various citizens, will be answered, at least in major part, if not in their entirety.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *March 13, 1957.*

Senator H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Re Robertson Financial Institutions Act of 1957, S. 1451: We strongly urge your support of both of Senator DOUGLAS' two amendments providing parity with banks so that in Minnesota as bank holding companies may purchase additional outlets so may savings and loan associations open additional outlets through the medium of branch offices approved by Federal Home Loan Bank Board. Unless both of Senator DOUGLAS' amendments are adopted savings and loan industry in Minnesota will be at a great competitive disadvantage with bank holding companies that may purchase additional outlets virtually at will.

W. R. MARCOS,
President, Northern Federal Savings and Loan Association.

DULUTH, MINN., *March 13, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Would appreciate your active support and vote in favor of Senator DOUGLAS' amendment to S. 1451 authorizing Bank Board to grant branches on parity with chain or group banking.

Bill in its present form would prohibit savings and loan branches in Minnesota.

ST. LOUIS COUNTY FEDERAL SAVINGS AND LOAN ASSOCIATION,
DULUTH, MINN.

HIBBING, MINN., *March 13, 1957.*

Senator HUBERT HUMPHREY,
Washington, D. C.:

Urgently request you to support Senator DOUGLAS' amendment to S. 1451 authorizing Federal Home Loan Bank Board to grant branches on parity with chain or group banking. Minnesota law prohibits branch banking but encourages chain banking. Present bill would prohibit savings and loan branches in Minnesota. Thank you for your time and assistance in this matter.

Sincerely,

C. A. NICKOLOFF,
President, First Federal Savings and Loan Association, Hibbing, Minn.

MINNEAPOLIS, MINN., *March 13, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We earnestly urge your support of the Douglas amendment to the Financial Institutions Act No. S. 1451. As the bill is drawn it would totally deny Federal savings and loan associations of any branch office privileges in Minnesota.

ROY W. LARSEN,
Twin City Federal Savings and Loan Association.

ST. PAUL, MINN., *March 13, 1957.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Very much hope you can support Douglas amendment to S. 1451. Fair play would seem to require authority to establish savings and loan branches in States where bank branches or chain banking is permitted. Regards.

N. M. COUSSOLLE,
President, Ben Franklin Savings and Loan Association.

MINNEAPOLIS, MINN., *March 13, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We urge you to oppose title 7 in Financial Institutions Act of 1957, S. 1451. This bill would permit the Director of the Bureau of Federal Credit Unions to set loan limits and require all Federal credit unions with assets over $100,000 to have outside audits. We also believe that all Federal credit unions should have a loan officer if they so desire.

MINNEAPOLIS POSTAL EMPLOYEES CREDIT UNION.

ST. PAUL, MINN., *March 13, 1957.*

Senator HUBERT HUMPHREY
Senate Office Building,
Washington, D. C.:

We urge your support to the Douglas Amendment S. 1451 authorizing the Federal Home Loan Bank Board to grant branches.

ST. PAUL FEDERAL SAVINGS & LOAN ASSOCIATION.

NEW YORK, N. Y., *March 13, 1957.*

Re: S. 1451.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge your support of the Bush Amendment because of the tremendous burden imposed on member banks of this association under section 23 of title 1 and related sections.

THE NEW YORK CLEARING HOUSE ASSOCIATION.

WILLMAR, MINN., *March 14, 1957.*

Senator HUBERT HUMPHREY,
Senate of the United States,
Washington, D. C.:

We respectfully urge your strong support of Senator DOUGLAS' Amendment to S. 1451 authorizing bank board to grant branches on parity with chain or group banking. Minnesota law now prohibits branch banking but encourages chain banking. Present bill will prohibit savings and loan branches in Minnesota unless Douglas Amendment is added.

GEORGE HULSTRAND,
E. C. LUNDQUIST,
President, Wilmar Federal Savings & Loan.

MINNEAPOLIS, MINN., *March 14, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We protest Director of Bureau Federal Credit Unions setting loan limits and requiring outside audit. In Minnesota we won legislative right for loan officer now being denied Federal Credit Unions. Bill in question is title 7, in Financial Institutions Act of 1957, S. 1451. Your cooperation appreciated.

Respectfully and sincerely yours,

M. THOMAS MCINVERNEY,
Harvey Gogel Credit Union 2577, St. Paul, Minn.

HUTCHINSON, MINN., *March 13, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge you to support Senator DOUGLAS' amendment to S. 1451 authorizing Federal Home Loan Bank Board to grant branches in States wherein there is either chain or group banking.

HUTCHINSON FEDERAL SAVINGS AND LOAN ASSOCIATION.

ST. PAUL, MINN., *March 13, 1957.*

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

We would appreciate support of Senator DOUGLAS' amendment to S. 1451 regarding restriction of branch operations for savings and loan associations. This matter is exceedingly important to the savings and loan industry in this State.

HARRY C. LINDQUIST,
President, Minnesota Federal Savings and Loan Association.

BRAINERD, MINN., *March 13, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge your support of Senator DOUGLAS' amendment to S. 1451.

WILLIAM GRAHAM.

MINNEAPOLIS, MINN., *March 13, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge your support of Senator DOUGLAS' amendment S. 1451, authorizing Federal Home Loan Bank Board to grant branches on parity with commercial banks operating chain or group banking savings association in Minnesota would be seriously hampered if amendment fails. Minnesota law prohibits branch banking two of Nations largest banking empires maintain branch offices through artifices of corporate holding companies saving associations should be granted the same privilege.

Respectfully yours,

VERNON S. WELCH,
Executive Vice President Savings and Loan League of Minnesota.

ST. PAUL, MINN., *March 12, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We urge your opposition to title 7 in Financial Institutions Act of 1957, S. 1451, permitting directors of Bureau to set loan limits and require outside audit. Also request inclusion in this bill for a loan officer.

MINNEAPOLIS-ST. PAUL SANITARY DISTRICT CREDIT UNION,
R. S. CARLSON, *President.*

WUK OWATONNA, MINN., *March 12, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Our membership of 240 is opposed to title 7 in Financial Institutions Act of 1957, S. 1451.

CHESTER B. HOVEN,
Federated Mutual Employes Credit Union.

MINNEAPOLIS, MINN., *March 12, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We urge you oppose title 7 in Financial Institutions Act of 1957, S. 1451. We do support move for a loan officer.

SOO LINE CREDIT UNION.
E. A. ELLISON, *Secretary.*

ALBERT LEA, MINN., *March 13, 1957.*

Senator H. H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Our officers and directors urge your support of Douglas amendment to S. 1451. Feel that our business should be on parity with chain or group banking in respect to branches.

ALBERT LEA FEDERAL SAVINGS AND LOAN ASSOCIATION.
J. P. FARRY, *President.*

THIEF RIVER FALLS, MINN., *March 13, 1957.*

Senator HUBERT HUMPHREY,
Washington, D. C.:

In fairness to our industry, I urge your support of Senator Douglas' amendment to S. 1451.

S. R. DAHLEN,
First Federal Savings and Loan Association.

FRANKLIN COOPERATIVE CREDIT UNION,
Minneapolis, Minn., March 11, 1957.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: We are writing in behalf of the 650 members of the Franklin Cooperative Credit Union to protest portions of title 7 in Financial Institutions Act of 1957, S. 1451.

We do not favor the portions of this bill which would permit the Director of the Bureau of Federal Credit Unions to set loan limits and which would require that all credit unions with assets over $100,000 must have outside audits. We favor the right of a credit union to have a loan officer if it so desires.

We know that you will give this matter careful consideration and we thank you for your cooperation in this matter.

Very truly yours,

MARY A. PETERSON,
Treasurer.

FERGUS FALLS, MINN., *March 13, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge you support of title 7 in Financial Institutions Act of 1957, S. 1451.

FERGUS FALLS FEDERAL CREDIT UNION.
LORENZ TORGERSON,
Treasurer.

CREDIT UNION NATIONAL ASSOCIATION, INC.,
Washington, D. C., March 13, 1957.

Hon. HUBERT H. HUMPHREY,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR HUMPHREY: Submitted herewith are the views and recommendations of the Credit Union National Association regarding certain provisions in title VII—Federal Credit Union Act portion of the Financial Institutions Act of 1957, S. 1451.

This organization represents and speaks for the organized credit union movement in the United States.

We would be most appreciative of your prompt and close attention to the attached statement, and of your favorable consideration of its contents.

Sincerely,

H. VANCE AUSTIN,
Managing Director.

RECOMMENDATIONS OF THE CREDIT UNION NATIONAL ASSOCIATION ON TITLE VII, FEDERAL CREDIT UNION ACT, IN THE FINANCIAL INSTITUTIONS ACT OF 1957, S. 1451

I. Substitution of the following provisions for proposed section 7 (b) would require independent audits of Federal credit unions with assets of $100,000 or more and annual audits of Federal credit unions with assets of less than $100,000 by the Bureau.

"(b) The Director of the Bureau of Federal Credit Unions shall encourage every Federal credit union to make an adequate internal audit of its affairs at least once each year. In any case in which the Director deems it is necessary, either because of the absence or inadequacy of any such internal audit or for any other reason arising in the course of the supervision of any Federal credit union, he may require at such times as he deems necessary that such Federal credit union have an audit by an independent individual or firm approved by the Director or in the alternative require that it be audited by the Bureau. The expense of any such audit by the Bureau shall be considered part of the examination fees authorized in subsection (a) of this section."

II. Deletion of the entire portion of section 15 (2) after "10 per centum of the credit union's paid-in unimpaired capital and surplus." The portion to be deleted gives the Director of the Bureau the power to set lower loan limits than provided in the current act.

III. Addition at the end of the last sentence in section 14 after "requested by the supervisory committee" the phrase "and of loan officers appointed by the credit committee."

Also, addition to the second sentence in section 15 after "at which the application is considered." the following: ", or by any loan officers appointed by the committee. No loan officer may approve a loan in excess of the unsecured limit unless such excess is fully secured by unpledged shares."

IV. Substitution of the word "primarily" for the word "exclusively" in section 25.

RECOMMENDATIONS OF THE CREDIT UNION NATIONAL ASSOCIATION ON TITLE VII, FEDERAL CREDIT UNION ACT, IN THE FINANCIAL INSTITUTIONS ACT OF 1957, S. 1451

The Credit Union National Association, which represents and speaks for the organized credit-union movement in the United States, is firmly opposed to section 7 (b) which requires annual audits of all Federal credit unions and the portion of section 15 (2) giving the Director of the Bureau of Federal Credit Unions the power to set lower loan limits than provided in the current act and respectfully requests that both be deleted from the proposed bill. It is also urged that section 15 of the Federal Credit Union Act be expanded to authorize appointment of loan officers and that section 14 include provision for the board of directors to authorize compensation for such loan officer, and that the word "primarily" be substituted for "exclusively" in section 25.

I. Substitution for section 7 (b)

We are of the opinion that the inclusion of proposed section 7 (b), which would require an annual audit of all credit unions with assets of $100,000 or over by an independent individual or firm approved by the director, and an annual audit by the Bureau of Federal Credit Unions of all credit unions with assets of less than $100,000 is unwarranted at this time for the following reasons:

1. In our opinion, the Bureau of Federal Credit Unions is presently maintaining close, effective supervision and is performing thorough, comprehensive examinations of the credit unions under its jurisdiction.

2. The Credit Union National Association supports the Bureau's policies in this connection.

3. The Bureau of Federal Credit Unions and the credit union movement are cooperating in a study of methods and techniques for improving internal control and supervisory committee audits, and definite action is being initiated to achieve this goal. As an integral part of this program, the Bureau recently prepared and issued a comprehensive supervisory committee manual which enlarges upon and explains with clarity and in considerable detail the purpose, theory, and process of audit and is primarily designed to enhance the quality of audit performance. An internal control checklist contained in this publication should prove of considerable value as a further guide to the committee. A supplement to the accounting manual, also recently issued by the Bureau, contains additional information designed to assist in the institution and maintenance of effective internal control.

4. In conjunction with this endeavor, the Credit Union National Association and the various State leagues and chapters are conducting training classes and publishing materials which are now reaching supervisory committee members and other credit union leaders and officials on a National, State, and local level.

5. Among the proposed additions to section 14 in this committee print bill is authorization for the directors to provide for compensation of necessary clerical and auditing assistance requested by the supervisory committee. Utilization of such assistance will result in assigned portions of the audit being performed by skilled professionals under the direction and control of the committee.

6. As a result of the present joint studies and endeavors, appropriate revision of the section of the act specifically dealing with the duties and responsibilities of the supervisory committee may be proposed.

7. Since the credit union movement and the Bureau are in the process of making a complete and careful study of the entire subject and are in the midst of instituting concrete action based upon their findings, it is suggested that the proposed addition to the act set forth in subsection (b) is premature.

However, the necessity for an adequate internal audit at least once each year is appreciated. The recommended amendment to section 7 (b) would give the Director of the Bureau the authority to require that such audit be made by an independent individual or accounting firm, or cause the audit to be performed by the Bureau where deemed necessary.

II. Deletion of portion of section 15 (2)

We firmly maintain that the portion of section 15 (2) which proposes to give the Director of the Bureau of Federal Credit Unions the power to establish by regulation lesser loan limits than are provided in the current act is unnecessary and could cause irreparable harm to credit unions.

When the Congress originally adopted the Federal Credit Union Act in 1934, it very wisely prescribed a reasonable limit on both loans made without security (signature loans) and on those larger loans which required collateral. Since that time, credit unions have functioned within these limits although a normal growth in the size of the average loan granted has occurred. This has been due in large measure to our improved standard of living and increased cost of goods and services which has resulted in a diminution in actual purchasing power of the dollar. Further, as credit unions developed, the close association of the members in a common bond provided a firm basis upon which to extend increased credit.

In the more than 22-year period since the law has been in effect, millions of individual loans have been granted with an insignificant and enviable loss record. This fact is borne out by the testimony of the Director of the Bureau before the Banking and Currency Committee to the effect that the loss experience of Federal credit unions is only 0.15 percent of the money loaned. No evidence has been presented to indicate that a change in the current loan limit is warranted on the basis of excessive losses.

Credit unions are designed to serve broad and diverse segments of our population with varying economic needs and capabilities. For example, organizations of professional people are helping members buy equipment essential to setting up or expanding practices. Although a relatively higher loan might be required, the member's current and potential income makes such loan sound and desirable. The need of the farmer for substantial, short-term credit in order to finance crops is also being met. Other groups are being served by comparatively smaller loans for longer periods of time. Such variations make essential the retention of flexibility and self-determination in the law.

Although instances of extension of excessive credit may have occurred, they have been few and isolated. No evidence has been presented to indicate that such loans have resulted in losses which have impaired the value of members' shareholdings or have forced the liquidation of credit unions. It would, therefore, appear to be evident that boards of directors and credit committees have generally met their responsibility in this connection in an effective manner. Generally, as credit unions have grown, these bodies have by self-regulation established lower loan limits than allowed by law.

It is respectfully suggested that the advisability of authorizing the Director of the Bureau to establish by regulation lower loan limits for all credit unions or for one or more classes of credit unions than those currently prescribed by law be subjected to a searching reevaluation. The net effect of such provision would be to centralize in one person a discretionary power which is of vital importance to each individual credit union and does not lend itself to general or blanket administration. Further, it would seriously infringe upon the responsibility of the board of directors and the credit committee to determine practical loan limits within their own credit union based upon their knowledge of the needs and capacities of the membership. This could result in depriving the members of maximum utilization of the credit facilities made available as a result of funds accumulated through cooperative thrift. It is urged that this flexibility is essential and would inevitably be lost under administrative directives and regulations.

Based upon the above factors, we are of the firm conviction that empowering the Director of the Bureau of Federal Credit Unions to establish lesser loan limits than those currently provided for in the law is unnecessary and unwarranted. It is therefore respectfully requested that such provision be deleted from proposed section 15.

III. Inclusion of provision for loan officers in sections 14 and 15

Inclusion of authorization in section 15 for appointment by the credit committee of loan officers would enable credit unions to provide their members with faster and more effective credit service on certain loans. In many credit unions the credit committee (which is not compensated) is scattered and finds it difficult to properly consider loan applications and render prompt loan service in many emergencies. It is therefore urged that section 15 be expanded to provide for the appointment of loan officers who may approve loans up to the unsecured limit, or in excess of such limit only if such excess is fully secured by unpledged shares. It is also recommended that section 14 provide that the board of directors may authorize compensation for the loan officers.

IV. Substitution of "primarily" for "exclusively" in section 25

A limited number of Federal credit unions organized to serve Federal employees have a few members who are not Federal employees, such as employees of private contractors working at Federal installations alongside Federal employees, American Legion members, and Red Cross personnel working in VA hospitals, etc. The proposed substitution would allow the allotment of space in Federal buildings to the few Federal credit unions in this category.

We respectfully request your favorable consideration of the above recommendations for changes in the proposed Financial Institutions Act of 1957.

ST. CLOUD, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We protest Director of Bureau setting loan limits and requirement for outside audit. We support a loan officer. Please oppose title 7, Financial Institutions Act of 1957, S. 1451.

CHARLES CATES,
Treasurer, Reformatory Employees' Credit Union.

ST. PAUL, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We protest the Director of the Bureau setting loan limits and the requirement for an outside audit. Reference is title 7 in Financial Institutions Act of 1957, S. 1451.

STATE FARM MUTUAL EMPLOYEES FEDERAL CREDIT UNION.

ST. PAUL, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We protest the Director of the Bureau of Federal Credit Unions setting loan limits and the requirements for an outside audit and we support a loan office.

HAMM EMPLOYEES CREDIT UNION,
THEO. HAMM BREWING CO.

ST. PAUL, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Reference title 7, Financial Institutions Act of 1957, S. 1451. We wish to express opposition to provision that the Director of the Bureau of Credit Unions be empowered to set loan limits. Also oppose the requirement for an outside audit. Wish to support provision for a loan officer.

DONALD J. QUINLAN,
Treasurer, Amalgamated Lithographers of America Credit Union.

ST. PAUL, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

This is to vigorously protest against the idea of the Director of the Bureau of Federal Credit Unions setting a limit on loans and the requirements of an outside audit as proposed in title 7 in Financial Institutions Act of 1957, S. 1451.

C. OSTERO,
President, Beissel Employees Credit Union.

MINNEAPOLIS, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We would like to support the Director of the Bureau setting loan limits and the requirement for an outstanding audit we want to support for a loan officer.

THE NORTHLINER FEDERAL CREDIT UNION.

MINNEAPOLIS, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

It is our understanding that a bill is coming up for consideration on March 12 that will greatly impair the benefits of the Federal credit union law. We protest the Director of the Bureau setting loan limits and the requirement for an outside audit. We also are in favor of a loan officer. We will appreciate your efforts in our behalf.

THE SALISBURY CO. CREDIT UNION.

ST. PAUL, MINN., *March 11, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We are definitely against bill title 7 in Financial Institutions Act of 1957, S. 1451, and we request your support for a loan officer.

CARPENTERS LOCAL NO. 87,
CREDIT UNION 418,
MICHAEL J. KAMMERER, *President.*

ELY, MINN., *March 12, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We protest title 7 in Financial Institutions Act of 1957, S. 1451, and favor a loan officer and oppose the Director of the Bureau setting loan limits and the requirements for an outside audit.

ELY COOPERATIVE CREDIT UNION,
JOSEPH J. KLUG, *Secretary and Treasurer.*

ALBERT LEA, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

In re title 7 in Financial Institutions Act of 1957, S. 1451. We protest the Director of the Bureau setting loan limits and the requirement for an outside audit. Please favor the right to have a loan officer.

EMPLOYEES CREDIT UNION OF WILSON & CO.

MINNEAPOLIS, MINN., *March 12, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Request you oppose bill title 7 in Financial Institutions Act of 1957, S. 1451, requesting your support for a loan officer.

MINNEAPOLIS MOLINE EMPLOYEES CREDIT UNION.

ST. PAUL, MINN., *March 11, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Federal-chartered credit unions are handicapped by statute setting exceedingly low loan limits and not permitting use of a loan officer. Title 7 of S. 1451, before the Senate March 12, would empower Director, Bureau Federal Credit Union, to set loan limits even lower, and requires outside audit of credit unions with assets over $100,000. Urge you to oppose these two points and secure amendments authorizing use of loan officers, as that is the stand of national credit union movement.

W. ZIEBARTH,
Treasurer, St. Paul Postal Employees Credit Union.

LOANS TO FARMERS AND STOCKMEN

Mr. ALLOTT. Mr. President, I introduce, for appropriate reference, a bill concerning farm credit; and I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested.

The bill (S. 1610) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to making loans to farmers and stockmen, and for other purposes, introduced by Mr. ALLOTT (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD.

(See exhibit A.)

Mr. ALLOTT. Mr. President, the bill I have just introduced on behalf of myself and certain other Senators would simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to making loans to farmers and stockmen, and for other purposes.

Mr. President, I ask unanimous consent that the bill be held at the desk through Monday, in order that other Senators who may wish to join in sponsoring the bill may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, at this late hour, I address myself to this subject because after many months of effort and labor, the bill has been perfected, I hope, to a point where a committee may properly take it and try to whip it into the final stages of good legislation.

I am not so proud of my own authorship that I believe the bill cannot be improved, but I also recognize that this is a matter which needs a great amount of work in behalf of all the people if we are to do any good for our farmers and ranchers.

The existing authorities of the Secretary of Agriculture to provide credit to farmers and ranchers constitute a patchwork of laws—a development reflecting legislative growth designed to meet many specific problems as they arose. This patchwork and conglomeration of laws can be grouped into (1) emergency authority and (2) regular lending programs.

Mr. President, in 1955, my first bill on this subject was introduced in the Senate; and many Senators joined in sponsoring it. A similar bill—an improved one—was introduced in 1956. Although that bill received very short consideration, because of the pressure of the agricultural bill of last year, and although thus far the bill has not received the endorsement of the Department of Agriculture, it is a measure which is of vital importance. I now find that the bill has become so important that even in the Department of Agriculture it is referred to as "the people's bill."

So the bill, now identified as "the people's bill," consolidates existing law, and reflects changing credit needs which parallel the changes in the farm economy and capital structure which have developed in the last 15 to 20 years. Title I of the bill deals with the authority for emergency loans, and title II contains the authority for all other general agricultural loans. This measure is an attempt to develop, in one working tool, a means of handling all the credit needs of our farmers and ranchers, so that their credit problems can be handled as one transaction, rather than to attack each problem separately, as is required by existing law.

Mr. President, this farm credit problem is one about which much has been said, but often too little has been done. The theory of agricultural credit, as it has grown up under the Bankhead-Jones Act, and as now administered by the Farmers Home Administration, is to provide a mode of credit for the farmer or stockman who has reached the place where he cannot, because of adversities beyond his control, procure credit from ordinary sources of revenue. The ordinary sources of revenue would, of course, be his bank, insurance companies, the Federal Land Bank, the Production Credit Corporation, and like institutions.

The first principle of the Federal agricultural credit program, as it has been practiced, and as it should be practiced, is that it must not compete with, but must be supplementary to, the ordinary means of credit.

Mr. President, I ask unanimous consent that a long list of acts which I have enumerated in my formal statement may be printed as a part of my remarks at this point.

Mr. President, I might say that the list sets forth some 25 acts, I believe, which have modified and amended the original act.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Bankhead-Jones Farm Tenant Act, as amended, the Farmers Home Administration Act of 1946, as amended, and statutes which amended these acts:

Public Law 210, 75th Congress, 1st session; date of approval, July 22, 1937.

Public Law 731, 79th Congress, 2d session; date of approval, August 14, 1946.

Public Law 40, 80th Congress, 1st session; date of approval, April 28, 1947.

Public Law 240, 80th Congress, 1st session; date of approval, July 26, 1947.

Public Law 730, 80th Congress, 2d session; date of approval, June 19, 1948.

Public Law 772, 80th Congress, 2d session; date of approval, June 25, 1948.

Public Law 350, 81st Congress, 1st session; date of approval, October 15, 1949.

Public Law 429, 81st Congress, 1st session; date of approval October 23, 1949.

Public Law 475, 81st Congress, 2d session; date of approval, April 20, 1950.

Public Law 499, 81st Congress, 2d session; date of approval, May 3, 1950.

Public Law 665, 81st Congress, 2d session; date of approval, August 5, 1950.

Public Law 123, 82d Congress, 1st session; date of approval, August 23, 1951.

Public Law 375, 82d Congress, 2d session; date of approval, June 5, 1952.

Public Law 93, 83d Congress, 1st session; date of approval, June 30, 1953.

Public Law 521, 83d Congress, 2d session; date of approval, July 22, 1954.

Public Law 706, 83d Congress, 2d session; date of approval, August 30, 1954.

Public Law 273, 84th Congress, 1st session; date of approval, August 9, 1955.

Public Law 878, 84th Congress, 2d session; date of approval, August 1, 1956.

Public Law 979, 84th Congress, 2d session; date of approval, August 3, 1956.

Other statutes that relate to authorities contained in the Bankhead-Jones Farm Tenant Act, as amended, and the Farmers Home Administration Act, as amended:

Public Law 361, 81st Congress, 1st session; date of approval October 19, 1949.

Public Law 760, 81st Congress, 2d session; date of approval September 6, 1950.

Public Law 270, 84th Congress, 1st session; date of approval August 9, 1955.

Acts that authorize the Water Facilities and Soil and Water Conservation Programs:

Public Law 390, 75th Congress, 1st session; date of approval August 28, 1937.

Public Law 848, 76th Congress, 3d session; date of approval October 14, 1940.

Public Law 99, 81st Congress, 1st session; date of approval June 10, 1949.

Public Law 597, 83d Congress, 2d session; date of approval August 17, 1954.

Act to compromise, adjust, or cancel certain indebtedness:

Public Law 818, 78th Congress, 2d session; date of approval December 20, 1944.

Acts that authorize emergency and special livestock loans:

Public Law 38, 81st Congress, 1st session; date of approval April 6, 1949.

Public Law 665, 81st Congress, 2d session; date of approval, August 5, 1950.

Public Law 115, 83d Congress, 1st session; date of approval July 14, 1953.

Public Law 253, 83d Congress, 1st session; date of approval August 13, 1953.

Public Law 122, 84th Congress, 1st session; date of approval July 7, 1955.

Public Law 166, 84th Congress, 1st session; date of approval July 18, 1955.

Acts that authorize special emergency loans:

Public Law 727, 83d Congress, 2d session; date of approval August 31, 1954.

Public Law 117, 84th Congress, 1st session; date of approval June 30, 1955.

Public Law 878, 84th Congress, 2d session; date of approval August 1, 1956.

Acts that authorize farm housing loans:

Public Law 171, 81st Congress, 1st session; date of approval July 15, 1949.

Public Law 531, 82d Congress, 2d session; date of approval July 14, 1952.

Public Law 88, 83d Congress, 1st session; date of approval June 30, 1953.

Public Law 438, 83d Congress, 2d session; date of approval June 29, 1954.

Public Law 560, 83d Congress, 2d session; date of approval August 2, 1954.

Public Law 345, 84th Congress, 1st session; date of approval August 11, 1955.

Public Law 1020, 84th Congress, 2d session; date of approval August 7, 1956.

Rural Rehabilitation Corporation Trust Liquidation Act:

Public Law 490, 81st Congress, 2d session; date of approval May 3, 1950.

Mr. ALLOTT. As Congress patchworked the original Bankhead-Jones Act in order to make it fit the changing circumstances of the country, each new amendment required a completely new set of regulations which required interpreting and reinterpreting and also interpreting and reinterpreting of those statutes which were in conflict or apparently conflicted with the preceding regulations and preceding sections of the act. There are now over 1,000 pages of detailed instructions to field personnel on the handling of loan making and loan servicing and liquidation matters for the many loan programs now being administered by the Farmers' Home Administration.

It is a fact that a candid conversation with the members of the Department of Agriculture who have to deal with these laws will bring forth the admission that they are so complicated and complex that even they are often confused as to the applicability of certain laws to circumstances which are presented to them for decision.

I wish to make it clear that I do not place the burden of this situation on either political party. Like Topsy, it just grew. However, with the introduction in 1955 of the first simplified farm credit bill which I offered, and a revision of it in 1956, together with a more simplified and broader version which I now offer for consideration by this Congress, the series of bills has become known in some quarters as the "People's Bill," as I have previously mentioned.

Last year some of the principles of the bill offered by me were adopted by the Senate Committee on Agriculture and Forestry and ultimately by the Congress. The 1956 act liberalized some of the conditions for loans and did alleviate some of the troubles which existed in the farm area.

The fundamental question of simplification still remains and it is to this that I direct my efforts in the introduction of this bill.

Of what should a good farm-credit program consist?

First. It should be permanent. It cannot be a program which is here today and gone tomorrow. The specter of lack of credit from crop failure, from drought, or from flood or wind or hail can hang like a black cloud over a farmer as much as any fear that can possess him.

Second. It should be plain and simple. If the Department of Agriculture itself become confused over interpretation of its varying regulations as they relate one to another and to other basic law and its amendments, then how much more difficult must it be for local committeemen, who devote only part time to their duties and who are not Philadelphia lawyers, but simply hard-working, honest, conscientious committeemen trying to do a job? How much more difficult is it for these people to interpret the law?

When the farmer, and I might say the rancher, too, comes into the Farmers' Home Administration office and is confronted with an employee who is frantically trying to interpret Government regulations, only to find that he cannot do so, and the farmer then finds that he has to wait for an answer, it is no wonder that it plants disgust, unrest, and dissatisfaction in his heart. It is no wonder that a simplified version of our farm credit laws is know as the "People's bill."

If Congress is to appropriate money for the avowed purpose of extending credit to farmers and stockmen, we owe it to ourselves and to them to extend it in such a way and such manner that our local offices of the Farmers' Home Administration can interpret the law and speedily answer a man's request for credit. The next qualification for credit is:

Third. It should be prompt. We all know that most farmers and stockmen can anticipate most of their needs for credit some reasonable time in advance, but the 30 days or 60 days from the time that a farmer or stockman is informed that his banker or credit institution cannot carry him further can pass at a terrifyingly fast pace when the only alternatives in sight are foreclosure or credit from the Government. Many, many have been driven to exasperation by the delay, while the local, and sometimes State, Farmers' Home Administration officials sat with their hands bound waiting for decisions.

Fourth. Lastly, it should be designed to serve the needs of the farmer. In this respect, it should be noted that a farmer or rancher who needs credit does not want to be told how much can be loaned him on his land, and how much can be loaned him for purchasing equipment, and how much can be advanced for improving his water facilities, and how much for this and how much for that. A farmer who needs credit wants to know how much money he can borrow for his overall operation. Moreover, a farm-credit program should recognize his overall needs and deal with them realistically as all a part of one problem.

It was never the intention of Congress to finance the improvident nor those who refuse to work their farms, but since we have recognized the congressional responsibility in this field, the least we can do is to enact a law which will be as workable as a law can be made, and which, I might say, will perform the functions it is intended to perform.

Most decisions should properly be made at the local level and this will lead to more speed in the process. It will dispel uncertainty and replace it with certainty. There is no reason under our laws why a

farmer or stockman in financial distress should have to wait for a period of 60 or 90 days for a decision on his application. In fact, Mr. President, I feel that if a decision cannot be given upon 95 percent of the cases within a 10-day period, something is certainly wrong in the development of our farm-credit system.

I desire to pay tribute to the committeemen and county supervisors of the Farmers' Home Administration who have done a very great job during these very trying years just passed. I refer particularly to the Great Plains area, in which I live.

Starting in 1951, we saw the drought creeping into our area of Colorado, western Kansas, Nebraska, and Wyoming, and by the time the summer of 1956 had come, many of our farmers and stockmen had faced 5 and 6 years without any crops. As a result, applications increased by over a thousand percent. It is a tribute to our local committees and supervisors, and also our State organizations, that, although they were greatly crowded and applications were stacked high, the shifting of personnel and other expediencies assisted greatly to relieve the situation, in spite of the antiquated machinery of our agricultural laws.

Mr. President, I want to make one point clear. The legislation offered today is not a new or radical approach to the farm-credit situation. In almost every instance the provision of the present principles are incorporated into the offered legislation. There is no substantial change in any of the basic objectives of the Bankhead-Jones Act, as amended. The sole effect of this legislation is to simplify and codify all the provisions and bring it down to a plan of simplicity and directness and gear it more realistically to the credit needs of our farmers.

In order that there may be no error about the purposes of the bill, and in order that a study of it may be facilitated by all those who wish to study it, I have prepared a section-by-section analysis of the bill, which I ask unanimous consent to have printed in the RECORD, immediately following the printing of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

EXHIBIT A

S. 1610

A bill to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to making loans to farmers and stockmen, and for other purposes

Be it enacted, etc., That (a) this act may be cited as the "Consolidated Farmers Home Administration Act of 1957."

(b) The Congress finds that the statutory authority of the Secretary of Agriculture for making and insuring loans to farmers and stockmen who are unable to obtain the necessary credit they need elsewhere on reasonable terms and conditions should be revised and consolidated in order to avoid multiplicity of loan types and in order to provide for a more effective administration of such loans.

TITLE I—EMERGENCY LOANS

SECTION 1. (a) The Secretary of Agriculture (hereinafter in this act referred to as the "Secretary") is authorized, in any area designated as an emergency area pursuant to the provisions of subsection (b) of this section, to make or insure loans to bona fide farmers and stockmen for any agricultural purposes, including but not limited to, the purchase of livestock, seed, feed, fertilizer, farm equipment, supplies, and other farm needs, the refinancing of existing indebtedness, and for family subsistence.

(b) The Secretary may designate any area as an emergency area if he finds—

(1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make or insure under any other act of Congress) at reasonable rates, and on terms and conditions which farmers and stockmen could be expected to meet under the circumstances; and

(2) that the need for such credit in such area is the result of natural disaster or severe production losses.

SEC. 2. (a) Loans made or insured by the Secretary under the provisions of this title shall—

(1) be made to farmers and stockmen (including private corporations and associations engaged primarily in farming) (a) who have a reasonable prospect for successful operation with the assistance of such loan, and (b) who cannot secure the credit they need from other sources on reasonable terms and conditions;

(2) be made at a rate of interest not to exceed 3 percent per annum; and

(3) be secured (a) in the case of any individual farmer or stockman, by the personal obligation and available security of the farmer or stockman, and (b) in the case of corporations or associations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or association.

(b) Such loans shall be subject to an agreement that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private source, at reasonable rates and terms for loans for similar purposes and periods of time prevailing in the area, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in the cooperative lending agency in connection with such loan.

(c) Such loans shall be subject to such other terms and conditions as the Secretary may prescribe.

SEC. 3. (a) The Secretary is authorized, in any area designated by him pursuant to subsection (b) of section 1 of this title as an emergency area, to furnish bona fide farmers and stockmen with feed for livestock or seeds for planting.

(b) The Secretary shall furnish such feed and seeds for such period or periods of time and under such terms and conditions as he may determine to be required by the nature and effect of the emergency in any such designated area. Assistance may be provided by payments to farmers and stockmen or by grants to local or State governments, and in either case such assistance may be conditioned upon the participation by State or local governments in the planning, administration, and cost of such assistance.

(c) The Secretary may utilize the personnel, facilities, property, and funds of the Commodity Credit Corporation for carrying out the purposes of this section and, except as provided in section 407 of the Agricultural Adjustment Act of 1949, as amended (7 U. S. C. 1427), shall reimburse such corporation for the value of any commodities furnished which are not paid for by the farmers or stockmen, and for costs and administrative expenses necessary in performing such functions.

SEC. 4. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U. S. C. 1148a), (hereinafter referred to as the "fund" for carrying out the purposes of this title.

SEC. 5. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this title and the act of April 6, 1949, as amended (63 Stat. 43), and the act entitled "An Act to provide emergency credit," approved August 31, 1954 (68 Stat. 999), and from the liquidation of any other assets acquired with money from the fund shall be added to and become a part of the fund.

(b) There are authorized to be appropriated to the fund such additional sums as the Congress shall from time to time determine to be necessary.

SEC. 6. The act of April 6, 1949, as amended (63 Stat. 43), and the act entitled "An act to provide emergency credit," approved August 31, 1954, as amended (68 Stat. 999), are hereby repealed.

SEC. 7. The repeal of any provision of law made by section 6 of this title shall not—

(1) invalidate any action taken, or affect the validity of any obligation incurred, under any such provision; or

(2) prejudice the application of any farmer or stockman, with respect to receiving assistance under the foregoing provisions of this title, solely because any such farmer or stockman is obligated for assistance received under any such repealed provision.

SEC. 8. The Secretary is authorized to issue such rules and regulations as he deems necessary to carry out the purposes of the foregoing provisions of this title.

TITLE II—GENERAL AGRICULTURAL LOANS

SEC. 21. This title shall become effective as soon as regulations have been prescribed under this authority consolidating the credit facilities available under prior legislation, but in no event later than June 30, 1958.

SEC. 22. The Secretary is authorized to make and insure loans in the United States, the Territories of Alaska and Hawaii, and in Puerto Rico and the Virgin Islands, to persons eligible for such loans, as provided herein, for the following purposes:

(a) To provide for the purchase of land for agricultural uses.

(b) To provide farm buildings and for soil or water conserving, irrigation, and drainage facilities, structures or practices; improvement of soil fertility; the establishment or improvement of permanent pastures; fencing, planting of orchards; forestation, and other erosion preventives; and other means of development or improvement of farm or ranch lands.

(c) To assist in the temporary or conservation retirement of farm or ranch land from cultivation.

(d) To provide for all reasonable and necessary costs of the operation of farms or ranches.

(e) To liquidate or refinance the existing indebtedness, or any portion thereof, of eligible applicants.

(f) To provide the owners or operators of farms or ranches with funds for general agricultural uses and such other related uses as may be determined by the Secretary.

SEC. 23. (a) Individuals shall be eligible for loans under this title who—

(1) are citizens of the United States of America;

(2) operate farms not larger than family-type farms in the area; and

(3) are certified by the county committee and found by the Secretary to have the character, industry, ability, and experience necessary and who will honestly endeavor to carry

out their obligations under loans which may be made to them.

(b) Associations, including public or quasi-public agencies, which will provide to farmers and ranchers facilities and services for any of the purposes for which loans may be made under this title as the Secretary may specify from time to time (but not for land leasing or land purchasing except as may be necessary for the establishment of an authorized facility) shall be eligible for loans under this title.

(c) Individuals or associations described in subsections (a) and (b) hereof shall be eligible for loans hereunder only if their credit needs for authorized purposes cannot be met by commercial banks, cooperative lending agencies, or from any other responsible source at reasonable rates and terms for loans of similar size and purpose prevailing in the community in or near which the applicant resides.

SEC. 24. With respect to loans made or insured under this title, the Secretary shall—

(a) Require full personal liability of the borrower and security of the type and amount for loans for various purposes as will reasonably secure repayment to the Secretary;

(b) Establish from time to time the interest rate at which loans for various purposes will be made at rates not exceeding 5 percent per annum, plus such fees and interest and amortization charges as he may require, taking into consideration (1) the prevailing private and cooperative interest rates for loans for similar terms and purposes, (2) the need for such credit to the sound agricultural economy of the community, (3) the credit risk involved, and (4) the rate of interest paid by the Secretary on funds from which such loans are made. Fees collected, other than the insurance charges, shall be available for administrative expenses of the Farmers Home Administration, and shall be transferred annually to and become merged with any appropriation for such purposes.

(c) Make or insure no loan to any individual, or loans to all individuals operating a single farming enterprise, which will cause such persons total outstanding principal indebtedness incurred (i) under this act, title I of the Bankhead-Jones Farm Tenant Act, title V of the Housing Act of 1949, as amended, and under the Water Facilities Act, as amended, for the acquisition or improvement of real estate, or for refinancing indebtedness with respect to which a real-estate mortgage is taken, to exceed $30,000 at any one time; or (ii) which will cause such individual's principal indebtedness under this title for operating loans to exceed $20,000 at any one time; and (iii) shall make no loan to any association which would cause such association's principal indebtedness for loans under this title and the Water Facilities Act, as amended, to exceed $250,000.

(d) Require an agreement in connection with each loan that, if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time prevailing in the area, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in the cooperative lending agency in connection with such loan.

(e) Except as herein specifically provided, determine from time to time the terms and conditions upon which such loans shall be made or insured.

SEC. 25. Loans which could be made by the Secretary under this title to individuals and to associations found to be eligible under section 23 may be made by lenders other than the United States and insured by the Secretary. In connection with the insurance of such loans—

(a) The fund established pursuant to section 11 (a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereinafter be called the "Agricultural Credit Insurance Fund" and referred to in this title as the "fund." The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans and mortgages pursuant to prior authority and as provided in this title.

(b) Moneys in the fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury to obtain money for the fund.

(c) The Secretary of Agriculture—

(1) shall require the borrower to pay such insurance and other charges as he deems proper, taking into account the amount of the loan and any prior liens. The insurance charge shall be at least 1 percent of the original amount of the loan and 1 percent each year on the outstanding balance of the loan, payable at such times as the Secretary shall direct;

(2) is authorized to include in the insurance contracts agreements to service loans insured thereby and to purchase such insured loans which are not in default upon such terms and conditions as he may prescribe;

(3) may utilize the fund to pay taxes, insurance, prior liens, and other expenses to protect or acquire the security taken in connection with such insured loans; and

(4) shall deposit one-half of the amount collected as insurance charges in the fund. The remaining one-half of such collections shall be available for administrative expenses of the Farmers' Home Administration to be transferred annually to and become merged with any appropriation for such purposes.

(d) Notes and the security taken in connection therewith when acquired by the Secretary shall become a part of the fund. Notes may be held in the fund and collected according to their terms or may be sold and reinsured. All net proceeds from such collections, including the sale of notes or property shall be deposited in and become a part of the fund.

(e) The third sentence, first paragraph, of section 24 of the Federal Reserve Act, as amended (12 U. S. C. 371) (relating to loans on farmlands by member banks) is hereby amended by inserting after the words "title I of the Bankhead Jones Farm Tenant Act" the following "or the Consolidated Farmers Home Administration Act of 1957." The next-to-the-last sentence in paragraph "seventh" of section 5136 if the Revised Statutes, as amended (12 U. S. C. 24), is hereby amended by striking out the colon immediately preceding the first proviso and inserting the following: ", or obligations which are insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, the act of August 28, 1937, as amended (relating to the conservation of water resources) or the Consolidated Farmers Home Administration Act of 1957, and such obligations shall be considered as marketable obligations eligible for investment or purchase by a national bank as investment securities."

TITLE III—ADMINISTRATIVE PROVISIONS

SEC. 30. For the purposes of titles I and II of this act and the administration of assets under the jurisdiction of the Secretary of Agriculture pursuant to the Farmers Home Administration Act of 1946, as amended, the Bankhead-Jones Farm Tenant Act, as amended, the act of August 28, 1937, as amended, title V of the Housing Act of 1949, as amended, the act of April 6, 1949, as amended, the act entitled "An act to provide emergency credit," approved August 31, 1954, as amended, and the powers and duties of the Secretary under any other act authorizing agricultural credit which the Secretary may assign to the Farmers Home Administration, the Secretary or his delegatees shall have the power to—

(a) Appoint without regard to the civil service laws or the Classification Act of 1949, as amended, such experts as may be necessary in carrying out the provisions of this act: *Provided, however*, That the Administrator of the Farmers Home Administration shall be appointed by the President by and with the consent of the Senate and shall receive basic compensation at the rate fixed by law.

(b) Administer his powers and duties through such area finance, State or local offices in the United States and the Territories and possessions as he determines to be necessary. The Secretary may authorize an office to serve the area composed of two or more States if he determines that the volume of business in the area is not subject to justify separate State offices.

(c) Accept and utilize voluntary and uncompensated services, and with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory or political subdivision.

(d) Within the limits of appropriations made therefor, make necessary expenditures for rent at the seat of government and elsewhere; for purchase and exchange of supplies and equipment; purchase or hire of passenger vehicles; printing and binding without regard to the act of January 12, 1895, as amended (44 U. S. C. 111); and for such other facilities and services as he may from time to time find necessary for the proper administration of this act.

(e) Acquire land and interest therein without regard to section 355 of the Revised Statutes, as amended.

(f) Compromise, adjust, or reduce claims and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into or administered by the Farmers' Home Administration under any of its programs, as circumstances may require: *Provided, however*, That—

(1) compromise, adjustment, or reduction of claims of $15,000 or more must be effected by reference to the Secretary of the Treasury or to the Attorney General pursuant to the provisions of section 3469 of the Revised Statutes (31 U. S. C. 194);

(2) compromise, adjustment, or reduction of claims shall be based on a reasonable determination by the Secretary of the debtor's ability to pay and the value of the security and with or without the payment of any consideration at the time of such adjustment or reduction;

(3) releases from personal liability may also be made with or without the payment of any consideration at the time of adjustment of claims against—

(A) borrowers who have transferred the security property to other approved applicants under agreements assuming the outstanding secured indebtedness; and

(B) borrowers who have transferred their farms to other approved applicants under agreements assuming that portion of their outstanding indebtedness against the farm which is equal to the value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the county committees certify and the Secretary determines that the borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(4) no compromise, adjustment, or reduction of claims shall be made upon terms more

favorable than recommended by the appropriate county committee utilized pursuant to section 31 of this act; and

(5) any claim which has been due and payable for 5 years or more, and where the debtor has no assets from which the claim could be collected and has no apparent future debt payment ability, or is deceased and has left no estate, or has been absent from his last known address for a period of at least 5 years, has no known assets, and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the employee of the administration having charge of the claim, and any claims involving a principal balance of $150 or less may be charged off or released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical.

(g) Collect all claims and obligations arising or administered under this act, or under any mortgage, lease, contract, or agreement entered into or administered pursuant to this act and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction. All legal work arising out of such claims and obligations, including, but not limited to, the prosecution and defense of all litigation, is authorized to be performed, as determined by the General Counsel of the Department of Agriculture, through the Department of Justice, by attorneys of the Office of the General Counsel of the Department of Agriculture, or by local counsel approved by the General Counsel of the Department of Agriculture, whose fees, upon approval by the General Counsel, shall be paid by the Secretary; and

(h) Make such rules and regulations and such delegations of authority as he deems necessary to carry out this act.

SEC. 31. (a) The Secretary may utilize existing committees appointed pursuant to section 42 of the Bankhead-Jones Farm Tenant Act, as amended, and is authorized and directed to appoint in each county in which activities are carried on under this act, a county committee composed of 3 individuals residing in the county at least 2 of whom shall be farmers residing on farms and deriving the principal part of their income from farming. "County" as used in this section may include an area less than a county or parts of adjacent counties which because of distance, topography, type of agriculture, or means of communication can be better served as a part of a single unit. Committee appointments shall be for a term of 3 years except that the first appointments for any new committee shall be for 1-, 2-, and 3-year periods, respectively, so as to provide continuity for committee membership. The Secretary may appoint an alternate for each committee member. The members of the committee and their alternates shall be removable for cause by the Secretary.

(b) The rates of compensation, the number of days per month each member may be paid, and the amount to be allowed for necessary travel and subsistence expenses, shall be determined and paid by the Secretary.

(c) The committee shall meet on the call of the chairman elected by the Committee or on the call of such other person as the Secretary may designate.

(d) The committee shall, with the assistance of appraisals by competent employees of the Secretary, under rules established by the Secretary, recommend the value of farms and when required, the value of other security property. The committee shall perform such additional duties as the Secretary may require.

SEC. 32. All property subject to a line held by the Secretary or the title to which is acquired by the Secretary under this act, shall, notwithstanding that legal title is vested in the Secretary, be subject to taxation by State, Territory, district, and local political subdivisions in the same manner and to the same extent as other property is taxed, except that no tax the rate of which is based on the ad valorem value of any notes or mortgages or other lien instruments held by or transferred to the Secretary, on any notes or lien instruments administered under this act which are made, assigned, or held by a person otherwise liable for such tax, or on the ad valorem value of any property conveyed or transferred to the Secretary, whether as a tax on the instrument, the privilege of conveying or transferring or the recordation thereof, shall be imposed or collected on or with respect to such instrument. Nor shall the failure to pay or collect such tax be a ground for refusal to record or file such instruments, failure to impart notice or prevent the enforcement of its provisions in any State or Federal court.

SEC. 33. (a) The Secretary is authorized and empowered to make advances to preserve and protect the security for or the lien or priority of the lien securing any loan or other indebtedness owing to, insured by, or acquired by the Secretary under this act or any other programs administered by the Farmers Home Administration; to bid for and purchase at any execution, foreclosure or other sale or otherwise to acquire property upon which the United States has a lien by reason of a judgment or execution arising from or which is pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; and to sell, manage, or otherwise dispose of such property as hereinafter provided.

(b) Real property acquired under the provisions of this section may be operated by the Secretary for a period not in excess of 1 year from the date of acquisition or may be leased for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

(c) The Secretary shall determine whether real property acquired under this section is suitable for disposition to persons eligible for assistance under this act. Any property the Secretary determines to be suitable for such purposes shall, whenever practicable, be sold by the Secretary as expeditiously as possible to individuals eligible to receive the benefits of this act and in a manner consistent with the provisions thereof. Real property which is not suitable for sale to persons eligible for assistance under this act or which has not been purchased by such persons within a period of 3 years from the date of acquisition shall be sold by the Secretary at public or private sale at the best price obtainable after public notice for cash or on secured credit without regard to the laws governing the disposition of excess or surplus property of the United States. The terms of such sale shall require an initial down payment of at least 20 percent with the remainder payable in not more than 5 annual installments with interest on unpaid balances at 5 percent per annum.

(d) With respect to any real property acquired under this section, the Secretary is authorized to grant or sell easements or rights-of-way for roads, utilities, and other appurtenances not inconsistent with the public interest. With respect to any rights-of-way over land on which the United States has a lien administered under this act, the Secretary may release said lien upon payment to the United States of adequate consideration, and the interest of the United States arising under any such lien may be acquired for highway purposes by any State or county in condemnation proceedings under State law by service by certified mail upon the United States attorney for the district, State director of the Farmers Home Administration for the State in which the farm is located, and upon the Attorney General of the United States: *Provided, however*, That the United States shall not be required to appear, answer or respond to any notice or writ sooner than 60 days from the time such notice or writ is returnable or purports to be effective, and the taking or vesting of title to the interest of the United States shall not become final under any order or decree until adequate compensation and damages has been finally determined and paid to the United States or into the registry of the court.

SEC. 34. No officer, attorney, or other employee of the Secretary shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this act other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee shall knowingly make or join in making any certification with respect to any land in which he or any person related to him within the third degree of consanguinity has or may acquire any interest. Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than $2,000 or imprisonment for not more than 2 years, or both.

SEC. 35. (a) There is authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the purposes of this act and for the administration of assets transferred to the Farmers Home Administration. Funds and authorizations for funds heretofore appropriated under any act repealed hereby shall remain available for the purposes for which appropriated and are hereby made available for the purposes of this act.

(b) Such amounts as the Congress may approve from time to time for making direct loans shall be borrowed from the Secretary of the Treasury in accordance with the provisions set forth in the first proviso of the second paragraph under the heading "Farmers Home Administration" of the Department of Agriculture Appropriation Act, 1952.

(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury to obtain funds necessary for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate determined by the Secretary of the Treasury, taking into account the average rate on outstanding interest bearing marketable public debt obligations of the United States. The Secretary of the Treasury is authorized and directed to purchase any notes of the security issued hereunder and for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchase of such notes. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

SEC. 36. (a) References to any provision of the Bankhead-Jones Farm Tenant Act, as amended, superseded by any provision of this act, shall be construed as referring to the appropriate provision of this act. Titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended, except the applicable provisions of title IV in relation to the functions of the Secretary under title III of such act, and the act of August 28, 1937, as

amended, and title V of the Housing Act of 1949, as amended, are hereby repealed, effective June 30, 1957, or such earlier date as the provisions of this act are made effective by the Secretary's regulations: *Provided, however*, That such repeal shall in nowise affect the validity of any action taken or obligation entered into pursuant to the authority of said act: *And provided further*, That the repeal of such acts shall not prejudice the application of any person with respect to receiving assistance under the provisions of this title solely because such person is obligated to the Secretary under authorization contained in any such repealed provision.

(b) If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

EXHIBIT B

ANALYSIS OF THE BILL (S. 1610) CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1957

Title I contains appropriate provisions relating to emergency loans and furnishing feed and seed assistance and would replace existing authority for production emergency loans, economic emergency loans, special emergency loans, fur loans, and special livestock loans, each of which is now available only upon the determination of areas affected by special types of emergencies.

Section 1 (a) authorizes the making and insuring by the Secretary of loans to bona fide farmers and stockmen for any agricultural purposes, including refinancing and family subsistence. Under section 2 (b), such loans would be limited to areas where the Secretary finds a general need for agricultural credit which cannot be met for temporary periods from other sources, including regular loan programs of the Secretary of Agriculture at reasonable rates and on terms and conditions which farmers and stockmen can repay in view of emergency circumstances. That need for credit must be found to have resulted from a natural disaster or severe production losses.

Under section 2 (a) only farmers and stockmen (including corporations primarily engaged in farming) who have a reasonable prospect of successful operation with the assistance of such a loan and who are unable to secure the necessary credit from other sources would be eligible for emergency loans. The loans would be at the rate of 3 percent per annum and would be evidenced by the personal obligation and available security for individual farmers and stockmen, and, in the case of corporations, by the personal obligation and available security of each holder of as much as 10 percent of the stock. All emergency loans would contain an agreement by the borrower to refinance the balance of the indebtedness when private or cooperative credit can be secured.

Under section 3 (c) the Secretary is authorized to fix the terms and conditions of emergency loans other than the terms described above. This provision would permit the tailoring of loans to the needs arising out of the various types of emergency and the pattern of agriculture in the area.

Section 3 (a) contains provisions similar to the provisions now found in section 2 (d) of Public Law 38 (12 U. S. C. 1149a-2 (d)), authorizing the Secretary of Agriculture to furnish feed for livestock and seeds for planting to bona fide farmers in areas determined by the Secretary under this title to be emergency areas. Under existing law, this authority is limited to major disaster areas proclaimed by the President.

Section 3 (b) contains the additional provision that such assistance either directly to farmers or through States or local governments may be conditioned upon participation by the State or local governments in planning, administration, and cost of such assistance. The provisions of existing law, section 407 of the Agricultural Adjustment Act of 1940, as amended (7 U. S. C. 1427), relating to the use of surplus stocks owned or controlled by the Commodity Credit Corporation to assist in relieving from the effects of a major disaster under Public Law 875 are recognized and retained in section 3 (c) of the bill.

This title requires no immediate appropriation since under section 4 the existing disaster loan revolving fund is made available for loans under this title. Collections and liquidations of loans made under prior emergency authorities would be deposited in that fund under section 5 (a). Additional appropriations to the fund are authorized by section 5 (b).

Since this title would constitute the sole authority for emergency loans by the Secretary of Agriculture, all existing authority for such credit would be repealed by section 6. However, under section 7, the repeal would not affect any existing obligations, nor prejudice any present borrower from receiving further emergency assistance.

Section 8 authorizes the issuance of regulations by the Secretary to carry out the purposes of the title.

Title II contains all of the policy provisions applicable to loans for general agricultural purposes. It would replace existing authority for Tenant Purchase loans, Farm Enlargement loans, Farm Development loans, Small Farm loans for development and improvement, Disabled Veterans' loans, and Refinancing loans under title I of the Bankhead-Jones Farm Tenant Act, Farm Housing and other farm building loans under title V of the Housing Act of 1949, Soil and Water Conservation loans under the Water Facilities Act of August 28, 1937, and regular operating loans to the operators of farms not larger than family-type farms under section 21 of the bill. Title II would become effective only after the existing regulations have been consolidated under this single authority for agricultural loans. A final effective date of June 30, 1958, would provide ample time for the conversion to the new authority.

Section 22 lists specifically, but in broad terms, the purposes for which such loans could be made. They include the purchase of land for the agricultural uses, and all types of farm building, or Soil and Water Conservation irrigation and drainage facilities, structures and practices. Loans would be available to assist in the participation in the acreage reserve and conservation reserve features of the Soil Bank Act. Loan purposes would also include refinancing of existing debts of farmers and for all reasonably necessary operation costs.

Only individual citizens of the United States operating farms not larger than family-type farms in the area, who are found by the county committee to have the character, industry, ability, and experience necessary to meet their obligations will be eligible for such loans. However, loans may be made under the authority of 23 (b) to associations, other than land-leasing and land-purchasing associations, which would provide farmers and ranchers with facilities necessary for their farming operations. This authority is particularly applicable to the association-type facility for irrigation, domestic water, drainage, and similar farm needs.

Section 23 (c) contains a provision similar to the existing requirement that this type of credit should be available only to persons who cannot secure the necessary credit from private sources at reasonable rates and terms in the community. Eliminated from existing law is the provision that a person who cannot secure credit from private sources at 5 percent or less shall be eligible. At the present time, there is practically no farm-operating credit available at 5 percent except through the Secretary of Agriculture. This means that practically all farmers meet this eligibility test.

Under section 24, loans for general agricultural purposes would be secured by the full personal liability of the borrower and security of the type and amount as will reasonably secure payment of the loan, taking into account the purpose for which the loan was made. Interest return for these loans would not exceed 5 percent plus such fees and other charges as the Secretary might impose. In determining the interest rates and fees, the Secretary would be directed to consider prevailing interest rates for similar loans, the need for the sound agricultural economy for the community, the credit risk involved in the type of loan, and the rate of interest paid by the Secretary on funds borrowed from the Secretary of the Treasury for making such loans. Except for one-half of the insurance charge on loans insured by the Secretary, the fees collected in connection with these loans would be available for administrative expenses.

Section 24 (c) contains a $30,000 maximum limit at any one time on real-estate indebtedness under existing authority and under title II of this bill. Operating loan indebtedness under this bill would be limited to $20,000 to any one at any time. Association type loans under this title and the Water Facilities Act could not increase the association's indebtedness in excess of $250,000 to any one at any time.

All loans made under this authority would contain an agreement by the borrower to refinance with private or cooperative credit when possible. Additional terms and conditions for loans are within the authority of the Secretary under section 24 (e).

Section 25 contains specific authorization to insure the types of loans to persons who would be eligible under this title for direct loans. The Farm Tenant Mortgage Insurance Fund established by section 11 (a) of the Bankhead-Jones Farm Tenant Act would be redesignated as the "Agricultural Credit Insurance Fund" and would be utilized for the insurance of loans under this title. An insurance charge of at least 1 percent would be required at the time of loan closing and at least 1 percent each year on the unpaid balance. As under existing law, the Secretary would be authorized to service the insured loans and a means to purchase them as a secondary market. One-half of the insurance charge is to be deposited in the fund as an insurance premium. The other one-half is to be available for administrative expenses. The notes of borrowers and the security taken in connection with loans insured under this title and collections therefrom will be a part of the fund under section 25 (d).

The first sentence of section 25 (e) adds loans under this act to the list of loans which are exempt, under the Federal Reserve Act from the loan-value ratio limitation on national banks. A similar provision is found in existing law. The second sentence makes loans insured under this title and loans previously insured under the Bankhead-Jones Farm Tenant Act and the Water Facilities Act eligible for investment by State member banks and national banks, so that such loans are not required to be within the limit on real-estate loans in relation to capital and surplus of the bank.

Title III contains administrative servicing provisions similar to those now contained in title IV of the Bankhead-Jones Farm Tenant Act. While the powers under this act are vested in the Secretary, it is contemplated that administration of its provisions will be through the Farmers Home Administration.

Section 30 (f) is identical with section 41 (g) of the Bankhead-Jones Farm Tenant Act, as amended by Public Law 878, 84th Congress. It deals with compromise, adjustment, and debt settlement of claims against borrowers arising out of this and prior loan authorities.

Section 31 (a) contains slight modifications of the present authority for county committees under section 42 of the Bankhead-Jones Farm Tenant Act. The changes made by this section give more latitude in the area served by a county committee, in determining the compensation for committees, and their functions in connection with the making of loans.

Section 32 relates to the payment of taxes on property serving as security for loans. Under section 50 of the Bankhead-Jones Farm Tenant Act real property utilized for the purposes of title I is subject to State and local taxes, the same as if the land were in the hands of a private party. Section 32 of this bill would extend that principle to all real estate and chattel security, except that notes, mortgages, and other intangible personal property held by the Secretary or by an insured lender would not be subject to State or local taxes.

Section 33 contains provisions similar to those found in section 51 of the Bankhead-Jones Farm Tenant Act, as amended. The Secretary's authority with respect to the sale of the property would be broadened under section 33. In section 33 (c), specific provision is included dealing with such disposition. It may be compared with the applicable provisions of section 43 of the Bankhead-Jones Farm Tenant Act, as amended.

Under section 34 (d), specific authority is granted for the treatment of easements and rights-of-way. The consent of the United States is given, in this subsection, to actions in condemnation by State and county governments for highway purposes of the mortgage or lien interest of the United States. This consent is conditioned upon payment of adequate compensation and procedural requirements designed to protect the interests of the United States.

Section 34 makes it a crime for any employee to receive any consideration in connection with any business under this act other than his regular salary. Certifications by a county committeeman with respect to land in which he or his close relatives are interested is also made a crime.

Section 35 contains authorizations for appropriations and for the Secretary of Agriculture to secure funds to be loaned by borrowing from the Secretary of the Treasury in a manner heretofore employed under the Department of Agriculture Appropriation Act, 1952.

Section 35 (c) retains existing authority of the Secretary of Agriculture to provide funds for honoring the obligations against the insurance fund by borrowing from the Secretary of the Treasury.

Section 36 (a) preserves cross references to the Bankhead-Jones Farm Tenant Act found in State and Federal statutes and directs that such reference shall be construed to the applicable provisions of this act. The provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended, are preserved with respect to the functions of the Secretary under title III of the Bankhead-Jones Farm Tenant Act, dealing with the submarginal land program. Title III of that act is also preserved. Titles I, II, and, except as provided above, title IV of the Bankhead-Jones Farm Tenant Act, the act of August 28, 1937 (Water Facilities Act), and the Housing Act of 1949 (farm housing and other farm buildings), are repealed effective on June 30, 1958, or on such earlier date as consolidated regulations are issued by the Secretary under this new authority.

Section 46 (a) also contains a savings clause with respect to obligations incurred under prior authority and provides that such obligation shall not prejudice an applicant's right for assistance under this act.

Section 36 (b) contains the usual severability clause.

ADJOURNMENT TO MONDAY

Mr. DOUGLAS. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until Monday at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 19 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, March 18, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 14, 1957:

DIPLOMATIC AND FOREIGN SERVICE

John Clifford Folger, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

DEPARTMENT OF DEFENSE

William Howard Francis, Jr., of Texas, to be an Assistant Secretary of Defense, vice Carter Lane Burgess, resigned.

IN THE AIR FORCE

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 8294, title 10, United States Code, as modified by the act of April 30, 1956 (70 Stat. 110), and section 8067, title 10, United States Code with a view to designation for the performance of duties as indicated:

To be lieutenant colonel, USAF (Medical)

Quintino J. Serenati, AO969179.

To be major, USAF (Dental)

Edward A. Graykowski, AO5042009.

To be captains, USAF (Medical)

Andrew P. Batson, AO3002006.
John K. Cherry, AO3001537.
Richard T. Day, AO948530.
Hugh B. Mitchell, Jr.
Edgardo Ortiz-Gordila, AO3041670.
David I. Robinson.
William L. Shepard, AO3002034.

To be captains, USAF (Dental)

Robert A. Karr, AO816117.
Thomas Salimeno, Jr.
Roy S. Sloan.

To be first lieutenants, USAF (Medical)

George W. Beddingfield.
Hubert R. Buxton, Jr.
John H. Carney, AO3045937.
Edward E. Christensen.
Charles D. Cobau.
Yancey G. Culton, Jr., AO3044662.
Leroy J. Cummings, AO3041963.
John F. Darby, Jr., AO3041783.
Joseph T. DeWitte.
John P. Dodds.
John R. DuBois, Jr.
Henry M. Eisenberg, AO2249870.
John Floyd, AO3074724.
Ridley M. Glover, AO3045946.
Howard R. Gould.
Duane E. Graveline, AO3043199.
Stanley N. Graven, AO3045948.
William D. Heath, O1879809.
Eugene Kalnitsky, AO3041641.
Dana G. King, Jr., AO3045955.
Gerald Klebanoff, AO3074765.
Eugene L. Komrad, AO3074713.
Charles F. Lienza, AO3076443.
John D. Moroney, AO3074718.
Anthony S. Neri, AO3074773.
Norris L. Newton, AO3074734.
George K. Nitz, AO3041622.
Henry J. Powsner.
Marian L. Rhame, Jr.
Harold N. Richardson, AO3042262.
Robert P. Riker.
Charles A. Rockwood, Jr.
Alfred R. Rosenthal, AO3074749.
Bernhard Roth, AO1891787.
David Seaman, AO3042788.
James A. Sheffield, AO3043843.
Samuel G. Southwick, AO3043908.
Ralph C. Tierney, AO3045976.
Orville E. Weaver.
Lester F. Williams, Jr., AO3045973.
James C. Wootton.

To be first lieutenants, USAF (Dental)

William R. Brown, AO3042376.
William T. Byerly, AO746288.
Theodore C. Cole, AO2214954.
John H. Miller, AO3001723.

UNITED STATES CIRCUIT JUDGE

John Minor Wisdom, of Louisiana, to be United States circuit judge, fifth circuit, vice Wayne G. Borah, retired.

John S. Hastings, of Indiana, to be United States circuit judge, seventh circuit, vice J. Earl Major, retired.

UNITED STATES MARSHAL

Clark W. Gregory, of Michigan, to be United States marshal for the eastern district of Michigan for a term of 4 years, vice William A. Nowicki, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 14, 1957:

DEPARTMENT OF STATE

C. Douglas Dillon, of New Jersey, to be a Deputy Under Secretary of State.

G. Frederick Reinhardt, of California, to be Counselor of the Department of State.

Thorsten V. Kalijarvi, of New Hampshire, to be an Assistant Secretary of State.

DEPARTMENT OF DEFENSE

Murray Snyder, of Maryland, to be an Assistant Secretary of Defense.

DEPARTMENT OF THE ARMY

Dewey Short, of Missouri, to be an Assistant Secretary of the Army.

DEPARTMENT OF THE INTERIOR

Olin Hatfield Chilson, of Colorado, to be Under Secretary of the Interior.

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons to be Ambassadors Extraordinary and Plenipotentiary of the United States of America to the country indicated with their respective names:

David K. E. Bruce, of Maryland, to the Federal Republic of Germany.

Amory Houghton, of New York, to France.

William J. Sebald, of the District of Columbia, to Australia.

Elbridge Durbrow, of California, to Vietnam.

COUNCIL OF ECONOMIC ADVISERS

Paul W. McCracken, of Michigan, to be a member of the Council of Economic Advisers.

FEDERAL HOME LOAN BANK BOARD

Albert James Robertson, of Iowa, to be a member for the remainder of the term expiring June 30, 1957.

OFFICE OF DEFENSE MOBILIZATION

Gordon Gray, of North Carolina, to be Director of the Office of Defense Mobilization.

THE NATIONAL MEDIATION BOARD

Robert O. Boyd, of Oregon, to be a member of the National Mediation Board for the term expiring February 1, 1960.

MISSISSIPPI RIVER COMMISSION

Brig. Gen. Paul D. Berrigan (colonel, Corps of Engineers), to be a member of the Mississippi River Commission.

UNITED STATES DISTRICT COURT

Randolph H. Weber, of Missouri, to be United States district judge for the eastern district of Missouri.

UNITED STATES ATTORNEY

D. Malcolm Anderson, Jr., of Pennsylvania, to be United States attorney for the western district of Pennsylvania for a term of 4 years.

IN THE ARMY

The following groups of nominations for appointment, transfer or promotion in the Army were confirmed today:

The nominations of Maj. Gen. Arthur Gilbert Trudeau, and 438 other officers, which were received by the Senate on Jan. 14, 1957, and which appear in full in the CONGRESSIONAL RECORD for that date, under the caption, "Nominations," beginning with the name of Arthur Gilbert Trudeau, which is shown on p. 525, and ending with the name of Peter F. Van Houten, on p. 527;

The nominations of William J. Chilcoat, and 331 other officers, which were received by the Senate on Feb. 21, 1957, and which appear in full in the CONGRESSIONAL RECORD for that date, under the caption, "Nominations," beginning with the name of William J. Chilcoat, which is shown on p. 2420, and ending with the name of Raymond E. Zickel, on p. 2430; and

The nominations of William F. Acers, and 901 other officers, which were received by the Senate on Feb. 27, 1957, and which appear in full in the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of William F. Acers, which is shown on p. 2714, and ending with the name of Louise E. Sullivan, which appears on p. 2718.

IN THE NAVY

Vice Adm. William M. Callaghan, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

IN THE MARINE CORPS

Col. Carey A. Randall, 05132, United States Marine Corps, to temporary appointment to the grade of brigadier general, to hold such grade while he is assigned as Military Assistant to the Secretary of Defense.

POSTMASTERS

CALIFORNIA

Lillian M. Burrow, Betteravia.
Loudon F. Hillhouse, Bijou.
Irene F. Tallis, Hilts.
Vera A. Largent, Leucadia.
Herman J. Johnson, San Carlos.
Wynn K. Giles, West Point.

FLORIDA

Troy K. Smith, Bowling Green.
John Lester Dicus, Clearwater.
Lewis M. Galloway, Eustis.
Wilmer K. Sadler, Lutz.
Harry Beckner, Jr., Mango.
David W. Gormican, St. Leo.
John R. Higgins, Samoset.

GEORGIA

Ed J. Ehrensperger, Blackshear.
Homer Coy Anderson, Cusseta.
Clara W. Smith, Sargent.
William Madison Dewberry, Tifton.

IDAHO

Jesse O. Hiatt, Marsing.
Robert J. Krouse, Priest River.

MASSACHUSETTS

Robert S. Caves, Wenham.

NEBRASKA

Layton E. Baker, Neligh.
ElRoy Bartels, Tobias.
Harry F. Falke, Wahoo.

NEVADA

Minnie Kennedy Tuxill, Glenbrook.

NEW JERSEY

Frank E. Gersie, Clifton.

OHIO

Raymond C. Mote, Austinburg.
Wilson S. Geisler, Dalton.
Virginia C. Carter, Magnetic Springs.
Martha R. Maerkisch, North Fairfield.
Robert C. Detwiler, Seville.
Nolen E. Stuckey, Van Wert.

OKLAHOMA

Ernest H. Armstrong, Baker.
Richard W. Lilly, Fletcher.
Archie A. Godfrey, Lone Wolf.
Phillip J. McGee, Wetumka.

OREGON

Madalene M. Hutchison, Bates.
Joseph P. Kelly, Coos Bay.

SOUTH DAKOTA

Theodore Mehlhaf, Menno.

UTAH

Charles Norman Baxter, Milford.

VIRGINIA

Louis W. Blankenship, Glen Lyn.

WYOMING

Iduma Slagowski, Mountain View.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 14, 1957:

POSTMASTERS

FLORIDA

Wayne Searcy, at Tallahassee.

LOUISIANA

William Caldwell Fisher, at Morrow.

VIRGINIA

Joseph F. Downing, Jr., at Keller.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 14, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our creator and benefactor, we worship and adore Thee as the only source of the wisdom that never errs and the courage that never falters.

Thou hast made us for Thyself, and humbly we confess that we are unhappy and restless until we find our joy and peace in Thee.

We pray that we may have a clear perception of our duties and seek to discharge them faithfully and in the fear of God.

Grant that the mind and heart of our President, our Speaker, and all the Members of Congress may be richly endowed with understanding and insight as they set themselves to the difficult task of finding the right solution to the problem of human relationships.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

TAX RELIEF FOR FARMERS AND RANCHERS FORCED TO LIQUIDATE THEIR FOUNDATION HERDS BECAUSE OF DROUGHT CONDITIONS

Mr. IKARD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. IKARD. Mr. Speaker, we are all aware of the terrible drought conditions which have existed in a large part of this country for the last 5 years. Throughout the Southwest our people have watched their rangelands dry and burn under the most devastating drought in our history. Many of them have been forced to sell at sacrifice prices their valuable foundation herds. Until last year, they were forced to pay capital-gains tax on the money received in the sale of these herds, even though it was their intention to purchase replacement stock as soon as the drought ended.

Early in the 84th Congress I introduced H. R. 6103 which would have permitted farmers and ranchers to hold the proceeds of emergency and forced sales of draft, breeding, or dairy animals tax free if the proceeds were ultimately utilized for replacement of their basic herds. The provisions of that bill are now law. While the Internal Revenue Code permits the Commissioner of Internal Revenue to extend the period during which the replacement of herds liquidated on account of the drought may be made, our farmers and ranchers have had difficulty in obtaining extensions of time. Soon after the law was changed in the summer of last year, the Internal Revenue Service issued a technical information release which stated that no extension of time for the replacement of draft, breeding, or dairy animals would be allowed unless the taxpayer could show reasonable cause for not being able to replace this livestock within 1 year. This reasonable-cause requirement, while innocuous enough on its face, has nevertheless caused our farm and ranch people difficulty. We know, just as they do, that it takes time to rebuild devastated ranges and pastures. When a man is blessed with rain after a prolonged drought, he does not just wake up the next morning to find a completely restored range or pasture. Time—rain and time—plus good management are required to rebuild the farm and grassland.

Today, along with my colleagues the gentlemen from Texas [Mr. FISHER, Mr. ROGERS, Mr. TEAGUE, and Mr. YOUNG], I have introduced a bill that would permit our farmers and ranchers at least 5 years within which to replace their sacrificed foundation herds before they need to go to the Commissioner of Internal Revenue, hat in hand, for an extension and an affidavit of reasonable cause.

Mr. Speaker, tax-writing committees of the Congress recognized the needs created by the drought long before the President made his swing through the drought country. We took action, over the Treasury's opposition, to provide the tax relief which my bill will extend. This bill carries out one of the recommendations of the President's committee for alleviating emergency conditions brought about by the prolonged drought. The President might have recommended legislation to carry out this proposal himself; however, the fact that he has not done so must not prevent us from taking immediate action to give these people the relief that they need.

INDEPENDENT OFFICES APPROPRIATION BILL, 1958

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday to file a privileged report on the independent offices appropriation bill for 1958.

The SPEAKER. Is there objection?

There was no objection.

Mr. VURSELL. Mr. Speaker, I reserve all points of order on the bill.

ST. PATRICK'S DAY

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, March 17 is a great day not only for the Irish but also for all those who admire courage, persistency of purpose, the power of an ideal, and ceaseless dedication to a cause. The Irish have gone into many lands, have fought under many flags, and have helped to build many countries. Here in the United States the sons of Irishmen have been one of our strongest segments in keeping alive the original fires of nationalistic independence and in fostering lasting dedication to true democracy. No man has more reverence for equality among men than an Irishman.

Once each year I take pride in paying tribute to the Irish, and for that day I am permitted not to change, but to alter, my surname by transplanting the final letter to make it O'MORAN. I notice today I have a multitude of company for I notice green badges bearing the names of O'ALGER, O'COFFIN, and I think I even detect an O'O'HARA.

This year the Ancient Order of Hibernians of Connecticut have officially authorized me to assume the O'MORAN name, and to wear this impressive emblem of green ribbon surmounted by a sparkling elephant, inscribed with the immortal words, "Erin go bragh" and the title "O'MORAN," the handiwork of Mr. Henry Hendley, a disabled veteran of Arlington, Va.

I accept this honor humbly and wear it proudly because I am in the company of good men in a good cause, and so I, too, shall say, "Cead Mille Failte."

ANNIVERSARY OF PROCLAMATION OF SLOVAK INDEPENDENCE

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, I understand that March 14 marks the 18th anniversary of the proclamation of Slovak independence.

The Slovak people have distinguished themselves by their uncompromising resistance to all forms of communism and by their burning desire for freedom and self-determination. Regardless of an individual's position in the current Czechoslovak controversy, I think we can all agree that the Slovak people are entitled to and should have the right to choose their own political form of government, be it federated or independent, when their homeland is liberated.

As one who has a large number of persons of Slovak origin within my own congressional district, I wish to assure them of my personal conviction that their country will surely one day be liberated from the yoke of Communist tyranny and that the Slovak people will again have that precious right of choice as to their political, economic, and social institutions, a right which is an inalienable one for all mankind.

YANKEE HOMECOMING, 1958

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, about 5 years ago, a young man who lives in Orleans on Cape Cod—not far from my home—had a wonderful idea.

He is Jack Frost, a well-known New England artist, who visualized all New England working together to bring thousands more tourists than usual to New England in 1958 to view with their families our wonderful advantages.

His project is Yankee Homecoming, 1958. All of us today are Yankees whether we live in the North, East, South, or West—to our friends abroad all of us are Yankees.

Those who will visit New England for the first time will find there what I think we natives prize so much—peace of mind, contentment and most hospitable neighbors. Then there is such a wide scope available, travel, recreation, our growing industrial opportunities.

We hope to gain new residents, we hope to gain more branches of some of our national industries.

Our visitors will have opportunity to visit famous trails and shrines, to see and hear colorful festivals and concerts, to witness exciting athletic events, to enjoy beauty of mountain and seaside we believe cannot be surpassed anywhere in the world.

The door of welcome is open to all.

Yankee homecoming will also demonstrate the values and inspiring results of Yankee free enterprise.

Some of our early New Englanders went to other parts of our country. I extend a cordial invitation to their descendants to return to the region of their ancestors and see the accomplishments of today. Some we hope will remain and work beside us and help us contribute to the bright future ahead.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that Subcommittee No. 7 of the Committee on Foreign Affairs may be permitted to sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RELIEVING SHORTAGE OF FUNDS FOR HOME LOANS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 209) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments, as follows:

Strike out all after the resolving clause and insert "That (a) section 303 (d) of the National Housing Act is amended by adding at the end thereof the following new sentence: 'In addition to the preferred stock provided for in the first sentence of this subsection, the Association is authorized and directed to issue and deliver to the Secretary of the Treasury, and the Secretary of the Treasury is authorized and directed to accept, preferred stock of the Association having an aggregate par value equal to $50,000,000.'

"(b) Section 303 (e) of such act is amended (1) by striking out 'pursuant to subsection (d)' and inserting in lieu thereof 'pursuant to the first sentence of subsection (d)', and (2) by adding at the end thereof the following new sentence: 'The preferred stock of the Association delivered to the Secretary of the Treasury pursuant to the second sentence of subsection (d) of this section shall be in exchange for a note or notes of the Association, aggregating $50,000,000 in principal amount (and upon which the accrued interest shall have been paid through the date of delivery), held by the Secretary of the Treasury pursuant to the authority contained in section 304 (c).'

"(c) Section 304 (c) of such act is amended by striking out all of the second sentence after 'or (2)' and inserting in lieu thereof the following: 'such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than $1,250,000,000.'

"SEC. 2. Section 305 (e) of the National Housing Act is amended (1) by striking out '$50,000,000' and inserting in lieu thereof '$200,000,000', and (2) by striking out '$5,000,000' and inserting in lieu thereof '$10,000,000.'

"SEC. 3. Section 220 (d) (3) (B) (iii) of the National Housing Act is amended by striking out in the second proviso thereof 'or per family unit, as the case may be,' and inserting in lieu thereof 'without regard to the number of rooms being less than four, or four or more,'."

Amend the title so as to read: "Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDING HOUSE RESOLUTION 99, INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Mr. SMITH of Virginia. Mr. Speaker, yesterday I spoke to the Speaker about a minor resolution reported from the Committee on Rules. May I be recognized on behalf of the Committee on Rules to call up this resolution for consideration?

The SPEAKER. The Chair will recognize the gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules I present a privileged resolution and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

House Resolution 197

Resolved, That House Resolution 99, 85th Congress, is amended by striking out the words "within the United States" where they appear on lines 19 and 20, page 3, of said engrossed resolution, and inserting in lieu thereof the words "within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico."

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution.

Mr. SMITH of Virginia. Yes. Mr. Speaker, the Committee on Rules so far this session has not granted foreign travel privileges to any committee. We have, however, included in the resolution the right to visit any offshore territories and possessions. Inadvertently that was omitted from the resolution of the Interstate and Foreign Commerce Committee and this merely corrects that oversight. It is unanimously approved by the Committee on Rules.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 24]

Allen, Calif.	Engle	Kearney
Allen, Ill.	Flynt	Lankford
Bailey	Green, Oreg.	Magnuson
Blitch	Green, Pa.	Mailliard
Bolton	Harrison, Nebr.	Morrison
Bowler	Hébert	Moulder
Chiperfield	Hess	Powell
Coffin	Hiestand	Prouty
Cooley	Holt	Scherer
Dawson, Ill.	Holtzman	Sieminski
Dies	Hosmer	Siler
Diggs	Jackson	Teague, Tex.
Donohue	Jensen	

The SPEAKER. On this rollcall 392 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE ON LABOR STANDARDS

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor Standards of the Committee on Education and Labor may sit next week during general debate.

The SPEAKER. Is there objection?

There was no objection.

HUNGARIAN FREEDOM DAY

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, March 15, 1957, is the 109th anniversary of Hungarian Freedom Day. It was on March 15, 1848, that the Hungarian people began their revolt against the oppressive foreign rule of the Austrian Empire. That revolution was finally defeated, but only by the entry of Russian troops, whose aid had been requested by the Austrians.

This year the celebration of Freedom Day has a special significance. The Hungarian people have again sought their independence from foreign domination and again the revolution has been put down by the brute force of Russian troops. The difference, of course, is that this time Russia is a foreign power, ruling Hungary. Today, as in 1848, the American people stand with the brave Hungarians in their devotion to freedom and independence. Unfortunately, all they get from our high executive officers is doubletalk.

Americans join with their Hungarian brethren in celebrating Hungarian Freedom Day. We do so with a deep sense of sorrow for the measureless sufferings which the peoples of Hungary willingly accepted in their unsuccessful fight for real freedom. These same sacrifices make us realize anew the unquenchable passion for freedom possessed by these, our fellow men. It is our faith that however black may be the clouds of tyranny at this moment, Hungary will again know life as a sovereign and independent state.

When the history of this era is written, it will properly place on the doorstep of this administration, at least a part of the blame for the present-day sad plight of these brave people.

TAX RATE EXTENSION ACT OF 1957

Mr. COLMER. Mr. Speaker, I call up the resolution (H. Res. 160) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. LATHAM]; and pending that, I yield myself such time as I may consume.

Mr. COLMER. Mr. Speaker, I call up House Resolution 160 which makes in order the consideration of H. R. 4090, the Tax Rate Extension Act of 1957. The resolution waives points of order against the bill and provides for a closed rule and 3 hours of general debate.

The bill, reported without amendment from the Committee on Ways and Means, extends for 1 year the present 52 percent corporate normal income tax rate which otherwise would revert to 47 percent on April 1 this year. This extension covers not only ordinary corporations, but mutual insurance corporations and inter-insurers.

It also extends the excise tax rates on alcoholic beverages, cigarettes, automobiles, and automobile parts and accessories. It will not affect the tax rate on gasoline, trucks and buses, diesel and special motor fuels on which the excise tax rates were extended, and in some instances increased, under the Highway Revenue Act of 1956. If these excise taxes were not extended, refunds of approximately $180 million would have to be paid to dealers with respect to floor stocks, or inventories of tax articles on which the rates would be reduced. With the 1-year extension the payments on these refunds will be postponed until 1959.

The expenditures in the budget presented by the President for fiscal 1957 are estimated at $68,900,000,000, with receipts estimated at $70,600,000,000. Thus, if these tax rates are not extended, there will be a loss in revenue of $172 million and the anticipated surplus in fiscal 1957 would be reduced to about $1,500,000,000. The budget for fiscal 1958 is $71,800,000,000, with receipts estimated at $73,600,000,000. Since there is a lag in corporation tax collection, there would be an estimated loss of revenue of $2,103,000,000 in fiscal 1958 which together with the floor stock refunds of $180 million, would result in a deficit of about $500 million in the fiscal year 1958.

Mr. Speaker, this tax bill should not be necessary at a time when we have an alltime record economy. The taxes provided for continuation in this bill should be permitted to die. We should be reducing taxes rather than continuing them. But we are faced with the necessity for continuing these taxes for the very simple reason that we are spending more than we have ever spent in the peacetime history of this country. Let us look back just a little bit. Along about 1932 when Mr. Roosevelt ran for President he said Mr. Hoover was a spendthrift, that Mr. Hoover was spending too much money; Mr. Hoover was spending $4.1 billion to run the entire government. Mr. Roosevelt and I were elected that year on an economy platform.

Mr. Roosevelt spent $7.5 billion average during his first administration.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my friend from Michigan.

Mr. HOFFMAN. I am sure we are all happy the gentleman who has the floor was elected at that time and has remained here ever since. Perhaps he can tell me whether or not that was the time when Mr. Roosevelt promised a 25-percent reduction in spending. Was not that the time?

Mr. COLMER. I would like to agree with the gentleman, but, frankly, I do not know.

Mr. HOFFMAN. Yes. I am sorry I interrupted.

Mr. COLMER. I am sure he will find that there is no partisanship in this matter.

Mr. HOFFMAN. If the gentleman will yield further, that was not my purpose, that was farthest from any idea I had.

Mr. COLMER. I appreciate the gentleman's position because the gentleman is certainly one of those in the House who is consistent——

Mr. HOFFMAN. Just stop it right there.

Mr. COLMER. He is consistent in voting against these appropriations, and I like to give credit where credit is due, even though sometimes it may not be appreciated. Be that as it may, then Mr. Truman came into the picture and I stayed on. I believe the gentleman got here about that time or along in there somewhere. Mr. Truman averaged around $55.8 billion during his administration.

I want to go back for a minute to the gentleman's question about the 25-percent promised reduction. Frankly, I do not recall about that. I do recall that at that time Mr. Roosevelt and I were both running on an economy platform. I have tried to go along with that ever since. I recall that the very first bill of any importance, when I came to Congress, during that administration was the so-called economy bill. I do not know whether the gentleman from Michigan was here at that time or not. I know that it was quite a test for me because it cut deeply into the veterans' provisions. I do not remember how the gentleman voted if he was here. I do not know that that is material.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I did not come here until 1935. My people have been very forgiving and forgetful and they have let me stay ever since.

Mr. COLMER. I think your people have done a splendid job.

Mr. HOFFMAN. Oh, I do, too.

Mr. COLMER. Then we agree on that and since we are agreed upon that matter perhaps I can go along now.

I do recall I voted for that economy bill that cut these veterans. It cut my salary, which was $10,000 at that time, 15 percent. It was in line with my campaign promises. But that, it seems to me, was the last we heard about economy from the other end of the Avenue.

As I stated, Mr. Truman averaged $55.8 billion. In order to keep the record straight, Mr. Eisenhower ran and Mr. Eisenhower promised, or at least he is alleged to have promised, a $60 billion budget. I am sure he was honest in that as the other gentlemen were honest in their hopes, pledges, and promises. The point I am trying to make is that spending has been constantly going up all the time.

We are now faced with a budget that is estimated to be from $71.8 to $73.3 billion—an all-time high. Mr. Eisenhower is not responsible for that alone any more than Mr. Roosevelt and Mr. Truman were responsible alone in their administrations. We in the Congress are more responsible than any of these gentlemen. I merely referred to those gentlemen as marking a period in the development of this gargantuan rise in expenditures that we have been engaged in. So, past history being what it has been, we are faced here today with the necessity for continuing these taxes that you do not want, that I do not want, and, I take it, that nobody else wants.

What are we going to do about it? If we go on appropriating and permitting $71 or $73 billion to be annually expended, and then if we should get into some kind of a business depression, we will have to come back next year and raise taxes rather than extending them as we are only doing here now for 1 year. In this connection permit me to point out that the cost of servicing the national debt now is nearly $6 billion. This is one and a half times what it cost to operate the whole Federal Government 25 years ago.

Would it not seem to be the prudent thing to do, in a period of an all-time high economy, all-time high taxes, to try to lay a little bit aside for the proverbial rainy day that surely is ahead somewhere? Certainly, it seems that that is what a sound business executive would do. That is what a board of directors would do; and that is exactly what we are here: a board of directors of the greatest business in the world. But, I do not think we are looking after the stockholders' interests too well when we continue this spending and taxing, and spending and taxing.

Well, what are we going to do about it? There is no use getting up here and saying we ought to do something about it unless we can at least point out how we can do something about it. This subject is receiving entirely too much lip service. Every time we talk about cutting expenditures, cutting appropriations, we are told, "Well, we cannot do anything about that, because about 63 percent of that money goes into national defense, foreign aid, and so on."

Permit me to call your attention to a few figures in that connection. Our expenditures on the domestic front have been constantly going up. In 1948, for instance, we were spending $21 billion plus for domestic affairs. Last year we spent $25.9 billion or nearly $26 billion on domestic expenditures. In 1957, $27.9 billion, or approximately $28 billion. In other words, in 9 years we have increased that outlay by $7 billion.

Now, suppose we did not do anything else but just cut back to the period of 1948. We could save approximately $7 billion or $8 billion.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Is not that increase just about the percentage that the cost of living has gone up since that time, and the cost of furnishing this Government service?

Mr. COLMER. I thank the gentleman for his question and his contribution, because I want to dwell on that in just a minute. Well, I think I will do it now.

Yes, the constant increase ratio is there, and just as long as we continue to increase our expenditures that is going to increase.

Why is the cost of living increasing? Why do we have inflation? Largely because of Government spending. Now, I think that is an economic fact that cannot be disputed, and one of the most serious dangers, to my mind, in this whole thing is this very point of inflation. I have said in the well of this House so many times that I am sure you are tired of hearing me say it, that the real danger to this country lies not in the threat of a sneak Pearl Harbor type attack by Russia, with atomic bombs, but in the danger of the destruction of the fiscal soundness of this country, which would give the opportunity to the Communists to come in in the resulting confusion and chaos that would then exist when our economy was destroyed. That has been the history of the success of the masters of the Kremlin throughout the whole history of the cold war.

In that connection I point out to you that when I happened to have the good fortune to be the chairman of the Post-War Economic Policy Committee, I was in Europe in 1945 interviewing the leaders of 13 countries over there, with that great economist Marion Folsom as the chief of my staff. Among others we interviewed over there was the man who is now President of the United States, Dwight D. Eisenhower, who then was the Chief of our Armed Forces in Germany. I propounded a question to him that I propounded to every one of the leaders

of these various countries whom we interviewed:

What is the opportunity for communism to take over in this country?

Referring, of course, to Germany. I shall never forget his very classic answer. He said:

Mr. Congressman, a hungry belly does not care much what type of government it lives under.

If we destroy the economy of this country through inflation, the Communists will come in and take over; you will see that happen in this country as it has happened in other countries. That is the system the Communists have successfully used in other countries.

Mr. BUDGE. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman.

Mr. BUDGE. The gentleman has very aptly referred to what we should do about economy rather than just talk about it. The gentleman in his remarks mentioned the economy bill. I was interested in his remarks about that bill which was enacted in some Congress which was, of course, a long time before I became a Member of Congress.

I have proposed in previous years that appropriation bills carry a proviso at the end that would say something to this effect: That not more than 95 percent of the amounts herein appropriated may be obligated within the current fiscal year.

It seems to me that the only way we are actually going to effect economy is through an overall percentage cut. But every time that is proposed, someone rises and says that that is a meat-axe operation and that we should be more specific.

Would the gentleman care to comment on how that worked out in the gentleman's experience with it?

Mr. COLMER. Mr. Speaker, let me say to the gentleman in the first instance that I do not want to be in a position of throwing a roadblock in the path of anybody's suggestion who has a suggestion on how to do this. I think there are better ways to do it, but if that is the only way it can be done, I shall vote for that, if the gentleman offers it. I shall vote for any approach that I think would bring about the desired result.

Mr. BUDGE. Mr. Speaker, would the gentleman yield further?

Mr. COLMER. I yield further to the gentleman.

Mr. BUDGE. I have watched this operation now for 6 years. I served on the Committee on Appropriations. I am firmly convinced that the members of that committee and the Members of the House and the American people are very desirous of effecting cuts in this budget. But I do not know of any other way to approach it so that everybody will agree to get behind it unless it is done by this method of a percentage cut. I wish the gentleman could advise me if he has some other approach to the problem.

Mr. COLMER. I intend to go into that.

Mr. HOFFMAN. Mr. Speaker, would the gentleman yield?

Mr. COLMER. Of course, I yield to my friend.

Mr. HOFFMAN. Mr. Speaker, I join the gentleman in his desire for economy. I wonder if the gentleman would mind telling me how he voted on the bill we had yesterday. I voted for it. Did the gentleman vote for it?

Mr. COLMER. No, sir.

Mr. HOFFMAN. I guess the gentleman was right and I was wrong was I not?

Mr. COLMER. I would not say that, because the House was in such a hassle, and the legislation was in such shape I did not know what to do about it, so I voted against it. The gentleman may have been right.

Mr. HOFFMAN. I did not know what to do and I asked the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. He said I should take the best I could get. I thought as a Republican I should go along with the Farm Bureau and the Eisenhower folks and Secretary Benson. I got to talking it over last night with Mrs. Hoffman and she said that I was wrong, and I guess maybe she is right.

Mr. COLMER. Mrs. Hoffman may have been right.

Mr. HOFFMAN. I think she was, on mature consideration. I think I joined the spenders on that one.

Mr. COLMER. Now, back to where we were.

Let me say that my idea about the approach to this thing is that as these appropriation bills are considered, first in the committee, the committee should do its best job in cutting where it sees it can cut. That would be No. 1. I could digress on that and say that unfortunately our Appropriations Committees are not sufficiently staffed to be able to combat the budget experts but that is another story that I hoped I could get around to. But certainly there is usually room for cuts in the budget. Then when they get to the floor they ought to be cut wherever the House thinks they can be cut. Then they ought to be sent over to the other body and that body should cut where it thinks in its wisdom they can be cut. Yes; I know by tradition they raise over there rather than cut, but that is their responsibility.

Now let us be a little more specific. I have been referring to the nondefense spending. Let us take the defense spending, the 63 percent. When the so-called brass comes up to the committees and asks for this money, the committees are largely helpless because they do not know, they do not have the information they should have in order to be able to combat those figures that are asked. Then that defense bill comes to the floor of the House. I recall that we passed a $31 billion defense bill here a year or such a matter ago without a single dissenting vote, and I was one of those who voted for it because I was completely in the dark. They said they needed it and I was not in a position to argue. But had the Appropriations Committee had a sufficient staff of experts that they could have looked into that matter possibly we would not have had a $31 billion appropriation bill.

Then I get back to the overall proposition. I think that defense spending can be cut and I think it ought to be cut. I remember when we had a big controversy up here about an increased number of airplanes of a certain type about 3 or 4 years ago. The administration said they did not need them. The committee said they did need them. I went along with the administration, and that was a Republican administration.

But above all of that, bear this in mind: Russia does not want war any more than America wants war. They are not going to drop those bombs on Washington tonight because they know that later in the day or night they are going to be dropped on the Kremlin. Out of the horror of war and the new weapons of warfare has come a source of comfort—that the weapons have become too destructive for anybody to win a war. Russia hopes to defeat the United States just as Lenin spelled it out in his lifetime, by making the United States spend itself into bankruptcy—and we are doing a pretty good job following Lenin's suggestion.

Mr. Speaker, we can cut foreign aid. Oh, I know foreign aid is the pet of everybody when it comes to a question of economy. I recommended limited foreign aid in 1945 as chairman of that committee that I referred to. I thought we ought to give certain countries some reasonable aid to rehabilitate themselves. But, the thing grew like a snowball and it got to rolling and rolling and getting bigger and bigger every year. Several years ago, after 2 or 3 years of it, I tried to cut it. When I was unsuccessful in that, I started to voting against all of it. There is absolutely no necessity for this country to continue to increase that foreign aid every year. It ought to be cut. It ought to be cut, as a minimum, in half. But I doubt if that will be done because of the pressure that will be brought on this House when it comes up here. Where are our friends abroad going to be who are always looking to us for assistance, if we finally follow out Lenin's suggestion and spend ourselves into bankruptcy—not only where are they going to be, but where are we going to be? Who is going to help us? Who is going to give us a Marshall plan.

If I may have my friend's attention, again I will tell you another place where we can cut. We will have up here in this House in the next 60 or 90 days an entirely new field of Federal spending—Federal aid to education. Now that is something entirely new. We are going to start out to appropriate—what is it?—$1,300,000 or something like that for school aid. We have not been doing that heretofore, you know. We are going to build additional classrooms. Of course, we need additional classrooms. We need them in New York, we need them in California, and we need them in Mississippi.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MASON. Twenty years ago the average teacher-load in America was between 32 and 33 pupils. Today the average load per teacher is 26 pupils. Do we need additional rooms?—only in the

impacted areas. And we are taking care of those.

Mr. COLMER. In the light of what the gentleman, the great patriot from Illinois, has said, I revise my statement. Of course, additional classrooms are desired by some. But are we going to embark upon that new field now when we are talking of economy? There is going to be a test.

Again, if you want something specific, there is the field of public housing, the so-called low-rent housing. I have vigorously opposed this ambitious embarkation into the field of socialism from its very inception. This expensive program will be up again this year as it is every year for the construction of many thousands of public-housing units, all carrying with them the subsidies out of the Federal Treasury. Here will be another test of those who are now advocating the cutting of the budget. Many millions can be saved here alone by termination of this socialistic venture which has already cost the taxpayers several billions of dollars. These are some of the outstanding opportunities for cutting the budget. In every appropriation bill that will come up there will be many others.

Mr. Speaker, I make the bold assertion that this budget could be cut $5 million without seriously impairing the functions of the Government for the next fiscal year. The people of this country are looking to the Congress to do something about this. We should not fail them.

So much for the present budget. On the long-range program, I call your attention again to the McClellan-Colmer bill which has twice passed the Senate and which failed in the House by some 16 votes some 5 years ago, but which I reintroduced—H. R. 2416—on January 10, 1957. This bill simply provides for a joint committee from both the House and the Senate Committees on Appropriations. It authorizes an adequate staff of experts so that the Committee on Appropriations will not be at the mercy of the President's budget or the so-called bureaucrats and brass. At a time when the President's budget is being so widely criticized, it would seem that the House should take a new look at this bill. It would give it the tools with which to work. It would function largely in the same manner that the Joint Committee on Revenue has so successfully worked. It would restore to Congress the control of the purse strings, in my judgment and in the judgment of many others better qualified than I to evaluate the problem. Incidentally, hearings will be held shortly before the Committee on Rules on this bill.

Mr. Speaker, on March 19, 1952, almost 5 years to the day, I addressed this House along the same line that I have today under the caption, "High Taxes Result of Unbridled Spending." This was during a Democratic administration. I made many of the same arguments then that I have made today. Neither time nor your patience would permit a reading of those remarks here now. I concluded that speech by setting out a formula to guide our actions here as Members of this body. I quote the conclusion of that speech, as follows:

Mr. Speaker, I fear that I have been boresome, and that I may even be charged with pessimism, in this long recital in an effort to emphasize the seriousness of the situation. It is serious. America is at the crossroads in its fiscal policy. If we do not change that policy we become a bankrupt people. If we destroy the faith and credit of the Government we lose everything, our economy, our standard of living, yes, even our cherished liberties.

If the Congress is to regain its constitutional control of the purse strings; if the budget is to be balanced; if we are ever to liquidate this enormous debt, I respectfully suggest and urge that the following formula be adopted:

First. Our legislative committees, as well as Committees on Appropriations, must cease reporting out bills except those which are absolutely essential to our economy and national defense.

Second. Every Member of this body must recognize that the objective of balancing the budget is his most important assignment.

Third. Sectionalism, partisan politics, responsiveness to highly organized minorities, must give way to the national need for a sound financial policy.

Fourth. Every dollar appropriated must be considered as carefully as if it were coming out of the pockets of the Members themselves, as indeed the Members' proportionate share is.

Fifth. Our congressional committees, particularly the appropriation committees, must be staffed with an adequate staff of experts equal in efficiency to the staffs of the various governmental agencies who appear before them seeking appropriations.

Sixth. The Congress and the country must recognize that financial solvency is as important as military might in preparing ourselves against any potential foreign aggressor, a fact which our military captains should be made to understand.

Seventh. Our foreign friends must be made to understand that there is a limit to the resources of America.

Eighth. The system of permitting the carry-over of unspent funds from the current fiscal year into the new year must be abandoned.

Ninth. The procurement of military requirements, which constitute more than 50 percent of our expenditures, must be placed in the hands of trained civilians who appreciate the value of the dollar.

Tenth. And finally, the citizens of the Republic, now conscious as never before of the burdens of taxation, must practice the doctrine of States' responsibility as well as States' rights. The practice of looking to Washington for Federal aid in civil responsibilities of their own must cease. They must realize that there is no State, county, or city whose financial statement is not sounder than that of the Federal Government.

Finally, Mr. Speaker, if this country, the last fortress and haven of a free people is to survive our fiscal policy must be placed on a sound basis. The time is now. Next year may be too late. Now is the time to place the country above party.

In the name of the Founding Fathers who gave the country its birth, in the name of the untold thousands who have died to preserve it, in the name of free peoples everywhere, I beseech you to save the Nation from bankruptcy and thus perpetuate this, the most glorious form of free government ever conceived by the minds of man.

The SPEAKER pro tempore. The gentleman from Mississippi has consumed 30 minutes.

Mr. LATHAM. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this to emphasize to this House, and particularly to the Democrat majority in control, that the defeat yesterday of emergency corn legislation may prove to be disastrous, not solely for the corn farmer but to the whole soil-bank program and our entire farm economy.

The responsibility for this rests with the Democrat leadership of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Texas [Mr. POAGE]. They were not willing to support emergency corn legislation that could speedily be enacted. Under their leadership approximately two-thirds of the Democrats voted against the corn bill.

In my service in Congress I have observed that cotton, tobacco, and wheat as agricultural commodities have always been given a preferred position. Apparently the southern Democrats are only interested in the welfare of the cotton and tobacco farmer. Apparently they are not interested in giving the corn farmer an even break. Everything for the cotton farmer and the tobacco farmer, but nothing for the corn farmer. As long as such selfish sectionalism prevails in consideration of agriculture legislation, as long as political considerations govern one's actions, we will never solve the agriculture problem.

I will say that yesterday by voting against the corn bill a pitchfork has been stuck in the back of the corn farmer and then he was run over by a tractor. We thus have no emergency corn legislation with the corn planting season at hand. By what took place yesterday, and by an analysis of the voting, it is inescapable the Democrat majority have the responsibility for the almost impossible situation that presently confronts the corn farmer.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I do not yield.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. LATHAM. Mr. Speaker, I presume that at St. Patrick's time it is never out of order for a warm friend of the Irish, and one with Irish blood in his veins, to say a few words, and I therefore yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to speak in a lighter vein and on a happier subject, St. Patrick and the 17th of March.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CANFIELD. Mr. Speaker, we are drawing close to that bright day on the calendar when all America will be divided into two distinct groups of people—those who are Irish and those who wish

they were. But, fortunately, the charms of Ireland have been so generously distributed among us that it has been truly said there is a little bit of Irish in everyone, including the now Lord Mayor of Dublin.

I know that most of us here are looking forward to this weekend and traditional St. Patrick's Day celebrations, either here or in our home districts. I myself am eagerly anticipating, not one but two, gatherings of the Friendly Sons of St. Patrick, one in my home city of Paterson this Sunday and a preview of the day on Saturday in Passaic, N. J., the city where I followed a newspaper career before migrating to Capitol Hill as the secretary to my late beloved mentor, Congressman George N. Seger.

It will be good to reflect, when we sit down in the shadow of the Shamrock and the Harp this weekend, on those who gathered before us in similar celebrations, for the observance of St. Patrick's Day is no modern invention. It is as traditional in America as Thanksgiving dinner and as old, yes, even older than Valley Forge.

I have been told that the first meeting of the sons of Ireland on American soil to honor St. Patrick was held in 1737. On March 17 of that year, the Charitable Irish Society was organized in Boston, Mass., by a group of men, proud of their Irish blood, so proud that they chose the occasion of the good saint's natal day to organize their society. I am sure the distinguished majority leader, Mr. MCCORMACK, knows and boasts of this fact.

History tells that General Washington issued military orders on March 16, 1780, congratulating the "army on the very interesting proceedings of the parliament of Ireland," and directing that "all fatigue and working parties cease for tomorrow, the 17th, a day held in particular regard by the people of that nation."

A further order directed that "the commanding officer holds that the day should not pass by without having a little rum issued to the troops."

We read that the camp password for that day was "Saint" and the counter response, "Patrick." "The day was ushered in with music and the hoisting of colors exhibiting the 13 stripes, the favorite harp and an inscription, "The Independence of Ireland."

We admire so much the sparkling wit and merry nature of the Irish and it is not hard to believe that this saving humor may have helped many a ragged continental to endure the grim, bitter ordeal of Valley Forge.

The lot of the Irish has not always been a happy one to contemplate, but through whatever hardship fate handed out to them, they inevitably have come up smiling. Someone once said, "the Irish nature is like the Irish climate, its smiles making up for its tears."

We see evidence of this humor in the songs, the poetry and the literature of Ireland, and in the ready quips that spring almost unbidden from every Irish tongue.

The Irish wit shines through this old toast, offered at a St. Patrick's Day dinner held in New York City in 1766, "May the enemies of Ireland never eat her bread or drink her whisky, but be tormented with itching without the benefit of scratching."

Yes, March 17 may be a day for the Irish, but it is equally a day for all Americans to celebrate with pride, for Irish valor, Irish loyalty, Irish laughter and Irish faith have been woven into the warp and woof of America and have done much to make and keep America great.

JOHN BARRY, FATHER OF AMERICAN NAVY

Mr. O'HARA of Illinois. Mr. Speaker, Americans, whatever their national origins, are Americans first, last, and always. The period of our Revolution is especially dear to our hearts because at that time, struggling scattered frontiersmen though we were, we assumed a leadership in the political philosophy of the world which has grown into America's position of world leadership today.

It is natural, therefore, that each national group that participated in our Revolution and its fight for national independence should take a special patriotic pride in the contribution made by American patriots whose national origins were the same as their own.

St. Patrick's Day is one on which Americans of Irish blood turn back the pages of history to dwell upon the names of those who participated in that political revolution and the war we fought to make it a reality.

We are proud of the military service of Gen. John Sullivan, Gen. Anthony Wayne, Gen. Stephen Moylan with his dragoons, and others of Irish blood too numerous to mention. We recall that Daniel Carroll, Dr. James McHenry, Thomas Fitzsimmons, William Patterson, Pierce Butler, John Dickinson, George Reed, Richard Spaight, and Dr. Hugh Williamson were 9 of the 39 members of the Philadelphia Convention who signed the Constitution.

There is one name whose luster shines in the annals of our history despite neglect—John Barry.

Barry was appointed by Washington to be the first captain and senior officer of the infant United States Navy. It is of interest to note that when Congress approved the seniority list October 10, 1776, John Paul Jones was No. 18 on that list.

Barry won the first naval victory of the war and returned the first prize captured from the enemy. At that time he was in command of the *Lexington*, the first ship that bore the Continental flag to victory on the ocean.

The editor of a nautical publication write in 1813:

> So many distinguished naval officers of the present day commenced their careers under Commodore Barry that he may justly be considered "Father of the American Navy."

By joint resolution the Congress June 10, 1941, approved the presentation to Ireland of a statue of John Barry at Wexford, the commodore's birthplace; an authorization which was completed last September—1956. However, we have been woefully negligent in erecting a suitable memorial and in giving recognition to the Father of the American Navy here in the United States. John Barry's name is not inscribed at Arlington on the tablet of our heroes.

That his grave is disgracefully neglected is pointed out in an article from the New York Times magazine of September 16, 1956. The article, written by William Barry Furlong, a lineal descendant of Barry, follows:

"FATHER OF OUR NAVY"—A REVOLUTIONARY WAR SEA HERO IS RECALLED AT LAST FROM OBLIVION

(By William Barry Furlong)

In the tiny, crowded graveyard behind Old St. Mary's Church in Philadelphia, a dirty-gray weather-beaten plank lies propped carelessly against a worn and ancient tombstone. The black letters burned in the knotted wood identify the grave as that of "Commodore John Barry, Father of the American Navy."

For 153 years since his death in 1803, John Barry has rested in his snug grave of oblivion, forgotten by all but a few naval historians. Today, his memory will be revived, temporarily at least, by the unveiling of a bronze statue of him in Wexford Harbor in southeastern Ireland, not far from where Barry was born in 1745.

The passing years have all but wiped out the memory of this superbly reckless seaman and the bloody days when he stood with John Paul Jones as one of America's naval heroes. In Barry's own day, President Washington admired him—he selected Barry to be the first captain and senior officer of the infant United States Navy. The British feared him—they offered him a bribe of 15,000 guineas to turn traitor. John Paul Jones respected him—after Captain Jones' death, his most precious possession (a gold-hilted sword given him by King Louis XVI of France) was passed on to "Commodore John Barry, who will never disgrace it." Tall and brawny, with jet black hair and snapping gray eyes, Barry was a high-spirited officer who took possession of every battle like some great actor capturing the stage of history.

Barry was only 10 when he ran away from his home in County Wexford to sign on a merchantman as a cabin boy. At 21, he was captain of a merchantman sailing out of Philadelphia. At 30, he was one of the Colonies' most renowned sea captains, holder of the 1-day speed record for the transAtlantic route—237 miles in 24 hours. After the War for Independence broke out, Barry sent the first British ship ever captured by the Continental Navy sailing up the Delaware River to Philadelphia only a month after putting to sea in the first *Lexington*.

Unlike the reputation of John Paul Jones, which was the product of a single victory in a stirring battle, Barry's fame—however temporary—was built on a series of daring, even reckless, exploits that thrilled the Colonies. Two of these rank beside or just below—depending on which historian you prefer—Captain Jones' gallant victory over the *Serapis*.

Late in May 1781, Barry's *Alliance* was becalmed some 400 miles off the coast of Maine when he was accosted by two British schooners. The lighter British ships slipped oars into the ocean and rowed athwart the *Alliance's* stern, where they would be safe from Barry's broadsides unless a wind came up. For 3 hours they bombarded the *Alliance*, gouging great holes in her bulwarks and shredding her sails. Barry caught a load of grapeshot in the shoulder, but stayed on the quarterdeck until he fainted from loss of blood. When he regained consciousness, his lieutenants gathered anxiously about him and reviewed the desperate situation and the staggering casualties.

"Have we your permission, sir, to strike our colors?" asked one.

Barry's reply—"If you can't fight the enemy without me, then, by God, you'll fight him with me!"—was sufficient to give new heart to his crew until they felt the ship lurch under a fresh breeze. Then, as Barry tolled off the orders, the *Alliance* swung ponderously around and 14 guns on the starboard side thundered. They were run in, loaded, run out, and fired again. One British ship promptly surrendered and the other struck her colors after another broadside.

When he returned to Boston with his captives, Barry was placed in command of the entire Continental fleet still afloat—two frigates. On one cruise, Barry captured nine enemy ships. On another, he was challenged by three British men-o'-war while convoying a fortune in Spanish gold from Havana to Philadelphia. When a fourth sail crept slowly over the horizon, Barry weighed the prudence of fleeing. He knew that he could outrun the enemy but that his consort, with the gold aboard, could not. So, in one of those stirring, soaring, senseless moments of gallantry, he charged.

His first target was the 28-gun *Sybil*, which poured shot and shell into the *Alliance* as Barry closed the range. Then once, twice, three times the *Alliance* shuddered and heaved under her own broadsides. The other British frigates lay stunned by the furious audacity of Barry's pointblank attack upon the *Sybil*. When the ship coming up from the distance proved to be French, the British abruptly broke off and limped wearily to sea.

The battle had an ironic denouement. When Barry returned to port, he found that he had fired the final shot of the Revolution—3 months after the preliminary peace articles had been signed.

With independence won, the Continental Navy was disbanded. Barry was the last naval officer discharged from the service; he had served 10 years without pay (but with a share in captured prizes). The naval prospects for the future were so gloomy that even John Paul Jones left the colonies forever to become an admiral in the Russian Navy. But in 1794, Congress ordered the construction of the first six frigates in the United States Navy. President Washington named Barry the Navy's senior officer and gave him command of the 44-gun *United States*, the finest of the frigates then abuilding. When finally the ship was ready for sea, the United States was embroiled in an undeclared war with France and Barry's task was to "sweep the West Indies sea."

For 3 years he harassed the French privateers that preyed on American shipping and, with a determined band of sea dogs, nailed down America's claim to freedom of the seas. "So many distinguished naval officers of the present day," wrote the editor of a sea publication in 1813, "commenced their careers under Commodore Barry that he may justly be considered as the 'father of our Navy'."

By the time he was in his mid-fifties, Barry was aging and ill. He had to turn down the command of the fleet sailing against the Barbary pirates; instead, he retired to Strawberry Hill, his estate near Philadelphia. On September 13, 1803, he died, aged 58. The next day he was buried in the tiny, crowded graveyard behind Old St. Mary's churchyard. He lies there today, with a weather-beaten plank for a memorial.

IT'S A GREAT DAY FOR THE IRISH

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, today, we in Congress, echo with the praises of the great St. Patrick and the beloved little country that we'll always call Ireland. A portion of our legislative program is set aside, while Members of the House once more participate in this time-honored traditional observance of St. Patrick's Day. Is it not typical of our popular concept of American human understanding, that Representatives from every section of the Nation will pause at this time of the year to pay due homage to this celebrated and saintly patron of old Ireland, notwithstanding the fact, that many, like myself, cannot boast of one drop of Gaelic blood? However, some people say that the Irish can boast of Italian blood for St. Patrick came from Italy before he reached Ireland.

As we today proudly display the green of Ireland, on March 17, throughout the length and breadth of the country, bits of green will be worn, and the shamrocks and the harps—which are the symbols of Ireland's patron saint—will be everywhere in evidence.

Ever since I can remember, the great city of New York took on the aura of an Irish suburb while it prepared to praise the saint and his day. Little old New York fully realizes that a richly deserved salute is forthcoming annually to the mother country of many sons and daughters who found new homes there, rich with promise and security. Like many others who assisted in forging this great country of ours, they took refuge from Europe when it seemed that all hope had abandoned them. They brought Ireland's brilliant history with them—and have used it as a pattern.

I take this opportunity to salute my many Irish constituents who live within my district and join with them in tribute to the saint who symbolizes peace and freedom.

I know that much will be said here with the eloquence of oratory, a gifted commodity of this little country, for which she is famous in song and story. I should like to embroider my conclusion now with the stanza from the classic of one of her greatest poets, Thomas Moore. How endearing are his words to the shamrock:

> As softly green
> As emerald seen
> Thro' purest crystal gleaming.
> Oh, the Shamrock, the green immortal
> Shamrock!
> Chosen leaf
> Of Bard and Chief,
> Old Erin's native Shamrock.

Mr. ADDONIZIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, for as many years as any man can remember, it has been the custom of Christian peoples everywhere to celebrate the feast day of the Irish patron St. Patrick. Rarely has there been seen such devotion as that to the man born in approximately 387 A. D. and known to us as St. Patrick.

We hear of the many contributions that the Irish have given us. We hear of their humor, their love of the arts, music, poetry, and prose, and especially their love of liberty as a part of the American way of life. Yet, perhaps greater than all these contributions, has been one other—their love of St. Patrick—which they have brought with them to every country they have visited. This love of the good St. Patrick has certainly become a part of America.

Not only have the American people been impressed by the Irish love of their patron saint. We, like the Irish, have learned to love him for himself and for what he stands.

St. Patrick was born in England of Christian parents. When he was but 16, he was captured by Irish raiders and sold as a slave. For the next few years he spent his time as a swineherd. Never did he forget his Christian teachings. He dreamed that he might one day bring Christianity to Ireland and his dreams were realized. He escaped to France and entered the Holy Orders. After he was ordained, he returned to Ireland in about the year 432. From the day he landed on the shores of Ireland until his death, he gave his whole life to converting the Irish to Christianity.

This, in briefest form, was the life of St. Patrick. Yet, it cannot explain the man himself. St. Patrick was endeared to man by qualities that only a few of the very great have ever possessed. He possessed a love for his fellow men that was so great that he would sacrifice anything of his for their betterment. His reliance upon God for the strength to accomplish his mission was utter and complete. Perhaps his greatest and most endearing quality was his humility. People could not take offense at his actions because the sincerity and humility with which he performed the deed always shone through.

With these qualities, St. Patrick completed a tremendous task. We are told that he himself founded 360 churches, baptized some 12,000 people, and ordained countless priests.

The faith that was personified by St. Patrick some 1,500 years ago has always strengthened the Irish people in time of need. During the many years in which Ireland was a conquered land and religious persecution was prevalent, the Irish stood fast to the principles of St. Patrick. No greater tribute could be given to any man.

Thus it is fitting that we pause this day to pay tribute to the followers, in all parts of the world, of the good St. Patrick. May we ever be rededicated to the spiritual values of faith and freedom that St. Patrick taught and lived—by which the Irish have lived since St. Patrick became a part of their lives.

May it be a great day for the Irish, everywhere.

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, on this day, all of us, catching some of the lilt of Irish music and poetry and the

warmth of Irish laughter, join in a festive mood to celebrate with our Irish-American friends and colleagues the day known as St. Paddy's Day.

It is the time of year when even the earth, tired of winters cold, begins to turn green with the warmth of spring. And even the trees catch a bit of the Irish by parading a bit of green. This is the time of year for all men of good will to join in singing the praise of St. Patrick, the patron saint of Ireland. For, in so doing, there is called to mind the great lesson of faith which St. Patrick inspired among the people in his day, and the great inspiration which filled the hearts of Irishmen who once knew long, dreary days of oppression. And this is good, for in these "times that try men's souls" such lessons can be put to a worthwhile use.

Here in this beacon light of democracy, in this bastion of freedom, men of good faith, whatever their origin, say: "Let us go forth and fight the good fight of faith, secure in the knowledge that democracy and our great Nation under God shall prevail, in the spirit of St. Patrick." So, to my colleagues of Irish extraction—to all those whose forebears come from the land of green—I say, "Erin go bragh."

Mr. LATHAM. Mr. Speaker, the gentleman from Mississippi has explained this rule. It is a closed rule providing 3 hours of general debate and waives points of order. I understand that probably the full 3 hours' time will not be used.

Mr. Speaker, I think it is fair to say that everyone in the Government from the top, including the President of the United States—and his sincerity cannot be doubted—down through all the Members of Congress, desire that taxes be cut. There is not any doubt about that. There is also a great need to cut taxes, but I think it is fair to say that pretty nearly everyone realizes that at this particular time it cannot be done.

The President of the United States in his budget message said this:

> The reduction of tax rates must give way under present circumstances to the cost of meeting our urgent national responsibilities. For the present, therefore, I ask for the continuation for another year of existing excise tax rates on tobacco, liquor, and automobiles which, under present law, would be reduced next April 1.
>
> I must also recommend that the present corporate tax rates be continued for another year. It would be neither fair nor proper to allow excise and corporate tax reductions to be made at a time when a general tax reduction cannot be undertaken.

Mr. Speaker, that is the request of the President of the United States. Apparently it was concurred in by a majority of the members of the Committee on Ways and Means and it is probably the sentiment of this House.

In response to the request of the President this bill is before us now. I urge the adoption of the pending resolution.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BOLLING). The question is on the resolution.

The resolution was agreed to.

Mr. COOPER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill—H. R. 4090—to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 4090, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H. R. 4090 would extend for 1 year the existing corporate normal-tax rate and certain existing excise-tax rates. I introduced the bill at the request of the administration. The gentleman from New York, the Honorable DANIEL A. REED, introduced an identical bill, H. R. 4091.

The extensions provided by the bill cover the period April 1, 1957, through March 31, 1958. The existing 52-percent corporate-income-tax rate would be extended by continuing the present normal-tax rate of 30 percent. A 5-percentage-point reduction will occur on April 1, 1957, in the present normal-tax rate to which all corporate income is subject unless the provisions of this bill become law. The present 22-percent surtax rate which applies only to taxable income of corporations in excess of $25,000 is not affected by the bill.

The existing excise-tax rates which will be extended by this bill are those applicable to distilled spirits, cigarettes, automobiles, and automobile parts and accessories. These rates are scheduled to be reduced on April 1, 1957, to their pre-Korean level.

As Members of the House will recall, the present rates applicable to the Federal excise taxes on gasoline, diesel, and special motor fuels, and trucks and buses will be continued until July 1, 1972, by the provisions of the Highway Revenue Act of 1956.

The rates covered by the provisions of H. R. 4090 were first imposed by the Revenue Act of 1951 to meet the Korean emergency. They were extended for the first time by H. R. 8300, 83d Congress, the bill which became the Internal Revenue Code of 1954, and in each of the sessions of the 84th Congress. If H. R. 4090 is enacted by the Congress, the fourth extension of these rates will be provided.

In ordering this bill favorably reported, the Committee on Ways and Means was motivated primarily by the fiscal effects to be anticipated from the rate reductions scheduled to become effective on April 1 of this year. As you will recall, the President requested the extension of the rates in question in his budget message, and the President's request was reiterated in the testimony of the Secretary of the Treasury, the Honorable George M. Humphrey, at the time of his appearance before the Committee on Ways and Means, in urging the 1-year extension which will be provided by the bill.

On a full year's basis, the revenue effects of the extension of the present corporate normal-tax rate will be to increase revenues by $2,075,000,000 and of excise taxes by $900 million, making a total full-year effect of $2,975,000,000 under the bill. This figure is somewhat smaller than the figure indicated under the Tax Rate Extension Act of 1956 because, as I have pointed out, the Highway Revenue Act of 1956 has already extended certain of the excises previously involved in prior extension acts.

If the present corporate income and the excise tax rates are not extended, there will be a loss in revenue of $172 million in the fiscal year 1957 and a loss of $2,103,000,000 in the fiscal year 1958. In addition, floor stock refunds of about $180 million also will have to be paid during the fiscal year 1958. Thus, if these rates are not extended, the estimated budgetary surplus for the fiscal year 1957 will be reduced to about $1,500,000,000, and a deficit will result in the fiscal year 1958 in the amount of about $500 million.

Members of the House will find the revenue effects of the bill summarized in table 1 of the House Report No. 52, and the budgetary effects of the bill are shown in table 2 of the House Report.

Because of the importance of the revenues to be derived from the extension of the rates covered by the bill in maintaining a balanced budget, I urge that the bill be passed.

Mr. REED. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, my friend and esteemed colleague, the chairman of the Committee on Ways and Means, the Honorable JERE COOPER of Tennessee, has in his customary able manner fully described the legislation that is before this distinguished committee today. This legislation concerns a matter of tax rates that I regret to say we have been called on to consider on previous occasions. It is a matter involving the continuation of what I regard as certain excessively high taxes affecting corporate income tax liability and the Federal excise taxes applicable to passenger cars, automobile parts and accessories, alcoholic beverages, and tobacco products.

On the subject of tax rates, I believe my position is clear. I am now and always have been in favor of tax reduction. In fact, I believe that the large majority of the Members of this great legislative body agree with my position. I know that the President of the United States and our great Secretary of the Treasury agree with my position. We are all in accord with the view that tax rates generally are too high—much too high.

However, there is such a thing as fiscal responsibility and the obligation of the Congress and the executive branch of our Government to preserve the integrity and solvency of our Federal budgetary position. As a consequence, H. R. 4090 is before us today.

The Committee on Ways and Means has given very earnest consideration to the urgent need for this legislation and has carefully studied the impact its enactment would have on the economy of our Nation. Hearings were held by the committee with testimony being presented by the Secretary of the Treasury, the Honorable George M. Humphrey, and the deputy director of the budget, the Honorable A. R. Jones. On the occasion of the chairman introducing H. R. 4090 on January 30, 1957, I introduced companion legislation, H. R. 4091.

This legislation would continue for one more year, to April 1, 1958, the combined corporate income tax rate of 52 percent and the present excise tax rates applicable to those articles I previously enumerated. In the absence of favorable action on this legislation, the foregoing described taxes would, under present law, be reduced effective April 1, 1957.

If these rates were reduced, the general funds of the Treasury would sustain a revenue loss of $172 million in fiscal year 1957 and a revenue loss of $2.1 billion in fiscal year 1958. The full-year revenue effect of this legislation is to provide a revenue gain over existing law of almost $3 billion.

In addition to providing for a 1-year continuation of existing tax rates, the legislation also makes a necessary technical amendment to the floor-stock refund or credit provisions of the Internal Revenue Code presently effective with respect to stocks of various tax-paid products on hand on April 1, 1957. The members of this committee will recall that at the time of the Revenue Act of 1951 a floor-stocks tax was provided which required dealers to pay an amount equal to the increase in tax rates on the inventories which they held. The floor-stock refund or credit provided under existing law and as amended in this bill is the second step in the floor-stock tax-assessment and refund procedure. It would provide the necessary tax adjustment to avoid having our tax rates affect the competitive positions existing between dealers with large inventories of affected commodities and the dealers having low inventories of such commodities. The provision provides for the crediting or refunding without interest to the manufacturer, producer, or importer an amount equal to the difference between the tax paid and the amount of tax made applicable to the article on and after April 1, 1958, where the article is held in inventory and intended for sale.

Mr. Chairman, for the past 4 years the Congress of the United States and the Executive branch of our Government have experienced the arduous ordeal of placing our Federal fiscal affairs in order. We have in my judgment achieved very significant accomplishments toward this end. Perhaps the most outstanding achievement in this respect is the fact that for the third successive year we are able to present to the American people a balanced budget that contains a surplus despite the fact we also gave to the American people in fiscal year 1954 the greatest tax reduction to occur in the history of our Nation—a total of $7.4 billion. By the end of fiscal year 1958 according to present estimates we will have been able to apply over $5 billion in budgetary surpluses to debt reduction. We have had tax reduction in excess of $7 billion, debt reduction in excess of $5 billion, an unprecedented growth in the level of national economic activity, and a stabilized inflation-free economy. Those achievements have real meaning to the American people.

I of course wish that we could have done more. It is to be regretted that we have not achieved greater success in providing further reductions in Federal expenditures. For example, if we had been successful in maintaining the level of expenditures reached in 1955 of approximately $65 billion, the budget surplus in fiscal year 1958 would have been almost $9 billion instead of $1.8 billion. There would have been a surplus of $3.5 billion in fiscal year 1956 and $6 billion in fiscal year 1957 on the basis of actual and estimated net budget receipts for those years. Needless to say such surpluses would have provided further opportunity for tax reduction and substantial debt reduction.

It is to be hoped that this present Congress, working in cooperation with an economy-minded administration, will succeed in instituting increased savings in the Federal expenditures that are called for in the budget of 1958. However, we should all realize that to provide the degree of security that our Nation must have and to render the services to our 172 million people, that such economy will be difficult at best. An example of the inflexibility in our Federal budget is evidenced in the increased taxing and spending in trust funds that occur outside the budget. These trust-fund operations are largely exempt from appropriation control. Transfers from gross budget receipts to trust funds in fiscal year 1958 are estimated at $10.3 billion in addition to other amounts which these funds draw from net budgetary receipts under statutory commitment. The demand for Federal expenditures even more strongly than the demand for tax reduction starts with the people themselves. As I view the problem it is the responsibility of the Congress to carefully evaluate the needs of the people and provide the essential governmental services they require; it is also the responsibility of the Congress to provide the necessary Federal revenues to finance these services. We must be certain that only the essential Government services are provided and that only the essential revenues are collected.

H. R. 4090 is an essential part of this financing. When we as the elected Representatives of the people succeed in reducing the cost of these services, we can then also succeed in reducing the price that the American people must pay in tax revenues. Until such success is achieved, it is necessary that we continue our present tax rates. Accordingly, Mr. Chairman, I urge my colleagues in the House to support the enactment of H. R. 4090.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Iowa.

Mr. GROSS. I do not know whether or not it has been stated, but will the gentleman tell us in round figures what enactment of this bill means by way of tax revenue?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COOPER. Mr. Chairman, I yield myself 1 minute to answer the gentleman from Iowa, if he wants some information on that.

Mr. GROSS. Yes, I do.

Mr. COOPER. In round figures, it means about $3 billion.

Mr. GROSS. Will you please break that down as between corporate and excise taxes?

Mr. COOPER. I have done that in the statement I made.

Mr. GROSS. I regret that I was called off the floor for a few minutes and did not hear the gentleman's statement in that respect.

Mr. COOPER. The report shows it. I invite the gentleman's attention to page 3 of the committee report, which shows that.

Mr. GROSS. I thank the gentleman.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [MCCARTHY].

Mr. MCCARTHY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MCCARTHY. Mr. Chairman, the gentleman from Illinois [Mr. ARENDS] spoke a few minutes ago about the responsibility of the Democratic majority in regard to yesterday's farm bill. I think the record ought to show that the bill on which the final vote was taken yesterday was the Republican bill and that there were enough Democratic votes in favor of it so that, if the Republican leaders had been able to hold their Republicans of all kinds—modern and not-so-modern, ultra, etc.—in line, the Republican bill would have passed. I wish to speak principally, however, about the Democratic program which was brought into the debate on the budget resolution on Tuesday. The resolution was to establish the responsibility of the Eisenhower administration for the budget. Several Republican Members made reference on the floor to a statement of program and policy signed by 80 Democratic Members of the House of Representatives. One of those who spoke was the gentleman from Indiana [Mr. HALLECK], formerly the majority leader of that party and the acknowledged spokesman for the Eisenhower administration. Among others was the gentleman from Michigan [Mr. HOFFMAN], who sometimes speaks for the administration and sometimes speaks for himself. It is quite obvious that the gentleman from Indiana had not read the entire statement of the

Democrats or had not read it very carefully. He is a busy man. Perhaps we should not expect him to attend to it in such detail. Moreover, he was rather hard pressed when this resolution was before the Congress and had to use almost anything that he could put his hands on in order to defend himself. Not only was he called upon to defend a Republican position, but he was called upon to defend contradictory Republican positions. His position was much like that of the frontiersman forced to melt his grandmother's pewter sugar bowl and brass buttons off his grandfather's old uniform in order to provide himself with ammunition to defend the homestead. The gentleman from Michigan [Mr. HOFFMAN], however, was something of a disappointment to us. Among Democrats he has the reputation of being a kind of elder statesman. We expect him to take a position which is detached and independent of the normal Republican position. I recall that he was among the few, including the gentleman from Iowa [Mr. GROSS], who was left behind over the Lincoln Day weekend, when all the modern, approved Republicans were going around the country attempting to define modern Republicanism. When this resolution was up before the Congress, the gentleman from Michigan made special reference to the program signed by the Democrats, and then called upon us to account for ourselves and even went so far as to offer an amendment which would have permitted us to examine the budget.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. BUDGE. I read the statement which was signed. The policy statement or program, I think it was, which appeared in the CONGRESSIONAL RECORD on January 30, signed by some 80 Members of the majority party. I wonder if the gentleman could give us an approximate figure as to what the expenditures would be if that program were enacted by the Congress.

Mr. McCARTHY. If the amendment offered by the gentleman from Michigan were passed, we would take up that question and would make recommendations. Certainly, if we were writing the budget, we would expect to defend the items which we had included in the budget. We would not send it up one day saying this is what we need, and the next day go to the country saying, "We are against what we were in favor of yesterday, and we expect Congress to find what we are against and to cut it." If we had sent up the budget, we would be here defending it as the Democratic administrations have defended their budgets in the past. I would like to point out that if the gentleman from Indiana and the gentleman from Michigan examine our program carefully, they will not find at any point that we advocated simple and irresponsible cutting of the budget. They will not find us saying, "Cut this 10 percent." Or setting a $65 billion limitation upon what may be spent in any year. We realize that this country is growing, and we realize that we have an expanding economy and an ever-increasing population, and new problems, and new responsibilies. These must be faced realistically, and the budget may have to expand in order to meet these responsibilities. But what we are asking for is responsible budgeting and responsible reporting to the Congress. I would like to quote the last line, in our proposed program. It is this:

That we undertake "to make clear the administration's accountability to the Congress and to the people of the United States."

That was the objective that we had in giving support to the resolution which was before the Congress. We were trying to make the President accountable to the Congress and trying to make him responsible for what he proposed to us, and trying to make him accountable to the people of the country and responsible to them.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. HAYS of Ohio. The gentleman is probably aware that it has been the policy of this administration, when a problem confronted them, to appoint a committee to study it and then hope the problem would go away.

I wonder if the gentleman would care to comment on the new technique which is outlined in a cartoon in the Evening Star, that instead of that he hands the Gaza problem over to Mr. Hammarskjold, and as to his promise of economy in the budget he lays a pair of scissors in the lap of Congress and goes away on a cruise. It seems to me that is an improvement over the committee's technique.

Mr. McCARTHY. I am sure the gentleman has heard that the President is strongly in favor of separation and division of powers, especially his own. He has divided some of his powers among himself, Richard Nixon, George Humphrey, and even Harold Stassen, who, according to rumor, is running for governor of Pennsylvania.

Mr. HAYS of Ohio. And that is about as far as he could go; is it not?

Mr. McCARTHY. I would not recommend his going any further.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. NICHOLSON. As I remember what these people did, it was not to cut the budget but to advocate several things that would cost two or three billion dollars more.

Am I wrong about that?

Mr. McCARTHY. We do not have an estimate as to what it would cost. I do not want to hold the gentleman from Massachusetts [Mr. NICHOLSON] responsible, because he is not a modern Republican. I do not know whether he ever did accept the Republican platform, but I have had my office compare the particular sections of our program which were cited on the floor by the gentleman from Michigan [Mr. HOFFMAN] and the gentleman from Indiana—to compare what we recommended with what was in the Republican platform. I assume that since this is the first session of Congress following the adoption of that platform that Republican Members might be mindful of what was in their platform. The gentleman from Michigan [Mr. HOFFMAN] is in somewhat the same category as the gentleman from Massachusetts, but certainly the gentleman from Indiana [Mr. HALLECK], who occupies a position of leadership in the Republican Party, should have had in mind what was in that platform. I would like to quote from our program and from the Republican platform, the platform upon which we assume the modern Republicans were elected and upon which the President was, in part at least, elected. We were criticized for advocating a program which might cost money. Whether it would cost more money is open to question; but, item by item, what we recommended was approved in the Republican convention. We could not have done better if we had selected the items ourselves, because every item to which reference was made by the Republican spokesmen was approved or advocated in the Republican Party platform.

PROPOSED LIBERAL PROGRAM

ON FOREIGN POLICY AND NATIONAL DEFENSE

We believe, also that unless the world situation improves significantly, there should be no reduction of the personnel in the armed services. We will support legislation and appropriations necessary to accomplish these purposes.

We will continue to give strong and consistent support to the United Nations. We urge the administration to work through this agency whenever feasible, not only in the military and diplomatic fields, but also in economic and cultural areas.

We favor an expanded point 4 program, and we are hopeful that the Eisenhower administration, after 4 years of hesitation and contradiction, will develop and present such a program to the Congress.

We favor an increase in the compensation of Government employees to meet the increased cost of living and to compare with the compensation paid to persons performing similar work in nongovernmental employment.

ON EDUCATION, HEALTH, AND HOUSING

We favor the enactment of legislation to assist States and local communities in building schools and providing essential health and safety facilities to all schoolchildren.

We favor an expanded program of Federal aid for medical education, hospital construction, and health services.

We shall support increased benefits under the social-security program, the extension of coverage, and the raising of the wage base upon which benefits depend.

We will propose and support an expanded and improved Federal housing program designed to meet the special needs of low-

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. BUDGE. I think the gentleman from Massachusetts [Mr. NICHOLSON] was considerably understating the cost of the program which was set forth in the CONGRESSIONAL RECORD. Would it be the gentleman's position that the present budget should be enlarged to encompass the program called for by the 80 members of his party?

Mr. McCARTHY. The question is not whether it should be increased or whether it should be reduced. The question is whether or not the Administration is for what it has in its requested budget. We might want to reduce it in some items and we might want to increase it in others. Perhaps the budget should be larger than it is. But we all agree that the Administration which sends it up should be held accountable.

For the edification, especially of the Republican Members of Congress, I am including this comparison of the proposed liberal Democratic program and the Republican platform of 1956:

REPUBLICAN PLATFORM

ON FOREIGN POLICY AND NATIONAL DEFENSE

The military strength of the United States has been a key factor in the preservation of world peace during the past 4 years. We are determined to maintain that strength so long as our security and the peace of the world require it. We will maintain and improve the effective strength and state of readiness of all these Armed Forces.

We shall continue vigorously to support the United Nations. We shall continue our cooperation with our sister states of the Americas for the strengthening of our security, economic and social ties with them. We will continue efforts with friends and allies to assist the under-developed areas of the free world in their efforts to attain greater freedom, independence, and self-determination, and to raise their standards of living.

Technical and economic assistance programs are effective countermeasures to Soviet economic offensives and propaganda. They provide the best way to create the political and social stability essential to lasting peace.

The Republican Party will continue to fight for eagerly desired new advances for Government employees, and realistic reappraisement and adjustment of benefits for our retired civil service personnel.

ON EDUCATION, HEALTH, AND HOUSING

The Republican Party will renew its efforts to enact a program based on sound principles of need and designed to encourage increased State and local efforts to build more classrooms. We have fully resolved to continue our steady gains in man's unending struggle against disease and disability. We have supported the distribution of free vaccine to protect millions of children against dreaded polio.

Republican leadership has enlarged Federal assistance for construction of hospitals, emphasizing low-cost care of chronic diseases and the special problems of older persons, and increased Federal aid for medical care of the needy.

We shall continue to seek extension and perfection of a sound social-security system.

The Republican Party believes that the physical, mental, and spiritual well-being of the people is as important as their economic

PROPOSED LIBERAL PROGRAM—Continued

ON EDUCATION, HEALTH, AND HOUSING—con.

income and middle-income families, and senior citizens. We will also support an expanded urban redevelopment program.

As the budget and general economic conditions indicate, the income tax should be reduced.

We propose to strengthen the unemployment-compensation system, to extend its coverage and improve its benefits, and to adjust it to meet the problems of automation and industrial change.

ON AGRICULTURE SUBSIDIES

We will propose and support the enactment of legislation to improve the farm program so as to assist the farmers of the United States to secure parity of income.

We favor legislation to improve the water- and soil-conservation program, to insure that the soil bank be used for the purposes for which it was designed, rather than an instrument of political expediency.

We favor an expanded school-lunch program and other programs for the disposal of agricultural surpluses.

ON PUBLIC WORKS AND VETERANS

We will work for a stepped-up, sound program of public-works projects in rivers and harbors, hydroelectric, flood control, and public buildings to better utilize existing resources and provide better and more adequate facilities and services to meet the needs of an ever-increasing population in an expanding economy.

We will continue work to build up momentum for an effective, long-range, expanded, and accelerated Federal-aided highway and public-roads program.

We will continue to work for the adoption of a generous Federal program to assist Indian tribes in the full development of their human and natural resources and prompt settlement of Indian claims against the United States, including negotiations and compromise in the best interests of both parties.

We will continue to press for legislation to compensate veterans and their dependents for the physical, economic, and the other losses which they have suffered as a consequence of military service.

REPUBLICAN PROGRAM—Continued

ON EDUCATION, HEALTH, AND HOUSING—con.

health. It will continue to support this conviction with vigorous action.

Then, insofar as consistent with a balanced budget, we pledge to work toward these additional objectives: Further reductions in taxes with particular consideration for low- and middle-income families.

The Eisenhower administration will continue to fight for dynamic and progressive programs which, among other things, will strengthen and improve the Federal-State employment service and improve the effectiveness of the unemployment insurance system.

ON AGRICULTURE SUBSIDIES

To provide price supports as in the Agricultural Act of 1954 that protect farmers, rather than price their products out of the market.

To safeguard our precious soil and water resources for generations yet unborn.

To continue and expand the Republican-sponsored school-milk program, to encourage further use of the school-lunch program now benefiting 11 million children, and to foster improved nutritional levels.

ON PUBLIC WORKS AND VETERANS

We will continue to press for cooperative solution of all problems of water supply and distribution, reclamation, pollution, flood control, and saline-water conversion. We pledge legislative support to the arid and semiarid States in preserving the integrity of their water laws and customs as developed out of the necessities of these regions. We affirm the historic policy of Congress recognizing State water rights, as repeatedly expressed in Federal law over the past 90 years. We pledge an expansion in research and planning of water-resource-development programs, looking to the future when it may be necessary to redistribute water from water-surplus areas to water-deficient areas.

To meet the immense demands of our expanding economy, we have initiated the largest highway, air, and maritime programs in history, each soundly financed.

We shall continue to pursue our enlightened policies which are now producing exceptional advances in the long struggle to help the American Indian gain the material and social advantages of his birthright and citizenship, while maintaining to the fullest extent the cultural integrity of the various tribal groups. We favor most sympathetic and constructive execution of the Federal trusteeship over Indian affairs, always in full consultation with Indians in the management of their interests and the expansion of their rights of self-government in local and tribal affairs.

We believe that active duty in the Armed Forces during a state of war or national emergency is the highest call of citizenship constituting a special service to our Nation and entitles those who have served to positive assistance to alleviate the injuries, hardships, and handicaps imposed by their service. We have also improved quality of hospital service and have established a long-range program for continued improvement of such service. We have strengthened and extended survivors' benefits, thus affording greater security for all veterans in the interest of equity and justice. In advancing this Republican program we pledge: That compensation for injuries and disease arising out of service be fairly and generously provided for all disabled veterans and for their dependents or survivors; that a pension program for disabled war veterans in need and for their widows and orphans in need be maintained as long as necessary to assure them adequate income.

I hasten to add that not everything in our program conforms to what is in the Republican platform. Some of our proposals are much too imaginative, forward looking, and constructive to be accepted in any Republican platform.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I am sorry to have to say that the long speech just delivered to us has absolutely no application to the matter pending before the Congress at this time. We are considering a well defined and well limited subject. We have come to the place where we must act by way of legislation. Those who might not have been here when we began our discussion of this bill missed the fine concise speech made by the chairman of the committee, the gentleman from Tennessee [Mr. COOPER], who went into details and made a careful explanation of what we are now considering. And I can also say the same with reference to the speech made by our ranking Member on the Republican side, the gentleman from New York [Mr. REED].

We have before us here now legislation that does not reduce taxes in any way. It does not have that virtue; nobody can honestly say that it is a tax reduction bill, but at the same time nobody can say it is a tax increase bill. It does not decrease taxes nor does it increase taxes.

This legislation is necessary legislation; there is no politics about it. We have got to pay our bills, we have got to pay the debts that have accumulated and the only way to do it is to continue legislation now on the book that provides for compensation for payment of these certain bills and obligations. The legislation that provides for the payment of these obligations is about to expire. All we have to do is to reenact that legislation and revitalize it, and keep it on the books. This is a very simple proposition, and a necessary one. There is no politics about it. Nothing but commonsense, common financial responsibility appreciated by both sides.

I am one who deplores our tremendous debt. I want to see it paid. We should do much more in this direction than we have been doing. But our task today is to enact this pending legislation and thereby keep down our debt as much as possible.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Chairman, I could not help but wonder whether the gentleman from Ohio [Mr. JENKINS] considered the remarks of the gentleman from Illinois [Mr. ARENDS] as being relevant to the bill.

The gentleman from Minnesota [Mr. MCCARTHY] has done a fine service in referring again to the matters set forth in the January 30 RECORD.

Mr. CURTIS of Missouri. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CURTIS of Missouri. May we proceed in order on the bill, please? The gentleman is not addressing himself to the bill.

The CHAIRMAN. The gentleman will proceed in order.

Mr. THOMPSON of New Jersey. The January 30 statement was on the subject of taxes which I believe is the subject we are discussing today. It is a statement subscribed to by 80 Democratic Members who signed it. In it is a statement to this effect:

> We favor a revision of the tax law to close the loopholes in the 1954 act to eliminate unwarranted privileges and to provide tax adjustment for small-business men.

That is a fairly relevant thing. But my chief interest here today is to commend my colleagues on the removal of the so-called cabaret tax, the only one of the wartime excise taxes remaining at the unrealistic and discriminatory 20 percent level.

I have introduced a bill, H. R. 4224 which would remove this tax and my measure is similar to a bill introduced in the 84th Congress by me and some 14 other Members of both Houses of the Congress at that time. This is a bipartisan measure, members of both parties having sponsored it at that time.

Although our efforts to correct the long standing injustices of this tax on music and musicians had the expressed blessing of fully three-fourths of the Members of both Houses no opportunity was afforded in the 84th Congress to vote upon this matter.

I trust this will not be the case in the 85th Congress.

It is my considered opinion that what is proposed—the removal of the cabaret tax—would not deny the Treasury any material revenues.

I am persuaded by able economic research testimony offered before the House Ways and Means Subcommittee on Excise Taxes that this so-called cabaret tax is a tax of no return when it is contrasted with accruals from certain substantial gains in employment for musicians, other entertainers, and service employees which would result from its repeal.

I urge the repeal of this tax for two major reasons:

First, this 20-percent excise is a glaring inequality in our Federal tax structure. When this tax was first levied by the Congress some years ago it was applied as an emergency tax.

The promise was made at the time that it would be repealed when the wartime emergency passed. The 79th Congress in 1946 moved in the direction of meeting this pledge when it voted a 50-percent reduction of the cabaret tax. The Senate, however, did not then see fit to concur.

My second reason, Mr. Chairman, for seeking the repeal of this so-called cabaret tax is because it has been shown to be responsible for fully half of the unemployment that besets the instrumental music profession today.

Former Congressman Andrew J. Biemiller, AFL-CIO director of legislation, has estimated that about 50,000 jobs could be created for musicians and others by the repeal of this unfair tax.

He has said that this tax hurts the average man's recreation haunts more than the big expensive night clubs where spending runs high.

These 50,000 jobs need protection and the country should help, not hurt, a leisure occupation that many Americans need and enjoy—

Says Mr. Biemiller.

This lack of employment is so pronounced as to threaten the very existence of music in our society.

When we permit a fallacious Federal tax policy to strike at the vitals of a basic culture we are indeed surrendering the main redoubts of our free world to our enmies.

The great Committee on Ways and Means must have deliberated all of 2 minutes before presenting this proposition to the House. Following weeks of testimony by outstanding representatives of labor and industry from all over the United States, all of that effort was apparently chucked aside in the committee's haste to put its head back into the sand.

How much testimony will be necessary to prove to these learned colleagues of ours that the carbaret tax is actually costing the Federal Government money which it would receive from the income and other taxes if the tax were repealed? A preponderance of the evidence on the subject proves clearly that the tax—and other excise taxes—is not only unfair, but indeed uneconomical.

I would respectfully suggest that the committee look at the evidence most carefully, for if they do I am confident that these other taxes will be either repealed or drastically reduced at the committee's next opportunity.

Mr. Chairman, I move to recommit the bill to the Committee on Ways and Means with instructions to report it back forthwith with the following amendments:

Section 2, page 2, after line 19, add a new section: Section 11 (c) (relating to corporate surtax): Increase the rate from 22 percent to 23 percent.

Section 2, page 2, after line 20, add new sections as follows:

"SEC. 4202. The tax on pens, mechanical pencils, and lighters shall not apply on items sold at retail for less than $5."

Section 4231 (6) (relating to cabaret tax): Reduce the rate from 20 percent to 10 percent.

Section 4233 (c) (1) (relating to exemptions from the tax on admissions): At the end of the section strike the period and add the following: "or sponsored by charitable organizations with proceeds going to charity."

Section 4261 (relating to tax on transportation of persons): Reduce the rate from 10 percent to 5 percent.

Section 4271 (a) (relating to tax on transportation property other than coal): Reduce the rate from 3 percent to 1½ percent.

Section 4271 (b) (relating to tax on transportation of coal): Reduce the tax from 4 cents to 2 cents.

Section 4381 (relating to tax on transportation of oil by pipeline): Reduce the rate from 4½ percent to 3 percent.

Section 2, page 3, after line 4, add this language: "at the end of the first sentence change the period to a semicolon and add the following: provided that the rate of tax for the first 100,000 barrels of beer brewed or produced and removed for consumption or sale, within the United States, in each

fiscal year commencing on and after July 1, 1957, by any brewer, shall be $8 for every barrel containing not more than 31 gallons and at a like rate for fractional parts of a barrel."

H. R. 4224

A bill to repeal the cabaret tax

Be it enacted, etc., That paragraph (6) of section 4231 of the Internal Revenue Code of 1954 (relating to imposition of tax with respect to roof gardens, cabarets, and other similar places) is repealed.

SEC. 2. (a) Section 4232 of the Internal Revenue Code of 1954 (definitions relating to tax on admissions) is amended to read as follows:

"SEC. 4232. Admission defined.

"The term 'admission', as used in this chapter, includes seats and tables, reserved or otherwise, and other similar accommodations, and the charges made therefor."

(b) The table of sections for part I of subchapter A of chapter 33 of the Internal Revenue Code of 1954 is amended by striking out

"SEC. 4232. Definitions."

and inserting in lieu thereof

"SEC. 4232. Admission defined."

SEC. 3. This act shall apply only with respect to periods after 10 antemeridian on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

[From the AFL-CIO News, Washington, D. C., of February 16, 1957]

CABARET TAX HOLDS BACK 50,000 JOBS

An estimated 50,000 jobs could be created if Congress would repeal the present tax on cabaret shows.

That prediction was made by Joseph Brady, legislative director of the United Brewery Workers, and chairman of the National Coordinating Committee for the Beverage Industry.

HEAVILY SUPPORTED

The committee, supported by 10 unions and a number of trade associations and firms in the beverage industry, held its annual meeting in Washington, February 13.

Brady's report cited recent figures to show that the prohibition forces took their worst licking in many years in nearly 1,500 local elections on the prohibition issue in nine States.

Andrew J. Biemiller, AFL-CIO director of legislation, who was the principal speaker at the meeting, agreed with Brady that the cabaret tax has killed jobs for musicians, waiters, and others.

He said that heavy tax hurts the average man's recreation, haunts more than the big expensive night clubs where spending runs high.

JOBS NEED PROTECTION

"These jobs need protection," Biemiller said, "and the country should help, not hurt, a leisure occupation that many Americans need and enjoy."

Two new members have joined the committee, it was announced: the printing pressmen and the lithographers.

The coordinating committee itself "does no lobbying," Brady explained, "but its members are very active in defense of the jobs and investments of workers and employers at all levels of the beverage business."

SKILLMAN, TAMS & FARRINGTON,
Princeton, February 5, 1957.

Hon. FRANK THOMPSON, Jr.,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Thank you very much for the copy of H. R. 4224 which you recently sent to me.

I think that you know how I feel about this bill and certainly hope that this time it will be enacted into law. The cabaret tax, as it exists now, certainly has decreased work opportunities for many musicians and the loss of revenue which may be lost by the Government if your bill is enacted certainly will be equaled by the increase of revenue to the Government resulting from income taxes paid by the additional musicians who will receive employment.

With best personal regards, I am,

Very truly yours,

CHARLES E. FARRINGTON.

AMERICAN HOTEL ASSOCIATION,
Washington, D. C., February 13, 1957.

Hon. FRANK THOMPSON, Jr.,
House of Representatives,
Washington, D. C.

DEAR MR. THOMPSON: Your speech on the floor of the House yesterday comprises the most forthright statement, with reference to the burdensome cabaret tax, which any Member of the House or Senate has delivered in recent years. We congratulate you earnestly on your courage to state the facts.

Your own State is a good illustration of the fact that public resistance to this 20-percent levy is compelling hotels to close entertainment rooms, or at least to reduce the entertainment and/or dancing which would make the tax applicable. In addition to all the hotels which have terminated these functions in past years, the Penn-Atlantic did away with entertainment and dancing completely last year, while five of the principal boardwalk properties have reduced entertainment and dancing to a point where it is only available during July and August. This confirms your statement that the tax is creating a lack of demand for musicians, which means extensive unemployment for people in that profession.

We are acquainting the New Jersey Hotel Association with the fact that you rose on the floor to advocate the repeal of this levy.

Yours very truly,

M. O. RYAN.

AMERICAN FEDERATION OF MUSICIANS,
Beverly Hills, Calif., February 25, 1957.

Hon. FRANK THOMPSON, Jr.,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN THOMPSON: I have just read your fine statement on the cabaret tax. I have been aware of your great interest in the cause of music in America and I have kept in touch with your efforts to establish a National Council of the Arts and Crafts.

The American Federation of Musicians owes you a great debt of gratitude in your campaign to educate your colleagues on the vacuum that exists in American life in the cultural arts.

Kindest personal regards.

Sincerely,

HERMAN D. KENIN.

AMERICAN FEDERATION OF MUSICIANS,
Newark, N. J., February 19, 1957.

Hon. FRANK THOMPSON, Jr.,
House Building, Washington, D. C.

DEAR CONGRESSMAN THOMPSON: I have just read with great interest the extension of remarks by you in the CONGRESSIONAL RECORD, in which you call attention to H. R. 4224, which has for its purpose the repeal of the 20-percent cabaret tax.

The passage of this legislation would naturally be of great benefit to the members of our federation, and I wish to take this opportunity to thank you for your efforts in this direction.

With best wishes, I am,

Sincerely,

LEO CLUSEDENAW,
Secretary, A. F. of M.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I am pleased to yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman said something about the CIO director saying that jobs would be increased if this tax were repealed.

Mr. THOMPSON of New Jersey. Yes.

Mr. HOFFMAN. How many additional jobs would be made available if the head of the musicians' union would take off the $25 a month that is being paid by former musicians who are not doing anything now? How many additional jobs would there be if he would let everybody work without paying that $25 and the dues that he is exacting?

Mr. THOMPSON of New Jersey. I do not know but I will be glad to transmit the gentleman's recommendations to him and ask him to reply.

Mr. HOFFMAN. Thanks. Just tell him to cut them all out.

Mr. THOMPSON of New Jersey. I will tell him that. I am sure he will be very forcibly persuaded by the gentleman's suggestion.

Mr. HOFFMAN. Ultimately he will by some other things probably.

Mr. THOMPSON of New Jersey. You keep at him. I am sure he will be listening.

Mr. HOFFMAN. I just want to call the gentleman's attention to this Hoffa arrest and Fischbach arrest, these men who were formerly counsel for three of our House committees, who have been practicing along the same line of exacting payments before permitting someone to do business.

Mr. THOMPSON of New Jersey. I know nothing of the matter except what I have seen in the newspapers. I am not discussing the Hoffa case.

Mr. Chairman, it is my hope to be able to offer the following motion to recommit with instructions. My motion would make a great improvement in the legislation before the committee without causing the loss of any revenue. It would, in fact, bring many millions of dollars of tax revenue into the Treasury and at the same time grant relief from inequitable taxes.

Mr. REED. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, one of the gentlemen who spoke earlier today criticized, I thought, the fact that the President after having sent a budget to the Congress saw fit to later on ask the Congress to make cuts in that budget. I rather glory in the fact that a President would not be so hidebound and so rigidly adhering to a policy, simply because it existed, which would have the effect of denying the right to the Congress of doing its duty of cutting the spending, which in some instances, insofar as I am concerned, seems unwise.

I repeat, I am happy to know that President Eisenhower does not consider himself irrevocably bound to commitments made even by his own Bureau of the Budget but, rather, takes the position that the Congress should perform the duty imposed upon us by our Constitution and examine into the fiscal affairs of our country.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. HOFFMAN. What, in your opinion, would have been the response from the Democratic side of the House if the President, when he sent up the budget, had said, "Now, this is it. You take it, or else." What would they have said then?

Mr. SIMPSON of Pennsylvania. I do not know that the gentleman will agree with me when I say that I think the other side of the House would have done what I am sure they will do, anyway, examine into this budget.

Mr. HOFFMAN. But, in the meantime they will blow the ceiling off if they could.

Mr. SIMPSON of Pennsylvania. They will do a lot of talking, but I think when it comes right down to it, I think knowingly they will not waste any money but, rather, examine into it, and I believe will follow our recommendations in regard to reductions.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. PRICE. I think both the gentleman from Michigan and the gentleman from Pennsylvania do not understand the issue involved. I do not think anybody criticized the President for sending down a budget and then conceding that possibly it could be cut by the Members of Congress. I think the criticism is directed more to the fact that the administration has sent down a budget which they should be able to defend and which they said can be reduced, but it is up to the Congress to reduce it, and that "we have done the best we can, we cannot go any further, but Congress can."

Mr. SIMPSON of Pennsylvania. I think, with due respect, that that is six of one and half a dozen of the other.

Mr. PRICE. I do not think so at all.

Mr. SIMPSON of Pennsylvania. The budget was sent down, and the President said "Try to reduce this," and he means it, and we are going to reduce it.

Today we have before us a bill which extends certain taxes which our corporations and our individual American citizens are paying. I made a mistake. We all make mistakes. I said the corporations are going to pay the tax, but, of course, they do not pay the tax. You and I pay the taxes. And what we are doing here today is continuing a tax which every American pays when he or she buys any of the products of these corporations whose names we toss around so glibly. I think we are kidding the American people back home by implying that the tax on a corporation is not a tax upon our neighbors and those who vote for us or vote against us. I am sorry we have to do it, because this tax was imposed on a temporary basis.

I would like to vote against the tax, but I am not going to vote against it, because I want tax reductions but I do not necessarily nor particularly want it in this exact area. I have come to the conclusion, after a good many years here and after having worked on many tax bills in a committee, a very responsible committee, but whose area is circumscribed by the fact that we are always confronted with a large amount of money having been spent and then we are asked to raise the money to fill that void, that we cannot do it. We do not have the latitude, the opportunity to adjust and readjust the tax field as I think we should; rather, I think that the agencies downtown examining into what we are likely to have as revenues for a given period of time then proceed to spend that money as nearly to the limit as they can, because, quite naturally, it seems, they do try to expand and need to become more responsive to the demands made upon them by groups of American people. Consequently I have come to a conclusion which I am going to follow for a while and that is to support proper tax cuts, cut down on the amount of money which is made available to an administration, any administration, and endeavor to persuade that administration to cut the cloth accordingly, to cut down on the spending so that we stay within the limits of the amount of money we make available.

With that in mind I am going to vote for this bill. But I am going to support other tax reductions making cuts in other areas which I think would be more equitable.

Mr. GROSS. Mr. Chairman, would the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman.

Mr. GROSS. A failure to enact this bill or vote it through the House would mean of itself a deficit of $300 million, is that correct?

Mr. SIMPSON of Pennsylvania. The report indicates on page 2 that in fiscal year 1957 it would, so far as the corporate income tax and excises are concerned, mean a loss of but $172 million. The full year's effect would be $3 billion. But whatever it is, it is within the range of the amount of money by which I would like to cut the anticipated Federal revenues for the next fiscal year.

Mr. GROSS. Could we not take $300 million out of the Foreign Aid Appropriation and dispense with this legislation?

Mr. SIMPSON of Pennsylvania. Personally I think we could. That is not the sole answer to the question. I would like to make the point that we do need tax reductions and that one way to cut down on spending in my opinion is to cut down on the amount of money made available to the different agencies of the Government.

Mr. MILLS. Mr. Chairman, would the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the distinguished gentleman from Arkansas, a member of the committee.

Mr. MILLS. Is it not the gentleman's thought as I thought he expressed it a moment ago in answer to the gentleman from Iowa [Mr. GROSS] that if taxes are to be reduced, the gentleman from Pennsylvania [Mr. SIMPSON] would prefer perhaps to reduce taxes differently in some respects from the reductions that would occur if we fail to extend this program?

Mr. SIMPSON of Pennsylvania. Yes. To be specific, for instance, I should like a 5 percent cut up and down the line on personal income taxes, with a reasonable increase, perhaps $100, in the exemptions. I should like in the capital gains area to provide a reduction in the rate on capital gains which I am persuaded would not mean a reduction in revenue, because it would release money available for capital expansion which is always necessary. I should like to cut the corporate tax rate on all corporations certainly far below the 52 percent which prevails today; because I shall never forget and the Members should not, that every penny of taxes paid by the corporations is taken out of the hides of the workers who buy the products of those corporations.

We have nothing except that which we take first of all from the people back home, unless they demand services from us which in our judgment are meritorious, so meritorious that we feel it necessary to increase expenditures. Our trend in times like these should be downward. We should always, however, retain a sound financial base, always retain certain moneys to pay on the national debt so that we may live continually within our budget. I am persuaded that we can do so.

So this is the gist of my remarks. I am persuaded that we can cut taxes and yet remain within the necessary spending that the Government must do.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks on the pending bill at the end of general debate and before the vote on the bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I take this time to ask some questions and to make some comments on section 5041.

Certainly I am not opposing this bill that we have before us today. I think it is essential that we extend these taxes, but because of the fact that my district is dependent upon an economy different from practically all other districts in the country I should like to inquire of the committee with reference to their attitude on the criteria for determination of tax upon certain wines and liquor.

The wine industry happens to be a very important part of the economy of my district. We produce a very large proportion of the wine produced on the North American Continent in my particular district, the district having a very sizable grape acreage, and combined with the raisin industry the wine industry is a very vital and a very important segment.

The question primarily that I have in mind is the manner in which a determination is made to tax the bubble in wine. For example, under the proposed extension there will be a tax of 17 cents per gallon on still wines or what we call in California table wines, that is, those wines under 14 percent alcohol by volume, and yet on an artificial carbonated wine, which is an identical wine but

simply with a little squirt of carbonated water in it, the tax is $2.40 per gallon.

Of course, the people in my area, and of course this is a multi-million-dollar industry and a very vital part of our economy, are quite concerned as to the criteria or the reasons for this manner of setting the tax. For example, it has generally been thought that the taxes on liquors, alcoholic beverages, wines, and so forth, were determined on the basis of the percentage of alcohol in the particular beverage, but we have an instance here of a tax of 17 cents a gallon on a 14 percent wine and we have the same percentage of alcohol in another wine taxed at $2.40 a gallon.

Going further in this, I should like to direct to the chairman of the Committee on Ways and Means this question: I am wondering if the gentleman's committee at the present time has under consideration the particular question of an adjustment in the tax on carbonated wines.

Mr. COOPER. I am very glad to reply to the request of the gentleman from California and say that he has been most interested and diligent in his attention to this subject. He is to be commended on the active interest he has taken.

I will state to the gentleman that we now have a subcommittee of the Committee on Ways and Means—the gentleman from Rhode Island [Mr. FORAND] is chairman of that subcommittee—that has held hearings on the subject matter mentioned by the gentleman from California. This subject is now receiving the attention of the subcommittee, and I am sure will receive the attention of the full committee when the subcommittee's report is finally presented to the full committee.

Mr. SISK. I thank the gentleman. I certainly would be the last person in the world to ask for the elimination of the tax upon alcoholic beverages. I think they should carry a tax. I think they should carry a substantial tax. The people in my area readily admit that. The point is that they have a difficult time understanding or explaining the particular discrimination between taxes on a wine merely because it is still wine and on another beverage merely because it has some carbonation in it. It is generally our belief that it would add to the sales and help the wine industry protect itself from the influx of cheap imports, if we were able to improve the bouquet and improve on the taste and flavor, which can be done through carbonation. I know the wine industry has never received 1 cent of subsidy from the Federal Government. The people in my area who are concerned with this and are dependent upon this economy are not now asking for any subsidy. We have no desire for that. But, at the same time, we do ask that the Congress and others interested give us some consideration in these matters.

LEGISLATIVE PROGRAM

Mr. REED. Mr. Chairman, I yield such time as he may desire to our distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I take this time in order to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. The program for the House for the week of March 18, 1957, is as follows:

On Monday, we will take up the bill H. R. 5520 providing for an increase in the interest rate on United States savings bonds. There are also four resolutions from the Committee on House Administration. They are ordinary resolutions, but they do have a preferential status. If the gentleman from Massachusetts wishes, I will specify as to what they deal with.

Mr. MARTIN. No; that is not necessary.

Mr. McCORMACK. As I said, the four resolutions from the Committee on House Administration have a preferential status under the rules, but we are putting them down for Monday anyway.

On Tuesday, there is the Consent Calendar and the Private Calendar and the independent offices appropriation bill for 1958.

On Wednesday and the balance of the week, we have programed first the bill H. R. 4135, having to do with savings and loan associations holding companies, and then the bill H. R. 2146, dealing with the Small Reclamation Projects Act of 1956.

Of course, there is the usual reservation as to conference reports being brought up at any time.

Any further program will be announced later.

I have an understanding with my friend from Massachusetts; does the gentleman desire to pursue that a little further?

Mr. MARTIN. The situation is that the Nebraska delegation is going home to celebrate Founders Day; that is, to commemorate the day on which their State was founded. They would like it very much if any rollcall came up on Monday or Tuesday that it might go over until Wednesday.

Mr. McCORMACK. I do not see any reason at all why that could not be done in order to accommodate the Members, and, as far as I am concerned, I state definitely that if any rollcall becomes necessary on Monday or Tuesday, I shall ask unanimous consent that the rollcall be put over until Wednesday.

Mr. MARTIN. I thank the gentleman. There will be no session tomorrow?

Mr. McCORMACK. There will be no session tomorrow.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. HOFFMAN. Will there be a chance on Monday to talk somewhat at length on the subject of the arrest of Mr. Hoffa of the teamsters' union and of Mr. Fischbach, who was formerly counsel for at least three of our committees?

Mr. McCORMACK. Without referring to what the gentleman may want to talk about or what any other Member may want to talk about, I would say that on Monday there ought to be plenty of opportunity for any Member to talk on any subject they want to under special order, or if they might get time during general debate, but certainly under a special order, any Member can talk on any subject under the sun that they want to talk about.

Mr. HOFFMAN. On what bill will there be general debate on Monday? I did not hear that.

Mr. McCORMACK. That is the bill, H. R. 5520, increasing the interest rates on the E-bonds from 3 to 3¼ percent and the bill provides for discretion to raise the rate up to 3½ percent on those bonds which are held by so many millions of Americans.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. WIER. When will the GI home-building legislation come up?

Mr. McCORMACK. That is coming up the week after next. As the gentleman knows, the distinguished chairman of the committee handling that legislation is not able to be here because his son was seriously injured as the result of an accident, and as everyone understands for that reason alone that bill is being programed for the week after next. I will wait until the gentleman from Texas comes back. It is only for the unfortunate situation and emergency confronting our friend from Texas and Mrs. Teague and their family because of the serious accident to one of their boys that this matter has been postponed.

Mr. COOPER. Mr. Chairman, I have no further requests for time on this side.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I have taken this time because I am one of the few members of the Ways and Means Committee who opposed this bill in committee. I also oppose it on the floor. I have no illusions, however, about the effect of such opposition.

I want to point out that my opposition is not based upon a plea against more revenue, because I agree we do need the revenue. As a matter of fact, my position is based upon the fact that in my judgment this is not the way to gain revenue. The assumption that has been made by the Treasury Department and the committee that the tax rate means the tax take is where we part company. The formula that gives us our tax take is this: tax base times the tax rate times the factor of collectibility. From that you get the tax take. In other words, it is entirely possible to have a tax rate so high that the tax take actually is diminished. That is what is called the law of diminishing returns. I suggest that in a number of these tax rates that we are extending in this bill, we are experiencing exactly that situation. My arguments can well be followed in the committee hearings on pages 21 to 25, where I interrogated the Secretary of the Treasury on these three points. First I make the observation that if we continue an inequitable tax we create a difficulty in collecting that tax. The difficulty we find is that our citizens who, after all, are the ones who pay the tax, resist payment. Many people do not realize that our tax collection system is largely a voluntary system, and requires the cooperation of our people.

People find ways and means of avoiding inequitable taxes, and regrettably, in many instances, of evading inequitable taxes. This is one of the aspects of the factor of collectibility. One specific illustration is the tax of $10.50 per gallon on liquor. We see the bootlegging industry increasing rapidly. They pay no tax on their product. It is entirely possible that if we reduced the rate from $10.50 to $9 we would actually increase our tax take because the collectibility factor would increase greater than the rate was decreased.

The same argument, I might state, applies to a corporate tax rate where out of every dollar earned by a corporation, 52 cents goes to the Government and only 48 cents to the corporation. We find a situation where we are placing a premium on extravagance, because a corporate management takes the position, "Well, Uncle Sam pays 52 cents of this advertising program," or whatever it may be, "and we pay only 48 cents. Accordingly, we might as well shoot the works." I suggest that if we reduce the corporate rate, where the Federal Government is a minor partner in business and private enterprise is the major partner; that is, 51 percent goes to private industry and only 49 percent goes to the Federal Government, just passing that psychological barrier probably would increase our tax take.

Mr. MASON. Mr. Chairman, will the gentleman yield right there?

Mr. CURTIS of Missouri. I yield.

Mr. MASON. Andrew Mellon proved that theory correct four different times.

Mr. CURTIS of Missouri. I thank the gentleman.

I have a good many figures on various taxes where I think the same point can be established.

It can be established in the excess profits tax. When we finally repealed it our collections from the corporate income tax amounted to more than the previous corporate tax collections and the excess profits tax collections together. That was the very point I tried to make when I opposed the extension of the excess profits tax for 6 months. I said that if we repealed it we would actually gain more revenue.

The tragedy as far as I am concerned, because it is a tragedy, is that we on the committee have not devoted our attention to these economic factors that are at the base of our tax system, nor has the Treasury Department devoted any attention to these economic factors. They simply say they must have the tax revenue, therefore they must preserve the rates, not regarding the other factors of collectibility and of the tax base. There are many ways to broaden the tax base and so increase our tax take and actually reduce our rate. But I have been emphasizing this factor I refer to of collectibility.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. THOMPSON of New Jersey. I quite agree with the gentleman's statement. I wonder if the gentleman agreed with my statement with respect to the cabaret tax and the reduction of it or repeal of it providing additional revenue to the Government through increased employment.

Mr. CURTIS of Missouri. I want to say that I listened to the gentleman from New Jersey with a great deal of interest. I think he is making exactly that point, and I think it is a point that can be substantiated. I feel the same way, that there is a case where the rate is actually beyond the point of diminishing returns. If anyone questions the law of diminishing returns, let me refer them to the theory of the protective tariff, where the rate is purposely set high to discourage the importation of goods, and as the rate rises importation falls off, and the revenue under the tariff diminishes. There is no good to be derived from pushing an excise-tax or income-taxe rate to the point of diminishing returns. In fact, it creates great economic repercussions, mostly bad.

Mr. THOMPSON of New Jersey. And the gentleman would apply this principle almost exclusively through the application of these excise taxes, would he not?

Mr. CURTIS of Missouri. There is no question about it, and I think the gentleman is entirely right when he points to the cabaret tax as an example of a tax that is beyond the point of diminishing returns.

There is one final point I want to emphasize, and I cannot emphasize it too strongly; I tried to emphasize it in my interrogation of the Secretary of the Treasury. When he talked about this depression that is going to curl your hair, he talked about the long-range viewpoint. Essentially what he was saying is what I am saying right now. If we continue this high rate of taxation, do we think we are going to solve this problem we have of tight money? There is no tight money as far as the consumer dollar is concerned; the tight money lies in the area of the investment dollar, and the investment dollar comes only from the savings of our people. One reason that our people cannot save the money that is necessary in order to provide additional capital for investment is our tax structure. Let me give you one example and you figure it out. Today it requires $14,000 of capital investment to provide a job for one man. That, understandably, is increasing in amount as technology increases and the requirement for better machines. As better machines come along productivity increases, so we have to generate that much more savings. To put 1 million additional men to work a year, and that is just about the rate they are coming into the labor market, means an additional capital investment of $14 billion annually just to hold our own; and it is to this area that I am addressing my attention. Unless we do something about our basic tax structure which includes tax base, includes tax rate, includes this factor of collectibility, we are going to find ourselves in a position where although the gross national product is increasing 3 percent annually, and did increase last year 3 percent, the amount of the anticipated revenue from the corporate tax is only one-half of one percent. In other words, we are not getting out of our growing economy the kind of tax take that we normally should from that amount of growth. The error lies, I suggest, in this rate feature.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. VORYS. I listened to the gentleman's discussion with great interest. On the matter of the reduction of corporate income taxes I asked the Joint Committee on Taxation to run some figures a few years ago. It was found that if you would wipe out the corporate income tax the reduction would not be anywhere near the total amount of the corporate income tax, at that time only about a billion, or a billion and a half dollars, because, of course, this income would then go to individuals which now goes to corporations, and individuals would pay that tax. They would go into the top brackets. I think when we talk particularly about reduction of the corporate income tax we are not substantially reducing the tax take to the Government but we are having people pay taxes through the income tax and the proportion would be more equitable than at the present time.

Mr. CURTIS of Missouri. I thank the gentleman. He is right. The corporate tax in essence is really a combination sales tax and income tax on the investors. The people, mostly the consumers, pay this tax in the last analysis.

Mr. MUMMA. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Pennsylvania.

Mr. MUMMA. Does the gentleman have any idea what the decrease in the take would be? The gentleman referred to the acceleration being from one-half to 3 percent. Does he have any idea what effect that would have on the accelerated depreciation, which is a postponement of taxes?

Mr. CURTIS of Missouri. Inasmuch as corporate tax take has increased, that gets into a complicated area. My answer, to be general about it, is this: We have had an actual gain in revenue through the corporate tax even with the more liberal depreciation allowances because this has permitted small companies to continue in existence as tax paying entities and not be absorbed by their larger competitors who would pay for the purchase of these smaller companies out of their own tax savings resulting from the combination. Actually, I think we would have an increase in the tax take.

Mr. MUMMA. The acceleration features generally are taken by the large companies, are they not?

Mr. CURTIS of Missouri. No.

Mr. MUMMA. The railroads and steel companies?

Mr. CURTIS of Missouri. Of course, they have the engineers and accountants to figure those things out a little better.

Mr. MUMMA. I believe it would have some effect.

Mr. CURTIS of Missouri. I thank the gentleman. I believe the gentleman was referring to rapid amortization, commonly called certificates of necessity. I regret I misunderstood his question. There is no doubt in my mind that the larger corporations have a great advantage over their smaller competitors in

getting certificates of necessity. I have tried to eliminate all certificates of necessity because the reason for their existence, if indeed there ever was a valid reason, was the need for a crash program in national defense. This reason has been nonexistent for several years. Eliminating certificates of necessity is a method of broadening the tax base, just as is the plugging of any tax loophole.

If the Treasury Department and the Ways and Means Committee will devote more time to broadening the tax base and bettering the collectibility factor we can reduce tax rates considerably and improve the Federal revenue.

Mr. Chairman, I am including in these remarks my interrogation of the Secretary of the Treasury during the hearings on this tax-rate extension bill, in order to emphasize the points that I have been trying to establish:

The CHAIRMAN. Mr. CURTIS of Missouri will inquire.

Mr. CURTIS. I could not agree with you more, and I think everyone does, on the need for revenues. But I would like to examine just a little bit this question of how we get revenues.

One point Mr. EBERHARTER was making about inequities. It seems to me it is rather a basic principle that the failure to correct inequities makes the job of collection greater. The loss of revenue from the inability to efficiently enforce an inequitable tax structure is frequently greater than the paper loss of revenue involved in correcting the inequity.

That is particularly true in a voluntary tax-collection system such as we have. I think that you will agree that essentially ours is a voluntary tax-collection system.

Secretary HUMPHREY. It is.

Mr. CURTIS. Is it not a fair observation, though, that if we do not correct inequities we create the difficulty of collecting the revenues that are supposed to be collected.

Secretary HUMPHREY. I think that is right, Mr. CURTIS. It is a matter of timing that I am talking about. We went through a couple of years ago and did correct as a result of an enormous amount of work by this committee here, a lot of inequities and we got a lot of things straightened out.

Now, there are 2 or 3 things that we have done. We have created a few new ones, but fortunately not a great many. But we still have developed a dozen things of one kind or another that obtained in the old laws that we did not get corrected.

Now, it is too bad that some of these were not corrected a couple of years ago. But at the same time, you have to always try to judge what is the fairest thing to do to the most people.

Mr. CURTIS. I agree; but I am thinking solely in terms of revenue and collecting revenue. I have observed that if we do not correct inequities that are rather obvious, the people themselves figure out ways of taking care of it.

I will illustrate. For instance, we have a tax on club dues applicable to capital expenditures. The net result is that you have two things happening. Many people just do not pay the tax because they do not call themselves a club, although they are. The other way is the device that is being used by clubs right here in Washington, D. C., and elsewhere, of not having an assessment but just go around and have people voluntarily contribute to a capital expenditure.

The point I am getting at is this: You lose those revenues completely through the fact that people, if they think there is an inequity, are going sometimes illegally and sometimes legally, to avoid paying the tax.

For that reason it seems to me that we ought to take each tax that we think might have an inequity in it and judge it by those standards to see whether or not correcting that inequity might indeed actually increase our revenue.

I do not think it follows that a paper loss on a tax that you are not getting much revenue from anyway is greater than the loss that we are presently experiencing from people's failure to cooperate and pay the tax.

I would like to suggest that as a standard to be applied to these various taxes where there are inequities in them.

Secretary HUMPHREY. Of course, it is all a matter of guesswork, either way. You are estimating either way and it is perfectly conceivable that you might find a case that would justify your sort of consideration. I think that you have to take it up a piece at a time and consider each thing on its merits and what the effects are.

It is largely a matter of degree and a matter of timing. I do not think that you can make fast rules on that subject.

Mr. CURTIS. I was suggesting this as a basic approach. Then, secondly, and along the same line again emphasizing the need for revenue, I think that any tax rate can get beyond the point of diminishing returns where actually you would have a greater revenue "take" if you lowered the rate.

I will suggest one tax right now that I think is at that point. That is the liquor tax at $10.50 a gallon. Now, for 3 years I have been asking that a study be made as best we could on how well we are enforcing the $10.50-a-gallon tax. The figures that I have seen, and they are hard to come by, of the amount of bootlegging going on indicates that there is revenue that we are completely losing.

Possibly, if we lowered the rate we would increase our enforcibility and probably get a greater "take," but that principle does not seem to exist in the thinking of people.

Secretary HUMPHREY. I do not think it is a principle. I think it is an estimate of the facts. That is a subject that has been up many times and it has been given very careful consideration.

From all that we can get or all of the data we can get on the enforcement side of it, I do not believe it is true that you can reduce that and get more money.

Mr. CURTIS. I have heard that, Mr. Secretary, and that is why I have asked, and I think through an official request of the committee, that such studies as have been made on it be made available so that we can review them. But I am trying to illustrate a point.

Now, I want to illustrate it again by another tax. I remember on the excess-profits tax, the argument in favor of a continuation of that tax was that we needed the revenue. I tried to argue at the time that I thought we would gain more revenue through the elimination of that tax by gaining it from the application of the regular corporation tax. Now, it is always hard to prove those things, but it is certainly true that the amount of tax that we realized from the regular corporate tax after the excess-profits tax expired was greater than the combination of the corporate tax plus the excess-profits tax before.

It seemed to me that that was a cause and effect situation. In that instance again, by eliminating a rate we actually increased the "take" because we had gone beyond the point of diminishing returns.

Secretary HUMPHREY. You are in a field in which you can get into a lot of difficulty. It is extremely hard to measure these things. You are saying in a way what I have said repeatedly for the last several days. That is, that if we maintain our levels so high that we deplete our capital investment, ultimately we will not collect so much tax because the country will not produce so much. But you know perfectly well that if you cut your taxes a third or a half today, you would reduce your income today. Now, maybe 10 years from now you would be getting more.

Because of that fact, I do not think that you could say that you were perfectly willing to go ahead and take a great big loss today. You have to measure them out.

Mr. CURTIS. It was rather an immediate effect on that specific thing; was it not?

Secretary HUMPHREY. I do not think so. As you remember, I myself came up here and frankly told this committee that I was absolutely opposed to the excess-profits tax, but I asked you to continue it until the end of the year.

Mr. CURTIS. But the point I am getting at is that I tried to base the argument against it on the very basis on which you are presenting your arguments of the need of revenue.

Now, that comes to the third thing that I had in mind to bring up. I am convinced that we would gain more from our corporate tax if the figure were reduced from 52 percent to 49 percent because of the basic psychology of the fact that as it is now a corporation when it spends $1 for advertising or some business expense, always says, "Well, Uncle Sam pays 52 cents and I only pay 48 cents."

I suggest that even if it were 49.9, if private enterprise were the major partner and the United States Government the minor partner, instead of the reverse, we probably would find corporations being a little more careful in some of their expenditures, and we probably would be getting a bigger corporate tax "take" by reducing that rate just below that psychological barrier.

Now, I grant you it is hard to estimate those things, but I think it is necessary to try to estimate those things in this era of high taxes.

In order to formalize this and get some thinking on it, I was going to introduce such a bill before this hearing. Of course, if this committee goes ahead and continues the 52-percent rate, the introduction of such a bill would largely be a gesture. But I do intend to introduce such a bill so that we can call attention to this proposition, that it is possible to reduce rates and actually gain in revenue and not lose in revenue.

Secretary HUMPHREY. Mr. CURTIS, I think we are getting pretty far off the point here in this. In all of these things you have to consider your timing and you have to consider the practicability of your action. I just cannot imagine this Congress or this committee putting out a bill to reduce corporate taxes with no reduction in individual taxes.

Mr. CURTIS. Even if it were increasing revenue?

Secretary HUMPHREY. I do not care what it would do. I just believe in America that the individual taxpayer is the next man entitled to consideration. I think to say that you are going to reduce corporation taxes and pay no attention to an individual is just idle.

Mr. CURTIS. I am not talking politically, Mr. Humphrey.

Secretary HUMPHREY. I do not think that you would get 14 votes.

Mr. CURTIS. I am not talking politically. I am trying to talk economics.

Secretary HUMPHREY. I am talking about getting results.

Mr. CURTIS. I understand, and I am trying to talk on an economic basis, and if it is right economically, I think that maybe we might give some consideration to it.

Politically, of course, I agree with you, and I am not talking politics, or I am trying not to. I would say your anticipated revenues for next year indicated only a half percent increase from your corporate taxes, is that not correct?

Secretary HUMPHREY. If your comparison is between fiscal 1956 and fiscal 1957 the

increase is from $21.4 billion to $22 billion or an increase of about 3 percent instead of one-half of 1 percent. If you mean to make the comparison between fiscal 1956 and fiscal 1957, the current fiscal year, the one-half percent is all right because the increase is from $21.3 billion to $21.4 billion.

Mr. CURTIS. Even though the GNP is going up 3 percent?

Secretary HUMPHREY. My own guess as to corporate earnings is that there are a lot of pressures on corporate earnings and it is going to be harder as time goes on and these competitive conditions are becoming greater, even though you do a larger volume of business, it is going to be harder to make money.

Mr. CURTIS. My suggestion is that it is entirely possible, too, that the fact that that increase is only going to be half of a percent might be from the very tax structure that we presently have. It is possible actually to gain more tax revenue, I feel, by altering the system than maintaining the system. At least that is what I want to direct our attention to so as to determine whether we would gain more revenue through that particular device of a lower tax rate.

I think that we must recognize that we are not increasing our corporate tax "take" commensurate with the anticipated growth of our national product.

Incidentally, that leads me to make this statement: You are anticipating a growth in this country to give you a bigger tax "take" from the present structure; is that not correct?

Secretary HUMPHREY. That is correct.

Mr. CURTIS. So growth is an item in this thing, and that is why I cannot understand why we do not estimate these other areas of possible growth balancing off, or as you say, of timing to deal with it in detail. Yet, you are saying here, as I understand it, that we just take the system which we know, if we continue it, is going to bring about a depression that will curl our hair.

I suggest maybe if we did something about the system right now, we might be able to help considerably and also help your problem of getting more revenue.

Secretary HUMPHREY. I think it is just a matter, Mr. CURTIS, of difference in estimates. I think that you estimate savings that we do not quite believe.

Mr. CURTIS. You have made studies along those lines, and I will leave it that way.

Secretary HUMPHREY. Yes, indeed.

Mr. CURTIS. Thank you.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, as long as Federal spending is up, we must maintain sufficient revenue through taxation to pay Uncle Sam's bills. Would that H. R. 4090 to extend certain temporary corporation income and excise tax rates was not before us now. Would that we could allow them to expire. Tax rates are too high, but until we reduce Government outgo we must have income; otherwise the buying power of wages and money will go down and the national debt go even higher.

As one who has been active in a movement to limit Federal expenditures and cut the budget, I have hoped through this effort some relief could be given to the taxpayers. However, let me say we cannot get the cart before the horse, and I intend to vote for H. R. 4090.

However, while we are debating a tax bill, which of course under the closed rule cannot be amended or changed, it is a good time to consider our obligation on this subject. Did not the 1956 Democratic election platform promise a cut in taxes? Did not the Republican election platform promise reduction in taxes if it could be accomplished within a balanced budget? And were not both political parties going to help small business?

Well, the fact is I have been wrestling with my conscience. I could introduce legislation, of course, to cut taxes and help the little fellow, and then report to my constituents I had done my best.

But I decided to take these responsibilities seriously. First of all, in my small way as a Member, I have become as active as I know how in support of a reduced budget. It has been my earnest hope that cuts in nonessential appropriations in the amount of $5 billion could be made. I have supported that objective. Then on the other hand I have been giving much thought to the matter of relief for the small businesses which have been the backbone of the American free enterprise system. In all frankness, I ran for reelection on the basis of some relief for these small-business men, and ever since Congress convened I have been searching for ways and means, within the framework of overall fiscal responsibility, to foster and preserve the small and independent business enterprises engaged in trade and commerce.

I have finally come up with a bill which seems to meet this pattern, but it would reduce Federal revenue by about $4½ billion—and unless I felt we could reduce appropriations and have a balanced budget, of course I would not ask consideration of this legislation.

My bill would reduce the normal corporate tax cut from 30 percent to 20 percent for firms earning up to $50,000 per year, and exempt them from the present 22 percent surtax rate. Also I have provided that the small-business men could take exemptions from their taxable income for expansion, modernization and improvement. Finally this bill would allow small corporations with no more than 10 stockholders the option of filing income tax returns on the same basis as partnerships.

However, to justify reductions, as I said earlier, first, appropriations in a similar amount should be cut below the budget figure. We cannot have our cake and eat it, too. Normal functions of Government must go on. Federal employees must be paid on a similar basis as private industry. But there is plenty of area, including the expenses of Congress itself, where substantial economies can be made.

Now, Mr. Chairman, having got that off my chest I will again say the House has no alternative, in line with good fiscal policy, than to pass H. R. 4090 and extend these so-called temporary corporation taxes.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, first I would like to comment the gentleman from Missouri for the comments he just made with respect to this matter of taxation. I am much in sympathy with all he has said.

Mr. Chairman, so far as I can determine, there are more automobile workers living in my Sixth District of Michigan than in any other in the country. Therefore, both consistency and logic impel me to speak on this measure. As a candidate I announced my opposition to the excise tax on automobiles. I have introduced a bill calling for the repeal of that tax. Yet today, to vote in accordance with my position, I must vote to reduce taxes on corporate income, alcoholic beverages, and tobacco.

I am aware of the urgent need for revenue. I am not urging that corporate and luxury taxes should be reduced at this time. Yet to extend them, I must also vote to continue a tax I consider excessive and burdensome on the American people.

What are automobiles doing in such company? Are they merely a luxury, a source of pleasure, a personal indulgence? Or are cars a practical necessity in America today? We all know the answer, Mr. Chairman. Just walk from the Capitol to your office. No city in America illustrates the dependence of Americans on automobiles more than Washington, D. C. Homes, shopping centers, and even factories have dispersed, like an explosion, simply because most American families have at least one automobile. There are over 60 million cars, trucks, and buses in this country. Without cars, the business of this city and every city in the land would come to a skidding halt. If we were to act today to lower this tax, we would confer a benefit on every family that has a car, and on every phase of the Nation's economy.

Furthermore, the auto industry needs tax relief. Do not be misled by the bright colors of the new models nor happy advertising jingles. Last year the auto industry was the only major industry to suffer a drastic reduction in sales. Passenger car registrations were down 16 percent, and production declined 25 percent—from a little over 9 million vehicles to less than 7 million. This, in my judgment, is related to the high cost of cars. It has been estimated that 28 percent, over one-fourth, of the cost of cars is the result of taxes.

Consider too that automobile factories employ a million people, and an additional 9 million people derive their income from the associated industries. The welfare of 1 worker in 7 is directly related to the automobile industry.

And what about the cost-of-living factor? In 1954 approximately one-fourth—$40.6 billion—of all retail sales were for automobiles and accessories. These are the reasons why I say reducing the tax on automobiles would confer a benefit not only on car-owning American families, but also on every aspect of the national economy.

I hope the study now being made of excise taxes will result in clear and specific recommendations for modification and improvement of the whole excise-tax structure.

For these reasons, Mr. Chairman, I have expressed my opposition to continuation of the high excise tax on motor vehicles.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I wish to compliment the gentleman on the sincerity and clarity of his statement.

Mr. CHAMBERLAIN. I thank the gentleman.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to speak out of order and to have my remarks appear in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ST. PATRICK AND LENT

Mr. GAVIN. Mr. Chairman, Sunday is St. Patrick's Day, a great day for the Irish, therefore I want to call to the attention of the House a poem by Joseph Smith, late of Lowell, Mass., and delivered before the Clover Club, Boston, on March 17, 1915. It was sent to me several years as a St. Patrick's Day greeting by a distinguished gentleman of Irish ancestry—the Honorable "MIKE" KIRWAN of Ohio—an Irishman we all greatly admire and one who, by his work here in the Congress of the United States, has won for himself the hearty commendations of the Members on both sides of aisle.

"Mike," as we know him, is the exemplification of all that is fine in an Irish gentleman; a gentleman who is highly respected and regarded by the people of the great State of Ohio that he is proud and honored to represent.

ST. PATRICK AND LENT

(By Joseph Smith)

St. Patrick! Oh there was a saint with a heart
As soft as fresh butter and big as a cart;
And 'twas he that remembered the long 40 days
The weakness of men and their women and ways,
The diet of fish and the riot of prayer
And the sinners that sinned from Mayo to Kildare;
And says he to himself, "The day that I'm born
I'll pick out in Lent on some windy March morn,
When the Irish can have one long day's vacation
From fasting and fish and prayer and salvation;
When the boys may break loose and go hell-bent for leather,
And make their own rules, regulations, and weather."
And so in March gray, to drive care away,
God sends to the Irish the saint and the day.
So, tonight fill your cup, fill it up to the brim,
Jew, heathen or Baptist or Puritan grim,
For whatever you are, you are Irish tonight,
And it's better, by cripes, to be Irish than right!
Fill your glass and we'll drink to Sinn Fein and the sod,
To the name of the saint and the glory of God,
To the day of all days that is close to our heart,
To the dead that have died for the sake of ould dart.
Though the winter's winds blow, all around us is proof
That Ireland and sunshine are under this roof,
And this is the message the good saint has sent:
Eat, drink, and be merry—for tomorrow is Lent."

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I am glad to yield to the gentleman.

Mr. EDMONDSON. Mr. Chairman, I want to express my personal appreciation to the gentleman of his eloquence on this occasion and join with him in his expression of appreciation of a great gentleman and a great Irishman, the Honorable MIKE KIRWAN.

Mr. GAVIN. I thank the gentleman.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. MCCULLOCH].

Mr. MCCULLOCH. Mr. Chairman, I am going to vote for an extension of this corporation tax, and certain other taxes, today, because we must raise the money to cover the appropriations that we have made in the past and those that we shall be making for the ensuing fiscal years. However, I do think it proper to point out again that this corporation tax, like all taxes—this one in particular, however—is a heavy drag on our standard of living in America.

In this connection, I should like to read an editorial from the Cleveland Plain Dealer of March 11 of this year, which tells a story of business economics in America. This editorial is entitled "The Million-Dollar Lathe."

I am now quoting from the editorial:

Thompson Products—

May I say that is one of the great, progressive industries of Cleveland, Ohio, in my home State—

for the 18th year, has continued its commendable custom of furnishing its employees with a simple, concise report of its financial operations, showing how much money the company took in and what happened to it.

The income for 1956 totaled $306,508,120. Expenses, not including wages, salaries, or dividends, were $175,535,061, leaving $130,973,059 to be divided among employees and stockholders. Of this amount, $117,960,454 went for payrolls, $4,183,904 was paid out in dividends, and $8,828,701 was plowed back into the business.

Why was it necessary to plow that much back into the business? The tale of the million-dollar turret lathe, included in the report, explains that.

It seems that in 1942 the company bought a lathe for $12,000. Under Federal tax laws, it was permitted to depreciate the cost of the lathe over a 14-year period. So, last year, when the lathe became obsolete, the company had $12,000 to buy a new one, plus $1,000, which was the resale value of the old one. The story continues:

"But the replacement cost in 1956 was $35,000 for a lathe that would perform the same functions as the old model, or $67,000 for a new one with attachments to meet today's more exacting needs.

"The company had only $13,000 to do a $67,000 job. The difference of $54,000 had to come out of profits, and in order to get that amount in 1956 the company had to earn a profit of more than $112,500 before taxes, because $54,000 was all there was left after the Government took its corporate profit tax of 52 percent.

"And to earn that amount of profit, the company had to sell more than a million and a quarter dollars worth of products to customers. It took more than $1,250,000 of sales to buy just 1 machine.

"Thus, while $112,500 sounds like a lot of profit, we find, in this case, that the stockholders got none of it. The Government took more than half, and the rest went to replace a machine so 3 Thompson people—1 per shift—could continue working.

"This story is duplicated hundreds of times each year throughout the company in the case of machines, large and small. This is why only a relatively small amount of profit is paid to stockholders in dividends, and why a large portion must be retained to finance expansion and replacement so the company can continue to operate and employees can continue working."

This is something to think about when agitators scream about high corporate profits. No profits, no new machines, no jobs.

And no increase in our standard of living.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MCCULLOCH. I yield.

Mr. ROOSEVELT. I want to express my appreciation of what the gentleman has just said. I certainly agree with him. Would you not also agree, sir, that in the consideration of this bill, it might be a good time for us, and I say this particularly to the gentleman as a very distinguished member of the Small Business Committee, should we not also turn our thoughts to the revision of the tax laws with respect to these small-business concerns in the country that are probably suffering unduly from the things the gentleman has just been describing?

Mr. MCCULLOCH. I would agree without qualification. The Small Business Committee, both the majority and the minority, has unanimously recommended that action.

The CHAIRMAN. The time of the gentleman has expired.

CALL OF THE ROLL

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 25]

Allen, Calif.	Dies	Lankford
Andresen, August H.	Diggs	Lennon
Anfuso	Donohue	Magnuson
Barden	Engle	Mailliard
Bilitch	Flynt	Morrison
Boland	Green, Oreg.	Moulder
Bolton	Green, Pa.	O'Neill
Bowler	Harrison, Nebr.	Powell
Buckley	Hébert	Prouty
Budge	Hess	Riehlman
Burdick	Hiestand	Scherer
Burdick	Hill	Siler
Chiperfield	Holt	Smith, Miss.
Clark	Holtzman	Teague, Tex.
Cooley	Horner	Whitten
Coudert	Jackson	Williams, Miss.
Curtin	James	Winstead
Dawson, Ill.	Jensen	Withrow
Delay	Keogh	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DAVIS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4090, and finding itself

without a quorum, he had directed the roll to be called, when 369 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

TAX RATE EXTENSION ACT OF 1957

Mr. REED. Mr. Chairman, I yield to the gentleman from New York [Mr. KEATING].

ST. PATRICK'S DAY

Mr. KEATING. Mr. Chairman, St. Patrick's Day marks the occasion each year when all Irishmen—whether by blood, kinship, or spirit—join in paying homage to the noble saint and symbol of Ireland.

Today, some 1,500 years after his birth, the memory of St. Patrick is honored by millions of Irish people all over the world and, as I have pointed out, other races and other people who join with the Irish in the annual salute to his memory.

St. Patrick himself was a remarkable man—certainly one of the most respected and powerful saints in the church calendar. He brought the treasure of Christianity to Ireland, and he imbued in her sons the fighting spirit and tenacity we have come to associate with those from the Emerald Isle.

As we look back to St. Patrick and the wonders he wrought in Ireland, we are reminded of his ancestors who came to our shores where they, like their patron saint, dedicated themselves to the ideal that right is superior to might in the struggle against British oppression.

Since our Revolutionary days, the children of Erin have written their names with boldness, force and grandeur in every line of America's history. In whatever line of work they pursued, whatever course they charted, they brought to their labors the unique and enduring qualities which mark those of Irish extraction.

One thinks first of the Irish quality of courage. The names of heroes in war and peace come immediately to mind. The Kellys, the Murphys, the Devereuxs, the McAuliffes, and many, many others who fought so hard to preserve the American way of life. It is interesting to note that over two-thirds of the Congressional Medal of Honor winners who were born on foreign soil were born in Ireland.

Hand in hand with his outward courage, one thinks of St. Patrick's Day, of the love of the Irish for independence. It is a love which knows no fear, no oppressor too great to be overcome. It is a love for which an Irishman willingly gives of himself to help other nations win their freedom.

There is no question about his faith in God, and in his devotion to the life of the spirit which is eternal. St. Patrick's teachings those long years ago, handed on down through the generations, still impel the sons of Erin to work for the better life for all men. It inspires them with the spirit of justice tempered with charity.

Perhaps no other people have dedicated themselves with such singleness of purpose and steadfast devotion to the everyday practice of religion as have the Irish.

Upon these foundations the sons of the Emerald Isle have risen to eminence wherever they have been. In a world which puts such a high premium on cleverness and skill, on the material and the concrete, it is refreshing indeed to remember that those with the blood of Erin flowing in their veins carry with them the tried and true traditions of their patron saint.

We in America—of whatever faith or blood—do well to revere the spirit and the example of St. Patrick. All of us can rightly rejoice in the ties that bind us to his indomitable Christian spirit and to the land of which he is the shining symbol.

According to the historians, St. Patrick drove the snakes from Ireland. One wonders if he were with us today how long it would take him to drive out the snakes and other bad influences which plague our troubled world today.

Renewed devotion to the ideals for which he stood, renewed faith in the God whom so many millions worship according to their individual dictates of conscience, renewed awareness of the example set long ago by St. Patrick and carried on by his ancestors, cannot but result in hastening the day of universal peace and justice.

Let us, then, on this eve of St. Patrick's Day reiterate our determination to guard our liberty and our faith as our forefathers did. Let us, as well, continue the struggle to gain universal freedom of mind as well as action. In so doing, we will be manifesting to its noblest degree the spirit of the Irish which inheres in every American.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, I regret very much that this bill had to come out under a closed rule. I recognize, however, the necessity for closed rules and I do recognize the members on the Committee on Ways and Means as being among the most competent Members of the House and the hardest working. I know it is very urgent that they keep the Government's hands in the taxpayers' pockets, because the Government needs the money.

They got Uncle Sam's hands a little too deep into the pockets of some of my people, and took a little money that should not have been taken. I wish the Committee on Ways and Means would help me get it back for my people.

There are two precedents for the bill I am speaking of. I wanted to offer it as an amendment to the pending bill or in a motion to recommit. I understand there is going to be a straight motion to recommit and I cannot get it in that way, so I hope the Committee on Ways and Means will cooperate with me and help me get this bill out and get it passed.

I say there are two precedents for this bill. It was at one time law, but when H. R. 8300 was written, inadvertently this provision was left out of the bill. The other precedent is that last year I called the bill up by unanimous consent and got it through the House, and got it tacked onto a tax bill in the Senate, but that bill never got to conference until after Congress adjourned. The bill simply makes the depletion allowance equitable for all those people who are now exempt from the mineral depletion, some of them on the accounting year and some of them on the fiscal year. Those on the calendar year get a full year's exemption and those on the fiscal year only a part of a year. This enables those people on the fiscal year to have the same exemption for that particular year and the same exemption they are getting now that those on the calendar year had. It merely equalizes taxation.

Mr. PORTER. Mr. Chairman, in addition to the excise tax legislation being discussed here today, far more important tax legislation should be before this Congress, namely, the repeal of the highly discriminatory transportation taxes.

The effect of these taxes, levied at the rate of 10 percent on amounts paid for the transportation of persons and 3 percent on amounts paid for the transportation of property, is especially burdensome and discriminatory to the people of Oregon and the West in general.

This is so because of the great distances, and consequent larger transportation charges, involved in the movement of persons and goods to, from, and within the West, especially since our forest products are so heavy and bulky. Moreover, in this time of economic hardship in Oregon, this additional charge may be the difference between profit and loss.

It is essential to the State of Oregon that the eastern market be developed and preserved as an open market in which agricultural and forest products of our State may compete freely with the produce from other more nearly adjacent areas of the country.

The present transportation tax on property unfairly burdens Oregon in this regard, however, for it adds what is in effect an additional tariff on goods shipped from Oregon to the eastern market and thus constitutes an artificial and discriminatory barrier to trade.

Likewise, the tax on passenger transportation unfairly hinders the State of Oregon in its efforts to protect and develop its vacation and tourist travel on a basis of equality with other vacation travel areas.

Federal taxes ought not to be levied in such a manner as to constitute an unequal burden on citizens residing in different areas of the country. The excise taxes on transportation do just that. They unfairly and injuriously discriminate against the long distance shipper and the long distance traveler. Transportation, both of persons and of property, plays much too vital a role in the economy of every part of the country for the present inequities to be longer continued.

For these reasons, I am joined by my distinguished colleagues from the State of Oregon, Senator WAYNE L. MORSE, Senator RICHARD L. NEUBERGER, Representative EDITH GREEN, and Representative AL ULLMAN, along with almost every Congressman from the Western States,

in urging favorable action without delay on the legislation to repeal the transportation excise taxes.

Mr. HILLINGS. Mr. Chairman, of all excise taxes the transportation excise taxes are the most discriminatory and indefensible. The 10 percent tax imposed on passenger travel was first levied during World War II to discourage people from using public transportation. It is still having that effect.

The 3 percent tax on transportation of goods was also a wartime measure. The war has been over for 11 years. This freight tax applies most unequally, being levied upon the common and for-hire carriers, but not upon private carriage.

Thus it penalizes the small-business man and shipper who cannot afford his own fleet of trucks, but must use public transportation. Repeal of this outmoded wartime tax would be a constructive step to help the small-business man.

Unlike other excise taxes imposed upon the retail sale of the commodity, the 3 percent transportation tax is imposed every time the raw material, unfinished or finished product moves. Thus the effect is to pyramid the 3 percent many times. The consumer is the one who pays the penalty.

An additional, and most important discriminatory aspect of this 3 percent transportation excise tax is the extra burden it places upon the shippers and producers—the citizens of the Far West.

As is well known, some of California's best known products compete with similar products shipped much shorter distances to such metropolitan consuming areas as New York and Chicago. The naturally much larger freight bill—even with holddowns or reductions—would be burden enough on the western shipper. The 3 percent tax is just about too much.

For example, the distance from the Redlands, Calif., navel-orange producing area to New York is 2,924 miles. The distance from Lake Wales, Fla., to New York is only 1,156 miles. The freight bill for a carload of oranges from Florida is $496.02. The tax is $14.89 as compared with a California shipper's tax of $24.51 paid on a bill of $816.72.

Even more discriminatory is the effect upon apples from Yakima, Wash. The tax on a carload shipped to New York is $25.57. Across the border in Canada apples shipped from the Okanagan producing area in eastern British Columbia pay no tax for the trip to New York.

Similar problems exist for other areas of the country. Lumber from Alabama to Baltimore, Md., pays a tax of $13.32, while lumber from Toronto, Canada, to Baltimore pays none. Their freight bills are otherwise equal—$444.

To fail to repeal such a patent and unfair handicap upon many segments of American business is an abdication of reason.

Why not repeal the transportation excise taxes? The only argument against repeal is loss of revenue. How much? When carefully analyzed, not very much, especially when reviewed in terms of the healthier transportation industry and national economy that would result.

In fiscal 1955-56 the Federal Government derived $215 million from the passenger tax and approximately $451 million from the property tax—a total of $666 million. However, we must note that because in the case of corporations, paying income taxes at a rate of 52 percent, nearly half of the $451 million would have been a deductible expense. Thus the net loss to the Government through repeal would be only about $235 million, not $451 million. Furthermore, ordinary reasoning supports the conclusion that the amount of increase in income-tax collections attributable, directly or indirectly, to the repeal of the excise taxes on the transportation of persons and property will be substantial.

In addition to the many business, civic, and labor organizations urging repeal, it should be noted that the Interstate Commerce Commission in its latest report to Congress urges legislative consideration of the inequality arising out of the payment by for-hire carriers of the special tax on transportation of persons and property.

Putting it even more strongly, Mr. Anthony Arpaia, last year's Chairman of the ICC, said:

> Transportation * * * is the most vital part of our preparedness for emergency and war. The excise tax on freight and passenger service * * * is an important factor in retarding the progress of an efficient, up-to-date, organized system of public transportation.

May I say again, through repeal of these two transportation excise taxes we can take most effective and affirmative action that will benefit the small-business man and consumer.

Mr. MULTER. Mr. Chairman, this bill calls for an extension of 1 year of corporate taxes and excise taxes pursuant to existing law. I regret that the bill comes before the House under a closed rule prohibiting any amendments.

If amendments were in order, I know that many Members would join me in offering a number of amendments to grant tax relief to our overburdened taxpayers.

One such amendment would be to cut the tax rate for the small corporation and for the small-business man. Another amendment would be to eliminate most, if not all, of the excise taxes which have been properly labeled through the years as nuisance taxes. They were originally enacted as war measures, not so much to raise revenue as to stem the tide of inflation. Despite the promises to repeal those measures when the war was over, they now seem to be imbedded in our statutes as permanent revenue-raising measures. Most of these excise taxes are inequitable and impose an unfair burden on specific industries.

It has been amply demonstrated that the small-business man must get some tax relief. Many of our colleagues have introduced measures to accomplish that end. The platforms of both political parties in 1956 promised such relief.

President Eisenhower has indicated the need therefor in any number of messages to the Congress.

I strongly urge the able and hard-working House Ways and Means Committee to schedule early hearings on these bills and bring them before the House for action in the very near future.

Mr. VANIK. Mr. Chairman, during the course of the debate today on H. R. 4090, which provides a 1-year extension of the existing corporate normal tax rate and certain Federal excise taxes, I am moved to dry tears on the failure of this Congress to reduce corporation taxes during this session.

A great deal has been said about the increased cost in the replacement of productive facilities and the dollar investment that is required to keep each man at a job. A great deal has also been said about the reduced corporate earnings during 1956 as compared with previous years.

Unfortunately very little has been said about the tremendous quick depreciation program which prompted a large scale industrial expansion in basic American industries. The large American corporations which have been the beneficiaries of the quick amortization program have preferred to pour their income into expansion and into investment in new machinery which reduces manpower requirements in production. These industries have thereby diverted tremendous sums of income from the Federal treasury into the expansion and improvement of their own plant facilities. This expansion and resulting drain on credit has been the primary cause of the current tight money conditions.

It has been estimated that somewhere between twenty and thirty-two billion dollars in tax revenues have escaped the Federal treasury because of the privilege of diversion granted certain selected industries by the Office of Defense Mobilization in its issuance of quick tax write-off certificates.

The true picture of corporate earnings is therefore concealed because of the tremendous sums of earnings which are being plowed into industry instead of being distributed by way of taxable income and dividends.

Our Government entered into a program of industrial expansion as a result of the Korean conflict in order to stimulate American industry to meet the growing needs of the economy in war. The loss in tax revenues to the Government can be substantially reduced if current corporation tax rates are sustained. The longer period they are sustained, the less will be the loss to the Government on the quick tax write-off program for the reason that the improved facilities will earn higher profits which can continue to be reached by our present tax system.

The past several Congresses have provided American industry with numerous tax advantages by way of increased depreciation allowances. These allowances have been generous and have been in keeping with a desire to stimulate the improvement of our productive economy. Although the corporate tax burden is high, it is not disproportionate to the burdens upon individuals and others who have a much more difficult burden in meeting current taxes.

In view of the current period of relatively high employment, high incomes, and the rising value of the gross national product, it seems provident to maintain

our present tax structure until the national indebtedness can be substantially reduced. Corporations should participate in this austerity in the same measure and in the same spirit as individuals. We must do all things reasonable to reduce the cost of Government, and we must at the same time make a conscientious effort to reduce Federal indebtedness. If corporation taxes should be reduced, there will be a tremendous drive to reduce excises and personal income taxes, all of which are very desirable. But the whole economy will benefit, if the Nation makes the same kind of an attack on its indebtedness as it does the other enemies of a thriving democracy. Corporations should be no exception to the rule, and as long as individuals are willing to go along and carry their share of the burden which is drastically inequitable at present rates, certainly American corporations should be willing to do the same.

If our democracy is going to survive, it must protect and bulwark against dangers of recession and productive slow-down. The only way our Nation can protect itself is to keep the national economy on a sound fiscal basis by the reduction of debt to more tolerable proportions so that national credit remains for use in emergency situations.

Mr. HEMPHILL. Mr. Chairman, it was with great reluctance that I voted, along with other Members of the House, for H. R. 4090, extending the tax rate on certain commodities for 1 year. Not only did this extend the normal-tax rate, but it extended excise tax rates on these commodities.

The commodities themselves are not the important items in this consideration; the danger of this legislation is that it recognizes the spending spree of the Eisenhower administration, and gives no hope to the American taxpayer, and the American businessman, for tax reductions.

We all know that the budget submitted to us by the administration is preposterous. On the one hand, the administration recommends appropriations in the budget and, on the other hand, says the budget must be cut. It does so without any apparent difficulties of conscience, and tells the American taxpayer to look to the Congress.

In the hearings on this legislation we have just passed, if I am correctly informed, the administration describes the extension of the tax rate as a necessity in order to meet the heavy expense of the Government.

I am surprised they did tell us this is an emergency as the Eisenhower administration, under the leadership of Mr. Dulles, has kept us in a state of emergency for 5 years. I just wonder how much of the money is committed to some despotic government, and how little the American taxpayer is going to get out of the extension of this tax rate.

I hope and pray that this Congress in 1958 will give a tax cut to the American people. If the administration will not assume the leadership in this necessary change in our affairs, then we must assume that leadership here in the House.

I know Mr. COOPER and his committee worked hard and diligently on this, hoping to get us a tax cut. He has told me; and he and his committee are just as distressed over this high spending as any other American citizen or group of citizens.

I shall continue to vote for a reduction in the budget and I hope that those departments of the Government where the budget is being reduced will renew their sense of obligation to the American people and will tighten their belts and help us reduce taxes next year.

Mr. REED of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. I am sorry to have to announce to the House the death by hanging this morning of a young Greek patriot, Evagoras Pallikarides, 18 years old, sentenced to death by the British in the Nicosia Court of the Island of Cyprus for the possession of a gun.

Many of we Congressmen protested this execution because this is the ninth execution of young men who were patriotically inspired on this island and who believed they were trying to free the people of Cyprus. There are three more under death sentence simply for having possession of a weapon. This young man's weapon was unloaded. The magazine was out of the gun. It was greased. It could not be used. In finding the sentence of death because the young man pleaded guilty, the court said it could have been used in the future for an illegal action.

It is a very marked thing that we rise in the Congress on the celebration of St. Patrick's Day and find the British policy abroad just as it was with the young men of Ireland. We people in America of spirit should protest this because these people are patriots. This young man was too proud to even appeal.

I talked by telephone with Sir John Harding, the governor of the Island of Cyprus yesterday and said, "Look, I have helped young men. I will take this young man and I will give him 4 years at any college or university. I will pay the way for him. I will make an educated man out of him. We will get him out of Cyprus because he is a young hot blood. Then, it becomes your unpleasant duty, Sir John, to decide whether you are going to execute him in the morning or I am going to educate him for 4 years in America." And he said, "Don't let any sentiment enter into this sort of thing." He said the sentence stands. I must state for our State Department and Cabot Lodge at the United Nations that all during yesterday, and last night, we tried desperately to try to prevent this execution to get a few hours' time because, of course, there has to be some time when these extremes on either side stop between the British and the Greeks.

On February 20, before the United Nations there was a resolution which was passed by 76 nations to nothing saying we are in the future trying to settle these problems in the United Nations. I hope in the future these young men, now under sentence of death, will be spared and that Americans can move in this situation to relieve this unfortunate killing of British soldiers on the one side and young Greek patriots on the other. I thank you very much.

Mr. REED of New York. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the bill is considered as read.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Tax Rate Extension Act of 1957."

SEC. 2. One-year extension of corporate normal-tax rate.

Section 11 (b) (relating to corporate normal tax), section 821 (a) (1) (A) (relating to mutual insurance companies other than interinsurers), and section 821 (b) (1) (relating to interinsurers) of the Internal Revenue Code of 1954 are amended as follows:

(1) By striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958";

(2) By striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958";

(3) By striking out "March 31, 1957" each place it appears and inserting in lieu thereof "March 31, 1958";

(4) By striking out "March 31, 1957" each place it appears and inserting in lieu thereof "March 31, 1958."

SEC. 3. One-year extension of certain excise tax rates.

(a) Extension of rates: The following provisions of the Internal Revenue Code of 1954 are amended by striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958"—

(1) section 4061 (relating to motor vehicles);

(2) section 5001 (a) (1) (relating to distilled spirits);

(3) section 5001 (a) (3) (relating to imported perfumes containing distilled spirits);

(4) section 5022 (relating to cordials and liqueurs containing wine);

(5) section 5041 (b) (relating to wines);

(6) section 5051 (a) (relating to beer); and

(7) section 5701 (c) (1) (relating to cigarettes).

(b) Technical amendments: The following provisions of the Internal Revenue Code of 1954 are amended as follows:

(1) Section 5063 (relating to floor stocks refunds on distilled spirits, wines, cordials, and beer) is amended by striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958", and by striking out "May 1, 1957" and inserting in lieu thereof "May 1, 1958."

(2) Section 5134 (a) (3) (relating to drawback in the case of distilled spirits) is amended by striking out "March 31, 1957" and inserting in lieu thereof "March 31, 1958."

(3) Subsections (a) and (b) of section 5707 (relating to floor stocks refunds on cigarettes) are amended by striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958", and by striking out "July 1, 1957" and inserting in lieu thereof "July 1, 1958."

(4) Section 6412 (a) (1) (relating to floor stocks refunds on automobiles) is amended by striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958", by striking out "July 1, 1957" and inserting in lieu thereof "July 1, 1958", and by striking out "August 10, 1957" each place it appears and inserting in lieu thereof "August 10, 1958."

Section 497 of the Revenue Act of 1951 (relating to refunds on articles from foreign trade zones), as amended, is amended by striking out "April 1, 1957" each place it appears and inserting in lieu thereof "April 1, 1958."

Mr. COOPER. Mr. Chairman, the committee has no committee amendments to offer.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DAVIS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, pursuant to House Resolution 160, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I am, definitely.

The SPEAKER. The gentleman definitely qualifies.

The Clerk will report the motion.

The Clerk read as follows:

Mr. MASON moves to recommit the bill H. R. 4090 to the Committee on Ways and Means.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT UNTIL MONDAY

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

INDUSTRIAL DEVELOPMENT

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it is almost 3 years since I first called attention to the problem of depressed areas, where too many people have been out of work for too long a time in the midst of national prosperity.

Local redevelopment committees are making heroic efforts to replace old industries that have gone out of business, or have moved away. It is impossible, however, to attract modern industries for multistoried factory buildings that are 50 years of age, and older. Second-class industries will never make up the ground that has been lost. Communities that are going through a difficult period of economic transition, must attract growth industries.

For this they must have new and functional industrial plants.

How are they going to get them?

Trust to luck that a sound and vigorous corporation will decide to build a new plant in their community?

Or hope that local financial interests will have the courage and the enterprise to build modern one-story plants for sale or rental to prospective industries that will be attracted by the community's recognition of their needs, and by its faith in itself?

As to the first alternative, communities cannot rely upon the lightning of good luck to strike them.

As far as the second alternative goes, local financial interests are too conservative to embark upon the bold and imaginative leadership that is required.

The only solution is for the Federal Government to assist, and on a practical basis.

My original bill called for a revolving fund to provide loans for this purpose and to be self-liquidating.

The Federal Government would advance up to 50 percent of the money needed for the approved project, with local interests to provide the remainder, in order to enlist local support and local responsibility.

Hearings will bring out supplemental measures to round out the picture, but the germinal idea is to provide Federal loans, in part, to pioneer the industrial redevelopment of depressed areas.

The challenge cannot be ignored.

As new problems arise, we must face up to them.

The legislation I proposed does not involve an extension of controls by the Federal Government.

It is not a handout.

Basically, it is the concept of a new and temporary partnership, to enable depressed areas to effect the economic transition that is required for their survival.

It calls for forward-looking leadership in the best American tradition.

I ask you, therefore, to approve and to implement the remedies that I submit in the proposed legislation, H. R. 312, to be cited as the Industrial Development Act of 1957. That bill is now under consideration by the House Committee on Public Works.

INDUSTRIALIZATION OF SICILY

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, during this last month a group of government officials from the island of Sicily came to the United States to make a study of industry and natural resources here. The purpose of this visit was to obtain a background for the industrialization of Sicily. In this effort Sicily understands that country requires a sound economy. Sicily has recently embarked on a 5-year industrial plan to achieve political and administrative autonomy. She is now embarking on the industrial phase of her development, which includes a fuller development of the island's natural resources such as its mineral wealth and its water potential as well as agriculture. This group was made up of the Hon. Giuseppe Alessi, former President of the Sicilian Regional Government and President of the Sicilian Regional Assembly; Dr. Salvatore Russo, Executive Assistant to the President of the Sicilian Regional Assembly during his mission to the United States and also a member of the Board of Directors of the Land Reform Agency in Sicily; the Hon. Giulio Bonfiglio, former President of the Sicilian Regional Assembly; and the Hon. Claudio Majorana, Vice President of the Sicilian Manufacturers' Association.

This group was in the United States from February 14 until March 10.

Deputy Alessi and Dr. Salvatore Russo are both personal friends of Mr. Michael Chinigo, the head of the International News Service in Rome and head of the Hearst Newspapers for that area. Mr. Chinigo is a constituent of mine and has his residence at Champaign, Ill.

I had an opportunity to meet with this group on two occasions and to discuss the problems which they were studying in the United States. After their tour of the country, I had another opportunity to talk over the things they had learned about the United States. I believe their trip was a most profitable one. They will go home somewhat imbued with an understanding of our economy. I am hoping also that they will be able to carry away something profitable in the way of giving to Sicily some of our own free-enterprise system.

All of these men are highly dedicated to their task and are working in the best interests of the people of Sicily and the country of Italy.

On the occasion of their departure from Washington, this group together with the Ambassador of Italy met with the Speaker in the Speaker's chamber and presented to the Speaker for the Congress of the United States a bronze statue, which represents one of the most famous statues of the classic world, the Venus of Syracuse. The statue was sculptured by Antonio Ugo, one of the modern-day sculptors of the world, who did this statue before his death in 1950.

On the occasion of the presentation, President Alessi made the following speech of presentation to the Speaker of the House:

I am extremely glad and honored for being here, the seat of the House of Representatives of the great people of the United States of America, and to bring to you, Speaker of the House, the salute of the Regional Assembly of Sicily, the heir of the oldest Parliament of the modern world.

I bring to you a bronze statue, created by a renowned artist of Sicily, which represents one of the most famous statues of the classic world, the Venus of Syracuse.

Sicily wants to express to the Congress its gratitude for the continuous assistance received from the United States and the deep, sincere friendship of the people of the island for the great American people.

We know that among the electors of the Members of the Congress there are many American citizens of Italian descent and, among these, many of Sicilian descent; we also know that for their civic loyalty, their work and intelligence they have gained the general consideration.

We are proud for the words of appreciation numerous and important personalities had for their work, and we are glad that, in virtue of your human and progressive legislation, they had the opportunity of entering, completely and successfully, into the community of your country.

The present I bring to you, Mr. Speaker, is the expression of this sentiment of deep friendship and of the hope that the efforts of our countrymen, those who are here and those who will receive your hospitality in the future, shall contribute to the exploitation of your tremendous resources and to the attainment of a better tomorrow, based on the freedom and the economic and social progress of all the peoples of the world.

I am sure that all of us in this House were happy to have with us during these weeks such a fine representation from Sicily to understand more about America. They do carry with them, as they return to Sicily, the very best wishes of all of the Members of the House. They have left a lasting impression in America of their visit. We hope that in time they may be able to return again, and to learn more about the political, business, and social life of the United States.

THE LATE RICHARD E. BYRD, REAR ADMIRAL, UNITED STATES NAVY, RETIRED

Mr. VINSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the life and accomplishments of the late Rear Adm. Richard E. Byrd.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, the Almighty God, Captain of man's destiny, in His infinite wisdom, has called home one of His greatest sailors.

Rear Adm. Richard Evelyn Byrd has embarked upon his last great venture. He will take his rightful place among the heavenly hosts with the outstanding explorers of world history, Magellan, Columbus, Peary, Hudson, and others, who, in their lifetime, entered into the great areas of the then unknown world.

Descendant of an eminent Virginia family, he traced the roots of his ancestry in the Commonwealth of Virginia back to 1674.

A Naval Academy graduate of the class of 1912, he was disabled and retired, but came back on active duty to serve in two world wars and to carry forth the explorations and exploits which forevermore will place his name among the great men who have served the world.

His contributions to science, particularly with respect to the vast areas of the Arctic and the Antarctic, have very substantially contributed to the welfare of mankind, and to the United States of America in particular.

The world has lost a great explorer, and a notable scientist. The Navy has lost one of its most illustrious sons—and I have lost a close personal friend.

In my lifetime I have met many fine and outstanding men and women, but I have always reserved a special niche in my heart for Richard E. Byrd. I admired him not only for his courage, his perseverance, his capacity, his integrity, and his personal charm, but also because of a special aura of sincerity and devotion to America that somehow or other set him apart from other men.

I knew him first as an officer serving in the old Bureau of Navigation. I recognized then that he was a man who possessed particular skill and talent. I soon discovered that my admiration and respect was not misdirected, for on April 17, 1925, he was detailed to duty in command of a naval flying unit to accompany the McMillan Polar Expedition.

In 1926, he was granted leave in order to accompany an aviation Arctic expedition, which later became known as the Byrd Expedition to the North Pole. On May 9, 1926, accompanied by Floyd Bennett, chief machinist mate, United States Navy, he flew from Spitzbergen on his memorable flight over the North Pole. For this heroic action he was awarded the Medal of Honor, "for distinguishing himself conspicuously by courage and intrepidity, at the risk of his life, in demonstrating that it is possible for aircraft to travel in continuous flight from a new inhabited portion of the earth over the North Pole and return."

In 1927 he made his transatlantic flight, and was awarded the Distinguished Flying Cross "for extraordinary achievement in aerial flight; in recognition of his courage, resourcefulness and his skill as commander of the expedition which flew the airplane America from New York City to France, across the Atlantic Ocean under extremely adverse weather conditions which made a landing in Paris impossible, and finally for his determination and courage in directing his plane to a landing at Ver sur Mer, France, without serious injury to his personnel, after a flight of 39 hours and 56 minutes."

Thereafter, he commanded a second Byrd expedition, this time to the South Pole. And on November 29, 1929, he flew from his Antarctic base at Little America to the South Pole and returned, for which heroic action he was awarded the Navy Cross.

My high regard for his ambitions and accomplishments were fully justified by his record of 5 expeditions to the South Pole and 2 to the North Pole. And I am happy to recall that the honors that he so richly deserved, the medals and citations he so fully earned, were bestowed upon him while he yet lived. He was a prophet with honor in his own country. He was also a prophet with honor in practically every other nation in the world.

In 1955, by direction of the President and upon the recommendation of the Chairman of the Joint Chiefs of Staff, Admiral Byrd was designated officer in charge, United States Antarctic programs. In this capacity he was named the senior United States representative, charged with maintaining effective monitorship over the political, scientific, legislative, and operational activities which comprised the total United States Antarctic program. Illness prevented him from assuming on-the-spot supervision, but his never-ending interest and faithful devotion to duty in carrying out his assignment can be summarized in a recent dispatch, dated February 27, 1957, to Admiral Wright, commander in chief, Atlantic Fleet:

> Many thanks for your report of February 17 on progress of Operation Deep Freeze. Deeply moved by your warm words re any of my contributions and those of the men serving with me. You give me more credit than I deserve, but am nevertheless happy to think that in some small degree these helped prepare way for opening up of Antarctic Continent.
>
> In view of extremely ambitious scale of this year program, am delighted by success of Task Force 43 in establishing all assigned bases and carrying out logistical support program. Rear Admiral Dufek's success hard won in face of unexpected and crippling ice conditions. We can all be proud of the part played by you and the officers and men of the United States Atlantic Fleet and the United States Air Force who participated in this year's historic operations in the development of the world's last stronghold of the unknown.
>
> My warmest regards to you and my thanks again for your thoughtful communications from Norfolk and Antarctica.
>
> RICHARD E. BYRD.

The day will come when his explorations in the South Pole may well be of vital concern to the interests of our Nation. His contributions in mapping and surveying would alone justify the many encomiums which he received in life as in death. But beyond that were his contributions in the field of meteorology, natural resources, and combat operation techniques in subfreezing areas.

Richard Evelyn Byrd is now resting in Arlington National Cemetery, in his native soil of Virginia, there to remain in everlasting glory.

I extend my heartfelt sympathy to his widow and family.

And yet there is victory in death for he leaves not only a cherished memory for his wife and family, but he has also bestowed an inheritance upon the American people that will never be extinguished. There will always remain behind his long list of honors—the Medal of Honor, the Navy Cross, two Distinguished Service Medals, two Legions of Merit, the Distinguished Flying Cross, the Silver Life Saving Medal, the Medal of Freedom, the French Legion of Honor, and many, many other citations—all

evidence of the tremendous respect and esteem in which the world held Richard Evelyn Byrd. Today in every part of the globe where Old Glory is displayed, it flies at half-mast in respectful and rare tribute to this extraordinary man.

To the list of outstanding naval heroes will now be added the name, Richard Evelyn Byrd—to the list of notable Americans who have served their nation long and faithfully will be added the name, Richard Evelyn Byrd—to the list of the truly great men who have served the world will now be added the illustrious name of Richard Evelyn Byrd, Rear Admiral, United States Navy.

YANKEE HOMECOMING

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, New England through Yankee Homecoming extends a hearty invitation to all to visit us in 1958 and join us in a program which will make New England better known to the rest of the United States, to the world, and to itself.

Yankee Homecoming, long planned by a famous New England artist, Jack Frost, of Massachusetts, will bring to our region next year thousands more visitors than usual to rest or travel or play or to see our rapidly growing industrial enterprises.

Some of you may never have been in New England. All of you and your families will find a grand welcome awaiting you. There will be many special events for those of all ages.

As our former distinguished colleague, Foster Furcolo, our Governor, said in a statement recently giving his vigorous support to Yankee Homecoming, our visitors "will benefit from exposure while at leisure, on vacation, to the basic concepts of free enterprise and individual freedom that began in the six New England States. It will be a sort of patriotic rebirth."

Governor Furcolo also issued an official proclamation urging the support of all of us for Yankee Homecoming.

I personally pledge my enthusiastic backing and am certain that all New Englanders here in Congress will add theirs to this very wonderful enterprise.

I intend to write my friends in the United States outside New England and my friends abroad urging all to join in this unprecedented celebration.

It is good for New England—good for the entire country.

SEE PILGRIM VILLAGE AND THE "MAYFLOWER" AT PLYMOUTH, MASS.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, a new way of life began when the first immigrants stepped ashore from the *Mayflower* in 1620.

Mayflower II, an exact replica of that history-making vessel, will sail the same course in 1957.

Here it will be given a permanent home as a good will gift from the people of Great Britain to the people of the United States.

That ship is destined to become a part of a famous shrine of early America, for around it will rise a living Pilgrim village which will recapture the spirit of those first years.

In the lee of the *Mayflower*, just as it was 3 centuries ago, men and boys will work in the saw pit, at the grist mill, in the gardens, at the brick kiln, carrying on with the crude tools of that time; while women and girls will spin, weave, churn, dip candles, and make pottery in the way of busy Pilgrim housewives.

Visitors in 1957 will be able to relive those inspiring days, as if they too, were among the first passengers who landed from the *Mayflower*, to build a new life for themselves and posterity, in the New World.

The Pilgrim Village project involves no public funds or appropriations, and none are being sought. The governors of Plymouth Plantation, of which former Gov. Robert F. Bradford is one, propose to raise the necessary million dollars to build the exhibit through voluntary gifts in the good old New England tradition.

This permanent historical and educational exhibit will appeal to every American parent and child.

Massachusetts is a tourist's paradise.

From this year on, the Bay State will be host to thousands of more sightseers who will come to view Pilgrim Village and the *Mayflower*.

For this is where freedom was born.

AN OCCASION FOR DOUBLE CELEBRATION

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, on March 17, 1957, the sons of Erin will again be joined by the sons of Aaron in a grand and glorious celebration.

Catholics throughout the world, and particularly the Irish, will celebrate St. Patrick's Day. The Jews of the world on that same day will celebrate Purim.

As Irishmen and Jews march, dine, and rejoice together on that day, they will be honoring man's eternal resistance to oppression and tyranny.

They will honor the Irishman's patron saint, St. Patrick, who delivered their ancestors from evil and, at the same time, honor Queen Esther, who delivered the Jews of Persia from the evil Haman, the Nasser of his day.

There are many stories, some legendary, some factual, about the similarity of the history of the Irish and the Jews. In that connection, I am pleased to direct our colleagues' attention to the following article written by Bernard Postal, editor of the Jewish Digest, as it appeared in that publication's issue of March 1957:

> IRISH DESCENDANTS OF DAN AND SIMEON
>
> (By Bernard Postal)
>
> You may be related to some of those Gaelic-speaking Irishmen of Dublin who elected a Jewish mayor. And some of their landsleit may be Hebrew-speaking Israelis whose chief rabbi is the former chief rabbi of Ireland.
>
> Nonsense? Of course, unless you believe in an ancient legend that the Irish are the descendants of two of the Ten Lost Tribes of Israel. We were reminded of the legend because this year Purim and St. Patrick's Day both occur on March 17.
>
> For more than a century there has been a curious movement in Great Britain known as Anglo-Israelism. Its adherents claim—and attempt to prove by seemingly plausible citations from the Hebrew Bible—that the English, Irish, Scotch, and Welsh are the offspring of survivors of the so-called Ten Lost Tribes of Israel and the prehistoric inhabitants of the British Isles.
>
> Actually there were no "lost" tribes of Israel, although for centuries they have been mistakenly identified with this or that race of people in many parts of the world. When the Kingdom of Israel split in two under Solomon's son, Rehoboam, the 10 northern tribes formed the Kingdom of Israel, and the two southern tribes established the Kingdom of Judah. After Israel was destroyed in 721 B. C., the northern tribes were exiled to Assyria. But they didn't become lost. They simply assimilated.
>
> The Anglo-Israelites' theory holds that when Assyria scattered the 10 tribes, the men of Dan and Simeon fled by sea to the islands of northern and western Europe. There the men of Dan became known as the Tuatha- de Daanans of ancient Ireland and the men of Simeon as the Simonii of ancient Wales. From the Hebrew "golim," signifying exiles, the Danites called themselves Gaels, according to the Anglo-Israelites.
>
> In further support of their strange idea, the Anglo-Israelites cite a reference to Arsareth in Ezdras II (the second of the two books of the Apocrypha), which they accept as an illusion to Ireeretz, or Ireland. They also insist that Hibernia, the Latin name for Ireland, comes from Heber, the mythical ancestor of the Hebrews, who is supposed to have been a descendant of Asher, founder of 1 of the 12 tribes of Israel.
>
> The first settlement of Israelites in Ireland, the Anglo-Israelites believe, was augmented by another branch of the Hebrews when King Nebuchadnezzar crushed the Kingdom of Judah in 586 B. C. According to their reconstruction of history, Tea Tephi, the only survivor of the Davidic line and daughter of Zedekiah, Judah's last king, found refuge in Ireland, together with her guardian, the prophet Jeremiah, and his scribe, Baruch.
>
> Tea Tephi, says the Anglo-Israelites, married Herman, a scion of the house of Tuatha-de Daanan at Tara, the seat of Irish royalty, thus reuniting the two branches of Israel on the soil of Ireland.
>
> Tea Tephi brought with her three great treasures. One was the harp of David, celebrated in Irish balladry as "the harp that once in Tara's (Torah's?) halls the soul of music shed." A second was her royal escutcheon, the Lion of the House of David. Most priceless of all was the Lia Fhail or Stone Wonderful, which has a key place in the legend.
>
> Now housed in Westminster Abbey, this dull, reddish stone is one of the most prized

possessions of the British Commonwealth. For generations it has served as the coronation stone of Irish, Scottish, and English sovereigns. Often called the Stone of Scone, it is believed to be the pillar on which the Patriarch Jacob laid his head at Bethel, on his flight from Esau. But, so the story goes, it was later transferred to Mount Moriah, where in the course of time it was incorporated in the First Temple. This same stone is known in rabbinic literature as the Eben Shettiyah.

How did it get to Ireland and then to Westminster Abbey? It seems that the stone was taken from the temple by some of the refugees who fled to Ireland by sea after the fall of the Kingdom of Judah. The Irish lost the stone to Fergus, King of the Scots, who took it to Scotland for his coronation. In 1296 King Edward I of England carried the stone off to Westminster where it has remained ever since.

The literature on this fantastic legend goes to great lengths to associate various Gaelic words with their supposed Hebraic origins. One writer even claimed that the Irish salutation at parting, "slan leact," which means "peace and health be with you," is only a Gaelic version of the Hebrew "shalom aleichem." Even Irish names have been traced to Hebrew sources. The popular Irish surname MacCabe is derived from the Maccabees, according to this school of thought.

Far-fetched though all this is, it is a fact that Tea Tephi's grave is an Irish shrine. Her exploits are celebrated by the ancient bards of Erin who also sang of her guardian, Jeremiah.

There is an old Irish tradition that Jeremiah opened a school (a Talmud Torah?) in Ireland which was attended by a great monarch. Irish chroniclers wrote that "Fin McCoyle went to school with the prophet Jeremiah" and "there's not a hut the isle around but where a Jerry may be found." Which may explain the popularity of Jeremiah as a given name among the Irish.

If the tortured reasoning of the Anglo-Israelites has even a scintilla of fact to support it, then there should have been no surprise when Dublin elected as its mayor a good Orthodox Jew. And of course the Anglo-Israelites would argue that when Dr. Isaac Herzog, who was chief rabbi of Ireland for 20 years, became chief rabbi of Palestine in 1937, he was only returning to the original home of the Irish and the Jews.

Legends apart, the first authentic mention of Jews in Ireland goes back to 1079 of the present era. A fleeting record of that year notes that "five Jews came over the sea bearing gifts of Hua Brian and were sent back over the sea." These were probably emissaries of the Normans who had conquered England in 1066. Strongbow, an Irish chieftain who fought the Norman invaders, is said to have had a Jewish banker.

The earliest Jewish settlement dates from 1232 when King Henry III gave "the custody of the King's Judaism in Ireland" to one Peter Rivall. These Jewish settlers were probably exiled in 1290 when England's Edward I ordered the wholesale expulsion of all Jews from his realm. At any rate there is no further reference to Jews in Ireland until 1620 when David Sollom, a Jewish merchant, acquired some property in Meath.

A few Jewish families—Marrano refugees from Portugal—settled in Dublin in 1660, possibly on the invitation of Oliver Cromwell, who had readmitted the Jews to England a few years before. In that same year these survivors of the Inquisition founded Ireland's first synagogue—in Crane lane, off the present Dame Street, in Dublin. A Jewish cemetery was established in 1718 and a second synagogue was opened in Dublin in 1746. By then there were some 200 Jews in the city. By 1778 there were also Jewish merchants in the city of Cork.

The Dublin community maintained a precarious existence until about 1822 when settlers from Germany and England revived the old congregation. In 1844 Irish Jewry was sufficiently numerous to demand, and obtain, provisions for marriage according to Jewish rites in the Irish Marriage Act. The terrible potato famine of 1846, which caused thousands of deaths from starvation and led to the emigration of tens of thousands of Irishmen to America and Australia, indirectly raised the status of Irish Jewry when Baron Rothschild of London contributed what was then the huge sum of $50,000 for famine relief.

Among the early 19th century personalities in Dublin were Barnaby Cohen, known as "Pencil" Cohen, because he is said to have invented the lead pencil and introduced its manufacture in Ireland, and "Chocolate" Philipps, who pioneered in making Irish chocolates. In 1850 Marcus A. Jaffe founded the Jewish community in Belfast. His son, Sir Otto Jaffe, who was twice lord mayor of Belfast, established Ireland's famed linen industry. The first Jew to represent Ireland in the British House of Commons was Ralph Bernal Osborne, who held the seat from Waterford in 1871.

Until the Russian Jews began arriving in the 1880's, Irish Jewry remained exceedingly small. Today there are somewhat more than 6,000 Jews in all of Ireland. Most of them live in Dublin, the capital of the Irish Free State, with smaller settlements in Cork, Limerick, Londonderry, and Waterford. The second largest community is in Belfast which is in Northern Ireland, and part of Great Britain. Irish Jewry as a whole is Orthodox, second or third generation Irish-born and English-speaking with a brogue.

One of Ireland's greatest prides is that it has never known anti-Semitism except for the occasional utterances of individuals. The great Irish patriot, Daniel O'Connell, wrote to an English Jew in 1829 that "Ireland has claims on your ancient race, as it is the only Christian country that I know of unsullied by an act of persecution of the Jews." During the prolonged struggle for Jewish political equality in England, O'Connell and his associates, who had won a similar battle for Irish Catholics in 1828, vigorously championed Jewish rights. O'Connell and the Archbishop of Dublin fought strenuously for Jewish emancipation. Even before that, Edmund Burke, the Irish-born statesman and writer, valiantly defended Jewish rights in the House of Commons when he voiced a protest against a British admiral who had permitted his men to maltreat the Jews of St. Eustasius after the British captured that Dutch West Indian island.

Although the Jewish community as a whole maintained a neutral position during the Irish civil war because the struggle was in the nature of a Catholic-Protestant conflict, Dublin Jews gave shelter to many Irish revolutionaries hiding from the British and individual Jews took a leading part in the rebellion. Chief among these was Robert Briscoe. Another was Michael Noyk, who risked his life to defend Gen. Sean McKeon before a British court-martial. Later Noyk smuggled in guns to McKeon's cell so that the general could shoot his way to freedom. That same night both men were saved when the British declared a general amnesty for all political prisoners.

The first woman member of the Irish senate when the Irish Free State was established was Countess Desart, a Jewess. The most beloved woman in Ireland, the Countess was a native of London and a member of the well-to-do Bischoffsheim family, one of whose members sat in the Sanhedrin convened by Napoleon. In 1881 she became the second wife of William Ulick O'Connor, fourth Earl of Desart, an Irish peer. After her marriage she spent the rest of her life in Ireland, winning nationwide fame for her philanthropies and for her role in helping to revive the Irish language, arts, customs, and industry and for establishing schools. Despite her intermarriage she remained a member of the Jewish community. It was as a Jewess that President Cosgrave appointed her to the senate in 1922.

The Irish Free State constitution, adopted in 1937, gives official status to the Jewish religion, provides for the equality of Jewish schools—which receive state support—legalizes Jewish communities, establishes unequivocal guaranties for Jewish cultural and communal rights, and exempts Jewish children from Catholic religious instruction where such training is given. When Palestine called Ireland's chief rabbi to a similar post in Israel, the Irish Times proudly proclaimed that the selection reflected high honor upon the Irish nation.

When Robert Briscoe, now mayor of Dublin, was attacked in a French anti-Semitic newspaper as an alleged agent of "international Jewry," Prime Minister de Valera, of whose party Briscoe has been a lifelong member, protested to the French government, declaring that it was not merely a deputy of this house (Irish Parliament) that was libeled, but the whole nation. In 1947 the Irish Free State government donated 1 million pounds of kosher meat for distribution among Jewish DPs in the European camps. When the State of Israel declared its independence in 1948, many Irish lads volunteered to fight with the Israeli Army.

Two incidents in the history of the Adelaide Road Synagogue in Dublin, which traces its history back to those Marrano refugees of the 17th century, epitomize the traditional bond of sentiment between Irish and Jews. In 1882 the Adelaide Road Synagogue issued an appeal for funds for a new house of worship. The Dublin Daily Express promptly opened its columns to the synagogue campaign and called on all Irishmen to support the campaign.

Nearly half a century later that same synagogue was badly damaged by German bombs when a Nazi plane inadvertently mistook Dublin for an enemy target. Because Ireland was a neutral and the Hitler regime was most anxious not to alienate the Irish, Hitler sent a personal apology to the de Valera government and promptly offered to pay for all the damage. The Irish Free State reimbursed the Jewish community with Hitler's funds and the Adelaide Road Synagogue was rebuilt with Nazi money. That's why some Irishmen, with typical Gaelic wit, call Ireland's oldest Jewish congregation "Hitler's synagogue."

THE FOREST SERVICE APPROPRIATION

The SPEAKER. Under the previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, the House has already given consideration to the appropriations for the Department of the Interior for the next fiscal year. The information which I offer today is, therefore, belated, but I believe the facts justify what I am about to say.

There was in the bill prior to its consideration by the Appropriations Committee a budget item within the Forest Service appropriation which was intended to provide assistance to the States for reforestation work done under title IV of the Agricultural Act of 1956. The committee deleted this item and that action was sustained by the House.

Although I do not agree with this deletion, I want to commend the committee

upon the excellence of the statement they made in defense of the deletion. By their statement they showed a perception of the whole reforestation field, and especially of the current situation in regard to the nursery capacities. The committee made a good analysis of our present position and the position for the immediate future. However, they overlooked some important points.

The tree-planting programs enumerated in the statement are much different than the one that would have been provided by the appropriation in question. In fact, the reforestation mentioned as being provided for the national forests, and on lands administered by the Indian Service and the Bureau of Land Management is really quite apart from that that is needed on the private and State lands which comprise the great bulk of what needs doing and which will yield so much benefit to our future well-being. The private land planting programs now operating all carry restrictions of one kind or another that prevent getting our lands restored on a practical down-to-earth basis by bringing the best of knowledge, men, and machines to do the job. For example, the soil bank's conservation reserve tree planting is restricted to land that was in agricultural crops last year. The land withdrawn from agricultural crops several years ago and the farmland thinly stocked with trees of scattered or poor condition cannot receive the benefit offered by the soil bank. Farmers owning these noneligible lands need the help offered by the proposed program. Another example of restriction in an established program is found in the cooperative tree distribution program. It can furnish and deliver trees to the planting site but cannot advise the landowner what trees he should have ordered for the site in the first place, or help him actually plant them.

There are in the United States as a whole more than 50 million acres of timberland that is now producing very little or nothing in the way of raw materials for our national economy and jobs for our citizens. The South has about 40 percent of this land. These lands produce little or no support for their owners. Revenue must come from other lands on the farm, not from them. For these lands to take their place in supporting our citizenry will require that they be changed over from their present condition as abandoned fields and scrubby woodlands. They will have to be planted to good species of trees to grow into forests that will yield material and jobs for future generations.

Under the proposed program a complete job would be done without hampering, piecemeal restrictions. Under it the work of supplying stock and actually planting the trees would be done for a specific area, such as a county on a planwise, coordinated basis by the State foresters' technicians, with adequate advance knowledge, modern power machines, and all else needed to establish satisfactory plantations that will produce commercial timber in the shortest time compatible with the site in question. This would be invaluable to all, and especially to nonresident owners who want to practice good forestry and land management but have no way to do so while they make their living away from their forest holdings.

The restoration of the $4 million for the title IV reforestation of commercial forest lands not eligible for help under the Soil Bank Act is recommended as a matter of good business that will be of great practical significance in accomplishing this urgent job. Even at this particular time, when the Congress is properly concerned with the need for greater economy in Government, we will do well to think ahead of the importance of maintaining our own natural resources. The protection and restoration of our timberlands is still one of the biggest jobs ahead of us.

THE ONASSIS SHIPPING INTERESTS

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. ZELENKO] is recognized for 5 minutes.

Mr. ZELENKO. Mr. Speaker, I have introduced a resolution to investigate the $100 million "build and trade out" agreement between the Maritime Administration and the shipping interests of Aristoteles Onassis, an Argentine citizen and a resident of Monaco.

After months of study I have come to the conclusion that Mr. Onassis appears to be the recipient of a $100 million windfall and handout.

Chairman BONNER of the Merchant Marine Committee has agreed to hold hearings on this subject before the committee on March 27, 1957. Subpenas are right now being served on all parties to the deal.

A transaction of this type is governed by United States statute. It is permitted with companies owned or controlled by American citizens to stimulate shipbuilding in American yards. To enable them to get necessary funds, these companies are allowed to transfer or sell some of their active tankers to foreign-flag registry. This permits them to employ non-American cheap labor and to get substantial income-tax profits.

Also, the American companies get certain other benefits from the building of the new ships because they can obtain a 100 percent United States guaranteed mortgage.

This is how Onassis did it:

Mr. Onassis, among other assets, owned 12 tankers and 2 Liberty ships. He is not an American citizen. His two minor children are. They were born in the United States. In order to obtain the benefits of the statute, he caused to be drawn a so-called "irrevocable trust" agreement in which he is supposed to have turned over to his two children forever the title to the 12 tankers and the 2 Liberty ships. The trustee is the Grace National Bank of New York, an institution controlled by American citizens.

The trust is full of loopholes. As a matter of fact, under its terms, Onassis still has substantial control of the entire operation and by a number of devices and unreported agreements he can revoke, modify or amend the trust.

These are the details:

Under the agreement the "trustee" has contracted to build a 100,000-ton tanker and two tankers of 46,000 tons each, which will cost about $50 million. These ships are to built by Bethlehem Shipyards. This building project will cost Onassis practically nothing for he is to obtain a 100-percent mortgage from American insurance companies and banks, which is guaranteed by the United States Government.

The other side of the deal, in which he supposedly relinquished title to the 12 tankers and 2 liberty ships, provides that these vessels now under American flag be sold or turned over to his own foreign flag companies.

By means of some high-power bookkeeping these ships are being sold for about $13 million. They are worth about $50 million in the world market today.

Onassis is transferring, or has already transferred, most of these vessels. The ships to be built may be completed in 3 years.

These appear to be the results of the deal if permitted to proceed:

Five hundred and sixty-seven American seamen lose their jobs on the 14 ships. They are replaced by foreign seamen working at less than 50 percent of American wages.

The new ships, if completed, will employ only 170 Americans, but not before 3 years from now.

There is no present gain in American shipyard employment because the yards now have all the work they can handle for about 3 or 4 years.

The United States loses income taxes from the wages of the American seamen put out of work.

The United States loses substantial tax returns from the operation of the transferred ships.

Onassis transfers the 14 ships now for a depreciated value of about $13 million, allowing 1 of his companies to write off millions in depreciation in tax deductions while his other companies, to which the ships are being turned over, can sell the same vessels at this moment for over $50 million, practically all clear profit under capital-gains taxation after a short period of time—if, in fact, any tax will have to be paid to the United States at all.

Onassis can now operate these ships at one-third the cost under foreign flags as against his American-flag operation.

Not even a bond has been required of Onassis for the fulfillment of the contract. All the United States gets in the event of a default is a damage claim limited to $8 million—if and when it can ever collect.

It appears, therefore, that under this porous and collapsible trust agreement the Onassis interest has attempted to confer American citizenship upon itself in order to build $50 million worth of ships with United States Government guaranteed funds; to obtain a tax and property windfall of another $50 million worth of American vessels—adding up to a largesse of $100 million to Onassis—while 570 American seamen are put out of work.

Mr. Speaker, do you not agree that

to go broke, we'll do it with corn at $1.36

by the undersigned Members of Congress that

right to expect something from his Gov-

it is no agreement in writing and no pro-

Mr. DORN of South Carolina in two in-

the city. By 1776 there were also Jewish merchants in the city of Cork.

rage she spent the rest of her life in Ireland, winning nationwide fame for her philan-

Although I do not agree with this deletion, I want to commend the committee

cially to nonresident owners who want to

voke, modify or amend the trust.

of work.

Mr. Speaker, do you not agree that the least that should be done under the circumstances is to give this matter a thorough review?

THE CORN PROGRAM

The SPEAKER. Under the previous order of the House, the gentleman from South Dakota [Mr. McGOVERN] is recognized for 5 minutes.

Mr. McGOVERN. Mr. Speaker, in view of the serious crisis confronting America's corn farmers which crisis has been further complicated by the failure of the House to agree on an adequate corn program, I have today called upon the Secretary of Agriculture to announce corn price supports on the 1957 crop in the commercial corn area at $1.60 per bushel.

Such an announcement will enable the Congress to work out an adequate acreage allotment program with some assurance that corn planters will comply with the program. It will require the assurance of a fair price on corn to induce corn planters to stay within reasonable acreage allotments.

Farmers demonstrated by a virtual boycott of the December 1956 corn referendum that they were opposed to both of the alternatives offered in that referendum.

Yesterday, I reluctantly voted for the Harrison corn bill which simply reopens the two inadequate alternatives offered in the corn referendum. I supported this bill only after all other corn proposals before the House had been defeated.

The Harrison proposal, like the December corn referendum, offered the corn farmers two alternate routes to bankruptcy.

Rather than accept either of these alternatives, an estimated 70 percent of the Nation's eligible corn farmers refused to vote at all in the recent referendum.

A recent survey by a highly respected farm journal, Wallace's Farmer, showed that only 29.7 percent of all eligible Iowa producers voted in the corn referendum. Seventeen percent of Iowa's corn farmers expressed preference for the Benson soil bank plan providing for corn price supports at $1.31 per bushel. Twelve percent expressed a preference for the allotment plan calling for price supports at $1.36 per bushel.

But the significant point is that 7 out of 10 Iowa corn farmers refused to vote at all.

A poll recently completed by Wallace's Farmer reveals that 57 percent of the Iowa farmers said that they were opposed to both plans. Another 16 percent said they didn't understand the referendum.

Figures from other leading corn States indicate that, as was the case in Iowa, about 70 percent of the Nation's corn farmers refused to participate in the referendum. The gentleman from Nebraska [Mr. HARRISON] has thus wrongly concluded that a bill combining both alternatives of the Benson corn referendum would satisfy both the majority and the minority of the Nation's corn producers.

It would be more correct to conclude that, as of last December, 12 percent of the corn farmers reasoned: "If we have to go broke, we'll do it with corn at $1.36 per bushel." Seventeen percent said, "If we have to go broke, let's get it over with as soon as possible with corn at $1.31 a bushel."

But 7 out of 10 corn farmers said, "We may go broke, but at least we won't join in voting for our own bankruptcy."

Why cannot we realize now that if we want farmers to comply with acreage reduction programs, we must assure them of a decent price on their reduced production? This is the same theory that has enable workers to secure a higher hourly wage when their working hours were reduced.

Mr. Speaker, many people falsely assume that price supports at 90 percent of parity cost the taxpayer more than Mr. Benson's sliding scale. That is why the two gentlemen from Wisconsin [Mr. LAIRD and Mr. BURESH] made unsupported statements in the House last Tuesday charging that a 90 percent of parity amendment which I recently proposed would cost additional billions of dollars.

The truth of the matter is that price support losses under Secretary Benson and his sliding scale have been 3 times as high for the last 4-year period as for the entire 20 years of the Roosevelt and Truman administrations.

During the 4 years of Secretary Benson's management of our farm program the price support losses on commodities supported at 90 percent of parity have been equal to only one-third of the losses on commodities carrying Mr. Benson's flexible price supports.

Furthermore, by cutting price supports, Mr. Benson has encouraged farmers to increase production in an effort to maintain their incomes. This is one reason why Government farm surpluses have multiplied several times under Mr. Benson's management.

The total inventory of the Commodity Credit Corporation, according to the CCC's latest report, including that amount pledge for loans, was $8.2 billion as of December 31, 1956, compared to a total of $3.5 billion on June 30, 1953.

The sooner we recognize that corn farmers and other farm producers are entitled to at least 90 percent of a fair price for their production, just that much sooner will we persuade farmers to participate in a reasonable crop control program—a program that will not only reduce farm surpluses and Federal costs, but will also restore prosperity to the farm families of America.

Mr. COAD. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. COAD. Mr. Speaker, I appreciate very much the statement the gentleman has made and wish to associate myself with the gentleman's remarks. I wish to inform the gentleman that I have joined in this activity and this afternoon presented to the Members of the House the following petition which I will read:

MARCH 14, 1957.

PETITION TO THE HONORABLE EZRA TAFT BENSON, SECRETARY OF AGRICULTURE, WASHINGTON, D. C.

Whereas it is an acknowledged fact that the corn farmers of America are faced with an impossible program as to allotments and price supports, it is hereby respectfully requested by the undersigned Members of Congress that you, honorable sir, do immediately announce the support price for corn in the commercial corn area at $1.60 per bushel for the year 1957 pursuant to the authority granted you by the Agriculture Act of 1948, as amended.

Mr. McGOVERN. I thank the gentleman.

INTERIM AUTHORITY TO SPEAKER AND CLERK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

A BILL TO ACQUIRE AGREEMENTS AND UNDERSTANDING ON PROSPECTIVE IMPORTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. HEMPHILL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, one of the purposes of my bill is to call attention of the Congress and the people to our defensive foreign policy with respect to imports from Japan and other countries. Too long have we geared our policies to conditions either imposed by and beneficial to some foreign country. Our State Department gives secondary consideration to our own industry, investors, workers, and management. We need an offensive policy—one in which we move forward constantly to protect Americans, and their interests, first.

This legislation has not only to do with textiles, but with other imports. I want to quote here from a letter I received from a constituent in my district:

The veneer business in South Carolina furnishes a considerable payroll for the workers of the State and we are being very badly hampered in continuing full time operation by the import of Japanese plywood.

Competing with cheap Japanese labor has adversely affected the prices of our product until it is almost impossible to maintain full operation of the plant with consequent cutbacks in our payroll.

Let us stop for a minute and consider what has happened. This letter is from an American citizen, whose forebears have distinguished themselves in the defense of this country, and he, along with his forebears, has worked hard and diligently for the development of his community, State, and Nation. He has experience, know-how, investment, and years of dedication. He has machinery, and he has paid taxes for years on the properties he uses. He has employed people whose livelihood depends on the continuation of this industry. He has a

right to expect something from his Government regardless of whether it be Democratic or Republican. He and his people have fought for it and have died for it and have paid for it. I do not believe he is being considered in this reckless diplomatic spree, this stumbling, bungling economic-foreign policy.

Let me call your attention to one other thing. He has paid American wages, in order that his employees might have an American standard of living. His employees, out of those wages, are paying taxes for a Government which should give them some protection and some relief. This they are not getting.

Unemployment looms on the horizon. This always presents a dark picture and I say that it is wrong for any part of the Government to sacrifice even the job of one man without the greatest consideration.

This is just one of the examples.

A few weeks ago, I received a letter from the national authority for the ladies handbag industry. I quote from the letter as follows:

The continued alarming increase in the importation of foreign-made leather handbags is a matter of great concern and distress to the American handbag industry.

Again Americans want import quotas.

I might tell you that I have written letters, begging people in the industry to demand of the administration specific agreement such as this bill would have, and warning them not to be lulled into false security. From my contempories in this very House, I have learned firsthand what happened to the gingham and velveteen industries and how the damage was done before they awakened. I know this is happening to other industries, and we here on Capitol Hill are charged with protecting and representing our people.

I do not mean to dwell on plywood, but imports of plywood amounted to 74 million square feet in October, 1956. The total for 10 months of 1956 was 567 million square feet with a dutiable value of $45 million. Seventy-three percent of the plywood came from Japan. Imports have captured 46 percent of the domestic market. The statement I make is from the hardwood, plywood manufacturers committee.

I have a memorandum dated January 16, 1957, and I believe issued by the State Department or Commerce Department and entitled "Japanese Program for the Export of Cotton Textiles to the United States." I quote from part of it:

The purpose of this program is to effect orderly marketing of Japanese cotton textiles in the United States by avoiding excessive concentration in any particular period or on any particular item, and textile exports from Japan to the United States.

All feasible steps shall be taken by the Japanese Government to prevent transshipments to the United States through third countries.

Exports from Japan to the United States of particular items shall be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands.

The very language used shows weakness and bespeaks of corrupted and misguided thinking.

I would like to call your attention to the fact that this is a memorandum, and it is no agreement in writing and no provision for enforcement. The bill I have introduced, however, provides for reduction to writing and for enforcement.

I will be first to admit that we are still a long way from the protection we deserve, but I believe this bill is a step in the right direction.

Under date of February 1957, there appeared in the New York Times, on the financial page, an article calling attention to certain shipments through Hong Kong. I think this is proof of the fact that the goods might be imported into some other country, and shipped to America for the purpose of underselling our domestic industries. My colleague the gentleman from Maine [Mr. COFFIN] will have some remarks on this for the RECORD.

I realize that foreign trade is the lifeline of Japanese economy and that this is true of other nations, but I believe that the American taxpayer should receive first consideration.

I hope the members of the House can support this bill and that the committee will see fit to give it a favorable report. We have no protection now. We need import quotas, rigidly applied and rigidly enforced. We need tariff protection. The man who needs this is the man who is paying for this government and who wants to work and who wants to keep up the American standard of living. This bill is a step in the right direction and gives him not only the protection of an agreement which spells out its terms, for his benefit in making plans for the present and future, but provides for some enforcement.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ZELENKO today, for 10 minutes, and to revise and extend his remarks.

Mr. McGOVERN for 5 minutes today.

Mr. HOFFMAN on Monday and Tuesday next for 30 minutes on each occasion.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COAD.

Mr. DOYLE and include appropriate material.

Mrs. KNUTSON.

Mr. MASON and include a radio broadcast by Mr. HOFFMAN on the Dean Manion Forum.

Mr. TOLLEFSON.

Mr. PILLION.

Mr. FASCELL and include extraneous matter.

Mr. HOLLAND and include a speech.

Mr. GUBSER and include extraneous material.

Mr. THOMPSON of New Jersey, the remarks he made in Committee of the Whole and includes some letters and a bill.

Mr. VANIK and include extraneous matter.

Mr. DORN of South Carolina in two instances.

Mr. MCCONNELL and include two articles, one a statement of the Secretary of Health, Education, and Welfare and also the Secretary's letter regarding certain figures in connection with school construction legislation.

Mr. SMITH of Wisconsin and include extraneous matter.

Mr. BYRNE of Illinois (at the request of Mr. MARTIN).

Mr. VAN ZANDT (at the request of Mr. MARTIN) and include extraneous matter.

Mr. FLOOD (at the request of Mr. ALBERT) in two instances and to include extraneous matter.

Mr. GARMATZ (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. DINGELL (at the request of Mr. ALBERT) and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 42 minutes p. m.) under its previous order, the House adjourned until Monday, March 18, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

601. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "a bill to provide further protection against the dissemination of diseases of livestock or poultry, and for other purposes"; to the Committee on Agriculture.

602. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Labor Management Relations Act, 1947, as amended"; to the Committee on Education and Labor.

603. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

604. A letter from the Assistant Secretary of the Interior, transmitting a report submitted by the Director of the Bureau of Land Management showing tabulations of withdrawals and restorations of public lands in certain cases for the period January 1 to December 31, 1956, pursuant to the act approved June 25, 1910 (36 Stat. 847, 16 U. S. C. sec. 471; 43 U. S. C. sec. 141 et seq.); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 195. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 196. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR (by request):

H. R. 5982. A bill to extend the period during which vocational rehabilitation training may be afforded certain disabled veterans of World War II; to the Committee on Veterans' Affairs.

H. R. 5983. A bill to afford vocational rehabilitation to certain veterans in need thereof to overcome the handicap of a disability rated 30 percent or more incurred in or aggravated by active service subsequent to January 31, 1955; to the Committee on Veterans' Affairs.

By Mr. ASPINALL:

H. R. 5984. A bill to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROYHILL (by request):

H. R. 5985. A bill to amend the War Orphan's Educational Assistance Act of 1956 to eliminate the upper age limitation for persons eligible for educational assistance thereunder; to the Committee on Veterans' Affairs.

By Mr. CRAMER:

H. R. 5986. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

H. R. 5987. A bill to increase from $600 to $1,000 the personal income-tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. ELLIOTT:

H. R. 5988. A bill to provide for the admission to St. Elizabeths Hospital, in the District of Columbia, of certain citizens of the United States adjudged insane in foreign countries; to the Committee on Education and Labor.

By Mr. FLOOD:

H. R. 5989. A bill to provide a temporary extension of certain special provisions relating to State plans for aid to the blind; to the Committee on Ways and Means.

By Mr. HAYS of Arkansas:

H. R. 5990. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; to the Committee on Education and Labor.

By Mr. IKARD:

H. R. 5991. A bill to amend the Internal Revenue Code of 1954 to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain; to the Committee on Ways and Means.

By Mrs. KNUTSON:

H. R. 5992. A bill to strengthen the Nation by providing auxiliary credit resources required to preserve the family-type farm, providing additional credit for farm enlargements and development, refinancing of existing indebtedness, expansion and simplification of farm ownership and operations credit programs by amendment of the Bankhead-Jones Farm Tenant Act, and extension and simplification of emergency and disaster farm credit by amendment of the acts of April 6, 1949, as amended, and of August 31, 1954, and for other purposes; to the Committee on Agriculture.

By Mr. McCONNELL:

H. R. 5993. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees, and for other purposes; to the Committee on Education and Labor.

H. R. 5994. A bill to provide for registration and reporting of welfare and benefit plans; to the Committee on Education and Labor.

By Mr. MILLER of Nebraska:

H. R. 5995. A bill to amend the act entitled "An act to regulate the practice of optometry in the District of Columbia;" to the Committee on the District of Columbia.

By Mr. OSTERTAG:

H. R. 5996. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

By Mr. PELLY:

H. R. 5997. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H. R. 5998. A bill to readjust the size and weight limits on fourth-class (parcel post) mail matter at the post office at West Warren, Mass.; to the Committee on Post Office and Civil Service.

H. R. 5999. A bill to provide for the issuance of a special postage stamp to commemorate the Military Order of the Purple Heart; to the Committee on Post Office and Civil Service.

By Mr. PROUTY:

H. R. 6000. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 6001. A bill to increase efficiency and economy in the Government by providing for training programs for civilian officers and employees of the Government with respect to the performance of official duties; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H. R. 6002. A bill to amend the Soil Bank Act of 1956, approved May 28, 1956 (70 Stat. 188); to the Committee on Agriculture.

By Mr. SCOTT of Pennsylvania:

H. R. 6003. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas:

H. R. 6004. A bill to amend the Internal Revenue Code of 1954 to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain; to the Committee on Ways and Means.

By Mr. TRIMBLE:

H. R. 6005. A bill to make the evaluation of recreational benefits and wildlife development resulting from the construction of any flood control, navigation, or reclamation project an integral part of project planning, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COOPER:

H. R. 6006. A bill to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes; to the Committee on Ways and Means.

By Mr. REED:

H. R. 6007. A bill to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes; to the Committee on Ways and Means.

By Mr. DORN of New York:

H. R. 6008. A bill to create the Oceanic Canals Commission, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FERNÓS-ISERN:

H. R. 6009. A bill to provide that final judgments or decrees of the Supreme Court of the Commonwealth of Puerto Rico shall be reviewed by the Supreme Court of the United States, similarly as decisions of the highest State courts; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 6010. A bill to amend the Postal Field Service Compensation Act of 1955 to change the position of order filler from level 2 to level 3 of the Postal Field Service schedule; to the Committee on Post Office and Civil Service.

H. R. 6011. A bill to amend the Postal Field Service Compensation Act of 1955 to change the position of elevator operator from level 2 to level 3 of the Postal Field Service schedule; to the Committee on Post Office and Civil Service.

By Mr. FLOOD:

H. R. 6012. A bill to provide that 25 percent of the national service life insurance fund may be invested in making direct home loans to veterans; to increase the maximum loan entitlement of veterans under section 512 of the Servicemen's Readjustment Act of 1944, and to expedite action on certain applications of veterans for direct home loans; to the Committee on Veterans' Affairs.

H. R. 6013. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H. R. 6014. A bill to provide for registration and reporting of welfare and benefit plans; to the Committee on Education and Labor.

By Mr. HALE:

H. R. 6015. A bill to amend the Ship Mortgage Act, 1920, to permit a lien on a vessel of the United States to be recorded even though such vessel is not covered by a preferred mortgage; to the Committee on Merchant Marine and Fisheries.

H. R. 6016. A bill to amend the Railroad Unemployment Insurance Act so as to protect benefits of bona fide railroad employees, remove certain inequities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON:

H. R. 6017. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for certain employers who employ individuals 50 years of age and over; to the Committee on Ways and Means.

By Mr. HOLLAND:

H. R. 6018. A bill to increase from $600 to $1,000 the personal income-tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. HUDDLESTON:

H. R. 6019. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. McFALL:

H. R. 6020. A bill to amend the Internal Revenue Code of 1954 to include tax returns and certain other documents among the documents which are treated as timely filed if mailed on or before the prescribed date for filing; to the Committee on Ways and Means.

By Mr. McGOVERN:

H. R. 6021. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

H. R. 6022. A bill to eliminate the financial limitation on real and personal estate holdings of the American Historical Association and to exempt certain property from

taxation in the District of Columbia; to the Committee on the District of Columbia.

H. R. 6023. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. METCALF:

H. R. 6024. A bill to establish a comprehensive full parity family farm income improvement and protection program, to expand domestic consumption and exports of American farm commodities, to enable farmers to keep market supplies of farm commodities in reasonable balance with augmented demand therefor and for other purposes; to the Committee on Agriculture.

By Mr. MULTER:

H. R. 6025. A bill to provide for the procurement of judge advocates and law specialist officers for the Army, Navy, Air Force, and Coast Guard, and for other purposes; to the Committee on Armed Services.

By Mr. NICHOLSON:

H. R. 6026. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended, to include cranberries for canning or freezing; to the Committee on Agriculture.

By Mr. OSMERS:

H. R. 6027. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

H. R. 6028. A bill to establish a Commission on Budget and Policy to study various methods for limiting the taxing, appropriating, spending, and borrowing powers of the Federal Government; to the Committee on Ways and Means.

By Mr. POFF:

H. R. 6029. A bill to repeal the provisions of the Railroad Retirement Act which reduce the annuities of the spouses of retired employees, and the survivors of deceased employees, by the amount of certain monthly benefits payable under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

H. R. 6030. A bill to reduce the spouse benefit age under the Railroad Retirement Act to 62; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Texas:

H. R. 6031. A bill to amend the Internal Revenue Code of 1954 to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain; to the Committee on Ways and Means.

By Mr. SANTANGELO:

H. R. 6032. A bill to provide that tips and gratuities received from customers of an individual's employer may be included as part of such individual's wages for old-age, survivors, and disability insurance purposes; to the Committee on Ways and Means.

By Mr. SCOTT of Pennsylvania:

H. R. 6033. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Illinois:

H. R. 6034. A bill to amend the War Claims Act of 1948, as amended, and the Trading With the Enemy Act, as amended, and to provide for the payment of certain American war damage claims; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H. R. 6035. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 6036. A bill to assist States in the construction, expansion, remodeling, and alteration of buildings of State or Territorial soldiers' homes by providing grants to subsidize in part the capital outlay cost; to the Committee on Veterans' Affairs.

H. R. 6037. A bill to name the Veterans' Administration hospital at 2615 Clinton Avenue, Fresno, Calif., the B. W. Gearhart Veterans' Hospital; to the Committee on Veterans' Affairs.

H. R. 6038. A bill to revise the boundary of the Kings Canyon National Park, in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Virginia (by request):

H. R. 6039. A bill to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes", approved December 20, 1944, as amended; to the Committee on the District of Columbia.

By Mr. WILLIAMS of Mississippi:

H. R. 6040. A bill to amend the Railroad Unemployment Insurance Act so as to protect benefits of bona fide railroad employees, remove certain inequities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG:

H. R. 6041. A bill to amend the Internal Revenue Code of 1954 to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H. R. 6042. A bill to amend the Internal Revenue Code of 1954 to provide that the corporate normal tax shall be 27 percent for taxable years beginning after March 31, 1957, and before April 1, 1958; to the Committee on Ways and Means.

By Mr. FERNÓS-ISERN:

H. R. 6043. A bill relating to the application of certain internal revenue laws to Puerto Rico and to the taxation of certain alcohol products brought into the United States from Puerto Rico; to the Committee on Ways and Means.

H. R. 6044. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes paid or determined and customs duties paid on distilled spirits, wines, beer, tobacco products, and cigarette papers and tubes, lost, rendered unmarketable, or condemned by authorized officials as a result of a major disaster; to provide for refund of internal revenue tax paid on beer lost or rendered unmarketable as a result of floods of 1951; and to provide for refund or credit of taxes paid on distilled spirits and wines of Puerto Rican manufacture lost or rendered unmarketable or condemned by health authorities as result of hurricanes of 1954; to the Committee on Ways and Means.

By Mr. FREYLINGHUYSEN:

H. R. 6045. A bill to provide for assistance to States in their efforts to promote, establish, and maintain safe work places and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; to the Committee on Education and Labor.

By Mr. PROUTY (by request):

H. R. 6046. A bill to extend veterans' benefits to certain temporary members of the United States Coast Guard Reserve who performed active full-time duty with military pay and allowances; to the Committee on Veterans' Affairs.

By Mr. TALLE:

H. R. 6047. A bill to amend laws relating to housing and for other purposes; to the Committee on Banking and Currency.

By Mr. UTT:

H. R. 6048. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. FERNÓS-ISERN:

H. J. Res. 275. Joint resolution transferring to the Commonwealth of Puerto Rico certain archives and records in possession of the National Archives; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H. J. Res. 276. Joint resolution limiting appropriations and expenditures for the fiscal year beginning July 1, 1957, to not to exceed $68,500,000,000; to the Committee on Appropriations.

By Mr. KLUCZYNSKI:

H. Con. Res. 149. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. RADWAN:

H. Con. Res. 150. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. FLOOD:

H. Res. 198. Resolution to provide for the unity of Ireland; to the Committee on Foreign Affairs.

By Mr. TEAGUE of Texas:

H. Res. 199. Resolution authorizing the printing of additional copies of the Synopsis of Benefits Available to Veterans and Their Dependents for use of the Committee on Veterans' Affairs; to the Committee on House Administration.

By Mr. ZELENKO:

H. Res. 200. Resolution authorizing the Committee on Merchant Marine and Fisheries to conduct an investigation and study of agreements entered into by the United States with certain shipping corporations; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ANDERSON of Montana: Joint memorial of the Senate and house of Montana, authorizing use of national service life insurance reserve funds for purchase of Veterans' Administration loans and opposing any increase in GI loan interest rates; to the Committee on Veterans' Affairs.

By Mr. BARING: Senate Joint Resolution No. 4 of the Nevada State Senate memorializing Nevada congressional delegation to discard the proposal of the Secretary of the Army that Army National Guard enlistees be required to undergo 6 months active duty training and urges legislation providing a more realistic program of active duty; to the Committee on Armed Services.

Also, Senate Joint Resolution No. 2 of the Nevada State Senate memorializing the President, Vice President, Secretary of the Treasury, and the Congress of the United States to issue commemorative centennial half dollar silver coins celebrating Nevada's Silver Centennial; to the Committee on Banking and Currency.

Also, Senate Joint Resolution No. 1 of the Nevada State Senate memorializing the President of the United States, the Postmaster General, and the Congress of the United States to officially recognize the discovery of the Comstock lode in 1859, and to issue a centennial stamp in commemoration thereof; to the Committee on Post Office and Civil Service.

By Mr. THORNBERRY: Resolution adopted by the Senate and House of Representatives of the Legislature of Texas in opposition to legislation before the Congress of the United States providing Federal financial assistance

to local school districts, whether for construction of classroom facilities, supplementing teachers' salaries, or for other similar purposes; to the Committee on Education and Labor.

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting the enactment into law necessary and proper legislation to forestall any increase in Veterans' Administration guaranteed loans higher than 4½ percent, etc.; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to issue commemorative centennial half dollar silver coins celebrating Nevada's Silver Centennial; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to officially recognize the discovery of the Comstock lode in 1859, and to issue a centennial stamp in commemoration thereof; to the Committee on Post Office and Civil Service.

Also memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States relative to the National Cowboy Hall of Fame and Museum; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to recommending that the Texas congressional delegation oppose the bills now under consideration which would provide Federal financial assistance to local school districts, whether for construction of classroom facilities, supplementing teachers' salaries, or for other similar purposes; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:
H. R. 6049. A bill for the relief of Magda Kahan; to the Committee on the Judiciary.

By Mr. BUCKLEY:
H. R. 6050. A bill for the relief of Vito Magistrale; to the Committee on the Judiciary.

By Mr. COOLEY:
H. R. 6051. A bill for the relief of Way Tong Jung, Kin Koo Jung, Chor Yen Jung, Koo Ming Jung, and Poy Kee Jung; to the Committee on the Judiciary.

By Mr CURTIN:
H. R. 6052. A bill for the relief of Carol Ann Simon and Dennis Lee Simon; to the Committee on the Judiciary.

By Mr. DORN of New York:
H. R. 6053. A bill for the relief of Sing Hong Sene; to the Committee on the Judiciary.
H. R. 6054. A bill for the relief of Kam Wah Cheng; to the Committee on the Judiciary.

By Mr. FASCELL:
H. R. 6055. A bill for the relief of Mrs. Alterina Bongiorno Venturella and her daughter, Maria Rita Venturella and Mrs. Maria Bognanno Venturella and her daughter, Maria Venturella; to the Committee on the Judiciary.

By Mr. HEALEY:
H. R. 6056. A bill for the relief of Lew Kabiak; to the Committee on the Judiciary.
H. R. 6057. A bill for the relief of Francesco Fiore; to the Committee on the Judiciary.

By Mr. McCARTHY:
H. R. 6058. A bill for the relief of Walter Wettschreck; to the Committee on the Judiciary.

By Mr. MACK of Illinois:
H. R. 6059. A bill for the relief of Ah-yu Gruba; to the Committee on the Judiciary.

By Mr. OSTERTAG:
H. R. 6060. A bill for the relief of Ingeborg Barbara Matokovic Strassner; to the Committee on the Judiciary.

By Mr. PATTERSON:
H. R. 6061. A bill for the relief of Carlos Tiramani and Pietro Tiramani; to the Committee on the Judiciary.

By Mr. PELLY:
H. R. 6062. A bill for the relief of Prentis I. Frazier; to the Committee on the Judiciary.

By Mr. PHILBIN:
H. R. 6063. A bill for the relief of Antonio da Costa; to the Committee on the Judiciary.

Br Mr. RADWAN:
H. R. 6064. A bill for the relief of Thomas A. Lampacos; to the Committee on the Judiciary.

By Mr. RAY:
H. R. 6065. A bill for the relief of Mario Jurman; to the Committee on the Judiciary.

By Mr. RIEHLMAN:
H. R. 6066. A bill for the relief of Salvatore Salerno; to the Committee on the Judiciary.

By Mr. SCOTT of Pennsylvania:
H. R. 6067. A bill for the relief of Teresa and Marian Alloy; to the Committee on the Judiciary.

By Mr. TELLER:
H. R. 6068. A bill for the relief of May Ping Lee; to the Committee on the Judiciary.

By Mr. TEWES:
H. R. 6069. A bill for the relief of Col. Jack C. Jeffrey; to the Committee on the Judiciary.

By Mr. HEALEY:
H. Con. Res. 151. Concurrent resolution requesting the Attorney General to grant Leon Kaminer a hearing; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. William F. Knowland, of California, at Long Island Charter Day Banquet

EXTENSION OF REMARKS
OF
HON. WILLIAM F. KNOWLAND
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Thursday, March 14, 1957

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD an address I delivered last night at the annual Charter Day banquet of Long Island University.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY UNITED STATES SENATOR WILLIAM F. KNOWLAND, AT LONG ISLAND UNIVERSITY CHARTER DAY BANQUET, WALDORF-ASTORIA, NEW YORK, N. Y., MARCH 13, 1957

President Conolly, your eminence Cardinal Spellman, distinguished guests, students, and friends of Long Island University, this Nation of ours has grown from a weak colony of 3 million on the Atlantic coast to a great power of 170 million people, the most productive nation the world has ever known.

Other nations have been or now are larger in land area, in population and in natural resources. Yet they have not been able to give to their people the freedom and the standard of living Americans have enjoyed.

As important as is the productive capacity of our Nation and its military strength, these are not the factors which alone could preserve our freedom or enable us to help maintain a free world of free men. The inner strength of America has not been its great cities, its huge industrial plants, its extended transportation systems, or its variety of natural resources.

The factor which made America an inspiration to the rest of the world grew out of our Declaration of Independence, the Constitution of the United States, and the spiritual values which the founders of our Republic recognized and by which they were guided.

We have recognized that there was a higher moral law to which governments were also accountable. We have humbly acknowledged the divine inspiration which made and preserved us as a nation.

We have read of and been inspired by the action of George Washington in kneeling in prayer during the dark days of Valley Forge, and of Lincoln doing the same during his lonely vigil in the White House through the darkest days of the Civil War.

Instinctively we know that human freedom is a greater force than tyranny.

We also instinctively know, though at times our allies and our own Government may for expediency attempt to satisfy a potential aggressor that there are some things in life which cannot be compromised. Munich and Yalta should have taught us that much.

We know that no international organization and no government can long survive a double standard of international morality.

We cannot have one set of rules for the law-abiding nations or the small or weak ones, and another set for the aggressors or the big powers.

The failure of the Soviet Government to pay any attention to the 10 resolutions passed relative to their aggression in Hungary brought home again to the people of the United States and, I believe, the entire free world the admonition in Second Corinthians:

"Be ye not unequally yoked together with unbelievers. For what fellowship has righteousness with unrighteousness and what communion has light with darkness?"

For our country the priceless ingredient has been our constitutional form of government which guarantees our religious, personal, and economic freedom.

The incentives furnished have constantly opened new horisons.

In this atmosphere Americans of each generation have sought to leave to their children a better land than they themselves found. Not just better in a material way but in the educational and cultural developments that make for better family and community life.

New inventions in various industrial fields and the tremendous potentials of the peacetime development of atomic power are bound to challenge us for many years into the future.

We must not take our constitutional form of government or our free enterprise system for granted. Neither fall into the category

of something that can be locked in a safe-deposit box and kept forever secure. Each generation must be prepared to make the necessary sacrifices to maintain them that our Founding Fathers were prepared to make in the first instance.

We are constantly faced with the threat of international communism to destroy human freedom everywhere in the world. Against this external danger we must maintain strong and adequate defenses—air, sea, and land—at home and abroad as long as the menace continues. This may well be for a decade or more.

There is also the danger that every free government around the world faces. This is internal subversion, sabotage, and espionage by the international Communist conspiracy.

Government, industry, and labor must be constantly on the alert against this termite menace which could do great damage though the outer structure might seem to be unimpaired.

Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has clearly outlined and documented the fact that the Communist New Look is a study in duplicity. The domestic Communist Party as with the Kremlin has a fixed objective though the tactics remain fluid.

We also confront a danger of another sort. This does not come from an armed enemy from without nor from a foreign-led conspiracy from within. This springs rather from our own people and the institutions we have created. Apathy on our part or an inclination to let the other fellow assume the responsibility that each citizen has an obligation to undertake, could well lead to a chain of events that would undermine both our governmental and economic systems.

The founders of this Republic knew well the history of the world up to their time. They knew that where there was a concentration of power in a single agency of national government that the freedom they sought to guarantee could easily be lost.

As a result, they not only created three great coequal branches of the Federal Government, the legislative, executive, and judicial, but they also made the Federal Government one of limited and of specified powers and reserved all other powers to the several States and to the people thereof.

The Congress is a coordinate and not a subordinate branch. It was made the repository of all legislative power.

If we are half as wise as the men who gave us our Republic and as those who helped to maintain it, we will see to it that no administration, Republican or Democratic, departs from the letter or the spirit of the American Constitution.

In the year 1928 when your university was founded, the population of the United States was estimated at 117 million and today it is over 170 million. During that same period of time the annual cost of the Federal Government has gone from $3,862,000,000 to over $81,000,000,000.

The national debt has grown from $19,643,000,000 to over $270,000,000,000. The annual interest alone on the debt is now greater than the total cost of all functions of the Government (including national defense) as late as the fiscal year 1938. The annual interest charge is larger than the total tax receipts of the Federal Government in any year between the organization of our Government under the Constitution in 1789 and when we entered World War II in 1941.

Frankly, I do not subscribe to the theory that if individuals or business organizations spend their own earnings it is inflationary whereas if the Government takes it from them and spends it that is not inflationary.

I believe that Government spending has been and remains one of the major inflationary factors in the country today.

The challenge we face is how to meet the large defense expenditures necessary for the preservation of our way of life, to take care of our growing needs for public and private facilities and to avoid the tendency to solve the problem by concentrating more and more power in the Government at Washington.

This will take some voluntary restraint on the part of citizens generally, businessmen, farmers, and labor in scrutinizing new and additional programs until we can digest programs now under way or complete certain of the projects before undertaking additional ones.

Continuous inflationary pressures could lead to demands for price controls which in turn would result in controls over wages and profits and the allocation of both manpower and materials.

There are those in this country who would welcome the opportunity for the imposition of such controls.

It is my strong belief that this Nation of ours is too large geographically and too complex economically to be either effectively or efficiently run by any group in Washington.

If we ever let our economy slip under such controls in peacetime we may not get out from under them again in our lifetime. Any prolonged period of such controls in peacetime would fundamentally change not only our free enterprise economic system but the vast concentration of power that would be necessary in Washington would have the gravest type of repercussions on our constitutional system as well.

For that reason this is the time for prudent and responsible citizens in private industry, in labor, in agriculture, and, indeed, throughout our entire population to take a look at the growth of the Federal Government. Constructive support is needed for the efforts which will be made to reduce nonessential spending, to apply some payments on the national debt, and to lay a foundation for some further tax reductions next year.

The strength of our country depends, of course, on far more than our Armed Forces alone. It rests upon a sound national economy and a solvent Federal Government.

The developments that take place in other sections of the world are bound to have an impact upon this country. In this day and age of the airplane and the atomic weapon, we can no more return to isolationism than an adult can return to childhood regardless of how pleasant the recollection might be.

Foreign policy is too important to be left to Government alone. It is of concern to all of our people. In order to have a sound foreign policy it is necessary to have an informed public.

Our objective in the world is to maintain peace with honor.

We cannot buy international friendships any more than personal friendships can be purchased.

Nor should we attempt to remake the world in our economic or political image.

Our efforts should be directed toward helping others to help themselves. In this private investment should play a major role.

In the period since the close of World War II, the United States has provided over $50 billion in economic, military, and technical assistance to aliens, neutrals, and former enemy countries outside of the Iron Curtain.

There has been nothing comparable in the world history of civilization to this program.

It was a matter of mutual interest to help rehabilitate the war-devastated areas of the world both allied and enemy alike, not only as a matter of humanity but because it was in our own interest as well not to have the Soviet Union or international communism take advantage of the economic and political chaos which otherwise would have existed.

With the danger of overt Soviet aggression which was demonstrated by the taking over of Czechoslovakia, the Berlin blockade, and the aggression in Korea, it was also in our mutual interest to bolster the defense forces around the periphery of the Soviet Union.

Many of the newer nations of the world having resources of their own are at a disadvantage because they lack technical skills in public health, agriculture, industry, or education. We have done much to encourage the exchange of technical information and have brought students from many lands to the United States so that they might gain knowledge with which they could assist their own countries when they return home. This program, I believe, is highly desirable and should be continued and expanded.

A new issue has recently been presented to the American people and the American Congress. This is the question as to whether or not the United States should undertake an economic-aid program to the nations behind the Iron Curtain and under Soviet military occupation. A Communist Polish delegation is here seeking $350 million in grants, loans, and credits. If, as many believe, the Soviet Union is stripping Poland of agricultural and industrial production, United States aid would, in effect, be indirect assistance to the Soviet Union.

If, on the other hand, the Soviet Union is having to give economic support to the Communist government of Poland, we would be relieving the Soviet economy of that burden and making available to them additional resources.

I do not believe that it is in our national interest to furnish such economic assistance to Poland until or unless the Soviet military forces are withdrawn from that country and the people have an opportunity through free elections to select a government of their own choice.

If there is hunger in Poland, I would support our Government furnishing whatever food is necessary to meet this problem. There would be no political conditions attached to the aid, and the only assurance we should seek is that the distribution be made by the International Red Cross or by recognized nonpolitical, charitable, or religious organizations, so that the food sent would not be used by the Communist government as a weapon to reward Communists and to punish non-Communists. The American people have always had a strong humane impulse, and we sent food into the Soviet Union in the period of the 1920's under the Hoover relief program to relieve the famine conditions that then prevailed.

But over and beyond such relief, is it wise to make Marxian communism workable with funds from our Government provided by taxes levied on our overburdened people?

Will we be strengthening the warmaking potential of the Soviet world?

Will we be giving a new propaganda weapon to the Communists so that in the next general elections in Italy or elsewhere they can say:

"You have nothing to lose by voting Communist. America will still help build our economy if we make Italy into a Marxist nation."

How can you start such a program in Poland and deny aid to Rumania, Bulgaria, Albania, Czechoslovakia, and Hungary?

At least in the doubtful case of Yugoslavia that country is not occupied by Soviet divisions.

If we have poured over a billion dollars into the Communist regime of Tito how many more billions will be required to sustain the so-called national Communist governments behind the Iron Curtain as each pretends to be slightly independent to qualify for funds?

Will this be added to our present high budget or will we more deeply cut our allies

and non-Marxian neutrals to save the Communist regimes behind the Iron Curtain from collapse?

These are questions that have deeply troubled me.

I have raised them now before we embark on such a program so that the Congress and the country may debate and make a determination before we are confronted with a fait accompli.

While the 5 Communist Polish negotiators were in Washington negotiating for over $350 million their representative at the United Nations was 1 of 8 voting for the Soviet resolution to condemn the United States for aggression in the captive nations.

If they had indeed secured the slightest independence they might have abstained.

This much consideration on the resolution to condemn us we received from Yugoslavia after $1 billion of economic and military aid. That may seem to others to be an act of Yugoslav generosity and friendship, but I must frankly say it does not to me.

We have had to face up to the fact that up to the present, at least, the Soviet Union has not shown any major change in its long-term policy of the destruction of human freedom. Their most recent activity in this regard was the ruthless suppression of the effort of the people of Hungary to gain national independence.

Nations can die while delegates talk. In World War II Holland was attacked and surrendered to Nazi Germany in 6 days, Belgium in 20 days.

From October 27, 1956, to January 10, 1957, a period of 76 days the General Assembly passed 10 resolutions while freedom in Hungary was strangled to death.

We have joined with others in a series of defense pacts covering the Western Hemisphere, the North Atlantic Alliance, the bilateral and multilateral defense pacts covering the nations of Asia and the Pacific. To these have been added the recent Eisenhower doctrine covering the Middle East in which the Congress joined in a statement of national policy that we could not permit Soviet aggression against the nations of the Middle East.

There are many historians who believe that World War I, World War II, and the Korean war might have been avoided had the aggressors in those three instances not miscalculated on what the United States would do. The Middle East resolution was to make clear that such a miscalculation should not take place again.

The Government and the people of the United States have no aggressive intent against any nation anywhere in the world. Our efforts have been and will be directed, I believe, toward the establishment of a system of international law and order that can preserve the peace of the world for ourselves and for our children.

But we must be realistic enough to understand that as long as the present rulers of the Kremlin follow their existing policies it would be the height of folly to weaken our defenses and depend only on their word.

The fact of the matter is that the Soviet Union has violated every international treaty or agreement it has had with a non-Communist power during the past quarter of a century.

With this record before us we have a right to expect that the Soviet Union will demonstrate by deeds and not by mere words that it is prepared to take steps to lessen international tensions. The job ahead of us will not be an easy one and we cannot expect to accomplish all of our objectives overnight.

The Communist world has preached for many decades that the capitalistic system and free governments must fail because they contain within themselves the seeds of their own destruction. I think it is far more likely that the Communist world contains within itself the seeds of its own destruction.

Eighteenth Anniversary of the Founding of the Slovak Republic

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my statement as well as a letter which I received from Mr. Viktor Nesnadny, of Pittsburgh, on the occasion of the 18th anniversary of the founding of the Slovak Republic:

STATEMENT BY MR. FLOOD

On this occasion of the Slovak national holiday independence I wish to commend the National Committee for the Liberation of Slovakia for its great work which it is doing to liberate the Slovak people from the Communist oppression, and I hope that this organization, as well as other Slovak organizations, will fulfill all aspirations of the democratically minded Slovaks when it will be recognized as its Government in exile.

Hon. DANIEL J. FLOOD,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MR. FLOOD: On the occasion of the 18th anniversary of the founding of the Slovak Republic, I would like to bring to your attention once more a few facts about Slovakia, which are still little regarded and often twisted into half-truths and lies.

The Slovak Republic was founded in peacetime and was proclaimed by free decision of the Slovak Parliament on March 14, 1939.

It was recognized de jure by 28 countries, and de facto by 3. In a short time it consolidated the internal chaotic situation created in political, economical, and cultural matters by Czech opportunism. It was ruled according to democratic principles, the laws were made by a parliament chosen in free elections and consisting of members of several political parties.

During the short life of the republic, the country experienced a boom in its economy: Highways were laid, railroads expanded, new hydroelectric works built. The latest principles of social security were introduced to benefit people in all walks of life.

The Slovak University was completed and the school system enlarged on all levels. The Academy of Arts and Sciences prospered. Science and culture flourished to an extent never dreamed of before.

Then in 1945 came Soviet occupation. In the face of strong Slovakian opposition, Czechoslovakia was reestablished. The old conditions of subservience were renewed, aggravated a thousand times by Russian communism. Still, the Slovak Republic lived on in the hearts of its constituents, and as a matter of fact, it continues to exist now even legally. For it can legally cease to exist only through a treaty in which its liquidation is established. Until such time Slovaks will not cease to insist on its continuity.

Today it is absurd to talk about Czechoslovakia as a state; it is no more than a Soviet province. This Soviet satrapy represents nowadays an advanced stronghold of Russian imperialism, menacing the free world. Without doubt, this situation was made possible by the suppression, murder, and deportation to Soviet Russia of thousands of Slovak patriots.

There is every reason to expect that the Slovaks will continue in their fight against communism and against the reinstatement of Czechoslovakia, not only in their own interest, but also in the interest of freedom and the ideals of a democratic order in the world.

Mr. Flood, I know of your past efforts in behalf of Slovakia and the other nations behind the Iron Curtain, and I appreciate them strongly. For this reason I am confident that you will give every possible consideration to my present request, which is: Could you have this statement inserted into the CONGRESSIONAL RECORD?

Very truly yours,

VIKTOR NESNADNY,
Member of the General Assembly of the Slovak Liberation Committee.
PITTSBURGH, PA.

Falling Prices and Reduced Acreage Allotments

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. DORN of South Carolina. Mr. Speaker, the farmers of the Southeast have been particularly hard hit by falling prices and reduced acreage. Our agricultural economy has been revolutionized. We have shifted from a one-crop economy to a diversified agriculture with emphasis on forest products and grass. The most valuable single crop being grown in the Southeast today is trees. The income that our farmers get from their forests is increasing every year.

But, Mr. Speaker, just when the tree farmer begins to see a ray of hope in his forest products, foreign imports of veneer plywood and other wood products are beginning to threaten the tree farmer. Nearly every farm in the Southeast has, to a more or less degree, a certain amount of hardwoods. My farm is typical of the rest. I would like to market my hardwood so as to pay taxes and meet other farm expenses. We can market but little of this hardwood because the demand has been cut in half by foreign imports of hardwoods.

This Congress should place an import quota on this type of foreign imports. We are constantly seeking ways to bolster falling farm prices. If we could market our hardwoods at a fair price, it would be of great help to the farmers throughout the country. There is a demand in America for these products but through our tariff policy, this demand is being supplied by foreign countries with cheap labor, countries with no minimum hours, no minimum wages, no laws against child labor and no social security. These imports are undermining the gains of American labor and the American farmer.

In the past 5 years, the amount of plywood imported into this country from low-wage areas has increased more than 1,000 percent. These imports amount to 46 percent of the entire domestic consumption of hardwood plywoods. They come into this country at a price our local manufacturers cannot possibly meet. Last year, 527 million square feet of plywood came into this country from

Japan at an average price of $63 per hundred square feet. This price is $30 to $40 less than domestic industries can produce a comparable panel.

Now, Mr. Speaker, ladies and gentlemen of the House, these imports from low-wage countries have already closed many American plywood plants. It has caused unemployment and distress. Some of our manufacturers have lost their life savings. This policy is wrecking a great American industry. Our manufacturers, our laborers and our farmers cannot meet this unfair competition. We must protect our standard of living. This Congress should act now to protect the American farmer, the American laborer and our hardwood and plywood industries.

Workers Have Important Stake in Proposed Reorganization of Fairbanks, Morse & Co.

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. SMITH of Wisconsin. Mr. Speaker, in all of the recent controversy over the attempted grab of Fairbanks, Morse & Co., by Leopold D. Silberstein and his Penn-Texas empire, have we not overlooked the most important possible effect of this struggle? I refer to the potential plight of the industrious, conscientious employees of this outstanding company who are concerned over their future employment status. The past and present management of Fairbanks, Morse has pursued such a sound course of corporate management that the company is free of debt and possessed of sufficient capital to insure continuing expansion and modernization. Sound fiscal programs of constructive American management, in creating greater markets and employment opportunities, is the mainstay of our ever-widening prosperity. Contrarywise accumulation of wealth through reduction or liquidation of instruments of productivity is not farsighted or economically healthy, and is most certainly not in the public interest.

My constituents who are employees and stockholders of Fairbanks, Morse & Co., are in accord with the present sound policies which have proved beneficial to both employer and employee.

The prospect of entirely dissimilar management unconcerned with the continuing operating welfare of Fairbanks, Morse & Co., has caused great concern to its employees. The very reason for its present vigor, sound fiscal planning, has made Fairbanks, Morse & Co., a prime target for corporate raiders and stock manipulators. There is substantial evidence that Silberstein not only intends to siphon off the $70 million quick assets of Fairbanks, Morse but actually must, in order to pay for the very stock he is voting to gain control of the company. Silberstein has pyramided an empire by the most unorthodox and shortsighted of schemes, notably sale and lease backs, large debt and high interest long term financing. He has publicly criticized what most economists consider the sound, debt-free, short-term financing policies of Fairbanks, Morse & Co., and stated that if he wins control there will be some changes made.

That in this proxy fight, Silberstein and company have been guilty of numerous and flagrant violations of the proxy rules of the Securities and Exchange Commission is an admitted and published fact. Failure to disclose, hiding behind the cover of Swiss banks, questionable use of third party stock procurement, illegal solicitation, all of these and many more improprieties and illegalities have been definitely ascribed to the Silberstein Penn-Texas operation. The failures of the Securities and Exchange Commission to take more positive action has been a mystery to all who have followed the fortunes of Mr. Silberstein, especially in his zealous quest of Fairbanks, Morse & Co. Whether or not the Silberstein crowd has acted improperly or have been guilty of any violation of the law in this proxy contest is now to be decided by the United States Federal court in Chicago. I will not attempt to prejudge the respective rights of the contending parties.

My more immediate concern which I believe should be the concern of this legislative body is for the protection of the innocent and almost powerless employees of these corporations which are being raided. If the present laws are not adequate then we should enact statutes which will safeguard healthy operating corporations from the attacks of those who would drain off the available capital thus destroying an operating concern with the resultant loss of means of livelihood to its workers.

Congress adopted the securities regulatory laws partly to protect American corporations from the assaults of those who would use any means of taking over corporate control. Behind the establishment of these safeguards lay the knowledge that without them any corporation was easy prey to marauding speculators and financial jugglers. The SEC's mechanical and literal application of its regulatory power seems to indicate a lack of appreciation for the original and motivating Congressional purpose in enacting these laws. Perhaps Congress should restate its desire that the administration of the securities laws be directed toward the ultimate protection of sound, prosperous, and economically stimulating productivity.

Hungarian Independence Day

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. DINGELL. Mr. Speaker, the extraordinary heroism which patriotic Hungarians have shown in their recent fight against tyranny has electrified the free world, and has endeared them to all lovers of freedom. It is interesting that these important and startling events have their counterpart in the great events of 1848. In March of that year, when revolutionary waves were sweeping Europe, the Hungarians revolted against the Austrian autocracy. As a result, Hungary became, just 109 years ago, what was essentially an independent state. That day became a landmark in Hungary's history, and March 13 has ever since been celebrated as the Hungarian Independence Day.

The events of 1848 bear close resemblance to those of last November. In both instances the Hungarians fought bravely for high principles. The independence they achieved is now a mere memory. But it stands for the hopes and greatness of the Hungarian people. I gladly join them in the celebration of this solemn and memorable day, the Hungarian Independence Day.

The Sugar Act

EXTENSION OF REMARKS

OF

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. GUBSER. Mr. Speaker, one of the principal services performed by the Sugar Act since its original adoption more than 20 years ago is the stability it has brought to the American sugar market. It has assured consumers ample supplies of sugar at fair and reasonable prices. Simultaneously, it has permitted sufficient returns to producers to help maintain a healthy domestic sugar industry. The extreme market fluctuations of former years, when consumers and domestic producers alike were at the mercy of unstable and unpredictable world sugar developments, no longer exist.

When the Sugar Act came up for renewal last year, some opponents theorized that American consumers would pay less for sugar if we ignored the domestic industry and relied primarily on importation from foreign producers. To support this notion they pointed out that the world market price for sugar was below the domestic price, as indeed it was at that time. Even forgetting that sugar crops—like California's sugar beets—are vital to our agricultural economy, the fallacy of the argument is shown by the present relationship between the world and domestic prices of sugar. On the New York Coffee and Sugar Exchange today the world price of raw sugar for May delivery is 50 cents per hundred pounds higher than the domestic price for May delivery. International tensions apparently have produced a demand for sugar that exceeds the supplies available on the world market, thus driving up prices.

World prices, in fact, doubled in the course of only 60 days. During the same

period, domestic wholesale prices increased only 4 percent, with little or no change at the retail level. The reason, of course, is that the Sugar Act assured ample supplies of sugar for American consumers and thus there was no need for scare buying domestically.

Judging by the history of the past two decades, the world price will, in the future, be below the domestic price on some occasions, and above it on others. Thanks to the Sugar Act, however, the American housewife need fear neither depression nor inflation when she goes to the store to buy sugar.

Taxpayments of Arabian American Oil Co.

EXTENSION OF REMARKS

OF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. VANIK. Mr. Speaker, on February 20, 1957, I addressed a letter to Mr. R. L. Keyes, president of the Arabian American Oil Co., commonly known as Aramco, concerning a statement I made on the floor of the House of Representatives the day before, in which I alleged that for the purposes of United States income taxes his corporation treats oil royalty payments to the Saudi-Arabian Government as tax paid to a foreign government and therefore deductible from income taxes due the Government of the United States. My letter to Mr. Keyes is as follows:

FEBRUARY 20, 1957.

Mr. R. L. KEYES,
President, Arabian American Oil Co.,
New York, N. Y.

DEAR MR. KEYES: Yesterday, on the floor of the House of Representatives, I made a statement alleging that for the purposes of United States income taxes your corporation treats all royalty payments to the Saudi-Arabian Government as tax paid to a foreign government and therefore deductible from income taxes due the Government of the United States.

In view of the tremendous commitments of economic and military aid made by our Government to the Saudi-Arabian Government, which promise dollars and soldiers to protect Saudi Arabia and the government of King Saud, it is extremely important for the American people to know what part of this tremendous investment in the Middle East flows back to the United States Treasury in the form of taxes. They are footing a tremendous bill and underwriting an obligation which may enlist the lives of American citizens.

The American people, through their elective representatives, are expressing their good faith in pledging economic and military aid to stabilize the conditions in the Middle East. It seems equally incumbent upon your corporation, which is the principal beneficiary of this situation, to make clear the intransigence of your organization and your compliance with the spirit as well as the letter of the internal-revenue laws of the United States.

Your cooperation in this matter is very much needed to clear up the record.

Sincerely,

CHARLES A. VANIK,
Member of Congress.

In order that this matter may be fully considered by Members of Congress, I am submitting below a copy of a letter which I have received from Mr. R. L. Keyes, president of Arabian American Oil Co., in which he indicates that I have been misinformed with respect to the company's royalty payments to the Saudi Arabian Government and their treatment for United States income-tax purposes. Following is the copy of the letter which I have received from Mr. Keyes:

ARABIAN AMERICAN OIL CO.,
New York, N. Y., February 25, 1957.

Hon. CHARLES A. VANIK,
House Office Building, Washington, D. C.

MY DEAR MR. VANIK: Your letter of February 20, 1957, and your statement on the floor of the House of Representatives on February 19, 1957, which has also come to my attention, indicates that you have been misinformed with respect to the company's royalty payments to the Saudi Arabian Government and their treatment for United States income-tax purposes.

The royalties which the company is obligated to pay under its concession agreement with the Saudi Arabian Government, and which it has paid since its production of oil in Saudi Arabia began, have been used only as deductions in computing net income in the company's United States income tax returns. They have never been applied as a credit or deduction from the income tax itself. I am informed that they cannot be.

Since 1950, when the Saudi Arabian Government enacted certain income-tax laws, the company has paid, in addition to the stipulated royalties, the income taxes imposed by those laws. These income taxes have been applied as a foreign tax credit against the United States income tax in accordance with provisions of the internal-revenue laws which have been available to all kinds of United States industries operating abroad under a policy which was first pronounced in the Revenue Act of 1918. These provisions have remained substantially undisturbed in principle since that time and are now contained in sections 901 through 905 of the Internal Revenue Code of 1954.

Thus, it is only the income taxes which this company pays to the Saudi Arabian Government, and not the royalty, which is credited against the United States income tax. This complies, not only with the letter of the internal-revenue laws of the United States, but with the spirit of those laws, which for nearly 40 years have evidenced a clear purpose to relieve United States industry operating abroad from the discrimination which would inevitably result if it were subject to local taxation in addition to the income taxes of the United States.

Sincerely,

R. L. KEYES.

In my letter to Mr. Keyes and in my statement on the floor, I made an unfortunate use of words in stating that the corporation treated the oil-royalty payments to the Saudi Arabian Government as a tax paid to a foreign government. What I should more properly have stated was that the arrangement between the Arabian-American Oil Co. and the Saudi Arabian Government was one which had undergone a change since 1950, in which the emphasis on royalty payments was minimized in favor of an increase in taxes by the Saudi Arabian Government. The increased taxes arranged to be paid the Saudi Arabian Government in lieu of higher royalties could be used as a deduction by the Arabian-American Oil Co. on income taxes due the United States. There are apparently friendly relationships between our Government and the Government of Saudi Arabia, but this relationship does not approximate the relationship between the Arabian-American Oil Co. and the Saudi Arabian Government, which is one of close partnership in oil and oil profits.

It has come to my attention that the income-tax payments of the Arabian-American Oil Co. to our Government during recent years have become substantially below expectations, primarily because of the development of a deal between the Saudi Arabian Government and the Arabian-American Oil Co., which provided increased income-tax payments to the Saudi Arabian Government in lieu of increased royalties. In this way, the Arabian-American Oil Co. reduces tax-payments to the United States in the sum of any amounts paid to the Saudi Arabian Government as an income tax. It is indeed paradoxical that while American income taxes defend Saudi Arabia, King Saud assesses income taxes to provide friendly American corporations with handy deductions on American taxes.

I want to take this opportunity to restate the importance and the need of a public disclosure of the devotion to income-tax responsibilities of American corporations deeply involved in Saudi Arabian oil. The American people have pledged their good faith, their economic and military aid to guarantee the integrity of their oil contracts. They have a vital interest in knowing the practical application of our internal-revenue laws with respect to these extraordinary operations.

Fifty-Fifty Law Holds Ocean Freight Rates Down and Expedites Agriculture Surplus Disposal Program

EXTENSION OF REMARKS

OF

HON. THOR C. TOLLEFSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. TOLLEFSON. Mr. Speaker, the 50-50 shipping law—also known as Public Law 664, the Cargo Preference Act—which provides that at least 50 percent of Government-sponsored cargoes shall be shipped in American-flag vessels, has proved its worth not only to our merchant marine but also to the farm segment of our economy. This may come as a surprise to some of our agriculture and foreign-aid friends who have vigorously opposed the 50-50 legislation because they do not understand it.

The bill was designed to furnish cargoes for American-flag ships many of which would now have been laid up but for the legislation, according to testimony by the United States Maritime Administration. Those who alleged that it would cost the Government more to ship 50 percent of its relief cargoes and

agriculture surplus cargoes on American ships than on foreign ships are being proved to have been in error—as the proponents of the legislation indicated would be the case. The opponents were in error also when they said that the 50-50 law would hinder the agriculture surplus disposal program.

In the first place, American liner services charge the same rate as foreign liner services because they are governed by international conference agreements. Thus, there was no additional expense when United States liner services were used. The American tramp ship normally charges a higher rate than does the foreign tramp ship, but the difference is only a small percentage of the total freight paid by the Government and is far exceeded by the income tax which the Government collects from the ship operator who is permitted to stay in business by the 50-50 law. The general benefits to our economy by keeping some of our freight dollars in our own economic blood stream need not even be considered for purposes of this discussion. Nor do we need to discuss the national defense benefits from maintaining a strong American merchant marine.

Secondly, the 50-50 law has kept world rates down for the carriage of Government-sponsored cargoes. During the current shortage of world shipping, caused in part by the Suez Canal situation, world rates would have skyrocketed had it not been for the 50-50 law.

How does this happen? The 50-50 law provides that at least 50 percent of Government-sponsored cargoes shall be carried on American-flag ships if available at fair and reasonable rates. Pursuant to this law the Maritime Administration establishes fair and reasonable rates for United States flag commercial vessels which participate in the program. In other words, a ceiling is set beyond which United States-flag ship rates for carrying Government-sponsored cargoes cannot go. This tends to set a ceiling also for foreign-flag vessels which would normally take advantage of international ship shortages and charge all the traffic would bear. If foreign-flag vessels wish to participate in carrying our foreign-relief cargoes and agriculture surplus cargoes their rates must be in line with those established by the Maritime Administration. If during a period of ship shortages, they seek to pressure our Government into paying higher rates by not making their foreign ships available for our cargoes, the Government could obtain needed shipping space by breaking out ships from its reserve fleet. This it has done. The net effect has been to keep the rates down on Government-sponsored cargoes.

How much money the Government has saved as a result of 50-50 is, of course, a matter for conjecture. Some idea may be gained from a news item quoting Col. Arthur Syran, ICA Director of Transportation. He was quoted as saying that in the grain trade from the North Atlantic to Antwerp-Rotterdam there were no American-flag ships available and the rates rose 58 percent. He was also quoted as saying that on a certain grain fixture ICA had paid an 88-percent increase in rates.

Under Public Law 480 the disposal abroad of $3 billion worth of our surplus agricultural products was authorized. As a general rule of thumb, ocean transportation costs under normal circumstances would run less than 2 percent. Thus, the cost of transporting overseas $3 billion worth of agricultural surpluses would run about $60 million. Any substantial increase in ocean freight rates would amount to quite a sizable sum.

In addition to acting as a ceiling on ocean-freight rates, it should also be noted that the 50-50 law has in effect helped to expedite the agricultural surplus-disposal program. Without the law there is no question but that the whole program not only would have been at the mercy of skyrocketing foreign rates, but would have bogged down for lack of vessels to carry the cargoes. Because American ships have been available at fair and reasonable rates the agricultural surplus-disposal program has operated on schedule. As a matter of fact it is anticipated that the general authority under Public Law 480 will be increased by an additional $1 billion in this Congress.

Only through the existence of an American merchant marine could our farmers and agricultural groups find assurance of service and protection from excessive rates in seeking to serve their international markets. I sincerely trust that there will be no ill-advised attempts in this Congress to scuttle the 50-50 law which has proved to be both fair and beneficial.

More of the Questions Asked by Congressman Doyle and Answers Thereto From Department of Defense re Military Discharges and Dismissals; Carl Vinson Appoints Special Subcommittee of Armed Services Committee re H. R. 1108

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. DOYLE. Mr. Speaker, I know that you and all the Members of this great 85th Congress will be pleased to know that Hon. CARL VINSON did on the 19th day of February 1957 name and appoint a special subcommittee of the House Armed Services Committee as follows:

The CHAIRMAN. Now, members of the committee, a very important bill has been introduced by our distinguished colleague, Mr. DOYLE, H. R. 1108, Navy discharges, a matter to which he has given considerable thought and study. And he made a statement on the floor of the House in regard to it yesterday. And I am asking that that bill be referred to a special subcommittee. I am appointing as a subcommittee to handle that bill Mr. DOYLE, chairman; Mr. HUDDLESTON, of Alabama; Mr. KITCHIN, of North Carolina; Mr. BRAY, of Indiana; and Mr. GUBSER, of California. They will take full charge of that bill and make an investigation and report back to the full committee. Speaker SAM RAYBURN has previously referred the Doyle bill to the Armed Services Committee.

The legal counsel appointed for the committee was distinguished military lawyer Russell Blandford, who when in the Military Establishment, was frequently a member of the military review boards.

You will be pleased to know that this special subcommittee has already had several informal meetings to discuss and deliberate upon the subject of the objectives of H. R. 1108 and of the procedures and processes by which the said special subcommittee would proceed. Growing out of these several informal meetings, I am able to state that it appears all members of said subcommittee are unanimous in a position that something must be done. As one result of our discussion we have asked the Department of Defense several more important questions and have also urged that all questions previously made be not only answered but hurried along for the purpose of our earliest possible consideration and study; that we may be prepared for the public hearings to be held by the committee on H. R. 1108 and the subject of military discharges when we first begin our public hearings. You will realize, Mr. Speaker, that these several informal meetings, limited to members of our special subcommittee, and our legal counsel, have been in special consideration for the public hearings that we might be able to treat this important subject promptly and thoroughly and also constructively. In this connection, I wish to say that in drafting the bill I not only had the able assistance of the House legislative counsel, but I myself recognize that it should be improved to the fullest extent by virtue of the joining of many minds in legislative content on this important subject.

So, we are already agreed on certain changes in the text of H. R. 1108, which I am very pleased to recognize as very substantially beneficial to the objectives I originally had in mind.

You will also be pleased to know that almost 30 Members of the House have adopted H. R. 1108 as their own and have filed the same under their own authorship. I am pleased that they have done so for not only did each Member file said bill in their own name but about a dozen other Members of the House have also asked to appear at the public hearings and testify for the worthy objectives sought. We now plan to begin public hearings not later than the first week in May. This certainly will give the Defense Department and all the Departments of the Military Establishments involved, more than ample time to have their specific answers to our inquiries and study back to our attention. We have asked the same to be completed on their part by April 15.

The very considerable number of comments and letters we have already received from throughout our Nation, together with expression of interest from the national offices of the several veterans organizations, all indicate the manifest interest and concern there is

from thousands of American homes where some member thereof has received less than honorable discharge for some error or violation or act which was never a crime. I will say that in preparing for and submitting H. R. 1168, I never intended to make it easy for one who had been discharged from the military with less than honorable to establish the fact before the military review boards that he had rehabilitated himself in civilian life. But I would hope and pray—and still do—that the many thousands of American boys who have been discharged with less than honorable discharges, and have never been convicted of a crime in the Military Establishment, could find some reasonable procedure in the Military Establishment for the man who has rehabilitated himself in civilian life to prove that he had lived an exemplary life for at least 3 years so that the stigma attached to him can be removed and also help him to obtain dignified employment worthy of his natural ambitions and abilities.

And, Mr. Speaker, from my many years of study of this subject, which is vital to the total concern of military establishments as well as to every American home from which an American lad has already gone into the military, or may in the future go, I am convinced that just, practical, reasonable, and constructive changes can be made in the law and practices of our Defense Department in this subject without there being any degree of disciplinary problems evolving, which would reasonably outweigh the greater benefits of the objectives of H. R. 1168.

Calling your attention to the fact that on the 18th day of February 1957 in our CONGRESSIONAL RECORD, at pages 2194-2195 and 120-122, I inserted a few of the 22 questions which I asked the Department of Defense about military discharges and included therein their written answers thereto. I am pleased to present further of my 22 questions and the answers thereto as given me by the Department of Defense.

DEPARTMENT OF THE NAVY (MARINE CORPS)

4. Question: Using layman's language, please give me the basis of each type of discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The following types of discharges or separations were in effect for the Department of the Navy in fiscal year 1945:

Type	Criterion	Number issued
Honorable	Fidelity, obedience, and excellent service.	
Under honorable conditions	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	[1] 277,962
Undesirable	Unfitness, desertion without trial, trial and conviction by civil authorities, or insufficient enlistment.	4,570

[1] Total honorable and under honorable conditions discharges issued. Statistical information for fiscal year 1945 does not include separate figures.

Type	Criterion	Number issued
Bad conduct	Approved sentence of general or summary court-martial. Appropriate for offenses which warranted separation as part of punishment but which were not of sufficiently grave nature to warrant dishonorable discharge.	9,000
Dishonorable	Approved sentence of general court-martial. Appropriate for serious offenses warranting dishonorable separation as part of punishment.	203

DEPARTMENT OF THE ARMY

4. Question: Using layman's language, please give me the basis of each type of discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The following types of discharges or separations were in effect for the Department of the Army (including Air Force) in fiscal year 1945:

Type	Criterion	Number issued
Honorable	Honest and faithful service.	987,994
Discharge (blue)	Administrative discharge without characterization of service awarded through de-selection for reasons of unfitness, undesirableness, etc.	11,000
Dishonorable	Approved sentence of a general court-martial for serious offenses warranting dishonorable separation as part of punishment.	8,421

(b) The following types of discharges or separations were in effect for the Department of the Army in fiscal year 1956:

Type	Criterion	Number issued
Honorable	Honest and faithful service.	649,194
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	18,684
Undesirable	Issued pursuant to board action for such reasons as unfitness, misconduct, disloyalty or homosexuality.	14,506
Bad conduct	Approved sentence of a general court-martial for offenses which warrant separation as part of punishment but which were not of a sufficiently grave nature to warrant dishonorable discharge.	965

DEPARTMENT OF THE AIR FORCE

4. Question: Using layman's language, please give me the basis of each type of discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The following types of discharges or separations were in effect for the Department of the Air Force in fiscal year 1945:

Type	Criterion	Number issued
Honorable	Honest and faithful service.	375,000
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant an honorable discharge.	7,000
Undesirable	Issued by administrative action under conditions other than honorable, i. e., unfitness, unsuitability.	6,000
Bad conduct	Issued pursuant to the sentence of a general or special court-martial as prescribed in the Manual for Courts-Martial, United States 1921. It is a discharge under conditions other than honorable. Bad conduct discharge are appropriate for offenses that warrant separation as included punishment but are not of a sufficiently grave nature to warrant dishonorable discharge.	2,000
Dishonorable	Issued only by approved sentence of general court-martial and appropriate for serious offenses warranting dishonorable separation as included punishment.	3,000

(b) Appropriate information for fiscal year 1945 is reflected in paragraph 4a, Department of the Army, page 6-1. The Air Force was included in the Army at that period of time.

DEPARTMENT OF THE NAVY (MARINE CORPS)

4. Question: Using layman's language, please give me the basis of each type discharge or separation issued in 1945 and each type of discharge or separation issued under present regulations. Give the number of each type of discharge or separation issued in 1945, and the number of each type of discharge used under present existing regulations.

Answer: (a) The types of discharges utilized by the Marine Corps in fiscal years 1945 and 1955 are the same, with the single exception noted in the answer to question 8. However, statistical data pertaining to the number of the various types of discharges issued is not available prior to fiscal year 1949.

(b) The following types of discharges or separations were in effect for the Marine Corps in fiscal years 1950 and 1955:

Type	Criterion	Number issued: Fiscal year 1950	Number issued: Fiscal year 1955
Honorable	Excellent service; proficient in eating, destitution, and possessing good conduct award.	[illegible]	[illegible]
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	[illegible]	1,407
Undesirable	Pursuant to board action for unfitness or misconduct.	[illegible]	1,201
Bad conduct	Approved sentence of general or summary court-martial. Appropriate for offenses which warrant separation as part of punishment but which were not of sufficiently grave nature to warrant dishonorable discharge.	[illegible]	2,469

Type	Criterion	Number issued: Fiscal year 1950	Number issued: Fiscal year 1955
Dishonorable	Approved sentence of general court-martial. Appropriate for serious offenses warranting dishonorable separation as part of punishment.	161	197

DEPARTMENT OF DEFENSE

7. Question: How many discharges have been reviewed by each of the military services by the respective Boards of Review of Discharges and Dismissals? List each type of discharge or separation given during each of the last 5 years.

Answer:

(a) The total number of discharges reviewed by the separate Discharge Review Boards are as follows:

TO JUNE 30, 1955

Total discharges reviewed

Service:	
Army	49,209
Navy	34,968
Air Force	12,606

(b) For the results over the 5-year period ending June 30, 1956, see attached sheets immediately following.

DEPARTMENT OF DEFENSE

9. Question: Have any discharges been changed as prayed for by the Board for the Correction of Military Records or the Board for the Correction of Naval Records?

Answer: Yes; 561 discharges or separations have been changed during the 5-year period July 1, 1950, to June 30, 1955.

DEPARTMENT OF DEFENSE

17. Question: In considering the review of an adverse type of discharge upon the request of the dischargee, is any consideration given by the reviewers to exemplary behavior subsequent to the date of discharge on the part of the petitioner?

Answer: Generally speaking, the answer is "No." However, in those borderline cases where the Board considers that the discharge, on the basis of his record of service alone, could have been properly and equitably discharged with a higher type discharge, the Board may be influenced in its decision to change or not to change the awarded discharge by his record since discharge.

Tabulation by service of type discharges and number issued for fiscal years 1945 and 1955:

	Army	Navy	Air Force	Marine Corps
Fiscal year 1945:				
Honorable	867,814	177,842	(1)	16,623
General				521
Honorable conditions				
Discharge (blue)	15,086			
Undesirable		4,570		686
Bad conduct		8,619		532
Dishonorable	8,424	203		165
Total	892,323	191,434		21,017
Fiscal year 1955:				
Honorable	619,194	173,251	175,498	22,023
General	18,684	6,675	7,200	1,407
Honorable conditions	(2)			
Discharge (blue)	(2)			
Undesirable	14,506	3,220	6,780	1,201
Bad conduct	965	3,127	2,469	2,469
Dishonorable	2,546	76	1,000	127
Total	655,305	186,408	192,350	28,127

[1] See (b), pp. 4-6.
[2] Not utilized in fiscal year 1955.

DEPARTMENT OF DEFENSE DISCHARGES THAT HAVE BEEN CHANGED

Discharges reviewed and action taken during period July 1, 1950–June 30, 1955

Service	Discharge cases reviewed	Dishonorable, bad-conduct discharges, and dismissals changed to better type discharges or separations under honorable conditions	Undesirable discharges (blue) and resignations changed to better type discharges or separations under honorable conditions	Total discharges or separations changed	Total discharges or separations denied
Army	3,422	771	[1] 20	191	3,231
Navy	3,948	876	25	901	3,643
Air Force	773	48	19	67	706
Total	8,143	697	64	761	7,581

[1] An approximate number.

TOTAL NUMBER OF DISCHARGES REVIEWED BY THE SEPARATE DISCHARGE REVIEW BOARDS TO JUNE 30, 1955

Service:	Total discharges reviewed
Army	49,209
Navy	34,968
Air Force	12,606

Discharges reviewed by each of the separate discharge review boards over 5-year period ending June 30, 1955

Service	Appeals denied after review of discharge	Findings modified without change in type of discharge	Discharges changed after review from— General to honorable	Blue to honorable	Undesirable to general	Bad conduct to— Honorable	General	Undesirable
Army	14,981	235	447	428	1,061	5	11	
Navy	7,753	263	568	42	698	21	678	4
Marine Corps	1,728	40	145	8	85	5	23	1
Air Force	6,466	282	195	64	196	8	5	2
Total	30,928	822	1,355	503	2,030	44	703	7

TOTAL APPEALS PROCESSED BY SERVICE

Army	16,816
Navy	9,660
Marine Corps	2,053
Air Force	9,776
Total	38,274

Tabulation by type discharges of service and number issued for fiscal years 1945 and 1955

	Honorable	General	Honorable conditions	Discharge (blue)	Undesirable	Bad conduct	Dishonorable
Fiscal year 1945:							
Army	847,614			15,086			8,424
Navy	[1] 277,962		(1)		4,570	8,619	283
Air Force	(1)	(2)	(1)	(2)	(2)	(2)	(2)
Marine Corps [3]	18,878	521			686	532	165
Total	794,229	521		15,086	5,126	9,451	10,082
Fiscal year 1955:							
Army	619,194	15,684	(4)	(4)	14,506	965	2,546
Navy	173,251	6,675			3,220	3,127	76
Air Force	175,498	7,200			6,780	2,469	1,000
Marine Corps	22,023	1,407			1,201	2,469	127
Total	[illegible]	[illegible]			25,707	9,151	3,749

[1] Total "honorable" and "under honorable conditions" discharges issued. Statistical information for fiscal year 1945 does not include separate figures.
[2] The Air Force was included in the Army this period of time.
[3] The figures under fiscal year 1945 represent fiscal year 1949 as statistical data prior to 1949 not available.
[4] Not utilized by Department of the Army in fiscal year 1955.

DEPARTMENT OF THE ARMY

Army Board for Correction of Military Records Action. Discharges reviewed and action taken during the period July 1, 1950, to June 30, 1955:

Discharge cases reviewed	3,423
Dishonorable, bad-conduct discharges, and dismissals changed to better type of discharges or separations under honorable conditions	171
Undesirable discharges (blue), and resignations changed to better-type discharges or separations under honorable conditions	[1] 20
Total discharges or separations changed	191
Total discharges or separations denied	3,232

[1] An approximate figure.

DEPARTMENT OF THE NAVY

Board for Correction of Naval Records Action. Discharges reviewed and action taken during the period July 1, 1950, to June 30, 1955:

Discharge cases reviewed	3,948
Dishonorable, bad conduct discharges, and dismissals changed to better-type discharges or separations under honorable conditions	278
Undesirable discharges and resignations changed to better-type discharges or separations under honorable conditions	25
Total discharges or separations changed	303
Total discharges or separations denied	3,643

DEPARTMENT OF THE AIR FORCE

Air Force Board for Correction of Military Records Action. Discharges reviewed and action taken during the period July 1, 1950, to June 30, 1955:

Discharge cases reviewed	773
Dishonorable, bad conduct discharges, and dismissals changed to better type discharges or separations under honorable conditions	48
Undesirable discharges (blue) and resignations changed to better type discharges or separations under honorable conditions	19
Total discharges or separations changed	67
Total discharges or separations denied	706

(b) The following types of discharges or separations were in effect for the Department of the Navy in fiscal year 1955.

Type	Criterion	Number issued
Honorable	Excellent service: proficient in rating, industrious and possessing good conduct record.	174,251
General	Satisfactory conduct and performance of duty but not sufficiently deserving or meritorious to warrant honorable discharge.	6,873
Undesirable	Pursuant to Board action for unfitness or misconduct.	3,629
Bad conduct	Approved sentence of general or summary court martial. Appropriate for offenses which warrant separation as part of punishment but which were not of sufficiently grave nature to warrant dishonorable discharge.	3,127
Dishonorable	Approved sentence of general court martial. Appropriate for serious offenses warranting dishonorable separation as part of punishment.	76

Indicative of the seriousness of the subject matter of H. R. 1108 is found in the 38th National Convention of the American Legion held at Los Angeles, Calif., September 3–6, 1956, for page 55 of the report of the special committee, appointed on December 16, 1955, by the then national commander, consisting of Franklin Riter, Salt Lake City, Utah, chairman; John J. Finn, Alexandria, Va.; and Carl C. Matheny, Detroit, Mich.; Resolution 23 by said committee was unanimously adopted as follows, to wit: Provide for Congressional investigation at the earliest possible time into the activities of the Boards of Review of Discharges and Dismissal and the Boards for the Correction of Military Records, for the purpose of ascertaining whether or not said Boards have been carrying out the intent of Congress in their creation.

Congressman Hoffman Proposes To Wipe Out the Personal Income Tax

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. MASON. Mr. Speaker, Congressman CLARE E. HOFFMAN, Republican, of Michigan, appeared on the Dean Manion Radio Forum on Sunday evening, March 10, 1957, and presented to the millions that listen in on that program every Sunday a very convincing argument against the present personal income tax program.

In his broadcast Congressman HOFFMAN pointed out how the 20 percent to 91 percent income tax rates are affecting the economy; how false "the soak the rich" program is; how the excessive spending programs and the giveaway programs of the Federal Government are encouraged and made possible by the excessive personal income taxes collected from the American taxpayers; and he said that the best way to stop this squandering of the people's hard-earned dollars is to stop the Government from collecting those hard-earned dollars by repealing the 16th amendment to the Constitution, the amendment that permits the Federal Government to "turn the taxpayer's pocket inside out."

The following is the complete text of Congressman HOFFMAN's broadcast:

CONGRESSMAN HOFFMAN GIVES REASONS FOR HIS ANTI-INCOME TAX AMENDMENT

Dean MANION. I believe it was Emerson who said, "What a new face courage puts upon everything." On February 14, last month, the courage and wisdom of an experienced Congressman put a new face upon the nationwide demand for a reduction in Federal spending. On that day, the Honorable CLARE E. HOFFMAN introduced House Joint Resolution 232, calling for a constitutional amendment to wipe out the Federal income tax.

In his heart, every Member of Congress knows that the one sure way to cut off the outpouring of Federal money all over the world is to cut off the inpouring of money that is provided by the ever-rising tide of Federal taxes. Yes, every Congressman knows that, but Congressman CLARE HOFFMAN had the courage to record his conviction in the terms of an unequivocal Congressional resolution.

It is obvious now that this proposed Hoffman amendment to the Constitution is going to make very important history for the harried taxpayers of this country. American freedom was born in a spirit of rebellion against tyrannical taxation. Here is the distinguished statesman who proposes to give us a new birth of freedom. I am proud to present my friend and neighbor, the Honorable CLARE E. HOFFMAN, of Michigan.

Mr. HOFFMAN. Thank you, Dean Manion. One of the reasons our forefathers rebelled and established this Republic was because they were oppressed by unjust taxes, in the levying of which they had no voice. They knew that the individual must be free to enjoy the fruits of his industry and thrift.

They were aware that money to support a central government was necessary if the States were to grow and prosper. From bitter experience, they knew, no matter what the form of government, that selfish ambition was an ever-present, dangerous force.

But they also knew that no individual without power to levy upon the earnings of others could establish himself as dictator or tyrant; that, if left to his own resources, no matter how ambitious, he must fail of that goal. Hence it was that when they wrote the Constitution, they did not give to the Congress the unrestricted power to levy a direct tax upon incomes.

Later, politically ambitious bureaucrats and politicians in the Federal Government, aware that the granting of special favors to individuals and groups was one means of purchasing political support, induced the people to accept the 16th amendment, which made possible our present income-tax laws, gave them more dollars and turned the taxpayer's pocket inside out.

One of the powerful factors which aided in the adoption of that amendment was the unsound argument that it was a tax based upon ability to pay and that it would, in everyday, still-popular language, "soak the rich"—the demagog's slogan.

Aimed at the wealthy, and especially at corporations, the tax, under present legislation, now takes from 20 to 91 percent of your earnings. The result is that all too often the old-age security of the individual, the ability to expand a going business or establish a new enterprise is lessened. The tax often closes opportunity's door.

The Federal Government has no appreciable income except as it takes dollars out of the citizen's pocket. Before that dollar goes back to him, either by way of service or through subsidy payment—if it gets back at all—from it the Government has taken a cut of from 38 to 30 percent. Passing through the Government's mill, this dollar shrinks to 70 cents.

During the fiscal year of 1956, the Federal Government collected from its citizens more than $75 billion. Of that sum, over $56,632,000,000 were taken from the incomes of individuals and corporations, 80 percent of whom had incomes of less than $6,000 a year.

There is a constant demand for new and expensive Federal commissions, agencies, or departments; an ever-increasing demand for additional Federal employees, for new and additional subsidies, price supports.

At the moment, the Federal Government is calling for the expenditure of some sixty-odd-million dollars for new Federal buildings and facilities in Washington. Fifty thousand Federal employees in Washington are demanding annual pay increases of from $500 to $3,000 each.

WHERE THEY WILL STOP, NOBODY KNOWS

The Defense Department is calling for a $33 billion appropriation this year. Some postal employees insist that, notwithstanding job security and fringe benefits, their compensation be increased. Some farmers want additional subsidies, calling for billions.

Disregard of the advice of Washington to avoid entanglement in the affairs of other nations has involved us in two wars, both excessively costly in lives, suffering and dollars. We are now threatened with a third.

Veterans of those wars are receiving something more than $7 billion a year. No one begrudges those payments. Beyond question, increased aid will be given to disabled veterans.

We have spent billions upon billions of dollars to aid other nations, much of it without adequate result. Today, the interest charge on that part of the public debt which is due to our foreign aid policies—the interest charge alone—is more $3,238,000,000 a year.

The administration is insisting that, to prevent being blown to "kingdom come," we must appropriate additional billions to buy friendship abroad, to aid other countries. The President demands authority to send our soldiers to fight in wars directed by United Nations, under officers selected by it—authority to permit him to spend millions in foreign aid. Still with us is the urgent demand for additional foreign aid.

Beyond question, an ever greater number of individuals are denied employment because of their age. Millions have been forced to use money they had saved for old-age security. Because of the ever-increasing cost of living, they must be assisted, either locally or through Federal appropriations, if they are to have sufficient food, clothing, and shelter. They cannot, they will not, be left to starve.

The cheaper and the best way out of our dilemma is to keep our tax dollars in the local communities, where a more efficient job can and will be done.

In the 84th Congress, because of increased spending, the debt limit was raised to $278 billion. The more than 56½ billion income-tax dollars collected last year has not satisfied the present demand or solved our problem. All of the foregoing has been cited only to show that you will not get tax relief from Washington.

The demand from our people that the Congress lessen their tax burden has become a tornado-like roar. But let us be frank. Congress will not give the people worthwhile relief from the present excessive taxes imposed upon them so long as politically powerful pressure groups insist upon the payment of subsidies, benefits, a continuance of foreign aid, and have the power to influence elections.

We have here in Washington the old situation of an irresistible force—to wit, the demands of politically powerful pressure groups—exerted upon a Congress which knows that it must either yield or be replaced by a more compliant one.

Just so long as Members of Congress cling to the thought that, if those who elect them wish to commit financial suicide, they should be permitted to do so, excessive spending will continue, taxation never lessen.

LONESOME CONGRESSMEN SITTING DUCKS

Members of Congress are a long way from home. Twenty-two years' experience here convinces me that Congress will not resist the ever-increasing demand of pressure groups for new and ever larger appropriations, which always mean new and higher taxes. The demand for relief from excessive taxation will not be granted so long as citizens insist upon additional Federal expenditures.

The remedy? The only apparent avenue through which the citizens can obtain relief is to repeal the 16th amendment, which makes feasible the imposition of income taxes.

Oh, but do I hear you say—what form of taxation do you advocate to replace the billions lost through the repeal of that amendment? That question assumes that the tax levies and expenditures, of which we have been complaining and which we demand must end, are necessary. In my judgment, that is a false assumption.

We get back to the old but true statement that one cannot eat his cake and have it, too. Nor can the citizen save his dollars and the Government continue to waste them. For years there have never been tax dollars enough to meet the demand. There is no prospect that there ever will be.

The people must make a choice. Congress having yielded to the ever-increasing demands for Federal aid, there being no relief in sight, the people themselves must now choose between services and expenditures which are absolutely necessary, and those which are desirable but not necessary and the limitation of which will give us less spending, lower taxes.

If the Federal Government does not have tax dollars, it cannot spend them. As long as the people's representatives in Washington can collect and spend and be reelected, the tax burden will not be lessened.

Hence it is that an amendment repealing the 16th amendment is proposed. Shift the power and the responsibility for the levying of taxes to the shoulders of the people who pay the taxes. After all, this is supposed to be a Government by the people, for the people; not for the politicians nor the unrealistic.

Deprive the Congress of the power to levy an income tax. So far as possible, send the spend and tax issue back to the States. There, the voters, living practically next door to their State senators and State representatives, can make their real wishes felt. There, State legislators can really determine whether the people want economy, a sound, stable policy; or whether they wish economic ruin through the imposition and collection of ever-increasing income taxes.

If the people need and are determined to have special benefits, subsidies, or privileges given individuals or groups, they can, through their State legislatures, levy the necessary tax. They can spend their money without Washington taking its cut. But they will know they must pay the piper who plays the tune. The people will be forced to realize that they, not Uncle Sam, are paying the cost.

In effect, the repeal of the 16th amendment will again place in the hands of the home folk the power to determine the amount of tax which they are willing to pay. They will be forced to take a look at the price tag attached to the public service or benefit payment which they desire.

If the people want economy, they can get it. If they want what is known as a liberal spending policy, they can have that, but they will at least have an opportunity to know the cost before they buy.

Reliable authorities advise that the overall tax burden calls for not less than one-third of the average citizen's total income. That means that we must each work 4 months of every year in order to meet our tax obligation—a most astounding situation; one from which at least partial relief can be obtained by placing control of the income-tax levy more directly in the hands of the people.

Involuntary servitude, the obligation to work for someone else, is just as oppressive, just as liberty-destroying, if forced upon us by the Government as by an individual. We can—we should—avoid it.

Dean MANION. Thank you, Congressman CLARE HOFFMAN. I am particularly obliged to you for the important reminder that tyranny is it possible when the Government is without the power to confiscate the earnings of the citizen. This reminder puts your proposal in its proper perspective. The Hoffman amendment is a new emancipation proclamation—a call for the repeal of involuntary servitude. Thank you, Congressman, for giving us all a real rallying cry for the reestablishment of the American Republic.

Hungarian Freedom Day: A Tribute

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. FLOOD. Mr. Speaker, Hungarians have long looked upon March 15 as a day of national deliverance because it commemorates the occasion when the freedom fighters of 1848–49 under the leadership of Louis Kossuth attempted unsuccessfully to establish freedom in Hungary.

This year Freedom Day has a special meaning because it comes at a time when the Hungarian Revolution of 1956 is still fresh in our minds. As in 1848–49 the freedom fighters of 1956 made an unsuccessful attempt to establish freedom in Hungary. But, as over a century ago, Russian intervention prevented the final achievement of their goal.

In one massive assault the Soviets crushed the Hungarian revolution. The courage of these men, however great, was no match for the overwhelming power of Soviet armored divisions and mass infantry. Without outside assistance the revolution was doomed to disaster.

The aftermath of the October revolution brought renewed hardship and oppression to the Hungarian people. Budapest, once a beautiful city, was reduced to ruins. A Stalinist-type of regime under Janos Kadar was imposed upon the Hungarian people by the Soviet Union. The transitory freedom that the Hungarians had enjoyed, although limited in scope, came to an abrupt end. And across the Austro-Hungarian border poured over 170,000 refugees in search of freedom.

Soviet intervention in Hungary exposed the Soviet Union once again before the whole world. Even the faith of members of the Communist parties in other countries was shaken. Press reports today indicate that many Communists in Italy, France, India, the United States, and other countries have not yet reconciled themselves to the harsh reality that the Russians would use military force even against their so-called comrades.

On this day commemorating Freedom Day in Hungary let us pay tribute to the freedom fighters of 1848, but let us also pay tribute to their descendants, the freedom fighters of 1956.

So long as the spirit prevails that moved these men to great deeds of heroism in the defense of their country, so long will there be hope for freedom in Hungary.

Our Less Glamorous Roads

EXTENSION OF REMARKS

OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, March 14, 1957

Mr. CASE of South Dakota. Mr. President, interest continues to grow in the gigantic highway-building program upon which our Nation is now embarked.

Primary public attention is quite naturally focused on the Interstate System, for we must admit there is great anticipation for the day when these superhighways will stretch across our country from coast to coast and border to border.

But the same act of the last Congress that provided for the interstate improvement also provided for great expansion in our other category of roads—the so-called ABC roads. These are the roads that our farmers use to take their produce to market, which link the smaller communities in our Nation, and which carry the bulk of the traffic. There are 715,000 miles of these roads

as compared to the 40,000 miles in the Interstate System.

In a recent address to the American Road Builders Association in Chicago I devoted my remarks to this subject. I feel they point up the importance of this less glamorous but equally important segment of our roads program.

I ask unanimous consent that the address delivered on January 28, 1957, be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR FRANCIS CASE

Mr. Robertson, my colleagues of the Congress, and ladies and gentlemen, when "Cap" Curtise was speaking about the starting of roadbuilding with the old teams and scrapers, it reminded me of the first road work I ever did. I had not thought about that for a long time. The first road work I ever did was when we were living on a homestead in western South Dakota, and one of the neighbors came and told Dad that he could work out his poll tax if we would take a team and a scraper to help him fill up the approach to a bridge that had washed out.

You know, when we lived on those plains, we were frequently beyond the end of any surveyed road, and there was very little grading. It was simply a place laid out for a road.

My roadbuilding, therefore, started not quite as early as your association did. I notice by the seal that you started in 1902. As nearly as I can remember, my first roadbuilding started about 1910, but it is evident that we have all been at this job for some time since.

There have been several landmarks. In 1916, there was the original highway act. In 1921, there was the followup to the 1916 act, which started systems of roads as we know them. There was the start of the primary and the secondary system.

Then I feel that in 1954, we had another landmark.

I was chairman of the Senate Public Works Subcommittee on Roads in 1954, and may be pardoned perhaps for a little prejudice on that score, but I recall saying at that time that the time had come for us to make available for apportionment for highway aid to the States an amount equal to the amount that the Federal Government was collecting in the Federal gasoline taxes, and the tax on motor oils. So, I introduced a bill which proposed to raise the level for the ABC roads from the $550 million mark, which had been prevalent for several years, to an amount which, with the other road funds for the roads on Federal lands, and an increase in the interstate system, would approximate $1 billion, which was about the amount that we were getting in the tax revenues from the sources I have mentioned.

I pointed out that the Federal highway statutes for a number of years had said to the States, "You must not impose taxes on highway users and divert the proceeds to purposes other than roads, or you will suffer a penalty in your apportionment." We felt that the time had come for the Federal Government to make that step forward.

As a result of the deliberations of the committees of the Congress, the amount for the ABC roads was stepped up from $550 million to $700 million in the 1954 act. The amount for the Interstate System was stepped up from $25 million to $175 million. Then we had something like a hundred million dollars in the amount for the Federal roads, that is, the roads on Federal lands. With the small items like the assistance for the Inter-American Highway, and so forth, we came up to practically a billion dollars.

Some of us have been told if we presented a bill like that to the President he would veto the bill. I did not think that he would, and several others did not think he would. We presented it to him. We were down at the time he signed the bill, and he said, "Well now, that's a start, but we must do more."

PRESIDENT'S PROGRAM

I think none of us there that day realized exactly what he had in mind, for it was a few weeks later when Vice President NIXON, speaking for the President at a conference of the governors, threw out his challenging proposition that we should build the Interstate System up to the standard that would be required to meet the needs 20 years from now, and do it in a period of 10 years.

Now, I am certainly not going to quarrel with my very good friend and great chairman of the Public Works Committee, Senator CHAVES, in saying that the Federal Act of 1956, which is a great landmark in highway authorizations, was a "Congressional bill." Certainly it was worked over, and it was the product of many minds and a great deal of work and testimony and deliberation and conference work, and so forth.

The great challenge, however, that we should step up the Interstate System, the rate of building, and get it done within a period of 10 years, was a challenge that was thrown out by the President in his proposal. I can say that perhaps with good grace—perhaps—because I was one of the Republicans who did not like the bill that was first presented to accomplish the purpose. I did not support the bonding provision, the financing provision as it was suggested in the so-called administration bill at the time.

There were 2 or 3 reasons for not doing so in my judgment, and it is not necessary to recount all of them at this time; but I do want to point to one reason because that fits very well with what Burt Miller said he would like to have me talk about this morning, and that is the ABC roads.

One of the things I did not like about the so-called administration proposal so far as the method was concerned. I did not object to the objective of building the Interstate System at an accelerated pace. I did not like the idea that we should freeze the amounts for the ABC roads for a period of 30 years in order to have revenue to retire the bonds for the building of the Interstate System.

LARGE SYSTEM

Under the systems as they are set up today there are approximately 235,000 miles in the primary system, of which 40,000 have been designated as the Interstate System. There are 520,000 miles in the secondary system, which would make a total of 755,000 miles in the primary and secondary systems. That embraces the 40,000 in the interstate.

If you subtract the 40,000 from the 755,000, you have 715,000 to the 40, which means that there are about 18 miles of primary or secondary roads on a recognized system in this country for each mile of Interstate System.

So, I should like to state, as a proposition which I could prove at some length, I think, if it were necessary, that any Federal highway program which overlooks roads for rural America is doomed to Congressional failure. That is just a simple fact of life.

You know, the old saying is that all roads lead to Rome. But had you been in Rome and looked out from the center of those roads where they came together, from that point of view it might just as well, or might better have been said, that all roads lead from Rome to the interior of the Empire.

So, while we all take pride and admiration in the Interstate System our roadbuilding plans must also take note of what is happening to the so-called ABC roads, the primary, secondary, and urban systems.

In the 1954 act, when we stepped up the Federal aid from $550 million to $700 million, you will note that was an increase of about $150 million. We did step up, also, the interstate from $25 million to $175 million. The rate of stepup was much steeper on the interstate than on the others but the insistence on ABC increases reflected a Congressional realization that there are many areas in this country yet that do not have good country roads or do not have roads on the interstate system, and yet they are a part of a system which serves many of the principal cities of the States.

With this roadwise audience I do not need to get specific about that.

Congress has, however, in this legislation sought to protect those other types of roads, so it was a matter of interest in thinking of what I might talk about here today to ask the Bureau for the figures on the contracts that had been let. I have some tables here, and if I may I would like to exercise the Congressional privilege of extending those in the written remarks, and give you just a total which I think will be of interest to you.

[The complete text of the tables referred to above is as follows:]

FEDERAL-AID PRIMARY, SECONDARY, AND URBAN FUNDS

Contracts advertised and funds obligated

A comparison of contracts advertised and funds obligated during each of the calendar years 1954, 1955, and 1956 is provided in the attached series of charts. The 1956 total for primary, secondary, and urban funds combined is $751 million. For 1955 the total was $716 million, and for 1954 the total was $647 million.

Data for each of the 3 years are as follows for each class of funds separately:

[Million dollars]

Class of funds	Contracts advertised and funds obligated		
	1954	1955	1956
Primary	302	345	354
Secondary	169	197	228
Urban	176	174	169
Total	647	716	751

For primary and secondary funds the amount covered by contracts advertised and funds obligated during 1956 is greater for 1956 than for either of the 2 prior years. For urban funds the amount obligated during 1956 is $5 million less than for 1955 and $9 million less than for 1954.

Progress during calendar years 1955 and 1956

The attached table provides a comparison of progress during 1955 and 1956 for each of several steps of project advancement. For each step, progress during 1956 exceeds accomplishments during 1955.

Federal-aid highway funds, comparison of progress during the calendar years 1955 and 1956

[Federal funds, millions of dollars]

	Primary, secondary and urban funds combined		
	1955	1956	
		Amount	Percent increase over 1955
Total programed	753	772	3
Contracts authorized	716	752	5
Contracts awarded	599	709	18
Placed under construction	675	772	14
Earned	600	700	17
Paid	519	570	8
Completed	604	659	9

Status of the Federal-aid primary, secondary, and urban highway programs combined as of Jan. 1, 1957

	Number of projects	Total cost	Federal funds	Miles	Number of bridges
Programed only	3,587	$729,000,000	$381,000,000	11,339	2,170
Authorized:					
Plans approved	288	162,000,000	83,000,000	715	222
Contracts awarded	482	178,000,000	95,000,000	1,327	383
Under construction	5,297	1,727,000,000	880,000,000	16,522	4,143
Subtotal	6,067	2,067,000,000	1,058,000,000	18,574	4,747
Total programed and authorized, not completed	9,654	2,796,000,000	1,439,000,000	29,913	6,917
Unprogramed balance			935,000,000		

Status of Federal-aid primary highway program as of Jan. 1, 1957

	Number of projects	Total cost	Federal funds	Miles	Number of bridges
Programed only	772	$307,000,000	$164,000,000	2,759	689
Authorized:					
Plans approved	165	91,000,000	46,000,000	528	146
Contracts awarded	326	108,000,000	58,000,000	1,038	273
Under construction	1,541	730,000,000	377,000,000	3,056	1,550
Subtotal	2,032	928,000,000	481,000,000	5,622	1,969
Total programed and authorized, not completed	2,804	1,235,000,000	645,000,000	9,381	2,658
Unprogramed balance			275,000,000		

Status of Federal-aid secondary highway program as of Jan. 1, 1957

	Number of projects	Total cost	Federal funds	Miles	Number of bridges
Programed only	2,613	$270,000,000	$140,000,000	8,486	1,321
Authorized:					
Plans approved	80	18,000,000	10,000,000	131	31
Contracts awarded	75	11,000,000	6,000,000	238	28
Under construction	3,206	411,000,000	212,000,000	11,029	1,965
Subtotal	3,340	440,000,000	228,000,000	11,398	2,024
Total programed and authorized, not completed	5,953	710,000,000	368,000,000	19,882	3,345
Unprogramed balance			276,000,000		

Status of Federal-aid urban highway program as of Jan. 1, 1957

	Number of projects	Total cost	Federal funds	Miles	Number of bridges
Programed only	202	$182,000,000	$77,000,000	146	180
Authorized:					
Plans approved	64	53,000,000	27,000,000	56	45
Contracts awarded	81	59,000,000	31,000,000	61	81
Under construction	550	587,000,000	291,000,000	437	628
Subtotal	695	699,000,000	349,000,000	554	754
Total programed and authorized, not completed	897	851,000,000	426,000,000	700	934
Unprogramed balance			251,000,000		

FEDERAL-AID PRIMARY, SECONDARY, AND URBAN FUNDS

Balances of apportioned funds

Balances of primary, secondary, and urban funds not covered by contracts advertised and funds obligated (approved plans) amounted to $1.185 billion on December 31, 1956. This amount is equivalent to 139 percent of the amounts apportioned on August 1, 1956, for the fiscal year 1958.

Corresponding data separately by classes of funds are as follows:

Class of funds	Balance not covered by contracts advertised and funds obligated (plans approved) as of Dec. 31, 1956	
	Million dollars	Percent of 1958 apportionment
Primary	441.6	115
Secondary	415.2	104
Urban	328.6	155
Total	1,185.4	139

Corresponding data are shown in the attached tables separately for each State.

Also shown in the attached tables are data covering unprogramed balances as of December 31, 1956. The unprogramed balances are included in the balances not covered by contracts advertised and funds obligated, the differences representing programed projects for which plans have not yet been approved nor contracts advertised.

In 1954, the primary, secondary, and urban systems were advertised and obligated in the amount of $647 million; that is, calendar 1954, or is that a fiscal year, Mr. Curtiss?

Commissioner CURTISS. I think it is a calendar year.

Senator CASE. It is a calendar year, $647 million.

In 1955, $716 million. In 1956, $751 million.

All categories show an increase except urban. The urban did not increase, but the primary and secondary did.

The primary system contracts went from $300 million to $354 million in the 2 years.

The secondary went from 169 million to 228 million.

FUNDS ARE PROTECTED

During the consideration of the legislation which we speak of as the Federal Highway Act of 1956, there also were two specific instances where Congress acted to protect the funds for the ABC roads. I might say there were three.

The basic one was, of course, where we increased the allocation for them and set up the plan to which Congressman FALLON has referred, whereby there would be an increase of about $25 million a year, but the basic amount we also stepped up from the $700 million to about $800 million, the first year, and then $825 million I believe it was, for the fiscal year 1958.

There were, however, two other crucial instances where the ABC roads came to the attention of the Congress. The first one was when the Senate was considering the bill which it passed in 1955 as a preliminary for the 1956 act. An amendment was presented on the floor of the Senate the night we were obtaining consideration which would have prorated the receipts from certain revenues to the entire Federal aid program for highways.

After having brought in the Interstate System and having stepped it up from $175 million to a rate which would run to a billion or $2 billion before the 10 or 13 years were completed, that is, after having brought in a guest, a new factor into the high rate program, which would get as many dollars or more dollars than were being made available for the three ABC roads all put together, then it was proposed by an amendment on the floor of the Senate that if the receipts were deficient for supplying this doubled total, then all programs would be cut the same percentage as the deficiency bore to the total amount.

That night I recall trying to make vivid to some of the Senators who had not followed the story too well, just what this would do to the ABC road program. I said it was as if you brought an unexpected guest to your table at home, when you had only enough potatoes for your own family, and you find out, one day, a giant had come in to sit down, and lo and behold he eats as much as all of your family. Next year you plant some extra acres, but if the yield does not come up to expectation, should your family suffer the same percentage of reduction as the new guest whose appetite was responsible for the shortage? That may have been a crude example but anyway we did get the point across, and the amendment was withdrawn.

We pointed out that at that particular time several State highway commissions

had already announced their State programs on the basis of the announced apportionment for Federal primary and Federal secondary roads.

As an example, the State of New Mexico had issued a large bond issue, and it had issued pledges and programs for completing a certain system of roads. If we were to change ABC cash after those programs had been announced we would have had considerable confusion, to say nothing of some problems of perhaps a very practical sort in every State in the Union.

We had somewhat of a similar proposition come up when the bill, after it had passed the House, came over to the Senate, carrying the revenue features which were incorporated in the law as it now is.

To the Senate Committee on Finance, however, an amendment was proposed which would have had the effect of saying that if the money that comes into the trust fund is not sufficient to take care of the total amount planned for a given year, that all categories of roads should be reduced in the same percentage that the deficiency was of the total amount.

There again, however, it was my privilege to point out to the Senate Finance Committee what that would have done to the advance planning that is done after the announced apportionment for the primary and secondary roads. The Finance Committee agreed that it was not wise to upset the ABC planning of the several commissions which, in some instances, went back several years. So, as the law stands while the trust fund does provide that if the money which comes in is not adequate to meet the apportionments, the subsequent apportionment for the next year for the Interstate system will be reduced accordingly; the ABC roads are protected. There was no argument about it, particularly once the point was brought out. So, if there is any fact in Congressional life that is said, it is that Congress intends that the ABC program shall go forward.

In view of the fact that the American Road Builders Association for all of your life up to this time practically have grown—as you have grown—on the ABC system, it should not be a disappointment to you to learn that Congress intends the "bread and butter" roads of the country shall go forward and shall be accelerated along with the Interstate System.

FUNDS NEARLY EQUAL

The 1952 act, as I said, provided $550 million. The 1954 act provided $700 million. The amount for fiscal 1956 is $850 million in Federal aid. That $850 million for the ABC roads, as you know, is matched by the States, or by counties, or by local government in one way or another, so that you can double that $850 million and say that for fiscal 1956 there will be a $1,700 million road program on the ABC roads, half of it by the Federal Government, and half of it by the local or State governments.

Oddly enough, that $1,700 million works out in highway construction exactly equal to the $1,700 million that is programed for apportionment for the Interstate System, for fiscal 1956.

And so to you who are roadbuilders, thinking in terms of the roads that you build, the machinery that is required, equipment, and items of that sort, I think it is worth recognizing that the ABC road program for fiscal 1956, the new fiscal year ahead of us, is in total dollars the same amount as the Federal aid for the Interstate System.

I recognize that the Interstate System money will be matched on a 90-10 basis; that is, with credit for the public land States so that there might be an additional 10 percent of the $1,700 million, which would be another $170 million on the Interstate System, but that, again, is equaled by the amount which the Federal Government is making available now for the so-called Federal land roads, the roads in the national parks, and in the forests, and on Indian land and public lands. That comes to about $126 million.

So that for the fiscal year ahead, fiscal 1956, there should be envisioned a roadbuilding program of approximately $3½ billion, the largest public-works program that has been launched, as has been said here this morning, in this country or any other country. That, of course, will be exclusive of the money that is spent directly by cities or by counties or by highway authorities for toll roads.

It is a great challenge, and without belittling in any event the importance of the Interstate System, I think it can be safely said that the people of the heartland of the country will measure highway progress by the quality of the roads from their homes to their neighbors', to the centers of community life, and to their markets.

In the interest of the common welfare, these ABC roads must never be neglected, and I am confident that Congress never will neglect them.

Educational Assistance for Children of Disabled Veterans

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. DORN of South Carolina. Mr. Speaker, I have introduced a bill to provide educational assistance to approximately 56,000 American children, the sons and daughters of veterans of World War I, World War II, and Korea who have been rated by the Veterans' Administration to be 100 percent disabled from service-connected war disability. Last session, the Congress enacted Public Law 634, 84th Congress, which created a scholarship program for the children of service men and women who lost their lives in either of our recent wars or in Korea. This program is referred to as the war orphans scholarship program, and there are several thousand children already enrolled. I believe it is one of the best programs ever enacted by the Congress, and I think it has done a tremendous amount of good for both the veteran and the Nation.

It was a source of great personal satisfaction to me as a member of the Veterans' Affairs Committee to assist in securing enactment of the war orphans scholarship program. When we were considering this legislation, there was a suggestion that we should extend education and training benefits to children of veterans where the veteran has a 100 percent service-connected disability. I believe that the proposal deserves further consideration, and I have, therefore, introduced a bill to accomplish this objective.

A veteran with a 100-percent disability receives $181 a month in disability compensation. He may receive as much as the maximum of $420 a month if he has a combination of very serious disabilities, such as loss of limbs, loss of eyesight, or a combination of these disabilities. This is barely enough to pay for the necessities of life for a family, and it seems utterly impossible to expect a seriously disabled veteran to save enough money to educate his children beyond the public-school level on this amount.

There are about 56,000 children who have a parent rated 100 percent disabled. This is about one-third the number presently eligible under the War Orphans Scholarship bill, and I believe that we should include them in the education and training program. I realize that cost is a factor to be considered, and I have sought a way to give these children assistance without requiring direct appropriations by the Congress. My bill provides that a fund will be created from alien properties now held by this Government. There is a precedent for the use of these funds for such a purpose. You may recall that funds derived from alien properties were used to dispose of certain claims by prisoners of war, and I think it proper and fitting that these funds should be used to educate the children of veterans who have been deprived of health and soundness of body in the defense of this country against the very nations whose properties were confiscated during wartime and which are proposed to be used for the education of these children.

Mr. Speaker, if we are to win the cold war with Russia, we must produce more scientists, technicians, and elevate generally our educational standards. We must win the cold war in the field of education. This bill is a step in that direction.

Anniversary of Hungarian Independence

EXTENSION OF REMARKS

OF

HON. EMMET F. BYRNE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. BYRNE of Illinois. Mr. Speaker, today, from all corners in the world, people will gather in churches and elsewhere to pay tribute to the valiant Hungarians who celebrate in their hearts the 109th anniversary of Hungarian Independence. Hungary was founded in 897 A. D. and became a Christian country in 1000 A. D. As we recall history we know that the Turks occupied the country from the 15th century for 150 years. It is interesting to note that the desire for freedom lived in the hearts of these freedom fighters even while under the yoke of the Turks. In the 13th century they got a bill of rights which was similar to the Magna Carta which the British received at Runnymede, in 1215, though the Hungarians did not get this until around 1272.

I wish the RECORD to reflect my sincere hope that the Hungarians will soon again know the freedom for which they have so courageously fought recently. It is a sad but yet an inspiring thing to know the youth of Hungary have and

are keeping alive the spirit of freedom despite heavy odds. Those of us who have not known the struggle the Hungarian patriots have experienced can certainly look to these brave people and be filled with admiration, respect, and a genuine affection.

Minnesota Presents Excellent Library Services for Its Rural Areas

EXTENSION OF REMARKS

OF

HON. COYA KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mrs. KNUTSON. Mr. Speaker, in this session, the House will have an opportunity to reaffirm its true belief in the value of educational assistance, such as the excellent Library Services Act, Public Law 597, passed by its predecessor Congress in the interests of providing library services to the Nation's vast rural areas, now completely without such services, or very sparsely served by inadequate bookmobile service. This was a splendid dream realized after years of effort to secure such legislation. The rural areas of the country looked forward to its development with keenest anticipation of a need soon to be satisfied.

Now the administration has proposed that this dream of educational assistance shall not be adequately financed—in short, the dream will not come true. The Congress has this one opportunity to back up its fine action in the passage of the act during the last session. Will it have the courage to back up its own action and vote the full authorized amount of $7,500,000 which is little enough at best for services in 48 States and United States Territories? By the time this RECORD goes to press, we will know if this Congress will take the independent action of approving the full amount needed, or negate its own action of last year in the act's passage.

Given adequate financing, Minnesota plans a fine library service to its rural areas. This excellent plan, I ask permission to insert here into the RECORD:

THE MINNESOTA PLAN FOR THE DEVELOPMENT OF RURAL LIBRARY SERVICES UNDER THE LIBRARY SERVICES ACT

1. THE FIRST STEPS

The first money ($40,000), which has already been qualified for and received, is being spent to prepare for efficient and economical use of funds in succeeding fiscal years. Two modern adequate bookmobiles have been ordered which will be used to demonstrate the bookmobile idea, to survey bookmobile service patterns as they are developed, and to institute service in newly served rural areas while local bookmobiles are on order. The time factor of nearly 6 months between order and delivery of bookmobiles on the present market make this advisable. The library division is in the process of securing two professional field workers to assist local rural areas in developing their plans for creating and establishing local public library service. The division is also in the process of securing additional clerical personnel to relieve professional personnel of clerical duties. These personnel positions are included in the division budget now before the Minnesota legislature.

A third step in the preparation will be the acquisition of a large collection of standard public library books and other library materials which will serve as the basic collections for library service in the areas where new rural service is developed. At present, in the areas most in need of service and most enthusiastic about new developments, there is not a sufficient supply of books to sustain service to wider areas and larger populations.

2. THE SUBSEQUENT STEPS

A bill (Senate file 12) is now before the Minnesota legislature, having been reported favorably out of both House and Senate Education Committees, to provide the full amount of required matching funds for the full Minnesota allocation under a full appropriation by Congress as provided in the Library Services Act.

The Minnesota plan provides that this money shall be used to develop systems of libraries, serving rural people, which would cover two or more counties. A minimum of local support is required to qualify for aid.

The Federal and State aids would be combined to provide sufficient money to help cover the high initial establishment costs (books and other materials and equipment, including bookmobiles) and a sliding schedule is provided for future development so that in a few years local support would carry the costs of the local library operations.

These library systems would be organized under the joint exercise of powers statute, be under the management of library boards appointed to represent the local areas involved in the system, and under the direction of a fully qualified trained librarian. The supervision required by the Federal act will be performed by the library division under the rules and regulations established by the Minnesota Board of Education.

In the last few months, eight meetings have been held, scattered over the State, which were attended by a total of over 400 people interested in local library development. As a result of these meetings, tentative plans are being prepared for further discussion with local library leaders and public officials for the following developments:

1. A library system in the northwestern section which would serve Kittson, Roseau, Marshall, Pennington, Red Lake, and Polk. Except for the cities of Thief River Falls and Crookston, the library service in the area is extremely limited, and most of the population has no library service at all.

2. The extension of the Clay County library service to one or more neighboring counties, now having no rural library service at all.

3. A library system serving 5 or 6 counties in the west central area where there are only a few small city libraries, a very small amount of rural service, and an unserved population of over 50,000 people.

4. The development of the two rural systems of library service in the southern part of the State, basing the initial strength on existing county library organizations and serving from two to four presently unserved counties in each system.

5. The development of a library system in the metropolitan fringe area where the present rural services are inadequate in both organization and support to cope with the rapid increase in rural population. A considerable percentage of Minnesota's unserved population resides in this area.

6. The development of an eight county library system in the northeastern area.

We realize that the sums involved in the full appropriation are not sufficient to establish adequate service in all of the above areas in any one year, but we are confident that the development of local organization and support will be sufficient in enough of them to require the full appropriation to make an adequate beginning in at least three areas.

It is our intention to concentrate on adequate development in a few large areas rather than scatter the aid in small inadequate sums in many small areas, in order that really satisfactory long-term benefits to rural development may take place. We feel that this coincides with the intent of the Congress in passing the act.

Tribute to a Hero

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. HOLLAND. Mr. Speaker, under leave to extend my remarks, I would like to include in the RECORD the following remarks made by Col. Raymond G. Davis, United States Marine Corps, CMH. The occasion was the presentation of a portrait to Mrs. Emma Kelly, the mother of Pfc. John D. Kelly, Homestead, Pa., who valiantly gave his life in Korea and who was posthumously awarded the Congressional Medal of Honor. The entire community of Homestead was on hand to honor this great hero on February 28, 1957.

The Homestead School Board is to be congratulated on its presentation of a portrait to honor the late Pfc. John D. Kelly, here in the school from which he graduated.

It is most fitting that this ceremony is being conducted here.

This school is one of the symbols of a great people who value liberty and freedom of expression above all else and who have won and maintained our liberty through deeds of sacrifice and heroism akin to those of the young man whose memory we are now honoring.

No country can rise higher than the intelligence, moral and spiritual development of its citizens.

We have founded our country upon the basic principle that its citizens will be enlightened and will be clean in morals and chaste in manners.

Many times we are able to find ideals upon which we can gage our lives.

These ideals are ofttimes associated with our heroes.

For many of us for a long time heroes were people we read about in books.

History had recorded their illustrious deeds, the years had given them grandeur, but time in rendering their heroics had left their likenesses a little hazy.

We would applaud our heroes, cherish them, take their accomplishments for our standard, but we could never feel close to them.

Here in Pennsylvania you have given to our country many of these heroes in the past. Here are a few:

Anthony Wayne fought with Washington and distinguished himself at Germantown.

Admiral Perry—not born here, but a Pennsylvanian by choice—was a hero of the naval battles of 1812.

General McClellan served in the Mexican War and later commanded the Union Forces in 1861 and 1862.

Tasker Bliss served in the Spanish-American War and rose to be Chief of Staff of the Army.

Peyton March served in the Philippines in the Spanish-American War and rose to be

Chief of Staff of the Army following General Bliss.

Those heroes we find are statues in our parks, headings in our textbooks, contributors to our heritage, who are quoted, honored, praised.

We revere them at a dim and misty distance, but we do not really know them as individuals.

Now those things have changed.

We live in an era of crisis when courageous men and women must race to meet the challenge of every day that dawns.

The heroes of these demanding days are men and women we know.

The boys and girls who have grown up in our own lifetime and in our lives.

They have walked our streets, played in our backyards, learned their lessons in our schools, prayed in our churches, romped in our parks, played ball on our corner lots.

Jack Kelly unlike the heroes of the past was a man known to Homestead.

He lived here among you.

John H. Kelly exemplified all the finer things we strive for as a standard upon which to pace our lives.

How did he become the man he was?

To whom are we indebted for his great character?

First we owe a debt to his family.

The real honored guest here today is the mother of the young man whose deeds of courage and sacrifice have occasioned this ceremony.

Her early guidance and her strong character were reflected in her heroic son.

May her sense of grief over the loss of her son be mellowed by the memory of the heroic manner of his going, and by the great honor he has brought on all about him.

We are indebted also to his friends, his neighbors, his counselors, and to all who contributed toward his development.

The day to day contacts he made, his friendly associations, the games he played; all these played a part in his growth.

This school contributed greatly also.

His teachers and counselors, his coaches, the facilities for study and development of ideas and ideals.

He is remembered as a fine student, and one who played basketball on your championship team, prior to his graduation in 1948.

He then attended Arizona State College prior to entering the Marine Corps.

The war in Korea was a year old when he joined.

After completing his basic training at Parris Island he was transferred to Camp Pendleton on the west coast for combat training prior to joining the First Marine Division in Korea.

The war there was a stalemate in overall effect, but there was a very real, serious battle for many positions over much of the front.

His unit was in the middle of some of the heaviest fighting on the Korean front as indicated by the fact that more than 3,000 heavy mortar and artillery shells were fired into his area on the day of his heroic action.

His unit was under direct fire from machineguns and was being hit by hand grenades.

It was the kind of situation which can only be saved by the presence of a man who can rise above the rest and lead the way to success.

Fortunately in many dire situations throughout our history we have always had such a man to appear.

In this battle, which was going very badly indeed, Jack Kelly was to be that man.

He had been a radio operator.

Seeing how desperate the situation was he obtained permission and left his radio in the care of another Marine so he could better participate in the assault on the enemy key positions.

I have a letter from Jack Kelly's commanding officer in Korea which I would like to read:

ARCADIA, CALIF., *February 21, 1957.*

DEAR MRS. KELLY: The words of a citation can never serve to describe the true value of deeds performed by such men as your son. His heroic conduct and action will never be forgotten by the men of my command.

The morning of May 28, 1953, is a vivid memory for me and all of the men who served with me. Aside from the courageous conduct of your son in the face of hostile action, his great sacrifice has served an even greater purpose. The immediate effect of his performance on that morning was to inspire the men of my platoon into numerous individual acts of bravery that enabled us to accomplish our mission against the numerically superior enemy force.

The enduring effects of that morning will be to serve as inspiration to all of the men in my platoon in the conduct of their lives. It is a deed that will long be remembered and always discussed when we are able to rendezvous around the country. I will always consider it an honored privilege to have served and directed men of the United States Marine Corps and especially to have been associated with your son on May 28, 1953.

More important, the men of my platoon, who are the fathers of today, will utilize the memory of your son in demonstrating to their sons the values so important in the lives of the leaders of tomorrow—courage, initiative, leadership, and self-sacrifice.

It is very pleasing to me to know that the memory of your son will be commemorated in the school which must have contributed so heavily in molding the character and personality of this great young American.

I regret that the distance of miles will keep me from attending this memorial service, but can assure you that my prayerful thoughts and memories will be directed to Homestead, Pa., on the occasion of this service. It is my hope that I will be able to visit you and witness this portrait at an early date.

Sincerely,

HOWARD L. SIMS.

Quoting from his citation for the Congressional Medal of Honor:

"Fearlessly charging forward in the face of a murderous hail of machinegun fire and hand grenades, he initiated a daring attack against a hostile strongpoint and personally neutralized the position, killing two of the enemy.

"Unyielding in the face of heavy odds, he continued forward and singlehandedly assaulted a machinegun bunker.

"Although painfully wounded, he bravely charged the bunker and destroyed it, killing three of the enemy.

"Courageously continuing his one-man assault, he again stormed forward in a valiant attempt to wipe out a third bunker and boldly delivered pointblank fire into the aperture of the hostile emplacement.

"Mortally wounded by enemy fire while carrying out this heroic action, Private First Class Kelly, by his great personal valor and aggressive fighting spirit, inspired his comrades to sweep on, overrun and secure the objective.

"His extraordinary heroism in the face of almost certain death reflects the highest credit upon himself and enhances the finest traditions of the United States Naval Service.

"He gallantly gave his life for his country.

"DWIGHT D. EISENHOWER,
"*The President of the United States.*"

To recall and recognize his deeds of heroism is not only to honor John D. Kelly, but to strengthen our own resolution to be worthy of the example he has set.

Few of us will ever approach his bravery but we can at least keep alive in ourselves and instill in our children those standards and traditions of unselfish devotion to great principles which make men and nations great.

We can honor Jack Kelly more fittingly by dedicating ourselves to the task of making our country the kind of place for which he and others like him would be proud to have given their lives.

The heroism of this young Marine gives new meaning to our heritage of courage.

Today, we pay tribute to Pfc. John D. Kelly, not as a man whose heartbeat has been stilled, but as another great and brave Pennsylvanian whose heart beats on in the great heartbeat of freedom.

The Railroad Retirement Act Is in Need of Further Liberalization

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 14, 1957

Mr. VAN ZANDT. Mr. Speaker, on Monday, March 11, 1957, I appeared as the first witness before the House Interstate and Foreign Commerce Committee regarding amendments to the Railroad Retirement Act.

My statement follows:

REMARKS BY REPRESENTATIVE JAMES E. VAN ZANDT, 30TH DISTRICT OF PENNSYLVANIA, BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, MARCH 11, 1957, REGARDING AMENDMENTS TO THE RAILROAD RETIREMENT ACT

Mr. Chairman, I am grateful to you and the members of this committee for the opportunity to appear before you and urge approval of the bills I have introduced at the request of thousands of active and retired railroad employees whom I have the honor to represent.

These bills, with the exception of one bill, H. R. 4530, have been introduced by me in previous Congresses, and they have the support of many individuals and groups among the railroad population of my district and the Nation.

The bills are as follows:

H. R. 3115, introduced on January 16, provides retirement on full annuity at age 60 or after serving 30 years; and further provides that such annuity for any month shall be not less than one-half of the individual's average monthly compensation for the 5 years of highest earnings et al.

H. R. 3116, introduced on January 16, provides full annuities, at compensation of half salary or wages based on the 5 highest years of earnings, for individuals who have completed 35 years of service, or have attained age 60.

H. R. 3117 and H. R. 3420 are identical and will repeal the prohibition against the payment of dual benefits to spouses thereby making them eligible to receive spouse benefits under the Railroad Retirement Act and earned benefits under social security.

H. R. 3118 and H. R. 3421 are identical and provide that an annuitant may be eligible for his retirement annuity even though he renders compensated service for an employer other than railroads, by whom he was last employed before his annuity became effective. These bills cover the situation where a retired employee is denied the opportunity to serve as a clerical employee of a church, civic, fraternal, or social organization.

H. R. 3422 provides a 25 percent across-the-board increase in widows' annuities.

H. R. 4530 is identical with H. R. 4353 and H. R. 4354, the so-called Harris-Wolverton

bills, amending the Railroad Retirement and the Railroad Unemployment Insurance Acts. This legislation liberalizes benefits under both acts and was introduced at the request of railway labor organizations in my congressional district who subscribe to the views of the Railway Labor Executives Association who are the sponsors of this legislation.

Inasmuch as H. R. 4530 is identical with the Harris-Wolverton bills and having no pride of authorship, I join with the Railway Labor Executives Association in advocating favorable consideration of the Harris-Wolverton version of the legislation.

Before any further discussion of proposed amendments to the Railroad Retirement Act, I want to reaffirm the position I have taken annually before this committee to the effect that there is an absolute necessity of maintaining the stability of the retirement fund and keeping it in a solvent condition to guarantee the payments of present and future benefits with the highest degree of certainty.

In this connection, it should be recalled that when President Eisenhower—on August 7, 1956—signed Senate Bill 3616, known as the 1956 Amendments to the Railroad Retirement Act, he issued a statement calling attention to the fact that the cost of the 1956 amendments, estimated to be $62 million annually, would increase the deficiency of the retirement fund to $160 million a year. President Eisenhower further stated that corrective action was imperative in remedying the $160 million deficiency and that he was signing Senate bill 3616 with the understanding that the 85th Congress would take corrective action.

Mr. Chairman, the deficiency reported in the retirement fund is the stumbling block to our efforts to further liberalize the Railroad Retirement Act and increase its benefits. Therefore, Congress—as custodian of the railroad retirement fund—in finding means to liquidate the $160 million deficit and at the same time finance the cost of new amendments—is faced with the necessity of providing new sources of revenue, first, by either increasing payroll contributions, and allowing the employee to take credit for the increase on his income-tax return, or, secondly, to subsidize the railroad retirement fund by a direct contribution from the Treasury of the United States.

Mr. Chairman, there is a definite need for a further liberalization of railroad retirement benefits. This need is as great today as it was a year ago, if not greater, due to the fact that the cost of living is still increasing and monthly benefits have not kept pace with it.

Those of us who represent districts with a heavy railroad population—both active and retired—know whereof we speak when we say retired railroaders and their families or their survivors are finding it difficult to exist on the present scale of benefits.

Even the active railroad employees and their families are concerned about inadequate benefits because they are looking forward to retirement and to having a retirement system that will provide them with security for their retirement years.

Last year, Mr. Chairman, you will recall Congress provided an increase of less than 10 percent for certain annuitants, pensioners, and survivors.

In my opinion, this increase should have been an across-the-board increase with no exceptions. As it is, there were certain groups of beneficiaries—especially widows—who received no increase whatsoever. In this day and age, with the cost of living at an all-time high, it is impossible to explain to these groups why they were not included in the legislation granting increases in retirement benefits.

Should the Harris-Wolverton bill be approved the proposed 10 percent increase should apply to all annuitants, pensioners or their survivors without any exceptions. To do otherwise, you are simply inviting the charge of discrimination against those excluded from receiving the increase.

Speaking of discrimination, I would like to see the Harris-Wolverton bill amended by including a provision that would repeal the prohibition against the payment of dual benefits to spouses thereby making them eligible to receive spouse benefits under the Railroad Retirement Act and earned benefits which they have paid for by payroll contributions under the Social Security Act. After all, these spouses paid for social security benefits in their own right and they are entitled to them. In this connection, I understand the cost of such an amendment is minute as compared to the moral obligation of giving a person benefits they have paid for and acquired in their own right.

Another discriminatory practice that should be abolished is the requirement that an annuitant must sever all connections with employment outside the railroad industry before he becomes eligible for railroad retirement benefits.

In the earlier part of my statement, when explaining the purpose of my bills, H. R. 3115 and H. R. 3421, designed to repeal the requirement, I stated: "Here is a situation where a retired railroad employee is denied the opportunity to serve as a clerical employee of a church, civic, fraternal or social organization."

Mr. Chairman, if it is not possible to repeal this provision, I urge that we write into existing law a provision that will permit these retired employees to earn up to $100 monthly in this particular type of employment. In other words, such a ceiling on income would be comparable to the income limitations placed on persons retired because of disability.

Here again the cost of my bill, H. R. 3118, I am informed, would be insignificant and would have virtually no effect on the retirement fund.

Over a period of years, I have been besieged by thousands of my constituents actively employed in the railroad industry urging enactment of legislation that would reduce the retirement age to 60 years or permit retirement after 30 or 35 years of service with the annuity to be computed on the 5 years of highest earnings.

As a result of the interest of my constituents, I introduced in previous Congresses legislation to effect earlier retirement and I hope that during your deliberations you will give consideration to my two bills on the subject—H. R. 3115 and H. R. 3116.

Mr. Chairman, I want to reiterate the compelling need to liberalize the provisions of the Railroad Retirement Act and to increase its benefits.

This committee has a herculean task in trying to amend the Railroad Retirement Act and at the same time find the means of paying the cost of such amendments, as well as liquidate the $160 million deficit referred to by President Eisenhower.

As in previous years, like other Representatives whose districts have a heavy railroad population, I await the results of your deliberations on the many pending amendments to the Railroad Retirement Act now under consideration.

Whatever your decision is, I know it will be in the best interest of the railroad population both active and retired.

Mr. Chairman, in concluding I would like to recommend that the Railroad Retirement Board and the railway labor organizations be encouraged to conduct a campaign of education regarding the Railroad Retirement Act, its origin, its purpose, and the financial condition of the retirement fund.

During my congressional career, I have never encountered so much confusion in the minds of active and retired railroaders and their families over the financial condition of the retirement fund and its inability to absorb the cost of increased benefits.

In addition, I am being constantly reminded of greater social security benefits at a lower cost than the benefits paid under the Railroad Retirement Act. Recently the Railroad Retirement Board made available a comparison of the benefits received under the Railroad Retirement and Social Security Acts.

The comparison reveals the more attractive features of the Railroad Retirement Act which, if generally known, would answer critics of the Railroad Retirement Act. It is information of this type that could be made part of an educational program that would be instrumental in clarifying many questions in the minds of our railroad population.

Mr. Chairman, I should like at this point to include in my remarks a copy of the comparison of the benefits payable under the Railroad Retirement and Social Security Acts:

"HOW RAILROAD RETIREMENT AND SURVIVOR BENEFITS COMPARE WITH SOCIAL SECURITY BENEFITS

"The railroad retirement and social security systems both provide protection against loss of income arising from the hazards of old age, disability, and death. Under the railroad retirement plan, amounts of benefits are generally substantially larger, and the protection is somewhat more comprehensive than under the social security plan. However, by the same token, the more liberal benefits under the railroad retirement plan are more costly; consequently, the railroad retirement taxes necessary to finance the system are higher than under the social security system.

"The major differences between the two systems may be summarized as follows:

"1. In general, railroad employees and their wives or survivors receive higher benefits. Moreover, in no case can monthly benefits be less than those under the social security formulas.

"2. Railroad employees with 10 or more years of service are protected against permanent disability for all regular work. Those with 20 or more years of service are also protected for work in their usual railroad occupations. In both cases, benefits may start at any age. Occupational disability benefits are also granted at age 60 to employees with 10 to 19 years of service. Effective July 1, 1957, social security employees may receive disability benefits at age 50, provided they are permanently disabled for all regular work; no provision is made for those only occupationally disabled.

"Nondisabled railroad employees may retire at age 60 if they have 30 years of service; in such cases, the annuity is reduced for men, but not for women. Under social security, no retirement benefits are payable to nondisabled male employees before age 65, nor to women employees before age 62. Furthermore, women who retire at age 62–64 must take a reduction in their annuities.

"3. Widows of railroad employees (even if not caring for eligible children) can receive monthly survivor annuities at age 60, as against age 62 under the Social Security Act.

"4. Railroad employees, but not employees under social security, are guaranteed that the retirement and survivor benefits paid in their cases will be greater than the taxes they contribute to the retirement system.

"It is natural that the more valuable protection railroad employees have would be more costly than that offered by the social-security system. At the present time, the railroad retirement tax rate (on employees and employers alike) is 6¼ percent of the employee's earnings up to $350 a month, while the rate under the social-security system is 2¼ percent on similar earnings. The railroad rate, however, has reached its maximum, while the social-security rate is scheduled to rise as follows: 1962–64, 2¾ percent;

1965–69, 3¼ percent; 1970–74, 3¾ percent; and 1975 and thereafter, 4¼ percent. In the long run, the tax rates under each system are designed to be sufficient to support the benefit structure.

"The data below compare the amounts of the various benefits paid under the two systems. The full effect of the disability freeze and dropout provisions of the 1954 amendments to the Social Security Act, and all of the provisions of the 1956 amendments to that law, are not yet fully reflected in the average benefits payable under the social-security system.

	Railroad retirement	Social security
RETIREMENT BENEFITS		
Present maximum to—		
Employee alone	[1] $194.50	$108.50
Employee and wife	[1] 326.60	162.80
Maximum benefit to—		
Employee alone with 40 continuous years of service after 1936	269.30	108.50
Employee and wife	374.60	162.80
Employee alone with 45 continuous years of service after 1936	294.50	108.50
Employee and wife	346.80	162.80
Average benefit awarded to—		
Employee alone	[2] 122.00	[3] 68.00
Wife or dependent husband	[2] 47.10	[3] 33.90
SURVIVOR BENEFITS		
Present maximum monthly annuity to—		
Widow	81.40	81.40
Widow and 1 child	162.80	162.80
Widow and 2 or more children	200.00	200.00
Insurance lump sum (payable under Railroad Retirement Act when no survivor is immediately entitled to a monthly benefit, but in most cases under Social Security Act).		
Present maximum to—		
Survivor of employee with 20 years of continuous service after 1936	[1] 701.00	255.00
Survivor of employee with 40 years of continuous service after 1936	859.00	255.00
Survivor of employee with 45 years of continuous service after 1936	855.00	255.00
Residual payment, which guarantees benefits greater than taxes payable regardless of employee's years of service, equal to 4 percent of taxable earnings 1937–46 plus 7 percent thereafter, less benefits previously paid	(4)	(4)
Present maximum assuming 20 years of service, 1937–56, and that $701 insurance lump sum was only other benefit previously paid	5,364.00	----------
Maximum assuming 40 years of service, 1937–76, and that $852 insurance lump sum was only other benefit paid	8,003.00	----------

[1] As of Jan. 1, 1957.
[2] In January 1957.
[3] In October 1956.
[4] No provision.

(Office of Director of Research, United States Railroad Retirement Board, March 1957.)

Mr. Chairman, this concludes my statement.

Forty-second Anniversary of the Incorporation of the City of Miami Beach

EXTENSION OF REMARKS

OF

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. FASCELL. Mr. Speaker, March 26 marks the 42d anniversary of the incorporation of the city of Miami Beach. From a tiny fishing village of barely 600 population Miami Beach has grown to a thriving city of 60,000 which plays host to 1¾ million visitors annually. I want to take this opportunity to extend my heartiest congratulations to all the officials and citizens of Miami Beach who have helped make this fabulous growth possible.

Only a few years ago Miami Beach was generally thought of as only a winter resort. Today the advantages of its spectacular location and unsurpassed climate have made it famous the world over as a year-round vacation spot. The vision and foresight of the early city fathers has been more than vindicated. Where formerly there had been only mangrove swamp and sand dunes there is now a modern resort city of palm-lined boulevards, multimillion-dollar hotels and apartments, fine shops, and beautiful homes.

Since 1935 more hotels have been built in Miami Beach than in most of the rest of the entire United States. Today Miami Beach has over 370 hotels, with a total of 30,000 rooms. The city itself owns 706 acres of public parks, including 8 beaches and 15 playgrounds. With its two municipal auditoriums, many hotel meeting rooms, and outstanding accommodations for visitors Miami Beach has become America's most modern convention city.

All this, plus an absence of soot, smoke, smog, or snow, makes Miami Beach an ideal place whether for permanent residence or for a relaxing vacation.

It is a pleasure to extend birthday greetings to one of the truly fabulous cities of the world.

An Ounce of Prevention

EXTENSION OF REMARKS

OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, March 14, 1957

Mr. POTTER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by the Secretary of the Treasury, Mr. George M. Humphrey, at the Masonic Temple in Detroit, Mich., on March 6, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN OUNCE OF PREVENTION

(Remarks by Secretary of the Treasury George M. Humphrey at the Masonic Temple, Detroit, Mich., March 6, 1957)

You have recently heard statements or seen such headlines as these:

"Runaway Inflation Here."
"Direct Controls To Be Imposed."
"Depression Predicted Soon."
"Washington Will Sit Idly By."

Runaway inflation is not here now. But, everyone recognizes that costs have been creeping up in recent months and might eventually get out of hand unless everyone concerned uses the proper restraints.

Direct controls are not under consideration now. They are utterly foreign to the American way of life except in war-time or other great emergency. To enforce such controls over a long period of time without the patriotic stimulus of war would be an almost impossible task. There is nothing to indicate that return to the controls which we so quickly eliminated in 1953 is either likely or warranted in the foreseeable future.

No one is predicting a depression now. There are no signs that the volume of business activity is about to decline in the near future. If all levels of Government, and the public in general, will control their activities at reasonable levels we can go on with a high degree of prosperity for a long time ahead. But, we can eventually have trouble, if, over a long period of time the Government keeps taking in taxes too much of the money that should be going into making the jobs to keep our growing population well employed.

Should a downtrend develop the Government would not, of course, sit idly by. It is dangerous to answer hypothetical questions about exactly what the Government would or would not do. The particular circumstances and conditions then prevailing would determine the course to be properly pursued. Certainly the Government might increase its activity within its means. It might well carry forward in times of downtrend certain Federal expenditures which should be postponed in a period of high activity. But such stepped-up expenditures should be kept within reasonable bounds and handled in such a way as not to shake confidence in the responsibility of the Government. The action of the Government, whatever it might be, should then be such as to stimulate the confidence of the people to expand their own activities, and thus expand private spending because it is obvious that if Government's activity should shake the people's confidence, then it might well retard private spending which in normal times is many times more than public spending can be.

However, rather than to spend time speculating on remote possibilities let us look tonight at where we are and where we can go from here. This is, of course, of great concern to you as leaders in Michigan of the Republican Party now directing the executive branch of our Government. For it is the Republican Eisenhower administration in the past 4 years which has been most successful in keeping our Nation's economy in a healthy and growing condition. And it is the Republican Party that can best continue to do so.

Where do we stand now?

We are the strongest Nation on earth. We have the greatest prosperity ever enjoyed by any nation. The overwhelming majority of our people now have the highest standard of living ever achieved by man, in peace and in freedom.

What is the outlook?

There is every reason why we should continue to be the strongest, most prosperous nation, with the best supplied people, on earth.

But it is always possible for us to dissipate our strength by unwise actions. The basic natural laws have not been, and never will be, repealed.

Let's always remember than an ounce of prevention is still worth a pound of cure. We are doing our level best by the use of prevention to avoid the necessity of a cure. And, we are encouraged to believe that our efforts may be effective.

Under the Eisenhower administration the position of the Federal Government has been so improved that it is now living currently within its income. We had a budget surplus last year. We will have another budget surplus this year. And we have proposed still another balanced budget for 1958. This is the first time we have had a real prospect of three balanced budgets in succession for more than 25 years.

It is the size of this budget, even though balanced, that concerns us. No man has

worked harder than President Eisenhower to bring about a lower total of budget expenditures. This is equally true of all others in responsible positions in this administration who have given long hours of painstaking work in the budget's preparation. The fact is that the budget as we presented it to the Congress in January is the best that we could propose at the time, even though it provides for increasing Government spending.

In this connection it is important that the public understand fully just how the functions of Government are divided in connection with budget making and the authority for expenditures.

The law establishing this procedure specifies that "The President shall transmit to Congress during the first 15 days of each session, the budget," which "shall set forth * * * [the] proposed functions and activities of Government; * * * [the] estimated expenditures and the proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, * * * [as well as the] estimated receipts of the Government."

But the final decision is the decision of the Congress. Its responsibility is established by the Constitution, which provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law * * *." So that the Congress makes the final determination, not only of how much the Federal Government may spend but for what purposes all expenditures may be made.

It should, therefore, be clear that when the Executive asks the Congress, as we have done, to help to search out ways in which spending can be properly cut below what the Executive has proposed that we are acting only in strict conformity with constitutional processes in the way our Government is established.

It is also important to bear in mind where the money goes that the Federal Government spends.

By far the largest amount—63 percent of the total—is for security. That includes the amounts in the various programs which it is estimated we need to protect ourselves against aggression.

The second largest category of Federal spending is for programs fixed by various laws passed by the Congress. These programs, such as veterans' benefits, agricultural price support and soil-bank payments, grants to States for welfare payments, and the like, plus interest on the Federal debt, total about 25 percent of Federal spending. In these programs, after Congress passes the laws, the Executive has little opportunity to exercise any discretion, but merely administers the program and writes and distributes the checks which the various laws direct.

This leaves but 12 percent of Federal spending in which there is some elasticity in the opportunity to save money.

It, therefore, becomes quite obvious that while some savings can always be made by ferreting out waste, extravagance, and duplication, the really substantial reductions in Government spending can come only from changes in programs. These programs now in effect by decision of the Congress can be changed only by new decisions of the Congress. The executive branch must, of course, work closely with the Congress to arrive at the best judgments as to what the various programs must provide for. That is exactly what the Eisenhower administration is currently doing with the Congress in this campaign which has received so much public notice recently searching to find out ways and means of reconsidering existing programs so as to make substantial reductions in Government spending without either impairing our security or the necessary services to be rendered to the public.

The President in his state of the Union message said that he would insist that the executive department, in the next 4 years "search out additional ways to save money and manpower." There are 16 months remaining before spending under the proposed budget will be completed. We are working and will keep working on a day and night basis to find additional ways and places to save money so that we may come out with a lower spending figure at the end of the budget year. There is reason to be optimistic about the prospects for success in this effort as everyone is cooperating with vigor and sincerity. We have asked the Congress to cooperate with us to this end and it is doing so in its actions on the appropriation bills. We are confident that some specific and substantial reductions can become possible if the people of this country continue their insistence that Federal spending be brought under better control.

Whose job is it to cut Federal spending? It is everybody's job. It needs the active support—not just the approval—of the public.

Basically it is the job of the American people for it is with the people—at the thousands of crossroads over the Nation—that the pressures for spending begin. A group of people who want some assistance or who get into trouble of some kind, turn to the Federal Government for help on the mistaken theory that money from the Federal Government does not cost anybody anything.

The pressures applied are well known and are visible in Washington every day. If some Federal activity is to be discontinued because it is no longer really needed, the townspeople in the community where Federal spending is to be curtailed will organize a campaign with their chamber of commerce to continue the spending within their locality. They will take up the matter with their congressional delegations and the branch of Government which is trying to curtail the unnecessary spending comes under heavy criticism from them. It is these pressures for continuation of present programs or the beginning of new programs, for local groups or in many localities throughout the country, which, added together, result in the terrific sums of money the Federal Government is spending today.

We need a campaign of public education so that the public will better understand the facts of life about Federal spending.

They must realize that there is no bottomless well of unlimited money in Washington. The only Government money that any person can get must come from the taxes he pays whether the payment is by check from Washington or from the city or county treasurer or the town selectmen.

There is all too prevalent an attitude of "getting our cut so long as everyone else is getting theirs." There is a general feeling in many localities that "we must get our cut" of any Federal program or we will be cheated out of our rightful share of the money that the Government is spending and so many programs to spend Federal money are started and many local programs are thus abandoned at the local level and Washington is turned to for help that would otherwise be locally supplied. The people must come to understand that any program, if financed by Washington, can only be paid for by local tax money going to Washington, where some is used up for Washington overhead expense and what's left goes back to the local community which provided some or all of the money in the first place.

The public must understand better that local spending for local needs is more efficient and that Federal programs for local needs should be curtailed. Public projects locally determined and locally financed are likely to be more efficiently administered than any project which is put into effect and supervised by some distant agency. A town meeting is less likely to spend its tax money on some unnecessary programs than an agency in Washington a thousand miles away where a growing bureaucracy is entrenching itself.

President Eisenhower has often said and deeply believes that as Lincoln once said: "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do, for themselves—in their separate and individual capacities. In all that the people can individually do as well for themselves, government ought not to interfere."

Finally the people must be awakened to the true meaning of freedom. If the people of America are to have the benefits of freedom they must also bear the obligations of freedom. The Federal Government cannot absorb the obligations of the people and still permit the people to have and cherish the freedoms which have made this country great. The feeling is growing in this country that regardless of how careless you are of your own obligations and activities, if you get into trouble somehow or other the Government will take care of you and bail you out. If the people for themselves abdicate all self controls they can only have, in time, complete Government control.

As our economy produces more it does not mean that the Government must spend more, continually increasing the paternalism of Government. Just the opposite is true. The more we have the better able more of us should be to do for ourselves and be less and less dependent upon the Government.

High spending for our security will be required for some time.

But that is all the more reason why our expenditures in many other ways must be curtailed and postponed until security becomes less costly and we are better able to afford more expense for some of the other things we might like to do.

When there is an unfortunate serious sickness in the home some of the things that would otherwise be nice for the family to do must be postponed and await their turn.

We must remain militarily strong. We must pay the cost of protecting our lives and way of living. But merely spending dollars does not guarantee this protection. The effective power of our defense is not measured only by its cost.

During the past few years lethal weapons have been developed which can destroy whole cities and nations. These weapons are new and they are very costly.

But the extremely high cost of new weapons simply increases the demand that we be highly selective and quick to abandon the expense of obsolete methods and equipment. We must, of course, always remain continually on the alert for the elimination of duplication and waste wherever it is found.

We must also remain strong economically for our greatest strength lies in our strong economy and the might of our great industrial machine.

No one can say exactly how much we can spend for defense before we risk serious injury to our economy. While military spending protects our lives it does not add to the permanent wealth of our Nation—to the new peacetime plants, machinery, farms, and homes which are required for our growing population.

The billions we pay for military items and personnel exert substantial inflationary pressures. The money goes into the spending stream but is not matched by production of goods which the people can buy. Monetary measures are helping to restrict these inflationary pressures. But, reductions in Federal spending would contribute greatly to the release of manpower and materials for increased production of peacetime goods and so help to hold down prices.

The toll of inflation falls with greatest impact upon the vast numbers of our citizens who are least able to protect themselves

from its cruel effect: the millions of pensioners, life insurance and annuity holders, savings depositors, and others living upon fixed incomes or upon those who have prudently laid by some reserve for their future protection. That is why the Government must exert every effort to hold in check any new movement toward inflation.

Can we really reduce Government spending?

We certainly can, provided that we are willing to also reduce some of the services and contributions which the Federal Government is now making to various groups of our citizens. Three years ago we cut Government expenditures substantially and made possible the greatest dollar tax cut in our history. This stimulated the surge of national confidence which has spurred the prosperity of the past 2 years, the greatest prosperity we have ever known. These reductions in Government spending also helped to then stabilize the cost of living.

Another reduction in Government spending would not only tend to take some pressure off prices now and help to hold down the rising cost of living, but it would also lead the way toward another tax cut.

This can all be done if we continue to pursue with vigor and determination the Eisenhower policies which have guided us so well in the past and have the widespread active support of our citizens. Most people are in favor of strict economy for everyone but themselves and their own pet projects. It will take more than that to accomplish our purpose. We must have the unselfish support of all groups who are willing to demand somewhat less from the Federal Government for themselves as well as for all others for the great benefits that will surely result for all America.

We are Americans first. We are Republicans second, but we are absolutely certain that the Republican principles of the past 4 years have given us all more, better, and sounder conditions than we have known for years and that the best thing for all America is to have them continued.

So let's really go to work to strengthen and revitalize our party at the grass roots from whence all real power comes, and build an even better, stronger party beginning now to insure the continuation of the principles of proven worth which will maintain the safest, strongest, most prosperous America for all of us in the future.

A Proposal for Small Business Financing

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. GARMATZ. Mr. Speaker, the problem of adequate financing for small business is one which has been with us for many years. Congressional committees have investigated the problem, students of our business system have researched the problem, and all have found substantially the same answer—the present private financing machinery leaves a great gap insofar as small business is concerned. It does not provide adequate financing, either of risk capital or credit for people wishing to start a new business, for established small businesses with good expansion opportunities, or for small firms' working capital needs. This gap is especially severe with respect to long-term capital. But while the problem has long been recognized, little or nothing has been done about it, and the problem ever grows more severe.

This is a problem which affects not merely the welfare of small-business people. It has a direct bearing on the welfare of the whole country. It involves such questions as whether we shall continue to have a competitive system of business, with low prices for consumers, or whether we shall have increasing concentration of business into the hands of a few corporate empires, with consumer exploitation and all of the political and social consequences implied in a system of great concentrations of economic power.

A CHRONIC PROBLEM HAS BECOME ACUTE

The present tight money policy has only served to make a chronic problem a most acute problem. Since the Federal Reserve Board began applying the brakes to commercial bank credit 2 years ago this month, small firms have found it increasingly more difficult to obtain credit, either for new plants, new stores, new equipment, or for financing inventories at their old levels of operation. Yet credit is still available in abundance to the big corporations, and these continue to expand at a record pace. New shopping centers and new supermarkets are springing up every day. Although the credit squeeze was in full force and effect throughout the whole of last year, it did not reduce the total volume of nonresidential commercial construction, nor the volume of industrial construction. On the contrary, while the effect of the credit squeeze was plainly visible in the drop in residential building last year, both commercial and industrial construction showed substantial increases over 1955. According to reports of the Department of Commerce, the value of private commercial buildings constructed last year reached $3.3 billion, which was 8 percent more than in 1955, and 40 percent more than in 1954.

The fact that the new supermarkets being built today are being built almost exclusively as new outlets for the great national chains, is no fault of the small-business people. Many well-established retail firms would very much like to build the new supermarkets and keep pace with the trends. It is not by choice that they must sit back and watch their trade dwindle away. But the difference is that the big national corporations can obtain the money for these new stores, while smaller firms cannot obtain the money, or can obtain money only on such unfavorable terms as to make the venture impractical.

A LONG-RANGE SOLUTION OFFERED

My attention has been called to a most interesting analysis of this problem which I know will interest all the Members. It appears in the January issue of the magazine Skirmisher, which is a monthly publication of the Independent Retail Grocers and Meat Dealers Association of Baltimore. Here the editors point out that the big chains are obtaining financing for new supermarkets at what amounts to 100 percent of the land and construction costs. The big chains can find big financiers, with access to the big money markets, who will construct these supermarkets in exchange for a long-term lease. The small firm, on the other hand, is confronted with the problem of meeting 40 to 50 percent of the construction costs, and obtaining mortgage money to cover the other 50 or 60 percent.

The editors of Skirmisher have proposed a solution, not merely to meet the present tight-money situation, but a solution to the chronic problem of small-business financing. The proposal is for the establishment of what the editors call a Federal discount agency. Such an agency, which would require an initial investment of Government money, would be run by the small-business people themselves, on a voluntary cooperative-membership basis; and the members would have a financial risk in the organization. The fact that this proposed agency would be managed by the small-business people themselves, on the self-help basis, is to my mind the most appealing part of the proposal.

LITTLE HELP FROM THE SMALL BUSINESS ADMINISTRATION

Skirmisher does not overlook the loan program of the Small Business Administration. The editors point out several reasons, however, why SBA does not meet the need. And they reach the conclusion that "small-business benefits from the SBA are almost infinitesimal." The principal difficulties with the SBA lending are that its requirements for collateral and assurance of loan repayment parallel those of commercial banks, which have helped to create a credit gap in the first place, and the process of trying to obtain a loan from SBA involves too much redtape. In consequence, SBA has made very few small-business loans. Furthermore, I would add another objection of my own, which is that SBA's program involves direct lending from the Federal agency—an arrangement which, to my mind, is not nearly as conducive to a real and permanent solution to the problem as is a cooperative arrangement, managed by small-business people themselves.

40 YEARS' EXPERIENCE WITH FEDERAL LAND BANK SYSTEM

Coincidentally, I have today received a most interesting pamphlet from the Federal land bank of Baltimore, commemorating the 40th anniversary of the Federal Land Bank System. This system presents an exact parallel to "Skirmisher's" proposal for small business, and it has had remarkable success in assisting farmers with their financing problem.

The Federal Farm Loan Act, which brought the land bank system into being, was part of President Woodrow Wilson's program for breaking the control of the "money trust," and creating a self-help system whereby small farmers could obtain financing to carry on the business of farming. The act was passed by a Democratic Congress and signed by President Wilson in 1916, and the 12 Federal land banks began making loans the following year.

MORE LOANS TO FARMERS IN 5 STATES THAN TO ALL UNITED STATES SMALL BUSINESS

In the past 40 years, the Federal Land Bank of Baltimore has made more than 69,000 loans, totaling more than $263 million, to farmers in 5 States—Maryland, Delaware, Pennsylvania, Virginia, and West Virginia. This amounts to an average of 1,700 loans per year. In contrast, through December of last year, SBA's record of loans made to small business amounted to 1,300 loans per year. In other words, the Federal Land Bank of Baltimore has made substantially more loans per year to farmers in just 5 States, than the SBA has made, in each year of its operation, to more than 4 million small-business firms in the whole United States. Furthermore, a majority of SBA's loans have involved the guaranteeing, in part, of commercial bank loans, and to some probable extent, do not represent new credit which would not have been available to small business anyway.

FEDERAL LAND BANKS HAVE HELPED FARMERS AND MADE PROFITS

The Federal farm-loan system works in this way:

In order that farmers might own and operate the system, the law provided for the organization of local farm-loan associations through which land-bank loans would be made. Each borrower must buy one $5 share of stock in his association for each $100 he borrows. The association, in turn, must buy a like amount of stock in the Federal land bank. The stock is redeemed at par value when the loan is repaid.

In the beginning, Government capital was placed in the banks, to get the system going; and Government capital was added in the depression period, when these banks were asked to be especially lenient to farmers, and to help them meet their obligations to other creditors.

But by 1947 all Government capital had been repaid. Furthermore, the Baltimore bank now has more than $9,600,000 of retained earnings, plus some $4,500,000 of capital stock owned by the local associations. This is after having paid all operating expenses and having paid, in most years, dividends on the capital stock.

Yet farmers have had the benefit of financing—on lenient terms and at low interest rates—which would not otherwise have been available to them. They have been able to buy land, erect buildings, buy livestock and equipment, and generally carry on the business of farming by a system of individual, family-owned farms.

SMALL BUSINESS AND BANKING COMMITTEES SHOULD CONSIDER "SKIRMISHER" PROPOSAL

I would like to invite the Members' attention to "Skirmisher's" article which I mentioned earlier. This reflects authentic, firsthand experiences of small-business people in the retail grocery and meat businesses. I am offering a somewhat condensed version of this article for the RECORD, below. It goes into other possible functions of the proposed Federal Discount Agency—such as pooling purchases of supplies—in addition to the financing operations which I have discussed.

In addition, I invite the Members' attention to the 40th anniversary statement of the Federal Land Bank of Baltimore which follows the "Skirmisher" article.

It would seem to me especially appropriate that the Small Business Committee and the Banking Committee give careful consideration to the proposal which "Skirmisher" has made. It is a serious and thoughtful proposal. Certainly, some solution must be found, and found promptly, to the unequal and inadequate financing available to small firms, if we are to continue to have a business system in which there is a place for vigorous and progressive small firms.

The article and statement follow:

MARYLAND GROCERS' ASSOCIATION MAKES PLEA FOR FEDERAL DISCOUNT AGENCY TO PERMIT SMALL BUSINESS TO EXPAND AND COMPETE WITH CHAINS ON EVEN TERMS

According to the Small Business Administration, the Government agency set up to aid small business—or make a gesture toward it—there are 4 million small businesses of all types; there are 200,000 big businesses.

Thus the small business units outnumber the big ones by 20 to 1.

While big business deals in heavy volume and, in some cases, in heavy production, the overwhelming majority of small business units makes their aggregate value an equally important contribution to the national economy.

It is a contribution that should not be lost or risked. But what is happening? In this era (not to say this administration) of big business small business is getting smaller and big business is getting bigger.

If the trend not so unfortunate and undesirable it might recall the old joke: "The rich get richer, while the poor get children."

FAMILY OF SMALL BUSINESS SHRINKING

* * * * *

One of the greatest advantages big business has is greater ease and better terms for obtaining public and private financing for expansions and improvements.

In the big new housing developments and shopping centers mushrooming all over the country, one central chain outlet can put dozens of neighboring competitors out of business almost overnight.

Small business can hardly relocate because it hasn't the means. What is sorely needed—and what in all fairness must be made available before it is too late—is some comparable financial plan for small business to expand, improve or relocate.

SMALL BUSINESS LOANS

The Small Business Administration as it stands is not of much help to the average small business because its terms are too restrictive.

* * * * *

During the first 5 months of the Government's present fiscal year the SBA received 2,784 loan applications and approved 1,255 for a total of $52 million.

In Maryland the SBA has lent about $1,500,000 in regular loans and about $1 million in "disaster" loans. Most of the latter were to borrowers hard hit by Hurricane Hazel.

* * * * *

Harry Baron, manager of the Maryland office of the SBA, in the Calvert Building, was asked why a businessman would go to the agency for a loan if he had collateral enough for it at a bank. Mr. Baron countered:

"Have you tried it lately?" meaning money is tight.

"The banks are making short-term loans only now," he explained. "The SBA is about the only place a small-business man can get a long-term loan."

This, in itself, is added evidence of the need for easier administration terms for small business. In the present state small business benefits from the SBA are almost infinitesimal.

* * * * *

SBA FORMS AND REDTAPE

One Small Business Administration requirement—that the small-business applicant must have certification that his bank will not lend him—means, in effect, that he must ruin his credit to that extent.

Then, if finally he can establish credit with SBA, its forms, procedures, etc.—all the so-called Government redtape—are so long, complicated, and generally impossible that the average applicant ultimately throws up his hands.

The need is for a guaranteeing Government agency that will permit the small-business man to build for himself or have built for him facilities that will allow him to compete with the chains on even terms.

As matters stand, the small-business borrower has to add the greater costs of his credit to the cost of his merchandise.

* * * * *

WHAT IS THE REAL NEED?

The big corporate chains can go on the open market and have a builder construct not only an outlet but also all parking and other outside facilities. By delivery of a long term lease the builder can discount the lease at 100 percent on the dollar and an interest rate of from 4 to 4½ percent.

Can anyone imagine a small-business man persuading a big lease insurance company to buy ground and build an outlet for him on a basis of 1 or 1½ percent of his annual business volume? No.

But this type of discount is a common function with the chains—and banks, insurance companies and other creditors fight to keep this kind of business. Why?

Because they have the assurance of the chains, with the latter's strong financial backing, that their construction money is secure. It amounts to a guaranty.

* * * * *

The independent grocer or any other small-business man—and any landlord he might persuade to build a store for him—must pay 5 or 6 percent interest on any loan. They also must have cash or security sufficient to discount the loan at only 50 or 60 percent.

Thus the grocer or other small-business man not only has to add the additional interest cost to the cost of everything he sells; he also has to depreciate his own credit 40 percent of the cost of his facility or has to pay his landlord a premium rate to establish a 40 percent credit against the improvement.

* * * * *

Summing up, what the small-business man needs—what is really required if the balance between big business and small business is to be maintained—or regained—is a Federal discount agency. This would provide the small-business man with services already available to the chains.

They include adequate interest on mortgage commitments, legal and tax advice and some Government control of volume purchasing and distribution. The last would enable the small-business man, too, to enjoy the direct benefits of distribution of the present surplus market, the same as the chains enjoy it.

As matters stand, local suppliers in any area are in danger of seeing their markets dry up because the chains, with their tremendous purchasing power, are wiping out the middleman, buying produce, canned goods, bake goods and even meat directly from producers.

The condition already is obvious on the Eastern Shore, where the tremendous fryer industry is definitely a distressed market.

Since the activities of the chains is a standing threat to the suppliers, the latter's only countermeasure is to pledge their credit and build their own centers to supply the small grocer. This would guarantee them an outlet for their production and also assure them that the chains could not, under any conditions, dry them up by direct buying and eventually take over their industry.

FORTIETH ANNIVERSARY STATEMENT OF THE FEDERAL LAND BANK OF BALTIMORE

Forty years of service in helping farmers solve their financial problems—that is the contribution made by the Federal Land Bank of Baltimore to the agricultural economy. On March 24, 1917, the bank received its charter to make mortgage loans to farmers in Delaware, Maryland, Pennsylvania, Virginia, and West Virginia. (The charter was later amended to include the Island of Puerto Rico.) For several years prior thereto individuals and farm organizations had demanded a source of credit which would provide long-term loans at reasonable interest rates, that could be repaid from farm earnings on a systematic basis. The Federal Farm Loan Act, which brought the Land Bank System into being to meet this need, was signed by President Woodrow Wilson July 17, 1916, and the 12 Federal land banks began making loans the following year.

In order that the farmer-borrowers might own and operate the new system, the law provided for the organization of local national farm loan associations through which land bank loans would be made. Each borrower is required to buy one $5 share of stock in his local association for each $100 he borrows, and the association, in turn, buys a like amount of stock in the Federal land bank of its district. (The stock is redeemed at par value when the loan is paid.) Except for Government capital which was placed in the land banks in the beginning, and during the depression years when these banks were asked to give lenient treatment to borrowers in financial distress, the farmer-borrowers have had complete ownership of the system. The final amount of Government capital was retired in 1947. The funds which the land banks lend have always been obtained by selling bonds in the security markets.

During the depression years of the early 1930's, the 12 land banks rendered a great service. At that time they constituted the principal source of mortgage credit available to farmers. It has been estimated that in the year 1934 they granted 70 percent of the total volume of mortgage loans that were made, including the funds they loaned as agents of the Federal Mortgage Corporation. A substantial portion of the money loaned at that time was used to meet borrowers' obligations to other creditors who were demanding payment. The land banks followed courageous lending practices during that period when land values were exceedingly low, and their collection policies were lenient for all farmers who were doing their best and who appeared to have a reasonable chance of working out of their distressed financial condition over a period of time.

The Federal Land Bank of Baltimore has made more than 59,000 loans totaling over $263 million. These funds were used to help buy land, erect farm buildings, pay off other debts, buy livestock, machinery, and equipment, and, generally, to improve farm properties and farm operations. A high percentage of the loans have been completely repaid and a large number of folks now own their farm homes free of debt because the repayment plan enabled them to make small annual or semiannual payments from their farm earnings.

The Baltimore bank has more than $9,000,000 of retained earnings in its reserve and surplus accounts and over $4,500,000 of capital stock owned entirely by the 38 national farm loan associations in its district. Dividends were resumed in 1951 and a 4 percent dividend has been paid each succeeding year. The combined capital stock of the national farm loan associations amounts to over $8,500,000 and their retained earnings exceed $1,300,000. Many of the associations pay dividends to stockholders-borrowers but others thus far have used all earnings to strengthen their reserves.

Recently, credit life insurance was made available, on an optional basis, enabling a borrower to have his loan paid off, up to a maximum of $10,000, in event of his death, thereby relieving his family of a heavy debt burden.

The land-bank system has served as a pioneer in the farm-mortgage field, instituting such features as the amortized plan of repayment, the normal value appraisal concept, and the future payment plan. The system has had a stabilizing influence in agriculture, thereby benefiting many farmers who have never used its credit services. Its well-trained personnel, sound financial condition, and constructive credit policies place the system in a better position than ever to render helpful credit service to farm people as we look forward to the challenge which changes in agriculture will bring in the years ahead.

Atomic Power Development

EXTENSION OF REMARKS

OF

HON. CLINTON P. ANDERSON

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Thursday, March 14, 1957

Mr. ANDERSON. Mr. President, the able chairman of the Joint Committee on Atomic Energy, the Honorable CARL T. DURHAM, will make an address tonight in Philadelphia on the subject Some Realism on Atomic Power Development.

I ask unanimous consent that the text of his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOME REALISM ON ATOMIC POWER DEVELOPMENT

(Speech before National Industrial Conference Board Conference on Atomic Energy in Industry at Philadelphia, Pa., on March 14, 1957, by the Honorable CARL T. DURHAM, chairman, Joint Committee on Atomic Energy)

The topic I have chosen for discussion this evening—on realism in atomic power—would appear appropriate for the aggregation of engineers and businessmen at this nuclear congress. Engineers are noted for getting down to brass tacks, and businessmen are known to be interested in the realities of profits and loss statements.

Now actually in making this kind of a speech, I am in a sense stepping a bit out of character. For I am one of the greatest optimists about the present and future prospects for atomic energy development.

I think we have made a great deal of progress since the first Atomic Energy Act was passed in 1946. I further believe that we have made considerable progress since the act was amended in 1954.

Perhaps the greatest single reason for this progress over the years has been that we have had a civilian Atomic Energy Commission responsible for the program, carrying out its activities through industrial and university contractors with administration in the field. More recently the 1954 amendments have encouraged greater private ownership and participation, permitted greater declassification of technical information, and provided the basis for the International atoms for peace program.

Tonight I want to take a somewhat different approach and review some of the hard facts and raise some of the hard questions which are necessary to an understanding and solution to the problems which face us. These facts and questions have for the most part emerged out of the open statutory hearings which the joint committee has recently concluded and other executive hearings which we have held.

In passing let me say that in bringing up these matters, I am following the tradition of the previous chairmen and past and present associates on the joint committee. As you know, our committee in addition to being the only joint committee with legislative functions, has a tradition of being a kind of watchdog for the atomic program. Moreover, we take real pride in providing encouragement and sometimes the spur for the executive branch to establish necessary policies and programs in the atomic energy field.

Our overriding problem as I see it, is how to maintain our world leadership in atomic energy. In the field of atomic weapons and military reactors that is necessary for our immediate survival. In the field of civilian atomic power, it is necessary for our world prestige and long-time survival.

First, I would like to touch upon our military atomic energy situation. Our scientists and engineers at our great Los Alamos and Livermore Laboratories have done a remarkable job in improving the weapon designs which are showing up in our stockpile.

Our vast plants for producing weapon material, U-235 and plutonium, are turning out record quantities of material. But here our first question arises. Are we producing enough plutonium, taking into account the revolution by which nuclear weapons are supplanting conventional weapons? Unfortunately our military planning is apparently geared to current productive capacity instead of our needs 3 or 4 years hence. This is obviously a subject which cannot be explored publicly in its entirety. Suffice it to say that it will be high on the list for consideration by the Joint Committee in coming weeks.

In the field of military reactors, we can take a great deal of pride in the outstanding success of the naval reactors program, under the leadership of Admiral Rickover. The *Nautilus* has been the prototype for the complete transformation of the Navy to nuclear propulsion. Currently we have the *Nautilus* and the *Sea Wolf* operating, with 7 other atomic subs under construction, and plans for 6 additional subs, a guided missile cruiser, and an aircraft carrier.

In the field of Army package power reactors, we also are making progress. The demonstration plant at Fort Belvoir is scheduled for operation this spring. Several other promising approaches are being explored.

In the field of aircraft nuclear propulsion we are also making progress. The AEC in its 21st semiannual report announced that the first jet aircraft engine powered by atomic energy went into operation at the GE Idaho site in January 1956.

But here we encounter our second question. For despite steady progress since a setback in 1953, the Defense Department is again using the meat ax instead of the scalpel on the ANP program. Here is a program where the sound principles of management have constantly been violated. Management has been indecisive with authority spread out among several different offices and branches. In the current cutback, no objectives, schedules, or target dates have been set to provide guidance in the program. Here again, the Joint Committee is trying to help get the program back on a sound course.

Now turning to the civilian power reactor field, we can also point to considerable progress. We have a remarkably diversified program at the experimental level. Eight or more different reactor concepts are being developed to the experimental reactor stage by the Commission.

Moreover we have in the 5,000-kilowatt Argonne experimental boiling water reactor our first regularly operating atomic powerplant. I had the honor of pulling the lever that brought the plant up to power last month.

We are also looking forward to the 60,000-kilowatt Shippingport reactor coming into operation next fall. It will be our first full-scale atomic powerplant. The Joint Committee has consistently followed the progress of this project and its predecessors in the naval reactors program. From these projects we have gained some experience and insight into the problems facing the civilian atomic power program. Only last week some of my associates and I visited Shippingport and were greatly impressed with what we saw.

We can also take some encouragement in the response which private power companies, and State, municipal and cooperative power agencies have shown toward the Commission's invitations to participate in the power demonstration program, or to go out on their own hook in planning to build atomic powerplants. The responses which have occurred since the last session by such organizations as the Virginia-Carolina group, the New England Power Co., the Ohio Valley group, the Northern States Power group, the Pacific Gas & Electric Co., the Pacific Power & Light group, and the Chugach Cooperative, are gratifying, particularly in view of some of the problems I shall discuss later.

But as indicated at our recent hearings, we have run into some real problems and questions in regard to our program for the development and construction of large scale power reactors. At the outset of the hearings, I made two observations which were abundantly borne out during the hearings and subsequently. In my opening statement I said:

"Some of the things which perplex us are the following:

"1. Although we see steady progress in our technology, the technical and engineering problems encountered appear to be considerably greater than anticipated. This discouraging note applies to both Government-financed and privately financed projects. The Joint Committee was informed last Friday that cost estimates for 2 major power reactor projects—1 private and 1 Government-financed—have increased approximately $15 million, which amounts to 20 to 40 percent of original estimates. We have been informed privately of simular cost increases on other projects. Schedules of completion on some projects have also apparently been extended, or should be extended.

"2. Although the immediate financial incentives in this country for reactors does not appear good for the next 10 years, the need for reactors abroad is apparently very great and immediate. Thus the Three Wise Men of Euratom indicated that Euratom needed 3 million kilowatts of atomic power in 1963 and 15 million by 1967. This would mean 30 reactors the size of Detroit Edison by 1963 and 150 by 1967. This is a lot of reactors, but AEC and the State Department say the goal is feasible. I don't need to point any moral from the above."

A sample of statements during the hearings confirming these increases in cost and completion dates is as follows:

"The Yankee Atomic Power group reported that an estimate has been made which indicates that overall costs of the plant will exceed the original estimate of $35 million by a substantial margin. The completion date has been moved from late 1959 to late 1960.

"AEC indicated that the estimate for the Consumers Public Power District project had increased 80 to 100 percent from the original estimated $25 million. The completion date has been moved from 1959 to 1961.

"Westinghouse representatives stated that current estimates for the Pennsylvania Power & Light aqueous homogeneous reactor are appreciably higher than original estimates."

AEC Commissioner Thomas Murray indicated that estimates for small atomic powerplants had also gone up. The 10,000-kilowatt Wolverine Electric Co-op project had already increased about 25 percent." AEC representatives indicated that the original estimate for the Elk River co-op had been withdrawn by the equipment manufacturer, with an indication in later testimony of a 30 percent increase.

It should be noted that most of these increases are in estimated costs before even design is completed. Thus it is possible that actual costs might be reduced or, more likely, increased.

The reasons given for these increases in costs, in addition to normal price increases, were unanticipated development and engineering problems, usually in the non-nuclear portions. Admiral Rickover had some important things to say about these problems in a recent speech as follows:

"Many factors have been suggested as the major source of difficulty in achieving nuclear power. Secrecy, the novel scientific concepts involved, legal and governmental restrictions—each of these has been cited as the major stumbling block.

"The main problem is with materials and equipment generally considered as conventional, but which must conform to the exacting standards required of all components of a nuclear powerplant.

"It has not been difficult to focus the necessary attention on the novel features of nuclear power, such as the nuclear reactor itself. * * * But it has been very difficult to get sufficient effort directed toward the more conventional aspects of nuclear plants—the heat exchangers, the pumps, the valves, the instrumentation. Here normal engineering and manufacturing techniques have proved to be inadequate when applied to nuclear plants."

Admiral Rickover also had something to say about the management problems involved:

"We have found that before a company can produce heat exchangers, valves, pumps, instruments, or other components suitable for a nuclear powerplant, a complete revision of its normal organizational procedures is necessary. A full-time project manager responsible directly to top management must be placed in change of the nuclear products. He must establish new levels of engineering and scientific competence. This generally requires that personnel be given special education and training.

"New tools and procedures for inspection must be developed and put into use. Facilities for testing raw materials and the final product must be designed and installed. Often these are very expensive.

"In short, an entirely new level of technical and administrative competence must be built up for even the so-called conventional-type equipment."

Now I assure you that the reason I dwell on these problems is not because I want our program to look bad. I certainly do not. But these somewhat unpleasant facts raise a number of questions. Of particular interest are the following:

1. Who is going to pay these increased costs?

2. What are their implications as to the realities of private participation in atom-power development during the next 5 or 10 years?

On the question of who is going to pay for the increased costs, it is probably going to be primarily the equipment manufacturer. AEC by reason of its fixed contributions to demonstration projects, has encouraged the placing of the risk of loss on the equipment and component manufacturer. The same policy is standard practice among power companies and co-ops in contracting for commercial projects. Some of the additional costs will be shared by power operators to be charged off through their rates. The difference between the estimated cost of nuclear plants and the cost of a conventional plant of the same capacity will, of course, have to be borne by the power operator.

Perhaps it was looking at these hard facts and questions that prompted Mr. Frank McCune, vice president of General Electric in charge of their atomic energy work, to write to the committee that their number one problem is the following:

"Of primary importance is the present lack of economic incentive. Normally a business begins to grow rapidly when its products produce increased value for its customers. Presently there is much to do before atomic power is competitive in our normal markets; hence our customers are spending money on their projects rather than receiving increased value from them. I believe that it takes more than the usual faith and courage to invest heavily in such a business environment."

As you know, a recent survey by the Atomic Forum confirmed that industrialists believe that the lack of a financial incentive is their number one problem.

Getting back to my realism once again, I would like to make one further observation: Perhaps all of us in one degree or another have erred in treating the program as if commercial atomic power were here or just around the corner in this country. Actually all of the problems are normal for a large scale research and development effort. It is "par for the course" in development work to sometimes miss cost estimates by 100 percent and completion dates by a year or two.

A further question arises growing out of the above observation, to wit: Are we not applying methods applicable to a large-scale conventional power projects, rather than methods more attuned to large-scale research and development work in the atomic-energy field?

Thus, for example, the co-ops and private-power companies (with one exception) are contracting for the development and construction of their reactor plants on a turnkey basis to the private equipment company. This amounts to practically complete delegation of technical and administrative direction of the project to the equipment company. The co-op or private company have few supervisory engineers or management specialists assigned to supervise or birddog the project. Yet, in some cases, the equipment company has never before built a complete reactor.

In contrast, the AEC in building the Shippingport reactor has a complete technical staff under Admiral Rickover and extensive field management and procurement supervisory staff working with the prime contractor and subcontractors. Yet even here with an adaptation of an established design it is taking more than 4 years to complete the reactor project.

Now what are the implications of some of the above facts for you as engineers and businessmen? It seems to me that it raises the question of whether you should get stronger management and engineering personnel in the private utility groups, municipalities, and co-ops to direct and supervise the work of their contractors. Moreover, there should be greater recognition that the work is primarily at a research and development stage, and that this costs a great deal of money.

Now what are the implications of our realism for all of us as citizens. It seems to me that it means if we really want to accelerate our atomic-energy program under present conditions, it will take considerably more private and Government funds, risk taking, and effort by everyone concerned. It particularly means the training of many more people in nuclear work.

That brings me to the question of whether it is worth it. I think it is, if we are measuring its worth in terms of world leadership. For our atomic leadership has become a part of our foreign policy, whether we like it or not.

At the present time our present leadership is being seriously challenged. The British only last week announced that their already large-scale program has been quadrupled. This includes approximately 20 power stations involved 30 to 40 reactors for a total of 5 to 6 million kilowatts at an estimated capital cost of $2½ billion. These power reactors will begin coming on the line in 1965.

As I have indicated, the 6-nation European EURATOM group has plans for 3 million kilowatts by 1962 and 15 million by 1967. Japan is also interested in developing atomic power rapidly.

Although the Russians are undoubtedly behind us in technology, they have an ambitious program, both in terms of variety of reactor concepts and total number of plants and kilowatts produced. According to the statement of the Soviet spokesman, Dr. Ivan V. Kurchatov, and other Soviet announcements, the Russians expect to have between 2 million kilowatts and 2½ million kilowatts by 1960, with considerable capacity coming into operation in late 1958.

The joint committee reported last year that, based on Soviet achievements in other aspects of atomic energy development, and in other technological fields, there is no reason to believe the Russians cannot achieve their goal provided they give it top priority.

Then there are the Latin American and underdeveloped nations who are looking to us for help.

The challenge and opportunity is there. The question is, can we meet it? I believe we can. But we can't afford to wait another year or two.

One of the most challenging and, in a sense, encouraging things that came out of our recent hearings was that this urgent need for atomic power in foreign countries offers a great opportunity for our domestic atomic equipment industry to get some experience and make some money in foreign markets until atomic power becomes more economic here. But there are many complex problems to be solved in encouraging this international development.

Witnesses were practically unanimous that we need a far more aggressive program to back up our equipment suppliers in their efforts abroad. Red tape needs to be cut, and reactor projects need to be considered and sold as a package including fuel fabrication and reprocessing in order to compete with our friends abroad.

Now, in summary, what do we do about it? Taking the broad sweep of our world leadership in weapons and in military and civilian reactor development, I would recommend that we seriously consider the following (all subject to further study and consideration by the joint committee):

1. We should authorize construction of an additional plutonium producing reactor at Hanford, Wash. It would seem wise to also make provision for utilizing the waste heat for producing electric power.

2. We should authorize the development and construction of a Mark I flying prototype of a nuclear propelled aircraft with a realistic target date for completion.

3. We should substantially increase AEC funds for reactor research and development work.

4. We should inaugurate an accelerated domestic reactor demonstration program which will ensure that we will have a variety of operating prototype power reactors in this country by 1961 or 1962.

5. We must establish a foreign power-reactor demonstration program which will assist friendly nations abroad and help provide research and development assistance and a foreign market for domestic equipment manufacturers.

6. We should enact the indemnity legislation to cover liability for reactor accidents.

Finally, I would like to emphasize that time is of the essence at this juncture. I don't believe we need a "crash" program. But on the other hand we can't afford to wait too long where our national prestige and world leadership are at stake.

This is not the first time that the joint committee and the Commission have faced the need for urgency in our atomic energy program. I am hopeful that we can and will work out a program in this session which will satisfy our needs and obligations as a world power.

Thank you very much for providing the opportunity to discuss some of these problems.

St. Patrick's Day in America

EXTENSION OF REMARKS

OF

HON. MERWIN COAD

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. COAD. Mr. Speaker, March 17 is St. Patrick's Day and we, all Americans, join in the celebration.

Your neighbor may come
From the Emerald Isle—
Let's all wear a bit o' the green.
He's homesick, perhaps,
For his old domicile—
Let's all wear a bit o' the green.
St. Patrick it was
Who started the style—
Let's all wear a bit o' the green.
For the Irish a cheer,
For the shamrock a smile—
Let's all wear a bit o' the green.

This little rhyme by the American poet, Grace L. Schauffler, expresses a feeling and a custom that has been typically American since Colonial and Revolutionary times. There is some Irish in the ancestry of most of us, and those who are privileged to claim some Irish blood are proud to celebrate the fact by wearing the green on St. Patrick's Day. And those in whom no genealogical research can discover one drop of Irish blood are yet glad, on this day, to put on a shamrock or other bit of green, in tribute to Ireland and to the Irish contribution to America's greatness.

St. Patrick's Day has presumably been celebrated in America, at least privately and individually, ever since the first March 17th that found an Irishman on this continent, but the first record we find of a public observation of the occasion is in Puritan Boston, in 1737. There, on March 17, a group of Protestant gentlemen, Irish and of Irish descent, met to form the organization then called the Irish Society, but later named the Charitable Irish Society. Though this society, in its original form, excluded Catholics, it is good to note that its rules and orders were soon amended to remove this religious restriction, and to admit all of Irish birth or ancestry to fellowship. The Charitable Irish Society, now celebrating its 220th birthday, is probably the oldest Irish society in the United States, and as such deserves a special salute on St. Patrick's Day.

Twenty years later, on March 16, 1757, the garrison of Fort William Henry, at the head of Lake George, celebrated the eve of St. Patrick's Day with an extra ration of grog, that garrison being largely composed of Irish troops—and on the next day, St. Patrick's Day itself, they repulsed an attack of the French stationed at Fort Ticonderoga, who were perhaps expecting to catch them in the midst of revelry. How much revelry was actually going on at the time is not disclosed in the historical accounts, but it is said that Stark, with his Provincial Rangers, from whom he had sternly withheld the grog, took a leading part in repelling the assault.

At Fort Pitt, where Pittsburgh now stands, the feastday was celebrated in 1763—a celebration, though not entirely quiet, at least not made uproarious by any armed attack.

St. Patrick's Lodge, Johnstown, N. Y., organized in 1766, is said to have been the first Masonic lodge organized in the New York Province, west of the Hudson River. The first master of this lodge was the famous Sir William Johnson, Indian agent for the British in colonial America, and a native of County Meath, Ireland. Colonel Guy Johnson, Sir William's son-in-law, succeeded him as master of St. Patrick's Lodge in 1770, succeeded him also as British Indian agent. It is to be regretted that Col. Guy Johnson, a native of Ireland, was restrained neither by devotion to St. Patrick nor by masonic principles from taking part, during the Revolutionary War, in Indian massacres of settlers in the Mohawk Valley.

Each St. Patrick's Day during the Revolutionary War was marked by enthusiastic celebrations on both sides. The British Army in America was filled with Irishmen, many of them obtained by conscription, and the Revolutionary Army contained an even larger proportion of Irishmen, enthusiastic volunteers impelled by the twin motives of American patriotism and resentment of the British rule whose harshness had caused them to leave Ireland. It is by no accident that Boston's patriotic observance, Evacuation Day, coincides with St. Patrick's Day. On March 17, 1776, George Washington, in camp at Cambridge, appointed Gen. John Sullivan brigadier of the day, and authorized as the parole for the day, "Boston," with the countersign, "St. Patrick." It was thus in a thoroughly Irish spirit that the American troops took over the city upon the departure of the British.

In 1778 the Irish soldiers in the British Army staged a St. Patrick's Day parade in occupied Philadelphia, marching with one of their number, on horseback, dressed to represent St. Patrick. At the same time, in Washington's camp at Valley Forge, the celebration of the day was interrupted by the antics of some troublemakers. The ensuing row was halted by the appearance on the scene of George Washington himself, who promised punishment to the parties who had given offense, and is quoted as saying, "I, too, am a lover of St. Patrick's Day."

On March 16, 1780, Washington issued an order, fortunately still preserved, warmly testifying to his regard for the Irish and for their national day. Dated from his headquarters in Morristown, the order reads:

> The general congratulates the Army on the very interesting proceeding of the Parliament of Ireland, and the inhabitants of that country, which have been lately communicated, not only as they appear calculated to remove those heavy and tyrannical oppressions on their trade, but to restore to a brave and generous people their ancient rights and freedom, and by their operation to promote the cause of America, desirous of impressing on the minds of the Army transactions so important in their nature, the general directs that all fatigue and working parties cease for tomorrow, the 17th, a day held in particular regard by the people of that nation. At the same time he orders, that as a mark of the pleasure he feels on the occasion, he persuades himself that the celebration of the day will not be attended with the least rioting or disorder. The officers to be at their quarters in camp, and the troops of each State line, are to be kept within their own encampments.

A subordinate officer, on this occasion, issued this supplementary order, providing for the traditional festivities:

> The commanding officer desires that the celebration of the day should not pass by without having a little rum issued to the troops, and has thought proper to direct the commissary to send for the hogshead which the colonel has purchased already in the vicinity of the camp. While the troops are celebrating the bravery of St. Patrick in innocent mirth and pastime, he hopes they will not forget their worthy friends in the kingdom of Ireland, who, with the greatest unanimity, have stepped forward in opposition to the tyrant Great Britain, and who, like us, are determined to die or be free. The troops will conduct themselves with the greatest sobriety and good order.

This day was ushered in, in the American camp, with music and hoisting of colors, the 13 stripes of the American States, the harp that symbolized Ireland's national yearning for independence, and the inscription, 'The Independence of Ireland. The parole assigned to the day was "Saint," and the two countersigns "Patrick" and "Shelah."

On March 17, 1781, the American Army encamped at West Point held a parade in honor of St. Patrick, conducted largely by the Irish Rhode Islanders stationed there.

New York City has, of course, long been a notable center of the celebration of St. Patrick's Day, but it may not be known to all that the tradition now marked by the greatest St. Patrick's Day parade in the world can be traced back as far as 1762, when a public notice was inserted in the New York Mercury, inviting gentlemen to attend the celebration of the anniversary feast of St. Patrick at the house of Mr. John Marshall, at Mount Pleasant, near the college. The same paper for March 24, 1766, has a fascinating account of the toasts drunk at the St. Patrick's Day celebration just past:

> Monday last being the Day of St. Patrick, tutelar saint of Ireland, was ushered in at the dawn, with fifes and drums, which produced a very agreeable harmony before the doors of many gentlemen of that nation, and others.
>
> Many of them assembled, and spent a joyous though orderly evening at the house of Mr. Bardin in this city, where the following healths were drunk, viz.:
>
> 1. The King and Royal House of Hanover.
> 2. The Governor and Council of the Provinces.
> 3. The glorious memory of King William, etc.
> 4. The memory of the late Duke of Cumberland.
> 5. The day; and prosperity to Ireland.
> 6. Success to the Sons of Liberty in America, may they never want money, interest, nor courage to maintain their just rights.
> 7. Mr. Pitt.
> 8. General Conway.
> 9. May the enemies of America be branded with infamy and disdain.
> 10. May the honest heart never know distress.
> 11. The Protestant interest.
> 12. May all acts of Parliament contrary to the American interest be laid aside.
> 13. Success to American manufacturers.
> 14. May the true Sons of Liberty never want roast beef nor claret.
> 15. More friends and less need.
> 16. Conquest to the lover and honor to the brave.
> 17. May we never want courage when we come to the trial.
> 18. The Lord Lieutenant of Ireland.
> 19. May the enemies of Ireland never eat the bread nor drink the whisky of it, but be tormented with itching without the benefit of scratching.
> 20. Our noble selves.

This list, aside from its intimidating character as a list of toasts drunk, is most interesting as indicating how the Irish, on this day of rejoicing, have always been able to meet in jovial good will, despite religious and political differences. There must have been, in this celebration, many a devoted Tory downing the toast to success to the Sons of Liberty in America and many colonists of revolutionary spirit drinking to British kings, living and dead. Many a Catholic surely drank on this occasion to the Protestant interest, and many a Protestant American, of Irish ancestry, learned to put his whole heart into the sentiment that included his Catholic neighbor in the toast, "Our noble selves."

Today, let all America wear green for St. Patrick, and for the Irish courage and laughter that is in us. Let each of us, in his own way, raise a toast or a cheer in the good old Irish and neighborly fashion, for "Our noble selves."

Statement in Support of a Budget Limitation of $65 Billion for Fiscal Year 1958 — Suggested Amendments to House Rules for Better Fiscal Control Over Appropriations

EXTENSION OF REMARKS

OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. PILLION. Mr. Speaker, on Tuesday, March 12, 1957, I had the privilege of making the following statement to the House Committee on Rules:

Mr. Chairman and gentlemen, I appear here in support of the main purpose of House Resolution 170, that is, a substantial reduction in Federal expenditures for the fiscal year 1958.

Our expenditures are so huge, they threaten the solvency and the stability of our Government. They discourage individual initiative by the erosion of capital savings. These wasteful expenditures require the imposition of taxes which are increasingly oppressive to our people.

Mr. Chairman, there are hundreds of thousands of governmental units in this Nation. They range from the smallest school districts to the United States Government. I know of no governmental unit where there is more confusion and such loose fiscal management as in the United States Government.

The bipartisan Hoover Commission in 1955 concluded control of the purse by the Congress has been impaired. Their report further states "under present procedures there is no effective control over expenditures either by the Congress or the executive branch."

Gentlemen, this state of affairs is an indictment, particularly, of the House of Representatives where our Constitution placed prime responsibility for fiscal management.

Congress recognized the need of a legislative budget by its adoption of the Reorganization Act of 1946. This act directed the Tax and Appropriation Committees of both Houses to report a legislative budget by February 15 of each year. Since 1949, this section of the act has been wholly ignored. The failure on the part of our committees to comply with this rule is not a willful one. I believe the present provision to be impractical for a number of understandable reasons.

The failure to report a legislative budget, has created this condition. The President's budget becomes the "bible" instead of being treated as an advisory request for appropriations. Appropriations are influenced, compared with and controlled, in large measure, by the President's budget.

The executive budget is compiled without the advice of Congress. We, thus, have the anomalous situation where, the executive branch, which does practically all spending, writes its own ticket in this field.

The present resolution would mark the beginning of an attempt by this House to revise its rules for the purpose of recapturing its constitutional prerogatives.

Adoption of this resolution would not give it the force of law. The House, could supersede it at any time by voting expenditures beyond its limit of $65 billion.

On the other hand, the adoption of this resolution would amount to more than a mere expression of the will of this House. It would have an electrifying and salutary effect upon the spending forces in both the executive and legislative branches of our Government. It would enhance the prestige of this body and restore confidence in Congress.

The adoption of a ceiling upon our annual expenditures would have a restraining influence just as the debt limitation has had a beneficial effect upon the creation of additional debt.

Estimates of how much the present budget can be cut range from $1 billion to $10 billion. I personally agree with Senator BYRD that $5 billion can be taken out of the budget without any loss to our defense potential. The amount of the limitation contained in this bill is immaterial. Certainly, this resolution ought to be reported with an open rule, so that the House can make its own estimate of what our total expenditures for the next year, and the consequent taxes should be.

I would suggest that all reference as to the disposition of any possible surplus be deleted from this resolution. It will only serve to create conflicts as to what taxes should be reduced and what amounts shall go toward debt reduction. Such language is diversionary from the main objective, that of limitation upon expenditures.

This resolution needs bipartisan support both in this committee and on the floor. A substantial bloc of Republican Members are already committed to it. In accordance with tradition, I respectfully invite, sponsorship of this resolution by some member of the majority party on this committee.

This budget anticipates a surplus of $1.8 billion. Two or 3 years ago, the budget estimates were off by about $4 billion. I believe the present estimates are overoptimistic. If the present rate of business decline continues, anticipated revenues could easily decrease $5 billion. Then instead of a $1.8 billion surplus, we would find ourselves saddled with an additional $3.2 billion debt.

Mr. Chairman, there can be no question of the dire need for a comprehensive reform in our fiscal affairs. Primacy in fiscal affairs rests with the House. Recommendations of rules and procedures to insure adequate fiscal control is delegated to this committee.

This is why I ask this committee to enlarge the scope of these hearings to include a comprehensive study of procedures relating to fiscal control.

Although there are dozens of meritorious proposals being advocated, I would like to briefly suggest the following for your consideration:

First. The creation of an additional Finance Committee to be composed of senior ranking members of the Ways and Means and the Appropriations Committees. They would be charged solely with the responsibility of reporting a legislative budget. No appropriation bill would be in order until a legislative budget is adopted. Chairmanship to be alternated, each year, between the chairmen of the two committees.

At the present time the Appropriations Committee is free from the necessity of reporting tax measures. The legislative budget would require this committee to share in the responsibility of taxation.

Second. We have too many reckless and spendthrift authorizations emanating from standing committees who escape the corresponding burden of recommending taxes.

(A) These loose authorizations might be discouraged by requiring all authorization bills to contain departmental estimates of costs.

(B) Our rules should be amended to do away with packing our standing committees with members who have a special interest in legislation before these committees. This is the result not of any evil intent but the attempt to satisfy the requests of the Members themselves.

For example, the Interior and Insular Affairs Committee, of which I am a member, has a total membership of 31. The number of Members of Congress from the 17 reclamation States is 98. They would be entitled to 22.5 percent of the committee membership or 7 members.

Instead of having 7 members, the reclamation States have 21 members, or 67.7 percent of the membership.

Due to political pressures, the legislation emanating from this committee cannot be representative of the whole body of the House. It would be contrary to human experience to expect legislation from such a committee that is not partial to their sectional interests at the expense of the Nation at large.

Other committees have equally serious and excessive imbalances of committee memberships which encourage excessive and special-interest expenditures.

I have an attached sheet entitled "Schedule A" which details the imbalance of representation on the Interior and Insular Affairs Committee.

Third. As discussed by this committee at the last meeting, the Senate has almost made it a habit to increase House appropriations. It has not yet acquired any tendencies toward increasing revenue bills. We should find some method of moderating their appropriation habits.

We have too great a dispersal of appropriating participation. We should find means by which we can couple the responsibilities of taxation in the same parties who are empowered to authorize and appropriate.

SCHEDULE A

Example of imbalance of representation on Committee on Interior and Insular Affairs:

Reclamation States, total number 17

Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington Wyoming, and Texas.

Total membership of Committee on Interior and Insular Affairs, 31

Members of Committee From the 17 Reclamation States, 21

1. ENGLE, California.
2. ASPINALL, Colorado.
3. ROGERS, Texas.
4. FROST, Idaho.
5. EDMONDSON, Oklahoma.
6. METCALF, Montana.
7. SISK, California.
8. UDALL, Arizona.
9. RUTHERFORD, Texas.
10. BARING, Nevada.
11. ULLMAN, Oregon.
12. MILLER, Nebraska.
13. BERRY, South Dakota.
14. DAWSON, Utah.
15. WESTLAND, Washington.
16. HOSMER, California.
17. RHODES, Arizona.
18. CHENOWETH, Colorado.
19. UTT, California.
20. THOMSON, Wyoming.
21. WEAVER, Nebraska.

Total Number of Representatives From 17 Reclamation States, 98

Arizona	2
California	30
Colorado	4
Idaho	2
Kansas	6
Montana	2
Nebraska	4
Nevada	1
New Mexico	2
North Dakota	2
Oklahoma	6
Oregon	4
South Dakota	2
Utah	2
Washington	6
Wyoming	1
Texas	22
Total	98

The percentage of Representatives from 17 reclamation States of the total membership of House of Representatives (435) is 22.5 percent.

Average membership on the committee would be 7 members.

The percentage of Representatives (21) from the 17 reclamation States of the total membership of the House Interior and Insular Affairs Committee (31) is 67.7 percent.

Actual membership on the committee is 21 members.

Thus, the reclamation States, having a special interest in legislation before the Interior and Insular Affairs Committee, have an excessive representation amounting to 3 times that of a normal or average representation.

Statement Introducing Secretary Folsom's Letter to the United States Chamber of Commerce

EXTENSION OF REMARKS

OF

HON. SAMUEL K. McCONNELL, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1957

Mr. McCONNELL. Mr. Speaker, Secretary of Health, Education, and Welfare Marion B. Folsom, on March 8, 1957, addressed a letter to John S. Coleman, president of the Chamber of Commerce of the United States, calling attention to certain statements in the chamber's publication.

In seeking to correct and clarify such statements, which Mr. Folsom believes to be misleading and inaccurate, he is rendering a real service to the American people and to us who represent them in Congress, and who will have to consider school construction legislation.

The letter is particularly significant in view of Mr. Folsom's long and close association with business organizations, including the Chamber of Commerce of the United States itself. A former treasurer of the Eastman Kodak Co., Mr. Folsom was for 6 years a director of the United States Chamber, and has served as president of the local chamber in his own city of Rochester, N. Y. He was a founder and chairman of the committee for economic development—CED, an influential business organization. He has served as Vice Chairman of the Business Advisory Council to the Commerce Department and is a leader in the National Association of Manufacturers, the National Industrial Conference Board, and the American Management Association.

UNITED STATES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D. C., March 11, 1957.

The Secretary of Health, Education, and Welfare, Marion B. Folsom, today released the following letter to John S. Coleman, president of the Chamber of Commerce of the United States:

MARCH 8, 1957.

Mr. JOHN S. COLEMAN,
President, Chamber of Commerce of the United States, Washington, D. C.

DEAR MR. COLEMAN: Several Members of Congress, newspaper editors, and others have called my attention recently to publications of the United States Chamber of Commerce

which discuss Federal assistance for public school construction.

From my experience as a director of the United States Chamber for 6 years, and as a former president of my local chamber, I know that you and your associates seek to uphold high standards of reliability in the basic information you present to the public.

I have, therefore, been surprised and deeply disappointed at certain seriously misleading and inaccurate statements in the chamber's publications. I feel that you would want me to call these inaccuracies to your attention.

I fully respect the chamber's right to oppose—and oppose vigorously—the President's school construction program. The public, however, is entitled to accurate basic information upon which to judge this significant issue.

Before discussing specific examples, I should like to emphasize that the Department's school statistics are compiled from data reported by the State education agencies. These agencies are closest to the situation and, I believe, best able to get the facts. The chamber's presentation reports some of this information incorrectly and ignores a major part of it.

The chamber's Washington report of February 1 undertakes to compare the number of classrooms built with the number of classrooms needed for enrollment increases in the school years 1947–1948 through the current year, 1956–1957. The chamber's conclusion is that 490,000 classrooms were built while only 291,000 were needed for increased enrollment.

This presentation is misleading and erroneous in several respects.

First, the Washington report ignores the new classroom needs resulting from obsolescence, population shifts, school consolidation, or losses due to fire and natural disasters.

All these factors combined represent a considerable additional need for new classrooms each year. By a conservative estimate these needs range from 14,000 to 20,000 classrooms each year. Thus, over the 10-year period, these needs alone amount to about 140,000 to 200,000 classrooms.

Second, the chamber makes a major error in comparing construction during one school year with the increased enrollment at the beginning of that same year.

The schools, of course, need to have classrooms available when the pupils enroll, not later. An accurate presentation would compare construction during one school year with the classrooms needed to meet enrollment increases at the start of the next year.

To illustrate this point, I cite the discussion in the chamber's February issue of News and Cues. This publication states: "In 1947, spiraling enrollments required approximately 9,500 new classrooms. School boards all over the Nation countered by building 16,000."

Actually, the need for 9,500 new rooms for increased enrollment in September 1947 should be compared with the 9,000 rooms built in the school year 1946–47. And the 16,000 rooms built in the school year 1947–48 should be compared with a need of 19,000 rooms for increased enrollment alone in September 1948.

Third, not only is the basis for comparison wrong, but some of the classroom figures cited by the chamber are inaccurate in themselves.

News and Cues states that "In 1955–56, 33,500 were needed—67,000 were built." Actually, the State education agencies report that 62,500 classrooms were built last school year, not 67,000.

News and Cues further states: "Topping this picture, the Office of Education's most recent estimate placed the need for 1956–57 at 41,300 classrooms—69,000 were built." In this statement the chamber is counting rooms that have not yet been built. The figure of 69,000 was an estimate by the State education agencies of the rooms they expected to be built by next fall. Whether this rate of construction will actually be achieved is, of course, not certain.

To summarize these points, the chamber does not present a true picture when it concludes that 490,000 classrooms were built while only 291,000 were needed for enrollment increases; a more accurate and complete presentation, corrected to reflect the factors I have cited, would show that needs for some 444,000 to 504,000 additional classrooms developed during the last 10 years, while only 406,000 were built.

These figures, of course, deal only with a specific 10-year period. A further important factor—omitted from the chamber's figures—is the backlog of shortage which first began to build up during the depression and World War II, when school construction was very limited.

The Washington Report states, "It is becoming increasingly apparent that demands for Federal school construction funds aren't the result of needs." The publication further contends that its presentation "shows clearly that local and State action is meeting needs."

For 3 years in a row, the Office of Education has asked the State school agencies to report on the number of pupils in excess of normal capacity of the schools in use. For 3 years in a row, the figure has been about the same—2¼ million children above capacity. These children, with millions of their classmates, have been forced into half-day sessions, makeshift facilities, or obviously overcrowded rooms. Since there has been no appreciable reduction in this figure over 3 successive years, it is obvious that State and local efforts are falling far short of meeting classroom needs.

To get more complete information on the total classroom shortage, the Office of Education last fall also asked the State education agencies to report on total additional classrooms needed at the start of this school year. The State agencies estimated 80,000 additional rooms were needed simply to accommodate the excess enrollment mentioned in the previous paragraph. Further, the States reported an additional 79,000 classrooms were needed to replace facilities now unfit for use. Thus the State agencies estimated the total backlog of shortage at the start of this school year at 159,000 classrooms.

Little progress is being made in reducing this shortage. The enrollment increase next fall will require 45,000 new rooms, and additional replacement needs will require 14,000 to 20,000, for a total additional need of 59,000 to 65,000 new rooms. Thus, even if the estimated 69,000 new classrooms are completed, the backlog of shortage would be reduced by only 4,000 to 10,000 rooms.

At this rate the classroom shortage, far from being solved, would continue to handicap the education of many children for many years.

Finally, Washington Report states that "Federal-aid advocates obviously are attempting to establish the principle of Federal financing and control from which they can leap into actual control of the schools."

There is no sound or justifiable basis for this statement.

The President has repeatedly stated his deep conviction that Federal support can and must be administered without Federal control of education. The Federal Government has financially supported education in various ways for over 100 years without imposing Federal domination. In recent years, for example, the Federal Government has invested $18 billion to help war veterans continue their education, and $1.2 billion to help build and operate schools in communities overburdened by nearby Federal defense installations. These activities have not resulted in Federal control of the schools. Furthermore, the proposed legislation specifically prohibits any Federal "direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system."

In my long and pleasant association with the chamber, I have learned to appreciate the chamber's contributions over the years in calling attention to the value of good schools and in encouraging community support for improvements in education. I firmly believe that the primary responsibility for meeting classroom needs must remain at the State and local levels. The President has said many times, however, that Federal assistance is needed now on an emergency basis to help remove the backlog of shortage. Then States and communities can meet future needs as they develop. The administration's proposals are carefully designed to encourage greater State and local efforts.

In the interest of better public understanding of the classroom problem, I am making this letter public.

Sincerely yours,

M. B. FOLSOM.

STATEMENT BY MARION B. FOLSOM, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, BEFORE THE GENERAL EDUCATION SUBCOMMITTEE OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR, TUESDAY, MARCH 12, 1957

I am glad to meet with the subcommittee again to clarify certain points concerning the President's proposal for Federal assistance for classroom construction.

I have followed your hearings these past few weeks with deep interest, and, at times, with deep concern. I have been concerned because some of the statements to the subcommittee have been seriously misleading and some have been clearly inadequate.

One of the strange developments during the hearings has been the effort to picture the classroom shortage as a mirage or a figment of imagination. I wish it were possible to eliminate the shortage simply by adroit juggling of figures. But unfortunately the handicaps imposed on our children by a shortage of classrooms cannot be removed in this fashion.

We have here an anomalous situation. Those who deny the existence of a serious shortage offer no new or additional information of their own. They have accepted bits and pieces of data from the Office of Education and various other sources. They have used these data out of context, or only in part, to try to prove their theory. And yet they do not accept, in fact they dispute, the one clear conclusion reached by all the surveys from which they quote in part. Every responsible nationwide survey of actual conditions has concluded that there is a substantial, widespread, and continuing classroom shortage.

This was the conclusion from the data reported by State education agencies in response to the most recent questionnaire, last fall, from the Office of Education. This was the conclusion from the school facilities survey, undertaken more than 4 years ago, using quite different methods. This was the conclusion from independent surveys made for the White House Conference on Education and the National Education Association.

I will not repeat here all the data which show the gravity of the classroom shortage, but I would like to review a few principal points.

The Office of Education questionnaire last fall asked the States to estimate the number of children in excess of normal capacity of the schools in use. This was the third successive year in which the States have reported on this item. And for the third year in a row the figure was about the same—about 2¼ million children above capacity.

These children are not imaginary. They are in school today, and they can be counted with reasonable accuracy. It is very im-

portant to understand that not only this overflow of 2¼ million students but millions of their classmates are affected by the shortage. For example, in a class with 50 students, only 15 might be counted as excess enrollment. And yet all of the 50 pupils would be affected by serious overcrowding, by half-day sessions, by emergency use of makeshift quarters, or by whatever expedient the school is forced to resort to. And so the education of all these millions of children—not just the 2¼ million—is adversely affected by the lack of adequate facilities.

As you know, the States estimated 80,000 new classrooms were needed last fall just to accommodate this overflow of enrollment. Further, the States estimated 79,000 additional classrooms were needed to replace facilities which may not be overcrowded but which are simply unfit for use. Thus the State education agencies estimated the total shortage at the start of this school year amounted to about 159,000 classrooms.

I have been surprised that the reliability of data reported by the State education agencies has been challenged during these hearings. The State education agencies are closest to the situation and, I believe, best able to get the facts. If those who question the reliability of the State school agencies have a better source of information, I am sure the subcommittee and the Department would be glad to hear about it.

Since the existence of the classroom shortage has been challenged, the subcommittee may be interested in additional information about last fall's questionnaire. The Office of Education reports evidence that 28 States made a survey of local school systems to obtain the data requested. The other States apparently reported data on hand in the State education agencies.

The questionnaire was sent to the chief school officer in each State. The returns were signed by the chief official or his assistant in 7 States; by the chief of a major division, such as research and statistics, in 32 States; by a special consultant in 4 States; and by a statistician or research official below the rank of chief in 6 States.

In compiling results of the survey, the Office of Education sent 23 letters and made 12 long-distance telephone calls to confirm the accuracy of specific information reported. After all the data had been compiled in one complete tentative table, this table was sent to each State department of education for final verification, and several adjustments were made then.

No survey should be expected to measure the shortage down to the last classroom. Estimates inevitably will vary according to the standards and methods employed and the circumstances at the time of the survey. There is no sound reason to doubt, however, that the results of this questionnaire confirm the broad outline of a very serious classroom shortage. And this shortage will not be erased by statistical legerdemain or by pretending it does not exist.

No one could be more anxious than I for the States and communities to solve this problem with their own resources. But they face circumstances they have never faced before—a grave shortage inherited from many past years, plus continuing enrollment increases which far exceed any in our history. It is time to face up to the hard fact that, despite strenuous efforts for many years, the States and communities are not solving this problem. Progress has been made, but a grave shortage still persists. Some communities simply do not have the resources to build the schools they need. Unless they get help, the education of children will continue to suffer.

The President, therefore, has strongly recommended that the Federal Government join with the States in helping financially needy communities eliminate their backlog of shortage. Once this backlog has been removed, the States and communities can and should meet future needs on their own resources. The administration's program, as you know, is carefully designed to encourage increased State and local effort for school construction.

One of the objections raised to this program is that it calls for excessive Federal spending and dangerously increases the size of the Federal budget. The fact is that the President's budget, including the school program, provides for a surplus for the third successive year. Surely the richest Nation on earth can afford to provide adequate schools for its children. In any age, to economize at the expense of the education of children is a false economy. Especially in today's circumstances, such a false economy could be detrimental to our national security and our expanding prosperity. I know of no sounder or more prudent investment, from either an economic or a social view, than the education of children.

The opponents of Federal assistance have renewed the old argument that this program somehow would lead to Federal control and domination of education in this country. There is no sound or justifiable basis for this contention. All that is proposed here is that Federal funds be allotted to the States over the next 4 years, to be administered by the States in helping financially hard-pressed communities provide bricks and mortar for more schools. But the important point is that once the schools have been built, the local authorities would take title to the buildings and the Federal Government would have no contact or connection whatsoever with the operation of the schools.

The opponents say: "Yes; but this program would be the foot in the door or the camel's nose in the tent." The answer is that the Federal Government has been financially supporting education in various ways for almost a century, and there is no Federal domination of education today. The President has repeatedly stated his deep conviction that Federal support can and must be administered without Federal control of education.

Another worn and fallacious contention has been that large amounts of the proposed Federal funds would be required for administrative expenses and somehow a large portion would never get back for the direct benefit of the people in the States and communities. Yet, the plain fact is that the budget provides only two-tenths of 1 percent of the proposed funds for administrative purposes. Even counting the cost of collecting Federal revenues and other overhead expenses, it is clear that 99 percent of the proposed funds would be distributed for actual use by communities to help build needed schools.

In developing its legislative and budget proposals this year, the administration carefully reviewed the school construction program. In his messages to Congress, the President reiterated his deep conviction that this program is urgently needed and that it would be a sound and prudent investment of Federal funds. I can assure the subcommittee that the President, while deeply concerned over the need for economy in government, still feels that the school program should have a high priority. He has recommended, as you know, that the program now be undertaken in 4 years instead of 8.

Our concept has been that Federal grants should be channeled to those communities which have the most acute shortage and the least local resources to build needed schools. We do not propose that the Federal Government should provide all the funds to eliminate the total classroom shortage. We believe Federal aid should be designed to encourage greater State and local effort, and to help bridge the gap where community resources are inadequate. In my opinion, certain proposals before the subcommittee call for a larger Federal amount than is needed. These proposals would double or triple the amount of the Federal grants proposed by the administration. Such large Federal grants are neither necessary nor desirable. Such large Federal expenditures would tend to discourage rather than encourage the maximum effort by States and communities.

The Federal Government has a responsibility, in the national interest, to help erase the classroom shortage. The Federal Government also has a responsibility, however, to spend funds to this end in the most effective and efficient manner. With this purpose in mind, I again urge the subcommittee to consider most carefully the proposed methods for distributing Federal funds among the States.

As you know, the administration's program would distribute the grants on the basis of both school-age population and relative financial income. Other proposals would distribute Federal funds according to population alone. The Office of Education has just completed a new analysis which illustrates strikingly the very important differences between these two methods.

This new analysis shows that the 12 wealthiest States in per capita income have an average of $10,555 in annual income to support each school-age child. These same 12 States have more than half of all the income in the country. They are now building, on their own, about 45 percent of all the schools being built in the country this year. And they have less than one-fourth of the actual classroom shortage this year.

And yet, under a distribution system based on population alone, these States would receive almost 40 percent of the Federal grants.

On the other hand, the 12 lowest States in per capita income have an average of only $4,416 income annually per school-age child. They have only 12 percent of the total national income. They are building only 16 percent of the rooms being built this year. And they have well over 35 percent of the current classroom shortage.

And yet, if grants are distributed according to population alone, these States would get only 22 percent of the Federal aid.

Under the administration's proposal, on the other hand, the 12 wealthiest States would receive 27 percent of the Federal grants. The 12 lowest-income States, where the shortage is most acute, would receive 32 percent of the Federal aid.

It is clearly unwise to concentrate Federal aid in those States which have far more income, which already are building far more schools on their own, and which have a relatively small portion of the existing classroom shortage.

Obviously, under such an approach the effectiveness of Federal aid in actually solving the classroom problem would be very limited. For much of the aid would go where it is needed least—and where it would accomplish the least in attacking the existing shortage. There is a serious question, I believe, whether the benefits of such a program would justify the expenditure of Federal funds in such a manner.

The administration's proposal is a reasonable compromise on this issue. It gives due weight to school-age population but also makes an adjustment to take into account financial need. This principle has been recognized to an even greater extent in such successful programs as the hospital construction program. The administration's proposal recognizes the simple logic of giving relatively more assistance where the needs are greatest. Under such a system, Federal funds would be most effective in accomplishing their purpose—to help relieve the classroom shortage.

I have mentioned these various points, Mr. Chairman, to try to clarify certain aspects of the classroom problem. I am confident that the record before this subcommittee, examined carefully and objectively, gives convincing evidence that the President's classroom construction proposal should be enacted promptly.

SENATE

MONDAY, MARCH 18, 1957

Rev. Martin D'Arcy, of the Society of Jesus, London, England, offered the following prayer:

O Father of everlasting wisdom, who has taught us to say that "the Lord is my light, whom then shall I fear?" and whose good pleasure it is "to reign in our understanding blissfully," grant to Thy servants now gathered together in the august Senate of the United States of America to "beat from their brains the thicky night" and be enlightened by Thy daybreak.

Grant us, we ask Thee, that wisdom which hates falsehood, deceit, and prevarication, and can discern between the ephemeral advantage and the lasting good.

Give to them courage, that they may face, without side glances at the world's flattery, the urgent problems of today, and be prepared to stand judgment on their counsels and decisions, in the sight of Thee and Thy probing justice.

And as all power and charity descend from on high, may they so administer the affairs of state that citizens and all honest peoples may see, as in a mirror, Thy everlasting regard for this Nation's and the world's welfare. May they hear and listen to the voices of those in distress, as the saint, whose feast is kept today, "heard the voices of those who dwelt beside the wood of Focluth, which is nigh to the western sea."

Thus, in accord with the sacred oath which they have sworn before Thee, may they preserve and increase the social and spiritual wealth of this country, so rightly blessed by Thee, and bring nearer to fulfillment the tranquillity of order and the concord among citizens and nations, so long desired and so long delayed.

These blessings, we pray, Heavenly Father, through thine own tender mercies and through the merits of Thy only Son, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, March 14, 1957, was approved, and its reading was dispensed with.

ENROLLED JOINT RESOLUTION SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of March 14, 1957,

The PRESIDENT pro tempore announced that on February 15, 1957, he signed the enrolled joint resolution (H. J. Res. 209) to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes, which had been signed by the Speaker of the House of Representatives.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I transmit herewith the Annual Report of the United States Civil Service Commission for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 18, 1957.*

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5 (a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 18, 1957.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The President pro tempore laid before the Senate messages fnom the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Joint Subcommittee on the Middle East of the Foreign Relations and Armed Services Committees, headed by Mr. FULBRIGHT, was authorized to meet today during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry was authorized to meet today during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Housing of the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

Mr. GREEN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be permitted to meet this afternoon during the session of the Senate.

The PRESIDENT pro tempore. The Chair will state that this is a matter which he has been requested to refer to the leadership.

Subsequently, on request of Mr. ROBERTSON, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business; and in that connection I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF COLUMBIA BASIN PROJECT ACT

Mr. JOHNSON of Texas. Mr. President, I desire to announce that at the conclusion of the morning hour, we intend to have the Senate consider Calendar No. 135, Senate bill 1482, to amend certain provisions of the Columbia Basin Project Act, and for other purposes. We do not believe consideration of the bill will take more than a very few minutes. It is important that the bill be considered promptly. I desire to call the attention of Senators to our purpose in this respect.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, was read twice by its title and referred to the Committee on Finance.

RAMON MAGSAYSAY, PRESIDENT, REPUBLIC OF THE PHILIPPINES

Mr. JOHNSON of Texas. Mr. President, the headlines have brought us the tragic news of the death of one of the free world's strongest and ablest leaders.

Ramon Magsaysay was an incorruptible fighter for liberty and for a better

life for his people. He stood at the battlefront as a field general actively directing his troops, and he never flinched—no matter how hot and heavy the fire.

As a leader, he was one of the best friends this country has ever had. His friendship was based, not on blind, trusting allegiance, but on the fact that the Philippines and the United States share common goals and common objectives.

He sought for his country a way of life that meant independence, integrity, and liberty for its citizens. He was a clear-headed thinker who knew how to translate his dreams and his hopes into effective action.

The real measure of the man, however, is that his death brings no comfort to our common enemies. He did the work before him so well that the people of the Philippines now present a solid barrier to the expansion of communism. They have tasted life under the leadership of a man who truly believed in democracy and freedom; and after that experience, the glittering promises of communism will always have a hollow and unconvincing ring.

Mr. President, Magsaysay's death will be mourned as sincerely and as deeply in the United States as it will be in his native country.

We liked the man. He was forceful, sincere, and direct. He was a "can-do" man who never spent his days and his nights thinking up reasons for failing to perform essential tasks. He was the kind of leader who makes democracy work—the kind who leads, instead of commands.

Mr. President, our hearts and our prayers are with Ramon Magsaysay's family, his friends, and his grieving people.

We know that there is one consolation in his passing: Even in death he was the victor—the victor over the forces that seek to enslave the world and crush liberty. He was the victor because his name will always remain as the symbol of hope and inspiration for men who love freedom.

Mr. President, the deep feelings of our Nation have already been expressed by three of our leading newspapers—the New York Times, the Washington Post, and the New York Herald Tribune. I ask unanimous consent that their editorials be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 18, 1957]

A GREAT LEADER DIES

The tragic death of President Ramon Magsaysay has taken from the Philippines, and the Filipino people a great leader. His greatness lay, in part, in the very fact that he was so much of those people. He was no stranger to the most intimately human problem in the lives of the simplest of the folk he led. He was in and of his country as the truly great so often are.

With good reason the Filipinos have often called him "Our Abraham Lincoln." They have recognized those same homely virtues, that massive integrity, that humble warmth of heart that make a man able to lead because he is both honored and truly loved. On our part, remembering, we can understand the shock and grief that encompass the Philippines and can extend our expressions of sympathy in a loss that we likewise share.

As Ambassador Romulo has pointed out, it is not only the Philippines but the whole free world that has been bereaved. Here was a living symbol of that freedom and of the worthy fight to make it secure. His life helped to ennoble the good cause that we and the Filipinos have been glad to share. We understood each other because of our joint and mutual devotion to that cause. Let us, therefore, not forget—he was one of our leaders, too. And because he belonged also to us, and to all freemen, we likewise mourn.

Too often, perhaps, the narrative of his struggle and eventual triumph has been told in the terms of the conventional success story. This falls short of the great truth. His was not so much the triumph of a man as it was the vindication of an ideal. We are obliged to believe that virtue, honor, courage, steadfastness and great compassion can win the field against the enemies of the human spirit. Without that belief the ashes of the world's sorrows would be too bitter to bear. Ramon Magsaysay taught us that our belief and our hope were not vain. He made victory real and personal for all of us.

His legacy is a challenge. It is just that to his own people. It is also a challenge to us to understand and to help. We need to give our encouragement and our prayers to Vice President Garcia, who succeeds him. His burden is heavy and we should try to lighten it if we can.

Our friends in the Philippines will be right if they enshrine the memory of Magsaysay in the same glorious panel that has the names of Bonifacio and Rizal. Here, also, was a great fighter for freedom in its truest and broadest sense. Here is a national hero and a national leader who is worthy of the highest honor and whose virtues should command emulation.

But that honor can be paid, justly, only in the deeds of the living. It is only as his vision is fulfilled that he will have received the tribute that is his due. A great leader has been lost. Those who have followed him can show, now, how great and good, in time of crisis, that leadership was.

[From the Washington Post of March 18, 1957]

RAMON MAGSAYSAY

The death of Ramon Magsaysay of the Philippines in an airplane crash is, as Ambassador Carlos P. Romulo said yesterday, a tragedy for all freemen. Though he was an unsophisticated popular hero of only 49, President Magsaysay had become the foremost symbol of democracy and the struggle for freedom in Asia. He seems to be assured of a great place in history, but that will be little solace to his grief-stricken countrymen who have been relying on his leadership to carry them through a time of turbulent transitions.

President Magsaysay is known around the world as a devoted friend of the United States, a tough fighter against communism, a sincere and honest reformer, and a fearless crusader against corruption. His greatest achievement, however, appears to have been the winning of the affection and trust of his people. In fact as well as in sympathy he was one with the rank and file of Filipinos who encounter many problems.

Probably the most characteristic act of his administration was his establishment of a presidential complaints and action committee in the Malacanang Palace—the Philippine White House. Complaints that formerly went to the Communists came flowing into the President's office, and a vast amount of his time was spent in trying to solve the problems and right the wrongs that the people laid before him. On one occasion he broke up an official meeting and drove nearly 100 miles to save a tenant from unlawful eviction. The landlord went to jail despite the fact that he had contributed to Magsaysay's campaign.

Actions of this sort convinced the people that the Government in Manila was their friend. In the Orient, where governments are traditionally regarded as hostile to the interests of the rank and file, this is an achievement of the utmost significance. Many of the ambitious reforms sought by the Magsaysay administration have not yet borne much fruit. The legislature passed his land-reform bill, but the actual breaking up of the large estates is just getting underway. The President set an example of scrupulous conduct in high office, but he had not fully succeeded in purging the Government of corruptionists. Many of his followers have been disappointed in the delays these undertakings encountered, but they have never doubted the integrity of the President nor his wholehearted devotion to the public interest.

Despite many setbacks, therefore, he seems to have achieved his greatest goal of strongly buttressing the democratic way of life in the hearts of the people. More than any other person, he can be credited with saving the Philippines from the Communist menace which made a good deal of headway under the lax regime of his predecessor. But Magsaysay knew that communism cannot be licked by guns alone. The human and humanitarian qualities that he brought to his presidency have made him a sort of Filipino Lincoln whose tragic death will sanctify the ends for which he worked.

Fortunately, the Filipinos have had sufficient experience in self-government to take this blow in stride. The new President, Carlos P. Garcia, is a man of long experience in public life, and is said to be devoted to the Magsaysay causes. In the election next fall the people will have a chance to choose a new leader, and the intense devotion to President Magsaysay creates a virtual certainty that his elected successor will be pledged to follow in his footsteps.

[From the New York Herald Tribune of March 18, 1957]

RAMON MAGSAYSAY

The tragic death in an airplane crash of President Ramon Magsaysay of the Philippines is a stunning blow to his own country, and will be felt deeply in the United States and the other nations of the free world community. President Magsaysay was an implacable foe of communism, a man wholeheartedly devoted to the interests of the people of his land, and a trusted and respected spokesman for one of the great countries of the Pacific world. Despite an energetic campaign against him by his political opponents he was elected to the Philippines Presidency in 1953 by a majority of more than 2 to 1, and would almost certainly have been reelected in the election scheduled for later this year. Reports from the Philippines tell of people weeping in the streets at the news of his death, and it is easy to understand their sense of personal loss as well as of national calamity.

Persons in the United States first began to hear the name of Ramon Magsaysay during World War II, for he was one of the most valiant and successful of the Filipino resistance fighters. He linked up with American guerrilla fighters in the hills of Luzon and helped clear the way for the return of Gen. Douglas MacArthur, who appointed him military governor of Zambales Province. When Mr. Magsaysay was later elected President of the Philippines, General MacArthur told him: "If you do half as well as you did as a war commander, you will write one of the most brilliant pages in the history of our beloved islands."

Certainly this confidence was amply borne out by events. One of the most pressing problems faced by Mr. Magsaysay was the activity of the Hukbalahap partisans, the Communist-led dissidents who threatened the tranquillity of the islands. Mr. Magsaysay started his campaign against them in 1950, when he was defense minister in the Quirino government, and he pressed the job to completion when he assumed the Presidency.

His major current interest was to bring to fruition a progressive program of economic development for the islands. Only a few weeks ago, at the opening of the nation's Congress, President Magsaysay reported on the great strides already made toward this objective—the institution of a land-reform program, general advances in social welfare, improvement in farm techniques, the growth of cooperatives. Under his guidance manufacturing and farm production had increased 30 percent in 3 years, and continued advances were in prospect.

In 1954 President Magsaysay set forth the principles and precepts which were embodied in the Pacific Charter. He said: "We know enough of the tactics and objectives of communism to understand clearly that the only way free nations can coexist with the Communist states is to keep strong and vigilant."

With the formulation of the charter, Mr. Magsaysay assumed leadership of the free world in Asia. Vice President NIXON characterized his statement as a "declaration of independence, not only from the old colonialism of the last century, but also from the far worse Communist colonial imperialism of today."

The manner of President Magsaysay's death raises the possibility of Communist sabotage, and the authorities on the scene are certain to make an exhaustive inquiry into the cause of the crash. His political opponents are sure to seek to turn his death to their advantage in the forthcoming elections. President Magsaysay's foremost opponent, Senator Claro M. Recto, although a member of his own Nacionalista Party, is known to be a bitter opponent of Mr. Magsaysay's pro-American foreign policy. Former President Jose P. Laurel will also, doubtless, play a part. Any reversal of Mr. Magsaysay's policies at home and abroad would be tragic for the Philippines.

In the emergency, Vice President Carlos P. Garcia is flying home from the SEATO Conference in Australia, where he represented the Philippines. He will take over the reins of office. His will be the burden, for the moment, of carrying on the policies and programs under which the Philippines has prospered. All will wish Mr. Garcia well in the task, even as they mourn the passing of Ramon Magsaysay, one of the great leaders in the resurgence of the new Asia and the battle for freedom in the world.

Mr. KNOWLAND. Mr. President, I desire to join the majority leader in expressing the profound regret of the Senate and of the American people at the death of Ramon Magsaysay. Many of us had hoped that this magnificent leader of the Philippine people would have an opportunity, as President of the Philippine Republic, to visit the United States, and, as the great head of a friendly state, to appear before a joint session of the two Houses of Congress. Unfortunately, that opportunity will now be denied us.

Ramon Magsaysay, however, will continue to live on, not only in the hearts of his own countrymen, but also in the hearts of the people of Asia and of America and of Europe who love human freedom.

He was truly a man of the people. He had fought against the aggressor in the Philippines during World War II. He had taken an active part in bringing self-government back to the people of the Philippines. He had been Governor of his Province. He had been selected as the Secretary of National Defense. In that position he had been given a responsibility to make certain that the election of the country would be conducted freely and that the citizens would have an opportunity to express themselves. In that regard his performance was outstanding. Subsequently, in a great free election by the people of the Philippines, he was elected President of the Philippine Republic. He had almost served out his first term, and the next election was to be held in November of this year.

Mr. President, Ramon Magsaysay was a true friend of the United States. He recognized the community of interests between the Philippines and the United States. He was a believer in human freedom everywhere in the world.

Of course, the people of his country will sorely miss him; but the foundation he laid will not be dissipated merely because of his death. Indeed, Ramon Magsaysay will live on into eternity.

I am sure that all Members of this body, of both great political parties, join in extending deepest sympathy to the people of the Philippines and to President Magsaysay's family.

Mr. SMITH of New Jersey. Mr. President, the tragic loss of President Ramon Magsaysay in an airplane crash on Cebu Island in the Philippines is mourned by the whole free world. The pangs of grief are particularly sharp to the United States, which has had such a close relationship to the Philippines, and under whose tutelage the Philippine people passed from Spanish colonial dependency to independence.

President Magsaysay was a fighter for freedom and the foremost opponent of communism in the Far East. He carried his experience as an opposition leader to the Japanese occupation into the struggle against Communist infiltration, and won resounding triumphs against both.

His executive and political ability was especially demonstrated in his concern for the little man. It was this interest which was translated into the action that overwhelmed the Huks and united the nation behind him. "The big people always manage to take care of themselves," he said, "and if I did not help the little people, then the Communists would."

His miraculous rise from automobile mechanic before World War II to President in 1953 is an inspiring testament to the fact that his people got to know and to trust and love him as he proceeded to clean out corruption in the Army and initiate community programs for their benefit.

He was only 49 at the time of his tragic death, and his tenure of office was relatively short, but his political magnetism and his love for freedom so affected the Philippine people that both Americans and Filipinos alike look forward with confidence to a continuation in the future of the close and profitable relationship which has marked our friendship in the past.

I should like to add a personal word to my statement. It was my privilege about 2 years ago to be in the Philippines with Secretary of State Dulles. The distinguished Senator from Montana [Mr. MANSFIELD] was also present. We were at that time negotiating the so-called SEATO treaty.

Each of us had the privilege of getting to know President Magsaysay and of having a personal and intimate relationship with him and his charming wife. Mrs. Smith joins me in my remarks and we extend to Mrs. Magsaysay and her family our deepest sympathy.

Mr. MANSFIELD. Mr. President, I should like to join the distinguished Senator from New Jersey, as well as the majority and minority leaders of this body, in expressing my deep regret at the passing of one of the outstanding leaders in the whole free world, Ramon Magsaysay, President of the Republic of the Philippines.

As the Senator from New Jersey has so courteously pointed out, we did have an opportunity to meet the President of the Philippines, President Magsaysay, while we were delegates to the Southeast Asia Conference in 1954. At that time we got to know him well. He certainly earned a warm spot in our hearts. He has done remarkable things for his country and the people in it, and we can think of no greater loss than the passing of this outstanding statesman at this time, particularly in that part of the world. I know we are joined by all our colleagues in expressing our sorrow and condolences to Mrs. Magsaysay and the Magsaysay family. We shall miss him greatly, but his contribution will remain as a shrine of the efforts he has made in the cause of freedom for his people and the whole world.

Mr. CHAVEZ. Mr. President, I merely wish to say that I am sure I understood everything that has been said in paying tribute to the late President of the Philippines. I share the views which have been expressed; but, in order to make my remarks short, I may say, that being of the same national origin as the late President of the Philippines, we shall say an Ave Maria and a Pater Noster.

Mr. DWORSHAK. Mr. President, the untimely and tragic death of President Ramon Magsaysay is an irreparable loss to the Philippines, the United States, and the free world.

Last October, during an inspection trip in the far Pacific, I spent 4 days in the islands, and enjoyed two conferences with the late President to discuss some of the problems confronting his country. He proudly recounted the progress being made toward economic rehabilitation and the establishment of sound principles of self-government. He recognized the friendly cooperation of the United States, expressing hope that any temporary friction between the two countries would be satisfactorily settled.

Despite charges of political opponents that he was too strongly pro-American, President Magsaysay was dedicated to

safeguarding individual rights in the full utilization of national resources. He realized that independence of his beloved Republic could best be served by maintaining close ties with the United States. This intense devotion to western ideology made him an outstanding leader in eastern Asia in resisting Communistic subversion.

Filipinos revered this dynamic and popular president, and although loss of his leadership will be a serious blow to his countrymen, they will be inspired to attain those objectives which made President Magsaysay one of the great leaders of this generation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Magsaysay's Death Stirs Anxiety Here," written by Chalmers M. Roberts, and published in the Washington Post and Times Herald of March 18, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 18, 1957]

MAGSAYSAY'S DEATH STIRS ANXIETY HERE—TRAGEDY DEPRIVES FREE WORLD OF ALLY INFLUENTIAL IN ASIA

(By Chalmers M. Roberts)

The death of Ramon Magsaysay is not only a shattering blow to the Philippines but it may have widespread and unhappy repercussions for the free world in Asia.

Few, if any, other Asian leaders could claim the grassroots support that was Magsaysay's. Certainly none had a deeper understanding of the meaning of political freedom; that freedom alone is not enough but must be the foundation on which to build a better life, both economically and socially, for the general public.

That was Magsaysay's dream and that was what he had been working for these past years and which he planned to pursue once the Filipino voters gave him another 4 years in office at the November election. His program was "to put greater emphasis on improving health, roads, education, and economic conditions of the lower income groups" rather than on military preparedness, as a study for the Senate Foreign Relations Committee reported only yesterday.

Magsaysay's conviction was that communism could be beaten in Asia if democratic leaders would work for the public welfare. He was prepared to furnish the men for a stronger Filipino armed force if the United States would provide the equipment. But he begrudged the money which would have to be taken from domestic improvements if the Philippines had to provide their own equipment.

His views on communism were as clear as his actions. He had all but wiped out the Huks, the Communist-led forces in his islands. And the day he was killed he had told a university audience that "neutralism is un-Filipino." It was Magsaysay who sent Filipino troops to fight with the United Nations in Korea and it was Magsaysay who put his nation in the Southeast Asia Treaty Organization alongside the United States.

The great question now is whether those who succeed him can continue his battles against domestic graft and corruption, against the big landlords who have resisted his land reform program, and against those the Senate report refers to as "some self-seeking politicians" who look for political gain by charging America with not doing enough for the Philippines and who have said Magsaysay was too pro-American.

A good many observers in Washington have hopes the Magsaysay program will continue. But privately the worry is that his death will endanger that program and encourage neutralism and communism in Asia by removing one of the greatest enemies of both.

A simple man, unskilled in international political intrigue, Magsaysay had been alarmed at what he on more than one occasion took to be American willingness to back down before Chinese Communist pressure. Two years ago he burned up the midnight transpacific phone to his envoy here, Gen. Carlos P. Romulo, when he heard the United States was forcing Chiang Kai-shek to get out of the Tachen Islands. Later he worried lest Chiang also be forced to evacuate Quemoy and Matsu. To Magsaysay such retreats brought closer to his own land the danger of Chinese Communist aggression.

Unhappily, at this moment American-Filipino relations are strained over the issue of American legal rights on military bases granted the United States in the islands, bases considered vital in the Pacific defense arc. Secretary of State John Foster Dulles was expressing more hope than anything else, it appears, when he said in Australia last Wednesday that "the differences between us are, I think, not insurmountable, and I expect that there will be an amicable settlement, but at the moment the discussions are in suspension."

Unhappily, also, there is now no American Ambassador in Manila, and the Minister in charge, Horace H. Smith, has only lately arrived. The prospective Ambassador, Charles E. (Chip) Bohlen, now envoy to the Soviet Union, is not due in Manila until April, and he has had no background in Asian affairs.

The Vice President, who now becomes Chief Executive, Carlos P. Garcia, is a 60-year-old follower of Magsaysay, a wartime guerrilla leader against the Japanese and the Philippines' Foreign Minister as well.

Garcia, however, lacks both the personal magnetism and strong personality of Magsaysay. Whether he will be his Nacionalista Party's nominee at the July convention is uncertain. Magsaysay's death appears at first glance to make possible the election of his old political enemy, Claro Recto, who has been criticizing Magsaysay for being too close to the United States.

Filipinos are volatile and love politics. No one doubted that Magsaysay would win another term, but his death probably means months of uncertainty and indecision in the islands.

Garcia, who was at the SEATO meeting in Australia when Magsaysay was killed, also represented his country at the Korea-Indochina Conference in Geneva 2 years ago. Some of his efforts there to find a Korean compromise alarmed the Americans at the time. But a speech he made on May 7, by chance the day that Dienbienphu fell to the Communists in Indochina, indicated his and Magsaysay's beliefs.

Garcia said the Philippines are "keenly aware of the perils of Communist aggression from without as well as of Communist subversion from within. Asian nationalism has nothing in common with communism."

Then, answering an attack by Red China's Chou En-lai on American imperialism, Garcia declared:

"Let Filipinos bear witness before the world that such a charge is a violent distortion of history. In the light of history, the American victory (over Spain in the decisive Battle of Manila Bay in 1898) opened the great era of the liberation not only of the Philippines but also of all Asia. It marked the beginning of the end of colonialism in Asia * * * the muse of history will write the final verdict: America ended colonialism in Asia."

Ambassador Romulo, who withdrew from the 1953 presidential race in favor of Magsaysay, was publicly silent yesterday on the possibility of his running this year. It appears, however, that his inclination is to take no further part in domestic politics but to devote himself to foreign affairs. He is a former president of the United Nations General Assembly, a recent biographer of Magsaysay, and a warm friend of the United States.

Mr. JAVITS. Mr. President, I join my colleagues in expressing shock at the tragic death of Ramon Magsaysay, President of the Philippines. In December last, Mrs. Javits and I had the privilege of spending a weekend with President and Mrs. Magsaysay at Malacanang Palace. We lived with them in their own home.

Mr. President, the free world has lost perhaps its greatest advocate in the Pacific and in Southeast Asia. President Magsaysay's great strength lay in the fact that he trusted the people and the people trusted him.

I hope very much, indeed I feel deeply confident, that the people of the Philippines will again prove their heroism in repairing, as much as it is possible to do so, for the sake of the free world, this great loss.

I feel very deeply that if there is some way in which Congress or the President or our country can show honor to this great fighter for freedom, who started fighting when it was extremely dangerous to do so, in guerrilla days, certainly it should be done.

I ask unanimous consent to have printed as a part of my remarks an editorial published in today's New York Daily Mirror.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Daily Mirror of March 18, 1957]

FREEDOM'S LOSS

President Ramon Magsaysay of the Philippines, killed in a plane crash, was not only a good and stanch friend of the United States, he stood as the greatest force in Asia for freedom and for the way of life that we know in this country; and he had raised the stature of the Philippine Islands among nations to a high point of prestige.

He was implacably opposed to communism. His campaign against the Communist-led Huks following World War II freed the Islands of that menace and raised him to eminence in his country and throughout the world. It was a campaign marked by no consideration of quarter for the hard core of Communists at the center of the movement, but by humanity and amnesty for their misled followers.

Just before the takeoff of the fatal flight, Magsaysay had given a series of commencement addresses in Cebu and, at the University of San Carlos, declared:

"You do not have to be anti-American or antiforeign in order to be resoundingly pro-Filipino. Neutralism is un-Filipino. To attempt to foist it upon our people is to do them a great disservice. Either we continually love to live this free way of life or communism will choke it from the body of our nation."

Here was a man who was a bulwark, probably the strongest in all Asia, against the spread of communism. His passing leaves a great vacuum.

It is no credit to our statecraft that this country seemed to take him and his firm friendship more or less for granted, while wooing such Asians as Nehru the neutralist.

It is also disturbing that our Ambassadorship at Manila has remained unfilled since the death last November 7 of Albert F. Nufer.

Charles E. (Chip) Bohlen, United States Ambassador to Moscow, now is expected to receive the Manila appointment.

We thoroughly disagree with comment in some diplomatic circles that this would be a comedown for Bohlen.

There is no more important diplomatic post in Asia, and it is time that our State Department paid the top-level attention to the Philippines that they deserve by virtue of their moral position in the free world and their strategic value in the defense of that world.

Mr. MARTIN of Pennsylvania. Mr. President, I desire to associate myself with my colleagues who have spoken in such a feeling and appropriate manner of the deceased President of the Republic of the Philippines, Ramon Magsaysay.

Mr. President, the development of the Philippines has been one of the most important occurrences in the East. As a young man, I was in the Philippines before American forces occupied the city of Manila. I served with the Filipinos when they were our ally, and I have served as a soldier when they were an enemy. The Filipinos are fine soldiers. They are always loyal to their cause.

Mr. President, Ramon Magsaysay, the deceased President of the Republic of the Philippines, has been a great leader in developing true friendship for the United States. I do not believe any other peoples in all the world have been more friendly to America than have the people of the Philippine Islands.

The death of President Magsaysay is not only a tragic loss to the people of the Philippine Republic, but it is also a severe loss to the people of the United States and of the world.

I sincerely hope that prompt action will be taken by the Congress on the resolution, which is to be submitted, extending the condolences of the people of the United States and the Government of the United States.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the chairman of the Foreign Relations Committee [Mr. GREEN] be recognized for the purpose of making a statement, presenting a resolution, and asking for its immediate consideration, out of order.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I may say, Mr. President, that the distinguished chairman of the Foreign Relations Committee has checked the matter with the majority leader and the minority leader.

The PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. GREEN. Mr. President, death has dealt a severe blow to the cause of free man. In claiming Ramon Magsaysay, it has deprived the Filipino people of an able and devoted servant who believed with all his heart in democracy. It has created a deep void in the leadership of the Far East at a time when that region faces immense difficulties in its search for stability and progress. It has deprived the forces of freemen everywhere of a powerful proponent in the unending conflict with totalitarianism.

The death of Ramon Magsaysay is a severe loss. But death, Mr. President, is not one sided. It gives as it takes. In claiming the President of the Philippines at the age of 49, it leaves his restless spirit of liberty as a richer heritage for all mankind.

To the Filipino people, death leaves the image of a man who knew that freedom was little more than a word unless it touched the weak as well as the strong, unless it reached down to the last rice farmer in the smallest barrio in the islands. The life and Presidency of Ramon Magsaysay were dedicated to giving meaning to freedom. The Filipino leaders who come after him will serve their people the better for his having lived.

For the United States and other western nations, Ramon Magsaysay will remain a lasting symbol of the universality of freedom. He reached above the barriers of differing culture and race to clasp our hand in common devotion to democratic principles. He reminded us, not with words, but with action, that a fraternity of freedom with Asia does exist. And it will continue to exist so long as we ourselves remain devoted as he was to the proposition that the security and the progress of free nations is a common responsibility to be pursued by all on the basis of equality of status, mutual sacrifice and mutual dedication.

Mr. President, on behalf of myself, the Senator from Texas [Mr. JOHNSON], and the Senator from California [Mr. KNOWLAND], I submit a resolution relating to the death of Ramon Magsaysay, President of the Philippines, and I ask unanimous consent that it be considered immediately.

The PRESIDENT pro tempore. The resolution will be stated.

The resolution (S. Res. 115) was read by the legislative clerk, and the Senate proceeded to its consideration as follows:

Resolved, That the Senate of the United States has learned with profound sorrow of the untimely death of Ramon Magsaysay, President of the Republic of the Philippines.

Resolved, That the Senate expresses its deepest sympathy with the people of the Philippines in the loss of their beloved President.

Resolved, That the President of the United States be requested to communicate this expression of sentiment to the Government of the Republic of the Philippines.

Resolved, That the Senate, when it adjourns or recesses today, does so as a further mark of respect for President Magsaysay.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. FULBRIGHT. Mr. President, I should like to associate myself with the remarks made by the chairman of the Senate Foreign Relations Committee [Mr. GREEN] regarding the death of Ramon Magsaysay, President of the Philippines. Only a few days ago I received a letter from a friend commenting on the greatness of Mr. Magsaysay. I was in the process of trying to develop a program to enlarge the functions and the part the Philippines play in the international exchange program.

I think the untimely death of Mr. Magsaysay is one of the greatest tragedies the free world has suffered in a long time, and I deeply regret his passing.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 115) was unanimously agreed to.

Mr. MONRONEY. Mr. President, I am glad the Senate has seen fit to adopt a resolution expressing the deep sense of loss in the death of President Magsaysay, of the Republic of the Philippines. I think his death is a tragic loss to the cause of democracy in the Far East.

I never met a man I considered more capable or honest, or one who made to a greater extent than he did the interest of the people of every station in life his chief concern. He was a dedicated public servant, as the President of the Republic of the Philippines. He was a valued ally, who served the cause of freedom and liberty in World War II, in helping us effect our landings in the Philippines.

In the tragic death of President Magsaysay, America has lost one of its greatest friends in the Far East.

The PRESIDENT pro tempore. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF NATIONAL HOUSING ACT

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation to amend the National Housing Act and other laws relating to housing and for other purposes (with an accompanying paper); to the Committee on Banking and Currency.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director, the American Legion, Washington, D. C., transmitting, pursuant to law, a financial statement of the American Legion, dated December 31, 1956 (with an accompanying statement); to the Committee on Finance.

PROPOSED LEGISLATION TO GIVE EFFECT TO CERTAIN OBLIGATIONS UNDER THE GENEVA CONVENTIONS OF AUGUST 12, 1949

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to give effect to certain obligations of the United States under the Geneva Conventions for the Protection of War Victims of August 12, 1949, by regulating use of the Red Cross and other emblems, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

AMENDMENT OF CHAPTER 733, SIXTY-EIGHTH STATUTE, PAGE 907, AS AMENDED

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of October 26, 1949 (ch. 733, 63 Stat. 907) as amended (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF RAILROAD RETIREMENT BOARD

A letter from the chairman, Railroad Retirement Board, Chicago, Ill., transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Labor and Public Welfare.

AMENDMENT OF SECTION 1461, TITLE 18, UNITED STATES CODE, RELATING TO MAILING OF CERTAIN MATTER

A letter from the Attorney General, transmitting a draft of proposed legislation to

amend section 1461 of title 18 of the United States Code, relating to the mailing of obscene or crime-inciting matter (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF SETTLEMENT OF CLAIMS OF PUGET SOUND POWER & ELECTRIC CO.

A letter from the Acting Secretary of the Treasury, reporting, pursuant to law, payment of damages to the Puget Sound Power & Light Co., Bellingham, Wash., in full settlement of a claim for damage to a submarine power cable, caused by a Coast Guard vessel on June 25, 1955; to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Four letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reason for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF FEDERAL-AID ROAD ACT, RELATING TO ADVERTISING ALONG HIGHWAYS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, for the purpose of promoting the control of advertising along the National System of Interstate and Defense Highways (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Oregon; to the Committee on Public Works:

"Senate Joint Memorial 2

"To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the continued welfare and proper economic growth and development of the State of Oregon depends on the unimpeded movement of waterborne commerce along the Columbia River, and particularly upon a ship channel which is adequate for the movement of loaded deep-draft vessels; and

"Whereas the Federal Government recognizes that the benefits of trade, commerce, and industry to all of its citizens and the vital national defense features inherent in a system of adequately developed waterways throughout the United States requires it to maintain through the Corps of Engineers of the Department of the Army the present 35-foot-deep and 500-foot-wide Columbia River ship channel from the mouth to Portland, Oreg.; and

"Whereas the present Columbia River ship channel project is of insufficient width and depth to allow safe, proper, or unimpeded navigation by deep-draft vessels; and

"Whereas the inadequacy of the present Columbia River ship channel limits the movement and size of vessels and cargo upon the Columbia River results in grounding, serious mishaps, and a continuous threat to the safety of navigation and causes an adverse effect upon welfare of all Columbia River ports: Now, therefore, be it

"Resolved by the Senate of the State of Oregon, (the House of Representatives jointly concurring therein), That the Congress of the United States be, and it hereby is, urged to take immediate action to improve and implement a new Columbia River ship channel project from the mouth to the port of Portland of not less than 40-foot depth and 750-foot width to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon trade, commerce and industry and general welfare; be it further

"Resolved, That the Corps of Engineers of the Department of the Army be urged to take immediate action in the study and review of the project requirements so that a sufficient and adequate Columbia River ship channel of not less than 40-foot depth and 750-foot width may be constructed before the restricting and hazardous nature of the present Columbia River ship channel effects an even greater and more disastrous effect upon the welfare of the citizens of the Columbia River, the residents of Oregon and of the Pacific Northwest and the citizens of the United States; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Secretary of Defense, the Secretary of the Army, the Chief of the Corps of Engineers of the Department of the army, and to all members of the Oregon congressional delegation.

"Adopted by senate February 28, 1957.

"ZYLPHA ZELL BURNS,
"Chief Clerk of Senate.
"BOYD R. OVERHULSE,
"President of Senate.

"Adopted by house March 7, 1957.

"PAT DOOLEY,
"Speaker of House."

A joint resolution of the Legislature of the State of Montana; to the Committee on Banking and Currency:

"House Joint Memorial 17

"Joint memorial of the Senate and House of Representatives of the State of Montana to the President of the United States, Dwight D. Eisenhower; the Congress of the United States; Senator James E. Murray, of Montana; Senator Mike Mansfield, of Montana; Congressman Lee Metcalf, of Montana; Congressman LeRoy Anderson, of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; requesting the free sale of newly mined domestic gold

"Whereas, during World War II, mining operations in many gold mines throughout the United States were discontinued pursuant to Government order; and

"Whereas the cost of mining operations has greatly increased; and

"Whereas the price of gold in the United States was fixed in 1934 during a period of low-operating costs and that price has continued until the present time; and

"Whereas these economic conditions have forced the closing of more than 90 percent of the gold mines in the United States; and

"Whereas there appears to be no presently valid reason to prohibit the free sale of newly mined domestic gold, a move which will not affect the monetary system; and

"Whereas any increase in the price of gold on a free market would help pay the increased cost of mining other metals where the ore has an appreciable gold content, thus contributing to preserving the domestic mobilization base; and

"Whereas the continued sale of gold by the Treasury for commercial use would tend to depress the free market price: Now, therefore, be it

"Resolved by the Senate and House of Representatives of the Legislature of the State of Montana:

"1. That the Congress of the United States is hereby petitioned to pass a bill to permit the free marketing of gold newly mined after the effective date of the act, in the United States or its Territories or insular possessions; and

"2. That such a bill contain a section prohibiting the sale of gold by the Treasury of the United States or any subdivision thereof for use in industry or the arts; be it further

"Resolved, That copies of this memorial be submitted by the secretary of state of Montana to each of the individuals and to the chairman of each of the committees named in the title of this memorial and also to the Presiding Officers of both Houses of Congress of the United States, RICHARD M. NIXON and SAM E. RAYBURN.

"EUGENE H. MAHONEY,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

A joint resolution of the Legislature of the State of Montana; to the Committee on Finance:

"Senate Joint Memorial 6

"Joint memorial of the Senate and the House of Representatives of the State of Montana to the Congress of the United States; to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, Senators from the State of Montana; to the Honorable LEE METCALF and to the Honorable LEROY ANDERSON, Representatives to the Congress from the State of Montana and to the Committee on Veterans' Affairs of the United States House of Representatives; urging the enactment into law of the necessary and proper legislation to forestall an increase in GI loan interest rates of higher than 4½ percent; to authorize the use of part of the national service life insurance funds for the purchase of Veterans' Administration guaranteed loans at par, and to give the Veterans' Administration authority to prohibit discounting of Veterans' Administration underwritten mortgages; to urge an increase in the ceiling amount of $10,000 under the present GI loan terms

"Whereas the veterans' housing program is presently lagging, due to money restrictions, higher interest rates of other types of loans, and current discount methods of lending institutions; and

"Whereas a healthy building program benefits the entire Nation as well as the veterans involved; and

"Whereas it is presently extremely difficult, if not impossible, for veterans to obtain Veterans' Administration guaranteed loans from lending institutions in the State of Montana; and

"Whereas interest rates on all types of loans continue to rise, including a recent raise from 4½ to 5 percent for Federal Housing Administration loans; and

"Whereas presently, lending institutions engage in discounting of Veterans' Administration underwritten mortgages at additional expense to the veterans involved; and

"Whereas banking institutions customarily charge a closing fee, and other administrative fees, in addition to the interest authorized at 4½ percent, all of which adds to the expense of obtaining a loan by the veteran; and

"Whereas the national service life insurance reserve fund is available for use if authorized for the purchase of Veterans' Administration guaranteed loans at par; and

"Whereas if it is not deemed advisable to authorize the use of the national service life insurance reserve fund for the purchase of Veterans' Administration guaranteed loans at par, then, in that event, other funds should be made available for such purpose; and

"Whereas the $10,000 ceiling on GI loans is entirely unrealistic with relation to home construction in Montana; and

"Whereas the public interest would be clearly served by such legislation: Now, therefore, be it

"Resolved by the Senate and House of Representatives of the State of Montana, That the Representatives of the State of Montana in the Congress of the United States be requested to enact into law necessary and proper legislation to forestall any increase in Veterans' Administration guaranteed loans higher than 4½ percent, to authorize the use of part of the national service life insurance reserve funds for the purchase of Veterans' Administration guaranteed loans at par, and to give the Veterans' Administration authority to prohibit discounting of Veterans' Administration underwritten mortgages; and to increase the maximum allowable under present GI loan terms; and be it further

"Resolved, That copies of this memorial be submitted by the secretary of the State of Montana to each of the individuals and to the chairman of the committee named in the title of this memorial and also to the presiding officers of both Houses of the Congress of the United States, the Honorable RICHARD M. NIXON, President of the United States Senate and the Honorable SAM E. RAYBURN, Speaker of the United States House of Representatives.

"PAUL CANNON,
"President of the Senate.
"EUGENE H. MAHONEY,
"Speaker of the House."

Five joint resolutions of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 6

"Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States, Senator James E. Murray, of Montana; Senator Mike Mansfield, of Montana; Congressman Lee Metcalf, of Montana; Congressman LeRoy Anderson, of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; and the Secretary of the Interior, Frederick B. Seaton; requesting that the Congress of the United States, and the Members of the House of Representatives and Senate, Interior and Insular Affairs Committee, and the Secretary of the Interior, Frederick B. Seaton, repeal the Federal laws allowing the State of Wyoming to collect use and sales tax in Yellowstone National Park.

"Whereas the Congress of the United States did set apart Yellowstone National Park before any of the adjoining States were created and did withdraw said tract of land from settlement, occupancy, or sale and did dedicate said tract as a public park and pleasure ground for the benefit and enjoyment of all of the people; and

"Whereas Yellowstone National Park is under the exclusive control and jurisdiction of the Secretary of the Interior; and

"Whereas the State of Wyoming, under its tax laws, levies and collects a sales and use tax in Yellowstone National Park; and

"Whereas the State of Wyoming contributes in no way directly to the maintenance of Yellowstone National Park in return for the taxes collected; and

"Whereas the State of Montana, in its position of having three principal gateways to Yellowstone National Park, is interested in seeing that Yellowstone National Park is maintained as a pleasure ground pursuant to the initial purposes of Congress, as set out by Congress; and

"Whereas it is the belief of the people of the State of Montana that the imposition of the sales and use tax in Yellowstone National Park by the State of Wyoming is an unwarranted intrusion by the State of Wyoming and such acts are not in conformity with the purposes for which Yellowstone National Park was set aside; and

"Whereas the people of the State of Montana believe that such an intrusion violates the basic purpose of the Congress of the United States in the creation of Yellowstone National Park: Now, therefore, be it

"Resolved, That the 35th Legislative Assembly of the State of Montana, the senate and house concurring, does hereby request and petition the Congress of the United States to deny the State of Wyoming or any other State the right to impose taxes of any sort in Yellowstone National Park and to repeal statutes which allow the State of Wyoming to collect sales and use taxes in Yellowstone National Park; be it further

"Resolved, That the secretary of state of the State of Montana be instructed to send copies of this memorial to the Honorable James E. Murray, the Honorable Mike Mansfield, the Honorable Lee Metcalf, the Honorable LeRoy Anderson, the Committee on Interior and Insular Affairs of the United States Senate, the Committee on Interior and Insular Affairs of the United States House of Representatives, and the Secretary of the Interior, Frederick B. Seaton.

"PAUL CANNON,
"President of the Senate.
"EUGENE H. MAHONEY,
"Speaker of the House."

"House Joint Resolution 2

"Joint resolution of the House and Senate of the State of Montana to the President of the United States, Dwight D. Eisenhower; to the Congress of the United States; to the Senate Interior and Insular Affairs Committee; to Senators James E. Murray and Mike Mansfield; to Congressmen Lee Metcalf and LeRoy Anderson; and to the Alaska delegation in the United States Congress and the Governor of the Territory of Alaska requesting the President and Congress of the United States to do what may be necessary to give full statehood to the Territory of Alaska

"Whereas the Legislature of Montana is aware of the unfairness with which the Territory of Alaska has been treated in its appeal for statehood; and

"Whereas the Legislature of Montana is aware of the great contributions that the Territory of Alaska has made to the welfare of the United States, and believing that such contributions could be vastly accelerated by statehood; and

"Whereas the platforms of both major political parties have and do advocate statehood for Alaska; and

"Whereas the President of the United States has advocated statehood for Alaska in speeches, and before his inauguration; and

"Whereas the growth and prosperity of the Territory of Alaska, and the people of Alaska are seriously handicapped by the Territorial status that now exists; and

"Whereas the Territory of Alaska, and the people of that Territory have now reached a stalemate in their development that cannot be overcome until statehood is granted; and

"Whereas it is to the future benefit of the United States of America to accelerate the development of the vast potential that is Alaska: Now, therefore, be it

"Resolved, That the Legislature of the State of Montana, both house and senate concurring, do petition the President and the Congress of the United States to jointly do that which is necessary to immediately give full statehood to the Territory of Alaska; and be it further

"Resolved, That copies of this resolution be submitted by the secretary of state of the State of Montana, to each of the individuals and to the chairman of the committee named in the title of this resolution, and also to the presiding officers of both Houses of the Congress of the United States.

"EUGENE H. MAHONEY,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

"House Joint Memorial 6

"Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; Senator James E. Murray, of Montana; Senator Mike Mansfield, of Montana; Congressman Lee Metcalf, of Montana; Congressman LeRoy Anderson of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; and the Secretary of the Interior, Frederick B. Seaton; requesting that the Congress of the United States, and the Members of the House of Representatives and Senate, Interior and Insular Affairs Committee, and the Secretary of the Interior, Frederick B. Seaton, make a thorough study of the effect of promoting off-reservation migration upon the American Indians' family life; the advisability of extending family assistance programs to Indians away from reservations; the educational development of the relocated Indian child; the development of job opportunities at or near reservations; the development of Indian property resources and the equal participation for all Indians in Federal services such as the Indian branch of Public Health Services.

"Whereas the Enabling Act of the State of Montana, as well as numerous treaties between the United States Government and Indian tribes, many statutes and agreements specifically reserve to the Congress of the United States the jurisdiction over Indians;

"Whereas the changes in residence from reservations to cities for one-third and more of Montana's Indians have given rise to conflicts in the administration of needed services;

"Whereas in an age of automation the Indian is found far behind the general population in job preparedness, education, general health, and level of income: Now, therefore, be it

"Resolved by the 35th Legislative Assembly of Montana of 1957, now in session (the Senate and House of Representatives concurring), Do recommend to the Congress of the United States a thorough study of the following:

"(1) The effect of promoting off-reservation migration upon the Indians' family life and the advisability of extending the usual reservation family assistance program to Indians away from reservations through the ordinary city-county channels of welfare;

"(2) the educational development of the relocated Indian child;

(3) the development of job opportunities on and near reservations so that there will be the least disruption of family life;

"(4) the development of Indian property resources and of housing;

"(5) the equal participation for all Indians in such special Federal services, as the

Indian branch of the Public Health Services; be it further

"*Resolved*, That copies of this memorial be submitted by the secretary of the State of Montana to the Congress of the United States, to Senator James E. Murray and Senator Mike Mansfield, of Montana; to Congressman Lee Metcalf and Congressman LeRoy Anderson, of Montana; to the Committee on Interior and Insular Affairs of the United States Senate; to the Committee on Interior and Insular Affairs of the United States House of Representatives; and to the Honorable Frederick B. Seaton, Secretary of the Interior.

"EUGENE H. MAHONEY,
"*Speaker of the House.*
"PAUL CANNON,
"*President of the Senate.*"

"House Joint Memorial 14

"Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; Senator James E. Murray, of Montana; Senator Mike Mansfield, of Montana; Congressman Lee Metcalf, of Montana; Congressman LeRoy Anderson, of Montana; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; and the Secretary of Interior, Frederick B. Seaton; requesting that the Congress of the United States, and the Members of the House of Representatives and Senate, Interior and Insular Affairs' Committee and the Secretary of the Interior, Frederick B. Seaton, recognize the Federal responsibility in assisting and providing reasonable job opportunities, and necessary financial assistance, in cooperation with the State of Montana, and the counties thereof, for Indian people, regardless of where they reside within the State of Montana; and requesting further, that appropriate action be taken to insure that Indian people receive employment preference in connection with all contracts involving the use of labor on Indian reservations

"Whereas many of the Indian tribes placed on reservations in Montana by congressional action, once lived, owned and controlled the great plains area and the entire Northwest, but in compliance with the will of Congress as evidenced by treaty, custom and statute, such Indian people were placed on reservations within the State of Montana; and

"Whereas under such treaties, customs, and Federal laws, the primary responsibility for management of Indian problems has, and now does, rest with the Federal Government; and

"Whereas lack of employment opportunities on Montana reservations has caused, and is now causing, numerous Indians to leave their reservations, where they are still unable to obtain gainful employment; and

"Whereas many of these people are not economically, socially, nor emotionally stable, and, as a consequence, have suffered, and are suffering, great hardship and poverty, and have created and are creating, extreme social and welfare problems to the State of Montana and the cities, towns, and counties thereof; and

"Whereas, with knowledge, acquiescence, and in many cases, by direct acts of the Department of Interior, federally supervised contracts on Indian reservations have been, and are being, executed in such a manner as to deliberately avoid furnishing Indian people employment opportunities in or near their reservations, which contracts could afford these Indians a means of earning money to support themselves and their families; and

"Whereas this condition has cause and is causing undeserved embarrassment and disgrace to all the citizens of Montana, Indian and non-Indian alike: Now, therefore, be it

"*Resolved*, That the 35th Legislative Assembly of the State of Montana of 1957, now in session, the Senate and the House of Representatives concurring, do recommend to the Congress of the United States, the Members of the House of Representatives and Senate, the Interior and Insular Affairs' Committee, and the Secretary of Interior, Frederick B. Seaton, that they more fully recognize the Federal responsibility in assisting and providing reasonable job opportunities and necessary financial assistance and cooperation with the State of Montana, and the counties thereof, to Indian people regardless of where they reside within the State of Montana; and it is further recommended that action be taken to provide adequate employment opportunities for Indians by providing that the Indian people receive, all other things being equal, employment preference in connection with all contracts which involve use of labor on Indian reservations; Be it further

"*Resolved*, That copies of this memorial be submitted by the secretary of the State of Montana to the Congress of the United States; Senator James E. Murray, Senator Mike Mansfield; Congressman Lee Metcalf and Congressman LeRoy Anderson; the chairman of the Committee on Interior and Insular Affairs of the United States Senate; the chairman of the Committee on Interior and Insular Affairs of the United States House of Representatives; and to the Honorable Frederick B. Seaton, Secretary of Interior.

"EUGENE H. MAHONEY,
"*Speaker of the House.*
"PAUL CANNON,
"*President of the Senate.*"

"House Joint Memorial 15

"Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; Senator James E. Murray, of Montana; Senator Mike Mansfield, of Montana; Congressman Lee Metcalf, of Montana; Congressman LeRoy Anderson, of Montana; Senator William L. Langer, chairman Senate Judiciary Committee and Juvenile Delinquency Special Subcommittee; the Committee on Interior and Insular Affairs of the United States Senate; the Committee on Interior and Insular Affairs of the United States House of Representatives; and the Secretary of Interior, Frederick B. Seaton, requesting that the Congress of the United States and the Members of the House of Representatives and Senate, Interior and Insular Affairs Committee, and the Secretary of the Interior, Frederick B. Seaton, take the necessary action to have a policy established by the Department of Interior and the Indian Bureau thereof to purchase coal for use on the Tongue River and Crow Indian Reservations from the coal deposits existing on the Tongue River Indian Reservation in order to promote the general welfare of the Northern Cheyenne Tribe, both by providing employment on that reservation for the Northern Cheyenne Indian people residing thereon and by providing income for this exemplary tribal enterprise

"Whereas large deposits of semibituminous coal of good grade are located on the Tongue River Indian Reservation; and

"Whereas production of this coal has been operated by the Northern Cheyenne Indian Tribal Council on the Tongue River Indian Reservation as a tribal enterprise and has in past years provided employment for Indian people residing on that reservation; and

"Whereas this coal is the property of the Northern Cheyenne Indian Tribe and the sale of such coal has in past years brought considerable money to the Northern Cheyenne Indian Tribe, in addition to furnishing employment to members thereof; and

"Whereas the Department of Interior and the Indian Bureau thereof has need for and has in the past and is now purchasing coal for use on the Tongue River Indian Reservation and the adjacent Crow Indian Reservation; and

"Whereas at the present time coal being purchased by the said Government agencies is being purchased outside the said reservation and outside the State of Montana; and

"Whereas such action has directly increased the welfare and social problems existing upon the Tongue River Indian Reservation: Now, therefore, be it

"*Resolved*, That the 35th Legislative Assembly of the State of Montana of 1957, now in session, the Senate and the House of Representatives concurring, do recommend to the Congress of the United States, the Members of the House of Representatives and Senate, the Interior and Insular Affairs Committees, and the Secretary of Interior, Frederick B. Seaton, that the necessary action be taken to have a policy established by the Department of Interior and the Indian Bureau thereof to purchase coal for use on these Indian reservations from the coal deposits existing on the Tongue River Indian Reservation in order to promote the general welfare of the Northern Cheyenne Indian Tribe, both by providing employment on that reservation for the Northern Cheyenne Indian people residing thereon and by providing income for this exemplary tribal enterprise; be it further

"*Resolved*, That copies of this memorial be submitted by the secretary of state of Montana to the Congress of the United States, Senator James E. Murray, Senator Mike Mansfield, Congressman Lee Metcalf, Congressman LeRoy Anderson, Senator William L. Langer, of North Dakota, chairman of the Senate Judiciary Committee and Juvenile Delinquency Special Subcommittee, the chairman of the Committee on Interior and Insular Affairs of the United States Senate, the chairman of the Committee on Interior and Insular Affairs of the United States House of Representatives, and to the Honorable Frederick B. Seaton, Secretary of Interior.

"EUGENE H. MAHONEY,
"*Speaker of the House.*
"PAUL CANNON,
"*President of the Senate.*"

A resolution of the House of Representatives of the State of Montana; to the Committee on Agriculture and Forestry:

"House Resolution 2

"Resolution of the House of Representatives of the State of Montana to the Congress of the United States; to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, United States Senators from Montana; to the Honorable LEE METCALF and the Honorable LEROY ANDERSON, Representatives from Montana; and to the Honorable Secretary of Agriculture of the United States, requesting a full-scale and immediate investigation of the spread between the "on the hoof" cattle prices and the price paid for retail beef by the consumer

"Whereas official reports of the earnings of the major meatpackers clearly indicate that while producers are suffering serious economic loss due to a depression in live cattle prices, meatpackers' earnings are the highest in history; and

"Whereas while "on the hoof" cattle prices are suffering a serious depression, consumers, at the same time, are prevented from having sufficient meat in their diet because of the high cost of retail beef: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Montana*, That the Congress

of the United States be urged and requested immediately to implement and proceed with the investigation of the spread between the "on the hoof" cattle prices and the prices paid for retail beef by the consumer; be it further

"*Resolved*, That copies of this resolution be submitted by the secretary of state of the State of Montana, to the Senate and the House of Representatives of the United States Congress, to Senators JAMES E. MURRAY and MIKE MANSFIELD, to Representatives LEE METCALF and LEROY ANDERSON, and to the Secretary of Agriculture of the United States

"EUGENE H. MAHONEY,
"*Speaker of the House.*"

A resolution of the House of Representatives of the State of Montana; to the Committee on Public Works:

"House Resolution No. 3

"House resolution of the House of Representatives of the State of Montana to the President of the United States, Dwight D. Eisenhower; the Congress of the United States; James E. Murray and Mike Mansfield, Senators from the State of Montana; Lee Metcalf and LeRoy Anderson, Representatives in Congress from the State of Montana; the Committee on Public Works of the United States Senate; the Committee on Public Works of the United States House of Representatives; the Committee on Appropriations of the United States Senate; the Committee on Appropriations of the United States House of Representatives; Interior Committees, the Secretary of the Army, Wilber M. Brucker; the Chief of the Corps of Engineers, Department of the Army, Maj. Gen. E. C. Itschner; the Secretary of the Interior, Fred Seaton; the Commissioner of the Bureau of Reclamation, W. A. Dexheimer; and the Director of the Budget, Percival F. Brundage; requesting the introduction and enactment into law of the necessary and proper legislation to authorize construction by the Federal Government of Glacier View Dam on the North Fork of the Flathead River in the State of Montana and to authorize that sufficient appropriations be provided for the detailed planning and construction of Glacier View Dam.

"Whereas Glacier View Dam and Reservoir is a proposed multiple-purpose project, to be located at Flathead River Mile 177 on the western boundary of Glacier National Park, 72 miles upstream from Flathead Lake and 41 miles below the international boundary; and

"Whereas Glacier View project would provide flood control, hydroelectric power, and recreational benefits; and

"Whereas these multiple-purpose benefits combine to give the project a favorable benefit-to-cost ratio of 1.84 to 1; and

"Whereas preliminary geological and engineering investigation and planning of the Glacier View Dam project have been carefully completed and the findings compiled; and

"Whereas Glacier View Dam, at elevation 3,725 feet above mean sea level, would provide 3,160,000 acre-feet of vitally needed headwater flood control storage; and

"Whereas operation of Glacier View, together with Hungry Horse Reservoir on the South Fork of the Flathead River, would completely control the floods that cause damage in the vicinity of Kalispell and at other points along Flathead River, and would assist in the control of damaging floods throughout the Columbia River downstream; and

"Whereas the release of flood waters as needed through the winter season of low stream flow would generate 255,000 kilowatts of hydroelectric power and would in addition firm-up power production of downstream dams; and

"Whereas construction of Glacier View project would not disturb the economy of the vicinity in which it is located; it would flood no towns; private property affected would be a number of small ranches and dude ranches in the North Fork Valley; tax revenue loss would amount at most to $500 a year; and

"Whereas the rapidly increasing population of the Pacific Northwest and the Nation places upon this generation a special responsibility for the maximum utilization of all the great natural resources bestowed upon this country by divine providence; and

"Whereas development of the Glacier View Dam site would create jobs urgently needed to provide for our burgeoning population and the future defense and welfare of our region and the Nation; and

"Whereas the Pacific Northwest is isolated from the major population centers of the Nation by great distances and high freight rates and must rely upon the full development of its own natural resources in providing for its future growth and economic welfare; and

"Whereas hydroelectric power is the only truly inexhaustible energy resource available to a civilization whose entire future growth and economic strength will be increasingly dependent upon the provision of adequate supplies of electric energy; and

"Whereas the industrial development of Montana and the entire Pacific Northwest will be greatly enhanced by the large amounts of low-cost power made available by the full development of the potential of the Glacier View Dam site; and

"Whereas the people of the State of Montana have seen in the examples of Hungry Horse Dam on the south fork of the Flathead River in their State and many other dams in the Pacific Northwest the immense benefits which accrue as a direct result of the construction of such great projects, not only to the State in which they are constructed but also to the entire region and the Nation; and

"Whereas revenues from the sale of power from Glacier View Dam represent the most feasible source of funds to aid in the rapid construction and the maintenance of major future irrigation projects in the State of Montana; and

"Whereas the Glacier View Reservoir will have great value for the conservation and development of fish and wildlife resources and will provide a superb recreational area for the sportsmen and many families of the Northwest and the Nation who enjoy Montana's great scenic beauty and outstanding outdoor attractions; and

"Whereas large amounts of storage are required in the Flathead River to provide adequate protection against the seasonal floods which periodically cause great loss of life and the destruction of millions of dollars worth of property, causing great hardship throughout the Pacific Northwest; and

"Whereas many of the large storage projects planned by the Army engineers for the control of floods in the Columbia River Basin have been and are being lost due to conflicting uses and inadequate development, so that it is seriously doubtful that even the minimum flood control storage requirements of the region can be met; and

"Whereas the Glacier View project was dropped from the Corps of Engineers 308 Report, primarily because of opposition from the National Park Service and conservation organizations, whose objections are summarized as follows:

"1. The reservoir would inundate about 19,000 acres of land within the western boundary of Glacier National Park; destroy some 8,000 acres of virgin timber; require destruction of 56 percent of the white-tailed deer, 30 percent of the mule deer and elk, over 50 percent of the moose, due to flooding of their winter-feeding area; flood out over 70 percent of the beaver; impair the natural beauty of the valley, with an attendant loss of interest of park visitors who come from stream fishing.

"2. The project would violate policy established under the act of August 22, 1914 (38 Stat. 699) accepting Federal jurisdiction over Glacier National Park, which specifically requires the Park Service to afford protection against any attempted action adversely affecting the natural wildlife, growth or beauty of the park; and

"Whereas the answers to these two major objections are as follows:

"1. The reservoir would inundate 12,000 acres, only about one percent of the total area of Glacier National Park; nearly all the reservoir area is covered with second growth brushy fir and lodgepole pine; there are vast areas just as good as the reservoir area into which the game would move; the reservoir would be filled from the spring flood flow, retained as a stable lake throughout the summer recreational period; use of part of the stored water would begin in the fall and continue through the winter until capacity was again available for retention of spring floodwaters and a repetition of the cycle; this operation would enhance, not harm, recreational use of what is now a little used valley, largely an unsightly burn with no scenic attraction; construction of a road around the reservoir would make for easier access into an area now almost inaccessible.

"2. The act of August 22, 1914, acknowledges the fact that provision for beneficial uses of water resources has a higher priority than 'reservation of all timber, natural curiosities, and the protection of the animals'; and

"Whereas the public interest would so clearly be served best by construction of Glacier View Dam and reservoir: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Montana*, That the Representatives of the State of Montana in the Congress of the United States be requested to enact into law necessary and proper legislation to authorize construction by the Federal Government of Glacier View Dam on the North Fork of the Flathead River in the State of Montana and to authorize that sufficient appropriations be provided for the detailed planning and construction of Glacier View Dam: Be it further

"*Resolved*, That this assembly request the Congress, in making appropriations for the construction of the Glacier view project, to define the compensations that shall be received from the Government of the United States by the county of Flathead and by affected cities and school districts in said county for extraordinary expenses resulting from expanded services required in the fields of school and hospital facilities, health and sanitation, and police protection incidental to the construction of said projects; and to provide all necessary funds and take all needed action to insure the construction of all transportation and other facilities needed to provide opportunity equal to that now existing of access to mines, to forests in Federal, State and private ownership, and to manufacturing and refining plants, to the end that the present steady and continuous employment of Montana people depending upon forests and mines for their livelihood will not be adversely affected; and be it further

"*Resolved*, That copies of this memorial be submitted by the secretary of the State of Montana to each of the individuals and to the chairman of each of the committees named in the title of this memorial and also

to the presiding officers of both Houses of Congress of the United States, RICHARD M. NIXON, and SAM E. RAYBURN.

"EUGENE H. MAHONEY,
"*Speaker of the House.*"

A letter in the nature of a petition from the American Bar Association, Chicago, Ill., signed by Joseph D. Stecher, Secretary, relating to civil defense (with accompanying papers); to the Committee on Armed Services.

JOINT RESOLUTION OF MONTANA LEGISLATURE

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a joint memorial of the Montana State Legislature requesting the Federal Government to make effective the O'Mahoney-Millikin amendment to the Flood Control Act of 1944.

The O'Mahoney-Millikin amendment reserved waters arising in arid and semi-arid Western States for beneficial uses in those States. In recent years, water has been released from the upper Missouri Basin to benefit navigation in the Mississippi River and to prevent a salt water incursion into the New Orleans city water system, at the mouth of the Mississippi on the Gulf of Mexico.

While many of us are gratified that Missouri Basin development has advanced to the point that citizens all down the Mississippi River can benefit from it, the water releases have resulted in critically low pools behind Missouri Basin dams. There is a prospective deficit of electric power to meet the firm power commitments of the Bureau of Reclamation to rural electric, municipal and commercial customers.

This memorial of the Montana Legislature—and a similar memorial has been adopted by the South Dakota Legislature—urges a congressional review of Missouri River management which I hope the Public Works and Interior Committees may undertake jointly, just as we have studied jointly the problem of cost allocation of multiple-purpose water projects.

There is great need for constructive solutions to problems of water scarcity in many areas of the Nation. The Missouri Basin problem is an immediately pressing one.

Although we have not approached maximum use of upper Missouri Basin water for irrigation, there are already growing conflicts between uses for water which must be resolved.

These conflicts between uses appear to require a choice of one use or the other as superior, but a choice between two needs is not an adequate solution. The real solution is in finding ways to meet all the needs, not merely one or another of them.

With an integrated development of all the resources of the Missouri Basin—including its vast lignite deposits as well as flowing water for energy—all needs could be met.

I make this statement now in the hope that when hearings are held on the problem posed by the Montana and South Dakota memorials, all those involved will deal with meeting our total needs and not simply with how to ration a scarcity of water.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 9

A joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; James E. Murray and Mike Mansfield, Senators from the State of Montana; Lee Metcalf and LeRoy Anderson, Representatives in Congress from the State of Montana; the Interior and Insular Affairs Committee of the United States Senate; the Interior and Insular Affairs Committee of the United States House of Representatives; the Committee on Public Works of the United States Senate; the Committee on Public Works of the United States House of Representatives; the Secretary of the Army, Wilber M. Brucker; the chief of the Corps of Engineers, Department of the Army, Maj. Gen. E. C. Itschner; urging the committees to investigate the subordination of power generation on the Missouri River to navigation, and to determine all facts necessary to ascertain the balance between electric power supply and requirements, existing and prospective, in the upper Missouri Basin

Whereas the supply of low-cost Federal power in the upper Missouri Basin is inadequate to meet the foreseeable needs of preference customers; and

Whereas the O'Mahoney-Millikin amendment to the Flood Control Act of 1944 reserves waters arising in States wholly or partly west of the 97th meridian for beneficial uses, including irrigation, which requires large quantities of pumping power; domestic and municipal uses; and industrial uses; and

Whereas it is known that the United States Army Corps of Engineers has been releasing water from Fort Peck, Garrison, and Fort Randall Dams during the navigation season in the lower Missouri River to the detriment of power production, Federal revenue, and good management: Now, therefore, be it

Resolved, That the Legislature of the State of Montana memorializes the Congress of the United States to implement and make effective the mandate intended in the O'Mahoney-Millikin amendment that the use of water for navigation purposes be subordinated to western uses; and be it further

Resolved, That we call upon the Army Corps of Engineers to cease the release of large quantities of water for such subordinate purposes; and be it further

Resolved, That the Legislature of the State of Montana memorializes the Committees on Interior and Insular Affairs and the Committees on Public Works of the United States Senate and House of Representatives to investigate the subordination of power generation on the Missouri River to navigation, and to determine all facts necessary to ascertain the balance between electric power supply and requirements, existing and prospective, in the upper Missouri Basin. Such investigations and determinations should include power supply available considering management of the river in consonance with the O'Mahoney-Millikin principles as well as the need for and the economics of developing steam generation to firm up hydropower now being sold or to be sold by the Government at less than firm power rates; and be it further

Resolved, That copies of this memorial be submitted by the secretary of the State of Montana to each of the individuals and to the chairmen of the committees named in the title of this memorial and also to the presiding officers of both Houses of the Congress of the United States, RICHARD M. NIXON, and SAM E. RAYBURN.

EUGENE H. MAHONEY,
Speaker of the House.
PAUL CANNON,
President of the Senate.

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Montana, identical with the foregoing, which was referred to the Committee on Public Works.)

REGULATION OF ALCOHOLIC LIQUOR ADVERTISING—RESOLUTION OF KANSAS HOUSE OF REPRESENTATIVES

Mr. SCHOEPPEL. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, House Resolution No. 30 of the Kansas Legislature. This resolution, which was forwarded to me by the chief clerk of the house of representatives, Topeka, Kans., calls on the Congress of the United States to enact legislation regulating the advertising of alcoholic liquors.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

House Resolution 30

A resolution memorializing the Congress of the United States to enact legislation regulating the advertising of alcoholic liquors

Whereas the liquor industry, in its advertising, has been using the names and pictures of such national heroes as Benjamin Franklin, Henry Clay, Gen. Winfield Scott, Gen. Sam Houston, and others; and

Whereas this form of advertising, as well as that suggesting that all people of distinction use alcoholic liquor, has a tendency to cause the youth of Kansas and America to lose respect for and confidence in the great leaders and traditions of our State and Nation; and

Whereas this form of advertising is a dangerous infringement upon the principle of freedom of the press, which freedom must ultimately be based upon high moral principles: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas, That we respectfully urge the Congress of the United States to regulate the advertising of alcoholic liquor so that the great leaders and traditions of our country can be preserved from encroachment by an industry that is, according to the United States Supreme Court, a business attended with danger to the community, and, therefore subject to strict regulation; be it further

Resolved, That we instruct the chief clerk of the house of representatives to transmit copies of this resolution to the President of the United States; the President of the Senate and the Speaker of the House of Representatives of the Federal Congress; to each member of the Kansas delegation of the Congress; and to the legislatures of the other States.

I hereby certify that the above resolution originated in the house, and was adopted by that body March 15, 1957.

JESS TAYLOR,
Speaker of the House.
ERNA M. YOUNG,
Assistant Chief Clerk of the House.

SOIL AND WATER CONSERVATION LABORATORY — CONCURRENT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. THYE. Mr. President, I have received from the honorable Joseph L. Donovan, secretary of state of Minnesota, a concurrent resolution enacted by the Minnesota Legislature.

The concurrent resolution memorializes the President, the Secretary of Agriculture and the Congress of the United States to establish a soil and water conservation laboratory and field station at Morris, Minnesota.

Mr. President, there is now pending Senate bill 575, which I introduced on January 14, 1957. That bill proposes the establishment of such a laboratory. I believe it is most timely and necessary that such a laboratory be established, for the reason that we must know what the water level in the Northwest is. I believe it is most important to the future welfare of the entire Nation that such research laboratories be established both in the Northwest and elsewhere, in other strategic areas of the Nation, for it is necessary that we know the water-table levels.

I present the concurrent resolution, and ask that it be appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing the President, the Secretary of Agriculture, and the Congress of the United States to establish a soil and water conservation laboratory and field station at Morris, Minn.

Whereas the research committee of the Minnesota Association of Soil Conservation Districts recognizes the initial progress which has been made in establishing a soil and water conservation laboratory and field station in Morris, Minn.; and

Whereas the start which has been made in setting up the research program can be credited directly to the favorable consideration given it by Members of Congress from the State of Minnesota, officials of the Institute of Agriculture of the University of Minnesota, and the Agricultural Research Service of the Department of Agriculture; and

Whereas it has been determined by the Agricultural Research Service and the Institute of Agriculture that it is entirely feasible to establish a comprehensive research program in Morris, Minn., and that this research program will give consideration to soil and water management problems that prevail on the kinds of soils covering a large part of western Minnesota and adjacent States, and a preliminary appraisal has been made of the type of facility which is needed to help solve the problems involved; and

Whereas it is estimated that 38 million acres of farmland could be directly benefited by the research findings of the proposed field station, and that results from studies on soil moisture, its conservation and utilization by crop plants; results from studies on development of improved and more economical tillage, cultivation, and rotation practices; as well as runoff and erosion studies, will be helpful to the soil conservation districts of Minnesota, and adjacent States: Now therefore be it

Resolved by the house of representatives (the senate concurring), That the President of the United States, the United States Secretary of Agriculture, and the Congress of the United States be requested to permanently establish a soil and water conservation laboratory and field station in Morris, Minn.; and be it further

Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from the State of Minnesota.

A. I. JOHNSON,
Speaker of the House of Representatives.
KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives the 28th day of February, 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate the 4th day of March 1957.

H. G. TOBEY,
Secretary of the Senate.

Approved March 7, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed March 7, 1957.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

By Mr. GOLDWATER:

A resolution of the Senate of the State of Arizona; to the Committee on Appropriations:

"Senate Memorial 2

"A memorial requesting the Congress of the United States to appropriate sufficient funds to the Department of the Interior for the purpose of accelerating research of the problem of economically desalting sea water

"*To the Congress of the United States:*

"Your memorialist respectfully represents:

"The United States Department of the Interior has for the past few years been researching and conducting experimentation relating to the economical desalting of sea water. The Federal Government should be commended for exploring this very fruitful research area. However, the problem has become more critical as the years advance, and in order to avoid real hardship to the agricultural economy of this Nation, speed in research is of the essence.

"During the past decades both surface and underground water supplies have been decreasing at an alarming rate. At the same time domestic and industrial uses of water, with the increased tempo of our industrialization, have been increasing at a quickened pace. The need for immediate action and research is imperative. Solution of the problem of economically desalting sea water will permit the State of California to have at its disposal all the water it requires, thereby allowing the State of Arizona to take full and complete advantage of all Colorado River water and facilities. This will allow the agricultural areas of both States to flourish and, furthermore, will provide the Nation and the world with much needed agricultural products.

"During World War II, because time was of the essence and since we ignored the cost in terms of dollars, phenomenal progress was made in many hitherto unknown scientific fields. Success came because it was vital to the efforts of the free world. Today, the same application to a similarly difficult problem will supply the answer, providing the Congress of the United States is willing to appropriate sufficient funds with a mandate to the United States Department of the Interior that it proceed without delay with this research project.

"Solution of the problem of desalting sea water for irrigation purposes is not an idle dream. Engineers have found 6 processing methods that are effective, but expensive, and are working with 7 other methods that appear promising. The United States Department of the Interior and private research firms are on the threshold of success, which means that we should expect desalting of sea water soon to be undertaken on a mass-production scale. If desalted ocean water, useful for irrigation purposes, can be delivered to dry-land areas at prices ranging from 10 to 20 cents per thousand gallons, the State of California should have all the water it wishes from the the Pacific Ocean, and the need to draw water from any other source will be completely eliminated.

"Wherefore your memorialist, the senate of the State of Arizona, prays:

"That the Congress of the United States appropriate sufficient and adequate funds to the United States Department of the Interior with express instructions to take every required step to accelerate the study of the process of economically desalting sea water so that the State of California can use for its needs the resources of the Pacific Ocean, while the State of Arizona thereby will obtain the full use of Colorado River water."

(The PRESIDENT pro tempore laid before the Senate a resolution of the Senate of the State of Arizona, identical with the foregoing, which was referred to the Committee on Appropriations.)

RESOLUTION OF MILWAUKEE COMMON COUNCIL ON FEDERAL AID FOR SCHOOL CONSTRUCTION

Mr. WILEY. Mr. President, I have received a most stimulating resolution which has been adopted by the Common Council of the City of Milwaukee relating to a series of sound principles to govern the program of Federal aid for school construction.

The members of the common council have devoted a great deal of study to this question and as a result of their review have come up with some extremely helpful guidelines for the Federal legislation.

I present the resolution as conveyed to me by Alfred C. Hass, chairman of the special committee on taxation and financial matters, and ask unanimous consent that it be printed in the RECORD and be thereafter appropriately referred to the Committee on Labor and Public Welfare.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

FEBRUARY 5, 1957.

To the Honorable the Common Council:

GENTLEMEN: At its meeting on February 1, 1957, I presented to the special committee on taxation and financial matters my thinking relating to Federal aid for school construction.

It is my feeling that the city of Milwaukee should make its views known to the appropriate Federal authorities early in the consideration of the drafting of any such legislation. We have found that in the case of highway legislation we were able to secure certain minor changes in language which may be of benefit to the city. The special committee on taxation and financial matters concurred with my thinking and recommend that I submit to your honorable body a resolution covering our thoughts in this matter.

Respectfully,

VIRGIL H. HUELSE,
Comptroller.

Whereas the Congress of the United States, in accordance with a request from the President, is about to consider legislation relating to Federal aid for school construction; and

Whereas such assistance is in general desirable because (1) it makes available for this purpose the vast and flexible financial

resources of the Federal Government; (2) it permits the raising of standards of education in all parts of the United States, thereby affecting persons who may move between various sections of the United States, and protecting the communities to which such individuals may migrate by providing a minimum standard of education; (3) it prevents dodging of school construction costs within the United States by spreading a portion of such costs over the entire Nation, thereby relieving in part the tax burden of States and localities which face up to the problem of providing educational facilities from their own resources; and

Whereas the distribution of such Federal funds should not be in conflict with the basic objectives above set forth; and

Whereas the basic philosophy and intent of Federal school aid legislation will be reflected in subsequent State distribution of such funds; and

Whereas the voters of the city of Milwaukee are to vote on the approval of $39 million of bonds for school construction purposes on April 2, 1957; and

Whereas the Common Council of the City of Milwaukee is responsible for the issuance and repayment of bonds required for school construction in the city of Milwaukee: Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, That it hereby favors the following principles in the organization of any system of Federal aid for school construction:

1. That substantial weight be given in the distribution of school-construction aids to the factor of school population;

2. The States and localities which have seen fit to tax themselves in the past for school-construction purposes not be penalized by any Federal-aid proposal;

3. That the grant-in-aid principle be followed in such a way that Federal school aids will not be a reward for poor financial management or an encouragement of low tax policies on the part of certain States or localities designed to lure industries away from localities which seek to meet their responsibilities;

4. That Federal aids not be distributed so as to encourage the continuance of uneconomic school districts or metropolitan disorganization;

5. That the principles of home rule be respected to the maximum extent compatible with proper accounting for funds and the establishment of minimum standards; and be it further

Resolved, That the special committee on taxation and financial matters be and it hereby is authorized and directed to present these points of view to the Congressional representatives of the city of Milwaukee and to the appropriate Congressional committees.

RESOLUTION OF MEDICAL SOCIETY OF ULSTER COUNTY, N. Y.

Mr. JAVITS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Medical Society of Ulster County, N. Y., favoring the enactment of legislation to include physicians under the provisions of the Social Security Act.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

RESOLUTION PROPOSED AND CARRIED AT THE STATED MEETING OF THE MEDICAL SOCIETY OF THE COUNTY OF ULSTER, HELD AT THE GOVERNOR CLINTON HOTEL, KINGSTON, N. Y., ON MARCH 5, 1957

Whereas all self-employed professionals excepting physicians are now covered by Federal social-security legislation; and

Whereas the appropriate Congressional committees will soon meet to consider the inclusion of physicians in the social-security program; and

Whereas the Congressional committees are in need of pertinent information as to the desires of the medical profession concerning this issue: therefore be it

Resolved, That the Medical Society of the County of Ulster hereby endorses again the principle of Federal social security for physicians and urges the United States Congress to enact appropriate legislation; and be it further

Resolved, That copies of this resolution be sent to the chairman of the United States Senate Finance Committee, to the chairman of the United States House of Representatives Ways and Means Committee, to the secretary of the New York State Medical Society, and to the American Medical Association.

RESOLUTION OF NINTH DISTRICT DENTAL SOCIETY, NEW YORK

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Ninth District Dental Society, of New York, relating to tax benefits for self-employed persons.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE NINTH DISTRICT DENTAL SOCIETY'S RESOLUTION ON JENKINS-KEOGH BILL

Whereas the Internal Revenue Code discriminates against self-employed individuals by denying to them tax benefits analagous to those granted to corporate officers and employees with respect to funds allocated to private pension or retirement programs; and

Whereas a proposal, known as the Jenkins-Keogh bill, to rectify this inequity in the Internal Revenue Code, has been before the Congress for several years, and, in that period, has gained the support of millions of self-employed individuals as well as Government leaders; and

Whereas the enactment of this proposal, in addition to correcting a gross tax inequity, would contribute to the anti-inflation policies of the Federal Government by stimulating sound and useful saving programs: Therefore be it

Resolved, That the Ninth District Dental Society, a component of the Dental Society of the State of New York, supports the principles of the Jenkins-Keogh bill and urges the 85th Congress to enact it into law; and be it further

Resolved, That the Ninth District Dental Society urges the enactment of this proposal through the efforts and support of Senator JACOB K. JAVITS.

RESOLUTION OF PULASKI LEAGUE OF QUEENS COUNTY, N. Y.

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a letter from the Pulaski League of Queens County, N. Y., signed by Chauncey E. Wilowski, president, embodying a resolution adopted by that organization, relating to the liberation of Poland.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

PULASKI LEAGUE OF QUEENS COUNTY, INC.,
Jamaica, N. Y., March 4, 1957.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JAVITS: This is to respectfully advise you that at the last regular monthly meeting of the Pulaski League, held at its headquarters, the assembled delegates representing all of the Polish-American organizations and all Americans of Polish descent in Queens County unanimously adopted the following resolution:

Whereas even though the Polish people in Poland do not yet enjoy complete freedom, the recent changes in Poland would tend to indicate that perhaps the present rulers of Poland have, to some degree, drawn themselves away from the strict control of the Kremlin, which prevailed up to the time of the Poznan uprising, a demonstration of Poland's gallant struggle for freedom: Therefore be it

Resolved, That (1) to help and encourage the Polish people to continue their peaceful effort toward complete liberation from Communist rule, speedy economic and technical assistance be given to the Polish people by the United States; and

(2) Such economic and technical aid given to Poland be carefully controlled by this country to assure that the same be used for the purpose of helping the Polish people and not be diverted to Russia or her satellites.

We actively and strenuously urge your aid and support for the above resolution, which will be greatly appreciated by us.

Respectfully yours,
CHAUNCEY E. WILOWSKI,
President.

RESOLUTION OF CITIZENS OF BAYSIDE, N. Y.

Mr. JAVITS. Mr. President, at a mass demonstration and rally for Israel, held on March 3, 1957, by the community of Bayside, N. Y., a resolution was adopted relating to discrimination as between Israel and Egypt with respect to their obligations to the United Nations. I present the resolution, and ask unanimous consent that it be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

At a mass demonstration and rally for Israel held on March 3, 1957, by the community of Bayside, Long Island, wherein were assembled over 600 citizens of our community, the following resolution was adopted unanimously:

Be it resolved, That our Government:

1. Should not discriminate as between Israel and Egypt with respect to their obligations to the United Nations and to each other. Egypt must be required to accept the principles of free navigation and nonbelligerency—in accordance with the Security Council decision of 1951; and

2. Must scrupulously honor and implement all assurances given Israel, whether directly, or by implication, in reliance on which, Israel has agreed to withdraw from Gaza and Aqaba. No double dealing in that regard will be countenanced by world opinion; and

3. Without further delay should employ all of its powers and influence toward the beginning of direct peace negotiations between the Arab States and Israel; and

4. Should persuade other democratic nations to join it in assuring that the right of innocent passage through the Gulf of Aqaba will be protected; and

5. Should see to it that there is an effective United Nations military occupation of the Gaza Strip until the future of the area has been settled by negotiation between Israel and Egypt; and

6. Secure the freedom of access by all nations, including Israel, to the Suez Canal; and be it further

Resolved, That copies of this resolution be immediately sent to the President, Secretary of State, our U. N. delegation, our Senators and Congressmen, and to Senators KNOWLAND, JOHNSON, WILEY, and BRIDGES.

Respectfully submitted.

Babbi IRWIN ISAACSON.

RECOMMENDATIONS OF HOOVER COMMISSION—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Red Creek Valley Grange, No. 1583, favoring the enactment of legislation to implement the second Hoover Commission's recommendations. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE RED CREEK VALLEY GRANGE AT THEIR MEETING HELD ON MARCH 6, 1957

Whereas the Second Hoover Commission has made recommendations which, if put into effect, would save billions of dollars and result in much greater efficiency in government: Therefore be it

Resolved, That we, the members of Red Creek Valley Grange No. 1583 urge that the recommendations of this commission be carried out as soon as possible; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, Senators IRVING M. IVES and JACOB K. JAVITS, and Representative BERNARD KEARNEY.

FEDERAL AID TO EDUCATION—RESOLUTION OF SUMTER (S. C.) CHAMBER OF COMMERCE

Mr. THURMOND. Mr. President, I present for appropriate reference, a resolution which has been adopted by the Sumter (S. C.) Chamber of Commerce on the question of Federal aid to education for school-construction purposes. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF SUMTER CHAMBER OF COMMERCE, INC., SUMTER, S. C.

Whereas bills are being introduced in the Congress of the United States asking for Federal aid to school construction; and

Whereas South Carolina is well on the way to a solution to its school-construction problem through its own efforts; and

Whereas the school building needs of South Carolina have been exaggerated by certain proponents of these Federal school-aid measures; and

Whereas we are very apprehensive about any form of Federal control over our local school systems: Now, therefore, be it

Resolved, That the Sumter Chamber of Commerce is very definitely opposed to any form of Federal aid for school construction; and be it further

Resolved, That we urge our Senators and Representatives to take a stand in opposition to such measures and to do everything in their power to see that such measures are defeated; and be it further

Resolved, That we instruct our executive to inform our Senators and Representatives that we are sending copies of this resolution to the Senators and Representatives of the 17 States who would be paying more taxes to support these measures than they would be getting out of it, to inform them of our stand.

Adopted this, the 12th day of March 1957, by the board of directors of the Sumter Chamber of Commerce, Inc., representing its 525 members.

G. WEBBER BRYAN,
Chairman, Legislative Committee.
J. E. ELBERDER,
President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCLELLAN, from the Committee on Government Operations, without amendment:

S. 1585. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States (Rept. No. 165).

(See the remarks of Mr. MCCLELLAN when he reported the above bill, which appear under a separate heading.)

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 51. A bill for the relief of Mary Barme and her two minor children Steran Barme and Dinah Barme (Rept. No. 143);

S. 58. A bill for the relief of Duk Chang Cho (Rept. No. 144);

S. 123. A bill for the relief of Dr. James R. F. Wong (Rept. No. 145);

S. 127. A bill for the relief of Anna Maria Cosentino and Francesca Maria Cosentino (Rept. No. 146);

S. 424. A bill for the relief of Herbert James Bramley (Rept. No. 147);

S. 530. A bill for the relief of Shun Wen Lung (also known as Van Long and Van S. Lung) (Rept. No. 148);

S. 669. A bill for the relief of Han Hong Wang and An-Yin Chen Wang (Rept. No. 149);

S. 690. A bill for the relief of Dr. Ching-Lin Hsia and wife, Wai Tsung Hsia (Rept. No. 150);

S. 696. A bill for the relief of Alecos Markos Karavasilis and his wife, Steliani Karavasilis (Rept. No. 151);

S. 701. A bill for the relief of Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jessie Engedal Hansen (Rept. No. 152);

S. 718. A bill for the relief of Erwin Weidenhofer (Rept. No. 153);

S. 731. A bill for the relief of Mr. and Mrs. Delio A. Loo Murgas (Rept. No. 154);

S. 786. A bill for the relief of Richard Rhen-Yang Lin and his wife, Julia Lam Lin (Rept. No. 155);

S. 805. A bill for the relief of Manuel Souba Novo (Rept. No. 156);

S. 853. A bill for the relief of Fethi Hepcakici (Rept. No. 157);

S. 1098. A bill for the relief of Stephen Kuang-Tao Hsu (Rept. No. 158); and

S. 1179. A bill for the relief of Harold George Jackson (Rept. No. 159).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1167. A bill for the relief of John Nicholas Christoudoulias (Rept. No. 160);

H. R. 1863. An act for the relief of Mrs. John William Brennan (Rept. No. 161);

H. R. 2046. An act for the relief of August J. Striggs (Rept. No. 162); and

H. R. 3322. An act for the relief of James L. Bostwick (Rept. No. 163).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 93. A bill for the relief of Anna Teresa Steinhauser and Dominic Paul Steinhauser (Hiroshi Tsuruda) (Rept. No. 164).

By Mr. FULBRIGHT, from the Committee on Banking and Currency, without amendment:

S. J. Res. 72. Joint resolution to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945 (Rept. No. 166).

EVALUATION OF FISCAL REQUIREMENTS OF EXECUTIVE AGENCIES—REPORT OF A COMMITTEE

Mr. MCCLELLAN. Mr. President, from the Committee on Government Operations I report favorably, without amendment, the bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, and I submit a report (No. 165) thereon. The bill was unanimously approved by the committee.

Mr. President, I ask unanimous consent that the bill as reported by the committee, which originally bore the names of 62 sponsors, may also bear the names of the following additional cosponsors: Mr. BLAKLEY, Mr. CLARK, Mr. COTTON, Mr. LODGE, Mr. MCNAMARA, Mr. NEELY, Mr. POTTER, Mr. SYMINGTON, and Mr. THYE.

The addition of these 9 Senators increases the total number of sponsors to 71, which, I am informed, is the third largest number of Senators who have joined in sponsoring any bill.

Mr. THYE. Mr. President, will the Senator from Arkansas yield at that point?

Mr. MCCLELLAN. I am very happy to yield to the Senator from Minnesota.

Mr. THYE. I think this is a very excellent legislative proposal. I had asked the Senator from Arkansas to place my name on the bill as a cosponsor, and if the Senator had not been on the floor I was prepared to request that upon the next printing of the bill my name might appear thereon as a cosponsor, because I think it is a measure which should be enacted at the earliest possible date. It is a sound proposal, and I wish to commend the distinguished Senator from Arkansas for having introduced such a bill. It has been approved by the committee.

I thank the distinguished Senator for permitting my name to be added to the bill as a cosponsor.

Mr. MCCLELLAN. Mr. President, I thank the distinguished Senator from Minnesota. I am happy to have him join as a cosponsor of the bill.

I wish to make a further brief comment concerning the bill, Mr. President.

A similar bill has passed the Senate on three other occasions and has gone to the House of Representatives. The first time the bill passed the Senate there were 8 votes against it. In the succeeding Congresses it passed unanimously. At one time, I believe it was the first bill that went over to the House, there was one vote taken by the House that indicated a majority of only 15 or 16 against its passage.

I am very hopeful that the situation which prevails today with respect particularly to the apparent stalemate between the Congress of the United States and the President of the United States regarding the budget, and whose duty it is to reduce it, and also the great public interest in the reduction of public expenditures, will result in the House of Representatives looking more favorably upon this proposal. I trust the other body will now be willing to give to the Congress the tools it needs properly to screen the budget and act more judiciously and intelligently with reference to appropriations which it is called upon to make. That is what this bill would do.

Such legislation is long overdue. Congress, in its wisdom, a number of years ago established a joint committee on revenue and taxation for the purpose of raising taxes. We have equipped Congress with the facilities it needed to do that in a more efficient way. This bill simply proposes that, after the taxes have been received into the Treasury, we have the machinery necessary to give Congress the facilities and equipment to do what it needs to do, that is, to screen the budget, find where excess amounts have been requested, and eliminate provisions which might result in waste and extravagance.

I believe this bill is important. We are called upon by people all over the country to cut the budget. Not only that, Mr. President, but the President of the United States himself has asked the Congress to cut his budget. Bear in mind that the President has more than 500 people in the Bureau of the Budget who work for him in preparing the budget, and there are many others in the different agencies of the Government to prepare the budgets of those agencies for the executive branch of the Government. When the budget is presented, we find it is so large that there is great public demand for reductions, and there is a keen interest in the Congress with reference to finding ways to reduce expenditures.

The request to cut the budget is joined in by the President of the United States. It seems to me, Mr. President, that if the responsibility rests upon the Congress to cut the present budget or to cut the next budget, or to reduce expenditures and eliminate waste and extravagance, then it is high time that Congress provided itself with the tools and the equipment it needs to do that job effectively. This proposed legislation will enable Congress to meet its responsibility in that area.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

The bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, reported by Mr. McCLELLAN, from the Committee on Government Operations, was placed on the calendar.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon, pursuant to law.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HENNINGS, from the Committee on the Judiciary:

Charles E. Whittaker, of Missouri, to be Associate Justice of the Supreme Court of the United States, vice Stanley Reed, retired.

By Mr. EASTLAND, from the Committee on the Judiciary:

W. Wilson White, of Pennsylvania, to be an Assistant Attorney General, vice J. Lee Rankin, elevated;

M. Hepburn Many, of Louisiana, to be United States attorney for the eastern district of Louisiana; and

Donald C. Moseley, of Louisiana, to be United States marshal for the western district of Louisiana, vice Louis E. LeBlanc, resigned.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 1611. A bill to amend the Veterans Regulations to provide additional compensation for veterans having the service-incurred disability of deafness of both ears; to the Committee on Finance.

S. 1612. A bill to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

S. 1613. A bill for the relief of Mehmet Antonio Kasikci; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself, Mr. IVES, Mr. ALLOTT, and Mr. WILEY):

S. 1614. A bill to amend the Labor Management Relations Act, 1947, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL:

S. 1615. A bill to prohibit the removal to district courts of the United States of actions commenced in State courts under State workmen's compensation laws; to the Committee on the Judiciary.

By Mr. HILL (for himself, Mr. MONRONEY, Mr. MAGNUSON, and Mr. STENNIS):

S. 1616. A bill to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1617. A bill for the relief of Xavier Arreguin (Blanco); to the Committee on the Judiciary.

By Mr. BUSH (for himself and Mr. PURTELL):

S. 1618. A bill to authorize the Commissioner of Public Housing to enter into contracts on a standby or emergency basis for housing to provide shelter for disaster victims, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN:

S. 1619. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Antoine Gasda; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1620. A bill to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome, or adulterated poultry or poultry products; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (by request):

S. 1621. A bill to amend the act of December 24, 1942 (56 Stat. 1086, 43 U. S. C., sec. 36b, entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey."; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 1622. A bill to provide more adequate retirement benefits for members of the Reserve components of the armed services who have served in World War I, World War II, and the Korean campaign; to the Committee on Armed Services.

By Mr. CHAVEZ:

S. 1623. A bill for the relief of Nicolas Colomrakos; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas:

S. 1624. A bill for the relief of Princess Catherine Caradja; to the Committee on the Judiciary.

By Mr. POTTER:

S. 1625. A bill for the relief of Renee Juliette Dubuc Whitbread; and

S. 1626. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law; to the Committee on the Judiciary.

By Mr. KUCHEL:

S. 1627. A bill to encourage the prevention of air and water pollution by allowing the cost of treatment works for the abatement of air and stream pollution to be amortized at an accelerated rate for income tax purposes; to the Committee on Finance.

(See the remarks of Mr. KUCHEL when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (by request):

S. 1628. A bill to provide further protection against the dissemination of diseases of livestock or poultry, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. KNOWLAND:

S. 1629. A bill to provide for judicial review of administrative findings of the Secretary of Labor under title III of the Social Security Act, as amended, and chapter 23 (Federal Unemployment Tax Act) of the Internal Revenue Code of 1954, as amended, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. KNOWLAND when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (by request):

S. 1630. A bill to amend the Railroad Unemployment Insurance Act so as to protect benefits of bona fide railroad employees, remove certain inequities, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (by request):

S. 1631. A bill to amend certain sections of title 13 of the United States Code, entitled "Census"; and

S. 1632. A bill to amend the laws relating to the bonding of bidders and contractors for the transportation of mail; the advertisement and extension of mail routes; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SPARKMAN (for himself, Mr. DOUGLAS, Mr. MONRONEY, and Mr. CLARK):

S. 1633. A bill to amend section 221 of the National Housing Act in order to further assist in the provision of adequate housing for persons of moderate income, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 1634. A bill for the relief of Carola Ohlig; and

S. 1635. A bill for the relief of Maria Talloura Boisot; to the Committee on the Judiciary.

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT OF 1947, AS AMENDED

Mr. SMITH of New Jersey. Mr. President, last Friday Secretary of Labor Mitchell transmitted to the Senate, through the Vice President, the administration's recommendations for amending the Labor Relations Act of 1947 in order to provide for special conditions and traditional employment practices in the construction and building industry. In order formally to place these proposals before the Senate, on behalf of myself, Senator IVES, Senator ALLOTT, and Senator WILEY, I introduce, for appropriate reference, the bill as transmitted by the Labor Department.

This bill provides that the National Labor Relations Board may certify unions in the building and construction industry as exclusive bargaining representatives without a prior election; it provides that employers may contribute to apprenticeship and training trust funds in the building and construction industry which are jointly administered by the employer and the unions, and it provides that multiemployer groups, such as employer associations, may engage in collective bargaining to the same extent as individual employers.

These three specific proposals are the product of an advisory committee of employee and employer representatives within the building and construction industry which met with representatives of the Labor Department to devise amendments to the Taft-Hartley Act which they could all agree to. In his letter of transmittal to the Vice President, Secretary Mitchell stated that the three legislative proposals had the unanimous support of the committee.

It is my understanding that these proposals are approved by the overwhelming preponderance, not only of the labor organizations in the building construction industry, but of the employers, both union and nonunion, in that industry. If this is true, Mr. President, it is the first time since the enactment of the Taft-Hartley Act that such agreement between labor and management has ever been achieved in this controversial field. It is my fervent hope that the Senate will proceed to consider these proposals on their own merits, apart from any other suggested amendments of the Taft-Hartley Act. I hope they may be considered without the introduction of controversial amendments.

Mr. President, at this time I highly commend the initiative of the Secretary of Labor, James Mitchell, in bringing together the employer and employee representatives who worked on the Advisory Committee of the Department of Labor in formulating the proposals contained in this bill. They achieved in their unanimity what previously had been impossible.

Let me add, Mr. President, that before the lamented death of our beloved colleague, Senator Taft, he had spoken to me, as the next ranking member of the Labor and Public Welfare Committee of certain provisions of the Taft-Hartley Act which were inconsistent with the way business has been done in the past in the building trades. It was Senator Taft who first suggested to me that we ought to work out some plan whereby employers and employees in these trades could get together, and if possible agree on their own recommendations to the Congress for amending the act appropriately.

Mr. President, I ask unanimous consent that Secretary Mitchell's letter of transmittal and the bill be printed in the body of the RECORD, together with an explanation of the bill prepared by the Labor Department.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 1614) to amend the Labor Management Relations Act, 1947, "as amended, introduced by Mr. SMITH of New Jersey (for himself, Mr. IVES, Mr. ALLOTT, and Mr. WILEY), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 (2) of the National Labor Relations Act, as amended, is hereby amended by inserting a colon before the period at the end thereof and the following: "*Provided*, That for the purposes of this act, the term 'employer' shall include a group of employers where such employers have voluntarily associated themselves together for the purposes of collective bargaining."

SEC. 2. Section 9 (c) (1) of such act is amended as follows:

(a) After the semicolon at the end of section 9 (c) (1) (B) insert the word "or" and add the following new clause:

"(C) by an employer primarily engaged in the building and construction industry and a labor organization acting in behalf of employees engaged (or who, upon their employment, will be engaged) in the building and construction industry, asserting that such employer recognizes such labor organization as the representative defined in section 9 (a) and has entered into a collective bargaining agreement with such labor organization";

(b) Before the period at the end of section 9 (c) (1) insert a colon and the following: "*Provided*, That the Board may, without prior thereto having conducted an election by secret ballot, certify a labor organization referred to in clause (C) of this paragraph as the exclusive representative of all the employees of an employer referred to in said clause (C) in such unit as the Board may find is normally represented by the labor organization for the purposes of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment: *Provided further*, That the preceding proviso shall not apply where there is no history of a collective bargaining relationship between the petitioning employer and labor organization prior to the current agreement or an employee or group of employees or any individual or labor organization acting in their behalf allege, and the Board finds, that a substantial number of employees presently employed by the employer in the bargaining unit assert that the labor organization is not a representative as defined in section 9 (a)."

SEC. 3. Section 302 of the Labor Management Relations Act, 1947, as amended, is hereby amended by striking out the word "or" preceding clause (5), by striking out the period at the end thereof and inserting a semicolon in lieu thereof, and by adding thereto the following:

"Or (6) with respect to money or other thing of value paid by an employer primarily engaged in the building and construction industry to a trust fund established by such representative for the purpose of defraying the costs of an apprenticeship or other training program for employees engaged (or who, upon their employment will be engaged) in the building and construction industry: *Provided*, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds."

The letter and explanation presented by Mr. SMITH of New Jersey are as follows:

UNITED STATES DEPARTMENT OF LABOR,
Washington, March 14, 1957.

The Honorable RICHARD M. NIXON,
President, United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: President Eisenhower in his state of the Union message stated that in future messages, either directly from himself or from the heads of the departments and agencies, there would be transmitted to the Congress specific recommendations with respect to various matters including labor-management relations legislation. I am transmitting herewith a draft bill together with an explanatory statement containing the administration's proposals for amendment of the Labor Management Relations Act, 1947, in several respects. The three amendments proposed in the bill are part of proposals for amendment of the act which I will communicate to the Congress at a later date.

In considering the amendments contained in this draft bill, the administration had the benefit of the advice of a committee composed of representatives of employers and employees in the building and construction industry. This advisory committee considered a number of proposals and had extensive consultations with the Department of Labor. Matters of jurisdictional disputes, restrictive practices, and secondary boycotts at construction project sites were resolved by agreement that legislative action was not required now since present efforts at voluntary solutions of these problems would

be continued. The three legislative proposals had the unanimous support of the committee. They have been accepted by the administration and are recommended to the Congress as being desirable.

The draft bill would amend section 2 (2) of the National Labor Relations Act, as amended (29 U. S. C. 152 (2)), section 9 (c) of the National Labor Relations Act, as amended (29 U. S. C. 159 (c)), and section 302 of the Labor Management Relations Act, 1947, as amended (29 U. S. C. 186).

The Bureau of the Budget advises that the enactment of the bill will be in accord with the program of the President.

Sincerely yours,

JAMES P. MITCHELL,
Secretary of Labor.

STATEMENT IN EXPLANATION OF DRAFT BILL TO AMEND THE LABOR-MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

This bill would make three changes in the Labor-Management Relations Act, 1947. Two of these changes relate only to employers and employees in the building and construction industry; the third will be of general application.

MULTIEMPLOYER BARGAINING

One of the suggestions made by the advisory committee for the building and construction industry was that the act be amended to make it clear that multiemployer groups, such as employer associations, may engage in collective bargaining to the same extent as individual employers. While the committee's recommendation was confined to the building and construction industry, in which multiemployer bargaining is more extensive than in most industries, there are other industries in which it is also widely practiced. For this, and other reasons, it would not be appropriate to limit any recommendation in this respect to the one industry.

This proposal would amend the definition of employer in the National Labor Relations Act so as specifically to provide that it includes a group of employers who have voluntarily associated together for the purposes of collective bargaining. Multiemployer bargaining has long been recognized under the act; the National Labor Relations Board in many instances has found multiemployer units appropriate for purposes of collective bargaining. As was stated by a United States Court of Appeals in a recent case, however, "multiemployer bargaining has never received the express sanction of Congress." The National Labor Relations Board in this case found it lawful for the multiemployer group to engage in the concerted activity in question and it is accordingly believed in authoritative circles that this right already exists.

Multiemployer bargaining has advantages, both for employers and employees, and has proved successful in stabilizing wages and working conditions in industries in which it is practiced. It also provides an equality of bargaining power between employers and employees. It is the purpose of this amendment to clarify the status under the act of multiemployer groups.

CERTIFICATION WITHOUT ELECTION

This draft bill would amend the National Labor Relations Act so as to authorize the National Labor Relations Board, under appropriate circumstances, to certify unions acting in behalf of employees of employers primarily engaged in the building and construction industry as exclusive bargaining representatives of such employees without a prior election. This proposal would require a joint petition by the employer and union involved asserting present recognition of the union by the employer as the bargaining representative of his employees and the existence of a collective-bargaining agreement between them. No certification would be made under this amendment if there was no history of a collective-bargaining relationship between the union and the employer prior to the current agreement or if there was an allegation, and the Board found, that a substantial number of the employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

It has long been recognized that the hiring practices and collective-bargaining relationships in the construction industry are unlike those in manufacturing and in other service industries and are difficult to accommodate under the representation procedures of the National Labor Relations Act. These procedures were designed to deal with employment relationships which are of some permanence and they have proved ineffective where, as in the construction industry, the employment is casual and intermittent and the employee may be employed by several employers within a short period of time. Proposals have been made from time to time to amend the act so as to enable the construction industry's labor relations to come into conformity with the representation provisions of the act.

The present proposal provides a means whereby construction unions may acquire Board certification as exclusive bargaining representatives. There are several advantages accruing to a union as the result of Board certification. Conversely there are disadvantages resulting from lack of certification—disadvantages which construction unions have suffered only because the employment patterns in their industry made certification impossible under the existing provisions of the act.

The effect of this proposal would be to protect voluntary collective-bargaining relationships established in good faith without governmental intervention. The proposal protects the right of the employees to be free of coercion in the selection of their own bargaining representatives; the will of the employees in this respect would be required to be evidenced by a history of prior collective bargaining between the union and the employer and by an absence of substantial objection on the part of the employees in the bargaining unit to certification of the union.

APPRENTICESHIP AND TRAINING TRUST FUNDS

The draft bill would amend the Labor Management Relations Act, 1947, so as to clarify the legality, under section 302 of the act, of employer contributions to jointly administered apprenticeship and training trust funds in the building and construction industry.

Section 302 makes it unlawful for an employer to pay or deliver to a representative of his employees any money or other thing of value and for such representative to receive or accept from the employer any money or other thing of value with certain enumerated exceptions. Payments to a trust fund set up to finance an apprenticeship or training program are not among these exceptions and it is the purpose of this amendment to specifically except such payments from the application of section 302.

This proposal is limited to apprenticeship and training trust funds in the building and construction industry because jointly administered trust funds for such purposes are peculiar to this industry. In other industries the training of employees and its financing is, for the most part, considered a management responsibility. Because of the unique employment relationships and hiring practices in the construction industry, however, training must be considered as a joint responsibility of the employers and employee representatives.

Pursuant to statutory direction "to bring together employers and labor for the formulation of programs of apprenticeship," the Department of Labor, through its Bureau of Apprenticeship and Training, has developed joint national training programs in all of the major trades in the construction industry. These programs call for the organization of joint contractor-labor committees which are responsible for carrying out training programs at the local employment level. In the construction industry apprentices are indentured to these joint committees, unlike other industries in which apprentices are indentured to an employer. The proper carrying out of the training functions of the committees requires funds for the payment of salaries of instructors and other costs of administration and instruction. In the construction industry these funds are provided in most instances by employer contributions to trust funds which are administered by the joint training committee.

This proposal would provide that these funds be excepted from section 302 provided that they conform with certain of the standards made applicable by that section to health and welfare funds. These include requirements that (1) the basis on which payments to the fund are to be made be set out in a written agreement between the employer and the representative of the employees, (2) employers and employees be equally represented in the administration of the fund, (3) provision be made for the breaking of any deadlock between employer and employee representatives by a neutral person, and (4) there be an annual audit of the fund which shall be available to all interested persons.

Mr. SMITH of New Jersey. Mr. President, I also ask unanimous consent that the bill may be permitted to lie at the desk until the close of business on Thursday, March 21, in order that other Senators who may wish to join in sponsoring this legislation may do so.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

Mr. HILL. Mr. President, for myself, the Senator from Oklahoma [Mr. MONRONEY], the Senator from Washington [Mr. MAGNUSON], and the Senator from Mississippi [Mr. STENNIS], I introduce, for appropriate reference, a bill to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products.

The need for such legislation is pressing, for the blending of synthetic fibers with articles which traditionally have been all cotton is increasingly sharply. For example, rayon, which is presently 7 cents to 11 cents a pound cheaper than cotton on a waste-free, spinnable basis, is blended with cotton to take advantage of the lower price of rayon staple fiber. In addition, synthetic fibers are frequently blended with cotton to achieve certain desirable qualities, such as luster, strength, and crease resistance.

Often, however, the amount of the synthetic fiber in the blend is so negligible—less than 5 percent—that the character of the product is unchanged. These fibers may be included so that the product can be advertised as containing nylon or dacron, for instance, to capitalize on the promotional value of such fibers. The addition of these fibers in such small amounts adds little if anything to the value of the product, and the consumer does not get that which he has

a right to expect. Furthermore, products in which certain synthetics are blended with cotton are not as serviceable as all-cotton products, for they will not stand up in washing as well as cotton, and often require special care.

The textile fiber products identification bill will provide for proper fiber identification for all textile products except wool in interstate commerce. It will require that the fiber's content, expressed in percentages, be shown on the label of each textile product which is prepared for use by the ultimate consumer. Fiber identification of unfinished textile products will be accomplished by certification on the invoice covering shipment.

Not only does the raw cotton industry need protection from unfair competition, but, in addition, the American people are entitled to know the content and quality of textile products which they purchase. Fair competition and honest advertising are fundamental to the successful functioning of our American system of free enterprise, and I strongly believe our bill will do much toward preserving these fine traditions of our American system.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1616) to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, introduced by Mr. HILL (for himself, Mr. MONRONEY, Mr. MAGNUSON, and Mr. STENNIS), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. STENNIS. Mr. President, I support the bill introduced by the distinguished Senator from Alabama [Mr. HILL] providing for proper labeling of textiles. The raw cotton industry is deeply concerned about labeling of textile products. It feels that it must have protection from unfair competition, and that it can have this protection only through legislation which would require that the true fiber content of textile products be disclosed.

Mr. President, I agree with members of the industry on the need for such protection.

Not only will accurate labeling of textile products protect the interest of cotton farmers and other members of the raw cotton industry, but also it will protect the consumer. With proper fiber identification in textile products, consumers can buy and be sure of getting a product of known identity.

Synthetic fibers are frequently used in blends with cotton for the alleged purpose of achieving such qualities as strength or crease resistance, but some blending is done to take advantage of the lower price of synthetics.

It has been revealed that fabric of the lower priced synthetic blended with cotton often is not so serviceable as an all-cotton product. This sort of fabric does not stand up under hard wear and laundering like an all-cotton product. Therefore, from both the standpoint of the consumer and the cotton producer, this situation clearly justifies an urgent need for labeling legislation which would require disclosing percentages of synthetic fiber and percentages of cotton fiber in all items on today's market.

For many years the wool industry has had the protection of a mandatory labeling requirement. The cotton industry needs no less and asks no more.

When fibers other than cotton are used with claims to improve such qualities as strength or crease resistance, it often turns out that the amounts actually used are too small to impart those qualities. They are used, in other words, so they can be labeled in such a manner as to take advantage of the promotion value of the so-called miracle fiber.

Therefore, Mr. President, for the sake of both the cotton industry and the consumer, we are confident that the time has come to spell out contents and percentages of contents on labels of textile products.

I believe that the solution to this problem can be reached on a reasonable basis. It is certainly not the intent to establish unreasonable procedures to bring this about. We believe, for instance, that the fiber contect of textile products need not be necessarily identified until the products are in the form in which they reach the consumer.

Labels already are provided in today's marketing processes on most textile products. Products are identified showing size, retail names or trademarks, manufacturer's name or trademark or brand. For these products, it would be simple to require that percentage of each fiber contained in the product be so disclosed on the same label.

This bill does not propose to go to the extreme of requiring labeling of small ornamentation on textile products, or linings, interlinings, paddings, trimmings, facings, hats, shoes, handbags, toys, and so forth.

Nevertheless, I strongly feel that there is a real and pressing need for a labeling bill that is fair, complete, and will afford protection to all concerned. We think that the cotton industry needs and should have the same protection as the wool industry, and I hope that this proposed legislation will receive the full approval of the Senate at the earliest possible date.

CONTRACTS FOR HOUSING TO PROVIDE SHELTER FOR DISASTER VICTIMS

Mr. BUSH. Mr. President, on behalf of myself, and my colleague, the junior Senator from Connecticut [Mr. PURTELL], I introduce, for appropriate reference, a bill to authorize the Commissioner of Public Housing to enter into contracts on a standby or emergency basis for housing to provide shelter for disaster victims, and I ask that it be referred to the Committee on Banking and Currency for consideration during the current hearings on housing legislation by the Subcommittee on Housing.

Mr. President, this bill is identical with S. 2855, as amended, which was enacted by the Senate last year. Unfortunately, no action was taken in the other body.

I ask unanimous consent that a statement describing the bill be printed in the RECORD following these remarks, and that the bill lie on the desk for 24 hours in order to give the opportunity to other Senators who may desire to cosponsor it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and will lie on the desk, as requested by the Senator from Connecticut; and the statement will be printed in the RECORD.

The bill (S. 1618) to authorize the Commissioner of Public Housing to enter into contracts on a standby or emergency basis for housing to provide shelter for disaster victims, and for other purposes, introduced by Mr. BUSH (for himself and Mr. PURTELL), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. BUSH is as follows:

STATEMENT BY SENATOR BUSH

This bill (1) provides authority for the Commissioner of the Public Housing Administration to enter into contracts on a standby or emergency basis for emergency production and delivery of housing and equipment into a location declared by the President to be a major disaster area, and (2) authorizes the Commissioner to use $5 million of funds which he can borrow from the Treasury under section 20 of the United States Housing Act of 1937 (which makes loan funds available for low-rent public housing) with which to purchase the emergency housing and equipment.

Annually, in one form or another, the Nation is subjected to the violent forces of nature which cause millions of dollars of damage to property and untold misery, exposure, and death to many of the Nation's families. During 1955 alone, the United States suffered two of the worst flood disasters recorded in our history. My own State of Connecticut was among those suffering the greatest hardships. From time to time the Congress, taking into consideration the needs of the victim of these disasters, immediately following the devastation, has enacted legislation to provide funds and other assistance for these victims.

In numerous instances, however, the assistance provided does not reach the victim at the time the need is the greatest. This is especially true of housing. Existing law authorizes the various Federal housing agencies to provide temporary or emergency housing in disaster areas. However, the difficulties of locating and preparing sites and locating, moving, and erecting housing in the disaster areas are very time consuming.

The bill is designed to provide a flexible plan under which housing can be made available to disaster victims as early as possible after the need occurs. The agency contemplates that, under the authority granted by this bill, contracts could be entered into on a standby or emergency basis for emergency production and delivery of approximately 2,000 movable housing units, consisting of 1-, 2-, and 3-bedroom trailers which would be available for occupancy in the disaster area within a minimum period of time after the President declares the area to be a disaster area.

This bill authorizes the Commissioner of the Public Housing Administration to use up to $5 million of funds now available for the low-rent public-housing program. The Public Housing Administration would be required to repay the Treasury from receipts under the bill, if any, and reimbursements received pursuant to the provisions of the disaster assistance act (Public Law 875, 81st Cong., approved September 30, 1950). The Secretary of the Treasury is authorized to forgive the difference between such receipts and reimbursements, and the amount expended by the Public Housing Administration for the purpose of this bill.

COMPULSORY INSPECTION OF POULTRY

Mr. MURRAY. Mr. President, I introduce for appropriate reference a bill to provide for the compulsory inspection of poultry by the Food and Drug Administration. The bill is substantially the same as the bill I introduced originally in the last Congress, when I had the honor to initiate the proposed legislation with a view to providing much needed consumer protection.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1620) to amend the Federal Food, Drug, and Cosmetic Act, so as to prohibit the movement in interstate or foreign commerce of unsound, unhealthful, diseased, unwholesome, or adulterated poultry or poultry products, introduced by Mr. MURRAY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. MURRAY. I ask unanimous consent that I may speak on the bill in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Montana may proceed.

Mr. MURRAY. Mr. President, I have just sent to the desk a bill to provide for the compulsory inspection of poultry by the Food and Drug Administration. It is substantially the same bill I originally introduced in the last Congress, when I had the honor to initiate the legislative movement to provide this much-needed consumer protection.

Events which have transpired since I originally introduced this measure make it appear that the poultry industry is unwilling to seek some middle ground upon which groups concerned in this matter can find agreement. I am reintroducing my original bill so that the alternatives upon which we may be called to vote will be before the Senate.

When I first sponsored compulsory poultry legislation a year ago I did so because I was convinced that there was a great need to protect the health and even the lives of poultry workers and consumers. Scandalous conditions in the poultry industry were reported to me. Hearings held by a subcommittee which I headed showed that such conditions did, indeed, exist.

Psittacosis outbreaks which could be minimized by ante mortem inspection of coops, flocks, or batches of birds before slaughter were occurring and taking human life. There were examples of wholesale lots of dead fowl being processed and sold to consumers. Under voluntary inspection, misleading United States Government labels were, at one time, going on fowl not actually inspected for wholesomeness. Processors had undue influence over inspectors; in fact, some of the sanitation inspectors were their own employees. Senate Document No. 129 of the 2d session, 84th Congress, goes into our findings in some detail.

At the time of our subcommittee hearings, only a part of the poultry processing industry felt that mandatory poultry inspection legislation should be enacted. And this part had to remain silent.

Today, we find that the industry has changed its position for public relations reasons. Everyone agrees that there should be compulsory inspection. A great show is being made of cooperating to get a sound act. Privately, the industry people put it this way—and I quote from a letter written by a poultry trade organization to foment a campaign of vilification against the junior Senator from Minnesota, which stated:

> We face a situation where we must accept mandatory Government inspection in some form.

So the word is out to appear to be for inspection, but to insist upon concessions; to insist upon provisions so weakened that they will give little, if any, real protection to the poultry consumer or poultry worker. The industry and its ally, the present administration at the United States Department of Agriculture, have left no stone unturned to water down the poultry inspection legislation.

Each time those of us who are greatly concerned with the health and welfare of consumers have made a step toward the poultry processing industry to effect a compromise, that industry has arrogantly taken a step backward and assumed a more stubborn position.

Let me give two examples:

When I introduced a bill placing the inspection under the Food and Drug Administration, the industry objected violently and claimed that this was the proper function of the Department of Agriculture which had so well protected the public for 50 years with its meat-inspection work. The Food and Drug Administration did not then want to take on the poultry-inspection assignment, so, with the assent of other subcommittee members, I introduced a bill placing the inspection work in the Meat Inspection Branch of the Department of Agriculture. The industry then immediately objected that it did not want to be subordinated to an agency concerned with red meat.

To meet this new objection, the junior Senator from Minnesota [Mr. HUMPHREY] introduced a bill which would allow the poultry-processing industry to have a branch equal in rank and separate from the Meat Inspection Branch in the Agricultural Research Service of the Department of Agriculture. But the industry still objects. They insist they be left in the hands of a marketing agency where the primary concern is marketing to consumers, not protecting them.

My poultry inspection bills called for mandatory ante mortem inspection They did not call for bird-by-bird inspection before the animals were killed. It could be done by batches, coops or flocks. But the industry, using the same technique of slander it has employed against the junior Senator from Minnesota, spread the falsehood that it did provide for such bird-by-bird inspection. Consequently, Senator HUMPHREY carefully spelled out in his bill that he in no way looked toward a bird-by-bird ante mortem inspection. He said he wanted a mandatory antemortem inspection in any manner that the Secretary of Agriculture—a great friend of the poultry processing industry—determines necessary. The industry then replied point blank that it wanted no type of mandatory ante mortem inspection.

For good measure, it also urged the Senate Agriculture Committee not to prescribe carcass-by-carcass post mortem inspection either. Without that, there is simply no real inspection at all.

The last straw, as far as I am concerned, came on Thursday, February 28, when the Department of Agriculture appeared before the Senate Agriculture Committee. Its spokesmen followed the industry's pattern of diluting the measure by suggesting that full mandatory poultry inspection should not take place until July 1, 1969—3½ years from now. It would do this by amendments to S. 318.

Here we have the maximum in watering down a watered-down bill.

The effective date of inspection was one of the points of debate last year. The bill which came out of the Senate Agriculture Committee last year, S. 4243, made one—and only one—advance over the weak recommendations of the Department of Agriculture. It provided that inspection be in full effect by July 1, 1958. Even the industry supported that date. But now the Department of Agriculture has suggested another backward step.

Mr. President, a considerable number of Senators have told me that they will not sit idly by while the poultry processing industry gets a meaningless poultry inspection bill for public relations purposes and the consumer interest is subverted.

I have lost any confidence that the "Department of Middlemen," headed by Ezra Benson, can be entrusted with consumer protection work. Its actions convince me that our subcommittee was mistaken when we agreed to permit poultry inspection by a designated branch of that Department, rather than the Food and Drug Administration. It would be an almost literal example of putting the foxes in charge of the chicken coop.

The actions of the Department of Agriculture, in alliance with the poultry processing industry during the past 12 months, convince me that only inspection by the Food and Drug Administration will assure that the consumer and poultry worker get the protection they need and deserve. I have therefore reintroduced S. 3176 of the 84th Congress and will press for its passage. It was originally endorsed by the Nation's consumer groups, by veterinarians, doctors, and public health agencies. Although some of these groups have agreed to accept inspection by the Meat Inspection Branch at the Department of Agriculture, they will not willingly let it go to a marketing agency where health protection has been a secondary consideration.

In a matter affecting public health, Congress cannot afford any compromise that clearly weakens consumer protection and gambles with the health of our citizens.

RAPID AMORTIZATION OF EXPENDITURES TO PREVENT AIR POLLUTION

Mr. KUCHEL. Mr. President, because the problem was becoming acute in an ever-increasing number of places, the 84th Congress enacted the Air Pollution Research Act which I introduced, and thus set in motion a program designed to help local and State governments and other agencies to bring under control a serious threat to public health.

As a result of investigations and experiments by many agencies in recent years, communities in widely separated parts of our Nation have created smog control organizations and have adopted regulations and ordinances designed to reduce contamination of the atmosphere.

Inevitably, antismog measures will impose burdens on property owners and require substantial expenditures in order to cut down on the emission of fumes, particles, chemicals, and other matter which pollutes and contaminates the air especially in our heavily populated cities and the Nation's steadily expanding industrial areas.

The Congress, I am sure, wants to encourage and support every feasible means of curbing this menace, which has reached serious proportions in many communities. I am introducing, for appropriate reference, a bill which will provide an incentive to reduce the pollution of the atmosphere by allowing a 5-year amortization of capital outlays for apparatus, equipment, devices, and other purification facilities which may be required by control codes, orders of duly-created Government agencies and regulations of public health authorities.

Under this proposed legislation, an accelerated writeoff would be permitted under the tax laws, but only when the expenditure was necessary to conform to ordinances and regulations. The bill provides safeguards against abuses, such as a requirement that an appropriate local authority must certify that the air purification facilities were installed in pursuance of applicable laws and in the aid of public health and welfare.

I am certain that all members of the Senate are aware that in my State of California extraordinary steps have been taken to bring smog under control. The State legislature some years ago created the Los Angeles County Air Pollution Control District, which was given broad police powers to reduce atmospheric contamination in that great metropolitan area. As a consequence, strict regulations have been written and stiff penalties have been handed out for violators. Industries have been compelled to spend substantial sums for structural changes in existing plants or to incorporate costly features in new ones, all for the sake of protecting citizens, plants, animals, and even property against the injurious effects of polluted air. As an example of how stern the pollution control authorities are in their efforts to solve the smog problem, a deadline has been fixed on the use of trash burners and incinerators, which are unusually numerous throughout the Los Angeles metropolitan and suburban areas.

A similar effort is getting under way in other California communities, notably San Francisco and San Diego. In other States across the Nation, city, county and State authorities are studying the Los Angeles experience and taking other preliminary steps toward tighter controls over emissions of contaminating matter into the atmosphere.

In my view, it is only fair and equitable to allow a measure of tax relief for persons who are required to spend money, in some cases truly substantial sums, to protect the public health and welfare. An accelerated amortization of expenditures to reduce air pollution also is definitely a desirable way of giving impetus to campaigns against the curse and menace of smog.

The bill which I am introducing also would apply to expenditures which are calculated to reduce water pollution. All of the same arguments in favor of this proposed assistance for smog prevention apply with equal force in the case of expenditures to protect our Nation's water supplies.

I trust this proposed legislation will be given prompt and sympathetic consideration because it is, without question, in the public interest.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1627) to encourage the prevention of air and water pollution by allowing the cost of treatment works for the abatement of air and stream pollution to be amortized at an accelerated rate for income-tax purposes, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Finance.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the bill may lie on the desk until the conclusion of today's session, to afford opportunity for any of my brethren who would like to join me in sponsoring it to do so.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JUDICIAL REVIEW OF ADMINISTRATIVE FINDINGS OF SECRETARY OF LABOR

Mr. KNOWLAND. Mr. President, I introduce, for appropriate reference, a bill to provide for judicial review of administrative findings of the Secretary of Labor under title III of the Social Security Act, as amended, and chapter 23—Federal Unemployment Tax Act—of the Internal Revenue Code of 1954, as amended, and for other purposes. I ask unanimous consent that the bill may be printed in the RECORD, as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1629) to provide for judicial review of administrative findings of the Secretary of Labor under title III of the Social Security Act, as amended, and chapter 23—Federal Unemployment Tax Act—of the Internal Revenue Code of 1954, as amended, and for other purposes, introduced by Mr. KNOWLAND, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Employment Security Judicial Review Act of 1957."

SEC. 2. Section 303 of title III of the Social Security Act, as amended, is hereby amended by inserting, after the word "hearing" in subsection (b), the following: ", within the State affected."

SEC. 3. Title III of the Social Security Act, as amended, is hereby amended by adding at the end thereof a new section 304, as follows:

"SEC. 304. (a) A State may obtain independent judicial review of any adverse finding made under this title by filing in the court of appeals of the United States for the circuit wherein such State lies or in the Court of Appeals of the United States for the District of Columbia, within 60 days after the governor of the State has been notified of the Secretary's finding, a written petition for review. A copy of such petition for review shall forthwith be transmitted by the clerk of the court to the Secretary who shall, within 30 days, file in the court a duly certified copy of the finding complained of and of the entire record upon which the finding was based, including the record of the State court, if any there be. Upon the filing of such petition for review the court shall have jurisdiction to affirm, modify, or set aside such finding in whole or in part and to determine the matter on its merits on the basis of the entire record, exercising its independent judgment, any provision of the Administrative Procedure Act (60 Stat. 237) to the contrary notwithstanding. No issue shall be considered by the court which was not urged before the Secretary unless there were reasonable grounds for failure to do so. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence may materially affect the result of the proceedings, and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Secretary the court may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make a new or modified finding. The Secretary shall file in the court a duly certified copy of the record of the further proceedings and of the new or modified finding, if any. The decision of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28 of the United States Code. Attorneys appointed by, or under the authority of, the Secretary may appear for and represent the Secretary in any proceedings under this section, but all such representation shall be subject to the direction and control of the Attorney General.

"(b) Administrative grants under this title shall not be withheld or crediting of a State's account under section 903, as amended, be postponed during the 60-day period within which the State may file a petition for review under this section, nor shall grants be withheld or crediting be postponed because of any issue involved in the review proceedings until 90 days after the completion of such proceedings."

SEC. 4. Section 3303 of the Federal Unemployment Tax Act, as amended (ch. 23 of the Internal Revenue Code of 1954, as amended), is hereby amended by inserting after the word "hearing" in paragraph (3) of subsection (b), the following: "within the State affected."

SEC. 5. Section 3304 of the Federal Unemployment Tax Act, as amended (ch. 23 of the Internal Revenue Code of 1954, as amended), is hereby amended by inserting, after the word "hearing" in subsection (c), the following: "within the State affected."

SEC. 6. Chapter 23 (Federal Unemployment Tax Act) of the Internal Revenue Code of 1954, as amended, is hereby amended by adding at the end thereof a new section 3309, as follows:

"SEC. 3309.

"(a) A State may obtain independent judicial review of any adverse finding made under this chapter by filing in the court of appeals of the United States for the circuit wherein such State lies or in the Court of Appeals of the United States for the District of Columbia, within 60 days after the Governor of the State has been notified of the Secretary's finding, a written petition for review. A copy of such petition for review shall forthwith be transmitted by the clerk of the court to the Secretary who shall, within 30 days, file in the court a duly certified copy of the finding complained of and of the entire record upon which the finding was based, including the record of the State court, if any there be. Upon the filing of such petition for review of the court shall have jurisdiction to affirm, modify or set aside such finding in whole or in part and to determine the matter on its merits and on the basis of the entire record, exercising its independent judgment, any provision of the Administrative Procedure Act (60 Stat. 237) to the contrary notwithstanding. No issue shall be considered by the court which was not urged before the Secretary unless there were reasonable grounds for failure to do so. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence may materially affect the result of the proceedings, and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Secretary, the court may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make a new or modified finding. The Secretary shall file in the court a duly certified copy of the record of the further proceedings and of the new or modified finding, if any. The decision of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28 of the United States Code. Attorneys appointed by, or under the authority of, the Secretary may appear for and represent the Secretary in any proceedings under this section, but all such representation shall be subject to the direction and control of the Attorney General.

"(b) Tax credit under this chapter shall not be withheld or crediting of a State's account under section 903 of the Social Security Act, as amended, postponed during the 60-day period within which the State may file a petition for review under this section nor while proceedings under this section are in progress. Neither shall tax credit under this chapter be withheld with respect to the taxable year in which a final judicial decision adverse to the State is rendered, nor crediting be postponed if the State, within 90 days after such decision is rendered, takes such action as may be necessary to meet the requirements of this chapter for such tax credit."

AMENDMENT OF RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. MORSE. Mr. President, as chairman of the Subcommittee on Railroad Retirement of the Committee on Labor and Public Welfare, I introduce for appropriate reference, at the request of representatives of the carriers, a bill to amend the Railroad Unemployment Insurance Act so as to protect the benefits of bona fide railroad employees, remove certain inequities, and for other purposes.

As I have said by way of explanation, I am introducing the bill by request. I think it contains many meritorious provisions. I believe the committee should have the bill before it as we hold hearings on other bills on the same subject which have already been introduced, and with respect to which I am either the author or one of the cosponsors.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1630) to amend the Railroad Unemployment Insurance Act so as to protect benefits of bona fide railroad employees, remove certain inequities, and for other purposes, introduced by Mr. MORSE (by request), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

ADEQUATE HOUSING FOR LOWER AND MIDDLE-INCOME FAMILIES

Mr. SPARKMAN. Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Pennsylvania [Mr. CLARK], I introduce, for appropriate reference, a bill to amend section 221 of the National Housing Act in order to further assist in the provision of adequate housing for persons of moderate income, and for other purposes. I ask unanimous consent that the bill, together with a statement prepared by me relating to the bill may be printed in the RECORD, and that the bill lie on the desk for 3 days, in order to permit Senators who may desire to do so, the opportunity to cosponsor it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Alabama.

The bill (S. 1633) to amend section 221 of the National Housing Act in order to further assist in the provision of adequate housing for persons of moderate income, and for other purposes, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 221 (a) of the National Housing Act is amended to read as follows:

"SEC. 221. (a) (1) This section is designed to supplement systems of mortage insurance under other provisions of the National Housing Act in order to assist certain segments of the population to which adequate housing is not available under existing private financing programs to obtain adequate living accommodations. In carrying out the purposes of this section, the Commissioner shall prescribe such procedures as in his judgment are necessary to secure a preference or priority of opportunity to purchase or rent dwelling units covered by mortgage insurance under this section to persons included within the following categories, and to persons within such additional categories as the Commissioner may by regulation prescribe: (A) persons from urban renewal areas, (B) persons of moderate income, (C) persons whose inability to obtain adequate living accommodations in privately financed housing is attributable to race, creed, or color, (D) elderly persons, and (E) persons having five or more dependents.

"(2) As used in this subsection—

"(A) the term 'person from urban renewal area' means an individual or family from an urban renewal area, as defined in section 110 (a) of title I of the Housing Act of 1949, as amended, in a community respecting which (i) the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by section 101 (c) of such act, or (ii) there is being carried out a project covered by a Federal-aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of such act before the effective date of the Housing Act of 1954, or (iii) there is being carried out an urban renewal project assisted under section 111 of the Housing Act of 1949, as amended;

"(B) the term 'person of moderate income' means an individual or family whose income is not sufficient to rent new privately financed housing with total monthly housing expenditures of 20 percent of the normal stable income of such individual or family;

"(C) the term 'elderly person' means a single person 60 years of age or over, or a family the head of which (or his spouse) is 60 years of age or over;

"(D) the term 'dependent' means any person who may be considered a dependent under section 152 of the Internal Revenue Code of 1954, including a spouse."

(b) Section 221 (d) (4) of such act is amended by striking out "3 percent per annum on the amount of the principal obligation outstanding at any time, or not to exceed such percent per annum not in excess of 6 percent as the Commissioner finds necessary to meet the mortgage market", and inserting in lieu thereof "4 percent per annum on the amount of the principal obligation outstanding at any time."

(c) Section 221 of such act is further amended by inserting at the end thereof a new subsection as follows:

"(l) Nothing in this act shall be construed to prevent the insurance of a mortgage under this section covering a housing project containing dwelling units designed for occupancy by single persons, and such dwelling units shall constitute family units within the meaning of this section."

SEC. 2. (a) The second sentence of section 305 (b) of the National Housing Act is amended to read as follows: "Notwithstanding any other provision of this section, the price to be paid by the Association for mortgages purchased in its operations under this section shall be not less than 100 percent of the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items."

(b) Section 305 of such act is further amended by adding at the end thereof a new subsection as follows:

"(g) Notwithstanding any other provision of this act, the Association is authorized to make commitments to purchase and to purchase, service, or sell, any mortgage (or participation therein) which is insured under section 221 of this act: *Provided*, That the total amount of purchases and commitments authorized by this subsection shall not exceed $250 million outstanding at any one time."

The statement presented by Mr. SPARKMAN is as follows:

STATEMENT BY SENATOR SPARKMAN

On behalf of myself, Mr. DOUGLAS, Mr. MONRONEY, and Mr. CLARK, I have introduced, for appropriate reference, a bill which I hope will result in a more adequate supply of lower-priced housing for families and individuals that urgently need better accommodations.

The bill provides for a system of Federal mortgage insurance which would be administered within the present framework of the Federal Housing Administration. It is intended to extend the benefits of the National Housing Act to lower- and middle-income families and individuals who, in my opinion, have not enjoyed an equal opportunity to obtain decent housing under Federal housing programs.

The bill designates, but is not necessarily limited to, five needy segments of our population:

1. Families and individuals from urban renewal areas;
2. Families and individuals of moderate income;
3. Families and individuals whose inability to obtain adequate living accommodations in privately financed housing is attributable to race, creed, or color;
4. Elderly persons; and
5. Large families, with five or more dependents.

There has been relatively little disagreement about the fact that these groups are in need of better housing. Moreover, these needs are increasing. An alarming number of families are expected to be displaced as a result of just two Federal programs—the slum clearance and urban-renewal program, and the huge new Federal roads program. Families of moderate income—earning roughly between $3,500 and $6,000 a year—are confronted with a frustrating situation in that the price of better housing is out of reach of their income. Families of minority groups have many difficulties, regardless of income, in obtaining adequate housing. The housing conditions of millions of elderly persons, who are becoming a proportionately larger segment of our population, are shamefully substandard and already disturb our national conscience. And the plight of large families, especially those in the lower- and middle-income levels, are too obvious to require elaboration.

The disagreements we have had relate not to the objectives but to the methods we should employ to assist these groups. Although private industry with Government assistance has done a magnificent job in recent years to boost production, it has never met the needs of these groups; moreover, the present overall production trend is downward. Housing starts in February dropped to the lowest point since 1949. This decrease has occurred in the construction of single-family homes, which are the main elements in the vast new developments on the outskirts of our cities. Multifamily rental housing construction to serve our central cities has been, except for a few luxury dwellings, in the doldrums for some time. And the improvement of farm housing has hardly begun.

The approach of this bill is to utilize section 221 of the National Housing Act, which provides for Federal insurance of mortgages on the following terms: for sales housing, no down-payment, except $200 which may include settlement costs, 40-year maturity, and insurable amounts up to $10,000; and insurance up to 100 percent of value on multifamily projects, if the mortgagor is a nonprofit organization.

The present interest rate ceiling in the law is 6 percent. In my bill I have set a ceiling of 4 percent. The purpose of this reduction is to establish a rate which will help to bring down the cost of housing to the consumer.

I am fully aware of the present condition of the money market, where the effective yield on mortgages is closer to 6 percent than it is to 4 percent. And I am also aware of the fact that the only source of mortgage financing, at the present time, for this type of program is a Government instrumentality such as the Federal National Mortgage Association. I have, therefore, written into the bill a provision creating a new special assistance category through which FNMA would be authorized to purchase mortgages under this bill, up to an amount not in excess of $250 million, and to purchase them at par.

Although this interest rate ceiling will be regarded by some as undesirable because it is below the present private market rate, I would like to point out that the program could operate, despite today's tight money market, without loss to the Treasury.

This is already true of at least three other Federal housing programs that provide for rates of 4 percent or less: the military housing program, which operates within the Federal mortgage insurance system, has a ceiling of 4 percent; the farm housing program under Title V of the Housing Act of 1949 provides for direct loans at a maximum of 4 percent; and the college housing program is a direct loan program with a rate of about 3 percent. None of these groups has a need greater than the needs of the groups covered by this bill.

Not too long ago, a 4-percent mortgage was rather attractive to the private money market, and I do not believe we should entirely abandon hope that such a rate may again be acceptable in the future.

In the meantime, the housing needs of the groups covered by this bill become increasingly more difficult to meet, and I for one believe deeply that we in the Congress have a basic responsibility to assist in meeting their needs.

FINANCIAL INSTITUTIONS ACT OF 1957—AMENDMENTS

Mr. ANDERSON (for himself and Mr. JAVITS) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit, which were ordered to be printed.

Mr. PAYNE submitted amendments, intended to be proposed by him, to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

Mr. FLANDERS submitted amendments, intended to be proposed by him, to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

Mr. ALLOTT submitted amendments, intended to be proposed by him, to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

EXTENSION OF EXISTING CORPORATE NORMAL-TAX AND CERTAIN EXCISE-TAX RATES—AMENDMENTS

Mr. SPARKMAN submitted amendments, intended to be proposed by him to the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which were referred to the Committee on Finance, and ordered to be printed.

STANDARD DEDUCTION IN LIEU OF ITEMIZED DEDUCTIONS FOR CERTAIN TAXPAYERS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 12, 1957,

The name of Mr. JAVITS was added as an additional cosponsor of the bill (S. 1563) to permit a taxpayer carrying on a trade or business in the conduct of which 10 or less persons are engaged to elect to take a standard deduction, in lieu of itemized deductions, for expenses attributable to such trade or business, introduced by Mr. THURMOND (for himself and other Senators) on March 12, 1957.

AMENDMENT OF FEDERAL CROP INSURANCE ACT RELATING TO FARMER COMMITTEEMEN—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 14, 1957,

The names of Mr. MANSFIELD, Mr. HENNINGS, Mr. NEUBERGER, Mr. MORSE, and Mr. MURRAY were added as additional cosponsors of the bill (S. 1594) to amend the Federal Crop Insurance Act, as amended, to provide for administration by farmer committeemen and improve application of the crop insurance program in drought and other disaster areas, and for other purposes, introduced by Mr. CARROLL (for himself and other Senators) on March 14, 1957.

RESTRICTIONS ON IMPORTATION OF HARDWOOD PLYWOOD—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 14, 1957,

The name of Mrs. SMITH of Maine was added as an additional cosponsor of the bill (S. 1598) to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood, introduced by Mr. THURMOND (for himself and other Senators), on March 14, 1957.

LOANS TO FARMERS AND STOCKMEN—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 14, 1957,

The name of Mr. BIBLE was added as an additional cosponsor of the bill (S. 1610) to simplify, consolidate, and improve the authority of the Secretary of Agriculture with respect to making loans to farmers and stockmen, and for other purposes, introduced by Mr. ALLOTT (for himself and other Senators) on March 14, 1957.

STOCKPILING OF EXTRA LONG STAPLE COTTON—CHANGE OF REFERENCE

Mr. GOLDWATER. Mr. President, on February 18 of this year I introduced, on behalf of myself and the distinguished President pro tempore [Mr. HAYDEN], who now occupies the chair, Senate Joint Resolution 63, relating to the stockpiling of extra long staple cotton under the Strategic and Critical Materials Stockpiling Act.

I ask unanimous consent that the Committee on Armed Services, to which the joint resolution was referred, be discharged from further consideration of the joint resolution, and that it be referred to the Senate Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND subsequently said: Mr. President, my attention was momentarily diverted when the junior Senator from Arizona submitted a request to discharge the Committee on Armed Services from further consideration of a joint resolution and to refer the joint resolution to the Committee on Agriculture and Forestry.

I was wondering whether the subject had been discussed with the majority leader. Normally, when a change of reference is made, we try to clear the request with the chairman and the ranking members of the committees in question.

Mr. GOLDWATER. I may say that I have not discussed this subject personally with the distinguished senior Senator from Georgia [Mr. RUSSELL], but I was informed, before the opening of the session today, that his administrative assistant had informed my administrative assistant that he had no objection to the request. If that proves not to be the case, I shall certainly withdraw the request. However, as I understand, both administrative assistants were acting with the full knowledge of the Senator from Georgia.

Mr. KNOWLAND. I wonder if the Senator would mind temporarily withdrawing his unanimous-consent request, in order that we may go through the formal procedures. I think it would be in the interest of protecting the Senator himself, as well as in the interest of the Senate, if we might have an opportunity to clear the request through the minority and majority policy committees, as well as both calendar committees.

Mr. GOLDWATER. I shall be very glad to withdraw the request. However, the Senator from Arizona believes that he is acting in accordance with the recognized procedures in the Senate, and with the full knowledge of the Senator from Georgia, who is chairman of the Committee on Armed Services. The joint resolution relates to an agricultural subject, and it should not have been referred to the Committee on Armed Services in the first place.

Mr. KNOWLAND. If the Senator will agree that the request may be temporarily held in abeyance, I shall clear the request with the majority leader.

Mr. GOLDWATER. I am very happy to agree to that procedure.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. ERVIN:

Jefferson-Jackson Day dinner address delivered by the Senate majority leader, Senator JOHNSON, of Texas, at Raleigh, N. C., on March 16, 1957.

By Mr. GREEN:

Address delivered by him at a dinner meeting of the Business International Group at the Sheraton-Carlton Hotel, Washington, D. C., on March 14, 1957.

By Mr. KEFAUVER:

Address delivered by Senator MORSE at the Wilson Day dinner at Knoxville, Tenn., on March 16, 1957.

By Mr. SMITH of New Jersey:

Editorial entitled "Senator CASE (New Jersey) Looks at Beliefs in America," published in the New Brunswick Daily Home News of February 20, 1957.

By Mr. POTTER:

Article entitled "The Isthmus of Michi-gami," written by Merton M. Carter and published in the March issue of Inside Michigan magazine, pertaining to a projected inland waterway connecting Lakes Huron and Michigan.

NOTICE OF CONSIDERATION OF CERTAIN NOMINATIONS BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the following nominations:

Gerald A. Drew, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti, vice Roy Tasco Davis, resigned.

Philip W. Bonsal, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia, vice Gerald A. Drew, reassigned.

Notice is given that these nominations will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

RESULTS OF QUESTIONNAIRE MAILED TO IOWA

Mr. MARTIN of Iowa. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a tabulation of the vote I have received from the State of Iowa in response to my annual questionnaire.

The PRESIDENT pro tempore. Without objection, it is so ordered.

[The tabulation will appear hereafter in the CONGRESSIONAL RECORD.]

TESTIMONY ON THE OIL LIFT TO EUROPE

Mr. DIRKSEN. Mr. President, I wish to ask unanimous consent to have printed in the RECORD, for the information of the Members of Congress, statements and excerpts from statements of witnesses who have appeared before the joint hearings conducted by the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, and the Public Lands Subcommittee of the Committee on Interior and Insular Affairs, of the United States Senate. This testimony is representative of viewpoints of three different aspects of the oil industry: First, an independent producer of oil and gas, Mr. W. A. Delaney, Jr., of Ada, Okla.; second, Mr. Reid Brazell, an independent refiner, and also president of the Western Petroleum Refiners Association, whose membership includes substantially all the refiners operating in Ohio, Illinois, Indiana, Michigan, Missouri, Kansas, Wyoming, Montana, Colorado, New Mexico, Utah, Arkansas, Kentucky, Oklahoma, and Texas. Mr. Brazell is also a trustee of the National Petroleum Association, with offices in Washington, D. C. The National Petroleum Association includes most of the petroleum refiners operating east of the Mississippi, and also some in California. Mr. Brazell appeared on behalf of both of those associations.

The third witness whose statement I wish to present is Mr. James W. Foley, president of the Texas Co., a major integrated oil company.

Mr. President, the excerpts and the statements of these witnesses are concise, and I believe they will be of great value to all the Members of the Congress who are interested in the oil-for-Europe program.

It is my intention to request the submission of similar statements from time to time, so that the Members of the Congress will be fully advised of all aspects of the oil-for-Europe program.

Mr. President, I ask unanimous consent that excerpts from a statement by Mr. W. A. Delaney, Jr., a statement by Mr. Reid Brazell, and a statement by Mr. James W. Foley, be printed at this point in the RECORD.

There being no objection, the excerpts and statements were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM STATEMENT BY W. A. DELANEY, JR., ADA, OKLA.

The seizure of the Suez Canal and its subsequent closure by military action, together with sabotage of pipelines in Syria has created a condition without parallel in the oil industry. Suddenly, the Western Hemisphere was called upon to replace practically all of the oil previously available to Western Europe from the great Middle Eastern fields. On the whole, the industry has performed quite well in picking up the tremendous burden placed upon it by this unprecedented demand.

Oil production in the United States has increased from roughly 7 million barrels per day, as at October 1, 1956, to approximately 7,420,000 barrels per day at the end of the first week in February 1957.

The average daily production of the 70,000 producing oil wells in Oklahoma is something less than 9 barrels per day each. In Kuwait, approximately 160 wells are capable of sustained production at the rate of more than 1,100,000 per day, or an average of approximately 7,800 barrels each; thus, the average Oklahoma pumper will be responsible for the production of 54 barrels per day; whereas, his counterpart in Kuwait can more easily account for 45,500 barrels of produced oil.

Discovery costs of oil reserves in continental United States average approximately $1.09 per barrel.

Compared with this, I am very certain that the cost of discovery of Middle Eastern reserves would fall in the order of 1 or 2 cents per barrel. Venesuelan costs of reserve discovery are, of course, relatively higher, but much less than in continental United States or Canada.

Independent oil producers do not have access to long-term credit facilities. At best, a commercial bank will not commit to them for more than 5 years, and this type credit is available only to the most reliable and larger producers.

If the independent oil producer has a place in the national economy, it is absolutely necessary that steps be immediately taken to provide a climate in which he can survive.

The recent price increase of 25 cents per barrel, for oil of midcontinent origin, and slightly more for that of Gulf coast origin, has been long overdue.

This committee has heard and will hear volumes of testimony in respect to that price increase. Actually the price of steel has advanced 6 times since crude oil of midland origin was increased in 1953. Freight rates have been increased almost as many times. Every service that the independent producer must buy has gone up in price many times since 1953. Indeed, the freight alone on 15½-pound, 5½-inch casing from Pittsburgh points to Oklahoma is almost equal to one-half the total cost of the same grade and quality of casing in 1940.

I am an independent producer of oil and gas.

STATEMENT BY REID BRAZELL, PRESIDENT, LEONARD REFINERIES, INC., ALMA, MICH., BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE COMMITTEE ON THE JUDICIARY, UNITED STATES SENATE

My name is Reid Brazell. I am president of Leonard Refineries, Inc., of Alma, Mich., one of the so-called independent refiners. I am also president of the Western Petroleum Refiners Association of Tulsa, Okla., and am a trustee of the National Petroleum Association, Washington, D. C.

The membership of the Western Petroleum Refiners Association includes substantially all of the refineries operating in what we know as the Midcontinent area, including Ohio, Illinois, Indiana, Michigan, Missouri, Kansas, Wyoming, Montana, Colorado, New Mexico, Utah, Arkansas, Kentucky, Oklahoma, and Texas. A few of the East Coast refiners are also members of the association.

The membership of the National Petroleum Association includes most of the petroleum refiners operating east of the Mississippi, also some in California. Together, these associations represent most of the refineries in the United States. I am appearing today on behalf of both of these associations, particularly on behalf of the independent refinery members of these associations.

I do not intend to deal with the actual operations of the program of supplying oil to Europe, nor to discuss the reasons for the recent increase in prices of crude oil. Both of these subjects have been dealt with adequately by other witnesses before your committee. I wish to confine myself to the effects that recent developments may have on the independent refiners.

At this time I would like to give the committee an idea of how many independent refiners there are, because a lot of people seem to have the idea that the oil industry consists of only a few large companies. During the Korean emergency I served as the first director of the Refining Division of the Petroleum Administration for Defense. During that time a survey was made of the refineries in the United States and we published a study showing that on January 1, 1951, there were 265 separate petroleum refineries in the United States. One hundred and thirty-seven had a crude oil intake capacity of 50,000 barrels a day and more. The balance of the refining capacity was divided among 228 refineries which were owned by 204 separate companies. Today there are a few less because of the mortality rate among the independent refineries, but the figures have not changed substantially since that time.

In view of recent events, on behalf of these independent refiners, and I think, for that matter, all refiners, I must say that we are very concerned and disturbed by statements emanating from this committee to the effect that major oil companies should roll back the recent price increases in petroleum products, particularly on gasoline. These reports are particularly disturbing when they are combined with the statement which newspapers have attributed to the committee chairman, stating, that in his opinion, the increase in the price of crude oil was justified, particularly for the smaller independent producers.

We are pleased to see the committee's interest in the independent producing companies. We hope that the committee will recognize that the independent refiners would face ruin if product prices were rolled back without a similar rollback in the price of crude oil. I want the record to indicate clearly that I am not suggesting a reduction in the price of crude oil. I am suggesting, however, that the committee should recognize the economic facts of life, and realize that an independent refiner must pass on increases in raw materials or have his returns reduced by that amount. I think the committee should also recognize another simple economic fact. In a competitive market, and we have a very competitive market in petroleum, it's not possible for the independent refiner to sell his products at prices higher than those of the major oil companies.

When I appear before you to discuss this subject, I have a feeling that we are replaying an old record. You may recall that in June 1953, there was an increase in the price of crude oil which was followed by an increase in product prices. There immediately followed a congressional investigation. The members of the industry welcomed the opportunity to tell their story. Many of us appeared before the committee at that time to explain the economics of our industry. At that time, as at the present time, we were concerned with public statements from Members of Congress urging major oil companies to absorb the price increase of crude oil and to rollback the price of products, gasoline specifically.

Independent refiners do not as a rule produce very much crude oil, if any. Usually their crude oil requirement is purchased on the open market from a major oil company. I should like to describe to you, briefly but fully, the operations of an independent refiner. He is a manufacturing merchant. He purchases his raw material, crude oil, processes the crude oil in the refinery, and sells the products therefrom. It is just that simple.

Obviously, it does not require an economic genius to recognize that if the independent refiner has an increase in the cost of his raw material, he either has a like amount reduction in his income, or if he is to maintain the same rate of income, the full extent of the price increase in raw materials must be passed along in the form of increased product prices.

I think you might be interested to know that, at least as far as our company is concerned, the average gasoline price f. o. b. the refinery in July of 1953, the month following the crude oil and product price increase, was 13.6 cents per gallon. The net back in February of 1957 on gasoline was 14.12 cents per gallon, an increase of slightly over one-half a cent, or 3.8 percent. During the period from June of 1953 to the present time, there has been an increase of 50 percent in the Federal gasoline tax, from 2 to 3 cents per gallon, and there was a 33⅓ percent increase in the gasoline taxes in the State of Michigan, from 4½ cents per gallon to 6 cents. In the State of Michigan we also have a 3-percent sales tax which applies to the price of gasoline, plus the tax, which amounts to about nine-tenths cent per gallon. In other words, in Michigan we have a total tax on gasoline of 9.9 cents per gallon.

I would like to point out to you that we, as a refiner, are receiving an average of 14.12 cents per gallon for our gasoline, and the taxes are 9.9 cents per gallon. I think you would agree with me that the price of gasoline is not high, it's the taxes; and incidentally, I didn't see any reports from the press of an investigation by Congress when the taxes were increased, asking for a rollback in taxes.

During the period 1953 to the present, we have had at our place slightly in excess of a 20-percent increase in wages. We have had very substantial increases in the cost of chemicals, steel, and other materials required for the processing of crude oil. During the same period, June of 1953 to the present, there have been very substantial increases in the quality of gasoline, from 88 octane numbers for regular gasoline to approximately 92½; and on premium gasoline, from 91½ octane to almost 98. The cost of the quality increase alone should entitle the refiner to more than 1 cent per gallon increase in the price of gasoline.

You may say, "O. K., you independents need it, go ahead and raise your product prices, but the big, integrated companies should roll back their product price increases." Gentlemen, it just doesn't work that way. We independents cannot possibly sell at higher prices than the national brand name petroleum products. We'd be out of business in a very short time.

I know that you gentlemen of the committee are very anxious to assist the independent businessman in every way you can. I am also sure that you are most anxious that the public generally pay only a fair price for products. There should be for the public at all times an adequate supply of quality products. One of the best ways that I can think of for you to accomplish those two objectives is to encourage members of the petroleum industry to keep healthy by making a decent profit in their operations, which will permit continued research, development, and production of high-quality petroleum products for the general public. That can be done only if the manufacturer passes on the additional costs of doing business to the extent necessary to maintain a healthy economic return.

I don't know whether you realize it or not, but you Members of Congress and the various State legislatures, by frequent investigations, appear to be trying to scare the major oil companies about what the public may think of them if they increase the price of products that the public buys. At the same time, the Federal and State legislative groups have increased the cost to the public by increasing gasoline taxes, and in some instances, even suggested that the oil companies should absorb tax increases. That, of course, is economic nonsense. However, I will say that there appears to have been an extreme reluctance on the part of the major companies to pass along in the form of increased product prices, wage increases and other increases in the cost of doing business. At this time I want to say to you that the refiner is about at the end of his rope insofar as his ability to absorb additional costs of doing business is concerned. I feel very definitely that it is going to be necessary, and is proper, for the refiner in the future to pass along in the form of increased product prices the additional costs that he may have in doing business. That would include, specifically, wage increases, increases in chemicals and in steel products, as well as increases in the cost of crude oil.

I am sure it is unnecessary for me to remind the committee of the importance of the independent in business, whether he be an independent refiner, an independent grocer, or what have you. He is an active minority, a sort of prod in the side of the larger companies. The independent promotes keen competition between all units, large and small. We independents often have some rather rugged fights among ourselves. However, when we are in danger we can fight together for a common cause. We independent refiners do not fear the larger companies so long as their competition is developed in a free atmosphere. The flexibility of an independent company permits us to outmaneuver the larger company at every turn in the road. We also know that the major companies are not interested in cutting the throats of the small companies. They recognize the fact that we, the independents, keep them on their toes and the public, therefore, benefits.

If this committee, in its enthusiasm to protect the public from what it thinks is a

great wrong, has any success in its efforts to get the larger companies to absorb the increase in the price of crude oil and cut back the price of gasoline, it is about to accomplish something that no other force has been able to do—that is, put the independents out of business. We have great faith in our Congress and in the men and women who make up those bodies. We do not think that, with the facts before you, you will permit anything to happen that will jeopardize the independent businessmen.

STATEMENT BY JAMES W. FOLEY, PRESIDENT OF THE TEXAS CO.

My name is James W. Foley. I am president of The Texas Co., with offices in New York City.

I welcome this opportunity of appearing before your committee to present the views of our company relating to recent increases in the prices of crude oil and petroleum products. Mr. A. N. Lilley, vice president of the Texas Co. in charge of our Eastern Hemisphere operations, who is here with me, will discuss the Middle East Emergency Committee and our company's work with that committee.

First, I want to state emphatically that the Texas Co. has neither participated with any other person or company nor does it know of any combined, coordinated, or other effort within the petroleum industry to fix, control, or in any way adjust petroleum prices. Our own price policies are determined entirely within our company and are based on competitive conditions existing in individual markets throughout the 48 States.

Second, we feel these recent price increases are fair, reasonable, fully justified, and required for a progressive and economically healthy petroleum industry. There have been only two general crude oil price increases since 1947. We do not feel that these adjustments have kept pace with the increased cost of exploring for, finding, and producing crude oil.

Third, in order to supply its refineries the Texas Co. must have continued access to adequate sources of crude oil owned by others. We must buy more than 30 percent of the crude oil we refine. These vital sources can be retained only by offering competitive prices for the crude oil we purchase.

Finally, the increased price paid for this crude must be reflected in the price of the products.

The Texas Co. is engaged in producing, purchasing, refining, transporting, and marketing of petroleum and petroleum products. We produce crude in most major producing areas in the United States, operate 11 refineries from coast to coast; and transport our products by pipeline, tanker, barge, tank car, and tank truck. We are the only oil company that markets in all 48 States. We are, therefore, competing with many different companies of all sizes, both in purchasing of crude oil and marketing of products, in the highly competitive markets throughout the country.

Our company must remain competitive. To do so it is mandatory that our customers receive the best values in the market, that careful control be exercised over expenses, that materials and supplies be obtained at the lowest possible price and that producing, refining and distribution operations be carried out at the lowest costs attainable.

It must be emphasized that the actual cost of a barrel of oil is not subject to precise determination. The cost varies widely in individual fields, from field to field, and area to area. There is no question, however, that the cost of finding and producing oil has been increasing steadily.

There are four major reasons for this:

1. The ratio of dry holes to total wells drilled is increasing. From 1946 through 1949, of the total number of wells drilled by the industry 31.8 percent were dry holes; from 1950 through 1956, the dry-hole percentage increased to 37.5 percent. In addition the average size of fields discovered has been declining and an increasing number of fields must be found each year to replace oil now being produced.

2. The search for crude oil now requires the drilling of deeper wells. In 1950 the number of wells drilled 10,000 feet or deeper was 1,123. By 1956 this figure had risen by 115 percent to 2,638 wells. The cost per added foot drilled increases rapidly as a well gets deeper. A study of 1952 costs—published by the American Petroleum Institute on April 26, 1956—shows that drilling of a 5,000 foot well cost an average of about $10 per foot. But the cost of the 5,000 feet of hole between 10,000 and 15,000 feet averaged $50 per foot, or 5 times as much. The study shows further that the cost per added foot beyond 15,000 feet was about $106.

3. Costs of materials used in the petroleum industry have substantially increased. Since the end of World War II, there have been 19 increases in steel prices; 6 since June 1953. The most recent advance was announced a few days ago. Oil country tubular goods and line pipe have increased an average of about 80 percent in price since December 1947. The increases have totaled about 22 percent since June 1953.

4. Wages have been rising steadily in the American economy. From December 1947 to December 1956, average hourly earnings in all manufacturing advanced 56 percent compared with a 63 percent increase for oil-production workers. Since mid-1953, date of the last general crude price advance, average hourly earnings have been increased on 3 separate occasions, a total of 16 percent for oil-production workers, which is the same as for all manufacturing. Refinery employees have received similar advances in earnings.

Since December 1947 there have been only two general increases in the price of crude. The total increase through January 1957 amounts to about 19 percent. By comparison, the All Commodities, Other Than Farm Products and Food component of the official Wholesale Price Index had risen 25 percent by January 1957, the latest month for which the index is available. The basic economic pressures clearly indicated the need for the January crude price increase.

Crude prices in the United States have actually been undergoing various area adjustments during the past year, the first of which was made in California in February 1956. Other examples of adjustments of crude prices in 1956 are Gulf Coast, Tex., in June, July, and August; south Texas heavy in June and July; west central Texas in July and August; Texas Panhandle in August and November; California, again, in November; Wyoming heavy in November and December.

The higher postings made in January 1957 were a reflection of competitive conditions and took account of quality and transportation as well as cost factors. It should be emphasized that these adjustments began well before Suez.

Crude oil is the largest single item of cost to the refiner. The refining, transportation, and marketing segments of the industry have also experienced increases in labor and material costs similar to those that have applied to production. These increases in raw material and other costs must be passed on to the ultimate consumer.

In conclusion, I think we can best illustrate the effectiveness of competition in the petroleum industry and the fairness and reasonableness of prices by a simple comparison. In terms of work time required to buy a gallon of regular grade gasoline, the average industrial worker had to work 23 minutes in 1926 to purchase 1 gallon, excluding taxes. In 1933, when gasoline was at its lowest price level, the work time required was about 17 minutes. In 1956 the average worker had to work only 6.6 minutes to buy a gallon of a greatly improved gasoline.

We have substantially increased shipments of crude oil and petroleum products to Europe since the present emergency began and have reduced our refinery runs to make more crude oil available for foreign markets. Mr. A. N. Lilley now wishes to outline to you some of the more important steps our company has taken to help meet foreign petroleum requirements.

Again, I want to thank you for the privilege of appearing before your committee.

PROPOSED JOINT COMMITTEE ON THE BUDGET

Mr. MORTON. Mr. President, I was happy to join with the distinguished Senator from Arkansas [Mr. McCLELLAN] and 58 other Senators in sponsoring a bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the United States Government. This proposed legislation creates a Joint Committee on the Budget, to be selected from members of the House and Senate Committees on Appropriations. The joint committee would be empowered to recruit and organize a proficient staff of experts to provide the Congress with adequate facilities to carry out its constitutional functions in controlling appropriations.

I think that there is a good precedent for the establishment of such a joint committee to help the Congress control expenditures. I refer to the Joint Committee on Internal Revenue Taxation. This committee was established some years ago and no one can deny its great contribution to the Congress and the Nation. The Joint Committee on Internal Revenue Taxation has over the years developed a staff under the able leadership of Mr. Colin F. Stam, which has not only rendered outstanding service but also commands the respect of both the Congress and the public.

Nine years ago, while a Member of the House of Representatives, I was impressed with the necessity for more adequate congressional staff studies in connection with appropriation bills. At that time, I pursued the possibilities of developing a small counterpart of the Bureau of the Budget, which would be responsible solely to the Congress. I believe that the proposed legislation setting up a joint committee will accomplish the purposes that I had in mind. I am indeed hopeful that prompt, affirmative action can be taken on this bill. Similar legislation has been passed by the Senate in the 82d, 83d, and 84th Congresses although, unfortunately, the House of Representatives in each instance failed to take action.

I think the dilemma in which the Congress finds itself today justifies more than ever before the need for this legislation. The President has sent to the Congress a staggering budget in excess of $70 billion. I know from my own experience in the administration that this figure, large as it is, reflects a sharp cut in what the agencies requested of the Bureau of the Budget. I know that in each agency a cut was made in requests of the department heads and section chiefs within the agency itself, prior to submission to the Bureau of the Budget. Nevertheless, I feel that the Congress should, and I hope it will, substantially cut this budget. The dilemma to which

I refer is this—the House of Representatives last week passed a resolution asking the President to submit to it recommendations for cutting his own budget. Let me point out two things—first, the Congress has the constitutional responsibility for appropriations; second, much of the so-called new money in the President's budget is to carry out programs which the Congress itself authorized in the past.

It seems to me that this joint committee which is proposed in the bill introduced by the Senator from Arkansas, is the appropriate body to make these recommendations requested last week by the House of Representatives. Furthermore, this committee could keep the Congress and the people fully alerted as to both the immediate and projected cost of any program which might be before the Congress for approval. Too often in the past has the Congress responded favorably to demands from home for certain programs generally involving Federal grants with an eye more to the benefits of the program than to the burden on the United States taxpayer.

I would like to give one small example of what happens and just why the President's budget request has to be of such gigantic proportions. The last Congress authorized Federal aid in the extension of library services in rural areas. The authorization called for $7½ million per annum for a period of 5 years. The President in his budget message requested only $3 million. Many groups who are interested in this worthy program are now bombarding the Congress in an effort to obtain the whole $7½ million. What the Congress will do remains to be seen. I am not debating the merits of the program. I merely point out that many items in the current budget proposal are in response to actions taken by a previous Congress and, had the President requested the full amount authorized by Congress, the budget would be far greater than the staggering figure which we have before us now.

In order for the Congress to meet its full responsibility in the appropriation of public funds for the operation of a Government as enormous and complex as that which we have today, I submit that the machinery which would be set up under the proposed legislation is absolutely vital.

LET US BUILD SCHOOLS

Mr. McNAMARA. Mr. President, for their own selfish or misguided purposes, opponents to Federal assistance for school construction are circulating a great deal of misleading and incorrect information.

One form of this attack against good education is to belittle the fact that the Nation currently has a tremendous shortage of classrooms.

Witnesses have appeared before Congress to proclaim that the States can handle the problem adequately themselves. Or, in the extreme case, our intelligence is insulted by our being told that there is an actual excess of classrooms.

Here we have a classic example of certain interests trying to wish away the critical shortage that undermines our educational system.

One such witness from my State of Michigan took it upon himself to speak for the entire State in denouncing Federal assistance.

This came to the attention of Michigan's Gov. G. Mennen Williams through a news dispatch.

Governor Williams has written me a letter protesting the implication that the State of Michigan is against a Federal assistance program.

The governor also explains Michigan's school situation in detail, and I call it to the attention of my colleagues. I ask unanimous consent that Governor Williams' letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, March 12, 1957.

Hon. PATRICK V. McNAMARA,
Senate Office Building,
Washington, D. C.

DEAR PAT: It was with considerable concern, not to mention surprise, that I noted a recent Associated Press dispatch saying that a House Education Subcommittee considering legislation for Federal aid to education had told a witness from this State that "Michigan is the second State to notify the group it can take care of its own school construction." As chief executive of this State, I should like to enter a protest against the implication that Michigan as a State is opposed to Federal aid to education. Such is not the case.

All persons interested in the Michigan point of view should be aware of these important facts:

(1) The Michigan White House Conference on Education took a stand in favor of Federal aid to education;

(2) As Governor, I have taken a stand in favor of Federal aid to education;

(3) The State superintendent of public instruction has taken a stand in favor of Federal aid to education;

(4) The legislature has never taken a position of any kind indicating that it is opposed to Federal aid to education;

(5) In the current fiscal year, Michigan school needs for operating purposes have become so great that the special funds dedicated for school purposes have become inadequate and it will be necessary to supplement school moneys from the general fund in the current and future fiscal years;

(6) Strong and legitimate demands were made this year by school people for the State to enter into the field of assisting in the financing of capital outlays for local school districts. Because of other pressing needs and the necessity of increasing taxes, we were simply unable to make a budgetary recommendation for this purpose even though the need is clearly present.

We are currently in the midst of a serious struggle here in Michigan to finance our school plant. Michigan is the fastest growing State in the Middle West and our high birth rate since 1950 combined with a huge migration of people from other States has created a very large and very serious school-need problem. The last comprehensive study made in Michigan, done with Federal funds in 1952, showed that we had a shortage of 9,180 classrooms. We are very lucky if we have kept even since then in light of our great growth. We need an additional 2,500 new classrooms in Michigan each year just to stay even with population growth. This figure is in addition to building for replacement of our large supply of outmoded, unsafe, and unsanitary buildings that remain in use.

It is quite correct to say that we have adequate means to finance education in Michigan. We are a relatively wealthy State and recognize that we have been better blessed than have some of our sister States in other parts of the country. While we have the general wherewithal to finance education, there are many specific areas of the State that definitely do not have an adequate tax base for their school needs. Our urban fringe areas, especially those without an industrial tax base, have been especially hard hit. It is easy to see that grave problems of keeping up with school needs would exist in such Detroit suburban areas as Garden City, which since 1950 has grown from 9,000 to over 15,000 residents. I could also point to the growth of Livonia, from 17,500 to over 35,000; Inkster, from 16,700 to over 23,000; Plymouth, from 6,600 to over 11,000, and dozens of other communities, not all of them in the Detroit area by any means.

In rural Michigan, our problem of need exists, too. In this case, it is tied not to population growth, but to school reorganization. In an effort to get better education for more children on a more efficient basis, Michigan citizens have been working actively toward a better system of district organization. The number of districts in Michigan has been cut in half, approximately, since the end of World War II and further reorganization goes on apace. It is, furthermore, in the areas where reorganization is most actively progressing that the greatest number of inadequate and outmoded school buildings exist. The combined result of modernization and reorganization has therefore been to create a great backlog of demand for school construction in the rural areas and small towns of Michigan.

We have done many things to help areas facing major construction and operating problems, including a constitutional amendment by which the State guarantees the bonds of needy school districts. I have strongly recommended to the legislature this year as I did last that we seek to improve our method of equalizing local property taxes so that State financial aid can be based more on relative need than has been the case in the past.

While Michigan has serious problems in the way of school construction in rapidly growing areas, we are frank to say that many States have greater problems than we do. Yet, the emphasis that is often placed on the State's ability to finance its own needs misses the major point so far as Federal aid to education is concerned.

It seems to me that by all odds the most important reason why Federal aid to education is needed rests with the fact that our citizens move about the Nation so frequently today that we urgently require the establishment of an equal foundation program on a nationwide basis. The student in any of the other 47 States today may be a citizen of Michigan tomorrow. Ours is a State which has had a tremendous in-migration of people from other parts of the country in the years since the beginning of World War II. We experienced a net migration gain of 318,000 in the years between 1950 and 1955 alone. Many of these people attended very fine schools. Others never had the opportunity to do so. Because of these movements of people, we are well aware of the variations in the educational programs among the States. We know, too, that a great many States are already making an effort which, in terms of tax burden, is considerably greater than our own. Because this is so, their citizens cannot be blamed for the shortcomings of their schools. They are doing the best they can.

In Michigan, we feel strongly that our citizens who move to other States should be qualified to take part in the economic, social, and political life of those States and their citizens coming to us should be equally well qualified. If they are not, the loss is ours and all of society shares it with us. It is my

hope that these comments will set the record straight as to where we stand in Michigan in relation to the important role that Federal aid can play in the development of an adequate educational program. I might say in closing that I for one do not agree with those who say that Federal aid to education will destroy local autonomy. I have confidence in the Congress as a responsible body and I am sure that any funds it would make available would be appropriated in such a manner as to preserve the rights of our local communities to make basic policy decisions in the field of education.

With every good wish.

Sincerely,

G. MENNEN WILLIAMS,
Governor.

Mr. McNAMARA. Mr. President, another group which has sought to sidetrack a Federal-aid program through misinformation is the United States Chamber of Commerce.

This is the organization which attemped to twist the facts to show that there exists an excess of classrooms.

On February 26, I called the attention of the Senate to this shocking statement.

I am very pleased that many others have since repudiated the chamber's testimony, including the Secretary of Health, Education, and Welfare.

Today I read that Eric Johnston, a former president of the chamber, has also opposed the organization's position.

He joins a long list of persons and organizations taking exception to the chamber's stand.

Last Friday, the Washington Post carried a news article listing 17 groups which have disputed the chamber. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 15, 1957]

SEVENTEEN GROUPS SUPPORT FOLSOM ON FEDERAL AID FOR SCHOOLS

Seventeen national organizations sided yesterday with Marion Folsom, Secretary of Health, Education, and Welfare, in his dispute with the United States Chamber of Commerce over Federal aid to schools.

On Tuesday, Folsom accused the chamber of misleading and inaccurate statements in contending that the Nation's classroom needs can be met without Federal aid.

In a letter to Folsom yesterday, spokesmen for the 17 groups charged that the chamber is playing a game of let's pretend there is no classroom shortage.

Chamber President John S. Coleman replied that the chamber's statement on schoolroom needs were based on Folsom's own figures, which he said show that local governments are solving their own school problems.

The organizations pledging support to Folsom's stand yesterday were: The American Association of University Women, American Home Economics Association, American Parents Committee, Inc., American Veterans Committee, Association for Childhood Education, International; Cooperative League of the United States, Delta Kappa Gamma Society, Jewish War Veterans.

Also the National Association of Social Workers, National Child Labor Committee, National Congress of Colored Parents and Teachers, National Council of Jewish Women, National Education Association, National Farmers' Union, National Jewish Welfare Board, National Board of the YWCA, and American Library Association.

HUNGARIAN FREEDOM DAY

Mr. SMITH of New Jersey. Mr. President, on Friday last, March 15, the Senate was not in session, and, therefore, it was not possible for me to make a few remarks with regard to what that day celebrates. It was Hungarian Freedom Day, and it had been my purpose to pay a tribute to the courageous Hungarians on that day. I am happy to do it now.

The brutally tragic result of the Hungarian people's most recent struggle for freedom is indelibly impressed on my mind. The atrocious ruthlessness of the Soviet eradication of Hungary's short-lived day of hope and freedom is all too ominous for the future of the Hungarian people.

Yet the magnificent resurgence of the spirit of Louis Kossuth, which, in its audacity and initial success, so encouraged and amazed the world, will ever stand as a monument to their unquenchable yearning for freedom. No tribute to these gallant people can sufficiently portray their sacrifices and heroism. By their unsuccessful attempt to achieve that which should be the birthright of all men everywhere they have graphically and dramatically shorn the Soviet Government of all pretense of sympathy with the fundamental aspirations of mankind. The Communists' hideous disregard for human welfare has been conclusively demonstrated to the whole world.

The people of no nation more richly deserve the accolades of the whole world in commemoration of an earlier era of freedom and in recognition of their persistent, tenacious longing for liberty.

PROPOSED CIVIL RIGHTS LEGISLATION

Mr. ERVIN. Mr. President, when Thomas Jefferson wrote the Declaration of Independence, he assigned as one of the reasons why the Thirteen Colonies were separating themselves from England, the fact that King George was "depriving us in many cases of the benefits of trial by jury." It is passing strange that 181 years later the Congress is being urged to emulate the example of King George and enact into law a so-called civil-rights bill which will rob American citizens of the sacred right of trial by jury. Congress would do well to reread the Declaration of Independence before it sells the constitutional and legal birthright of American citizens for a mess of political pottage. On March 15, 1957, David Lawrence pointed out in an article in the Washington Star, that the so-called civil-rights bills are "designed to avoid trial by jury." I ask unanimous consent that such article be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Evening Star of March 15, 1957]

AN UNPRECEDENTED ACTION—DENIAL OF RIGHTS CHARGED IN ELIMINATION OF JURY TRIAL IN CLINTON CONTEMPT CASE

(By David Lawrence)

The right of trial by jury is such an integral part of the Constitution of the United States that, when someone in the law-enforcement branch of the Government begins to tamper with it, there is naturally grave concern. Sometimes, because technicalities are overlooked by the general public, the opportunity is afforded officials to pull the wool over the eyes of the people.

Thus, within the last few weeks, a strange and unprecedented action has been taken by a Federal judge in Tennessee, acting at the request of the Department of Justice here. It had the effect of denying a jury trial to 18 citizens at Clinton, Tenn., accused of acts of interference with the process of forced association in the schools.

Just after the publicity was first given to the episode in these columns, the United Press in a dispatch from Washington on March 6 reported:

"A Justice Department spokesman said 18 persons charged with interference with integration at a Clinton (Tenn.) high school are entitled to trial by jury."

But the fact is that the Department of Justice, in the middle of the recent proceedings, had petitioned the court to change the name of the case so it would be carried on in the name of the "United States," though previously the parties to the suit were local schoolboard officials and the defendants. By substituting the words "United States," the right to trial by jury in contempt cases was automatically lost. So the announcement is meaningless.

Knowing the law, why did the Department of Justice ask to change the names of the parties, in the first place, and why did the Federal judge on February 25 approve that request? But even more puzzling is another question: Why, in view of the March 6 press announcement, hasn't the Department of Justice since asked the Federal judge to withdraw its petition to make the United States a party to the suit and thus make sure that the right of trial by jury for the defendants will be preserved? For it isn't just a matter of discretion or of the willingness of the Department of Justice to grant a jury trial if the United States is a party to the suit. It's a matter of legal right and not of the Department's discretion.

It is being alleged that the Department of Justice all along has not objected to jury trial in the Clinton cases, but this never has been and is not now up to the Department of Justice to decide.

So the question goes back to the action of Federal Judge Robert Taylor in Knoxville, who approved the Department's request that the United States be made a party to the suit. This, under existing law, automatically barred a jury trial.

The theory back of this law presumably is that a judge is the best person to decide whether contempt has been committed in his own courtroom. But the decisions rendered in the past do not uphold the right of a judge to punish for contempt ordinary acts of lawlessness committed outside his courtroom. Contempt cases, moreover, have been filed in the name of the United States only against persons who are themselves principals in a controversy, like the officers of a labor union who defy an injunction when the Government itself has seized or taken over a plant or series of plants.

In this instance, the local school board is the complaining party, and the local authorities have the responsibility of enforcing law and order. There would have been a reason for interposing the name of the United States as a party to the suit if the local school board had refused to obey the Supreme Court's order on forced association or a Federal judge's injunction on the subject. But the school board has been complying from the start.

All this becomes pertinent because of the so-called civil rights legislation pending in Congress under which it is sought to allow the United States to intervene in cases where Negroes may have been refused an opportunity to register and vote in elections. If

such legislation is passed, the United States will become a party to all the suits filed, and there will be no opportunity for jury trial unless Congress repeals the present law.

Presumably the proponents of the civil rights legislation fear local trials by jury because of public sentiment adverse to forced association of children in schools. So the device being employed is designed to avoid trial by jury.

It's a situation where the end is supposed to justify the means. But the "means" happens to be a denial of rights granted in the Constitution itself.

AMERICAN LEGION PILGRIMAGE FOR PEACE

Mr. JAVITS. Mr. President, I have just received a statement from W. C. Daniel, National Commander of the American Legion, calling attention to the American Legion's fourth decennial pilgrimage to Europe scheduled for this fall. The statement eloquently and appropriately states the importance of this mission of reverence to pay homage to comrades who gave their lives for our country. At a time when the world again faces new threats to free institutions, the American Legion, with its great record of service to the country and to veterans, carries on in this tradition by this pilgrimage which can substantially strengthen the ties of friendship between the people of America and those of the free countries of Western Europe.

I ask unanimous consent to have this statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This year marks the 40th anniversary of the entry of the United States into World War I. It also signals the occasion of the American Legion's fourth decennial pilgrimage to Europe which will get under way this fall. Pilgrimages to the scenes of former battles were held in 1927, 1937, and 1947.

The American Legion's national convention in 1927 was held in Paris—the City of the Eternal Light and sacred shrine for the American doughboys who gave up their lives in the great war. More than 20,000 Legionnaires attended this convention—the last to be held abroad.

The official party of the American Legion will embark for Europe from New York on September 20. Immediately following the 39th national convention of the American Legion, which will be held in Atlantic City, September 16–19, thousands of Legionnaires are expected to join the pilgrimage.

This pilgrimage is not an ordinary journey or sightseeing tour. Rather it is a mission of reverence to pay homage to the memory of our comrades who made the last supreme sacrifice so that you and I might enjoy the privileges that are ours. May God forgive us if we should ever forget to remember and memorialize these patriots.

During these past 4 decades we have seen 2 world wars and countless other acts of hostility and aggression. It is fitting that this pilgrimage be dedicated to peace and reverence at a time when the world faces new threats to liberty, freedom, and justice.

The great record that the American Legion has made across this land of ours has been the record of service to those of our comrades less fortunate than we, of service to the youth of the land, of service in the defense of the flag of our Nation, in the forthright proclamation of integrity that under this flag all men shall have their opportunity to live in freedom and in peace.

The deterrence of war in this age of atomic weapons and guided missiles presents the greatest challenge that this Nation has ever faced. It is no longer a task that can be entrusted solely to the soldier, the statesman, or the diplomat, because the deterrence of conflict rests on the concerted efforts of the American people.

It is noteworthy that all of the major countries of Western Europe have joined in extending official invitations to members of the American Legion and the Auxiliary to revisit the historic scenes of World War I and II. The sacrifices of our doughboys of World War I and the GI's of World War II will be long remembered by our allies.

The American Legion's pilgrimage will contribute much toward fostering the aims of President Eisenhower's "people to people" program. Indeed, it will afford thousands of Legionnaires, together with members of the Auxiliary and their families an opportunity to establish closer ties of friendship between the people of America and those of the free countries of Western Europe.

As for Legionnaires and their families who will make the 1957 pilgrimage, they will not only be paying America's respects to the memory of our fallen comrades, but will be serving as ambassadors for all America.

IMPORTANCE OF SELECTING ONE OF ALTERNATIVE SITES FOR NATIONAL CULTURAL CENTER IN DISTRICT OF COLUMBIA

Mr. WILEY. Mr. President, as we are all aware, the 85th Congress faces a great many legislative challenges. There is a mass of bills pending before us on which we hope to secure action in 1957, or, at the latest, in 1958, before the 85th Congress draws to a close.

Of all the thousands of bills pending, some are on great national and international issues; others on less important subjects.

DISTRICT BILLS SHOULD NOT GET "LOST IN SHUFFLE"

Included in the mass of proposed legislation is a considerable number of bills affecting the District of Columbia.

Unfortunately, there is a tendency for a good many District of Columbia matters to "get lost in the shuffle," because of Congress' inevitable preoccupation with other legislative responsibilities.

I hope that will not prove to be the case this year.

I hope that we may be able to find time to give to District matters, including, in particular, its financial needs, the attention which such matters deserve.

SITE DECISION FOR CULTURAL CENTER IMPERATIVE

Included among matters of especially deep interest to the District is one particular subject on which I should like to comment today. I refer to the necessity for an early decision by Congress on a site for the establishment of a National Civic Auditorium and Cultural Center.

This great project has been recommended by the able membership of the District of Columbia Auditorium Commission, headed by Agnes E. Meyer, chairman.

The Commission is and was the creature of the Congress. We wisely established it in order that a basis might at long last be laid for a truly national cultural center, comprising music, theater, meeting, and mass communications facilities.

The report—a most impressive document—was filed with us on January 30. Hearings have subsequently been held on it by those of my colleagues entrusted with this important jurisdiction.

The report envisions a most inspiring multipurpose group of buildings. Their construction cost will be in the order from $35 to $40 millions. The project, in accordance with Congress' own directive, would be self-liquidating.

The most important challenge now is to settle upon one of the alternative sites for it. In that way, we will "flash the green light," so that plans can go ahead for the construction costs, to be raised through private subscription.

COMMENDATION OF SENATE AND HOUSE DISTRICT COMMITTEES

I commend this subject further to my colleagues. I know that a good number of them, on the Senate and House District Committees, despite many other time-consuming burdens, have already worked most energetically and earnestly on this auditorium subject. I hope that they will be in a position to carry on with reasonable expedition.

In my judgment, we, as a nation and as a people, can ill afford to wait too long on this cultural center project, in view of its deep meaning to America and to the world.

I send to the desk a supplementary statement and appended material and ask unanimous consent that they be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the statement and material were ordered to be printed in the RECORD, as follows:

ADDITIONAL COMMENTS BY SENATOR WILEY

THREE REASONS FOR DEEP INTEREST

I am personally interested in this project from a number of standpoints:

In the first place, as a United States Senator, I have been personally privileged to live and to work in the District of Columbia since January 1939. I have enjoyed this great Capital city of ours, and I would like to do my part to make it greater still.

CENTER, AS A CENTER FOR PATRIOTISM

In the second place, as an American citizen I am anxious that Washington realize its fullest potentialities as a great source of patriotic inspiration for all of our people, especially youngsters.

Soon it will be cherry blossom time in the Capital. Masses of visitors—young and old—will be pouring into the Capital. Five million visitors are expected to arrive this year.

I would hope that work could get underway fairly soon on this Cultural Center so that before too many years, the millions of additional visitors who will be coming here will be further inspired by the Capital of their Nation.

The Cultural Center can and will be an impressive aid to good citizenship, particularly because, as was indicated in the Commission's report, every effort will be made to make this a truly national center—with fullest contributions by the 48 States.

MANY FACILITIES TO BE PROVIDED

The plans envision facilities for a great tourist and information center. It will provide a most significant educational influence for all visitors.

The plans likewise envision facilities through which cultural programs would be disseminated to a maximum audience by means of radio, television, press, and motion pictures.

Committee, 1957; Mrs. Robert Low Bacon,

Board, National Board of the YWCA, and American Library Association.

integral part of the Constitution of the United States that, when someone in the law-en-

Negroes may have been refused an opportunity to register and vote in elections. If

under this flag all men shall have their opportunity to live in freedom and in peace.

ter, meeting, and mass communications facilities.

means of radio, television, press, and motion pictures.

The plans contemplate a great hall, offering 100,000 square feet of floor space: an auditorium hall which might be the home for Washington's National Symphony Orchestra, as well as for other fine attractions.

Also contemplated is a theater where traveling companies would find a large and highly adaptable stage that would easily accommodate the best sets for the finest attractions.

ATTRACTIONS FOR 1.9 MILLION PEOPLE OF GREATER WASHINGTON

All of these facilities would be a natural magnet for visitors, as well as for the vast population of Greater Washington, itself.

Already, this area, I may say, exceeds 1.9 million in population, counting both the District and adjacent Maryland and Virginia suburbs.

THE INTERNATIONAL REASON—WE NEED CENTER TO COUNTER SOVIET "BIG LIE"

Thirdly, I am interested in this matter from an international standpoint.

Everyone who has worked on this project and who is familiar with it, from the President of the United States to the members of the Commission and others, have pointed out how vitally important—from a world relations viewpoint—this cultural center could be. For it would provide a most suitable home for visiting artists and troupes from abroad, as well as a rightful home for America's own performers.

We, Americans, are increasingly realizing that part of the "big lie" which world communism has spread against us is to this effect: we are supposed to be only materialist-minded. We are supposed ot be only interested in the dollar. We are not supposed to be interested in the arts and in other cultural phases.

Of course, the "big lie" is exactly that—a big lie, for Americans "have never lived by bread alone" or any material incentives alone.

But the hard fact is, unfortunately, that the city which is the capital of not only America but, indeed, of the free world does lack suitable cultural facilities. The fact is that we have had to "make do" with useful, but inadequate buildings, thus far.

PEOPLE ASK, "WHY DOESN'T DISTRICT OF COLUMBIA HAVE OPERA HOUSE?"

And so, all too often, some foreign visitors do say, "Isn't it surprising that the United States, despite all of its wealth, does not even have an opera house, for example, in its capital?"

Let us once and for all remedy this lack.

Let us rightfully elevate the prestige of America in the eyes of the world by establishing this cultural center—as a great cultural beacon and a great cultural home.

SENATOR WILEY'S PREVIOUS COMMENTS ON THIS SUBJECT

I may say that my statement today is by no means a new expression on my part.

In the CONGRESSIONAL RECORD, volume 102, part 2, page 2293, I introduced on behalf of the executive branch the International Cultural Exchange and Trade Fair Participation Act.

This bill, S. 3172, was designed to make permanent and to strengthen America's international relations through cultural and athletic exchanges and through participation in international fairs and festivals.

The substance of this bill was enacted subsequently into law.

ROLE OF CULTURAL DEVELOPMENT COMMITTEE

Earlier, on February 2, 1955, it was my pleasure to extend greetings on the Senate floor to the Azuma Kabuki Ballet Troupe, the foremost dance troupe of Japan.

At that time, as recorded in the CONGRESSIONAL RECORD, volume 102, part 2, page 1904, I pointed out the splendid role of the Cultural Development Committee of the Washington Board of Trade. The committee was then headed by Mr. Patrick Hayes, founder and director of the Hayes Concert Bureau, which is responsible for so overwhelming a proportion of the notable cultural attractions which Washington has welcomed. The current chairman of the Board of Trade Committee is Ralph E. Becker. He and his associates have been doing a most excellent job in helping to serve as host for an impressive series of attractions and visitors.

Incidentally, in the course of my remarks on February 9 (last year) I referred to the National Civic Auditorium and Cultural Center even then as "a great addition to National Capital life and culture."

FINE ROLE OF ANTA'S INTERNATIONAL EXCHANGE PROGRAM

On still other occasions, in times past, it has been my privilege to point up the splendid role which has been performed by America's cultural exchange program, notably by the international exchange program of the American National Theatre and Academy.

All too often, I may say, this program, which at present is still run on a very modest basis, has had to fight almost for every nickel which it has received.

While the Soviet Union has poured almost unlimited sums into its overseas cultural program, our own has often been starved for lack of sufficient funds. And it has had to fight for its very life.

Fortunately, however, there is an increasing realization of the importance of this program.

PAST SUCCESSES OF PORGY AND BESS, SYMPHONY OF THE AIR

The State Department and the United States Information Agency have time and again proven to the satisfaction of the Congress the wonderful good will for our country which has been aroused by such great touring attractions as Porgy and Bess, or the Symphony of the Air, plus the successes of innumerable individual performers.

MUSIC, THE INTERNATIONAL LANGUAGE

Music speaks all languages. Ballet speaks in every tongue. A great artist can help transcend barriers raised by national suspicion or doubt.

I am sure that if the cultural center is established, it will represent favorable news which will truly circle the earth.

I am sure that from this cultural center thereafter would originate favorable news and programs which likewise would span all the continents—programs which could be broadcast by the Voice of America, programs which could be listened to and which would excite the admiration of the free world, yes, even of the people behind the Iron Curtain.

IT WILL BE THE PROGRAMING THAT COUNTS

Of course, a cultural center represents the framework, the showcase for great attractions. It represents the bricks and stones and glass. The question then becomes, "What specific attractions will be shown within the showcase?"

That becomes a matter of programing—which is, of course, the very heart of this project. For it will be sound and imaginative programing which will genuinely fulfill the expectations for this great project.

What attractions may we expect?

Naturally, only the future can tell. But outstanding facilities can naturally be expected to help attract outstanding performers, especially if there is a vast appreciative audience available, as we know there is and will be.

Suffice it to say, for the moment, that in years past, we have already had a great many outstanding performers.

SOME OF THE PAST'S OUTSTANDING ATTRACTIONS

Thus, from the Hayes Concert Bureau have come these artists—to cite but a handful of the many on the long list:

In the 1956–57 season: the Berlin Philharmonic Orchestra, the National Swedish Chorus, the Vienna Philharmonic Orchestra, Ballets Basque de Biarritz, Vienna Academy Chorus, Arthur Rubinstein, The Metropolitan Opera Co., and the Salzburg Festival production of Don Giovanni (a film.)

In the 1955–56 season: Emil Gilels, Walter Gieseking, Vienna Choir Boys, Westminster Choir, David Oistrakh, Marion Anderson, Philharmonic Orchestra of London, and Sadler's Wells Ballet.

In the 1954–55 season: Robert Casadesus, Amsterdam Concertgebouw Orchestra, London's Festival Ballet, Jascha Heifetz, Yma Sumac, and Benjamino Gigli.

The excellent caliber of these past performers is an indication of still finer things to come.

PROJECT SOUND FROM BUSINESS STANDPOINT

From every standpoint, therefore, this project is sound:

From an aesthetic standpoint;

From a national, patriotic standpoint; and

From an international standpoint.

Yes, it can be and will be sound from a business standpoint as well.

The cultural center should prove a great stimulus to the vital tourist economy here in our Nation's Capital.

Already, tourism is responsible for an estimated $200 to $250 million a year, according to the enterprising Greater National Capital Committee of the Washington Board of Trade.

Each tourist helps to generate additional economic health in this community—in its restaurants, hotels, motels, theaters, banks, department stores, and in all the other many phases of the capital's economy.

NEW HONOR TO BOARD OF TRADE PRESIDENT

We should remember, too, that Washington is already one of the real pillars of our free economy.

Personal income in the Washington metropolitan area is estimated at $3.8 billion a year; retail sales nearly $2.2 billion a year. Over three-fourths of a million people work in the Greater Capital area, including the over one-fourth of a million Government workers.

It is noteworthy that the distinguished president of the Washington Board of Trade, Mr. Philip M. Talbott, has just been honored by further recognition from the United States Chamber of Commerce—for whom he will assume the high office of president next month. This is a most pleasant honor to the Nation's Capital.

LET NO TIME BE LOST

I have presented, therefore, a bit of the background from many viewpoints why it is altogether fitting that the national cultural center be established here.

But there is no time to be lost.

Let the best site be picked for the center. Let all the engineering, economic, social, traffic, aesthetic, and other factors be weighed and let the decision be reached promptly.

Meanwhile, let us each do our own part to focus public attention on this great project.

MY PRESENT INQUIRY TO AMBASSADORS HERE

Toward this purpose, I, for one, am pleased to communicate to numerous representatives of foreign governments in our Nation's Capital.

I am asking them to give me:

(a) Their reactions to our—America's and their—past cultural interchange program.

(b) Their sentiments as regards possible expansion of the two-way cultural exchange program.

Their comments would, of course, be made independently of the National Cultural Center, as such, or of any other specific pending issue before the Congress, since this is, after all, the Congress' own problem and prerogative. But the foreign Ambassadors will, I trust, comment significantly on the cultural exchange program in general—in a way which will shed further helpful light on our consideration of this center, among other matters.

Finally, I include now two additional information items on this project.

TWO BACKGROUND ITEMS

The first is a release which was issued at the time of the submission of the cultural-center report to the Congress.

The second is a series of selected quotations on the importance of this center and on the importance of a prompt decision on the site.

PROFESSIONAL STAFF STUDY

It is my intention to follow up on this matter to the extent that available time will permit. A member of the professional staff of the Senate Foreign Relations Committee will, at my request, be looking into the subject further from the viewpoint of its deep international significance. And I hope personally to explore it further, as circumstances and other legislative responsibilities will allow.

FEDERAL COMMISSION SUBMITS PLANS FOR NATIONAL CULTURAL CENTER TO PRESIDENT AND CONGRESS

WASHINGTON, D. C., January 30.—The Nation's Capital moved closer today to closing the cultural gap between it and other world capitals as a federally appointed Commission made its recommendations to the President and Congress for a national cultural center in Washington costing between $35 million and $40 million.

The proposed center, preferably located in Washington's Foggy Bottom area, would be a multipurpose building with auditoriums and halls of different sizes to accommodate a variety of events ranging from national and international conferences, civic receptions, inaugural balls, major conventions, and exhibitions to opera, ballet, theater (especially to house official theatrical attractions sent by foreign countries), and symphonic and other musical events, large and small. It would have a tourist information center to guide the 4½ million annual visitors to the Nation's Capital, underground parking, and dining facilities.

The 21-member District of Columbia Auditorium Commission which was created by law of Congress in July 1955 to formulate plans for the design, location, financing, and construction of the center, emphasized the broad scope of the project by the title of its illustrated 95-page report, "Plans for a National Civic Auditorium and Cultural Center and the Citizens of the United States." The Commission was assisted in its exhaustive planning by a technical Planning Board comprised of eight of the Nation's foremost architectural, research, and engineering firms whose executives contributed their services as a patriotic gesture. Mrs. Eugene Meyer, author, journalist, and wife of the chairman of the board of the Washington (D. C.) Post Co., is chairman of the Commission.

The Commission recommends that the major costs of construction of the center be raised by private subscription. It hopes that Congress will supply the site, and it estimates that revenue from the center—rentals, concessions, and parking amounting to some $487,000—will cover annual operating expense.

Three suitable locations for the center are described in the Commission's report. In her letter of transmittal to the President and Congress, Mrs. Meyer said that the Commission "prefers the site in Foggy Bottom if it is available." Although the desired area of some 25 acres has already been authorized by Congress to be acquired for public-building purposes, present highway plans bisect the center's site with one of the loops of a proposed citywide road system. These road plans are now under consideration for revision. Mrs. Meyer pointed out that "it is the prerogative of Congress to make the final decision." The other two sites are in Washington's southwest section now undergoing extensive redevelopment. In any case, the various components of the center may be rearranged and adapted to fit any of the three sites, Mrs. Meyer said. A joint meeting of the Senate and House District of Columbia Committees has been requested by the Commission for February 7 to discuss the various recommendations in the report.

The Commission recommends the following components for the center:

(1) A great hall of 100,000 square feet of level, unobstructed floor space where the Government may act as host to officials of foreign nations. This hall would be suitable for such functions as national and international conferences, festivals, and exhibits, for inaugural balls, for civic receptions, major conventions. Movable chairs will provide seating for over 10,000 persons and movable walls will permit dividing the space into as many as 35 rooms for smaller functions.

(2) An auditorium-music hall seating between 3,800 and 4,200, with the most advanced stage facilities and acoustics for the presentation of opera, ballet, and other dance productions, symphonic and other musical events. This hall is also suitable for large meetings or conventions.

(3) A theater with a capacity of 1,400 to 1,800, for the presentation of American productions and especially to be available for official theatrical attractions sent by foreign countries. This facility is also suitable for small musical events.

(4) A tourist information center to help the 4½ million visitors who come to Washington each year to understand the historical significance of the Nation's Capital and to make their sightseeing more fruitful.

(5) Mass communication facilities so that programs originating in the cultural center may be disseminated to a maximum audience by television, radio, press. Also, so that events taking place outside the center may be available to center audiences.

(6) A court of States where flags of the 48 States may fly to exemplify to the Nation and the world the power of a Government which, through federation, has created unity out of diversity.

(7) Meeting rooms for small groups. These will be made out of the great hall area by means of movable walls. Special equipment—wiring, plumbing—will be installed.

(8) A parking area for 1,500 to 2,000 cars, mostly underground. This will be available for public parking when not needed by the center.

(9) A de luxe restaurant and popular-price coffee shop.

The Commission's report presents considerable research on the potential use and income to be expected from each of the center's components. It also includes information on seven other sites which were studied and rejected; information on density of population, thoroughfares, public transportation and terminals, taxicab zoning, existing cultural facilities, hotels, and urban-renewal plans in connection with all 10 sites studied. Research is also given on other auditoriums, music halls, and theaters, both private and municipal, here and abroad.

All the members of the Auditorium Commission contributed their services. They include, in addition to Mrs. Meyer, the following:

Vice chairman, Robert W. Dowling, president of the City Investing Co., of New York, and chairman of the American National Theater and Academy; secretary, George Livingston Williams, Washington, D. C., civic leader and former Treasury Department official; chairman of the Commission's Site and Planning Committee, Barney Balaban, president, Paramount Pictures Corp., New York; chairman of the Commission's finance committee, Robert V. Fleming, chairman of the board of the Riggs National Bank, Washington, D. C., and chairman of the Inaugural Committee, 1957; Mrs. Robert Low Bacon, civic leader, Washington, D. C.; Senator J. Glenn Beall, Republican of Maryland; Barnes Breeskin, musician, Chevy Chase, Md.; Representative Joel T. Broyhill, Republican, of Virginia; Elizabeth B. Howry, civic leader, Jamestown, R. I.; Frank R. Jelleff, president, Frank R. Jelleff & Co., Washington, D. C.; Dr. George M. Johnson, dean, Howard University Law School; Washington, D. C.; Representative Carroll D. Kearns, Republican, of Pennsylvania; former Representative Arthur G. Klein, Democrat, of New York; James L. Knight, general manager, Miami Herald Publishing Co., Miami, Fla.; Senator Pat McNamara, Democrat, of Michigan; who has just resigned from the Commission; Representative James H. Morrison, Democrat, of Louisiana; George Murphy, Metro-Goldwyn-Mayer executive, Hollywood, Calif.; Senator M. M. Neely, Democrat, of West Virginia; Mrs. James H. Rowe, Jr., civic leader, Washington, D. C.; and Representative Frank Thompson, Jr., Democrat, of New Jersey.[1]

EXCERPTS OF PRAISE OF NATIONAL CULTURAL CENTER

News story in the Washington Post and Times Herald of February 7, 1957, on statement by President Dwight D. Eisenhower, February 6, 1957.

"The President told Commission members, 'one thing about it, if it's needed, it's needed now.'

"Mr. Eisenhower told Chairman Agnes E. Meyer and other Commission members that an auditorium—cultural center would furnish to the world 'some evidence that we have respect for cultural and spiritual values.'

"He also said such a facility * * * would 'certainly be good for the country * * * and I think would have an influence throughout the world.'

"Mrs. Meyer thanked the President for the wonderful support you have given us."

Editorial, Washington Evening Star, February 2, 1957.

"The District Auditorium Commission's report on a cultural center for Washington is an admirable first step to which Congress should give every encouragement toward filling a long-neglected gap in the development of the Nation's Capital.

"As the Commission noted, the United States can feel 'only embarrassment' at the failure to match the cultural facilities which adorn the capitals of other nations and several of our own cities."

Editorial in the Washington Post, February 8, 1957.

"The auditorium site question is a matter for the experts to settle, with due regard for planning and other factors. * * * But the

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[1] Members of the Auditorium Commission were appointed by the President, Vice President, and Speaker of the House of Representatives.

The firm of Pereira & Luckman, architects of New York and California who are also involved in New York's Lincoln Square cultural project, served as coordinator of the Planning Board. The other members are: Faulkner, Kingsbury & Stenhouse, architects, Washington, D. C.; Giffels & Vallet, Inc., L. Rossetti, engineers, Detroit, Mich.; Holabird, Root & Burgee, architects, Chicago, Ill.; MacKie & Kamrath, architects, Houston, Tex.; Reynolds, Smith & Hills, engineers, Jacksonville, Fla.; Shepley, Bulfinch, Richardson & Abbott, architects, Boston, Mass.; and Stanford Research Institute, research, Menlo Park, Calif., and Washington, D. C.

In order to insure continuity of planning for the projected cultural center, bills have been introduced in the House of Representatives and Senate to prolong the life of the Auditorium Commission until the center is completed.

need for an auditorium, for a better stadium, for more and better schools, highways, welfare facilities, and all the other elements of a modern municipality is rightly a matter of immense local concern."

Statement by Richard Coe, drama editor, Washington Post, at Board of Trade—Variety Club—Hams Club's luncheon, March 4, 1957.

"This project for a national cultural center * * * is conceived in dynamic stimulating terms, a home for all the American arts and a center for Washington's tourism. It can be a tremendous thing for the city.

"At the moment, there is something the Board of Trade and its funds can do about this: see to it that of the possible locations suggested, the Congress will this session, make a choice of the land."

Article by Mrs. Anna Eleanor Roosevelt in Washington Daily News, February 6, 1957.

"I was delighted to read the other day of the recommendation of the President and Congress for a national cultural center in Washington.

"It sounds like a most wonderful development and one to which the people of the country should be glad to contribute, because it would be a great addition to the cultural life of the country."

CAPITAL GRANTS FOR URBAN RENEWAL PROGRAM

Mr. WILEY. Mr. President, one of the real hopes of leading cities across the Nation has been in the program for urban renewal—the revitalization of entire areas of some of our great metropolises which have become blighted.

Naturally, the availability of Federal assistance for this program is a matter of deepest significance to the mayors and municipal officials in all the cities involved.

One of the communities which has taken the lead in this program, with the enthusiastic backing of forward-looking, civic-minded citizens, has been the city of Milwaukee.

I was pleased today to hear from the distinguished mayor of Wisconsin's largest city, which has been a pacesetter for the Nation in this, as in many other respects.

Mayor Frank P. Zeidler commented on the importance of additional capital grants for the urban-renewal program.

I send to the desk the text of Mayor Zeidler's letter and ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., *March 14, 1957.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: It is my understanding that the capital-grant authority of the Urban Renewal Administration under title I of the Housing Act of 1949 is practically exhausted. Although the amount of actual capital-grant contracts which the Urban Renewal Administration has exhausted is less than $250 million, the amount of capital grants earmarked for projects in the planning stage and for projects which are pending is substantially more than $900 million. Since the total amount the President is authorized to allocate for capital grants is only $100 million it can be readily seen that this program will slow down very soon unless additional capital grants are authorized.

The President's budget for the coming fiscal year proposes an authorization of an additional $250 million to become available on July 1, 1957. A further amount of $250 million to become available on July 1, 1958, and an additional authorization of $100 million to be used at the discretion of the President.

Milwaukee is engaged in a good-sized program of urban renewal. Vital to this program in view of the limited resources of the city is the availability of Federal grants. The Urban Renewal Administration in view of the amount of moneys already committed is not prepared to make any additional capital-grants reservations at the present time. I therefore urge you to support any authorization for additional capital grants in order that Milwaukee's program of urban renewal can proceed.

Very truly yours,

FRANK P. ZEIDLER,
Mayor.

RECOMMENDED TRANSFER OF THE MEADOW VALLEY AREA FROM UNITED STATES DEPARTMENT OF THE INTERIOR TO THE STATE OF WISCONSIN

Mr. WILEY. Mr. President, I should like to recommend the transfer which has now been proposed, of what is known as the Meadow Valley area in Wisconsin, from the United States Department of Interior to the State of Wisconsin.

This tract has been operated under a cooperative land-use agreement with the Department of the Interior.

An agreement has been reached for the transfer and the matter is now under consideration by the members of the House Merchant Marine and Fisheries Committee under its distinguished chairman, Representative HERBERT C. BONNER.

The case for the transfer has been well made by the authorities of the State of Wisconsin, including in particular, the Honorable L. P. Voigt, conservation director.

This morning, I was pleased to hear from Director Voigt, and I send to the desk the text of a letter to me from him on this subject. I underline most enthusiastically the comments which he makes, and I ask unanimous consent that they be printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WISCONSIN,
CONSERVATION DEPARTMENT,
Madison, March 13, 1957.

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: During the middle 1930's, the Resettlement Administration, under the provisions of the Bankhead-Jones Farm Tenant Act, acquired 55,000 acres of land which lay largely in Jackson County, and 57,000 acres in Juneau and Monroe Counties.

The first tract mentioned has now been transferred to the State of Wisconsin by the Secretary of Agriculture for use as an area dedicated to sound natural resource management and public recreation; it is known as the Black River State Forest. The second tract is known now as the Meadow Valley area, and is operated by the State of Wisconsin under a cooperative land-use agreement with the Department of the Interior. During the past 16 years, the Meadow Valley unit has produced over $106,000 in revenue through the sale of mature timber, moss, wild hay, etc. In the same period, the conservation department spent over $334,000 in its improvement and maintenance. Thus it can be seen that this State has expended over $226,000 of its own funds in the past 16 years on this area—a substantial investment.

It is apparent that these expenditures, plus careful planning, have brought encouraging results. The unit is now one of Wisconsin's best known wildlife areas, and is visited by thousands of sportsmen annually in pursuit of waterfowl, deer, and a wide variety of upland game, which have flourished under sound management. It is also significant that in this area we are currently making heavy investments in attempting to reestablish the wild turkey in Wisconsin.

In view of our record of good stewardship of these lands, our large financial investments thereon, the integral part of our wildlife management program the area has become, and especially in view of the fact that the transfer of the Black River Falls unit demonstrated the feasibility and practicality of such a transfer, it is our contention that the Meadow Valley unit could and should be transferred similarly, in fee simple, to the State of Wisconsin.

Preliminary contacts with officials of the Fish and Wildlife Service have indicated they have no objections to this proposed transfer. They have informed us that the Secretary of the Interior has reached an agreement with the House Committee on Merchant Marine and Fisheries under the Honorable HERBERT C. BONNER, chairman, whereby any disposal of land interests by the Fish and Wildlife Service will be referred to this committee, which will have 60 days to consider the proposal. The proposed transfer of the Meadow Valley area, also known as the Necedah WMA was referred to the committee on February 18, and they will have until approximately April 18 to consider the proposal.

We will greatly appreciate anything that can be done by your office to facilitate the conveyance of these lands to the State of Wisconsin for the use of all of the citizens of our State.

Very truly yours,

L. P. VOIGT,
Conservation Director.

FOREIGN AID

Mr. CASE of New Jersey. Mr. President, in recent weeks foreign aid has become a favorite target for those seeking a budget cut. From the way it is usually discussed, one would think the United States was spending each year enormous sums of money to aid other nations economically. In my own experience, few of those who cry "give-away" are aware of the tiny percentage of budget funds actually devoted to economic and technical assistance.

More important, the vociferousness of the opponents of an aid program sometimes tends to suggest that they voice a widely held view. In fact, I think the opposite is true. I believe the vast majority of American citizens support a foreign assistance program as being in the best interests of the United States.

Striking evidence of this support is shown by several surveys conducted by the National Opinion Research Center at the University of Chicago. The results of the five nationwide surveys made over a period of years were published in yesterday's New York Times.

One of the most interesting aspects of the surveys is the support indicated for economic aid, even greater than that shown for military assistance.

For example, in June 1951, 51 percent of those polled thought economic aid more important than military assistance. This contrasts with 27 percent who thought military aid should receive priority.

Five year later—June 1956—the trend is more pronounced; 71 percent put economic aid first, as against only 17 percent favoring military assistance as most important.

Mr. President, I commend these studies to the attention of every Senator. I ask unanimous consent to have the full text of the Times article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIVE SURVEYS DISPUTE MAIL OPPOSING AID

(By E. W. Kenworthy)

WASHINGTON, March 16.—Five nationwide surveys of opinion of foreign aid have produced findings that run strongly counter to the cut-the-budget mail now flooding Capitol Hill.

The surveys also run counter to the conclusions that might be drawn and are being drawn by many Senators and Representatives because of those letters, most of which recommend outright elimination or heavy cuts in foreign aid.

All the surveys were conducted for the executive branch of the Government by the National Opinion Research Center at the University of Chicago.

In the first survey, made last January, 64 percent of those questioned thought "the aid we are sending to various foreign countries" helped the United States.

Another survey in the same month found that 82 percent favored economic aid for neutralist nations like India.

A third poll in November, 1956, disclosed that 90 percent supported continuing "economic aid to countries which have agreed to stand with us against Communist aggression."

A fourth, September, 1956, found 85 percent approving technical assistance to underdeveloped nations.

A fifth, in June, 1956, recorded 71 percent as believing that economic aid to friendly countries was more important than military aid.

If the results of the polls by the National Opinion Research Center are an accurate barometer, then serious doubts are raised about the assumptions that long have prevailed in Congress and, to some extent in the White House and State Department. These assumptions are:

That a majority of the voters now are opposed to economic aid—particularly development and technical assistance—as a "give away" that is unnecessary to the security of the United States, wins no friends and burdens the economy.

That an overwhelming majority is opposed to economic assistance to neutral nations.

Over the last 2 years the National Opinion Research Center has conducted several polls on the question of continuing economic aid to allied nations. The results in last November's survey showed that 90 percent favored continuation, 7 percent opposed it, and 3 percent had no opinion.

What was regarded as startling about the findings was that the percentage of approval was higher than ever before, and showed a 12 percent gain since January 1955.

Those interpreting the results believe that events in Hungary may have been partly accountable for the increase.

Even so, they note that the highest percentage of approval for the Marshall plan—in October 1947—was 80 percent.

Last November the same sampling of citizens was asked whether they thought "the aid we are sending to various foreign countries" helped the United States. Sixty-four percent thought that it did.

The 64 percent gave the following reasons for their opinion (because of some overlapping, the total is slightly more than 100 percent):

Forty-six percent thought it helped the United States politically by fostering friendly relations and building goodwill. This group made no mention of war or communism.

Sixteen percent thought it helped politically by reducing Soviet or Communist influence.

Fifteen percent thought it helped militarily by keeping other nations on the United States side and insuring bases.

Seven percent thought it helped militarily by preventing war.

Seventeen percent thought it helped economically by creating jobs, improving business, increasing exports, insuring prosperity and security which, they said, were linked to those of other nations.

Three percent thought it helped spiritually by giving the Nation the satisfaction of acting in a "Christian way" and "doing the right thing."

Several times in the last 6 years this question has been asked:

"As things are now, which would you say is most important—to send friendly nations economic aid, like machinery and supplies, or to send them military aid like tanks and guns?"

This is the trend of the answers:

	Economic aid	Military aid	Don't know
June 1951	51	27	22
August 1952	45	37	18
June 1956	71	17	12

The last sampling on this question was taken before the Polish and Hungarian revolts. Those interpreting the surveys believe that now the percentage favoring economic rather than military aid might be somewhat lower.

However, in November 1956, while the Hungarian revolt was going on and the Polish Communist regime of Wladyslaw Gomulka was pressing for more independence from Moscow, 53 percent of those questioned approved of economic aid to Communist countries that had rebelled against Soviet control.

Over the last year, surveys have been taken several times on the question of economic aid "to some countries like India, which have not joined us as allies against the Communists."

The results have fluctuated from a low of 43 percent in favor of such aid in April 1956, to 52 percent in favor last January.

The surveys also have raised questions about popularly held beliefs that democratic voters, by and large, have been more favorable to economic aid for underdeveloped nations than have Republican voters.

In March 1955, the question was asked:

"In general, do you think it is good policy for the United States to try to help backward countries in the world to raise their standard of living, or shouldn't this be any concern of our Government?"

Eighty-four percent of those questioned who had voted for General Eisenhower in 1952 favored such aid, as against 80 percent of those who had voted for Adlai E. Stevenson.

Again last November, 94 percent of the Eisenhower voters approved continued economic aid to allied nations, compared to 98 percent Stevenson voters.

GOVERNOR OF ALASKA

Mr. NEUBERGER. Mr. President, I rise on the Senate floor today to protest briefly against the administration's shameful neglect of orderly governmental processes in the Territory of Alaska.

Since January 3—a period of 2½ months—there has been no Governor presiding over the affairs of our great bastion in the north. This is the period when the Territorial legislature meets at Juneau, the capital. Laws must be passed for the next biennium—the legislature convenes only every other year. Taxes must be levied and the budget prepared. But Alaska has no Governor. Let me explain the reasons why.

The basic reason is a raw, naked, bitter struggle for power in the Republican Party within the Territory. They cannot decide who the Governor should be, who should get this choice political plum. And so President Eisenhower leaves vacant this vital position, right during the period when the Territorial legislature is convened. Does this neglect square with the administration's pious protestations of alarm and concern over the defense of Alaska and of its welfare? Many letters to me from people in both the Pacific Northwest and Alaska have expressed concern over the situation.

Mr. President, the fact that the Republican administration has left Alaska without a Governor since January 3 is one more evidence of the burning need for statehood, for self-government in Alaska. The great Territory is only under an acting Governor today—the secretary of Alaska, who never was chosen to occupy the Governor's chair. The position of secretary is a nonelective, clerical position. I urge President Eisenhower to appoint a Governor immediately. The welfare of Alaska cannot continue to remain subordinate to internecine quarrels and strife within the Republican Party.

DAVID KARR

Mr. ANDERSON. Mr. President, it has come to my attention that the issue of the loyalty and patriotism of David Karr has been commented on in the pages of the CONGRESSIONAL RECORD recently.

I have known David Karr since 1942. The circumstance of our meeting is significant.

In 1942, when I was a Member of the House of Representatives, I was appointed to a subcommittee to investigate charges of communism in Government. At that time I had occasion to make a very thorough investigation of David Karr. My findings at that time were that David Karr was a good, upstanding American. There was nothing to indicate that he was then or had ever been a member of the Communist Party. For the past 15 years I have continued to observe the career of David Karr with considerable personal interest.

I was pleased and delighted when, immediately after the war, he participated in organizing the private collection of $40 million worth of food, which was rushed to France and Italy to successfully combat the Communist terror then rampant in both countries. For this Mr.

Karr was decorated by the French and Italian Governments.

I have known David Karr as a newspaperman, as a businessman, and as an author. I want to state for the RECORD my conviction, after having investigated him thoroughly, that he is a fine, upstanding American.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there further morning business? If not, morning business is closed.

Mr. ERVIN. Mr. President, if there is no further morning business, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CotTON in the chair). Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. What is the pending business?

The PRESIDING OFFICER. There is no pending business as yet. The unfinished buisness will not be in order until 2 o'clock.

AMENDMENT OF COLUMBIA BASIN PROJECT ACT

Mr. ERVIN. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 135, Senate bill 1482.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1982) to amend certain provisions of the Columbia Basin Project Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JACKSON. Mr. President, I desire to make a brief statement in connection with S. 1482, to amend certain provisions of the Columbia Basin Project Act of 1943, and for other purposes.

First, both the act of 1943 and S. 1482 relate solely to a critical economic situation on the Columbia Basin reclamation project, which is located entirely within the borders of my State of Washington. My colleague, the distinguished senior Senator from Washington [Mr. MAGNUSON], and I sponsored the bill, which we believe will go far toward meeting a major current agricultural operation problem of the owners of approximately 2,000 farms that are served with irrigation water from Franklin D. Roosevelt Reservoir created by Grand Coulee Dam.

Second, I desire to emphasize that S. 1482 adheres to acreage limitation provisions of the reclamation law. It even goes further and limits the acreage holdings of land for which water may be received. Under the reclamation law, a man, his wife, and each child may each receive water for as much as 160 acres of irrigable land. Thus, a family of 4 could hold a section of land consisting of 640 acres.

Under S. 1482, the holdings of a family—a man, his wife, and minor children—are limited to 320 acres. Corporations and other individual operators are limited to 160 acres each.

The act of 1943 limits the holdings to not less than 10 nor more than 160 acres per family. Experience shows that a liberalization that more nearly meets the reclamation law restrictions is necessary and desirable. Among the compelling factors are limited credit under existing conditions, mechanical improvements, costs of subjugation of raw land, markets, and other factors.

We in the Pacific Northwest are proud of the Columbia Basin reclamation project, which will ultimately serve more than a million acres of irrigated land. A third of that area has been transformed from sagebrush into productivity. The population of the area has tripled, and markets have been created for manufactured goods produced all over the country.

Many Members of the Senate have inspected the development, and have been impressed with its progress and possibilities.

I thank the Senate for its consideration in advancing a solution of the problem. Details will be found in report No. 140 accompanying S. 1482, as reported by the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. THYE. Mr. President, I merely desire to inform the Senate that the bill has been considered; it has the approval of the minority leader, and there is no objection to its passage.

The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1482) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) section 2 (b) (iii) of the Columbia Basin Project Act (57 Stat. 14), as amended, is hereby repealed and the following is substituted therefor:

"(iii) Water shall not be delivered from, through, or by means of the project works to or for lands not conforming in area and boundaries to the farm units covering the lands involved, nor to or for the farm units held by any one landowner (a) which, taken together, comprise more than 160 irrigable acres, or (b) in the case of a nominal quarter section comprising more than 160 irrigable acres referred to in subdivision (i) of subsection (b) of this section, which comprise more than the acreage contained in such quarter section: *Provided*, That notwithstanding any other provision of this act, water may be delivered to one or more farm units comprising a total irrigable area of not more than 320 acres held by members of a family: *Provided further*, That as to lands held by the one having equitable or legal title on May 27, 1937, or the heir or devisee of such owner, delivery may be made to or for a total irrigable area not exceeding the maximum provided in this section. The limitations of this subdivision shall not apply to lands owned by the United States or any agency or instrumentality thereof, corporate or otherwise."

(b) Section 2 (b) (iv) of said act is hereby repealed and the following is substituted therefor:

"(iv) Lands within the project held by any landowner in excess of the farm unit or units to which water may lawfully be delivered as provided in subdivision (iii) of this subsection shall be deemed excess land: *Provided*, That if excess land is required by foreclosure or other process of law, by conveyance in satisfaction of mortgages, by inheritance or by devise, water therefor may be furnished temporarily for a period not exceeding 5 years from the effective date of such acquisition, delivery of water thereafter ceasing until the transfer thereof to a landowner duly qualified to secure water therefor."

(c) Section 2 (b) (v) of said act is hereby repealed and the following is substituted therefor:

"(v) As used in this act, the terms 'owner,' 'landowner,' and 'any one landowner' denote any person, corporation, joint-stock association; the term 'family' denotes a group consisting of either or both husband and wife, together with their children under 18 years of age, or all of such children if both parents are dead; the term 'their children' includes the issue and lawfully adopted children of either or both husband and wife; and the term 'lands within the project' denotes those lands within the boundaries of the existing Columbia Basin irrigation districts, or revisions thereof approved by the Secretary, which the Secretary determines may be supplied water from, through, or by means of the project works and are required to be included to provide for sound development and operation of the project. Lands shall be deemed to be held by a family if held as separate property of husband or wife, or constitute a part or all of their community property, or if they are the property of any or all of their children under 18 years of age."

SEC. 2. The Secretary of the Interior is authorized to amend any contract, which has been entered into prior to the date of enactment of this act, or any existing deed or other document to conform with the provisions of the first section of this act. The consent of the United States is hereby given to the recording, at the expense of the party benefited thereby, of any such amendment.

FINANCIAL INSTITUTIONS ACT OF 1957

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business, Senate bill 1451.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

Mr. THYE. Mr. President, I should like to make an inquiry as to what the purpose of the request is. Is it to foreclose morning business?

The PRESIDING OFFICER. Morning business was concluded some time ago.

Mr. JOHNSON of Texas. Mr. President, the purpose is to have some business before the Senate. Normally, following an adjournment, the unfinished business would not automatically be laid before the Senate previous to 2 o'clock. Normally the acting majority leader would make this request, but the distin-

guished Senator from Virginia is eager to proceed with the consideration of the bill.

Mr. THYE. Mr. President, I must say to the majority leader that I have in mind some important business before we proceed with the discussion of the banking bill. I should like to be recognized. I understand also that the Senator from Delaware [Mr. WILLIAMS] has some rather important business which he wishes to discuss.

Mr. JOHNSON of Texas. If distinguished Senators on the other side of the aisle do not care to make their remarks in connection with the banking bill before the Senate, we shall withhold the request that the unfinished business be laid before the Senate until after they have made their statements.

Mr. THYE. I have no objection to the unfinished business being laid before the Senate, but I should like to have the opportunity to present what I have in mind before the Senate proceeds to consider the banking bill.

Mr. JOHNSON of Texas. As the Senator knows, we still have the priceless freedom of unlimited debate in the Senate, and so long as the Senator has the energy to rise to his feet and say "Mr. President" the question will not be put.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none.

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. ROBERTSON. Mr. President, I call up two noncontroversial amendments in the nature of committee amendments. I should like to have them disposed of, and then Senators who wish to speak on other subjects may proceed, so far as the junior Senator from Virginia is concerned.

Mr. THYE. Before proceeding to consider the amendments if that is the desire of the distinguished Senator from Virginia, I would have to suggest the absence of a quorum.

Mr. ROBERTSON. The Senator from Virginia will withdraw his request, and allow speeches to be made on the other side of the aisle. He assumes that they are much more important to the Nation than the banking bill.

Mr. ALLOTT. Mr. President, I send to the desk an amendment to Senate bill 1451 and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed and lie on the table.

TAX DELINQUENCIES

Mr. WILLIAMS. Mr. President, 2 years ago I requested that the Treasury Department furnish as of December 31, 1954, an inventory of all delinquent taxes and requested that this report be broken down both by districts and types of tax. It was my contention that not only would such a report be of advantage to the Treasury Department and Congress in knowing the status of the accounts, but also in later years as additional reports were received it would furnish a quick comparison as to the economic trend and management in the different areas and offices.

On June 2, 1955, and again on February 23, 1956, I incorporated in the CONGRESSIONAL RECORD the first two annual reports, showing an inventory of the total tax delinquencies as of December 31, 1954, and 1955, respectively.

Today I have the third annual report showing the delinquencies as of December 31, 1956, which I shall also incorporate in the RECORD.

In order that the trend may be more readily determined in each of the offices, I have assembled the third report along with a summary of the two preceding reports. In addition, I have separated and am placing special emphasis on the delinquent employment taxes. The delinquent employment tax represents income, social security, unemployment, and carrier taxes which have been withheld by employers from their employees but which have not been forwarded to the United States Treasury. Instead of recognizing these withheld funds as trust funds to be held in escrow pending their being forwarded to the Treasury Department, certain employers have kept and used them for their own purposes.

This third annual report shows total tax delinquencies as of December 31, 1956, of $1,619,629,000, of which amount $279,183,000 represents employment taxes. This compares with totals of $1,646,383,973.95 on December 31, 1955, and $1,614,494,287 on December 31, 1954.

This total represents a reduction as compared with the December 31, 1955, figure of about $25 million, but the December 31, 1956, figure, while 1.6 percent below 1955, is still an increase of about $5 million over the total for December 31, 1954.

In other words, considering the 3 years together, there has been no progress made toward reducing the total delinquencies in the country. This is a matter of concern in view of the fact that during this same 3-year period, in which total delinquencies have averaged better than $1,600,000,000, our country was enjoying the highest level of prosperity in history.

As stated, I have separated in this report the employment taxes; that is, the taxes withheld from the employees by the employers; and I am placing special emphasis upon the alarming trend in which certain employers are failing to forward these funds to the Federal Government.

It should be remembered that on this type of tax the employee has no choice under the law other than to permit his employer to withhold these income and social-security taxes from his paycheck.

The employee has no alternative, but these funds once withheld by the employer are trust funds and certainly do not belong to the employer. The manner in which certain employers have been allowed to continue in business over a period of years, utilizing these funds continuously for their own personal use, is indefensible.

I call special attention to the alarming increase in this practice in certain offices. The complete record, showing both percentages and dollar amounts, may be found in the table which will be incorporated at the end of these remarks.

Burlington, Vt., last year showed a 38 percent increase in employment tax delinquencies, and at the same time a 67 percent increase in total tax delinquencies.

Providence, R. I., while showing a 15 percent reduction in total tax delinquencies, showed a 40 percent increase in employment tax delinquencies.

Syracuse, N. Y., shows an increase of 21 percent in employment tax delinquencies and an overall increase in total tax delinquencies of about 19 percent.

On the other hand, Philadelphia and Pittsburgh, Pa., which were two offices receiving rather severe criticism last year, have improved their position. Employment tax delinquencies in Philadelphia have dropped from $17 million to $12 million, or about 27 percent, while total tax delinquencies have dropped from $74 million to $66 million, or a reduction of 11 percent. Last year Philadelphia showed an increase in both categories.

At the same time Pittsburgh, which last year showed a 33 percent increase in employment tax delinquencies and a 4 percent increase in total tax delinquencies, this year showed a decrease in both categories of 4 percent and 23 percent, respectively.

In Ohio we find this trend of increased withheld tax delinquencies rather prevalent. Cincinnati does show a 7 percent reduction in employment tax delinquencies and a 10 percent reduction in total tax delinquencies, but the other three Ohio districts all report increases.

In Cleveland, Ohio, employment tax delinquencies have increased from $5.5 million to $5.9 million, or an increase of 7 percent while total tax delinquencies for Cleveland have jumped from $35.5 million to $42.5 million, or an increase of 19 percent. Last year Cleveland, while showing a 4 percent increase in employment tax delinquencies, had reported a reduction in total delinquencies of about 17 percent.

Columbus, Ohio, in 1956 reports a 28 percent jump in employment tax delinquencies and a 50 percent jump in total tax delinquencies, while Toledo, Ohio, reports an increase of nearly 57 percent in employment tax delinquencies, but a reduction in total tax delinquencies of 14 percent.

In Jacksonville, Fla., we find employment tax delinquencies have jumped from $4.9 million to $6.5 million, or an increase of 31 percent, although this district does report a reduction of 15 percent in total tax delinquencies during 1956.

However, it is in the Chicago region that we find some of the most alarming statistics. For example, we find that the Chicago district office, which last year had a 24-percent jump in employment tax delinquencies, has registered another 30-percent jump in 1956. At the same time the overall tax delinquencies in the Chicago district jumped from $87 million to $120 million in 1956, or an increase of over 37 percent. It should be noted that for the past several years Chicago has been pointed out to the Treasury Department as being an office of questionable management, and only recently the basis

for this continuous prodding was confirmed when the Treasury Department reported the indictment of the former director and four other individuals. There is still plenty of room for improvement in the management of the Chicago office.

Springfield, Ill., which comprises a part of the Chicago region, registered an increase of 32 percent in employment tax delinquencies.

Detroit, Mich., also a part of the Chicago region, shows this same alarming trend. In 1955, Detroit recorded a 32-percent increase in employment tax delinquencies for that office against a 53-percent increase in total tax delinquencies for the same year. Again in 1956, rather than showing improvement, delinquencies are still climbing with Detroit registering another 23-percent increase in withheld tax delinquencies and approximately a 2-percent increase in total delinquencies for last year.

Milwaukee, Wis., also a part of the Chicago region, has during the past 2 years shown a decrease in total tax delinquencies with last year's decrease being 17 percent, but Milwaukee has nevertheless reported the same alarming trend as the rest of the Chicago region in which employers are failing to forward to the Government taxes withheld from their employees. For instance, in 1955, Milwaukee showed a 22-percent increase in employment tax delinquencies and in 1956 another 11-percent increase.

Des Moines, Iowa, reports a 32-percent increase in employment tax delinquencies along with an 11-percent increase in total tax delinquencies.

Employers in the Kansas City, Mo., area during the past 2 years have likewise been following in an increasing number this indefensible practice of keeping for their own use employment taxes withheld from their employees. For instance, employment tax delinquencies in 1955 in Kansas City as compared with 1954 represented a 29-percent increase, and in 1956 an increase of 27 percent was reported.

Omaha, Nebr.; St. Paul, Minn.; and Wichita, Kans.; each reported an increase both in withholding tax delinquencies and in total tax delinquencies for 1956 as compared with 1955. For instance: Omaha, Nebr., in 1956 reported an increase in withheld tax delinquencies of 10 percent an da 5-percent increase in total tax delinquency.

St. Paul, Minn., in 1956 registered a 21-percent increase in both withholding and total tax delinquencies, while Wichita, Kans., reported a 24-percent increase in employment tax delinquencies and a 19-percent increase in total tax delinquencies for the same period.

Albuquerque, N. Mex., for the past 2 years has reported increases in both withholding and total tax delinquencies. In 1955 that office reported a 15-percent increase in employment tax delinquencies and a 5-percent increase in total delinquencies, while in 1956 the increases were even greater. Withheld tax delinquencies in 1956 increased 25 percent while total tax delinquencies in that office increased over 32 percent.

Austin, Tex., which last year reported a decrease in both categories, this year reported an increase in both, with employment tax delinquencies increasing 14 percent in 1956 and total tax delinquencies 19 percent.

Dallas, Tex., which reported a minor increase—1 percent—in employment tax delinquencies in 1956, did register a 27-percent increase in total delinquencies. In 1955 Dallas recorded a decline in both categories.

Little Rock, Ark., which in 1955 showed a 30-percent decline in employment tax delinquencies, reversed this trend and registered a 41-percent increase in 1956. At the same time their total tax delinquencies for 1956 increased over 11 percent.

Oklahoma City, Okla., reports an 18-percent increase in employment tax delinquencies in 1956 and a 7-percent decrease in the total amount of all types of taxes.

Helena, Mont., is another office which registered a startling increase in employment tax delinquencies for 1956. This office in 1955 had reported a decline in withheld tax delinquencies of 23 percent, but in 1956 it registered a 58-percent increase. The office did record a reduction of 30 percent in the overall tax delinquencies in 1956.

Puerto Rico, where employers already enjoy certain special benefits as to Federal income taxes, last year reported employment tax delinquencies as of December 31, 1955, 72 percent higher than the preceding year and their total tax delinquencies had jumped 127 percent.

There is no comparison available for 1956, since a change in accounting practices on the part of the Treasury Department no longer gives separate figures on Puerto Rico but now includes this under a new category of international operations. This new category reports employment tax delinquencies of $442,000 and total delinquencies of $17,328,000 in all types of taxes. Previously this $17 million would have been distributed throughout the other offices, and to that extent could account for the better showing in some of the offices this year.

It is true that the delinquent tax accounts have not increased in all the offices throughout the country, and an examination of the attached report will show that progress has been made in some areas.

This chart is a compilation of statistics taken from the two preceding reports incorporated in the RECORD on June 2, 1955, and February 23, 1956, along with data taken from the report of December 31, 1956. It shows the increase or decrease, percentagewise and dollarwise, in both the employment tax delinquencies and the total tax delinquencies for each of the revenue offices.

At this point I ask unanimous consent that this chart be incorporated in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Delinquent taxes

District	Employment tax		Percent of increase or decrease over preceding year	Total taxes		Percent of increase or decrease over preceding year
	Number	Amount		Number	Amount	
Augusta, Maine:						
1954	1,145	$363,416.01		3,478	$2,382,660.00	
1955	1,119	486,303.35	−26.6	3,018	1,918,901.28	−26.8
1956	1,128	543,000.00	+11.0	3,342	1,488,000.00	−22.2
Boston, Mass.:						
1954	10,088	11,226,932.85		37,002	41,309,294.00	
1955	11,123	10,000,411.94	−10.9	30,723	37,823,306.26	−8.4
1956	9,677	9,422,000.00	−3.6	36,337	36,896,000.00	−2.4
Burlington, Vt.:						
1954	619	241,055.40		1,424	644,128.00	
1955	441	145,606.27	−39.6	1,245	408,970.49	−36.5
1956	421	201,000.00	+38.0	1,714	683,000.00	+67.0
Hartford, Conn.:						
1954	4,232	2,881,137.07		22,556	15,271,158.00	
1955	4,079	3,296,977.26	+16.5	21,219	15,348,135.32	+.5
1956	4,079	3,202,000.00	−3.0	21,759	11,448,000.00	−25.4
Portsmouth, N.H.:						
1954	1,017	430,775.31		3,654	5,292,731.00	
1955	890	310,676.22	−32.5	2,847	2,179,081.04	−58.9
1956	839	315,000.00	+1.3	3,144	1,948,000.00	−10.6
Providence, R. I.:						
1954	1,847	1,204,162.49		8,000	7,269,886.00	
1955	1,259	894,232.10	−25.7	5,985	7,173,805.25	−2.9
1956	1,874	1,254,000.00	+40.2	7,329	6,041,000.00	−15.7
Albany (14th) N. Y.:						
1954	4,679	$3,859,087.55		19,[illegible]	$15,061,065.00	
1955	4,770	3,454,462.53	−2.9	14,246	11,274,900.84	−26.1
1956	5,018	3,406,000.00	−2.4	14,296	11,142,000.00	−1.1
Brooklyn (1st) N. Y.:						
1954	28,900	19,534,016.98		98,274	106,822,426.00	
1955	37,492	24,523,884.70	+32.7	100,952	153,339,786.02	+36.1
1956	32,645	24,034,000.00	−2.0	105,604	159,428,000.00	−2.9
Buffalo (30th) N. Y.:						
1954	4,804	3,351,703.77		21,869	12,305,574.00	
1955	4,736	2,916,653.26	+24.0	19,232	12,058,317.23	−2.5
1956	4,541	2,778,000.00	−4.7	20,172	12,308,000.00	+2.0
Puerto Rico						
1954	1,320	147,298.62		3,020	373,562.00	
1955	1,833	252,580.28	+72.1	3,249	622,344.68	+127.4
1956 [1]	1,304	442,000.00		14,321	17,328,000.00	
Lower Manhattan (2d) N. Y.:						
1954	22,636	17,622,534.10		48,155	171,308,513.00	
1955	25,952	20,573,162.41	+16.7	52,241	166,476,849.31	−1.0
1956	19,669	21,087,000.00	+2.4	44,725	152,097,000.00	−8.3

[1] Puerto Rico is now under International Operations Division; therefore, no comparison available. Previously international operations, with the exception of Puerto Rico were included in the other offices.

Delinquent taxes—Continued

District	Employment tax		Percent of increase or decrease over preceding year	Total taxes		Percent of increase or decrease over preceding year
	Number	Amount		Number	Amount	
Syracuse (2d) N. Y.:						
1954	3,046	$1,532,262.81		12,488	$5,950,017.00	
1955	2,545	1,664,306.71	+7.2	9,205	5,205,846.83	−4.4
1956	3,341	2,019,000.00	+21.3	13,955	6,443,000.00	+19.4
Upper Manhattan (3d) N. Y.:						
1954	34,420	26,447,055.62		67,328	158,538,408.00	
1955	31,023	23,091,187.54	+23.6	109,567	195,098,775.26	+23.6
1956	32,586	31,514,000.00	−3.6	124,641	202,676,000.00	+3.8
Baltimore, Md. (Md. & D. C.):						
1954	12,249	6,296,663.87		120,870	86,463,264.00	
1955	9,577	5,733,865.60	−8.3	96,061	62,497,224.43	−8.9
1956	8,908	4,402,000.00	−23.7	93,643	43,778,000.00	−31.5
Camden (1st) N. J.:						
1954	3,320	2,090,781.97		16,986	10,028,780.00	
1955	3,684	2,657,984.25	+27.1	16,959	16,896,707.78	+68.5
1956	4,709	2,950,000.00	+10.9	19,659	14,015,000.00	−17.0
Newark (8th) N. J.:						
1954	27,438	24,083,886.58		122,993	92,962,952.00	
1955	23,673	22,244,526.78	−7.6	84,893	79,793,942.61	−14.1
1956	17,240	18,192,000.00	−18.2	71,578	79,913,000.00	+.1
Philadelphia (1st), Pa.:						
1954	18,014	15,700,498.83		90,634	63,430,420.00	
1955	17,918	17,080,134.24	+8.6	87,594	74,744,336.73	+17.7
1956	11,923	12,342,000.00	−27.6	55,991	66,115,000.00	−11.5
Pittsburgh (23d), Pa.:						
1954	4,890	3,800,921.84		40,973	28,968,774.00	
1955	6,853	5,079,928.43	+33.6	34,891	30,144,327.73	+4.1
1956	5,253	4,848,000.00	−4.5	26,534	28,102,000.00	−22.3
Scranton (12th), Pa.:						
1954	2,134	2,345,338.27		9,414	7,948,784.00	
1955	1,743	2,324,223.06	−.8	8,658	7,233,298.19	−9.0
1956	1,397	2,223,000.00	−4.4	4,975	6,516,000.00	−9.9
Wilmington, Del.:						
1954	571	369,208.25		5,460	22,009,168.00	
1955	663	327,524.32	+8.2	4,580	3,639,928.73	−83.4
1956	623	301,000.00	−8.2	5,622	3,722,000.00	+2.3
Cincinnati (1st), Ohio:						
1954	3,431	1,784,098.72		26,543	15,128,535.00	
1955	3,630	1,947,441.36	+9.1	24,422	12,685,998.21	−16.1
1956	3,060	1,801,000.00	−7.4	22,534	11,410,000.00	−10.0
Cleveland (18th), Ohio:						
1954	7,988	5,272,630.40		46,841	42,953,755.00	
1955	8,720	5,523,263.73	+4.7	46,540	35,547,538.72	−17.4
1956	8,219	5,926,000.00	+7.2	39,621	42,560,000.00	+19.8
Columbus (11th), Ohio:						
1954	1,207	804,431.23		13,054	6,652,735.00	
1955	1,290	657,347.06	+10.6	11,010	6,524,901.15	−.4
1956	1,517	845,000.00	+28.6	12,340	8,972,000.00	+38.5
Toledo (10th), Ohio:						
1954	929	393,720.71		8,072	3,317,057.00	
1955	785	363,421.06	−9.1	8,835	3,894,973.94	−12.6
1956	1,078	617,000.00	+86.0	8,277	2,471,000.00	−14.7
Indianapolis, Ind.:						
1954	3,420	2,477,333.39		23,476	10,121,272.00	
1955	4,767	2,953,720.13	+19.2	22,273	10,703,250.92	+5.8
1956	3,959	3,120,000.00	+5.6	20,097	10,574,000.00	−.8
Louisville, Ky.:						
1954	2,019	1,095,518.06		12,161	11,834,161.00	
1955	2,034	1,228,281.32	+16.3	12,968	13,172,969.14	+11.3
1956	2,437	1,243,000.00	+9.2	12,331	12,930,000.00	−1.8
Parkersburg, W. Va.:						
1954	3,221	1,952,998.84		15,917	12,931,490.00	
1955	2,257	1,376,158.66	−29.5	11,094	10,627,103.44	−17.8
1956	1,533	1,064,000.00	−22.6	8,257	9,032,000.00	−15.0
Richmond, Va.:						
1954	4,992	2,299,122.31		22,671	28,998,699.00	
1955	5,147	2,865,135.79	+18.9	20,337	31,881,829.41	+4.2
1956	4,118	2,423,000.00	−9.1	20,199	28,982,000.00	+9.3
Atlanta, Ga.:						
1954	4,963	2,947,046.04		28,021	29,972,729.00	
1955	5,989	3,572,771.07	+21.2	24,079	18,809,489.18	−10.3
1956	5,540	3,423,000.00	−3.9	24,712	17,080,000.00	−9.1
Birmingham, Ala.:						
1954	4,874	2,299,185.29		19,306	19,895,987.00	
1955	5,055	1,965,215.06	−14.5	18,032	17,698,819.86	−9.8
1956	5,650	1,880,000.00	−4.3	18,780	21,969,000.00	+24.5
Columbia, S. C.:						
1954	3,737	1,078,628.03		14,346	7,201,701.00	
1955	3,318	821,119.84	−23.8	12,972	5,311,429.29	−8.5
1956	3,311	850,000.00	+3.4	13,202	5,413,000.00	−16.8
Greensboro, N. C.:						
1954	5,232	3,016,860.03		22,450	26,995,319.00	
1955	4,318	1,998,267.92	−.9	15,987	21,018,680.00	−20.3
1956	4,256	1,957,000.00	−2.0	17,696	22,222,000.00	+5.7
Jackson, Miss.:						
1954	1,500	626,230.21		5,853	4,717,712.00	
1955	1,526	596,555.02	−4.7	5,231	2,957,931.29	−37.3
1956	1,621	648,000.00	+8.8	5,371	2,744,000.00	−7.2
Jacksonville, Fla.:						
1954	8,451	$4,695,224.83		31,020	$47,885,435.00	
1955	8,239	4,996,151.87	+6.6	30,918	49,361,097.11	+3.0
1956	10,209	6,562,000.00	+31.3	36,062	41,546,000.00	−15.8
Nashville, Tenn.:						
1954	3,721	1,775,100.45		12,792	12,463,047.00	
1955	3,181	1,601,697.63	−9.7	12,971	13,220,012.32	+6.0
1956	3,160	1,567,000.00	−.9	12,323	11,457,000.00	−13.3
Chicago (1st), Ill.:						
1954	21,430	12,872,498.63		126,832	81,638,900.00	
1955	22,891	15,915,034.71	+24.3	119,833	87,843,509.34	+7.5
1956	24,897	20,838,000.00	+30.8	143,457	120,971,000.00	+37.7
Springfield (8th), Ill.:						
1954	4,362	1,903,972.63		15,192	9,101,127.00	
1955	3,341	1,627,535.26	−14.4	12,883	8,723,856.07	−4.1
1956	3,774	2,171,000.00	+33.3	15,117	8,526,000.00	−2.3
Detroit, Mich.:						
1954	11,801	7,782,369.72		86,800	44,767,225.00	
1955	16,326	10,808,182.55	+38.8	81,369	68,934,225.44	+53.8
1956	16,871	13,328,000.00	+23.3	88,783	70,594,000.00	+2.9
Milwaukee, Wis.:						
1954	3,759	1,704,809.43		16,962	16,592,829.00	
1955	3,751	2,087,500.52	+22.4	14,222	16,279,604.72	−1.8
1956	4,634	2,314,000.00	+10.8	14,656	13,455,000.00	−17.3
Aberdeen, S. Dak.:						
1954	734	382,300.83		5,092	1,255,504.00	
1955	594	340,973.80	−11.7	3,488	1,613,977.06	+28.5
1956	523	340,000.00	−.4	3,898	1,441,000.00	−10.7
Cheyenne, Wyo.:						
1954	688	248,412.42		3,442	1,639,899.00	
1955	777	256,547.66	+3.6	3,215	1,344,230.46	−17.5
1956	820	264,000.00	+2.7	3,126	1,077,000.00	−19.8
Denver, Colo.:						
1954	2,754	1,319,173.85		9,888	7,352,976.00	
1955	3,056	1,642,399.55	+24.4	9,746	7,960,679.86	+5.4
1956	2,452	1,402,000.00	−14.6	10,236	8,142,000.00	+2.3
Des Moines, Iowa:						
1954	1,781	770,985.98		5,810	9,737,729.00	
1955	1,866	749,072.00	−2.8	5,007	8,200,182.84	−15.7
1956	1,989	989,000.00	+32.0	6,739	9,118,000.00	+11.1
Fargo, N. Dak:						
1954	843	310,419.75		3,323	1,358,492.00	
1955	578	217,937.13	−29.6	1,607	1,011,138.65	−25.8
1956	862	228,000.00	+4.5	2,190	1,338,000.00	+32.1
Kansas City (8th), Mo.:						
1954	1,783	884,537.15		5,155	8,021,964.00	
1955	2,030	1,146,641.26	+29.6	7,615	9,433,477.26	+4.5
1956	2,527	1,460,000.00	+27.8	8,650	8,673,000.00	−8.0
St. Louis (1st) Mo.:						
1954	1,928	974,296.01		11,539	12,267,805.00	
1955	1,660	1,325,748.20	+35.9	9,998	10,085,530.00	−17.7
1956	2,001	1,113,000.00	−15.6	8,997	9,609,000.00	−4.7
Omaha, Nebr.:						
1954	810	505,945.99		3,322	4,188,447.00	
1955	638	480,095.97	−12.5	2,697	3,984,441.91	−19.5
1956	770	528,000.00	+10.0	3,441	3,844,000.00	+5.3
St. Paul, Minn.:						
1954	2,096	1,929,020.90		10,916	9,725,398.00	
1955	2,110	2,093,897.27	+8.5	9,616	9,270,700.41	−4.6
1956	2,560	2,546,000.00	+21.5	12,035	11,204,000.00	+20.8
Wichita, Kans.:						
1954	2,405	899,391.24		10,542	7,316,879.00	
1955	2,917	1,018,508.27	+8.5	10,279	6,757,898.80	−7.6
1956	3,209	1,268,000.00	+24.5	9,028	8,047,000.00	+19.0
Albuquerque, N. Mex.:						
1954	1,914	761,102.41		5,691	2,834,810.00	
1955	1,994	873,894.56	+15.2	5,978	2,960,729.62	+4.8
1956	1,957	1,092,000.00	+24.9	8,888	3,926,000.00	+32.5
Austin (1st), Tex.:						
1954	5,409	3,021,818.39		22,555	20,202,003.00	
1955	5,350	2,702,774.57	−10.5	18,391	12,784,005.75	−36.8
1956	6,263	3,486,000.00	+12.9	19,554	15,230,000.00	+19.4
Dallas (2d), Tex.:						
1954	9,311	5,077,118.16		31,244	28,748,778.00	
1955	6,816	3,608,235.71	−28.9	22,428	19,837,087.49	−31.3
1956	6,158	3,443,000.00	+.9	25,738	20,522,000.00	+27.4
Little Rock, Ark.:						
1954	1,801	462,688.04		3,431	3,315,853.00	
1955	1,259	319,991.69	−30.7	4,192	2,108,436.18	−8.9
1956	1,179	423,000.00	+41.5	4,781	2,355,000.00	+11.7
Oklahoma City, Okla.:						
1954	3,311	1,790,405.03		3,994	8,043,316.00	
1955	2,123	1,825,878.19	+2.0	9,455	8,421,064.41	+41
1956	2,764	2,157,000.00	+18.0	12,326	8,737,000.00	−7.2
New Orleans, La.:						
1954	4,556	1,548,046.72		19,806	17,472,955.00	
1955	4,261	2,260,378.09	+16.0	14,236	13,612,589.17	−21.0
1956	5,097	2,314,000.00	−2.0	18,288	11,526,000.00	−15.2
Boise, Idaho:						
1954	1,050	470,399.14		3,115	2,053,894.00	
1955	1,099	472,819.31	+.6	3,949	1,995,294.11	−4.6
1956	980	411,000.00	−13.1	3,211	2,155,000.00	+8.4
Helena, Mont.:						
1954	1,004	438,605.35		3,314	3,052,290.00	
1955	821	335,263.41	−23.7	2,912	2,375,503.61	−10.0
1956	1,035	527,000.00	+56.2	3,290	1,790,000.00	−30.1

Delinquent taxes—Continued

District	Employment tax		Percent of increase or decrease over preceding year	Total taxes		Percent of increase or decrease over preceding year
	Number	Amount		Number	Amount	
Honolulu, T. H.:						
1954	1,336	[illegible]		4,682	$4,620,929.00	
1955	1,196	876,088.14	−2.4	3,935	4,345,619.31	−5.9
1956	1,047	698,080.00	−23.7	3,580	3,920,000.00	−9.5
Los Angeles (Calif.), Calif.:						
1954	16,989	13,598,011.75		86,733	88,047,147.00	
1955	22,438	19,708,004.78	+47.1	105,098	83,679,336.98	−4.9
1956	17,151	16,604,000.00	−15.7	92,170	68,997,000.00	−17.6
San Francisco (Int) Calif.:						
1954	17,616	15,807,420.96		85,750	66,858,086.00	
1955	17,509	11,951,569.42	+12.7	73,365	88,083,237.30	+32.6
1956	11,473	9,214,000.00	−22.9	61,138	77,550,000.00	−12.8
Phoenix, Ariz.:						
1954	2,158	1,394,417.91		8,987	8,810,061.00	
1955	2,059	1,327,348.54	−4.1	7,025	8,087,757.70	−8.2
1956	1,833	1,102,000.00	−11.9	5,671	4,069,000.00	−12.6
Portland, Oreg.:						
1954	4,069	2,083,716.08		14,790	15,351,352.00	
1955	3,960	2,281,809.97	+11.1	13,635	12,429,142.30	−19.0
1956	2,767	1,934,000.00	−15.2	10,300	12,215,000.00	+6.3

District	Employment tax		Percent of increase or decrease over preceding year	Total taxes		Percent of increase or decrease over preceding year
	Number	Amount		Number	Amount	
Reno, Nev.:						
1954	1,435	$1,885,022.38		4,576	$6,043,330.00	
1955	1,196	1,470,181.47	−.6	3,782	5,637,952.56	+10.8
1956	1,080	1,574,000.00	+7.0	3,545	5,065,000.00	−10.4
Salt Lake City, Utah:						
1954	1,671	925,335.77		5,554	4,640,780.00	
1955	1,488	808,124.82	−12.6	4,008	3,550,852.41	−23.4
1956	1,374	778,000.00	−3.8	4,368	3,771,000.00	+5.8
Seattle, Wash.:						
1954	5,022	4,324,875.66		27,707	16,604,808.00	
1955	6,417	5,409,549.97	+25.0	22,634	18,295,695.85	−6.1
1956	5,837	5,827,000.00	+6.1	20,853	16,441,000.00	−10.0
Total:						
1954	390,398	254,062,301.79		1,725,474	1,614,494,267.00	
1955	390,309	286,908,237.04	+13.0	1,596,935	1,695,264,973.30	+1.9
1956	356,748	279,152,000.00	−1.9	1,500,085	1,619,629,000.00	−1.6

Mr. WILLIAMS. Mr. President, a summary of the totals for both the employment tax delinquencies and the total tax delinquencies shows that the total for all types of accounts increased 1.9 percent in 1955 over the year 1954 but during the year 1956 showed a reduction of 1.6 percent, still leaving the grand total tax delinquencies in 1956 at $1,619,629,000, or approximately $5 million higher than it was 2 years ago on December 31, 1954.

Employment tax delinquencies totals are likewise higher than 2 years ago. On December 31, 1954, they total $254 million; on December 31, 1955, they had increased to $284 million, or an increase of 12 percent. On December 31, 1956, employment tax delinquencies registered a reduction of 1.9 percent, from $284 million to $279 million. It should be emphasized, however, that employment tax delinquencies are higher today than they were 2 years ago by $25 million.

At the same time it should be pointed out that even this $279 million figure, representing total employment tax delinquencies as of December 31, 1956, was only possible by virtue of the fact that approximately $140 million in delinquent employment tax accounts have been written off as uncollectible during the past 6 years.

The Treasury Department in commenting upon the amount of delinquent employment tax accounts written off during the past 6 years stated:

> In general, accounts are closed either by collection of the amount due or by writing off the balance as uncollectible. I am pleased to report that the 6-year write-off by the Internal Revenue Service amounts to one-tenth of 1 percent of the 6 years' collection. This, we believe, is the true index of the effectiveness of any collection organization.

In the same letter they pointed out that the aggregate figure for employment taxes collected in the last 6 years was $139 billion, and 0.1 percent written off as uncollectible would represent $139 million.

At this point I ask unanimous consent to have incorporated in the RECORD the letter from the Treasury Department dated August 10, 1956, commenting upon these collections.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, D. C., August 10, 1956.

Hon. JOHN J. WILLIAMS,
United States Senate, Senate Office Building, Washington, D. C.

MY DEAR SENATOR: Upon receipt of your letter of July 11 I requested the Revenue Service to secure for me a report on delinquent accounts representing withheld income taxes, employers' and employees' social security taxes, and payments due under the Railroad Retirement Act and the Federal Unemployment Compensation Act.

As you know, we are dependent on the uncompensated cooperation of employers in the withholding of the employees' share of these taxes and the remission of collected taxes to the Revenue Service. It has not been feasible to require daily or weekly deposits of collected taxes by employers. Hence, employers for a period of 1 to 30 days have under their control withheld taxes. With hundreds of thousands of employers there are some who die, become ill, go out of business, encounter serious financial problems or go into bankruptcy or insolvency with withheld funds on hand. Such employers frequently fail to remit.

Over $28 billion in employment taxes were collected in the calendar year 1955, and the aggregate figure for the last 6 years is $139 billion. Thus, the current employment tax delinquency account for the 6-year period prior to 1956 represented 1 percent of the total collections of such taxes for the latest full calendar year and approximately one-fifth of 1 percent of the total for the last 6 years.

The inventory of past due accounts is comprised of two categories. The first category represents active accounts which are available for regular collection routines. The other category represents inactive accounts on which regular collection routines have been suspended pending other action such as decisions by the Tax Court, adjudications in bankruptcy, deferment of collection by reason of military status, etc. Of the outstanding employment taxes, $71 million is in an inactive status.

In general, accounts are closed either by collection of the amount due or by writing off the balance as uncollectible. I am pleased to report that the 6-year writeoff by the Internal Revenue Service amounts to one-tenth of 1 percent of the 6 years' collection. This, we believe, is the true index of the effectiveness of any collection organization.

You have requested a list of all delinquent accounts involving withheld taxes in excess of $10,000 each. I find that under the 1954 code, we are not free to release this information except in cases in which liens have been filed. In such cases we can report the amount of the lien filed. This, however, would not give an accurate report of the situation as in many cases payments have been made reducing liens and we are not free to disclose the amount of such payments.

To secure a list of liens filed will require the checking of more than 1 million accounts, as a master file is maintained of all past due withheld accounts. A separate record is not kept of accounts on which liens are filed. The records as to liens filed are not in Washington, but in our 64 district offices.

If satisfactory to you, I suggest that we take the records in one district and make a test listing of all accounts in excess of $25,000 on which liens have been filed. We can then measure the cost of preparing the lists and the length of time the master list would be out of normal use. After we have this information we can report it to you and consider in the light of this information the procedure to be followed thereafter.

Very truly yours,

PAUL C. SCHERER, Jr.,
General Counsel.

Mr. WILLIAMS. Mr. President, this letter referred to an inquiry I had filed with the Department requesting a list of all employers who were delinquent in excess of $10,000 in forwarding to the Government, taxes withheld from their employees. Mr. Scribner pointed out the difficulty in complying with this request and suggested that one district be checked for accounts in excess of $25,000;

however, in conversation with the Department it was agreed that a sample check be made of two districts and the amount held at the $10,000 figure.

Accordingly, the two districts selected were Chicago, Ill., and Philadelphia, Pa. At this point I ask unanimous consent to have incorporated in the RECORD the results of this survey, showing that in the Chicago office there were 14 delinquent accounts in excess of $10,000 each, and in the Philadelphia office there was a total of 54 employers on record as having withheld taxes in excess of $10,000 each. These reports were forwarded to me by the Treasury Department under date of December 4, 1956.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, December 4, 1956.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in further reply to your letter of August 14, 1956, regarding withholding and social-security-tax accounts of $10,000 or more in the Chicago and Philadelphia districts.

The Internal Revenue Service requested its two field offices concerned to review their inventories of accounts in a delinquent status outstanding as at September 30, 1956, and to submit reports of those withholding and social-security-tax accounts of $10,000 or more on which notices of lien had been filed. The data pertaining to the relevant accounts in an "active" category (i. e., those available for regular collection procedures) appear on the attached lists.

As I mentioned in an earlier letter there are certain provisions in the Internal Revenue Code which set out the extent to which information concerning taxpayers' accounts may be furnished. Because of this, the amounts shown on the lists are limited to those appearing on notices of tax lien and do not necessarily represent the balances now due.

Very truly yours,

PAUL C. SCHERER, Jr.,
General Counsel.

Withholding taxes and taxes assessed under the Federal Insurance Contributions Act

CHICAGO DISTRICT, ACTIVE ACCOUNTS

Taxpayer's name and address	Period	Notice of lien filed	Amount shown on notice of lien
1. American Automotive Products Co., 2023 South Michigan Ave., Chicago, Ill.	3d quarter 1955	May 16, 1956	$12,187.12
2. A. F. Anderson Iron Works, 58th and Lowe Ave., Chicago, Ill.	2d quarter 1954	May 20, 1955	17,916.21
3. Do	4th quarter 1954	Apr. 8, 1956	18,661.06
4. Do	1st quarter 1955	do	18,158.54
5. Leonard Borisof, 3618 Greenleaf, Lincolnwood, Ill.	3d quarter 1955	Apr. 20, 1956	10,308.36
6. Thomas E. Hatch, 821 Graemere St., Northfield, Ill.	3d quarter 1952 to Oct. 31, 1955	May 22, 1956	30,271.44
7. Frank J. Kornacker, 3060 East End Ave., Chicago, Ill.	3d quarter 1954	May 16, 1956	25,420.67
8. Do	4th quarter 1954	do	16,471.10
9. Frank Kornacker & Associates, Inc., 53 West Jackson Blvd., Chicago, Ill.	3d quarter 1954	May 25, 1955	$27,305.39
10. Do	4th quarter 1954	July 21, 1955	17,428.40
11. Lyric Theatre of Chicago, 20 North Wacker Dr., Chicago, Ill.	4th quarter 1955	May 24, 1956	54,023.40
12. Scott Radio Laboratories, Inc., 1020 North Rush St., Chicago, Ill.	1st quarter 1956	July 5, 1956	15,196.19
13. Tiletone Co., 2323 Wayne Ave., Chicago, Ill.	3d quarter 1955	Feb. 9, 1956	12,310.40
14. Do	4th quarter 1955	do	12,182.18
Total, 14 accounts			[illegible]

PHILADELPHIA DISTRICT, ACTIVE ACCOUNTS

Taxpayer's name and address	Period	Notice of lien filed	Amount shown on notice of lien
1. Leon Bordetsky, vice president, Parkway Knitting Mills, Inc., 1068 Princeton Ave., Philadelphia, Pa.	1st quarter 1951 to 4th quarter 1952	May 23, 1956	$12,435.37
2. Capitol Coat Shop Inc., 200 South 9th St., Philadelphia, Pa.	1st quarter 1954	May 26, 1955	15,474.45
3. Benjamin Caplan, secretary, Parkway Knitting Mills, Inc., 3425 60th Ave., Philadelphia, Pa.	1st quarter 1951 to 4th quarter 1952	May 23, 1956	12,835.37
4. O. Bernard Cramer, Mount Gretna, Lebanon County, Pa.	3d quarter 1953 to 1st quarter 1954	Aug. 9, 1956	11,732.57
5. John P. Dahlhausen, trading as Plumbing & Heating Service Co., 200 Ashbourne Rd., Elkins Park, Pa.	1st quarter 1952	Oct. 31, 1952	17,235.68
6. Do	3d quarter 1952	June 11, 1953	20,781.08
7. Do	4th quarter 1952	June 8, 1955	40,182.56
8. Do	3d quarter 1955	Feb. 14, 1956	23,416.46
9. Dominic DeFeo, 7275 Revere Rd., Philadelphia, Pa., formerly 2130 MacLarie Lane, Broomall, Pa.	3d quarter 1951 to 4th quarter 1952	June 10, 1955	29,422.47
10. Peter Durante & Michael Durso, 111 East Mount Airy Ave., Philadelphia, Pa.	1st quarter 1952	Oct. 2, 1952	14,905.45
11. C. H. Gobin, Jr., E. F. Kern, and M. J. Leonard, partners, McConnellsburg, Pa.	3d quarter 1953	Jan. 14, 1956	10,065.56
12. Manuel A. Greenberg, 901-913 North Front St., Philadelphia, Pa.	4th quarter 1953	Aug. 5, 1954	16,660.23
13. Do	1st quarter 1954	Aug. 11, 1954	16,701.05
14. Do	2d quarter 1954	Sept. 20, 1954	15,587.08
15. Do	3d quarter 1954	Feb. 17, 1955	18,960.01
16. Do	4th quarter 1954	Apr. 14, 1955	20,166.12
17. Do	1st quarter 1955	May 7, 1956	14,850.16
18. Do	4th quarter 1955	do	10,811.12
19. G. Gross Knitting Mills, George F. Gross, owner, 124 West Walnut St., Kutztown, Pa.	3d quarter 1955	Nov. 23, 1955	11,055.60
20. Paul W. Hively, Paul W. Hively Motor Line, Rural Delivery No. 6, Box 163, York, Pa.	3d quarter 1955	Jan. 20, 1956	22,350.15
21. Leslie-Ann, Inc., 6th and Colliery Ave., Tower City, Pa.	1st quarter 1954	Aug. 17, 1954	18,222.96
22. Miller Contracting Co., Post Office Box 261, Robertsdale, Pa.	1st quarter 1955	Nov. 9, 1955	15,805.09
23. National Crown Engineering & Manufacturing Co., Inc., 800 Chestnut St., Philadelphia, Pa.	4th quarter 1953	Apr. 20, 1954	22,690.55
24. National Crown, etc.—Continued.	1st quarter 1953	Apr. 20, 1954	$12,055.41
25. Do	3d quarter 1953	Apr. 22, 1954	11,315.68
26. New York & Pennsylvania Motor Express, Inc., 1001 Cumberland St., Lebanon, Pa.	2d quarter 1955	Mar. 7, 1956	12,284.96
27. Do	3d quarter 1955	do	11,480.27
28. Do	4th quarter 1955	do	14,280.26
29. Reliable Plastering Corp., Samuel Levin, 1536-1539 North 59th St., Philadelphia, Pa.	2d quarter 1953	Apr. 14, 1953	25,412.20
30. Do	3d quarter 1953	June 10, 1953	26,388.88
31. Do	4th quarter 1952	Feb. 10, 1956	52,651.69
32. Do	1st quarter 1953	do	52,302.29
33. Do	2d quarter 1953	do	53,418.58
34. Do	4th quarter 1953	do	53,764.30
35. Do	2d quarter 1954	do	54,450.16
36. Do	3d quarter 1954	do	64,154.65
37. Do	4th quarter 1954	do	72,026.63
38. Rothman Clothing Inc., 41 East 3d St., Lansdale, Pa.	2d quarter 1952	Feb. 3, 1953	19,439.19
39. Do	3d quarter 1952	July 14, 1953	15,067.01
40. Do	2d quarter 1953	Oct. 13, 1953	16,567.15
41. Do	3d quarter 1953	Aug. 18, 1954	19,361.17
42. Do	4th quarter 1953	Oct. 6, 1954	19,068.28
43. Do	2d quarter 1954	July 7, 1955	20,900.07
44. Do	3d quarter 1954	Nov. 21, 1955	19,161.04
45. Do	4th quarter 1954	Aug. 12, 1955	17,875.01
46. Do	1st quarter 1955	Sept. 2, 1955	17,815.48
47. Rutledge Slattery, president and treasurer, Philadelphia Brewing Co., 1905 Locust St., Philadelphia, Pa.	2d quarter 1946, 1948, 1948 Futs and 1948 additional Futs.	Mar. 4, 1953	10,072.88
48. Wallick & Schwalm Corp., care of Director of Internal Revenue, Philadelphia, Pa.	3d quarter 1953	May 5, 1955	13,740.14
49. Do	1st quarter 1954	do	10,091.00
50. Do	3d quarter 1954	do	11,606.13
51. Chas. J. Williams, Inc., 5300 Chew St., Philadelphia, Pa.	4th quarter 1954	June 10, 1954	26,434.36
52. Do	1st quarter 1955	Sept. 8, 1955	28,602.13
53. Do	2d quarter 1955	Oct. 7, 1955	23,080.43
54. Louis Wolfe, 1801 Chelten Ave., Philadelphia, Pa.	4th quarter 1952	Nov. 17, 1955	10,430.88
Total, 54 accounts			1,128,708.53

Mr. WILLIAMS. Mr. President, case No. 54 in the Philadelphia report lists a Mr. Louis Wolfe as being delinquent in forwarding income taxes withheld from his employees since 1952 in the amount of $10,430.88. Further examination of this same individual's tax record shows that not only has he not been forwarding to the Government taxes withheld from

his employees but also he has not been paying his own income taxes.

The records show that Mr. Wolfe has been assessed $88,272 for income-tax penalties for the years 1944 to 1948, inclusive, and that these tax liens have been on record since 1952.

At this point I ask unanimous consent to have incorporated in the RECORD my letter to the Treasury Department, dated December 12, 1956, and their reply thereto, dated January 12, 1957, confirming that the two cases mentioned apply to the same Louis Wolfe.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., December 12, 1956.

Mr. FRED C. SCRIBNER, Jr.,
General Counsel, Department of the Treasury, Washington, D. C.

DEAR MR. SCRIBNER: In the report which accompanied your letter of December 4 in which you listed certain taxpayers who were delinquent in forwarding to the Government taxes withheld from their employees, I note case No. 54, naming Mr. Louis Wolfe, 1501 Chelton Avenue, Philadelphia, as being delinquent for the fourth quarter of 1952 in the amount of $10,430.88.

In examining a previous report furnished by the Department, I note the name of a Louis Wolfe, in Philadelphia, Pa., as having been assessed $88,272 proposed income tax and penalty for years 1944 to 1948, inclusive, and that this case had been forwarded to the Penal Division in the Department of Justice June 2, 1949.

Is this the same Louis Wolfe, and if so, please advise the status of this claim or terms of its settlement. Have there been any other compromise settlements involving Mr. Wolfe?

Yours sincerely,

JOHN J. WILLIAMS.

TREASURY DEPARTMENT,
Washington, January 2, 1957.

Hon. JOHN J. WILLIAMS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is to inform you that the Louis Wolfe involved in the two cases mentioned in your letter of December 12, 1956, is one and the same individual.

I am informed by the Internal Revenue Service that the proposed deficiencies in income tax, plus accrued interest and penalties, were assessed and became a matter of public record with the filing of notices of tax lien in Philadelphia, Pa., on April 23, 1952. Notices of tax lien were also filed in Salem, N. J., on May 9, 1952.

The records of the Internal Revenue Service do not disclose that these or any other liabilities of Mr. Wolfe have been settled through compromise.

Very truly yours,

FRED C. SCRIBNER, Jr.,
General Counsel.

Mr. WILLIAMS. Mr. President, in the same Philadelphia report, cases No. 29 through 37 list the delinquencies of the Reliable Plastering Corp. in forwarding to the Government taxes which they withheld from their employees. Their delinquencies extending back to 1952 total $406,429.68.

The records of the Internal Revenue Service disclose that officers of this company are also delinquent in paying their personal income taxes, and at this point I ask unanimous consent to have incorporated in the RECORD a letter dated January 7, 1957, signed by Mr. Fred C. Scribner, Jr., of the Treasury Department, confirming this statement and listing the approximately $12,000 personal delinquencies.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, January 7, 1957.

Hon. JOHN J. WILLIAMS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: * * * In the matter of delinquent accounts in the names of officers of the Reliable Plastering Corp., you are advised that the records of the Internal Revenue Service disclose the filing of notices of tax lien in Philadelphia, Pa., as follows:

Name	Class of tax	Year	Amount shown on notice
Martin and Jennie Levin.	Income tax	1955	$8,114.78
Alec and Sue Levin	do	1955	8,738.91

I am informed that neither these nor any other liabilities of the officers of the Reliable Plastering Corp. have been settled through compromise.

Very truly yours,

FRED C. SCRIBNER, Jr.,
General Counsel.

Mr. WILLIAMS. Mr. President, appearing in the Washington Post and Times Herald of Wednesday, March 13, 1957, was an article showing how one employer had used the money which he had withheld from his employees. This employer, rather than forwarding the taxes withheld to the Treasury Department, as required by law, visited the racetrack, and admits using the money to cover his gambling losses.

While this employer was punished, there are scores of others who for the past several years have been getting away with keeping funds withheld from their employees and who are still being allowed to operate their businesses.

I ask unanimous consent that this article as appearing in the Washington Post and Times Herald on March 13, 1957, be incorporated in the RECORD, and immediately following this insertion I ask unanimous consent to have printed in the RECORD the third annual report furnished by the Treasury Department showing an itemised breakdown by types of delinquent taxes and by districts as of December 31, 1956.

There being no objection, the article and the report were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 13, 1957]

BOSS JAILED IN TAX FUND GAMBLING

A Falls Church sink-top manufacturer was sentenced yesterday to serve a 18-month prison term after he admitted gambling away income-tax funds withheld from employees. George W. Clay, 39, 2302 Pimmit Drive, had pleaded guilty to 17 counts of failing to file returns on personal income and taxes withheld from employees. During trial last month a Federal tax agent testified Clay admitted gambling losses of some $13,000 in 1954.

Roy H. Halquist, attorney for Clay, said his client first visited the racetrack in 1954 and it "must have gotten into his blood." In requesting that Clay not be given a prison term, Halquist pointed out that Clay started out in 1950 with $150 capital and in 6 years built a business with annual sales of about $200,000. Halquist also said Clay has five small children.

"I regret it more than anything I have ever done in my life and I'm working hard to pay it back," Clay declared. He owes a total of approximately $36,000 in back taxes, penalties, and interest.

Federal District Judge Albert V. Bryan said the offense "actually amounted to an embezzlement of $15,000 in withholding taxes alone, which had been deducted from the pay of employees and held in trust for the Government. Clay owns the Clay Sink Top Co.

UNITED STATES TREASURY DEPARTMENT,
Washington, February 27, 1957.

Hon. JOHN J. WILLIAMS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In accordance with your request of February 13, we are enclosing 2 tabulations of data with respect to inventory of taxpayer delinquent accounts as of December 31, 1956. One tabulation shows a distribution of inventory, by district, by tax group. The income tax group includes individual income and corporation income taxes. The employment tax group includes taxes withheld and unemployment and carriers' taxes. Excise taxes and estate and gift taxes are reported as "Other." The second tabulation distributes the inventory of inactive taxpayer delinquent accounts, by district, by category. Both tabulations provide data as of December 31, 1956, and as of December 31, 1955.

During 1956 there was a small reduction in number of accounts in inventory, from 1,596,615 at the end of 1955 to 1,560,685 at the end of 1956. This reduction occurred in the employment tax group. The other groups showed minor increases. Dollar-wise, the amount in inventory dropped from $1,646 million at the end of 1955 to $1,620 million at the end of 1956. Reductions in the amount of accounts in inventory occurred in the income and employment tax groups.

In addition to the delinquent accounts formally transferred to the field collection force for collection action, there were on hand as of December 31, 1956, a total of 13,871 accounts aggregating $8.8 million which were of delinquent age but which had not been transferred to the field collection force. This represents a decrease of almost one-half in number of accounts, and almost one-third in dollar value of accounts, as compared with the preceding year.

The table below shows a summary of the number and dollar amount of active and inactive delinquent accounts assigned to the field collection force as of the end of 1955 and 1956:

Delinquent accounts assigned to field collection force

[Amounts in millions]

	Active		Inactive		Total	
	Number	Amount	Number	Amount	Number	Amount
Dec. 31, 1955	1,373,770	$979.6	222,845	$667.4	1,596,615	$1,646.4
Dec. 31, 1956	1,372,642	928.5	188,043	692.1	1,560,685	1,620.6
Difference	−1,128	−52.5	−34,802	+24.7	−35,930	−25.8

The foregoing table indicates a drop in both number and amount of delinquent accounts assigned to the field collection force from 1955 to 1956. The drop in amount is the net result of a drop of $52.5 million in active accounts, almost half offset by an increase of $25.7 million in inactive accounts. The dollar value of inactive accounts increased despite a decrease in their number. This rise in dollar value of inactive accounts occurred in large part among the court cases which have high average value.

The combined effect of the reduction in delinquent accounts assigned to the field collection force, coupled with the substantial drop in accounts of delinquent age not transferred to the field collection force may be seen in the following recapitulation of status as of December 31, 1955, and December 31, 1956.

Delinquent accounts

[Amounts in millions]

	Assigned to field collection force		To be assigned to field collection force		Total	
	Number	Amount	Number	Amount	Number	Amount
Dec. 31, 1955	1,596,615	$1,646.4	26,853	$12.9	1,623,468	$1,659.3
Dec. 31, 1956	1,560,685	1,619.6	13,871	8.8	1,574,556	1,628.4
Difference	−35,930	−26.8	−12,982	−4.1	−48,912	−30.9

Very truly yours,

RUSSELL C. HARRINGTON,
Commissioner.

Inventory of taxpayer delinquent accounts by tax groups: December 1956 and 1955

Region and district	Income				Employment				Other				Total			
	Number		Amount		Number		Amount		Number		Amount		Number		Amount	
	1956 (1)	1955 (2)	1956 (3)	1955 (4)	1956 (5)	1955 (6)	1956 (7)	1955 (8)	1956 (9)	1955 (10)	1956 (11)	1955 (12)	1956 (13)	1955 (14)	1956 (15)	1955 (16)
			Thous.	Thous.			Thous.	Thous.			Thous.	Thous.			Thous.	Thous.
National total	1,144,876	1,138,688	$1,226,296	$1,208,102	356,748	398,269	$379,183	$384,808	59,061	57,688	$114,160	$83,479	1,560,685	1,596,615	$1,619,639	$1,646,384
Atlanta	89,892	82,045	90,981	103,869	31,469	30,126	16,924	15,553	6,683	6,590	14,524	10,094	128,044	118,761	122,430	129,516
Boston	53,917	51,442	41,247	47,189	17,818	19,869	15,146	15,189	2,154	2,235	2,109	2,535	73,889	73,537	58,504	64,962
Chicago	209,639	175,526	157,968	139,433	49,376	46,378	38,642	30,438	8,277	6,604	17,407	11,880	267,292	228,508	213,917	181,751
Cincinnati	117,631	127,988	107,594	99,560	25,941	29,530	17,132	16,743	4,594	4,978	8,188	7,894	147,566	162,496	132,912	124,198
Dallas	57,184	46,108	44,076	40,538	22,438	24,033	12,618	11,571	4,558	3,610	5,913	5,096	84,180	73,751	62,607	57,105
New York City	212,194	185,488	405,637	416,146	98,203	107,447	84,391	95,294	12,995	12,662	28,667	24,675	323,393	305,597	515,696	526,645
Omaha	45,761	40,721	47,928	46,260	17,680	17,937	10,659	9,177	2,968	2,812	4,300	3,605	66,309	61,471	62,187	59,042
Philadelphia	189,781	257,919	169,388	205,351	48,104	63,929	45,265	55,468	9,019	9,584	21,599	14,131	246,904	331,432	236,102	274,953
San Francisco	136,705	171,030	144,759	189,450	44,215	68,176	38,562	44,636	7,777	8,517	14,865	13,516	208,697	237,723	197,886	227,603
Atlanta region:																
Atlanta	17,927	17,784	11,199	12,937	5,540	5,889	3,432	3,573	1,246	1,306	2,450	2,200	24,713	24,979	17,080	18,609
Birmingham	12,179	11,476	18,643	13,999	3,668	3,655	1,880	1,985	943	872	6,446	1,676	16,790	16,003	21,969	17,637
Columbia	8,981	8,700	4,019	5,119	3,311	3,318	550	622	910	954	544	570	13,202	12,972	5,413	6,511
Greensboro	12,242	10,310	19,367	18,145	4,336	4,316	1,857	1,998	1,116	1,059	898	875	17,696	15,687	22,222	21,019
Jackson	2,795	3,351	1,776	1,874	1,321	1,526	656	597	292	354	313	487	5,371	5,231	2,744	2,959
Jacksonville	23,266	21,291	31,870	40,705	10,203	9,229	6,562	4,996	1,403	1,325	3,114	3,661	36,902	30,015	41,546	49,362
Nashville	9,539	8,123	9,110	11,096	3,100	3,181	1,887	1,602	641	657	760	522	13,326	12,671	11,457	13,320
Boston region:																
Augusta	2,259	1,751	898	1,360	1,126	1,119	543	650	185	148	59	66	3,582	3,018	1,460	1,916
Boston	28,661	27,907	25,876	26,532	9,477	11,122	9,632	10,000	1,199	1,294	1,267	1,209	38,337	39,723	36,896	37,835
Burlington	1,214	713	306	181	421	441	201	145	70	91	87	84	1,714	1,245	595	410
Hartford	17,324	15,627	7,990	11,478	4,079	5,079	3,202	3,299	830	818	254	371	21,703	21,219	11,445	15,248
Portsmouth	3,198	1,432	1,597	1,744	829	849	313	311	117	75	36	124	3,144	2,347	1,948	2,179
Providence	5,261	4,612	4,502	5,898	1,874	1,269	1,254	894	194	114	295	287	7,329	5,995	6,041	7,174
Chicago region:																
Chicago	114,282	93,511	89,813	64,654	24,597	22,891	20,836	15,918	4,576	3,420	10,520	7,274	143,457	119,822	120,971	87,844
Detroit	74,677	63,011	53,568	55,282	16,871	16,325	13,328	10,808	2,234	2,223	4,079	2,934	93,782	81,559	70,964	68,964
Milwaukee	9,671	10,145	10,005	13,448	4,534	3,781	2,314	2,068	731	395	1,136	744	14,936	14,322	13,455	16,289
Springfield	11,009	8,885	4,902	6,046	3,374	3,361	3,171	1,626	724	646	1,364	1,048	15,117	12,895	8,526	8,724
Cincinnati region:																
Cincinnati	19,089	20,348	9,135	9,541	3,080	3,630	1,801	1,947	386	445	476	1,197	22,536	24,423	11,493	12,985
Cleveland	30,274	36,632	35,344	28,110	8,219	6,720	5,928	5,533	1,028	1,194	1,922	1,915	39,521	46,546	42,590	35,568
Columbus	10,538	9,543	8,399	8,807	1,517	1,294	849	657	265	177	738	160	12,340	11,010	9,972	8,625
Indianapolis	15,349	16,768	15,671	16,104	3,959	4,767	1,120	2,934	699	736	1,783	1,703	20,007	22,273	20,574	20,765
Louisville	9,002	8,258	9,604	11,067	2,457	2,934	1,343	1,228	869	771	1,984	877	12,331	12,993	12,930	13,174
Parkersburg	6,531	5,396	7,806	8,980	1,533	2,257	1,064	1,376	223	430	162	271	8,357	11,094	9,032	10,627
Richmond	21,217	23,045	20,004	17,580	4,118	5,147	2,490	2,653	864	1,120	1,508	1,689	26,199	29,332	23,032	21,884
Toledo	5,609	3,976	1,620	2,421	1,078	785	617	393	190	94	222	83	6,277	4,855	2,471	2,897
Dallas region:																
Albuquerque	3,611	3,774	2,364	1,843	1,987	1,994	1,063	954	320	340	500	264	5,898	5,078	3,926	5,094
Austin	13,098	11,018	10,181	9,089	5,283	5,580	3,080	2,703	1,163	793	1,970	963	19,534	18,391	15,350	12,754
Dallas	18,756	14,735	16,129	11,780	6,158	6,816	3,642	3,098	879	868	1,035	749	25,793	22,420	20,822	16,417
Little Rock	3,342	2,678	1,777	1,675	1,179	1,259	453	320	259	245	134	114	4,784	4,182	2,355	2,104
New Orleans	10,287	9,097	7,732	6,532	4,097	4,261	2,214	2,261	914	867	1,589	1,321	15,298	14,225	11,536	13,614
Oklahoma City	8,119	5,808	5,802	5,620	3,764	3,123	2,167	1,836	1,003	829	676	975	12,886	9,456	8,739	9,421
New York City region:																
Albany	9,966	8,822	7,226	7,242	3,818	4,770	3,368	3,454	512	654	547	579	14,296	14,246	11,142	11,275
Brooklyn	68,007	59,980	98,296	101,498	33,648	37,482	23,624	24,524	2,940	3,490	7,509	7,318	105,604	100,952	129,428	133,340
Buffalo	18,334	12,930	8,381	8,525	4,141	4,756	2,778	2,917	997	617	1,149	616	20,172	18,202	12,309	12,058
Lower Manhattan	22,720	28,056	127,661	143,923	18,669	25,952	21,067	20,573	3,336	2,323	4,949	4,981	44,725	53,341	153,697	166,473
Syracuse	9,990	6,275	4,022	3,392	3,341	2,565	2,019	1,664	654	468	472	340	13,985	9,308	6,443	5,396
Upper Manhattan	86,207	73,548	160,053	181,567	33,596	31,922	31,514	32,691	4,848	5,100	11,110	10,541	124,641	109,857	202,676	190,199
Omaha region:																
Aberdeen	1,924	1,765	1,127	1,388	833	604	243	249	201	119	68	97	2,968	2,488	1,441	1,614
Cheyenne	1,364	1,309	664	576	639	727	264	287	123	179	148	414	2,126	2,216	1,077	1,344
Denver	7,494	6,245	8,343	5,921	2,483	3,056	1,402	1,642	349	447	398	397	10,236	9,748	8,142	7,964
Des Moines	4,364	3,317	7,692	7,199	1,959	1,596	989	749	376	294	436	235	6,729	5,207	9,115	8,240
Fargo	1,480	895	948	636	563	579	298	218	188	134	151	157	2,199	1,607	1,336	1,011
Kansas City	8,903	8,326	6,716	7,983	2,522	2,030	1,466	1,147	335	259	492	324	8,650	7,615	8,673	9,433
Omaha	2,513	1,901	2,475	2,583	770	639	528	480	158	158	541	301	3,441	2,697	3,544	3,364
St. Louis	9,087	6,956	3,210	8,407	2,001	2,686	1,119	1,323	309	255	277	355	8,997	9,999	9,606	10,085
St. Paul	7,892	6,019	7,262	6,126	3,590	3,110	2,546	2,094	553	487	1,455	1,051	12,035	9,616	11,202	9,271
Wichita	6,350	6,986	6,551	5,481	2,300	2,912	1,260	1,019	368	381	227	258	9,038	10,279	8,047	6,728
Philadelphia region:																
Baltimore	52,313	84,422	26,775	54,989	6,963	9,577	4,402	5,773	1,366	1,782	1,691	1,734	60,642	96,861	42,778	62,497
Camden	14,397	13,727	9,561	13,212	4,709	3,684	2,950	2,658	743	547	1,504	1,027	19,659	18,958	14,012	16,897
Newark	51,553	88,625	54,668	51,713	17,240	23,673	18,193	22,245	2,785	2,535	7,153	5,835	71,578	84,883	79,913	79,794
Philadelphia	41,511	66,620	44,231	53,747	11,923	17,918	13,342	17,080	2,560	3,056	9,543	3,938	55,994	87,394	66,116	74,744
Pittsburgh	22,108	26,882	17,001	23,957	8,251	6,651	4,858	5,080	1,175	1,338	1,944	1,107	28,534	34,891	23,103	30,144
Scranton	3,317	4,739	4,125	4,615	1,397	1,743	3,220	2,324	261	177	171	294	4,975	6,659	6,516	7,323
Wilmington	4,772	3,624	3,128	3,117	621	653	301	328	129	69	295	196	5,522	4,369	3,722	3,540

Inventory of taxpayer delinquent accounts by tax groups: December 1956 and 1955—Continued

Region and district	Income				Employment				Other				Total			
	Number		Amount		Number		Amount		Number		Amount		Number		Amount	
	1956 (1)	1955 (2)	1956 (3)	1955 (4)	1956 (5)	1955 (6)	1956 (7)	1955 (8)	1956 (9)	1955 (10)	1956 (11)	1955 (12)	1956 (13)	1955 (14)	1956 (15)	1955 (16)
San Francisco region:			Thous.	Thous.			Thous.	Thous.			Thous.	Thous.			Thous.	Thous.
Boise	3,211	1,662	$1,526	$1,400	880	1,090	$411	$473	140	166	$200	$100	3,211	3,940	$2,155	$1,968
Helena	2,158	1,930	1,019	1,961	1,033	821	527	333	129	151	253	281	3,806	2,912	1,799	2,576
Honolulu	3,384	3,339	2,791	3,288	1,047	1,196	868	876	199	240	470	203	3,806	3,835	3,029	4,346
Los Angeles	79,436	79,838	40,748	37,850	17,151	22,428	15,600	19,706	5,369	2,771	5,586	6,114	92,176	103,038	60,937	63,670
Phoenix	4,132	4,096	2,809	3,502	1,333	2,059	1,199	1,327	206	298	118	228	5,671	7,023	4,096	5,056
Portland	8,924	7,134	10,080	9,028	2,767	3,950	1,934	2,282	609	552	1,201	1,120	10,300	11,636	13,215	12,429
Reno	3,307	3,394	3,649	4,830	1,038	1,198	1,574	1,470	200	193	173	302	5,545	5,782	5,996	6,598
Salt Lake City	3,845	3,985	2,776	2,585	1,374	1,491	778	899	280	192	218	197	4,503	4,668	3,771	3,581
San Francisco	47,100	52,516	64,358	73,661	11,473	17,302	9,214	11,952	3,303	3,220	3,978	3,371	61,176	73,248	77,590	88,983
Seattle	14,038	15,425	8,968	11,345	3,827	6,417	3,687	5,410	867	762	1,756	1,331	20,352	22,604	16,441	18,285
International operations division	12,782	1,291	10,808	807	1,004	1,895	443	383	35	5	79	62	14,221	3,249	17,329	622

Mr. WILLIAMS. Mr. President, in conclusion, I wish to point out that I think there are two possible steps which should be proposed. First, there should be a more rigid enforcement of the laws to see to it that employers forward to the Government the funds being withheld by them, and that they be forced to recognize that such funds do not belong to the employers, but are, in reality, trust funds held in escrow. Or in the event the Department does not have adequate laws whereby collection can be enforced, it should recommend to the Congress whatever legislation is needed in order that the Department may be properly equipped.

Mr. THYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

CORN ACREAGE ALLOTMENTS

Mr. THYE. Mr. President, on March 8, 1957, after the time allotted for farmers to sign up for their 1957 corn acreage allotments had passed, I made a check to determine what percentage of the eligible corn producers within the commercial corn area had signed agreements. First, I wanted to know what had happened in Minnesota. I called the Administrator in Minnesota and obtained the information. As I proceeded to analyze it, I found that only 5.7 percent of the eligible corn producers in Minnesota had signed agreements.

I then proceeded to make a further study as to how the producers in the other corn-producing States of the Union had acted. It was a most interesting study.

In Illinois, 229,463 farms were eligible for corn acreage allotments. The number of firm agreements which were signed in that State was 26,591. In other words, only 11.6 percent of the farmers eligible for corn acreage allotments signed agreements. The total number of acres allotted to Illinois was 5,857,909. The number of acres placed in the reserve program were 342,992. Only 5.8 percent of the acres eligible were placed under the so-called soil bank reserve program.

In Iowa the number of farms eligible for corn acreage allotments was 214,400. The number of firm agreements in Iowa was 37,693, or only 17.6 percent. The number of acres placed in the reserve program was 598,414, or 8.7 percent of the reserve acreage allotment.

Consider next the State of Indiana, another very important corn-growing State. The States I have mentioned thus far are the most important corn-producing States. They are the States which have large acreage devoted to the growing of corn. In Indiana the number of farms having corn acreage allotments was 175,036. The number of firm agreements obtained was 28,187. The percentage of firm agreements to the total number of farms was 16.2 percent. The number of acres placed in the reserve was 337,268, or only 11 percent. In other words, only 11 percent of the qualified corn acres in Indiana were placed in the reserve program. The potential corn production in Indiana has not been reduced; neither has it been reduced in Iowa or Illinois. In Illinois, which has the largest acreage and the most productive corn acres, only 5.8 percent of the number of farmers eligible have signed agreements to reduce their corn planting.

Mr. CASE of South Dakota. Mr. President, these are very interesting figures. Does the able Senator from Minnesota have the figures for South Dakota?

Mr. THYE. Yes; I have them for all the States within the commercial corn area, and I shall refer to them. Eventually I shall ask unanimous consent to have the entire chart printed in the RECORD.

Mr. President, I note that the present occupant of the chair is the distinguished junior Senator from Ohio [Mr. LAUSCHE]. In his State, 155,504 farms have corn allotments. The number of firm agreements is 22,847. The firm agreements expressed as a percentage of the total farms amount to 14.7 percent. The total acres allotted in Ohio are 2,156,784. The acres placed in the reserve program are 245,758, or 11.3 percent. Ohio is one of the high corn-producing States. If a reduction is to be made in the corn crop or in the feed crop, a reduction must be made in the number of acres producing corn in the four major corn-producing States of the Union, namely, Illinois, Iowa, Indiana, and Ohio; and some of that productive land must be placed in the soil bank, otherwise the production of feed will continue to be so great that it will fill all the storage spaces in the Nation.

Mr. BRICKER. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. THYE. I am glad to yield to the distinguished senior Senator from Ohio.

Mr. BRICKER. Does the Senator from Minnesota have the figures for the commitments into the reserve for the counties of the State of Ohio?

Mr. THYE. Unfortunately, I do not; that would be far too difficult an assignment.

Mr. BRICKER. Yes, it would be a complicated task. However judging from what the Senator from Minnesota has said, I presume that most of the commitments come from the counties wherein the production per acre is not so high as it is in the western counties of my State, where the production is very high.

Mr. THYE. I believe that to be entirely correct. In that connection, let me refer to Nebraska and Missouri. Nebraska has the highest percentage of acres signed up, and Missouri is next in order. Both Nebraska and Missouri have been in the drought area, unfortunately, during the past several years, and I presume the ground condition there still is such that those States continue to be threatened with drought. Therefore, perhaps it was the wisest thing for those corn producers to plan their acres into the program to the maximum amount. Evidently that was done, for the record for Missouri is as follows: Number of farms with corn allotments is 129,225; number of firm agreements, 33,960; firm agreements as a percentage of total farms, 26.3; acres placed in the reserve, 457,740, or 19.2 percent of the allotted corn acreage.

The figures for Nebraska are as follows: Total number of farms with corn allotments, 96,994; number of firm agreements, 46,086; firm agreements as a percentage of total farms, 47.5. We find that Nebraska signed up 25 percent for

the acreage reserve, whereas Ohio signed up 11.3 percent. Furthermore, we realize that the western part of Ohio is where the really heavy corn production occurs, whereas the eastern part of Ohio is outside the commercial corn area.

Mr. BRICKER. Mr. President, will the Senator from Minnesota yield further to me?

Mr. THYE. I am glad to yield to the Senator from Ohio.

Mr. BRICKER. In other words, if the commitment to reserve is in the fringe counties, toward the eastern part of the corn producing area of my State, the 11 percent figure would not apply to the number of bushels produced, but would apply to the acreage, and therefore the commitment for reserve, insofar as bushels are concerned—I refer to the ultimate production—would be much less than the percentage of acreage commitment.

Mr. THYE. I think that is correct.

Mr. BRICKER. If the principle the Senator from Minnesota mentioned in the case of Nebraska and the other fringe corn-producing areas is applicable with respect to my State, that would be the situation.

Mr. THYE. Yes; that would be true. For instance, Tennessee has some commercial corn-growing counties, but Tennessee cannot be regarded as among the greatest corn-producing areas of the Nation. At least, that is my view, after referring to the general map of the Nation and observing the number of counties in Tennessee which lie within the commercial corn area. In the case of Tennessee, we find these figures: Number of farms with corn allotments, 43,682; number of firm agreements, 10,076; firm agreements as a percentage of total farms, 23.2; acres placed in the reserve, 97,154, or 21.2 percent. In other words, 21.2 percent of Tennessee's eligible corn acreage went under the acreage reserve program. However, Tennessee cannot be expected to have a production per acre comparable to that of Illinois or Iowa or Indiana or Ohio, which we recognize as the large corn-producing States. Therefore, when Tennessee has 21 percent signed up, Alabama 18 percent, New Jersey 18 percent, Nebraska 25 percent, and Missouri 19 percent signed up, but only 5.8 are signed up in the area from which the bulk of actual corn production is most likely to come, I am alarmed. Unless the production of corn and feed grains is reduced during the calendar year 1957, the surplus will increase, and we already are threatened with an increase in the production of pork, because of the abundance of corn and cheap feeds. We already are threatened with increased surpluses in dairy production, because of the abundance of feed; and we know that the poultry industry is overproducing. That is evident because grade A eggs are now selling at 24 cents a dozen on the farm, medium eggs are selling for 22 cents, and the smaller eggs are selling for less than that.

If this year the quantity of feed produced is as large as that produced last year, despite the drought in the Southwest, and if existing surpluses are thus added to, the entire livestock industry of the Nation will be threatened, and the markets will be broken more than they have been broken to date. Mr. President, that is why I am calling this matter to the attention of the Senate.

The Senate Committee on Agriculture and Forestry has not conducted the necessary hearings or devoted the necessary amount of time to develop the essential information. Neither has the committee taken the necessary amount of time to have a bill on the subject reported from the committee and brought before the Senate, where Senators can intelligently discuss it, act on it, and send it to the House of Representatives.

Mr. President, if we fail to take these necessary steps, we shall find ourselves, at the close of the 1957 harvest season, with a greater quantity of feed grains and a greater threat of increased production of livestock and dairy products and poultry than confronted us in any of the other calendar years since the end of the Korean war. If that situation shall occur, not only will Public Law 480 have to be continued in future years, but some other, drastic steps will have to be taken in order to cut down feed production and to bolster the farm economy.

All one has to do to see where the commercial corn area is, is to look at the map of the United States. It comprises the southern part of Minnesota, the southeast corner of South Dakota, the eastern half, or less than the eastern half of Nebraska, a little front down in the northeast section of Kansas, the northern half of Missouri, the southern one-third of Wisconsin, all of Illinois, all of Indiana, two-thirds of the State of Ohio, and the southern section of Michigan. Mr. President, we are not getting farmers to sign up in that area of the Corn Belt.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield.

Mr. BRICKER. The Senator's position, then, is that the present law, and the commitments under both conservation and the soil bank, are not adequate to reduce the total production of corn to such a point that consumption will be in balance with production. Is that correct?

Mr. THYE. The Senator is entirely correct. Few producers can sign up and come in under the national acreage allotment in the commercial corn area of 37,288,889 acres. The State of Illinois is one of the highly productive farm States where in the corn referendum the corn producers voted for the higher acreage allotment of 51 million, with a support price of $1.31 a bushel.

Mr. BRICKER. I think the farmers in my State voted the same way.

Mr. THYE. Ohio, Indiana, Illinois, and Iowa are large corn-producing States, where the largest number of votes for the 51-million-acre allotment, with a lower price, were cast. Unfortunately, however, there were not enough votes to put such a program into effect.

Mr. BRICKER. There was not the percentage of votes necessary to put the program into effect, although a majority of the producers voted for it.

Mr. THYE. Yes; it was far more than a majority. In fact, the percentage of votes for the program would have resulted in its being put into effect, if it had not been for the votes in some of the other States.

Mr. BRICKER. In what might be called the fringe production areas.

Mr. THYE. I would not say that. Minnesota is not a fringe production area. Minnesota, unfortunately, is not one of the States that voted very strongly in the corn referendum.

Mr. BRICKER. But those States were the States which did not vote for it.

Mr. THYE. That is correct; they voted for higher acreage and lower supports. In other words, the support price for 37,288,889 acres is $1.36. The support proposed in the other provision of the program, as submitted in the referendum vote, called for 51 million acres at $1.31.

There was one question in the referendum vote over which some of the producers were very much disturbed, namely, the proposal to remove corn from the list of basics. If that had been done, it would have been up to the Secretary to state what the minimum supports in the future would be. That caused many producers to shy away from a favorable vote on that question.

Mr. BRICKER. Mr. President, will the Senator yield for one more question?

Mr. THYE. I am delighted to yield.

Mr. BRICKER. Failure of the Congress to give its attention to this program and enact legislation authorizing the Secretary of Agriculture to move in this field, as he sought to do, will likely result in overproduction of corn this year, weather conditions being favorable, which will add to the Commodity Credit Corporation's holdings, and at the same time result in the production of more corn than can adequately be consumed by the livestock of the country, so that there will be a further glutting of the market and a likely break in price, as well as further cost to the Commodity Credit Corporation. Is that correct?

Mr. THYE. Without a question. All one has to do is analyze the statistics in the six major corn-producing States—namely, Illinois, Iowa, Minnesota, Ohio, Indiana, and Wisconsin—which accounted for 61.8 percent of the total United States production in 1956. They also accounted for 60.7 percent of the total commercial corn allotment. What is needed is a program for 1957. Unless something is done, I, as well as Senators who represent the high corn-producing States, such as Illinois, Ohio, Iowa, and Indiana, the States which produce 22,628,000 of the total of 37,288,000 acres, know what will happen. The State of Ohio has 11.3 percent of its acres reserved, Indiana has 11.0 percent, and Iowa 8.7 percent. Colleagues from those States know that corn and soybeans would be produced in such vast amounts that our feed supply would be multiplied and be added to our surpluses, and that next year we would have greatly increased pork production. If the price of corn comes down to less than $1 a bushel, feed lots will be filled up with feeder pigs again. If the price of corn falls to less than $1, there will not only

be greatly increased feeder cattle, but dairy herds. There will be overproduction of dairy products, because that can be accomplished by increasing the concentrates of the feed.

Secondly, there will be an immediate increase in pork and poultry. Without question, the number of animals in feed lots, such as feeder cattle, will be increased, because carcasses with an additional 200 pounds weight of flesh at the marketplace will result. It is better to feed the animals corn than offer corn on the market at less than $1 a bushel.

One need only look at the current market prices. We know the price of corn today. There was a support price last year of a little more than $1.50. There was a price of $1.25 for the noncompliable production in the commercial areas. This year we are threatened with continued overproduction and a continual addition to the surpluses of feed supplies in the United States.

If the Senate does not get a bill out of committee, and allow sufficient time for the House to consider it, and have the question taken to the floor of the House, we shall be in a bad situation. The House came within 7 votes of approving a bill which would have established a national corn allotment of 51 million acres. I believe it is now up to the Senate to have a bill reported by the committee, considered on the floor, and passed as soon as possible. The acreage allotment must be increased, and the Secretary must extend the time when corn producers can sign agreements under the acreage allotment program. Unless that is accomplished, I can only foresee a farm economy further depressed than that which exists at the present time.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. BRICKER. I wish personally to express my thanks to the distinguished Senator from Minnesota for bringing this serious situation to the attention of the Senate. The Senator from Minnesota is a distinguished member of the Committee on Agriculture and Forestry, and is thoroughly familiar with all the details of this problem, and he knows what legislation is necessary to attack it.

I wish also to emphasize to the Senator from Minnesota that speed is most essential in this program if we are to put it into effect before the planting season starts.

Mr. THYE. Today is the 18th of March. Planting will commence in all the commercial corn area—more especially in States such as Indiana, Ohio, Illinois, Iowa, and Minnesota—along about the first week of May. We feel that we are safe in planting corn until about the 15th or 20th of May in Minnesota. We have not many weeks. The program must first be approved by the Congress, and then go to the State committees, and from there to the county committees. The township committees must then have knowledge of the program in order to be able to inform the producer. The producer must sign the agreement. All that must be accomplished before the 10th of May if the program is to be effective. The 10th of May will be exceedingly late in the season to tell the farmer what his program is to be.

Most of the signup came in the fringe areas of the Corn Belt. If we fail, all I can foresee is that we shall not bring about any material reduction in corn production for 1957, unless we get into the program some of the high-producing States, including some of the high-producing acres in Illinois. The Senator from Illinois [Mr. DIRKSEN] is present, as is the Senator from South Dakota [Mr. CASE] and the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Ohio [Mr. BRICKER]. Unless we can get some of the high-producing acres into the soil-bank program, we shall continue producing surplus corn, soybeans, and other feed grains, which will increase livestock production, and add to what is already a threatened surplus, not only with respect to dairy products, but other products. We are entering the cycle of increased pork production, which threatens the pork market.

We know what the poultry situation is. We know what the turkey producers have been faced with. The key to the problem is to get production down in all four of the major producing States, namely, Iowa, Illinois, Indiana, and Ohio, together with the southern tier of counties in Minnesota.

Mr. BRICKER. I thank the Senator from Minnesota for his courtesy in yielding to me, and for so thoroughly answering the questions which I submitted to him.

Mr. THYE. I am glad the distinguished Senator from Ohio raised the questions which he did, because they are important. The Senate Committee on Agriculture and Forestry has devoted only a few days' hearings to the subject of the corn acreage allotment. The Agriculture Committee has not reported a bill which could be considered on the floor of the Senate. I feel our farmers have been let down. They have looked to us to enact some kind of legislation which would permit them to enter the program and comply with the soil-bank requirements; but when they comply with 37-million-plus acres, even if all the farmers were in compliance, the percentage would be relatively small compared with the number of acres going out of production; 15 percent of an allotment of 37 million acres is not so great as 15 percent of an allotment of 51 million acres as a national allotment. Even if there should be full compliance there would not be taken out of production the number of acres necessary to keep the feed supply in balance.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. CASE of South Dakota. I wish to join the distinguished Senator from Ohio in voicing commendation of the Senator from Minnesota for bringing this subject to the floor of the Senate. Those of us who are not privileged to be members of the Senate Committee on Agriculture and Forestry have wondered at times what attention the Committee on Agriculture and Forestry was giving to this subject. It was my privilege to appear at one hearing which the committee held. I assumed that further action would be taken.

I believe the table from which the Senator from Minnesota has quoted shows that the average overall signup for the country is 12 percent of the eligible acres.

Mr. THYE. That is correct. In other words, 4,473,024 is the acreage placed in the reserve program. That would be fine if that acreage had come out of the heart of the corn belt. However, it came from the outer edges of it. Some of it came from the area of Nebraska. The highest percentage was from Nebraska; the next highest from Missouri. In both those areas extreme drought conditions prevailed.

Mr. CASE of South Dakota. The per-acre production was not so high.

Mr. THYE. It was not so high last year.

Mr. CASE of South Dakota. Probably a great many of those who signed up did so as a matter of insurance, in view of the uncertainty as to whether or not the moisture condition for this season would be better.

It seems to me that not only must the Secretary be authorized to have a supplemental signup, but that the attractiveness of the signup must be increased. The Senator from Minnesota pointed out that with a national acreage allotment of 37 million acres, not so much would be accomplished as if we used a 51 million allotment, such as was used last year.

Mr. THYE. The Senator is correct.

Mr. CASE of South Dakota. I realize that some persons will not quite get the import of that statement until they realize that if we are dealing with 51 million acres, and get a certain percentage of signup, it means that the difference between the 37 million and the 51 million acres, if not brought into the control program, will go into the production of other feeds.

Mr. THYE. Absolutely.

Mr. CASE of South Dakota. That is what the Senator fears.

Mr. THYE. Exactly.

Mr. CASE of South Dakota. I hope the Senate will give consideration to the bill which I introduced, which would not only authorize a supplemental or complementary signup, but would permit the Secretary to authorize an increase up to at least 50 percent of an individual allotment, provided the increased signup were paid for in kind, rather than in cash.

One of the things which I think disturbs some persons is the prospect of raising additional cash out of the budget this year to pay for a higher signup. Even that would be justified, I think, if we were to take the long look and see what is going to happen to prices next year.

Inasmuch as we have that budgetary situation, would the Senator think of increasing the attractiveness of the signup by making it possible for the farmer to put in whatever portion of his corn acres he desired, provided he took the pay for the supplemental signup in corn That would take corn out of the bins, instead of resulting in great production.

Mr. THYE. Some producers would be very happy to have that opportunity, or

that provision. However, in the main, there might be some question as to whether some would be willing to take all corn as a settlement. However, I believe they should have such an opportunity.

There are several bills in addition to the one which the distinguished Senator from South Dakota has mentioned. What disturbs me is that we have not, as a full committee, sat down and attempted to select the best out of all the bills and incorporate what we could agree upon as a majority into a bill which we could report from the committee for consideration on the floor of the Senate. We have not accomplished that kind of action.

Mr. CASE of South Dakota. That is a discouraging report to receive from the Committee on Agriculture and Forestry.

Mr. THYE. I am discouraged, and I know that the producers are discouraged. The State of Minnesota has signed up 5.7 percent in the reserve acreage allotment.

Mr. CASE of South Dakota. I think the percentage is about the same for my State.

Mr. THYE. In last year's program, the program for 1956, approximately 35 percent of the corn farmers were in compliance. With 35 percent last year and only 5.7 percent this year, it behooves me to voice my fear on the floor of the Senate. It also behooves me, as a member of the Senate Committee on Agriculture and Forestry, as well as one who, in part, represents such an important farm State as Minnesota, to speak out frankly in order to bring the question out into the open, because the public should know what is happening. Only in that manner can we bring about an adequate examination of the entire question.

There is still time in which to enact legislation along the line now proposed in committee in the various forms. There is still time to get the necessary information to the producers, so that they will be able to get into compliance with the acreage problem. The average corn farmer is endeavoring to help himself to correct and to rectify the surplus situation which is bogging down the national market. It is only the surpluses which are bogging down the market.

Certainly there has never been a higher purchasing power than the consumer enjoys at the present time. At no time in history have we had less unemployment or more people employed earning a higher wage than at present.

At no other time in our history have we had a better retail sales record and a better wholesale business than at the present time. The Nation has never had so productive an economy as it has at the present time.

Therefore, Mr. President, it is not a question of the inability of the consumer to buy. The consumer is buying. He is buying some of the choicest cuts of meat. He is buying an ample supply of dairy products. It is a question, rather, of our production being greater than our consumptive needs and more than our export channels can absorb. Therefore our surplus is going into storage. With surpluses weighing down the market, a general softness is reflected.

There is only one way to firm up the market, and that is to take the production potential which lies in the total productive acres of the important Midwestern States and get some of it into the reserve program. If that is done, there will be effected a reduction in the overall feed supplies, and, as a result, the markets will immediately reflect a firmness. That is all that is needed to correct the situation.

The soil bank is available. However, with respect to the 37,288,869 acres in the commercial corn acreage program allotted to the corn producers, it will be impossible to get further compliance.

That is evident, because we have already passed the period of signup. The signup closed on the evening of March 8. It is impossible to get another acre into the corn program except by legislation and action on the part of the Secretary of Agriculture, in conformity with the legislation. Only by accepting more acres, such as those in the drought area or in the fringe area, will it be possible to get a few more acres into the signup. Otherwise, the signup is over. Only an act of Congress can reopen the program. Only by an act of Congress, and by the Secretary of Agriculture setting another date for a future signup, can a reduction be effected in the overall feed supply which is threatening the economy of our country.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield.

Mr. CASE of South Dakota. I should like to make this final observation. It is my personal opinion that unless we get better than a 50 percent signup on acres, we will not get a reduction in corn production. During the past 3 years, when we have had a 44 percent or 45 percent signup in South Dakota, our actual production of corn has stayed level at about 3 million bushels. Of course, it has varied a little, but not very much. It has stayed at about that level. When we have only 40 or 50 percent of all the commercial corn farmers signed up, the other farmers, who do not come into the program, increase their production of corn to more than enough to make up for the farmers who have come into the program. Therefore, if we have only a 12 percent national signup, we will have a corn production far above what we have had for several years.

Consequently the situation is urgent, and certainly action should be taken. I commend the Senator from Minnesota for bringing the matter before the Senate at this time.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield.

Mr. HICKENLOOPER. I, too, wish to commend the Senator from Minnesota for calling attention on the floor of the Senate to the statistics he has mentioned. I know of no Member of the Senate who is more acutely conscious of the difficult and almost impossible situation which confronts the corn farmers, or more aware of conditions with respect to feed, than is the Senator from Minnesota. He has worked diligently on this and other farm programs.

Is the Senator from Minnesota proposing that a 51 million acre base be adopted? I was not in the Chamber when he began his speech, and I do not know whether he proposes the passage of a specific piece of legislation.

Mr. THYE. I can answer the distinguished Senator from Iowa, who represents in part one of the largest corn producing States in the country, only Illinois being higher in corn production——

Mr. HICKENLOOPER. That is only because we have had a bad drought this year.

Mr. THYE. I did not mention any specific bill. I merely called attention to the percentage of the signup by the various States. I wished also to call attention to the fact that there were several bills in committee, either one of which, if enacted, would materially improve the situation with which the farmer is confronted today.

Mr. HICKENLOOPER. I was deeply shocked and greatly concerned by the action which the House took the other day in rejecting what I thought was a very simple solution to the whole matter. That was the so-called Harrison amendment, giving the farmers a choice with respect to what they voted for last month, based upon either 51 million acres, if they wanted to accept that figure, or 37 million acres, if they wanted to accept that figure.

I believe that specialized approaches to the legislation proposed the other day resulted in its defeat. I had introduced a similar legislative proposal earlier this spring.

Mr. THYE. That is correct.

Mr. HICKENLOOPER. It was a companion bill. I felt it was an extremely simple approach. All the data are in the hands of the county committees at the present time. Overnight they could notify each farmer in each county exactly what his situation would be. That would be the situation if the bill had been passed.

I should like to ask the Senator from Minnesota a question, and in doing so I do not mean to interrogate him unfairly, or to ask him for an opinion which may be highly speculative. I have in mind that the House has refused to pass such legislation.

Does the Senator, from his experience as a legislator, feel that if the Senate sent proposed farm legislation to the House, the House would give it the same kind of brutal treatment that it extended to the bill it was considering last week?

Mr. THYE. I am very frank to say that it seems we may expect that the House will reject any proposal now before the Senate Committee on Agriculture and Forestry, or any measure we might pass on the floor of the Senate. But I honestly believe that if they examine the figures, State by State, they will realize that the farmers could be placed in jeopardy by failure to act. Frankly, when I saw that 4,473,024 acres had gone under the acreage-reserve program I thought it was a great accomplishment,

better than I had expected, and I thought that possibly we were on the way to getting production into balance. But when I commenced to analyze where the acreage came from that made up the 4,473,024 acres, and I found that there was a reduction of only 5.8 percent in Illinois, 6.7 percent in Iowa, 11 percent in Indiana, 11.3 percent in Ohio, and only 5.7 percent in Minnesota, and found that there was a signup in Tennessee and Alabama, outside the big commercial producing area, I realized that we had better take another good look at the matter and get the Department of Agriculture to think about its next step if we in Congress failed, because something must be done, Mr. President.

I am confident that if the Lord blesses us with a crop comparable to that which we harvested last year, the year before that, and the year before that, we will have a surplus which will fill our granaries besides having piles of grain across the countryside, if the storage bins are not available, because there is bound to be a large crop if the big corn producing States do not come into compliance.

Mr. HICKENLOOPER. Does the Senator feel, as I have a tendency to feel sometimes, that there are people in our country who, while attempting to see that their own affairs are taken care of very liberally by the Congress, would, on some occasions, just as soon see, and even welcome seeing the corn farmers go down to a point where their products would be on a distress market?

Mr. THYE. I could not comment with any certainty on that question. All I can say is that I hope that will never be the situation.

Mr. HICKENLOOPER. Has the Senator from Minnesota been on the floor on certain occasions when actually it has been said, "I am becoming sick and tired of hearing about corn, corn, corn?" Has the Senator heard that statement made?

Mr. THYE. Yes; unfortunately, I have.

Mr. HICKENLOOPER. Does the Senator think that such sentiments indicate any interest whatsoever in attempting soundly to take care of the interests of the great corn-hog-cattle-feeding economy of this country?

Mr. THYE. I should think, Mr. President, if that be the attitude, that we are possibly jeopardizing the future farm economy of the Nation by permitting additional surpluses to be produced and to weigh down the market. Any economist will tell us that surpluses weaken the market.

Mr. HICKENLOOPER. Mr. President, I do not wish further to prolong my remarks or to interfere with the Senator's speech, which is very timely, but I should like to suggest to the Senator that on this vitally important question the Committee on Agriculture and Forestry has not had a meeting this year. It has had one subcommittee meeting, but the full committee has not met on the question. In mitigation, perhaps, I will say that it was confidently expected that the House would pass some measure on the subject and that the Senate Committee on Agriculture and Forestry might save some time by first seeing what the attitude of the House reflected. But the House has now spoken, and I earnestly hope that the Senate committee will begin hearings and consideration of the matter immediately. I think it is essential that it be done in the interest of establishing a program which farmers can understand.

I shall not further discuss the philosophy of the corn program, because the Senator from Minnesota is doing that very ably.

Mr. THYE. Mr. President, the distinguished Senator from Iowa is one of the senior members of the Committee on Agriculture and Forestry. We know what has taken place in the committee. It has been most disturbing to me that we have not settled down as a full committee with the specific assignment of considering corn legislation. We have not spent the time necessary to accomplish our objective up to this point. We had thought the House would act. But that does not excuse us for having failed to act, and it will not excuse us in the future. I have repeatedly called for action by the entire Agriculture Committee. In addition I have introduced a bill which would help to alleviate the problem with which we are now faced.

This is Monday, the 18th of March. The action by the House took place last week. We are responsible to the corn producers as much as are the Members of the House. It is necessary that we take immediate action and get before the Senate some measure on which it can act, in order that we may pass a bill and send it to the House, hoping that the House will take appropriate action.

Mr. President, I also wish to point out that the extension of Public Law 480 is still a legislative question. We must extend it. That will be doubly necessary if we fail to increase the corn acreage in the commercial corn area, because if we fail in that respect we shall have a much greater need for Public Law 480 and a much greater need for appropriations in excess of what we appropriated last year to finance Public Law 480.

Mr. President, at no time have the Members of this body been faced with a greater responsibility or a greater urgency than is found in this corn acreage reserve question. Legislation should be enacted immediately. If we fail, Mr. President, we shall be threatening the farm economy more seriously than it has been threatened during the past 3 or 4 years.

Mr. President, I ask unanimous consent that a tabulation of acreage in all the States within the commercial area be printed in the body of the RECORD at this point, in order that all the States may be listed. I have not touched on all of them.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

1957 corn allotment program (commercial corn area)

State	Number of farms with corn allotments	Number of firm agreements	Firm agreements as a percent of total farms	Total acres allotted	Acres placed in reserve	Reserve as a percent of acres allotted
Illinois	229,463	26,391	11.6	5,857,909	542,992	9.3
Iowa	214,004	37,623	17.6	5,952,595	396,414	6.7
Indiana	175,996	26,187	15.2	2,016,322	227,268	11.3
Ohio	185,304	22,847	14.7	2,156,784	245,756	11.3
Minnesota	124,730	13,761	11.1	3,406,178	194,919	5.7
Missouri	129,223	18,960	14.7	1,361,298	257,749	19.2
Nebraska	99,284	46,086	47.5	4,172,289	1,042,149	25.0
Michigan	95,140	16,979	17.8	995,998	196,022	19.7
Wisconsin	92,941	12,009	12.9	1,297,998	138,462	10.7
South Dakota	51,928	9,154	17.6	1,958,672	170,258	8.7
Kentucky	76,252	19,863	25.2	905,810	180,276	19.9
Kansas	34,704	11,780	33.9	905,079	198,908	22.0
North Carolina	60,681	8,974	12.4	650,262	79,889	12.4
Pennsylvania	55,317	7,962	14.4	382,079	44,046	11.4
Tennessee	43,064	16,078	37.2	458,135	97,154	21.2
Georgia	17,063	2,880	16.9	278,147	26,183	9.4
Alabama	27,827	6,498	23.3	238,214	55,481	23.3
Maryland	18,185	1,945	10.7	263,423	22,496	8.5
Virginia	8,457	1,215	14.4	122,348	14,036	11.4
New Jersey	8,060	1,284	15.9	104,901	19,672	18.8
Delaware	6,408	1,190	17.8	108,271	15,067	13.9
Arkansas	16,938	1,205	7.1	87,706	8,146	9.3
North Dakota	2,432	577	23.7	71,142	6,823	9.6
West Virginia	1,148	135	11.8	15,889	1,750	11.0
Total commercial area	1,797,022	323,341	18.0	37,288,889	4,473,024	12.0

Mr. THYE. Mr. President, six major corn States, namely Illinois, Iowa, Minnesota, Indiana, Wisconsin, and Ohio accounted for 61.8 percent of total United States corn production in 1956. They also account for 60.7 percent—22,628,086 acres—of the total commercial corn allotment of 37,288,889 acres for 1957.

However, these States placed only 8.2 percent or 1,857,793 acres of allotted acres in acreage reserve for 1957. Firm agreements for corn reserve total 4,473,024 acres.

To put it another way, although they account for 60.7 percent of allotted acres, they only account for 41.5 percent of total firm acreage reserve agreements, while the fringe States, accounting for only 39.3 percent of allotted acres account for 58.5 percent of total acreage-reserve agreements.

Mr. President, I yield the floor.

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. FLANDERS. Mr. President, I offer an amendment to the bill (S. 1451)

and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. ROBERTSON. Mr. President, I call up my amendments designated "3-12-57-G." In order to save time, I ask unanimous consent that the reading of the amendments may be dispensed with, and that they may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendments will be printed.

Mr. ROBERTSON's amendments are as follows:

On page 16, section 21 (d), lines 6 and 7, strike the words "of any surplus funds in excess of its common capital plus its undivided profits and reserves" and insert in lieu thereof "by which the surplus funds plus undivided profits and reserves exceed the bank's common capital."

On page 22, section 26 (a), line 23, strike "An" and insert in lieu thereof "And."

On page 34, section 36 (a), lines 10 and 11, strike the word "greatest" and insert in lieu thereof "greater."

On page 48, section 53 (d), lines 10, 11, and 12, strike the words ", and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the consolidated banking association."

On page 51, section 54 (d), lines 10, 11, and 12, strike the words ", and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the consolidated banking association."

On page 54, section 56 (d), lines 10 and 11, strike the words ", and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the receiving association."

On page 77, section 8 (a), first line, strike the word "here" and insert in lieu thereof "hereby."

On page 85, section 14 (b) (2), last sentence, strike the word "their" and insert in lieu thereof "its."

On page 91, first line, strike the word "in" and insert in lieu thereof "at."

On page 105, section 31 (c), line 3, strike the words ", as amended."

On page 107, lines 3 and 4, strike the words "as amended,".

On page 107, line 7, strike the words "as amended,".

On page 110, section 33 (d), last line, strike the word "provision" and insert in lieu thereof "provisions of section 21."

On page 111, line 5, after the words "provided in," insert "section 28 (m)."

On page 111, section 35 (c), line 3, strike the designation "(a)" and insert in lieu thereof "(1)."

On page 111, section 35 (c), line 6, strike the designation "(b)" and insert in lieu thereof "(2)."

On page 117, section 39 (i), line 2, insert a comma after the word "collateral."

On page 121, section 42 (a) (3), line 3, strike "its" and insert in lieu thereof "the."

On page 121, section 42 (a) (3), line 4, strike "the" and insert in lieu thereof "its."

On page 123, section 43 (c), line 5, strike "agents" and insert in lieu thereof "agent."

On page 125, section 44 (a) (2), line 5, insert a comma after the words "foreign banking."

On page 125, section 44 (b), line 4, delete the comma after the word "approve."

On page 134, section 50 (a), line 2, strike the words "this section" and insert in lieu thereof "sections 45, 46, and 47."

On page 137, section 53, line 7, insert a comma after the word "agency."

On page 151, section 5 (d), line 12, strike the word "Administrator" and insert in lieu thereof "Board."

On page 156, section 11 (b), line 6, strike the word "him" and insert in lieu thereof "it."

On page 163, section 23, line 12, strike "district" and insert in lieu thereof "District."

On page 164, section 23, line 1, strike "subsection" and insert in lieu thereof "section."

On page 164, section 23, line 2, after the word "Board" and before the comma, insert "of Governors of the Federal Reserve System."

On page 167, section 29, line 16, strike the word "him" and insert in lieu thereof "it."

On page 181, section 40, lines 1 and 2, strike the word "district" and insert in lieu thereof "District."

On page 185, section 6, in heading, strike "home-loan banks" and insert in lieu thereof "Home Loan Banks."

On page 197, section 13, last line, strike "effect" and insert in lieu thereof "force."

On page 201, section 21 (a), line 4, insert a comma after the word "Corporation."

On page 202, section 2 (c), strike the words "by the Board."

On page 206, section 5 (d) (2), line 20, strike "association of its affairs" and insert in lieu thereof "association and its affairs."

On page 207, section 5 (d) (2), line 23, strike "Whether" and insert in lieu thereof "Whenever."

On page 207, section 5 (d) (3), line 1, strike ", in the opinion of the Board," and insert in lieu thereof "it appears to the Board that."

On page 207, section 5 (d) (3), last line, strike "bank" and insert in lieu thereof "association."

On page 208, section 5 (g), line 5, strike "3111 or 3301" and insert in lieu thereof "3111 and 3301."

On page 210, section 5 (j), line 3, strike the comma after the word "association."

On page 213, section 7 (e), line 8, strike the words "the home" and insert in lieu thereof "home."

On page 216, section 403 (c) (5), line 23, strike "provisions" and insert in lieu thereof "provision."

On page 225, section 408 (b), line 3, strike "which ever" and insert in lieu thereof "whichever."

On page 236, section 15, last sentence, strike the word "subdivision" and insert in lieu thereof "section."

On page 241, section 25, line 4, strike the words "who are either" and insert in lieu thereof "who either are."

On page 248, paragraph (150), insert the number "6," between the numbers "5, 7,".

On page 251, after section 805, insert the following new section:

"REFERENCES IN OTHER LAWS

"SEC. 806. Any reference in any other law of the United States to any provision of any act or part thereof revised or reenacted by any title of this act shall, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, be deemed also to refer to the corresponding provision as so revised or reenacted by this act."

On page 6, table of contents, after "Sec. 805. Savings clause.", insert "Sec. 806. References in other laws." and renumber the following sections of title VIII accordingly.

Mr. ROBERTSON. Mr. President, after the bill was reported to the Senate on March 4, I asked each of the Government agencies concerned to study the bill and to advise me of any technical errors. The amendments I have just submitted are based on the review by the agencies and our committee counsel. These amendments are purely technical. They are designed to correct typographical errors, insert proper punctuation, and to clarify the language of several provisions.

The only change proposed of any substance is to add a new savings clause to the effect that references in other statutes to laws contained in the bill will be construed to be references to the new bill. This amendment is necessary to preserve the effectiveness of present laws outside the banking statutes which make references to the banking statutes.

Mr. President, I ask unanimous consent that these technical amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendments were considered en bloc and agreed to.

Mr. ROBERTSON. Mr. President, I call up another so-called committee amendment, to which I have heard no objection, namely, my amendment designated "3-12-57-F," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 231, it is proposed to strike subsection (b) of section 7 and insert in lieu thereof the following:

(b) The Director shall encourage every Federal credit union to make an adequate internal audit of its affairs at least once each year. In any case in which the Director deems it is necessary, either because of the absence or inadequacy of any such internal audit or for any other reason arising in the course of the supervision of any Federal credit union, he may require at such times as he deems necessary that such Federal credit union have an audit by an independent individual or firm approved by the Director or in the alternative require that it be audited by the Bureau. The expense of any such audit by the Bureau shall be considered part of the examination fees authorized in subsection (a) of this section.

Mr. ROBERTSON. As Senators who have read the bill know, it provides that a credit union which has assets of more than $100,000 shall be required to have an audit made by independent, outside sources. But after considering the real business done by most of the credit unions, which runs up to $400,000 without any collateral—and the bill authorizes an increase in the amount to $500,000—and after considering that many credit unions are family affairs, so to speak, and that audits might be rather expensive, this amendment was framed to provide that audits would not have to be made unless the Director of the Bureau of Federal Credit Unions thought the credit union was in bad shape, and therefore the Bureau needed to know more about its operations.

It will be recalled that credit unions are required to obtain Federal charters. Then the members of the individual unions get together—they may be Government employees or privately employed workingmen—and designate some of their number to be boards of directors, auditors, and credit committees. Probably no one trained in the banking business would follow such procedure, although one credit union today has assets of about $17 million.

The committee thought that, since the Federal Government granted the charters, and since the Federal Government was supposed to examine the credit unions, just as the Comptroller of the Currency examines national banks—although he testified that he got around to but 84 percent of them—we would be acting in the interest of those who had placed their savings in these organizations by adopting the provision in the bill.

But, as I have said, the credit unions protested that for a small organization the expense of employing an outside auditor would be too great. So the committee agreed to an amendment which the national organization has accepted. We believe it is satisfactory to all credit unions.

The representatives of the credit unions have said to us, "We want to know we are safe, and we are sure that the Director would not call on us for an audit unless he had very good reason to believe that an audit was needed."

Mr. President, section 7 (b) on page 231 of the bill requires every Federal credit union with assets of $100,000 or more to have an annual audit by an independent individual or firm approved by the Director of the Bureau of Federal Credit Unions. Federal credit unions with assets of less than $100,000 would be audited annually by the Bureau of Federal Credit Unions.

The present provision places an undue burden on the smaller credit unions. In fact, I have been told that many credit unions could not afford additional expenses of an annual audit. The Credit Union National Association is opposed to the provision, and I am sure that you have heard from credit unions in your own State in opposition.

The reason the committee added this provision to the bill was to provide additional protection to the members of the credit unions. However, I believe the provision goes too far, and we can achieve the same protection through the proposed amendment I have just offered.

The amendment provides that the Director of the Bureau shall encourage every Federal credit union to make an adequate internal audit each year. In any case where the Director finds it is necessary, he is authorized to require an audit by an independent individual or firm. Thus, in cases where there is no internal audit or the internal audit is not adequate or wherever the Director needs more information about the operations of a credit union, he can require an outside audit.

I believe this amendment will provide the needed safeguards to the members of the credit unions, and at the same time, will not be a burden on all the credit unions. The amendment has been approved by the Bureau of Federal Credit Unions and the Credit Union National Association.

The amendment has been checked by the members of the Committee on Banking and Currency, and all the members of the committee believe it should be agreed to. I have heard no objection to it on the floor of the Senate.

Mr. MORSE. Mr. President, does the Senator yield the floor?

Mr. ROBERTSON. I yield the floor.

Mr. MORSE. I have been cooperating with the Senator from Virginia in the matter of time, but I have just been advised that the Senator from Illinois [Mr. DOUGLAS] may wish to be heard on this matter. Therefore, I will use the intervening time to make a very short speech which I have put aside, now, on 4 different days, while we wait for the Senator from Illinois.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. ROBERTSON. There are different interpretations of the word "short." Would the Senator from Oregon be good enough to indicate in terms of minutes or hours the amount of time he wishes to take?

Mr. MORSE. Oh, Mr. President, the Senator from Virginia will be surprised. I am glad he used the word "hours." This will be one of my shorter speeches. I shall take 20 minutes, perhaps, although I may say to my friend from Virginia that I shall first yield to my friend, the Senator from Iowa, who wishes to speak for 2 or 3 minutes.

REPORT BY CITIZENS ADVISORY COUNCIL TO COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. MARTIN of Iowa. Mr. President, on last Saturday, March 16, I received information from the offices of some Representatives in Congress that the report of the Citizens Advisory Council to the Committee on Post Office and Civil Service of the United States Senate had been delivered to their offices accompanied by an invitation addressed to "All Members of Congress" to attend hearings that are to be held before a subcommittee of the Senate Committee on Post Office and Civil Service starting March 21. This invitation indicated that it was sent from the office of the Chairman of the Senate Committee on Post Office and Civil Service and the invitation had at the top the word "Important" underscored.

The strange thing about this matter is that no copy of this report of the Citizens Advisory Council and no invitation had come to my office at the time I received the information that it had reached Members of the House of Representatives.

Mr. President, even though I am serving as a member of the Senate Committee on Post Office and Civil Service I had not previously been informed that this report was on hand and I understand that other members of the committee had likewise not been so informed.

When I heard of the existence of the report I immediately called the staff of the committee and demanded that a copy be delivered to me at once because I have a very real curiosity as to the contents of this report.

While I am not a member of the subcommittee appointed to conduct the scheduled hearings I will follow with great interest any information developed in the hearings bearing on the extent of the investigation made by the Citizens Advisory Council. I hope the subcommittee will carefully analyze the data used by the Citizens Advisory Council and their recommendations. I desire especially to know why they listed data for the fiscal year ending July 4, 1955, thereby bypassing the effect of legislation enacted in 1955, which information for later periods was surely available to them.

I thank the Senator from Oregon.

IMPORTANCE OF THE FOREST SERVICE BUDGET

Mr. MORSE. Mr. President, in view of the fact that we shall soon have before us the budget of the Forest Service, I wish to speak for a few minutes on the vital role the national forests play in the economy of the Pacific Northwest.

Oregon and Washington produce more than 12 billion board feet of timber; and, under current estimates, our national forests should supply at least one-fourth of that volume. However, they are not doing so. In fact, last year they were 400 million board feet short of meeting their cut.

This is enough lumber to build 50,000 homes for America's growing population. It is enough lumber to provide sufficient decent housing to rid several of our large cities of slums. It is enough lumber to provide payrolls of $36 million to the Northwest. The Government's potential revenue from the sale of this timber would put $7,600,000 in the Treasury of the United States. At the same time, it could provide $1,900,000 for the support of local schools, under the school-revenue provisions.

VITAL ROLE OF NATIONAL FORESTS

The Forest Service has done a good job with the funds Congress has supplied. Congress has shown increasing recognition of the vital role the national forests play in our economy.

The national forests do more than provide timber for use. The streams in these forests bring pure water to almost every town in the Pacific Northwest. Forest grasslands provide grazing for cattle and sheep. Our national forests contain areas of scenic wonders—areas of awe-inspiring wilderness and unsurpassed outdoor recreation of every sort.

ADMINISTRATION'S FAILURE TO REQUEST ADEQUATE BUDGET

I was glad to observe that this year's budget contained additional funds for many needed forest programs; but I was disappointed that the administration—still pursuing backward policies—failed to request the full authorization for timber access roads.

The House has made some cuts in the overall budget. I cannot agree with all of them. I am sure the Senate Appropriations Committee will do its best to restore funds for all worthy programs.

In the face of the general increase in the budget, the Congress will exert every effort to prune out nonessential appropriations, so as to save the taxpayers' dollars. This is our responsibility.

We have other responsibilities, too. It is the duty of Congress to make certain that Federal programs which produce revenue are efficiently operated and properly financed, so that the maximum revenue is secured.

NEED FOR TIMBER ACCESS ROADS

The key to sound forest management is roads into the forests. I urge the Members of the Appropriations Committee to take the necessary steps to provide the additional timber access road funds which have been authorized, but which the Bureau of the Budget—through shortsightedness—failed to request.

Last year, the national forests of the Pacific Northwest alone brought $49.4 million into the Federal Treasury. They should have brought in $57 million. If we add $2.6 million for timber access roads, we shall increase the amount of timber which can be cut, and thereby we shall increase the revenues.

LOSS DUE TO FAILURE TO HARVEST

We have a loss of $36 million in payrolls, because of the failure to harvest the full cut from the national forests. We are threatened with real capital losses to our forests. The balsam woolly aphid—a tiny insect for which no known control exists—has attacked 350,000 acres in the Pacific Northwest. In one national forest alone—the Gifford Pinchot, in Washington—2 billion board-feet of timber must be salvaged.

The Forest Service says it is giving intensive study to this serious forest threat. Timber worth $40 million standing on the stump is involved in this one forest alone. We must harvest the timber which has been killed, and we must press forward with research to control this threat.

ADMIRABLE RECORD OF FOREST SERVICE

We in the Pacific Northwest are proud of the record the Forest Service has made. Last year its net income, after all—and I emphasize the word "all"—expenses, enabled it to deposit $26 million in the Treasury. We have an obligation to insure that these operations shall continue to improve.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a report on the Forest Service operations in the Pacific Northwest. It is an extremely interesting document.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REGION 6 IN 1956, PACIFIC NORTHWEST REGION—ANNUAL REPORT, UNITED STATES DEPARTMENT OF AGRICULTURE FOREST SERVICE

REGIONAL OFFICE DIVISIONS AND FORESTS, REGION 6

Regional Forester J. Herbert Stone, Portland, Oreg.

Division and chief

Engineering, R. F. Grefe.
Fire control, Kermit W. Linstedt.
Fiscal control, Reed H. Jensen.
Information and education, L. G. Jolley.
Operation, P. F. W. Prater.
Personnel management, Earl D. Sandvig.
Recreation and lands, Frank B. Folsom.
State and private forestry, Thomas H. Burgess.
Timber management, Walter H. Lund.
Wildlife and range management, Avon Denham.

Forest and supervisor

Deschutes, James A. Egan, Bend, Oreg.
Fremont, John E. McDonald, Lakeview, Oreg.
Gifford Pinchot, Homer J. Hixon, Vancouver, Wash.
Malheur, J. Malcolm Loring, John Day, Oreg.
Mt. Baker, Harold C. Chriswell, Bellingham, Wash.
Mt. Hood, Lloyd R. Olson, Portland, Oreg.
Ochoco, Cleon L. Clark, Prineville, Oreg.
Okanogan, Chester H. Bennett, Okanogan, Wash.
Olympic, Mason B. Bruce, Olympia, Wash.
Rogue River, Jack H. Wood, Medford, Oreg.
Siskiyou, H. C. Obye, Grants Pass, Oreg.
Siuslaw, Rex W. Wakefield, Corvallis, Oreg.
Snoqualmie, Laurence O. Barrett, Seattle, Wash.
Umatilla, Charles M. Rector, Pendleton, Oreg.
Umpqua, Vondis E. Miller, Roseburg, Oreg.
Wallowa-Whitman, Harold S. Coons, Baker, Oreg.
Wenatchee, John E. Blair, Wenatchee, Wash.
Willamette, Robert Aufderheide, Eugene, Oreg.

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
PACIFIC NORTHWEST REGION,
Portland, Oreg., February 1, 1957.

DEAR NATIONAL FOREST STOCKHOLDER: This is our fourth annual review of national forest administration and State and private forestry cooperation for the Pacific Northwest Region. Accomplishments, and some of our management problems, are discussed under headings which correspond to our administrative divisions of work.

Demands upon the resources provided by our forests have been increasing rapidly. Right now there are about 3 acres of commercial forest land for every person in the United States. By the year 2000 it has been predicted that this will shrink to about 1¾ acres per person, mainly because of population increase. It is clear that our overall job continues to be to get maximum production of all resources provided by our forests. It is equally clear that this must be accomplished under the principle of multiple use. Sound land management planning will be needed to reach this objective.

Conflicts inevitably occur through requests that certain uses be given priority to accommodate the interests of one or another segment of our people. A keen public understanding of the problem of integrating uses to provide maximum benefits to all becomes increasingly important. We hope that this brief report will contribute toward that end.

Again, may we express our appreciation for the advice and cooperation many people have given us. Should you have any comments or suggestions on our 1956 Annual Report, or as to how we may be of greater service in the multiple-use management of national forest and range lands, we shall be glad to receive them.

Very truly yours,

J. HERBERT STONE,
Regional Forester.

ANNUAL REPORT, FOREST SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, PACIFIC NORTHWEST REGION, 1956

TIMBER MANAGEMENT

Timber sales, calendar year

Despite a slight slump in the lumber and plywood market, timber cut and sold remained at a high level. Timber sold amounted to 3,091,537 M b. f.[1], compared with 2,830,450 M b. f. for 1955. A total of 2,734,073 M b. f. was cut for which $63,391,579 was paid, an average of $23.19 per M b. f. In 1955 the cut amounted to 2,729,885 M b. f. with a value of $44,582,518. The 1956 cut was 90.5 percent of the allowable annual cut based on existing inventory data.

[1] M b. f., thousand board feet.

Planting and stand improvement

A total of 10,177,000 seedlings and transplants was produced in Forest Service nurseries at Wind River, Wash., and Bend, Oreg., for field planting throughout the region. An additional 2,048,000 seedlings were grown for national forest planting (under cooperative agreement) at the Washington State nursery. The above planting stock provided for reforestation of 22,040 acres. An additional 845 acres were directly seeded. Total area successfully reforested by planting and seeding to date in the region is 202,619 acres. Of this year's work, 21,557 acres were financed with cooperative sale-area-betterment funds and the remaining 1,237 acres with appropriated funds.

In addition to thinnings of timber stands on several national forests through commercial sale of removed trees, improvement on 24,086 acres of young forests was completed. This consisted of 6,983 acres of stand release and thinning and 17,103 acres of pruning. All of this work was financed with cooperative sale-area-betterment funds.

Insects and diseases

Chermes: Top insect problem in the region at present is the damage being caused by a relatively new tiny insect known as balsam woolly aphid or Chermes. This pest has infested 355,990 acres in Oregon and Washington. Attacks have been confined so far to the true white firs. No known control exists. The most severe concentration is on the Gifford Pinchot Forest in the St. Helens area. Plans are under way to salvage 2,135,000,000 board-feet of timber from a 47,680-acre area. This is a serious threat which is being intensively studied.

Bark beetles: Western pine beetle losses were at an alltime low in 1956.

Douglas-fir bark beetle infestations are at a low level. Both are a continuing problem reckoned with in all timber-management plans.

Spruce budworm: No spruce budworm-control project was needed in 1956 for the first time since control measures started in 1949. From 1949 to 1955 some 3,840,000 acres were aerially sprayed to control this pest which appears to be increasing slightly again in the Blue Mountains. Some additional control work may be necessary in 1958.

Blister rust: During the past season, 3,465 acres of sugar and white pine stands on two national forests—Umpqua and Rogue River—were treated to protect from blister rust. The Forest Service also provided technical direction and coordinated rust control work in Oregon and Washington, done by the Bureau of Land Management and the National Park Service. The Forest Service located additional rust-resistant western white pine trees and collected their seed to be used to produce more resistant trees in greater quantity. Eventually we may be able to reforest large areas with rust-resistant trees.

Road rights-of-way

Considerable progress was made in obtaining road rights-of-way to permit the construction of timber access roads. During the year action was taken on 154 right-of-way cases. Types of cases, and accomplishment, are listed in the following table:

	Number cases
Road right-of-way easement deeds acquired	98
Road right-of-way easement deeds pending	26
Rights-of-way acquired across unpatented mining claims	5

	Number cases
Rights-of-way acquired across unpatented mining claims, pending	6
Cooperative road-construction agreements consummated	4
Cooperative road-construction agreements, pending	3
Agreements to use private roads, consummated	5
Agreements to use private roads, pending	4
Permanent rights-of-way across national-forest land	5
Total number of cases	154

Sustained yield units

Calendar year 1956 marked the end of the first decade for the Shelton Cooperative Sustained Yield Unit. A cooperative reinventory was completed in 1955, and in 1956 a new allowable annual timber cut was computed, and revisions were made in the management plan and agreement. The revised cut is 135 million board-feet, an increase of 35 million. This change is due to the addition of some 50,000 acres acquired by Simpson Logging Co., improved utilization, and the reinventory. No formal applications for cooperative or Federal sustained yield units were received during calendar year 1956.

Management plans and inventories

Field work was completed for reinventories of 15 working circles during the year. This completes 37 of the 68 working circles in the region. Two other reinventories were started. More than half of the projects were done cooperatively with forest survey unit crews of the Pacific Northwest Forest and Range Experiment Station.

Revision of timber management plans for the forests is being pushed in an effort to keep pace with reinventories. Whenever data show that recalculation of the allowable annual cut is warranted an adjustment of the allowable annual cut is made. Region-wide the allowable annual cut has been increased 182 million board-feet as the result of reinventories. This is exclusive of the Shelton Cooperative Sustained Yield Unit.

ENGINEERING

As in the past, the problem of access into our forested areas is still one of our major problems. An intensive transportation planning study for future timber access roads was made on every ranger district in the region this past year.

Forest highways

During 1956 the Bureau of Public Roads awarded contracts amounting to $4,690,750 covering 67 miles of forest highway construction. Forest highways are those highways within or adjacent to national forests which are a benefit to forest development, protection, and administration, and are required for transportation of timber and minerals. The program of construction is prepared jointly by the State, Forest Service and Bureau of Public Roads.

Roads and trails

Road and trail maintenance during calendar year 1956 was unusually heavy because of flood damage incurred in the December 1955 floods. Restoration work (included in road and trail maintenance below) amounted to $289,000.

Accomplishments on the transportation system for 1956 were as follows:

Work done with Federal funds:	
New bridges (23)	$785,095
Temporary bridges replaced with bridges (21)	596,018
Temporary bridges replaced with culverts (42)	99,070
Timber access roads, new (79.9 miles)	1,872,638
Timber access roads, reconstructed (39.1 miles)	432,082
Other roads constructed (2.6 miles)	821,699
Other roads reconstructed (20.7 miles)	142,796
Work done through timber sale contracts:	
Engineering on timber access roads	363,980
Bridge construction (11)	191,082
Timber access roads, new (869 miles)	14,819,694
Timber access roads, reconstruction (251.5 miles)	2,916,590
Road maintenance (6,114.4 miles)	1,727,575
Other accomplishments with Government funds:	
Survey and plans (574 miles)	1,075,306
Construction staking and inspection purchaser roads (762.2 miles)	923,689
Trail construction (111.6 miles)	165,155
Roads maintained (12,331 miles)	1,337,227
Trails maintained (20,751 miles)	370,610

Equipment fleet management

The region continued to meet peak summer transportation needs by using older vehicles and renting a few from other agencies. Because of expanding work loads, 40 vehicles were added to the fleet through transfer of excess vehicles from the Bonneville Power Administration. The region conducted its first formal training session for the lead mechanics in charge of shops. The training lasted a week and covered procedures of shop management, repairs, and cost accounting.

Reservoir construction

The Forest Service has nothing directly to do with water impoundments. It is vitally concerned, however, with the impacts that such projects have on other land uses.

Activity on major waterpower cases continued at a high level during the year. Construction work is continuing on the Skagit River and Baker Lake projects on the Mount Baker Forest, and Swift Creek No. 1 on Gifford Pinchot. Construction is either starting or well under way on Swift Creek No. 2, Gifford Pinchot, and North Fork Clackamas, Mount Hood.

Applications for waterpower permits were made for Sultan River, Snoqualmie Forest, and South Fork Skokomish River on the Olympic, but no further action has taken place. Included among those in the application, reporting or preliminary stage are the Middle Snake River, Eagle Cliff, Meadow Creek, Little White Salmon River, and Eden Ridge.

Cartography

Good progress has been made during the year on modernizing the maps which are vital to the conduct of national forest business. The maps are also of benefit to other Federal agencies, the States, forest industries, timber sale operators, and others. Mapping programs are coordinated to avoid duplicating the work of others.

Since 1947, planimetric mapping of approximately 80,000 square miles on a scale of 2 inches to the mile has been completed. Work on an additional 3,000 square miles is under way and should be finished by July 1, 1957. Approximately 14,000 square miles remain to be done. This includes work being done by the Geological Survey, which the Forest Service will use.

New base maps of 2 national forests, on a scale of one-half inch to the mile, were completed and 2 more are in progress and will be finished by July 1, 1957.

Aerial photographs and photogrammetric methods are used in mapmaking. During the year aerial photography of 10,200 square miles was contracted and is approximately 90 percent completed. Of this, approximately 3,000 square miles was on a scale of 1:12,000, and the remainder on a scale of 1:15,840. Additional photography is needed of areas having obsolete or unsatisfactory photographs. This will be done as needs require and funds permit.

Recreation folder maps are revised for each forest approximately each 6 years. New map folders were prepared for Siskiyou, Ochoco, and Wallowa-Whitman National Forests. Three others—Gifford Pinchot, Umpqua, and Umatilla—are under way.

Forest soils

Good progress has been made in obtaining the information about forest soils, vitally needed by land managers in determining proper road locations, adequate road drainage, soil stabilization and other practices involved in multiple-use land management. The job is virtually complete for all of the forests in Washington. In Oregon, fieldwork is completed on Willamette National Forest and is under way on others. Other agencies also taking part in phases of the program are the Soil Conservation Service and Oregon State College.

RECREATION AND LANDS

Recreation

Again, recreation use has increased. Over 5 million visits were made to recreation areas last year. Among individual recreation pursuits, the greatest increase during 1956 was in winter sports. Visits numbered approximately 720,400—a 9-percent increase over the previous year.

Major developments at winter sports areas this past year were:

Item, location, and forest

Ski lodge, Panorama Dome, Mount Baker.

Several rope tows; double-chair lift, White Pass, Snoqualmie.

Pomalift and ski lodge, Snoqualmie Pass, Snoqualmie.

Ski lodge; 2 rope tows; Pomalift, Tomahawk, near Klamath Falls, Rogue River.

New ski jump, Spout Springs, Umatilla.

Reconstruction famous Leavenworth ski jump,[1] Leavenworth, Wenatchee.

Additional funds enabled some progress in replacing and adding to campground sanitation and other basic facilities this year. A stepped up program of rehabilitation and new development is planned to meet the needs of the increasing number of recreational users.

Land management planning

Ever increasing demands upon the national forests to furnish timber, forage, recreation, water, and other products has brought into focus conflicts among the various uses. A larger program of land management planning was started this past year. It consists of gathering pertinent resource data, patterns of use, and other important related information. Following an analysis of this factual data, conflicts in use are carefully weighed. The preference use or uses to which the areas will be dedicated will be those best designed to satisfy long-term public needs for all of the resources of the national forests. This type of land management planning was started on at least one ranger district on each forest.

Wilderness and wild areas

A land management analysis and plan for Glacier Peak area was made during the year. This plan including a proposal for a new wilderness area will shortly be discussed with all interested parties before final recommendations are made to the Chief of the Forest Service.

Land exchange

Exchange of lands between the Bureau of Land Management and the Forest Service,

[1] Collapsed last winter under abnormal snowfall.

as provided by Public Law 426—83d Congress, has been completed. Approximately 241,000 acres of national forest lands have been transferred to the Bureau of Land Management and given O. and C. status, while approximately 243,000 acres of O. and C. lands have been given national forest status. The values of both properties were approximately equal.

Following completion of the exchange, a study was made of needed boundary adjustments of six national forests involved. The region's recommendations as a result of this study will be forwarded to Washington early in 1957.

Small watershed projects and general basin investigations

Forest Service participation on small watershed projects, under Public Law 566, continued during 1956. Preliminary field examinations were made on 3 watersheds in Washington and 5 in Oregon. Feasibility studies were made on 1 watershed in Oregon and 1 in Washington. Forest land programs were developed for one watershed in each State.

On Mission Creek Watershed Protection Demonstration Project, Wenatchee National Forest completed 1½ miles of channel clearing and bank stabilization, 4 miles of new trail construction in Devil's Gulch, and about 150 acres of roadside erosion control and critical erosion-source-area seeding and planting. The new trail proved its utility in August in providing rapid access to a lightning fire.

At the request of the Corps of Engineers the Forest Service made a study of the impacts on forest resources and resource management of eight of the flood control projects included in the Columbia Basin 308 Review.

Mineral resources

About 206 mining claims, covering 5,150 acres, were examined in connection with patent applications or to determine validity. Twenty-four were clear listed for patent and 182 were protested by the Forest Service. The Bureau of Land Management conducted 8 hearings for 8 of the protested claims.

Thirteen forests participated in an examination of 24 areas, embracing approximately 1,200,000 acres of national-forest lands, for determination of surface rights under the provisions of the act of July 23, 1955:

Forest:	Approximate acreage
Snoqualmie	508,000
Whitman	200,000
Mount Baker	92,000
Siskiyou	75,000
Willamette	68,000
Wenatchee	62,000
Deschutes	45,000
Fremont, Ochoco, Okanogan, Olympic, Rogue River, Umatilla	150,000

Four areas have had publication of notices to mining claimants that the Forest Service is making a determination of surface rights. The areas are: North Fork Snoqualmie River, Skykomish and Mineral areas, Snoqualmie and Quartzville area on the Willamette. The 150-day period for filing verified statements has expired on only one area—the North Fork Snoqualmie. Fourteen statements covering 127 claims were filed with the land office at Spokane. Twenty-five of these claims have been examined by Forest Service mineral examiners. As yet, no hearing has been held to determine the effectiveness of the asserted surface rights.

As of December 31, 21 verified statements covering 125 unpatented mining claims have been filed with the land office at Spokane for the Skykomish area. None of these claims have been examined by the mineral examiners. The 150-day period for filing verified statements expires on the days indicated for the remaining 3 areas: Skykomish, February 1, 1957; Quartzville, April 1, 1957; and Mineral, June 10, 1957.

Eight other cases are in the land office, Portland, being processed for publication of notice to mining claimants. Six cases are in the office of the Chief of the Forest Service being processed. Six others are being worked on at the forest level.

RANGE AND WILDLIFE MANAGEMENT

A good start was made during the year on a number of pressing problems in range and wildlife management. We are hopeful of being able to increase and accelerate certain phases of the work.

Range management

Actual livestock numbers grazed on the forests of the Pacific Northwest region in 1956 were: Cattle, 89,069; sheep, 150,153.

This represents a decrease of 397 head of cattle and 14,808 sheep from 1955 figures.

Grazing receipts amounted to $216,838.75 as compared with $224,159 for 1955. Lower market prices to livestock growers in 1955 caused a slight decrease in grazing fees in 1956.

Based on preliminary reports, over 4,000 acres of depleted forest range were revegetated. Revegetation practices included:

1. Spraying brush to release desirable forage.
2. Water spreading.
3. Mulching and grass seeding of scab ridges.
4. Seed-bed preparation by cultivation and the reseeding of forage grasses.

In addition, about 4,500 acres of accidental burns and 10,000 acres of logging-disturbed areas were seeded to grass as erosion-control measures. An estimated 300,000 acres of depleted range needs to be reseeded.

Noxious weed-control work was performed on five forests. Only high priority projects could be undertaken. Weeds worked on were: Tansy ragwort, Canadian thistle, Napa-thistle, and water hemlock.

Range Allotment Analysis

Increased funds to this region for this essential work have resulted in the employment of nine additional men who are spending all or a major part of their time analyzing range condition and forage production for the preparation of modern management plans. More than 900,000 acres have been covered since July. More will be done before the end of the fiscal year. Analyses of ranges used by domestic livestock will be completed in 6 or 7 years.

Watershed management

Coffee Pot Flat Project

Since our last report, we have continued to improve and expand the Coffee Pot Flat waterspreading project on the Fremont Forest. Dikes have been strengthened, gully rehabilitation started and the vegetative cover more carefully managed. This project differs somewhat from earlier attempts to stabilize soil and restore the vegetative cover in that more care is directed toward water control, particularly when it falls, rather than after it cuts and enters stream channels.

Sand Dune Stabilization

We have initiated, this year, stabilization of moving sand dunes on the coastal area of the Siuslaw Forest. Some 20 years ago experimental work indicated that shifting sand dunes may be effectively controlled by planting of dune grass, legumes and trees, in succession. Several thousand acres of dunes are in need of stabilization on the forest. In solving the sand dune problem this year's program is only a start.

Funk Mountain Project

Fencing, grass seeding and tree planting were accomplished on Funk Mountain (Okanogan Forest) which is within South Okanogan Soil Conservation Pilot District. The rehabilitation was accomplished in conformity with an overall land and resource management plan for the pilot soil conservation district.

Anthony Ridge Project

Soil stabilization and rehabilitation (by mechanical means) and grass planting were started on Anthony Ridge in Elk Horn Mountains west of Baker, Oregon. The method used consists of contour trenches followed by seeding of suitable grass. Livestock were removed from the area a number of years ago; however, soil movement which resulted from misuse of the vegetative cover was not appreciably stopped merely by the removal of livestock. It was necessary to control overland waterflow by constructing the contour ditches which were, in effect, miniature waterstorage reservoirs. Once the soil is stabilized, vegetative cover may be restored. This year 200 acres were treated. It is estimated that in this region over 100,000 acres are in need of similar treatment.

Management of Municipal Watersheds

Careful harvesting of timber from Marys Peak and Big Quilcene watersheds, which supply domestic water to Corvallis, Oreg., and Port Townsend, Wash., respectively, is being continued on a sustained yield basis without detriment to the water supplies for these municipalities.

Wildlife management

The 1956 harvest of big game from national forest land in Oregon and Washington is expected to be slightly down from the 1955 record kill of 61,000 deer and 7,200 elk. Severe winter losses of deer in some parts of Washington a year ago and a leveling off of the deer herds in Oregon contributed to a slightly reduced harvest. Game ranges comprise a greater area than livestock ranges. Efforts are being directed toward increasing or improving game range areas through range improvement activities and through its coordination with management of other resources designed to improve game habitat. A number of localities continue to show effects of excessive game use of browse plants and tree reproduction. A study just initiated on the Olympic Forest, with State Game Department and Forest Service research personnel participating, will more accurately assess elk damage to new tree plantations.

The livestock range allotment analysis program has been expanded to include pertinent information on big game ranges, such as herd unit boundaries, critical range areas, abundance and condition of browse forage and areas suitable for game rehabilitation. All forests in the region now have completed, or nearly completed, limited wildlife plans designed to aid field men in properly administering game habitat.

STATE AND PRIVATE FORESTRY

The Forest Service has responsibility of cooperating with State, private, and other public agencies in promoting (1) better protection, and (2) better management of forest lands. Basis of the protection activities is that provided under the Clarke-McNary law. Work in management improvement has to do with farm forestry, the agricultural conservation program, the soil bank, tree planting, and general forestry assistance, under a number of acts of Congress.

Cooperative forest protection

A study was begun in 1955 with State officials to determine the cost of providing a basic level of protection for all State and private forest lands. This study was continued and completed in 1956. It reveals that the cost of protection has increased approximately 20 percent since the previous estimate was made in 1950. These cooperative cost studies are made at approximate 5-year intervals.

Federal funds are allotted to the States under the cooperative Clarke-McNary protection program. Timber values and the annual value of forest products from non-Federal lands, protected under the program, are estimated to be over $13 billion. Approximately 24 million acres of State, private, and other non-Federal forest land are protected by Oregon and Washington State forestry organizations. Federal funds allotted for fiscal year 1957 were: $591,416 for Oregon and $558,588 for Washington. This is approximately 25 percent of the total funds spent by the two States for the protection of these valuable State and private forest lands.

We are currently working with the States in the development of more adequate State rural fire defense plans. Existing plans for protecting forest lands from fire in the event of enemy attack have been broadened to include all rural areas. Statewide committees consisting of all protection agencies have been organized.

Farm Forestry

All farm forestry projects in the region are under the direct supervision of the State Foresters. A total of $79,282 is budgeted for cooperative forest management in the two States. Of this amount, $24,677—31 percent—is made available through Federal allotment. The Federal funds made available for fiscal year 1957 were $11,012 for Oregon, and $13,665 for Washington. This helps to provide for 12 farm foresters in the 2 States.

Two additional farm forestry projects have been started in the State of Washington during the year, bringing the number of projects up to a total of eight. There are a total of four farm forestry projects in Oregon. Technical advice on proper management of forest lands is provided the small landowner under this program in 12 counties in Oregon and 14 counties in Washington.

Agricultural Conservation Program

The intent of the Agricultural Conservation Program is to encourage the development of sound conservation practices on non-Federal lands. The program was jointly developed by the Forest Service, Soil Conservation Service and State agricultural stabilization and conservation offices. Technical forestry information and guidance has been provided to the greatly expanded forestry activity. A Forest Service representative meets with each county ASC committee at least twice each year, to advise and assist on forestry practices.

Soil Bank Program

The Forest Service has responsibilities under the "Conservation Reserve" portion of the soil bank. We are working closely with the two State foresters to increase forest-tree-nursery capacity for "Conservation Reserve" tree planting. Each of the two States is building a new nursery capable of producing 15 million trees annually. For this purpose $462,467 of Federal money has been made available to the State foresters. The State of Washington has hired two planting technicians and plans to hire more to develop landowner interest in conservation reserve tree planting, and to provide technical assistance. The State of Oregon is planning to do likewise.

Cooperative Tree Planting

The Forest Service provides financial and technical assistance to State foresters in growth and distribution of about 7 million tree seedlings. This is in addition to production of trees for soil-bank use and comes under the Clarke-McNary (C-M 4) program. State nurseries are being enlarged to make twice this number of seedlings available to landowners. Total budget for this nursery production amounts to $103,688. The Federal share of this amount is $19,917.

General Forestry Assistance

More commonly used Timber Resource Review statistics for Oregon and Washington were assembled in booklet form as a service to conservationists.

As a service to the small forest landowner, a pamphlet entitled "Timber Sale Agreement Guides for the Woodland Manager" was prepared. The pamphlet encourages use of written agreements with provisions which (1) are fair to both purchaser and landowner, and (2) encourage the acceptance of good forestry practices.

We assisted forestry committees in Clark County, Wash., and Columbia County, Oreg., in sponsoring Conservation Days for seventh grade schoolchildren. The program involved classroom study, a 1-day tour to observe what they had studied, and a quiz or prepared paper following the tour. Some 2,200 schoolchildren from the two counties took part.

FIRE CONTROL

We have made progress during the year on a number of fire-control problems. The drive to prevent man-caused fires has continued. We have sought more efficient methods to control wild fires. Safer and better methods of using fire as a management tool have been given considerable attention. Special efforts were given to reducing industrial fires through better inspection on industrial equipment and operation, developing more thorough preparations for slash burning and safer, more efficient methods of setting slash fires.

Much attention has been given to preventing other man-caused fires, particularly those set by hunters in Oregon and Washington. The number of hunters in the two States has increased until more than half a million now flock to the hunting areas each year. Fire prevention has been urged through the cooperative forest fire prevention campaign (Smokey Bear), State foresters, and the Keep Green Associations. The Forest Service cooperated with other protection agencies in Oregon in securing coordinated publicity just before deer hunting season. Combined publicity was issued by the State Governor's Red Hat Days Committee and was the result of joint efforts of the Forest Service, State foresters, Keep Oregon Green Association, Bureau of Land Management, Oregon Game Commission, the Governor's Red Hat Days Committee, West Coast Lumbermen's Association, and the Weather Bureau. It is believed that results were good, even though the number of hunter fires increased. Increase was due in large part to the dry fall and an earlier opening date of deer season in Oregon. Fires attributed to hunters constitute a problem of greater proportions in Oregon than in Washington.

Forest fires in 1956 were near the alltime high in numbers; acreage burned was near the alltime low.

	1956	1955	1951-55 average
Number of fires	1,863	1,613	1,096
Acreage burned	1,729	10,291	10,357

Lightning fires totaled 1,396 and man-caused fires 407. Hunter fires were up this year to 115, from 73 last year. Most of these were in Oregon.

Slash burning

Even under the best conditions, necessary burning of logging and roadbuilding debris or slash is a hazardous operation. Reports indicate that slash burned was 30 to 40 percent less than that planned. Delayed precipitation followed by heavy and continuous rain in October, particularly in the southern Cascades, was the main deterrent. Efforts have been continued to lengthen the period during which slash may be burned, through concentrating it by piling, machine bunching, and by covering piles with heavy paper.

Aerial program

Numerous lightning fires in remote areas of the northern Cascades and Siskiyou Mountains caused our use of smokejumpers, airplanes, and helicopters to soar to an all-time high. The 483 jumps—to 149 fires—are the most on record. They contributed significantly to the low burned acreage. Helicopters were used on a number of fires to transport supplies and equipment and for detection and observation. As a result of this year's experience we plan to make greater use of aerial facilities to transport personnel, supplies, and equipment to the remote fires. Possible use of airplanes for dropping water or chemicals on fires, to put them out or to prevent their spread until ground forces arrive, is being considered.

No fatalities or serious injuries were experienced in connection with our aerial program during the year.

New equipment and improvements

We continued modernization of our equipment and improvements. We purchased 178 radios, 29 tank trucks, and 10 new lookout houses, 8 of which were installed. Eight of these were of the new all-metal type. We continued developing and testing new equipment, including power driven fireline trenchers, motorized trail packers for moving equipment on trails, and several other items.

Cooperation

Splendid cooperation from industry, the State organizations, private protective associations and other regions of the Forest Service and individuals was an important factor in attaining the low acreage burned.

Weather

The entire fire season of 1956 was about average. The fall season was somewhat more severe than normal. November produced an unusual period of high velocity east winds and low humidities. We participated in a research project directed toward producing better localized weather forecasts.

OPERATION

Housing

Inadequate housing has been reported previously as a major problem regionwide. This is still the case. It is particularly important that adequate housing be provided for timber sale and other personnel if we are to reach our allowable cut in a planwise manner and successfully handle the other phases of forest management. Due to a special appropriation to provide housing for timber sale personnel, a total of 24 3-bedroom dwellings were constructed, or contracted for construction, during 1956. In addition, five dual headquarters office buildings were constructed. Five crew houses, 1 mess hall, and 1 guard station dwelling were approved for construction from other funds. The mess hall was completed during the year. The 1955 intensive survey of housing needs on each ranger district revealed that at least $7 million would be needed for remedying deficiencies in residences, ranger office space, small storage and warehouse buildings and other utilities. The increase we were able to make in new housing this year is encouraging, but it is only the beginning.

Ranger district workloads

Work performance on ranger districts is the key to good on-the-ground resource management. A ranger's workload should be such that he can adequately plan, direct, supervise, and participate in managing the resources. Workload studies revealed an overload on a number of districts in the region. In four instances a practical subdivision was possible. Four new ranger districts were activated: Hoodsport on the

Olympic; Blue River on the Willamette; Willard on the Gifford Pinchot; and Metolious on the Deschutes. Workload analysis is a continuing study. Several more district subdivisions are under consideration. Organizational studies have been made on several forests, with the objective of securing a higher proportion of time of project staff specialists in performance of needed field work on ranger districts. Increased workloads are making it possible to assign these specialists to locations in the field where they can service one or more ranger districts more effectively.

Communication

Efficiency and economy of communication is under recurring review. In 1956 approximately 200 miles of telephone line were eliminated from our communications system. In part, this was made possible by expansion of commercial telephone facilities—the remainder by installation of less costly VHF radio networks. To our communications system 177 VHF radios were added. This number includes two radio relay stations that will greatly expand coverage in the La Grande and Pomeroy area. It is expected that improved coverage there will allow further reductions in forest telephone line mileage.

General operation

A new procedure was developed for auction sales of used vehicles and heavy equipment. This method encouraged top bidding by private parties as well as by dealers and has successfully reduced our used equipment sales-administration costs. The method is being used by other Federal, State, and city agencies. Negotiations were completed with Federal Prison Industries for furnishing painted signs. A sign-painting shop at McNeil Island will supply all types of wooden signs for the Forest Service in accordance with regional sign specifications.

A total of 179 employee work-improvement suggestions were received in 1956, of which 84 have been approved and 61 disapproved. Cash awards were made for 35 suggestions. Nine other awards were made for outstanding performance. Total amount paid under both phases of the awards program amounted to $3,115.

The region disposed of 365 cubic feet of record material and sent 163 cubic feet to Federal records centers in Seattle, Portland, and St. Louis. An intensified program is planned to cover need for creation of records as well as of their disposal.

We have continued to work with the Department and civil defense authorities in coordinating our work with civil defense activities.

PERSONNEL MANAGEMENT

Manpower needs, recruitment, and training

More than 90 professional foresters were hired in 1956, but this number fell about 70 short of filling vacant positions reported by our forest supervisors. Currently this region (Oregon and Washington) employs approximately 650 graduate professional foresters. Losses by resignation and other causes were 24 men.

In October, minimum salaries for new professional foresters were increased from $3,670 to $4,210 per annum for those in grade GS-5 (our starting salary) and from $4,525 to $4,930 per annum for the next higher grade.

Acute shortages of personnel exist in many other functions of work. Chief among these are engineers, business management, or accounting technicians and log scalers.

Late in the year recruiters visited forestry schools in the East, Middle West, and Pacific Coast States to inform students of job opportunities. Plans are under way to repeat these contacts in late winter or early spring. It is hoped that the changes in minimum salaries will encourage more qualified people to join our organization.

Maximum utilization of our human resources demand that our personnel be well trained in the tasks assigned to them. Numerous personnel training sessions were held during the year. In addition to the annual fire guard training camps held on each forest, foremanship courses, road location, bridge design, and many other subjects have been taught in on-the-ground classes. Another important activity in training is that of putting on field demonstrations to release new information, illustrate cheaper methods, and more satisfactory ways of doing things.

Safety

Again, at all levels of administration continued emphasis has been placed on accident prevention. The accident frequency rate—number of disabling injuries times 1 million, divided by number of man-hours worked—was 9.95. This takes into account 54 cases of lost time from personal injuries. Severity rate—number of man-days of lost time times 1 million, divided by number man-hours worked—was 200. The Forest Service is actively cooperating with the National Safety Council's program—backing the attack against accidents—during 1957.

INFORMATION AND EDUCATION

We continued our active participation in workshops covering Conservation and Outdoor Education for teachers in both States.

The Oregon workshop was held for the second year at Hoodoo Ski Bowl, Santiam Summit. Washington's was held at Rustic Inn near Cle Elum for the fourth consecutive year. Both workshops provided a week of conservation instruction for each of two groups of teachers. Total attendance was 174 teachers.

In addition to the camps at Hoodoo and Rustic Inn, several other colleges in the two States included study of conservation in their summer-school programs. Individual forests, with some assistance from our regional office, helped on these courses.

We cooperated with National Geographic on the Northwest portion of the beautifully illustrated article, Our Green Treasury, the National Forests. It appeared in the September issue. We have assisted other writers with material requested for articles about conservation and national forests.

During the year revisions have been made of our directories of national forest camps in Oregon and Washington, the regional ski guide, and three recreation folders.

To obtain a better and more widespread understanding of national forest programs, problems, and the status of multiple-use land management, we have continued our work with organizations and individuals and the distribution of published materials. One of the most important items has been our effort to obtain wide distribution of the Timber Resource Review.

Statement of income and expenditures for operation of national forests in region 6, fiscal year 1956

INCOME

Collections:	
Forest reserve fund	$54,635,641
Warm Springs Indian lands	273,258
National forest, O & C	2,485,782
L. U. area	9,609
Total	57,404,290
Trust and special funds (CWFS and brush disposal)	2,903,373
Congressional appropriations	14,565,606
Value of development and maintenance work (roads, bridges, and trails) performed by timber purchasers for which allowances were made in timber sale appraisals	19,272,155
Total income	94,145,626

Statement of income and expenditures for operation of national forests in region 6, fiscal year 1956—Continued

OPERATING COSTS

Management expense	$1,106,717
Timber use	2,880,619
Other resource use	357,357
Fire control	2,364,455
Maintenance of improvements other than roads and trails	648,962
Maintenance of roads and trails not performed under timber sale contracts	2,273,804
Estimated road maintenance under timber sale contracts	1,363,363
Surveys, maps, and land management	86,262
Contributions to local government	15,523,246
Transfers, Warm Springs Indian land receipts to Indian service	273,258
Estimated depreciation on capital investment (except roads)	839,000
Total operating costs	27,720,773

CAPITAL IMPROVEMENTS

Housing, planting, roads, protection facilities:	
From appropriated funds	7,836,206
Road construction by timber operators	17,908,792
Total	25,745,000
Total operating costs and capital improvements	53,465,773
Excess of income over total operating costs and capital improvements	40,679,853
Less amount of appropriations	14,565,606
Excess of income over operating costs, capital improvements and appropriations	26,114,045

HOW TO ADJUST BUDGET

Mr. MORSE. Mr. President, Secretary of the Treasury Humphrey indicated concern about the budget. He said he was worried about its getting out of balance. He solicited our advice on how to prevent this from happening. Here is one way we can help: If we add $2.6 million to the Forest Service budget for timber-access roads, we shall be moving to increase revenues by $7.6 million. The net Treasury profit will be $5 million. I think that even a millionaire would consider this to be a profitable step. Furthermore, we shall insure that at least $40 million of forest capital wealth will not be left to rot in the woods as a result of attacks by insects and disease. Finally, we shall insure the growth of a healthy forest and recreation industry whose payrolls will promote a sound economy.

Conservation means wise use. I am sure the Congress will give full support to the wise and beneficial use and development of our great forest resources, by appropriating the necessary funds for the building of the timber access roads which are so essential to giving to the Treasury of the United States the type of profits about which I have spoken today.

BUDGET CUTS: PROFITABLE CAPITAL INVESTMENTS VERSUS OPERATING EXPENSES

Mr. President, the closing point I wish to make is in regard to the historic debate which I am sure is about to occur

in the Senate, in connection with the budget for this year and the appropriations in connection therewith.

Every day we read in the press about the drive which is supposed to be occurring in the Congress to cut the budget. Mr. President, I am one Senator who will vote for cuts which do not represent false economy, but I will vote against cuts which do represent false economy. I do not intend to play politics with the question of economy. The taxpayers are entitled to have the Congress cut the budget in the case of nonessentials. But I wish to express a fear and a suspicion which have developed as I have listened to some of the speeches and some of the remarks made both in and out of the Senate by some of my colleagues, and as I have listened to representatives of various economic groups, such as the United States Chamber of Commerce and the National Association of Manufacturers when they have spoken in regard to budget cuts: I am at a loss to understand how some of these so-called great businessmen are so unbusinesslike when it comes to Federal expenses and financing and budgets. When will these great businessmen join with the liberals of the Congress who have been fighting—as I have been fighting for years—for a capital budget? Not one of these businessmen operates his corporation without a capital budget. Yet the Congress has gone along for years with an indefensible budget setup one which does not separate the capital investments of the Federal Government from the operating costs of the Government. So the politicians talk about economies in government, but not very many politicians draw the line of distinction between operating costs and capital investments.

Mr. President, it is very easy to pick on one section of the country—whether the Southeast, the Southwest, the Northwest, the Northeast, or the Central section—in the case of capital investments essential for the economic welfare of the particular section. It is very easy for the representatives of the other sections in the Congress to gang up against one section at a given time. The great danger this year is that cuts will be made in the much-needed capital investments from which otherwise would come large capital revenues and profits which are so greatly needed in order to supply the people of the United States with the necessary services, and which also are essential to the building up of a sound program of conservation of the great resources of the country.

Mr. President, in making this plea this afternoon in support of timber access roads, I am dwelling on this important point because it is very easy to postpone the construction of timber access roads; but when a capital investment of that kind is postponed, the voters of the country are given the false impression that money has been saved, whereas actually the money of the taxpayers has been wasted. Any politician in either the Senate or the House of Representatives who votes to make a cut in the case of a single needed expenditure for a capital investment which will return to the Treasury profit dollars for the taxpayers, is playing cheap politics with the welfare of the taxpayers.

Mr. President, I am one Senator who, during the debate which is about to occur, does not intend to mince any words on the subject of economy. I will be found voting for economy on operating costs, but I will not be found voting for economy on much-needed capital investments.

Let me also make clear, for example, that I am not going to sit here and vote for the making of capital investments abroad, in the case of irrigation projects and multiple-purpose dam projects and other great capital investments in connection with our foreign-aid program, and then vote to deny to my own constituents the same kind of much-needed investments. The time has come—early in this debate—to draw a few lines of distinction in connection with the matter of economy; and the politicians should tell their constituents what they mean by economy and on what items they propose to economize.

Do they propose to economize by denying to the people access roads into the national forests which would bring to an end the loss of millions of dollars now being suffered in such forests through the inroads of disease and insects, simply because there are not available the access roads into the forests to take out timber? The profits which would result cannot be denied in the face of official figures of the Federal Government.

There are some other capital investments which are also needed. Capital investments are needed for full river-basin development. We have an administration that time and time again, in the past 4 years, has been selling out the American people to great monopolistic combines that are seeking to foist upon the people underdevelopment of the river basins and of natural resources, and the heritage of future generations in those resources, by following the Eisenhower line of underdevelopment of our river basins.

Full development means capital investments. Full development means capital investments in some multipurpose dams which, in the decades ahead, will give the people power revenues with which to pay for the very much needed services the American people require and which these great multipurpose dams can produce. Yet we have an administration that seeks to segmentize the development of the rivers, instead of having a comprehensive river-development program in each one of the river basins of the country.

We have an administration sponsing the so-called partnership scheme, under which the private utilities take the profits and the taxpayers pay for the nonreimbursable costs. We have an administration that simply does not recognize the importance of asking for capital investments which will not only repay their costs, but will, for decades after they have been paid for, continue each year to pour into the Treasury of the United States income that will make it possible to have a really sound program of economy in connection with our Federal budget.

So I hope, within the next few weeks, to be able, after the research on the question has been completed, to offer to the Senate a so-called capital budget bill, a bill that will bring to an end the type of budget under which we have been operating for many, many decades, but which is not a businessman's budget. If we are to have a sound budgetary system, why should we not follow the kind of budget program big business has found fiscally sound? We do not do that, and, because of our failure in that respect, we are constantly falling into the error made by some politicians who think that all one has to do, when there is a budget before us, is to bring an ax and start slashing. What we need is the use of wise discretion in providing appropriations for capital investments which will produce profits for the taxpayers, along the lines of the access-roads program.

Mr. JOHNSTON of South Carolina. Mr. President will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. In the making up of the budget, is it not a fact that at present the Bureau of the Budget is familiar with all the departments, and works hand in glove with them, and the Bureau mostly reports merely what the departments want?

Mr. MORSE. There can be no question about that. In fact, we in the Senate need emancipation from the Bureau of the Budget.

Mr. JOHNSTON of South Carolina. Does the Senator not know it is true that in a great many of the States a budget committee composed of members of both the house and senate have something to do with passing on the budget before it even gets to the floor of the legislative body?

Mr. MORSE. That is true, and we ought to have the same sort of procedure in the Congress.

Mr. JOHNSTON of South Carolina. I agree with the Senator from Oregon. Some 3 weeks ago I made a speech advocating such a procedure. My State prepares its budget in that fashion. It really results in reduction of appropriations for the various departments, when the departments come to the State legislature before the budget is arrived at.

Mr. MORSE. The Senator is not a member of a certain committee I have in mind, and therefore he does not know, I am sure, what has transpired in connection with the work of one committee already this year, but which bears on the point which the Senator from South Carolina is so effectively making.

I had planned to talk about it some time later, but this is as good a time as any.

I wish to tell the Senate of a situation with which all of us were confronted at the beginning of this year, in the case of a new administration budget proposal. Instructions were issued by the administration, through the Bureau of the Budget, to the Corps of Army Engineers whereby the engineers could not give to a United States Senator, for example, from South Carolina or Oregon, a statement of what sums

the Corps could efficiently and effectively spend during the next fiscal year on any project located in our States. That was to be kept a secret from us. We could not get such information, unless a member of the appropriate committee asked for it. That meant that each one of us would have to keep a calendar of the committees before us each day, and if we thought some project in our State would come before a certain committee, we would have to run to the committee and get the chairman or a member of the committee to ask for the information we sought. That is how the administration endeavored, in this instance, to keep from the elected representatives of the people information to which, as a matter of right, they were entitled.

A group of us recognized what the play was. In the 12 years he has been a Member of the Senate, the senior Senator from Oregon has never asked for any increase in an appropriation for a project in his State, unless the Army engineers provided the figures which showed they could efficiently and effectively spend the money on the particular project. I have never asked for a dollar the Army engineers have not advised me they could spend efficiently and effectively.

With this administration following an underdevelopment-river-basin program, with this administration selling out time and time again to the private utilities in relation to specific projects, it became embarrassing to have a Senator know the difference between what the administration asked for a capital investment and what the Army engineers could efficiently and effectively spend on a given project.

I wrapped that around the political necks of my opponents throughout my campaign, on project after project—John Day, Cougar, Green Peter, and all the others. I said, "Let us look at the record of what the President of the United States has done on these projects. What did he ask for in 1953? What did he ask for in 1954? What did he ask for in 1955? What did he ask for in 1956?" Without exception, what he asked for were inadequate amounts from the standpoint of a sound program of economy, because it is false economy to ask for less than can be efficiently and effectively spent in order to get a capital investment complete at the earliest possible time, so it can return to the Treasury of the United States profit dollars.

Of course, the objective of this administration is to slow up such a program, so there can be at least some semblance of authenticity to its contention that projects must be developed on a segmentized basis. This matter has become politically embarrassing at the polls for the Eisenhower administration. It became politically embarrassing to the administration at the polls in the Pacific Northwest, because the people of the Pacific Northwest saw from the record what the Eisenhower administration did with regard to holding back capital investments which ought to be speeded up, in the interest of increasing the monetary return to the Treasury of the United States. So, to stop us from having that kind of ammunition, what did the administration do? They issued an order that the Army engineers could not give us the desired information. They overlooked the fact that we would fight. A group of us got together. We appeared before the Armed Services Committee when the nomination of the new chief of the Corps of Engineers was being considered by the committee. As I stated before the committee, I have the highest regard for General Itschner. General Itschner was not responsible for the order, but General Itschner had no other course but to comply with the order once it was issued.

I took the position in committee, as I explain on the floor of the Senate today, that the people of my State were entitled to such information, and that I did not propose to leave a stone unturned in my endeavor to get it for them. The people of my State sent me to the Senate to exercise all my parliamentary rights, when necessary in the interest of the people of my State. I think I have made it clear in the past that I knew how to do so when the occasion requires.

As a result of the representations made by a group of us, the order has now been changed. As a result of the fight we put up, the Senator from South Carolina can now get from the Corps of Army Engineers the information he wishes with respect to any project in South Carolina, without the Bureau of the Budget vetoing the request. The taxpayers pay the Corps of Engineers and other agencies of the Federal Government for exactly that kind of service; and we insist that we get it.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. MORSE. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that if we continue to allow the members of this administration to operate the Government as they have been operating it, it will become a Government operated by a bureaucracy?

Mr. MORSE. Of course.

Mr. JOHNSTON of South Carolina. Is it not true that various agencies of the Government have carried over from year to year billions of dollars—in some instances as much as 4 or 5 or 6 billion—with which they could play politics, enabling them to do anything they desired from one year to another?

Mr. MORSE. The Senator is correct.

Mr. President, in closing my remarks on this subject, before I ask permission to introduce certain information into the RECORD on other topics, I wish to summarize the last point which I made, with respect to the economy drive which is in progress, by serving notice that the Senator from Oregon, as a member of the Foreign Relations Committee, will analyze in great detail every program of this administration in the field of foreign aid, involving capital investments abroad, and compare it with the recommendations of the administration, or any of its spokesmen in the Senate, for cutting capital investments at home.

I wish to have it clearly understood that we cannot maintain a strong economy in the United States unless we build up some capital investments at home that will return to the Treasury of the United States the profit dollars we need. I do not propose to have the taxpayers' money used for the purpose of capital investments in Arab dictator countries, for example, while we deny to the people of any State in this Union money for capital investment needed to help their economy or standard of living, or deny to the Treasury of the United States profits from such capital investments at home in order to increase the return to our own Government for the expenditures of taxpayers' dollars.

I make this access-roads speech this afternoon as simply one of many illustrations I shall use in the debate in the weeks ahead as to why it would be a false economy for us to cut appropriations for access roads when access roads, as a capital investment, will return many, many times their cost directly into the Treasury of the United States, from the timber which could be salvaged, and the timber which could be cut up to the allowable limit as determined by sound conservation policies. This is one facet of this policy.

I do not intend to yield to any other Member of the Senate, including my very dear and distinguished friend from Virginia (Mr. BYRD), when it comes to the matter of economy in operating costs. However, I intend to stress the difference between operating costs and capital investment. I point out that it would be a pennywise but pound-foolish policy, and a false economy, to economize at the expense of some of the very much needed capital investments so essential in order to increase the return to the Treasury of the United States.

Mr. President, I wish now to refer to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

THE DROUGHT DISASTER AND THE PRACTICAL MEN

Mr. MORSE. Mr. President, Mr. Michael Straus in his usual incisive and pungent style, has made a penetrating analysis of the political irresponsibility of the present administration in meeting the drought disaster need. He shows, in my judgment conclusively, the price that the American people are now paying and will continue to pay for the reckless manner with which the practical men of the Eisenhower team have jettisoned for political motives the bulwarks painstakingly erected by previous administrations against the disaster of drought.

Because, Mr. President, I feel that it would be most illuminating to my colleagues, and because it is important for the electorate that this issue be given the careful attention that it deserves, I ask that the article entitled "The Drought Disaster and the Practical Men," which appeared in the March issue of Frontier, be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DROUGHT DISASTER AND THE PRACTICAL MEN—THEY FUMBLE WHILE THE LAND BLOWS AWAY

(By Michael W. Straus)

(EDITOR'S NOTE.—Michael W. Straus, writing on drought and water problems, is on familiar ground. For a quarter of a century he has been an authority on conservation, first as Assistant Secretary of Interior and later as United States Commissioner of Reclamation when the world's greatest water development program flourished. Grand Coulee and Hoover Dams, California's Central Valley and many other water-conservation projects were achieved during that period, projects which today protect large areas from the ravages of drought. Mr. Straus argues that the current administration has aggravated the present disaster by avoiding its responsibility as the guardian of the Nation's natural resources.)

It's a bad drought. And it can get worse while we continue to accept President Eisenhower's first and most positive recommendation to date that we pray for rain and let it go at that. Nobody should denounce prayer, but the power of prayer should be supplemented with the power of political action to achieve some basic land and water (and also human) conservation practices. The situation does not have to get worse before it gets better in the drought-stricken land now covering some 25 percent of the Nation's in-and-out agricultural areas. Spokesmen on national policy will have to grow more realistic and lots tougher to secure such action.

For the truth is, there is little of the emergency disaster character so emphasized in the drought by the administration oracles, including the sincerely sympathetic, genial general himself, and religiously mirrored by an idolatrous echoing press. It is certainly a disaster, perhaps even a catastrophe. But it is an unexpected disaster only to those who would be surprised that an explosion would result from tossing a lighted match into a tank of gasoline. Droughts are not a new, novel, or unknown experience. It's now approximately a quarter of a century since this whole condition was last dramatized by New Deal prophets in such studies as Morris L. Cooke's governmental Great Plains Report, which outlined in detail the sad results even then apparent of misuse of our land and water resources. Such endeavors recognized and focused attention on our abuse of soil and moisture. They outlined the inevitable national penalties now being paid for the crime against nature in putting too many people to ploughing up too many intermittently arid acres of dry land to raise crops for which the land was not fit, while wasting the inadequate water available.

THE NEW DEAL AND CONSERVATION

Such shock treatment, self-induced, from a responsive Government in that era produced a whole complex of Federal activities such as the Soil Conservation Service, a rejuvenated Federal irrigation program, agricultural credit incentives, generously proffered Government technical services and the like, to attain some sane land and water use and policy. Authoritative reports by the carload rolled from the presses proving that it didn't always rain in many areas, that droughts could be expected. These reports contained valuable hydrological, agricultural, ethnological, sociological, and climatological data. They established that some areas in this country were best fitted for a grass-cover, limited-grazing, irrigated economy. Drought remedies outlined in terms of keeping cover on the earth, contour cultivation, saving water and getting it into the ground, arresting wind and water erosion, protecting and controlling the water table by halting pumping beyond the limits of replenishment, limiting the burden of grazing and otherwise lightening the burden on the land, and in general protecting the good earth. Thus the New Deal and the Fair Deal made a positive, brave, controversial, though probably inadequate, start in the direction of a cure, and the permanent prevention of drought as fundamental national policy.

All this is a matter of history even though the Eisenhower administration leaders may not be familiar with it, for at the time the record was being written they were absorbed with their private financial matters. Even President Eisenhower was not exposed to the record, being at the time away in the Philippines, or overseas helping win the Nation's wars. Nevertheless, anybody who says Eisenhower and the Republicans invented the drought is wrong. We have had them before and we will have them again. However, the administration's policies—or, more accurately, lack of them—are making the future darker and doing little to prevent lasting damage to the soil. The administration so far has offered nothing much more than emergency stop-gap measures.

INNOCENCE BY DISASSOCIATION

The drought disaster is compounded by the fact that after the Second World War and the Korean conflict set ploughs to millions of marginal acres in search of war foods (and more directly in search of quick war profits), a group of "practical men" arrived in power to oust the ideologists. These men were so practical they didn't believe in, and thus rejected, the thesis that national government had responsibility for drought problems—or at least only minimum responsibility limited to direct "disaster relief" rather than basic cure. Droughts were in localities—so obviously they were local, not national problems. Under an assortment of "partnership" and "respect states rights" and "economy" slogans, the clock was turned back a quarter century, and the Eisenhower-Republican administration substituted a "do-nothing" or a "let George-(or-anybody-else)-do-it" program for sane and justified land and water conservation backed by the power and might of the Federal Government. Of course, a few bits and pieces of the inherited conservation programs were continued of political necessity, but on a dwindling and harassed basis. Nothing was substituted for what was abandoned. Indeed the administration preached out loud the doctrine of innocence by disassociation, in the finest Madison Avenue phraseology, from the drought, as the land of more and more townships, counties, and States continued to dry up and blow away.

In truth the administration embraced so many slogans so completely while the Dust Bowl spread that President Eisenhower twice had to go west to officially "personally inspect" the areas and register his sympathy. But he has not offered a plan for a basic solution other than his initial advice for community prayers for rain and his more recent endorsement of a few inadequate millions for "disaster relief," devoid of even a pretense of a long-range, fundamental program.

To have done so would have required an abandonment and reversal of his administration's basic concepts of Federal Government responsibility. Anyway such stalwarts as Secretary of Agriculture Ezra Benson, who had committed Eisenhower to a let-the-farmers-take-care-of-themselves philosophy or Secretary of the Treasury George Humphries, who shuddered at the expenditures such a program would entail, wouldn't let the administration propose a real program. That certainly would cost money. Watershed rehabilitation takes folding money, not jingling money. Every day that our drought-stricken watersheds deteriorate further the eventual bill to restore them skyrockets.

Just a couple of citations serve to document how such political philosophy and fiddling while the plains burn (not to use a pre-Eisenhower phrase about playing politics with human misery) work out in the hard wonderland of real politik.

Drought is a regional or watershed problem—unhappily becoming more serious in more regions and watersheds as population and the burden on limited available water supplies increase. The Federal Soil Conservation Service is a major Federal agency created to carry out basic action programs of soil and water conservation, prevent droughts, and mitigate their spiraling effect. When the Soil Conservation Service was inherited by the Eisenhower Republican administration it was set up on a regional basis along watershed lines. It promptly was handcuffed by being reorganized on a political State-line basis. Simultaneously, its appropriations were reduced and the service was purged of leaders who believed in and were committed to fundamental, and sometimes expensive, long-range, anti-drought projects.

THE ABANDONMENT OF CONSERVATION

Consider next the various Federal water use programs. Conserving and saving water for its highest uses is an elementary step in combatting drought. Yet the Eisenhower administration has butchered these projects, even in areas where they already were under way—and their extension to other drought-blighted areas virtually was abandoned.

The Missouri Basin project embraces vast drought areas, but not, by any means, all of the stricken territory, which includes the Rio Grande, Colorado, and the Columbia watersheds and California's Central Valley. The Missouri project was started under a 1944 Congressional authorization justified by a showing that it cost the Government more in dollars and cents, not to mention human suffering, to pay perpetual drought relief there than to have a long-range antidrought program based on the accumulated knowledge and skill of all agencies interested in prevention and cure. Storing, conserving, and wisely using water was a major part of this coordinated attack, although it was always recognized that such practices in themselves are not the entire answer. Many other devices were invoked. By 1949 and 1950 that part of the Missouri Basin program devoted to irrigation only and administered by the Bureau of Reclamation attained a $100 million-a-year level. Green, irrigated areas were appearing in the seared basin to mitigate the penalties of agriculture in an admitted sometimes arid and drought-stricken region and to stabilize the economy. But in 1953, when the "practical" men assumed responsibility under their philosophy, this irrigation endeavor under reclamation was promptly collapsed to a $40 million-a-year basis, a cut of 60 percent. So today, drought suffering is increasing instead of diminishing. And this applies to other major watersheds where such a comprehensive, integrated program was never started. The toll of the drought is most apparent of course in the dry-as-dust southwestern areas.

From a public, national, or Federal point of view, curative conservation programs present what is primarily a political problem. The technical problems and practices, while still subject to some discussion, have been rather fully explored and proven. If mankind can and will do anything to protect himself against drought, he can only proceed by common action against the common enemy.

Under our system of government, common public problems must be solved politically. And a successful political solution in the long run is not attained by denying fact, fiddling, or playing courthouse or statehouse politics for the momentary favor of votes. The only real solution must be one embracing and achieving a positive program of permanent significance.

A LESSON IN THE ELECTION RETURNS

After 5 years of fumbling and frittering and avoiding various proven antidrought measures, and several years of embracing assorted elongated beliefs that officially inhibited any effective Federal program, the Eisenhower-Republican administration has at long last begun to learn the hard way, that is, by losing confidence and votes in the stricken areas. Whatever the administration may lack in drought experience, it makes up in its full qualifications to read election returns, and the last returns from the burning lands were real eyeopeners.

Belatedly administration progress has reached the point of acknowledging, finally, that there is a widespread, crippling drought, and admitting that it presents a problem of national scope. Perhaps, after citizens have received a little more drought punishment, and passed on enough political punishment, the administration will come out with a recognizable long-range plan and really support it. The simple incentive of political survival may provide the needed push.

The very superiority of Stevenson led him into some disrepute. It is not surprising that Stevenson's approach to campaigning—based on taking seriously the proposition that democratic processes rest on rational discussion—should preclude great popularity with those who hold themselves aloof from any intellectual influence. But, paradoxically, Stevenson's intellectualism left him vulnerable to the slings and arrows of some intellectuals as well.

APPLYING THE DOUBLE STANDARD

Actually the paradox is easily resolved: (a) Stevenson obviously was a most unusual candidate: he thinks, reads, and writes; (b) intellectuals therefore persisted in judging him as a thinker, reader, and writer; (c) it appears generally impossible for a man to be elected President while always speaking rationally and forthrightly and never lapsing into inconsistency or superficiality (the physical rigors alone being sufficient to account for some lapses); (d) therefore, some intellectuals evidently felt that Stevenson had failed to keep the faith and thus was not, after all, to be preferred to the product of West Point.

This is not to argue that Stevenson should not have been judged by rigorous standards. It is proper that the measure of a man be taken by men's standards. It is eloquent testimony that the highest standards should be instinctively employed in taking Stevenson's measure. But, in comparing two candidates, it is imperative that we use the same standard. It is unanimingly ludicrous that some who solemnly dissected Stevenson's statements and were distressed by imperfections would think it inappropriate and useless to analyze in similar fashion the utterances of most other candidates.

Eisenhower found it inconvenient to lead a crusade with Stevensonian logic and candor; the viscera are more vital than the brain to a crusader. Indeed, one of the great issues of both campaigns was the issue of whether a presidential candidate is under obligation to discuss the issues. The Republican candidate was presented as a kind of political Paul Bunyan, capable of performing all sorts of prodigies, of resolving all our difficulties, of eliminating all the discomforts inherent in the 20th century, and all the while, the candidate persisted in assuming a condescendingly Olympian pose in mute reply to all questions asked and objections raised. But such strategy was obviously not irrational; it worked. Condemnation must be aimed ultimately not at the Republican high command, but at the electorate.

There are, then, costs involved in Eisenhower's victory and, more particularly, in Stevenson's defeat. It is important that we understand the nature and significance of those costs. There are conspicuous men in both parties who will find it in their own interests that we do not appreciate the costs of the loss of Stevenson. The cost of the 1952 election was not that the Democrats lost a presidential election, there will be other elections in the future. The question is, will there be other Stevensons?

Mr. MORSE. As Mr. Straus has so ably pointed out, the problem will not solve itself. Indeed, each day that passes increases the bill that we shall have to pay in the final reckoning. I question whether we can long afford the luxury of "innocence by disassociation" in this area of vital importance to the future growth and development of our country.

Both Senators from Texas, who are now present in the Chamber, are familiar with this problem, because in their State, of 254 counties, 244 have already been declared drought-disaster areas. That is the problem in Texas. The present Presiding Officer, the Senator from the great State of Oklahoma, knows what the drought problem is in Oklahoma. It affects that entire section of the country.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. I would suggest that the Senator from Oregon take another look at the Chair, because, although the State of Oklahoma would be delighted by his comment——

Mr. MORSE. I meant the Senator from Tennessee [Mr. GORE]. But, Mr. President, it involves Tennessee too. In fact, I should like to show how humorous the little interruption by the Senator from Texas really is. I have just returned from a visit to Tennessee. While there I had a great many deserved things to say in tribute to my good friend from Tennessee, when I spoke before a great Democratic audience on Saturday evening. The meeting, attended by more than 600 people, was held under the sponsorship of the Knox County Democratic Women's Club.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield further?

Mr. MORSE. I shall yield in a moment.

I have yet to find a Democratic women's club which is as able and forward looking and capable as the Knox County Democratic Women's Club in Tennessee. I wish to congratulate the Senator from Tennessee [Mr. GORE] for the remarkable job he and his colleague from Tennessee [Mr. KEFAUVER] have done in building up the kind of esprit de corps in the Democratic Party that I witnessed Saturday evening in Knoxville, Tenn. Now I yield to my friend, the Senator from Texas.

Mr. JOHNSON of Texas. I know the State of Tennessee, and I am glad that the Senator from Oregon enjoyed his visit there, when he spoke before the Democratic Women's Club. I am sure that the Democratic women of Tennessee profited from hearing the very able address of the Senator from Oregon.

However, I wonder whether the Senator, being one of the outstanding cattle breeders of the country, had an opportunity, while visiting Tennessee, to visit the famous Gore Ranch near Carthage, Tenn., and to look at some of the cattle on that ranch.

Mr. MORSE. I am glad that the Senator mentioned that point, because I should like to tell him what I said at the banquet in Knoxville. After I told the audience about the great qualities of statesmanship of the present Presiding Officer, and of the magnificent job he did in 1954 in helping to stop the Eisenhower giveaway of the American people's $14 billion investment in the atomic energy program, and of the remarkable leadership he has given the Senate in connection with the road bill, and about the contributions he has made in connection with our atomic energy reactor program—after I had told the people of Tennessee about that great record of statesmanship, I had to tell them in all honesty, because I try to be fair and impartial about these matters, and am motivated by a complete sense of impartiality, that there was only one field in which I felt the junior Senator from Tennessee was guilty of exceedingly bad judgment. I told the audience that there was only one topic on which I found him to be stubbornly determined not to enlighten himself, and that was in his stubborn refusal to visit my little farm, a short distance from Washington, and let me demonstrate to him the superiority of my 2,200-pound Devon cattle over the pony-type cattle he is raising in Tennessee.

The PRESIDING OFFICER. The Senator from Oregon is out of order. [Laughter.]

Mr. MORSE. I went on to point that out, and I found that his constituents were in complete agreement with me on that subject, too. They said, "Wait until he gets back here. We are glad that we have finally had a witness come here to testify and confirm what we know already about that cattle operation."

I said I knew that my observation would result in my receiving letters in asbestos envelopes from cattle breeders' associations which favor the pony type cattle the Senator from Tennessee raises.

Therefore, Mr. President, I thank the Senator from Texas for his interruption. It could not have come at a more apropos time.

However, I wish to get back to the subject I was talking about, the matter of drought. Incidentally, that subject is rather closely related to the cattle industry in the sections of the country from which the two Senators from Texas and the Senator from Tennessee come.

Mr. President, let us face the basic problem. We had better do it in our generation. The basic problem is the water problem, and the water table. The American people, before it is too late, had better recognize that civilizations go down as the water tables go down. Whenever a civilization does not conserve and protect its water supply, it pulls a Samson act on its own house of civilization.

That is true whether we consider China, which for years had a surplus of water and a surplus of trees, and now has thousands of square miles of eroded and deforested land; or whether we consider the Middle East, where not so many centuries ago four times the amount of land was under cultivation than is under cultivation today.

What happened in the Middle East? It forgot to protect its water supply and to conserve its water supply.

I wish to say from the floor of the Senate today that, from the standpoint of the economic welfare of future generations of Americans, I know of no domestic issue which is more important than the issue of protecting America's water supply. We do not protect it by a deforestation program. We do not protect it by anything less than a full and comprehensive development of the river basins of our country. The White House had better take notice of that fact.

What future historians will say about the Eisenhower administration in this field will not be pleasant reading. I say that because the Eisenhower administration, with its underdevelopment river basin program, is not protecting the water table of America. It is not protecting America's water supply.

That is why I am so happy this afternoon to refer to the Straus article and to make these comments about it and to include it in the RECORD as a part of my remarks. I do so because I hope the Congress will block the Eisenhower administration's underdevelopment program.

I would close by having the Senate ponder a bit on that thought. Certainly we will not find anything in history to contradict my statement that a civilization will not continue to climb as its water supply continues to decline.

Last year I fought on the floor of the Senate for the upper Colorado project, a high-cost project, even though there were political objections to it from some quarters in Oregon. What did I fight for? I fought for what was involved, which was water supply. In Denver, Colo., for the past several years, for example, it has been necessary to ration the water supply for several weeks each summer.

Are we going to be selfish, and are we going to listen to the economy boys who within a few weeks will be playing small politics by trying to cut the heart out of the necessary capital investment that is required in order to assure a sound economy for future generations of Americans and to assure them an adequate water supply? Are we going to do that, or are we going to live up to our sense of statesmanship by being willing in our generation to make sacrifices in order to protect America's water supply?

This subject and the first subject I discussed this afternoon are inseparably interrelated.

Let us not put all the blame on God's skies. Let us not take the position that the sole problem is caused by God in not sending us enough rain. In part the problem is a man-made one. We have already gone too far in pursuing shortsighted policies with respect to preserving and protecting and developing our sources of water under the soil and in our streams, which are fed, of course, from the skies.

Nevertheless, once they are fed, we have the duty of conserving and protecting the water.

Therefore I wanted to say these things on these two topics this afternoon, because I happen to think that we have a serious obligation in this session of Congress to stop the unsound water policies of the Eisenhower administration. If we do not stop them, we will be guilty of writing a very black and ugly page in the conservation history of the United States.

SUCCESS OF THE TRUMAN DOCTRINE

Mr. JOHNSON of Texas. Mr. President, one of the most satisfying developments of the post-World War II decade was the success of what was popularly called the Truman doctrine.

Through the application of the policies laid down by former President Truman, two proud peoples were helped to preserve their independence. The march of communism was brought to a crushing halt at the boundaries of Greece and Turkey.

The Greeks and the Turks both had the will and the determination to resist. They needed only help—and they knew how to make intelligent use of that help. It is a tribute to our former President and to the leaders of those countries that the policy was so successful.

On March 10, the Greek Ambassador to the United States, Mr. George V. Melas, broadcast a message to America. It was on the 10th anniversary of the Truman doctrine.

Mr. President, I ask unanimous consent that this address be printed in the RECORD as part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MESSAGE OF AMBASSADOR MELAS TO THE AMERICAN PEOPLE OVER CBS RADIO PROGRAM, "THE WORLD TONIGHT," BROADCAST OVER THE NATIONAL NETWORK ON MARCH 10, 1957

Ten years ago the President of the United States, in a historic declaration, put the moral and material weight of this great Nation behind the Greek people in their struggle to maintain their territorial integrity against the armed attacks of international communism.

In the courageous doctrine which will, as long as western civilization survives, bear his name, President Truman gave heart to the people of Greece, who, having survived 4 long years of cruel war and enemy occupation, now faced the onslaught of a new peril.

The armed campaign of international communism to impose upon Greece the kind of vassalage enjoyed by the Soviet satellites had already begun to take shape in the spring of 1947. The economy of Greece had been so completely shattered by the ravages of the German invasion and occupation that her capacity to sustain a major defensive effort against armed communism seemed doubtful. The country had, moreover, been totally stripped by the enemy during the occupation of Greece of every kind of arms. However, the determination of the Greek people to fight in defense of their liberty was undaunted. And this they did with the same resolution and measure of self-sacrifice that had marked their past struggles to preserve their independence against fascism and nazism.

The United States recognized that this determination had to be supported or the tough resistance, bitter sacrifices, and great contribution of Greece in World War II would have been in vain. It was with all these considerations in mind that President Truman addressed his historic message to Congress. In so doing, the United States was irrevocably assuming leadership of the free world.

The Truman doctrine gave Greece the material means to win over armed Communist attack the first and only decisive victory by any nation. This result was achieved with American aid, but through Greek sacrifices alone and not the loss of one American life. The Truman doctrine was shortly followed by the Marshall plan which, in the terms of President Truman, is only a development of the former, and which enabled Greece, along with the rest of Europe, to rehabilitate her economy and to put the industry and vitality of her people to work in first restoring, and then surpassing, prewar levels of production.

The Mutual Assistance Program and the other American contributions to the economic and political stability of the nations of the Atlantic Alliance have helped Greece to fully regain her international position. Today Greece loyally plays her full part as a member of the North Atlantic Treaty Organization, has been the central lever of the Balkan Alliance, and is second to none in working with steadfast dedication toward the fulfillment of all the principles and purposes of the United Nations.

The confidence of the American people in the ability of the people of Greece to survive, as expressed by President Truman 10 years ago, has been fully justified. The Greek people have enshrined this date in the conscience and memory of the nation as symbolic of American dedication to the unity of purpose of the Western World in the defense of freedom and democracy and as an example of everlasting international friendship and human solidarity.

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, I believe the pending question is on my amendment.

The PRESIDING OFFICER. That is correct.

Mr. ROBERTSON. Mr. President, I ask for a vote on that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Virginia.

Mr. JOHNSON of Texas. Mr. President, it was my understanding that the Senator from Illinois [Mr. DOUGLAS] desired to be heard on this amendment. I now understand that he does not wish to be heard.

Mr. ROBERTSON. Mr. President, the Senator from Illinois had previously advised me that he favored the amendment. I had his administrative assistant call him and I have received definite word that the Senator does not care to be heard on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Virginia.

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, we are very anxious to dispose of at least one controversial amendment. We have disposed of amendments which were not controversial. The amendment which I should like to dispose of this afternoon is the Bush amendment which seeks to delete from the bill a provision in which the Senator from Illinois [Mr. DOUGLAS] is very much interested, as are also some other Members of the Senate. I hope we can at least have that amendment considered and voted on before the Senate adjourns, which will be, I assume, at 5 o'clock this afternoon.

Mr. President, I understand the Senator from Connecticut [Mr. BUSH] would like the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. BUSH. Mr. President, I call up my amendment "3-12-57-H" and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. It is proposed on page 1, table of contents, to strike out "Sec. 23. Disclosures of stock ownership." and renumber the following sections in title I of the table of contents accordingly.

On page 17, to strike the sentence beginning on line 2 with the words "Such list" through the words "such stock." on line 5.

On page 17, to strike section 23 and renumber the following section of title I accordingly.

On page 41, line 6, to strike "section 32" and insert in lieu thereof "section 31."

On page 45, section 49 (c), line 2, to strike "section 59 (b)" and insert in lieu thereof "section 58 (b)."

On page 60, section 59 (a), line 3, to strike "section 30" and insert in lieu thereof "section 29."

On page 95, section 23 (c), line 4, to strike "section 46" and insert in lieu thereof "section 47."

On page 96, section 23 (d), line 4, to strike "section 32" and insert in lieu thereof "section 31."

On page 96, section 23 (f), to strike the sentence beginning on line 4 with "Such list" through the words "such stock." on line 7.

On page 97, to strike subsection (g) of section 23 and renumber the following subsections of section 23 accordingly.

On page 99, section 23 (1), lines 15 and 16, to strike "section 59" and insert in lieu thereof "section 58."

On page 118, section 39 (1), line 3, to strike "section 34" and insert in lieu thereof "section 33."

On page 165, section 27 (a), to strike the sentence beginning on line 4 with "Such list" through the words "such stock." on line 7.

On pages 165 and 166, to strike section 27 (b).

Mr. ROBERTSON. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. ROBERTSON. Mr. President, this is an important amendment, and I hope we may have the yeas and nays on it and that there will be a quorum call so that the Senate will know that a vote is going to be had on the amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Connecticut yield for the purpose of my suggesting the absence of a quorum, with the understanding that he will not lose the floor?

Mr. BUSH. I should like the Senator from Texas to do that.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Connecticut may yield to me so that I may suggest the absence of a quorum, without the Senator losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	McNamara
Allott	Flanders	Monroney
Anderson	Frear	Morse
Barrett	Fulbright	Morton
Beall	Goldwater	Mundt
Bennett	Gore	Neuberger
Bible	Green	O'Mahoney
Blakley	Hayden	Pastore
Bricker	Hennings	Payne
Bridges	Hickenlooper	Potter
Bush	Hill	Purtell
Butler	Holland	Revercomb
Byrd	Ives	Robertson
Capehart	Jackson	Schoeppel
Carroll	Javits	Smith, Maine
Case, N. J.	Johnson, Tex.	Smith, N. J.
Case, S. Dak.	Johnston, S. C.	Sparkman
Chavez	Kefauver	Stennis
Church	Kerr	Symington
Clark	Knowland	Talmadge
Cooper	Kuchel	Thurmond
Cotton	Lausche	Thye
Dirksen	Malone	Watkins
Douglas	Mansfield	Wiley
Dworshak	Martin, Iowa	Williams
Eastland	Martin, Pa.	Young
Ellender	McClellan	

Mr. MANSFIELD. I announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from North Carolina [Mr. SCOTT], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Kansas [Mr. CARLSON], the Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA], and the Senator from Massachusetts [Mr. SALTONSTALL] are absent on official business.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Wisconsin [Mr. MCCARTHY] is absent by leave of the Senate on behalf of the Select Committee on Investigation of Improper Activities in Labor-Management Relations.

The PRESIDING OFFICER (Mr. CHURCH in the chair.). A quorum is present.

The question is on agreeing to the amendments offered by the Senator from Connecticut [Mr. BUSH], which, without objection, will be considered en bloc.

Mr. BUSH. Mr. President——

Mr. JOHNSON of Texas. Mr. President, will the Senator from Connecticut yield to me? I wish to request the yeas and nays on the question of agreeing to his amendment.

Mr. BUSH. I yield for that purpose.

Mr. JOHNSON of Texas. Has the Senator from Connecticut called up the amendment?

Mr. BUSH. Yes; I have called it up.

Mr. JOHNSON of Texas. Mr. President, on the question of agreeing to the amendment of the Senator from Connecticut [Mr. BUSH], I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERTSON. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. ROBERTSON. Mr. President, I hope the Members now on the floor will remain here until the vote on the Bush amendment is taken. I understand that the distinguished Senator from Connecticut will discuss his amendment for a period of approximately 5 minutes. Then there will be some discussion by Senators who are opposed to the amendment; but soon we shall reach the vote on the amendment, and apparently that vote will be the last yea-and-nay vote taken on the bill this afternoon.

So it will save the time of all Senators if the Members now present will remain until the yea-and-nay vote is taken, so it will not be necessary to develop another live quorum before that occurs.

Mr. BUSH. Mr. President, the purpose of the amendment upon which the Senate is about to vote is to strike from the bill section 23, which would require the record owners of stock in a national bank or member banks of the Federal Reserve System or any banks insured by the FDIC to report to the bank in question the names of beneficial owners of the stock or of those having an equitable interest in the stock.

This provision was not included in the committee print on which the committee held public hearings. No public hearings were held on this section 23. It was included in the bill in executive session, on the motion of the distinguished Senator from Illinois [Mr. DOUGLAS].

The reasons the Senator from Illinois gave to the committee were, as I recall, first, that the disclosure in the Illinois banking scandal of last year was that a State official having bank supervisory duties was the beneficial owner of stock in a bank, and that that fact apparently was unknown to the bank and to other supervisory authorities. However, I believe that was not the bank in which the frauds were committeed. Second, the Senator from Illinois voiced some fear—which I believe not to be supported by any evidence—that gangsters or other underworld characters had obtained or might obtain control of certain banking institutions. I repeat that no evidence

on these two topics this afternoon, be- Truman addressed his historic message to question is on agreeing to the amend-

Mr. ROBERTSON. Mr. President, this is an important amendment, and I present.

institutions. I repeat that no evidence

to that effect has come before the Banking and Currency Committee or before the Senate.

Mr. President, one can understand, and can share, the concern of the Senator from Illinois because of the bank scandals which occurred in his State. Certainly they were most regrettable. One can also understand the desire of the Senator from Illinois to have exposure made of any control of a bank or banks by any members of the underworld. Certainly none of us favors having any banks under such control.

However, the remedy the Senator from Illinois has proposed for the evils about which he complains—evils which I believe to be largely imaginary—would be both ineffective and so far reaching as to impose serious hardships upon all banks, and to discourage investments in bank stocks, and thus to decrease the possibility of acquiring new capital needed for the protection of bank depositors.

We have evidence from trustees who own bank stocks and from others who own bank stocks—from those who have agency accounts, and so forth—that if this section remains in the bill, it will have an unfortunate and depressing effect upon bank stocks and upon the ability of banks to raise capital. That is a very serious matter, and such a development should not be encouraged.

I have pointed out that section 23 was inserted in the bill without public hearings being held on it. No members of the banking industry had an opportunity to appear before the committee and testify in regard to this issue. The Federal Reserve Board did not have such an opportunity; the Federal Deposit Insurance Corporation did not have such an opportunity; the Comptroller of the Currency did not have such an opportunity. However, after this item came into the bill, a request was made of the committee—it was done at my request, I believe—that the three controlling, supervisory agencies—the Federal Reserve Board, the FDIC, and the Comptroller of the Currency—be allowed to submit statements on the amendment. Such permission was granted. Without exception, all three of them filed statements in opposition to this section 23. However, they were not given an opportunity to appear before the committee and to testify concerning the item.

I have received, as I understand many other Senators have received, telegrams from all over the country, from banks and other interested parties, opposing section 23 of the bill. I have received telegrams from the American Bankers Association and the New York Bankers Association. I hold in my hand telegrams which I have not previously placed in the RECORD, but which I should like to submit for the RECORD at this point.

I have a message from Charles R. Howell, chairman of the legislative committee of the National Association of Supervisors of State Banks. I have one from George A. Newbury, chairman of the legislative committee of the New York State Bankers Association. I have one from Vernon Alexander, president of the New York State Bankers Association. I have a telegram from William L. Kleitz, president of the Guaranty Trust Company of New York. I have one from Mr. S. Sloan Colt, chairman of the Board of Bankers Trust Company of New York.

I ask unanimous consent that these telegrams be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

TRENTON, N. J., *March 14, 1957.*

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.:

Strongly urge that recently added change in Financial Institutions Act, section 23, title 1, etc., be not enacted pending further studies: To avoid creating undue burden on transferability of bank stocks and increase the difficulty of raising necessary bank capital. Although the objective may be sound, a more workable method should be found.

CHARLES R. HOWELL,
Chairman, Legislative Committee,
National Association Supervisors of State Banks.

NEW YORK, N. Y., *March 14, 1957.*

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.:

The legislative committee of the New York State Bankers Association unanimously urges the passage of S. 1451, Financial Institutions Act of 1957, with the Bush amendment eliminating the requirement for listing beneficial bank stock ownership.

GEORGE A. NEWBURY,
Chairman, Legislative Committee,
New York State Bankers Association.

NEW YORK, N. Y., *March 14, 1957.*

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.:

On behalf of the commercial banks of New York State and our membership we earnestly request your support of S. 1451 financial Institutions Act of 1957 and wholeheartedly favor the Bush amendment which would eliminate the burdensome requirements for disclosure of beneficial bank stock membership.

VERNON ALEXANDER,
President, New York State Bankers Association.

NEW YORK, N. Y., *March 14, 1957.*

The Honorable PRESCOTT BUSH,
United States Senate,
Washington, D. C.:

My attention has been called to section 23 and related sections of the Financial Institutions Act of 1957. The provisions of these sections would impose serious burdens on banks, would restrict the market for their shares and have other far-reaching implications. I urge that no action be taken to enact these sections into law at least until institutions affected have an opportunity to be heard. I therefore strongly support the amendment you introduced which will leave this highly technical and controversial subject for further and more mature consideration.

WILLIAM L. KLEITZ,
President, Guaranty Trust Company of New York.

NEW YORK, N. Y., *March 15, 1957.*

The Honorable PRESCOTT BUSH,
Senate Office Building,
Washington D. C.:

We wish to register objection to section 23 of title I of the proposed Financial Institutions Act of 1957 and to companion provisions in titles II and III and urge the elimination of these provisions and the references to them in the bill. We understand that you have introduced an amendment to accomplish this.

BANKERS TRUST CO.,
S. SLOAN COLT,
Chairman of the Board.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. BUSH. I should like to complete my statement, but I yield for a question.

Mr. ANDERSON. I should like to ask the Senator if he has a message from the American Bankers Association, and, if so, what reasons the association gives for its opposition.

Mr. BUSH. I have a statement from the American Bankers Association, which would take me some time to read, but which appears on page 3693 of the CONGRESSIONAL RECORD of March 14.

I shall read the letter of Mr. Erle Cocke, president of the American Bankers Association, but I shall not read the memorandum. This is a letter from the president of the American Bankers Association:

DEAR SENATOR BUSH: I am enclosing herewith a brief preliminary analysis of the provisions in S. 1451, the proposed Financial Institutions Act of 1957, with respect to disclosure of stock ownership of bank stock. Inasmuch as these provisions in the bill were not subject to public hearings, there was no opportunity for the interested and affected parties to offer testimony thereon, and, further, there was no advance notice which would have afforded an adequate opportunity to make a close and detailed study of such provisions. However, in the limited time since the bill has been available for public examination, we have attempted to outline some of the areas of routine bank operations which would be seriously affected by these provisions. Even on the basis of the limited present analysis, it is clear to us that these provisions would raise serious legal, operating, and administrative problems for the banks, without at the same time, necessarily accomplishing the apparently intended purpose of these provisions.

I sincerely regret that we have not had ample time to give these provisions the extended analysis such technical provisions require in the interest of sound legislation.

I am taking the liberty of bringing this matters to your attention in the hope that you may have the opportunity to present it to the Senate. Your cooperation will be greatly appreciated.

Sincerely,

ERLE COCKE.

Mr. Cocke is president of the American Bankers Association, and the letter comes from Atlanta, Ga.

Mr. ANDERSON. Will the Senator tell me whether that is the expression of that person an an individual, or is that the expression of the American Bankers Association?

Mr. BUSH. This letter was written by the president of the American Bankers Association. It is written on the association's letterhead. I have read the Senator his letter. He can draw his own conclusions.

Mr. ANDERSON. I can only say I have United States Senate letterheads. I can write a letter on a letterhead and sign my name to it, but it would not be an expression of the Senate. I am trying to find out if that is the expression of the American Bankers Association. I

do not know that they have taken a position. I have telegrams from some who have not expressed any opposition. I am trying to ascertain, from my own standpoint, what is wrong with the disclosure provision.

Mr. BUSH. My own understanding of Mr. Cocke's letter is that it represents the official position of the American Bankers Association, and I would say that position is supported by the official telegrams representing the other bankers' associations, which I put into the CONGRESSIONAL RECORD, and from banks all over the country. I have to accept the letter as having come from Erle Cocke, president of the American Bankers Association.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. ROBERTSON. The Senator from Virginia would like to say to his colleague from New Mexico that, of course, this letter does not represent the official action of the ABA as such, because it can act only in convention, and it meets only once a year. The last meeting was held at Los Angeles. There has been no meeting since this issue arose.

The chairman of the subcommittee in charge of the bill was much embarrassed when he was voted down in committee on this issue, because he tried to confine his bill to matters on which public hearings had been held, and in connection with which everybody had a chance to investigate what was involved.

As the Senator from Connecticut has pointed out, so far as he was able to go, after consultation with his advisory committee, the head officers of ABA, the president of ABA, the staff analyzed the question and said that, so far as they could see, it was an undesirable change in the law which was proposed, and they were opposed to it. We had practically the same testimony from the three Federal agencies involved, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller.

Since the Bush amendment has been offered, the chairman of the subcommittee has received telegrams from practically every State in the Union, and from more than one banker in some States, expressing the hope the Bush amendment would be adopted; in other words, expressing opposition to the disclosure provision. So the chairman of the subcommittee, when the matter was first brought up, announced on the floor that he thought this was an issue that should go to the House, and not be put in the bill at this time. For that reason the chairman of the subcommittee, much as he regretted to go against his committee on this question, thought the Bush amendment should be adopted and the disclosure provision deleted from S. 1451.

Mr. ANDERSON. I can only say I am interested in what the Senator has stated, but if this is a good provision, there is no reason why the Senate should turn it down and let the House act on it in the first place. Secondly, so far as I am personally concerned, I have the joy of being a stockholder in two national banks, and have no objection to anybody's finding out about it. I do not see what is wrong with disclosure in the case of a national bank. I also happen to have a connection with an insurance company. I know we are required to file statements showing all the securities we have. I do not think there is anything wrong about that. If one is afraid to disclose what he owns, it is a sad state of affairs.

Mr. BUSH. I do not think there has been any trouble finding out who owns stocks in banks at any time. I was just about to come to that question, and point out that, under the chairmanship of the Senator from Ohio [Mr. LAUSCHE], another subcommittee of the Banking and Currency Committee has hearings underway with reference to the Securities and Exchange Act, questions relating to proxy rules, and that sort of thing, and the subcommittee has already spent some time in that inquiry. It seems to me the question of disclosure of ownership should properly come before the subcommittee headed by the Senator from Ohio, of which I am also a member, and I shall see that it comes before the subcommittee. In fact, it is already before it. However, it seems to me there is no particular reason why bank stocks should be treated any differently from any other corporation stocks, or why the requirement for disclosure of ownership or control should apply only to banks, or why banks should be put under the burden of reporting all the stockholders of record of the banks affected by the bill. It would simply put another very heavy burden on banks, and, according to their own reasoning, would seriously interfere with the adequate financing of banks.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. FULBRIGHT. I should like to make two comments arising from the remarks of the Senator from New Mexico. In the first place, banks are treated differently from other corporations in many respects, because there is a certain fiduciary relationship between the functions of the bank and the public, which the Senator mentioned.

With regard to the statement about there being no trouble about disclosure, in the Illinois investigation that was had last year, the supervisor of banks in that State, who was called the auditor, but who actually performed the function of what would be a banking commissioner in my State, secretly held, in the name of a dummy, 40 percent of the stock of one of the banks involved. It is said that there is no trouble about disclosure. There is a great deal of trouble about disclosure. No one knew of the interest which the auditor had in the bank. I am confident that if he had been required to reveal it, he would never have owned the stock, because it would not have been wise politically. Of course he did not reveal the ownership, because he did not want the public to know it. But there was no way of finding it out. That situation led to his having a special interest in the bank. It led to all sorts of complications, which finally resulted in a scandalous situation. The Senator knows that it is not easy to determine who owns bank stock.

Mr. BUSH. I appreciate the position of the distinguished chairman of the committee. I know that he has given some thought to the subject. But the question is whether we are to burn down the barn in order to catch one rat. I submit that merely because of the unfortunate circumstance which happened in Illinois, it is not fair to place a burden on banks all over the country. They have not had an opportunity to send representatives before the committee to explain their views, and the implications of this responsibility which they are asked to assume. It has not been the practice of the Senate since I have been a Member of it to legislate out of hand without giving the industries concerned an opportunity to be heard.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. DIRKSEN. I think I should say to the Senator from Arkansas, for the sake of the RECORD, that this provision would apply only to national bank stock. If I remember correctly, the stock which was held by the auditor in Illinois was in the Elmwood Park State Bank, and this provision we would not reach any State bank, if I read it correctly.

Mr. BUSH. It also applies to banks which are insured by the FDIC, and also to member banks of the Federal Reserve System.

Mr. DIRKSEN. But they must be insured.

Mr. FULBRIGHT. The Elmwood Park Bank would have been covered.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. DOUGLAS. I appreciate the comment of my colleague in calling attention to section 23, on page 17, which deals with national banks. But it is also true that in other sections disclosure is required with respect to State banks which are members of the Federal Reserve System, and with respect to State banks not members of the Federal Reserve System, but which are insured in the Federal Deposit Insurance Corporation.

Mr. DIRKSEN. The Senator is correct.

Mr. DOUGLAS. So this disclosure provision is not confined to national banks. It would apply to State banks. The Elmwood Park Bank was a State bank, in which Mr. Hodge, the auditor, owned 40 percent of the stock. He used not only 1 dummy, but 3 dummies to conceal the ownership. He kept changing the dummies. It is that fact which the Senator from Arkansas revealed, and which caused us to believe that this was an evil against which we should legislate.

Mr. BUSH. We understand that the provision applies to members of the FDIC, and to members of the Federal Reserve System, as well as to national banks. That is understood.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. ANDERSON. I can only say to the Senator that I believe that banks generally are regarded as in a somewhat different category from the average business venture. I think most of

us recognize that we can hold stock in various types of companies, and that there is no requirement for disclosure. We even recognize that one may start a small corporation—and that it is done frequently—making use of incorporators who have no connection whatever with the business. Then the offer of stock is made, and the corporation goes ahead with its business. That is customary practice.

However, a bank is in an entirely different situation. It handles not only business accounts, but accounts of individuals who do not have an opportunity to operate carefully and to know who all the people are who are concerned in the operation of the bank.

The banks have a general guarantee-of-investment policy, and they say, "So much of your investment will be protected." But beyond that there is a great public responsibility.

I, for one, would be very happy to have the opportunity to know who owns the stock in all banks. Somehow the word gets out. I recall the first share of stock I bought in a certain bank. I was dividing deposits between two banks in the same community. The officers of one of the banks came to me at once to inquire what had happened, and whether that meant that I was withdrawing my deposit from their bank. They learned, almost before members of my family found out, that I had bought an interest in the other bank.

I do not know what the objection could be to a provision requiring disclosure of ownership. I believe most people know who the principal stockholders in corporations are. I think I could make out a list of the largest stockholders of the banks in my community without any particular difficulty. But there are other individuals who do not have the same information. Why are they not entitled to the same information I have?

Mr. BUSH. Mr. President, I appreciate what the Senator says. To some extent it is very logical, indeed. I do not oppose by any means—in fact, I think I would favor—legislation which would require disclosure of stock ownership, or a controlling interest within a bank, or the amount of stock owned by officers and directors of a bank, so that all might know who owned the bank and who was operating it. I think that is one thing. However, it is a different matter to require that every stockholder of record, every nominee, and every trustee, report all the time to each bank the beneficial owners of stock. I should say that 99.44 percent of all that routine would not be worth anything to anyone, and would accomplish absolutely nothing.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I shall be glad to yield in a moment.

I conclude by saying that this subject ought to come under the surveillance of the subcommittee of the Committee on Banking and Currency which handles the question of disclosure, and which has in hand the question of proxy disclosures. Shortly, within this session of the Congress, proposed legislation will be reported from the committee on that subject.

Representatives of the banks, the trustees, and the nominees for stock will have an opportunity to come before the committee and state their views. I do not believe there is a Senator who feels that it is proper, when a sweeping move affecting an industry takes place, to ignore that industry and deny it the privilege of testifying before any definitive action is taken.

I now yield to the Senator from Pennsylvania.

Mr. CLARK. On March 14 the distinguished Senator from Connecticut placed in the CONGRESSIONAL RECORD, as appears from page 3697, a letter from the counsel for the Philadelphia Clearing House Association, Mr. Carl W. Funk. I invite the attention of the distinguished Senator from Connecticut to the fact that the letter states, in part, as follows:

> While we do not question the desirability of a bank having a record of the beneficial owners of significant amounts of its stock, we think this objective should be accomplished without requiring the notice to be given to the bank concerning every beneficial owner of every small holding of its shares, and without requiring the filing with the bank of every will and deed of trust by every fiduciary who happens to own one or more shares of bank stock.

Mr. BUSH. Mr. President, will the Senator read the next sentence?

Mr. CLARK. I shall be happy to do so.

> Such provisions put a wholly unnecessary burden on fiduciaries administering trust estates, and on the banks of the country, which will undoubtedly receive innumerable reports, wills, and deeds of trust involving minute amounts of their stock, which will have no importance whatever to anyone.

Let me say to the distinguished Senator from Connecticut that I share the concern of the counsel for the Philadelphia Clearing House Association, and would be happy to see, if the Senator's amendment is defeated—as I hope it will be—a provision inserted in section 23 which would exempt from the requirement for disclosure amounts of stock which are not significant—let us say 3 percent or less.

The letter from the Clearing House Association of Philadelphia concludes:

> We therefore urge that this matter be reviewed to see whether the requirements should apply only where a substantial percentage of the outstanding stock of a bank is involved, such as 10 percent; or whether the objective of the sections cannot be obtained in some less burdensome manner.

I suggest that that is the best way to handle the situation. I ask the Senator from Connecticut if it is not true that his real objection to the provision is the administrative detail which it imposes on the banks whose securities are not listed on any stock exchange, and many of whose securities, particularly in the smaller towns, are traded in only privately, upon which banks this requirement would be particularly onerous? Would it not be possible to meet the views of the Senator from Connecticut if the section were changed so as to exclude from the provision the requirement dealing with the ownership of substantial numbers of shares of stock, thus meeting the views of the Senator from Illinois and other Senators, to the effect that the names of the stockholders of record who have a beneficial relationship with such stock should be disclosed to the officers and other stockholders of the bank, thereby making it impossible, as it is today, for stock ownership of a bank to be entirely concealed, with the very clear possibility, as happened in Illinois, of its falling into hands which, if publicly known, would bring the bank into public disrepute?

Mr. BUSH. I will say to the Senator from Pennsylvania that he has asked one of the longest questions that I have ever heard asked on the floor of the Senate. I do have objection—and most strenuous and violent objection—to the Senate of the United States taking action on a matter like this without any witnesses being given the opportunity to be heard by the committee in charge of the proposed legislation. I believe that section 23 and similar sections ought to be stricken from the bill. That is why I proposed my amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. JAVITS. I had a question which was similar to the question asked by the Senator from Pennsylvania. It was suggested by one of the large banking firms in the State of New York. The suggestion was made that perhaps we could apply this situation to the rules contained in the SEC Act, which provide that officers and directors who have more than a 10-percent stock interest shall disclose their beneficial interest. Will the Senator from Connecticut comment on that?

Mr. BUSH. I am glad to do so. I believe the situation itself deserves a great deal of consideration, and it ought to be considered by the subcommittee of the Committee on Banking and Currency, of which the Senator from Ohio [Mr. LAUSCHE] is chairman. I know that that subcommittee has before it similar questions.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. LAUSCHE. Inasmuch as I am the chairman of the Subcommittee on Securities, and inasmuch as inquiry is now being made by that subcommittee which deals with the need of passing a law which will require disclosure of the legal and equitable ownership of any stock held in corporations, I feel that I ought to reveal to the Senate the status of that subject as it now appears before the subcommittee. Will the Senator yield to me for that purpose?

Mr. BUSH. I yield to the Senator for that purpose, provided I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. From my standpoint, the testimony which has been adduced before the Subcommittee on Securities clearly establishes the need for a Federal law which will require disclosure of legal or equitable ownership in all corporations, limited to the extent that they are

under the control of the Securities and Exchange Commission.

There is pending before the subcommittee a subject of real significance. I shall not discuss it on the floor today. The query in my mind is whether the proposed legislation being considered by the Senate should embody that requirement insofar as it affects banks, or whether it ought to be assigned to the general law dealing with the operation of all corporations.

I wish to repeat the statement made by the Senator from Connecticut and the Senator from Virginia: that there have been no public discussions of the subject before the subcommitte. In closed hearing the proposal was made that the provision to which the Senator from Connecticut is now objecting ought to be included in the bill. I feel as the Senator from Connecticut does: that, on a matter so vital as this, there ought to be an opportunity for public hearing.

Although I voted with those who proposed the inclusion in the pending bill of the provision, I am now of the opinion that this subject ought to be dealt with by the committee in connection with general corporate laws.

Senators might ask me my reason for that belief.

The committee dealing with the banking bill has given it sincere and lengthy attention. I do not believe that this bill ought to include any measure which can be taken care of in a separate bill, particularly at the risk of taking away votes that ought to go to the measure which is now pending before the Senate.

My belief is deep that our general security-exchange law ought to contain provisions to the effect that all corporations having some relationship with the Federal Government ought to disclose the actual or legal ownership of stock held in those corporations.

I believe as time goes on, and disclosures are made of proxy fights, the Members of the Senate will understand the significance of the general stockholders knowing who are their associates, and they will understand the significance of knowing the identity of the persons who are seeking to be elected to directorships in corporations.

My purpose today is not to persuade anyone. I am giving a narration of what my knowledge of the subject is.

To summarize, I believe that a law of this type should be passed by Congress. I have serious doubts about the advisability of passing it without giving those who would be especially affected by it an opportunity to present their views; or the wisdom of including such a provision in a bill which might go down to defeat because of the inclusion of such a provision.

Those are my views on the subject.

When the question comes before the Subcommittee on Securities, I shall fight vigorously for a law dealing with the subject, not only with respect to banks, but with respect to all other corporations subject to the direction and control of the Securities and Exchange Commission.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. CLARK. Am I not correct in saying that banks are not presently under the jurisdiction and authority of the Securities and Exchange Commission; therefore the pending bill is the vehicle for an amendment of the kind proposed, not a general bill having to do with the Securities and Exchange Commission?

Mr. LAUSCHE. Banks are not subject to that provision at the present time. Banks likewise are not subject to the regulations of the Securities and Exchange Commission dealing with the requirement of disclosing information in connection with proxy fights.

However, I am still of the opinion that there ought to be one central place to which an affected citizen may look in order to determine what the provisions are with regard to the disclosure of the ownership of stock. Those provisions should not be distributed and scattered through many statutes.

Mr. BUSH. I thank the distinguished Senator from Ohio for the very clear statement of his views and his philosophy on this whole subject. He has made the last few paragraphs of my own speech for me. I am now prepared to vote.

In closing, I hope very much that Senators will support my amendment, and that section 23 and similar sections will be stricken from the bill; and that the matter will be taken up by the subcommittee of which the Senator from Ohio [Mr. LAUSCHE] is chairman, in the very near future.

I yield the floor.

AGREEMENT AND PROTOCOL WITH AUSTRIA REGARDING CERTAIN BONDS—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive H, 85th Congress, 1st session, an agreement between the United States and the Republic of Austria regarding certain bonds of Austrian issue denominated in dollars, together with a related protocol, both signed at Washington on November 21, 1956, and that the agreement and protocol, together with the President's message, may be referred to the Committee on Foreign Relations and that the President's message may be printed in the RECORD.

The PRESIDING OFFICER. (Mr. CHURCH in the chair). Without objection, the injunction of secrecy is removed from the agreement and protocol, and the agreement and protocol, together with the President's message of transmittal, will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a copy of the agreement between the United States and the Republic of Austria regarding certain bonds of Austrian issue denominated in dollars, together with a related protocol, both signed at Washington on November 21, 1956.

I transmit also for the information of the Senate the report made to me by the Secretary of State regarding the agreement and protocol.

The agreement provides a practical means of resolving one of the residual difficulties of the postwar period in the financial field between the United States and Austria. I recommend that the Senate take early and favorable action with respect to the agreement and the related protocol.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 18, 1957.*

(Enclosures: 1. Report of the Secretary of State. 2. Copy of the agreement and protocol.)

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. DOUGLAS. Mr. President, the Senator from Connecticut in his speech today and in his speech of last Thursday seemed to give the impression that this provision for disclosure was in some mysterious way slipped into the bill without due consideration and that advantage was, therefore, taken of the banks and of the other members of the committee.

May I point out that the Banking and Currency Committee held a very thorough investigation of the Illinois banking scandal and took 1,200 pages of testimony on the subject. As I explained on the floor of the Senate last Thursday, I was very careful to dissociate myself from that investigation because it affected mainly members of the opposing political party, and I did not wish to be accused of using my office for partisan political advantage.

But the record is perfectly clear, Mr. President, that Mr. Hodge, the State auditor, who was also the State bank examiner, closed up one bank—and it is still not certain whether he should have closed it—and that he organized a new bank to take over the business of the preceding bank and was secretly the owner of 40 percent of the stock of that bank. He operated, as I said earlier in the debate, through three consecutive dummies, changing dummies from time to time.

The president of the bank, a former governor of Illinois, swore that he did not know that Mr. Hodge owned 40 percent of the stock. The FDIC which examined the bank, one of whose trusted employees who had examined the bank, resigned as examiner to become president of the bank, did not know that Mr. Hodge owned 40 percent of the stock.

I believe the FDIC examiner who later became an official of the bank swore that he did not know that Mr. Hodge owned the stock.

Here was a case of grave abuse of trust, unknown to the president of the bank,

and unknown to the examining authorities, and yet it clearly entered into the conduct of the bank, affected the loans of the bank, determined the deposit policy of the bank, and so forth.

These facts became matters of public knowledge, and the question arose as to what should be done about it.

On the 9th of November, the chairman of our subcommittee held public hearings on the first draft of the present bill. There were hearings on the 9th and 10th of November. The record will show that the Senator from Illinois again and again raised the question with the FDIC itself about the desirability and necessity of disclosure of the ownership of bank stock. It is true that no amendment was technically drawn, but the issue was raised, the evil was exposed, and a remedy was suggested. It is true that the banking authorities did not come forward with a remedy as I had hoped they would.

We then moved into executive session of the committee, and I then moved that a disclosure provision be written for not only national banks, but for State banks in the Federal Reserve System—which are examined by that body and for State banks not members of the Federal Reserve System, but which are insured in the Federal Deposit Insurance Corporation.

I may point out that all three of these classes of banks are affected with a national interest. National banks are chartered by the Federal Government, and there are very strict rules concerning their conduct.

State banks which are members of the Federal Reserve System have their reserve ratios and their general lending capacity regulated by the Federal Reserve Board. They are examined by the Federal Reserve. State banks which are not members of the Federal Reserve System but are insured by the FDIC are examined by that Corporation. Nearly all banks have the first $10,000 of their deposits guaranteed by the FDIC. So that all these banks have a very intimate relationship with the Federal Government; and the Federal Government, in my judgment, has the right and responsibility to make certain that abuses do not exist.

Mr. President, the favorable vote on this amendment was 11 to 3. There are pretty solid men on the committee. They did not act in a whimsical manner. They were not bamboozled into voting; they were not deluded. They exercised deliberate, and, I think, good judgment, even though the Senator from Connecticut disagrees with me.

I must admit, Mr. President, that I am puzzled by the objections which have been raised by the Senator from Connecticut and by many of the banking authorities.

In the little town in which I grew up we would point to people who owned stock in the bank and would say, "That man owns a tenth of the bank." It was a matter of honor to own stock in the bank, and men acquired distinction by owning bank stock. I believe that is true today. Since we have abolished double liability and insured bank deposits it no longer is the financial risk it used to be. It is honorable and not very risky. I have more faith in the banks of this country than the Senator from Connecticut would seem to have. I cannot see why one should be ashamed of owning bank stock or why one should object to having it known.

Mr. ANDERSON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. ANDERSON. In the case of the bank in Illinois to which the Senator has referred, did the Federal Deposit Insurance Corporation lose any money as a result of the peculiar manipulations?

Mr. DOUGLAS. Not yet.

Mr. ANDERSON. Is there any prospect of losing any money?

Mr. DOUGLAS. If I were to make a comment on that point I might affect the financial solidity of the bank, and I do not want to do that.

Mr. ANDERSON. I would not want the Senator to do that.

Mr. DOUGLAS. I will say that the affairs of the bank could have been conducted better.

Mr. ANDERSON. A bank with which I am well acquainted in my home community recently cut the value of its shares down to about a tenth of their former value. The matter was discussed with me by the president of the bank as to what figure should be put on those shares—whether they should be cut to $100, $50, $25, or $10. The final decision was to place them at a nominal figure, such as $25, enabling persons to acquire small amounts of stock of the bank. I do not think any of such purchasers objected to becoming stockholders. They were rather proud to become stockholders and were glad that the price was not $1,100 or $1,000, or some figure of that nature.

It seems to me that ownership of bank stock is a desirable thing. I will say to the Senator that I have a couple of children growing up who, I hope, will always have a great deal of respect for the banking system of this country. One of the first things I encouraged them to do was to acquire a small amount of stock in a bank competing with the one in which I was interested.

Mr. DOUGLAS. The Senator would not be ashamed to have it known that they own bank stock, would he?

Mr. ANDERSON. No. I want them to be proud of the American system of banking. I think the ownership of stock exemplifies the fact that they are members of the community and have a share in its responsibilities.

I subscribe to what the Senator from Pennsylvania [Mr. CLARK] said. I would gladly support a 5-percent amendment to eliminate as much as possible the difficulties which arise because of small ownership.

Mr. DOUGLAS. I agree with my good friend from New Mexico. As I stated in the debate last Thursday, it is not our intent to require the reporting of the ownership of infinitesimal fractions of stock. But what the Senator from Connecticut is attempting to do is to strike out this provision completely, so that even if a person owned 10, 20, 30, 40, or 50 percent of the stock, he could conceal such ownership behind dummies.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. BUSH. May I ask the Senator from Illinois if he has not perhaps distorted my position? I think I said to the Senator that I thought this matter ought to be explored, and that it ought to be explored by the proper committee.

Mr. DOUGLAS. I will deal with the question of jurisdiction in a minute.

Mr. BUSH. The chairman of the subcommittee has just said that he intends to explore the subject very fully. I agree with all that has been said about its being good to own bank stocks. That does not have anything to do with the amendment at all. The provision in the bill is a burdensome one from an operating standpoint.

I may say to the Senator that one bank alone in the State of Connecticut—in Hartford—has a common-stock fund with 1,200 members. Their counsel has advised them that if this section remains in the bill, every single share and half share owned by the 1,200 members will have to be reported. Maybe the figure will go up to 1,300 persons. That would put a very heavy and unnecessary burden on them, and it would not do the public one bit of good.

Mr. DOUGLAS. As I indicated last Thursday, and as the Senator from Pennsylvania has just indicated, we are perfectly willing to consider an amendment which will fix a percentage by law below which stock holdings would not have to be reported. We are perfectly willing to consider that question. But what the Senator from Connecticut is proposing in his amendment is to eliminate all reporting. That is what he is proposing. Therefore, I say that what we should do is to reject his amendment; then we can consider a percentage figure.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ANDERSON. Would not the adoption of an amendment to the proper section, which I believe the Senator from Pennsylvania [Mr. CLARK] said was section 23, to leave the figure at 5 percent, deal satisfactorily with the stock of holding companies and investment trusts?

Mr. DOUGLAS. I would say about 3 percent.

Mr. ANDERSON. I would say that 5 percent would be a little more liberal and would probably get a few more votes. But would not 3 percent or 5 percent deal more effectively with the investment trust situation? I think it would be unwise to require an investment trust to report, in the names of its members, every tiny, individual ownership of stock. I think that would be extremely undesirable.

Mr. BUSH. That is exactly what the Senator from Connecticut is arguing.

Mr. DOUGLAS. No; that is not the case. The Senator from Connecticut is proposing to strike out the whole thing;

he is not proposing any percentage limitation. He is proposing elimination with the ax.

Mr. BUSH. I certainly am. I think the Senator from Illinois will agree with me that perhaps a course of action will have to be followed which will deal with the whole situation.

Mr. DOUGLAS. I will come to that point in a minute.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. JAVITS. Will the Senator be good enough to inform us what maximum percentage limitation he will accept if the Bush amendment fails?

Mr. DOUGLAS. I may say I am not adamant about the precise percentage. I have been in touch with bankers, and I believe we can reach a satisfactory percentage. I do not like to do my bargaining on the floor.

Mr. BUSH. I am very glad to hear the Senator from Illinois say that. I should like to have the matter referred back to the committee.

Mr. DOUGLAS. There are three other matters besides the Hodge affair which indicate a need for disclosure.

The first is when one financial institution or group of financiers quietly buys into a bank, striving to get control, and the previous owners do not know what has happened. Then the owners wake up one morning to learn that control has been taken away from them and that the ostensible stockholders have been merely dummies, while lurking in the background is a group which tried to take over the bank.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. Does that involve cumulative voting, when they get in in that way?

Mr. DOUGLAS. I am in favor of cumulative voting. I may say that cumulative voting does not mean that a minority controls a bank; it merely means that a minority has representation on the board.

I would say to those who object to cumulative voting that the best protection against any alleged dangers from cumulative voting is disclosure, rather than the abolition of the cumulative voting provision.

The second additional purpose which disclosure would carry out is something I am a little reluctant to discuss in full; yet I think in the interest of candor I should speak about it. We are very proud of our banking institutions, and I believe that the overwhelming majority of banks are honestly conducted. At the same time, we must recognize that there is an underworld in the United States—a very powerful underworld which gets its money from dubious sources, and, upon occasion, invests in financial institutions to convert illegitimate gains into legitimate investments.

I believe all people under the law are entitled to equal rights; that men of bad reputation have the right to walk the public streets free from arrest, unless they commit a nuisance; that men of bad reputation have the right to buy into corporations and banks. I do not believe in drawing a distinction and saying that good men shall be allowed to do this, but that bad men shall not be allowed to do the same thing, because who is to be the judge of who is good and who is bad?

But I do believe it should be possible to identify who is buying into a bank or who is buying into a corporation, and I think the requirement for disclosure of the real ownership would be of great benefit in this connection.

There is a third point, and it involves the Swiss banks. The Swiss banks operate, in part, on an international scale. They permit numbered accounts, the true possessors of which the Swiss banks will not reveal. This procedure may be innocent and it may not be innocent.

I do not have all the fears which some financial writers have, but there is at least a possibility of abuse—and grave abuse—in connection with the accounts of the Swiss banks. I think every effort should be made to get at the real ownership of the accounts in the Swiss banks. I am not certain that the provisions of the present act or the present bill will do so, because the problem of international law is involved. But at least, the disclosure provision enables us to make a start in that direction and to present demands upon the Swiss Government and the Swiss banks, and also it lays the basis for further action.

So I submit that the principle of disclosure is sound and is needed, and that with a percentage figure upon which we can agree and which we can accept, any possibility of additional and unnecessary work will be removed.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ANDERSON. The Senator says that he would like to have disclosure, and I agree with him on that. I simply wonder why he does not offer such an amendment. I think it would be better to offer an amendment which deals with section 23.

Mr. DOUGLAS. The point there is that it would have to deal not only with section 23, which refers to the national banks, but also would have to refer to the State banks which are members of the Federal Reserve System.

Mr. ANDERSON. I do not question that.

Mr. DOUGLAS. And to State banks which are under the FDIC. So technical drafting off the floor would be needed. I have a draft ready, but I prefer not to offer it at this point.

Mr. ANDERSON. I observe the able majority leader on the floor. It seems to me that if this is a matter which requires some drafting, it might be well if we went over and had such an amendment before us tomorrow.

I am very much attracted to the argument which the able Senator from Connecticut [Mr. BUSH] makes about the institutions; and my dear friend, the senior Senator from Florida [Mr. HOLLAND], has a problem in his State concerning ownership, as to which he needs some help.

I should think that if the majority leader could see his way clear not to proceed further today, we might later find ourselves in some sort of agreement.

Mr. DOUGLAS. I am perfectly willing to accept the principle of limitation and to fix a percentage below which the reporting of stockholdings will not be necessary. But the Bush amendment in its present form calls for the abolition of all reporting.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, some of our colleagues have left the Chamber. I would not want to suggest the absence of a quorum, and call them back for a yea-and-nay vote, very much later in the afternoon. If we are to vote today, I hope we shall vote promptly. If not, on tomorrow, after the Senate convenes, there can be brief debate, and then the vote can be taken at an early hour.

Mr. DOUGLAS. Mr. President, let me say to my good friend, the distinguished majority leader, that I believe I shall be able to complete my remarks in approximately 5 minutes.

First, I wish to take up the question of jurisdiction, to which the Senator from Connecticut referred. It was also referred to by our good friend, the junior Senator from Ohio.

In connection with the question of jurisdiction, I should like to point out that the Banking Subcommittee which handled this measure has jurisdiction of all banking measures; and the Banking and Currency Committee has a Securities Subcommittee, which handles all securities measures. Any measure dealing with banks falls under the jurisdiction of the Banking Subcommittee. If Senators think bankers do not like this amendment, however, let Senators listen to what the bankers would say if we were to try to place the banks under the provisions of the Securities Exchange Act. The loud shrieks in opposition to the pending bill would be as nothing, when compared to the piercing cries which would rise to the very heavens if such a measure were brought forward.

I may also point out that banks do not come under the jurisdiction of the Securities and Exchange Commission—not so much because of any specific exemption, as because of the fact that the Securities and Exchange Act at present deals only with securities listed on the stock exchanges; and, so far as I know, at present no bank has its stock listed on the exchanges. I believe one bank did have its stock listed on the exchanges some years ago; as I recall, the Corn Exchange Bank of New York had its stock so listed. But that is not the case at this time.

Therefore, under the law as presently constituted, banks are completely excluded from the application of the Securities Exchange Act. Furthermore, banks are specifically excluded from the

application of the bill to regulate over-the-counter sales of unlisted securities. As we know, that bill has already been introduced. So, Mr. President, both in the case of existing legislation and in the case of contemplated legislation, banks are outside the jurisdiction of the Securities Exchange Act.

Mr. President, if we believe in the principle of disclosure, this is a good time to establish the precedent by applying that principle to banks, instead of postponing its application, in the hope that it would be applied by an agency which might not be able to apply it.

So, Mr. President, if we believe in the principle of disclosure, this is a good time to begin by having disclosure required in the case of banks. Then, if that arrangement proved to be a good one—as I believe it would—we could extend it into the field of corporations, both in the case of securities listed on the exchanges and, if that seemed desirable, in the case of over-the-counter securities, as well.

Mr. MONRONEY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. MONRONEY. In the case of Senate bill 1451, is not the bill before us because it endeavors to codify and to put into one measure all Federal legislation dealing with the control, regulation, and operation of our banking system and all our financial institutions? Is not that one of the principal reasons for the bill?

Mr. DOUGLAS. Certainly it is.

Mr. MONRONEY. Ninety percent of the provisions of the bill are found in existing legislation, which is merely brought up to date or codified in this measure. Is not that correct?

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. If the disclosure of the ownership of bank stock is so important as I believe it to be and as the distinguished Senator from Illinois realizes it to be, particularly when the amount held is above an infinitesimal or unimportant amount, is not the place for such a requirement in the pending measure? Does not the Senator from Illinois agree?

Mr. DOUGLAS. I heartily agree.

Mr. MONRONEY. The junior Senator from Ohio has said he is in great sympathy with the purposes of this provision, and that he expects to get to it in the overall securities and exchange regulations, but that he feels that action on this provision should wait, in view of the fact that hearings are being held by the subcommittee. But certainly the members of the Committee on Banking and Currency, which spent many weeks on hearings on this bill, and listened to every recommendation the bankers, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency had to make, showed that they were confident—and they showed it by the vote of 7 to 3, as I recall.

Mr. DOUGLAS. The vote was 11 to 3.

Mr. MONRONEY. That is correct; they showed by their vote of 11 to 3 that they were confident that it is important that this provision be included in the pending measure.

Much has been made of the letters from the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Comptroller of the Currency. I have read those letters. When we boil them down to their essence, we find—despite all the fancy language used—that, first, those agencies believe that the inclusion of this provision would require a certain amount of additional work on the part of bank stockholders and banks; and, second, that it might discourage the ownership of bank stock.

On the other hand, the Senator's amendment limiting the application of the provision, and providing that it shall apply only to those holding as much as 3 percent or 5 percent, would reduce to a very small amount the extra work burden, would it not?

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. Furthermore, in view of the good dividends which bank stock is paying today in this time of the tight-money policy, people would be willing to buy bank stock even if they had to have their names displayed in neon lights. In other words, under present circumstances, the ownership or purchase of bank stock would not be discouraged by requiring that the names of the holders of such stock be made public. Instead, the decision on whether to purchase bank stock would hinge on the question of whether it would be a good, sound investment.

So, Mr. President, if we strike out the provisions requiring the listing of true ownership, the bankers who today are sending us telegrams, would, if proxy fights and raiding began, begin to beg us to give them some protection against such raiding, by means of proxy fights, of our time-honored institutions.

Mr. DOUGLAS. I quite agree.

Mr. President, if the Bush amendment is rejected, I now wish to give notice that I intend to offer, for inclusion at appropriate places in the bill, the following proviso:

Provided, That this section shall not apply to record owners of stock who hold stock for beneficial owners who own less than 3 percent of that bank's stock.

So, Mr. President, the pledge has now been made a matter of record, if the Bush amendment is rejected.

However, I desire to point out that if the Bush amendment is adopted, it will prevent the disclosure of any ownership of the stock—whether 10 percent, 20 percent, 30 percent, 40 percent, or 50 percent—of a bank.

Mr. President, I yield the floor.

Mr. ANDERSON. Mr. President, I send to the desk a perfecting amendment.

The PRESIDING OFFICER. The amendment of the Senator from New Mexico will be stated.

The LEGISLATIVE CLERK. On page 17, in line 5 of section 23, after the word "stock", it is proposed to insert "in excess of 5 percent"; and on page 165, in line 7 of section 27, after the word "stock", it is proposed to insert "in excess of 5 percent."

Mr. ANDERSON. Mr. President, I offer the amendment on behalf of myself and the junior Senator from New York [Mr. JAVITS].

Mr. JOHNSON of Texas. Mr. President, in view of the fact that the Senator from New Mexico and the Senator from New York have offered a perfecting amendment, and in view of the fact that the hour is now late, I should like to express the hope that no yea-and-nay votes will be taken this evening, but that on tomorrow there be a brief debate, and then the vote be taken. If that course is agreeable to all Senators, we can arrange to proceed accordingly. If that understanding is reached, if any Member of the Senate desires to address the Senate before the end of the session today, I shall be glad to have the Senator recognized for that purpose.

The PRESIDING OFFICER. What is the pleasure of the Senate?

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, pursuant to the resolution adopted earlier today, as a further mark of respect to the memory of President Magsaysay, of the Republic of the Philippines, I move that the Senate stand in adjournment until 12 o'clock tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, March 19, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 18, 1957:

DIPLOMATIC AND FOREIGN SERVICE

Gerald A. Drew, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

Philip W. Bonsal, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

DEPARTMENT OF THE NAVY

Fred A. Bantz, of New York, to be an Assistant Secretary of the Navy, vice Raymond Fogler, resigned.

IN THE NAVY

Having designated, in accordance with the provisions of title 10, United States Code, section 5231, Vice Adm. Austin K. Doyle, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of vice admiral while so serving.

Vice Adm. Roscoe H. Hillenkoetter, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

Having designated, in accordance with the provisions of title 10, United States Code, section 5231, Rear Adm. George W. Anderson, Jr., United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay, and allowances of vice admiral while so serving.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 18, 1957

The House met at 12 o'clock noon.

Rev. W. Boyd Bryant, Crewe Methodist Church, Crewe, Va., offered the following prayer:

Our Father, we thank Thee for this day, its blessings, and the challenging opportunities it affords us. Help us not to waste this day.

We thank Thee for America and for her rich heritage and traditions. May we ever hold them sacred.

Bless, we pray, the President, the Members of Congress, and every department of our Government with a right understanding and a pure purpose as they lead this Nation.

We pray especially for the Members of this House of Congress as they begin this day's work. May the spirit of the living God direct all their ways and may the love of God reign in their hearts, and may they have the peace of God which passes all understanding. Give them wisdom as they help shape the destiny of our Nation and the world. Keep them keenly aware of the responsibility that is theirs. Enable them to rise above all self-seeking and party zeal as they strive to serve their countrymen. We pray. Amen.

The Journal of the proceedings of Thursday, March 14, 1957, was read and approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed joint resolutions of the House of the following titles:

On March 9, 1957:

H. J. Res. 117. Joint resolution to promote peace and stability in the Middle East.

On March 14, 1957:

H. J. Res. 23. Joint resolution to provide for the reappointment of Dr. Arthur H. Compton as citizen regent of the Board of Regents of the Smithsonian Institution; and

H. J. Res. 202. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

HOUSE JOINT RESOLUTION 209

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title:

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

THE GERRY MURPHY CASE

Mr. PORTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon.

There was no objection.

Mr. PORTER. Mr. Speaker, on Friday my distinguished colleague Senator MORSE called an executive session of his Foreign Relations Subcommittee, Latin American Affairs, and very kindly allowed me to be present. The Gerry Murphy case was discussed with the acting Assistant Secretary of State for Latin American Affairs, Mr. Roy Rucbottom, an able and devoted official.

On the next day, Saturday, the State Department made public their latest note to the Dominican Republic. The Dominican explanation of Murphy's death at the hands of de la Maza was rejected. The suicide note was found by the FBI to be a forgery, a fact with implications leading necessarily to Generalissimo Trujillo himself as the murderer both of Galindez and Gerry Murphy.

A more immediate move by the United States, however, should be taken at once by declaring the Dominican Government's consul general in New York, Arturo R. Espaillat persona non grata. I personally can overlook his defamatory public statements about me, but in view of the disclosures in this note it seems clear that he should not be allowed to remain in diplomatic status here.

These disclosures make a congressional investigation all the more important. My original charges of a deliberate attempt by the Dominican Government to deceive our Government as to how Gerry Murphy died are now fully substantiated. I ask your help in bringing this matter to the immediate attention of the appropriate committees of this Congress.

A PLAN TO FINANCE FEDERAL AID FOR PUBLIC-SCHOOL CONSTRUCTION

Mr. LONG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG. Mr. Speaker, my proposal to have returned to each State a sum equal to 1 percent of the total on income taxes collected on individual and corporate incomes under the Internal Revenue Code of 1954, is one of the fairest and most nondiscriminatory measures that could be worked out to relieve the ever-increasing problem of adequate public schools. The bill simply provides that each State and Territory will have returned 1 percent of the total taxes collected from that particular State or Territory each year to be used for public-school construction.

I do not believe there is a State or Territory that is not in trouble in providing adequate school facilities for their children. The question of proper education speaks for itself and the child who grows into adult manhood or womanhood without the benefit of a decent education suffers a very serious handicap. The answer to the problem of better education for our children rests in improved educational facilities. By providing a return of a portion of the tax dollar to each State for school construction a certain amount of funds now used for school construction could be released to provide possibly a better salary scale for teachers which would in turn attract the best-qualified teachers. It is alarming to note the high percentage of teachers who turn their back on the profession in every State each year because of low salaries and inferior working conditions.

One of the important features of the proposal is to provide that the funds returned would be used for public schoolroom construction as prescribed by the laws of such State or Territory. If we can secure the use of these funds without entangling Federal restrictions then we will have accomplished a very fine purpose. One of the principal arguments which has existed in the past against Federal aid to education has been the threat of strict Federal controls reaching into every community of every State.

The basis by which the sum of money is determined, that is 1 percent of taxes, is a fair one as the money originates in the State and is allocated on the basis of the tax dollar paid into the Federal Treasury. We do not have a situation under this bill wherein a rich State supports a poor State. Each State stands on its own resources and the distribution of the money is absolutely fair.

In my opinion this bill meets all requirements of a successful program to provide much-needed improvements in our public educational system.

VACATING SPECIAL ORDER FOR TODAY

Mr. IKARD. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated and that I may address the House on Monday next for 1 hour at the conclusion of the legislative business and any other special orders heretofore entered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INCREASED ALLOTMENTS FOR DURUM WHEAT

Mr. ALBERT. Mr. Speaker, I desire to advise the House, after consulting the leadership on both sides, that it has been decided to call up tomorrow, under suspension of the rules, the bill S. 323.

THE DEATH OF RAMON MAGSAYSAY, PRESIDENT OF THE PHILIPPINES

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Speaker, it was with a great shock and over-whelming

sense of loss that I read that the President of the Philippines, Ramon Magsaysay, had met an early and untimely death in an airplane accident.

President Magsaysay was always a great friend of the United States and a great friend of democracy. He had done much to lead the people of the Republic of the Philippines toward a prominent place in the free world. His influence extended far beyond the borders of his own country; indeed he was everywhere respected for his ability, for his leadership and for his devotion to the cause of democracy and of his people. In addition to being a great leader of his own people, he was a great leader of the free world.

I am today introducing a resolution expressing the regret of this body at the untimely death of Mr. Magsaysay. Such a resolution can only very inadequately express our sense of loss. I only can say that I wish there were more men like Ramon Magsaysay.

Mr. Speaker, I yield to the majority leader, the distinguished gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the unexpected and tragic death of Ramon Magsaysay, President of the Government of the Philippines, brings sadness everywhere. While still in the prime of life, he had given to his people leadership that brought to him world recognition as one of the outstanding leaders of this trying period of the world's history. His outstanding ability, his sound progressiveness, his great courage and his dedicated life in the cause of the people and of democratic institutions of government brought great honor and glory to his government and his people.

But for his tragic death, President Magsaysay had many years ahead of him in meeting the problems confronting his people and to making his marked contributions towards the solutions of the ills of the world.

His prominent place in the pages of history is already made. He leaves to those who follow him in the leadership of the Government of the Philippines a heritage—a spirit—and a symbol of leadership for them to follow.

There are few leaders anywhere whose popular support was greater than President Magsaysay, or who had more worldwide respect, particularly, in those nations that want to be free under their own law.

For President Magsaysay not only understood the deeper meaning of freedom and liberty, but he knew that freedom and liberty must be the basis or foundation upon which a nation and a people must build a better life for the common good—economically, socially and politically.

In connection with the domestic problems confronting his country, his program was to put greater emphasis on improving health, education, roads, and economic conditions of the lower income groups. He had made great progress in carrying out this progressive and constructive program. The friends of the Philippines and its people will watch and hope that the new leadership will follow his course and carry out and consummate his great program.

There was no person in the world who had a clearer insight and knowledge of the intent and purposes of atheistic communism than did the late President. His views on communism were clear. His actions showed this fact.

He was not deceived by the hypocritical and false promises of the Communists.

He knew the leaders of communism are mental prisoners of an ideology bent on world revolution and world domination.

He was not deceived by their moves from time to time or an outward change in policy or procedure—prompted by expediency, but with no change in intent.

He knew that the national objectives of his country, in accordance with its culture, could not be attained under communism.

He knew that such objectives could only be attained with the Government of the Philippines retaining its fullness of sovereignty. He knew that this basic thought applied to all other countries.

He knew that Communist control of any country would result in the impairment or destruction of the fullness of sovereignty, and of the free exercise thereof.

President Magsaysay knew that atheistic communism was the enemy and destroyer of liberty.

President Magsaysay's memory will always live in the hearts and minds of the people of the Philippines. The light from the candle of his life will never die in the hearts and minds of men and women everywhere who want to be free under their own law.

To the Government and the people of the Philippines, and to Mrs. Magsaysay and her loved ones, I extend my heartfelt sympathy in their great loss and sorrow.

Mr. GORDON. Mr. Speaker, I yield to the minority leader, the distinguished gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, the Philippine Republic mourns its beloved President, Ramon Magsaysay. America mourns a true friend. The free world has lost an outstanding advocate of freedom and liberty, a successful fighter against communism.

Ramon Magsaysay can well be compared to Abraham Lincoln. Both brought their countries through the trials and tribulations of civil conflict. Both died tragic deaths before their work was completed. Both had that deep love of their fellow men, that sincere and inspired human touch that made them loved as well as respected.

Magsaysay, as did Lincoln, brought government close to the people. Every citizen, be he ever so humble, could bring his problem directly to his President, and be assured of sympathetic personal attention—and action.

Magsaysay ended the Communist Huk rebellion, a civil war which swept much of the island of Luzon. The rank and file of the rebels who surrendered were given a new start in life as independent farmers is a free enterprise system.

A true friend of the United States, Magsaysay said:

> I held American boys in my arms while they were dying. And why were they dying? Because they had come to free my country. * * * Of course I'm pro-American, and I'm proud of it.

We in America extend our deepest sympathy to our sorrowing brothers in the Philippines. Ramon Magsaysay has died, but his work has not died with him. His place in history is secure, as a great human being, as a defender of freedom, who helped make it a reality to so many of his countrymen. He has gone to join Abraham Lincoln—and with Abraham Lincoln, his soul will keep marching on.

Mr. GORDON. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Speaker, in December last year, a group of us returning from the annual meeting of the Interparliamentary Union at Bangkok had the great pleasure of a long and fruitful meeting with President Magsaysay of the Philippines.

The President of the Philippines, who was killed on yesterday in a tragic airplane crash, was one of the outstanding leaders of democracy in Southeast Asia. He personified the ideals and the essence of democracy. He was a man of his people, who understood his people; a man who had given all of his talents and his courage both in the arena of the battlefield and in the arena of politics. He had been one of the great guerrilla leaders in the Philippines against the Japanese in the war beginning in 1941.

His love for freedom and his unalterable opposition to communism was expressed in speeches to young people on the very day before his death.

Neutralism is un-Filipino—

He told graduates of Southwestern College—

> To attempt to foist it upon our people is to do them a grave disservice. The country has no need of fence sitters in the struggle to preserve our way of life.

At the University of San Carlo he said:

> You do not need to be anti-American or antiforeign to be resoundingly pro-Filipino. * * * You are the battlefield on which future wars will be won or lost. You cannot remain neutral. * * * You have to take a stand.

The free world can scarce afford to lose men of the character of President Magsaysay. I am quite certain that all of us join in expressing to the people of the Philippines our profound regret and sorrow at this tragic accident.

Mr. BOLAND. Mr. Speaker, the free world was shocked and grieved to learn yesterday of the death of one of the outstanding leaders of the free world in its fight against communism, President Ramon Magsaysay of the Philippines. The United States and the Western World has lost a great friend. The people of the Philippines have lost an inspiring leader.

Having served with the Army in the Philippines during World War II and having seen the devastation that war brought to its people I was familiar with

the problems that President Magsaysay faced and I followed his administration with keen interest. Here was a leader who outmaneuvered and defeated the Communist Huks in the islands because he sprang from and understood the problems of the common masses—the one great source on which communism usually feeds and spreads. The great faith that the common Filipino placed in him was a tribute to his fervor, his personality, his ability to conduct a government on a plane that met with world approval. His deep concern and everlasting faith in the people themselves was the hallmark of his meteoric rise and success.

Mr. Speaker, I am sure that I reflect the views of Members of Congress when I express our profound sympathy to the people of the Philippines in the untimely death of their President.

Mr. Speaker, I ask unanimous consent to include editorials from the New York times and the Washington Post on the death of President Magsaysay.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The editorials are as follows:

[From the Washington Post]

RAMON MAGSAYSAY

The death of Ramon Magsaysay of the Philippines in an airplane crash is, as Ambassador Carlos P. Romulo said yesterday, "a tragedy for all free men." Though he was an unsophisticated popular hero of only 49, President Magsaysay had become the foremost symbol of democracy and the struggle for freedom in Asia. He seems to be assured of a great place in history, but that will be little solace to his grief-stricken countrymen who have been relying on his leadership to carry them through a time of turbulent transitions.

President Magsaysay is known around the world as a devoted friend of the United States, a tough fighter against communism, a sincere and honest reformer and a fearless crusader against corruption. His greatest achievement, however, appears to have been the winning of the affection and trust of his people. In fact as well as in sympathy he was one with the rank and file of Filipinos who encounter many problems.

Probably the most characteristic act of his administration was his establishment of a Presidential complaints and action committee in the Malacanang Palace—the Philippine White House. Complaints that formerly went to the Communists came flowing into the President's office, and a vast amount of his time was spent in trying to solve the problems and right the wrongs that the people laid before him. On one occasion he broke up an official meeting and drove nearly 100 miles to save a tenant from unlawful eviction. The landlord went to jail despite the fact that he had contributed to Magsaysay's campaign.

Actions of this sort convinced the people that the government in Manila was their friend. In the Orient where governments are traditionally regarded as hostile to the interests of the rank and file this is an achievement of the utmost significance. Many of the ambitious reforms sought by the Magsaysay administration have not yet borne much fruit. The legislature passed his land reform bill, but the actual breaking up of the large estates is just getting under way. The President set an example of scrupulous conduct in high office, but he had not fully succeeded in purging the Government of corruptionists. Many of his followers have been disappointed in the delays these undertakings encountered, but they have never doubted the integrity of the President nor his wholehearted devotion to the public interest.

Despite many setbacks, therefore, he seems to have achieved his greatest goal of strongly buttressing the democratic way of life in the hearts of the people. More than any other person, he can be credited with saving the Philippines from the Communist menace which made a good deal of headway under the lax regime of his predecessor. But Magsaysay knew that communism cannot be licked by guns alone. The human and humanitarian qualities that he brought to his Presidency have made him a sort of Filipino Lincoln whose tragic death will sanctify the ends for which he worked.

Fortunately, the Filipinos have had sufficient experience in self-government to take this blow in stride. The new President, Carlos P. Garcia, is a man of long experience in public life, and is said to be devoted to the Magsaysay causes. In the election next fall the people will have a chance to choose a new leader, and the intense devotion to President Magsaysay creates a virtual certainty that his elected successor will be pledged to follow in his footsteps.

[From the New York Times]

A GREAT LEADER DIES

The tragic death of President Ramon Magsaysay has taken from the Philippines, and the Filipino people, a great leader. His greatness lay, in part, in the very fact that he was so much of those people. He was no stranger to the most intimately human problem in the lives of the simplest of the folk he led. He was in and of his country as the truly great so often are.

With good reason the Filipinos have often called him our Abraham Lincoln. They have recognized those same homely virtues, that massive integrity, that humble warmth of heart that make a man able to lead because he is both honored and truly loved. On our part, remembering, we can understand the shock and grief that encompass the Philippines and can extend our expressions of sympathy in a loss that we likewise share.

As Ambassador Romulo has pointed out, it is not only the Philippines but the whole free world that has been bereaved. Here was a living symbol of that freedom and of the worthy fight to make it secure. His life helped to ennoble the good cause that we and the Filipinos have been glad to share. We understood each other because of our joint and mutual devotion to that cause. Let us, therefore, not forget—he was one of our leaders, too. And because he belonged also to us, and to all freemen, we likewise mourn.

Too often, perhaps, the narrative of his struggle and eventual triumph has been told in the terms of the conventional success story. This falls short of the great truth. His was not so much the triumph of a man as it was the vindication of an ideal. We are obliged to believe that virtue, honor, courage, steadfastness, and great compassion can win the field against the enemies of the human spirit. Without that belief the ashes of the world's sorrows would be too bitter to bear. Ramon Magsaysay taught us that our belief and our hope were not vain. He made victory real and personal for all of us.

His legacy is a challenge. It is just that to his own people. It is also a challenge to us to understand and to help. We need to give our encouragement and our prayers to Vice President Garcia, who succeeds him. His burden is heavy and we should try to lighten it if we can.

Our friends in the Philippines will be right if they enshrine the memory of Maysaysay in the same glorious panel that has the names of Bonifacio and Rizal. Here, also, was a great fighter for freedom in its truest and broadest sense. Here is a national hero and a national leader who is worthy of the highest honor and whose virtues should command emulation.

But that honor can be paid, justly, only in the deeds of the living. It is only as his vision is fulfilled that he will have received the tribute that is his due. A great leader has been lost. Those who have followed him can show, now, how great and good, in time of crisis, that leadership was.

Mr. VORYS. Mr. Speaker, I join in expressing my sympathy at the loss to the Philippines and the United States and the free world in the death of President Magsaysay; but, in addition, I have a personal feeling of grief and of shocked sadness at his tragic death. I met him twice; here at lunch at the Capitol, and at breakfast in his palace in Manila in 1954 along with our former colleague, Congressman Richards. He was big, tough, strong, genial, jovial, virile, with boundless personal courage and with a simple, great-hearted love for his people and his country. At breakfast, after some persuading by members of his Cabinet, he told us how he went out alone, at great risk of being killed any minute, to locate and round up the Huk leaders in Manila. Then he told us of his plans for his people—land reforms, education, and the many other steps he was taking to help them. We learned how, in order to get away from the bureaucracy and other evils that possibly could affect the people in attempting to contact their Government concerning their problems, he had people communicate with him directly in the President's palace. This took enormous energy, but he had such energy. His work also took enormous courage and a great heart. I have the feeling that I have lost a friend, a man whom I greatly admired, while the world has lost a great leader. His place will not soon be filled.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, there are many satisfying and inspiring experiences in service in the House of Representatives, but for me, one of the most inspiring, one of the most satisfying experiences in my brief years here was an opportunity to get to know the great President of the Philippines, Ramon Magsaysay. In November 1955, the House sent several members of the Veterans' Affairs Committee to the Philippines to be present for the dedication of a great hospital which we had helped to build in Manila for the veterans of the Philippine Scouts, and the Philippine Army, who had fought side by side with our soldiers at Bataan and in the terrible battles of World War II. This was a cause very close and very dear to the heart of Ramon Magsaysay, and it was evidence of his concern for that cause and also of his friendship for America that those of us who went to Manila for that occasion were his own guests in his own residence for several days prior to the dedication.

To know Ramon Magsaysay was to know a great man in every sense of the word. Courage was a watchword with him. He exemplified courage not only in the manner in which he had fought

for freedom, not only in the manner in which he had led the fight in his country against the Huks and against the forces of communism, but also in the manner in which he conducted the affairs of his office. While there we met a young man who was one of his closest and dearest friends, his own private secretary, and yet before we had left the Philippines President Magsaysay had regretfully discharged this young man from his employ for the reason that the young man had used his own personal office to assist a distant relative of the President to obtain a preferred place in the armed service. The President said his stand on this question and on the question of nepotism was such that he could not permit a man to remain in his own official family who did not hold to the same principle and conduct his office in a manner beyond reproach.

I think I have never met a man in high public office who was as accessible to the people as Ramon Magsaysay. We walked out on the lawn of his residence to review some of his troops, and as we walked across the lawn there was a large throng of his fellow citizens, his Philippine people, who walked at our side, who held the coat sleeve of the President to talk to him, some of them about relatively unimportant personal matters from the standpoint of a chief of state. Yet it was typical of this great man, the President of the Philippine Republic, that he stopped and delayed the starting of the review of his own troops to talk to one elderly Philippine citizen who wanted to discuss with him a problem of very great concern to him. This was a quality, a humanness that we rarely find, and we certainly do not find it often enough.

I feel personally as if I had lost a very dear friend, and I know that the cause of freedom and the cause of liberty have lost a real champion.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield.

Mr. ADAIR. Mr. Speaker, I would like to join with my colleagues who have already expressed shock and sorrow and sadness at the death of President Magsaysay. All who have personally talked to him, and there are many such in this Hall today, must have been impressed with the characteristics and qualities which have already been mentioned; they include his love of country, his love of freedom, and his understanding of his own people.

The understanding which he had of his own people and their problems was reflected in the admiration and esteem in which they held him. It has been well said that among present-day chiefs of state there are few who knew better the problems of their own people. Truly his death has been a tragic loss not only to the people of the Republic of the Philippines, but also to the people of the United States of America, and, indeed, to all the peoples of the free world.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, I know that we in the United States House of Representatives are all deeply sorry to hear of the death of Ramon Magsaysay, because we know what an excellent job he has done in linking together all the Philippine people, and moving forward and backing progress as their President.

To those of us who see an untimely death such as this of Ramon Magsaysay it brings back to us the thought that death should not be for the young, the successful, and the people who are doing good; but it does happen. This unfortunate incident of the death of the President of the Philippine Republic, I know, will cause this country to look again to the security of the United States and our neighbors in this area, because we in the United States have lost one of our strongest friends and one of our closest allies.

I can remember one morning when I had breakfast with him as a young man before he was President of the Philippines, over in one of the small Senate dining rooms in the United States Capitol. He was then telling us what he was going to do to try to meet the Huk problem of revolution, and likewise his plans to unite the Filipino people by friendship and progress. Some of us patted him on the back and said: "Go ahead; that certainly sounds wonderful." Ramon Magsaysay has not only talked about it, but he has accomplished it.

So, instead of a man who might have felt he had not had the opportunity, here was a man who made the opportunity and who united the Filipino people. He has proved himself our great friend, and he has made the Philippines a Republic that we can be proud of as a sister Republic whose security is a paramount part of the foreign policy of the United States.

I think the former Speaker of the House, Mr. MARTIN, of Massachusetts, spoke so truly when he likened President Magsaysay to our own revered United States President, Abraham Lincoln. As you recall, it was Lincoln who proposed the moderate policy in the reconstruction period following the War Between the States in the United States Civil War period. Had Lincoln's policies been followed it would have saved a hundred years of dissension and misunderstanding in these United States of ours.

I hope the Philippine Republic and the Filipino people are now united firmly as they face a brave and wonderful future, and that they can stand together as allies of ours in the future. We welcome them as true friends and join with them in their deep sorrow today.

As a United States Navy serviceman who served in the South Pacific combat area in World War II, on looking back, I want my good friends in the Philippine Republic to know that their wonderful progress and example have made our joint effort and service fully worth while.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, not only the United States but also the people who believe in democracy and freedom everywhere in the world have lost a great friend in the death of the President of the Philippine Republic, Ramon Magsaysay.

I think it is significant of the career of the man that the press reported in connection with his death that he had just made a speech on the afternoon of his death to his people on one of the islands. Incidentally, he was being attacked by some political opponents for being too friendly to the United States. In this speech he said: "You can be pro-American without being any less pro-Filipino." I think he also meant to convey the idea that you can be pro democracy, and pro democratic institutions, and sympathetic to any nation which practices democracy and which has freedom for its people, without being any less a Philippine patriot. I think in his last words there is a lesson for all of us.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, 11 years ago I was one of those privileged to go to Manila as a member of a commission that went to the Philippines to represent this country at the inauguration of that great Republic. There are only three of the members of that commission left in the Congress.

I have known many of the Philippine leaders. As a member of the old Insular Affairs Committee, I worked very closely on the bill setting up the present Philippine Republic.

The loss of President Magsaysay is much deeper than his loss to just the Filipinos. In the Pacific Basin is emerging a number of governments of people who have just thrown off the paternal cloak of colonialism. This bastion of democracy, the Philippines, led by the great Magsaysay, offered leadership to all of these people besides those of his own country. They were of the same or kindred races; they know and understand one another. They were people who had, too, emerged from foreign control. I am sure that the impact in the whole Pacific Basin of the passing of this great man will be greatly felt. I believe that the Philippines, through the long tutorage in democracy that was given them by this country, have so had our form of government engrained in them that they will continue to lead the free world in the Orient. The imprint of Osmeña, Rojas, Quirino, and now Magsaysay is firmly fixed in the minds and hearts of our blood brothers—for the blood of our common heroes has run together in fighting the despotism of both totalitarianism and communism—of the Philippines.

Mr. BURNS of Hawaii. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Hawaii.

Mr. BURNS of Hawaii. Mr. Speaker, there are some 63,000 Filipinos in Hawaii, more than half of whom are citizens of the United States of America.

I have not had the privilege of knowing the great President of the Philippines, President Magsaysay, but I have learned of him through the Filipinos of Hawaii. He was a great inspiration to them. His rise to the Presidency of the Philippines brought them the realization

that their country was truly and really free and that it was going to assume a position of leadership which would extend throughout the Asian Continent and the Pacific Basin, a leadership in which all of them in Hawaii could take pride.

I join with other Members of the House in paying tribute to a great man who was an exemplary Christian and an outstanding leader in the Asian and Pacific Basin. A man like this is never really dead. He remains an inspiration to the future. Those who, in their ringing tributes, have referred to Lincoln can add even further and more pointedly that it is for the living to carry on the fight for which President Magsaysay so nobly gave his life.

I am sure that the people of the Philippines will take the inspiration, the leadership and the guidance provided them by President Magsaysay and carry the torch forward that he so nobly exemplified in his life.

I convey to the people of the Philippines and to his family the deep regard of all the people of Hawaii for President Magsaysay and for the great goals he has attained and the even greater visions he has made clear. To them we extend our condolences and our deep sorrow at his sudden and shocking passing. May the Almighty receive his spirit.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from California.

Mr. DOYLE. Mr. Speaker, it was my pleasure to personally meet and discuss with the distinguished President of the Philippine Republic on more than one occasion the question of the international Communist conspiracy. I was particularly interested to discuss that with him both here in Washington and in his own capital because as a member of the Committee on Un-American Activities of the House I was anxious to learn, based on his experience in fighting the Huk subversives in the Philippines, what his considered opinion was with reference to the extent to which the subversive conspiracy in the Philippines was part and parcel of the same conspiracy not only in our great Nation but in other parts of the world. I had the benefit of such conference with him while he was the dedicated, valiant Secretary of Defense of the Philippines and before he was the President of that free Republic.

I found his advice, his minute detailed information and interest very helpful, very valuable, and very inspiring at all times. Then I remember on an occasion it was my pleasure to be at a dinner gathering at the Capitol with a few Members of the Congress, where I again had the privilege of visiting with him for a few minutes with 2 of his security officers. I have always thought of him since those occasions as a great and inspiring influence in my own experience to fight vigorously and vigilantly in the cause of freedom of all peoples of the world. I am sure that the already free peoples of the world have lost a valiant, brilliant, and distinguished leader for human liberty throughout the world. I am equally sure, however, that his untimely death resulting from this terrible accident will make the already existing problem in Asia more difficult to overcome. I bespeak for the people of the Philippines who had extended him their affection as well as confidence and respect the good will and cordial understanding of this great legislative body.

In my Congressional District in Los Angeles County, Calif., are many hundreds of splendid patriotic American citizens formerly residents of the Philippines. Not a single one of them but always told me of their great affection for Ramon Magsaysay. Mr. Speaker, I shared that sincere respect with them.

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks in the RECORD on the untimely passing of President Magsaysay.

The SPEAKER pro tempore (Mr. IKARD). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAYBURN. Mr. Speaker, the free world has suffered a great loss in the passing of President Magsaysay of the Republic of the Philippines. He was a real leader of his people. The people of the United States have lost a real friend. We love the people of the Philippine Republic and extend to them our deepest sympathy.

Mr. SAUND. Mr. Speaker, America lost a great friend and the world lost a vigorous champion of freedom when Ramon Magsaysay, President of the Philippines, met a tragic death in the flaming crash of his presidential plane on Sunday, March 17, 1957.

Mr. Magsaysay was a great political leader, and because he was only 49 years of age, comparatively young for a man of such high position, he undoubtedly would have risen even higher in stature and service to his people and the free world.

A tremendously popular figure in his native land, Mr. Magsaysay truly represented the real spirit of the Philippine people. His popularity was graphically shown in perhaps the last picture taken of him—a news photo showing him surrounded by well-wishers on Saturday, shortly before taking off on the fatal flight that ended his brilliant career.

This Nation and other companion countries opposing the Communist threat to freedom will miss the support and aid of this bold, brilliant, and energetic leader of the great Philippine Islands in the Pacific.

Mr. ZABLOCKI. Mr. Speaker, the people of the free world have suffered a grievous loss in the untimely death of the dynamic President of the Philippine Republic, Ramon Magsaysay. He was among the stanchest champions of democracy and freedom in the post-World War II era when the institutions of the Western World—and our political heritage—have been severely threatened by the advances of totalitarian communism.

Rising to fame within a short period of a few years, President Magsaysay became a bulwark against communism in the Pacific and Asia. As the President of the Philippines, the showcase of democracy in the western Pacific, he exerted considerable influence on the thinking and the attitudes of the peoples of that vital region of the world.

His dynamic leadership, and his forceful determination to fight every form of Communist penetration, will be missed by the people of his country. They will also be missed by his many friends in the free world, who knew that they could count on him to do his utmost in fighting for progress and for liberty.

Mr. Speaker, I want to join with my distinguished colleagues in paying tribute to the memory of Ramon Magsaysay, and in conveying our expression of deepest sympathy to the members of his family, and to the people of his land.

Mr. SHELLEY. Mr. Speaker, I join with my colleagues of the House in a feeling of deep shock and tragic loss at the news of the death of President Ramon Magsaysay of the Philippine Republic. His sudden passing following the terrible plane crash is an overwhelming loss, not only to his own people but to the entire free world. The entire Western and democratic world is mourning in the knowledge we have lost a strong and stalwart believer in democratic government in the Far East and a relentless fighter against atheistic communism. His leadership will be sorely missed in these times, when world communism is trying desperately to strengthen its grip in the Orient and when unsettled conditions in the Philippines, the real stronghold of democracy in that area of the world, can be a crucial factor in the struggle between communism and freedom.

I personally spent about an hour and a half with President Magsaysay in November of last year. I was impressed with his graciousness and with his great and complete knowledge of the intimate problems of his own people—the workers and the farmers with whom he was universally popular. This great leader was a man of the people. I recall I saw him also at the funeral for our late Ambassador to the Philippines, Ambassador Nufer, whose death had occurred on the day of my arrival in Manila. I could not help but notice how, as the President left the rites for Ambassador Nufer, he spoke to everyone he passed by; whether they be cabdrivers or diplomats made no difference to the President. He was truly a real human being who understood and loved his people.

His leadership in the constant struggle against communism is known to us all. From the time he gained world attention as Minister for Defense when he personally led the crushing of the rebellious, Communist-inspired and directed elements known as the Hukbalahaps, until the present he has been the one sure strong champion of democracy in the Far East. But, not only did he crush the rebellious Red tide, he then organized the rehabilitation program for the Huks.

He leaves a vacuum that his people and the free world will find hard to fill. I know that the many Filipino people in my own district in San Francisco as well as throughout the State of California will join me in expressing deep sorrow and sincerest condolences to his family in their time of grief. His sincere and strong Christian faith made him a fine father as well as a great leader of his

people and I know that his wife and children will always cherish that memory of him as we will cherish the memory of his friendship for the American people.

As I pray for the repose of his great soul, I pray also that his thinking and his beliefs have left such a mark on the Philippine people that the policies he established and fought for will be carried on as he would have wished.

Mr. CANFIELD. Mr. Speaker, there are many Filipinos who called the late President Ramon Magsaysay "Our Abraham Lincoln" because of his humbleness and his warmth of heart for his fellowmen he tried so hard to serve.

I was privileged to be a luncheon guest of Mr. Magsaysay when he was Secretary of National Defense in the Philippines early in 1952. I sensed immediately the man's dynamic qualities and saw in him a future leader of the little Asian Republic. It was obvious he had a great affection for the Unied States and he was keenly aware of the communistic threat.

I'm cleaning them out, Congressman—

He said—

and it may surprise you to know I have found them planted in my own office.

They say the love of the Filipino people for their President knew no bounds and this is understandable.

You must pay attention to the little fellow. The big people always manage to take care of themselves.

The President used to tell his lieutenants—

I cut the ground from under the Communists by doing for the people what the Communists would only promise to do.

I agree with the distinguished Ambassador from the Philippines, Gen. Carlos P. Romulo, that the whole free world has suffered a grievous loss but I feel certain that a land that can produce men like Magsaysay and Romulo will bravely meet this crisis.

Mr. DINGELL. Mr. Speaker, in the orderly course of history certain great men arise to lead their people in times of strife and danger. The United States and the Philippine people were fortunate to see the rise of one such man during the past 2 decades. That man was Ramon Magsaysay, President of the Republic of the Philippines. He was a simple man who faced dangers of a war with a foreign enemy and the troubles of Communist-led revolt at home with equal courage and vigor. Both of these perils he met and conquered by courage and understanding.

The Huks, who attempted to overthrow forcibly the Government of the infant Republic of the Philippines, were met by a new approach. The rank-and-file members of this uprising he attempted to win away to restore to democracy. The fanatical leaders he ruthlessly tracked down and destroyed. These former Communists have been resettled on undeveloped lands in Mindanao and are now good upstanding supporters of democracy and of the Republic.

His administration has been marked by elimination of corruption, raising of the standard of living of the people, land reforms, and a vigorous, aggressive friendship with the United States. Americans will mourn him as a true democrat and as a friend not only to his own people but to the people of the United States. No one needs to dwell on the importance to the United States of the friendship of Ramon Magsaysay at a time when communism has been making great advances in Asia. People of America and of the whole free world join the people of the Philippines in the knowledge that the world has lost a great man and a strong pillar of freedom.

Mr. ROOSEVELT. Mr. Speaker, I join with my colleagues in expressing grief over the tragic and untimely death of Ramon Magsaysay, President of the Philippine Republic.

This is an occasion for a reaffirmation of the close ties the people of this country have, and have had, with the people of the Philippines. When the United States gave the Philippines their independence in 1946, it was an outstanding example of what an enlightened policy toward underdeveloped areas can produce. At that time, after a distinguished and courageous record in leading the Philippine guerrilla army against the Japanese invader, President Magsaysay entered public life as a member of the Philippine Congress and as a stanch friend of the United States. He never wavered from that friendship.

In 1950, when the Communist-dominated Huk movement posed a grave internal threat, Ramon Magsaysay, as Defense Minister, set to the task of reforming the army and defeating the Communists. He did not do so simply by military means, but by a policy of land reform and service to the people so that the Huk movement would have no grievances to exploit. Rank and file Huks were given land to work and an opportunity for a new life.

Mr. Speaker, the loss of such a great national leader, sincere patriot, and American ally, should spur us on in developing policies in Asia that will have a deep and friendly understanding of the burning desire for independence and the desire for equality which characterize the development of these new nations. We took the lead in granting Philippine independence after World War II, a fact which was never forgotten by President Magsaysay. It is my hope that we shall continue to espouse democratic causes in Asia, by deed as well as by word. If we understand Asia and think in terms of her people and their aspirations for freedom, if we throw our influence behind the new democratic forces there rather than authoritarian ones, we will make freedom more powerful than communism there. We must shift our emphasis from the military to the political and, like Magsaysay, employ the human approach. No finer testimonial to the life of Ramon Magsaysay could be offered by the United States.

Mr. KEARNEY. Mr. Speaker, the news which came Sunday of the tragic loss of Ramon Magsaysay through an airplane crash was greeted with deep sorrow throughout those nations of the world dedicated to the principles he so ardently supported during his lifetime. His death comes at a time of world political unrest when it becomes more apparent each day that there will be no rest from the struggle to defend our ideals against the undermining conspiracies of world communism. The free world can ill afford the loss of any of its great leaders, and chief among these was the beloved President of the Philippines.

Beginning with his elevation to the post of Defense Secretary of the Philippine Republic, Ramon Magsaysay waged vigorous battle against communism in his country. He made the Philippines a center of united resistance and a steadfast ally in the East upon whose loyal support the Western democracies knew they could depend with assurance.

When a man of 49, dynamic, popular, and with the personal qualities of courage and integrity possessed by Ramon Magsaysay is lost from a position of high office it is always a tragedy to the nation affected. When the man occupies the position in contemporary world history which Magsaysay did it becomes a tragedy to be felt by that nation's friends, and all those who have followed his career with admiration and who have sensed above and beyond the spectacular biographical events of his career, the spirit of the man. I myself feel loss in the death of a personal friend.

The fact that the people of the Philippines saw fit to elect such a man to be their President gives us reason to feel certain his work for a better life for his people and for the cause of world freedom will live on.

Mr. McFALL. Mr. Speaker, with sorrow I join the other Members of this body in expressing my deep regret upon the tragic and untimely death of Ramon Magsaysay, President of the Philippine Republic.

A great and courageous leader of noble people, his loss will be mourned by all freedom-loving peoples of the world. His passing will be especially felt in the United States because his friendship and that of his people was an anchor of strength in Asia upon which we could unfailingly depend. His dedication to democratic principles were and should continue to be an inspiration to his people, to Americans of Philippine descent and to all people, and his life will be recorded in the pages of history as one of honor and glory.

Mr. GORDON. Mr. Speaker, I offer a resolution (H. Res. 201) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the House of Representatives of the United States of America has learned with profound sorrow of the death of His Excellency Ramon Magsaysay, and sympathizes with the people of the Republic of the Philippines in the loss of their beloved President.

Resolved, That the President of the United States be requested to communicate this expression of sentiment of the House of Representatives to the Government of the Republic of the Philippines.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS

Mr. GORDON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have permission to sit and act during the session of the House this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE LATE ALNEY E. CHAFFEE

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, it is with great sorrow that I announce the death of Alney Chaffee, who was one of our minority reading clerks. Last week we helped him observe his 90th birthday, and he appeared in good condition. Only last Thursday he mingled among us renewing old friendships and receiving many congratulations. This morning we received word of his death. For over 50 years he was a valued employee of the United States Government, and in the last 38 of those years he was a reading clerk. He served conscientiously and faithfully during his long tenure. While he could have retired with a substantial pension he preferred to serve where he had passed so many happy days. It is with great sorrow I announce his death, and I know all of us in the House join in extending to his family our deepest sympathy in their hour of bereavement.

ELECTION TO COMMITTEE

Mr. MARTIN. Mr. Speaker, I offer a resolution (H. Res. 202) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That CHARLES M. TEAGUE, of California, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Veterans' Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MERRIMACK RIVER VALLEY FLOOD-CONTROL COMPACT

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the legislatures and the Governors of Massachusetts and New Hampshire have officially endorsed the Merrimack River Valley flood-control compact. As a result, I am today filing in the House of Representatives a bill which would grant the consent and approval of Congress to the pact.

As the two States concerned have completed the ratification required of them, it is now up to the Congress to give its approval of a project that has been delayed by 16 years of debate. During those 16 years, the people and the industries of the valley have suffered additional flood losses that would have been prevented, if Massachusetts, New Hampshire, and the Federal Government had cooperated, as they are doing today.

The Merrimack River Valley is one of the most important economic areas in the Nation. Many industrial cities line its banks. Thousands of people earn their livelihood in the mills and factories whose basements are sometimes flooded when the river is swollen by melting snows or heavy hurricane rains.

Unofficial records of damaging floods in the Merrimack River Basin go back as far as 1785.

In the flood of March 1936 alone, 8 lives were lost, and the bill for repair of damages to residential and industrial property, as well as transportation, utilities, and communications systems, came to $36 million.

Or $2 million more than required under the Merrimack River Valley Flood Control Compact to build the dams and reservoirs necessary to protect us from continuing losses in the future.

Engineering authorities warn us that the Merrimack River is the most dangerous flood threat to Massachusetts. Contrast this with New England's share of the total appropriations for rivers and harbors and flood control during the period from 1946 to 1955. Our share was but 1.14 percent of the total appropriation for such purposes throughout the country.

Of this, the Merrimack's share was close to zero.

The construction of this project, as planned by the United States Army Engineers, will take a minimum of 5 years to complete.

Any legislative postponement will lengthen the time during which we must live with this peril to our lives and our properties.

If facts have any meaning or urgency this is one well-documented appeal where action is imperative.

Massachusetts and New Hampshire have agreed as to their obligations.

Now the Congress is wholly responsible for swift and adequate measures to protect the people and the industries of the Merrimack Valley from the menace of recurring floods.

Approval by the Congress is next in order.

To be quickly implemented by authorization and appropriations.

I am certain of the support of my colleagues from New England in asking for the immediate approval of this compact. The cooperation of all Members will bring us one step closer to freedom from the fear that the Merrimack will hit us with disastrous floods as it has in the past.

The sooner that Congress takes affirmative action on this project, the sooner we will get the flood-protection works started.

There is no reasonable excuse for further delay.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill S. 323.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

OBSERVANCE OF PAN-AMERICAN DAY

Mr. BYRD. Mr. Speaker, as chairman of the Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs, I ask unanimous consent for the immediate consideration of House Resolution 203.

The Clerk read the resolution as follows:

Resolved, That the House of Representatives hereby designated Monday, April 15, 1957, for the celebration of Pan-American Day, on which day remarks appropriate to such occasion may occur.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON AGRICULTURE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 163) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 157, 85th Congress, incurred by the Committee on Agriculture, acting as a whole or by subcommittee, not to exceed $50,000, including expenditures for the employment of accountants, experts, investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings, if not otherwise officially engaged.

With the following committee amendment:

Page 1, after "That", insert a comma and "effective January 4, 1957."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION AND LABOR

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 169) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That, effective from JANUARY 3, 1957, the expenses of the studies and investigations to be conducted pursuant to

House Resolution 168 by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendments:

Page 1, line 1, strike out "January 3, 1957" and insert "January 4, 1957."

Page 1, line 5, strike out "$150,000" and insert "$125,000."

The committee amendments were agreed to.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I want to congratulate the gentleman on reducing the amount by $25,000. This is only a little, but every little bit helps.

In reading a newspaper story Saturday the following figures came forcibly to my attention. The article stated that in the first 2 months of the last Congress the Congress spent $2,300,000 for investigations, that is, up to March 1. The newspaper stated that up to March 1, this year, and this includes both the House and the Senate, we have expended $5,300,000, which is 2½ times as much as we spent in the previous Congress in the same period. I wonder if this is consistent with our inquiry of the executive department to do a little cutting in the interest of a reduced budget.

Mr. BURLESON. May I say to the gentleman from Massachusetts that many of these appropriations are for the two sessions of Congress. In other words, the appropriation is for a 2-year period. So, the newspaper article is hardly correct to say that it has been expended. The appropriations are made for the calendar year, but not all committees asked for funds to run them for the 2 years of the Congress. Some of them have an existence of only 1 year. It is true that the activities planned and the extension of the work of some of our committees have required more money. I must agree with the gentleman that perhaps we are not always consistent in making expenditures here in the House of Representatives. The Congress itself is extending and enlarging many of its activities, all of which does cost more money.

Mr. MARTIN. I am not criticising the gentleman because I know full well from the past that he has been very strong in his efforts to keep spending down, but I was a little bit shocked at these figures. I hope we will continue to try to do a little bit of cutting ourselves. I was encouraged by the committee's reducing the amount $25,000.

Mr. BURLESON. Mr. Speaker, I appreciate the gentleman's comments very much.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I am glad to yield to the gentleman.

Mr. HAYS of Ohio. I would like to say to the distinguished minority leader that sitting as ranking member on the subcommittee on accounts, we have scrutinized these accounts very carefully and we have cut a number of them substantially. Some of these very investigations that we are spending money for might better be called studies and are resulting in some of the cuts being made at other places in the budget because they are looking into how that money is being spent. I can say to the gentleman as chairman of the Subcommittee on Printing that in every one of the studies that the committee staff is conducting at my direction, we propose to point out in every subsequent appropriation bill that comes up how much more money the various Government departments are asking for this year for printing than they asked for last year. I think the distinguished minority leader will agree when he looks at his desk every Monday morning he thinks there is entirely too much Government printing going on and entirely too many things coming to his desk that he does not have time to read and probably no one else has time to read.

Mr. MARTIN. I, of course, would not quarrel with any effort being made to reduce expenses, but it does strike a Member who is not on the committees that the Small Business Committee and the Government Operations Committee have larger staffs than the Committee on Appropriations. It does not look quite consistent—that is what I want to point out.

Mr. BURLESON. Mr. Speaker, I appreciate the gentleman's comments.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 171) to provide funds for necessary expenses of the Committee on Banking and Currency and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That, in carrying out its duties during the 85th Congress, the Committee on Banking and Currency is authorized to incur such expenses (not in excess of $5,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 179) to provide funds for the studies and investigations to be conducted pursuant to House Resolution 149 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That, effective January 4, 1957, the expenses of the studies and investigations to be conducted pursuant to H. Res. 149 by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $50,000 including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

SEC. 2. The chairman, with the consent of the head of the department or agency concerned, is authorized and empowered to utilize the reimbursable services, information, facilities, and personnel of any other departments or agencies of the Government.

SEC. 3. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 1, after "That" insert "effective January 4, 1957."

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SIGNING OF ENROLLED JOINT RESOLUTION—FUNDS FOR HOME LOANS

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, March 14, 1957, he did on March 15, 1957, sign the following enrolled joint resolution of the House:

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5 (a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 18, 1957.*

REPORT OF UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 13)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and referred to the Committee on Post Office and Civil Service and ordered printed, with illustrations:

To the Congress of the United States:

I transmit herewith the Annual Report of the United States Civil Service Commission for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 18, 1957.*

LEAVE OF ABSENCE

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the leave of absence granted the gentleman from California [Mr. JACKSON] be extended to April 10.

The SPEAKER. Is there objection?

There was no objection.

MAXIMUM INTEREST RATE PERMITTED ON UNITED STATES SAVINGS BONDS

Mr. THORNBERRY. Mr. Speaker, I call up the resolution, House Resolution 194, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]; and at this time I yield myself such time as I may consume.

Mr. Speaker, by direction of the Committee on Rules I call up for consideration House Resolution 194, which makes in order H. R. 5520, a bill to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds.

The resolution provides for not more than 2 hours of general debate under a closed rule, which makes in order only those amendments offered by the direction of the Committee on Ways and Means and such amendments so offered are not subject to amendment.

The purpose of H. R. 5520 is to increase the maximum permissible interest rate on savings bonds—and savings certificates—held to maturity from 3 percent to 3½ percent, compounded semiannually. It authorizes the Secretary of the Treasury to increase, at his discretion, the yield on said bonds and certificates maturing after, or on, February 1, 1957, which the holder retains for an extended period—of not more than 10 years—beyond this maturity date. The discretion of the Secretary is limited to interest payable within respect to the period beyond maturity only.

Due to the general and rapid rise in interest rates, the redemptions of United States savings bonds have for the past several months exceeded sales of such bonds. The Committee on Ways and Means urges that passage of H. R. 5520 would aid materially in correcting this situation and thereby reduce the high number of redemptions now occurring.

The Committee on Ways and Means has complied with the Ramseyer rule and I urge the adoption of this resolution so the House may proceed to consideration of H. R. 5520.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no objection to the rule or to the bill itself. I have no requests for time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5520, with Mr. DOYLE in the chair.

The Clerk read the title of the bill.

By unanimous consent (at the request of Mr. COOPER), the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. COOPER], will be recognized for 1 hour, and the gentleman from New York [Mr. REED], will be recognized for 1 hour.

The Chair recognizes the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Chairman, H. R. 5520 would increase the maximum permissible interest rate on savings bonds and savings certificates from 3 percent to 3½ percent per year, compounded semi-annually. In addition, the bill would authorize the Secretary of the Treasury, in his discretion, to increase the yield on savings bonds bearing issue dates of February 1, 1957, or thereafter; and would authorize the Secretary, if he deems it a desirable policy to do so, to increase the interest rate on series E savings bonds maturing on February 1, 1957, or thereafter, for the period the bonds are held beyond maturity, up to the new permissible maximum.

The existing maximum permissible investment yield on United States savings bonds and savings certificates was set at 3 percent per year, compounded semi-annually, by legislation which initiated the savings bonds program in 1935. For the information of the House, I might state that no savings certificates have been issued by the Treasury Department since 1924. The investment yield for the first savings bonds offered to the public under the savings bond program was set at 2.90 percent on March 1, 1935, on the basis of 10-year maturities. On May 1, 1941, when the first series E bonds were offered to the public, the investment yield on such bonds was also set at 2.90 percent. This rate was raised on May 1, 1952, to 3 percent, the maximum permitted by law and it has remained there since that date.

On January 31, 1957, the current redemption value of all savings bonds outstanding was $56,570,000,000. Of this amount, the popular series E bonds account for $38,066,000,000; series H bonds account for $3,365,000,000. The balance is accounted for by series F, G, J, and K bonds, and the few remaining series A to D bonds which are still outstanding. Series E and H bonds, which can be held only by individuals, account for the great majority of the bonds outstanding and about 40 million citizens hold such bonds.

As a result of general and rapid increases in the level of interest rates in recent years, savings bonds have been placed in an increasingly unfavorable competitive position. This is evidenced by the fact that cash redemptions of savings bonds have exceeded cash sales since July 1956. In January 1957, cash redemptions exceeded sales by $32 million. The fact that Members of Congress have been concerned about this trend is evidenced by questions put to the Secretary of the Treasury in his appearance before other committees of Congress.

On February 14 the Treasury Department announced that it was requesting Congress to enact legislation which would increase the maximum permissible investment yield on savings bonds to 4¼ percent and that it planned to issue new series E bonds which would yield 3¾ percent on maturities of 8 years and 11 months. The Department also stated that the redemption values of the new bonds would be increased for the earlier

ducing the amount $25,000.

table.

THE WHITE HOUSE, *March 18, 1957.*

tion House Resolution 194, which makes

marks.

bonds would be increased for the earlier

years to provide a substantially higher yield to holders. I inserted this announcement in the RECORD at page 2026 on February 14, 1957.

I announced that I had introduced legislation together with the Honorable DANIEL A. REED, the gentleman from New York, to increase the maximum interest rate permitted on savings bonds as soon as I received the Treasury's request, and on February 21 the Committee on Ways and Means conducted public hearings on the question. During the course of these hearings and the executive sessions conducted later, information was developed which indicates that despite the fact that savings, expressed as a percentage of disposable personal income, increased from 6.1 percent to 7.3 percent in 1956 over 1955, savings bonds lost ground in 1956 when compared to amounts invested in comparable savings investments provided by savings and loan banks, mutual savings banks, and time deposits in commercial banks. All of these comparable savings investments are guaranteed up to $10,000 by the Federal Deposit Insurance Corporation.

The trend of redemptions over cash sales, and the general and rapid rise in interest rates in the past years are indicative of the need to restore the competitive balance of savings bonds and to give investors in savings bonds a fair return for their dollar of investment.

H. R. 5520 would fix the maximum permissible investment yield on savings bonds having issue dates of February 1, 1957 or thereafter at 3½ percent. Thus, under the bill, the Treasury Department would have authority, in its discretion, to carry out its announced intention of issuing new series E bonds to yield 3¼ percent to maturity and would be accorded flexibility in the event of a continuing rise in the general level of interest rates. The maximum permissible investment yield of 3½ percent provided for in the bill will permit the Treasury Department to restore the competitive position of savings bonds with other comparable forms of savings and should not cause any dislocation of, or significant change in, the present distribution of investments.

If the administration is concerned about inflation, and it states that it is, the success or failure of any actions taken by it to prevent inflation depends upon maintaining a high level of savings. Nothing is gained by policies which simply shift the total of savings from one investment source to another. The object is to increase the general level of savings, not to shift the sources in which savings are invested. The maximum permissible investment yield fixed by the bill will provide authority which will permit the Treasury Department to increase amounts invested in series E bonds by offerings of savings bonds at a fair rate of return to the American investor.

Authority would also be granted by the bill to the Secretary of the Treasury in his discretion to apply the new maximum permissible investment yield of up to 3½ percent to series E bonds maturing on or after February 1, 1957, for the period the bonds are held after maturity. This period cannot be more than 10 years. Although the Treasury Department did not request this authority, it will enable the Department, if it deems it a desirable policy to do so, to encourage holders of series E savings bonds to continue to hold them beyond their regular maturity date. As Members of the House will recall, legislation was first provided in 1951 to permit a convenient method whereby the owners of matured series E savings bonds who do not desire to cash them in may, at their option, retain their investment. In the past, the Treasury Department has utilized this extension privilege to encourage investors of series E savings bonds to continue their holdings; therefore, it appears wise to extend the new maximum permissible investment yield fixed by the bill to the extension privilege on a prospective basis.

Representatives of the Treasury Department and the Board of Governors of the Federal Reserve System testified before the Committee on Ways and Means in favor of increasing the maximum permissible investment yield on savings bonds. The bill was unanimously reported by the Committee on Ways and Means. I urge its favorable consideration by the House.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. VORYS. There is at present a provision of law whereby if E-bonds are held beyond maturity they will have a higher rate, they would go to the current rate of interest. Will there be that sort of provision with respect to E-bonds that now might be maturing at a lower rate so that there would not need to be a reinvestment but they would merely be held and would draw interest at the new rate after maturity?

Mr. COOPER. I think I understand the gentleman's question and it can be answered in this way: Although the original request of the Treasury did not include this point, the committee, and with a proper degree of modesty I may say at my insistence, included a provision in the pending bill to give the Secretary of the Treasury discretionary authority to allow the increased interest rate for those bonds, which mature on or after February 1, 1957, that are held beyond maturity, that the person would receive if he cashed in the bond and bought a new E-bond. So we believe on the basis of fairness and equity that that situation is taken care of.

Mr. VORYS. I want to commend the gentleman for what he did, because I am quite sure that if it is necessary to cash in the bonds and then reinvest them, there would be many bondholders who would be tempted to reinvest them in something else, whereas if they can continue to forget about them and then obtain the new rate, the Treasury gets the benefit of their investment and the bondholder gets the benefit of the new increased rate.

Mr. COOPER. The gentleman is correct. Of course, the point is that Government bonds could be sold promptly without any difficulty at all to banks, insurance companies, and financial institutions, but that would be inflationary, the effort being to reduce the inflationary pressure. It is important to get these savings bonds in the hands of the people, and it is just as important from the Treasury point of view for a person to continue to hold a bond he already has as it would be to cash that one and buy a new bond.

Mr. VORYS. I thoroughly agree with the gentleman.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Virginia.

Mr. GARY. I would like to ask if the provision which the committee has inserted in the bill would apply to bonds that have already matured.

Mr. COOPER. No; not those already matured. We have set the date February 1, 1957. We have to deal with a cut-off period at some time. The point here is that the people who hold their already matured bonds for an extension period will actually receive a higher rate for at least the first 4 years than if they cashed them and bought a new bond.

Mr. GARY. Let me call the gentleman's attention to this situation. As you well know, the purpose of continuing the interest on a bond after it has matured is to prevent the necessity of cashing in the bond and purchasing a new bond. It has saved the Treasury Department a very large sum of money in the issuance of bonds. Now, as chairman of the subcommittee of the Treasury appropriation bill, if we are going to have to go back now and reissue all of the bonds that have previously matured, to give the people an opportunity, when they desire, to get the higher rate of interest, as all of them will, then we will have to increase the appropriation of the Treasury Department to provide additional funds for reissuing those bonds.

Mr. COOPER. No; the case is as I have stated. The Treasury Department did not give that information to the Committee on Ways and Means. The Treasury Department was questioned about the additional cost to the Treasury Department and the Government for this program that they are recommending, and my recollection is that the estimate was given us that it would cost a maximum of about $15 million additional.

Mr. GARY. I do not understand, and I would like to get it straight, because I do think it is a very important point. Take an E-bond which was purchased for 10 years and matured in 1956, we will say. Under the present law the interest has continued on that bond. If the party continues to hold it, the interest will go on. I cannot see why this new interest rate, assuming that the Treasury does put into effect a new interest rate, should not also apply to that bond from the time that the new interest rate becomes effective. Obviously, the new rate should not apply to any time prior to the date the rate becomes effective, but I see no reason why it should not apply after that date.

Mr. COOPER. Mr. Chairman, I ask the gentleman to bear this in mind, that there was a contract between the Government and the holder of the bond that he would receive 3 percent interest on his bond. The contract has been fulfilled.

Mr. GARY. The contract has expired in the case that I am talking about, a 10-

year bond, and the holder of the bond is entitled to his money. But in order to encourage him not to cash in his bond but leave the money in the Treasury, the law permits him to continue to receive interest. Now if he continues to hold the bond after this new interest rate goes into effect, I do not see why he should not get the additional interest from that time on.

Mr. COOPER. There is a clear distinction between bonds that have matured and are held after maturity and bonds that are yet to be sold.

Mr. GROSS. Mr. Chairman, would the gentleman yield?

Mr. COOPER. I yield to the gentleman from Iowa.

Mr. GROSS. Let us say an E-bond matures on February 1, 1957. It is discretionary with the Secretary of the Treasury whether the holder of that matured bond leave it as it is, or he may compel him to cash that bond and get a new bond to avail himself of the higher interest rate; is not that correct?

Mr. COOPER. It is discretionary; that is correct.

Mr. GROSS. Then he may compel the cashing of all those bonds that mature as of or after February 1?

Mr. COOPER. It is discretionary, but we thought it best to leave it discretionary with the Secretary of the Treasury. To be certain that he had discretionary authority to treat these people who prefer to continue to hold their bonds in this way, instead of having them cash them in and buy new bonds, the committee included additional provisions to that effect in the bill.

Mr. GROSS. Mr. Chairman, I suppose this is necessary legislation, but I must agree with the gentleman from Virginia [Mr. GARY] that as to these bonds that have already matured we ought not to be saddled with the expense of converting them to a new issue of bonds. Why not pay the increased interest rate on those bonds after they have matured, effective as of February 1, 1957?

Mr. COOPER. I think after the gentleman considers the matter more thoroughly and reads the hearings our committee held, he will agree that the committee took the best course available.

Mr. SPRINGER. Mr. Chairman, would the gentleman yield?

Mr. COOPER. I yield to the gentleman from Illinois.

Mr. SPRINGER. Mr. Chairman, I want to be sure that I understand the points that the gentleman has made. This proposed legislation has two purposes, as I understand it; first to restore the competitive position of Government bonds in the money market; is that one reason?

Mr. COOPER. That is correct—savings bonds.

Mr. SPRINGER. And the second reason is that you are hoping to attract, by this increased rate, savings which ordinarily might go either into the market for the purchase of goods or would go to other credit purposes. Thereby by this legislation you are hoping to reduce the inflationary pressure; is that correct?

Mr. COOPER. That is an important element, yes.

Mr. SPRINGER. Are there any others?

Mr. COOPER. The fact is that the Government continues to need to borrow money; and instead of borrowing it from banks, insurance companies and institutions of that type it is thought desirable to have the people themselves hold bonds such as this popular Series E Bond.

Mr. SPRINGER. These are the three major reasons; is that correct?

Mr. COOPER. That is correct.

Mr. REED. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I join my esteemed friend and chairman in supporting the enactment of H. R. 5520 which is before this distinguished committee. This meritorious legislation would provide discretionary authority to the Secretary of the Treasury to increase the yield on series E and series H savings bonds and savings certificates bearing issue dates of February 1, 1957, or later. Discretionary authority would also be granted to the Secretary of the Treasury under the bill to increase the maximum interest rate on series E savings bonds maturing on or after February 1, 1957, where such bonds are retained for the extension period beyond the maturity date.

The original legislation relating to this matter, H. R. 4734, introduced by my esteemed colleague and chairman, the Honorable JERE COOPER, of Tennessee, and H. R. 4735, introduced by myself, was introduced at the request of the Secretary of the Treasury. These bills would have granted discretionary authority to the Secretary to increase the interest rate to a maximum of 4¼ percent on series E and series H bonds. The present legislation, H. R. 5520, is the result of committee action on the original proposal and restricts the authority of the Secretary to a maximum rate increase of 3½ percent and also provides for adjusted interest rates on bonds maturing on or after February 1, 1957, where such bonds are held beyond maturity.

I support the committee bill because I believe an upward adjustment in interest rates on these Government securities is essential in the interest of sound fiscal management of the Federal indebtedness and because I believe that an increase in the interest rate is necessary to keep faith with the 40 million Americans who are now holding in excess of $41 billion of series E and series H bonds. It is with respect to this small investor—the little man—who patriotically invests in savings bonds that I particularly urge my colleagues in the House to support this legislation.

Series E and series H bonds are widely held by our American citizens and in many instances they are in the hands of individuals who do not quickly respond to the changing situation in the competitive money market. The Government has the responsibility to take the initiative in providing a fair interest rate for investments in Government bonds. To the extent that people are aware of conditions existing in the competitive money market, we have noted in recent months that series E and series H bonds are falling into some disfavor as a profitable investment and that redemptions have exceeded bond purchases. So that we may continue to have a widely based bond ownership among the American people it is necessary that we reverse this recent trend by providing a more adequate interest rate.

Under present law the Treasury Department has ample authority to adjust the interest rate on Treasury securities other than savings bonds so that the rate may be changed to meet conditions existing in the money market. These securities on which the Treasury does have broad discretionary authority to adjust interest rates are securities which are predominantly held by financial institutions, large corporations, State and local governments, pension funds, and so forth. The average American citizen who is a savings-bond investor should have the same opportunity to receive an interest rate on his savings bond that is comparable to the rate paid to the large institutional investor. In the absence of adequate discretionary authority being vested in the Secretary of the Treasury to adjust the interest rate on series E and series H bonds, the small investor will be denied a fair return on his investment and he will be the victim of the inflationary pressures present in our economy.

I regret that the Committee on Ways and Means has acted to deny to the Secretary of the Treasury the full authority that he requested in his original communication to the Congress asking that the law be amended to authorize a maximum interest rate ceiling of 4¼ percent. This request for authority to go as high as 4¼ percent did not in any way imply a present intent to fully utilize such authority. In fact, there is contained in the framework of the savings-bond program a very simple but compelling restraint on any sudden increase in the interest rate by the Department of the Treasury. The restraint arises in this way: If the Treasury were to increase the interest rate on new issues of savings bonds in excess of the rate paid on bonds presently being held by the public there would be an incentive for bond redemption, and thus the very purpose of the interest rate increase would be defeated. Therefore, the fear expressed by certain segments of the financial community that the vesting in the Secretary of the discretionary authority such as he requested would result in unrestrained competition for the investment dollar is not well founded.

On the other hand by granting the Secretary only part of the authority he requested, we have met the problem for the present time but we may also have delayed by several months the time at which the American people may receive a fair return on their investment if the competitive conditions in the money market warrant a further increase. This is precisely what happened in the late summer and early fall of 1956. At that time conditions in the money market justified action by the Secretary to increase the rate of interest on series E

and H bonds from its present level of 3 percent to 3¼ percent. However, because Congress was not in session and because of the statutory ceiling applicable to bond interest rates, the Secretary was precluded from acting to raise the rates. As a consequence those bondholders who acquired savings bonds during and subsequent to that period did so at the existing rate of 3 percent and were in effect denied the more favorable rate to which they were entitled.

The present bill grants an inadequate leeway to the Secretary to make discretionary adjustments in interest rates. The efficiency of our Federal fiscal operations would have been better served by granting either an open-end ceiling or a more realistic level such as 4¼ percent in view of the fact that Congress can always undertake to examine the Treasury administration of the discretionary authority.

For those reasons I am critical of the committee's action in unduly limiting the discretionary authority that would be granted to the Secretary under the provisions of H. R. 5520. While I support this legislation as meeting the needs of the present situation, I am critical of it in that it does not provide adequate latitude to the Secretary of the Treasury to permit him to handle the management of our Federal debt at the lowest possible cost and on the soundest fiscal basis consistent with the Government's obligation to pay investors in its securities a fair rate of return for the use of our citizens' money.

Mr. Chairman, in closing I would like to include as a part of my remarks an excerpt from a statement by the distinguished Secretary of the Treasury before the Joint Economic Committee. The Secretary described series E bonds as follows:

> Right now it is the finest security in the world. There is no security as good as it is. There is no security that you can go up and lay on the counter any time you are ready and get your dollars back for it. There is no depreciation in it, no market fluctuation. This is designed for people who don't want to follow the newspapers, who don't want to try to beat an eighth or sixteenth or a point or two points in the market. They want to get their money and they want a fair rate of interest and they want their money now when they need it. This bond furnishes all of those things. So this bond has some very excellent provisions in it. It is a very excellent instrument. In fact, it is the finest instrument there is to serve its purpose.

Mr. Chairman, I now yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I shall not consume much time. This is very important legislation. Many thousands of people are very much interested in it. It is fair legislation. Nobody can claim anybody is to be cheated in any way. It is not an attempt on the part of anybody to take any advantage of anybody else. It is an effort on the part of the Committee on Ways and Means and the administration, including the Secretary of the Treasury, to stabilize United States bonds.

There is no question that in the last year or two there has been confusion in the United States bond market. This confusion has not been over anybody questioning the validity of the bonds or the ultimate payment of the bonds, but the exchange of the bonds has been a little different, and the amount of interest that they carry, and so forth, has been in question.

Just to show what the Secretary of the Treasury thinks about the situation, let me read 2 or 3 lines of his testimony before the Joint Economic Committee on February 4, 1957:

> Right now it is the finest security in the world. There is no security as good as it is. There is no security that you can go up and lay on the counter any time you are ready and get your dollars back for it. There is no depreciation in it, no market fluctuation.

In other words, the Secretary of the Treasury favors this program, and everyone else who has had a chance to look into it and see how it works. The banks of the country, are in favor of it. I think there is no question but that this bill should be and will be passed.

I hope that with the passage of this legislation that the market for Government bonds will be stabilized and that the people will again show their patriotism by purchasing Government bonds.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

HIGH INTEREST POLICY

Mr. PATMAN. Mr. Chairman, I am supporting this bill, and I commend the Committee on Ways and Means for not permitting an increase up to 4.25 percent as recommended by the Treasury. I think 3.5 is certainly high enough. In fact, it would be in the interest of the people who will receive this small increase for the rate to be lower, considering its effect upon the entire economy, including themselves. It all goes back to the question of high interest or low interest. I agree with the chairman of the committee, the gentleman from Tennessee [Mr. COOPER] that it is much better for money to be raised for the Federal Government by inducing individuals and corporations and people with money and credit to buy the bonds rather than to sell the bonds to the banks. For the obvious reason that when bonds are sold to individuals and corporations, the money is being taken in, existing money—it is anti-inflationary. But, if you sell the bonds to the banks, it is inflationary because the banks create the money on the books of the bank to buy the bonds. So that is the question involved; is this inflationary? Of course, all high interest rates are inflationary. Interest goes into the cost of production. As you increase the cost of production, you increase the prices. Increased prices are inflationary.

POLICY OPPOSED

That is the reason I find myself in opposition to the administration's high interest policy because instead of meeting inflation and dealing with it, it is just like pouring gasoline on the fire to put out the fire. It is doing the opposite. It is increasing the cost of everything.

FARM PRICES HIT BY HIGH INTEREST

I think the main reason that farm prices have been going down since 1951 on March 4 when the ceiling was broken on the 2½ percent interest rate is because the farmers in selling their products go through a number of middlemen, we will say 8 or 10 or 12 middlemen. I am talking about necessary middlemen like fabricators, manufacturers, transporters, and people like that. Each one will take out a little of the price for increased interest because the farmers are unprotected, and the products of the farmer must sell for less to make up for the higher interest. But to the consumer, of course, the price is much higher after the increased interest is added. The point is the farmer has lost on that deal. He has paid the high interest put on his products by every middleman that his product went through and that is considerable by the time it gets to the consumer. It is taken out of the price of his product. As products come to the farmers the higher interest is added. Let us take for instance a tractor and start with the raw materials that go into the making of that tractor, from the ore in the Mesabi range. The ore comes down through the Soo Canal on a barge and at every place the extra interest is added on the mining of that ore—loading it on a ship, bringing it down through the Great Lakes, unloading it at the blast furnaces, making the pig iron and then making it into steel and then fabricating it and finally making it into a tractor. There are a number of processes. We will say 10 or 15 or 20. Each one of them adds on the extra interest of the higher interest rate that has been required. By the time the tractor gets to the farmer, he has to pay a lot more because of that higher interest. If you will notice the prices that the farmer has received since March 4, 1951, you will see that the line indicating prices received by the farmer has been going down all the time. I think it is largely due to the high interest because the interest has been going up all the time. Then, you will find that what the farmer has been buying all the time has been going up because of the high interest rate which is added onto it. So, there is not anything that is more devastating to our farm economy than high interest rates. For 14½ years we had a stable rate of interest of 2½ percent. Low? Yes, but it is on long terms and it is the wholesale rate for money. The wholesale rate for money should be a low rate and that is the way it was for 14½ years. No Government bonds went below par during that time. During that time we fought a war that cost us $500 billion. We had all kinds of problems and troubles, yet our basic rate of 2½ percent remained the same. It never did go up. All the bonds kept above par. That was the wholesale rate. That is the way it should be. We should have stability. But, when you say we are going to have flexible rates, the word "flexible" means different things to different people.

I am inserting herewith a statement from the hearings before the Joint

Economic Committee in January 1957 that is revealing. It is as follows:

Bond yields and money market rates 1947, and week ending Feb. 2, 1957

[Percent]

Item	Week ending Feb. 2, 1957	1947	Percentage increase
U. S. Government securities (taxable):			
3-month bills [1]	3.263	0.594	442.7
9- to 12-month issues [2]	3.11	.92	238.4
3- to 5-year issues [3]	2.94	1.22	140.9
Bonds: Due or callable from 10 to 20 years	3.20	[4] 2.25	42.2
Local housing authority temporary notes (tax exempt) [5]	2.747	.943	154.1
High-grade municipal bonds [6]	[7] 3.34	2.01	66.2
Corporate bonds: [6]			
AAA	[8] 3.73	2.62	42.9
BAA	[8] 4.48	3.34	34.1
Prime commercial paper, 4 to 6 months	3.63	1.03	252.4
Prime bankers acceptances, 90 days	3.38	.87	288.5
Federal Reserve bank discount rate [9]	3.00	1.00	200

[1] Rate on new issues within period.
[2] Includes certificates of indebtedness and selected note and bond issues.
[3] Includes selected note and bond issues.
[4] 15 years or more.
[5] Last sale of notes in 1947 and sale of Jan. 28, 1957.
[6] Standard & Poor's Corp.
[7] Week ending Jan. 30.
[8] Moody's Investors Service.
[9] Week ending Jan. 25.
[10] Advances of member banks secured by Government obligations and discounts of and advances secured by eligible paper.

Source: Board of Governors of the Federal Reserve System, and Housing and Home Finance Agency.

FLEXIBILITY HAS DIFFERENT MEANINGS

Flexible, in the case of interest, means going up. Flexible, in the case of the farmer, means his prices are going down. So we have flexible interest rates going up. We do not know how high they will go. No one knows how high they will go. Our economy is in a period of uncertainty and confusion. Businessmen do not know how to plan. They do not know how much interest they will have to pay in the future or whether money at any price will be available. They have no stability in the money market like we had for 14½ years. What is the result? Lenders are holding back. Why? They have good sense. They are acting with good judgment. They know interest rates are going up all the time. Why should they not wait a while and get higher rates of interest? That is what people usually do. Nobody blames them for it. But the result is they keep holding their money back and waiting until interest rates go up still more. In May 1953 the interest rates on veterans' mortgages was raised from 4 to 4½ percent. Within 4 days money was made easy by the Federal Reserve. But the rate was not reduced. It was kept up at 4½ percent. Of course, there was a lot of money available then, because money had become easier. Now it is 4½ percent and they want to raise it to 5 percent. They have already raised the FHA mortgage rates to 5 percent. I would not mind raising the rate if it would get the money, and stop these ridiculous, scandalous discounts. I would not mind it. But you read the hearings before the Committee on Veterans' Affairs; there are 362 pages. I know because I read them myself. I read everything in the hearings. I read all the testimony. Not one witness said that you can get more money by raising the rate from 4½ to 5 percent. It would be more in line with other rates. But, remember this, that is a Government bond—just the same as a Government bond that is guaranteed by the United States Government. In the event of a default it is paid quickly. Right now. The holders do not have to take a debenture of any kind. They do not have to take other bonds. In the case of default, the holders are paid immediately. So they are better mortgages than other mortgages. It is a pretty good rate—4½ percent.

HIGH INTEREST UNBALANCES ALL BUDGETS

Now, interest is just going on up and up and up. Where you have high interest you unbalance everybody's budget instantly. There is no single action that can be taken by the United States Government or any power in the United States that will unbalance every budget in the United States except high interest. If you have higher interest you unbalance the Federal budget. We are paying a billion dollars a year more for the same amount of money than we paid 4 years ago, by deliberately raising the interest rates. Yet we hope we are fighting inflation. Where is the consistency? Raising the cost of everything and saying we are fighting inflation. That is like pouring gasoline on a fire to try to put out the fire. It is just in the other direction.

There are a lot of things going on that they say is inflationary, but it boils down to this: What certain people want is not inflationary. They can spend billions of dollars for tankers, and they are doing it, and they are getting the money on guaranteed mortgages from the United States Government, and they are paying 5 and 5½ percent interest, even 6 percent interest. All right. That is not inflationary. We are spending billions of dollars for foreign aid of different kinds. That is not inflationary. We want that. All right. We are building all kinds of fine hotels and racetracks and everything else. That is all right. That is not inflationary, but if you want to build homes for people, medium-size, low-priced homes, that is inflationary. We must stop that.

If you want to build schoolhouses, much needed though they are, that is inflationary. We have got to stop that. It all depends on whose ox is being gored. This high interest-rate policy is destroying the small-business concerns of America, it is absolutely destroying them. They do not have credit; credit is not available to them. The big interstate chains, the national chainstores, can go into a little community and build a big supermarket. They have plenty of money to do it. High interest does not hinder big concerns. Uncle Sam pays 52 percent of it through the deductions. Big concerns have interlocking directors with big banks so they can get plenty of money. That will put the little local merchants out of business. It is going on right now. There are plenty of local people in the local communities today who could carry on all retail business. They know the local community needs, and there are plenty of people smart enough to run those supermarkets if they could get the credit to build them, but the credit is not available to them; therefore, the little merchants of the country are being destroyed while the big people have plenty of credit, plenty of money to build all kinds of supermarkets and everything else, and the little man cannot get the credit to build. That is not just exactly right. This hard money policy, and what I mean by hard money is money hard to get, is creating all kinds of problems. It is certainly deflationary to agriculture. Agriculture is suffering. Is there anything inflationary there?

Small-business people are suffering. Is there anything inflationary there?

Home builders are suffering. There is no inflation there.

Where is your inflation if all the small people are being hurt?

All right, it is just an excuse, that is all, just an excuse not a reason; and let us not be carried away with this idea that it is inflationary to build low-priced homes, that it is inflationary to build very much needed school buildings, but that it is not inflationary to spend billions to build race tracks, gambling casinos, night clubs, big fine hotels, and everything else, using the materials and the labor of the country; that is not inflationary according to our present national policy.

It is not fair, Mr. Chairman, it is just not fair, this hard money policy. We do not know where it is going. As interest rates go up they will go higher and higher, because the people who have money will hold back and get the most they can for it. When we reach the top and the interest rate starts down, then the borrowers will wait; they will say "Let us wait and see if it will go a little lower."

It would not cost the Federal Reserve System one penny to support Government bonds at par but in running the price of Government bonds down it serves a purpose for the higher interest campaign; it freezes them in the hands of these little banks that cannot take that 10 percent loss, they just cannot afford to do it; therefore, it dries up credit in the local community.

CONTROL OF MONEY DUTY OF CONGRESS

The control of the supply of money is a function of Government. This is one of the most important duties of a Member of Congress—to make sure that this mandate of the Constitution is carried out fairly and equally for all the people and not be given as a special privilege to a few. It is in the legislative branch of the Government and not in the executive branch.

The Congress can, by setting up wise monetary management, get rid of the great ups and downs in the flow of money. The businessmen can do their planning so as to create an expanding high level of production and employment. Inflation can be prevented if the Federal Reserve will carry out the intentions of Congress by restraining commercial banks in the creation of money.

If money is tight and hard to get, the Federal Reserve System is blamed. However, Members of Congress cannot escape responsibility because we have delegated this to the Federal Reserve System. The Federal Reserve System is an agency of Congress, created to carry out the will of Congress. Criticism that is now directed at the Board of Governors of the Federal Reserve System will eventually be directed at Congress because, after all, we are responsible.

At the present time, in carrying out the tight-money policy for the claimed purpose of preventing inflation, the Federal Reserve Board is actually using deflation as a means of preventing inflation. A much better way would be to restrain commercial banks from creating too much money in relation to goods and services. This can be done by exercising control over commercial banks' required reserves. Before the 1935 act we had 12 autonomous reserve banks, but under the 1935 act, passed by Congress, we have a central banking system like the Bank of England, the Bank of France, and other major powers.

The Federal Reserve, by shifting back and forth between tight money and easy money, is steadily weakening our system of competitive enterprise. As interest rates go up, and lenders hold back, waiting for higher and higher interest rates, the people are forced to use less money. However, in the parts of our economy where we have deflation there is no way to force the people to use more money.

A small-business man advised me recently that he has found it harder to get into debt than it was for him to pay his debts during the depression.

I wonder if the Federal Reserve System is carrying on a planned economy through the use of public fear of inflation as a device for obtaining powers to direct the course of our economic life?

It is necessary that we provide the right kind of monetary management so that a businessman, in his own self-interest, will feel safe in making long-range plans. This he will not do until he knows what to expect in the years ahead.

High interest has already accomplished the following:

First. Unbalanced the Federal budget. We are paying a billion dollars a year more this year in interest on the national debt than we paid for the same amount of money 4 years ago. This will require more tax money and places us in the position of pretending to fight inflation while at the same time we are promoting inflation and causing inflation by increasing all costs and all prices.

Second. The fine post office buildings that have been promised throughout the country cannot be constructed under the lease purchase program. After the program was set up, interest rates were arbitrarily increased until the 4 percent interest allowed to be paid will not get the job done.

Third. High interest has stopped much of the low-priced housing. In the New York Times Sunday, March 17, 1957, one of the biggest builders in the Nation announced that he was marking up the price of low-cost housing $500 a unit because of increased cost of fewer units that can be constructed by him because of high interest.

Fourth. High interest is raising rents on existing properties and raising prices of existing properties.

Fifth. Failure to construct sufficient housing units will eventually lead to rent control.

Sixth. The little man is being kept out of business because he cannot get credit locally. In days gone by, the ambitious young man, who worked long hours and very hard for a local merchant, found himself in a few years in a position of what was known as being "ripe" to go into business for himself. This was true whether he worked for a local merchant or for a national chain store. When the RFC was abolished, chances for such young men were destroyed, and they have to keep on working without a reasonable chance of going into business on account of scarce credit locally.

Seventh. The big concern can get plenty of credit under the high-interest policy. It is being used every day in the United States to build supermarkets in small towns to run local merchants out of business. Local merchants in these towns would put in supermarkets just as nice and fine and successful as the outside chain if credit were available, but it is not.

Eighth. Increased interest raises the price of all production and instead of being deflationary, it is actually inflationary. As the utilities that furnish electricity, water, gas, telephones, transportation, and other services are required to pay more interest, they necessarily receive increased rates. All of this is passed on to consumers, but caused by high interest.

Ninth. High interest has not only increased Federal taxes, but it has increased all taxes at all levels.

Tenth. High interest is pictured as the only way to fight inflation, the Federal Reserve having raised interest rates six times within a period of 2 years. There are other and better ways of fighting inflation than by high interest. It has proven to be a failure.

Eleventh. High interest is behind the campaign to take the 4½-percent limit off VA loans and the 5-percent interest rate off FHA loans. A flexible rate is desired, we are told. Flexible in this case means higher.

Twelfth. High interest is causing Federal officials to insist that local school districts, counties, cities, and States take the ceiling off their interest-rate limitations and adopt the flexible interest rate. Although the bonds are tax exempt and are now paying a very high rate in that category, local officials are urged to adopt the flexible interest-rate policy. Arguments are made against Federal aid to education on the theory that local districts and States should take care of educational needs; yet high interest is denying such States and districts of an opportunity to obtain needed school-construction money.

Mr. REED. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, we well remember that during the 10 years of the stable 2½-percent rate for money referred to by the gentleman from Texas the cost of living almost doubled, the value of the dollar declined, so I do not think it is necessary for the benefit of the public in general to have such a stable 2½-percent interest rate.

The rate of interest which one who has saved can receive on his investments is a result of the supply and demand in the money market. Naturally those providing means for investment of savings must take cognizance of this.

It is self-evident that with altered conditions in the money market, the limitation of 3 percent on savings bonds set by the Congress in 1935 is unrealistic. Not only is this evident by comparison of rates offered by other media of investments, but the slowing up in sales of our savings bonds during the past few months proves that the investor sees greener pastures in other fields.

The Government does not wish to alter the proportion of savings which are invested in its savings bonds, but neither does it want the sale of these bonds to dry up with a resultant shift by investors to other investment fields. Thus, it is very evident that an increased rate is necessary.

The Treasury expects to offer bonds with a 3¼-percent yield to maturity which is right on the market for other Government bonds of like maturity.

In order to give the Treasury leeway in the future, this bill sets a maximum possible rate of 3½ percent. This will permit them to set a slightly higher rate in the future if they find it advisable when Congress is not in session.

The Treasury informs us that they would have set a higher rate last autumn if it had been possible and thus might have avoided the slowing up of sales of these bonds.

Frankly, I would have preferred it if we had not set any top rate, but rather had left this matter to the administration's judgment.

The Treasury will, of course, always try to sell bonds at as low an interest rate as possible.

A realistic interest rate cannot be decided by the judgment of the Congress.

The going interest rates are determined by the supply and demand in the market, not by any mandate of the Congress. We do not lead. We follow. We must in order to give the public something which they will find an attractive investment.

The gentleman from Texas [Mr. PATMAN] has just stated his opposition to present money policies.

Perhaps this might be a place to discuss some of the implications of this much criticized hard-money policy. Of course, this is not the policy of the Treasury Department, but is the policy of an independent agency—the Federal Reserve Board—which, as you know, is headed by a Democrat.

It is their duty to try to even up the peaks and valleys of our economic life. They are required to try to stabilize our economy, and a stable dollar is certainly for the best interest of the great mass of American people.

The Federal Reserve has not taken any particular action which has increased the cost of money. What they have done is

not to take any action to prevent such a rise. The latter has come about through the natural demand for money in the present economy where there is a higher demand than there have been savings available to meet the demand.

The Federal Reserve has felt that permitting money rates to rise has had the salutary effect of discouraging undue borrowing and this has slightly slowed the tendency toward speculative expansion. The policy has helped stem the inflationary tendencies and pressures which are peculiar to an economy which is at such a high level as is ours at the present time.

Higher money rates cannot be classed as an unmitigated evil, for it is not all a one-way street. There are two sides to the matter. For every debtor there must be a creditor and while those who borrow must pay higher rates those who save, at the same time, are receiving a higher return.

Take those who have savings accounts in commercial banks, in mutual savings banks, and in savings and loan associations. These are mostly people with moderate incomes and some millions of individuals have a total of more than $100 billion in their accounts. Interest rates on these deposits in the past few years have almost universally been increased. I believe that all will agree that the rate of increased return has at least been 1 percent. This being so those holding savings will have received over a billion dollars in added interest in the past year.

There is $90 billion in life insurance outstanding. Life-insurance companies invest the money they receive in premiums from their policyholders. Though these companies base their rates on the average earnings from their investments the fact that they can earn more from their investments nowadays should over the years mean lower premium rates and higher dividends.

Higher money rates have also made it possible to increase social security benefits, for the earnings of the trust fund from which benefits are paid can be calculated now at a higher rate than in the past.

Pension funds and pension trusts through which so many workers receive retirement pay can also count on higher income.

Present money rates do seem high as compared with the past few years. However, they are not high as compared with the average over the past 50 years.

Many of you will remember when the interest rate on savings deposits was 4 percent. Though the interest rate on all investments is considerably higher than in the past 20 years, it is still lower than it was at any time between 1906 and 1936.

So the question may be asked—are we in a temporary high money period, or are we just going back to normal?

During the past 15 years one discouragement to putting money aside for a rainy day was that the return on savings was so low. So one cannot say, as so many seem to think, that the effects of these higher money rates are necessarily all bad. The thrifty—those forgotten men who scrimp and save—are finally getting a break.

Getting back to the present bill. It has been called to your attention that an amendment was added in the Ways and Means Committee making it possible for the Treasury to increase the rates on future extended savings bonds if they so desire.

It is well to give the Treasury this power though under present conditions I do not believe they will see fit to use it.

There was much discussion in committee as to why we were planning to give new investors 3¾ percent to maturity while those who had previously made investments and had extended their bonds would only receive 3 percent. But in considering this we must remember all the advantages which the holder of a bond has.

True, the new bonds have a greater yield to maturity, but the extended bonds give a greater yield in the earlier years.

For instance, if the proposed new 3¼ percent bonds are cashed after 1 year, the yield will be only 2.26 percent. If the extended bond is cashed in the owner will have received approximately 3 percent. If a new bond is cashed in after 2 years the holder will have received only 2.74 percent while the holder of the extended bond will have received his 3 percent for the period.

It is only in the fourth year that there would be a slight advantage for the new bondholder.

I feel confident that if there was an active trading market for these bonds that the market place would place a higher value on the extended bonds than on the new bonds owing to their higher redemption value for the short term—in spite of the extra one-fourth percent yield if the bonds are held to maturity.

This bill proposes a realistic solution of the present problem and in order that sales of savings bonds be again resumed at their normal rate should be enacted into law as speedily as possible.

Mr. PATMAN. Mr. Chairman, would the gentleman yield?

Mr. KEAN. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman stated that the Federal Reserve Board was an independent agency.

Mr. KEAN. Yes.

Mr. PATMAN. That it was headed by a Democrat. May I ask the gentleman if it is not a fact that this is not an independent agency, because it is an agency of the Congress?

Mr. KEAN. That is right.

Mr. PATMAN. It is an agency of the Congress and therefore it is not independent of the Congress.

Mr. KEAN. The gentleman is correct. What I wanted to indicate is that it is not a part of the Department of the Treasury.

Mr. PATMAN. I know, but has the gentleman ever known of the Federal Reserve Board or the Chairman of the Board refusing a request of any President of the United States except on one occasion, which was the request of President Truman to lower the rate to 2½ percent? That is the only request that was ever refused.

Mr. KEAN. Of course, I am not in the confidence, have not been in the confidence of all of the Presidents of the United States and I do not know what requests they did make. I know that the Federal Reserve Board showed its independence. There was a fight in the administration, in the Congress at that time, and I believe the gentleman from Texas did not want the Federal Reserve Board to continue independent; and at that time the Federal Reserve Board insisted on being independent and I think the people of the United States backed the theory, and since then they have been independent.

Mr. PATMAN. One other question if I may. Is it not a fact that the Federal Reserve Board has been requested by the Treasury and the administration since then to support issues, and that it did respond and supported them in 1955?

Mr. KEAN. Support bond issues?

Mr. PATMAN. Government bond issues, yes.

Mr. KEAN. I think it has been a practice ever since the Federal Reserve Board existed that in the event an issue of Federal bonds was not going too well, they would help a little to maintain the market for a little while.

Mr. PATMAN. Does not the gentleman think that the wholesale rate of money should always be low and that bonds should be held up to par?

Mr. KEAN. No, I certainly do not think so. I think the purchaser of Government bonds should take his chances with the money market like everybody else.

Mr. PATMAN. Does the gentleman not think that when the people purchase these long-term bonds which have remained stable for 14½ years, that they have the right to expect they will continue to remain above par, as they have in the past?

Mr. KEAN. No; I do not think so at all. The whole purpose of our issuing these E bonds was so that those people who could not afford to have a fluctuating bond would be taken care of. I think it would be unfair to the whole community if Government bonds were kept above par while any other bonds they purchased would be allowed to fluctuate normally with the money market.

Mr. PATMAN. Does the gentleman not think it is against the public interest for these billions of dollars of bonds to be frozen in the assets of the little banks of the Nation at 88 cents or 90 cents on the dollar, thereby depriving these little banks of an opportunity to convert their bonds into cash, so that they would have reserves and thereby be able to make local loans to local people?

Mr. KEAN. If the banks have been properly managed the gentleman will find that the percentage of long-term bonds which they hold and which have gone down substantially on account of changes in the money market is so small that it would not affect their ability to loan money. If the gentleman would look at the statements of the average bank he would see that probably 90 percent of their Government bonds are Government bonds that have maturities of less than 5 years.

Mr. PATMAN. Mr. Chairman, I wonder if the gentleman has gotten mixed up a little bit in this matter; under the law and the regulations a bank may carry those bonds at 100 cents on the dollar on their books.

Mr. KEAN. I know that.

Mr. PATMAN. Although they cannot sell them for more than 88; but at the same time if they go to sell them, they have to sell them for 88.

Mr. KEAN. That is completely true as far as the long-term bonds are concerned, but it is only the long-term bonds that have gone down that far. The conservatively run bank, as I say, has 90 percent of its money in the short-term bonds.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Ohio.

Mr. BOW. We are appropriating this year approximately $7.4 billion in interest. Can the gentleman discuss what we may be appropriating next year in interest if this bill passes, if this interest rate is increased?

Mr. KEAN. There is no appropriation for interest on these bonds because the yield is based on the increase in value. The increase from the 3 percent to the 3.25 percent is made only because of the fact that the bonds are made of shorter maturity and having been bought originally at 75, come due at par in 8 years and 11 months instead of 9 years and 4 months, the yield is increased.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman will recall in response to the question of the gentleman from Ohio that we asked the Under Secretary, Mr. Burgess, while he was appearing before our committee, what the Treasury estimated the increased cost to the Government would be under this bill, and he stated that he estimated $15 million.

Mr. KEAN. $15 million, yes.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. BYRNES of Wisconsin. On this point of the cost, it must be remembered that if you do not increase this interest rate you are not going to be selling these savings bonds. No. 2, the Government has to have the money, so it is going to get it from some other place. Therefore, they will sell other bonds and the increased cost will be reflected in these sales. So I think when you end up, you find there is no overall increase in the cost and that our action here today will have no fundamental fiscal effect as far as the cost to the Government in obtaining funds is concerned. If you do not get the money from savings bonds you are going to get it from some other Government bonds and pay the higher rate.

I want to associate myself with the remarks of the gentleman in connection with the so-called tight money or hard money policy referred to by the gentleman from Texas [Mr. PATMAN]. I think you have put your finger on what the real issue is in this matter. I compliment you on a very able and a very fine statement.

Mr. KEAN. I thank the gentleman.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Arkansas.

Mr. MILLS. Will the gentleman from New Jersey give the members of the committee the benefit of his thinking with respect to why the interest rate should not be raised to 3.25 percent with respect to the bonds that would mature in February 1957, or with respect to the interest on those bonds after February 1, 1957? I know the gentleman went into that matter with the Under Secretary in the executive session of the committee. Some members of our committee feel that in the interest of fairness or the elimination of any discrimination with respect to the holders of these bonds during the second period they should be given 3.25 percent. Will the gentleman explain that to the Members?

Mr. KEAN. I have tried to explain in my speech the fact that as the bonds can be redeemed at any time at 3 percent I believe they would have a greater value on the market and a greater value to the individual than a 3.25 percent bond that can today be redeemed only at 2.25 percent. There has been, of course, a contract. I see no reason why we should give some extra interest if what he has already is just as valuable or more valuable as the proposed new bond.

Mr. MILLS. The gentleman, during the course of our consideration of this matter in executive session, developed some figures I thought were very interesting.

Mr. KEAN. The gentleman means about the fact that if the owner of a $100 bond would decide during the first couple of years' period that the 3.25 interest rate looked more attractive than the 3 percent rate and wanted to turn it in, he would gain only, I think, 25 cents a year? It would not pay for carfare for him to go down to the bank to do it.

Mr. COOPER. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I know nothing can be done about it, but this last colloquy here is what I want to say a word or two about. I just cannot imagine why the committee or the Secretary of the Treasury should feel that the matured bond should not be recognized with this one-fourth of 1 percent increase. Thinking in terms of my own personal experience, I started buying these E-bonds immediately after the program took effect during World War II. My bonds in those days were not as big as the bonds I have been buying since I have been a Member of the House. But nevertheless, I have some bonds that have expired. More particularly to the point, I want to say with reference to the bigger bonds, that is, the $500 bonds and the $1,000 bonds and not the $37.50 or the $100 bonds. Here is a bond that expired, let us say, in 1955 or 1956. That is a $1,000 bond or a $500 bond which I bought at a local bank. I continued those bonds and let them run along. What does the committee think will prevent anyone, knowing about this increase in the interest rate beginning on February 1, from cashing in those bonds? What do you think they will do? There are millions of people holding this type of bonds.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield.

Mr. BYRNES of Wisconsin. I think what the gentleman and perhaps some other Members may be forgetting is the fact that on these matured bonds that have been held over since 1955 or 1956, we guarantee a 3 percent going rate of interest. You can cash them at any time and get a 3 percent rate. However, if you convert them into this new bond that we are authorizing here at the rate of 3¼ percent, you will have to hold them for 4 years before you can turn them in and cash them in at a 3 percent rate. Still, you will not be able to cash them in at the 3¼ percent rate because you do not pay 3¼ percent straight-across-the-board from the first month or the first year of issue right on through to the 10th year. There is an interest curve. A lower rate of interest is paid during the early years and a higher rate in later years. For the first 4 years, if the person has any idea that he may be cashing in his matured bands, he is better off to keep them as extended bonds rather than buying a new bond because he is getting a higher rate of interest.

Mr. WIER. Is it not true that when I go back to Minneapolis on my next trip, which will probably be for the Easter recess, that I can go to the bank and take those two bonds that have matured, and is it not true that I can cash them in full? What is to stop me sitting at the same desk where the girl brings me the check and saying to her, this is February 18—what is to stop me today from turning in the $2,000 that I just got the check for from her, and telling her I want two new $1,000 bonds. Is there a catch some place in this amendment that would prevent my buying bonds with the increased interest.

Mr. BYRNES of Wisconsin. Here is what happens. You cash it in and you will get 3 percent.

Mr. WIER. That is right.

Mr. BYRNES of Wisconsin. You will get 3 percent on your money. Then, if you turn around and buy this new bond carrying the 3¼ rate, you will have to hold that for 4 years before you can turn to the bank and cash that in and get a 3 percent rate. If you hold it to the end of the full 10 years, then you will get 3¼ percent. But, if you have any idea you are going to cash in this bond within the next 4 years, it would be better to hold the bond that you have right now and get 3 percent rather than convert to the new bonds which will not be carrying a rate in excess of 3 percent until 4 years from now.

Mr. WIER. I have every faith and every hope that what was said about this bill would be actual and a reality. Now I learn that the people are going to be disappointed a little; that they are not going to get 3¼ percent on and after February 5 on the new purchased bonds.

Mr. BYRNES of Wisconsin. You get it. We are giving them what they contract for. In other words, we are selling them a 10-year bond. Holding it for 10 years it will yield 3¼ percent, 3¼ percent compound interest. But we do not say, "You can hold it for a month or two months and cash it and we will still pay you 3¼ percent, or the same rate that will be paid if held for 10 years." We did not do that with the bonds that you bought before, the bonds that matured in 1955. If you cashed it before 10 years you did not get the 3 percent rate. You only got it when you held it for 10 years. But we are saying to you now, "If you continue it on after it has reached the point where it is drawing 3 percent, we will continue to pay 3 percent on it." That is why it has an advantage over the bond you purchase now at 3¼ percent.

Mr. WIER. Does that apply to all newly purchased bonds? Suppose I change my name to John Murphy and I go to the bank and say, "I want to buy a new bond." Will I not begin to draw 3¼ percent on that bond with February 1.

Mr. BYRNES of Wisconsin. No. Not for 4 years.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. WIER] has again expired.

Mr. COOPER. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, I have been listening with special interest to the colloquy between the gentleman from Minnesota [Mr. WIER] and the gentleman from Wisconsin [Mr. BYRNES], and I want to say that what the gentleman from Wisconsin just said is correct, but that it is not right. In this entire discussion I think that many of us are overlooking this point, that one of the primary purposes of E-bonds is to put Government securities and Government bonds in the hands of as many American citizens as possible. While it is correct, as stated by the gentleman from Wisconsin [Mr. BYRNES], that if the gentleman from Minnesota [Mr. WIER] cashes his presently held matured bonds and immediately buys bonds issued under the authority of this piece of legislation, it would be 4 years before he would commence to earn 3¼ percent interest.

Mr. McCORMACK. Will the gentleman yield?

Mr. FLYNT. I yield.

Mr. McCORMACK. And I believe that the distribution idea is sound, but that it is also a means of fighting inflation.

Mr. FLYNT. I am glad that the majority leader came forward with that statement, but I think it is just as important to continue to fight inflation by protecting American citizens who 10 or 15 years ago bought these E-bonds and have held them, and to encourage them to continue to hold on to them, as it is to encourage new bondholders to go into the market and buy them.

Mr. McCORMACK. My observation was in support of the gentleman's statement.

Mr. FLYNT. I so understand and I appreciate it. I think whatever action is taken, both on this legislation and on legislation which may come before the Committee on Ways and Means in the future, it is to not only encourage new bondholders to come into the market but to encourage present bondholders to hold the bonds which have matured.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield.

Mr. BOYLE. I think that is a very good observation I think if you want to stimulate purchasing, many people who have already signified their patriotism and their interest in going along with this method, you should not penalize them for already being patriotic. If the law never expects people to do a useless act, why should you make people who already have their bonds go through that again? They should treat all people similarly. I think if you see fit to raise that to 3¼, to hedge against inflation and give Government bonds better competition in the money market, we are not going to hurt anybody if we let them participate on an equal basis.

Mr. FLYNT. I intend to support this legislation because I think it is good. I think the motive behind it is good, but I could support it a great deal more pleasantly and with more enthusiasm if it gave to the holders of matured bonds who have not cashed them the same benefits which it now holds out to new purchasers. Would purchasers today and after today be able to go out into the market and get 3¼ and 3½ percent?

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield.

Mr. MASON. In holding these bonds for a period of at least 4 years you are going to get a better rate of interest than you would on the new bonds under this bill for that 4-year period, because the new bonds will not be paying 3 percent on that 4-year period, and not until after the 4-year period will they pay 3 percent. It will be 5, 6, or 7 years you will have to hold the bonds before they will pay the 3¼ percent when you cash them in. You are therefore really favoring the holders of these bonds over the buyers of new bonds for at least 4 years and I think about 6 myself. So it would really pay me to hold my bonds because I am going to get more interest out of them in the next 4 years than if I bought a new bond or changed my present bonds over to new bonds.

Mr. FLYNT. I thank the gentleman from Illinois, and I would like to say that the comments of the gentleman from Massachusetts and the gentleman from Illinois [Mr. BOYLE] would certainly seem to indicate that the United States Government ought to show the utmost good faith with the future purchasers of E-bonds and also show the same good faith to the holders of the E-bonds which have matured.

Mr. MULTER. Mr. Chairman, this bill—H. R. 5520—comes before us under a closed rule permitting no amendments. The bill authorizes the Secretary of the Treasury to increase the rates payable on Government savings bonds to not more than 3½ percent per year but limits the increase to savings certificates and bonds issued on or after February 1, 1957. The bill before us has the approval of the Secretary of the Treasury and follows his recommendation asking that he be vested with discretion to increase such interest rates to 4¼ percent. The same request from the Treasury Department indicated that it was the present intention to use such authority only to the extent, however, of increasing the interest rate on E-bonds to 3¼ percent.

The action of our distinguished Ways and Means Committee in reporting the bill and in urging the House to enact it is placed almost entirely upon the testimony of the Secretary of the Treasury. His position is best summarized by the statement he made before the Joint Economic Committee when, in referring to E-bonds, he said:

> Right now it is the finest security in the world. There is no security as good as it is. There is no security that you can go up and lay on the counter any time that you are ready and get your dollars back for it. There is no depreciation in it, no market fluctuation.

This is typical of the double talk and gobbledygook that has been emanating from the executive departments of our Government since January 20, 1953. That statement is in accord with his testimony before the House Ways and Means Committee by which he proved that a 3-percent bond is better than a 3¼-percent bond and that, when the Secretary of the Treasury gets the authority sought by this bill and issues 3¼-percent E-bonds, the holders of 3-percent E-bonds will not redeem them or seek to exchange them for 3¼-percent bonds.

I refuse to believe that the American public is so stupid as to believe that a 3-percent bond is better than a 3¼-percent bond.

I refuse to believe that the American public is so stupid as to think that a bank book issued by a savings bank or a savings and loan association which pays 3½-percent or 4-percent interest, or even a savings bank book of a commercial bank paying only 3-percent interest, when insured by Federal corporations, is not finer security than an E-bond. Any one of them is just as good security which "you can go up and lay it on the counter any time that you are ready and get your dollars back for it."

I refuse to believe the American public is so stupid as not to know that, with such savings accounts, "there is no depreciation in it, no market fluctuation."

I refuse to believe that the American public is so stupid as to think that they are not better off with such insured savings accounts which draw interest from the day of deposit to the day of withdrawal at 3, 3½, or 4 percent, or that they will not seek such accounts as the repository of their savings rather than buying savings bonds which bear a deferred graduated rate of interest, the maximum of which will be either 3 percent or 3¼ percent, as now contemplated.

These savings bonds have traditionally borne interest of at least one-half percent per annum more than other Government securities. Since 1951, however, that difference has ceased to exist. Savings accounts have been paying larger rates; municipal and State government bonds have been paying larger rates; the tax-exempt feature of municipal and State government bonds have

made those investments much more attractive than savings bonds.

Since 1951, I have been introducing bills to provide for a premium on savings bonds and savings certificates, providing they are held for a period of 10 years. In each session I also introduced bills providing for tax exemption on the earnings of these bonds. On January 10, 1957, I again introduced similar bills. H. R. 2480 provides for the premium payment on these bonds, and H. R. 2481 provides for the waiver of income taxes on series E bonds.

If this bill, H. R. 5520, were not before the House under a closed rule, I would offer each of those bills as an amendment to the pending bill. I cannot do that because of the imposition of the gag rule prohibiting such amendments.

For the information of our colleagues, I set forth in full the provisions of these two bills. H. R. 2480 reads as follows:

A bill to provide for the payment of premiums on savings bonds and savings certificates, and for other purposes

Be it enacted, etc., That subsection (B) of section 22 of the Second Liberty Bond Act, as amended (31 U. S. C. 757C (B)), is amended by adding the following at the end thereof:

"Subject to the terms, conditions, and limitations contained in the foregoing section (B) (1) hereof, the Secretary of the Treasury, with the approval of the President, may provide that any or all of such certificates or bonds shall provide for the payment of a premium of not more than one-half of 1 percent per annum payable only if the original owner thereof retains complete and absolute ownership and control thereof, free of any pledge or assignment, for a specified number of years not less than 10. Deposit thereof as part of any reserve required by law or regulation shall not be deemed impairment of the ownership or control thereof. The Secretary of the Treasury with the approval of the President may provide that any or all of such certificates and bonds hereafter issued shall contain provisions that upon the redemption, sale, or transfer thereof prior to the maturity date therein set forth, by or to the United States Treasury or the Federal Reserve Bank, the interest paid or payable shall be adjusted and reduced in accordance with the length of time elapsed between the date of issuance and the date of redemption, sale, or transfer. The Secretary of the Treasury is authorized to promulgate rules and regulations to effectuate the purpose thereof."

H. R. 2481 reads as follows:

A bill to provide for the waiver of income taxes on series E United States savings bonds, and for other purposes

Be it enacted, etc., That the income and earnings on all series E United States savings bonds presently outstanding is waived for income-tax purposes on condition that the said bonds are not redeemed for at least 10 years after their maturity. Upon redemption of said bonds prior to 10 years after their maturity the holder thereof shall have the option of reporting the income and earnings thereon and paying the income tax therefor as though received or earned during the year when the bond is actually redeemed or during the year when the bond originally matured so that the taxpayer can obtain the benefit of the lower rate of taxation.

The enactment of my bills would provide an incentive for thrifty Americans to continue to hold their E-bonds and to make further investments therein.

The enactment of H. R. 5520, on the other hand, will provide an incentive to the holders of E-bonds to cash them in.

I predict that most of those people will not reinvest the proceeds in the new E-bonds. They will either spend the proceeds of those bonds or reinvest them in insured savings accounts or in tax-exempt bonds.

Each year, after I introduced my bills, I have received literally hundreds of letters from all across the country urging the enactment of my bills. There have been dozens of editorials and newspaper and magazine articles written upon the subject, urging action such as would be accomplished by my bills.

It makes me sick to my stomach to hear some people prate about the patriotism that causes Americans to buy E-bonds. Too much of this talk comes from those who would keep the general public uninformed, urging it to save its money at low interest rates in order to keep their money out of circulation and to prevent inflation. Too many of these people urging that argument on the unsuspecting public are the very ones encouraging inflation by running up the cost of government through higher interest rates on the negotiable bonds, the same bonds which are bought under par.

Every year for the last 4 years, there have been more E-bonds cashed in than were sold. This bill will accelerate the rate of cashing in and decelerate the amount of new purchases of E-bonds.

Mr. COOPER. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. Does the gentleman from New York have any further requests for time?

Mr. REED. No, Mr. Chairman.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

Mr. COOPER. Mr. Chairman, the committee has no amendment to offer.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DOYLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds, pursuant to House Resolution 194, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MASON moves to recommit the bill H. R. 5520 to the Committee on Ways and Means.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have permission to extend their remarks in the RECORD on the bill just passed prior to the vote thereon.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ONE HUNDRED AND NINTH ANNIVERSARY OF HUNGARIAN INDEPENDENCE

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. BENTLEY] is recognized for 60 minutes.

Mr. BENTLEY. I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the subject of the observance of Hungarian Independence Day.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent that the following Members may have permission to extend their remarks in the RECORD immediately following my remarks: The gentleman from Massachusetts [Mr. MARTIN], the gentlewoman from Illinois [Mrs. CHURCH], the gentlewoman from New Jersey [Mrs. DWYER], the gentleman from New York [Mr. BECKER], the gentleman from California [Mr. HILLINGS], the gentleman from Michigan [Mr. DIGGS], the gentleman from Wisconsin [Mr. REUSS], the gentleman from Connecticut [Mr. SADLAK], the gentleman from Connecticut [Mr. CRETELLA], the gentleman from New Jersey [Mr. DELLAY], and the gentleman from New York [Mr. KEARNEY].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, Friday, March 15, marked the 109th anniversary of the independence of Hungary, specifically marking the date in 1848 when,

under the leadership of Louis Kossuth, the Hungarian nation rose in revolt against the domination of Austria, at that time under the Hapsburg monarchy. I believe the House is reasonably familiar with the proceedings at that particular time. The Hungarians fought gallantly against imperial Austria in the fight to win their independence and were succeeding, when Russian troops, as they have done on later occasions, poured across the eastern frontier of Hungary. The Emperor of Austria had appealed for assistance to the Russian Czar, and between the Austrian and the Russian forces the Hungarian revolution was crushed in its infancy.

It is not my intention to spend time in discussing the happenings of that period, and I do not intend, either, at this time to go into great detail with respect to more recent happenings, of which I am sure the Members of the House are well aware, and those tragic events of last fall when, for a few days, the Hungarian nation, which had suffered almost 10 years under Communist imperialism, gained a brief period of independence and then was crushed by Soviet treachery and military force. I would rather, on the other hand, spend a little time talking about some of the things that we might or might not have done ourselves last fall and then for a little while, anyway, trying to see if there are any ideas or any policies that can be worked out in the case of future Hungarys or, for that matter, with respect to the question of the liberation of all captive nations behind the Iron Curtain.

Mr. Speaker, when I addressed the House on a similar subject on January 7, I quoted a letter from the State Department dated December 7, 1956, which I would like to repeat at this time in part. In discussing, of course, what the United States should or should not have done in the case of Hungary, the letter concludes with these three paragraphs:

4. We believe that the best opportunity for helping the Hungarian people at the present time is through our support of the efforts that are being made in the United Nations. These efforts would be seriously jeopardized if American volunteers were to proceed to Hungary.

Ambassador Lodge has taken a forceful lead in the United Nations and was instrumental in obtaining a majority for support of a resolution aimed not only at ending Soviet intervention and armed attack in Hungary, but also at upholding the right of the Hungarian people to freedom and justice.

President Eisenhower and Secretary Dulles are giving their continued urgent attention to the courageous efforts of the Hungarian people. Certainly it is the hope of all America that they achieve their aims of greater liberty, national independence, and the withdrawal of foreign troops.

About 2 months later, Mr. Speaker, I received another letter from the Department of State, also on the question of Hungary, and with specific reference to what had or had not been done within the United Nations concerning the Soviet defiance of the various resolutions—and there were many—on the Hungarian question.

The State Department said this as of February 5:

Naturally it continues to be a source of regret and concern that more tangible results have not been produced as a result of United Nations actions with respect to Hungary, and particularly that the Soviet and Hungarian authorities have continued to defy the Assembly's recommendations. Suggestions such as those made by the Assembly of Captive European Nations are being given careful study both here and in New York.

However, certain practical considerations must be borne in mind with respect to the possibility of enforcement action in a case such as that of Hungary. One fundamental point relates to the authority of the General Assembly which, under the charter, has recommendatory power and not the power to order. While this does not mean that the Assembly cannot recommend enforcement measures under certain circumstances, it does make essential that any such recommendation receive overwhelming support from the great majority of members in order to insure its effectiveness. In the Hungarian situation such support for enforcement measures seems unlikely in present circumstances. Another equally crucial point is whether limited enforcement measures would produce the desired results or whether they would seriously risk the precipitation of general hostilities. Regardless of one's individual estimate on this point the fact is that here, too, the requisite majority of United Nations members is not prepared to support such action.

Then a month later, about 10 days ago, I saw an article in the March 7 issue of the Washington Post and Times Herald, an International-News Service dispatch from the United Nations:

UNITED STATES DEFERS U. N. MOVE ON HUNGARY

UNITED NATIONS, N. Y., March 6.—A United States move to revive United Nations Assembly debate on Russia's subjugation of Hungary was shelved today following a cool response from a score of western nations.

An American spokesman said the United States decided not to press for early consideration of the Hungarian question by the Assembly after consulting the 23 states which sponsored the U. N. resolution last January for a probe of Russia's repression of the revolt in Hungary.

The spokesman said the United States, however, "will take action to continue the Hungarian item on the agenda of the General Assembly. He said the special U. N. committee on Hungary will continue its work and may submit a final report in a month or two."

[Authoritative sources said the work of the Hungary committee had been threatened from a new angle—Austria, which apparently fears its neutrality might be compromised if the committee holds hearings on its soil, United Press reported. The committee, which has been interviewing Hungarian refugees here, will move to Europe next week, but may not be permitted to enter Austria as planned.]

In other words, it seems from what I have read that the United Nations is not prepared to take any further action in the case of Hungary or with regard to enforcing the various resolutions which it had adopted against the Soviet Union for this flagrant intervention into Hungary of last fall.

I know that there is a fact-finding committee of the United Nations that is to take testimony from Hungarian refugees. I know that it has been taking testimony in New York and I know that it is now in Europe, but there has been no indication as to what the committee will do with the testimony when it has finished its hearings, or what the United Nations might properly be expected to do with the information that the factfinding committee makes available to it.

Recently, in one of our popular weeklies, Life magazine, there have been two editorials on this very same question. The first one, I believe, was in the issue of March 4, entitled "If There's a New Hungary." In very splendid fashion indeed it pointed out just what the United Nations could and should have done last fall in this particular respect and where we—and the author included, of course, our own representative at the United Nations—failed to take effective action.

In the March 18 issue of Life magazine, also on the editorial page, the editorial contained a letter, or at least the gist of a letter from our Ambassador to the United Nations, Mr. Henry Cabot Lodge, in which he answered the various charges in the earlier editorial, point by point, trying to make the case that he had done all he could and that the United Nations had done all it could. I think it worth while to read his last comment.

The editorial says: "The whole record is a sorry one for the United States and the U. N. alike."

The record is not a sorry one. The record is a good one. Although it did not succeed in bringing about the withdrawal of Soviet troops, the U. N. has done things for the people of Hungary which no single country or other organization could have done. The steps which the U. N. has taken have played a useful part in preventing deportations; in bringing food to the people of Budapest; in helping 170,000 Hungarian refugees to find new homes; in persuading many Asian and African countries for the first time to vote to condemn the Soviet Union; and in dealing a body blow to communism all over the world.

And then he goes on and says:

In the Hungarian crisis it was United States policy to take every practicable step short of war. In pursuing that policy we left no stone unturned. Although the United States is powerful, it is not all powerful. Although the U. N. is influential, it cannot make its will immediately effective against the Soviet Union—any more than it could against the United States—without their consent.

If the membership will remember the President's special message on the Middle East, in the opening days of the session, I think he, too, said that where the interests of the Soviet Union are directly concerned the United Nations cannot be immediately effective; and that, of course, has been reechoed by Mr. Lodge in this letter.

Mr. Speaker, I ask unanimous consent to include the two editorials at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(The matter referred to is as follows:)

[From Life magazine of March 4, 1957]

IF THERE'S A NEW HUNGARY—

As if to write finis to the tragic saga of Hungary, its Communist jailers have been laying fresh mines and barbed wire along the

border, the guard towers are again bristling with machineguns, and patrol boats with searchlights hunt the canals. As the new prison door clanks shut, an inquest is in order. One question dominates all others: Could we have done more than we did to help free Hungary? The answer is: Yes.

President Eisenhower decided against any direct military intervention, for the doubtless valid reason that it could have unleashed a nuclear war. Because of this a school of thinking, led by the University of Chicago's Prof. Hans Morgenthau, is now arguing that a revolution has taken place in United States foreign policy, that all plans for liberation have been abandoned and that we have instead reached a sort of tacit "spheres of influence" understanding with the Soviet Union. Such a policy, the reasoning goes, accepts the kind of semifreedom visible in Poland as the best that can be hoped for. To our mind such arguments misread the real lessons of the Hungarian tragedy.

The biggest lesson is not that a liberation policy has become obsolete but that the United States did not have such a policy ready—and, consequently, was unprepared to take any decisive action (short of military) during the brief period when it might have done some good. Time was the crucial factor in the Hungarian crisis. Had the U. N., with United States leadership, been able to act swiftly in the 5 days when Hungary was free, it might well have been able to forestall the subsequent Soviet invasion.

Some of the things that could have been done to help Hungary were outlined in the New Leader recently by Franklin A. Lindsay, former chief of the United States Military Mission to Yugoslavia. He starts with November 2, the day Premier Imre Nagy proclaimed Hungary's neutrality, demanded withdrawal of Soviet troops and cabled Secretary-General Dag Hammarskjöld asking for UN protection. Lindsay's "what might have been" follows.

United States Delegate Henry Cabot Lodge could have immediately asked for an emergency session of the General Assembly.

The Assembly could have swiftly created a Hungarian observation commission.

An advance commission composed of UN-member ambassadors in Vienna could have flown to Budapest by helicopter and been observing a full day before the massive November 4 Soviet intervention.

Anna Kethly, Nagy's authorized representative, could have been installed as Hungary's accredited UN spokesman.

Nobody can say whether, had all this been done, the Soviets would have dared to slaughter Hungary anyway, right under the eyes of the UN observers. But had they done so the UN could have continued to recognize Miss Kethly as the true representative of Hungary and denied credentials to the puppet Kadar regime. In addition to all this, the UN Assembly could have issued a sort of habeas corpus summons demanding that Russia produce the kidnaped Imre Nagy as the legitimate head of Hungary's government.

What actually happened was this:

At 6 p. m. on November 3, Ambassador Lodge insisted on postponing action on Hungary for 48 hours to allow Soviet-Hungarian "negotiations" to proceed. Yet it was already known that thousands of Soviet troops were pouring into Hungary. At midnight, when the Australian delegate interrupted the discussion of Suez to demand attention to the renewed Soviet attack on Budapest, going on at that very moment, Lodge was not prepared to do anything.

Even 4 days later, for lack of a coherent plan of action, the Kadar delegates were seated. Miss Kethly, the only member of the legitimate Nagy government still free, was not even permitted to address the Assembly. At a time when the numerous ambassadors already in Budapest could have been made U. N. observers, weeks were frittered away in vain attempts to get in.

The whole record is a sorry one, for the United States and the U. N. alike. The most terrible fact, of course, is that the needless Suez invasion happening at the same time not only delayed action on Hungary but emboldened the Russians to intervene. That is why President Eisenhower is right in insisting that every vestige of this aggression be erased. Only by so doing can the free world regain the moral right and strength to act effectively in any new satellite revolt, which could occur at any hour.

Fortunately Britain and France, by correctly yielding to the U. N.'s demands for withdrawal, have gone a long way toward restoring the Western moral unity that will be necessary. The President must also be prepared to act and lead, and his U. N. ambassador must not again be found without guidance or instructions. Certain preparations could be made right now to anticipate the next such crisis. A permanent U. N. observation force could be set up under the direct control of the Secretary General, equipped with its own transport aircraft and communications system.

The U. N. now faces one of its most crucial showdowns on the defiance by Israel, an issue which the President says involves the future of the U. N. itself. But that future can be genuinely secured only if the lessons of the past are not ignored. Gaining Israel's compliance with the U. N.'s orders will, indeed, enhance the U. N.'s moral force. But that force will quickly evaporate if ever again the U. N. proves helpless to protect men who have clawed their way to freedom with their bare hands.

[From Life magazine of March 18, 1957]

AMBASSADOR LODGE'S DEFENSE OF THE UNITED STATES ROLE SHOWS THERE IS A GAP IN UNITED STATES POLICY

In a recent editorial, If There's a New Hungary, Life argued that the United States, acting through the U. N., could have done more than it did to help Hungary during the revolt of October 24–November 4. U. N. Ambassador Henry Cabot Lodge takes sharp issue with this view, charging our editorial with "mistakes and omissions so basic that they invalidate the criticisms." Since the issue is vital to future United States policy toward rebellious satellites, it is worth plenty of further discussion. Here are Ambassador Lodge's points:

"1. The editorial says: 'Had the U. N., with United States leadership, been able to act swiftly.'

"We acted immediately. On October 24, when the first reports came in of trouble in Budapest, the United States mission staff worked throughout the night preparing for possible U. N. action. On the 25th we began urgent talks with other U. N. representatives.

"On October 27, 5 days before Premier Nagy first appealed to the U. N., we called for a Security Council meeting on the ground that Soviet forces were 'violently repressing the rights of the Hungarian people.' This was the swiftest possible action.

"2. The editorial says that 'Lodge could have immediately asked for an emergency session of the General Assembly' on November 2, when Premier Nagy proclaimed Hungary's neutrality.

"An emergency session of the General Assembly cannot be called until the Security Council has finished dealing with a given question. On November 2 the Security Council was still seized of the Hungarian item (in a session called at United States request) and the United States was active in the Council on that subject.

"3. The editorial says: 'The Assembly could have swiftly created a Hungarian observation commission,' and that 'an advance commission composed of U. N.-member ambassadors in Vienna could have flown to Budapest by helicopter and been observing a full day before the massive November 4 Soviet intervention.'

"No observers can enter a country without its consent. Until the very moment of his downfall Nagy gave no sign that he would consent to such a thing—which he might well have feared would hasten the Soviet military attack he was trying to avoid.

"4. The editorial says that Miss Anna Kethly 'could have been installed as Hungary's accredited U. N. spokesman.'

"The U. N. cannot designate people to represent members states—only the member states can do that. Miss Kethly presented no credentials on which the U. N. could act at that time.

"5. The editorial says: 'The U. N. Assembly could have issued a sort of habeas corpus summons demanding that Russia produce the kidnaped Imre Nagy.'

"The U. N. Assembly is not a government; it has no power to summon anybody.

"6. The editorial says: 'At midnight, when the Australian delegate interrupted the discussion of Suez to demand attention to the renewed Soviet attack on Budapest, going on at that very moment, Lodge was not prepared to do anything.'

"The truth is that Lodge was prepared to do much and that he did so. Following the statement of the Australian representative, Mr. Walker, and following two votes on the life-and-death crisis of the invasion of Egypt, I took the rostrum to add my voice to the appeal for an immediate meeting of the Security Council. I had already asked the president of the Security Council to call a meeting. The Council was convened at 3:13 a. m., Sunday morning, and before it rose at 5:25 a. m. had adopted a United States resolution calling an emergency session of the General Assembly.

"The statement further ignores the fact that between October 27 and December 12, the United States sponsored 9 resolutions on Hungary, and I made 25 U. N. speeches and statements on the subject.

"7. The editorial says: 'The numerous ambassadors already in Budapest could have been made U. N. observers.'

"If they had become U. N. observers, their credentials could have been canceled by the Hungarian regime and they could have been expelled from Hungary. This factor weighed heavily with many members of the Assembly.

"8. The editorial says: 'The whole record is a sorry one for the United States and the U. N. alike.'

"The record is not a sorry one. The record is a good one. Although it did not succeed in bringing about the withdrawal of Soviet troops, the U. N. has done things for the people of Hungary which no single country or other organization could have done. The steps which the U. N. has taken have played a useful part in preventing deportations; in bringing food to the people of Budapest; in helping 170,000 Hungarian refugees to find new homes; in persuading many Asian and African countries for the first time to vote to condemn the Soviet Union; and in dealing a body blow to communism all over the world.

"I presume that your editorial springs from the same human emotion of heartsickness that every American must feel at seeing heroes brutally slaughtered and—for the present—defeated. I share that emotion. But we do not advance the interests of these people by wishful thinking.

"In the Hungarian crisis it was United States policy to take every practicable step short of war. In pursuing that policy we left no stone unturned. Although the United States is powerful, it is not all-powerful. Although the U. N. is influential, it cannot make its will immediately effective against the Soviet Union—any more than it could against the United States—without their consent.

"HENRY CABOT LODGE."

Life's criticism was not and is not aimed at Ambassador Lodge, who has worked tirelessly within the limits of Washington's policies and directives. Unfortunately those policies did not anticipate or know how to help a people's revolt against communism, such as the Hungarians staged. United States action was accordingly inhibited by the hope that Nagy would come to terms with the Kremlin (as Gomulka had done).

From October 24 to November 1 the United States "explored" but did not propose action on Hungary. The whipsawed Nagy did not request U. N. observers during that time, but neither were they offered him. On November 1, Nagy did cable appeals for U. N. help, but the United States had none to propose. At the council meeting on November 2 both China and Cuba spoke for urgent action and suggested sending U. N. observers; no action was taken. On Saturday, November 3, when Lodge introduced a resolution, it did not include the proposed U. N. observers; and even though six other members spoke for immediate action, the council with Lodge's concurrence shelved his resolution for the weekend. After massive Soviet aggression caused Lodge to demand the emergency council meeting early Sunday morning which summoned the general assembly, the assembly's vote to send observers came 24 hours too late to help Nagy.

It takes hindsight to blame the United States for bad timing throughout this confused and amazing revolt. But timing was crucial and United States policy did not allow for much foresight. The only bet it could think of was on "further negotiations" between Nagy and the Soviets, rather than on the instinct for freedom of the Hungarian people. The "negotiations" proved a trap and Hungarian freedom went friendless. The failure is not only the State Department's but that of everyone in the world who could be surprised by a demonstration that some people still value freedom above life.

Ambassador Lodge makes some good points about the legal limits of U. N. authority. Either these limits should be stretched in such crises by bold readings of the Charter—as in what we called "a sort of habeas corpus"—or the United States should be prepared with alternative plans outside the U. N. Said Lodge truly on February 28: "The American people cannot accept with indifference or apathy the situation which the Soviets have created in Central Europe." Neither can the people of Central Europe. These are two momentous facts. United States policy must be prepared, as it was in Hungary, to link them when the next challenge to action comes. That is the lesson we cannot repeat too often.

Mr. BENTLEY. These two editorials go on and point out certain things that could have been done even in spite of Mr. Lodge's statements. But I think, if we are going to talk about the United Nations for a moment, it is well to look briefly at the record of last fall. As the House will remember, the first demonstration, the first sign of an uprising in Hungary was on the 23d of October 1956.

Mr. HAYS of Ohio. If the gentleman will yield, will the gentleman agree with me that the action of the United Nations in what it has done in the Hungarian matter, or rather what it has failed to do, would seem to indicate a dual standard of justice, one kind for small countries and the other for large countries?

Mr. BENTLEY. I thank the gentleman for mentioning that point, to which I was coming.

When I inserted in the CONGRESSIONAL RECORD of February 7 this letter of February 5 from the State Department from which I have quoted, I said at the same time that it seems farcical that there is at the present time talk of the United Nations sanctions against the State of Israel because of that country's failure to surrender certain territory in the Middle East without adequate guaranties as to its own national security, and I pointed out what I have contended all along, that if you are a little country the United Nations will discipline you but if you are a great power the United Nations will lecture you, and nothing more. I certainly agree with the gentleman that the United Nations in comparison with the Hungarian case of last fall and with respect to the apparent anxiety on the part of some of its members to enforce economic sanctions against Israel has definitely, to my way of thinking, shown a double moral standard, and I venture to say it is not the first time that has happened with reference to the United Nations.

Let us look at the record of last fall with regard to the United Nations. As I said, the revolution in Budapest began on the 23d of October. On the 27th of October, 4 days later, an urgent meeting of the Security Council was requested by France, Great Britain, and the United States. The following day, the 28th, it was decided to place the Hungarian item on the agenda of the Security Council, and then the council adjourned sine die, leaving it up to the president when to call another meeting.

Nothing further was done until the 1st of November, when the Prime Minister of the free government of Hungary, Imre Nagy, sent Secretary General Hammarskjold a cable asking for help from the United Nations to defend Hungarian neutrality.

On the 2d of November France, Great Britain, and the United States again asked for a Security Council meeting. On the 2d of November the Council proposed no resolution and adjourned to the next day. On the 3d of November, the very eve of the Russian return, the Security Council continued in session. There was a draft resolution. The United States, according to this information, tabled that draft resolution, 24 hours before the Soviet attack, upon assurance of the Soviet delegate that Soviet troops would be withdrawn from Hungary.

Upon the proposal of the Yugoslav delegate no vote was taken on the draft resolution. The Australians made a proposal to meet again the following day. That proposal was not adopted by a vote of 6 to 2, and it was decided to hold another meeting on the 5th of November. Then of course that black Sunday when the Russians attacked, an emergency meeting of the Security Council was called, and the Security Council of course then proceeded with resolutions with which I am sure the Members are familiar.

The point I am making is that we have a lapse of some 10 to 12 days in the early days of the revolution when neither the General Assembly nor the Security Council nor any other part of the United Nations nor any individual within the United Nations so far as I can discover tried to do anything to support the efforts of the Hungarian people to free themselves.

It is all very well to talk about past history, but this is history as recent as 5 months ago. The question now is, What should be done in the future in the case of Hungary or future Hungarys if the situation should so warrant it?

There is an organization that has come into being in New York in the very recent past known as the American Friends of the Captive Nations. Among the members are numbered a good many Members from both Houses of Congress.

I should like to insert the text of a proposed advertisement from his American Friends of Captive Nations, which I understand was being put into some of the larger eastern newspapers last Friday, March 15. I just summarize briefly what their belief is on the situation:

Today the Hungarian people celebrate their national holiday commemorating the victory of their hero, Kossuth, over the Hapsburg armies. Last October 23, they rose once again to overthrow an even greater tyranny.

For nearly 3 months the Hungarian people fought and died for their freedom against the greatest army on earth. Their guns are now silent, but the glory and the tragedy of the Hungarian revolution lives on. Soviet hangmen, Soviet firing squads and the torture chambers of the secret police, are busy taking their revenge on the men and women whose courage exposed the wickedness and the ultimate weakness of communism, as never before in 40 years of Soviet history.

By their sacrifice the Hungarian people have given the lie to the Communist myth throughout the world and shaken the Soviet empire to its foundations. Authenticated reports of student riots and workers' unrest have come all the way from East Germany to North Vietnam, including incidents in the Soviet Union itself. Poland is freer today than any country in Communist history. In this freedom movement lies the greatest hope of permanent peace, if hope can be kept alive.

While the Hungarian people could still reach us through their messengers, their refugees and their radios, they sent desperate appeals for help to the United States and to the United Nations—appeals which still remain unanswered.

How has the free world measured up to the tremendous challenge and the tremendous opportunity they gave us? We have expressed sympathy. We have given money for relief, and we have brought thousands of Hungarian refugees to this country.

But what have we done for the people who remained to fight for their freedom in Hungary?

What effective political action have we undertaken to encourage freedom in Hungary and throughout the Soviet empire?

What have we done to establish the United Nations as an effective instrument for insuring world peace?

While the Hungarian people could still fight they bought space and time in the press and radios of the world, with their lives. They forced the U. N. to talk about

Hungary and to pass resolutions, however inadequate. But when the Hungarians could no longer make those headlines, when the frontiers were finally closed to refugees, and the blanket of silence was clamped down again by the weight of 20 Soviet divisions, a similar silence about Hungary prevailed in the United Nations. The United States delegation has shared in that silence.

Meanwhile the U. N. dealt sternly with Israel, threatening drastic sanctions because Israel delayed the evacuation of a few square miles of desert in the Gaza Strip and the Gulf of Aqaba.

Contrast this offense with Soviet armed intervention in Hungary, which has overthrown the legal government, kidnaped the Prime Minister, set up a puppet regime and maintained this regime in power by mass arrests, mass deportations, and mass executions—carried out under the guns of Soviet tanks, and in defiance of no less than 10 resolutions of the U. N. General Assembly. Whatever we may think of Israel's action, to compare its brief invasion of the Sinai desert with Soviet Russia's enslavement and torture of a whole people is like equating measles with leprosy—or, in legal terms, equating assault under provocation with unprovoked mass murder.

Now Israel, France, and Britain have all complied with the resolutions of the General Assembly. The danger of war has receded and whatever claims the Suez crisis ever had for priority is ended. But Soviet armies remain in Hungary and U. N. resolutions passed 4 months ago are still contemptuously ignored. The U. N. must act on Hungary now or be dishonored.

What power the United Nations has is a moral power which must appeal to the conscience and sense of justice of the member nations for its implementation. As the President said on February 20, "Peace and justice are two sides of the same coin." The U. N. may survive a failure to enforce justice against the defiance of great states, but it cannot survive failure to press for equal justice for all its members. Above all, it cannot survive if it imposes one law for the strong and one for the weak.

The integrity and influence of the United Nations can only be preserved either by imposing sanctions on all aggressors who defy U. N. resolutions, or none, and by imposing sanctions first on the nation guilty of the greatest violation of the U. N. Charter and Assembly resolutions—the Soviet Union.

On February 20, the President excused the failure of the United Nations even to propose sanctions against Soviet Russia on the ground that Russia, "by reason of its size and power and by reason of its veto in the U. N. Security Council, is relatively impervious to other types of sanctions."

But Soviet aggression against Hungary has been immensely costly in terms of Soviet influence, Soviet discipline, and Communist unity throughout the world. Economic pressures played a vital part in the Hungarian and Polish revolts and in the discontent which has shaken the Soviet empire and leadership. More consumers goods must be produced to meet this unrest. The Soviet Government must also make immense efforts to fulfill its plans to arm and industrialize China, and to subvert the Arab world. The difficulty of all these tasks would be greatly increased by the imposition of U. N. economic sanctions.

But what have we done for the people who have remained to fight for their freedom in Hungary? What effective political action have we undertaken to encourage freedom in Hungary and throughout the Soviet empire? What have we done to establish the United Nations as an effective instrument for insuring world peace?

It goes on to discuss the point that my friend, the gentleman from Ohio, brought up a moment ago as to the different standard the United Nations showed in dealing with the Soviet Union on one hand and Israel on the other.

Ten resolutions of the United Nations general assembly have been defied by the Soviet Union. Israel, France and Britain have complied with the 10 resolutions, but the Soviet armies remain in Hungary and United Nations resolutions passed 4 months ago still are contemptuously ignored.

The U. N. must act on Hungary now or be dishonored.

What power the United Nations has is a moral power which must appeal to the conscience and sense of justice of the member nations for its implementation.

As the President said on February 20, peace and justice are two sides of the same coin. The United Nations may survive a failure to enforce justice against the defiance of a great state, but it cannot survive the failure to press for equal justice by all its members, and above all cannot survive if it allows 1 law for the strong and 1 law for the weak.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. KEATING. I want to endorse emphatically the statement just made by the gentleman from Michigan and to call to his attention that sometime ago I introduced a resolution for the House to act upon which would condemn the brutal suppression that took place in Hungary and urge the United States delegation to continue to press for a United Nations investigation. I realize that the passage of resolutions of that kind may not have any binding effect, but certainly I would feel more comfortable as a Member of the Congress, if the Congress itself were to go on record formally in this regard.

I have been urging that this matter receive the attention of the Committee on Foreign Affairs. I know that the gentleman from Michigan has been cooperative in that regard. I hope he will confer with the other members of the committee in an effort to bring out something, not necessarily at all in the language that I happened to have framed it in, but something which will put this Congress on record with regard to this brutal and inexcusable action which, of course, must be handled in the last analysis through the United Nations. But, it seems to me we should not remain silent. I commend the gentleman from constantly bringing before us these actions which have shocked the conscience of the world.

Mr. BENTLEY. I certainly thank my good friend from New York for his remarks. Of course, I am very familiar with his resolution which is pending before our committee. I would presume, although I do not know for sure, that it is probably awaiting a report from the Department of State, which is usually requested in such instances. But, I will assure my friend from New York that I will do everything in my power to see that my committee, the Committee on Foreign Affairs, takes expeditious action on that because I agree with the gentleman that the Congress should definitely put itself on record in this situation. I also wonder if the gentleman would like to comment on this subject in view of the limitation of the United Nations with regard to the Soviet Union if it is not incumbent upon us not through the United Nations, perhaps, but outside the United Nations to try to evolve some policy with respect to the liberation of the satellite peoples.

Mr. KEATING. I agree with the gentleman because the United Nations has given some indication of having a double standard or a different standard for the weak and for the strong. The United Nations, of which I have been and still am an ardent supporter, can never survive unless they treat everybody alike because eventually they are going to fall of their own weight unless they get away from that practice.

Mr. BENTLEY. I wonder if the gentleman will recall that even 6 years ago the United Nations imposed what might be termed a double standard of action in dealing with North Korea, on the one hand, and Communist China, on the other.

Mr. KEATING. That is right. They did the same thing, to a certain degree, in the Kashmir dispute and in other instances. Those of us who really and sincerely want to see the United Nations a success are acting in the interest of that objective when we insist that they do not have any double standards, but a single standard of international morality and justice.

Mr. Speaker, March 15 marked the 109th anniversary of the Hungarian declaration of independence against foreign oppression. This day, when Hungary first became independent of the Hapsburgs, is traditionally celebrated throughout the world as the Hungarian anniversary of national independence.

Hungarian Independence Day, 1957, holds special significance for all of us, following so closely as it does the brave revolt led by the freedom fighters of Budapest last fall. Although we knew it before, that noble effort for freedom, that gallant stand against overwhelming odds, has served to remind the world in the most forceful terms possible that the spirit of freedom still burns bright in the hearts of the Hungarian people.

Hungary's historic tradition, which animated the brave patriots of Budapest during the recent uprising, reflects the spirit of a poem known to all Hungarians, Petofi's Appeal.

This is the immortal work which was recited by the poet himself and helped

to spark the opening of the war of independence of 1848–49. Here is its opening stanza, as translated by Watson Kirkconnell:

Magyars, rise, your country calls you!
Meet this hour, whate'er befalls you!
Shall we freemen be or slaves?
Choose the lot your spirit craves!
By Hungary's Holy God do we swear,
Do we swear that servile chains we'll no more bear!

How eloquently, Mr. Speaker, did the brave freedom fighters of 1955 manifest, by their deeds, the spirit and fortitude of their ancestors. They have shown by their example that no amount of cruel and barbaric oppression can break the spirit of a people steeped in the traditions of liberty.

I have indicated, in my previous colloquy with the gentleman from Michigan, my feeling that the United States has a solemn obligation, through the channels of the United Nations, to investigate fully the barbaric suppression of the Hungarian uprising.

It was my privilege recently to have lunch with Josef Koevago, former mayor of Budapest, a shining example of the indomitable spirit of his people today, and an eloquent spokesman for all the Hungarian freedom fighters.

In a statement before the United Nations Special Committee on the Hungarian Problem, Mr. Koevago told graphically of the stern spirit which inspired the Budapest uprising:

Ever since I was a child I have professed to tell the truth and nothing but the truth.

At times this can become very difficult and such an attitude may often result in grave consequences. I may state this with authenticity because of such conduct I had a taste of Nazi as well as Communist prisons. I spent a large part of my life in damp cellars and musty dungeons. I was guilty of only one crime: Inspired by a sense of justice instilled in me, I defended freedom against tyranny. * * *

It is difficult for me to tell the truth because I have to paint a realistic word-picture of an epic struggle written in blood: of a struggle in which the participants rose high above the normal measure of mortals; in which 14-year-old children became models of antique heroes and 70-year-old grandmothers acted as Roman matrons. * * *

There are memories of glorious days, followed by gloom. During the first there was the exalted joy of rapturous crowds, in the smoke-filled streets; during the latter, the somber calm of men determined to die, in the rubble-littered streets of the wounded city. * * *

Events alone do not make historical facts: Aspirations, thoughts, and feelings of the people are closely related to them.

Mr. Speaker, President Eisenhower has aptly said that "Budapest is no longer the name of a city, henceforth it is a new and shining symbol of man's yearning to be free." Our country has a firm duty to the brave freedom fighters of Budapest and all Hungary to gain a full United Nations review of the Communist purge that quelled the recent revolt.

Mr. Speaker, the list of Hungarians who have made distinguished contributions to our Nation is a long and proud one. From our earliest days, people from Hungary have exerted a profound influence on the course of events in the United States.

Some say that Lief Ericson's sailing companion, Tyrker, was a Hungarian. But perhaps the most famous of the early Hungarians in this country was Col. Michael Kovats, who served with such distinction and bravery in the Revolutionary War.

Names of other Hungarians dot the honor rolls of every phase of American life. Joseph Pulitzer, Stefan Lorant, Eugene Ormandy, Edward Teller, Bela Bartok, Sigmund Romberg, Fritz Reiner, and the late John von Neumann—these are just a few of the names that come immediately to mind. Combining their rich heritage with a love of their adopted land, these and others of Hungarian descent have left an indelible mark on the American scene.

Let us, on this 109th anniversary of Hungarian Independence Day, resolve that the noble people of Hungary, on both sides of the Iron Curtain, shall not be forgotten. The spirit of Louis Kossuth, perhaps the greatest of all Hungarian freedom fighters, is not dead. Hungary will rise again. Until that day, our hearts go out to all of those now groaning under the yoke of Communist tyranny. May they one day soon regain the freedom they cherish so dearly.

Mr. BENTLEY. Along the line of the remarks of the gentleman from New York [Mr. KEATING] I would make one more point. A great many people have said if the United Nations do not adopt a single standard of treating all nations alike, it would go the way of the League of Nations. I would remind the House that even the bankrupt League of Nations, on its last legs, when it was almost expiring, drawing its last breath, nevertheless in 1939 had the moral fortitude to expel the Soviet Union for its unprovoked attack upon Finland.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. McDONOUGH. I want to compliment the gentleman on the fine statement he has made and the appeal he is making for justice in an international body such as the United Nations, in dealing with these problems that are evolving and evidently will evolve between other nations in the future. The Hungarian people, in my opinion, have exemplified a spirit of liberty and independence, and sacrifice for liberty and independence that is unequaled in the contemporary history of the world. They are entitled to all the aid they can obtain from democratic nations throughout the world, and it seems to me if the United States does not exert its influence in the United Nations in this instance, that we are failing in our duty as a member of the United Nations, not only in bringing the Soviet Union to account for its actions during the revolution, but for the subsequent operations that are going on in Hungary today, where those who fought for liberty and independence, to which they felt they were entitled, are being led before a kangaroo court and probably before a firing squad as a result of their actions.

I want to endorse all the gentleman has said, and if we cannot obtain action of the Foreign Affairs Committee on the resolution to which the gentleman referred, we may resort to the same action that we did in trying to keep Mr. Tito out of the United States, by circulating a petition asking that he be not invited.

Mr. BENTLEY. I appreciate the remarks of the gentleman.

Dare we rest content with giving nothing to Hungary except sympathy and relief? In Korea, rightly or wrongly, we forfeited victory and granted the Communists their privileged sanctuary lest we increase the danger of global war. But in Hungary, fear of the risk of war has been carried to far greater extremes. Apparently we dare not even impose the mildest economic and diplomatic sanctions provided by the U. N. Charter, lest we provoke the Soviets. Paradoxically, at the very moment that United States foreign policy is based on the U. N. as never before, our lack of political leadership to save Hungary is leading the U. N. toward the fate of the League of Nations. If continued, this weakness will destroy faith both in the United States and the United Nations and thus lead to the ultimate conflict we are seeking to avoid.

Therefore, for the honor of the United States and the future of the United Nations, we urge that our delegation propose economic sanctions against the Soviet Union now.

POLITICAL AID FOR HUNGARY LESSENS THE DANGER OF WAR

No one wants war, but frequently timidity is more dangerous than resolution. No great power can conduct an effective foreign policy without risks—risks such as we faced in rescuing Greece from Communist invasion in 1947, in breaking the Berlin blockade in 1948, in defending Korea in 1950.

This is the most unfavorable moment the Soviets could select to go to war. For the Soviet rulers now know that the 60 satellite army divisions are utterly unreliable; the Hungarian Army taught them that. The Communist leaders face widespread and deep-seated discontent, defection, and desertion of the satellite armies and even of Soviet troops themselves, strikes, sabotage, passive resistance, and a dire threat to their communications in case of war.

If we back this great movement by all the economic, diplomatic, moral, and propaganda pressure at our command, the Soviets may be induced to withdraw from Eastern Europe in their own interest. The cost of permanent military repression of so vast an area would be prohibitive. But if by word or deed or paralyzed inaction we help to discourage the resistance in the captive nations, we help by just that much to strengthen and stabilize the Soviet position. We will be helping them to face us with greater power and resolution, at a time of their own choosing.

As for a Soviet atomic attack, why should we assume that the Soviets have any less to fear from nuclear warfare than we do? Why should they challenge us with the one weapon with which we are best prepared?

Mr. Speaker, I am most sincere in saying that it is of the utmost importance

that our Government resolve, if possible through the United Nations, some policy with regard to the captive peoples today living under international communism.

It is my firm belief that if we had any uprising tomorrow in Hungary or in Poland or in East Germany or in Czechoslovakia or in any of the other captive states, that this Government would do nothing more than was done 5 years ago in the case of Hungary. I do not believe that we have decided upon any policy that, in our opinion or in the opinion of our policymakers, would not come too close to the risk of war to be effective.

We actually are witnessing or have witnessed within the captive nations over the past several weeks or months two different types of liberation. One type of liberation is what we might term the evolutionary type of liberation, the type of liberation we see in Poland today. The other type of liberation is the revolutionary type of liberation which we witnessed in Hungary last fall. I do not believe, at the moment, that we have a policy to deal with either type of liberation, certainly not with the revolutionary type. On the other hand, I am not certain that our Government has made any firm decision in the case of what to do with Poland. As the House knows, there has been a delegation from Communist Poland in this city for some weeks now negotiating, I understand, with our own Government representatives, on the amount of financial and economic assistance they might get from us. Many fine gentlemen, both inside and outside the Congress, have come out very strongly on one side of that issue or the other. Some gentlemen have made very positive statements that they think there should be every possible aid given to Communist Poland to try to wean them away from the domination of Moscow. There are other gentlemen equally sincere, I believe, who come out flatly against any aid to Communist Poland at this particular time. Personally I am not at all sympathetic to giving any aid to Communist governments, whether it be that of Yugoslavia, that of Poland, or anywhere else.

But in view of the fact that we have so many questions unanswered I think with respect to Poland, so many questions unanswered with respect to Gomulka and his regime in Warsaw, so many unanswered questions as to the degree, the extent to which this aid might reach the Polish people, I think that until these important matters are decided—and, frankly, all the facts as to what has happened have not been presented to us—we cannot make up our minds. That is why I say we do not have the information on which to adopt the policy to assist evolutionary liberation any more than we had a policy last fall to adopt with respect to revolutionary liberation.

I can vouch for the intensity of feeling of many people with respect to the United Nations. For example, day before yesterday, Saturday night, in New York I was privileged to address a meeting of 2,000 Hungarians honoring this anniversary. Yesterday afternoon in Detroit I addressed a similar meeting numbering approximately 3,000. The Members might be interested in knowing that both of those meetings unanimously adopted resolutions which I assume will be forwarded to the Congress in the due course of time, urging the application of economic sanctions and other forms of pressure short of war to force the Soviet Union to live up to the resolutions which passed the United Nations last fall, and, failing that, that the United States give consideration to withdrawal from the organization itself.

I, of course, personally am not prepared to adopt the second alternative, for the very specific reason, in all those instances, and many others which I have tried to emphasize before, Mr. Speaker, if you are going to take effective action against the Soviet Union you cannot confine it to the United Nations because of the power which the Soviets are misusing when their veto is exercised and wielded in that particular body.

I do not know, although I should hope, that our executive branch of Government would give this question of liberation a great deal more study, perhaps, and attention and careful thought than has been true in the past. At the same time, I would hope that this Congress could by the expression of its will, such as perhaps by the adoption of the resolution offered by the gentleman from New York, or similar resolutions, would itself express how it feels about the question of liberation. If we have a similar situation, for example, to that which happened in Hungary last year, how far does the Congress believe that our Government should go to try to assist those people? How far, for example, should we go, on the other hand, in the case of a country that, although Communist in nature, is trying to shift peaceably away from domination by Moscow? Those are expressions of opinion which I think the Congress of the United States as representatives of our American people has a perfect right to express and I believe if the Congress does express that opinion the executive branch will adopt it. It is my suggestion and my sincere hope that we here in the House and in the other body this year can take some effective action, as I say if by nothing more than a resolution, that will let the executive branch of Government know how we feel about this most important problem, and it is important, Mr. Speaker, because not only by allowing these people to remain under Communist domination do we thereby increase the risk of war itself but at the same time I think we have a certain moral obligation about which I should like to speak for just a moment.

After all, although we are speaking here of the Hungarian situation in observance of the Hungarian anniversary of independence, what we can say about Hungary applies to all the captive people of Eastern Europe.

We in this country have a wonderful birthright of freedom, we have a wonderful blessing. It is a great thing. Sometimes I wonder if we properly appreciate it. But if we merit this freedom, if we fully deserve it, we have a moral if not a legal right to do everything we can to see that that freedom and that blessing is extended to the millions of people who today are without it. I do not say that we have to embark on a crusade and enforce the American standard of living all over the world, but I do think we must recognize the fact that as long as the present world is divided into a free world and into a slave world that the risk to ourselves and to our own national security is very great and I would hope that the American people would feel themselves impelled very strongly, as I say, to follow a policy that we might hope would eventually result in the ultimate liberation of peoples everywhere throughout the world.

If such a policy is adopted, if such a course of action is pursued, if our efforts and our hopes in this direction are followed, then, certainly, the Hungarian freedom fighters, the heroes of last fall, and the many other martyrs to Communist tyranny throughout the years of domination behind the Iron Curtain, cannot say that they sacrificed their lives in vain. If we have learned anything from the sad experience in Hungary, it is that people are not afraid to fight and die for their freedom. Some people have advocated that it is wrong for the Hungarians to rise up and fight, that if they wanted to be liberated they should pursue a more pacific course of action. We have no moral or no legal right to tell any captive peoples how they should liberate themselves any more than we have any moral or legal right to tell the people it is wrong to fight against tyranny. What would such a preachment on our part be but a repudiation of the principles contained in our own Declaration of Independence?

So, Mr. Speaker, it is incumbent upon us as representatives of the American people, the leaders of the free countries of the world, to find policies that will be of effective assistance to those captive nations, those captive peoples, who attempt to liberate themselves regardless of what method that form of liberation is pursued. This is a responsibility that should rest on the shoulders of the executive department. I say to you, because of the attitude of the executive department in this particular respect, I think it is up to the Congress to take some effective leadership in this matter, and I sincerely hope that some of us, at least, can come up with some suggestions, some resolutions, some ideas as to how the Congress might express its feelings and the feelings of the people it represents, with the hope that such a resolution would command overwhelming support in both Houses of this great body.

As I say, we are recognizing this Hungarian anniversary, and I appreciate the support that my colleagues have shown for me because of my own interest in this situation, both when I spoke 2 months ago and at present. I can only repeat what I have already said, and that is I believe this cause of trying to help peoples to help themselves to be free is as worthy a cause as anyone can possibly embark on; and it is my intention so long as I remain in the Congress here, to do all in my power, with the help of so many of my friends on both sides of the aisle who are interested in the same

cause, to achieve that wonderful goal of freedom for all men throughout the world.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BENTLEY. Mr. Speaker, before I yield, I would like to say that the gentleman from Massachusetts [Mr. McCORMACK] is one who, in spite of his many, many duties, has always exhibited the utmost cooperation and the deepest sympathy in this matter, and I cannot tell him personally how much I appreciate his invaluable assistance and his interest in this respect.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks in the body of the RECORD following the gentleman from Michigan [Mr. BENTLEY].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I appreciate very much the remarks made by my friend from Michigan [Mr. BENTLEY] about my efforts in cooperation with him in connection with this very far-reaching matter. I am pleased to take part with the gentleman from Michigan [Mr. BENTLEY], and the other Members in today's commemoration of Hungarian Independence Day. I also want to extend my hearty congratulations to my friend from Michigan in the fight that he is making: objective, impartial, sincere, and courageous. The gentleman is making one of the greatest fights that could be made, because he and I realize, as well as do other Members of the Congress, that the fight that is being made in Hungary is a fight for liberty. It is the fight on the part of men and women who want to be free under their own laws and under God. We recognize that little Israel is fighting to retain liberty, and little Hungary is fighting to regain liberty. We know that a great many Members of the Congress have seen in this occasion an opportunity to reaffirm the basic and historic friendship between the people of the United States and the people of Hungary. Our friendship has been forged upon the anvil of human freedom and on the field of battle where patriots have died for those human values without which life becomes intolerable.

This year Hungarian Independence Day takes on a special significance. The Hungarian freedom revolution of last October and November has again cast the valiant Hungarian people in the role of martyr for freedom. That was the ninth revolt of the Hungarian nation against foreign tyranny and oppression. As far back as the year 1241, the Hungarian people were called upon to defend civilization against the invading armies of Genghis Khan. The campaigns of Genghis Khan had swept all before their fearful onslaught. But the Hungarians fought with such courage and determination against the army of the Khan as to interrupt the victorious march through western Europe. It was not long after that the armies of Genghis Khan withdrew from Europe with the swiftness of the breaking dawn. Soon thereafter the sprawling empire of the Khan began to disintegrate.

October 6 of each year is celebrated by the Hungarian people as a day of special mourning for the Hungarian patriots killed by the Russians in the freedom revolution of 1849. The Hungarians, fighting to establish their national independence, were attacked by the Russians who then as now were in the service of the imperialists and colonizers.

October 22 is also celebrated by the Hungarian people as the date when St. John of Capistrano, an Italian monk, led a small but determined army of Hungarians and other Europeans, against the invading armies of the Sultan Mohammet. The Hungarian Army at that time, outnumbered by 15 to 1, won a great victory against a foreign aggressor.

Last October 23 marked the 500th anniversary of the victory of the army of St. John of Capistrano. It is significant that the Hungarian freedom revolution of last October broke out on the 23d day of the month. This was not an accident. The Hungarian people are very conscious of their place in history and the greatness of their efforts to defend and preserve civilization.

By their last freedom revolution, the Hungarian people have made another tremendous contribution to the cause of human freedom and peace. The brutality of the Red army and the tyranny of the Russian Communists cannot long deprive the Hungarian nation of the great victory they won in their October revolution.

The damage the Hungarians have done to the conspiracy of world communism is immeasurable. The restored strength and confidence the Hungarian patriots have given to the cause of freemen is incalculable. These are the great things of the spirit which no dictators will ever be able to take from those gallant people.

The Hungarian freedom revolution has destroyed the paralyzing myth which held that revolution inside the Communist empire was impossible. It also destroyed the equally paralyzing myth which portrayed Russia and her Red army as invincible. A mortal blow has been struck against the Communist conspiracy to enslave the world. For these great contributions to peace and freedom, the people of the world are forever indebted to the whole Hungarian nation. History has preserved a special place for the Hungarian martyrs who made the supreme sacrifice in order that we and other people of the free world would learn the truth about conditions behind the Iron Curtain, and the dedication of the people to the cause of liberty.

The conscience of the people of the free world is disturbed today because we failed to rally to the cause of the Hungarian freedom fighters. While the Hungarian people were fighting and dying for freedom's cause, the leaders of the free world stood in awe and seemed paralyzed by the force of the events taking place behind the Iron Curtain. This is a dark chapter in freedom's cause we must never allow to happen again. We, the people of the free world, must never again permit our cause to be defeated by default of our leaders.

We owe it to the gallant people of Hungary and to all the other people enslaved behind the Iron Curtain to take whatever steps are necessary to make certain that we shall never again be guilty of the sin of unpreparedness in the face of circumstances which bear upon the very survival of our free way of life.

It is fair to ask what has caused us to slip so far as to be so unprepared as we were when the Hungarian freedom revolution broke out on October 23, 1956. What has happened to our intelligence on developments taking place behind the Iron Curtain? How could our combined intelligence estimate that all was quiet behind the Iron Curtain when the people of Hungary had for weeks been on the verge of total revolution? These are questions which bear upon the security of the United States and must be answered by those responsible for the collection and evaluation of international intelligence.

How could our policymakers be removed so far from the world of reality as to believe that there was a finality to the Communist enslavement of people behind the Iron Curtain and that revolt against the tyranny of Moscow was impossible?

How far have we drifted from our traditional position as exponents of the cause of freedom and independence as to believe that men—yes, women and children—were not prepared to fight and die for those spiritual values which are as precious as life itself? How far have we slipped down the road of materialism so as to believe that men live by bread alone? Have we become such victims of fear that we reject all courses of action as likely to cause war when experience of the recent past teaches us that only courageous action and forthright support of principles will save the peace?

These are not partisan questions. These are questions which bear heavily upon the survival of our free way of life. These are questions which the American people have every right to ask.

The Hungarian freedom revolution has, in my judgment, revealed two significant weaknesses in our preparedness program which the American people have always insisted be superior to any other in the world. It has revealed the cold fact that our intelligence system has fallen into disrepair and that intelligence data are being manufactured to support conclusions arrived at by a group of immature theorists. The second thing this revolution has revealed is that the United States does not have a policy for the nations and the people enslaved behind the Iron Curtain.

One minute the administration tells us it favors liberation of the enslaved nations and people. In the same breath it tells the masters of the Kremlin that it does not favor governments unfriendly to communism on the borders of the Soviet Union. This so-called policy of liberation has completely neglected the nations enslaved within the Soviet Union such as the Ukrainians, Armenians, Georgians, and others. The once independent nations of Lithuania, Latvia,

bering approximately 3,000. The Mem- is extended to the millions of people who so many of my friends on both sides of the aisle who are interested in the same

and Estonia are not even mentioned by responsible leaders of the administration. In short, we do not have a policy with respect to nations and people behind the Iron Curtain and thus our destiny is placed at the mercy of those who are prepared to make a deal with the Russian leaders which will inevitably lead to world war III. It also appears that we now do not have a firm policy with respect to the threat of communism. The administration appears to have forgotten that the American people contribute billions of dollars each year to programs necessary by the threat of communism made to the survival of our free way of life.

My concern about the plight of the Hungarian nation and the failure of the United Nations to take action in support of the Hungarian nation is well known. When the Hungarian Freedom Fighters were making their gallant stand against the Russian invaders, I urged that the administration cause the United Nations to use its full moral strength to guarantee the newly won freedom and independence of the Hungarian people. In the darkest hour of the Hungarian revolution I urged that the United Nations send teams of observers to Budapest by air, without waiting for word from Budapest, which was then under a state of seige. The admission of the United Nations observers would thus have been a matter of fait accompli. Such action could very well have caused the Russians to get out of Hungary. I am confident the United Nations observers' reports to the free world on the brutality of the Red army would have aroused all of mankind into action.

In the final analysis it can be said that the United Nations stood helpless in the face of Communist aggression in Hungary. The resolution passed in the General Assembly condemning Russian aggression against Hungary and calling for the withdrawal of the Red army from the territory of that nation has been ignored, even viewed with contempt by the masters of the Kremlin. This shameful condition is aggravated by the latest news that the American delegation to the United Nations will not press for the enforcement of the General Assembly resolution on Hungary. The reason given for this latest inaction is that some nations of the free world are not enthusiastic about taking steps to enforce the resolution. From this it would appear that the overriding policy of the administration is to win some sort of imagined popularity contest rather than to maintain the respect of other nations and people by standing up for our time-honored principles.

The fault of all of this does not rest with the American delegation to the United Nations. That delegation can do no more than carry out established United States policy. It cannot act in the absence of policy and it can only go as far as the limitations of a given policy.

The fault for our failure to be prepared for freedom revolution behind the Iron Curtain rests firmly upon those officials who by law are charged with such responsibilities. It seems incredible that we, as a nation, charged as we are with such a large burden of the task of preserving human freedom, did not even have contingency plans to fall back upon in this situation of unparalleled opportunity. The facts surrounding our inaction can lead nowhere but to this conclusion.

We owe it to the martyrs of Hungary to make certain that we shall be prepared when the next challenge to action confronts us. We owe it to our children and our children's children to be thus prepared. All that is dear to us is at stake—the survival of our free way of life.

Might I say on the legislative level, the Committee on Foreign Affairs of the House of Representatives has taken action that I consider can produce very significant results. The Committee on Foreign Affairs has appointed a subcommittee to look into this matter not only to obtain evidence from those persons who escaped from the Communist persecution in Hungary, but also to explore further the possibility of a policy on the part of our country unilaterally or in conjunction with the United Nations that could be put into operation in the event of future revolts such as occurred in Hungary, in the minds and on the part of people in other satellite controlled countries. The gentleman from Michigan, as I remember, is a member of that subcommittee. That subcommittee will soon go to Europe and there hold hearings, I believe, in Austria. The committee is dedicated to a great task and a great responsibility. I am sure that as a result of the work of that subcommittee, there will come recommendations to the Congress and recommendations to our own Government as well as recommendations to the United Nations that will be beneficial in meeting the problems that lie ahead of us in the days, weeks, months, and years that face a troubled world. The basic thought that we must constantly keep in mind before us is that which has been so ably expressed by my distinguished friend and colleague, the gentleman from Michigan [Mr. BENTLEY] that this is a fight for liberty and the desire for liberty is a God-given right which exists in the minds of human beings and that dictators might suppress it, but they can never destroy the desire for liberty. The real battle against communism is going to be won or lost, and I predict won, in the minds and hearts of men and women everywhere who believe in liberty; and who, when conditions become unbearable, will give up their lives if necessary in the battle for liberty. While things look dark, I have every confidence in humble human beings like myself, who believe in liberty, who will fight and die if necessary to retain or regain liberty. I have every confidence in the minds and hearts of countless millions of persons behind the Iron Curtain, and even in the Soviet Union itself who hate communism, who despise what it stands for, who are hoping and praying for the day of deliverance and who, if necessary, will give their lives to regain liberty.

Again I want to express my hearty congratulations to the gentleman from Michigan [Mr. BENTLEY] in the great fight he is making, and my pleasure not only as a legislator but personally to cooperate with him.

Mr. BENTLEY. I thank our respected majority leader very much indeed.

Mr. Speaker, I now yield to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Speaker, I am pleased to take part in the commemoration of Hungarian Independence Day. The Hungarian nation, down through history, has demonstrated an unbreakable union with the basic human freedoms upon which our whole civilization is built. The Hungarian people know well the lash of the tyrant's whip because history has cast them in the role of defender not only of their own nation, but for several centuries, defender of the civilization of western Europe. Nor are the Hungarian people new to the need for revolution against a foreign oppressor because history is marked with such heroic fights by the Hungarian people.

In commemorating the independence of the Hungarian nation, all of us have foremost in mind the Hungarian freedom revolution of last October. The Hungarians again performed a great service for civilization because they reawakened in all of mankind strong feelings for the oppressed nation and people behind the Russian Iron Curtain. By their revolution the Hungarian people have destroyed many of the myths built up by 30 years of Russian propaganda. The Hungarians have exposed communism as the enslaver of nations and the tormentor of people. The wave of the future upon which the Russian Communists have been riding high for all too long, smashed itself against a Gibraltar of truth erected by the Hungarian patriots. The Russian Communists do not ride with the wave of the future. The Hungarian freedom fighters have restored freedom's cause to the very crest of the wave of the future.

Mr. Speaker, I have given long and careful study to the cause and effect of the Hungarian freedom revolution. I am convinced beyond any doubt that if we of the free world fully exploit the lessons learned from the Hungarian revolution, we will inflict a mortal blow against the conspiracy of communism. I was so impressed with the great opportunities which the story of the Hungarian revolution presented that I made inquiry of the United States Information Agency as to what they had done to take advantage of this situation and what their plans for the future might be in this connection. This morning I received a reply from Arthur Larson, Director of the United States Information Agency, in response to my letter of March 11, and I include this correspondence in my remarks at this point in the RECORD.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 11, 1957.

Mr. ARTHUR LARSON,
Director, United States Information Agency, Washington, D. C.

DEAR MR. LARSON: As you know, I attach great importance to the October Hungarian revolution for freedom and the possibilities it opens up for causing a major setback to the Communist conspiracy.

In my considered judgment, the free world has an unparalleled opportunity to expose communism for what it really is and to break

the hold the Communists have all too long held on the slogans which should belong exclusively to those who believe in freedom's cause. If we exploit all the opportunities accorded us by the heroic struggle by the Hungarians to throw off the yoke of communism, I feel we can speed the day of peace and freedom for all nations and people.

The United States Information Agency, as I understand it, is charged with the responsibility of developing programs and projects on a worldwide basis to expose communism in its realities. I am aware that your agency has undertaken a number of activities in this regard during and since the Hungarian freedom revolution. I would, however, appreciate having from you a statement of the highlights of what United States Information Agency has done in connection with the Hungarian revolution and what the agency proposes to do in order fully to exploit this situation of opportunity in the future.

It is not necessary for me to tell you that my inquiry is based solely on the desire to make certain that our Government does all it possibly can to create an indelible mark of the Hungarian revolution in the minds of people everywhere.

I will appreciate hearing from you in this regard at your earliest convenience.

Sincerely,

MICHAEL A. FEIGHAN.

UNITED STATES INFORMATION AGENCY,
Washington, March 18, 1957.

The Honorable MICHAEL A. FEIGHAN,
House of Representatives.

DEAR MR. FEIGHAN: This will acknowledge your letter of March 11, 1957, requesting information on the Agency's program in connection with the Hungarian freedom revolution.

I concur in your estimate of the tremendous importance of the Hungarian revolution and agree with you that this historic event presents an unparalleled opportunity to expose communism for what it really is. Since the day the uprising commenced we have been utilizing all our information media to a maximum extent in an effort to create, as you so well put it, "an indelible mark of the Hungarian revolution in the minds of people everywhere." There is enclosed a highlight report of activities we have undertaken in that direction to date.

As to the future, one of our major information themes will be the Hungarian freedom revolution. We intend to point out and to keep on pointing out that it was the intolerable conditions of life in Hungary created by Communist rule of the country which precipitated and made inevitable the uprising. We propose to devote substantial resources to this effort and in every way possible to keep the issue alive in the minds of people everywhere.

We greatly appreciate your interest and support of the information program, as well as the many constructive suggestions you have given us.

Sincerely yours,

ARTHUR LARSON, *Director.*

HIGHLIGHTS OF UNITED STATES INFORMATION AGENCY ACTIVITIES IN CONNECTION WITH THE HUNGARIAN REVOLUTION

The Hungarian freedom revolution gave the United States Information Agency perhaps the best opportunity yet to demonstrate the value of United States overseas information activities. It seems probable that if this agency or a similar operation had not been in existence at the time, millions of people might never have learned the truth or might have heard only Communist distortions and lies about that revolution. The Communists would have found it far easier to deflect world attention to the Suez crisis. The present efforts of the Russians to persuade the world to forget Hungary would have had far greater chance of success.

When the Hungarian uprising suddenly began, the Agency covered developments on a "crash" basis, with the Agency's fast media, radio and wireless, carrying the major responsibility.

As soon as the first confirmed reports on the situation in Hungary were received, the Voice of America gave the story around-the-clock coverage. During the first week, more than 50 percent of all news broadcasts, which go out in 41 foreign languages, plus English, were devoted to the Hungarian story. In news broadcasts to the people behind the Iron Curtain the percentage rose to 60, then 80 percent.

As world reaction developed, the technique of "cross reporting" was extensively used. For example, former Burmese Prime Minister U Nu visited Saigon, and Vietnamese reporters elicited a statement from him condemning the action taken by the U. S. S. R. This statement was broadcast immediately in Vietnamese to North Vietnam. Subsequently, a commentary was prepared, which included U Nu's statement in his own voice, and this was used by the VOA in broadcasts to a number of countries. Other statements condemning Russian aggression against Hungary made by heads of governments and foreign statesmen were given similar coverage.

During the first week of the Hungarian revolution virtually the entire wireless service of the Agency was devoted to the story. Overseas the Agency's posts translated into the local language the news bulletins sent to them and made the story available to interested foreign newspapers and other news outlets. In areas served by the commercial news services, the Agency emphasized in its output interpretative articles and texts of speeches and statements. One USIA story appeared 30 times in the newspapers of the Netherlands. In the Republic of Vietnam, the material supplied by the USIA amounted to 1,896 column-inches in 5 major Vietnamese and Chinese language newspapers—roughly about 35 percent of the linage devoted to the story.

A youthful freedom fighter known here as Arpad Hazafi, escaped across the Austrian border on October 31, 8 days after the uprising commenced, with 300 negatives of action pictures taken by himself and an associate of the fighting in Budapest.

Hazafi went immediately to the Agency's post in Vienna. He was brought to Washington by the Senate Subcommittee on Internal Security on November 12. Hazafi then wrote a dramatic story of the revolution. This story, accompanied by 30 of Hazafi's action photos, was sent to all the Agency's posts 11 days after his arrival in this country.

USIA posts around the world took these pictures, enlarged some of them, and arranged window displays. Some of these displays drew tremendous crowds. In Ankara, Turkey, for example, the police had to redirect traffic. In Yugoslavia, where newspapers did not carry the story, USIS window displays were tremendously popular. The Belgrade post reports that during the uprising more than 62,000 persons visited USIS information centers to read wireless bulletin reports of what was happening in Hungary.

As the days passed, USIA posts developed their own material—pamphlets, leaflets, posters. A wall poster, for example, appeared in every Vietnamese village. A newspaper insert for Chinese language newspapers, Report on Hungary, was used in Manila, Djkarta, Rangoon, Saigon, Kuala Lumpur, Bangkok, and Phnom Penh. In the Philippines 201,000 copies of a pamphlet, Hungary, were distributed. Scripts of broadcasts from Hungary during the uprising were made into pamphlet by USIS Tokyo under the title, 13 Days of Death. Young Hazafi's story, I Saw Hungary Fight for Freedom, appeared in many language editions. A leaflet, Letter from a Dead Man, circulated throughout Iran and was given wide coverage by Iranian newspapers.

From footage obtained by the Agency from Hungary and from shots of demonstrations throughout the free world, the Agency's motion picture service produced a film, The Hungarian Fight for Freedom.

Prints were flown to all United States diplomatic missions in November and special showings were arranged for key groups. The interest and impact was tremendous. In Kabul, for example, the Foreign Minister borrowed the film and showed it to his brother, the Prime Minister, and to the King. The President of Peru took his entire cabinet to a showing of the film and later asked the Agency post to show it to the House of Deputies.

Two reels of the USIA film feature, Our Times, distributed in 32 languages in 83 countries, were devoted to the Hungarian story. A Burmese language edition was shown to national leaders.

New footage made possible additional films. A Nation in Torment pictures the trickery of the USSR in dealing with the Hungarian people and their distortions of facts in presenting their case before the United Nations. This film has been recorded in 29 languages, and showings are presently going on in 83 countries.

The USIA TV newsreel, sent to 56 TV systems covering 69 countries, also headlined the Hungarian story.

There were and are many other ways in which the Agency has sought to keep the story of the Hungarian uprising before the people of the world. The foregoing are the highlights of its activities in this regard.

Mr. Speaker, I feel that by exploiting this opportunity, we can help the people of the so-called neutral nations to understand the cold, hard truth about communism and the miseries it brings to all people who make the mistake of embracing communism or allowing their nation to be conquered by it. I also believe that the will to resist Communist penetration in those areas of the world, while the Kremlin is making a concerted effort, can be strengthened by telling the whole story of the Hungarian revolution and why the Hungarian people had to rise up against their Russian Communist occupier. I also believe that the Hungarian people and all the other people enslaved behind the Russian Iron Curtain will take renewed courage by the fact that we in the United States dedicate ourselves to keeping alive in the minds and hearts of all freemen, the inspiring story of the spiritual victory of the Hungarian people over the godless Communist regime of Hungary.

We owe it to the people behind the Iron Curtain to engage in an all-out program on a worldwide basis with the objective of creating an indelible mark of the Hungarian revolution in the minds of people everywhere. We can make a singular contribution to the cause of human freedom by carrying out such a program. We can thus take firm strides forward in our conquest for peace. Full recognition by the leaders of the free world of the true impact of the Hungarian revolution will lead the United Nations to support necessary and constructive actions to prevent war and save the peace. The United Nations must take concerted action to cause the Russians either to live up to the resolution passed by the General Assembly,

demanding that the Russians get out of Hungary, or be expelled from membership in the United Nations. The United States must take the lead in forcing such action. We must not engage in the shameful conduct of failing to take such action because a number of member nations are not enthusiastic about standing up for what is right. The League of Nations was carried to its ignominious downfall because all too many of the member states of the League tried to take the easy way out, to placate the dictators and thus create an illusion of peace.

On January 3 I and seven of our colleagues, Mr. O'HARA of Illinois, Mr. JUDD of Minnesota, Mr. BYRD of West Virginia, Mr. BENTLEY of Michigan, Mr. HILLINGS of California, Mr. MACHROWICZ of Michigan, and Mr. FLOOD of Pennsylvania, introduced identical resolutions calling for the creation of a select committee to investigate the latest acts of Communist aggression against Hungary. At that time I also explained the reasons why such a select committee was necessary and the great amount of good it could perform in advancing our national goals of peace and freedom for all people. I should like at this time to add my strong conviction that Congress should cause a complete and thoroughgoing investigation of those acts of aggression at the earliest possible moment. Nothing short of such a complete and intense investigation would reflect the true concern of Congress with this grave matter. The responsibility resting upon those who undertake such an investigation is a heavy one. While the responsibilities are heavy, the opportunities for good are also unlimited. The opportunity presented such a committee, I can assure my colleagues, serves as a challenge for those of us who introduced resolutions on January 3 to create such a select committee.

I urge Congress to create such a select committee so that the investigation to which I refer can get under way.

In closing, I would like to refer to a very significant speech made in the United Nations General Assembly by the Honorable F. H. Boland, the Irish permanent representative. Mr. Boland pointed out that the United Nations Assembly must not sit back now that it had passed the resolution demanding the withdrawal of Russian troops from Hungary, but should continue to use its moral authority which had proved such a potent factor in Egypt. By unanimous consent given, I include his statement in my remarks:

I know that for us in Ireland and for many others of the smaller nations, any mention in the future of national independence or anti-colonialism or the right of self-determination by any Soviet spokesman will always evoke in our minds a single name—the name of Hungary.

One of our principal reasons for voting for the resolution was that we wanted to bear testimony to the deep indignation and intense grief which we in Ireland feel at the violent repression of the rights and liberties of the Hungarian people by the armed forces of the Soviet Union.

What has happened in Hungary in the last 3 or 4 days is surely one of the blackest chapters in the history of our times. That the world should be forced to witness such a spectacle at this stage in the history of human progress is a reproach to our civilization and a challenge to all the values which this organization exists to preserve.

By what right or title does the Soviet Union claim to speak or act for the workers of Hungary or, indeed, for any other section of the Hungarian nation? Surely there must be few people in the world so gullible as to be deceived by so hollow and cynical a pretext.

The conclusions to be drawn from recent events in Hungary are quite unmistakable, and it is well, I think, that we in this Assembly should state them plainly so that the people of Hungary may know that we do not misjudge or misunderstand them, but that on the contrary, we honor them, and sympathize with them, and feel for them deeply in all the horror and tragedy of their plight.

The conclusions we draw—and they are either stated or implied by the Assembly's resolution are, first, that the domination of Hungary by the Soviet Union is an outrage to the national pride of the Hungarian people and utterly abhorrent to their sense of national dignity and their spirit of independence.

Second, that the totalitarian regime imposed on Hungary by the Soviet Union had become so hateful to the people, so repugnant to their love of liberty and their religious and political traditions, that a widespread popular revolt embracing all classes of the community, and prepared to face any sacrifice rather than continue to suffer an intolerable tyranny, rose to put an end to it, and

Third, that the Soviet Union has now used its armed forces on Hungarian territory to overthrow the government set up by this popular movement and to set up a puppet regime of its own, contrary to the wishes of the Hungarian people and in violation of the rights of self-determination and political independence guaranteed to Hungary by the charter.

Whatever it may be possible to do, let us not yield to a feeling of despair. As we in Ireland know, the sense of nationhood, the urge to national self-determination, never dies. It is handed on from generation to generation, fortified by the example of its heroes and inspired by the memory of its martyrs. In our generation, we have seen historic nations lose their freedom and independence only to regain them triumphantly again.

We are profoundly confident that the gallant Hungarian nation, which has won the admiration and respect of the world by its heroism, will rise again, to enjoy the political freedom and independence which are its natural right.

Mr. MARTIN. Mr. Speaker, the Soviet Government today knows that it cannot make free people into satellite slaves.

The heroes of Hungary are proof of that.

Today, in observing Hungarian Independence Day, the free people of the world pay homage to a gallant nation.

Hungary is a living testament that the urge to be free will never die.

As an outpost of the civilized Western World, the Hungarians fought the Mongol hordes in the Middle Ages. They bravely resisted Turkish invasions, although little help came to them from the west.

After winning freedom from Turkish rule, Hungary came under the domination of the Hapsburg monarchs.

Then, 109 years ago, in 1848, the flames of freedom swept through Hungary as they did in 1957. It was a year of decision, when the oppressed peoples of Europe struck blows for freedom.

Under the leadership of the immortal Kossuth, Hungary's George Washington, the Hungarian nation fought for complete independence and for a republic. Largely untrained patriots fought the Hapsburg soldiers to a standstill.

The Hungarians were winning until the Russians stabbed them in the back. The Hungarians fought on for several more months, aided by Polish volunteers led by General Bem. But the spark of freedom continued to burn so strongly in Hungary that 18 years later in 1867, Hungary received back its independence from Austria.

After the temporary defeat of the battle for freedom in Europe in 1848 and 1849, a huge immigration of refugees came to our shores. Their descendants are among our most solid citizens today. They have a proud heritage, to which they can point with pride. So will the children of the Hungarian refugees of 1957.

The Hungarians have a long tradition of self-government. They had a legislative body way back in the Middle Ages. It continued through the centuries, its deliberations interrupted only by temporary periods of conquest.

The Russians are playing with dynamite with a short fuse when they grind their heels into the Hungarians with their long tradition of freedom and self-government.

The Soviet Union tested with steel the courage of a people determined to live as God has willed all men must—in freedom—and Russia lost.

The courage of the Hungarian people will live in the memory of man in the generations to come, as we relearn each day that the struggle they waged was not alone for their freedom but for men everywhere who seek to live as honest men.

We know today more than ever before that the Soviet yoke of oppression can never suppress freedom. Hungary taught us that. In time Hungary will be free again—the people of Hungary will be as free in fact as they are in spirit.

This Nation and those who are with us in the march of freedom will work and pray for the day when we can walk with freedom's fighters, unfettered and unafraid.

Mrs. CHURCH. Mr. Speaker, in commemorating the 109th anniversary of the Hungarian declaration of independence against foreign oppression, it is especially fitting that we who believe in the dignity and freedom of man pay honor to those who so recently struck a telling blow for the cause of freedom.

The events in Hungary last October and November graphically revealed to the world once again the eternal truth that man was not created to be a slave. The very workers whom communism exhorts to "Unite—you have nothing to lose but your chains," did indeed unite to throw off the chains of Soviet bondage. Even the children who had been trained relentlessly under the stern eye of Communist masters had amazingly learned the meaning of freedom and rose up in defiance. During those fateful

days the mask of communism was thrust aside to reveal to the world the face of despotism.

The ruthless destruction of life and property has not lessened the determination of the Hungarian people to oppose their tyrants: their spirit of resistance is unwavering. We hail their self-dedication to the universal cause of freedom. Today their voices may be silenced—but we, who can, will speak for them. Again we remind the Communist oppressors everywhere that the greatest enemy to their doctrine lies in the nature of man himself, with his instincts for freedom, personal dignity, and spiritual independence.

Mrs. DWYER. Mr. Speaker, today is M. U. K. Day in Hungary. M. U. K. stands for "In March we start again." These simple letters, intangible, surrepitiously whispered, mean that hundreds of thousands of Hungarians will appear on the streets of their shattered city, Budapest, and in many other places, to honor their day of independence. They dare to stay away from work, to defy their Russian overlords who have given orders against observance of this day.

What events, exactly, do these hungry and unarmed survivors of the Soviet reign of terror of last November celebrate with such ardor? The answer takes us back 109 years, and yet the spirit of that day is today's spirit, and the events might have been yesterday. In March, 1848, under the brilliant leadership of Louis Kossuth, Hungary became a liberal, constitutional nation; she swept out every vestige of feudal injustice, and established those same civil rights which we guard in our bill of rights. Unless we realize the tremendous revolutionary effort and the fervent sacrifice of her patriots required to achieve this goal, we cannot gauge the passion with which today's Hungarians honor this March 15. And unless we further remember that in 1849, the very next year, the combined forces of Russia and Austria overran Hungary to crush the new republic completely, we miss the symbolism, and the irony, of the situation today, the situation symbolized by "M. U. K."

Nevertheless, the old sophistry concerning the repetition of history does not apply here, or applies only superficially. For this time we are not speaking of a little country in a far-off place whose destiny is of no immediate concern to us. We need not indulge in literary fancies to point out that in a sense this is our battle, our war. The unvarnished truth is that it is our battle, it is our war, in every sense. We are not the students who lit the fuse of the revolt with their very lives; we are not the thousands of dead who lay in the streets of Budapest a few months ago; we are not the courageous people who keep the flame alive today, careless of the penalty of execution or imprisonment in slave-labor camps. And yet it is our battle they fought, our way they are still fighting, our world they are preserving with their very existence.

When time has lent a proper perspective to the explosive events which took place in Hungary last fall, it may well be proved that Hungary has delivered the first fatal blow to that monolithic structure, the Soviet Communist empire. The whole world observes, for the first time, actual proof of two things which were merely matters of conjecture earlier: First, force, and only force, keeps the subjugated countries behind the Iron Curtain within the Soviet grip; second, Hungary has demonstrated beyond doubt that the will to be free, like the will to live, can never be diminished, murder, economic starvation, imprisonment, and complete censorship notwithstanding.

On this 1957 anniversary of the Independence of Hungary, we greet the people of Hungary and thank them for the faith and courage they give all of us in the free world. "M. U. K." is our watchword today. Our hearts march with the Hungarian people, whose aspirations are the eternal aspirations of the free world.

Mr. BECKER. Mr. Speaker, we have heard much in recent months of the bravery and courage of the Hungarians. These valiant people have set an example for all of us throughout the world by the value they place on freedom.

I am glad to be able to say a few words in tribute to the greatness we all recognize in Hungary. It is my wish that we may soon, again, in reality observe an anniversary of her declaration against foreign oppression.

Mr. HILLINGS. Mr. Speaker, this 109th anniversary of Hungarian independence has special significance this year in view of the recent uprisings by which the Hungarian people proclaimed once again their eternal quest for freedom and independence.

Hungary has had ties to the Western World since the year 1000 when her first King, St. Stephen, embraced Christianity. The first grave military catastrophe befell Hungary in the 13th century when it was devastated by the army of Genghis Khan. The Turks were successfully driven back in 1683, but as a result the Hapsburgs consolidated their power until dethroned in 1848. This brief Hungarian insurrection was soon stifled by the Russian Army and marked the beginning of Russia's growing influence in this area of Europe. The Dual Monarchy settled Austro-Hungarian relations until the time of World War I which again stirred nationalistic sentiments. The period between the two World Wars was marked by suppression of counterrevolutionary movements and restoration of the national economy.

At the outbreak of World War II, Hungary issued a neutrality proclamation and struggled to maintain a nonbelligerent status. I think it is fitting to note that the bulk of the population openly defied the German domination by refusing to enforce anti-Jewish laws and by granting asylum to war prisoners and refugees, as well as aiding thousands of Polish soldiers to pass through to France after the defeat of Poland.

As we pay tribute to this great nation which so courageously continues to defy her Soviet oppressors in her aspirations for freedom, we must take stock of our own efforts on behalf of Hungary. I think it is well to recall the words of Vice President Nixon who in his report to President Eisenhower last January, spoke of our traditional national mission of providing a haven of refuge for victims of oppression. Our hearts go out to those brave men and women who remained in Hungary, and I only hope that their goal of freedom is soon to be realized.

Mr. DIGGS. Mr. Speaker, on the 109th anniversary of the Hungarian Declaration of Independence, March 15, America and the free world bestow profoundly felt and sincere honors upon this gallant people. In their so recently made heroic stand against oppression, the people of Hungary have made their national observance in substance, underlying all outward manifestations, an occasion of universal commemoration for all who fight in the common cause of liberty and justice. Throughout the world, the resolve that this way of life which gives honor and dignity to men shall triumph has been nourished and inspired by the example of those who, against monstrous infamy, fought, fell, and died in the great faith of democracy. This faith will be preserved and strengthened in the hearts of the people of Hungary. It will be carried forward unrelentingly by America and those of common bond.

Mr. REUSS. Mr. Speaker, Hungary has known freedom before and Hungary will know freedom again.

It was only a little more than a hundred years ago—on March 15, 1849—that the Hungarian National Assembly declared its independence of Hapsburg rule. Although the gallant patriots were soon overcome by the heartless oppression of alien rulers—aided prophetically enough by Russian troops—their heroic exploits won the admiration of liberty-loving Americans.

The Hungarian revolt of a century ago was in a period of ferment throughout Europe—a ferment for freedom and national independence. Today we face a similar ferment, and the epic struggle last October and November of the Hungarian people was the latest and greatest manifestation of the determination of the captive peoples to be once again the masters of their own destiny.

A century ago the United States offered a haven of refuge for those who fled oppression in Europe—men like the great Hungarian patriot, Louis Kossuth. Today once more the American people have opened up their hearts and homes to the refugees from Hungary. This is the very least we can do.

Indeed we must do more. One hundred years ago, there was little our fledgling nation could contribute to the cause of freedom abroad, but today, the mightiest nation on earth, we cannot sit by in terror or in apathy and see the spark of liberty extinguished as ruthlessly as it was in 1849. Only by ceaselessly pursuing a positive program toward peaceful and lasting liberation, can we keep faith with the Hungarian patriots of 1956 and their forefathers of 1849.

Mr. SADLAK. Mr. Speaker, events in Hungary, and today's observance of the anniversary of her declaration of freedom, vividly brings home to the countries of the world, the realization that there is

something more to freedom than declaration; there must be the hope and the everlasting desire to perpetuate it.

Though overrun by the exercise of brute force, Hungary's heroic struggle of last fall has demonstrated her unshakable faith in the worth of freedom and honor. It was a reminder to those who would enslave that the free peoples of this earth may suffer temporarily but the spirit of freedom is endless and it will outlast the oppressions of tyranny.

I am certain that, however great, the hardships and the trials which loom ahead for Hungary, she will endure and the cause of human freedom will triumph.

I join my colleagues in paying her tribute and in expressing these few words of encouragement.

Mr. CRETELLA. Mr. Speaker, it is a distinct honor and pleasure to be able to join with other Members of this body to commemorate the 109th anniversary of the Hungarian Declaration of Independence against the tyrannies of foreign aggressors.

In view of the recent revolt in that country, involving the loss of life of hundreds of freedom fighters, the struggle for Hungarian independence has taken on a new and significant meaning to the entire free world.

The United States has been the leader in providing the moral support which is needed by the Hungarian people today in their fight against Communist dictatorship and subjugation. The citizens of our Nation and the many welfare organizations have magnificently supported our Government in providing a home in the United States for those Hungarians who have managed to escape into Austria.

It is my firm belief that we should continue to keep this humanitarian machinery in operation, so that we may join with other countries in the Western World in demonstrating our willingness to come to the aid of those whose lives, freedom, and culture have been plagued by communism. I have every hope that so long as the need exists for these persons to seek political asylum from behind the Iron Curtain that admission to our country will be made available to them. I am also confident that Congress will pass the necessary legislation urged by President Eisenhower, and which I and possibly others have sponsored, to grant the status of permanent residence to those in this country who have escaped from Communist-controlled nations.

As I have brought out earlier, St. John's Episcopal Church in my own town of North Haven, was one of the first to respond in the appeal to sponsor Hungarian refugees entering America. Rector Albert Rees Hay and other public-spirited citizens in the town and State have worked long and arduously to provide clothing, schooling, and countless other facilities for the Hungarians who were sponsored. The general response in the district I represent to the entire Hungarian program has indeed been gratifying and heartwarming.

It is our obligation to kindle the spirit of those remaining in Hungary and join in protest against the cruelties and submission at the hands of the Communist regime.

No country alone behind the Iron Curtain is able to throw off her bonds. These nations count on our continued support if they are ever to realize the day when their people can once again live in the light of peace, independence, and freedom from fear.

Mr. DELLAY. Mr. Speaker, in honor of the 109th anniversay of the Hungarian declaration of independence against foreign oppression, I submit the following tribute to its freedom fighters of today:

The President of the United States in his inaugural address on January 21, 1957, stressed that while this great Nation of ours enjoys many of the blessings of Almighty God, the continent of Europe stands tragically divided and beset by the divisive forces of international communism. He stated:

> The designs of that power, dark in purpose, are clear in practice. It strives to break the ties that unite the free. And it strives to capture—to exploit for its own greater power—all forces of change in the world, especially the needs of the hungry and the hopes of the oppressed.
>
> Yet the world of international communism has itself been shaken by a fierce and mighty force: the readiness of men who love freedom to pledge their lives to that love. Through the night of their bondage, the unconquerable will of heroes has struck with the swift, sharp, thrust of lightning. Budapest is no longer merely the name of a city: henceforth it is a new and shining symbol of man's yearning to be free.

Despite the frustrating inability of this country to aid the freedom fighters of Hungary to a greater or more practical degree, we salute the Hungarian patriots for recording a monumental triumph during the Hungarian revolution. We salute their courage in fighting the tyranny of communism which has been unable to destroy the minds and spirits of its children. Although their access to literature, and to unbiased information was throttled, the growing generation of Hungary still learned freedom's meaning.

We have seen the structure of Communist society shattered by workers and students joining together to deliver a smashing blow. It is these groups upon which the Communists have counted for their future and they know now that the students and the workers are not their chattels, and above all we have seen the units of family and church sustain the spirit of a people oppressed by ruthless men. The Hungarian revolution ripped asunder the deceitful mask of co-existence from the Soviet rulers. The neutral and uncommitted nations stand shocked and stunned by the evidence of Soviet brutality and treachery in Hungary. If there is any lingering doubt about Soviet motives, the fighters in the streets of Budapest have removed them.

A special report by a commission appointed by the International Rescue Committee to study the Hungarian refugee situation in Austria closes as follows:

> As the bells toll in Budapest now for Hungary's martyrs, let us remember that they toll for us too. We can lift our hands to ease Hungary's greatest sorrow by giving in the most generous of America's traditions to those who stand in critical need. And let us also stand proudly as free men, confirmed once more in the conviction of liberty's strength—and eternally grateful for the courage and heroism that has brought us Hungary's greatest triumph.

Mr. KEARNEY. Mr. Speaker, on the occasion of the Anniversary of the charter of freedom which the people of Hungary under the leadership of the national hero, Louis Kossuth, obtained from the Hapsburg emperor some 109 years ago, I am happy to add my voice to those celebrating the spirit of the brave Hungarian people.

Under the charter of March 15, 1848, a more equalized system of taxation was initiated, freedom of the press was established and virtual national autonomy was established. But the gains of the Freedom Day Charter were short-lived, and not until the conclusion of World War I was Hungary finally liberated, only to lose her independence again before the armed might of the Communists.

The recent heroic struggle of Hungarian patriots carried out against their present-day oppressors has lent solemn significance to the anniversary celebrated on March 15. In prisons, in labor-camps, or exiled and scattered throughout the free nations of the world, Hungarians are entitled to deep pride in the fact that they spring from a race which has always prized freedom and valued the civilization rich in things of the spirit which flowers in freedom's clear sunlight.

Our newspapers have been filled with tales of monumental heroism which must be further magnified when we are conscious of the iron military strength against which Hungarian patriots pitted only sinew, blood and indomitable courage.

The Hungarian people do not count the life of an individual man or woman merely an insignificant cipher to be entered in the columns of some totalitarian balance sheet or master plan, as do their Communist overlords. They place the value which Americans do upon the merit of the individual and upon the rights and privileges to which each citizen is entitled under his government. This fact too makes the Hungarian uprising of recent months the more awesome.

Modern Hungarians are indeed the spiritual legatees of Louis Kossuth. Americans join them in praying that the success which crowned the efforts of their forefathers who threw off the Hapsburg bonds in 1848 will soon reward the patriots of 1957.

Mr. AUCHINCLOSS. Mr. Speaker, it is very much in order to mark the 109th anniversary of the Hungarian declaration of independence, especially this year, and I consider it a privilege to say a few words which I hope may strengthen the faith and bring encouragement to this great freedom-loving people.

I do not believe that we in this country, who have not been afflicted with the devastation of war, can really appreciate the sacrifices that are made for freedom and the devotion to this cause displayed by those in the oppressed areas. We all know the wonderful example of courage and determination shown by the Hungarian people in their recent revolt against the Communist tyranny which has been

inflicted upon their Nation. Such an example strikes a very responsive chord in the hearts of Americans whose forbears suffered and fought and died for our freedom. May God Almighty strengthen them and give them renewed hope to carry on their fight for these great privileges of life.

What we can do to help is a difficult question because of the many complexities in the world today, but we are assured by the American-Hungarian Society that relief supplies, including CARE parcels, are most welcome and tremendously helpful. May Americans join in a hearty response to this plea and in that way let the Hungarian people know we are mindful of their distress. I believe from the bottom of my heart that such valiant and undying love of liberty as has been displayed by the people of Hungary can never be quenched and that in God's time the security and freedom which these people are determined to win will be restored, and I trust our country may be helpful in its restoration.

Mr. O'HARA of Illinois. Mr. Speaker, as we pause today, in commemoration of Hungarian Independence Day, our thoughts naturally turn to the Hungarian freedom revolution of last October. Freemen everywhere were inspired by the courage of the entire Hungarian nation in its fight for freedom and independence from the Russian Communist empire. I am sure that the people of the other nations enslaved behind the Russian Iron Curtain take greater hope for the future from the heroic victory of the Hungarians over the armed might of the Russians. For several days the Hungarian patriots held freedom in their hands. They demonstrated to the entire world that the Red army was not invincible—that much of the human element in that army was not loyal to Moscow. The Ukrainian and other non-Russian elements in the Red army went over to the side of the Hungarians, early in the October freedom revolution. The Hungarian army, whom the Russians have been claiming as loyal partners of the Warsaw Pact, turned on the Russian occupiers shortly after the revolution broke out. That is why the Red army was defeated in the battle for Budapest and forced to retreat until the Kremlin could send battle ready reinforcements into Hungary.

The Hungarian patriots won a great victory over the armed might of the Russians because they exposed to the whole world that the Red army and the armies of the enslaved non-Russian nations would never be loyal to the Kremlin in any fight involving freedom and independence of nations. This fact, now established, is of great significance to the future of freedom for all people.

The Hungarian revolution also opened the eyes of the free world to the fact that revolution against the Communist police state is not only possible but inevitable. For too long we had been told that the Russians had such a tight control over the people behind the Iron Curtain that there was little or nothing we could do to help them win back their freedom. Badly, we had been encouraged to believe that there was a finality to the Russian occupation of those many once free and independent nations. But all these false beliefs have been shattered and completely broken by the will of the whole Hungarian nation to be free.

The Hungarian nation has given the world a new strategic concept—the concept of total revolution. Total revolution occurs when a whole nation—workers, peasants, students, intellectuals—men, women, children, and even grandmothers, rise up together against an insufferable tyranny. That is exactly what happened in Hungary last October.

The tyranny of communism paves the way for total revolution. Life under communism makes freedom revolutions inevitable. We now know that the Communists and their police state cannot stand up against total revolution, because no force can long deny whole nations the human freedoms that are the birthright of all men.

We can substantially advance the cause of peace and freedom by making certain all the people of the free world know the truth about the Hungarian freedom revolution. We must never let free men forget why the Hungarians revolted and why they were willing to face Russian tanks and machine guns with their bare hands. We must renew our worldwide campaign of truth and dedicate it to exposing Russian tyranny and aggression against the Hungarian nation. We must expose how communism exploits all the people it controls and how only the elite class benefit from the Red tyranny.

We owe at least this much effort in memory of the Hungarian martyrs who were willing to die for freedom's cause.

Mr. BARRETT. Mr. Speaker, today is the 109th anniversary of Hungary's Freedom Day, the day on which the Hungarian people began their revolt in 1848 against the foreign domination of Austria. This year Freedom Day has added meaning, for again the freedom fighters of Hungary have attempted to throw off the yoke of foreign rule. The Soviet Union today rules Hungary even though it is supposed to be an independent state. The American people hoped that Hungary might be freed and prayers were offered in our churches during these recent months that the Hungarian people might regain their independence. But this cannot be the limit of our assistance to these, our fellowmen, who have paid so dearly in blood for a taste of liberty.

When the revolution of October 1956 was smashed by the brute force of Soviet tanks and troops, many Hungarians fled their homeland rather than continue to live under a foreign-dominated communist tyranny. Two hundred thousand men, women, and children streamed across the borders into Austria and Yugoslavia. The United States has already opened its doors to some 25,000 Hungarians under the Refugee Relief Act and the Immigration and Nationality Act. We have also contributed more than $5 million to help pay for care of the refugees while they live in the camps of Austria. Unfortunately, the Refugee Relief Act has expired and the question now before our Nation is what more can we do to aid the plight of these refugees.

The Hungarian revolution of 1956 was a dramatic testimony to the deep and abiding love of national and personal freedom which lies within the heart of the men of Hungary. We who live in security sometimes forget the high price of freedom in many parts of the world today. The example of the Hungarian people should make us all a little more grateful for our own liberty and sensitive to attacks upon the freedom of those about us. The continued celebration of Hungary's Freedom Day is also proof that the men and women of Hungary have not ceased their struggle for independence. We join our brethern in marking this historic day in the life of Hungary and in the march of freedom itself.

Mr. FRIEDEL. Mr. Speaker, since the Communist takeover of Hungary in 1948, Hungarians have been struggling with all their might against their Communist oppressors. Their courageous revolt last October has served as the best testimonial of their willingness to make the ultimate sacrifice to attain their national goal, freedom and independence. That revolt, abortive as it might seem to some, will live as an event of great significance in the annals of man's unconquerable will to freedom.

Those events of last October-November constitute part of the chain of similar deeds in Hungarian history. One hundred and nine years ago, in March of 1848, the Hungarians staged another revolt against their autocratic oppressors. Then they were successful, for a time at least, in securing their national independence. As a sovereign nation they enjoyed the fruits of freedom in their beloved homeland. That event of more than a century ago is being celebrated annually as a Hungarian national holiday, the Hungarian Independence Day. On this occasion, on the celebration of that memorable day, I am happy to join patriotic Hungarians and to wish them more power in their sacred and heroic fight against the forces of darkness and slavery.

Mr. BOLAND. Mr. Speaker, last Friday, March 15, the anniversary date of the 1848 Hungarian revolution suppressed by Russian Cossacks, offered an opportunity to all who cherish freedom to express their support of the Hungarian people, whose recent revolt was ruthlessly crushed by the same foe.

Not only Hungary but all of Eastern Europe today is in a state of general crisis. Soviet Communist imperialism, which has held its 100 million people in thralldom for almost a decade, is being challenged again and again. It is being challenged by walkouts and slowdowns, by student demonstrations, and in satellite armies, whose loyalty to communism cannot be trusted.

The greatest challenge has come from Hungary. There a revolution, which will long live in human memory, has demonstrated again what history has often noted: that an innately brave people will not for long bear the heel of tyranny without rebellion.

The people and Government of the United States should do what lies within our power to share with these subjected peoples our continual faith and hope in

their eventual liberation. True, the awesome might of modern weapons has put the ancient battle for freedom in new perspective. These weapons in the hands of the amoral and unscrupulous provide a powerful deterrent to the forces of liberty. But can we doubt that the human will, the human heart, the human mind will triumph over brute force. Indeed, a crusading belief in the principles of human rights and freedom could eventually change the jailers themselves.

Let us hope that the Hungarian revolution of October 1956 will be remembered, not as a revolution that failed, but as an epochal turning point in the direction of the liberation of captive Europe.

Mr. RABAUT. Mr. Speaker, March 15 is the 109th anniversary of the Hungarian Declaration of Independence, and I take great pleasure in joining my colleagues to pay tribute to the brave people of Hungary who stand as a worldwide symbol of opposition to tyranny.

I doubt if there is anything I can say that could possibly increase the high respect and admiration the world holds for the valiant fighting men, women, and children of Hungary. The people of the United States unite with recently arrived refugees in extending the hand of friendship and good will to those who must remain under the brutal regime of butchers and puppets. As we all saw, in the last few months of 1956, the freedom fighters of Budapest demonstrated that the war machine of Russia is far from invincible. Were it not for the almost 6,000 Russian tanks devastating a city defended by lightly armed patriots, communism would have soon been driven from Hungary—perhaps pushed from the face of Eastern Europe.

The people of Hungary stand as an example to those, both here and abroad, who cringe at the very thought of Communist intimidation. It was most clearly demonstrated in Budapest and other cities that just men moved to righteous anger are like the hand of God. Where else, in our lifetime, have we seen such a display of bravery as was prevalent in the Hungarian uprising? Even at this late date in certain towns in Hungary the people are still holding out against fantastic odds. In addition, those who realized their positions were untenable withdrew to the mountains, where they continue to harass the supply columns and patrols of the hated invader. They have not given up. They will not give up. Of such stern stuff are the Hungarians made.

To us, the anniversary of the Declaration of Independence is a joyous occasion, for we may celebrate the birth of our freedom, which, through divine protection, we have maintained. Unfortunately, the enslaved, battered people of Hungary must greet this day with silence, for to do otherwise is to court disaster. Needless to say, the citizens of Hungary are not afraid—their recent struggle shows they are among the most fearless people in the world. They are not afraid, but circumstances demand they bide their time. They feel, and I pray they are correct, the Red bear's day of reckoning is close at hand. The tremors of unrest and revolt that creep from Hungary, East Germany, Poland, and other prisoners of the workers paradise threaten the very foundations of the Kremlin walls. The world knows that while the dismal walls of Moscow are steadily assailed by millions yearning to be free, the filth, brutality, and vicious struggle for power within the ruling circle also hastens the day when atheistic communism will be naught but a grim memory.

Let us all join hearts in a silent prayer that the Hungarian people will soon be delivered from the Communist affliction that blights their beloved nation and besmirches their flag with the star of evil.

Mr. CANFIELD. Mr. Speaker, perhaps more than any other, this, the 109th anniversary of the Hungarian declaration of independence is of deep significance; not alone to those in whose veins flows the blood of the Magyars, but to all who believe in man's sacred right to be free. For on this anniversary there still remains fresh in our minds, the heroic but momentarily futile struggle of the Hungarian people to throw off the bonds of communism. There is hardly a city or hamlet in this country today, that is not sheltering some remnant of that pitifully brave freedom army, and while Hungary must weep over the forced departure of many of the finest of her sons and daughters, their coming to this country cannot help but enrich our culture and bring to us a new awareness of what freedom really means.

It is true, there may be some misinformed individuals, happily few in number, who feel resentment at the warm welcome that has been extended to the refugees who have found a safe haven in our land, but I know it is only because they do not fully understand. They have not seen as I have, these young people with the fire of patriotism blazing in their eyes, the intense love of country throbbing in their voices and the warmth of gratitude for American good neighborliness in their smiles and the grip of their hands.

They are good people, these refugees who have reached out to us for a helping hand, and should they elect to adopt us for their own they will be good citizens. Should they one day return to carry on the crusade for freedom in their own beloved Hungary, we still shall have profited by their having been among us.

I say this with conviction because I have seen impressive examples of their outstanding character in my own district. With your permission I would like to document my remarks with but two illustrations culled from the many experiences that have touched my heart.

There was the story of Eva, only 19, dark-eyed and slender that was told in the Paterson, N. J., Evening News some weeks ago. She asked that her first name alone be used to protect her loved ones still living behind the Iron Curtain. Eva was a freedom fighter who was sheltered by a relative in my home city of Paterson. She found employment with a chain store in that city and the very first dollar she earned she turned over to the Red Cross in gratitude "for the help given her and her fellow countrymen in their hour of need."

The Vizsolais family of six stayed for a short time in Clifton, N. J., before being resettled in Albuquerque, N. Mex., but before saying goodbye to their east coast benefactors, they took the time to write a letter to the Herald News of Passaic, to express their appreciation to all who had lent a helping hand. In part it said:

> Thank you for wiping away the tears we shed. To you whose hearts were filled with joy at the sight of our laughter, God bless you all.
>
> Thank you to President Eisenhower for finding a place for us in his heart, for opening the doors of this wonderful country to all the poor suffering Hungarian refugees. May God bless you for it.
>
> To you, the American people, thank you for accepting us and for relieving our hands and feet from the chains of hardship and showing us the way to happiness, to a brighter future, and most of all, to true freedom.

Yes, these are good people, these boys and girls, men and women, who fought a brave battle against frightening odds and suffered a temporary defeat. Outnumbered and practically unarmed they fought courageously and many of them died, but their sacrifices were not for naught. They lost the battle, it is true, but the fight for freedom has not been lost, and will never be lost. With the help of God and all who believe in freedom, the Iron Curtain will be torn down and forever destroyed and the light of liberty will shine unimpeded in Hungary and throughout all the nations now groping in the dark.

Mr. ROOSEVELT. Mr. Speaker, today, during the special order of the gentleman from Michigan [Mr. BENTLEY], both the distinguished majority leader [Mr. McCORMACK] and the distinguished minority leader took part in the commemoration of Hungary's Independence Day. I wish to join them in paying tribute to the long and distinguished record in fighting for liberty and independence.

One hundred and nine years ago in Hungary a revolt against the Hapsburg dictatorship was led by the patriot Kossuth. It was crushed by Russian force. In November of last year, another revolt was ruthlessly suppressed by the same enemy.

Already, 25,000 Hungarians have lost their lives in a transcendentally gallant but fruitless effort to achieve freedom. Already another 200,000 have been forced to flee their hearths and homes, with only the clothes on their backs, in a desperate effort to escape.

We cannot but be abashed, we in the free world, at the helplessness with which we have had to witness this example of bravery and devotion. Nevertheless, we humbly associate ourselves with the Hungarian freedom fighters today in their hope for eventual liberation. They have shown that they can make history repeat itself, and will continue to make history repeat itself, again and again, in revolution after revolution, until what they have fought for has been won.

In conclusion, I want to bring the attention of my colleagues to the response of the United States to the challenge of the Hungarian freedom fighters. We have, commendably, given asylum to the Hungarian refugees despite our discriminatory immigration policy, and we have given bread and bandages. However, is that enough?

Should we not take more effective action for the people who have remained in Hungary? The silence of the United Nations, concurred in by the United States delegation, stands in stark contrast to the threatening of sanctions against the State of Israel. The Soviet armed intervention, coupled with the mass arrests of the puppet Kadar regime, is in direct defiance of 10 U. N. resolutions. We must appeal to the conscience of the world in this matter. I believe we should continue to press for an investigation by the United Nations of the events in Hungary, so that the spotlight of world public opinion might be turned on that brave, little country. I look forward to the day when a free Hungary, in a free, undivided Europe, will take its place in the family of nations.

Mr. PASCELL. Mr. Speaker, Friday, March 15, marked the 109th anniversary of the Hungarian declaration of independence from foreign oppression by the Hapsburg dynasty. This is the traditional Hungarian anniversary of national independence.

Americans everywhere and from all walks of life have sought to express their heartfelt sympathy for the people of Hungary, now living under a new and even more brutal foreign oppressor. This year Hungary's anniversary is of special importance to both the free world and to the Communist bloc. The Hungarian revolution of last October and November began as a spontaneous outburst of popular opposition to both Communist doctrine and Russian domination. It soon developed into a tremendous mass movement which swept the countryside and dared challenge the very masters of the Kremlin. For the first time the true depth of anti-Communist sentiment within the satellite countries became obvious for all to see on both sides of the Iron Curtain.

The Hungarian freedom fighters were not able to complete their task of national liberation, but they demolished once and for all the myth of a Soviet monolith. The fighting which rocked Budapest has also had serious repercussions throughout the satellites, and even in Moscow.

The Hungarian revolution has proven many things. It has shown once again that man's yearning for freedom cannot be forever denied. It has shown that the very elements which the Soviets claim as the cornerstones of their society—the workers and the students—will be among the first to rise up against their oppressors and fight, if need be, with their bare hands. It has shown that the Soviets cannot count on the reliability of their own satellite armies. And for the benefit of any who may have forgotten or who still had doubts, it has shown to all the world the depths of brutality and treachery to which communism is committed. For these and many other reasons we are all deeply indebted to the Hungarian people for the tremendous sacrifices which they have made and are continuing to make.

I consider it an honor to be able to join with my colleagues in paying tribute to the bravery of the Hungarian people and in expressing earnest hope that the day may soon come when March 15 will be openly and happily celebrated by a free and independent Hungary.

WHO IS MINDING THE STORE?

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may insert his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I am inserting into the CONGRESSIONAL RECORD an article by Doris Fleeson which appeared in the Washington (D. C.) Star on March 14, 1957.

The article is entitled "Who Is Minding the Store?"

As weak and vacillating as American policy and the executive branch of the American Government has been during recent years something has happened in the past few days which is even more frightening. The President is now absent from Washington, taking a slow boat to the British West Indies to meet with the leaders of a friendly government. The Vice President of the United States is running around the African continent, apparently seeking votes in the 1960 presidential election. The world is faced by another of the great crises of history. Reports in the newspapers show no abatement of tension in the Middle East.

Secretary Dulles continues his tintinnabulations, groping frantically for some policy. The President's budget is going to be cut and slashed because of remarks by the Secretary of the Treasury, admitting to the public and to Congress that that budget is nothing but a rough draft. The leadership which has been lacking in this country since 1952 is still lacking, but the absence of the leaders ordinarily charged by the Constitution with the duty of leading America through its perils accentuates the danger to the American people.

WHO IS MINDING THE STORE?—POSSIBILITY OF AWKWARD SITUATION SEEN IN ABSENCE OF NATION'S TOP THREE

(By Doris Fleeson)

President Eisenhower takes off tonight on a slow cruise to Bermuda and a meeting March 21 in Bermuda with British Prime Minister Macmillan. He will be gone a minimum of 10 days. Vice President NIXON continues on his triumphal tour of Africa. Secretary Dulles is in Honolulu on his way home from Australia. The question in Washington is who is minding the store.

There is no doubt that the President needed a vacation to rid himself of the nagging cough which has afflicted him since the day of his inauguration. He obviously was ill a week ago. At his press conference yesterday he showed improvement. But no one doubts that a week in the sun for the President is a good idea. Yet circumstances are forcing a vacation at a time of growing crisis. If Vice President NIXON or Secretary Dulles have been alerted to hurry home, that fact has not been announced.

The excuse given for choosing 6 days of slow voyaging on the missile cruiser Canberra, rather than on the terra firma of Florida, is that aboard a naval vessel the President will have immediate secret contact with Washington without the necessity of special arrangements. Still there is a difference in being available at the end of a radio wave and being available in person.

Under Secretary of State Herter has been in his job only 2 weeks. He certainly has not become familiar with all the details of American foreign policy in that time. Neither has he served long enough to have the weight to act strongly in the President's behalf in Washington.

The gestures of Nasser toward resumption of Egyptian control of the Gaza Strip are threatening now to renew hostilities in that area. The fact that Israel removed its troops without strong and specific guarantees was largely due to President Eisenhower's personal persuasion. The U. N. hopes to hold the Egyptian return to power in the Gaza area to civil rather than military matters. Whether this will be tolerable to the Israelis remains to be seen. There is no question, however, that Eisenhower's judgment and prestige—and by extension all of America's—has now been put on the line.

This is something new for the President. Secretary Dulles has taken the brunt of European criticism of our actions in the whole Middle Eastern dispute. Now it is the President who is being blamed directly for a situation deteriorating beyond his expectation. Press criticism of Eisenhower in England and France is sharp and vigorous, even from newspapers previously friendly to the United States and particularly friendly to the President, one of the best known and best liked Americans in both nations.

In case of an immediate crisis in foreign affairs, there is simply no one in Washington with the strength and power to handle the situation.

At his press conference, President Eisenhower batted the economy ball back to Congress. The House resolution inviting the President to suggest places where his budget might be safely cut was in no way binding on him. He refused to accept it. If cuts are made they will be up to Congress. Some cuts are almost certain to come, and they will almost certainly include the foreign-aid program. This is a vital point in the Eisenhower foreign policy. If public opinion is to be mobilized so as to persuade Congress to continue the program as it is now, the job should be under way. No one in the administration other than the President has the prestige to do it. In this case, neither NIXON nor Dulles, if they were here, would be likely to qualify.

The Federal Government is a huge enterprise. But it takes occasions such as the present to underline how thin the layer is at the very top.

HOW THE EQUALITY OF OPPORTUNITY BILL, H. R. 11, WOULD APPLY TO INDEPENDENT OIL JOBBERS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, on Saturday, March 16, I received a long telegram from the president of the Oil Jobbers Association of Texas expressing strong opposition to H. R. 11. S. 11 was also included, as it is the same bill. It is apparent that this opposition is based on a misunderstanding, both of the bill and of the loophole in the present law which the bill would plug. Furthermore, it is clear to me that this misunderstanding has been reached, not by the oil jobbers' own analysis of the bill, but they have,

to a large extent, been the victims of some deliberately misleading statements, both as to the present law, as to what the courts and the Federal Trade Commission have held in previous cases, and as to the nature of the bill.

Believing that these oil jobbers will be very much in favor of plugging this loophole in one of our vital antitrust laws, once they understand the problem and the bill, I have replied to the Texas oil jobbers with a statement which I hope will be useful to all independent oil jobbers. Consequently, I am offering for the record at this point, both the telegram to the Texas Congressional delegation, and my statement in reply. These appear below.

GASOLINE RETAILERS STRONGLY SUPPORT H. R. 11

There is one point mentioned in the telegram to me which I felt needed no answer to the Texas oil jobbers, but which may escape the attention of others. This is a point that a trade journal which calls itself the Gasoline Retailer, and which purports to speak for the independent retail dealers, is following an editorial and news policy in opposition to the bill. Independent gasoline dealers know for themselves whether and to what extent this publication speaks for their interests as opposed to the interests of the major oil companies, all of which advertise extensively in the magazine.

I might remind the Members, however, that the Texas Service Stations, Associated, is in strong support of H. R. 11 and is urging its passage, as are a number of other State associations of independent gasoline dealers, and as is the National Congress of Petroleum Retailers. I put into the CONGRESSIONAL RECORD on February 5, a telegram from the National Congress of Petroleum Retailers repeating their strong support of H. R. 11, and also excerpts from a letter of the Texas Service Stations, Associated, which is in strong support of the bill. And at other times I have put into the record letters and telegrams from other State associations of petroleum retailers, including a most interesting letter from the Alabama Service Station Association, appearing at page 3621 of the RECORD of March 14.

In addition, I will also insert at the end of my statement today, three recent letters in support of the bill, one coming from the Southern California Service Station Association, one from the Long Island Gasoline Retailers Association, Inc., and one from a member of the Oregon Association which tells me that this association is also seeking passage of a State law similar to H. R. 11.

SOUTHERN CALIFORNIA RETAILERS URGE PASSAGE OF H. R. 11

In the letter from the Southern California Service Station Association the statement is made that:

> The recent increase in the wholesale price of gasoline clearly indicated that suppliers are definitely not in price competition with each other and can raise or lower the retail price of gasoline at any amount they so desire.

This statement, referring to the recent increase in the wholesale price, relates to the fact that in the week of February 6, nine major oil companies announced increases in the oil jobbers' margins; and by the end of the following week these increases had become general throughout the industry. News items in the trade journals of February 6, including the Petroleum Retailer, quoted from statements and speeches of several oil company representatives, made to oil jobbers, to the effect that these increases in the oil jobbers' margins demonstrate that oil companies and their jobbers can "get along," and that the oil jobbers can obtain a solution to their margin problems without "running to the Government."

LONG ISLAND GASOLINE RETAILERS ASSOCIATION URGE PASSAGE OF H. R. 11

In the letter from the Long Island Gasoline Retailers Association, which will appear below, the statement is made that:

> We find some of the major oil companies are attempting to discontinue their irregular practices, which may influence many of the service station operators to feel that law is not necessary. But, on the other hand, we find other major oil companies are making no attempt to straighten out their household, and since it only takes 1 or 2 to upset the market, the conditions on Long Island have not improved. From time to time we still have subsidies on one side of the street and not on the other, in amounts from 1 cent per gallon to 5 cents per gallon.

It is good to know that the mere threat of the passage of H. R. 11 has caused some of the major oil companies to take stock of some of their practices and take voluntary actions to eliminate some of their discriminatory practices. However, I fully agree with the point made in this letter which is that we must have an adequate antitrust law to protect the little man, and not simply depend upon voluntary actions to comply with what would be the law, if we made it effective.

OREGON GASOLINE RETAILERS URGE PASSAGE OF H. R. 11

The letter to me from an Oregon gasoline retailer throws some new light on the problems which small-business people are up against. This letter tells me that the Oregon Gasoline Dealer's Association is urging the State legislature to pass a bill similar to H. R. 11. The writer of this letter, who says he has been chosen by his association to present their arguments to the appropriate State bodies, reports that the small-business people there are experiencing the same kind of opposition to this legislation at the State level as we are experiencing at the national level—with the major oil companies "coercing, misinterpreting, and propagandizing in every conceivable way."

TELEGRAM FROM TEXAS OIL JOBBERS

Three hundred and sixty Texas oil jobbers have voted unanimously to request you to express to Senator KEFAUVER and Congressman PATMAN our indignation and resentment at their statements and implications that we have been acting under pressure from major oil companies in opposing the so-called equality of opportunity or good faith bills. We believe they should be renamed assassination of opportunity bills and even a casual inspection will show that S. 11, H. R. 11 forbids good faith. We jobbers have maintained the same position on these matters for over 15 years and it has only been recently that others have discovered how S. 11, H. R. 11 will revolutionize the American competitive system that has made this country great. Please note that the service station dealers national newspaper, The Gasoline Retailer is officially on record as opposing this so-called good faith legislation. In the present committee hearings no two people can agree on just what these bills mean. It would be simply ridiculous for Congress to enact such ambiguous legislation, we ask you to oppose these bills and to work actively to defeat them. Your reply to this telegram will be passed on to our membership.

STATEMENT OF WRIGHT PATMAN IN ANSWER TO TELEGRAM FROM TEXAS OIL JOBBERS ASSOCIATION EXPRESSING OPPOSITION TO H. R. 11, THE EQUALITY OF OPPORTUNITY BILL

I have your telegram of March 15, in which you tell me that 360 Texas oil jobbers have expressed "indignation and resentment" at statements of mine which you have taken to imply that oil jobbers who have expressed opposition to H. R. 11 have been acting under pressure from major oil companies."

First of all, let me say that I have the highest respect for the views and wishes of Texas oil jobbers. Many of them are and have been my closest personal friends for more years than I like to count; and I have spent much of my 30 years in Congress fighting their battles. I have not and do not intend to desert them now.

I do not believe any statement I have made can, on careful reading, be fairly interpreted as implying that the oil jobber who opposes H. R. 11 is acting "under pressure" from the major oil companies. I will return to this point later.

JOBBERS MISUNDERSTAND H. R. 11

There is no doubt, however, that many oil jobbers the country over badly misunderstand H. R. 11 and what it will do. Furthermore, their impressions as to how the bill would affect them are exactly the same as erroneous statements which have been made in a propaganda "brief" prepared by a committee of the American Petroleum Institute, which statements have been copied and widely circulated by several of the major oil companies. The reason I know this is that I have received many letters from oil jobbers opposing the bill, and they all give reasons—when they give any reasons—based upon what the API "brief" says the bill does, not upon what the bill actually does.

H. R. 11 WILL HELP INDEPENDENT JOBBERS AND WHOLESALERS

Many of the letters I have received from oil jobbers opposing the bill—and I should say that some have been in strong support of the bill—assume that the bill is intended to help only the retail gasoline dealers. The truth is that the bill is intended to apply, and would apply, to all industries and all lines of trade—not just the petroleum industry; and it would help not just retailers, but independent wholesalers, jobbers, and distributors in all trades. The only difference between the effect of the bill on independent jobbers and wholesalers, and its effects on retailers, is this: While the bill would give the independent jobber and wholesaler some assurance of fair treatment from his supplier, it would also place on him some responsibility also for according fair treatment to his dealers.

Jobber and wholesaler groups in many lines have been the foremost advocates of an adequate anti-price discrimination law, both now and when the Robinson-Patman Act was passed in 1936. For example, the United States Wholesale Grocers Association and the National Candy Wholesalers Association, Inc., are strongly supporting H. R. 11. Certainly, then, all jobber and wholesaler groups are not of the opinion that the bill will hurt the independent middleman.

Let me begin at the beginning, and remind you why it is that our antitrust laws must place some curb on price discrimination. The reason is simply that when the practice is not curbed, big companies destroy smaller companies—not because they are more efficient, but merely because they are bigger. This works in two ways.

PRICE DISCRIMINATION CREATES SELLER'S MONOPOLY

First, big manufacturers—or big sellers at any trade level—destroy their smaller competitors, merely because they are bigger, and without respect to efficiency. For example, it was in this way that the old Standard Oil Co., which was subdivided under the Sherman Act in 1912, created a monopoly of more than 90 percent of all refined products sold in the United States. When Standard started out at Cleveland, Ohio, it was only one of 30 refiners then located in that area. The company first obtained a size advantage—by merging with some of its competitors. Thereafter it simply cut prices in one market at a time until the smaller competitors in that market were driven out, then it jacked up the prices in that market and moved on to destroy the competitors in other markets.

PRICE DISCRIMINATION DESTROYS HOMETOWN MERCHANTS

An equally bad result of discriminatory selling is, however, this: Where the suppliers discriminate in prices, the big trade buyers, such as the big chain retailers, usually receive an unearned advantage—in the prices they pay—which enables them to destroy or squeeze out their smaller competitors. I am not talking about different prices which are justified by differences in the seller's costs; the law plainly allows the seller to discriminate between the chains and the hometown merchants up to the extent that he has cost savings in serving the volume buyer. I am talking about price discriminations which go beyond cost differences. When we were investigating trade conditions in 1935 and 1936, we found, for example, that A. & P. was receiving millions and millions of dollars in unearned advantages; and of course these discriminatory advantages had resulted in the disappearance of tens of thousands of independent retailers.

THE THREAT TO FREE ENTERPRISE

In case you may have overlooked this threat of a few supergiant corporations taking all of the business of the country, let me point out some figures. Reports of the Securities and Exchange Commission and the Federal Trade Commission show that in June 1951, a few huge corporations with more than $100 million of assets owned 47 percent of all the assets of all manufacturing corporations. By June of last year, this had jumped to 59 percent. If this rate continues—and there is no reason to think that it will not continue—then all of the assets of all the manufacturing corporations will be controlled by a few supergiants of this size within a period of 18 years. Most of these corporations are already very prominent in the distribution, which means that they will take over most of the distribution as well. Certainly, then, all of us who want to save a place for the local, independent businessman in our country, must put our heads together, to find some way of checking the artificial advantages of bigness in the competitive contest.

PRESENT LAW PERMITS ABUSE OF POWER

Now, what is the state of the present law, and what will H. R. 11 do?

According to the majority ruling of the Supreme Court in the Standard Oil of Indiana case, a major oil company may cut its prices to a dealer across the street from an off-brand station without also cutting prices to its dealer just a block down the street, even though the result is to put the second dealer out of business. As a practical matter, this means that the major oil company may use its great marketing power to drive the off-brand station out of business, to drive out the independent distributor who supplies that station, and to destroy the small refiner who supplies that distributor.

Likewise, a major oil company may cut its price to one jobber without cutting it for another of its jobbers who may be in direct competition with that jobber.

"GOOD FAITH" IS NO SUBSTITUTE FOR ANTITRUST LAW

Some of the oil company literature keeps repeating that price discriminations must be made in good faith. What is good faith? The fact is, the Court said that a supplier may discriminate in his prices to meet competition, without respect to the effects upon competition. Consequently, a defendant who comes into Court under this law, comes in under the presumption that he was acting in good faith, when he has been doing only what the Court has plainly said he may do. The result is then that a discriminatory practice is automatically excused, unless the Government—or the plaintiff in a private suit—can prove bad faith, and this means proving that the defendant was also violating some other law, usually one of the anticonspiracy laws. Such, for example, are the charges in the present FTC complaints against the Pure Oil Co., at Birmingham, Ala., and the Sun Oil Co., at Jacksonville, Fla. [These are only charges, and I do not mean to suggest that we should consider these companies guilty until and unless proved guilty.]

WHAT H. R. 11 DOES

Now what will H. R. 11 do?

It will create a tendency to require the supplier, when he reduces his price to one of his jobbers, to reduce his price also to any of his other jobbers who are in direct competition with that jobber. Likewise, it would create a tendency to require the jobber to accord equal treatment to all of his dealers who are in actual competition among themselves. The bill would not, contrary to some of the propaganda, require the supplier to cut prices in all of the States in which the supplier operates; nor would it require the supplier to cut prices throughout a single State.

I use the term "tendency" for this reason: The bill does not require the supplier to give absolutely equal treatment to his competing customers. It only warns the supplier not to treat his competing customers so unfairly and unequally that the effect of his discrimination may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly." I will come back to the exact meaning of this language in a moment when I discuss some of the things in the API brief.

WHERE JOBBER COMPETES WITH HIS SUPPLIER

Now, I realize there are sometimes peculiar circumstances. It sometimes happens that a major oil company sells through an independent jobber and also makes tank wagon deliveries to retail stations in the same area. In other words, the tank wagon distribution systems on the jobber and his supplier are intermingled. Frankly, I suspect that such jobbers do not have a long future ahead. In most instances, the major lets such a jobber perform some of the distribution only because he has a kind of nuisance value to the major, which depends upon the jobbers being able to turn to some independent refiner who does not have tank wagon distribution in the area. When the independent refiner disappears, as they are very rapidly doing, then the major will have no use for that jobber. Nevertheless, we would not like a bill which would speed up that jobber's disappearance.

How, then, would H. R. 11 affect such a jobber? The fact is that there would be difficulties only under this combination of circumstances: (a) only if the jobber sells to retail dealers at a tank-wagon price below the major's tank-wagon price to competing dealers; and (b) only if the retail dealers in turn cut prices to consumers and divert trade from the retail dealers supplied directly by the oil company; and (c) only if the diversion is so substantial, and so prolonged, that it threatens a "substantial lessening" of competition.

Let me then ask you this: Even without considering the question of what a "substantial lessening" of competition means, how often do the other two conditions I have stated happen in reality? Do they happen often enough, and are they important enough to justify such a weakness in the antitrust law that the hometown merchants and small, independent businesses of all kinds will be destroyed? If so, what purchasing power will there be in our home communities to provide any business for the oil jobber who has been saved?

WHO WANTS "SUBSTANTIAL LESSENING OF COMPETITION"?

Now let me point out a few statements in the API's propaganda brief which have been circulated, directly and indirectly, to independent jobbers all over the country.

First, the API brief refers to the key language of the bill which defines an illegal discrimination as "where the effect may be substantially to lessen competition and tend to create a monopoly," and says:

> "The Supreme Court has interpreted the phrase to mean that there may be a lessening of competition whenever one buyer gets a lower price than others."

That is sheer nonsense. In no decision upholding a charge of illegal discrimination has the Supreme Court—or any other court—made such an interpretation; and the API brief cites no such case.

Consider these facts: This key language is well known to the courts. It is precisely the same language which has for several decades defined illegal exclusive-dealing agreements and tie-in sales agreements under section 3 of the act. It has never been interpreted as outlawing all exclusive dealing and all tie-in sales agreements.

This key language of the bill is also precisely that which defines an illegal merger under section 7 of the act. It has never been interpreted as outlawing all mergers.

WHO HAS THE BURDEN OF PROOF?

Now I come to a related statement in the API brief. It says:

> "The Robinson-Patman Act marked a departure from the traditional ideal of American justice by putting the burden of proof upon the person charged * * * this legislation would put a heavier burden on the accused businessman by requiring him to prove that he had not only met competition in good faith but that his doing so had not 'substantially lessened competition'."

More fantastic nonsense. In an antitrust suit under the present law, and under H. R. 11, the Government has the burden of proving both that a discrimination has been made, and of proving the "substantial lessening of competition or tendency to create monopoly." Any law that did otherwise would be instantly struck down as unconstitutional.

MAJOR'S CONCERN FOR JOBBERS, SMALL REFINERS, AND RETAIL DEALERS

It would take many pages to point out and answer all of the wrong statements in the API's propaganda brief. Let me, however, call attention to just one more which appears on the first page of this so-called brief. Here you will note a flat claim that H. R. 11 will eliminate independent jobbers. Referring to the bill as it passed the House last year, the brief says:

> "In fact, had this legislation passed, one whole branch of the oil business—independent jobbers—would have been practically eliminated by act of Congress."

increase in the wholesale price, relates maintained the same position on these mat- will hurt the independent middleman.

The major oil companies' brief also expresses tender solicitude for all other branches of the oil business—all branches, that is, except themselves. The statement continues:

"Another branch—independent refiners—would have been condemned to a lingering death. Even service-station operators * * * would have found their position undermined by this bill."

I suggest to you that the only branch of the business which would be inconvenienced by H. R. 11 is the one branch which is not mentioned, namely, the major oil companies. Yet, even these majors will not be hurt by H. R. 11. The bill will cost them only a little money—a little less in profits—to give fair treatment to their customers—including yourselves. And this, it seems to me, is a small price to pay for what surely must be, in the long run, the major's own self-interest—which is a future of private ownership of business in this country.

My statement about "pressures"

I come back now to your feeling that my statements have implied that oil jobbers who have expressed opposition to the bill have been "acting under pressure" from the major oil companies. I am enclosing reprints of my statements dealing with pressures; and I believe that after a full reading you will find they do not make this implications. I did refer to what I called "'captive' retail service stations" being pressured by the majors to send in wires opposing the bill; and I can point to many statements from retail dealers to substantiate my statement.

The pertinent part of what I did say about oil jobbers' opposition to the bill is this:

"* * * it is clear that these wires from the oil jobbers are furthering the cause of the major oil companies in opposing laws against price discrimination. That is true whether or not the oil jobbers are acting at the present time at the urging of the major oil companies in opposing H. R. 11.

"It is unfortunate that the oil jobbers and retailers of gasoline and oil have been led to believe that H. R. 11, if enacted into law, will adversely affect them. Certainly I want no part in anything that would operate to the damage of small and independent business firms."

This does not mean that I have lost faith in the independent oil jobbers, or lost faith in the determination of the great majority of business people to do the right thing—to support effective antitrust laws so as to maintain a place for independent business and maintain the free private enterprise system which is so essential to the way of life we want to keep.

I firmly believe that every independent oil jobber—in Texas, particularly—who understands H. R. 11 will be in favor of the bill.

LETTER FROM SOUTHERN CALIFORNIA SERVICE STATION ASSOCIATION

SOUTHERN CALIFORNIA SERVICE STATION ASSOCIATION,
Los Angeles, Calif., March 4, 1957.

Honorable Representative WRIGHT PATMAN,
United States House Office Building,
Washington, D. C.

DEAR HONORABLE REPRESENTATIVE PATMAN: We would like to call your attention to the equality of opportunity bill, H. R. 11, which will, if enacted, eliminate the defense loophole of "meeting competition in good faith" now existing under the Robinson-Patman Act.

Since our experience proves that price discrimination is the basic cause of retail gasoline price wars, we earnestly desire your support for this new law.

We enclose an article which explains how the extension of subsidies, rebates, and special allowances to favor customers as a pretense of good faith destroys competition in the retail gasoline field.

For the same reasons stated in the article, you will find that oil and gasoline suppliers are all able to reduce or increase the wholesale price of gasoline at approximately the same time and in just about the same amount. The recent increase in the whole sale price of gasoline clearly indicated that suppliers are definitely not in price competition with each other and can raise or lower the retail price of gasoline at any amount they so desire.

The only possible relief that can be obtained by service station dealers and other types of small businesses is to eliminate by law subsidies, rebates and special allowances and to require manufacturers and producers to lower the wholesale price to all customers rather than a selected few. This would yield a constant benefit to the public which would then enjoy consistently a nationwide competitive price.

Your favorable consideration of this legislation will be deeply appreciated by tens of thousands of dealers throughout the Nation as well as those in your district.

Yours very truly,

EUGENE E. PITTALUGA,
SCSSA President.

LETTER FROM LONG ISLAND GASOLINE RETAILERS ASSOCIATION, INC.

LONG ISLAND GASOLINE RETAILERS ASSOCIATION, INC.,
Richmond Hill, N. Y., March 6, 1957.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR SIR: Many thanks for your kind thought in sending us the pamphlet containing your speeches of January 28, 29, and February 5, 1957.

It was read and discussed at our meeting last night, also we read and discussed several of the pieces of material being distributed by the major oil companies against the H. R. 11 and S. 11 bills.

We can see there will be several viewpoints on this law this year, more so than a year ago. We find some of the major oil companies are attempting to discontinue their irregular practices, which may influence many of the service-station operators to feel the law is not necessary. But, on the other hand, we find other major oil companies are making no attempt to straighten out their household, and, since it only takes 1 or 2 to upset the market, the conditions on Long Island have not improved. From time to time we still have subsidies on one side of the street and not on the other, in amounts from 1 cent per gallon to 5 cents per gallon.

This association has very carefully considered all angles of the law, and under present conditions and what may come in the future, we cannot see any other way for the service-station operator to maintain his competitive position in this market.

We therefore advise that our position has not changed, and request you to do everything you can to make proposed bills H. R. 11 and S. 11 a law.

Thanking you again for your interest in our industry's welfare, I am,

Respectfully yours,

BEN FABRIZI, *President.*

LETTER FROM OREGON RETAIL DEALER

Omitting certain personal references to myself, the letter from the Oregon retail gasoline dealer is as follows:

STOCKYARD SERVICE,
North Portland, Oreg., March 13, 1957.

Hon. WRIGHT PATMAN,
House of Representatives, Congress of
the United States, Washington, D. C.

DEAR SIR:

* * * * *

At the present time the Oregon Gasoline Dealer's Association is endeavoring to have State legislation enacted to remedy some of these evils. I am enclosing a copy of this bill. I am also enclosing a copy of our arguments encouraging passage of this bill, which I have been designated to present at the hearing the Highway Committee of the Oregon House of Representatives is holding on Thursday, March 21. Perhaps some of this material will help you and others who are favorable to H. R. 11 and S. 11.

* * * * *

We are experiencing the same type of opposition in our efforts at the State level that you describe experiencing at the national level. The major oil companies here are coercing, misinterpreting, and propagandizing in every conceivable way.

If there is anything that our association or I as an individual can do to further your efforts please let me know.

Very truly yours,

J. S. BAKER.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, today, and to revise and extend his remarks and to include extraneous matter.

Mr. IKARD, for 1 hour, on Monday next.

Mr. ASPINALL, for 20 minutes, on March 19.

Mr. BAILEY on Thursday next for 30 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PATMAN in two instances and to include extraneous matter.

Mr. ALBERT and to include an address by the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. FALLON (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. O'HARA of Illinois and to include an address on St. Patrick's Day by the gentleman from Indiana [Mr. MADDEN].

Mr. PEIGHAN.

Mr. COLMER and to include extraneous matter.

Mr. MCVEY.

Mr. HOSMER and to include extraneous matter.

Mr. BERRY and to include extraneous matter.

Mr. CELLER.

Mr. CHRISTOPHER (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. DINGELL (at the request of Mr. MCCORMACK) and to include extraneous matter.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 15, 1957, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 200. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

even though the result is to put the second dealer out of business. As a practical mat- jobber? The fact is that there would be dif- ent jobbers—would have been practically

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 18 minutes p. m.), the House adjourned until tomorrow, Tuesday, March 19, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

605. A letter from the Secretary of the Treasury, transmitting a report on the finances of the Federal Government for the fiscal year ended June 30, 1956 (H. Doc. No. 3); to the Committee on Ways and Means and ordered to be printed with illustrations.

606. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of proposed legislation entitled "A bill to amend laws relating to housing, and for other purposes"; to the Committee on Banking and Currency.

607. A letter from the Administrator, Federal Facilities Corporation, transmitting copies of the report to the Congress of the Federal Facilities Corporation on tin operations for the 6-month period ended December 31, 1956, pursuant to Public Law 125, 80th Congress; to the Committee on Banking and Currency.

608. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Employees' Compensation Act, approved September 17, 1916, as amended, by providing for reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies, and for other purposes"; to the Committee on Education and Labor.

609. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees, and for other purposes"; to the Committee on Education and Labor.

610. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination"; to the Committee on Education and Labor.

611. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for assistance to States in their efforts to promote, establish, and maintain safe workplaces and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower"; to the Committee on Education and Labor.

612. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any Territory, or for the District of Columbia, and for other purposes"; to the Committee on Education and Labor.

613. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for registration and reporting of welfare and benefit plans"; to the Committee on Education and Labor.

614. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for the payment of expenses of administration of the Longshoremen's and Harbor Workers' Compensation Act by insurance carriers and self-insurers authorized to insure under section 32 of the act, and for other purposes"; to the Committee on Education and Labor.

615. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 30 years, and for other purposes"; to the Committee on Government Operations.

616. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend the act of October 26, 1940 (ch. 783, 63 Stat. 907) as amended"; to the Committee on Interstate and Foreign Commerce.

617. A letter from the Assistant Secretary of the Interior, transmitting a report on an order canceling $35,064.44 of reimbursable ditch lien charges against individual allotted and tribal lands of the Fond du Lac Indian Reservation in Minnesota, pursuant to the act approved July 1, 1932 (47 Stat. 564; 25 U. S. C. 386a); to the Committee on Interior and Insular Affairs.

618. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend section 1461 of title 18 of the United States Code, relating to the mailing of obscene or crime-inciting matter"; to the Committee on the Judiciary.

619. A letter from the Acting Secretary of the Treasury, transmitting a report on the payment of $6,981.47 to the Puget Sound Power & Light Co., of Bellingham, Wash., in full settlement of a claim for damage to a submarine power cable, pursuant to title 46, United States Code, section 781 et seq.; to the Committee on the Judiciary.

620. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to give effect to certain obligations of the United States under the Geneva Conventions for the Protection of War Victims of August 12, 1949, by regulating use of the Red Cross and other emblems, and for other purposes"; to the Committee on the Judiciary.

621. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, for the purpose of promoting the control of advertising along the National System of Interstate and Defense Highways"; to the Committee on Public Works.

622. A letter from the Director, the American Legion, transmitting the final financial statement of the American Legion up to and including the period ending December 31, 1956, pursuant to Public Law 47, 66th Congress; to the Committee on Veterans' Affairs.

623. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

624. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subject, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

625. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order granting the application for permanent residence filed by Theodore Kowalski (formerly Tadeusz Kowalski), A-7983445, pursuant to section 4 of the Displaced Persons Act of 1948; to the Committee on the Judiciary.

626. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order suspending deportation for the case of Laima Garklava, A-7958641, pursuant to section 244 (a) (2) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (2)); to the Committee on the Judiciary.

627. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

628. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 14, 1957, the following bill was reported on March 15, 1957:

Mr. THOMAS: Committee on Appropriations. H. R. 6070. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 197). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 18, 1957*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. S. 323. An act to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat; without amendment (Rept. No. 196). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on House Administration. House Resolution 163. Resolution to provide funds for the expense of the studies and investigations authorized by House Resolution 157; with amendment (Rept. No. 199). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 169. Resolution to provide funds for the studies and investigations authorized by House Resolution 168; with amendment (Rept. No. 200). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 171. Resolution to provide funds for necessary expenses of the Committee on Banking and Currency; without amendment (Rept. No. 201). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 179. Resolution to provide funds for the studies and investigations to be conducted pursuant to House Resolution 149; with amendment (Rept. No. 202). Ordered to be printed.

Mr. WALTER: Committee on the Judiciary. Report of subcommittee No. 1 pertaining to ICEM and land resettlement; without amendment (Rept. No. 203). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 5807. A bill to amend further and make permanent the Missing

Persons Act, as amended; with amendment

By Mr. COLMER:

services which are provided by an agency

Persons Act, as amended; with amendment (Rept. No. 204). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 14, 1957, the following bill was introduced on March 15, 1957:

By Mr. THOMAS:

H. R. 6070. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes.

[Introduced and referred March 18, 1957]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARENDS:

H. R. 6071. A bill to amend and clarify the reemployment provisions of the Armed Forces Reserve Act of 1952, as amended, and the Universal Military Training and Service Act, as amended; to the Committee on Armed Services.

By Mr. BAKER:

H. R. 6072. A bill granting the consent and approval of Congress to a Tennessee River Basin water pollution control compact, and for related purposes; to the Committee on Public Works.

By Mr. BENNETT of Florida:

H. R. 6073. A bill to amend section 1552 of title 10 of the United States Code to provide that every applicant for correction of his military record shall be afforded an opportunity for a hearing; to require the appearance of certain members of the Armed Forces before the boards for the correction of such records; and to provide for judicial review of the decisions of such boards; to the Committee on Armed Services.

By Mr. BERRY:

H. R. 6074. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Randall Dam on the Missouri River and for rehabilitation of the Indians of the Lower Brule Sioux Reservation, S. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 6075. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS of Louisiana:

H. R. 6076. A bill to amend the Internal Revenue Code of 1954 to increase the maximum amount of the deduction for medical expenses, and for other purposes; to the Committee on Ways and Means.

H. R. 6077. A bill to amend section 403 (d) of the Career Compensation Act of 1949, as amended, to eliminate discrimination against certain personnel of the uniformed services incapacitated prior to physical examination for promotion; to the Committee on Armed Services.

By Mr. BROYHILL (by request):

H. R. 6078. A bill to provide for the erection of suitable markers at Fort Myer, Va., to commemorate the first flight of an airplane on an Army installation, and for other purposes; to the Committee on Armed Services.

By Mr. BURNS of Hawaii:

H. R. 6079. A bill to provide a method for regulating and fixing wage rates for employees of Navy yards; to the Committee on Armed Services.

By Mr. COLMER:

H. R. 6080. A bill to provide for the conveyance of certain property of the United States in Gulfport, Miss., to the Gulfport Municipal Separate School District; to the Committee on Veterans' Affairs.

By Mr. CRETELLA:

H. R. 6081. A bill for the relief of certain minor alien children adopted by United States citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 6082. A bill to provide for approval under title X of the Social Security Act of State plans for aid to the blind without regard to the existence in any State of other programs of assistance to blind persons financed entirely by the State; to the Committee on Ways and Means.

By Mr. HALE:

H. R. 6083. A bill to provide funds to pay nationals of the United States who have war damage claims against Germany and Japan, without additional direct appropriations therefor, and to amend the Trading With the Enemy Act and the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. R. 6084. A bill to repeal the second proviso of section 206 (a) (1) of the Interstate Commerce Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6085. A bill to amend sections 2322 and 2323 of 28 United States Code; to the Committee on the Judiciary.

By Mr. HEMPHILL:

H. R. 6086. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 6087. A bill to amend the Fair Labor Standards Act of 1938, as amended, with respect to handling of agricultural commodities, and for other purposes; to the Committee on Education and Labor.

H. R. 6088. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. HOLT:

H. R. 6089. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. JARMAN:

H. R. 6090. A bill to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians; to the Committee on Interior and Insular Affairs.

By Mr. LEOGH:

H. R. 6091. A bill to amend the Internal Revenue Code of 1954 relating to the allowance of deductions for certain contributions made to community chests, funds, or foundations; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 6092. A bill granting the consent and approval of Congress to the Merrimack River flood-control compact; to the Committee on Public Works.

By Mr. LONG:

H. R. 6093. A bill to provide for the return to each State and Territory, for school-construction purposes, of a portion of the Federal income taxes collected therein; to the Committee on Education and Labor.

By Mr. MAGNUSON:

H. R. 6094. A bill to amend title IV of the Social Security Act to permit the inclusion, in computing Federal payments to a State under its State plan, of the cost of certain services which are provided by an agency other than the State agency administering such plan; to the Committee on Ways and Means.

By Mr. MARTIN:

H. R. 6095. A bill to amend the Tariff Act of 1930 to provide that the duty on gage glass tubes shall be based on invoice value; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 6096. A bill to provide Federal assistance for the construction of school facilities in Guam; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H. R. 6097. A bill to provide for transfer of credit from the civil service retirement system to the old-age and survivors insurance system, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PHILBIN:

H. R. 6098. A bill to provide for the establishment of the Cape Cod Canal National Park, in the State of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mr. PORTER:

H. R. 6099. A bill to amend the Internal Revenue Code of 1954 to provide that a State or political subdivision thereof shall not be liable to pay the documentary stamp tax on conveyances of realty to which it is a party; to the Committee on Ways and Means.

H. R. 6100. A bill to provide for a U. S. S. *Arizona* memorial at Pearl Harbor, T. H.; to the Committee on Armed Services.

By Mr. PRICE:

H. R. 6101. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. SIMPSON of Illinois (by request):

H. R. 6102. A bill to amend the War Claims Act of 1948, as amended, and the Trading With the Enemy Act, as amended, and to provide for the payment of certain American war damage claims; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMPSON of Pennsylvania:

H. R. 6103. A bill to amend section 162 of the Interal Revenue Code of 1954 to permit the deduction of demolition costs in certain cases; to the Committee on Ways and Means.

By Mr. SPRINGER:

H. R. 6104. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. TEAGUE of California:

H. R. 6105. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. WILSON of Indiana:

H. R. 6106. A bill to prevent discrimination against fiscal-year taxpayers with respect to depletion allowances; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 6107. A bill to amend title II of the Social Security Act to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits; to the Committee on Ways and Means.

H. R. 6108. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

By Mr. LANE (by request):

H. R. 6109. A bill to amend an act entitled "An act granting land to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, by the northern route," approved July 2, 1864; to prohibit the transfer to or the use hereafter by any company other than

Northern Pacific Railroad Co. of the nontransferable franchises, powers, privileges, immunities, and right-of-way given it in said act, except by the consent of the Congress of the United States, to give stockholders in the Federal corporation the right to enforce in the courts their property rights in the assets of the Federal corporation, and for other purposes; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 6110. A bill to provide for holidays and holiday pay for Government employees on Mondays following national holidays occurring on Saturdays and Sundays; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM of Nebraska:

H. J. Res. 277. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. J. Res. 278. Joint resolution to amend section 84 (a) (2) of title 28 of the United States Code; to the Committee on the Judiciary.

By Mr. ADAIR:

H. Con. Res. 152. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Con. Res. 153. Concurrent resolution to insure freedom of the press under the Passport Act of 1926; to the Committee on Foreign Affairs.

By Mr. SIMPSON of Pennsylvania:

H. Con. Res. 154. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. HALE:

H. Res. 204. Resolution authorizing the Committee on Ways and Means to investigate and study the General Agreement on Tariffs and Trade; to the Committee on Rules.

By Mr. WITHROW:

H. Res. 206. Resolution to amend the rules of the House to limit expenditures for fiscal year 1958; to the Committee on Rules.

By Mr. FALLON:

H. Res. 208. Resolution opposing the seating of Communist China in organs of the United Nations; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[Omitted from the Record of March 12, 1957]

By Mr. DEMPSEY: Memorial of the Legislature of New Mexico, memorializing the Congress of the United States to support all efforts and take whatever action is necessary to effectuate a reasonable limitation on petroleum imports in the interest of national security; to the Committee on Ways and Means.

By Mr. FORAND: Memorial of the General Assembly of the State of Rhode Island, memorializing the Congress of the United States to enact legislation providing effective aid to labor surplus areas; to the Committee on Banking and Currency.

Also, memorial of the General Assembly of the State of Rhode Island, memorializing Congress with respect to the establishing of a national cemetery in the State of Rhode Island and Providence Plantations for the interment of veterans or servicemen of any of the wars in which the United States has been or may be in the future engaged; to the Committee on Interior and Insular Affairs.

[Submitted March 18, 1957]

By Mr. ANDERSON of Montana: Memorial of the Senate and House of Representatives of the State of Montana relative to Yellowstone Park sales and use taxes; to the Committee on Interior and Insular Affairs.

Also, memorial of the Senate and House of Representatives of the State of Montana relative to power supply in the upper Missouri Basin; to the Committee on Public Works.

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing the Congress of the United States to reduce the eligibility of persons entitled to old-age assistance to 62 years; to the Committee on Ways and Means.

By Mr. MARTIN: Resolutions of the General Court of Massachusetts memorializing the Congress of the United States to reduce the eligibility of persons entitled to old-age assistance to 62 years; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to appropriate sufficient funds to the Department of the Interior for the purpose of accelerating research of the problem of economically desalting sea water; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States relative to protesting against continuation of the present "tight money policy" and urging that it be terminated; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to reduce the eligibility of persons entitled to old-age assistance to 62 years; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to implement and proceed with the investigation of the spread between the "on the hoof" cattle prices and the prices paid for retail beef by the consumer; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting passage of legislation to permit the free marketing of gold newly mined after the effective date of the act, etc.; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting what is necessary to give full statehood to the Territory of Alaska; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to deny the State of Wyoming or any other State the right to impose taxes of any sort in Yellowstone National Park, etc.; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting a thorough study of the effect of promoting off-reservation migration upon the Indians' family life and the advisability of extending the usual reservation family-assistance program to Indians away from reservations, etc.; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting that they more fully recognize the Federal responsibility in assisting and providing reasonable job opportunities and necessary financial assistance and cooperation with the State of Montana, etc.; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States that necessary action be taken to have a policy established by the Department of the Interior, and the Indian Bureau thereof, to purchase coal for use on certain Indian reservations; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to investigate the subordination of power generation on the Missouri River to navigation, etc.; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States requesting legislation to authorize construction by the Federal Government of Glacier View Dam on the North Fork of the Flathead River in the State of Montana, etc.; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Montana memorializing the President and the Congress of the United States to take appropriate action to increase the personal income-tax credit exemption from $600 to $700; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Alaska memorializing the President and the Congress of the United States relative to urging passage of one of the bills before the Congress which would allow gold producers to sell their gold in the open market of the world without restriction; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to urging that section 10 (c) of the Federal Airport Aid Act (49 U. S. C. 1101-19) be amended by changing the numeral 75 to 90, etc.; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States that March 30, 1957, be further designated Liberation Day and that the people of Alaska on this date celebrate their liberation from Russian colonial bondage; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 6111. A bill for the relief of Valerie Shinavar; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 6112. A bill for the relief of Lionel Allen Sampson; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 6113. A bill for the relief of Jose da Silva Ferreira; to the Committee on the Judiciary.

By Mr. EBERHARTER:

H. R. 6114. A bill for the relief of Panagiotis Fekos; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 6115. A bill for the relief of Comdr. William Crane Cantrell; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. R. 6116. A bill for the relief of Nora Lyons; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 6117. A bill for the relief of Hans Elis Hillers Tromholt, Mrs. Edna Emma

Tromholt, and Elsa Maria Tromholt; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 6118. A bill for the relief of Kimshun Fong; to the Committee on the Judiciary.

By Mr. JAMES:

H. R. 6119. A bill for the relief of Alexander Rudhart; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 6120. A bill for the relief of Kuzman Gusobad; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H. R. 6121. A bill for the relief of Edward James Leury; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 6122. A bill for the relief of Maria West; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Major Oil Companies Can Meet Competition Under H. R. 11

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. PATMAN. Mr. Speaker, I know that the Members are receiving a number of letters from independent retail gasoline dealers which indicate a misunderstanding of the purpose and effect of H. R. 11. I, too, am receiving a number of such letters, although H. R. 11 was designed specifically to help the independent gasoline dealers, and to relieve them from an unfair discriminatory practice which chronically affects these dealers and is daily putting many of them out of business.

The misunderstanding which some of these dealers now have is that, under this bill, a major oil company cannot assist any of its dealers to meet competition—by giving those dealers a price cut—unless the major oil company also cuts prices throughout all of the marketing areas in which it distributes gasoline.

This misunderstanding of what would be required under H. R. 11 has been created and propagandized by certain of the major oil companies. Such claims are made in literature which the major oil companies have been passing out directly, and like claims have been made in such publications as the Gasoline Retailer, which I understand is widely circulated among gasoline dealers and usually follows the propaganda line of the major oil companies.

I have had an exchange of correspondence with a constituent of mine, Mr. W. A. Moore, who is in the retail gasoline business at Paris, Tex. I believe that the Members may be interested in the following letter to me from Mr. Moore, as well as in my reply, in which I have tried to dispell the misinformation, and clear up the misunderstandings about H. R. 11:

GASOLINE RETAILER MISLEADS RETAIL DEALERS

PARIS, TEX., *March 9, 1957*.

Mr. WRIGHT PATMAN,
Member of Congress,
Washington, D. C.

DEAR SIR: I was out of town when your letter came—hence my delay.

I sure appreciate your interest in my feeling about H. R. 11 and have been thinking about it a lot.

I believe that I can answer your letter of February 25, 1957 best by quoting from H. H. Inness Brown's article in the February 20 issue of the Gasoline Retailer. But since it is a rather lengthy article may I suggest that you read it in case that you haven't already. I feel just about as Mr. Brown does. I believe that in case of a price war here in Paris, that under H. R. 11, my supplier (a major) might not be able to help me meet the local jobber's dealer prices. This, Mr. Patman, is my main objection and is the objection of nearly every dealer that I have talked to.

Please explain to me, if my idea is wrong, just how my supplier could help me without cutting the price everywhere he operates.

With kind regards, I remain,

Yours very truly,

W. A. MOORE.

NOW SUPPLIERS MAY MEET COMPETITION UNDER H. R. 11

MARCH 15, 1957.

Mr. W. A. MOORE,
Paris, Tex.

DEAR MR. MOORE: You were good to write me again, giving me more details on what is troubling some of the gasoline dealers about H. R. 11. I am sorry that the impression has gotten around that under H. R. 11 a major oil company could not discriminate in its prices to help a dealer meet competition—that is, that the supplier could not cut prices in one area to meet local competition without also cutting prices in every area where the supplier operates. This is a wrong impression of the bill.

At the present time, many of the major oil companies will cut the price to a dealer just across the street from an off-brand station but without cutting the price to the other dealer just down the street. The result is, of course, that the dealer receiving the price allowance cuts prices to consumers and diverts trade from the off-brand station. But it is equally true that trade is diverted from the major's other dealer just down the street.

H. R. 11 does not prevent a major oil company from assisting a dealer to meet competition. It does however, tend to place on the major oil company this requirement: When it cuts its price to one of its dealers to assist that dealer in meeting competition, then it must assist all of its other dealers who are substantially affected by that same competition. I use the word "tend" because the bill does not require the supplier to give completely fair or equal treatment to its dealers who are in competition among themselves; but it does forbid the supplier to treat its dealers so unfairly and so unequally that the result will be a "substantial lessening of competition."

This does not mean that there would be any tendency to require the supplier to reduce prices in all of the States in which it distributes; it does not mean that it would tend to require the supplier to reduce prices throughout any one State; nor does it mean necessarily that the bill would tend to require the major oil company to reduce prices even throughout a city. It simply means, as I have said, that the supplier must try to give fair treatment to its dealers who are in actual competition among themselves.

With kind personal regards, I am,

Sincerely yours,

WRIGHT PATMAN.

Foreign Policy

EXTENSION OF REMARKS

OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered at a dinner meeting of the Business International Group, at the Sheraton-Carlton Hotel, Washington, D. C., on March 14, 1957. It includes a lengthy letter from Hon. D. A. FitzGerald, Acting Director, International Cooperation Administration, regarding loan agreements being made with foreign countries in accordance with Public Law 480.

I believe this address will be of interest to the Members of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INFORMAL REMARKS OF UNITED STATES SENATOR THEODORE FRANCIS GREEN, CHAIRMAN, SENATE COMMITTEE ON FOREIGN RELATIONS, AT A DINNER MEETING OF THE BUSINESS INTERNATIONAL GROUP AT THE SHERATON-CARLTON HOTEL, MARCH 14, 1957, WASHINGTON, D. C.

Mr. Chairman, distinguished guests, and members of the Business International Group, I am highly appreciative of the honor which you have bestowed on me by giving this dinner. Probably it is in some way related to the fact that I serve as chairman of the Senate Committee on Foreign Relations, and the further fact that companies of the type represented here have a deep and fundamental interest in the foreign policy of the United States. It is but natural, therefore, that your concern with foreign policy should lead to a special interest in Members of Congress and committees directly concerned with the formulation of that policy.

On the other hand, may I say that my committee is especially interested in the operations of your companies abroad. In most activities in which Members of Congress engage, there is a widely dispersed and vigorous constituency following every move. But in the field of foreign relations we have no constituents, except the relatively few Americans who serve abroad with companies like those represented here, and, unfortunately, I suspect that most of your employees abroad do not vote.

In the case of domestic policies—relating to the effective operation of the postal service in the United States, for example—Congressmen quickly hear from constituents if the postman doesn't deliver the mail. In the case of foreign-aid programs, however, Members of Congress are not so likely to have constituents on the spot, who will report any possible shortcomings in the foreign-aid program. The result is that the Congressman often doesn't learn that something is "rotten in Denmark" or "going sour in the Sudan"

until the situation is really out of hand or nearly so.

It is precisely to fill this lack of on-the-spot information that my committee has enlisted the assistance of companies such as yours to supplement the information received through official channels or obtained by those Members of Congress who travel abroad from time to time.

As some of you know, the Senate Committee on Foreign Relations has sought your advice in the formulation of foreign policy. Since last summer we have had under way a thorough review of the foreign-aid policies of the United States. We have been concerned with the impact, or lack of impact, which foreign-aid expenditures have had upon our foreign relations. We have wanted to know whether our technical assistance programs in Latin America, our economic assistance programs in India, or our military-aid programs in Pakistan or Turkey or Greece have served the national interest.

Naturally, in seeking answers to these questions Congress turns to the executive branch of the Government for advice. But, it is a strange thing. I have yet to hear a representative of the executive branch come before the Senate Committee on Foreign Relations and testify to anything but the fact that our aid programs have been a great success.

However, in order to supplement this view of the executive branch on the effectiveness of our foreign-aid program, the committee has turned to companies such as yours. Last fall we asked some 50 American companies, newsgathering organizations, and private philanthropic groups with large numbers of overseas representatives, to assist the committee in its evaluation of our foreign-aid programs. For example, the committee felt that the local manager of the Chase Manhattan branch in New Delhi, or an overseas representative of W. R. Grace & Co., or a reporter in Paris for the Columbia Broadcasting System, would be in a good position to give the committee views on the effectiveness or the ineffectiveness of our aid policies in the area where he is located.

I am sure most of you here will be interested in a summary of the information supplied by overseas Americans in response to the questionnaire which the committee sent out last fall. The summary is now in the hands of the Government Printing Office and will supply much of the raw material which the committee must have in reaching its final conclusions. I hope you will furnish me with the names and addresses of any persons who you think might be interested in this summary.

In the weeks immediately ahead I anticipate that the Senate will be devoting a great deal of attention to this subject of foreign aid. Since 1946 the United States has appropriated in excess of $50 billion for this purpose. During the 8-year period since the inception of the Marshall plan in 1948, however, the relationships among the nations of the world have undergone substantial changes and the scope and nature of United States aid programs have frequently been altered during that period.

Here is another phase of the matter. Although there has been a gradual decrease in the sums appropriated over these years, there has been a gradual increase in the opposition to these programs. This increased opposition is evident in the votes in the Senate.

In 1948 there were only 7 votes against final passage of the Marshall plan. In 1956 there were 30 votes against final passage of the mutual security appropriation bill, and this number was equally divided between the 2 parties.

There should be serious cause for concern when foreign policy programs of the size and the impact of the annual Mutual Security Act do not command the support of at least two-thirds of the Senate. It would seem that such programs if they are to be successful in promoting the national interest should be of a kind to enlist wider Congressional and public support. One of the reasons for the constitutional requirement of a two-thirds majority for consent to ratification of treaties is that the Nation when it speaks on foreign policy should speak with a strong, united voice. Foreign-aid programs cannot achieve their full potential unless they draw support from the American people, or at least from their official representatives.

The trend of increasing opposition to these programs would seem to indicate either that their purposes have not been clearly understood, or that there is a growing belief that they have in some way failed to serve the national interest. In either event, the trend must be reversed, either by clarifying the relationship between the programs and the national interest, or by changing the programs so that they may more clearly serve that national interest.

It was as a result of considerations of this kind that the Senate last year adopted a resolution introduced by Senator MANSFIELD which created the Special Committee To Study the Foreign Aid Program. The Senate instructed this special committee to make "exhaustive studies of the extent to which foreign assistance by the United States Government serves, can be made to serve, or does not serve, the national interest, to the end that such studies and recommendations based thereon may be available to the Senate in considering foreign-aid policies for the future."

The committee's job of collecting material upon which to base its recommendations is now nearing completion. Some 20 studies have already been made and are in process of publication. The committee has sought the advice of some of our great educational institutions like the Massachusetts Institute of Technology and Columbia University. It has used private contractors in the gathering of material. It has invited prominent American statesmen to carry on surveys for it in various parts of the world.

In collecting this material the committee has been assiduous in trying to make sure that all points of view are represented among those collecting the material. I believe that an examination of the materials and recommendations submitted to the committee will indicate beyond any doubt that we have had before us the views of those who advocate a vast expansion of our aid programs as well as those who advocate its vigorous curtailment, and those who justify the present course.

I cannot as yet, of course, tell you what the committee may finally recommend. All that I can do is to assure you that the committee is doing its homework and express the hope that its conclusions may be beneficial to the American people.

Regardless of the ultimate conclusions of the Special Committee To Study the Foreign Aid Program, I am sure you will find some of the studies of great interest. One study, for example, is entitled "American Private Enterprise, Foreign Economic Development, and the Aid Programs"; another reviews the foreign assistance activities of the Soviet Union; a third is on the use of private contractors in foreign-aid programs; a fourth is on the subject of the agricultural surplus-disposal program. Copies of these studies are available upon written request to the Senate Committee on Foreign Relations.

In connection with the study relating to the disposal of surplus agricultural products, I know that Business International has been deeply interested in the uses to which foreign currencies generated by that program are put. One of the men the committee sent abroad was former Ambassador David Bruce. He drew particular attention to some of the problems that have been created in Latin America by the disposal program and the impact that our control of large amounts of foreign currencies may have on economic development in that area.

Certainly one thing that has been clearly revealed by the work of the special committee is that greater attention must be directed toward the productive use of these currencies in ways that will serve the national interest.

In the January 11 issue of Business International, Your Weekly Report to Management on Business Abroad, I noted the article entitled "Public Law 480 Funds Still Out of Reach of Private (and United States) Firms." Immediately I wrote to the Secretary of State, sent him a copy of the article, and requested his comments. On Saturday, March 9, I received a lengthy letter from Hon. D. A. FitzGerald, Acting Director of the International Cooperation Administration, regarding this problem.

I would like to read this letter in whole or in part, but the letter itself is very long, consisting of four and a quarter closely typewritten pages. It is carefully reasoned and includes a wealth of detail and many figures difficult to carry in mind. It deserves your careful consideration, but I think it better for me not to read it to you now. For this reason I have had mimeographed copies of my remarks prepared for distribution to you here and have had included the letter itself.

(Following is the letter in full—it was not read:)

INTERNATIONAL COOPERATION ADMINISTRATION,
OFFICE OF THE DIRECTOR,
Washington, D. C., March 9, 1957.

Hon. THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Your letter to Secretary Dulles enclosing a marked copy of an article in Business International regarding the allocation of funds under Public Law 480 has been referred to me for reply. In order to comment most meaningfully on the article it is necessary to review title I of the law, the facts of the situation with which it deals, and some history of its operation.

As you know, the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) is, to quote the preamble "An act to increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes." Among the other purposes of the act "it is further the policy to use foreign currencies which accrue to the United States under this act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States."

Under title I of the act the President, who has delegated this function to the Secretary of State, "is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies." Section 104 enumerates 10 different purposes to which the United States Government may devote the proceeds including: procurement of military supplies; purchase of goods for friendly countries; promotion of balanced economic development and international trade; development of new markets for United States agricultural commodities; purchase of strategic materials; payment of United States foreign obligations; financing international educational exchange activities; financing sale of books and periodicals abroad; assisting United States schools abroad; and most important of all for loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be

appropriate. The use for loan purposes for economic development of the purchasing country has been the most important purpose to which these proceeds have been devoted and constituted 56 percent of the total sales proceeds under title I on January 31, 1957.

The negotiating situation under the act was more difficult in the early period but has become easier as time has gone on. What the United States had wanted, primarily, was to sell agricultural surplus, foster good foreign relations, and get the full value out of its sales for foreign currency. What the foreign government wanted was to use this means to purchase needed goods without using foreign exchange, and to secure as large a loan as possible for economic development on the most favorable possible terms from the proceeds. What has happened is that in selling the surplus to largely underdeveloped countries they have wanted loans to finance their plans for economic development. Since their plans for economic development rely heavily on large projects for power production, irrigation and drainage, roads and ports, and other facilities for promoting development which are in their public sector they have used the loan funds heavily for their own public projects. These projects are not attractive to private investors though they are indispensable to later development through private investment. We have not encouraged this choice but have continued to point out the value of using private enterprise, both domestic and foreign, in their economic development. To some extent they have done so, even though until last August we had not sought to secure their specific agreement to do this. Since then we have sought to secure agreement by the purchasing government to set aside a fixed amount or proportion of the loan funds for relending by them to private enterprise, whether of domestic, United States, or other friendly foreign national origin. We have also sought to include such a provision in the supplementary loan agreements even though the sales agreements from which loan funds were derived were made before this policy became effective and contained no such agreement.

The results of this policy have not been entirely satisfactory to those who have had extravagant expectations of what was possible. Essentially its possibilities are limited by a number of factors which I will discuss briefly. These are:

1. The loan funds belong to the borrower, a sovereign government, not to the United States. Since this is so, within the context of good foreign relations, so long as the funds are well used, as determined by our accounting controls, and for good economic development, we can seek their agreement as to proper uses but we cannot substitute our judgment for that of a sovereign government—and a rather jealous one, at that.

2. These sales are primarily made to underdeveloped countries with economies ranging from those as socialistic as Yugoslavia to those as unsocialistic as Japan but, whether socialistic or not, the governments in the least socialistic have in most cases their own fairly well formulated economic development plans, or, at least government projects in the public sector which they think are of the highest priority for economic development. It should be noted, however, that India, which has what many Americans think is too large a public sector, readily agreed to reserving the largest amount for relending to private foreign and domestic enterprise of any country so far—$55 million.

3. Our loan rates, 2 percent for dollar, and 4 percent for local currency repayment over up to 40 years, are low in order to encourage sales and furnish cheap credit to friendly nations for their economic development. Since many of these underdeveloped countries have weak currencies we have felt obligated to require an exchange guaranty to cover the risk of currency depreciation over such a long period. Since we could not afford to lend funds without an exchange guaranty at such low rates and since monetary and credit policy of the foreign government are involved in relending to private enterprise our policy has been to retain the exchange guaranty we already have required from the foreign government and allow them to recoup any losses due to relending by them without value maintenance from the spread in interest rates paid by them to us and charged by them to private borrowers.

There has been a misapprehension about the amounts of proceeds and loans under Public Law 480. The $3 billion of authorization by Congress is for CCC value, including ocean transportation costs. As of January 31, 1957, the CCC cost of commodities sold, including ocean transportation, amounted to $2,885,923,000. The market value including ocean transportation on these sales was programed at $1,980,880,000. Of this amount, 56 percent of $1,117,000,000 had been reserved for loans and the amount of loan agreements signed amounts to $355 millions.

Before we adopted the policy of seeking agreed relending to private enterprise Brazil, Spain, Japan, Austria, Israel, and Ecuador reloaned varying amounts to private investors. From the loan of $31 million to Brazil $12,-800,000 was loaned to private investors, of which American and Foreign Power Company secured a loan of $5 million in local currency equivalent. In Spain our first loan of $10,-500,000 was reloaned to private investors to the extent of about 50 percent though none to American investors so far as has been reported. In Japan around $5 million out of their two loans has been reloaned to private Japanese investors. The Austrian Government is relending arcund 50 percent to private investors from its $16 million in two loans. In Ecuador approximately $3 million out of their $3,100,000 loan was reloaned to farmers mainly for irrigation. In Israel on loans amounting to $28,790,000, and in Colombia on loans amounting to $1[illegible] million, it is planned to relend portions, as yet unspecified, to private investors.

The only loan agreement signed so far with provision for relending to private enterprise is that with Brazil in the recent loan of $117 million. The Brazilians insisted they could not make a reservation solely to private enterprises, but must include mixed and Government enterprises. Our understanding is, however, that a considerable part of the funds will probably be reloaned to American and Foreign Power and the Canadian-owned Brazilian Railways, Light & Gas Co., Ltd. The Paraguayan loan agreement for $2,200,000, just signed March 8, does not include a private relending provision because of desire not to delay signing, but the Government of Paraguay agrees with the principle and intends to lend up to 25 percent to private investors. In Argentina loan agreements of $20 million are under negotiation under which relending to private investors was provided by the sales agreements.

Since the beginning of this policy in August sales agreements with private investment relending provisions included have been signed with the following countries and supplementary loan agreements with such agreed provisions are in process of negotiation.

Country:	Private loan portion (million)
India	55.0
Pakistan	2.8
Greece	4.8
Spain	22.1
Ecuador	1.08
Israel	1.5
Italy	18.6
Turkey	8.0
	113.88

The voluntary relending to private, including American, investors, of upwards of $30 million, the prospect of substantial relending in Brazil and Paraguay and the agreed intention to relend to private investors on a nondiscriminatory basis for loans to private enterprise of both local and foreign friendly country origin of over $113 million is not a poor result for a policy on which instructions were sent to the field only 7 months ago. On the other hand, extravagant expectations of amounts to be made available to United States manufacturers should not be encouraged. Foreign governments will emphasize their own development plans which are heavily in the public sector though these facilities will open up further opportunities for future private investment, both domestic and foreign. They will naturally protect the prospective domestic investor. Interest rates will generally be higher than United States interest rates since capital in underdeveloped countries is well known to be scarcer than in the United States.

Without promising what final performance is likely to be, especially for United States investors, it does seem possible that the first year of this policy might see as much as $250 million loaned and reserved from this source for private relending to which United States investors will have agreed access on a nondiscriminatory basis. By next August when the first year's results will be available for study we should be better able to appraise the results and will do so.

Sincerely yours,

D. A. FITZGERALD,
Acting Director.

During the years I have been in the Senate, I have observed a tremendous increase in public interest in our foreign policy. We now realize that incidents in far away parts of the world, which in the 1930's would have passed unnoticed, may now involve this Nation in war. Foreign policy is front-page news not only in Washington and New York, but in every city and village throughout the United States. The people realize that the livelihood and even the lives of Americans are intimately tied to events in such strange places as Gaza and the Pescadores.

Perhaps one way to measure the increased interest of Americans in foreign policy is to look at the workload of the Committee on Foreign Relations. Only last week I had occasion to examine the number of items before the committee during the first 2 months of this session of Congress as compared with the first 2 months of the session 2 years ago. Two years ago there were 28 items before the committee. This year there were 43. And certainly those of you who have been following the debates in the Senate on the so-called Eisenhower doctrine must realize that a great deal of foreign policy has already been made this session.

In concluding, I think I should warn you, Mr. Chairman and guests, that you should not make the mistake of believing that all foreign-affairs talk on Capitol Hill is foreign policy making.

I am reminded of the story of the company in Chicago which advertised that it was ready to purchase bullfrog skins at 50 cents each. Shortly after the advertisement appeared, the company received a wire from a man in Texas. The wire read: "Can supply 100,000 bullfrog skins. Please instruct."

Back went the reply: "Forward 100,000 bullfrog skins forthwith." Three weeks passed. No skins. Finally there came a small package with one bullfrog skin and a small note attached which read: "Sorry. It sounded like there were a lot more."

Sometimes I am afraid that it sounds like a lot more foreign policy, and with a lot more dissent, is being made on Capitol Hill than is the case. Yet it is a fact that in a democracy such as ours, the formulation of policy is accompanied by a great deal

of noise and disagreement. To the initiated the public debate of foreign-policy issues is not a frightening thing. On the contrary, I find it a heartening thing, because it is in the process of free debate and exchange of ideas that this Nation hammers out a foreign policy which serves the national interest, and which will command the support of the American people.

So, let us go forward with courage and confidence.

Jefferson-Jackson Day Dinner Address by Senate Democratic Leader Lyndon B. Johnson

EXTENSION OF REMARKS

OF

HON. SAM J. ERVIN, JR.

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. ERVIN. Mr. President, on Saturday night the distinguished majority leader of the Senate spoke to the Democrats of my State. His address was one which I believe all my colleagues should read, because it was couched in terms of reason, rather than petty partisanship. It was in keeping with the same degree of high purpose with which the senior Senator from Texas serves the Senate.

He called upon the party which he so ably represents to unite for constructive achievement—not just to divide the country—and his words brought forth an enthusiastic response from all who were present.

Mr. President, in times like these we are fortunate to have a leader who appeals to reason and unity. Those are the qualities which are the salvation of our country.

I ask unanimous consent that the very able and illuminating address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATE DEMOCRATIC LEADER LYNDON B. JOHNSON BEFORE JEFFERSON-JACKSON DAY DINNER, RALEIGH, N. C., MARCH 16, 1957

Mr. Chairman, friends, fellow Democrats, I am here tonight to visit with you about our party and our country.

You are here because you are Democrats. To me, that means simply that you are concerned about the future of our Nation. You are people who believe—believe that the people can act to shape their own destiny.

North Carolina has always been a stronghold of the Democratic Party. I count among my closest friends such able legislators as SAM ERVIN and KERR SCOTT. Luther Hodges is known throughout the Nation.

When I first came to Washington as a Congressman in 1937, Lindsay Warren was a tower of strength and Bob Doughton had forged already his position as the party's expert on taxes and fiscal affairs. I can include among the House Members with whom I have served John H. Kerr, Franklin Hancock, Alonzo D. Folger, William B. Umstead, J. Baird Clark, Walter Lambeth, William O. Burgin, Charles Deane, Alfred L. Bulwinkle, Zebulon Weaver, Monroe Redden, Herbert C. Bonner, Graham Barden, Harold D. Cooley, and Carl T. Durham.

Today your delegation compares favorably with any in the Nation. Some of those that I have named are still in the Congress. They serve with such able men as L. H. FOUNTAIN, RALPH SCOTT, ALTON LENNON, PAUL KITCHIN, HUGH ALEXANDER, BASIL WHITENER, and GEORGE SHUFORD.

Men like these keep the Democratic Party the party of the people and the party that serves America.

As we meet here tonight, events are taking place in a remote corner of the world which may upset the delicate balance between war and peace.

One side in a two-sided dispute seems determined to press its cause beyond the bounds of reason.

In the past few weeks, this country took the lead in mobilizing the free world to persuade Israel to withdraw from Gaza and the Gulf of Aqaba. That withdrawal took place.

But in urging withdrawal, this country did not aline itself with one side. It expected there would be equally statesmanlike acts on the other side.

Those acts have not been performed. Instead, a colonel appears determined to interpret as a military defeat the fact that men's educated minds bowed to persuasion and reason.

There can be no permanent settlement in the Middle East until certain preliminary steps have been taken. Withdrawal was one of those steps.

In return, the Israelis are entitled to peace on their borders and to peaceful commerce. To deny these is to grant the colonel a military victory which his armies did not win.

This country has a clear duty. It was indicated by the President on February 9 when he said:

"We should not assume that if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations."

Our clear-cut concepts were expressed by the Congress when it voted to support and supply the U. N. Emergency Force. I am happy to say that every Democratic Senator voting voted "yea."

We must frankly face the fact that the Israelis withdrew because we took the leadership in persuading them. They were not driven out by Nasser from the Gaza Strip and Sharm-el-Sheikh.

Now the world looks to us to determine how we will act in regard to the other side. And if we acquiesce to actions that go beyond the bounds of reason, we will lose the world's confidence.

The strength of our party cannot be underestimated. In the last election, we won on every level except the Presidency itself—and I predict we will win that in 1960.

We won the House and the Senate.

We won a majority of the State legislatures.

We won city hall after city hall and county courthouse after county courthouse.

The score today is 29 Democratic governors and 19 Republican governors; 24 Democratic State legislatures and 19 Republican State legislatures (2 States elect their legislatures on a nonpartisan basis and in 3 States the legislatures are evenly divided).

The Republican Party was given public credit for a popular victory. But actually only one Republican won—the President himself.

The Republicans as a party went down to defeat.

It is time for us to take a close look at our party and to determine our true strengths.

There are many paths that lead to the Democratic Party. Some of us are businessmen. Some of us are workingmen. Some of us are farmers. Some of us are technicians.

But all of us are held together by one common belief. It is that this country belongs to all Americans and that there is no one group or no one sect that can tell the rest of us what to believe or what to do.

The Democratic Party has a long—and frequently stormy—history. It has survived practically every crisis in our history. It has endured through good times and bad times, through crisis and tranquillity.

It has numbered among its leaders such men as Jefferson and Jackson; Cleveland and Wilson; Roosevelt and Truman. We are proud of every one of them. They were Democrats—without prefix; without suffix; and without apology.

When I use this phrase, of course, I am quoting one of the great men of our times, the Speaker of the House, SAM RAYBURN. It is one of his favorite phrases, one which he employs on every occasion where he is trying to express his inmost feelings.

I have not borrowed this phrase just because it is a good one, although it is. I have turned to it because there is nothing more expressive of the real strength and the real vitality of the party which we represent.

To me, there is no such thing as a hyphenated Democrat. I recognize that there are differences of viewpoint within our party. I realize that we do not see all things alike.

We are a nationwide party. That is a fact which imposes upon us certain obligations, obligations which are not felt by a sectarian group or a sectional political organization.

It means that we must have a true realization of the needs of a cotton farmer and an automobile worker; of a tobacco planter and a machinist; of a poultry raiser and a business executive.

We must think seriously of the problems of industry and the problems of labor. We must realize that we cannot cut off our export markets for cotton and we cannot permit textiles to be swamped in a sea of foreign imports.

No responsible man will pretend that there is an easy answer to all these problems. And no responsible political party will pretend that one simple solution solves them all.

It takes work—hard, unrelenting work. It takes a willingness to seek common ground, even where the answers appear to be contradictory. It takes an appreciation of the spirit of give and take, even where people are unwilling to compromise.

And above all, it takes a willingness to listen and learn from every point of view, while denying to any one group the right to absolute control.

There is in the Democratic Party a wealth of talent. That, plus our standing as a nationwide party, represents our true strength.

Our real problem is to bring these men of talent together, to unite them in a common search for the solutions to the problems that face all Americans.

The fact that a man may be wrong about this issue or that problem has never been a matter of absorbing interest to me. But the fact that if he sits down to reason together with a man of a different viewpoint, a solution may be forthcoming seems to me the most important aspect of life.

I can ask you—in all sincerity—to appreciate the keen and understanding mind of a DICK NEUBERGER. With equal sincerity, I can ask the people of Oregon to appreciate the wisdom and the integrity of a SAM ERVIN.

I can ask you—with the same earnestness—to heed the vigorous, imaginative words of a HUBERT HUMPHREY. And I can ask the people of Minnesota to give serious consideration to the blunt candor and patriotic advice of a KERR SCOTT.

This request can be made simply because we are all Democrats—and everyone of us has something to contribute to our party.

Personally, I believe that the people of this country are tired of the kind of political thought that divides Americans into blocs. I strongly suspect that those most tired of that phrase are the men and women who are supposed to be members of the blocs.

I doubt whether the carpenter who built this rostrum thinks of himself only as a part of the laboring class. And I doubt equally whether the man who paid his wages thinks of himself only as part of the management class.

They think of themselves first as American men and their wives think of themselves first as American women. And they are perfectly right in doing so.

Each has his own responsibilities and his own problems. But neither one is going to be very happy with a group or with a political party that seeks to promote conflict between the two of them.

The real problems of our times do not call upon us to fight just because you come from North Carolina and I come from Texas. They do not automatically require a man from New York to put on brass knuckles when he meets an American from Alabama.

I have an idea that a serious discussion of the basic issues would run just about the same in North Dakota or Georgia; in Idaho or California. The accents would be different but the conclusion would be just about the same.

Of course, there are differences between the sections. There is a Northern viewpoint and a Southern viewpoint. The outlook of the West differs from the outlook of the East.

Sometimes these differences become heated.

But those differences—heated and angry though they may be—are insignificant alongside of our real problems.

First, there is the question of monetary policy. How long can this Nation remain prosperous when the price of money goes up and up beyond the reach of small businessmen, farmers, and consumers?

Second, there is the issue of foreign policy. Are we working effectively to maintain the integrity of the free world or are we just operating on a "spend more money" basis?

Third, what is happening to our farmers? North Carolina has more small farmers than any other State in the Union. But can we keep them on the farm when costs constantly go up, and prices fall or remain the same?

Fourth, why are we lagging behind Great Britain and the Soviet Union in peacetime use of atomic energy? We have been operating under an act to encourage that development for 3 years. And yet we do not have a single large-scale reactor in this country. Great Britain has two and there is good evidence that the Soviet Union beat us to the punch on a small-scale reactor.

Fifth, are we wisely and prudently conserving our natural resources in view of our expanding population?

Sixth, are we using all our resources and all our newly acquired knowledge to conquer cancer, heart disease, and the other killing and crippling diseases?

Seventh, when only one in every 10 of our young people graduates from college, are we keeping pace with the Soviet Union in training the technicians whom we must have to preserve our freedoms?

I am not raising these questions because they are the only issues before us. I am a realist and I recognize that there are many disputes—some of them angry—that must be settled.

But these are the problems of the present—and their solution will determine the future. They are the problems of maintaining our prosperity; feeding and clothing our wives and our children; assuring the degree of freedom which we cherish.

Neither am I raising these questions in the sense of criticizing somebody else. The American people are not going to cheer because we proved that another party failed to do something.

They are going to ask what we—the Democrats—did. And their judgment will depend upon our answers.

I am not going to stand here tonight and tell you that there are a set of readymade answers to the questions. But I do believe the answers can be found—and can best be found—within the Democratic Party.

The Democratic Party has an advantage which is enjoyed by no other political organization in this country. Through its Governors, Senators, Representatives, and party officials, every section of the Nation is represented.

North Carolina speaks with a strong voice—as does Minnesota. Alabama receives a respectful hearing—as does Pennsylvania.

One of my father's favorite sayings was that a man's judgment is no better than his information. That is as true of a political party as it is of an individual.

The Democratic Party has available the best brains and the best information from all parts of the Nation. We must put them together—not in the service of a partisan cause but in the service of our country.

Each of us must give a little and take a little. And all of us—North and South—must give up the idea of crushing the other fellow and ramming our own pet ideas—no matter how nobly motivated—down his throat.

This is a big and a strong country. There is room in it for all of us. And by working together we can make it even bigger and even stronger and assure victory for our party and victory for our Nation.

Four years ago my colleagues did me the honor of electing me the Democratic leader of the Senate. At that time, I stated to them my policy—a policy which I have constantly followed.

In closing tonight I want to repeat to you the words and the philosophy which still guide my course.

I have a great faith in the Democratic Party. I am a Democrat of conviction—not out of habit. I believe that the Democratic Party is now—and always has been—the party that is best for America. I believe there are forces holding our party together greater than the issues over which we may squabble for the moment.

We are now in the minority. I have never agreed with the statement that it is "the business of the opposition to oppose." I do not believe that the American people have sent us here merely to obstruct.

I believe we are here to fight for a positive program—a program geared not just to opposing the majority but to serving America. I think that is the real desire of every Democrat—even though we may disagree as to methods.

Working together, I think we can do more than merely preserve the gains of the past 20 years. I think we can go forward with a positive program—a program that is pro-American and not just anti-Republican. And if we go forward as positive Americans—and not negative oppositionists—I am convinced that the time is not too far distant when the Democratic Party will again be in the majority.

Here's What Happened to the Republican Corn Bill

EXTENSION OF REMARKS

OF

HON. CHARLES B. HOEVEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. HOEVEN. Mr. Speaker, despite warnings that corn and livestock prices might be jeopardized if an emergency corn program was not enacted immediately, the Democratic-controlled House on Wednesday last killed off such a Republican-sponsored program by a vote of 217 to 188. Several days earlier, the House killed a similar Republican-backed plan by a vote of 187 to 180.

I am sure the corn farmers of the country are not fooled by what happened to the badly needed corn legislation. Certainly the Nation's press was not fooled and placed the responsibility squarely on the Democrat majority. Let me cite just a few representative headlines which tell the story.

The Washington Post and Times Herald pinned the blame where it belongs in the following headline: "House Democrats Block GOP Move for Emergency Midwest Corn Relief." Here are some other headlines worth noting:

Minneapolis Tribune: "Democrats Beat Ike Corn Soil Bank Bill."

Indianapolis Star: "House Beats GOP's Corn Bill in Row."

Roanoke (Va.) Times: "House Kills GOP Farm Bill To Aid Corngrowers."

Tulsa Daily World: "Demos Defeat Corn Relief by Seven Votes."

New York Times: "GOP Corn Subsidy Plan Killed in House, 217 to 180."

Baltimore Sun: "GOP Corn Aid Bill Loses."

Wilson Day Address by Hon. Wayne Morse of Oregon

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very able address delivered last Saturday night by the senior Senator from Oregon [Mr. MORSE] at the Wilson Day dinner at Knoxville, Tenn.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WATER, ELECTRIC POWER, FLOOD CONTROL, RECLAMATION, AND AMERICA'S FUTURE

(Speech by Senator WAYNE L. MORSE to Wilson Day dinner, Knox County Women's Democratic Club, Knoxville, Tenn., March 16, 1957)

Ladies and gentlemen, your invitation to come to the State of Tennessee was one of the nicest compliments that has been paid to me for a long time. I suspect that none of you fully appreciates the fact that Tennessee is the Nation's outstanding symbol of the topic I propose to discuss with you tonight: water, electric power, flood control, and reclamation.

Our Nation and the people of our country for generations to come owe the people of the Tennessee Valley a great debt of gratitude for your tenacious faith in that great natural resource ideal and conservation principle, namely, that each generation is the trustee of God's gift of a priceless heritage in the natural resources of our country.

The people of the Tennessee Valley have taught the lesson to the people of the rest of

the country that each generation owes a moral obligation to the next generation to see to it that our natural resources are handed down to the boys and girls of tomorrow in a better condition than that in which we found them.

Let me assure you that it is a much appreciated privilege for me to speak on a platform in the State of Tennessee, a State represented in the Senate of the United States by two such great statesmen and close personal friends as ESTES KEFAUVER and ALBERT GORE.

When I selected the subject of my speech tonight, one of my associates said that to speak on that subject in the Tennessee Valley would be like carrying coals to Newcastle. But permit me to say to this audience that those of us who are interested in a sound conservation program for America's resources cannot review too often our obligation to the great issue that was fought out here in the Tennessee Valley.

Therefore, I propose to use this platform tonight to spread again information about what I consider to be probably the most important domestic issue confronting us, viewed from the standpoint of future generations of American boys and girls. I would have you think of our natural resources not in terms of the imagery of streams and dams and mountains and forecasts and irrigation ditches. I would have you look at our natural resources problems through the imagery of millions of faces of American boys and girls 25, 50, 75, 100, yes, even hundreds of years in the future.

When I talk about conservation and full development of the natural resources of our great river basin—the Tennessee, the Missouri, the Columbia, and all the rest, I am talking about the need for maintaining a high water table in order that we may maintain a high level of civilization.

History teaches a sad and ugly lesson that as the water table of a nation goes down, its civilization withers and dies. The Democratic Party should carry the fight to the Republican Party on the water resources issue, because the Eisenhower administration has already made a sorry record against the future generations of American boys and girls by its various proposals for underdevelopment in our river basins. For example, the administration's phony partnership sell-out to the private utilities of the people's heritage of their own water rights will result in the cheating of future generations of American boys and girls out of a full enjoyment of the maximum economic potentials of our river basins.

I am convinced that the Democratic Party has a great duty to oppose the political expediency of the Eisenhower administration in the field of natural resources.

There can be no compromise of the principles inherent in this issue.

Let me make it clear that I hold no brief for any Democrat in the Congress of the United States who gives aid and comfort and support to the Eisenhower administration's proposals for underdevelopment of our river basins. If I say anything tonight that I would have you remember until tomorrow it would be this: It is only through comprehensive, full, river basin development that we can protect the water rights of future generations, and give the greatest assurance of the greatest benefits to the greatest number of our people.

Let us never forget that water is the greatest nourishment of the civilization of any nation.

Let us look at a few facts about water, as the indispensable element of a high standard of living.

WATER—THE INDISPENSABLE ELEMENT

Over 2,000 years ago the Greeks believed that there were 4 elements—earth, air, fire, and water, and that all other things were combinations of these. While their chemistry was faulty, the emphasis of the Greeks was eminently correct.

Without water, human and plant life is impossible. Lack of adequate water has doomed whole areas that once flourished.

In the strife-torn Middle East, for example, there was 4 times the amount of land under cultivation in Roman times as there is today.

It is within man's power to waste water or use it to the full. The most fearful waste is that which permits the destruction of sources of water by failure to protect watersheds and the irresponsible pollution of our God-given streams.

Population growth and concentration, new industrial uses, and the proven benefits and necessity of irrigated farming have created vast new requirements for water. For example, at the Hanford Atomic Energy Commission Works, we see a dramatic consumption of water, where a prodigious amount of the flow of the Columbia River is diverted to provide the plant's cooling system. All about us, manufacturing plants use great quantities of water. For example, a soft-drink bottling plant uses thousands of gallons in very short periods. In our houses we are consumers of much water. One shower bath can use up 6 to 14 gallons of hot water alone—depending upon your habits.

In an average industrial community the per capita use of water runs between 100 to 200 gallons a day. A single fire hose has a minimum requirement of 250 gallons a minute.

All communities in our country are acutely sensitive to the growing need for water. So, for example, suburban Westchester in New York now uses 77 million gallons of water a day, compared with 47 million gallons in 1943. The Great Plains drought is a national tragedy. In Texas alone, 244 counties out of a total of 254 counties have been declared drought disaster areas.

At the same time, floods are an imminent threat to cities, towns, and bottom-lands throughout the Nation. New England, California, and Oregon suffered vast floods within the past 2 years. Kentucky and Tennessee are just coming out from under high water.

TVA'S SUCCESSFUL FLOOD FIGHT

TVA has once again proven its inestimable worth during the past few weeks. In this most recent flood, this great comprehensive, integrated basin system prevented flood damage which, at a conservative official estimate, was about 65 million at Chattanooga alone. TVA already has resulted in prevention of property damage equal to more than half the amount allocated to flood control for the entire system. Last year the Columbia River dams, and particularly the great water storage Grand Coulee Dam, helped avert great flood damage.

These recent experiences prove the wisdom of Theodore Roosevelt's and Gifford Pinchot's conservation program. They foresaw that natural resource development requires a basin approach.

The main cause of water feast and famine is deforestation. Without adequate upland forest cover, water flow is irregular. By turns the runoff is too great or too little where great forests do not catch and hold water for gradual flow.

A balanced basin system also requires man-made storage to control water for flood control, manageable power output, irrigation, industrial, and domestic use.

POWER—THE KEY TO WATER CONTROL

These great basin undertakings are not economically possible without electric power revenues. The electric power generated at multipurpose dams is vitally needed itself for farm, factory, and home. Unless its development is integrated with water storage for multiple use, all elements of development are retarded. As we progress with pollution control, it will probably be found that power has a major part to play in achieving it as well.

RECOGNITION OF PROBLEM THE FIRST STEP

It is urgent that the dimensions of our water problem be recognized, for it takes years and decades to achieve the means of adequate multipurpose water development.

As population grows and technology becomes ever more complex we will find, I predict, that the adequacy of water systems will be the ultimate limitation upon our capacity to grow.

Once this factor is taken to heart, we can move forward to meet the challenge of the future.

FAIR SHARING REQUIRED

At the heart of Theodore Roosevelt's resource and reclamation philosophy was the sound and simple principle that it is the people of the Nation who own its natural resources. It followed that its development and benefits should be widely and equitably shared.

The great trust buster also gave to this country a crystallization of the philosophy that monopoly is a prodigious threat to a free economy and free institutions.

So, when the great reclamation acts of his administration were enacted, the requirement was included that no beneficiary of a Federal reclamation project could obtain more than a reasonable share of water from that project. An individual's right to own land was not infringed. But his right to obtain water from a public project, financed by public funds, was limited.

This 160-acre limitation is rooted in the history of the West. It is a requirement of elementary fairness.

Events in California in the past weeks underscore the importance of this provision. I feel the California Supreme Court's Ivanhoe decision, which in effect sets aside the Federal reclamation law, was most unfortunate. I do not mean to comment on a matter of State concern. It is far more than that. A basic and vital Federal policy is involved. As a United States Senator, I have an obligation to speak my deeply held views about this Federal policy.

The decision can result in some good. For it dramatizes a basic issue which must be resolved before adequate progress can be made in water-resource development.

Recognizing the vital role of river basin development on a comprehensive basis—for power, flood control, irrigation, navigation, and recreation—we must decide our future course.

On great interstate streams like the Columbia and Missouri, it is clear that the Federal Government has a responsibility and alone can provide the unifying factor. This doesn't mean doing the whole job—but it does mean the main job of executing adequate plans and coordination. This means, as in TVA and the Columbia River system, the operating control of the key multipurpose dams in the systems. Such a plan is quite compatible with small private or local projects which do not affect the basic system.

Where a State cannot undertake a comprehensive plan for full development of a navigable stream or system within its borders, the Federal Government has a major role as well.

But, it is not fair or right to expect that the Federal Government should bear the burden of nonreimbursable costs for flood control, for example, and surrender, give away, the power facilities or the antimonopoly irrigation policy of Federal law.

The Trinity project in California is one example. I opposed partnership at Trinity, and the project would not have been authorized in 1955 if partnership had been included. That is a simple statement of the facts.

Now California is considering the great multipurpose Feather River project as a State undertaking—but only partially so.

It is proposed that the State would finance part of the project without including the traditional and indispensable public-agency preference clause for power or the excess lands provision for irrigation.

Yet it is seriously proposed that the Federal Government will authorize a blank check to pay for flood control with the Corps of Engineers to negotiate the amount. The blank-check aspects are bad enough. But is it right or fair to ask that the Federal Treasury use taxpayers' money to help finance a multipurpose project and at the same time fail to include these two basic Federal policies? This is asking too much. Such over-reaching can defeat the whole proposal.

One Senator, at least, stands here who will oppose such a give-away of funds and policy.

RESOLUTION OF POLICY DISPUTES PREREQUISITE TO PROGRESS

Before real progress can be made on comprehensive basin development for power, irrigation, flood control, and the rest, there must be a resolution of the basic questions of policy on how we shall proceed. Extended controversy can only delay the undertaking of badly needed projects.

That has happened in my State and region. The voters of Oregon, Washington, Idaho, and Montana have rejected the administration's phoney partnership. Yet the administration seems determined to insist upon partnership, after even its congressional adherents have been defeated or rejected the method.

Congress will make good on some of the projects—as at John Day on the Columbia River. Yet, the close division of parties in Congress makes real progress impossible unless the dispute is settled and a real majority can pull together in one direction. If the Republican Administration cannot see this fact, the voters will do it for them in 1958 and 1960—as they have done in the past two elections. I say this not in partisanship but in an appeal to Republicans who traditionally have supported the policies of Theodore Roosevelt, Hiram Johnson, Borah, McNary and Norris—and Franklin D. Roosevelt as well—to get the administration back on the track.

This is a national problem which requires foresight and leadership. It also calls for firm adherence to the historical policies of multi-purpose development and fair distribution of benefits under which the West has prospered in the past.

We will make progress on comprehensive development when there is adequate recognition of the public interest, and protection is given it without evasion or equivocation.

The project that best dramatizes the water resource issue that I am discussing tonight is the great Hells Canyon Dam issue. I am sure that no one came to this meeting, expecting to go home without hearing me mention this issue. I do so with a political relish. I do because it is one of the many Achilles' heels of the Eisenhower administration.

The Hells Canyon Dam issue symbolizes the great difference between the private utility-controlled Eisenhower administration and the program for the future of forward-looking Democrats.

The Nation's farmers need the new low-cost phosphate fertilizer which low-cost Hells Canyon power alone can make possible to the fullest extent. The evidence on this point was fully documented in the 1955 hearings.

The power to be generated at site and which Hells Canyon would make possible downstream will make possible new private enterprise with new plants and the businesses which spring up to serve new industrial communities. What the supporters of high Hells Canyon Dam want is a transfusion of low-cost power for a more vigorous private enterprise economy.

A more balanced local economy will be achieved as population, with new purchasing power, grows. There will be a larger market for regional farm products and the manufactured wares of the whole country. This new economic vitality will be good for the whole country.

POWER FOR IRRIGATION AND MORE ECONOMIC FARMING

It does not take much foresight to know that in but a few decades our growing population will need a more abundant food supply. Expansion of agricultural capacity will require expansion of irrigation and reclamation. Even Secretary of Interior Seaton has warned of that need.

That expansion cannot be accomplished economically without the historic aid of public power revenues for irrigation and reclamation projects. In Idaho and eastern Oregon especially, the future or irrigation and reclamation depends upon Hells Canyon as a Federal project. In 1953, when Secretary of Interior McKay withdrew former Secretary Chapman's opposition to the Idaho Power Co. application, he mentioned that other possible dams might be pressed into service to provide power revenues for irrigation. Those alternatives are disappearing under the administration's resource policies. So-called partnership makes no provision for aid to irrigation.

The administration has even welched on its tentative recommendation of the Scriver Creek power facilities. In 1954, the Budget Bureau's report on S. 1664 indicated its concurrence in what it said would be the Interior Department's recommendation of this project. Yet, when the Interior Department's report arrived in August 1954, not even Scriver Creek was recommended.

The will-o'-the-wisp, so-called, high Pleasant Valley study promises very little for the future of irrigation, even if it is proposed as a Federal project. The administration is being so cagey and reticent on Pleasant Valley that I can only conclude that it is playing for time. This "maybe," "perhaps," "if" study approach of Secretary Seaton will build no dams and provide no help to future irrigation.

He may get a gold star for publicity, but he is flunking the kilowatt, acre-feet of storage-for-flood-control test.

Since the administration began to block the high Hells Canyon Dam in 1953, there has been no planning deserving the name. Instead, the current 308 Review Study has proceeded on the assumption that the Middle Snake should not be considered and the Snake and its tributaries have been Balkanized by the Bureau of Reclamation and the private utilities.

The administration comes forward belatedly and timorously with yet another projected study of a so-called high dam at Pleasant Valley.

This latest move is a patch on a flat tire of a program. Secretary Seaton hasn't even put the jack under the car. All he is saying, in effect, is that partnership has suffered a blowout.

Yet the 1957 winter flood of the Snake River shows that we are again headed for trouble. The 1956 flood threat was dissipated without severe damage, thanks to Grand Coulee storage on the main stem and lucky weather throughout the basin. We will not be so lucky again. It is irresponsible and inexcusable to delay a high dam at Hells Canyon which is indispensable to adequate flood control on the Snake.

Mr. Seaton can juggle proposals and figures as he pleases. He may cry "Eureka" or "Maybe, Eureka" with his "study" of high Pleasant Valley. It would wash out little Hells Canyon Dam and foreclose forever the possibility of a Nez Perce Dam—with its 4,800,000 acre-feet of storage. But he will not achieve full flood control.

Nez Perce is not presently feasible because of fish passage problems. If Secretary Seaton wants to study something important, let him study the Nez Perce fish problem. If it can be solved, we can achieve maximum flood control and low-cost power production. But, instead, the Secretary is proposing—perhaps—maybe—to substitute Brownlee and Pleasant Valley with 3,570,000 acre-feet of storage for Hells Canyon with its 3,880,000 acre-feet and Nez Perce with 4,800,000 acre-feet—a total of 8,600,000 acre-feet of storage.

PUBLIC ENDORSED HIGH DAM

In public test after public test, the free men and women of the region have voted for the high dam. This was so when the Idaho Power Co.-supported Senate bill 99 was defeated by referendum in 1949.

Again, in 1954, Senator NEUBERGER campaigned vigorously for Hells Canyon and won over an opponent of Federal development.

The two new Democratic governors of Oregon and Washington supported high Hells Canyon Dam, their defeated opponents did not.

Senator MAGNUSON defeated the most outspoken foe of Hells Canyon. The same pattern was present in the reelection of DON MAGNUSON and GRACIE PROST, and was a factor in the great victory of Senator CHURCH. Hells Canyon advocates LEE METCALF and LEROY ANDERSON won in Montana.

In Oregon, Congresswoman EDITH GREENE, another outspoken and effective Hells Canyon supporter, won. CHARLES PORTER won a great upset victory in Oregon. The pattern held.

Congressman AL ULLMAN has been long identified with Hells Canyon as an organizer of the tri-State and National Hells Canyon Associations. His opponent was against the high dam.

My own Senate race involved Hells Canyon, as you know.

THE FUTURE IS LONG

Let us remember that what Congress does or fails to do, what the administration does or fails to do, will have long-range effects. The floods and power shortages of the future, the economic consequences of full development or underdevelopment cannot be undone once the pattern is set. A low, inadequate Idaho Power Co. dam cannot be repealed. A gerrymandered river cannot be reclaimed.

As trustees for future generations of Americans, as well as guardians of the public interest today, Congress, the President, the Secretary of Interior, and other executive officials have grave responsibilities. The issue is a moral one, all signs point to the necessity of the high dam.

Let us in the Democratic Party draw this issue of water conservation and full development of our river basins with the Republican Party in a fight to the finish. We are right, and the voters will so decree in 1958 and in 1960 if we give no quarter and stop providing the Eisenhower administration with the votes to give away the people's heritage in their own natural resources.

Projected Inland Waterway Connecting Lakes Huron and Michigan

EXTENSION OF REMARKS

OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. POTTER. Mr. President, Merton M. Carter, of radio station WMBN, in Petoskey, Mich., has written a most interesting and excellent article titled "The Isthmus of Mich-i-gami," which

appeared in the March issue of Inside Michigan magazine.

Mr. Carter's article pertains to a project of vital importance to northern Michigan—the once famous inland route which extends from Cheboygan to Conway, and which we hope to have extended into a through waterway connecting Lakes Huron and Michigan.

I long have been actively interested in the redevelopment of the inland route, reconstruction of which is now fully underway. I earnestly hope, as do so many of the good people of my State, that our dream of a through route will become a reality in the not too distant future. The people of Michigan are assured of my continued and full cooperation toward this end.

Mr. President, I ask consent to have Mr. Carter's article printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ISTHMUS OF MICH-I-GAMI

(By Merton M. Carter)

Like the Isthmus of Panama, Michigan has its own barrier to a Northeast passage—a narrow strip of land which if opened would connect the fresh waters of Lakes Michigan and Huron and take the skipper by connecting lakes, streams, and channels through the pastoral waters of the famous inland route all the way from Petoskey to Cheboygan, a distance of nearly 40 miles by water.

A canal cutting through the sand dunes at the head of Little Traverse Bay would sever the tip of the lower peninsula, making two entire counties another island among the inland seas of the upper Great Lakes. More important, it would add another highway to Michigan's beautiful waterways and give a safe port of refuge from dangerous storms to pleasure craft sailing to and from Detroit and Chicago. Yacht owners, resort operators, and cottage owners, as well as civic leaders of northern Michigan, are looking for a way to make this dream of 50 years or more come true.

The inland route has always fascinated the visitor to northern Michigan. In the days before modern civilization, our redskinned brothers from southern Michigan, Illinois, Ohio, and Indiana summered in northern Michigan, too. At one time as many as 6,000 Indians were camped at Mackinaw City during the summer. Their light canoes were easy to portage from Lake Michigan to Mud Lake, Round Lake, and down the existing stream to Crooked Lake and thence to Lake Huron by the inland route.

Hundreds of Indians made this trip every summer for the lakes and streams abounded in fish and their banks with game. It also gave them protection from the choppy waters in upper Lake Michigan. Like the Indians of Panama, Michigan Indians took the shortest route to where they were going.

But then came civilization. The laying of the Grand Rapids and Indiana Railroad from Grand Rapids to Mackinaw City blocked off the natural water trip. Then the coming of the gasoline age laid highways which put 2 more barriers in the route's usefulness and for more than 50 years it was just a dream left over from days of old.

In the old days, steamboats for hire took visitors from many lands through the inland route of Michigan which started at the village of Conway, went through Crooked Lake into Crooked River, across Burt Lake, down Indian River into Mullet and up Mullet Lake into Cheboygan River and through the lock out into Lake Huron—a distance of 35 miles. In 1900 more than 82 steamboats ran excursions over these waters. It attracted visitors from all over the country who enjoyed a peaceful trip through wonderful surroundings.

The automobile and good roads changed all this, and because of lack of interest, deadheads clogged the water—hulks of old steamboats made navigation dangerous if not impossible for even the smallest of ships.

In recent years there has been a revival of interest. Mr. C. B. Palmer of the New York Times said in a recent article "a congressional committee was told recently that in the United States today the order of popularity of personal participation sports is first: card playing; second: fishing; and third: boating."

Because of this interest in boating the inland route is now being cleared of deadheads and within a year it will be possible again for a boat 65 feet or under to enter the inland route at Cheboygan and travel 35 miles through some of the most beautiful waterways of Michigan if not of the world.

In 1945 the Inland Water Route Association, Inc. was formed with more than 600 members. They elected C. T. Lathers of Burt Lake as their president and it was through the efforts of this association that a Federal grant of $241,000 was approved by the Congress in June 1955. Contributions from local interests have brought the total improvement fund up to $326,000. The State Waterways Commission appropriated $55,000; Emmet County Board of Supervisors, $6,000; the Cheboygan County Board of Supervisors, $6,000, and contributions by businessmen, resort owners and individuals amount to $18,000. Contracts have been approved and work was started in the fall of 1956 to improve the inland water route.

The specifications call for a channel 30 feet wide and 5 feet deep all the way from Cheboygan to Conway, Mich.—a distance of 35 miles. When this work is completed it will be possible for a boat up to 65 feet in length to enter the Cheboygan River from the Straits of Mackinaw on the Lake Huron side and travel by interconnecting streams and lakes to a point just 3 miles from Lake Michigan.

The Inland Water Route Association, Inc., now is attempting to get a new project approved which would cut a channel through to Lake Michigan.

On February 15, 1956, Senator CHARLES E. POTTER introduced a resolution to the United States Senate Committee on Public Works asking the Army engineers to make a preliminary examination of the feasibility of such a project. This resolution was adopted by the committee on February 20, 1956. However, the lack of sufficient funds at the present time has shelved the survey for the time being.

Proponents of the inland canal feel that the economic future of the resort business in Emmet and Cheboygan Counties requires its completion. They point out that yacht owners may not take full advantage of the improvements on the inland water route which are now being made. If they enter the route at Cheboygan and take the route to Conway they will have to turn around and go back all the way—a round trip distance of 70 miles or 8 hours sailing time. If the canal were built, they could proceed into Lake Michigan thus cutting down the distance from Detroit to Chicago and giving them complete protection from the narrow, rocky passages in upper Lake Michigan.

At the present time many yacht owners claim that facilities for the harboring and servicing of small boats are far superior on the Canadian side of Lake Huron and many take summer cruises to the Georgian Bay area.

Russell McKee of the educational division of the Michigan Conservation Department wrote in Land—Our Basic Resource on the value of recreational facilities, "our only real problem seems to be in the way we use this natural bounty. In the first place, it doesn't look like we've got much because we all want to use the same areas for the same old pastimes at the same time. In the second place, we haven't taken enough time or planned enough or spent enough money for these things. Otherwise the potential means nothing, and we've got to spend the time and energy necessary to do the job."

During the 15 months preceding August 7, 1956, the Michigan Waterways Commission had spent $450,000 on waterways and the Federal Government had spent $4 million in the State within the same period. They have improved many ports of refuge along the entire coast of Michigan but still fall short of offering complete safety to the many who sail these waters in pleasure craft.

One of the roughest passages in the entire Great Lakes area for small craft is from the ports of Charlevoix or Harbor Springs through upper Lake Michigan, past Waugoshance point into the Straits of Mackinaw. Even in fair weather the trip is a dangerous one for high winds come up at a moment's notice and it take an experienced navigator to keep his boat off the stone-infested shoals near Gray's Reef.

The Waterways Commission is improving the Port of St. James on Beaver Island to afford better refuge to pleasure craft, but the construction of the inland canal would give perfect protection all the way from Charlevoix on Lake Michigan to Cheboygan on Lake Huron.

Stoddard White wrote in the Pictorial Magazine of the Detroit News on May 20, 1956: "Cruising and sightseeing by water have become increasingly popular since World War II. One of the most delightful areas for this is the inland route, which stretches from Cheboygan to Petoskey—almost from Lake Huron to Lake Michigan across the top of the Lower Peninsula. This 36-mile waterway through big lakes and winding rivers calls to more than 400 'outside' boats a season, not counting all of those which are permanently housed at cottages and homes along the scenic waterway. The 'outsiders' are admitted to the route by a privately owned lock near Cheboygan."

The lock at Cheboygan is 75 feet by 18 feet. This would limit the size of the proposed lock on the inland canal as boats entering on the Lake Michigan side would have to go through the Cheboygan lock to get to Lake Huron. There is a difference of 21 feet between the mean water levels of Lake Michigan and Round Lake and a 4.7 feet drop from Conway to the Cheboygan lock.

Since there is a drop of 21 feet in less than a mile most engineers who have discussed the project feel that it would be best to pump the water from Lake Michigan into the lock. In this way they would always be adding water to, rather than draining from, the headwaters of the inland route. Round Lake is a very small lake in Emmet County and heavy traffic through the proposed canal might endanger water levels. A charge for locking would help defray the cost of operation.

The total cost of such a project only can be estimated at this writing. Until the Army survey is completed no specifications will be available. There would be a mile of heavy digging through sand from Lake Michigan to Round Lake with construction of a small lock in this section. A channel 5 feet deep across Round Lake and a canal for about a mile through an existing swamp over a stream bed would complete the project.

The few objectors to the canal proposal point out that there are some man-made obstacles to cross which would add considerably to the cost. Proponents look further into the future than this and have these explanations. U. S. 31 which passes through Conway will be rerouted within a year or two. The highway department should cross the

swamp with a bridge having the same clearance as all other bridges on the inland route. The Pennsylvania Railroad would have to raise its grade near Conway to give the same clearance. A road going to Harbor Springs would have to be bridged over the canal and a railroad spur between Petoskey and Harbor Springs also would have to be bridged if it were still in use at the time of construction. It does not carry any freight to mention, at the present, and has not offered passenger service for years. Some feel that it may be abandoned.

Since the Inland Water Route Association, Inc., has advocated the canal, it has met with instant approval of all legislators connected directly with the project. Governmental bodies, chambers of commerce, and yacht clubs have passed resolutions urging its completion at the earliest possible date.

Senator CHARLES E. POTTER has written: "As you well know, I, too, am enthusiastic about the prospects of such an undertaking."

Senator PAT MCNAMARA wrote: "I know that this project is important to you and your region. I want to assure you that I will keep working to get this project completed just as soon as possible."

Congressman VICTOR A. KNOX, Representative from the 11th Congressional District, says, in part, "I assure you that I look upon this project favorably and will be looking forward to the study and recommendations of the Michigan Waterways Commission in the near future."

State Senator Frank Andrews, of the 29th State senatorial district, says, "It is a very fine and constructive project. I assure you that I am ready to do anything which will help in the attainment of such a waterway."

Resolutions urging the completion of this proposed canal have been passed by the Cheboygan County Chamber of Commerce, the Petoskey Chamber of Commerce, the Charlevoix Chamber of Commerce, the Cheboygan County Board of Supervisors, the Emmet County Board of Supervisors, and the Petoskey Outboard Cruising Club. Many other interested organizations have indicated that they will prepare such resolutions at their next regular meeting.

The Petoskey News-Review, the Cheboygan Daily Tribune, the Otsego-Herald Times of Gaylord, the Emmet County Graphic of Harbor Springs, the Skipper magazine of Walloon Lake, and the Tipper magazine of Alanson all have editorially endorsed such a project.

Exponents of the Inland Canal are urging all parties interested to write to their State legislators, their governor, and their Congressmen to endorse this proposal. They point out that this is not a project of local interests. Anyone owning a boat anywhere on the Great Lakes capable of traveling considerable distances should be interested in this project. Yacht clubs and yacht owners in Illinois, Indiana, Ohio, Wisconsin, and Pennsylvania, as well as Michigan, should pass resolutions and forward them to their Congressmen for they, too, would be able to take advantage of this new 2-mile strip of marine highway which would open up a 38-mile dead-end channel.

The boating industry is growing by leaps and bounds. It is the obligation of those in government to see that our recreational resources are developed in step with our new pattern of life. With the social emphasis on more paid vacations, more time for recreation, with fishing and boating leading the parade of vocational desires, it is of the greatest importance that we develop these facilities in keeping with the demands of the future.

Lt. (jg.) A. P. Brown, Jr., information officer of the North Coast Guard District, with headquarters at Cleveland, wrote that as of June 30, 1956, there were 58,067 motorboats registered in the Great Lakes District. Canadian boats of less than 15 tons do not have to register, but with so much coastal mileage on the Great Lakes, the number of Canadian pleasure craft should be considerable. Many of these boats would be attracted to this new waterway. The investment in such a number of boats is almost beyond comprehension, and what they would spend in the territory during their stay, likewise would amount to hundreds of thousands of dollars.

The economy of the north country is largely dependent upon the resort business and any new development that can be accomplished to improve the recreational facilities of the State of Michigan should be of concern to local, State, and Federal interests.

Many local agencies, businessmen, and property owners have shown a desire to contribute to a subscription drive, but until the Army makes a survey and determines what percentage of cost local interests should contribute, nothing can be done in this regard.

The resulting benefits to the owners of pleasure craft, the men who service the boating industry throughout the north, and to those who own property on the inland route would more than repay the costs in increased taxable investments and activity within a comparatively short time.

As Senator CHARLES E. POTTER, of Michigan, wrote: "It is only through the ardent zeal and support of the people back home that we will be able to realize this dream."

Hon. Clifford P. Case, of New Jersey, Looks at Beliefs in America

EXTENSION OF REMARKS

OF

HON. H. ALEXANDER SMITH

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. SMITH of New Jersey. Mr. President, under date of February 19, I inserted in the CONGRESSIONAL RECORD an article written by my distinguished colleague, the junior Senator from New Jersey [Mr. CASE], and published in the New York Times magazine section on Sunday, February 17, entitled "A Republican Prescribes for His Party."

On February 20, an editorial appeared in the New Brunswick Daily Home News of New Brunswick, N. J., entitled "Senator Case Looks at Beliefs in America." This editorial is very complimentary to my colleague's presentation of his Republicanism, and I ask unanimous consent that the editorial be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR CASE LOOKS AT BELIEFS IN AMERICA

Writing in the New York Times magazine on Sunday, New-Jersey's Senator CLIFFORD CASE gives the Republican Party a formula for winning the confidence and support of the American people under the title, "A Republican Prescribes for His Party."

More important, probably, than the Case prescription for the rejuvenation of the Republican Party in Ike's image, is his searching and perceptive analysis of what may be called, for want of a better term, the philosophy of America, what America believes, what America is.

Here are some of CASE's carefully chosen words on the subject. Americans "believe that people (the individual rather than the collective man) are the most important things in the world."

We believe that "people are entitled to equal treatment, to protection, to a fair break."

We believe "that things can always be improved and that they ought to be."

But having commonsense, we know that "man is not perfect" and that "therefore no single man or group of men can be allowed to run the show."

We Americans have a "strong belief in private property" but "we do not shrink from governmental intervention to insure that our economy produce a constantly improved standard of living shared as widely as possible."

We Americans "insist that the Government intervene to protect the individual against hardships he cannot master through his own efforts."

"Americans believe in work. Not just in work for the masses, with leisure for a chosen few. We believe that each should make his own way."

"The American understands that while change is inevitable—and desirable—it must not be too rapid."

"The American rejects, as destructive of the general feeling of security, any effort to pit one group of Americans against another * * * tolerance and consideration are not only virtues but necessities, if we are to maintain a democratic society under government by consent."

CASE sums up these beliefs as a "blend of compassion, optimism, and commonsense."

It seems to us that this is an incisive analysis of what America believes, of what America wants, of what America will get. And CASE himself suggests that either major party, if successful in persuading the American people that it stands for these beliefs, would get the overwhelming support of the American people.

Thus the Case prescription can be as much what the doctor ordered for the Democratic Party as for the Republican Party. But more significant than this is the picture which CASE gives America of its own beliefs, of its own faiths, of its own essential goodness.

To Amend the Legislative Reorganization Act of 1946 To Provide for More Effective Evaluation of the Fiscal Requirements of the Executive Agencies of the Government of the United States

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. COLMER. Mr. Speaker, now, when the Members of the Congress are more awakened to the gravity of our financial situation than at any time in the past quarter of a century, it is most appropriate that the House of Representatives, primarily responsible under the Constitution for taxation and appropriations, take some action to get our house in order.

It is past time for the Congress to revise its outmoded machinery.

In this age of alltime high taxes and record peacetime appropriations, our committees, and particularly the Appropriations Committees, responsible for appropriating the taxpayers' money, are

substantially equipped for the job as they were 35 years ago when the appropriations and taxes were nominal—under $5 billion.

Our Appropriations Committees in both the House and the Senate are at the mercy of the executive department. They are forced, because of their limited knowledge of the subject matter, to largely take the recommendations of the executive department. This is primarily due to the fact that they are not equipped with the necessary tools to do the job. This is no fault of the Appropriations Committees. It is due to the failure of the Congress to provide them with the necessary tools with which to work.

For instance, the President has a Budget Commission with approximately 500 employees, all experts in their several fields. On the other hand, the Appropriations Committees have only a handful on their staffs. There is urgent need for these committees to be equipped with an adequate staff of experts. If this staff is wisely chosen the committee will be in position to have equal knowledge with the President's Budget Bureau of the needs of the various departments. Then and not until then will the Congress be able to withstand and defeat unnecessary demands from the various bureaus of the Government for appropriations of the taxpayers' money.

For several years now the able Senator from Arkansas [Mr. MCCLELLAN], and I have introduced and worked for legislation which would provide for, first, a joint legislative committee on the budget from the two Committees on Appropriations of the House and the Senate; and, second, the creation of an adequate staff for the joint committee.

This joint committee on the budget would function largely and generally in the same manner that the joint Committee on Revenue now functions. I am sure that all Members of the Congress are in accord with the splendid job that that Committee has done and is doing.

Twice in recent years the Senate has passed Senator MCCLELLAN's bill.

In 1952 the House by a narrow margin of 16 votes defeated my bill. In the last Congress the Senate unanimously passed this bill.

On March 14 last Senator MCCLELLAN, on behalf of himself and 61 other Senators, reintroduced his bill (S. 1585). Those Senators joining with Mr. MCCLELLAN are as follows: Mr. ALLOTT, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CHAVEZ, Mr. CHURCH, Mr. CURTIS, Mr. DOUGLAS, Mr. EASTLAND, Mr. ERVIN, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GREEN, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JAVITS, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MARTIN of PENNSYLVANIA, Mr. MCCARTHY, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. NEUBERGER, Mr. PASTORE, Mr. PAYNE, Mr. PURTELL, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG.

This majority of the Members of the Senate insures the passage of the bill by the Senate at this session.

In a few days the Committee on Rules will conduct hearings on my bill (H. R. 2416) and I am very much in hopes that the Committee on Rules will report this bill and that the House will pass it so that the Congress can then intelligently approach this momentous problem of cutting down of governmental expenditures and thereby give the solely pressed taxpayers some much desired and needed tax relief.

Mr. Speaker, I might add that the principle argument used to defeat my bill in the 82d Congress was that if such a joint committee were set up, it would be dominated by the other body. This is absurd. However, to meet this argument, I have provided in my bill that 9 Members of the House as against 7 Members of the Senate constitute the joint committee and, further, that since the House is constitutionally responsible for the initiation of appropriations and revenue, the chairmanship of the joint committee remain in the House. I have reason to believe that the Senate, in order to get this desired improvement in our fiscal policy, will be agreeable to this disproportionate representation.

The Budget

EXTENSION OF REMARKS

OF

HON. WILLIAM E. MCVEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. MCVEY. Mr. Speaker, Members of Congress are being deluged with letters from their constituents who are demanding a drastic cut in the $71.8 billion Federal budget. While there can be no question that these protests are justified, the American people themselves must realize that selfishness must give way to the general good. We must be Americans—we must not try to serve our own personal selfish interests. Whether we like it or not, the programs which were initiated under previous administrations—and which have built the Federal Government to the gigantic size it is today—will continue to require a greater outlay of money as time goes by. The Federal Government cannot keep taking the rights and powers formerly held by the States, without assuming the responsibility of paying for them.

With Congressmen having to face reelection every 2 years, Members of Congress are reluctant to vote against programs which their constituency advocates. It is apparent in the country today that any measure that helps a group of individuals finds that group in favor of such legislation—even when they should know it is detrimental to the best interest of all Americans. Before any tax relief comes for the American people, there must be a real awakening to the dangers inherent in this situation. Pressure groups will have to be told they are trying to serve only a particular group which may have selfish interests at heart. And, Members of Congress must be able to withstand these pressure groups.

When we compare the expenditures for the fiscal year beginning July 1, 1954, with the increases that have been made in those same items for the fiscal year beginning July 1, 1957, we find that about $12.5 billion more revenue is required than was spent 3 years ago. Much of this money is needed for projects and policies started long before the present administration came into power. As our population increases, and expenses grow because prices have risen, we find all along the line there are more individuals who are entitled to pensions, more who are retired, more children who attend schools and need free lunches. We must face the reality that we cannot start any new commitments involving Federal expenditures, unless we are prepared to foot the bills. Need I remind you that the deepest well will run dry?

I have been happy to join with more than 60 of my Republican colleagues in urging that the Rules Committee give the House an opportunity to set some overall limitation on Government spending. Let each one of us rise above being partisan and make it our goal during the 1st session, 85th Congress, to reduce the $71.8 billion budget, insofar as it does not curtail essential services, or endanger the security of our Government. Our citizenry is aroused over the national debt, about the size of our Federal budgets, and over our ever-expanding Federal bureaucracy, and well they should be. Perhaps if we would remember that Lenin once said, "The easiest way to promote a bloodless revolution is for the currency of a nation to commit suicide," a concerted effort will be made by all of us to cut the budget at every opportunity. The decline in the purchasing power of our dollar has been underway for a number of years.

Problems of the Average Small-Business Man

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. BERRY. Mr. Speaker, there is a great need for this Congress to take decisive and constructive action toward improving the climate in which small business operates today.

This week I received an excellent letter from a successful, young South Dakota businessman, R. B. Wheeler, of Lemmon, which outlined in some detail the problems facing the average small-business man. I believe the premise of

his letter could be summarized with this statement which I quote from his letter:

> Many of our local businesses are operating in a balance that is extremely close where nearly any adverse condition will put their solvency in jeopardy.

He went on to write that while many small-business men are showing an increase in net worth in dollars, the gain is very slow and the numerical dollars are misleading. This is true because of inflation, and deflation brought about by a possible recession would destroy much of this net worth because of its highly depreciable inventories and accounts.

He emphasized that numerous businesses are unable to reduce their liabilities from year to year. In addition, they often find their cash position to be in worse balance from 1 year to the next.

He concluded the net result of this is that the small business must expand its volume in order to take on these additional loads. But at the same time the small business is powerless to expand at a rapid rate because of the income-tax structure.

Mr. Wheeler then commended the President for his recommendation that relief be granted to small business, allowing them to receive the essential benefits from tax reduction.

I have restated several of the ideas from this businessman's letter because it typifies the comments and suggestions I have been receiving. I therefore feel it is essential that small business be granted tax relief, and I have joined several other of my colleagues in introducing a bill to accomplish that purpose.

The bill calls for a substantial tax relief for small firms with incomes under $150,000 a year. It is designed to continue the protection Congress has historically afforded small business in this country and yet permit small firms to grow and adapt themselves to the complexities of our modern economy. It is very true, just as my businessman friend had indicated, that profits of small firms are subject to more frequent and violent fluctuations over a period of years than those of larger concerns. The inability of small businesses to retain stable earnings, both because of high taxes and these fluctuations, prevents the use of earnings for needed expansion and investment.

Congress has a commendable record of passing legislation through the years that in most instances has permitted a healthy climate for business. This started in 1890 when a Republican Congress passed the Sherman Antitrust Act. Since that time Congress has attempted, with considerable success, to protect small businesses, prevent restraint of trade, and maintain competition in the free enterprise system that has made this Nation great. Nonetheless small business must be given a better tax break if it is to continue as the cornerstone, yes, the very foundation, of the American free enterprise systems. Small firms usually start operations undercapitalized and even after some successful operation are unable to attract sufficient investment capital.

The bill I am offering provides for necessary growth and modernization of small businesses by initiating a reduction in normal tax rate from 30 percent to 20 percent and also providing small firms with tax amortization certificates enabling them to write off over a 5-year period the cost of expanding and modernizing their facilities.

In addition, if the small firm's taxable income is not over $10,000, it would be allowed to deduct for modernization purposes up to 50 percent of its taxable income with the deductible percentage reducing as income increases.

Other sections of the bill would provide accelerated depreciation on purchases of used equipment or property, allow an exemption from estate taxes for the so-called good will of a firm as an incentive to its owners to continue the business after the death of one of the leading figures, and provide for installment payment of estate taxes over a 10-year period to prevent disruption of business operations.

These benefits would serve as an incentive for persons to invest in small firms as would the additional provision for more liberal treatment for losses and bad debts.

The multiple benefits of this proposed legislation also apply to the farmer as a small-business man. This is also important to the farming and ranching business in South Dakota. Many family-sized farms and ranches would benefit greatly from the exemption for the improvement, modernization, and renewal of buildings and equipment used in the production of agricultural commodities.

How H. R. 11 Affects Freight Absorption

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. PATMAN. Mr. Speaker, one of the most frequent questions raised about H. R. 11, the equality-of-opportunity bill, is whether or not, under this bill, producers could absorb freight. I would like to answer this question and in doing so, I believe that I may be able to point out some aspects of the present law on which some of the Members may not be fully informed.

To illustrate, several days ago I received a letter from one of the smaller steel companies which I quote, in part, as follows:

> Our competition is from small companies up through to the largest, United States Steel Corp.
>
> We have to make freight allowances when our customer's plant is nearer to another strip steel mill than to ours. That means that our prices vary according to the location of our customer.
>
> We cannot stay in business unless we are allowed to meet competitive prices.
>
> Under H. R. 11, introduced by you, would we be allowed to meet this competition?

In my reply to the above question, I have tried to point out what the present law on freight absorption is and how H. R. 11 would fit into the present law. My reply to the gentleman's letter is as follows:

> Dear Sir: * * * This bill will not prevent freight absorption; and I think that it will in no way change existing law with respect to freight absorption practices described in your letter.
>
> DEFINITION OF ILLEGAL PRICE DISCRIMINATION
>
> The bill is concerned only with a supplier's discriminations in price as between its different customers where the effect may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly." This language which defines an illegal discrimination is, incidentally, the same language which defines an illegal merger under section 7 of the act and an illegal exclusive-dealing contract under section 3 of the act.
>
> THREE KINDS OF "SUBSTANTIAL LESSENING" OF COMPETITION
>
> Perhaps the best way to clarify the matter for you is to point out that three entirely different kinds of competitive situations have come to be regarded as "substantially lessening" of competition under the act. The legislative purpose of the act, both in 1914 and in 1936, and now, is to curb price discrimination simply for the reason that the practice involves an abuse of marketing size whereby big firms destroy or squeeze out smaller firms.
>
> *(1) Big supplier destroys small suppliers*
>
> Thus one kind of "substantial lessening" occurs where a producer which has a considerable size advantage over its competitors, by discriminating in price, destroys the smaller competitors. In 1914, the Congress was mainly concerned with this kind of "substantial lessening." For example, the old Standard Oil Co., which was subdivided in 1912, had acquired better than a 90 percent monopoly of refined products simply by cutting prices in one market at a time until it destroyed its smaller competitors or drove them into merger.
>
> *(2) Supplier creates inequalities among his dealers*
>
> Another effect of the supplier's discriminating in price is, however, that when you have a general regime of discrimination the almost invariable rule is that the big buyers receive an unearned advantage by which they may destroy or squeeze out smaller competing buyers. This is the kind of substantial lessening with which we were principally concerned in 1936 and with which H. R. 11 is concerned.
>
> *(3) Suppliers restrain competition among themselves*
>
> Beginning with its so-called basing-point cases of a decade or so ago, however, the Federal Trade Commission injected a third kind of substantial lessening of competition. Thus there were several cases in which the Commission charged, and subsequently found, that in some industries the producers maintained a basing-point system of pricing by agreement and conspiracy in violation of the anticonspiracy law. In several of these cases the Commission threw in collateral charges that the antiprice discrimination law had also been violated, on the theory that the conspiratorial basing-point system involved a systematic discrimination in prices. The substantial lessening of competition which was alleged to flow from this discrimination was not that big producers were destroying small producers by unfair means or otherwise. It was also not alleged to be that the discriminations created any inequalities among competing buyers which put some buyers at a substantial competitive disadvantage over others. Rather the allegation was, as would logically flow from the conspiracy charge, that price competition among the producers engaged in the systematic discriminations had disappeared and thus there was a substantial lessening of competition among these producers. The Supreme Court upheld this theory in the Cement case.
>
> DISCRIMINATIONS MADE BY CONSPIRACY ARE NOT IN GOOD FAITH
>
> Coming back now to H. R. 11, it is concerned only with the abuse of power kind of lessening of competition by which bigger firms destroy smaller firms. It is not concerned with conspiracy or conspiracy-type situations. In short, the bill amends only the so-called good faith defense in section 2 (b) of the act. The bill says, in effect, that where a supplier's discriminatory practice results in a substantial lessening of competition or tendency to create a monopoly, the practice is illegal despite the fact that the discriminations may be made in good faith to meet the lower price of a competitor. Such substantial lessening will require the enforcement agencies to prove that the supplier is creating such inequalities among competing customers that competition is substantially lessened.
>
> The "good faith" phrase in the law, under present interpretation, is a presumptive matter. The seller who shows that his discrimination was made to meet the lower price of a competitor, or shows that he had reason to believe that he was meeting the price of a competitor, although he may not have been doing so in fact, is presumed to be in "good faith". This presumption is overturned, however, and the absence of good faith is established, where the enforcement agencies show the existence of a conspiracy to carry on the discriminations. Hence our third kind of "substantial lessening", which rests on a conspiracy, is not now justified by the 2 (b) defense, since it does not now pass the "good faith" test.
>
> WHAT H. R. 11 REQUIRES
>
> All of this means that under the bill, the seller would be required to avoid creating such gross inequalities among competing buyers that competition is "substantially lessened". Nothing would be added to or taken from the present requirement that the seller also avoid agreements or common understandings with his competitors to use a pricing system to lessen competition among themselves.
>
> I hope you will pardon the great length of this letter; I wanted to try to make sure that you understand precisely what is involved in the bill.
>
> Sincerely yours,
>
> WRIGHT PATMAN.

Public Power

EXTENSION OF REMARKS

OF

HON. GEORGE H. CHRISTOPHER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. CHRISTOPHER. Mr. Speaker, the most recent annual report of the Rural Electrification Administration covering 1956 shows that the REA co-ops provided 19,933,423,100 kilowatt-hours of electrical energy in 1956, and 8,060,625,900 of these kilowatts were purchased from private power companies, representing 40.4 percent of all the current used. The remainder was obtained from public power systems and their own generators.

So, it would seem to me that private power companies should consider the REA systems in the United States as very good customers, especially in view of the fact that they purchased over 8 billion kilowatts from them in a single year. But it seems instead of considering them good customers they are bending every effort toward the destruction of REA's and public power.

A new water resources policy, regarding public power programs that would first curb and then eliminate public power, was drawn up by Secretary of Agriculture Benson, Secretary McKay, then of Interior, and Secretary of Defense Wilson. This recommendation or policy goes much further than even the Hoover Commission report in its proposal to stop the generation of power in flood control and irrigation projects. Even President Eisenhower endorsed the plan and presented it to the Congress a year ago with this comment:

> I commend the fundamental purpose and objectives of this report and I earnestly recommend that the Congress give its prompt attention to its proposals.

This plan is the blueprint for the drive against Federal power programs and the Farm Bureau is leading the drive in this session of Congress. In a letter to President Eisenhower dated February 25, 1957, Charles B. Shuman, National Farm Bureau president, endorsed the Benson-McKay-Wilson report and promised to line up farmers in favor of it. Shuman's letter to the President states:

> We offer our assistance in the drafting of the necessary legislation to accomplish these recommendations. We propose to lend our support to the formation of public opinion leading to the early enactment of such legislation.

Shuman went on to thank Eisenhower for throwing "the full weight of your office" behind the Benson-McKay-Wilson report. A copy of this letter is on file here in Washington.

The big pro-utility lobbies which Shuman said were allied with Farm Bureau in the campaign against power projects are:

First. The United States Chamber of Commerce:

Second. Engineers' Joint Council—the council is a private electric lobby.

Third. The National Reclamation Association which openly works as the main power lobby front in opposing public power projects in exchange for utility backing for irrigation projects without facilities for the generation of power.

Fourth. The National Water Conservation Conference. This power lobby ally works in the interest of soil and water projects but seeks to steer them away from any water projects that would develop hydroelectric power.

The Shuman letter to Eisenhower stated that Farm Bureau has been meeting with these organizations to study their reports and that Farm Bureau individuals, as well as the group collectively, supports the principles and objectives of this report.

If this Benson-McKay-Wilson report were adopted, hydroelectric power would no longer be treated as one of the concerns of the Federal Government. At three different points where the report lists the things that the Federal Government should be concerned with in handling water resources problems, there is no mention of hydroelectric power development.

There is not a single reference to TVA in the entire report. It is a surprising omission to say the least for a report on water resources in the United States to make no mention of the world's most outstanding water conservation and utilization project in an official Cabinet level study of how to use and handle water in the United States. The administration is trying to promote and subsidize TVA's for foreigners on the Jordan, Nile, and Tigris-Euphrates Rivers, but the original pattern, TVA, is branded "creeping socialism" by the President and becomes an unmentionable word in his Cabinet Committee on Water Resources Policies.

Five lines of attack against present and future power projects are laid out in the report:

First. Create additional redtape to delay action on water projects.

Second. Increase the cost of power projects as much as possible.

Third. Return the responsibility for flood control to the States.

Fourth. Subsidize the private interests who take over projects in place of the Government, which simply means pay the private power companies to steal the remaining power sites such as Hells Canyon, a resource which belongs to all the people of the United States.

The method proposed to Uncle Sam would pay the nonreimbursable cost of a dam plus the additional bonus of 10 percent as a direct donation to the private power companies to encourage them to steal the dam site. The report also proposes "the making of guaranteed loans to private interests for the construction of projects, but would not make guaranteed loans for the power facilities."

Fifth. Worst of all, the report calls for the liquidation of existing Federal power projects.

The report makes this recommendation twice and in the conclusion states:

> The committee recommends that operation of water-resources projects be turned over to non-Federal interests in all cases where this is practicable.

And no doubt it would soon be practicable to turn over every public power project in the United States to the private power trust.

It has been evident for a number of years that public power and the REA co-ops were fighting for their lives with their backs to the wall, and this administration has only added to and intensified the efforts of those who have been seeking their ultimate destruction. It is bad enough when public power and the REA co-ops have to fight for their lives against a multi-million-dollar power trust determined to secure an absolute monopoly on every kilowatt of electrical energy generated in the United States, but their predicament becomes doubly perilous when the President of the United States and an organization that purports to speak for many thousands of REA users ally themselves and pledge

their wholehearted assistance to the enemies of REA and public power.

The enemies of REA keep repeating over and over the statement that co-ops do not pay taxes. I suppose it is the old Hitler technique that if you repeat a lie often enough and make it big enough after a while a majority of the people will believe it. But let us take the latest available record, which is for the year 1955, and see what the facts are relative to REA co-ops. In REA Bulletin 1-1 on page 23, table 20, you will find these figures. Taxes paid by REA co-ops in the United States in the year 1955, $10,979,276; in the State of Missouri, $508,925, or more than one-half million dollars. The three REA cooperative associations in the Fourth Congressional District, State of Missouri, paid taxes in the following amount: Osage Valley, Butler, $10,501; Barton County Electric, Lamar, $6,007; and West-Central Electric, Higginsville, $4,665.

So you see that when the facts are checked the tax propaganda published against REA is pure fiction. The total REA tax figure for the United States does not include taxes paid by public power generating facilities such as TVA, Bonneville, Grand Coulee, and others because they pay taxes and make payments in lieu of taxes that are not a part of the figures quoted above.

ADDRESS TO ANNUAL MEETING, CALLAWAY ELECTRIC COOPERATIVE, FULTON, MO.

(By Rev. Beverly Ashburry, Director of Chapel, Westminster College, Fulton, Mo.)

It is a pleasure and an honor to be with you at this annual meeting. I am here as a guest and not a member, as a layman and not as a professional in this field. However, I feel a very close kinship with you because of my natural and personal interest in REA.

For one thing, my own lifetime roughly parallels the lifetime of the REA. I am just old enough to remember its humble beginning, and I have grown in size during the same years in which REA has swapped its swaddling clothes for overalls and boots.

For another thing, I was raised in a small town in a rural area of Georgia. My mother had been raised on a farm, and both her family and my father's owned and occupied farmland. This, of course, gave me a personal interest in watching the electric bulb replace the kerosene lamp and the gas lantern. In my short life, I have witnessed the farm people of my native region emerging from darkness into light, from drudgery into a more humane life, from senseless hardship into a life which offered more benefits and greater leisure. And all this occurred as the result of the Rural Electrification Administration. The REA did a job no one else would do, and I believed in it because I saw it work. A personal first-hand experience like that is more important than all the theory in the world—even though I have since come to believe in the theory of REA just as strongly as I believed in its practice.

Just look for a moment at what REA has meant to Missouri. There are 47 cooperatives serving over 263,000 rural consumers in the State. Twenty years ago 93.5 percent of Missouri's farms were in the dark. Fifteen out of sixteen depended on lanterns and kerosene lamps. Today approximately 95 percent of Missouri's farms have electric power, and of those farms 77 percent of them are supplied by REA. Twenty years ago only 6.4 percent had electricity; today, 98 percent. These statistics point to a revolution in living for our people, and I need not name the things you have and can do only because of electricity. Let it be said, however, that a higher standard of living has resulted, and the face of rural America has been transformed. It should be no wonder that ministers like myself who are concerned for the welfare of the people should be so interested in and concerned about the REA program.

II. THE ATTACK UPON REA

In the light of what I have said, it is disconcerting and downright disturbing to realize that REA today is being attacked from some quarters. The climate has changed from one of friendly appreciation to one of hostile suspicion. Some groups with selfish motives and unlimited ambitions are now seeking to destroy or take over a system which has done so much for the country. They seek to do this by brandishing false slogans and by propagandizing misleading statistics and half-baked ideas. They seem to have vast financial resources, and they intend to use them to gain favor for themselves.

As an example of this, let me read you this advertisement which has appeared this week in most of our leading magazines:

"Are you aware of this strange use of your tax money?

"Several million United States families and businesses get their electricity from Federal Government electric systems like the TVA. And your taxes help pay their electric bills. Here's how:

"About 23 cents of every dollar you pay for electricity from your independent electric light and power company goes for taxes. But because of present tax laws, people who get electricity from Government plants escape paying most of the taxes in their electric bills that you pay in yours. They pay taxes of only about 4 cents per dollar if their power comes from the Government's TVA, for example. So to make up for the lost tax revenues which Federal power projects don't pay, you have to be taxed more.

"Don't you think something ought to be done about this unfair tax favoritism?

"America's independent electric light and power companies"

In these ads—whether they be in newspapers, magazines, or on radio or TV—the private companies would lead the public to believe that the REA co-ops are receiving all of the power produced by the Federal Government. The tempo of these attacks is increasing, and the very system which has done so much over the past 20 years is now threatened with extinction. It is high time that we answered this opposition, and I should like to do so here and now.

Item I, tax favoritism: What the advertisements fail to tell us about is the subsidies private companies receive. These companies are allowed a rapid amortization of new facilities for tax purposes. For conventional businesses, this produces a tax savings. But electric utilities do not pay taxes in the usual sense but merely collect them from their customers as tax expense. So when they "write off" their new facilities, they actually collect sums from their customers as tax expenses but never have to pay some of that money in taxes. From June 1951 through April 1956, the Government granted such writeoffs by private utilities to the tune of $1,400,000,000, and over the estimated life of such a writeoff (33⅓ years) these subsidies will amount to $4,800,000,000. That is more than the total cost of all REA co-ops and Government dams combined. Now, just who is being favored?

Item II, the distribution of Federal power: The advertisements also fail to tell us that co-ops buy only 6.6 percent of "public power." Of the other 93.4 percent, the distribution runs like this: Federal defense agencies (AEC) 29.9 percent, municipalities 19.2 percent, State and other public agencies 10.9 percent, private power 33.29 percent. In the light of those facts and figures, it is difficult to conceive why REA is attacked so vehemently as a threat to free enterprise.

Item III, independent companies: What the ads don't tell us is that these local, independent companies are, in a majority of cases, owned and controlled by eastern financial houses. Their claim to be independent is almost laughable. Eleven eastern houses hold multiple, interlocking voting stock in 100 electric operating companies worth $10 million. These companies are among the largest in the Nation, and they extend from the Atlantic to the Pacific. They are no more independent than a slave chained in the galley of a ship.

These items should make it clear that the current attack cannot diminish the fact that REA is one of our most American institutions. What could be more American than rural folks going into business for themselves to procure electricity that private companies had failed to make available? This is not socialism. This is free enterprise at its best, and only God knows where we would be today if there was no REA. Nevertheless, we are here, and we know that vicious, insulting, misleading, untrue propaganda cannot destroy what has been built by the extraordinary ability of ordinary people. At least it cannot if we are aware of what the opposition seeks to do.

III. WHAT THE OPPOSITION PROPOSES

It proposes a so-called partnership with private utilities, whereby these companies would monopolize the revenue and energy at Federal power projects.

I emphasize the partnership because it represents today the spearhead of the current attack upon public power. Yet what kind of a partnership is it? It is a partnership in which the Government relinquishes to private monopolies the powerhouse at Federal dams, while the Government continues to finance the nonreimbursable features such as fish ladders, floodgates, and navigation locks.

We had a partnership in operation. It wasn't this kind of partnership. It was a legitimate partnership between the Government and its citizens. It was the Federal-local partnership, under which kilowatts were being sold at low cost to whatever distributing agency the residents of a particular area preferred.

This was a bona fide partnership. But what is proposed today as partnership is no partnership at all. It is monopoly and special privilege. For at least 50 years, a private stranglehold will be given legal sanctity at a great power site, and there will be nothing that the men and women in that area can do about it, through half a century of time.

We are told the abandonment of public power is necessary in the name of Americanism. Yet the preference clause, which safeguards the power supply of our rural electric co-ops, goes all the way back to the administration of Theodore Roosevelt, who was no creeping Socialist.

One of the serious blows suffered by REA's under the new partnership policy was abrogation of 40-year contracts between the Interior Department and cooperatives in the Southwest. As a result, the REA's were threatened with bankruptcy or high rates, or loss of their independence.

I cite these things to indicate how politics and greed are intruding into programs which, until the last few years, were decided by the needs of the American people and not by the selfish desires of 1 or 2 utility corporations.

As you are well aware, REA funds have been cut but not abolished by Congress. You have been successful in maintaining reasonably adequate loan funds and services during the past few years. But this cut was to be expected. It was forecast by the late George W. Norris. He said: "The attack upon REA will not be an open assault. The attack will be by stealth and treachery because REA is too popular to be attacked openly."

Let us look briefly at other things which are steadily undermining the REA program:

1. Undoing of regulatory agencies.
2. Failure to observe public preference legislation.
3. Refusal to build transmission lines.
4. Turning over last-choice sites to piecemeal exploitation by private companies.
5. Undermining existing structures.
(a) TVA and Dixon-Yates.

Believe me, the future of REA is fraught with danger. We may be faced with extinction unless present policies are reversed. The present policies also pose the threat that atomic power will be given over entirely to private companies. This is a threat, because we, the taxpayers, have already paid $14 billion to develop this source of power, and it hardly seems fair that we should pay for it all over again—in the way of a profit to private companies.

IV. WHAT WE SHOULD DO

In the light of what has been said, what should we do?

We should remember that we have come a long way, and we have come that distance in spite of formidable and almost impossible odds. Every gain has been carried out despite powerful opposition.

We must not give up our gains now. Nor can we afford to stand still—"man cannot live in a stagnant pool, even a stagnant pool of sunshine." It is time for REA consumers to realize their strength and to organize in multitudes. This is a day crying for men to be aware of what they have and to appreciate and fight for it. Now is the time for men of vision and character to stand up and answer the false propaganda by telling the truth. We must act soon if we are to make our voices heard, our desires known, and our strength felt. Get young people in.

In order to keep what we have, we must first be proud of what we have—remember where we were without it. From there we need to expose phony propaganda and to tell the truth about REA and what it has done. Only informed consumers like yourself—who take up the fight, who write letters—can assure the electric service which our dynamic Nation demands. Our power policies must stimulate the fullest effect by every kind of power agency if we are to realize our potential living standards and economic development and maintain our armed strength. This requires abundant, low-cost electricity if we are to have better living, full employment, and national security.

The fight for these things is ours. May God help us if we fail to win them.

HOW NTEA LOADS YOUR CONGRESSMAN'S MAIL WITH DRUMMED-UP LETTERS ATTACKING CO-OPS

The letters reproduced below provide a good example of the methods used by the National Tax Equality Association to influence Federal tax legislation.

NTEA sent out the form letter below as a means of drumming up letters, wires, and telephone calls to Members of Congress. (The name of the person who received this particular copy has been blocked out at his request.)

Leaving nothing to chance, NTEA sent along three sample letters. It suggested that they be rephrased in the sender's own words so that Members of Congress could not so easily detect a centrally-inspired campaign. The three samples appear below.

The two next-to-last paragraphs in the letter below show how far NTEA goes to promote anti-co-op letters. It asks that the sample letter, rephrased, be returned to it with a supply of the letterhead paper and envelopes of the person or firm that will be the sender. Then, free of charge, it will have the letters individually typed and will return them to the sender ready to be signed and mailed to Members of Congress.

Congressmen soon learn to spot inspired letters of this sort. NTEA's campaign nevertheless is a reminder that co-op members need to do some letter-writing of their own. As frequently has been pointed out, the best defense against this kind of propaganda is well-informed co-op members who maintain good relations with their Congressmen.

NATIONAL TAX EQUALITY ASSOCIATION,
Chicago, Ill., January 16, 1957.

Mr. ———,

DEAR MR. ———: You and your organization have long been known for your forthright stand on principles in issues vital to private enterprise. It is obvious that many of your members cannot long remain in business if the ever-growing Federal tax-free co-ops continue their inroads eating all lines of business.

Many national organizations have already written the 435 Congressmen and 96 Senators, urging action on this pressing problem during the 85th session.

It is imperative that organizations such as yours, wielding tremendous power in your State, write, wire, phone, or personally see your elected representatives in Congress.

Enclosed are several suggested letters. We would appreciate your rephrasing or rewording one of these letters in your own style, returning it with sufficient letterheads and envelopes to be sent to all Congressmen and Senators in the State where you operate.

We will, of course, free of charge, individually type these letters and send them to you for your signature and mailing from your office.

Your much needed help is deeply appreciated. Only through concerted action on all fronts can success be assured.

Cordially yours,

GARNER M. LESTER,
President.

"Honorable (name),
"House of Representatives,
"Washington, D. C.

"MY DEAR CONGRESSMAN: Our association, representing the druggists in every town and hamlet in this Nation, is concerned about the tax-escape privileges now extended the cooperatives. We have joined with other trade groups in protesting this unfair discrimination against the fully taxed proprietary businesses in this country.

"We not only feel this is economically unsound but is morally wrong. We cannot understand why any segment of the economy competing in the market place should have an unfair tax advantage.

"The taxpayers of this Nation are saddled with a terrific tax burden, and most of this money is being used to protect the interest of our country in an unsettled world. It is deeply resented when the cooperatives are permitted to pay less than their share, when they benefit to the same extent as do the rest of us.

"Our association is, therefore, urging you and every other Member of the Congress to intercede for us before the tax-writing committees of the Congress, asking that the cooperative corporations be fully taxed at the corporate level and thus remove this unfair, un-American discrimination.

"Will you please advise us what you are willing to do to aid us? Our —— members would be very appreciative of your assistance.

"Yours very truly."

"Honorable (name)
"House of Representatives,
"Washington, D. C.

"MY DEAR CONGRESSMAN: The members of our association, the National Association of ———, having felt the impact of competition by cooperatives escaping their share of taxes, feel that it is time that legislation be enacted that will eliminate this unjust discrimination.

"We feel that the tax burden of this country should be borne equally by all businesses and individuals earning income.

"Our association, therefore, is asking you, and every other Member of Congress, to prevail upon the tax writing committees of the Congress, to the effect that cooperatives be fully taxed on the basis of income on the same level as corporations and that all tax favoritism be eliminated, thus insuring equality of taxation for all.

"May we have an expression of opinion from you in this regard?

"Very truly yours."

"The 85th Congress of the United States has many grave problems to face.

"With part of the world in turmoil, with the United States needing enormous sums of money for defense and assistance, the matter of taxation is of paramount importance.

"We feel that the burden of taxes should be borne fairly and equally by all businesses and individuals.

"To that end we ask you to use your influence with the tax-writing bodies of Congress to the end that the discriminating preference enjoyed by cooperatives be erased, and that cooperative income be taxed at the corporate level and in equal amounts.

"At the present time we feel that cooperatives enjoy all the privileges, without participating in the burden.

"May we have an expression of opinion from you in this regard?

"Yours very truly."

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION,
Jefferson City, Mo., March 4, 1957.

Hon. GEORGE H. CHRISTOPHER,
House Office Building,
Washington, D. C.

DEAR MR. CHRISTOPHER: Enclosed herewith are seven resolutions adopted during our annual membership meeting, February 9, which pertain to the following subjects:

1. Allocation of costs of multiple purpose projects.
2. Increase in rates of interest on rural electric and telephone loans.
3. The Hells Canyon project.
4. Hoover Commission Report on Water Resources and Power.
5. The National Tax Equality Association.
6. Tennessee Valley Authority.
7. Accelerated depreciation certificates granted by the ODM to commercial electric utilities.

Also enclosed is reprint of letters that the president of the NTEA, Mr. G. M. Lester, has mailed most business organizations throughout Missouri, which I believe is self-explanatory. To protect the person to whom the letter was addressed, we had to block out his name.

Sincerely yours,

JULIUS HELM,
General Manager.

ALLOCATION OF COSTS OF MULTIPLE-PURPOSE PROJECTS

Whereas the Flood Control Act of 1944 did not stipulate a definite formula for allocating the various costs in a Federal project; and

Whereas the executive agencies are now applying a cost-allocation method and payout period which are not fair and realistic to each use of the projects; and

Whereas H. R. 963 has been introduced in the House by Representative TRIMBLE, of Arkansas, and said bill would designate a

power method to allocate cost in Federal

all types of cooperatives benefits in diversi-

propaganda, public relations, etc., and be it

proper method to allocate cost in Federal projects: Now, therefore, be it

Resolved, That the Missouri State Rural Electrification Association, duly assembled during its 20th annual membership meeting in Jefferson City, Mo., this 9th day of February 1957, urges the Congress to pass H. R. 965 in order to establish a definite guide for all executive agencies to follow in cost allocation of Federal projects.

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION.
J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

Whereas bills have been introduced in Congress calling for an increase in rates of interest on rural electric and telephone loans; and

Whereas an increase would place an additional burden on the already hard pressed farmer: Be it, therefore

Resolved, That the Missouri State Rural Electrification Association, duly assembled during its 20th annual membership meeting in Jefferson City, Mo., this 9th day of February, 1957, urges Congress to seek other means of raising revenue.

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION,
J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

Whereas the Hells Canyon Dam site on the Snake River is the best remaining undeveloped power site in the United States; and

Whereas Senator MORSE and 22 of his colleagues have reintroduced a bill in Congress calling for appropriations for Federal construction of this dam: Be it, therefore

Resolved, That the Missouri State Rural Electrification Association, duly assembled during its 20th annual membership meeting in Jefferson City, Mo., this 9th day of February, 1957, urges the Congress to approve sufficient appropriations to begin construction of this dam; and be it further

Resolved, That we earnestly urge all citizens and organizations interested in the welfare of the American farmer to give full support to full development of this site.

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION,
J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

HOOVER COMMISSION ON WATER RESOURCES AND POWER

Whereas the adoption of the Hoover Commission Report on Water Resources and Power would destroy the Federal program of development of public resources from which over 300 rural electric systems get their wholesale power: Now, therefore, be it

Resolved, That the Missouri State Rural Electrification Association, duly assembled during its 20th annual membership meeting in Jefferson City, Mo., this 9th day of February 1957, urgently requests the Congress to reject the approval or adoption of any part of the Hoover Report on Water Resources and POWER.

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION,
J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

NTEA RESOLUTION

Whereas rural electric cooperatives and other consumer-owned organizations are recognized by Federal and State statutes as an essential segment of our national economy, and

Whereas the National Tax Equality Association, a perennial and avowed enemy of all types of cooperatives, persists in disseminating false and misleading information in an effort to discredit cooperatives and to generate pressure that would crystallize into unfair laws making it impossible for cooperatives to exist; and

Whereas NTEA has currently released a propaganda movie, The Senator's Daughter, attacking the nonprofit tax status of cooperatives and mutuals; and

Whereas this well-financed propaganda and lobbying organization fails to reveal whether it is financed largely by the commercial utilities, as it has been in the past: Now, therefore, be it

Resolved, That the Missouri State Rural Electrification Association, duly assembled during its 20th annual membership meeting in Jefferson City, Mo., this 9th day of February 1957, does hereby condemn the action of the NTEA as inimical to the best interests of farmers and other consumers the country over; and be it further

Resolved, That we earnestly urge Congress at its next session to initiate an investigation of NTEA aimed at bringing to light who finances NTEA and what motives impel it persistently to attack a vital segment of our national economy.

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION,
J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

Whereas the Tennessee Valley Authority has benefited the American people by furnishing a yardstick of the value of electricity and by pointing the way to flood control, navigation, industrial development, and health improvement; and

Whereas rural electric cooperatives in seven States depend upon TVA for their power supply; and

Whereas 56 percent of TVA electric power must go to the Atomic Energy Commission to further its far-reaching program of nuclear development: Be it therefore

Resolved, That the Missouri State Rural Electrification Association, duly assembled during its 20th annual membership meeting in Jefferson City, Mo., this 9th day of February 1957, urges the President and the Congress to provide TVA either with appropriations or authority to finance the necessary expansion of its generating facilities in order that it will be able to meet the needs of the valley.

MISSOURI STATE RURAL ELECTRIFICATION ASSOCIATION,
J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

Whereas United States Senator HARRY F. BYRD has instituted an inquiry into the continued issuance of accelerated depreciation certificates to commercial electric utilities, and others; and

Whereas initially the issuance of such certificates was designed as an incentive for private expansion of wartime facilities, which justification is not now existent, and hasn't been for years; and

Whereas such certificates are held by some to be a form of subsidy; by others as the equivalent of interest-free loans by the Federal Government to the recipient; and by others as a program of tax forgiveness: Now, therefore, be it

Resolved, That the board of directors of the Missouri State Rural Electrification Association, duly assembled this 8th day of February 1957, does hereby commend Senator BYRD for initiating an inquiry into the field of accelerated depreciation certificates; and be it further

Resolved, That we urge that the inquiry be broad enough to establish relative effects of "operational expenditures" which might be questionable, in the fields of advertising, propaganda, public relations, etc.; and be it further

Resolved, That we recommend that the information developed from this inquiry be transmitted to the Congress and to interested persons and organizations.

J. C. OMER, *President*.
ROBERT PILLEN, *Secretary*.
JULIUS HELM, *General Manager*.

The Future and the Basin

EXTENSION OF REMARKS
OF
HON. CARL ALBERT
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1957

Mr. ALBERT. Mr. Speaker, my colleague from Oklahoma [Mr. EDMONDSON] delivered a very fine address at a meeting of the Arkansas Basin Development Association, held in Tulsa, Okla., on March 8, 1957. Every Member of the House is well aware of the tremendous interest which Mr. EDMONDSON has in the development of this great watershed through the States of Oklahoma and Arkansas and the enormous amount of work which he has put into the matter. We in eastern Oklahoma are convinced that development of the Arkansas Basin is the key to the future of the area in which we live. The importance of this project is pointed out in Mr. EDMONDSON's address, the text of which is as follows:

THE FUTURE AND THE BASIN

(Remarks of Representative ED EDMONDSON)

Mr. Chairman, distinguished guests, and members of the Arkansas Basin Development Association, it is a good thing to get together and to break the bread of fellowship in a common cause.

It can be a very satisfying thing, and even an inspiring thing, when the common cause which unites men is a great and a noble undertaking.

We break bread tonight in a rededication of common purpose in support of such an undertaking: the full and early development of the Arkansas River Basin.

For me, and I am sure for many who gather here tonight, the fight for the Arkansas Basin has been both satisfying and inspiring.

It has been satisfying, because we have already won some major battles along the road. If we think of years in terms of miles, and 1968 as our target date for navigation on this great river, we stand today only 11 miles from home.

The fight for the Arkansas has been inspiring, because this battle for the basin has produced a unity of spirit and purpose in Oklahoma—and between Oklahoma and Arkansas—which I have not witnessed in my 37 years as a Sooner.

What other great cause in your memory, peculiar to our own two States, has united so firmly the chambers of commerce of our principal cities and our smaller towns—the governors and the legislatures of the two States—and the complete congressional delegations of Arkansas and Oklahoma?

The leading citizens of Oklahoma and of Arkansas—in the ranks of industry, in the ranks of commerce, of finance, public relations, civic office and all walks of life—have joined forces to carry on this battle—and have given generously of their time, their talent, their energy, and their treasure, to advance this cause.

It is an inspiring thing, and the progress thus far made is a testimonial to the devoted efforts and sacrifice of hundreds of these leaders in our two States who have dared to champion a great and a magnificent dream for Oklahoma and for Arkansas—and to work tirelessly to make that dream come true.

Today, in the spring of 1957, we can almost see the castles and towers of this great dream, in the shadows of the mountains still ahead.

It would be a pleasant thing tonight, in this refreshing company and on this splendid occasion, to talk about the magnificence and the splendor of the castles and towers in the Arkansas Basin's future.

The vision of this great and productive inland waterway, with its vast storage capacity of precious water and its vital movement of coal and oil and the produce of industry and agriculture, is a sight to stir the imagination and quicken the pulse of any basin resident.

But if I have a mission tonight, it is not to stir your imagination or quicken the pulses of my fellow citizens.

The message I bring to you tonight is addressed to other qualities—to the resolution and determination which we must have—all of us—to complete this journey by 1968.

Between the goal we seek and the place we stand tonight are not only mountains, but also a great precipice. We will need all the resolution and determination we can muster—and a helping hand as well from divine providence—to pass over these great barriers.

The precipice, of course, is the danger of another world war. An atomic war could not only interrupt all public works, including the Arkansas Basin, it could also pulverize and disintegrate our modern civilization.

The duty we owe as citizens, to help prevent that war, rises above our duty to the sovereign States of Oklahoma and Arkansas.

It is a duty we owe to our fellow men, to our wives and our families, to our children and our grandchildren—who may not know tomorrow if that war is not prevented.

In my own view, there are two duties of American citizenship which today transcend all others.

The first is to give our full support to a program of national defense—both military and civil defense—most likely to give a full measure of national security from atomic attack.

The second duty is to lend our full support to all honorable efforts on behalf of our Government to promote world peace and secure the peaceful settlement of international disputes.

If the citizens of our country perform these duties, and lend this kind of support to their Government, and we who have a responsibility in that Government do our job as well, I believe the chances are good that we will cross the precipice of war, and have the opportunity, in peace, to climb the mountains.

The mountains, of course, are the many steps involved in appropriating the money, and letting the contracts, and paying the bills, to build the great dams and locks which will bring navigation to the Arkansas.

And there is a special mountain in the Congress today, on which I recently reported by newsletter to the people of the second district, which could present some special problems.

I am speaking of the so-called economy wave in the House of Representatives, and especially in the Appropriations Committee, which already has resulted in the cutting of millions of dollars from administration requests for three great departments of Government.

There is good argument to be made in the cause of economy in Washington, and we in the Oklahoma delegation have supported that cause on more than one occasion.

In 1956, Oklahoma's House Members voted unanimously to cut a full billion dollars from the foreign-aid program recommended by the administration, and we are prepared to vote for further cuts in this field, and in some others, in 1957.

Movements for economy, however, can become wasteful and destructive when they are not selective, and when they do not take full accounting of the critical character of some governmental programs.

We do not have a more urgent problem, in our entire Nation today, than the problem of water and its conservation.

There is no waste in Government that even approaches the terrible and unforgivable waste of uncontrolled water resources.

California water engineers have estimated the value of an acre-foot of water at $10.

The 37 million acre-feet of wasted water flowing out of Oklahoma each year is an annual waste of $370 million, by California standards. If we cut that value to only $1 an acre, it is $37 million down the drain, each year, in terms of wasted water.

We do not need to argue in terms of dollars and cents, however, to make a case for urgency.

The Chief of Engineers, on more than one occasion, has warned that our Nation is rapidly approaching a water crisis.

With present needs for water expected to increase 2½ times by 1975—and a population figure of 300 million in sight for America in 1993—there is no room in our 1957 water program for a pennywise philosophy.

The people of America must assert, firmly and unequivocally to their Government, their determination and resolution to support an adequate water program at this time.

And the people of Arkansas and Oklahoma must join their representatives in Washington in expressing this resolution and determination to the representatives of other sections.

I hope the Arkansas Basin Development Association will send one of the largest delegations it has ever sent to Washington, when the Appropriations Committee hearings are held in May.

I hope your spokesmen will continue to speak from resolute and determined hearts of their full support for the basin program.

With resolution and determination, we shall cross the mountains and reach the castles and the towers of 1968.

For my own part, I have taken for my battle cry for the Arkansas the famous words of William Blake, the English poet, who wrote in the 19th century:

"I shall not cease from mental fight,
Nor shall my sword sleep in my hand
Till we have built Jerusalem
In England's green and pleasant land."

The Jerusalem we seek is a promised land where the great treasure of water is conserved and harnessed for the good of our people in the valley of the Arkansas.

Let us carry on the fight together, and let no sword sleep in the hand of any man, until we have built our Jerusalem.

St. Patrick's Day and Commodore Barry

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1957

Mr. O'HARA of Illinois. Mr. Speaker, our colleague, RAY J. MADDEN, of Indiana, delivered the annual St. Patrick's Day speech last Saturday at the Commodore Barry Monument, in Franklin Park, Washington, D. C.

The ceremony is conducted each year by the Washington Irish War Veterans and includes the placing of a wreath at the base of Commodore Barry's statue.

Under unanimous consent I am inserting his remarks in the RECORD.

SPEECH OF HON. RAY J. MADDEN, OF INDIANA, BEFORE THE IRISH WAR VETERANS, MARCH 16, 1957, BARRY STATUE, WASHINGTON, D. C.

The Irish War Veterans of the United States of America are to be commended for preserving the name and memory of Commodore John Barry, United States Navy, on each St. Patrick's Day at the site of his memorial statue in Washington, D. C.

The memorial ceremony is especially noteworthy today because on September 16, last year, at Wexford, Ireland, the United States Government, represented by an official Congressional Committee and delegates from the United States Navy, sponsored the unveiling of a monument to preserve the memory of this great American naval hero of Irish ancestry. After 200 years, our Government officially recognized the great deeds and services this Irish patriot contributed in winning our war of independence from Great Britain.

The Congress of the United States through a joint resolution, presented a statue of Commodore Barry to the Irish nation which today stands majestically in Wexford Harbor as a perpetual tribute from all Americans for the great help that Commodore Barry, along with thousands of other Irish patriots and sympathisers, gave our Nation in the Revolutionary War.

As a Representative in the United States Congress from the State of Indiana, I was honored to be appointed by the Speaker of the House of Representatives as a member of the Congressional Committee representing the Congress of the United States at the unveiling ceremony at Wexford Harbor last September. The representatives of the Irish Government joined with the official delegation from the United States in the unveiling ceremonies and the ceremonial banquet on that eventful date, Sunday, September 16, 1956. It was indeed fitting that the various speakers on this occasion brought to the minds of the assembled throngs as well as to millions throughout the world who were informed through the press, historical facts concerning the long time friendship between Ireland and the United States of America.

Events outstanding in the life of Commodore Barry were recalled.

Commodore Barry was but a young lad of 15 when he sailed from the very harbor where today is located his magnificent life-size statue. As a youth, his heart was always with the sea, and he naturally served his apprenticeship on ships and with shipping. Before many years, he became commander of a merchant ship called the *Black Prince* which afterward under another name became the first ship in the Continental Navy. He was soon chosen by the Continental Congress to have charge of regimenting the vessels of the initial naval squadron provided by the Congress. This was indeed a great tribute to a youth, acknowledging as it did his great mastery of ships and seamanship.

In 1776, he was commissioned a captain in the Continental Navy by the Congress of the United States. I do not propose to take time to narrate all of the outstanding battles and acts of bravery exhibited by Commodore Barry in his naval career in our fight for independence. It is only sufficient to say that his great contribution and recognition by General George Washington and the United States Congress bestowed upon him the justly deserved title of the "Father of the American Navy."

Many naval officers who greatly distinguished themselves later received their training under Commodore Barry. This list included Richard Dale, Charles Stewart, Stephen Decatur, Richard Somers, and others.

It was Commodore Barry and these naval officers who pioneered the fighting naval tradition of which our Government has taken pride down to this day.

In March 1783, Commodore Barry fired the last shot of the sea campaign of the Revolutionary War. This was not the end of sea fighting for this intrepid Irishman; just before the turn of the century when the sovereignty of the newly independent Nation was first challenged and the first ships of the United States Navy under the Constitution were authorized, Commodore Barry was named the senior officer in the Navy, a position he held until his death 9 years later. His commission in the United States Navy, signed by President Washington, was commission No. 1.

There is a little story about Barry that I particularly like. Just after the close of the American Revolution, Barry received Commodore Sweeney of the Royal Navy on board his ship for an official call. Feelings of animosity still ran high. As the Royal Navy commodore was departing, he clasped Barry's hand and said, "Adieu, my countryman."

"Not exactly so," replied Barry, "you, Commodore, are a Briton; I am an American."

"I am an Irishman," Sweeney responded, "and so are you. You have too many of the strong features of a genuine Irishman for me to be mistaken. Your attachment to the country for which you have fought and bled is both natural and highly to your honor; but, sir, you are too good a fellow not to be an Irishman."

Needless to say, they parted good friends.

There were times when it was mainly Commodore Barry's personal prestige which kept the American Navy alive. His great vision nurtured its healthy development. Above all, he was a man of courage, of devotion to duty, and of the highest order of personal integrity.

John Barry was too good a man—too good an Irishman—to be consigned merely to the pages of history. In these days, when the freedom of man is threatened, the whole world needs the force of his inspiration, just as it has always been felt in the United States Navy.

Commodore Barry, of course, was not the only Irishman who left the beloved sod of his mother country to fight for American independence. He was the pioneer Irish patriot who inspired hundreds of thousands who followed later. He foreshadowed the others that were to distinguish the Irish, who, driven from their homeland by oppression and foreign domination sought new homes in the United States. Above all, they were loyal to their adopted land but they always were proud of their Irish origin. These Irish patriots dedicated themselves to America and worked at building what they had been denied at home—free schools of their own choice, a Christian education, an opportunity to expand and follow chosen professions, and to forget about the British system of class and privilege. Those were the days when the infant free United States became a beacon to people of all nationalities, who for generations have come to our shores to enjoy the freedom which our great Republic is so proud and privileged to offer.

The statue of Commodore Barry in Wexford Harbor will forever be a symbol of deep friendship and fellowship between Ireland and the United States of America.

No two nations exist on the globe where people's hearts are more closely entwined than Ireland and America. As we today, here at this March 17th ceremony, memorialize the gallantry of John Barry, we can pay tribute to the Irish-American friendship and understanding which have long lasted and we hope God will preserve this friendship so that it will continue to endure ever closer and ever deeper for all time to come.

Too many Americans of Irish descent during these times neglect to find time to read and acquaint themselves with facts of Irish history and the great part Ireland played in winning our independence during the Revolutionary War. It might be well to mention just a couple of the numerous unpublished historical incidents a great number of which can be found in our Congressional Library and National Archives, revealing facts that are of great interest to all true Irishmen.

Unfortunately, certain writers of history neglected or omitted to give just credit for the great contribution made by Irish patriots in our early fight for freedom. Great reverses were experienced by the Revolutionary Army during the early days of the war for independence. During the hard winter of 1777, Washington's troops were deprived of adequate clothing, food, and other essentials so necessary to win a great war. History reveals that soldiers were poorly clad, some compelled to use gunny sacks for shoes by reason of the embargo placed on shipments to our shores by the enemy. A great number of soldiers deserted and others were incapacitated for physical reasons during this difficult period. It was the spirit of the Irish patriots as well as soldiers from other oppressed European governments that endured these hardships and continued through until America won her independence. France, through Lafayette; Germany, through Generals Steuben and De Kalb; Poland, through Generals Kosciusko and Pulaski; all with their fellow countrymen, contributed greatly to the strength of Washington's Army. The infant American Navy was able to make its great contribution to victory only by reason of the leadership of Commodore Barry.

The continued success of the British Army throughout the year 1776 disheartened the colonies and caused leading men in public affairs at that time to waver in their steadfastness to continue the war for independence. It is interesting to note that Joseph Galloway, a prominent American Tory, a native of Maryland and of English descent, testified before a committee of Parliament where he had been called to give his views on the progress of the war. On November 13, 1779, the Royal Gazette, a New York newspaper of British origin, printed Mr. Galloway's testimony verbatim. In this testimony, he specifically stated that about one-half of George Washington's army who fought after the hard winter of 1777 were Irish. It is also noteworthy that the hearing of this committee of Parliament revealed documents of the official report of Ambrose Serle, private secretary of Lord Dartmouth, the English Secretary of State, requesting his government to exercise her authority by prohibiting the departure of any more Irishmen to America where they would "do Great Britain much injury by adding strength to the force of America against her." Another interesting document reproduced at the hearing was a portion of a long letter from General Sir Henry Clinton to Lord George Germain, Secretary of War, dated New York, October 23, 1778. This letter related to the difficulty of carrying out "His Lordship's instructions to draw off from the American Army the number of Europeans which constituted its principal force"; and on this point Clinton remarked significantly: "The emigrants from Ireland were in general to be looked upon as our most serious antagonists. They had fled from the real or fancied oppression of the landlords."

The United States from small beginnings and through many trials and tribulations has now become the greatest nation in the world, charged with the heaviest responsibilities ever to be placed on any nation. It is our pride that Irishmen, forced by adversity to leave their motherland, have made for themselves a position of influence, leadership, and high esteem as American citizens.

Although the United States was especially enriched by the extraordinary flow of immigration from the Emerald Isle, nevertheless, Canada, Australia, South America, and other nations benefited greatly from the large Irish immigration that settled within their borders.

Considering that we are today commemorating the Father of the American Navy, it might be well to incorporate with my remarks an Associated Press dispatch from Buenos Aires of 1 week ago. It is headlined:

"BUENOS AIRES, March 11.—Argentina is planning elaborate ceremonies to honor Adm. William Brown, Father of the Argentine Navy, on his centennial next weekend. A special delegation is coming from Ireland to participate. Brown was an Irishman."

For 700 years the people of Ireland have fought against oppression and for freedom. This century has brought partial victory to the land whose people refused to submit to tyranny. You may search the pages of history and you will not find a land or people matching Irishmen in courage and in devotion to the land that gave them birth. Liberty and freedom will win in any nation whose people worship at the shrine of men who were executed as traitors by their oppressors. Where in all history is there a story as pathetic, heroic, and enduring in interest, and as inspiring in its theme, as the story of Robert Emmett. His life and heroic deeds can be recorded in duplication again and again in different degrees of heroism over the centuries' struggle for Irish freedom and self-government.

The Irish patriot whom our Government honored last September at Wexford, Ireland, and whom the Irish War Veterans of Washington are honoring today was one of the most illustrious: Commodore John Barry.

Ireland won a great victory 30 years ago when it established an independent Irish Government. The fight for Irish independence will never be completely closed until the northern six counties are united with the rest of free Ireland. That day will eventually arrive.

The last 20 years has seen world colonialism shrink and collapse over most of the globe. Colonialism will be driven from northern Ireland in due time. Then a united Ireland will take its rightful place as a free and independent nation of the world.

Address by Hon. John F. Kennedy, of Massachusetts, Before Society of the Friendly Sons of St. Patrick, Baltimore, Md., March 16, 1957

EXTENSION OF REMARKS

OF

HON. GEORGE H. FALLON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. FALLON. Mr. Speaker, on Saturday, March 16, Senator JOHN F. KENNEDY, of Massachusetts, delivered a very fine address before the Society of the Friendly Sons of St. Patrick, in Baltimore, Md. His address eloquently compares Ireland's fight for freedom with the recent revolt in Hungary, and was warmly received by close to 800 Irishmen who gathered at the Southern Hotel to hear it.

Under unanimous consent, I am inserting Mr. KENNEDY's address in full in the RECORD.

REMARKS OF SENATOR JOHN F. KENNEDY, DEMOCRAT, OF MASSACHUSETTS, ST. PATRICK'S DAY DINNER, 1957

It is fitting that we remember at this time three requests granted St. Patrick by the angel of the Lord, in order to bring happiness and hope to the Irish: First, that the weather should always be fair on his special day, to allow the faithful to attend the services of the church; second, that every Thursday and every Saturday 12 souls of the Irish people should be freed from the pains of hell; and third, that no outlander should ever rule over Ireland.

I have not heard a weather report from the Emerald Isle tonight, but I am certain that no rain fell—officially. Who pays any heed to a little Irish mist? And I have no doubt that 12 Irishmen have been freed from the nether regions this very Saturday. (In fact, the toastmaster tells me he thinks he saw several of them here tonight.) But certainly we need no report to tell us that tonight no outlander rules over Eire; and the Irish people are celebrating this day in peace and in liberty.

But is it not a bitter and tragic irony that the Irish should now enjoy their freedom at a time when personal liberty and national independence have become the most crucial issues of our time? No problem weighs heavier on the conscience of the free world than the fate of millions held in an iron captivity in areas stretching in a great half-circle from the plains beyond the captive city of Warsaw in the west to the Red River Delta beyond the trampled city of Hanoi in the east. And no problem plagues western leadership more incessantly than the struggle of millions in Africa and Asia to cast off the yoke of colonialism and achieve the dream of national self-determination.

I know of few men in our land, and none in this room, who would ignore these denials of freedom as far-off troubles of no concern at home. For Irishmen have always been concerned with imperialism and repression in other lands. Ireland's chief export has been neither potatoes nor linen, but human freedom. Throughout its history, its exiles and emigrants have fought notably with sword and pen, for freedom in other parts of the globe. Particularly noted were the "wild geese," the officers and soldiers forced to flee their native Ireland after the Battle of the Boyne. Fighting for the French, they broke the ranks of the English at Fontenoy. Fighting for the Spanish, they turned the tide of battle against the Germans at Melazzo. And fighting for the American Union Army, they bore the brunt of the slaughter at Fredericksburg.

"War-battered dogs are we (they said),
Gnawing a naked bone;
Fighters in every land and clime—
(For) every cause but our own."

I do not maintain that the Irish were the only race to display extraordinary devotion to liberty, or the only people to struggle unceasingly for their national independence. History proves otherwise. But the special contribution of the Irish, I believe—the emerald thread that runs throughout the tapestry of their past—has been the constancy, the endurance, the faith that they displayed through endless centuries of foreign oppression, centuries in which even their mass destruction by poverty, disease, and starvation was ignored by their conquerors.

(For example, on February 19, 1847, it was announced in the House of Commons that 15,000 persons were dying of starvation in Ireland every day; and Queen Victoria was so moved by this pitiful news that to the society for Irish relief she contributed 5 pounds. Perhaps we should not be too quick to condemn the good Queen, however—for in those days the English pound was no doubt worth more than it is today.)

All this is now past. Yet the heroic annals of Ireland's fight for freedom should be recalled today. We are frequently urged to accept as permanent the enslaved status of the so-called satellite countries; and we are under heavy pressure to accept for an indefinite period those policies of our allies that have already postponed too long the granting of native rights and self-determination in the colonized areas of Africa and Asia.

But if anyone thinks such restrictions on freedom can withstand the irresistible force of human liberty, even if backed by superior military and political force, then let him recall the Ireland of 300 years ago, the similar techniques of oppression, the alternating hope and despair of the Irish, and the unquenchable thirst for human liberty that lingered on despite all defeats and disappointments.

I think it is important that we make that comparison today—not to revise the unhappy memories and national animosities of an age gone by—but to remind us all that along with the need to worship God, there has been implanted in every man's soul the desire to be free.

Perhaps the chapter of Irish history most sharply brought to mind—particularly these days when the tragic Hungarian uprising of October 1956 is still fresh in our memories—is the story of the Irish Rebellion of 1642, and its hero, Owen Roe O'Neill. The story actually begins with the famous Flight of the Earls, in 1607 when the Earl of Tyrone, Hugh O'Neill, sailed sadly into exile on the Continent accompanied by his young nephew, Owen, other members of his family, and Rory, the Earl of Tyrconnell.

"Oh, sad in green Tyrone when you left us,
Hugh O'Neill,
In our grief and bitter need, to the spoiler's cruel steel,
Will you come again, O Hugh, in all your olden power,
In all the strength and skill we knew, with Rory, in that hour
When the sword leaps from its scabbard, and the night hath passed away.
And Banba's battle cry rings loud at dawning of the day?"

Hugh O'Neill would not come again. He died in 1616 still dreaming of returning to free his native land. And in Ireland, hope gave way to despair. For now the Irish people were hard put to keep alive the memory of their lost freedom. The education of their children and the preservation of their native language and customs were controlled by a foreign dictator—priests were imprisoned, tortured and murdered, and the Catholic religion all but totally suppressed—lands and property were confiscated, basic legal rights denied, meetings banned, and their very existence regarded with contempt—and with fear.

When, in 1644, one Captain Swanley seized a ship, picked out from amongst its passengers 70 whom he considered to be Irish—and threw them overboard—the Journal of the House of Commons records that "Captain Swanley was called into the House, and thanks given to him for his good service, along with a chain of gold of 200 pounds in value." "To kill an Irishman," it was commonly said at that time, "was no more than to kill a dog."

But, just as the Hungarian people rose to cast off their chains when the Russians were troubled in Poland, so the Irish rose during the struggle between throne and Parliament in 1641. Their initial successes, however, could not be maintained. Lacking arms, lacking experienced military leadership and sorely divided by factional disputes, their revolt was brutally crushed. On February 25, 1642, anticipating the slaughter of Budapest by more than 300 years, the English high command gave the following order to its generals in Ireland: "Wound, kill, slay and destroy, by all the ways and means you may, all rebels and adherents and relievers; and burn, spoil, waste, consume and demolish all places, towns and houses, where the said rebels are, or have been, relieved and harbored, and all hay and corn there; and kill and destroy all the men inhabitants therein who are able to bear arms."

Overwhelmed with despair, outnumbered and outclassed, the Irish revolutionaries—led by a dedicated but untrained lawyer name Phelim O'Neill—were prepared to surrender all that remained. Then, suddenly, from the Boyne to the sea, from county to county, from mouth to mouth, the joyous word was passed: "Owen Roe has come."

"Glad news, glad news for aching hearts comes from the northern shore!
Ho! Phelim, rouse your sorrowing soul, and raise your head once more!
Magennis and Maguire, come from out your 'leagured tower,
And spit upon their Saxon laws—defy their Saxon power!
For eyes are fired that erst shone mee, and tongues loosed that were dumb—
Up Gaels! Up Gaels! Revenge! Revenge! Owen Roe, Owen Roe is come!"

On July 6, 1642, having successfully evaded the British fleet, Owen Roe O'Neill stepped ashore in the north of Donegal. Nephew of the famous Earl of Tyrone, already famous in his own right for his brilliant battle for Spain at Arras, the greatest Irish general of his time was home at last—and he rallied around him a once ragged army and a once despondent citizenry. Owen Roe the Liberator, he was called—"the worthiest warrior of them all"; and ignoring the jealousies and the petty divisions that hampered his efforts, he went steadily forward to his appointed task of building an army and driving the enemy from his native shores.

Finally, in June of 1646, with a greatly outnumbered army and with no artillery whatsoever, he fought and won his greatest battle, the famous victory of Benburb. Launching a whirlwind attack with the cry of "Sancta Maria!" he wiped out the enemy's army in one brief hour, captured enough equipment to outfit his entire force, and left 3,300 of the enemy dead on the battlefield. Fatalities in his own ranks numbered exactly 70.

It was a great day for the Irish—just as October 23, 1956, was a great day for the Hungarians—and these are the days that live in the minds of men long after all else has been crushed. For rival factions sued for an unworthy peace, dissident parties and jealous leaders fought among themselves and against Owen Roe; and thus a divided Irish nation was dismally unprepared for the invasion of Oliver Cromwell. And when at last they instinctively turned to the great liberator whom they had shamed and abused, Owen Roe fell ill before he could rejoin his army—and died the victim, it was said, of a poisoned nail placed in his shoe by an agent of Cromwell.

The entire Irish nation was overwhelmed with grief.

"Did they dare, did they dare, to slay Owen Roe O'Neill?
Yes, they slew with poison him they had feared to meet with steel,
Had he lived—had he lived—our dear country had been free,
But he's dead—but he's dead—and 'tis slaves we'll ever be.

"Sagest in the council was he, kindest in the Hall;
Sure we never won a battle—'twas Owen won them all,
Soft as woman's was your voice, O'Neill! bright was your eye,
Oh, why did you leave us, Owen? Why did you die?

"Your troubles are all over, you're at rest
with God on high,
But we're slaves, and we're orphans, Owen—
why did you die?
We're sheep without a shepherd, when the
snow shuts out the sky—
Oh, why did you leave us, Owen? Why did
you die?"

So ends the story of the Irish rising of 1641. O'Neill's wife fled into exile, his son was captured in battle and beheaded; and, their armies overwhelmed, the Irish people were brutally slaughtered and enslaved by a ruthless and relentless Cromwell. In still another parallel to last fall's tragic events in Hungary, the entire population of Ireland within a few years after O'Neill's death had declined by more than 50 percent—the result of human slaughter, mass deportation, and a great exodus of exiles and emigrants.

"They are going, going, going, and we cannot bid them stay,
For their fields are now the stranger's,
where the stranger's cattle stray.
But no foreign skies hold beauty like the
rainy skies they knew,
Nor any night-wind cool the brow as did the
foggy dew."

To those hapless exiles from the Emerald Isle, as to those fleeing Budapest today, and those struggling against overwhelming odds in other parts of the world, the prospects for the liberation of their homeland seemed very remote, indeed. And yet, as Sir Roger Casement told the British jury that sentenced him to hang for high treason in 1914: "Ireland has outlived the failure of all her hopes—and yet she still hopes."

"Ireland has seen her sons—aye, and her daughters, too—suffer from generation to generation always for the same cause, meeting always the same fate, and always at the hands of the same power; and yet always a fresh generation has passed on to withstand the same oppression. The cause that begets this indomitable persistency, preserving through centuries of misery the remembrance of lost liberty, this surely is the noblest cause men ever strove for, ever lived for, ever died for."

May this spirit, and this story of 1642, and all the stories of Irish martyrdom like it, be recalled in this year of 1957, in the minds of the oppressors, in the hearts of the oppressed, and in our own Nation's Capital.

It is a shocking fact that too many of the brave but discouraged men and women behind the Iron Curtain feel that the United States has abandoned them to permanent captivity. It is equally shocking that millions of Africans and Asians look with suspicion upon the United States as a sympathizer with colonialism and continued western domination. This Nation, after all, had to battle for its own independence from foreign control with the help of friends from other lands. We gave self-determination to our own dependencies; and we were for more than a century unafraid to speak up in opposition to the exploitation of any peoples by any outside power.

I would not equate the rapidly diminishing colonialism of the West with the brutal colonial policies of the Soviet Union. But I am confident that both are eventually as doomed to failure as was the subjugation of the Irish people.

I do not wish to oversimplify endlessly complex problems, to deny the measures taken by ourselves and our allies to clarify this issue of independence, or to ignore the dangers of moving too fast either in the Soviet satellites or the Western colonies. But the fact remains that in both areas human beings who were born free and equal are inevitably going to demand their full freedom and equality; and one by one, sooner or later, regardless of what is done to encourage or discourage them, they will obtain that freedom. And the only question then will be whether they will thereupon regard us as a friend who offered hope and encouragement in their darkest hour, or as a stranger—who left them to be "sheep without a shepherd when the snow shuts out the sky."

Therefore, let us here resolve that our Nation will forever hold out its hands to those who struggle for freedom today, as Ireland struggled for a thousand years. Let us recognize what the events of the past year in Hungary and Poland and Ghana and Algeria have firmly demonstrated—as the struggles in Ireland and elsewhere demonstrated in centuries gone by—what must of necessity be the cornerstone of our foreign policy, and every nation's foreign policy, for all time to come—that there may be satellite governments, but there are never satellite peoples—that nations may be colonized, but never men—and that whether a man be Hungarian or Irish, Catholic or Moslem, white or black, there forever burns within his breast the unquenchable desire to be free.

The Spirit of St. Patrick

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1957

Mr. FEIGHAN. Mr. Speaker, under leave granted, I insert in the RECORD an address I prepared for delivery at the 90th annual banquet of the Ancient Order of Hibernians, in Cleveland, and over KYW-TV and WJW and WERE radio stations, Cleveland, on the Spirit of St. Patrick:

St. Patrick's day here in the United States has long been a special occasion for festivities, parades, banquets, and above all else, serious thinking and reflection on the heritage of the Irish people.

It is the American tradition that St. Patrick's Day is the occasion to recall the many wonderful contributions made by the sons and daughters of Ireland toward making this a better world for everyone. There is scarcely a field of human endeavor in which this tradition cannot be applied with merit and currency in understanding the problems of our days.

I have chosen as my subject, Eamon de Valera, again elected Prime Minister of Ireland, his participation in the old League of Nations, and the wise prophecies of that Irish statesman on the subject of peace or war.

The question of war or peace is an all important one to the people of the United States. We know from hard experience that wars can only be prevented by positive leadership, courage, and vigilance.

After World War I the League of Nations was established to prevent future war. The League of Nations sought to bring about negotiated settlement of disagreements between nations which in past generations have been the outstanding cause of war, to effect a general disarmament, and to advance understanding among nations and people. In 1935 the League of Nations was presented with a real test when Mussolini invaded Ethiopia. The issue was whether a great power could invade and occupy a smaller power without suffering penalties imposed by the other member states of the League of Nations. Eamon de Valera at that time warned that this was the crucial test of the League of Nations. He warned that if aggression against the small and defenseless countries went unpunished, the days of the League of Nations were numbered.

The League of Nations took no action to stop Mussolini; Ethiopia was coldly written off by the League.

Thereafter a series of events were set in motion which led inevitably to the outbreak of World War II. It is now clear that had the league taken swift and positive action against the aggressor nation, the major events leading to war which followed could have been prevented. The failure of the League to take action increased the boldness of the dictators of that era. Soon those same dictators engaged in aggressive actions to show their contempt for the weakness and inaction of the League of Nations.

Prime Minister De Valera made another prophetic statement concerning war when the Dictators Hitler, Stalin, Mussolini, and the war lords of Japan were launching their campaigns to carve up the world into spheres of despotism. Speaking before the League of Nations in September 1938 he said:

"The psychology of people facing the possibility of war is amazing. * * * Nothing has impressed me so much as the sudden and complete abandon which can seize responsible men when they are for a long time confronted with what they regard as unreasonable selfishness, or obstinacy, or disregard of consequences on the part of those whom they have been endeavoring to convince.

"In that, I believe, lies a very grave danger for the present. At a certain stage, men's patience becomes exhausted; a proper sense of values is lost; discretion is thrown to the winds. * * * A policy of drift is accepted and events are allowed to take command and determine the result."

Shortly thereafter the policy of drift in the League of Nations opened the way for dictators to instigate World War II. After a period of cold war threats and promises the dictators Hitler and Stalin signed a treaty which set off the war.

The dictators were convinced that the League of Nations was helpless, that democracy had lost its dynamic driving force and that the future belonged only to those who were aggressive, prepared, and ready to fight.

The trumpets of the dictators heralded the coming of a new order—preceded by war against the small and weaker nations.

Recent events offer disturbing evidence that a policy of drift is taking command over the affairs of freemen, that events controlled by the enemies of peace and human freedom are beginning to cast their ominous shadows upon the future.

The United Nations has demonstrated that as presently constituted it is incapable of preventing aggression or defending the rights of small nations, or even protecting the basic human rights which it was established to guarantee.

In the case of heroic Hungary, the United Nations stood paralyzed while the godless Russian Communists slaughtered the Hungarian patriots who sought nothing more than the basic freedoms which the United Nations and all its member nations are supposed to support and defend.

Finally, when world condemnation of Russian brutality had reached a fever pitch, the United Nations General Assembly adopted a resolution condemning Russian aggression against Hungary and calling for the withdrawal of the Red army from that ravaged land.

But the United Nations has not taken one single step to date to enforce that resolution. Words—meaningless words are all that the United Nations has offered to stop a new wave of aggression which carries all the earmarks of a prelude to world war III.

In the Middle East crisis, where another dictator was attempting to cut off the lifeline of Europe, aided and abetted by the Russian aggressors, the United Nations curiously attempted to punish the small nation of Israel because it had the courage to fight for its national survival. With an air of frustration, if not despair, the United Nations struck out at Israel because someone had to be punished for the ineptness, the inaction and the general confusion in the United Nations.

Thus, the United Nations has fallen into the quicksand of weakness which suffocated the League of Nations.

We have reached the point where the determination of our leaders to stand up for what is right has been seriously impaired.

The great American sense of values of our leaders has been numbed in the cold war struggle with the masters of the Kremlin. We once supported, without reservation, the right of all people to freedom, self-determination and national independence. That was the time when we would have no understandings whatever, open or secret, with tyrants or dictators who deprive the people of their right to self-government and individual liberty.

We believed that men could not be half free and half slave. That all men, of right, ought to be completely free. Today some of our leaders shamelessly express their support for so-called national communism which violates everything we have stood for and fought for since the birth of our Nation.

Discretion has been thrown to the winds in our relations with the governments of other nations.

By recognizing tyrannical regimes we cloak them with respectability which they are using in a conspiracy to destroy all that is good in this world.

A policy of drift has taken hold here in the United States because events are allowed to take command and determine the results.

An example of this drift is presented by the stand taken by the American delegation to the United Nations when only last week it announced that the United States would not press the United Nations resolution on Hungary any further, because some other nations of the free world took a cool attitude toward that resolution.

The Russians, as the whole world knows, refuse to obey that U. N. resolution. The Russians have thus won another victory by default of our leaders.

Our present foreign policy is motivated by a desire to win some dubious popularity contest.

In no way is it related to firm support for those immutable moral and political principles which alone can preserve the dignity of man and bring a just and lasting peace to all the world. Our leaders have entered upon a policy of drift, in which events, caused by those who live by aggression and war, are allowed to take command and determine our destiny.

We must see to it that the mistakes of the League of Nations are not repeated in the United Nations. This we must do if we are to prevent world war III and create the basis for a just and lasting peace.

It is not too late to stop the policy of drift which very well could cause us to stumble into world war III.

What the world needs most today is the spirit of good St. Patrick. St. Patrick taught the Irish race love of their fellow man, respect for the rights of others, the great virtues of charity, patience, forbearance, and humility. St. Patrick gave the Irish people their indomitable belief in the dignity of man and the inevitability of the triumph of right over might.

St. Patrick taught the Irish people love of God and love of country.

That is the spirit of St. Patrick.

That is the spirit the world so badly needs today.

Disability Benefits Under Social Security

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1957

Mr. DINGELL. Mr. Speaker, for the first time in the history of social-security legislation, the last Congress added a program of disability benefits so that people who have been retired from the labor force by a crippling illness or injury are now entitled to social-security payments provided they are age 50 or over. The bill as it passed the House of Representatives would have provided such benefits regardless of age. But, as you will recall, the compromise measure, which became law during the last days of the 84th Congress, used a much less liberal approach which limited the right to benefits to eligible men and women aged 50 or over.

In the months which have passed since August 1956, when the law was passed, I have talked with the people of my district and studied the subject. I have become more and more convinced that age should not be a factor in determining whether a man is entitled to disability benefits. I am concerned because, under present law, a man aged 45 who can no longer work because he is completely incapacitated, is not entitled to benefits, whereas his neighbor, aged 50, can receive benefits. Certainly the man 45 is just as effectively retired and as badly in need of benefits as is the man aged 50.

This discrimination because of age creates a vicious inequity in our social security system.

The disability plan requires a substantial work record under the social security plan. To qualify, a worker must show both a substantial and recent work history. Thus as to work record and contributions, two workers may meet the requirements on an equal basis—but the younger man cannot qualify because of his age.

Fortunately no such age distinction is made in connection with the disability freeze provision of our social security law which, in effect, preserves the insurance and benefit status of workers who have been determined to be permanently and totally disabled. We are today, therefore, making disability determinations regardless of age in our social security system. We are determining that younger men and women, as well as those in the 50 and over age group, are severely disabled. But we then illogically say that only those who are 50 or over are entitled to benefits.

Because I am convinced that the young people of this country and their families who undergo the misfortune of having a crippling illness or injury to the wage earner are equally entitled to disability benefits, I am today introducing a bill which would remove the age requirement in our disability benefits plan. In the words of the recent report of the committee on economic needs of older people of the Twentieth Century Fund, published last year:

> In effect (total and permanent) disability frequently represents premature superannuation. When it occurs relatively early in life, it may have more serious effects for the family and for society than forced retirement in old age, for the worker is likely to have responsibility for the support of children, and the family commonly faces heavy medical expenses as well as loss of earnings. The effect of total disability on the need for socially provided income is evident in all studies of the composition of relief rolls, even in periods of high employment.

A real protective disability benefits program for all workers is provided by my bill at slight cost to the disability trust fund. According to the best estimates, it would add costs of around one-eighth of 1 percent of payroll for the worker and an equal amount for the employer. I believe that it may be possible to finance disability benefits for all workers without increasing the tax. The reason for this is that the disability trust fund was overfinanced in the sense that the amount added to social security tax to finance the plan exceeded cost estimates. But, even if it were necessary to increase the tax in the piddling amount of one-eighth of 1 percent each for worker and employer, I am convinced that the people of this country would gladly support a measure to provide the same protection against loss of earnings because of permanent disablement for our country's young people and their families as are provided for those aged 50 and over.

Germany: A Good Risk

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1957

Mr. CELLER. Mr. Speaker, because I believe that at this point in the swiftly changing currents of the United States relations with the other nations of the world a fresh study is required, I have undertaken the task of trying to look at each country anew in the light of existing facts and conditions. No mature evaluation of our foreign policy can be made unless we are aware of, and have an understanding of, the condition of each country not only as a political unit in and of itself but in its interrelationships with the other countries of the world.

We have lived through a period in the last decade of witnessing former enemies alining themselves currently with us. We have seen former friendly countries retreat to neutrality, and we are witnessing today the emergence of nationalism in Asia and Africa and the Middle East which shatters former patterns of the dealings we once had with them.

Unfortunately our reactions to political units or nations have been, in the main,

visceral, based on emotions which have been generated by conditions which no longer hold true.

I have chosen to begin with Germany since, as former enemy and present friend, it most readily lends itself to fresh examination. We cannot doubt that much of the individual's evaluation of present-day Germany still rests on the image of a Germany first conquered and defeated by itself alone, and then conquered, in turn, by the world it sought to destroy. Hence we must begin by asking ourselves, "What is Germany today? How did she measure her own guilt, and how did she, out of the rubble and the fire, arise to take her place with the nations of the West? Where is she heading? What are her problems peculiar to herself which make her a pivotal point in the operation of American foreign policy?"

I begin with a quotation from the German economist, Hans Otto Wesemann:

In January 1947, nearly 2 years after the end of hostilities, German production was still in such a state of devastation and collapse that it was estimated that each inhabitant in the British Zone would get only 1 new suit of clothes every 40 years, 1 shirt every 10 years, 1 pair of socks every 4 years, and a pair of shoes every 3 years. At the same period the average food ration consisted of less than 1,000 calories—40 percent of the physiological minimum requirement.

That was 1947, 1 year before the currency reform, less than a decade ago. The German economy presented a picture of total chaos. The currency was unstable, the cities more or less in ruins, 500 million cubic yards of rubble had to be removed, railroad and motor traffic had shrunk to fractions of their former volume, the German merchant marine no longer existed, and every day thousands of refugees poured into Western Germany from pre-Hitler German territories in the east—in the end they totaled 10.9 million. These people crowded into an area embracing only 52 percent of the former territory of the Reich. Dismantling of the industrial plants for reparations reduced the already wretched productive capacity of the country still further. Worst of all was the breakdown of all moral standards in business life and all confidence in the economic policies of the government.

Yet from this point on, the Germans went forward to meet the challenges of defeat, poverty, and despair, until today it is commonplace to read of the miracle of German recovery. In appraising this miracle, we remember that before Hitler let loose his holocaust, Germany's population was roughly 70 million in an area of some 182,000 square miles. Today, the bitter fact of separation leaves the Federal Republic of Germany with some 50 million in an area of some 95,000 square miles. Berlin itself has a population of 3½ million, of whom over 2 million live in the western sector and the rest in the Soviet-controlled eastern sector. The total population of the Soviet zone of occupation is almost 17 million in an area of 41,382 square miles.

The territories east of the Oder and Neisse Rivers, including Pomerania, Silesia, and East Prussia, with some 8½ million people, are now principally under Polish control and partly under the domination of the Soviet Union.

While it cannot be denied that at first the people of Germany—and I have reference here to the Federal Republic of Germany—cloaked themselves in resentment and bitterness, neither can we deny that the German people threw off this cloak in a surge of energy unequaled by any other period in its history.

Perhaps the most significant fact to note in the story of Germany's recovery is its development through its adherence to a basically free-enterprise economy. An appreciation of antitrust laws—an appreciation which is so tragically lacking in other European countries—enabled Germany to move forward so that competition could, in the main, be free and vigorous. I will come back again in future studies to the damage done to other European economies by the very absence of restraints against monopolies and monopolistic practices. Hence, in Germany we find in its economy three principles established: Freedom of commerce, principles of free trade, and the fight for free convertibility of currencies.

The economy of Germany does, however, have its "soft spots." One of them, as in the United States, is that of agriculture. Another is that of the dwindling of population, a consequence of the drop in birth rate during the war years. Another is the heroic absorption of some 10 million refugees, about half of whom have yet to be rehabilitated and trained for their place in the German economy.

While it is true that some industry and housing was subsidized by the German Government, we find that the need for these subsidies, taking various forms, of course, has diminished or withdrawn. We see this particularly in the tremendous housing program undertaken by the Federal Republic. Its achievement in construction is particularly staggering. We note that between 1949 and 1955 a new house is built for every fifth inhabitant of the Federal Republic.

The Germans themselves feel free to acknowledge the basic contribution of Marshall aid to their spectacular rise in productivity, distribution, and consumption of goods, durable and soft.

Today, full employment exists.

At this point, Germany seems to have discarded to a degree never known before any policy that would tend to draw her into isolation. She has joined with the West in the organization of NATO. She has moved closer and closer in the imaginative proposals of furthering integration of Europe through her membership in GATT. She has moved forward to help in the establishment of a European common market and on the Euratom project. The question of the Saar has been settled between France and Germany with the signing of the Saar Treaty.

Without the gift of prophecy, we cannot say in what direction Germany will ultimately turn. We in the United States must admit freely that we can only be masters of our own fate. We cannot captain the soul of another country.

We have heard the apologists for Germany. We have heard the barren excuses of a number of Germans of "the other fellow did it, not me"; and "I did not know of the mass murders." We have heard how they were misled by Hitler; we have heard you cannot condemn a whole nation; we have heard it all, and doubtless we shall continue to hear it.

But we today are concerned with whither Germany now, and the direction can only be given us by the signposts along the way. We know that the Federal Republic has moved with the West; that it is moving with rapidity and vision toward closer cooperation with the free countries of Europe. We know that it has embraced political as well as economic freedom. We know that the cultural expression of Germany, blacked out during the years of the Hitler terror, has slowly begun to emerge. Here I might say parenthetically and at this writing that the development of the arts has lagged behind the economic resurgence, although we already see the emergence of art and art forms which were once an integral part of German culture. The German people do not and cannot "live by bread alone."

We know that the main political parties of Germany are moving toward the center, wary of the extremes of the right and the left. These are healthy signposts and they presage for the good.

There is, however, within Germany today one area of emotional content which can swing Germany in another direction—I say it can, I do not say it will—and that area is the unification of Germany.

It is not necessary for me at this point to contrast the conditions in Free Germany with those prevailing in East Germany. West Germany does not—and, I shall add, cannot—subdue its restlessness, its understandable passion for reunification. Just so long as Germany is split, just so long will the seeds of discord remain, not only in Germany but across the territories of Europe and the United States as well. The basic question, of course, is what price will Germany pay for reunification. Will she, as many of the advocates would enjoin, bargain away her Western orientation—in other words, retreat to neutralism—as a price of unification?

We have seen lately signs of distress within Germany lest East Berlin rise, as did Hungary, and provoke Soviet terror which could easily spill into West Germany. Neither they nor we have forgotten the uprising of June 1953 in East Berlin which preceded the revolts of Warsaw and Budapest. How often is the question being asked, Shall we make our peace with the Soviet Union and, by withdrawal from NATO, permit a bargain to be struck? Or will Germany, moving forward with the energy so far displayed to aline herself unequivocally with the free countries of the world, continue to do so stanchly, awaiting a general settlement in the cold war which would, and must, bring with it reunification? On this all the free nations of the world stand together. There can be no general settlement without the inclusion of a unified and a free Germany.

We must point to Conrad Adenauer's statement of 1 year ago:

Everything that has been accomplished in the Federal Republic in the past few years is of importance to the whole free world. We believe that the ways and means by which these achievements were effected are essentially the same as those followed in America and other western countries—namely, setting free individual initiative and promoting a sense of responsibility of each toward all. It is encouraging to note that no longer does "all" refer solely to one's own country but to the entire community of free nations.

Fortunately, this is today still the overriding sentiment of Germany. It is her task, and in some measure our own, that in 1 year, 10 years, 20 years, this sentiment be one of the cornerstones upon which to rest the peace and security of the world. May it be saved. I believe, notwithstanding the difficulties and dilemmas facing her, Germany—Western Germany—is a good risk.

SENATE

TUESDAY, MARCH 19, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, who rulest all things in wisdom and righteousness, our wills are ours to make them Thine. In all the tangle of human relationships, help us to be as hard and stern with ourselves as we are critical of other people. Save us from missing the highest goals by self-pity or self-indulgence.

In a day of confusion and evasion, let our thinking be keen and clear, our speech frank and open, our actions courageous and decisive. May the glaring surface lights in the streets not blur for our eyes the shining principles above them that are steady as the stars. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, March 18, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds, was read twice by its title and referred to the Committee on Finance.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. KNOWLAND was excused from attendance on the sessions of the Senate for the remainder of today and until Friday.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Production, Marketing, and Prices, of the Committee on Agriculture and Forestry, was authorized to meet today during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antimonopoly Subcommittee of the Committee on the Judiciary was authorized to meet today during the session of the Senate.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Public Works was authorized to sit during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Constitutional Rights Subcommittee was authorized to sit in executive session during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements will be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON TIN OPERATIONS

A letter from the Administrator, Federal Facilities Corporation, Washington, D. C., transmitting, pursuant to law, a report of that Corporation on tin operations for the 6-month period ended December 31, 1956 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the President, Export-Import Bank of Washington, Washington, D. C., transmitting, pursuant to law, a report of that bank covering the period July–December 1956 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO LEASING SPACE FOR FEDERAL AGENCIES

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 20 years, and for other purposes (with an accompanying paper); to the Committee on Government Operations.

CANCELLATION OF CHARGES AGAINST LANDS OF CERTAIN INDIANS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an order canceling reimbursable ditch lien charges against individual allotted and tribal lands of the Fond du Lac Indian Reservation in Minnesota (with an accompanying paper); to the Committee on Interior and Insular Affairs.

RETIREMENT RIGHTS OF CERTAIN JUDGES

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to provide that the United States district judges for the districts of Hawaii and Puerto Rico shall have the same tenure of office and retirement rights as all other United States district judges (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF SECTION 1292, TITLE 28, UNITED STATES CODE, RELATING TO CERTAIN APPEALS

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders (with accompanying papers); to the Committee on the Judiciary.

PROCUREMENT OF PORTRAIT AND BUST OF THE LATE CHIEF JUSTICE FRED M. VINSON

A letter from the Marshal, United States Supreme Court, transmitting a draft of proposed legislation to provide for the procurement of a portrait and bust (including pedestal) of the late Chief Justice Fred M. Vinson, to be placed in the United States Supreme Court Building; to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Banking and Currency:

"Assembly Joint Resolution

"Memorializing Congress to enact legislation adopting the Beam plan for the benefit of the domestic gold industry

"Whereas in 1934, with the passage of the United States Gold Act and the creation of the International Monetary Fund, the gold standard was abolished and restrictions were placed on the possession and use of gold which seriously threatened its historic mission as the bulwark of our monetary system; and

"Whereas the price of gold was fixed at $35 per fine ounce, which price has remained stationary since despite greatly increased costs of production, and two tragic results have followed. The first has been the deterioration

of our domestic straight gold mining industry, with 98 percent of the mines forced to close because of the unrealistic price established for gold by the Federal Government. The second result has been the lifting of safeguards inherent in the gold standard designed to prevent unbridled manipulation of credit and inflationary practices; and

"Whereas the basic problem is to find a method to augment our gold reserve by increasing domestic production which cannot be answered by rescission of the United States Gold Act of 1934 or the setting of another and higher arbitrary price for gold; and

"Whereas the Beam plan proposed by L. Mills Beam offers an enormous potential for domestic gold production by proposing that the United States Mint receive gold for processing as now, but that it return to the producer, upon request, coins from his gold, stamped by content of gold, rather than by value, such as "1 ounce" and "one-half ounce." The plan applies only to newly mined gold. The gold producer then may keep, sell, or use his coins on an open market at whatever price it may bring; but one change in the present structure must be made in order to restore the law of supply and demand to gold as a commodity, and that is to terminate the United States Treasury's practice of selling gold to private industry and to the arts; and

"Whereas the request of the gold-mining industry for this basic change is fully within the rights and privileges granted to American citizens by the Constitution, and will terminate the present unique discriminatory policy directed against those who produce gold as the one commodity: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Congress of the United States be, and it is hereby, memorialized to enact legislation immediately to encompass and include the principles of the Beam plan proposed by L. Mills Beam, which is the only hopeful outlook across an otherwise dim horizon for our gold-mining industry; and be it further

"*Resolved*, That a duly certified copy of this resolution be transmitted by the secretary of state of the State of Nevada to the Speaker of the House of Representatives, the President pro tempore of the Senate, and to the United States Senators and Congressman from the State of Nevada.

"Adopted by the senate February 14, 1957.

"REX BELL,
"*President of the Senate.*

"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly February 8, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*

"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*

"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

A joint resolution of the Legislature of the State of Utah; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 11

"A joint resolution of the 32d Legislature of the State of Utah memorializing Congress to appropriate sufficient funds to stimulate the production of certain critical minerals, metals and materials indispensable in the construction of jet engines.

"*Be it resolved by the Legislature of the State of Utah:*

"Whereas the mining industry of the State of Utah is of great importance to the economic welfare of this State (as it is to many other States); and

"Whereas with the unsettled conditions existing throughout the entire world it is prudent and wise that our country, the United States of America, continue its program of preparedness; and

"Whereas bills have been introduced and are now pending in both Houses of the Congress, providing for a strong long-range domestic minerals program out of which there should come congressional legislation carrying a sufficient appropriation to carry out a well-balanced program which will add to the preparedness program and stimulate the mining industry in the United States in the production of the critical metals, minerals, and materials, including antimony, asbestos, beryllium, chromite, cobalt, columbium-tantalum, fluorspar, iron, lead, manganese, mica, molybdenum, nickel, titanium, tungsten, vanadium, uranium, and zinc, all being used in the production of jet engines: Now, therefore, be it

"*Resolved by the 32d Legislature of the State of Utah*, That the President of the United States and the Congress of the United States be memorialized to effect a long-range national domestic minerals program; and be it further

"*Resolved*, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to the Senators and Representatives from the State of Utah."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing the Congress of the United States to reduce the eligibility of persons entitled to old age assistance to 62 years

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation whereby the age at which all persons entitled to Federal old age and survivors' insurance benefits shall be reduced to that of 62 years; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"House of representatives, adopted, March 5, 1957.

"LAWRENCE B. GROVE, *Clerk.*

"Senate, adopted, in concurrence, March 7, 1957.

"IRVING N. HAYDEN, *Clerk.*

"A true copy. Attest:

"EDWARD J. CRONIN,
"*Secretary of the Commonwealth.*"

A joint resolution of the Legislature of the State of Oregon; to the Committee on Finance:

"House Joint Memorial 4

"*To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:*

"We, your memorialists, the 49th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas for the purpose of meeting wartime emergency necessity, the Congress of the United States enacted as excise taxes a levy upon the transportation of persons and property; and

"Whereas one of the principal purposes of levying such tax upon the transportation of persons was to discourage unnecessary wartime travel; and

"Whereas today, 11 years after the cessation of hostilities, there continues a 10-percent levy on the transportation of persons and a 3-percent levy on the transportation of property; and

"Whereas it is the opinion of the Legislative Assembly of the State of Oregon that excise taxes should not impose an unfair burden on the long-distance shipper and the long-distance traveler as does the present tax on the transportation of property and persons; and

"Whereas it should be a principle of Federal taxation to levy taxes in such a manner as to prevent them from falling as an unequal burden on citizens residing in different areas of the country; and

"Whereas the distances to, from, and within the West impose an unfair burden on the western traveler and shipper; and

"Whereas the present transportation tax on property is unfairly burdensome upon the State of Oregon as it adds what is in effect an additional tariff on the goods shipped from Oregon to the eastern markets, with the result that those goods are not able to compete freely with the goods originating in more closely adjacent southern areas; and

"Whereas the State of Oregon is particularly interested in preserving the eastern market as an open market in which the agricultural and forest products of Oregon, in particular, may compete freely with southern produce without the hindrance of artificial barriers such as the present transportation tax; and

"Whereas the State of Oregon is particularly interested in protecting and developing its vacation and tourist travel on an equal basis with other vacation travel areas; and

"Whereas the transportation of both persons and property plays such a vital role in the economic life of this country to the extent that the costs of transportation should always be kept at the lowest possible level; and

"Whereas transportation is in no sense a luxury but is a vital necessity and there is, therefore, sound reasons for distinguishing between the transportation taxes and other excise taxes that are imposed upon luxury items; and

"Whereas it is the opinion of the Legislative Assembly of the State of Oregon that the best interest of the country and particularly the Western States, who are now discriminated against by the present transportation taxes, would be served by a repeal of those taxes; and

"Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of property and which would repeal the tax on transportation of persons: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein)*, That the Legislative Assembly of the State of Oregon respectfully memorializes the Congress of the United States to enact legislation repealing the excise tax upon the transportation of persons and property; and be it further

"*Resolved*, That copies of this memorial be sent by the secretary of state to the President and Vice President of the United States and to all members of the Oregon congressional delegation.

"Adopted by house February 15, 1957.

"Readopted by house March 11, 1957.

"EDITH BYNON LOW,
"*Chief Clerk.*

"PAT DOOLEY,
"*Speaker of House.*

"Adopted by senate March 7, 1957.

"BOYD R. OVERMULER,
"*President of Senate.*"

A joint resolution of the Legislature of the State of Montana; to the Committee on Finance:

"House Joint Memorial 5

"A joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; to the Honorable James E. Murray and the Honorable Mike Mansfield, United States Senators from Montana; to the Honorable Leroy Anderson and the Honorable Lee Metcalf, Representatives from Montana; to the Honorable Commissioner of Internal Revenue of the United States, relating to increasing personal income tax credit exemption

"*To the Honorable Senate and House of Representatives of the United States in Congress assembled:*

"Whereas there has been and is now a trend toward a higher cost of living, resulting in a decrease in the power of each taxpayer to purchase his needs; and

"Whereas it has become virtually necessary for the individual taxpayer to decrease the number and size of his purchases with the resulting threat that the present rate of consumption and purchasing of goods and services will decline; and

"Whereas an increase in personal income tax credit exemption from $600 to $700 will help alleviate this condition: Now, therefore, be it

"*Resolved by the House of Representatives of the 35th Legislative Assembly of the State of Montana (the Senate concurring)*, That we respectfully urge the Senators and Representatives from Montana and the Congress of the United States and the Honorable Commissioner of Internal Revenue to take appropriate action to increase the personal income tax credit exemption from $600 to $700; and be it further

"*Resolved*, That copies of this resolution be forwarded by the chief clerk of the House of Representatives of the State of Montana, to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, United States Senators from Montana; to the Honorable LEROY ANDERSON and the Honorable LEE METCALF, Representatives from Montana and to the Honorable Commissioner of Internal Revenue of the United States."

A resolution of the House of Representatives of the State of Kansas; to the Committee on Interstate and Foreign Commerce:

"House Resolution 20

"A resolution memorializing the Congress of the United States to enact legislation regulating the advertising of alcoholic liquors.

"Whereas the liquor industry, in its advertising, has been using the names and pictures of such national heroes as Benjamin Franklin, Henry Clay, Gen. Winfield Scott, Gen. Sam Houston, and others; and

"Whereas this form of advertising, as well as that suggesting that all people of distinction use alcoholic liquor, has a tendency to cause the youth of Kansas and America to lose respect for and confidence in the great leaders and traditions of our State and Nation; and

"Whereas this form of advertising is a dangerous infringement upon the principle of freedom of the press, which freedom must ultimately be based upon high moral principles: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Kansas*, That we respectfully urge the Congress of the United States to regulate the advertising of alcoholic liquor so that the great leaders and traditions of our country can be preserved from encroachment by an industry that is, according to the United States Supreme Court, a business attended with danger to the community, and therefore subject to strict regulation; and be it further

"*Resolved*, That we instruct the chief clerk of the house of representatives to transmit copies of this resolution to the President of the United States; the President of the Senate and the Speaker of the House of Representatives of the Federal Congress; to each member of the Kansas delegation of the Congress; and to the legislatures of the other States.

"I hereby certify that the above resolution originated in the house, and was adopted by that body March 15, 1957.

"JAMES TAYLOR,
"*Speaker of the House.*

"EDNA M. YOUNG,
"*Assistant Chief Clerk of the House.*"

A joint resolution of the legislature of the Territory of Alaska; to the Committee on Banking and Currency:

"House Joint Memorial 12

"*To the President of the United States, Congress of the United States, the President of the United States Senate, and the Speaker of the House of Representatives:*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully represents that:

"Whereas the future prosperity of the Territory of Alaska will be dependent primarily upon mining, fishing, and lumbering; and

"Whereas the gold-mining properties of the United States and Alaska, and more particularly the gold-mining properties within our Territory, and the operators are confronted by tremendously increased wage and material costs, and are unable to sell their products in the markets of the world, but are instead compelled to sell only to the United States Government at the inexorable fixed price of $35 an ounce as provided in the Gold Reserve Act of 1934; and

"Whereas since 1934 wage costs have more than tripled and costs of necessary materials and all other operating costs have more than doubled, during which period there has been no increase in the price of gold; and

"Whereas continuance of the gold-mining industry in Alaska is of vital importance to the economic welfare of the Territory; and

"Whereas there are pending in the 85th Congress, both in the House and Senate, certain bills which have for their purpose removal of some of the restrictions which now prevent the operation of gold-mining properties in the United States and Alaska, and the passage of which would help alleviate the above-mentioned depressing conditions; and

"Whereas among such bills are S. 325 by Senator MURRAY, of Montana; H. R. 626 by Mr. ENGLE, of California; H. R. 375 by Mrs. PFOST, of Idaho; H. R. 2133 by Mr. BARING, of Nevada; and H. R. 3800 by Mr. BARTLETT, of Alaska: Now, therefore

"Your memorialist, the Legislature of the Territory of Alaska, respectfully urges the passage of one of the bills now before Congress which would allow gold producers to sell their gold in the open market of the world without restriction; and your memorialist will ever pray.

"Passed by the house March 1, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Passed by the senate March 7, 1957.

"VICTOR C. RIVERS,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interstate and Foreign Commerce:

"House Joint Memorial 11

"*To the Honorable Dwight D. Eisenhower, President of the United States of America; Hon. Sinclair Weeks, Secretary of Commerce; the Congress of the United States; Hon. Warren G. Magnuson, United States Senator; Hon. Richard Neuberger, United States Senator; Hon. Henry M. Jackson, United States Senator; Hon. Wayne Morse, United States Senator; Hon. E. L. Bartlett, Delegate to Congress from Alaska; and Hon. James T. Pyle, Administrator, Civil Aeronautics Administration:*

"Your memorialist, the Legislature of the Territory of Alaska in 23d regular session assembled, respectfully submits that:

"Whereas air transportation is vital to the economy of Alaska; and

"Whereas an adequate airport construction and maintenance program is necessary if the economy of the Territory is to continue to expand; and

"Whereas under provisions of Public Law 211, 84th Congress, the sum of $5,175,000 was obligated for Alaskan airport construction for period beginning July 1, 1956, and ending June 30, 1959; and

"Whereas the Federal airport aid program recognizes that favorable treatment should be given to those States which have unappropriated and unreserved public lands exceeding 75 percent of the total area; and

"Whereas it authorizes Federal matching funds in an amount of 50 percent, and an additional amount equal to one-half of such States' total area of public lands not to exceed 25 percent for a maximum of aid of 75 percent of the total construction cost; and

"Whereas Alaska is the only jurisdiction subject to the limitation imposed by the Federal Airport Act; and

"Whereas if this limitation of the Federal Act were not applicable the Federal participation in Alaska would reach a total of 98 percent, since 99 percent of the total land area of Alaska belongs to the Federal Government: Now therefore

"Your memorialist, the House and Senate of the Territory of Alaska, in 23d session assembled, respectfully urges that section 10 (c) of the Federal Airport Aid Act (49 U. S. C. 1101–19) be amended by changing the numeral 75 to 90 so that it would read as follows:

"'(c) The United States share payable on account of any approved project in the Territory of Alaska shall be such portion of the allowable project costs of the project (not less than 50 per centum in the case of a class 3 or smaller airport, but not to exceed 90 [75] per centum in the case of an airport of any size) as the Administrator may deem appropriate for carrying out the provisions of this act.'

"And your memorialist will ever pray.

"Passed by the house March 1, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Passed by the senate March 7, 1957.

"VICTOR C. RIVERS,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*"

A resolution of the Senate of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Resolution 1

"*Be it resolved by the Senate of the Territory of Alaska in regular session assembled:*

"Whereas March 30 marks the 90th anniversary of the conclusion of the Treaty of Cession of Alaska from Russia to the United States of America; and

"Whereas Article III of the Treaty of Cession admitted inhabitants of the ceded area to 'the enjoyment of all the rights, advantages and immunities of citizens of the United States' and thereby gave initial and unique promise of Alaska's attaining, among those rights and advantages, self government in the American tradition; and

"Whereas many such rights, advantages, and immunities have been denied the citizens of Alaska because of its Territorial status; and

"Whereas it has been adequately demonstrated during 90 years that Alaskans firmly believe in and adhere to the principles of constitutional government; and

"Whereas the people of Alaska have manifested their belief in such principles by adopting a constitution for the State of Alaska, which contains the same safeguards and insures the same rights as the Constitution of the United States: Now, therefore, be it

"*Resolved by the Senate of the Territory of Alaska, in 23d session assembled*, That March 30, 1957, be further designated 'Liberation Day' and that the people of Alaska on this date celebrate their liberation from Russian colonial bondage; and be it further

"*Resolved*, That the Congress of the United States be urged to grant statehood to Alaska by March 30, 1957, and further resolved that should Alaska's quest for statehood be realized by March 30, 1957, that this day now known as 'Seward Day,' also be designated 'Statehood Day.'

"Passed by the senate March 11, 1957.

"VICTOR C. RIVERS,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"WALMO E. HENDRICKSON,
"*Secretary of Alaska.*"

A resolution of the northern division, California Federation of Republican Women, relating to a balanced budget; to the Committee on Appropriations.

A petition signed by Lindley J. Burton, and sundry other citizens of the States of Illinois and Indiana, remonstrating against all expenditures for further preparation for war, and so forth; to the Committee on Appropriations.

A letter in the nature of a petition from the Hungarian Council of Detroit, Mich., signed by Frederick A. V. Hefty, vice chairman, and Frank A. Pazakas, executive secretary, relating to the treatment of certain Hungarians by the Communists, and the deportation of certain other Hungarians; to the Committee on the Judiciary.

The petition of George Williams, of Baltimore, Md., praying for the enactment of the bill (S. 1308) to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes; to the Committee on Labor and Public Welfare.

A resolution adopted by the Board of Commissioners of the City of Trenton, N. J., favoring the enactment of legislation to provide salary increases and personnel management relations for postal employees; to the Committee on Post Office and Civil Service.

The memorial of Gabriele Giordano, of New York, N. Y., remonstrating against the confirmation of the nomination of William J. Brennan as Associate Justice of the United States Supreme Court; ordered to lie on the table.

CONCURRENT RESOLUTION OF NORTH DAKOTA LEGISLATURE

Mr. YOUNG. Mr. President, I present for appropriate reference, a concurrent resolution of the Legislature of the State of North Dakota, memorializing the Congress to enact legislation requiring mail order retailers making sales in other States to furnish the tax departments of such States information in regard to such sales.

There being no objection, the concurrent resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution VV

Concurrent resolution memorializing the Congress to pass legislation requiring mail order retailers making sales in other States to furnish the tax departments of such States information in regard to such sales

Whereas there are numerous mail order companies operating in the United States which take orders from purchasers in States other than that in which such retailers maintain their business; and

Whereas many such purchases are subject to taxes in the State where the purchaser has his residence, but because of lack of information in regard to such purchases, the tax departments of the various States are unable to collect the taxes due, thereby discriminating against retailers within the State of residence of the purchaser and depriving the States of their proper tax revenue: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the House of Representatives concurring therein), That the Legislative Assembly of the State of North Dakota most strongly urges and requests the Congress to pass legislation requiring all persons engaged in the business of mail order retailing wherein orders are accepted from purchasers in States other than that of the residence of such retailer, to file with the tax departments of the States of residence of the purchasers a list of such purchases and pertinent information in regard thereto, and that such legislation contain suitable penalties to insure compliance with such law; and be it further

Resolved, That copies of this resolution be forwarded to each member of the North Dakota congressional delegation by the secretary of the senate.

CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.
B. WOLF,
Speaker of the House.
GERALD L. STAM,
Chief Clerk of the House.

TIGHT MONEY POLICY—MEMORIAL OF SENATE OF IDAHO

Mr. CHURCH. Mr. President, the Legislature of the State of Idaho this year has been, in a very true sense, a bipartisan body. The State senate is organized by the Democrats and the State house of representatives is organized by the Republicans. In view of this, I think it is highly significant that I have received a memorial from the State legislature condemning the tight-money policies of this administration. The memorial reads:

Senate Joint Memorial 2

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas the tight-money policy of the National administration and the Federal Reserve Board is curtailing credit and greatly increasing the costs of hiring money; and

Whereas no advantage in reducing inflation is inherent in this policy, since increase in interest rates is inflationary by providing a surplus of moneys on one side and reducing available moneys on the other, which obviously defeated the anti-inflationary purposes desired; and

Whereas the cost of such increased interest rates to the national Government, and its various subdivisions, results in many billions of dollars in increased interest rates, which is borne by the taxpayer, with all the benefits therefrom accruing to banking institutions; and

Whereas the cost to the taxpayers, who bear this increased interest load in taxes on Government indebtedness, is added to the cost of individual borrowing for their own purposes; and

Whereas the real and apparent restrictions of this tight-money policy is working a severe hardship on farmers, small-business men, contractors, and all borrowers from banking institutions, and is thereby reducing and restricting their operations and seriously reducing these industries and income in the State of Iowa; and

Whereas employment is being appreciably reduced, and thus labor is faced with increasing lack of employment; and

Whereas housing programs are at a standstill because of the difficulty of securing credit for new construction, and business expansion has practically ceased; and

Whereas the harvesting of beetle-infested timber, which has greatly reduced this damage to sound growths, will also be stopped, which will doubtless have a serious repercussion on our timber stands, since lumber is greatly reduced by reduction of housing and business expansion; and

Whereas the cessation of timber operations, the second largest industry of the State of Idaho, will seriously affect the welfare of a large number of our people, and disrupt our tax structure and economy; and

Whereas continuation of this tight-money policy is leading the Nation to the brink of depression: Now, therefore, be it

Resolved by the 34th session of the Legislature of the State of Idaho, now in session (the Senate and the House of Representatives concurring), That we do most earnestly protest against continuation of the present tight-money policy and urge that this policy be terminated forthwith; be it further

Resolved, That the secretary of state of the State of Idaho be, and he hereby is, authorized and directed to forward certified copies of this memorial to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, and to the Senators and Representatives representing this State in the Congress of the United States.

Mr. President, I wish to concur in the opinion and in the criticism expressed by this memorial, and to suggest that the time has come to have the national administration reappraise its tight-money policy.

I present the joint memorial, and ask that it be appropriately referred.

The joint resolution was referred to the Committee on Banking and Currency.

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Idaho, identical with the foregoing, which was referred to the Committee on Banking and Currency.)

JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. NEUBERGER. Mr. President, navigation of the Columbia River between Portland and the Pacific Ocean has become an increasingly important factor in Oregon's economic life. Improvement of the Columbia Waterway has resulted in tapping a widespread market for shipment of bulk cargoes, for shipment of timber and forest products, for movement of farm produce from a vast adjacent area.

The controlling depth of the Columbia River channel has placed limitations on the size of ships and the loads they can carry. At certain low-water periods, the present channel depth presents certain hazards to navigation.

The opening of the Columbia to greater use as an artery of transportation will necessitate increased channel work. A start already has been made toward expanding the Columbia's capacity for handling waterborne commerce. The Corps of Engineers is nearing completion of a project to deepen the Columbia River at the mouth to a depth of 48 feet. The success of this development was recently illustrated when the largest shipload of grain to leave the Columbia River crossed the bar with a shipment of grain equal to almost six trainloads.

As the result of removal of hazards at the mouth of the river, ships of greater capacity can now enter and leave the Columbia. But their passage upstream is impaired by the present channel depth limitations. The Oregon State Legislature, now meeting in Salem, has recognized the importance of further Columbia channel improvements, and has passed a senate joint memorial to call to attention of Federal officials the need for additional work.

On behalf of my colleague, the senior Senator from Oregon [Mr. MORSE], and myself, I ask unanimous consent to include with my remarks in the RECORD a copy of Senate Joint Memorial 2, introduced by Senators Wilhelm, Cook, and Corbett, and Representatives Annala, Goss, Mosser, and Tom, adopted by the Oregon Senate on February 28, 1957, and by the Oregon House of Representatives on March 7, 1957, and ask that it be appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Public Works.

(See joint resolution printed in full when laid before the Senate by the President pro tempore on March 18, 1957, p. 3784, CONGRESSIONAL RECORD.)

RESOLUTION OF MINNESOTA HOUSE OF REPRESENTATIVES

Mr. HUMPHREY. Mr. President, I wish to call the attention of the Senate to a resolution adopted by the Minnesota State House of Representatives. This resolution expresses the deep concern of Minnesotans over the serious economic plight of our agricultural economy.

I commend and thank the Minnesota House of Representatives for its recommendations on agricultural policy and legislation. I ask unanimous consent that the resolution be appropriately referred and, together with the letter of transmittal, be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and the letter of transmittal and resolution were ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
HOUSE OF REPRESENTATIVES,
March 15, 1957.

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: I am happy to enclose, on behalf of the Minnesota House Agriculture Committee, a copy of House Resolution 2, passed by the Minnesota House of Representatives on March 15, 1957, by a vote of 94 to 4.

Your favorable consideration and action on the contents of this resolution will strengthen our farm economy, and consequently, improve our entire economic structure.

Yours very truly,

ODEAN ENESTVEDT,
Chairman, House Agriculture Committee.

House Resolution 2

Resolution relating to family farms and agriculture

Whereas it is recognized by all that the time-proven family farm unit must continue as the basic social and economic unit of agriculture and that accordingly, farm policy must assist such farms in achieving standards of farm living equal to those enjoyed by other Americans; and

Whereas agricultural policy in this country has sought to foster family-sized, owner-operated farms, which has proved to be a sound and wise policy, since it has developed an efficient agricultural unparalleled in the entire world; and

Whereas present farm price support levels are inadequate because they tend to widen the gap between farm income and farm operating costs; and

Whereas this disparity in farm purchasing power, if permitted to continue, reflects itself not only in economic distress for farmers, but in reduced retail sales, employment, and industrial activity; and

Whereas the present unfavorable economic conditions in agriculture make it extremely difficult for young people to establish themselves in farming as their life's work: Now, therefore, be it

Resolved by the house of representatives that we favor legislation to accomplish the following purposes—

1. Providing mandatory price supports to assure full parity prices and income to producers of major farm commodities, using whatever methods may be most practical, such as loan and purchase programs, production payments, incentive payments, surplus removal measures, promotion of exports, or a combination of these measures. As far as possible, farm support programs should be placed on a self-regulating, self-financing basis, using processing taxes and tariff levies similar to those utilized in the sugar and wool programs.

2. Continuing, expanding, and improving the soil bank as a soil-conservation measure and as a supplement to price programs by including the feed grains and other major field crops in the acreage reserve; by requiring soil-conservation practices upon acres placed into the acreage reserve; by raising the level of payments and shortening the term of contracts in the conservation reserve; by requiring participation in the soil bank as a condition to eligibility for price support and that a reappraisal be made of the present method of setting individual farm acreage allotments to determine the eligibility of such farm for price supports and participation in the soil-bank program.

3. Establishing a specific national policy regarding the size of food reserves which should be maintained in the national interest.

4. Providing for greatly expanded research programs to study agricultural marketing and price problems and to develop new uses and new markets for farm products.

5. Providing price protection at full parity on the perishable farm products such as milk, meat, butter, poultry and eggs, which are so important in our diversified farming economy. Wherever purchase and storage measures are not effective as a support measure, authority should be provided for use of production payments or for incentive payments to encourage the marketing of hogs or livestock at most favorable weights.

6. Providing the initiative, both with leadership and funds in carrying on effective farm credit, soil conservation, crop insurance, REA programs, and programs to promote the consumption of a proper diet among our aged, our schoolchildren, our low-income groups and those in institutions.

7. To safeguard a sound farm program, a practical farm program must contain a maximum payment that may be paid to one individual or corporation in one calendar year.

8. Providing for a complete reappraisal of the parity formulas, with the view of developing a yardstick which, when used as a basis for support measures, will assure farmers actual parity of income for their efforts. Whenever the use of full parity level is not practicable in connection with loan and storage programs because of the level of world prices or of competitive products, then the use of compensatory payments should be considered. This would allow the products to find their own level on the open market and the producer would be reimbursed to the extent that his return is below the proper level; and, be it further

Resolved, That the administration of farm programs at the county and community level for farmer-elected committees be fostered in every way by legislative and administrative policy, specifically, safeguarding the right of farmers to elect their own committees, and to assure these committees undisputed authority in operating the county offices and programs; and, be it further

Resolved, That the Minnesota Senators and Representatives be commended for their support of worthwhile and effective agricultural programs; and, be it further

Resolved, That the chief clerk of the house of representatives be directed to forward a copy of this resolution to the chief officer of the House of Representatives and the Senate of the United States Congress.

PRESERVATION OF PATENT OFFICE BUILDING—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I have recently received two resolutions endorsing S. 996, my bill to preserve the historical Patent Office Building and to provide for its use by the Smithsonian Institute to house historical collections of American art.

One of these resolutions was addressed to the chairman of the Senate Committee on Rules and Administration from

Maj. Gen. U. S. Grant 3d, the president of the Columbia Historical Society. The other resolution was adopted by the Washington-Metropolitan Chapter of the American Institute of Architects, Inc.

I ask unanimous consent that both of these resolutions be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *February 25, 1957.*

The Honorable THOMAS C. HENNINGS, Jr.,
Chairman, Senate Committee on Rules and Administration, Senate Office Building, Washington, D. C.

MY DEAR SENATOR HENNINGS: Pursuant to the purposes for which it was incorporated; namely, "the collection, preservation, and diffusion of knowledge respecting the history, biography, geography, and topography of the District of Columbia, * * * and, in general, the transaction of any business pertinent to an Historical Society at the National Capital," our society adopted the following resolution at its meeting on February 20, 1957:

"*Resolved*, That the Columbia Historical Society warmly endorses the proposal in Senate bill S. 966, introduced by Senator HUBERT H. HUMPHREY, of Minnesota, and in the House bill, H. R. 4002, introduced by Hon. FRANK THOMPSON of New Jersey, to preserve the historic old Patent Office Building (now occupied by the Civil Service Commission) and to provide for its use by the Smithsonian Institution to house historic collections of American Art."

The society hopes that the said bills may have your approval and your committee's recommendation for their passage, thus enabling this historic Federal building, a milestone in the development of our Nation by the patents it harbored for so many years and an outstanding example of our early 19th century architecture, to perpetuate in its three dimensions for future generations the good taste of the past and to preserve and make accessible to the public the story of our country as told by American artists.

Respectfully yours,

U. S. GRANT 3d,
Major General, United States Army, Retired; President, Columbia Historical Society.

WASHINGTON-METROPOLITAN CHAPTER OF THE AMERICAN INSTITUTE OF ARCHITECTS, INC.,
Washington, D. C., March 4, 1957.

Resolved, That the Washington-Metropolitan Chapter of the American Institute of Architects warmly endorses the proposal in Senate bill S. 966, introduced by Senator HUBERT H. HUMPHREY, of Minnesota, and House bill, H. R. 4002, introduced by Hon. FRANK THOMPSON, Jr., of New Jersey, both to preserve the historic old Patent Office Building (now used by the Civil Service Commission) and to provide for its use by the Smithsonian Institution to house historic collections of American art. In L'Enfant's plan this site was reserved for a national church, but was used instead as the site of the second Patent Office, begun in 1837 under the administration of President Jackson, completed in 1867. The fine old building of pure Greek design by Robert Mills, the first native American trained architect, the architect also of the Treasury Building, the Old Post Office, the Washington Monument in Baltimore and the original designs for the Monument here.

The building, designed for display as well as administrative purposes, surrounds a fine interior court and has four monumental street facades, the original south facade of sandstone from historic Aquia Creek, the three later facades of white Maryland marble.

The important things here proposed are: First, to preserve this historic old building and, second, to give to the American people a place for the permanent display for historic American art and for the progressive accumulation of the best in the arts and crafts of our Nation.

REDISTRIBUTION OF FEDERAL TAX MONEYS—RESOLUTION OF CITY COUNCIL OF VIRGINIA, MINN.

Mr. HUMPHREY. Mr. President, I present a resolution adopted by the City Council of Virginia, Minn., regarding redistribution of Federal tax moneys to the State municipal subdivisions.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred. There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Resolution 6459

Resolution requesting distribution of Federal tax moneys to the State municipal subdivisions

Resolved by the City Council of the City of Virginia, That—

Whereas the imposition of Federal taxes have become increasingly great throughout the years to the point where each new administration establishes record peacetime expenditures; and

Whereas the proportionate share of the total national, State, and local taxes have been reversed from the former position when the local governmental units received the great share of tax moneys, and these governmental units do essentially perform the great bulk of services to the citizens of this country and today are unable to receive sufficient funds to maintain their current operating needs: Now, therefore, be it hereby

Resolved, That the Federal Government redistribute to the State municipal subdivisions substantial portions of the moneys derived by the Federal Government through its tax sources, thus enabling the local divisions of government to maintain the services rendered to the citizens; be it further

Resolved, That copies of this resolution be sent to the Senators and Congressman representing this congressional district.

Attest:

J. G. MILROY, Jr.,
City Clerk.
ARTHUR J. STOCK,
President of the City Council.

Presented to the mayor March 13, 1957.
Returned by the mayor March 18, 1957.
Approved March 18, 1957.

JOHN VUKELICH, *Mayor.*

RESOLUTIONS OF ORGANIZATIONS IN MINNESOTA

Mr. HUMPHREY. Mr. President, I have just received four resolutions from constituents in Minnesota. One of them from the clerk of the board of education, Goodridge Public Schools, Goodridge, Minn., favors Federal aid for school construction.

Another from the manager of the chamber of commerce, Le Sueur, Minn., favors increased postage rates, a restoration made in the cuts of the Post Office budget, and increased pay for postal clerks and carriers.

Another from Local 1028, United States Steelworkers of America, Duluth, Minn., protests the competitive effects of importation of wire and wire products into the United States.

Finally, a resolution of the Duluth, Minn., AFL–CIO central body concerns the issue of outdoor advertising and billboards along the highways to be built under the Federal Aid Highway Act.

Mr. President, I ask unanimous consent that these resolutions be printed in the RECORD and appropriately referred.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

GOODRIDGE PUBLIC SCHOOLS,
Goodridge, Minn., March 13, 1957.

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: On March 11, 1957, our board passed a resolution favoring Federal aid to help in schoolhouse construction. Districts with low valuation such as ours are in particular need of aid for building purposes.

Anything that you can do to help in the passage of Federal aid for school construction will be appreciated.

Yours truly,

HERBERT WAALE, *Clerk.*

To the Committee on Post Office and Civil Service:

CHAMBER OF COMMERCE,
Le Sueur, Minn., March 14, 1957.

Hon. HUBERT H. HUMPHREY,
Member of the United States Senate,
Senate Post Office, Washington, D. C.

DEAR SENATOR HUMPHREY: At a recent meeting of the legislative committee from the local chamber of commerce, it was unanimously agreed that the Le Sueur Chamber of Commerce go on record favoring increased postage rates in line with Postmaster General Summerfield's recommendations, and also wish you to help restore the cuts made in the Post Office Department budget which Mr. Summerfield requested.

If this cut in the budget is not restored, our service certainly will be impaired as well as every other post office, and new additions will be left without mail service which the city of Le Sueur now has one such project.

We feel we cannot go along with the National Chamber of Commerce on no increased pay for postal clerks and carriers. We urge you to give these people a pay increase which we feel that they deserve.

Yours truly,

CHARLES N. SEARL,
Manager.

To the Committee on Finance:

UNITED STEELWORKERS OF AMERICA,
LOCAL NO. 1028, CIO,
Duluth, Minn., March 14, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: This is to inform you the members of Local Union 1028, United Steelworkers of America of Duluth, Minn., are deeply concerned with the imports of wire and wire products into the United States. We represent approximately 3,000 employees of the American Steel & Wire Co. plant at Duluth, Minn.

The following are figures based on the 1952 production shipped at the American Steel & Wire Co. plant compared with the years of 1953, 1954, and 1955; we shipped only 61 percent of our capacity in wire fence and 77 percent in nails and 40 percent in barbed wire. This means that in 1953, 1954, and 1955 we shipped 39 percent less of wire fence, 23 percent less of nails, and 60 percent less of barbed wire than we did in 1952.

Certain types of wire are being shipped into the United States at $25 to $38 a ton

less than the domestic price. It is obvious, if this continues, and it seems to be increasing yearly, that serious cutbacks will occur in employment at our plant.

We are facing cutbacks in production of wire products practically every year and they are affecting other parts of the steel mill as well.

No doubt, Senator HUMPHREY, you realize the importance of keeping the steel plant in Duluth operating at full capacity. When operating at full capacity we have full employment. This also affects other industries directly or indirectly such as iron ore, etc.

It is our hope that you as our Senator in Washington will do everything within your power to lessen the effects of foreign imports and by doing this help to keep our steelworkers employed on a year-round basis.

With kindest regards, I remain,

Respectfully yours,

EDWARD E. SKARP,
Recording Secretary, Local Union 1028, United Steelworkers of America.

To the Committee on Public Works:

DULUTH CENTRAL BODY, AFL–CIO,
Duluth, Minn., March 14, 1957.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: Our body is opposed to the present bill outlawing outdoor advertising and billboards along the highways to be built under the Federal Aid Highway Act.

We believe that certain restrictions are proper in that no sign of any kind "except strictly highway markers, speed limits, and other signs for motorists, information put up by governing bodies" should be so placed as to interfere with the safe and normal flow of traffic.

Any sign which is placed over 100 feet from the roadway is useless. However, we leave it to your judgment within this limit as to the proper distance from the roadway that these signs could be safely installed.

Our concern is because of the great number of building tradesmen who would be put out of jobs if this bill passes.

Please use your influence to bring out a workable highway sign bill.

Respectfully yours,

FRANK T. MCCAULEY,
Recording Secretary.

LETTER FROM UNITED CHRISTIAN YOUTH MOVEMENT—RESOLUTION

Mr. WILEY. Mr. President, tomorrow the Senate Foreign Relations Committee opens a series of important hearings in which various private contractors who have been studying the mutual security program will submit their observations with regard to the proposed future of that program, as well as its past record.

In this connection, I have been pleased today to hear from Charles H. Boyles, chairman of the United Christian Youth Movement of the National Council of Churches of Christ in the United States.

The movement, in a most thoughtful resolution, has addressed itself to what it earnestly feels to be a Christian approach to the economic and technical needs of the world, particularly the underdeveloped areas.

I believe this expression, as adopted at the movement's meeting in Cincinnati last month, will be of interest to my colleagues, as it is of interest to me.

I present the resolution, along with Mr. Boyles' letter, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

THE UNITED CHRISTIAN YOUTH MOVEMENT,
NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE UNITED STATES OF AMERICA,
New York, N. Y., March 18, 1957.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR MR. WILEY: Enclosed you will find a policy statement of the cabinet of the United Christian Youth Movement. It lifts the historic concern of the youth of 30 denominations for an adequate program of economic aid and technical assistance.

We have followed carefully the developing program and proposed changes in the current foreign economic aid program of our country, with particular attention to the Fairless and Johnston reports. We urge your support of those principles of the Johnston report calling for an expanded program of foreign economic aid, with particular reference to the underdeveloped nations of the world.

It is with respect that we call this concern to your attention.

Sincerely,

CHARLES H. BOYLES.

Charles H. Boyles, chairman, 257 Fourth Avenue, New York, N. Y.

Sue Jane Mitchell, vice chairman, Dascomb Hall, Oberlin College, Oberlin, Ohio.

Gay Little, secretary, Clever, Mo.

COMMISSION CHAIRMEN

Christian faith: Dave Young, 2376 Logan, Camp Hill, Pa.

Christian witness: Gladden Schrock, box 390, Manchester College, North Manchester, Ind.

Christian outreach: Florence Fray, 602 North Wittenberg Avenue, Springfield, Ohio.

Christian citizenship: Milton Patton, room 1045, Baker Hall, Ohio State University, Columbus, Ohio.

Christian fellowship: Ann Chambers, Holden Annex, College of Wooster, Wooster, Ohio.

CHAIRMAN, COMMITTEE ON YOUTH WORK

Dr. Robert H. Kempes, 209 Ninth Street, Pittsburgh, Pa.

STAFF

A. Wilson Cheek, executive secretary.

Don Newby, associate executive secretary.

John S. Wood, associate executive secretary.

Alva I. Cox, Jr., director of youth evangelism.

Charles H. Boyles, youth associate.

ACTION TAKEN BY THE CABINET OF THE UNITED CHRISTIAN YOUTH MOVEMENT IN ITS MEETING AT CINCINNATI, OHIO, ON FEBRUARY 18, 1957

Consistent with our historic Christian concern for the establishment of closer fellowship and more complete understanding among peoples of all lands and cultures, the United Christian Youth Movement has frequently recorded its support for an increased program of economic aid and technical assistance. At this time, when the entire foreign-aid program is under review in both the Congress and the executive branch of our Government, we would restate some of the guiding principles which are essential considerations in the making of wise, forward-looking decisions in this area:

1. In an interdependent world, our well-being, economically as well as politically, cannot be guaranteed without insuring the well-being of people everywhere.

2. Assistance should be rendered, not alone as a matter of enlightened self-interest, but out of a deep sense of stewardship and concern for the plight of all God's children.

3. Such aid must not be used to destroy the self-respect or national dignity of the recipients. Programs of foreign economic aid or technical assistance must be seen as good in their own right. To think of them as tools of national foreign policy, weapons in a fight against communism, or lures in a web of military alliances is to decrease their effectiveness and destroy their worth.

4. Therefore, such programs should be administered through an agency independent of either Defense or State Department control, with a staff of competent personnel recruited on a career basis, and operating under a long-range mandate from both the Congress and the President that would guarantee stability to the agency's operations.

5. Without denying the value of bilateral aid arrangements, it seems clear that the ultimate goals of a foreign economic policy conceived as outlined above, could best be served through expanded channels of multilateral, cooperative programs of assistance. The channels for these would be most logically found in the structure and scope of the United Nations.

6. Facing the claim that expanded appropriations for such programs are to some extent dependent on reductions in staggering military budgets, it would seem our Government, and indeed all governments, have a clear and present responsibility earnestly and sincerely to undertake the development of a program of worldwide reduction in armaments with effective inspection and controls.

7. In the absence of such agreement, however, the wisdom of the centuries indicates that money appropriated for such constructive ends as have been undertaken through the foreign economic program will do far more to win lasting peace than all our massive expenditures for armaments which never ameliorate the social, economic, political, and ideological tensions making for distrust and hostility.

In keeping with these principles, and out of conviction that the foreign economic program, properly administered, is a vital step toward world peace, we call upon the Congress, the President, and the administration to work for an improved and expanded program of economic aid and technical assistance commensurate with the needs of the hour, consistent with our national heritage of concern for the rights of all peoples, removed from the realm of diplomatic or military policy, and coordinated through an independent, continuing, governmental agency working in the closest possible relationship with the United Nations. We authorize our officers and staff to make these concerns and principles known when and where they may be most effective in helping our Nation to move toward such a policy and program.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 1636. A bill for the relief of Delfina C. Lopes; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1637. A bill for the relief of Wilfred T. Watterworth; and

S. 1638. A bill for the relief of Wilmore E. Balderson; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. DIRKSEN):

S. 1639. A bill to provide for the suspension of the vesting of alien property, and the liquidation of vested property, under the Trading With the Enemy Act; to the Committee on the Judiciary.

By Mr. WILEY:

S. 1640. A bill to amend the Internal Revenue Code of 1954 to allow a teacher to deduct from gross income up to $600 a year of expenses incurred by him to further his education; to the Committee on Finance.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. BUSH:

S. 1641. A bill for the relief of Yong Ja Lee (Mina Kuhrt); to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina):

S. 1642. A bill for the relief of Claude E. Crawford; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 1643. A bill for the relief of Natale Gabriele; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 1644. A bill to authorize the sale of four merchant-type vessels to citizens of Mexico for use in the intercoastal trade of Mexico; to the Committee on Interstate and Foreign Commerce.

S. 1645. A bill to authorize the Secretary of the Interior to grant easements in certain lands to the city of Las Vegas, Nev., for road widening purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 1646. A bill to amend section 218 of the Social Security Act so as to permit the State of Minnesota to provide for social security coverage of certain employees of such State; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS:

S. 1647. A bill for the relief of Wayne Edward Cottrell;

S. 1648. A bill for the relief of Marion Sbinn; and

S. 1649. A bill for the relief of certain aliens; to the Committee on the Judiciary.

By Mr. COOPER (by request):

S. 1650. A bill to amend sections 9 and 40 of the United States Employees' Compensation Act, as amended; to the Committee on Labor and Public Welfare.

THE IMPERATIVE NEED FOR TAX DEDUCTIONS FOR TEACHERS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill amending the 1954 Internal Revenue Code, to allow tax deductions of educational expenses by our teachers.

Enactment of this measure would prevent action on an unwarranted proposal now pending before the Internal Revenue Service—a proposal which in my mind would constitute a serious hardship on the teaching profession. In effect, this regulation would tax our teachers for additional training, if it should lead to a better job or salary increase.

At a critical time, when our future depends on a higher level of education and of better qualified teaching personnel, it is unthinkable to me that we should tax a teacher for "keeping up with his profession."

We should all be aware by now that the U. S. S. R. is turning out twice as many engineers each year as we. We find our science and "math" studies at the secondary-school level in a pretty sorry state, for lack of qualified teaching personnel and interested students. The challenges to the teaching profession are therefore great—not simply in the physical sciences but in the social sciences as well.

How, then, can we improve the situation by imposing a tax liability on teachers who are earnestly trying to improve themselves and to keep their training up to date?

And so, to remedy this situation, my bill would preclude any discriminations against teachers in obtaining rightful deductions for educational costs.

The principle of this bill has the wholehearted support of the National Education Association and many State educational agencies. I hope it will receive the early and serious attention of my colleagues. Most of my associates are, I believe, deeply aware of our educational needs, and many have likewise pointed up the real threat of a scientific-technological lag in our Nation.

I present the text of an Associated Press story of March 4, 1957, describing a movement for this proposed legislation on the House side. I may add, incidentally, that my bill incorporates technical improvements, I believe, over the bill proposals already offered in the House.

I ask unanimous consent that the bill, together with the Associated Press story, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and news story will be printed in the RECORD.

The bill (S. 1640) to amend the Internal Revenue Code of 1954 to allow a teacher to deduct from gross income up to $600 a year of expenses incurred by him to further his education, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 217 as section 218 and by inserting, after section 216, the following new section:

"SEC. 217. Expenses of teachers for further education.

"(a) Allowance of deduction: In the case of a taxpayer who is an established teacher (as defined in subsection (c) (1)), there shall be allowed as a deduction the expenses for further education (as defined in subsection (c) (2)) paid by him during the taxable year.

"(b) Limitations:

"(1) Maximum deduction: The deduction under subsection (a) shall not exceed, in the case of any taxpayer, $600 for any taxable year.

"(2) Adjustment for certain scholarships and veterans' benefits: If during the taxable year the taxpayer receives any amount as—

"(A) a scholarship or fellowship grant (within the meaning of section 117 (a)) which, under section 117, is not includible in gross income, or

"(B) education and training allowance under part IV of title II of the Veterans' Readjustment Assistance Act of 1952

in connection with his enrollment in a course or courses of education in respect of which he incurs expenses for further education, the expenses for further education paid by him during the taxable year which (but for this subparagraph) would be taken into account under subsection (a) shall be taken into account only to the extent that such expenses exceed the aggregate of the amounts so received.

"(c) Definitions: For purposes of this section—

"(1) Established teacher: The term 'established teacher' means an individual who is employed on the educational staff of a public or private school accredited by the accrediting agency of a State or Territory or by a regional accrediting agency.

"(2) Expenses for further education: The term 'expenses for further education' means all expenses which are incurred by an established teacher for tuition, books, and other equipment, and travel and living expenses while away from home (to the extent that they exceed his normal living expenses), and which are paid by him during the taxable year in connection with his enrollment in a course or courses of education at an institution of higher education accredited by the accrediting agency of a State or Territory or by a regional accrediting agency. Such term does not include any expense which is allowable as a deduction under section 162 (relating to trade or business expenses)."

(b) The table of sections for such part VII is amended by striking out:

"SEC. 217. Cross references."

and inserting in lieu thereof

"SEC. 217. Expenses of teachers for further education.

"SEC. 218. Cross references."

SEC. 2. The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1956.

The news story presented by Mr. WILEY is as follows:

ASKS TAX BREAK FOR TEACHERS

(By James B. Sibblin)

WASHINGTON.—Congress is being asked to give the million schoolteachers in this country a better break on their income tax.

Some Congressmen—like Representative JENKINS, Republican, of Ohio, of the tax-writing House Ways and Means Committee—are responding sympathetically.

Teachers want to deduct expenses of going to summer school to improve their professional ability.

JENKINS has introduced a bill to permit it.

An indignant Chicago teacher, Mrs. Adah Mauer, wrote Representative O'HARA, Democrat, of Illinois:

"Teachers are bitter over businessmen being able to entertain customers in the Stork Club and deduct the fun."

CAN'T BE DEDUCTED

At the same time, she said, "We sit in stuffy lecture halls absorbing Plato, psychology, and human dynamics, also for the purpose of increasing our income, and can't deduct the tuition.

"Not only is it not fair, it is an indictment of our American value system."

According to Ernest Giddings, legislative official of the National Education Association, the Internal Revenue Service sometimes does permit these tuition expenses to be deducted.

What Giddings cannot figure out, he said, is that the deductions are disallowed whenever the teacher gets a better job from his or her added education.

CHANCE IS QUESTION

"In fact," he said, "if the summer-school training even enhances the teacher's professional reputation he cannot have a deduction."

Ordinarily, he said, the deduction is given only to those teachers who have been required to take summer courses—and then only if they return to the same job.

What chance the legislation has of getting passed is questionable. The Treasury Department has been opposing tax relief for most special groups.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO CERTAIN EMPLOYEES OF STATE OF MINNESOTA

Mr. HUMPHREY. Mr. President, I have just received a letter from the State of Minnesota Public Retirement Study Commission seeking an amendment to the Social Security Act to provide old age and survivors insurance coverage to certain public employees in Minnesota who would otherwise be excluded. The basic problem is posed in the letter just referred to, and I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
PUBLIC RETIREMENT STUDY COMMISSION,
ST. PAUL, MINN.

Re social security amendment, to members of the Minnesota delegation.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: As the executive committee of this commission, we ask your assistance in submitting a bill in Congress which would provide old age and survivors insurance coverage to certain public employees in Minnesota who would otherwise be excluded. Our request is much like those made by the States of Wisconsin, Utah, and Arizona. Congress has, in those specific instances, passed legislation which remedied the problems confronting the States mentioned.

Our commission has for the past 2 years made a study of the State's public retirement systems, and has recommended a plan which will allow social security coverage to governmental employees. By this plan, eligibility, benefit payments, and contributions have been changed to provide fairness, equity, and actuarial soundness in the various State retirement funds.

However, by redefining the eligibility for membership in the State retirement systems, we find that those employees who are now made ineligible for membership will not be covered by the Social Security Act because the ineligibility was not established by legislative action taken prior to 1954. Had the State of Minnesota enacted this retirement plan 3 years ago these same public employees who are disqualified for membership in a State retirement system could, nevertheless, be covered by the Federal retirement program.

The amendment we wish to have submitted to Congress would simply change the cut off date from 1954 to 1958 as it pertains to Minnesota. The proposed amendment is enclosed herewith.

If the amendment we suggest is passed, public employees who are members of a State retirement fund may have combined coverage by State and Federal retirement. For those employees who are ineligible for membership in a State retirement fund, Federal retirement alone will be provided, which would not be the case without this amendment.

Your cooperation will be earnestly appreciated.

Sincerely,

HARRY L. WAHLSTRAND,
FAY GEORGE CHILD,
H. P. GOODIN.

Mr. HUMPHREY. Mr. President, I think it is clear from the statement of the problem by the Minnesota Public Retirement Study Commission that this proposed legislation would remove certain inequities in the treatment presently facing some of our public employees in Minnesota. I am confident that the Senate will wish to do for these employees what it has done in similar cases affecting other States. I have submitted the proposed drafted amendment supplied to me by the Minnesota Public Retirement Commission to the Senate Legislative Counsel's office where certain revisions have been made in conformity with proper drafting requirements for Senate purposes. The resulting revision of the proposed amendment from the Minnesota Public Retirement Commission I now send to the desk, and ask that it be appropriately referred for the earliest possible Senate consideration. I ask unanimous consent, Mr. President, that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1646) to amend section 218 of the Social Security Act so as to permit the State of Minnesota to provide for social-security coverage of certain employees of such State, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 218 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(q) Notwithstanding the provisions of subsection (d), the agreement with the State of Minnesota entered into pursuant to this section may, subject to the provisions of this subsection, be modified so as to apply to service performed by employees covered by the State employees retirement fund, the public employees retirement fund, or the teachers retirement fund. The membership of each such retirement fund shall be deemed a separate coverage group. Such agreement may be modified so as to apply to services performed by employees who, by reason of legislative action taken prior to January 1, 1958, are no longer covered by a State retirement system and such employees shall be deemed a separate coverage group."

FINANCIAL INSTITUTIONS ACT OF 1957—AMENDMENT

Mr. THURMOND submitted an amendment, intended to be proposed by him, to the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit, which was ordered to lie on the table and to be printed.

EXTENSION OF EXISTING CORPORATE AND CERTAIN EXCISE-TAX RATES—AMENDMENTS

Mr. WILLIAMS (for himself, Mr. AIKEN, Mrs. SMITH of MAINE, and Mr. PURTELL) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which was referred to the Committee on Finance and ordered to be printed.

Mr. WILLIAMS (for himself and Mr. BUTLER) submitted an amendment, intended to be proposed by them, jointly, to House bill 4090, supra, which was referred to the Committee on Finance and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MARTIN of Iowa:

Results of annual questionnaire from the State of Iowa.

NOTICE OF CONSIDERATION OF A NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Philip Young, of New York, to be Ambassador of the United States to the Kingdom of the Netherlands, vice H. Freeman Matthews, resigning.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF PUBLIC HEARINGS ON CERTAIN BILLS

Mr. JOHNSTON of South Carolina. Mr. President, the Subcommittee on Trading With the Enemy Act of the Senate Committee on the Judiciary will hold public hearings commencing at 10 a. m., on Thursday, April 4, 1957, in room 424, Senate Office Building, for the purpose of hearing testimony on the following bills:

S. 411, to amend section 32 of the Trading With the Enemy Act, as amended, by Senator BIBLE.

S. 600, to provide for the payment of certain American war damage claims and the return of certain World War II vested assets, by Senator JOHNSTON.

S. 727, to provide for the investment of $100 million of liquidated assets vested under the provisions of the Trading With the Enemy Act, and for the use of the interest from such investments for scientific scholarships and fellowships for children of veterans, and so forth, by Senator SMATHERS.

S. 1302, to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended, to allow, as a matter of grace, the return of certain vested assets, by Senator YOUNG.

The subcommittee will also take testimony on any bills which may be filed between the time of this notice and the hearing date of April 4, 1957.

NOTICE OF HEARINGS BEFORE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ON ALASKA AND HAWAIIAN STATEHOOD BILLS

Mr. JACKSON. Mr. President, the Committee on Interior and Insular Affairs will hold hearings on Senate bill 49, the Alaska statehood bill, on March

25 and 26; and hearings on Senate bill 50, the Hawaiian statehood bill, will be held on April 1 and 2.

RECENT EVENTS IN THE MIDDLE EAST

Mr. JOHNSON of Texas. Mr. President, the events of the past few days in the Middle East have given rise to a great deal of apprehension in this country.

Americans generally had assumed that the Israeli withdrawal from the Gaza Strip and the Gulf of Aqaba would be matched with equally statesmanlike acts on the other side. Thus far, we have waited in vain.

This country took the lead in persuading the Israelis to withdraw from the Gaza Strip and the mouth of the Gulf of Aqaba. We did not do so because we were taking one side in a dispute. We took our position because we thought it was a predicate to peace. It would be a great tragedy, Mr. President, if this statesmanlike act were to become instead, the predicate to another battle.

The free world has a heavy stake in a peaceful and stable Middle East. It is to our direct interest that all the nations in that area find a way of living together in which each can maintain its independence and integrity.

There is no doubt in the mind of anyone about the assumptions upon which the Israeli withdrawal was based. The foundation for those assumptions was well documented in the lead editorial which appeared this morning in the New York Times. I ask unanimous consent that the editorial be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MIDDLE EAST: THE RECORD

With new tension rising in the Middle East, Secretary Dulles has issued a joint declaration with Israeli's Foreign Minister to the effect that the United States stands firmly by the "hopes and expectations" it has expressed regarding a settlement of the conflict between Egypt and Israel.

The new tension arises because Egypt's President Nasser has taken over the administration of the Gaza Strip; because he is moving troops equipped with new Soviet arms to the area from which Egypt launched its main guerrilla attacks against Israel; because he proclaims a continued blockade of Israeli shipping in both the Strait of Tiran and the Suez Canal on the basis of belligerent rights derived from a continued "state of war"; and because he asserts not only unrestricted control of the Suez Canal but also the right to use it as an instrument of Egyptian politics.

Now the United States and the United Nations have not only expressed "hopes and expectations" concerning all these issues. They have assumed definite commitments involving their good faith.

These commitments are contained in the following pronouncements:

1. The basic resolution of the United Nations General Assembly of November 2, 1956, which, in calling for a cease-fire and withdrawal of the invading forces, also called on all parties "to observe scrupulously the provisions of the armistice agreements" * * * "to desist from raids across the armistice lines" * * * "to refrain from introducing military goods into the area" and "to restore secure freedom of navigation in the Suez Canal."

2. The General Assembly resolution of November 5, 1956, which established a United Nations emergency force "to secure and supervise the cessation of hostilities in accordance with all the terms" of the November 2 resolution.

3. Secretary General Hammarskjold's report of November 6, endorsed by the General Assembly, that it would be the function of the United Nations force to help maintain quiet during and after the withdrawal of non-Egyptian forces * * * over "an area extending roughly from the Suez Canal to the armistice demarcation lines" and "to secure compliance with the other terms established in the resolution of November 2."

4. Mr. Hammarskjold's report of January 24 that in view of the armistice agreements and a Security Council's decision "the parties to the armistice agreement may be considered as not entitled to claim belligerent rights"; his report of January 16 that "the international significance of the Gulf of Aqaba may be considered to justify the right of innocent passage through the Strait of Tiran and the gulf in accordance with recognized rules of international law"; his report of February 22 that "the takeover of Gaza from the military and civilian control of Israel * * * in the first instance would be exclusively by the United Nations emergency force," and his report of March 8 that "until further arrangements are made, the United Nations emergency force has assumed responsibility for civil affairs in the Gaza Strip."

5. Ambassador Lodge's statement to the General Assembly on January 28 that "under the [armistice] agreement and pursuant to the Security Council decision, neither side may assert belligerent rights, much less engage in hostile actions"; that "the United States strongly supports the Secretary General's recommendation concerning the deployment of the United Nations emergency force on both sides of the armistice lines * * * and at the Strait of Tiran * * * to achieve there the separation of Egyptian and Israeli land and sea forces * * * until it is clear that the nonexercise of any claimed belligerent rights has established in practice peaceful conditions."

6. The United States memorandum to Israel dated February 11 that "the future of the Gaza Strip [is] to be worked out through the efforts and good offices of the United Nations," and that "the United States believes that the Gulf [of Aqaba] comprehends international waters and that no nation has the right to prevent free and innocent passage in the gulf and through the straits giving access thereto."

7. President Eisenhower's statement of February 20 that "the United States would be glad to urge and support some participation by the United Nations, with the approval of Egypt, in the administration of the Gaza strip" * * * to assure that the strip "could no longer be used as a source of armed infiltration and reprisals"; that "we should not assume that * * * Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba" * * * and that, "if, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations."

8. President Eisenhower's letter to Premier Ben-Gurion assuring that "Israel will have no cause to regret" its withdrawal, and that "there should be a united effort by all the nations to bring about conditions in the area more stable, more tranquil, and more conducive to the general welfare than those which existed heretofore."

This is the record, and these are the commitments. The United Nations and the United States will be judged by the way they live up to them.

UNITED STATES POLICY IN THE UNITED NATIONS CONCERNING HUNGARY—LETTER FROM HENRY CABOT LODGE

Mr. HUMPHREY. Mr. President, some days ago I submitted, for printing in the CONGRESSIONAL RECORD, an editorial from Life magazine, relating to the Hungarian revolution and United States policy in regard to it, as well as in regard to actions taken by the United Nations. The editorial was entitled "If There's a New Hungary."

The editorial contained a number of criticisms of United States policy, as well as some very thoughtful and, I believe, constructive suggestions concerning what we might have done. The thesis of the article was that we should be prepared ahead of time, rather than permit ourselves to be caught short.

Mr. President, only a few days ago I received a letter from the Honorable Henry Cabot Lodge, the representative of the United States of America to the United Nations. The letter was addressed from his office at 2 Park Avenue, New York 16, N. Y., under date of March 14, 1957.

Mr. President, it goes without saying that I have the highest regard for our ambassador to the United Nations, Mr. Lodge. He has worked diligently and devotedly to serve the United States with honor and distinction in the United Nations. The problems centering upon Hungary were indeed complex and grave, and they came in rapid-fire succession.

Without trying to evaluate the response written by Mr. Lodge, let me say I feel it would be entirely fitting and proper that his statement be printed in the CONGRESSIONAL RECORD, because undoubtedly it is an official reply to the thought-provoking and, I felt, constructive editorial.

Therefore, Mr. President, I ask unanimous consent that the letter of Ambassador Lodge addressed to me and his statement sent to the editors of Life magazine, relating to their editorial concerning Hungary, be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *March 14, 1957.*

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: On page 3108 of the CONGRESSIONAL RECORD for March 5, I notice you inserted an editorial from Life magazine which mentions United States policy in the United Nations concerning Hungary.

There were so many misapprehensions and inaccuracies in this article that I sent a statement to Life in order that it might have the facts straight. I herewith enclose a copy of that statement which you can also insert in the CONGRESSIONAL RECORD if you see fit, but which, above all, I wanted you to have so that what information I have on the question will be available to you.

With cordial best wishes.

Most sincerely yours,

HENRY CABOT LODGE.

STATEMENT

The Life editorial of March 4, If There's a New Hungary, makes grave criticisms of United States policy on Hungary in the United Nations. It also makes fundamental mistakes about the nature of the United Nations, and further mistakes—as well as startling omissions of facts—concerning the United Nations handling of the Hungarian uprising. The mistakes and omissions are so basic that they invalidate the criticisms.

I cite quotations from the editorial and my comments thereon as follows:

1. The editorial says: "Had the United Nations, with United States leadership, been able to act swiftly * * *."

We did act swiftly. In fact, we acted immediately. On October 24, when the first reports came in of trouble in Budapest, the United States Mission staff worked throughout the night preparing for possible United Nations action. On the 25th we began urgent talks with other representatives at the United Nations, who, like us, were sifting the sparse reports coming in from Budapest and weighing the possibilities of United Nations action and the results which might flow from it.

On October 27, 5 days before Nagy first appealed to the United Nations, we acted by calling for a Security Council meeting in view of the fact that Soviet forces were "violently repressing the rights of the Hungarian people." This was the swiftest possible action. From that moment, despite the imminent perils of the Near East, we continued to act as swiftly as intelligent action could be taken.

2. The editorial says that "Lodge could have immediately asked for an emergency session of the General Assembly on November 2, when Premier Nagy proclaimed Hungary's neutrality."

This ignores the fact that an emergency session of the General Assembly cannot be called until the Security Council has finished dealing with a given question. On November 2 the Security Council was still seized of the Hungarian item (in a session called at United States request) and the United States was active in the Council on that subject. The United States would have been ruled out of order if we had not gone into the Security Council.

This criticism also ignores the further fact that Nagy himself made no such request. Instead he requested that the question of Hungary's neutrality be inscribed on the agenda of the regular session of the General Assembly, not scheduled to meet until November 12.

3. The editorial says: "The Assembly could have swiftly created a Hungarian observation commission," and that "an advance commission composed of U. N.-member ambassadors in Vienna could have flown to Budapest by helicopter and been observing a full day before the massive November 4 Soviet intervention."

These suggestions completely ignore the fact that no observers can enter a country without its consent. Until the very moment of his downfall Nagy gave no sign that he would consent to such a thing—which he might well have feared would hasten the Soviet military attack he was trying to avoid.

4. The editorial says that Miss Anna Kethly "could have been installed as Hungary's accredited United Nations spokesman."

The United Nations cannot designate people to represent member states—only the member states can do that. Miss Kethly presented no credentials on which the United Nations could act at that time.

5. The editorial says: "The United Nations Assembly could have issued a sort of habeas corpus summons demanding that Russia produce the kidnaped Imre Nagy."

This statement ignores the fact that the United Nations General Assembly is not a government; that it has no power to summon anybody, that no nation, including the United States, has ceded any sovereignty to it; and that everything that the General Assembly does is purely recommendatory and has no force of law.

6. The editorial says: "At midnight, when the Australian delegate interrupted the discussion of Suez to demand attention to the renewed Soviet attack on Budapest, going on at that very moment, Lodge was not prepared to do anything."

The truth is that Lodge was prepared to do much and that he did so. Following the statement of the Australian representative, Mr. Walker, and following two votes of the highest importance which were taking place at that moment on the life and death crisis of the invasion of Egypt, I took the rostrum to add my voice to the appeal for an immediate meeting of the Security Council. I had already asked the president of the Security Council to call a meeting. The Council was convened at 3:13 a. m., Sunday morning and before it rose at 5:25 a. m. had adopted a United States resolution calling an emergency session of the General Assembly on the Soviet intervention in Hungary.

The statement, "Lodge was not prepared to do anything," further ignores continuous days and nights of meetings, speeches, motions, and resolutions—an effort by the United States in the United Nations which has been commended by hundreds of individuals, by organized labor, and by Hungarian groups. We prepared everything that could be prepared and nothing practicable has ever been brought up on this subject which the United States did not prepare for. Between October 27 and December 12 the United States sponsored 9 resolutions on Hungary. In the same period I made 25 speeches and statements on Hungary.

7. The editorial says: "Miss Kethly was not even permitted to address the Assembly."

No one is permitted to address the Assembly in his private capacity. There is not a chance in the world that a majority of the Assembly would allow the political "outs" of a country, however meritorious their case may be, to use the United Nations General Assembly as a platform.

Miss Kethly was given every possible facility. Her speedy admission to the United States was arranged. She had access to many United Nations delegations. Moreover, the United States took a leading part in creating the Special Committee on the Problems of Hungary, which did receive testimony from Miss Kethly and from many other important Hungarians. This committee was especially created for the Hungarian situation—and its work is still continuing.

8. The editorial says: "The numerous Ambassadors already in Budapest could have been made United Nations observers."

If they had become United Nations observers, their credentials could have been canceled by the Hungarian regime and they could have been expelled from Hungary—in which case they would immediately have ceased to be Ambassadors and the valuable services which they rendered (and are rendering) to the everyday people of Hungary would have come to an end. This factor weighed heavily with many members of the Assembly.

9. The editorial says: "The whole record is a sorry one for the United States and the United Nations alike."

The record is not a sorry one. The record is a good one. Although it did not succeed in bringing about the withdrawal of Soviet troops, the United Nations has done things for the people of Hungary which no single country or other organization could have done. The steps which the United Nations has taken have played a useful part in preventing deportations; in bringing food to the people of Budapest; in helping 170,000 Hungarian refugees to find new homes; in persuading many Asian and African countries for the first time to vote to condemn the Soviet Union; and in dealing a body blow to communism all over the world.

10. The editorial says: "A permanent United Nations observation force could be set up under direct control of the Secretary General, equipped with its own transport and communications system."

This idea ignores the fact that any observation team must be made up afresh to meet each specific situation. This is because its members must be nationals of countries not directly involved in the situation which is to be observed. A permanent force would undoubtedly contain nationals of countries who would be unacceptable as observers.

This idea is also fallacious in that the United Nations is not a world government, and, therefore, United Nations observers cannot go everywhere (into Hungary or into the United States) without the consent of the government of the nation concerned. The Communists have never permitted United Nations observers to function effectively wherever communism has control. Some day a situation may arise where we may not permit United Nations observers either. Because the Organization of American States was acting in Guatemala in 1954 we opposed United Nations intervention, including the sending of observers there. To seek to force the entrance of observers without the consent of the nation in which observation is to take place would be an act of war.

I presume that your editorial springs from the same human emotion of heartsickness that every American must feel at seeing heroes brutally slaughtered and—for the present—defeated. I share that emotion. But we do not advance the interests of these people by wishful thinking, or by closing our eyes to the facts—or by acting as though the crisis in the Near East never existed.

One fact about United States policy in the United Nations at the time of the Hungarian crisis is that we took every step short of war and that in pursuing that policy we left no stone unturned. Although these steps accomplished much, they did not cause the Soviet army to withdraw. The truth is that, although the United States is powerful, it is not all-powerful. Although the United Nations is influential, it cannot make its will immediately effective against the Soviet Union—any more than it could against the United States—without their consent.

HENRY CABOT LODGE.

Mr. HUMPHREY. Mr. President, I commend a reading of the letter and statement to every Member of the Senate, since they deal with a matter of the utmost importance to our national welfare.

Mr. President, I turn now to another subject.

The PRESIDENT pro tempore. The Senator from Minnesota has the floor.

THE UNITED NATIONS AND AMERICAN FOREIGN POLICY

Mr. HUMPHREY. Mr. President, on Friday, March 8, at the University of Massachusetts, in Amherst, Mass., I addressed a conference of New England students on "The United Nations and American Foreign Policy." In the course of my remarks I attempted to reply to the criticisms which recently have been made of the United Nations, and to discuss the value of the organization and of our continuing role in it. I ask unanimous consent that the text of my address be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. Mr. President, two of the items with which I dealt in some detail in the speech to which I have just referred, were the current problems at the United Nations of so-called bloc voting and of alleged interference with domestic jurisdiction.

An interesting article, written by Thomas J. Hamilton, on voting trends in the United Nations General Assembly, appeared in the New York Times on February 24, 1957. The article, entitled "U. N.'s Asian-Africans Less Than Solid Bloc," tends to counter the criticism that the tendency toward bloc voting is expanding in the United Nations. I ask unanimous consent that the article be printed as exhibit B, following the text of my Amherst speech.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit B.)

Mr. HUMPHREY. Mr. President, Mr. Stanley Hoffman, instructor in government at Harvard University, recently contributed a thoughtful article to the magazine International Organization. The article is entitled "The Role of International Organization: Limits and Possibilities." I ask unanimous consent, Mr. President, that the text of the article be printed as exhibit C, following the text of my Amherst speech.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit C.)

EXHIBIT A

SPEECH BY SENATOR HUBERT H. HUMPHREY BEFORE THE INTERNATIONAL WEEKEND CONFERENCE, UNIVERSITY OF MASSACHUSETTS, AMHERST, MASS., MARCH 8, 1957, ON THE UNITED NATIONS AND AMERICAN FOREIGN POLICY

Ladies and gentlemen, when you asked me to speak tonight, you graciously told me to choose my own subject so long as it dealt with world affairs. As it turns out, this has not been an easy thing to do. You, I, and almost everyone else in the country these past few weeks have been preoccupied with the crisis in the Middle East, and with all the public uncertainties, Congressional-Executive tensions, and the tremendous amount of action and inaction which has been going on. I myself am still full of the subject of the Middle East. Almost daily for the past month, I have had to address myself to one or the other aspect of this Middle Eastern question—whether it was the trouble over Suez, the ambiguities and insufficiencies of the Eisenhower doctrine, the troop-withdrawal problem, or the threatened sanctions against Israel.

We have undergone 2 months of tension at the United Nations and careful scrutiny of the Eisenhower doctrine in the Senate. Fortunately, encouraging action has now been taken in both places.

I myself am convinced that the progress on both fronts was related. On the one hand, firm bipartisan Senate opposition to President Eisenhower's original advocacy of one-sided pressure against Israel was, most observers feel, a major factor in turning the administration's policies toward a more constructive and balanced approach. On the other hand, successful negotiations leading to the Israeli troop withdrawals and implied American assurances against renewed Egyptian belligerency won votes for the Eisenhower doctrine in the Senate. These changes helped convince many Senators that the vote of confidence in administration policy, which the vague Eisenhower doctrine really amounted to, was at least an endorsement of the beginning of a constructive approach, rather than a blank-check vote for largely negative and unimaginative policies.

I finally voted for the Eisenhower doctrine despite the fact that I considered its original version poorly designed and inadequately explained. I could not have voted for the resolution as it originally passed the House of Representatives. That I was finally able to support the Senate resolution, despite continued misgivings, was due solely to the fact that important improvements were made in the resolution by several amendments adopted by the Senate.

As the sponsor in the Foreign Relation Committee of the successful amendment changing the authorization of the use of military forces to a declaration of support for the President, if he deemed use of troops necessary, I am confident that we avoided a distorted constitutional feature of the original Eisenhower proposal. With the adoption of an amendment during Senate debate, we strengthened our ties with the United Nations by calling upon the President to continue to furnish facilities and military assistance to the United Nations emergency force in the Middle East. I was pleased to note that every Senate Democrat voted for this appeal to President Eisenhower to sustain the United Nations force. Two Republicans joined us.

In another Senate amendment, we sought to promote constructive policies in the Middle East and elsewhere by requiring the President to satisfy himself that no nation receiving military aid from us will use it for aggressive purposes. With these three major amendments contained in the resolution, plus other improvements adopted in the committee, I felt that an affirmative vote was justified.

Few people in Congress really believe, however, that the Eisenhower doctrine itself will solve many problems. As originally presented, it was not a policy but an invitation to formulate one. The debate in the Senate has been useful. It has given us the first occasion in years for a full discussion of all the complexities, handicaps, and possibilities of American policy in the Middle East. The debate has shaken us out of our lethargy. We now have been put on notice of the enormous responsibilities which are already ours in the Middle East, as in so many other areas of the world. In this sense, I believe that the debate on the Eisenhower doctrine has been helpful and constructive.

But both the policymakers and the people of the United States must now turn their attention to the basic issues which still confront us in the Middle East: cessation of Egyption belligerency, free navigation of waterways, resettlement of refugees, boundary determinations, an end to border raids, and broadly based new projects for regional economic development.

We have not been successful in meeting these problems in the past, as I have lately had occasion to appreciate both as a Senator and as a delegate to the General Assembly of the United Nations. In the latter role I must, of course, represent the official position of our Government as far as my votes at the United Nations are concerned. Before I joined the delegation, however, I made it quite clear that I intended to speak out in my role as a Senator and a private citizen—as I intend to do tonight—whenever I felt that our official policies were misguided or insufficient. By the same token, I shall speak out in support of the administration whenever I feel that I can honestly give that support helpfully and sincerely.

Let me be frank about it. As far as I am concerned, one of the chief causes of the spotty and deteriorating reputation our country has written in the field of foreign policy in the last few years has been this administration's inconsistent and abrupt swings from sweetness and light to storm and disaster.

The serious international problems we face do vary in intensity, but they have existed and still exist with a consistency that requires something better than constantly shifting policies of expediency leaving our own people and friends abroad bewildered.

The American people will back this administration or any administration in asserting real world leadership for the cause of peace, but only if we are told the truth rather than fed palliatives. We cannot exist on an alternating diet of tranquilisers and pep pills. We cannot look at the world through rose-colored glasses one day and then be asked to change them for smoked glasses the next.

Now all of this has immediate relevancy to my main subject tonight: "The United Nations and American Foreign Policy." Let me explain why:

In recent weeks, I have watched with considerable apprehension the relationship between our Middle Eastern policy and the functioning of the United Nations. I say apprehension because I am convinced on the one hand that our Middle Eastern "policy" has been either nonexistent or deficient, and on the other hand that the way some of our leaders have used the United Nations in this connection has been detrimental to the United Nations itself. I have in mind specifically the inconsistent attitudes of two of our most noteworthy spokesmen on foreign affairs—President Eisenhower himself, who speaks for the administration, and my colleague at the United Nations, Senator KNOWLAND, who speaks for himself and for an undisclosed number of Republicans in the Congress and in the country.

I hasten to say that I do not want my remarks to be taken in a partisan context. This is not a partisan rostrum. It just happens to be a fact of life—an uncomfortable one for me—that the Republican Party is in power at the moment and the views of leading Republicans like the President and the Senate minority leader are unavoidably important to all of us. It also happens to be a fact of life, up to now at least, that world responsibilities have never been an issue which has torn the Democratic Party asunder. Other issues have divided Democrats, but not this one. As far as I know, the United Nations itself has never been a subject of heat or controversy within the Democratic Party.

The same cannot honestly be said about the Republican Party, and this has now become a fact of national importance. The United States is in the United Nations. But important leaders of the party in power haven't quite made up their minds (1) whether we are in the U. N. or out, and (2) what we should do, if we are in.

This dilemma has been clearly presented in recent weeks by the contrasting attitudes toward the United Nations on the part of President Eisenhower and Senator KNOWLAND. I am more uncomfortable about the views of the latter than I am about those of the former, but frankly I am uncomfortable about both. Here is why.

We are all thoroughly familiar with the repeated appeals which President Eisenhower has personally made in special TV broadcasts, press conferences, and State papers. He has stated, in the strongest possible generalities that it is our national policy to rely upon the United Nations. The President's attention to the U. N. is highly praiseworthy. I welcome it. But I also submit that all embracing reliance seems to occur most often in those instances when the United States Government has no policy itself. Passive reliance, especially in such

instances, may be highly unfair to the United Nations.

As Senator MIKE MANSFIELD said recently: "It is a policy which would make the United Nations a scapegoat for our responsibility. A scapegoat may relieve the executive branch of a sense of frustration, but it will hardly serve the interest of the United States."

Senator KNOWLAND, on his part, devoted a whole speech at the Georgetown University on February 11, 1957, to the deficiencies of the United Nations, raising about as fundamental a doubt as can be raised concerning the President's reliance on the U. N. Senator KNOWLAND'S question, as usual, went straight to the point: "Does the record of the United Nations warrant a continuation of our policy and support?" Every implication in his speech cast serious doubt that it does.

The Senator accused the United Nations of frustrating itself by vetoes, of operating on a double standard of morality, of increasingly resorting to bloc voting, of interfering in internal domestic affairs, and of discriminating in allotting its financial burdens. Many of these charges are undeniable—but it seems to me that they spring from the world in which we live. Moreover they are neither startling nor strange viewed from our own American experience.

For these reasons, I have decided to outline tonight the role of the United Nations as I see it. It is a role which does not quite fit either President Eisenhower's fulsome reliance on the U. N., or Senator KNOWLAND'S implied rejection of it.

Of these two approaches to the United Nations, the President's is the most elusive and the most frustrating. At times he has seemed to regard the United Nations as some kind of vast Univac machine into which difficult problems may be fed and automatic answers provided.

This approach in a sense is flattering to the United Nations, but even world organizations can be flattered to death.

A tendency to impose tasks on the United Nations beyond its capacities does a disservice to the U. N. and its future. Reliance on the United Nations in the absence of both policy and leadership is self-defeating. Without steady injections of specific American policies and hard-working leadership at the U. N., Univac won't register anything except a compromise of other peoples' policies and other peoples' leaders.

So in this case as in any others, while we often welcome the President's words, we do not always know what they mean. Lip-service leadership is not enough to meet the requirements of the hour, and a comfortable reliance on an infant world organization is hardly adequate to the tasks now facing us as the most powerful Nation on earth.

I do not wish to be misunderstood. I should like to see the United Nations used, but used effectively. I should like to see it energized by American leadership. I should like to see it strengthened and developed in a dozen different ways, not only in its political, but in its social, economic, and scientific aspects as well. It is this element of constructive, detailed support which I find missing both from the President and from the minority leader.

Let me turn now to some of the criticisms which Senator KNOWLAND and others have made of the United Nations and its usefulness in the context of the long-term goals of American foreign policy.

Let me begin by describing for you a scene which has become familiar to me during my service at the U. N. General Assembly. It is a scene which frequently defies the logic of logic choppers and literal-minded men.

Here at the General Assembly are 80 nation states, unequal in power, wealth, and culture. All claim an equal sovereignty. Each pursues, or tries to pursue, an independent policy. Each judges its own best national interest. Each entertains its own private and public opinion about the characteristics of a more perfect world.

The delegates themselves represent historical backgrounds and exhibit such vast cultural differences that most logical men could easily despair over the possibility of commonly accepted standards. Some of the members of the United Nations pay much of the cost of its operation; others pay very little. There are blocs. Delegates frequently think more of their own blocs and their own interests than the overall peace of the world—or rather, I should say, almost all delegates identify their own interests, and the interests of their own blocs, with the overall peace of the world. Lately, it has seemed to be painfully true that those who defy the law of nations seem to get away with more than those that respect the charter.

And yet, my friends, 170 years ago our Thirteen Colonies attempted the experiment of the United States of America. There is not a single thing said against the United Nations today that was not said against the early Republic. How could you have a government when a part of the States had slaves? There was a double standard. The agricultural States were afraid of the more industrialized States. Some wanted free trade. Some wanted protection. The smaller States were afraid that the larger States would have more influence in the House of Representatives. Some of them felt that they would bear a disproportionate share of the cost of the Federal Government.

Moreover, the nations in the Old World that had not been able to defeat the revolt of the colonists predicted that the colonists would defeat themselves because they could not govern themselves. These struggling colonies, with a few million people—many of them impoverished—with few means of communication, defied the logic of everyone but themselves.

We are foolhardy if we judge the United Nations by the standards of literal-minded men. I shall not claim that it is able to produce absolute justice or even rough justice for all. I shall not claim that the weak are as powerful as the strong. Neither will I claim that the weak are necessarily wise in some of their voting.

But I will say that the United Nations represents the early stages of the evolution of mankind to international law and order. So tenacious is the desire of man for peace, so strong is this impulse for law and order, that within the last 12 years the United Nations has withstood the most terrific shocks and assaults upon it. It has survived the advent of the atomic age and the revolt of a quarter of the world against the colonial system. I earnestly believe that had it not been for this organization, the world might well be in its third and final war.

The United Nations is far from perfect. But all the hopes of man to evolve a just international economic order, to advance human rights, to stop aggression, to disarm, to establish a reign of law, are bound up in the United Nations. It is for us to apply not absolute logic but rather the test of imagination. It is for us to give the United Nations our leadership.

Let us consider the situation as it really is in view of the attacks against the U. N.

1. BLOC VOTING

The United Nations has 80 members. One-fourth of them were colonies when the Second World War began. One-fourth of the world has thrown off the yoke of colonialism in slightly more than a decade. Some hundred million more are making the final liquidation of the colonial system. Paul Hoffman, my fellow delegate at the present United Nations Assembly, has called this the greatest social revolution in history. We Americans might say that the blow which we struck to the colonial system in 1776 is reaching its full fruition in 1957.

One of the basic facts of our time is the spirit of nationalism which dominates the thinking of most of the underdeveloped areas of the world. We are all familiar with the manifestations of this force—the antiwesternism throughout much of Asia and Africa and the irresponsible fashion in which the Soviet Union has tried to take advantage of this feeling and use it for its own ends. We are now seeing the reemergence of this same spirit of nationalism in the Soviet captive countries of Eastern Europe.

The rise of nationalism throughout so much of the world presents a paradox in that it comes at the time when most of the more highly developed countries, such as the United States and the nations of Western Europe, are moving more and more toward forms of international organization which play down nationalism. It is both useless and wrong to try to oppose nationalism—useless because any such opposition would be foredoomed to failure; wrong because nationalism springs from basically good, patriotic feelings, which are shared to some degree by all men everywhere. Of course, self-determination of national groups has been a keystone of American policy since the days of Woodrow Wilson, so all this is nothing new to us.

Now here is the important point.

One reason we need the U. N. is to provide a constructive focus for this tremendous force of nationalism which otherwise would be running wild. The U. N. does not control nationalism, but it does provide a framework in which nationalism can find its proper and responsible place in a world society that is becoming increasingly interdependent. The U. N. can likewise protect and encourage nationalism to pursue constructive ends. The challenge, both before the U. N. and before our own Government, is how we deal with these problems in a responsible manner calculated to promote the principles of the United Nations Charter, to advance the national interests of the United States, and to bring some greater measure of peace and freedom to the people of the areas concerned.

These new people in the underdeveloped nations are very suspicious of the Western World because they identify the Western World with the colonialism which they have struggled to overthrow. Some of them, not appreciating that the Soviet Union has established a new colonial system by absorbing contiguous territories, have tended to be neutral in what we think are some of the great moral issues of our time. Naturally, they tend to bloc voting. We hear of the Bandung bloc, or the Asian-African bloc, etc.

Many of these nations are without the long experience in government of the nations in the West. But they are entitled to feel their way as did our American forefathers. Many of these nations lack the trained civil service and the industrial technicians of the older states. But they tend to give the highest kind of priority to economic development.

Under these circumstances, I think we should rejoice that these new governments, still absorbed with the birth pains of nationalism and revolution, nevertheless want to join and play an active role in the United Nations. This is the most significant fact of all. Together with the dignity and security which their U. N. membership brings them, these new countries are developing a sober sense of responsibility earlier than they might otherwise. Our responsibility in turn is to work with them—giving guidance, help, and sympathy. We should cooperate, not dominate.

Now I recognize the difficulty of blocs. At the moment there are leaders in this large Asian-African bloc who are sometimes so blinded by their fear of colonialism that they cannot be objective in such matters as Suez,

Hungary, or Kashmir. But the Government of the United States must live with these blocs and must do its best to dispel fear and suspicion. It must hold a place of leadership because of its single-mindedness and devotion to the principles of justice and the charter.

Moreover, of course, blocs are not so unusual. It is particularly ironical, I might add, that the distinguished minority leader of the Senate professes to be so upset about them. For some time now, Senator KNOWLAND's official duty on Capitol Hill has been bloc organizing, if not bloc busting. (May I say parenthetically that bloc busting is preferable both in the Senate and the U. N. to block busting on the battlefield.) In any case, Senator KNOWLAND knows all about blocs, and his rich experience in Washington should help make him feel at home at the U. N. After all the Senate and the General Assembly have a lot in common: blocs, unequal representation, flamboyant personalities, odd alliances, even lots of politics.

Indeed this last point is worth stressing. The fact that the members of the U. N. take it seriously enough to engage in politics there is one of the most encouraging signs we have. It is a tribute to the U. N.'s growth and future possibilities. We engage in politics and political maneuvering when we feel strongly about something.

2. DOUBLE STANDARDS OF MORALITY

Meanwhile it is not necessary to blame the United Nations for decisions that are beyond its control. The United Nations is not responsible for the double standard of morality which is involved in not punishing the Soviet Union while attempting to enforce the charter elsewhere. The double standard exists and is deplorable. We should do all we can to remove it, and I think we could go further than we have in attempting to remove it. But is it a false emphasis to criticize the United Nations for failing to act against the Soviet Union when strong nations themselves have refused to risk the final terrible gamble of atomic war?

In this sense, the double standard of morality is built into the international situation these days. It exists in or outside the United Nations. The only legitimate question to ask is whether the United Nations diminishes or increases the operation of this double standard. I am convinced that this international vehicle for the expression of moral force not only diminishes the double standard, but is our very best hope of removing it in the future.

It is true that the United Nations has secured results in the Middle East in the tangible form of securing the withdrawal of the British, the French, and the Israelis. United Nations resolutions have not secured the withdrawal of the Soviet Union from Hungary. But in the long process of the development of justice from the frontier to the modern community, justice has scarcely been even.

The strong have often escaped penalty, but they have not escaped censure. Certainly there was no equivocation about United Nations resolutions regarding the Soviet Union in Hungary.

There is a tendency among some people to pooh-pooh the United Nations as a debating society which can do no more than adopt pious resolutions. What these people overlook, however, is that these resolutions express the collective conscience of mankind. Even the mighty Soviet Union is not wholly insulated from the force of world public opinion. It has taken a considerable political beating because of its actions in Hungary. Increasingly, in United Nations votes on the Hungarian question, more and more so-called neutralists shifted from a position of abstention to a position of voting against the Soviets. Soviet fakery, double-dealing, and double-crossing was clearly exposed. Not for a long time, if ever, can the Soviets count on the same kind of open-minded reception in many of the Asian-African states that they were receiving a year ago. The more we can keep the truth about the U. S. S. R. before the people of the world, the better off we will be.

3. VETO POWER

For the same reason, I am not so concerned about the use of the veto by the Soviet Union as are some others. As a real element in the world picture, the Soviet veto exists. Soviet power sets limits to what can and cannot be done. This is regrettable. It is also a fact which would exist whether or not it is formalized in the veto power of the Security Council.

Through the uniting-for-peace resolution, the United Nations has, however, found a technical way around the technical veto. One morning the General Assembly that was debating the Middle Eastern question recessed at 3 o'clock in order that there might be an emergency meeting of the Security Council to consider Soviet troops in Hungary. And when the Soviet Union vetoed the resolution twice within the lifetime of this present Assembly, without leaving their seats the members invoked the uniting-for-peace resolution, and the General Assembly met within 24 hours in emergency session.

I realize that a resolution of the General Assembly does not have the legal force of a resolution of the Security Council. But I believe that, by precedent, and by the exercise of its prerogatives, and through its influence, resolutions of the General Assembly will come to have greater and greater authority. Two years ago I thought that the charter would have to be revised before the deadlock over members could be broken. But the United Nations has now been able to increase its membership from 60 to 80.

Of course, I know that many argue that the veto in the Security Council should be removed. I have the feeling, however, that many, if not most, of the politicians who complain most stridently about the current abuse of the veto power in the Security Council are precisely the ones who would insist on its continuation to protect American interests if the time should come when its elimination were seriously considered.

As far as I am concerned, I am ready at once to strike the veto power from matters relating to nonmilitary intercessions or inquiries between disputing nations. To do so would be to correct an abuse of the veto power which has been added in practice at the U. N. over the past 10 years, but which was never intended when the charter was signed.

Beyond that, I doubt that anyone really believes that in the world of 1957, the United States would or should surrender its veto power in the commitment of its military forces. Except for the brilliant improvisation of the uniting-for-peace procedure, the veto power remains. In an organization of sovereign nations, the veto is not in itself bad. It is the use—or the abuse—of it that matters.

4. U. N. INTERFERENCE IN DOMESTIC AFFAIRS

The United Nations is based on the principle of sovereign equality of states. Hence it is not supposed to intervene in the domestic jurisdiction of its members. But when does a matter cease to be essentially a matter of domestic concern and begin to threaten the peace of the world?

That is the critical question, and the answers to it don't fall into neat, legal categories. Indeed I think it is less important to formulate or worry about hard and fast legal rules on this issue—rules which cannot in the nature of things be hard and fast—than it is to promote compromise on outstanding questions by trial and error. The recent disposition of the Algerian matter in the General Assembly illustrates exactly what I mean.

The French regard Algeria as an internal problem. The Algerians and the Arabs could not disagree more than they do with the French on this issue. But in the refining process of General Assembly debate and negotiation at the U. N., the collective impact of world opinion produced a resolution which, while not accepting either the French or the Algerian position completely, may promote a real solution.

It may well be that the debate in the General Assembly has saved what remains of the French Empire. The French may now move toward reforms in Algeria as part of a bold program for all French African possessions. I understand that the French Government was pleased with the mildness of the Assembly resolution on Algeria. It will be correct if it regards this mildness as giving it a 1-year respite to produce a better system for Algeria before the 12th Assembly meets.

The Algerian resolution was ambiguous and generalized—but deliberately so. Its passage may be a practical achievement far surpassing the effectiveness of any clear-cut legal decision on how far the U. N. could go on interfering with France's "internal" jurisdiction over Algeria.

5. FINANCIAL CONTRIBUTIONS

The United States pays a third of the budget of the United Nations and more of special refugee and emergency items. This is undeniable. But, as far as the one-third cost is concerned, this is less than the United States would be required to contribute if the United States were actually assessed dues according to its ability to pay. We would then pay 40 percent instead of 33. Indeed the national income of the United States is more than the combined national incomes of a third of the U. N. membership. Our total annual share of the U. N. bill (including the specialized agencies) is equal to what 10 hours of World War II cost us.

Beyond that, I do not believe that we want in the United Nations, any more than in the United States, a property qualification for voting. It may very well be that in time to come the General Assembly will move toward a weighted system of voting. I emphasize the the General Assembly is only 12 years old. It must be given time to grow.

From what I have said about the U. N., you can tell that I am more interested in the possibilities than I am in the dangers. I am less interested in the frustrations than I am in the opportunities for leadership.

Consider for a moment the positive achievements of the United Nations. Here are a few:

(1) In 1951, the United Nations, at the request of the Government of the United States, intervened against the aggressor at the 38th parallel in Korea. I know all the difficulties and the arguments. The United Nations did not have a police force. The United States made a disproportionate contribution of forces, because it had the forces close at hand. Nevertheless the achievement remains: Fifteen other members of the United Nations contributed forces. I understand that had we been willing to arrange for the logistical support of others, the equivalent of another division from United Nations countries would have been obtained. Some 40 nations contributed aid of various kinds in the Korean action.

(2) President Eisenhower, in what I think may be his most important contribution to history, challenged the United Nations General Assembly on December 8, 1953, to establish an agency under the sponsorship of the United Nations to promote the atom for peacetime purposes. Such an agency has now been established and the blessings of atomic energy will not be the possession of a wealthy few, but will be extended to all mankind through the United Nations.

(3) In 1947, the United Nations proclaimed the Declaration of Human Rights, which

though only a declaration and not a treaty, is now becoming a source of law. Its principles are being incorporated in new constitutions, and it is gradually being referred to by domestic courts as a standard of human rights.

(4) The United Nations has demonstrated that a multilateral approach to help the underprivileged peoples of the world help themselves is a more efficient and satisfactory approach than many of the bilateral methods of medical, technical, and economic assistance which we have also used. Millions of children have received supplementary feedings, vaccinations, and clothing as a result of United Nations activity. Hundreds of thousands of people today are benefiting from the expert advice and training of technicians operating under U. N. auspices. Food production in widely scattered areas of the world has been increased dramatically by new agricultural methods.

We must enlarge our efforts to reach the world's people in ways most meaningful to them—through WHO, UNICEF, UNESCO, ILO, FAO, specialized agencies which already exist in the United Nations structure. We must go beyond them to the formation of new U. N. agencies which could go immediately to work. I have proposed at least four of them, repeatedly. I repeat them again: SUNFED (the Special United Nations Fund for Economic Development), a Middle East Good Offices Commission, a Middle East Development Authority, a new International Waterways Commission to help avoid jurisdictional crises over waterways like that of Suez. Here in the area of the U. N. specialized agencies lie some of the most fruitful, constructive, lasting possibilities for positive advance.

(5) The present General Assembly to which I am a delegate has also demonstrated its capacity to do important things. Today it has a fleet of 40 vessels clearing the Suez Canal. It has the first real international army patrolling an area as military forces withdraw in response to Assembly resolutions. Nothing like that has occurred before in history.

I want to say a word about this international force. I wish to see it perpetuated. I do not think it will ever be large; possibly not more than ten or twenty thousand; possibly equipped with a few patrol boats to keep waters open, such as the Gulf of Aqaba, but always a small force. It will be a very small force, indeed, compared to the customary armies of nations.

A sheriff is one man in a community of many, but he wears the badge which is the symbol of the community and men do not attack him easily. So I believe that a small, available United Nations Force, rushed to a scene of trouble before the trouble gets out of hand, will, in most cases, help prevent violence. I do not believe that there is any government in the world today that would fire upon the symbolical force of the community. Had such a force been in existence when the first appeal came from Hungary, it might have been dispatched there quickly. I doubt if even Soviet commanders would have fired upon it.

I have joined Senator SPARKMAN in his Senate Resolution for the establishment of a permanent United Nations police force. It seems to me to be crucially important that this opportunity is not lost for the establishment of a permanent United Nations force growing out of the emergency force in the Middle East.

To conclude, it seems to me that the only policy to establish a more just and peaceful world is one which combines law enforcement, through the United Nations so far as that is possible, with careful diplomacy inside and outside the United Nations. We must judge all of our decisions at the U. N. both as legal obligations from the past and by probable consequences for future precedents. We should urge measures to induce members of the United Nations to observe their obligations under the Charter which are likely to be successful and which do not unduly risk nuclear war. We should urge conciliation and compromise through the United Nations to settle disputes peacefully and justly. We must not ask of others what we would not accept ourselves. We must strive for an equal enforcement of legal obligations, but must realize that great inequalities of power will sometimes make this impracticable. The discrepancies in the United Nations structure between voting power and financial contribution is inherent in the sovereign equality of States and the necessity to allocate costs by capacity to pay.

The United Nations, though far from perfect, is an asset to the world. While seeking to improve it by practice, interpretation, supplementary agreements and, where feasible, amendments to the Charter, we must not destroy it or weaken it, ignore it or overburden it.

The United States can realize many of its policies more effectively by working through independent diplomacy to create conditions which will permit the United Nations to be more effective—particularly by seeking agreement with the Soviet Union to reunite Germany, Korea, and Vietnam, and to moderate mutual suspicions and fears. A general policy of defense without provocation, and conciliation without appeasement, would contribute to this end.

The most important guide to policy is patience. Some factors are undoubtedly on our side. Nationalism is a stronger force than Communist ideology. The demands for peace, self-determination, human rights, economic development and social progress, which are principles of the Charter and also of American foreign policy, are demands of human beings on both sides of the Iron Curtain, in developed and underdeveloped countries. The charter provides opportunities for these universal demands to exert pressure upon the policies of governments otherwise dominated by fear, ambition or fancied necessities. With patience, skill, and moderation we can help the United Nations to utilize these opportunities.

Let us see that our own policies are not led astray by resentment, impatience, misinformation or ambition, into decisions which would fail to reflect the opportunities which the United Nations offers and which would defeat our own objectives.

The United Nations can fail. It can become a futile debating society. It can be afraid to stand for principle or to apply the principles when possible. If so, it will be our failure as much or more than the rest. And failure can well mean an atomic war that will destroy life on this planet.

The processes which began in the United Nations 12 years ago may also go on to curb the forces of evil and make the blessings of atomic energy, of economic well-being, of human rights, of freedom and civilized living the possession of all mankind. It will be the defeat or the victory of the United Nations, and much depends upon the patience and leadership which this country gives to the task ahead.

EXHIBIT B

[From the New York Times of February 24, 1957]

U. N.'S ASIAN-AFRICANS LESS THAN SOLID BLOC—STANDING TOGETHER ON COLONIALISM, THEY DIFFER AMONG THEMSELVES ON MANY OTHER QUESTIONS—SOME WILL SUPPORT WEST

(By Thomas J. Hamilton)

The new phase of the Middle Eastern crisis reached its acute stage two weeks ago, when Dag Hammarskjold reported that his efforts to bring about an unconditional Israeli withdrawal behind the armistice lines had been frustrated.

Ever since then, the United States has been trying to convince Israel that the assurances Washington has offered about United Nations action were sufficient guaranty against a revival of belligerent acts by Egypt.

The dependability of these assurances, however, rests in the final analysis on how Secretary of State Dulles would react if Colonel Nasser kicked over the traces, and so far they have not been fully accepted by Israel.

On the other hand, the Eisenhower administration has not yet brought itself to support the tough economic sanctions resolution now presented to the General Assembly by a half dozen Arab and Asian countries. President Eisenhower's speech Wednesday night did not say United Nations "pressure" should go as far as sanctions, and some people in Washington are clearly thinking about something milder.

The coming week may demonstrate whether the stalemate can be broken with either the carrot or the stick. But the United States is no longer a free agent in these matters. Although it still has great influence in the Assembly and throughout the United Nations, the system of bloc voting has greatly reduced its control over events.

ENLARGED BLOC

Put in simplest terms, the Asian-African bloc, now increased to 27, has more votes and far more influence than the 20 Latin-American members. Since the United States had placed its main reliance on the Latin Americans, its loss of strength in the Assembly needs no elaborate explanation.

However, the Asian-African bloc is not a monolithic mass of votes. If it were, the bloc and its allies could kill any resolution, and there would be no point in drafting one without its full knowledge and approval.

The Asian-African countries, it is true, sought to make common cause at the Bandung Conference in the spring of 1955. Some members still refer to the bloc as the Bandung group, although others—perhaps because they have not realized the connotations in the United States—speak of "A. A. meetings."

However, the jealousies and disputes among these newly liberated countries, most of whom emphasize their unique devotion to peace and self-determination, are almost as plentiful as those elsewhere.

Dr. Charles Malik, the Lebanese Foreign Minister, reminded the Assembly Friday that, while the Arab States might be divided on other issues, they were united in demanding Israel's withdrawal from Egyptian territory. But relations between Lebanon and Syria, her larger neighbor, are anything but friendly, and those between Syria and Iraq are even less so.

BESETTING SIN

Among the Asian countries, the feuds between Pakistan and India and between Pakistan and Afghanistan are equally well known. Such differences are partly responsible for the fact that the Asian-African group does not have much of a positive program to offer when an issue not involving colonialism develops.

This tendency to take the anticolonial side, no matter what the circumstances, is hard for westerners to understand.

But if Americans had freed themselves from foreign rule only a few years ago, they would no doubt be equally tough about the issue, no matter what the color of the nations still trying to carry the burden of colonial rule.

Some of the Asian-African countries, moreover, are loyal friends of white nations. In addition to the Philippines, where the decision of the United States to grant independence has created bonds of friendship, we count Pakistan, Thailand, and Turkey as close friends; the United States is

linked to each of them by mutual defense agreements.

VARIETY OF REACTIONS

Japan, once a redoubtable enemy, has profited from generous peace terms and a defense agreement, and is an increasingly influential member of the Asian-African group.

Relations between the Netherlands and Indonesia, her former colonial region, are certainly bad, but Britain has retained the friendship of Ceylon, India and Pakistan, and they have remained in the Commonwealth since gaining independence.

There is no love lost between the French and either the Syrians or the Lebanese, and French relations with Tunisia and Morocco are still uncertain. But Laos, freshly emerged from her status as a part of what was once French Indochina, voted with France on the Algerian issue.

The recent Algerian and Cyprus debates—which incidentally have aroused much more attention in Europe than in the United States—are good illustrations of the strength and weakness of the Asian-African group.

Although it was able to block the resolutions sought by France and Britain, the group could not impose its own, and resolutions of unexampled vagueness resulted.

But the important thing was that both France and Britain, which had blocked any discussion the year before, had to agree to debate the two issues this time because of the increased strength of the group.

OPENING FOR MORE

While continuing to insist that neither issue was within the jurisdiction of the United Nations, they left the door open for more debate—and perhaps tougher resolutions—in the years to come. Similar developments can be expected in the debate this week on Indonesia's attempt to pressure the Netherlands into giving up western New Guinea (West Irian).

The end of the colonial era is almost here, and the colonial powers are in for some rough times at the United Nations until the process is completed.

The question is whether the United States, whose prestige with the Asian-African bloc is high because of the stand it took against the British, French, and Israeli attacks on Egypt, can take the lead in directing efforts toward a constructive program.

The opportunity thus created is one of the principal justifications for actions by the United States which have so disastrously weakened the western alliance. The Middle Eastern debate may indicate what can be done with this opportunity.

EXHIBIT C

THE ROLE OF INTERNATIONAL ORGANIZATION: LIMITS AND POSSIBILITIES

(By Stanley Hoffman)

No field of study is more slippery than international relations. The student of government has a clear frame of reference: the state within which occur the developments which he examines. The student of international relations, unhappily, oscillates between the assumption of a world community which does not exist, except as an ideal, and the various units whose decisions and connections form the pattern of world politics—mainly, the nation-states. International organizations therefore tend to be considered either as the first institutions of a world in search of its constitution or as instruments of foreign policies. The scholar who follows the first approach usually blames, correctly enough, the nation-states for the failures of the organization; but he rarely indicates the means which could be used to bring the realities of world society into line with his ideal. The scholar who takes the second approach stresses, accurately enough, how limited the autonomy of international organizations has been and how little they have contributed to the achievement of their objectives; but because he does not discuss his fundamental assumption—the permanence of the nation-state's driving role in world politics—he reaches somewhat too easily the conclusion that the only prospect in international affairs is more of the same.

It may well be that this conclusion, too, is justified, but it should not be arrived at through a short cut. The approach which seems the most satisfactory, though not the simplest, should be the following one. First, the objectives defined by the Charter of the United Nations are to be considered as the best moral goals statesmen can pursue; that is, the maintenance of peace and security, the promotion of economic, social, and cultural cooperation, respect for human rights, and the establishment of procedures for peaceful change. (Implicit in this assumption is, of course, another one: it is legitimate that statesmen should assign moral ends to their policies, and that states' activities should be submitted to moral judgments, the absence of a single, supranational system of values notwithstanding.)[1] Secondly, the means through which these objectives are to be sought are necessarily international agreements; no conquest of the world by one nation, or even by an alliance of nations, could bring them about; consent is indispensable, even if it means that they can only be reached gradually and partially. Thirdly, it cannot be assumed at the outset that the present structure of international society must be the permanent framework of action, for it may well be that the objectives cannot be reached within such a framework, as, for instance, the world federalists have argued. Changes in the structure may thus appear necessary. But one has to avoid utopias; if it is unwise to postulate the perpetuation of the present system, it is equally unwise to advocate ways which an analysis of world politics reveals to be blocked.

The problem which we want to discuss briefly can thus be phrased in the following terms: Given the present structure of world society, what should and what can international organizations do to promote the objectives which we have mentioned?

I

A short analysis of present world society reveals a number of paradoxes and contradictions.

In the first place, the scene is dominated by two opposite developments. On the one hand, there is the phenomenon usually described as bipolarity of power. On the other hand, at the same time that military and economic strength has become centered, temporarily perhaps, in only two superpowers, there has been a trend toward further political disintegration of the world. As the process of social mobilization of hitherto passive peoples progresses,[2] the number of sovereign states has increased,[3] and the continuing breakup of former empires will undoubtedly add new ones. Both developments, contradictory as they appear, make the return to a concert of the great powers impossible; the necessary solidarity and fluidity of power are both gone.[4] And yet, the technological gap between the advanced and the backward nations is greater than ever before.

In the second place, the process of interlocking interests and activities, which internationalists once hopefully described as leading inevitably to a world community, has indeed continued. The distinction between internal and international affairs is now ruled out; it has therefore become impossible to prevent one nation from influencing and intervening in the policies of another. The superb autonomy and specialization of diplomacy is over, and nearly the whole world has become a "Turkish question." At the same time, however, the psychological effect of this development has been rebellion and seeking refuge in a conception made for, and reminiscent of, a more idyllic age: the concept of national sovereignty and independence. The contradiction is nowhere more apparent than in the U. N. itself. The organization has contributed immeasurably to an internationalization of all problems, and to a kind of equalization of diplomatic standards and practices for all members; but at the same time its operations are based on the principle of equality and the myth of sovereignty. The smaller states use sovereignty as a fortress, and the superpowers as a safeguard of their own freedom of action against friendly or hostile restraints.[5]

In the third place, the two sets of factors previously mentioned have produced a fundamental change in the politics of the two leading powers. The great powers of the 19th century used limited means for limited objectives. The relations between these powers could easily be described in equations, or at least in mechanistic terms—balancing process, equilibrium, etc. The superpowers of today have transnational objectives; each one stands both for a certain organization of the world, and for a certain distribution of social forces and political power in each nation.[6] The means they use, with one important exception (the resort to general war), are also much broader. Their emphasis, in the choice of means, is far less on national power, far more on gaining allies. As some theorists have shown,[7] this multiple equilibrium opens new channels of influence for the two superpowers and creates, at the expense of both, new procedures of restraint quite different from the restraints imposed on the big powers by the European concert. No big power can go it alone and define its interests to the exclusion of other nations' interests; the only, though very real and important, choice it has is between more and less broad international definitions of ends and means, depending on the kind and amount of international power it wants to mobilize.

In the fourth place, the smaller nations are torn between two modes of behavior

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[1] We have argued this elsewhere at greater length. See Quelques Aspects du Rôle du Droit International dans la Politique Étrangère des Etats in: Association Française de Science Politique, La Politique Étrangère et ses Fondements, Paris, Armand Colin, 1954, pp. 264–270. See also A. H. Feller, In Defense of International Law and Morality, Annals of the American Academy of Political and Social Science, July 1953 (vol. 282), pp. 77–78.

[2] See Karl Deutsch, Nationalism and Social Communication, John Wiley and Technology Press, 1953.

[3] See E. H. Carr, Nationalism and After, New York, Macmillan, 1945, p. 59, for predictions to the contrary.

[4] See Kenneth Dawson, The U. N. in a Disunited World, World Politics, January 1954 (vol. 6, No. 2), p. 209, and this writer's Organisations Internationales et Pouvoirs Politiques des Etats, Paris, Armand Colin, 1954, pt. I.

[5] See Max Beloff, Foreign Policy and the Democratic Process, Baltimore, Johns Hopkins Press, 1955, lecture IV.

[6] Raymond Aron, "En quête d'une Philosophie de la Politique Etrangère," Revue Française de Science Politique, January–March 1953, pp. 67–91.

[7] Jiri Liska, "The Multiple Equilibrium and the American National Interest in International Organization," Harvard Studies in International Affairs, February 1954; Ernst B. Haas, Regionalism, Functionalism, and International Organization, World Politics, January 1956 (vol. 8, No. 2), p. 238.

in which they usually try to indulge simultaneously, as well as between two attitudes toward both the nation-state and the U. N. The two modes of behavior represent two levels of world politics. On the one hand, the smaller states try to protect themselves, collectively, against the rivalries of the two superpowers. Individually, they would be the victims of the great conflict; together, they have the best chance of restraining the big powers and of gaining a number of advantages in return. Some seek such a common escape in a broad alliance with the United States (Rio Treaty, NATO, SEATO), others in a neutral belt. But in either case, thus protected against the "nationalistic universalism" of the superpowers,[8] they practice traditional nationalism quietly. The smaller nations live in two ages at the same time. As for the two attitudes toward the nation-state and the U. N., each one is taken by a different group of states. The new nations focus on the nation-state their highest ambitions of international power, economic development, and social unity. Furthermore, their attachment to the nation-state is proportional to the intensity of their will not to get involved in the big-power conflict; a feeling that neutralists in Europe have echoed and expressed sometimes in impressive theoretical arguments.[9] These nations, at the same time, look on the U. N. with great enthusiasm; they see in it an instrument for the advancement of the smaller nations (in number and in power), and a mechanism for restraining the superpowers. On the contrary, the older nation-states of continental Western Europe are more disabused of the nation-state, even though it retains the citizens' basic loyalty; and they look at the U. N. with greater misgivings, both because they have been outvoted so often in the U. N. on colonial issues, and because they contest the wisdom of spreading all over the world the disease of nationalism which they, too, contracted once, and from which they have suffered grievously.

This brief description leads to a few remarks concerning the scholar's or the politician's usual approaches to the understanding of world politics. First, it shows the fallacy of simple models or categories of analysis. The assumption of a Hobbesian state of nature among states is misleading. It exaggerates the degree of opposition between loyalty to the nation and cooperation among nations,[10] as well as the degree to which the more unmitigated forms of power politics are being used by nations; it leads to the presently hopeless solution of world government as the only alternative to a world of militarized, antiliberal, indeed carnivorous nations.[11] Now, this is not at all the way in which many people think of the nation-state. It overstimplifies the reasons for the rise of antiliberal forces which are not engendered only by the clash of sovereignties and nationalism; it leaves out all the restraints which, in the 19th century, made the state of nature a rather Lockian one, and, in recent years, shaped a system so new and complex that no theorist has anticipated it. The model of Hobbes is not more accurate than the model of the world community—which may explain why it is so easy to jump from the first to the second.[12]

In the second place, the analysis of foreign policies in terms of power, or of power and purpose,[13] is also insufficient. The concept of national power is no guide in a century where ideas are the most powerful weapons, if it does not include the strength of ideological appeals. Even if it does, it fails to explain the differences between the ends and means of foreign policy in periods of limited conflicts and relative stability, and in revolutionary periods.[14]

Thirdly, the usefulness of reasoning on the basis of internal or even international precedents appears very limited. Those who show, not without truth, the distorting effects of the nation-state on the thinking of the citizens, are sometimes the first to use examples drawn from the development of constitutionalism.[15] Those who deplore the forces which have destroyed the simple and autonomous mechanisms of 19th century diplomacy are too easily inclined to use it as a standard and as a still attainable ideal.

Finally, the statesmen's view of world politics is sometimes equally oversimplified. Western statesmen have tended to assume too readily that there are two completely separate spheres of world politics today: the conflicts with the Communist bloc, all around the Iron Curtain, and the relations with the rest of the world, where all the objectives of the U. N. may be gradually reached, where anti-Soviet collective security and solid, supranational communities can be organized without any Soviet leap over the barriers of containment.[16] The Soviets have tended, and still tend, to assume too easily that, in the non-Soviet world, all is tension and conflict, as if the alignments established as buffers against the cold war did not dampen minor antagonisms.[17]

II

Before examining what international organization should and could do in such a world, let us see what its recent role in international politics has been.

The U. N. was built on two assumptions; both have proved to be unjustified. The first was, of course, the survival of a concert of great powers. The second was what one might call the Kant-Wilson hypothesis. The organization was supposed to harmonize the interests of sovereign states, conceived as 19th century nations. Their international policies would therefore be distinguishable from their internal problems. Their usual antagonisms would be limited in scope, or at least seldom involve their national existence. This was the assumption of a world squarely based on the nation-state—the hypothesis of inter-state cooperation for and with peace and security.[18] There was nothing revolutionary about it; historically, it was rather reactionary, insofar as it tried to revive conditions whose disappearance had brought about two world wars. Both assumptions implicitly envisaged the establishment of a widely acceptable status quo, on the basis of which the organization would operate. The tragedy has been the conflict between those underlying hypotheses and the two major realities of world politics: the bipolarity of power and the further disintegration of the world.

The consequence of the conflict between the first postulate and bipolarity has been the failure of the collective security mechanisms of the charter. The conflict between the second postulate and the multiplication of nation-states, due to the anticolonial revolution has led the U. N. to use as channels of peaceful change the procedures created for the settlement of ordinary disputes. It was hoped that the U. N. might thus harness that revolution. However, change has taken place, not as the consequence of, but either outside of or before the decisions of the U. N., and it has been violent and often savage. The U. N. has given the impression of merely smoothing some of the edges and of running after the revolution so as not to be left too far behind.[19]

In order to avoid complete paralysis on cold war issues because of the first conflict, and to transcend the procedural limitations which have made it difficult to cope with the second, the organization has escaped from its original charter and changed into a "new United Nations."[20] However, the new, unofficial charter is based upon an assumption which conflicts not only with the old ones, but also again with the reality. Both the uniting-for-peace resolution, charter of the cold-war role of the U. N., and the more fragmentary code of practices adopted by the U. N. in dealing with the anticolonial revolution[21] were obviously necessary in order to keep the U. N. in line with the main currents of international politics. But the policy of collective assertion, parliamentary debates, and majority votes assumes the existence of a sort of world community, where decisions similar to those reached in the framework of a constitutional system would make sense—[22] a far cry from both the hierarchial big-power rule and from the interstate league of the Wilsonians. All these contradictions have engaged the U. N. in a series of vicious circles.

On the cold-war front, bipolarity has made the resurrection of a concert of power against the one threatening big state fairly ineffective. The fear many small nations have of becoming engulfed in the cold war has, of course, undermined the whole argument

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[8] Hans J. Morgenthau, Politics Among Nations, New York, Alfred A. Knopf, 1954, pp. 230–234.

[9] See, for instance, J. M. Domenach, Les Nationalismes, and G. E. Lavau, La Souveraineté des Etats, in Esprit, March 1955.

[10] This exaggeration has been criticized by Arnold Wolfers, The Pole of Power and the Pole of Indifference, World Politics, October 1951 (vol. 4, No. 1, p. 39), and by Karl Loewenstein, Sovereignty and International Cooperation, American Journal of International Law, April 1954 (vol. 48, No. 2, p. 222).

[11] See Thomas I. Cook, Theoretical Foundations of World Government, Review of Politics, January 1950 (vol. 12, No. 1, p. 20).

[12] See Ernest S. Lent, The Development of United World Federalist Thought and Policy, International Organization, IX, pp. 486–501.

[13] See, respectively, Morgenthau, cited above, and Thomas I. Cook and Malcolm Moos, Power Through Purpose: The Realism of Idealism as a Basis for Foreign Policy, Baltimore, Johns Hopkins Press, 1954.

[14] See Aron, cited above, and Association Française de Science Politique, cited above, pp. 370–373.

[15] This tendency is criticized by H. J. Morgenthau, cited about ch. XXIX, and by Gerhard Niemeyer, A Query About Assumptions of International Organization, World Politics, January 1955 (vol. 7, No. 2), p. 237.

[16] That this view was held by Secretary of State Acheson appears in many of the documents reproduced by McGeorge Bundy, The Pattern of Responsibility, Boston, Houghton Mifflin, 1952. It remains true that this picture was a fairly accurate basis for policy in Stalin's time.

[17] See Khrushchev's speech at the 20th Congress of the Communist Party of the U. S. S. R., New York Times, February 15, 1956.

[18] See Max Beloff, Problems of International Government, in Yearbook of World Affairs, 1954, London, Stevens & Sons, pp. 4–6.

[19] See Raymond Aron, Limits to the Powers of the U. N. Annals of the American Academy of Political and Social Science, November 1954 (vol 302), p. 305.

[20] See H. J. Morgenthau, The New U. N. and the Revision of the Charter, Review of Politics, January 1954 (vol. 16, No. 1), p. 3.

[21] Elimination, through a variety of devices, of the domestic jurisdiction clause; assertion of a right of the U. N. to define a collective and substantive policy, rather than limiting the organs to the more purely conciliatory procedures of the charter; See Leland M. Goodrich and Anne P. Simons, The U. N. and the Maintenance of International Peace and Security, Washington, Brookings Institution, 1955, pp. 155, 160, 609; and H. J. Morgenthau, cited above, pp. 315–338.

[22] See Aleksander W. Rudzinski, Majority Rule Versus Great Power Agreement in the U. N., International Organization, IX, pp. 256–265.

behind the uniting-for-peace resolution. Furthermore, the impossibility of tracing a clear line between internal and international affairs has obscured the idea of aggression; when aggression is easily disguised as social liberation, it is not astonishing to see the very nation which advocates a clear-cut definition of aggression suggest that civil or national liberation wars be left out of the organization's reach.[28] Finally, the fact that recommendations have to be made by a two-thirds majority increases the small nations' power to destroy the new system, either by refusing to make it work or by irresponsible recommendations which not they, but the big states, will have to carry out; the balance between proclamation and performance is a difficult one.[29] Both the difficulties and the dangers of putting into effect the uniting-for-peace machinery show that the primary emphasis in the U. N. cannot be put on collective security.[30]

The attempts to cope with the nationalist revolutions and the problem of change are not much more satisfactory. Conditions are so revolutionary that the U. N. has been unable to use effectively conciliatory procedures tailored only for conflicts between stabilized sovereign states. But world politics remain so strongly based on the sovereign state that the U. N. cannot get its assertions of competence and declarations of policy accepted by those of its members whose sovereignty is thereby infringed. If the members of the majorities point out that sovereignty means little in an era when internal tensions become matters of international concern, the outvoted members can always argue that the majorities' policies lead not to greater integration of the world, but to an increase in the number of sovereign units eager to shield their own activities behind Article 2, paragraph 7.[31] The issues between states, in an era where conflicts do indeed involve the very existence of nations, the birth of some, the dismantling of others, cannot be settled by resort to a world court: hence the constant refusal of the Assembly to submit such questions to it. But precisely because the issue is the life and death of the basic units in world politics, it is useless to expect the more threatened ones to submit to majority votes.[32]

The result, not unexpectedly, is frequently deadlock followed by a retreat of the U. N. The policies advocated by it are not carried out, and after a decent resistance the U. N. ceases to recommend them.[33] The committees established for the implementation of these policies fail to obtain the cooperation of the other party, and when the walls of Jericho refuse to collapse, it is the committee which is broken up.[34] At the same time the more modest task which the original charter did allow the U. N. to perform—what we called the smoothing of edges, the curbing of the worst forms of unavoidable violence—becomes more difficult for two reasons. The decision of the U. N. to take a substantive stand reduces the chances of conciliation by increasing the opposing party's resistance and distrust. Furthermore the two main trends of present world politics have interacted. The cold war has first thrown a shadow over, then a monkey wrench into, U. N. attempts at securing peaceful change. The breakup of the original concert of powers in these matters[35] has increased the chances of change through violence; it has emancipated the anticolonial nations from a possible big-power tutelage; insofar as the Soviets support them, while the United States is allied to the colonial powers in such institutions as NATO and SEATO, it has become far more difficult for the U. N. to oblige the antagonists or the reluctant side in a colonial conflict to renounce violence.[36]

It may have been vain to expect, in a world where the two main trends create for existing states a good deal of trouble, that an international organization established for coping with the irrepressible, minmum degree of insecurity that persists during stabilized periods could do much to eliminate the glaring insecurities of today. Maybe the organization could, indeed, be nothing but a gentle civilizer. But the civilizer has not always been gentle. It has rather tended to increase the degree of insecurity, while both the cold war and the peculiar voting system which gives the loudest notes to sing to the weakest voices have prevented it from harnessing the forces it helped to set in motion. The reliance on, and exploitation of, the vague, broad and yet-to-be achieved principles and purposes of the charter have combined the maximum of ambiguity with the maximum of resistance from the members. The result has been a somewhat disturbing division of labor between the world body and the regional organizations; the problems that could be solved were quite legitimately dealt with by the latter,[37] but the U. N. has become the recipient of those problems which just cannot be solved diplomatically, a fortiori by parliamentary votes in the Assembly.[38] This was particularly apparent in the case of all the cold-war conflicts which were submitted to the U. N. by both parties for propaganda purposes; on these issues, and on most of the colonial problems as well, Mr. Kennan's rather cruel description of the Assembly's votes as a series of tableaux morts[39] is an apt one.

Self-restraint or resignation to very limited and superficial soothing tasks might have killed the organization. But taking worthy stands and cheering itself up until it gets hoarse, has not really saved it as a force in world affairs—though such attitudes might have made it useful as an instrument serving a number of widely different foreign policies. The rules of the "new U. N.," like the rules of the original charter, create both too rigid and too big-meshed a net of obligations for member nations. It is too rigid, in so far as compliance with these rules has proved to be impossible. It is too big-meshed, because in order to be applicable to so many different states, these obligations inevitably had to be few and vague. Thus, the rather obvious and recognised solidarity of interests among smaller group of states is not sanctioned by any set of norms and institutions common to them. These great gaps increase insecurity, the chances of conflicts, and uncushioned power politics.

III

The following considerations on what the role of international organization should be in the present world are based on the follow postulates. (a) The nation-state, conceived as a legally sovereign unit in a tenuous net of breakable obligations, is not the framework in which the ideals we have defined at the outset can all be realized or approximated. It can hardly be maintained that it affords the greatest possibilities of economic advance, and even, in many areas, of orderly political and social change. (b) Experience to date has shown that political organization on a world scale cannot, by itself, advance beyond the stage of the nation-state: its fate is linked to the nation-state. Three consequences flow from these postulates.

The first consequence concerns the role of the political organs of the U. N. If they cannot shape new forces, they should at least prevent the nation-states from getting even further away from the distant objectives which the U. N. proclaims. The two tests—rather negative ones, one may fear—which each decision or recommendation should meet are, first, a test of responsibility—will it decrease, increase, or leave unchanged the state of tension with which it is supposed to deal? If it will not contribute to decreasing tensions, it should not be made, except if inaction is clearly bound to produce even worse consequences than intervention. This test is particularly necessary in colonial affairs. Secondly, a test of efficiency: Is the measure advocated, sound as it may be, backed by a sufficient combination of interests and forces? Otherwise, it will be an empty gesture.

The second consequence suggests the need for building new institutions which will help the nation to go beyond the stage of the nation-state. A case can be made—and has often been made[40]—against excessive and premature attempts at establishing "rigid legal norms" and institutions; it has been said that the process of integrating nations must be left to the free interplay of political, economic, and social forces within them. Undoubtedly, no organization can be effective if there are no such favorable forces; it cannot create them. But where they do exist, a network of legal obligations and institutions can consolidate the common interests at the expense of the divergent ones and act as the indispensable catalyst of an emergent community; otherwise, there would be no opportunity to select, seize, save, and stress the unifying forces. The reason why the nations tend to organize themselves as states and why the highest allegiance of the citizens usually belongs to the state is that this form of political organization affords them protection, security, justice, gratifications, and services. Therefore, the only way to transfer loyalty to another set of institutions is to create new agencies which will provide the citizens with some of these advantages and help in gradually building communities larger than nations.

But these new agencies will be solid and effective only if they are accepted freely by the peoples they are supposed to link. This means, in the first place, that the peoples will have to reach the national stage first. Recognition of the insufficiency of the Nation as framework of social organization can only come after the Nation has achieved a large measure of self-government. Consequently, in areas where no nation-state has yet been established, the national stage cannot, in all probability, be skipped. However, independence might be accompanied by an agreement on interdependence with other countries for clearly defined and accepted functions.

In the second place, wherever the nations, new or old, have all the attributes, blessings, and curses of the sovereign state, a difficult task of incitement and negotiations will have to be performed. Political federation is probably ruled out in the early stages. Except perhaps in the limited European area where disillusionment with the nation-state is strongest (but how far does it go?) one cannot expect, even under the stress created by necessities of defense or economic development, that nation-states will agree to the kind of wholesale transfer of powers which political federation requires. Suicide, so to speak, if it takes place at all, will have to be piecemeal. Political power cannot be expected to be abandoned first. Nor is it sure that political federation is always a desirable goal. The main enemy of international stability and individual liberty, in those countries where the nation-state has ceased to be a refuge and become a prison, is not the nation, but the state; it is the concentration of political, economic, military power, etc. * * * In one set of institutions. The creation, by amalgamation of existing nation-states, of a new state similar in its essence to the previous ones and even larger in area can hardly be called an improvement. A federation strong enough to survive the strains of birth and youth might soon develop into a supernation; the trend toward centralization, observed in all federations, could lead to such a result.[41] A decrease in the number of leviathans is no gain if it is compensated by an increase in their respective power. Thus, the only practical way to reach the aim—a decentralization of allegiance—seems to be the establishment of functional institutions based on transnational interests. In order to be effective, these agencies would have to be geographically limited. Or, if in certain cases a regional limitation makes little sense economically,[42] they should possess some ideological, historical, or technical justification. They would therefore, as a rule, not be universal institutions like the U. N. and its specialized agencies, but, for instance, organizations in which certain underdeveloped countries sharing one common economic problem would cooperate with more advanced nations which have solved or faced the same problem at home or in their colonies. The nation-state would thus be caught in a variety of nets. Gradually, unobtrusively, perhaps, a large measure of economic power would be transferred to the new agencies. They would for a long time to come leave to the state a kind of negative power to destroy the net; nevertheless, they could reach and provide the individuals with tangible services.[43] They would not constitute an immediate rival for the states and would therefore expect more consent or at least less violent resistance. The most effective attack on sovereignty is not a frontal one—it is one which slowly but clearly deprives sovereignty of its substance, and consequently of its prestige. The buildup of interlocking functional communities is required both by the presently strong attachment to formal sovereignty and by the actual interlocking interests which can become a positive force in world politics only if they are institutionalized.

As a third consequence of our two postulates, the U. N. should concentrate on, and develop, its role as a "center for harmonizing the actions of nations in the attainment of (the) common ends," which these joint interests suggest. Indeed the U. N. should either take the initiative or at least assume responsibility for the establishment and coordination of the regional or functional communities we have advocated. Two reasons militate for such a policy. In the first place, it is necessary to provide the U. N., checkmated on political issues, with a new area of activities in its own interest. Secondly, the West, increasingly unable in political matters to get its views accepted by others through a process of "collectivization of interests,"[44] but unable also to discard the world body, must find constructive ways of seizing the initiative. In the inevitable clash of ideas between East and West, the West cannot merely offer to the nations the ideal of internal democracy; it must also present the image of a more satisfactory world order. The Soviet Union, which wants to prevent a consolidation of the non-Communist world, plays upon the strong attachment which is still felt to the nation-state and to nationalism, sovereignty, and independence. The West cannot fight back on this ground; it would mean giving up the objectives we have mentioned. Nor can the West propose such revolutionary changes that the Soviets might successfully exploit this continuing attachment to the shelter of sovereignty, as well as charge the West with hypocrisy, since none of the leading Western states is ready to sacrifice large areas of its own sovereignty.

Again, a progressive middle road seems to be the right one. This is precisely where the U. N. can operate. Militarily, the role of the U. N., as we indicated, can only be a very limited one; it is therefore normal that initiatives for collective defense be taken outside of it. But initiatives for economic action should be made within the U. N. This would be politically advantageous. The suggested regional or functional institutions can hardly function without western economic assistance. Now, the new nations have shown a distrust of purely western initiatives, interpreted as cold war moves, and a respect for the U. N., which suggest that the U. N. should be selected as the channel for such assistance. It is also wise technically; there is a need for coordination of the present and future technical institutions, which can best be exercised by the U. N.[45] As the French Foreign Minister, M. Christian Pineau, has recently suggested,[46] an agency for world economic development should be created within the framework of the U. N. This agency would coordinate and control specialized agencies such as the International Monetary Fund and the International Bank for Reconstruction and Development, as well as the U. N. technical assistance activities and more recently created or proposed U. N. institutions such as the International Finance Corporation and the Special United Nations Fund for Economic Development.[47] It should give its aid, gifts, loans, technical assistance, raw materials, or energy, etc., to the regional or functional organizations we have recommended, rather than to states directly. These organizations would be sponsored by the U. N. agency and established among the underdeveloped nations (with or without direct participation of the industrialized ones). They would be the pioneers of supranational development. The U. N. agency, being international by virtue of the charter, would play the more modest but essential role of an instigator.

IV

The last question we have to discuss is obviously the most difficult one: Can international organizations play the role we have tried to assign to them?

First, as for limiting the political organs of the U. N. to the rather limited tasks we have suggested, there is little doubt about the answer. On colonial and self-determination issues, the small powers, which are indispensable in the decision-making process, cannot be led to abandon the policy they have promoted in recent years; the Soviet bloc may be expected to fan the flames, and the United States cannot easily try to stop the movement—the more so, since it needs the small powers in case of a return to acute cold-war tension. The answer here is: "No." However, on the issue of collective security and also in the settlement of ordinary disputes, the organization might be condemned not just to violate the two tests we have indicated, but not even to reach the stage where proposals would be submitted to the tests. Both the reluctance of a majority of members to face the cold war and the neutralization of U. N. procedures by the conflicting maneuvers of the big powers could lead to such a paralysis. Writers who have shown how useful an instrument of American foreign policy the U. N. is[48] have attached too much importance to the Korean miracle and the mechanical 50-to-5 votes and underestimated the eventuality of Russian exploitation of U. N. procedures. However, any American attempt at penalizing the small powers either by direct pressure or by de-emphasizing the importance of the U. N.[49]

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[28] See Alex Bebler, The Yardstick of Collective Interest, Annals of the American Academy of Political and Social Science, November 1954 (vol. 302), p. 85.

[29] See the comments of George Kennan, Realities of American Foreign Policy, Princeton University Press, 1954, p. 40, and the suggestions of H. Field Haviland, Jr., in Annals of the American Academy of Political and Social Science, November 1954 (vol. 302), p. 106.

[30] See the remarks of Sir Gladwyn Jebb, The Role of the United Nations, International Organization, VI, pp. 509–520, and René de la Charriere, L'Action des Nations Unies Pour la Paix et la Sécurité, Politique Étrangère, September–October 1953.

[31] See the debate between Clyde Eagleton and Quincy Wright in Proceedings of the American Society of International Law, 1954, pp. 32–34, 67, 116, 119. The long discussions in U. N. organs on human rights, show similar arguments.

[32] See Clyde Eagleton, Excesses of Self-Determination, Foreign Affairs, July 1953 (vol. 31, No. 4), p. 592, and The Yardstick of International Law, Annals of the Academy of Political and Social Science, November 1954 (vol. 302), p. 08.

[33] An examination of U. N. substantive recommendations on Palestine, Kashmir, Spain, and South Africa's apartheid policies, and of their gradual watering down or abandonment is the basis of this assertion (see Goodrich and Simons, cited above, chs. IX to XII). The success of U. N. intervention in Indonesia remains an isolated instance in this respect (i. e., substantive recommendations on issues not directly connected with the old war).

[34] See the fate of the committees created for dealing with German elections, with apartheid policies and with the problem of Indians in South Africa (see Goodrich and Simons, cited above, chs. VIII and XIII).

[35] See a study of these "ad hoc concerts" in Ernst B. Haas, Types of Collective Security: An Examination of Operational Concepts, American Political Science Review, March 1955 (vol. 49, No. 1), p. 40.

[36] See Coral Bell, the U. N. and the West, International Affairs, October 1953 (vol. 29, No. 4), p. 464.

[37] In particular in the case of the Organization of American States.

[38] I. L. Claude, Swords Into Plowshares, New York, Random House, 1956, p. 122, comments that the Commonwealth has been the greatest exporter of insoluble disputes to the U. N. (Kashmir, Indians in South Africa).

[39] George Kennan, Realities of American Foreign Policy, cited above, p. 42.

[40] See George Kennan, Realities of American Foreign Policy, cited above, pp. 105–106.

[41] See François Perroux, L'Europe Sans Rivages, Paris, Presses Universitaires, 1954, especially pt. II; Percy Corbett, Congress and Proposals for International Government, International Organization, IV, pp. 383–399, 390; and Jean Rivero, Introduction to a Study of the Development of Federal Societies, International Social Science Bulletin, Spring 1952 (vol. 4, No. 1), p. 375.

[42] See the case against regionalism in economic organizations in Raymond F. Mikesell, Barriers to the Expansion of U. N. Economic Functions, Annals of the American Academy of Political and Social Science, November 1954 (vol. 302), pp. 39–40, and Perroux, cited above, especially pp. 399–415.

[43] See I. L. Claude, Individuals and World Law, Harvard Studies in International Relations, 1952.

[44] Hans Morgenthau, cited above, in Annals of the American Academy of Political and Social Science and Review of Politics; Edward E. Buehrig, The United States, the United Nations, and Bipolar Politics, International Organization, IV, pp. 573–584.

[45] See Edgar S. Furniss, Jr., A Reexamination of Regional Arrangements, Journal of International Affairs, May 1955 (vol. 9, No. 2), pp. 79–89.

[46] See a summary of M. Pineau's project in Le Monde, May 5, 1956, p. 2.

[47] M. Pineau's plan envisages also the establishment, within the world agency, of a board which would buy and sell surplus commodities produced by underdeveloped areas, and stabilize the market prices of raw materials.

[48] Advocated, for instance, by George Kennan, cited above, p. 59–60.

[49] Hans Morgenthau, cited above and The Yardstick of National Interest, Annals of the American Academy of Political and Social Science, November 1954 (vol. 302), p. 77; Jiri Liska, cited above.

would leave the field wide open to the Soviet Union. The Soviets, who adopted in the worst years of the cold war an attitude of disdain for the U. N., have now realized what possibilities of counterattack they have neglected; nor can the United States afford to abandon the U. N. in favor of pure bilateralism or regionalism. Each of the superpowers is, in a way, caught in the U. N. In spite of the partial excesses and the partial paralysis, the political organs must be preserved. By promoting diplomatic intercourse among all nations, they allow the more underdeveloped ones to use their participation as both a compensation for and as a weapon against the gap that separates them from the more advanced states. Also, if the world should return to multipolarity and stabilization, the U. N. must be there to perform at last the services that had been prematurely expected in the days of euphoria.[a]

Secondly, could the U. N. play the new economic and social role which we have suggested? The obstacle here seems to be the reluctance of the United States and Great Britain to allow the U. N. to play such a role, and to transfer a major part of their foreign-aid funds to the U. N. It has been suggested that the West might lose its freedom of movement on the economic front of the cold war if it accepted a system in which the smaller powers, and the U. S. S. R. itself, could control the use of western resources. This argument is debatable on two counts. It is better to risk providing the nations concerned with a sort of right of veto or a brake on the activities of a U. N. economic agency than to sow the seeds of grave economic rivalries, misallocation of resources, and social and international tensions by taking no initiative at all. Such would undoubtedly be the effects of the uncoordinated policies of nations which may all want to industrialize themselves without regard for the regional distribution of opportunities and the scarcity of investment funds. To resort to purely western initiatives made outside of the U. N. is to court failure, as the new nations fear colonialism in disguise and western cold war intentions. To wait for local initiatives is not very wise either. A study of existing economic agencies shows that, with the significant exception of the European coal and steel community and new continental European projects, American or British initiatives have been decisive.[b] The institution we suggest, which could be an irritating check on western policies, would also provide the West with a big and subtle channel for getting the main points of its policies across far better than through direct aid to a few selected allies; the dose of economic medicine administered to the peoples of underdeveloped areas through such an institution may be excessively sweetened in consequence of their objections, but it will still be administered to more.[c]

Furthermore, the opportunities that a U. N. agency might give to Soviet maneuvering are not greater than the opportunities the Soviets already have for exploiting nationalism and driving wedges between those nations closer to the West and the uncommitted ones. If the main Western Powers carry their hostility against the restraint exercised at their expense by the small nations so far that the more traditional emphasis on bilateral diplomacy and self-interest, narrowly defined, is preferred, then indeed Soviet strategy will have won. Bilateralism breeds separation, and further opportunities for political and economic conflicts. It allows the Soviets to outbid the West, or at least to drag the West into an endless bidding game. On the contrary, if the West did take the initiative in proposing a world agency on the lines we suggest, and if the Soviets refused to join in order to "go it alone," their own unilateral offers of aid would then become as politically suspect as western offers have sometimes become. The example of SUNFED should be kept in mind. The Soviets, in the beginning, were as cool to the fund as were the western industrial nations. Strengthening an important area of the non-Communist world could hardly have been welcome to the Soviets; but in 1954 and 1955 they saw that they could exploit western reluctance at no cost to themselves, and they rallied to the underdeveloped nations' claim for a rapid establishment of a fund. Western reticence and insistence on priority for bilateral aid may prove to be a serious mistake. American opposition, at first, to close bonds between the proposed atoms-for-peace organization and the U. N., and the shift, between 1953 and 1954, from a revolutionary and truly supranational institution to a mere clearing house, can also be criticized on these grounds. The more rapidly the world moves out of the situation of bipolarity, the more useful it will be for the West to deal with the underdeveloped, uncommitted members of the "third force" through a world organization, where their moves and maneuvers can be more easily controlled than if they too enjoyed total freedom from international restraints.

Finally, it remains necessary to discuss the chances of success of regional or functional institutions sponsored by a U. N. agency of the kind we have suggested. The record of existing regional and functional organizations such as NATO, the Colombo plan, the OEEC, the European Coal and Steel Community, and the OAS, does not really answer the question, because most of them have not been launched for the purposes and in the conditions we have advocated. However, the main conclusions have to be taken into consideration. In the first place, outside of the Soviet bloc in which regionalism is an instrument of Soviet hegemony, there has been no political integration. In political matters, interstate cooperation remains the most one can expect. Secondly, the greatest measure of effective supranational integration has been achieved, ironically enough, in military alliances.[d] This is an ominous sign indeed, whose meaning can best be seen in connection with a third conclusion. The most successful nonmilitary organizations are those which are squarely based on their members' calculations that the common agencies will bring benefits to them as nations; the framework of expectations remains the nation-state, not the larger area served by the agencies. States are more willing to confess their military insufficiency than their economic and social weaknesses. When it is a question of welfare, not of survival, the urgency seems smaller. This explains why NATO has never been able to play the same role in economic and political matters as in military affairs.[e] The only relative exception to the last conclusion is Western Europe, for the reasons which were indicated above. It is no accident that the only area in which individuals may appeal, in case of a violation of their rights, to a supranational body is part of the territory covered by the Council of Europe; and even there the process is a slow and limited one.[f]

Thus, the precedents show a need for caution and realism. Many serious objections must be contemplated. First, there are obstacles to the very establishment of the institutions we have advocated. The most obvious one is, again, the cold war. How will it be possible even for a U. N. agency to convince the new uncommitted nations to harmonize their development plans, and, as it may appear necessary, to denationalize a part of their economic resources and policies, when they are encouraged to stick to the nation-state by Soviet strategy and may even receive Soviet help if they refuse to join Western-inspired arrangements? There is no doubt about the crippling effect Soviet policy could have; but this is not a reason to give up trying, since this is precisely what the Soviet Union would like to force the West into. Furthermore the atoms-for-peace case shows that the West disposes here of such a powerful lever that even the Soviet Union cannot afford to remain aloof and hostile—or else, as in the Marshall plan precedent, in spite of all her threats and baits, the nations which see the advantages of such common enterprises will join at great cost to Soviet prestige.

A second obstacle can be called the vicious circle. The new institutions cannot be created without the consent of, and, especially in case of U. N. sponsorship, without a controlling role for the recipient nations. Will they not therefore be able to veto, for nationalistic reasons, more ambitious plans of supranational development, and end up with nothing more than the more timid and traditional intergovernmental cooperation schemes, loaded with safeguards and rights of veto? This may well be. But even modest schemes are better than unbridled competitions, and additionally, insofar as most of the functional plans would depend on support from the industrialized nations of the West, the bargaining power of the latter should not be underrated. The needs of the underdeveloped nations are such that if they had to choose between the discomforts of isolation and the sacrifice of sovereignty involved in joint development projects, it should not be lightly assumed that they would prefer the first, unless the West couched its appeal too much in cold-war terms, or asked at the outset for too many sacrifices of sovereignty. The possible advent of a third industrial revolution should give to the Western nations, who have such an advance in atomic energy experience, a very powerful counter. The debates in the 1955 General Assembly on atoms-for-peace have shown that the underdeveloped nations are willing to accept and even to promote joint undertakings as an alternative to the Western tactics of bilateral agreements, which they resent.

A third obstacle could prevent either the establishment or the efficient functioning

[a] See the concluding remarks of E. B. Haas, cited above, World Politics, January 1956.

[b] The contrast between the Colombo plan and the failure of the Simla Conference, where the initiative was left to the local leaders, is a case in point. See William Henderson, The Development of Regionalism in Southeast Asia, International Organization, IX, pp. 463–476.

[c] See Benjamin V. Cohen, The Impact of the United Nations on United States Foreign Policy, International Organization, V, pp. 274–281.

[d] The record of the European Coal and Steel Community, impressive as it is, does not rival NATO's and justifies Lincoln Gordon's question whether similar results could not have been reached without the apparatus of supranationality ("Myth and Reality in European Integration," Yale Review, September 1955 (vol. 45, No. 1), pp. 80–103).

[e] See on this subject Norman J. Padelford, Political Cooperation in the North Atlantic Community, International Organization, IX, pp. 358–366.

[f] In addition to trusteeship territories, of course, see P. Modinos, La Convention Européenne de Droits de l'Homme, Annaire Européen, vol. I, The Hague, Martinus Nijhoff, 1955.

of the suggested institutions. Will not the basic political antagonisms between states paralyze these agencies? Will not, for instance, the fear that the members might have of each other's ambitions or power prevent any joint undertaking? Or will not the nation which has the greatest resources and skills, or whose economic development will appear to be the most necessary for the whole area's advance, seize these advantages and impose gradually its domination over the other members under the cloak of supranational arrangements? Here, again, one must recognize that the risk does exist and that such fears may either play a deterrent role or saddle the institutions with crippling provisions for balancing purposes. It would indeed be naive to expect these institutions to put an end to power politics. They would provide new channels, new restraints, and new fields of action for it. But it would be equally naive to expect, in the absence of any joint undertaking, that the effects of uneven distribution of power would not be felt. They cannot be eliminated; but they can be softened and used for the common good if adequate common mechanisms are established. Thus, this objection is, and should be, a cause for great caution in the establishment of new institutions,[a] but definitely not for inaction.

The last objections bear upon the effects such mechanisms, if they are successfully established, might be expected to produce. On the one hand, it is suggested that the decentralization of allegiance to which we have referred will not take place because the various states will still act as a screen between the individuals and the supranational bodies. State borders might lose their political significance, but their psychological effects will be preserved, and the states will have a vested interest in not allowing too big a transfer of loyalty to the new units.[b] On the other hand, one might say that even if the states did not insist on keeping their subjects' full allegiance, the transfer of loyalty to utilitarian, technocratic bureaucracies deprived of any contact with the peoples they work for is very unlikely indeed. There really is no easy refutation of this argument; the dreams of rational internationalists have been shattered more than once; there is little doubt that the splitting of loyalties can only be the result of a very long process, and that it will require a period of peace in which the state's prestige and resistance to encroachment on its powers can be eroded. Common economic interests have not prevented nationalist explosions; nor can the institutionalization of these interests be expected to suppress them. In most parts of the world, on the most elemental and vital problems, the nation-state will keep the final say. But this is not an argument against trying both to remove the greatest possible number of questions from the sacred zone of nationalism and sovereignty to the unglamorous sphere of international cooperation and to create such patterns that even when the last word remains with the state, this word will be in no small way conditioned by the state's commitments and by the growing habit of common action.

[a] Safeguards that make cooperation possible, even though it will be slow, are better than schemes which disintegrate because they were too bold. The failure of EDC shows how necessary it is to provide for common mechanisms which do not create, among the weaker members, fear lest the potential superiority of one of the partners will be accentuated by the process of integration.

[b] See Hans Morgenthau, Politics Among Nations, cited above, p. 500; contra Quincy Wright, International Organization and Peace, Western Political Quarterly, June 1955 (vol. 8, No. 2, p. 149). See also I. L. Claude's discussion in Swords Into Plowshares, cited above, pp. 382–387 and 400–402.

V

If we state, then, what can be done, and compare it with what should be done, the prospects appear both modest and not at all hopeless. Far less can be done than the most ardent internationalists desire or sometimes expect. But somewhat more can be done than the spokesmen for reliance on "wise statesmanship" or on the manifestation of "perennial forces" seem to believe, and certainly quite a lot more should be tried.

The defenders and promoters of international organizations would have a much stronger case if they recognized frankly the two following limitations. First, there is no sudden mutation in world politics, and the forces that may some day break the crust of the nation-state can only be helped, not created, by international organization. This is why the basis of action remains the state, why the chances of truly supranational institutions, even limited to certain functions, are far smaller, in most parts of the world, than those of organs of international cooperation, why even ambitious supranational schemes might not operate very differently from these, and finally why in the new bodies power politics will continue. But this is not what matters. Power politics also survive in the internal affairs of any nation. What counts is the framework and the general direction of the process.

Secondly, the mushrooming of international institutions will not solve the fundamental issue of security.[a] They can be created on all sides of the big abysses that separate the nations and threaten world peace—the cold war, the colonial revolution; they cannot bridge the gaps. Here the balance of power between the superpowers, and between the crumbling empires and the rising new nations, are the decisive factors. The most international organization can do is to provide restraints on the superpowers and centers of cooperation between old and new nations after the colonial issue has been decided by force or by local agreements.

Once these limitations are accepted, the role of international organization should appear in its true light. Even if it were not much more than that of an amiable civilizer, it would still be a far bigger one than many challengers seem to suggest. They usually leave this role to traditional diplomacy. International organization as a fragile but still badly explored diplomatic method can, within its own limits, help the nations to transcend the limits of the nation-state.

TOTALITARIANISM IN OPERATION

Mr. ERVIN. Mr. President, yesterday I pointed out that certain of the so-called civil rights bills are designed to deprive American citizens of the right of trial by jury. On March 7, 1957, the DeKalb New Era, of Decatur, Ga., printed an editorial in which it made the following observations:

Trial by jury is one of the basic foundations of our Government. On it rests many of the most precious things in our life as a Nation of free people. Take that away and we have lost something of great value, a priceless thing the loss of which will in time bring down upon us our saddest and most tragic hour. Take that away and we have destroyed something without which we can no longer live as a free people.

I share in full measure these views. For this reason, I ask unanimous consent that the editorial be printed in full following my remarks.

[a] See Arnold Wolfers, cited above, and E. H. Carr, cited above, pp. 52–53.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOTALITARIANISM IN OPERATION

A strange and unheard of thing is taking place in this country, according to press articles.

The scene is laid in Clinton, Tenn., the same locality that has witnessed such violence in recent months. The school board was endeavoring to carry out the mandate of the Supreme Court and integrated its schools. Others in the town did all within their power to prevent integration. The board sought a court injunction to restrain this action. The case by all standards of State laws was to be tried before a jury.

But the Federal Government in the form of the Justice Department stepped in and has petitioned the court to strike the names of the plaintiffs (the school board) and substitute the name of the United States. If this is done under Federal laws the matter will be heard without a jury. Thus by this simple act the people of Clinton are faced with a case brought by their school board being heard and decided without a jury. For all intents and purposes trial by jury in this instance has been abolished.

Without considering the merits or demerits of the issues involved, but looking only to the action of the Department of Justice, the matter takes on all the appearances of what is going on behind the Iron Curtain. Trial by jury is one of the basic foundations of our Government. On it rests many of the most precious things in our life as a Nation of free people. Take that away and we have lost something of great value, a priceless thing the loss of which will in time bring down upon us our saddest and most tragic hour. Take that away and we have destroyed something without which we can no longer live as a free people.

Such a hideous thing is unheard of in this country except in the executive sessions of gangsters and their ilk. It is of the very essence of totalitarianism, of tyranny. It is the beginning of the end of freedom. Others in recent years have proposed enactments that would have given the Federal Government the right to try a citizen in a bailiwick of its own choosing, far removed from the home of his friends and neighbors. But nothing like this has ever been attempted. It presents to the American people a fearful possibility.

It is high time the people of this country begin to think seriously of what is taking place, of the perilous dangers cunningly injected into the most commonplace activities, of the slow creeping but ruthless usurpation of rights that are and that always have been inherently found in our principles of government. We have been repeatedly warned by those who know. In our complacency we have winked at these warnings, and scoffed at the idea of America losing her freedom. The hour gets late. Shadows grow more somber. The distant rumble of storms to come are clearly audible. If we are wise we will note these things and will get up ways and means to preserve for our children those good things that our fathers have passed on to us.

VETERANS FACE HOUSING LOAN CRISIS

Mr. JAVITS. Mr. President, a serious crisis in housing for veterans exists. I have stacks of letters reading exactly like this:

I am a veteran that served in the Army from 1942–46. After my discharge I completed college and started working in industry. At the present time I have saved sufficient money to make a downpayment on a

house. However, I find that it is impossible to obtain a GI loan from any of the banks in this vicinity. I personally checked 12 banks and found them consistent in their refusal to accept a GI loan.

The opportunity for a VA-guaranteed mortgage loan is one of the great opportunities extended to our veterans. None of us I am sure would want to see one of the most valuable elements of the GI bill of rights wiped out by the inability of our system of government to meet its full intent. That this is, however, the case right now is shown by the fact that mortgage money on VA loans at 4½ percent has practically dried up. With competition for available funds of banks, insurance companies and other lenders very great for industrial improvement, consumer credit and other prime loans, with FHA loans at 5 percent and other Government-insured loans like those for the building of new ships yielding better than 5½ percent, not only are new loans hard to obtain but even existing house-purchase contracts cannot be closed. I am advised that in the Long Island area of New York alone: "Present mortgage commitments of local banking institutions amounting to well over $100 million must perforce be canceled if veterans are not allowed to compete realistically for mortgage funds. This means that less than one-half of the 20,000 projected units will be built on Long Island this year and the well-organized construction industry thrown into chaos."

As the money market has grown tighter, VA loan authorizations especially, and FHA loans, too, have taken a nosedive. Comparing January and February 1956 with January and February 1957, the percentage of the privately financed nonfarm housing starts financed by VA loans has gone down from about one-third to under one-sixth or by about 50 percent; while the number financed by FHA loans has also been cut 50 percent. Also, we have seen a catastrophic drop in the number of such housing starts from an average of about 75,000 in January and February 1956 to an average of 62,000 in January and February this year. Based on the February rate, aggregate housing starts for 1957 are at an 8-year low of 910,000—20 percent under the 1956 rate—and falling. February did not show any increase, while February 1956 showed an increase over January 1956 of 8 percent.

In my own State of New York, housing starts for 1956 were 21 percent under 1955, and are still falling.

Home construction accounts for about one-third of total construction, one-third more being in commercial construction, and the other one-third in public construction. But the housing one-third, automatically regulating, as it does, demands for autos, appliances, home furnishings, and many other items, is a key factor in the continuance of prosperous economic conditions.

The real and present danger to the whole economy of this dramatic diminution in the rate of housing construction—apparently heavily attributable to the collapse of the VA housing-loan program—is real, clear, and immediate.

It is our duty to waste no time about doing what we can to reverse the trend. The Subcommittee on Housing of the Banking and Currency Committee is holding hearings currently on this vexing subject. We are told that the way to deal with the situation is to raise the interest rate on VA loans from 4½ to 5 percent, and that is, indeed, the principal recommendation of the administration. In addition, a reduction in downpayments on FHA-loan housing is also recommended. But the problem is that competition is for the supply of money, and if VA loans are going to be entered unaided in that race there is no assurance whatever that the veterans will come out all right. Indeed, the evidence is all the other way.

A report of the Housing Committee on Veterans' Affairs, dated January 15, 1957, commenting on the increase in interest rate on VA loans from 4 to 4½ percent in 1953, states: "It is still questionable today that the increase in the interest rate from 4 to 4½ percent created a greater participation in the program, because almost immediately after the increase the lenders introduced the discount practice on veterans' loans." The discount has in effect increased the interest rate on VA loans to 5 percent or more right now, for discounts vary in the principal centers of the country on these VA loans between 5 and 8 points. For this purpose, I am submitting a chart from the magazine House and Home, of March 1957. A 4-point discount would yield a return approximately the equivalent of one-half percent interest rate.

The basic problem appears to be far more the inadequacy in the funds available for guaranteeing home loans rather than in the interest rate. Indeed, it should be our long-range interest, considering the productivity and security of a country and our determined fight against inflation, to prevent interest rates from running away.

Accordingly I urge upon my colleagues realistically meeting this emergency by increasing the funds available for VA-guaranteed home-loan mortgage lending. This can be done, first, by enactment of the Johnson bill of which I am a cosponsor which will provide $1,300,000,000—1 billion 300 million—of additional money for direct loans at the 4½-percent rate, being 25 percent of the National Service Life Insurance Fund—the veterans' own reserves. Before an interest-rate increase can be justified, this must be tried. Second, legislation to allow certification of FHA- and VA-guaranteed mortgages. This is analogous to participation in mutual-fund investment. Such certificates may be available readily for sale—without responsibilities of servicing—to the private pension and retirement funds of the country with assets in excess of $20 billion which are growing at the rate of $4 billion a year. These are the reserves and trust funds of millions of American workers and should certainly be put to work in big part to meet a housing emergency involving millions of Americans, particularly veterans. Especially when such investments are perfectly safe in Government-guaranteed obligations and can earn more than is paid on stocks bought at current prices in which these funds are now so heavily invested.

The urgency is very great; frustration and dismay face millions of prospective homeowners, including veterans, and a grave threat is growing to our economic stability. Congress has it within its own power to act decisively to deal with the situation, directly to have a beneficent effect upon the whole economy and to stop the trend which could be disastrous and which is so clearly apparent today. I hope very much that the Senate committee in charge will act decisively and quickly, for time is very much of the essence.

Mr. President, I ask that the chart from the magazine House and Home be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

MILWAUKEE FIRM TO INSURE MORTGAGES AT LESS THAN HALF FHA RATE

Best evidence yet that FHA is charging too much for its mortgage insurance came last month from Milwaukee.

Mortgage Guaranty Insurance Corp., 704 W. Wisconsin Avenue, announced plans to offer private mortgage insurance for less than half what FHA charges.

FHA collects a straight ½ percent per year on declining mortgage balances (and has piled up $313 million section 203 reserves in 22 years of doing so). The Milwaukee firm will charge ½ percent the first year, but only ¼ percent on the declining balance thereafter. Alternatively, and 25 percent cheaper still, it will offer a single premium to cover the first 10 years of a loan (almost the entire risky portion). Rates will range from 1¼ percent to 2 percent, depending on the length of amortization.

The plan was still subject to approval by Wisconsin's State insurance department when this was written. But Milwaukee sources expected no opposition. Mortgage Guaranty having assured two apprehensive title companies that it did not plan to jump into the title business through the back door.

Board chairman Max H. Karl, who is a member of the Milwaukee law firm of Frank, Karl & Bossman, expects to expand the plan gradually from Wisconsin to other States. Ultimately, he hopes to operate in all States but New York, which has a law against private mortgage guaranty firms. Mortgage Guaranty has an authorized capitalization of $500,000. Karl says the minimum requirement of $250,000 has been raised.

The company will insure first mortgages subject to these requirements and ceilings:

Twenty-five thousand dollars loan up to 25 years.

Must be amortized.

One- to four-family nonfarm residential property, owner-occupied.

Eighty percent of value as per appraisal acceptable to the company.

Satisfactory credit report.

Mortgage Guaranty's plan will contrast sharply with FHA's redtape and centralized (e. g., bureaucratic) control. Items:

1. There will be no interest limits.

2. Credit reports will be farmed out—to rating firms acceptable to the insurer.

3. A master insurance policy will eliminate need for the company to sign individual mortgage notes.

4. If the mortgage on a property is foreclosed, Mortgage Guaranty will waive any claim against the borrower if the sale of the property brings less than the loan balance.

Mortgage market quotations (sale by originating mortgagee, who retains servicing) as reported to House & Home the week ending Feb. 8

City	FHA 5s (sec. 203) (b)						VA 4½s					
	Minimum down [1] 30 year		Minimum down [1] 25 year		25 year, 10 percent down		30 year, 2 percent down		25 year, 5 percent down		25 year, 10 percent down or more	
	Immediate	Future	Immediate	Future	Immediate	Future	Immediate	Future	Immediate	Future	Immediate	Future
Boston local	[2] 101	[2] 101	[2] 101	[2] 101	[2] 101	[2] 101	(3 4)	(3 4)	(3 4)	(3 4)	(3 4)	(3 4)
Out-of-State	94	(5)	95–96	(5)	95–96	(5)	91	(5)	92	(5)	(5)	(5)
Chicago	[2] 97½–98	[2] 97½–98	[2] 98	[2] 98	[2] 98	[2] 98	[2 6] 93–95	[2 6] 93–95	[2 6] 93–95	[2 6] 93–95	[2 6] 93–95	[2 6] 93–95
Cleveland	97–98	96–97	98–99	97–98	98–99	97–98	(3 7)	(5)	(5)	(5)	(5)	(5)
Denver	97–98	97–98	97–98	97–98	97–98	97–98	(5)	(5)	(5)	(5)	(5)	(5)
Detroit	97–98	97	98–99	98	98–99	98	93–94	93	94–95	94	94½–95½	93½
Houston	[2] 98	(5)	96½–97	(5)	[2] 97–97½	(5)	91	(5)	91½	(5)	92½	(5)
Jacksonville	97–98	(5)	97–98	(5)	97–98	(5)	90–92	(5)	90–92	(5)	90–92	(5)
New York	[2] 99	[2] 99	[2] 99	[2] 99	[2] 99	[2] 99	[2] 95–96	[2] 95–96	95–96	95–96	[2] 95–96	[2] 95–96
Philadelphia	98	(5)	98	(5)	98	(5)	[2] 93	(5)	93	(5)	93	(5)
San Francisco	(5)	95	(5)	95	(5)	95	91–91½	89–91	91–91½	89–91	91–91½	89–91
Washington	97½	97	97½	97	97½	97	92	(5)	92	(5)	92	(5)

[1] 7 percent down on 1st $9,000.
[2] Par.
[3] No activity.
[4] A few loans at par for public relations effect.
[5] Very limited market.
[6] No project market; only individual houses.
[7] Only market FNMA.

Sources: Boston, Robert M. Morgan, vice president, Boston Five Cents Savings Bank; Chicago, Murray Walbach, Jr., vice president, Draper & Kramer, Inc.; Cleveland, William F. Doyle, vice president, Jay F. Zook, Inc.; Denver, C. A. Bacon, vice president, Mortgage Investments Co.; Detroit, Stanley M. Karp, president, Citizens Mortgage Corp.; Houston, Everett Mattson, vice president, T. J. Bettes Co.; Jacksonville, John D. Yates, vice president, Stockton, Whatley, Davin & Co.; New York, John Halperin, president, J. Halperin & Co.; Philadelphia, Lawrence J. Stabler, vice president, W. A. Clarke Mortgage Co.; San Francisco, M. V. O'Hearn, vice president, Bankers Mortgage Company of California; Washington, D. C., Hector Hollister, vice president, Frederick W. Berens, Inc.

NOTE.—Immediate covers loans for delivery up to 3 months; future covers loans for delivery in 3 to 12 months. Quotations refer to prices in metropolitan areas; discounts may run slightly higher in surrounding small towns or rural zones. Quotations refer to houses of typical average local quality with respect to design, location, and construction.

NEW YORK WHOLESALE MORTGAGE MARKET

Prices on the open wholesale market in New York City, for out-of-State loans, as reported the week ending Feb. 8 by Thomas P. Coogan, president, Housing Securities, Inc.:

VA and FHA 4½s (minimum down, 25 or 30 years):
Immediates 91–93
Futures 90–93

FHA 5s (minimum down, 25 or 30 years):
Immediates 95–96
Futures 94–95

NOTE.—Prices are net to originating mortgage broker (not necessarily net to builder) and usually include concessions made by servicing agencies.

FNMA PRICES, EFFECTIVE JAN. 30, 1957

For immediate purchase. Subject to ½ point purchasing and marketing fee and 2 percent stock purchase. Mortgage ratios involve outstanding balance of loan to (1) purchase price (excluding closing costs) or (2) FHA or VA valuation—whichever is less. FHA prices cover secs. 203b, 203i, 222, and 213 individual mortgages.

States	Loan to value ratios					
	FHA 5's		FHA 4½'s		VA 4½'s	
	90 percent or less	Over 90 percent	90 percent or less	Over 90 percent	90 percent or less	Over 90 percent
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	98½	99	96½	95	96½	95
Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania	98	98½	96	94½	96	94½
Alabama, Arkansas, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, Wisconsin, Puerto Rico	98½	98	94½	94	94½	94
Arizona, California, Idaho, Kansas, Louisiana, Michigan, Montana, Nevada, New Mexico, Utah, West Virginia, Wyoming, Hawaii, Virgin Islands	98	97½	94	93½	94	93½

NOTE.—If remaining term of an FHA sec. 213 individual mortgage exceeds 20 years, the price shown is reduced by ½ percent for each 5-year period (or part thereof) above 20 years.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, I have a series of insertions for the RECORD which, under the 3-minute rule, would take me 12 minutes, since I desire to make introductory comments on them.

I ask unanimous consent that I may speak for 12 minutes.

The PRESIDENT pro tempore. Is there objection?

Mr. YOUNG. Mr. President, reserving the right to object, will the Senator yield to me for half a minute?

Mr. MORSE. I am perfectly willing to wait until all the other insertions have been made.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Oregon? The Chair hears none, and the Senator from Oregon may proceed.

Mr. MORSE. Now the Senator from North Dakota may proceed. I am waiting for the other insertions to be made.

(Mr. YOUNG, on behalf of Mr. LANGER, asked and obtained leave to have certain telegrams printed in the RECORD, which appear under the proper heading when the Senate resumed the consideration of S. 1451.)

DISTRICT OF COLUMBIA SCHOOL LUNCHES

Mr. HUMPHREY. Mr. President, I am sure many of my colleagues were as shocked as I was to read in the Sunday Washington Post that youngsters were going hungry in the Nation's Capital—and yet there is no school-lunch program in the District's schools.

It is incredible that in a country of our abundance, children should be neglected within the shadow of the very Chamber where we are gathered.

We have provided for making our surplus food available throughout the Nation and throughout the world to combat hunger, yet we find it existing in our own backyard.

We have school-lunch programs, welfare surplus distribution programs, special milk programs—yet Washington, D. C., children are left out.

Why?

That question must be answered, and answered at once.

Must the District of Columbia be penalized just because it lacks the stature of a State, or lacks self-government?

Mr. President, I ask that the chairmen of both the District of Columbia Committee and the Senate Committee on Agriculture, the latter committee having developed these distribution programs, immediately undertake a thorough joint investigation of this intolerable situation, with the objective of seeing that the District participates fully in these food-distribution programs helping to alleviate human suffering elsewhere.

We cannot hold up our heads if we do any less.

Mr. President, I ask unanimous consent that the rather appalling and pathetic article to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUNGER STALKS CHILDREN IN SOUTHWEST AS VOLUNTEERS PLEAD FOR FOOD

(By Eve Edstrom)

Hunger haunts the young in Southwest Washington.

It is no ghost. It can be seen at every step.

It is in the listless body of the 4-year-old whose head and hands droop forward after he delivers his mother's note which says:

"Could you lend me two car tokens to go to the welfare?"

It is in the pinched, pale face of the 7-year-old who clutches a pound of butter under his coat—and runs.

And it is in the none-of-your-business attitude of the 11-year-old who, in desperation, was asked: "How, how can you be reached?"

"Fear or cookies—that's how you'll reach me," he replied.

"And that seems to be the way many of the children feel—scare me or feed me," says Miss Jule Bouchard, director of Barney Neighborhood House, a Red Feather settlement in the heart of the redevelopment area at 470 N Street SW.

To a handful of volunteers able to feed only a handful of these children, it is "incredible" that the District has no hot lunch program for its elementary school children and is making no use of available surplus food for families on relief.

This was pointed out last week in a letter to School Superintendent Hobart M. Corning. One of the volunteers, Mrs. Lawrence S. Lesser, wrote:

"With all the surplus food that is being sent abroad (and I agree that it should be) it seems all the more wicked and incredible that in the shadow of the Nation's Capitol young children should find it necessary to be out at night scavenging in garbage pails for food * * * This situation could be partially alleviated if these children received at least one adequate meal a day."

How much does just one meal mean to an elementary school child?

Nine-year-old Johnny, who is one of a family of 15, can answer that—just by his actions.

Johnny was enrolled in a school near Barney and was selected for its limited hot-lunch program in December. His family moved out of the area and Johnny was sent to another school 16 blocks away.

Daily he trudged the 32 blocks to and from Barney to get his lunch.

"We couldn't turn him away but he couldn't continue to walk that distance, particularly during the cold, winter months," Miss Bouchard said.

DAILY FOOD DOLE

One of the volunteers agreed to donate a monthly check so that Johnny could purchase his lunch nearer to his school. His teacher gave him the money each day to buy a hot lunch served at an adjacent junior high school.

This arrangement worked well—until 12:45 p. m. Tuesday when Johnny was back on Barney's doorstep.

He didn't ask for food. He looked at his feet as he said:

"We had another teacher today and she didn't know."

"We'll take him back to school and explain what happened," Miss Bouchard said, "but you see that is the only place he knows of to get food."

Barney is only able to feed 20 to 25 children like Johnny each noon.

"Several of the children we serve are in ungraded classes," Mrs. Lesser pointed out to Corning. "Others are hovering on the verge of TB or have serious heart conditions or nervous disorders.

"Also, although it is difficult to prove, we feel that there must be a correlation between malnutrition and the large incidence of juvenile delinquency among the older children in these families."

MALNUTRITION ESTABLISHED

The malnourishment of these children is an established fact.

"We get any number of malnourished children who come to us because they are complaining of stomach aches," says Dr. John R. Pate, of the Southwest Health Center.

"The stomach aches don't come from a lot of something in their stomachs. They come from a lot of nothing.

"I've just seen a 9-year-old who weighs 25 pounds * * * but that weight doesn't tell the story. We have two boys who come here, both are 14. One weighs 72 pounds, the other weighs 176 pounds. Both are malnourished."

Blackened teeth, pinched faces, bloated stomachs are the outward signs of ill health seen in Southwest's children.

The inward scars leveled by family living in Southwest also are discernible. They are shown:

In the frightened eyes of the child who doesn't take his clothes off at night because he never knows when he must run from his drunken father.

In the sobs of the little girl of normal intelligence who lives with a babbling idiot of a mother.

In the disturbed behavior of the two children who saw their father stab their mother.

The story of Southwest's problem families are known to many. It is one of the reasons why United Community Services wants to work hand-in-hand with the housing redevelopers on a pilot project in human redevelopment.

But as Miss Bouchard points out, before positive work can be done with these families, they must have food.

It was because of Miss Bouchard's concern over the lackadaisical attitude of a number of Barney children that the settlement house's board of trustees agreed that an attempt should be made to feed them.

"The children couldn't concentrate because they were hungry," she said. "The lack of food has a direct relationship on their behavior and on their performance in school."

A few trustees put up money to buy food. A volunteer, Mrs. John F. Davis, 4704 River Road NW., corralled her friends to prepare the food and serve the lunch.

NO PLACE FOR LUNCH

Mrs. Davis' interest stemmed from her attempts to buy lunches for some of the children but she found there was no place to get a good lunch near the school.

Only a couple of Mrs. Davis' friends, who serve lunch at Barney, live in the District. The majority are from suburbia, either Montgomery County or Arlington, where they know the worth of a school lunch program in elementary schools even for the advantaged child. Hot lunches are part-and-parcel of the elementary school programs throughout Maryland and Virginia.

It took only a few weeks for the women to spot the gaping holes in both school and welfare services to the District's less fortunate children.

They exploded the school administrative theory that elementary school children don't need lunch programs because the schools are in the neighborhood where the children live and they can go home to eat.

"In a number of areas," Mrs. Lesser pointed out, "many of the mothers of these children are either employed during the day or are on relief."

YOUNGSTERS GO WITHOUT

"The result is that the younger schoolchildren in these families get no lunch whatsoever, either because there is no one at home to prepare it, or because with the less-than-minimum subsistence allowed under the relief budget, there is no food available."

It is not only Washington's inadequate relief program but its inexplicable regulations, the women found, that makes the need for a school-lunch program most acute.

"It is very well to state people should help themselves," Elizabeth Gorlich, a social worker in the neighborhood, notes, "but relief families are penalized when they do.

"Just down the street from Barney is a teen-ager who got a job, delivering newspapers. But when he learned a portion of his earnings was going to be deducted from his mother's relief grant, he said: 'What's the use?' and gave up his newspaper route."

The fact that families cannot supplement their meager grants without suffering deductions has given rise to the term "grocery bag baby" in Washington.

This stems from the fact that some mothers establish unwholesome relationships with men to help buy the family groceries. When a new baby appears in the household, mother and her children then are cut off from relief.

"You can say that mama shouldn't do what she is doing, but who can say that children should suffer for it?" Barney workers say.

Barney's board of directors has observed that these families could supplement their diet if the District would take advantage of surplus food distributed by the Agricultural Marketing Service.

Thirty-nine States have contracts with the Department of Agriculture to obtain this food. Many cities, such as Philadelphia, Pittsburgh, New York and Detroit, give food grants along with money grants to families in need.

Such a proposal, Welfare Director Gerard M. Shea reports, has been forwarded to the District Commissioners. Action on it has been delayed, he said, pending completion of a total review of the District's relief policies.

The Welfare Department also is pushing for legislation which would grant it authority to give emergency assistance to families whose breadwinner is ablebodied but temporarily unemployed.

"These families, who qualify for no relief of any kind in the city, are the worst off," states Miss Bouchard.

The task of getting food to these children, states Mrs. Lesser in her letter to School Superintendent Corning, "is not and should not be" a problem for private charities.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I am glad the Senator has raised the question. Let me say, as chairman of the Public Welfare Subcommittee of the Senate Committee on the

District of Columbia, that I had planned to hold hearings on this very subject. In view of the fact that it is basically a District of Columbia matter, I think it ought to be left with the subcommittee of the Committee on the District of Columbia. We would be delighted to have any member of the Committee on Agriculture and Forestry join with us in an advisory and consultative capacity, but I think it is a subject which should be handled within the jurisdiction of my subcommittee. I can assure the Senator that it will be handled.

Mr. HUMPHREY. Inasmuch as the Senator from Oregon has already indicated his intention to hold an inquiry relating to this subject, I know that it will be given first-class and very careful treatment. I shall look forward to visiting the subcommittee hearings.

Mr. MORSE. I should like to have the Senator to sit with me.

Mr. HUMPHREY. That would be agreeable to me.

OVERHAUL NEEDED FOR DEPARTMENT OF THE INTERIOR TIMBER SALES PROGRAMS

Mr. MORSE. Mr. President, on various occasions I have called attention to situations concerning which I thought that the press has erred in reporting the facts, and it always pleases me whenever I see the facts faithfully reported by the press.

PRESS EXPOSES MANAGEMENT

On February 3, A. Robert Smith, a reporter for several Oregon newspapers, ran a story under his byline which indicated that a private consultant for the Bureau of Land Management had told that agency that they had lost $5 million as a result of their sales practices. Smith faithfully reported the facts, and, so far as I can determine, the Oregon newspapers carried his story as he wrote it.

I ask unanimous consent that Mr. Smith's story be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

[From the Eugene (Oreg.) Register-Guard of February 3, 1957]

LIMITED O. AND C. BIDS CAUSES INCOME LOSS

(By A. Robert Smith)

WASHINGTON.—Oregon's O. and C. counties and their taxpaying residents have lost some $5,000,000 in timber revenues during the past 3 fiscal years because of limited competition in O. and C. timber sales.

This is the estimate of a private forestry specialist, Paul F. Graves, in a report to the Bureau of Land Management on the effectiveness of marketing area restrictions. His conclusion, that marketing area lines should be eliminated, is that these long-time restrictions have contributed to the limited competition and thereby have reduced revenue which goes into county treasuries from O. and C. timber sales.

The BLM has yet to decide whether it will follow Graves' recommendation. The Bureau, however, has set a hearing in Portland on March 1 on marketing areas. A similar hearing last April on the question of abolishing marketing restrictions on salvage timber drew a wide variation of views. The restrictions, however, were removed.

Graves, who is a professor of forest management at Syracuse University, last summer made a 2-month study for the BLM of marketing area restrictions in Oregon. His purpose was to determine the extent to which marketing areas have served their purpose of contributing to the stability of communities.

Marketing area restrictions have been in effect on O. and C. timber since 1948, in order to limit sales to mills which will do the primary processing of logs within the area in which they are cut. The Senate Interior Committee, after long hearings on timber sales policies last year, recommended the abolishing of restrictions.

Graves' report, which hasn't been made public but has been obtained by this reporter, pointed out that BLM sales have averaged only about half as many bidders per sale during the past 3 years as have Forest Service sales in the same general communities. Both types of sales have been almost wholly by oral auction. The Forest Service does not impose marketing area restrictions. Graves added that sale prices for timber have on the average increased consistently with the number of bidders.

In his analysis, Graves found that, in the absence of good competition in bidding for O. and C. timber, the taxpayers have lost substantial potential income from the harvest of Federal timber. O. and C. counties divided up 75 percent of all revenue from O. and C. timber sales, although now they are putting roughly a third of their revenue into building access roads.

Graves reported that if there had been an average of three bidders per sale during the past 3 years, the increase in total revenue would have been $5,885,211, of which $4,413,909 would have gone to the counties. With more than three bidders, the total would have been $7,656,908, with the counties' share $5,743,681.

Graves contended, therefore, that by restricting competition below three bidders per sale, marketing areas may have been responsible for the counties' losing about $1.5 million annually.

He said that, in all probability, reduced timber sale prices have resulted in either higher earnings for company executives and corporate balance sheets, or have served to protect and subsidize inefficiency within the mills that have benefited from the cheaper stumpage.

Moreover, Graves reported, he found no evidence of millworkers being paid higher wages by mills obtaining cheaper timber, or of such mills taking steps to assure continuity of wood supply and stability of operations for the benefit of the community's future economic well-being.

Graves said he found that the heaviest impact of potential revenue loss occurred in the south coast, Rickreall and Santiam master units, and in marketing areas where there have been the highest percentages of single bidder sales. He noted that a number of mill operators in these areas have been strongly in favor of continuing marketing restrictions.

In the south coast area in 1956, he said, sales that went to single bidders averaged about $17 per thousand board feet less than those that involved competitive bidding among more than three bidders. The figures for the 2 previous years, he estimated, were nearly $15 for 1955 and $7 for 1954.

Graves suggested, furthermore, that virtually all timber sold in western Oregon, whether by the Forest Service or BLM, is processed in nearby mills. He said all of the 4 billion board feet of Federal timber sold by both forestry agencies in this area during the past 3 years, in sales where competition was provided by several bidders, was purchased by operators located within 65 miles of the timber.

By Graves' estimate, Lane County would have received approximately $750,000 more in the past 3 years from O. & C. timber sale receipts. Lane in 1956 received $1,837,619, and in 1955 $1,315,480.

Mr. MORSE. On February 19 the Department of the Interior issued a press release stating that its consultant's report refutes these stories in the press.

I ask unanimous consent that the press release of the Department of the Interior be printed in the RECORD at this point as a part of my remarks.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

EXHIBIT 2

1954–56 SALES OF O. AND C. TIMBER $15.7 MILLION ABOVE OTHER FEDERAL PRICES

Timber sales from Oregon and California railroad revested lands in western Oregon averaged 40 per thousand board-feet more than prices paid for other Federal timber of like quality in the same general area and period, according to an independent study made by Prof. Paul F. Graves, of the New York College of Forestry.

The Graves report on comparative marketing prices in the timber-rich O. and C. lands was released today by the Bureau of Land Management of the Department of the Interior. It refutes published statements to the effect that marketing procedures for O. and C. timber might have cost the 18 O. and C. counties potential additional revenues.

The official tabulation shows that BLM timber sales during the past 3 years were worth $54.9 million to the counties and the Federal Government, BLM Director Edward Woozley said, "whereas, if we had sold the same volume of timber at the lower prices that were paid for other Federal timber during the 3-year study period it would have brought $15.7 million less than the amount actually realized."

A primary purpose of the Graves study was to help determine the advisability of holding a public hearing on proposed abolishment of O. and C. marketing area restrictions.

The hearing is scheduled for March 1, 1957, in Portland, Oreg.

The regulations governing the 12 marketing areas require that O. and C. timber must be manufactured in the immediate area of its origin.

The Graves report compares O. and C. timber prices and prices paid for other Federal timber in the O. and C. area.

The tables show that annual price averages of O. and C. timber during the study period were $19.02, $29.56, and $36.69 with an overall average exceeding $29 per thousand board-feet. For other Federal timber in the same general area the annual averages were $11.73, $15.88, and $32.56 with a general average of about $20 per thousand board-feet. The study period covered fiscal years 1954, 1955, and 1956 for BLM sales, and the calendar years covering approximately the same period for other Federal agencies.

Woozley said that more access roads have been built, more salvage timber harvested, higher salaries paid, more advice has been sought from local advisory boards, and more cooperation given county governments since 1953 than has been true during any other administration.

He pointed out that both the access-road regulations and area marketing restrictions were established prior to 1951 and that the road regulations have been revised since 1953.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks, as exhibits 3 and 4 a subsequent article in the Medford Mail

Tribune and an excellent editorial from the Eugene Register-Guard.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EXHIBIT 3

[From the Medford Mail Tribune of February 26, 1957]

"PAPA KNOWS BEST" ATTITUDE DISPLAYED BY BLM IN HANDLING MARKETING OF O. AND C. TIMBER

(By A. Robert Smith)

WASHINGTON.—The Bureau of Land Management has just displayed what a House investigating subcommittee was talking about when it said that too many agencies have adopted a "papa knows best" attitude in keeping legitimate information concerning public issues from the public at large.

BLM has now made public a report prepared by a private forest expert, Paul F. Graves, but the manner in which it did so bears describing as an illustration of the heart of the problem raised by the tendency of Government officials to clamp a tight lid on any information that will not reflect favorably on their agencies.

The Graves report is critical of BLM's long-standing policy of imposing marketing restrictions on the Federal timber it puts up for bid on western Oregon's O. and C. lands. Its most sensational conclusion is that these restrictions have limited competition, thereby reducing bid prices for O. and C. timber and in turn causing the 18 O. and C. counties that share timber revenues to lose in the neighborhood of $5 million over a 3-year period.

Professor Graves, of Syracuse University, studied the O. and C. situation for 2 months last summer, then submitted his carefully documented report in October. The report was held in confidence by Bureau officials who relished not the thought of the commotion it might stir up in behalf of changes in BLM policies.

BLM had hired Professor Graves to make the report because of pressure from Congress, for the Senate Interior Committee last summer concluded a long study of Federal timber sale policies with a recommendation that marketing area restrictions be reconsidered. The committee requested that BLM study the problem and report back on whether it would continue or erase marketing areas, and the reasons why.

Some weeks ago BLM announced it would hold a public hearing in Portland March 1 to let the issue be debated. But, according to informed sources, BLM had no intention of disclosing the contents of the Graves report prior to that hearing. Obviously, it would provide the most lethal ammunition for opponents of BLM policy.

Meanwhile, a newspaper reporter gained access to the contents of the report, and his story in this newspaper made headlines over the finding that the counties were losing money due to BLM's restrictions on free competition for timber.

BLM acted with typical "papa knows best" form. Off its mimeographed machines came a press release purporting to describe what was in the Graves report—yet it didn't even hint that Graves had been critical of marketing restrictions or had recommended their demise. BLM's press release, indeed, ignored the entire 115-page narrative in which Professor Graves first describes O. and C. timber sale practices and their economic effect on local lumbering communities and then reaches his conclusions that they should be changed.

In an effort to distract attention from this conclusion, BLM dug deep into the appendix to find statistics in a set of tables from which it concluded that BLM sale prices were about $9 per thousand board feet more than those received by the Forest Service in the same general area. BLM argued that it would have received $15.7 million less than it did in the 3-year study period if it had followed practices of the Forest Service, which does not impose marketing limits.

STATEMENTS REFUTED

Candidly admitting the purpose of its press release, BLM then claimed this refutes published statements to the effect that marketing procedures for O. and C. timber might have cost the 18 O. and C. counties potential additional revenue. BLM sought to give the impression that its conclusion was the kernel of the Graves report, when in fact the professor didn't even discuss it.

In any event, deliberately distorted as it was, this representation compelled BLM to make public the report it would have preferred to sit on as though it had an inalienable right to decide what facts of Government should be withheld from public scrutiny.

EXHIBIT 4

[From the Eugene (Oreg.) Register Guard of February 27, 1957]

BLM SMOKE SCREEN ON MARKET AREAS

The Bureau of Land Management has someone on its staff who can add apples to oranges and come up with a smoke screen.

The Bureau, in relating a study of O. and C. marketing areas made last summer by Paul Graves, of Syracuse University, attempted to refute an earlier report in which Graves estimated the marketing restrictions on timber had cost the 18 O. and C. counties some $5 million in the last 3 years. The story the Bureau tried to refute was carried by this paper 2 weeks before the Graves report was released. It was written by A. Robert Smith, our Washington correspondent. It quoted Graves' findings accurately.

The BLM's version is that its timber drew an average of $9 a thousand board feet more during the last 3 years than timber from the national forests. This is true, but it doesn't take into account the basis differences in timber quality, accessibility, appraisal methods and all the other factors involved in the sale of public timber.

And, it skirts completely the question of competition. With the same figures used by the BLM it is possible to show that there is greater competition for national forest timber. BLM timber in western Oregon in 1956 was appraised at an average price of $26.41. It was purchased for an average of $38.69—an increase of 46 percent over the appraisal.

National forest timber was appraised at an average of $18.21. It was purchased for an average of $32.58 from the five national forests in western Oregon. The increase of bid over appraisal was 78 percent.

In view of the hearing Friday in Portland on marketing areas, we feel that it is important to challenge the Bureau's attempt to minimize one section of an impartial report which it initiated.

We do not, however, feel that what happened in the last 3 years, whether the counties lost money or not, is the question at issue.

The question is whether the marketing areas are, today, serving any useful purpose. Graves says they are not.

Since the only official press release on the Graves report was concerned with an attempt to cast a smoke screen before the public, we trust there is no significance in the fact that that same press release failed to mention a single one of Graves' findings.

W. D. D.

DEPARTMENT OF THE INTERIOR TRIES TO WIGGLE OUT

Mr. MORSE. Mr. President, the reporter's story was 100 percent factual and correct. In fact, it contains the verbatim language of the consultant's report. With a remarkable disregard for the truth, the Department of the Interior has endeavored to discredit this reporter's story. The Department in its press release puts words in the mouth of their consultant which he never uttered.

DEPARTMENT OF THE INTERIOR DISTORTS FACTS

I do not wish to burden the record with the full 120-page report of the consultant of the Bureau of Land Management, but I do want to discuss a few points in that report.

The Department hired a Prof. Paul F. Graves, of the New York State College of Forestry, and I shall cite statements by Professor Graves and by the Department of Interior to show how they distorted his report.

The press release of the Department says that "a primary purpose of the Graves study was to help determine the advisability of holding a public hearing on proposed abolishment of marketing areas."

Graves states in his report that the study "was to be a basic review and anlysis of the whole question of O. and C. marketing areas." He says he was to ascertain "whether changes in the marketing-area system might be needed," and he studied "the extent to which the existing timber-using mills and communities are dependent upon O. and C. timber." He considered "whether mills and communities would be adversely or favorably affected by changes in or elimination of the marketing areas." Finally, he studied "the effectiveness of administration of the Bureau of Land Management program in relation to marketing areas."

Professor Graves recommended that "marketing areas be abolished in their entirety," but this is not cited in the self-serving press release of the Department of the Interior.

INTERIOR UNJUSTLY POINTS FINGER AT OTHER FEDERAL AGENCIES

Far more serious than this omission and distortion is the Department statement that "Timber sales from the Oregon and California revested lands in western Oregon averaged $9 per thousand feet more than prices paid for other Federal timber of like quality in the same general area and period, according to an independent study made by Prof. Paul F. Graves, of the New York College of Forestry."

I gave this consultant's report to a member of my staff and asked him to find this statement. He could not. I looked the report over myself and I could not find it. The Department of Interior distorted the report and in so doing they attempt to cast a reflection upon the abilities of other Federal timber-selling agencies.

What did Professor Graves tell the Bureau of Land Management? He said that when there were three or more bidders for BLM timber sale, they got more revenue than when there was only one bidder. He pointedly, and with good reason, declined to compare BLM prices with Forest Service prices because they are not comparable.

The Bureau of Land Management sells its timber on a lump-sum basis. If a sale estimated at 1 million board-feet is appraised for $20,000 and sells for this price,

then 1.2 million board-feet are cut, the Government does not get paid for the extra 200,000 board-feet. On a Forest Service sale the timber is scaled. If 200,000 board feet more than the estimate is cut, the Government gets paid. Thus, the unit prices for Forest Service timber may appear to be lower because the bidder must pay for all the timber he cuts.

Secondly, the O. and C. timber lies in a belt which is several miles nearer to mill centers than are the national forests. Here, again, there is often a lower transportation cost for O. and C. timber. I have also heard it said that more of the O. and C. timber, because it grows at a lower elevation, is of better quality than are the national forest holdings.

Another big factor is road costs. Because of the special history of the O. and C. lands, the counties make available, from money due them, funds which give the Bureau of Land Management about six times as much per acre for Government-constructed access roads as the Forest Service gets. Thus, the Bureau of Land Management has been able to construct many expensive, major access roads by contract rather than under timber sales. In the past 3 years in Oregon alone the sale price of national forest timber has been reduced in excess of $20 million for road-construction allowances to timber-sale purchasers. The record will show that the Forest Service has gotten every bit as much for timber it has sold with real competition as could be obtained.

INTERIOR TRIED TO COVER UP ITS MESS

In my judgment, viewed in balance, there is absolutely no doubt that all our Federal agencies could do a better job of selling timber.

There is no doubt in my mind that the Department of Interior hired a really independent consultant who told them some facts they did not want to hear. In order to cover up, they are saying: "Look over there, if you think we are in a mess, look at this other fellow."

The question is whether the Bureau of Land Management has lost money, and I think that it has. Instead of pointing to someone else and, if I may say so, doing it unjustly, the Bureau of Land Management ought to clean up its own house and let those who have the responsibility for looking over the operations of the Government determine what is wrong elsewhere.

INTERIOR SHOULD SUBSTANTIATE ITS ALLEGATIONS OR APOLOGIZE

But I also say that if the Interior Department thinks there is waste elsewhere in Government, let them come up before the Congress and tell us how the rest of the Government can be improved, instead of sniping by press release.

I am sure that the record will show that the claim by the Department of the Interior that it got $15.7 million above other Federal prices for O. and C. timber is false and misleading. I think an objective comparison would find that their conservation program is not so complete, and their timber sale record is no better.

It simply stands to reason that if there is real competition in a timber sale, it does not matter which agency is selling the timber. The bidders will be bidding against each other. When the timber is sold at the appraised price by any agency to one bidder, there may well be a loss to the taxpayers.

Mr. President, the Department of the Interior should apologize to the other Federal agencies for its statement and make a public retraction, or else it should request a hearing before the appropriate committee so that it can show how much better it is at managing timber.

INTERIOR SHOULD ABOLISH MARKETING AREAS AND SELL TIMBER COMPETITIVELY

The Department of the Interior should proceed to give to Congress the facts about marketing areas. If it be true that marketing areas are not in the best interest of the public, the Department should take steps to eliminate them. However, as Professor Graves recommends, this issue is of great concern to my State, and I want to make certain that the facts are the basis of any action with respect to marketing areas which is taken by the Government. I must be convinced that they should be abolished, before I shall support such a recommendation. I do not believe the Department of the Interior can justify its covering up Professor Graves' recommendations, and distorting the record with regard to other timber sales agencies.

In closing, let me suggest to the Department of the Interior that it also apply itself to make certain that all of its timber is offered for sale under conditions which assure full opportunity for small firms to bid on such public timber.

Let me say to Secretary Seaton, if he really wants to conduct a study into something worthwhile, instead of alibiing and rationalizing for the administration's phony policy in connection with the national resource interest of the American people, here is a study that he ought to conduct forthwith. I call upon Secretary Seaton to come before Congress with the facts, and stop releasing to the people false press releases, as the Department of the Interior has done in this instance.

NOMINATION OF JUDGE WHITTAKER TO FILL VACANCY ON THE SUPREME COURT

Mr. HENNINGS. Mr. President, I should like to say a few words in support of the prompt confirmation of the nomination of Judge Charles E. Whittaker to fill the vacancy on the Supreme Court created by the resignation of Judge Stanley Reed. I had the honor yesterday to report to the Senate that the Judiciary Committee had unanimously approved Judge Whittaker's nomination. I now urge the Senate to act favorably on this nomination without delay.

I think that it is noteworthy that Judge Whittaker will be the first Justice of the United States Supreme Court to be appointed from the the State of Missouri since it was admitted to the Union 136 years ago. It is surprising that in this length of time not a single Supreme Court Justice has been appointed from my State. However, in the present nominee I think that we will make up some of the deficiency in time. I feel certain that Judge Whittaker will be a credit to the Court, to his country, and to his State.

The State of Kansas can also take pride in Judge Whittaker's elevation to the highest court in the land. Judge Whittaker was born in the northeastern corner of Kansas. He comes from moderate if not humble beginnings. He was born and raised on a farm. Like so many other men who have risen to prominence, he ran a trapline as a young boy. He rode 6 miles on horseback to school each day.

Despite adverse circumstances, Charles Whittaker decided upon a career in the law. In a short length of time he became a lawyer's lawyer. He engaged in the active practice of law for almost 30 years before he was elevated to the bench. Mr. President, this is really the third occasion upon which it has been my honor and privilege to support Judge Whittaker for a place in the Federal judiciary. In 1954 I heartily supported his nomination as a United States district judge. In 1956 I supported him with equal enthusiasm for a seat on the bench of the United States court of appeals.

In the past few years Mr. Whittaker, who had been a lawyer's lawyer, proved himself to be a judge's judge. I believe he has all the qualities I like to see in the members of our judiciary. He is a man of the highest character, a man of unimpeachable integrity, and a man of courage. He is scrupulously fair in his decisions and understanding of the law. In addition to all these qualities, he has proved himself to be one of the hardest working members of the Federal bench.

Mr. President, as you know, Judge Whittaker is of a different political persuasion than I. However, I know of no man of either of the great political parties whom I could support more enthusiastically for elevation to the highest court in the land. In my mind, Mr. President, in questions involving appointments to the judiciary—as in the field of foreign policy—partisan politics has no place. I think we should give our wholehearted support to all good appointments to the Federal bench, regardless of party.

In Judge Whittaker's case I believe we have not only a good appointee but an excellent one. I urge the Senate to confirm his nomination without delay.

IMPORTANCE OF PROMPT ASSISTANCE TO SMALL BUSINESS

Mr. SPARKMAN. Mr. President, on January 7, I introduced S. 351, a bill to amend section 167 of the Internal Revenue Code of 1954 so as to extend to purchasers of used equipment the same privileges of accelerated depreciation which were extended to purchasers of new equipment in the 1954 code. When I introduced the bill I stated that I would explain it in some detail at a later date. Subsequent to January 7, nine members of this body joined me as cosponsors of the measure. My cosponsors are Mr. HILL, Mr. HUMPHREY, Mr. KEFAUVER, Mr. NEUBERGER, Mr. KENNEDY, Mr. MORSE, Mr.

THYE, Mr. SCHOEPPEL, and Mr. KUCHEL. The support of these Senators is especially gratifying to me, because I regard all of them as being particularly knowledgeable in the problems of small business and aware of the need for early and practical action to assist small business and to stem the tide toward the growing concentration of economic power in the hands of fewer and fewer large companies. I trust that when I have completed my explanation of S. 351 today, my cosponsors and I will be able to count upon a great majority of this body to join us in supporting this bill.

By way of background, section 167 of the Internal Revenue Code of 1954 was adopted to correct a situation that had plagued businessmen, large and small alike, for nearly two decades, namely, the ultraconservative policies of the Treasury Department relative to depreciation schedules on capital plant and equipment. Basically, the Treasury Department's policy was sound. It provided that a businessman could not write off the cost of his capital investment except over the period of its useful life. The basic difficulty with this policy arose when Treasury published a document known as Bulletin F in 1942. This document set forth in great detail what the Treasury regarded as the "useful life" of various types of capital items. And these criteria as to "useful life" were regarded by a great many businessmen as unrealistic. Bulletin F announced, for example, that the average useful life of a store or a garage was 50 years, that furniture, fixtures, and filing cases should be expected to last 20 years, and so on. Businessmen taking depreciation on these items could do it only over the "useful life" laid down in Bulletin F, unless they could obtain special permission from Treasury to vary the Bulletin F schedule. In addition, unless the businessmen could convince the Treasury that he had a special problem, he could depreciate the capital asset only at a fixed rate, and to a fixed level, never below the "salvage" value of the asset. For example, if a businessman bought an asset costing $5,500, and it had a "useful life" of 10 years and a "salvage" value of $500, he would divide $5,000 by 10 and take $500 depreciation in each of the 10 years he held the asset.

The great advances in technology in World War II and the succeeding years made it apparent that the "useful life" in many assets was much shorter than Treasury would admit. New production equipment, for example, while admittedly the finest when first introduced and sold, would soon be made obsolete by the introduction of even better equipment. To keep abreast of the competition, a manufacturer had to replace equipment long before it had really worn out. But many such manufacturers could not afford to buy new equipment because the slow rates of depreciation on their present equipment made it economically unfeasible for them to replace it.

This basically was the situation which section 167 of the 1954 code was designed to correct. And it corrected it by allowing businessmen for the first time to elect to use accelerated depreciation schedules without the necessity of first obtaining the approval of the Treasury Department. Stated very briefly, these accelerated schedules allow a businessman to depreciate a capital asset more rapidly in its early years, thus taking into account the fact that an asset's most useful and productive years are the first years of use. These schedules also result in an asset acquiring a depreciated value which is more realistically related to its fair market value over its entire life. Thus, a businessman wishing to sell a relatively new and still useful piece of equipment, is able to do so without suffering great loss in real, depreciated value.

Generally speaking, the new rates enable a businessman to depreciate his capital assets at rates approaching twice the old, conservative, straight-line method. Citing again the example of the man who purchases a piece of equipment at a cost of $5,500, and assuming it has a normal useful life of 10 years and a salvage value at the end of that time of $500, whereas under the old method he could charge off only $500 a year in depreciation, today, using the special declining balance method authorized by section 167 of the 1954 code, he could charge off twice that amount, or $1,000 in the first year. In the second year he would charge off 20 percent of the remaining balance, which would be $800, that is, 20 percent of $4,000.

The one great difficulty with section 167, however, was that it permitted the use of these accelerated depreciation schedules only on new equipment. It specifically applied only to capital assets acquired new and used for the first time after 1953. Thus, section 167 is not of any help to the thousands of small-business men who cannot afford the price of new capital plant and equipment. It is of no help to the man going into business for the first time, the man who must stretch his investment as far as possible by buying used buildings and used machine tools to make his start. It is of no use to the small man who wants to expand his production modestly by adding one more machine or one more showcase or a delivery truck—it is of no use to him unless he has the money with which to buy the item brandnew. And in this day of high taxes, the small-business man is hard pressed to meet his tax bills. If he has anything left over on which to feed his business, he has to shop around for the best bargain he can find. More than likely, the capital item he can afford to buy will be a used item.

I believe the small-business man in this situation should have the same benefits of accelerated depreciation as his more affluent competitor, and this is what S. 351 would accomplish. It would allow the purchasers of used equipment to depreciate such equipment at accelerated rates. Aside from the equity of S. 351, I believe it takes into account a very real fact: a piece of capital equipment purchased second hand is certainly closer to obsolescence than a new asset. The purchaser has probably paid a premium for his second-hand asset. Allowing him to depreciate it rapidly may enable him to replace the old asset at an earlier date with an improved unit, or even a brandnew one.

There has been considerable expression of concern in the past lest the allowance of accelerated depreciation on used capital assets might lead to abuses which would seriously affect the Federal revenues. I believe there may be some merit in this concern, and I have therefore included in S. 351 a limitation on the amount of equipment that might be subject to these rapid rates of depreciation. The bill provides that the rates shall apply only to the first $50,000 worth of equipment purchased in 1 year, except that the businessman may, under a separate section of the bill, lump his benefits for 5 years into 1 year if he wishes. The latter provision is designed to take care of the situation where a business wants to purchase a considerable amount of used, capital assets in 1 year, such a reequipment program to take care of the needs of the business for several years to come. Expressed in terms of dollars, under S. 351 a business could purchase $250,000 worth of used capital assets in 1 year and take advantage of the accelerated depreciation schedules on all of that equipment, but it would not be able to add any other used assets to its accelerated depreciation schedules during the succeeding 4 years.

I was pleased to note that the President's Cabinet Committee on Small Business made a recommendation along the lines of S. 351 last August. The major difference between S. 351 and the Cabinet Committee proposal would be that the latter did not make provision for lumping purchases in excess of $50,000 in 1 year, and I believe this feature of S. 351 is extremely important for the reasons which I have already cited.

It is difficult to estimate the effect that S. 351 would have on the Federal revenues. The staff of the Joint Committee on Internal Revenue Taxation has informed me that it estimates S. 351 would bring about a reduction in fiscal 1958 in the neighborhood of $25 million. This would be on the assumption that all purchasers would elect the new methods, which would be a reasonable expectation. I say it is difficult to estimate the revenue effect of S. 351, however, for the reason that the increased productivity and efficiency of small business resulting from the enactment of the bill might very well yield greater profits and thus more tax dollars for the Treasury. On this point I am inclined to agree with the Cabinet Committee on Small Business which commented that its tax proposals, while in some instances entailing a temporary loss of revenue, would, in the long run, "tend to enlarge the national income which is the ultimate source of all tax revenues." I believe it fair to predict that S. 351 would, in the long run, have the same result.

In these days of high taxes, depreciation is just as meaningful to the businessman as profits in the bank. The small corporation paying a 52-percent income tax can retain $52 in the business for every $100 of depreciation it can justify. Thus, the accelerated depreciation schedules authorized by the 1954 Code are very real benefits. But those benefits should not be extended exclusively to businesses which are financially able to purchase new capital assets. They should be made available on an equitable basis to the businessman who purchases used capital assets as well. And the small-business man will be found most often in the latter category.

It is essential that help be extended quickly to small business. S. 351 is a practical bill which will bring practical results to all small-business men. And this can be accomplished quickly—this year—by early action on S. 351. I urge all my colleagues to give their full support to S. 351 to the end that we may give early and practical help to a great segment of our economy that is in dire need of help and which is looking to this Congress to provide the help—the entire small-business community.

Mr. President, I wish to turn now to another matter relating to small business.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

TAXATION OF CERTAIN CORPORATIONS AS PARTNERSHIPS

Mr. SPARKMAN. Mr. President, on January 7, I introduced five bills designed to bring tax relief to small businesses. One of these was S. 349, a bill to permit certain corporations to be taxed as partnerships. Nine of my colleagues joined me in sponsoring S. 349. My cosponsors are Mr. HILL, Mr. HUMPHREY, Mr. KEFAUVER, Mr. NEUBERGER, Mr. KENNEDY, Mr. MORSE, Mr. THYE, Mr. SCHOEPPEL, and Mr. KUCHEL. I was delighted to welcome the support of these distinguished Senators, and I hope that when I have completed my explanation of this bill today my cosponsors and I may be joined by a great majority of this body in supporting S. 349.

Section 1361 of the Internal Revenue Code of 1954 grants an election to certain partnerships and proprietorships to be taxed as corporations. This election has certain obvious benefits, chief among them being tax savings, for business entities which can qualify for the election.

It is clear to be that a companion election should be granted to certain small corporations to be taxed as partnerships. Such a provision was contained in H. R. 8300 as reported by the Committee on Finance in the 83d Congress, but it was dropped prior to the enactment of H. R. 8300 as the Internal Revenue Code of 1954. In the 3 years since the enactment of the new code, it has become increasingly clear to me that such an election would be of great benefit to numerous small corporations which are hit especially hard by the present high corporate income-tax rates. Those taxes take 30 percent of the first $25,000 of net corporate income and 52 percent of all net income over $25,000. The dividends which are passed on to the stockholders—if there is any money left for dividends—is then taxed at the personal income-tax rates of the stockholders. These taxes siphon off the liquid funds which a small corporation needs for expansion, retooling, and other business purposes.

If the income of a small corporation were taxed instead to the stockholders as if they were partners, the total tax bill would often be considerably lower, and thus more money would be retained in the business to meet its cash needs.

Take, for example, a small corporation with, say, $50,000 of net taxable income. The corporate tax on that income at present rates would be $20,500, or 41 percent of the total profits of the business. Assuming the corporation were made up of 10 stockholders, and the profits were divided equally among them as if they were partners, each of the stockholders would then have $5,000 added to their taxable income and taxed at personal income-tax rates. Assuming the salaries of these partners were reasonable, the overall tax saving to the company could be considerable.

This, in essence, is what S. 349 would provide. It would grant the election to any corporation having not more than 10 stockholders, all of the stockholders being active in the business. It thus would favor those small corporations which are truly small businesses, and those businesses in which the owners are also the active managers, not simply investors.

S. 349 would also have the effect of avoiding the threat that continues to hang over all corporations by virtue of section 531 of the 1954 code relating to surplus accumulations. It was my hope that the new code section, clarifying and in many ways improving upon the old section 102, would eliminate the fears of small corporations in this area, but apparently this has not been accomplished. On the Small Business Committee we continue to receive complaints and inquiries from small corporations relative to the imposition of the penalty surtax on surplus accumulations. S. 349 should eliminate that problem once and for all, since it would tax the stockholders as partners, and partners are not subject to the penalty provisions of section 531.

The Joint Committee on Internal Revenue Taxation has informed me that it is difficult to estimate the revenue effect of S. 349 since we do not have adequate data on which to make firm estimates. The staff of that committee informs me, however, that a rough estimate which is prepared on H. R. 8300 in the 83d Congress indicated that there would be a revenue loss in the neighborhood of $50 million a year. In this connection I should like to note that S. 352, the corporate income tax bill which I introduced along with S. 349 on January 7, would result in a revenue gain of some $90 million, so that these 2 bills taken together would result in a revenue surplus. Even granting the loss on S. 349 alone, I believe the loss would be a temporary one, and that the increased vitality of small corporations that would result from an exercise of the election, would in the long run produce more income for those companies and thus more tax dollars for the Treasury.

I was encouraged to note that the President's Cabinet Committee on Small Business recommended the adoption of a measure such as S. 349 in its report last August, and that the President endorsed the proposal. I would therefore hope that, in spite of Secretary Humphrey's recently expressed opposition to any tax relief for small business that would result in revenue loss, the Republican as well as the Democratic Members of this body will recognize the need for S. 349 and that they will lend it their full support.

Section 1361 of the 1954 code grants the election to certain partnerships and proprietorships to be taxed as corporations. This provision would obviously be of greatest benefit to those business entities where the partners are already in the 52 percent plus personal income-tax brackets. S. 349 would simply grant a similar election to those stockholders of small, closely held corporations who find themselves in the 52 percent corporate income tax brackets and who would benefit by being taxed instead at personal rates. In fairness to all businessmen, I believe the corporate shareholder envisaged by S. 349 should be given an advantage commensurate with that bestowed upon partners and proprietors by section 1361.

In my opinion, S. 349, even granting that it might necessitate some loss in revenue, would yield impressive dividends in the increased vitality and prosperity of small corporations now struggling to save money to reinvest in the business. Viewed in that light, I believe that S. 349 deserves the unanimous support of this body, and I earnestly hope that my colleagues will join with me in urging early and favorable action on the bill.

ROBERT H. HANSEN, OF DENVER POST, EXPOSES FALLACIES OF ADMINISTRATION PROGRAM ON SNAKE RIVER

Mr. NEUBERGER. Mr. President, I am particularly privileged to make a brief speech about Snake River development at this time, because the Presiding Officer's chair is occupied by the distinguished senior Senator from Oregon [Mr. MORSE].

During recent years he has led the long legislative fight to save the great natural resources of Hells Canyon for all the people of the United States, and to prevent private exploitation of this priceless asset—an asset which is a part of the heritage of future generations of Americans.

Mr. President, the success of a snake charmer is derived from his ability, through tuneful blandishments, to hypnotise an otherwise deadly reptile into a state of docile submission. The snake, his aggressive instincts for self-preservation immobilized through hypnosis, becomes the willing servant of the charmer.

At first glance, Mr. President, there may seem to be little relationship between the hypnotic influence of the snake charmer and the policy of this administration toward development of the Hells Canyon reach of the Snake

River. The analogy, however, is suggested dramatically in the title of an article which appeared in the Denver Post of March 10, 1957, entitled "The Big Dam War, Fred Seaton's Turn To Charm the Snake." This penetrating article by able Denver Post Staff Writer Robert H. Hansen, a former Nieman scholar at Harvard University, exposes in detail recent hocus-pocus by the Secretary of the Interior to cover up the utter vacuity of administration activities in connection with middle Snake River development. As indicated by the article, the much-heralded new look in administration power policy is an attempt at hypnosis. The activities are designed to charm residents of the region through which the Snake River flows into the belief that the empty policy of the previous 4 years has been changed.

The article relates how on February 15, 1957, Secretary Seaton sent a letter to Federal Power Commission Chairman Jerome K. Kuykendall advising him that the Bureau of Reclamation was studying the feasibility of a Federal dam at Pleasant Valley, 34 miles downstream from the high Hells Canyon Dam site. Four power companies seek licenses to build dams in the same area.

The article by Robert H. Hansen stated:

Reaction to Seaton's letter was immediate. Time magazine hailed it as a "new look" in the Interior Department, a "drastic modification" of its Hells Canyon stand brought about in no small measure by election reversals which engulfed many a Republican, including McKay. The Wall Street Journal, in a pro-private-power story on the Pacific Northwest, erroneously reported the Seaton letter "asked the FPC to delay a private license for Pleasant Valley dam on the Snake River—a project approved by his predecessor."

But, Mr. President, the real significance, the real meaning of Mr. Seaton's letter was analyzed in other paragraphs of the Denver Post article. They said:

Both Kuykendall and Seaton's top aides concede that his letter carried no legal weight. It is not in the record, upon which the FPC will base its Pleasant Valley decision, because the record closed 2 months earlier.

Nor does Seaton's letter withdraw the Aandahl letter, which is in the record saying the Interior Department has no objection to the Pacific Northwest Power Co. license. Finally, Seaton's letter did not ask the FPC to delay its decision, expected sometime this summer, while Interior completes its high Pleasant Valley Dam studies, expected no earlier than November or December.

An editorial in the same issue of the Denver Post succinctly summarizes the hypnotic overtones of the Secretary's activities when it said:

Mr. Seaton's Department is now on both sides of the Pleasant Valley project—"not opposed" to private development but "studying" the feasibility of action by the Government. Jerome K. Kuykendall, Chairman of the FPC, has said the Commission expects to rule on the private utilities' petition this summer. The Bureau of Reclamation's feasibility studies are not expected before next winter. But, in the meantime, Mr. Seaton gets credit for having installed a new look in Interior by asking for a delay on the private petition—something which Mr. Seaton has not done.

And in another paragraph, commenting on the administration power-partnership policy, the Denver Post editorial continues:

It has only one fault. It is not working. It is slowly but surely taking on the aspects of a phony, a gimmick, a propaganda trick to make digestible the politically damaging fact that the administration is in thralldom to the private-utility industry.

Yes, Mr. President, it will take more than adroit handling of a flute by Mr. Seaton to distract attention of westerners from the administration's mishandling of Snake River development, and the influences which shape these adverse policies.

As time goes on and the administration tries to muddle out a policy for the Snake River, the justification for authorizing a high Federal dam at Hells Canyon becomes more apparent. Hells Canyon Dam is the right dam for the right place, and administration attempts to move it upstream or downstream in some other guise, as Pleasant Valley Dam, will not achieve the objectives of full and comprehensive development of the Snake River. I do not know how much longer the administration's shell game will continue. But the correct, effective, and positive way by which it can resolve its present dilemma is to make the decision which should have been made in the first place—to support construction of a high dam at Hells Canyon.

Mr. President, I ask unanimous consent to include in the RECORD with my remarks the article from the Denver Post of March 10, 1957, entitled "The Big Dam War Rages on the Snake."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BIG DAM WAR RAGES ON THE SNAKE

(By Robert H. Hansen)

No, the Hells Canyon battle is not over. They are going at it all over again up on the untamed Snake River between Idaho and Oregon.

It's the same old public versus private power fight—but with some switches in the battle lineups and a couple of important new skirmishes thrown in, reaching from central California deep into Canada.

Actually, Hells Canyon always was more than a contest between public and private power advocates, more than one of the Nation's last great undeveloped dam sites.

It was in this mile-deep chasm on the remote Idaho-Oregon border that the Eisenhower partnership policy of resource development first came into clear focus—a policy highly controversial in itself, and, some say, politically repudiated by the stunning Democratic sweeps of the Pacific Northwest in 1954 and 1956.

But Hells Canyon is even more than a battleground of public and private power zealots, more than an interesting exercise in natural-resource philosophy, more than a political rallying cry.

As Senator RICHARD L. NEUBERGER, Democrat, of Oregon, put it when the administration junked its plans for a big multipurpose Hells Canyon Dam and turned the site over to the Idaho Power Co. for partial development aimed only at private power profits:

"If the utilities are thus to be permitted to call the time for the march of western development, it will be an economic death march—not only for the Pacific Northwest, but for all the West."

It was NEUBERGER who warned the GOP in 1953 that its Hells Canyon position was vulnerable at the polls, and who proved it in 1954 when he unseated the veteran Oregon Republican and converted partnership disciple, Senator Guy Cordon. Wrote NEUBERGER in the May 17, 1953, issue of Roundup:

"The issue of Hells Canyon may become the same kind of political rallying cry in the western elections of 1954 and 1956 that Muscle Shoals constituted throughout the Middle West and East a generation ago."

The elections of 1954, added to NEUBERGER's 1954 defeat of Cordon, have now caused a heralded new look in the administration's Interior Department policies of water and power development.

The original partnership, Interior Secretary himself, Douglas McKay, a lifelong Oregonian and popular ex-governor, was soundly thrashed when he ran against Senator WAYNE MORSE, Republican-turned-Independent-turned Democrat. In Idaho, a young unknown Democratic champion of Federal Hells Canyon development, FRANK CHURCH, overcame personal opposition from President Eisenhower to swamp another partnership Republican, Senator Herman Welker, despite Ike's Idaho landslide. Throughout the Northwest, Democrats swept a host of governorships, statehouses, and Congressional seats.

So now we have a new Interior Secretary, Fred Seaton, of Nebraska, a new look in the administration's partnership policies, and a new battle on the Snake.

To understand what it's all about, and the significance to the entire West, it is necessary to review the old Hells Canyon controversy, now pending before the United States Supreme Court.

When the first Republican in two decades entered the White House in 1952, private power companies revived dormant applications to build their own dams and generating plants on stretches of rivers which Democratic administrations had reserved for Federal reclamation, power, flood control, navigation, recreation, and other multipurpose development.

One of these was Hells Canyon, where previous Democratic Congresses had rejected plans to build the world's second tallest dam, only 4 feet lower than Hoover Dam. The cost estimate varied from $300 million to $500 million, a big reason for Congressional indifference.

In one of his early acts as Interior Secretary, McKay withdrew objections of his predecessor, Oscar Chapman, to the Idaho Power Co. application for a Hells Canyon license from the Federal Power Commission.

Idaho Power, whose common stock is owned largely in the East, proposed to build three smaller dams instead of a high Federal dam. The cost was estimated first at $133 million, later at $175 million, all private, not taxpayers' dollars.

But the lower dams, while perhaps providing comparable amounts of power, made no pretense of offering comparable other benefits of Federal development—flood control, the enhancement of recreation and wildlife, navigation, river regulation to increase downstream power production when stream flow is low, etc.

After months of hearings and thousands of pages of conflicting testimony the FPC licensed two small dams of Idaho Power, gave qualified approval of a third, and the company rushed in to begin construction.

But the FPC, in a highly unusual action, let the Idaho Power Co. off the hook. First, its examiner held that one Federal high dam was clearly superior in almost all respects. Next, it ruled out Federal development as unlikely ever to pass Congress, and granted the Idaho Power license.

Then the FPC did an even stranger thing. It modified Idaho Power plans, allowed 10 years for construction notwithstanding that the company said the work could be done in 3, and left it up to the company whether to build the third dam, ever.

Even McKay's Interior Department had insisted upon comparable results from private development, and the Federal Power Act requires the FPC to approve the plan best adapted to comprehensive river-basin development. But the FPC decision was upheld by the United States court of appeals.

In the absence of Federal opposition to the Idaho Power application, an organization known as the National Hells Canyon Association was formed. Members of the United States Senate have called the association—comprised of farm groups, labor organizations, cooperatives, nonprofit utility bodies, and dedicated individuals—"one of the most remarkable grassroots movements of recent years."

It is the National Hells Canyon Association, together with the States of Oregon and Washington, eight public utility districts and the National Rural Electric Cooperative Association, which has carried the FPC decision to the United States Supreme Court.

The FPC decision, according to the association, sets a precedent which may affect the economy and future of every river region, and thus the economy and security of the Nation. Further, it argues, the FPC clearly neglected comprehensive basin development plans drawn by the Army engineers and authorized an obviously inferior project—all in the name of partnership.

The whole concept of comprehensive river-basin development is at stake, the association says, and confusion has enveloped the powers and duties of the FPC, the role of Army engineers and the responsibilities of the Bureau of Reclamation.

Specifically, the association charges that the FPC permitted prompt underdevelopment of the Snake at the expense of proper development, compared the Federal and private proposals on the basis of 3 dams while requiring only 2 to be built, and ignored irrigation subsidies which would accrue from power revenues of the high Federal dam.

The FPC findings spiked two bugaboos raised against the high dam: the contention that there isn't enough water in the river to fill the high dam reservoir, and the fear that upriver water rights would be jeopardized.

This brings us up to date, and to Secretary Seaton's new look at the whole philosophy of partnership in river development.

On February 15, 1957, Seaton sent a letter to Jerome K. Kuykendall, chairman of the Federal Power Commission, notifying him that the Bureau of Reclamation had been ordered to study the feasibility of a high Federal dam at Pleasant Valley, 34 miles down the Snake from Hells Canyon.

Seaton's letter was prompted by FPC deliberations on the application of the Pacific Northwest Power Co. to build two small dams below Hells Canyon, at Pleasant Valley and Mountain Sheep.

This application, filed in 1954 by a combine of four private power companies, had been proceeding quietly through the FPC mill while the Hells Canyon controversy raged. The two proposed dams, of the Idaho Power type, would cost $143,700,000 and generate 1 million kilowatts.

In line with the "partnership" policy the Interior Department early in 1956 formally advised the FPC that the administration "has no objection" to the private company's two small dams at Mountain Sheep and Pleasant Valley. This was done in a letter from Fred A. Aandahl, Assistant Secretary of the Interior, who handles power matters, to Kuykendall, on January 31, 1956.

Again, extended hearings were held and thousands of pages of testimony taken. In December, the FPC closed the record and took the application under advisement.

Two months later the Seaton letter went to Kuykendall, based on a preliminary reclamation study of high dam possibilities at Pleasant Valley which was completed in September 1956.

Both Kuykendall and Seaton's top aids concede that his letter carries no legal weight. It is not in the record, upon which the FPC will base its Pleasant Valley decision, because the record closed 2 months earlier.

Nor does Seaton's letter withdraw the Aandahl letter, which is in the record saying the Interior Department has no objection to the Pacific Northwest Power Co. license.

Finally, Seaton's letter did not ask the FPC to delay its decision, expected sometime this summer, while Interior completes its high Pleasant Valley Dam studies, expected no earlier than November or December.

Reaction to Seaton's letter was immediate. Time magazine hailed it as a "new look" in the Interior Department, a "drastic modification" of its Hells Canyon stand brought about in no small measure by election reversals which engulfed "many a western Republican," including McKay.

The Wall Street Journal, in a proprivate power story on the Pacific Northwest, erroneously reported the Seaton letter "asked the FPC to delay a private license for Pleasant Valley Dam on the Snake River—a project approved by his predecessor." Similar reports appeared widely in the Nation's press, and the Washington Star was led to question the reality of any Northwest power shortage.

Senator NEUBERGER quickly fired back, opening the new fight on the Snake River from the Senate floor as hearings on the perennial Federal Hells Canyon bill got under way in the House and Senate.

"Seaton has destroyed the illusion voiced by administration spokesmen that the FPC-licensed Idaho Power projects were the best for development of Hells Canyon power and flood-control potentials," NEUBERGER declared. "Obviously, if high Pleasant Valley Dam—which would inundate Idaho Power's little Hells Canyon site—provides greater benefits, then the FPC has been guilty of licensing inferior development in the Hells Canyon area."

Seaton's letter—and the third worst flood in Columbia River history in 1956—did revive a long-submerged issue in the entire Snake controversy * * * flood control.

The Snake is the largest tributary of the vast Columbia system which drains 259,000 square miles in Canada, Washington, Oregon, Idaho, Montana, Wyoming, Utah, and Nevada, and dumps 10 times more water into the Pacific Ocean than the Colorado River carries.

Last year's flood threat was the greatest since 1894, and only a steady early snow melt prevented damages which could have reached $300 million in the lower Columbia region alone. (Such losses did occur in 1948.)

That threat was noted by implication in Seaton's letter, when he referred to an Army engineers' study which found 4 million acre-feet of flood-control storage is needed on the middle Snake River. The Secretary said Idaho Power dams would provide 1 million acre-feet and the private Pleasant Valley and Mountain Sheep Dams another 500,000.

But a high Pleasant Valley Dam, Seaton said, would provide 1,300,000 acre-feet of flood-control storage capacity and 1,250,000 kilowatts of power. Seaton said he took his figures from the September 1956 report of the Bureau of Reclamation, which indicated a high multipurpose project might prove economically feasible upon further study.

While Seaton's top aids, including Under Secretary Hatfield Chilson, of Loveland, are convinced he has scrapped McKay's discredited policies, they find it hard to cite specific examples in the power field. Elmer F. Bennett, Assistant to Seaton, says Interior no longer arbitrarily holds that private development is necessarily best even if only partial, or that profitable power sites should be surrendered to private utilities while the Federal Government develops only the marginal, questionable, unprofitable projects.

But NEUBERGER, MORSE, CHURCH, and others aren't easily convinced. And Seaton's aids can't easily explain why his letter to Kuykendall on the Pleasant Valley issue was so late, why it asked no delay, why it did not withdraw Aandahl's letter of no objection to private development.

"Seaton's letter was just one of those things we failed to get around to in time to get it in the FPC record," says one top Interior official. "But it does constitute a reversal of our previous position on the need for a high dam on that stretch of the Snake River. Under McKay, the high dam was simply written off; the necessary information to support it was collected but never evaluated.

"While it is true that there is no direct request for a delay by the FPC, no formal intervention and no expressed opposition to private development in the Seaton letter, those things are clearly implied. There is every reason to believe the FPC will cooperate."

But high dam, multipurpose advocates, remembering the FPC action in the Hells Canyon-Idaho Power case, remain extremely skeptical. If Seaton is sincere, they ask, why is it necessary to read between the lines to get at his real meaning? Why does he act by implication and innuendo? Why doesn't he simply state his position and policy clearly and forthrightly?

"If the administration is concerned about our power shortage, why hasn't it started a single new project in this one region where 40 percent of the total potential waterpower in the United States is waiting to be developed?" asks NEUBERGER.

"Why isn't there even a nickel in the budget to build our great John Day Dam? Here's 1.1 million kilowatts ready to go, all designed and engineered, with a power potential equivalent to a high Hells Canyon dam. The reason is obvious; the administration still hopes to make another phony 'partnership' out of John Day."

Seaton's "new look" in the Interior Department and multipurpose high dam sweet talk drew all the more suspicion when he proposed a "partnership" on the big Trinity project in California with the Pacific Gas & Electric Co.

Seaton asked Congress to allow P. G. & E. to build the power features of the $235 million project. He said this would relieve taxpayers of $55 million in costs and produce a $165 million surplus of revenues to the Federal Treasury in 50 years of operation.

Seaton's request was based on a report from his reclamation commissioner, Wilbur A. Dexheimer, which said either joint or all-Federal development was feasible both economically and engineeringwise. But Dexheimer emphasized joint development would mean limited power for present customers of the massive Central Valley project, of which Trinity is a part, and higher rates.

Seaton's recommendations to Congress also pointed up these two drawbacks to "partnership" development, but the press release his office issued played them down.

Under Seaton's partnership proposal, present so-called preference customers (public bodies like the city of Sacramento, the atomtown Roseville, rural electric co-ops, etc.) would pay $86 million more for their power than if it were produced and sold by the Federal Government, over the 50-year life of the agreement. Of this, Federal agencies

themselves, like the military bases and atomic plants of central California, would pay $19,500,000.

And if another related project, the San Luis irrigation development, is added as planned at some future date, these increased power rates would come to $118 million and $71 million, respectively.

While both Seaton and Dexheimer noted that P. G. & E. would pay $135 million in Federal, State, and local taxes on its power installations, neither referred to the increased taxes which would accrue from an expanded tax base provided by Federal development—an important factor in reclamation justification.

The amount of power from partnership development would fall far short of an all-Federal project, too. The P. G. & E. plan would produce 400,000 kilowatts; Federal development, 650,000 kilowatts.

* * *

Seaton did concede, in his recommendations to Congress, that the partnership plan also would run afoul of the Central Valley Project Act on two important counts:

1. Power would be sold without any preference to public bodies, counter to express provisions of the CVP Act and Federal reclamation laws.

2. No preference would be given to customers in Trinity County, where the project is located, despite a provision in the CVP Act which earmarked 25 percent of the Trinity power to users in that county.

Still a third objection was considered in the Seaton proposal: After 50 years, the Federal Government would have to pay severance damages of an undetermined amount to P. G. & E. to take over the powerplants and retire whatever net investment the utility had not amortized in that time.

Seaton suggested Congress write a "more tangible test of severance damages than that contained in the proposed agreement" with P. G. & E.

Dexheimer's report offered no conclusions as to whether all-Federal or partnership development is to be preferred, but Seaton told Congress:

"In my opinion, it appears clear from the report of the Commissioner that joint development would provide substantially more funds for potential irrigation and multipurpose development in the Central Valley project area. This means that the power resource of the Trinity River division under joint development would provide the greater benefit to the project area and to the Nation as a whole."

Dexheimer, in an interview later, said it means partial development of the potential power resource, and at double the power rates of the all-Federal plan. In return, P. G. & E. would pay to the United States an average of $4,617,000 annually for 50 years to buy failing water from the project for power generation—an amount admittedly higher than United States operation could earn.

Seaton's proposal for partnership development of Trinity despite these drawbacks brought a burst of protest, even from California Republicans, led by Senator THOMAS KUCHEL.

"The Secretary's recommendation for private power development at Trinity is fraught with many perils," KUCHEL warned.

After citing the smaller power production and higher rates provided by the P. G. & E. partnership, KUCHEL declared:

"This is tantamount to emasculating the preference law so far as the Central Valley project is concerned. * * * In my judgment, Congress will not consider repealing the preference clause. * * *

"With respect to Federal installations, long served by Central Valley project power, such as a Navy shipyard, an Atomic Energy Commission development, or Army or Air Force bases, it is illogical to urge that the Federal Government build a $225 million project only to compel its own governmental agencies to pay private power rates for the electric energy produced by the waters stored therein. Indeed, it would be illegal. * * *

"From the very beginning, the California State government has urged the Federal Government to undertake its construction and to integrate it with the Central Valley project, with a specific recommendation for Federal generation of power. * * *

"Under the Secretary's proposed contract, the single responsibility of the company would be to produce hydroelectric power in a manner most efficiently to supply the needs of its own customers. * * * The basic concept of the Central Valley project would be drastically altered, if not, indeed, destroyed by the proposed contract.

"Suppose, in a period of water shortage, agricultural needs compelled the project to draw off water from the reservoir at a faster rate than that required by the company for power production. Apparently, to resolve the resulting problem, the contract proposal would require the United States to pay a penalty to the company for doing the very thing which the project was designed to accomplish.

"The basic purpose of the Central Valley project is storing and releasing water in the interests of irrigation and reclamation. That purpose is in the public interest, and the public interest requires that that purpose be fulfilled without imposing penalties on the Government of the United States."

The whole Central Valley project, KUCHEL concluded, was "not constructed for profit," but was designed to meet "an urgent need among our people for reclamation assistance," with benefits distributed "on as wide a range as possible."

Representative JOHN E. MOSS, Democrat, of California, joined with a host of others in condemning the Seaton partnership on the Trinity. MOSS said the plan would "set a most disastrous precedent for other similar projects throughout the Nation." He charged it would "give the green light to virtual monopolization by the utilities of hydroelectric power resources in the West."

MOSS then inserted into the CONGRESSIONAL RECORD an editorial from the Sacramento Bee, assailing the proposal for "throwing away" the "public yardstick" of Federal power with which to measure electric rates and insure competition to keep private rates down to reasonable levels.

The Bee argued that private rates are always lowest where there is Federal power to keep them in line, and that Seaton "has fallen in step" with private utility lobbying to destroy "every vestige of public power." Resulting higher power rates throughout the Nation, the Bee said, would amount to many times more than the $55 million the taxpayers would save on the initial Trinity investment.

Seaton's specific, concrete Trinity "partnership" recommendation at the same time he was implying favor of a Federal high dam on the Snake River stung Hells Canyon zealots into new fury.

NEUBERGER commended KUCHEL for his condemnation of the Trinity proposal, and invited him to reverse his past position and join 21 other Senators who have introduced a new Hells Canyon bill.

MOSS joined in, declaring Californians "are not entitled to have the taxpayers of the United States pay the check for all the nonreimbursable costs of the Trinity project and then have the private utilities pick up the profits." He called for "an investigation of the newly announced, but still rather vague, policies" which Seaton proposes, "not only in regard to the Trinity project but in regard to the Pleasant Valley project and other projects on which he has been sending out trial balloons."

The St. Louis Post-Dispatch, citing other reports that the Eisenhower administration is now beginning to lean toward an all-Federal John Day project on the lower Columbia, said the Interior Department "continues to show plain signs of contradiction and uncleanness in its own mind toward the development of our waterway resources."

This, then, brings us back to the Pacific Northwest and Hells Canyon—and the question: Where do we go from here?

Apparently, the public power supporters of a high Federal multipurpose dam on the Snake River are as divided and confused as they accuse the administration of being.

They insist a big dam is imperative—to produce badly needed power in maximum amounts at reasonable rates, to regulate the river for full flood control and downstream power generation, and to supply necessary revenues to make supplemental irrigation projects possible.

But they can't agree on where to build it.

MOSS is the big gun in the battle for a high Hells Canyon Dam. But even some of his closest supporters privately concede it will never pass Congress, if only because Congress would refuse to pay off Idaho Power Co. for the $90 million it has already invested there by rushing into construction under its FPC license.

And it can be recalled that the Muscle Shoals development in the Tennessee Valley during World War II passed Congress only after 240 authorization bills were defeated.

Still, the chances of passing a high Hells Canyon bill now or in the future must be regarded as remote at best.

That leaves Pleasant Valley as a most likely alternative.

Church of Idaho thinks a high dam there is perhaps the most practical answer to the problem of Snake River development. NEUBERGER suggests a 5 to 10 year moratorium on any Snake River development, while we reach 300 miles into Canada to develop the upper Columbia system.

Reason for the moratorium on the Snake, NEUBERGER explains, is to allow more time to study still another high dam site—Nez Perce, farther downstream below the junction of the Snake and the Salmon Rivers.

A high dam at Nez Perce, perhaps the best site of all, poses 2 serious problems: It would destroy the $10 million salmon industry by cutting off the Salmon River breeding grounds, and it would flood out the Pleasant Valley dam site.

NEUBERGER thinks the fish and wildlife service may find a solution to the salmon problem in a few more years. Just as Grand Coulee blocked off the spawning grounds on the upper Columbia, so would Nez Perce doom the Salmon River because as yet there is no way the adult fish can be lifted over the 700-foot dam or the fingerlings passed downstream.

CHURCH and NEUBERGER do agree on one thing: If Congress doesn't do something, the FPC is likely to grant the private license for Pleasant Valley which would preclude any high dam on the Snake. The question neither can answer yet is: What could Congress do, if anything—and would it?

Meanwhile, the Hells Canyon Association sticks stubbornly with high dams at Hells Canyon and Nez Perce, battling either high or low dams at Pleasant Valley before the FPC.

High dams at Hells Canyon and Nez Perce, the association argues, would provide 4 times more flood-control storage alone than Idaho Power's 3 lower Hells Canyon Dams and a Federal high dam at Pleasant Valley. In power production, the 2 high dams would generate 1 million more kilowatts, or the equivalent of Grand Coulee.

J. T. Marr, president of the Hells Canyon Association, views Seaton's hint of a high dam at Pleasant Valley as "at best a weak

apology for a tragic failure to insist on orderly, comprehensive development of the Columbia Basin."

"Anything less than a high dam at Hells Canyon and a high dam at Nez Perce will meet with opposition from the people of the Northwest, no matter how cleverly it is packaged and presented as 'in.'" Marr told the FPC.

On the other hand, NEUBERGER recognizes the immediate need for more low-cost power to stimulate the sagging economy of Oregon. Aluminum plants have been cut back one-third by the power shortage, and new industries are no longer coming in.

NEUBERGER traces the Oregon decline back to the 1952 elections. At that time, Oregon's per capita income averaged $87 over the national level. Now it stands $10 below it. He fixes the total economic loss at $340 million, and calls the situation alarming.

Unemployment, NEUBERGER says, is among the highest in the Nation, and Oregon incomes rose only 14 percent since 1950, while the national average rose 26 percent.

In proposing immediate, large-scale power developments in Canada, at Mica Creek and Libby dam sites, NEUBERGER recognizes that there has been no agreement between the United States and Canada on financing, power distribution, river regulation for downstream generation in this country, or power exchanges.

Negotiations, he admits, have been deadlocked for a year or more, and little progress was made before that.

Again, he blames the Eisenhower administration directly—because it named Len Jordan, former Idaho Governor, to head the United States side of the International Commission conducting the negotiations. Jordan, NEUBERGER charges, has always been an open and avowed foe of public power and Federal river development on a comprehensive basinwide scale.

But NEUBERGER recalls that Eisenhower himself held out the lure of Libby Dam while the Hells Canyon fight was raging. Since then, NEUBERGER notes, the administration seems to have forgotten all about Libby and now is dampening high-dam advocates with Pleasant Valley.

"It's the same old shell game," NEUBERGER says. "And the people of the Northwest lose two ways: We lose Hells Canyon, and we lose all other new starts, too, despite our great need and vast potential.

"It would be easier to press our negotiations with Canada, to the mutual advantage of both Nations, than it would be to solve our fish problem at Nez Perce. And if we go ahead with Pleasant Valley, we will be discarding Nez Perce entirely, because it would flood either high or low dams upstream."

So NEUBERGER says he will fight for John Day and Libby, once Congress decides again on Hells Canyon and pending the Supreme Court review of the whole case. This, he argues, will provide 2.6 million kilowatts the fastest, and still retain the possibility of Nez Perce if the fish issue can be resolved.

John Day was authorized in 1950, but the administration apparently can find no one willing now to introduce its partnership legislation. Republicans who sponsored or supported such bills in the past were washed out of Congress in the 1954 and 1956 elections. So the administration budget contains no appropriation to start work on the project, although Army engineers say they could use $6 million this year. NEUBERGER says an attempt will be made in Congress to provide the necessary funds.

But while the administration talks up high dams and holds down budget appropriations, and while public-power exponents divide their forces and offer opposing arguments, the FPC proceeds toward licensing the small dams at Pleasant Valley and Mountain Sheep.

The region's power needs continue to grow, and the Nation's need increases for Snake River flood control and power revenues to finance further tax-broadening, economy-bolstering reclamation.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MOSS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

VISIT TO THE SENATE BY THE PRESIDENT OF THE NATIONAL CONSULTATIVE ASSEMBLY OF MOROCCO

Mr. SPARKMAN. Mr. President, I desire to inform the Senate that there is at this time on the floor of the Senate a very distinguished visitor, in the person of Mr. Ben Barka, President of the National Consultative Assembly of Morocco. [Applause.]

His position is analogous to that of Speaker of the House of Representatives of the United States Congress.

Mr. President, as all of us know, Morocco was declared to be a free and independent state about 1 year ago. Mr. Barka is the first President of the National Consultative Assembly of Morocco.

Accompanying him is the Ambassador to the United States from Morocco. [Applause.]

Mr. President, we are delighted to have both of these gentlemen with us.

Mr. Barka has given to me a statement expressing his appreciation. I should like to have the privilege of reading the statement at this time.

The PRESIDING OFFICER. Without objection, the Senator from Alabama may proceed.

Mr. SPARKMAN. Mr. President, I now read what the President of the National Consultative Assembly of Morocco would say if he were speaking to the Senate:

MESSAGE FROM MR. BEN BARKA, PRESIDENT OF THE NATIONAL CONSULTATIVE ASSEMBLY OF MOROCCO, TO THE SENATE

Mr. President, may I at the outset express my grateful thanks to the distinguished Senator from Alabama, Senator SPARKMAN, for the hospitality extended to me as president of the Moroccan National Consultative Assembly. Our assembly is the first step undertaken by our country toward the path of a constructive democratic life and institutions. My visit to the United States of America is an example of the activity being developed by my country to study, to learn in order to build a modern nation based on a healthy economy, on social justice, and democratic institutions.

My visit to the United States will be, I am sure, very useful. We believe that all men are brothers and that international relations between countries prove very fruitful when they draw their foundations from mutual respect and solidarity, as is stated on all occasions by his majesty the head of our state, Mohammed V. We are glad to notice that the people of Morocco and the people of the United States of America have developed the most friendly relations ever since the very first year of the independence of the United States of America. It is our sincere desire to strengthen our relations in the interest of all.

May I, Mr. President, convey the warm greetings of the Moroccan National Consultative Assembly to the Congress of the United States of America.

Mr. President, in that connection let me add that the other day my attention was called to a fact with which I had not previously been familiar, namely, that Morocco was the very first country to recognize the United States of America as a free and independent nation, following our Declaration of Independence.

I join with all other Senators in welcoming this distinguished visitor to the floor of the United States Senate. [Applause.]

Mr. MANSFIELD. Mr. President, I should like to join my distinguished colleague in welcoming Mr. Ben Barka, the president of the National Consultative Assembly of Morocco, and also the Moroccan Ambassador to the United States, who are in the Senate Chamber this afternoon.

We are delighted that this young nation is so ably represented, and we are very happy that these two gentlemen are here as our guests.

Mr. WILEY. Mr. President, the two Senators who have preceded me in speaking have expressed my own views about these distinguished visitors.

I am reminded of the fact—which was called to our attention at the luncheon today—that when, in 1776, the Sultan of Morocco welcomed the United States of America into the family of nations, America was then a young, striving nation of 3 million persons. Today, the United States of America welcomes Morocco into the family of democratic nations, and Morocco now has a population of 10 million.

It was my privilege to be with this distinguished visitor on two occasions recently, at luncheons. Mr. Barka speaks remarkably fine English, and has an outstanding grasp of world events and the situation existing today.

After visiting in the city of Washington, he will visit other parts of our country, including the west coast.

Mr. President, we are delighted to have such distinguished visitors travel in our country and become acquainted with our way of life.

It is a pleasure to me to join with my colleagues in welcoming Mr. Barka to the Senate and to the United States.

THE MIDDLE EAST SITUATION

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD the portion of the column written by Mr. Drew Pearson, which appears in the issue of the Washington Post and Times Herald this morning, having to do with the doublecross of the Israelis. While I normally do not have too much respect for the accuracy of Mr. Pearson's

comments, this one seems to be completely accurate, and one which I believe should be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ISRAELIS VICTIMS OF DOUBLECROSS

(By Drew Pearson)

If you know the full inside story of the hectic negotiations by which Israel agreed to withdraw from the Gaza Strip and the Gulf of Aqaba, you can't escape the conclusion that this little country has been given one of the biggest doublecrosses of modern diplomacy.

This may seem an extreme statement but here is the hitherto unpublished record:

Around the middle of last month the Eisenhower administration was worried sick over the position in which it found itself regarding the pending U. N. vote for sanctions against Israel. It was so worried that the first thing Secretary Dulles did when Premier Guy Mollet of France arrived in Washington was to ask his help solving the U. N.-Israeli impasse.

"If there ever was a time when the United States needs the good offices of France it's now," Dulles said in effect.

The reason was easy to understand. The Eisenhower administration by this time had got itself into a position where it was damned by the Arab-Asian bloc if it didn't vote for sanctions, and damned by a majority of Congress plus powerful political forces if it did.

What it needed was a compromise.

The West German Government had politely but firmly notified Dulles that Germany would not go along with sanctions. Germany's commitment to Israel, made as a result of Hitler's massacre of 6 million Jews, was a moral one. West Germany told the State Department.

Dulles also knew that France, plus probably Australia, New Zealand, Canada, and England would not go along with sanctions. Furthermore, both Senator LYNDON JOHNSON, the Democratic leader, and Senator WILLIAM KNOWLAND, the GOP leader, had publicly served notice on the administration that Congress would probably not agree to sanctions.

Finally, the administration was desperately anxious to get the Eisenhower Near East doctrine O. K.'d by the Senate.

All this was why Dulles literally begged Premier Mollet to help him out of the Near East dilemma.

DULLES GIVES O. K.

In the negotiations which followed, the French suggested that instead of getting a flat guaranty from the U. N. or Egypt that the Egyptian Army would not go back into the Gaza Strip, Israel might base its withdrawal on a series of assumptions which would be approved in advance by the United States and France.

So many murderous raids have been conducted from this little finger of land by Egyptian fedayeen that no Israeli Government could long remain in power if it permitted the Egyptian Army to reenter.

As a result of the French suggestion, however, a series of assumptions were drawn up by Israeli Foreign Minister Golda Meir. One assumption was that the civil and military administration of the Gaza Strip "will be exclusively by the U. N." Another assumption was that the U. N. administration would continue until "there is a peace settlement."

These and other assumptions were studied carefully in writing and agreed to by John Foster Dulles. He made 6 or 8 changes in the wording. These Israel accepted.

It was also agreed that after Mrs. Meir made her U. N. speech outlining these assumptions, United States Ambassador Lodge should speak and describe the assumptions as "reasonable."

DULLES IN REVERSE

When Lodge spoke, however, he changed the signals. Instead of calling the assumptions "reasonable" as agreed, he called them "not unreasonable." He also went out of his way to emphasize that Egypt could exercise control over Gaza.

This was what made the Israeli Government almost reverse itself and not get out of Gaza after all.

Undoubtedly the Cabinet would have reversed its foreign minister's decision in Washington had not John Foster Dulles pulled a diplomatic rabbit out of his hat. He drafted a personal letter to Premier Ben-Gurion, which President Eisenhower cabled to Jerusalem.

The President said what Ambassador Lodge was supposed to say but didn't.

One day after the withdrawal, however, when it was too late for Israel to backtrack, Secretary Dulles told his press conference that President Eisenhower's letter did not mean what the Israelis thought it meant, that he did not endorse all of Mrs. Meir's assumptions.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Andrew H. Berding, of the District of Columbia, to be an Assistant Secretary of State, vice Carl W. McCardle, resigned.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, beginning with the nomination previously passed over.

THE SUPREME COURT

The legislative clerk read the nomination of William Joseph Brennan, Jr., of New Jersey, to be an Associate Justice of the Supreme Court of the United States, which nomination had previously been passed over.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. SMITH of New Jersey. Mr. President, it gives me great pleasure to rise to support confirmation of the nomination of William Joseph Brennan, Jr., of New Jersey, to be an Associate Justice of the Supreme Court. He is one of our distinguished citizens.

Justice Brennan is one of the preeminently qualified members of the New Jersey Bar, and has served with distinction as a member of the New Jersey judiciary during the past 7 years, the last 4 years as justice of the Supreme Court of New Jersey.

Justice Brennan's background and experience certainly qualify him to become a distinguished member of our highest court. He possesses an excellent legal training, wide and varied experience in private practice, outstanding service as both a trial and appellate judge, and an alert and vigorous mind.

As a result of his contributions to Army and Air Force procurement programs of the Department of Defense in World War II, he has well earned the distinction of being the holder of the Legion of Merit.

His appointment to the Supreme Court by President Eisenhower has been widely received with commendation. The nomination comes before the Senate with the endorsement of the American Bar Association, various bar associations within the State of New Jersey, and the personal support of New Jersey's chief justice, Arthur Vanderbilt, a nationally known and respected jurist.

Let me add that Justice Brennan is a very warm, personal friend of mine and of members of my family. It is a great pleasure and honor for me to speak in behalf of Mr. Brennan's nomination, and to urge its prompt confirmation.

Mr. CASE of New Jersey. Mr. President, I am happy to have this opportunity to commend the nomination of William Joseph Brennan to be an Associate Justice of the Supreme Court.

We in New Jersey are very proud of Mr. Brennan. Born in Newark, he began his distinguished career in the law in that city in 1931. His outstanding abilities were early recognized in legal circles, and he soon became a member of one of the leading law firms in our State.

During the war years, he served as a colonel with the United States Army, and for his work he received the Legion of Merit.

In 1949, he was named to the superior court bench; and a year later he was appointed to the appellate division. In 1952, he was elevated to the highest bench in our State, the New Jersey Supreme Court.

Both by temperament and experience, he is eminently qualified for service on the highest court of the land. Among fellow members of the bar, he is highly esteemed, not only for his legal ability, but also for the integrity and fairness which characterized his advocacy of a case. On the bench, the same qualities have earned him the respect and admiration of his colleagues. By members of the bar and bench alike, he is generally regarded as exemplifying the finest traditions of judicial office. Throughout the State, he enjoys the confidence and trust of his fellow citizens, regardless of their race or creed.

I know I speak for the citizens of New Jersey generally in expressing my deep

confidence that the years will attest the merit of his selection for the high post of Associate Justice of the Supreme Court.

Mr. McCARTHY. Mr. President, I shall take only a few minutes of the time of the Senate to speak on the nomination of Mr. Brennan.

I am opposed to the nomination, of course. Mr. Brennan used the Supreme Court of New Jersey as a privileged sanctuary from which to engage in back-fence sniping and to conduct guerrilla warfare against anyone who would dare attempt to expose individual Communists. He made fine speeches against communism generally, but that is very easy to do. Even Alger Hiss did that, Mr. President. Of course, I am not comparing Mr. Brennan with Alger Hiss; I merely cite that to show how easy it is for one to wave his arms and talk against communism generally, but they try to crucify anyone who digs out individual Communists.

For example, while Mr. Brennan was on the Supreme Court of New Jersey, he talked about Congressional investigations as "Salem witch hunts." He talked about "the barbarism of Congressional hearings." He talked about "epithets hurled at helpless and hapless victims."

Mr. President, I wish to insert in the CONGRESSIONAL RECORD the questioning of Mr. Brennan, when he admitted that he had no such evidence—in fact, no evidence whatsoever—upon which to base his statements. Therefore, Mr. President, I ask unanimous consent to have inserted at this point in the CONGRESSIONAL RECORD the part of the hearings of the Judiciary Committee which I attended.

There being no objection, the excerpts from the hearings was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JOSEPH MCCARTHY, A UNITED STATES SENATOR FROM THE STATE OF WISCONSIN

Senator MCCARTHY. Mr. Chairman, I first want to thank the committee very, very much for giving me the right to ask a few questions of this nominee to the Supreme Court. They will be very brief, but I think important.

The CHAIRMAN. Wait just a minute.

Mr. Clerk, I want you to put in the record all letters and communications that were received both in favor and opposing this nomination.

(The letters and communications referred to have been filed for the record.)

Proceed.

Senator MCCARTHY. I have never personally met Mr. Brennan and so anything I say here is not motivated by any personal feelings toward him. I have asked for the right to appear and before I ask the questions I would like to read a very, very brief statement.

I have asked to appear before the committee in this matter for one reason and one reason only.

As the committee is well aware, the Supreme Court will have a number of cases before it in the months ahead concerning the Communist conspiracy, and concerning Congressional efforts to expose the conspiracy.

Whether Congress will be able to pursue its investigations of communism will depend, in very large measure, upon how those cases are decided.

I, therefore, think it is of the utmost importance for this committee, for the Senate, and for the American people to know if the judges that will decide these cases are predisposed against Congressional investigations of communism.

On the basis of that part of his record that I am familiar with, I believe that Justice Brennan has demonstrated an underlying hostility to Congressional attempts to expose the Communist conspiracy.

I can only conclude that his decisions on the Supreme Court are likely to harm our efforts to fight communism.

I shall, therefore, vote against his confirmation unless he is able to persuade me today that I am not in possession of the true facts with respect to his views.

I shall want to know if it is true that Justice Brennan, in his public speeches, has referred to Congressional investigations of communism, for example, as Salem witch hunts, and inquisitions, and has accused Congressional investigating committees of barbarism.

I have evidence that he has done so. And such views, in my opinion, reflect an utterly superficial understanding—putting it mildly—of the Communist threat to our liberties, as well as an underlying contempt for the Congress of the United States.

I believe that before a vote is taken on this matter, this committee and the Senate, and the American people, have a right to know whether Justice Brennan can be counted on to help or hinder the fight against communism.

And may I say, Mr. Chairman, I appear merely to keep the record straight. I don't have any high hopes of being successful in opposition to Justice Brennan's nomination. I have great fear that the leftwing—and I emphasize leftwing—Democrats and the so-called modern Republicans, just what that means I don't know, but the modern Republicans will roll over and play dead and will approve his nomination.

I say I have some questions to ask him. I will try to make this as brief as possible but I do tremendously appreciate the opportunity of making the record.

May I say, Mr. Chairman, while I have a number of books here, I have no intention of reading them. They are merely here in case questions should come up that might require their use.

Senator O'MAHONEY. May I ask the Senator a question or two, Mr. Chairman?

The CHAIRMAN. Yes, sir.

Senator O'MAHONEY. You made a reference in your written statement to your possession of certain documents. Would you identify the documents?

Senator MCCARTHY. I will be glad to. I think, Senator, they should be inserted in the record.

Senator O'MAHONEY. What do you have?

Senator MCCARTHY. They are statements that come from the mouth of Justice Brennan.

Senator O'MAHONEY. Pardon me, Senator——

Senator MCCARTHY. Can I finish, Senator?

Senator O'MAHONEY. No——

Senator MCCARTHY. Let me finish my answer.

Senator O'MAHONEY. You can't answer it——

Senator MCCARTHY. Senator O'MAHONEY, let me answer your question.

Senator O'MAHONEY. You can't answer it until you know what my question is.

Senator MCCARTHY. I heard your question.

Senator O'MAHONEY. But you don't understand it. Let me say for the record, Senator, that the documents which you have in your hand are mere typewritten papers. I don't want you to read them. I want you to identify them. What are they? Then, of course, they ought to be made a part of the record.

Senator MCCARTHY. I was about to identify them, Mr. O'MAHONEY.

Senator O'MAHONEY. Please do.

Senator MCCARTHY. And I might say that these were gotten from Mr. Brennan's office as a result of news statements about them, so I assume they are accurate.

Senator O'MAHONEY. Oh, you assume. I want to know. Are they accurate?

Senator MCCARTHY. When they come from him, Senator.

Senator O'MAHONEY. What is your proof?

Senator MCCARTHY. When they come from him.

Senator O'MAHONEY. What is your proof that they come from him?

Senator MCCARTHY. His letter stating that he is sending them to me. If he questions them, I would be glad.

Senator O'MAHONEY. Now you are identifying them.

Senator MCCARTHY. Senator, let me finish. Let me finish one question.

Senator HENNINGS. Mr. Chairman, in the interest of orderly procedure should we not as we would in court identify the documents for what they purport to be?

Senator O'MAHONEY. That is what I am trying to do.

Senator MCCARTHY. May I say to you, I don't know what documents will be called into being. The documents I referred to now are speeches made by Mr. Brennan.

Senator O'MAHONEY. Your say-so doesn't make them so.

Senator MCCARTHY. I think my say-so may mean something, Senator O'MAHONEY. I have just told you that they are speeches of Mr. Brennan. If he says they are not, then we will be glad to hear from him. I'm sure.

Senator O'MAHONEY. If you would only identify them, then we would know whether your say-so is correct.

Senator MCCARTHY. Could you give me 1 second's time to identify them?

Senator O'MAHONEY. Read the letter which you say you received. That would be proof.

Senator MCCARTHY. Could I give you—could you give me 1 second, Senator, without interruption?

Senator O'MAHONEY. You have all the time there is, sir. I just want you to proceed in an orderly manner, not in a disorderly manner.

Senator MCCARTHY. If I didn't have this interruption, I would be proceeding in an orderly manner.

Senator O'MAHONEY. Yes; for the record you stated you had a lot of books on the table. I see only the CONGRESSIONAL RECORD and some concealed pamphlets. [Laughter.]

Senator MCCARTHY. I may say, Mr. Chairman, that some of the audience may think this is humorous. There is nothing humorous about appointing a Justice to the Supreme Court and I don't think it is humorous. You may have a great sense of humor, Senator, but I am trying to answer your question, and I will answer it if you will be quiet for just 30 seconds. Will you do that for me?

Senator O'MAHONEY. Please answer the question, and I shall be quiet.

The CHAIRMAN. Proceed, Senator MCCARTHY.

Senator MCCARTHY. What I would like to refer to are two speeches made by Mr. Brennan. They were forwarded to me after a telephone conversation between Mr. Bosell of my office and Mr. Brennan's secretary. He promised at that time to send these speeches. These speeches were sent and from the news reports I have no reason to believe that the speeches had been distorted or were inaccurate. If you will bear with me, I may say that Mr. Brennan apparently is a very erudite gentleman, he gives very good speeches on an overall basis, but I am

not going to discuss the overall speech of Mr. Brennan.

I intend to question him about some of the items that he brought forth in that.

Senator BUTLER. When were those speeches made and where?

Senator MCCARTHY. March 1, 1954.

Senator BUTLER. Where?

Senator MCCARTHY. With the name of McCarthy—the Charitable Irish Society.

Senator BENNINGS. What city or town?

Senator MCCARTHY. At Boston.

Senator BUTLER. What date?

Senator MCCARTHY. March 17.

Senator BUTLER. What year?

Senator MCCARTHY. 1954.

The CHAIRMAN. We will have to have order. If we can't, the spectators will have to leave the room.

Senator MCCARTHY. The other made before the Monmouth Rotary Club on February 23, 1955. It was during the investigation of communism at Fort Monmouth or at about that time.

The CHAIRMAN. That was an investigation that you conducted?

Senator MCCARTHY. It was an investigation that our committee conducted, and I was in charge of that. Pardon me, Senator, for feeling a bit strongly on this.

Senator O'MAHONEY. You have answered the question now. You were fencing around, apparently not understanding the question.

The CHAIRMAN. Do you want those admitted into the record?

Senator MCCARTHY. I think in fairness to Mr. Brennan the entire documents should be submitted in the record.

The CHAIRMAN. They are admitted into the record.

Senator MCCARTHY. Because I might say they are good speeches.

(The documents referred to are as follows:)

"THE CHARITABLE IRISH SOCIETY, BOSTON, MASS., MARCH 17, 1954

"Mr. President, reverend clergy, distinguished guests, and members and friends of the Charitable Irish Society, my pleasure in having the honor on this night of St. Patrick to address this ancient and honorable society is greater for the warmth of Mr. O'Neill's gracious and overly generous introduction. As I listened to him, again, as often this evening, I thought how wrong Samuel Johnson was. It was he, you will remember, who coined the canard, 'The Irish are a fair people; they never speak well of one another.'

"The assignment is particularly pleasant, as it ever must be to one of Irish blood, to respond to the toast, 'To the day we celebrate.'

"This is the day every year when the whole Nation seems to go on a genealogical binge to find a strain of Irish somewhere in the family lineage. We who need go back no further than our parents' Roscommon cottages witness the avid search, smugly we must confess, and yet with an inner if unexpressed pride that all America should in that way show its recognition of how completely American are the Americans of Irish ancestry. It adds a particular zest to our annual festival when we gather throughout America, as once again we do tonight, in convocations of the quality, if not always of the magnificance, of our meeting here.

"Americans of Irish stock now number five times as many as the number of Irish who are the Irish nation. There are most of us around Boston than there are residents in Dublin. The alchemy which has melded the Irishman into the complete American may have the flavor of the abtruse, but the meld for all to see, perhaps envy, and the reason for it is obvious. The Irish love of individual liberty has naturally flowered in this America where the promise of that liberty has been realized as nowhere else on earth.

"And we lay claim to having made a measurable contribution to the building of this America—a claim made not the less loudly because we willingly acknowledge that we had some help.

"My theme tonight is a reminder that this is a religious America, a subject anachronistic to some, but I submit really timeless because it explains so much. Many have remarked the unique fervor with which we Americans of Irish stock embrace our religious faith. One commentator has said that the value we set upon the constitutional guaranties of religious liberty has made the Irish probably more deeply emotionally attached to America than any other national group in American society. We here tonight will be quick to say that our deep pride in being Americans also has roots in the guaranties of the other human liberties to be found in the Constitution.

"But let us admit the emphasis for the moment. Does not that very trait have special significance in the times in which we live?

"That the alarm clock of history is wound up in periods of world crises and proceeds to run down between times is a truism. Emphatically today's days are lived at the high tension of alarm. Not only is it that everywhere in the world is there an uneasy sense that we are in the midst of profound changes in our social, political, and economic life, nor merely that the flow of events seems to be forcing men and nations relentlessly to a choice between strikingly different and strongly competing philosophies of national life. Rather is it that there is an increasing consciousness of a terror abroad in the world which if it could would turn the clock back to the dark days of tyranny and oppression from which this America provided escape and asylum, not for our forebearers alone but for all peoples whose children proudly wear with us the label "American." None questions now the portentous fact, starkly revealed by daily events that the fundamental difference between our Government and that of our enemy is that we Americans accept, and he rejects, the concept that man-made government must ever be subject and obedient to the laws of God. All Americans, those of Irish blood and those not of Irish blood, accept the great truth expressed by James Madison, that "Before any man can be considered as a subject of civil society he must be considered as a subject of the Governor of the Universe—every man who becomes a member of any particular society must do it with a saving of his allegiance to the Universal Sovereign." And ever since, all branches of government in America have followed a course of official conduct which openly accepts the existence of God as the Creator and Ruler of the Universe.

"Every official of Government, State or Federal, Presidents, governors, judges, officeholders at all levels, before assuming their duties of office, take an oath that is a recognition of God's authority and an undertaking by the official to accomplish the transaction to which it refers as required by His laws. The confederated colonies and, later, the States organized as a constitutional nation, acknowledged the existence of and bowed before the Supreme Being. The Declaration of Independence, phrased in the political ideology of Thomas Jefferson, frankly grounded its position in the inalienable rights endowed by God, the Creator, made appeal to Him, the Supreme Judge of the world, for the rectitude of that position, and expressed trust in the divine providence for protection in the fulfillment thereof. The Articles of Confederation recited the beneficent intervention of the Great Governor of the world. The Thanksgiving Proclamation issued annually by the President, founded originally on resolution and continued through the years by tradition, gives, by its continuity and content, a striking reflection of the acceptance by our Nation, and specifically by our Government, of the idea and existence of God. Our coined dollar for years beyond memory has carried the inscription 'In God We Trust.' And the constitutions of the several States too are replete with declarations placing God at the apex of all things. A famous Justice of the United States Supreme Court has said of them, 'There is a universal language pervading them all having one meaning. They affirm and reaffirm that this is a religious nation; these are not individual sayings, declarations of private persons; they are organic utterances; they speak the voice of the entire people.' Whatever their religious belief, all Americans acknowledge with us the fitness of recognizing in important human affairs the superintending care and control of the Great Governor of the universe and of acknowledging with thanksgiving His boundless favors, of bowing in contrition when visited with the penalties of His broken laws.

"Yes, this America, like the Irish since St. Patrick planted the seed of Christianity in Ireland in the year 432, is and always has been theistic. The influence which that force contributed to our American origins and the direction which it has given to our progress, are beyond calculation. The heirs of an intense religious devotion, as we Irish are, are joined by Americans of all creeds in the depth of our persuasion that it is of supreme importance to our Nation that our people remain theistic, that belief in God shall abide.

"Yes, this is a religious nation—not a Catholic nation, or a Protestant nation, or a Jewish nation, but increasingly a genuinely free and tolerant society simultaneously preserving religious freedom while destroying religious bigotry, in a word, a nation, as Madison hoped, where 'Whilst we assert for ourselves a freedom to embrace, to profess and to observe the religion which we believe to be of divine origin, we cannot deny any equal freedom to those whose minds have not yielded to the evidence which has convinced us. If this freedom be abused, it is an offense against God, not against men. To God, therefore, not to man, must an account of it be rendered.'

"All our liberties are precious but none so precious as religious liberty for without it the other liberties cannot exist.

"Some insist that we Irish are prone to claim too great a share of the credit for this America. Well, though I make my head a target by saying it, I am bold enough to suggest that there is cogent evidence that the determination of Jefferson and Madison to embed the ideal of religious liberty in the Constitution was given strong impetus by the happenings in Ireland at the very time the States were considering the ratification of the Bill of Rights, which are the first 10 amendments. Those years between 1791 and 1798 witnessed Ireland's supreme effort to shake itself free of a tyranny which had its roots in the union of the state with an established church. It was the effort of a united Ireland—jointly of Irish Roman Catholics and Irish Protestant Dissenters. Their common bond was the hatred and fear they shared of the religious favoritism shown the established church, the galling compulsion that Catholic and Dissenters alike pay tithes to support that church, and the concomitant suppressive measures imposed not alone upon their freedom to practice their own faiths but the oppressions which saw their lands stolen by force, exploited by absentee owners with great recklessness, and divided up into plantations for favorites—a tyranny so foul that even Jon-

athan Swift was moved to protest that everything should 'be burnt that comes from England except the people and the coals.'

"The Catholic and Protestant Irish joined forces in the famed Society of United Irishmen, organized in 1791, when your distinguished organization had already reached the maturity of 54 years, and was disbanded and dead in the holocaust of battle by 1798 at the time of your 61st birthday. Led by the immortal Theobald Wolfe Tone, a young Protestant lawyer, the Society of United Irishmen rallied every element of Irish life to its standards, north, south, east, and west.

"Wolfe Tone knew that, tightly welded as the Irish were, and fanatical as was their determination to revolt under the goad of brutal persecution, an armed uprising could succeed only with outside help. He journeyed to Paris and sought and obtained the help of the French. In December of 1796 a French fleet of 43 vessels with 15,000 men set out for Ireland. But en route a great storm arose, the fleet was destroyed, and the landing of such few as reached Bantry Bay was easily prevented.

"Wolfe Tone did not give up. He returned to France in the winter of 1797, prevailed upon the French to try again with some help from the Dutch. This time another huge fleet and 10,000 men embarked. But disaster again befell. The fleet was becalmed and the enemy had time to collect a force which intercepted and totally defeated the French and Dutch as Camperdown.

"Lesser men would have despaired. But Wolfe Tone returned to France to try again. Meanwhile, however, the enemy had become aware that the Society of United Irishmen was being stealthily forged into an efficient military organization awaiting only the arrival of Wolfe Tone and the French to revolt throughout the island. They set out to crush the organization. Martial law was declared, such society officers as could be identified were thrown into prison or executed, hideous excesses of soldiery were neither discouraged nor forbidden.

"Then the movement was dealt its cruelest blow. Within Ireland the controlling group of the society, kept to 15 because of the necessity of stealth in their meeting and planning, was betrayed by one of their own number, a Thomas Reynolds by name. As our American Revolution had but a decade earlier produced Benedict Arnold, the Irish revolution produced its own. Reynolds revealed the final plans for an uprising in coordination with the French, who under Wolfe Tone's urging had outfitted a third fleet which was then en route to Ireland.

"All the leaders were seized and immediately hanged. The arduously collected and carefully stored arms and weapons were taken and there was loosed upon the Irish people a terror with few parallels, so ruthless that even the enemy military commander lost control of his troops and in his words protested to London, 'Every crime, every cruelty that could be committed by Cossacks and Calmuchs has been committed here. The way in which the troops have been employed would ruin the best in Europe.'

"But, though leaderless and virtually without arms, using pipes or sticks, or, more often, their bare hands, driven on by flaming hate and sustained by raw courage alone, the Irish people nevertheless revolted throughout Ireland in the tragic insurrection of 1798. Foredoomed to failure in an awful carnage, they attacked at Prosperous, Dunbayne, Barretstown, in Kildare and Carlow and Dublin; but on all sides they were terribly repulsed with horrible losses.

"On Tara's historic hill, 3,000 of them attacked a large force of Royal horse and foot with nothing but flesh to meet cannon and shot. Only a handful lived to tell the story. In Wexford the United Irishmen knew their Gettysburg. Almost solidly a Catholic county then, as today, their leader was a Protestant, Bagenal Harvey. Their field commanders were two priests, Fathers John and Michael Murphy. Initially they achieved a huge success—5,000 of them attacked and overwhelmed a force of Royal cavalry and infantry and obtained desperately needed arms, ammunition, military stores, and many horses. With these, insult, outrage, and murder were fearfully avenged. No quarter was given. One Royal regiment lost all but five men.

"But now came upon the stage a man familiar in American history—Lord Cornwallis. He became the enemy's commander in chief. The Irish of Wexford, after a succession of battles, had achieved something like a cohesive force of 20,000 which early in June were deployed on Vinegar Hill, a name curiously reminiscent of some battlefield of our own Civil War. It was near Enniswithy. To it Cornwallis brought his Royal forces of regulars and militia who completely surrounded the hill. Discipline and artillery at last prevailed over numbers and valor, and after 2 hours of battle the insurgents broke and were mowed down in a fearful slaughter. The gallant Father Michael Murphy, thought invulnerable to bullets by his men, fell leading an assault.

"This, then, was the scene in Ireland as Wolfe Tone with the third French fleet drew near. The enemy, of course, were forewarned and ready. They fell upon the fleet in overwhelming force off the coast of Donegal and in a fierce 6-hour engagement completely destroyed it.

"Wolfe Tone was captured and sentenced to death, not as a prisoner of war, but as a traitor. He outwitted his captors by opening a vein and dying before the sentence could be carried out.

"So, what Benedict Arnold and Lord Cornwallis could not do in America, Thomas Reynolds and Lord Cornwallis accomplished in Ireland.

"'T. S. Eliot has said, 'Of all that was done in the past, you eat the fruit, rotten or ripe.' Now, this I know is an impartial audience. Surely the wish is not merely the father to the thought and the historians' right who say it is mere coincidence that our Founding Fathers chose that moment to write into our organic law that the state should tolerate all religions and allow them all freedom of expression. The Irish nation was not for a century and a quarter to have the opportunity to write this fundamental of liberty into a constitution of an Irish Republic. But meanwhile countless numbers escaped the denominational concept of the state by emigrating to America where they seized, with what advantage to our America we know, the opportunity to develop and expand this new continent where the binding together of ecclesiastical with political privilege was not to be known.

"But our American way of life now faces a different and perhaps even more deadly challenge because its target is not one, or some, but all religions. Anne O'Hare McCormick, in last Saturday's New York Times labeled it 'the real danger—the massive forces of the imperialist communism that seeks to conquer the world.' Organized atheistic society is making a determined drive for supremacy by conquest as well as by infiltration. We are at a crucial hour, and Americans of all faiths have a common stake in the outcome and are commendably on the alert, although for decades our cries of danger fell largely upon deaf ears. But certainly we need not panic. As Miss McCormick puts it, 'The picture of ourselves as a nation petrified by the fear of communism is neither true nor flattering.' Americans of all races and creeds have closed ranks against the godless foe. Whatever of treasure, of time, of effort required to defeat him, we will provide, and gladly. But we cannot and must not doubt our strength to conserve, without the sacrifice of any, all of the guaranties of justice and fair play and simple human dignity which have made our land what it is.

"When the Master of Men trod the earth, He said, 'Ye shall know the truth, and the truth shall make you free.' The dictators of His day nailed Him to a cross. But the truth He brought has uprooted every dictator since His time.

"The truth shall make you free. Free—not rich. Freedom was the promise. Since that promise was made, the centuries have waxed and waned, economic tides have risen and fallen, but humanity has never ceased its struggle to be free. Autocrats have enslaved men, dictators have regimented them, tyrants have ground them down. But 1,800 years after that old promise there was set up in America a system of government based upon the dignity and inviolability of the individual soul, declaring that all men have God-given inalienable rights to life, liberty, and the pursuit of happiness. In the 178 years since that happy event, this old world, released from tyranny, watered by individual liberty, revivified by the initiative of millions of free men working in their own way for themselves and their children, has produced more of human happiness and has made greater progress in the arts, sciences, education, and economic prosperity than in all the previous centuries of experimentation with the absolute state put together. The enemy deludes himself if he thinks he detects in some practices in the contemporary scene reminiscent of the Salem witch hunts, any signs that our courage has failed us and that fear has palsied our hard-won concept of justice and fair play. These are but passing aberrations even now undergoing systematic deflation. Perhaps you heard and saw Bishop Fulton J. Sheen on his TV program last night. He put the matter in his eloquent and magnificent style. He said that when Americans bait traps to catch rats and use overripe Gorgonzola which smells up the house and nauseates everyone in it, we don't stop using cheese to bait traps to catch rats, we change from Gorgonzola to less odorous Swiss. America, the leader and hope of free men everywhere, has supreme confidence in the irresistible strength of our free society to meet and vanquish today's imperialism, so utterly devoid of hope and offering man only the promise of a degrading slavery.

"For us, the Americans of Irish descent, to whom America is so much, I would close with Harry Lauder's story of the lamplighter. The great comedian told us of sitting at his window in his Scotland home many years ago, long before the advent of electric lights, watching the street lamplighter light the evening lights. He would watch him as he would place his ladder, climb and light the lamp, take down the ladder and go to another, and so on down the street until at last he could see the lamplighter no more but could tell the way he went by the lamps he had lighted.

"So it is, my friends, with you and me of Irish blood. As we go through life, may we be found lighting the lamps of truth and justice and righteousness, even as our Irish forebears before us, so that as time passes and we move from the scene of action, our own children and their children after them, though we be lost to view, may tell the way we went by the lamps we lighted along life's pathway."

"MONMOUTH ROTARY CLUB, FEBRUARY 23, 1955

"I sincerely appreciate the courtesy of the invitation to be with you tonight. It is several years since circumstances compelled me to resign my membership in the Newark Rotary Club, but I have many fond recollections of that association and they make

me feel very much at home in this gathering of my neighbors of Monmouth County.

"The Rotarian ideal of service with its objectives of high ethical standards in our relationships with each other and the advancement of international understanding, good will, and peace takes on a special significance in this troubled day. Faith in our God, in ourselves, in our fellow man are the foundations upon which the Rotary ideal rests—and when in our lives have those essentials had more meaning, when has the striving for them ever been more worth while?

"That the alarm clock of history is wound up in periods of world crises and proceeds to run down between times is a truism.

"Emphatically today's days are lived in the high tension of alarm. Not only is it that everywhere in the world is there an uneasy sense that we are in the midst of profound changes in our social, political, and economic life, nor merely that the flow of events seems to be forcing men and nations relentlessly to a choice between strikingly different and strongly competing philosophies of national life. Rather is it that there is an increasing consciousness of a terror abroad in the world which if it would turn the clock back to the dark days of tyranny and oppression from which this America provided escape and asylum not far our forebears alone but for all peoples whose children wear with us the label 'American.' Some questions now the portentous fact, starkly revealed by daily events, that the fundamental difference between our Government and that of our enemy is that we Americans accept, and he rejects, the concept that manmade government must ever be subject and obedient to the laws of God. All Americans accept the great truth expressed by James Madison that 'Before any man can be considered as a subject of civil society he must be considered as a subject of the Governor of the Universe—every man who becomes a member of any particular society must do it with a saving of his allegiance to the Universal Sovereign.' And ever since, all branches of government in America have followed a course of official conduct which openly accepts the existence of God as the Creator and Ruler of the Universe. Every official of government, State or Federal, Presidents, governors, judges, officeholders at all levels, before assuming their duties of office, take an oath that is a recognition of God's authority and an undertaking by the official to accomplish the transaction to which it refers as required by His laws.

"The confederated colonies and, later, the States organized as a constitutional nation, acknowledged the existence of and bowed before the Supreme Being. The Declaration of Independence phrased in the political ideology of Thomas Jefferson, frankly grounded its position in the inalienable rights endowed by God, the Creator, made appeal to Him, the Supreme Judge of the World, for the rectitude of that position, and expressed trust in the divine providence for protection in the fulfillment thereof.

"The Articles of Confederation recited the beneficent intervention of the great Governor of the World. The Thanksgiving Proclamation issued annually by the President, founded originally on resolutions and continued through the years by tradition, gives, by its continuity and content, a striking reflection of the acceptance by our Nation, and specifically by our Government, of the idea and existence of God. Our colored dollar for years beyond memory has carried the inscription 'In God We Trust.' And the constitutions of the several States too are replete with declarations placing God at the apex of all things. A famous Justice of the United States Supreme Court has said of them, 'There is a universal language pervading them all, having one meaning. They affirm and reaffirm that this is a religious nation; these are not individual sayings, declarations of private persons; they are organic utterances; they speak the voice of the entire people.' Whatever their religious belief, all Americans acknowledge with the fitness of recognizing in important human affairs the superintending care and control of the Great Governor of the Universe and of acknowledging with thanksgiving His boundless favors, of bowing in contrition when visited with the penalties of His broken laws.

"Yes; this America is and always has been theistic. The influence which that force contributed to our American origins and the direction it has given to our progress are beyond calculation. Americans of all creeds are as one in the depth of our persuasion that it is of supreme importance to our Nation that our people remain theistic, that belief in God shall abide.

"Yes, this is a religious nation—not a Catholic nation, or a Protestant nation, or a Jewish nation, but increasingly a genuinely free and tolerant society simultaneously preserving religious freedom while destroying religious bigotry; in a word, a nation, as Madison hoped, where 'Whilst we assert for ourselves a freedom to embrace, to profess, and to observe the religion which we believe to be of Divine origin, we cannot deny an equal freedom to those whose minds have not yielded to the evidence which has convinced us. If this freedom be abused, it is an offense against God, not against man. To God, therefore, not to man, must an account of it be rendered.'

"And so it is but to be expected that the Rotary ideal of service, at base a religious concept, does not seek to supplant or interfere with any religion and assumes, and rightly, that its program of service is in accord with all religions and in a real sense is a reflection of the larger American ideal.

"And because we are Americans first and Rotarians, too, we are aghast at the massive threat of the forces that seek to destroy us. Organized atheistic society is making a determined drive for supremacy by conquest and infiltration. Conquest by arms we can deal with, and we have largely contained its expansion because our enemy is equally aware that we can deal with it. Infiltration is a furtive weapon, elusive, hard to meet and to grasp. Our imaginations build pictures of its size and shape, and the picture I draw is not the picture you draw of it. But a portrait of ourselves as petrified by the fear of this thing is neither true nor flattering. Americans of all races and creeds have closed ranks against the godless foe. Whatever of treasure, or time, of effort required to defeat him, we will provide, and gladly. But we cannot and must not doubt our strength to conserve, without the sacrifice of any, all of the guarantees of justice and fair play and simple human dignity which have made our land what it is.

"Our pursuit of this ugly thing has led us of late, as a Nation, into another fear, namely, that sometimes an infiltration can elude us by setting up the barrier of the fifth amendment. Our gorge rises in frustrated anger when one suspected of participating in the enemy plan can refuse to confirm or deny our suspicions when asked the question 'are you a Communist' by answering, 'I refuse to answer because the answer may incriminate me and under the fifth amendment I cannot be compelled to incriminate myself.' If he was hard to dig out in the first place, digging out the evidence to convict him may be harder still, and without it he may go his way unhindered even as you and I.

"Whence and why the privilege of an accused not to give evidence against himself? Fifteen of the 108 words of the fifth amendment spell it out: 'No person shall be compelled in any criminal case to be a witness against himself.' Substantially the same phrasing imbeds the privilege in the constitutions of 46 of the 48 States. Only Iowa and our own State of New Jersey have not given the privilege constitutional sanction but raise it instead by statute. But I wonder if the statement of it in our Constitution and statute improves upon the original statement of it in Magna Carta in the year 1215, 740 years ago. There it is phrased, 'No bailiff from henceforth shall put any man to his law upon his own bare saying without credible witnesses to prove it.'

"For we must go back almost 8 centuries to discover the source of the privilege. Our constitutions merely declare it; they did not create it.

"The year 1640 probably marks its beginning in the form we know today. That was the year Archbishop Whitgift, a man of stern Christian zeal presiding in the Court of High Commission in England, determined to crush heresy wherever its head was raised. He proceeded immediately to examine clergymen and other suspected persons, under oath, and to wring from them, by one means or another, what happened to fit his definition of heresy and subject them to punishment which even in retrospect makes us shudder. The passions which flamed around this practice fed by the growth of dissident views, at once religious and political, finally forced the courts to a showdown in the trial of John Lilburn in 1637. Lilburn was an obstreperous and forward opponent of the Stuarts. Popularly known as Freeborn John, he was something between a patriot and a demagog. He was committed to prison by the infamous court of the star chamber on a charge of printing heretical and seditious books. Yes, even in those days any thinking which did not conform was labeled treasonous. On his examination he refused to answer the questions put to him to show his guilt. Said he, the examination was 'contrary to the laws of God, nature, and the kingdom, for any man to be his own accuser.' For his boldness in refusing to answer he was condemned to be whipped and pilloried. The sentence was executed, but Lilburn preferred a complaint to the Parliament. And in 1646 the House of Lords vacated the sentence as 'illegal, and most unjust, against the liberty of the subject, and law of the land, and Magna Carta.' For the pain of his whipping and the invasion of his rights as a free man he was granted 3,000 pounds in reparation.

"The privilege, thus established, came into full recognition by 1660, extended to include an ordinary witness and not just the party accused. The colonists who came to America brought it with them as the peculiar mark of the true Englishman 'that no man is bound to accuse himself' and, aided perhaps by the agitation going on in France in the 1780's against inquisitional practices being followed in that country, it promptly found its way into the Bill of Rights being written into the State and Federal Constitutions.

"Has the privilege outlived its usefulness? Certainly our times differ from the turbulent times which gave it birth—and the reason which bred it, revolt against the use of arbitrary power to force men's consciences on the subject of religion is not today's problem. Equally certain is it that more often than not those who claim its refuge have committed the crimes of which they are accused. Why, then, should a civilized people abide a situation so highly advantageous to the guilty, providing a hiding place for crime and hazarding a general disrespect for law and order from the sight of the criminal loose on the streets laughing at the prosecutor?

"Logically why should not a person charged with a crime be obliged to give what explanation he can of the affair? Why should he have the privilege of silence? Are we collectively knaves and fools in the grip of a

shibboleth by which those outside the social pale escape their just deserts?

"These questions imply the arguments advanced by those who would abolish the privilege as a mere tawdy remnant of ancient generations, serviceable, indeed necessary, for them, but unnecessary in the light of other more modern safeguards amply sufficient to protect against the abuses which brought it about. This contest over compulsory disclosure is not new. Even Shakespeare had his doubts. In Hamlet the King soliloquizes: 'In the corrupted currents of this world offence's gilded hand may shove by justice; and oft 'tis seen the wicked prize itself buys out the law. But 'tis not so above; there is no shuffling; there the action lies in his true nature, and, we ourselves are compelled, even to the teeth and forehead of our faults, to give in evidence.'

"But if we pause and think a moment and ask ourselves, 'What is it really that the privilege aims to accomplish,' we come to the different, and, for me at least, more persuasive conclusion that it is not abolition of the privilege but greater respect for it that we should foster, for the need for it is as great or perhaps greater in our day. Our heritage as a people is that we are masters of our own government, the better to assure the protection of individual rights, for it is upon the individual and his rights consistent with the rights of other individuals that our way of life is built, opposing the concept of a society as a collective self-subordinating the individual and commanding his very life to serve its ends. A system of inquisition on mere suspicion or gossip without independent proofs tending to show guilt is innately abhorrent to us, not for the old woman's reasons, that it is hard upon a man to be obliged to criminate himself, but because in the hands of petty bureaucrats, whether under James the First or under Philip the Second or in the 20th century under an American Republic, such a system is always certain to be abused.

"Life magazine recently reminded us of the conclusion reached by Arnold Toynbee in his just completed mammoth Study of History—that communism asks mankind to worship mankind as a collective self, but the idol of Western liberal humanism is the individual, and as truly he is a pipsqueak by comparison, the safeguards to preserve him must indeed be strong and the watch over him indeed be vigilant.

"No doubt a guilty person may justly be called upon to answer at any time, for guilt deserves no immunity. But it is the innocent that needs protection. The true reason and necessity for the privilege is that any system of administration which permits the prosecution to trust habitually to compulsory self-disclosure as a source of proof must itself suffer morally thereby. The inclination develops to rely mainly upon such evidence and to be satisfied with an incomplete investigation of the other sources. The British police official who frankly admitted that his lot was nicer in India than at home, because 'It is far pleasanter to sit comfortably in the shade rubbing red pepper into a poor devil's eyes than to go about in the sun hunting up evidence against him' had his American counterpart in the California police officers who only 5 years ago used a stomach pump to empty the stomach of a suspected drug addict and then obtained his conviction on the evidence of the two capsules he disgorged. 'This is conduct which shocks the conscience,' said our United States Supreme Court, 'They are methods too close to the rack and the screw to permit of constitutional differentiation.'

"The privilege exists then because of the reality of the fear, too often proved empirically to be well founded, that the power to extract answers will beget a forgetfulness of the just limitations of that power. The simple and peaceful process of questioning breeds a readiness to resort to bullying and even to physical force and torture. If there is a right to the expected answer, that is, to a confession of guilt. Thus the legitimate use grows into an unjust abuse; ultimately, the innocent are jeopardized by the encroachments of a bad system. It has been the course of human experience over centuries of struggle that any system which permits John Doe to be forced to answer on the mere suspicion of an officer of the law or of the chairman of an investigating committee, or on public rumor, or on secret betrayal, is a constant danger to all who live under it. And thus it is that 'We are concerned with something far more important than securing or sustaining a particular conviction. Many and conflicting are the criteria by which a society is to be deemed good, but perhaps no test is more revealing than the characteristics of its punitive justice. No single aspect of our society is more precious and more distinctive than that we seek to administer criminal justice according to morally fastidious standards. These reveal confidence in our institutions, respect for reason, and loyalty to our professions of fairness,' not from overwhelming indulgence of the guilty but from basic instincts to secure to each of us an equating of the scales in any necessarily unequal contest between him and the state. The good which the privilege aims at consists in that general fact, and not in the individual application of it to a given claimant. Concede the harm to society when the guilty escape—it is a particular harm which we suffer for the larger good. Kulski in his recent study, 'The Soviet Regime,' pertinently says:

"'The totalitarian mind accepts all the means which promise the achievement of its ends. The democrat is ready to compromise some of his ideal ends for the sake of renouncing means which would involve the sacrifice of human lives or freedom. This is the major moral issue dividing any totalitarian, be he Communist or Fascist, from a genuine democrat.'

"The current widespread interest in the privilege grows, of course, out of its invocation before congressional investigating committees, particularly those committees inquiring into alleged subversion in Government. Distrust of the fifth amendment was a concomitant of such inquiries. Frankness with ourselves must compel the acknowledgment that our resentment toward those who invoked its protection led us into a toleration of some of the very abuses which brought the privilege into being so many centuries ago. The abuses took on modern dress, it is true—not the rack and the screw, but the distorted version of the happenings at secret hearings released to the press, the shouted epithet at the hapless and helpless witness. And woe betide him who cried protest at this perversion of the legislative inquiry. He was thrust in the mold of a sympathizer with and protector of those who plead the fifth amendment. Intentionally conceived or merely misguided, the result has been to engender hate and fear by one citizen of another, to have us distrust ourselves and our institutions, to have us become a 'nation afraid' to borrow from Elmer Davis. That path brings us perilously close to destroying liberty in liberty's name. But there are hopeful signs in recent events that we have set things aright and have become ashamed of our toleration of the barbarism which marked the procedures at some of these hearings. It is indeed reason for pure joy and relief that a long last our collective conscience has sickened of the excesses and is demanding the adoption of permanent and lasting reforms to curb investigatory abuses.

"Dean Griswold, of the Harvard Law School, said in a speech in Newark a short while ago:

"'One way to evaluate a political instrument is to consider what the situation would be if it did not exist. We may better understand the importance of the fifth amendment by considering what not having it would mean. We usually think of the privilege against self-incrimination either in historical terms, in the light of past tyrannies, or in terms of the embarrassment that a witness at a congressional hearing may experience as a result of the exposure of political mistakes. Let us look, though, at the reverse side of the coin in terms of the standard operating procedures of the police states which have brought the medieval techniques up to date. If we are not willing to let the amendment be invoked, where, over time, are we going to stop when police, prosecutors, or chairmen want to get people to talk? Lurking in the background here are really ugly dangers which might transform our whole system of free government. In this light, the frustrations caused by the amendment are a small price to pay for the fundamental protection it provides.

"'The fifth amendment has been very nearly a lone sure rock in a time of storm. It has been one thing which has held quite firm, although something like a juggernaut has pushed upon it. It has, thus, through all the vicissitudes been a symbol of the ultimate moral sense of the community, upholding the best in us, when otherwise there was a good deal of wavering under the pressure of the times.'

"When the Master of Man trod the earth, He said, 'Ye shall know the truth, and the truth shall make you free.' The dictators of His day nailed Him to a cross. But the truth He brought has uprooted every dictator since His time.

"'The truth shall make you free.' Free—not rich. Freedom was the promise. Since that promise was made the centuries have waxed and waned, economic tides have risen and fallen, but humanity has never ceased its struggle to be free. Autocrats have enslaved men, dictators have regimented them, tyrants have ground them down. But 1,800 years after that old promise there was set up in America a system of government based upon the dignity and inviolability of the individual soul, declaring that all men have God-given inalienable rights to life, liberty, and the pursuit of happiness. In the 178 years since that happy event this old world, released from tyranny, watered by individual liberty, protected and assured by the fifth amendment and its companion guaranties, revivified by the initiative of millions of freemen working in their own way for themselves and their children, has produced more of human happiness and has made greater progress in the arts, sciences, education, and economic prosperity than in all the previous centuries of experimentation with the absolute state put together. Are we Americans then to cringe before a tyrannical imperialism so devoid of hope, containing within it only the purpose of a degrading slavery, and deny our own irresistable strength, grown great upon the bread of spiritual evaluation of the dignity of the human soul? History, past and present, answers an emphatic 'No.'

"It is said in a Rotary publication, 'Rotary seeks all that which brings people together and it avoids all which separates them.' For us, then, here tonight, to whom America is so much, I would close with Harry Lauder's story of the lamplighter. The great comedian told of sitting at his window in his Scotland home many years ago, long before the advent of electric lights, watching the street lamplighter light the evening lights. He would watch him as he would place his ladder, climb and light the lamp, take down the ladder and go to another,

and so on down the street until at last he would see the lamplighter no more but could tell the way he went by the lamps he had lighted.

"So it is, my friends, with you and me. As we go through life, may we be found lighting the lamps of truth and justice and righteousness, even as our forebears before us, so that as time passes and we move from the scene of action, our own children and their children after them, though we will be lost to view, may tell the way we went by the lamps we lighted along life's pathway."

Senator McCARTHY. I would like to ask Mr. Brennan a few questions if I may.

Mr. BRENNAN—and despite, as I may say, the levity that has preceded this, to me this is extremely important. I am sure you will agree with that and I won't even call for an answer to that. I would like to ask you a question: Do you approve of congressional investigations and exposure of the Communist conspiracy setup?

STATEMENT OF WILLIAM JOSEPH BRENNAN, JR., NOMINEE TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. BRENNAN. Not only do I approve, Senator, but personally I cannot think of a more vital function of the Congress than the investigatory function of its committees, and I can't think of a more important or vital objective of any committee investigation than that of rooting out subversives in Government.

Senator McCARTHY. You, of course, I assume, will agree with me—and a number of the members of the committee—that communism is not merely a political way of life, it is a conspiracy designed to overthrow the United States Government.

Mr. BRENNAN. Will you forgive me an embarrassment, Senator. You appreciate that I am a sitting Justice of the Court. There are presently pending before the Court some cases in which, I believe, will have to be decided the question what is communism, at least in the frame of reference in which those particular cases have come before the Court.

I know, too, that you appreciate that having taken an oath of office it is my obligation not to discuss any of those pending matters. With that qualification, whether under the label communism or any other label, any conspiracy to overthrow the Government of the United States is a conspiracy that I not only would do anything appropriate to aid suppressing, but a conspiracy which, of course, like every American, I abhor.

Senator McCARTHY. Mr. Brennan, I don't want to press you unnecessarily, but the question was simple. You have not been confirmed yet as a member of the Supreme Court. There will come before that Court a number of questions involving the all-important issue of whether or not communism is merely a political party or whether it represents a conspiracy to overthrow this Government.

I believe that the Senators are entitled to know how you feel about that and you won't be prejudicing then any cases by answering that question.

Mr. BRENNAN. Well, let me answer it, try to answer it, this way, Senator. Of course, my nomination is now before the Senate for consideration, nevertheless since October 16 I have in fact been sitting as a member of the Court. The oath I took, I took as unreservedly as I know you took your own, and as I know every Senator took his. And I know, too, that your oath imposes upon you the obligation to ask just such questions as these.

But I am in the position of having an oath of my own by which I have to guide my conduct and that oath obligates me not to discuss any matter presently pending before the Court, because I have actually sat in consideration on such matters and the only way that the mouth of a member of the Court may be opened in expression of an opinion in respect of any one of them is a formal written opinion when that is finally written and filed.

I do hope you will not feel that in saying what I do, I am doing any more than taking what I am sure is your own position that each of us has to be faithful to his own oath.

Senator McCARTHY. Mr. Brennan, we are asked to either vote to confirm or reject you. One of the things I have maintained is that you have adopted the gobbledegook that communism is merely a political party, is not a conspiracy.

The Supreme Court has held that it is a conspiracy to overthrow the Government of this country. I am merely asking you a very simple question.

It doesn't relate to any lawsuit pending before the Supreme Court. Let me repeat it.

Do you consider communism merely as a political party or do you consider it as a conspiracy to overthrow this country?

Mr. BRENNAN. I can only answer, Senator, that believe me there are cases now pending in which the contention is made, at least in the frame of reference in which the case comes to the Court, that the definitions which have been given by the Congress to communism do not fit the particular circumstances.

Senator McCARTHY. Will you repeat that?

Mr. BRENNAN. I say the contention is being made in those cases that the congressional definition does not fit the particular circumstances presented by the cases.

Senator McCARTHY. I don't want to interrupt you, but would you tell us where and when.

Mr. BRENNAN. Where and when?

Senator McCARTHY. Yes.

Mr. BRENNAN. I can't say anything to you, Senator, about a pending matter.

Senator McCARTHY. You just did. You said that the Congress, that the definition of the Congress does not fit—what is the word you used?

Mr. BRENNAN. I said the contention made in the particular case—and for that reason the issue which is presented to the Court for decision—is whether on the particular facts in the case now before the Court that definition does or does not fit.

Senator McCARTHY. I wonder if the reporter would read that to me?

(Answer read.)

Senator McCARTHY. You know that the Congress has defined communism as a conspiracy. You are aware of that, aren't you?

Mr. BRENNAN. I know the Congress has enacted a definition; yes, sir.

Senator McCARTHY. And I think it is important before we vote on your confirmation that we know whether you agree with that?

Mr. BRENNAN. You see, Senator, that is my difficulty, that I can't very well say more to you than that there are contending positions taken in given cases before us.

Senator O'MAHONEY. Mr. Chairman, I wonder if the Senator from Wisconsin will yield?

Senator McCARTHY. Before I yield, I would like to get an answer to this. This is all important. I would like to know whether or not the young man who is proposed for the Supreme Court feels that communism is a conspiracy or merely a political party. Now just so you won't be in the dark about my reason for asking that, the Daily Worker, all of the Communist-tip papers, and the Communist witnesses who have appeared before my committee—I assume the same is true of Senator EASTLAND's committee—have taken the position that it is merely a political party. I want to know whether you agree with that. That will affect your decision. It will affect my decision on how to vote on your confirmation. I hope it will affect the decision of other Senators.

Mr. BRENNAN. Senator, believe me I appreciate that what to one man is the path of duty may to another man be the path of folly, but I simply cannot venture any comment whatever that touches upon any matter pending before the Court.

Senator McCARTHY. Mr. Brennan, I am not asking you to touch upon anything pending before the Court. I am asking you the general question:

Do you consider communism merely as a political party or do you consider it as a conspiracy to overthrow this country?

And I remind you that the Supreme Court has already stated that it is a conspiracy. The House and the Senate have so stated. I just would like to know how you feel about that.

Mr. BRENNAN. Senator, I cannot answer, I am sorry to say, beyond what I have.

Senator McCARTHY. I yield to the Senator, if I may, Mr. Chairman.

Senator O'MAHONEY. Just let me clarify this. The Senator from Wisconsin has made it perfectly clear, as I understand it, that he is not asking the Justice to make any statement with respect to a pending case. Therefore, the oath of office that the Justice may have taken is not involved.

Senator McCARTHY. Right.

Senator O'MAHONEY. There is now pending before the Senate a resolution, sent here by the executive branch of the Government, by the President of the United States, who appeared before us in a joint session of Congress in which he asked Congress to pass a resolution authorizing him to employ the Armed Forces of the United States in the defense of any nation in the Middle East, undescribed though the Middle East was in the resolution, at the request of any nation there, which was being attacked by international communism.

Now the question I think that is in the mind of the Senator from Wisconsin is the question which I think has already been settled and on which you must have clear views. Do you believe that international communism is a conspiracy against the United States as well as against all other free nations?

Mr. BRENNAN. Yes; that question I answer definitely and affirmatively. I did not understand that was the question the Senator was asking me.

Senator O'MAHONEY. I don't think the Senator was asking you to enter into the details of any particular case.

Mr. BRENNAN. I can say without qualification.

Senator McCARTHY. You have stated it very well.

Senator JENNER. May I interrupt right there? Does the Senator from Wyoming and does the Senator from Wisconsin draw a distinction between international communism and communism?

Senator O'MAHONEY. I don't.

Senator McCARTHY. I don't draw a distinction.

Senator JENNER. I would like to know Mr. Justice Brennan's answer to that. Do you draw a distinction between international communism and communism?

Mr. BRENNAN. Let me put it this way, Senator. This is the difficulty. There are cases where, as I recall it, the particular issue is whether membership, what is membership, and whether if there is membership, does that come within the purview of the congressional statutes aimed at the conspiracy? I can't necessarily comment on those aspects because they are actual issues before the Court under the congressional legislation.

Senator JENNER. That is why it raises a question in my mind. In other words, if we have a Communist Party in the United

States and the congressional committee has ascertained that it is hooked up with international communism, yet the domestic party might contend they are just national Communists, would that influence your thinking?

Mr. BRENNAN. Nothing would influence my thinking. All I am trying to get across is that I do have an obligation not to discuss any issues that are touched upon in cases before the Court.

Senator JENNER. I think in the question that Senator O'MAHONEY placed—read the question, will you, please, Mr. Reporter, and the answer.

(Question and answer read.)

Senator JENNER. Delete the word "international" and just leave in the word "communism," what would be your answer?

Mr. BRENNAN. Of course, I accept the findings as they have been made by the Congress. The only thing I am trying to do, Senator, is to make certain that nothing I say touches upon the actual issues before us growing out of that legislation as applied in particular cases.

Senator HENNINGS. Mr. Chairman, may I inquire——

Senator JENNER. Had you finished?

Senator HENNINGS. I am trying to clarify this.

Senator McCARTHY. Will you yield?

Senator HENNINGS. Not at this moment. I want to see if I can clarify this. I happen to be a member of this committee. I want to be as courteous to the Senator from Wisconsin as I can be, but I propose to ask the question unless the chairman stops it.

The CHAIRMAN. Proceed.

Senator McCARTHY. May I ask, may I address myself to the Chair? Mr. Chairman, I had the floor. I had yielded along a certain line of questioning. I don't know what the rule was you adopted the other day. It was certainly courteous for you to let me come in here and ask questions. I would like very much, and tomorrow, if you will bear with me, I would like to be able to get an answer.

Senator HENNINGS. I will be delighted to bear with the Senator as long as the Senator will permit me to bear with him. I have been recognized by the Chair and I have asked permission to ask Mr. Justice Brennan a question.

The CHAIRMAN. I will permit you to do that. We are not taking Senator McCARTHY off his feet.

Senator HENNINGS. It is simply in an effort to clarify this.

The CHAIRMAN. Now proceed.

Senator HENNINGS. How long have you been practicing law, Mr. Brennan?

Mr. BRENNAN. Since 1931. Senator, which I guess is—this is 1957, that is 26 years.

Senator HENNINGS. Not quite as long as a good many of us here have. You are indeed most singularly honored and fortunate, I think, at your age to have been designated by the President to such a high place.

Mr. BRENNAN. Thank you, Senator.

Senator HENNINGS. You are familiar with the law of conspiracy, aren't you?

Mr. BRENNAN. Yes; I am indeed.

Senator HENNINGS. Is your dilemma, may I suggest, arising from the general proposition as to what constitutes a conspiracy, and what in that connection may constitute certain overt acts, or the clear and present danger as defined by Mr. Justice Holmes, and such other factors as may relate to the general proposition?

Mr. BRENNAN. That is partly some of the issues.

Senator HENNINGS. That is part of it. I am speaking to you as a lawyer.

Mr. BRENNAN. That's right, sir.

Senator HENNINGS. Your dilemma, I take it, does not arise from general propositions as laid down by the Congress that communism is a conspiracy?

Mr. BRENNAN. It is not.

Senator HENNINGS. Against the security and welfare of the United States?

Mr. BRENNAN. It is not.

Senator HENNINGS. Is that correct?

Mr. BRENNAN. That is correct.

Senator HENNINGS. I have not had the pleasure of knowing you, sir. I am simply trying to, if I can, clarify for my mind and for that of others who may be so disposed to accept part of your explanation. The law of conspiracy—I happen to have taught law a little bit, and practiced it, a little longer than you have perhaps; I am not as good a lawyer, sir, as you are, I am sure, however—I do think that the elements of conspiracy in any case are matters depending upon the facts in the instant case; are they not?

Mr. BRENNAN. That is exactly the point.

Senator HENNINGS. Is that what you are trying to get at?

Mr. BRENNAN. That is what I am. I have not done it well.

Senator HENNINGS. I thought perhaps you were.

Senator JENNER. My question, Mr. Chairman, was not based on cases pending. My question was in a similar vein.

In view of that, would you answer the question?

Mr. BRENNAN. The answer is "Yes." I'm sorry to have confused the gentleman.

The CHAIRMAN. Senator McCARTHY, you may proceed.

Senator McCARTHY. Let's see if we finally have the answer to this, Mr. Justice. You do agree that communism, striking the word "international" from it, communism does constitute a conspiracy against the United States—I am not talking about any case pending.

Mr. BRENNAN. Yes.

Senator McCARTHY. Thank you.

You have sent to me at my request two speeches that you delivered covering, among other things, the subject of congressional investigating committees. There may be more which you have not sent me. I know that a man doesn't save all of his speeches—at least I don't.

Mr. BRENNAN. May I suggest, Senator, not to interrupt you——

Senator McCARTHY. Certainly.

Mr. BRENNAN. There was only one more which I delivered on this subject and that is the same one virtually as the one you have that I supplied you with that was made in Red Bank, N. J.

Senator McCARTHY. If I can interrupt myself there, could you send me a copy of that speech before your vote comes up?

Mr. BRENNAN. That one I don't have. That is the one I do not have, but it is the same as the one in Red Bank.

Senator McCARTHY. I just wonder if anywhere in these two speeches you sent me you make any distinction between good investigations of communism and bad investigations.

As I read the speeches—and there is nothing secret about them—you make a blanket charge against congressional investigating committees, and at the risk of becoming boresome by repetition, you do a very good job of handling the King's English. But I just wonder if anywhere in these two speeches you distinguish between the good committee and bad committee or are all committees that investigate communism bad?

Mr. BRENNAN. Senator, I'm sorry you read them that way. Certainly if they may be read that way, they were not intended, that was not what I intended to say.

If I may suggest what I had in mind, it was this: I was not concerned primarily with any committee as such. What troubled me was largely this: I think that committee investigations are so vital a part of congressional work that it is awfully important that what those committees do in the discharge of their work has the complete confidence of all of us, because I think when people become more interested in how the job is done than that the job is done, we have a symptom of a condition which threatens to impair the vitality of the job and the job is too important.

The symptom in this instance, as I saw it, was also in a form in which aspects of fair play came in. By that I mean this: I suppose there is no American heritage that all of us cherish more than that of the right to fair play. And I mean not only do Americans expect fair play of their courts and their administrative agencies but, I think, as well of investigating committees. I don't think Americans distinguish justice in that sense as court justice, or agency justice, or legislative justice, and they are the things that I commented upon in those speeches—and really not the one in Boston, I think, at all. I know you said earlier that I characterized congressional committee investigations as Salem witch hunts. I don't think I made reference to any committees.

Senator McCARTHY. You did, sir. Would you like to have me quote the speech in which you do refer to it?

Here we are. Do you have your speech given at Boston on the 17th of March 1954, if you will turn to page 12. Let me read the entire sentence, "The enemy"—and you were making a grand speech against communism generally—"The enemy deludes himself if he thinks he detects in some practices in the contemporary scene reminiscent of the Salem witch hunts, any signs that our courage has failed us and that fear has palsied our hard-won concept of justice and fair play."

Can I ask you in connection with that, now that your memory has been refreshed, have you seen indications of Salem witch hunts in the congressional investigations of communism?

Mr. BRENNAN. That is just the point, Senator. I didn't make any reference to congressional committees in that comment.

Senator McCARTHY. Could you answer that, Mr. Justice?

Mr. BRENNAN. I shall, Senator.

Senator McCARTHY. Have you seen any indication?

Senator WILEY. Let him answer.

Senator McCARTHY. I will do the questioning unless I yield to you.

The CHAIRMAN. Proceed.

Senator McCARTHY. The question is, Do you find any evidence of Salem witch hunts?

Mr. BRENNAN. I couldn't say that of any congressional committee. What I was thinking of was this: There was a general atmosphere that bothered me, and I think a lot of other Americans about this time. This was in 1954 and before that, when we seemed generally to be highly hysterical, as I think I quoted in my speech, did I not, and quoted Ann O'Hare McCormick something to the effect that a picture of ourselves as a Nation petrified by the fear of communism is neither true nor flattering.

It was the general notion—not congressional committees—but there was a general feeling of hysteria that I felt was very unfortunate and many things were symptoms of it, not congressional committees. There were lots of other aspects as I saw it at the time.

That is what I had reference to. I want to make it clear that I never have said that congressional committees were embarked on Salem witch hunts.

The CHAIRMAN. Mr. Justice, I would like to ask you a question there. Senator McCARTHY has placed in the record two speeches. What particular investigations did you have reference to in that?

Mr. BRENNAN. I made reference in the speech itself generally to congressional inquiries and I did say particularly in respect of inquiries into subversion in Government. The actual language was—I was dealing here with the privilege against self-incrimination—and what I said was—

"The current widespread interest in the privilege grows of course out of its invocation before congressional investigating committees, particularly those committees inquiring into alleged subversion in Government. Distrust of the fifth amendment was a concomitant of such inquiries. Frankness with ourselves must compel the acknowledgment that our resentment toward those who invoked its protection led us into a toleration of some of the very abuses which brought the privilege into being so many centuries ago."

I was concerned—and I was not speaking as a member of the New Jersey Supreme Court although I did sit on that court—as an American speaking his piece about a scene which bothered me.

I felt we were letting ourselves dissipate and in fact were dissipating our energies to meet this very great threat which concerned me as much as that did every American.

Senator MCCARTHY. Could I correct you?

The CHAIRMAN. Let him finish his answer.

Senator MCCARTHY. I knew the justice would want to be corrected if I may. He said he was not a member of the court.

The CHAIRMAN. He said he was a member of the court. He said he was not speaking as a member of the court.

Senator MCCARTHY. I beg your pardon.

The CHAIRMAN. Proceed, Mr. Justice Brennan.

Mr. BRENNAN. I just felt, as I think many of us did at the time, that we ought to regain our perspective in order better to do the job that had to be done of licking this terrible thing.

The CHAIRMAN. What I want to know is: There was the Fort Monmouth investigation. There were others. In any of these speeches did you have reference to any particular investigation?

Mr. BRENNAN. No; I did not.

The CHAIRMAN. If so, which was it?

Mr. BRENNAN. No; I did not. I had no reference to any particular investigation nor to any particular place where investigation was being made. It was just a general observation of things as they appeared to me at the time.

Senator MCCARTHY. Mr. Chairman?

The CHAIRMAN. Proceed, Senator MCCARTHY.

Senator MCCARTHY. In your speech at Fort Monmouth?

Mr. BRENNAN. I never made a speech at Fort Monmouth.

Senator MCCARTHY. Fort Monmouth Rotary Club, February 23, 1955.

Mr. BRENNAN. That is not Fort Monmouth. That was in Red Bank. Red Bank, of course, is a community near the location of Fort Monmouth. But this was the assembled Rotary Clubs of Monmouth County who annually have a—it is not quite a convention but a meeting in which representatives of all the Rotary Clubs from the county meet and I was asked to address them on the subject of the privilege against self-incrimination which is what that is about.

Senator MCCARTHY. The speech is entitled, and I didn't give it the title, you did yourself, Monmouth Rotary Club, February 23, 1955.

Mr. BRENNAN. That's what it is. It is not Fort Monmouth.

Senator MCCARTHY. I understand you now. You talk about a terror abroad. What did you mean, a terror against communism or what kind of a terror are you talking about?

Mr. BRENNAN. I meant communism, the terror. What I said was this:

"Emphatically today's days are lived in the high tension of alarm. Not only is it that everywhere in the world is there an uneasy sense that we are in the midst of profound changes in our social, political, and economic life, nor merely that the flow of events seems to be forcing men and nations relentlessly to a choice between strikingly different and strongly competing philosophies of national life. Rather is it that there is an increasing consciousness of a terror abroad in the world which if it could, would turn the clock back to the dark days of tyranny and oppression from which this America provided escape and asylum not for our forebears alone but for all peoples whose children wear with us the label 'American.'"

I was talking about communism.

Senator MCCARTHY. Then you were talking about the terrorism against communism?

Mr. Brennan, at that time you were speaking in Monmouth, we were conducting an investigation there.

Mr. BRENNAN. No; I was not speaking of the terrorism against communism.

I was speaking of the terrorism of communism and, frankly, if there was any investigation going on at Fort Monmouth at that time, I did not know it.

Senator MCCARTHY. You didn't know that at all?

Mr. BRENNAN. Not at that time. I knew there had been investigations at Monmouth, but whether they were at the time of that address, I don't know.

Senator MCCARTHY. I may be a bit dense this morning, but the terror abroad which you condemned is the terror of what?

Mr. BRENNAN. The terror which is communism; that it what I was talking about.

Senator MCCARTHY. Were you approving that terror or condemning it?

Mr. BRENNAN. I was condemning it?

Senator MCCARTHY. You were condemning this terror?

Mr. BRENNAN. Yes.

Senator MCCARTHY. You thought there should not be a terror of communism?

Mr. BRENNAN. I pray God we get rid of it quickly.

Senator MCCARTHY. At the time, you were telling your audience there should not be a terror of communism, isn't that right?

Mr. BRENNAN. Perhaps we don't say the same thing. I was saying communism was the terror and it was communism that was abroad. It was communism that would turn the clock back to the days of tyranny.

Senator HENNINGS. You speak of terror in the French revolutionary sense of terror.

Mr. BRENNAN. Exactly.

Senator MCCARTHY. Have you ever approved an investigation of the Communist exposure? If you will think back, and you have made speeches saying you were against communism—have made some fine high-sounding speeches along that line—while you have been making those speeches against communism generally, can you tell us where you have approved a single investigation of the same Communists you were talking about?

Mr. BRENNAN. Senator, I don't know quite what you mean where I have approved. I say and I say again that I think we cannot do enough to make certain that this fight is won.

We can't do enough to see that anything like it within or out of Government is exposed. What I was talking to was a premonition I felt that unless it were approached differently than it was being approached, we would lose our eyes—would get our eyes off the target and on other things which would dissipate our energies to do it.

That's what I was talking about.

Senator MCCARTHY. We will get back to that different approach that you have in mind in a minute, if the Chair will bear with me. In the meantime, I may say, I have a rather long memory, I think at least 3 minutes, I recall the question I asked you.

The question is, Have you ever approved an investigation of the Communist exposure? If you will just think back in any of these speeches, have you ever approved by one little word the exposure of Communists, either by the Internal Security Committee, the House committee, by the investigating committee, any other committee?

Mr. BRENNAN. I had no occasion in either of these speeches. I don't recall I have had any other occasions when I affirmatively in public, Senator, got up to say what I just said now. I can only say that if I ever had I would have said precisely what I said now: That I was very much for it, very, very much for it.

I just want to be certain that we don't, as I put it before, dissipate our energies by not doing it as effectively as we could.

Senator MCCARTHY. Mr. Justice, you say what you would have said. What did you mean when you referred to the barbarism of investigating committees?

Mr. BRENNAN. What I think I actually said——

Senator MCCARTHY. If you will take about 2 pages while you are looking it over, you will find you were not referring to investigation of graft, corruption, or fraud; you were referring to investigation of communism, and you referred to the barbarism of the committees.

I would like to know where we had been barbaric in exposing communism.

Mr. BRENNAN. May I read exactly what I said, please?

Senator MCCARTHY. Would you give me the page?

Mr. BRENNAN. I don't know whether it is the same on your copy. It is page 11, and it starts, "The current widespread interest in the privilege." Do you have that?

Senator MCCARTHY. It is O. K.; I'll find it.

Mr. BRENNAN. I had read before—

"Frankness with ourselves must compel the acknowledgment that our resentment toward those who invoked its protection led us into a toleration of some of the very abuses which brought the privilege into being so many centuries ago. The abuses took on modern dress, it is true—not the rack and the screw, but the distorted version of the happenings at secret hearings released to the press, the shouted epithet at the hapless and helpless witness. And woe betide him who cried protest at this perversion of the legislative inquiry. He was thrust in the mold of a sympathizer with and protector of those who plead the fifth amendment."

Senator MCCARTHY. Could I be rude and interrupt you there? You talked about the epithets hurled at hapless and helpless witnesses. Could you give us one example of such epithets?

Mr. BRENNAN. No; these, Senator, were honestly illustrations, a little artists' license, if you please, of what it was I was getting at. I can't tell you exactly now what it is I had in mind, but I know that there was certainly an impression abroad—and, believe me, I think actually the appearance for this purpose is as bad or almost as bad as the actuality—that witnesses in some of these instances were not treated as I am presently being treated, for example.

Senator MCCARTHY. Could you name——

The CHAIRMAN. Wait just a minute. Did you conclude your answer?

Mr. BRENNAN. These are merely illustrative. I can't name any specific instances for you, Senator; no.

Senator MCCARTHY. While you were talking about the epithets that are being hurled at hapless and helpless victims, when you were talking about Communist investigations, you did not have in mind any single incident; is that right?

Mr. BRENNAN. If you get back to those days, you will recall—it is hard completely to recapture them—that there was a great deal written and said on this subject. I don't suppose there was a community in the country where this whole business was not very widely discussed.

I know I had the impression and I think many others did that there were witnesses at whom epithets were shouted, that there were distorted versions of the happenings at secret hearings released to the press. We certainly had the impression, and I can't tell you from any actual knowledge but, as I said before, I think the appearance of that kind of thing in our concept of it in America is as bad in its ultimate result as is the actuality.

Senator JENNER. May I interrupt? Did you ever hear any of the epithets that were hurled at the committee members?

Mr. BRENNAN. No, sir.

Senator JENNER. Some of those were pretty bad, too.

Mr. BRENNAN. I can well imagine.

Senator MCCARTHY. You were a justice of the New Jersey court?

Mr. BRENNAN. Yes; I was at that time.

Senator MCCARTHY. People were entitled to think when you made a statement that you were basing it on fact. Do I understand now that when you talked about epithets being hurled at hapless and helpless victims you had no incident in mind, that you were merely speaking from what you thought might have been an impression created?

Mr. BRENNAN. No; I probably did, but I don't remember. Certainly that was a general impression.

Senator MCCARTHY. Now, you talked about the barbarism of committees.

Mr. BRENNAN. May I get to that?

Senator MCCARTHY. Yes; if you would. I would like to know where the committees have been barbaric?

Mr. BRENNAN (reading):

"Intentionally conceived or merely misguided, the result has been to engender hate and fear by one citizen of another, to have us distrust ourselves and our institutions, to have us become a 'nation afraid,' to borrow from Elmer Davis. That path brings us perilously close to destroying liberty in liberty's name. But there are hopeful signs in recent events that we have set things aright and have become ashamed of our toleration of the barbarism which marked the procedures at some of these hearings. It is, indeed, reason for pure joy and relief that at long last your collective conscience has sickened of the excesses and is demanding the adoption of permanent and lasting reforms to curb investigatory abuses."

Senator MCCARTHY. From what page are you reading?

Mr. BRENNAN. I am not sure we have the same one.

Senator MCCARTHY. We need not have that. What were the hopeful signs that we were getting sick of the excesses?

Mr. BRENNAN. I recall——

Senator MCCARTHY. You are giving a good opening there.

Mr. BRENNAN. I know there were suggested procedures for changing it, for changes rather in the procedures followed by investigating committees. I don't mean related particularly to the committees that were engaged in this inquiry but to committee procedures, generally.

I remember that there was something like that, whether they actually became effective or not.

Senator HENNINGS. There were many of them and hearings were held by the Committee on Rules if the Chair will bear with me.

Senator MCCARTHY. Let's get down to that. We are being asked to approve the nomination of a Supreme Court Justice. He talks about the barbaric procedures. I would like to hand you a copy of the rules under which the investigating committee acted and it is identical, I believe, to the rules under which the other investigating committees acted.

Is there anything barbaric in that or is there anything barbaric that you know of by any other committee?

And, Mr. Brennan, just so there is no doubt in your mind, I have been reading in the Daily Worker and in the—I don't intimate that you are even remotely a Communist or anything like that.

Mr. BRENNAN. I have never read a copy of it.

Senator MCCARTHY. I do. I read it. I have been reading in every leftwing paper, the same type of gobble-dy-gook that I find in your speeches talking about the barbarism of committees, the same Salem witch hunts. I just wonder if a Supreme Court Justice can hide behind his robes and conduct a guerrilla warfare against investigating committees and you talked about barbaric procedures.

I wonder if there is, in which you would improve the rules that we work under?

Mr. BRENNAN. Mr. Senator, I must say that I didn't say anything about barbaric procedures. What I said I think refers back to the general business of press releases and epithets and so forth, toleration of that "barbarism," that is what I was talking about. I think they are synonomous.

The CHAIRMAN. Wait just a minute now. We will take a recess until 10:30 in the morning.

There are a number of witnesses who desire to appear.

The Chair will appoint Senator O'MAHONEY, Senator ERVIN, and Senator DIRKSEN to if possible hear those witnesses this afternoon and see if their testimony is of enough importance so that they should come before the full committee in open hearing.

That does not include your questions, Senator MCCARTHY. You can proceed in the morning.

Mr. Smith, Mrs. Seitz, you will contact the Senator from Wyoming, please.

We will now recess until 10:30 in the morning.

(Whereupon, at 1 p. m. the hearing was adjourned, to reconvene at 10:30 a. m. Wednesday, February 27, 1957.)

Mr. MCCARTHY. Mr. President, I shall not ask for a yea-and-nay vote on the question of confirmation of this nomination. I assume—because of Mr. Brennan's attacks on anyone who dares fight subversives in this country—that perhaps he qualifies in the minds of some Senators for a position on the Supreme Court.

Mr. President, with that statement I rest.

Mr. DIRKSEN. Mr. President, I should remind the Senate that the two speeches made by Mr. Brennan—one to the Monmouth Rotary Club, and the other to the Charitable Irish Society; one in 1954 and the other in 1955—are printed in the hearings of the Judiciary Committee in connection with this nomination. I think there are only two paragraphs which I need read in order to clarify the matter. As appears on page 17 of the hearings, the Senator from Wisconsin [Mr. MCCARTHY] asked the following question, and received the following reply:

Senator MCCARTHY. I would like to ask Mr. Brennan a few questions if I may.

Mr. Brennan, and despite, as I may say, the levity that has preceded this, to me this is extremely important. I am sure you will agree with that and I won't even call for an answer to that. I would like to ask you a question: Do you approve of congressional investigations and exposure of the Communist conspiracy setup?

Mr. BRENNAN. Not only do I approve, Senator, but personally I cannot think of a more vital function of the Congress than the investigatory function of its committees, and I can't think of a more important or vital objective of any committee investigation than that of rooting out subversives in Government.

I think that is a clear statement of Mr. Brennan's frame of mind with respect to this function of the Congress.

Mr. MCCARTHY. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. MCCARTHY. I believe the Senator from Illinois was present at the time when Mr. Brennan was being interrogated. If so, the Senator from Illinois will recall that it took us perhaps half an hour or three-quarters of an hour to get Mr. Brennan to answer the simple question of whether he felt that communism was a conspiracy or merely was a political system. I questioned him on that point; the Senator from Indiana [Mr. JENNER] questioned him; and I believe that other Senators did likewise.

However, as the Senator from Illinois will recall, Mr. Brennan was extremely reluctant. Even after the Supreme Court has held that communism is a conspiracy, Mr. Brennan—who wishes to go on that Court—was reluctant to tell us whether he felt it was a conspiracy or merely was a political system.

I say to the distinguished Senator from Illinois that, if nothing else, that half hour or three-quarters of an hour of questioning shows Mr. Brennan's frame of mind toward the Communist conspiracy, and shows how he will hold while he serves on the Supreme Court. It shows his supreme unfitness to be an Associate Justice of the Supreme Court.

Mr. DIRKSEN. I must say the committee acted carefully, and, with the highest respect for the opinions of the distinguished Senator from Wisconsin. There was, however, an element which had to be taken into account. It must not be forgotten that Justice Brennan has been sitting on the Supreme Court. He has been sitting on cases, as a matter of fact. So there was a self-imposed inhibition as to how far he could go without violating what he thought was the proper path of duty. I think his answers were most responsive, and indicated how very mindful he was of the duty he was under as a Justice of the Supreme Court. There was no reluctance on his part, as I interpret his statement, and I heard all the testimony.

Mr. MCCARTHY. I do not care to pursue this matter indefinitely. I am

sure Brennan's nomination will be confirmed, but I am also certain the Senator will agree with me it was most unusual for the committee to try to coax a nominee for the Supreme Court to tell us whether or not he believed that communism was a conspiracy—which the Supreme Court itself has held—or whether it is merely a political system. The Senator knows it took us at least half an hour, if not more, to get him to answer that simple question, and that question is not pending before the Supreme Court. So he had no inhibitions about answering that question, so far as cases pending were concerned. That showed the frame of mind of this individual, whose nomination the Senate is about to confirm, I assume.

Mr. DIRKSEN. Mr. President, to conclude, I thought Justice Brennan showed a proper discretion in the matter, so that he could never be charged with prejudging an issue which might come before the Supreme Court. With that statement, I conclude my observations of this particular nomination.

Mr. MORSE. Mr. President, so far as I know, every Senator on this side of the aisle is ready to vote on the nomination, but this debate shows such a great difference of opinion on the other side of the aisle that I suggest the absence of a quorum, so we can have a full attendance of the Senate in reaching our final decision.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of William Joseph Brennan, Jr., to be an Associate Justice of the Supreme Court of the United States?

The nomination was confirmed.

NEW REPORTS—THE SUPREME COURT

The legislative clerk read the nomination of Charles E. Whittaker to be an Associate Justice of the Supreme Court of the United States.

Mr. JOHNSON of Texas. Mr. President, the distinguished senior Senator from Missouri [Mr. HENNINGS] asked that this nomination be considered at this time. That is the reason why the motion was made to proceed to the consideration of the executive calendar.

Mr. HENNINGS. Mr. President, I thank my friend, the distinguished majority leader, very much for this opportunity.

During the morning hour I read into the RECORD a statement relating to Judge Whittaker.

Let me say for the benefit of Senators who may not have been present at that time that the nomination of Judge Whittaker was approved yesterday in the Committee on the Judiciary by a unanimous vote, there being 10 members out of 15 present. All 10 voted for confirmation of the nomination of Judge Whittaker.

I know of no man, in my own legal experience, who has been better qualified to adorn the bench of the Supreme Court of the United States than Charles Whittaker. As I have said, he does not belong to my political faith. In such matters I think lawyers like to believe that politics does not make very much difference. So it is with great pride that I respectfully urge upon my colleagues the prompt confirmation of the nomination of Charles Whittaker to be an Associate Justice of the Supreme Court of the United States. On previous occasions the Senate confirmed his nomination to be a district judge, and his nomination to be a judge of the United States Circuit Court of Appeals for the Eighth District.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Charles E. Whittaker to be an Associate Justice of the Supreme Court of the United States?

The nomination was confirmed.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of W. Wilson White to be an Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of M. Hepburn Many to be United States attorney for the eastern district of Louisiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Donald C. Moseley to be United States marshal for the western district of Louisiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE MIDDLE EAST CRISIS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article on the Middle East crisis, written by Chalmers M. Roberts, one of our most capable correspondents in the field of foreign relations, and published in the Washington Post of today.

Mr. Roberts' article deals with the Israeli situation. To accompany this article, I also ask unanimous consent that there be printed in the RECORD the first part of this morning's Drew Pearson column, under the heading "Israelis 'Victims of Doublecross.'"

There being no objection, the article and column were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 19, 1957]

ISRAELIS "CAN'T AGREE" TO RETURN TO GAZA BY BELLIGERENT EGYPT—NO NEW PLEDGES GIVEN MRS. MEIR DURING MEETING HERE WITH DULLES

(By Chalmers M. Roberts)

The Middle East crisis deepened yesterday. Arab pressures on Israel mounted, and the United States refused any new assurances to Israel in the face of disagreement over earlier American pledges.

The overriding question was whether Israel would resort to arms because of the Egyptian takeover from the United Nations of the Gaza Strip civil administration. Adding to the crisis atmosphere was a new Saudi Arabian threat to blockade the Straits of Tiran, leading to the Gulf of Aqaba.

There were differing interpretations of the assurances the United States had given Israel at the time Israeli troops were withdrawn from Egypt. And there were different versions of what transpired at an hour-and-55-minute meeting here yesterday between Secretary of State John Foster Dulles and Israeli Foreign Minister Golda Meir.

NO NEW PLEDGES

At the Capitol, Dulles was quoted by Senators as having told a closed Senate Foreign Relations Committee meeting that he had given Israel no new assurances.

Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, told newsmen he had asked what new assurances, if any, the Secretary had given Mrs. Meir earlier in the day. FULBRIGHT said Dulles replied: "None whatsoever."

Some Senators also said Dulles gave an optimistic report of conditions in the Middle East, the Associated Press reported.

The Dulles-Meir conference was followed by one nearly as long between the Israeli minister and her aides with a group of Dulles' assistants in order to draft a joint statement. At the time of the Dulles-Meir meeting word had not yet been received by the State Department of the new Saudi Arabian threat to free passage of Israeli-bound shipping in the Gulf of Aqaba.

The joint statement left the impression that Dulles had listened to Mrs. Meir's complaints that the United States, in effect, was letting Israel down by not acting to prevent the Egyptian take-over in Gaza and that he had refused to offer any new plan of action or any new assurances.

In that statement one paragraph was devoted to Mrs. Meir's deep concern at the return of Egypt to Gaza and the reduction of the U. N.'s responsibilities there. The statement went on to stress the gravity with which Israel viewed these events which Israel considers "contrary to the assumptions and expectations expressed by her and others" at the U. N. and subsequently and, finally, the Israeli anxiety at reports that Israeli shipping may be blockaded in the gulf and in the Suez Canal, and that Egypt will maintain a state of belligerency toward Israel.

The next paragraph, devoted to Dulles' remarks, did not directly refer to any of Mrs. Meir's points. Instead it said the Secretary "reaffirmed" that American policy continued to be what it has been.

Dulles expressed the view that the United States was "concerned with current developments" and would "continue to use its influence in seeking peace and tranquility." Then he said the United States stands "firmly by the hopes and expectations it had expressed with regard to the situation which should prevail" as to the U. N. responsibility in Gaza, free passage in the Straits of Tiran leading to the Gulf of Aqaba and settlement of the Suez Canal dispute.

Behind these generalizations, however, is a deep Israeli anxiety over the course of events in the Middle East. And there was an apparent disagreement over just what the United States has, or has not, given Israel in the way of "assurances."

FIRM ASSURANCES

The Israeli feeling was that Dulles, in the talk with Mrs. Meir yesterday, had in fact agreed with her that Egypt had violated an earlier understanding that the U. N. alone would run the Gaza civil administration. That understanding was one said to have been worked out by Dulles, Mrs. Meir, and French Premier Guy Mollet in Washington just prior to Israel's agreement to pull its troops out of Egypt.

The Israeli believe that they had such a firm assurance from the United States. They now feel that the word of the United States and of President Eisenhower himself is under test.

But American sources said that the American position had not been one of assurances but of hope that the U. N. would have the Gaza administration responsibility. It is still the American hope, it was said, that the future of Gaza can be as near as possible to the arrangements envisaged by U. N. Secretary General Dag Hammarskjold last February 22. Those arrangements, however, were far less definite on the U. N. role that the assurance Israel feels it had from the United States.

IN CONTRADICTION

This American position is in contradiction to the Israeli stand. The Israeli understanding is that Dulles had given Mrs. Meir a firmer assurance than the public position taken by Hammarskjold.

Mrs. Meir flew to New York yesterday for a late evening meeting with Hammarskjold. She is expected back in Washington for another talk today with Dulles. The Secretary flies to Bermuda on Wednesday morning for the conference between President Eisenhower and British Prime Minister Harold Macmillan.

Mrs. Meir is due to fly home to Israel in time for a Thursday meeting of Premier David Ben-Gurion's Cabinet. That could be an eventful meeting. Ben-Gurion already has said there will be no advance notice of any possible Israeli military action.

FORCE FEARED

Some American officials feel Israel may use force to drive the Egyptian administration out of Gaza, arguing that Egyptian raids on Israel have been renewed. Others feel the chief Israeli aim may be to create world sympathy for her right to use force under the U. N. Charter's right-of-self-defense clause to halt future raids from Gaza and to keep open the Gulf of Aqaba.

Any attack against the Egyptians in Gaza could involve the U. N. emergency force now being deployed on the Egyptian side of the Gaza-Israel border. Mrs. Meir again yesterday refused to permit the force to operate along both sides of that 1949 armistice line.

As to the past public assurances, Mrs. Meir called attention at the U. N. General Assembly on March 1, when she announced the troop withdrawal, to certain assumptions. Among them was the expectation that the U. N. would control the Gaza administration for a transitory period from the takeover until there is a peace settlement, to be sought as rapidly as possible, or a definite agreement on the future of the Gaza Strip.

The next day President Eisenhower wrote Ben-Gurion that he believed that it is reasonable to entertain such hopes as those expressed by Mrs. Meir and others.

Ben-Gurion thereupon ordered the troop withdrawal without first calling a Cabinet meeting and in the face of considerable opposition within Israel.

Some diplomatic sources say that Ben-Gurion took the risk to both his nation and his own political future because of his faith in President Eisenhower. They say that faith stems from a visit Ben-Gurion long ago paid the President when he was the Allied Military Commander in Germany at the end of World War II.

Ben-Gurion found that General Eisenhower was highly sympathetic with his own views on the fate of European Jews under Hitler. Ben-Gurion has often told this story and some of his associates believe it led him to go along with the President's appeal to pull back the Israeli forces.

[From the Washington Post and Times Herald of March 19, 1957]

ISRAELIS VICTIMS OF DOUBLECROSS

(By Drew Pearson)

If you know the full inside story of the hectic negotiations by which Israel agreed to withdraw from the Gaza Strip and the Gulf of Aqaba, you can't escape the conclusion that this little country has been given one of the biggest doublecrosses of modern diplomacy.

This may seem an extreme statement but here is the hitherto unpublished record:

Around the middle of last month the Eisenhower administration was worried sick over the position in which it found itself regarding the pending U. N. vote for sanctions against Israel. It was so worried that the first thing Secretary Dulles did when Premier Guy Mollet, of France, arrived in Washington was to ask his help solving the U. N.-Israeli impasse.

"If there ever was a time when the United States needs the good offices of France it's now," Dulles said in effect.

The reason was easy to understand. The Eisenhower administration by this time had got itself into a position where it was damned by the Arab-Asian bloc if it didn't vote for sanctions, and damned by a majority of Congress plus powerful political forces if it did.

What it needed was a compromise.

The West German Government had politely but firmly notified Dulles that Germany would not go along with sanctions. Germany's commitment to Israel, made as a result of Hitler's massacre of 6 million Jews, was a moral one, West Germany told the State Department.

Dulles also knew that France, plus probably Australia, New Zealand, Canada, and England would not go along with sanctions. Furthermore, both Senator LYNDON JOHNSON, the Democratic leader, and Senator WILLIAM KNOWLAND, the GOP leader, had publicly served notice on the administration that Congress would probably not agree to sanctions.

Finally, the administration was desperately anxious to get the Eisenhower Near East doctrine okayed by the Senate.

All this was why Dulles literally begged Premier Mollet to help him out of the Near East dilemma.

DULLES GIVES O. K.

In the negotiations which followed, the French suggested that instead of getting a flat guaranty from the U. N. or Egypt that the Egyptian army would not go back into the Gaza Strip, Israel might base its withdrawal on a series of assumptions which would be approved in advance by the United States and France.

So many murderous raids have been conducted from this little finger of land by Egyptian fedayeen that no Israeli Government could long remain in power if it permitted the Egyptian Army to reenter.

As a result of the French suggestion, however, a series of assumptions were drawn up by Israeli Foreign Minister Golda Meir. One assumption was that the civil and military administration of the Gaza Strip will be exclusively by the U. N. Another assumption was that the U. N. administration would continue until there is a peace settlement.

These and other assumptions were studied carefully in writing and agreed to by John Foster Dulles. He made 6 or 8 changes in the wording. These Israel accepted.

It was also agreed that after Mrs. Meir made her U. N. speech outlining these assumptions, United States Ambassador Lodge should speak and describe the assumptions as reasonable.

DULLES IN REVERSE

When Lodge spoke, however, he changed the signals. Instead of calling the assumptions reasonable as agreed, he called them not unreasonable. He also went out of his way to emphasize that Egypt could exercise control over Gaza.

This was what made the Israeli Government almost reverse itself and not get out of Gaza after all.

Undoubtedly the cabinet would have reversed its foreign minister's decision in Washington had not John Foster Dulles pulled a diplomatic rabbit out of his hat. He drafted a personal letter to Premier Ben-Gurion, which President Eisenhower cabled to Jerusaleum.

The President said what Ambassador Lodge was supposed to say but didn't.

One day after the withdrawal, however, when it was too late for Israel to backtrack, Secretary Dulles told his press conference that President Eisenhower's letter did not mean what the Israelis thought it meant, that he did not endorse all of Mrs. Meir's assumptions.

Mr. MORSE. Mr. President, as one reads these two articles, he sees further evidence as to why I feel as I do about the Secretary of State. His language must be considered very carefully when he converses with anyone, as I am sure the representatives of Israel have now discovered. They thought they were getting assurances. They are now told, as these articles point out, that they were getting only expressions of hope from the Secretary of State.

Yesterday I was attending another meeting at the time the Foreign Relations Committee met, and I could not attend the session of the Foreign Relations Committee. Earlier in the day I went to the committee room and read the transcript of Secretary Dulles' testimony before the Committee on Foreign Relations. As each day goes by, I see mounting evidence in support of observations which I have made on the floor of the Senate many times, to the effect that we ought to be rid of him. With regard to the Israeli situation, his policies have been so against the best interests of

our country that I am at a loss to understand how the administration can justify keeping him in office.

Chickens are coming home to roost pretty fast, as Herblock pointed out in a great cartoon the other morning. It bears out what many of us, including the present occupant of the chair [Mr. TALMADGE] pointed out in the debate on the Middle East Eisenhower doctrine, namely, that we should have obtained commitments from the Arab countries before we passed the resolution.

It is rather interesting now to read newspaper stories from newspapers which formerly supported the Eisenhower doctrine, and to note how quickly they have been disillusioned, because of what I consider to be growing evidence of gross malfeasance in office by the Secretary of State.

SLUM CLEARANCE AND URBAN REDEVELOPMENT

Mr. CLARK. Mr. President, the Subcommittee on Housing of the Committee on Banking and Currency, on which I have the honor to serve, is at present considering a number of bills dealing with the entire housing problem in general, and with slum clearance and urban redevelopment in particular. Personally I was distressed to have appear before the subcommittee yesterday the administrator of the Housing and Home Finance Administration, who stated that in order to help, as he put it, to balance the budget, that agency was reducing its request for long-range commitments for urban redevelopment organization—a condition which in my judgment has nothing to do with balancing the budget, and can only result in the slums in our larger cities continuing to grow faster than we are able to eliminate them. It will be impossible for those interested in urban redevelopment to make their plans for obtaining Federal credit sufficiently in advance if the present policies of the agency are continued.

I was gratified to see in this morning's Washington Post a fine editorial entitled "Slum Clearance Slowdown," which expresses so well the point of view of those of us who have had firsthand experience as mayors of larger cities with the problem of urban blight and the vital necessity for continued Federal assistance in that field that I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SLUM CLEARANCE SLOWDOWN

The United States Conference of Mayors is entirely justified in protesting "a shift in Federal policy aimed at slowing down and otherwise restricting" the urban renewal program. The proposed cutback in Federal aid to local slum clearance projects is all the more objectionable because it is being touted as an economy measure. In point of fact, if the program is not to be abandoned altogether, the reduction could as well result in more rather than less expense, in future years. In any case, the proposed reduction in contract authority cannot possibly reduce actual Federal cash outlays for several years. The present concern is with the precarious balance of Federal income and spending next year, not with the long-run prospect.

Housing and Home Finance Administrator Albert M. Cole says the $175 million in new contract authority for urban renewal grants which he is asking for fiscal 1958 will permit the prosecution of a vigorous program. How is it, then, that in January the Administration felt obliged to recommend $500 million in new authority for the next 2 years? It is true that only half this amount would have been available for obligation in the year starting July 1, but to plan projects wisely and efficiently, it is essential that cities have assurance that reservation of Federal aid is not to end abruptly next year. The Administration not only is silent on what may be expected in fiscal 1959 but has refused to use $100 million in standby authority for renewal contracts provided by Congress in 1956.

The result is that disturbingly tough new rules have had to be issued to help hoard the rapidly shrinking aid authority. Large projects are to be discouraged, which means that many ventures which are not feasible on any other basis must be abandoned. Cities that have geared up for renewal and have one or more projects moving must now defer in the allocation of aid funds to cities that have no programs under way; success, in other words, is to be penalized.

There is something to be said for holding projects to manageable proportions, but it must be remembered that renewal depends, in the end, on private investment, which will not be attracted to small, unimaginative redevelopments surrounded by blight. Available aid should be equitably distributed among the Nation's cities, but cities scarcely will be interested in one-shot projects that make only dents in the deterioration of their core areas.

Slum clearance suffers above all else from its snail's pace. It requires great civic effort to start a program and keep it moving. Only a little discouragement from the Federal Government can kill the program in its infancy. To date, only $66 million has been expended out of $857 million officially reserved for projects throughout the country. At best, very little more will be spent next year. But many new projects can be launched on the tortuous course to execution if sufficient contract authority is provided.

We hope the Congressional housing subcommittees will recognize that Federal urban renewal aid is not suited to compensatory budgeting because it is impossible to forecast a budget situation 3 or 4 years in advance. Only a sustained, consistent program over a long period offers any hope of licking the critical problem of central area decay which afflicts much of urban America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed without amendment, the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

FINANCIAL INSTITUTIONS ACT OF 1957

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1451), to amend and revise the statutes governing financial institutions and credit.

Mr. YOUNG. Mr. President, the senior Senator from North Dakota (Mr. LANGER) is presently in the Naval Hospital at Bethesda, Md. In his absence his office has received telegrams from certain organizations in the State of North Dakota, expressing their views on S. 1451, the Financial Institutions Act of 1957, now being debated by the Senate.

Senator LANGER's office has transmitted these telegrams to me, and I ask unanimous consent that they be printed at this point in the RECORD for the information of the Congress.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HILLSBORO, N. DAK., *March 9, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We are opposed to the provisions in S. 1451 providing that the Director of the Bureau of Federal Credit Unions shall have the power to lower the loan limit to less than 10 percent of the assets. We are also opposed to the amendment providing for outside audits of all Federal credit unions over $100,000 assets.

PORTLAND CREDIT UNION,
PORTLAND, N. DAK.

CARRINGTON, N. DAK., *March 9, 1957.*
Hon. WILLIAM LANGER,
Washington, D. C.:

Title 7 in Financial Institutions Act, 1957, provides the Director, Federal Credit Unions the power to lower loan limits and provides for an outside audit of credit unions over $100,000 assets. We urge your opposition to these provisions.

FOSTER COUNTY CO-OP FEDERAL CREDIT UNION,
CARRINGTON, N. DAK.

PESSENDEN, N. DAK., *March 9, 1957.*
Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We urge opposition to bill, title 7 in Financial Institutions Act of 1957.

PESSENDEN FARMERS UNION CREDIT UNION,
REYNE RUSCH, *Treasurer.*

GRAND FORKS, N. DAK., *March 9, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We urge defeat of bill No. 7, an amendment to S. 1451, because we believe it is detrimental to credit unions.

GRAND FORKS FARMERS UNION CREDIT UNION,
HERBERT HANSON, *President.*
REYNOLDS, N. DAK.

REGINA, N. DAK., *March 11, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We strongly oppose changes proposed in title 7, Financial Institutions Act of 1957, S. 1451.

ADAMS COUNTY CREDIT UNION,
ELMER SCHMITH, *Secretary.*

VALLEY CITY, N. DAK., *March 11, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We urge deletion of provision to lower loan limits on loans and requiring outside audits for credit unions as proposed in Financial Institutions Act of 1957, S. 1451.

We also oppose H. R. 3660, as Commission would undoubtedly consist solely of bankers and therefore urge your support of Patman Resolution No. 55.

VALLEY CITY FARMERS UNION FEDERAL CREDIT UNION,
ELMER BJORLIE, *Treasurer.*
VALLEY CITY, N. DAK.

NEWTOWN, N. DAK., *March 11, 1957.*
Hon. WILLIAM LANGER,
Washington, D. C.:

We register firm opposition and urge deletion of provisions 1 and 2 of the bill title 7 in Financial Institutions Act of 1957, No. S. 1451.

SANISH FARMERS UNION CREDIT UNION.
K. T. AUVERSON, *President.*

FLASHER, N. DAK., *March 11, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

We urge you to oppose both amendments to title 7 in Financial Institutions Act of 1957, S. 1451.

FLASHER COMMUNITY CREDIT UNION.
EDWIN B. TIMPLE.

MEDINA, N. DAK., *March 11, 1957.*
Hon. WILLIAM LANGER,
Washington, D. C.:

We oppose title 7 in Financial Institutions Act of 1957 and urge deletion of its provisions.

MEDINA COMMUNITY CREDIT UNION.

JAMESTOWN, N. DAK., *March 11, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Financial Institutions Act of 1957, S. 1451, would seriously hamper credit unions. Title 7 of this bill rewrites the Federal Credit Union Act. In its present form bill provides that the Director of the Bureau has authority to set the loan limits. This is a right that should be kept by the local credit union directors. Bill also provides that Federal credit unions with assets of $100,000 or more must have annual audit by an independent individual. This would throw a greater load on small credit unions. We are opposed to these two provisions. We are for an amendment to the act that would permit a loan officer to handle certain loans.

JOHN HILLERSON,
Managing Director, North Dakota Credit Union League.

FARGO, N. DAK., *March 16, 1957.*
Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

North Dakota bankers favor passage S. 1451, Robertson bill, including Bush amendment. We urge you support it.

NORTH DAKOTA BANKERS ASSOCIATION,
A. O. MCCLELLAN, *President.*
G. H. HERBETT, *Vice President.*

Mr. McNAMARA. Mr. President, I have prepared a statement giving my views on the measure now before the Senate, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCNAMARA

All of us would agree that the measure pending before the Senate is a very important one. The Senate will do well to consider it carefully because the chickens we may hatch today might soon come home to roost some day and we might not like them at all.

The measure before us seems to have received adequate consideration prior to its introduction in the Senate. I have no quarrel with that. I would like to take issue with the seemingly widespread idea that this is a noncontroversial bill.

As the number of amendments proposed today shows, there are many provisions in the bill that people—the people who are most interested in it and affected by it—object to.

My main objection to the bill is this: as an overall "financial institutions" bill, it attempts to deal with organizations that are strikingly different from each other.

This lumping together of banks, government organizations and organizations that are in existence solely for the mutual benefit of their members is in other words nonprofit groups, in my opinion, not the right approach for the Senate to take.

As for myself, I want to make it very clear that savings and loan associations, Federal Credit Unions and even Federal Home Loan Banks are not in the same class as private banks. These organizations are mostly of self-help type, set up along the lines of cooperatives and solely for the benefit of the people who put in their hard-earned dollars.

Therefore I shall vote against the bill.

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished minority leader [Mr. KNOWLAND] and myself, I submit a proposed unanimous-consent agreement which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective upon the adoption of this order, debate on the so-called Anderson-Javits amendment to S. 1451, the Financial Institutions Act of 1957, be limited to 1 hour, to be equally divided and controlled by the mover of such amendment and the majority leader: *Provided*, That, in the event the majority leader is in favor of such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of said amendment shall be received.

Mr. MORSE. Mr. President, reserving the right to object—and I shall not object—I wish to say for the record that in a matter of legislative policy it would be my purpose to object to a unanimous-consent agreement, unless an exceedingly strong case could be made to justify the making of an exception.

In this particular case I do not consider we are dealing with a question of major policy. The major policy is the bill itself, and I would not agree to a unanimous-consent agreement to vote on the bill itself. Here we are dealing with a unanimous-consent agreement on an amendment to the bill. I think it would be reasonable to agree to it, if it were only for the purpose of making possible the application of a sort of rule of germaneness for the next period of time in the Senate, because we will not conclude the debate in a reasonable time unless we follow some kind of rule of germaneness.

Therefore I shall not object to the unanimous-consent request.

Mr. DIRKSEN. Mr. President, this matter relates to the amendment originally offered by the distinguished Senator from Connecticut [Mr. BUSH]. I believe an effort is being made to contrive a compromise which will be acceptable to all concerned. It is believed that an hour equally divided will be ample for the disposition of the amendment.

Therefore, there is no objection, so far as I know.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection? The Chair hears none, and the unanimous-consent agreement is entered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, with the time consumed in calling the quorum not being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Mr. President, I modify the amendment which the junior Senator from New York [Mr. JAVITS] and I proposed last night, and which, I believe, is the pending question. I send the modified amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the modified amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 17, in the first line of section 23 it is proposed to strike out "any stock" and insert in lieu thereof "5 percent or more of the stock."

On page 17, in the ninth line of section 23, after "stock" to insert "held by such record owner."

On page 17, in the 11th line of section 23, to strike out "any such stock" and insert in lieu thereof "5 percent or more of the stock in any national bank."

On page 97, in the first line of subsection (g) of section 23, to strike out "any stock" and insert in lieu thereof "5 percent or more of the stock."

On page 97, in the ninth line of subsection (g) of section 23, after "stock" to insert "held by such record owner."

On page 97, in the 11th line of subsection (g) of section 23, to strike out "any such stock" and insert in lieu thereof "5 percent or more of the stock in any State member bank."

On page 165, in the first line of subsection (b) of section 27, to strike out "any stock" and insert in lieu thereof "5 percent or more of the stock."

On page 168, in the fourth line, after "stock" to insert "held by such record owner."

On page 168, in the sixth, and seventh lines, to strike out "any such stock" and insert in lieu thereof "5 percent or more of the stock in any insured nonmember bank."

The PRESIDING OFFICER. Is there objection to considering the amendments as modified, en bloc? The Chair hears none, and they will be considered en bloc.

Mr. ANDERSON. Mr. President, what we now propose is an effort to modify what we attempted to do last night. The point was made by the Senator from Illinois [Mr. DOUGLAS] that there must be disclosures, and we tried to accommodate ourselves to the views of the Senator from Connecticut, who felt that a burden would be imposed if too much disclosure were required.

The Senator from New York had an amendment which he wanted to propose, and he and I have made an effort to meet, so far as was possible, the desires of the Senator from Connecticut [Mr. BUSH]. I was prepared to go along with him, knowing that the Senator from Illinois [Mr. DOUGLAS] would be a conferee, and the conferees can probably do a better job than we can at this time on the floor of the Senate.

Mr. JAVITS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. JAVITS. I am pleased that we have reached such a point that the matter can be settled after a little further inquiry into the technicalities.

As the Senator from New Mexico has said, the Senator from Illinois [Mr. DOUGLAS] will himself be a conferee, and will be in an ideal position to determine what is the most practical provision to adopt. Therefore, in the interest of getting the matter settled as we agree it should be settled, I concur in the amendment to be offered by the Senator from Connecticut to the pending amendment.

Mr. BUSH. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. BUSH. I send to the desk an amendment which is offered after consultation with the Senator from New Mexico and the Senator from Illinois. It is in the nature of a substitute for the amendment which the Senator from New Mexico has had read at the desk.

The amendment is as follows:

On page 17, strike the sentence beginning on line 2 with the words "Such list" through the words "such stock." on line 5.

On page 17, section 23, line 4, strike the word "bank" and insert in lieu thereof "Comptroller".

On page 17, section 23, line 5, after the word "stock" insert "in excess of 5 per centum of the outstanding shares of the bank".

On page 17, section 23, line 7, strike the word "bank" and insert in lieu thereof "Comptroller".

On page 17, section 23, line 8, insert after "having" insert "such".

On page 17, section 23, line 10, strike the words "such bank" and insert in lieu thereof the words "the Comptroller".

On page 96, section 25 (f), strike the sentence beginning on line 4 with "Such list" through the words "such stock." on line 7.

On page 97, section 28 (g), line 4, strike the word "bank" and insert in lieu thereof "Board".

On page 97, section 28 (g), lines 5 and 6, after the words "such stock" insert "in excess of 5 per centum of the outstanding shares of the bank".

On page 97, section 28 (g), line 7, strike the word "bank" and insert in lieu thereof "Board".

On page 97, section 28 (g), line 8, after "having" insert "such".

On page 97, section 28 (g), line 10, strike the words "such bank" and insert in lieu thereof "the Board".

On page 165, section 27 (a), strike the sentence beginning on line 4 with "Such list" through the words "such stock." on line 7.

On page 165, section 27 (b), line 4, strike the word "bank" and insert in lieu thereof "Board".

On page 166, section 27 (b), line 1, after the words "such stock" insert "in excess of 5 per centum of the outstanding shares of the bank".

On page 166, section 27 (b), line 2, strike the word "bank" and insert in lieu thereof "Board".

On page 166, section 27 (b), line 3, after the word "having" insert "such".

On page 166, section 27 (b), line 6, strike the words "such bank" and insert in lieu thereof "the Board".

Mr. BUSH. Mr. President, the effect of my amendment is to require the record owners of bank stock to report a financial interest of 5 percent or more to the supervising agency in question. It might be the Federal Reserve Board, if a member bank is involved. It might be the FDIC, or it might be the Comptroller of the Currency, if a national bank is involved. The only difference between this amendment and the one offered by the Senator from New Mexico is that in the case of my amendment the report is to be made to the supervising agency, whereas, under the Anderson amendment, the report is to be made to the bank in which the stock is held of record.

Mr. ANDERSON. Mr. President, would the Senator from Connecticut mind if the able Senator from New York and I modified our amendment?

Mr. BUSH. I should be very glad to have that done.

Mr. ANDERSON. Would the Senator from New York be agreeable to that?

Mr. JAVITS. Certainly.

Mr. ANDERSON. Mr. President, I further modify the amendment of the Senator from New York by incorporating the language of the amendment offered by the Senator from Connecticut.

Mr. BUSH. I wish to thank the Senator from New Mexico and the Senator from New York for having worked out the matter satisfactorily to all concerned.

Mr. JOHNSON of Texas. Mr. President, I was going to ask unanimous consent that the order for the yeas and nays on the Bush amendment be rescinded, in view of the fact that we seem to be pretty much in agreement at this time.

The PRESIDING OFFICER. Does the Senator from Connecticut withdraw his original amendment on which the yeas and nays have been ordered?

Mr. BUSH. I shall be glad to withdraw the amendment on which the yeas and nays were originally ordered.

The PRESIDING OFFICER. Is there objection to the Senator withdrawing his amendment? The Chair hears none, and it is so ordered.

The withdrawal of the amendment automatically rescinds the order for the yeas and nays.

Mr. BUSH. That is satisfactory.

Mr. DOUGLAS. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. Mr. President, I yield such time as the Senator from Illinois may require.

Mr. DOUGLAS. The Senator from Connecticut has accurately stated the content of his amendment, which I accept.

I should like to say for the RECORD that it retains the principle of disclosure, which I think is extremely important, but limits it to such financial interests as own 5 percent or more of the stock of a given bank. In this way it frees the bank from the administrative difficulties of reporting trust funds and trust estates, and yet, at the same time, preserves the general principle which some of us have been trying to retain.

I should have preferred to have the cutoff percentage fixed at 3 percent, and also to have the reports made to the banks rather than to the supervising agency. But in the interest of harmony and in a general spirit of compromise, which seems to have extended itself over this body, I shall cooperate.

Mr. HOLLAND. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. Mr. President, I yield such time to the Senator from Florida as he may require.

Mr. HOLLAND. I thank the Senator from New Mexico.

Mr. President, I should like to address a question to the distinguished Senator from Connecticut, referring to a portion of a letter I have received from one of the ablest attorneys in Florida, who incidentally, is the president of one of our largest banks. After listing the various sections which are in issue in this particular discussion the letter proceeds as follows:

The objection to the provisions of these sections is that in legal effect they may add to the expense and trouble in effecting the transfer of stock issued to a nominee of the beneficial owner. Stock is customarily placed in the name of a nominee by trustees or agents to avoid the interminable delay and expense involved in determining the authority of the agent or trustee to make the transfer. Practically every trust company or bank exercising trust functions, as well as many brokerage concerns, register the stock of which they are custodian, trustee, or agent in the name of nominees, pursuant to the consent or directions of their principals or the provisions of the trust instrument. Such nominees are now regarded as the owner, and stock transfers are made to and from them as the absolute owners. If by the banking code such nominees are required to disclose that they are not the beneficial owners, the advantages of using nominees are destroyed. I can readily see the desirability of the regulatory agencies knowing where the beneficial

interest in bank stock lies, but I hope that this result may be obtained without destroying the advantage enjoyed by registration of stock in nominees.

The Senator from Connecticut having noted that the writer of this letter makes it very clear that he understands the desirability of the regulatory agencies knowing about transactions and as to who is the actual, equitable, beneficial owner of bank stock, my question is: Does the modified amendment of the Senator from Connecticut, which is now before the Senate, protect the objective which is stated by the writer of the letter, in that the amendment gives to the regulatory agencies the needed information in cases where more than 5 percent of the outstanding capital stock of a bank is being transferred or registered, but does not give such notice or knowledge to the bank itself, thereby requiring the bank to proceed in great detail to ascertain what the authority of the person is and whether authority has been given to the nominee to do everything he proposes to do?

Mr. BUSH. I would answer the Senator's question with some trepidation. The bill which is now under discussion does require the record owner to make disclosure to the supervising agency of any investor's interest in bank stock of five percent or more. I would presume that, with that information in the hands of the supervising agency, it would be a matter of public record. If anyone wanted to ascertain whether there was a 5-percent interest or a number of 5-percent interests in a given bank in Florida or Connecticut, he could go to the Federal Reserve Board, if that were the supervising agency in question, and find out.

So the purpose actually, in part, at least, is to provide for the disclosure of who controls banks and who have large interests in them. It is likely, in my judgment, that the report made to the supervising agency would be considered a matter of public record.

I may say to the Senator from Florida that one of the reasons why I have hoped there would be public hearings on this question is that testimony may be received from gentlemen like the correspondent of the Senator from Florida. We could then ascertain what some of the contingent problems are in connection with this matter.

I believe that if the Senate adopts the amendment now proposed, as I think it should, when the bill reaches the House in all probability the House will have public hearings—and I think they should—where the whole subject will be covered. At that time witnesses, such as the Senator's correspondent, will have an opportunity to be heard, and to make comments in connection with the proposal.

Mr. HOLLAND. The Senator is clear in his mind, however, is he, that as to record holders of stock constituting less than 5 percent of the capital stock of a bank, no knowledge of beneficial ownership is to be given either to the supervising or regulatory agency, or to the bank itself?

Mr. BUSH. The proposal does not affect any record holder of less than 5 percent of the bank stock; it does not require anything of him.

Mr. HOLLAND. Then, as to small blocs of stock, holdings of less than 5 percent, if the bill were passed in the form in which it would be left by the adoption of the present modified amendment, additional difficulties or trouble or detail would not devolve upon the officers of the bank?

Mr. BUSH. The bill would involve no change in the current situation as to holders of less than 5 percent of the stock.

Mr. HOLLAND. When the Senator speaks of 5 percent of the capital stock, does he mean the outstanding capital stock or the authorized capital stock?

Mr. BUSH. I mean the outstanding capital stock of the bank.

Mr. HOLLAND. Is that the meaning with which the Senator offered his amendment?

Mr. BUSH. That is the meaning.

Mr. HOLLAND. If I now understand the Senator's amendment, as modified, it imposes upon State banks which are members of the Federal Reserve System the same condition which he has just described as being applicable to national banks.

Mr. BUSH. That is correct.

Mr. HOLLAND. Or institutions which are covered by the FDIC.

Mr. BUSH. That is correct.

Mr. HOLLAND. Then the effect of the passage of the bill with this amendment in it would be, by indirection, to change and affect the provisions of the bank organization statutes of the various States, as to banks chartered by the several States?

Mr. BUSH. I think so.

Mr. HOLLAND. I thank the distinguished Senator from Connecticut.

Mr. ANDERSON. Mr. President, I yield back the remainder of my time.

Mr. BIBLE. Mr. President, I am prepared to yield back the remainder of the time controlled by me, if no Senator wishes to speak in opposition to the amendment, and I now yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from New Mexico [Mr. ANDERSON] for himself and on behalf of the Senator from New York [Mr. JAVITS].

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I call up my amendment designated "3-12-57-A."

The PRESIDING OFFICER. Does the Senator from Illinois wish to have his amendment read in full?

Mr. DOUGLAS. I do not think that is necessary; I ask unanimous consent that it may be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be printed in full in the RECORD.

The amendment offered by Mr. DOUGLAS is as follows:

On pages 211 and 212, strike out section 6 in its entirety, and insert in lieu thereof a new section 6, as follows:

"§ 6. Federal savings and loan branches

"An association may retain or establish and operate a branch or branches under the following conditions:

"(a) An association may retain and operate such branch or branches as it may have in operation on the effective date of this paragraph, the establishment and operation of which had been approved by the Board.

"(b) If, after the effective date of this paragraph, a State savings and loan association is converted into or consolidated with a Federal savings and loan association, or if two or more Federal savings and loan associations are consolidated, such converted or consolidated association may, with respect to any of the associations, retain and operate any of their branches which are in lawful operation on the date of such conversion or consolidation.

"(c) An association may, with the approval of the Board, establish and operate new branches within the State in which the home office of such association is situated, if such establishment and operation are (i) at the time expressly authorized to State savings and loan associations or mutual savings banks, or (ii), after June 30, 1957, expressly authorized to State banks or trust companies, by the law of the State in question, or, in the absence of any such law, if such establishment and operation are at the time in conformity with the practice within the State with respect to branches of State savings and loan associations or mutual savings banks or, after June 30, 1957, in conformity with the practice within the State with respect to branches of State banks or trust companies; except that no approval of the State authority having supervision over State savings and loan associations or mutual savings banks or banks and trust companies shall be required. Any such new branches shall be subject to the least onerous restrictions with respect to number and location as may be imposed by the law of the State or the practice therein with respect to branches of State savings and loan associations, mutual savings banks, or State banks and trust companies. No branch of any Federal savings and loan association shall be established outside the State in which its home office is located. The Board shall, before approving or disapproving an application of a Federal savings and loan association to establish and operate a branch, give consideration to the same requirements as are set forth in this act with respect to the granting of charters of Federal savings and loan associations.

"(d) No branch of any Federal savings and loan association shall be established or moved from one location to another without the prior consent and approval of the Board.

"(e) The term 'branch' as used in this section shall be held to include any branch savings and loan association, branch office, branch bank, branch agency, additional office, or any branch place of business located in any State at which shares are issued, sold, withdrawn, repaid, or repurchased, or at which deposits are received, checks paid, or money is lent, or dues or dividends are paid or credited.

"(f) The words 'State savings and loan association' or 'State savings and loan associations', as used in this section, shall be held to include savings and loan associations, building and loan associations, cooperative banks, and homestead associations organized and operated according to the laws of the State in which they are chartered or organized.

"(g) The words 'State banks and trust

Mr. JAVITS. Mr. President, will the

tive bill tried to be very fair to the savings

"(g) The words 'State banks and trust companies' as used in this section include all banks and trust companies organized under the laws of any State which have among their powers the power to accept thrift deposits and to engage in home financing.

"(h) The term 'State,' as used in this section, includes the several States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii."

Mr. DOUGLAS. Mr. President, on last Thursday I discussed this amendment in some detail. Senators who have read the CONGRESSIONAL RECORD will know what my amendment proposes to do.

The purpose of the amendment is to permit Federal savings and loan associations to have branch privileges in those States which permit commercial banks to have branches.

The bill in its present form, according to the testimony of the Federal Home Loan Bank Board, would prohibit Federal savings and loan associations from having branches in 24 or possibly 25 States.

My amendment would permit Federal savings and loan institutions to have branches in 10 of those States, namely, the 10 States where commercial banks may have branches. Those States are: Alabama, Georgia, Idaho, Michigan, Mississippi, Nevada, New Mexico, North Carolina, South Carolina, and Tennessee. Kentucky has recently changed its law, and it is possible that Kentucky might also be included.

The amendment which I offer was in the bill as originally drafted, and was not disapproved by the so-called advisory committee.

In 1955 the Senate passed a branch savings and loan bill along the lines of my amendment without a single dissenting vote.

It seems to me my amendment is a better provision than the one presently in the bill, because the present language restricts the Federal savings and loan institutions to the same branch privileges which State-chartered savings and loan institutions are given. Since the State savings and loan institutions labor at a disadvantage under State law, in comparison with the commercial banks, I do not think the standard should be the similarity between the Federal savings and loan institutions and the State savings and loan institutions. Instead, the standard should be the similarity between the Federal savings and loan institutions and the commercial banks, which compete with them.

The commercial banks are already in the home financing business; and with the development of suburban areas, it is important that the savings and loan institutions be given the right to establish branches in the suburbs, rather than to compel them to start from the ground up and de novo.

Therefore, I submit that this amendment is highly desirable, in order to get the greatest volume of savings channeled into home building, and in order to give to the mutual institutions, the Federal savings and loan associations, the same rights which the private commercial banks now enjoy.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. JAVITS. I have read the amendment. Am I correct in assuming that it is prospective in its application, so that if any State passes a law allowing commercial banks to have such branches, then, under this amendment, such a law will apply to savings and loan associations, as well?

Mr. DOUGLAS. That is correct. But it would also permit such savings and loan branches where present State laws allow commercial banks to branch.

Mr. President, this is a compromise proposal. I should like to have the principle extended not only to States where commercial banks have branches, but also to States where there are bank-holding companies, or chain or group banks. If that had been done, this privilege would have been extended to 21 more States. However, in the interest of harmony I am willing to confine it to the 10 States or possibly 11 States where the commercial banks are permitted to have branches.

Therefore, this arrangement is one in which the commercial banks give something and the savings and loan institutions give something. But I think the general result will be helpful.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, there is now before the Senate an amendment to a very carefully considered provision of the pending bill. It is a provision on which the committee has acted in 3 different years and each time in the same way. We thought that branches of Federal savings and loan associations should be treated on the same basis as branches of national banks. Senators all know that national banks can have branches only in accordance with State laws. So in 3 different years the committee has written into bills a provision that the same rule shall be applied to savings and loan associations.

The first year the Senate passed the bill as reported by the committee. Last year the patron of the bill, the distinguished Senator from Delaware [Mr. FREAR] accepted without a vote, the amendment offered by his distinguished colleague from Illinois. The House did not act on the bill. This year it went before the committee again, and, as the junior Senator from Virginia recalls, only the 3 members voted in committee against the provision in the bill.

Mr. President, the junior Senator from Virginia, in the preparation of his tentative bill tried to be very fair to the savings and loan associations. He recognized that there were commercial banks that wanted him to go much further in the bill than he actually did go. The banks complained of inequality in taxation; and, of course, there is inequality. They complained of the more liberal provisions applying to savings and loan associations with respect to the percentage of assets which may be lent. The representatives of the commercial banks showed us an advertisement in a newspaper of a city in Utah. Apparently a firm on one side of the street owned a commercial bank, and on the other side of the street there was a savings and loan association.

In the same newspaper there was an advertisement by a certain bank offering to pay 2 percent. A bank across the street said, "We will pay you 3 percent." The witnesses who appeared before the committee said, "Something should be done for our protection against that kind of competition." They stated further, "The competition for the savings dollar which has arisen in this period of so-called tight money is becoming very embarrassing to us." In this competition the savings dollar has become a very important dollar.

The Senate has previously gone on record. The committee has gone on record on three different occasions. I very much hope that the Senate will stand by the position taken by the full committee. It has been very fair in this bill to the savings and loan associations. It is only in the spirit of fairness that we placed the savings and loan associations under the same type of restrictions as apply to commercial banks.

Mr. DOUGLAS. Mr. President, inasmuch as a number of Senators have entered the Chamber since the time I described this amendment, I think it would be appropriate for me to make a brief statement as to what the amendment would do, and the purposes it would fulfill.

May I remind the Senators that in 1955 we adopted an amendment identical to this one. At that time it was clearly apparent that it was the will of the Senate that the privilege of having branches should be granted to federally chartered savings and loan institutions on the same basis on which commercial banks now possess this privilege.

The bill in its present form without this amendment would outlaw new branches of Federal savings and loan institutions in 24 of the 48 States of the Union.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. Does not the bill provide that no existing branch shall be disturbed?

Mr. DOUGLAS. It shuts off the possibility of future growth.

Mr. ROBERTSON. What I have stated is a fact; is it not?

Mr. DOUGLAS. Yes.

Mr. ROBERTSON. Does not the bill provide that in mergers those associations which have branches may still keep the branches?

Mr. DOUGLAS. I think that is correct.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. FREAR. Does the bill not also provide that there shall be no prohibition on the initiation of a new Federal savings and loan institution?

Mr. DOUGLAS. That is true; but it prohibits existing Federal savings and loan institutions from having additional branches in 24 States of the Union.

Mr. FREAR. But it would not prohibit such branches in States which permit State savings and loan associations to have branches, would it?

Mr. DOUGLAS. That is correct.

Mr. FREAR. Then why should Federal savings and loan institutions exercise privileges in the States when such privileges are denied to State institutions?

Mr. DOUGLAS. The real comparison is not between Federal savings and loan associations and State savings and loan associations, but between Federal savings and loan associations and commercial banks. Commercial banks are in the home-financing business and competition is desirable.

Mr. FREAR. Mr. President, will the Senator further yield?

Mr. DOUGLAS. May I be permitted to make a consecutive argument?

Commercial banks are in the home financing business. In some 35 States of the Union they have the right to operate branches. As I have repeatedly said, if the bill in its present form is enacted, the Federal savings and loan institutions will be privileged to have branches in only 25 States. My amendment would permit this privilege to be granted in 10 additional States.

What is the purpose of this amendment? The main purpose is to make it easier for savings and loan institutions to make their services available by means of branches in the suburbs of cities. Those are areas in which there is a great deal of home building, and in which it is difficult to organize a new savings and loan institution from the ground up, but where it would not be too difficult for an existing savings and loan institution, with its home office in another place, to start a branch.

In this connection, I think it is worth while to point out that as members join the branch, they have all the privileges of members in the original home association. Since the savings and loan institutions are predominantly mutual, this means that the late-comers get the same rights and privileges as those who were in on the ground floor.

So this is not really an extension of branch banking. What the amendment would do would be to permit people to utilize existing institutions, in which they are owners as well as depositors, and such institutions would have the same rights as the privately-owned commercial banks now possess.

Since these commercial banks compete with the savings and loans in attracting savings and financing home construction, the amendment would equalize the basis on which they compete in the matter of branches.

It seems to me that this is an extremely fair proposal. It does not go as far as I would have wished. I would have liked to have the Federal savings and loan institutions given the right to have branches in those States where bank holding companies and chain banking exist. But an amendment which I offered some years ago on that point did not receive many votes. Therefore I am waiving that point, and coming to a much more moderate position, namely, that of merely extending the branch banking privilege to Federal savings and loan institutions where commercial banks already have the privilege. The two types of institutions are now competitors in the home financing field; and I do not think the savings and loan institutions should have imposed upon them handicaps which are not imposed on the commercial banks.

Roughly, that is the purpose of the amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PASTORE. If the bill were enacted without the amendment proposed by the distinguished Senator from Illinois, could a State authorize a Federal savings and loan company to open a branch?

Mr. DOUGLAS. No. The States would have jurisdiction over State-chartered banks, but no direct powers over Federal institutions.

Mr. PASTORE. The State law would have no application at all to a branch on the part of a Federal savings and loan company.

Mr. DOUGLAS. If the State gave the privilege of establishing branches to a State-chartered savings and loan institution, under the present bill that right would be extended to a Federal institution automatically.

Mr. PASTORE. Therefore, if a State really wanted a branch on the part of a Federal savings and loan company, it could have it.

Mr. DOUGLAS. That is true. The distinguished Senator from Rhode Island——

Mr. PASTORE. I am not criticizing.

Mr. DOUGLAS. I understand. That makes the issue clear.

The distinguished Senator from Rhode Island was once a very able and distinguished Governor of his State. I think he knows that in State capitals commercial banks tend to be more influential than State banks.

Mr. PASTORE. Not in Rhode Island.

Mr. DOUGLAS. Not in Rhode Island when the Senator from Rhode Island was Governor; but in most States, and under most governors that is the situation.

Mr. PASTORE. Not in Rhode Island today.

Mr. DOUGLAS. I think a disciple of the Senator from Rhode Island occupies the Governor's chair today; and the Senator has undoubtedly imbued him with correct principles on most matters.

Mr. PASTORE. Regardless of who sits in the Governor's chair, the junior Senator from Rhode Island still lives in the tradition and spirit of his State.

Mr. DOUGLAS. I point out that the conclusive proof that commercial banks are more influential than State savings and loan associations lies in the fact that there are some 11 States where commercial banks are permitted to have branches, but where State savings and loan institutions are forbidden to have branches.

Mr. PASTORE. I realize that. I merely wished the distinguished Senator from Illinois to know that I am not being critical.

Mr. DOUGLAS. I understand.

Mr. PASTORE. I was merely looking for information.

Mr. DOUGLAS. The Senator, as usual, has made a very good point by putting his finger on one of the essential features. I only wish that all Governors were as good as the Senator from Rhode Island was, and is.

Mr. FREAR. Mr. President, Senate bill 1451 provides that the Federal Home Loan Bank Board may authorize branch privileges for Federal savings and loan associations only in States where branches are permitted for State savings and loan associations and mutual savings banks by State law or custom. This provision is identical to S. 975, as passed by the 83d Congress, and to S. 972, as reported by the Banking and Currency Committee in the 84th Congress.

The amendment proposed by the Senator from Illinois [Mr. DOUGLAS] would permit Federal savings and loan associations to have branches in States where commercial banks have branches, as well as State savings and loan associations and mutual savings banks. The amendment departs from the branch principle applicable to national banks and departs from the theory of this entire bill that banks and savings and loan associations should be, to the greatest extent possible, subject to the same privileges and restrictions.

The National Bank Act permits national banks to have branches only in States where State banks are permitted to have branches. This statute has served as one of the cornerstones of our dual system of banking, which recognizes that State and national banks may both exist where there are equal privileges. The provision in the pending bill similarly places Federal savings and loan associations on a like and equal footing with the State savings and loan associations and mutual savings banks and is designed to promote the dual system of savings and loan associations.

Our committee on three occasions in recent years has affirmed its belief that the question of branch privileges is one that should be determined by the States themselves. The proposed amendment would perpetuate a system of granting branches to federally chartered institutions in complete disregard to the fact that State savings and loan associations are not granted such a privilege. In effect, the Douglas amendment sanctions

unfair competition by Federal savings

unfair competition by Federal savings and loan associations.

The Douglas amendment would ignore the rights of State savings and loan associations and mutual savings banks in 10 States, namely, Alabama, Georgia, Idaho, Michigan, Mississippi, Nevada, New Mexico, North Carolina, South Carolina, and Tennessee.

I am sure the Members of the Senate will not want to go on record as favoring the granting of privileges to federally chartered institutions when such privileges are not extended to their State-chartered competitors. I urge the Members of the Senate to follow the recommendation of our committee and vote against the proposed amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. DOUGLAS. Mr. President, on the pending question I ask for the yeas and nays.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morton
Allott	Hayden	Mundt
Anderson	Hennings	Murray
Barrett	Hickenlooper	Neuberger
Beall	Hill	O'Mahoney
Bennett	Holland	Pastore
Bible	Hruska	Payne
Bricker	Humphrey	Potter
Bush	Ives	Purtell
Butler	Jackson	Revercomb
Carroll	Javits	Robertson
Case, N. J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Schoeppel
Church	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Kuchel	Smith, N. J.
Cotton	Lausche	Sparkman
Dirksen	Long	Stennis
Douglas	Magnuson	Symington
Dworshak	Malone	Talmadge
Eastland	Mansfield	Thurmond
Ellender	Martin, Iowa	Thye
Ervin	Martin, Pa.	Watkins
Flanders	McCarthy	Wiley
Frear	McClellan	Williams
Fulbright	McNamara	Young
Goldwater	Monroney	
Gore	Morse	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Virginia [Mr. BYRD], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Kansas [Mr. CARLSON], and the Senator from Nebraska [Mr. CURTIS] are absent on official business.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. BRIDGES] are detained on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. DOUGLAS. Mr. President, I renew my request for the yeas and nays on this amendment.

The yeas and nays were not ordered.

Mr. DOUGLAS. Mr. President, I again ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute for section 6 offered by the Senator from Illinois for himself and on behalf of the Senator from Oklahoma [Mr. MONRONEY].

Mr. ROBERTSON. Mr. President, the Senate is about to vote on an amendment to a provision in the banking bill on which the Committee on Banking and Currency has acted in 3 successive years. The amendment would relieve Federal savings and loan associations of the restriction with respect to branches which applies to commercial banks. A national bank cannot have branches in a State unless branches are authorized for State banks. The provision in the bill is that a Federal savings and loan association cannot have branches in a State unless branches are authorized for State savings and loan associations. At the present time there is no law whatever pertaining to branches of savings and loan associations which are under the control of the Home Loan Bank Board, and the Board has the power, if it wishes, to charter savings and loan associations in States which prohibit savings and loan associations from having branches.

The provision in the bill was recommended by the Advisory Committee. Hearings were held on it, and it was approved by the Federal agencies and was adopted by an overwhelming majority of our committee.

Three times our committee has taken the same position. Once, 2 years ago, the bill passed the House with the provision just as it is written into the bill now pending.

Last year the Senator from Illinois offered the same amendment he has offered today. At that time the patron of the bill accepted the amendment, but there was no vote on the bill, and the bill passed the Senate with the amendment in it. The bill failed of passage in the House.

Now we are back where we were 2 years ago, and the position is the one which was recommended to us. Therefore the provision, as it is now written, was placed in the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. Is it not true that the amendment now being offered by the Senator from Oklahoma and the Senator from Illinois is the same as the amendment which was agreed to by the Senate 2 years ago?

Mr. ROBERTSON. That is true, with the qualification that the Senate did not vote on it, the amendment was accepted without a vote. There is some little difference between voting and accepting an amendment without a vote.

Mr. DOUGLAS. I think the RECORD will show that on a voice vote the amendment was agreed to. It was not a yea-and-nay vote, but the amendment was accepted on a voice vote. A bill cannot be passed without at least r voice vote.

Mr. ROBERTSON. Technically, then, the Senate approved the amendment in the manner which the junior Senator from Virginia indicated. There was no objection; there was no recorded vote. The patron of the bill, to have the matter disposed of, said he accepted the amendment, and that was all there was to it.

Mr. BUSH. Mr. President, I wish to speak very briefly regarding the amendment offered by the Senator from Illinois. A little more than 2 years ago, in 1954, I offered the same amendment. At that time I was chairman of the subcommittee which held hearings on the subject. I offered the amendment then because it seemed to me that the question of branch privileges for Federal savings and loan associations should be determined by law and not by decision of the Home Loan Bank Board, which is the present situation.

In the bill as it is before the Senate there is a provision which I believe the Senator from Delaware [Mr. FREAR] advocated, to wit, that the branch privileges of the Federal savings and loan associations should be the same as those granted in the States to the State savings and loan associations or to the mutual savings banks within a State.

That would seem to be all right in States where the commercial banks are not competitors for the savings of the people, where they do not have thrift accounts, and where they do not engage in home loan financing. But there are States where the principal competition of both State savings and loan associations and Federal savings and loan associations is the commercial banks themselves, which have thrift gathering departments, savings departments, or whatever they may be called, the commercial banks also engaging in home loan financing in direct competition with State and Federal savings and loan associations.

I have tried to devise some way which would be just and fair to make certain that the commercial banks would be preferred and be given consideration ahead of other institutions in connection with the savings of the people and the investment of such savings; but, for the life of me, I cannot see the justice of it.

So I am in the same position in which I was in prior years, in support of the amendment offered by the distinguished Senator from Illinois [Mr. DOUGLAS]. I think, in fairness, I cannot do anything but approve of it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. MONRONEY. I am happy to join with the Senator from Connecticut in supporting the amendment. It seems to me that if the accumulation of mortgage money for home building is to be encouraged, Congress should make it as easy as possible for the people to put their small savings into home-loan establishments.

The pattern of establishing retail areas throughout many suburban districts should cause us to go the limit, I think, in allowing "branching" not merely in

some cities, but particularly in big cities. Small branches could be established, where the money would be available for the mortgage market and for other types of home-building activity.

Mr. BUSH. I acknowledge the cogency of what the Senator from Oklahoma has said, because it particularly reminded me of what I myself said 2 or 3 years ago. It was this:

> It is my desire to see more private and less Government participation in home financing, and certainly mutual thrift organizations have proved to be a most effective method of private home financing.

Therefore, I agree with the Senator from Oklahoma, that this amendment would do much to encourage more private investment of savings, which is what I think should be done.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. ROBERTSON. I may say to my distinguished colleague that the Senator from Virginia said that the provision which is now in the bill was recommended to us by our advisory committee. The chief counsel reminds me of the fact that what the advisory committee did was to recommend legislation on the subject, but not this specific language.

Of course, the testimony of the Federal Home Loan Bank Board was against taking this authority away from them.

Mr. THYE. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I am glad to yield.

Mr. THYE. I have endeavored to acquaint myself with the question which is involved in the amendment. I believe the amendment to be a good one. I was most happy to have the explanation which was so ably given by the distinguished Senator from Connecticut on this question. I am ready to support the amendment.

Mr. BUSH. I thank the Senator from Minnesota.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute for section 6 offered by the Senator from Connecticut [Mr. BUSH] for himself and on behalf of the Senator from Oklahoma [Mr. MONRONEY]. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Virginia [Mr. BYRD], and the Senator from North Carolina [Mr. SCOTT] are absent on official business. The Senator from West Virginia [Mr. NEELY] is absent because of illness.

On this vote, the Senator from Texas [Mr. BLAKLEY] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Texas would vote "nay" and the Senator from West Virginia would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Kansas [Mr. CARLSON] and the Senator from Nebraska [Mr. CURTIS] are absent on official business.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. BRIDGES] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], and the Senator from California [Mr. KNOWLAND] would each vote "nay."

The result was announced—yeas 26, nays 59, not voting 11, as follows:

YEAS—26

Aiken	Hill	Murray
Bush	Humphrey	Neuberger
Carroll	Javits	O'Mahoney
Case, N. J.	Kefauver	Purtell
Church	Kennedy	Smith, Maine
Clark	Mansfield	Sparkman
Douglas	McNamara	Thye
Fulbright	Monroney	Wiley
Gore	Morse	

NAYS—59

Allott	Green	Morton
Anderson	Hayden	Mundt
Barrett	Hennings	Pastore
Beall	Hickenlooper	Payne
Bennett	Holland	Potter
Bible	Hruska	Revercomb
Bricker	Ives	Robertson
Butler	Jackson	Russell
Case, S. Dak.	Johnson, Tex.	Saltonstall
Chavez	Johnston, S. C.	Schoeppel
Cooper	Kerr	Smathers
Cotton	Kuchel	Smith, N. J.
Dirksen	Lausche	Stennis
Dworshak	Long	Symington
Eastland	Magnuson	Talmadge
Ellender	Malone	Thurmond
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Williams
Frear	McCarthy	Young
Goldwater	McClellan	

NOT VOTING—11

Blakley	Carlson	Langer
Bridges	Curtis	Neely
Byrd	Jenner	Scott
Capehart	Knowland	

So the amendment offered by Mr. DOUGLAS, for himself and Mr. MONRONEY, was rejected.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 o'clock noon on Thursday next.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

THE FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. FULBRIGHT. Mr. President, on behalf of myself, the Senator from Alabama [Mr. SPARKMAN], the Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Pennsylvania [Mr. CLARK], I offer the amendment which is designated 3-12-57—D.

The PRESIDING OFFICER. The amendment will be stated.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the reading of the amendment may be dispensed with and that it may be printed in the RECORD. I discussed it at great length the other day. I have modifications to offer to the amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arkansas?

There being no objection, the amendment offered by Mr. FULBRIGHT, for himself and other Senators, was ordered to be printed in the RECORD, as follows:

On page 249, after subsection (h) of section 803, insert two new subsections, as follows:

"(i) Section 201 of title 18 of the United States Code is amended—

"(1) by inserting '(a)' immediately preceding 'Whoever';

"(2) by striking out 'section' in the last sentence and inserting in lieu thereof 'subsection'; and

"(3) by adding at the end thereof a new subsection, as follows:

"'(b) It shall be unlawful for any bank or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or for any person who is an employee, officer, or director of such bank or institution, to make any gift, gratuity, or contribution in any form directly or indirectly to any elective or appointive official who exercises supervisory or regulatory powers over such bank or institution, or who has authority to deposit public moneys or trust funds in such bank or institution, or to any person who is a candidate for an office having any of such powers. Any person, corporation, or other institution convicted of violation of this subsection shall be fined not more than three times the amount or value of such gift, gratuity, or contribution.'

"(j) (1) The first paragraph of section 610 of title 18 of the United States Code is amended by inserting after 'or any corporation organized by authority of any law of Congress,' the following: 'or any bank, association, or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation,'.

"(2) The second paragraph of such section 610 is amended by inserting after 'corporation' wherever it appears 'or bank, association, or other institution'."

Mr. FULBRIGHT. Mr. President, the first purpose of this amendment is to apply the same political restrictions to State banks insured by the FDIC as those which already apply to all national banks. The amendment would also prohibit federally insured banks and savings and loan associations, or those closely identified with them, from giving money to public officials who supervise them or who deposit publicly controlled moneys.

The amendment differs from the one which appeared in the committee print and which the committee failed to accept. That amendment prohibited contributions or expenditures in connection with any election at which any official who has authority to regulate or supervise, and direct the placement of funds in such bank. This language led some members of the committee to be fearful of general political restrictions on individual bankers. The amendment

I have just offered eliminates this difficulty, and makes it entirely clear that it does not apply to elections generally. The amendment, unlike the amendment proposed in committee, does not apply to contributors just because they are stockholders. It prohibits officers, employees, and directors of federally insured financial institutions from making gifts or contributions only to those who have the power to grant or withhold favors to the institutions.

This amendment was discussed extensively on the floor of the Senate last Thursday. In addition to the new language, I made it as abundantly clear as possible that the amendment would not apply in the case of contributions to committees or candidates who were only remotely related to officials having direct authority over the banks or savings and loans. It would not apply to contributions to political parties for general party purposes. It would not apply to contributions in a campaign for governor, lieutenant governor, the State legislature, the county board, or mayor. It would not apply to any office which does not have direct authority to supervise financial institutions, or to deposit publicly controlled moneys in them.

Still, several Senators expressed concern about the possibility of the phrase "directly or indirectly" being interpreted to mean contributions to political parties that sponsor a candidate for an office with supervisory or depository powers, or contributions to a candidate for governor, because a governor often appoints persons who have such powers. At the suggestion of the Senator from Florida [Mr. SMATHERS], the Senator from Louisiana [Mr. LONG], and the Senator from Connecticut [Mr. BUSH], I am modifying the amendment still further to make doubly certain that it will not result in any general political restrictions, but will apply only to contributions to persons who have the authority to grant or withhold favors from federally insured financial institutions.

Thus, I shall delete the words "directly or indirectly," which qualify the contribution. And I shall insert the word "directly" as a qualifier to the exercise of supervisory and depository powers.

I am offering our amendment with the following change:

On page 2, line 7, strike out "directly or indirectly."

On line 8, after the word "who" insert "directly."

On line 9, after "has" insert "direct."

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. One of our colleagues asked me if the Senator's amendment would apply to Members of the Senate. I said that as originally drafted I thought it possibly would, but I do not know whether it would as it has been modified. I have not heard all the changes which have been made in it.

Mr. FULBRIGHT. It could not possibly apply to a Senator, in my opinion. I do not think the original draft would have done so; but certainly the present proposal would not, because no Senator has any direct authority or supervisory authority over the disposition of public funds.

This is the very point the debate centered around last Thursday, when we were discussing this question. I indicated at that time I would be willing to try to find language which would make it doubly sure that it did not apply to persons remotely related to the functions which are here involved.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. Will the Senator please read the modification again?

Mr. FULBRIGHT. Does the Senator have before him the original printed amendment?

Mr. HICKENLOOPER. Yes.

Mr. FULBRIGHT. On page 2, line 7, after the word "form" strike out "directly or indirectly"; in line 8, after the word "who" insert the word "directly" so as to read "any elective or appointive official who exercises supervisory or regulatory powers" and so forth; in line 9, after the word "has" insert the word "direct", so as to read "who has direct authority to deposit", and so forth.

I think that reaches the point which was made the other day. This amendment would eliminate, for example, governors who appoint bank examiners. It would eliminate the governor or any other official only remotely connected with the transactions. It would apply only to the one who directly exercises the power.

Mr. HICKENLOOPER. However, it would apply to the treasurer of a State, the treasurer of a city, or the treasurer of a county, would it not?

Mr. FULBRIGHT. Yes, if that official is the one who, under the prevailing law, has the authority to deposit the funds.

Mr. HICKENLOOPER. I should think it would apply, if he exercised discretion.

Mr. FULBRIGHT. That is correct. If he had discretionary authority to make the deposits, it would apply to him.

The reason I qualify the amendment is that in various States the officials have different names. In Cook County, Ill., the county treasurer deposits public funds. In addition, the public administrator has authority to deposit wherever he chooses more than $3½ million, interest free, in publicly controlled trust funds. The amendment would apply to such an official.

Mr. HICKENLOOPER. As I see it, it would apply to every State official and every local official who collects fees and is responsible for the custodianship of such fees, unless in the State, the municipality, or the county the law particularly requires that such fees be sequestered in the custody of some other officer, who, in turn, has the right to deposit. However, it would apply to a county clerk, or to a clerk of the district court, who collects substantial amounts of fees and deposits them. It would apply to the auditor of the county. The county attorney collects fees. In many cases they are turned over to the board of supervisors, or to the treasurer of the county, but in many other cases they carry their own accounts, at least to a limited degree. I am merely trying to ascertain to what public officials this provision would apply.

Mr. FULBRIGHT. I think it would apply to every case in which there exists direct authority. Although there might be some incidental effect, the purpose of this amendment is not to purify elections. The purpose is to protect the bank from a shakedown by an unscrupulous person who has the authority to deposit. As a practical matter, the provision would not come into play at all unless a very substantial amount of money were involved. I believe that it would be quite impossible, upon the basis of a deposit of $20, $50, $500, or perhaps even a couple of thousand dollars, to build any demand for a contribution.

In one instance in Illinois the public administrator had $3½ million to deposit. The Cook County treasurer has more than $100 million to deposit. In such cases the discretionary authority to deposit may become a potential source of major pressure upon the banker. Even if the provision should technically apply in the examples which the Senator has cited, I cannot conceive that it would have any application in the case of a county clerk. No banker cares where the county clerk deposits his money, in most counties, unless there may be a few unusual cases.

In the case I mentioned, it so happens that the public administrator of Cook County is not an elected official. Nevertheless, this provision applies to him. He collected contributions for others. The governor who appoints him would not be covered by this provision, however, for the governor does not have the primary authority to deposit. That is why we use the word "directly." He is not directly responsible for the allocation of such deposits.

Does that explanation make the amendment clear?

Mr. HICKENLOOPER. I think it does. I thank the Senator. I was merely trying to test how far the provision would go. I do not believe in treating an individual who is a banker any differently from any other individual. I would want to leave him free to indulge himself in the luxury of being able to contribute modest amounts to political campaigns. I think most candidates would welcome that. I can see no reason for drawing a line. I can understand the Senator's argument as applied to cases in which moneys are directly under the control of the public officer for deposit. I think there is considerable merit in the Senator's argument.

Mr. FULBRIGHT. The committee's investigation of the Illinois Hodge scandal disclosed payments by federally insured banks and savings and loan associations, and by those identified with them, to public officials with power to supervise these institutions or deposit money in them. Our amendment would stop these unethical and unsafe practices without interfering with normal political rights.

Our amendment is not inspired by partisanship. The committee exposed gifts to both Republican and Democratic officials. A former Republican Governor of Illinois who was connected with one of the banks investigated, Dwight Green, recommended restrictions on the political activity of federally insured State banks. And the report to the Illinois budgetary commission, citing evidence developed by our committee, recommended the prohibition of contributions to public officials with power to deposit public funds by banks and bankers.

Our amendment creates no new precedents. It merely applies the same restrictions to federally insured State banks as already apply to national banks, and adds another unsound practice to the list of those already prohibited for persons connected with federally insured financial institutions.

The amendment will protect bankers from shakedowns by unscrupulous public officials.

In order to complete the record, I wish to read an excerpt from the Reports and Recommendations to the Illinois Budgetary Commission, dated September 7, 1956. The document before me is entitled, "Reports and Recommendations to Illinois Budgetary Commission With Respect to Investigation on Behalf of the Commission as to Operations of the Auditor's Office Under Orville E. Hodge." It is signed by Lloyd Morey, auditor of public accounts; Albert E. Jenner, Jr., counsel; and John S. Rendelman, assistant counsel.

I read from pages 73–A and 73–B:

> Early in the course of the investigation it appeared that various financial institutions in the State seek deposits of State, county, municipal, or other public funds, or private funds held in custody or control by public officials. Officers having custody or control of the funds have under existing law a broad discretion as to the particular financial institutions in which the funds are to be deposited and the allocation of the funds among those institutions. It appeared that political contributions are sought from financial institutions by candidates for political office, or campaign fund-raising groups or individuals acting on behalf of or interested in the election of the candidates. The solicitations include those on behalf or in the interest of officials having custody of public funds or private funds held in control of public officials. Testimony before the United States Senate Committee on Banking and Currency established that political contributions were made by financial institutions, chiefly through individuals having official position with the institutions; that in some instances the individuals are reimbursed by the institutions; that in some few instances the contribution is made by the institution itself; that there is a practice whereby contributions are made, even though no campaign is in progress; and that in some cases the contributions bear some percentage relation to public funds on deposit.
>
> Those who testified before the Senate committee, with one exception, stated that the contributions were not for the purpose of influencing the exercise by the public official of his discretion with respect to the deposit of public funds or of private trust funds.
>
> Section 78 of the Criminal Code (Ill. Rev. Stat., 1955, ch. 38, par. 78) makes it a crime for anyone to give any money, present, reward, promise, etc., to any elected or appointed official with intent to influence his act, vote, opinion, decision, or judgment on any matter or to cause him to execute any of his official powers with partiality or favor.
>
> The distinction between intent to influence official opinion, decision, or judgment on the one hand and the making of a good faith political campaign contribution on the other is often difficult to draw, and virtually impossible to prove. Criminal statutes are properly given strict construction.
>
> The very least that can be said is that contributions by or identifiable with financial institutions, directly or indirectly, may be subject to misconstruction. Furthermore, they breed public suspicion.
>
> The existing practices and customs especially as they involve financial institutions and public officials having custody of public funds or private funds in trust are disruptive of the public in trust. Inability to distinguish between good and bad faith intent or motive dictates that all contributions or payments of any kind by, through, on behalf of or identifiable with financial institutions, directly or indirectly, to, or for the benefit of a public official, or candidate for an office, having custody or control of public funds or private funds in trust be prohibited.

That is the recommendation of the State commission which studied this subject.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I shall be glad to yield in a moment. First I ask unanimous consent that there be printed in the RECORD at this point, as a part of my remarks, an editorial published in the St. Louis Post-Dispatch of March 16, 1957. This editorial supports our amendment.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BANKERS IN POLITICS

> One of the primary lessons of the Illinois Hodge scandals was that banking and politics should not mix. In view of that scandal, Senator FULBRIGHT, of Arkansas, is attempting to get the United States Senate to amend an omnibus banking bill.
>
> This bill modernizes the whole Federal banking code. But before it was sent to the floor, the Banking Committee cut out an extremely important provision. This provision would bar political contributions to regulatory officials by bankers in all banks insured by the Federal Deposit Insurance Corporation.
>
> Speaking for Senator DOUGLAS, of Illinois, and three other Democratic colleagues, Senator FULBRIGHT told the Senate that "the Hodge scandal last fall clearly demonstrates" the need for this political restriction on bankers.
>
> Before former Illinois State Auditor Orville Hodge was sent to prison for vast thefts of State funds, it became plain that it was common practice for bankers to make contributions to State officials who had any supervisory control at all over banks. State Treasurer Warren Wright said that at the time he was elected, "Bankers have been scratching my back for 10 years. I then scratched theirs. They helped me and, in turn, if they wanted State funds that I had to deposit, I gave them to them."
>
> Former Gov. Dwight H. Green told the Senate Banking Committee that the Bank of Elmwood Park, of which he is board chairman, got a million dollars in State deposits after Green had worked for the election of Elmer Hoffman as State treasurer. The Post-Dispatch reported that officers of this bank donated $1,000 to fund-raising dinners for several political candidates, including Senator DIRKSEN.
>
> This was also the bank which Hodge, as State auditor, and Green were permitted to organize with unusually low capital after Hodge had ordered its predecessor closed for improper practices.
>
> Gov. William G. Stratton told the Senators that he never received contributions from banks, but conceded that "a very few bankers" may have contributed as individuals. The distinction is important legally since banks cannot make political contributions, but it has no practical effect, as the testimony showed.
>
> In short, the whole Fulbright investigation of the Hodge scandal and its side effects was shot through with testimony about bankers' gifts to State politicians and lucrative State deposits in the banks in return. Yet Governor Stratton was quoted as referring to the Senate investigators as "hillbillies from Arkansas and Alabama telling the people of Illinois how to run their business."
>
> Obviously somebody should have been telling Illinois how to run its State-controlled banking business properly in the past several years. Proper regulations against political favoritism and coercion could have prevented some loss of public money in the Hodge case. Such regulations certainly would have taken the political hand out of the bank's pockets.
>
> Missouri and most other States have been fortunate to avoid anything approximating the Hodge scandal in misuse of State authority over banking or investment of State funds. But the plain fact is that there is no Federal law to protect Missouri or any other State against the vicious system which induces bankers to pay politicians for favors rendered with public money.
>
> The way to put that principle into effect is to bar contributions by officers of federally insured banks—not to all political campaigns, but to campaigns of any official having authority over banks or State funds. This was the purpose of the Fulbright amendment, which should be restored to the banking bill.
>
> Senator FULBRIGHT ought not to have to remind the United States Senate of this. After the Hodge scandal, the Senators should be eager to protect the public against the involvement of banks in politics or of politics in banking.

Mr. FULBRIGHT. I now yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I believe the Senator has greatly improved his amendment by the changes he read earlier. As I said the other day, most of us, certainly I, are very much in sympathy with the objectives of his amendment, which is to discourage bribery of elected or appointed officials who have dealings with banks.

Therefore, one naturally desires to support an amendment along that line. I should like to ask the Senator whether the amendment in its present form is sufficiently clear on the point that no bank officer or director or employee would be inhibited from making a bona fide political contribution to an established political committee in an election in which the State treasurer may be running for office or the governor may be running for office, as an example. That is the point I should like to have the Senator's opinion on.

Mr. FULBRIGHT. I believe the amendment clearly does not include the kind of situation the Senator has in mind. Of course, that statement must

be qualified in this fashion: If it developed in a particular case that there was clearly an evasion, and that a committee was set up merely as a front for the purpose of evading the law, in order to collect fees for the auditor of the State who controlled the banks of the State, the amendment would apply, and of course that would be a matter of proof.

The only case to which it could apply, as I see it, would be where there was a deliberate scheme to appoint a committee for the purpose of evasion, or where a contribution was made to a political party which turned around and gave it to a specific candidate for an office having supervisory or depository powers.

Mr. BUSH. Would the Senator consider an amendment to his amendment?

Mr. FULBRIGHT. Let me first pursue this point a little further. For example, I am sure it would not apply if a contribution were made to an existing and established recognized committee or party for purposes of supporting a general ticket. It could not apply in such a situation. I can imagine, in order to evade the restriction, someone might create a phony committee in order to evade the prohibition contained in the amendment. However, in the Senator's State or in my State, in the case of an established committee of an acknowledged party, whether it be the Republican or Democratic, it would not apply, as I see it.

Mr. BUSH. In order to make it fully clear, without in any way intending to affect the purpose of the Senator's amendment, would the Senator consider the addition—I have not put it in final form at the moment, but I would like to get the Senator's reaction to it—of suggested language like this:

On line 15, after the word "contribution," to insert the following:

The above shall not apply to bona fide contributions made to local or State political committees authorized under the laws of the State.

Mr. FULBRIGHT. The Senator has in mind established political parties in the State. Is that correct?

Mr. BUSH. That is correct.

Mr. FULBRIGHT. I do not believe it would apply in such instances, but I believe the phraseology suggested is all right. Will the Senator read it again?

Mr. BUSH. I shall read it again:

Provided, That the above shall not apply to bona fide contributions made to local or State political committees authorized under the laws of the State.

That would apply to the State central committee of any party, duly established, and it would apply to county committees of any party and to local and town committees of any party, and so on.

Mr. McNAMARA. Will the Senator yield?

Mr. BUSH. I do not have the floor.

Mr. FULBRIGHT. I am a little sorry that this proposal was not presented to me before. I am sorry the Senator did not make the suggestion after we had our discussion the other day, because I have in good faith brought forth the kind of amendment which I thought would satisfy, not only the Senator from Connecticut, but the critics on this side of the aisle who made a point of this particular language when I spoke last week. I am certain it would not apply to contributions made to a bona fide committee, whether it be Republican or Democratic, or of any other party, for that matter, which is established under such a party. The only thing I do not wish to create is the very means by which the restriction can be evaded. In other words, it might be possible under the verbiage proposed by the Senator from Connecticut to create a committee for the purpose of making a direct contribution to the kind of officer we have in mind.

Mr. BUSH. I am thinking only of committees, State or local, authorized by the laws of the State. I do not believe there would be much danger along that line under my amendment.

Mr. FULBRIGHT. Of course I have not had much time to consider the matter, although I am inclined to agree with the Senator.

Mr. BUSH. I have not been thinking of these things either all the time since our colloquy the other day. I apologize for not getting the amendment to the Senator before this. It only occurred to me as the Senator made his own modification of his amendment. However, I believe that we are now dealing with the one remaining important point, as to whether to apply every possible inhibition against bank officials or directors or employees against making general political contributions. I believe that if the Senator from Arkansas would accept my proposal as a modification of his amendment it would eliminate any possible doubt as to what his amendment is supposed to accomplish. I urge him to accept it as a modification, so we will not have to vote on my proposal.

Mr. FULBRIGHT. Let me ask the Senator this question. Very often, in the course of a campaign, committees are created for the benefit of a specific candidate. Would such committees be authorized by State law?

Mr. BUSH. I cannot speak for all the States, but in my State that would not be the case.

Mr. FULBRIGHT. I am not clear on that point. We often see political advertisements which are said to be "paid by the committee for Joe Doakes, candidate for treasurer," for example. Would such a committee qualify under the Senator's proposed modification? That is what I am trying to think about at this point. It would not apply if the contribution were for the general ticket to a State committee. However, where the contribution is for the sole purpose of a particular candidate, then it ought to apply. Otherwise there would be a complete evasion.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I shall be glad to yield, but I think I should first yield to the Senator from Michigan.

Mr. McNAMARA. I should like to ask the Senator if the proposed modification would not actually defeat the very purpose of his amendment. Would it not open the door to subterfuge, by which it would be possible to get control of perhaps the treasurer, who would be charged with the making of deposits in certain areas? It would be possible to appoint a committee to elect the treasurer, and obtain money for that purpose. I should like to vote for the Senator's amendment, but I will not vote for it if he accepts the proposed modification.

Mr. FULBRIGHT. I would not favor it, if it had that effect.

Mr. McNAMARA. I think it would have that effect.

Mr. FULBRIGHT. If the suggested modification would permit contributions to a committee formed to promote the election of such individuals, then it would defeat the whole purpose of the amendment, and I could not accept it. That is the difficulty. I wish to make it clear that I do not intend to inhibit contributions to political parties for their general purposes.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DIRKSEN. I call the Senator's attention to the language in line 11, which is to the effect that no such contribution shall be made to any person who is a candidate for office having supervisory or regulatory power.

In the nature of things, when there is a general election campaign, every county committee, of course, puts all the candidates on some kind of folder, and then it goes forth to seek money with which to conduct the campaign. There may be a State group with half a dozen other candidates, or a State treasurer group.

The question now arises, if a contribution is made to a county committee for the purpose of electing a slate of officers, including an interdicted officer, namely, a treasurer or a comptroller, or anyone who has similar authority, is that, then, a contribution to his election? It at least raises a fine point, and one would normally resolve it by saying it is not.

Mr. FULBRIGHT. I do not think it is. I do not believe that would be a reasonable interpretation. He participates only as one of many in contrast to an election committee which was formed in certain cases to promote the election of a particular candidate.

Mr. DIRKSEN. But the candidate for a supervisory or regulatory office would be the beneficiary of such a contribution, because when it goes to a local county committee, obviously it could not be divided or separated. So it could well be argued that he has been a beneficiary. I think it should be made crystal clear that a humble county treasurer in some small county need not fear the effect of the provision. He should know pretty well what his rights would be under the language proposed.

Mr. ROBERTSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. The Senator's original amendment applied even to a stenographer or file clerk or some other minor employee. Is that language contained in this amendment?

Mr. FULBRIGHT. To which words does the Senator refer?

Mr. ROBERTSON. Page 2, line 5, referring to any person "who is an employee, officer, or director of such bank or institution, to make any gift, gratuity, or contribution," and so forth.

If it is the purpose to apply it to banks and not to any other corporations in the United States, why go down to the file clerks and stenographers?

Mr. FULBRIGHT. I do not think that is a major hazard. Actually, our investigation did not include any file clerks or employees of that kind. Is the Senator objecting to the word "employee"?

Mr. ROBERTSON. It seems to me it is unnecessary. The Senator from Arkansas will recall that in the tentative bill there was a stronger provision than the Senator's original amendment or the very much modified amendment we are now considering. No one appeared before the committee in support of it. There was plenty of opposition to it on the part of bankers. Consequently, when the committee went into executive session, the provision was voted out of the bill.

I am constrained to believe that the bankers of the United States are now better informed as to the provisions of the pending bill than they have been with reference to any other similar major legislation which has been before the Congress in many years. They know what is in the bill; they have endorsed the bill as it now stands. Consequently, the Senator from Virginia, as manager of the bill in committee and on the floor, hesitates to write into the bill any new provisions.

As the Senator from Connecticut has said, no one wants to be put into the position of favoring contributions to public officials which would improperly influence their actions. It seems to me that State laws should be able to cover that point, and it also seems to me that unless we understand thoroughly what we are doing, it is a little hazardous to take a technical bill of 250 pages and write new provisions into it on the floor of the Senate. There is a reluctance on my part to go along with any kind of a provision of this character.

Mr. ALLOTT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ALLOTT. Mr. President, I should like to explain the point of view which has occurred to me about the matter, and then to ask the Senator's opinion.

A great many States are very similarly organized locally in that they have county treasurers and are governed by a board of county supervisors or a board of county commissioners. I use my own State as an example, because I know the laws of my State were originally patterned after those of the great State of Illinois—which may surprise the distinguished Senator from Illinois who is seated on the other side of the Chamber. Our county treasurer is responsible for all the money coming into his hands which he collects. I agree with the purpose of the Senator from Arkansas. Other small amounts of money come into the hands of other officials. They are not significant sums. For example, a county sheriff collects fees. I am sure that some small amounts of money come into the hands of our county commissioners. They are small sums which have to be passed on to and held in the hands of the county treasurer. The same is true of the county clerk. I am not sure our county superintendents of schools do not receive some such funds.

If that be true, the effect of the amendment as I understand its purport would be to forestall or prevent the support of practically all county officers by any employee, officer, or director of a bank. I thought we should make it crystal clear, because almost every official has, at least to some extent, coming into his hands moneys which it is within his discretion to deposit, as distinguished from deposits which are usually controlled by a comptroller or a treasurer.

What would be the Senator's reaction to that suggestion?

Mr. FULBRIGHT. I certainly did not understand such a situation to prevail in the Illinois case. We went into it very thoroughly. The auditor was the only State official who had direct supervisory control—

Mr. ALLOTT. I was speaking more from a local angle than from a State angle.

Mr. FULBRIGHT. The Senator raises a question. The situation may be different in his State. In my State, the county treasurer is the only one who deposits county funds. Certainly, a county clerk does not. The money which comes into the office of the county clerk is handled by the county treasurer.

Mr. ALLOTT. Nevertheless, county judges collect money, as do justices of the peace and police magistrates.

Mr. FULBRIGHT. Would they not turn it over to the county treasurer? The State treasurer handles all the State funds even though they may be collected by some other authority. He is the responsible person, and I think he is the sole officer who makes the deposits.

Mr. ALLOTT. That is true generally in my State. But, on the other hand, there are clerks appointed by judges of the district court and clerks of county courts who have power to collect money and deposit it. We have police magistrates and justices of the peace who have power to collect money.

Mr. FULBRIGHT. The Senator means that each one has his own individual deposit account?

Mr. ALLOTT. I believe I am correct as to those particular individuals.

Mr. FULBRIGHT. I do not believe that is true in my State. I did not know it was true in any other State.

Mr. ALLOTT. The point I suggest to the Senator is that there are county officials who have money, even though it be of small significance, coming into their hands at some time, and even though it may be passed on to the county treasurer.

What would be the effect of this amendment? Would it not be to forestall or prevent the support of any such county official by any employee, officer, or director of a bank?

Mr. FULBRIGHT. The Senator poses a question which strikes me as falling within the rule of de minimis. I feel certain that the situation he describes is not the case in my State. It seems to me to be an extraordinary way to handle public finances if every officer had individual accounts and collects and disposes of the money which comes into his office.

Mr. ALLOTT. I must correct the Senator's impression of what I said. I did not make that statement, or I did not mean to convey the idea which apparently the Senator gathered from what I said.

The fact is that our county treasurer is a member of the county government, and is charged with the collection of taxes and the handling of most of the county money.

Mr. FULBRIGHT. That is true in my State.

Mr. ALLOTT. However, there are the other funds. A justice of the peace, for example, collects fines and transmits them. A police magistrate collects fines and transmits them to the city council or the city treasurer. A sheriff—and this is true, I am certain, in most Western States, at least—collects fees for the service of summonses and for the arrest and apprehension of criminals and for his mileage. Then he transmits those fees. He may keep them in a fund and transmit them to the treasurer weekly or monthly. But inasmuch as he collects funds, he would come under the provisions of the Senator's amendment. That is the point I am trying to bring out.

I think the amendment, in so far as it touches the people who first handle funds miscellaneously—small amounts, even—would prevent any directors or officers of banks from supporting them as candidates for office.

Mr. FULBRIGHT. I think that technically the Senator may be correct.

Mr. ALLOTT. Would the Senator agree that it would be correct in the case of any of the examples or instances I have just described?

Mr. FULBRIGHT. Yes; if a public official deposits public moneys, I think he would be covered. I do not know of any way of approaching the situation other than by the method proposed. I do not believe a practical problem is presented; I think there may be a technical problem, such as the one the Senator mentions.

In the cases we have examined, there were very limited numbers of people, including well recognized supervisory and depositing authorities, such as State auditors and State treasurers. There were no others whom I mentioned who were similar to those whom the Senator from Colorado has mentioned.

Mr. ALLOTT. I am fully in accord with the Senator's intent. I believe, as related to my own State, that if the amendment pertained only to State treasurers and county treasurers, it would reach 98 percent of the money. But by virtue of the other small amounts which pass through other hands, the Senator has broadened, I am certain,

what was the original intent of the amendment.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. I think the problem which the Senator's amendment poses is not its objective, but is the subsidiary question which arises as to whether the amendment is meant to stop political contributions or not. That is the problem with which some of us are struggling. We do not want to intimidate bank officials so as to keep them from contributing to political campaigns or to get them into trouble if they do so.

In order to make it doubly clear that the purpose is to exempt bona fide public contributions, I wonder if the Senator from Arkansas would not accept a modification of his amendment. I have changed the wording a little since I read it before, so we can proceed to line 15. After the word "contributions," I would propose to insert this proviso:

Provided, however, That the above shall not apply to bona fide contributions made to a political committee organized in compliance with State law.

That is very broad language, but certainly it is a disclaimer of any intent to inhibit a bona fide political contribution by a bank officer, director, or employee.

I urge the Senator to accept that language, because I think it will quiet the fears of many Senators.

Mr. FULBRIGHT. Since the Senator has not found a way to exclude special committees which operate for the benefit of particular persons—and I do not know of any way to do it—I cannot accept the modification. As I understand it now, his proposal would completely nullify the whole amendment. There is no use considering an amendment and then putting into it a provision which would completely nullify the amendment.

I was thinking of an established central committee for the whole party, such as I understand exists in every State; or a committee like the Democratic National Committee or the Republican National Committee. It is true that they may be interested in some officials who have authority to deposit money, but they are well-established committees for general purposes, and I would not wish the amendment to prohibit contributions to them and I do not think it does so.

But to include a committee created under State law for the election of Joe Smith to be State auditor would completely nullify the intent of the committee. So I cannot accept the Senator's proposal.

I do not know of any other way to accomplish the purpose except in the manner I have proposed. I think it is my duty to present it to the Senate. We encountered this situation in a very forceful way. I am certain that the problem with which we were confronted in Illinois exists in other States, or will exist from time to time, and I think what is here proposed is the most direct way to reach it. As I have just read, the Illinois Budgetary Commission recommended something of this kind—not the details, but something like what I have proposed. This is the best I can do. If Senators do not like it, they can reject it. But I do not believe I can accept a modification which would completely nullify the amendment itself.

If the Senator from Connecticut has any language which he thinks could confine the amendment to the few well-recognized general committees, committees of the parties which are interested in the respective parties as a whole, but which are not created for the benefit of one candidate, then I think I could accept the modification. But I do not believe the Senator's proposal would do that.

Mr. BUSH. Let me ask the Senator if the modification I shall now suggest would change his view. I have added a little language at the end. I shall read it in its entirety, so that the Senator may understand the full sense of it. This would be the proviso, instead of the one I read a moment ago:

Provided, however, That the above shall not apply to bona fide contributions made to a political committee organized in compliance with State law for the purpose of supporting a general ticket in an election.

I have added the last words, "for the purpose of supporting a general ticket in an election."

Mr. FULBRIGHT. That language appeals to me. In other words, the purpose and effect would apply only to a committee which was organized for the whole slate, the whole ticket, and not merely for an individual candidate.

Mr. BUSH. That would be the effect of this proposal.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Pennsylvania, who is a cosponsor of the amendment.

Mr. CLARK. I was about to suggest to the distinguished Senator from Arkansas that, in my humble judgment, the suggestion of the Senator from Connecticut meets the issue in a way which, at least in my State, would be acceptable, in that if a contribution were made to a political committee whose purpose was to elect an entire slate, the contribution would be of such indirect assistance to the particular candidate who would have the authority to make deposits in a bank, whose name might be on the ballot but who is usually pretty well down the list of those who are running, that from my personal point of view I think the amendment would accomplish the result which we have in mind.

For my part, I hope my distinguished colleague from Arkansas will accept the constructive suggestion made by the Senator from Connecticut.

Mr. FULBRIGHT. I agree with the Senator from Pennsylvania. He has stated the objective which I was trying to reach.

I do not have the exact language. Will the Senator from Connecticut read it again? I may suggest that the proper place for the insertion would be after the period in line 12.

Mr. BUSH. I believe the Senator is correct.

Mr. FULBRIGHT. I wish the Senator would read the language again, and slowly.

Mr. BUSH. After the word "power", in line 12, it is proposed to insert:

Provided, however, That the above shall not apply to bona fide contributions made to a political committee organized in compliance with State law for the purpose of supporting a general ticket in an election.

Mr. FULBRIGHT. I think that has the proper qualification which I had in mind.

Mr. BUSH. If the Senator from Arkansas will accept this language as a modification of his amendment, we shall not have to take a vote on the additional language.

Mr. CLARK. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. CLARK. I wonder whether the Senator from Connecticut will be willing to insert in the modification he has proposed the words "primary, general, or special election."

Mr. BUSH. Yes.

Mr. CLARK. In that way we can be certain that the amendment will apply to cases of that type, also.

Mr. BUSH. I shall be glad to incorporate those words, for that is the intent.

Mr. FULBRIGHT. Yes.

Mr. President, I shall be glad to accept the modification suggested by the Senator from Connecticut [Mr. BUSH], as modified, in turn, by the addition to be made at the place the Senator from Pennsylvania [Mr. CLARK] has mentioned.

Mr. President, I ask for a vote on my amendment, as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Arkansas. [Putting the question.]

The amendment, as modified, was agreed to, as follows:

On page 249, after subsection (h) of section 203, insert two new subsections, as follows:

"(i) Section 201 of title 18 of the United States Code is amended—

"(1) by inserting '(a)' immediately preceding 'Whoever';

"(2) by striking out 'section' in the last sentence and inserting in lieu thereof 'subsection'; and

"(3) by adding at the end thereof a new subsection as follows:

"'(b) It shall be unlawful for any bank or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or for any person who is an employee, officer, or director of such bank or institution, to make any gift, gratuity, or contribution in any form to any elective or appointive official who directly exercises supervisory or regulatory powers over such bank or institution, or who has direct authority to deposit public moneys or trust funds in such bank or institution, or to any person who is a candidate for an office having any of such powers. Provided, however, that the above shall not apply to bona fide contributions made to a political committee organized in compliance with State law for the purpose of supporting a general ticket in a primary, general, or special election. Any person, corporation, or other institution convicted of violation of this subsection shall be fined not more than

three times the amount or value of such gift, gratuity, or contribution.'

"(j) (1) The first paragraph of section 610 of title 18 of the United States Code is amended by inserting after 'or any corporation organized by authority of any law of Congress,' the following: 'or any bank, association, or other institution, in which deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation,'.

"(2) The second paragraph of such section 610 is amended by inserting after 'corporation' wherever it appears 'or bank, association, or other institution'."

Mr. PAYNE. Mr. President, I call up my amendments which are identified as "3-18-57-G"; and I ask that they be stated.

The PRESIDING OFFICER. The amendments submitted by the Senator from Maine will be stated.

The LEGISLATIVE CLERK. On page 44, after section 43 (b), it is proposed to insert the following:

"(c) In any case in which the Comptroller deems it necessary, either because of inadequacy of examination or for any other reason arising in the course of supervision of any national bank, he may require at such times as he deems necessary that such national bank have an audit by an independent individual or firm approved by the Comptroller. The expense of any such audit shall be borne by the bank so audited."

On page 100, after section 24 (b), sixth line, to insert the following, redesignating the remaining subsections to conform:

"(c) In any case in which the Board deems it necessary, either because of inadequacy of examination or for any other reason arising in the course of supervision of any State-chartered member bank, the Board may require at such times as it deems necessary that such member bank have an audit by an independent individual or firm approved by the Board. The expense of any such audit shall be borne by the bank so audited."

On page 154, to designate the present paragraph under section 8 as "(a)" and insert the following after that paragraph:

"(b) In any case in which the Board deems it necessary, either because of inadequacy of examination or for any other reason arising in the course of supervision of any insured State nonmember bank, the Board may require at such times as it deems necessary that such bank have an audit by an independent individual or firm approved by the Board. The expense of any such audit shall be borne by the bank so audited."

Mr. PAYNE. Mr. President, I ask unanimous consent that my amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing en bloc to the amendments proposed by the Senator from Maine.

Mr. PAYNE. Mr. President, I shall be very brief in discussing my amendments.

My amendments do not provide for the insertion of a mandatory audit provision, but they would insert what simply would be a grant of permissive authority to the several Federal agencies. In the event that one of them finds that an examination which has been conducted of a member bank does not, in their judgment, reveal the true condition of the bank's fiscal affairs, the amendments will then permit the head of that agency to insist upon an audit by an independent firm of auditors.

Mr. President, too often in connection with such bank examinations, many persons—in fact, I am sorry to say, even persons in the banking profession—have the opinion that because they happen to receive a report from the examiners, it in effect constitutes an audit of the bank.

I should like to read into the RECORD, so the matter will be clear, the statement which is placed at the bottom of every examination report submitted by the examiners. It is as follows:

In making this review, it should be kept in mind that an examination is not the same as an audit; and this report should not be considered to be an audit.

An examination which is normally conducted of the banks, for the purpose of determining certain facts measuring the competency of the banks to live up to the standards which have been prescribed, is in no sense an audit, but is merely a compilation of certain financial data which are required by the Federal agencies and by States, for that matter, under their regulatory agencies, to determine whether the banks are meeting certain tests. In so far as being able to reveal, in the normal course of events, any cases of embezzlement or any cases of improper handling or any cases of improper or unintelligible internal audit of the operations carried on by the bank, an examination does not do so. In the normal course of events, an audit will reveal those facts in many, many instances.

So these amendments provide that if the examinations do not reveal the information which the regulatory bodies feel is necessary in order to evaluate, then they can require an audit of the institution, in order that they may have the facts.

Mr. ROBERTSON. Mr. President, will the Senator from Maine yield to me?

Mr. PAYNE. I am very happy to yield to the distinguished junior Senator from Virginia.

Mr. ROBERTSON. Since these amendments were not before the committee, I cannot say the committee has accepted them. However, I can say for myself that the principle of the amendments is the same as that which we have applied to the credit unions, namely, that if in the case of a national bank or a member bank or a Federal Deposit Insurance Corporation bank it is felt that there is just cause, judging from the examination, to have an audit, such an audit can be ordered.

I am in charge of the bill, and I am willing to take the amendments to conference.

Mr. PAYNE. I thank the Senator from Virginia.

Mr. BUSH. Mr. President, will the Senator from Maine yield for one question?

Mr. PAYNE. I am very happy to yield to the Senator from Connecticut.

Mr. BUSH. Who would absorb the expense of making the audit, if one were ordered by the Comptroller?

Mr. PAYNE. If an audit were requested by the Comptroller of the Currency or by any one of the Federal regulatory bodies, and if an audit were deemed necessary, the expense of the audit would be charged against the bank on which the audit was made.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments of the Senator from Maine [Mr. PAYNE].

The amendments were agreed to.

Mr. ALLOTT. Mr. President, I call up my amendments identified as "3-18-57-I," and ask that they be stated.

The PRESIDING OFFICER. The amendments submitted by the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. On page 14, in the sixth line, after the colon, it is proposed to insert the following:

Provided, That any association may, to the extent approved by the Comptroller, have authorized and unissued stock required to fulfill any stock option or other arrangement pursuant to section 31 (a) (9) of this act.

On page 22, in the last line of paragraph (7) of section 31 (a), to strike out the word "and."

On page 23, in the third line, to strike out the period and insert in lieu thereof a semicolon and the word "and."

On page 23, after the third line, to insert the following:

"(9) to grant options to purchase, and to issue and sell, shares of its capital stock to its employees or to the employees of any subsidiary corporation, or to a trustee on their behalf, without first offering the same to its shareholders, for such consideration, not less than par value, and upon such terms and conditions as shall be approved by its board of directors and by the holders of two-thirds of its shares entitled to vote with respect thereto, and by the Comptroller. In the absence of actual fraud in the transaction, the judgment of the directors as to the consideration for the issuance of such options and the sufficiency thereof shall be conclusive. The Comptroller shall approve under this section only restricted stock options which qualify under section 421 of the Internal Revenue Code of 1954, and no stock option shall be approved under this section if the option price is less than 85 percent of the fair market value of the shares, or 85 percent of the book value of the shares, as determined by the Comptroller, whichever is greater, determined as of the date the option is exercised."

The PRESIDING OFFICER. Is there objection to the consideration of the amendments en bloc? Without objection, the amendments submitted by the Senator from Colorado will be considered en bloc.

Mr. ALLOTT. Mr. President, these amendments will restore to the bill a provision similar to one it contained at the time when the bill was originally introduced.

The complete gist of the amendments is as follows: They will permit national banks to offer stock option plans to their employees. As I hope to show, such a provision will be of benefit not only to

the banks but also to the country at large.

Under present law national banks are not permitted to establish stock-option programs for their employees. As is well known, the use of stock-option plans for the development, recruitment, and retention of management personnel is widespread in the Nation's industry and commerce, other than banks. The banking industry has for some time faced an acute problem of management development. The efforts of the banking industry to solve this problem have met serious obstacles, resulting in part from its inability to offer incentives as the great bulk of American industry has been and is increasingly offering to present and potential management. Consequently, under the present circumstances, the banking industry is unable to compete with business and industry generally in needed management development.

Personnel development programs are no less essential to the banking industry than to other commerce and industry in the country.

I might say, at this point, to those who are concerned with the welfare of banks, and who have emphasized that banks occupy a unique place in our economy and commerce, that I agree with those statements. I agree that the most stringent standards, and only the most stringent, should be applied to banks, where people go to deposit their money, in trust.

If the banking industry is to grow and prosper along with the rest of commerce and industry, it must, in this respect, be placed in a reasonably competitive position with such other commerce and industry.

The proposed amendment specifically requires the approval of the Comptroller of the Currency as to any and all provisions of any proposed stock-option program. No such stock-option program could be established by a national bank, under this amendment, without the full approval of the Comptroller of the Currency. The amendment also provides that no stock option shall be approved by the Comptroller of the Currency if the option price is less than 85 percent of the fair market value of the shares, or 85 percent of book value of the shares, as determined by the Comptroller of the Currency, whichever is greater. It would also require approval of any proposed stock-option plan by a two-thirds majority of the voting shares of the bank. In the aforesaid and in other respects, these provisions are very restrictive, and are intended to be restrictive, in order to prevent any possible abuse.

It is important that authority for the adoption of such plans by national banks should be carefully safeguarded, for the additional reason that such a provision in the National Bank Act would likely serve as a model for amendments to the laws of the various States, in order to authorize stock-option programs for State banks. Thus, the provisions contained in the proposed amendment are far more restrictive and stringent than the provisions of State laws authorizing the establishment of stock-option plans by business corporations generally, other than banks.

As thus appropriately restricted for use in the case of banks, a stock-option program would help to solve the problem of recruitment and development of management personnel by banks, and at the same time pose no risk to the banking industry, or its depositors, shareholders, or borrowers.

Mr. President, I do not have the original report before me, but I have had copied from the Report of the Advisory Committee for the Study of Federal Statutes Governing Financial Institutions and Credit to the Committee on Banking and Currency of the United States Senate, at page 14 of that report, paragraph 45 (E), entitled "Employee Stock Options." The advisory committee had this to say:

There is no present statutory authority by which national banks are permitted to establish stock option programs for their employees. That such stock option programs have successfully served the purpose for which they were established is demonstrated by the continuing and broadening use of such programs throughout the country. Today such programs are generally recognized as a major solution to the problem of developing, acquiring, and maintaining high grade personnel in business and industry.

Thus the committee recommends that the Congress study the problem to the end that appropriate action be taken to authorize national banks to establish employee stock option programs.

I am in receipt of numerous letters and telegrams from bankers in my own State, urging, upon the general grounds of the statement I have just made, the adoption of a plan, stringent and restrictive, with respect to stock option purchase plans.

I ask unanimous consent of the Senate that communications, approximating 10 in number, from banking personnel in my own State may be made a part of the RECORD, and printed at this point.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

DENVER, COLO., *March 14, 1957.*

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D. C.:

I am a director of a national bank. I urge your support in restoring stock option provision of Senate bill 1451.

F. P. OSBIN.

DENVER, COLO., *March 14, 1957.*

Senator GORDON ALLOTT,
Senate Office Building,
Washington, D. C.:

Understand that Senate bill 1451 is now under consideration by the Senate. Strongly urge that that provision in the committee print bill which authorized stock option plans by national banks for their employees be restored to bill now before the Senate and that bill then be passed as so amended. This stock option provision is of vital importance to banks throughout the country in attracting and holding top flight personnel. Will personally appreciate anything you can do to see that the bill including the stock-option provisions for national banks is passed.

Regards,

GEORGE B. BERGER, Jr.

DENVER, COLO., *March 14, 1957.*

Hon. GORDON L. ALLOTT,
United States Senate,
Senate Office Building,
Washington, D. C.:

My board associates and I are most anxious that you give serious consideration to restore to Senate bill 1451 the provision authorizing national banks to be able to use stock options to attract and hold qualified management. Surely the banking industry is as important as any other industry to our economy. We must be in a position to compete for highly qualified personnel.

ROGER D. KNIGHT, Jr.,
President, United States National Bank.

DENVER, COLO., *March 14, 1957.*

Senator GORDON ALLOTT,
United States Senate Office Building,
Washington, D. C.:

As a member of the board of the United States National Bank, I urge you to restore to S. 1451, now under consideration by the Senate, that provision which authorized stock-option plans by national banks for their employees and pass the bill as so amended. We are particularly interested in this provision authorizing stock options in that it would be a serious loss for all banks which considered such authority necessary to attract and hold executive personnel.

J. CHURCHILL OWEN,
Holme, Roberts, More, & Owen,
Attorneys at Law.

DENVER, COLO., *March 14, 1957.*

Hon. GORDON ALLOTT,
United States Senate Office Building,
Washington, D. C.:

Re Senate bill 1451, financial-institutions bill, now under consideration by the Senate: Our company has found stock-option plans extremely effective in attracting and keeping key personnel. Similar plans could be effective for banks as well as industries. Hope you will restore to Senate bill 1451 the provision in the committee print bill which authorized stock-option plans by national banks for their employees and pass the bill with the amendment.

RICHARD H. OLSON,
General Manager, Sundstrand.

PUEBLO, COLO., *March 15, 1957.*

Hon. GORDON ALLOTT,
United States Senate,
Washington, D. C.:

Understand Senate Bill 1451, now under consideration by the Senate, has deleted provision which authorizes stock option plans by national banks. This provision of vital importance for the future of national banking and we urge your continued support for the option being included in the bill.

Thank you.

R. B. BAILEY,
President, the First National Bank of Pueblo, Colo.

DENVER, COLO., *March 14, 1957.*

Hon. GORDON ALLOTT,
Senate Office Building,
Washington, D. C.:

Have just learned section 31 (a) (9) of title 1, in original draft of S. 1451, authorizing national banks to establish stock option plans was deleted. This would give national banks authority that State banks now have. We think this is only fair and would appreciate your help in restoring this provision.

Kindest regards,

HENRY A. KUGLER,
Chairman of the Board, Denver National Bank.

DENVER, COLO., *March 14, 1957.*

Hon. GORDON L. ALLOTT,
United States Senate,
Senate Office Building,
Washington, D. C.:

We are very anxious that you give serious consideration to restoring to Senate bill 1451 the provision authorizing national banks to be able to use stock options to attract and hold qualified management. Surely we

should be in a position to compete for highly qualified personnel.

WALTER WOODS,
President, Guaranty Bank and Trust Co., Denver, Colo.

DENVER, COLO., *March 14, 1957.*

Senator GORDON ALLOTT,
United States Senate Office Building,
Washington, D. C.:

As director of United States National Bank of Denver, I urge that provision authorizing stock option plans by national banks for their employees be restored to Senate bill 1451 now under consideration by Senate, and that bill so amended be passed. Feel that deletion of stock option plan would be serious loss to all banks in attracting and holding key personnel.

BROWN W. CARROON,
United States National Bank, Denver, Colo.

Mr. ALLOTT. Mr. President, in conclusion on this matter, it seems to me what we are trying to do, and what I believe the committee has tried to do so very, very well, is to codify and rewrite the laws of the United States with respect to banking and savings institutions and credit unions. I do not believe that anyone can approach this matter with a more serious desire than the Senator from Colorado has to see that the people whose deposits are in banks are protected to the full extent of the law. At the very least, I should like to see the amendment which has been offered, taken to the conference committee and reconsidered there. The amendment makes it mandatory that any plan offering stock at less than par to stockholders be approved by the Comptroller of the Currency before it is made effective, and that in no instance shall the stock be sold or optioned at less than 85 percent, and then only after approval of the Comptroller, and in no instance at less than 85 percent of the book or market value, whichever is greater. Such a provision would amply protect persons who have deposits in the banks, and would also protect those who own stocks in banking institutions.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments of the Senator from Colorado [Mr. ALLOTT].

Mr. DOUGLAS. Mr. President, I had hoped the chairman of the subcommittee would speak in opposition to the amendment. Since he has not done so, I think perhaps he will forgive me if I make a statement about why the amendment proposed by the Senator from Colorado was rejected by the committee. The committee considered the proposal and rejected it. It rejected it because it smelled too much of the 1920's.

I think a distinction can be drawn between officials of corporations and officials of banks. Officials of banks have a trust relationship to the depositors, and they are supposed to be affected with a public interest. While I certainly am not attacking the profit system, I think it is true that it is possible for bank officials to be so concentrated upon immediate profits and upon the immediate value of the stock that they may make injudicious loans, resulting in speculation.

I should like to see more and more bank officials receive decent salaries, but remain trust officials, and in that sense without the lure of speculative profits on the stock which they own.

I think I can read the temper of this body from the vote which was taken some time ago. I do not expect my voice to prevail. However, before the measure passed I felt an obligation to state my point of view, and to state that this was apparently the opinion of the committee which considered the proposal and rejected it. While I certainly have no right to appeal to this body to uphold the committee, since I am only a member of the committee and in no sense an official of the committee, and while I do not make any appeal upon that ground, I will say to those of my colleagues to whom the slogan, "stand behind the committee" is a strong one, that it ought to apply in this case as well as in certain other cases.

Mr. ROBERTSON. Mr. President, my distinguished colleague from Illinois places the acting chairman in a rather embarrassing position, for this reason: Our advisory committee recommended this provision. In drafting the tentative bill, I placed it in the tentative bill, in even stronger language than has been suggested by the Senator from Colorado [Mr. ALLOTT] in his amendment.

When the Comptroller testified, he approved it, subject to modification, and that modification has been included in the amendment which is now before the Senate.

When the question was considered in executive session, the membership of the committee seemed to be very much opposed to the provision, because members of the committee felt that it would be the subject of abuse. The members of the committee were so much opposed to the provision that the acting chairman did not press it. In fact, the acting chairman cannot remember whether there was even a recorded vote or not. The provision was dropped.

However, the acting chairman is placed in an embarrassing position, because, personally, he thought it was a good idea to provide an incentive to banks to get better men, and to hold the good men they did get. This provision is in line with a practice which has long been prevalent in many corporations. For that reason the acting chairman did not oppose the amendment. On the contrary, he was not in a position to say that he would accept it, or even take it to conference. He merely sat quietly while it was being presented, and allowed his distinguished colleague from Illinois to answer the argument.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Colorado [Mr. ALLOTT]. [Putting the question.] The Chair is in doubt, and will call for a division.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I suggest that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Without objection it is so ordered. The question is on agreeing en bloc to the amendments offered by the Senator from Colorado [Mr. ALLOTT]. When the quorum call was ordered, a division had been requested. A division will now be taken.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I call up my amendment identified as 3-12-57—B.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 18, in the third and fourth lines of subsection (c) of section 26, it is proposed to strike out ", if the articles of association so provide."

Mr. DOUGLAS. Mr. President, this amendment deals with the question of cumulative voting in national banks. By the revision of the National Bank Act in 1933, cumulative voting was provided and made mandatory for national banks so far as the election of boards of directors was concerned. Cumulative voting means that a significant minority which wishes to have special representation can concentrate its votes so that it will elect its proportionate share of a board of directors.

In other words, if a third of the stockholders want to have separate representation, and so accumulate their votes, they will elect a third of the board of directors.

The committee, in the draft which it has prepared, really knocks out the provision and provides that cumulative voting will exist only if the majority stockholders wish to grant it.

Since a majority is seldom tolerant of a minority, and generally does not wish to be scrutinized by a minority, the effect will be that cumulative voting will be knocked out of the provisions governing national banks.

Let us be clear from the very beginning that cumulative voting does not mean that a minority can control a bank. It merely means that a substantial minority which so desires will be represented on the board of directors of a bank.

No evidence was introduced by anyone pointing to any specific case of abuse with respect to the cumulative voting provisions with regard to national banks. The Comptroller of the Currency said he knew of such cases, but refused to state what they were.

On the other hand, Mr. J. L. Robertson, who is now a Governor of the Federal Reserve Bank, and formerly was the first Deputy Comptroller of the Currency, and who probably knows more about national banks than anyone else in the country, said, as quoted at page 862 of the testimony:

I have seen a great number of these cases and I have never seen a case where there was real abuse of this. I have heard allegations of it, and maybe it is true, but I have also seen a number of cases where one who

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lous that you give serious consideration to

hold qualified management. Surely we

injudicious loans, resulting in speculation.

The legislative clerk proceeded to call the roll.

tions of it, and maybe it is true, but I have also seen a number of cases where one who

was not desired did get on the board of directors, and did make that board of directors consider problems which they should have considered, and as a result the bank was benefited by it.

We have also had testimony from Mr. Laurance H. Armour, Jr., vice president of the La Salle National Bank of Chicago, who endorses the principle of cumulative voting for boards of bank directors. His statement was placed in the RECORD last Thursday. The principle was also endorsed by Mr. Fred Walker, director of the First National Bank of Arlington, Va.; and by Mr. Maurice S. Brody, director of the Denver National Bank.

The principle of cumulative voting tends to be opposed by most bank managers, because many of them are afraid that under cumulative voting there will be minority representation and there will be controversy over bank policies and practices.

To my mind, one of the difficulties with banks and with business institutions generally is the fact that all too often we have "yes men" cultivated among the officials and directors of the bank, the board of directors blindly following the management, and the management not being affected by criticism and by opposition.

Cumulative voting would permit minorities which are dissatisfied to subject the decisions of management to review and to criticism. In general I believe it would be an extremely healthy situation.

We have such a provision for cumulative voting in my State of Illinois, not only for members of the State legislature, but also for corporations which are chartered in the State.

It has, on the whole, worked out very well.

In the case of the Montgomery Ward proxy fight a short time ago the final result was, I think, very beneficial. New management was introduced as a compromise, and the new management adopted a more vigorous policy of expansion and one which also permitted some of the accumulated earnings to go to the stockholders. The general result was, I think, that the company is now in a much sounder condition than it was when the old management went unchallenged.

I know there is a general tendency for management to resent criticism, but frequently one's critics are one's best friends, because they point out defects in actions which would otherwise pass unnoticed.

We should also realize that there is an even stronger case for cumulative voting in the case of banks than there is in the case of other corporations, because the rules of the SEC do not apply to banks. As was explained in the debate on another amendment, since no bank stock is listed on any of the exchanges, the SEC rules do not apply to banks, and, therefore, the protection which is given to minority stockholders in the soliciting of proxies under the SEC rules is not given in the case of banks.

This furnishes, therefore, a good reason why in the election of boards of directors of banks the minority stockholders should be given certain rights which they do not have in the case of industrial corporations.

I wish to make it perfectly clear, however, that I believe in the principle of cumulative voting for industrial corporations as well as other corporations. I believe in the capitalistic system, but I believe in a democratic capitalistic system and a competitive capitalistic system.

I think one of the weaknesses in our present corporation setup is the fact that minorities are not granted adequate representation and do not have an adequate chance to be heard.

We all remember some 25 years ago when Mr. Gilbert startled a corporation meeting by raising a question about the bonuses which officers were receiving in the midst of a depression. Mr. Gilbert was treated with great rudeness by most of the managers and officials, but he was persistent and in the course of time it has become, I think, recognized by almost everyone that he performed a very valuable function.

In similar fashion the retention of cumulative voting for national banks would permit a more democratic handling of the affairs of banks.

Again, Mr. President, I wish to be cautious in what I now say. Yesterday I paid sincere tribute to the general level of integrity of bank officials. I wish to do so again today. Bank officials handle money. The temptations must be great. I think it is very much to their credit that on the whole the record of bankers has been as good as it has been.

Nevertheless, we must face the fact that there have been a large number of embezzlements, and frequently the embezzling has been done by leading officials of banks. That is particularly true in certain districts in the United States. A year or two ago I would look at the newspapers from week to week, and almost every week I would find a new embezzlement in this particular area running north and south somewhere near the Ohio River. Only recently there was a case in New York where the president of a bank made loans of $1,000,000 to one concern without authorization.

He was for a time regarded as a benefactor because he was helping a local industry. I have a clipping on my desk, however, which states that he has since been indicted on the ground that he received a kickback from the company.

So, Mr. President, it would have been a good thing in that case, and in other cases not so far from the Allegheny and Ohio Rivers, if there had been watchdogs to check on what was going on. It would have been a good thing for the depositors, the stockholders, and the bank management, because with representation of that kind by an articulate minority there would have been available criticism and scrutiny.

Mr. President, I have no illusions about the temper of the Senate this afternoon on this measure. But I do want to make a record and I do hope that the principle of cumulative voting in national banks will be retained in the law.

Mr. ROBERTSON. Mr. President, the pending bill provides that cumulative voting in the election of national bank directors shall be permissive rather than mandatory. This amendment would continue the mandatory provision. It would strike out the section of the bill which makes it permissive. This section is identical to S. 256, as passed by the Senate in the last Congress, and reported favorably by the House Banking and Currency Committee. As a matter of fact, the bill received a majority of the votes in the House under a suspension of the rules, but it failed to receive a two-thirds majority; and that is the only reason why it is not the law of the land today. The proposed Douglas amendment would make cumulative voting mandatory.

From the time the National Bank Act was enacted in 1864 until 1933, there was no requirement for cumulative voting. It was added by the Banking Act of 1933. The 1933 amendment was adopted not because of any general demand on the part of minority stockholders but on the request of one man. The late A. P. Giannini, who headed Transamerica Corp., had a minority interest in the National City Bank of New York and wanted a place on the bank's board to further his plans for nationwide expansion. After cumulative voting was added to the law, Mr. Giannini succeeded in becoming a member of the National City's board.

In that connection, it should be noted that cumulative voting was not discussed in the hearings in 1933, and there appeared to be no interest in the matter by other bankers. Since that time, many bankers have learned from bitter experience the disadvantages of cumulative voting, and for that reason, the American Bankers Association, the Independent Bankers Association, many State bankers associations, and numerous individual bankers have endorsed the provisions in the pending bill.

Cumulative voting of shares is designed to permit minority representation on the board of directors. However, regardless of whether cumulative voting may be considered desirable in the election of corporate directors generally, the same reasoning does not apply with equal logic to national banks. In order to protect the interest of the depositors, the public, and the stockholders, national banks are subject to supervision and regulation by the Comptroller of the Currency. The issuance of stock, the payment of dividends, the investment of funds, the granting of loans, and all other banking functions are subject to scrutiny by the Comptroller and his examiners. Furthermore, an officer or director is subject to removal for engaging in unsafe or unsound practices or for violating any provision of the National Bank Act. Certainly, the shareholders of the average corporation are not provided with such safeguards. Obviously, the authority of the Comptroller to stop bad banking practices far exceeds the power of any minority shareholder.

Another fundamental distinction between national banks and corporations generally is that the directors of national

banks are not only representatives of the bank's stockholders but are also trustees of the persons whose funds are on deposit in the institution. In order to merit the confidence and trust of the depositors, the directors must be men of character and integrity, who are held in the highest esteem by the community. Proxy fights, the election of undesirable directors, and the resulting friction among directors tend to destroy the confidence of the depositors and the community in a bank. When the reputation of a bank is destroyed, the bank itself will not long survive.

It should also be pointed out that the mandatory cumulative voting authority has been rarely used in national bank elections, but when it has been exercised, the bank concerned has not benefited. In the hearings before our committee during the past 4 years, we have never been given an example of where cumulative voting has proven beneficial to a bank. As the Comptroller of the Currency stated at our hearings last November:

> It has been our experience that cumulative voting * * * is not a beneficial influence in the affairs of national banks.

Cases have been cited where a man used this device to elect his young son-in-law as a director solely for the purpose of enhancing his prestige in the community. We have found other cases where board membership was used to obtain confidential information for use in outside business deals or for use in rival institutions in which the minority directors hold an interest. Minority directors have also been forced on boards in order to promote larger dividend payments or to encourage sale or merger of a bank.

Thus, to sum up, cumulative voting has not been used to benefit banks, but rather has had a definite detrimental effect. It is no wonder that the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the various organizations of bankers to whom I have referred—the American Bankers Association, the Reserve Bankers Association, and many individual bankers' associations—are all opposed to mandatory cumulative voting as provided in the proposed amendment. I therefore urge Senators to vote against the Douglas amendment as they did in the last Congress.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. Do I correctly understand that until 1933 there was no provision in the Federal laws to allow cumulative voting by stockholders?

Mr. ROBERTSON. That is correct. The original Banking Act was a war act of 1864. From that date up until 1933 there was no provision in the Federal laws for cumulative voting.

Mr. LAUSCHE. It is my belief that in 1933, as a consequence of the closing of many banks, it was deemed advisable to give minorities the ability to assert themselves, and thus take the majority directors, who had got into ruts, outside of that situation. For that reason, in 1933, for the purpose of remedying a bad condition, a requirement was included in the Federal law providing that the minority shall be given a voice through the strength acquired by the cumulation of votes.

Mr. ROBERTSON. My friend from Ohio has mentioned a fine theory, but it was not supported by the facts presented by the witnesses who appeared before our committee.

The facts were as related by a man who was in close touch with the fight all the way through, and who knew the facts.

The fact was that Mr. Giannini wanted to get on the board of the National City Bank. He got Senator McAdoo, who was a member of the Committee on Banking and Currency, and a great friend of my predecessor, the late Senator Glass, to slip this provision into the bill in 1933. No hearings were held on it; there was no interest shown in it. It was all a Giannini proposal to get on a bank board in New York where he was not wanted, and where they made it so unpleasant for him that he did not stay. He went back to California and decided to be the king of banking on the west coast, and to let the evil men of Wall Street continue in charge of New York.

It is a nice theory that because banks were failing it was necessary to bring in some new blood to control the evil majority, but the facts are simply to the contrary.

Mr. LAUSCHE. It still is a fact, however, that it was after the debacle through which the Nation passed in 1932 that the United States Congress determined it was necessary, for the health of the banks, to give minorities the right to assert themselves, and thus to awaken the directors, who had got into ruts, to a realization of what was good for the banks.

Mr. ROBERTSON. The Senator from Virginia would call that a coincidence, and not a fact.

Mr. CLARK. Mr. President, since I am a cosponsor of the amendment, along with the distinguished Senator from Illinois [Mr. DOUGLAS], I should like to state very briefly for the RECORD the reasons why, with deep regret, I find myself unable to agree with the distinguished junior Senator from Virginia, who has just spoken so ably in opposition to the amendment.

The best qualified witness who appeared before our committee when this matter was under discussion, in my judgment, was Governor Robertson, of the Federal Reserve Bank, a man alert, keen, and well educated in all banking problems. He stated without qualification that, in his judgment, cumulative voting was beneficial in the banking business. That statement had considerable weight with me, as does the fact that this provision has been in the law from 1933 to 1957. In my experience in the Philadelphia area, I think it has worked in a beneficial manner.

One of the great difficulties with which we are confronted in this country is the concentration of financial power in a relatively few hands. That is going on increasingly all the time. To be sure, cumulative voting in national banks will not stop such a practice, but it is a factor, a straw in the wind, which will at least tend to put those in charge of banking institutions on guard to protect adequately their minority stockholders and the interests of the banks as a whole.

We are all aware of Lord Acton's comment:

> Power tends to corrupt; absolute power corrupts absolutely.

The very able and industrious bankers in my community, charged as they are with the duty of operating great financial institutions, are, in my judgment, put well on their mettle, for they know that a vigilant stock minority in their bank can obtain representation on the board of directors and hold the majority to account for their activities and ask them searching questions, just as the minority in this Chamber is constantly asking questions of those of us in the majority, and just as the minority in the House of Representatives and in every State legislature is constantly asking questions of the majority, to keep them on their toes.

I wonder what would happen to the processes of government if in legislative bodies, which are the equivalent of boards of directors in banking institutions, there was never a minority to make a motion, to have the motion seconded, and to have it adopted, so as to have the facts hammered out on the anvil of discussion.

This is a relatively unimportant matter; but the fact is that the removal from the law of this provision, which has been in the law for 24 years, is, in my judgment, a straw in the wind to indicate the constantly increasing concentration of financial power in the United States. This, in my opinion, is one of the greatest threats to our capitalistic, free-enterprise system and the American way of life.

It was for that reason that I was happy to join with the distinguished Senator from Illinois in sponsoring the amendment, which I trust, although not too hopefully, will be agreed to.

Mr. LAUSCHE. Mr. President, I wish to express support of the amendment offered by the Senator from Illinois. I think the Senate should give recognition to the fact that in periods of prosperity there is always a danger of returning to the evils which came to light at a time preceding the period when bankers everywhere were considered to be financial wizards.

Twenty-four years have elapsed since the closing of the banks. When the banks were closed, it became evident in many instances that despotism frequently led to practices which weakened the financial structure of the institutions. When those weaknesses came to light, many persons in authority wondered how it came to pass that practices had been countenanced which retrospection indicated should not have been permitted to exist.

In 1933, based upon a look into the past, it was decided that cumulative voting should be required in the banks.

Twenty-three years have passed, and again the financial wizards are beginning to appear everywhere.

In 1933, the Cleveland newspapers published, practically every week, the pictures of some men who were labeled financial geniuses. Their conduct was followed seemingly with obedience and respect everywhere. But when the period of prosperity came to an end, it became manifest that they were mere human beings burdened with the same fallibilities as the ordinary person. I was with them; I know what was done.

Twenty-three years have elapsed, and now there is a desire to return to the identical evils which existed back in 1932. I think those evils are beginning to appear in the practices of the financial institutions.

So, Mr. President, some say today, "The good that we learned out of the bitter experiences of 1932, we shall forget." There seems to be a willingness to aver that we shall ascribe to these human beings an infallibility, and shall rely upon them without criticism, but with abject obeisance to what they do, and that we shall feel content that those financial institutions will be maintained soundly.

I subscribe fully to the view of the Senator from Illinois that criticisms by way of minority suggestions lead to strength and goodness in the operation of the banks.

Why should there not be minority representation? Certainly some persons can point out that certain evils sometimes come into existence. But, Mr. President, on the whole, in my opinion, nothing but ultimate good can come both to banking institutions and to other corporations by having minority representation on the boards.

I was the director of a bank, having been given the assignment after its doors were closed. That bank's doors were closed because the men in charge, without minority opposition, were able to do what their whims dictated. The things they perpetrated would never have come to pass if a minority had been asserting itself in regard to what was right and what was wrong.

Based upon these reasons, I give my support to the amendment of the Senator from Illinois; and it is my sincere hope that his amendment will be adopted not only for the good of the banks, but also for the good of the depositors who have their money in the banks.

I venture to state that if we do not have cumulative voting, there will come a time when the same thing that happened in 1932 will recur; and then this august body will again pass a law giving to the stockholders the right of cumulative voting.

ADJOURNMENT TO THURSDAY

Mr. BIBLE. Mr. President, if no other Senator who is on the floor desires to be recognized at this time, then, Mr. President, pursuant to the order previously entered by unanimous consent, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Thursday, March 21, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 19, 1957:

DIPLOMATIC AND FOREIGN SERVICE

Philip Young, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

UNITED STATES CIRCUIT JUDGE

Leonard Page Moore, of New York, to be United States circuit judge for the second circuit, vice Jerome N. Frank, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19, 1957:

THE SUPREME COURT

William Joseph Brennan, Jr., of New Jersey, to be an Associate Justice of the Supreme Court of the United States.

Charles E. Whittaker, of Missouri, to be an Associate Justice of the Supreme Court of the United States.

DEPARTMENT OF JUSTICE

W. Wilson White, of Pennsylvania, to be an Assistant Attorney General.

UNITED STATES ATTORNEY

M. Hepburn Many, of Louisiana, to be United States attorney for the eastern district of Louisiana for a term of 4 years.

UNITED STATES MARSHAL

Donald C. Moseley, of Louisiana, to be United States marshal for the western district of Louisiana for a term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 19, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, may we begin this new day with a clearer vision of the divinely appointed life which we must live together and which each must live alone.

Grant that we may commit unto Thee, for counsel and control all our concerns and interests, our deliberations and decisions, our aspirations and desires.

Inspire us to enter upon our daily tasks with a feeling of their sanctity and with the assurance of Thy wisdom to guide us and Thy strength to sustain us.

May we surrender ourselves completely to the guidance of Thy spirit and find in it our joy and peace.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1483. An act to amend certain provisions of the Columbia Basin Project Act, and for other purposes.

INTERSTATE CONFIDENCE GAMES

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include a letter.

Mr. SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Speaker, I am today introducing legislation in the House of Representatives, amending title 18 of the United States Code which will extend Federal jurisdiction to interstate confidence game operators.

The legislation, by the addition of new language to the code, would provide punishment for persons who transport or receive after transportation in interstate commerce any goods, money, and so forth, of the value of $1,000 or more, knowing the same to have been obtained by means of false or fraudulent pretenses, representations, or promises, or any scheme or artifice to defraud. Under the existing statute, the value of the money or property taken must exceed $5,000 before the law becomes operative.

The proposed change does not apply to the ordinary run-of-the-mill theft which can be coped with adequately at the State level and where the amount involved is less than $5,000, but it is directed at interstate organized crime.

According to recent estimates, over $5 million a year is taken from the public by professional swindling operations and confidence games. To escape existing Federal criminal statutes, the operators of these schemes intentionally keep the amount of the larceny just below $5,000 and, of course, they also avoid the use of the mails.

In St. Louis last year almost $19,000 was taken from the unsuspecting public by professional swindlers. The pattern appears to be nationwide and it is the opinion of the police departments of our major cities that the operators of these schemes move from State to State. I should like to bring to the attention of the House the following letter from the chief of police of the city of St. Louis which is similar to letters I have received from other police departments over the country in reference to this legislation:

DEPARTMENT OF POLICE,
St. Louis, Mo., February 23, 1957.

Hon. FRANK M. KARSTEN,
Representative, First District, Missouri, Congress of the United States, Washington, D. C.

DEAR CONGRESSMAN KARSTEN: Many thanks for your letter of February 15, 1957, and the copy of a bill you are considering introducing in the House.

I believe it is a very good bill and would help us as well as all police departments throughout the country.

I am enclosing, for your information, copies of several reports made to us by victims of the confidence game commonly called pigeon drop. We are reasonably certain the operators of this game are from out-of-town.

Your bill, if passed, would go a long way toward assisting in the prosecution of operators of the confidence games.

With kindest regards, I am,

Sincerely,

JEREMIAH O'CONNELL,
Chief of Police.

I hope this matter will have early consideration by the Committee on the Judiciary which has charge of this legislation as I believe it will be helpful to police departments all over the country in combating interstate crime.

CENTRAL CATHOLIC HIGH SCHOOL, LAWRENCE, MASS.

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the code of sports says, "It matters not whether you won or lost, but how you played the game."

In cold figures, the season's record for the basketball team of Central Catholic High School in Lawrence, Mass., reads, "Won 27, lost 1."

But that does not tell the real story of how they fought their way up through the best competition in all New England, with the skill and the spirit that had an army of fans, both young and old, cheering for them.

The CCH hoopsters topped the finest teams in Massachusetts, Vermont, and New Hampshire and came within 4 seconds of winning the New England title, only to fall before Weaver High, of Hartford, Conn., in a contest that was actually a tie, requiring overtime play that broke the deadlock in Weaver's favor.

A tough one for Central Catholic to lose and a grand one for Weaver to win through the remarkable accuracy of its outstanding player, John Egan.

Central Catholic is a young school that has come fast. In the scholastic record of its graduates, and in the caliber of its athletic teams, it has won the respect and the regard of all New England.

The reason? There are no snap courses at CCH. Every student works hard and is inspired by a faith that encourages every youngster to do his very best.

We are proud of Head Coach Brother Timothy and his gallant team.

Even in defeat they are still champions.

And all the people of Greater Lawrence are grateful to Central Catholic High for contributing so much to the good name of our community.

CUTBACK IN THE URBAN-RENEWAL PROGRAM

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, the drastic cutback in urban renewal announced several days ago by the Housing and Home Finance Agency will amount to sudden death for large-scale, urban-renewal plans of the larger American cities. It is a shortsighted economy which will bog down the conservation and reshaping of major American cities at the very instant that local planning and participation had reached hopeful proportions.

The proposal to cut the urban-renewal program by $75 million will result in an increasing cutback in the approval of future plans and the extension of existing projects. This will constitute a half-hearted attack on a program which deserves more rather than less impetus at the present time.

In my city, the action of the Housing and Home Finance Agency effects a cutback in plans and progress in the attack on slums and blight. Postponement in slum clearance and urban renewal will result in higher costs later on in addition to mounting social costs of slum life in our cities.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDING THE SMALL RECLAMATION PROJECTS ACT OF 1956

The Clerk called the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, a rule has been granted on this bill; therefore I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SETTLEMENT FOR CERTAIN INEQUITABLE LOSSES IN PAY SUSTAINED BY OFFICERS OF THE COMMISSIONED SERVICES

The Clerk called the bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRESCRIBING A METHOD BY WHICH THE HOUSES OF CONGRESS AND THEIR COMMITTEES MAY INVOKE THE AID OF COURTS IN COMPELLING TESTIMONY OF WITNESSES

The Clerk called the bill (H. R. 259) to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

INVENTIVE CONTRIBUTIONS AWARDS

The Clerk called the bill (H. R. 103) to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCHENCK. Mr. Speaker, I object, and I ask unanimous consent to insert my remarks at this point in the RECORD and include two letters.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, reserving the right to object, I understand that there has been some question raised about this proposed legislation. I have just received two letters from my district outlining definite objections of the Dayton Patent Law Association to this bill, and I ask permission to place them in the RECORD at this point. It is my opinion that a rule should be obtained on the proposed H. R. 103 so that this legislation can be fully debated on its merits.

MARECHAL, BIERBI, FRENCH & BUGG,
Dayton, Ohio, March 15, 1957.

Hon. PAUL F. SCHENCK,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN SCHENCK: It is my understanding that the above bill is on the Consent Calendar, and that it will be considered as passed unless objections are made thereto at the call of this calendar on this coming Monday, March 18, 1957. I urgently request that you be present at that time and oppose passage of this bill, which in my opinion is seriously objectionable for at least the following reasons:

1. It is in effect a Government-sponsored suggestion system with no limitation as to individual except for the exclusion of some Government employees.

2. It would operate in complete disregard for the basic principles of the patent system.

3. It could therefore seriously weaken the patent system at a time when even leaders in the Democratic Party are trying to strengthen it.

4. The only limit on awards in excess of $50,000 is express disapproval by Congress.

5. The cost of administration would obviously be great and potentially could far outdistance the awards themselves.

It seems to me that the fifth fact noted above should alone be sufficient to defeat the bill if you will for just a moment consider that under the limitless application of the bill claims thereunder could easily accrue in the millions.

The Dayton Patent Law Association has already voted its opposition to this bill, and I believe you have received a letter to that effect. I want to add my individual protest and will greatly appreciate your help.

Yours very truly,

NATHANIEL R. FRENCH.

THE DAYTON PATENT LAW ASSOCIATION,
Dayton, Ohio, March 12, 1957.

Mr. PAUL F. SCHENCK,
New House Office Building,
Washington, D. C.

DEAR MR. SCHENCK: Thank you very much for your telegram of March 12, requesting

further information as to the opposition by the Dayton Patent Law Association to H. R. 103, Inventive Contributions Awards Act.

Our opposition against this bill is based upon the undue delegation of authority given to the National Patent Council and the lack of any check upon the actions of this body. For example, awards of $50,000 may be made without any check whatsoever, and even awards in the range of $50,000 to $100 million are reviewed only when Congress takes specific action, so that the awards would go through unchecked in the absence of such action by Congress.

Another important point is the fact that the submitter need have no property right in the idea which he offered. Thus, a person might receive a very large award for doing nothing more than suggesting the use of some device which is actually owned or patented by someone else.

A third point is that this bill entirely bypasses the patent system so that if this path of development is adopted, there would be less incentive for the inventive minds of our country to go through the trouble of taking out patents and teaching our people of their advances in exchange for the exclusive period of 17 years which is the award offered by a patent.

Very truly yours,

HERMAN O. BAUERMEISTER,
Secretary.

In view of the points raised in these letters, Mr. Speaker, I object to H. R. 103.

STATUTE OF LIMITATIONS ON CIVIL COPYRIGHT ACTIONS

The Clerk called the bill (H. R. 277) to amend title 17 of the United States Code entitled "Copyrights" to provide for a statute of limitations with respect to civil actions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 115 of title 17, United States Code, is hereby amended to read as follows:

"§ 115. Limitations

"(a) Criminal proceedings: No criminal proceeding shall be maintained under the provisions of this title unless the same is commenced within three years after the cause of action arose.

"(b) Civil actions: No civil action shall be maintained under the provisions of this title unless the same is commenced within three years after the claim accrued."

SEC. 2. The amendments made by this act shall take effect one year after the date of enactment of this act and shall apply to all actions commenced on or after such effective date.

SEC. 3. The chapter analysis of chapter 2 of title 17 preceding section 101 is amended by striking out—

"'115. Limitation of criminal proceedings'

and inserting

"'115. Limitations'."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONEYS RECEIVED FROM MINERAL LANDS IN ALASKA

The Clerk called the bill (H. R. 3477) relating to moneys received from mineral lands in Alaska.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RELIEF OF CERTAIN FEMALE MEMBERS OF THE AIR FORCE

The Clerk called the bill (H. R. 3028) to provide for the relief of certain female members of the Air Force, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all payments of basic allowances for quarters at the rate prescribed for members without dependents which were made to female members of the Air Force whose husbands were also members of a uniformed service and were stationed at the same or adjacent installations, and which were paid before April 16, 1954, are validated to the extent that those basic allowances for quarters were paid, because family type Government quarters were not available and because the Department of the Air Force did not assign those female members to single-type quarters, notwithstanding the availability of those quarters, on the grounds that the best interests of the service were considered to be served by permitting husbands and wives to reside together in nonpublic quarters. Any female member who has made a repayment to the United States of the amount so paid to her as basic allowance for quarters is entitled to be paid the amount involved, if such payment is otherwise proper.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the Army, Navy, and Air Force from accountability or responsibility for any payments described in section 1 of this act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

SEC. 3. Appropriations available to the Department of the Air Force for the pay and allowances of military personnel are available for payments under this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

APPOINTMENT OF AN ADDITIONAL JUDGE

The Clerk called the bill (H. R. 110) to amend section 372 of title 28, United States Code.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if I could have the attention of the chairman of the committee. I understand this bill deals with the matter of appointing a judge where you have a sitting judge who is permanently mentally or physically disabled and therefore unable to carry on the work of his office.

Mr. CELLER. And he refuses to retire.

Mr. BYRNES of Wisconsin. Why can we not force them to retire? As I understand the issue, we still maintain under these circumstances the chambers for this judge, all of his facilities, and yet they are not used for any purpose.

Mr. CELLER. Under the Constitution, he has life tenure. You cannot force him to retire.

Mr. BYRNES of Wisconsin. But under the circumstances do we still have to maintain the facilities for this judge, even though he is unable to carry on his duties as a judge?

Mr. CELLER. I think it would take a constitutional amendment to do what the gentleman wishes, and this is the only method by which we can force this judge to retire so that another judge who is able and fit and efficient can take his place.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from New York.

Mr. KEATING. I think in answer to your question about maintaining the chambers and that type of thing, it would not be necessary, and it is also felt that it is important to bring some proper pressure to bear upon the judge, whose disability exists, to retire, as he can do on his full salary. A few just do not want to do it.

Mr. BYRNES of Wisconsin. I understand the reason why you have to approach it this way, but I am wondering whether the committee can give some attention to further pressures that could be brought because, it seems to me, this is really an intolerable situation.

Mr. KEATING. Well, I agree with the gentleman, and I can assure him that it has had a lot of study not only by our committee but by the Department of Justice.

Mr. BYRNES of Wisconsin. I withdraw my reservation of objection, Mr. Speaker.

Mr. McCORMACK. Mr. Speaker, further reserving the right to object, what is there in this bill to assure that the action taken is only after competent medical authority examination? This is an indirect way of increasing our judges, at least temporarily. We do not want to overlook the meaning and effect of the bill. I understand the intent and purpose, but there is nothing in here relating to an examination. I assume that competent medical evidence would be required by the judge taking the certification to the President. On the other hand, there is nothing in here to guarantee that.

Mr. CELLER. I might say to the gentleman that the Judicial Council must first make the move, and I take it that that Judicial Council, which is composed of the judges of the 11th circuit, would not be likely to make a move unless they were quite convinced that the disability was mental or physical.

Mr. McCORMACK. Is there language to that effect in the bill?

Mr. CELLER. We thought it would not be wise to break the rule down. I think we have to trust, first, the Judicial Council and then, secondly, the President. There have been one or two cases of this character which have been very embarrassing, and the time has now come

when something must be done by way of preventing occurrences in the future.

You will notice that the language on page 2 reads "is unable to discharge efficiently all the duties of his office by reason of permanent mental or physical disability and that the appointment of an additional judge is necessary for the efficient dispatch of business, the President may make such appointment by and with the advice and consent of the Senate."

Then the President makes the appointment. But all those findings must be made by the judges of the judicial conference and I take it that we must have confidence in their judgment.

Mr. McCORMACK. I am not questioning that. On the other hand, we are all human beings and have to realize the weakness as well as the strength of human beings. I should assume that the provisions of the bill are not going to be exercised unless competent medical testimony is had to satisfy that a judge is permanently disabled by reason of mental or physical disability.

Mr. CELLER. May I say to the gentleman that this was the law; what we are proposing was the law for quite a number of years, but by inadvertence and only by inadvertence, in one of the omnibus bills passed, I think in 1954, these provisions were omitted from the bill. It has always been the law for a number of years.

Mr. McCORMACK. Let me ask the chairman of the committee this question. If this bill should become law, is it the intent of the committee and the intent of Congress that before any certification is made, under the provisions of this bill, that the judge is permanently disabled and unable to perform his duties, competent medical evidence shall be obtained as a condition precedent to such action?

Mr. CELLER. I would say that this debate, this colloquy, would indicate the intent, would make the legislative history, that that examination and that conclusion medically would be essential before action could be taken.

Mr. McCORMACK. And that would apply also to the judicial conference and to the chief judge making the certification, as well as to the President?

Mr. CELLER. That is correct.

Mr. KEATING. Mr. Speaker, would the gentleman from Massachusetts yield to me?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. KEATING. It seems to me it would be quite inconceivable that the judicial conference and the President would make such a finding without competent medical evidence. I agree with the gentleman from New York [Mr. CELLER] that there should be that evidence. It was the thought of our committee that such medical evidence would be asked for by both the judicial conference and the President. I think the gentleman from Massachusetts [Mr. McCORMACK] has made an excellent point in this regard.

Mr. McCORMACK. I agree with my friend from New York that it would be inconceivable that there would not be competent medical evidence; but we are human beings and there are times when one has a personal feeling against someone else. The law is one thing and the administration of it may be another. We have to protect ourselves. While I have no desire to offer a specific amendment to the bill, I think the statement made by the chairman of the committee and concurred in by my friend from New York [Mr. KEATING] as to the intent that there shall be a medical examination and competent evidence, evidence of a satisfactory nature, would fulfill what I have in mind.

Mr. GROSS. Mr. Speaker, would the gentleman yield to me so that I may ask the chairman of the committee a question?

Mr. McCORMACK. I yield to my friend from Iowa [Mr. GROSS].

Mr. GROSS. Does this deal with some special disability?

Mr. CELLER. There is no special case we have in mind, but there have been such cases in the past which caused great embarrassment to the judiciary.

Mr. GROSS. Is this intended to deal with a judge becoming mentally unqualified? Is that the purpose of this bill?

Mr. CELLER. Mentally or physically unqualified so that he is not able officially to discharge his duties.

Mr. GROSS. Do you not already have procedures under which judges may become disqualified on grounds of disability?

Mr. CELLER. The only method we can pursue is by way of impeachment.

Mr. GROSS. Or removal for cause?

Mr. CELLER. That is the only way you can do it, by impeachment.

Mr. GROSS. Are we to understand, then, that a judge can become mentally unbalanced and still remain on the bench?

Mr. CELLER. The Constitution states that he is appointed for life, and you cannot interfere with the tenure.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 372 of title 28 of the United States Code, as amended, is further amended by inserting at the end thereof an additional subsection reading as follows:

"(b) Whenever any judge of the United States appointed to hold office during good behavior who is eligible to retire under this section does not do so and a certificate of his disability signed by a majority of the members of the judicial council of his circuit in the case of a circuit or district judge, or by the Chief Justice of the United States in the case of the chief judge of the Court of Claims, Court of Customs and Patent Appeals, or Customs Court, or by the chief judge of his court in the case of a judge of the Court of Claims, Court of Customs and Patent Appeals, or Customs Court, is presented to the President and the President finds that such judge is unable to discharge efficiently all the duties of his office by reason of permanent mental or physical disability and that the appointment of an additional judge is necessary for the efficient dispatch of business, the President may make such appointment by and with the advice and consent of the Senate. Whenever any such additional judge is appointed, the vacancy subsequently caused by the death, resignation, or retirement of the disabled judge shall not be filled. Any judge whose disability causes the appointment of an additional judge shall, for purpose of precedence, service as chief judge, or temporary performance of the duties of that office, be treated as junior in commission to the other judges of the circuit, district, or court."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A ROSTER OF SENIOR JUDGES

The Clerk called the bill (H. R. 3818) to provide for the maintenance of a roster of retired judges available for special judicial duty and for their assignment to such duty by the Chief Justice of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 294 of title 28 of the United States Code is amended by renumbering subsection (d) thereof as subsection (e) and by inserting in such section immediately following subsection (c) thereof a new subsection (d) reading as follows:

"(d) The Chief Justice of the United States shall maintain a roster of judges who have retired from regular active service but who are willing and able to undertake special judicial duties from time to time, which roster shall be known as the Roster of Senior Judges. Any judge of the United States who has retired from regular active service under section 371 (b) or 372 (a) of this title but is willing and able to undertake special judicial duties from time to time either in a particular court or courts specified by him or generally in any court may so indicate by requesting the Chief Justice of the United States to place his name upon the Roster of Senior Judges as available for such duty. The Chief Justice shall remove from the Roster of Senior Judges the name of any such judge who is no longer willing or able to perform any judicial duties. Any retired judge whose name appears upon the Roster of Senior Judges shall be known as a senior judge, and may be designated and assigned by the Chief Justice of the United States to perform such judicial duties as he is willing to undertake in any court of the United States other than the Supreme Court, upon presentation of a certificate of necessity by the chief judge of such court."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

REPRESENTATION OF DISTRICT JUDGES ON JUDICIAL CONFERENCE

The Clerk called the bill (H. R. 3819) to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, I notice that this bill enables a district judge from each one of the judicial circuits to be a member of the conference. Is that correct?

Mr. CELLER. That is correct.

Mr. McCORMACK. Under the present law, the chief judge of each judicial circuit is a member.

Mr. CELLER. That is correct, and the Chief Justice of the United States.

Mr. McCORMACK. The law is specific now as to the representation on the conference by the chief judge of each circuit?

Mr. CELLER. That is correct.

Mr. McCORMACK. Therefore, the judicial circuit has representation, and this is to extend it to district judges?

Mr. CELLER. Yes.

Mr. McCORMACK. I have no objection to the purpose of the bill, but the language states:

> The district judge to be summoned from each judicial circuit shall be chosen by the circuit and district judges of the circuit.

The circuit court already has a representative on the conference, so why should the circuit judges have a vote in the selection of the district judges?

Mr. CELLER. Because the district judges already are members of the judicial conference of the circuit. There are judicial conferences in each circuit as well as there being a national judicial conference. Therefore, it was deemed mete and proper for the members of the local judicial conference to select the district judge.

Mr. McCORMACK. That raises another question. The intent of this is to enable a district judge from each circuit to be a member. Each circuit already has representation, but the chief judge of the circuit court and other circuit court judges are to have a vote on who will be the district judge. We all know that the circuit court judges under those circumstances wield tremendous influence, particularly when cases are coming before them on questions of law from the district courts. With all due respect to the judiciary, may I say that they are just human beings like anyone else.

Would the gentleman have objection to an amendment striking out in line 7 on page 2 the words "circuit and" and in line 19 inserting after "by" the word "district," so that the selection of a district court representative from each circuit will be made by the district judges themselves? Is there any objection to that?

Mr. CELLER. I would say to the gentleman from Massachusetts that all matters that arise concerning the district courts are determined by the circuit judges in that circuit. The selection of a district judge to be a member of the judicial conference is an important matter.

Mr. McCORMACK. I agree, but it should be done by the district judges.

Mr. CELLER. I do not see why there should be any objection to the inclusion of the circuit judges, because the appointment of that district judge appertains to the efficiency of operation of the district judges within that whole local circuit. There are 11 district judges who will become members of the judicial conference and 11 circuit judges.

Mr. McCORMACK. I wondered whether or not the gentleman would want to strike that language.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York. I think this is a serious question.

Mr. KEATING. I, too, think it is a serious question. I have a modicum of sympathy for the position taken by the gentleman from Massachusetts. I suggest that we ask unanimous consent that the bill be passed over without prejudice and then let our committee consider this question further. At the moment I would be inclined to oppose the gentleman from Massachusetts, but I am not sure that he does not have a point.

Mr. CELLER. Mr. Speaker, I would have to object to the suggestion of the gentleman from New York. This is a very simple matter. We either take it or leave it. There is no need for the Committee on the Judiciary to labor any longer with this. It is a simple matter. If the gentleman from Massachusetts desires to offer an amendment, why let him offer the amendment.

Mr. McCORMACK. But will you accept the amendment?

Mr. CELLER. I will not oppose it.

Mr. KEATING. Mr. Speaker, I do not think we ought to legislate in that way and, therefore, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FEES OF UNITED STATES COMMISSIONERS

The Clerk called the bill (H. R. 4191) to amend section 633 of title 28, United States Code, prescribing fees of United States Commissioners.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, could someone tell us whether this raises the fees now being charged? What does the bill do with respect to fees?

Mr. ROGERS of Colorado. Mr. Speaker, in response to the gentleman's inquiry as to how much these fees will be raised, the report indicates that the Commissioner shall be allowed to charge $8 a day for hearing a litigated matter. That is increased from $5 to $8. The taking and certifying of depositions will be raised from 10 cents per folio to 30 cents and from 10 cents to 20 cents for extra copies. Preliminary proceedings, internal revenue cases, and admiralty hearings from $7 for the first 25 to $14; from $6 to $9 for the next 25; and from $5 to $8 for the next 50. Any additional copies, the same fee of $2.

The bail fee is increased from $2.50 to $4, and the complaint is increased from $2.50 to $4; search warrant from $4 to $6; and the discharge of an indigent prisoner from $4 to $6; and petty offenses from $10 to $16 for the first 25 and $12 for additional.

I may state that the object and purpose of this legislation is to permit it to be taxed as costs against the defendants who are charged with crimes and which can be collected sometime by the United States Government from these offenders.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CELLER. Is it not true that these increases will not cost the Government any money at all and that the increased cost will be defrayed by the litigants who appear before the Commissioners?

Mr. GROSS. That is if the litigants can pay.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BYRNES of Wisconsin. Mr. Speaker, the committee report states on page 2 that the total cost as a result of the increase in fees will approximate $137,000. I assume that that is on an annual basis. Also, Mr. Speaker, there is no reference in the committee report to any views of the Bureau of the Budget. It would seem to me that where an increase in cost is involved, before we act on it, we should receive the views of the Bureau of the Budget. Whether we act accordingly, in keeping with their views or not, we at least should have their views.

Therefore, Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. KEATING. Mr. Speaker, reserving the right to object, I call the attention of the gentleman from Wisconsin [Mr. BYRNES] to the fact that this is to come out of litigants, not out of the United States.

Mr. BYRNES of Wisconsin. In many cases is not the United States a party litigant?

Mr. KEATING. That is true, but it is not my understanding that this $137,000 is supposed to be the cost to the United States Government. I would like to ask the gentleman from Colorado [Mr. ROGERS] if I am not correct in that.

Mr. ROGERS of Colorado. This is what the United States Commissioners can charge in connection with their business. The Commissioners are under a limited salary and this collection by the United States Government from defendants would go to help pay their salaries. That is the object of this litigation. It will be money in the pocket of the United States Government, rather than a cost to the Government in connection with it.

Mr. KEATING. That was my impression. The precise question I wanted to put to the gentleman from Colorado, that may possibly have been confusing to the gentleman from Wisconsin, is this: On page 2 of the report it refers to the added increase in fees amounting to about $137,000. What I am endeavoring to find out is, that is not a cost to the United States Government in any way?

Mr. ROGERS of Colorado. No, no. It is not a cost to the United States Government in any manner whatsoever. We had evidence, and the subcommittee considered the proposition that many de-

fendants would appear in court and this becomes a part of the court costs. As indicated by the gentleman from Iowa [Mr. GROSS], sometimes it is not paid, but if it is paid then the Government gets the increase and it is not a cost of $137,000. In response to the gentleman from Wisconsin [Mr. BYRNES], this recommendation comes out of the Administrative Office of the United States Court, and it is not felt that a report from the Bureau of the Budget is necessary.

Mr. BYRNES of Wisconsin. Will the gentleman yield?

Mr. KEATING. I yield.

Mr. BYRNES of Wisconsin. The gentleman is not contending, I hope, that in no case will the United States itself pay these increased costs. What happens, for instance, in the case of a criminal proceeding where a person is brought in by a United States attorney to be bound over by the Commissioner? Who pays these increased fees? Of course it is the United States, is it not?

Mr. ROGERS of Colorado. No. I direct attention to page 5 of the report, where the maximum earnings of a Commissioner in any one year is fixed at $10,500. United States Commissioners receive a limited salary. Whatever this fund, by the collection of fees, then it helps pay the Commissioners' limited salaries. Otherwise it is going to be paid out of the general fund.

Mr. BYRNES of Wisconsin. The only point I make, and I am not contending that the present fees are correct or that the present limitation is correct, is that I think we should have the views of the Bureau of the Budget on this matter. Certainly what we pay for United States Commissioners may have some relationship to other fees of other public employees. I think it should be consistent. I would like to have the views of the Bureau of the Budget.

Mr. CELLER. Will the gentleman yield?

Mr. KEATING. I yield.

Mr. CELLER. It is customary to have the views of the administrator of the courts.

Mr. BYRNES of Wisconsin. I would like to have the views of the Bureau of the Budget.

Mr. CELLER. The gentleman has some apprehension that this will be an added cost to the Government. It will not. This bill does two things. It raises the compensation of the Commissioners about 4.4 percent. That added salary or fees that comes to the Commissioner is more than made up by the increased or enhanced fees that have been enumerated by the gentleman from Colorado [Mr. ROGERS].

You will notice on page 5 the following:

> The added cost of the increase in the fees authorized according to the volume of work in the calendar year 1955 would be approximately $137,000. The present fees of approximately $527,000 would be raised to approximately $664,000, a little more than 24 percent.

Those added fees, those enhanced fees, would be more than enough to take care of the increased compensation that we accord the Commissioners.

Mr. BYRNES of Wisconsin. Can the gentleman tell me why he has objection to asking for a report from the Bureau of the Budget on this?

Mr. CELLER. I do not think it has been customary in the past with reference to matters pertaining to procedures in the courts.

Mr. BYRNES of Wisconsin. This is not a matter of procedure; it is a matter of fees and compensation of Federal employees.

Mr. CELLER. But as to Federal employees in the courts we have always taken the word of the administrator of the courts. That is part of his duties.

Mr. BYRNES of Wisconsin. I want to have the views of the Bureau of the Budget, and, Mr. Speaker, I renew my request that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONVEYANCE OF JUNEAU SUBPORT OF EMBARKATION TO THE TERRITORY OF ALASKA

The Clerk called the bill (H. R. 4939) to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to convey to the Territory of Alaska a portion of the property known as the Juneau Subport of Embarkation, located in Juneau, Alaska, and more particularly described as follows:

Beginning at corner numbered 1, not set, from which corner numbered 11, United States survey numbered 7, townsite of Juneau, Alaska, bears north 45 degrees 40 minutes east 326.73 feet and corner numbered 15 of public land order numbered 657, dated August 18, 1950, as shown on the United States Engineers and Fish and Wildlife Service plats of the Juneau Subport of Embarkation, bears south 49 degrees 00 minutes east 21.15 feet, thence as follows:

South 48 degrees 00 minutes west 263.76 feet to corner numbered 2, not set; south 23 degrees 20 minutes east 134.87 feet to corner numbered 3, not set; south 66 degrees 40 minutes west 442.0 feet to corner numbered 4, not set; south 23 degrees 20 minutes east 100.0 feet to corner numbered 5, not set; south 66 degrees 40 minutes west 80.0 feet to corner numbered 6, identical to corner numbered 4, public land order 657, thence following the boundaries of said public land order as follows:

North 23 degrees 20 minutes west 639.0 feet to corner numbered 7, identical to corner 5, public land order 657; north 57 degrees 45 minutes east 347.0 feet to corner numbered 8, identical to corner 6, public land order 657; north 25 degrees 22 minutes west 444.0 feet to corner numbered 9, identical to corner 7, public land order 657; north 64 degrees 38 minutes east 10.0 feet to corner numbered 10, identical to corner 8, public land order 657; north 25 degrees 22 minutes west 77.0 feet to corner numbered 11, identical to corner 9, public land order 657; north-64 degrees 38 minutes east 40.0 feet to corner numbered 12, identical to corner 10, public land order 657; south 25 degrees 22 minutes east 517.6 feet to corner numbered 13, identical to corner 11, public land order 657; north 57 degrees 45 minutes east 267.0 feet to corner numbered 14, identical to corner 12, public land order 657; south 32 degrees 15 minutes east 80.0 feet to corner numbered 15, identical to corner 13, public land order 657; south 46 degrees 35 minutes west 77.0 feet to corner numbered 16, identical to corner 14, public land order 657; south 49 degrees 00 minutes east 404.55 feet to corner numbered 1, the place of beginning, consisting of 10.27 acres, more or less.

Sec. 2. The Secretary of the Interior shall execute and deliver any and all contracts, conveyances, or other instruments, as may be necessary to effectuate the said transfer.

Sec. 3. The conveyance shall be on the express condition that the Territory of Alaska will grant to the United States without charge for such period or periods as may be necessary as determined by the Secretary of the Army the use of approximately 4,050 square feet of open storage area presently occupied by the Alaska Communication System together with rights of ingress and egress and rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and other utilities.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PEACETIME LIMITATION ON NUMBER OF LIEUTENANT GENERALS IN THE MARINE CORPS

The Clerk called the bill (H. R. 3235) to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps.

Mr. NICHOLSON. Mr. Speaker, reserving the right to object, I would like to know if we have five lieutenant generals in the Marine Corps now.

Mr. HÉBERT. Yes; at the present time there are five lieutenant generals in the Marine Corps, not under the authorization bill, but permanent lieutenant generals. This would recognize the five existing lieutenant generals and make them permanent. That is all the bill does.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. BAILEY. Is the same treatment being accorded to the Army and the Air Force?

Mr. HÉBERT. They have many more than five lieutenant generals.

Mr. BAILEY. Are you putting a limitation on them?

Mr. HÉBERT. No, we are merely legislating with reference to the Marine Corps.

Mr. BAILEY. At the present time the authorization is for two?

Mr. HÉBERT. Yes.

Mr. BAILEY. It is not a matter of discrimination against the Marine Corps?

Mr. HÉBERT. Certainly not.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, as I understand, five lieutenant generals is in accord with the organizational setup of the

Marine Corps now and, as can be seen, it is absolutely necessary.

Mr. HÉBERT. The gentleman is, of course, correct.

Mr. GROSS. If the gentleman will yield, this is not, in fact, a limitation.

Mr. HÉBERT. It is a limitation. Under the law at the present time the limitation is two in peacetime. This would make the limit five in peacetime.

Mr. GROSS. This increases the limit.

Mr. HÉBERT. It increases the limit as far as making it basic law now, but in fact it does not actually increase the number of lieutenant generals in the Marine Corps.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That section 5232 (b) of title 10, United States Code, is amended by striking out the word "two" and inserting in place thereof the word "five."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EXAMINATIONS FOR PROMOTION OF MEDICAL, DENTAL, AND VETERINARY OFFICERS OF ARMY AND AIR FORCE

The Clerk called the bill (H. R. 2822) to repeal certain provisions of title 10, United States Code, relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That sections 3302 and 8302 of title 10, United States Code, be repealed.

Mr. MILLER of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Miller of California: Page 1, line 4, strike out the word "re" and insert the word "be."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RECOGNITION OF THE ALTAR OF THE NATION, CATHEDRAL OF THE PINES, RINDGE, N. H.

The Clerk called the resolution (H. Con. Res. 91) expressing the sense of the Congress with respect to the recognition of the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., as a national shrine.

There being no objection, the Clerk read the resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., which has been dedicated to the glory of God as a memorial to all American war dead, should be recognized as a national shrine.

With the following committee amendment:

Strike out all after the resolving clause and insert the following language: "That it is the sense of the Congress that the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., has been dedicated to the glory of God as a memorial to all American war dead, and is so recognized."

The committee amendment was agreed to.

The concurrent resolution was ordered to be engrossed and read a third time and was read the third time and passed.

The title of the resolution was amended to read: "Concurrent resolution expressing the sense of the Congress with respect to the recognition of the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., as a memorial to all American war dead."

A motion to reconsider was laid on the table.

Mr. BASS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, the House of Representatives has today passed unanimously House Concurrent Resolution 91 which I was privileged to introduce. The House has recognized by this act that the Altar of the Nation located in the Cathedral of the Pines at Rindge, N. H., is dedicated to God as a memorial to all American war dead. The Cathedral of the Pines is an outdoor place of worship located on a pine-crested New Hampshire knoll. It is a shrine of unsurpassed beauty and quiet.

The Altar of the Nation is the only war memorial in America which has received national recognition for symbolizing the deep debt that each of us owes God for the lives sacrificed in wars in defense of this country. Other war memorials in America recognize only the sacrifices of men. The Altar of the Nation recognizes the sacrifices in war of the lives of women as well as men. It recognizes Red Cross members and war correspondents killed on the battlefield and skilled artisans whose sacrifices in our factories provided the implements of war and victory.

The Altar of the Nation incorporates stone tributes from each of the 48 States, from this Nation's Territories, and from its great war leaders—Eisenhower, Marshall, MacArthur, Bradley, Halsey, Leahy, Nimitz, Summerall, Ridgway, and Doolittle.

On many occasions the altar and its national importance and dedications have been recognized by the President of the United States, governors of all the States and Territories. The heads of all the great patriotic societies and untold numbers of civic, fraternal, and labor organizations have paid their tribute to all the American war dead at the Altar of the Nation. In the words of the altar's founder, Mr. Douglas Sloane:

Only through the Altar of the Nation does "one nation, under God, indivisible" become an actuality. Protestant, Catholic, Jew; white, black, yellow, and tan; the followers of Confucius, Mohammed, and Buddha; each has conducted its own service before the Altar of the Nation.

To Douglas Sloane and his gracious wife who have created this memorial to all who have made sacrifices in war for their country, we in Congress owe a deep and lasting tribute.

AMENDMENTS TO CHAPTER 11 OF THE BANKRUPTCY ACT

The Clerk called the bill (H. R. 13) to amend sections 323, 331, 334, 335, 336, 337, 363, and 376 of, and to add a new section to, the Bankruptcy Act approved July 1, 1898, and acts amendatory thereof and supplemental thereto.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 323 (11 U. S. C., sec. 723) of the Bankruptcy Act approved July 1, 1898, as amended, is amended to read as follows:

"SEC. 323. A petition filed under this chapter shall state that the debtor is insolvent or unable to pay his debts as they mature, and shall set forth the provisions of the arrangement proposed by him, or, that he intends to propose an arrangement pursuant to the provisions of this chapter."

SEC. 2. Section 331 (11 U. S. C., sec. 731) of the Bankruptcy Act, as amended, is amended to read as follows:

"SEC. 331. The judge may at any stage of a proceeding under this chapter refer the same to a referee either generally or specially. If the judge or all the judges are absent from the district, or the division of the district in which a petition under this chapter is filed, at the time of the filing, the clerk shall forthwith refer the case to the referee."

SEC. 3. Section 334 (11 U. S. C., sec. 734) of the Bankruptcy Act, as amended, is amended to read as follows:

"SEC. 334. Within 10 days after the petition is filed the court shall give notice by mail to the debtor, the creditors and other parties in interest of a meeting of creditors to be held not less than 15 days nor more than 30 days after the date of the mailing of such notice."

SEC. 4. Section 335 (11 U. S. C., sec. 735) of the Bankruptcy Act, as amended, is amended to read as follows:

"SEC. 335. (1) The notice of such meeting of creditors shall be accompanied by a copy of the proposed arrangement, if filed, a summary of the liabilities as shown by the schedules and a summary of the appraisal, if one has been made, or, if not made, a summary of the assets as shown by the schedules.

"(2) If the notice of such meeting is not accompanied by a copy of the proposed arrangement, the court, at such meeting, shall fix a time within which the proposed arrangement shall be filed and shall adjourn the meeting for at least 15 days after the date so fixed, or, if the proposed arrangement is filed at or before such meeting, shall adjourn the meeting for at least 15 days. At least 10 days before such adjourned date, the court shall mail notice of the adjourned meeting, together with a copy of the proposed arrangement, to the creditors and other parties in interest.

"(3) The notice of such meeting of creditors as hereinbefore provided may also name the time for the filing of the application to confirm the arrangement and the time for the hearing of the confirmation and of such objections as may be made to the confirmation."

SEC. 5. Section 336 (11 U. S. C., sec. 736) of the Bankruptcy Act, as amended, is amended to read as follows:

"SEC. 336. At such meeting, or at any adjournment thereof, the judge or referee—

"(1) shall preside;

"(2) may receive proofs of claim and allow or disallow them;

"(3) shall examine the debtor or cause him to be examined and hear witnesses on any matter relevant to the proceeding; and

"(4) shall receive and determine the written acceptances of creditors on the proposed arrangement, if a copy thereof shall have accompanied the notice of such meeting or adjourned meeting. Such acceptances may be obtained by the debtor before or after the filing of a petition under this chapter."

SEC. 6. Section 337 (2) (11 U. S. C., sec. 737 (2)) of the Bankruptcy Act, as amended, is amended to read as follows:

"(2) fix a time within which the debtor shall deposit, in such place as shall be designated by and subject to the order of the court, the consideration, if any, to be distributed to the creditors, the money necessary to pay all debts which have priority, unless such priority creditors shall have waived their claims on such deposit, or consented in writing to any provision of the arrangement for otherwise dealing with such claims, and the money necessary to pay the costs and expenses of the proceedings, and the actual and necessary expenses, including fees and expenses of attorneys, accountants, and agents, in such amounts as the court may allow, incurred after its appointment by a committee appointed pursuant to section 338 of this act, or incurred before or after the filing of the petition under this chapter by a committee designated in writing, filed with the court and signed and acknowledged by a majority in amount of unsecured creditors whose claims have been scheduled otherwise than as contingent, unliquidated, or disputed and who would not be disqualified by section 44 of this act to participate in the appointment of a trustee: *Provided, however*, That in fixing any such allowances the court shall give consideration only to the services which contributed to the arrangement confirmed or to the refusal of confirmation of an arrangement, or which were beneficial in the administration of the estate, and the proper costs and expenses incidental thereto; and."

SEC. 7. Section 363 (11 U. S. C., sec. 763) of the Bankruptcy Act, as amended, is amended to read as follows:

"SEC. 363. Alterations or modifications of an arrangement may be proposed in writing by a debtor, with leave of court, at any time before the arrangement is confirmed; or where the court has retained jurisdiction pursuant to the provisions of section 368 of this act, an arrangement providing for an extension of time for the payment of debts in whole or in part may be altered or modified after it has been confirmed to the extent and subject to the limitations set forth in section 387 of this act."

SEC. 8. Section 376 (11 U. S. C., sec. 776) of the Bankruptcy Act, as amended, is amended to read as follows:

"SEC. 376. If the statement of the executory contracts and the schedules and statement of affairs, as provided by paragraph (1) of section 324 of this act, are not duly filed, or if an arrangement is not proposed in the manner and within the time fixed by the court, or if an arrangement is withdrawn or abandoned prior to its acceptance, or is not accepted at the meeting of creditors or within such further time as the court may fix, or if the money or other consideration required to be deposited is not deposited or the application for confirmation is not filed within the time fixed by the court, or if confirmation of the arrangement is refused, the court shall—

"(1) where the petition was filed under section 321 of this act, enter an order dismissing the proceeding under this chapter and directing that the bankruptcy be proceeded with pursuant to the provisions of this act; or

"(2) where the petition was filed under section 322 of this act, enter an order, upon hearing after notice to the debtor, the creditors, and such other persons as the court may direct, either adjudging the debtor a bankrupt and directing that bankruptcy be proceeded with pursuant to the provisions of this act or dismissing the proceeding under this chapter, whichever in the opinion of the court may be in the interest of the creditors: *Provided, however*, That an order adjudging the debtor a bankrupt may be entered without such hearing upon the debtor's consent."

SEC. 9. Immediately after section 366 of the Bankruptcy Act add a new section as follows:

"SEC. 367. Where an arrangement which has been confirmed provides for an extension of time for payment in whole or in part of the debts affected by the arrangement, and the court has retained jurisdiction pursuant to section 368 of this act—

"(1) A proposal to alter or modify the arrangement by changing the time of payment of deferred installments of the consideration, or by reducing the amount of such payments, or to accomplish both of such alterations or modifications, may be filed by the debtor with leave of court after the arrangement has been confirmed, but before the deferred consideration has been fully paid, or if such deferred consideration is represented by negotiable promissory notes, then before such notes have been delivered to the creditors.

"(2) The proposal to alter or modify the arrangement shall set forth the proposed alterations or modifications, shall state whether the deferred payments provided for by the arrangement are evidenced by negotiable promissory notes and, if so, whether such promissory notes have been delivered to the creditors, and the reasons why such alterations or modifications are proposed. The proposal shall be accompanied by a list of the names and addresses of all creditors who have extended credit to the debtor since the arrangement was confirmed.

"(3) If the court permits the proposed alterations or modifications to be filed, it shall call a meeting of the creditors on at least 10 days' written notice to the debtor, the creditors, and other parties in interest, including creditors who extended credit during the proceeding or after the arrangement was confirmed, and shall transmit with such notice a copy of the alterations or modifications proposed.

"(4) If at such meeting the arrangement as altered or modified is accepted as required for confirmation by section 362 of this act by the creditors affected by such alteration or modification, the court, subject to the provisions of section 366 of this act, shall confirm the arrangements as altered or modified."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RECONVEYANCE OF CERTAIN LAND TO THE CITY OF SPEARFISH, S. DAK.

The Clerk called the bill (H. R. 2401) to provide for the reconveyance of certain land to the city of Spearfish, S. Dak.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior shall transfer by quitclaim deed to the city of Spearfish, S. Dak., all right, title, and interest of the United States in and to the following described land, including improvements thereon, in such city: Lot 1-A of the northwest quarter of the southeast quarter of section 15 in township 6 north, range 2 east, Black Hills meridian, containing 1 acre.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROVIDING THAT THE DELEGATE FROM ALASKA SHALL BE A MEMBER OF THE ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

The Clerk called the bill (H. R. 4271) to provide that the Delegate from Alaska in the House of Representatives of the United States shall be a member of the Alaska International Rail and Highway Commission.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That subsection (a) of the first section of the act entitled "An act to Establish an Alaska International Rail and Highway Commission," approved August 1, 1956 (Public Law 884, 84th Cong.; 70 Stat. 888), is amended—

(1) by striking out "12 members" and inserting in lieu thereof "13 members";

(2) by striking out "and" at the end of clause (2) thereof; and

(3) by inserting "; and" in lieu of the period at the end thereof, and adding the following:

"(4) the Delegate from Alaska in the House of Representatives of the United States."

The bill was ordered to be engrossed and read a third time and was read the third time and passed.

The title was amended to read as follows: "A bill to provide that the Delegate from Alaska in the House of Representatives of the United States may be a member of the Alaska International Rail and Highway Commission."

A motion to reconsider was laid on the table.

ENTITLEMENT TO REENLISTMENT OF CERTAIN FORMER OFFICERS

The Clerk called the bill (H. R. 3513) to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title 10, United States Code, is amended as follows:

(1) Section 3258 is amended to read as follows:

"§ 3258. Regular Army: Reenlistment after service as an officer

"Any former enlisted member of the Regular Army who has served on active duty as a Reserve officer of the Army, or who was discharged as an enlisted member to accept a temporary appointment as an officer of the Army, is entitled to be reenlisted in the Regular Army in the enlisted grade that he held before his service as an officer, without loss of seniority or credit for service, regardless of the existence of a vacancy in his grade or of a physical disability incurred or having

its inception in line of duty, if (1) his service as an officer is terminated by an honorable discharge or he is relieved from active duty for a purpose other than to await appellate review of a sentence that includes dismissal or dishonorable discharge, and (2) he applies for reenlistment within 6 months (or such other period as the Secretary of the Army prescribes for exceptional circumstances) after termination of that service. However, if his service as an officer terminated by a general discharge, he may, under regulations to be prescribed by the Secretary of the Army, be so reenlisted."

(2) Section 3448 (d) is repealed.

(3) Section 8358 is amended to read as follows:

"§ 8358. Regular Air Force: reenlistment after service as an officer

"Any former enlisted member of the Regular Air Force who has served on active duty as a reserve officer of the Air Force, or who was discharged as an enlisted member to accept a temporary appointment as an officer of the Air Force, is entitled to be reenlisted in the Regular Air Force in the enlisted grade that he held before his service as an officer, without loss of seniority or credit for service, regardless of the existence of a vacancy in his grade or of a physical disability incurred or having its inception in line of duty, if (1) his service as an officer is terminated by an honorable discharge or he is relieved from active duty for a purpose other than to await appellate review of a sentence that includes dismissal or dishonorable discharge, and (2) he applies for reenlistment within 6 months (or such other period as the Secretary of the Air Force prescribes for exceptional circumstances) after termination of that service. However, if his service as an officer terminated by a general discharge, he may, under regulations to be prescribed by the Secretary of the Air Force, be so reenlisted."

(4) Section 3448 (d) is repealed.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will report the first bill on the Private Calendar.

MACARTHUR MINING CO., INC.

The Clerk called House Resolution 174.

There being no objection, the Clerk read the House resolution as follows:

Resolved, That the bill (H. R. 2648) entitled "A bill for the relief of the MacArthur Mining Co., Inc., in receivership," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal and equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The House resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MAJ. JOHN P. RUPPERT

The Clerk called the bill (H. R. 1567) for the relief of Maj. John P. Ruppert.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. John P. Ruppert, United States Army (serial number O62273) the sum of $934. The payment of such sum shall be in full settlement of all claims of the said Maj. John P. Ruppert against the United States for the reimbursement of amounts which he was compelled to pay as a result of the termination by him of a lease on certain real property, in Milly La Foret, Fountainebleau, France, which he occupied in 1952 and 1953 while serving with the Headquarters United States Army Element, Allied Land Forces Central Europe. The said Maj. John P. Ruppert terminated such lease in accordance with its terms, but the lessors obtained a judgment against him in a French court for an additional year's rent and he was compelled (under the Status of Forces Agreement) to pay such judgment notwithstanding the finding of the headquarters commandant that the lessors had no legal claim against him: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. John P. Ruppert, United States Army (serial number O62273), the sum of $934. Such sum represents the amount of judgments and costs (and legal expenses incident thereto), for which Maj. John P. Ruppert was held liable to Mr. Maurice des Rieux of Etampes, France, and others, on December 24, 1953, by the Court of First Instance at Etampes, France. This court action was brought by a French landlord against Major Ruppert for rent and expenses incident to the lease of a private house in the Etampes District. Said officer entered into the lease agreement in connection with his overseas assignment, was not familiar with local habits, customs and legal procedures, and acted upon assurances given by the legal adviser of the military headquarters: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LT. COL. EMERY A. COOK

The Clerk called the bill (H. R. 2950) for the relief of Lt. Col. Emery A. Cook.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Col. Emery A. Cook (8004-A), United States Air Force, the sum of $1,360.54. The payment of such sum shall be in full settlement of all claims of the said Emery A. Cook against the United States for refund of expenses incurred in January 1954 in shipping his household effects from Berkeley, Calif., to Randolph Air Force Base, Tex. The said Emery A. Cook, who was transferred under special orders 111 (dated May 9, 1953) from overseas duty to a permanent station at Randolph Air Force Base after completion en route of a course of education at the University of California, shipped his household effects to Berkeley under such orders in reliance upon his expectation (derived solely from erroneous information given him by transportation personnel of the Air Force) that the effects would be reshipped from Berkeley to Randolph Air Force Base at Government expense upon completion of such course of education; but such reshipment was denied, on the ground that only one such shipment may be made under any one set of orders, with the result that he was compelled to pay the expenses of reshipment out of his own funds: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 334 (E) OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

Mr. ALBERT. Mr. Speaker, I move to suspend the rules and pass the bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

The Clerk read the bill as follows:

Be it enacted, etc., That section 334 (e) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1334), is amended to read as follows:

"(e) Notwithstanding any other provision of this act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during 1 or more of the 5 years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an

acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than 15 acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Pelissa' shall be regarded as 'other wheat.' Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than 60 acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, 77th Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

"For the purpose of applying section 166 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

"(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

"(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purpose of this subsection 'wheat acreage on the farm' shall include acreage in the wheat acreage reserve."

The SPEAKER. Is a second demanded? [After a pause.] If not, the question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. ANDERSON], the gentleman from South Dakota [Mr. MCGOVERN], and all Members may have permission to extend their remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, the purpose of this bill is to authorize increased allotments for durum wheat for the 1957 crop.

Durum wheat is a specialty type of wheat used in the manufacture of macaroni and spaghetti and produced in this country only in North Dakota, Montana, Minnesota, South Dakota, and California. Historically North Dakota has been the major producer of this kind of wheat, and at the present time durum wheat is produced principally in that State and in eastern Montana.

The evidence presented to the Committee on Agriculture indicated that up until last year there had been for several years a critical shortage of this kind of wheat. This shortage had been due principally to damage from a form of stem rust called Race 15B. As a result of this epidemic, production fell far below normal consumption and millers found it necessary to substitute blends for the pure varieties of durum wheat traditionally used. Representatives of millers testified that these substitutes were not satisfactory and that the trade would go back to 100 percent durum usage if supplies should become dependable.

In 1955 the Congress, recognizing the shortage of durum wheat, enacted legislation providing increased allotments for durum wheat producers in a so-called 2-for-1 program. Under this program, a farmer seeding 1 acre of his wheat allotment to durum would be given 2 additional acres over and above his allotment. This law was in effect last year and for the first time in several years a surplus of durum was produced. The evidence before the committee indicates, however, that we cannot depend upon last year's history. Two things happened which tended to augment the production of durum wheat. In the first place, there was a winter wheat freeze in Montana and a considerable portion of the acreage in that State was reseeded to durum wheat which is a form of spring wheat. In the second place, the season was unusually good in the durum wheat area and production was abnormally high. There is no reason to expect the same results this year. Representatives of farm organizations and the industry who appeared before our committee were all of the opinion that unless increased allotments were made available to wheat farmers in the durum area, there would again be a shortage of durum wheat this year. The additional allotments provided for in this bill are much less than those authorized for the 1956 crop. In this bill we are offering a 1 for 1 program rather than a 2-for-1 program and the bill imposes a further restriction which limits increases in allotments to a total of 60 acres. In view of the carryover from last year's crop and in view of the fact that rust resistant varieties have apparently been satisfactorily developed, it is believed that the incentives offered in this bill are sufficient to insure an adequate supply of durum wheat for normal consumption and exports this year.

Mr. Speaker, in discussing this legislation, I desire to acknowledge the splendid assistance given to the subcommittee by my colleague, the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON introduced H. R. 2126 which I believe was the first bill introduced on this subject in this Congress. He approached me earlier this session about programing hearings on the bill. When the matter was heard he appeared before the committee at length and explained the need for this legislation in his State. He also presented to the committee several important witnesses who testified as to the various phases of the legislation. Ordinarily the Committee on Agriculture would have reported a House bill but the time element makes it important that we dispose of this matter as soon as possible. Again I want to congratulate my colleague from Montana [Mr. ANDERSON] for the splendid job he did in helping the committee bring this legislation to the floor and to acknowledge his contribution to the solution of this problem.

Mr. ANDERSON of Montana. Mr. Speaker, I deeply appreciate the remarks of the gentleman from Oklahoma [Mr. ALBERT] concerning my work in behalf of durum wheat acreage incentive legislation. This legislation aims at creating a firm supply of premium durum wheat, which is required if we are going to maintain and expand our macaroni and spaghetti markets. This bill is a very modest one and will not cost anybody any money. It will not help big farmers, but it will give assistance to smaller farmers in the durum wheat producing areas of the United States. It will benefit both miller and processor, as well as the little farmer who receives a one-for-one acreage incentive up to 60 acres in order to induce him to raise this high-risk crop.

Finally, and probably one of the most important reasons for gaining an adequate and firm durum wheat supply concerns every home in America which uses the products made from this wheat. Durum flour, called semolina, is used to manufacture macaroni and allied products. When the flour is rich in semolina and is not heavily adulterated with other flours, it produces a superior food, with rich color, excellent taste, and exceptionally good cooking qualities. When it is adulterated, the result is a pale gray color, mediocre taste, and when cooked a minute or so too long becomes soft and mushy. So, the housewives of America will be glad to see adequate durum wheat available for semolina flour to make plenty of this good-tasting, eye-appealing macaroni and allied food products.

Mr. MCGOVERN. Mr. Speaker, I wish to commend the gentleman from Montana for the splendid effort he has made on behalf of the legislation before us now.

The testimony that he presented to the Subcommittee on Wheat of the House Agriculture Committee, was one of the finest explanations of the durum problem that I have ever read. The gentleman has clearly demonstrated his basic grasp and deep understanding of the situation.

I wish to add my support to S. 323, Mr. Speaker, and to say that in my humble opinion this legislation is truly in the interest of agriculture, the durum industry, and the consuming public.

In my own great State of South Dakota prior to 1950 durum wheat farmers

seeded between 200,000 to 300,000 acres annually.

But durum is a high-risk crop, extremely susceptible to the whims of nature. Thus in 1950 the dread race 15B rust borne on the wings of southwesterly winds, descended upon our Northwest and destroyed the durum crop in South Dakota and a great deal of the crop in our sister States of North Dakota, Montana, and Minnesota where all the durum is produced. A similar fate befell the crop in 1952, 1953, and 1954. Durum planting in South Dakota fell from an average of well over 200,000 acres to 15,000 in the 1952–55 period. Many durum producers turned in desperation to other less hazardous crops. As a consequence durum production in recent years has decreased tremendously.

As a result, the manufacturers of semolina products have been forced to substitute less desirable types of wheat for high quality durum. This has resulted in greatly inferior marcaroni and spaghetti products.

Because of the sensitive nature of this crop and the fact that the threat of killing rust disease has not been solved, I sincerely hope that Members of the House will look favorably upon this legislation.

Mr. KRUEGER. Mr. Speaker, macaroni is better to eat when made completely from durum wheat.

So is spaghetti, so is puffed wheat, and so are all the other products traditionally made from durum wheat.

If you have had some pasty macaroni for dinner lately, and did not like it, then you will want to vote for Senate bill 323. Very simply, it provides an incentive to wheat farmers to raise more durum so there will be enough to make macaroni 100 percent from durum wheat.

This bill provides an incentive in the form of an additional acre above normal allotment for each acre planted to durum wheat within the normal allotment. It will help reduce the planting of wheat which is in surplus, and will boost the supply of durum to avoid the shortage which faces us.

There is going to be a shortage if we do not act. The Department of Agriculture has issued an optimistic forecast for production, but a pessimistic look at demand. I want to use their own figures—nothing but their own figures—to show how big the shortage is going to be unless we approve the acreage incentive.

The Department of Agriculture estimates there is enough seed of rust-resistant varieties to plant 1,438,810 acres. Some of this seed is not completely rust-resistant, and some of it is of a variety not wholly desirable, but since their figure coincides with acreage estimates based on the planting intentions of farmers, we will accept the 1.4 million acres.

The average yield for durum over the past 10 years is 11.9 bushels per acre. Assuming weather conditions permit an even average crop, the total production then will be some 17 million bushels.

The carryover is estimated at 12.5 million bushels—it jumped 4 million bushels as soon as the durum bills were introduced in this session—but assuming the carryover is 12.5 million bushels, the total supply will then be 29.6 million bushels of durum wheat to meet all demands.

The Department forecasts total exports of 9.3 million bushels. This leaves a supply for domestic needs of 21.3 million bushels.

Seed requirements for 1958 will be 3.2 million bushels—the balance now has shrunk to 18.1 million bushels.

The milling industry wants 25 million bushels. The Department says it only needs 21.2 million bushels. In either case, the supply will be at least 3.1 million bushels below what the milling industry can get along with, almost 7 million bushels below what it wants.

Unless there is an incentive provided, there will be a shortage of durum this year.

That is the story, Mr. Speaker. If we do not act, the domestic consumer will continue to get the inferior product, which has already caused a drop of roughly 1 pound per person in annual consumption in the last 10 years. If we do act, we will all benefit by the fact that macaroni is better to eat when made completely from durum wheat.

Durum acreage and production

Year	Acreage		Production (bushels)	
	National	North Dakota State	National	North Dakota State
1953	1,626,000	1,728,000	12,208,000	12,096,000
1954	1,309,000	1,210,000	4,982,000	4,235,000
1955	1,348,000	990,000	19,580,000	12,740,000
1956	2,386,000	1,225,000	28,675,000	19,600,000

NOTE.—16.6 bushels per acre harvested; 15.6 bushels per acre planted.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MACK of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1958

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6070) making appropriations for sundry independent bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 4 hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. VURSELL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. THOMAS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6070, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. THOMAS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, we have brought to you this afternoon a bill that bears some substantial cuts. Out of round figures of about $6 billion we have reduced these estimates about $517 million.

Mr. Chairman, before going into a few of the highlights of the bill, I would like to say that I think I have never had the pleasure of associating with a finer group of men than we have on this little subcommittee. I hope you do not mind our bragging about ourselves a little bit. We do not have too much partisanship, if any, in this subcommittee. These are independent agencies, and we usually—and I think we did this time—come out with a bill that is reasonably unanimous. If we have any differences of opinion, we usually compromise them within the committee.

By and large, we attempted to hold this bill and the agencies involved to the same figure as last year. This year, for the first time, each agency is charged with its fair share of the contribution to the civil-service retirement fund. I hope that each Member will get a copy of the report and look over the tables and read the report. Our clerks have done a beautiful job, not only in that regard, in writing this report and its tables, but generally. They are fine gentlemen and hard workers. But, bear in mind there is that money added to each one of these agencies. Some of the contributions will run to four, five, six, and seven million dollars. So, when you look at last year's total, remember that there is added to that that agency's civil-service retirement pro rata part. That makes it a little bit larger than it was last year. We decided, after considerable deliberation, that we would put the travel item back to where it was last year. Last year, before our budgets came in, we increased the per diem from $9 to $12 a day. It was badly needed. A person could hardly travel for $9 a day and make both ends meet. But we found that the desire to travel was not quite as great at $9 a day as it is at $12 a day. Since it has been $12 a day, all the agencies have come in with a request for an increase in travel.

By the way, there was an increase in this bill of about $5 million in travel. That is the amount of the increase that was requested. We denied every penny of it. We treated everybody alike and said, "You are going to stay right here." We may have to make some adjustments;

there are 1 or 2 that I have in mind and perhaps in conference we shall, but I felt I should inform the Members about that, because perhaps they should have a little bit more.

There was a request here for about 300 to 350 brand new automobiles. We treated everybody alike. We said, "No, drive your old automobiles another year." So there is not a new automobile, with one exception. Our friend, the gentleman from North Carolina [Mr. JONAS], a member of the committee, had a great part in writing the legislative program for the car pools. We did approve an item for the car pools of about 800 additional automobiles. Every time you put 1 in the car pool, you take out about 2 from the agencies.

There are 2 or 3 highlights to which I wish respectfully to call the attention of the membership. We are greatly disturbed over the civil service retirement fund. Late last year we approved more benefits and it cost this fund $3½ billion. Mr. Chairman, can you imagine that? And do you know how much we put in the fund to take care of it? Not 1 red penny. So as a result, this civil service retirement fund today is about $17.9 billion—I did not say million; this is almost unthinkable—the fund is about $18 billion short of being solvent. It is a debt, an honest debt that the United States Government owes. And how did it come about? It came about through just one route and that is through the United States Government itself. It does not pay its share into that fund every year. But here are 2,200,000 Federal employees who every month—they cannot skip even 1 month—have 6½ percent of their salaries taken out by the agency for which they work. It is taken out of their paycheck and put into that fund.

The Federal Government has not done its part and as a result it is $17.9 billion short. If we did what we ought to do this year, we should add to this bill $564 million. We are going to wake up around here some day, and find that it is payday, and that we are going to have to appropriate $2 billion or $3 billion a year for 6 or 7 years, to get even; and that is going to be rough. Just think about it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. KEATING. How have payments been made to employees heretofore under such a system as that?

Mr. THOMAS. There have been, of course, some Federal contributions. This committee has several times gone above the budget estimates to the tune of $200 million or $300 million at a clip. But answering the gentleman's question directly, the Federal employees have been paid with their own money.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. JONAS. Right on that point, it is true, is it not, that we are putting enough money in the program for next year, 1958, to more than cover the amount of benefits? In other words, the fund is self-sufficient.

Mr. THOMAS. As of today. You do not appropriate the $564 million interest. That ought to be done.

Mr. JONAS. There are about $558 million in the total requests for 1958?

Mr. THOMAS. That is right. It ought to be $564 million more.

Mr. JONAS. The amount of benefits that are estimated to be paid out next year is much less than $559 million?

Mr. THOMAS. It is less, but you still have not appropriated within half a billion dollars of what it ought to be.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Last year witnesses appearing before the House Committee on Post Office and Civil Service testified that it would take as of July 1, 1956, $6 billion to make the Government employees' retirement fund actuarially sound.

Mr. THOMAS. Six billion dollars?

Mr. GROSS. Six billion dollars as of July 1 last year, to make it actuarially sound.

Mr. THOMAS. The committee has used the Civil Service Commission's actuaries, so the committee hired an independent actuary in June of last year to go into that figure. The figures do not vary very far. They say as of today it is about $17.9 billion short.

Mr. GROSS. The total fund is reported to be some $15 to $17 billion in arrears. That is right; that is the Government's total liability which will have to be met at some future time.

Mr. THOMAS. Yes.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. REES of Kansas. There are many men and women who retired from Federal service years ago who do not receive benefits in line with those who retired more recently who are convinced they can, and should, have their retirement pay increased. They insist that such increases can be paid from funds now on hand, and that no additional appropriations are necessary to take care of such additional charges.

Mr. THOMAS. Of course any increase in retirement pay should carry a direct appropriation.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Illinois.

Mr. MASON. The overall picture, as I get it from the gentleman's explanation, is that you have a $6 billion bill and you have cut it practically 10 percent. I say that is a mighty fine job that the delightful gentleman from Texas and his committee have done.

Mr. THOMAS. We think the gentleman from Illinois is just the finest man we know of. We like his fine work. We thank him very much.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Mississippi.

Mr. COLMER. The distinguished gentleman from Illinois took a lot of the wind out of my sails. I had risen for the same purpose. I wanted to congratulate the gentleman from Texas and the committee on the splendid job they have done.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COLMER. I wonder if the gentleman would take another minute.

Mr. THOMAS. Mr. Chairman, I yield myself 2 additional minutes.

Mr. COLMER. I just wanted to ask the gentleman if it is not true that these cuts have come pretty largely from the increases that were asked for?

Mr. THOMAS. Yes.

Mr. COLMER. Would the gentleman bear with us to give us one more answer?

Mr. THOMAS. Sure.

Mr. COLMER. How does this compare with last year's appropriation over all?

Mr. THOMAS. Employmentwise our best guess is we are between 300 and 400 employees less than we had last year.

Mr. COLMER. What I am trying to get at is, is this more or less money than we appropriated last year under this bill?

Mr. THOMAS. May I for the benefit of the committee turn to page 23 of the committee report and refer to the table? We cut it $584,640,126 under 1957.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HAYS of Ohio. I, too, want to congratulate the chairman of the committee on the job that they have done. I would like the chairman to tell us something about what they did to the requests for additional funds for these agencies for printing. I notice, for instance, that the Civil Defense Administration asked for almost 4 times as much for printing as they actually had for fiscal year 1956. And, other agencies have asked for increases.

Mr. THOMAS. I am glad the gentleman took time to ask that question. He is a member of the Committee on Printing and certainly is a most active member, and one of the most valuable Members of the House. We have been concerned about this printing bill, with every conceivable type of pamphlet being printed throughout the Government. We made a table of the printing of this year compared with last year. The cut in printing this year as against last year is $2 million. In round figures we had $9,980,000 and we cut it back roughly to $8 million, which is a cut of about $2 million. But, last year, the printing bill for all these 18 or 20 agencies was about $7,500,000. So even with the cuts, the increase is about $500,000 over last year.

Mr. HAYS of Ohio. But the gentleman did cut the requests for printing?

Mr. THOMAS. Yes, about $2 million.

Mr. HAYS of Ohio. I think that is very good. I thank the gentleman.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. BALDWIN. I have a question dealing with the veterans' hospitals. It is my understanding that the Veterans'

Administration this year in its original request to the Bureau of the Budget had about $114 million for veterans' replacement hospitals which included the hospital at Jackson, the hospital at Nashville and the hospitals to replace hospitals at Washington, D. C., Cleveland, Ohio, and Oakland, Calif. My further understanding is that the Bureau of the Budget cut those funds from $114 million to $50 million and in the process eliminated construction funds to replace hospitals for Washington, D. C., Cleveland, Ohio, and Oakland, Calif. I notice on page 144 of the hearings Mr. Higley's testimony where he says:

Design funds for hospital construction projects at Washington, D. C., Cleveland, Ohio, and Oakland, Calif., were provided in the 1957 appropriation; however, construction funds for these projects have not been included in this budget request in conformance with administration policy to defer construction projects which could be postponed until a later date. Current design schedules indicate that these postponements will not materially affect our construction activities if not extended beyond the fiscal year 1958.

I assume from that, this means the Veterans' Administration and the Bureau of the Budget will come in with requests for funds for these hospitals next year. I take it that the elimination of funds for these hospitals does not indicate any intent not to build them, but the committee will give consideration to this request later.

Mr. THOMAS. The gentleman's assumption is right. We thank him for coming before the committee and making a fine statement and expressing his interest in the program.

Mr. BALDWIN. In other words, we can be assured that you will give further consideration to these funds when they come in with a recommendation next year.

Mr. THOMAS. I think you can assume the committee will do it very carefully in the light of all of your interest in it.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. DAVIS of Georgia. I also join the other gentlemen who have so properly commended the chairman and the subcommittee for their wonderful work. I want to ask the gentleman about the sum put in the bill for strategic and critical materials for the General Services Administration. I notice in the hearings that there is brought over into the 1958 fiscal year unobligated funds in the sum of $145,680,000.

Mr. THOMAS. That is correct.

Mr. DAVIS of Georgia. The agency asked for $130 million, and you cut it to $19 million?

Mr. THOMAS. That is correct.

Mr. DAVIS of Georgia. Would it not be possible to also eliminate that $19 million?

Mr. THOMAS. The answer is "Yes," in my judgment.

The CHAIRMAN. The gentleman has consumed 17 minutes.

The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman and Members of the House, the bill we bring you today, covering 18 important independent offices of the Government, I am sure will be of particular interest to nearly every Member of the Congress, because the services they render touch the majority of the citizens in every Congressional District.

However, before I discuss the provisions in the bill, I would like to say it has been a real pleasure and privilege to me to have had the opportunity of working with the chairman of the Independent Offices Subcommittee, Mr. THOMAS. His knowledge for the past several years of the functions of these offices has been most helpful in bringing to you today such heavily justified reductions, adding up to a cut of over one-half billion—$516,933,300—below the budget request.

I would also like to say that it has been a pleasure to work with the other distinguished members of this committee on the majority side: Mr. YATES, Mr. EVINS, and Mr. BOLAND, and on the minority side with Mr. OSTERTAG and Mr. JONAS.

I think all of the members of this committee are keenly aware of the absolute necessity to reduce the cost of Government, and to begin now. We realize that the hour is late—that the people are crying out for a reduction in taxes, in the cost of Government, and we have attempted to do something about it. All have been most helpful throughout the hearings.

In making these cuts, we have been careful and selective in an effort to approve sufficient amounts to permit the agencies of Government sufficient funds to adequately carry out the necessary services in the interests of the people. We believe that these cuts are justified in practically every instance.

The continuing growth of big Government, increased governmental expenses, larger annual appropriations, higher taxes, and the Government debt of $275 billion, we feel is a challenge to the ability and the courage of the Members of this Congress. We hope that the Members of Congress will join with us in a cooperative effort to meet this challenge, and discharge their full responsibility to the taxpayers of the Nation who are justifiably concerned, as evidenced by the letters and telegrams coming to us Members of Congress from the people generally. If we stand together on this bill, and the others that will come before us, voting courageously to reduce the cost of Government, we will receive the commendation of our citizens, in all walks of life, and will rapidly approach the day where we can give the people a substantial reduction in taxes, which is so necessary, and make a substantial payment on the national debt at the same time.

Now, your Chairman has very ably covered the main items in this bill; has pointed out where the major cuts have been made, and has given you our reasons and justifications for these reductions. For that reason, I will touch only on some of the major reductions as briefly as I can.

May I start by saying the total budget request—for these offices—was $5,923,000,000 plus. We have recommended to you $5,406,000,000 plus, which is a reduction of $516,993,000.

CIVIL SERVICE COMMISSION

We reduced the amount requested by the Civil Service Commission by $1,832,200, which still gives them an increase of $892,500 over the amount appropriated in 1957. We believe this will very well take care of the work of the Commission.

FEDERAL CIVIL DEFENSE

We cut the budget request of $130 million for the Federal Civil Defense Administration by $90,700,000, and appropriated $39,300,000 for the 1958 fiscal year's budget, which our Chairman has previously referred to, and explained.

One of the major cuts was $71 million requested for a stockpiling program for various supplies. Inasmuch as we have on hand and on order $219½ million worth in supplies, some of which are 6 years old, the committee felt that funding of additional stockpiling material could be safely deferred at this time.

FEDERAL POWER COMMISSION

The bill provides $5,530,000 for this agency—an increase of $305,000 over the appropriations in 1957, and a reduction of $370,000 in the budget estimate.

FEDERAL TRADE COMMISSION

The committee recommended $5,950,000 appropriations for the Federal Trade Commission—an increase of $400,000 over 1957, but a decrease of $300,000 in the budget estimate. The increase provides $325,000 for payment of civil service retirement benefits for Federal Trade Commission civil service employees. The other $75,000 increase is to be devoted entirely to antimonopoly work by the Commission.

GENERAL ACCOUNTING OFFICE

The committee recommended $36,050,000 in 1958, the same amount as in the 1957 budget plus $2,050,000 for the civil service retirement fund.

Even with this increase over the 1957 budget, we made a net reduction of $1,750,000 in the budget request for 1958.

GENERAL SERVICES ADMINISTRATION

This is one of the really big agencies in the Government.

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

This appropriation finances real property activities under the jurisdiction of General Services Administration, including operating expenses for Government-owned and leased buildings. For such purposes, the committee recommends $127,464,000 for appropriation in 1958—an increase of $9,082,500 over the amount allowed in 1957; however, it is a decrease of $14,536,000 requested in the budget estimate.

REPAIRS AND IMPROVEMENTS, FEDERALLY OWNED BUILDINGS

For this category, the committee approved $65 million for repairs, renovations and improvements of over 4,500 buildings under the jurisdiction of the GSA. This is a net increase of $9,644,450 over appropriations available in 1957,

yet, it is a decrease of $20,500,000 in budget request estimate.

SITES AND EXPENSES, PURCHASE CONTRACT AND PUBLIC BUILDINGS PROJECTS

The bill includes the $20 million budget estimate for site acquisition designed, and program expenses in connection with the acquisition of public buildings under the lease purchase program.

These funds provided will permit the acquisition of sites and preparation of drawings and specifications to continue at an increased rate, notwithstanding, the general program for such public buildings has been largely stopped for the present.

STRATEGIC AND CRITICAL MATERIALS

The budget program for this item in 1958 is $359,627,000 which includes a $130 million appropriation—a carryover of $145,680,000 from 1957, and lesser funds from other sources. The committee finally recommended for appropriation $19 million.

Since the inventory of the strategic materials on June 30, 1957, is estimated at $7.2 billion, and since an additional $265 million of nonstockpile grade materials is in the strategic and critical materials stockpile and defense production act program inventories, and materials valued at $970 million are on order, making a total stockpile of over $8.4 billion at the beginning of fiscal year 1958, the committee felt the additional $19 million was sufficient.

We took this action for the further reason that out of these 51 materials designated as critical, 81 percent of the minimum stockpile program requirements has been acquired, and are in the warehouse, or on order.

There were several other reductions made in this extensive organization; however, I have touched only on the larger ones, with the result that of the $442,629,000 budget requests, we have approved $277,389,600, however, reducing the budget request by $165,239,400.

HOUSING AND HOME FINANCE AGENCY

This rather large agency of Government requested $127,900,000, and your committee approved $119,645,000—with a net overall reduction of $8,255,000.

I feel and believe many Members of the Congress also feel that action could and should be taken by the legislative committees of the House and Senate, which could effect greater savings to the Government, which I will call attention to later on as I find the time to do so.

OTHER INDEPENDENT OFFICES

We reduced the Interstate Commerce Commission's budget request by $1 million; the National Advisory Committee for Aeronautics by $11,284,000; the National Science Foundation by $25 million. We reduced the requests of the Securities and Exchange Commission $478,000; Selective Service $3 million.

VETERANS' ADMINISTRATION

Before I take up the Veterans' Administration for a minute I want to say that in my judgment, and I believe the committee generally will agree with me, that Mr. Higley and his Deputy Administrator, Mr. Patterson, have been doing an outstanding job not only from what they have been doing for the veterans but also from the economic standpoint as well. However, we made a considerable reduction in the Veterans' Administration, something like $200 million, which is about 4 percent off the 2 big items.

I believe the best way to explain the Veterans' Administration appropriation is to furnish the following table:

Veterans' Administration

Item	Budget estimates 1958	Amount allowed	Amount+ or − budget estimate
General operating expenses	$165,442,000	$161,374,000	−$4,068,000
Medical administration and miscellaneous operating expense	22,067,000	20,773,800	−1,293,200
Inpatient care	702,000,000	702,000,000	
Outpatient care	79,000,000	79,000,000	
Maintenance and operation of supply depots	1,940,000	1,790,000	−150,000
Compensation and pensions	2,990,000,000	2,840,500,000	−149,500,000
Readjustment benefits	829,800,000	787,987,000	−41,473,000
Military and naval insurance	4,500,000	4,275,000	−225,000
National service life insurance	8,000,000	7,600,000	−400,000
Servicemen's indemnities	31,450,000	29,877,500	−1,572,500
Grants to the Philippines	1,750,000	1,500,000	−250,000
Hospital and domiciliary facilities	50,000,000	42,500,000	−7,500,000
Major alterations, improvements, and repairs	2,224,000	2,026,000	−198,000
Service disabled veterans insurance fund	1,300,000	1,300,000	
Total, Veterans' Administration	4,859,263,500	4,662,705,300	−196,557,700

A study of this table will show that for inpatient care we have approved the full amount of the budget request, of $708,656,000.

For hospital facilities, again, the full amount requested, of $702 million.

For outpatient care the full amount, $79 million.

Only two substantial reductions were made; that is, for compensation and pensions, and for readjustment benefits.

We believe with the provision for transfer of funds provided for in this bill, and with economic administration, that there have been sufficient funds appropriated to give the veterans the service, the care, the hospital facilities, the compensation and pensions, the readjustment benefits, and all the services in general provided for them in the statutes.

If time should prove that we have reduced two of these items too much, this committee knows, and the Members of Congress all know, that additional funds can and will be appropriated sufficient to give the veterans what is needed. This can and will be taken care of if necessary with a supplemental appropriation when Congress reconvenes next January. In the meantime, our action will give Mr. Higley, the able Administrator of the Veterans' Administration, a chance to determine whether or not the amount we approved is adequate.

COLLEGE HOUSING

Mr. Chairman, now I want to briefly discuss the cost to the United States Government of college-housing loans, for which appropriations are made in this bill.

You will recall, this law was passed in 1950 as a part of the Housing Act, its purpose being that the Federal Government would assist educational institutions in providing dormitories and other housing and educational facilities for students and teachers.

With the great influx of college students, one of the main purposes of the bill was to furnish living quarters for such students. The legislation provided that the Federal Government would finance, in whole or in part—this clause was added in the 1955 amendments to the Housing Act—the building of dormitories, other living quarters, such as student unions, student centers, dwellings for the teachers, hospitals or health centers for inpatients, and/or outpatient care, cafeterias or dining halls, and so forth.

The law provided for the alteration, conversion, or improvement of existing structures.

As of February 28, 1957, the HHFA has lent or obligated the Federal Government for $557,900,000 for college-housing loans.

The Congress has authorized the Housing Administrator to lend $750 million and the Administrator has asked the legislative committee for an additional authorization of $150 million for college housing.

In addition to the above amount, the administrative expenses of the college housing program, since its inception, have cost the taxpayers an additional $4,446,580.

INTEREST RATES

When the act was written in 1950, the Housing and Home Finance Agency with the help of the Treasury were permitted to set the interest rates, which during the first 5 years averaged 3.05 percent. Then, the Congress, in 1955, as the Congress generally does, sought to give the people more for their own money, set up an interest formula, of 2⅞ percent, which still exists up to the present time.

This liberality on the part of the Congress with the taxpayers' money caused universities and educational institutions of the Nation to flood the Community Facilities Administration with five times as many applications for loans in 1956 and 1957 as had been received during the previous several years with the higher interest rate of the past. The result is that today the Treasury is paying from 2⅞ percent to 3½ percent to borrow money to lend to tax-exempt, well-financed educational institutions for 2⅞ percent. The more money we lend, the more we increase inflation. The more the Federal Government loses,

the higher we push the budget, the higher will go our taxes, and the louder some Members of the Congress shout to the President, to tell us Members how to reduce the budget, or the cost of Government.

The officials of the Housing and Home Finance Agency were opposed to reducing these interest rates; but, of course, they are not Members of Congress and were overruled. The Congress took that authority away from them, and caused the Government a loss that these so-called "bureaucrats" would have prevented if we had left it in their hands.

Now, the officers of the Housing and Home Finance Agency, seeking to correct the matter, are asking the legislative committee to permit them to change the present 2⅞-percent rate to prevent this great loss to the Government.

It is hoped that the legislative committee will promptly request the Congress to make the interest rate for college-housing loans a more realistic one, and help to correct the mistake that was made in 1955.

Since the Housing Agency, even with this deluge of applications because of the low interest rate, has been able to lend only $385,600,000 up to the present time—February 27, 1957—I would strongly suggest that we stop new loans as of April 1, 1957, for a year, and permit the Agency to continue to administer the loans already firmly committed. Such action would hold in abeyance the pipeline of $364 million in preliminary stages or unallocated. Certainly it would seem to me that an additional authorization of $150 million being requested of a legislative committee at this time should not be approved. The Agency should restudy the program and bring in its recommendations next year.

This would make it possible to reduce Government borrowing an additional $150 million. This would not curtail the activities of college housing. I say this because if the interest rates are set on a realistic basis, wealthy tax-exempt colleges will return again to private financing, as they did before the Congress offered such unrealistic interest rates. Under such a sound approach it is possible that little, if any, further loan funds in the future would be required of the Government.

WEALTHY COLLEGES RECEIVING LOANS

A very short and incomplete list of colleges, which are receiving college-housing loans, are the University of Florida, $7,816,000; University of Illinois, $3,735,000; University of Michigan, $3,300,000; Colorado A. and M. College, $6,490,000; Tulane University, $4,115,000; University of Arizona, $2,600,000; and University of Southern California, $2,960,000.

For any of the Members that are interested, I have a complete list of the hundred colleges receiving loans in my files in my office.

MORE ABOUT INTEREST RATES

The following is taken from the Housing and Home Finance Agency justification for 1958 estimates, page G4:

In addition to the low interest rate, the 1955 amendments also specified that colleges need accept private financing only if the rates offered were equal to or less than the prescribed Federal interest rate. More than $30 million worth of college housing bonds were bid in by private sources prior to fiscal 1956. However, during fiscal 1956, 72 bond issues, totaling some $88.5 million, were offered for sale and the Housing and Home Finance Agency was the sole bidder on all of them.

The Congress has driven private capital out and dumped all of the load on the already overburdened taxpayer.

The Federal Government is borrowing the money at a rate that varies from 3⅜ to 3½ percent and lending it to College Housing Agency at a rate of 2.58 percent—they in turn are lending it to the colleges at a rate of 2⅞ percent. This is a loss to the Government of from 0.5 percent to 0.675 percent, respectively. If the Government continues to lose money at this rate, it will have lost a considerable amount of money when they have lent all of the $750 million now authorized. If they get an additional authorization of $150 million, the loss to the Government will be even a more phenomenal amount. I am not blaming this loss on the Treasury because, according to the HHFA basic statutes, it is acting in accordance with the law, as set forth below:

1. AUTHORIZATION

(Excerpts from the Housing Act of 1950; Public Law 475, 81st Cong.; 64 Stat. 48, 77; 17 U. S. C. 1749 (1945 ed., supp. IV).)

Section 401 (d): "To obtain funds for loans under this title, the Administration may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $750 million: (that is, if the Congress does not increase this amount to $900 million as requested in this coming fiscal year's budget): *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed $100 million." (NOTE.—The $100 million is included in the $750 million.)

Section 401 (e): "The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction to proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purpose for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations."

In retrospect, the above law states that the Secretary of the Treasury must buy all notes issued by the Administrator of HHFA for college housing. It is the intent of the law that if the college can borrow the money for its buildings from private lenders at a rate that is equal to or lower than the rate offered by HHFA, then the HHFA will not make the loan. This provision loses any vitality of course under the present operation of the program because no private lender will lend money at the ridiculously low rate of 2⅞ percent in the current money market.

FURTHER TESTIMONY GIVEN BY HOUSING OFFICIALS

The following is taken from the Housing and Home Finance Agency justification for 1958 estimates, page G4:

Much of the increase in applications may be attributed to the entry of the larger State-connected colleges and universities. Although these institutions had previously secured favorable rates in the private market for their tax-exempt bonds, they have turned to the Federal program to take advantage of even more favorable interest rates provided by law. Applications from these institutions have also contributed in the higher average loan amount requested.

If the 85th Congress would pass legislation in the form of an amendment stating that the interest rates for college housing loans would be equal to the current interest rate of the money market plus ¼ percent for administration, the colleges would not be so anxious to obtain these loans from the Federal Government, and instead they would turn to private investment companies and insurance companies. This not only would relieve the Government from this added tax burden, but also would relieve John Q. Taxpayer from the hidden subsidies that he is now paying to support colleges all over the Nation. Why not, when it is necessary for veterans to pay 5 percent in order to get home loans in the changed money market?

This short excerpt which follows is from the Housing and Home Finance Agency justification for the 1958 estimates:

State colleges which issue tax-exempt bonds—particularly general obligations bonds—have usually been able to sell their issues at reasonable rates to private lenders. However, two factors are now prompting all types of colleges to depend heavily on this program: First, the need for large amounts of money to finance all other types of construction; and second, the low interest rates established by the statutory formula.

PRESIDENT RECOMMENDS INCREASE

Recommendations contained in the budget message of the President for the fiscal year ending June 30, 1958:

COLLEGE HOUSING

Rising college enrollments, plus the attractiveness of a very low statutory interest rate on Federal loans, have caused sharp increases in applications for loans for college dormitories and related facilities. (This includes housing for dwelling use, facilities for the faculty and their families, cafeterias or dining halls, student centers or student unions, infirmaries for inpatient and/or outpatient care.) To continue the present commitment level of $250 million a year, additional borrowing authority of $150 million is requested for the fiscal year 1958. Also, a more realistic formula for interest rates on these loans should be provided in legislation. This formula should be based on current Treasury borrowing costs for comparable maturities.

As Abe Lincoln so ably put it:

Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

It would be a most practical idea for the Congress of the United States in trying to cut down budget spending to adjust the interest rates on college housing loans to a more realistic basis.

Since we have driven private capital out of the lending market for college housing with our low interest rates, it is time that the legislative committee correct this mistake, which has already

wasted too much of the taxpayers' money. We should stop this waste now.

May I close by quoting again from the Housing and Home Finance Agency, in their testimony before our committee, a few weeks ago, on page 68 of the justification:

The fact that present interest rates leave even the wealthiest institutions no practicable alternative to seeking Government loans is exemplified by current participation in the program on the part of many of the best known and financially strongest institutions of learning in the country.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Ohio.

Mr. SCHENCK. I would like to ask the gentleman what he thinks might happen if appropriations for the office of the Housing and Home Finance Agency were completely deleted.

Mr. THOMAS. Mr. Chairman, may I have that question repeated?

Mr. SCHENCK. I was inquiring of my friend from Illinois what would happen if all of the funds for the Housing and Home Finance Agency were deleted from the bill.

Mr. THOMAS. Well, there are about 4 or 5 different appropriations. Does the gentleman mean from the office of the Administrator himself?

Mr. SCHENCK. That is correct.

Mr. THOMAS. Well, he is a pretty powerful man in the housing field and he coordinates all the agencies. Of course, under the Reorganization Act, he does not assume legislative functions of public housing nor can he assume the functions of FHA, but he does have absolute control of slum clearance, public works, and 4 or 5 liquidating programs. To answer your question, I think it would confuse things badly.

Mr. SCHENCK. May I say to my friend that things are quite confused now. Apparently the offices of Public Housing, FHA, Urban Redevelopment, FNMA, and the rest of them neither know nor care what is going on in the other ones. There is very little coordination between these agencies.

Mr. THOMAS. I cannot argue with the gentleman on that score.

Mr. SCHENCK. It would seem that something ought to be done to get some sort of coordination. Now, the Housing and Home Finance Agency has district offices throughout the country which also duplicate offices by Public Housing, by FHA, and by the other agencies of that agency. So, I am just wondering if something should not be thought about along those lines.

Mr. VURSELL. In further answer to your question, I am going to have something to say about one branch of housing a little later. The whole thing, as you know, is controlled by the legislative committee, and I would hope that maybe the legislative committee is going to give it some attention soon. I think the Administration has been greatly improved under Mr. Cole, and I am sure the chairman of my committee will agree with that.

Mr. SCHENCK. I thank the gentleman.

Mr. HARVEY. Mr. Chairman, would the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Indiana.

Mr. HARVEY. I know the gentleman has given a great deal of consideration to the question of public-building construction for the coming fiscal year. Can the gentleman tell me what his understanding is at this time of the policy for the coming year with regard to new post-office facilities?

Mr. VURSELL. May I say with reference to new post offices for the coming year, the activity will be at a very low ebb.

Mr. HARVEY. If the gentleman would pardon an interruption, I would say that that is no new development.

Mr. VURSELL. That is quite true. There have been some contracts let for some 4 or 5 or 6 post offices which will have to be completed, but because of the inflation situation and other circumstances that have been brought to the attention of the committee, it was felt that we ought to go slowly on the matter of public buildings this year. We are following that suggestion.

Mr. HARVEY. Then the gentleman is saying that the new go-slow policy on public buildings has been extended even to the field of small-village post offices.

Mr. THOMAS. Will the gentleman yield to me?

Mr. VURSELL. I yield to the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, I think I know what my good friend, the gentleman from Indiana [Mr. HARVEY], has in mind. May I say this? I think I speak the opinion of the committee that if matters do not right themselves whereby we have a continuation of this program—and maybe we ought to drop it lock, stock, and barrel; and I, for one, am in favor of that under present circumstances—this committee will undertake to write funds into the bill next year to take care of the situation that the gentleman has in mind.

Mr. HARVEY. I thank the gentleman. If I may be permitted to make a brief statement, I think there is no one in the House of Representatives who has asked for less than I have by way of projects that would cost Federal dollars. I have been long patient on matters of very small dollar cost where post-office facilities or quarters are almost intolerable. I do feel that some consideration in the future must be given to a condition that has not been righting itself, as I had hoped it would.

Mr. NEAL. Mr. Chairman, would the gentleman yield?

Mr. VURSELL. I yield to the gentleman from West Virginia.

Mr. NEAL. Is it not true that there are very few public buildings or postal facilities under the Housing and Home Finance Agency? In other words, since the passage of the Lease-Purchase Act, which, as I understand, never had the approval of the Post Office Department, public buildings that might have housed both public agencies and post office activities have not been generally approved by the Post Office Department. Any large construction that might be required in cities such as Bluefield, W. Va., which are very much needed—a situation with which the gentleman is pretty well familiar—the General Services Administration under the Lease-Purchase Act would have the opportunity to build under a lease-purchase agreement if that policy had been permitted to continue. But the post office authorities, when it comes to anything other than the smaller post offices, prefer to take care of those matters under direct lease rather than a program covering a period of years.

Mr. VURSELL. I understand. That was the purpose of the act. But I think it is fair to say that Mr. Floete, the head of this agency, who, in my judgment, is one of the best men ever to have been Administrator of the GSA, told us with reference to the small post offices in which other agencies of Government will also occupy space that they were unable, when they asked for bids, to get satisfactory bids. Sometimes they would get no bid. Sometimes only one and sometimes two. So, in consideration of the high prices of labor and of material and everything and all the other circumstances, I think the Government would not be much interested in pushing that program at the present time. There is nothing we can do about it until next year.

Mr. NEAL. But that still leaves the Postal Department perfectly free in its traditional manner of making arrangements with local people to build small buildings for rent.

Mr. VURSELL. They go right ahead with all plans and everything like that.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Texas.

Mr. THOMAS. I concur in the statement the gentleman made about the new Administrator, Mr. Floete. I think the gentleman from Illinois spoke the sentiment of the committee. We think he is doing an awfully good job. He is a very sincere, conscientious man; he is a hard worker, and I think he is doing one of the finest jobs I know of.

To answer the gentleman from West Virginia, of course Mr. Floete has no jurisdiction over any post office construction. That is under another agency of Government. What he has jurisdiction over is the multipurpose buildings, such as a post office with offices in it for multiple purposes. So he does have it to that extent. But if it is just a small post office with no offices other than the post office requirements, then he has no jurisdiction. However, it should be pointed out at this time that Mr. Floete asked the Bureau of the Budget for $335 million to start the direct building program this year, and the Director of the Budget denied it, and perhaps he was right, considering the general trend of things right now. However, maybe next year it will be different.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Indiana.

Mr. BEAMER. I should like to compliment this committee on the fact that

it has cut, as indicated, by over a half billion dollars. I am quite sure those of us who serve on other committees feel that you are entitled to this applause.

May I ask this question: I notice in the acquisition of land in the District of Columbia only a comparatively small amount has been cut off. Apparently all kinds of land are being purchased by the Federal Government all around this area. Was that money authorized or appropriated in some previous Congress that makes these purchases possible?

Mr. VURSELL. I yield to the chairman to answer that question.

Mr. THOMAS. I would say to the gentleman the item denying land in this bill relates to a piece of land over here close to the new State Department building. Getting back to the big program in the District of Columbia, and I am sure that is what the gentleman has in mind, most of that has been handled by committees other than this one. There are no funds in this bill for any of that large construction.

Mr. BEAMER. May I ask this additional question of both the gentlemen: Are any additional funds going to be asked by any of the other subcommittees within the knowledge of either of the gentlemen?

Mr. THOMAS. I can testify only as to 2 or 3 other agencies.

Mr. BEAMER. May I interrupt to ask if it is not possible that this would be a good year to slow down on that if we are really going to try to save more money?

Mr. THOMAS. I think the gentleman is right. I think prices are a little high. Maybe they will come down next year. I hope they will.

Mr. BEAMER. One last question: Referring to the experiences we have had, I think Mr. Fleete and his predecessor in the GSA probably have taken into account the fact that sometimes the remodeling of a Post Office Department building, making it available for other agencies, in a short time has amortized the cost, and this has acted as a saving to the Federal Government. I think it is very important that that be considered.

I can point out one illustration in my own district. I think many others can do the same. I am wondering if that has been suggested by the General Services Administration in their request for additional funds this year. Did they emphasize the point that this remodeling and reconstruction work was to save the Government money eventually?

Mr. THOMAS. The gentleman is exactly right. This remodeling money and rehabilitation money is, perhaps, some of the best money in this whole budget. You have millions of dollars tied up here in property and since 1930, to be exactly right, we have neglected it. This is a very expensive item. Now, you are starting on a 7- or 8-year program to rehabilitate it so that you may have additional office space. Over the long run, it is bound to save money. I want to commend the gentleman for bringing up that point. The gentleman is right.

Mr. BEAMER. I am trying to save money for the taxpayers.

Mr. THOMAS. I think you are doing it.

Mr. BEAMER. It seems that we could save money for the taxpayer by remodeling these rental properties. I know of one instance where we have 5 or 6 agencies housed in very expensive rental properties in this particular city. We would like to house them, if we could, in a Federal building which has a lot of waste space and which would only cost a few thousand dollars to remodel, and further that cost would amortize itself within 1 year or 1 year and a half.

Mr. THOMAS. The gentleman is exactly right.

Mr. BEAMER. I hope the committee will urge that type of economy. I thank the gentleman.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. TEAGUE of California. I have had occasion during the past few months, as a matter of fact, for the last 2 years to have several conferences with Mr. Fleete in his former position and in his present position. I would like to make the observation that, in my opinion, he is one of the highest caliber public servants that we have in the Government today.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. RHODES of Arizona. Mr. Chairman, the appropriation for the Security and Exchange Commission I notice is increased over last year's. There is an effective increase of some $581,000 and the limitation put on this by the committee states that it is to be used for additional personnel in the field as the work of the Commissioners is assuming increasing importance. I certainly would agree with the latter statement. However, I note also in the bill a travel limitation of $197,500. In other words, that part of this appropriation which can be spent for travel is the same as the amount that was spent for travel last year. It appears possibly that this may be unrealistic. In other words, if you have more people in the field offices, certainly I think the Congress would contemplate that they would travel—interviewing witnesses, looking up records, and so on and so forth and they will be unable to do that without additional travel funds.

Mr. VURSELL. I will say to the gentleman that we went over that pretty carefully in committee. I think the decision we finally arrived at in that respect will probably not cramp them too much.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. VURSELL. Mr. Chairman, I will yield myself 12 more minutes, and I would like to continue now without interruption so that someone else may have the floor and have the opportunity to answer some of the questions that the Members have.

Mr. FISHER. Mr. Chairman, will the gentleman yield for a question before he makes that rule too rigid?

Mr. VURSELL. I yield to the gentleman.

Mr. FISHER. I have been seeking the gentleman's attention. He has been very considerate in responding to other questions and has certainly enlightened all of us with the answers that he has given as well as those given by other members of the committee. I direct the gentleman's attention for a moment to the appropriation that deals with the Public Housing Administration. I am seeking information and there are 2 or 3 questions that have been asked of me. In fact, just a moment ago a Member asked me about the provision on page 18 of $95 million which is appropriated and described as payment of annual contributions to public housing agencies in accordance with the Housing Act of 1937. It is my understanding that that is in response to commitments that we have made in the past on each of these projects that the Government subsidized; is that correct?

Mr. VURSELL. That is true.

Mr. FISHER. We have very little control over that then once we get committed on it; that is correct, is it not?

Mr. VURSELL. That is correct.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. JONAS. The committee might as well know that that entire amount is pure subsidy.

Mr. FISHER. That is correct. It is a pure subsidy from the Federal Government.

Mr. JONAS. It is the amount that the Federal Government is obligated to pay. The difference between what the project cost and the rent that is paid by the tenants.

Mr. FISHER. I appreciate that additional information. Of course, this $95 million, I assume, is higher than it was last year and it will probably be higher next year.

Mr. JONAS. That is correct. Of course, we have no control over it whatsoever. The law fixes the amount that the Government is obligated to pay and we have to put up the money.

Mr. FISHER. I appreciate that. That is another instance where the Congress by perpetuating public housing adds to the burden of the taxpayers every year when the time comes to appropriate money to pay these subsidies.

Mr. VURSELL. I may say it is another instance where you write legislation and let them deal directly with the Treasury without going to the Congress and you find it rather hard to control.

Mr. FISHER. Will the gentleman yield further?

Mr. VURSELL. I yield, briefly.

Mr. FISHER. In reading the report I was prompted to ask this question: Did the committee discover any evidence during the hearings of the income that some tenants received who are occupying subsidized public housing?

Mr. VURSELL. We have received some information; not enough, and not definite enough to really make an issue of it. We have been very busy, as have all members, since we came down here, but we did go into that a little.

Mr. JONAS. Will the gentleman yield?

Mr. VURSELL. I yield.

Mr. JONAS. We did receive information that many tenants have incomes above the minimum contemplated for public housing units. We also received information that at least one public housing authority has been advertising for tenants. The units have not been filled, and they are spending money putting full-page ads in newspapers advertising the facilities of the public housing units, in an effort to obtain tenants.

Mr. FISHER. That is very revealing. I was interested, for example, in the committee's report, which is very timely and very appropriately presented on page 10 of the committee report, which makes this statement:

> Abuses have come to the attention of the committee by certain local authorities where families with excessive incomes are permitted to enjoy subsidized housing, and steps should be taken by PHA immediately to stop such abuses and to prevent them in the future.

Then, in looking to the record to sustain that, I find on page 1678 of the hearings an example of a public housing project down in the State of Missouri, in St. Louis, I believe, where it is indicated that people earning $10,000 a year—to be specific, $8,125 per year—are eligible to occupy this subsidized public housing. Is that the information the Public Housing furnished the committee?

Mr. VURSELL. That is the information that we got, but it was disputed.

Mr. FISHER. As I understand it, these figures were submitted by the Public Housing Administration.

Mr. VURSELL. That is right.

Mr. FISHER. It contains a schedule of rents, showing that people earning $8,125 per year are entitled to rent a 5-room apartment in this project.

Mr. VURSELL. I am the one who brought that up and I was hopeful that something constructive would be brought out of this.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield briefly. I realize there are a number of people on your side who want to speak and you will have a chance to go into this thoroughly. We do not want to take up too much time on this side, but I would like to complete my statement first.

Mr. YATES. I would be glad to yield to the gentleman some of my time. The only reason I rose was to correct an erroneous statement that the gentleman made.

Mr. VURSELL. I am not so sure it was an erroneous statement. But proceed.

Mr. YATES. The gentleman's question was assuming that a person with a $10,000-a-year income was entitled to live in a public housing project; the schedule submitted to the gentleman before our subcommittee was directly to the point that in the event it was discovered that one of the tenants who was living in a public housing project did have that income, that scale is the amount he would pay; but the Commissioner told our subcommittee that that family would be evicted as being an overincome family.

Mr. VURSELL. That is true. Mr. Chairman, I can yield no further, but in answer, as long as the question has been brought up, may I say there was a full page advertisement in the St. Louis Globe-Democrat, paid for by the housing authority, showing skyscraper buildings there, new beautiful buildings, as fine as any you would see in New York, designed for low-rent tenants, paying them enormous prices, and it struck the committee that if there were so many people there who needed low-rent housing they would not have to be advertising for them and they would not need buildings like that, because such people would not feel at home when they got in them; and they have rent schedules up to $8,600 and $10,000. But he made some justification of it, not satisfactory, but such as it was we got it.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield briefly to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. The item to the Veterans' Administration for compensation and pensions I notice is reduced by $149,500 under the budget request.

Mr. VURSELL. That is right.

Mr. WILLIAMS of Mississippi. And it is $66,500,000 under the 1957 appropriation.

Mr. VURSELL. That is correct.

Mr. WILLIAMS of Mississippi. I realize what the committee is attempting to do and I agree with them in its aim 100 percent. However, is it not possible that the reduction of $149 million here will have to be made up in a supplemental later?

Mr. VURSELL. There is a possibility of that. We hope not. But it throws up a warning sign there. We know we have a competent Administrator who believes in efficiency and economy. We believe our actions will prove beneficial.

Mr. WILLIAMS of Mississippi. Is the money appropriated under this section restricted solely to the checks received by the disabled veterans or does it also include the administrative cost of dispensing those checks?

Mr. VURSELL. No. We have made such reductions in administrative costs.

Mr. WILLIAMS of Mississippi. The point I am getting at is this: This is money that actually goes to the veteran?

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from New York.

Mr. OSTERTAG. Perhaps it would be wise to point out that the matter of touching compensations is an obligation by law and must be met. It is a matter of an estimate as to the amount of money necessary to meet those claims and those obligations. Therefore, if the pension and compensation claims exceed the amount appropriated, then, of course, it will be necessary for the Congress to appropriate additional funds. In addition to that, I may say this does not in any way change the percentage, degree, or amount of compensation.

Mr. VURSELL. Not in any manner.

Mr. WILLIAMS of Mississippi. The point I am getting at is this. This can hardly be considered a reduction in expenditures inasmuch as this is a statutory obligation?

Mr. VURSELL. It will depend. In a few months we ought to know.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Texas.

Mr. ALGER. I will say to the gentleman from Illinois that of course the committee could have appropriated a whole lot more money, but in order to get the thing in perspective—and I am only citing the $584 million figure the gentleman gave us—if we put $564 million in this civil service retirement fund, it looks to me like there is a saving actually then of about $20 million.

Mr. VURSELL. No; that is included in the bill.

Mr. ALGER. The civil service retirement fund is in the bill?

Mr. VURSELL. Is that correct, let me ask my chairman?

Mr. THOMAS. That $564 million is not in the bill; and perhaps it should be.

Mr. ALGER. I merely wanted to observe that if it is not in the bill then the saving under this bill is only four one-hundredths of 1 percent and I do not think we should kid ourselves that we have a 10 percent saving.

Mr. THOMAS. It was based upon a Bureau of the Budget estimate. The Bureau of the Budget did not see fit to include it in their request and the Committee on Appropriations did not, either.

Mr. VURSELL. Of course, the $564 million is not in the bill.

Mr. THOMAS. That is correct. And it was not requested by the Bureau of the Budget.

Mr. VURSELL. Every agency that comes under this bill has had for it funds approved to meet the Government's obligation to the civil service retirement fund.

Mr. HOFFMAN. Mr. Chairman, would the gentleman yield for a unanimous-consent request?

Mr. VURSELL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at that point in the RECORD immediately preceding the rising of the Committee or, if a vote is taken on the bill today, immediately following the vote.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FISHER. Mr. Chairman, in a colloquy between me and the distinguished gentleman from Illinois [Mr. VURSELL] some interesting facts were developed relating to the appropriation for public housing. It was developed

there that we are being called upon to appropriate $95 million in this bill to be used exclusively for subsidy commitments on public-housing projects scattered over the Nation.

That amount is more than it was last year; it is less than will have to be appropriated for the same purpose next year. It represents a fixed, firm commitment by the United States Government.

To those cities and towns which have been told by the public-housing promoters that they get something for nothing by sponsoring one of these projects, this information should be very revealing. For those who entertain concern about the mounting size of the annual budget, this information should likewise be very revealing. This is just another one of those "programs," referred to by the President recently, which the Congress has authorized in the past which for years to come we must pay upon.

Mr. Chairman, what the American taxpayers need to realize is that each of these housing units in each project will, when finally paid, cost them more than $20,000 each—using round figures. It is beyond a doubt the most expensive housing program ever undertaken in this or any other country.

I should like to comment on the advertising campaigns which public housing authorities put on in their attempt to induce people to become tenants. The gentleman from North Carolina [Mr. JONAS] referred to what has been done at St. Louis. In reading the printed hearings I notice that the witnesses from Public Housing were asked about that practice. One of the committee members suggested, very properly, that if there is such a crying need for these public housing projects, then there should be no need to put on expensive advertising programs at the expense of the taxpayers to induce people to occupy them. The witnesses professed to know of but one other instance where that has been done.

Mr. Chairman, I can cite many examples. I hold in my hand an advertising pamphlet put out by the Public Housing Authority in Denver, Colo., pleading with people to come, look, and move in.

I hold in my hand an advertisement inserted in the Sharon (Pa.) Herald on June 3, 1955, in an attempt to get tenants for public housing units in that city.

I also have here a very attractive pamphlet put out by the Newark Housing Authority in what appears to be a desperate attempt to induce tenants to move into these Government-owned housing projects. This seems to have inspired a feature story in the Newark Sunday News describing all the promotion schemes being used by the public housers in their drive for tenants.

Mr. Chairman, I hold in my hand a large size poster, in four colors, which made use of original artwork, urging people to please come and live in public housing units right here in the District of Columbia. The American taxpayers foot the bill for this.

In fact, it would appear that this sort of advertising campaign is taking place all over the Nation. I have here a copy of the April 1956 issue of the Journal of Housing, headed "Hints to the Housing Manager," which gives several advertising approaches which are employed by these people in an attempt to attract tenants. Here are a few highlights.

Referring to a public housing project, called Marks Village, in Birmingham, it states that "when a tenant gets a customer, his name is published in the project publication and he is awarded membership in the Booster's Club." The article goes on to say "One member of the Marks Village club is credited with having filled four vacancies."

Another example in the article is headed: "New Orleans Uses Post Cards To Reach Eligible Applicants." There were many thousands of these sent out.

Another refers to Omaha, headed: "Classified Newspaper Ads Do the Trick for Omaha Authority."

Still another heading in the article reads: "Some Philosophical Advice From Britain on How To Fill Units."

Mr. Chairman, I could go on and on giving examples of how the public housers promote, advertise, and use every conceivable technique, all at American taxpayers' expense, in their effort to induce people to live in these projects.

Again, the point in bringing these facts out is to refute the claim that is so often made by supporters of this program when they say there is such a crying need for this sort of socialized housing.

PUBLIC HOUSING UNITS OCCUPIED BY HIGH-INCOME TENANTS

Mr. Chairman, in the colloquy to which referred, reference was made to the income tenants in a St. Louis housing project could receive and still remain in public housing units. I enclose at this point in my remarks a release put out by the St. Louis Housing Authority on this subject. It speaks for itself:

ADMISSION AND CONTINUED OCCUPANCY LIMITS EFFECTIVE JULY 1, 1956

St. Louis Housing Authority—All projects

Family size	2 persons	3 or 4 persons	5 or more persons
Admission limit	$3,600	$3,300	$3,700
Continued occupancy limit	3,750	4,100	4,600

For the sole purpose of determining eligibility for admission, a $100 exemption will be allowed for each minor dependent. No other exemptions will be made except disability payments for service-connected disability when paid by the United States Government, which is also exempted for continued occupancy. For the sole purpose of determining eligibility for continued occupancy, a $100 exemption will be allowed for each minor dependent, or an amount equal to all of the income of such minor less any deductions which were taken into account in determining the net family income, whichever is greater. No head of a family or his wife or her husband shall be considered as being a minor even though they are under 21 years of age.

Schedule of rents

Gross unit contract rent	No minor dependents	1 to 2 minor dependents	3 or more minor dependents
$27	Up to $1,485	Up to $1,525	Up to $1,755
$28	$1,486- 1,540	$1,521- 1,580	$1,756- 1,820
$29	1,541- 1,595	1,581- 1,740	1,821- 1,885
$30	1,596- 1,680	1,741- 1,800	1,886- 1,950
$31	1,681- 1,705	1,801- 1,860	1,951- 2,015
$32	1,706- 1,780	1,861- 1,920	2,016- 2,080
$33	1,781- 1,815	1,921- 1,980	2,081- 2,145
$34	1,816- 1,870	1,981- 2,040	2,146- 2,210
$35	1,871- 1,925	2,041- 2,100	2,211- 2,275
$36	1,926- 1,980	2,101- 2,160	2,276- 2,340
$37	1,981- 2,035	2,161- 2,220	2,341- 2,405
$38	2,036- 2,090	2,221- 2,280	2,406- 2,470
$39	2,091- 2,145	2,281- 2,340	2,471- 2,535
$40	2,146- 2,200	2,341- 2,400	2,536- 2,600
$41	2,201- 2,255	2,401- 2,460	2,601- 2,665
$42	2,256- 2,310	2,461- 2,520	2,666- 2,730
$43	2,311- 2,365	2,521- 2,580	2,731- 2,795
$44	2,366- 2,420	2,581- 2,640	2,796- 2,860
$45	2,421- 2,475	2,641- 2,700	2,861- 2,925
$46	2,476- 2,530	2,701- 2,760	2,926- 2,990
$47	2,531- 2,585	2,761- 2,820	2,991- 3,055
$48	2,586- 2,640	2,821- 2,880	3,056- 3,120
$49	2,641- 2,695	2,881- 2,940	3,121- 3,185
$50	2,696- 2,750	2,941- 3,000	3,186- 3,250
$51	2,751- 2,805	3,001- 3,060	3,251- 3,315
$52	2,806- 2,860	3,061- 3,120	3,316- 3,380
$53	2,861- 2,915	3,121- 3,180	3,381- 3,445
$54	2,916- 2,970	3,181- 3,240	3,446- 3,510
$55	2,971- 3,025	3,241- 3,300	3,511- 3,575
$56	3,026- 3,080	3,301- 3,360	3,576- 3,640
$57	3,081- 3,135	3,361- 3,420	3,641- 3,705
$58	3,136- 3,190	3,421- 3,480	3,706- 3,770
$59	3,191- 3,245	3,481- 3,540	3,771- 3,835
$60	3,246- 3,300	3,541- 3,600	3,836- 3,900
$61	3,301- 3,355	3,601- 3,660	3,901- 3,965
$62	3,356- 3,410	3,661- 3,720	3,966- 4,030
$63	3,411- 3,465	3,721- 3,780	4,031- 4,095
$64	3,466- 3,520	3,781- 3,840	4,096- 4,160
$65	3,521- 3,575	3,841- 3,900	4,161- 4,225
$66	3,576- 3,630	3,901- 3,960	4,226- 4,290
$67	3,631- 3,685	3,961- 4,020	4,291- 4,355
$68	3,686- 3,740	4,021- 4,080	4,356- 4,420
$69	3,741- 3,795	4,081- 4,140	4,421- 4,485
$70	3,796- 3,850	4,141- 4,200	4,486- 4,550
$71	3,851- 3,905	4,201- 4,260	4,551- 4,615
$72	3,906- 3,960	4,261- 4,320	4,616- 4,680
$73	3,961- 4,015	4,321- 4,380	4,681- 4,745
$74	4,016- 4,070	4,381- 4,440	4,746- 4,810
$75	4,071- 4,125	4,441- 4,500	4,811- 4,875
$76	4,126- 4,180	4,501- 4,560	4,876- 4,940
$77	4,181- 4,235	4,561- 4,620	4,941- 5,005
$78	4,236- 4,290	4,621- 4,680	5,006- 5,070
$79	4,291- 4,345	4,681- 4,740	5,071- 5,135
$80	4,346- 4,400	4,741- 4,800	5,136- 5,200
$81	4,401- 4,455	4,801- 4,860	5,201- 5,265
$82	4,456- 4,510	4,861- 4,920	5,266- 5,330
$83	4,511- 4,565	4,921- 4,980	5,331- 5,395
$84	4,566- 4,620	4,981- 5,040	5,396- 5,460
$85	4,621- 4,675	5,041- 5,100	5,461- 5,525
$86	4,676- 4,730	5,101- 5,160	5,526- 5,590
$87	4,731- 4,785	5,161- 5,220	5,591- 5,655
$88	4,786- 4,840	5,221- 5,280	5,656- 5,720
$89	4,841- 4,895	5,281- 5,340	5,721- 5,785
$90	4,896- 4,950	5,341- 5,400	5,786- 5,850
$91	4,951- 5,005	5,401- 5,460	5,851- 5,915
$92	5,006- 5,060	5,461- 5,520	5,916- 5,980
$93	5,061- 5,115	5,521- 5,580	5,981- 6,045
$94	5,116- 5,170	5,581- 5,640	6,046- 6,110
$95	5,171- 5,225	5,641- 5,700	6,111- 6,175
$96	5,226- 5,280	5,701- 5,760	6,176- 6,240
$97	5,281- 5,335	5,761- 5,820	6,241- 6,305
$98	5,336- 5,390	5,821- 5,880	6,306- 6,370
$99	5,391- 5,445	5,881- 5,940	6,371- 6,435
$100	5,446- 5,500	5,941- 6,000	6,436- 6,500
$101	5,501- 5,555	6,001- 6,060	6,501- 6,565
$102	5,556- 5,610	6,061- 6,120	6,566- 6,630
$103	5,611- 5,665	6,121- 6,180	6,631- 6,695
$104	5,666- 5,720	6,181- 6,240	6,696- 6,760
$105	5,721- 5,775	6,241- 6,300	6,761- 6,825
$106	5,776- 5,830	6,301- 6,360	6,826- 6,890
$107	5,831- 5,885	6,361- 6,420	6,891- 6,955
$108	5,886- 5,940	6,421- 6,480	6,956- 7,020
$109	5,941- 5,995	6,481- 6,540	7,021- 7,085
$110	5,996- 6,050	6,541- 6,600	7,086- 7,150
$111	6,051- 6,105	6,601- 6,660	7,151- 7,215
$112	6,106- 6,160	6,661- 6,720	7,216- 7,280
$113	6,161- 6,215	6,721- 6,780	7,281- 7,345
$114	6,216- 6,270	6,781- 6,840	7,346- 7,410
$115	6,271- 6,325	6,841- 6,900	7,411- 7,475
$116	6,326- 6,380	6,901- 6,960	7,476- 7,540
$117	6,381- 6,435	6,961- 7,020	7,541- 7,605
$118	6,436- 6,490	7,021- 7,080	7,606- 7,670
$119	6,491- 6,545	7,081- 7,140	7,671- 7,735
$120	6,546- 6,600	7,141- 7,200	7,736- 7,800
$121	6,601- 6,655	7,201- 7,260	7,801- 7,865
$122	6,656- 6,710	7,261- 7,320	7,866- 7,930
$123	6,711- 6,765	7,321- 7,380	7,931- 7,995
$124	6,766- 6,820	7,381- 7,440	7,996- 8,060
$125	6,821- 6,875	7,441- 7,500	8,061- 8,125

CEILING RENTS

In no case shall the rent of any dwelling unit exceed the following amounts, which

have been determined as the rents of comparable privately owned housing in the area:

One bedroom unit, $65 per month.
Two bedroom unit, $76 per month.
Three bedroom unit, $94 per conth.
Four bedroom unit, $110 per month.
Five bedroom unit, $125 per month.

Mr. Chairman, as originally conceived, public housing was supposed to serve a needed local purpose. It was supposed to provide a place for the poor and unfortunate to live—those who simply could not afford to pay usual rents. It was justified as a welfare proposition. And the Congress went along with it on that theory.

But it is evident they have gotten away from that theory and now appeal to the higher income families. Just the other day Mr. Knox Banner, president of the National Association of Housing and Redevelopment Committee on Housing, testified before the Banking and Currency Committee. Listen to what he said:

Briefly, the major difficulty of the present public housing program is the degree to which it is no longer serving a representative cross section of families. Throughout the country, there has been a steadily rising number of tenants moving into public housing projects whose primary source of income is some form of welfare assistance.

Here you have a man of prominence in this field, an authoritative source, who frankly states that a major difficulty in public housing today lies in the admission of people who are welfare cases.

In the St. Louis projects, it would be interesting to know just how many families live in these taxpayer-subsidized projects who earn six and eight thousand dollars per year. I would assume that schedule was not put out for nothing. It surely means something. I wonder just how often the local managers, who run the entire show locally, check up on the income of their more prosperous tenants?

HIGHEST PAID WORKERS LIVE IN PUBLIC-HOUSING PROJECTS

Mr. Chairman, let me cite just one more example of what I am talking about. I refer to public housing in Pittsburgh, Pa. A story in the Pittsburgh Press, August 19, 1955, says the Allegheny County Housing Authority "today moved to the rescue of hundreds of steelworkers who face eviction from low-rent housing projects because of the recent pay increase passed out in the steel industry."

The article continues:

The authority modified its low-rent income limits to permit them to continue living at the projects.

The new regulations also will permit the housing agency to open its doors to apartment-hunting millworkers who became ineligible for low-rent housing when the pay increase was granted.

Now listen to this:

Although 80 percent of the authority's tenants and applicants are employed in the steel industry, the new regulations will apply to everyone living or seeking admission to the authority's low-rent communities.

There you have a case of a taxpayer-supported housing project occupied by tenants paying low rentals who are among the highest paid wage earners in America. That is particularly true in Pittsburgh.

I asked the Bureau of Labor Statistics for some information on this. Do you know what I was told? I was told that the manufacturing workers as a whole in the Pittsburgh area averaged $2.48 per hour, or $101.93 per week, for the month of last December. And in that area the steelworkers work on an average more than 40 hours per week, according to this same authority.

And so it goes. The American taxpayers subsidize—help pay the rent bills each month—for 80 percent of the tenants in these public housing projects in Pittsburgh—workers who have the highest per hour earnings in manufacturing in America.

That raises the question: Is this a welfare program or is it just plain socialism? The answer is obvious. It is evident that public housing has long since served its purpose, if it ever had a legitimate purpose. It simply is no longer a welfare program, and everyone who looks into the facts knows that to be true.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, I know that under the schedule of the gentleman from Texas [Mr. THOMAS] he had intended to yield time first to the gentleman from Illinois [Mr. YATES], who has offered to defer to me at this time in order that I may return to the committee where we are now holding hearings on the Department of Commerce appropriation bill. I thank the gentleman from Illinois for his courtesy and the gentleman from Texas for his kindness in giving me this opportunity to speak.

Mr. Chairman, this hassle that is going on between the Congress and the President concerning this budget has some very interesting aspects. It seems that there is a pattern of conduct being followed by Cabinet members of speaking out about this budget and trying to put the monkey on the back of Congress so far as this high peacetime budget is concerned. I do not like to have a controversy with a member of the Cabinet. I prefer that it do not occur. But when I read in the Washington Daily News of March 18 an article by Marshall McNeil quoting Secretary of Commerce Weeks, and also an article in the Evening Star of Monday, March 18, by Robert K. Walsh also quoting Secretary Weeks, quoting what he said on a TV program in upper New York, on a program with the gentleman from New York [Mr. KEATING], I cannot remain silent and see the House of Representatives, take the rap for some of the things Secretary Weeks has said.

Here is what he said on that TV program:

If Congress wants to start cutting, they can take approximately $50 million out of his Department's $804 million budget. This, he said reflects items that they have increased from the recommendations that the Department of Commerce has made.

He made other statements on that TV program, but let us look at what I have just quoted. This morning we had before our committee the Secretary of Commerce. We felt we should quiz him about this $50 million because when a Cabinet officer says publicly to the Nation that there is $50 million that the House of Representatives can take out of his budget, we feel it is our responsibility to find out where it is; and, of course, we will be glad to oblige him. So, upon questioning this morning he said that there is $42½ million involved in this extra Federal aid to airports that the House of Representatives authorized over and beyond the $20 million that we had given the CAA by direct appropriation. So there was $42½ million of the $50 million. The other was $7½ million that the House had authorized for forest, highways, making a total of $50 million. With pencil in hand and paper available I asked the Secretary to make up this $50 million and that is what he gave us. But upon direct questioning, he does not want us to take it out at all. He wants to leave that $50 million in the bill. So what he was giving the people over TV was doubletalk, trying to misrepresent the House of Representatives, when in point of fact he was there supporting these items that he says make up $50 million.

He further said the way to cut spending was to stop continually adding to the budget in the way of so-called hand-outs to the States. Under the very skillful questioning of the gentleman from New York [Mr. ROONEY] every item contained in the Commerce bill that could be considered a grant-in-aid or a hand-out, every one of them, including the subsidies, as he was asked about by the gentleman from Illinois [Mr. YATES] every single one of those items he supported; no, he did not want to leave any of those out of our bill. He wanted the subsidies for the airlines, on the shipping, he wanted the money for the area development, a new program he is going to propose by way of legislation, for $53 million, grants-in-aid to the States, and he wanted the highway funds. Every single item that would constitute a grant-in-aid or hand-out, so-called, he was for. So he is saying one thing to the TV audience for public consumption, and another thing when he goes before the Appropriations Committee. I call to his attention these facts and figures. And may I say this is a nonpartisan thing I am talking about. I am talking about a Cabinet officer, whether he be Democrat or Republican, making such a statement.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. PRESTON. I yield to the gentleman from New York.

Mr. ROONEY. I do not know whether the gentleman has as yet brought out the fact that in the budget now before the Appropriations Committee the Secretary of Commerce, Mr. Weeks, requests 28 percent more in funds than he has

for the Department of Commerce in the current fiscal year.

Mr. PRESTON. The gentleman is correct. I was about to bring that out. The budget for 1958 is 28 percent higher than the budget for 1957; that is, for the Commerce Department. He is talking about how we can get economy and he is bringing to the Congress a fat budget. Here is another item that I think we should bring out today. Since he has been Secretary of Commerce, for 4 years, the subcommittee of the Appropriations Committee and the House of Representatives have cut from his requests $798,839,000. Already we have done that, for the past 4 years, not counting what is coming up for fiscal 1958.

Another thing I want to point out is that when he is talking about these authorization bills we pass, Congress passes them, that is true, but the Constitution of the United States states that when that measure is sent to the President if he approves he signs it. If he disapproves, he sends it back to us with a message, and we take action on it. He vetoes it. So Congress is not the only one that is approving these bills. The President has approved these various authorization bills that have resulted in the expenditure of considerable sums of money. I think the record ought to be put straight for the people of the country. The newspapers all over the country have carried these statements by the Secretary of Commerce. I take this time to make the record clear and to defend the House of Representatives, which I think has done a good job in dealing with the requests of the Department of Commerce in the past.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from North Carolina.

Mr. JONAS. I did not hear the Secretary's speech but I did read the comments in the press. I understood from what I read that he was making the point that Congress had increased the appropriations in past years, that we granted money that the Department did not ask for, for airport construction last year.

Mr. PRESTON. Yes; we did.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman once again yield?

Mr. PRESTON. I yield to the gentleman from New York.

Mr. ROONEY. May I interpolate the fact that it was in the area of forest highways that the Secretary of Commerce before the committee in his opening statement a week ago and again today, and in his publicized television broadcast, pointed out that the Congress appropriated more money than he and the administration asked for. It turned out to be the fact that in the period of fiscal years since the fiscal year 1949, there was only 1 year in which the Congress gave more funds than were requested for forest highways and that was in fiscal 1955 in the 83d Republican Congress.

Mr. VURSELL. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I wish to pay tribute to the distinguished gentleman from Texas [Mr. THOMAS], the chairman of the subcommittee. It has been a privilege for me to work with him during the course of the hearings on this bill. By his uniform courtesy and consideration, he has endeared himself to all of us who were associated with him in this endeavor.

The gentleman from Texas has had such long experience and service on this subcommittee that he has come to know as much about the 18 agencies covered by the bill as the heads of the agencies themselves. It has frequently amazed me to observe the knowledge of detail he possesses and his thorough mastery of the subject.

We have a very hard-working committee. Many long hours were spent listening to agency witnesses from the 18 independent offices covered by the bill, and pouring over their estimates and the documents they submitted in support of their requests for funds. The printed hearings fill 2 volumes of 1,981 pages and testimony was heard from 281 witnesses.

I should also like to pay my respects to the members who sat on the majority side of our subcommittee table: The gentleman from Illinois [Mr. YATES], the gentleman from Tennessee [Mr. EVINS], the gentleman from Massachusetts [Mr. BOLAND]. They were courteous and considerate of the witnesses as well as the minority members of the subcommittee. No harsh words were exchanged during the course of the hearings. We all worked in close harmony and out of a desire to do a constructive and effective job for the House and country.

The gentleman from Illinois [Mr. VURSELL] was the minority ranking member of the subcommittee and I greatly enjoyed working under his leadership. He was ably assisted by the No. 2 man on our side, the gentleman from New York [Mr. OSTERTAG], and I had the pleasure of being sent to sit beside him during the extensive hearings.

It takes courage sometimes to cut down on requested appropriations. It is much easier to say "Yes" than "No"; but if we are going to succeed in getting the cost of Government down to reasonable size, we are going to have to learn to say "No", and say it often.

It should be remembered that the opportunity of the Appropriations Committee to save money is limited. We are circumscribed by congressional acts which have authorized the programs being carried out by the Executive Departments and agencies. Budget estimates are simply the estimates on the part of the agencies charged with the responsibility of operating the programs that Congress has authorized as to know how much money will be needed to operate them efficiently and effectively. Congress cannot discharge its responsibility by calling on the Executive Departments and agencies to cut down on costs. Economies can be made here and there—either by the agencies involved or by action of the Appropriations Committee in cutting down on requests. But any real and substantial cuts in spending will have to come about by curtailment of programs heretofore specifically authorized by Congress.

It is well for all of us to remember that the executive departments and agencies do not have a single dime to spend that Congress does not first authorize and later appropriate for. I have long contended that there must be close cooperation between the executive and legislative branches to bring about any real or substantial reduction in the cost of government.

There are several areas of possible controversy in the bill before you for consideration today. They are:

First. Veterans' Administration over the cuts made in veterans' benefits;

Second. Civil Defense over the cuts made in funds to stockpile emergency supplies and equipment;

Third. GSA over the cut made in funds to stockpile strategic and critical materials; and

Fourth. Civil Service Commission over failure of the bill to provide additional contributions to the retirement system.

There may be questions raised concerning other sections of the bill, but in the main I believe most of the controversy, if any develops, will be over actions taken in the four areas I have just mentioned.

The bill appropriates $5,406,201,700—a reduction of $516,939,300 below funds requested.

However, $375,870,500 of the $516,939,300 of cuts come from rather sensitive programs: veterans' benefits and stockpile of emergency supplies and equipment for possible use by Civil Defense and the stockpile of critical and strategic materials to be used for national defense in event of an emergency.

In other words, more than 50 percent of the cuts made in this bill—$375,870,500 out of $516,939,300—are directed at the curtailment or slowing down of programs specifically authorized by Congress.

They do not involve reducing the Government payroll, elimination of travel or any other general expense item, inauguration of any efficiency practices, elimination of overlapping activities, or administrative economies.

On the contrary, these cuts which I have described, are directed at big and important projects and involve a question of policy instead of administration.

I just wanted to make this clear so there will not be any misunderstanding about what the committee has done.

The cuts in the bill, which may properly be referred to as cuts in operating expenses and therefore within administrative instead of congressional control, do not account for half of the total reductions.

Mr. Chairman, as a member of the subcommittee, I appreciate all the complimentary remarks that have been extended this afternoon. However, I am afraid we do not deserve all of them because substantial amounts of the so-called cuts in this bill are not cuts at all, because $206,657,000 of the cuts come out of funds requested for the Veterans' Administration, and $193,170,000 of the VA cuts are not firm cuts but are simply estimates of the subcommittee.

In other words, 90 percent of the VA cuts may turn out not to be cuts at all because they are in programs such as compensation, pensions, and other benefits for veterans which cannot be cut unless Congress itself changes the law of entitlement.

What the committee has done in this instance is to substitute its judgment or guess for that of the VA as to the amounts that will be required to pay the claims which will arise under these programs during fiscal 1958.

If it turns out that the VA is a better guesser than the committee, part or all of the cut of $193,170,000 will dissolve into thin air.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield.

Mr. McDONOUGH. The gentleman referred a moment ago to the $516 million reduction over the estimates and the various departments that have the largest reductions, such as Civilian Defense, General Services Administration, Veterans' Administration, and the National Science Foundation.

Mr. JONAS. If the gentleman will bear with me, I was just going to go into that very point now.

Mr. McDONOUGH. My question, as a member of the committee, will you inform me what the committee required of these department heads when they came? Why did they ask for so much more than is necessary, and is the committee cutting them to the point where they cannot properly function?

I do not think an appropriation bill has ever been reported that shows a half billion dollars less than the amount requested.

Mr. JONAS. I will deal with that question if the gentleman will just bear with me.

Of the cuts, which amount to $516,939,300, $193 million, in round figures, comes out of veterans' benefits, and represents a mere guess, as I have stated, as to what will be required. Our experience in the past has been that the Veterans' Administration guess has been better than the guess of Congress, because in 1954, Congress appropriated for these purposes $300 million but the VA had to come back later for $215 million in a supplemental request. The following year the request was substantially cut when the committee again substituted its guess for the Veterans' Administration guess, and the VA came in with another request for a supplemental appropriation of $240 million, which we had to provide. Of course $110 million of that $240 million had to be provided to pay for increased compensation which had been specifically authorized by the Congress itself. I hope our guess turns out to be correct. I hope it will not require more money than we have appropriated to discharge these liabilities, but in order that the veterans of the country, the service organizations, and the members of the committee today may not misunderstand the situation, it should be pointed out that the facts are as I have stated them. We are simply reducing estimates by 5 percent across the board, in the hope that the Veterans' Administration may find that their estimates were too high and ours more nearly correct.

In order to bolster our guess, the committee put in the bill a 5 percent transferability authorization so that the Veterans' Administration can transfer 5 percent from one program to another. With that transferability, plus the fact that there is not any fiscal year limitation to this part of the appropriation anyway, we hope that we can end fiscal 1958 without having to provide more money. But that will be determined only by how many claims are filed, how many people are entitled to compensation benefits, and other veterans' benefits, and, of course, we will not know for sure until June 30, 1958.

I would call the attention of the gentlewoman from Massachusetts [Mrs. ROGERS] to the fact that the committee did not cut anything and has made no effort to cut anything out of veterans' benefits, because it does not have the right to do that. The Congress itself makes that determination.

The other big cuts, I will say to the gentleman from California, were $71,700,000 out of the stockpile requirements for emergency supplies and materials requested by Civil Defense.

The sum of $111 million was cut from the request of the General Services Administration to continue the program of stockpiling strategic and critical materials.

The sum of $25 million was taken out of the request of the National Science Foundation.

These four items to which I have referred account for $400 million of the $516 million, or 80 percent of the entire cut.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield at that point?

Mr. JONAS. I yield to the gentleman from California.

Mr. McDONOUGH. Does the reduction in the amount of the General Services item as reported by the committee have any relationship to the change or suspending of the lease-purchase building program?

Mr. JONAS. None whatever.

Mr. McDONOUGH. In other words, that change did not reduce any amount for that program at all.

Mr. JONAS. No. This cut I have referred to of $111 million comes out of the funds requested by General Services Administration to continue to stockpile critical and strategic material.

The committee in its report stated in justification for that particular cut that stockpile requirements are already up to minimum requirements with respect to 51 out of the 72 minerals, ores and materials that are classified as strategic and critical, and it was pointed out in the report that since these items are about 81 percent complete, the committee felt that we could slow down the program or suspend it for a while.

I do not know whether that was a wise decision or not. I think that is a policy decision that ought to be made by the Congress after hearings before the legislative committee. The Stockpile Act and the Defense Production Act were enacted by Congress, and under those acts our Government has been stockpiling certain critical and strategic materials that might be needed by our country in the event of a national emergency.

It is true that there are carryover funds in this program of $145 million.

GSA requested another $130 million.

I do not know and the committee does not know how much actually GSA should receive in order to bring up to minimum requirements some of the materials that are still in short supply. I think it was the intention of the subcommittee, and I personally requested this to be incorporated in the report, but I see the report fails to make that clear, that it was the intention of the subcommittee to say to GSA that we expect them to use the money that is carried over, plus the money that is included in this bill insofar as possible to bring up to minimum requirements the critical and strategic materials that are still in short supply instead of trying to acquire more materials that are well above minimum requirements and approaching maximum objectives. If I may have the attention for a moment of the gentleman from Texas, chairman of the subcommittee, I would like to have him confirm that understanding in order that the record may be clear so that the executive agencies may know that is the intention of the subcommittee.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Texas.

Mr. THOMAS. I think that is exactly what they should do with the remaining money they have. And now may I say something nice about the gentleman?

Mr. JONAS. Yes, if it will not hurt the gentleman's conscience.

Mr. THOMAS. It will be a great pleasure. I know the gentleman has a deep interest in this program. We have about $7.4 billion of material in warehouses and you have on order another billion dollars, in round figures $8 billion plus. This program was conceived on the basis of a 5-year war. Who knows, if we have atomic warfare, that it will last 2, 3, or 6 months? Certainly no one has been so brave as to estimate it will last as long as a year. So far as I am individually concerned, I am going to agree with the gentleman. I think we ought to spend that money in the budget, around $145 million, for those items where we have reached only minimum requirements; then, as far as I am concerned, we ought to stop and take a long look beginning next year and see if we cannot wind up the program.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from California.

Mr. SCUDDER. Quicksilver has never taken any of the money that has been appropriated. The price has always been better than the amount the Government

is buying it for. There has been a demand for it. But will there be a continuation of the importation of quicksilver under this program or does this affect only our American production?

Mr. JONAS. This program covers domestic and foreign purchases. We have a vast program going on, as the gentleman knows, of swapping agricultural products for strategic materials around the world. In connection with the money requested I think it was contemplated the Commodity Credit Corporation would be reimbursed to the extent of over $100 million for agricultural products that are being used for the barter program. We cannot discuss individual minerals, such as quicksilver or whatnot, because they are all given to us in tables marked "secret." I do not know what place quicksilver occupies in the table, whether minimum requirements have been met or whether it is still in short supply. The table does show that with respect to some of the minerals, we are still way under minimum requirements for a national emergency.

Mr. SCUDDER. The concern of the quicksilver producers is that if we continue to import quicksilver it could break the American market without a support price.

Mr. SHUFORD. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to my colleague from North Carolina.

Mr. SHUFORD. I should like to refer to the National Science Foundation for a moment. There is appropriated $40 million this year and there was a like sum last year. I also note from the testimony that reference is made to the fact that we are trying to outstrip the Russians in most instances, likewise that a good many of the scientists we are training are going into private industry. Can the gentleman advise me as to the percentage of the scientists that we train who go into private industry and what the percentage is of those instructors who remain in the universities or schools for the instruction of other pupils?

Mr. JONAS. I cannot give any specific figures on that. I would say with respect to the broad National Science Foundation program that it is a good illustration of how programs mushroom. When I first came to Congress in 1953—well, go back to 1951, when Congress established the National Science Foundation—I think we started off with an appropriation of $250,000 the first year. That has gradually grown to $5 million, then to $10 million, then to $20 million, and last year they received $40 million. This year they came in requesting $65 million. The committee simply felt that the amount of money they had last year should be sufficient for their program and in the wisdom of the subcommittee we dropped it back to last year's amount.

Mr. SHUFORD. And the gentleman thinks that is sufficient?

Mr. JONAS. I do.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman has been talking about this stockpiling of strategic materials. I want to get some information about another sort of material, and that is this civil-service retirement fund. Looking at the report on page 2, you say that in the past 4 years there has been an increase in the deficit of over $8 billion. That looks as if there has been a deficit of $2 billion a year. Then you say that there are total assets of $7.5 billion. It looks to me as if, beginning 3½ years from now, we are going to have to appropriate $2 billion a year for civil-service retirement, or else the fund will be bankrupt.

Mr. JONAS. I do not think that we will have to do that in 2 or 3 years. The record shows that it will be about 1972 before what we pay out each year, or are called upon to pay out, will exceed what is paid in.

Now, may I say this with respect to civil-service retirement. That is a question where there are differences of opinion. Some people contend that a retirement fund operated by the Government should be financed just like one operated by private industry or by an insurance company; that the fund should be actuarially sound and kept that way. There are others who contend that this is not necessary, because the full faith and credit of the United States is behind the fund whether the money is appropriated and invested in Government bonds or whether it remains here as an obligation of the Federal Government. Ultimately the bonds would have to be paid. If we paid in this extra money to which the gentleman now refers, what would happen to it? It would be invested in Government bonds and they would be put in a bank vault somewhere. When these Government bonds come due, Congress would have to appropriate the money to pay them. Is that not true?

Mr. VORYS. That is correct.

Mr. JONAS. Well now, the people who take that side of the argument contend that we might just as well keep this fund on a pay-as-you-go basis; see that enough money is paid in each year to more than cover what is paid out. You can take your choice. There are members of our subcommittee who feel that we ought to keep it actuarially sound, that this money ought to be paid in every year and it ought to be invested in Government bonds and put in a lockbox. There are others who take the other view. I do not know which is the proper view to take. Here is the report of the committee and our recommendation, and I will say further that there is money in this bill which will more than cover the amount that will have to be paid out next year.

Mr. VORYS. Would the gentleman answer this question? I am inquiring for information. Is not the civil-service retirement fund supposed to involve a Federal contribution matching the deposit by the person?

Mr. JONAS. That is correct.

Mr. VORYS. So that if we run this one without any reserve at all, without the Federal Government putting up any reserve, then do we not come to a time when the Federal appropriation will have to be much larger to pick up the deficit due to the financing that the private contributions have carried on through the years?

Mr. JONAS. I think that is true, and I think we will have to put up the money to redeem the bonds if we use this money to buy them, too. So I do not know whether in the long run we are any better off if we do it this way or that way.

Mr. YATES. Mr. Chairman, would the gentleman yield?

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. YATES. With respect to the comment made by the gentleman from Ohio [Mr. VORYS], there is approximately $62 million in this bill, which represents matching funds by the Federal agencies, to match the contributions made by the employees. But still that is not adequate. I am inclined to agree with the gentleman from North Carolina [Mr. JONAS] with respect to the full faith and credit of the United States being adequate; except that there comes a time, along about 1972, when the amount of contributions will not be sufficient to match the amount of deductions. At that time the pressure will be upon the Congress to make appropriations of $1 billion or $2 billion or $3 billion to meet the requirements of the fund for employees who have retired. At that time, in order to meet the full faith and credit, the promise of the United States, the Congress of the United States will have to appropriate that sum of money to make up for the deficits incurred because we are not now appropriating and have not appropriated in the past.

Mr. JONAS. I thank the gentleman. May I say this in conclusion, that it depends, I think, on which road Congress wishes to travel, whether we want to put this money up from year to year or whether we want to do as the bill contemplates. I am not entirely sure in my own mind which course is best. It is certainly a debatable point.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from New York.

Mr. TABER. It does not make the slightest difference whether you appropriate more money or less money; because, if you appropriate it it goes into the Federal Treasury and is loaned to the Federal Government, and whether we pay the money as a result of appropriations or as a result of payment on the bonds does not make the slightest difference. It is just a question of whether or not the Congress wants to establish a principle of going beyond or above the Federal budget by whatever amount you would add for this. It does not do a particle of good. It does not make the fund any safer or any sounder.

Mr. JONAS. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Chairman, I rise on a matter of vital importance to the State of Arizona, as well as to all American people devoted to the free-enterprise system.

Arizona is vitally interested in the proper functioning of the Nation's capital markets. Our people are hard-working, thrifty, saving people. If their investments in securities are not protected against improper, practices and fraud, their confidence in corporate securities as a medium for investment of their savings will evaporate. That would be disastrous to our free-enterprise system.

The committee has cut the budget estimate for 1956—I refer to fiscal years—of the Securities and Exchange Commission by $478,000. This would reduce the requested authorized strength of the Commission from a staff of 985, nationwide to 918. The committee has cut the Commission's travel limitation by $87,000 from $284,500 requested to $197,500. Furthermore, the travel limitation for the current fiscal year of 1957 of $197,500 has proven insufficient with a present staff of 302 assigned to the field offices. The addition of 90 employees for fiscal year 1958, all of whom are directed by the committee bill to be recruited for the field offices, but with no addition to the travel allowance, will create an impractical situation. It will not permit the vital increase in broker-dealer inspections and fraud investigations necessary for the enforcement of the securities laws administered by the Commission. No one is more in favor of economy of operation of Government than I am. But these cuts may simply make unfeasible the proper carrying out of the congressional policy, which has been on the statute books for over 20 years, of protection of the public against misrepresentation, fraud, manipulation, and other abuses.

There have been dramatic increases in new issues of corporate securities registered for sale to the public in recent years. In 1953 the Commission processed 621 registrations totaling $7.4 billion. In 1956 the Commission processed 981 registrations totaling $13.1 billion, with a staff of 153 assigned to the task as of June 30, 1956. This same staff group also examined 10,096 annual and interim financial and other periodic reports and 2,016 proxy soliciting statements, record figures, in 1956. The Commission has been well managed, its staff devoted and skilled. But if the financing needs of business are to be met on the 20-day time schedule provided by law, it is obvious that the Commission's Division of Corporation Finance in Washington needs strengthening. For the fiscal year 1957 it is estimated that the staff of this division will process 1,085 registration statements, and for the fiscal year 1958, 1,190 registration statements. This additional volume of registration statements will necessarily entail a corresponding increase in the number of injunctive actions, stop-orders, and suspensions, which in turn may result in court action and criminal reference to the Department of Justice.

The increased volume of public financing and the continuing activity in the securities markets will result in increased workload, not only in the Division of Corporation Finance but in the Division of Trading and Exchanges, the Division of Corporate Regulation, and the other staff offices of the Commission located in Washington. But the committee bill directs that the entire increase for personal services be used for additional field staff and does not provide for any additional personnel in the headquarters office.

The number of brokers and dealers registered has increased from 4,053 as of June 30, 1953, to 4,699 as of February 28, 1957. The Commission recommends stepping up its inspection program from 1 inspection every 3.1 years to 1 every 2 years. In 1956 the Commission made a record number of 952 inspections, and in 1957 it will make about 1,300. In 1958 it should make 2,075 inspections if the public customers of brokers and dealers are to be assured that registered broker-dealers are in compliance with the Commission's rules for their protection. These require brokers and dealers to maintain certain capital in the business if they accept customers' cash or securities, to refrain from improperly pledging customers' securities, to confirm purchases and sales promptly, to keep books and records and to refrain from misrepresentation and fraud and other illegal activity in connection with purchases and sales of securities.

The Commission's enforcement work has drastically increased in recent months, partly as a result of its able, vigorous leadership under its distinguished Chairman, J. Sinclair Armstrong, of Illinois, and his fellow Commissioners. One of these, Commissioner Earl F. Hastings, of Arizona, is now making a distinguished record in the Federal service, and particularly in the area of Federal-State cooperation in securities law administration. But most of the enforcement problems result from the increase in activity in the markets, which has resulted in the need for drastic enforcement work. In 1956, for example, for violations the Commission commenced 45 broker-dealer denial or revocation proceedings, authorized 33 injunctive actions in the Federal courts, and referred 17 criminal cases to the Attorney General for prosecution. In the first 8 weeks of 1957 to February 28 the Commission has already commenced more disciplinary actions than in all 1956 and many more are in process—45 broker-dealer denial or revocation proceedings, 52 injunctive actions, and to date, 18 criminal references.

In recent months a particularly bad abuse has appeared and is being successfully dealt with by the Commission. This is the emergence, for the first time since the early 1930's, of "boilerroom" high-pressure selling of securities by misrepresentation and fraud over long-distance telephone all over the country. The stocks sold by these vicious tactics have been both listed as well as over-the-counter securities. The Commission has hit this condition hard as it emerged in New York City, particularly by the vigorous leadership of Commissioner James C. Sargent, formerly New York regional administrator; Paul Windels, Jr., regional administrator; and William D. Moran, assistant regional administrator. Nevertheless, the public's loss has been staggering. In the hearing before the Appropriations Subcommittee of February 7, 1957, Commissioner James C. Sargent testified on this subject as follows:

> In a 6-month period in 1956, 9 million shares were sold by only 6 "boilerrooms" to 24,000 purchasers for a total cost of $30 million. When we checked 6 months later, the loss had been 50 percent, and the loss is now 75 percent. Furthermore, in those instances the brokers made a profit of $4.5 million, and the telephone calls cost $425,000.

The proper staffing of the Commission successfully to investigate and bring these cases to prosecution is a small price to pay for adequate protection of the public.

The reduction of the travel limitation will severely curtail the ability of the Commission to conduct its fraud investigations and broker-dealer inspections. These cannot be done by the staff sitting in their offices. Investigators and inspectors have to go to witnesses if they are to collect evidence, have to go into the broker-dealers' offices if they are to inspect. Chairman Armstrong has advised me that because of the vigorous enforcement work of the first 8 months of 1957, the staff travel for the next 4 months will have to be cut in half in order to get within the 1957 travel limitation of $197,500. This is good news for violators, bad news for the public. It would be tragic to limit the Commission's 1958 travel allowance to this figure, as the committee has provided in the bill.

Also, the committee report directs the Commission to place all the additional staff authorized by the bill in its 14 field offices, rather than placing any in its headquarters office in Washington, D. C. As a matter of wise administration the Commission in the last 5 years has constantly increased the proportion of its field office staff to total staff from 34 to 38 percent. Also it has decentralized to its field offices administration of the filings for issues of small business, $300,000 or less, so as to facilitate financing of small business. But for every increase in enforcement activity in the field, some supervisory work must be done in Washington. The Director of the Division of Trading and Exchanges and his staff here coordinate the denial and revocation cases and the injunctive actions, and review all reports of investigation, so as to advise the Commission and recommend the action to be taken. The Division of Corporate Regulation will participate with the field offices in the new inspection program for registered investment companies. The General Counsel advises on all proposed court litigation and criminal references. It is simply not realistic to expect the Commission to add to its field staff without increasing its headquarters office work. Some activity here of vital importance will have to be reduced. For example, in August 1956, the Commission established in its Division of Corporation Finance in Washington, a Branch of Small

issues to coordinate the field office processing of the $300,000 filings, cooperate with the Small Business Administration in programs to assist the small-business man in obtaining financing, and advise and assist the committees of the Congress interested in problems of small business. This Branch could not be fully staffed in 1957 and it is vital to the people of the country that it be brought up to strength.

Finally, from the long-range standpoint, the program of the Securities and Exchange Commission is a program of the Congress. The Speaker recently referred on the floor of this House to his deep and abiding interest in the work of the independent regulatory agencies, of which the Securities and Exchange Commission is one—CONGRESSIONAL RECORD, February 5, 1957, page 1556. But these agencies cannot carry out their statutory objectives unless they are adequately staffed. In fiscal year 1941, the Securities and Exchange Commission had an authorized strength of approximately 1,800. This was continuously reduced to a low point in 1955 of 666. In 1956, employment was increased to 734 and in 1957 to an estimated 815. I believe the Commission's request for 1958 represents the absolute minimum which is needed to police the securities markets.

It is my hope that the other body will appropriate the sums requested in the budget for the SEC, and that the conferees will accede to the amendments. To do otherwise may result in crippling the ability of the SEC to meet the expanded needs of a growing securities market, and to protect the investing public.

Mr. THOMAS. Mr. Chairman, I yield such time as he may require to the gentleman from Illinois [Mr. YATES].

Mr. PELLY. Mr. Chairman, would the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. PELLY. I wonder if the gentleman could tell me whether in the program of the Housing and Home Finance Agency for loans to colleges they loan money to colleges that are segregated?

Mr. YATES. I do not know that segregation is considered in connection with the loan program. I do not remember whether that subject was brought up before our subcommittee, but I would assume that segregation is not considered at the time an application for a loan is considered.

Mr. PELLY. Would the gentleman agree with me that it should be considered?

Mr. YATES. I certainly do. I believe the decision of the Supreme Court was eminently correct. While it wasn't directly applicable to all colleges, I believe desegregation should proceed with all due dispatch.

Mr. VANIK. Mr. Chairman, would the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. VANIK. A few moments ago the gentleman from New York [Mr. TABER] stated that it did not make any difference whether the money for the civil-service retirement fund was appropriated in this budget or not, or whether a reserve was set up. Would the gentleman care to comment on that?

Mr. YATES. I do wish to comment on that because I think it does make a difference. I think it makes a significant difference and later in my remarks I shall speak to that point.

I want first to pay my respects to the very able chairman of our subcommittee, the genial and personable gentleman from Texas [Mr. THOMAS]. I have been privileged to serve on the Appropriations Committee for 8 years, most of that time with the gentleman from Texas, and my association with him has been a source of interest and delight. This is attributable not only to his fine personal qualities and ever-present sense of humor, but also because of his great competence in dealing with the very complicated and trying hearings which are the fate of every appropriations subcommittee. Even the mere task of examining the very long and highly detailed agency justifications in a cursory manner is difficult enough. The gentleman from Texas does much more than this. He works almost endlessly in appraising each request for funds and applies to them a vast knowledge and experience possessed by few other Members of Congress. He painstakingly probes the witnesses appearing before us and digs to find out why the funds they request are required.

Like many Members of Congress, I have argued against the seniority rule. I believe it is subject to bona fide criticism in many respects. But it does sometimes have its advantages and these show up particularly in the person of a chairman such as the gentleman from Texas, one who possesses such a complete mastery of the appropriations processes. I have often thought that we on the Appropriations Committee need a much larger professional staff to help members of the committee deal with the ever-expanding budgets. Our staff members are able, extremely able, but dealing with details of the budget of the size that comes before each subcommittee is a herculean and almost impossible task. Only because of chairmen such as ALBERT THOMAS, ripe in experience and ability as a result of long service and familiarity with the subject, are we able to cope with the problems which each budget presents. Those of us who are relatively new on the committee learn something each year. Perhaps in time our fund of knowledge may compare in part with members such as the gentleman from Texas. That, of course, is the goal devoutly to be desired. So great it his reservoir of knowledge that if, for some unfortunate reason, the services of the gentleman from Texas were to be lost, it would be disastrous not only to the committee and the Congress, but to the people of the Nation as well.

I want also to pay my respects to the other members of our subcommittee, Mr. EVINS and Mr. BOLAND of the majority, and Mr. VORSELL, Mr. OSTERTAG, and Mr. JONAS of the minority, with whom service on the committee has been distinct pleasure. I hope, and I am sure I am sharing their viewpoint on this, that we have occasion to go over budgets for many years together.

Mr. Chairman, this bill brings to the floor a piece of the $72 billion budget. It comes to the floor of a Chamber bearing a heavy atmospheric pressure for economy. Favoring economy, of course, is like favoring virtue. Every good Congressman is for it and obeisance to economy goes hand in hand with every appropriations bill which comes to the floor. But this seems to be an unusual year. Several unprecedented actions have taken place, attributable perhaps to the fact that the budget of $72 billion now being considered is of unprecedented size, the largest in the peacetime history of our country. Perhaps that is why the executive branch has attempted to discuss it.

The budget was laid like a foundling on the doorstep of Congress. Secretary Humphrey was the first to renounce it. This in itself was an unprecedented activity because the executive branch by law is given the responsibility of sustaining the budget it prepares and forwards to the Congress. By the Budget and Accounting Act of 1921, the budget is supposed to represent the best judgment of the entire executive branch of the amount of funds reasonably necessary for the operation of our Government. Under that act, the President does have a measure of control over the proposed expenditures of the executive branch. He has the power to revise or reduce them. Presumably when he submits the budget to Congress, all unnecessary expenditures have been eliminated, and it is assumed that the proposed expenditures not only have his approval, but the approval of his Cabinet members as well, including Mr. Humphrey.

If the President has not endorsed Mr. Humphrey's statements calling for budgetary reduction, he has certainly given that impression. In his press conference held on January 23, 1957, in response to a question as to whether the President had any objection to Mr. Humphrey's hope that Congress would be able to cut the budget, the President replied that he had gone over the written memorandum with which Mr. Humphrey had initiated the press conference on the budget, that he went over every word of it, edited it, and it expressed his convictions very thoroughly. In the press conference held by Secretary Humphrey, the Secretary said:

> I think there are a lot of places in this budget that can be cut.

And then the following interchange took place between the Secretary and a reporter:

> Question. The administration proposes the budget. They make the proposals. If there are to be cuts must they not necessarily come right from the White House?
>
> Secretary HUMPHREY. You just heard me read it. I read you a statement that said cuts ought to be made.

Can there be any doubt of the fact of the President's remarks that he agrees with Secretary Humphrey that cuts ought to be made in the budget?

Is this in keeping with his statutory responsibility? Let me read to you a

report which preceded the Budget and Accounting Act of 1921. It is House Report No. 362 of the 66th Congress, 1st session, dated October 8, 1919, and it is a report which preceded the passage of the act in 1921. Submitted by Hon. James W. Good, who was chairman of the Select Committee on the Budget, this is what the report said:

> If increased economy and efficiency in the expenditure of funds is to be secured, it is thus imperative that the evils should be attacked at their source. The only way by which this can be done is by placing definite responsibility upon some officer of the Government to receive the requests for funds as originally formulated by the bureau and departmental chiefs and subjecting them to that scrutiny, revision, and correlation that has been described. In the National Government there can be no question that the officer upon whom should be placed this responsibility is the President of the United States. He is the only officer who is superior to the heads of departments and independent establishments. He is the only officer of the administrative branch who is interested in the Government, as a whole rather than in one particular part. He is the only administrative officer who is elected by the people and thus can be held politically responsible for his actions. Furthermore, as head of the administration it is to him that Congress and the people should look for a clear and definite statement of what provision in his opinion should be made for the revenue and expenditure needs of the Government. The requirement that the President shall prepare and submit to Congress annually upon its convening in regular session a budget will thus definitely locate upon him responsibility for the formulation and recommendation of a financial and work program for the year to ensue.
>
> If duplication, waste, extravagance, and inefficiency exist in any branch of the service, the President will be responsible for them if he includes in his budget an estimate for their continuance. The members of the Cabinet and their assistants would aid the President in preparing a budget for which his administration is willing to be charged. It substitutes teamwork in the executive departments for the unorganized work of each of the members of his Cabinet.
>
> The primary purpose of the bill that is submitted with this report is thus to insure the preparation and submission of such a program by the Chief Executive.

This report shows that it was the purpose of the budget and review legislation to make the President responsible for the budget. It was not intended that it be drawn on a hit or miss basis. It was not to be padded or to contain expenditures which he thought should not be made. It was not to contain items which he thought should be cut. It was the intent of this law to have the President say when he presented the budget to Congress, "This is my best judgment. These are the expenditures necessary for the operation of government."

Nor did that act establish one standard for the President and another for the members of his Cabinet. It gave them no right to undermine the President's recommendations. As officials of the executive branch they, too, have the duty of supporting the budget recommendations. They are not free agents, responsible to no one but themselves. They are a part of the executive branch.

Last week this House adopted a resolution which returned the budget to the President of the United States. I voted for that resolution because I believe that the President and several of his Cabinet members had acted in derogation of the Budget and Review Act, in refusing to support their budget.

This is the President's budget. I do not believe that the President carries out the letter of the law, let alone its spirit, when he agrees with remarks made by Secretary of the Treasury Humphrey that the budget should be cut. I do not think that Secretary Humphrey is acting properly when he refuses to support the budget, as he has done on many occasions, in declaring that there are a lot of places in the budget that can be cut. The law requires the Executive to send to Congress a budget he is willing to support.

To my mind it comes with less than good grace on the part of the Secretary of the Treasury to go before the country to demand that reductions in the budget be made. On January 23 the Secretary of the Treasury was called before the Committee on Appropriations. He had given an interview to a national magazine in which he stated that there were several items in the budget that could be cut. The gentleman from Texas [Mr. MAHON] asked the Secretary of the Treasury to name the places in the budget where reductions could be made so that the Congress could be guided thereby. The Secretary of the Treasury said he knew of no such places that this was the best estimate that could be made. Mr. MAHON pressed further and he said:

> Can you, Mr. Secretary, name one place in the budget where a reduction could be made?

The Secretary of the Treasury knew of not one place where a reduction in the budget could be made. And yet, time and again, in press interviews he continued to assert that such budget cuts could be made.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. TABER. Would the gentleman place in the RECORD the quotation from the President to support the statement that the gentleman has made with reference to what the President is alleged to have said.

Mr. YATES. Does the gentleman mean the remark I made in which he agreed with Secretary Humphrey's remarks?

Mr. TABER. I mean when you said that the President said there were many places where the budget could be cut.

Mr. YATES. I did not ascribe that remark to the President except by inference. The Secretary of the Treasury had in a previous interview and in a press conference stated that there were many places in the budget that could be cut. In a subsequent press conference, the President of the United States was asked whether he agreed with the Secretary of the Treasury, and according to a report made in the press he said that he did. Now, if the gentleman wants me to supply that newspaper clipping, I will do so.

Mr. TABER. I did not understand that.

Mr. YATES. Well, that was the substance of my argument.

Mr. TABER. I wish the gentleman would place in the RECORD whatever quotation you can directly of the President that would support what you have referred to.

Mr. YATES. I will be glad to go back to the remarks I made to see just what I did state. If they are not in accordance with what I believe I said, namely, that the President did approve Mr. Humphrey's statements that there were places where the budget could be cut, I will be glad to make an appropriate correction.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to the gentleman.

Mr. JONAS. As I recall it, and I certainly would not undertake to quote the President, he made some statement or a statement was attributed to him to the effect that if substantial cuts were made in this budget, it would have to be in curtailing or eliminating broad programs that the Congress had authorized.

Mr. YATES. I think that is true. That is one of the things he is supposed to have said.

Mr. JONAS. That is what we did in this bill. Eighty percent of the cuts are curtailments or reductions in broad programs and do not apply to the normal administrative expenses of operating the Government. Is that not true?

Mr. YATES. I think that is a matter of degree. I don't know where the gentleman draws such a line. I agree that we have the power to curtail existing proposals to expand a program, as we did in the case of the National Science Foundation. But if the gentleman be correct, there would be no need for a budget. We could return to the pre-budget days when each agency had its own budget before the Congress, when the President had no responsibility for budgeting or appropriations. But that is not the law. We do have a Budget and Review Act on the statute books which places duties upon members of the executive branch to send to Congress a budget they can support.

As a matter of fact, the two most vocal protagonists of budget cuts are Secretary of the Treasury Humphrey and Secretary of Commerce Weeks. Yet, they couldn't cut the budget for their own agencies. The budgets for the departments of both of these gentlemen contain substantial increases. Yes, they have not been able to cut their own budgets, yet they go to the press, to television, to groups and business associations and declare that the budget can be cut in many places. Has the President done anything to stop them? I know of nothing. What happens to the so-called Eisenhower program? Will the school bill now be sabotaged in the name of economy? Will the other social welfare programs be curtailed in the name of economy? Is the President willing to fight for any part of his program?

Without adequate funds, they must die on the vine.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONAS. I think the way this committee operated is the way it should be done.

Mr. YATES. I agree.

Mr. JONAS. I think it is our responsibility to say whether the National Science Foundation should continue to expand or stop where it is or be curtailed, and I think it should be the Congress who should decide whether we should discontinue the program of stockpiling emergency supplies for civil defense. That is what our committee has recommended should be done.

Mr. YATES. I think that is true. This is our function, I agree with the gentleman. But there are two steps here. There are two responsibilities here. The President is responsible for preparing a sound budget, one he will support. Then Congress, which has the responsibility of making appropriations, accepts or rejects the President's recommended expenditures. But the President cannot blow hot and cold either by himself or through his high officials. Either the President champions the measures contained in the budget or he does not. He cannot advocate foreign aid on one hand and then not even admonish Secretary Humphrey for demanding budget cuts which jeopardize the program. He is for the school program or he is not. He cannot pay lipservice to the needs for school buildings and still approve, even inferentially, declarations by his Cabinet members which destroy the foundations of the program. He cannot preach spending in one breath and retrenchment in the other. This is the neatest trick of the year if the administration can get away with it—to pose as the champions of modern Republicanism by professing to embrace the social-welfare programs of the liberal Democratic Party, and then to act as the Republican Party of old by refusing to approve the funds necessary to carry the programs into effect.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. SCHWENGEL. I want to join with those who have said nice things about the committee. Personally, I agree with you. I am glad that we have people so devoted to the public interest. I have my own ideas about the comments of the gentleman from Illinois on the position of the President. I am glad he referred to 1921. That is the time we were balancing the budget. It looks like we are on the road to balancing the budget again.

Mr. YATES. The gentleman should read the debate that took place on the Budget Review Act of 1921, as I did. He would find similar speeches for economy being made at that time to those being made on this floor. The gentleman will recall we did not have then the huge budget we have today.

Mr. SCHWENGEL. I agree, but I wanted to go to a specific point in this budget. I am sure you have spent a great deal of time on it. I note that civil defense, in which I am personally interested, you have cut over $90 million. In 1957 we had $93,500,000. My question is, What programs were curtailed, or were these cuts made that might hamper or curtail civilian defense, which I think is a very necessary function of our Government?

Mr. YATES. There are two fundamental schools of thought as to how civil defense should be conducted. The gentleman from California [Mr. HOLIFIELD] is chairman of a subcommittee of the Government Operations Committee, which advocates a different theory than that being fostered by Governor Peterson, head of the Civil Defense Administration. Governor Peterson still believes in the process of evacuation; getting people out of the cities. The gentleman from California [Mr. HOLIFIELD] advocates building bomb shelters, of having protective cubicles for the people to go into during, or shortly after the time that bombs fall. There still is no definite program. We thought there ought to be more unanimity of opinion before we approved the vast sums requested.

We thought there has been enough purchasing of field hospitals and of medical supplies for the time being. Let us get a program before we spend. The report of the committee on page 18 shows where the reductions were made.

Primary reduction was made in emergency supplies and equipment for purchase of medicines. We have a very great supply of medicines, equipment, and other materials on hand at the present time.

Mr. SCHWENGEL. I thank the gentleman. One further question; somewhere along the line they have established a school at Grand Rapids. Is any part of that curtailed?

Mr. YATES. No; we are allowing the agency over $90 million with which to carry on their instructional program and their other activities.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. VANIK. We have heard a great deal about benefits to the individual of some of these regulatory and control programs. I am concerned about benefits to industry. Has the gentleman's committee considered the imposition of an annual charge upon certificate holders to help repay the cost of regulating these vital interstate services? For example, in the case of the Federal Communications Commission, they render a vital public service and they render likewise a very important and vital industry service; in fact, the industry could not operate without regulation. Is the industry subject to an annual charge for permits or licenses? Do they help defray the cost of this very vital kind of administration?

Mr. YATES. As far as I know, there are no license fees charged by any Federal agency in connection with the issuance of certificates of convenience and necessity. It is true, however, that such certificates of convenience and necessity become property rights which may be sold and which frequently bring a substantial amount of money, subject, of course, to the approval of the regulatory commission which issued them.

Mr. VANIK. Is there any reason why the cost should not be shared by industry?

Mr. YATES. That it is a matter of legislation which should be referred to the appropriate legislative committee rather than being the subject of any kind of rider on an appropriation bill.

Mr. VANIK. I thank the gentleman.

Mr. YATES. And now to the civil-service fund. The gentleman from North Carolina very correctly pointed out that at all times this fund rests upon the credit of the Federal Government. It would have been well had Congress made the appropriations which would have permitted the fund to be actuarially sound from its inception. We would not now find a fund suffering a $17 billion deficit. In this bill, we increase the deficit. The employees of the agencies which are the subject of this appropriation bill have contributed approximately $62 million, and the same amount of matching funds have also been contributed by the agencies on the part of the Government. But this does not maintain the fund even currently on an actuarially sound basis. There is a deficit of $564 million which should be appropriated to take care of future retirement commitments.

The $17 billion deficit will be increased by $564 million if we do not make the appropriation. I fear that this will in turn establish the same type of pattern of noncontribution for next year and the following years. Last year, this subcommittee appropriated several hundreds of millions of dollars to the fund in an effort to point up what was happening in it, to emphasize that the Government was not keeping faith with its employees. Most of the Members of this House make contributions to the civil service retirement fund. This is the fund from which we hope to draw our retirement benefits some day, as do other Federal employees. Yes; we can postpone the day of reckoning, because retired employees are now receiving their benefits. The fund now has sufficient money. But the reckoning must come in the future.

I asked the Administrator of the Civil Service Retirement Fund when that fatal day would come, when the amount of contributions made on a matching basis by the Federal Government and the employees did not provide a sufficient amount of money to pay the benefits which may accrue. This assumed that the Government did not make up the deficit over and above the amount of contributions.

On page 530 of part I of the hearings you will find his answer. He estimates it to be about 1972 when the two lines cross, and when appropriations will have to be made by Congress to make up the funds deficit in current commitments.

With respect to what my good friend from North Carolina has said about the full faith and credit of the United States

being sufficient, even those who believe as he does would require the current payment of interest on the deficit, as well as matching funds. They do not propose to leave it to future appropriations entirely. This is a current debt, not a future one. Interest at 3 percent should be paid on the $17 billion deficit in order not to place an undue burden upon our children, upon future generations. I personally believe that we have to pay interest into this fund. True it may be used for the purpose of buying bonds which will go into this fund, but we will be acting responsibly. I do not like to think of a day coming when the liability of the Federal Government without a corresponding credit in some fund will be so great that the Congress of the United States will be called upon to appropriate $1 billion, $2 billion, perhaps three, four, or five billion dollars to take care of retirement benefits of the employees of the Federal Government who in good faith made their contributions to the fund. The opposition to such appropriations will be tremendous. I think it ill behooves us to permit this deficit to keep increasing and increasing and look to the day when another Congress will appropriate an adequate amount of money to take care of those who retire at that time. We must recognize the fact that we have a $17 billion deficit. Let us at least pay interest into the fund so that this fatal day may be delayed beyond 1972.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. MULTER. Is it not the fact that the history of pension funds is such that when a fund gets to the point where the deficit is so great and payments cannot be made, either the fund is disbanded or the pension payments are cut back, so that it is absolutely essential that we keep these funds as far as possible on a sound actuarial basis?

Mr. YATES. I thank the gentleman. Of course he is right. I remind the Members of the House of the overwhelming sentiment of economy we find in this Chamber now. We want to cut, we want to reduce the budget in every way that we possibly can. The pressure may be much greater in later years. The Congress may be called upon to make a contribution of several billion dollars in order to meet the requirements of retiring employees. Is it beyond the realm of probability that a committee in Congress will say: In the name of economy we have to cut down the benefits that an earlier Congress has voted? I do not know whether this would be constitutional, but I think just as we see many of the programs that have been voted in earlier Congresses rejected by a later Congress, we may find an attitude at a later time to eliminate some of the benefits.

[From the New York Times of March 15, 1957]

ALPHONSE AND GASTON

The public uproar over the size of the $72-billion budget, largest peacetime spending program in the Nation's history, has led to a remarkable example of buck-passing between President Eisenhower and the United States Congress. The Executive and the Legislature are each bowing to the other in the old Alphonse and Gaston role: "After you, my dear Alphonse"; "No, after you, my dear Gaston." Nobody wants to go through the door first, though both sides recognize the pressing need for economy in a period of creeping inflation.

Last January the President delivered his budget message to Congress, and ever since then powerful spokesmen for his administration, notably the Secretary of the Treasury, have been clearly indicating that they would like to see that budget cut. The President himself, as recently as this week, has invited Congress to come up with sensible suggestions for budget pruning, though he also suggested that he himself didn't see where it could be done. Congress, or at least the Democratic majority of the House, has in turn specifically asked the President to "indicate the places and amounts in his budget where he thinks substantial reductions may best be made."

And so in this struggle to pass along responsibility to someone else, the public will be left holding the bag, full of IOU's. Now, it is perfectly true that the bulk of projected expenditures for the coming fiscal year are fixed and cannot be seriously affected by what the President and Congress do in the next few months. Of the $72 billion that the President says will be spent, over $34 billion has already been appropriated and another $17.6 billion is already obligated in such items as interest on the national debt, price supports, veterans' benefits and the like. Whatever cuts might come would have to be taken out of the remaining $30 billion; and it is here that the President and Congress could, if they would, exercise their shears.

The responsibility is a joint one, but it is the President who must set the pace and determine the general direction of projected expenditures—whether up or down. He is of course technically right in pointing out that "there can't be a cent spent in this Government except for programs approved by Congress and out of money specifically appropriated by them." But he is wrong in virtually abnegating the responsibility for leading the way toward cuts that might be made. His budget is an Executive budget; it is designed, as it must be, by the Executive; the Executive proposes the expenditures; and if the Executive wants to make reductions that only can be achieved by new legislation, there is nothing to prevent the Executive from saying so. The President did suggest in his press conference remarks on the budget this week that the postal deficit be eliminated; but when it came to discussing such items as defense, farmers or veterans, all he offered was the not very helpful advice that "Congress will have to say which one they don't want to carry out if they are going to make big savings." Huge Federal public works projects that might better fit a time of depression than of prosperity weren't mentioned at all.

A report of a Hoover Commission task force on budget and accounting 2 years ago observed that "An essential part of his [the President's] functions is to exercise national leadership and to counterbalance the sectional and special interests which might otherwise exert undue influence on Congressional decisions." Granted that Congress has it in its power to cut specific appropriations or to change basic spending legislation, the President must know that as chief executive officer of the United States he too has a fundamental responsibility in respect to the budget. He cannot have it both ways; he either thinks this budget is the best that can be produced or he does not think so; and if he doesn't, it is his obligation to change it himself or to lead, prod and cajole Congress into adopting legislation that would permit him to make it better.

Mr. THOMAS. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the major items of the pending appropriations bill have been rather fully covered by my colleagues who have preceded me in discussing this measure—the independent offices appropriation bill of 1958—before the Committee.

At the outset I should like to pay a brief but sincere tribute to our chairman, the distinguished gentleman from Texas [Mr. THOMAS], the able chairman of our Subcommittee on Independent Offices Appropriations. He has provided the committee with a clear, concise and informative statement of the contents of the measure under consideration. It should be added that when Chairman THOMAS has completed a statement that there is little further that can or needs to be said by way of explanation of an appropriation bill coming from the committee of which he serves as chairman. He is, as we all recognize, a most able and hard working chairman and he has performed an excellent service in this instance, as is his usual custom.

It has been a genuine pleasure to be associated with ALBERT THOMAS on the subcommittee. It has been a pleasure, also, to work with the distinguished gentleman from Illinois, Mr. VURSELL, the ranking minority member of the committee, and all the members of the committee.

Mr. Chairman, the bill which the committee brings before you today represents the results of more than 2 months of intensive study and exhaustive hearings of the budget requests of some 18 agencies of the Government comprising the category of Independent Offices. The hearings of our subcommittee are included in two large volumes of printed hearings representing 2,000 pages of testimony and exhibits of these agencies.

Our work represents a significant part of the overall $72 billion budget with which the Committee on Appropriations is wrestling and with which the Nation is concerned—the biggest peacetime budget in the history of this Nation.

It is readily apparent that the work of the Subcommittee on Independent Agencies is very important and certainly carries with it great responsibility when we consider that the total appropriation requests of these 18 agencies is approximately $6 billion. The sum of $5,923,195,000 was approved for these agencies by the Bureau of the Budget.

Your committee has approved, and there is carried in this bill, the sum of $5,406,201,000—this represents a cut in appropriations of $516,994,000.

These cuts, I assure you, have been carefully analyzed and evaluated and they should be sustained.

I am certainly not going to attempt to discuss many of the items in the pending bill during the time allotted. I shall confine my remarks to the fund needs of a few of these agencies.

The big-money items of this bill are for the Veterans' Administration and the General Services Administration.

Besides the Veterans' Administration and General Services Administration

there are some other very important

there are some other very important agencies affected by this bill. I want to mention the Federal Trade Commission, the Securities and Exchange Commission, the Federal Power Commission, the Interstate Commerce Commission, the National Science Foundation, among others. The services which these commissions and agencies render are of great importance as their acts and decisions daily affect the lives of all our citizens.

As a member of another subcommittee which has made a recent investigation into the practices of our regulatory agencies—and this work ties in with our Subcommittee on Independent Offices Appropriations—we have found that many of these so-called independent agencies are not independent as they were intended to be when created by Congress.

Congress is charged with the duty and responsibility of regulating commerce and the Congress has from time to time created these special independent agencies and commissions to perform certain specific duties delegated by the Congress. Our independent agencies were created as arms of the Congress. Our studies have shown that some of these commissions are not, in reality, fully independent but their positions are shifting and they have become, or are becoming, arms of the Executive.

While these commissions are supposed to be judicial, or quasi-judicial, they have become, in some instances, administrative boards in direct line of command from the White House—and are no longer arms of the Congress. This is a matter to which the Congress and appropriate legislative committees should direct their attention.

Concerning the Veterans' Administration, the Bureau of the Budget has approved $4,889,363,000. The committee has approved and recommended for the Veterans' Administration next year $4,632,705,300. This represents a $44 million reduction in a $5 billion budget over 1957 for the Veterans' Administration.

Many of the items for the VA represent statutory obligations—such as compensation and pensions—which are mandatory by law. These payments must be made and if the sum carried herein is not adequate a supplemental appropriation, of course, will be readily approved.

This bill appropriates $2,840,500,000 for compensation and veterans' pensions—also I should point out that a 5 percent transferability of funds is available for this purpose. The committee feels that adequate funds are provided for this purpose and, as indicated, if an additional amount is needed, certainly I shall support a supplemental appropriation.

There is no one on the committee who wants to or has any desire to reduce the compensation or pension for any worthy veteran. And certainly no member wants to cut or reduce the veterans-hospital and medical-care programs, and other benefit programs for the disabled and worthy and needy veterans of this Nation. The funds which the committee has recommended for the Veterans' Administration will continue to provide the greatest benefit programs to our veterans of any nation of the world.

Percentagewise, of the four billion six hundred and eighty-two plus million dollars in funds appropriated for veterans' programs, 79 percent represent payment for benefit payments, 16.3 percent for medical care, 1.1 percent for construction and hospital improvements, and 3.6 percent for administrative costs. Payments to the Civil Service retirement fund for the VA approximate $43 million, due to the provisions of Public Law 854, 84th Congress.

Concerning the hospital-construction program, testimony before our committee disclosed that officials of the VA requested the sum of $114,516,000 of the Budget Bureau for construction of hospitals and domiciliary facilities. The Bureau of the Budget cut this sum to $50 million. The $42,500,000 carried in this bill will provide for construction of 3 replacement hospitals and work on 15 other projects. These replacements are: A 500-bed G. M. and S. hospital at Jackson, Miss.; a 500-bed G. M. and S. hospital at Nashville, Tenn.; and a 1,250-bed G. M. and S. hospital at Wood, Wis. The facilities presently used at some of these locations are old and outmoded Army cantonment-type barracks. They are considered firetraps and unsafe.

The veterans hospitals of this Nation represent an investment of more than $2½ billion. Many of the buildings are the old Army cantonment-type and badly in need of repair. The failure to make needed repairs and replacements of this huge investment would certainly represent false economy of a major degree.

Administrator Higley advised the committee that this program will move forward according to an overall plan and that needed replacements and repairs will be made in line with Congressional intent.

In view of the huge investment in veterans hospitals, the number of cantonment-type barracks in use, some of which have been described, as I have indicated, firetraps, I feel that the sums appropriated for this purpose are more than justified and that additional funds will be needed in the future when the Veterans' Administration construction program gets fully under way.

Concerning the General Services Administration—the principal services of this agency are divided into four basic operations, namely:

First. Administration operations—real estate and personal property management, transportation and utilities.

Second. Building construction and improvement including the lease-purchase program, increasing the efficiency of the Government through the control and allocation of Government space needs.

Third. Maintaining a system of nationwide supply and distribution including maintenance of warehouses and supply depots.

Fourth. Stockpiling—this includes the purchase and acquisition of critical materials for defense purposes for the Office of Defense Mobilization.

The total 1958 estimates for GSA were $442,629,000. The committee has recommended $277,389,600—or an overall cut in appropriations for all GSA programs by $165,293,400 over the 1957 appropriations. The major portion of this reduction and savings is in the purchasing of stockpile items considered unnecessary.

The Federal Government has an investment in excess of $7½ billion in strategic materials now in the stockpile. This represents a tremendous investment and a great national asset. It should be pointed out that stockpile purchases are beginning to slow down and decline because the minimum objectives have largely been obtained and we are approaching the long-range maximum objective requirements.

Concerning the lease-purchase program—of which there is much interest—we know that the White House, the Bureau of the Budget, and the Secretary of the Treasury have recently put a freeze on public building constructions because of the inflationary pressures and the prevailing economic conditions. I think it should be pointed out that the committee discussed this matter at great length with Mr. Floete, the GSA Administrator, Mr. McConihie, Commissioner of Public Buildings, and members of their staffs.

Since the passage of the Lease-Purchase Act, the GSA has approved 97 projects—lease-purchase projects, post offices, and other Federal buildings at an estimated cost of $665 million. These 97 projects have been fully recommended and approved by the Post Office Department and other Federal agencies of the Government that will require space. They have been approved also by the Bureau of the Budget and the Public Works Committees of the Congress. Notwithstanding these approvals and the various administrative red tape procedures to which they have been subjected—the top brass of the administration has said no—and that neither the administration nor the Congress can proceed with the building of these needed projects at home—in the districts of the Members of Congress. In effect the Budget Bureau has vetoed the will of Congress.

It should be pointed out that a major portion of the cost of these projects represents funds that would be provided by private capital under the provisions of the Lease-Purchase Act. Mr. Floete, GSA Administrator, testified that his agency had worked on these projects diligently. However, only one building is presently under construction under this law—a post office building at Rock Island, Ill. GSA received only one bid that they could accept. Mr. Floete further testified that other bids received were unsatisfactory and that in December of last year GSA advertised for bids on 8 other projects and received bids on 5 of the 8 projects—none of which were satisfactory. In this connection, the following colloquy took place. I quote from the transcript of the hearings of our subcommittee:

Mr. EVINS. Is the reason for the lack of proper bids the interest rate situation prevailing at this time?

Mr. FLOETE. I don't think that is solely the reason. You see, the cost of all of these projects on which we took bids were estimated about 2 years ago. Since that time, there has been an increase in building costs of some 12 to 15 percent.

We did have a contingency factor in the estimates, but it was not sufficient to take care of that much of an increase and possible construction contingencies.

We know of the experience of these nine jobs that the interest factor is an important one.

Mr. EVINS. Congress passed the law, the projects have been approved, the necessary appropriation for initial work has been earmarked and we have only one project under construction. Are we going to have to repeal the act and pass another, Mr. Administrator, to make it effective, or what do you recommend?

Mr. FLOETE. As you know, the President in his budget message to you in the state of the Union message, stated that because of the inflationary spiral that is now going on, that he deemed it to be the proper policy to defer buildings of this type and concentrate on housing, roads, and schools. Accordingly, GSA with the full concurrence of the Bureau of the Budget and the Treasury Department have decided that for the time being we should defer further action on these projects.

* * * * *

Mr. THOMAS. I didn't understand the Administrator to say that he has orders from the White House or the Bureau of the Budget not to enter into any of these contracts. You didn't say that; did you?

Mr. FLOETE. I said with the concurrence of the Bureau of the Budget and the Treasury Department and in line with the President's policy; yes, sir.

Mr. THOMAS. In the end then, it is a White House order not to enter into any of these contracts regardless of whether you can get bidders?

Mr. FLOETE. For the time being, because we aren't getting bids, Mr. Chairman.

Mr. THOMAS. Do the instructions from the Bureau of the Budget and the White House or the Treasury—whoever it is; it is immaterial—go so far as to give to General Services Administration direction not to attempt to negotiate any of these contracts for the time being? Does it go that far?

Mr. FLOETE. Yes, sir; I think it does.

Mr. THOMAS. That is the answer, then. The interest rate has nothing to do with it.

Mr. EVINS. The interest rate is not the only proposition. The State Department asked for some $58 million last session for the acquisition of properties overseas so that their Foreign Service officers and other State Department employees can be beautifully housed, but when it comes to getting a little project in any Member's district, they want to put a freeze on it. I personally don't like it.

So, Mr. Chairman, it is apparent that the interest rate situation is not the sole reason why these projects have not gone forward. There are other reasons as the testing shows.

There are certain areas in our country in which our economy is "spotty" and in which employment lags. Some construction outside the District of Columbia, in my judgment, would be helpful.

I know that many members of the House are interested in securing post offices and Federal buildings that are greatly needed and long overdue. This program has been deferred and postponed for about the past 17 years and there is a real need for some Federal building construction in the districts of many of the Members of Congress. I think that it is going to take some direct appropriations to get the job done.

Chairman THOMAS, at the time of hearings, suggested to Mr. Floete, GSA Administrator, that the committee would give the Administrator another year to try to get the program under way and made effective. He suggested that in the event the Administrator is not able to make the GSA program work that next year GSA should come in with a "substantial program to get started on a direct appropriation basis," and Chairman Thomas said "I imagine you will get all the help you want from this committee."

Certainly this represents my feelings in the matter and I believe the majority of the members of the committee. Domestic improvements have had to be deferred too long.

We, in the Congress and on the Appropriations Committee, have appeals for appropriations for millions and millions; yes; billions for expenditures overseas, and yet when projects at home are advanced the Bureau of the Budget and others put a freeze and stoppage on worthy and needed projects at home.

Domestic expenditures, it seems, must be cut while foreign aid and other expenditures continue to mount and increase.

Recently, while visiting in my district, Mr. Speaker, I made the comment to a friend and constituent that we here in the Congress are "wrestling" with the biggest budget in peacetime history. My friend, in substance, replied that he was not so greatly concerned about the amount of the budget as he was about the direction of Federal expenditures. Well, many of us are concerned both about the amount and the direction. But, I think my friend hit the nail on the head. Certainly he was correct when he stated that he and others are concerned about the direction of Federal expenditures. Progress in needed domestic matters has too long, in my opinion, been postponed and delayed.

I, for one, like to see domestic progress at home by building up and strengthening our own country, and express the hope that the time may soon come when this may be achieved, when the wrong direction of Federal expenditures may be reversed and this situation righted.

Mr. Chairman, I want to commend the bill to the Members of the House. It is, in the main, a good bill. Some sound and proper economies have been made. While I recognize that no appropriation bill pleases every one, the reductions which have been effected, at this time, should be sustained. I trust that this measure will be speedily passed.

MARCH 8, 1957.

Hon. W. RANDOLPH BURGESS,
Under Secretary of the Treasury,
Treasury Department,
Washington, D. C.:

Since announcement of the "freeze" on small-town post office building construction, protests from disappointed civic-minded citizens is mounting. The President in his state of the Union message last year stated that the time had arrived for moving forward with long-needed public buildings construction program. This pleased citizens of our country in an election year. This year the position has been reversed and the long-awaited post office and public buildings which are needed have been halted. Our economy in areas is spotty. I certainly hope that the stoppage is only temporary. Why not slow down big construction in the District of Columbia and permit some selective building in areas outside the District of Columbia? How much longer shall we postpone needed domestic developments for foreign aid and international profligate spending? Please furnish statement as to anticipated date when freeze order may be lifted on some selective domestic projects approved for construction.

Best regards,

JOE L. EVINS,
Member of Congress.

UNDER SECRETARY OF THE TREASURY,
Washington, March 13, 1957.

Hon. JOE L. EVINS,
House of Representatives,
Washington, D. C.

MY DEAR MR. EVINS: This is in reply to your telegram of March 8, inquiring as to when the program for public-building construction, now temporarily suspended, will be reactivated to permit some selective post-office construction in areas outside the District of Columbia.

The steps taken to temporarily defer building under this program are in line with the policy of the President, as stated in his messages on the state of the Union and the 1958 budget, to postpone all construction which can be deferred, except to meet urgent needs for schools, highways, and housing, and thus avoid aggravating inflationary pressures by unnecessary competition for labor, materials, and equipment. The postponement includes major projects which had been planned in the District of Columbia as well as in other areas.

In my judgment, this situation will take care of itself just as soon as the congestion of building and the money market eases a little. Then it will be possible to go ahead with the public-building programs at a time when materials and labor are more readily available.

In the meantime, sites are being acquired and plans drawn so that the projects can move forward when the time comes. When that time will come, no one can predict. We are fortunate in being in the middle of a great prosperity, but to keep it going we must avoid overexpansion and inflation.

Sincerely yours,

W. RANDOLPH BURGESS,
Under Secretary.

GENERAL SERVICES ADMINISTRATION,
Washington, March 14, 1957.

Hon. JOE L. EVINS,
House of Representatives,
Washington, D. C.

DEAR MR. EVINS: Your wire of March 5 requests information on the possibility of proceeding with certain work under the lease-purchase program outside the District of Columbia.

Our recent decision to temporarily defer further offers of construction bids applies to all lease-purchase projects including those in the District of Columbia. Work of preparation of plans and specifications is being continued on 50 projects of which only 4 are in the District of Columbia.

When inflationary pressures recede, we expect to resume advertising and award of construction and financing contracts. In the meantime the preparation of plans and specifications on the 50 projects mentioned above will be continued as scheduled.

Sincerely yours,

FRANKLIN G. FLOETE,
Administrator.

BUREAU OF THE BUDGET,
Washington, D. C., March 11, 1957.
Hon. JOE L. EVINS,
House of Representatives,
Washington, D. C.

MY DEAR MR. EVINS: This will reply to your telegrams of March 5 to Percy Rappaport and me concerning the temporary deferral of further offers of bids for construction under the lease-purchase program, and requesting information as to the date bidding will be resumed.

Bids for construction under the lease-purchase program have been temporarily deferred because of existing inflationary pressures, and the President's policy to avoid aggravating an already excessive demand for money, labor, materials, and equipment. Except for projects already under way, projects in the District of Columbia area are also deferred. Planning and design of approved projects will be continued.

When present inflationary pressures subside, advertising of these projects will be resumed since it is important to move ahead on needed construction of public buildings where possible within our budget goals. I cannot forecast an exact date when inflation will no longer be a threat.

Sincerely yours,
PERCIVAL BRUNDAGE,
Director.

POST OFFICE DEPARTMENT,
BUREAU OF FACILITIES,
Washington, D. C., March 14, 1957.
Hon. JOE L. EVINS,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: Assistant Postmaster General Ormonde A. Kieb has asked me to reply to your wire of March 5 regarding public buildings construction.

As I am sure you are aware, the Post Office Department has never had any authority to construct public buildings anywhere in the United States. Neither does the Department have jurisdiction over construction in the District of Columbia. Space to accommodate postal operations is acquired by the Department through lease and rental agreements with private owners of real property, lease purchase agreements under title II of Public Law 819, 83d Congress and through occupancy of federally owned space which is under acquisition, structural maintenance, and disposal control of the General Services Administration.

The lease purchase program of the Post Office Department provides for a long-term purchase contract which, at its conclusion, vests title to the land and improvements in the Federal Government. This program is not considered to be a public buildings program as the law itself states, "It is not the intention of the Congress that the program authorized by this title shall constitute a substitute for or a replacement of any program for the construction by the United States of such structures as may be required from time to time by the Federal Government."

On February 14, 1957, the Postmaster General publicly announced that "further advertisements for offers to construct post office buildings under lease-purchase contracts will be temporarily deferred until such projects can be financed at reasonable interest rates in a competitive construction market at justifiable annual payments in lieu of rent." The Post Office Department does not consider that this is a "freeze" order, but is a temporary deferment of solicitation for construction bids only. In this same public announcement the Postmaster General stated, "In the meantime, we shall proceed with the planning and completion of preliminary actions for projects approved under the lease-purchase program to the extent of the funds available."

The background for this public announcement is, of course, in conformance with a policy of the administration to take those steps necessary to reduce inflationary pressures existing in the building industry, which could be brought about by construction for Government purposes. This policy is affecting all types of space acquisition for this Department, including lease-purchase projects, and it is not possible for officials of the Post Office to state an anticipated date for a change in the policy.

We appreciate your concern for the construction of necessary facilities, and you may be assured that this office will take every proper action in accordance with administration policy to provide adequate postal facilities to render satisfactory service to the public.

Cordially,
ROLLIN D. BARNARD,
Deputy Assistant Postmaster General.

Mr. VURSELL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, as a member of this subcommittee, I join my colleagues on the committee in paying tribute to the chairman of our subcommittee, the distinguished gentleman from Texas, and I want to add a word of tribute to all the members of the subcommittee, for the arduous job they have done. I am sure that every Member of the House realizes that the Independent Offices Subcommittee is no small committee when it comes to numbers of agencies and amounts in dollars.

This is the first year I have had the privilege of working under my good friend from Illinois [Mr. VURSELL] who, as the ranking Republican member, has done an excellent job in cooperating and working along on the many tasks that have confronted the committee. I should like to call attention to some general figures and facts which go with this particular budget bill. I am confident we are all agreed that the bill itself carrying with it funds approximating $5,400,000,000 means that it is one of the largest and most important of appropriation bills. As has been pointed out by the chairman and others, this bill provides for a $516 million cut or reduction below the budget requests as presented to the Congress. It means also $584 million less than that which was appropriated a year ago for fiscal 1957. In percentages that means that it is a cut of some 9.7 percent. In this bill you will find that the costs of the Veterans' Administration including benefits and veterans' affairs amount to 82 percent of the total appropriation in this bill. All other agencies involved in the Independent Offices appropriation bill constitute 18 percent of the total. The cut in veterans' funds—and I say "cut" advisedly because there may be no cut at all—it is actually a matter of estimate—it is a matter of determining what will be required to meet these obligations—but, in any event the figures indicate that the reductions of funds for veterans amount to 4.2 percent and all other agencies by comparison have reductions approximating 30 percent.

Much has been said here today about the civil-service retirement fund. Because of the many angles involved in this phase of the bill and on this subject, I am sure that many are confused with what has been provided and what the status of this retirement fund happens to be as of today. First of all, I should like to call attention to the fact that last year this Congress passed a law known as Public Law 854 which provides specifically for dealing with the civil-service employees retirement fund. It provides among other things that each agency of Government must provide within its own appropriation amounts necessary to meet the Government's contribution for the employees within that particular department. So in contrast to previous years or heretofore, each agency of Government and each department is now providing the total requirements for civil-service retirement within their own individual budget. Under the circumstances, of course, the civil-service budget which carried the lump sum amount heretofore would be substantially less. Among other things the law we passed last year provides that the Congress should and must provide funds for whatever is to be required to match the contributions of the employees. In other words, the 6½ percent contribution by public employees to the retirement fund must by law be matched each year by the Government itself. So, if I may give you a quick rundown of facts and figures, the payments by the Federal Government in this bill, or rather in all of the appropriation bills, will amount to $565 million. However, by the same token, benefit payments to employees who have retired will amount to $494 million. So, in the form of appropriations, through all of these agencies, some $565 million will be paid into the fund by the Government and paid out this year in estimated benefits, will be approximately $464 million. We are actually contributing more by the Government than is being paid out in the form of retirement. As a matter of fact, the total contribution to the retirement fund this year should be $565 million as appropriated by the Government, plus $565 million contributed by employees, which means $1,130,000,000 will be paid into the retirement fund. There is a fund, as I understand it, of approximately $7 billion. That fund will grow this year by virtue of employee retirement contribution and Government appropriations by $536 million.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield.

Mr. YATES. The gentleman said there will be an increase made in the retirement fund this year. The gentleman does not mean to give the House the impression that that contribution is adequate to take care of the retirement needs of all employees—employees who are now working for the Federal Government, who will retire at some future time.

Mr. OSTERTAG. I will say to the gentleman I meant to imply that more money will be paid into the retirement fund this year, by virtue of the appropriation and by virtue of the employees' contributions, by some $536 million more

than will be drawn out during the course of the year.

Mr. YATES. During this year?

Mr. OSTERTAG. During this year.

Mr. YATES. That is correct, but that does not mean that at some future time this same thing will be true under the same basis?

Mr. OSTERTAG. I can only point out that under the provisions of this law, whereby each year the Government will continue to match moneys that are contributed by the employees to the tune of 6½ percent, and by continuing to match that money, plus interest, for some time the $7 billion fund will grow.

Mr. YATES. Did the gentleman say "plus interest"?

Mr. OSTERTAG. Yes.

Mr. YATES. Who is paying the interest? The Government is not paying interest in this bill. All the Government is doing is matching the funds.

Mr. OSTERTAG. They are matching the funds, and then some.

Mr. YATES. According to the figures I have received, the Government is not paying interest. The $564 million item represents interest the Government proposes to pay, but it has been stricken out of the budget by the administration.

Mr. OSTERTAG. I may say to the gentleman that payments by the Government this year will amount to $565 million.

Mr. YATES. That is correct.

Mr. OSTERTAG. Do you agree, then, that benefit payments to employees amounts to $494 million?

Mr. YATES. That is correct.

The CHAIRMAN. The time of the gentleman from New York [Mr. OSTERTAG] has expired.

Mr. VURSELL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. OSTERTAG. I yield to my chairman.

Mr. THOMAS. Mr. Chairman, the gentleman from New York [Mr. OSTERTAG] is making a very fine statement. But may I respectfully correct all of us on one statement that all of us have been making this afternoon. I want you to turn to page 1006 of the Budget. For the fiscal year 1958 we will pay out under the civil-service retirement fund $595 million, and what we are receiving into the fund by employees who pay 6½ percent of their salaries, is $559 million. So any way we look at it we are paying out of the fund this year $35 million more than has been paid into it.

Mr. OSTERTAG. Will the chairman answer this question? What are the official figures as to the estimates for payments for benefits this fiscal year?

Mr. THOMAS. For 1958 the figure is $595,246,000.

Mr. OSTERTAG. Accepting that as the estimated figure——

Mr. THOMAS. That is what is going to be paid out.

Mr. OSTERTAG. That is what is going to be paid out?

Mr. THOMAS. Yes.

Mr. OSTERTAG. The chairman, I am sure, agrees that somewhere along the line the total estimate of the Government's contribution in matching the fund in accordance with the law will amount to $565 million.

Mr. THOMAS. It will be the same amount.

Mr. OSTERTAG. The gentleman states that the estimate is that some $595 million will be paid out.

Mr. THOMAS. Yes, and the Government is paying in $559 million itself.

Mr. OSTERTAG. But the employees are paying in that same amount.

Mr. THOMAS. Yes, surely, they have been paying all along.

Mr. JONAS. If the gentleman will yield, that means that over a billion will be paid into the fund.

Mr. THOMAS. The Federal Government is matching what the employees are paying in.

Mr. OSTERTAG. The chairman, I am sure, agrees that the total amount paid in by the employees plus the Government's own contribution amounts to nearly twice as much as is being paid out of the fund this year.

Mr. THOMAS. That is right.

Mr. OSTERTAG. Therefore the difference between what is being paid out this year in benefits and the total amount paid by the employees of the Government amounts to something like $30 million; in other words, the amount of the fund will be increased by $535 million.

Mr. THOMAS. That is not correct, because you have a deficit of $17,900 million. You cannot say you are increasing the fund for the simple reason that the Government is shy already $564,210,000 this year, and the deficit will use that amount.

Mr. YATES. And the fact that you have an overplus this year, if the gentleman will yield, does not mean that next year or the year after under the same conditions you will have an overplus, because you may have more people retiring and drawing more money out of the fund.

Mr. OSTERTAG. I still maintain, even accepting the gentleman's statement as to figures, that more money is going into the fund this year than is being taken out.

Mr. VURSELL. Mr. Chairman, will the gentleman yield at that point?

Mr. OSTERTAG. Yes, I yield to the gentleman.

Mr. VURSELL. It would seem to me, since there is almost a billion dollars going into the fund this year and since the actuaries of the Civil Service Commission say it will be 1972 before there is a possibility of outgo being more than intake, and in view of the fact that we are now having to appropriate $36 billion for national defense and that the people are crying out for a reduction in the budget, is it not logical to assume that one of these days, maybe a year or 2 years or 3 years from now we will get rid of this cold war and this tremendous expense? It would seem to me that the logical thing to do now would be to continue in the way we are going under the new law, and when we get to the place where the cold war ends we can take care of this matter without much trouble. To add another $600 million at this time would be inflationary and would give no real protection to the people coming under Civil Service retirement.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VURSELL. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. OSTERTAG. I thank the gentleman, and I think it is fair to note that this year above all other years more is being put into the retirement fund than ever before, and we are overcoming any potential deficit that might be reached at some time in the future. The fund will grow by several hundred million dollars this year by virtue of our appropriation and the contributions made by the employees.

Mr. YATES. The gentleman agreed with the gentleman from Illinois. When does he foresee the end of the cold war?

Mr. OSTERTAG. Ask the gentleman from Illinois.

Mr. YATES. When does the gentleman foresee the end of the cold war?

Mr. OSTERTAG. I doubt that that is a subject which can be dealt with in the balance of the time granted to me.

Mr. Chairman, I did want to take some time to discuss the civil defense appropriation but time will not permit a detailed discussion of these items. It is fair to say that the big cut in civil defense amounts to $71.7 million as compared with the budget. That large cut of the total overall reduction of $90 million for civil defense deals with emergency supplies and equipment. The record shows and the testimony in the hearing indicated that there is somewhere in the neighborhood of $219 million in emergency supplies and equipment either in warehouses or on order. It was the feeling of the committee that while we were strongly in favor of the general purpose and the need for emergency supplies and equipment, with this tremendous amount on hand, with the situation being what it is, that a moratorium of 1 year would do no harm considering this tremendous amount of supplies on hand for which in the neighborhood of $219 million have already been appropriated.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

TOWARD A NEW CONCEPT OF CIVIL DEFENSE

Mr. HOLIFIELD. Mr. Chairman, the Subcommittee on Military Operations of which I am chairman has been studying for 2 years the problem of civil defense for our population in the event of nuclear weapon attack upon our country.

I call to your attention 7 volumes of hearings, comprising over 3,000 pages. I call the attention of the Members to a unanimous subcommittee report, House Report No. 2946 of the 84th Congress, 2d session. These volumes and the report bring together in one compilation the most comprehensive study of this important problem and a careful evaluation of the Federal civil defense program and its status throughout the Nation.

I regret to state that the subcommittee found no civil defense program commensurate with the need for protection of our people in the nuclear age.

I regret that I cannot in good conscience fight to restore the cut in the FCDA budget request.

The Appropriation Subcommittee's cut is clear in its meaning. They came to the same conclusion as that of our subcommittee; that is, that the Federal Civil Defense Agency has failed to justify its present or planned program.

This is a tragic situation. Unless the President, the Security Council, and the Chiefs of Staff recognize that an effective civil defense is an integral part of the total national defense effort—unless they initiate a comprehensive national plan for civil defense and accept primary Federal responsibility for the protection of our civilian population from enemy nuclear attack, we cannot continue to live and produce the necessities of war and human existence under the condition of a full-scale enemy nuclear attack.

To continue wasting millions on ineffective, confusing programs geared to a World War II concept of protection from conventional weapons is to delude ourselves into oblivion.

While I cannot conscientiously oppose the Appropriation Subcommittee's cut, caused by the present inefficient and outmoded civil defense program, I hope that the Congress will not, by adopting this 70-percent cut in FCDA's appropriation request, turn their back on the unsolved problem of civil defense in the nuclear age.

If the executive branch of our Government, which has the responsibility under the Constitution for initiating programs to defend our people against enemy attack, continues to ignore this vital problem, then I hope that the Congress will assume this discarded responsibility and demand a realistic solution to one of the most difficult of problems—the problem of survival in the nuclear weapon age.

NEW CONCEPT OF CIVIL DEFENSE NEEDED

There should be no debate over the need for civil defense. Every informed person knows that no perfect system of defense can be devised. The enemy will break through the best defenses we can build, just as our strategy assumes we can break through his defenses. It would not take many more than a hundred nuclear bombs of substantial yield to reduce an unprotected nation to a hellhole of destruction from blast, fire, and radioactivity.

In the harsh light of nuclear warfare which dawns on the world, civil defense takes on a new size and shape and must perform a new role. This is what the Military Operations Subcommittee report calls the strategic concept of civil defense—a concept which makes civil defense a strong arm of the national defense. Lacking civil defense, we leave unprotected a vital sector of the battleground—the sector called the United States of America.

PRESENT CONCEPTS OUTMODED

There is no civil defense in the Nation today, if we use the term "civil defense" in the sense I have suggested. The present planning, financing, and administrative apparatus for civil defense represent the application of conventional warfare concepts to a nuclear war situation. The result is an absurdity which the people of this country sense, even if they do not fully understand, but which the responsible Government agencies are unwilling to admit.

Civil defense in World War II was directed to the possibility of an occasional submarine or airplane bombing raid on the United States with conventional bombs. Block wardens and rescue teams with tin hats and sand buckets were to converge on the stricken area, put out the fires, extricate people from the smashed buildings, and clean up the debris in the neighborhood.

NUCLEAR WEAPONS OUTPACE CIVIL DEFENSE

The emergence of the atomic bomb as a full-blown weapon of war in 1945 multiplied the explosive power of a single bomb by 1,000. Subsequent civil defense thinking and planning, first in the War Department and later in the National Security Resources Board, brought no new answers to the problems posed by this new instrument of destruction.

The bombs were more immense in their capacity to destroy, so the civil defense apparatus must be enlarged—more funds, more civil defense workers, more rescue teams, more stockpiles of medical supplies, and a degree of Federal coordination of what were considered to be essentially State and local responsibilities.

The Federal Civil Defense Act of 1950, enacted in January 1951, embodied these conventional notions of civil defense, writ somewhat larger in the era of the atomic bomb. Responsibility for civil defense was decreed to be primarily State and local. A Federal agency was created to dispense matching grants for equipment and supplies and to offer such guidance and direction as the Federal Administrator deemed advisable within his limited statutory grant and his interpretation of the prevailing concept of civil defense.

When this law was written, atomic bomb technology, starting with the Manhattan project, was already a decade old, and the terror of Hiroshima and Nagasaki 8 years gone. New and more devastating weapons were even then in the making.

THE BLOCK WARDEN AND THE H-BOMB

And yet the Federal Civil Defense Administrator could say with disarming simplicity as late as June 1953 to the House Appropriations Committee:

> I don't see anything new in civil defense at all. Civil defense is simply the extension of already existing civic services. It is the extension and expansion of those services to meet unprecedented problems. * * * We introduce nothing new in civil defense at all, except the idea of the block warden.

The hydrogen bomb multiplied the explosive power of the atomic bomb by 1,000. And now, joined with the greatly magnified threat of blast and fire, came a new threat: Radioactivity. The deadly effects of radioactive materials on human body cells were not a new discovery. It was new only to civil defense.

What was the response of civil defense? The bombs were bigger. The nuisance of radioactivity intruded to enlarge the area of potential destruction. The answer—try to get a few more million dollars of appropriated funds, more civil defense workers, more rescue teams, more stockpiles of medical supplies, a little more Federal direction of State and local activities.

Better yet, get the people away from the vicinity of the assumed enemy targets. Run from the danger area to the safe haven of the countryside, like the children of England did in World War II. As the bombs get bigger, run faster and farther. And so the concept of evacuation was developed and promoted by the Federal Civil Defense Administration.

EVACUATION PROBLEMS UNSOLVED

How much warning time would be required to move millions of people from the big cities? How much would it cost to widen and improve the exit routes? How would the fleeing populations be protected against the murderous rain of radioactivity that spread with the prevailing winds? Where and how would reception centers be organized to care for the homeless and the hungry and the hurt?

The FCDA really had no answers to these troublesome questions even though it coaxed and cajoled the people of the United States to alert themselves to the need for evacuation. A $20 million appropriation was obtained from the Congress to make local evacuation feasibility studies under the beguiling name of survival plans.

Only as the shadow of the intercontinental missile grew larger and blacker did the FCDA begin to understand that warning time must be measured in minutes and not in hours.

Only in recent months was the FCDA advised by the Bureau of Public Roads of the Department of Commerce that the money costs of improving evacuation routes to move millions for a few short miles would run into the billions of dollars—billions above the normal costs of highway improvement.

Only now is the FCDA becoming dimly aware that radioactive fallout makes the whole United States a target area from which there is no running.

PRIMITIVE NOTIONS OF CIVIL DEFENSE

Existing civil defense has not outgrown its primitive notions of how to cope with enemy attack. You may have seen a television film on national networks sponsored by the Federal Civil Defense Administration during Civil Defense Week, proclaimed by the President last September. The name of the film, I believe, was "Survival Street." It showed a lone individual trapped in a burning building after an assumed enemy bomb drop. Rescue teams with ladders and stretchers finally bore the unfortunate person to safety and a soothing environment of food and medical treatment.

In regard to such civil defense rescue exercises, it has never been explained to my satisfaction how the enemy bombs and radioactive fallout discriminate between the rescuers and the victims. The blunt, brutal truth is that rescue operations of the survival street kind would be a hopeless and unmanageable task

after a massive nuclear assault. There would not be enough doctors or nurses, sanitation workers, medical supplies, or reception centers to care for the millions upon millions of injured and homeless. There would not be enough morticians or helpers to dispose of the mountains of dead.

MORE THAN DOLLARS NEEDED

That is why, I say, the civil defense solution is not, and never will be, simply more dollars, more civil defense workers, and more supplies.

The dollars must be spent, the workers employed, and the supplies utilized in a coherent manner, with measurable progress toward designated objectives. We need, in other words, a national plan of civil defense. It is not progress to have twice as many civil defense workers afflicted with feelings of frustration and futility.

Have you noticed in recent years a tendency of civil defense officials to turn away from the staggering and seemingly hopeless problems of civil defense and to preoccupy themselves with natural disasters? An easy rationale is given. The argument is that national disasters are here and now. They occur almost every day. People understand the need for natural disaster work. By engaging in natural disaster functions, which are understood and accepted by the community—so the argument runs—civil defense will be training and readying itself for the larger disasters of enemy attack.

MIRAGE OF CIVIL DEFENSE TASKS

There is a thin slice of truth in this argument, but only a very thin slice. As I view this growing interest in natural disaster work by civil defense officials—and here I speak mainly of the Federal officials—it represents a turning away from tasks which really are believed to be hopeless and unmanageable, to those which are relatively local and limited in their impact, and therefore amenable to control.

Natural disasters, such as flood, fire, and earthquake, represent for civil defense those controllable disaster circumstances of the World War II kind, where rescue teams can converge on a stricken area and bring help and comfort to the victims.

Do not misunderstand me. I am heartily in favor of Federal disaster work and I believe it should be expanded and made more systematic. But let us not pretend that natural disasters are a sufficient training ground for civil defense against nuclear warfare. The problems are of a different order of magnitude.

The signal failure of those responsible for the national direction of the civil-defense effort is that they are unable or unwilling to comprehend that multimegaton weapons have changed radically the nature of warfare. The difference is not only quantitative. The change is so enormous and so revolutionary in its impact that it becomes qualitative as well. Civil defense imposes new tasks, new disciplines, a markedly different approach.

SHELTERS MAKE CIVIL DEFENSE MANAGEABLE

The central and indispensable requirement of civil defense in the age of high-yield nuclear weapons is to render its tasks manageable, to provide an effective instrument for reducing casualties by the millions before, during, and after the attack, so that the life of the Nation will be preserved. The only way in which civil defense can be brought under control, so to speak, is to provide every man, woman, and child in the Nation with ready access to shielding against the compounded effects of nuclear explosions.

Shielding means shelter, shelter strong enough and thick enough and properly equipped to resist, except in the immediate fireball area, the effects of blast, fire, and radioactivity. This means, in turn, largely an underground system of group shelters to which people can go within a few minutes after warning.

And further, it means that people will be able to occupy these shelters during intense fallout for a period of days following an attack and to use them as a base for recovery operations. Instead of waiting to be rescued and cared for, as in the conventional concept of civil defense, sheltered populations can emerge and go about the necessary tasks of repair and restoration.

NAVY LABORATORY ANALYZES SHELTER REQUIREMENTS

The Naval Radiological Defense Laboratory, in testimony before the Military Operations Subcommittee, has analyzed in a general way the cost, structural, and outfitting requirements of a nationwide shelter system which they believe would protect most of our people.

Radiological shelters—class I shelters—with shielding of 3 feet of earth or its equivalent, could be provided at an estimated cost of $30 per person.

For those cities where the building density—ratio of roof area to total ground area—exceeds 20 percent, class II shelters could be built for protection against mass fires as well as fallout, at an estimated cost of $40 per person.

And finally, in those areas of extremely high population density, class III shelters could be built for blast as well as fire and fallout protection. The Naval Laboratory divides these shelters into class III–A, affording protection against 30 p. s. i. of overpressure, and class III–B for overpressures up to 100 p. s. i. The costs per person are put at $60 and $300, respectively.

Assuming that 100 million people in the small towns and nonurbanized areas would get class I shelters, the estimated cost for this component would be $3 billion. For the remaining 70 million people, if half were to have access to class III–A shelters and half to class III–B shelters, the costs would be $2.1 billion and $10.5 billion, respectively.

SUMMARY OF NATIONWIDE SHELTER COSTS

Totaling these costs, and assuming another $4 billion for outfitting or other requirements, we can put a price tag of $20 billion on a national shelter program. These cost estimates do not take into account the potential economies of adapting present or planned building construction to meet shelter requirements.

Now $20 billion, half of 1 year's military outlay, is not an unreasonable figure for a shelter-building program spaced over 5 or 6 years. Of course you will hear arguments that the costs are nearer forty or fifty billion dollars and that there is not enough cement and earthmoving machinery and construction workers to do the job. Those who are most vocal in these arguments speak more from a distaste for the job than from precise knowledge as to how it could be done.

REALISTIC SHELTER PLANNING NEEDED

Granted, we need more knowledge. We need engineering and economic studies of a realistic kind by experts who are determined to get on with the work. We do not need wild warnings about fiscal ruin. The Nation has the ingenuity, the resources, the technology, and the economic capacity to give its people the protection they should have.

Without a shelter system such as I have indicated, civil defense will never come to grips with the brute hard facts of nuclear warfare. More millions of appropriated dollars, more gadgets to detect radioactivity, more bottles of blood plasma, more stretchers, more this and that, without the effective means of reducing casualties, will create only an illusion of progress in civil defense.

Such an illusion is created by the administration's proposals for amending the Federal Civil Defense Act of 1950.

ADMINISTRATION PROPOSALS ON CIVIL DEFENSE

In July 1956, just as our Military Operations Subcommittee was completing an extensive investigation of civil defense and preparing a report thereon, the President was prompted to write a letter to the Federal Civil Defense Administrator which said that "our whole civil-defense effort needs both strengthening and modernizing." He asked that the law "be realistically revised" and called upon the Administrator to make appropriate recommendations.

The Federal Civil Defense Administrator's recommendations, as approved by the Bureau of the Budget, now are before the Congress in H. R. 4910. Let us look for a moment at these recommendations which purport to strengthen and modernize the Federal Civil Defense Act.

First of all, the amendments propose to change the policy declaration of Congress in the 1950 law from one vesting primary responsibility for civil defense in the States and localities to one of a joint sharing of responsibility between the Federal Government and the States and localities.

CONFUSION OF RESPONSIBILITIES REMAINS

This proposed amendment is a verbal one. In itself it adds no new authority, nor does it eliminate the present confusion of shared responsibilities.

The role of the Federal Government is defined by the substantive powers and duties conferred upon the Federal Civil Defense Administrator. The law already gives him an ill-defined assortment of

powers and duties, so that the responsibility already is jointly shared with the States and their political subdivisions.

Next the proposed amendments would authorize the Administrator to buy radiological instruments, detection devices, protective masks, and gas-detection kits, and distribute them by loan or grant to States and cities for civil defense purposes. This authority is not exactly new since it was carried in substance in a recent appropriation measure. Also, the Atomic Energy Commission for some time has been distributing radiological monitoring instruments to State and local civil defense agencies.

ADMINISTRATION RECOMMENDS MINOR CHANGES

In any event, this amendment merely overcomes a technicality in the law which has been interpreted previously to bar the distribution of such devices. In the ordinary case, the distribution of Federal supplies and equipment to the States for civil defense purposes requires matching grants. By this amendment, the States and cities will be relieved of a financial obligation to put up half the funds for radiological instruments.

Then it is proposed to overcome another technicality in the law which bars financial contributions to the States and cities for civil-defense personnel and administrative expenses, including contributions for items of personnel equipment, such as uniforms. In this way, it is expected that the States and cities would be able to recruit and train more civil-defense workers and give them suitable attire.

Another amendment would eliminate the 50–50 matching requirement in the construction or procurement of civil-defense materials and facilities where substantial expenditures are involved. It would be up to the Administrator to determine the proportion of expenditures that must be put up by the States and cities.

There are some other procedural changes proposed, so that the Administrator would have more authority to supervise State civil-defense programs which are recipients of the additional Federal funds authorized in these amendments.

NO PLANS FOR SHELTER PROGRAM

No change is proposed in the provisions of the present law which authorize 50–50 matching grants to the State for shelter construction. Since these provisions have remained a dead letter since the law was enacted, it is proper to infer that the Administration has no plans for a shelter program.

It should be obvious from this brief summary that the Administration's proposals represent no real change in the basic concepts and operations of civil defense. The only response it makes to the threat of the hydrogen bomb is more monitoring gadgets, more dollars for State and local civil-defense programs, and a greater degree of supervision over these programs.

MILITARY OPERATIONS SUBCOMMITTEE TAKES NEW APPROACH

The Military Operations Subcommittee, of which I am privileged to be the chairman, takes a different view of the requirements for strengthening and modernizing the civil-defense law. We do not object to the Administration proposals as such. Except for some verbiage in the policy declaration, they are not inconsistent with new civil-defense legislation—H. R. 2125 and identical bills—sponsored by all the members of my subcommittee and by other members of Congress. In the proper context, the Administration proposals would find their place as minor technical changes in the law.

FEDERAL RESPONSIBILITY FOR CIVIL DEFENSE

What we propose in our legislation is to place civil defense in its proper context—the context of Federal responsibility for an effective civil defense, which is no less than the Federal responsibility for the military defense of the Nation. This is a matter of commonsense as well as constitutional law.

A bomb dropped on Keokuk, Iowa, is an attack against the United States and not against the inhabitants of that particular community. We do not expect to equip our armies and organize our bomber wings by local community subscriptions. Neither should we assign to each community the responsibility for maintaining the continuity of the Nation, for providing a flow of essential goods and services which enables the Nation to strike back at an aggressor and which insures national survival in order to obtain ultimate victory.

STATES AND LOCALITIES HAVE SUPPORTING ROLE

The States and local communities have important supporting roles to perform in civil defense. This is obvious and need not be debated. At each level of government from the State to the township, in the neighborhood and in the individual family, there are civil defense responsibilities which the Federal Government, as such, cannot discharge. But these obvious facts should not be taken as justification for relieving the Federal Government of those responsibilities which, under the Constitution and under the compelling facts of nuclear warfare, the Federal Government alone can discharge.

MILITARY CHALLENGED ON CIVIL DEFENSE STAND

It was disheartening to me personally to note in the testimony last year before our subcommittee that the Joint Chiefs of Staff were unwilling to challenge the escape from Federal responsibility which the present civil defense law allows. Their position is summed up in the statement of Admiral Radford to the subcommittee:

> It is my opinion that the concept expressed in the Federal Civil Defense Act of 1950, which established the Federal Civil Defense Administration, is the correct one. This act expresses the policy that civil defense for the protection of life and property in the United States shall be guided and coordinated by the Federal Government but that the responsibility for civil defense shall be vested in the several States and their political subdivisions.

H. R. 2125, the legislation drafted by our subcommittee, squarely rejects that position of the Joint Chiefs of Staff. We have completely rewritten the civil defense law in our proposed legislation, stating in a policy declaration that the civil defense of the United States is a direct responsibility of the Federal Government, and setting forth in substantive powers and duties how that responsibility shall be exercised.

For the first time, in this proposed new legislation, a national plan of civil defense would be developed and placed into being. The components of the national plan are stated in broad but positive terms. Included among them is the construction of group shelters throughout the Nation.

NEW ORGANIZATION OF CIVIL DEFENSE

A new organization base for civil defense is provided. The existing agency would be transformed into a regular department of Government with Cabinet rank and a Secretary at its head. A military liaison committee, patterned after the one created by the Atomic Energy Act, would provide a two-way channel of communications and cooperative working relationships with the Department of Defense. A scientific advisory board would bring needed scientific talent to civil defense. And finally, a council of civil defense would provide effective representation to industry, labor, State and local government, and the public generally.

The vexing problems of dual, competing, or conflicting authorities in the civil defense field exercised by the Federal Civil Defense Administration and the Office of Defense Mobilization would be resolved by a merger of the civil-defense functions of both agencies within the new department of civil defense. I am aware that this is a controversial area of debate and discussion because it involves fundamental questions about the nature of our Government agency organization for war purposes.

Our proposed legislation does not profess to solve all these problems or to say the last word on the subject. The subcommittee takes the view that civil defense, in line with its strategic role, must be broadly construed in preparing for and coping with nuclear attack. The new department must have broad powers, not only to perform emergency rescue and welfare services, but to help restore the national economy.

CIVIL DEFENSE AND WAR MOBILIZATION

To what degree these preparatory and postattack functions are appropriate to civil defense, and to what degree they should be assigned to a more embracing war mobilization agency are questions we do not have time to discuss. Enactment of our bill would not preclude such other organizational arrangements as the Congress, by statute, or the President, by emergency powers inherent in his office, might prescribe.

I do want to emphasize, however, that an intelligent organization of the Nation's resources for war purposes depends on a thorough and precise understanding of the kind of war we expect to fight. If massive retaliation is a cardinal concept of our defense posture, it is obvious that conventional concepts of mobilization for a long war are outdated. The Nation must be organized

not so much to prepare for the long buildup as for the smashing let down, a point made in our subcommittee report on civil defense.

Here I contend only that the problems of the smashing letdown are largely those with which civil defense must be concerned. This we have endeavored to provide for in the legislation, both with regard to the preparatory work of civil defense imposed upon the new Secretary and his emergency powers in the event of an actual or anticipated enemy attack.

A productive area of study is the mobilization of resources for war and the organization of Government agencies to achieve that mobilization. I believe, too, that the Congress would do well to look into that area. There is considerable confusion there now and only the most rudimentary kind of statutory guidance. New civil defense legislation might well be followed by a comprehensive statute for war resources administration.

MILITARY ROLE IN CIVIL DEFENSE

Now a further word about the military role in civil defense. Military and civil defense missions are part of a common endeavor. It will not do for the military to say that civil defense is of no concern to them. Aside from the intense personal concern that they have, like all Americans, for the safety of their family and friends, the survival of the whole Nation is at stake. It is a self-defeating logic which would argue that the military has its own mission, if the civilian population of the United States is to be destroyed while the military is attempting to carry out its military mission.

In saying this, I do not minimize the crucial importance of the military mission. I say only that military services and their logistic systems must be so organized that in the event of enemy attack they can render the fullest possible assistance to the civil defense authorities.

H. R. 2125, the legislation sponsored unanimously by the members of the Military Operations Subcommittee, conceives the national civil-defense effort as basically a civilian one. With this the Joint Chiefs of Staff and the military authorities seem to agree. But this agreement cannot become the excuse for indifference and unconcern, for then the Nation, if its people are unprepared and unprotected, will force upon the military a great burden of duties and authority which the military will not be able to resist and which it will likewise be unprepared to properly perform.

DILEMMA OF THE MILITARY

The dilemma here posed was implicit in the testimony before our subcommittee, which showed the military authorities unwilling, on the one hand, to become involved in civil defense, and on the other, ready to assume that on D-day there would be no effective civil defense under civilian control. Between the horns of this dilemma, which implies a condition of civilian chaos, is there a man in this room who believes that the military forces could sustain the effort necessary to carry out their military mission?

To resolve this dilemma is a difficult and demanding task. It must be, and it can be, resolved, and resolved in ways which will permit the military services to discharge their defense missions without undue interference and disruption by civil authorities, and without violence to the democratic processes of civilian government.

Therefore, I contend that those who are firmly dedicated to their military missions will help to further them, if they do not thwart, but rather encourage, the healthy buildup of an effective civil defense.

Civil defense should not be regarded as either a residual concern of localities or an unwanted competitor for a share of the national-defense budget. Wholehearted acceptance of a national civil-defense effort, and full aid and encouragement to this effort by the manifold resources of the military services, will bring nearer the day of achieving that common endeavor, the safety and security of our Nation.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman is one of the authorities in the House on the problem of civil defense. What are other nations doing about this problem, anything?

Mr. HOLIFIELD. There are varying types of programs in other nations. In the Scandinavian countries they are bringing quite a program into effect by putting their airdromes underground and preparing underground shelters for the benefit of their populations. There is a very extensive program in Great Britain. There is not so much on the continent, in France and those areas. This is a problem that, if you face up to it, is going to cost a lot of money eventually to give the people a chance to survive.

Now, there are those who take an absolute position of hopelessness in the face of this threat, but before our subcommittee we had a great deal of testimony from the outstanding scientists in the Nation, and from engineers, from representatives of great industrial organizations, who are going underground, by the way, for the protection of their employees, and these people take the position that if a proper system of shelters was constructed in our Nation, there would be a chance of saving probably 80 percent of the people that would be destroyed in a nuclear attack.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from North Carolina.

Mr. JONAS. The people from Civil Defense told our committee that they had on hand already 932 emergency hospital units of 200 beds each and another 1,000 units on order and that by June 30 of this year they will have 1,932 units of 200 beds each, making 386,400 hospital beds that might be used in emergencies, fully equipped, with cots and with sterile dressings and all of the things that go with hospital units. There is a generator in each one. Does the gentleman say to the House that he thinks that it is a waste of money to make that sort of provision for an emergency situation?

Mr. HOLIFIELD. It is obvious that in the time allotted to me I cannot go into this matter thoroughly. I am going to extend my remarks at some length at this point on this whole problem. But, speaking directly on this question which the gentleman has asked, that would not be enough beds to take care of the survivors of one city.

I have received this morning from Stanley W. Olson, dean of Baylor University College of Medicine, chairman of the committee on medical education for national defense, Association of American Medical Colleges, on this very point, the following telegram:

> Re invitation to attend operation rebound, Houston. In reassembling 200-bed emergency hospitals of FCDA for field test on March 29 in Houston-Galveston, we have discovered serious discrepancies in supply and in theory of planning. This unit has been publicized as an emergency hospital available for immediate use, but the truth of the matter is that it would take 20 people approximately 5 days to make it actually function as a hospital. It is our considered opinion that the medical phases of civil-defense planning desperately need the kind of help you can give it. We urgently request you be present to see for yourself the problems involved.

I might say that our subcommittee is unanimous on this point. We spent 2 years studying this problem, and we reluctantly came to the conclusion that the present civil-defense program is completely inadequate. In many instances it is a waste of money. We have even made recommendations which they have followed which have caused the cancellation of a $20 million survival plant study which they were making, and we exposed the fact that these studies were duplicative, that they were ambiguous and so wide in their outlines of guidance that the people themselves could not follow them. I had one of the professors from the University of Berkeley who signed up over a year ago on one of these studies similar to a survival plan study, and for 1 year he has been trying to get access to information on radioactivity so that his committee would work, and he came to our committee this last week and said that for 1 year he has been unable to get access to the information necessary to make the study which the FCDA contracted with them to make.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I am glad to yield to the gentleman.

Mr. JONAS. Mr. Chairman, I would like to say that I am not taking issue with the gentleman. Our committee more or less followed the thinking of the gentleman from California because it did not provide for a continuation of the program. But it did seem to me as I heard the testimony and as I read it later that a substantial effort has been made by the Civil Defense Administration to create a stockpile of emergency supplies and equipment, including 1,932 hospitals

military forces could sustain the effort and with sterile dressings and all of the stockpile of emergency supplies and equipment, including 1,932 hospitals

which were described to us as each containing 3 operating rooms, an X-ray room, a pharmacy, a generator, and so on.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. VURSELL. Mr. Chairman, I yield 2 minutes to the gentleman from California.

Mr. JONAS. Does the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. JONAS. Dr. Whitney testified that their goal was 6,000 of these units. Of course, I understand that 386,000 beds or twice that many beds would not be sufficient to take care of a population of 165 million people, but it did seem to me that some of the critical comments of the gentleman from California were a bit severe.

Mr. HOLIFIELD. If the gentleman will follow my remarks which I shall extend at this point in the RECORD, and will avail himself of a 100-page report by our subcommittee which was signed incidentally by the Republicans as well as the Democrats after 2 years of study——

Mr. JONAS. That would not make any difference to me.

Mr. HOLIFIELD. I think the gentleman will understand what I am saying. I am not condemning the FCDA from the standpoint of making an effort, but their programs have been inefficient and inadequate and they have been working under faulty legislative authority. The Civil Defense Act of 1950 is partly to blame because it was passed before the advent of the hydrogen bomb. Since the advent of the hydrogen bomb in 1952 and in 1953 by the Soviets, there was a completely different problem facing our Nation in civil defense than there was when the act was passed. I am not blaming anybody. I voted for the act myself, but the situation has changed. The point that I am making today is that from the standpoint of inadequacy, the Civil Defense programs were based on the concepts of World War II conventional weapons and not on these new terrible weapons which can destroy a city of a million people.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. OSTERTAG. The gentleman is making a very good point about the need for civil defense. Are we to understand that the gentleman would increase the budget this year for civil defense and, if so, by how many hundreds of millions of dollars?

Mr. HOLIFIELD. No, sir; the gentleman, if he listened to my statement, would have heard me say that I regret that I cannot in good conscience fight to restore the cut in the FCDA budget. If I could come to this floor and in good conscience fight to restore this cut on the basis that we have an effective civil defense program, I would be here fighting it. But I am not criticizing the committee because I think the committee learned the same thing that our committee learned, that the program was inadequate and that the Federal Civil Defense Administrator did not support his budget request.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Texas.

Mr. THOMAS. I commend the gentleman on his hard work in this field. I think he deserves a lot of credit. He has brought this problem to the attention of the country. Whether the gentleman or the rest of us agree or disagree with the Administrator, Mr. Peterson, certainly the gentleman has done a fine job and I think he has worked hard at his job.

Getting back to these hospital beds that our friend from North Carolina has referred to, how many hospital beds are there available in this country now? Does anybody have that figure?

Mr. HOLIFIELD. Yes. I am quoting from memory, but I think there are a little over 1 million hospital beds.

Mr. THOMAS. To give a round figure, it is only 1 million, and about 50 percent of those 1 million beds are occupied by mental patients whom you cannot move.

Mr. HOLIFIELD. That is right.

Mr. THOMAS. So at best you might say that in case of emergency you have what? 250,000 civilian, Army, Navy, and Veterans hospital beds made available. Of those 1 million beds the veterans have 140,000. With that figure in mind, how in the world could this country ever get enough beds? If we use our imagination, and imagination may not be stretched too far in the case of an atomic bomb, I could envision a figure of needing 15 or maybe 20 million hospital beds. Anyway, we just cannot do any such thing as that. We hope the beds we have will never be used; for in a weekly news conference the President is quoted in the Washington Post, February 7, as saying:

> The likelihood of any nation possessing these great weapons of massive destruction (using them in an attack) grows less, I think, every year. * * * I believe as their understanding of them grows, then the less chance that they would go on an adventure that brought these things into play, because as I see it, any such operation today is just another way of committing suicide.

Mr. HOLIFIELD. This is really an important question, and I know the subcommittee thought it was important, because I read every word of the testimony. In speaking of hospital beds, it will be impossible to have in standby condition, in operating condition, or in emergency hospitals the number of beds that may be necessary in case of an enemy attack on this country.

I hate to say this, because in the time allotted to me I cannot explain it, but unless there is a system of shelters built in this country to take care of the people in case of a nuclear attack, shelters which will have the beds in them which it will be necessary for the people to have, anyway, to sleep on, even though they be just canvas cots; unless the medical supplies, which amount to only about $1.25 per person, which they have stockpiled and which are contained in the stockpile of $219 million for 175 million people; and unless these medical stockpiles and stores of emergency foods, many of which the Commodity Credit Corporation already has, are stored in these underground shelters, whether they be family shelters, industrial-type shelters, some of which are being built, or group shelters, then the Federal Civil Defense Administration has an unmanageable problem.

They cannot possibly evacuate our cities. The Department of Public Roads put out in January a study of the evacuation problem, which shows it is an impossibility to evacuate our cities; yet this is the program the Federal Civil Defense Administration has advocated all these years. Now this study comes out and proves you cannot do it. They have taken time studies. They say it would take $23 billion to widen the egress roads in order to get the people 45 miles out from the cities, and then how would you take care of them when they got out there?

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. OSTERTAG. I know the gentleman has given a lot of study to this subject. I consider him an expert in this field, and I am just a beginner myself. I should like the gentleman to give the committee his estimate on what the shelter program the gentleman advocates would cost.

Mr. HOLIFIELD. After 2 years, I honestly cannot give the gentleman an accurate estimate, but I will say this, that we have estimates before our committee, ranging from Dr. Edward Teller, the father of the H-bomb, who testified it would cost something like $6 billion, to the Navy radiological laboratory, who have studied this problem since Bikini, for 10 years. This is an organization of the Navy which has close to 700 scientists and engineers in it. Their estimates say it would cost around $16 billion to build the shelters and about $4 billion to equip them.

Mr. VURSELL. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield to me for a unanimous-consent request?

Mr. JENSEN. I yield.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent that I may insert in the RECORD at this point remarks I made on Thursday last.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to tell the gentleman from Pennsylvania [Mr. GAVIN] that it was also a very great day for America when St. Patrick's Day came into being. Many of our soldiers during the Revolutionary War were of Irish descent. They have added enormously to everything in our country—to the spirit of patriotism, to the sciences, and so forth.

Mr. Chairman, I am glad we are celebrating St. Patrick's Day Sunday and

even on Monday in Massachusetts today as well as tomorrow. We have an extra day to celebrate.

Mr. Chairman, I should like to bring to the attention of the House, although I do not believe it is necessary, the concerted propaganda that is going on regarding so-called benefits for the veterans.

We all sympathize with the chairman of our Committee on Veterans' Affairs because 2 of his sons were in a very serious automobile accident and I understand 1 is critically ill. And that is why he is away in Texas when the direct loans for GI housing is proposed. That bill, providing for loans for GI housing will come up in a couple of weeks, according to the statements of the gentleman from Massachusetts the distinguished floor leader.

We also passed out of our Committee on Veterans' Affairs a bill which would provide an increase to veterans having service-connected disabilities. They need this increase very badly. Nothing was done in the other body last year although the House passed a bill for service-connected cases. Almost every group, in fact I think every other group, was given an increase in pay or compensation last year. But the other body failed to pass legislation for the veterans giving them an increase in pensions and compensation.

Also I should like to remind the House, although it is not necessary, of the work that the American Legion is doing in the rehabilitation of these veterans. It was Charles McGonegal who was at the Walter Reed Hospital some years ago, after World War I, who gave both hands for us.

He was the first one to use these appliances. He learned to dress himself, and there is not very much today that he cannot do.

As a result, his work set an example to many others of the hand and leg amputees in trying to get prosthetic appliances. There is a child in California, the child of a civilian, who was born without either hands or feet. As the result of the work of this fine Veterans' Commission, headed by Charles McGonegal, that child has been furnished with an artificial arm. The child is only a year old, and for 1 year, unless moved, he was flat on his back, but within 24 hours that child was able to turn over by himself. They are going to fit the child with another artificial arm and with artificial feet. You can see what the work of the Legion and the veterans means in helping to rehabilitate the civilians as well as the veterans. These rehabilitation workers in the Legion are leading dedicated lives. I deplore with all my heart the attempt today seemingly to forget the sacrifices and the work of the veterans. It is so serious that I would like to go all over the country talking about it. I am sure the taxpayers do not want the veterans to do without this service and other help, and increased compensation to take care of them. To the great public it would be such a scandal it would reach from here all over the world.

Mr. JENSEN. Mr. Chairman, at the outset of my remarks, I would like to concur in all the nice things that have been said by members of the committee about my good Iowa friend, Mr. Floete, Administrator of the General Services Administration. Mr. Floete was a successful businessman for many, many years before he came to the Government. He has a very difficult job, but he is doing that job with honor, dignity and credit to himself and to his country. I also want to pay my compliments to the subcommittee that has brought this bill before the House, the Subcommittee on Independent Offices Appropriations. I want to compliment them because of the fact that the bill which they bring before the House proves conclusively that they have taken a great deal of time and have put much effort into the study of the budget and have seen fit, in their good judgment, to reduce the budget requests by something over a half billion dollars, and that is most commendable.

I have a couple of questions I would like to direct to the chairman of the committee my good able friend the gentleman from Texas [Mr. THOMAS]. I have, as you know, taken considerable interest in seeing to it that the personnel in the different departments of Government was not overstaffed. From what I can learn by reading and studying the budget and the action of the committee, you have reduced the budget request for personnel considerably. I think you have done a very good job, but I would like to hear the gentleman from Texas [Mr. THOMAS] tell the House just what the committee did regarding the budget request for additional personnel over and above that which was allowed in the 1957 fiscal year budget.

Mr. THOMAS. I will say to our distinguished colleague from Iowa [Mr. JENSEN] that certainly we are all aware of his fine work in the field of personnel and his good work in other parts of the budget. But answering the gentleman's question directly, we made a strenuous effort to hold these agencies to the last year's estimates and under it as well. We varied a little bit, but not much. By and large, there are fewer personnel jobs this year than there were last year regardless of the budget estimate.

Mr. JENSEN. I thank the gentleman. I hope that every subcommittee on appropriations will do as good a job as this committee has done in that instance.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. JONAS. On that point, I think attention should be drawn to the very fine job the Administrator of Veterans' Affairs has done in this field. Not enough has been said in the way of complimenting the Veterans' Administration for the fine progress they are making in the Veterans' Administration in reducing administrative expenses. I would like to call the gentleman's attention to these figures. In 1953 the Veterans' Administration had 41,473 employees. In 1957 it was down to 29,440, a reduction of 29 percent; and for 1958 the budget request was for an average employment of 28,260; down another 1,224 in personnel.

Mr. JENSEN. I am glad to have that information. I am sure the country will be glad to have it too.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has expired.

Mr. VURSELL. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. JONAS. So we could not cut off any personnel in there, because they are doing a lot of cutting themseves.

Mr. JENSEN. I am glad to have the gentleman's contribution. Now I am sure that most every member of the House has heard me speak, one time or another, about the awful post office and Federal office situation in Council Bluffs, Iowa.

In 1951 the Federal building which contained the Federal offices and the post office was condemned and torn down. The post office was moved into an old building, and the Federal offices were scattered all around town. The Government is expending around $20,000 a year for rental space for those Federal offices and for the post office.

Five members of the Public Works Committee came to Council Bluffs 3 years ago at my request, and made an investigation into the matter. They made a report to the Committee on Public Works, explaining the terrible condition that existed in the post office at Council Bluffs, and the other Federal offices there, which, as I say, are scattered all around town at great expense to the taxpayers.

I note, starting on page 10, that the bill contains these words, and I want to read them into the RECORD, and then I want to ask the chairman a question or two:

> Payments, public buildings purchase contracts: For payments of principal, interest, taxes, and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), $1,331,100: *Provided*, That the Administrator of General Services may enter into contracts during the fiscal year 1958 for which the aggregate of annual payments for amortization of principal and interest thereon shall not exceed $9 million, in addition to the unused portion of the $12 million limitation applicable prior to July 1, 1957, under the Independent Offices Appropriation Act, 1957 (70 Stat. 343): *Provided further*, That the contracts about to be entered into shall have been authorized by the appropriate legislative committees and in amount by the Committees on Appropriations of the Senate and House of Representatives.
>
> Construction, public buildings: For construction of public buildings pursuant to the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $2,125,000, to remain available until expended.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. THOMAS. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. JENSEN. I thank the gentleman.

Now I would like to ask the gentleman, will he in his own words explain just what that provision means.

Mr. THOMAS. I will be delighted to.

You have 3 basic figures: $1,331,100; second $9 million; and, third, $12 million. The $1,331,100 is for payments on obligations incurred under the $12 million. The $9 million is a limitation on debts he can create for 1 year, namely, for 1958.

Mr. JENSEN. For what purpose?

Mr. THOMAS. For these buildings.

Mr. JENSEN. For plans, specifications, and so forth.

Mr. THOMAS. The item of sites and planning is over 1 page and that is $20 million. Now you are dealing with payments after the contract has been made, you are amortizing it. This is an installment plan. It has been bogged down. There is no need to go into that question, but it is bogged down, and the only money we are spending this year is $1,331,100.

Getting back to the gentleman's proposition, the gentleman has been long-suffering. I may add that our distinguished friend the gentleman from Oklahoma [Mr. STEED] went out and investigated for his committee and reported that it was long overdue.

May I say to my friend and I mean this: If this program does not get started this year, you come back to the committee and I am going to help BEN JENSEN get his buildings up.

Mr. JENSEN. I thank the gentleman. We have waited so long. The people of Council Bluffs are about at the end of their patience. I hope it will not be necessary to wait another year. If the provision I have read is made law, it will go into effect July 1 of this year.

This situation now is that the interest rates have risen to the point that the amounts authorized by the Public Works Committee for the Council Bluffs building and others under the Lease Purchase Act are not adequate and the bids received are so high that they have all been turned down except for one building in eastern Iowa.

We are hoping, of course, that the Committee on Public Works and the General Services Administration will soon find some solution to this problem so that buildings such as the Council Bluffs building proposal can get under construction at a very early date, and before next year.

I appreciate the statement of the gentleman from Texas, the chairman of our committee.

Mr. THOMAS. Mr. Chairman, I yield 7 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I share the very keen interest which was manifested in this Committee this afternoon during the remarks of the gentleman from California [Mr. HOLIFIELD]. I think if their is any Member of this House who is performing an outstanding public service at this day and in this hour in alerting the people of our country and the membership of this body to a very grave and imminent danger, it is the gentleman from California [Mr. HOLIFIELD]. I discussed with him a few minutes before he took the floor the concern which I felt and which I know he felt also about the implications of this cut in the appropriation for civil defense provided for in this bill. The cut is a very severe one. I think in terms of percentage it is the most severe cut administered to any of the agencies covered by this legislation. It has been cut $90,300,000 below the budget request, and $54 million below the 1957 figure, to the amount of $39,300,000 for 1958, and I feel as does the gentleman from California with regard to the implications of this cut.

If this action is an expression of the dissatisfaction of the Committee on Appropriations with the present program of civil defense, if it can be construed and viewed as an expression of this Congress of dissatisfaction with the present inadequate program, that is one thing. But if it represents a congressional finding that civil defense today is of diminishing importance and concern to our people, that the program of civil defense is not as important as it was last year or the year before, then I say to you with all seriousness that this is probably the most critical decision which we may make this year.

I am afraid from reading the report of the committee and the emphasis placed in that report upon the language of the President at a press conference on February 7, 1957 that this action is very likely to be viewed by some people in this country as a downgrading of the importance of civil defense by this body.

Mr. EVINS. Mr. Chairman, will the gentleman read to the Committee the President's statement at this time?

Mr. EDMONDSON. I will and I am glad to read it at this time. The President at his weekly conference quoted in the Washington Post, February 7, 1957, said:

> The likelihood of any nation possessing these great weapons of massive destruction (using them in an attack) grows less, I think, every year. * * * I believe as their understanding of them grows, then the less chance that they would go on an adventure that brought these things into play, because as I see it, any such operation today is just another way of committing suicide."

It is not hard, reading this statement by the President and noting the importance attached to it in this report, to reach the conclusion that this body shares the opinion of the President of the United States.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I read the statement made by the President at his press conference with great amazement. It is one thing for the President individually and personally to feel a certain way, but it is a wrong thing for our country to act that way. We must be prepared. That is the language of one who the public might well believe feels that we should weaken our defense. I might personally feel that the Soviets are not going to attack us, but under no circumstances as a legislator should I take action in accordance with my personal belief because the very existence of our country and the safety of our people are involved.

Mr. EDMONDSON. I feel that the gentleman is exactly right. Our majority leader has sounded an appropriate note of warning here. All of us would do well to ponder upon it for a moment as we vote on this particular piece of legislation.

It is not so very long ago that a lot of plans were being made in the Pacific on the assumption that it would be suicide for Imperial Japan to attack the United States. It has not been so very long ago that a lot of plans were made on the continent of Europe on the assumption it would be suicidal for Fascist Italy or Nazi Germany to enter into a world conflict. Yet we know from history that these nations were willing to risk suicide in what appeared to be insane adventures and for a very long period of time the issue was in doubt. We cannot predicate the defense program of this country upon the supposition that it would be suicide for anybody to attack us. No more can we predicate the civil-defense plan on the assumption or belief or hope or prayer that it would be suicide for any nation to attack us with atomic bombs.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from North Carolina.

Mr. JONAS. The statement the gentleman is quoting as having been made by the President, and it is contained in the report, was in answer to a question asked the President at a press conference. His indication of the need to continue a civil defense program is reflected in the budget request which came to the subcommittee. There is quite a deal of difference between a response made by the President to a question asked him at a press conference and his request for funds which he sends to the Congress.

Mr. EDMONDSON. The gentleman makes a good point and I think it is a sound one, but I insist, on the other hand, that for the committee to take this statement which he made at a press conference and establish it in a report as justification for a drastic cut is opening the Congress up to very serious criticism, and justifiable criticism, by the people of the United States. The people are entitled to rely upon the judgment of the President and the judgment of this Congress as to the actual danger. When we reduce these expenditures and reduce them in the context of a statement by the President at a press conference, that there is no great danger or likelihood of this attack, then I think we present a very dangerous picture to the American people. I, for one, hope that this Congress will act and act promptly and with unanimity on the recommendations of the Holifield subcommittee when those recommendations are brought before this body. The real problem that we have in our civil-defense program today is not the absence of dedicated people in that program. All of the Members of this House know people in their own communities who are giving long hours of their time, at great personal sacrifice, to the cause of civil defense. I do not believe we have in any community any more dedicated and public-spirited

minded people than we have in the civil-defense program.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Texas.

Mr. THOMAS. Just what would you suggest now that should be done that has not already been done in this program?

Mr. EDMONDSON. My suggestion is that we go forward with the Holifield committee recommendations for recognition of Federal responsibility and authorization of a shelter program, and I think it is imperative that we go ahead with this shelter program in this country.

Mr. THOMAS. Does the gentleman realize there is $2 million in this program to go out and experiment with shelters? And $2 million is not chicken feed, is it?

Mr. EDMONDSON. I realize that there is $2 million left out of a request of either $10 million or $6,700,000 for that purpose, Mr. Chairman, and I recognize that $2 million is not chicken feed, but I recognize that the elimination of this, with the national importance it has, may very well mean more than $2 million. The request was for $6,700,000, as I recall, for the general field of research and development of a shelter program.

Mr. THOMAS. That is a horse of a different color. The gentleman said $10 million for shelter. I just wanted to correct that.

Mr. EDMONDSON. I do not think there is a nickel recommended to build initial shelters.

Mr. THOMAS. Two million dollars was requested for experiments to build shelters, and we gave them exactly what they requested.

Mr. EDMONDSON. I certainly think that the responsibility for the failure of the civil defense program rests in a very large part upon the leadership of our Federal Civil Defense Administration, and while it has many devoted people in its rank and file, I think its leadership has not given to the House or to the people the guidance and the direction and the forward movement that we need to really be prepared for the possibility of nuclear warfare. We have already had it demonstrated in the past history of this country, of nations who are willing to gamble suicide in their insane ambitions to achieve world conquest, and we could very easily be confronting a similar enemy this year or next year on many fronts across this world. I do not think tomorrow is too late to begin favorable action in this House on the Holified recommendations, and I hope this House will join hands to a man in support of an aggressive, realistic shelter program which will provide a measure of security and a real deterrent to war in this perilous age in which we live today.

Mr. OSTERTAG. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, not being a member of the committee, I want to thank my colleague for giving me this time. I do not believe that the discussion that has been going on here this afternoon relative to this budget is lost. Until now in this term of Congress, spurred on, I would say, by the fact that the people generally everywhere have made a pretty strong resistance movement against the size of the Federal budget, we have not had to face the climax that we have witnessed here today. It would seem to me that what we have witnessed today in these discussions clearly indicates to us that over the long years of activities in this body there has been more concern for promoting causes that cost the taxpayers money than we have given to the ultimate cost as it would accumulate from year to year. Here we have a $72 billion budget. That is something rather amazing when we think about it. Where are you going to cut it? Has it not been shown here today that so many of the appropriations required for these various activities of Government are meant to take up certain fixed charges to the amount, I believe, all told, of $18 or $19 billion, all of which the Congress has created during the years? These fixed charges represent former creations of the Congress. So when it comes to cutting the budget, and we find these fixed charges facing us, it is very, very difficult to know where to begin.

Inasmuch as we have a world situation at this time that keeps us on the qui vive; inasmuch as we are anxious about the protection of our own relations with governments throughout the world, we hesitate to make drastic cuts in the recommendations of our leaders and our military people lest we weaken the national defense.

So I think this, Mr. Chairman, that from now on it behooves the Members of this Congress to recognize that in each and every authorization for public improvement, for social benefits, for whatever it is, necessarily there will eventually pile up a certain amount of cost that cannot be escaped; and the longer we shirk our responsibility, the less apt we are to have an opportunity to cut the budget in the future. So I think it is a lesson we ought to take to ourselves. The people of this country I think are wide awake to the situation. They are casting an eagle eye on every Member of this Congress to see how he feels and how he behaves about cutting this budget. So I think it is up to us, Mr. Chairman, as Members of Congress, to go just as far as our consciences will let us in curtailing those activities which it is at all possible to curtail. I certainly think there is some room for curtailment in the number of Federal employees that we have. Here we are in a time of peace with 2,300,000 public servants which means—and you have seen it demonstrated here today—increases in salaries, and in addition increases that accumulate by reason of the protection of their pension systems, which will all come to us one of these days in a late day of awakening to make us see that we have been a bit too irresponsible in those things that we have done.

So, Mr. Chairman, I hope this discussion has done us all good. It is much easier to contract an obligation than it is to pay it.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to our distinguished friend from New York [Mr. MULTER].

HOUSE SMALL BUSINESS COMMITTEE HEARINGS

Mr. MULTER. Mr. Chairman, may I take a minute to stray from the subject at hand and announce to the Members of the House that on Tuesday next, March 26, the House Small Business Committee will start hearings involving the improvement, if it can be improved, and the extension of the Small Business Act.

Those Members who have problems involving small business, and I am sure everyone has, are invited to attend before the committee. They are requested to consult with the committee as to a convenient time when they can be heard, or if they cannot appear personally, to submit a statement with reference to the operation of the Small Business Administration. We will be very happy to hear all of the Members who have any problems or any suggestions with reference to the operation of that act.

THE WASTE OF $256,785,000

And now, Mr. Chairman, if I may return to the subject at hand.

For 4 years the Federal Civil Defense Administrator has been traveling and talking and trying to scare the American people. Shortly after Governor Peterson accepted the office of Administrator of the Federal Civil Defense Agency, the Soviets exploded the first hydrogen device or weapon.

The radioactive hazards of hydrogen explosions were first recorded in our own initial test in the fall of 1952. Notwithstanding the fact that Congress has appropriated $256,785,000 during Mr. Val Peterson's stewardship, he has failed to develop an effective civil defense program.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Texas.

Mr. THOMAS. I know the gentleman will forgive me for saying this, but I must say something about Governor Peterson. The man has had an impossible job. I agree with just what the gentleman has said, that he has scared us all to death. We get him in committee and we rib him and we give him a bad time, but, frankly, I do not know of a man that has worked any harder and who has done perhaps as much as our friend from California to bring the attention of the people of this country to this problem. I disagree with his general conclusions, and perhaps I might say the committee does, because we did not go along with appropriating all this money. However, the man has had an impossible job. Whenever a man takes an impossible job and works at it, my hat is off to him, whether you agree with him or disagree. I think he is a good, fine American citizen trying to do a job that is awfully hard to do.

Mr. MULTER. I agree with all the distinguished chairman of the subcommittee has said to us, but he has left out one important thing. In addition, his job is a very thankless job.

Mr. THOMAS. Yes; that is right.

Mr. MULTER. I think that in accepting it he knew he was putting himself in a position where he would have brickbats thrown at him, not only by me but by everybody else. My remarks are not addressed against the gentleman or his integrity. I have the highest respect for him.

The present civil defense program is merely an extension of the World War II civil defense procedures. It fails utterly to comprehend the hazards of nuclear warfare. It has spent vast sums studying and propagandizing the theory of evacuation of millions of city people, over inadequate egress roads into the countryside. The program makes no provision to shelter, feed and provide protection from the radioactive fallout which would contaminate thousands of square miles in downwind directions from the point of bomb explosion.

It is almost ludicrous to hear the comments about some thousands of hospital beds that have been prepared for emergency use. I was very glad to have the chairman point out that if all the hospital beds that are now available were to be saved just for use in the event of an atomic or hydrogen bomb attack, the number would still be inadequate to do the job.

The fact of the matter is that with all of these emergency hospital beds being prepared, no one has yet thought of how you can protect these beds against the windfall of these bombs. In days gone by we were able to mark our hospitals with tremendous red crosses and hope that the bombers as they flew overhead would respect the fact they were hospitals. It is time we woke up and realized that the windfall from these atomic and hydrogen bomb explosions has no sight or hearing, no sense or sensibilities, and no one has yet devised a method of stopping that windfall from seeping into our hospitals.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. JONAS. I do not wish to be considered as defending this program, but I would like to make this comment. There is a great deal of difference between hospital beds in New York City in skyscraper buildings and the sort of emergency hospital that civil defense has arranged for because it is contemplated that they will be taken to different parts of the country where emergencies exist and there be erected, not in a separate building, but in an existing structure.

Mr. MULTER. I wish somebody would tell us how with these 338,000 emergency beds, which I think is the number the gentleman mentioned, we are going to take care of some of the people out of my district. There are almost half a million people in my Congressional District, which is just a small part of Brooklyn. Brooklyn is only 1 county in 5 counties in the city of New York. How is anybody going to get these people out of my district and to these emergency beds in the event of a catastrophe if it should occur, and we all hope it will not.

Mr. JONAS. I think it is contemplated one of these emergency hospitals will be erected in your district or nearby in the event that disaster strikes.

Mr. MULTER. 1,000 beds, 2,000 beds, 5,000 beds?

Mr. JONAS. Of course, in order to take care of the entire population of the United States, you would have to have 165 million hospital beds.

Mr. MULTER. Do you see what the distinguished chairman meant when he talked of this impossible task Mr. Peterson has? With 5,000 beds in my district of almost one-half million people, which 5,000 are you going to try to get into the hospital?

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. EDMONDSON. Would it not be the much greater part of wisdom to provide facilities to prevent these people from becoming hospital cases in the first place than to try to set up hospital beds for every person in the United States?

Mr. MULTER. There is no doubt but that the gentleman is right.

Mr. JONAS. Mr. Chairman, will the gentleman yield for one observation?

Mr. MULTER. I yield.

Mr. JONAS. Of course, the use to which these emergency hospitals is to be put is not supposed to be confined to situations where hydrogen bombs explode. They could be used for other emergency situations when disaster strikes—from bombs and otherwise.

Mr. MULTER. Of course, that is true, but is that what you are trying to prepare for? By this program, are we trying to prepare for disasters caused by nature or are we talking about a civil defense program to provide against disasters of war? I think that is what we are supposed to be doing.

The people of the United States in their confusion about the solution of the civil defense problem nevertheless indicate an intuitive conviction that the Federal Civil Defense Administration suggestions are either phoney or inadequate. I say that in all good will. That is the reason they refuse to participate in local civil defense efforts.

Until the President and his Security Council and the Federal Civil Defense Administrator come up with a realistic program, we should continue to cut their budget request and save the many millions of dollars which would otherwise be wasted.

I joined many other Members in submitting a bill to make the civil defense agency a part of the Defense Department. I say to you as earnestly as I can that if any of you think that in the event these atomic bombs and hydrogen bombs should begin to fall on this country that we can get along with anything less than martial law in those areas that may be struck, you are sticking your heads in the sand.

That is why you must make this civil defense program a part of the defense program. That is the only way it can be made to operate effectively. I hope that will be one of the suggestions that you will soon be called on to act upon in this session of Congress.

DOUBLETALK AND DOUBLECROSS

Some comment was made a few moments ago about the President making some remarks in a press conference which were different from the remarks he makes when he sends up his budget messages.

In my opinion the President and his Secretary of State and all of their high, appointed public officials are in duty-bound to say the same things in their press conferences as they say in their messages to the Congress.

This business of doubletalk and double standards has gone too far. No President has the right to say one thing in a message to the head of a foreign government and another thing in a press conference, have his Secretary of State at a press conference the next day contradict what the President said; and to permit his representative in the United Nations say something else again.

This business of doubletalk and double standards must stop and the sooner this Congress says so to the executive departments, the better off we will be. If any of you think now that I am referring to the situation in the Middle East, you are right—I am referring to it because it is a horrible situation.

In the language of the street, what is happening there today is nothing but a despicable doublecross, a doublecross by people in high Government office, including the President and his Secretary of State.

It is a spectacle most degrading of all the high principles this country has always stood for and espoused.

It is high time we stood upon this floor and called them to account for this reprehensible action.

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has again expired.

Mr. EVINS. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. It is getting late, and I am not going to take much time this afternoon, but, as usual, I would like to say a few words on the matter of strategic stockpiling funds.

I think that the committee and the Congress since 1939 have done an excellent job in providing funds for what I believe to be one of the most important matters in the nature of our national defense and security—for a free people not to be dependent on foreign sources in case of war.

When I came to Congress that year I was a member of the old Military Affairs Committee, charged with some of the responsibilities of trying to put together security for this country. One of the first things we found was that we did not have anything to do with our waging a war. Some of us got busy and tried to enact some legislation. Then the Congress enacted Public Law 117, 76th Congress, August 9, 1939. Those were serious days, when the German army was rolling across Europe, with very little opposition. We appropriated $10 million in the 76th Congress, August 9, 1939. We appropriated $12,500,000 in the 76th Congress, March 25, 1940. We appropriated June 26, 1940, $47,500,000 to acquire strategic materials. Then of course Congress had adopted a policy on strategic items necessary to wage war that were in short supply in America.

After the war was over in 1946, in the 79th Congress, we adopted Public Law 520, which laid down the policy of Congress on this important matter.

August 8, 1946, we appropriated $100 million.

Eightieth Congress, July 30, 1947, we appropriated $100 million.

Eightieth Congress, June 25, 1948, appropriated $75 million.

June 25, 1948, we appropriated $225 million.

Eighty-first Congress, June 23, 1949, appropriated $40 million.

Eighty-first Congress, June 30, 1949, appropriated $375 million.

Eighty-first Congress, June 30, 1949, appropriated $250 million.

Eighty-first Congress, September 6, 1950, appropriated $365 million.

Eighty-first Congress, September 6, 1950, appropriated $240 million.

Eighty-first Congress, September 27, 1950, appropriated $573,232,449.

Eighty-first Congress, January 6, 1951, appropriated $1,834,911.

Eighty-second Congress, November 1, 1951, appropriated $590,216,500.

Eighty-second Congress, November 1, 1951, appropriated $200 million.

Eighty-second Congress, July 25, 1952, appropriated $203,979,000.

Eighty-third Congress, August 26, 1954, appropriated $379,952,000.

The 84th Congress, June 30, 1955, appropriated $321,721,000.

The 84th Congress, the last session, June 30, 1956, appropriated $27,400,000.

This makes a total appropriation of $5,871,411,949 under Public Laws 117 and 520.

Mr. Chairman, I quote those figures because I think the House should know that this has been a wise investment by the Congress. I am informed, and I believe reliably so, that today we can sell what we have in the stockpile and we will have a balance of some $3 billion profit which would go into the Federal Treasury.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. In just a moment.

I do not believe there is any other program in which this Congress has invested its money that has turned out to be a wiser investment than that.

I am not objecting to the present cut. The only thing I want is to have the House and the country know the facts.

This program carries about 74 to 76 items; sometimes we drop out one or more. The rotation system which includes in this last year castor oil to cotton—it is not generally known but we do of course stockpile those items—we have never lost a dime, as far as I can determine from the best information I have, on the rotation of these items; we have actually made some money. In my opinion they have been rotated very wisely.

Mr. THOMAS. Mr. Chairman, will the gentleman yield for one little observation at that point?

Mr. DURHAM. I yield.

Mr. THOMAS. First, may I say to my friend that I believe he is the authority in the House on stockpiling.

Mr. DURHAM. I thank the great chairman of this committee. I am not an authority—just trying not ever to be caught in the same situation we were in 1939 as long as I remain a Member of this body.

Mr. THOMAS. The gentleman has certainly worked at it and worked hard at it, and we take off our hats to the gentleman. But the rotation program costs us about $10 million a year loss.

Mr. DURHAM. I believe there is some disagreement as to that figure of cost.

Mr. THOMAS. When you buy so many thousand gallons of oil and thereafter sell it at less than you paid for it there is bound to be some loss.

Mr. DURHAM. The costs of storage have been added and I do not think they should have been included in the actual sale price.

Mr. JONAS. Will the gentleman yield at that point? That is precisely the point I wanted to ask about when I requested the gentleman to yield before.

Mr. DURHAM. I am glad to yield to the gentleman from North Carolina who is a valuable member of this committee.

Mr. JONAS. Before I read from the record I want to say that I am in full agreement with the gentleman. The committee action in this instance represented the composite view of the committee and not necessarily the individual views of the members. I personally happen to have quite serious misgivings as to this particular cut and I was anxious about it.

Mr. DURHAM. I will say to the gentleman that I am not complaining about the cut. The only thing I am trying to do is to have this matter brought out fully and to show that the Congress has not made a bad investment in this matter of stockpiling strategic and critical materials.

Mr. JONAS. The following testimony from page 976 of our hearings will clear this point up and shows that we have a paper profit of over $300 million in the program at current prices:

Mr. MEDLEY. The total availability under all prior appropriations and rotation receipts and so on is $6,352,091,126. The obligations which would include all costs including the purchase of materials as of December 31 is $5,987,296,027.

Mr. THOMAS. With that you have a $300 million profit out of a $6 billion transaction.

Mr. MEDLEY. That would be about right.

Mr. THOMAS. I don't know how you arrived at that. I hope it is an accurate figure.

Mr. MEDLEY. Yes, sir.

Mr. THOMAS. How do you arrive at it?

Mr. MEDLEY. Well, that is just all the costs. That is the cumulative obligations on the program, including everything.

Mr. THOMAS. I hope your figure is a little better estimate than the way you figure your purchases over at the CCC.

The rotation figure for the last 2 or 3 years has shown a loss of about $10 million.

Mr. MEDLEY. That is included in that. Of the $5.9 billion figure, $5.2 is materials and $694 million is for all other.

Mr. DURHAM. The gentleman's figures may be correct, and I suppose they should be correct. The only thing that the Committee on Armed Services has to go by is the report that is required to be sent to the committee which, as the gentleman knows, is secret and cannot be quoted on the floor of the House. The 6 months report has not come up to the committee, which I complained about because I think it should be made available. I do not know if they have made the secret figures available to the committee. They do make them available to the Committee on Armed Services.

Mr. Chairman, I am hopeful that the committee will not cut out what has been left in the appropriation because I do feel that this House should show to the Department of Defense and the country at large that this program that we believe in is one that has been conducted in a wise manner.

Mr. OSTERTAG. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, I have listened with a great deal of interest and some concern to what seems to be a new policy being adopted by the Government in abandoning the providing of interest payments on money in these reserve funds which the Federal Government uses for the operation and expenses of the Government. According to the actuaries it is going to be necessary to make these funds sound and solvent and that three factors must be considered.

The first is that the employees shall pay into the reserve fund 6½ percent of their total salaries; second, that the Federal Government shall match that payment by a 7 percent payment, and, third, to make the fund actuarily sound the Federal Government must pay interest on any of the money that it borrows from this fund and uses in the operation of the Government. We pay that interest not only on the Federal employees' fund but we pay it also on the railroad retirement fund and also upon the social security fund.

This money in the Federal employees' retirement fund does not belong to all the people of the United States but only to those approximately 2½ million persons who in the past or who at the present time qualify for retirement benefits from the Federal Government. If we withdraw the payments of interest on this fund, then, of course, the time is going to come when the fund will not be actuarily sound and the Government after 1972 will be called upon to pay out of the General Treasury increased sums of money.

I am not opposed to this particular provision in the pending bill, but I am concerned that this practice will be continued in the future and thereby make the entire fund insolvent after a period of time unless, perhaps, we adopt the policy of paying for these benefits out of the Treasury of the United States by printing press money, which would be inflationary. In the long run I think we should always maintain a sound policy for the payment of these benefits to Federal workers, and insist that they

contribute and that the Federal Government contribute, and that we pay interest on this fund, so that we will not be called upon ultimately to make a contribution from the taxpayers' dollars.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Texas.

Mr. THOMAS. I want to compliment my distinguished friend for that good, commonsense statement he is making. Let me suggest to the gentleman that if the budget does not come up with a reasonable payment to this fund next year, I hope the gentleman will support us when we come in with some money to go into that fund.

Mr. MACK of Washington. I thank the gentleman for his statement. I hope the committee will not permit this practice to spread to the railroad retirement fund or to the social-security fund, making those funds less actuarially sound than they otherwise might be.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Illinois.

Mr. YATES. I want to reiterate what the chairman of the committee, the gentleman from Texas [Mr. THOMAS], said: and I want to commend the gentleman now addressing the committee for the excellent statement which he is making. I am also concerned about the fact there is not as much going into this fund as there should be. There is a lack of appropriation of $564 million which I think is the interest on the deficit in the fund now. I hope that the gentleman might give us the benefit of his knowledge as to whether or not he thought we ought to be making the appropriation of $564 million this year or whether we ought to let it go over for another couple of years.

Mr. MACK of Washington. The Chairman of Civil Service recommended to the Budget, as I recall the testimony, that an appropriation of $542 million should be made. The Budget has recommended against that. The committee has taken no action.

Mr. YATES. It was stricken out of the budget.

Mr. MACK of Washington. I know that. I think we should continue as we are and not try to change it in this particular bill, but in the future I do not think we should avoid the payment of interest. I am much interested in social security and all retirement systems. Those who retire need reasonable pensions, for two reasons. I think a person in his old age should have a reasonable amount of income or retirement pension, not an extravagant amount but a reasonable amount, and I also think that everyone in this country who works should pay every payday into pension funds so that he may secure benefits in his old age, not only for his own sake but to protect the general taxpayers of the United States so that he will not become dependent upon them. I believe in compulsory insurance to prevent people from becoming a burden upon the American taxpayers by paying something every payday toward their own welfare.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, in regard to the stockpiling program, I think it should be brought to the attention of the House that the General Services Administration and the armed services people and everybody concerned came to the committee. They brought their documents, call them top secret, middle secret, or what kind of secret you want to, but we let most of it be off the record, and maybe that is a little window dressing. I did not see anything too secret about it. But, anyway, they wanted it secret, and we respected their wishes. But, we did study the problem, and we gave it perhaps the best that we were capable of giving it. I want to remind the House of one thing: This stockpiling program is based upon a 5-year war, and I repeat the statement I made earlier in the day. Do you think if we have an atomic war that it will last 3 years, 2 years, 1 year, 6 months, 30 days, or what? Maybe 30 days is a better guess. And, when you get through, you will have 4½ years' supply of these critical materials in your warehouses, and what are you going to do with them? Now, that is something to think about. We did not try to bring this program to a halt. My judgment is that we better give it some thinking, because it has reached the point now where I doubt it is doing too much good.

Mr. Chairman, we have no further requests for time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Referring to line 23, page 3, of the bill, what is the meaning of this language?

> That nothing in sections 281 or 283 of title 18, United States Code, or in section 190 of the Revised Statutes (5 U. S. C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service—

And so on and so forth. What is the meaning of that?

Mr. THOMAS. Title 18 is the penal code of the United States. This is dealing with United States employees serving on international organizations in New York, the United Nations, and this is a board set up to screen our own employees. There is an Executive Order 1042 dated January 9, 1953, setting up that commission.

Mr. GROSS. "That nothing shall be deemed to apply to any person because of appointment for part-time or intermittent service."

If the gentleman can boil that down to a few words, I should like to know what it means.

Mr. THOMAS. That is the conflict of interest statute. That means when they go in there to serve on this board they shall not be prohibited from serving in other public office or be subject to a $10,000 fine if they have other business with the Government. The board renders advisory opinions as to the integrity of personnel to be employed by international organizations. It is intermittent rather than full annual employment and they are performing a service for the Government when they serve on the board.

Mr. THOMAS. Mr. Chairman, I have no further requests for time.

Mr. OSTERTAG. Mr. Chairman, we have no further requests for time on this side.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

> *Be it enacted, etc.*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for sundry independent, executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, namely.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6070) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

NEW ENGLAND INVITES HER SONS AND DAUGHTERS FROM ALL OVER THE WORLD TO ATTEND 1958 REUNION

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, from the first person who stepped ashore from the *Mayflower*, to the latest refugee from the Red terror in Hungary, every person who has roots or residence in New England is proud to be a member of the "Yankee family."

From the Lawrences and the Lowells to the Zelinskis—all have contributed something to the Yankee character and to the Yankee record of self-reliance and town-meeting democracy.

It was here that the United States was born, and the course of its future was outlined in a manner that, even today, shapes the development of our country in meeting its new responsibilities.

Wherever you go, you will find descendants of New England.

Our forefathers lighted the torch of liberty at Lexington and Concord.

Wagon trains of our pioneers opened the trails to Ohio, Kansas, and California.

Authors and statesmen, preachers and patriots—they and their courageous womenfolk always faced forward, as they are doing on the new frontiers of medical research and scientific progress in the outstanding universities and laboratories of New England today.

From village church to happy home, New England nourishes the great American adventure.

Her sons and daughters have carried this freedom spirit to all parts of the world.

The time for a reunion of this wonderful Yankee family nears.

It is scheduled for the whole of 1958, with a calendar chock full of interesting events.

Yankees everywhere—Adamses, and O'Briens, and Pappalardos—all make plans now to attend the Yankee homecoming in 1958.

For all roads will lead to New England hospitality.

STEPS TOWARD A SOLUTION OF THE MIDDLE EAST CRISIS

Mr. BYRNE of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Speaker, the establishment of a United Nations administration over the Gaza Strip and the stationing of United Nations Emergency Forces at Sharm-el-Sheikh on the Gulf of Aqaba are welcome steps toward a solution of the Middle East crisis. All of us know that from bases in these areas the economy and security of Israel were gravely threatened, and that Israel took action to occupy and destroy these bases only after severe provocation. For their courage and cooperation in evacuating these danger points, the people of Israel and their Prime Minister, David Ben-Gurion, are worthy of our warm congratulations.

At the same time all of us must realize that these steps by Israel and the United Nations mark no more than the beginning of a new effort to establish peace in the area which must be vigorous and decisive. The problems are many and complex. But we must come to grips with them quickly, and by working within the United Nations as well as by direct diplomatic action hasten the day of their solution.

Our responsibility in persuading Israel to withdraw from Aqaba and the Gaza Strip had been headlined in every newspaper in the country. Israel's action was based on faith in our word, faith in certain assumptions that were encouraged by the exchange of notes between President Eisenhower and Prime Minister Ben-Gurion. They were additionally encouraged by the talks between Secretary Dulles and Israeli Ambassador Eban. These assumptions included United Nations control of the Gaza Strip in order to prevent any renewal of fedayeen raids, freedom of passage through the Straits of Tiran, and freedom of passage through the Suez Canal.

It is evident to all that if we are to defend this region successfully against Communist aggression, we must move swiftly to clear away the conditions which invite Communist infiltration and subversion. The United States has a very real stake in a Middle East peace because it is directly related to our defense of democracy and the free world.

In the critical months that have just elapsed, the problems which divide and agitate the Near East have become clearly defined. The positive steps that we must take in order to settle these problems have also become clear. It is obvious that the hostile acts of raid and blockade which Egypt and the Arab states have been waging against Israel in violation of the 1949 armistice agreement must never be resumed. To insure that condition, the United Nations Emergency Force and administration must remain in the Gaza Strip until satisfactory peace arrangements can be reached. There must be no weakening in the vigilance against fedayeen marauders lest this slender finger of land pointed at the heart of Israel become once more a scene of carnage and destruction. If past experience can serve as our guide, we must never allow Egyptian forces to return to the Gaza Strip.

The United Nations Emergency Force must also remain in Sharm-el-Sheikh so that the blockade of the Gulf of Aqaba shall not be resumed. The Egyptian guns that formerly commanded the Straits of Tiran leading into the gulf have been silenced and the gun emplacements blown up by the Israeli Army. There is no reason why the Egyptian fortifications on this desolate barren strip of land at the tip of the Sinai Peninsula should ever be rebuilt. The Straits of Tiran are an international waterway between the Red Sea and the Gulf of Aqaba, and the right of unrestricted passage through these waters has been affirmed by our Government and other maritime nations. Secretary of State Dulles has said that the United States is prepared to "exercise the right of free and innocent passage" for American ships through the straits and to join with other nations to secure general recognition of this right for the ships of all nations. It would therefore be a serious setback to the commerce and development of the Middle East if this international waterway did not remain open to the world's shipping.

Equally grave would be the consequences if Egypt were to prevent Israeli shipping from using the Suez Canal when that important waterway is reopened. There is a long history of protests by the United States and other maritime powers against Egypt's ban on the passage of Israeli and Israel-bound shipping, and in September 1951, the United Nations Security Council denied Egypt's claim to belligerent rights and called upon Egypt to stop restricting such shipping. We also called the attention of Egypt to the fact that such an act was a gross violation of the armistice agreement with Israel and urged her to comply with the resolution of the United Nations Security Council. There is no reason why Egypt cannot be persuaded to obey this United Nations resolution if we make the effort.

The importance of observing the armistice agreement has been given fresh emphasis in recent weeks by the President and the Secretary of State. They left no room for doubt that we intend to insure free and innocent passage of ships of all nations through the Suez Canal as of right and not on sufferance. The world will once more be placed in an intolerable position if it submits this right to the whims and pressures of Egyptian domestic politics.

Most important of all, we must demand scrupulous observation of the clause in the armistice agreement which rules out any belligerent rights, any claim to rights under a state of war. Egypt should be reminded as forcefully as necessary that we will not permit any resumption of warlike acts in the Middle East.

The urgency in the Middle East which President Eisenhower has referred to applies to the Egyptian actions as much as it does to Communist aggression. We must move swiftly and decisively to prevent any return to the conditions which led to hostilities last year. The great prestige and influence of our country should be directed toward the establishment of new circumstances which will make peace possible. We must give substance to the promise made by President Eisenhower to Israel's Prime Minister Ben-Gurion when he said in his letter of March 2 that it has always been the view of this Government that a united effort should be made by all the nations to bring about conditions in the area more stable, more tranquil and more conducive to the general welfare than those which had previously existed.

To bring about these conditions there must be an end to the traffic in arms in the area. There must be an end to the persecution of Jews in Egypt and an end to the hostile acts of one nation against another. And there must be a new beginning in negotiations for peace with Israel, and a start in the resettlement of the Arab refugees in Arab lands which urgently need this population. Only in this way can some measure of stability be established and the freedom of great international waterways be maintained. We would be deluding ourselves and the rest of the world if we settled for less. Only with peace can the great projects for regional development, for highways and the harnessing of water resources for the benefit of all get under way. By creating high living standards and an atmosphere in which peace and freedom can thrive, by giving each man a stake to work and fight for, we can keep communism out and go forward with the development of the Middle East.

THE CONSTITUTION OF THE UNITED STATES

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. DAVIS] is recognized for 60 minutes.

Mr. DAVIS of Georgia. Mr. Speaker, a short while back this body celebrated its 168th anniversary. This date was not only important because it marked the birthday of this great body, but because

it marked the anniversary of the beginning of the operation of a great constitutional form of government.

Our history is a testimony to the sufficiency of our Constitution. The institutions established by the greatest single document ever created by man in his search for enlightened self-government have stood the test of time.

The three branches of our Federal system have over the years brought dignity and respect to their respective branches. This is acknowledged by the vast majority of our people. It is recognized that each has acted in the best interest of all consistent with the wishes and demands of the governed.

None of the three branches had acquired a higher reputation or enjoyed more respect of the Nation as a whole than the judiciary. Over a period of one and three-quarters centuries the Supreme Court had come to enjoy the confidence of the bar of the country, as well as the courts of the various States as no other court in the world. Its orders and decisions were accepted and followed with respect, although not always with complete agreement. This reputation and the respect for its opinions were not something conferred by a legislative act or an Executive pronouncement. It was, rather, an accomplishment earned by years of strict adherence to the law as it was written and enacted by the proper forums.

It is sometimes amazing to realize the degree of legal thinking that dominates our form of government. Every act of the Congress, every order or move by the Executive must be considered in relation to our Constitution and the powers conferred thereby. Ultimately every action of Government is subject to review by legal tests and consideration and may result in litigation eventually coming before the Supreme Court.

It is not only desirable but absolutely essential that the Court enjoy the respect, not only of all branches of Government, national and local, but also that of the bar and the bench as well as the people whose very lives its decisions affect.

When we examine the history of the Supreme Court we find that its reputation did not come upon it overnight but rather was earned painstakingly by rendering decisions based on the law as it was, and not as the Court thought it ought to be. I am sure that there have been many decisions rendered which did not necessarily express the economic or social philosophy of the individual members of the Court. However, as a rule in the past they proved their judicial temperament by proclaiming the law as it was found on the statute books or in the Constitution of the United States.

The decisions of our present Supreme Court are slowly but surely destroying this confidence of the people and their elected representatives as well as the subordinate judicial bodies of this country. Evidence is daily accumulating that serious, patriotic Americans are finding it impossible to accept the efforts of the Court to usurp the power of the other constitutional bodies of our Government. More and more we find the challenge to the Supreme Court's invasion of reserved powers and its bare grab for power being shouldered by those instruments of government closes to the people.

Not only is the Court's unwarranted attempt to impose its social philosophy upon the people by its decisions and orders being resisted by individuals and groups, but also by legislative bodies and our State courts.

I was impressed by the latest State court decision which found it necessary to deny the Supreme Court the authority to invade its jurisdiction. I refer to the decision of the State Supreme Court of Florida announced March 8, 1957.

This is the third State supreme court in the recent past that has found it necessary to reject an opinion of the United State Supreme Court, which had, by a most unique and possibly illegal means, tried to usurp the power of a jurisdiction reserved to another branch of our government, that of the right of a State court to control its own discretionary process.

The first case in which a State court found it necessary to deliver a stinging, but merited, rebuke to the Supreme Court for unauthorized meddling in the affairs of the State was in the Supreme Court of the State of Georgia. In this case, Williams against State of Georgia, the Supreme Court attempted to invade the jurisdiction of the State courts in a matter strictly reserved for State determination.

The case involved a Negro who had been convicted of murder by a jury and sentenced to death by the trial court. After sentence was imposed the defendant filed a formal motion for a new trial, which was later amended, and then overruled. Exceptions were filed; the Supreme Court of Georgia affirmed the conviction, and the defendant was again sentenced to death. At this stage in the proceedings the defendant filed an extraordinary motion for a new trial, claiming for the first time that his conviction was invalid because of a defect in selecting the jury panel from which the jury was drawn that convicted him. Georgia law provides that the jury panel must be challenged before the panel is put upon the defendant. If the panel is not thus challenged, the issue cannot later be raised and is considered waived once and for all. Therefore, after due consideration, the trial court dismissed the motion. This dismissal also was appealed to the supreme court of the State, where it was affirmed, the court holding that the challenge to the panel was made too late, and that the grounds for the motion were insufficient.

Certiorari to the Supreme Court of the United States was granted and after a hearing the Court remanded the case to the Supreme Court of Georgia for reconsideration.

The Federal court after acknowledging that a State procedural rule such as that applicable in Georgia was recognized as a valid exercise of State power concluded that the trial court and the Supreme Court of Georgia though possessed of power to do so under State law had declined to grant the motion and that in view of the extraordinary facts of the case orderly procedure required that the case be remanded to the State supreme court for reconsideration.[2] The court did not reverse; it did not affirm; it did not find error; it found that the Georgia law vested in the trial court discretion in ruling upon an extraordinary motion for a new trial and apparently concluded therefrom that the Supreme Court of Georgia should reverse the trial court because the discretion was not exercised as the Supreme Court of the United States would have exercised it.

Headnotes 2 and 3 to the Court's decision (349 U. S. 375) are as follows:

2. A review of the Georgia decisions leads to the conclusion that the trial court and the State supreme court in this case declined to grant petitioner's motion though possessed of the power to do so under State law.

3. In view of the extraordinary facts of this case, orderly procedure requires a remand to the State Supreme Court for reconsideration, and it is so remanded.

This was a blatant attempt, in the absence of any legal ground for interfering with the Georgia court's decision, to impose, by a circuitous use of language the will of the Federal Supreme Court on the Georgia court. It was an outright attempt because of the prestige of the Supreme Court to frighten a State court into a position of servitude.

I am glad to say that the Georgia court recognized this attempt for what it was and refused to be intimidated. I might say that it hastened to reply to the Supreme Court not only by adhering to its decision but stating as follows:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, or to the people * * * (Constitution of the United States, 10th amendment). Even though Executive and legislators, not being constitutional lawyers, might often overstep the foregoing unambiguous constitutional prohibition of Federal invasion of State jurisdiction, there can never be an acceptable excuse for judicial failure to strictly observe it. This court bows to the Supreme Court on all Federal questions of law but we will not supinely surrender sovereign powers of this State.

In this case the opinion of the majority of that Court recognizes that this court decided the case according to established rules of law and that no Federal jurisdiction existed which would authorize that Court to render a judgment either affirming or reversing the judgment of this court, which are the only judgments by that Court that this court can constitutionally recognize.

The Supreme Court (349 U. S. 375, 75 S. Ct. 814) undertakes to remand the case for further consideration, and in their opinion has pointed to Georgia law vesting in trial judge discretion in ruling upon an extraordinary motion for new trial and apparently concluded therefrom that this court should reverse the trial court because that discretion was not exercised in the way that the Supreme Court would have exercised it. We know and respect the universally recognized rule that the exercise of discretion never authorizes a violation or defiance of law. In this case, as pointed out by us, that law is that the question sought to be raised must be raised before trial and not otherwise.

Not in recognition of any jurisdiction of the Supreme Court to influence or in any manner to interfere with the functioning of this court on strictly State questions, but

solely for the purpose of completing the record in this court in a case that was first decided by us in 1953, and to avoid further delay, we state that our opinion in *Williams v. State* (210 Ga. 665, 82 S. E. 2d 217) is supported by sound and unchallenged law, conforms with the State and Federal Constitutions, and stands as the judgment of all seven of the justices of this court.

This commendable stand for independence was soon followed by the Virginia Supreme Court of Appeals in a case involving the application of a Virginia State statute. In this case the Supreme Court attempted, by remanding the case to the Virginia court for further action, to require that court to conform its views to that of the Federal Supreme Court even though it could find no legitimate grounds for reversal.

The case of Naim against Naim was a suit originally brought in the circuit court of Portsmouth, Va., to annul a marriage between a white person and a Chinese. A valid Virginia statute prohibited all such marriages and declared same void. The facts were not in dispute. The circuit court granted the petition for annulment and on appeal the Virginia Supreme Court of Appeals affirmed, holding that the State acting through its court properly exercised its power respecting marriage.

On appeal to the United States Supreme Court, that Court in a per curiam decision stated:

The inadequacy of the record as to the relationship of the parties to the Commonwealth of Virginia at the time of the marriage in North Carolina and upon their return to Virginia, and the failure of the parties to bring here all questions relevant to the disposition of the case, prevents the constitutional issue of the validity of the Virginia statute on miscegenation tendered here being considered in clean-cut and concrete form, unclouded by such problems. (*Rescue Army v. Municipal Court* (331 U. S. 549, 584).) The judgment is vacated and the case remanded to the supreme court of appeals in order that the case may be returned to the circuit court of the city of Portsmouth for action not inconsistent with this opinion.

In reply, the Virginia Supreme Court of Appeals on January 18, 1956, notified the Federal Supreme Court that it refused to take further action, stating:

The record before the circuit court of the city of Portsmouth was adequate for a decision of the issues presented to it. The record before this court was adequate for deciding the issues on review. The decision of the circuit court adjudicated the issues presented to that court. The decision of this court adjudicated the issues presented to it. The decree of the trial court and the decree of this court affirming it have become final so far as these courts are concerned.

Thus the Virginia Supreme Court refused to be intimidated by the Federal Supreme Court into taking action contrary to the established law and procedure which the United States Supreme Court must have known or could have ascertained.

By rejecting this unwarranted invasion of the jurisdiction reserved to the State of Virginia, this State court has taken its place by the side of Georgia in drawing a line beyond which they will not allow the Supreme Court to usurp authority which it does not possess.

This was another commendable demonstration of the determination of our State courts to remain free of outside domination.

On March 8, 1957, it again became necessary for a State tribunal to rise up and assert its judicial independence. The Supreme Court of the State of Florida did this in a case involving the admission of a Negro to the University of Florida Law School.

The opinion of the court is so clear and succinct on the major point that I shall quote a considerable portion of it:

This litigation is concerned with the rights of the Relator, a Negro, to be admitted to the University of Florida Law School, provided he meets the entrance requirements applicable to all students. The history of the litigation is set forth in *State ex rel. Hawkins v. Board of Control* ((Fla. 1955) 83 So. 2d 20), our latest decision in the controversy, referred to hereafter as the 1955 decision.

Our 1955 decision was entered in response to the mandate of the United States Supreme Court in *State ex rel. Hawkins v. Board of Control* ((May 1954) 347 U. S. 971), directing this court to reconsider its decision in *State ex rel. Hawkins v. Board of Control* ((Fla. 1952) 60 So. 2d 162) (the 1952 decision hereafter), "in the light of the Segregation Cases decided May 17, 1954 (*Brown v. Board of Education, Etc.* (347 U. S. 483)) and conditions that now prevail." Since this court has held in a long line of decisions that it is bound by the decisions of the United States Supreme Court "construing the meaning and effect of acts of Congress and those provisions of the National Constitution which restrict the powers of the States," (*Miami Home Milk Producers Association v. Milk Control Board* ((1936) 169 So. 541, 124 Fla. 797)), we held in our 1955 decision, under the authority of *Brown v. Board of Education* etc., (supra, 347 U. S. 483), that the Relator could not be denied admission to the University of Florida Law School solely because of his race. In the exercise of our discretion, however, we decided to withhold the issuance of a peremptory writ of mandamus in the cause, pending a subsequent determination of law and fact as to the time when the Relator should be admitted to that institution; and the Honorable John A. H. Murphree, Resident Circuit Judge of the circuit in which the University is located, was appointed as the commissioner of this court to take testimony on behalf of the Relator and the Respondents, members of the Board of Control, relating to the factual issue. Our decision in this respect was based on two considerations, one a Federal and the other a State ground: (1) The application to the controversy of the formula set out in the so-called implementation decision (*Brown v. Board of Education of Topeka* (349, U. S. 295)); and (2) the exercise of our traditional power as a State court to decline to issue the extraordinary writ of mandamus if to do so would tend to work a serious public mischief. *City of Safety Harbor v. State* ((1939) 136 Fla. 636, 187 So. 173), *State ex rel. Carson v. Bateman* (131 Fla. 625, 180 So. 22); *State ex rel. Gibson v. City of Lakeland* (126 Fla. 342, 171 So. 227); *State ex rel. Bottome v. City of St. Petersburg* (126 Fla. 238, 170 So. 730).

The Relator then filed a petition for certiorari in the United States Supreme Court to review our 1955 decision on the ground that the decision in the Brown case (347 U. S. 483), did not apply to "State junior colleges, colleges, graduate and professional schools." The Court disposed of this petition by a short but not entirely unambiguous opinion, dated March 19, 1956, reading as follows:

"Per curiam.

"The petition for certiorari is denied.

"On May 24, 1954, we issued a mandate in this case to the Supreme Court of Florida (347 U. S. 971). We directed that the case be reconsidered in light of our decision in the segregation cases decided May 17, 1954 (*Brown v. Board of Education* (347 U. S. 483)). In doing so, we did not imply that decrees involving graduate study present the problems of public elementary and secondary schools. We had theretofore, in three cases, ordered the admission of Negro applicants to graduate schools without discrimination because of color. (*Sweatt v. Painter* (339 U. S. 629); *Sipuel v. Board of Regents of the University of Oklahoma* (332 U. S. 631); cf. *McLaurin v. Oklahoma State Regents for Higher Education* (339 U. S. 637).) Thus, our second decision in the Brown case, 349 U. S. 294, which implemented the earlier one, had no application to a case involving a Negro applying for admission to a State law school. Accordingly, the mandate of May 24, 1954, is recalled and is vacated. In lieu thereof, the following order is entered:

"Per curiam: The petition for writ of certiorari is granted. The judgment is vacated and the case is remanded on the authority of the segregation cases decided May 17, 1954 (*Brown v. Board of Education* (347 U. S. 483)). As this case involves the admission of a Negro to a graduate professional school, there is no reason for delay. He is entitled to prompt admission under the rules and regulations applicable to other qualified candidates. *Sweatt v. Painter* (339 U. S. 629); *Sipuel v. Board of Regents of the University of Oklahoma* (332 U. S. 631); cf. *McLaurin v. Oklahoma State Regents for Higher Education* (339 U. S. 637)."

The cause is now before this court on the Relator's motion for a peremptory writ of mandamus to compel the Respondents to admit him to the University of Florida Law School, his contention being that the above-quoted opinion entitles him to immediate admission, provided he is otherwise qualified, without regard to the outcome of the factual study which was in progress at the time of the filing of his motion and which has now been concluded.

There can be no doubt that, by revising its May 1954 mandate directed to our 1952 decision in the manner above noted, the Supreme Court of the United States neatly, albeit laconically, cut off the Federal prop that supported, in part, our 1955 decision. But it will have been noted that the opinion stated that "the petition for certiorari is denied," presumably referring to our 1955 decision; and, this being so, our 1955 decision still stands, nonetheless firmly, on the State ground mentioned therein and referred to above.

Indeed, it is unthinkable that the Supreme Court of the United States would attempt to convert into a writ of right that which has for centuries at common law and in this State been considered a discretionary writ; nor can we conceive that that Court would hold that the highest court of a sovereign State does not have the right to control the effective date of its own discretionary process. Yet, this would be the effect of the Court's order, under the interpretation contended for by the Relator. We will not assume that the Court intended such a result.

In what appears to be a progressive disappearance of State sovereignty, it is interesting to read certain decisions (among others) which the United States Supreme Court has handed down in recent months. See *Railway Employees Dept., etc., et al. v. Hanson et al.* ((May 1956) 100 L. Ed. (advance), p. 638), holding that a union-shop

agreement negotiated between certain railroads and certain organizations of employees of such railroads which had been authorized by an act of the Congress superseded the right-to-work provisions of the Constitution of the State of Nebraska and the State statutes enacted pursuant thereto; *Dentas George Rea* v. *United States of America* ((January 1956) 350 U. S. 214, 100 L. Ed. (advance), p. 213), holding that it was within the power of the Federal courts to enjoin an officer of the executive department of the Federal Government from testifying in a State court in a case involving a violation of a criminal statute of that State; *Commonwealth of Pennsylvania* v. *Steve Nelson* ((April 1956) 350 U. S. 497, 100 L. Ed. (advance), p. 415), outlawing antisedition laws in 42 States, Alaska, and Hawaii; *Griffin et al.* v. *People of the State of Illinois* ((April 1956), 100 L. Ed. (advance), p. 483), requiring the States to finance appeals by penniless persons convicted of crimes; *Slochower* v. *Board of Higher Education of the City of New York* ((April 1956) 350 U. S. 551, 100 L. Ed. (advance), p. 449), limiting the power of States and cities to discharge public employees when they plead the fifth amendment against self-incrimination in duly authorized inquiries affecting the general welfare; *Browder et al.* v. *Gayle et al.* (142 F. Supp. 707 (M. D. Ala. 1956)), affirmed by the Supreme Court, 77 S. Ct. 145, holding invalid statutes and ordinances requiring the segregation of the white and colored races in motorbuses operating in the city of Mongomery, Ala.

It is a "consummation devoutly to be wished" that the concept of States rights will not come to be of interest only to writers and students of history. Such concept is vital to the preservation of human liberties now. And whatever one's ideology may be—whether one is a strong defender of State sovereignty or an equally fervent advocate of centralized government—we think the great majority of persons would agree that if the death knell of this fundamental principle of Jeffersonian democracy is to be tolled, the bell should be rung by the people themselves as the Constitution contemplates. President Lincoln's words of warning are just as true today as they were almost a century ago, when he said in his first inaugural address on March 4, 1861:

"If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court * * * the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal."

And we do not feel it is amiss to refer to the following remarks made by George Washington in his Farewell Address:

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

This decision of the Florida court, while not in defiance of the Supreme Court, demonstrates that the court is not to be intimidated by decisions of the Supreme Court and that it intends to discharge its function in that area which has been constitutionally determined as its proper jurisdiction.

The decisions of the United States Supreme Court are becoming so susceptible to legitimate criticism that when a Federal court of appeals, following the Supreme Court's school-segregation opinion, ordered a United States district judge in Ohio to issue an order ending segregation in the grade schools at Hillsboro, Ohio, the district judge refused to issue the order and demanded that he himself be given a hearing before the Supreme Court, and that the case be carried there in his own name.

A recent decision of a Federal judge in Dallas, Tex., refused to order the schools in Dallas to integrate. This case involved a suit brought to compel the admission of Negroes in the public schools of Dallas. After having heard testimony the court dismissed the case without prejudice. After appeal, the circuit court of appeals, through 2 of its 3 judges, reversed and directed the trial court to afford the parties a full hearing on the issues tendered in their pleadings. The trial court complied and after affording a full hearing again dismissed the case without prejudice, stating that "if there are civil rights, there are also civil wrongs." The judge pointed out that the facts revealed that to force immediate integration in the schools of Dallas would be unthinkable and unbearably wrong. This Federal judge, referring to the Supreme Court's school-segregation decision in deciding this case, said that the Court had based that decision on no law, but rather on what the Court regarded as more authoritative, modern psychological knowledge.

I agree wholeheartedly with the judge in this statement. The ignominy of the Court's basic philosophy is the reliance on a science that is so new and untried, contrary to that of the law which has been tried and tested throughout the ages.

On January 14 of this year the United States Supreme Court handed down a decision in an Alabama case that was so contrary to the law and facts that the circuit court judge in Selma, Ala., where the case originated, was forced to publicly chastise the High Court.

The case involved the conviction of a Negro for rape anud nighttime burglary. On the night of the crime the defendant was apprehended sometime after midnight and held in the local jail on an open charge of investigation. The following morning the defendant was questioned, and again in the afternoon. During this time he was allowed to talk with the sheriff from his home county, for he was a resident of an adjoining county and had requested such an interview. During the evening he confessed the crime. The following day after seeing his employer the defendant was transferred to a State prison in another county in order to maintain his safekeeping. During the week he was questioned at various intervals and made at least one more confession. At the trial the defendant did not take the stand because he was unable to secure a stipulation from the prosecution to limit cross-examination to his confession. The trial resulted in his conviction, which was sustained by the Supreme Court of Alabama.

The Supreme Court of the United States granted certiorari ostensibly to determine whether the requirements of due process under the 14th amendment had been satisfied, particularly with regard to the admission of the confession. Attorneys retained by the NAACP secured a reversal by the Supreme Court on the ground that the confession had been illegally obtained.

Even the Supreme Court split on this decision, the minority holding that the reversal overstepped the boundary between the Supreme Court's function and that of the State courts in the administration of State criminal justice.

The judge of the State circuit court said that the Court had again abandoned the rules of law in reversing the conviction. He stated and I quote:

> The opinion is the voice of the Supreme Court of the United States, but the hand is the hand of the NAACP. The opinion of the majority of the Court speaks the truth neither as to the facts nor as to the law. The opinion offends and is repugnant to judicial sensibilities and the good name of the people of Alabama. In the sacrifice of the South on the altar of the Supreme Court's psychological and sociological omniscience the Fikes case is but another handful of salt to rub into our wounds. It is a damning confession and commentary on our times.

The judge said the Supreme Court—

> has artfully contrived the opinion to give the impression that the first confession obtained from Fikes was on Thursday after his arrest on Sunday morning, and the undeniable fact, as shown in the record of the trial, is that he had confessed to Capt. Wilson Baker on Sunday evening and that he was transferred to Kilby by order of Circuit Judge W. E. Callen on Monday for safekeeping.

The judge continued:

> The Court represents Fikes as an uneducated Negro, of low mentality, susceptible of pressure against his power of resistance and that what would be overpowering to the weak will or mind might be utterly ineffective against an experienced criminal.
>
> In the record of trial he was shown to have been 27 years of age at the time of the commission of the offense, to have served 2 years in the Army and 14 months of that time overseas, to be married and supporting a family of 3 children.
>
> He had been convicted in 3 burglary cases, had spent 2 years in the penitentiary of Alabama, and was on probation at the time of the commission of this offense. And further, he was then charged with the commission of six other capital offenses. The court prudently refrained from defining "experienced criminal" in the opinion.

We all know that the decisions of the Supreme Court have been more and more the object of widespread criticism by both the press, the bar and bench, as well as others ever alert to the invasion of our traditional liberty. It is doubly significant that we are finding the highest courts of our States, together with the Federal district courts, increasingly taking issue with the Supreme Court as that body more and more encroaches upon the rights of the sovereign States.

These decisions of the State tribunals are not decisions based on the emotion of social inequalities. They are well reasoned in law and are constitutionally sound. They reflect long and serious consideration of the issues involved. The men who render them are close to the people. Their decisions are based upon a recognition of facts as they exist and the law as it is and has been construed.

It is indeed a deplorable thing that the highest court in our land is subjecting itself to the criticism of our State tribunals and subordinate Federal courts for its illegal efforts to gather unto itself the power and discretion rightfully belonging to the people, to the State courts, and to the Congress.

If this invasion of jurisdiction reserved to other branches of our Government is not stopped it will eventually destroy free government as we have come to know it.

The liberty that we enjoy cannot be taken for granted. Our constitutional guaranties will be lost one by one if we do not protect each and every one of them. No one, not even the present Supreme Court would be so bold as to attempt to strike down our rights en bloc, but if we allow even one right to be displaced by an unauthorized act of the Court we are endangering the entire body of our constitutional rights.

These tribunals of our States, as well as the subordinate Federal courts, are to be commended for recognizing the gravity of this trend in the power of the Supreme Court and for forthrightly standing up for those principles which we know are essential to our form of Government.

EXTORTIONISTS ROBBING THE MEMBERS OF THE UNIONS, EMPLOYERS, AND THE PUBLIC

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 30 minutes.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include certain newspaper articles, editorials, police court records, and probationary reports.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, on March 2, 1942, the United States Supreme Court[1] declared that the legislation enacted by Congress to protect trade and commerce against interference by violence, threats, coercion, or interference, did not prevent the levying of tribute by the Teamsters upon produce or merchandise crossing a State line.[2]

Thereafter,[3] in an attempt to make its original purpose effective the Congress passed the Hobbs amendment. That amendment,[4] thereafter repealed, was at the same time in substantially the same language, reenacted.[5]

The creation of the Select Senate Committee To Investigate Improper Activities in Labor-Management Relations, for the first time gives promise of a thorough, complete, and effective exposé of the activities of racketeers.

To the committee as chairman was assigned Senator JOHN L. MCCLELLAN. Other members are: Senators JOHN F. KENNEDY, Massachusetts, SAM J. ERVIN, JR., North Carolina, PAT MCNAMARA, Michigan, Democrats; IRVING M. IVES, New York, JOSEPH R. MCCARTHY, Wisconsin, BARRY GOLDWATER, Arizona, KARL E. MUNDT, South Dakota, Republicans. As chief counsel, the committee employed Robert Kennedy.

The membership of the committee, experienced as legislators and investigators, and the character of its staff, gives assurance that neither politicians nor the millions at the command of those called before it will in any degree minimize the zeal, the thoroughness, the fairness, with which the committee will function, nor the soundness of its conclusions.

It may be assumed that, with the exception of the connection between a few labor leaders who have little regard for either morals or the law—the picture disclosed by the committee will be a repetition of illegal practices similar to those heretofore put on the record by previous investigations.

The hearings of the Senate committee will, because of a changed attitude on the part of both union members and the public toward racketeering which has been and is practiced behind the cloak of unionism, be far more extensive revealing, appalling, and effective than any or all Congressional hearings heretofore making inquiry in this field.

Putting the finger on and publicizing the violence, the intimidation, which had been practiced against not only the public, but union members in good standing, will undoubtedly bring to the support of the committee many union men and women who will no longer be misled by the usual charge that hearings are inspired by enemies of labor—if there be such—and for unionbusting purposes. Nor is it probable that the public will accept the unfounded charge that union officials are "framed" when indicted.[6]

One result will be overall legislation which will protect the civil rights of wage earners, employers, citizens generally, and the Federal Government.

The McClellan committee, a few days ago, called attention to some of the political activities of the Teamsters in Oregon.

Perhaps the committee will place in the record some of the political contributions made by unions and the PAC to senatorial and congressional candidates as shown by the reports filed with the Clerk of the Senate and the House.[7]

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[1] *U. S.* v. *Local 807* (315 U. S. 521).

[2] Mr. Justice Byrnes delivered the opinion of the Court. Stating the facts he wrote:

"The proof at the trial showed that the defending local 807 includes in its membership nearly all the motor truck drivers and helpers in the city of New York, and that during the period covered by the indictment defendants Campbell and Furey held office in the local as delegates in charge of the west side of Manhattan and the other defendants were members. Large quantities of the merchandise which goes into the city from neighboring States are transported in "over-the-road" trucks which are usually manned by drivers and helpers who reside in the localities from which the shipments are made and who are consequently not members of local 807. Prior to the events covered by this indictment, it appears to have been customary for these out-of-State drivers to make deliveries to the warehouses of consignees in New York and then to pick up other merchandise from New York shippers for delivery on the return trip to consignees in the surrounding States.

"There was sufficient evidence to warrant a finding that the defendants conspired to use and did use violence and threats to obtain from the owners of these "over-the-road" trucks $9.42 for each large truck and $8.41 for each small truck entering the city. These amounts were the regular union rates for a day's work of driving and unloading. There was proof that in some cases the out-of-State driver was compelled to drive the truck to a point close to the city limits and there to turn it over to one or more of the defendants. These defendants would then drive the truck to its destination, do the unloading, pick up the merchandise for the return trip, and surrender the truck to the out-of-State driver at the point where they had taken it over. In other cases, according to the testimony, the money was demanded and obtained, but the owners or drivers rejected the offers of the defendants to do or help with the driving or unloading. And in several cases the jury could have found that the defendants either failed to offer to work, or refused to work for the money when asked to do so. Eventually many of the owners signed contracts with local 807 under whose terms the defendants were to do the driving and unloading within the city and to receive regular union rates for the work. No serious question is raised by the evidence as to the ability of the defendants to perform the labor involved in these operations."

[3] July 3, 1946.

[4] 60 Stat. 420.

[5] 62 Stat., sec. 798.

[6] Front page Labor's Daily, March 16, 1957.

[7] See following editorial by David Lawrence dated February 16, 1956, quoting therefrom which shows contributions of $198,747:

"CAMPAIGN COIN HAS TWO SIDES—WHOLE SYSTEM OF POLITICAL DONATIONS CRITICIZED; $50 LIMIT SUGGESTED

"(By David Lawrence)

"What's all the fuss about the unsuccessful attempt of an oil company attorney to contribute a mere $2,500 to the campaign fund of Senator CASE, Republican of South Dakota? What's so novel about it?

"For the records show that approximately $2 million was actually contributed and spent by labor groups in the 1954 Congressional campaign to reward Members of Congress who voted right and to punish those who voted wrong on legislative measures listed by labor unions. This list is published every campaign year as the acid test of whether certain candidates are indorsed or opposed by labor organizations having a pocketbook interest in the legislation.

"The files in the office of the Clerk of the House of Representatives show that, in connection with the 1954 Congressional campaign, AFL and CIO unions and independent labor organizations, through their own political committees, contributed to successful candidates for Congress:

* * * * *

"A total of $198,747.

"The above-mentioned Senators are all men of integrity. Their names are given here only because the records show they received the largest total amounts from the labor union groups. Another $91,050 was spent by the labor union committees in unsuccessful attempts to elect their senatorial candidates in other States.

"There was, of course, a huge sum spent to try to elect certain candidates in the House of Representatives. Generally speaking, the labor money went primarily to Democratic candidates. Much of the money was contributed in an effort to defeat candidates deemed 'unfriendly to labor.' * * *

"The same files in the House show various versions of prominence—including officials of large corporations—who contributed out of their personal funds, as the law permits, to different candidates for Congress, mostly Republicans. One cannot tell from a reading of the records how these contributions

Testifying under oath at Detroit several years ago, Hoffa said that the executive board of the union, of which he was president, had authorized him to spend union funds as he deemed advisable to influence elections. He admitted and seemed proud of the fact that he had contributed toward the election of judges in the Wayne County area.'

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tie into any votes on specific pieces of legislation, whereas labor unions, of course, boldly publish their list of measures and are known to be active in preventing the passage of particular laws affecting them or in securing the repeal of certain provisions of the Taft-Hartley labor-management law.

"The whole system is wrong in principle. Even conceding that every Senator or Representative to whom campaign contributions are made by labor unions, for instance, will vote as his conscience dictates and will try not to be influenced in the least by the amount of money spent to help elect or defeat him, the fact remains that large campaign contributions are subject to the query as to whether they do not exert some degree of influence on the legislators.

"Thus, the CIO and AFL regularly maintain lobbying agents in Washington who frequently call on Members of Congress in person to endeavor to persuade them to vote for certain labor legislation or to oppose the bills in which labor leaders claim to have a deep interest. These same legislative agents do not themselves offer campaign contributions. But back home in the districts and States, the local union organizations—with their affiliated political leagues—arrange this and make widely known what the record of the Congressman or Senator has been on various ballots.

"This box score is published and, if a Senator or Representative has not voted enough times for labor's list of measures, he is opposed, whereas, if his voting record has been preponderantly favorable, he is indorsed and funds are given to his campaign. It used to be that the national labor organizations did the blacklisting or indorsing or giving of money directly, but now these are left largely to the local organizations.

"To get rid of the present system, campaign contributions of $50 or less would be the solution. It would, of course, be costly to canvass for small contributions. The acquisition expense would be very high. But in the long run the limitation of campaign contributions to a maximum of $50 would make it impossible for any organization of a special-interest nature—like a labor union or an employer's association—to raise enough money to influence the votes of Members of Congress. Money raising, moreover, would have to be limited to political committees, the members of which donated their services or were paid out of the campaign funds, and who could be, by law, prohibited from being on the payroll of any company, or labor union, or national organization which has an interest in pending legislation."

* From a union record:

"Mr. McKENNA. Mr. Hoffa, I show you the notes taken from the minutes of the over-the-road drivers which have been prepared by Mr. Schaffer of our staff. Would you read that and tell me whether that is substantially correct or not? [Handing.]

"Mr. HOFFA. I think that is substantially correct.

"Mr. McKENNA. The item reads:

"'Motion by Weinberger, seconded by Fontaine, that the local union reaffirm the right of the president.'

"You are the president; aren't you?

"Mr. HOFFA. That is correct.

"Mr. McKENNA. 'To spend whatever moneys he thinks necessary in the forthcoming local elections.' And the initials there are O. K., D. J. Do they mean anything?

"Mr. HOFFA. I don't know what that means.

"Mr. McKENNA. 'Motion carried——'

"Mr. HOFFA. Yes, I do. Dave Johnson, recording secretary. That is what that would be.

"Mr. McKENNA. 'Motion carried by unanimous vote.'

"Mr. HOFFA. That is correct.

* * * * *

"Mr. HOFFMAN. Would you identify that? It says local elections?

"Mr. HOFFA. The council election that just recently happened in Detroit.

"Mr. HOFFMAN. You mean the city of Detroit?

"Mr. HOFFA. That is correct.

"Mr. HOFFMAN. It wasn't a union election?

"Mr. HOFFA. No, sir; it was not.

"Mr. McKENNA. When would that have been, Mr. Hoffa?

"Mr. HOFFA. We just finished the recount recently, and I would say it was less than 30 days ago, the election itself. (P. 439, hearings, Investigation of Welfare Funds and Racketeering, Special Subcommittee of Committee on Education and Labor, November 23, 24, 25, and 27, 1953.)

"Mr. HOFFMAN. Did your union contribute any funds toward the election of judicial candidates?

* * * * *

"Mr. HOFFA. Wait. Not State judges. County.

"Mr. HOFFMAN. County judges?

"Mr. HOFFA. That is right." (P. 446, hearings, Investigation of Welfare Funds and Racketeering, Special Subcommittee of Committee on Education and Labor, November 23, 24, 25, and 27, 1953.)

* Investigation as to the Manner in Which the United States Board of Parole Is Operating and as to Whether There Is a Necessity for a Change in Either the Procedure or Basic Law. Report, June 19, 1948. Hearings September 25, 26, 1947; February 16, 17, 18; March 1, 2, 3, 4, 9, 11, 1948.

If the McClellan committee pursues this subject, the public will learn that some Congressmen and Senators are politically indebted to unions for campaign contributions. Candidates who supported union policies have received millions of dollars to aid in their election. Oregon may be a typical example of the political power of the Teamsters and of the CIO, which for years has made political contributions.

If the lawless activities presently exposed by the McClellan committee seem strange and unbelievable, and have been tolerated by the union membership or local and Federal Governments, just a glance at the records of some of the worst offenders will give a clue to some of the reasons.

When the constitutional amendment which gave us prohibition was repealed, the extortionists and the racketeers who had made millions under prohibition, entered the labor-management field.

The Capone crime syndicate, to cite but one illustration, flourished in Chicago. Though some of the top officials who attempted to extort a million or more dollars from union members were convicted, sentenced to prison, they were shortly paroled. Why? A Congressional committee was unable to learn the facts which motivated the Federal Parole Board.*

The passage of the Lindbergh law, designed to kill the business of kidnaping for ransom, and its effective administration by the FBI and the courts, drove top criminals out of that lucrative field.

Like the extortionists who lost opportunity to make illegal gains by the repeal of prohibition—anticipating the opportunity to muscle in on millions of dollars of union funds while hiding behind the cloak of unionism, they, by fraud, force, and subterfuge infiltrated into unions.

Experienced, skilled extortionists can locate an accumulation of dollars as quickly as the tax collector's expert.

BOOK OPENED

The courts and the Congress, through the enactment of the Wagner law * outlawed the yellow-dog contracts. A long overdue decision.

Unfortunately, the Wagner law was weighted on the side of organized labor, opened the door to the unscrupulous to ignore and disregard laws long on the books, enrich themselves by stealing from the funds of the unions.

ENTER THE COMMUNISTS

Top Communists saw an opportunity where, working in and through unions, they could spread their treasonable doctrine.

Lee Pressman, an able, shrewd, unscrupulous and ambitious lawyer and a Communist, became active counsel for the CIO. He was the instigator of many a complaint ostensibly filed in behalf of unions or union officials with the NLRB.

Nathan Witt, another Communist, became counsel for the NLRB.

Witt and Pressman were buddies.

Another attorney, John Abt, serving with the Department of Agriculture, was helpful.

The dice were loaded, the deck was stacked, not only against management but against union members in good standing and the public as well.

The three, all occupying topnotch positions in the Federal Government, were, according to the sworn testimony of Pressman,* members of the same Communist cell then operating in the Nation's Capital. The vulnerable position, the helplessness of the average employee or management, yes, of the Government itself, is obvious from even a casual look at the records of the three.

Back of it all and as at least a partial explanation of the situation which began to develop in the last day of December in 1936, when the sitdown strikes came to Michigan, was, first, the universal sympathy for and the desire to aid the men and the women who were employ-

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* 1935, National Labor Relations Act, approved July 5, 1935.

* Lee Pressman admitted he was a Communist in hearings held August 28 and 31, September 1 and 15, 1950, p. 2845, before the House Committee on Un-American Activities, pt. 2, relative to communism in the United States Government. His testimony was: "* * * I joined a Communist group in Washington, D. C., about 1934. * * * There were three other persons in that group in addition to myself. They were all at the time with me in the Department of Agriculture. They have all been named before this committee by others.

ees in industrial pursuits and who did not, according to common understanding, have an equal opportunity to share in the ever increasing national wealth.

Then there was the assumption, and the acceptance of that assumption by politicians, that union officials, who from the ranks of the racketeers had muscled their way into official positions in the unions, controlled the votes of a million or more union members.

In truth, and in fact, those who assumed to speak politically for union labor were very, very few in number. Their political influence was never anywhere near as potent as they claimed. They promoted the interests of no one but themselves. They maintained themselves in power by brute force, sometimes physical, sometimes economic. Always lawless.

Nevertheless, political leaders feared and too often yielded to their demands.

And worst of all, their illegal and vicious acts were condoned and winked at by the public and by many charged with the enforcement of the law.

Even a Supreme Court Justice said that from members on the picket line a certain amount of physical exuberance might be expected. Thus justifying picket line beatings.

From 1935 down to today, innumerable crimes, ranging from assault * to murder, have been committed by individuals who hid behind their union office and who went unwhipped of justice because we the people and our official law enforcing representatives, with some notable exceptions, feared or pretended to fear their political power.

Just as some Communists and their philosophy, using sometimes innocent contacts * gained entrance to the White House, were listened to by officials high in the Federal Government, and tolerated in society in the early thirties.

The extortionists and racketeers were for various reasons * by the rank and file of the union and by the public generally, permitted to carry on their lawless operations.

The basic fault, as we look back, rests upon us all because we either failed to understand and actively oppose what was taking place.

THE RECORD

Looking back, the record and our indifference to what was happening is appalling. Previous statements made on the floor of the House and Congressional

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* Hearings held February 14, March 6, 10, 13, 14, 19, and 20, 1947, before the Subcommittee on the Investigation of the Hobbs Amendment in Suppressing Racketeering of the House Committee on Expenditures in the Executive Department. H. Rept. 233, 80th Cong., 1st Intermediate Report, adopted April 7, 1947. H. Rept. 1220, 80th Cong., Supplemental Report to the 1st Intermediate Report adopted December 17, 1947.

Hearings held at Clinton, Mich., October 15, 16; St. Joseph, Mich., October 20, 21, 22; Dowagiac, Mich., October 23, 24; Michigan City, Ind., October 28, 29; Galion, Ohio, October 30 and 31; Washington, D. C., November 14 and 19, 1947, before the Special Subcommittee of the House Committee on Education and Labor, to investigate the facts surrounding the labor disputes and strikes in Clinton, Benton Harbor, Dowagiac, Mich.; Michigan City, Ind.; Galion, Mount Gilead, and Kenton, Ohio; in an effort to ascertain whether the Labor-Management Relations Act, 1947, was adequate to protect the right to work, the interests of the public, and to prevent interruption of the free flow of commerce between the States. Committee Rept. No. 6, 80th Cong., 2d sess., filed June 8, 1948.

Hearings held at Kalamazoo, Mich., December 4, 6, 17, and 22, 1948, before the special subcommittee of the House Committee on Education and Labor, to investigate charges of the hiring of strikebreakers, of a violation of State and Federal laws and rioting between the 7th of September 1948 and the 1st day of December 1948, during the strike at the plant of the Shakespeare Co. and the Shakespeare Products Co. at Kalamazoo, Mich., in an attempt to ascertain whether the Labor-Management Relations Act of 1947 or the laws of the State of Michigan, if enforced, were adequate to protect the right to work, etc. Committee Rept. No. 14, 80th Cong., 2d sess., filed December 20, 1948.

Hearings held at Kansas City, Mo., June 29, 30, July 1, 2, and 3, 1953; before Special Subcommittees of the House Committee on Education and Labor and the House Committee on Government Operations to investigate strikes and racketeering in the Kansas City area. Committee print of report.

Hearings held at Cleveland, Ohio, September 27, 28, 29, and 30, 1954; and November 6, 1954; and at Washington, D. C., November 9 and 10, 1954; investigating racketeering in the Cleveland, Ohio, area, before a Special Anti-Racketeering Subcommittee of the House Government Operations Committee, Subcommittee print of report.

Hearings held August 2, 3, 4, and 5, 1954, at Washington, D. C., before the Special Anti-Racketeering Subcommittee of the House Committee on Government Operations, to investigate racketeering in the Washington, D. C., area. Subcommittee print of report.

Hearings held June 8, 11, 12, and 13, 1953, by Special Subcommittees of the House Committee on Government Operations and Committee on Education and Labor; and on November 23, 24, 25, and 27, 1953, by the Special Subcommittee on Union Welfare Funds and Labor Racketeering in the Detroit area of the House Committee on Education and Labor, at Detroit, Mich., investigating welfare funds and racketeering in the Detroit area. House Report No. 1324 of the 83d Congress, adopted March 8, 1954.

* See article attached:

"BROWDER AND F. D. R.

"Miss Josephine Truslow Adams acted as a go-between for President Franklin D. Roosevelt and Earl Browder. Her testimony, about which much was heard in the past, has now been made available by the Senate Subcommittee on Internal Security.

"To some Democrats, it is unseemly to have any testimony taken concerning a President who so recently died and whose family is still about, but to most Americans history is history.

"Miss Adams played in the fringes of the Communist movement and knew many of the leaders of the 1930's. It was the President who initiated her interest in Browder. It came about in this way:

"'And as soon as he [the President] had given me directions on that, he turned around suddenly and began talking about the Browder case and asked me—he said suddenly, "What do you think would happen if I should pardon Earl Browder tomorrow?"

"'Just like that. "How would the newspapers take it?" And I told him to the best of my ability what I thought would happen at that time.'

"Miss Adams then testified that she saw the President 38 or 40 times either at Hyde Park or at the White House. An interesting episode is related by Miss Adams.

"President Roosevelt did not want a third party outside of New York State, where the American Labor Party had been established as a catchall for Communists, Socialists, and liberals of various kinds who were willing to vote for Roosevelt but not for the Democratic Party. So Miss Adams talked to Earl Browder about this. Then she recounts:

"'And (I) was interested to see that in those days he (Browder) had a good deal of influence, because within a few days there were things in the papers all over the country about the fact that there would be no third party outside of the ALP in New York State—not just in the Communist papers, but all over.

"'And Benson, of the former labor group, was approached and had an interview with Earl in New York, and of course Gil Green, of later fame, wrote an article in the Daily Worker itself on that subject, and the Times came out with an article that there would be—understood there would be no third party beyond New York State in the 1944 election.'

"There is a further comment by Miss Adams:

"'But that was the most amazing piece of political engineering—of course—the first I had witnessed of how fast things could go if they were well organized.

"'In other words, there it really worked. And at that time he (Browder) was at his peak of influence.

"'Browder had a great deal of influence outside of the party at that time, although he was so shortly out of prison.'

"According to Miss Adams, Earl Browder was in a position to get information concerning events in China. She gave Browder's summary to Roosevelt. This testimony by Miss Adams is most interesting:

"'He (Browder) handed it to me * * * it came from a suitcase that had come in from Burma, some place in the East. Because I saw him take some papers out of the lining of a suitcase somebody had brought him. It had come by plane. * * *'

"It is not quite understandable why the President of the United States engaged in a surreptitious relationship with the head of the Communist Party.

"Mr. Roosevelt is not alive to testify. His principal secretaries, Steve Early, Marvin McIntyre and Marguerite Le Hand, who may have known about such matters, are dead.

"Miss Adams has testified under oath that she often communicated with the President via Mrs. Roosevelt.

"And Mrs. Roosevelt is alive to deny or to confirm Miss Adams' statements, although it is obvious that Mrs. Roosevelt may not have stopped to read the communications which she forwarded.

"The United States was at war and the President may have desired to tap every available source of information.

"Therefore, he may have regarded it as advantageous to find out what Browder knew.

"However, when Miss Adams was first used she herself did not know Browder, who developed confidence in her because he believed she had helped to effect his release from prison.

"It is a peculiar historic episode. When Miss Adams' testimony is read in the light of the Morgenthau diaries, it would seem as though many were devoting themselves to giving Roosevelt misinformation."

* Fear, intimidation, indifference, political support.

hearings disclose that for many years and currently, members of an almost infinitesimal group of individuals assuming to speak for unions have disregarded the written law, law enforcing officials, the orders of the courts and the Federal Government itself—and this in wartime as well as in peace.

An Acting Secretary of the Navy [29] officially reported to the Congress that a CIO union had refused to return to the Navy its own materials and specifications when strikes held up the production of war material in one instance for 21 days, another for 41 days in Detroit.

For 67 days, a CIO union under the direction of a Communist, Harold R. Christoffel, held up the production at the Allis-Chalmers plant in Wisconsin, of material vitally needed to carry on the then pending war.

When Christoffel testified falsely before the House Committee on Education and Labor he was finally, after several years and two trips to the United States Supreme Court, sent to prison.[30]

From the records of a Congressional hearing, it is learned that in 1953 a local Teamsters union under the direction of Orville L. Ring, in the Kansas City area, not only threw some 25,000 other union members out of employment but held up production for national defense. In their greed for dues, they beat up with pieces of chain and clubs, members of other unions. They interfered with defense production in four defense projects which were centered in the Kansas City area, namely: First, the Lake City Arsenal, a small-arms manufacturing plant; second, the Sunflower Ordnance Works, where smokeless powder is produced; third, the Grandview Air Base, headquarters for the air defense of the central United States; and fourth, the Claycomo plant of the Ford Motor Co., which manufactures wings for military jet aircraft.

SABOTAGING PRODUCTION FOR WAR

A spokesman for an Army engineer said that, on Government projects in 1951 at Kansas City alone, 157 man-days' labor had been lost because of strikes. A general contractor who built the jet wing plane swore that, because of jurisdictional disputes instigated by the teamsters, there had been a loss of 250,000 man-hours—17 strikes put contracts 20 weeks behind schedule and the Air Force for the same reason was 150 days behind its target date for activating the Central Air Defense Command, a treasonable operation. While men were fighting and dying in Korea, the teamsters union under Ring, Hoffa's buddy, was denying the weapons with which to fight more effectively.[31]

Orville L. Ring was one of James Hoffa's lieutenants. As evidence of the public's indifference to the union's power, it might be noted just incidentally that witnesses who aided the committee were beaten and one Edward Chevlin, who was especially helpful, was the only individual who was financially ruined, tried, convicted and sentenced to prison and only after a long and heartbreaking legal struggle which impoverished him, aided by the publicity given by the Kansas City Star, was finally acquitted and exonerated.

Congressional hearings disclosed that Hoffa and some of his buddies had made it impossible in some cities, especially in Detroit, to either engage in or transact a legitimate business unless tribute was paid to the teamsters.

EXTORTION FROM BUSINESSMEN

Businessmen who used juke boxes or vending machines were required to pay Buffalino, Hoffa's enforcer, $20 per month per employee in order to remain in business. If they failed to make the payment, local 985 closed them up by refusing to deliver supplies or by physical violence or bombing.[32]

One business caught the eye of Hoffa and Teamsters Local 332 called a strike. The teamsters forced him out of business and the Test Fleet Corp. was set up by Hoffa's friends. The stock being issued to Mrs. Hoffa and to Mrs. Brennan, wife of Hoffa's buddy, who used the aliases of Josephine Poszywak and Miss Alice Johnson. Though their investment was nominal and they performed little, if any work, their employees' wages being nominal, in a few

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[29] Acting Secretary of the Navy Edison report, attached.

[30] Sentenced June 22, 1953. Twice convicted—sentenced to 16 months to 4 years. Fined $100.

"REPT. NO. 253—REQUESTING CERTAIN INFORMATION FROM THE SECRETARY OF NAVY ON CERTAIN MATTERS IN CONNECTION WITH A STRIKE OF EMPLOYEES IN THE PLANTS OF THE BOHN ALUMINUM CO. AT DETROIT, MICH. (H. RES. 314)—MR. HOFFMAN

"NAVY DEPARTMENT,
"*Washington, October 20, 1939.*

"THE CHAIRMAN,
"*Committee on Naval Affairs, House of Representatives, Washington, D. C.*

"MY DEAR MR. CHAIRMAN: The resolution (H. Res. 314) requesting information from the Secretary of the Navy on certain matters in connection with a strike of employees in the plants of the Bohn Aluminum Co. at Detroit, Mich., was referred to the Navy Department by your committee with request for report.

"The questions in the resolution are set forth below, the answer to each appearing immediately thereafter:

"(a) Whether the Navy Department did have a contract with said corporation.

"At the time the said strike was called, the Navy Department did have a contract with the Bohn Aluminum & Brass Corp., of Detroit, Mich., for the manufacture of special bearings for aircraft engines. In addition, the corporation was also engaged in the manufacture of special bearings and castings for manufacturers with whom the Navy Department had contracts.

"(b) Whether a strike which interfered, or would interfere, with the activities of the Navy Department occurred.

"A strike actually occurred in the plants of the said corporation which did interfere with the activities of the Navy Department.

"(c) How long such strike continued.

"A strike was called at the corporation's plant No. 1, Detroit, Mich., on August 29, 1939. At the time the strike was called, plant No. 1 was engaged in the manufacture of special bearings for aircraft engines for manufacturers with whom the Navy had contracts. On September 15, 1939, a second strike was called at all of the seven plants of the corporation in the Detroit district in sympathy with the strike at plant No. 1 (bearings). At the time of calling the second strike, plant No. 2 was engaged in the manufacture of castings for airplane engines in process of manufacture at the Naval Aircraft Factory, Navy Yard, Philadelphia, Pa.; also castings for a manufacturer with whom the Navy has a contract for a special type of marine engine.

"The duration of the strike in plant No. 1 (bearings) was from the 29th of August to October 8, inclusive, 41 calendar days. The duration of the strike in plant No. 2 (castings) was from September 15 to October 8, 1939, inclusive, 24 calendar days.

"(d) Whether the delivery of bearings or parts which had been manufactured for the Navy, or of plans, specifications, or equipment, or any of them was delayed.

"The delivery of completed castings, bearings, and parts, also those in the process of manufacture, was delayed for the duration of the strike.

"The Navy Department was unable to obtain the return of the Government-owned patterns, plans, and equipment for the duration of the strike.

"(e) What, if any, representations were made by the Navy Department to the corporation looking toward the ending of said strike.

"No representations were made by the Navy Department to the corporation looking toward the ending of the strike.

"(f) What, if any, representations were made by the Navy Department to the union or its representatives looking toward the settlement of the strike?

"On September 28, 1939, the United States Navy resident inspector of naval material at Detroit, Mich., informed the regional director of the United Automobile Workers, Congress of Industrial Organizations, Detroit, Mich., of the seriousness of the delay in the delivery of the material due on contracts, also the urgent need of the shipment of patterns and requested that he instruct his representative in charge of the picket line at the corporation's plant No. 2 to allow a representative of the inspector of naval material and a truck to pass through the picket line to pick up Government-owned patterns and ship them on a Government bill of lading.

"The regional director of the United Automobile Workers, Congress of Industrial Organizations, sent three representatives of union local No. 208 to discuss the removal of the patterns with the inspector of naval material. The representatives of union local No. 208 were given full access to the files on the Navy contracts and they were informed that the delay in releasing patterns for delivery was seriously jeopardizing the manufacture of airplane engines at the naval aircraft factory. At the end of the discussion the union representatives stated that as the strike situation stood at the present time, their answer was emphatically "No" and that they would not let patterns or inspected castings be removed. No further action was taken by the Navy Department to remove the patterns and castings. The Navy Department kept in touch with the strike situation at the Bohn plants through its field representatives, and through the United States Department of Labor, but took no steps looking toward the settlement of the strike.

"Sincerely yours,

"CHARLES EDISON,
"*The Acting Secretary of the Navy.*"

[31] Committee print, 83d Cong., 1st sess., Strikes and Racketeering in the Kansas City Area.

[32] Investigation of Racketeering in the Detroit Area, Joint Subcommittee Report, 83d Cong., 2d sess., pp. 1-2, 7-9, and hearings, pp. 311-313.

years dividends of $62,000 accrued to Mrs. Hoffa and Mrs. Brennan.

The teamsters regulated the delivery of motion picture film in Detroit. Frank Fitzsimmons was one of Hoffa's assistants. A union man operated such a business. By Fitzsimmons, he was forced to sign a contract which purported to give him the exclusive rights of delivery of such business in Detroit but it also contained a clause which required him to pay Fitzsimmons, Hoffa's buddy, 90 percent of the gross income and some payments were made in Hoffa's presence. This union man had operated the business for 40 years but after the signing of the contract referred to, he shortly found himself out of business. Not being able to operate on the balance of 10 percent, he finally went into bankruptcy.[33]

Congressional hearings at Minneapolis called attention to several forms of extortion by the teamsters.

Following those hearings, an able, conscientious United States District Attorney caused the indictment of Sidney L. Brennan, Eugene J. Williams, Jack J. Jorgensen, and Gerald P. Connelly. They were charged with conspiracy to violate the Labor-Management Relations Act. They were convicted and on January 21, 1957, the convictions were affirmed by the United States Court of Appeals for the Eighth District.[34]

WELFARE FUNDS

Hoffa became interested in the insuring of union welfare funds. He was engaged in several joint business ventures with William Dorfman, who with his wife and son was interested in an insurance agency in Chicago. To that agency, Hoffa's outfit, in a period of 3 years, paid more than a million dollars in commissions.

The story of the collection by the teamsters of millions of dollars from employees, both union and nonunion, from employers through the use of force and intimidation—a practice characterized by Justice Stone as one which, if valid, "would render common law robbery an innocent pastime"—is endless.[35]

From the most inoffensive individual, to some of the most powerful corporations, these illegal payments have been exacted. As just one illustration the A. & P. grocery chain, in at least one instance laid down and rolled over when the teamsters told it that if it wanted to sell it should employ a member of the teamsters' union. It did.[36] But enough has been said to alert those who hear or read of the viciousness and the extent of the teamsters' illegal and oppressive activities.

It is literally true that previous to the creation of the McClellan committee and its present hearings, previous to the arrest of Hoffa here in Washington, he could, for his own purpose, and at his command, tie up transportation by truck throughout the United States of America.

Hoffa was arrested March 13, 1957, and charged with an attempt to illegally interfere with the investigations of the McClellan committee. Likewise, Hyman I. Fischbach has been charged with cooperating with Hoffa in that venture.

The present charges against him and others should not be prejudged, but he cannot wipe out his own prior record,[37] nor the record of the organizations which he heads or that of those acting with him.

HYMAN I. FISCHBACH

The press has called attention to the fact that Fischbach was formerly counsel for several Congressional committees. A little light on that subject may be due the public.

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[33] November 19, 1953, Detroit hearings, p. 161.

[34] United States Court of Appeals for the Eighth District in Cases Nos. 15,557, 15,558, 15,559, 15,560.

[35] 315 U. S. 540.

[36] Hearings and report of Special Antiracketeering Subcommittee of the Committee on Government Operations, September 27-30, 1954, pts. 1 and 2. Report, subcommittee print, 83d Cong., 2d sess.

[37] Article from the Detroit Times of March 14, 1957:

"HOFFA'S ARREST LIST

"James R. Hoffa, seized in Washington last night by the FBI on bribe charges, has a Detroit police record as long as a trailer truck.

"But Teamster Boss Hoffa has never served a day in jail.

"Through November 25, 1955, records show:

"March 19, 1937: Investigation—discharged by the superintendent of police.

"July 22, 1937: Investigation of assault—discharged by superintendent.

"Five-dollar fine

"September 22, 1937: "Traffic violation—$5 fine.

"January 1, 1938: Investigation of assault and battery—discharged by superintendent.

"January 24, 1938: Assault and battery—$10 or 10 days.

"March 30, 1938: Disturbing the peace—dismissed in court.

"June 20, 1938: Investigation—discharged by superintendent.

"Traffic violation

"June 23, 1938: Reckless driving—$15 or 5 days.

"July 14, 1938: Investigation—discharged by superintendent.

"January 5, 1939: Traffic violation—$14 fine.

"February 16, 1939: Molesting a laborer in the peaceful pursuit of his avocation—dismissed.

"April 29, 1939: Investigation of intimidation—discharged by superintendent after warrant refused by prosecutor.

"June 10, 1939: Speeding—$5 fine.

"September 29, 1939: Interfering with a person in lawful pursuit of his avocation—discharged by superintendent.

"Extortion charge

"October 2, 1939: Investigation of molesting truckdrivers—discharged by superintendent.

"February 10, 1940: Investigation of shooting—discharged by superintendent.

"July 27, 1943: Investigation (disturbance at scene of a strike)—discharged by superintendent.

"May 11, 1946: Extortion—found innocent in recorder's court.

"September 9, 1946: Charged with conspiracy to obtain money under false pretenses—dismissed—lack of prosecution. Two counts, not formally charged, of attempting to obtain money under false pretenses and attempted larceny by trick.

"Get probation

"January 13, 1949: Hoffa and 14 union organizers were fined $15,117 and placed on 2-year probation by Circuit Judge Ira W. Jayne in connection with an 'organizing' campaign among Detroit meat and grocery dealers.

"All pleaded guilty to the charge brought against them by a one-man labor rackets grand jury.

"All were fined $500 each and $7,617 collected through the sale of $5 permits to merchants was ordered paid back.

"Fined $1,000 each

"Federal court records show that in 1941 Hoffa and one of his top aids, Bert Brennan, and Teamsters Local 337 (soft drink drivers) pleaded no defense to charges of violating the antitrust law.

"Hoffa, Brennan, and the local were fined $1,000 each."

JAMES R. HOFFA

The following information was taken from the files of Wayne County Probation Department:

Detroit Police Department No. 59527. Probation office has no record of further arrests subsequent to when James R. Hoffa was placed on probation January 13, 1949.

Order of probation No. 24585, James R. Hoffa, January 13, 1949, for 2 years' charge. Violation of State labor law.

Conditions

Local No. 237:

5. Costs in amount of $500 for James R. Hoffa.

6. Restitution in the amount of $7,617 (assessed against teamster union), $7,617 less $4,240 downpayment, $3,377.

7. To refrain from any act which would in any way constitute a repetition of this attempted threat by force, or any other way than the law provides, attempting to compel these independent merchants to join any labor union or organization with which they are not connected.

The charge was:

1. Conspiracy to extort money.
2. Conspiracy to violate labor law.
3. Violation of State labor law.

Statement regarding authorization for the convening of a grand-jury and subsequent indictments and pleas.

Complaints were received from various sources regarding an attempt to force independent meat and grocery retailers to obtain, for a certain monetary consideration, a permit in order to pick up their produce from various wholesale houses and markets.

The following defendants were indicted and warrants issued: Frank C. Yezbec, Joseph McDonald, Marshall DuBach, Charles C. Burge, Louis V. Dosser, Cecil Watt, Morris Coleman, Walter Schuler, Robert Holmes, James Langley, Anton Jacobs, James M. Clift, Owen B. Brennan, James R. Hoffa, and George M. Treger.

Statement of defendant: James R. Hoffa states: "Prior to World War II meat and produce handlers were organized, members of my union (teamsters union). During the war a great number of the haulers were taken in the service. By order of the Office of Defense Transportation they were not replaced, therefore each retail grocery and meat dealer had to pick up his merchandise at the wholesale house. It was strictly understood that we go along with them during the war but after that when the men came back they were to be replaced again at the same kind of work (delivering meat and produce to the grocer and butcher). However, when the men returned, the wholesale meat and grocery dealers did not feel they should revert to the former practice of delivering. Because of this we insisted that

My first contact, as I now recall, with Hyman I. Fischbach was in June of 1945. Our colleague from Virginia, HOWARD W. SMITH, as chairman of the Select Committee To Investigate Acts of Executive Agencies Beyond the Scope of Their Authority, had named him as general counsel.

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the retail grocers and meat dealers join our union. Approximately 80 percent of those retail grocery and meat dealers who picked up their meat joined our union and the other 20 percent refused to join. It was our opinion that because the majority of the dealers were organized and working on a 48-hour week here, the others should do likewise. They operated on a 7-day-a-week basis, which was unfair to the other dealers who were unionized. After several meetings with the packing houses we concluded that our members should not service any retail grocers and meat dealers who did not belong to the union and this was carried out with the result being a grand-jury investigation. During the course of the grand-jury investigation and at the examination in the circuit court, it was proved by investigation and direct testimony that there was no one physically molested or threatened by our organization."

Defendant refused to sign this statement, stating he was acting on the advice of his attorney.

This file contains three pages of personal history.

Defendant states had it not been for the conflicting opinion of attorneys there never would have been any trouble. He states they were advised by council that they were within their rights in attempting to organize the merchants who did their own hauling from the wholesale house to their place of business. Considerable time and effort was spent with this defendant in questioning as to what methods he or his henchmen pursued in trying to organize the meat and produce merchants. He emphatically stated that not once did he or any of his associates intimidate or coerce the complainants to join the union. He did admit that his organization insisted that the meat and produce merchants who picked up their meat at the wholesale houses join the union and they issued permits to them for $5 each and those merchants who did not have permits could not get any meat. Defendant repudiated the accusations of strong-arming any meat or produce dealer.

On August 19, 27, 28, 1946, the above-named defendants were arraigned and a plea of not guilty was entered as to each defendant. On December 2, 1948, the defendants above named appeared by the Honorable Ira W. Jayne and after conference with Lester S. Moll, Special Prosecuting Attorney, and Mr. George Fitzgerald, attorney for the defendants, the plea of guilty to the charge of violation of the State labor law was tendered by the defendants through their counsel, and accepted.

Copy of letter dated April 12, 1951, to Mr. George S. Fitzgerald, 2343 Guardian Building, Detroit, Mich.

"Re James R. Hoffa et al., C. C. Docket 74186.

"In response to your inquiry as to the payments of restitution.

"Our records show that $4,240 was received as restitution and from this amount to date there has been disbursed $1,513, leaving a balance on hand of $2,727.

"The claimants of the restitution are coming in slowly and the last payment of $5 was made on March 8. We sent letters out to remaining claimants of restitution each month, and it may require another year or more to disburse the balance.

"FRED H. WRIGHT,
"Chief Probation Officer."

He also appeared in two subsequent hearings for the same committee and participated in writing reports, which were filed on October 22, 1945; November 16, 1945; and July 25, 1946.

Up to the filing of the report of July 25, 1946, on Investigation of Federal Home Loan Bank Administration; Complaints of Federal Home Loan Bank of Los Angeles, Long Beach Federal Savings and Loan Association, nothing reflecting upon the integrity of Mr. Fischbach appeared in the record.

PETITION FOR ORDER DIRECTING PAYMENT OF BALANCE OF RESTITUTION MONEY, 1952

The said defendants were sentenced on the 13th day of January 1949, and placed on probation to pay certain fines and to pay into probation department for the county of Wayne, as restitution, the amount of $4,240 and that thereafter said fines were paid and turned over to the Treasury of Wayne County. Office of the Wayne County probation department disbursed out of the sum of $4,240, the sum of $1,937 among some of said persons entitled to said restitution. There appears to be a balance of said restitution undisbursed in the amount of $2,303, which balance has lain dormant in the said office of the probation department for some considerable time because the persons for whom it was held did not come forth to claim it and that said office could not locate such persons by letter or otherwise.

The teamsters' union petitioned the probation office, through its attorney and agent, George Fitzgerald, for the return of this balance of restitution money. The teamsters' union avers that in consideration of receipt of the said sum of $2,303 the balance of said restitution, being paid and turned over to the undersigned, agrees that when demand is made to it by the representative of the said office of the probation department, to honor said demand by sending its check in payment of such demand.

Order directing payment of balance of restitution money dated January 31, 1952.

Released from the terms of probation January 3, 1951.

Docket file 25969 (criminal), November 25, 1953.

Docket file No. 25959, December 16, 1940; fine, February 20, 1942, $1,000. Judge Ernest O'Brien, clerk room 701, across hall.

In the district court of the United States for the eastern district of Michigan, southern division, November term, 1940.

United States of America v. *Wholesale Waste Paper Co., et al.*

Grand jury indictment—period covered beginning about April 1940.

Defendants: Wholesale Waste Paper Co., a Michigan corporation, Detroit; Monroe Waste Paper Co., Inc.; Levine Waste Paper Co.; Standard Mill Supply Co., Inc.; Julius Rotenberg, property of General Mill Supply Co., Detroit; Sam Lieberman, has been president of Monroe Waste Paper Co.; Isaac Greer, has been secretary-treasurer of Monroe Waste Paper Co.; Peter Goldstein, has been president of Standard Mill Supply Co.; David Levine, has been vice president of Levine Waste Paper Co.; Samuel Levine, has been president of Levine Waste Paper Co.; Arthur Harris, has been office manager, Wholesale Waste Paper, Food, Beer, Soft Drink Drivers and Helpers of Local No. 337; International B. of T. C. W. & H. of America; James Hoffa, who acted as business agent of defendant union; Bernard Brennan, alias Bert Brennan, who has been president of defendant union.

Engaged in a combination and conspiracy unreasonably to prevent persons, partnerships and corporations located in the city of Detroit, Mich., other than the defendant wholesalers, from selling wastepaper for shipment from the city of Detroit, Mich., to States other than the State of Michigan and to the Dominion of Canada, which combination and conspiracy in fact has been and is now in restraint of trade and commerce in wastepaper among the several States and with foreign nations and in violation of section 1 of the act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies" (U. S. C. A. title 15, sec. 1), commonly known as the Sherman Act.

Further detail is shown on 2 pages in the indictment, February 20, 1942, District Court, book 53, page 548.

Defendants' pleas of nolo contendere.

Defendants sentenced to pay fines. Each of the 4 wastepaper companies $1,000 and each of the individuals connected with these companies, $1 each.

Local 337, $1,000.

James Hoffa, its business agent, $1,000.

Bernard Brennan, its president, $1,000.

Fines paid on various dates ranging from February 20, 1943, through April 6, 1942.

"That payment, it was charged, was part of a $5,000 fee which was to be paid to Mr. Fischbach. On page 164 of the same hearings, appears the following:

"Mr. HOFFMAN. In view of what Mr. HOLIFIELD said about other members of the industry, did other members of the industry also contribute in an effort to have these recommendations carried out?

"Mr. CRAIL. That is correct.

"Mr. HOFFMAN. How many of them?

"Mr. CRAIL. It is my recollection at a meeting that we had at the Stock Exchange Club, which was probably in 1946, that there was George Eason and Dick Richardson and Vernon Spender and Mr. Fischbach. I think there were five of us that were to put up $1,000 each.

"I do not remember who the others were except I think it was Eason, Richardson, and myself, and two more."

Mr. Fischbach's answer will be found on page 198 of the hearings:

"STATEMENT OF HYMAN I. FISCHBACH, SPECIAL COUNSEL TO THE SPECIAL SUBCOMMITTEE INVESTIGATING THE HOME LOAN BANK BOARD

"I was previously sworn in these proceedings when, as now, there was occasion for me to refute assertions of Joe Crail. This statement is made under the sanctity of the oath then administered.

"During the course of his testimony (on pp. 163–164 of the record), Mr. Crail was interrogated by Representative CLARE E. HOFFMAN, a member of the subcommittee. Mr. Crail was asked what, if any, sum he had contributed toward my employment in an effort to carry out the recommendations of the Smith committee. I have never been so employed by Mr. Crail or anyone else, at any time, in any such effort.

"In answering Representative HOFFMAN's inquiry, Mr. Crail did not suggest that I had been so employed. Instead, Mr. Crail asserted he had contributed $1,000 to Vernon Spencer which was to be paid me 'on the investigations.' Mr. Crail's statement is wholly without foundation and I repudiate its implications without any reservation whatsoever.

Hearings were held in November of 1950 by a special subcommittee of the Committee on Expenditures in the Executive Department, of which Mr. HOLIFIELD was chairman and for which Mr. Fischbach was counsel, charged with investigating the Home Loan Bank Board. A witness testified at that hearing—page 163—that he had contributed $1,000 to Vernon Spencer that was to go to Mr. Fischbach in connection with the investigation.[1]

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[1] "In May 1946 I was retained by Representative HOWARD W. SMITH of Virginia in connection with an investigation of the complaints of the Federal Home Loan Bank of Los Angeles and the Long Beach Federal Savings and Loan Association against the Federal Home Loan Bank Administration. The Select Committee of the House To Investigate Executive Agencies, of which he was chairman, concluded its work in that matter about July 25, 1946. On that day its unanimous report was filed, House Report 2659, 79th Congress, 2d session. I was paid for my services therein with funds allotted the Smith committee by the House of Representatives.

"My work as special counsel to the Smith committee was the first contact I had ever had with the savings and loan industry or any of its members or problems.

"Mr. Crail was not a witness before the Smith committee. Neither he nor any other person, at any time, in any form, shape, or manner, paid or offered to pay me or anyone in my behalf, directly or indirectly, compensation in any form whatsoever for my services 'on the investigations,' or in any other matter in anywise related thereto.

"During the following year, the President submitted Reorganization Plan No. 3 of 1947 to the 80th Congress. The reorganization plan proposed the creation of the Home Loan Bank Board as a unit of the National Housing Agency and the transfer to the Board of the duties and powers of the Federal Home Loan Bank Administration. The plan was disapproved by the House. I had participated in the investigation of the Federal Home Loan Bank Administration the year before. I knew something of its policies, techniques, structure, and authority. When the plan came up for consideration before the Senate Committee on Banking and Currency, I was retained to assist Vernon Spencer in presenting testimony in opposition to its adoption. I made arrangements for Mr. Spencer's appearance before the Senate committee. I made a detailed analysis of the plan as submitted and a study of the arguments of its proponents and opponents. I assisted Mr. Spencer in the preparation of his statement at Washington, D. C., and in its presentation to the Senate Banking and Currency Committee on June 19, 1947. Mr. Spencer's testimony, his statement and the exhibits to which it referred appear at pages 65–94 of the record of the proceedings of the Senate Committee on Banking and Currency in the first session of the 80th Congress. Mr. Spencer's statement was well received. It so highly impressed the late Senator Kenneth S. Wherry he inserted it in the CONGRESSIONAL RECORD. Mr. Spencer paid me $2,500 for my services and disbursements in the matter.

"On August 15, 1950, I was retained as special counsel for this subcommittee. Prior thereto, at the request of Representatives WILLIAM L. DAWSON and CHET HOLIFIELD, chairmen of the committee and subcommittee respectively, I had placed at their disposal my entire file with respect to my services in relation to the reorganization plan mentioned, and neither they nor I deemed my services in that matter conflicting in anywise with the interest of this subcommittee, or with my duties as special counsel, in the matters committed to its study.

"Because of the innuendoes implicit in Mr. Crail's assertion, I asked the Federal Bureau of Investigation to photograph my file in the matter, the documents it contains, my bank records showing receipts and their source, and canceled checks showing disbursements, and also to photograph all other documents pertinent thereto in Mr. Spencer's possession. With the evidence in their possession, the proper authorities should be able to deal with this and other aspects of Mr. Crail's testimony in the manner it warrants.

"The file, its contents, and all related documents are available to Members of the subcommittee at any time upon request."

Fischbach was general counsel for the committee which held hearings having to do with price controls. It was my privilege to serve as a member of that committee. An exhibit was put on in the House caucus room for the purpose of showing the ineffectiveness of price-control regulations.

One day on the floor of the House it was rumored that a member of the committee had received $10,000 in connection with the hearings. A call was immediately put in for Mr. Fischbach. He came over to the floor, was asked what he know about the report, and immediately made reply that there was nothing to it, that the Congressman did not get the money, but said, "I got the $10,000." That was the substance of what he said.

Answering the inquiry as to how he, acting for the committee, was entitled to the money, his reply was that he also represented some association which was interested. Whether the receipt of the fee was unethical was a question the answer to which was a matter for his judgment. Nothing more was said about it.

EXTORTION ON DOCK STREET

On March 2, 1942, the United States Supreme Court (315 U. S. 521) held that extortion as practiced by the teamsters was not in violation of the then existing law.

Four days later, a bill was introduced by me in an effort to amend the law so as to cover the practices which had been declared legal but which had been described by Justice Stone in a dissenting opinion as common highway robbery. No action was taken on that bill.

But on July 3, 1946, an amendment which had been proposed by our colleague Judge Hobbs was approved.

A subcommittee of the Committee on Expenditures in the executive departments was named by me as chairman to hold hearings in connection with charges which had been made that racketeering was being carried on, extortion practiced, on the Dock Street Market, Philadelphia, Pa. Hearings were held beginning on February 14, 1947.

The hearings disclosed that certain individuals were exacting payments from farmers delivering produce, from owners of business establishments on the Dock Street Market, from their employees, from citizens—one of whom was a Marine who had just returned from the war—who sought to use their trucks to distribute the produce they had purchased at the market.

It was my contention that those activities were a violation of the Act To Prevent Racketeering, as amended by the Hobbs amendment 62 statute, section 1951, page 763.

Before our committee, the then Attorney General Tom Clark, and Harold D. Beaton, special attorney, Criminal Division, Department of Justice, and Harold I. Baynton, special assistant to the Attorney General in charge of legislation, appeared at my request—the first as a witness, the other two as observers.

It was then the contention of the Department of Justice that the acts shown by the hearings were not in violation of the Racketeering Act, as amended by the Hobbs amendment. With this construction of the statute, Mr. Fischbach seemed to agree.

Both the Department of Justice and Mr. Fischbach took the position that the basic question was whether produce or merchandise coming from outside the State was in commerce, within the meaning of the statute as amended, after it reached the Dock Street Market and before being sold.

Both reached the conclusion that it was not.

My contention was that the Hobbs amendment cured whatever defects there had been in the original act and that beyond question, on the record as made by the committee, officers of the union were guilty of extortion.

Mr. Fischbach came up with a report which all committee members signed (H. Rept. No. 238, 80th Cong., 1st sess.). It carried the following language:

> In the 79th Congress, the Hobbs bill was reintroduced, passed both Houses, and, on the President's approval, became law on July 3, 1946. That bill (Public Law 486, 79th Cong., 2d sess.) (Hobbs amendment) has its impact only upon robbery and extortion (as those terms are especially defined for the purposes of the act) committed in such a way as to obstruct, delay, or affect commerce or the movement of any article in commerce.
>
> The Congress doubtless believed that such an enactment would prove a solution to the problem, but it failed to reckon with the artfulness of those at whom it was leveled and, notwithstanding the passage of the Hobbs amendment to the Federal antiracketeering statute, racketeering in fact has been carried on by gangsters operating in the guise of officials and agents of local unions and, from the standpoint of the collection of tribute, operating successfully.

Inasmuch as the report also carried recommendations that immediate consideration be given "to the revision of the criminal statutes of the United States to the end that there be enacted into law such prohibitions as are calculated to effectively protect (a) the Nation from the type of evil which was visited upon the city of Philadelphia; (b) employees and members of labor unions from oppression, domination, and control by subversive elements; and (c) goods moving in commerce for the purpose of sale or distribution to consumers by prohibiting except under penalty of law, the asking, demanding, receiving, or payment of any sum of money under any pretext or guise whatever as a condition to their unloading, handling, sale, or distribution," we all joined in the report.

So that there might be no misunderstanding as to my views, I filed a supplemental report—see exhibit A attached—suggesting additional legislation, concluding with the following statement—but insisting that the acts shown were a violation of the act as amended, and that prosecution should follow:

> No use quarreling now about where the blame should be placed.

While Congressman argue and Department of Justice officials pore over law books and court decisions, the gangsters go brazenly on their way, levying and collecting tribute here, there, and everywhere.

In the judgment of the writer the Department of Justice has not been diligent in prosecuting under the law now on the books. It has been grossly negligent.

One thing is sure. The present situation is intolerable. If the Department of Justice has been and is negligent, let it repent and get busy. If it lacks adequate tools (law) to cure the evil, then let it so advise Congress.

Forthwith it will become the duty of Congress to rewrite the present act and enact any needed legislation.

While Mr. Fischbach was preparing the report for the committee and I was writing my supplemental report, inadvertently I overheard part of a telephone conversation between Mr. Fischbach and a committee employee. It was apparent from what was overheard that Fischbach was lining up support for a report which would make doubtful or prevent the return of indictments in the Dock Street case.

His motive is unknown. Whether the Department of Justice and he were correct in their legal conclusions will only be finally determined when the Supreme Court renders a decision.

When I insisted, prosecutions were instituted, and 3 individuals, 1 local union and 2 other organizations were indicted.

The 3 individuals were convicted of conspiracy, as was local 929, Produce, Poultry, Fish, and Oystermen Drivers and Helpers Union, A. F. of L.; Wholesale Fruit and Vegetable Distributions, Inc., and Perishable Produce Handlers and Distributors Association were acquitted.

The convictions were as of October 29, 1948. Sentences were imposed on March 11, 1949—see exhibit B. No appeal was taken from those convictions.

The CONGRESSIONAL RECORD discloses that Mr. Fischbach acted as attorney for the Holifield subcommittee of the Committee on Expenditures in the Executive Departments; that he acted as attorney for the Davis subcommittee of the District Committee. The record also discloses that for his services in connection with these various activities, Mr. Fischbach received compensation amounting to $20,000.*

For his services in connection with the Dock Street investigation, as of this date, no record has been found. However, it is recalled that he filed a bill for services which, in my judgment, was too large, but that the amount finally agreed upon was a compromise reached on his claim approved by our colleague from Virginia [Mr. HARDY], our colleague from West Virginia, Mr. Snyder, and the Member from the Fourth District of Michigan.

Not until today did it come to my attention that, as early as December 16, 1944, a letter from Headquarters Intermediate Section, United States Army Service of Supply, Office of Commanding General, had in substance stated that Mr. Fischbach was using his job to make money for himself; that his loyalty to the Government was questionable and that he should never be employed in any Government job.

My efforts to obtain physical possession of the letter will be continued.

It is my hope that the McClellan committee will broadcast and televise its hearings. For years, the common law, State statutes, Federal legislation, the orders of the courts, have been deliberately violated.

Hundreds of citizens have been beaten, maimed and some murdered.

Members of picket lines have in many instances been immune from prosecution.

The Taft-Hartley Act was accepted by the Congress only after hearings which gave citizens some information for its need.

Union members, like other citizens, are basically honest, law abiding. Millions of dollars which they have contributed to health and welfare funds have been stolen or embezzled.

Members of some unions have been forced to become members of, and pay dues to other unions; switch their allegiance from one union to another—often because, and only because, extortionists by force—in order to collect additional dues—so willed.

The Senate committee can, and in my judgment will, if it takes 1 year or 2, expose this sordid picture; propose and secure the enactment of legislation long overdue.

EXHIBIT A

SUPPLEMENTAL REPORT

In the opinion of the writer the purpose of the investigation and the result thereof might in simpler words be more briefly stated; hence, this supplementary report.

Prior to 1934 the obtaining of money or other valuable considerations by the use of force or attempt to use or threaten to use force, violence, or coercion had become so successful and widespread and had so injuriously affected interstate and foreign commerce that the Congress on June 18, 1934, enacted legislation designed to end the practice.

To enable the reader to understand the present situation, (a) the act of June 18, 1934; (b) the decision of the Supreme Court handed down on March 2, 1942, which held that Congress had not found the answer; and (c) the second Congressional attempt to enact legislation which would enable the Department of Justice to lodge extortionists and racketeers in prison are, at the risk of being prolix, set forth.

(a) The act of June 18, 1934, which will be found in section 420 of title 18 of the United States Code (48 Stat. 979), reads as follows:

"An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation

"*Be it enacted, etc.*, That the term 'trade or commerce', as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

"SEC. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or commerce—

"(a) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or

"(b) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or

"(c) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (a) or (b); or

"(d) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment from 1 to 10 years or by a fine of $10,000 or both.

"SEC. 3. (a) As used in this act the term 'wrongful' means in violation of the criminal laws of the United States or of any State or Territory.

"(b) The terms 'property,' 'money,' or 'valuable considerations' used herein shall not be deemed to include wages paid by a bona fide employer to a bona fide employee.

"SEC. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United States.

"SEC. 5. If any provisions of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: *Provided*, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States.

"Approved, June 18, 1934."

Notwithstanding the provisions of this act, extortion, racketeering, the obtaining of money by the use of force, attempts to use and threat to use force and violence, continued throughout the country. Note the original act, among other things, provided, section 4, that prosecutions under the act "shall be commenced only upon the express direction of the Attorney General of the United States."

Whether the widespread extortion and racketeering which continued after the enactment of the original law were due to a disinclination on the part of the Attorney General to issue express directions to prosecute gangsters masquerading as union officials because of a political deal or because of an honest doubt as to the coverage of the act is a matter of opinion.

In either case the result was the same; the practice continued.

Eventually prosecution was instituted against Local 807 of International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers of America, et al., and convictions of the union and individual members of it on charges of conspiracy to violate the act were obtained.

Those convictions reached the United States Supreme Court and on March 2, 1942, were reversed.

Mr. Justice Byrnes delivered the opinion of the Court. Stating the facts, he wrote:

"The proof at the trial showed that the defendant, local 807, includes in its membership nearly all the motortruck drivers and helpers in the city of New York, and that during the period covered by the indictment Defendants Campbell and Furey held office in the local as delegates in charge of the west side of Manhattan and the other defendants were members. Large quantities of the merchandise which goes into the city from neighboring States are transported in over-the-road trucks, which are usually manned by drivers and helpers who reside in the localities from which the shipments are made and who are consequently not members of local 807. Prior to the events covered by this indictment, it appears to have been customary for these out-of-State drivers to make deliveries to the warehouses of consignees in New York and then to pick up other merchandise from New York shippers for delivery on the return trip to consignees in the surrounding States.

"There was sufficient evidence to warrant a finding that the defendants conspired to use and did use violence and threats to obtain from the owners of these over-the-road trucks $9.42 for each large truck and $8.41 for each small truck entering the city. These amounts were the regular union rates for a day's work of driving and unloading. There was proof that in some cases the out-of-State driver was compelled to drive the truck to a point close to the city limits and there to turn it over to one or more of the defendants. These defendants would then drive the truck to its destination, do the unloading, pick up the merchandise for the return trip, and surrender the truck to the out-of-State driver at the point where they had taken it over. In other cases, according to the testimony, the money was demanded and obtained, but the owners or drivers rejected the offers of the defendants to do or help with the driving or unloading. And in several cases the jury could have found that the defendants either failed to offer to work, or refused to work for the money when asked to do so. Eventually many of the owners signed contracts with local 807 under whose terms the defendants were to do the driving and unloading within the city and to receive regular union rates for the work. No serious question is raised by the evidence as to the ability of the defendants to perform the labor involved in these operations."

The Court then held that the legislative history of the act showed that it was intended to suppress terroristic activities of professional gangsters but not to interfere with traditional labor union activities; that the exception was not limited to those who had acquired the status of employees prior to the time when they obtained or attempted or conspired to obtain the money payment, and that hence the union truck drivers who tendered their services in good faith to each truck owner intending to do the work if he accepted their offer, but if he did not, nevertheless require him to pay them the wages by a resort to threats and violence, were not guilty of a violation of the act.

Mr. Chief Justice Stone handed down a dissenting opinion, in which, among other things, answering the contention of Justice Byrnes, he said:

"Such an answer, if valid, would render common law robbery an innocent pastime."

The decision is so enlightening as to the thinking of the Court that the opinion and the dissenting opinion are printed at the end of this report.

This decision, *U. S.* v. *Local 807* (315 U. S. 521) among others established two things:

First. That under the then existing law the Congress had not in the act of June 18, 1934, written legislation which in the opinion of the Court was effective to correct the evil at which it was directed.

Second. That in the opinion of the Court extortion and racketeering, as those terms were commonly used and understood by the average citizen and by many Members of Congress, were well-recognized, established union practices. Those practices may be well recognized and established, but they are not union practices nor are they accepted as such by any appreciable number of unionmen.

The gangsters and the racketeers who had previously been carrying on their business with some degree of apprehension saw in the decision a license to extend and broaden their activities, increase their "takings."

In its opinion the Court called attention to the fact that after the original bill passed the Senate, representatives of the American Federation of Labor expressed the fear that in its then form it might result in serious injury to labor and that the measure was redrafted by officials of the Department of Justice after conference with the president of the federation. Then it was that the two exceptions—the one concerning "the payment of wages by a bona fide employer to a bona fide employee" and the other "the rights of bona fide labor organizations" were incorporated and became section 6 of the act as finally passed.

The gangster and racketeer were apparently overjoyed to learn from the Court's decision that, practicing his profession of extortion, he was a "bona fide employee" attempting to obtain the payment of wages from "a bona fide employer."

From the decision he also learned that while extorting money, by force, from the farmer or the trucker carrying produce or merchandise over the highway, he was only "lawfully carrying out legitimate objectives" of a labor union, provided he offered to drive the truck, even though he had not the slightest intention of rendering that service.

Forced to accept the opinion of the Court an attempt was made to render it ineffective.

Four days after the decision and on March 6, 1942, a bill was introduced in the House (H. R. 6743, 77th Cong., 2d sess.), seeking to amend the act of March 18, 1934, by striking out the provisions on which the Court based its decision. This bill was never, so far as the record shows, given consideration by any committee.

Then a bill, called the Hobbs amendment, was introduced in the 78th Congress, passed by the House, but died in the Senate. It was reintroduced in the 79th Congress, passed both Houses, and on July 3, 1946, was approved by the President.

Notwithstanding the enactment of the Hobbs bill, extortion and racketeering have increased rather than diminished. It needs no legislative investigation to establish the fact that racketeering carried on under the guise of established union practices exists in practically every walk of life.

The most casual reading of the printed record of the hearings held by the House Committee on Education and Labor of the 80th Congress in February and March of this year and of the hearings held by the subcommittee of the House Committee on Expenditures in the Executive Departments, charged with determining whether failure to suppress nationwide extortion and racketeering is due to negligence of the Department of Justice or to inadequate legislation, establishes the fact that through the use of force and violence and by coercion, applied in devious ways, and by the threat thereof, millions, if not billions, of dollars have been extorted from individuals, both employees and employers, partnerships, trade associations, and corporations engaged in business.

While the writer signed the report written by the committee's counsel, he did so with the reservation repeatedly and vigorously expressed both during the hearings and the reading of the report that he would not subscribe to any inference or expression therein to the effect that the Department of Justice had made a sincere, vigorous attempt to prosecute under the Hobbs Act.

The writer is familiar, as is the Department of Justice, with the violence, the seizure and destruction of private property, of the defiance of court orders and police officers practiced during the sitdown strikes in Michigan which extended from the last day of December in 1936 to the 11th day of June 1937. The lawlessness then practiced may have been in an effort to obtain a legitimate labor union objective; that is, the organization of employees, but it was not either prior to that time nor at that time an established union practice. Beyond question it did interfere with trade and commerce between the States.

The sitdown strikes were then something new in America and by no stretch of the imagination, by no legalistic sophistry, could the conduct then indulged in have been then recognized as an established union practice.

The original act was then in force. Can it be that the Department of Justice, when its advice was sought by the American Federation of Labor, anticipated the sitdown strikes and the methods which would be used and sided in drafting a law to protect sitdown strikers? Certainly not. Then why were there no prosecutions at that time? Was it because Madam Perkins, then Secretary of Labor, expressed doubt as to the illegality of the sitdown strike?

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* CONGRESSIONAL RECORD, volume 94, part 8, page 10902:

"SPECIAL SUBCOMMITTEE OF THE HOUSE DISTRICT COMMITTEE TO INVESTIGATE CRIME IN THE DISTRICT OF COLUMBIA, JUNE 30, 1950

"To the CLERK OF THE HOUSE:

"The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1, 1950, to June 30, 1950, inclusive, together with total funds authorized or appropriated and expended by it:

"Name of employee: Hyman L. Fischbach. Profession: Counsel (voucher submitted for services from October 23, 1949 to February 28, 1950). Total gross salary during 6-month period: $5,000. Expenses of Hyman L. Fischbach: $1,124.75."

CONGRESSIONAL RECORD, volume 97, part 1, page 700:

"SPECIAL SUBCOMMITTEE OF THE HOUSE DISTRICT COMMITTEE TO INVESTIGATE CRIME IN THE DISTRICT OF COLUMBIA, JANUARY 11, 1951

"To the CLERK OF THE HOUSE:

"The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1950, to December 31, 1950, inclusive, together with total funds authorized or appropriated and expended by it:

"Name of employee: Hyman L. Fischbach. Profession: Professional services as counsel (vouchers submitted for services from March 1 to September 18, 1950). Total gross salary during 6-month period: $5,000. Expenses of Hyman L. Fischbach: $587.69.

"COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS, JANUARY 18, 1951

"Subcommittee Making Inquiry Into Federal Home Loan Bank Board and Related Agencies, Congressman CHET HOLIFIELD, chairman:

"Hyman L. Fischbach, special counsel	$10,000.00
"Expenses of members of staff	1,101.12."

The decision of the United States Supreme Court legalizing extortion and racketeering when carried on by individuals professing to be officers or members of a union engaged in union activities is not an adequate answer. Nor is the argument that no prosecution will lie; that no conviction can be obtained because an interstate shipment has come to rest in a warehouse before the extortion is practiced available as an overall excuse. No doubt in many cases extortion is practiced in connection with the production, transportation, and use of goods, produce, or merchandise which is not in or which does not affect interstate or foreign commerce and in those cases the Department's reasoning may be sound. But there are many, many other cases in which that situation does not exist.

Lack of time and space limits the citation to but three typical cases.

The testimony of Judge George H. Murphy, one-man grand jury from Detroit, Mich., given before the Expenditures Subcommittee establishes, beyond doubt, that in Detroit "Papa and Mama" merchants with no employees, in order to carry on their business of handling interstate shipments, through fear, coercion, and sometimes through the use of force, were compelled to pay money to one Hoffa, the "business agent" of a teamsters union.

In the same city unionmen from out of the State were forced to "kick in" in order to obtain or hold a job. Thousands of dollars were collected for the privilege of doing business—business in interstate and foreign commerce, business which affected interstate and foreign commerce.

The printed hearings of the same subcommittee show that the people of Philadelphia were not permitted to purchase or to eat the produce of the farmers from the Deep South, of the rancher from the Far West; of the potato and vegetable grower of the Atlantic seaboard and the Northeast unless that food was handled by members of Goldberg's union, local 929. And unionmen, businessmen, employers were forced to cross the palm of Goldberg's agents with folding money before handling the food.

If you are in doubt as to whether the Department of Justice has been vigorous in the prosecution of those who have obstructed interstate and foreign commerce take a glance at the testimony of George P. McNear, Jr., as printed in volume 2 of the hearings of the House Committee on Education and Labor. In particular read and consider his statement set forth on pages 769–770–1. McNear you may recall was shot to death near his home in Illinois a few days after he had testified before the House committee. That load of shotgun slugs may have been the answer to his testimony—a warning to others.

In this connection it is recalled that an employee of the Department of Justice in recent years is reported to have expressed the opinion, in substance, that, while formerly the Department's officials attempted to ascertain the will of Congress in enacting a law, subsequently it followed the course of finding a way to carry out the will of the executive department. Whether or not that statement was ever made, a knowledge of the manner in which what common people call extortion and racketeering has been carried on by gangsters who have infiltrated into labor organizations, which have been and are the political allies of the administration in power during the past few years, lends support to the view that such has been the practice of the Department.

On the record as it stands today it is certain that through the use of force and violence, by the creation of fear, millions of dollars are being collected by gangsters who use the cloak of unionism to safeguard themselves from prosecution and conviction. Such practices are not only intolerable and oppressive upon citizens generally, but they give a bad name to unionism, tend to cause the people to lose confidence in honest, legitimate unions and their members and officers.

Another thing is certain, the extortion, the racketeering, the use of force, of the massed picket line, the secondary and sympathetic strikes, the boycotts by which money is forced out of the citizen's pocket and into that of the gangster cannot be permitted to continue. If it does and the practice continues to increase at the same rate which has prevailed during the last 10 years, there may be open violence, rebellion on the part of the people; there may be civil strife. Already in many sections of the country, but in small areas, the officers of the law have been defied; the orders of the courts ignored and violence has been the answer.

What is the answer? If the Department of Justice is of the opinion that the law is not adequate, let it come forward now with either proposed amendments not only to the Anti-Racketeering Act and to other applicable Federal statutes but with suggestions as to new legislation which will cover the situation.

The Attorney General was willing to aid and he did aid the American Federation of Labor in drafting the act of 1934—let him now do as much for the unorganized people of the United States; for unionmen who are forced to kick in to the gangsters who have secured control of their union.

Apparently in the opinion of the Supreme Court and the Department of Justice, Congress has twice failed in its efforts to write legislation which will give an effective weapon against extortion and racketeering as now practiced.

If the present law amended as above indicated will not answer the purpose because of the restricted definition of the word, "commerce," as used in some Supreme Court decisions, let the Department of Justice suggest the language of a bill which will define interstate and foreign commerce so that the term will cover everything which, having once entered the channels of interstate trade, will remain "commerce" until it has reached the hands of the ultimate consumer.

No use quarreling now about where the blame should be placed.

While Congressmen argue and Department of Justice officials pore over law books and court decisions, the gangsters go brazenly on their way, levying and collecting tribute here, there, and everywhere.

In the judgment of the writer the Department of Justice has not been diligent in prosecuting under the law now on the books. It has been grossly negligent.

One thing is sure. The present situation is intolerable. If the Department of Justice has been and is negligent, let it repent and get busy. If it lacks adequate tools (law) to cure the evil, then let it so advise Congress.

Forthwith it will become the duty of Congress to rewrite the present act and enact any needed legislation.

Most respectfully submitted.

CLARE E. HOFFMAN.

EXHIBIT B

Dock St. strike

Name	Indictment and date	Verdict	Sentence and fine
Abraham Goldberg	Conspiracy, Nov. 20, 1947	Guilty, Oct. 29, 1948	Fined $2,000, 3 months, suspended with 2 years' probation. Goldberg must resign union office and refrain from any union activity during probation period. Goldberg paid fine Mar. 25, 1949. Sentenced Mar. 11, 1949.
Fred Schlein	do	do	Fined $700. To stand committed until paid. Probation to be settled after fine is paid. 15 days. Schlein paid fine Mar. 24, 1949. Sentenced Mar. 11, 1949.
Harry (Turk) Daniels	do	do	Fined $2,000, 2 months' suspended. 2 years' probation. Daniels must resign union office and refrain from any union activity during probation period. Daniels paid fine Mar 28, 1949. Sentenced Mar. 11, 1949.
Local No. 929, Produce, Poultry, Fish and Oystermen Drivers & Helpers Union, A. F. of L., Philadelphia, Pa.	do	do	Fined $1,000. Paid Mar. 25, 1949. Sentenced Mar. 11, 1949.
Wholesale Fruit & Vegetable Distributions, Inc.	do	Not guilty, Oct. 29, 1948	
Perishable Produce Handlers & Distributers Association.	do	do	

NOTE.—Case tried in United States District Court for Eastern Pennsylvania, Case No. 14570: Date of indictment, Nov. 20, 1947; date of trial, Sept. 20, 1948; date of conviction, Oct. 29, 1948; retrial denied, Feb. 28, 1949; date of sentence, Mar. 11, 1949.

PLANNING AMERICA'S OUTDOOR RECREATION FUTURE

The SPEAKER. Under previous order of the House, the gentleman from Colorado [Mr. ASPINALL] is recognized for 20 minutes.

Mr. ASPINALL. Mr. Speaker, the people of the United States are becoming accustomed to hearing about the crises brought about by our rapidly expanding population. We have school construction needs, highway needs, housing needs, and dozens of others. There is another problem that warrants the "crisis" label—and that is the need for healthful outdoor recreation opportunities for our increasingly urban society.

By heritage and disposition, we Americans are an outdoor people. In our formative years, a great majority of our people lived and worked in close contact with relatively unspoiled nature. Hunting, fishing, camping—all the outdoor

pursuits—are as much a part of the American development as our political institutions.

With the industrialization of our society and the consequent concentration of our population in great metropolitan areas around industrial complexes, more and more of our citizens have lost the opportunity to enjoy outdoor recreation. This trend has been reversed in the last couple of decades through shorter workweeks and general prosperity and today, more Americans have an opportunity, which they are exercising in ever-increasing numbers, of enjoying the outdoors than ever before.

We are indeed fortunate that this country is so generously endowed with outdoor recreation opportunities. We have a great huntable population of game animals; water to provide fishing and boating and other water sport; we have scenic wonders that only a fraction of our people have seen. We should be especially grateful for the wisdom of previous leaders who are responsible for the establishment of our great national forests and national parks. Citizens of some States are also blessed with adequate systems of State park and recreation developments.

But abundant as outdoor recreation resources are, they are becoming increasingly burdened by a growing population; and these burgeoning demands have not yet begun to be felt in some areas. Additionally, we have gotten behind in recreation facilities due to more pressing demands of hostilities and defense. We are making do facilities built during the depression for depression sized demand.

We may expect to see the use of our outdoor recreation facilities increased at a rate vastly greater than the boom enjoyed by other activities. There are obvious reasons for this fact.

First, the productivity of the average worker, even before the benefits of automation are being fully felt, is rising rapidly. Competent students of such problems are confidently predicting a 4-day workweek in the foreseeable future—along with longer paid vacations. Consider what a 3-day period of leisure each week would mean to the American family in terms of its opportunities to get outdoors.

Second, in addition to this likelihood of 52 extra vacation days per year, the worker of the near future is apparently assured of a greater margin of income over the amount needed for food, clothing, and shelter. He will have time and money to spend. If events of the past few years are any criterion, we may expect a considerable portion of such money to be spent in getting himself and his family away from the economic and social pressures of the city and out into the outdoors.

Third is the development and improvement in transportation. Train, plane, bus, and more especially auto travel will continue to provide more efficient and more easily available services. Industry spokesmen tell us that the air age has yet to make its greatest mark on transportation. Of perhaps greater importance than any of these is the acceptance of the privately owned automobile as an absolute necessity by the average family.

If any further proof of the popularity of outdoor recreation is needed, I might quote a few well-known statistics. Last year, for instance, there were 50 million visits to our national forests; 50 million visits to our national parks and monuments; 183 million visits to our State parks; 25 million people licensed to fish and hunt—plus additional millions not required to be licensed; and 25 million boating enthusiasts.

These figures are impressive. The figures of the near future will be even more so. The number of licensed fishermen and hunters in my home State of Colorado, for instance, has more than doubled since World War II. The number of skiers in Colorado, including tens of thousands from every corner of the land, has quadrupled or better. In every outdoor pursuit the story is the same.

In considering the importance of these facts to the people of the United States, we should remember a few basic principles. The first of these is that the mental and physical fiber of the Nation is strengthened in proportion to the amount of healthful outdoor activity available. This is fundamental. It is also so simple that its importance is likely to be overlooked. But it should be emphasized whenever an evaluation of our country's strength is undertaken.

Second, the pursuit of outdoor recreation is an industry of the first magnitude. The expenditures of our people for suitable clothing and equipment, for lodging and transportation, for food and drink, amount to many billions of dollars per year. To take a single example, a recent survey by a competent research organization retained by the United States Fish and Wildlife Service indicated that the 25 million licensed sportsmen of the Nation spent in excess of $3 billion in 1955. Add to this total the cumulatively greater expenditures of campers, hikers, boating enthusiasts and the millions of people who simply like to look at nature, and some idea of the economic importance of outdoor recreation is gained.

I might claim some special qualification on this point because the district I represent—the mountainous section of Colorado with a substantial part of both sides of the Continental Divide—is one of the richest areas in the Nation in terms of outdoor recreation opportunities. In western Colorado, a significant share of our economy is based directly on our mountains, our fishing waters and our great herds of deer and elk. People come from all over the United States by the hundreds of thousands to enjoy this great outdoor wealth according to the dictates of their personal preference. It is the desire of the people of western Colorado, as indeed it is of the residents of all recreation areas, to better serve those who come from less fortunate areas. We want our visitors to return, and in order to assure that pleasant financial prospect, we must provide them with every opportunity for the kind of outdoor recreation they desire.

Everyone who is concerned with our outdoor recreation future encounters the same handicap to assuring the kind of future we want. Government at all levels, people who profit directly from outdoor recreation, private conservation groups dedicated to expanding our recreation resources—all are balked in their efforts by lack of information. In attempting to focus public attention on the problem, and in attempting to secure the cooperation of public officials at every level of Government, we find ourselves unable to answer even the simplest questions that are quite properly asked of us.

We do not know how much land or water, of what kinds or in what locations, are necessary to assure every future American an opportunity to enjoy the outdoors. We do not know what kind of accommodations the future will demand nor have we any but the most general idea of the need for additional transportation or sanitation facilities. In short, we have no acceptable information upon which to make an intelligent evaluation of future outdoor recreation needs.

Various levels of government have studied specific and rather limited outdoor recreation needs. The National Park Service of the Department of the Interior has its "Mission 66," a 10-year program aimed at bringing our national parks and monument areas and facilities up to date. The Forest Service is undertaking a similar program under the title "Operation Outdoors" and the Department of the Interior has also launched a long-range wildlife program. Many of the individual States have studied and are continuing to study aspects of the problem.

The results of all past studies will be highly useful for those in whom the people of the Nation have entrusted the finding of the solution to the problem. There is an obvious and critical need, however, for a comprehensive study of the entire outdoor recreation problem on a State by State, regional, and national level. We may attempt to deal with the problem without such a study but we can all agree that this would be little more than grappling in the dark; and future generations would hardly thank us for the occasional gleam of wisdom we might display.

The Congress now has before it a proposal to assure the accumulation of the information we need. H. R. 3592 and companionate bills were initiated by unselfish, private conservation groups with no motive other than the sincere desire to serve our people. As written, the measure is simple. It provides for the establishment of a National Outdoor Recreation Resources Review Commission to study the outdoor recreation resources of the United States. The Commission's stated purpose is "to preserve and develop for the American people of present and future generations such quality and quantity of outdoor recreation resources as will be necessary and desirable for individual enjoyment, and to assure the spiritual, cultural, and physical benefits that such outdoor recreation provides."

The bill proposes to serve this end by providing a mechanism "to inventory

and evaluate the outdoor resources and

for recreation might be slighted in the

most from the taxation. Relief was

MAJORITY LEADER JOHNSON PRO-

people of the United States are becom- for healthful outdoor recreation oppor- ing, fishing, camping—all the outdoor

importance than any of these is the ac- outdoor recreation future encounters the providing a mechanism "to inventory

and evaluate the outdoor resources and opportunities of the Nation and to make comprehensive information and recommendations leading to these goals available to the President, the Congress, and the individual States and Territories." The Commission is charged with the responsibility for the nationwide inventory. It is to study all outdoor recreation resources and opportunities except those usually associated with urban development—playgrounds, stadia, zoos, and so forth.

The Commission is to consist of 15 members. Two majority and two minority members would be selected from the Interior and Insular Affairs Committees of each of the Houses of Congress. These 8 Commission members would be joined by 7 citizens interested in the subject, who would be appointed by the President, and one of whom would be designated by the President as chairman. The Commission members would serve without pay except for the usual per diem allowance.

Continuity in Commission operations is to be assured by the appointment of an executive secretary and staff, and the selection of a headquarters office in the District of Columbia. Cooperation with Federal agencies now dealing in recreation problems would be assured by the appointment of a liaison officer from each such agency to work with the Commission.

Even broader representation is provided for in an advisory council, to consist of 25 members representative of major geographical areas and of recreation resource management agencies and other groups interested in or affected by the study. The Government liaison officers also serve on the advisory board.

It is the intent of the bill's sponsors to see that the work of the Commission is broad enough to provide a sound framework for the future. The Commission would be requested to report on the amount, kind, quality, and location of outdoor recreation resources required by 1976 and by the year 2000. It would be authorized to take into account trends in population, in leisure, in transportation, and other factors which might influence its recommendations.

The Commission's final report would be submitted not later than December 31, 1959. The report is to include recommendations on a State-by-State, region-by-region, and national basis. It should be emphasized that the Commission is not authorized to function as a unilateral Federal agency. It is specifically instructed to solicit the cooperation of State and local governments, and is authorized to retain the services of local governments or private organizations which might be better qualified to report on a specific aspect. The Commission is instructed to recognize that solutions to outdoor recreation and its findings are to be made available to all groups, public and private, which are interested in or affected by outdoor recreation problems.

The bill anticipates the concern of those who might question whether or not other uses of lands and waters suitable for recreation might be slighted in the study. The Commission is instructed to recognize that the full welfare of the Nation must include coordination and integration of all legitimate uses of our lands and waters.

With the necessary appropriation of funds to launch the investigations, the National Outdoor Recreation Resources Review Commission would begin its task. It is an important one. It will meet the classic requirements of good legislation by assuring that our future deliberations on outdoor recreation policies will be based on fact, not fancy. It will provide a guide to those who operate commercial enterprises serving outdoor recreation enthusiasts. It will provide a similar guide for State and local governments. It will arm the private conservation groups which have dedicated themselves to our recreation future, including such responsible national organizations as the Izaak Walton League of America, the Wilderness Society, the National Wildlife Federation, and others of comparable reputation.

May I express the hope that legislation assuring the goals of H. R. 3592 will be enacted in the first session of the 85th Congress.

A BILL TO INCREASE THE PERSONAL TAX EXEMPTION

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, long before I was privileged to come to the Congress of the United States, I was aware of the terrific tax burden imposed upon the people of these United States. Most of the taxpayers I have known have complained to me at one time or another and they all feel that when it is for the good of the Nation, none of us mind too much. Nevertheless, the tax laws as presently constructed contain such gross inequities, impose such tremendous burdens, and such glaring miscalculations upon the people, that there must be a change. I have, therefore, introduced a bill to give some relief.

I address my remarks particularly to the exemption for dependents. Those of us who have children know that these exemptions are not in line with the cost of keeping and rearing children, and if any tax relief is given along this line, the parents I have known will in turn use the money saved for the children and those children will be the ones upon whom this Nation must depend in the next generation.

I had hoped that the Internal Revenue Act of 1954 was going to give some relief to the small taxpayer. I find that it did not, and I believe the small man and the small taxpayer are the least and last concern of this administration. It is the small taxpayer that bears the tax burden and who suffers most from the taxation. Relief was given to some under the 1954 act, and I have no criticism with that because I am happy to see anybody get tax relief, but the average dirt farmer and the average laboring man in the textile, steel, wool, and other plants, and the man in the mines, and the white collar worker generally has had no help from this administration. In fact, this administration apparently ignores the little man, in every phase of its executive consideration.

I believe the bill I have introduced today will give a measure of help. I did not attempt to rewrite the tax rates but to bring before the Congress a bill which would correct situations which so obviously need correcting. If a man and/or woman has a child or children in school, he, she, or they know of the tremendous expenses involved. This bill in effect recognizes that expense. It also recognizes the fact that if a man is retired, and certain figures give the 1954 average retirement of civil service employees at $1,500, that he gets a better exemption. He cannot live on $1,500 because of the high cost of living we presently are afflicted with. He needs tax relief. The parent needs tax relief. Everybody knows about the high cost of living.

I think the average American taxpayer would feel better about this enormous spending if he thought we were thinking about him, too. I believe he would feel that we really have his problems at heart when we recognize the high cost in keeping his family. I am told that the high cost of living is keeping our population from growing to the extent that it should. We need all the real Americans we can get to stand up in this world fight and I want to encourage them in any way I can.

Included in this proposed legislation is relief for the man or woman who has reached 65, and relief for the parent. I cannot see how anybody could quarrel about that.

The figures which I have used are the result of much inquiry. In talking to the many taxpayers of my district and of other places, I have found that they usually point to the amount allowed for exemptions as an inequity apparent on its face. Any parent will tell you that it costs as much to put a child through high school today, or maybe more, than it cost to put a young person through college 25 years ago. This proposed legislation attempts to pinpoint the problem and give the relief wanted. It affects almost every individual taxpayer in the Nation. There is no effort to favor any group or class and it will benefit people of all ages in this country.

I hope Congress and the administration will consider and approve this legislation. This gives all of us an opportunity to do something for the people whose burdens we bear and whom we represent. I know they want this sort of tax relief and I know they are entitled to it.

MAJORITY LEADER JOHNSON PROPOSES IMPORTANT PROGRAM FOR DEMOCRATS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, last Saturday night, March 16, 1957, our distinguished majority leader in the United States Senate made a wonderful speech at a Democratic meeting in Raleigh, N. C., entitled "To Give a Little and Take a Little," in order to maintain unity. If there is anything that is a traditional part of our democratic legislative functions, it is the definite policy of give and take. A Member of Congress who desires to serve his constituents must first recognize that he cannot get everything that he wants. He must give and take; he must compromise. That is a part of the legislative process. The congressman who says that he will not vote for any bill that contains any provision contrary to a principle he possesses, although the bill contains much of what he approves and what his constituents would like to have, winds up in getting a whole lot of nothing instead of a part of something.

Senator LYNDON JOHNSON made many valuable points which I shall not discuss, as his whole address is being placed in the CONGRESSIONAL RECORD by the distinguished Senator from North Carolina, Senator SAM J. ERVIN, Jr., and is available to anyone who desires to read it, and I urge all Members to read this important speech.

Certain subjects Senator JOHNSON brought out I think are deserving of special mention. No. 1 on his list of real problems was monetary policy—how long can this Nation remain prosperous when the price of money goes up and up? This is one of the most important issues before our country today. There is so much confusion about inflation, savings, and interest rates that it is very difficult for any person to get the real facts and the real truth.

HELP THE SAVERS

We are told that interest rates are higher to fight inflation. This is hypocrisy at its worst, as higher interest causes higher costs and higher taxes and contributes to inflation. It is like pouring gasoline on a fire to put the fire out. No effort is made by the Treasury to keep interest rates down on the national debt. Yet we are told to reduce the budget. We are told that savers should be given more interest in order to encourage savings. The facts are undisputed that savers are more interested in having their capital investment available 100 cents on the dollar at all times rather than a small difference in interest. Arguments are doubtless made and tears are shed in behalf of the poor saver by those who create the money out of thin air on the books of the banks on the credit of the Nation and who get the benefit of these increased rates.

GREAT PRIVILEGE

Our capitalistic system, which I approve of, and our commercial banking system, which I approve of, including the Federal Reserve System operating within the law and intentions of Congress, permit commercial banks to make loans by creating money to the extent of $6 for every $1 in reserve.

This is a valuable privilege which is justified if operated in the interest of all the people instead of a privileged few.

UNITED STATES BEHIND RUSSIA IN EDUCATION

Another point listed as No. 7 in the distinguished Senator's list of "real problems" is as follows: "When only 1 in every 10 of our young people graduates from college, are we keeping pace with the Soviet Union in training the technicians whom we must have to preserve our freedoms?"

It was my privilege as chairman of the Economic Stabilization Subcommittee of the Joint Economic Committee in November 1955 to conduct the first Congressional hearing on automation. At this hearing we heard from our greatest and most distinguished scientists, engineers, educators, and leaders in management and labor. We discovered and disclosed for the first time the fact that during the year 1956, while in the United States there would graduate 25,000 engineers, in Soviet Russia 50,000 engineers would be graduated. We also discovered the alarming and shocking fact that while in the year 1956, we would graduate in the United States 50,000 technicians, in the United Soviet Socialist Republics there would be graduated 32 times that number, or 1,600,000. There were other interesting disclosures in these hearings. I am particularly proud of the fact that our distinguished majority leader in the Senate has taken cognizance of the fact of this disturbing difference and recognizes the problem as one that we should deal with without further delay.

Other interesting and important points were stressed in this speech, including the serious plight of our small farmers, the family-type farmers, many of whom are on the farm and engaged in farming as a mode of life. It is from these fine little farms, where the farmers save and suffer and engage in the hardest type of work and drudgery, that some of our greatest men and women are born, reared, and start an education for great careers.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SMITH of Wisconsin (at the request of Mr. MARTIN), for the balance of this week, on account of official business in his district.

To Mr. AUGUST H. ANDRESEN (at the request of Mr. O'HARA), indefinitely, on account of official business.

Mr. TEAGUE of Texas (at the request of Mr. THOMAS), for Wednesday, March 20, 1957, on account of illness in the family.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HAYS of Arkansas and to include extraneous matter.

Mr. KEATING.

Mr. BROOKS of Louisiana.

Mr. HILLINGS (at the request of Mr. MARTIN) in two instances and to include extraneous matter.

Mr. YATES, his remarks in Committee of the Whole today, and to include extraneous matter.

Mr. EVINS, following his remarks in Committee of the Whole today and to include a telegram and four letters.

Mr. PATMAN in two instances and to include extraneous matter.

Mr. BYRNE of Pennsylvania.

Mr. FLOOD (at the request of Mr. ALBERT) in four instances and to include extraneous matter.

Mr. FISHER (at the request of Mr. DAVIS of Georgia), following the remarks of the gentleman from Illinois [Mr. VURSELL] in Committee of the Whole and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1482. An act to amend certain provisions of the Columbia Basin Project Act, and for other purposes; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.), the House adjourned until tomorrow, Wednesday, March 20, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

629. A letter from the President, Export-Import Bank of Washington, transmitting the semiannual report of the Export-Import Bank of Washington, covering the period July to December 1956, pursuant to section 9 of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking and Currency.

630. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders"; to the Committee on the Judiciary.

631. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to provide that the United States district judges for the districts of Hawaii and Puerto Rico shall have the same tenure of office and retirement rights

as all other United States district judges"; to the Committee on the Judiciary.

632. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended"; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURLESON: Committee on Foreign Affairs. H. R. 1983. A bill to provide for the conveyance of the reversionary interest of the United States in certain lands to the Clint Independent School District and the Fabens Independent School District in the State of Texas, or to either of them, and for other purposes; without amendment (Rept. No. 205). Referred to the Committee of the Whole House on the State of the Union.

Mr. GORDON: Committee on Foreign Affairs. House Concurrent Resolution 115. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; with amendment (Rept. No. 206). Referred to the House Calendar.

Mr. CARNAHAN: Committee on Foreign Affairs. Report pursuant to House Resolution 29 pertaining to special study mission to Guatemala; without amendment (Rept. No. 207). Referred to the Committee of the Whole House on the State of the Union.

Mr. GORDON: Committee on Foreign Affairs. Report pursuant to House Resolution 29 pertaining to a special study mission to the Mediterranean area; without amendment (Rept. No. 208). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 3377. A bill to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; without amendment (Rept. No. 209). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHMORE:

H. R. 6123. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

H. R. 6124. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. BERRY:

H. R. 6125. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Randall Dam on the Missouri River and for rehabilitation of the Indians of the Crow Creek Sioux Reservation, S. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROYHILL (by request):

H. R. 6126. A bill to amend the Civil Service Retirement Act to provide that certain service in the Coast and Geodetic Survey and the Public Health Service shall be considered to be military service for the purposes of such act; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. R. 6127. A bill to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States; to the Committee on the Judiciary.

By Mrs. CHURCH:

H. R. 6128. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. COLE:

H. R. 6129. A bill to amend the National Defense Facilities Act of 1950 by permitting the Secretary of Defense to enter into arrangements with political subdivisions of any of the States for acquisition of training facilities; to the Committee on Armed Services.

By Mr. DAWSON of Illinois (by request):

H. R. 6130. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 30 years, and for other purposes; to the Committee on Government Operations.

By Mr. DIXON:

H. R. 6131. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. DOOLEY:

H. R. 6132. A bill to amend section 127 (a) of the Internal Revenue Code of 1939 and other statutes relating to the deduction of war losses; to the Committee on Ways and Means.

By Mr. HARRISON of Virginia:

H. R. 6133. A bill to amend the Internal Revenue Code of 1954 to extend the time within which a minister may elect coverage as a self-employed individual for social security purposes, and in certain cases to extend the period with respect to which such an election will be effective; to the Committee on Ways and Means.

By Mr. HEMPHILL:

H. R. 6134. A bill to increase personal income tax exemptions of the taxpayer (including exemptions for a spouse, exemptions for a dependent, and an additional exemption for old age and blindness from $600 to $1,200 under provisions herein defined; to the Committee on Ways and Means.

By Mr. HUDDLESTON:

H. R. 6135. A bill to provide that members of a uniformed service entitled to severance pay, disability severance pay, or readjustment payment may receive such pay or payment in two equal annual installments; to the Committee on Armed Services.

By Mr. HYDE:

H. R. 6136. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. JOHNSON:

H. R. 6137. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended, to include cranberries for canning or freezing; to the Committee on Agriculture.

By Mr. KARSTEN:

H. R. 6138. A bill to amend section 2314, United States Code, title 18, with respect to the transportation in interstate commerce of articles obtained by false or fraudulent pretenses, representations, or promises, or through any scheme or artifice to defraud; to the Committee on the Judiciary.

By Mr. KEARNS:

H. R. 6139. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. McMILLAN:

H. R. 6140. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. MORRISON:

H. R. 6141. A bill to provide health and medical services for civilian employees in Government service overseas and their dependents, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOSS:

H. R. 6142. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. O'HARA of Minnesota:

H. R. 6143. A bill to amend the Social Security Act so as to extend coverage under the old age and survivors insurance program to certain government employees of the State of Minnesota; to the Committee on Ways and Means.

By Mr. PORTER:

H. R. 6144. A bill to amend the Small Business Act of 1953 to authorize loans by the Small Business Administration in areas of economic disaster, depression, or dislocation; to the Committee on Banking and Currency.

H. R. 6145. A bill to amend the Small Business Act of 1953 to direct the Small Business Administration to make extensive, comprehensive, and continuing studies of certain problems of small business and to file semiannual reports on the results of such studies; to the Committee on Banking and Currency.

H. R. 6146. A bill to amend the Small Business Act of 1953 to authorize the Small Business Administration to make loans to local private nonprofit organizations formed to assist, develop, and expand the economy of the area; to the Committee on Banking and Currency.

By Mr. PRESTON:

H. R. 6147. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. SMITH of Mississippi:

H. R. 6148. A bill to amend the Agricultural Act of of 1946 (70 Stat. 202) to provide donations of surplus food commodities to State and local penal institutions; to the Committee on Agriculture.

By Mr. GREEN of Pennsylvania:

H. R. 6149. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. GWINN:

H. R. 6150. A bill to amend the Fair Labor Standards Act by clarifying the definition of "employee", and for other purposes; to the Committee on Education and Labor.

By Mr. KNOX:

H. R. 6151. A bill to provide for the inclusion of publicly operated ferry service as a part of the Federal-aid highway system, and for other purposes; to the Committee on Public Works.

By Mr. LANHAM:

H. R. 6152. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

H. R. 6153. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 6154. A bill to protect the integrity and independence of national banks by strengthening the laws relating to ownership of stock in such banks; to the Committee on Banking and Currency.

By Mr. MARSHALL:

H. R. 6155. A bill to amend section 218 of the Social Security Act so as to extend coverage under the old-age and survivors insurance program to certain employees of the State of Minnesota; to the Committee on Ways and Means.

By Mr. REED:

H. R. 6156. A bill to amend the Internal Revenue Code of 1954 with respect to the time within which (and the period for which) an election to be covered as a self-employed individual for social security purposes may be made by a minister who erroneously assumed that he was covered as an employee of a tax-exempt organization for such purposes; to the Committee on Ways and Means.

By Mr. LESINSKI:

H. R. 6157. A bill to establish an agricultural program which imposes limitations on agricultural production directly rather than indirectly through acreage controls; to the Committee on Agriculture.

H. R. 6158. A bill to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act; to the Committee on Post Office and Civil Service.

By Mr. MATTHEWS:

H. R. 6159. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 6160. A bill to provide for equality of treatment in the restoration to tribal ownership of surplus lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORRISON:

H. R. 6161. A bill to provide survivor annuity benefits to dependent spouses and children of certain deceased members and employees under the Civil Service Retirement Act Amendments of 1956 (70 Stat. 401, 5 U. S. C. 2260, (c), (d)); to the Committee on Post Office and Civil Service.

H. R. 6162. A bill to provide for modification of the existing project for Chefuncte River and Bogue Falia, La.; to the Committee on Public Works.

By Mr. PERKINS:

H. R. 6163. A bill to amend section 224 of the Social Security Act to provide disability payments to veterans without reduction in either the veterans' compensation or social security benefits; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H. R. 6164. A bill to provide for the establishment of a United States Science Academy; to the Committee on Education and Labor.

By Mr. UDALL:

H. R. 6165. A bill to provide for a U. S. S. *Arizona* Memorial at Pearl Harbor, T. H.; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BERRY: House Concurrent Resolution 8, adopted by the 35th session of the South Dakota Legislature, memorializing Congress to appropriate funds to complete investigations and studies of the Oahe unit, Missouri River Basin project, by the Bureau of Reclamation; to the Committee on Appropriations.

By Mrs. PFOST: Memorial of the Legislature of the State of Idaho urging the Bureau of Indian Affairs, Department of the Interior, to examine and look into the policies and the operations of the Indian school at Chemawa, Oreg., and make the service offered by this school available to all Indian children; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Idaho, protesting against continuation of the present tight-money policy and urging that this policy be terminated forthwith; to the Committee on Banking and Currency.

By the SPEAKER: Memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States relative to urging immediate action to improve and implement a new Columbia River ship-channel project from the mouth to the port of Portland of not less than 40-foot depth and 750-foot width to alleviate the present serious and hazardous condition of navigation in the Columbia River, etc.; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to appropriate sufficient funds to stimulate the production of certain critical minerals, metals, and materials indispensable in the construction of jet engines; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 6166. A bill for the relief of Michael S. Tillmon; to the Committee on the Judiciary.

By Mr. BATES:

H. R. 6167. A bill for the relief of Laurence F. Safford; to the Committee on the Judiciary.

By Mr. CRETELLA:

H. R. 6168. A bill for the relief of Lt. Col. James A. Mendillo; to the Committee on Armed Services.

By Mr. HERLONG:

H. R. 6169. A bill for the relief of Maj. William R. Rader; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 6170. A bill for the relief of Choon Sik Kim; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 6171. A bill for the relief of Maria Peres-Navarro de Candelaria (also known as Maria Juana Gonzalez-Flores); to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 6172. A bill for the relief of Thomas F. Milton; to the Committee on the Judiciary.

By Mr. McFALL:

H. R. 6173. A bill for the relief of Michele De Bellis; to the Committee on the Judiciary.

H. R. 6174. A bill for the relief of Rosa Santa Bavaro, Domenica Bavaro, and Anna Bavaro; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 6175. A bill for the relief of Virginia Hell; to the Committee on the Judiciary.

H. R. 6176. A bill for the relief of Fouad George Barcody; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 6177. A bill for the relief of Guiseppe Calafiore; to the Committee on the Judiciary.

By Mr. MORRIS:

H. R. 6178. A bill conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon certain claims of individuals against the United States; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 6179. A bill for the relief of Loren H. Scrivner; to the Committee on the Judiciary.

By Mr. SCHENCK:

H. R. 6180. A bill for the relief of Laura Coldiron; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 6181. A bill for the relief of Susana Yen Hendricks; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 6182. A bill to provide for the conveyance of certain real property of the United States to the former owners thereof; to the Committee on Government Operations.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

143. By Mr. BUSH: Petition of 40 citizens of Williamsport, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

144. By Mr. HALE: Petition of Maine Association of Passenger Boatowners expressing opposition to Public Law 985, 84th Congress; to the Committee on Interstate and Foreign Commerce.

145. By Mr. HARVEY: Petition of 42 residents of the Indiana 10th Congressional District asking Congress to enact legislation to prohibit the transportation of alcoholic beverages in interstate commerce and to prohibit radio and television advertisement of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

146. By the SPEAKER: Petition of the Secretary, American Bar Association, Chicago, Ill., petitioning consideration of their resolution with reference to recommendations of the special committee on impact of atomic attack on legal and administrative processes adopted at the midyear meeting of the house of delegates of the American Bar Association, etc.; to the Committee on Armed Services.

147. Also, petition of A. D. Olsen and 609 others, Illinois Central Railroad Co., Chicago, Ill., relative to being opposed to the bill H. R. 4353, and requesting that consideration be given to bills like H. R. 1008, H. R. 3974, H. R. 4523, and H. R. 4677; to the Committee on Interstate and Foreign Commerce.

148. Also, petition of the city clerk, Trenton, N. J., relative to requesting enactment of the bills H. R. 6, H. R. 2474, and S. 27 and S. 386; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

St. Patrick—A Living Memory

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. FLOOD. Mr. Speaker, each year the feast day of St. Patrick is celebrated as a national holiday in Ireland. The memory of St. Patrick lives on after nearly 15 centuries.

Today, St. Patrick continues to hold the same high place in the minds and the hearts of the Irish—and of Christian peoples everywhere—as he has in the past. He is the patron of the See of Armagh and of Ireland's most illustrious college. Churches are dedicated to him not only in Ireland but also in all parts of the world to which the Irish have emigrated or which attracted their missionaries since the time of the Middle Ages. The name of Patrick is one of the most common of Christian names of the Irish both at home and abroad. He is indeed the national hero of Ireland.

Much has been written on the life of St. Patrick. The life and legend of the good St. Patrick is told again and again in song and story—in poetry and prose. His life is studied by adults and children alike. Interest in the life of St. Patrick and of all the traditions surrounding that life is as alive today as ever.

What kind of a person was this man? The average Irishman knows at least part of the legends associated with St. Patrick and through them something of the patron himself. He knows the wonderful story of how the shape of the shamrock helped St. Patrick to explain the Holy Trinity. He knows the story that his patron saint expelled the snakes and all venomous reptiles from Ireland.

Some of the facts surrounding his life are known, too. St. Patrick was born in Britain sometime around the year 387. When he was 16, he was captured by Irish raiders. There he became a slave. During his captivity, he learned the language of the country and the ways of the Irish. Six years after his capture he escaped to France and prepared himself for the holy orders. After he became a priest, he returned to Ireland as a missionary about 432.

In the years which followed, St. Patrick walked up and down the island, working sealously at his task of converting the Irish to Christianity. It is said that he alone founded 360 churches, baptized some 12,000 people, and ordained a countless number of priests. He conquered an entire nation with his weapons of unlimited faith, an indomitable courage, and a tremendous love of his fellow men. The apostle of Ireland, mystic and man of action, brought a faith to an entire people.

No matter how striking the personality, it is not the man who counts here. It is the faith that he brought to the nation. It is a faith that has stood the test of time. It is a faith that is interpreted today in the same integral way as it was interpreted by the church of St. Patrick in the fifth century.

It is a faith that has done well by the Irish. It has helped them to survive centuries of domination by foreign powers. It has helped them to survive religious persecution without forsaking their own beliefs. There can be no doubt in anyone's mind of the Irish love of freedom and justice. These two principles were a part of the teachings of St. Patrick. They have been cherished down through the centuries, giving strength and character to the people.

Thus it is that the Irish have been able to bridge the gap of almost 1,500 years between the religion of St. Patrick and that of modern times. They have proved that faith and freedom go hand in hand.

It is fitting that we should pay tribute on this day to St. Patrick. It is fitting that we should honor the Irish both in their native land and abroad. They and their beloved St. Patrick have contributed greatly to the world.

The memory of St. Patrick continues to live on through the people he loved so dearly. Through his heritage, they will ever be a glorious people.

Seventy-fifth Anniversary of the Knights of Columbus

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. HILLINGS. Mr. Speaker, I join my colleagues in saluting the accomplishments of a fine, American religious organization, the Knights of Columbus on its 75th anniversary.

This splendid organization has made a great contribution to belief in God and the preservation of our heritage of American citizenship and ideals of human freedom. Its good works have been legion.

It is particularly significant that the Knights of Columbus is celebrating its 75th anniversary in our country at a time when a great portion of the world is forced to live in darkness, slavery, and atheism. In the struggle today for the control of the minds of men between communism on the one hand and the forces of freedom on the other, the Knights of Columbus can stimulate and strengthen our efforts toward achieving victory in this world struggle.

If an organization like the Knights of Columbus could exist behind the Iron Curtain, it would be impossible for the Communists to maintain their dominance and control over so many millions of people.

As a member of the Archbishop John J. Cantwell Council in Arcadia, Calif., I am proud to extend best wishes and congratulations to my brother knights on this gala occasion.

Hungarian Independence Day

EXTENSION OF REMARKS

OF

HON. JAMES A. BYRNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. BYRNE of Pennsylvania. Mr. Speaker, before last October only a limited number of people were aware of what was happening among the satellite states of Eastern Europe. But today there is a different story, and the whole world joins in congratulating and commemorating this anniversary of Hungarian Independence Day.

Hungary was, as you know, geographically unfortunate. Europe's main railroad to the East and Near East ran through that country. It was indeed the passageway to Europe. As such its history is replete with the disheartening stories of conquest and occupation. Yet throughout its history Hungary has consistently proved its right to be considered among the bravest of all nations—large or small. No nation has demonstrated a more forthright love of independence. Thanks in part, perhaps, to its linguistic uniqueness, Hungary was able to maintain a cultural insularity, if not a political one, which it has sustained down to this day.

Courage is commonplace to Hungarians. And what we would consider nobly courageous they take with the stoic nonchalance reserved to the brave the years 1848 and 1956 are closed in essence than in time. The Hungarian rebellion of last fall will surely remain one of the most inspiring events in the history of mankind.

A curious similarity exists between the situations in 1848 and that of last year. Like 1848 resolute strength proved fruitless; but as in 1848 once more the villain in a play for freedom is Russia. Between October 23, 1956, and January 1, 1957, it has been estimated that 155,000 refugees fled their homeland to escape the unbearable burden of oppression and communism.

Hungary has given to America—indeed to the free world—a renewed confidence in itself and a new recognition of the perfidy of communism; it has demonstrated that mere barbaric, naked force cannot stifle the indomitable will for the most basic desires of humanity and freedom. It is with a sincere sense of the accomplishment of their forefathers that I humbly add my voice to the memory of Hungary on this, their day of independence.

Results of Questionnaire Mailed to Iowa

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19, 1957

Mr. MARTIN of Iowa. Mr. President, under unanimous consent granted me by the Senate, I submit the results of my annual questionnaire from the State of Iowa.

On February 15 I mailed 41,348 questionnaires to Iowa. They were addressed to every 20th householder—both town and country. I used rural directories and all available city directories and telephone directories for towns not having householder directories. With each householder ballot I included also a woman's ballot of identical questions for the use of the wife or nearest female relative of the householder. The special women's ballots are tabulated in a separate column.

We have received a total of 8,312 replies which are included in the tabulation. The occupations listed by those replying are as follows:

Farmer	2,035
Labor	742
Business	607
Professional	465
White collar	544
Woman's ballot	3,486
Miscellaneous	433

Sample copies were distributed freely and 6,256 Iowans replied on them, but in order to preserve the true grass-roots value of the enclosed tabulation of the ballots, I have followed my practice of not including sample-copy replies therein.

This year has brought not only the largest total number of ballots but also the largest number of good discussions that I have ever received in reply to my questionnaire. More than half of all those who have voted have written letters of utmost value also. I deeply appreciate the good cooperation of the people of Iowa in this wonderful response.

The purpose of this questionnaire is best described in the words of Edmund Burke, 18th-century British statesman, as follows:

> Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinions high respect; their business unremitting attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs—and above all, ever, and in all cases, to prefer their interest to his own.
>
> But a representative's unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to any man, or to any set of men living. These he does not derive from your pleasure—no, nor from the law and the Constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Questionnaire—Tabulation of total Iowa grass-roots vote

	Total vote	Yes	No	Percentage Yes	Percentage No
1. Do you approve President Eisenhower's general foreign policy?	7,276	5,126	2,150	70.45	29.55
2. Do you approve inviting to this country for conferences the foreign heads of states with whom we are not in agreement?	7,909	5,818	2,091	73.56	26.44
3. Do you approve requiring all new National Guardsmen and Army Reservists to take 6 months' training on active military duty?	7,529	5,552	1,977	73.74	26.26
4. Do you favor industry taking the initiative in developing and producing atomic power, with the Federal Government paying part of the experimental and developmental cost?	7,376	5,206	2,170	70.58	29.42
5. Do you approve Congress authorizing the admission of a greater number of immigrants to the United States from Hungary?	7,854	1,694	6,160	21.57	78.43
6. Do you approve Congress authorizing the admission of a greater number of immigrants from all countries?	7,886	848	7,038	10.75	89.25
7. Do you favor requiring compliance with a soil-bank program to qualify farmers for price supports on corn?	7,414	5,091	2,323	68.67	31.33
8. Do you approve stricter controls on what farmers can plant on land diverted from major crops?	7,534	4,083	3,451	54.19	45.81
9. Do you favor requirement that acreage placed in either acreage reserve or conservation reserve of the soil bank should not be harvested or grazed under any circumstances?	7,434	3,268	4,166	44.02	55.98
10. Do you favor a price support program of 70 to 90 percent for corn for the next 3 years for farmers qualifying in a soil-bank program?	7,064	5,019	2,045	71.05	28.95
11. Do you favor reduction of Federal taxes even though it unbalances the budget?	7,839	1,870	5,969	23.94	76.06
12. When the Federal budget is balanced do you favor reduction of the Federal debt before reducing taxes?	7,608	5,041	2,567	66.26	33.74
13. Do you approve tax reduction for small business?	7,537	5,900	1,637	78.28	21.72
14. Do you favor Federal assistance for a school building program uncomplicated with integration problems to aid children of all races?	7,634	6,005	1,558	79.56	20.44
15. Do you favor requiring registration of pension and welfare funds of labor unions and disclosure of financial transactions involving them?	7,418	6,866	552	92.56	7.44
16. Do you favor extending unemployment insurance to employees of firms having from 1 to 3 persons on their payrolls?	7,398	4,659	2,739	62.98	37.02
17. Do you approve a program of Federal aid for technical assistance and loans and grants to communities suffering from chronic unemployment problems?	7,169	4,004	3,165	55.27	44.73
18. Do you approve including private business in partnership with municipalities, States and the Federal Government for the development of water uses in irrigation, flood control, power production, domestic and industrial uses?	6,777	4,155	2,622	61.31	38.69
19. Do you favor United States membership in the Organization for Trade Cooperation provided it is strictly an administrative agency without power to control United States tariff policies?	5,247	4,252	995	81.04	18.96
20. Do you approve the sale and barter of farm surpluses to communist nations?	7,719	3,162	4,557	40.96	59.04
21. Do you approve a food stamp plan under which needy persons would be given certificates with which to purchase surplus foods through normal commercial channels?	7,782	6,466	1,316	83.09	16.91
22. Do you favor the Federal Government subsidizing private companies for excessive losses on insurance issued by them against natural disasters?	6,767	1,980	4,807	29.17	70.83
23. Do you approve the Federal Government's providing credit with local banks for loans to disaster victims for rehuilding?	7,936	7,256	680	91.43	8.57
24. Do you favor direct Federal insurance against industrial atomic hazards?	6,400	3,298	3,102	51.52	48.47
25. Do you approve Federal legislation to ease the supply of housing credit, including greater Federal support of the mortgage market?	6,530	2,817	3,703	43.31	56.70
26. Do you approve increasing the maximum interest rate on VA-guaranteed home loans to secure more private funds for home construction or purchase?	6,940	3,278	3,662	47.23	52.77
27. Do you favor an increase in postal rates to meet Postal Department deficit and to provide better post office buildings and equipment where needed?	7,918	4,141	3,777	52.30	47.70
28. Do you approve enactment of Federal laws authorizing prosecution in Federal courts of anyone who intimidates voters in an election for Federal office?	7,677	7,269	408	94.69	5.31
29. Do you approve authorizing the U. S. Department of Justice to seek an injunction in behalf of anyone who believes his civil rights are about to be violated?	6,436	5,134	1,302	79.74	20.26
30. Do you approve permitting individuals to take complaints that their civil rights have been violated directly into Federal court?	6,545	4,619	1,926	70.57	29.43
31. With other safeguards to guarantee a fair price to the public, do you favor the return to the States by the Federal Government of controls over the production of natural gas?	6,557	3,755	2,802	57.27	42.73
32. Do you approve controls by the Federal Government of rents, wages and prices in peacetime?	7,694	2,237	5,457	29.07	70.93
33. Do you favor examination of our monetary policy and our financial system by a commission appointed by the President even though such examination may be made also by Congress?	6,454	3,486	2,968	54.01	45.99
34. Do you approve the Federal Government's encouragement of more liberal credit and lower interest rates for small business?	7,652	6,452	1,200	84.32	15.68
35. Please check 3 of the following 6 items you think should be cut most in Federal spending:					
(1) Number of Federal employees		(1) 7,315			
(2) Construction of Federal public works (dams, airports, buildings, interstate roads, etc.)		(3) 3,877			
(3) Federal aid to States, municipalities, school districts, and local public agencies		2,781			
(4) Foreign aid		(2) 6,810			
(5) National defense		1,361			
(6) Federal aid to agriculture and small business		1,721			
36. Please check 6 of the following 12 issues you think most important today:					
(a) Government spending		(3) 5,146			
(b) Balancing the budget		(6) 4,099			
(c) Reduction of debt of Federal Government		3,855			
(d) Taxation		(5) 4,465			
(e) Farm prices and policies		(4) 4,975			
(f) United States foreign trade policies		2,689			
(g) Control of communism in America		(2) 5,256			
(h) Labor policies		2,994			
(i) Defense and war preparedness		3,546			
(j) Maintaining peace		(1) 5,498			
(k) American foreign policy		3,501			
(l) Civil rights		3,038			

The total tabulation of the householder and women's ballots appears on this page and the tabulation by classification follows on the next page.

Total Iowa grass-roots vote by classification

	Farmer		Labor		Business		Professional		White collar		Woman's vote		Miscellaneous	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1. Do you approve President Eisenhower's general foreign policy?	1,174	564	407	356	422	138	357	77	379	123	2,122	881	215	113
2. Do you approve inviting to this country for conferences the foreign heads of states with whom we are not in agreement?	1,307	390	469	298	494	80	400	47	427	106	2,448	572	263	116
3. Do you approve requiring all new National Guardsmen and Army Reservists to take 6 months training on active military duty?	1,281	527	507	168	456	130	309	112	376	127	2,367	769	253	100
4. Do you favor industry taking the initiative in developing and producing atomic power, with the Federal Government paying part of the experimental and developmental cost?	1,184	390	466	223	448	125	357	81	401	122	2,129	890	247	124
5. Do you approve Congress authorizing the admission of a greater number of immigrants to the United States from Hungary?	520	1,365	199	622	134	417	155	343	118	404	722	2,573	99	307
6. Do you approve Congress authorizing the admission of a greater number of immigrants from all countries?	142	1,719	56	665	73	494	92	331	54	465	381	2,934	56	350
7. Do you favor requiring compliance with a soil-bank program to qualify farmers for price supports on corn?	1,247	888	456	189	439	121	316	81	298	99	2,021	1,001	220	136
8. Do you approve stricter controls on what farmers can plant on land diverted from major crops?	1,308	740	362	307	338	220	228	178	255	189	1,491	1,537	160	216
9. Do you favor requirement that acreage placed in either acreage reserve or conservation reserve of the soil bank should not be harvested or grazed under any circumstances?	983	947	276	388	243	308	153	242	194	184	1,229	1,800	145	228
10. Do you favor a price support program of 70 to 90 percent for corn for the next 3 years for farmers qualifying in a soil-bank program?	1,445	438	413	313	304	186	253	125	307	156	1,986	843	220	121
11. Do you favor reduction of Federal taxes even though it unbalances the budget?	415	1,524	223	482	131	453	77	376	106	431	817	2,400	107	353
12. When the Federal budget is balanced do you favor reduction of the Federal debt before reducing taxes?	1,307	530	434	272	273	331	126	128	224	190	2,003	1,096	209	139
13. Do you approve tax reduction for small business?	1,411	419	541	152	463	160	294	117	364	135	2,230	619	236	84
14. Do you favor Federal assistance for a school building program complicated with integration problems to aid children of all races?	1,442	421	564	122	504	67	364	136	394	126	2,621	866	268	91
15. Do you favor requiring registration of pension and welfare funds of labor unions and disclosure of financial transactions involving them?	1,628	194	591	84	565	17	434	16	406	24	2,816	331	336	46
16. Do you favor extending unemployment insurance to employees of firms having from 1 to 3 persons on their payrolls?	900	748	504	136	372	304	241	192	353	138	1,981	1,072	254	124
17. Do you approve a program of Federal aid for technical assistance and loans and grants to communities suffering from chronic unemployment problems?	930	195	478	196	250	352	193	232	273	226	1,686	1,271	220	127
18. Do you approve including private business in partnership with municipalities, States and the Federal Government for the development of water uses in irrigation, flood control, power production, domestic and industrial uses?	937	600	377	261	330	143	250	128	306	172	1,604	1,030	222	138
19. Do you favor United States membership in the Organization for Trade Cooperation provided it is strictly an administrative agency without power to control United States tariff policies?	1,036	361	364	101	331	81	264	53	315	55	1,600	392	330	40
20. Do you approve the sale and barter of farm surpluses to communist nations?	884	597	190	517	270	327	209	215	203	206	1,146	2,095	144	232
21. Do you approve a food stamp plan under which needy persons would be given certificates with which to purchase surplus foods through normal commercial channels?	1,628	199	517	92	437	127	320	111	414	99	2,736	828	314	73
22. Do you favor the Federal Government subsidizing private companies for excessive losses on insurance issued by them against natural disasters?	441	1,346	184	442	153	371	94	333	127	343	867	1,661	109	289
23. Do you approve the Federal Government's providing credit with local banks for loans to disaster victims for rebuilding?	1,304	158	675	43	324	81	207	30	477	46	3,017	262	363	37
24. Do you favor direct Federal insurance against industrial atomic hazards?	579	860	244	239	245	346	142	278	206	237	1,441	1,193	178	187
25. Do you approve Federal legislation to ease the supply of housing credit, including greater Federal support of the mortgage market?	552	863	248	270	246	291	157	245	142	240	1,165	1,496	154	122
26. Do you approve increasing the maximum interest rate on VA-guaranteed home loans to secure more private funds for home construction or purchase?	709	943	291	378	331	215	237	192	258	228	1,766	1,551	176	193
27. Do you favor an increase in postal rates to meet Postal Department deficit and to provide better post office buildings and equipment where needed?	521	1,056	143	388	342	240	285	135	339	167	1,558	1,732	213	194
28. Do you approve enactment of Federal laws authorizing prosecution in Federal courts of anyone who intimidates voters in an election for Federal office?	1,757	108	671	33	558	27	425	34	508	14	3,008	176	360	26
29. Do you approve authorizing the U. S. Department of Justice to seek an injunction in behalf of anyone who believes his civil rights are about to be violated?	1,196	279	506	128	386	103	286	119	357	96	2,436	516	238	60
30. Do you approve permitting individuals to take complaints that their civil rights have been violated directly into Federal court?	1,064	461	432	177	336	143	263	117	325	133	1,919	806	285	81
31. With other safeguards to guarantee a fair price to the public, do you favor the return to the States by the Federal Government of controls over the production of natural gas?	525	611	206	336	197	227	202	194	251	232	1,589	1,058	175	147
32. Do you approve controls by the Federal Government of rents, wages and prices in peacetime?	528	1,240	226	467	137	473	79	267	128	417	979	2,230	139	263
33. Do you favor examination of our monetary policy and our financial system by a commission appointed by the President even though such examination may be made also by Congress?	758	798	356	331	303	300	181	188	243	208	1,402	1,252	188	134
34. Do you approve the Federal Government's encouragement of more liberal credit and lower interest rates for small business?	1,038	342	604	97	442	126	317	106	338	108	2,710	480	319	74
35. Please check 3 of the following 6 items you think should be cut most in Federal spending:														
(1) Number of Federal employees	(1) 1,855		(1) 196		(1) 542		(1) 404		(2) 855		(1) 3,068		(1) 345	
(2) Construction of Federal public works (dams, airports, buildings, interstate roads, etc.)	(3) 1,136		(3) 295		237		171		(3) 258		(3) 1,653		(3) 193	
(3) Federal aid to States, municipalities, school districts, and local public agencies	618		213		(5) 276		(3) 141		211		1,125		148	
(4) Foreign aid	(2) 1,094		(2) 674		(2) 506		(2) 376		(1) 665		(2) 2,894		(2) 311	
(5) National defense	390		139		87		88		196		539		89	
(6) Federal aid to agriculture and small business	159		220		137		143		189		728		117	
36. Please check 6 of the following 12 issues you think most important today:														
(a) Government spending	(4) 1,192		(2) 502		(1) 422		(1) 321		(1) 375		(2) 2,092		(2) 271	
(b) Balancing the budget	(5) 1,049		(1) 366		306		(5) 238		(3) 274		(6) 1,630		(3) 238	
(c) Reduction of debt of Federal Government	956		333		(3) 324		(6) 226		207		1,591		(4) 229	
(d) Taxation	(3) 1,017		(4) 442		(2) 361		(4) 242		(2) 317		(5) 1,873		(6) 215	
(e) Farm prices and policies	(1) 1,542		286		(6) 321		208		287		(4) 2,086		152	
(f) United States foreign trade policies	704		177		173		157		194		1,112		118	
(g) Control of communism in America	(2) 1,265		(3) 523		(4) 344		197		(4) 301		(3) 2,216		(1) 294	
(h) Labor policies	728		246		292		164		215		1,166		149	
(i) Defense and war preparedness	985		(5) 401		288		119		208		1,542		150	
(j) Maintaining peace	(3) 1,364		(6) 471		(5) 348		(5) 275		(2) 333		(1) 2,415		(5) 205	
(k) American foreign policy	748		204		272		(3) 194		(5) 282		1,427		194	
(l) Civil rights	553		274		254		147		149		1,397		144	

Thirty-eighth Anniversary of American Legion

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. KEATING. Mr. Speaker, March 15 to 17 marked the 38th anniversary of the founding of the American Legion. The formative caucus convened in Paris on those dates and from that caucus emerged the American Legion.

In the brief years of its existence, the Legion has achieved a remarkable record of devotion to its high ideals. In hewing close to the avowed purposes of the organization, Legion members have contributed greatly to many phases of American life.

A succinct way of delineating the accomplishments of the Legion is by examining some of the many ways in which the provisions of the preamble to its constitution have been carried out. Included in the preamble are the following:

"To uphold and defend the Constitution of the United States of America." In carrying out this provision, the Legion has led the way in promoting education in Americanism and flag etiquette for the youth of our Nation.

"To maintain law and order." Many branches of Legion organizations, including fire departments, auxiliary police, and ambulances help in time of disaster.

"To foster and perpetuate a 100 percent Americanism." Through Boys States, more than 19,000 boys each year learn the principles of good government.

"To preserve the memories and incidents of our associations in the Great War." In fulfilling their pledge in this provision, Legion members work diligently in many ways to preserve the memory of every veteran.

"To inculcate a sense of individual obligation to the community, State, and Nation." Legionnaires are well known as leaders in community ventures, striving to build better homes, churches, and schools.

"To combat the autocracy of both the classes and the masses." A fine example of Legion activity in fulfilling this purpose is the national oratorical contest, which encourages some 340,000 of our young people to become leaders in preserving democracy.

"To make right the master of might." Vigorous Legion efforts helped make the GI bill a reality, enabling 7,800,000 veterans to receive educational and other training.

"To promote peace and good will on earth." Knowing at firsthand the horrors of war, members of the Legion work diligently for the cause of peace. The Legion's child welfare program helps provide care and education for the children of veterans.

"To safeguard and transmit to posterity the principles of justice, freedom, and democracy." More than 1,500,000 young people receive training in Americanism each year. Junior baseball and other programs also promote respect and practice of sportsmanship among our youth.

"To consecrate and sanctify our comradeship by our devotion to mutual helpfulness." The American Legion, through the years, has never forgotten the less fortunate comrades of all wars at home or in hospitals.

Mr. Speaker, in putting into practice with vigor and perseverance the purposes set forth in its preamble, the American Legion has become a strong and important organization for the public good. Extending beyond interest in purely veterans' affairs, the Legion has worked in myriad fields for the good of the whole Nation.

In times of peace and in times of war, the Legion has been a bulwark of freedom. Through the years, it has realized that there is a crying need to spread an affirmative doctrine of the things for which this country has always stood. In joining in the battle for men's minds—a struggle surely as vital today as the struggle on the battlefield—the American Legion has added a powerful and effective voice to the arsenal of democracy.

Truly, for God and for country, the American Legion today continues to live up to its proud traditions. I am delighted to join in extending to my fellow Legionnaires congratulations on achievements thus far, and confidently express the expectation that in the years to come we will continue to see the Legion in the forefront of major movements for the good of our Nation.

The Federal Trade Commission Supports H. R. 11, the Equality of Opportunity Bill

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. PATMAN. Mr. Speaker, within the last few days we have been bombarded with many statements about H. R. 11, the equality of opportunity bill. In some of those statements assertions were made that the Government and the enforcement agencies are opposed to that proposed legislation. We know that representatives of many big business concerns are opposed to H. R. 11. Perhaps some members in the Cabinet of the present administration are opposed to it. However, reference to their opposition should be pinpointed. The record should show who opposes H. R. 11, and who supports it.

The Federal Trade Commission is the agency of Government which is charged with the primary responsibility for enforcement of Federal legislation dealing with price discrimination. That agency has dealt with the problem of price discrimination since it was created in the Wilson administration in 1914. Prior to that the Bureau of Corporations, its predecessor, studied and reported upon the problem of price discrimination during the period from 1903 to 1914.

The Federal Trade Commission has just made—March 12, 1957—its official formal report on H. R. 11 to the Committee on the Judiciary, House of Representatives. In that report, the Commission stated:

> The Commission is of the opinion that the objectives of H. R. 11 and H. R. 398 are of sufficient importance to the effective operation of the Clayton Act that such legislation should be enacted without awaiting further case by case development under section 2 (b) as presently worded. (H. R. 398 was introduced by Hon. BYRON G. ROGERS, of Colorado. It is an identical companion bill to H. R. 11.)

Except for a short period of time, the Federal Trade Commission has supported strongly, since 1914, Federal legislation against destructive price discrimination. For example:

First. Three of five Federal Trade Commissioners supported H. R. 11 in 1956.

Second. In 1951, the Federal Trade Commission, in testimony before the Committee on the Judiciary, House of Representatives, urged a strengthening of the law against destructive price discrimination.

Third. In the period from 1923 to 1934, the Federal Trade Commission made an extensive investigation of the practice of price discrimination. On December 14, 1934, it submitted to the Congress its final report on that investigation—see Senate Document No. 4, 74th Congress, 1st session. In that report the Federal Trade Commission urged that the Clayton antitrust law provisions against price discrimination be amended and strengthened. Such action was taken when the Robinson-Patman Act was approved on June 16, 1936.

In its report to the Committee on the Judiciary, House of Representatives, on March 12, 1957, the Federal Trade Commission stated:

> The Supreme Court's decision in the *Standard Oil* case, followed by the opinions of the Court of Appeals (7th Circuit) in the matter, 233 F. 2d 649 (1956), and the Court of Appeals in *Balian Ice Cream Co. v. Arden Farms* (231 F. 2d 356 (C. A. 9, 1955)) and *Brown v. Standard Oil Co.* (238 F. 2d 54 (C. A. 5, 1956)), make it clear that section 2 (b) provides an absolute defense to all price discriminations regardless of the seriousness of the probable effect.

Of course, the representatives of some big business firms are not concerned about the effects of price discriminations they practice. One of their representatives in opposing the objective of H. R. 11, the equality of opportunity bill, not long ago wrote that the law should permit the practice of price discrimination when done in good faith regardless of the economic consequences.

H. R. 11 would limit the good-faith defense in price discrimination cases only in those instances where the price discriminations would "substantially lessen competition or tend to create a monopoly."

The Federal Trade Commission in its report on H. R. 11, the equality of opportunity bill, to the Committee on the Judiciary, House of Representatives, made it clear that that agency, speaking for the public interest and on the basis of its longtime experience in protecting the public interest, does not want a loophole left in the law to permit price discrimination which has the effect of "substantially lessening competition or tendency to create a monopoly." Who wants a "substantial lessening of competition and a tendency to create monopoly"? The lawyers and other spokesmen for the major oil companies made it clear in the testimony they gave before a Congressional committee last week that they want a loophole left in the law so that the major oil companies and other big business firms will be left free to practice price discrimination with the effect of "substantially lessening competition and tending to create a monopoly." They have made it clear that it is for that reason that they are now opposing H. R. 11, the equality of opportunity bill.

Mr. Speaker, I submit that this is the time for each of us to reexamine our position on the question of whether we are for a free and competitive enterprise system, or for a system of monopoly. When that is done, we are confident that a majority will be found who are still opposed to "a substantial lessening of competition and a tendency to monopoly," and are therefore in favor of H. R. 11, the equality of opportunity bill. It is a bill against monopoly.

Rural Industries Bill: H. R. 5827

EXTENSION OF REMARKS

OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. HAYS of Arkansas. Mr. Speaker, on March 11, 1957, I introduced H. R. 5827, designed to promote the industrialization of underdeveloped areas by means of the establishment of rural industries. It is my aim in introducing this measure to focus attention upon one of the Nation's major economic problems—that of underemployment in certain areas which are generally defined as "underdeveloped areas." My primary concern is to assist rural areas to increase their per capita income and to arrest the exodus of surplus farm population to the city. This assistance should also benefit the country as a whole, as it would prevent the continued growth of our already overpopulated cities and would ease the pressures on the urban labor market.

Briefly stated, my bill will mobilize the resources of three Federal departments—Commerce, Agriculture, and Labor—to achieve these goals: First, provide technical information to communities desirous of developing small industries that could be integrated into the economy of the affected areas; second, set up a $100 million loan fund for approved industrial developments, with no loan exceeding 50 percent of the total cost; and, third, set up a $10 million fund to underwrite private loans to industrial enterprise, a means of promoting the investment of many times this amount in new industry.

Regions which will come under the coverage of this bill are those rural areas "in which it is determined that there exist the largest number and percentage of low-income farm families, and a condition of substantial and persistent underemployment." The factors which will be considered in this determination include: "The number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the farm families in each such area to the general levels of income in the same area, the current and prospective employment opportunities in each such area, and the availability of farm manpower in each such area for supplemental employment."

Available data indicates that 37.7 percent of the commercial farms in the United States are classified as low production farms. The percentage of farm-operator families receiving under $1,000 per year net money income—in 1949—was 28.1 percent, with an additional 24.8 percent receiving between $1,000 and $1,999. Whatever income increase has taken place since 1949 has easily been offset by the rise in the cost of living; and, therefore, from 25 to 50 percent of our farm families are in a relatively low-income bracket, with regard to constant dollar purchasing power. Such farm families are gradually leaving their homes and moving to areas where they hope to earn an adequate livelihood.

Declining population trends, attributable to the lack of employment opportunities in many sections, clearly demonstrate the need for legislation on this subject. The Bureau of the Census estimates that between 1950 and 1955 the State of Arkansas suffered a decline of 121,000 people, or 6.3 percent, in population. While the national average on per capita—not family—income in 1955 was $1,847, Arkansas had an average of $1,062, or 57.5 percent of the national average, ranking 47th in the Union. Since Arkansas is primarily an agricultural State, it is safe to say that our family farmers are not sharing in the general prosperity.

I wish to make it very clear that I would not lend my support to any measure that would cause unemployment in any region of the country by providing Federal funds to redistribute existing industrial potential. The rural areas, however, are entitled to share more equitably in the continuing expansion of American industry, which does not mean profiting at anyone's expense by taking away something he now has. With the passage of this bill, agricultural areas will have an opportunity to provide for the establishment of industries integrated into the local communities, possibly processing plants with part-time labor, and people who prefer to live on the farm will be given the employment necessary to maintain an adequate standard of living. It is my belief that Federal loan funds would provide a real stimulus to private investment in those areas which have particular economic advantages not now being realized. Not only would the industries provide markets close to the farmer, but the payroll would be a boon to the business interests of the community.

I introduced this bill last year in the form of an amendment to the area redevelopment bill which was approved by both the House Banking and Currency Committee and the Senate, but was never voted on by the House of Representatives itself. It is my hope and expectation that it will obtain favorable action by both Houses this year. The important thing is to bring to immediate public attention the grave problem of the underemployed low-income family farmer.

Urge Use of State and Local Segregation Laws in Veterans' Administration Hospitals

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. BROOKS of Louisiana. Mr. Speaker, this morning I presented to the Administrator of Veterans' Affairs, Mr. H. V. Higley, a petition letter signed by 56 Members of the House of Representatives. This letter urged that local and State laws relating to segregation be applied to the operation of the hospitals. Accompanying me at that time were Congressman JOHN BELL WILLIAMS, of Mississippi; Congressman GEORGE M. GRANT, of Alabama; and Congressman JAMES C. DAVIS, of Georgia. The petition letter is the outgrowth of racial incidents involving veterans in the hospitals throughout the country and their treatment in Veterans' Administration hospitals particularly in the South.

This petition letter was signed by representatives of the House of Representatives from the States of Louisiana, Mississippi, Alabama, Georgia, North and South Carolina, and Virginia. No effort was made to obtain signatures from States like Oklahoma, Tennessee, and Texas, and no all-out effort was made to obtain the signatures of everyone in the Congress who possesses this same viewpoint. On the contrary, the signatures just kept coming and we held the list open for them.

The delegation spent about 45 minutes with Mr. Higley, of the Veterans' Administration, discussing the problem and urging the use of State laws to eliminate friction and promote harmony in the operation of the hospitals in the South. At the end of this time, we were assured by Administrator Higley that the entire matter would be taken under careful

advisement by him and his administration.

I am presenting the copy of the petition letter, together with the names of the Congressmen who signed this letter, for publication in the RECORD.

The letter and signers follow:

Hon. H. V. HIGLEY,
Administrator of Veterans' Affairs,
Washington, D. C.

DEAR SIR: Veterans' Administration hospitals were authorized by Congress for the purpose of taking care of the sick and the wounded veterans who need hospital treatment. Nowhere in the law authorizing these institutions do we find any reference to the use of these agencies to put over racial or social reforms. Since September 1953, VA hospitals throughout the Nation have been integrated often in violation of State and local statutes. We believe that the criticism which has been rising against VA hospitals can be allayed and the service which these hospitals render to both Negro and white veterans will be greatly improved by allowing State and local laws relating to segregation to apply.

In the interest then of restoring the efficiency and the morale to these hospitals, we are calling upon you to authorize immediately the applications of State and local laws to these institutions. We want both white and Negro veterans to receive the best treatment which VA hospitals can give; but we want these races segregated and hospitals run with the benefit of local laws covering segregation. Operated in this manner, they will have the support of both colored and white veterans.

Yours truly,

Mississippi: WILLIAM M. COLMER, ARTHUR WINSTEAD, JAMES L. WHITTEN, THOMAS G. ABERNETHY, FRANK SMITH, JOHN BELL WILLIAMS, Members of Congress.

North Carolina: A. PAUL KITCHIN, RALPH J. SCOTT, ALTON LENNON, HERBERT C. BONNER, L. H. FOUNTAIN, HUGH Q. ALEXANDER, GEORGE A. SHUFORD, GRAHAM A. BARDEN, BASIL L. WHITENER, Members of Congress.

Alabama: FRANK W. BOYKIN, GEORGE M. GRANT, GEORGE W. ANDREWS, ALBERT RAINS, GEORGE HUDDLESTON, JR., CARL ELLIOTT, KENNETH A. ROBERTS, ARMISTEAD I. SELDEN, JR., ROBERT E. JONES, JR., Members of Congress.

Louisiana: OVERTON BROOKS, OTTO E. PASSMAN, E. E. WILLIS, GEORGE S. LONG, HALE BOGGS, F. EDWARD HÉBERT, JAMES H. MORRISON, T. ASHTON THOMPSON, Members of Congress.

Virginia: RICHARD H. POFF, BURR P. HARRISON, EDWARD J. ROBERSON, JR., J. VAUGHAN GARY, JOEL T. BROYHILL, HOWARD W. SMITH, WILLIAM M. TUCK, WATKINS M. ABBITT, Members of Congress.

Georgia: PRINCE H. PRESTON, JOHN L. PILCHER, E. L. FORRESTER, JOHN J. FLYNT, JR., JAMES C. DAVIS, HENDERSON LANHAM, IRIS F. BLITCH, CARL VINSON, PAUL BROWN, PHIL M. LANDRUM, Members of Congress.

South Carolina: JOHN L. MCMILLAN, L. MENDEL RIVERS, JOHN J. RILEY, W. J. BRYAN DORN, ROBERT T. ASHMORE, ROBERT W. HEMPHILL, Members of Congress.

Reasons and Meaning of the Law on Price Discrimination and H. R. 11

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. PATMAN. Mr. Speaker, recently I received a letter from a small manufacturer which asks an elementary question about the law on price discrimination. This is not the question of a lawyer. Nor is it the question of a big business executive, or even a small-business man who is informed about this law. It is simply the question of a very busy executive of a small company, who has heard that there is a law of some kind, somewhere, which may forbid the manufacturer to sell to one account at a price different from that made to another account—and he asks what the law is.

I have given him a simple answer—not in legal terms, but in everyday, layman's language. It occurs to me that there may be others who would like a brief and simple description of the law, and what its purpose is. The purpose is, of course, largely defeated by the so-called good faith loophole in the law. So in my answer to this small-business man, I have also explained briefly what H. R. 11 would do. These are matters which are of vital concern to several million small-business people, so I am offering for the record the letter to me, as well as my reply, both of which follow:

JOSEPH A. SHIRLEY CO.,
Dallas, Tex.

Mr. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN PATMAN: I understand that laws are designed, that is, certain laws are designed to prevent a manufacturer or distributor from selling to one account at a price different from that made to another account, all other matters such as quantity, etc., being equal.

Mr. PATMAN, would you advise me as to the law itself, what it actually states and how action can be taken under it to prevent price discrimination? I would be very grateful for your help.

Courteously yours,

JOSEPH A. SHIRLEY.

WHY WE NEED A LAW ON PRICE DISCRIMINATION

1. Big manufacturers, or big sellers can destroy their smaller competitors even though their unit cost may be greater than that of the smaller competitors. As you may remember, the old Standard Oil Co., which was subdivided under the Sherman Act in 1912, had acquired better than a 90-percent monopoly of refined products. Standard got a substantial size advantage over its competitors (by merger), and thereafter cut prices in one market at a time until its smaller competitors were driven out.

2. Where sellers are discriminating in their prices, it is almost invariably the case that the big buyers receive an unearned advantage by which they destroy or squeeze out smaller competing buyers.

THE LAW IN GENERAL

The law on this subject is contained in section 2 of the Clayton Antitrust Act of 1914, as amended by the Robinson-Patman Act of 1936. In general, the law says that a seller must not discriminate in his prices if the effect is to cause a substantial injury, or a lessening of competition, or a tendency to create a monopoly. There are clear and complete exemptions for price differences which are justified by differences in cost of manufacture, sale, or delivery. And there is a complete and clear exemption for price changes made from time to time, so long as these price changes are not cloaks intended to conceal discriminations made in favor of particular buyers.

THE LOOPHOLE IN THE LAW

In section 2 (b) of the act there is also a so-called "good faith" exemption which was intended, when we designed the law, as a procedural matter which would help assure that in a case brought by the Government, the Government would proceed against the firm really responsible for a discriminatory practice. In the Standard Oil (Indiana) case in 1951 however, the Supreme Court ruled that a seller is completely justified in discriminating in prices among his customers where the discrimination in favor of certain customers is made to meet the price of a competitor, irrespective of the effect on competition. An example of what this means, or as it is taken to mean, is that a major oil company may cut prices to a retail gasoline dealer across the street from an off-brand dealer without, at the same time, reducing prices to another of its dealers just a block down the street, even though the discrimination puts the second dealer out of business. The practical effect of such pricing is, of course, that the off-brand dealer is also put out of business—by the sheer weight of the major company's superior marketing power—as is the oil jobber who supplies that station, and as is the small refiner who supplies that oil jobber.

H. R. 11 WOULD PLUG THE LOOPHOLE

At the present time Congress is considering a bill which will overturn, in part, the Supreme Court's decision in the Standard Oil (Indiana) case. This is H. R. 11, introduced in the House by me, and S. 11, introduced in the Senate by Senator KEFAUVER. This bill simply says that if the effect of the seller's discrimination may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly", then the discrimination is illegal. In this event the Government may institute legal proceedings and if the effect of the discrimination is proved, it then has the power to issue a cease and desist order. Similarly, an individual or business firm may bring a private suit in a Federal court, and if he proves his case, he may collect threefold the damages which he proves he has suffered as a result of the discrimination.

I have tried to explain this in everyday terms, rather than in legal language, as I thought this would simplify matters. I hope these remarks will be helpful to you.

Sincerely yours,

WRIGHT PATMAN.

The Good Government Under President Eisenhower

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. HILLINGS. Mr. Speaker, I am amazed at the letters I am receiving from California these days. I am not surprised at the volume—it is a rare day in my office when I do not receive at least 100 letters—but I am concerned about the fact that many of the writers are unreasonably critical of the President of the United States and his administration. Concern over the budget and taxes has, in many cases, caused some of my constituents to completely ignore the fact that there are many fine things being done by our Government from which all of our 170 million Americans are

benefiting. It is not my purpose to act as counsel for the defense, because the President is completely capable of speaking for himself and does so very ably. I do think it is time, however, to answer the question, "Does our country have good leadership and good government?"

In answering this question, I would like to point out that I have voted to cut the President's budget and will continue to do so, because I think it is too large. It is my hope that Congress will be successful in reducing Federal expenditures by at least $3 billion. I then will do everything I can to press for a tax reduction and an overhaul of our complicated and sometimes unfair tax laws. I have no reason to be politically beholden to Mr. Eisenhower inasmuch as figures released by Congressional Quarterly show that I received a higher percentage of the vote than the President or any other candidate for public office in my district in the elections last November. Nevertheless, I am convinced that our country, under the Eisenhower administration, has outstanding and forward-thinking leadership and that our people have every reason to be proud of the kind of Government we have today.

My correspondents who have been so quick to criticize some of our Nation's fiscal policies should recognize that there are good things to be said about this budget. For the first time in a quarter of a century we have in prospect three balanced budgets in a row. By next year we will have retired some $5 billion on the public debt. This is quite a contrast with years past when our country was operating on deficit financing and balanced budgets were virtually unobtainable. In addition, the $7.4 billion tax cut given the American people in 1954 has already saved them almost $25 billion in taxes. The population of our country has increased by 10 million persons since President Eisenhower took office, but today Federal civilian employees are almost one-quarter of a million fewer than in 1952. This means that while our country has grown larger, we have cut the size of our bureaucracy. Remember that 24 percent of all of the budget goes for Federal expenditures not subject to control by the President, and 63 percent of the Federal budget is for national defense. Remember, too, that the President can't change many existing programs, because his own party doesn't control the Congress.

Everyone of us should recognize that our country's prosperity is at the highest level in history, and individual incomes today are $18 billion higher than they were last year. There is virtually no unemployment problem in our country. At the same time, our Nation's position and prestige in the world is now greater than at any time since World War II. We are not at war, and the Russians, who were threatening aggression not so long ago, are now on the defensive. Shakeups and revolutions are taking place throughout the Soviet empire. Our chances for a permanent peace are improving daily under the leadership of President Eisenhower who has gained the respect and confidence of other leaders of the free world.

None of us should be rubber stamps, and each of us has the right to differ with the President and other Government officials. However, any fair appraisal of the overall picture, whether we are Democrats or Republicans, would show that the country is in good hands, and the future is bright. I hope the President's critics will keep this fact in mind and not allow opposition to certain fiscal policies prevent their recognition of the good work which has been done.

St. Patrick's Day Address by the Honorable Eugene J. McCarthy, of Minnesota

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1957

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following outstanding address delivered by the Honorable EUGENE J. MCCARTHY, of Minnesota, at the dinner held by the Friendly Sons of St. Patrick on Saturday evening, March 16, 1957, in Wilkes-Barre, Pa.:

EXCERPTS FROM AN ADDRESS OF EUGENE J. MCCARTHY, MEMBER OF CONGRESS, FOURTH DISTRICT, MINNESOTA, FRIENDLY SONS OF ST. PATRICK, WILKES-BARRE, PA., MARCH 16, 1957

St. Patrick's Day is a day for remembrances. It is a day on which we recall again the great names of Ireland, the names of the counties and the towns and the villages, of the hills and of the valleys, of the lakes and rivers and bays of Ireland. A day on which we recall again the names of her saints and of her scholars, to recite and list again the names of her great patriots and leaders, of her singers and of her poets. Even though many of us have never seen the places, just as we have not seen or known the saints of Ireland, both the persons and the places come alive again in our minds and in our hearts. We recall the names of Donegal and Tyrone and Armagh in the North, of Kildare and Meath, Wicklow and Dublin in the east, of Waterford and Cork and Kerry in the South, of Limerick, Clare, Galway and Sligo in the west. The names of Niall, Cormack, Brian, Murray, O'Connor, Parnell, O'Connell, Plunkett, Emmet and Hyde; the names of Patrick, Bridget and Columkille, and Brendun and Malaky and all the rest of the saints, and the great leaders and the scholars, and the bards and genealogists and the poets of Ireland.

It is difficult for those who are not Irish to understand the character of the Irish. There is a strong undercurrent of sadness in any joyous Irish celebration. An on the other hand even in Irish mourning there is an element of the joyful. The Irish wake is not an accident. This seeming division characterizes the history of the Irish people as it does characterise the Irish personality. The line between the consideration of Ireland as a gray-haired old lady mourning in the shadows for the loss of her sons and waiting in vain for help from across the waves, and the consideration of Ireland as vigorous and fertile, producing sons and daughters and sending them forth triumphantly to the ends of the earth. The lines between the things of time and those of eternity, between the times of peace and the times of trouble have been finely drawn. It is common in the characterization of nations to picture them in an hour of triumph, and of strength and victory, rather than in a time of defeat and suffering. This is not the case with Ireland and the Irish people. The Irish character has not been formed and proved in 1 short test, or in 1 shining hour. It has been slow tested and proved in a long and bitter history, in defeat and oppression and suffering. It has been proved not only as to heroic virtues, but also as to unheroic ones; not only as to courage and fortitude and greatness of mind, but as to patience and tolerance and long suffering; the little, and unheroic virtues, without which neither a nation nor a man can claim perfection.

It seems as a result of this long slow testing, the Irish have developed a sensitivity which permits them to hear the last note of the harp, or the song of freedom, after other ears have become deaf to it. It permits them to see the last spark of freedom in what was once a great fire after other eyes no longer see that light, and to feel the warmth of freedom, and of hope, in what to others may appear to be a cold lump of peat. The Irish character as a result of this testing and trial has been marked by a great longing and aspiration for freedom. That longing and aspiration has been expressed in the five great loves of the Irish people.

First is their great love for country, for the soil of Ireland, for its towns and its people. So great is this love and longing, that the greatest punishment set for Columkille, the saint, was that he could no longer set foot on Irish soil. And so we have, all of us, in a sense remained exiles whenever we have been away from Ireland. Like Columkille we can say: "There is a gray eye whichever turns to Erin. What joy to fly upon the white-crested sea, and to sight the waves breaking upon the Irish shore. To return to Ireland where the song of the birds is so sweet and the clerks sing as well, where the young are so gentle and the old are so wise, where great men are noble and the women so fair."

The second great love of the Irish is their love for religion, for the things of the spirit. At the time of the coming of Christianity the Irish spirit was willing and ready. St. Patrick came and was received without martyrdom. The same cannot be said of the other lands, not of Rome, not of Gaul, nor of the East, nor even of the new continents found across the sea. Ireland gained the title of Isle of Saints and became the source of missionaries to all corners of the world.

The third great love of the Irish is their love of learning. It was this great love that kept alive the flame of knowledge and the pursuit of truth during the dark period of the fifth, sixth, and seventh centuries.

The fourth great love is that of political freedom—a love which sustained the Irish in standing against the Danes and the Normans, the Tudor armies, the hosts of Cromwell, and all the soldiers of the King.

The fifth great love is that of poetry and song. A love so strong and deep and so consequential that as late as the 15th and 16th centuries English rulers were moved to impose special penalties on bards, minstrels, rhymers, and genealogists who sustained the lords and gentlemen in their love of rebellion and other crimes and which moved the soldiers of Cromwell to break the harps still found on the walls of the cottages of the Irish at the time of the invasion. The ancient Gaelic law recognized this in forbidding the seizure by justice in any house of any Gael whatsoever, one of his books, his sword, or his harp. For his book was the symbol of his intellectual and of his spiritual freedom. The sword was the symbol of his political freedom, and the harp was the symbol of all the things that the human heart aspires to.

We must not, of course, forget the faults and failings of the Irish people. Not everyone is made perfect by adversity. There remains in some of the Irish a tendency to be cynical and to be negative, to find fault, to detract, and to criticize. It is not these which the world needs today of the Irish but a positive contribution based on the best of Irish tradition and inheritance. The times in which we live are not altogether bright. These may not be the worst of times, as some say. They may seem to be the worst in contrast with the hopeful optimism of this century in its beginning, for one by one modern man has seen the lights by which he thought he was guided grow dim and fade. The evils which the modern age asserted it was about to destroy forever—the evils of pain and suffering, of persecution, of torture, of ignorance, even the fear of evil, and finally the fear of fear which were to be abolished forever—all have returned in this century, and in this generation. And in some cases, like the evil spirit of the Gospel, once driven out they have returned sevenfold.

It is not enough for us merely to be aware of this distressful fact. These are not new difficulties. They were recognized long ago and best stated, I think, by the ancient Celtic monk, Cadoc the Wise. Cadoc expressed his concern over his own times and over times that might come in what was known and called Cadoc's Song of Hate. It was not really a song of hate, but rather a song of grief in which he catalogued all of those bad things, all of those undesirable things which he wished to see removed from the life of man. The Song of Hate runs thus:

"I hate the judge who loves money, and the scribe who loves war, and chiefs who do not guard their subjects, and nations without vigor.
I hate houses without dwellers, lands untilled, fields that bear no harvest.
Landless clans, the agents of error, the oppressors of truth.
I hate him who respects not father or mother, those who make strife among friends.
A country in anarchy, lost learning, and uncertain boundaries.
I hate journeys without safety, families without virtue, lawsuits without reason.
Ambushes and treasons, faults in counsel and justice unhonored.
I hate a man without a trade, a laborer without freedom, a society without freedom, a society without teachers, a false witness before a judge, the undeserving exalted to high position.
Fables in place of teaching, knowledge without inspiration.
Sermons without eloquence, and a man without a conscience."

The world needs the revival of the five great loves of the Irish today as it has always needed them. It needs love leading to positive action. In a time when the traditions of the past are rejected and frowned upon, when learning and truth must compete in the market place with falsehood and error and the only test is that of which is most useful, there is a great need for the return of the love of truth and the love of learning. When love of country and love of political freedom in many areas of the world have been destroyed, there is a great need for the revival of the Irish love of country. When the faith has grown cold and has been rejected my many, the love of the faith too must be revivified. When love of poetry is looked upon by some as unmanly, when it has little or no place in the deliberations of man, there is a great need for a revival of this Irish love of song and poetry. This, then, is the pattern and the way. For as Cadoc again said: "No man is the son of knowledge if he is not the son of poetry. No man loves poetry without loving light. Nor the light without loving the truth. Nor the truth without loving justice. Nor justice without loving God. And he who loves God cannot fail to be happy."

The responsibility of the sons of St. Patrick, of the Friendly Sons of St. Patrick, is clear. Let us hope that all may so meet and fulfill their responsibility that each and every one say that he has been the good servant of learning and of song and poetry, but in all things God's good servant first. And then we can hope that the good St. Patrick, in his right, may judge us all with gentleness.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 20, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art here and everywhere, we acknowledge humbly and gratefully that Thou knowest the blessings we need before we come unto Thee with our many petitions.

We thank Thee for those noble ideals and principles which are continually beckoning us to pursue the ways of honor and integrity, of peace and good will.

Inspire us with the light that reveals the path of duty and responsibility and the grace that girds us with courage and strength to follow it faithfully.

May the spirit of apathy and indifference never stifle our energies and our loyalty to that lofty idealism which hallows life and invests it with dignity and worth.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

INVITING SPAIN TO MEMBERSHIP IN NORTH ATLANTIC TREATY ORGANIZATION

Mr. GORDON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 115) expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization.

The Clerk read the concurrent resolution, as follows:

Whereas the United States, Belgium, Canada, Denmark, Federal Republic of Germany, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, and United Kingdom are parties to the North Atlantic Treaty; and

Whereas the primary objective of the treaty is to contribute to the maintenance of peace by making clear the determination of the parties collectively to resist armed attack upon any of them; and

Whereas the parties have joined, pursuant to the treaty, the North Atlantic Treaty Organization, a collectively defense arrangement for the North Atlantic area established within the framework of the United Nations Charter and based upon the inherent right of individual or collective self-defense recognized by article 51 of the Charter; and

Whereas the membership of Spain would strengthen the strategic position of the North Atlantic Treaty Organization and of the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States that the Department of State should take all proper and necessary steps to bring about an invitation to Spain to become a party to the North Atlantic Treaty and a member of the North Atlantic Treaty Organization.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. GROSS. Reserving the right to object, Mr. Speaker, are copies of the resolution and of the hearings available?

Mr. GORDON. Yes, and the committee report and the hearings also.

Mr. MORANO. Reserving the right to object, Mr. Speaker, I should like to insert my remarks in the RECORD about this concurrent resolution. May I do so at this point?

Mr. GORDON. That request will be made later.

Mr. MORANO. Immediately before the adoption of the resolution?

The SPEAKER. The extensions of remarks can be placed in the RECORD before the adoption of the resolution.

Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Committee amendment: On page 2, line 3, after "should" strike out the balance of line 3 and all down to and including line 6, and insert the following: "continue to use its good offices toward the end of achieving participation by Spain in the North Atlantic Treaty and as a member of the North Atlantic Treaty Organization."

The committee amendment was agreed to.

Mr. GORDON. Mr. Speaker, the Committee on Foreign Affairs has unanimously reported House Concurrent Resolution 115, urging membership in the North Atlantic Treaty Organization for Spain. This resolution is similar in wording to House Concurrent Resolution 127 which passed the House by unanimous consent on July 14, 1955.

The present resolution reemphasizes and restates the sense of Congress that Spain should be admitted into full partnership in NATO. Spain is already allied with the United States and with her NATO neighbors through the bases now being completed within her borders.

In the defense posture assumed by the free nations of the West, Spain occupies a place of tremendous strategic importance. We have recognized this through the construction of the bases at Rota, San Pablo, Moron, Torrejon, and the two bomber bases near the city of Zarogoza. The United States has also invested $280 million in defense support funds for Spain.

Other assistance extended by us to Spain has included $176 million in sales of agricultural surpluses under Public Law 480. Of this amount, sales proceeds for United States uses are $69 million; for Spanish use $107 million.

A 485-mile-long pipeline has been constructed to serve the modern jet bases in Spain. This pipeline is vital because the bases could use in 1 day alone what present Spanish tank car facilities could deliver in a month. These bases will be used by the United States under an agreement with General Franco signed in 1953 which runs for 10 years and which will be extended for two 5-year periods if neither country withdraws on 1½ years' notice.

These bases are to help protect the Western nations against possible aggression and as such, they will constitute a very powerful added deterrent against attack. Our military experts look upon the Spanish bases as constituting a group of the most effective launching sites available for retaliatory raids. If war should ever come, in spite of all our efforts to avoid and prevent it, these bases aline Spain with us and the other NATO countries. In such a defensive war Spain, with her more than 400,000 troops, would be lined up side by side with the rest of us.

Under these circumstances, it is just commonsense for Spain to have formal and equal partnership with those nations with whom she is already allied through the act of making these bases available for the common defense effort.

I urge the House to again express its support of NATO membership for Spain in the clear and concise terms of the committee resolution.

Mr. ZABLOCKI. Mr. Speaker, I endorse the passage of House Concurrent Resolution 115 that urges membership for Spain in the North Atlantic Treaty Organization. Less than 2 years ago the House took similar action by unanimous consent. The events in the intervening period only strengthen my conviction that Spain should be a member of NATO.

The issue of Spanish membership should be determined on the hard basis of whether it is in our national interest to have Spain in this organization which is designed for the collective security of the Western World. It should not be determined by emotionalism or likes and dislikes.

The simple fact is that Spain occupies an important geographical position. Our Government has recognized this as evidenced by the support we have given the Spanish Government and by the complex structure of bases and facilities we are building in that country under agreements with the Spanish Government.

If those installations have to be used, it will be only because the common defense of the North Atlantic Treaty Organization is called into operation. Is it not sensible, then, that in this period short of hostilities the planners of the common defense have the benefit of planning for the use of these facilities in defense of the Western World? Therefore it is much better to make arrangements for Spain's association with the Western World now than to wait until the pressure of hostilities so burden our military men that improvisation is necessary.

My support of this resolution is predicated on this simple line of reasoning. I hope this resolution will receive the unanimous support it deserves.

Mr. MORANO. Mr. Speaker, during the 84th Congress I had the privilege of being the first to introduce a concurrent resolution—House Concurrent Resolution 124, May 12, 1955—expressing the sense of the Congress that the Department of State should take all proper and necessary steps to bring about the entrance of Spain into NATO. I am very happy to join with the able chairman of the Foreign Affairs Committee, the Honorable THOMAS S. GORDON, and many other of my colleagues who have introduced similar measures during the present Congress.

I have visited Spain a number of times. At the time of the consummation of the United States-Spanish agreements on mutual defense assistance, economic aid, and defense, I had the privilege of making an address in Spanish at Madrid over the Spanish National Radio, on October 2, 1953. During that address I stated:

> These agreements, as I remarked yesterday to Ambassador Dunn, represent the final forging of an important missing link in the defenses of the West.
>
> In the East, the repercussions of this event have already begun to take effect. I have just been informed that Radio Moscow has broadcast to the world that the United States has finally succeeded in attaining its imperialistic aims in Spain and plans to transform this country into an American military base.
>
> I want to take this opportunity to assure all those people who are listening to me that nothing is further from the truth. The solemn documents which were signed on Saturday between our two nations represent a voluntarily concluded accord between two sovereign countries.
>
> In the first place, these agreements are not solely military. They also have important economic aspects. But, insofar as they are military, the agreements clearly provide that the areas involved are to be used not only jointly by the armed forces of both countries but will remain under Spanish sovereignty and command.
>
> I should like, furthermore, to stress that there is nothing unilateral about these agreements. They hold, on the contrary, great advantages for both countries.
>
> To me, the fundamental advantage for each country, and for its people, is the creation of a common moral front against those forces which threaten our common Christian heritage. There are also specific advantages. Spain will not only enter into the defense of the West as a participant in the fight of the free world against the leaders of aggression, but will obtain economic advantages for her industry, agriculture, trade, and transportation.
>
> On the military side, Spain will receive modern arms and equipment, as well as the development of bases; and military installations constructed on Spanish soil will remain permanent advantages for this country.
>
> For the United States, this cooperation will bring greater security. The geographic and strategic position of Spain will raise a new bastion in Europe for the defenses of the Western World.
>
> The major consideration for my country, however, will be cooperation with a nation which has common interests, including the will to resist Communist aggression to the end. The history of Spain proves that she can be a steadfast and loyal friend.

Mr. Speaker, I am convinced that this resolution genuinely expresses the feeling of the American people. They recognize that to refuse to admit Spain into NATO is unrealistic and contrary to the best interests of the NATO members themselves. Without Spain, a country which is firmly opposed to communism and dedicated to defense against that evil, NATO lacks a vital link in the chain of free world defense.

This resolution should make it clear to our friends in NATO that the admission of Spain to that organization is a basic policy of the United States. The unanimous approval by the Congress of this resolution will do much to bring about the adoption of this policy by the other members of NATO.

Mr. SELDEN. Mr. Speaker, one needs only to look at a map to understand Spain's strategic importance to Western Europe's defenses against international communism. This country has already recognized the geographical importance of Spain and has constructed there a number of vital United States airbases.

The addition of Spain to the NATO defense structure would be a logical step in the further strengthening of our NATO alliance. The adoption of the pending resolution, similar in content to House Concurrent Resolution 76 that I introduced in January, would place the Congress of the United States on record as favoring Spain's admission to the North Atlantic Treaty Organization. I therefore urge its passage.

The SPEAKER. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FULTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I favor the admission of the friendly people of Spain to the North Atlantic Treaty Organization for the defense of the Atlantic Community. The Foreign Affairs Committee has unanimously approved this resolution urging the Department of State to take all proper and necessary steps to bring about an invitation to Spain to become a party to the North Atlantic Treaty and a member of the North Atlantic Treaty Organization. My own House Concurrent Resolution 99 cosponsors this resolution now being acted on. I would like to state some of the reasons why I think passage of this resolution is a wise step.

In 1948–49 the impact of the Communist menace was clearly felt all through Europe and the Marshall plan was passed to restore Europe's economic health. These mutual-security programs are still continued and this House first included the Spanish people under these foreign-aid programs as a friendly nation which has stood firmly against communism and on the side of the West. The North Atlantic Treaty Organization was established to meet the immediate threat of aggression in the vital region of Western Europe. There were important strategic

arguments in favor of Spanish participation in this collective effort at self-defense even then, and these factors have grown rather than diminished with time. Meanwhile, the case against the admittance of Spain has all but disappeared.

The entry of Spain into NATO will complete the defense alinements of Western Europe and form a solid territorial block of states bound together for a single purpose. The creation of United States airbases and the development of harbor facilities are the clearest evidence that the Iberian Peninsula plays a fundamental role in the NATO defense setup, both with regard to any possible direct thrust or flank attack via the Mediterranean route. Certainly, the integration of the Spanish defense effort into the NATO system will be of inestimable advantage, for one of NATO's strongest features is its peacetime integration of many national military efforts in a structure which stresses joint preparedness.

In this connection, the Spanish military force, though not yet well equipped or trained, could provide additional manpower which NATO sorely needs at this time, with other European country members of NATO planning to cut manpower and forces commitments to NATO. If linked to other continental forces, under effective NATO leadership, Spain could add significantly to the entire deterrent and defense system.

The ideological considerations in certain other European countries which contributed greatly to earlier opposition to Spanish membership in NATO have diminished steadily over the years, as evident in the lack of opposition in Western Europe to the air and naval base program begun there by the United States. In the past few years, there has been a definite tendency within Spain to modernize and to seek a new and more liberal form of government, a search which has become considerably intensified in recent months.

The present regime in Spain by its own policy has become committed to additional changes in the near future. Membership in an essentially democratic, defensive alliance system can have an important influence at this time by providing a favorable environment for the strengthening of tendencies toward fuller people's participation in government.

This means that Spain and its people are becoming a modern nation and leaving the medieval static position for one of progress, industrial development, and raising of the standards of living of the whole people.

Finally, international relations within the free world can be improved by this move. Membership in NATO will provide a channel for closer ties with the major European powers; for example, it might provide a forum and a closer working relationship to ease Spanish-British tensions over Gibraltar and other possessions in the Mediterranean. The value of NATO in sustaining interallied unity has generally been underestimated.

Even in a great crisis, like that over Cyprus, the very fact of United States alliance with Britain as a friendly people, takes the cutting edge off the resulting antagonisms. And there are real antagonisms and misunderstandings of Britain in America, on many points at present, and particularly over the harsh policy of the British executions under so-called summary emergency regulations of young Cypriote patriots, from 18 to 25 years of age adding up to the terrible total of 14 young men in little over 10 months. We must respect Britain as a friendly ally, and remain allied for the protection of the Atlantic Community, although we disagree so deeply on Britain's harsh, unmerciful, execution and repressive policies in Cyprus, which is just the course of policy by which Britain lost India.

Moreover, to the extent that Spain continues on good terms with the Moslem world, its entrance into NATO will help reduce Arab suspicions regarding the purposes of the organization. In a broader sense, Spain can serve as a friendly people whose good offices can help mitigate the differences which have arisen between the Arab and Western states in the Mideast crisis area.

GENERAL LEAVE TO EXTEND REMARKS

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the Appendix on House Concurrent Resolution 115, and I further ask unanimous consent that all Members may have permission to extend their own remarks in the RECORD before the adoption of House Concurrent Resolution 115.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, may I ask the gentleman if that is an invitation for Spain to come and visit the Congress?

Mr. GORDON. No; it has nothing to do with that.

Mr. HOFFMAN. Nothing at all?

Mr. GORDON. No.

Mr. HOFFMAN. One more question: Who is going to be permitted to talk with these representatives of Spain when they come here?

Mr. GORDON. They are not coming here.

Mr. HOFFMAN. Apparently I do not understand what it is all about, I guess.

Mr. GORDON. This is a NATO matter.

Mr. GROSS. Mr. Speaker, I further reserve the right to object.

The SPEAKER. Let the Chair state for the information of the Members that the resolution has already been passed. The only question before the House now is the unanimous consent request of the gentleman from Illinois that Members may extend their remarks in the RECORD before the passage of the resolution and also to extend their remarks in the Appendix of the RECORD, if they so desire.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, then there will be no explanation of this resolution whatsoever?

The SPEAKER. The Chair asked if there was any objection to the present consideration of the resolution. There was no objection. The amendment to the resolution was read and adopted. Then the resolution was adopted.

Mr. HOFFMAN. Mr. Speaker, I make a point of order. This is a unanimous consent request.

The SPEAKER. A unanimous consent request is pending; that is correct.

Mr. HOFFMAN. And anyone can object, if they want to.

The SPEAKER. That is correct.

Mr. HOFFMAN. That is what I thought.

The SPEAKER. But it is too late now to object to the consideration of the resolution, because the resolution has been adopted and a motion to reconsider was laid on the table.

Mr. HOFFMAN. But it is not too late to object to the unanimous consent request that is now pending; is it?

The SPEAKER. That is still pending.

Mr. VORYS. Mr. Speaker, reserving the right to object, and, of course, I certainly shall not object, the purpose of this unanimous-consent request is simply to explain for the record something I am sure we are all familiar with and with which we all agree, and that is the importance of having Spain in the NATO since it is so important in the defense of Europe.

Mr. GORDON. That is correct. This resolution was passed unanimously.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE LATE HONORABLE HAROLD C. HAGEN

The SPEAKER. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, it is my sad duty to inform the House that we have lost one of our distinguished and beloved former colleagues from the State of Minnesota, the Honorable Harold Hagen.

He was our colleague here in the House for many years and I personally mourn the passing of a close friend.

Mr. Hagen was born in Crookston, Minn., November 10, 1901, and made his home there through the years. He had a rich, varied, and useful life. He was at one time editor and publisher of the Vesterheimen, a Norwegian newspaper, and also editor and publisher of his hometown newspaper, the Polk County Leader.

A graduate of St. Olaf College, in Northfield, Minn., and a teacher in the Mandan, N. Dak., high school, he was a scholar of the highest degree.

Harold Hagen came to Washington in 1934 as secretary to former Congressman Richard T. Buckler, whom he served with distinction until his election

to Congress in 1942 to succeed Mr. Buckler. Few men in my recollection have been as admirably qualified to serve their constituency as was Harold Hagen, and few men to my knowledge have served in such a splendid manner as he did during his 12 years in this distinguished body.

I know our staffs join us today in mourning his loss, as he was one of the outstanding secretaries of his time. In 1937–38 he was president of the Congressional Secretaries Club, and in 1937 he was awarded the club's honor plaque as the most valuable and outstanding secretary. I honestly believe he was more proud of that recognition than any other, and rightly so.

Harold Hagen was a great man and a great Congressman. I know of no man who was more conscious of his responsibilities nor more determined to effectively represent his constituency. Coming as he did from an agricultural area, he was always in the forefront in the fight for good farm legislation. He was a man of unquestioned integrity, of unimpeachable character, and of immense courage in his battle for just and equitable legislation. A true Scandinavian, he championed the causes of the average man and sought always to protect the rights of the individual.

In their hour of sorrow, we extend our condolences to his life partner of almost 30 years, Mrs. Audrey Melton Hagen, and to his son, Harold M. Hagen, and daughter, Andora Hagen. It is our prayer that they be comforted in their great loss.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the distinguished minority leader.

Mr. MARTIN. Mr. Speaker, I want to join with the gentleman from Minnesota in expressing deep regret at the passing of Harold Hagen. For a number of years he served from the State of Minnesota in Congress with fidelity and devotion. He ever strove to promote the welfare of the less fortunate. He was a great champion of the farmer and the Federal employee. With unfailing courtesy he won a wide circle of friends.

A great legislator and a great American is dead. We all extend to his family our deepest sympathy in their hour of bereavement.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Speaker, we were saddened yesterday to hear of the death of our former colleague, Harold C. Hagen, who represented the Ninth District of Minnesota in the Congress commencing with the 78th Congress and serving continuously through the 83d Congress.

Mr. Hagen was a native of Crookston, Minn., and the son of the late G. T. Hagen and Mrs. Anna Hagen. His father was the publisher and editor of the Vesterheimen, a Norwegian language weekly newspaper.

Reared in Crookston, Harold graduated from the public high school there in 1920. Always an industrious and hard working individual, he worked during high school and vacation periods on railroads and on farms and in the newspaper field. When his father died in 1919, he published and edited the Vesterheimen for a short period of time while still in high school. After his graduation he worked his way through St. Olaf College.

Following his graduation from college he taught school and then entered the newspaper field as the editor of the Polk County Leader at Crookston.

In 1934 Mr. Hagen came to Washington as secretary to the late Congressman R. T. Buckler and he remained in that position until he was elected as Congressman to succeed Mr. Buckler on his retirement in the election of 1942.

While secretary to Congressman Buckler he was elected president of the Congressional Secretaries Club for 2 years and was awarded an honor plaque as the outstanding secretary of Congress. Later he was given an honorary life membership in that club.

While in Congress Mr. Hagen served on the House Post Office and Civil Service Committee and on the District of Columbia Committee.

His record in Congress was that of a conscientious, hard working member and he made valuable contributions in his committees as well as on the floor.

To Mrs. Hagen and his two children I convey my deepest personal sympathy in the loss of a beloved husband and father.

Mr. H. CARL ANDERSEN. I thank the gentleman. I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, the sudden passing yesterday of our former colleague and my close friend for almost 15 years, Harold Hagen, was a terrible shock, even though I knew that for some time he had not been in good health. We had talked about it only a week or so ago.

Harold and I came to Congress together in the 78th Congress 14 years ago.

No person here was more helpful to me in finding my way around in this new post of duty than was he. As has been said, he had already been here for 8 years as secretary to Mr. Buckler, the former Congressman from his own district, mostly in the Red River Valley in northwestern Minnesota. Harold knew all the ropes. He was always eager to help any of us or our staffs find out just how to get our problems taken care of effectively, efficiently, and satisfactorily. I can't estimate how many times I have called him to ask how he would go about a certain problem, whom to contact first. And he always either had the answer at his fingertips or would generously offer to get it. As a result of that helpfulness in those early months, as well as our natural common interest in Minnesota, we became very close friends, as did my wife and his gracious and greatly beloved wife. It is a peculiarly personal loss to us, in addition to the loss to our country, that this kindly man and devoted public servant should be stricken down and taken from us in the prime of life.

He had extraordinary industry. He worked late at night and on Saturdays and holidays, attending to the work of his office and the needs of his constituents. He gave special attention to two main subjects, first, agriculture, naturally, because he represented an almost entirely agricultural district; and, second, Government employees. I believe he served on the Committee on the Post Office and Civil Service all the 12 years of his work here, and he was tireless in his efforts to improve the Federal service and all the conditions of employment, especially retirement, so that 3 million Government employees would be happier and, therefore, able to render ever better service to our country.

Harold Hagen, was an able, intelligent, and conscientious legislator, a fine Christian gentleman, a devoted husband and kindly father, and a wonderful friend. All of us will indeed miss him sorely.

I join his multitude of friends and admirers in extending to his wife, Audrey, and their son and daughter, our deepest sympathy.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentlewoman from Minnesota [Mrs. KNUTSON].

Mrs. KNUTSON. Mr. Speaker, I am shocked and grieved to learn of the untimely passing of Harold C. Hagen. During his years in Congress, I felt he did a tremendously fine job in serving his constituents on the basis of his political philosophy. When I realized he was in poor health, it was extremely difficult for me to campaign effectively against him.

During heated campaigns our personal relationship never deteriorated into the bitterness of a personal feud. I always held Mr. Hagen in the highest esteem as an opponent.

Mr. Hagen was possessed of outstanding traits of personal charm and warmth which left all who met him with a feeling of friendliness and trust. This is exemplified by his political strength as set forth in his biography in the 1954 Congressional Directory from which I quote:

Elected to the 78th Congress on November 3, 1942; reelected to the 79th Congress on November 7, 1944, by the largest majority ever given a winning candidate in the history of the district; reelected to the 80th Congress on November 5, 1946, setting a new record for the largest majority ever given a winning candidate in the district, the margin of victory being 21,820 votes; reelected to 81st Congress on November 2, 1948, by a majority of 9,713 in spite of the fact that Democratic candidates for President and United States Senator carried the district, respectively, by margins of 22,693 and 18,662; reelected to the 82d Congress on November 7, 1950, by a plurality of 28,120 votes, which is a new record for a winning candidate in the history of the Ninth District in Minnesota; reelected to the 83d Congress on November 4, 1952, by 24,528 votes, a new alltime presidential-year record for the district, the smallest in population but the largest in area in Minnesota.

I know my constituents join me in condolences to the family and close friends of this fine American who served his country, his State, and his district, well and faithfully. I want to wish for those bereaved, the greatest fortitude and a clear remembrance of the dedicated life lived by Mr. Hagen.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, the heartfelt sympathy of Mrs. Marshall, my office staff, and myself is extended to the Hagen family in the great loss they have suffered.

Knowing Harold Hagen was a real privilege; he was a human being with a great capacity for friendship with his fellow man. Our association began before my coming to Washington. At the time he was interested in the agricultural work I was doing and was a stalwart supporter of that work.

Later, when I had the privilege to be elected to this great House, he went out of his way to be courteous and friendly and to extend a helping hand.

His friendliness extended to my two sons. On several occasions he played baseball with them and he was a hero in their eyes. I mention this in testimony to those qualities of friendship and interest in other people which will be remembered and admired by his many friends.

These qualities led to his reputation for service to the people of his district. No chore was too small and he attended to the tasks of his constituency with such diligence that his service was constantly called upon.

Harold Hagen was never given to contentiousness on the floor of this House. He stated his case in soft-spoken terms and accepted the will of his colleagues with neither conceit nor rancor, respecting them as convinced advocates or worthy opponents.

His personal interest won him the friendship of many of the people who perform the day-to-day work of the Capitol and this is a fine tribute to his ability to value his acquaintances for their friendship alone. He was a past president of the Congressional Secretaries Club and continued his interest in legislation affecting the well-being of all legislative employees.

In dealing with legislation affecting the interests of the people of his district, he was an able advocate in expressing their wishes. His deep interest in the welfare of postal and Federal employees will be remembered by many throughout the Nation who regarded him as their spokesman and friend. He continued to serve them in recent years and they continued to rely upon him.

Harold Hagen appreciated the privilege of serving in the House of Representatives and attended to his duties faithfully and well. It was this quality which gained him friends on both sides of the aisle in and out of the House of Representatives.

To Mrs. Hagen and to his daughter, Andora, and son, Harold, we extend our sincere sympathy, hoping that they will find some solace in his record of service to the Nation and in the esteem in which he was held by those who enjoyed his friendship. The many people who call themselves his friends are testimony to Harold Hagen's life and service.

Mr. H. CARL ANDERSEN. Mr. Speaker, I now yield to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I, too, want to join with the members of the Minnesota delegation in paying tribute and in expressing my bereavement to Mrs. Hagen, the children, and his two brothers.

I first became acquainted with Harold Hagen back in 1933 when as a member of the Minnesota Legislature I served with his brother, George, who has done such a distinctive job for the United States Government in the war trials both in Japan and in Germany.

Later on I became acquainted with Harold, who was then secretary to a Member of this House. When that Member suffered ill health and had to leave the Congress, Harold Hagen then became a candidate and was elected to serve in this Congress, where he has served with great credit and devotion to the jobs to which he was assigned. I know I speak on behalf of all of the Federal employees of Minnesota, in addition to all railroad employees, and others when I say that he did a remarkable job on behalf of the wage earners of, yes, the Nation. He was well liked by everyone.

Yesterday I saw him down here on the third floor of the Old House Office Building where he was to appear before the Committee on the Post Office and Civil Service. Within an hour of that time I heard of his tragic death.

I want to extend to Mrs. Hagen, the children, and his brothers my deep sympathy and to express my great respect for our former colleague.

Mr. H. CARL ANDERSEN. Mr. Speaker, I now yield to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Speaker, the Members of Congress, especially those from Minnesota, were grieved to hear of the death yesterday of Harold Hagen, former Congressman from the Ninth District of the State of Minnesota.

Harold Hagen was the fifth Representative to serve in the House of Representatives from his district in Minnesota. He was a Member of this body from 1943 to 1954. During this period, he distinguished himself in the personal and consistent service to the people of his district. In the service to his own people, Congressman Hagen did not neglect the broader responsibility of membership in this body.

He concerned himself especially with the problems of civil service and the Government employees. Many of the civil-service laws of the country reflect the judgment, the good will, and the devoted work of Congressman Hagen.

Harold Hagen is remembered here not only for his public service, but also for his qualities as a friend. He was never bitter in disagreement or in defeat; neither was he arrogant in victory. He did not hesitate to disagree with the position of his own party when he had cause to do so.

His approach was characterized by consideration and by gentleness. Wherever he went in Minnesota or in Washington, Harold Hagen was sure to find old friends and to make new ones, simply because he understood and cultivated the broader principles of friendship—of sympathy, compassion, and of understanding.

I wish to join with the other Members of the House of Representatives in extending my most sincere sympathy to his wife and to his children.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent that my colleague from Minnesota [Mr. BLATNIK] may have permission to extend his remarks at this point. This gentleman is unavoidably absent this morning.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, I want to join with my colleagues in paying tribute to an old friend and former Member of Congress, Harold Hagen, of Minnesota, who passed away so suddenly yesterday.

I have known Harold for many, many years and his passing leaves me grieved and saddened. I know that I speak for many others when I say that the people of Minnesota and the Nation lost a true and trusted friend with the passing of Harold Hagen.

Although he sat on the opposite side of the aisle, Harold and I found ourselves in agreement more often than not, and when we disagreed it was with mutual respect and admiration for each other's opinion and point of view. His main interest, first, last, and always was the welfare of the people—whom he represented so well and for so long a time. His long record of victories at the polls will forever stand as a tribute to him and to the respect and admiration in which he was held by thousands of people in Minnesota.

Up to almost the very moment of his death Harold worked for the people. His great devotion and assistance to the Nation's postal and other Federal workers was just one facet of his long and distinguished public career. A true champion of the rights of workers everywhere, Harold spent his last hours pleading the cause of the postal and Federal employees dire need for a pay raise now before a congressional committee. He died the way he lived—working for the people he felt duty bound to assist and work hard for. He shall be missed by all who knew him. To his wife and children I want to extend my deepest heartfelt sympathy.

Mr. H. CARL ANDERSEN. Mr. Speaker, I now yield to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, on behalf of my wife and the members of my office staff, I want to express my very deep sympathy to Harold Hagen's wife, children, and brothers.

I lived and served with Harold all the years that he was a member of the Committee on Post Office and Civil Service. I know of no one who worked harder and more conscientiously in the performance of his duties. I know that millions of his fellow citizens are happier because Harold Hagen lived and served as a Member of this Congress. He, as much as anyone who ever served in this House, was responsible for helping

to secure more satisfactory incomes for the Federal employees. He was one of the most diligent and farsighted members in the development of the retirement programs and other fringe benefits for them. In fact, the retirement program which we ourselves here enjoy is very much the work of our departed colleague, Mr. Hagen. We all owe him a deep debt of gratitude, and it is good to be able to here testify that his useful, painstaking life is a source of great comfort and happiness to those he left behind.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, I, too, was deeply shocked and grieved at the news of our former colleague's very sudden passing. I served with Harold Hagen for many years on the Committee on Post Office and Civil Service. There I grew to know him and to admire him. His diligence, his industry, and above all, his courage, that rare gift that we so much admire, were very impressive. He certainly understood all the problems of the Government employees. He also understood, I think, the problems, as has been well said, of the average man and woman. He worked for them tirelessly, and it may very well be that this hard work and this great industry hastened his end. Yet, we can all be proud that he left us at the height of his powers. He was an example to us, and I know that we all join in conveying to his family our deep sense of sharing in their bereavement. It can, indeed, be said of him that as he left us he had done the job and done it well.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, it was with a deep sense of shock and bereavement that I learned yesterday of the sudden and unexpected passing of my longtime friend, former Congressman Harold Hagen. Attending a meeting of the Committee on Post Office and Civil Service yesterday I had seen Mr. Hagen there in the committee room where he served so many years with distinction and with ability. I have listened this morning to one Member after another who has risen and given us in detail the facts regarding his service here. Those of us who rise here now to express our grief and our sympathy, if we give an accurate picture of Harold Hagen, will simply deal in repetition, one after the other, of his outstanding qualities. He was gentle and personable by nature; he was alert; he was energetic; he was industrious in his work; he had a keen understanding of the problems in the legislation which came before the Committee on Post Office and Civil Service; he was friendly by nature. His family and mine have been friends ever since we have been here in Washington in the Congress. I feel a great personal loss in his passing, and I extend the sympathy of myself and my family to his family now in their hour of bereavement.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I did not have the privilege of serving in Congress with Mr. Hagen. His very capable and efficient wife, Mrs. Audrey Hagen, joined my office staff just a few days after I came to Washington in 1955. For that reason, Harold Hagen was one of the first persons I met on Capitol Hill, and I had the benefit of his counsel and advice as a new Congressman as I assumed my duties as a Representative from Kansas. We had a very close relationship. I knew Harold Hagen socially. I knew Harold Hagen officially. I knew him as a very kindly father and as a very substantial provider for his family.

I was impressed when, in spite of all the other responsibilities that Harold Hagen had, he invited my own son, who was then about 14 years of age, to accompany him and Mrs. Hagen on their return to Minnesota to spend the summer. Certainly no one but a very kindly person would have done such a thing.

I should like to make just one more observation, and I think this is rather indicative of the caliber of man that Harold Hagen was. As we all know, after he was no longer a Member of the House, he did have the responsibility of representing certain interests that had a vested interest in legislation before this House. At no time during my close association with him did he ever once mention his special personal interest in legislation before this House even though he was in and out of my office quite a bit, and his wife, as I mentioned, was a member of my staff.

That is a tribute to a truly great man. I certainly want to join, as does my office staff, in expressing our sympathy to his wife, Audrey, and to his two children and his brothers here on Capitol Hill.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, I, too, was shocked and grieved to learn of the untimely passing of Harold Hagen. He and I came to Congress at the same time. We have been friends through the years.

I always entertained the highest respect for him as a gentleman, as a public servant, and as a courageous man in the Congress, who followed his convictions, and who was devoted to the preservation of our institutions. The country loses heavily when a man like Harold Hagen falls aside. I extend to Mrs. Hagen and his children my deepest sympathy.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, in the untimely death of our former colleague, the Honorable Harold C. Hagen, I feel that I have sustained a personal loss.

Because of our membership for a number of years on the House Post Office and Civil Service Committee, I came to know Harold Hagen as a friend and I came to know his worth as a public servant.

The tributes already paid to his memory by those who have preceded me leave little to be said except at the expense of repetition. Let me add only this: that Harold Hagen was a man of principle and courage who left his imprint upon the legislative records of this country, and who left many more friends both in and out of Congress than he, himself, knew.

I extend my heartfelt sympathy to his widow, his son and daughter, and to the other members of his immediate family.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS of Mississippi. Mr. Speaker, the untimely passing of our former colleague, Harold Hagen, came as a great personal shock to me and to my family. The Hagen family were our neighbors for several years in the District of Columbia, and during this time we became warm personal friends. It was also my privilege to have served on the great Committee on Post Office and Civil Service with Harold Hagen for two terms, and I came to respect him for his ability, his devotion to duty, and—perhaps more important—for his integrity. He was a distinguished legislator, a wonderful father and husband, and a fine friend, and I feel a great personal loss in his passing. Mrs. Williams and my family join me in expressing to the Hagen family our deepest and most heartfelt sympathy in their bereavement.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Speaker, as it happened to so many others, so it happened to me that one of the first men with whom I became acquainted upon coming to the House of Representatives was Harold Hagen. Harold Hagen was a quiet man, Harold Hagen was a kindly man, a friendly man. He was a truly respected public servant and a credit to the House of Representatives. While no words of ours can lessen the loss, Mrs. Scrivner and I do wish to join his countless friends in extending our heartfelt sympathy in these dark hours of sorrow.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Speaker, there has been a very warm tie of friendship between the Hagen family and my family for the past 14 years. Harold and I came to the Congress together in 1943. Like so many others of that class of the 78th Congress, he, too, was one of the first men I met on this Hill. From that day a friendship formed between the two of us. It has lasted throughout these long years.

I held him in the very highest esteem, Mr. Speaker. I admired his courage and judgment which enabled him to serve here with extraordinary distinction and success.

The passing of Harold came to me as a tremendous shock. A friend of ours who has been so highly and so widely regarded throughout these years has now passed over to the other side. He has

answered the last call of his Supreme Being, a call that will in time come to each of us.

While his loss will be deeply felt here on this earth, his passing beyond the pearly gates on yesterday was undoubtedly most welcomed within that heavenly land where neither death nor sorrow is known. He is enjoying now the reward that comes to all good men.

I join with my colleagues, the many who have spoken and the others who will follow, in expressing regret over the passing of our late friend and worthy colleague, and in extending sympathy to his bereaved family.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, I was extremely shocked yesterday upon hearing of the passing of our former colleague and my very close friend, Harold Hagen. He was a man of great ability, a hard worker, and one who gave unstintingly of his time and efforts in his official capacity. He had long experience of useful work for his Government, and on many occasions I had an opportunity to counsel with him. As a Member of Congress he rendered great service to his district and to the country. Since his retirement from Congress, while engaged as a legislative counselor, he performed his work in an outstanding manner, never taking advantage of his former membership in the Congress in the prosecution of his work in behalf of his constituent employees.

Harold Hagen, his wife Audrey, and their two children have been personal friends of Mrs. Scudder and myself for many years, and we have enjoyed their congenial companionship which will long be cherished by us.

I desire to convey to Mrs. Hagen and their two children my heartfelt sympathy in this hour of their great bereavement.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Speaker, I join my colleagues in expressing our extreme sorrow in the passing of our former colleague, Harold Hagen. The Hagens and the Harveys were personal friends. I have enjoyed his counsel and his warm friendship for many years. He was a person devoted not only to his friends but to his responsibility. He was honest and sincere.

I think the finest tribute that could be paid to Harold is to say that he was an excellent example of the best type of public servant this great country has produced. I join with many others in extending sympathy to Mrs. Hagen and the children.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from South Carolina [Mr. MCMILLAN].

Mr. MCMILLAN. Mr. Speaker and Members of the House, I was shocked to learn of the untimely passing of my good friend, Harold C. Hagen. Former Congressman Hagen served on the District Committee with me for a number of years, and he was one of the most conscientious members of that committee. He was a deep thinker, and I was dependent on him for assistance on numerous occasions. The Nation has suffered a great loss by his untimely passing. I join his host of friends here on the floor of the House in expressing my deepest sympathy to the members of his family. Mr. and Mrs. Hagen have always been close friends of my family ever since we became acquainted more than 18 years ago.

Mr. Hagen's service in the Congress of the United States will be remembered for a long time by all the Members who were privileged to serve with him in this great body. He enjoyed the respect of the Members of the House, both Republicans and Democrats. I shall forever remember him as a close personal friend and as a distinguished legislator. Mr. Hagen was one of the first persons I ever knew from Minnesota. We were both privileged to have an opportunity to serve on Capitol Hill in the capacity of secretary to Members of Congress before we were elected to represent our respective States in the Halls of Congress.

Mr. Hagen, during the time he was a Member of Congress, always voted his convictions and was never swayed by any high-powered lobbyist to vote against the best interest of his State and his country. He had a heart as pure as gold and a character as strong as steel. My heart goes out to his wonderful wife and two children. I am certain that Mr. Hagen could not have been the great man he was without the complete cooperation and the help of his fine family. It is rather difficult for any of us to understand why it was necessary for such a fine man as Mr. Hagen to pass on to the great beyond at a time and age when he had such a bright future here in this world.

He was a comparatively young man considering the workload that was placed on the shoulders of a man of his age. I could not let this opportunity pass without expressing a few words as to my feelings toward this great man.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Speaker, I share with my colleagues the grief that has come to all of us because of the untimely passing of Harold C. Hagen.

The numerous well-deserved tributes that are being paid to our beloved friend are eloquent evidence of the warm place he won for himself in the hearts of his associates in the Congress.

This friendliness was equally marked in his associations with people generally. His sterling character commanded the respect and affection of all who knew him.

Harold came from sturdy Norwegian stock and was endowed with excellent qualities of mind and spirit which he developed well through formal education and in his dealings with men. His outlook on life was wholesome and enterprising.

He will be remembered for his generosity, his genuineness, his ability, his diligence, and his many accomplishments.

Mrs. Talle joins me in saying to Harold—"Well done, thou good and faithful servant"—and in extending to his devoted wife and family sincere and heartfelt sympathy.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, I also join my colleagues in expressing my deepest sympathy to the family of former Congressman Harold Hagen, of Minnesota. Mrs. Kearns joins me in this expression because of the close association of our families.

The United States has lost a great statesman and a great citizen, a man who leaves a marvelous record behind him.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, Harold Hagen was peculiarly fitted for service in Congress. I became acquainted with him 18 years ago, almost from the first day I was in Congress, because of the fact that my office was only a few feet from the front door of Mr. Buckler's office, for whom he was then serving as secretary.

Harold Hagen was always helpful to new Congressmen. It was not surprising that when Mr. Buckler's service came to an end the good people of the Ninth District of Minnesota selected Harold Hagen. He was a constructive, able, and industrious Congressman, a man who gave his services freely to other Congressmen. I extend my heartfelt sympathy to his bereaved wife and family and friends.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Speaker, I, as well as every Member of this House, am deeply shocked and grieved over the untimely passing of one who was one of the greatest Members of this House.

Harold Hagen was elected to Congress at the same time as I was. We worked together for 12 years. All those who came in contact with him thought him to be one of the grandest persons who was ever elected to Congress.

Harold Hagen was a hard worker. That work which he could not finish in his office he took to his home. I believe that nobody ever saw Harold Hagen at any time without a briefcase or some Government business to which he was attending.

The people of the district which Harold Hagen represented should be proud of the high esteem attained by their Representative. No man in the Congress deserved more nor had the respect of every Member as Harold Hagen always had. This Congress will miss him, and the State, Nation, and Harold Hagen's district have lost a real public servant.

Mr. MCCORMACK. Mr. Speaker, the tributes paid to our former colleague today by so many Members is a clear manifestation of the deep respect in which our late friend, Harold Hagen, was held by all of his colleagues. I had the pleasure of knowing him personally. I admired him very much. He was one of the hardest working Members of the Congress. He was kind and gentle; a man of firm convictions and progressive outlook, a man of independent thought. I

join with all of my colleagues who have spoken, and, too, with those who have not spoken but who, I know, feel the same way that those of us have made remarks do, in extending to Mrs. Hagen and her loved ones our deep sympathy in their great loss and sorrow.

Mr. H. CARL ANDERSEN. Mr. Speaker, I am sure that the family of the late Mr. Hagen appreciates very much this evidence of the high esteem in which he was held in this body.

Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, Harold Hagen was a good man, devoted to his duties as a Member of the House of Representatives. He was a patriotic American.

He always sought to do the right thing. He left his beloved country better for his having lived.

His loved ones have my deep sympathy.

Mr. REED. Mr. Speaker, the death of Hon. Harold Hagen came as a great shock to me. I consider it an honor to have served with Harold in the House of Representatives. He was able and, above all, a man of integrity and character.

It has been said that no man is worth more than he contributes to the social and civil upbuilding of the nation to which he owes allegiance. Measured by this formula, Harold Hagen was a man of great worth as a citizen and statesman.

I deplore the untimely passing of my friend. The sincere sympathy of Mrs. Reed and myself is extended to Mrs. Hagen and family in the time of their bereavement.

Mr. HOEVEN. Mr. Speaker, I deeply regret the sudden passing of my very good friend, Harold C. Hagen. He and I came to Congress together and I have learned to respect and admire him throughout the years. Harold C. Hagen was a good husband and father, a devoted public servant, and a great American. He served well his day and generation. Mrs. Hoeven joins me in extending our deepest sympathy to Mrs. Hagen and all members of the family.

Mr. REES of Kansas. Mr. Speaker, the Grim Reaper has again appeared in our midst. It is not for us to question, why? Only "Him, Who doeth all things well" holds the answer.

We pause to honor and pay tribute to a former member of this great legislative body. May this service remind ourselves that soon or late each of us must hearken to the call when we shall take our place in that silent city to await the reveille and the reunion of the Resurrection:

Serene, I fold my hands and wait,
  Nor care for wind, nor tide, nor sea;
I rave no more 'gainst time or fate,
  For, lo! my own shall come to me.
I stay my haste, I make delays,
  For what avails this eager pace?
I stand amid the eternal ways,
  And what is mine shall know my face.
Asleep, awake, by night or day,
  The friends I seek are seeking me;
No wind can drive my bark astray,
  Nor change the tide of destiny.
What matter if I stand alone?
  I wait with joy the coming years;
My heart shall reap where it has sown
  And garner up its fruit of tears.
The stars come nightly to the sky,
  The tidal wave unto the sea;
Nor time, nor space, nor deep, nor high,
  Can keep my own away from me.
Yet love will dream and faith will trust
  Since He who knows our needs is just,
That somehow, somewhere, meet we must;
  Alas, for him who never sees
The stars shine through the cypress trees!
  Who hopeless lays his dead away!
Nor looks to see the breaking day
  Across the mournful marbles play!
Who hath not learned in hours of faith
  The truth to sense and flesh unknown,
That life is ever lord of death
  And love can never lose its own!

Mr. TOLLEFSON. Mr. Speaker, it was with great sorrow that I learned of the untimely passing of our distinguished former colleague, the Honorable Harold Hagen. I had known him since the day I first became a Member of the House in January 1947, and during the following years we became close friends as did our families.

He was most helpful to me during my first term, giving me freely of his time and counsel. I think his willingness and desire to help people was one of his strong characteristics. That was evident throughout his years of service in this body. At all times he was unselfish, sympathetic, and understanding. He had all those kindly qualities which endear an individual to everyone who knows him. He was a devoted friend.

Harold Hagen was a fine Representative. Few men in Congress worked any harder than he in serving his constituency. He worked early and late. Many times have I heard other Members of Congress comment on his devotion to duty.

He was devoted to his country and to his Lord. This was apparent from the things he said and did—from the life he lived. In every year of his membership in the House, he extended invitations to his colleagues to attend services at his church, and urged them to come.

Finally, Harold Hagen was a devoted husband and father. He loved his family and lived for them. It was a privilege to visit with them in their home. The words "family" and "home" took on an added significance after knowing them.

We have lost an outstanding citizen and friend in the passing of our colleague. We shall miss him tremendously. Mrs. Tollefson and I join with a host of others in extending our most sincere sympathies to his wife and children.

Mr. MADDEN. Mr. Speaker, on yesterday, we were all grieved at the news of the passing of our former colleague, Harold Hagen. Harold and I came to Congress the same year and we both served on the Post Office and Civil Service Committee. He was at all times a diligent and hard-worker both in committee work and also active in all legislative matters pertaining to the welfare of his country. He retained the respect and good will of all who came to know him intimately.

I wish to extend to his wife and children my deepest sympathy in their bereavement.

Mr. O'HARA of Illinois. Mr. Speaker, in the passing of Harold Hagen I have lost a close friend. He was one of the sweetest characters that I have ever known. He was kind, gentle, modest, full of understanding of his fellow men and always sympathetic of the problems that burdened those who came to him. It was this sweetness in his character that endeared him to all whose lives were enriched by association with him as colleagues in this body. When the news came to me, telephoned from the Congressional Hotel, shortly after Harold collapsed, I was stunned. I still feel stunned by the sense of the void left in a world to which his smile, his kindliness, his warmth had contributed so very, very much.

Harold Hagen was a man of tremendous ability. He was not only a tireless worker, who never permitted the touch of fatigue to halt his service, but he worked with a keen and penetrating brain. There was no futility of idle gesture in what he did. In his six terms as a member of this body he made a record that well can stand as a pattern for all time. I am thinking now of those days when he stood in the well of this House, battling for the postal workers. I am thinking of him on many, many occasions when he threw into the fight for the neglected the full weight of his tremendous ability and the fire of a crusader for that which his heart charted.

I join with my colleagues in expression of deep sympathy to the fine and noble woman who walked with him the path of life, joining with him in giving to everyone a cheery smile, friendship and help. My sympathy also goes to his children and to his brothers. They have been left the heritage of the memories of a father and a brother who when he left this earth left it a richer and a better world than it was when he came to it. In their grief we share.

Mr. O'BRIEN of Illinois. Mr. Speaker, it was with a deep sense of personal grief that I learned of the tragic passing of our former colleague, the Honorable Harold C. Hagen. He was a man of fine character. He rendered a conspicuously brilliant service as a member of the Congress. I was proud to have him for a friend. Mrs. O'Brien joins with me in deepest sympathy to the noble woman who was his wife and to his sons and brothers.

Mr. SADLAK. Mr. Speaker, we are all saddened by the untimely death of our dear friend, Harold C. Hagen.

Though perhaps not too well known to the new Members of this Congress, he of course needs no introduction to most of us.

He was for many years a Member of the House of Representatives from the State of Minnesota during which time he earned for himself the reputation of being an honest, hard-working legislator, untiringly loyal and devoted to the interests of his State and country.

I remember him from the days when he was secretary to Representative Richard T. Buckler, when I was secretary to Representative B. J. Monkiewicz, at which time I had occasion to know his activities in the Congressional Secretaries Club. I enjoyed his association as a Congressman and especially have I enjoyed the pleasure of working with him on the Post Office and Civil Service Committee.

I will, and I know we all will, miss his frequent visits to the Hill even after he left Congress. His frendship will always be a pleasant memory.

I want to join my colleagues in paying this tribute to a great friend and to express my sympathy to his wife and children in this sad hour of their grief.

Mr. McINTIRE. Mr. Speaker, I wish to join in the sincere expressions of sadness which have been made in the House on the occasion of the passing of our respected friend and former colleague, the Honorable Harold Hagen, of Minnesota. Acquaintanceships and friendships made during one's service in Congress are one of the most rewarding features of years spent in the House. It is with real regret that I learned of the passing of such a friend. Our hearts go out to his bereaved family with whom we share a sense of personal loss.

Mr. BARTLETT. Mr. Speaker, unfortunately, I was required to be elsewhere when Members paid tribute March 20 to Harold C. Hagen.

However, I should not want the permanent RECORD to be without a statement from me.

Harold Hagen was one of the first men I met on coming to the House of Representatives in 1945. Early, Mrs. Bartlett and I formed a friendly association with Harold and his lovely wife, Audrey, which continued throughout the years.

Nothing that can be said by me now can do other than to repeat the estimates of the character of the man, Harold Hagen, which were recorded here last Wednesday by ever so many Members. But I surely can, and do, subscribe to every sentiment which was then expressed. It was said that Harold Hagen was a man of ability, coupled with gentleness, of integrity, of devotion to his country, and faithful in the interests of the people of the constituency he served so long. Those were not exaggerated statements; they come naturally and quickly in consideration of a man whose firmness was accompanied by the gentleness of a kind disposition. Harold Hagen had sort of a rocklike quality that in a way seemed to serve to delineate the boundaries of those high qualities of integrity and responsibility with which he was so richly endowed.

Time has had its way with the mortal man we knew as Harold Hagen, but his memory will not fade.

Mrs. Bartlett and I desire to extend our deepest personal sympathy to Mrs. Hagen, to the children, Andora and Harold, Jr., and to all others close and dear.

Mr. HORAN. Mr. Speaker, Harold Hagen was a man with a truly rich conscience. It was my privilege to have known him during the years since we both were elected to the House of Representatives in 1942.

He was an outstanding member of the Committee on Post Office and Civil Service during the six terms he served here. He took a personal interest in all measures and efforts to increase efficiency, provide better working conditions and fair, comparable pay for all governmental employees. He was their champion in the deliberations in this Chamber when such bills were before us. I know these folks grieve with us today.

I want to join my colleagues in the extending of our warm condolences to his wife, Audrey, and to Harold, Jr., and to his daughter, Andora.

While Harold has passed from us he leaves a rich legacy inscribed in the hearts of all of us who were privileged to know him.

Mr. HALE. Mr. Speaker, I want to add my word to what has already been said about Harold Hagen. He was by no means an intimate friend of mine. We were never on the same committee or otherwise drawn closely together, but for many years his name came immediately ahead of mine on the rollcall and somehow that alphabetical proximity contributed to the warm and friendly feeling that I had for him. We were both 78th'ers.

I think Harold Hagen was a most devoted, conscientious and useful Member of this House. His work on the Civil Service and Post Office Committee was outstanding. I was very sorry to have him leave the House, and I lament today his sudden and untimely death. I join most sincerely in the expressions of sympathy to his wife and family.

SMALL BUSINESS COMMITTEE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the Small Business Committee may sit during general debate next week.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

BUST OF THE LATE CHIEF JUSTICE FRED M. VINSON

Mr. McCORMACK. Mr. Speaker, I offer a resolution, House Joint Resolution 279, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, etc., That (a) the Marshal of the Supreme Court of the United States, subject to the direction and approval of the Chief Justice of the United States, is authorised and directed to procure an oil portrait and a marble bust, including pedestal, of the late Chief Justice Fred M. Vinson, and to cause them to be placed in the United States Supreme Court Building.

(b) There is hereby authorized to be appropriated the sum of not to exceed $10,000 to carry out the purposes of this joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to have inserted at this point a letter addressed to the Speaker of the House of Representatives by the Marshal of the Supreme Court of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The letter is as follows:

OFFICE OF THE MARSHAL,
SUPREME COURT OF THE UNITED STATES,
Washington, D. C., March 18, 1957.

The Honorable SAM RAYBURN,
The Speaker of the House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Chief Justice Warren has requested me to take up with you the matter of the procurement of a portrait and a bust (including pedestal) of the late Chief Justice Fred M. Vinson to be placed in the United States Supreme Court Building.

It has been customary to acquire by purchase or gift, portraits and busts of the Chief Justices of the United States. The following joint resolution to accomplish this purpose is suggested:

"JOINT RESOLUTION

"The Marshal of the Supreme Court of the United States, subject to the direction and approval of the Chief Justice of the United States, is authorized and directed to procure an oil portrait and a marble bust, including pedestal, of the late Chief Justice Fred M. Vinson, to be placed in the United States Supreme Court Building, and there is hereby authorized to be appropriated an amount not to exceed $10,000 to carry out the object of this joint resolution."

Respectfully yours,
T. PERRY LIPPITT,
Marshal, Supreme Court, United States.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may be permitted to extend their remarks at this point in the RECORD and also have 5 legislative days within which to extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PERKINS. Mr. Speaker, I want to take this opportunity to thank the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], for introducing the joint resolution providing for a bust of the late Chief Justice Fred M. Vinson.

I am privileged to represent most of the area formerly represented by Chief Justice Vinson. His many friends in the district, as well as the people in this country, will appreciate the passage of this resolution today.

INDEPENDENT OFFICES APPROPRIATIONS, 1958

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

State of the Union for the further consideration of the bill (H. R. 6070) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Anderson, Mont.	Dies	Morrison
Andresen, August H.	Diggs	Moulder
Barden	Durham	Passman
Barrett	Eberharter	Pillion
Blatnik	Green, Pa.	Poage
Bolton	Gregory	Polk
Bowler	Gwinn	Powell
Buckley	Halleck	Prouty
Carnahan	Hardy	Radwan
Celler	Harrison, Nebr.	Raine
Chudoff	Holtzman	Sheehan
Collier	Hosmer	Smith, Wis.
Davis, Tenn.	Jackson	Teague, Tex.
Dawson, Ill.	Kilday	Teller
	McGregor	Weaver
	Magnuson	Williams, N. Y.

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INDEPENDENT OFFICES APPROPRIATION BILL, 1958

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6070.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6070, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, once in awhile, when a public official has done something of an outstanding character to deserve a tribute, I like to see it recognized. Yesterday the Secretary of Defense issued an order cutting the number of people employed in the Pentagon by 12 percent, beginning in monthly installments on the 1st day of next July. This will reduce the number in the Pentagon by 6,400. In itself it probably will mean a saving of $50 million, directly and indirectly.

If it can be extended, and I hope insofar as it can, the Secretary will carry it through to the different bureaus and agencies of the Department of Defense all over the country and in foreign lands, it might run into really big figures.

We may all hope and pray that it will, because if there is anything that needs to be done right now to maintain a proper approach to good business, and a proper equilibrium, it would be that. I hope it may be extended all the way through and that the other heads of departments will join in an effort to do something of that character in their agencies.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I take this time to ask the chairman of the committee one or two questions.

On page 939 of the hearings there is a list of 38 projects, in one of which I am particularly interested, the Kansas City, Kans., Post Office and Courthouse, the estimated date of completion being 1958. That particular Federal building has been on the top of the list of priorities for many years. We needed a new building in 1937. We need it much worse now. The land has been owned since 1937. Of course, World War II stopped it, and after that there was a freeze on construction, and then the Korean war came along. Many things have arisen just about the time we were ready to go that have stopped it. Now, we were on the way toward having this much-needed project under way only to find that under some of the confusion arising under this lease-purchase-contract proposition it has now been stalled again. What is the status of these projects, including the one in which I am interested?

Mr. THOMAS. I will say to the gentleman from Kansas, as he doubtless knows, that the program has been apparently temporarily suspended for two reasons, and this was testified to by Mr. Floete, the Administrator of the General Services Administration. One, they could not get any money at 4 percent. Second, the Administration thought that perhaps the program ought to be suspended for the time being on account of its creating inflationary pressures.

Mr. SCRIVNER. In this particular instance, on the Kansas City, Kans., Federal building, the bid that was offered was 4-percent money. In the upset figure, or whatever you want to call it, they included land purchase.

The Government has owned the land for over 18 years. They included soil borings and some other things. Yet I notice that on page 10 of the bill there is an item for "Sites and expenses, purchase contract, and public building projects," which seems to provide funds for that very purpose.

Mr. THOMAS. That is our understanding. Let me read into the RECORD at this point the language carrying this $20 million for sites and planning:

For expenses necessary in carrying out the provisions of the Public Buildings Purchase Contract Act of 1954, not otherwise provided for, including preparation of drawings and specification, by contract or otherwise; acquisition of sites, including soil investigations and tests.

Mr. SCRIVNER. Even so, that was included in the total price set by the General Services Administration, upon which it had a bid.

Mr. THOMAS. May I make this suggestion: It looks to me as if the language is broad enough to mean exactly what it says it does. In other words, $20 million, plus the appropriations heretofore made, totaling $40 million, including this $20 million, will be used to buy sites and to do the planning and drawing the plans. If it is not, we would like to know why. If the gentleman will come down to the committee at his leisure this afternoon or tomorrow, we will get busy and get on the phone and call the Public Buildings and Grounds office and ask why. We will cooperate with the gentleman 100 percent.

Mr. SCRIVNER. I thank the gentleman for that offer. It is made in the helpful manner the gentleman always shows.

One other question, which relates to the next paragraph, which provides $9 million for the payments. What is the purpose of that, and the anticipated effect?

Let me suggest to the Members of the House that they read that language carefully. It is a little bit complicated. You have three figures in that paragraph. The first figure is $1,331,100. The second figure is $9 million. The third figure is $12 million. The $1,331,100 is to pay off this year the installments contracted for last year. Last year you authorized to spend in payments up to $12 million, and in truth and in fact you did not do it. You spent only $1,300,000. The $9 million is the authorization. In other words $9 million you will create an obligation of the United States for about $200 million, or $150 million.

Thank you, Mr. Chairman, for your cooperation, courtesy, and helpfulness.

Mr. GROSS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I want to commend the gentleman from New York [Mr. TABER] for the statement just made. I hope the Secretary of Defense will go through with his plan to reduce civilian manpower in the Defense Department by some 12 percent. Let me say this. I think no small amount of the credit for, shall we say, the incentive behind the Secretary of Defense in announcing that he is going to cut civilian manpower in the Defense Department by 12 percent belongs to the distinguished gentleman from Georgia [Mr. DAVIS] who is chairman of the manpower utilization subcommittee of the House Post Office and Civil Service Committee. The gentleman from Georgia has repeatedly had representatives of the Department of Defense before his subcommittee insisting upon manpower cuts, and because of his unceasing and diligent work to him goes no small part of the credit for stimulating the Secretary of Defense to reduce manpower.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. DAVIS of Georgia. I would like to take this occasion to say that the gentleman from Iowa [Mr. GROSS] has been one of the most interested and hard-working members on that committee.

Mr. GROSS. I thank the gentleman.

Now, Mr. Chairman, I would like to address myself to this bill and to the

provision for the huge sum of $491,800 to finance the investigation of United States citizens for employment in international organizations. I wonder if the distinguished gentleman from Texas, the chairman of the subcommittee, could tell me whether during the course of the hearings on this bill, there was any demand for information as to how well these employees are screened?

Mr. THOMAS. I will say to our distinguished friend from Iowa that the committee went into this pretty carefully. If we want to be perfectly frank about it, we complained pretty bitterly about this expense. This is a terrible item of expense. Some of these investigations cost $350, $400, $450, and $500. They claim that they are very careful. They claim that the turnover is 10 percent, 15 percent, and 20 percent a year. The amount involved here is about the same as it was last year. The budget asked $507,000. We cut them a little bit this year, but they claim the workload is up.

Mr. GROSS. It is still an enormous bill of expense; is it not?

Mr. THOMAS. Yes, it is. I agree with the gentleman. We moaned about it too in the committee. Apparently, nothing can be done about it. The Board has been set up by Executive order. There is nothing partisan about it. I think it is a good thing.

Mr. GROSS. The gentleman will recall that it was not so long ago that we discovered a number of Americans who were Communists or at least, fellow travelers, employed in the United Nations. Eventually they were ousted and awarded back pay and damages running into the thousands and thousands of dollars.

Mr. THOMAS. I think it is a good thing. Therefore, we did not cut it too much. I think these people ought to be carefully screened.

Mr. GROSS. I should like to call the gentleman's attention to something else. Of course, I believe there must be a thorough screening process.

Mr. THOMAS. We do too and, therefore, we did not cut it too much.

Mr. GROSS. Let me give the gentleman from Texas further information in connection with international organizations.

In the November 1956 issue of the United Nations Educational, Scientific, and Cultural Organization's publication, entitled "UNESCO Chronicle," there is an interesting bit of information under the heading of staff appointments. I am quoting now from this publication:

"Mrs. A. Jegalova (Union of Soviet Socialist Republics), who was formerly Chief of the Inspection Division in the Soviet Ministry of Education and more recently Chief of the Division of International Literature in the Publishing House of Foreign Literature, Moscow, has been appointed Chief of the Secondary Education Division (of UNESCO)."

In considering the implications of a Communist occupying such an important position, bear in mind that UNESCO is the organization which has referred in its "educational" publications to children "breathing the poisoned air of nationalism," and has called for children to be educated "to prepare themselves for citizenship in a world society."

Then in the December 1956 issue of UNESCO Chronicle there is the following:

"UNESCO gave financial and technical assistance to the Yugoslav (Communist) National Commission for the organization of an international seminar on the economic education of workers."

Among the countries represented at the seminar was Red China.

The United States each year pays almost one-third of UNESCO's operating costs, and the above-quoted items are submitted as examples of who and what we support with American taxpayers' dollars.

Here we are spending a half million dollars to investigate United States citizens who seek employment in international organizations, including the United Nations and UNESCO, and yet, sitting over those people in UNESCO is a Communist from Moscow Russia. How stupid can we get?

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MASON. In my opinion, UNESCO is one of the most pernicious of the international branches of the United Nations. It is an educational institution and therefore it has that pernicious influence on the younsters.

Mr. GROSS. I heartily agree with the gentleman from Illinois.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time in advance of the actual reading of the section to which I propose to offer an amendment, to give notice of intention to offer an amendment to the particular section of this bill dealing with the Federal Civil Defense Administration.

I make particular reference to the language beginning in line 25 on page 5, in the appropriation bill, for "Surveys, plans, and research." I would like to read the specific language of that particular section:

Surveys, plans, and research: For expenses, not otherwise provided for, necessary for studies and research to develop measures and plans for evacuation, shelter, and the protection of life and property, as authorized by section 201 (d) of the Federal Civil Defense Act of 1950, as amended, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $2 million, to remain available until expended.

The amendment which I propose to offer will increase that sum from $2 million to $6,700,000, the amount requested by the budget. The amount of $6,700,000 for surveys, plans, and research in this field will still be approximately 33⅓ percent below the amount appropriated for the current fiscal year for this purpose. It will represent a substantial cut below this year's budget for that item, but I think it will also preserve a perspective in this field, and retain selectivity in this economy wave, which I am sure we are all aware of and practically all in sympathy with.

In yesterday's debate there was a great deal of criticism of the civil-defense program—justifiable criticism, I firmly believe. I have no quarrel with the committee's conclusions which they have reached, that our civil-defense program is not adequate and is not doing the job we would like to have done. I think that can be improved upon. I think the Holifield committee has done a splendid service to the country in showing the shortcomings of this present program in this country, but in this bill we cut civilian defense by more than $60 million below this year's figure, and more than $90 million below the budget's recommendation, and at the same time cut by 80 percent the amount appropriated for the purpose of improving the program by research and study. To my way of thinking, that is not only taking away the armor but taking away the tools for constructing a better armor in the future. We cannot expect to have a better program without financing a program of research and study to improve the program.

While I am not going to quarrel with the committee in the much more substantial cuts they have made in other substantive phases of this program, I do think it borders on shortsightedness on the part of this Congress if we cut as severely as has been proposed the amount provided for research and for study and for planning in this field. I hope those who are interested in seeing a better civil-defense program, those who believe the program can be improved and should be improved, and those who are aware that this is a life and death proposition for our country and for our children and our children's children, will vote for the amendment and see that the appropriation remains at the budget request for research and planning for this important program.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, I want to compliment the gentleman from Texas [Mr. THOMAS] and his committee for cutting the budget requests for the Federal Civil Defense Administration by more than two-thirds. There is no sense in appropriating the requested funds for an agency that does not know what it is doing or where it is going.

It is common knowledge that we have no civil defense in the United States today. The gentleman from California [Mr. HOLIFIELD] has conducted an extensive investigation in this field over a period of 2 years. I believe the several hundred witnesses before the Military Operations Subcommittee are virtually agreed that the civilian population of this country would be helpless against a full-scale enemy attack with atomic and hydrogen weapons, whether delivered by airplanes from the skies or by submarines off our coastal cities.

I believe in a strong civil defense, and so do all the Members. But I am not going to be party to the pretense that the President's budget request for $130

million, with another $50 million con-

through line 4 on page 4 reading as

4910 would authorize the Federal Civil

population. We do not have in being

Mr. EDMONDSON. I yield to the gen-

Mr. THOMAS. Mr. Chairman, I can

million, with another $50 million contingent upon a minor change in the authorizing legislation, will give us an effective civil defense.

Here is the report of the Military Operations Subcommittee—House Report No. 3946, 84th Congress, 2d session—approved by the Committee on Government Operations, July 27, 1956. The report, which had the bipartisan endorsement of all members of the subcommittee, states at page 2:

The FCDA has not fully grasped the technical, administrative, or economic requirements of an effective civil-defense program.

The report goes on to say that, "The FCDA's policy of reliance on evacuation as the key civil-defense measure is weak and ineffective and indeed dangerously shortsighted."

I commend this report to the Members for careful study. It shows that we cannot depend on the present FCDA setup to formulate a plan of civil defense for the United States.

Until such time as we have a real plan and agency prepared and equipped to carry it out, we had better save these millions of dollars which would be wasted in this present bungling agency.

This is one instance where the Congress can economize without waiting for the President to point the finger.

The Clerk read as follows:

Investigations of United States citizens for employment by international organizations: For expenses necessary to carry out the provisions of Executive Order No. 10422 of January 9, 1953, as amended, prescribing procedures for making available to the Secretary General of the United Nations, and the executive heads of other international organizations, certain information concerning United States citizens employed, or being considered for employment by such organizations, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $491,800: *Provided*, That this appropriation shall be available for advances or reimbursements to the applicable appropriations or funds of the Civil Service Commission and the Federal Bureau of Investigation for expenses incurred by such agencies under said Executive order: *Provided further*, That members of the International Organizations Employees Loyalty Board may be paid actual transportation expenses, and per diem in lieu of subsistence authorized by the Travel Expense Act of 1949, as amended, while traveling on official business away from their homes or regular places of business, including periods while en route to and from and at the place where their services are to be performed: *Provided further*, That nothing in sections 281 or 283 of title 18, United States Code, or in section 190 of the Revised Statutes (5 U. S. C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service as a member of the International Organizations Employees Loyalty Board in the Civil Service Commission as established by Executive Order 10422, dated January 9, 1953, as amended.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make the point of order against the language beginning at line 23, page 3, and running through line 4 on page 4 reading as follows:

Provided further, That nothing in sections 281 or 283 of title 18, United States Code, or in section 190 of the Revised Statutes (5 U. S. C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service as a member of the International Organizations Employees Loyalty Board in the Civil Service Commission as established by Executive Order 10422, dated January 9, 1953, as amended.

I make the point of order on the ground that this language constitutes legislation on an appropriation bill.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

Emergency supplies and equipment: For expenses necessary for warehousing and maintenance of reserve stocks of emergency civil-defense materials as authorized by subsection (h) of section 201 of the Federal Civil Defense Act of 1950, as amended, and for distribution of radiological instruments and detection devices to the several States, the District of Columbia, and the Territories and possessions of the United States, by loan or grant, for training and educational purposes, under such terms and conditions as the Administrator shall prescribe, $3,300,000.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make the point of order against the following language, beginning in line 19 of page 5, "for distribution of radiological instruments and detection devices to the several States, the District of Columbia, and the Territories and possessions of the United States, by loan or grant, for training and educational purposes, under such terms and conditions as the Administrator shall prescribe," on the ground that the distribution of such radiological instruments and detection devices is not authorized in the organic legislation governing the Federal Civil Defense Administration, Public Law 920 of the 81st Congress, 2d session, as amended, and therefore is in violation of rule XXI, paragraph 2, of the Rules of the House of Representatives.

I recognize that the wording of this provision was contained in the two previous appropriation acts and was sponsored originally by the gentleman from New York [Mr. OSTERTAG] in the form of an amendment to the fiscal 1956 appropriation bill—see CONGRESSIONAL RECORD, volume 101, part 3, page 4066. I do not question the proposal on its merits, but simply make the point of order that this is legislation in an appropriation bill.

As I understand that rule and precedents pertaining thereto, the fact that this provision was carried in previous appropriation laws does not of itself justify its reenactment. The only exception would be in the case where previous appropriations had established a function of government which would bring it into the category of continuation of public works in progress.

There is pending before the Committee on Armed Services H. R. 4910, being the administration's proposals for further amending the Federal Civil Defense Act of 1950, as amended. Section 3 of H. R. 4910 would authorize the Federal Civil Defense Administration to procure and distribute, by loan or grant to the States for civil defense purposes, radiological instruments and detection devices. That proposed amendment would provide the authorizing legislation now lacking and which this appropriation bill carries as a rider.

In other words, the fact that an amendment in the basic legislation has been requested by the administration is evidence that distribution of such instruments is not now authorized by law, and accordingly, justifies the point of order.

I want to repeat that I do not question the merits of the provision. In fact, I am inclined to think it would accomplish a worthwhile objective, but I do think we ought to accomplish this objective in the proper sequence of legislative action. We should place this provision on a proper legislative footing by first enacting authorizing legislation.

Mr. THOMAS. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Surveys, plans, and research: For expenses, not otherwise provided for, necessary for studies and research to develop measures and plans for evacuation, shelter, and the protection of life and property, as authorized by section 201 (d) of the Federal Civil Defense Act of 1950, as amended, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $2 million, to remain available until expended.

Mr. EDMONDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMONDSON: Page 6, line 6, strike out "$2,000,000" and insert "$6,700,000."

Mr. EDMONDSON. Mr. Chairman, this is the amendment about which I spoke a few minutes ago. I really made my speech on the subject matter covered by the amendment on the floor of the House yesterday. At that time I stated, and I want to repeat, I am in wholehearted agreement with this committee and with the Holifield Subcommittee on Government Operations that a proper job has not been done to the satisfaction of the American people or for the needs of our country in these times of atomic peril under our present civil defense program. I do not think it is possible to read the hearings of the Holifield subcommittee without having a very uneasy feeling in the pit of one's stomach and a real sense of disturbance and apprehension about the inadequacy of this program that we have at the present time. We do not have effective measures in force under our civil defense program in this country today to meet the danger of atomic attack.

The most conservative estimates that have been made as to the damage that would be inflicted upon our civilian population in the event of an atomic attack on this country places the loss in population in our country at in excess of 50 million people. Other estimates have been given which say that we would lose from 60 to 90 percent of the American

population. We do not have in being today the facilities to provide shelter to our people in the event of an attack.

While we admit the inadequacies of the present program and while this committee imposes the most drastic cuts, more drastic than has been placed on any other agency in this Independent Offices Appropriation bill, while we do not quarrel with those cuts in most instances because it has been demonstrated that a job has not been done, is it not the part of foresight and the part of wisdom for this Congress to insist that we do continue to provide the money which the Civil Defense Administration is requesting and which the President has approved through his Bureau of the Budget to carry on research into such vital factors as a shelter program to provide security and safety for the lives of the American people?

The sum of $6,700,000 is not a large sum of money in terms of most appropriation bills. As I said before, it is $3,300,000 less than we provided for this purpose last year. Is this basic and fundamental problem of providing shelter for American lives 80 percent less important than it was in 1956? Is it 80 percent less important today that we provide some safety and security for our children and our grandchildren. Can we face these facts and these figures and say it is not so significant or important today that we prepare plans to meet the terrible menace of atomic warfare and the atomic bombing of our own beloved country?

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Illinois.

Mr. MASON. Trying to answer the gentleman's question, is it 80 percent less important today than it was a year ago? That is the question, is it not? The answer to that, it seems to me, is that a year ago we overestimated the danger by about 80 percent and on reevaluation or reestimation of the danger, we have decided that is the amount necessary at this time.

Mr. EDMONDSON. Well, I hope that the gentleman's evaluation of the danger is not shared by all Members of this House because it certainly is not shared by the highest military authorities of this country who have testified before the Holifield committee on the imperative necessity of a shelter program. It certainly is not shared by the Chief Executive of our country who has a very great responsibility and who asked for at least $6,700,000 to carry forward this vital research program.

I hope the committee will vote for this amendment which will grant an increase in this appropriation bill, amounting to an increase of less than one-half of 1 percent in the total funds in this bill. But it will preserve a selectivity in our economy and it will preserve a proper perspective in our civil-defense preparations by continuing the vital program of research and planning to meet this danger.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. First, I want to compliment the gentleman on his devotion to the security of our country. As the gentleman knows, I represent the city of Pittsburgh, probably one of the largest atomic bomb targets in this country. The question that comes up is this: If we start into a program of these tremendous underground defense works, will we not be saying then to Russia, in effect, "Well, you better start into it too, and then we both begin a race on it." While if neither one of us begins a program of extensive underground defense of this type at such great incalculable cost which will force us both to live or work underground in fear, then both of us are subject to the same risk. Why, when the committee nor the United States Civil Defense Administration have no evidence whatever that Russia is advocating or proceeding on such a program, should United States start into a program costing really hundreds of billions of dollars? Where would we stop, should we provide underground shelter for everyone in the country at public expense? Let us have better military United States defenses first.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 13 minutes, the last 4 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, first I yield to my friend the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. I had asked the gentleman a question. When there is no evidence that Russia has started in with this type of a program of civil defense, costing billions of dollars for underground shelters, why should we initiate the program and then get counteraction from Russia on the same kind of a program? Certainly, if somebody starts it, then we will all go underground like worms in burrows and no city will be safe unless we are all underground.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. In the first place, I will say to the gentleman that he may have access to information not available to me as to what Russia has been doing in relation to underground preparations for war. My own understanding of it was that there was quite an extensive program of preparing underground shelters underway in Europe; that some of the Scandinavian countries, even West Germany, had done something along this line, and very probably that Russia had done something along the line of underground shelters for war.

Mr. FULTON. But unless you tell us that Russia has already a program of this type of subterranean shelters underway, then if she is open just as we are, why not just let it ride?

Mr. THOMAS. Mr. Chairman, I cannot yield further. That is a good answer to both of my distinguished friends.

Mr. Chairman, in my humble judgment, this amendment ought to be voted down. Our distinguished friend from Oklahoma is a very fine advocate and a very devoted member of civil defense, and it is good for him to be that way; we admire him and we like him very much. But, after all, what is this money for? Listen: This money is for surveys, plans, and research. What plans and what research? We gave to this organization $10 million last year for this same purpose. Do you know what their carryover is? A little better than $6 million. We gave them $2 million this year. To do what? To do a practical thing; not go out and do every theoretical thing on earth. We gave them that money to go out and study shelters, $2 million, and that is what they asked for. They want to spend $100,000 for things like this; now listen: To study research in human relations and human reactions to disasters; they are difficult to comprehend, it says; the Federal civil defense may examine the sociopsychological effects of disasters upon people so that they can anticipate and cope with problems of panic and mass hysteria which would develop in the event of a nuclear attack. There is where your money is going to be spent.

Mr. Chairman, this amendment ought to be voted down.

Mr. VURSELL. Mr. Chairman, would the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Illinois.

Mr. VURSELL. I just want to say to the gentleman from Texas that we did go through this very carefully and he has well stated the problem. Speaking for the committee on this side we think this amendment ought to be defeated without further delay.

Mr. THOMAS. I thank the gentleman.

Mr. JONAS. Mr. Chairman, would the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. JONAS. The gentleman mentioned it, but I am not sure that the House understood it, that with the unobligated funds of more than $6 million, if we add the $2 million that the committee approved, that will give the agency more than $8 million to spend on this program.

Mr. THOMAS. That is right.

Mr. FULTON. Mr. Chairman, would the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. If we go into a program of underground shelters, has the committee any evidence that Russia is engaging in a similar program? Are we to be doing this unilaterally, or do we know that there is a program over there? Because if Russia does not, and we do, then Russia will and it will be a question of going backward and forward in a race.

Mr. THOMAS. The committee has no direct information on that.

Mr. HOFFMAN. Mr. Chairman, would the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In view of the question asked by my dear friend from Pennsylvania [Mr. FULTON], do we have to do everything that Russia does or some other country does?

Mr. THOMAS. I should not think so; I hope not, anyway.

Mr. FULTON. If there is no threat, why do it?

Mr. HOFFMAN. Why look to them for anything that we do?

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, it was my purpose to try to get a little credit for defeating this amendment, but the committee leadership on that side and the committee leadership on this side have made it evident that this amendment will be defeated anyway, so here I am again, without any reward for doing what I was about to do. But that is all right.

For the last 20 years the people of this Nation have been living in a state of fear. First, it has been one thing and then another. All the time we have been afraid, afraid of what might happen, and apparently afraid to meet it if it did happen. If those who won our independence had been as fearful as are we, we would still be under Britain's rule. It may be—bearing in mind our present foreign-aid contributions—we would be in a better situation, we would not contribute to every country—just to Britain.

The Holifield subcommittee of the Committee on Government Operations has a bill before it, relating to civil defense, that if enacted will cost somewhere between a minimum of $18 billion and $32 billion. What are they going to do? The gentleman from Texas [Mr. THOMAS] has told us that one of those studies would cost $100,000—a study to learn how bombing affects our minds. A little inquiry was made and it was learned that it was proposed to build underground shelters. What for? To take care of us when Russia or some other country—I do not know which, but some country—begins to bomb us. Well if we are to lose to Russia, I would rather be blown to death than be sent to Siberia or a labor camp.

We are appropriating $38 billion for national defense. Now they come along and ask us to spend $32 billion, or around that, to provide a place where we can run and hide when we hear the planes coming. But why live if Russia is to take over? It does not seem to me that we are being consistent about the situation. We either ought to have a little faith in our national defense program or else we should abandon it.

Why spend $38 billion—$32 billion for places to hide when war comes. Shades of Molly Pitcher and General Putnam and the men and women at Lexington and Bunker Hill. Instead of fighting from the top of Bunker Hill they should have dug a cave and hid under the hill; instead of fighting from behind the fence rows the minutemen should have hid in the woods.

With reference to this program on civil defense, if my information is correct, it would take care of but 40 percent of the people. Who is going to get into these shelters first? Am I going to get in, or will some fat plutocrat politician or war profiteer beat my wife or yours to it. I give you one guess.

The gentleman from Oklahoma [Mr. EDMONDSON] does not have any monopoly, at least in my humble judgment he does not, of this kindly feeling for our country or our people. I have an idea that I think just as much of my children, my grandchildren—and now listen to this—my great-grandchildren, as the gentleman from Oklahoma may have for his people, if he ever has any great-grandchildren. And I hope he lives to have a dozen or more. I do not like this idea of being accused of not being considerate or kindly of the people who are to come after.

I have been afraid—talking about this propaganda of fear—I have been afraid and worried over the fact, if I am able to save anything from my compensation here that I would not be able to pass it along to my great-granddaughters. I do not care so much about the children or the grandchildren; they will get on, for they are willing to work, practice thrift, and the country is not going to the dogs no matter how foolish we get; how hard we try to send it there. But I do care about my great-granddaughters. I have been afraid that I would not be able to pass anything along to them because of the inheritance or some other tax. Or only just a little of it, if I have anything left, which I do not expect to do, if prices keep on going up. But if we go on with this civil-defense program and some of these other matters, Uncle Sam paying with the people's tax dollars—after the handlers of those tax dollars take their cut—a cut that would make the average 3-ball shark blush, there will not be anything left, anyway. But I had been thinking over the years—and I still think that it is possible for those children when they come along—and I am talking about those great-granddaughters now, do not let me get mixed upon this—I believe that they will get married and will get good husbands, because the girls deserve that; and they will have sense enough to choose—I hope—hard-working, and thrifty men who believe in, have faith in our form of government; but I have been thinking about whether they will be able to earn a livelihood, as I was able to do in those old horse-and-buggy days. How silly can we get? Keep on and Russia need not fight a war to destroy us. We will just spend ourselves out of existence. Neither Alexander nor Napoleon, nor anyone else ever conquered the world—nor will our dollars do it, though the spending may make a few thoughtless citizens fabulously rich.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The Associated Press just carried a few minutes ago the following from London:

> Russia's Defense Minister says any major new war would leave no hiding place and that the United States would not——

Mr. HOFFMAN. Then what is the use of building them?

Mr. EDMONDSON—

> be able, as formerly, to sit it out over the ocean and avoid destructive and deadly blows.
>
> Quoted by Moscow radio today, Marshal Georgi Zhukov warned that Russia would use atomic and hydrogen bombs as its main striking force if such a conflict broke out.

Mr. HOFFMAN. I do not yield further. I do not care to hear any more from Russia. One might just as well be dead, buried or not, if from day to day he is to live in fear of certain death as some seem to want us to do. Where is the advantage if from daylight and then through the night we must slave to get the dollars to buy friends who will fail us when we need them? If I had my way, we would not have anything to do with Russia. They cannot tell the truth. They will not keep their agreements. We made one of our greatest mistakes when we recognized them as a nation.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The Clerk read as follows:

> Payments, public buildings purchase contracts: For payments of principal, interest, taxes, and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), $1,331,100: *Provided*, That the Administrator of General Services may enter into contracts during the fiscal year 1958 for which the aggregate of annual payments for amortization of principal and interest thereon shall not exceed $9,000,000, in addition to the unused portion of the $12,000,000 limitation applicable prior to July 1, 1957, under the Independent Offices Appropriation Act, 1957 (70 Stat. 343): *Provided further*, That the contracts about to be entered into shall have been authorized by the appropriate legislative committees and in amount by the Committees on Appropriations of the Senate and House of Representatives.

Mr. GROSS. Mr. Chairman, I make a point of order against the language in the bill beginning on page 10, line 21, which reads as follows:

> *Provided further*, That the contracts about to be entered into shall have been authorized by the appropriate legislative committees and in amount by the Committees on Appropriations of the Senate and House of Representatives.

Mr. Chairman, I make the point of order that this is legislation on an appropriation bill, therefore in violation of the rules of the House.

Mr. THOMAS. Mr. Chairman, I make the point of order against the entire paragraph.

The CHAIRMAN. The point of order is well taken. The Chair sustains the point of order of the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. THOMAS: On page 10, after line 10, insert the following: "Payments, public buildings purchase contracts: For payments of principal, interest, taxes, and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U. S. C. 356), $1,331,100."

Mr. THOMAS. Mr. Chairman, this amendment reinserts the $1,331,100 that appeared in the first part of the language before it was stricken from the bill.

The second thing it does is knock out the $9 million limitation for the fiscal year 1958. The $9 million limitation is no more than a rank guess. Our guess is as of today that you will not need any of it because the President has suspended the entire program.

Mr. Chairman, I ask for the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

The Clerk read as follows:

> Operating expenses, transportation and public utilities service: For necessary expenses of transportation and public utilities management and related activities, as provided by law, including not to exceed $25,000 for expenses of travel; $1,330,000.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to take a minute or two to call attention to what has transpired in the last few years since Congress enacted legislation which I had the honor of being the author of—the so-called motor pool bill. When that bill was introduced in the 2d session of the 83d Congress, we had in operation throughout our Government 260,000 commercial-type vehicles. The General Services Administration was authorized under that legislation to create in key cities in the United States motor pools to serve all agencies in the locality instead of the Government having to furnish automobiles to every separate agency. The last report shows that the number of motor vehicles owned by the Government—that is, the number of commercial-type automobiles—is now down from 260,000 in 1953 to 195,548—a reduction of 64,452 automobiles.

On page 1041 of our hearings, there is a table that shows savings from the operation of these motor pools in 1955 amounted to $521,000; in 1956, $1,300,000; in 1957, $2,336,000. It is estimated that savings next year will be up to $3,424,000.

This operation is conducted by 18 people in the General Services Administration, and by the end of the fiscal year 1957, we will have 28 of these motor pools operating throughout the United States.

It is estimated that when the program gets well underway annual savings in excess of $5 million will result. This, of course, is a small sum when compared with billions, but is well worth saving and I am very pleased to be able to make this report to the Committee of a place where annual savings of a substantial sum are being made.

The Clerk read as follows:

> Strategic and critical materials: For necessary expenses in carrying out the provisions of the Strategic and Critical Materials Stockpiling Act of July 23, 1946, including the acquisition of one parcel of land located at Harahan, La., now under lease to the Government and used for the storage of strategic and critical materials, services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), not to exceed $3,327,600 for operating expenses, not to exceed $86,000 for expenses of travel, and necessary expenses for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic and critical materials acquired for or transferred to the supplemental stockpile established pursuant to section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1704 (b)), $19 million, to remain available until expended: *Provided*, That any funds received as proceeds from sale or other disposition of materials on account of the rotation of stocks under said act shall be deposited to the credit, and be available for expenditure for the purposes, of this appropriation: *Provided further*, That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with subsection 6 (a) of the act of July 23, 1946 (50 U. S. C. 98e (a)), may be transferred to stockpiles established in accordance with said act: *Provided further*, That no part of funds available shall be used for construction of warehouses or tank storage facilities.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DAVIS of Georgia: On page 13, line 8, strike out "$19,000,000."

Mr. DAVIS of Georgia. Mr. Chairman, I would not under any circumstances want to cut out even $1 either in this or any other bill, which would affect our military security. However, in dealing with this question of stockpiling of critical materials and strategic materials, we should deal with it not on a basis of hysteria or fright.

My amendment will eliminate from this bill an item of $19 million for the purchase of critical and strategic material. This appropriation is not needed. There was brought over into 1957 fiscal year for this item $389,029,618 unobligated funds. Obligated funds brought over into 1957 fiscal year were $378,276,004. The total funds brought over into 1957 fiscal year on this item, obligated and unobligated, were $767,305,622.

There will be carried over into 1958 fiscal year, according to estimates submitted and placed in the record of the hearings, $145,680,000 unobligated funds, and $196,625,622 of obligated funds, making a total of $342,305,622 obligated and unobligated funds which will be carried over into 1958 fiscal year.

These figures are in the hearings and will be found on page 949.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. THOMAS. I will say to our distinguished friend, the gentleman from Georgia, if you will permit, the committee will accept your amendment with the reservation that when we go to conference, if anything develops between now and then, we reserve the right to restore that amount in the bill, and, if not, we will leave it out.

Mr. DAVIS of Georgia. I am glad to accept that.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The amendment was agreed to.

The Clerk read as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

> Salaries and expenses: For necessary expenses of the Committee, including contracts for engineering, drafting, and computing services; not to exceed $380,000 for expenses of travel; maintenance and operation of aircraft; not to exceed $100 for newspapers and periodicals; uniforms or allowances therefor, as authorized by the act of September 1, 1954 (68 Stat. 1114), as amended; and services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); $71,000,000.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. ROGERS of Texas: On page 19, line 11, strike out "$71,000,000" and insert in lieu thereof "$70,000,000."

Mr. THOMAS. Mr. Chairman, will the gentleman yield briefly?

Mr. ROGERS of Texas. I will be happy to yield.

Mr. THOMAS. Mr. Chairman, my deep admiration for my distinguished friend from Texas compels the subcommittee to accept his amendment, with the understanding that we go to conference, and if anything develops between now and then whereby this extra $1 million is needed, we will reserve the right to try to put it back in the bill in conference. Otherwise, we will be glad to accept the amendment.

Mr. ROGERS of Texas. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The amendment was agreed to.

The Clerk read as follows:

> Construction and equipment: For construction and equipment at laboratories and research stations of the committee, including the acquisition of not to exceed 115 acres of land, $36,000,000, to remain available until expended.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

> Amendment offered by Mr. ROGERS of Texas: On page 19, line 15, after the first comma, strike out "$36,000,000" and insert in lieu thereof "$35,000,000."

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. THOMAS. Mr. Chairman, may I make this statement? The item was $41,484,000, and the committee reduced it to $36 million. It is a 4-year program. Heretofore we have been appropriating

this money 10 million this year, 10 million next year, and 10 million the next year. We have an understanding with the NACA, and, incidentally, they do most of this work themselves. They go out and contract to the lowest bidder, but they think they can save one or two million, and we cut it by $5½ million. We will accept the gentleman's amendment with the hope that none of us has cut it too much, because these are valuable pieces of equipment. They are wind tunnels and high-pressure test facilities, and if the money is needed we are going to have to give it to them. Meantime we will accept the gentleman's amendment.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. Chairman, I want to make this observation: I do not want to be placed in the position of trying to curtail research activity in the field of aeronautics. I do not feel that I am. The appropriation for this particular committee has increased from 1946 from $24 million up to $71 million. Perhaps that amount is needed. I do not know. However, I do know that the commercial aviation people of this Nation and the aviation industries of themselves profit immeasurably by the research and development that is done by this particular committee. I appreciate the fact that they have a right to do that, but by the same token many of those industries are kept up by Government contracts, and I feel that what we should do is to reduce as much as possible the contribution that is being made by the taxpayers directly to this program, and let the people who are profiting by it pay at least a portion of it. There is no yardstick to determine just how much the industries and the commercial airlines profit by it.

I do think the committee should look into that next year and see if we cannot develop some yardstick by which to measure it.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I shall be happy to yield.

Mr. THOMAS. I do not mean to intimate that there is any man in this House who would say that my friend wants to hurt national defense—and this is national defense, make no mistake about it. We are spending $6 billion or $7 billion a year for planes for the Government; this is the research institution that does work for 5, 10, or 15 years in advance. To be frank about it, of course, private industry in aviation in this country is mostly financed by Government money, and it is this crowd that does the research for private industry and for the Government.

I just want to say to the gentleman that nothing I have said should be construed except in the highest terms of the gentleman. I know he would never want to do anything that would hurt this agency or any other agency of Government.

Mr. ROGERS of Texas. I appreciate the gentleman's concern, and I want to commend this subcommittee for the great job they did in this particular program in reducing the budget estimate.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

If there is such a thing as a beneficient conspiracy I would say that one is operating here in Committee this afternoon. It is always a pleasure to be around when there is a mutual admiration society transacting business here on the floor. We sure spoon out the honey when it serves our purpose, and I would say to the chairman of this subcommittee handling this bill that while I do not want to be critical, it seems to me that on our side we have fallen down a little on offering amendments—perhaps because from past experience we have learned that coming from our side of the aisle they are usually voted down by strict party vote—it would not be kind to say—regardless of merit.

If I judge the situation which exists here just at this moment this afternoon amendments are being offered on the Democratic side to cut down the amounts named in the bill. I am just wondering what has happened to our members of the committee, why they do not offer amendments to make reductions that will be accepted. It may be because of some agreement made in committee to stand by the report—but that agreement if it was made should apply to the majority of the committee as well as to the minority. A Member on that side offers an amendment to cut the amount carried in the bill, and the chairman of the subcommittee accepts it. That is the way the Democrats are operating. They get the credit for voting for economy. What do we Republicans get? I see what they are up to. I want to commend them for being alert and attempting to get all this favorable political publicity. They sure have election day in mind every day. But why not tell me where I can offer an amendment that you will accept so that we on this side can have a share of the credit? It would help me in my district. You know my opponent last year said I voted "no" on everything and never did any good for anybody. He forgot to state that my votes against wages were in reality economy votes. He forgot that I was not politically ambitious enough to promise everyone everything when I knew the promises could not be kept. Now, if the gentleman from Texas [Mr. THOMAS]—and I admire him, he is the best-dressed man in the House and one of the kindest—if he will just tell me where I can offer an amendment somewhere to cut out some money which he will accept, I would appreciate it.

Mr. THOMAS. Let me say to my distinguished friend if he will yield——

Mr. HOFFMAN. Now, just a minute. Tell me a little in advance where in the bill I can offer an amendment that you will accept—just one place.

Mr. THOMAS. If the gentleman from Michigan ever needs anything from anybody on either side of the aisle he is going to get it. We are all for the gentleman on both sides. Frankly, now, about these two amendments——

Mr. HOFFMAN. I am not joking. Tell me where I can do it.

Mr. THOMAS. This is one of the important agencies of Government. Of course, they have now about 8,200 employees and they want to go to about 9,000. We have let them go.

I remember when my distinguished friend, the gentleman from Massachusetts [Mr. WIGGLESWORTH], handled this appropriation 10 and 12 years ago and they wanted $15 million or $20 million, we had quite a heated debate about it and the suggestion was made that the time would soon come when they would want more money and still more money; and they have grown.

Mr. HOFFMAN. To get back to the subject, if the gentleman will tell me where I can make a cut that would be acceptable to him it would help us on this side and especially your humble servant from the Fourth District of Michigan. I want to be with you in the 86th Congress when we will have a majority here and at the other end of the Capitol to help us appreciably in the next election.

Mr. THOMAS. Seriously, we cannot hurt this agency too much. We have already given them a good cut.

Mr. HOFFMAN. I cannot yield further; the gentleman is just begging the question which is, Will you tell me or some colleague over here on the Republican side in advance where we can offer an amendment that you will accept? My fellow Republicans on this side would like to get in on this political propaganda drive. And we realize that no matter how hard we try, no matter what we offer, you can vote it down.

Mr. THOMAS. There is no propaganda about it, I will say to my friend.

Mr. HOFFMAN. I may be dumb, but I can see this one all right, and so can the boys in the Press Gallery.

Mr. THOMAS. We all love you, and I will say that any time you want anything, the gentleman is going to get it.

Mr. HOFFMAN. Again I ask the gentleman: Is there not some way I can get some advantage out of offering an amendment which the gentleman will accept? Just a little hint to me instead of to a Democratic colleague?

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. MASON. I personally welcome the sinners back home after 20 years, and I would think the gentleman would.

Mr. HOFFMAN. Well, I do, but they are getting all the fatted calves, and they are not the only returning prodigal sons who have seen the light, and some of us who never strayed from home—who have talked and worked for economy and efficiency—would like to march in the parade even if converted sinners are in front. Let us come in at the tail end while they carry the flag and play in the band.

Mr. MASON. I do not care what they do as long as they do what is right.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are always glad to hear the gentleman from Michigan. If he was not serving in this House, I do not think I would hardly want to serve here.

Mr. HOFFMAN. Will the gentleman yield for one observation?

Mr. VURSELL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If the gentleman will forget it, I will appreciate it.

Mr. VURSELL. Mr. Chairman, what I was going to say is this: He is a very able Member of this House, and he makes a great contribution in a substantial way, as well as occasionally giving us a little levity with his brilliance and his wit.

While the gentleman from Texas who has headed this committee for a number of years needs no defense from a humble neophite member of this committee like myself, I do believe the House knows, and I know by serving on this committee with him for several weeks in bringing in this bill, that the gentleman from Texas has been for economy all the way through on this bill. He is interested in providing sufficient funds for each agency so that they can properly perform the functions of their particular branch. However, at the same time he has crowded them for efficiency and economy, and he has had a major part in bringing this bill to the floor with a cut of over one-half billion dollars.

Mr. Chairman, I feel I should pay him this well-deserved tribute.

The Clerk read as follows:

VETERANS' ADMINISTRATION

General operating expenses: For necessary operating expenses of the Veterans' Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; uniforms or allowances therefor, as authorized by law; not to exceed $3,500 for newspapers and periodicals; and not to exceed $3,020,000 for expenses of travel of employees; $161,374,000, of which $18,500,000 shall be available for such expenses as are necessary for the loan guaranty program: *Provided*, That no part of this appropriation shall be used to pay in excess of 22 persons engaged in public relations work: *Provided further*, That no part of this appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to thank the members of the Appropriations Committee on both sides of the aisle for the tremendous interest they have taken in providing prosthetic appliances for the amputees, the blind, the paraplegics, the deaf, and others. It has been a great cooperative work on their part and at a later time I shall ask to have inserted as a part of my remarks a very fine statement by Col. Robert S. Allen, commentator, regarding prosthetic appliances.

Colonel Allen had a very gallant war record and he is a very able columnist and broadcaster. His work has helped many civilian disabled. He is a human dynamo for any cause he espouses. When he appeared before the veterans he pointed out that some years ago the tremendously heavy artificial arms and legs cost $500, but more recently and today they cost $1,500. The hooks that he uses makes it very easy for them to move the hook and use the arm to better advantage. These hooks cost only $68.

I saw Col. Robert S. Allen in 1944 at General Patten's headquarters where he was serving as combat intelligence officer to General Patten's army headquarters just after they had taken the fortress of Metz. He said to me, "Will you please tell my wife I am all right." A few days later he was taken prisoner, and his arm had been shot off. From that time Robert S. Allen has been determined to see that those who have given their arms and legs are provided with the proper appliances in order to make life more livable. While he was a patient at the Walter Reed Hospital he was an inspiration to all disabled veterans. He has indomitable courage. He and others deserve a great deal of credit for what has been done in prosthetic research—and again I thank this Appropriations Committee for what it has done.

I include as a part of my remarks the following statement by Robert Allen:

STATEMENT OF ROBERT ALLEN, WASHINGTON, D.C.

Mr. THOMAS. Gentlemen of the committee, I invited my friend, Bob Allen, to come by and talk with us. Bob has done as much or more than perhaps all of us put together in prosthetic devices for the veterans. He is an expert in it, and has worked on it long and hard.

We are delighted, Bob, that you could take time out to come by and give us a statement.

Mr. ALLEN. You are very gracious and generous, Mr. Chairman and gentlemen. I would just take a few moments. I want to thank you again for all you have done for the program.

The problem I would like to take a few moments to discuss with you does not involve more funds. Our budget has been about the same for the last few years, about $800,000, and, in fact, this year we are budgeted for slightly less than that.

Our problem involves one of the most efficient and productive use of our money. And that arises from a ruling from the Budget Bureau quite suddenly and out of the blue which requires the expenditure of these research funds within 1 fiscal year.

All through these years this program has been going on in artificial limbs, it has been essential to program certain items over a long period of time. You gentlemen have made possible, through the continued support of this program, the key factor for our official limb development, and that is the continuity.

This program has developed a small group of technicians and experts who are sort of miracle people—none of them are geniuses, but they have developed a facility for just making things operate where there is nothing.

Mr. THOMAS. Mr. Allen, would you yield right there?

Mr. ALLEN. Yes, sir.

Mr. THOMAS. Gentlemen, what Mr. Allen is saying to us, is that we ought to make these 2-year funds rather than 1-year funds for research and development. Is there objection?

Mr. YATES. No.

Mr. BOLAND. I certainly favor it.

Mr. THOMAS. It is done. Bob, will you tell us about some of the good outstanding things the unit has done?

Mr. ALLEN. I have here, in one instance, a new elbow, a mechanical elbow that you loosen and lock just by a twitch. Now, an amputee above the elbow, you can't use this hook unless you lock that elbow. You might say, my elbow doesn't have a lock, it does, it is up, you have to put it in this artificial thing. The crux of the thing is to put it in there so that it doesn't become a thousand pounds after you have worn it a few hours, because everything that you hang on that stump becomes intensified as the day goes on.

For instance, when I was discharged from Walter Reed they gave me an arm which cost the Government $527 then—that was 10 years ago—which would be now, what, $1,500? That was the best arm that Uncle Sam could buy. And it had a hand that was called a miraculous hand. And the only thing that was miraculous about it was how they unloaded it on the Government, because there wasn't anything else miraculous about it, because it was made out of aluminum, and it weighed a pound and a quarter when you put it on, and a ton and a quarter after a few hours.

I have a hook here that weighs 5 ounces, and it is infinitely more proficient than that hand, and it works with springs.

Now, this lock which I have had on now for about 5 months has never had a breakdown. That is the big struggle. They have been working on that for years. They have made a breakthrough. I am guinea-pigging it. There are some others that are guinea-pigging it. You couldn't do that on a 12 months' basis. It has to be extended. Now, supposing something develops on this thing, some little cog, or some breakdown, they have to go on from there. And it all gets down to just a few words, gentlemen, as the chairman said, if I may just insert here, that Public Law 729 shall, as provided in that act: "remain available until expended," so our funds will remain available until expended.

We have been awfully careful about the money. And we haven't spent any money for anything beyond what has gone right into this thing. We have a little group of people, not over 8 or 10 or a dozen, and they are really miraculous technicians. And this spring we are going to put on a show here on the Hill in which we are going to show some of these things.

Mr. THOMAS. What is the doctor's name who is head of the New York office?

Mr. ALLEN. Dr. Rusk.

Mr. THOMAS. He is a genius.

Mr. ALLEN. He is. They have some others, Dr. Clopstick—they are like these people, these cryptographers, you don't know what they are doing, but they are doing it. They have got a new cable which is made out of something, it isn't made out of wire; it is made out of nylon. It is fantastic. You see, these things take a terrific pressure. I am throwing this around all the time, I open and close it a thousand times a day. Here is a cable made out of nylon. It looks like metal, but it is not. I have had the cable about—well, I put it on just before Christmas, and it is still there.

Mr. YATES. You said that your arm cost $527 when you walked out of Walter Reed?

Mr. ALLEN. Yes, sir.

Mr. YATES. Have you any idea of what this one cost?

Mr. ALLEN. Of course, out at Walter Reed they are making this, down at the hangar, I don't know, but out at Walter Reed it costs the Government about $68. And this is a bucket—I haven't had a new bucket, as I recall it, for 2 years, all this is hanging on

this old bucket, which is pliable and malleable. It is just fabulous.

In 1945 or 1946 when they gave me that $527 arm, this miracle hand was operated by rubber bands. At that time we had knocked off Hiroshima with an atomic bomb and wiped out 75,000 people with one blow, but all they could give a guy that had lost an arm or a hand was a rubber band. But now they have this new thing. You could make a book with string. The problem is always weight, because every ounce you hang on this in the morning becomes a pound and then a ton by evening.

Mr. BOLAND. The original arm wasn't developed by the Government—this was developed by private resources?

Mr. ALLEN. That is right. Now, all of this stuff is available to private industry. There is no patent. It is all available. You notice these pictures of these youngsters? That is all Government stuff. The arm they gave me was made out of leather and metal; they didn't use plastics. And after about 3 months it smelled like a saddlery. And the stuff began to rot on you. And I have a very simple harness made out of—well, it isn't nylon; it is something else—it is perspiration-resistant and moisture-resistant. I have had this same arm about 14 months, all through last summer. And it is just a simple little brace across here, where you used to have loops under here and loops under there, they used to really lash you up.

They would spend all this money on a veteran amputee, and you had to go through certain training out at the hospitals, and once they got away from you they threw the thing in a corner.

Mr. THOMAS. You were wonderful, and thank you a million for coming by. Thank you for your advice and we will follow it, you needn't worry.

Mr. JONAS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I take this time as we approach consideration of the Veterans' Administration section of the bill to point out 1 or 2 respects in which the Administrator of Veterans' Affairs and his associates deserve commendation. If you will examine the report of our committee on the bill you will see that the total cuts in administrative expenses amount to only $13 million out of a $4½ billion appropriation. Some of you may wonder why we were not able to make deeper cuts in administrative expenses. The reason is because the Veterans' Administration itself has done a very creditable job in getting operations under control. I put a table in the RECORD yesterday showing that personnel in the VA, for example, is down from 41,473 people in 1953 to 28,216 for 1958. I would also like to call your attention to the fact that net administrative costs estimated for 1958 in the budget estimates that came to us, when compared to 1957, were down $5,310,000, showing conclusively that substantial economies have been made by the Administrator of Veterans' Affairs and his staff.

There is one other item to which attention should be called, and that is the Department of Insurance. There significant economies have been made also. The number of life-insurance policies outstanding, for example, has remained stable since 1954 at 6½ million policies, but operating costs of the insurance department have gone down $13 million during the last 2 years or from $37 million in 1954 to $24 million in 1958. This amounts to a cost per policy of $3.83 per policy in 1958 as against a cost of $5.54 in 1954.

I mention those things because I think the committee and the Members of the House would like to know that in the field of getting administrative costs under control, Administrator Higley, in my opinion, and his associates are doing a very creditable job.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman has just given a very excellent tribute to the Veterans' Administration and its Administrator. I think if we do that more and criticize less on some other things, we would get further along. We just had a tribute paid to the head of the Department of Defense because of his move in the right direction. Let us give credit where credit is due.

Mr. JONAS. I agree with the gentleman, and I would say further that it is always easier to criticize, but if you spend some time on these subcommittees of the Committee on Appropriations poring over these budget estimates, examining witnesses from day to day, you will find that it is not easy to cut down billions of dollars in operating costs. We approve that in this bill because 80 percent of the cuts we have made cannot be attributed to economies that we are enforcing in the departments, but the substantial cuts in this bill result from curtailment of big, broad programs which Congress itself has authorized.

Mr. WIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make inquiry of the committee concerning a policy over which the veterans' organizations in my district and I think generally through the country are rather disturbed. I have had some experience with it myself in the last year and a half.

During the course of these appropriation hearings by the subcommittee, was it called to the attention of the committee by veterans' organizations or anyone else the fact that rating cuts are being made in greater number in the compensation of qualified disabled veterans? For example, a veteran that has been drawing a 60 percent rating, after he takes his annual physical review, is reduced to 40 percent and others from 40 percent to 20 percent. I have had a great many of those cases in my area of reductions in compensation ratings of disabled veterans.

It has been rumored that these orders came from the top, to have a closer review of the physical disability rating of disabled veterans with the thought in mind of reducing the cost of compensation. Did that subject come up at all in the committee?

Mr. THOMAS. May I say to our distinguished friend from Minnesota [Mr. WIER] that those cuts to which he refers are administrative cuts. Neither this committee nor the Congress has jurisdiction over them unless the Congress wants to take jurisdiction. It could conceivably do that by legislation. But during the course of the hearings the subject was not gone into with any thoroughness because we had no evidence of unfairness. I think Mr. Higley, head of the Veterans' Administration, and his group are certainly trying to do a fair job. But if the gentleman has any specific information on the subject, I hope he will send it to us and we should be glad to look into it.

Frankly, we did not have any direct evidence before us on the subject for the simple reason more than anything else that it is an administrative matter. The committee does not make the cuts nor does it attempt to adjust any individual's compensation. I am sure the gentleman understands that.

Mr. WIER. I will say to the Chairman that I have taken the initiative myself because of the number of cuts recently made in the Fort Snelling Regional Office in the last year. I have written to Mr. R. L. Jarnagin, Chief of Review Board Section, in the Central Office, Veterans' Administration, asking him if he would kindly furnish me with the number of veterans whose compensation was cut during the year 1956 at the Fort Snelling, Minn., regional office by action of the review boards there, as well as the total number of veterans who are drawing compensation. I just wanted to see how big the problem is.

Mr. THOMAS. I thank the gentleman for his suggestion.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

The gentleman from Minnesota [Mr. WIER], I am sure, is absolutely right on the subject of the cuts in veterans' compensation that have taken place administratively. I think one reason for that is that the Veterans' Administration has at its elbow, looking over its desk all of these investigating committees. I think they have had as many as five including our own Committee on Veterans' Affairs experts going through their accounts to see what they are doing.

I have had an experience in cuts like this in a number of cases in my own district, where individuals have been cut from 10 percent and 20 percent to nothing, and then receiving higher compensation. I think some of it is due to those who would like to take away any preference that the veterans have in civil-service employment. I am delighted that the gentleman from Minnesota has brought up the question because I am sure if enough Members discuss the matter with the Administrator and others in the Veterans' Administration that this very pernicious practice will stop. I know that it exists.

There is one especially flagrant case in a cut in a heart case—twice the veteran has been cut. I am now trying to have the compensation restored. Since all of public statements by my very distinguished constituent, Dr. Dudley White, we know the importance of having a patient with a heart disability take care of himself, to eat properly, and so forth. How can a heart case look

cut for himself without money? And this is a service-connected case.

I note in the hearings that certain sums of money will be asked for at a later date for compensation and pensions if the amount in the bill is not enough.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 21, line 10, strike out "$6,700,000" and insert "$6,119,000."

Mr. THOMAS. Mr. Chairman, we are past that. I wonder if my friend wants to insist on it. If he does, I am not going to object.

Mr. HOFFMAN. That will be wonderful. To this amendment? The gentleman is not objecting to this amendment?

Mr. THOMAS. The gentleman realizes we are past it.

Mr. HOFFMAN. Yes; I realize we have gone past it. I intended to ask unanimous consent to go back to page 21, but if the gentleman does not object——

Mr. THOMAS. I am not going to object, of course not, to my friend's offering the amendment.

Mr. HOFFMAN. Will the gentleman accept the amendment, too?

Mr. THOMAS. What was the amendment?

Mr. HOFFMAN. On page 21, to reduce the total of $6,700,000 by striking out $581,000. That goes for additional personnel. I call to the gentleman's attention before he answers that that amendment was suggested to me by a very prominent Member on the gentleman's side, our distinguished colleague from Virginia, Mr.—well, I guess I will not name him, because he might be accused of giving comfort to——

Mr. THOMAS. What is the gentleman's amendment now? Is it to line 10 on page 21?

Mr. HOFFMAN. Yes.

Mr. THOMAS. The gentleman wants to reduce it by what amount of money?

Mr. HOFFMAN. By $581,000. That was for additional personnel, as shown on page 13 of the committee report.

Mr. THOMAS. Let me talk frankly to my friend, and then I am going to leave it up to his good judgment.

Mr. HOFFMAN. To my good judgment?

Mr. THOMAS. The workload of the Securities and Exchange Commission is up and up and up during this period of high financing throughout the United States. We have a lot of cases where innocent men and women are getting defrauded. We give the Commission half of their increase and direct, "You cannot put a nickel of this in the District of Columbia. You have to put it in the field." If the gentleman wants to cut it, we are going to accept his amendment.

Mr. HOFFMAN. Will the gentleman tell me whether this has anything to do with the recent drive on the Fairbanks-Morse Co.? To obtain control of that company? A certain individual has, or alleges he has, control of stock necessary to determine control of the corporation. He says, according to the press, that he was offered $1 million for his stock but if Fairbanks Morse will offer another million he will sell to it.

Mr. THOMAS. Not to my knowledge. I want to be honest about it. I do not know whether the gentleman is for it or not, but not to my knowledge.

Mr. HOFFMAN. It is not my desire to cut an appropriation where the reduction will prevent our people being protected. May I make a deal with the gentleman? If I do not insist on this amendment, will the gentleman tell me where I can offer one later?

Mr. THOMAS. Yes.

The CHAIRMAN. The amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Inpatient care: For expenses necessary for the maintenance and operation of hospitals and domiciliary facilities and for the care and treatment of beneficiaries of the Veterans' Administration in facilities not under the jurisdiction of the Veterans' Administration as authorized by law, including the furnishing of recreational articles and facilities; maintenance and operation of farms; repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and purchase of materials; not to exceed $366,500 for expenses of travel of employees; uniforms or allowances therefor as authorized by the act of September 1, 1954 (68 Stat. 1114), as amended; and aid to State or Territorial homes in conformity with the act approved August 27, 1888, as amended (24 U. S. C. 134) for the support of veterans eligible for admission to Veterans' Administration facilities for hospital or domiciliary care; $708,656,000, including the sum of $6,656,000 for reimbursable services performed for other Government agencies and individuals: *Provided*, That allotments and transfers may be made from this appropriation to the Department of Health, Education, and Welfare (Public Health Service), the Army, Navy, and Air Force Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration: *Provided further*, That the foregoing appropriation is predicated on furnishing inpatient care and treatment to an average of 140,800 beneficiaries during the fiscal year 1958, including members in State or Territorial homes, and if a lesser number is experienced such appropriation shall be expended only in proportion to the average number of beneficiaries furnished such care and treatment.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word, just for the purpose of asking the chairman of the committee for an explanation of the point in the report appearing on page 6 headed "Sites and expenses, purchase contract, and public buildings projects." According to the report, the committee is providing $20 million for site acquisition, design, and program expenses. That is, I presume, in view of the fact that the General Services Administration has suspended temporarily its consideration of financing the buildings which heretofore have been approved under the Lease-Purchase Act, and you are providing $20 million for GSA to proceed to acquire sites and prepare plans and specifications for those buildings that are being held in suspension. Is that the point?

Mr. THOMAS. May I say to my distinguished friend from California that we did not cut that item one penny, and I will tell him why we did not touch it.

In the first place, with the $20 million and appropriations heretofore made they have for sites and planning $40 million. The reason we did not touch it is simply this: Even though this program is temporarily suspended, that is, the actual signing of the contracts, it has nothing to do with sites and drawing plans. We think it is a good idea for them to go ahead and get the sites bought and the plans drawn, because if this program bogs down next year, and we more or less agreed here yesterday we would put into the bill several hundred million dollars next year for direct appropriations for building, then you will have the plans and the sites already ready to go. It makes sense, in my judgment.

Mr. McDONOUGH. Does the committee estimate that the $20 million provided for here will provide for the acquisition of sites and plans and specifications for these public buildings that have been approved under lease-purchase—all of them, a part of them, or what?

Mr. THOMAS. As well as I can remember, with this $20 million they will have $40 million and it will take care of about $460 million of construction projects. Before we get through, this matter of sites and planning is going to cost in the neighborhood of $100 million to $120 million.

Mr. McDONOUGH. In other words, the $20 million provides for major projects now under consideration.

Mr. THOMAS. That is right exactly.

Mr. McDONOUGH. I am glad to hear that funds are provided for the acquisition of sites and for the preparation of plans and specifications. I am interested in the progress of the United States Custom House and Federal office building at Los Angeles, which I have sponsored since 1946 and which we need very much. The funds in this bill will, I presume be sufficient to go ahead with the site acquisition, plans, and specification for this building.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the distinguished chairman of the subcommittee a couple of questions regarding the veterans' program. As a member of the Committee on Veterans' Affairs, and I hasten to say I am not here representing the committee in the comments I am about to make, but as a member of the committee I am quite concerned with seeing to it that the hospital and medical program of the VA continues, at least, at the present level. Some of the discussion I heard yesterday with reference to a cut of some $200 million in the veterans' program indicated that it would possibly represent a guess and that it was a guess, let us say, of the department versus a guess of the committee. It is not meant, I might say, to be critical of the committee because I have a very high regard for the distinguished chairman as well as all members of the committee. But, the question I have in mind, Mr. Chairman,

is this. Do you feel according to the testimony of the Veterans' Administration officials that there would be any necessity of closing any beds or closing any wings in existing hospitals because of any of the cuts that have been made in the program in this bill?

Mr. THOMAS. I am delighted to attempt to answer the question of our distinguished colleague, the gentleman from California. The gentleman is a man of great human understanding. He does a tremendous job for the veterans in the United States, and certainly for the people in his district. Answering the gentleman's question directly: Do you know how much is cut out of this bill for veterans' medicine? Not one red penny. Can you imagine it? Let me repeat it. Not one red penny was reduced from the budget estimates for veterans' medicines—not even for inpatient care or outpatient care. Do you know how much money is in this bill? A little better than $800 million. Now, if there is anything wrong with the medical program, if there are any beds closed it will certainly not be the fault of the Congress; will it? Because you have not reduced it one 5-cent piece. Let me point this out to you: We have not built a new hospital for the veterans in this country in about 3 years. So the bed capacity for this year is just about what it was last year. They say, perhaps, they will have about 600 new beds this year that they did not have last year. But, let us be frank about it. That is all bookkeeping. We have over 140,000 veterans' beds this year. We had them last year. We had not deducted one red penny and we are assuming that every bed we have will be used. Does that answer the gentleman's question?

Mr. SISK. I appreciate the gentleman's answer very much because from time to time we have reports from the field that this wing or that wing, or so many beds of a given hospital have been closed. We inquire as to why, and immediately the Veterans' Administration comes back with this statement: "Well, we do not have the money to keep that particular facility, or that wing of that hospital open."

I appreciate very much the statement the gentleman has made, because it is in line with what I had felt was true according to the report. I am just as anxious to bring about economies in all programs of Government as anyone here. I hope some of us will have some answers now for some of these administrators when they tell us they do not have the money. As I understand it, the committee has given the Veterans' Administration every penny, as far as medical care is concerned, that they asked for.

Mr. THOMAS. That is 100 percent correct.

Mr. SISK. I realize that the recommendations and suggestions of the Administrator of Veterans' Affairs are always subject to approval by the Bureau of the Budget. What the Bureau of the Budget may have done between the time the Administrator of Veterans' Affairs made up his budget and the Budget Bureau operated on it, I do not know.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. JONAS. The money in this bill is sufficient to operate 140,800 beds. That is what the Veterans' Administration say they will have in operation in 1958, and that will be 460 beds more than 1957.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

The gentleman from California [Mr. SISK] has been invaluable as a member of the Committee on Veterans' Affairs. I would like to pay my tribute to the much maligned and abused budget. I do not always agree with them, but I will say this, they have always told the truth. That is not true of some of the departments. They say that certain things are recommended, and we find that they are not. I took these matters up with the Bureau of the Budget, and I find the budget is very truthful. I think Mr. Higley has the most difficult job next to the President in the country today.

Mr. THOMAS. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. THOMAS. May I join you in those words of commendation for Administrator Higley. He is very sympathetic and he has a head full of commonsense. I think he is a great American and a wonderful Administrator. He is almost as sympathetic for the veterans as our beloved colleague the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. I think we all try hard. We may have different methods. I may say the gentleman from Texas is a very good diplomat. I would like to ask the gentleman from California if it is not true that our committee is working on certain hospital projects with the hope that they will be built. When the gentleman from New York, General KEARNEY, was chairman of the hospital subcommittee many fine recommendations were made.

Mr. SISK. Yes.

Mrs. ROGERS of Massachusetts. The hospital in Washington, Mt. Alto, is an absolute scandal. It is so overcrowded.

Mr. SISK. That is very true. We are very much concerned, particularly in three instances, for new hospitals that are not included.

Mrs. ROGERS of Massachusetts. The chairman of our committee has been away on account of the serious injury to his son, and he is very much interested in the hospitals also.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. FULTON. I believe I agree with the gentleman from Michigan [Mr. HOFFMAN] when he says that some of us feel slighted when we are left out of these compliments. When we on the Foreign Affairs Committee bring a foreign-aid bill before this House, we are not called these flowery things.

Mrs. ROGERS of Massachusetts. I think the gentleman has a good many complimentary statements; and, better than that, he gets the votes for his legislation.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment the committee which brought this appropriation bill to the House for not striking anything from the item for medical attention for veterans. A matter developed on our committee the other day, the Committee on Veterans' Affairs, that astounded me, and I want to read into the RECORD at this time an excerpt from that committee hearing. The Mr. Dixon, whose testimony I shall quote, is Mr. Melvin Dixon, director of veterans' affairs for the State of Florida. Let me say in the beginning that I hope the Members from the State of Florida will not take offense at what I am going to say here today, because I realize that if this state of affairs prevails in Florida, it prevails to a greater or lesser degree in every State of the Union. I read the following portion of the committee hearings:

Mr. LONG. Mr. CHRISTOPHER, did you want me to yield to you?

Mr. CHRISTOPHER. If you will, sir.

Mr. LONG. All right, sir.

Mr. CHRISTOPHER. I understand you had a number of psychiatric veterans in jails because there were no hospital facilities available for them. What is the approximate number in jails in the entire State?

Mr. DIXON. In the entire State, sir, on January 30, the day I made a spot check to determine the number of veterans to be held in jail with no charges pending on them or awaiting hospitalization in the Veterans' Administration hospital, the number was 42.

Then I made the further statement that the above figure of 42 will average between 30 and 60 on nearly any given day in Florida.

Mr. CHRISTOPHER. When a psychiatric veteran is placed in jail for his own protection and the protection of the public, do you not think that in a lot of those cases it is going to render that man's eventual recovery much less likely than if he had hospitalization?

You know, there is a certain stigma and disgrace attached to being sent to jail even if you are just put in there to keep you from freezing to death in a blizzard. No one wants to go to jail. There is an opinion in the land that when you go to jail you have committed at least a misdemeanor.

It seems to me that it is a terrible indictment of not only the Veterans' Administration, but the whole economy of the United States that a country that is rich enough to do all the things that we do and give away billions of dollars all over the world, however needful that may be, to confine in a jail a veteran who has honorably worn the uniform of the United States, confine him in jail for no reason in the world except that we have not got a place to put him; he offered his life and his body to protect this Nation and its flag, and now we have to put him in jail when he ought to be in the hospital. A situation like that almost moves me to profanity.

Mr. DIXON. Judge, let me say that I certainly agree with you. And I am sometimes moved to profanity.

I wanted the Members of the House and the members of the committee to know that the director of veterans' affairs for the State of Florida says that there are 30 veterans in jail without any charges against them in the State of Florida on any given date because there is no place to put them. If that is the

situation in Florida it is the situation generally throughout the United States, and it is something I think everyone on the floor should know.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HALEY. I want to call the attention of the distinguished gentleman from Missouri first to the fact that, of course, nobody ever freezes to death in Florida because they do not have that kind of weather, but I do want to make this statement that the gentleman will recall also from the testimony, that we have no neuropsychiatric facilities in the State of Florida. The closest neuropsychiatric facilities are hundreds of miles away, and we have in hospitals outside the State of Florida in addition to these people about 840 veterans every day in the year.

Mr. LONG. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield to the gentleman from Louisiana.

Mr. LONG. I would like to make an observation at this particular point. For the past 4 years we have been attempting to get a mental hospital for soldiers in Florida. The Government has spent over a million dollars in the buying of a site and for the doing of the architectural work on that building but it is stalled at this point. I think this Congress should know that a veteran who is mentally sick in Florida must travel at least 500 miles before he can get to a hospital; then he will find the hospital full and he will be turned away.

The Clerk read as follows:

Major alterations, improvements, and repairs: For all necessary expenses of major alterations, improvements, and repairs to regional offices, supply depots, and hospital and domiciliary facilities, $2,026,000, to remain available until expended: *Provided*, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans' Administration is reasonably certain that the installation will be abandoned in the near future.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to take too much of the committee's time because I realize the need to move along but I do feel with reference to this particular item regarding construction of hospital and domiciliary facilities that some attention should be given to the matter. I would like at this time to particularly discuss a problem we are concerned with nationally, with reference to keeping the veteran who is in need of hospitalization in a position to receive that hospitalization.

The $42,500,000 which is included in this program I believe primarily goes to some 18 projects. The largest projects are, I believe, a new hospital in Nashville, Tenn., 1 at Jackson, Miss., and 1 in Wisconsin, as I recall.

The point I would like to bring out is: Due to the shift in population we are confronted in some areas of the country with a very grave situation. Certainly, as has been brought out here already, Florida is in dire need of additional hospital beds, particularly neuropsychiatric beds. I would like to comment with reference to my own State of California. We have today in the State of California something over 2,220,000 veterans. We have had a tremendous influx of veterans into that particular area since World War II. At the present time we have in that State, excluding domiciliary beds, only 9,700 hospital beds to care for these 2 million plus veterans. Due to a shift in population I feel that there is going to have to be some consideration given to the bringing into being in those areas of additional beds, both for neuropsychiatric, general medical and surgical services, and others, that may be needed because certainly we at this time in the State of California are very short. We have, according to the latest reports, over 6,000 neuropsychiatric patients today in State institutions. They are veterans; they are boys who would be eligible for veterans' hospital care if that care were available. As I have already mentioned, I know the situation that exists in Florida because of my experience as a member of the Committee on Veterans' Affairs. I would hope that all Members of the Congress, particularly those on committees that will be dealing with this in time to come, will realize that in the readjustment that is going to be necessary, in order to care for the veterans in those areas where they are growing in number, it is going to require additional beds from time to time. We in California, particularly in the east bay area, are very hopeful we will have the opportunity to start construction very shortly on a new hospital.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. BALDWIN. Is it not true that when the Veterans' Administration recently submitted a tabulation to the Committee on Veterans' Affairs of the hospitals in each State showing whether or not there was an average of any vacant beds that the record for the State of California showed they had not any surplus beds not in use whatsoever in the existing VA hospitals in California.

Mr. SISK. I might say that that is exactly right. The testimony of the VA officials was that we had waiting lists and that we did not have a single surplus bed in the State of California at the present time.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Florida.

Mr. HALEY. The same report, or the same information, brought forth the fact that in the State of Florida, where we only have 1,320 beds, the waiting list at any given time would more than fill up all hospital facilities; that if you vacated every bed there would still be a shortage.

Mr. SISK. The gentleman is right. And, as I stated earlier, Florida is in a deplorable condition so far as adequate beds are concerned to meet the needs of the veterans.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from North Carolina.

Mr. JONAS. Just so the record will be clear as to what type of veteran we are talking about, there is no waiting list anywhere in the United States for veterans with service-connected disabilities. The statement was made before our committee, and it is in the record, that if a service-connected veteran applies for hospitalization in a VA hospital and cannot get in, the Veterans' Administration will pay for his hospitalization in a contract bed in some private hospital.

The CHAIRMAN. The time of the gentleman from California has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the distinguished gentleman from California [Mr. SISK] and others on our committee if it is not extremely difficult to find beds for veterans or anybody else in private hospitals. I have had a great deal of that experience lately.

Mr. SISK. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I know that there are no vacant beds in most of the private hospitals. I yield to the gentleman.

Mr. SISK. I might say that that is true. And, I would like to take this opportunity to talk with reference to the gentlewoman's comment. So far as G. M. and S. beds are concerned, there are no service-connected veterans waiting for G. M. and S. beds, but there are service-connected veterans in certain cases with neuropsychiatric difficulties waiting for beds. That was testified to in the State of Florida, and it is my understanding that in the State of California there are some cases of that type.

Mrs. ROGERS of Massachusetts. Certain general medical and surgical cases all over the country cannot get beds.

The Clerk read as follows:

Service-disabled veterans insurance fund: To increase the capital of the fund established in accordance with section 620 of the National Service Life Insurance Act of 1940, as amended (38 U. S. C. 821), $1,500,000.

Mr. LONG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think inasmuch as we are discussing this service-connected situation, we had better understand what is meant when we say "service connected." I do not think in many instances there is such a thing as "service connected" under the definition that we are using.

Having been superintendent of a mental hospital for more than 3 years, I speak from experience. In the mental institutions of Louisiana many non-service-connected soldiers were admitted and afterward found to be service connected.

When soldiers have worn the uniform and have defended this great country of ours, and are mentally sick and unable to take care of themselves with no place to go, and no one to take care of them, we are making a serious mistake when we say to them, "Because we cannot trace

your disability from the time that you were in the military service or because we believe that it began before you went into the military service, although you went in there and did a wonderful service for this great country of ours, your disability is not service connected, and although you are sick and you served us and did the best you could, there no place to go, and this grateful country will not take care of you." I think we should be just a little careful.

Let us go back into the State of Florida, where I made investigations on several occasions. They have in that State literally hundreds of men who are mentally sick. They are now trying to build a mental hospital and if that hospital were put into service tomorrow, they would fill it as fast as the men could be admitted. And the Members who live in the State of Florida will tell you that this is true.

These people in the State of Florida must travel more than 500 miles to get to a mental hospital; and yet we have spent $1 million at Gainesville, Fla., to get a site, draw plans and start construction of a hospital. We have now been stalled for economy's sake. I think it is high time that we think of the soldier just a little bit in these areas and put the hospitals where they are needed.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from Florida.

Mr. MATTHEWS. Mr. Chairman, I want to thank the gentleman from the bottom of my heart for the constant interest he has shown in this great problem, especially the problem of the neuropsychiatric cases. I want to thank him and other members of his great committee for coming to my home city in Florida and looking over this situation thoroughly. I want the gentleman to know how grateful all the veterans of Florida are.

I should like to ask the gentleman this question. Is it not very difficult for even the best doctors to tell when a soldier has a service-connected neuropsychiatric problem, as against a nonservice-connected similar problem? Is that not a very difficult problem to decide?

Mr. LONG. Mr. Chairman, I will answer the gentleman this way and state that it is almost impossible. The Member who I succeeded here tried to get soldiers service connected in order to get treatment for them and for more than 20 years they were classified as nonservice connected. Today they are service connected and have gained admittance to a hospital, but they were denied that same treatment for more than 20 years. It is almost impossible to tell when a mental condition starts, whether it started before the man went into the military service or while he was in the service or after he got out of the service.

Mr. Chairman, let me give you my definition of a service-connected case. If a man was called into the service and performed military duties, and if he put on the uniform and went into the service at the time when the Government needed him, giving that service freely, then I say that when the time comes and he is sick with no place to go and no one to care for him, a grateful Government can do no less than consider his illness service connected. Let the uniform and the service connect the disability, instead of a doctor's certificate.

The Clerk read as follows:

Appropriations available to the Veterans' Administration for the current fiscal year for "Inpatient care" and "Outpatient care" shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by Veterans Regulation No. 9 (a), as amended (38 U. S. C., ch. 12A)), for beneficiaries of the Veterans' Administration receiving care under such appropriations.

Mr. THOMAS. Mr. Chairman, since we have just about completed the bill, with the exception of one or two small items, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any further amendments?

If not, the Chair recognizes the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6070) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FEDERAL REGULATORY COMMISSIONS—ARMS OF CONGRESS

Mr. EVINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD, following the vote on the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, during general debate on the independent offices appropriations bill on yesterday, I made some remarks concerning the need for appropriate legislative committees of the Congress further considering the position of our independent agencies and regulatory commissions.

A special study and investigation by the Subcommittee on Regulatory Agencies of the House Small Business Committee during the last session of the Congress developed some rather startling testimony and the shifting positions of some of these commissions.

I also note, Mr. Speaker, that on February 5 of this year you addressed the House—your very timely and appropriate remarks appear on page 1555 of the CONGRESSIONAL RECORD of this date—and at this time you spoke of the need for the Committee on Interstate and Foreign Commerce to study and investigate the Federal regulatory agencies for the purpose of determining whether or not the law, as enacted by Congress, is being properly carried out or whether a great many enactments of Congress are, in effect, being repealed or revamped by those who administer these laws passed by the Congress.

Certainly I join with our distinguished Speaker in this matter and I am gratified that the Interstate and Foreign Commerce Committee of the House will take up this issue where our committee has initiated an investigation in this area. As I indicated on yesterday, this is a matter to which the Congress and the appropriate legislative committees should direct their attention.

In this connection, I desire to have reproduced in the RECORD—at a time when the appropriation for our independent agencies is being considered—excerpts from my committee's report, a report printed December 24, 1956, as House Document No. 2967, 84th Congress.

As I was honored to serve as chairman of this subcommittee, I personally feel that our report was a most constructive one and certainly it has been highly commended by lawyers, business concerns, and by many officials of our independent agencies and commissions themselves.

I commend this report to our legislative committees for their attention and consideration.

Our report on our study contained the following conclusions and recommendations:

1. Wisdom dictates avoidance of centralized Executive power over regulation of commerce: In adopting the Constitution the people granted to the Congress the power to regulate commerce. There is no similar grant in the Constitution of any power to the President of the United States.

Congress realized early the necessity for delegating to agencies of Government some of its power to regulate commerce. It acted wisely in diffusing such power in its delegation and in avoiding the delegation of that power to the executive branch. It chose instead to establish independent Federal regulatory commissions and agencies and to delegate to them certain of its powers to regulate commerce.

From the beginning of civilization citizens have struggled to avoid centralized autocratic control over their lives and their pursuits. In the establishment of independent regulatory commissions and agencies and in delegating to them certain powers to regulate commerce, Congress avoided centralizing such powers in the hands of the Chief Executive. Moreover, when that action was taken Congress made clear its intent to keep the Federal regulatory commissions and agencies free from control of the Chief Executive. The Supreme Court of the United States recognized that intent of the Congress (*Humphrey, Executor v. U. S.*, 295 U. S. 602). Therefore, those agencies were not only creatures of the Congress, they were arms of Congress and made responsible only to the Congress. In that way, if the original concept and intent had been carried out, the regulation of commerce would have remained largely with the people because under our system of government the Congress is expected to express the will of the people and when it does not the people express their will and their power over the Congress.

2. The intent to avoid centralization of the power to regulate commerce in the hands of the Chief Executive has become obscured, frustrated, and circumvented: The complexities and expansion of interstate commerce brought many and varied duties of regulation in that field. Many important segments of commerce and industry of necessity fell under regulation. Their activities were closely scrutinized by the regulating agencies. Thus, the importance of the role of the regulating agency grew. With that growth arose criticism against the regulating agency. The regulated disliked regulation. The regulated criticized the regulator. The volume of criticism against Federal regulatory commissions grew to such proportions that when one sought to lend an ear to it all else seemed to be forgotten. Reasons underlying original concepts concerning the independent Federal regulatory commissions and agencies faded.

The interests which were subject to regulation formulated clever propaganda. The regulated agencies were accused of not conforming to our constitutional concepts since they did not fit squarely into either the legislative, judicial, or executive branch of our Government. They were described as constituting a veritable fourth branch of Government.

Faults of individual members of the agencies were seized upon and utilized as a basis for attacks on the agencies themselves. Faulty administration within an agency frequently was used not only as a basis for an attack upon the agency but also as a basis for an attack upon the administrative law process as it was exemplified through the operation of independent Federal regulatory commissions and agencies.

Arguments were presented that there should be less regulation. Furthermore, it was argued that all the required regulation over interstate commerce could be done better by the executive branch than by the independent Federal regulatory commissions. To support some of those arguments it was said that there was need for more coordination between and among the independent Federal regulatory commissions and the enforcement of laws entrusted to the Chief Executive. It was argued that government was becoming too much of a sprawling affair and that only reorganization and full coordination of our efforts to regulate commerce under the direction of the Chief Executive could be expected to produce needed efficiency and avoidance of conflicting and duplicating operations.

One of the first actions which impinged the independence of Federal regulatory agencies and commissions was the requirement that such Federal regulatory agencies and commissions submit their estimates of needs for funds to the Bureau of the Budget for approval. After the agencies' estimates of needs for funds undergo revision or reduction by the Bureau of the Budget, the estimates are included then in and made a part of the President's budget, which is transmitted to the Congress.

Prior to that development a close working arrangement had prevailed between each of the agencies and the Appropriations Committees in the Congress. The committees and their staffs became intimately familiar with the problems and responsibilities of the agencies. The requests for appropriations were framed on the basis of this mutual understanding and respect. But all that has been changed. As has been pointed out the agencies now submit their budget requests initially not to the Congress but to the Bureau of the Budget which then decides how much they shall be permitted to seek from Congress. As shown earlier in this report, page 34, in the case of the FTC, the Budget Bureau has in recent years reduced the request of that agency for appropriations by as much as 20 to 25 percent. For other years and for other agencies the reductions have been in even larger percentages. Moreover the standard used by the Bureau of the Budget in arriving at its determinations disregards the complexities of the agencies' work and of their great responsibilities in protecting the public interest. All too often the ultimate standard employed has been the sophomoric yardstick of the amount received by the agency in the previous year plus or minus some fractional percentage or "cost of the pay raise." This substitution of the slide rule for informed judgment can hardly be cited as contributing to better government.

Later, in 1942, Congress passed the Federal Reports Act placing a further restriction upon the regulatory agencies. Certain of the regulatory bodies, particularly the Federal Trade Commission, have been empowered by Congress to obtain factual information from private corporations both in connection with their law-enforcement activities and also in pursuance of general investigations. While such may never have been the intent of Congress, the fact-gathering activities have been seriously circumscribed by a heritage of World War II. In the confusion of the early war years, where the first concern was the allocation of authority being established almost overnight, it did happen on occasion that a given business firm would receive requests for the same type of factual information from two or more of the wartime-created agencies. To eliminate this duplication, to protect business from unnecessary harassment, Congress enacted the Federal Reports Act which provides that an agency wishing to secure data from 10 or more firms must first secure clearance from the Bureau of the Budget.

Although the circumstances which prompted the passage of the Federal Reports Act in 1942 did not stem from the operations of Federal regulatory commissions and agencies but instead from the wartime-created civilian control agencies such as OPA, that law has, nevertheless, been applied by the Bureau of the Budget to the operations of the Federal regulatory commissions. The agencies whose operations caused the passage of the law have for the most part passed out of existence and the Bureau of the Budget now uses it as a control by the Chief Executive over the operations of the independent regulatory commissions.

For example, the Budget Bureau requires the Federal Power Commission to secure approval before that regulatory body can require the utility companies to fill out certain forms. That is true even when the forms are to elicit information upon the basis of which rate determinations will be made. In other words, an agency of the executive branch has thus substituted its judgment for the judgment of the independent regulatory commission. In that way the executive branch has to that extent taken over the function of regulating rates. Congress intended that function to be kept independent of the executive branch.

The whole process whereby Federal regulatory commissions are required to secure clearance by the Bureau of the Budget before they can undertake investigations of those they are regulating has become quite frustrating. The rewriting (including elimination of requests for information) and delays do not promote the work of the Federal regulatory agencies. Moreover, the Bureau of the Budget has established advisory committees to assist it in working out its requirements. Those advisory committees often include representatives from the very industry which is the subject of investigation and consequently, therefore, become judges of what they will permit the Federal regulatory agencies to do in making investigations of the firms represented by the judges.

Another almost unnoticed restraint on the independence of the Federal regulatory commissions and agencies exercised by the Chief Executive is the requirement that those agencies must secure the approval of the Solicitor General of the United States before they are permitted to petition the Supreme Court of the United States for writs of certiorari regarding rulings against the agencies in the circuit courts of appeals. Indeed, in that respect the agencies are required to step aside and not only leave it to the Solicitor General to make the decision of whether a petition shall be filed seeking a review by the Supreme Court of such rulings, but he also takes the cases over from the agencies. They are not permitted to present the cases they have prepared and handled to that stage. It is understood that that requirement is based upon a desire to eliminate duplication, assure consistency, and to make certain that the cases are properly prepared when they are submitted to the Supreme Court. However, it appears that the Solicitor General in making his decisions has been persuaded often by views held by members of the Chief Executive's official family. Too often those views

have been at variance with what the specialized knowledge and experience and competent staff of the Federal regulatory agencies believe necessary in the public interest.

It has gradually developed that each of the independent agencies must secure the approval of the Bureau of the Budget before submitting to the Congress any requests for changes in the laws administered by them. This means that, in considering legislation, Congress may be denied the benefit of the expert knowledge and judgment best qualified to provide guidance and enlightenment. It also means that the agency may be denied the right to inform Congress that its ability to carry out a Congressional mandate to enforce the laws entrusted to it by Congress requires new or amendatory legislation. If the regulatory bodies are not to be free to express to Congress their independence and views on legislation, it becomes farcical to speak of them any longer as "arms of Congress."

The final and most recent invasion of the independence of these regulatory bodies by the Chief Executive resulted from reorganization plans promulgated by the Chief Executive in 1950. Those reorganization plans were predicated upon broad authority given to the Chief Executive by the Reorganization Act of 1947. At the time that law was enacted the precise nature and extent of future actions by the Chief Executive under it were not foreseeable.

Studies and reports made by the Hoover Commission and its task force provided the basis for the reorganization plans which were promulgated and published in 1950. They have been discussed at length in an earlier chapter in this report.

During the last 2 decades the importance of maintaining the independence of the regulatory bodies in fact, as well as in theory, has been lost sight of or subordinated to efforts designed to improve the efficiency of governmental operations. As has been shown, some of these efforts have taken the form of Congressional enactment. Others have resulted from the gradual usurpation of authority by the executive branch of the Government. In either case the result has been the same: Independence and effective regulations have been subordinated to a policy ostensibly designed to attain a sort of assembly-line efficiency at all costs.

The great danger on the horizon which more than anything else we must combat is the increasing concentration of economic power in the hands of the few and the growing bureaucracy. Their effect in diminishing opportunities for independent enterprisers and in destroying our individual freedoms is to be avoided above all else.

It was to prevent this danger from arising in the first instance that the regulatory agencies were created by Congress. It has made much headway due in no small part to the diminishing of the independent vitality of the agencies. It is important to arrest this relentless process while there is still time.

3. Power over regulation of interstate commerce has now become centralized in the Chief Executive: The purpose of the people in avoiding centralization of power in the Chief Executive when they wrote into the Constitution that the Congress and not the Chief Executive shall have the power to regulate commerce has been thwarted. That power now is largely exercised by the Chief Executive.

The preceding sections of this report amply document that when the Chief Executive was given the authority to appoint and remove at will the chairmen of independent Federal regulatory commissions and agencies he was given great power over the operations of those agencies. That is particularly true when the chairmen of the agencies exercise power over the administration of the affairs of the agency. We have seen how a phone call from the White House to a Presidentially appointed chairman of one of these agencies resulted in the calling off of a public hearing in a proceeding which had been scheduled by that agency. Also we have seen that Presidentially appointed chairmen of these independent Federal regulatory commissions and agencies look to the White House and to the members of the President's official family for advice and suggestions on how the Federal regulatory commissions and agencies should operate. That is true even when their operations have involved responses to requests made to the agencies by Congressional committees.

This report (pp. 43–50 and pp. 51–68) details and documents a considerable showing from the record of how Presidentially appointed chairmen of the Federal regulatory commissions and agencies have discharged their duties and responsibilities. There it is shown that they, subject to control by the Chief Executive, have exercised the great powers residing in them to whittle away at the remaining vestige of independence of their respective agencies.

In addition, they have assumed de facto powers and used them to formulate, make, and carry out agency policy. Therefore, the policymaking functions of these supposedly independent Federal regulatory commissions and agencies have, in fact, fallen under the domination of officials who owe their positions to the Chief Executive and are removable therefrom at the pleasure of the Chief Executive.

4. Power over the regulation of commerce centralized in the executive branch has been misused: Records of investigations of the organization and operations of Federal regulatory commissions disclosed that officials directing affairs of such agencies at the direction of the White House have misused powers residing in them. Testimony adduced indicates that officials subject to the control of the Chief Executive more readily follow the wishes of the Chief Executive than they do the policy guides expressed in laws passed by the Congress. An example of White House meddling into operations of one such agency is shown in the record of the SEC handling of the Dixon-Yates deal.

In the preceding pages of this report (pp. 57–60) detailed and documented evidence shows how the FTC in the handling of antimerger work veered away from what the author of the law (chairman, Judiciary Committee of the House of Representatives) observed was the intent of the Congress. There it is clearly shown that the FTC adopted a "rule of reason approach" in its handling of antimerger work and has, as a result, failed to complete the taking of evidence in a case which was commenced in 1953. The "rule of reason approach" which has been applied at the FTC would require that agency in an antimerger case to receive into evidence and consider "all relevant economic data." In the antimerger case referred to that data has now exceeded in volume 20,000 pages and the end is not yet in sight.

Public policy guides laid down by the Congress in legislation dealing with such business practices as price discrimination, exclusive dealing agreements, and corporate mergers do not require a consideration of "all relevant economic factors." The courts have interpreted those policy guides as not requiring the FTC to consider "all relevant economic factors" in order to reach a determination respecting the lawfulness or unlawfulness of such practices in a given case. Despite that, it has been insisted that the FTC continue to consider "all relevant economic data" in such cases. In a measure the FTC has proceeded to do so. That is true although the Commission was led into the adoption of a policy providing for the issuance of complaints only in "hard core" cases. In such cases where the law violation is clear, there is an added reason why FTC should not require that there be included in the record, for its consideration, data respecting "all relevant economic factors" and thereby drag out the proceedings endlessly.

An example of how this new policy has been working out is shown by the FTC's handling of its docket No. 6000 in the matter of the Pillsbury Mills, involving mergers. In that case the Commission appears to be going around in never ending circles in a search for the "hard core," but never quite getting to the "core" of the circle.

Thus, under the leadership of a Presidentially appointed Chairman, the FTC was led away from the public policy laid down by the Congress, as interpreted by the courts, to the adoption of a policy which appears to serve the public less effectively.

Also almost immediately upon assuming his position as Chairman of the FTC, Mr. Howrey joined with the Bureau of the Budget, another agency of the Chief Executive, in presenting to the Congress a request for funds for the FTC calling for appropriations for that agency considerably less than the appropriations the agency had requested for the same period of time, namely, the fiscal year 1954. When it became apparent to Mr. Howrey that one of his fellow Commissioners was about to make a plea to the Congress for funds, as originally requested by the agency for that year, he made it clear that he was in complete agreement with the reduction in the funds which had been decreed by the Bureau of the Budget, and stated that he would not support the plea of his fellow Commissioner for an increase in that amount. In that connection he stated: "I want to disassociate myself from that request in advance."

When the 83d Congress agreed to the reduction in the FTC appropriations, as proposed by the Bureau of the Budget and Mr. Howrey, it involved the elimination of funds which had been requested to undertake an investigation into the spread between what the farmer gets and what the housewife pays for food. The reduction in the funds prevented that investigation. As a result, Congress has been denied valuable, needed information. Later Mr. Howrey admitted that in supporting the budgets for the FTC, which had been approved by the Bureau of the Budget, that he was supporting budgets insufficient for the needs of the FTC. (See record of hearings on the Organization and Procedures of the Federal Regulatory Commissions and Agencies and Their Effect on Small Business, before Subcommittee No. 1 of the Select Committee on Small Business, House of Representatives, July 1955, pp. 135–136.)

Moreover, the reduction in the funds for the FTC presented that agency with problems relating to a deficit for the fiscal year 1954. The deficit at the commencement of the year, namely July 1, 1953, of course was only $125,000. Despite the problems attending that deficit, it appears that they could have been resolved without disrupting the existing staff of the FTC. That is true because ordinary attrition could have been looked to to meet the problem. As it turns out, the record shows that attrition for the fiscal year 1954 actually exceeded the amount of the deficit (id. at p. 294). Therefore, if the Chairman of the FTC had acted at the beginning of the fiscal year 1954, that is commencing on July 1, 1953, to provide for attrition to take care of the deficit and had refrained from otherwise adding to that deficit, no reduction-in-force program would have become necessary. However, the Chairman did not act to resolve the problems stemming from the deficit in the budget. He acted to the contrary. He added to the deficit by appointing a considerable number of new staff members to high salaried

positions. A number of the positions were newly established. In that way, the deficit rose to such proportions as to make it impossible for attrition to take care of the matter before the end of the fiscal year 1954. Then he waited until a substantial portion of the fiscal year had passed before moving to institute a reduction-in-force program to meet that deficit problem. By that time the deficit had reached the total of $270,000. Then he and his subordinates struck with a reduction-in-force program which was levied for the most part against the FTC Bureau of Antimonopoly and Bureau of Economics which were carrying the burden of the Commission's important antimonopoly work.

Mr. Howrey and his subordinates have argued that the reduction-in-force program had the approval of the Civil Service Commission. That does not appear to be the fact. The documentary record, as set forth on pages 23–24 of this report, indicates Civil Service Commission resistance to the manner in which Mr. Howrey and his subordinates proposed to promulgate and execute their reduction-in-force program. A finding made by a master in a court case since then has agreed with the position that the Civil Service Commission took to the effect that the reduction-in-force program was defective.

The results were what could be expected to flow from that and other restrictions upon and reorganizations of staff work. The evidence presented at pages 25–33 and 57–60 of this report shows some aspects of FTC staff management and the results of subsequent FTC operations.

For a period of almost 8 months the antimerger work of the FTC ground practically to a halt. In that period of time no new formal proceeding was instituted. Only four field investigations were concluded, and from those no recommendations were made by the directors of Mr. Howrey's newly established bureaus that formal proceedings be instituted. (Pp. 2314–2315, record of hearing, June 7, 1955, on current antitrust problems before the Antitrust Subcommittee of the House Judiciary Committee.)

We have seen Presidentially appointed chairmen of independent Federal regulatory commissions and bodies misinforming and failing to inform Congress concerning what has occurred within their agencies. For example, Chairman Kuykendall, of the FPC, when he appeared as a witness before the Joint Committee on Atomic Energy, testified that lawyers in the FPC had not been called into and that they had not passed on the Dixon-Yates contract. The record shows that he knew lawyers in the FPC had reviewed that contract and had condemned it in memorandums which had been reviewed by the FPC. (See pp. 40–49 of this report.) It appears that his action in that respect kept the Congress from receiving timely, much needed, and relevant information. Also, we have seen how the Chairman of the SEC used powers residing in him to set the stage for halting SEC hearings on the Dixon-Yates deal.

5. Congress should act to remove from the executive branch the centralized power to regulate commerce: Congress should act to reestablish the independence of Federal regulatory commissions and agencies. It should remove them from the control and influence of the Chief Executive. It should return them to their original role as creatures and arms of the Congress.

The analysis contained in the preceding pages has raised three basic questions on the answers to which depend the future existence and effectiveness of the independent regulatory agencies:

1. Was Congress correct in its initial decision to carry out its function of regulating commerce by means of establishing independent bipartisan regulatory commissions as arms of Congress and should further efforts be made to carry out that objective;

2. Is centralization of authority both over and within these bodies necessary for the attainment of efficiency; and

3. Which objective should be paramount, efficiency or independence?

As has been observed, the passage of time has more than borne out the wisdom of Congress in its initial decision to carry out its constitutional function of regulating commerce through the means of independent regulatory bodies. The establishment of these bodies was for two essential purposes: to insure against influence, whether expressed or implied, which inevitably comes to bear upon any agency which is an organic part of the executive branch of the Government; and to assure continuity over time in the philosophical concepts underlying the agency's conduct. The influence which Congress was seeking to guard against was not limited to the usual invidious connotation of the term. It also included the more subtle matter of the impact on an agency's operations arising from the coming into power of an administration which is out of sympathy with the purpose for which the agency was established.

The appeal of the Hoover Commission for efficiency, as applied to the independent agencies, has not taken into account the necessity for the independence of these agencies in the public interest. Moreover, a strong case can be made to the effect that on balance the result has been a net loss in efficiency. But if it were assumed that the opposite is true, that they had indeed succeeded in accomplishing their avowed objective of increasing efficiency, the question then arises as to whether the price paid in the form of lessened independence is worth the gain of so-called enhanced efficiency. The answer is emphatically in the negative. The orderly processes of government, the faith of the people and all segments of business—large and small—in fair and equitable treatment are rooted in the independence of the regulatory agencies. No price is too high to maintain the inviolability of this independence. When to this overriding consideration there is added the fact that the measures taken in the name of efficiency have actually contributed little toward that objective, the case becomes obvious. The restraints upon the independence of the regulatory agencies must be removed.

RECOMMENDATIONS

Therefore, the Select Committee on Small Business and its Subcommittee No. 1 recommended that the appropriate legislative committees of the Congress consider the following matters in the 85th Congress:

1. That the various reorganization plans (sometimes referred to as Hoover Commission plans) applicable to the different independent regulatory agencies, such as the Federal Trade Commission, Federal Power Commission, Federal Communications Commission, Civil Aeronautics Board, and Securities and Exchange Commission, be amended to the extent that the Chairmen of such agencies be selected by the members thereof, and that the powers placed in the hands of the Chairmen by said plans revert to the members of the agencies acting as a body in accordance with usual agency procedure (note provisions of H. R. 10791, introduced April 25, 1956).

2. That the independent regulatory agencies be exempted from the Budget Act so that they may submit directly to the Congress, without prior approval by the Bureau of the Budget or any other agency or official of the executive branch, their requests for appropriations; provided, however, that such agency or agencies should furnish to the Bureau of the Budget copies of their requests for appropriations in order that the Bureau of the Budget be informed and in a position to take appropriate action if it so desires.

3. That the independent regulatory agencies be exempted from the Federal Reports Act in order that they may obtain from private industries and individuals such factual data and information as in their judgment may be necessary to carry out their statutory responsibilities; provided, however, it is recommended by this committee to the appropriate legislative committee that it write into such bill as it may approve appropriate safeguards against onerous and unreasonable reports and other information.

4. That the independent regulatory agencies be exempted from the requirement that they secure prior approval of the Bureau of the Budget or any other agency or official of the executive branch before they submit to the Congress their views concerning legislation affecting their respective agencies and the laws entrusted to them by the Congress; provided, that copies of such proposals for legislation shall be furnished at the same time to the Bureau of the Budget for its information and appropriate action as it sees fit; and further

5. Whether the independent regulatory agencies should be relieved from the requirement, and the circumstances under which they should be relieved from the requirement, that they secure prior approval of the Solicitor General or any other agency or official of the executive branch to petition the United States Supreme Court to review rulings or decisions made against such independent agencies. It should be understood that this recommendation does not include any proposal for legislation which would preclude the Solicitor General from representing any independent regulatory agency before the United States Supreme Court.

House Report No. 2967 from the Select Committee on Small Business on the Organization and Procedures of the Federal Regulatory Commissions and Agencies and Their Effect on Small Business has been well received and highly complimented by persons who are experienced in and students of Federal regulation of trade and commerce. I shall include in the RECORD at this point, and as a part of my remarks, quotations from the comments made about House Report No. 2967 by a few of those people so well versed in the field of Federal regulation of commerce. An official representing an association of small-business men which claims to have a membership of more than 100,000, located in all parts of the United States, wrote:

I noted in the press the past few days a report on your subcommittee as it applies to the Federal agencies, and particularly the FTC. It's a splendid report, in which I personally agree 100 percent.

In fact in my conferences with the Commissioners in the FTC some few months ago, and in a more recent conference with a Member of the Senate—in substance I recommended similar action to be taken as it applies to the FTC.

I do hope that legislation will be introduced following out the constructive recommendations in your report.

A letter from one who has presided over and rendered judgment in FTC cases for a long period of years, wrote as follows:

I have read with interest the recent report of your subcommittee on the organization and procedures of the Federal regulatory commissions and agencies and their effect on small business.

I congratulate you and your subcommittee members in giving the public for the first time a fairly accurate chronological review of the successive steps taken to prevent or obstruct the execution of the laws of Congress as Congress intended and the effect upon small business.

The report should receive wide circulation to the end the public may know what has in fact transpired and the manner in which it was effected.

An outstanding teacher in one of our fine and large State universities wrote:

Many congratulations on the publication of the Organization and Procedures of the Federal Regulatory Commissions and Agencies and Their Effect on Small Business. This is a landmark in the field of public regulation, and I think that you have made a notable contribution. The problems encountered in its publication testify to its significance.

In the January 5, 1957, issue of Traffic World, at page 17, there appeared an article entitled "Wilbur La Roe Berates Attempt To Judicialize Procedures of ICC." In that article, Traffic World published and discussed a letter Mr. La Roe had written to me concerning our report on the Organization and Procedures of the Federal Regulatory Commissions and Agencies and Their Effect on Small Business. The following is a quotation from that article as it appeared in Traffic World:

Saying he had practiced before administrative agencies for nearly four decades, and that the ICC, "which has a proud history and which has been completely free from executive control," was the most successful of those agencies, Mr. La Roe added:

"The very purpose of these agencies is to perform quasi-legislative tasks, such as rate-making, which is too big a job for committees of Congress. But we must never lose sight of the fact that these agencies are essentially legislative in character and that their task is to carry out the policies of Congress, and not the policies of the Executive. The closer we get to executive control the closer we get either to politics or to dictatorship, or both."

CRITICISM OF AGENCIES NATURAL

Mr. La Roe said he supposed it was natural for regulated corporations to resist regulation and to criticize the regulators, but he added that such criticism should not be taken too seriously "because many corporations are tempted at times to put their own welfare ahead of the public interest." The danger came when there was an attempt, as Mr. La Roe said there had been of late, to "clip the wings of the administrative agencies and thus weaken the regulation which the Congress intended to protect the public." He added:

"For some reasons unknown to me there has been for some years an attempt by the American Bar Association, of which I am a member, to interfere with the procedure of the Interstate Commerce Commission by making it conform more nearly to court procedure. This is utterly wrong in my opinion because the ICC is not a court, but an agency of the Congress.

"I hope that the Congress will resist attempts to pour the procedures of the Interstate Commerce Commission into a common administrative mold. Is it not significant that the reasonable procedures which the ICC has adopted are highly satisfactory to those of us who specialize in practice before the Commission? Our major premise is that these are quasi-legislative agencies, that they should carry out the will of the Congress and not the will of the Executive, and that they should be authorized to develop their own procedure under the supervision of Congressional committees. To the extent that there is (a) interference by the Executive or (b) or an attempt to bring about 'judicialized administration of the various laws,' the administrative agencies will suffer and the will of Congress will be frustrated.

F. D. R. INCIDENT RELATED

"Your honorable committee may or may may not know of an incident in the history of the Interstate Commerce Commission which is highly significant. Some years ago President F. D. Roosevelt wrote a letter to the ICC telling them, in effect, that the White House would appreciate it if the ICC would submit its legislative requests to the White House before submitting them to the Bureau of the Budget or to the Congress. To my personal knowledge this request disturbed the ICC greatly and they spent many hours discussing how they would reply to the President. Due largely to the courageous leadership of Commissioner Eastman, who was always afraid of too much Executive power, a letter was written to the President denying his request on the ground that the ICC was an agency of Congress.

"It is my earnest hope that your committee will resist all attempts to weaken the administrative agencies and continue your fight to prevent undue Executive influence within these agencies—an influence which obviously is increased if the President can name the chairman. The practice of the ICC in choosing their own chairman has worked exceedingly well.

"But it is not enough to fight against Executive control. Your committee must also resist attempts to interfere with the reasonable procedure of the Interstate Commerce Commission and especially attempts of the Bar Association to judicialize it. We have our own ICC Practitioners Association and our experience has been that the ICC cooperates very nicely with us in improving its procedures, a matter on which we are working constantly. If and when the ICC adopts bad procedure, or fails to make a necessary improvement in its procedure, we feel that we should appeal to the Congress for help, because the ICC is the child of Congress."

Mr. Speaker, we are grateful that you saw fit to address the House, February 5, on this issue. We know that under your wise leadership much constructive work will be accomplished to repair the damage suffered by the public as a result of the changes made in the thinking and makeup of our Federal regulatory agencies.

Likewise, we are grateful that this problem will receive the attention of the Committee on Interstate and Foreign Commerce. It is in good hands. That great committee under the able leadership of its distinguished chairman, the gentleman from Arkansas [Mr. HARRIS], stands as an assurance that the regulatory agencies will have prepared for them a way to greater and more effective public service. We feel sure that if those agencies follow such path when it is prepared for them, the interest of small business will be served also.

Therefore, we now have promise of action toward restoration of the original intent of Congress to avoid control by the executive branch over regulation of commerce. We have promise that our regulatory agencies will be returned to their proper role as arms of the Congress.

In House Report No. 2967, we outlined the original importance of Federal regulatory agencies. Also, there, we reviewed the intent of Congress to establish these agencies as arms of the Congress. We pointed out that the power to regulate commerce is given to the Congress by the Constitution of the United States. In article I, section 8, Congress is empowered "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." There is no constitutional grant of any such power to the President of the United States.

In several instances Congress has delegated its power to regulate commerce. It has done so under specific policy guides and with specifically stated objectives to certain agencies of the Government. Therefore, Federal regulatory commissions and agencies have been established through legislative enactments creating them to carry out policies laid down by the Congress. The provisions in the legislative enactments delegating to and creating in agencies of the Government the power to regulate commerce carry considerable authority and power, semilegislative in nature. Congress has done that in order to provide facilities for implementing specific legislative enactments designed to regulate commerce.

Why was it necessary for Congress to so delegate its power to regulate commerce?

Following the conclusion of the Civil War in 1865, the great growth of railroads and other means of long-distance transportation, communication, and commerce created new problems of regulation. Congress found it impossible to devote the necessary time required for the daily regulation of commerce in the interest of the public.

The independent regulatory commission device was determined upon as a solution to the problem. The first such agency was the Interstate Commerce Commission. It was established in 1887. While the establishment of the Interstate Commerce Commission was perhaps the most spectacular development in the creation of regulatory commissions and agencies, it proved to be only one of many such agencies that followed it.

Creation of the Interstate Commerce Commission in 1887 as an arm of the Congress, to which the Congress delegated functions of a legislative character, marked open, widespread public recognition of the administrative law process.

That process was not new. It commenced at the beginning of our Federal Government. The first session of the First Congress enacted three laws conferring important administrative powers. They included some of the powers now administered by the Bureau of Customs in the Treasury Department.

By 1940, the Federal regulatory commissions and other agencies of the Government utilizing the administrative law process had spread through 9 executive departments and 18 independent agencies. They included the Social Security Board, the Food and Drug Administration, the Packers and Stockyards Administration, the Veterans' Administration, the Federal Power Commission, the Commodity Exchange Administration,

the Bureau of Internal Revenue, the Federal Reserve System, the Federal Trade Commission, the Interstate Commerce Commission, the Federal Deposit Insurance Corporation, Passport Division of the State Department, Inspection Division of the Post Office Department, Division of Public Contracts of the Department of Labor, Bureau of Immigration and Naturalization of the Department of Justice, the Grazing Service of the Department of the Interior, the Railroad Retirement Board, the National Labor Relations Board, the Securities and Exchange Commission, the United States Employees Compensation Commission, the Federal Communications Commission, and the Civil Aeronautics Board.

In fact the Code of Federal Regulations for 1940 listed 111 departments, bureaus, divisions, and independent agencies issuing rules and regulations dealing with almost every phase of human activity.

While those that were within the different departments of the executive branch of the Government acted to administer and enforce certain Federal laws, many of those that were independent of the executive branch, such as the Interstate Commerce Commission, the Federal Trade Commission, and the Federal Power Commission, were entrusted by the Congress, under delegated powers, to implement legislation through the performance of semilegislative functions. They operated under a mandate to further the declared public policy by breathing life into and guiding the legislative enactments.

Thus developed administrative law processes dealing with taxes, customs, old-age assistance, pensions, money to be lent, subsidiaries, unemployment compensation, public assistance, grazing permits, patents, copyrights, licenses for waterpower developments, the determination of whether certain practices fell within the limitations of the phrase "unfair methods of competition," and a host of other actions of vital importance to the everyday life of all Americans.

While many of the administrative law agencies were placed in and under the supervision of the executive branch, the regulatory agencies were not. As has been pointed out, the Interstate Commerce Commission was the first of such regulatory agencies. It was established to be independent of the executive branch. The next of the Federal regulatory agencies was the FTC. It was during the consideration of proposals which resulted in the establishment of the FTC that the legislative history clearly recorded the intent of Congress to keep these regulatory commissions independent of the executive branch.

House Report No. 533, 63d Congress, 2d session, dealing with the proposed Interstate Trade Commission, at pages 3 and 5, clearly discloses the intent of Congress in establishing the several regulatory commissions as independent of the executive branch. The following are quotations from that House report:

But the great value to the American people of the Interstate Commerce Commission has been largely because of its independent power and authority. The dignity of the proposed commission and the respect in which its performance of its duties will be held by the people will also be largely because of its independent power and authority. Therefore the bill removes entirely from the control of the President and the Secretary of Commerce the investigations conducted and the information acquired by the Commission under the authority heretofore exercised by the Bureau of Corporations or the Commissioner of Corporations. All such investigations may hereafter be made upon the initiative of the Commission, within constitutional limitations, and the information obtained may be made public entirely at the discretion of the Commission.

* * * * * *

The Commission will also be required under section 10 of the bill, by the direction of the President, the Attorney General, or either House of Congress, to investigate and report the facts relative to any alleged violation of the antitrust acts.

* * * * * *

Moreover, the Department of Justice has often found that an agreement for readjustment by an offending corporation accomplishes a better result than the continuance of a prosecution. Heretofore there has been no administrative body to obtain the information that will assist in attaining such an end, and in connection with this power now conferred the Commission has a most desirable independence preserved by giving it the entire control of its report to be made after such investigation. There can thus be no laxity at the Department of Justice when it is presented with the facts disclosing violations of law.

* * * * * *

One of the chief advantages of the proposed Commission over the Bureau of Corporations lies in the fact that it will have greater prestige and independence, and its decisions, coming from a board of several persons, will be more readily accepted as impartial and well considered. For this reason also it is essential that it should not be open to the suspicion of partisan direction, and this bill provides, therefore, that not more than three members of the commission shall belong to any one political party.

* * * * * *

(1) The first question is: Shall an interstate trade commission of some kind be organized? I imagine that there can hardly be any difference of opinion on the point that there should be an administrative tribunal of high character, nonpartisan, or rather bipartisan, and independent of any department of the Government. * * * Such work must be done by a board or commission of dignity, permanence, and ability, independent of Executive authority, except in its selection, and independent in character.

The Supreme Court has reviewed this problem and in so doing recognized and followed the intent of Congress on the proposition that Federal regulatory commissions were established as arms of the Congress and independent of control by the executive branch. For example, in the case of *Humphrey* v. *United States* (295 U. S. 625), the Court in referring to the legislative history and the intent of Congress, as shown by the Congressional report thereon, stated:

The report declares that one advantage which the Commission possessed over the Bureau of Corporations (an executive subdivision in the Department of Commerce which was abolished by the act) lay in the fact of its independence, and that it was essential that the Commission should not be open to the suspicion of partisan direction. The report quotes (p. 22) a statement to the committee by Senator Newlands, who reported the bill, that the tribunal should be of high character and "independent of any department of the Government, * * * a board or commission of dignity, permanence, and ability, independent of Executive authority, except in its selection, and independent in character."

The debates in both Houses demonstrate that the prevailing view was that the Commission was not to be "subject to anybody in the Government but * * * only to the people of the United States," free from "political domination or control," or the "probability or possibility of such a thing"; to be "separate and apart from any existing department of the Government—not subject to the orders of the President."

* * * * * *

Thus, the language of the act, the legislative reports and the general purposes of the legislation as reflected by the debates, all combine to demonstrate the Congressional intent to create a body of experts who shall gain experience by length of service, a body which shall be independent of Executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government.

* * * * * *

The Federal Trade Commission is an administrative body created by Congress to carry into effect legislative policies embodied in the statute, in accordance with the legislative standard therein prescribed, and to perform other specified duties as a legislative or as a judicial aid. Such a body cannot in any proper sense be characterized as an arm or an eye of the Executive. Its duties are performed without Executive leave and, in the contemplation of the statute, must be free from Executive control.

Other citations to the statutes, committee reports, and debates in Congress on the creation of certain regulatory commissions as arms of the Congress are as follows:

Federal Trade Commission Act, September 26, 1914 (38 Stat. 717–724; H. R. 15613, 63d Cong.).

Committee reports: House Report No. 533; Senate Report No. 597; conference report in Senate, Senate Document No. 573; conference report in House, House Report No. 1142.

Debates in Congress, CONGRESSIONAL RECORD, volume 51:

House, pages 7598, 8840–8863, 8973–8997, 9045–9068.

Senate, pages 10376–10378, 11038, 11081–11116, 11173–11189, 11224, 11225, 11228–11237, 11298–11307, 11378–11389, 11447–11458, 11528–11543, 11591–11604, 11622, 11623, 11685, 11862, 11863, 11870–11876, 12022–12032, 12141–12153, 12168, 12208–12222, 12272–12282, 12355, 12421, 12482–12484, 12538–12551, 12601, 12602, 12617–12655, 12724–12747, 12786–12817, 12853–12875, 12910–12940, 12978–13007, 13044–13067, 13100–13122, 13143–13166, 13206–13209, 13210–13219, 13222–13235, 13297–13319.

Conference report debated and agreed to in Senate, pages 14764–14772, 14784–14802.

Conference report debated and agreed to in House, pages 14918–14943.

Federal Communications Commission Act, June 19, 1934 (48 Stat. 1064–1105, S. 3285, 73d Cong.).

Committee reports: Senate Report No. 781; House Report No. 1850; conference report, House Report No. 1918.

Debates in Congress, CONGRESSIONAL RECORD, volume 78:

Senate, pages 8768, 8822, 8842, 8854.

House, pages 10304–10312, 10312–10332.

Conference report agreed to in Senate, page 10912.

Conference report agreed to in House, pages 10963–10995.

Federal Power Commission Act, June 10, 1920 (41 Stat. 1063–1077, H. R. 3184, 66th Cong.).

Committee reports: House Report No. 61; Senate Report No. 180; conference report in Senate, Senate Document No. 269; conference report in House, House Report No. 910.

Debates in Congress, CONGRESSIONAL RECORD, volume 58:

House, pages 1931–1943, 2018–2040, 2131–2135, 2136–2139, 2220–2226, 2235–2243, 2246–2251, 2262.

Senate, pages 241–246, 1039–1049, 1099–1109, 1176–1177, 1222–1224, 1225, 1277, 1338, 1362, 1428–1443, 1472–1496, 1521–1535, 1562–1574.

Conference report debated and agreed to in House, pages 6519–6538.

Conference report debated and agreed to in Senate, pages 7592, 7722–7739, 7770–7779.

Civil Aeronautics Authority Act of June 23, 1938 (52 Stat. 973–1020, S. 3845, 75th Cong.).

Committee reports: Senate Report No. 1661; House Report No. 2254 on H. R. 9738; conference report, House Report No. 2635.

Debates in Congress: CONGRESSIONAL RECORD, volume 83 on S. 3845; CONGRESSIONAL RECORD, volume 83 on H. R. 9738.

Securities and Exchange Commission, act of June 6, 1934 (48 Stat. 881–909, H. R. 9323, 73d Cong.).

Committee reports: House Report No. 1383; Senate Report No. 792 on S. 3420; conference report, House Report No. 1838.

Debates in Congress: CONGRESSIONAL RECORD, volume 78 (on H. R. 9323); CONGRESSIONAL RECORD, volume 78 on S. 3420.

In order to assure that they would remain independent and free from political control, the creating legislative enactments provide that they shall be nonpartisan and that the members shall not be subject to removal from office except for statutory causes. For example, five members constitute the membership of the Federal Trade Commission. The law provides that not more than three shall be appointed from the same political party. Each member is appointed for a term of 7 years. The terms of the five members are staggered so that a continuity in the membership of the agency is assured. The law also provides that no member shall be removed except for the causes enumerated in the statute, namely, "inefficiency, neglect of duty, or malfeasance in office."

Federal regulatory agencies which were established subsequent to the establishment of the Interstate Commerce Commission and the FTC were modeled generally along the lines of those first two agencies. They were conceived and organized to perform quasi-legislative functions as arms of the legislative branch, independent of the Chief Executive. Also they performed quasi-judicial functions in their status of independent regulatory agencies.

The Federal regulatory commissions not only achieved a place of importance by virtue of their responsibilities and duties in matters made subject to their jurisdiction, but also because of the growing volume of the work they have handled and the growing significance of their success in the discharge of their responsibilities and duties.

FEDERAL REGULATORY COMMISSIONS AND AGENCIES CRITICIZED AND ATTACKED

The system and the work of the Federal regulatory commissions and agencies came under attack as the importance and volume of their work increased. The very fact of their success in their important work brought adverse criticism from those against whom success was recorded. Representatives of those who had lost in tilts with Federal regulatory commissions were soon taking shots at the successful agency in particular and the system of the administrative process in general.

The vast and varied responsibilities and duties of the Federal Trade Commission include investigations and proceedings against unfair methods of competition and unfair acts and practices in common. In the discharge of those responsibilities and duties the FTC, soon after it was established during the administration of President Woodrow Wilson, commenced an investigation of the practice of large steel producers charging higher prices to some of its customers than it charges other customers. It was found that the United States Steel Corp. was using a pricing system that came to be known as the Pittsburgh-plus system of pricing.

At that time the United States Steel Corp. owned and operated steel plants at Pittsburgh, Pa.; Chicago, Ill.; and Duluth, Minn. Under the Pittsburgh-plus system of pricing, the customers of the United States Steel Corp. located in Minnesota and taking delivery from the United States Steel Corp. plant in that State, nevertheless incurred delivered costs on their purchases equal to the sum of the Pittsburgh base price plus an amount equal to the freight from Pittsburgh to destination. Thus the system required a customer in Minnesota, who bought wire fencing for farms or wire nails for the building of farm shelters, which were shipped to him in Minneapolis from the United States Steel plant in Duluth, Minn., to pay a freight charge thereon the same as if they had been shipped to him from Pittsburgh, Pa. The charging of that larger unearned amount of freight became known as the charging of phantom freight. The customers who were fortunate enough to be located at or near Pittsburgh, in their purchase of goods of like grade and quality, incurred a substantially smaller delivered cost. In view of those circumstances, the FTC alleged and found in the Pittsburgh-plus case that the United States Steel Corp. was discriminating in price in violation of the Federal Trade Commission Act and the Clayton Act, through the use of the Pittsburgh-plus pricing system and in part by virtue of charging the customers in Minnesota higher prices than it was charging customers in other locations for goods of like grade and quality.

The FTC acted to stop that discriminatory practice of the United States Steel Corp. In that connection the FTC made findings to the effect that under the Pittsburgh-plus pricing system, the phantom or emergency freight paid by the farmers in only 11 of the Middle Western States amounted to as much as $30 million annually. The Commission, therefore, ordered that practice stopped.

In April 1937, the United States Attorney General in reporting to the President on an extensive investigation concerning the use of basing point systems in the steel and other heavy goods basic industries recommended that complaints regarding the use of such systems be referred to the FTC. In that connection the Attorney General stated:

> The administrative and quasi-judicial remedies in the hands of the Federal Trade Commission may be better adapted to the control of the subject matter of this particular complaint than action by the Department of Justice * * *. It appears therefore that a problem is presented which can be more satisfactorily investigated and dealt with through the more flexible remedies of the Federal Trade Commission.

Therefore, the Federal Trade Commission instituted proceedings challenging the legality of basing point systems as used by all of the principal producers of cement and the principal producers of steel.

The Commission moved through the arduous task of litigating those cases. It found that the pricing systems involved, in fact, substantially lessened competition and tended to create monopolies, and therefore were unfair as a matter of law. At the conclusion of its proceeding against the Cement Institute, the Commission issued an order commanding the defendants in that case to stop fixing prices on cement and to stop discriminating in prices charged for cement by agreement through the use of a basing point system of pricing. The Supreme Court of the United States affirmed that order of the FTC during April 1948.

In the meantime, the Commission was proceeding against other alleged combinations in restraint of trade which involved the use of similar practices.

During the period of time that the FTC was engaged in its work against unfair methods of competition and unfair acts and practices in commerce and was succeeding in that work as has been indicated, other Federal regulatory commissions were likewise moving forward in their work to protect the public interest. Court decisions upheld actions which had been undertaken by such agencies as the Federal Power Commission, the Federal Communications Commission, the Civil Aeronautics Board, and the Securities and Exchange Commission.

The increasing success of the Federal regulatory agencies in their work to protect the public interest brought an increase in the tempo of the attacks upon the agencies and upon the administrative law process. In the beginning the adverse criticism was leveled at the concept of administrative law as being the root of all of the trouble stirred up by the Federal regulatory commissions.

Therefore, there began a concerted attack on the system of administrative law. That turned out to be a long fight. It spread to many fronts. With the passage of time, the representatives of regulated industries enlisted the aid of their attorneys to help them carry on the fight. Some of the attorneys involved held memberships in the leading and highly respected bar associations. Some of the attorneys who moved to carry this fight for their clients against the administrative law process utilized their positions as members of highly respected bar associations to push the fight against administrative law in the bar associations. Carefully and painstakingly they argued their case against administrative law. The administrative law process was damned as un-American. As a result they secured introduction of a bill which incorporated the legislative proposals drafted by the special committee on administrative law of the American Bar Association. That bill took the form of S. 915 in the 76th Congress, 1939. It failed to become law. However, another one based on the recommendations of the American Bar Association and of the same general import was introduced in June 1944.

Out of all those proposals a new bill emerged in the 79th Congress. It became known as S. 7. It passed and became law in 1946. It is known and cited as the Administrative Procedure Act. In the form in which it passed and was enacted into law, S. 7 was not made subject to any hearings in the Senate, although hearings were held on proposals for similar legislation in prior years. The hearings on S. 7 in the 79th Congress in the form in which it became law included testimony from two members of the American Bar Association. No representatives of the general public were heard. A representative from one of the Federal regulatory commissions, namely, the Interstate Commerce Commission, was heard. The testimony of that witness seriously objected to the judicialized administration of the various laws provided for by S. 7. To the very conclusion of the consideration of S. 7 by the 79th Congress, members of the public and representatives of certain Government agencies continued their requests to be heard on the provisions of the bill.

Many changes were introduced after the hearings had been concluded and before the bill was voted on in the Congress, but no hearings were held at all on the bill in its final form. Nevertheless, at the strong urging of representatives of a number of industries which had been subject to regulation by the various agencies, the bill was enacted into law during June 1946.

Quickly it was hailed as a victory over the administrative law process. In the New York Times of Sunday, July 21, 1946, section 3, page 1, is an article by John P. Callahan entitled "Industries Hail Curb on Agencies." The following is quoted from that article:

> Utility, rail, and numerous other industries * * * are celebrating the recent passage of the Administrative Procedure Act * * *. When the * * * bill became law last month, corporation counsel and company officials looked back on more than 10 years of continuous effort * * * to remove the onerous problems that beset companies appearing before these agencies * * *. Passage of the bill was considered a major victory for the American Bar Association, sponsor for the measure.

One of the suggestions made by the critics of the administrative law process was a complete separation of the functions of investigation, prosecution, and decision into separate agencies. The provisions of the Administrative Procedure Act of 1946 did not go that far. For example, it had been proposed that there be provided for in the law "a separation of functions" in the administrative law process. The critics argued that under our system of government the legislator, and the legislator alone, should make the law. They abhorred the fact that the Interstate Commerce Commission performs semilegislative functions in implementing laws passed by the Congress. Likewise they criticized the administrative law process, because it provides for an administrator to make decisions also in dealing with those respecting whom the law is administered. The critics argued against an administrator making any decisions in such situations. In other words, their argument was to the effect that the Railroad Retirement Board, for example, should not set itself up as a judge in disposing of claims of certain pensioners. They argued that it was all right for such a Board to pay out a pension in accordance with the laws passed by the Congress and in the precise amounts determined by the judges of courts. They argued that the decision in determining the amount to be paid should be separated from the administrative action in making the payment. The arguments ignored the complexities and great volume of work involved in administrative law as carried on by the various agencies.

The volume of cases arising under certain laws is very great. The Veterans' Administration, the Railroad Retirement Board, the United States Employees Compensation Commission, for example, each adjudicates many thousands of comparatively small claims annually. The Veterans' Administration alone makes determination in hundreds of thousands of cases each year and the Social Security Board in even larger numbers each year. Would it be in the public interest to have all of these judgments entered by judges of the courts?

The most striking fact that the critics of the Federal regulatory agencies and commissions found themselves up against was that for many years Congress had been setting up administrative agencies in apparent so-called disregard of the attempt to separate powers as interpreted by the critics of the administrative law process. Moreover, the courts have never held legislation combining the function of the administrative law process to be in violation of the constitutional requirements of due process. Therefore, it is understandable why Congress when it passed the Administrative Procedure Act in 1946 did not dismember the Federal regulatory commissions and agencies, as had been urged. It limited its imposition of restrictions on those commissions and agencies to requirements that the commissions establish detailed sets of rules of practice, and then adhere to such rules meticulously.

The failure of the efforts to dismember the Federal regulatory commissions and agencies only applied the brakes and did not halt the attacks on those agencies. When the move for dismemberment failed, the burning question became—who shall control these agencies? It became clear that the opponents and critics of the Federal regulatory commissions and agencies did not wish them to remain independent and subject only to the control of the Congress of the United States, the members of which represent the people directly.

The attacks on the Federal regulatory commissions and agencies encompassed attacks on the laws they were administering and enforcing. It is not strange that for the most part those attacks came from representatives of interests which had been made the subject of proceedings by the agencies. An informative record of how that attack was carried on against the FTC and the laws it administers appears in a report by Prof. Earl Latham, of Amherst College, Amherst, Mass., entitled "The Politics of Basing-Point Legislation." That article appeared in the spring 1950 issue of Law and Contemporary Problems, Duke University. It has been reprinted in the record of hearings on price discrimination before the Select Committee on Small Business, House of Representatives, 84th Congress, November 4, 1955—pages 541 to 579. That article and the record of the testimony—pages 113 to 124 and 474 to 496—before the Select Committee on Small Business, House of Representatives, presented a showing of some of the lobbying effort that was expended by persons who were directly employed, or otherwise represented steel interests, in the attack on laws administered by the FTC. However, in most instances the critics in leading their attacks on the agencies through writings in legal publications and in speeches failed to disclose the fact that they were involved as representatives of interests against whom the agencies were proceeding.

One attorney, who represented a number of parties involved in proceedings before the Federal Trade Commission, sharply criticized that agency. He had advocated a complete dismemberment of the agency with a removal of all of its powers and authority to proceed against practices which lessen competition and tend to create monopoly.

Leaders in the steel industry sought to build public opinion against the Federal Trade Commission and to assure legalization of the steel industry's traditional pricing methods, even those which had been held to be unlawful.

Their advocacy of legislation to legalize the steel industry's basing point pricing systems resulted in the establishment of an advisory council which was supposed to advise Congress on what to do about the problem.

Many of the members of that advisory council were representatives of parties against whom proceedings had been prosecuted by the Federal Trade Commission.

Coupled with those efforts was a plan to propagandize and prejudice the public against the Federal Trade Commission, the law it administers, and the administrative law process.

Attorneys who were representing parties in proceedings then pending at the Federal Trade Commission and involving allegations that the delivered pricing practices involved in those proceedings were unlawful drew up a blueprint for thus propagandizing the public. That blueprint provided for an elaborate program to mold public opinion.

By this time a number of the critics of the administrative law process and of the laws entrusted to the Federal regulatory commissions and agencies apparently considered that the attacks on the Commission and the laws entrusted to them were gaining popular support. New critics popped up. Some appeared in unexpected quarters. They included members of the bar who through such writings and speeches undoubtedly became better known to would-be clients. Also included was Hon. Lowell B. Mason, one of the two Republican members of the FTC. He spoke frequently and before many groups of businessmen. In one of his speeches Commissioner Mason urged his audience to seek advice from those who were openly attacking the Federal Trade Commission. In that connection he recommended the advice of one who was known to advocate the dismemberment of the Federal Trade Commission.

In his attacks on the administrative law process and on the Federal regulatory commissions and agencies, Commissioner Mason alleged that the system raised questions as to whether we are ready to throw out the window our judicial traditions inherited from our forefathers which held all men innocent until proven guilty.

He likened the administrative law process at the Federal Trade Commission to the system applicable in Soviet Russia, and asserted that he was unable to state whether we acquired the system from Russia or Russia acquired the system from America.

Remarks appearing in a number of his speeches obviously were calculated to arouse businessmen against the Federal Trade Commission, the laws it administers in particular, and against the administrative law process in general. On one occasion he stated to businessmen:

I warn you that Government has plenty of trigger-happy bureaucrats who still today would sooner sue a businessman than eat.

On another occasion, before the New York State Bar Association, Commissioner Mason praised the then current movement to centralize more authority and power in the office of the Chairman and he advocated the taking away from other Commissioners of a number of responsibilities and duties which had been entrusted to them.

The argument against the Federal regulatory commissions and agencies was continued. It was argued that it constituted a veritable "fourth branch of the Federal Government." The argument was increasing that these commissions and agencies should not remain independent, but that their administrative functions should be transferred to some Government department, or at least be made subject to the control of a chief administrator in each agency who would be under the control of the Chief Executive in some measure.

About that time in 1947, there was organized and appointed "the Commission on Organization of the Executive Branch of the Government."

Ex-President Herbert Hoover was made Chairman of that Commission. Therefore, it became known popularly as the Hoover Commission. On March 3, 1949, Mr. Hoover submitted a report on the organization of the independent regulatory commissions and transmitted therewith a report by a task force of his Commission on the same subject. The task force report thus transmitted by ex-President Hoover recommended some very significant changes which were designed to affect the administration of business in the Federal regulatory agencies and commissions. From that report is quoted the following:

We recommend that the chairman of each commission should be designated from among the members by the President and should serve as chairman at his pleasure. This proposal is closely related to our recommendation, discussed in the next chapter, that the chairman should be recognized as the administrative head of the agency.

Designation by the President provides an acceptable channel of communication between the commission and the President * * *.

The second important advantage of Presidential designation is that it assists in achieving the objective of improving the internal administration of the commissions.

As explained * * * our recommendation is not intended to deprive the other members of fully equal participation in the making of policies and substantive decisions of the agency. It is only designed to center the administration in one member, responsible to the commission, to relieve the other members of these duties, and to assure effective supervision essential for expeditious handling of cases and orderly dispatch of business.

The members will seldom voluntarily delegate to the chairman or any other official, for a substantial period, the necessary authority to perform these essential duties. On the contrary, where the members select the chairman, he is ordinarily little more than a presiding officer without any real administrative role. This is the case in the Interstate Commerce Commission and the Federal Trade Commission, where the office rotates annually. It is also true in the Federal Power Commission, where the Chairman serves out his term as Chairman. In the Securities and Exchange Commission, the Chairman was clearly the administrative head in the early years, when the members usually followed Presidential wishes, in selecting him, but more recently there has apparently been some decline in his position.

Even when the President names the chairman, he is not always accepted as the administrative head of the agency. But generally speaking, he does occupy a stronger position in this respect and is usually able to take more responsibility, especially if it is clear that he enjoys Presidential support.

Subsequently there was enacted a law providing for a reorganization of the agencies of the Government.

By the terms of that law, the President of the United States was empowered to reorganize, consolidate, or shift from one agency to another offices and functions of the Federal Government. It was also provided that in the exercise of that power the President, in making any changes in the organization of Government provided for by prior legislation, would submit his plan of reorganization to the Congress, and that the plan would be considered as lawful and effective unless rejected by the House or the Senate, or both, within a period of 60 days.

Pursuant to the provisions of the Reorganization Act of June 20, 1947, the President on March 13, 1950, submitted to Congress plans providing for reorganization of the Interstate Commerce Commission, Federal Power Commission, Federal Trade Commission, Federal Communications Commission, Securities and Exchange Commission, Civil Aeronautics Board and the National Labor Relations Board. Those plans provided for a reorganization of those agencies in keeping with the recommendations which had been made by the Hoover Commission regarding the appointment of a permanent chairman of each by the President.

The President made it clear in his message to the Congress that the principal objectives of the plans were not original with him but resulted from the Hoover Commission recommendations. In that connection, the President stated:

The designation of all chairmen by the President follows out the general concept of the Commission on Reorganization [Hoover Commission] for providing clearer lines of management responsibility in the executive branch.

By that time the original concept that these Federal regulatory agencies and commissions were arms of the Congress had been forgotten. The Hoover Commission had so thoroughly regarded and treated them as objects that should be made subject to the control of the Chief Executive, and had repeated the statement of the need as the Hoover Commission saw it for a single control in the Chief Executive over all of these agencies, that no one seemed to remember that they were creatures and arms of the Congress. For example, the President in presenting his plans for reorganizing these commissions and agencies stated that the plans proposed a bold approach to the "problem of delineating responsibility for authority for the management of the executive branch."

Furthermore, it was made clear that the object of the proposed reorganization of these commissions was not only

to provide greater efficiency but also to "enable the President to obtain a sympathetic hearing of broader consideration of national policy which he feels the Commission should take into account."

In addition to the appointment of a permanent chairman by the President for each of the agencies, the plans for reorganization which were submitted also provided for a transfer of certain functions from the agencies to the chairman in each of the agencies. The functions transferred to the chairman included the appointment and supervision of personnel, distribution of business among personnel and administrative units of the agency, and the use and expenditure of funds. However, the plans, as had been indicated in the Hoover Commission reports, apparently sought to provide reservation of authority to the commissions over general policies and certain major personnel appointments. The extent to which the provisions of the plans and their reservations could be, and were, reconciled are dealt with to a considerable extent in the later sections of this report.

The Senate Committee on Interstate and Foreign Commerce, which normally handles legislation pertaining to the reorganization of these commissions, took time from its busy schedule to study the proposals for the reorganization of the commissions. Therefore, the chairman of that committee, Senator Edwin C. Johnson, of Colorado, and his colleagues who were members of the committee had an opportunity to secure a better understanding of the significance of the proposals for the reorganization of these commissions than did other Members of the Senate and the House. Consequently, Senator Johnson introduced resolutions for disapproval of the proposals for reorganizing the Interstate Commerce Commission, the Federal Power Commission, and the Federal Trade Commission. His opposition to the plans was based upon his contention that they provided for an invasion of the functions of these arms of Congress and for a departure from "long established Congressional policy that regulatory agencies must be independent and directly responsible to Congress."

Some of the interests concerned with the Interstate Commerce Commission regulations, including representatives of some shippers, railroads, truckers, their employees, and members of the Association of Interstate Commerce Commission Practitioners, representatives of the Federal Communications Commission Bar Association, and the National Association of Broadcasters, joined with Senator JOHNSON in opposing the proposed plans for reorganization of the Federal regulatory agencies and commissions.

Following that opposition, the Senate disapproved the proposed plans for reorganizing the Interstate Commerce Commission and the Federal Communications Commission. But the plans which had been proposed for the Federal Trade Commission, the Federal Power Commission, the Securities and Exchange Commission, and the Civil Aeronautics Board became effective. Thereupon, those agencies lost the independence they had enjoyed in the selection of Chairmen from among their members and in exercising control over administrative functions of their respective agencies.

The Interstate Commerce Commission continues independent of the Chief Executive in the selection of its Chairman. It chooses its Chairman and has control over its internal organization and the administration of its functions. To a lesser extent, the Federal Communications Commission has similarly escaped the fate that befell the Federal Trade Commission, the Federal Power Commission, the Securities and Exchange Commission and the Civil Aeronautics Board.

However, due to the fact that in the law creating the Federal Communications Commission there was a provision for the appointment of the Chairman by the President, it today appears to be subject to the control of the Chief Executive to that extent. The extent to which certain of the interests, supposed to be regulated by the Federal Communications Commission, exercised influence over it will be discussed in later sections of this report.

REORGANIZATION OF FEDERAL REGULATORY COMMISSIONS AS PROVIDED FOR IN RECOMMENDATIONS OF THE HOOVER COMMISSION

This section of our report will deal with reorganizations which were effected in the Federal Trade Commission, the Federal Power Commission, the Securities and Exchange Commission, and the Civil Aeronautics Board in accordance with recommendations contained in reports which were made by the Hoover Commission. These reorganizations placed great power in the hands of the Chairmen of these Commissions. It must be borne in mind that the Chairman of each of these Commissions and Board is appointed by the Chief Executive and is removable from the office of chairman at the pleasure of the Chief Executive.

The reorganization of the Federal Trade Commission was effected, as provided for in the recommendations of the Hoover Commission, through Reorganization Plan No. 8.

This reorganization plan was made effective May 24, 1950. Section 3 of the plan is quoted as follows:

The functions of the Commission with respect to choosing a chairman from among the membership of the Commission are hereby transferred to the President.

And sections 1 and 2 of the plan transferred from the Commission to the Chairman the functions, as follows:

SECTION 1. Transfer of functions to the Chairman: (a) Subject to the provisions of subsection (b) of this section, there are hereby transferred from the Federal Trade Commission, hereinafter referred to as the Commission, to the Chairman of the Commission, hereinafter referred to as the Chairman, the executive and administrative functions of the Commission, including functions of the Commission with respect to (1) the appointment and supervision of personnel employed under the Commission, (2) the distribution of business among such personnel and among administrative units of the Commission, and (3) the use and expenditure of funds.

(b) (1) In carrying out any of his functions under the provisions of this section the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

(2) The appointment by the Chairman of the heads of major administrative units under the Commission shall be subject to the approval of the Commission.

(3) Personnel employed regularly and full time in the immediate offices of members of the Commission other than the Chairman shall not be affected by the provisions of this reorganization plan.

(4) There are hereby reserved to the Commission its functions with respect to revising budget estimates and with respect to determining upon the distribution of appropriated funds according to major programs and purposes.

SEC. 2. Performance of transferred functions: The Chairman may from time to time make such provisions as he shall deem appropriate authorizing the performance by any officer, employee, or administrative unit under his jurisdiction of any function transferred to the Chairman by the provisions of this reorganization plan.

Reorganization Plan No. 9, respecting the Federal Power Commission, as recommended by the Hoover Commission, was to the same effect as Reorganization Plan No. 8, respecting the Federal Trade Commission. It was also approved and made effective in June 1950.

The same is true regarding Reorganization Plan No. 10, respecting the Securities and Exchange Commission.

At the same time Reorganization Plan No. 13, respecting the Civil Aeronautics Board, as provided for in the recommendations of the Hoover Commission, was approved and made effective. It was the same as Reorganization Plans No. 8—FTC, No. 9—FPC—and No. 10—SEC—regarding the transfer of the functions of the agencies involved to the Chairman and in respect to the performance of transferred functions. That reorganization plan differed from the others only in respect to the method of selection of the Chairman. The President of the United States had annually designated one of the members of the Civil Aeronautics Board to serve as Chairman prior to the date of Reorganization Plan No. 13.

As pointed out in an earlier section of this report, the Hoover Commission recommended similar reorganization plans for the Federal Communications Commission and the Interstate Commerce Commission. Plans recommended for those two agencies did not become effective because the United States Senate voted to disapprove the recommendations.

However, as in the case of the Civil Aeronautics Board, the Chief Executive even prior to the date of the Hoover Commission recommendation had, and continues to have, the power and authority to appoint and remove from that office the Chairman of the Federal Communications Commission. To that extent the Chief Executive exercises influence and control over the head of that agency.

UNHEEDED WARNINGS AGAINST THE CHIEF EXECUTIVE MAKING APPOINTMENTS OF CHAIRMEN TO FEDERAL REGULATORY COMMISSIONS ARE RECALLED

As has been pointed out in an earlier section of this report, the Hoover Commission Task Force recommendations submitted to the Congress provided for appointment of the chairmen of the Federal regulatory commissions by the Chief Executive. These recommendations were studied by Senator Edwin C. Johnson, of Colorado, chairman of the Senate Committee on Interstate and Foreign Commerce. As a result of this study he introduced resolutions in the Senate to disapprove Reorganization Plans No. 7 for the ICC, No. 8 for the FTC, No. 9 for the FPC, and No. 11 for the FCC. Debate and vote on these resolutions occurred in the Senate on May 17, 1950. During the course of the debate Senator Johnson and a few other Senators who had devoted time and study to the problem warned against giving the Chief Executive the power to appoint the chairmen of the Federal regulatory commissions. However, their warnings went unheeded, except to the extent that Senator Johnson was successful in blocking the reorganization plans for the ICC and the FCC.

Senator BRICKER, of Ohio, supported Senator Johnson in opposition to the plans for reorganizing the Federal regulatory commissions. Brief statements made by those two Senators during the course of their debate on this matter are quoted in part as follows:

Senator BRICKER asked Senator Johnson:

Does the Senator agree with me that if this reorganization plan were to be adopted, it would give the President almost as direct power over these administrative agencies, which are arms of the Congress, as if the Supreme Court had not decided adversely to the President in the case involving the removal of Mr. Humphrey in 1934?

Mr. JOHNSON of Colorado. If we adopt this reorganization plan, we would completely reverse the Humphrey case.

Mr. BRICKER. That is my judgment, and I am glad the Senator agrees with me in that. In other words, if we were to adopt the President's plan, he would be able to completely control the activities of the Commission through the Chairman, whom he would have the power to remove also. Is that not correct?

Mr. JOHNSON of Colorado. If this plan goes through, the President can appoint the Chairman and he can remove him, do anything he wants to do, and the Chairman will be completely under his political control from the day he is appointed until the end of his term.

Mr. BRICKER. The Supreme Court held in 1934 that the President of the United States had not the power to remove, because it would give him power over a regulatory agency, which, under the Constitution, he could not have.

Mr. JOHNSON of Colorado. That is true.

Mr. BRICKER. Under the plan now before the Senate, the Chairman would be given control over the money that is appropriated, control over the personnel, under the appointing power of the President, which would be in substance exactly the same thing the Supreme Court said the President could not have.

Mr. JOHNSON of Colorado. That is my understanding.

Mr. BRICKER. I thank the Senator.

Technically, it could be argued that the reorganization plans which have been made effective regarding the Federal regulatory commissions have not reversed the holding of the Supreme Court in the Humphrey case. Nevertheless, it does appear that as a practical matter the effect of these reorganization plans has been, as argued by Senator JOHNSON and Senator BRICKER, that since the President is given the power to appoint and remove the Chairmen at will, he has control over the "activities of the Commission through the Chairman."

The House Small Business Committee, in studying how these plans have worked out, received testimony from a number of members and former members of Federal regulatory commissions. Some of these witnesses served as members of the Federal regulatory commissions when the agencies selected the chairmen and some have served only since the Chief Executive has made the appointments of such chairmen. Even the views of the latter, however, are important, because while they were not in a position to compare the operations of the agencies under the two different systems, they were able to, and some did, point out what is happening under the present system. For example, former FTC Commissioner Stephen J. Spingarn, who served as a member of the FTC until September 1953, in reference to the FTC, testified:

The business-policing agency is falling under the political domination of the White House.

He strongly recommended against continuation of the present system whereby the Chief Executive appoints a Chairman with powers now residing in that office. In that connection, he testified:

Now, one point that is particularly important in connection with the strong chairmanship is specifically the difficulty that the other Commissioners had in getting staff assistance to present their minority views effectively if they generally entertained views that were inconsistent with the Chairman's. I am talking about an institution now, and not individuals.

The point is that since the staff is now appointed and fired and promoted and demoted by the Chairman, if a minority Commissioner, a Commissioner who frequently disagrees with the Chairman's views, seeks out staff help, he finds that they are very unwilling and very reluctant to be associated with him in his endeavors because they are afraid that they may be stigmatized; they may not be regarded as a member of the team, and that their promotional and other opportunities may be jeopardized.

Former United States Senator James M. Mead, who subsequently served for a period ending in April 1953 as a Presidentially appointed Chairman of the Federal Trade Commission as provided for under the present system, testified:

Mr. MEAD. Mr. Chairman and members of the committee, I trust that my appearance here this morning will in nowise be construed as making a political appeal or leaving with you a partisan statement. It is true that I spent 20 years in the House, 6 in the Senate, that I served on the Small Business Committee, that I was a member of the Joint Committee on the Reorganization of Government, headed by the late Judge Vinson, that I have had experience at the Commission before and after Reorganization Plan No. 8. I am going to recommend—and it is really a nonpartisan recommendation—because first of all this Reorganization Plan No. 8 came from a task force of Republicans and Democrats, of which former President Hoover was the Chairman. It was transmitted to the Congress with the recommendation of a Democratic President, President Truman. Congress approved 4 of them and did not act on 3 of them. They made a very serious mistake.

I believe that the four plans they approved should be repealed expeditiously. I believe they have hindered the progress and the procedures of these Commissions and I believe that a system of rotating chairmanships together with a strong executive director who would have complete authority under the direction of the full Commission over personnel and in other kindred matters would be the best method of operation.

Hon. Robert E. Freer, a Republican from Ohio, who served with distinction on the staff of the Interstate Commerce Commission for a long period of time and later as a member and Chairman of the Federal Trade Commission, testified that in his view the present system providing for the appointment of chairmen of Federal regulatory commissions by the Chief Executive is a mistake. He expressed the view that the best system is one providing for the election of the chairmen of the commissions by the members from among the membership. He also expressed the view the chairmanship should rotate from year to year. In that connection he stated:

My feeling is that the rotating chairmanship is the best method of handling it.

Former FTC Commissioner John Carson testified against the present system and in that connection stated:

I don't want any organization of Government that exercises a judicial function to be subject to the dictation of the President.

Former FTC Commissioner Albert A. Caretta testified against the system providing for the Chief Executive to appoint the Chairman of a Federal regulatory commission. In that connection he stated:

Consequently, if the President has the right to appoint him as Chairman, he has the right to remove him as Chairman. If the Chairman, to quote the vernacular, does not "play ball" with the President, the Chairman may find himself removed from his position of Chairman, not as a Commissioner, but as Chairman, and another man put in his place. So there is the danger, that with a permanent-type Chairman, the Chairman will seek to comply more closely with the wishes of the administration. I am talking now of the Executive. That should not be, because the independent agency, being an arm of Congress, should be responsible only to the Congress and to nobody else. So that is one danger that I see in the permanent-type Chairman system.

Hon. Robert T. Secrest, present member of the FTC, testified:

I would recommend taking away the power of the President to change the Chairman, and I think that if there is any threat in this system in the future—I am assuming any President who wants to get in there and just tear the Commission to pieces every other day by threatening and browbeating the Chairman—if he had no right to remove him, then he could say to anyone that he would be out from under any possible power or influence.

Federal Power Commissioner Claude L. Draper, who had served under the system when he and the other Commissioners selected the Chairman of that agency and under the system when the Chairman was selected by the Chief Executive, testified:

Well, prior to the adoption of Reorganization Plan No. 9 I think we worked more as a body together.

Commissioner Draper pointed out that under the present system he and other individual Commissioners have no power over the appointment of personnel in the Commission and that with the exception of only a few members of the staff he and other members of the Commission are not even given the opportunity to confirm the Chairman's appointment of staff members.

Former FPC Commissioner Leland Olds, who served as a member of that agency for more than 10 years and as Chairman for about 6 years, agreed with the view of FPC Commissioner Draper that the public interest would be better served if the Chairman of that agency were selected by the Commissioners rather than by the Chief Executive.

Two Chairmen of Federal regulatory Commissions appointed by the Chief Executive, Hon. Edward F. Howrey, of the FTC, and Hon. Jerome K. Kuykendall, of the FPC, testified that they think that the present system providing for their appointment and the manner in which they have carried out the duties of their offices as Chairmen have made for more efficient operation of the agencies and for the advancement of the public interest.

Likewise Hon. John W. Gwynne, a member of the FTC—he is now Chairman, assuming that post through selection by the Chief Executive upon the resignation of Mr. Howrey in September 1955—testified that he believes the present system is working more to the advantage of the public. He testified:

Of course I never served, Mr. Chairman, under anything but the present system.

* * * * *

I think the bane of law enforcement in this country, Mr. Chairman, whether in agencies or in the courts, is the endless delay, the poor organization they have.

* * * * *

We have eliminated these delays. But we still have a long way to go. The Commission is functioning more efficiently. It is giving the taxpayer more for his dollar than for a long time, in fact ever since I have known the Commission.

Federal Power Commissioner Frederick Stueck, who had had 1 year of service with that agency under the present system, testified that he is in favor of the present system because under the prior system it was "possible for four Commissioners who don't like the Chairman to gang up on him and give him no powers whatsoever."

COMMITTEE ON BANKING AND CURRENCY

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 85, Rept. No. 212), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Banking and Currency, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study with respect to any matter or matters in the field of national monetary and credit policies and the financial structure, including (1) the status and adequacy of the existing credit mechanisms in the United States, (2) the new institutional sources of credit that have arisen or substantially increased since the enactment of the Banking Act of 1935, (3) the methods used and results of allocating credit under conditions where restraint upon the total supply has to be exercised to prevent inflation, and (4) the impact of changing interest rates on economic growth, competitive enterprise, financing necessary public facilities, and inflation.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the continental United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, as it deems necessary.

With the following committee amendments:

Page 1, line 3: Strike out "and directed."

Page 2, line 11: Strike out "is in session."

Page 2, lines 12 and 13: Strike out "and to hold such hearings, as it deems necessary," and insert "to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member."

DIRECT LIMITATIONS ON AGRICULTURAL PRODUCTS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I have yesterday introduced H. R. 6157, a bill to establish an agricultural program which imposes limitations on agricultural products directly rather than indirectly through acreage controls.

I would like to say, first of all, that I am not a farmer. I did live on a farm as a youngster, but am today a farmer only by heart, not by practice. I have always been interested in the problems of agriculture; and while I am not as close to the situation as are many other Members, I have always recognized the important role of agriculture in the life of our Nation.

I have never been fully convinced that acreage control, rigid price supports, or the current flexible provisions of the present administration are complete answers to the agriculture problem. What we must work toward is control of production in proportion to consumption of an actual commodity.

Being like the rest of us, the farmer naturally is interested in having a good income. To do this he will, with low parity, produce all he can in spite of acreage control. True, acreage control cuts down on the number of acres under cultivation. But it does not cut down on production for the farmer can produce more on an acre of land simply by adding fertilizers. Under flexible supports, when prices go down, the farmer in order to keep his income up will apply fertilizer and produce as much as he can on the land formerly under cultivation.

In the meantime production costs keep increasing; income keeps decreasing; and we keep accumulating greater surpluses.

At this point I would say that I have never been afraid of surpluses so long as they are held within reasonable limits. A practical surplus is healthy for it assures us of food in case of a bad year when natural causes make the yield less than expected.

My proposal does not mention acreage control: it relates to the actual production of a commodity. Under it, the Government will assure the farmer of parity only for so much of a commodity. This will in turn automatically bring about an indirect form of acreage control.

Of course, we recognize that a farmer cannot know in advance how much he is going to harvest from a given number of acres. Under this program, if he overproduces, he will have several recourses. He might feed the grain to his livestock; he might hold it over for the next year's quota; or he might plow it under, thereby building up the soil. He may not sell it on the open market and, if he does, a penalty will be imposed.

There will be a 1 year's carryover or additional allowance each year. If a farmer underproduces, he will be given an opportunity to make it up the following year; if he overproduces, he will have the next year to make an adjustment and sell his previous year's surplus.

I have suggested that a scale be established to provide that the marketing quota for any year will be 90 percent of a producer's quota for the first year the law is in effect if the total acreage of his farm is between 1,000 and 5,000 acres; 85 percent if the farm is between 5,000 and 10,000 acres; and 80 percent if it is more than 10,000 acres. I believe this approach is proper because we all know the small farmers are disappearing and large farms with absentee owners are coming more and more into being. If the trend continues, it will not be healthy for the future of America. History tells us of the tragic events in Europe, particularly the French Revolution, when only a few controlled the majority of the estates. The small landowner must be encouraged and helped in his efforts to make a livelihood and to contribute to the economy of our great Nation.

This program would discourage future large accumulations of acreage and

would leave the farms to the farmers who work the soil, live off and for the soil, and not just take all they can get out of the soil.

Under the program, the farmer will be able to make his own decision as to the acreage he will use. His yardstick will be the amount of the produce he is allowed to sell. He will thereby be guaranteed an annual income which will increase his purchasing power and contribute even more to the economy of our Nation.

I am presenting this program not as an ultimate answer to a vexing problem but as a possible solution to the present surplus problem, and, also, in the interest of the continued fertility of America's topsoil. I offer it for your consideration and study.

FEDERAL COMMUNICATIONS COMMISSION

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, in considering the independent offices appropriations bill of 1958 and the budgetary reductions which have been provided by the Committee on Appropriations, it has come to my attention that while considerable efforts are being made to reduce appropriations for the several independent offices, very little is done to place some of the independent offices on a self-sufficient basis so that Federal appropriations may be reduced.

There has been a great deal said on the floor about the elimination of the tremendous giveaway programs in which the Federal Government is involved. Most of the criticism is directed toward giveaway programs which are to the advantage of individuals, but very little comment has been made about giveaway programs which provide for extensive grants of service or funds to industries.

For example, in the current budget in the independent offices appropriation budget for 1958 we find an appropriation of $8,300,000 for activities of the Federal Communications Commission. While some of the work of the Federal Communications Commission is public in nature, the greater proportion of the activities of the Commission are directed toward a regulation of the radio and television broadcasting industry for the benefit of the industry and its individual components. The greater part of the Federal Communications Commission budget is expended to render service to the radio and television broadcasting industry, to guarantee the freedom and exclusive use of channels or frequencies, to monitor radio frequencies and television channels to be sure that they are not encroached upon by unauthorized interferences with the communications system. Why is it that the radio and television broadcasting industry makes no contribution to the annual cost of the operation of the Federal Communications Commission which preserves the use of the television channels and the radio broadcasting frequencies to the private profit and advantage of the individual broadcasters?

It seems to me that it would be good public business to require the private television and radio broadcasters, who hold public certificates or licenses authorizing them to broadcast, to contribute an annual fee which bears some relationship to the services rendered by the Federal Communications Commission. There is no justification to charge all of the people of the United States collectively for the preponderance of private service which is rendered by the Federal Communications Commission to the private radio broadcasting and television industry. They charge ample fees for the use of the television and radio time. They consider the certificate or license which they own as valuable private property which they sell at tremendous profits. It seems to be on the side of sound discretion to provide an annual charge for the license which brings so much profit and which is considered as so vital an asset by the individual radio and television broadcasting companies and systems.

There are several ways of approaching the problem of the mounting cost of government. One is to reduce appropriations and eliminate nonessential activities, and the other is to levy a reasonable charge on private industries which are rendered a valuable service by public commissions.

There is no reason in the world why the principal cost of the Federal Communications Commission, as well as other licensing and certificating agencies should not be borne at least in part by the recipients or the beneficiaries of such public regulation. Millions of dollars may be saved in Federal appropriations through the simple device of making these private industries compensate for such services as are rendered to them by public agencies.

EMPLOYMENT OPPORTUNITIES FOR PERSONS IN OLDER AGE BRACKETS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. HENDERSON] is recognized for 30 minutes.

Mr. HENDERSON. Mr. Speaker, last Thursday, I introduced a bill intended to increase employment opportunities for persons in the older age brackets.

The reluctance of industry to employ persons past the age of 50 and to retain those employees is one of the great issues of our industrial civilization today. This trend is concurrent with medical progress wherein American scientists and doctors have developed discoveries since 1900 which have increased life expectancy by 21 years. Thus, while the productive life of the individual has been prolonged, modern employment practices have often reduced the job expectancy of the American citizen. With the passage of time, this seeming paradox has become one of our most pressing social problems. The legislation I have introduced suggests one approach to the correction of this problem.

Bound up in this issue is the familiar pattern in American life wherein middle age is approached with fear and insecurity, insecurity of both an economic and a psychological character. At today's prices, the reason for economic distress needs no long discourse here. The psychological pressures of forced retirement often speed mental and physical decline far more rapidly than the mere attrition of age. Our mental hospitals are swelled by these unfortunate individuals who have been denied the opportunity for gainful employment. Their exclusion from our economic life is generally regarded as at least a contributory cause.

Our social security program has offered some assistance. Even greater benefits are derived by retired persons from generous pension plans for Government employees and workers in private industry. As praiseworthy as these programs are, they have a common undesirable byproduct. Each in its way either discourages employers from hiring older persons or lessens the individual's initiative to continue a productive life. Thus, as we study the results of our quest for personal security, we must face the fact that we are tending to discourage initiative and are denying a significant proportion of our people from continuing a gainful occupation. At the same time, we are denying the Nation the utilization of valuable experience and skills which many older persons possess.

Mr. Speaker, last year we witnessed the reduction of the age limit for receiving social security on the part of women. One of the reasons which prompted our action was the fact that the women are often the first to experience employment difficulties in their middle and older years. We know that industry and Government will be called upon to pay the cost of this new benefit.

We know, too, that pressures will come to consider a similar reduction—or even a greater reduction in the age limit for all persons to receive social security, not because these people want to quit work, but because they cannot find jobs. Should we continue to approach this problem in such a manner, the cost of social security will become oppressive to industry, employees, and to Government. I also believe the results will be unsatisfactory since income from social security is far from sufficient when it is the sole source of livelihood. Hence, old age assistance and public relief programs also feel the pressures of the increasing numbers of older persons.

The President has expressed concern over the unemployment of our older citizens and the social problems which have resulted. Studies have been made and are being made which point to the extent of this evil and to the great need for a remedy. The letters which I and my colleagues receive daily from these so-called "unemployable" people compels us to evaluate this problem and work toward its solution.

In my own district in southeastern Ohio, the percentage of persons over 50 in each of the 7 counties exceeds the 1950 national average of 22.5 percent. With one exception—Muskingum County—this percentage runs from 3 to 10 percentage points higher than the national average. This is not an isolated situation, but is common in many nonurban areas in our Nation.

In former years employment practices differed. Before the advent of our Nation's great industrialization, more persons were self-employed, or were engaged in father and son or family-type enterprises. The older members retained their position at the craftsman's bench or in the field because they were a part of management or because of family insistence they they be permitted to do so.

Modern industrial methods have replaced the old system to a substantial degree. Let us look at this trend in statistics provided by the Census Bureau. In our population as a whole, the percentage of older persons has increased markedly. Between the census of 1900 and that for 1950, persons in the age group from 45 to 54 increased by 171 percent. In 1950 the age group from 55 to 64 was 235 percent greater than in 1900. In this same half century the number of persons over 65 increased by 298 percent. While the number of our senior citizens almost tripled, the number of men past 65 remaining in the available labor force declined from 63.2 percent in 1900 to 41.5 percent in 1950.

What occurs in general terms when our older citizens become unemployed? A study in 1955 gives us some answers. Among men having two or more periods of unemployment, the group from 25–44 reached 43.6 percent while in the age group over 45, the figure was 50.9 percent.

The same study also showed that older persons suffer longer periods of unemployment. Of unemployed persons whose joblessness was longer than 15 weeks, the 25–44 group totaled 30.1 percent. Those over 45 accounted for 42.3 percent of the total.

Taking April 1956 as an example, an analysis of seven cities—Philadelphia, Minneapolis-St. Paul, Miami, Detroit, Seattle, Los Angeles, and Worcester—showed that 41 percent of all job opportunities were restricted to persons under 45 years of age.

Older persons encounter serious barriers to employment for a number of reasons. First, they are regarded as too slow to meet production requirements. Secondly, it is contended that they lack the skills and flexibility to meet changing job conditions. Third, they are told they cannot meet the physical demands of the jobs. And lastly, many employers feel that hiring them greatly increases pension and insurance costs, and other fringe benefits. Department of Labor studies, however, tend to refute these arguments as they are applied throughout all industry.

Mr. Speaker, after studying this problem for many months and after consultation and discussions with Federal agencies possessing information on this problem, I believe we may make real progress toward reversing present employment practices by offering tax incentives to those employers who will hire older persons. In my bill, a formula is presented whereby employers willing to accept older persons in excess of the average number of such employees established for their kind of enterprise would receive such tax benefits.

In my bill, I suggest a tax incentive of 5 percent. Study by the appropriate committees of Congress can finally determine if that amount of incentive is appropriate. The Secretary of Labor would also be directed to divide the Nation into labor areas and to classify employers to determine the average percentage of employees over the age of 50 in the various classifications in each area.

The bill provides that if the employer will then employ 10 percent in excess of the average number of persons 50 years of age or over, of which at least 5 percent of the additional employees shall be 60 years of age or over, the employer shall qualify for tax benefits. All employers who employ in excess of 4,160 man-hours per calendar quarter are covered by the proposal. That number of work hours permits an employer with eight or more full-time employees to qualify. The minimum restriction is placed in the bill so as to assist the greatest number of older persons.

The statistics are available under the present practices of the Department of Labor and need only to be broken down to be used. I mention this to point out that the legislation would not involve vast expenditures of funds to initiate it. The Nation must be divided into employment areas because of the difference in employment practices in various parts of the Nation. The classification of employers is desirable since various types of business presently employ varying percentages of older persons. The object of the legislation is to prevail upon all employers in all parts of the Nation to employ more older people than they currently retain on their payrolls.

I believe that this approach would achieve results which will work for the overall benefit of the Nation. Committee study may disclose the desirability of amending the formula. I believe if this legislation were enacted it would produce a worthwhile reduction in relief rolls and welfare programs now held necessary. Similarly, we would reduce the number of nonproductive, nontaxpaying older citizens. But most of all, it would return self-respect to many of our senior citizens by making them economically independent again.

We concede that if the reasons for the unemployability of older persons are true, if it is more expensive to hire them, then this legislation will make it economically advantageous by reducing another expense, the tax expense.

This plan may produce criticism that a loss of Federal revenue would result. To this, I say it is time that we give some concrete thought to the reduction of taxes and let us reduce the cost of Government to accommodate needed domestic aims.

We must also recognize that we sometimes create social ills through tax policies. These ills then seem to require new Government programs which are so costly that new taxes are levied and the chain reaction toward socialism is perpetuated until bloated federalism collapses of its own pell-mell scramble to be all things to all people.

Let us begin reversing this trend in ways which will improve American standards. Let us act so that the loss in revenue will be more than offset by social benefits where our tax policies encourage individual initiative. The benefits accruing from a productive older citizenry will certainly be felt at all levels of Government. Let us reverse our pattern where, all too often, older citizens have no choice but to resign themselves to being unwilling wards of the state.

FLOOD CONDITIONS IN OREGON

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 15 minutes.

Mr. ULLMAN. Mr. Speaker, on March 5 I brought to the attention of this Chamber a matter of utmost significance. At that time I described in detail the extensive damage which had been caused by a flash flood to an area of the congressional district which I represent. I also drew attention to the fact that Brownlee Dam, which is being constructed by the Idaho Power Co. on the Snake River, had suffered extensive flooding.

Mr. Speaker, in my March 5 statement I expressed particular concern over a letter which I had received from the Idaho Power Co. This letter was dated February 26 and was received on February 28. I was concerned because this letter was dated the day after the flood in my district had occurred and the day after the Brownlee Dam site had been flooded. The letter I received was signed by T. E. Roach, president of the Idaho Power Co. It was a short covering letter and enclosed with it was the February bulletin of the power company. The bulletin portrayed in glowing terms the progress which was being made at Brownlee and confidently predicted that construction work was proceeding according to schedule.

Mr. Speaker, what amazed me at that time and what still amazes me is the fact that there was no mention in either the bulletin or the covering letter of the flooding of the Brownlee Dam site. I find this gross oversight inexcusable, and it was for that reason that I brought this matter to the attention of the House.

I have recenly received another letter from Mr. Roach which is dated March 12. Also enclosed was a report to the Federal Power Commission, signed by Mr. R. E. Gale, vice president of the Idaho Power Co. Mr. Speaker, I do not believe that Mr. Roach's most recent letter explains his February 26 letter, but I feel it only fair that the text of his latest communication should be included in my statement at this time. I would also like to submit for the record at this time the report to the Federal Power Commission which was signed by the vice president of the Idaho Power Co.

IDAHO POWER CO.,
Boise, Idaho, March 12, 1957.

The Honorable ALBERT ULLMAN,
United States House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: My attention has just been called to page 3163 of the CONGRESSIONAL RECORD of March 5 which records a statement by you in the House on that

date to the effect that I have been guilty of inaccurate and false statements to Members of Congress.

You say in your closing sentence, "This is, Mr. Speaker, a very serious matter." If the charge you make were true, I would agree with you. However, an even more serious matter arises when a Member of Congress publicly makes a charge of the character which you have without support of conclusive evidence.

Apparently, your charge against me was made because in my letter of February 26 I did not include items of misinformation which you have seen fit to use, such as the following:

"A large portion of the construction work was washed out."

"However, on the day before this bulletin was sent to me, and I believe to several other Members of Congress, Brownlee had been washed out, and a good share of the construction work had been washed down the river."

"I think it equally reasonable for us to assume that President Roach who signed this letter would be fully aware of the fact that the Brownlee Dam site was flooded and that a good share of the facilities were washed out."

I am at a loss to find a reasonable or charitable explanation as to how you, in Washington, could be so categorical and positive in statements such as those just quoted regarding a situation so distant and about which you could have no personal or firsthand knowledge. Therefore, I must assume that you are accepting information of this character from individuals who are either misinformed, irresponsible, or downright malicious.

The actual facts are the exact opposite of your statements and I enclose for your information a copy of the report dated February 28 to the Federal Power Commission's San Francisco office, which explains in detail what took place during the period of high water, and particularly call your attention to the following paragraph:

"No equipment was lost and no material damage was done to any part of the project work. The waterway which had been prepared for diversion of floodwaters through the construction area is functioning very well, as is indicated by the attached pictures."

Our letter to the Federal Power Commission is accurate in every respect while your statement that "Brownlee has been washed out and a good share of the construction work has been washed down the river" is completely wrong and without any basis in fact.

This then is the reason why my letter of February 26 contained no reference such as you seem to think I should have made. My statements to Members of Congress, whether oral or written, as well as to all others, have always been accurate and factual and I stand ready at all times to be fully responsible for such statements. By all standards of equity and fair play, I think I am entitled to have this letter and our report of February 28 to the Federal Power Commission inserted in the CONGRESSIONAL RECORD and I trust you will do that.

Incidentally, the area of real and extensive damage resulting from the high water to which you refer was to farmlands and crops in substantial sections of your congressional district rather than at Brownlee. This damage could have been avoided by appropriate storage at the headwaters of the offending streams. Certainly, the time and money spent in trying to blockade our authorized and worthwhile projects could better have been devoted to this very necessary and practical relief.

Yours very truly,

T. E. ROACH.

IDAHO POWER CO.,
Boise, Idaho, February 28, 1957.

Mr. W. A. FROGGATT,
Engineer in Charge, Licensed Projects,
Federal Power Commission,
San Francisco, Calif.

DEAR MR. FROGGATT: The following is a brief description and report on the effect of the recent high water which has occurred downstream from the Swan Falls area of Snake River.

The high water in Snake River and its tributaries downstream from the Swan Falls area, during the period from Sunday, February 24, through Thursday, February 28, damaged many bridges and sections of highway throughout the Snake River Valley in eastern Oregon and southern Idaho. The floods originated primarily on the Powder, Burnt, and Malheur Rivers in eastern Oregon, and on the Weiser and Payette Rivers in southern Idaho. The flow in the main stem of the Snake River at Swan Falls was about 11,000 cubic feet per second during this high-water period.

The flow at the Oxbow gage below Brownlee was reported at 30,000 cubic feet per second at 4 p. m. Sunday, February 24, and this increased to 38,000 cubic feet per second by 8 p. m. At that time instructions were issued to open the upper and lower cofferdams in accordance with prearranged plans for handling high water, when the water upstream from the diversion tunnel rose to a height which would indicate that the Brownlee-Robinette highway was in danger of being inundated.

The upper cofferdam was opened on the Oregon side at 4:15 a. m., February 25, and the downstream cofferdam was opened shortly thereafter. The diversion of the flow of a part of the river through the working area at the Brownlee Dam was completed by 7:30 a. m. The Oxbow gage reading at about 10 a. m., February 25, was 62,000 cubic feet per second, and was apparently dividing about 50 percent through the diversion tunnel and 50 percent through the working area.

No equipment was lost and no material damage was done to any part of the project work. The waterway which had been prepared for diversion of floodwaters through the construction area is functioning very well, as is indicated by the attached pictures.

Our construction schedule contemplated a 3- to 4-week suspension of core material placement during the passing of high water in the spring of 1957. The overall construction program is on schedule at this time, and the date for project completion will not be affected by the present diversion through the working area.

As the work progresses and is frequently checked by our engineering staff and consulting board, there is every indication that the excellent design standards and construction techniques developed for this project will result in a finished job of high quality and satisfactory cost.

Attached are pictures relating to the diversion through the working area and newspaper clippings describing the flood in general.

If further information is desired, please advise me and we will endeavor to furnish such information.

Yours very truly,

R. E. GALE,
Vice President.

Mr. Speaker, I am not going to argue with Mr. Roach about how much damage was done at the Brownlee Dam site. We do know that both the upper and lower cofferdams have in large part been washed away, that the river is back in its old channel, and that the project working area is still inundated. How much damage has been done? We will not know until the water has receded. Mr. Roach will not know, and I will not know. But I think it very important that we note at this time that the verbal attack which is contained in Mr. Roach's letter of March 12 at no time and in no way attempts to explain why his February 26 covering letter and why the bulletin which was also sent by the Idaho Power Co. on February 26 contained no mention whatsoever of the flooding of the dam site, of the opening of the cofferdams, and of the inundation of the channel working area. Mr. Speaker, I submit that this is gross misinformation and I still contend, as I contended in my March 5 statement, that this is indeed a serious matter.

Mr. Roach questions my source of information. At the time I made my statement I had in my hand, and I have them with me again today, pictures of the Brownlee construction operation showing the Snake River coursing down the full width of its old riverbed. The channel excavations and facilities are completely flooded. Everything indicates that the river is flowing exactly as it was before it was diverted.

I also have with me now, as I had when I made my earlier statement, the bulletin which was sent to me on February 26, showing the elaborate construction facilities in the dry bed of the Snake. Mr. Speaker, at the time this bulletin was sent to me with these pictures, these construction facilities were inundated and the bed of the Snake was certainly no longer dry. A cursory look at these two pictures, side by side, would seem to be all the information necessary to support my position. Additional support may also be obtained by a study of the aerial photos of the flooded project which the Corps of Engineers, Department of the Army, submitted for the record and which are now in the files of the recent Hells Canyon hearings held by the House and Senate Subcommittees on Irrigation and Reclamation.

In the report to the Federal Power Commission the Idaho Power Co. states, "our cost schedule contemplates 3 or 4 weeks' suspension of corps material placement." However, Mr. Roach, president of the Idaho Power Co., was quoted in the Boise (Idaho) Statesman of March 11 as saying: "The channel through the earthen barriers will be filled in again by July 1." Mr. Speaker, I submit there is a good deal of difference between 3 or 4 weeks and 3 or 4 months. One cannot help but wonder, in the light of these discrepancies, whether Idaho Power Co. officials may also be mistaken when they state in their report:

> The date for project completion will not be affected by the present diversion through the working area.

Mr. Speaker, during the FPC hearings on the Idaho Power Co.'s application for a license, Mr. Edwin A. Woodhead, chief consulting engineer of the power company, testified with regard to the ability of the Brownlee installations to withstand a flood such as occurred on February 25. During his testimony, it

was pointed out that the Brownlee installations would be fully protected from floods 4 or 5 months after the start of construction. It was also stated, and I believe the hearings will fully support me in this contention, that the cofferdam facilities would be able to withstand a flow of 78,000 cubic second-feet. Yet, the February 25 flood occurred 15 months after the start of construction and had an estimated flow of approximately 61,000 cubic second-feet at its peak. I have closely examined this testimony by the company's engineers and I have found nowhere in it any reference to any plan to open the cofferdams and to flood out the working area in the old riverbed. Every inference is that construction will in no way be delayed by any flow of water up to 78,000 cubic second-feet. Yet, by their own admission, power company officials now concede that the flow of approximately 61,000 cubic second-feet has completely flooded the working areas for 3 or 4 months.

Mr. Speaker, I have attempted to be fair with Mr. Roach. I will agree with him that we do not know the total extent of the damage caused to the Brownlee Dam site by the recent floods. However, I find it difficult to passively accept his refusal to even admit that a flood had occurred at Brownlee when he sent this initial information to me on February 26. I could have understood his desire to minimize the damage, but to fail to even mention it when the water was flowing through the cofferdams, and the old riverbed and construction facilities had been inundated, is inexcusable as far as I am concerned.

Mr. Speaker, in conclusion I would like to refer briefly to the final paragraph of Mr. Roach's March 12 letter. I can well understand Mr. Roach's desire to divert attention from his own backyard, but I think that before he accuses me of lack of concern for flood-control projects on lesser streams within my district, he more carefully examine my record. He will find that I have shown grave concern for the flood-control needs of my area. Certainly, he will find that I have always stood for the full and complete multipurpose development of all our rivers, both on the main stream and the tributaries. That is what the fight at Hells Canyon is all about.

SALK VACCINE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes to make an important statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARRIS. Mr. Speaker, we recall 2 years ago the most dramatic and important announcement made of the discovery of what became known as Salk vaccine, an announcement which gave hope and faith to so many people of this country who might be stricken with fear of this great dreaded disease, poliomyelitis.

It will also be remembered that in the 1955 Congress we enacted a temporary program of grants for the purchase of polio vaccine, and for administrative costs. The original act set February 15, 1956, as the cutoff date for availability of grant funds, but this date was later extended to June 30 of this year. Furthermore, the Congress has appropriated a total of $53,600,000 to carry out the purposes of the act.

On March 6, Dr. L. E. Burney, Surgeon General of the Public Health Service, was before our Committee on Interstate and Foreign Commerce, and stated that although there is considerable variation in the status of program advancement among the several States, the program as a whole, is substantially on schedule. This was on March 6.

He further said that a recent canvass of State health agencies showed all States expect to have their vaccination programs completed or so far advanced that substantially all grant funds will have been expended by June 30 of this year.

As chairman of the committee, I asked Dr. Burney what the polio vaccination program was at this time. He said:

> The Congress enacted this act in 1955 for the purpose of providing funds to assist the States and Territories in utilization of the Salk poliomyelitis vaccine in the most susceptible age groups. It provided funds for the purpose of purchasing of the vaccine and a small amount for administrative costs in carrying on the vaccine programs.

He further stated the age groups were limited by the act to those under 20 years of age and pregnant women. Of course, we knew this. Then I asked the doctor, "In other words, those people were to have free vaccinations?" To which he answered, "Yes."

Then I asked, "How many applications," and he answered, "For all three, if they came in and wanted to have those, all three injections."

Actually the Congress in passing this act considered that the Federal part should approach about 38 percent of the total population in this age group under 20, and pregnant women.

I give you this background as I now feel the House should be advised of an important change of events.

On that day, March 6, I asked Dr. Burney, "Do we have plenty of Salk vaccine to meet the needs of this country?" He responded at the time, "We do; yes, sir. We also know from the manufacturers that several of them are stepping up their production for the year." For example, he said that the projected releases of one of the companies will exceed by 10 million cubic centimeters for the first 6 months of this year what they produced for the whole 12 months of last year.

"Let me say that we do not know what the demands will be"—and I am quoting Dr. Burney—"in view of the American Medical Association's sponsorship of the vaccination program, or what the National Foundation for Infantile Paralysis requirements will be, but we anticipate that there will be sufficient vaccine to carry on these programs."

You can imagine the consternation when 2 days later I received a call from the Public Health Service advising me that they regretted very much to announce that the shelves of the manufacturers of this country are completely clean, that there were no vaccines in supply to meet the demands of the people, and we are just now coming into the polio season.

This, I think, is an important announcement to the American people, and I wish to include a letter with my remarks addressed to me under date of March 13, 1957, by the Surgeon General in explanation of this sudden and immediate change in such an important program.

(The letter referred to follows:)

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Washington, D. C., March 13, 1957.

Hon. OREN HARRIS,
Chairman, Interstate Foreign Commerce Committee, House of Representatives.

DEAR MR. HARRIS: Thank you for giving me an opportunity to amplify the information regarding the vaccine supply situation that I gave to your committee at the hearings on March 6.

The demand for poliomyelitis vaccine has risen sharply since January 1 of this year. As a result of relatively low vaccine usage during the fall and early winter months, there was a backlog of 25,885,000 cubic centimeters of vaccine in the unshipped inventory of vaccine manufacturers on January 1, 1957. This inventory of unshipped vaccine has now been exhausted as a result of vaccine shipments during the intervening months in amounts approximately as follows: January, 11 million cubic centimeters; February, 16,500,000 cubic centimeters; March (through March 8), 3,600,000 cubic centimeters.

These monthly shipment rates compare with approximately 5 million cubic centimeters shipped during December and approximately 3 million cubic centimeters shipped during November.

The large increase in demand which has taken place during the last 2 months is very encouraging in that it means that additional millions of individuals will have received one or more injections of vaccine well ahead of the poliomyelitis season. The current estimate is that approximately 51 million individuals have now had at least one injection of vaccine. Of these, approximately 44 million are individuals under 20 and pregnant women, and approximately 7 million are in older age groups. In total, we estimate that approximately 30 percent of the individuals under 40 years of age have now had at least one injection of vaccine.

Vaccine production during the first 2 months of 1957 has been lower than vaccine production in previous months. In January, for example, approximately 5,200,000 cubic centimeters of vaccine were released and in February approximately 5 million cubic centimeters were released. Vaccine releases during the last 4 months of 1956 have averaged approximately 3 million cubic centimeters per month.

We anticipate that vaccine will continue to be released from the manufacturers at regular intervals and in substantial quantities during the coming months. Vaccine releases for the remainder of March are estimated at approximately 5 to 6 million cubic centimeters. During April, we expect that releases will be more than double this amount and that vaccine releases during May and June will be somewhat lower than for April. By the end of June, it is expected that about 180 million cubic centimeters will have been released since the inception of the vaccination program.

The enclosed press release gives additional details about the situation and includes our recommendations on how communities can best proceed with their vaccination programs.

If there are any significant changes in the vaccine supply outlook, we shall, of course, keep your committee informed.

Sincerely yours,

L. E. BURNEY,
Surgeon General.

I shall also include in the RECORD a release of the Public Health Service to the public in order that you might know what the Public Health Service had to say in explanation of this sudden and immediate change.

I therefore ask unanimous consent, Mr. Speaker, to extend my remarks and to include the letter referred to and the release of the Public Health Service.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

(The release of the Public Health Service is as follows:)

The Public Health Service reported today that the supply of poliomyelitis vaccine has tightened considerably in the past few weeks.

A surplus which had piled up on manufacturers' shelves has now been sold and a number of communities have reported they are unable to obtain immediately all the vaccine they expect to use in their vaccination programs.

Dr. Leroy E. Burney, Surgeon General of the Public Health Service, said: "It is apparent that the public is responding in substantially increasing numbers to the appeals of the American Medical Association, the National Foundation for Infantile Paralysis, the Public Health Service and other groups to be vaccinated. We are pleased that available supplies are being used more rapidly.

In some communities the supply is low at present and some communities will continue to experience difficulty because of the inability of manufacturers to fill their orders immediately. Other communities report the supply of vaccine on hand is sufficient for their current demands.

Some of the communities which were unable to fill their orders immediately had substantial supplies on hand but were seeking to build up additional quantities before starting large-scale vaccination campaigns.

Dr. Burney said the Public Health Service is recommending three steps to obtain most effective use of the vaccine between now and the summer months.

"First, if supplies are limited, preference should be given to immunization of the priority group under age 20 and pregnant women.

"Second, local communities should begin their programs with first injections as supplies become available without waiting to accumulate sufficient reserves to complete second and even third injections.

"Third, if planning groups would stagger the dates of community vaccination drives, particularly in large cities, that also would help to even out available supplies."

Dr. Burney said that he had written the manufacturers about 2 weeks ago calling their attention to the increase in demand and urging that they do everything possible to increase production.

So far about 141 million cubic centimeters have been released. Production estimates by manufacturers indicate that about 180 million cubic centimeters will have been made available for use by July 1.

Production during January and February amounted to about 10 million cubic centimeters. It is expected that 6 to 8 million cubic centimeters will be released this month and almost twice as much during April.

Shipments of poliomyelitis vaccine during February set a record for the second successive month.

The manufacturers reported they shipped 16.5 million cubic centimeters (doses) during February, compared with 11 million cubic centimeters in January, the previous peak, and 5 million cubic centimeters in December.

The total amount of vaccine shipped so far in 1957 is about 35 million cubic centimeters compared with 77 million cubic centimeters for the entire year of 1956.

The rapid increase in demand has eliminated the backlog of vaccine which began to pile up on manufacturers' shelves last August due to public apathy in getting vaccinations. The surplus reached 26 million cubic centimeters by January 1 and was reduced to 15 million cubic centimeters by February 15.

ST. LAWRENCE COSTS RISE

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, the recent statement of the Secretary of the Treasury, George M. Humphrey, warning of a hair-curling depression, has touched off a debate relative to economy.

Although the Secretary's statement is cited by many as the basis of curtailing Federal expenses, he has steadfastly refused to tell us where curtailments may be made.

From February 4 through March 14, the General Education Subcommittee of the Committee on Education and Labor has been hearing testimony for and against various proposals to authorize Federal aid for school construction. During that time the program has been described as inflationary, and we have heard Secretary Humphrey's position over and over and over again with the suggestion that huge cuts be made at the expense of our boys and girls.

One of Mr. Humphrey's pet projects, however, is seldom mentioned as inflationary. In the 83d Congress, thanks to the intense efforts of Mr. Humphrey, this Congress authorized one of the most useless and dangerous boondoggles in this country's history—the St. Lawrence Seaway.

I might point out parenthetically that if West Virginia, among other States, were not faced with the loss of jobs which will result from this project, it is possible that we would not be in here seeking assistance to build necessary classrooms.

When this boondoggle was before the Congress, many of us pointed out that the estimated expenditures of the project Mr. Humphrey recommended would not begin to cover the ultimate cost to our taxpayers. But that did not stop Secretary Humphrey from pulling every string in his command to win votes for this measure which would benefit, among a few other favorites, the M. A. Hanna Co., which he ran before coming to Washington.

The New York Times for Monday, March 18, contains a news item indicating that on one segment of the project the lowest bids received were almost 78 percent higher than the engineers' estimate.

Unfortunately the people who have been coming to Washington urging economy at the expense of the welfare of our boys and girls have, so far as I have been able to notice, raised no objection to the ever-increasing costs of this project which only means dollars and cents profits for a few large corporations.

Now if Mr. Humphrey is really serious about cutting the budget, let him halt this useless waste of taxpayers' money. I, for one, shall resist every attempt to make the boys and girls of this country feel the brunt of economy so long as things like this are being financed.

I include the news item from the New York Times as a part of my remarks:

HIGH SEAWAY BIDS THREATEN A DELAY—CHANNEL COSTS ARE INDICATED AT $14 MILLION MORE THAN ENGINEERS' ESTIMATE—FOUR STEPS UNDER STUDY—OFFICIALS MAY USE CANADIAN OR ARMY EQUIPMENT—FUND RISE DOUBTED

SYRACUSE, March 17.—An official of the St. Lawrence Seaway Development Corporation revealed here today that bids for the biggest single construction project on the seaway were $14 million in excess of the engineers' estimate.

The official said that unless the snarl could be unwoven, both the seaway and the connected power project could be delayed for weeks.

The seaway official declared, "We don't know where we'll go from here."

The engineers' estimate on the dredging of the south channel of the seaway south of Cornwall Island was $18 million. But the lowest bids received earlier this month amounted to $32 million, the official said.

In Washington, Edward R. Place, director of information for the corporation, said the job had been advertised in five sections to attract bidders. An earlier attempt to contract the work failed when no bidders came forward by the terminal date of January 22.

This time, he said, several bids for one section, involving overland dredging, were below the Government estimate of $3,573,300. But the overall bids were so far in excess of estimates that they were rejected.

There are four possible ways to solve the problem, he said.

FOUR ALTERNATIVES FACED

The four alternatives, as he saw them, were:

1. Turn over the South Channel project to Canadian Ontario Hydro. Canadian equipment and labor would be used and costs would be cut, perhaps in half.

2. Use equipment of the Army Corps of Engineers. The equipment would have to be assembled from distant points like Panama.

3. Request additional Congressional appropriations to cover the difference between original estimates and bid figures.

4. Readvertise for bids, hoping American contractors offer to do the job cheaper.

Time is of the essence, the spokesman asserted. He pointed out that the Barnhard Island phase of the project was expected to be in operation next July and the South Channel was to be ready for use then, or the entire seaway would be choked off for lack of an adequate course south of Cornwall Island.

Mr. Place indicated that there was little possibility of turning the work over to Canadian concerns. He said that in the more recent bidding invitations had been sent to 19 Canadian companies. None submitted bids, either for the whole job or for any section.

Pending in Congress is a request for $30 million more for the seaway. Congress probably would not look kindly on a request for $14 million more.

May I say this news release concerning the St. Lawrence Seaway mentions the fact that in addition to the $110 million we authorized in the way of a bond issue, they are in this budget now before the Congress asking for $30 million more and they are contemplating asking for $14 million additional, making a total of $44 million in this budget as added cost to the St. Lawrence Seaway, when we were given to understand that the only obligation this country would assume was the original $110 million which we authorized in the bond issue.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. SPENCE) for an indefinite period on account of illness.

To Mr. ANDERSON of Montana (at the request of Mr. METCALF) for an indefinite period on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 10 minutes today.

Mr. HENDERSON, for 30 minutes today.

Mr. ULLMAN, for 15 minutes today and to revise and extend his remarks and to include extraneous matter.

Mr. JOHANSEN, for 30 minutes tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PRICE and in each to include extraneous matter.

Mr. MATTHEWS.

Mr. ARENDS and to include extraneous matter.

Mr. REUSS in two instances and to include extraneous matter.

Mr. ENGLE and to include extraneous matter.

Mr. MOSS (at the request of Mrs. BLITCH and to include extraneous matter.

Mr. DINGELL (at the request of Mrs. BLITCH).

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 323. An act to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

ADJOURNMENT

Mrs. BLITCH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 22 minutes p. m.), the House adjourned until tomorrow, Thursday, March 21, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

633. A letter from the Comptroller General of the United States, transmitting a report on the audit of the activities of the Corps of Engineers (Civil Functions), Department of the Army, and the Southwestern Power Administration, Department of the Interior, in the Arkansas, White, and Red River Basins, including the Whitney project, Texas, for the fiscal year ended June 30, 1956, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

634. A letter from the Chairman, Civil Aeronautics Board, transmitting a draft of proposed legislation entitled "A bill to amend section 201 (a) of the Civil Aeronautics Act of 1938, as amended, relative to the terms of office of Board members"; to the Committee on Interstate and Foreign Commerce.

635. A letter from the Assistant Secretary of the Interior, relative to stating that an adequate soil survey and land classification has been made of the lands in the Webster Unit, Solomon Division, Missouri River Basin project, Kansas, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation; to the Committee on Appropriations.

636. A letter from the executive secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1956, pursuant to Public Law 358, 75th Congress; to the Committee on the Judiciary.

637. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture, H. R. 3988. A bill to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes; without amendment (Rept. No. 210). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. H. R. 5206. A bill to authorize and direct the Postmaster General to estimate for each fiscal year certain expenses incurred by, and losses in revenues to, the Post Office Department, and for other purposes; without amendment (Rept. No. 211). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 85. Resolution authorizing the Committee on Banking and Currency to conduct studies and investigations, and to make inquiries, relating to the operation of the monetary and credit structure of the United States; with amendment (Rept. No. 212). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 6183. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. BAUMHART:

H. R. 6184. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H. R. 6185. A bill to amend the Railroad Retirement Act of 1937 to increase all annuities payable to individuals 70 years of age or over, to increase the yield of investments made from the railroad retirement account, and to make available a portion of such account to establish a new program of housing for retired railroad workers and other elderly persons; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Michigan:

H. R. 6186. A bill to amend the Railroad Retirement Act of 1937 with respect to the cessation by an individual of service to a person other than an employer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6187. A bill to amend section 7 (a) of the Natural Gas Act, so as to grant to the Federal Power Commission additional authority to require natural-gas companies to extend their transportation facilities to areas not already being served by them; to the Committee on Interstate and Foreign Commerce.

By Mr. BERRY:

H. R. 6188. A bill prohibiting lithographing or engraving on envelopes sold by the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROOKS of Louisiana:

H. R. 6189. A bill to amend section 305 (f) of the National Housing Act; to the Committee on Banking and Currency.

By Mr. CLARK:

H. R. 6190. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER:

H. R. 6191. A bill to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes; to the Committee on Ways and Means.

By Mr. REED:

H. R. 6192. A bill to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes; to the Committee on Ways and Means.

By Mr. DEMPSEY:

H. R. 6193. A bill to amend the act of June 19, 1956 (70 Stat. 296) by deleting the requirement that the property described revert to the United States if it is not used by the State of New Mexico for the training and support of the National Guard of New Mexico; to the Committee on Armed Services.

By Mr. DORN of South Carolina:

H. R. 6194. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

H. R. 6195. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. FINO:

H. R. 6196. A bill to eliminate the maintenance by the United States of perpetual accounts for unclaimed funds, and for other purposes; to the Committee on Government Operations.

By Mr. FOGARTY:

H. R. 6197. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. HAGEN:

H. R. 6198. A bill to exclude certain lands from the Sequoia National Park, in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

H. R. 6199. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mrs. KEE:

H. R. 6200. A bill to amend the Internal Revenue Code of 1954 to permit taxpayers to treat casualty losses sustained after the close of a taxable year as having been sustained during the taxable year; to the Committee on Ways and Means.

By Mr. KING:

H. R. 6201. A bill to amend the Internal Revenue Code of 1954, to remove certain firearms from taxation and registration; to the Committee on Ways and Means.

By Mr. LANKFORD:

H. R. 6202. A bill to exempt certain sales by semipublic institutions from the District of Columbia Sales Tax Act; to the Committee on the District of Columbia.

By Mr. LONG:

H. R. 6203. A bill to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; to the Committee on Banking and Currency.

By Mr. McGOVERN:

H. R. 6204. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Randall Dam on the Missouri River and for rehabilitation of the Indians of the Crow Creek Sioux Reservation, S. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MACK of Washington:

H. R. 6205. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 6206. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MORGAN:

H. R. 6207. A bill to authorize certain improvements on Chartiers Creek in the city of Washington and the township of Canton, Pa., for flood-protection purposes; to the Committee on Public Works.

H. R. 6208. A bill to authorize the appointment of an Assistant Secretary of State for African Affairs; to the Committee on Foreign Affairs.

By Mr. MORRISON:

H. R. 6209. A bill to increase the equipment maintenance allowance payable to rural carriers; to the Committee on Post Office and Civil Service.

H. R. 6210. A bill to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

By Mr. PORTER:

H. R. 6211. A bill to readjust postal classification on educational and cultural materials; to the Committee on Post Office and Civil Service.

H. R. 6212. A bill to provide for national scholarships for college and university undergraduate study; to the Committee on Education and Labor.

By Mr. PRICE:

H. R. 6213. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBSION of Kentucky:

H. R. 6214. A bill to repeal Public Law 769 of the 83d Congress, entitled "An act to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes"; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H. R. 6215. A bill to alleviate conditions of excessive unemployment and underemployment in depressed industrial and rural areas; to the Committee on Banking and Currency.

By Mr. TEWES:

H. R. 6216. A bill to amend section 307 (d) of the Communications Act of 1934, to provide that radio broadcasting licenses other than television broadcasting licenses shall be issued for a term of 5 years; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON of New Jersey:

H. R. 6217. A bill to provide an additional judge for the district of New Jersey; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 6218. A bill to amend the Civil Service Retirement Act to increase by an additional one-half percent the annuity computation formula for determining annuities for certain Federal employees; to the Committee on Post Office and Civil Service.

By Mr. BURDICK (by request):

H. J. Res. 280. Joint resolution establishing a National Shrine Commission to select and procure a site and formulate plans for the construction of a permanent memorial building in memory of the veterans of the Civil War; to the Committee on Public Works.

By Mr. METCALF:

H. Con. Res. 155. Concurrent resolution relative to raising the standard of living of the American Indian; to the Committee on Interior and Insular Affairs.

By Mr. MORRISON:

H. Con. Res. 156. Concurrent resolution relative to inviting Spain to become a member of the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. WAINWRIGHT:

H. Con. Res. 157. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization; to the Committee on Foreign Affairs.

By Mr. BOLLING:

H. Res. 207. Resolution providing for the consideration of the bill H. R. 6127; to the Committee on Rules.

By Mr. DENNISON:

H. Res. 208. Resolution requesting the House Office Building Commission to report to the House with regard to the feasibility of deferring or abandoning the construction of the additional House Office Building and the remodeling of the existing House Office Buildings, including certain related projects; to the Committee on Public Works.

By Mrs. KEE:

H. Res. 209. Resolution to authorize the Committee on Ways and Means to investigate and study the administration of the Social Security Act; to the Committee on Rules.

By Mr. SMITH of California:

H. Res. 210. Resolution requesting the House Office Building Commission to report to the House with regard to the feasibility of deferring or abandoning the construction of the additional House Office Building and the remodeling of the existing House Office Buildings, including certain related projects; to the Committee on Public Works.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Memorial of the Legislature of the State of Nevada, in full recognition of the success of the Boy Scouts of America, requests the Congress of the United States to give full support and endorsement to the Boy Scouts of America and the Fourth National Jamboree to be held at Valley Forge Park, Pa., July 12 to 18, 1957; to the Committee on the Judiciary.

By Mr. MARSHALL: Memorial of the House of Representatives of the State of Minnesota urging the Congress to adopt an agricultural policy to foster family-sized, owner-operated farms, passed by a vote of 94 to 4, on March 15, 1957; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Michigan:

H. R. 6219. A bill for the relief of Mrs. Margaret Schmals; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 6220. A bill for the relief of Itzhak Schwartz; to the Committee on the Judiciary.

By Mr. BYRNE of Illinois:

H. R. 6221. A bill to provide for the advancement of Brig. Gen. Manus McCloskey, United States Army, retired, to the grade of major general on the retired list; to the Committee on Armed Services.

By Mr. CRETELLA:

H. R. 6222. A bill for the relief of Vincenzo Bernardo; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 6223. A bill for the relief of Maria Ansuini; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 6224. A bill for the relief of Grete Misch Germack; to the Committee on the Judiciary.

By Mr. KELLEY of Pennsylvania.

H. R. 6225. A bill for the relief of Albert Chenet; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 6226. A bill for the relief of Mrs. Maria Kostek; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 6227. A bill for the relief of Monika Dunkl; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6228. A bill for the relief of Rivka Glesser; to the Committee on the Judiciary.

By Mr. SAUND:

H. R. 6229. A bill for the relief of Eusebio Ruiz Ibarra; to the Committee on the Judiciary.

H. R. 6230. A bill for the relief of Giovanni Terracina; to the Committee on the Judiciary.

H. R. 6231. A bill for the relief of Felipe Ruiz Ibarra; to the Committee on the Judiciary.

H. R. 6232. A bill for the relief of Luis Nunes Casas; to the Committee on the Judiciary.

H. R. 6233. A bill for the relief of Rosendo Cerda Sepulveda; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. R. 6234. A bill for the relief of H. W. Nelson Co., Inc.; to the Committee on the Judiciary.

By Mr. ZELENKO:

H. R. 6235. A bill for the relief of Rose Ying-Shen Ching; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

149. By Mr. BUSH: Petition of 20 citizens of Williamsport, Pa., and vicinity urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

150. By Mr. MORGAN: Petition of Mrs. Mary Barr and other residents of Star Route, Uniontown, Pa., favoring enactment of legislation which would prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

151. Also, petition of the Kenyon Circle of the Woman's Society of Christian Service, Asbury Methodist Church, Uniontown, Pa., favoring enactment of legislation which would prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

152. Also, petition of Mrs. Clara Shoaf and other residents of Perryopolis, Pa., favoring the enactment of H. R. 201, H. R. 1009, and H. R. 1111, which legislation provides that no air carrier shall serve alcoholic beverages to passengers while in flight; to the Committee on Interstate and Foreign Commerce.

153. By the SPEAKER: Petition of the faithful navigator, Long Island General Assembly, Knights of Columbus, Woodside, N. Y., reaffirming its 1955 and 1956 support of the principles of the proposed Bricker amendment to our Federal Constitution; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Some Fresh Air in the Fish and Wildlife Service

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. REUSS. Mr. Speaker, for the last 4 years conservationists have been greatly worried at the steady erosion in morale of the Fish and Wildlife Service of the Department of the Interior. This erosion has been due to the attempts by the administration to destroy the merit system in the Fish and Wildlife Service, and to replace its top career civil servants with political spoilsmen.

For more than 30 years prior to 1953, the Fish and Wildlife Service and its predecessor, the Biological Survey of the Department of Agriculture, were 100 percent career civil service agencies. Staffed with men and women of unusual skill and devotion from top to bottom, the Fish and Wildlife Service was an effective and dedicated branch of the Government.

THE SPOILS SYSTEM

Then early in 1953, shortly after President Eisenhower took office, began the degradation of the Fish and Wildlife Service. The top 4 positions in the Service—Director, Associate Director, and 2 Assistant Directors—were placed under schedule C, which meant that the career civil servants holding these positions were fired and replaced by political appointees.

The effect of this raid on the Service was utterly destructive of morale within the Service, and recruitment from without. In quick succession at least 8 top career conservationists of the Fish and Wildlife Service resigned, including Dr. Paul Hickie, Acting Chief of the Branch of Wildlife Research; Dr. Albert Day, Assistant to the Director; his assistants, Clarence Cottam and Dr. John L. Kask; Dr. Logan Bennett, Chief of the Branch of Wildlife Research; Dr. Durward Allen, Acting Branch Chief; Dr. Joseph Linduska, also Acting Branch Chief; Ernest Swift, Assistant Director.

CONGRESS RECOGNIZES THE SERVICE

The deterioration in the morale of the Service was quickly reflected in a deterioration in administration. The Service capitulated to the duck-baiting interests. It allowed an unprecedented horde of leases in the wildlife refuges. It let the program of acquiring wildlife refuges drag to a halt.

Congress last August 8, 1956, enacted into law Public Law 1024, the Fish and Wildlife Act of 1956, designed to restore the morale and effectiveness of the Fish and Wildlife Service. The act specified that the Fish and Wildlife Service should contain only two political appointments, the Assistant Secretary of Interior for Fish and Wildlife and the Commissioner of Fish and Wildlife, both to be appointed by the President with Senate confirmation. The intent of the act was that all lesser positions in the Fish and Wildlife Service should be restored to civil service.

THE NOVEMBER 27, 1956, LETTER

Hardly had the Fish and Wildlife Act of 1956 become law when the Department of the Interior moved to subvert it. Earlier, in 1953, the Department had taken the 4 top Fish and Wildlife positions from civil service and put them under the spoils system. Now, by a letter to the Civil Service Commission of November 27, 1956, signed by B. Otis Beasley, Administrative Secretary, Department of the Interior, the Department requested that 12 career positions in the Fish and Wildlife Service be taken from civil service and made political appointments. Of these 12 positions, 6 were vital line civil-service positions in the Fish and Wildlife Service—Director, Associate Director, and Assistant Director of the Bureau of Commercial Fisheries and of the Bureau of Sport Fisheries and Wildlife, respectively. This request would have increased from 4 to 6 the number of key Fish and Wildlife Service officials to be removed from civil service.

On January 24, 1957, I called to the attention of this House the Interior Department's further onslaught against the civil service. I pointed out the happy omen that on January 2, 1957, Ross Leffler, a nationally known conservationist, had been appointed Assistant Secretary for Fish and Wildlife, and expressed the hope that Mr. Leffler would, upon learning the facts, rescind the Interior Department's November 27, 1956, letter and instead fill the top positions according to the merit system.

The next day, January 25, 1957, I wrote Mr. Leffler. After referring to the November 27, 1956, request of the Interior Department, my letter stated:

> If the Civil Service Commission concurs in this request, it seems to me, such action would not only deal a severe blow to the morale of the career men in the Fish and Wildlife Service and hamper future recruitment, but go counter to the intent of the last Congress when it passed Public Law 1024, approved August 8, 1956.

CIVIL SERVICE RESTORED

I have now been informed that on March 13, 1957, a second letter has gone forward signed by B. Otis Beasley, Administrative Secretary, Department of the Interior, to the Civil Service Commission, withdrawing the request of November 27, 1956, for the transfer of 12 positions, including the 6 key-line positions referred to above, from the Civil Service to political appointment. Instead, the letter asks that only three positions be placed under schedule C—special assistant and administrative assistant to the Assistant Secretary for Fish and Wildlife, and special assistant to the Commissioner of Fish and Wildlife. Since both the Assistant Secretary and the Commissioner are properly political appointments, confirmed by the Senate, the request for 3 confidential assistants to these 2 political officials, on other than a civil-service basis, is justified. The March 13, 1957, letter furthermore abolishes the 5 political appointments set up in 1953.

The net result of all this is a complete victory, for the time being at least, for the conservationist principle in the

Fish and Wildlife Service. Under the March 13 letter, all key-line positions in the Fish and Wildlife Service, up to the purely political level of Assistant Secretary and Commissioner, are placed under civil service, which is where they should be. There is still a need for the enactment of H. R. 3650, a bill to prevent further tampering with these positions, but for the moment the civil-service principle has been vindicated.

I want to give full credit to Assistant Secretary Ross Leffler for redeeming the integrity of the Fish and Wildlife Service. Although he has been in office for only a few weeks, he has already gone far to restore morale in the Service. I know that Secretary Leffler will find those of us who have criticized the Fish and Wildlife Service in the bad old days now happily past will be equally quick to applaud and help him in his forward-looking administration of the reinvigorated Service.

Independent Offices Appropriation Bill Item Illustrates the False Economics of the Administration's Power Partnership Policy

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. ENGLE. Mr. Speaker, the House is today considering final action on the independent offices appropriation bill for fiscal year 1958. One of the defense research installations which is covered in this bill is the Ames Laboratory in California. This installation utilizes a rather extensive amount of electric energy. As a matter of fact, the estimated needs for fiscal year 1958 amount to 432 million kilowatt-hours. Funds are included in this bill for purchasing this amount. Now, the reason I am interested in this particular item is because of its relationship to Secretary Seaton's recent recommendation that the Pacific Gas & Electric Co. be allowed to develop the power facilities of the Trinity River project.

The Ames Laboratory purchases all the energy it can from the Federal Central Valley project because it can obtain such energy at a very low rate. The remaining needs must come from the Pacific Gas & Electric Co. For the fiscal year 1958 the testimony given the Appropriations Subcommittee indicates that half of the energy needed by the installation, or 216 million kilowatt-hours will have to be purchased from the Pacific Gas & Electric Co. Testimony given the Appropriations Subcommittee further indicates that the installation will have to pay about 13 mills per kilowatt-hour for this energy purchased from the company, as compared to 5 mills for the energy purchased from the Central Valley project, or a difference of 8 mills per kilowatt-hour. Based on these figures, 216 million kilowatt-hours would cost the Federal Government $1,728,000 more from the P. G. & E. than from the Federal project.

Now the point is this: At the same time the Federal Government is paying this excessive electric energy cost for operating one of its own installations, the administration is recommending that Central Valley project power facilities which could supply this energy be developed by the Pacific Gas & Electric Co. There is a growing indication, and this is an example, that Secretary Seaton has greatly underestimated the financial losses to Federal installations and public agencies which would result from acceptance of his Trinity project recommendation.

Economy in Government but Not at Expense of Humanitarian Program

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. DINGELL. Mr. Speaker, the thing which has worried me most about the recent remarks by Secretary Humphrey, indicating that he and the President had sent Congress a rough draft budget, has been the possible use to which those remarks might be put. I am interested in economy in government and have voted a number of times this year for cuts in appropriations. However, the chamber of commerce in an article reported in the Washington (D. C.) Evening Star on Friday, March 15, 1957, has apparently seized upon the size of the present budget and the remarks of the Secretary of the Treasury as being an invitation to eliminate certain very important programs. The chamber of commerce advocates doing away with the Federal aid to States for school construction, and Federal contributions to the States in the amount of some $850 million in 1957, and $1,049,000,000 in the proposed 1958 budget for Federal contributions to old-age assistance.

Those contributions are some of the best and most important features of the budget. They make possible a $60 a month payment by the States to aged needy, of which $39 is furnished by the Federal Government. The danger of this situation is aggravated by the fact that the States at present are having an extremely difficult time finding new sources of revenue. The effect of this proposal will be to do away with or very substantially curtail payments of old-age assistance by the States. The best that can be hoped for if the proposal of the chamber of commerce goes into effect is that old folks will witness a very substantial reduction in the amount of their old-age assistance payments. I am surprised and shocked to see that the chamber of commerce would come out with such a proposal. It becomes clear to me that the big budget talk of which the chamber of commerce has made so much, is not a genuine desire for lessening Federal expenditures, but rather is a hope to do away with worthwhile programs like old-age assistance and Federal aid to States for school construction. In effect the chamber of commerce is striking at the youth and aged of this country. We can well expect to find that the next subject for attack will be existing Federal school-aid programs, assistance for school-lunch programs, social security, Federal grants for hospital construction for research and health, and a multitude of other important, humanitarian programs.

New Republicanism

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith an article which appeared in the Washington Post and Times Herald today, March 20, 1957. The article entitled "Weeks, on TV, Willing To Cut Budget, Insists, at Hearing, on Keeping It All," follows:

TO PARE OR NOT TO PARE—WEEKS, ON TV, WILLING TO CUT BUDGET, INSISTS, AT HEARING, ON KEEPING IT ALL

Members of a House Appropriations Subcommittee yesterday said Commerce Secretary Sinclair Weeks backed down under questioning from his televised suggestion that Congress could cut his budget by $50 million.

"He wants us to leave it all in the bill," Representative PRINCE PRESTON, Democrat, of Georgia, told the House. PRESTON said Weeks supported every item in the new budget, including grant funds that he characterized Sunday as Federal handouts to the States.

PRESTON said his subcommittee called Weeks for questioning after he said on a broadcast Sunday that Congress could knock $50 million out of the $904 million budget for his agency by eliminating projects it authorized last year that the Department did not request.

"They have added that on to what we asked for," Weeks said on the telecast. "And I think if they want to start economizing, they can start right there."

PRESTON said the subcommittee, which had heard from Weeks earlier, recalled him yesterday to ask where the cuts could be made.

"Upon direct questioning, he didn't want to take it out at all," PRESTON said. "So here we have a Cabinet member saying one thing to a TV audience for public consumption and another thing when he comes before a Congressional committee."

According to PRESTON, Weeks told the group what he referred to was $42.5 million in airport aid and $7.5 million for construction of forest roads. Authorization for this spending was passed by Congress last year and President Eisenhower included funds to finance the work in his budget for the new fiscal year.

PRESTON accused Weeks of "trying to put the monkey on the back of Congress" in discussing possible savings in President Eisenhower's record $71,800,000,000 budget.

He pointed out that the Commerce Department is seeking 28 percent more funds than Congress allowed the agency for the current year.

Control of Fairbanks, Morse Co.

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. ARENDS. Mr. Speaker, my attention has been drawn to the possible effect of a proxy fight for control of Fairbanks, Morse Co., one of the oldest, successful industrial companies in Illinois, headed by Robert H. Morse, Jr., a distinguished Illinois citizen whose family founded the company. This proxy fight and its possible results are of great public interest in my State. One of the company's principal operating plants and several thousand of its employees reside in Illinois and its main office is in Chicago.

In its campaign to take over control of Fairbanks, Morse Co., Penn-Texas Co., a holding company for Leopold Silberstein, has resorted to newspaper advertisements directed to officers and employees of the company. There is normally no harm in using such ads to get a message over to readers of the press, but many of the particular persons to whom these ads are directed are legally protected against improper representations as stockholders of Fairbanks, Morse Co., under its employees stock purchase plan.

The advertisements are of questionable legality, because Securities and Exchange Commission rules prohibit the solicitation of proxies through the use of advertisements or other communications containing predictions as to future market values, earnings, or dividends which may mislead stockholders into giving up their proxies.

It is also illegal under the SEC rules to make claims prior to a stockholders meeting regarding the results of solicitation of proxies. But these rules seem to have had little effect in the campaign by Penn-Texas Co. to take over the management of the long-established and conservatively managed Fairbanks, Morse Co.

The local advertising used in every State where Fairbanks, Morse plants are located has sought to reassure the officers and employees that their jobs will be secure under Penn-Texas management. The advertisements make vague references to Penn-Texas financial condition by citing the gross 1956 sales figures for the several companies it controls, but omits even a general statement of earnings for the same period. Gross sales is no measure of a company's financial position. Mr. Silberstein has been repeatedly challenged by Mr. Morse, president of Fairbanks, Morse Co., to publish the Penn-Texas operating statement for 1956 but has thus far responded only with a promise to issue an earnings statement in the future. There is no assurance that any earnings statement will be issued before Fairbanks, Morse shareholders are asked to vote upon the management for the future. Fairbanks, Morse Co. enjoys excellent employee and stockholder relations. The only conceivable purpose of the advertisement used by Mr. Silberstein is to create friction and misunderstanding to the detriment of the Fairbanks, Morse Co.

What does it matter that Penn-Texas seeks to control Fairbanks, Morse and why should Congress be interested. But it does matter, and Congress should be interested.

During the twenties the acquisition of control of sound companies by large holding companies resulted in extensive losses to public securities holders and employees. The abuses of the twenties were intended to be controlled by the establishment of the Securities and Exchange Commission and arming it with various statutes, including the power to regulate the solicitation of proxies for companies listed on national exchanges.

The present Fairbanks, Morse proxy struggle for control of the company brings into question whether the various devices used by Penn-Texas disregard the Securities and Exchange Commission rules governing such contests.

It is very significant that on the same day Penn-Texas used the newspaper letter advertisements to officers and employees. Mr. Silberstein publicly claimed that control of Fairbanks, Morse had already been won by Penn-Texas and predicted the company would double its profits under new management by Penn-Texas.

One question of prime interest to Congress in this case is the effect of using foreign sources to finance the stock purchases for Penn-Texas without knowing, or being able to find out who is the real owner of the funds provided. Yesterday, George E. Sokolsky pointed out in his column in the Washington Post and Times Herald that there is a tremendous amount of money loose in the world, some of which is "hot money" going through a process of legitimization. Mr. Sokolsky points out that all of the "hot money" reaches the American borrower from an intermediate legitimate source, such as a Swiss bank or through American banks with such connections. Thus, the borrower has the advantage of an intermediate arrangement which makes it possible for him not to know who the actual beneficiary or rightful owner of the money is.

Acquisitions of shares of Fairbanks, Morse Co. by Silberstein have been arranged behind a cloak of foreign secrecy and possibly intrigue. This raises serious questions as to who may actually be behind the campaign to take over Fairbanks, Morse Co.

It is a matter of great public interest for the SEC to get all the facts as to the identity of persons who originally provided the shares and the arrangements that made them substantial profits by selling to Swiss sources. In turn, it is of prime importance to know whether there were any prior arrangements for sale or contract for sale to Silberstein or Penn-Texas.

These questions are properly subject for SEC inquiry. I am sure the Commission will make a thorough investigation of all of the questions raised in this proxy battle before it permits stockholders to choose the management for Fairbanks, Morse Co. for the next year.

Pacific Gas & Electric Co.'s Advertising Campaign

EXTENSION OF REMARKS

OF

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. MOSS. Mr. Speaker, under leave to extend my remarks, I should like to direct special attention to the Pacific Gas & Electric Co.'s current advertising and public-relations campaign in California, aimed at depriving the residents of my State and district of the full benefits of their vested rights in the Trinity River project authorized by the 84th Congress.

The current high-priced, high-pressure advertising campaign of the Pacific Gas & Electric Co. to sell its so-called partnership plan to the people of northern California in connection with the Trinity River development is the most brazen I have ever seen undertaken by anyone at any time. It is akin to an attempt to convince millions of people that white is really black after all.

The ads are loaded with distortions of fact, half truths, false assumptions, and outlandish juggling of figures. They are cunningly designed to justify the taking away of a most valuable public resource, and allow its resale to the people at a fat profit to the utility company.

I do not propose to sit silent while the Pacific Gas & Electric Co. attempts to sell the people of my district this partnership fairy tale about the Trinity project. Actually if the company's plan goes through, the Government would pay all but a small part of the entire project, the Pacific Gas & Electric Co. would get the lion's share of the benefits and the user would pay in full for those benefits.

The Pacific Gas & Electric Co. makes much of the claim that if it is permitted to utilize the falling waters of the Trinity for the production of power, it will pay large sums in State, local, and Federal taxes and that other water developments, such as the San Luis project, can be built in whole or in part with the benefits gained under the Pacific Gas & Electric Co. plan. This is a deliberate effort to fool and delude the power and energy users of California.

What shocks me most about the Pacific Gas & Electric Co.'s deceptive advertising campaign, however, is that it is

being conducted at the expense of the power-buying public. The utility company does not actually lay out a dollar in this vast and expensive advertising campaign.

Not only does the homeowner, farmer, and businessman using electricity pay for these ads, but if the Pacific Gas & Electric Co. plan goes through, every single item of cost involved in this partnership venture will also be paid by the consumer.

I am convinced that the Pacific Gas & Electric Co.'s design on the Trinity project foreshadows something even bigger—a future attempt on the part of this utility to take over the federally owned Central Valley project power facilities from Shasta Dam in the north of California to Friant Dam in the south.

If the Pacific Gas & Electric Co. is permitted to buy the falling water of the Trinity, it will be a reversal of more than 50 years of Federal power policy. Ever since the Reclamation Act of 1902 it has been the established policy of the United States that electric power and energy be disposed of to consumers in such manner as to encourage its widespread use at the lowest possible rates consistent with sound business principles. Additionally, the policy has been to give preference for public power to public agencies, municipalities, and cooperatives.

If the Pacific Gas & Electric Co. partnership plan is approved, current preference provisions of the law could not be complied with and preference agencies would be required to pay $36 million more for power and energy over the 50-year period of repayment than under Federal development of the project.

In the event that the San Luis unit of the CVP now proposed for authorization is constructed, preference customers would have to pay a total of $118 million more for energy.

The CVP, of which Trinity is an integral part, was not constructed for profit-making purposes, but to meet the needs of the people of the Sacramento and San Joaquin Valleys for water, flood control, and low-cost electric power. Water rates are set by the Federal Government according to the ability of the farmers to pay. Sale of public power helps keep these rates down.

As presently operated the CVP is an integrated system of dams, reservoirs, canals, distribution systems, powerplants, and powerlines, all designed for comprehensive development of the Central Valley. Pacific Gas & Electric Co.'s so-called partnership would set apart one unit of the CVP, the Trinity project, and operate it on a different basis from all the rest.

This is neither efficient nor sensible. To permit the Pacific Gas & Electric Co. to get away with its scheme to grab Trinity power would mean the end of public power in California, and probably in the Nation.

There is another point I should like to mention. Under the P. G. & E. proposal, the project plan of operation would provide for releases of water to maximize the power and energy production. The proposed contract includes a very detailed schedule of releases designed to produce the maximum amount of power and energy for integration into the company's overall power system.

Theoretically, the water needs of the project would retain priority. However, any time the Federal Government could not meet the schedule of releases for power because of interference with water consumptive use requirements, the Federal Government would have to pay the company penalties for such noncompliance with the schedule.

I have strongly urged the citizens of the Third Congressional District not to be deluded by the specious promises of the P. G. & E., but to ascertain for themselves the facts in the Trinity River controversy before it is too late to preserve their rights.

Some Concrete Goals for United States Policy in Middle Europe

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. REUSS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith an article by me entitled "The Hope of Europe," which is contained in the April 1957 issue of the Progressive:

THE HOPE OF EUROPE

(By HENRY S. REUSS)

The people's rejection of Soviet tyranny throughout Middle Europe demonstrates once more that there is no finality to despotism. Neither years of Communist indoctrination nor the use of Soviet tanks and bayonets have succeeded in keeping the captive peoples immobile.

Nothing about Middle Europe is stationary, in fact, except the position of the United States Government. For years the administration has talked loudly of liberation. The 1952 Republican platform promised to replace the Democrats' "negative, futile, and immoral policy of containment" by a program which would "set up strains and stresses within the captive world." Newspaper advertisements depicted a uniformed General Eisenhower swearing "upon my honor, as a fighter for freedom, before God, I will work for liberation." In January 1953, Mr. Dulles said he "would use the Voice of America to help stir discontent and to let the Poles, Czechs, and others know that they have this country's support," and talked encouragingly of "air drops to aid such peoples." All this caused headshaking by sober people like Gen. Walter Bedell Smith, who warned that "the so-called policy of liberation is a very tricky and dangerous one."

Big talk about "liberation by air drop" died last November 4, with the pathetic unanswered S O S for Western help from the free Hungarian radio.

Within a few days, on November 14, President Eisenhower was saying, "But I must make one thing clear: the United States does not now and never has advocated open rebellion by an undefended populace against a force against which they could not possibly prevail." Simultaneously, the State Department let it be known that the captive nations must not go too far too fast toward freedom. At his December 18 press conference, Secretary Dulles denied that this country was contemplating negotiation for the withdrawal of Soviet troops from Central Europe. On hearing this, according to the London Economist's Hungarian correspondent, "the people of Budapest cursed Mr. Dulles; and the security police, their peace of mind restored, resumed their activities." In January, President Eisenhower turned down Prime Minister Bulganin's November 17 offer to negotiate the European question on the basis of mutual troop withdrawals. And in March the administration let the U. N. General Assembly session run out without attempting to add to its agenda the question of the threat to world peace posed by ferment in the satellites.

Whether because of a guilt complex stemming from the bankruptcy of its own "liberation by airdrop" talk, or from a general lack of creative imagination, the administration remains immobile on the Middle Europe question. Meanwhile, there is emerging from the Democratic side of Congress the outline of what a responsible opposition is supposed to produce: an alternative policy. Such a policy rejects the role both of saber rattler and of dazed and passive bystander. In the Senate, MIKE MANSFIELD of Montana set the framework in a thoughtful speech on January 29:

"Our interest with respect to Eastern Europe and even the Soviet Union itself is not merely in the tearing down of tyranny * * * Our fundamental interest is in the building up of stable, responsible, and humane governments, peaceful governments, which can take their rightful place in a peaceful Europe and in a world at peace."

In December, Senator HUBERT HUMPHREY had called for more detailed discussions on the establishment of a demilitarized zone. And a group of 12 Democrats in the House (HUGH J. ADDONIZIO, THOMAS L. ASHLEY, CHARLES A. BOYLE, JOHN D. DINGELL, TORBERT H. MACDONALD, EUGENE J. MCCARTHY, HENRY S. REUSS, GEORGE M. RHODES, PETER W. RODINO, JR., JAMES ROOSEVELT, B. F. SISK, FRANK THOMPSON, JR.) had written the President suggesting some concrete goals for United States policy in revolution-torn Middle Europe, based on our own revolutionary ideals of life, liberty, and the pursuit of happiness:

"1. Life: To bring an end to the threat of war in Central and Eastern Europe. A road toward that goal: creation of a demilitarized area, without the capacity to make aggressive war, for 1,000 miles from the Rhine to Russia's historic boundaries, with the demilitarization and the security of the area guaranteed by East and West.

"2. Liberty: To free the peoples of Central and Eastern Europe from foreign occupation or domination; to confirm their right to free elections, free speech, free worship, the civil liberties, protection for minorities; and at the same time to guard against the rebirth of totalitarianism from any quarter. A road toward that goal: embedding these human rights in the constitutions of the liberated states, with an international guaranty of their preservation.

"3. The pursuit of happiness: To hasten the economic and social progress of the liberated areas, and to provide an alternative to the old nationalistic rivalries for territory and resources. A road toward that goal: encouraging (by such steps as economic aid under international auspices) regional federation and economic integration in Central and Eastern Europe."

Let us look at the effect of such a proposal upon the United States, upon our NATO allies, including Western Germany, upon the captive nations, and finally upon Russia herself.

First, how will it serve the national interests of this country? Brute military force is the single most important factor behind Soviet control. To secure the withdrawal of Russia's troops to her own borders would at one stroke remove the greatest daily threat of atomic war and rescue an area which is essential to Communist plans for world domination. Thus our great object must be to rid mid-Europe of Russian soldiery.

Since war has rightly been excluded as a method of attaining this object, and since do-nothingism will do nothing, a proposal for negotiation is essential. It was pressure and negotiation, after all, which got the Russians out of Iran in 1946 and broke the Berlin blockade in 1949.

A Russian troop withdrawal would obviously require as its price a somewhat parallel Allied withdrawal. The exact measure of the price is subject to much debate. But a Western withdrawal to the Rhine, as proposed, would leave us our major air bases, and still provide room for all the United States troop strength presently in Europe. In view of the proposed shrinking of NATO ground forces in Europe in any event, it seems shortsighted to allow them to be depleted without at least attempting to get something in exchange for the depletion.

But how can you trust the Russians? As for getting out, you don't have to trust them: unless they get out, no cigars. As for staying out, there would be guaranties by NATO on the one hand and Russia on the other of the security of the demilitarized areas, including Germany. Just as now, a violation of its pledge by Russia could be the subject of retaliation by the West—but with two important differences. First, a general settlement would reduce the present tensions which might lead to Russian aggression. Second, a Russian aggression would have to start, not from East Berlin or Mecklenberg or Thuringia as at present, but from hundreds of miles east, on Russia's own border.

Now, what of the reaction of our NATO allies to the proposal? How does it serve their interests, and what view are they likely to take of it? In fact, the relaxation of tensions seems a much more immediate need to the Western Europeans than to us, insulated to some extent by the Atlantic. The specter of a Germany divided or reunited with unrestricted armaments, deeply troubles Britain, France, and other European countries which remember vividly the two recent world wars. Even in Germany—if my impression from recent conversations with dozens of German visitors is accurate—there is strong sentiment that cuts across right, middle, and left that Germany's best chance of greatness lies in peaceful statesmanship, not armed might. It is a rare German who would assert publicly that reunification in freedom and Russian troop withdrawal would not be a good trade for a self-imposed arms restriction. Such approval as you find for German rearmament is often couched in the statement: "America wants German rearmament, so we go along."

Not only would such a proposal suit the interests of our NATO allies. There is considerable evidence that their leaders recognize this, and are willing to act on it if we give them a chance and let them know that the subject is not out of bounds for discussion. French and British spokesmen have from time to time talked about troop withdrawals and demilitarized zones.

It is true that until recently Chancellor Adenauer admitted no possibility of discussing the question of "thinning out" of troops. But recently he has changed his mind, at least until the elections next September. The Eisenhower administration's refusal to propose a negotiation, so far as it stems from fear of undermining the Chancellor's campaign for reelection, seems misguided. The proposal asks for a united Germany restricted to defensive armaments, as a first step toward world disarmament. It does not ask for a Germany that is neutral, or one that could not aline itself with a continuing NATO to the extent of its restricted military abilities. It is thus not identified with either the position of the German Social Democrats or with that of Chancellor Adenauer's Christian Democrats. In any event, the position of government and opposition in Germany has moved much closer on the issue of a negotiated reunification.

It is important to consider the question of German reunification and liberation of the satellites together. Unless a basis for settling the Oder-Neisse territorial question between Germany and Poland is presented as part of a central European settlement, Poland might oppose a pullback of the Red army because she feared future designs on the territory by a reunited and possibly rearmed Germany. Moreover, the Oder-Neisse problem, if unresolved, would continue to haunt prospects for peace generally.

An Oder-Neisse compromise would be a lot easier if set in the framework of a middle Europe in which nationalism is played down. If the ultimate order for a free middle Europe is to embrace economic integration and federation, it should be possible to find a solution for these territories—perhaps by a division between Poland and Germany, perhaps as an autonomous member of some larger federation. If all can share in the economic benefits, it is no longer so necessary to national pride that each country seek to expand its boundaries.

But what of the captive peoples, who cannot speak up for themselves? They have already spoken, most eloquently, in the streets of Budapest. The one great lesson of Hungary's agony is that the spirit of human liberty seems able to continue even through 1984. Whoever has fought to conquer middle Europe in the past has found that the spirit for freedom of its people can never be shaken, that their individualism is a passionate belief.

But national freedom alone—Wilson's "self-determination"—is now recognized as a will-o'-the-whisp. The states of middle Europe in an atomic world cannot possibly revert to 1919 nationalism in a military or economic sense.

Demilitarization of the area with security guaranties from East and West is no longer anathema to nations which could defend themselves only for minutes under modern armed attack. A demilitarized Finland has succeeded in preserving its national sovereignty in spite of its location next to the Soviet Union. When the Polish workers issued their manifesto at Poznan and asked for withdrawal of Russian troops, they sought not reincarnated Polish forces but forces of the U. N. instead.

Just as a middle European nation cannot be self-sufficient in defense, it cannot be self-sufficient in economic life. A workable solution must protect the great cultural heritages of Poles and Czechs, Hungarians and Slovaks by supporting them in a going economy. And that means economic integration, free movement of goods and people, and the steady development of regional institutions—stimulated if need be by Western economic aid. Such a regional federation, based on the free consent of the people concerned, could ultimately look toward voluntary association in appropriate matters with larger units of the free world. For instance adherence to the Council of Europe could help lead toward an ultimate political and economic unification of Europe that would revive the dream of Dante.

This middle European goal of national freedom, of language, customs, and cultures, coupled with an international look to defense and economics, would surely be embraced by the democratically elected representatives of these peoples as soon as they have the power to speak.

Finally, we must ask whether Russia would accept such a proposal. Until we try, no man can tell. But the time seems ripe. The satellites, once thought firmly in the Kremlin's grip, have shown they are ready to turn their guns east, not west. Even within Russia, the post-Stalin collective leadership has not been able to silence the inquiring minds of the youth which it has gone to such pains to educate.

These new elements—independent thought in Russia and weakness in the satellites—may induce a breakthrough of a new Russian leadership if a sense-making proposal were presented.

And surely the proposal answers the real Russian need. It would minimize the threat of atomic war, which Russia should want no more than we. In return for getting out of the badly sagging satellites—and gaining a little reputation for good behavior among its slipping Afro-Asian clientele in the bargain—Russia would get assurance against what she considers to be the military threat of a rearmed middle Europe, including Germany. This assurance could be made even stronger if it were backstopped by a reciprocal ground and air inspection system for the demilitarized areas, and if a European security treaty were adopted by both East and West. The guaranties of human rights in the liberated states would be guaranties against iron guardist tyranny as well as against Communist tyranny. And economic internationalism in middle Europe would insure Russia of a trading area very much in her interest. Indeed, the proposal has such real advantages for Russia's legitimate interest that we need to remind ourselves that our primary objective is not making things difficult for Russia but producing a peaceful world.

But suppose Russia rejects such a proposal. Still, we are vastly ahead for placing it on the record. America cannot remain silent on the kind of middle Europe we want to see emerge from the long nightmare of communism. The responsibilities of world power require that we define our aim, in time and so clearly that all men may paste it in their hats. Woodrow Wilson's 14 points, by presenting the Allies' blueprint for a future world order, did much to counteract the spurious Bolshevik peace offensive of 1918 and to halt the march of communism. Contrarily, in World War II the Allies' failure to announce a policy for postwar Germany other than the negative policy of unconditional surrender was, in the words of Hanson Baldwin, "the biggest political mistake of World War II * * * it discouraged opposition to Hitler, probably lengthened the war, cost us lives, and helped to lead to the present abortive peace."

Our vision of a free middle Europe should be made known. For once known, it can begin to mold events—by encouraging the captive peoples and by giving the Russians an alternative. The times cry for a fresh policy, but the administration sits idle, afraid to seize the moment. Before another such opportunity presents itself, a new Stalin may arise, and it will be too late.

Stephen Foster Memorial at White Springs, Fla.

EXTENSION OF REMARKS

OF

HON. D. R. (BILLY) MATTHEWS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. MATTHEWS. Mr. Speaker, one of the most beautiful spots in Florida is the Stephen Foster Memorial in White Springs, in my Congressional district. Here on the banks of the beautiful Suwannee River we have a most attractive building that houses many of the mementos connected with Stephen Foster. I cordially invite my colleagues and their friends to visit this beautiful site when next they go to Florida. White Springs is located on United States Highway No. 41, and it is fast becoming one of Florida's most attractive shrines.

Many interesting programs are held at the Stephen Foster Memorial throughout the year. Musical programs featuring the songs of Stephen Foster are attracting increasing attendance and interest.

I am delighted to note that Mrs. Eisenhower, Mrs. George Humphrey, Mrs. George Allen, and Mrs. Eisenhower's mother, Mrs. Dowd, visited the Stephen Foster Memorial on Friday, February 15, for about 2 hours. I appreciate the fact that these gracious ladies expressed their enjoyment of their visit.

On next July 4, we plan to dedicate the memorial tower and carillon. I know this will be a great occasion for our people in that area of the State, and I hope it is possible for many of our friends from all over the country to be with us on that occasion.

SENATE

THURSDAY, MARCH 21, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, we turn to Thee with grateful hearts, that Thou dost richly fill our lives with blessings unnumbered and vast. We thank Thee for homes to share, for kindred to love, for friends to cherish, and for a place of service to fill, a work in the world to do. Forbid that we should walk through Thy beautiful world with unseeing eyes—and that, even as Spring trips north with rustling shade, and when all Thy creatures of the bird chorus greet the morning with songs and shouts of joy, any of us should wear a cheerless and unresponsive face as we sit in the seat of the scornful.

Strengthen within us the faith that deep in the heart of all things good is the urge to grow and blossom, and that no ugly force of evil can ever defeat the irresistible climb of man to a better and a brighter world. Use us, we pray Thee, to lift our generation a little nearer to that golden goal. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, March 19, 1957, was approved, and its reading was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 13. An act to amend sections 323, 331, 334, 335, 336, 337, 363, and 376 of, and to add a new section to, the Bankruptcy Act approved July 1, 1898, and acts amendatory thereof and supplemental thereto;

H. R. 110. An act to amend section 372 of title 28, United States Code;

H. R. 277. An act to amend title 17 of the United States Code entitled "Copyrights" to provide for a statute of limitations with respect to civil actions;

H. R. 1562. An act for the relief of Maj. John P. Ruppert;

H. R. 2401. An act to provide for the reconveyance of certain land to the city of Spearfish, S. Dak.;

H. R. 2622. An act to repeal certain provisions of title 10, United States Code, relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force;

H. R. 2950. An act for the relief of Lt. Col. Emery A. Cook;

H. R. 3028. An act to provide for the relief of certain female members of the Air Force, and for other purposes;

H. R. 3235. An act to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps;

H. R. 3513. An act to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers;

H. R. 3818. An act to provide for the maintenance of a roster of retired judges available for special judicial duty and for their assignment to such duty by the Chief Justice of the United States;

H. R. 4271. An act to provide that the Delegate from Alaska in the House of Representatives of the United States may be a member of the Alaska International Rail and Highway Commission;

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska;

H. R. 6070. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes; and

H. J. Res. 279. Joint resolution authorizing the procurement of an oil portrait and marble bust of the late Chief Justice Fred M. Vinson.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 91. Concurrent resolution expressing the sense of the Congress with respect to the recognition of the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., as a memorial to all American war dead; and

H. Con. Res. 115. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H. R. 13. An act to amend sections 323, 331, 334, 335, 336, 337, 363, and 376 of, and to add a new section to, the Bankruptcy Act approved July 1, 1898, and acts amendatory thereof and supplemental thereto;

H. R. 110. An act to amend section 372 of title 28, United States Code;

H. R. 277. An act to amend title 17 of the United States Code entitled "Copyrights" to provide for a statute of limitations with respect to civil actions;

H. R. 1562. An act for the relief of Maj. John P. Ruppert;

H. R. 2950. An act for the relief of Lt. Col. Emery A. Cook;

H. R. 3028. An act to provide for the relief of certain female members of the Air Force, and for other purposes; and

H. R. 3818. An act to provide for the maintenance of a roster of retired judges available for special judicial duty and for their assignment to such duty by the Chief Justice of the United States; to the Committee on the Judiciary.

H. R. 2401. An act to provide for the reconveyance of certain land to the city of Spearfish, S. Dak.; to the Committee on Interior and Insular Affairs.

H. R. 2622. An act to repeal certain provisions of title 10, United States Code, relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force;

H. R. 3235. An act to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps; and

H. R. 3513. An act to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers; to the Committee on Armed Services.

H. R. 4271. An act to provide that the Delegate from Alaska in the House of Representatives of the United States may be a member of the Alaska International Rail and Highway Commission; to the Committee on Foreign Relations.

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska; placed on the calendar.

H. R. 6070. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

H. J. Res. 279. Joint resolution authorizing the procurement of an oil portrait and marble bust of the late Chief Justice Fred M. Vinson; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 91) expressing the sense of the Congress with respect to the recognition of the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., as a memorial to all American war dead, was referred to the Committee on Interior and Insular Affairs, as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., has been dedicated to the glory of God as a memorial to all American war dead, and is so recognized.

The concurrent resolution (H. Con. Res. 115) expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization was referred to the Committee on Foreign Relations, as follows:

Whereas the United States, Belgium, Canada, Denmark, Federal Republic of Germany, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, and United Kingdom are parties to the North Atlantic Treaty; and

Whereas the primary objective of the treaty is to contribute to the maintenance of peace by making clear the determination of the parties collectively to resist armed attack upon any of them; and

Whereas the parties have joined, pursuant to the treaty, the North Atlantic Treaty Organization, a collectively defense arrangement for the North Atlantic area established within the framework of the United Nations Charter and based upon the inherent right of individual or collective self-defense recognized by article 51 of the charter; and

Whereas the membership of Spain would strengthen the strategic position of the North Atlantic Treaty Organization and of the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States that the Department of State should continue to use its good offices toward the end of achieving participation by Spain in the North Atlantic Treaty and as a member of the North Atlantic Treaty Organization.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO MINIMUM PERIOD FOR REPLACEMENT OF CERTAIN LIVESTOCK

Mr. JOHNSON of Texas. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954, to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain for tax purposes.

The long-continued drought in the cattle country of the Southwest has forced many cattlemen to sell their valuable foundation herds, often at sacrifice prices. These cattlemen made such sales with the clear and logical intention of buying replacement stock and getting back in the cattle business as soon as the drought ended.

Despite this fact, until last year the cattlemen had to pay capital gains tax on the money received from the sale of their herds. The law was changed last year, to permit farmers and ranchers to hold, tax free, money received from emergency and forced sales of draft, were eventually used to replace basic herds.

The trouble is, Mr. President, that this is merely a permissive provision. While the Commissioner of Internal Revenue is permitted to extend the period during which the cattleman may replace herds he sold because of the drought, the hard fact is that our farmers and ranchers have experienced considerable difficulty in obtaining extensions of time. Soon after the law was changed, the Internal Revenue Service declared that no extension of time for replacing the animals he had sold would be allowed unless the applicant could show "reasonable cause" for not being able to replace his livestock within 1 year.

The question immediately arises as to what is "reasonable cause." It takes time to rebuild ranges and pasturelands that have been subjected to a prolonged drought. We have been having some rain in Texas during recent weeks, but our ranges and pastures have not been restored. We must have more time and more rain—accompanied by sound land management—before the grasslands will come back.

Mr. President, my bill would simply allow our stockmen at least 5 years to replace their sacrificed foundation herds before they have to plead for an extension and furnish an affidavit of "reasonable cause."

I believe this is just. I believe it is wise. I believe it is a necessary step to encourage our stockmen to return to the cattle business when the drought is ended and our pasturelands regain their productivity. These producers should not be penalized by their own Government because of a disastrous situation not of their making.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1652) to amend the Internal Revenue Code of 1954 to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain, introduced by Mr. JOHNSON of Texas, was received, read twice by its title, and referred to the Committee on Finance.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF FEDERAL SEED ACT OF AUGUST 9, 1939, AS AMENDED

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF SOCIAL SECURITY ACT

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes (with an accompanying paper); to the Committee on Finance.

FACILITATION OF PAYMENT OF GOVERNMENT CHECKS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to facilitate the payment of Government checks, and for other purposes (with accompanying papers); to the Committee on Government Operations.

AUDIT REPORT ON ARKANSAS, WHITE, AND RED RIVER BASINS WATER RESOURCES DEVELOPMENT PROGRAM, AND SOUTHWESTERN POWER ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Arkansas, White, and Red River Basins water resources development program, Corps of Engineers (Civil Functions), Department of the Army, and Southwestern Power Administration, Department of the Interior, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, WEBSTER UNIT, SOLOMON DIVISION, MISSOURI RIVER BASIN PROJECT, KANSAS

A letter from the Assistant Secretary of the Interior, certifying, pursuant to law, that an adequate soil survey and land classification had been made of the lands in the Webster unit, Solomon division, Missouri River Basin, project, Kansas, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO TERMS OF OFFICE OF BOARD MEMBERS

A letter from the Chairman, Civil Aeronautics Board, Washington, D. C., transmitting a draft of proposed legislation to amend section 201 (a) of the Civil Aeronautics Act of 1938, as amended, relative to the terms of office of Board members (with accompanying

papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF LABOR

A letter from the Acting Secretary of Labor, transmitting, pursuant to law, a report of tort claims paid by that Department during the year ended December 31, 1956 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Kings County, Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treatymaking power; to the Committee on the Judiciary.

JOINT RESOLUTION OF UTAH LEGISLATURE

Mr. WATKINS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, Senate Joint Resolution 11, entitled "Joint Resolution on Critical Minerals," which was duly signed by the president of the senate and speaker of the house of representatives of the Utah State Legislature on March 14, 1957.

The resolution, forwarded to me by the secretary of state of the State of Utah, memorializes the Congress to appropriate sufficient funds to stimulate the production of certain minerals, metals, and materials indispensable in the construction of jet engines.

This expression of both houses of the Utah Legislature is indicative of the interest felt throughout the West and other minerals producing areas in the interim purchasing program authorized by the 84th Congress to sustain producers of certain strategic minerals until Congress enacts the long talked-about long-range minerals policy program.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 11

Joint resolution of the 32d Legislature of the State of Utah memorializing Congress to appropriate sufficient funds to stimulate the production of certain critical minerals, metals, and materials indispensable in the construction of jet engines

Be it resolved by the Legislature of the State of Utah—

Whereas the mining industry of the State of Utah is of great importance to the economic welfare of this State (as it is to many other States); and

Whereas with the unsettled conditions existing throughout the entire world it is prudent and wise that our country, the United States of America, continue its program of preparedness; and

Whereas bills have been introduced and are now pending in both Houses of the Congress, providing for a strong long-range domestic minerals program out of which there should come congressional legislation carrying a sufficient appropriation to carry out a well balanced program which will add to the preparedness program and stimulate the mining industries in the United States in the production of the critical metals, minerals, and materials, including antimony, asbestos, beryllium, chromite, cobalt, columbium-tantalum, fluorspar, iron, lead, manganese, mica, molybdenum, nickel, titanium, tungsten, vanadium, uranium, and zinc, all being used in the production of jet engines: Now therefore, be it

Resolved by the 32d Legislature of the State of Utah, That the President of the United States and the Congress of the United States be memorialized to effect a long-range national domestic minerals program; and be it further

Resolved, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to the senators and representatives from the State of Utah.

RELIEF OF PRIVATE OPERATORS OF SCHOOL BUSES FROM FEDERAL EXCISE TAXES—LETTER

Mr. WILEY. Mr. President, I received a letter this morning from Joseph Bedner, president of the Wisconsin School Bus Operators Association, presenting the judgment of his organization on behalf of early and favorable action on a proposal to remove the present 10-percent Federal excise tax on those school buses which are operated by nonpublic operators.

I am sure we all appreciate the indispensable role played by the school buses of our Nation, but some people may not fully appreciate how important it is that the green light be flashed for those private operators who operate school buses, so as to be able to continue their vital role.

These men, as Mr. Bedner points out, face rising expenses all along the line, and I feel that relief should indeed be granted to them through early action by the Forand subcommittee of the House Ways and Means Committee.

I present Mr. Bedner's letter and ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WISCONSIN SCHOOL BUS OPERATORS ASSOCIATION,
Madison, Wis., March 19, 1957.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SIR: We have just learned that a subcommittee of the House of Representatives is currently engaged in studying the Federal excise-tax program. We have further learned that Congressman A. J. FORAND, Democrat, of Rhode Island, is the chairman of this subcommittee. We have been informed that the subcommittee is considering the possibility of removing the 10-percent Federal excise tax on school buses being operated by nonpublic operators.

We wish to urge you to give every support possible to this very worthwhile cause. Our industry has been burdened with extra taxes of motor fuel, license fees, and local taxes in order to carry on an extensive highway program and we certainly deserve some relief from the unreasonable Federal excise taxes which were originally enacted in support of the national emergency and war effort.

May we solicit your support in this very worthwhile case.

Yours very truly,

JOSEPH BEDNER, *President.*

REDUCTION OF PERSONNEL IN DEPARTMENT OF STATE—RESOLUTION

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Queens County Catholic War Veterans, in convention assembled.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Department of State has grown from a staff of less than 6 under Thomas Jefferson, under 26 during the Presidency of Abraham Lincoln, and only a few hundred while Franklin D. Roosevelt was in office, to over 30,000 under the present administration; and

Whereas authorities in the fields of constitutional law, Government administration, and foreign affairs, such as Dean Clarence Manion, the Hoover Commissions, former Ambassadors William C. Bullitt and Spruille Braden, as well as several Senators of both parties have maintained that such fantastic overstaffing makes for gross inefficiency and furnishes an ideal cover for subversion; and

Whereas recognizing the extreme danger the situation presents to our Nation in these times of international crisis, Bryton Barron, a career official with 26 years' experience in the Department of State, has called for an immediate cut of 50 percent in Department personnel and has made serious charges of inefficiency and actions not in the best interests of the United States in his book Inside the State Department: Therefore be it

Resolved by Queens County Catholic War Veterans in convention assembled, That there be an immediate personnel reduction of at least 50 percent in the Department of State; and be it further

Resolved, That Congress shall not appropriate a single additional dollar for the State Department until the scandals described by Bryton Barron are subjected to the scrutiny of a complete and thorough congressional investigation.

RESOLUTION OF PROGRAM BOARD OF THE COUNCIL OF CHURCHES OF BUFFALO AND ERIE COUNTIES, N. Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the program board of the Council of Churches of Buffalo and Erie Counties, N. Y., at its meeting March 13, 1957, relating to a revision of the Immigration and Nationality Act of 1952.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

In line with previous resolutions in regard to national immigration laws the program board of the Council of Churches of Buffalo and Erie Counties urges support of legislation now being considered by Congress that would revise the Immigration and Nationality Act of 1952 and would:

1. Grant permanent residence and rights to citizenship for those Hungarians who have already entered the United States as parolees.

2. Provide for admitting Hungarian refugees who have found temporary refuge in Austria and other countries.

3. Provide priority to separated families.

4. Eliminate the so-called mortgage on quotas resulting from the issuance of visas under the Displaced Persons Act and other special acts.

5. Raise the annual admissions and change the basis of quotas so that they are not based on national origins.

6. Pool the quota numbers unused in any 1 year and distribute them on a first-come, first-served basis without regard to country of birth.

7. Provide for the annual admission of orphans adopted or to be adopted by American citizens; and requests the members of the churches to write to Congressmen and Senators expressing their views on this legislation.

RESOLUTION OF EXECUTIVE COMMITTEE OF YONKERS (N. Y.) REPUBLICAN CITY COMMITTEE

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the executive committee of the Yonkers, N. Y., Republican city committee, favoring the enactment of legislation to provide increased compensation for postal employees.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the employees of the United States Postal Service have given long and faithful service to the citizens of our beloved country, and

Whereas they have petitioned for a modest increase in salary to provide them with a fair and equitable income: Now be it

Resolved, That it is the sense of the executive committee of the Republican city committee that the claim of the employees of the United States Postal Service for salary increases is a meritorious one and that it should be granted; and it is further

Resolved, That a copy of this resolution be forwarded to Senator Irving M. Ives, Senator Jacob K. Javits, Congressman Ralph W. Gwinn, Congressman Edwin Dooley, and Postmaster General Arthur Summerfield for their guidance.

EDWARD J. GANTER, *Chairman.*

RESOLUTION OF ROCHESTER (N. Y.) BRANCH OF NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by Rochester Branch No. 210 of the National Association of Letter Carriers, Rochester, N. Y., favoring the enactment of legislation to increase the salaries of postal employees.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY ROCHESTER BRANCH 210, NATIONAL ASSOCIATION OF LETTER CARRIERS, ROCHESTER, N. Y.

Resolved, That we here gathered wholeheartedly endorse bills S. 27 and H. R. 2474, providing for postal employees salaries of $5,500 to $6,100, and also bills S. 21 and H. R. 607, providing $800 increases for our annuitants; be it further

Resolved, That we request our Senators and Representatives to insert said resolution into the CONGRESSIONAL RECORD.

REPORT ENTITLED "ORGANIZATION OF FEDERAL EXECUTIVE DEPARTMENTS AND AGENCIES" (S. REPT. NO. 167)

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, I submit a report on the Organization of Federal Executive Departments and Agencies. The committee has also prepared a chart outlining the Organization of Federal Executive Departments and Agencies, with personnel assignments to each major operating unit down to the division level, as of January 1, 1957.

The report reflects a net increase of 47,494 civilian employees in the Executive Branch of the Government during 1956. This compared with a net decrease of 5,678 civilians during 1955.

The report and chart, which are based on information supplied by the Federal executive departments and agencies, cover the assignment of civilian employees in the executive branch totaling 2,376,513 as of January 1, 1957, as compared to 2,329,019 employees January 1, 1956. Total civilian employees for the executive, legislative, and judicial branches of the Government came to 2,403,311 at the beginning of the current year, as compared to 2,355,192 as of January 1, 1956—an increase of 48,119.

The executive branch's total of 2,376,513 was 113,888 higher than that reported January 1, 1947, 10 years ago. Its employees for 1956 exceeded the post World War II low—prior to the Korean invasion—on January 1, 1950, by 415,484.

During 1956, 206,186 civilian employees of the executive branch were engaged in overseas activities, of which 88,814 were American citizens and 117,372 nationals of other countries. This was an increase of 1,361 American citizens over 1955.

These employment statistics were developed by the committee staff, based on information furnished by the executive branch.

The PRESIDENT pro tempore. The report will be received and printed.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES — FEDERAL EMPLOYMENT AND PAY

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of January 1957. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, JANUARY 1957 AND DECEMBER 1956, AND PAY, DECEMBER 1956 AND NOVEMBER 1956

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for January 1957 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In January numbered—	In December numbered—	Increase (+) or decrease (−)	In December was—	In November was—	Increase (+) or decrease (−)
Total [1]	2,387,015	2,389,788	−2,773	$922,790	$921,007	+$1,783
Agencies exclusive of Department of Defense	1,212,939	1,213,792	−853	496,256	472,547	+23,729
Department of Defense	1,174,076	1,175,996	−1,920	426,523	448,480	−21,957
Inside continental United States	2,182,138	2,184,005	−1,867			
Outside continental United States	204,877	205,783	−906			
Industrial employment	659,636	660,266	−630			
Foreign nationals	273,938	273,528	+362	28,658	[2] 30,294	−728

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I, below, breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during January 1957, and comparison with December 1956, and pay for December 1956, and comparison with November 1956*

Department or agency	Personnel				Pay (in thousands)			
	January	December	Increase	Decrease	December	November	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	81,767	82,649		882	838,287	839,737		81,450
Commerce [1]	47,848	47,919	126		94,734	91,698		924
Health, Education, and Welfare	84,151	84,981	170		20,039	27,255		1,191
Interior	48,998	48,610	388		19,729	20,753		1,024
Justice	30,798	30,530	268		14,554	14,973		421
Labor	6,320	5,972		2	2,588	2,741		157
Post Office	337,700	335,427		1,726	1,222,362	1,221,178	1,184,729	
State [2]	32,908	33,116		118	11,750	12,041		291
Treasury	78,215	78,417	202		33,348	34,323		5,271
Executive Office of the President:								
White House Office	366	366		3	220	233		13
Bureau of the Budget	441	443		2	289	296		7
Council of Economic Advisers	33	36		3	28	27		2
Executive Mansion and Grounds	69	68			21	19	2	
National Security Council [3]	26	25	1		17	18		1
Office of Defense Mobilization	249	264		15	158	157		4
President's Advisory Committee on Government Organization	3	3			2	2		
Independent agencies:								
Advisory Committee on Weather Control	7	11		4	4	4		
Alexander Hamilton Bicentennial Commission	12	12			8	8		
American Battle Monuments Commission	936	937		1	88	86		2
Atomic Energy Commission	6,713	6,573	40		3,385	3,534		149
Board of Governors of the Federal Reserve System	881	[4] 868		13	297	312		15
Boston National Historic Sites Commission	4	4			1	2		1
Civil Aeronautics Board	903	904	1		239	262		23
Civil Service Commission	8,459	8,461	2		1,388	3,138		150
Commission of Fine Arts	4	[4] 4			2	2		
Corregidor Bataan Memorial Commission	2	3	1		2	1	4	
District of Columbia Auditorium Commission	18	18			1	1		
Export-Import Bank of Washington	199	196	2		110	112		2
Farm Credit Administration	867	1,008		41	353	327	26	
Federal Civil Defense Administration	1,145	1,122	23		599	624		25
Federal Coal Mine Safety Board of Review	8	8			4	4		
Federal Communications Commission	1,148	1,147	1		591	617		26
Federal Deposit Insurance Corporation	1,144	1,144			555	589		34
Federal Home Loan Bank Board	714	698	16		220	236		16
Federal Mediation and Conciliation Service	835	835	1		234	111		57
Federal Power Commission	708	707	2		300	283		17
Federal Trade Commission	725	718	7		478	474		4
Foreign Claims Settlement Commission	115	114	1		57	56		1
General Accounting Office	5,386	5,386		20	2,639	2,564		124
General Services Administration	27,164	27,102	62		9,350	9,726		376
Government Contract Committee	19	20		1	10	10		
Government Printing Office	6,338	6,064		138	2,981	3,473		292
Housing and Home Finance Agency	9,834	9,832	2		4,687	4,883		196
Indian Claims Commission	14	14			11	11		
Interstate Commerce Commission	3,123	[4] 2,091	33		1,032	1,101		69
Jamestown-Williamsburg-Yorktown Celebration Commission	4	4			3	3		
National Advisory Committee for Aeronautics	7,737	7,688	89		4,119	3,836	283	
National Capital Housing Authority	253	254		1	94	95		1
National Capital Planning Commission	33	34		1	18	18		
National Gallery of Art	334	333	1		105	111		6
National Labor Relations Board	1,119	1,115	4		617	637		20
National Mediation Board	105	104	1		70	74		4
National Science Foundation	258	253	6		128	127		0
National Security Training Commission	6	5	1		3	3		
Panama Canal	14,044	14,401		357	3,982	5,730		1,748
Railroad Retirement Board	2,298	2,251	47		835	889		54
Renegotiation Board	436	446		3	270	285		15
Saint Lawrence Seaway Development Corporation	33	36		6	33	33		
Securities and Exchange Commission	794	788	6		419	434		15
Selective Service System	6,924	6,938		15	1,804	1,753		51
Small Business Administration	983	930	53		488	504		16
Smithsonian Institution	759	761		2	284	296		12
Soldiers' Home	1,018	1,024		6	241	245		4
Subversive Activities Control Board	31	33		2	24	24		
Tariff Commission	310	307	3		176	173		7
Tax Court of the United States	143	148		5	91	97		6
Tennessee Valley Authority	14,794	14,887	93		6,254	6,521		267
Theodore Roosevelt Centennial Commission	4	3	1		2	3		1
United States Information Agency	11,600	11,473	127		5,113	5,243		130
Veterans' Administration	177,718	177,382	336		89,353	91,249		1,896
Woodrow Wilson Centennial Celebration Commission	4	3	1		1	1		
Total, excluding Department of Defense	1,212,929	1,213,795	2,434	3,367	496,288	475,547	27,041	13,320
Net change, excluding Department of Defense			933				20,721	
Department of Defense:								
Office of the Secretary of Defense	1,707	1,726		19	1,002	1,040		38
Department of the Army	629,068	630,281		1,213	188,478	192,303		9,125
Department of the Navy	663,694	663,339	345		156,982	163,204		6,222
Department of the Air Force	349,677	350,700		1,023	189,260	131,713		6,453
Total, Department of Defense	1,174,086	1,175,096	345	2,255	435,722	458,260		21,938
Net change, Department of Defense			1,910				22,538	
Grand total, including Department of Defense	2,387,015	2,388,733	2,779	5,562	932,790	931,007	27,041	34,338
Net change, including Department of Defense			2,773				1,783	

[1] January figure includes 800 seamen on the rolls of the Maritime Administration and their pay.

[2] January figure includes 10,608 employees of the International Cooperation Administration as compared with 10,668 in December and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The January figure includes 2,519 of these trust fund employees, and the December figure includes 2,607.

[3] Exclusive of personnel and pay of the Central Intelligence Agency.

[4] Revised on basis of later information.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during January 1957, and comparison with December 1956*

Department or agency	January	December	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	80,403	81,118		715
Commerce [1]	43,482	43,327	146	
Health, Education, and Welfare	48,336	48,149	187	
Interior	43,184	44,063	879	
Justice	30,230	30,066	164	
Labor	5,903	5,907		4
Post Office	319,123	320,949		1,826
State [2]	8,472	8,472	208	
Treasury	78,257	77,435	792	
Executive Office of the President:				
White House Office	366	368		2
Bureau of the Budget	411	443		2
Council of Economic Advisers	33	36		3
Executive Mansion and Grounds	69	69		
National Security Council [3]	26	25	1	
Office of Defense Mobilization	249	264		15
President's Advisory Committee on Government Organization	3	3		
Independent agencies:				
Advisory Committee on Weather Control	7	11		4
Alexander Hamilton Bicentennial Commission	12	12		
American Battle Monuments Commission	15	15		
Atomic Energy Commission	5,692	5,651	41	
Board of Governors of the Federal Reserve System	881	[4] 893		12
Boston National Historic Sites Commission	4	4		
Civil Aeronautics Board	898	899		1
Civil Service Commission	4,417	4,424		7
Commission of Fine Arts	3	[4] 4		
Corregidor Bataan Memorial Commission	2	3		1
District of Columbia Auditorium Commission	18	18		
Export-Import Bank of Washington	190	188	2	
Farm Credit Administration	957	996		39
Federal Civil Defense Administration	1,145	1,122	23	
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,130	1,118	2	
Federal Deposit Insurance Corporation	1,142	1,142		
Federal Home Loan Bank Board	714	698	16	
Federal Mediation and Conciliation Service	336	335	1	
Federal Power Commission	709	707	2	
Federal Trade Commission	725	718	7	
Foreign Claims Settlement Commission	115	114	1	
General Accounting Office	5,289	5,309		20
General Services Administration	27,056	26,996	62	
Government Contract Committee	19	20		1
Government Printing Office	6,320	6,054		138
Independent agencies—Continued				
Housing and Home Finance Agency	9,778	9,779	3	
Indian Claims Commission	14	14		
Interstate Commerce Commission	2,123	[4] 2,091	32	
Jamestown-Williamsburg-Yorktown Celebration Commission	4	4		
National Advisory Committee for Aeronautics	7,727	7,688	39	
National Capital Housing Authority	253	254		1
National Capital Planning Commission	33	34		1
National Gallery of Art	334	333	1	
National Labor Relations Board	1,109	1,095	4	
National Mediation Board	105	104	1	
National Science Foundation	256	252	4	
National Security Training Commission	6	5	1	
Panama Canal	404	353		1,139
Railroad Retirement Board	2,298	2,231	67	
Renegotiation Board	439	443		5
St. Lawrence Seaway Development Corporation	32	36		4
Securities and Exchange Commission	794	788	6	
Selective Service System	6,728	6,742		14
Small Business Administration	975	942	33	
Smithsonian Institution	757	760		3
Soldiers' Home	1,018	1,024		6
Subversive Activities Control Board	31	33		2
Tariff Commission	310	307	3	
Tax Court of the United States	143	148		5
Tennessee Valley Authority	14,794	14,887		93
Theodore Roosevelt Centennial Commission	4	3	1	
United States Information Agency	2,081	2,019	62	
Veterans' Administration	176,472	176,142	330	
Woodrow Wilson Centennial Celebration Commission	4	3	1	
Total, excluding Department of Defense	1,148,611	1,146,123	2,548	3,059
Net decrease, excluding Department of Defense			511	
Department of Defense:				
Office of the Secretary of Defense	1,661	1,676		15
Department of the Army	365,453	366,384		931
Department of the Navy	380,712	380,434	278	
Department of the Air Force	305,691	306,382		691
Total, Department of Defense	1,053,527	1,054,803	278	1,654
Net decrease, Department of Defense			1,376	
Grand total, including Department of Defense	2,182,138	2,194,005	2,826	4,708
Net decrease, including Department of Defense			1,367	

[1] January figure includes 800 seamen on the rolls of the Maritime Administration.

[2] January figure includes 1,712 employees of the International Cooperation Administration as compared with 1,692 in December.

[3] Exclusive of personnel of the Central Intelligence Agency.

[4] Revised on basis of later information.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during January 1957, and comparison with December 1956*

Department or agency	January	December	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,364	1,336	28	
Commerce	2,062	2,082		20
Health, Education, and Welfare	1,815	1,832		17
Interior	2,794	2,645	149	
Justice	536	534	2	
Labor	127	125	2	
Post Office	2,476	2,478		2
State [1]	24,536	24,844		314
Treasury	988	982	6	
Independent agencies:				
American Battle Monuments Commission	391	396		5
Atomic Energy Commission	21	22		1
Civil Aeronautics Board	4	4		
Civil Service Commission	16	17		1
Farm Credit Administration	10	12		2
Federal Communications Commission	28	29		1
Federal Deposit Insurance Corporation	2	2		
General Accounting Office	76	77		1
General Services Administration	106	106		
Housing and Home Finance Agency	156	159		3
National Labor Relations Board	19	19		
Panama Canal	13,640	13,868		228
Independent agencies—Continued				
Selective Service System	196	197		1
Small Business Administration	8	8		
Smithsonian Institution	2	2		
United States Information Agency	8,910	8,854	65	
Veterans' Administration	1,246	1,240	6	
Total, excluding Department of Defense	64,318	64,670	268	600
Net decrease, excluding Department of Defense			332	
Department of Defense:				
Office of the Secretary of Defense	46	53		7
Department of the Army	63,555	63,837		282
Department of the Navy	32,972	32,905	67	
Department of the Air Force	43,986	44,318		332
Total, Department of Defense	140,559	141,113	67	621
Net decrease, Department of Defense			554	
Grand total, including Department of Defense	204,877	205,783	335	1,221
Net decrease, including Department of Defense			886	

[1] January figure includes 8,966 employees of the International Cooperation Administration as compared with 8,978 in December. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The January figure includes 2,519 of these trust fund employees and the December figure includes 2,607.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during January 1957, and comparison with December 1956*

Department or agency	January	December	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	5,011	5,995	16	
Commerce	2,759	2,862	97	
Interior	7,683	7,565	98	
Treasury	5,627	5,566	59	
Independent agencies:				
Atomic Energy Commission	145	148		3
Federal Communications Commission	14	14		
General Services Administration	1,116	1,132		16
Government Printing Office	5,320	5,464		144
National Advisory Committee for Aeronautics	7,737	7,668	69	
Panama Canal	7,198	7,269		71
Tennessee Valley Authority	12,041	12,125		84
Total, excluding Department of Defense	55,531	55,810	339	318
Net increase, excluding Department of Defense			21	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 153,950	[1] 153,426	524	
Outside continental United States	[1] 21,950	[1] 21,969		19
Department of the Navy:				
Inside continental United States	221,884	222,236		352
Outside continental United States	6,005	6,008		3
Department of the Air Force:				
Inside continental United States	165,543	165,829		286
Outside continental United States	6,573	7,044		471
Total, Department of Defense	555,905	556,511	524	1,130
Net decrease, Department of Defense				606
Grand total, including Department of Defense	659,636	660,321	863	1,513
Net decrease, including Department of Defense				650

[1] Subject to revision. [2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of January 1957 and comparison with December 1956*

Country	Total		Army		Navy		Air Force	
	January	December	January	December	January	December	January	December
England	5,947	7,947			37	[1] 35	5,910	7,912
France	26,536	26,661	18,174	17,861			8,162	8,140
French Morocco	6,107	6,063	106	159	998	994	4,999	4,916
Germany	96,536	96,662	82,570	[1] 82,486	586	[1] 590	13,400	13,586
Japan	128,341	129,375	87,510	87,495	19,404	[1] 19,391	42,429	42,489
Korea	4,925	4,817	4,925	4,817				
Malta	89	93			89	93		
Netherlands	45	45					45	45
Norway	24	21					24	21
Trinidad	567	566			567	566		
Total	273,920	273,528	173,296	172,818	21,661	21,634	78,969	79,076

[1] Revised on the basis of later information.

NOTE.—The Germans are paid from funds provided by German Governments. The French and English reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

FOREIGN NATIONALS

Table 5 segregates and accounts for certain categories of personal services rendered to the United States Government overseas, which cannot be regarded as ordinary direct employment.

Generally, this personal service is rendered military agencies overseas under agreements with the foreign governments. In most cases the employment is indirect. The foreign governments hire the employees. The United States military agencies in most cases administer or direct the activity.

The source of the funds for the payment of these employees varies. The Germans are employed without direct reimbursement by the United States and by agreement, payment is made from the German economy. The Japanese are employed under a master labor contract between United States agencies and the Japanese Government.

French and English are employed for the Army and Air Force under agreements with the respective governments. Funds originally appropriated for "Personal service" are used for this purpose. The Koreans and others are paid under varying contractual agreements with funds appropriated for "Other contractual services."

Personnel hired and used under such circumstances cannot be properly considered in the same category as regular employment, but they are used and should be counted for what they are.

The Joint Committee on Reduction of Nonessential Federal Expenditures is endeavoring to identify these groups of employees and to count them along with, but separate from, the regularly reported United States employment overseas.

STATEMENT BY SENATOR BYRD

Executive agencies of the Federal Government reported regular civilian employment in the month of January totaling 2,387,015. This was a net decrease of 2,773 as compared with employment reported in the preceding month of December.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1957, which began July 1, 1956, follows:

Month	Employment	Increase	Decrease
July	2,398,673	14,290	
August	2,400,493	1,820	
September	2,389,854		11,639
October	2,396,162	7,308	
November	2,394,324		1,838
December	2,389,788		4,536
January, 1957	2,387,015		2,773

Total civilian employment in civilian agencies during the month of January was 1,212,929, a decrease of 868 as compared with the December total of 1,213,797. Total civilian employment in the military agencies in January was 1,174,086, a decrease of 1,910 as compared with 1,175,996 in December.

Civilian agencies reporting the major decreases were Post Office Department with 1,823, Department of Agriculture with 662, and the Panama Canal with 357. Major increases were reported by the Treasury Department with 798, the Interior Department with 358, and the Veterans' Administration with 336.

In the Department of Defense decreases in civilian employment were reported by the Department of the Army with 1,213 and the Department of the Air Force with 1,023. The Department of the Navy reported an increase of 245.

Inside continental United States civilian employment decreased 1,867 and outside continental United States civilian employment decreased 906. Industrial employment by the Federal agencies in January totaled 659,636, a decrease of 650.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,387,015 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports includes some foreign nationals employed in United States Government activities abroad, but in addition to these there were 273,920 foreign nationals working for United States military agencies during January who were not counted in the usual personnel report. The number in December

was 273,528. A breakdown of this employment for January follows:

Country	Total	Army	Navy	Air Force
England	5,947		37	5,910
France	26,536	18,174		8,162
French Morocco	6,107	106	998	4,999
Germany	96,536	82,570	586	13,400
Japan	128,341	87,510	19,404	42,429
Korea	4,925	4,925		
Malta	89		89	
Netherlands	45			45
Norway	24			24
Trinidad	567		567	
Total	273,920	173,296	21,661	78,969

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Texas, from the Committee on Armed Services:

William Howard Francis, Jr., of Texas, to be an Assistant Secretary of Defense, vice Carter Lane Burgess, resigned.

By Mr. CASE of South Dakota, from the Committee on Armed Services:

Thomas Sovereign Gates, Jr., of Pennsylvania, to be Secretary of the Navy, vice Charles Sparks Thomas, resigned.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN of Iowa:

S. 1651. A bill to amend the Railroad Unemployment Insurance Act so as to protect benefits of bona fide railroad employees, remove certain inequities, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. JOHNSON of Texas:

S. 1652. A bill to amend the Internal Revenue Code of 1954 to provide a minimum period of 5 years within which livestock sold on account of drought may be replaced without recognition of gain; to the Committee on Finance.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of New Jersey (for himself, Mr. IVES, Mr. ALLOTT, Mr. COOPER, Mr. SALTONSTALL, and Mr. PURTELL):

S. 1653. A bill to amend the Federal Employees' Compensation Act, as amended, to provide for judicial review of compensation orders, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1654. A bill for the relief of Mary E. Trantow; to the Committee on the Judiciary.

By Mr. GREEN:

S. 1655. A bill for the relief of Ursula Renate Magdalene Mahlendorf; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1656. A bill to amend the Federal Flood Insurance Act of 1956, to eliminate certain requirements with respect to State participation, to provide certain priorities in the processing of applications for insurance, and for other purposes; to the Committee on Banking and Currency.

S. 1657. A bill for the relief of Lloyd C. King; to the Committee on the Judiciary.

(See the remarks of Mr. KENNEDY when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. HENNINGS (for himself and Mr. DIRKSEN):

S. 1658. A bill to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. HENNINGS (for himself, Mr. LANGER, and Mr. KEFAUVER):

S. 1659. A bill to make uniform the law of reciprocal enforcement of support in the District of Columbia; to the Committee on the District of Columbia.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 1660. A bill for the relief of Karin Tittel Taylor; and

S. 1661. A bill for the relief of Lettie Jane Sparling and Wesley Wayne Sparling; to the Committee on the Judiciary.

(See the remarks of Mr. MORSE when he introduced the above bills, which appear under separate headings.)

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 1662. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union; to the Committee on Post Office and Civil Service.

S. 1663. A bill for the relief of Harold Eugene Moore; and

S. 1664. A bill for the relief of Bernard H. Carty; to the Committee on Finance.

(See the remarks of Mr. MORSE when he introduced the above bills, which appear under separate headings.)

By Mr. HUMPHREY:

S. 1665. A bill for the relief of Cherngjiann Shiue; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself and Mr. THYE):

S. 1666. A bill to provide for the issuance of a special series of postage stamps to be known as Wilderness Preservation Stamps; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 1667. A bill to assist voluntary nonprofit associations offering prepaid health service programs to secure necessary facilities and equipment through long-term, interest-bearing loans; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the last two above-mentioned bills, which appear under separate headings.)

By Mr. MAGNUSON:

S. 1668. A bill to provide that persons discharged from the Armed Forces who are proffered discharges other than honorable may reject such discharges and receive a court-martial, or if not court-martialed, shall be given honorable discharges; to provide for correction of records in the case of certain persons not given honorable discharges in the past; and for other purposes; to the Committee on Armed Services.

S. 1669. A bill to amend the Internal Revenue Code of 1954 so as to extend to fishermen the same privileges provided for farmers with respect to estimated income tax; to the Committee on Finance.

S. 1670. A bill for the relief of School District No. R-406, Lyle, Wash.; to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself, Mr. BARRETT, Mr. FLANDERS, Mr. MCCARTHY, Mr. MURRAY, Mr. THURMOND, and Mr. YOUNG):

S. 1671. A bill to amend the Antidumping Act of 1921, and for other purposes; to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. POTTER):

S. 1672. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (by request):

S. 1673. A bill to amend the Interstate Commerce Act, as amended, with respect to liability of rail carriers as set forth in part I of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON:

S. 1674. A bill for the relief of Alice Pedersen Galloway; to the Committee on the Judiciary.

By Mr. CAPEHART (for himself and Mr. JENNER):

S. 1675. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that surplus real property of the United States shall be disposed of only after giving former owners thereof an opportunity to repurchase such property; to the Committee on Government Operations.

By Mr. SCOTT:

S. 1676. A bill to amend the Internal Revenue Code of 1954 to allow a teacher to deduct from gross income expenses paid by him to further his education; to the Committee on Finance.

By Mr. MAGNUSON (by request):

S. 1677. A bill to amend part II of the Interstate Commerce Act to subject certain forms of for-hire motor carrier transportation to regulation; and

S. 1678. A bill to amend the act of October 26, 1949 (Ch. 733, 63 Stat. 907), as amended; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. LONG (for himself, Mr. ELLENDER, Mr. BUTLER, and Mr. BEALL):

S. 1679. A bill to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; to the Committee on Banking and Currency.

By Mr. SALTONSTALL (for himself, Mr. KENNEDY, Mr. MORSE, Mr. NEUBERGER, Mr. SMITH of New Jersey, Mr. CASE of New Jersey, Mr. MAGNUSON, Mr. JACKSON, Mr. WILEY, and Mr. MCCARTHY):

S. 1680. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended, to include cranberries for canning or freezing; to the Committee on Agriculture and Forestry.

By Mr. HILL (for himself and Mr. KERR):

S. 1681. A bill to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. COTTON (for himself, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. KENNEDY):

S. 1682. A bill granting the consent and approval of Congress to the Merrimack River Flood Control Compact; to the Committee on Public Works.

(See the remarks of Mr. COTTON when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1663. A bill to reduce the number of Government employees by prohibiting the filling of certain vacancies and to establish a ceiling on Government employment; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 1664. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to procedures on applications for facility licenses, and for other purposes; to the Joint Committee on Atomic Energy.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT, RELATING TO JUDICIAL REVIEW

Mr. SMITH of NewJersey. Mr. President, on behalf of myself, the Senator from New York [Mr. IVES], the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. COOPER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Connecticut [Mr. PURTELL], I introduce, for appropriate reference, a bill to amend the Federal Employees' Compensation Act. This proposal is a part of the legislative program of the Department of Labor, and would provide judicial review, primarily as to questions of law, of compensation orders of the Employees' Compensation Appeals Board of the Department of Labor. In addition, the bill contains provisions for lump-sum payments to widows of covered employees upon their remarriage; preference in employment for injured employees in appropriate cases; right of appeal to the Employees' Compensation Appeals Board for employees of the Canal Zone Government and of the Panama Canal Company; and reimbursement of the compensation fund by the various agencies and departments for their compensation costs, a part of President Eisenhower's program previously introduced on January 25, 1957, as S. 816, on behalf of myself, Senator IVES, Senator SALTONSTALL, Senator PURTELL, and Senator ALLOTT.

Mr. President, the Federal Employees' Compensation Act, passed in 1916, is somewhat unique among present-day workmen's compensation statutes, in that it fails to provide for any judicial review from the determinations of the administrative appeals board. It has been demonstrated by experience that judicial review in compensation cases is of real value in settling controversial questions of law. This bill would provide for such review, and would revise various other provisions of the act.

I ask unanimous consent that an explanation of the bill prepared by the Labor Department be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the explanation will be printed in the RECORD.

The bill (S. 1653) to amend the Federal Employees' Compensation Act, as amended, to provide for judicial review of compensation orders, and for other purposes, introduced by Mr. SMITH of New Jersey (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The explanation presented by Mr. SMITH of New Jersey is as follows:

STATEMENT IN EXPLANATION OF A DRAFT BILL TO AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT, AS AMENDED

This legislation is intended to amend the Federal Employees' Compensation Act, as amended, to provide for judicial review of actions on claims for compensation under the act. In addition, the legislation would make necessary changes to modernize, strengthen, and clarify miscellaneous provisions of the law.

This proposal is part of the legislative program of the Department of Labor for 1957.

THE FEDERAL EMPLOYEES' COMPENSATION ACT

The Federal Employees' Compensation Act, as amended, which is administered by the Department of Labor, provides compensation for disability, medical care, and death benefits for civilian employees of the United States, including civilian officers, who suffer injury or death in the performance of their duties.

NEED FOR THE LEGISLATION

The Federal Employees' Compensation Act, passed in 1916, was one of the earliest compensation laws in the United States. It is unique among workmen's compensation statutes in that it fails to provide claimants with judicial review on questions of law. The value of judicial review in compensation matters has been demonstrated by State laws and the Federal Longshoremen's and Harbor Workers' Compensation Act enacted subsequent to the Federal Employees' Compensation Act. In addition experience has demonstrated the need for revision of various miscellaneous provisions of the act including those relating to such matters as giving notice of injury, payment to widows on remarriage, and third-party actions.

Present procedures

The act is administered by the Secretary of Labor through the Bureau of Employees' Compensation. The Secretary is authorized to consider claims on the basis of facts presented by the claimant, the report of the injured employee's immediate supervisor, and such investigation as the Secretary deems necessary. The act provides that the Secretary shall make findings of fact and an award for or against payments of compensation. On his own motion or on application, he may review and modify a compensation order.

Review of the Secretary's award may be had upon application to the Employees' Compensation Appeals Board, an independent review body situated in the Department of Labor. The Board follows procedures which it is authorized to adopt upon approval by the Secretary. The decisions of the Board on claims are final. The act does not provide for any court review of decisions of the Secretary or the Board.

PRINCIPAL PROVISIONS OF THE BILL

Under the provisions of the proposed draft, the compensation order of the Employees' Compensation Appeals Board would be final, subject to judicial review on questions of law only. Findings of fact by the Board, if supported by substantial evidence, would be conclusive. Review would be available to any employee or other person whose claim for benefits was affected by the Board's decision except employees who are neither citizens nor residents as identified in section 42 of the act. It would be obtained by petition, brought in the United States Court of Appeals for the circuit in which the claimant resides or in which he is employed, or in the United States Court of Appeals for the District of Columbia.

Lump-sum settlement

At the present time, a surviving widow of an employee killed in the course of his employment draws compensation until her death or remarriage. The existing provision for terminating benefits on remarriage not only operates to discourage remarriage but in many instances has resulted in situations where widows, rather than lose their benefits, enter into the marital relationship and bear families without the formality of a wedding ceremony. Under the existing statute there is no way in which such widows may be removed from the compensation rolls.

Under a number of modern workman's compensation statutes, a widow is given a lump-sum settlement upon remarriage in lieu of future payments. In accord with modern practice in this regard, the draft bill provides that a dependent widow or widower shall be paid an amount equal to 2 years' compensation in one sum upon remarriage. Experience under the Longshoremen's Act, which has an identical provision, has shown that this will operate to correct the existing evil and should actually result in a net savings to the Government.

Preference in employment

In line with the administration's policy of encouraging the employment of physically handicapped, the draft bill provides for the issuance of regulations protecting the job rights of injured employees and, in appropriate cases, gives them hiring preference in jobs they are capable of performing.

Employees of the Canal Zone Government and the Panama Canal Company

The draft bill would provide employees of the Canal Zone Government and of the Panama Canal Company the same right of appeal to the Employees' Compensation Appeals Board as is presently provided for other employees of the Federal Government.

Miscellaneous provisions

Under the proposed amendments the third party liability sections of the Compensation Act would be strengthened to insure maximum protection of the United States interest.

The proposal incorporates the provisions contained in the charge-back bill drafted by this department which has been approved by the Bureau of the Budget as being in accord with the program of the President. This bill has been introduced as S. 816 in the current Congress. It provides for reimbursement of the Compensation Fund by the individual agencies for their compensation costs.

In addition the proposed legislation would modernize the time limitation provisions for giving notice of injury and filing claims, make provisions for the protection of minors and incompetents and remove the special provisions regarding minimum limits on monthly compensation with respect to citizens of Puerto Rico and certain employees of the Panama Canal Company and of the Canal Zone Government.

AMENDMENT OF FEDERAL FLOOD INSURANCE ACT OF 1956, RELATING TO REQUIREMENTS WITH RESPECT TO STATE PARTICIPATION

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Flood Insurance Act of 1956, to eliminate certain requirements with respect to State participation, to provide certain priorities in the processing of applications for insurance, and for other purposes.

The Nation's first flood-insurance program, in the shaping of which I was privileged to participate, was one of our proudest accomplishments in the last session of Congress. It was intended to fulfill a dire need on the part of homeowners and businessmen in all parts of the country, including New England. It was promptly considered and passed by both Houses of Congress, and swiftly approved by the President, because of the urgent need for such legislation before disaster struck again.

Now, nearly a year later, as New Englanders and others prepare for the consequences of spring and melting snows, what has happened to this program? No protection is available, no insurance can be purchased, no regulations have been published, no final policy forms have been agreed upon. Excessive bureaucratic delay, undue reliance upon a private insurance industry whose attitude has been negative from the beginning, and a diminution of popular interest as the result of legislative restrictions, have all contributed to this administrative failure.

One of those legislative problems—the necessity of obtaining a special appropriation for administrative expenses—would not have occurred had the administration accepted the provision in my original bill for such expenditure to be made from program funds, which come from a Treasury revolving-loan fund. But once the present provision was enacted, the new Federal Flood Indemnity Administration was negligent in failing to submit a budget request in time for inclusion in the urgent deficiency appropriation bill, already passed by the Congress. I trust this defect will be remedied soon.

Three other legislative changes which I believe will increase local enthusiasm are contained in the bill I have introduced today.

First, the primary change proposed deletes the statutory requirement in section 7 (a) that each State must pay half the admitted subsidy for insurance after June 30, 1959, or forfeit the privilege of having Federal flood insurance written on property within the State. This provision, mistakenly insisted upon by the administration last year, did more than any other change to discourage the hopes of those anticipating effective protection. Many States, including some in New England, are required by this provision to undergo the long and expensive process of amending their State constitutions or statutes in order to participate in what should automatically be a nationwide program. I can think of no more gross violation of States rights. No State, to my knowledge, has as yet begun the action required by this provision; and it is apparent that few, if any, will do so. This provision should be stricken now, so that both State and Federal officials will know exactly where they stand in planning for the future. Both the Council of State Governments and the New England Governors Conference are concerned with this provision, among others.

Second, the bill I have introduced today gives preference to the first application from each person—individual, corporation, or public body—in order to give small home and business owners a better chance of getting coverage, and particularly enables the homeowner to get coverage within his $10,000 statutory limit before the applicant industries decide how to split their $250,000 statutory limit among their various properties. It is hoped that this amendment will make certain that the program accomplishes the maximum good in the manner intended by Congress.

Third, the bill introduced today deletes the provisions in sections 7 (a) and 15 (b) requiring the Administrator to pay the admitted subsidy—up to 40 percent—into the disaster insurance fund at the time the policy is sold, rather than only when and if that money is needed to pay claims under the policies. This bill requires instead that the subsidy be paid into the disaster insurance fund only as needed to pay claims, thus delaying the drain on the United States Treasury at a time earlier than the funds are actually needed, a drain which is caused by forcing the Treasury to borrow at a time earlier than is needed, and thus increasing to that extent the interest on the Federal debt.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1656) to amend the Federal Flood Insurance Act of 1956, to eliminate certain requirements with respect to State participation, to provide certain priorities in the processing of applications for insurance, and for other purposes, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Banking and Currency.

PROTECTION OF CIVIL RIGHTS

Mr. HENNINGS. Mr. President, on behalf of myself and the junior Senator from Illinois [Mr. DIRKSEN] I introduce for appropriate reference a bill to provide means for further securing and protecting the civil rights of persons under the Constitution and laws of the United States.

This bill is in language identical with that of H. R. 6127, a clean bill containing all the changes made by the House Committee on the Judiciary and to be favorably reported for early action by the House Committee on Rules.

On Tuesday, March 19, 1957, the Senate Judiciary Subcommittee on Constitutional Rights, in executive session, voted to report a civil rights bill, S. 83, favorably to the Committee on the Judiciary, with the understanding that amendments or a substitute would be considered in the full committee, in order to have identical civil rights bills for consideration in both the House of Representatives and the Senate of the United States at the earliest possible date in this session of Congress.

Therefore, the bill I am introducing today will be available for purposes of substitution in place of the bill reported by the Constitutional Rights Committee.

I shall seek consideration of the proposed civil rights legislation at the next meeting of the committee, which presumably will be next Monday.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1658) to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States, introduced by Mr. HENNINGS (for himself and Mr. DIRKSEN), was received, read twice by its title, and referred to the Committee on the Judiciary.

RECIPROCAL ENFORCEMENT OF SUPPORT IN THE DISTRICT OF COLUMBIA

Mr. HENNINGS. Mr. President, I introduce, for appropriate reference, a bill to make uniform the law of reciprocal enforcement of support in the District of Columbia.

Mr. President, a great number of minor children are deprived of parental support each year because deserting fathers move out of or into the District of Columbia. A bill has already been passed dealing with the problem on an interstate basis. However, the District of Columbia is not included in these interstate agreements, which makes it, in effect, a haven for deserting fathers from other States, and allows fathers leaving the District of Columbia to remain free from parental obligations. During hearings before the Juvenile Delinquency Committee we became aware of the great cost of supporting families with money from public welfare funds while perfectly healthy and able males were allowed to shirk the responsibilities of fatherhood because there was no law to make them do so. In many slum sections of the city, young mothers were found with several children, all supported by District taxpayers while the whereabouts of the father was unknown.

Needless to say, these children are at a distinct disadvantage as far as their future development is concerned. They can look forward to substandard housing, food, and care unless the fathers are made to help pay for their upbringing so that they have equal opportunities for growth. This bill is designed to alleviate a situation that is detrimental to many young children in Washington and the surrounding States, by allowing the District to become a party to a reciprocal nonsupport system, now enforced by 47 States, which would bring fathers who desert their families and flee to other States under the law's authority in any of the participating States.

There does not seem to be any sound reason why families deserted by their fathers should be deprived of the benefits of the reciprocal nonsupport act which has now been adopted by every State except one.

Mr. President, I am delighted to welcome Senators LANGER and KEFAUVER as cosponsors of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1659) to make uniform the law of reciprocal enforcement of support in the District of Columbia, introduced by Mr. HENNINGS (for himself, Mr. LANGER, and Mr. KEFAUVER), was received, read twice by its title, and referred to the Committee on the District of Columbia.

KARIN TITTEL TAYLOR

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill for the relief of Karin Tittel Taylor. I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1660) for the relief of Karin Tittel Taylor, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Karin Tittel Taylor may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act. This act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

LETTIE JANE SPARLING AND WESLEY WAYNE SPARLING

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill for the relief of Lettie Jane Sparling and Wesley Wayne Sparling. I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1661) for the relief of Lettie Jane Sparling and Wesley Wayne Sparling, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That Lettie Jane Sparling and Wesley Wayne Sparling, if found otherwise admissible to citizenship, may be naturalized upon compliance with all the requirements of section 323 of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence in the United States or any State shall be required;

(b) no period of residence in the United States while in legal custody of the adoptive parent or parents shall be required; and

(c) the petitions for naturalization may be filed with any court having naturalization jurisdiction.

ISSUANCE OF SPECIAL SERIES OF STAMPS TO COMMEMORATE 100TH ANNIVERSARY OF ADMISSION OF OREGON INTO THE UNION

Mr. MORSE. Mr. President, on behalf of myself and my colleague, the distinguished junior Senator from Oregon [Mr. NEUBERGER] I introduce, for appropriate reference, a bill directing the Postmaster General to issue a series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union, such stamps to be offered for sale to the public on February 14, 1959. It is my understanding that identical bills are being introduced in the House by each of the Oregon Representatives.

Although it is unusual to issue special stamps, in view of the nature of this great purpose, I think it is justified, particularly since the motto of my great State is the Union.

The State of Oregon, Mr. President, is proud that among its claims to greatness may be found not mere wealth, although its virgin forests and fertile soil, its shipping and its matchless river resources are the basis of wealth; not yet, indeed, in its history, although here, too, the sagas of strong men and courageous women of piety and conviction bear testimony to the rich heritage that has been bequeathed to those of us of this latter day. Nor yet again does the claim of Oregon to greatness lie in her literary brilliance, although a strong plea could be made based on the great works of Joaquin Miller, and the fact that Washington Irving and William Cullen Bryant each in his own way, have celebrated the State and its manifold beauty.

No, Mr. President, truly our greatest claim to greatness lies in the people who since 1859 have been the State of Oregon.

From Senators Smith and Lane, who first represented the State in this chamber, and who, incidentally, were Democrats, through the great Republican Senator from Oregon, Charles L. McNary, whose monument of Bonneville Dam has served the Union in war and peace; through the guiding genius of great governors of the State, Oswald West, for example, to whom we owe a debt of gratitude for having preserved for all the people of the State and of the Nation the beaches of Oregon through whose foresight a public highway was constructed upon which all who will can walk and look out over the white and greygreen combers of the Pacific; through the political faith and sagacity of U'Ren, founder of the Oregon system of initiative, referendum, and recall, the instrument through which in an orderly way the individual citizen can act as the legislator of his own political destiny—through all of these men there is a guiding thread, a clue of common purpose and ideal, an ideal that holds high the ability and dignity of the citizen to understand and forward, each by his own effort, the interest of all. Truly, as Aristotle might have remarked, here are the members of the shining polis and in this lies their greatness, that they are unafraid to take the actions needed to solve their problems, and as importantly they seek to conserve the good transmitted from the past.

For these reasons Mr. President, the junior Senator from Oregon [Mr. NEUBERGER] and I feel that this 100th anniversary should have fitting commemoration, and as a part of that commemoration that an appropriate commemorative stamp issue would not be unfitting.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1662) to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to issue a special series of postage stamps, of such appropriate design and for such denomination as he shall prescribe, in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union. Such stamps shall first be offered for sale to the public on February 14, 1959.

HOWARD EUGENE MOORE

Mr. MORSE. Mr. President, on behalf of myself, and my colleague, the junior Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill for the relief of Harold Eugene Moore. I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1663) for the relief of Harold Eugene Moore, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in the administration of the laws conferring rights, privileges, or benefits upon former members of the Armed Forces, the present disability (multiple sclerosis) of Harold Eugene Moore, of Portland, Oreg., shall be held and considered to be a service-connected disability; but no benefit shall be held to have accrued by reason of this act prior to its enactment.

BERNARD H. CARTY

Mr. MORSE. Mr. President, on behalf of myself, and my colleague, the junior Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill for the relief of Bernard H. Carty. I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1664) for the relief of Bernard H. Carty, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Finance, and

ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in the administration of the laws conferring rights, privileges, or benefits upon former members of the Armed Forces, the present disability (multiple sclerosis) of Bernard H. Carty, of Bend, Oreg., shall be held and considered to be a service-connected disability; but no benefit shall be held to have accrued by reason of this act prior to its enactment.

ISSUANCE OF SPECIAL SERIES OF STAMPS TO BE KNOWN AS WILDERNESS PRESERVATION STAMPS

Mr. HUMPHREY. Mr. President, recently I joined with other Senators in introducing a wilderness preservation bill, the result of many months and years of discussion with conservationists, naturalists, lay people, and professional people of all kinds—people with a deep concern for the preservation of our magnificent heritage of almost untouched, natural areas which now exist in our national parks and monuments, our national forests, and wildlife refuges.

We are fortunate, indeed, Mr. President, that after almost five centuries of civilized life on this continent, in which the primeval wilderness of North America has been largely transformed into an urban-dominated, orderly countryside, we still possess some large areas of wilderness.

Altogether we have 165 or so areas of wilderness which are in Federal ownership or control, and which can be preserved consistently with other purposes in what we might call a multipurpose wilderness preservation program.

One of the outstanding wilderness areas in the Nation, and one which in itself is striking testimony to the friendship and spirit of cooperation between Canada and the United States, is the Quetico-Superior wilderness area along the northern border of Minnesota and the southern border of the Province of Ontario. This splendid canoe country, which once was the haunt of Indian and voyageur, has afforded untold pleasure and satisfaction to two generations of Americans and Canadians who have found it possible to recapture the thrill and adventure of canoeing and portaging and camping in a vast wilderness. Over a period of 47 years, conservationists have worked together to develop a true wilderness program within the Superior National Forest and the Quetico Park of Canada. Many far-seeing and unselfish men and women have dedicated a large share of their lives to insuring that the boys and girls of tomorrow will have the heritage of wilderness life.

Since 1949 this work has been led by the Friends of the Wilderness, whose directors include some of the most distinguished conservationists in the State of Minnesota and throughout the Nation, and whose executive secretary, Mr. William H. Magie, has done an outstanding job of leadership and inspiration.

Mr. President, on behalf of myself, and my colleague, the senior Senator from Minnesota [Mr. THYE], I introduce, for appropriate reference, a bill which if enacted, would authorize and direct the Postmaster General to issue, on as early a date as practicable during the calendar year 1957, a special series of 3-cent postage stamps, of an appropriate design which shall include a canoe and wilderness scene from the Superior National Forest wilderness area. Such stamps would be known as Wilderness Preservation Stamps.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1666) to provide for the issuance of a special series of postage stamps to be known as Wilderness Preservation Stamps, introduced by Mr. HUMPHREY (for himself and Mr. THYE) was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

PROPOSED HEALTH SERVICES FACILITIES ACT

Mr. HUMPHREY. Mr. President, I am about to introduce a bill and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to assist voluntary nonprofit, prepaid health service associations by providing for long-term, interest-bearing loans. I honestly believe this is a bill which can be enacted by the 85th Congress, and I intend to press for that action. It is my hope that the Senate Labor and Public Welfare Committee will hold hearings on the bill shortly, and will bring it to the floor with a favorable report.

A constant preoccupation for many Americans today, Mr. President, is how to pay doctor bills. Countless Americans, particularly those in rural America, also face the community problem of how to find a doctor, even if the means of paying the bills are available.

All over America there have recently been developing the institutions of prepaid health services and the group practice of medicine. All over our Nation there are American citizens who have found by experience that they can accomplish in a voluntary group what they cannot accomplish individually, if they pool their potential needs for medical care and agree to prepay the cost of that care through a medical fund.

My own State of Minnesota has been the home of many such prepaid services operated on a group and cooperative basis. I have, in recent years, discussed the question of medical care with many of my fellow citizens. They tell me that there are two prerequisites for an effective and well-operated voluntary health program. The first is the need to establish a modern medical office and laboratory which will induce physicians to locate in the community where the citizens need and desire medical service. The second is the necessity to obtain a community pool of funds, derived from prepayments, which will insure adequate income for the physicians in bad times, as well as in good times.

Modern medicine is a very complicated matter. Good facilities for the doctor's workshop are essential. When such facilities are not available, it is difficult to induce good physicians to come to a community to practice medicine. In a number of smaller communities, and in a number of large ones, too, adequate medical facilities are simply not available. Neither are minimum hospital facilities available to care for minor medical and surgical cases.

Four years ago, on December 18, 1952, President Truman's Commission on the Health Needs of the Nation reported the results of their intensive study. One of their recommendations was that "Federal loans be made to local organizations desiring to institute prepayment plans associated with group practice, for the purpose of encouraging the establishment of group practice facilities." That is the object of the legislative proposal I have introduced since the 81st Congress and which I introduce again today.

Mr. President, my bill provides that if a group of people in a community where health facilities are inadequate will get together to form a voluntary health plan organization, and be prepared to assume the financial responsibility for working out their own problem, then they may apply for low interest, repayable loans from the Surgeon General—under the supervision of the Secretary of Health, Education, and Welfare—to enable them to finance the physician's facilities which their community requires.

This is the essence of my bill and is the essence of voluntary association. My basic aim is to encourage groups of people to take direct responsibility for the solution of their health care problems. The plan which these people develop must, of course, be sound, and warrant the approval of the Surgeon General.

The successful operation of this bill would attract doctors to areas where they are needed, and would make it easier for the American people to pay their medical bills. It would bring health facilities to American people, just as the principles of cooperative voluntary association brought electricity to rural America.

Voluntary association is the foundation of a democratic society. We are a Nation of joiners. Our citizens belong to churches, Rotary Clubs, women's organizations, trade unions, junior chambers of commerce, Knights of Columbus, sewing circles—indeed, to many thousands of religious, fraternal, political, and social organizations. This is what creates the democratic spirit in our country. The process of voluntary association is the essence of freedom. A good government is one which stimulates that kind of association.

If freedom and democracy survive today's crisis, it will, in my judgment, be due primarily to the vigor of democratic people directing their own efforts through voluntary organizations for the solution of their pressing day-to-day

problems. The partnership of government with people acting through voluntary associations is the inspiration of practical democracy.

Through bills such as the one I introduce today, we can apply this principle as we seek to solve the health needs of the American people.

Mr. President, the bill, the text of which I ask unanimous consent to have printed in the RECORD, would, if enacted, set up machinery which would be similar to the REA program, and the same kind of loan provisions would be provided for in the prepayment of medical care.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1667) to assist voluntary nonprofit associations offering prepaid health-service programs to secure necessary facilities and equipment through long-term, interest-bearing loans, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act be cited as the "Health Services Facilities Act."

DECLARATION OF PURPOSE

SEC. 2. It is hereby declared to be the policy of Congress to encourage the people of the United States to undertake solution of their common problems insofar as possible through voluntary cooperative action at the local community level. The Congress finds that one such common problem is that of developing means and methods whereby the people can create for themselves and their communities such diagnostic and treatment centers as will help make available to them the benefits of modern medical science and group practice on a prepaid budgetable basis and to enable physicians to make the best utilization of their services in maintaining the health of the community.

The Congress further finds that in many areas of the country and among many groups of people there have been or might readily be formed nonprofit associations for the purpose of enabling the membership of such associations to adequately compensate professional medical personnel and to prepay in an orderly manner the cost of efficiently organized, modern medical care. It is recognized, however, that in many instances, particularly in rural areas, such associations, while financially able to maintain such nonprofit medical service plans, do not have access to resources sufficient to provide the capital funds needed for the construction or acquisition of the physical facilities and equipment. Proper facilities and adequate equipment are essential to the economic operation of such programs, to the rendering of effective care, and to the recruitment of a sufficient number of doctors and related personnel. It is therefore declared to be the purpose of this act to provide long-term loans at reasonable rates of interest to such groups of people who demonstrate their readiness and ability to join together in and to maintain such voluntary associations and thus to advance the policy of Congress set forth in this act.

SEC. 3. In order to carry out the purposes of this act, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1957, the sum of $5 million and for the fiscal year ending June 30, 1958, the sum of $5 million and for each of the next 3 succeeding fiscal years the sum of $10 million.

SEC. 4. Loans for part or all of the cost of acquisition, construction, and equipping of health-service facilities incident to the operation of a health-service program may be made to nonprofit associations which submit to the Surgeon General of the United States Public Health Service satisfactory evidence—

(a) of local interest in and financial support for the successful operation of its prepaid health-service program, and such financial support shall be in an amount of not less than 10 percent of the amount of the loan applied for in this act;

(b) of an organization structure which vests control over the practice of medicine and dentistry in connection with the health-service program solely in duly licensed members of the professions involved;

(c) of an organizational structure which vests control over the general administration of the plan's operations in a governing board, a majority of whose members shall be persons who do not themselves furnish, or represent other persons that furnish, health services;

(d) that its methods of compensation will be on a basis mutually satisfactory to participating physicians and to the governing board of the plan;

(e) that participation in the plan by beneficiary members and by physicians shall be voluntary;

(f) that in cases of emergency the plan will agree to render services to any resident of the community whether or not they are members of the plan, and further that the facilities and services shall likewise be available to nonmember residents and nonparticipating physicians of the area served by the plan at such other times as will not interfere with the proper rendition of services to members of the program: *And provided further*, That the plan shall be entitled to require compensation on a fair and reasonable basis for all such utilization of its facilities or services by any such nonmembers and nonparticipating physicians.

SEC. 5. In carrying out the purposes of this act, the Surgeon General, with the advice of the Health Services Facilities Council, shall formulate standards for the making of loans to eligible nonprofit health service plans. Such standards shall provide equitably for—

(a) determination by the Surgeon General that the applicant is an association which accords with the requirements of section 4 of this act;

(b) the making of loans in sufficient amount to cover the total cost of facilities and equipment if desired by the applicant;

(c) an amortization period of 25 years with provision for earlier repayment by the borrower at his option;

(d) an interest rate of not to exceed 2 percent per annum on unpaid balances;

(e) determination of priorities for the making of loans to eligible applicants in accordance with a formula to be developed by the Surgeon General with the advice and consent of the Health Services Facilities Council, which formula shall include, among other factors, the degree to which the plan provides for comprehensive medical care and group-practice bases including preventive as well as curative treatment, sound method of repayment, relative need, extent of local interest and participation in applicant's program, and the relation of the projected facility to an overall development of health services in the general area of its location.

SEC. 6. At the request of groups operating health service plans or at the request of responsible groups contemplating the organization of such a plan, the Surgeon General may provide technical assistance in making needed surveys and in advising on organizational methods and operating procedures. The Surgeon General may expend for such assistance, not to exceed 10 percent annually, of the appropriation made under this act for surveys, technical assistance to nonprofit plans, and for the Federal administration of this act.

SEC. 7. The Surgeon General shall carry out his functions as provided herein under the supervision and direction of the Secretary of Health, Education, and Welfare. He shall, with the approval of the Secretary, prescribe such regulations as he deems necessary to carry out the purposes of this act. In carrying out his functions, the Surgeon General is authorized pursuant to agreement between the Secretary and the head of any Federal agency to utilize the services and facilities of such agency and to pay therefor either in advance or by way of reimbursement, as may be provided in such agreement.

SEC. 8. The Surgeon General shall make periodic, comparative analyses of the operations of health service plans and shall transmit reports thereon to such plans and to interested organizations, and shall furnish to Congress at the beginning of each regular session a full report of the administration of this act.

SEC. 9. For the purposes of this act—

(a) the term "health services" means services such as are provided by physicians and dentists and similar professional groups, members of which are licensed under State laws, laboratory and X-ray services, and other services related thereto.

(b) the term "States" includes Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the District of Columbia.

SEC. 10. The effective date of this act shall be the date of its enactment.

NATIONAL HEALTH SERVICES FACILITIES COUNCIL

SEC. 11. The Surgeon General, with the approval of the Secretary of Health, Education, and Welfare, shall establish a National Health Services Facilities Council to consist of 1 representative of the Department of Agriculture designated by the Secretary of Agriculture and 1 representative of the Department of Labor to be designated by the Secretary of Labor, and, in addition, 12 members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The 12 appointed members shall be leaders in the field of medical economics, medical administration, or public affairs, and 3 of such 12 shall be representative of operating nonprofit prepaid medical service plans, 3 shall be representative of bona fide national farm organizations, 3 shall be representative of bona fide national labor organizations, and 3 shall be members of the medical, dental, and nursing professions. Each appointed member of the Council shall hold office for a term of 4 years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and except that, of the members first appointed, 3 shall hold office for a term of 3 years, 3 shall hold office for a term of 2 years, and 3 shall hold office for a term of 1 year, as designated by the Surgeon General at the time of appointment. None of such 12 members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

SEC. 12. The National Health Services Facilities Council shall advise, consult with, and make recommendations to the Surgeon General on matters relating to the operation of this program. The Surgeon General is authorized to utilize the services of any member or members of the Council in connection with matters related to the operation of this program for such periods, in addition to conference periods, as he may determine.

SEC. 13. Members of the National Health Services Facilities Council and members of other national advisory councils established under this act, other than ex officio members, while attending conferences or meetings of their respective councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their place of residence.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO REGULATION OF CERTAIN FORMS OF FOR-HIRE MOTOR CARRIERS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend part II of the Interstate Commerce Act to subject certain forms of for-hire motor carrier transportation to regulation. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Interstate Commerce Commission, requesting this proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1677) to amend part II of the Interstate Commerce Act to subject certain forms of for-hire motor carrier transportation to regulation, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, March 6, 1957.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 20 copies each of draft bills, together with statements of justification therefor, which would give effect to Legislative Recommendations Nos. 4 and 5 appearing on pages 161 and 162, respectively, of the Commission's 70th annual report to Congress as follows:

"4. We recommend that part II of the act be amended so as to make clear that all for-hire motor carrier transportation, whatever its form, other than that specifically exempted, be made subject to regulation.

"5. We recommend that section 203 (b) (6) be amended so as to limit the exemption of motor vehicles transporting agricultural commodities, fish, and livestock to transportation from point of production to primary market."

We would appreciate your assistance in introducing these bills and scheduling early hearings thereon.

With kindest regards, I am

Sincerely yours,

OWEN CLARKE,
Chairman.

BASIC AUTHORITY FOR PERFORMANCE OF CERTAIN FUNCTIONS BY DEPARTMENT OF COMMERCE

Mr. MAGNUSON. Mr. President, by request of the Secretary of Commerce, Sinclair Weeks, I introduce, for appropriate reference, a bill to amend the act of October 26, 1949 (ch. 733, 63 Stat. 907), as amended.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1678) to amend the act of October 26, 1949 (ch. 733, 63 Stat. 907) as amended, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

MERRIMACK RIVER FLOOD CONTROL COMPACT

Mr. COTTON. Mr. President, on behalf of my colleague, the senior Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Massachusetts [Mr. SALTONSTALL], the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I introduce, for appropriate reference, a bill to grant the consent of Congress to the Merrimack River Flood Control Compact.

The State of New Hampshire completed its approval of the compact on March 14, 1957, when Gov. Lane Dwinell signed the bill, which had passed the State legislature. Massachusetts gave its approval to the compact last year when a similar measure was approved by the Massachusetts Legislature and was signed by Governor Herter on August 6, 1956.

The principal purposes of the compact are:

First. To promote interstate comity between Massachusetts and New Hampshire;

Second. To provide adequate storage capacity for impounding the waters of the Merrimack River and its tributaries for the protection of life and property from floods; and

Third. To provide a joint agency through which the two States, while promoting and preserving their own interests and sovereignty, may more effectively cooperate to accomplish control of floods and utilization of water resources in the basin of the Merrimack River.

On behalf of the Senators from the States of New Hampshire and Massachusetts, I express the hope this important measure will receive early and favorable consideration by the Congress.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1682) granting the consent and approval of Congress to the Merrimack River Flood Control Compact, introduced by Mr. COTTON (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954, RELATING TO PROCEDURES ON APPLICATIONS FOR FACILITY LICENSES

Mr. ANDERSON. Mr. President, I introduce, for appropriate reference, a bill to amend the Atomic Energy Act of 1954, as amended, with respect to procedures on applications for facility licenses, and for other purposes. I ask unanimous consent that a statement, prepared by me, relating to the bill, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1684) to amend the Atomic Energy Act of 1954, as amended, with respect to procedures on applications for facility licenses, and for other purposes, introduced by Mr. ANDERSON, was received, read twice by its title, and referred to the Joint Committee on Atomic Energy.

The statement presented by Mr. ANDERSON is as follows:

STATEMENT BY SENATOR ANDERSON

It is my privilege to introduce a bill to amend the Atomic Energy Act of 1954 to require that the AEC shall follow certain important procedures in connection with applications for construction permits or licenses to operate nuclear reactors. These procedures are intended to help increase public knowledge of reactor safety problems and control, and also to help assure fair and impartial administrative actions on applications.

Section 1 of the bill formally establishes a Committee on Reactor Safeguards to be named by the Atomic Energy Commission. This committee is now in existence as an advisory group to the AEC, and is composed of a number of outstanding experts and scientists. It is hoped that we will be able to obtain additional public benefits from their valued counsel and advice. Section 2 therefore requires that the Reactor Safeguards Committee shall review certain reactor applications and that its reports shall be made available to the public except to the extent that security classification prevents disclosure. Section 3 of the bill then requires that the Atomic Energy Commission shall hold a hearing, after 30 days' notice, on applications for permits or licenses for construction and operation of certain types of reactors.

The bill proposes to require public reports by the Reactor Safeguards Committee as well as public hearings on applications to construct and operate most power and testing reactors, but it leaves the AEC flexibility as to procedures on applications to construct and operate research reactors.

Last summer I directed the staff of the Joint Committee on Atomic Energy to undertake a study of AEC procedures and organization in the licensing of reactor facilities. This bill represents my own views as to what is needed at this time insofar as new licensing procedures are concerned. I am still studying the organizational question and I hope to introduce another bill on this subject sometime this session.

The AEC has had an excellent safety record in the past, but I believe that we should take every possible step to protect the health and safety of the public in the future as more reactors are constructed and operated throughout our country. We should strive to prevent, through every possible means, the occurrence of an atomic catastrophe which could cause widespread damage and set the atomic-energy program back many years. We should establish procedures which are open to all, with a maximum of information disseminated as to the hazards and safety of each proposed design of a reactor, and as to the administrative considerations and actions taken on each application. The public has a substantial investment in the atomic-energy program and has a right to know and analyze the steps being followed by administrative officials.

When the Atomic Energy Act was amended 3 years ago, I made the following statement on the floor of the Senate on July 14, 1954, expressing my opinion as to the advisability of public hearings on reactor license applications:

"But because I feel so strongly that nuclear energy is probably the most important thing we are dealing with in our industrial life today, I wish to be sure that the Commission has to do its business out of doors, so to speak, where everyone can see it.

"Although I have no doubt about the ability or integrity of the members of the Commission, I simply wish to be sure they have to move where everyone can see every step they take; and if they are to grant a license in this very important field, where monopoly could so easily be possible, I think a hearing should be required and a formal record should be made regarding all aspects, including the public aspects."

Almost 3 years have now passed and I believe my words of 1954 are still applicable. Perhaps I should reiterate again, however, that this bill is not intended as a criticism of the Commission staff, nor, of course, of the members of the Advisory Committee on Reactor Safeguards. The Advisory Committee, so far as I know, is a group which holds and deserves public respect, and its advice is eagerly sought by many people, including members of the insurance industry who are becoming aware of atomic-energy hazards problems. Similarly, the great majority on the AEC staff has worked hard and well with industrial applicants, has cut redtape and administrative delay, and is a conscientious and technically able group. I mean no reflection on their abilities or integrities by this bill, and I hope that I am understood on that point. I believe that the increased workload would not handicap the effectiveness of either the Advisory Committee or the AEC staff, and I further believe the public importance of these more formalized procedures warrants their adoption. Of course, we shall welcome comments on the bill.

IMPROVED METHODS FOR STATING BUDGET ESTIMATES—AMENDMENT

Mr. KENNEDY submitted an amendment, intended to be proposed by him to the bill (S. 434) to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, which was referred to the Committee on Government Operations, and ordered to be printed.

EXTENSION OF EXISTING CORPORATE NORMAL TAX AND CERTAIN EXCISE TAX RATES—AMENDMENTS

Mr. ANDERSON submitted amendments, intended to be proposed by him to the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which were referred to the Committee on Finance, and ordered to be printed.

Mr. MAGNUSON. Mr. President, on behalf of myself, and my colleague, the junior Senator from Washington [Mr. JACKSON], I submit amendments, intended to be proposed by us, jointly, to the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise taxes.

I ask unanimous consent to have printed in the RECORD an editorial from the Seattle Times of February 12, 1957, entitled "Timely Income-Tax Relief for Teachers Is Proposed."

There being no objection, the amendments were received, referred to the Committee on Finance, and ordered to be printed; and the editorial was ordered to be printed in the RECORD, as follows:

TIMELY INCOME-TAX RELIEF FOR TEACHERS IS PROPOSED

Of interest to teachers of Seattle and Washington State is legislation under consideration in Congress designed to reduce in small measure the tax burdens of members of the teaching profession.

Proposed by the National Education Association is a bill to allow schoolteachers to deduct a substantial amount of the cost of summer-school training courses from their Federal income-tax payments. A maximum deduction of $600 is provided in the bill.

It is estimated that from one-fourth to one-third of the Nation's 1,176,000 schoolteachers—around 300,000—go to summer school every year. If every teacher taking such extra training were to claim the full $600 deduction, the United States Treasury would lose around $36 million a year in income-tax revenue. But it is likely that the actual loss in revenue would be considerably less than that, since many teachers taking such training would not, or could not, claim the full deduction. The $36 million, then, would be the maximum loss in Federal revenue from this proposal.

The NEA has been advocating legislation of this nature since as far back as 1942. Now, however, according to NEA spokesmen, new rulings promulgated by the Internal Revenue Service make it more needful than ever that the measure be enacted this year.

The NEA's purpose is to clarify the regulations proposed by the Internal Revenue Service and to encourage teachers to take additional training to equip themselves for better performance of their professional duties.

Opposition to the measure is expected from the Treasury Department, always disinclined to favor even so small a reduction in tax revenue as is involved in this proposal.

The NEA bill is sponsored in Congress by Representative KING, Democrat, of California, who is reported to be mildly optimistic that it will be passed, despite Treasury opposition. It may be hoped here that his optimism is well-founded. The loss of $36 million a year would make a very inconsequential dent in Federal revenues.

On the other hand, the proposal might encourage more teachers to improve professional proficiency at a time when teaching salaries are acknowledged to be inadequate almost everywhere.

Other taxpayers should not begrudge to teachers this relatively trifling concession which, after all, would amount to very small change in the pockets of Uncle Sam.

AMENDMENT OF LABOR-MANAGEMENT RELATIONS ACT, 1947—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 18, 1957,

The names of Mr. PAYNE and Mr. CASE of New Jersey were added as additional cosponsors of the bill (S. 1614) to amend the Labor-Management Relations Act, 1947, as amended, introduced by Mr. SMITH of New Jersey (for himself and other Senators), on March 18, 1957.

AMENDMENT OF NATIONAL HOUSING ACT, RELATING TO ADEQUATE HOUSING FOR PERSONS OF MODERATE INCOME—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 18, 1957,

The name of Mr. HENNINGS was added as an additional cosponsor of the bill (S. 1633) to amend section 221 of the National Housing Act in order to further assist in the provision of adequate housing for persons of moderate income, and for other purposes, introduced by Mr. SPARKMAN (for himself and other Senators), on March 18, 1957.

RECOGNITION OF ALTAR OF THE NATION AT RINDGE, N. H., AS A NATIONAL SHRINE—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Mr. BRIDGES. Mr. President, I ask unanimous consent that the names of the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Minnesota [Mr. THYE] may be added as cosponsors to the concurrent resolution (S. Con. Res. 9) which provides for the recognition of the Altar of the Nation in Rindge, N. H., as a national shrine, submitted by me, on behalf of myself and other Senators, on January 30, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CHANGE OF REFERENCE

On motion of Mr. MAGNUSON, and by unanimous consent, the Committee on Agriculture and Forestry was discharged from the further consideration of the bill (S. 1552) to authorize the Secretary of Agriculture to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice-field crops, and for other purposes, and it was referred to the Committee on Interstate and Foreign Commerce.

STOCKPILING OF EXTRA LONG STAPLE COTTON — CHANGE OF REFERENCE

Mr. GOLDWATER. Mr. President, on Monday of this week I asked unanimous consent that the Committee on Armed Services be discharged from the further consideration of the joint resolution (S. J. Res. 63) relating to the stockpiling of extra long staple cotton under the Strategic and Critical Materials Stockpiling Act, and that the joint resolution be referred to the Committee on Agriculture and Forestry.

At the request of the distinguished minority leader, I withheld that request until consultation could be held with the senior Senator from Georgia [Mr. RUSSELL] and the majority leader, the Senator from Texas [Mr. JOHNSON]. I have conferred with both of those Senators,

and they have no objection to the change of reference of the joint resolution. So I renew my request that further consideration of Senate Joint Resolution 63 be transferred from the Senate Committee on Armed Services to the Senate Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SALTONSTALL:

Excerpt from an address delivered by him in Everett, Mass., on March 17, 1957, on the Middle East problem.

By Mr. HILL:

Statement made by him before the Senate Committee on Agriculture and Forestry on March 12, 1957, regarding relief of southern farmers suffering from depressed farm prices and reduced cotton-acreage allotments.

By Mr. MORSE:

Address delivered by him before the national meeting of Methodist Leaders in Social Action on March 19, 1957.

By Mr. JAVITS:

Address on the Middle East problem delivered by him before National Council of Jewish Women on March 20, 1957, in Washington, D. C.

NOTICE CONCERNING CERTAIN NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Clark W. Gregory, of Michigan, to be United States marshal for the eastern district of Michigan for a term of 4 years, vice William A. Nowicki, deceased.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, March 29, 1957, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

THE AMERICAN SYSTEM

Mr. MARTIN of Pennsylvania. Mr. President, Mr. Keith Funston, president of the New York Stock Exchange, a few weeks ago delivered an outstanding address before the 61st Congress of American Industry. I commend this address to my colleagues, and I should like to call attention to certain things in the address. I ask unanimous consent that two paragraphs relating to the amount of money necessary for us to raise, in order to take care of industrial expansion, be printed in the RECORD, as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

HOW DO WE MAKE IT HAPPEN? THE NEED FOR GROWTH CAPITAL—$360 BILLION OF IT—COMES FIRST; IT IS ENORMOUS AND MUST BE MET

Like all things of value, this future has a price tag. It reads: $360 billion. This is the amount of capital American corporations will have to raise—the financial energy they must generate—to acquire just the plant capacity needed to meet 1965 goals.

Of this $360 billion, some $60 billion should be raised through the sale of new stock. This is an average of $6 billion a year over the next decade, if our future is to be financed soundly. You might well wonder, where will this kind of money come from? Well, institutional investors can be expected to supply about half of it. But the remaining $30 billion should come directly from us, the American people. And this represents a hitherto unknown scale of direct individual investments in equity securities—that is, in common stocks. It is fully three times the rate of recent years.

Mr. MARTIN of Pennsylvania. Mr. President, Mr. Funston also discussed the tax on capital gains, and I ask unanimous consent that his statement on that subject be printed in the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The bite taken from dividends, however, is only half the problem. An even greater investment obstacle is the capital gains tax, one of the harshest penalties on success this country has ever devised. This tax imposes a levy of up to 25 percent on the gains realized from the sale of securities held over 6 months. The effect of the tax poses a very crucial question. It is whether the expansion goals we have set for ourselves can be met if we continue to choke the impulse to venture and to gain. The capital gains tax really does just this.

Because it is self-imposed, it can be avoided by taking no action. It therefore locks the present investor in, and reduces the pool of risk capital available for newer and more venturesome projects. It breeds inertia and inaction, instead of providing greater incentives and greater mobility.

Mr. MARTIN of Pennsylvania. Mr. President, Mr. Funston further discussed taxation, and referred to what Germany has done. I ask unanimous consent that this portion of his address be printed in the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Out of these facts comes the third and strongest impression. It is that despite our progress we do not have all the answers. It was surprising to me that nations which do not pride themselves, as we do, on the progress of their free-enterprise economies, should embrace so many constructive policies that encourage the flow of venture money. It was surprising, also, to realize that in America, where we hold risk-taking to be the essence of enterprise, we are in many ways backward when it comes to pumping venture money into our economic lifelines.

Perhaps the best illustration of this is to be found in free Germany—and its story that goes back not 5 weeks but 2 years. A German official, then visiting New York, told me of his plans to boost output. He aimed to accomplish this, he said, by slashing income taxes, by eliminating the capital gains tax, and by substantially reducing the double tax on corporate dividends. In my wisdom I told him he was reaching for the moon. Very much to my astonishment, within 6 months this official had achieved everything he set out to do.

Well, West Germany's great industrial boom today is a matter of record. And it is more than a coincidence, I think, that the visitor to Germany now finds the maximum income tax is 55 percent, compared to a maximum surtax rate of 91 percent in America; the capital gains tax has been abolished for all practical purposes; and the double tax on dividends has been eased so that corporations are encouraged to pay out a greater share of their earnings.

Mr. MARTIN of Pennsylvania. Mr. President, I have been very much impressed by a short editorial published in the Oil City Derrick, which refers to the fact that the opponents of the American profit-and-loss system are advocates of some form of socialism. The editorial goes on to say that after 40 years, Soviet-type communism has produced a living standard only one-tenth as high as that of the United States; the so-called Swedish welfare state has produced a living standard only one-third as high as ours; and in England, where nationalization of basic industries has operated for 12 years, the living standard is not quite half as high as ours.

I ask unanimous consent that the editorial be printed in the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESULTS TELL THE STORY

Opponents of the American profit-and-loss system are advocates of some form of socialism—whether it be the Soviet-type communism, the Swedish-type welfare state, or the English-style conservative socialism.

The irony is that after 40 years, Soviet-type communism has produced a living standard only one-tenth as high as ours; the so-called Swedish welfare state a living standard only one-third as high; and in England where nationalization of basic industries has operated for 12 years, the living standard is not quite half as high as ours.

The results tell the story. The American system is absolute tops.

EXCERPTS FROM TESTIMONY BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

Mr. DIRKSEN. Mr. President, the Antitrust and Monopoly Subcommittee of the United States Senate under the able leadership of its chairman, the Senator from Tennessee [Mr. KEFAUVER] has been conducting public hearings on Senate bills 11 and 1211. Numerous witnesses who have appeared before the subcommittee have presented many points of view either for or against S. 11 and S. 1211. Some of the witnesses have suggested amending these bills. I do not wish to go into a discussion of the bills at this time. But when Mr. S. H. MacArthur, vice president of the Glens Falls Portland Cement Co., of Glens Falls, N. Y., was presenting testimony before the subcommittee, a part of his

there objection?

testimony dealt with the national economic philosophy which has made the United States the great country it is today. It was the position of Mr. MacArthur that the competition in industry would be adversely affected by the enactment of S. 11 into law. At this time I ask unanimous consent that excerpts from a colloquy between Senators, counsel, and witnesses on this principle be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. MACARTHUR. Senator, in any business in which I am in constant contact—now I am not a retailer. I don't get down, I don't get a lot of experience in that, but in the give and take of the construction industry, which is widespread now, that takes in an awful lot of people, I will say "No." They will eat you alive if you don't watch your P's and Q's all the time. You see, there are so many things offering, there are so many substitutes. May I make one point now without boring you?

When we talk about competition, when I talk about my competition in the cement business, in reality cement manufacturers are not my competition.

The steel manufacturers and the brick manufacturers and the aluminum, these new buildings they are putting up with aluminum shells and bronze, everybody is competing for the construction dollar. There are so many dollars to be spent in construction. If you were ready to build tomorrow, a man would come to you and try to get you to design in steel and another one would try to get you to design in concrete, another man to make use of all of the timber that you could.

Just the minute you are a little bit out of line in costs—I am speaking now of concrete as opposed to steel, as opposed to other things—that other organization will come in and take the business away from you.

We have made enormous strides in the last 15 or 20 years in the sale of concrete building units, which market at one time was dominated by lumber and brick.

Anybody who built a house built it out of timber, lumber, or he built it out of brick. But we have come in, due to research work and being able to make a product better, in many cases being able to make it cheaper, we have taken an enormous piece of that construction market away from those people, and we propose to hold it, if we can do it. They have been hurt to that extent.

Senator WILEY. Of course I think it is very apparent to anyone who looks around that this great dynamic organism called the United States of America in the last 10 years and even prior thereto, because we curtailed because of the war because of our needs, that it has created a tremendous market for the construction business.

But what I had in mind, I ask the question which you probably heard, of people like gasoline station owners who came in here who claim that there has been violation of the law, and I think we have pretty good evidence that if the law at present that is on the books were enforced, that 90 percent of the violations probably could be prosecuted successfully if the facts are what they claim.

Then we have also the complaints of small grocers and those in the drug business where people having a monopoly or having control of things do not do the fair thing. That creates the problem. This is why I asked the question whether you knew anything about that.

Mr. MACARTHUR. No, sir. You will criticize me for this, I know.

Senator WILEY. I would not expect you to know.

Mr. MACARTHUR. This, Senator, the thing I am going to say, I think you gentlemen and we, all of us, have before us an ever-present problem of the direction that our economy is taking. To illustrate that in the most simple and we will say childish way, suppose the men who bought the bonds for the Erie Canal had had something like that to back them up. They were injured. When Vanderbilt built that railroad along there, we were injured. We built a plank road, a toll road up around Albany 25 or 30 years ago.

What should we maintain? What is there in our dynamic economy that should be maintained by law if it cannot maintain itself?

Where are we going to draw the line? What are we going to preserve? What becomes archaic and when does it become archaic? How long can it be preserved?

Senator WILEY. I think those are questions that agitate particularly now to a certain segment of our economy. We have laid down a policy in our antitrust laws, in our Robinson-Patman Act, and in others. We may not all agree with the philosophy of it, but it is there. We are not blind to the fact that power corrupts, and it corrupts men's souls.

That does not mean that we do not want men of genius and men of ability who can develop great organisms. We want health, economic health, but we do not want economic disease. Again the only question—you are a practical man. I think I have your philosophy—you apparently feel that if we do anything more to the present law, that possibly the remedy is worse than the disease.

Mr. MACARTHUR. You have stated it far better than I could, sir. That is it.

Senator WILEY. I think that is the conclusion of a lot of prosperous people, sir. You are pretty prosperous-looking yourself.

Mr. MACARTHUR. I should not have had my hair cut this morning.

Senator WILEY. That is all.

Senator KEFAUVER. Senator DIRKSEN?

Senator DIRKSEN. Mr. MacArthur, your very interesting statement makes me feel impelled to read into the record a portion of the Supreme Court decision in the Standard Oil-Detroit case.

The Court says, "The heart of our national economic policy long has been faith in the value of competition.

"In the Sherman and Clayton Acts as well as in the Robinson-Patman Act, Congress was dealing with competition which it sought to protect and monopoly which it sought to prevent."

It cites *Staley Manufacturing Company v. Federal Trade Commission* (135, F. 2d 423 and 435):

"We need not now reconcile in its entirety the economic theory which underlies the Robinson-Patman Act with that of the Sherman and Clayton Acts."

I interpolate for a moment.

This is in the footnote:

"It has been suggested that in theory the Robinson-Patman Act as a whole is inconsistent with the Sherman and Clayton Acts."

Then it cites a number of cases. Now we go on:

"It is enough to say that Congress did not seek by the Robinson-Patman Act either to abolish competition or so radically to curtail it that a seller would have no substantial right of self-defense against a price raid by a competitor.

"For example, if a large customer requests a seller to meet a temptingly lower price offered to him by one of his seller's competitors, the seller may well find it essential as a matter of business survival to meet that price rather than to lose the customer. It might be that this customer is the seller's only available market for the major portion of the seller's product, and that the loss of this customer would result in forcing a much higher unit cost and higher sales prices upon the seller's other customers."

Now I pause for a minute. That is one situation that has not been too freely ventilated, it seems to me, because what it involves is this question of recoupment. If you have got to meet a lower competitive price and you want to stay in business, it may touch such a substantial portion of your business value that somewhere off in the distance you are going to have to make customers of a like product pay the freight.

Mr. MACARTHUR. That is correct.

Senator DIRKSEN. Because under this proposal in my judgment you begin to affect the very flexibility that you were talking about when you said the first thing in the morning at a port or here or there or elsewhere you have got to find out what is going on, and if a customer is going to get away from you, can you meet the competition and be sure that you are lessening competition as this proposal states, and get yourself in the toils of the Federal Trade Commission.

So there is this question of flexibility, and there is the question of recoupment from somebody else to pay the freight for it, if you have got to reduce the price to every one of your competitors. That is a very disturbing feature about this thing.

Mr. MACARTHUR. It plays an enormous role. If you will pardon me, I would go back 20 years to illustrate what you say. At the time I was with the company, we were operating a mill in Hannibal, Mo. Things were very, very bad in 1933. The State of Missouri for their highway program was going to buy 2 million barrels of cement, which was an enormous lot of cement for anybody, because we were struggling at our little mill up at Hannibal trying to keep running.

An out-of-State mill came in and made a ridiculous price on a great lot of that 2 million barrels.

Senator WILEY. Portland?

Mr. MACARTHUR. Portland cement. They had four very fine men as commissioners, highway commissioners in Missouri at that time, and I undertook to go to those commissioners and ask a very peculiar and really an illegal thing from them, pointing out that we had been operating our mill in Hannibal on a reduced basis in order that we could keep about 50 percent of our men working, anything to get them through the winter.

Those who did not work were on relief, on the Missouri relief rolls. I proposed to those commissioners that they let our company go in and pick and choose some of that stuff that had been offered at higher prices. It was nearer our mill, so that it was not too bad or too illegal.

Just take enough of that to continue to run our mill through the winter and let those men work and keep them off the relief rolls, and pointed out that the State of Missouri would make a lot more money by paying slightly more for that little batch of cement that they gave us and let us run our mill, than to throw the whole lot out of work and put them out on the relief rolls.

That is an exaggerated point, but it bears out specifically what it means to not get the order or to miss 3 or 4 or 5 orders in a row so that your production goes way down, and your costs go up accordingly, and somebody has got to pay the freight on that somewhere if you are thrown into reverse gear like that.

Senator DIRKSEN. Now, if there were an economic slide of some kind, obviously competition becomes more intense?

Senator DIRKSEN. Then your problem is aggravated?

Mr. MACARTHUR. Doubled and tripled.

Senator DIRKSEN. Now to continue one more paragraph of this decision:

"There is nothing to show a Congressional purpose in such a situation to compel the

seller to choose only between ruinously cutting its prices to all of its customers to match the price offered to one, or refusing to meet the competition and then ruinously raising its prices to its remaining customers to cover increased unit cost."

That is the situation you were ventilating a moment ago.

Mr. MACARTHUR. Yes, sir.

Senator DIRKSEN. Upon which I commented briefly.

Now to continue:

"There is, on the other hand, plain language and established practice which permits a seller to remain a customer by realistically meeting in good faith the price offered to that customer without necessarily changing the seller's price to its other customers."

Mr. MACARTHUR. Yes, sir.

Senator DIRKSEN. That is the nub of it?

Mr. MACARTHUR. We feel that the law as it stands today allows us that privilege, and we feel that the same law gives the Federal Trade Commission or any other governmental body all the authority necessary to come and take us into court if they want to take us there.

But we at least have had a little time to study and to adjust ourselves to the law as it is written at present.

We are trying hard to adjust, and we feel that the public is well protected under that, and it allows us at least some flexibility to try to conduct our business.

Senator DIRKSEN. I have only one other comment to make. I think you are correct about this element of freight absorption. You can dress it up in a very fancy term, but when all is said and done, it is still a price reduction.

Mr. MACARTHUR. We cut the price.

Senator DIRKSEN. In practical effect, and it must be so considered.

Mr. MACARTHUR. And somebody, we are afraid, will rule that.

* * * * *

Senator KEFAUVER. Mr. Fowler, to sum up your testimony, you want to retain the absolute right by the so-called meeting of competition, to meet competition in good faith even though it may mean that the customer to which you meet it created a monopoly or even though it may mean that your other customer is out of business.

Mr. FOWLER. Yes, sir; because we think that the effect on the economy of this right, the exercise of this right, the competitive vigor it gives to the marketing of the products of our industry far outweigh any advantage you get from this law.

We think if a monopoly is created, there is the Sherman Act. We think that there are these general laws already on the books to deal with the general antitrust abuses that we are very conscious exists.

Senator KEFAUVER. I just wanted you to answer that question. You want to retain that right even though it may give your favored customer a monopoly and it may put your other customers out of business?

Mr. FOWLER. Yes, sir.

Senator WILEY. I think to be fair on that subject, I think that answer implies that you have a defense of good faith, that it necessarily creates a monopoly or puts your customers out. You don't want to imply that, do you?

Mr. FOWLER. Oh, no. I don't think the results that the Senator has suggested will result from an exercise of this particular right.

* * * * *

Senator WILEY. My problem has many angles to it. Supposing that you sold a commodity to a customer at a reduced price. The fellow across the street, who isn't your customer, or supposing he were your customer, but he went out of business.

There are a lot of reasons why he might have gone out of business. You see that every day. There is incompetency and there are a number of other factors.

But the claim might be that it lessened competition. You made some contribution toward it.

But the word "substantial" is in there which also requires a definition, and it raises the problem where somebody might claim very nicely that competition was substantially decreased, and claim damages.

All these elements are what causes me to think in terms of making sure that not only the fellow that you sell to but that the public interest and everybody else is not damaged more than improved by legislation. I didn't mean to interrupt you.

Mr. FOWLER. Senator WILEY, may I just say on your point the Supreme Court opinion in the Standard Oil case, the majority opinion, pointed out a very important economic factor here, and that is the damage to that man across the street who is the competitor of my customer was done not when I met the competitive price of Jones in the next State, but the economic damage was done to him when Jones made that offer to my customer.

The competitive damage to the competitor of my customer occurred when my customer got the offer of the lower price from my competitor. When I met the price or not, the damage was done in the initial instance by the lower price from my competitor.

So to prevent me from meeting that competition isn't going to preserve the competitor of my customer, because if my customer doesn't get it from me, he is going to get it from the fellow who made him the original offer.

Senator WILEY. That might be your argument but a court may say different, and that is the thing. After all, they are just human, and they see things differently.

Mr. FOWLER. I only pointed it out because the Supreme Court in the Standard Oil case did mention that fact, so they drew the inference I draw.

Senator WILEY. But if this language goes into it, what effect is it going to have on that decision?

Mr. FOWLER. It is going to completely reverse it.

Senator KEFAUVER. Mr. Chumbris, you had something?

Mr. CHUMBRIS. All I was going to point out was that the Supreme Court stated "in a case where a seller sustains the burden of proof placed upon it to establish its defense under section 2 b, we find no reason to destroy that defense directly merely because it also appears that the beneficiaries of the seller's price reduction may derive a competitive advantage from them or may, in the natural course of events, reduce their own resale prices to their customers."

I think that was the answer to your particular question.

Mr. FOWLER. I cloaked it in more general terms. The advantages to competition of my meeting that price outweigh any other disadvantages to competition that may be shown. I think that is the judgment Congress has made in the two specific instances in 1914 and 1936 when this question of a broad public policy was raised.

In answering Senator KEFAUVER's question about did I want this right even though I am saying, "Yes; I want it because Congress has looked down the barrel," the muscle of this situation in two previous instances, and decided it was good public policy to maintain this right, not limited, but to maintain it in its present unlimited fashion.

* * * * *

Mr. DIXON. We must assume that he has sold to one of these customers, on the basis that he is doing this in good faith to retain that customer's business, and you must assume that by doing that that this is injuring these other competing customers.

Do you stand for that?

Mr. HOBBY. What I was trying to say is this: Let's call the customer that gets the lower price customer "customer A." Customer A has already got a lower price from somebody. We are assuming that, because otherwise the bill has no application. So customer A will buy this widget that the manufacturer is selling at a lower price. The other four customers of that manufacturer in that area are going to be injured, whether the manufacturer of widgets that we are talking about sells him at the lower price or not, because they are going to have to compete with a lower price that customer A is getting from somebody else.

Mr. DIXON. You are assuming that customer A has already got that price, aren't you?

Mr. HOBBY. I am assuming that it is a good faith meeting of a price, which means that he has been made a firm offer, and that he will buy it from the other person unless the manufacturer reduces his price.

You have got to assume that this is a good faith meeting of competition, because as I say, otherwise the bill has no application at all.

If it is not good faith we don't have any problem. If he is going to get the lower price, the other four people are going to be injured, and it seems to me that in order to have competition, you have to postulate that kind of injury.

If you are ever going to have price fluidity so that you can actually have competition, which mostly is price competition, you are going to have to allow the situation where A is going to get a lower price and other people are going to suffer from it.

Either they meet it or they do not meet it.

Mr. DIXON. What restrictions or test would you recommend to the committee?

Mr. HOBBY. In that situation?

Mr. DIXON. Yes.

Mr. HOBBY. I think that the good faith meeting of the price, the emphasis on good faith, is all the protection that you need, and as one of the witnesses said early last week, you appreciate that. I think in only two cases in the Trade Commission has anybody yet succeeded in proving good faith in this situation.

The problem of trying to defend yourself under the good-faith defense as it now exists is practically insuperable.

* * * * *

Mr. DIXON. But very prominently mentioned has been a recent decision in a case referred to as the Enterprise case. In that case the Court, in trying to determine where the competitive injury was, reduced it down, I believe, to something like 6 to 9 filling stations.

I have heard the chairman say, who is the sponsor of this bill, one of the sponsors, and I think I fairly reflect what he told other witnesses here, that certainly that is not his intention nor is it his understanding of the law that it would be incumbent upon you as a seller to reduce your price to everybody that you sell to if you had to reduce it to one.

The law would require you to reduce that price to only those competing customers that had been substantially affected by the reduction to the one.

With that understanding, let me ask you this question:

Assume that that is the law, that in the case of a price war as you referred to it, and one of your stations to whom you had sold told you that he had been offered a 4-cent better price, and in order to keep that customer you meet it, assuming that the law only required you to give that same price to your other dealers, that were reasonably in that area, in that same trade area that

know.

of the seller's product, and that the loss

There is nothing to show a Congressional purpose in such a situation to compel the

could be proven to have been affected by that price to that one station of yours, would you still oppose the law?

Mr. STONE. You have so many conditions and "ifs" on it. If that was clearly decided to be the law, it would be an entirely different situation from what we understand it to be now.

Mr. DIXON. I understand the law to be as I have told you, sir.

Senator WILEY. I might say that others don't.

Mr. STONE. I can assure you that other lawyers don't agree with that.

Mr. DIXON. As I would understand it, we have had very clearly demonstrated here that most of the witnesses we have heard thus far, they have been told by their lawyers that they would have to reduce the price to everybody to whom they sell, and I might ask you, did your lawyer cite any legal case to support his statement when he told you that?

Mr. STONE. That is the crux of the whole matter. He can't find anything to substantiate it one way or the other, and my argument, my whole contention on this thing, is the uncertainty that this law will throw into the entire petroleum industry.

If I had had a chance to read all this statement, I could show you just what our reasoning is on it. It is not so much it might do. It is the uncertainty.

I mention in here that it will take months and perhaps years for the courts to determine what this new language means in this act, during which time we are in an uncertain position as to the meaning of it.

Mr. CHUMBRIS. Mr. Chairman, I think the point that Mr. Stone is trying to bring out, I think it has been stated at these hearings is that each case is in itself a separate case, and the court will look upon the facts in that particular case.

Now, nine stations might be all right in the Enterprise case, but we had these gasoline dealers from Norfolk come up and say that they are getting a certain price from their Esso jobber all over Norfolk, but their complaint was that in Portsmouth, which is a city across the river or across the bay, it is 2 cents cheaper, and that was their complaint.

Now, the matter came up again in the Birmingham, Ala., situation.

Senator WILEY. I had that in mind, I might say. I said there was a difference of opinion, and I wanted to ask this question.

Your lawyers probably had in mind a situation such as you have described, a situation such as prevailed in Detroit where there were only a few stations that were given, and it was said that possibly that if the new law, this new bill were law, that it would be a violation, as I understand it.

Did your lawyers give you any suggestion as to how to clarify this?

Mr. STONE. No, sir. We can't figure how to clarify it.

Senator WILEY. You mean that clear-headed Wisconsin lawyers can't find answers?

Mr. STONE. The language, the new language in the bill, is the confusing part to us. Of course, without that, there would be no necessity for the bill.

I would like to call your attention to one thing further, Senator, on my position here.

As I state in here, I come before the committee under two conflicting positions which have been unable to resolve.

In the first instance, I am very reluctant to oppose any legislation which might be for the benefit of small business. I appreciate and am very grateful for the good efforts being put forth by many Senators and Congressmen in behalf of small business.

Then I go on to explain in here that I can't see that the confusion that, in our opinion, is certain to result from the meaning of this bill is justified.

In other words, in a few sentences, I know we have a disease but I'm afraid the remedy is worse than the disease.

Senator WILEY. I think you have made your point very clear as to what your position is. It is the same as others.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent to proceed for not to exceed 3½ minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. SCHOEPPEL. Mr. President, the Senate Committee on Agriculture and Forestry heard the testimony yesterday of Mr. Earl L. Butz, Assistant Secretary of Agriculture, and Mr. Gwynn Garnett, Administrator of the Foreign Agricultural Service, in support of the administration's request for an extension of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954. I am glad to be able to report that immediately upon completion of this testimony the committee voted unanimously in support of S. 1314, which embodies the administration's proposals for extension of the law, and the committee's report on this bill will be coming to the Senate shortly.

It was my privilege to introduce and sponsor Public Law 480 in the Senate in 1953. Therefore, I have been particularly interested in following the progress made in implementing the law since it was enacted. I was pleased to see that the President delegated major responsibility for administration of the program to the Department of Agriculture, and that in that Department the Foreign Agricultural Service has carried out the program with great energy and with equally great effectiveness.

Mr. President, on June 11, 1953, I introduced a bill, S. 2127, which authorized the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director of Mutual Security for sale to countries participating in a mutual security program.

At the time I introduced this measure, I called attention to the fact that through the operation of the price-support program, we had accumulated large surpluses of agricultural commodities which overhung the market and had depressed farm prices to the detriment of the American farmer. It was my feeling then, as now, that with millions of people throughout the free world crying for food and clothing, these vast stocks of food and fiber could be changed from a burdensome liability to a definite asset. This measure was referred to the Senate Committee on Agriculture and Forestry, of which I am a member.

Subsequent to the introduction and reference of this bill, our committee considered this proposed legislation, along with a number of similar bills authorizing the barter or sale for foreign currency of surplus agricultural commodities.

On July 24, 1953, I introduced, for myself and 10 of my colleagues, S. 2475, which gave to the President the authority to use agricultural commodities to improve the foreign relations of the United States and other purposes. That measure became known as the Agricultural Trade Development Act of 1954.

On July 28, when this bill was before the Senate for consideration, I pointed out that, in dealing with agricultural surpluses, we could pursue one of two courses. First, either shrink the agricultural plant of this country to existing markets, which would be disastrous to agriculture and to the Nation, or, second, we could seek and develop new markets and thus increase our agricultural exports, which would be a definite asset to agriculture.

Senate bill 2475 was passed by the Senate in July 1953 and later became Public Law 480 on July 10, 1954. It has been referred to as the Agricultural Trade Development Act of 1954.

The record made to date is truly outstanding. Practically all of the $3 billion authorized under title I of the act has now been committed. Last year about one-seventh of all our exports were made under the foreign currency provisions of this law, and these shipments helped boost total agricultural exports to $3.5 billion. This year title I is expected to account for about one-sixth of our total agricultural exports, and I am convinced that it has been a major factor in raising total agricultural exports to current record levels. As a matter of fact, I was gratified to learn this morning that the Department of Agriculture now believes that exports will reach $4.5 billion this year, which is an increase of a billion dollars over last year, and by far the highest total on record.

I was also pleased to hear that the foreign currency sales are being made in such a way that we are also encouraging a boost in export sales of agricultural commodities for dollars. Mr. Butz and Mr. Garnett testified that exports for dollars will be substantially higher this year than they were last year.

The Department of Agriculture has included in this program most of the commodities which are in surplus. In my particular area I have a great interest in wheat, and I understand that Public Law 480 wheat exports this year will be about 150 million bushels, or about one-third of total wheat exports. I can see that these foreign currency sales have been of great help in raising total wheat exports this year to about 450 million bushels, an increase of more than 100 million bushels over last year's total. These sharply expanded wheat exports will make it possible to reduce the surplus stocks of wheat in CCC hands by at least 50 million bushels this year. This is the first time in many years that stocks will have decreased rather than increased, and it appears that further large reductions in the surpluses are in prospect next year.

I am glad to be able to make this brief report to the Senate regarding the Public Law 480 program. It has proven to be a good law, and I am confident it will continue to be. With more cooperation

There are a lot of reasons why he might have gone out of business. You see that

that he is doing this in good faith in that area, in that same trade area that that customer's business, and you must as-

from the State Department, I think it could do better.

Mr. President, I ask unanimous consent that a copy of Mr. Butz' testimony be placed in the RECORD, and I recommend that it be read carefully by every Senator who is interested in the well-being of American agriculture. The statement clearly indicates that Public Law 480 has proved to be an effective instrument in moving price depressing farm surpluses abroad and at the same time has helped to advance in a positive way the foreign policy interests of the United States.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

DISPOSAL OF AGRICULTURAL COMMODITIES UNDER PUBLIC LAW 480—STATEMENT OF ASSISTANT SECRETARY OF AGRICULTURE EARL L. BUTZ BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY, MARCH 20, 1957

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you to discuss the Public Law 480 program. Public Law 480, approved on July 10, 1954, provided several constructive methods to dispose of our agricultural surpluses.

Title I of Public Law 480 originally provided a $700 million authorization for selling surpluses abroad to friendly countries for foreign currencies. On August 12, 1955, the authorization was increased to $1.5 million; on August 8, 1956, the total limitation was raised to $3 billion.

We are now recommending an increase of $1 billion in this authority and an extension of 1 year in the time that new agreements may be concluded. We are also recommending a 1-year extension and an increase of $300 million in title II of the law which authorizes donations of commodities for emergency needs abroad. Finally, we are requesting repeal of section 304 of title III to permit barter transactions to Eastern European countries under certain conditions. Title III of Public Law 480 authorizes barter operations as well as donations through voluntary relief agencies of surplus farm products.

DESCRIPTION OF TITLE I, PUBLIC LAW 480

Title I authorizes the President to enter into agreements with friendly nations or organizations of friendly nations for the sale of agricultural commodities for foreign currencies. Under existing legislation, new agreements cannot be entered into after June 30, 1957.

Title I agreements result from the coordinated efforts of several Government agencies affected by these sales. Although the Secretary of Agriculture is authorized to determine the countries with whom agreements shall be negotiated and the commodities and quantities which may be included in these negotiations, programs are developed in consultation with such agencies as the State Department, the International Cooperation Administration, the Bureau of the Budget, Defense Department, and other departments and agencies. This coordination is necessary because Public Law 480 is a complex act; it combines many purposes which affect our domestic and foreign economic policies and involves activities of several departments and agencies.

At the beginning of the program, the President directed the establishment of an Interagency Committee on Agricultural Surplus Disposal. This Committee is responsible for advising the President concerning policy issues and for assuring that the various agricultural disposal activities are consistent with overall policy objectives. The Committee is chaired by Mr. Clarence Francis, of the White House staff, with representatives, at the Assistant Secretary level, of the Departments of Agriculture, Commerce, Treasury, and State, and the International Cooperation Administration and the Bureau of the Budget.

Day-to-day activities are coordinated through an Interagency Staff Committee established by the Secretary of Agriculture. This Committee is chaired by the Foreign Agricultural Service and includes staff-level representatives of the agencies on the Interagency Committee on Agricultural Surplus Disposal, and other departments and agencies. This staff committee considers proposed programs and approves the negotiation of specific country agreements.

Title I agreements are negotiated through diplomatic channels. Negotiations usually are carried on overseas by United States embassy officials designated by the United States Ambassador. At times, negotiations are conducted in Washington and led by the State Department. In negotiating an agreement, commitments are obtained from the importing country to safeguard the usual marketings of the United States and to assure that sales under the agreement will not unduly disrupt world markets. Because of these commitments, foreign currency sales under title I have resulted in substantial exports of United States agricultural commodities without perceptibly affecting our normal markets or depressing world commodity prices.

PROGRAM PROCEDURES

Title I programs are helpful in developing and expanding continuous market demand abroad through the use of private trade channels. While the funds and other assets of the Commodity Credit Corporation are used to finance exports of commodities from the Corporation's stocks or from privately owned stocks, actual sales are made by United States exporters to importers or buying missions designated by importing countries. These commodities generally move through regular trade channels on the same price basis that commodities move under dollar sales programs.

Our main efforts in programing commodities under title I agreements are directed toward the reduction of Government stocks. For example, programing of wheat and cotton represents more than 65 percent of the total programing at CCC cost, to date. Significant quantities of commodities not held by CCC but in surplus supply are also programed under these agreements. Although these quantities are small in comparison to wheat and cotton, they serve the major objectives of Public Law 480 of reducing United States agricultural surpluses and promoting world markets for our agricultural commodities.

In carrying out the objectives of the act, considerable emphasis is placed on programing commodities to underdeveloped and new market areas. The 3-year programs signed with India and Brazil during this fiscal year are good examples of this emphasis. These countries have a large potential for increased consumption of United States agricultural commodities. Considerable emphasis has also been given to use of title I programs to assist friendly nations to become independent of trade with the U. S. S. R., or nations dominated or controlled by the U. S. S. R. Commitments are obtained from participating countries to assure that these commodities do not result in increased availability of such commodities to unfriendly countries.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter of credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

PROGRAM RESULTS

Since the inception of the program, 87 agreements or supplements to agreements had been entered into with 30 countries. These agreements include commodities involving a total CCC cost of about $2.9 billion and a total export market value of about $2 billion. These costs include about $225 million in ocean transportation which is being financed by CCC.

The title I authorization is in terms of CCC cost which includes the cost of commodities, processing, handling, and other costs. The export market value represents the prices actually paid by importers under individual transactions. Because of this cost difference, programing of $2 billion in export market value has nearly exhausted the CCC cost limitation of $3 billion.

About $1 billion worth of commodities at export market value has already been exported. By the end of the current fiscal year shipments should total about $1.2 billion. A large portion of the unshipped balance on June 30, 1957, will represent the 1958 and 1959 programs with India and Brazil under their 3-year agreements.

Fiscal year 1956 was the first full year of title I operations. During that year about $427 million worth of commodities was exported or 12 percent of total United States agricultural exports. Shipments this fiscal year are averaging about $60 million per month and are expected to comprise about 16 percent of our total agricultural exports which are expected to establish a new record.

In terms of tonnage, title I programs exceed 16 million metric tons, of which somewhat more than 50 percent has been shipped. Over 3 million metric tons were shipped during the first 6 months of this fiscal year. A chart of shipments by month, in terms of tonnage and export market value, through December 31, 1956, is being made available to the committee showing the rise in shipments over a 2-year period.

As I indicated previously, title I programs are directed primarily at the reduction of accumulated surpluses. Wheat and cotton have been our big items in CCC inventory. Let's look at the record for these and other commodities.

WHEAT

More than 430 million bushels of wheat and wheat flour have been programed to date, of which about 270 million bushels were included in agreements signed during the past 7 months. During fiscal year 1956, title I exports of wheat and wheat flour totaled 93 million bushels; during the first 6 months of this fiscal year title I wheat exports exceeded 60 million bushels and these shipments are increasing. These shipments will help raise total wheat exports this year to an estimated 450 million bushels. This compares with exports of 344 million bushels last year. It appears that for the first time in several years there will be a reduction in the carryover stocks of wheat.

COTTON

Title I agreements include more than 2.5 million bales of cotton. Movement of cotton was slow until the new export sales program made United States cotton competitive beginning with the 1956-57 season. Title I shipments are now being made at a rate of about 125,000 bales a month. These shipments are going to countries which could not otherwise afford to purchase our fiber. Like wheat, we should get a reduction in carryover stocks of cotton for the first time in several years. Total United States cotton exports should reach or exceed 6.5 million bales this year. The carryover is expected to be reduced by 2 million bales.

RICE

Shipments of rice have been heavy this year under title I. With additional rice being shipped under title II, we have succeeded in committing for shipment all CCC stocks of rice accumulated from the 1953, 1954, and 1955 crops. A part of the surplus from the current crop is also being shipped under Public Law 480. Rice exports are expected to reach a record level of 25 million bags. About 16 million bags will be shipped under title I alone.

COTTONSEED OIL AND SOYBEAN OIL

More than 1.2 billion pounds of cottonseed oil and soybean oil have been included in title I agreements, of which about 900 million pounds have been exported. This has been a major reason for the movement of surplus supplies of vegetable oils into consumption and the attainment of a record export total last year. Considerable quantities of vegetable oil have been programed for shipment this year and are helping to maintain exports at a high level.

OTHER COMMODITIES

Title I programs also include about 140 million pounds of tobacco, 150 million pounds of meat products, 200 million pounds of lard, 75 million bushels of feed grains, 130 million pounds of dairy products, 80 million pounds of fruits and vegetables, as well as smaller quantities of other commodities.

EFFECT ON CCC STOCKS

We are glad to report that the steady rise in the Commodity Credit Corporation holdings in surplus commodities has apparently been halted. The cost value of CCC holdings was $5.2 billion on November 30, 1953. It rose to $6.9 billion a year later and reached $8.2 billion in November 1955. There was a downturn of $30 million in November 1956 as against the position a year earlier. As of January 31, 1957, the downturn was slightly more than one-half billion dollars.

The peak of $8.9 billion was reached in February 1956. We expect this figure to drop to $7.6 billion by June 30, 1957—a reduction of $700 million in 12 months and a reduction of about $1.3 billion since the peak.

Programing of the major items in CCC inventory or under loan under Title I of Public Law 480, as well as dollar sales and other Government export programs appear to have checked the accumulation of surpluses and resulted in a modest reduction in excess holdings. Further reductions are likely as a result of the combined effects of continued surplus disposal and production adjustment programs, including the soil bank.

USES OF FOREIGN CURRENCIES

The foreign currencies which accrue from title I sales may be used for 10 purposes specified in section 104 of the law.

One of the principal objectives of Public Law 480 is the expansion of foreign markets for United States agricultural products. Market development projects are already under way in 20 countries involving the equivalent of about $5 million. About $52 million is earmarked for this purpose under existing agreements.

Many different kinds of commodities are promoted under this program through the use of several promotion devices. I'll mention a few of them.

We have 19 tobacco projects in operation in Austria, Finland, France, Italy, Japan, Korea, Spain, and Thailand. All these projects aim at greater use of our tobacco in the manufacture of cigarettes. These include marketing studies, exhibits at trade fairs, advertising and promotional displays, and exchange visits of tobacco industry representatives of the United States and the Foreign countries concerned.

Cotton projects are being developed in France, Japan, and Spain through the Cotton Council International which represents the United States cotton industry abroad. The Maid of Cotton is being sent abroad to promote the sale of cotton products for apparel and household uses under this program.

Dairy products projects are underway in Colombia; market promotion activities for wheat have been conducted in the same country.

A large and distinct part of market development concerns participation in trade and food fairs throughout the world. Exhibits of United States farm products in these fairs permit the introduction of products to millions of people. The distribution of samples is emphasized. We have participated in 13 international fairs to date and plan to exhibit in 8 additional fairs through October 1957.

Considerable use of currencies is made for the payment of United States obligations overseas. In some countries the currencies are sold to defense agencies for meeting costs of military base construction. Purchases are also made by the Department of State and the United States Information Agency which have continuing needs to meet administrative and operating expenses. In addition, about $100 million has been allocated for the purchase or construction of military family housing in 8 countries.

Currencies are being used for educational exchange programs, for assistance to American-sponsored schools, libraries, and community centers, and for the translation, publication, and distribution of books and periodicals abroad.

Substantial amounts of the foreign currencies are being used to promote economic development. Virtually all of these development funds are loaned to participating countries with programs being worked out by the foreign governments in cooperation with the United States. Direct grants of currencies for economic development purposes are made only in special circumstances.

Of the agreements signed to date, almost 60 percent, or about $1.1 billion of foreign currency payments is earmarked for use for economic-development loans. The administration of the loan funds is the responsibility of the International Cooperation Administration. Considerable emphasis is placed upon coordinating plans for the use of these funds with the overall development programs of the countries. In considering loan projects for agricultural purposes care is exercised to avoid encouragement of production which would result in reduced outlets for United States agricultural commodities.

Finally, foreign currencies are used for the purchase of strategic materials, procurement of military services and equipment for the common defense abroad, and for the purchase of goods for other friendly countries.

PLANS FOR ADDITIONAL BILLION DOLLARS

The request for an additional $1 billion will permit us to program agricultural commodities for fiscal year 1958 at about the same annual rate as in the past 2 years. It will permit us to plan our disposition programs well in advance for fiscal year 1958 and facilitate the orderly disposal of commodities during that period.

In programing the additional authorization our emphasis will continue to be concentrated in underdeveloped, low-income countries. Sales will be made to expand consumption, to regain or establish new markets, to meet foreign needs arising from crop failures, and to expand reserve stocks overseas.

We have limited our request to an additional $1 billion and a 1-year extension, because we believe it desirable that the results obtained under this program be subjected to a periodic review. This request also emphasizes the administration's position that Public Law 480 is a temporary program designed to deal primarily with accumulated farm surpluses. Such a periodic review also permits consideration of alternative methods of surplus disposal and other actions aimed at expanding normal export markets.

TITLE II AND SECTION 304

We recommend an increase of $300 million in the title II authorization. Since current commitments are about $200 million, this will have the effect of restoring the authorization to the existing $500 million.

This program is of great value to the United States. It provides a means by which we can help friendly foreign people in time of need. Recent events can illustrate what is done under this program. Title II has furnished commodities to help feed Hungarian refugees in Austria; it has alleviated distress caused by floods in Afghanistan and Iran; it has furnished relief to Bolivia and Tunisia.

Title II activities are administered by the International Cooperation Administration, although the commodities are supplied by CCC. In addition to my associates, we have representation from ICA here today to answer questions concerning this program.

We also have State Department people here, particularly because of the recommendation to repeal section 304 of the act. This would be helpful in our foreign policy objectives since it would enable us to send our agricultural surpluses to Eastern European satellites in exchange for strategic or other material. In view of recent events in Europe, we feel that this new authority, administered on a selective basis, would permit us to capitalize further on unrest in satellite countries.

CASE OF UNITED STATES VERSUS INTERNATIONAL UNION UNITED AUTOMOBILE, AIRCRAFT, AND AGRICULTURAL IMPLEMENT WORKERS

Mr. GOLDWATER. Mr. President, the Supreme Court of the United States had before it, until March 11 of this year, the case of United States of America versus the International Union United Automobile, Aircraft, and Agricultural Implement Workers (UAW-CIO) on appeal from the United States District Court for the Eastern District of Michigan. On March 11 the Supreme Court reversed the judgment of the lower court, and remanded the case to it for further proceedings.

I ask unanimous consent that the findings of the Supreme Court be printed in the RECORD at this point in my remarks.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES, No. 44, OCTOBER TERM, 1956—UNITED STATES OF AMERICA, APPELLANT, v. INTERNATIONAL UNION UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW-CIO)—ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

(March 11, 1957)

Mr. Justice Frankfurter delivered the opinion of the Court.

The issues tendered in this case are the construction and, ultimately, the constitutionality of title 18, United States Code, section 610, an act of Congress that prohibits corporations and labor organizations from making "a contribution or expenditure in connection with" any election for Federal office. This is a direct appeal by the Government from a judgment of the District Court for the Eastern District of Michigan dismissing a four-count indictment that charged appellee, a labor organization, with having made expenditures in violation of that law. Appellee had moved to dismiss the indictment on the grounds (1) that it failed to state an offense under the statute and (2) that the provisions of the statute "on their face and as construed and applied" are unconstitutional. The district judge held that the indictment did not allege a statutory offense and that he was therefore not required to rule upon the constitutional questions presented (138 F. Supp. 53). The case came here (351 U. S. 904) under the Criminal Appeals Act of 1907, as amended (18 U. S. C., sec. 3731).

It is desirable at the outset to quote the statute in its entirety:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential or Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section.

"Every corporation or labor organization which makes any contribution or expenditure in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution or expenditure by the corporation or labor organization, as the case may be, and any person who accepts or receives any contribution, in violation of this section, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both; and if the violation was willful, shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.

"For the purposes of this section 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exist for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work" (61 Stat. 136, 159).

Appreciation of the circumstances that begot this statute is necessary for its understanding, and understanding of it is necessary for adjudication of the legal problems before us. Speaking broadly, what is involved here is the integrity of our electoral process, and, not less, the responsibility of the individual citizen for the successful functioning of that process. This case thus raises issues not less than basic to a democratic society.

The concentration of wealth consequent upon the industrial expansion in the post-Civil War era had profound implications for American life. The impact of the abuses resulting from this concentration gradually made itself felt by a rising tide of reform protest in the last decade of the 19th century. The Sherman Law was a response to the felt threat to economic freedom created by enormous industrial combines. The income-tax law of 1894 reflected Congressional concern over the growing disparity of income between the many and the few.

No less lively, although slower to evoke Federal action, was popular feeling that aggregated capital unduly influenced politics, an influence not stopping short of corruption. The matter is not exaggerated by two leading historians:

"The Nation was fabulously rich but its wealth was gravitating rapidly into the hands of a small portion of the population, and the power of wealth threatened to undermine the political integrity of the Republic" (2 Morison and Commager, The Growth of the American Republic (4th edition, 1950), 355).

In the nineties many States passed laws requiring candidates for office and their political committees to make public the sources and amounts of contributions to their campaign funds and the recipients and amounts of their campaign expenditures. The theory behind these laws was that the spotlight of publicity would discourage corporations from making political contributions and would thereby end their control over party policies. But these State publicity laws either became dead letters or were found to be futile. As early as 1894, the sober-minded Elihu Root saw the need for more effective legislation. He urged the Constitutional Convention of the State of New York to prohibit political contributions by corporations:

"The idea is to prevent * * * the great railroad companies, the great insurance companies, the great telephone companies, the great aggregations of wealth from using their corporate funds, directly or indirectly, to send members of the legislature to these halls in order to vote for their protection and the advancement of their interests as against those of the public. It strikes at a constantly growing evil which has done more to shake the confidence of the plain people of small means of this country in our political institutions than any other practice which has ever obtained since the foundation of our Government. And I believe that the time has come when something ought to be done to put a check to the giving of $50,000 or $100,000 by a great corporation toward political purposes upon the understanding that a debt is created from a political party to it" (quoted in hearings before House Committee on Elections, 59th Cong., 1st sess. 12; see Root, Addresses on Government and Citizenship (Bacon and Scott editions, 1916)).

Concern over the size and source of campaign funds so actively entered the presidential campaign of 1904 that it crystallized popular sentiment for Federal action to purge national politics of what was conceived to be the pernicious influence of big money campaign contributions. A few days after the election of 1904, the defeated candidate for the presidency said:

"The greatest moral question which now confronts us is, Shall the trusts and corporations be prevented from contributing money to control or aid in controlling elections?" (Quoted, hearings, supra, at 56.)

President Theodore Roosevelt quickly responded to this national mood. In his annual message to Congress on December 5, 1905, he recommended that:

"All contributions by corporations to any political committee or for any political purposes should be forbidden by law; directors should not be permitted to use stockholders' money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts" (40 CONGRESSIONAL RECORD 96).

Grist was added to the reformers' mill by the investigation of the great life insurance companies conducted by the Joint Committee of the New York legislature, the Armstrong Committee, under the guidance of Charles Evans Hughes. The committee's report, filed early in 1906, revealed that one insurance company alone had contributed almost $50,000 to a national campaign committee in 1904 and had given substantial amounts in preceding presidential campaigns. The committee concluded:

"Contributions by insurance corporations for political purposes should be strictly forbidden. Neither executive officers nor directors should be allowed to use the moneys paid for purposes of insurance in support of political candidates or platforms * * *. Whether made for the purpose of supporting political views or with the desire to obtain protection for the corporation, these contributions have been wholly unjustifiable. In the one case executive officers have sought to impose their political views upon a constituency of divergent convictions, and in the other they have been guilty of a serious offense against public morals. The frank admission that moneys have been obtained for use in State campaigns upon the expectation that candidates thus aided in their election would support the interests of the companies, has exposed both those who solicited the contributions and those who made them too severe and just condemnation" (Report of the Joint Committee of the Senate and Assembly of the State of New York Appointed To Investigate the Affairs of Life Insurance Companies, 397 (1906)).

Less than a month later the Committee on Elections of the House of Representatives began considering a number of proposals designed to cleanse the political process. Some bills prohibited political contributions by certain classes of corporations; some merely required disclosure of contributions; and others made bribery at elections a Federal crime. The feeling of articulate reform groups was reflected at a public hearing held by the committee. Perry Belmont, leader of a nationwide organization advocating a Federal publicity bill, stated:

"* * * this thing has come to the breaking point. We have had enough of it. We don't want any more secret purchase of organizations, which nullifies platforms, nullifies political utterances and the pledges made by political leaders in and out of Congress" (hearings before House Committee on Elections, 59th Cong., 1st sess. 12).

This view found strong support in the testimony of Samuel Gompers, president of the American Federation of Labor, who said, with respect to the publicity bill:

"Whether this bill meets all of the needs may be questioned; that is open to discussion; but the necessity for some law upon the subject is patent to every man who hopes for the maintenance of the institutions under which we live. It is doubtful, to my mind, if the contributions and expenditures of vast

sums of money in the nominations and elections for our public offices can continue to increase without endangering the continuance of our Republic in its purity and in its essence.

"If the interests of any people are threatened by corruption in our public life or corruption in elections, surely it must of necessity be those, that large class of people, whom we for convenience term the wage workers.

"I am not in a mood, and never am, to indulge in denunciations or criticism, but it does come to me sometimes that one of the reasons for the absence of legislation of a liberal or sympathetic or just character, so far as it affects the interests of the wage earners of America, can be fairly well traced with the growth of the corruption funds and the influences that are in operation during elections and campaigns * * *. I am under the impression that the patience of the American workingmen is about exhausted—

* * * * *

"[If] we are really determined that our elections shall be free from the power of money and its lavish use and expenditure without an accounting to the conscience and the judgment of the people of America, we will have to pass some measure of this kind" (Id., at 28–31).

President Roosevelt's annual message of 1906 listed as the first item of Congressional business a law prohibiting political contributions by corporations (41 CONGRESSIONAL RECORD 22). Shortly thereafter, in 1907, Congress provided:

"That it shall be unlawful for any national bank, or any corporation organized by authority of any laws of Congress, to make a money contribution in connection with any election to any political office. It shall also be unlawful for any corporation whatever to make a money contribution in connection with any election at which presidential and vice presidential electors or a Representative in Congress is to be voted for or any election by any State legislature of a United States Senator" (34 Stat. 864).

As the historical background of this statute indicates, its aim was not merely to prevent the subversion of the integrity of the electoral process. Its underlying philosophy was to sustain the active, alert, responsibility of the individual citizen in a democracy for the wise conduct of government.

This act of 1907 was merely the first concrete manifestation of a continuing Congressional concern for elections free from the power of money (see statement of Samuel Gompers, supra). The 1909 Congress witnessed unsuccessful attempts to amend the act to proscribe the contribution of anything of value and to extend its application to the election of State legislatures. The Congress of 1910 translated popular demand for further curbs upon the political power of wealth into a publicity law that required committees operating to influence the results of Congressional elections in two or more States to report all contributions and disbursements and to identify contributors and recipients of substantial sums. That law also required persons who spent more than $50 annually for the purpose of influencing Congressional elections in more than one State to report those expenditures if they were not made through a political committee. (36 Stat. 822.) At the next session that act was extended to require all candidates for the Senate and the House of Representatives to make detailed reports with respect to both nominating and election campaigns. The amendment also placed maximum limits on the amounts that Congressional candidates could spend in seeking nomination and election and forbade them from promising employment for the purpose of obtaining support. (37 Stat. 25.) And in 1918 Congress made it unlawful either to offer or to solicit anything of value to influence voting (40 Stat. 1013).

This Court's decision in *Newberry v. United States* (256 U. S. 232), invalidating Federal regulation of Senate primary elections, led to the Federal Corrupt Practices Act of 1925, 43 Stat. 1070, a comprehensive revision of existing legislation. The debates preceding that act's passage reveal an attitude important to an understanding of the course of this legislation. Thus, Senator Robinson, one of the leaders of the Senate, said:

"We all know * * * that one of the great political evils of the time is the apparent hold on political parties which business interests and certain organizations seek and sometimes obtain by reason of liberal campaign contributions. Many believe that when an individual or association of individuals makes large contributions for the purpose of aiding candidates of political parties in winning the elections, they expect and sometimes demand, and occasionally at least, receive, consideration by the beneficiaries of their contributions which not infrequently is harmful to the general public interest. It is unquestionably an evil which ought to be dealt with and dealt with intelligently and effectively." (65 CONGRESSIONAL RECORD 9507–9508.)

One of the means chosen by Congress to deal with this evil was section 313 of the 1925 act, which strengthened the 1907 statute (1) by changing the phrase "money contribution" to "contribution" (sec. 302 (d) defined "contribution" broadly); (2) by extending the prohibition on corporate contributions to the election to Congress of delegates and resident commissioners; and (3) by penalizing the recipient of any forbidden contribution as well as the contributor.

When, in 1940, Congress moved to extend the Hatch Act (53 Stat. 1147), which was designed to free the political process of the abuses deemed to accompany the operation of a vast civil administration, its reforming zeal also led Congress to place further restrictions upon the political potentialities of wealth. Section 20 of the law amending the Hatch Act made it unlawful for any "political committee," as defined in the act of 1925, to receive contributions of more than $3 million or to make expenditures of more than that amount in any calendar year. And section 12 made it unlawful "for any person, directly or indirectly, to make contributions in an aggregate amount in excess of $5,000, during any calendar year, or in connection with any campaign for nomination or election, to or on behalf of any candidate for an elective Federal office" or any committee supporting such a candidate. The term "person" was defined to include any committee, association, organization or other group of persons (54 Stat. 767). In offering section 12 from the Senate floor Senator Bankhead said:

"We all know that money is the chief source of corruption. We all know that large contributions to political campaigns not only put the political party under obligation to the large contributors, who demand pay in the way of legislation, but we also know that large sums of money are used for the purpose of conducting expensive campaigns through the newspapers and over the radio; in the publication of all sorts of literature, true and untrue; and for the purpose of paying the expenses of campaigners sent out into the country to spread propaganda, both true and untrue." (CONGRESSIONAL RECORD, vol. 86, pt. 3, p. 2720.)

The need for unprecedented economic mobilization propelled by World War II enormously stimulated the power of organized labor and soon aroused consciousness of its power outside its ranks. Wartime strikes gave rise to fears of the new concentration of power represented by the gains of trade unionism. And so the belief grew that, just as the great corporations had made huge political contributions to influence governmental action or inaction, whether consciously or unconsciously, the powerful unions were pursuing a similar course, and with the same untoward consequences for the democratic process. Thus, in 1943, when Congress passed the Smith-Connally Act to secure defense production against work stoppages, contained therein was a provision extending to labor organizations, for the duration of the war, section 313 of the Corrupt Practices Act (57 Stat. 163, 167). The testimony of Congressman Landis, author of this measure, before a subcommittee of the House Committee on Labor makes plain the dominant concern that evoked it:

"The fact that a hearing has been granted is a high tribute to the ability of the Labor Committee to recognize the fact that public opinion toward the conduct of labor unions is rapidly undergoing a change. The public thinks, and has a right to think, that labor unions, as public institutions should be granted the same rights and no greater rights than any other public group. My bill seeks to put labor unions on exactly the same basis, insofar as their financial activities are concerned, as corporations have been on for many years.

"One of the matters upon which I sensed that the public was taking a stand opposite to that of labor leaders was the question of the handling of funds of labor organizations. The public was aroused by many rumors of huge war chests being maintained by labor unions, of enormous fees and dues being extorted from warworkers, of political contributions to parties and candidates which later were held as clubs over the heads of high Federal officials.

"The source of much of the national trouble today in the coal strike situation is that ill-advised political contribution of another day [referring, apparently, to the reported contribution of over $400,000 by the United Mine Workers in the 1936 campaign, see S. Rept. No. 151, 75th Cong., 1st sess.]. If the provision of my bill against such an activity has [sic] been in force when that contribution was made, the Nation, the administration, and the labor unions would be better off." (Hearings before a subcommittee of the House Committee on Labor on H. R. 804 and H. R. 1483, 78th Cong., 1st sess. 2–4.)

Despite section 313's wartime application to labor organizations Congress was advised of enormous financial outlays said to have been made by some unions in connection with the national elections of 1944. The Senate's Special Committee on Campaign Expenditures investigated, inter alia, the role of the Political Action Committee of the Congress of Industrial Organizations. The committee found no clear-cut violation of the Corrupt Practices Act on the part of the Political Action Committee on the ground that it had made direct contributions only to candidates and political committees involved in State and local elections and Federal primaries, to which the act did not apply, and had limited its participation in Federal elections to political expenditures, as distinguished from contributions to candidates or committees (S. Rept. 101, 79th Cong., 1st sess., p. 23). The committee also investigated, on complaint of Senator Taft, the Ohio CIO council's distribution to the public at large of 200,000 copies of a pamphlet opposing the reelection of Senator Taft and supporting his rival. In response to the CIO's assertion that this was not a proscribed contribution but merely an expenditure of its own funds to state its position to the world, exercising its right of free speech, the committee requested the Department of Justice to bring a test case on these facts (Id., at p. 59). It also recommended extension of section 313 to cover primary campaigns and nominating

conventions. (Id., at p. 81). A minority of the committee, Senators Ball and Ferguson, advocated further amendment of section 313 to proscribe expenditures as well as contributions in order to avoid the possibility of emasculation of the statutory policy through a narrow judicial construction of contributions. (Id., at p. 83.)

The 1945 report of the House Special Committee To Investigate Campaign Expenditures expressed concern over the vast amounts that some labor organizations were devoting to politics:

"The scale of operations of some of these organizations is impressive. Without exception, they operate on a nationwide basis; and many of them have affiliated local organizations. One was found to have an annual budget for educational work approximating $1.5 million, and among other things regularly supplies over 500 radio stations with briefs for broadcasters. Another, with an annual budget of over $300,000 for political education, has distributed some 20 million pieces of literature, including a quarter million copies of one article. Another, representing an organized labor membership of 5 million, has raised $700,000 for its national organizations in union contributions for political education in a few months, and a great deal more has been raised for the same purpose and expended by its local organizations." (H. Rept. 2093, 78th Cong., 2d sess., p. 3.)

Like the Senate committee, it advocated extension of section 313 to primaries and nominating conventions (Id., at 9), and noted the existence of a controversy over the scope of contribution (Id., at 11). The following year the House committee made a further study of the activities of organizations attempting to influence the outcome of Federal elections. It found that the Brotherhood of Railway Trainmen and other groups employed professional political organizers, sponsored partisan radio programs, and distributed campaign literature (H. Rept. 2739, 79th Cong., 2d sess., 36–37). It concluded that:

"The intent and purpose of the provision of the act prohibiting any corporation or labor organization making any contribution in connection with any election would be wholly defeated if it were assumed that the term 'making any contribution' related only to the donating of money directly to a candidate, and excluded the vast expenditures of money in the activities herein shown to be engaged in extensively. Of what avail would a law be to prohibit the contributing direct to a candidate and yet permit the expenditure of large sums in his behalf?

"The committee is firmly convinced, after a thorough study of the provisions of the act, the legislative history of the same, and the debates on the said provisions when it was pending before the House, that the act was intended to prohibit such expenditures (Id., at 40)."

Accordingly, to prevent further evasion of the statutory policy the committee attached to its recommendation that the prohibition of contributions by labor organizations be made permanent, the additional proposal that the statute "be clarified so as to specifically provide that expenditures of money for salaries to organizers, purchase of radio time, and other expenditures by the prohibited organizations in connection with elections, constitute violations of the provisions of said section, whether or not said expenditures are with or without the knowledge or consent of the candidates" (Id., at 45).

Early in 1947 the Special Committee To Investigate Senatorial Campaign Expenditures in the 1946 elections, the Ellender committee, urged similar action to plug the existing loophole (S. Rept. 1, pt. 2, 80th Cong., 1st sess. pp. 38–39), and Senator ELLENDER introduced a bill to that effect.

Shortly thereafter, Congress again acted to protect the political process from what it deemed to be the corroding effect of money employed in elections by aggregated power. Section 304 of the labor bill introduced into the House by Representative Hartley in 1947, like the Ellender bill, embodied the changes recommended in the reports of the Senate and House Committees on Campaign Expenditures. It sought to amend section 313 of the Corrupt Practices Act to proscribe any expenditure as well as any contribution, to make permanent section 313's application to labor organizations and to extend its coverage to Federal primaries and nominating conventions. The report of the House Committee on Education and Labor, which considered and approved the Hartley bill, merely summarized section 304 (H. Rept. 245, 80th Cong., 1st sess. p. 46), and this section gave rise to little debate in the House (CONGRESSIONAL RECORD, vol. 93, pt. 2, pp. 3428, 3522). Because no similar measure was in the labor bill introduced by Senator Taft, the Senate as a whole did not consider the provisions of section 304 until they had been adopted by the conference committee. In explaining section 304 to his colleagues, Senator Taft, who was one of the conferees, said:

"I may say that the amendment is in exactly the same words which were recommended by the Ellender committee, which investigated expenditures by Senators in the last election. * * * In this instance the words of the Smith-Connally Act have been somewhat changed in effect so as to plug up a loophole which obviously developed, and which, if the courts had permitted advantage to be taken of it, as a matter of fact, would absolutely have destroyed the prohibition against political advertising by corporations. If 'contribution' does not mean 'expenditure,' then a candidate for office could have his corporation friends publish an advertisement for him in the newspapers every day for a month before election. I do not think the law contemplated such a thing, but it was claimed that it did, at least when it applied to labor organizations. So all we are doing here is plugging up the hole which developed, following the recommendation by our own Elections Committee in the Ellender bill" (CONGRESSIONAL RECORD, vol. 93, pt. 5, p. 6439).

After considerable debate, the conference version was approved by the Senate, and the bill subsequently became law despite the President's veto. It is this section of the statute that the District Court held did not reach the activities alleged in the indictment.

On review under the Criminal Appeals Act of a district court judgment dismissing an indictment on the basis of statutory interpretation this Court must take the indictment as it was construed by the district judge. *United States v. Borden Co.* (308 U. S. 188). The court below summarized the allegations of the indictment at the outset of its opinion:

"Here the specific charge is that the 'expenditure' violation came in connection with the selection of candidates for a Senator and Representative to the United States Congress during the 1954 primary and general elections. It is alleged that defendant paid a specific amount from its general treasury fund to Luckoff and Wayburn Productions, Detroit, Mich., to defray the costs of certain television broadcasts sponsored by the union from commercial television station WJBK.

"It is charged that the broadcasts urged and endorsed selection of certain persons to be candidates for Representatives and Senator to the Congress of the United States and included expressions of political advocacy intended by defendant to influence the electorate and to affect the results of the election.

"It is further charged that the fund used came from the union's dues, was not obtained by voluntary political contributions or subscriptions from members of the union, and was not paid for by advertising or sales."

Thus, for our purposes, the indictment charged appellee with having used union dues to sponsor commercial television broadcasts designed to influence the electorate to select certain candidates for Congress in connection with the 1954 elections.

To deny that such activity, either on the part of a corporation or a labor organization, constituted an expenditure in connection with any [Federal] election is to deny the long series of congressional efforts calculated to avoid the deleterious influences on Federal elections resulting from the use of money by those who exercise control over large aggregations of capital. More particularly, this Court would have to ignore the history of the statute from the time it was first made applicable to labor organizations. As indicated by the reports of the congressional committees that investigated campaign expenditures, it was to embrace precisely the kind of indirect contribution alleged in the indictment that Congress amended section 313 to proscribe expenditures. It is open to the Government to prove under this indictment activity by appellee that, except for an irrelevant difference in the medium of communication employed, is virtually indistinguishable from the Brotherhood of Railway Trainmen's purchase of radio time to sponsor candidates or the Ohio CIO's general distribution of pamphlets to oppose Senator Taft. Because such conduct was claimed to be merely "an expenditure [by the union] of its own funds to state its position to the world," the Senate and House committees recommended and Congress enacted, as we have seen, the prohibition of expenditures as well as contributions to plug the existing loophole.

Although not entitled to the same weight as these carefully considered committee reports, the Senate debate preceding the passage of the Taft-Hartley Act confirms what these reports demonstrate. A colloquy between Senator Taft and Senator Pepper dealt with the problem confronting us:

"Mr. PEPPER. Does what the Senator has said in the past also apply to a radio speech? If a national labor union, for example, should believe that it was in the public interest to elect the Democratic Party instead of the Republican Party, or vice versa, would it be forbidden by this proposed act to pay for any radio time, for anybody to make a speech that would express to the people the point of view of that organization?

"Mr. TAFT. If it contributed its own funds to get somebody to make the speech, I would say they would violate the law.

"Mr. PEPPER. If they paid for the radio time?

"Mr. TAFT. If they are simply giving the time, I would say not; I would say that is in the course of their regular business.

"Mr. PEPPER. What I mean is this: I was not assuming that the radio station was owned by the labor organization. Suppose that in the 1948 campaign, Mr. William Green, as president of the American Federation of Labor, should believe it to be in the interest of his membership to go on the radio and support one party or the other in the national election, and should use American Federation of Labor funds to pay for the radio time. Would that be an expenditure which is forbidden to a labor organization under the statute?

"Mr. TAFT. Yes" (CONGRESSIONAL RECORD, vol. 93, pt. 5, p. 6439).

The discussion that followed, while suggesting that difficult questions might arise as to whether or not a particular broadcast fell within the statute, buttresses the conclusion that section 304 was understood to proscribe the expenditure of union dues to

pay for commercial broadcasts that are designed to urge the public to elect a certain candidate or party.[1]

[1] "Mr. BARKLEY. Suppose a certain corporation, for instance, the corporation that makes Bayer aspirin, or Jergen's lotion, or any other well-advertised product, employs a commentator to talk about various things, winding up with an advertisement of the product, and suppose that the radio commentator from day to day takes advantage of his employment or his sponsorship to make comments which are calculated to influence the opinions of men or women as to political candidates. Would the corporation sponsoring the particular commentator be violating the law?

"Mr. TAFT. I should have to know the exact facts. If, for instance, apart from commentators and the radio, and taking the case of a paid advertisement, suppose a corporation advertises its products, and that every day for 2 weeks before the election it advertises a candidate. I should say that would be a violation of the law. I would say the same thing probably would be true of a radio broadcast of that kind, under certain circumstances, but I think I should like to know the exact facts before expressing an opinion.

"Mr. BARKLEY. In the case of a commentator who is paid to advertise a certain product, and who in the course of his 15 minutes on the radio may also seek to influence votes, the sponsor may say, either before or after the broadcast, that he is not responsible for what the commentary says; yet he is paying the commentator for his broadcast. Would that still be a violation of law, although the sponsor might excuse himself or attempt to excuse himself by saying he was not responsible for the opinions expressed by the commentator?

"Mr. TAFT. I think there are all degrees. It would be for a court to decide. I think as a matter of fact, if that had happened under the old law, there would have been the same question.

"I want to make the point that we are not raising any new questions here. Those same questions could have been raised with respect to corporations during the past 25 years. It is a question of fact: Was the corporation using its money to influence a political election?

* * * * *

"Mr. MAGNUSON. Let us consider the teamsters. Suppose they have a weekly radio program, as, indeed, they have had for a long time back. Or let us say the AFL has such a radio program. Let us assume I am running for office and they ask me to be a guest on their program. Suppose I talk on the subject of labor and do not advocate my own candidacy. Nevertheless I am on that program. My name is being advertised and I am being heard by many thousands of people. Would that be an unlawful contribution to my candidacy?

"Mr. TAFT. If a labor organization is using the funds provided by its members through payment of union dues to put speakers on the radio for Mr. X against Mr. Y, that should be a violation of the law.

"Mr. MAGNUSON. They are not paying me anything. They have asked me to be a guest.

"Mr. TAFT. I understand, but they are paying for the time on the air. Of course, in each case there is a question of fact to be decided. I cannot answer various hypotheses without knowing all the circumstances. But in each case the question is whether or not a union or a corporation is making a contribution or expenditure of funds to elect A as against B. Labor unions are supposed to keep out of politics in the same way that corporations are supposed to keep out of politics" (CONGRESSIONAL RECORD, vol. 93, pt. 5, pp. 6439–6440).

* * * * *

"Mr. TAYLOR. * * * Take the matter of a radio program sponsored by either a union or a corporation. I think the AFL or the CIO, one or the other, has a news commentator who comments on the news. Could he comment on political candidates favorably or unfavorably?

"Mr. TAFT. If the General Motors Corp. had a man speaking on the radio every week to advocate the election of a Republican or a Democratic presidential candidate, the corporation ought to be punished, and it would be punished under the law. Labor organizations should be subject to the same rule.

"Mr. TAYLOR. That is altogether different. It is a more subtle thing. When a commentator is broadcasting the news every day he can do a lot more good or harm to a man by coloring his broadcast and presenting it in the guise of a news commentary than he could openly.

"Mr. TAFT. The Senator is right. It is a question of fact which would have to be raised in every case. Is it a contribution to a candidate or is it not? Possibly a knock is a boost sometimes. That argument might well be made by a person who was taking part in an election" (CONGRESSIONAL RECORD, vol. 93, pt. 5, p. 6447).

[2] "* * * If such an expenditure is prohibited by 18 U. S. C. 610, the statute violates the provisions of the Constitution of the United States in that the statute (i) abridges freedom of speech and of the press and the right peaceably to assemble and to petition; (ii) abridges the right to choose senators and representatives guaranteed by art. I, sec. 2 and the 17th amendment; (iii) creates an arbitrary and unlawful classification and discriminates against labor organizations in violation of the 5th amendment, and (iv) is vague and indefinite and fails to provide a reasonably ascertainable standard of guilt in violation of the 5th and 6th amendments." Brief for appellee (pp. 2–3).

United States v. *C. I. O.* (335 U. S. 106), presented a different situation. The decision in that case rested on the Court's reading of an indictment that charged defendants with having distributed only to union members or purchasers an issue (Vol. 10, No. 28), of The CIO News, a weekly newspaper owned and published by the CIO. That issue contained a statement by the CIO president urging all members of the CIO to vote for a certain candidate. Thus, unlike the union-sponsored political broadcast alleged in this case, the communication for which the defendants were indicted in CIO was neither directed nor delivered to the public at large. The organization merely distributed its house organ to its own people. The evil at which Congress has struck in section 313 is the use of corporate or union dues to influence the public at large to vote for a particular candidate or a particular party.

Our holding that the District Court committed error when it dismissed the indictment for having failed to state an offense under the statute implies no disrespect for "the cardinal rule of construction, that where the language of an act will bear two interpretations, equally obvious, that one which is clearly in accordance with the provisions of the Constitution is to be preferred." *Knights Templars' Indemnity Co.* v. *Jarman* (187 U. S. 197, 205). The case before us does not call for its application. Here only one interpretation may be fairly derived from the relevant materials. The rule of construction to be invoked when constitutional problems lurk in an ambiguous statute does not permit disregard of what Congress commands.

Appellee urges that if, as we hold (18 U. S. C., sec. 610), embraces the activity alleged in the indictment, it offends several rights guaranteed by the Constitution.[2] The Government replies that the actual restraint upon union political activity imposed by the statute is so narrowly limited that Congress did not exceed its powers to protect the political process from undue influence of large aggregations of capital and to promote individual responsibility for democratic government. Once more we are confronted with the duty of being mindful of the conditions under which we may enter upon the delicate process of constitutional adjudication.

The impressive lesson of history confirms the wisdom of the repeated enunciation, the variously expressed admonition, of self-imposed inhibition against passing on the validity of an act of Congress unless absolutely necessary to a decision of the case. *Burton* v. *United States* (196 U. S. 283, 295).[3] Observance of this principle makes for the minimum tension within our democratic political system where "Scarcely any question arises * * * which does not become, sooner or later, a subject of judicial debate." (1 De Tocqueville, Democracy in America (4th Am. edition, 1843), 306.)

The wisdom of refraining from avoidable constitutional pronouncements has been most vividly demonstrated on the rare occasions when the Court, forgetting "the fallibility of the human judgment,"[4] has departed from its own practice. The Court's failure in *Dred Scott* v. *Sandford* (19 How. 393) "to take the smooth handle for the sake of repose" by disposing of the case solely upon the outside issue and the effects of its attempt to settle the agitation are familiar history.[5] Dred Scott does not stand alone. These exceptions have rightly been characterized as among the Court's notable self-inflicted wounds (Charles Evans Hughes, The Supreme Court of the United States, 50).

Clearly in this case it is not "absolutely necessary to a decision," *Burton* v. *United States*, *supra*, to canvass the constitutional issues. The case came here under the Criminal Appeals Act because the district court blocked the prosecution on the ground that the indictment failed to state an offense within section 313 of the Corrupt Practices Act. Our reversal of the district judge's erroneous construction clears the way for the prosecution to proceed.

Refusal to anticipate constitutional questions is peculiarly appropriate in the circumstances of this case. First of all, these questions come to us unilluminated by the consideration of a single judge—we are asked to decide them in the first instance. Again, only an adjudication on the merits can provide the concrete factual setting that sharpens the deliberative process especially demanded for constitutional decision. Finally,

[3] Cases are collected in the opinion of Mr. Justice Brandeis in *Ashwander* v. *Tennessee Valley Authority* (297 U. S. 283, 345 et seq.).

[4] "It must be evident to any one that the power to declare a legislative enactment void is one which the judge, conscious of the fallibility of the human judgment, will shrink from exercising in any case where he can conscientiously and with due regard to duty and official oath decline the responsibility" (1 Cooley, Constitutional Limitations (8th edition), 332).

[5] A letter written by Mr. Justice Carton to President Buchanan shortly before the decision was handed down reveals an attitude happily exceptional:

"Will you drop [Mr. Justice] Grier a line, saying how necessary it is—and how good the opportunity is, to settle the agitation by an affirmative decision of the Supreme Court, the one way or the other. He ought not to occupy so doubtful a ground as the outside issue—that admitting the constitutionality of the Missouri Compromise line of 1820, still, as no domicile was acquired by the Negro at Fort Snelling, and he returned to Missouri, he was not free. He has no doubt about the question on the main contest, but has been persuaded to take the smooth handle for the sake of repose" (10 Works of James Buchanan, 106).

by remanding the case for trial it may well be that the court will not be called upon to pass on the questions now raised. Compare *United States* v. *Petrillo* (332 U. S. 1, 9 et seq.), with the subsequent adjudication on the merits in *United States* v. *Petrillo* (76 F. Supp. 176).

Counsel are prone to shape litigation, so far as it is within their control, in order to secure comprehensive rulings. This is true both of counsel for defendants and for the Government. Such desire on their part is not difficult to appreciate. But the court has its responsibility. Matter now buried under abstract constitutional issues may, by the elucidation of a trial, be brought to the surface, and in the outcome constitutional questions may disappear. Allegations of the indictment hypothetically framed to elicit a ruling from this court or based upon misunderstanding of the facts may not survive the test of proof. For example, was the broadcast paid for out of the general dues of the union membership or may the funds be fairly said to have been obtained on a voluntary basis? Did the broadcast reach the public at large or only those affiliated with appellee? Did it constitute active electioneering or simply state the record of particular candidates on economic issues? Did the union sponsor the broadcast with the intent to affect the results of the election? As Senator Taft repeatedly recognized in the debate on section 304, prosecutions under the act may present difficult questions of fact (see ante). We suggest the possibility of such questions, not to imply answers to problems of statutory construction, but merely to indicate the covert issues that may be involved in this case.

Enough has been said to justify withholding determination of the more or less abstract issues of constitutional law. Because the district court's erroneous interpretation of the statute led it to stop the prosecution prematurely, its judgment must be reversed and the case must be remanded to it for further proceedings not inconsistent with this opinion.

Reversed and remanded.

SUPREME COURT OF THE UNITED STATES; No. 44, OCTOBER TERM, 1956—UNITED STATES OF AMERICA, APPELLANT, *v.* INTERNATIONAL UNION UNITED AUTOMOBILE, AIRCRAFT, AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW–CIO). ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

(March 11, 1957)

Mr. Justice Douglas, with whom the Chief Justice and Mr. Justice Black join, dissenting.

We deal here with a problem that is fundamental to the electoral process and to the operation of our democratic society. It is whether a union can express its views on the issues of an election and on the merits of the candidates, unrestrained and unfettered by the Congress. The principle at stake is not peculiar to unions. It is applicable as well to associations of manufacturers, retail and wholesale trade groups, consumers' leagues, farmers' unions, religious groups, and every other association representing a segment of American life and taking an active part in our political campaigns and discussions. It is as important an issue as has come before the Court, for it reaches the very vitals of our system of government.

Under our Constitution it is we the people who are sovereign. The people have the final say. The legislators are their spokesmen. The people determine through their votes the destiny of the Nation. It is, therefore, important—vitally important—that all channels of communication be open to them during every election, that no point of view be restrained or barred, and that the people have access to the views of every group in the community.

In *United States* v. *CIO* (335 U. S. 106, 144), Mr. Justice Rutledge spoke of the importance of the first amendment rights—freedom of expression and freedom of assembly—to the integrity of our elections. "The most complete exercise of those rights," he said, "is essential to the full, fair, and untrammeled operation of the electoral process. To the extent they are curtailed, the electorate is deprived of information, knowledge, and opinion vital to its function."

What the Court does today greatly impairs those rights. It sustains an indictment charging no more than the use of union funds for broadcasting television programs that urge and endorse the selection of certain candidates for the Congress of the United States. The opinion of the Court places that advocacy in the setting of corrupt practices. The opinion generates an environment of evildoing and points to the oppressions and misdeeds that have haunted elections in this country.

Making a speech endorsing a candidate for office does not, however, deserve to be identified with antisocial conduct. Until today political speech has never been considered a crime. The making of a political speech up to now has always been one of the preferred rights protected by the first amendment. It usually costs money to communicate an idea to a large audience. But no one would seriously contend that the expenditure of money to print a newspaper deprives the publisher of freedom of the press. Nor can the fact that it costs money to make a speech—whether it be hiring a hall or purchasing time on the air—make the speech any the less an exercise of first amendment rights. Yet this statute, as construed and applied in this indictment, makes criminal any expenditure by a union for the purpose of expressing its views on the issues of an election and the candidates. It would make no difference under this construction of the act whether the union spokesman made his address from the platform of a hall, used a sound truck in the streets, or bought time on radio or television. In each case the mere expenditure of money to make the speech is an indictable offense. The principle applied today would make equally criminal the use of a union of its funds to print pamphlets for general distribution or to distribute political literature at large.

Can an act so construed be constitutional in view of the command of the first amendment that Congress shall make no law that abridges free speech or freedom of assembly?

The Court says that the answer on the constitutional issue must await the development of the facts at the trial.

It asks "Did the broadcast reach the public at large or only those affiliated with appellee?" But the size of the audience has heretofore been deemed wholly irrelevant to first amendment issues. One has a right to freedom of speech whether he talks to one person or to one thousand. One has a right to freedom of speech not only when he talks to his friends but also when he talks to the public. It is startling to learn that a union spokesman or the spokesman for a corporate interest has fewer constitutional rights when he talks to the public than when he talks to members of his group.

The Court asks whether the broadcast constituted "active electioneering" or simply stated "the record of particular candidates on economic issues." What possible difference can it make under the first amendment whether it was one or the other? The first amendment covers the entire spectrum. It protects the impassioned plea of the orator as much as the quiet publication of the tabulations of the statistician or economist. If there is an innuendo that "active electioneering" by union spokesmen is not covered by the first amendment, the opinion makes a sharp break with our political and constitutional heritage.

The Court asks, "Did the union sponsor the broadcast with the intent to affect the results of the election?" The purpose of speech is not only to inform but to incite to action. As Mr. Justice Holmes said in his dissent in *Gitlow* v. *New York* (268 U. S. 652, 673), "Every idea is an incitement. It offers itself for belief and if believed it is acted on unless some other belief outweighs it or some failure of energy stifles the movement at its birth." To draw a constitutional line between informing the people and inciting or persuading them and to suggest that one is protected and the other not by the first amendment is to give constitutional dignity to an irrelevance. Any political speaker worth his salt intends to sway voters. His purpose to do so cannot possibly rob him of his first amendment rights, unless we are to reduce that great guarantee of freedom to the protection of meaningless mouthings of ineffective speakers.

Finally, the Court asks whether the broadcast was "paid for out of the general dues of the union membership or may the funds be fairly said to have been obtained on a voluntary basis." Behind this question is the idea that there may be a minority of union members who are of a different political school than their leaders and who object to the use of their union dues to espouse one political view. This is a question that concerns the internal management of union affairs. To date, unions have operated under a rule of the majority. Perhaps minority rights need protection. But this way of doing it is, indeed, burning down the house to roast the pig. All union expenditures for political discourse are banned because a minority might object.

When the exercise of first amendment rights is tangled with conduct which Government may regulate, we refuse to allow the first amendment rights to be sacrificed merely because some evil may result. Our insistence is that the regulatory measure be "narrowly drawn" to meet the evil that the Government can control. *Cantwell* v. *Connecticut* (310 U. S. 296, 311). Or as the Court said in *De Jonge* v. *Oregon* (299 U. S. 353, 364–365), when speaking of first amendment rights, "* * * the legislative intervention can find constitutional justification only by dealing with the abuse. The rights themselves must not be curtailed."

If minorities need protection against the use of union funds for political speech-making, there are ways of reaching that end without denying the majority their first amendment rights.[1]

First amendment rights are not merely curtailed by the construction of the act which the Court adopts. Today's ruling abolishes first amendment rights on a wholesale basis. Protection of minority groups, if any, can be no excuse. The act is not narrowly drawn to meet that abuse.

[1] There are alternative measures appropriate to cure this evil which Congress has seen in the expenditure of union funds for political purposes. The protection of union members from the use of their funds in supporting a cause with which they do not sympathise may be cured by permitting the minority to withdraw their funds from that activity. The English have long required labor unions to permit a dissenting union member to refuse to contribute funds for political purposes. Trade Union Act, 1913, 2 and 3 Geo. V, c. 30; Trade Disputes and Trade Unions Act, 1927, 17 and 18 Geo. V, c. 22; Trade Disputes and Trade Union Act, 1946, 9 and 10 Geo. VI, c. 52.

Some may think that one group or another should not express its views in an election because it is too powerful, because it advocates unpopular ideas, or because it has a record of lawless action. But these are not justifications for withholding first amendment rights from any group—labor or corporate (cf. *United States* v. *Rumely* (345 U. S. 41)). First amendment rights are part of the heritage of all persons and groups in this country. They are not to be dispensed or withheld merely because we or the Congress think the person or group is worthy or unworthy.

These constitutional questions are so grave that the least we should do is to construe this act, as we have in comparable situations (*United States* v. *CIO, supra; United States* v. *Rumely* (345 U. S. 41); *United States* v. *Harriss* (347 U. S. 612), to limit the word "expenditure" to activity that does not involve first amendment rights.[9]

The act, as construed and applied, is a broadside assault on the freedom of political expression guaranteed by the first amendment. It cannot possibly be saved by any of the facts conjured up by the Court. The answers to the questions reserved are quite irrelevant to the constitutional questions tendered under the first amendment.

I would affirm the judgment dismissing the indictment.

POSTAL POLICY

Mr. MORTON. Mr. President, on Monday last, March 18, the chairman of the Senate Post Office and Civil Service Committee announced the release of a report by a seven-man citizens advisory council. This report recommends the enactment by Congress of a postal policy for the United States. I sent a member of my staff to the committee office Monday morning and obtained a copy of the report. It is entitled, "The Post Office as a Public Service." The citizens advisory council filed this report with the chairman of the committee on February 26. The report was printed by the Government Printing Office for the use of the Committee on Post Office and Civil Service.

There are, Mr. President, certain questions I should like to pose both as to the manner in which the report was released and in connection with the report itself. I happen to be a member of the Post Office and Civil Service Committee and, as stated, I was obliged to send to the committee office for my copy of the report. I understand that it was distributed to certain Members of the House on Friday or Saturday of last week. I am informed that the report was in the hands of certain representatives of the press and certain trade papers in the publication field a full week before it was made available to some members of the committee.

I think it behooves us all to take a very careful look at this report and examine closely its objective. Why was it turned over to certain members of the press a week before it was made available to all the members of the committee? Why was it given to Advertising Age, and perhaps other trade papers, so far in advance?

This report, Mr. President, is a very clever effort to influence the Congress to protect and insure the preferential treatment now enjoyed by certain users of second- and third-class mail. I point out that 4 members of the 7-man citizens advisory council represent the publishing industry. These are all men of outstanding reputation and character. I do not blame them for fighting for their own interests. Were I in their position, I would do the same. However, I do maintain, Mr. President, that we should be on guard. We should accept this report for what it is—a brief in behalf of the publishers' position in the matter of postal rates. It would be a great mistake if the Congress or the public should consider this document as an objective study by a citizens advisory council.

I shall not attempt at this time to point out the many inconsistencies in the report or deal with the slanted way in which the material is presented. I leave that to the Postmaster General and his associates. The Department began presenting its case before our committee this morning.

We heard much during the last election campaign about the employment of Madison Avenue methods and techniques. This report does indeed employ all the techniques of Madison Avenue and the advertising agencies. It is not presented in the format of the usual report to a congressional committee. It is, instead, a very cleverly produced 8½ by 11 inch brochure filled with elaborate charts, tricky headlines, and clever art work. It is in no sense an objective and accurate document, but is, instead, a high-pressure and very appealing sales brochure presented in a very clever manner.

I feel sure that my colleagues will not be taken in by the elaborate manner in which this report has been presented. I am sure that, when all sides have been heard and the evidence weighed, it will be clear that the recommendations are motivated by selfish interests and do not constitute a sound basis for any congressional declaration of policy.

I ask unanimous consent that the statement made this morning by the Postmaster General be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON POSTAL POLICY BY POSTMASTER GENERAL ARTHUR E. SUMMERFIELD BEFORE THE SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, MARCH 21, 1957

Mr. Chairman and members of the committee, I am very pleased to appear here today to help in your deliberations concerning the establishment of a Congressional policy on postage rates.

I would like to say at the outset that this is a subject well worth our deepest consideration. The enunciation by the Congress of a firm policy on postage rates could settle for all time many of the vexing disagreements which postal administrations and Congressional committees are forced to deal with in recurring disputes over the need for and amount of postage changes.

Nevertheless, it is my conviction that the present urgent necessity for greater revenues for the postal service transcends even the need for long-range policy, if it means that working out long-range policy will involve delay. I urgently hope, therefore, that the committee will expand the scope of this hearing to deal with immediate postage-rate increases, by holding hearings on the rate provisions of title I of S. 1534 as soon as this discussion on postal policy is concluded.

You have invited me here specifically to give you my views on the report of the citizens advisory council to this committee, entitled "The Post Office as a Public Service" and dated February 26, 1957. Since my statement is going to establish substantial areas of disagreement with that report I plan also to present to you today, in a constructive sense, our own philosophy concerning "The Post Office as a Public Service."

I imagine it is no surprise to you that the report of the citizens advisory committee was a great disappointment to me—as perhaps it was to many of you. I had hoped for a touch of balanced objectivity in its reasoning, with an occasional concession that there was another point of view. I had even hoped that the council would have invited the Post Office Department to submit its views and its figures for consideration, before writing a report. Such an opportunity might have led the council at least to agree with us on the facts and figures involved, even though we might still have differed as to a governing philosophy. Unfortunately, this was not done.

As a result, I regret to say, after a careful study of the report, that it is inaccurate in facts, it is misleading in its inferences, and that I consider it to be unfair to the taxpayers of this country. It asks them, on incorrect premises, to continue indefinitely to carry the burden of the massive and mounting postal losses of the postwar period.

In brief, the report makes three fundamental errors, in our opinion:

(1) It understates the current and prospective losses of the Post Office Department.

(2) It exaggerates the services that the Post Office Department renders for the public welfare, and magnifies the losses sustained through the performance of those services.

(3) On that base, it concludes that "no true deficit exists at the present time." The inference is that there is no need for postage rate increases.

The unfortunate unilateral approach of the council is evident in its very first premise. It uses as the start for its computations the postal deficit for fiscal 1955. Published figures as to our loss for 1956 were available, as were our 1957 and 1958 budgets. Why choose 1955? In fiscal 1956—the first year in which we could now benefit from a postal rate increase—our deficit is estimated at a minimum of $651 million and at a maximum considerably higher than that.

Notwithstanding the fact that this estimate was available in the published report of the House Appropriation Committee, the council used as its figure an amount $300 million smaller. That's hardly facing up to the facts at the present time.

You see, it so happens that by choosing fiscal 1955 for its base the council not only selected the lowest postal deficit since 1948, but it excluded almost completely the wage increases and fringe benefits to postal employees enacted in that year, but effective during only the last few months of the year. These wages and fringe benefits today cost the Department almost $200 million a year

[9] If Congress is of the opinion that large contributions by labor unions to candidates for office and to political parties have had an undue influence upon the conduct of elections, it can prohibit such contributions. And, in expressing their views on the issues and candidates, labor unions can be required to acknowledge their authorship and support of those expressions. Undue influence, however, cannot constitutionally form the basis for making it unlawful for any segment of our society to express its views on the issues of a political campaign.

more than they did in fiscal 1955. Since then other expenditures have been added, by law, one of which is $131 million annually, beginning July 1, 1957, for retirement benefits to postal employees.

Next, the report of the council says that the Post Office budget for 1955 included public welfare expenditures totaling $392.4 million, or almost $30 million more than the total deficit for that year.

We have labored long and hard, with the cooperation of the Congress, to reduce our huge annual losses. Rest assured, Mr. Chairman, that if we could have transformed a $363 million deficit into a $30 million profit by simply employing a sharp pencil, we might have spared a great deal of hard work for ourselves and this committee. But we cannot allow ourselves the luxury of such wishful thinking. The truth of the matter is that the net burden we sustain on public-welfare services is only about $30 million a year.

I think you will agree that the difference between the council's estimate of $392.4 million for public-welfare expenditures and our estimate of $30 million is rather startling. The Deputy Postmaster General will go into a detailed analysis of this difference later in this hearing.

These two major differences—in the size of the postal deficit at the present time, and in the amount of public-welfare services we render—very clearly draw the line of disagreement between the council and the Department. The council says the Post Office deficit is $362.7 million and that our public-welfare expenditures are $392.4 million and that there is no true deficit at the present time in the Post Office Department. (Report, p. 50.) We say the postal deficit will be more than $651 million for the year beginning July 1, that the public-welfare items amount to about $30 million, and that the true deficit of the Post Office being paid annually by the taxpayers is at least $621 million. If we are to face facts, those are the facts to face.

And that isn't all.

There are, in addition, some expenses related to the carrying of the mails which are being paid by other agencies of the Government and which are not included in Post Office budgets or financial reports. You may search the report of the council from beginning to end but you will find no mention of these expenses.

For instance, there is no charge in our postal costs for the use or depreciation of Government buildings. The buildings which we use are worth perhaps $1 billion and according to ordinary business standards the depreciation on those buildings would be estimated at between forty and fifty million dollars a year. Another example is the expense for unemployment insurance and workmen's compensation payments which are not paid by the Department and which come to about $11 million a year.

Would anyone say that these expenses should not be considered part of the true cost of carrying the mails?

The fact that these costs are not included in the postal budget does not mean that they are not costs of the mail service. They have to be met by the Government and they would not exist if it were not for the Post Office Department. If the true deficit is sought, it cannot be obtained without adding these amounts to our figures.

Unfortunately, Mr. Chairman and members of the committee, facts have an annoying permanence and they refuse to disappear at will. And the facts are these:

1. Our postal losses are tremendous, even with public welfare items removed;

2. They are purely a postwar phenomenon caused by the neglect of Congress to increase postage rates to meet increased costs; and

3. Substantial increases in postage rates are urgently needed now.

There has been a lot of discussion through the years, in and out of rate hearings, about whether the Post Office is a service or a business. The council's report raises the point and discusses it at length, concluding that the Post Office performs a public service.

I would like to submit that the debate is irrelevant. No one doubts that the Post Office renders a public service. The point to be settled is whether it is a public service to be paid by the users or a public service to be paid by the taxpayers. If the costs of the service should be paid by the actual users who benefit from it, then deficits are intolerable because they result in assessing the wrong people, the taxpayers.

The council seeks to solve the question by reference to history. Its report lists a number of quotations dating from 1794, 1844, 1851, 1869, 1888, and 1954, all purporting to support the theory that the Post Office has always been considered by leading authorities to be a public service without any concern for deficits. No contrary opinions are included, leaving the impression that there are none.

Therefore, as an appendix to my statement I would like to submit, for the record, quotations dated 1782, 1792, 1835, 1849, 1851, 1859, 1912, 1920, 1929, 1948, 1949, and 1951 from authoritative members both of the Congress and the executive branch supporting with equal vigor the philosophy that the Post Office should be operated on a pay-as-you-go basis.

Really, however, the wisdom of the 18th and 19th centuries has little relevance to the Post Office of today. The world has moved. The character of the Nation, even its geographical frontiers and educational and cultural patterns, has altered beyond recognition. Opinions expressed as recently as 30 years ago may have little application to the Post Office of 1957.

The only intelligent way to consider postal problems is to review them as they pertain to modern conditions, and not in terms of the colonial posts, the pony express, smoke signals, or the stagecoach. The only data with pertinence to the present problem are those of today, supplemented by such evidence as can be divined from recent trends of a limited current period.

There are two overriding facts in all this, it seems to me. One is that Congress by its actions through the years has always had a policy of a self-sustaining Post Office until 11 years ago. This is conceded by the council on page 11 of its report, in which it states that there was no true deficit at any time prior to 1946, and it is based on the enumeration of public-welfare items under the Kelly law, not under the extremes used by the council.

The other major fact, apparently not conceded by the council, is that in the last 11 years postal losses have been of staggering proportions. This is due solely to inflationary rises in costs of wages, transportation, and supplies purchased by the Post Office without compensating increases in revenues. Even after eliminating public-welfare items postal losses in the last 11 years have been $5 billion. I respectfully submit that this is a problem of our times, and it is our responsibility to find a solution for it. Nothing less than immediate rate increases will fulfill that responsibility.

And now I would like to make a positive statement on the question of a permanent Congressional policy on postage rates and outline what I believe such a policy should be.

In a document issued by the Post Office Department on March 31, 1954, entitled "Financial Policy for the Post Office Department" certain proposals were set forth as part of a suggested rate policy.

These proposals included the following:

1. That the Post Office Department is fundamentally a public utility serving the people of the United States, managed and operated by the Government as a communication and transportation system, and that the total cost of these services should be paid by the users and not from general taxation;

2. That the Postal Establishment shall be conducted according to the highest standards of modern business efficiency, and that continuing efforts shall be made to improve the service in every reasonable way;

3. That postal accounting shall be so devised that its financial reports shall correctly include all costs of rendering its service and shall exclude all extraneous costs;

4. That subsidies intended by the Congress shall be clearly identified, so that their amounts can be reimbursed to the Post Office and reviewed regularly in the appropriations process;

5. That the Post Office Department shall continue to maintain a cost system (39 U. S. C. 836) which fairly apportions all of its costs over the classes of mail and services in accordance with their use of postal personnel and facilities;

6. That, in the process of fixing rates for each class of mail, consideration shall be given to such allocated costs, modified by allowance for service factors properly to be taken into account in rate fixing (including preferment and deferment in handling, values of the services, ability to pay, and other factors).

These six propositions are spelled out in the postage rate bills before the Post Office and Civil Service Committees of both Houses of Congress today, S. 1534 and H. R. 5836. They were adopted by the House last year, in the same language as in these present bills.

This legislation asks Congress to reaffirm its traditional policy that the Post Office Department, while definitely a public service, should be operated in a businesslike manner. That, of course, includes a businesslike concern for deficits.

It declares that it is the policy of the Congress "* * * (1) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses, and (2) in accordance with those general principles, standards, and related requirements, to provide a means by which the postal rate structure may be fixed and adjusted by action of the Congress, from time to time, as the public interest may require, in the light of periodic reviews of the postal rate structure, periodic studies and surveys of expenses and revenues, and reports and recommendations—made by the Postmaster General—on the basis of the cost ascertainment system."

In addition to declaring this policy the bill outlines the general principles, standards, and related requirements referred to in the policy.

It provides that in fixing and adjusting postal rates, consideration should be given to: "(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States; (B) the development and maintenance of a postal service adapted to the present needs and adaptable to the future needs of the people of the United States; (C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees; (D) the effect of postal services and the impact of postal rates and fees on users of the mails; (E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail

service; (F) the value of mail; (G) the value of time of delivery of mail; and (H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent factors."

It states specifically that first-class mail, which, according to the definitions contained in section 208 of the bill includes air mail but not air parcel post, "constitutes a preferred service of the postal establishment and the postage for first-class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first-class mail * * * and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto."

It deals with public-welfare services by providing that "services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public-service aspects, which in whole or in part are held and considered by the Congress, from time to time, to be public services" shall be administered on the following basis:

(a) The expenses of such services should be assumed directly by the Federal Government and paid for out of general fund of the Treasury. These public-service items should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally.

(b) It is required that from time to time (1) the postal-rate structure shall be adjusted by Congress in the manner provided, and (2) the fourth-class (parcel post) rates, and the fees for special services shall be adjusted by the Postmaster General (under authority of secs. 246f and 247 of title 39, United States Code), so that the adjusted revenues shall be approximately equivalent to the total amount of expenses. This specifically does not change the standards governing rates and reformations on fourth-class mail (which are prescribed in sec. 247 of title 39, United States Code, as modified by sec. 695, title 31, United States Code).

The Congress has heretofore declared that fourth-class mail as a whole shall be self-sufficient, excluding from consideration those subclasses of fourth-class mail upon which the Postmaster General's authority has been withdrawn by Congress. (These are stated in secs. 292a (d) and (e) as amended by this bill and 293 (c) of title 39, United States Code.)

It is our opinion that the enactment of such a policy would be definitely and affirmatively in the public interest.

It would have the following beneficial effects:

1. It would put an end to recurring postal rate controversies.

2. It would reaffirm clearly and unmistakably the sound financial policies which Congress has in fact historically applied to postal operations—except for the last 10 years.

3. It would identify services performed for the general welfare and divorce the cost of such services from the postal deficit by reimbursing the Department for them.

4. It would thereby assure postal patrons that they were paying only for the value of the postal services they received.

5. It would provide the mechanism for avoidance of substantial postal deficits in the future.

6. It would encourage greater pride for employees and the public in an efficiently managed postal system.

7. It would relieve the taxpayer of today, as well as future taxpayers, of the burden of subsidizing postal services purchased largely by profit-motivated users of the mails.

8. It would be consistent with the financial policies applied to other departments and agencies of the Government by Public Law 137, 82d Congress, and other legislation now in force.

Because it bears directly on the question of who should pay for Government services, I would like to quote here from Public Law 137:

"It is the sense of the Congress that any work, service, publication * * * or similar thing of value or utility performed * * * by any Federal agency * * * to or for any person * * * shall be self-sustaining to the full extent possible."

That quotation, we believe, should be the heart of any statement on postal policy.

The difference between the philosophies expressed in the proposed policies enunciated by the council and the Department can be easily explained by the approach each has taken to the subject.

The majority of the seven-man advisory council are in businesses which benefit financially from low postage rates. While this conflict of interest on the part of the majority does not make objectivity impossible, it does make it difficult of achievement.

The management of the Post Office, on the other hand, represents no specific interest and no one segment or class of postal users. There is no reason for it to be other than unbiased and objective in its approach.

It views its responsibilities as being to the mailing public as a whole and, in an even broader sense, to all the people of the country. As an arm of the executive branch of the Federal Government it must take into account the financial problems and policies of the Government as a whole. It cannot overlook the fundamental fact that any undue financial privileges that it permits to be obtained by any one class of users at the expense of another class is an improper discrimination, and that any undue financial advantages for mail users in general are unfair to the taxpayers who must foot the bills.

The Department is also concerned with the efficiency and welfare of the half million employees of the postal system. Without sound management and without definitive and practical financial policies these employees can be the collective victims of fiscal confusion and lack of direction.

It is from this informed and unprejudiced position that the present management urges its points of view. The people who make up the Post Office organization are in a good position to know the intricate details of how the service operates, how mail is handled, the priorities and deferments it receives, the expenses which the Post Office incurs, the services rendered to the Post Office by other departments, and all other data necessary to the foundation upon which to build a philosophy to underlie financial policy. In considering the postal problem in all the areas from cost allocation to mail classification, Congress can rely upon the impartial and independent evaluation of experienced postal executives. The postal officials and employees have no axes to grind. All of this information could have been available to the members of the council had they evidenced to us any interest in it.

In view of this, Mr. Chairman and members of the committee, and in view of the demonstrable fallacies and errors in the report of the council, I respectfully submit that our proposal for a permanent Congressional policy on postage rates (as embodied in S. 1834) has more validity, more substance, and more objectivity than that of the council and should be adopted.

I am confident that, after considering all of the information in this statement and that of the Deputy Postmaster General to follow, you will not want to identify yourselves with the findings of the council.

Thank you very much.

THE FAIRBANKS, MORSE-PENN-TEXAS CONTROVERSY

Mr. BRIDGES. Mr. President, recently in the Senate I made a few remarks about the Fairbanks, Morse-Penn-Texas controversy, and placed in the RECORD a speech which I delivered in 1941.

After that time I received telegrams from Robert H. Morse, Jr., president of Fairbanks, Morse & Co. I propose today to send him the following telegram in reply, which, so far as I am concerned, closes the matter for the time being:

I have your telegram regarding my remarks in the Senate with respect to the Fairbanks, Morse-Penn-Texas controversy and the activities of yours and a so-called protective committee of Penn-Texas stockholders.

It has been reported in the House of Representatives and I have quoted that report on the floor of the Senate, as follows: This committee "did not own a single share of stock of Penn-Texas between them" and "is admittedly being financed by Robert H. Morse, Jr., the president of Fairbanks, Morse & Co."

Reports of your activities in the Penn-Texas matter as they appear in the CONGRESSIONAL RECORD bear a striking resemblance to the activities of the management of Fairbanks, Morse & Co. as outlined by me in the CONGRESSIONAL RECORD of January 8, 1941, and reprinted in full in the CONGRESSIONAL RECORD of March 12, 1957.

In your telegram, which you released to the press before it reached me, you have not denied the subject matter of my speech but you have elected to say that it "could only be prejudicial to the interests of the Fairbanks, Morse & Co., stockholders." The outlining of such activities by me on the floor of the Senate and in the CONGRESSIONAL RECORD is in the public interest. Such a statement cannot mislead and cannot be prejudicial to the interests of the stockholders of Fairbanks, Morse & Co., or to the public stockholders of Penn-Texas, which itself is reported to have a heavy financial interest in the stock of Fairbanks, Morse & Co.

Over 16 years ago, long before there was a Penn-Texas Corporation, I took occasion to criticize the tactics of the management of Fairbanks, Morse & Co. Now, as you know, I addressed myself to the activities of the so-called protective committee only after they had been commented on in the press, over the radio, and been the subject of recent Congressional speeches by two distinguished Democratic Members of the House, whose remarks came to my attention in the CONGRESSIONAL RECORD and whose accusation with respect to your activities and those of your committee, to the best of my knowledge, you have not denied.

Your request that I urge a public hearing with less than 1 week intervening between now and the stockholders' meeting would not be sufficient time for a thorough and fair investigation by the Congress. After the March 27 meeting, and after the completion of the investigation by the Securities and Exchange Commission, which I believe is doing a commendable job, if all the facts are not brought out then a congressional inquiry on this subject would be very appropriate and I will favor and support it.

STYLES BRIDGES,
United States Senator.

Mr. President, the other day I stated my reason for making the speech. In answer to the distinguished Senator from Utah [Mr. BENNETT], I replied that I did not expect my speech to be used in the fight between the two factions in the

proxy battle, and that so far as I was concerned I had no personal interest in it. However, inasmuch as my speech of 1941 had been referred to in the press, over the radio, and by various Members of the other House, I felt that I should place it in the RECORD, which I did.

The telegram which I have just read is my reply to the telegrams which I received from Mr. MORSE.

GROWING SCARCITY OF SCIENTISTS

Mr. POTTER. Mr. President, I invite attention to a striking contrast which exists today in the United States. It is a contrast between want and plenty—scarcity and overabundance.

The growing scarcity of scientists could well turn our prosperity and peace into terrible poverty and destructive war. I think my distinguished colleagues will agree that our prosperity is safe only so long as we are strong militarily. But, Mr. President, our military strength depends in large measure upon scientific progress. I hold that our Nation is being severely jeopardized by the scientific strides being made by Communist Russia while we search vainly to find an answer to our own want, our own scarcity of scientists.

I ask unanimous consent that there be printed in the RECORD as a part of my remarks a recent editorial from the Pittsburgh Press covering a speech by Dr. Edward Teller before the Air Force Association, pointing up the need for immediate attention in this field.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEADERSHIP IN SCIENCE

Much emphasis is placed upon the size of our Armed Forces, including the number of our planes.

And yet if these were old-fashioned propeller craft equipped with machineguns, the number wouldn't matter much. They would have no chance against far smaller numbers of enemy jets, equipped with modern firepower.

These present means of national defense promise to be as antiquated in the next decade as the planes and weapons we used in the last war.

Whether our defenses—regardless of the number of men involved—are adequate largely depends upon our scientists.

And Dr. Edward Teller, the man given much of the credit for development of the H-bomb, has just predicted that world supremacy in science will pass, in the next 10 years, from the United States to Russia.

Dr. Teller said that 10 years ago, "there was no question where the best scientists in the world could be found—here in the United States."

But 10 years from now, he continued in a talk before the Air Force Association in Washington, the best scientists in the world will be found in Russia. He sees this as inevitable, regardless of anything we may do, because of the long "lead time" it takes to educate scientists.

He admits this is a "gloomy prediction" but he feels it is too late to reverse the trend. He might have added that he, along with many others of our top scientists, has been sounding the alarm for years without any marked results.

Loss of leadership, due to our failure in scientific education, not only menaces our economic well-being. It is a direct threat to our national existence in a world threatened by engines of destruction too awful for the nonscientific mind to comprehend.

It is astonishing that a nation which has billions for everything from highways to relief and propaganda in far-off lands cannot find the means to cope with this ominous threat to our national future—that it can accept this statement from a man who unquestionably knows what he's talking about, with so little alarm.

THE TELEVISION PROGRAM ODYSSEY

Mr. CLARK. Mr. President, for some time the Columbia Broadcasting System, in cooperation with the American Association of Museums, has been televising a weekly series, entitled "Odyssey," based on historical material from the world's museums.

On Sunday, March 31, this enterprising program will feature the story of Pickett's charge at the Battle of Gettysburg, an incident famed in the military history of our country and of particular interest to the people of Pennsylvania. In the production of this episode, the Columbia Broadcasting System will use material obtained from the Pennsylvania State Museum in Harrisburg and the National Park Service in Gettysburg. The film dramatization will be made on the scene where the actual event took place at Gettysburg.

Dr. William M. Milliken, president of the American Association of Museums, has said that "the Nation's museums are proud and eager to make available to a nationwide audience on CBS television the vast and priceless treasure houses of which they are custodian." I should like to congratulate Dr. Milliken, the Columbia Broadcasting System, the Pennsylvania State Museum, and the National Park Service for their contribution to the educational value of television and the high standards they have used in selecting and presenting on television the kind of program which will enrich our understanding of our history and heritage.

ADMISSION OF SPAIN TO NATO

Mr. WILEY. Mr. President, I was pleased to note that yesterday, March 20, the House of Representatives approved House Concurrent Resolution 115, expressing the sense of the Congress that further efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization.

This resolution is similar to a resolution which had been previously soundly approved by the House in the 84th Congress.

The resolution was again approved unanimously by the House Foreign Affairs Committee this year.

The counterparts of the House resolution are Senate Concurrent Resolution 14, introduced by my colleague, the senior Senator from New Hampshire [Mr. BRIDGES], and Senate Concurrent Resolution 16, introduced by myself. All told, I understand 60 Members of the House of Representatives have introduced similar individual resolutions for this same purpose. And 33 of my colleagues in the Senate joined in submitting the two Senate versions.

But the mere statistics of the numbers of legislators who have gladly identified themselves with this objective do not, of course, state the full case for it.

The facts of the matter are that—

(a) Spain is an important anti-Communist ally to the Western World;

(b) The bases we are building in Spain are indispensable bastions for defense of the Western World; and

(c) To omit Spain from NATO is to leave open an important gap in the defenses of the Western World.

The United States favors Spanish membership in NATO.

That was the direct statement of Assistant Secretary of State Robert C. Hill, in a letter to the chairman of the Senate Foreign Relations Committee on February 25, fully confirming the same position which had been set forth by Secretary of State Dulles in a letter to former Senator Walter George on June 21, 1955, regarding Senate Concurrent Resolution 34.

I feel confident that the resolution will accordingly be approved by my colleagues on the Senate Foreign Relations Committee, and then by the full Senate itself.

As has already been indicated publicly by my distinguished colleague, the senior Senator from Rhode Island [Mr. GREEN], the issue will come up shortly before our Senate Committee, at which time I shall move for its unanimous approval.

Mr. President, tomorrow the President of the United States opens his 4-day conference with the Prime Minister of the United Kingdom. At this conference, we believe there will be worked out very frankly the problems, the differences, the challenges to the Western allies—in the Middle East and other key areas.

In the past, some of our Western allies have preferred that Spain not be admitted to NATO. These allies have allowed their feelings about old grievances, their memories of old disputes to becloud their present vision.

As Assistant Secretary Hill correctly stated on February 25, "Spanish admission to NATO depends upon the willingness of all member nations to accept Spain as a member." The keyword is, of course, "all," because admission must be unanimous.

I say, therefore, that all our allies should respectfully but frankly be advised that we definitely want Spain in NATO, not next year, not in 1960, but now.

Does Prime Minister Macmillan, for example, ask for United States support "eventually," "ultimately," to use the delaying terms some of our allies use when they speak about Spain's membership in NATO, at some time in the future? No. He, and our other allies ask United States action now for the things that our allies happen to want.

We, ourselves, have every reason, therefore, to use the present tense in this regard, as well. Let Spain be admitted now. Let the wide-open gap in NATO be filled now.

The State Department usually speaks of a favorable climate for Spain's admission. Let the Department and our allies be advised that the climate is very, very warm here on the hill for immediate approval of Spain's membership in NATO. It is very, very warm in our national interest.

Finally, I send to the desk the text of a most informative writeup in last Sunday's New York Times on the excellent progress in the construction of the mighty United States bases in Spain.

I ask unanimous consent that the text of this article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES-SPANISH TEAM PUSHES TWO BASES—NATIVE CONTRACTORS PRAISED BY CONSTRUCTION CHIEF AT VAST ADJACENT AIRFIELDS

(By Benjamin Welles)

SARAGOSSA, SPAIN, March 15.—Choking dust clouds are blowing across the Ebro Valley these days. Huge yellow earthmovers can be dimly seen remaking the landscape as other machines lay concrete in mile-long strips.

Here in ancient Aragon the United States is developing two enormous adjacent airbases for joint use with Spain if war should come.

Forty million dollars' worth of construction and military facilities are slowly emerging at these twin bases of Sanjurjo and Valenzuela. The first, which the Nazis helped build in Spain's civil war, is now 10,000 feet long. The second, brand new, is 12,000 feet in length.

Even now, half completed, they could land, refuel and dispatch the Strategic Air Command's B-47's, B-36's, and B-52's in a war emergency. In another year they may be receiving the newest still-secret jet B-66.

OTHER UNITED STATES BASES

The other United States bases in Spain are at Torrejon, near Madrid; at Moron de la Frontera and at San Pablo, both near Seville; and the naval base at Rota, near Cadiz.

A 500-mile fuel pipeline winding its way underground from Rota, on Spain's South Atlantic coast, now ties into the bases in Aragon. At this moment the first load of diesel fuel is creeping up past Seville, testing for leaks and faults.

In an austere, dusty office here Carol William Welch, a hand-picked young veteran of the Strategic Air Command, supervises 1,200 Spanish laborers, 200 American engineering supervisors and nearly 300 United States Air Force officers and airmen.

For a year heavy construction has been under way, and now, with the base half built and running near schedule, the installations are virtually rising out of the ground. By May many more American air personnel will start arriving and by early summer the base should be turned over officially to Strategic Air Command control.

Mr. Welch's task here is a prime example of the manifold responsibilities that many young American overseas commanders are surmounting in the process of building and maintaining the globe-girdling chain of bases designed to better and to repulse—potential Soviet aggression.

Mr. Welch, like his colleagues, is more than an aviator, more than an engineer, more than a base commander. He is a diplomat with local Spanish officials; is a strict disciplinarian over American construction and military personnel. In addition, he is counselor to homesick American wives; an adviser on schooling for American children; a guide on recreation for hard-working Americans with a few days' leave.

LONG WORKING HOURS

His working day virtually never ends. Yet through the blinding dust, the frustrations and problems of life in a foreign land, base morale is high and the sickness rate is low.

The two airbases here stem from the United States-Spanish agreements of 1953.

The United States agreed to furnish the Spanish armed forces with about $350 million in modern equipment and to stiffen Spain's flagging economy. To date, an estimated total of $300 million in economic aid for defense support has been authorized.

Spanish contractors, engineers, and architects had never handled such massive jobs as the United States bases. They had to be taught, but they have learned quickly.

"I've got only high praise for the Spanish," said Mr. Welch. "They've learned amazingly quickly. One or two contractors have fallen down, but the big majority are now working as well as our own people would at home."

The base program in Spain is being handled by a sandwich arrangement of United States Government and private agencies. It is complicated and yet as smooth-running as most big American building jobs.

To date, out of an estimated total of $40 million that will be spent to complete these twin bases about $29 million have been obligated in contracts. Of this, $15 million has been spent.

In 18 months to 2 years, Spain will have on her soil a complex of bomber bases undreamed of in her history and the United States will have vital war facilities protected by the towering Pyrenees.

THE URBAN RENEWAL PROGRAM

Mr. CLARK. Mr. President, the momentum the urban renewal program has acheived since its inception in the Housing Act of 1949 is at this point extremely encouraging. It has been achieved only as the result of considerable effort on the part of the proponents of good housing and a good living environment for all the Nation's urban families.

It is essential to the Nation that the urban renewal program be encouraged so that more substantial inroads can be made into the vast problem of urban slums and blighted areas.

The administration's recent recommendation that further urban renewal activity be curtailed is patently in opposition to the recommendations made by the President's Advisory Committee on Housing Programs and Policies in 1954.

The Nation's cities are making valiant efforts to develop a broad-scale attack on slums and to achieve "workable programs" which will lead to the elimination of slums and prevent further deterioration of the urban fabric. These efforts have resulted in the earmarking of more and more hard-to-come-by local cash and have been undertaken in anticipation of increased Federal assistance under approved national policies. Yet the administration, in the face of all this, in the interest of "economy," has in effect pulled the rug out from under the expectations of various localities.

The fact is that in the last year more localities entered the program and more capital-grant reservations were requested than in any other comparable period in the history of the program. Since immediate past experience demonstrates that from $250 million to $300 million would probably sustain a "vigorous program," it is difficult to understand why this program—among the most important domestic programs of the Federal Government—should be jeopardized by a clearly inadequate fund authorization.

For example, in the State of Pennsylvania a recent poll of communities shows that their renewal needs in terms of grants between now and the end of the 1958 fiscal year are approximately $88 million. This in itself is more than one-half of the $175 million the administration proposes to make available to the entire Nation.

I ask unanimous consent to have printed in the RECORD at this point a statement showing the urban renewal program's estimated capital grant requirements by locality within the State of Pennsylvania.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Urban renewal program—estimated capital grant requirements through fiscal 1957–58—by State and locality

State and locality	(1) Projects under contract, additional grant required		(2) Amount of grant being requested for projects in regional office [1]		(3) Estimated grant requirements of projects to be initiated before July 1, 1958	
	Number of projects	Amount	Number of projects	Amount	Number of projects	Amount
PENNSYLVANIA						
McKeesport			1	$3,464,000	2	$5,000,000
Delaware County					1	1,250,000
Pittsburgh			2	10,800,000	3	8,000,000
Beaver County: [2] Beaver Falls			1	600,000		
Fayette County:						
Uniontown					1	1,000,000
Brownsville					1	1,000,000
Connellsville					1	1,000,000
Perryopolis					1	1,000,000
New Kensington					1	1,000,000
Lebanon					1	750,000
					1	2,000,000

[1] HHFA regional offices.
[2] 5 additional towns have indicated intent to file applications: Midland, Mocanaqua (?), Aliquippa, Ambridge and New Britain (?).

Urban renewal program—estimated capital grant requirements through fiscal 1957–58—by State and locality—Continued

State and locality	(1) Projects under contract, additional grant required		(2) Amount of grant being requested for projects in regional office		(3) Estimated grant requirements of projects to be initiated before July 1, 1958	
	Number of projects	Amount	Number of projects	Amount	Number of projects	Amount
PENNSYLVANIA—continued						
Allegheny County:						
Turtle Creek	1	$3,000,000			1	$1,000,000
Duquesne	1	600,000			1	2,000,000
McKees Rocks			1	$1,700,000		
Braddock					1	3,000,000
Rankin					1	1,700,000
Tarentum					1	1,000,000
Homestead					1	1,700,000
East Pittsburgh					1	900,000
Wilmerding					1	900,000
Carnegie					1	1,000,000
West Mifflin					1	1,750,000
Carbondale			1	983,000	1	(?)
Easton	1	165,000			1	5,000
Reading					2	600,000
York					4	1,225,000
Minisink Hills (?)					1	300,000
Titusville					1	1,500,000
Oil City			1	500,000	3	1,190,000
Scranton			1	2,000,000	1	1,700,000
Somerset County: Windber					1	800,000
Bethlehem					1	750,000
Erie	1	400,000			1	1,750,000
Philadelphia	8	1,200,000			13	10,834,000
State total	13	5,365,000	5	19,781,000	[illegible]	[illegible]
Grand total				[illegible]		

NOMINATION OF WILLIAM S. WHITE, JR., TO BE ASSISTANT SECRETARY OF THE NAVY

Mr. CLARK. Mr. President, Mr. William S. White, Jr., is one of the most distinguished members of the Philadelphia bar. He is an Eisenhower Republican from the word "go." He is a modern Republican.

That distinguished Republican from Philadelphia, the Secretary of the Navy, Mr. Thomas S. Gates, Jr., recently forwarded to the White House his recommendation that Mr. White be appointed Assistant Secretary of the Navy.

Secretary Gates had the courtesy to advise me that he was making such a recommendation. Naturally I was delighted.

As I sit on this side of the aisle, not the other, I thought it unwise to make my views known at the other end of Pennsylvania Avenue. However, I did discuss the matter with my distinguished senior colleague from Pennsylvania [Mr. MARTIN], and I was happy to learn that he had no objection to Mr. Gates' recommendation.

To my chagrin, I found, from reading the Philadelphia Evening Bulletin of Wednesday, March 20, that Mr. White's nomination had been rejected at the White House because Mr. White, a personal friend of mine of long standing, saw fit to make a $50 contribution to my campaign fund for the Senate of the United States.

Mr. President, I ask unanimous consent at this point to have printed in the RECORD the article from the Philadelphia Bulletin.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHITE'S DONATION TO CLARK FLAWS BID FOR UNITED STATES POST

(By John G. McCullough)

WASHINGTON, March 20.—William White, Jr., Philadelphia attorney, made a $50 contribution to Pennsylvania's Democratic Senator JOSEPH S. CLARK's campaign last fall.

Now Pennsylvania GOP chairman, George I. Bloom, and others have cited the contribution to protest to the White House against the scheduled appointment of White as Assistant Secretary of Navy.

White, 43, is a Republican and lives in Bryn Mawr. He is a personal friend of both Senator and Mrs. Clark. His donation to Clark's successful election drive was regarded as a gesture of friendship and was balanced by a matching gift to the Pennsylvania Finance Committee.

CLOSE RACE CITED

In their protests Bloom and the others told the White House that CLARK defeated former GOP Senator Duff by fewer than 18,000 votes, while Mr. Eisenhower himself carried the State by more than 600,000. They insist it was the support of CLARK by Republicans which cost their party a Senate seat and control of the Senate itself.

The lineup in the Senate is 49 Democrats and 47 Republicans. Had Duff won, there would have been 48 from each party in the Chamber, and Vice President NIXON's tie-breaking vote would have given control to the GOP.

MARTIN IS SILENT

White, a Navy veteran of World War II, was suggested to the White House as the personal choice of Thomas S. Gates, Jr. Gates, now Under Secretary of the Navy, takes over the top Secretary's post next month, and he wanted White as his assistant for personnel and reserves.

White's nomination to the $20,000-a-year post was first rumored in January. The appointment is a presidential one which requires approval by the Senate. Senator CLARK has given his informal endorsement, but Senator MARTIN, the Republican Member from the State, has given no acknowledgment.

White has been approved by Congressman SAMUEL K. MCCONNELL, the Republican chairman in Montgomery County, in which White resides.

At a meeting here yesterday, most Republican Members of Congress from the State expressed complete support for Bloom in his opposition to White. The delegation has persistently protested against what it insists is White House disregard for Members of Congress in making Federal appointments to residents of the State.

Spokesmen for other States, who have become aware of the Pennsylvania opposition to White have already suggested residents of their States as substitutes for White. They have strengthened their bid with the claim that no one State should be given both the Secretary's post and that of an Assistant Secretary.

Mr. CLARK. Mr. President, it seems to me that efforts in support of our national defense and efforts to bring bright and capable and energetic modern Republicans to Washington to carry out the policies of the administration——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. JOHNSON of Texas. Mr. President, I wonder whether the Senator from Pennsylvania will yield to me for the purpose of suggesting the absence of a quorum, so that some of our friends on the other side of the aisle may hear what he has to say, with the understanding that he will not lose the floor.

Mr. CLARK. I shall be happy to do so.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Pennsylvania [Mr. CLARK] be recognized for 3 minutes.

The PRESIDING OFFICER. Without objection, the Senator from Pennsylvania is recognized for 3 minutes.

Mr. CLARK. Mr. President, I had obtained consent to have printed in the RECORD an article from the Philadelphia Bulletin of Wednesday, March 20, entitled "White's Donation to Clark Flaws Bid for United States Post."

Mr. William White, Jr.—a distinguished member of the Philadelphia bar, an Eisenhower Republican since before 1952, a young man with a brilliant record in the United States Navy during World War II—was recommended by Under Secretary of the Navy Gates, another splendid Eisenhower Republican, for appointment to the office of Assistant Secretary of the Navy. Secretary Gates was courteous enough to call his recommendation to my attention and

also to the attention of the senior Senator from Pennsylvania [Mr. MARTIN], who interposed no objection.

Since Mr. White is not of my political party it seemed to me inappropriate for me to inject myself into that situation. However, to my deep concern, this morning I find that Mr. White's nomination, sponsored by Under Secretary Gates and approved by the senior Senator from Pennsylvania [Mr. MARTIN], has been stopped at the White House. Why? Because Mr. White made a $50 contribution to my campaign fund when I campaigned for the United States Senate last fall. Mr. White is a personal friend of mine of long standing. Mrs. White is a personal friend of Mrs. Clark, of long standing.

Mr. White, in order to preserve his Republican status, also made a contribution to the Republican campaign fund.

Mr. President, I suggest we are coming to a pretty pass when important nominations to positions of great importance in connection with the national defense of the United States are turned down at the doors of the White House because the nominee, qualified in every other way, has chosen to exercise his right as an American citizen to make a $50 campaign contribution to the campaign of a personal friend.

UNREST BEHIND THE IRON CURTAIN

Mr. JENNER. Mr. President, this month marks the 12th year since Soviet Foreign Minister Vishinsky, backed by the Soviet armies, brutally drove out the legal government of Rumania and put the Communist government into power. This bloodless coup was achieved while the Rumanians had sent all their able-bodied men to fight far away, in Hungary and Slovakia, against the armies of Hitler.

The Rumanian armies, the fourth largest armies on the allied side, helped to liberate Central Europe from Nazi slavery, only to see those people reduced to a new slavery enforced by Soviet arms.

Why did the United States quietly acquiesce in this Soviet conquest of millions, while our men were fighting the enemies of the Soviet Union?

President Roosevelt, President Truman, and other American officials protested at first against the breaking of Stalin's solemn pledges to us to permit the liberated nations of Central and Eastern Europe to live in full freedom. Suddenly the protests ceased. For years, now, our Government has done nothing to redeem its obligations to our fighting men.

This month is also the anniversary of Hungary's national holiday celebrating the great uprising of 1848.

We know now that in more than a decade the Communists have not been able to convert the young people, the workers, or the soldiers of Hungary to communism. Even while the protests of free men were being silenced by execution and imprisonment, liberty flourished of its own inner strength.

The iron curtain hid the news of unrest in other nations from us, but evidently students and workers in the other satellite countries were ready to rise up. We can only guess how far the courage of patriots might have carried the spreading revolt if the people of the satellites had been given a grain of support.

The American Government not only offered no help to the Hungarian fighters; it committed the unpardonable military offense of telling the enemy we did not intend to help. No matter how many apparent arguments against American intervention, even by private citizens, were put forward, there is no reason why the American Government, by public announcement, should have told the Soviet Union they need fear no opposition, and have told the restless, liberty-loving people of the satellites to abandon all hope.

The problem of the satellites will remain with us. It will be important to Americans until every country overrun by Soviet power is free again. Recently I heard of a Rumanian who escaped by chance through Hungary during the uprising. He said, "There are no Communists in Rumania."

I am certain there are no Communists among the people in Bulgaria or Poland or mainland China. Americans must never let the silence of death, which surrounds the Iron Curtain, persuade us that liberty has died under the Soviet heel.

Notice how the story of the Hungarian uprising has disappeared from the press, although the bloody terror in Hungary and the other satellites is as real as ever. Likewise, the continuous fight against communism waged by free China and free Korea is no longer news. When the silence is deep enough, we shall be told we must be realists and recognize Red China, because there is no longer opposition to Communist rule. Already we are being told we must give the American people's hard-earned money to Communist Poland, and trade with the other satellites because they are no longer under Soviet control.

The American people will never consent to the surrender of millions of free men to the rule of Soviet tyranny. Their deep sympathy with human liberty would make it morally impossible. Their clear understanding of Communist weakness would make such stupidity practically impossible.

The Soviet Union lives by tyranny because it must live by robbery. It must steal from its satellites every blade of wheat and ounce of ore it can seize, so as to hide the failures of the Soviet planned economy.

Friends of the Soviet Union constantly urge American loans to, and American trade with, the Communist-conquered provinces. They know the Soviet orbit must get from us the economic wealth its commissars can no longer wring from the satellites; otherwise the Soviet Leviathan will crash in ruins. Friends of liberty have no choice but to insist that governments supported by Soviet tanks and machineguns are no friends of ours. Their people can gain nothing from our trade or help.

Our Government's first duty is to demand, without ceasing, that the Soviet Union keep its solemn pledges to remove all Soviet troops from Rumania and the other satellite countries, so that elections can be truly free, and that the governments in those countries can truly represent the people of the nations, not their totalitarian conquerors.

ROYALTIES FROM MINERALS IN THE PUBLIC DOMAIN

Mr. BARRETT. Mr. President, I rise to discuss briefly my so-called royalty bill. The purpose of my bill, S. 680, is to right a long-standing wrong. It will make certain that the people of Wyoming as well as the people of other Western States shall have the right to use the royalties from the minerals as enumerated in the Leasing Act and produced from the public domain within their respective confines for the purpose of developing their individual States. That would seem to be a sound American doctrine. I ask, Mr. President, why in the name of commonsense should not the assets within a State be used exclusively for the benefit of the people of that State?

Down through the years, our great Republic has been held to be a Union of free and equal States. It has always been assumed that each of the States has been admitted on a free and equal footing with the original States. But is that true?

Let us take the case of Wyoming. During the past 35 years, more than $253 million of income from royalties on minerals produced from the public lands of my State has been paid into the Treasury of the United States. Most of that money has been used for the benefit of the people of other States. In my judgment, that is eminently unfair.

On the whole, the value of our lands, acre for acre, for agricultural purposes is rather inconsiderable compared with that of our sister States to the east. On the other hand, our lands are of far greater value measured by the minerals underlying our soil. Unfortunately for Wyoming, the Federal Government owns the Leasing Act minerals lying in and under 72 percent of the area of Wyoming. If these resources belonged to my State, Wyoming would be rich, indeed. However, that tremendous wealth is used in the main to enrich the people of other States.

Last year nearly $25 million poured into the Federal Treasury from royalties on oil produced on Wyoming's public lands. It is true that a considerable part of the $253 million paid into the Treasury as royalties on the minerals produced from the public lands of Wyoming has been repaid our State. To be exact, Wyoming has received 37½ percent, or $94 million. The point is that all of that money belongs to the people of Wyoming, and it should be used exclusively for the upbuilding of our State and for the education of our children.

My bill provides that 90 percent of those royalties shall be paid to the States, thus permitting the Treasury to retain 10 percent for administration purposes. The title to the surface of these lands and the control thereof would remain in the United States under the provisions of S. 680. One percent of the income would be paid to the owner of the surface in those cases where the surface has been patented with the Government reserving the minerals.

If my bill had been in effect last year, Wyoming would have received $20 million in royalties rather than the $8 million it received. To my way of thinking, the other $12 million rightfully belongs to the people of Wyoming.

This is an old question. It has been a source of great difficulty from the early days of our Republic. As everyone knows, the original States retained all the lands within their borders. The States that came into the Union shortly thereafter contended with great vehemence that they too were entitled to the same fair treatment.

Let us take a look at the old records of the Senate. Senator Hendricks, of Indiana, made this observation on the floor of the Senate in 1829:

> This Union is in theory formed of sovereign, equal people, and independent States. In the older members of this Confederacy, the Federal Government sets up no claim to the waste and unappropriated lands. A statesman or historian making himself acquainted with our system would pronounce it in theory beautiful. With nothing would he be more pleased than with the republican equality of the States. But what would be his surprise when told that in 7 of these States the soil itself belongs to the Government of the Union, while in 17 States the soil belongs to the States themselves. Would he not instantly inquire why are the States of this Confederacy equal in theory when they are not so in fact? Why are they not equal in reality as they are in name?

Also take note of the comments of Senator Hayne, of South Carolina, in a debate on the Senate floor in 1830:

> In short, our whole policy in relation to the public lands may perhaps be summed up in the declaration with which I set out, that they ought not to be kept and retained forever as a great treasure, but that they would be administered chiefly with a view to the creation within reasonable periods, of great and flourished communities, to be formed into free and independent States; to be invested in due season with the control of all the lands within their respective limits.

The treaty with France concluding the Louisiana Purchase made it abundantly clear that States would and should in due time be carved out of the ceded lands and admitted to the Union on an equal footing with all other States. France had many nationals living in that immense area and insisted that they should enjoy "all the rights, advantages and immunities of the citizens of the United States."

The Supreme Court of the United States discusses that section of the treaty in the case of Scott against Sanford in this way:

> At the time when the Territory in question was obtained by cession from France, it contained no population fit to be associated together and admitted as a State; and it therefore was absolutely necessary to hold possession of it, as a Territory belonging to the United States, until it was settled and inhabited by a civilized community capable of self-government, and in a condition to be admitted on equal terms with the other States as a member of the Union. But, as we have before said, it was acquired by the general Government, as the representative and trustee of the people of the United States, and it must therefore be held in that character for their common and equal benefit; for it was the people of the several States, acting through their agent and representative, the Federal Government, who in fact acquired the Territory in question and the Government holds it for their common use until it shall be associated with the other States as a member of the Union.

Mr. President, the Wyoming Eagle, one of the prominent newspapers of my State, stated the case for my bill in a splendid way in a recent editorial entitled "Not Enough." I ask unanimous consent that the text of the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wyoming Eagle of March 13, 1957]

NOT ENOUGH

Wyoming's 62 million acres of land exceeds in size the combined area of England, Scotland, and Wales. The Federal Government owns both the surface and minerals of 29.9 million acres and holds in trust for Indians an additional 2.9 million acres—over 51 percent of our total area.

In addition, the United States reserves all or part of the minerals under 12.2 million acres of land patented to homesteaders. All minerals are reserved in 9.5 million acres and coal only on another 2.3 million acres. Oil and gas reservations cover 394,247 acres, and phosphate is reserved in 32,037 acres.

Recently Wyoming's State treasurer received a check from the Treasurer of the United States for $4,509,578, representing 37½ percent of the oil royalties for the last 6 months of 1956. Similar payments were received by 22 other States but Wyoming's was the largest of all. It was a half million dollars higher than the payment for the corresponding 6 months of 1955.

Substantial as the sum was, however, there is growing sentiment that it was not large enough. That sentiment is shared by Wyoming's congressional delegation.

Senator FRANK BARRETT has introduced a bill which would make Wyoming an even greater beneficiary of this actual and potential mineral wealth. His bill would allow the Federal Government to retain title to the surface of the public lands in the western empire but royalties would be transferred to the States with 1 percent of the royalties paid to the owners of the surface in cases where the Government reserved and owns the minerals.

Had his bill been applicable with the last royalty payment, Wyoming would have received $10,822,968, rather than $4,509,578.

Wouldn't that be a nice little cushion for the State budget?

Who can gainsay that Wyoming should not be entitled to the revenue from minerals beneath the land within its boundaries? It would appear to be simple justice for Wyoming and other States in similar position.

We have a faint suspicion, however, that bureaucratic Washington is not going to look upon the bill with favor, regardless of how justifiable the claim may be.

STATEMENT BY AMERICAN CIVIL LIBERTIES UNION ON INJUNCTION ISSUED IN THE CLINTON CASE

Mr. ERVIN. Mr. President, on February 27, 1957, the American Civil Liberties Union issued a statement concerning the injunction which issued out of the United States district court at Knoxville, Tenn., in the so-called Clinton case. Since some of the so-called civil-rights bills are designed to establish government by injunction in the so-called civil-rights field, I think it would be well for the Members of the Senate to contemplate the hazards to basic liberties inherent in government by injunction. For this reason, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, the statement issued by the American Civil Liberties Union.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PUBLIC STATEMENT ON LEGAL PROCEEDINGS ARISING FROM INTEGRATION CONFLICT IN CLINTON, TENN.

The conflict in Clinton, Tenn., concerning enforcement of the United States Supreme Court decision that segregation in public-school education is unconstitutional has caused many persons to question whether civil liberties were violated.

The American Civil Liberties Union, a national nonpartisan organization, has been asked by the press, our members, and other people to comment on the legal developments from our special point of interest, civil liberties.

This analysis should be read against the following background:

(1) The ACLU believes that equality before the law is a vital part of our civil liberties structure and this constitutional guaranty should be fully observed. We support the Supreme Court's decision on school integration as constitutionally correct, and we urge all citizens to obey the Court's ruling; (2) the ACLU protects the civil liberties—free speech, due process, and equality—of all Americans, regardless of their opinions. Our interest lies only in defense of civil liberties, not in the views or the philosophy of the individual or group whose rights may be under attack; (3) the ACLU does not believe in the use of force to achieve a social objective, and has never conceived civil liberties defense to embrace overt acts of violence. We abhor and condemn the use of force by those who oppose integration, in the original incident last fall and the more recent outbreak of bombings.

The Clinton, Tenn., problem originated with the Federal court order of January 4, 1956, that the Anderson County school authorities should integrate the high school by the fall of 1956, an order implementing the Supreme Court's decision. The school board complied with the order but opposition developed, centered around John Kasper. When Kasper and his followers sought to prevent the order from being carried out, the school board and law enforcement officials requested an injunction from the Federal court to enjoin interference with its order. Kasper continued to defy the injunction, was cited for contempt of court and found guilty. He has appealed to the United States Court of Appeals, contesting the validity of the injunction itself and his contempt conviction. Subsequent to Kasper's arrest and

conviction, 16 other persons were arrested on a contempt charge for interfering with the injunction and are now free on bail awaiting trial.

Three major civil liberties questions have been raised by these events: (1) Does the injunction itself interfere with the rights of free speech and association; (2) can citizens who disagree with an injunction and oppose it be charged with contempt of court; (3) was the right to trial by jury denied in the contempt proceedings.

THE INJUNCTION

Before discussing the free speech aspects of the injunction, we emphasize our belief that the school officials charged with the responsibility for carrying out the Supreme Court's decision had the right and duty to seek aid from the Federal court when, in their opinion, they were prevented from discharging their responsibility. They were only complying with the law of the land, which must be upheld. Technical arguments that the request for injunctive relief should have been filed as a separate case, rather than as supplemental petition to *McSwain et al.* v. *County Board of Education*, in our view are without merit.

The petition for injunctive relief referred to scurrilous literature, advocating the ignoring of court orders, painting of signs, anonymous telephone calls, actively advising the crowd, and urging disregard of the orders.

The injunction issued by Judge Robert Taylor enjoins Kaspar and five other persons, "their agents, servants, representatives, attorneys, and all other persons who are acting or may act in concert with them * * * from further hindering, obstructing, or in any wise interfering with the carrying out of the aforesaid order of this court, or from picketing Clinton High School, either by words, or acts, or otherwise."

The key section of the prohibition is "by words, or acts, or otherwise," and the acts prohibited are "hindering, obstructing, or in anywise interfering with the aforesaid order," and "picketing."

Before freedom of speech and association, guaranteed by the first amendment, can be curbed, it must be examined to see if it will directly cause an actual breach of the peace or if it will create a clear and present danger that the peace will be broken. This standard has guided the ACLU in other free-speech cases far removed from the integration controversy, such as alleged subversion and mass picketing by labor unions and other groups.

We recognize that in tense social situations, it is difficult to determine exactly where the line of clear and present danger is, where speech goes outside the area of opinion and incites to violence. But the first amendment requires that such a line be drawn. For the sake of our free society, whose freedom is preserved by the free exchange of all kinds and shades of opinion, curbs on the first amendment guarantees should be allowed only when the danger is clear.

Mere advocacy, in the Clinton case urging the ignoring of the law or judicial orders, should not be prohibited. As we said at the beginning of this statement, the ACLU supports the Supreme Court decision and urges all citizens to obey it. But if some citizens choose to oppose the decision by peaceful means, through speech, they have the constitutional right to do so. Mere picketing to express a point of view, in the absence of intimidation, should not be enjoined. So we believe the blanket prohibition against picketing of the Clinton High School is invalid. Without direct incitement to definite acts of individual or joint obstructiveness or interference, coupled with a clear and present danger that these acts will take place immediately, the injunction is too broad and interferes with free speech.

However, the prohibition in the injunction as to overt acts of hindering or obstructing the integration order is different. Such overt acts cannot claim the protection of free speech. Whether or not such acts have occurred is a matter of proof to be determined at the contempt hearing. But because a contempt conviction can result in a criminal penalty, we believe the acts prohibited must be reasonably spelled out so that the persons enjoined will know in advance what they cannot do. We believe that this criterion can be applied to the acts of hindering or obstructing, but not to acts of otherwise interfering with the court order.

The argument also has been advanced that the injunction is defective because it covers too wide a range of persons; for example, the reading of the injunction before the Clinton High School assembly by law-enforcement officials was interpreted as applying the injunction to all of the students. We do not agree. While the officials had the right to point out what the law is, the injunction enjoins only persons who are acting or may act in concert with the persons specifically named. This activity is to be judged, by evidence, at the contempt hearing.

To sum up our conclusions concerning the injunction, we believe it is too broad in its scope to be constitutionally valid. To the extent that it enjoins overt acts of hindering and obstructing the enforcement of the integration order, it is valid. To the extent that it enjoins speech in opposition to or advocating ignoring of the order, or peaceful picketing for these purposes, it is invalid.

CONTEMPT OF COURT ACTION

Under our democratic system of government the courts have an assigned role to interpret the law under which the people live. To fulfill this function, the authority of court decisions—the law—must be preserved, and the Congress by statute has laid down the procedure by which the Federal courts may punish contempt of its authority. For this reason a court injunction—the law—must be obeyed until its validity can be decided by higher courts, even though the individual or group believes the injunction is wrong. This principle is not new. It has been applied in many other situations, for example, in labor disputes where union officials and members have been found guilty of contempt, fined, and jailed for ignoring an injunction.

For those who disagree with an injunction, relief can be sought by appeal to the higher courts, and this is the proper way to proceed. This right of appeal was written in our statutes especially to give the individual an opportunity to argue his case at a higher level. And, where time is important, provision was made for the individual to seek a stay of the injunction from an appellate court.

Despite the invalid sections of the injunction affecting free speech, we see no civil-liberties issue in the contempt citation of John Kaspar and his subsequent conviction. This same legal principle would apply to the cases of the 16 persons now awaiting trial if the unrebutted proof shows that the prohibited acts were committed together with any of the persons specifically named in the injunction. However, what may be legally correct may also be unwise. If the injunction violates first amendment rights, then punishment for contempt of an invalid injunction seems unfair. We suggest that until the constitutionality of the injunction is decided by the courts the trial of the 16 be postponed.

TRIAL BY JURY IN CONTEMPT PROCEEDINGS

Under the Federal law, a person in contempt of a Federal court order enjoining acts which are also in violation of the Federal or State law is entitled, if he requests it, to a trial by jury. This protection of individual rights was originally written into the law to guard against possible biased judicial decisions in labor injunction cases and now covers all contempt issues.

As the contempt charge against John Kaspar concerned alleged acts of conspiracy to deprive other persons of their Federal civil rights (implementation of the integration order) and Tennessee laws barring violence or inciting to riot, he could have demanded and received a jury trial. But Kaspar failed to do this, so no civil-liberties issue is involved in his decision to be tried by the judge.

Similarly, as the acts charged against the 16 persons now facing trial allege violation of Federal and State laws, these defendants can ask for a jury trial. Therefore, no civil-liberties issue is raised unless the jury trial is denied, which is unlikely in view of the clear instruction of the law.

ACLU ACTION

1. If the question of constitutionality of the injunction reaches the United States Supreme Court level, the ACLU will then consider legal intervention to argue the points made in this statement.

2. When the trial of the 16 persons arrested for contempt of the injunction is held, we will have observers present to watch the proceedings. If it becomes necessary, we will consider arguing constitutional points in the appeal.

3. Since the problem of developing new techniques that will help to support the authority of the courts in integration cases is a major one, the ACLU will give increased attention to this question. Its attorneys will study the problem and try to create new approaches to uphold the courts' authority.

AMERICAN CIVIL LIBERTIES UNION.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FINANCIAL INSTITUTIONS ACT OF 1957

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Illinois [Mr. DOUGLAS] for himself and the Senator from Pennsylvania [Mr. CLARK]. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, in the third and fourth lines of subsection (c) of section 26, it is proposed to strike out ", if the articles of association so provide."

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

YOUTH OPPORTUNITY

Mr. HUMPHREY. Mr. President, not long ago I introduced S. 872, an omnibus youth opportunity bill. During recent weeks I have had many valuable comments and encouraging support for this proposed legislation from educators all over the country.

I was particularly pleased, however, to receive a lengthy letter from the distinguished president of the University of Minnesota, Dr. J. L. Morrill. Because I think his comments are important even beyond the confines of my proposal, I ask unanimous consent that the text of President Morrill's letter addressed to me under date of March 15 be printed in the body of the RECORD.

There being no objection, the latter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF MINNESOTA,
Minneapolis, March 15, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: This is belated attention, indeed. I have been able to give the file of materials you thoughtfully sent in connection with your "Youth Opportunity Program." With the legislature in session and the great number of hearings that have already been held, it has not been possible for me to give the prompt attention to many matters on my desk which they surely deserved.

The whole problem of aid to students is one of long and intense interest to me. I have been associated for a good many years—both in the American Association of Land-Grant Colleges and State Universities and the American Council on Education—with advocacy of Federal student aid in one form or another. In the meantime a great many aid programs have been advanced both in the National Congress and in many of our State legislatures. Currently, as you know, Governor Freeman's committee on higher education—headed by Mr. Sam Gale—has recommended a pilot program requiring an initial appropriation of $100,000. Just yesterday we saw in this office the first draft of a bill which, I understand, will be introduced in support of a State loan and scholarship program. There are, of course, a good many programs operating already throughout the United States, such as the New York regents program.

This subject is one to which the President's Committee on Education Beyond the High School is also giving attention. And I would suppose the National Congress also will be looking a good bit at the respective roles of, and relationships between, these various programs.

In connection with all of this I am impressed, too, with the responsibilities our Nation's growing specialized manpower problem poses for our colleges and universities. Perhaps something as massive as the GI bill eventually will be needed to cope with the problem.

In connection with specific provisions of student aid programs I have usually advocated some quid pro quo in scholarship programs. It seems to me that the student work program that was carried out under the NYA had much to commend it. Certainly there was a fostering of individual initiative on the part of the youngsters in the work opportunities the program provided. NYA also made it possible for many of our institutions to get a great deal of necessary work done. There was, for example, an enormous amount of "catch up" work done in our libraries across the country. A good deal of useful writing and research was aided and even made possible. There was a great amount of this type of thing accomplished in our colleges and universities, as you know. It also seems to me that such work programs offer some prospect of getting around the church-State issue that arises in connection with direct grants to private colleges.

The income-tax-deduction type feature of your program has gained a great deal of support in educational circles in the last couple of years. This would suggest a disposition on the part of our people in public and private schools alike to support any of this kind of legislation that might appear to have prospect of passage. And I do personally favor this kind of legislation.

The use of long-term, low-interest loans is also a kind of student aid that is receiving increasing attention. The experience of such institutions as the Massachusetts Institute of Technology in long-term repayment loans has been, I understand, exceedingly good. At the January meeting of our own board of regents marked adjustments within our University of Minnesota loan-fund picture were approved. These alterations included: a 50 percent decrease in the amount of interest paid while the student is in school; an extention from 1 year to 10 years of the period for repayment of the loans; and almost a doubling of the ceilings on the amounts students may borrow. All of these things, we believe, will increase the use of our loan funds, which have in recent years been relatively inactive. These same features in a Federal program would, it seems to me, make the funds substantially more useful.

Having been chairman of the American Council on Education's Committee on Relationships of Higher Education to the Federal Government for a good many years, I have followed with studied interest most of the student-aid legislation that has come before the national Congress since World War II. It seems to me that increasingly the Federal scholarship legislation, beyond veterans' assistance, is coming into focus with more workable provisions for meeting our problem nationally. Equally encouraging to me has been the increasing disposition on the part of people in higher education and Congress alike to recognize the need for some kind of action. While I am no longer on this ACE committee, the information you have provided me with is most helpful in connection with my present assignment on the President's committee. I do want to encourage you in your interested and helpful support for higher education and am grateful, indeed, for all you are doing in this respect.

With appreciation.

Sincerely,

J. L. MORRILL,
President.

LEADERSHIP IN NEW COUNTRIES OF AFRICA

Mr. HUMPHREY. Mr. President, one of the most hopeful and encouraging factors in the current revolutionary world situation is the emergence here and there of dynamic new indigenous leadership in areas which are changing from colonial status to independence. Prime Minister Nkrumah, of Ghana, is one case in point, and about him we have heard a great deal in recent days.

Another case in point is Premier Habib Bourguiba, of Tunisia, who is already beginning to play a significant and constructive role in the turbulent north African scene. He has lately been at pains to divorce himself from the unbridled nationalist ambitions of Colonel Nasser in Egypt. An article describing Bourguiba's role in this matter appeared in the Washington Post and Times Herald on March 20. The article is entitled "Bourguiba Acts To Curb Nasser," and was written by Peter Lisagor.

Mr. President, I ask unanimous consent that the text of this article and an accompanying Associated Press dispatch from Tunisia concerning Vice President NIXON's visit with Premier Bourguiba be printed at this point in the body of the RECORD.

There being no objection, the article and dispatch were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 20, 1957]

BOURGUIBA ACTS TO CURB NASSER

(By Peter Lisagor)

TUNIS, March 19.—Dynamic Premier Habib Bourguiba has an answer to Nasser's dream of dominion from Casablanca to the Red Sea.

It is "Maghreb," which, freely translated, means "the lands west of Arabia." To Bourguiba, it's a logical alliance of Morocco, Algeria, Tunisia, and Libya, all of whose interests are closely linked to the West.

Bourguiba, who speaks to his people every Friday, declared his independence of Cairo's influence last January 11.

Speaking at the Oasis of Tozeur, south of here, he endorsed the Eisenhower doctrine for the Middle East unqualifiedly. He said in effect that Tunisia would follow the West, and if Egypt didn't like it, that was too bad. "We are all Moslems and part of the Arab world," he has declared in effect. "But the Arab world is divided between the East and the West, and our interests differ."

Bourguiba's aspirations as the ruler of Maghreb corresponds to the vision of Ghana's Kwame Nkrumah of a West African federation, except that the Tunisian is unconcerned about the form of north African cooperation.

Vice President RICHARD M. NIXON's appearance here, timed to coincide with the country's first anniversary of its independence, has served to dramatize Bourguiba's immense hold on his countrymen. A quarter of a million people greeted NIXON and Bourguiba as they drove through this city. Most of them shouted fervent greetings to their smiling leader. And he, in turn, taught the master of the handshake and wave a few tricks. He kissed one veiled Moslem woman, and outshook NIXON by at least 2 to 1. NIXON at one point recognized the presence of another champ by urging the crowd on with a "Viva Bourguiba." On the eve of the big blowout, March 21, Bourguiba has done more than challenge Nasser forthrightly not to overdo his efforts to dominate north Africa.

He also has been winning his battle with the French, with whom he wants to cooperate in the greatest amity. Under his pressure the French have begun to withdraw their military troops from Tunisia. In the past 3 months, roughly half of the fifty thousand-odd French forces here have been moved out.

In time it's expected that the French will be concentrated in naval base area of Biserte, easing Bourguiba's problem of working amicably with Paris. But this little man of 53, who is built like a watch-pocket football guard and who has the charm of a matinee idol, realizes that Maghreb is an idle dream until Algeria is on the same free and equal footing with France as are Tunisia and

Morocco. The Algerian flag waves everywhere in Tunis this festive week as a reminder that one major battle remains to be won.

TUNIS CHEERS NIXON; FRENCH BOYCOTT FETE

TUNIS, March 19.—Cries of "Freedom for Algeria!" confronted Vice President RICHARD M. NIXON at nearly every turn here today. He toured the city amid cheers from thousands of Tunisians celebrating their own independence from France.

Premier Habib Bourguiba added his voice to these demands tonight by urging the United States to convince France of "the great dangers to world peace" as long as it refuses Algerian demands for liberty.

Bourguiba made known his views at a news conference climaxing NIXON's busy day of handshaking, sightseeing, and conferences with Tunisian labor, business, farm, and student leaders, many of whom echoed the demand for Algerian independence.

Meeting with newsmen, Bourguiba also endorsed Eisenhower's Middle East policy as "a reasonable proposition which is not to fill a vacuum created in certain countries but to help all peoples and countries menaced by communism."

French representatives here for the Tunisian independence celebration boycotted a Government banquet and theater gala tonight because Bourguiba invited Algerian nationalist leaders.

[But the French delegation intends to take part Wednesday in the independence day parade, Reuters reported.]

NIXON went to the banquet.

Earlier in the day a woman dashed through police lines and approached NIXON outside the United States Information Library, shouting for Algerian liberty.

NIXON listened calmly, nodded, and walked into the library office.

[Reuters quoted NIXON as saying, "We'll do our best," in reply to the woman demonstrator.]

NIXON and his wife laid a wreath at the American Military Cemetery near ancient Carthage.

Mr. HUMPHREY. Mr. President, I pause to note that on several occasions I have brought to the attention of the United States Department of State the outstanding record of this distinguished citizen of Tunisia, Prime Minister Bourguiba. I have wondered why our Government has not attempted to develop closer relationships with him as a person and as a leader of a newly founded country.

Some time ago, as my colleagues on the Foreign Relations Committee will recall, I asked an American diplomat, a former Assistant Secretary of State, if he was familiar with the record of Mr. Bourguiba and with his splendid achievements of leadership for national independence. I asked question after question, and I regret to report to my colleagues that either the diplomat was trying to deceive the committee or was ignorant of the situation, because he replied he did not know of, nor had he heard of, this distinguished international figure.

I want the RECORD to note further that the Department of State deleted those comments from the transcript. I gather that someone in the Department thought this was too impossible for anyone to believe, and so the comments were deleted. The deletion, however, will not be made from this RECORD.

I desire to pay my respects to the Vice President for having seen fit to visit Tunisia and other African countries. I particularly commend him for the visit to this outstanding Prime Minister of a free country, a man who is a friend of the United States, and one to whom we could well look, rather than trying to find ways and means of eliminating Mr. Nasser.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota has shielded, under the cloak of anonymity, the name of the diplomat who did not know the name of Mr. Bourguiba. May I inquire if the person was Col. Henry Byroade?

Mr. HUMPHREY. It was.

Mr. DOUGLAS. Was not Colonel Byroade at one time our Ambassador to Egypt?

Mr. HUMPHREY. He was.

Mr. DOUGLAS. Are not Egypt and Tunisia relatively rather closely connected, geographically?

Mr. HUMPHREY. They were, the last time I looked at the map.

Mr. DOUGLAS. I believe only the State of Libya lies between Tunisia and Egypt. In other words, our Ambassador to Egypt had not heard of the Prime Minister of Tunisia. Is that correct?

Mr. HUMPHREY. The Senator is saying exactly what the RECORD will reveal. I was very distressed by the kind of response received on the occasion referred to, but I must say that my efforts to arouse greater interest on the part of our State Department in the good works and the fine record and the good deeds of some other leaders in the general African area have had little or no success. I suppose that is not to be unexpected. I claim no particular influence with our State Department officials, but if there is an effort being made by our Government to deal with Colonel Nasser, or at least to let him know that we are not going to submit to any of his attempts to resist us or to ignore our just pleadings, then I suggest that we try to extend the hand of fellowship and cooperation to other leaders who are deserving of it.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. If I may refer further to the Byroade incident, is it not true that Mr. Bourguiba came to prominence in Tunisia, and was made Prime Minister at the very time when Colonel Byroade was Ambassador to Egypt?

Mr. HUMPHREY. Yes, that is correct.

Mr. DOUGLAS. Does it not seem incredible that an Ambassador to Egypt would not know and would not be able to identify the name of the leading political figure in Tunisia, which is separated from Egypt only by the state of Libya?

Mr. HUMPHREY. Of course, it is incredible. I can only say it was an intentional deception of the committee, and I so indicated at the time, because if an American Ambassador did not know the Prime Minister of Tunis, he exhibited an ignorance of political facts that surely would make him unqualified for a high position; and if he did know him, since the question was asked in an executive session of the committee, he ought to have said so; but apparently some persons were under wraps.

Mr. DOUGLAS. Is it not true that Colonel Byroade is now Ambassador to the Union of South Africa?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. In the judgment of the Senator from Minnesota, should he be continued in that office, after having given the testimony to which the Senator from Minnesota has referred?

Mr. HUMPHREY. In my judgment, he should be asked to correct the record, and I gather, in view of this little tete-a-tete on the floor of the Senate, it will be promptly corrected, and then from now on I hope executive officials will try to treat members of congressional committees as if they were grown men.

EXCHANGE OF AGRICULTURAL SURPLUSES FOR CRITICAL AND STRATEGIC MATERIALS FOR OUR MILITARY STOCKPILE

Mr. MARTIN of Iowa. Mr. President, it is my privilege to represent in part the State of Iowa in the United States Senate. Iowa is a corn- and hog-producing State. So far as I know no large amount of minerals or strategic materials come from my State, and I have no ax to grind for any local industry.

Many years before I came to Congress, I taught military science and tactics at the University of Iowa. I have long been concerned with the problems of national defense, and one of the basic elements of such defense is the need for an adequate stockpile to provide the necessary armament and supplies necessary in time of war.

When I first became a Member of the other body in 1939, I was assigned to the Committee on Military Affairs and to my great surprise I found there was no law recognizing the importance of a stockpile of strategic materials. It was my good fortune to be associated with the development of Public Law 117 of the 76th Congress, which became law on June 7, 1939.

Following World War II, I concerned myself with the problem of securing a more complete stockpiling program so that we might be spared the difficulty we encountered during World War II. Out of that was developed Public Law 520 of the 79th Congress, which was signed into law on January 23, 1946. That is our present stockpile act.

More recently I have been interested in Public Law 480 of the 83d Congress, which assists our farmers by facilitating disposal of agricultural surpluses, securing in exchange critical and strategic materials for our military stockpile.

Because of my interest in this field it was a great satisfaction to me to be elected to membership in the American Institute of Mining, Metallurgical, and Petroleum Engineers. The Honorable Felix E. Wormser, Assistant Secretary of the Interior, reviewed the accomplishments of this administration in developing our mineral resources before the Mineral Economics Division of the Institute at its annual meeting in New Orleans on February 26, 1957. I regard his address as a most significant statement. I accordingly ask unanimous consent that it may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY FELIX EDGAR WORMSER, ASSISTANT SECRETARY, DEPARTMENT OF THE INTERIOR, BEFORE THE MINERAL ECONOMICS DIVISION OF THE AMERICAN INSTITUTE OF MINING, METALLURGICAL AND PETROLEUM ENGINEERS, NEW ORLEANS, LA., FEBRUARY 26, 1957

In 1956, the people of the United States experienced the greatest prosperity the world has ever known. Whether measured by the breadth of its base—for it was widely distributed amongst us—or by its height, which occasionally gives us spells of dizziness—there is no denying that the prosperity we know today is the greatest in the history of civilization.

Even the scholarly, dignified language of the President's Economic Report to the Congress waxed enthusiastic and came up with words like "vast" and "enormous," to describe our 1956 economic history. The first paragraph of that report tells the whole story:

"The enormous productive power of the American economy was demonstrated again in 1956 when the Nation's output of goods and services reached $412 billion. This vast and increasing output provides the means for assuring our national security, supplying our present consumption needs, and building our capacity for future production. Furthermore, it is accompanied by the release of additional time for creative personal development as well as for the more complete enjoyment of material things. Our free economy thus affords the American people an opportunity for better living in all its aspects."

I imagine each of us has his own explanation of why we have had such record prosperity during the last 3 years. I ascribe it largely to the restoration of confidence among businessmen brought about by President Eisenhower's fundamental philosophy, that business and industry, and every citizen, should be able to plan for the future without fear of Government control, and that planning should be done in freedom from the ground up, not by the Government from the top down.

There are those today who apparently believe that the Government must step in with price controls in any peacetime emergency, despite the demonstrated adverse effects of compulsory price controls which can only be justified in time of war. Not even governments are immune to the operation of the law of supply and demand. When they tamper with the market place, the results are seldom happy. To my mind the right to sell your labor or your produce in the best market possible is a fundamental liberty that distinguishes our free enterprise economy from socialism. It is a precious right we must not lose. But it is a responsibility of government to see that the freedom of the market is not impaired by monopolistic practices.

The great prosperity we have enjoyed has been made possible by the accomplishments of the great industries represented here tonight. Last year the value of the metals and minerals taken from the earth's crust within the United States reached the sum of $17.3 billion—up over a billion from 1955 and a record achievement for mining.

Year after year our machines consume staggering amounts of our irreplaceable minerals. In the course of less than 100 years—in the blinking of an eye in geological time—we have seriously depleted many of the known high-grade ore deposits in the United States. Our steel mills now meet their iron ore requirements by shipping millions of tons annually up the St. Lawrence from Labrador, down the Orinoco from Venezuela, and across the seas from Liberia. The ores from our domestic mines yield smaller and smaller percentages of lead and zinc and copper. We have to drill oil wells deeper and deeper and we get an increasing proportion of dry holes. We have combed the surface of the earth within the Nation's boundaries and we have probably now discovered most of the major ore deposits that are revealed by surface outcrops. From here on our mineral raw materials are going to be harder to find, more difficult to process, and more costly to produce, but needed as never before. (This is an old story to you miners.)

The Government's first concern in the field of minerals is that there shall be an adequate supply—enough to permit our industries to expand—enough to meet any defense needs.

A second concern of the Government is that we shall use the natural mineral resources of the country in a way that best serves the Nation's welfare, not only today, but tomorrow also.

A third concern is that our minerals industries shall help to sustain high levels of employment and income and preserve the buying power of the dollar.

The Government's role in the mining business is therefore a merger of these three concerns—to assure supply, to foster development of the Nation's resources, and to accomplish this through private enterprise in a way to strengthen our competitive system.

Note, I say by private enterprise. Many countries are afraid to place their faith in economic freedom. They have nationalized their mineral resources, especially petroleum and coal. But can you find nationalized industries anywhere undertaking a venture comparable to what is taking place just a few miles from here? American companies are drilling the Continental Shelf, gambling heavily on finding oil beneath the waters of the Gulf. They have already paid the Federal Government over $375 million for the privilege of drilling. In addition, they will pay a one-sixth royalty and over 50 percent of the net as income tax—and the Government takes no risks. Isn't that lots better than socializing the industry?

That the Government should encourage private enterprise to develop our mineral resources is in our best tradition. It began a hundred years ago. In 1866, the Congress authorized citizens to enter upon public lands for mining purposes. In 1872, the Congress passed the basic act which has served as the foundation of United States mining laws. Under this law a prospector who discovers a mineral on public lands can obtain title to this piece of land and to the minerals in it. This act was the beginning of a long-term program by which prospectors and miners were encouraged to search for and develop the deposits of valuable minerals on public lands. This law has been broadened as the years have passed in order to stimulate maximum development of public lands opened to mining.

In 1920, the Congress enacted the Mineral Leasing Law which is another milestone in the Government's program of encouraging the development of our resources. This act, as amended, authorizes the leasing of public lands for coal, phosphate, oil, gas, sulfur, and certain other minerals. This act also is the authority for the Government to supervise the operations under these leases in the interest of conservation.

Now, don't get worried. I'm not going to spell out, law by law, all that the Congress has done to encourage prospecting and mining. Those I have mentioned are the basic ones by which the Congress has said: The public lands of this Nation shall be open to any citizen to search for mineral wealth. If he be lucky and find a valuable deposit he is to be protected in his discovery.

Now the Congress has gone much further in fostering mining than simply to encourage development of the public domain.

The Government carries on an extended program of research, surveys, and mapping, in order to expand and intensify exploitation, improve mining practices and recoveries, and develop new uses and new products.

The Government endeavors to provide a healthy fiscal climate to encourage investment in mining.

The Government's foreign economic policy seeks to expand world trade, encourage American investment abroad and develop markets for products of American farms, mines and factories.

The Government, wherever practical, uses its defense procurement programs, and agricultural surplus disposal programs to bolster markets and prices for domestic minerals producers.

These are the major activities of Government in support of mining. The defense of the country, the conduct of foreign relations, and the development of sound fiscal policies, are basic responsibilities of the Federal Government. It is not quite so obvious, however, why the Government should conduct research to aid mining. These programs supplement the activities of private enterprise—indeed, in many instances, they make it possible for private enterprise to get going. The Government's research programs are long-range. They are on the frontier of mining knowledge where industry cannot be expected to perform. They are not calculated to earn profits in the near future. The topographic and geologic maps of the Geological Survey are essential tools for all mining operations. I believe most of you here tonight are quite familiar with the fine work of both the Survey and the Bureau of Mines.

All of these efforts on the part of Government to encourage private industry to develop our natural mineral resources by making the public domain available, and by research and mapping would probably be useless without a sound fiscal and tax climate to induce capital investment.

So we find a number of incentives in our tax and fiscal policies designed to promote exploration for and development of our mineral resources. The percentage depletion allowance is of course one with which you are all familiar—especially the oil people.

I am pleased that Secretary Humphrey has endorsed publicly a continuation of the present 27½-percent rate for the oil industry. We need to do all we can to keep the search for oil and all minerals going at a peak rate. The virtual disappearance of the colorful old-time prospector is a sad chapter in our progress.

Of course, a major contribution the Government makes to mining, as to every domestic industry, is the maintenance of a sound currency. In the United States, in contrast to some other countries, we do not invest and work under the threat of devaluation of our currency or the ups and downs of multiple-exchange rates. I doubt seriously whether these devices to achieve a government economic objective, generating distrust in a currency, are actually worthwhile.

Not only do the domestic policies of the Government affect mining, but the Government's foreign economic policy is also of major concern to those engaged in the production of metals and minerals, including the mineral fuels. Two aspects of this policy

are worth mentioning here: The encouragement to American capital to invest abroad, and the expansion of world trade.

Since the war there has been unprecedented increase in United States business investments abroad. We are just beginning fully to realize that these investments are having profound effects upon the economies of foreign countries and likewise upon our own.

We are indebted to one of our distinguished Latin American neighbors, Señor Don Pedro Beltrán for a challenging view of what investment capital could do in the America if really given a chance.

Writing in the quarterly review, Foreign Affairs, last January, he had this wise observation to make:

"Private capital will readily flow into a Latin American country if the investor feels that he is able to act in a free economy, without restrictions, if he can invest money and draw profits and even repatriate his capital when wanted; if there are no exchange restrictions, no controls, no ceiling prices, no inflation; and if the currency is stable; in other words, if free competition can develop without hindrance."

He goes on to say that once confidence is established the amounts of private capital that may flow into a country are almost unlimited. Finally, Señor Beltrán challenges the United States to unite the people of this hemisphere behind right economic principles and to stick to them without fear or favor. As you know, this administration is giving much attention to cooperation with our Latin-American neighbors.

I know of no better ambassador of good will than the skilled engineer lending his talents to the development of a foreign mineral resource.

Investments abroad have contributed materially to the economic development of the foreign countries. This development has, in turn, increased their trade with the United States. Every time we sell another automobile or another powerplant or an electric appliance abroad we are providing business for our mining industries.

On the other hand, we are concerned lest American investment capital find it increasingly profitable to go into mining abroad at the expense of American development.

We also run into serious problems when oil, lead, zinc, copper, and other commodities produced by American operators abroad seek their principal markets in the United States in competition with domestic production.

The tariff is intended to provide a reasonable balance between domestic production and imports so that an operator may invest his time, effort, and money in the long-term development of domestic resources with some confidence that the rug will not suddenly be pulled out from under him by a surge of new imports. I don't think any foreign nation or American operator abroad could reasonably object to a tariff designed merely to save a domestic mining industry from disaster, especially if it should be removed when the danger is gone; that is above a peril point.

The problem of achieving a balance between domestic investment and production, and foreign investment and imports is one we shall have to work at for some time.

As a final contribution which the Government makes to mining I should like to mention the defense-procurement programs. Procurement for the military stockpile during the past 2 years has proved particularly helpful to lead and zinc in lifting them out of a depressed condition. Such assistance is all right as far as it goes, but eventually it must come to an end.

We have not yet recovered from the dislocations in supply and demand created by Government action during Korea. We then not only asked the mining industry to meet the immediate emergency requirements, but also to produce enough for the military stockpile against the impending threat of a much wider engagement. Defense contracts are now expiring and surpluses and lower prices are beginning to appear.

Not primarily a defense-procurement program, but related thereto is the agricultural barter program which exchanges surplus agricultural products for strategic minerals. These minerals are locked up in a supplementary stockpile and can be taken out only with the consent of the Congress.

I think you can easily see why this new instrument of Government power is so effective. Both agricultural products and mineral products are sold competitively in international markets. The prices of both change from day to day, depending on supply and demand. When the supply of a metal or mineral is decreased in the open market internationally, it tends to create a scarcity and has an upward effect on prices. This is exactly what has happened in lead and zinc, as large quantities of both of these commodities, surplus to current demand, were mopped up by the sale or exchange of wheat, corn, and cotton abroad.

The barter program has proved helpful in preventing major price declines of several commodities. It is successful of course because the minerals acquired are lifted from the market. No Government officer has the power to dispose of them. No Government officer should have such power of life and death over a metal or mineral commodity.

In working with the Department of Agriculture on the barter program I have become increasingly aware of the effects that Government controls are having on agriculture in this country. Every miner should be deeply interested in this.

I am informed that crop controls have apparently become so stiff that individual farmers are being throttled back in their right to produce until their income suffers seriously.

The Interior Department, as you know, is busy developing long-range programs in the minerals field. I had hoped I could present the result of our studies to you here. These programs must evaluate the role government should play in fostering and promoting the development of our natural mineral resources. They must consider the forces which influence the competitive environment and contribute to the maintenance of a vigorous and efficient domestic mining industry. These programs will attempt to spell out how the Government should encourage mineral development on public lands; what long-range research should be undertaken; and what revisions should be made in the tax, fiscal, and foreign economic policies to encourage mineral development.

This enumeration of the various roles played by the Government in fostering and encouraging healthy domestic mining industries is, I think you will agree, quite impressive.

To many people, however, it is not enough. Even in peacetime, while making more money than ever before, officials of steel mills, copper and brass mills, and aluminum fabricators have, from time to time, come to Washington to seek limitations or Government control of the export of scrap, alleging shortages, as if there were shortages in a free market. If we should ever have peacetime profit control (perish the thought) I don't suppose these businessmen would realize the part they played in bringing it about.

Owners of submarginal mines seek subsidies that they may keep their mines going. Consumers seek price controls on what they buy. So first one special interest and then another seek Government support even in boom times. To distinguish which form of support is in the public interest and contributes to the vigor of our competitive domestic economy and which one leads us down the road to Government controls is of transcendent importance.

Witness the difficulties we are experiencing in connection with the so-called oil lift to Europe. Some people want the Government to box the ears of the big oil companies, others say we should box the ears of the independents, still others want tough talk to Texas.

To me the present oil crisis is a compelling reason for great concern with the United States position in the world. What has happened in the deserts of Egypt and Syria and Saudi Arabia proves conclusively—if we needed further proof—that every part of the world is dependent on every other part. An explosion anywhere is felt everywhere in the world. We must meet our problems of growing and inescapable dependency upon other nations for oil, bauxite, tin, manganese, industrial diamonds, copper, lead, zinc, etc., not by frantic efforts at self-sufficiency, but by statesmanship, by hard work in developing foreign policy, and by reasonable domestic safeguards.

The one proposition with which we all agree is that we are living dangerously, in the midst of probably the greatest "revolution" or upheaval the world has ever seen. Whether we are engaged in engineering tasks of trying to make our natural resources meet our growing living standards, or in political tasks of seeking the paths of peace, the outlook is a simple alternative: peace and an expanding prosperity for all the world, or disaster.

Leadership in the world seems largely to have fallen to the United States. As never before we are called upon to demonstrate that our way of life is fundamentally dedicated to the well-being of all men. Those of us who are engaged in mining irreplaceable minerals from the earth have a peculiar responsibility in this connection. We have to supply—now and in the future—the basic raw materials on which our well-being depends. We must, therefore, look long and seriously at our attitude toward our natural resources. They are not to be locked up and set upon; they are to serve us well, but they must serve also those who come after us.

A decision of the Washington State Supreme Court included these words:

"An unwritten compact between the dead, the living, and the unborn, requires that we leave the unborn something more than debts and depleted natural resources."

So long as your Government devotes its efforts to seeing that our great mineral resources are fully developed and wisely used, it will be serving well one important purpose for which it was founded.

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], for himself and the Senator from Pennsylvania [Mr. CLARK], on page 18, in the third and fourth lines of subsection (c) of section 26, to strike out certain language.

Mr. ROBERTSON obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield to me for the introduction

of several bills and some insertions in the RECORD?

Mr. ROBERTSON. I am glad to yield.

Mr. MORSE. Before introducing this material, I feel that I should say that my friend from Virginia is one of the most patient men I have ever known. His generosity, kindness, and patience with his colleagues as we perform our various duties for our constituents, which consume time on the floor of the Senate, are remarkable. I thank the Senator from Virginia for permitting me to take a very few minutes to make some insertions in the RECORD and to introduce several bills.

(At this point Mr. MORSE introduced several bills and offered certain material for printing in the CONGRESSIONAL RECORD, which will be found elsewhere in today's RECORD under appropriate headings.)

Mr. ROBERTSON. Mr. President, the pending question before the Senate is the amendment offered by the distinguished Senator from Illinois [Mr. DOUGLAS], on page 18, in the third and fourth lines of subsection (c) of section 26, to strike out ", if the articles of association so provide."

The bill provides for permissive use of cumulative voting. The adoption of the amendment would continue mandatory cumulative voting.

The junior Senator from Virginia offered the identical bill in the last Congress, and the Senate voted on it on June 23, 1955. Those interested in the vote will find it recorded in the CONGRESSIONAL RECORD, volume 101, part 7, page 9078. A good many Senators were absent that day, but the vote on that occasion was yeas 53, nays 21. The bill went to the House. Captious objections were made to it. In fact, the House committee, I feel justified in saying, would not consider any Senate bill on the particular subject until the Senate had first disposed of the Spence bank holding company bill. By that time it was so late in the session last year that the House did not have time to complete action on some bills the Senate had sent to it. This was one of them.

However, the House did vote on the bill under a suspension of rules, and the bill received a majority of the House votes, but not a two-thirds majority.

Mr. President, the Senator from Virginia, who is in charge of the pending bill, would like to complete action on the bill today. It will probably be necessary to have a record vote on the Douglas amendment, or at least there should be more Members on the floor than there are at the present time when a vote is had on the amendment.

The Senator from Virginia hopes very much the distinguished Senator from Illinois will then call up his other amendment, which is to section 23 of title III, on the subject of mergers. I consider these two amendments to be very vital. They are also controversial. The distinguished Senator from Arkansas is the patron of section 23, title III. That is the Fulbright merger bill, in effect. That bill passed the Senate last year by a large majority vote. We have put into this bill a provision in the exact language of that bill. That is the only other important amendment which is pending. I do not know whether the Senator from Wyoming [Mr. O'MAHONEY] will call up his amendment. He has an amendment at the end of the bill.

It should interest the Members of the Senate to know that we have prepared a bill which eliminates a great many controversial matters and which accepts certain other matters that we thought had merit. It is a bill which has met with great satisfaction throughout the United States I have in my hand a tabulation of letters and telegrams endorsing the bill after it was introduced, and after everyone had had an opportunity to know what was in it. The letters and telegrams came from 46 States, and from the State banking associations of 25 States. Needless to say, the bill has the endorsement of all 3 of the Federal agencies and of the fine group of experts—27 of them—to whom we refer as our advisory committee.

I ask unanimous consent to have printed in the RECORD at this point, as an indication of the endorsement the measure has received and of the wishes of this cross section of sentiment, as expressed by the banking fraternity in endorsing the bill as it stands now, a tabulation, by States, of banks which endorse the bill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ALABAMA

Alabama Bankers Association; Eufaula Bank & Trust Co., Eufaula, Ala.; Leeth National Bank, Cullman, Ala.; First Federal Savings & Loan Association, Huntsville, Ala.; East Gadsden Bank, Gadsden, Ala.; State National Bank, Huntsville, Ala.; First National Bank, Huntsville, Ala.; Henderson National Bank, Huntsville, Ala.; The First National Bank, Mobile, Ala.

ARIZONA

The Bank of Arizona, Prescott, Ariz.

ARKANSAS

Arkansas Bankers Association; First National Bank, Fayetteville, Ark.; National Bank of Eastern Arkansas, Forrest City, Ark.

CALIFORNIA

Shasta County Bank, Burney, Calif.; First National Bank of Elsinore, Elsinore, Calif.; Scott Valley Bank, Fort Jones, Calif.; California Bank, Los Angeles, Calif.; Citizens National Trust & Savings Bank of Los Angeles, Los Angeles, Calif.; Security First National Bank of Los Angeles, Los Angeles, Calif.; U. S. National Bank, San Diego, Calif.; First National Trust and Savings Bank of San Diego, San Diego, Calif.; American Trust Co., San Francisco, Calif.; the First National Bank of San Jose, San Jose, Calif.; Santa Monica Bank, Santa Monica, Calif.; Stockton Savings & Loan Bank, Stockton, Calif.

COLORADO

Denver National Bank, Denver, Colo.

CONNECTICUT

Connecticut Bankers Association; Savings Bank of Danbury, Danbury, Conn.; the Greenwich Trust Co., Greenwich, Conn.; the New Haven Bank, New Haven, Conn.; the Simsbury Bank & Trust Co., Simsbury, Conn.; the Stamford Trust Co., Stamford, Conn.

DELAWARE

The Sussex Trust Co., Laurel, Del.; Equitable Security Trust Co., Wilmington, Del.; Wilmington Trust Co., Wilmington, Del.; Farmers Bank of the State of Delaware, Dover, Del.

FLORIDA

Florida Bankers Association; First National Bank of Miami, Miami, Fla.; First National Bank of Tampa, Tampa, Fla.; the Exchange National Bank of Tampa, Tampa, Fla.

GEORGIA

Georgia Bankers Association; First National Bank of Atlanta, Atlanta, Ga.

IDAHO

Idaho Bankers Association; Twin Falls Bank & Trust Co., Twin Falls, Idaho.

INDIANA

Indiana Bankers Association; Lincoln National Bank & Trust Co., Fort Wayne, Ind.; First-Citizens Bank & Trust Co., Greencastle, Ind.; the Indiana National Bank of Indianapolis, Indianapolis, Ind.

IOWA

Central Trust & Savings Bank, Cherokee, Iowa; Central National Bank & Trust Co., Des Moines, Iowa; First National Bank, Iowa City, Iowa; Iowa State Bank & Trust Co., Iowa City, Iowa; Muscatine Bank & Trust Co., Muscatine, Iowa.

KANSAS

Peoples National Bank, Burlington, Kans.; Citizens National Bank, Emporia, Kans.; Central National Bank, Junction City, Kans.; The Lawrence National Bank, Lawrence, Kans.; The First National Bank, Manhattan, Kans.; Central National Bank & Trust Co., Topeka, Kans.

KENTUCKY

Kentucky Bankers Association; Lincoln Bank & Trust Co., Louisville, Ky.

LOUISIANA

Louisiana Bankers Association; City National Bank of Baton Rouge, Baton Rouge, La.; The Calcasieu Marine National Bank, Lake Charles, La.; First National Bank of Lake Charles, Lake Charles, La.; Louisiana Bank & Trust Co., Shreveport, La.

MAINE

Bar Harbor Banking & Trust Co., Bar Harbor, Maine; First National Bank, Biddeford, Maine.

MARYLAND

Maryland Bankers Association; First National Bank, Baltimore, Md.; Fidelity Baltimore National Bank, Baltimore, Md.; Mercantile Safe Deposit & Trust Co., Baltimore, Md.; National Central Bank of Baltimore, Baltimore, Md.; Towson National Bank, Towson, Md.; Maryland Trust Co., Baltimore, Md.; Second National Bank of Cumberland, Cumberland, Md.

MICHIGAN

National Bank of Detroit, Detroit, Mich.; Genesee County Savings Bank, Flint, Mich.

MINNESOTA

Minnesota Bankers Association; Lac qui Parle County Bankers, Dawson, Minn.; Blue Earth State Bank, Blue Earth, Minn.; Columbia Heights State Bank, Columbia Heights, Minn.; The First National Bank of Fairmont, Fairmont, Minn.; Chicago Lake State Bank, Minneapolis, Minn.; Golden Valley State Bank, Golden Valley, Minn.; Marquette National Bank, Minneapolis, Minn.; University National Bank, Minneapolis, Minn.; State Bank of Mound, Mound, Minn.; The First National Bank of Owatonna, Owatonna, Minn.; Security Bank and Trust Co., Owatonna, Minn.; First National Bank, Pine City, Minn.; The Pipestone National Bank, Pipestone, Minn.; Farmers State Bank of Sherburn, Sherburn, Minn.; The First National Bank of St. Paul, St. Paul, Minn.; Union State Bank, Thief River Falls, Minn.; Farmers State Bank, Waubun, Minn.; State Bank of Woodlake, Woodlake, Minn.; First National Bank, Anoka, Minn.

MISSISSIPPI

Mississippi Bankers Association; Deposit Guaranty Bank & Trust Co., Jackson, Miss.

MISSOURI

Central Missouri Trust Co., Jefferson City, Mo.

MONTANA

Citizens State Bank, Hamilton, Mont.; Bank of Glacier County, Cut Bank, Mont.

NEBRASKA

Crete State Bank, Crete, Nebr.; National Bank of Commerce, Lincoln, Nebr.; The Omaha National Bank, Omaha, Nebr.; Packers National Bank, Omaha, Nebr.

NEVADA

Nevada Bank of Commerce, Elko, Nev.

NEW HAMPSHIRE

New Hampshire Bankers Association; Stafford Savings Bank, Dover, N. H.; the Manchester National Bank, Manchester, N. H.

NEW JERSEY

New Jersey Bankers Association; Fidelity Union Trust Co., Newark, N. J.; Asbury Park National Bank & Trust Co., Asbury Park, N. J.; First National Bank & Trust Co., Paterson, N. J.; National Bank of Ocean City, Ocean City, N. J.; Closter National Bank & Trust Co., Closter, N. J.; Federal Trust Co., Newark, N. J.; County Bank & Trust Co., Paterson, N. J.; Morristown Trust Co., Morristown, N. J.; Phillipsburg National Bank & Trust Co., Phillipsburg, N. J.; National Community Bank, Garfield, N. J.; First National Bank & Trust Co., Paterson, N. J.; First National Bank, Princeton, N. J.; First National Bank of Toms River, Toms River, N. J.; Union County Trust Co., Elizabeth, N. J.; Garden State National Bank, Teaneck, N. J.; Commercial Trust Company of New Jersey, Jersey City, N. J.; Perth Amboy Savings Institution, Perth Amboy, N. J.; Hunterdon County National Bank, Flemington, N. J.; Trenton Banking Co., Trenton, N. J.; Monmouth County National Bank, Keyport, N. J.; First National Bank & Trust Co., Woodbury, N. J.; Plainfield Trust Co., Plainfield, N. J.; National State Bank, Newark, N. J.; Savings Banks Association of New Jersey, Newark, N. J.

NEW YORK

New York State Bankers Association; National Bank & Trust Co. of Norwich, Norwich, N. Y.; First National Bank of Spring Valley, Spring Valley, N. Y.

NORTH CAROLINA

Wachovia Bank and Trust Co., Winston-Salem, N. C.

NORTH DAKOTA

North Dakota Bankers Association.

NEW MEXICO

The First National Bank of Santa Fe, Santa Fe, N. Mex.

OHIO

Ohio Bankers Association; Lorain County Ohio Bankers Association, Oberlin, Ohio; Central National Bank of Cleveland, Cleveland, Ohio; National City Bank of Cleveland, Cleveland, Ohio; Oberlin Savings Bank, Oberlin, Ohio.

OKLAHOMA

Oklahoma Bankers Association; Oklahoma State Bank, Ada, Okla.; First National Bank, Bartlesville, Okla.; National Bank of Commerce of Tulsa, Tulsa, Okla.; National Bank of Tulsa, Tulsa, Okla.

OREGON

Southern Oregon State Bank, Grants Pass, Oreg.

PENNSYLVANIA

Pennsylvania Bankers Association; First National Bank of Claysburg, Claysburg, Pa.; First National Bank of Gettysburg, Gettysburg, Pa.; The Philadelphia Savings Fund Society, Philadelphia, Pa.

RHODE ISLAND

Rhode Island Bankers Association.

SOUTH CAROLINA

The First National Bank of South Carolina, Columbia, S. C.; the South Carolina National Bank, Columbia, S. C.; the First National Bank of Greenville, Greenville, S. C.; Arthur State Bank, Union, S. C.

SOUTH DAKOTA

Pierre National Bank, Pierre, S. Dak.; Rapid City National Bank, Rapid City, S. Dak.; First Citizens National Bank, Watertown, S. Dak.

TENNESSEE

First National Bank, Bristol, Tenn.; Dominion National Bank, Bristol, Tenn.; Washington Trust & Savings Bank, Bristol, Tenn.; the First National Bank, Jackson, Tenn.; The First National Bank of Memphis, Memphis, Tenn.; Union Planters National Bank, Memphis, Tenn.; Traders National Bank, Tullahoma, Tenn.

TEXAS

Republic National Bank of Dallas, Dallas, Tex.; First National Bank, Midland, Tex.; First National Bank, Wichita Falls, Tex.; City National Bank, Wichita Falls, Tex.; Wichita National Bank, Wichita Falls, Tex.

UTAH

Utah Bankers Association; Monroe State Bank, Monroe, Utah; First State Bank, Salina, Utah; Zions Savings Bank & Trust Co., Salt Lake City, Utah; First National Bank, Salt Lake City, Utah.

VERMONT

Vermont Bankers Association; Burlington Savings Bank, Burlington, Vt.; Capital Savings Bank & Trust Co., Montpelier, Vt.; Rutland County National Bank, Rutland, Vt.

VIRGINIA

First and Citizens National Bank, Alexandria, Va.; First National Bank, Altavista, Va.; Shirlington Trust Co., Arlington, Va.; Bank of Bland County, Bland, Va.; First National Bank, Broadway, Va.; Peoples Bank, Buena Vista, Va.; Citizens Bank & Trust Co., Charlottesville, Va.; the First National Bank, Clifton Forge, Va.; Mountain National Bank, Clifton Forge, Va.; Citizens National Bank, Covington, Va.; Covington National Bank, Covington, Va.; Farmers Bank of Edinburg, Edinburg, Va.; the First National Bank, Emporia, Va.; the National Bank of Fredericksburg, Fredericksburg, Va.; Peoples Bank of Gretna, Gretna, Va.; Citizens National Bank of Hampton, Hampton, Va.; the Merchants National Bank, Hampton, Va.; State Bank of Keysville, Keysville, Va.; Bank of Lancaster, Kilmarnock, Va.; Farmers & Merchants Bank, Lawrenceville, Va.; Rockbridge National Bank, Lexington, Va.; the Peoples National Bank & Trust Co., Lynchburg, Va.; National Bank of Manassas, Manassas, Va.; Peoples National Bank of Manassas, Manassas, Va.; Citizens Marine Jefferson Bank, Newport News, Va.; Citizens National Bank, Petersburg, Va.; the Bank of Phenix, Inc., Phenix, Va.; American National Bank of Portsmouth, Portsmouth, Va.; Bank of Powhatan, Powhatan, Va.; Pulaski National Bank, Pulaski, Va.; Peoples Bank of Reedville, Reedville, Va.; the First National Exchange Bank of Roanoke, Roanoke, Va.; the Farmers National Bank, Salem, Va.; First National Bank, Strasburg, Va.; the First National Bank, Troutville, Va.; Citizens Waynesboro Bank & Trust Co., Waynesboro, Va.; First National Bank, Waynesboro, Va.; Shenandoah Valley National Bank, Winchester, Va.; Farmers Bank, Windsor, Va.

WASHINGTON

Peoples National Bank of Washington, Seattle, Wash.; Bank of Fairfield, Fairfield, Wash.; The First National Bank of Pullman, Pullman, Wash.; Seattle Trust & Savings Bank, Seattle, Wash.; Seattle First National Bank, Seattle, Wash.

WEST VIRGINIA

West Virginia Bankers Association; The Kanawha Valley Bank, Charleston, W. Va.

WISCONSIN

Wisconsin Bankers Association; Dairyman State Bank, Clintonville, Wis.; First Wisconsin National Bank, Milwaukee, Wis.; Teutonia Bank, Milwaukee, Wis.

WYOMING

Wyoming National Bank of Casper, Casper, Wyo.

Mr. CARLSON. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. CARLSON. Mr. President, I wish to state that last weekend I spent some time in Kansas, and I had an opportunity to visit officers and officials of the Kansas Bankers Association. They expressed to the junior Senator from Kansas the view that the distinguished Senator from Virginia has rendered an outstanding service to the banking fraternity in the Nation by having this bill considered on the floor of the Senate. I can say without any reservation whatever that they asked me to vote for whatever suggestion the Senator from Virginia may make with respect to amendments to the bill. I expect to follow that suggestion.

Mr. ROBERTSON. Nothing can please the Senator from Virginia more than a tribute of that kind. He has somewhat the same message from a man in California whom the Senator from Virginia has never heard of. That man is interested in the bill. He knows what is going on. He sent me this telegram this morning:

Supplementing our telegram of March 14 regarding Senate 1451, modification of section 23 of title 1 adopted Tuesday so that it applies only to holder of more than 5 percent of stock is, we believe, acceptable compromise.

I digress to say that I am sure the Senator from Illinois [Mr. DOUGLAS] will appreciate that statement, because he helped to work out the compromise which was offered by the Senator from New Mexico [Mr. ANDERSON]. This banker in California knows what was done and he says it is acceptable to bankers in that area. He goes on to say:

Provision of paragraph (c) of section 23, title 1, not requiring cumulative voting unless called for by articles of association is, we believe, highly desirable, as experience with cumulative voting in national banks shows that its disadvantages in practice far outweigh its theoretical benefits. We respectfully urge your support of Senate 1451 without amendment of cumulative voting provision in committee draft.

The telegram is signed by Citizens National Trust & Savings Bank of Los Angeles by Lauder W. Hodges, vice president and cashier.

I have said that we would like to dispose of the pending amendment and the other Douglas amendment, because if we

do that, the remaining amendments in my opinion are of rather minor import and should take very little time to dispose of, and we should be able to dispose of the bill today.

The Senator from Virginia would like to know the wishes of the distinguished majority leader as to whether he desires at this time to suggest the absence of a quorum, or to request a yea-and-nay vote. One or the other will have to be done.

Mr. JOHNSON of Texas. Does the Senator from Illinois desire a yea-and-nay vote on his amendment?

Mr. DOUGLAS. I should like to have a yea-and-nay vote on it.

Mr. JOHNSON of Texas. I have no objection.

Mr. ROBERTSON. Mr. President, I ask for the yeas and nays on the Douglas amendment.

The yeas and nays were ordered.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum, pending a yea-and-nay vote on the amendment.

Mr. DOUGLAS. Mr. President, that will not foreclose a discussion of the amendment, will it?

Mr. ROBERTSON. No; it will not. Mr. President, for the present I withdraw my suggestion of the absence of a quorum, because I understand the distinguished Senator from Illinois wishes to address himself to the amendment.

Mr. CARLSON. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. CARLSON. Mr. President, I have a telegram from a prominent banker in Kansas. He asks about the possibility of permitting Federal Reserve banks to make so-called section 13 (b) loans and guaranties, which he considers vital to member banks whose reserves with the Federal Reserve do not have leverage on city correspondents.

I wonder whether the Senator from Virginia would give us some information on that point.

Mr. ROBERTSON. The gentleman is referring to section 13 (b) of the Federal Reserve Act. That section, which was written into the law before we had the RFC, authorizes the Federal Reserve Board to make long-term commercial loans. Last year it was used, I believe, about four times. In the course of 25 or 26 years it has rarely been used. There is a credit to that account of more than $27 million. The Federal Reserve Board has asked us to delete that section from the act. The Board should not be in the commercial lending business, and we could put that $27 million into the Treasury and in that way ease the Federal budget by that much. Our committee thought that that would be a nice thing to do.

Mr. CARLSON. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield.

Mr. CARLSON. I understand from the telegram to which I referred that the sender lives in an area where extreme drought conditions prevail, and there have been some difficulties encountered by small business interests and other groups in securing funds. I understand the people there have taken up with the Small Business Administration the matter of obtaining loans.

Mr. ROBERTSON. There is a disaster loan fund in the Department of Agriculture to which they might have access. We have increased very substantially the capital of the Small Business Administration. In the opinion of the Senator from Virginia, if the Small Business Administration does not feel justified in handling a loan, a bank certainly would not handle it.

Mr. CARLSON. I thank the Senator.

Mr. ROBERTSON. I yield the floor, Mr. President.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. I am really surprised that the committee should attempt to change the existing statute so far as cumulative voting is concerned, because the committee has from time to time said it did not wish to include anything controversial in the bill, but wished to include only those features upon which everyone could agree. I assure the Senate that the proposal to eliminate cumulative voting, which the committee is sponsoring, is a most controversial item.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. The Senator will recall that in 1955 the Senate did agree on this matter, by a vote of 2 to 1. I ask the Senator to recall that agreement.

Mr. DOUGLAS. That is quite a respectable minority.

Although the bill passed the Senate in 1955 and although the House of Representatives had the bill before it during the remainder of 1955 and 1956, the House did not pass the bill. I think the abolition of the cumulative voting feature may have been one of the reasons why the House refused to act, and it may be a reason why the House may tie this bill up if and when it passes the Senate.

The idea of considering only noncontroversial matters is a most interesting one. When a provision is liked by the chief sponsors of the bill, even though others oppose it, it is considered noncontroversial. If somebody else wants something, and it is not liked by the chief proponents, then it is called controversial, and ruled out.

The point is, this is a highly controversial matter and should be decided on its merits.

Mr. President, the cumulative voting provision has been in the National Banking Act since 1933. This provision was not written into the National Banking Act purely as an accident, even though the parliamentary record is incomplete. The truth of the matter is that there were grave abuses in the conduct of banks, and it was felt by the Congress it would be desirable to have substantial minority interests which wished representation given representation so that they might observe what the management was doing, and, if they disapproved, make a protest, so that out of the conflict and clash of opinion wise decisions would come.

My good friend from Virginia seems to object to cumulative voting almost exclusively on the ground that the bankers do not want it. He seems to feel that bank management does not want it. I think it is true the existing bank managers do not want it.

It is perfectly true that the advisory committee recommended the deletion of this provision. I do not impugn the motives of the advisory committee. I think it was composed of good citizens, and I think they believed they were right.

I should like to point out, however, that of the 27 members of that committee no less than 23 were either presidents, vice presidents, or chairmen of private financial institutions. At least 13 of them—half or possibly more—were officials of national banks.

It is not in the nature of most men to welcome possible opposition. This is not news to me.

Mr. ROBERTSON. Mr. President, will the Senator yield, before he leaves that subject?

Mr. DOUGLAS. I should like to finish this thought, and then I shall be glad to yield.

Since when do we say the Senate of the United States, and the House, shall not write the banking laws of the country but the bank managers shall write them?

I recall to the memory of my good friend from Virginia that in 1913 Congress had before it for consideration the Federal Reserve Act, which was advocated by Woodrow Wilson and which was championed by Carter Glass, the predecessor of the present junior Senator from Virginia in the Senate, who was at that time a Member of the House of Representatives. Carter Glass and Woodrow Wilson fought with all their strength for a Federal reserve system, and they were opposed by virtually all the bankers of the country. The American Bankers' Association and the bankers' associations of every State not only adopted resolutions, but also lobbied most vigorously against the measure. The measure was denounced.

I am sure the Senator from Virginia has read the autobiography by Carter Glass which describes the incidents to which I refer.

Then in 1923 the necessary revisions of the National Banking Act were fought by the bankers.

When the Securities Exchange Act was passed in 1934, it was opposed by the banks and by the security dealers.

As a matter of fact, every advance in banking legislation, which ultimately has proved to be for the best interests of the banks as well as of the country as a whole has been opposed by the banking interests. Their batting average has been just about .000, so far as banking legislation is concerned.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; I should be glad to yield.

Mr. ROBERTSON. Before we are too far beyond the Senator's comment as to the composition of our advisory committee let me ask the Senator a

question. I believe he said the committee members were fine bankers but, like most bankers, they did not approve his proposed amendment.

Mr. DOUGLAS. They did not like the existing law.

Mr. ROBERTSON. When the Senator from Virginia planned to form the advisory committee he asked each member of his committee to take the privilege of picking one member of the advisory committee.

Mr. DOUGLAS. That is true.

Mr. ROBERTSON. Our distinguished colleague from Illinois [Mr. DOUGLAS] named as his choice for a member of the committee a great economist from Princeton University.

Mr. DOUGLAS. Yes.

Mr. ROBERTSON. Will the Senator from Illinois be good enough to state how the economist stood on this issue? He was not a banker; he was a teacher, a great economist.

Mr. DOUGLAS. I do not remember. I am not certain how he stood.

Mr. ROBERTSON. Let me remind the Senator: The economist was opposed to the position of the Senator from Illinois; he favored the position taken by the Senator from Virginia.

Mr. DOUGLAS. I am not infallible in selecting people, but I do say there is a distinct occupational bias on this committee when 23 of its 27 members represent banking interests. In view of that fact, I do not think it can be said that the interests of the public are necessarily fully represented. That is one of the difficulties encountered when industries affected by legislation are called upon to write the laws affecting them. There is a general interest and a public interest involved, as well as an occupational interest.

I can well imagine how the Senator from Virginia would object if we were to allow Mr. George Meany, Mr. John L. Lewis, and Mr. Walter Reuther to write the labor laws of the country, or to serve on an advisory committee which drafted the labor laws and, if they turned their thumbs down on a particular labor measure, have the authority to say, "The Senate should not pass that."

The only reason Senators are here is that they are supposed to use a general judgment. If each industry is to have the right to write its own laws, we might as well have syndicalism and have our government by occupational representation; with some representatives of the banks, some representatives of the oil industry, some representatives of the sugar industry, some representatives of the steel industry, some representatives of the meatpacking industry, and so on.

I do not subscribe to the view which some of the popular writers advance that such a government is what we have now. I repudiate that as a base insinuation. But I do say that the Senate, and of course, the House, should represent the interest of the general public in fact and not merely in name.

Mr. McNAMARA. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Illinois yield to the Senator from Michigan?

Mr. DOUGLAS. Yes; I am glad to yield.

Mr. McNAMARA. I should like to ask the Senator from Illinois a question. Does he think it appropriate to have a lion for a lion tamer?

Mr. DOUGLAS. No; I do not think one should have a lion for a lion tamer. Nor do I think—I was about to use an analogy from the sayings of Abraham Lincoln, about wolves and sheep, which I shall not state, because I do not wish to be as radical as Lincoln.

Mr. McNAMARA. I agree with the Senator. I think perhaps a lion is not a best choice for a lion tamer.

Mr. DOUGLAS. Mr. President, on two previous occasions I have made the argument for cumulative voting. The case is very simple. Cumulative voting permits minority groups to be represented on boards of directors if they wish to be represented. It therefore furnishes a continuing source of suggestions to and criticisms of management. If the criticisms are well founded, in due course of time I believe they will be reflected in the decisions of management and ultimately will improve the conduct of the bank. If they are not well founded, they will be shown to be ill founded, and the minority stockholders will in the long run become convinced of that fact and will agree to the consensus, and harmony will prevail.

If there had been cumulative voting in the banks prior to the great depression, I think a great many of the financial practices which were then in vogue would have been checked. There would have been monitoring, many abuses would have been checked, and the later losses would not have been so great.

I think it would be a great misfortune if there were to be a one-party political system in this country. A two-party system is needed in this Chamber. Each party acts as a check upon the other and as a critic of the other; each party compels a revision of opinion on the part of the other; each party purifies the other.

The same comment applies to business. I know it will be asked, "Why should we have this provision for banks if we do not have it for industry?" There is one State in the Union, my own—Illinois—which does provide for cumulative voting in corporations. That provision works out very well.

But banks are affected with a public interest to a degree which other corporations are not, because the people put their money in banks, and banks also create monetary purchasing power. The banks have taken over some of the functions of the creation of money. Of course, the deposits are also guaranteed by the Government, and the Government inspects and examines the banks. So industrial corporations and banks operate on very different bases.

I think I can feel the temper of this Chamber and the temper of the times. I am under no illusion as to what the result of the vote will be on my amendment to try to restore cumulative voting. But in view of the prevailing complacency and the tendency of some financial institutions to brook no opposition, I am more and more reminded of the situation in the late 1920's, when people paid little or no attention to the abuses when they were developing, when they threw away safeguards, and when they consequently inherited a whirlwind.

I think that may be where we are tending now. I pray this is not true; I only ask that we stop and consider before the vote is taken.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. CASE of South Dakota. Does the language of the Senator's amendment require any minimum number of stockholders or percentage in interest in order that the representation shall be held to be a substantial interest?

Mr. DOUGLAS. No, it does not. That would be governed by the number of directors to be elected at any one time. If three directors were to be elected, one-third of the stock could elect one-third of the directors to be elected at any one time. If nine directors were to be elected, one-ninth of the stock could elect one-ninth of the directors. So the principle adjusts itself to the number of directors to be chosen in any one year.

Mr. CASE of South Dakota. If three directors were to be elected at one time, and if the cumulative votes did not amount to one-third of the total, would the cumulative vote select a director?

Mr. DOUGLAS. No; there would have to be one-third.

Mr. CASE of South Dakota. That means there would have to be a substantial representation, and not merely a nuisance vote.

Mr. DOUGLAS. That is correct. Representation would be guaranteed only in proportions reciprocal to the number to be elected. I will put it that way.

Mr. CASE of South Dakota. Personally, I have never been enamored of proportional representation in the case of political parties in government, because I think it has shown too many evidences of resulting weak government—for example, in France on many occasions. But I think there is a difference between political organizations, where a party responsibility is necessary, and banking directorates, which administer trust funds, so to speak. It seems to me that if there is a substantial minority interest, it should have representation on the board.

Mr. DOUGLAS. I thank the Senator from South Dakota. That is the feeling of the Senator from Illinois.

Mr. CARROLL. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. CARROLL. Has this matter been before the Senate on any other occasion?

Mr. DOUGLAS. Yes; it was before the Senate 2 years ago, as the Senator from Virginia [Mr. ROBERTSON] stated. The provision now advocated by the Senator from Virginia then carried by a

vote of, I believe, 53 to 21. I may say that I was one of the 21.

Mr. CARROLL. I may say to the Senator from Illinois that it may be the temper of the times, it may be that we will not be able to get a record vote, but on this subject I desire to associate myself with the remarks of the distinguished Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Colorado. I am getting more support than I thought I would. My hopes begin to blossom.

Mr. ROBERTSON obtained the floor.

Mr. SCHOEPPEL. Mr. President, will the Senator from Virginia yield for a question?

Mr. ROBERTSON. I yield.

Mr. SCHOEPPEL. My colleague, the distinguished junior Senator from Kansas [Mr. CARLSON], and I have received numerous telegrams with reference to section 13 (b) of the act. Do I understand correctly that the distinguished Senator from Virginia earlier explained the reasons for eliminating the section from the bill?

Mr. ROBERTSON. I gave the explanation to the distinguished junior Senator from Kansas. The essence of the explanation was that the provision was inserted in the Federal Reserve Act before the creation of the RFC. It was rarely used. The testimony was that it was used three or four times last year. About $27 million has accumulated.

The Federal Reserve Board said that there were other lending agencies; that the Board was not properly in the commercial banking business; and that this section should be repealed. They suggested that the $27 million should be refunded to the Treasury.

There are in existence the Small Business Administration, the Disaster Loan Agency of the Department of Agriculture, and the commercial banks.

As I said to the Senator's colleague, this much is certain: If a person in Kansas could not qualify for a disaster loan or a small business loan because of the kind of security he offered, he certainly could not qualify for a Federal Reserve Board loan.

Mr. SCHOEPPEL. I thank the Senator for that information.

Mr. ROBERTSON. Mr. President, I wish to assure the distinguished Senator from South Dakota [Mr. CASE], who asked some questions about the cumulative voting amendment, that the sentiment of bankers throughout the Nation is far stronger for the provision in the bill than it was when the Senator voted for the same provision in 1955.

Mr. CASE of South Dakota. I may have been persuaded then by the viewpoint of the bankers; I am not certain. Perhaps I was not fully informed then. But as I have listened to the debate, I am persuaded that if I voted that way at that time, I voted wrong.

Mr. ROBERTSON. The Senator, of course, has the privilege of changing his position as often as he pleases; and the matter of consistency is one for him and his own constituents.

I simply wish to commend the Senator for the position he took 2 years ago, and to say that, nationally, the support of the position he took then is far stronger now than when he took it.

Mr. CASE of South Dakota. I feel that when we are considering proposed banking legislation, we have a responsibility to enact legislation which will make the banks operate successfully; but, at the same time, there is certainly a fiduciary relationship between the bank and the community. If there is a question of a choice between preserving that trust relationship and ignoring it, the doubt, so far as I am concerned, will have to be resolved in favor of legislation which will help to make the banks good trustees of public deposits.

Mr. ROBERTSON. The Senator from Virginia fully agrees with his colleague. That is the reason why Congress established the position of Comptroller of the Currency. He is to supervise the national banks in the public interest. But the testimony before our subcommittee on two occasions was to the effect that the banks could better serve their communities if cumulative voting were permissive than they could if it remains compulsory.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, I ask that the Senate proceed to vote on the pending question.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], for himself and the Senator from Pennsylvania [Mr. CLARK]. The amendment will be stated.

The CHIEF CLERK. On page 18, in the third and fourth lines of subsection (c) of section 26, it is proposed to strike out ", if the articles of association so provide."

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question, the yeas and nays have been ordered.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Virginia will state it.

Mr. ROBERTSON. Does the amendment relate to cumulative voting?

The PRESIDING OFFICER. The Chair so understands.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Am I correct in my understanding that the bill as reported by the committee strikes out the mandatory provision for cumulative voting, and that my amendment would retain the present national banking law providing for compulsory cumulative voting?

The PRESIDING OFFICER. It is the opinion of the Chair that that is a matter of legislative interpretation, and is not a parliamentary inquiry.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Am I correct in understanding that the pending amendment applies only to national banks, and not to State banks?

The PRESIDING OFFICER. It is the understanding of the Chair that that is the case.

The question is on agreeing to the amendment of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the senior Senator from Ohio [Mr. BRICKER]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. JOHNSON. I announce that the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

If present and voting, the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER] is absent on official business and his pair has been previously announced by the Senator from Illinois [Mr. DIRKSEN].

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate, and, if present and voting, he would vote "nay."

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Nevada [Mr. MALONE] and the Senator from Wisconsin [Mr. McCARTHY] are detained on official business. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "nay."

The result was announced—yeas 27, nays 58, not voting 11, as follows:

YEAS—27

Aiken	Green	McNamara
Bridges	Hill	Monroney
Carroll	Humphrey	Morse
Case, S. Dak.	Jackson	Neuberger
Church	Javits	O'Mahoney
Clark	Kefauver	Pastore
Cooper	Kennedy	Payne
Douglas	Lausche	Smith, Maine
Gore	Magnuson	Sparkman

NAYS—58

Allott	Butler	Dworshak
Anderson	Byrd	Eastland
Barrett	Capehart	Ellender
Beall	Carlson	Ervin
Bennett	Case, N. J.	Flanders
Bible	Chavez	Frear
Blakley	Cotton	Fulbright
Bush	Curtis	Goldwater

Hayden	Martin, Iowa	Smathers
Hennings	Martin, Pa.	Smith, N. J.
Hickenlooper	McClellan	Stennis
Holland	Morton	Talmadge
Hruska	Mundt	Thurmond
Ives	Potter	Thye
Jenner	Purtell	Watkins
Johnson, Tex.	Revercomb	Wiley
Johnston, S. C.	Robertson	Williams
Kerr	Russell	Young
Kuchel	Saltonstall	
Long	Schoeppel	

NOT VOTING—11

Bricker	Malone	Neely
Dirksen	Mansfield	Scott
Knowland	McCarthy	Symington
Langer	Murray	

So the amendment offered by Mr. DOUGLAS (for himself and Mr. CLARK) was rejected.

VISIT TO THE SENATE BY DR. FELIX HURDES, PRESIDENT OF THE AUSTRIAN PARLIAMENT

Mr. JOHNSON of Texas. Mr. President, I wish to call to the attention of the Senate the fact that at this time there is in the gallery above us a very distinguished visitor, Dr. Felix Hurdes, President of the Austrian Parliament.

It is a great pleasure to welcome Dr. Hurdes, who comes from a country which is so greatly devoted to the ideals of liberty and freedom. All of us realize and appreciate the great strains which have confronted the Austrian people since the end of World War II. We wish for his nation a very prosperous and very bright and very profitable future.

Mr. President, I now ask that Dr. Hurdes stand, so that all Members of the Senate may welcome him.

(The distinguished visitor rose in his place in the gallery and was greeted with applause, Senators rising.)

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared relative to Senate bill 1451.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART ON S. 1451

The large volume of mail I have received on the proposed Financial Institutions Act of 1957 emphasizes the importance of this legislation to every bank, savings and loan association, and credit union. Since this is the first major revision of the financial statutes since 1935, it is not surprising that these institutions have exhibited such great interest.

It is equally apparent that the general public has not grasped the significance of the bill. This is unfortunate because one of the major features of this legislation are the many provisions designed to enable these institutions to provide better service to their customers. Thus, in liberalizing the lending authority for national banks, it is of equal benefit to both the bank and the community where it is located. Similarly, the increase in the permissible unsecured loan limit from $400 to $500 for credit union members is of mutual benefit to the credit union and its members. Many other instances could be cited where we have endeavored to modernize our financial facilities to better meet the expanded credit needs of people throughout the country. I believe this is an important aspect of the bill that should not be overlooked.

The public interest is also served by the new provisions strengthening the Federal supervisory agencies which in turn provide greater protection to the savings of our citizens. Other members of the Banking and Currency Committee have cited during this debate various sections of the bill which make the operations of the supervisory agencies more effective. I do not want to reiterate all these provisions but would like to mention one which is of particular interest to me.

I have been very concerned over the great rash of bank mergers during the past few years. The independent unit banks are the backbone of our financial system, and their continued existence is essential to maintain healthy competition in the banking field. In order to preserve our independent banks, it is necessary to have Federal regulation of bank mergers. Last year, I was a cosponsor with the Senator from Arkansas [Mr. FULBRIGHT] of a bill requiring the three Federal banking agencies to consider the competitive aspects of every bank merger involving insured banks. This bill, S. 3911, was passed by the Senate in the closing days of the session, but, unfortunately, there was not sufficient time for action on the House side.

I am very pleased that the provisions of S. 3911 have been incorporated in the pending bill. The Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation are without a doubt the best experts we have in the banking field, and they should have the sole responsibility for determining whether any bank merger should be permitted. There is no necessity for granting the Justice Department the veto power over bank mergers as proposed by the Senator from Illinois [Mr. DOUGLAS]. The Douglas amendment would provide an extra layer of supervisory authority which is completely unnecessary. Furthermore, the amendment shows a complete lack of confidence in the ability of the banking agencies.

One of the most important functions of a Congressional committee is to review the statutes under the committee's jurisdiction. In the constant rush to enact new legislation, this function is often overlooked. I believe the Senator from Virginia should be congratulated for undertaking this job of revising and modernizing the financial statutes.

The assistance rendered by the advisory committee, which was appointed to assist our committee, was extremely valuable. I am gratified that Mr. Robert L. Oare, of South Bend, Ind., consented to serve on the advisory committee and played an important part in the success of this undertaking.

The bill we reported from the committee is a good bill. However, I would like to mention two amendments which will make it an even better bill. I am happy to join with the Senator from Virginia [Mr. ROBERTSON] in supporting the committee amendment regarding the audits of Federal credit unions. The provision we have in the bill on this subject is too restrictive, and I believe the committee amendment is a good compromise.

Also, the amendment sponsored by the Senator from Connecticut [Mr. BUSH] to delete the provisions dealing with the disclosure of bank-stock ownership should be adopted. The problem of determining the actual owners of stock in American corporations is a serious one and one that has far-reaching consequences. I introduced legislation on the subject last year and again this year. At the present time, the Subcommittee on Securities is holding hearings on the subject, and we are hopeful that effective legislation can be drawn up. I agree in principle with the sections of the bill requiring disclosure of the actual owners of bank stock. However, I do not believe that banks should be singled out for special treatment but should be treated the same as all other corporations. Furthermore, I believe the whole question needs a great deal more study, and that is exactly what the Securities Subcommittee proposes to do.

I hope the Members of the Senate will consider all proposed amendments to this bill carefully and will not act in such a manner as to destroy its good features.

Mr. SPARKMAN. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON] and myself I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. On page 235, in paragraph (2) of section 15, it is proposed to strike out "or such lesser amount or percentage as may be established pursuant to regulations prescribed from time to time by the Director."

Mr. ROBERTSON. Mr. President, the committee established a new limitation on loans to credit unions, on the assumption that inasmuch as such funds were not insured, as are most bank funds and savings and loan funds and inasmuch as the credit unions were not examined by the Bureau, some limitation might well be placed on loans. There are 17 such unions with funds of more than $1 million. One has $17 million. Under this provision it could make a loan of $1,700,000. However, all the credit unions object to the provision. The Senator from Alabama thinks it is an unnecessary limitation. Therefore, acting on behalf of the committee as acting chairman, I am willing to take the amendment to conference.

Mr. SPARKMAN. Mr. President, before the amendment is agreed to, I should like to modify it. I am informed that the printed amendment is not adequate, and that certain language should be added to it. Therefore I should like to modify the amendment by adding to the amendment as it is printed the following:

On page 236, strike out the sentence immediately following paragraph 2 of section 15, beginning with the word "such."

The PRESIDING OFFICER. The amendment as modified will be stated.

The LEGISLATIVE CLERK. On page 235, in paragraph (2) of section 15, it is proposed to strike out "or such lesser amount or percentage as may be established pursuant to regulations prescribed from time to time by the director."

On page 236 it is proposed to strike out the sentence immediately following paragraph 2 of section 15, beginning with the word "such."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Alabama [Mr. SPARKMAN] for himself

and the Senator from Washington [Mr. MAGNUSON].

The amendment, as modified, was agreed to.

Mr. SPARKMAN. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON] and myself I offer the amendment which I send to the desk and ask to have stated. It is somewhat changed from the printed amendment designated "3-12-57L." It has been agreed to between the acting chairman of the committee [Mr. ROBERTSON] and myself.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. On page 241, in the third and fourth lines of section 25, it is proposed to strike out the word "exclusively"; and in line 3, before the words "the membership" it is proposed to insert "at least 90 percent of."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama for himself and the Senator from Washington [Mr. MAGNUSON].

Mr. ROBERTSON. Mr. President, under existing law the credit unions may have free space in a Federal building, including free heat, light, and water, and they are not subject to any taxation, provided the union is a union exclusively of Federal employees.

We were asked to broaden that classification to include any employees. We did not think that was proper, but we did broaden it to include retired Federal employees, if the space were available.

This amendment proposes to broaden the definition a little further than the committee went by providing that such a credit union may have free space, if available, if 90 percent of its membership consists of Federal employees or retired Federal employees.

Mr. CAPEHART. Mr. President, I do not believe the Senate should accept this amendment, because I do not think we want to have non-Federal employees mixed up with Federal employees in respect to these matters.

Mr. SPARKMAN. That is not the purpose of the amendment at all.

Mr. CAPEHART. What is the purpose?

Mr. SPARKMAN. The way the bill stands, the membership would have to consist exclusively of Federal employees.

Mr. CAPEHART. That is the way it should be.

Mr. SPARKMAN. One moment. Let me illustrate.

Take, for example, the Redstone Arsenal, in my home town. Inside the arsenal, on Government property, are located several private contractors who are doing work exclusively in connection with the arsenal. The Government, of course, is paying for it. The employees there are just as much a part of the operations of the arsenal as are any of the other employees. Yet, if a single one of them ever joined the credit union the credit union would not be entitled to occupy free space.

In nearly every Federal building in Washington there is a cafeteria, perhaps operated by a concessionaire. If a single one of the employees of the concession belonged to a credit union that would invalidate its entitlement to space in the Federal building.

I do not believe it was the purpose of the committee to require that the membership be exclusively Government employees. We agreed on the percentage of 95, which is almost exclusively Federal employees.

Mr. CAPEHART. The example which the Senator gives is a single case. What the Senator states might be true over a certain period of time. However, a new contractor might come into the picture; and there would be no limitation as to who the 5 percent might be. They would not be limited to employees of a contractor working for the Government. Anyone could walk in off the street and become a member.

Mr. SPARKMAN. The purpose is, of course, to limit it as nearly as possible to Federal employees, under the wording of the bill. As it stands, if even one person who is not a Government employee gets into a credit union it invalidates the whole thing. Certainly, we do not intend that to happen. We have used the 5-percent figure to take care of special cases, which will be more or less frequent, because there are so many private businesses inside Government installations.

Mr. CAPEHART. It would seem to me it would be just as reasonable to make it 3 percent or 5 percent or 10 percent, as it is to make it 95 percent.

Mr. SPARKMAN. No; the purpose is to restrict it primarily to Government employees; in fact, almost exclusively to Government employees.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LONG. The Senator, as I understand, has been arguing that, insofar as it is possible to do so, the Government should not do what it does not have to do on its own account, and that more and more contracts should be let to private business. The Senator has mentioned lunchrooms and cafeterias. There are many difficult operations which small business can perform inside Government installations, and some of those businesses would employ some persons who were formerly Government employees.

Mr. SPARKMAN. Yes; as a matter of fact, we passed a law giving blind persons and physically handicapped persons the right to operate certain concessions in Government installations.

Mr. LONG. Yes; certainly we would not want a credit union to lose the privilege of having office space inside a Government installation merely because 1 or 2 nongovernment employees had joined it.

Mr. SPARKMAN. The Senator has stated the case very clearly.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BUSH. Is the Senator referring now to the portion of the bill which has to do with office space being granted to a credit union made up exclusively of Federal employees?

Mr. SPARKMAN. That is correct.

Mr. BUSH. Am I correct in understanding the Senator to say that the chairman of the subcommittee has accepted a modified amendment under which it would be possible to include in the provision a credit union made up of 95 percent Government employees?

Mr. SPARKMAN. The Senator is correct.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the amendment, as modified, offered by the Senator from Alabama [Mr. SPARKMAN] on behalf of himself and the Senator from Washington [Mr. MAGNUSON].

The amendment, as modified, was agreed to.

Mr. SPARKMAN. Mr. President, I had proposed my amendments J and K. Amendment K has already been agreed to. The chairman of the committee had agreed to it, and he has already offered it. In accordance with the agreement I had with the chairman of the committee, I shall not offer amendment J.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. O'MAHONEY. Mr. President, I call up my amendment, which is lying at the desk. It is identified as "3-12-57-E."

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 164, at the end of section 23 "Mergers and consolidations," it is proposed to insert the following:

Nothing contained in this chapter shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything contained in this chapter constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

Mr. O'MAHONEY. Mr. President, perhaps I ought to take the Republican side of the aisle to offer this amendment. It is a very simple amendment, and I do not believe it should cause any worry to the Banking and Currency Committee.

It was presented to the committee by the Attorney General when he testified before the committee. He urged that a saving clause be inserted in the bill to make certain that no person could interpret the language of the bill as being intended to remove the application of the Sherman Antitrust Act and the Clayton Act to bank mergers.

In the National Bank Holding Company Act, which was passed by Congress last year, the identical saving clause was added to the bill. It is in no respect and in no word, comma, period, or semicolon different from the saving clause contained in the National Bank Holding Company Act. It is merely designed to preserve the jurisdiction of those laws. I am certain that the laws are not affected, because nothing in title III of the act undertakes in precise words to repeal the application of the Sherman Act or Clayton Act. However,

there have been so many mergers in progress throughout the country in every phase of industry and in banking that the opportunity of people living in various States to go into the banking business on their own, or to finance new enterprises on their own, is gradually being curtailed.

I was very much interested this morning when, together with other Members of the Senate and the House, I was invited to attend breakfast at the Pentagon with Secretary Brucker, of the Army, and with Lt. John Palmer. They wanted to tell Members of Congress some of the recent developments of the Army. I was surprised to have Mr. Brucker tell us today that soldiers of the United States are now stationed in 72 different countries.

Returning from that seminar, so to speak, to open a session of the Subcommittee on Antitrust and Monopoly Legislation, which has been studying the oil problem recently, I put into the record this morning, after having it identified by Mr. Brewster Jennings, the president of the Socony-Mobil Oil Co., a list of the corporations which that company has. It is a list of 234 different corporations. Of the 234 corporations, 44 have been chartered by foreign governments.

This is a picture, on the one hand, of how our military forces are scattered around the world, and a picture, on the other hand, of how our commercial power is scattered around the world, through the operation of corporate mergers and affiliations and associations of various kinds.

When Mr. Rathbone, the president of the Standard Oil Company of New Jersey, testified before our subcommittee a week or so ago, I asked him how many charters the Standard Oil Company of New Jersey had. He told me it had about 250. Then he told us that perhaps 100 of them were mere paper corporations; in other words, corporations which are being held in abeyance, to be utilized at some future time, if necessary, to carry out the purpose of a major oil company engaged in worldwide petroleum operations.

The significance of this is simply that concentration of economic power is undermining the American system of government. There is no explanation for it except that the big corporations feel compelled to follow this course. There is no more excuse for it than there is for the expansion of the Government itself, except that throughout the century we have been living in an emergency, a political and economic emergency. In World War I and again in World War II and in the Korean war Congress granted new powers to the Government of the United States, and established a multiplicity of new agencies. New agencies are being suggested all the time.

We have a concentration of government power, political power, in Washington. We also have a concentration of economic power in the corporations which are created not by the Government of the United States under Federal charter but by the States of the Union, which have no authority to regulate commerce among the States or with foreign governments.

The power to regulate commerce was granted by the Constitutional Fathers to the Congress of the United States and to that body alone. What was the purpose of regulation? The purpose was not to take the regulated groups over; the purpose was not to control business; the purpose was to make certain that business should not be carried on to the detriment of the welfare of the people of the country. That is all.

I make no attack upon big business. I know when I preside over hearings the newspapers and magazines which publish business reports customarily refer to me as a "trust buster" or a radical who desires to destroy big business. Repeatedly I have stated upon the floor of the Senate that America could not have fought World War I or World War II without big business. We need that big organization. It is efficient. But it is carried on wholly outside the regime of the Government of the United States.

The bill with respect to banking which the Senate is now considering has some very valuable features. I am not criticizing them. I wish to make no change in them by this amendment. I merely wish to say that since we know bank mergers are taking place and since we have had the example of what bank mergers will do, at least the bill should have a saving clause exactly in the terms of the saving clause which already is in another place in the bill.

I ask Senators who may be interested in this matter to turn to page 146 of S. 1451, where they will find section 61 of title II. The section reads as follows:

> Nothing contained in this chapter shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything contained in this chapter constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

Mr. ROBERTSON. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I am glad to yield.

Mr. ROBERTSON. The junior Senator from Virginia was the patron of that bill during its consideration by the Senate. That section was drawn by representatives of the Department of Justice, and they were just a little too shrewd for the Senator from Virginia, who did not want to preclude——

Mr. O'MAHONEY. I do not think they were too shrewd for the Senator from Virginia.

Mr. ROBERTSON. Yes, they were. They were too shrewd, because the Senator from Virginia did not know they were planning a bank merger bill of their own and that when they did get their bank merger bill, then the Senator's bill would go out the window.

The Senator from Wyoming says all he wishes to do is to offer a little amendment. It is much like the story of the colored man who had a butcher knife and a catfish. The colored man said to the fish, "I am only going to do so-and-so."

The Senator merely wishes to add a little provision so that if Representative CELLER and the Senator from Wyoming can get through the Congress a bill putting bank mergers under the Department of Justice, the Fulbright bill and this bill will have no value or effect. They will go out the window and the Department of Justice will take over.

That is the reason the Senator from Virginia said he did not know what the representatives of the Department of Justice had in mind when they said "maybe," referring to some future date. He did not know what they were up to. That little wording was slipped in.

All the Senator from Wyoming seeks to do is to put it in this bill; but the Senator from Virginia has found out what the whole scheme is.

Mr. O'MAHONEY. When did the Senator from Virginia find out?

Mr. ROBERTSON. The Senator from Wyoming knows that all the banks of the Nation and all the Federal agencies except the Department of Justice are opposed to this scheme.

The frank approach to this subject would be not to adopt this little amendment, not to adopt the amendment of the Senator from Illinois [Mr. DOUGLAS], but to pass a bill which would put the matter into the open, aboveboard, under the Department of Justice, so that Senators could fight it out.

We have once voted for support of the Fulbright amendment.

Mr. O'MAHONEY. I have yielded to the Senator from Virginia. Now I ask the Senator from Virginia to answer a question which I shall propound to him.

Mr. ROBERTSON. I shall do my best. Do not make it too difficult.

Mr. O'MAHONEY. I shall try not to, and I promise not to cut the throat of any fish. I see no fish in the Senate Chamber.

I ask the Senator from Virginia when he discovered this subterfuge of the Attorney General.

Mr. ROBERTSON. I did not call it a subterfuge.

Mr. O'MAHONEY. No; I did.

Mr. ROBERTSON. Very well.

Mr. O'MAHONEY. I was merely changing the terminology.

Mr. ROBERTSON. The Senator from Virginia discovered it in the testimony before the committee, given by the advocate of the language offered now by the distinguished Senator from Illinois, to use what he said was the interpretation of the Federal Reserve Board of that language in the Bank Holding Company Act.

Mr. O'MAHONEY. When was that?

Mr. ROBERTSON. He wanted to put that into this bill. Then the Senator from Virginia saw what the whole business was.

Mr. O'MAHONEY. I beg the Senator to answer my question as to the timing. When did the Senator from Virginia discover this trick?

Mr. ROBERTSON. The Senator from Virginia discovered it in the course of the hearings last February.

Mr. O'MAHONEY. Last February?

Mr. ROBERTSON. Last month.

Mr. O'MAHONEY. Last month? A month ago?

Mr. ROBERTSON. That is correct.

Mr. O'MAHONEY. Is the Senator from Virginia not aware that a year ago the Attorney General through his assistant at the head of the Antitrust Division, Mr. Barnes, testified before the Committee on the Judiciary in favor of the bill which the Senator calls the Celler-O'Mahoney bill? I am not entitled to any credit for the bill at all, because I did not draft it. I merely conducted hearings upon it.

Mr. ROBERTSON. The Senator from Wyoming asked the Senator from Virginia when he discovered he had overreached himself in the bank holding company bill, prepared 3 years ago. I did not find out until the hearings last month what the meaning was of the wording we had put into the bank holding company bill. It was a saving clause on the part of the Department of Justice, so that if they could ever get through the Congress the kind of bill with relation to which the Department testified before the Senator's committee last spring, they could take this matter over. We turned them down; and the Senator will remember the vote. We turned them down in favor of the Fulbright bill.

This is the same provision, and the Congress will turn it down again. If the Congress is going to turn it down again it should not be inserted into this bill as a little so-called harmless amendment, which takes the essence from the bill.

Mr. O'MAHONEY. Does the Senator from Virginia believe that there should not be a saving clause in the chapter of this bill dealing with the merger of bank-holding companies?

Mr. ROBERTSON. The Senator from Virginia is trying to make it crystal clear that in accepting the saving clause he was led down a blind alley. He is not going to be led down a blind alley again. What the Senator calls a saving clause is a little device to nullify the bank-merger provision in the banking bill. Let us not call it a saving clause.

Mr. O'MAHONEY. That is what the committee called it. The Senator accepted it and brought it to the Senate. When did the Senator report the bill? The bill before me shows that it was reported to the Senate on March 4. What was the Senator doing between February and March 4, when he reported the bill?

Mr. ROBERTSON. The Senator is certainly in the dark as to what he discovered. If he was wrong the first time, he is right the second time.

Mr. O'MAHONEY. The Senator says he discovered this in the last part of February, but he reported the bill on the 4th of March with the saving clause in it. I ask only that we add another saving clause, so as to make certain we are not marching down the avenue of monopoly.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. FULBRIGHT. Section 7 of the Clayton Act is not applicable to bank mergers at all.

Mr. O'MAHONEY. I did not mention it.

Mr. FULBRIGHT. Whereas it is applicable to holding companies and to the acquisition of banks by holding companies. It has no applicability here. There is no need whatsoever for it so far as the existing law under the Clayton Act is concerned. If the Senator is anticipating changing the Clayton Act, then perhaps——

Mr. O'MAHONEY. May I interrupt the Senator from Arkansas, since I have the floor? Now that I do not find any comfort among my Democratic friends on the Committee on Banking and Currency, I am going to walk over to the Republican side. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. Is the Senator from Wyoming conceding defeat?

Mr. DOUGLAS. Before the Senator from Wyoming crosses the floor to the other side of the aisle, I hope he will realize that there are a number of Democrats on the Committee on Banking and Currency who feel as he does, and who offered a similar amendment last year, but who were voted down in the Committee on Banking and Currency.

Mr. O'MAHONEY. I know that.

Mr. DOUGLAS. As the Senator from Wyoming well knows, the Senator from Illinois has an amendment which is even stronger than the proposal of the Senator from Wyoming. I have merely sidetracked it for the moment, until the Senator from Wyoming can try out his wings. If the Senator from Wyoming fails with his amendment, I am ready to go to bat with an even stronger amendment.

I hope the Senator from Wyoming will not go to the other side of the aisle. It ill behooves an O'Mahoney to be on the other side. [Laughter.]

Mr. O'MAHONEY. I do not know if St. Patrick was ever on the Republican side, but I am willing to stand here and make my speech, because now I shall make a speech which the Attorney General of the United States, Mr. Brownell, made before the Committee on Banking and Currency. That is why I am on the Republican side; it is not because I am changing my position about monopoly. Neither is the Attorney General changing his position about monopoly.

Mr. DIRKSEN. Mr. President, will the Senator from Wyoming yield for one observation, before he makes the speech?

Mr. O'MAHONEY. I am always fearful when I yield to the smiling junior Senator from Illinois. [Laughter.]

Mr. DIRKSEN. Mr. President, to make certain that the Senator will not be too effective and too persuasive, I thought at the very outset I should divest him——

Mr. O'MAHONEY. When the Senator says "him," to whom does he refer?

Mr. DIRKSEN. I refer to my friend, the distinguished junior Senator from Wyoming.

I thought I should divest him of any sense of comfort by telling him that I share his sentiments up to the comma in the third line; but beyond that, certainly, I think the language would be bad law, it would be law by legislative fiat, to strike down every defense that a person might wish to plead in a pending action or any action which may be taken hereafter; and that would have to apply, of course, to any amendment to the proposed act, or to anything which might be recited in the so-called Premerger Act on which long hearings were held in the Committee on the Judiciary.

If the act shall be amended, directly or indirectly, at some future time with the provisions of a premerger act, we shall by legislative fiat by striking down every defense which can be uttered in court in defending a case, notwithstanding the rights which may be conferred hereunder or by any future amendment to the law.

The mischievous words in the amendment are the words "hereafter" and "again." Everything will go out the window. I think it would be unconscionable for the Senate to agree to an amendment of that kind.

Mr. O'MAHONEY. Now that I have yielded to the junior Senator from Illinois——

Mr. DIRKSEN. I am grateful to the Senator from Wyoming.

Mr. O'MAHONEY. I certainly do not think the Senator represents the Republican policy with respect to antitrust and monopoly—in fact, I know he does not, because I serve with him on the Committee on the Judiciary, and I know he is an advocate of free enterprise. I am certain that when he campaigned for reelection in 1956, he made it clear to the citizens of Illinois that he was for free enterprise and the small-business men—those in Peoria and in other parts of the State of Illinois.

Mr. DIRKSEN. Mr. President, will my friend yield now for the appropriate answer?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I cannot deny myself the pleasure of yielding to the junior Senator from Illinois.

Mr. DIRKSEN. I attended every hearing on the premerger bill. Along toward the end of the hearings, and when the bill was under consideration by the full committee, the full committee offered an amendment which would have conferred power upon a merged corporation or both corporations to go before a United States district judge to secure a declaratory judgment on the merits of the case.

The junior Senator from Illinois speaks only for himself, but he must advise the Senate that there were enough votes in the Committee on the Judiciary to write that proposal into the premerger bill.

My distinguished friend from Wyoming, if I can quote his words, said late that day, "You have emasculated my bill."

I am speaking only for myself; I do not necessarily represent the Republican viewpoint. But there were enough of us in the Committee on the Judiciary to write that kind of a proposal into the premerger bill.

Mr. O'MAHONEY. I know not only that I hold the opinion that the Senator's amendment would have emasculated the bill, but I had the opinion of the Republican Attorney General, Mr. Brownell, and the Republican Assistant Attorney General, Mr. Barnes, who was at the head of the Antitrust Division of the Department of Justice.

Mr. DIRKSEN. Mr. President, will my friend yield?

Mr. O'MAHONEY. I want to refer to the Brownell argument. The Senator is not conducting a filibuster against the Attorney General, is he?

Mr. DIRKSEN. No; I simply wish to round out the story, if my affable and gracious friend from Wyoming will yield. He was not only content to secure the views of the head of the Antitrust Division in the Department of Justice, but he even brought him before the committee, and then brought me in, so that, along with his shock troops, he might persuade the humble junior Senator from Illinois. But the junior Senator from Illinois was not persuaded, notwithstanding the presence of those who came from the Department of Justice to point out the error of his ways.

Mr. O'MAHONEY. Oh, Mr. President, the junior Senator from Illinois would never yield where his convictions were concerned. I would not charge that. But I do say that the Republican Attorney General of this administration is on the right side.

I had better move over where I belong, if I speak for antitrust and antimonopoly legislation.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from New York?

Mr. O'MAHONEY. I really would like to read one or two remarks of the Attorney General.

PRESIDING OFFICER. The Senator from Wyoming declines to yield.

Mr. O'MAHONEY. I have in my hand part 2 of the hearings before a subcommittee of the Committee on Banking and Currency, United States Senate, 85th Congress, 1st session, on a proposed bill to amend and revise the statutes governing financial institutions and credit, January 28, 29, 30, and 31; February 1, 4, 5, 7, 8, 11, 12, 14, 15, and 18. One of the latter days was the day upon which the junior Senator from Virginia discovered what was happening. From page 1024, I quote the Attorney General:

> So much for this brief narration of dealings between this Department and the Federal Reserve Board of how we are getting along with this first test of the bank holding company provisions; in other words, in the course of a consolidation under the Bank Holding Company Act. But I would say that, more broadly than this, the bit of history that I have outlined here suggests appropriate roles for the Department of Justice and each banking agency in consideration of, not only holding company, but all bank mergers. And so we suggest that section 23 should be amended—

And that is what I am trying to do—

> therefore, specifically to require notice to the Attorney General and to enable him to intervene, or at least offer his views, to the banking agency considering any bank merger.
>
> (3) Finally, beyond competitive standards and questions of intervention, section 23 should be amended, again paralleling Bank Holding Company Act provisions, to include some antitrust savings clause. You will remember that the Bank Holding Company Act and this pending committee print which is before you contains this provision:
>
> "Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct."
>
> Now, we believe that this savings clause should apply to all bank mergers as it now does to formation of, or acquisition by, bank holding companies. Such application would carry out the proposal that was advanced by the Federal Reserve Board Chairman that—

And then the Chairman of the Federal Reserve Board was quoted.

Mr. ROBERTSON. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Wyoming yield to the Senator from Virginia?

Mr. O'MAHONEY. I yield.

Mr. ROBERTSON. I should like to remind my distinguished friend that when the Attorney General of the United States was trying to draw an analogy between bank holding companies and commercial banks, he was completely overlooking and ignoring the fact—as our distinguished colleague is also doing today—that the bank holding companies have the privilege of buying stock in banks, and that usually they acquire banks in that way. Buying bank stock comes under section 7 of the Clayton antitrust law. In the case of commercial banks which have merged their assets, there is a desire by some persons to bring the whole business of commercial banks under the antitrust laws in that way; and those who take that position are trying to use two entirely different situations as analagous, although they are not at all analagous.

I respectfully remind my colleague, who has quoted a Republican, that all the other Republicans in the administration took the opposite view, and were just as vehement in their opposition to the position of the Department of Justice as the Department of Justice was in favor of expanding its jurisdiction and grabbing this new power.

Mr. O'MAHONEY. Mr. President, I am perfectly well aware of the fact—and I think most of the other Members of Congress must be—that the mergers of banks crossing State lines are one of the most effective instruments in the hands of monopoly. The concentration of economic power in the Nation was built up by banks which controlled funds which they desired to loan to the combinations in the field of industry. If we examine the names of the boards of directors of banks and industries in the United States, we find bankers represented in the most important places in the management of concentrated industry which is creating the condition which makes the country cry out for aid for small business.

Mr. President, I well remember that, when this administration began to act in accordance with its desire to balance the budget, it began to cut down appropriations and to abolish bureaus. One of the bureaus it abolished was the Small Business Administration. It also abolished the Reconstruction Finance Corporation, which probably had passed its usefulness; and no great protest was made against the liquidation of the RFC. It had made money for the Government, but the liquidation was regarded as satisfactory. However, that was not so in the case of the Small Business Administration. Scarcely 3 months had passed after the Small Business Administration was abolished before the administration sponsored a bill to establish another Small Business Administration, by which loans are being made to small business because, through the concentration of big banks and big mergers, the small businesses are unable to obtain the loans they need in order to support new industries in the respective States of the Members of this body. I dare say that every member of the Banking and Currency Committee has, in his files, appeals from his own constituents, requesting, somehow, someway, that business loans be made available to their small groups.

I have seen Members of the Senate rise upon the floor and submit resolutions, which they have received from their local chambers of commerce, asking that Congress or the Government do something for small business. But here we are haggling over a saving clause which already is in the bill. The only defense against doing what the Attorney General requests is that those who are in opposition did not see the saving clause when it was put in, a year ago. What does this situation mean? Does it mean that those who are resisting this amendment believe that insofar as the banks are concerned the antitrust laws should be repealed? Mr. President, there can be no other explanation of their stand. Let the RECORD so show.

Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there a sufficient second?

The yeas and nays were not ordered.

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Carlson	Dworshak
Allott	Carroll	Eastland
Anderson	Case, N. J.	Ellender
Barrett	Case, S. Dak.	Ervin
Beall	Chavez	Flanders
Bennett	Church	Frear
Bible	Clark	Fulbright
Blakley	Cooper	Goldwater
Bridges	Cotton	Gore
Bush	Curtis	Green
Byrd	Dirksen	Hayden
Capehart	Douglas	Hennings

Hickenlooper	Martin, Iowa	Russell
Hill	Martin, Pa.	Saltonstall
Holland	McCarthy	Schoeppel
Hruska	McClellan	Scott
Humphrey	McNamara	Smathers
Ives	Monroney	Smith, Maine
Jackson	Morse	Smith, N. J.
Javits	Morton	Sparkman
Jenner	Mundt	Stennis
Johnson, Tex.	Neuberger	Talmadge
Johnston, S. C.	O'Mahoney	Thurmond
Kefauver	Pastore	Thye
Kerr	Payne	Watkins
Kuchel	Potter	Wiley
Lausche	Purtell	Williams
Long	Beveridge	Young
Magnuson	Robertson	

The PRESIDING OFFICER. A quorum is present.

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming wish to renew his request for the yeas and nays?

Mr. O'MAHONEY. Mr. President, I have not yielded the floor.

The PRESIDING OFFICER. The Senator yielded the floor when he suggested the absence of a quorum, but the Chair recognizes the Senator from Wyoming.

Mr. O'MAHONEY. I thank the Chair.

I desire to ask for yeas and nays on my amendment; and in order that that may be made clear to Senators who have responded to the call, and who were not present when my amendment was offered, I wish to say that the pending bill retains, in the chapter dealing with bank holding companies, the precise saving clause which I desire to add to title III of the bill, which has to do with the merger of Federal Deposit banks.

The Attorney General has supported—and, indeed, suggested—the amendment which I offer, which merely provides, in the language of paragraph 61, on page 146, chapter 9, of the bank holding company bill, as follows:

> Nothing contained in this chapter shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything contained in this chapter constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

That is the precise language reported by the committee, which I desire to add to section 23 of title III.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, I shall not consume much time. I should like to say first, before I explain the significance of the amendment, that I agree with much of what the Senator from Wyoming has said about mergers in the industrial field. However, it has no application whatever to the subject under consideration. Also, the place in the bill where the language presently appears has no application to the merger of banks. It has application in that instance only to the acquisition of banks by a bank holding company. Section 7 of the Clayton Act applies at present to bank holding companies that acquire stock in banks. It does not apply to banks, because banks themselves are prohibited from the acquisition of shares in other banks.

Mr. President, the effect of the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] would be that any bank merger approved by the Comptroller of the Currency, the Federal Reserve Board, or the Federal Deposit Insurance Corporation would be subject to subsequent review by the Justice Department. I am not quite sure what the Senator has in mind in proposing this amendment.

The existing antitrust laws have never been used to stop a bank merger. Sections 1 and 2 of the Sherman Antitrust Act are applicable to bank mergers, but the Justice Department has never proceeded against a bank merger pursuant to its provisions. Section 7 of the Clayton Act applies only to bank mergers through stock acquisitions and, as we all know, banks merge through asset acquisition rather than through stock acquisition. Thus, at the present time the Sherman Act and the Clayton Act are completely ineffectual in dealing with bank mergers; and, of course, that is the reason we have placed the new bank-merger provision in this bill.

One of the reasons why there have been so many bank mergers, about which the Senator from Wyoming complains, is that there has been no provision in bank legislation to require consideration of the competitive factors. That is why the bill contains the provision now found in it.

Thus, so far as existing law goes, this proposed saving clause does not seem to have any meaning. I should mention that there was good reason for adding a similar provision to the Bank Holding Company Act, since bank holding companies do acquire banks through the acquisition of stock, and, therefore, are subject to the Clayton Act.

I am afraid that if this provision is adopted, it will be construed as an expression of opinion by the Senate in favor of future legislation giving authority to the Justice Department to regulate bank mergers under the Clayton Act. Certainly, if that is the intent of the Senator from Wyoming, I am opposed to the amendment and want to have no part of it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Let me complete this paragraph, and then I shall be glad to yield.

Because I believe in passing this bill we are settling the question of the regulation of bank mergers and that there is no need for additional legislation on the subject. If the O'Mahoney amendment is adopted, it could be argued that its purpose is to lay the groundwork for future legislation to give the Justice Department a veto power over all bank mergers approved by the banking supervisory agencies.

Therefore, Mr. President, I am opposed to the O'Mahoney amendment because under existing law it serves no useful purpose and it might have serious consequences in connection with future legislation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Wyoming for a question. I do not yield the floor.

Mr. O'MAHONEY. The Senator is not following my example when I yielded for many speeches. However, I do not quarrel with him.

I should like to ask the Senator a couple of questions.

Did I correctly understand the Senator to say that the antitrust laws do not apply to bank mergers?

Mr. FULBRIGHT. The Clayton Act, section 7, does not apply.

Mr. O'MAHONEY. The Senator did not answer my question. I think the antitrust laws include the Sherman Act.

Mr. FULBRIGHT. The Sherman Act applies; but during all the time the Sherman Act has been on the books it has never once been applied by the Department of Justice to a bank merger.

Mr. O'MAHONEY. That may have been due to the laxity of the Department of Justice.

Mr. FULBRIGHT. I do not understand why the Senator is so eager to have the Department of Justice enter this field, when it has been so lax. Why does the Senator think it would do such a fine job?

Mr. O'MAHONEY. Does the Senator wish to have me answer that question?

Mr. FULBRIGHT. Yes.

Mr. O'MAHONEY. My answer is simply this: The Committee on Banking and Currency refused even to place a provision in the bill—though the Attorney General requested it—which would provide for requesting his opinion upon a bank merger before it could be approved.

Mr. FULBRIGHT. But the Sherman Act——

Mr. O'MAHONEY. The bill which the committee has reported, together with the debate which is now being conducted by the junior Senator from Virginia [Mr. ROBERTSON], and the Senator from Arkansas, all indicate that it is not desired to have antitrust laws apply to bank mergers. That is why I desire the yeas and nays on my amendment. We know, do we not, that mergers are destroying independent enterprise?

Mr. FULBRIGHT. The Senator from Wyoming made a great speech on that subject. It has nothing whatever to do with bank mergers.

As we know, banks are not in the same class as industrial enterprises. The Senator from Wyoming cited the Standard Oil Company of New Jersey and other examples. We have regulatory agencies for the banks. We do not, as a matter of public policy, say that we want the highest degree of competition in the banking field. On the contrary, under the existing laws, we direct the Comptroller to be very careful in granting charters for new banks because we do not wish him to grant charters which would result in destroying the effectiveness of existing banks.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. We do not have the same philosophy with regard to banks that we have with respect to an ordinary

corporation. All this bill does is to keep the regulation of banks within the established banking supervisory agencies.

Mr. ROBERTSON and Mr. O'MAHONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. FULBRIGHT. I yield first to the Senator from Virginia; then I shall yield to the Senator from Wyoming.

Mr. ROBERTSON. Is it not a fact that the language contained in the pending bill is the same as that contained in the so-called Fulbright bill, which the Senate passed last year by a large majority?

Mr. FULBRIGHT. The Senator is correct.

Mr. ROBERTSON. Is it not a fact that during the committee's consideration of the issue this year, the Federal Reserve Board, the FDIC, and the Comptroller of the Currency were emphatically in favor of the Fulbright bill?

Mr. FULBRIGHT. The Senator is correct.

Mr. ROBERTSON. Is it not also a fact that the American Bankers Association and bankers generally, as shown by letters placed in the RECORD this morning, approve the bill as written?

Mr. FULBRIGHT. That is correct.

Mr. ROBERTSON. Is it not a fact that the pending amendment was not brought to the attention of the committee when we were considering the bill?

Mr. FULBRIGHT. That is correct.

Mr. ROBERTSON. What did the Comptroller of the Currency say to the committee after the O'Mahoney amendment was offered?

Mr. FULBRIGHT. I have a letter from the Comptroller of the Currency. It is a 2-page letter. He is strenuously opposed to the amendment. I intend to read a few paragraphs from the letter, and then ask to have the entire letter placed in the RECORD.

Mr. DIRKSEN and Mr. O'MAHONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. FULBRIGHT. I yield first to the Senator from Illinois; and then I shall yield to the Senator from Wyoming.

Mr. O'MAHONEY. I should like to get my question into the RECORD.

Mr. DIRKSEN. The premerger bill, after lengthy testimony during the previous Congress, was inspired by the so-called merger in New York City. Banks were included. Bankers, through their association, came before the committee, and said they had no objection whatever to being amenable to the monopoly and antitrust laws; but they wanted the normal supervisory agencies in Government to supervise them, rather than being put under the Department of Justice. That is precisely the case here.

Mr. FULBRIGHT. That is what the bill as written does. That is not the case with the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]. I yield now to the Senator from Wyoming for a question.

Mr. O'MAHONEY. Is the Senator from Arkansas aware of the opinion expressed by the Attorney General of the United States when he appeared before the committee?

Mr. FULBRIGHT. I have heard the Senator from Wyoming read it in extenso.

Mr. O'MAHONEY. The Senator has heard only a very small part.

Mr. FULBRIGHT. I could say to the Senator from Wyoming that we engaged in a very similar debate on the floor last year. I simply do not agree with the Senator that the merging of banks should be placed under the jurisdiction of the Department of Justice. I do not believe that the same competitive criteria that are applied to commercial enterprises should apply to banks.

Mr. O'MAHONEY. Am I to understand that the Senator is of the opinion that the Sherman Act should not apply to the merger of banks?

Mr. FULBRIGHT. That is a very academic question. It is quite all right, so far as I am concerned, to leave it as it is now. The Sherman Act has been on the books for about 60 years, I believe, and during that time not one Attorney General, Republican or Democratic, has ever applied that act to bank mergers.

Banks are regulated by the agencies which are established for that purpose. These agencies must take into consideration a great many things which are not particularly appropriate when considering the merger of two steel companies or two oil companies or two automobile companies.

Mr. O'MAHONEY. Is the Senator not aware of the fact that last year when the Bank Holding Company Act was under consideration the Bank of America, for one, engaged in a farflung enterprise all over the United States by buying into other banks before the holding-company bill became law?

Mr. FULBRIGHT. I believe the Senator is referring to the Transamerica Corp.

Mr. O'MAHONEY. Perhaps it was the Transamerica Corp.

Mr. FULBRIGHT. Yes.

Mr. O'MAHONEY. That was done, was it not?

Mr. FULBRIGHT. The Senator is correct.

Mr. O'MAHONEY. In the Senator's mind, does not that indicate that there was a desire on the part of that particular institution to merge banks all over the country under its own management?

Mr. FULBRIGHT. That is why we passed the Bank Holding Company Act. I do not see that that has anything to do with the pending bill. The Senator's proposed amendment is contained in the Bank Holding Company Act. We are confronted with a different situation at the present time.

Mr. O'MAHONEY. The Senator from Virginia has told the Senate in his argument today that the saving clause would not have gotten into that bill if he had awakened to it in time. Does the Senator from Arkansas share that opinion?

Mr. FULBRIGHT. I do not question that is particularly pertinent so far as the present argument is concerned. They are entirely different cases. Actually, the Clayton Act does apply in the case of holding-company acquisitions of bank stock. It does not apply to banks. The Senator knows that banks are prohibited from buying shares of stock of other banks.

Mr. O'MAHONEY. The Senator may or may not know that only a few years ago I introduced a bill in the Senate, and a similar bill was introduced in the other House, to repair the gaping hole in the Clayton Act, by which mergers, which were prohibited by the purchase of stock, were permitted by the purchase of assets. Does the Senator not know that under the law, a merger may take place by the purchase of assets, letting the corporate charter stand unaffected?

Mr. FULBRIGHT. Under the pending bill, if the Comptroller believes the merger would unduly lessen competition, he would disapprove it.

Mr. O'MAHONEY. What is the difference between unduly and substantially?

Mr. FULBRIGHT. The two are different. The word "substantially," following the interpretations of the Clayton Act, would have a different impact upon a merger. It would be interpreted much more arbitrarily, because of past court decisions. I believe the banking agencies should have the discretion which we intend to give them through the use of the word "unduly."

Mr. O'MAHONEY. Was it the intention of the Senator, by using the word "unduly," to make it easier for banks to merge?

Mr. FULBRIGHT. It would not necessarily make it easier, but it would give the Comptroller greater flexibility, because in many instances——

Mr. O'MAHONEY. How would it grant him greater flexibility?

Mr. FULBRIGHT. In many cases, although a merger might cause a substantial lessening of competition, the Comptroller may still feel that the banks should be merged. An example would be where one of the banks probably would fail otherwise.

Mr. O'MAHONEY. The Senator from Arkansas, I take it, is of the opinion that a little merger is all right. Is that correct?

Mr. FULBRIGHT. No; I am of the opinion that we have established the Office of Comptroller of the Currency, the FDIC, and the Federal Reserve Board, to supervise our banks. Banks have a fiduciary relationship to the public, which industrial corporations do not have. After the disastrous period in the early 1930's, when the banks were closed and so many of them went out of business, we established a type of supervision over banking that we do not have over industry generally. I believe that if the Comptroller and the Federal Reserve Board and the FDIC do their duty, they will not permit mergers which are not justified.

I may say that I, for one, have just as much confidence in the Comptroller of the Currency to do effective work as I

have in the Department of Justice. The Department of Justice has had the power to act for 60 years, but in that time it has not applied the Sherman Act to one bank merger. So I ask the Senator from Wyoming why he is suddenly so fond of the Department of Justice?

Mr. O'MAHONEY. It is because the merger fever is just beginning to be recognized. Does the Senator take the position that the Sherman antitrust law should not apply? I am sure he does not.

Mr. FULBRIGHT. I take the position that the provision as written in this bill for the control of bank mergers affords a better way to control them than anything we now have.

Mr. O'MAHONEY. The Senator wants to control bank mergers?

Mr. FULBRIGHT. As provided in the proposed legislation, I do. I am for that provision and I am against the Senator's amendment.

Mr. O'MAHONEY. That is very clear, but not convincing, I may say.

Mr. JAVITS and Mr. KEFAUVER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and, if so, to whom?

Mr. FULBRIGHT. I yield first to the Senator from New York

Mr. JAVITS. Mr. President, I should like to qualify myself to ask the question I am about to propound by the following statement: I have received a telegram from the Superintendent of Banks of the State of New York, in which telegram he urges me to vote against any amendment to the section now under consideration, and to support the section as is.

The question I have is, Do I correctly understand that the Senator from Arkansas opposes the amendment because he feels there is built into the section itself an antitrust law, that it is to be administered by agencies of Government charged with the regulation of banks, and that he does not wish to transfer that authority, by virtue of this amendment, to some other agency of Government to administer another antitrust law not concerned with mergers and consolidations?

Mr. FULBRIGHT. In a general sense the Senator has stated my position correctly. I am opposed to the amendment with this qualification: The amendment does not presently put the banks under the Department of Justice, but it is believed, the amendment is preparatory to a move to put banks under the Department of Justice. Under existing law, the amendment is meaningless unless it has the meaning ascribed to it by the Senator from Illinois [Mr. DIRKSEN] a moment ago, which is certainly neither a proper nor an appropriate meaning.

Mr. JAVITS. Is it possible that if this amendment should be adopted, after the Comptroller of the Currency or the Board of Directors of the Federal Reserve System had approved a merger or a consolidation, the Attorney General could then invoke the power he has not exercised for years under the Sherman Act, and nevertheless seek to undo the merger or consolidation despite the finding of another Government agency that it was perfectly proper?

Mr. FULBRIGHT. If this amendment should be agreed to, I think the effect would be to reserve to the Attorney General such a veto power, if he should be given authority over bank mergers in some future law.

Mr. JAVITS. I should like to point out that when I was Attorney General of New York, which is a position I held quite recently, the banking superintendent there had the power to approve mergers, the same power proposed to be given to the Comptroller of the Currency under the bill. The banking superintendent always coordinated with me, though there was doubt whether, under our antitrust laws, I could have done anything about it. We found that there were mergers which were absolutely essential to bring banking service to small communities. The banks, either for lack of business or because they did not have capital adequate to meet the growing need, would have found it necessary to deprive the community of service if we had not permitted the merger.

We also found—which is important in connection with this situation—that if we had not agreed that such applicants would have to face only one regulatory agency, to wit, the superintendent and Attorney General combined, and if they had had to run two hurdles, they would not have made progress at all.

I should like to have the comments of the Senator from Arkansas in the light of the contents of this telegram.

Mr. FULBRIGHT. The Senator has described the main purpose of the language the bill now contains, providing for the procedure to be followed. There are cases in which mergers are clearly for the benefit of particular communities, although they may substantially lessen competition within the meaning of the word as used in the Clayton Act. That is why we have used the new language, and why we also leave the control within the regulatory agencies. The bill permits the Comptroller of the Currency to confer with the Attorney General if he wishes. We simply do not make it mandatory, and we do not wish to give the Attorney General any veto power. If there is some question of policy involved, then the banking agencies may get the view of the Attorney General. We do not prohibit consultation.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JACKSON. What concerns me is the fact that the Comptroller of the Currency has never disapproved mergers.

Mr. FULBRIGHT. In none of our laws relating to banks, have we indicated that he should take competitive factors into consideration. That is why we have this provision in the pending bill.

Mr. JACKSON. The Comptroller has the discretionary authority to act.

Mr. FULBRIGHT. But the Congress has never indicated he should disapprove a merger because it might lessen competition.

Mr. JACKSON. Perhaps not on that specific ground. But, as a matter of fact, he is approving mergers right and left, is he not?

Mr. FULBRIGHT. He is certainly under the impression that he has no authority to disapprove a merger on competitive grounds. That is why he approved them.

Mr. JACKSON. Perhaps not on that ground; but the point is that he is approving them.

Mr. FULBRIGHT. Oh, yes.

Mr. JACKSON. The record will show, I think, that very few mergers have been turned down, if any. The record will show that one after another, regardless of the size, has been approved.

Mr. FULBRIGHT. If the Senator wishes to make a comparison, I point out that there is on the books a law which expressly covers mergers; that is, the Sherman Anti-Trust Act. Did the Attorney General of the United States ever bring any suit to stop a bank merger? There is no comparable provision in banking legislation. That is the point.

Mr. JACKSON. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. JACKSON. I wish to finish this one thought. I should like to refer to page 1028 of the committee hearings in connection with the interrogations by the distinguished senior Senator from Illinois [Mr. DOUGLAS], which appear at the top of that page. I read:

> Senator DOUGLAS. I notice the very able Deputy Comptroller is here. I wonder if he could give us information on this point?
>
> Senator ROBERTSON. The Chair recognizes Mr. Jennings if he wishes to answer the question.
>
> Mr. JENNINGS. The number of bank mergers approved by the Comptroller during 1956 numbered 105. Through the first 6 months of 1956, State superintendents approved about 54.
>
> Senator DOUGLAS. How many were disapproved?
>
> Mr. JENNINGS. I do not have those figures in my mind. I do not know for the State banking departments.
>
> Senator DOUGLAS. How many were disapproved by the Comptroller?
>
> Mr. JENNINGS. I would say 3 or 4.

There is the problem.

Mr. FULBRIGHT. Would the Senator wish to have the Comptroller disapprove a merger on a ground which is not provided in the law?

Mr. JACKSON. Why is he taking affirmative action to approve them?

Mr. FULBRIGHT. He is requested to approve a merger.

Mr. JACKSON. Why could he not make it clear that a merger is not in the interest of good banking? If he is taking affirmative action to approve, obviously he is acting with authority. Otherwise, why is authority needed?

Mr. FULBRIGHT. Is the Senator attempting to tell the Senate that heads of bureaus should adopt any policy which comes to their minds and take action thereon, without one line in the law authorizing such action. Does the Senator think they ought to do that? I have never heard of such a policy.

Mr. JACKSON. If the Comptroller has the authority to approve, does that not also imply the authority to disapprove?

Mr. FULBRIGHT. Certainly he has it, but only on grounds provided in the law.

Mr. JACKSON. Apparently he could not find grounds.

Mr. FULBRIGHT. There is nothing in the law indicating he should disapprove on the ground of lessening competition.

Mr. JACKSON. Are there grounds only to approve?

Mr. FULBRIGHT. There are many criteria to be taken into consideration, but that a merger might lessen competition is not one of the grounds set forth in the law.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I notice, at page 1012 of the hearings, that Mr. Gidney, the Comptroller of the Currency, when he was testifying before the House Antitrust Subcommittee of the Committee on the Judiciary, with regard to H. R. 5948, introduced by Representative CELLER——

Mr. FULBRIGHT. Does the Senator refer to hearings before the Committee on the Judiciary? I do not believe those are the hearings I have.

Mr. KEFAUVER. I propose to read from part 2 of the hearings of the Subcommittee of the Committee on Banking and Currency of the United States Senate.

Mr. FULBRIGHT. Part 2?

Mr. KEFAUVER. Page 1012.

Mr. Brownell, who had been talking about the application of section 7 to banks, made this statement:

> Endorsing this view, the Comptroller of the Currency—

That is Mr. Gidney, as I understand——

Mr. FULBRIGHT. That is correct.

Mr. KEFAUVER. I read Mr. Brownell's statement:

> Endorsing this view, the Comptroller of the Currency stated before the House Antitrust Subcommittee (Subcommittee No. 5):
>
> "We are in accord with the general purpose of H. R. 5948 (amending Clayton Act sec. 7 to cover bank assets, as it now does bank-stock acquisitions). We have no objection to the principle that the acquisition of one bank by another through purchase, merger, or consolidation should not be permitted if the effect of the acquisition may be substantially to lessen competition. It is no less important to have competition in banking, when this can be done soundly, as it is in other fields of commerce and industry."

Apparently the Comptroller of the Currency feels that section 7 ought to be applied to assets. In his testimony before the House committee, the Comptroller of the Currency disagreed with the position taken by the junior Senator from Arkansas here today.

Mr. FULBRIGHT. The Senator was not here a moment ago. I hold in my hand a letter dated March 20, 1957, signed by Mr. Ray M. Gidney, Comptroller of the Currency, which I shall be glad to read.

Mr. KEFAUVER. I am familiar with the letter; but I am referring to what he testified.

Mr. FULBRIGHT. What is referred to was not Mr. Gidney's testimony. That was the language of Mr. Brownell. There is no question about Mr. Gidney's position.

This letter is his latest expression on the matter. I am not able to go back and run down the heritage of Mr. Brownell's testimony; Mr. Brownell will have to do that. But I can assure the Senator from Tennessee that there is not the slightest doubt about the position of Mr. Gidney. He is opposed to this amendment; he is for the bill as written by the committee.

Mr. KEFAUVER. I am sure that Mr. Brownell felt that his testimony before the House committee was the view of the administration.

Mr. FULBRIGHT. That is the Senator's belief, but it has no bearing upon the position of Mr. Gidney at the present time.

Mr. KEFAUVER. I notice on page 1011, about the middle of the page, that Mr. Brownell, in testifying as to whether the section 7 criteria ought to be applied to the merger of banks, so far as the sales and purchases of capital stock were concerned, said this:

> To detail this point, the President, in his economic report sent to Congress within the month, has reiterated the need for, as he put it, "Extension of Federal regulation to cover bank mergers by asset as well as by stock acquisition." Similarly, Gov. J. L. Robertson, of the Board of Governors of the Federal Reserve System, stated last session——

Mr. FULBRIGHT. This bill does do that. It covers the acquisition of assets. The only difference is that it is not the Attorney General, really——

Mr. KEFAUVER. Let me finish my question.

> Similarly, Gov. J. L. Robertson, of the Board of Governors of the Federal Reserve System, stated last session before the House Antitrust Subcommittee considering like legislation: "The Board favors the objective of this legislation."

This is the question I wish to ask the Senator from Arkansas: The bill the President was talking about in his economic report to Congress, and the bill which Governor Robertson, of the Board of Governors of the Federal Reserve Board was talking about when he said the Board favored the objective of the proposed legislation, was the bill before the House Committee on the Judiciary, under which, in the first place, banks were to be included under the asset provision of section 7 of the Clayton Act, and the Attorney General would have some jurisdiction in connection therewith. So it seems that the President, the Board of Governors, and apparently, at that time, at least, the Comptroller of the Currency, were all in favor of the provisions of that bill, which was H. R. 5948.

Mr. FULBRIGHT. If the Senator wishes to look at page 824, he will find Mr. Gidney's recent testimony before our committee. Mr. Robertson also testified before our committee. In fact, all the banking agencies testified before our committee, and they all support the bill as reported by the committee. I do not know whether that will satisfy the Senator from Tennessee or not, but that is the fact of the matter.

When the Senator says he quotes the banking officials as approving the objective, that is a very general statement. But to be specific, in the hearings before our committee, all the banking agencies approved and endorsed the bill as written.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CLARK. Is the junior Senator from Pennsylvania correct in his assumption that if the amendment of the Senator from Wyoming is defeated and the bill is passed in the form recommended by the committee, the inevitable effect will be to weaken substantially the present restraints on bank mergers imposed by the antitrust laws?

Mr. FULBRIGHT. The Senator is not correct at all in such an assumption. There are no present restraints on bank mergers. This bill will put a restraint on mergers. It will direct the Comptroller of the Currency, the FDIC, and the Federal Reserve Board to take into consideration whether or not a merger will unduly lessen competition. There is at present no such requirement.

Mr. KEFAUVER. Would not the O'Mahoney amendment place another restraint on mergers?

Mr. CLARK. Is it not true—and I may be in error—that at present any bank merger which substantially lessens competition and tends to create a monopoly is in violation of existing law?

Mr. FULBRIGHT. I think the Senator has in mind the Sherman Act, which has been on the statute books for over 60 years. There has never been a single bank merger case brought under it. Also under existing law, the Clayton Act does not have any application, because banks are not permitted to purchase the stock of other banks.

Mr. CLARK. But under existing law, the test as to whether a merger is or is not illegal is whether there is substantial competition, and not whether the merger merely unduly tends to lessen competition or create a monopoly.

Mr. FULBRIGHT. I think "to substantially lessen" is the criterion used under the Clayton Act. That is a little different from the language contained in the Sherman Act.

Mr. CLARK. The committee amendment would make a substantial change, would it not?

Mr. FULBRIGHT. There has been no restraint whatever on bank mergers.

Mr. CLARK. But the application is there if the Attorney General chooses to exercise it.

Mr. FULBRIGHT. The Senator is talking about some purely academic, unrealistic situation. What the committee is trying to do is to get a bill which will put a real inhibition on bank mergers. What the Senator from Pennsylvania apparently wishes to do is to preserve the status quo, in which we all agree there is no inhibition at all.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. I ask the attention of the Senator from Pennsylvania. I am of the opinion that the Senator from Arkansas is correct in his statement that the present law contains a tremendous loophole with reference to mergers. But I ask the Senator from Arkansas if it is not true that the Attorney General said, first, that he would be pleased to have some control over this matter, but ended by saying that he would like to have at least the right of notification and the privilege of looking into the matter, in the same language provided in the Bank Holding Company Act. Is not that correct?

Mr. FULBRIGHT. I do not know whether he said that or not. There is nothing to prohibit the banking agencies from consulting with him.

Mr. SPARKMAN. He ended his statement by saying, in effect, "Give me at least that much."

The question I wish to ask is, Does the amendment offered by the Senator from Wyoming do that? Is that, in effect, what it does? As I understand, it does not give the Attorney General the right to have the final say, but it does give him the right of notice in order that he may look into the question to see if a legal question is involved before the merger is actually effected.

Mr. FULBRIGHT. I submit that the Senator is quite in error. I do not see anything in the language which so indicates. There is nothing in the language to indicate that.

Mr. SPARKMAN. It seems to me there is.

Mr. FULBRIGHT. I would be interested to know what there is in the language that indicates that. It does not mention the Attorney General.

Mr. SPARKMAN. Let me read the amendment:

> Nothing contained in this chapter shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything contained in this chapter constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

It is true the amendment says nothing about notice; but at least it seeks to preserve the status quo, insofar as the Attorney General is concerned. Is not that true?

Mr. FULBRIGHT. I think Mr. Gidney's letter sets forth what the amendment seeks to do.

Mr. SPARKMAN. Yes.

Let me refer to the question propounded by the Senator from Illinois [Mr. DOUGLAS] at the hearing. I recall the testimony of the Attorney General; I was present at the time. I am not sure whether the chairman of the full committee was present on that particular occasion. But I must say that the testimony of the Attorney General made quite an impression upon me, certainly insofar as he asked for the same right or notice that is provided for in the Bank Holding Company Act.

I read from that part of the hearing:

> Senator DOUGLAS. You are merely asking to be heard or be given the right——
>
> Mr. BROWNELL. Given our day in court, so to speak.
>
> Senator DOUGLAS. That would require prior notification to you as well as the regulatory agency?
>
> Mr. BROWNELL. That is right. And that is the end procedure we worked out in this instance under the bank holding company provisions.

From that testimony, it seems to me that it might be implied that that is the purpose.

Mr. FULBRIGHT. That is not set forth in the amendment.

Mr. SPARKMAN. But certainly it seems to me that the request the Attorney General made—namely, that he merely be given notice—was a reasonable one, and that an amendment to that effect should be agreed to.

Mr. FULBRIGHT. But that has nothing to do with the amendment which is now before the Senate.

Mr. SPARKMAN. I admit that the pending amendment says nothing about notice.

Mr. FULBRIGHT. The pending amendment has nothing whatever to do with that.

Mr. SPARKMAN. But the amendment seeks to preserve the status quo, insofar as pleading a defense is concerned.

Mr. FULBRIGHT. There is nothing whatever to prevent Mr. Gidney from calling up Mr. Brownell, or to prevent Mr. Brownell from calling up Mr. Gidney. Certainly I would not approve giving Mr. Brownell any veto power in this field. Suddenly almost everyone seems to be greatly and favorably impressed by the views of the Attorney General. Why has not the Attorney General brought some action under the Sherman Antitrust Act? If Senators think the Attorney General has so sterling a character and is doing so wonderful a job in enforcing these laws, why has not he taken some action under the Sherman Antitrust Act?

Mr. SPARKMAN. Let me point out that about 2 years ago Judge Barnes, who was the head of the Antitrust Division of the Department of Justice, called attention, when testifying before the Banking and Currency Committee, to this loophole in the Clayton Act, in the case of banks which are acquired by means of the acquisition of their assets; and he asked for the enactment of appropriate legislation. As a matter of fact, in that connection I introduced a bill; and, as I recall, the Senator from Wyoming [Mr. O'MAHONEY] introduced a bill, and other Senators introduced similar bills.

Mr. FULBRIGHT. Why did he not proceed under the provisions of the Sherman Act? He did not have to resort to the Clayton Act.

Mr. SPARKMAN. I presume that in every one of those cases—the Senator from Arkansas will recall that there were several cases last year and several years ago, and that they were the subject of considerable interest throughout the country—the mergers were effected before the Attorney General knew about them.

Mr. FULBRIGHT. Does the Senator from Alabama refer to cases in New York?

Mr. SPARKMAN. Yes.

Mr. FULBRIGHT. In other words, is the Senator from Alabama saying that the Attorney General would not know of a merger, such as the one in the case of the Chase Manhattan Bank, before such action was taken?

Mr. SPARKMAN. I suppose so.

Mr. FULBRIGHT. And is that why the Senator from Alabama favors the amendment?

Mr. SPARKMAN. The desire is to have the Attorney General have notice, rather than not to have any knowledge of the situation. The desire is for the Attorney General to have notice of it, so he will be able to check on it.

Mr. KEFAUVER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. KEFAUVER. The Senator has made quite a point in reference to Mr. Brownell. Is it not true that Mr. Brownell testified before the committee that section 1, which is the section applicable to a situation of this kind, and is a provision against restraints in trade, applies only to such mergers in the banking field, and that therefore under section 1 of the Clayton Act it is very questionable whether he has a sufficient basis for proceeding against these mergers, and that he definitely needs to have the Clayton Act test applied to banks as well as to other corporations, in order to prevent such mergers?

Mr. FULBRIGHT. We went over this last year. I, for one, am not willing to subject the banking industry to the criteria of the Clayton Act—or to the supervision of the Attorney General—not only the present Attorney General, but any Attorney General.

Mr. ROBERTSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. Has not the Court's interpretation of the Clayton Act been such that if one bank would be permitted to merge with another bank, the second bank would have to be practically bankrupt?

Mr. FULBRIGHT. That is correct. The criterion of "substantial lessening" is not one which I regard as appropriate for banks.

What amazes me is that Senators who oppose this section of the bill profess to be interested in stopping mergers. Why such Senators quarrel about inserting this provision in the bill—and this section is certainly a step in the right direction—is more than I can understand. Their position on this matter amazes me.

Mr. SPARKMAN. I am not opposed to section 23. I think it is good. But I believe this amendment should be added as an additional provision. That would make the section much better.

Mr. FULBRIGHT. The amendment would seem to nullify section 23. Let me read the considered opinion of the Comptroller of the Currency, who is the top

official in our Government who deals with national banks:

The proposed amendment is a savings clause which would prevent section 23 from being used as a defense in any antitrust litigation. Since section 23 applies to bank mergers consummated by asset acquisitions which are not now subject to the Clayton Act the adoption of the savings clause at this time would appear to be, for practical purposes, meaningless.

The Clayton Act does not apply to them now, so the amendment would appear to be meaningless as of the present time.

I read further from the letter of the Comptroller of the Currency:

We are disturbed, however, at the implications which might arise from its adoption by the Senate. At the time of introducing the amendment Senator O'MAHONEY stated that there is now pending before the Senate Committee on the Judiciary a bill to amend the Clayton Act, which would have the effect of bringing bank mergers under the application of section 7 of the Clayton Act, and that the purpose of adopting the antitrust savings clause would be to insure that further consideration of bills which would subject all bank mergers to section 7 of the Clayton Act could be contemplated by the Judiciary Committee. As you know, the Treasury Department is opposed to amendment of section 7 of the Clayton Act in such a way as to make that section applicable to bank mergers, but jointly with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation proposed the language now incorporated in section 23 of the Federal Deposit Insurance Act as an alternative proposal. This language is identical with S. 3911 of the 84th Congress which was passed by the Senate during 1956, but too late to be acted upon by the House of Representatives. Our reasons for favoring this approach have been fully stated both before your committee and before Senator O'MAHONEY's committee.

It would be anomalous, in our view, for the Senate to adopt section 23 and subsequently to amend section 7 of the Clayton Act to make that section applicable to bank mergers, since these two sections would be inconsistent with each other in addition to overlapping. They are, indeed, alternative proposals and adoption of one would seem to preclude action on the other.

That is the point, Mr. President. I am opposed to turning over this matter to the Department of Justice, under the criteria of the Clayton Act. I think that would be inappropriate—so inappropriate, in fact, that it would not work. Therefore, even if the amendment were adopted and were enacted into law, it would fall into disuse, just as has occurred in many instances in the case of the Sherman Act.

In view of my position on this matter—and I know that many other Members of the Senate are likewise opposed to the amendment—I wish to state that if Senators insist upon destroying the effect of this section of the bill, and if they insist upon relying upon the Clayton Act, they will wind up with nothing effective. So Senators must make their choice.

Mr. SPARKMAN. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. Mr. President, I have said about all I wish to say on this subject. I think it is about time for the Senate to vote.

Mr. President, I ask unanimous consent that the entire letter from the Comptroller of the Currency be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, March 20, 1957.

Hon. A. WILLIS ROBERTSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: You have requested that we advise you of our views on the amendment proposed by Senator O'MAHONEY to S. 1451. This amendment would add at the end of section 23 of title III, the Federal Deposit Insurance Act, the following:

"Nothing contained in this chapter shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything contained in this chapter constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct."

The proposed amendment is a savings clause which would prevent section 23 from being used as a defense in any antitrust litigation. Since section 23 applies to bank mergers consummated by asset acquisitions which are not now subject to the Clayton Act the adoption of the savings clause at this time would appear to be, for practical purposes, meaningless.

We are disturbed, however, at the implications which might arise from its adoption by the Senate. At the time of introducing the amendment Senator O'MAHONEY stated that there is now pending before the Senate Committee on the Judiciary a bill to amend the Clayton Act, which would have the effect of bringing bank mergers under the application of section 7 of the Clayton Act, and that the purpose of adopting the antitrust savings clause would be to insure that further consideration of bills which would subject all bank mergers to section 7 of the Clayton Act could be contemplated by the Judiciary Committee. As you know, the Treasury Department is opposed to amendment of section 7 of the Clayton Act in such a way as to make that section applicable to bank mergers, but jointly with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation proposed the language now incorporated in section 23 of the Federal Deposit Insurance Act as an alternative proposal. This language is identical with S. 3911 of the 84th Congress which was passed by the Senate during 1956, but too late to be acted upon by the House of Representatives. Our reasons for favoring this approach have been fully stated both before your committee and before Senator O'MAHONEY's committee.

It would be anomalous, in our view, for the Senate to adopt section 23 and subsequently to amend section 7 of the Clayton Act to make that section applicable to bank mergers, since these two sections would be inconsistent with each other in addition to overlapping. They are, indeed, alternative proposals and adoption of one would seem to preclude action on the other.

We strongly favor enactment of section 23 which is the method of giving greater control over bank mergers to Federal authorities favored by the three bank supervisory agencies as well as by the American Bankers Association, the American Bar Association, and the Association of Reserve City Bankers. If it is adopted, we assume that the Congress will not at the same time adopt language raising an implication that further consideration will be given to legislation which would be inconsistent with, and have the effect of nullifying, the approach to greater control over bank mergers taken by section 23.

In his statement Senator O'MAHONEY also referred to a similar provision contained in the Bank Holding Company Act of 1956. However, section 23 is not analogous to the Bank Holding Company Act. That act imposed restrictions on acquisitions of stock by bank holding companies. Such acquisitions of stock are and have been for many years subject to section 7 of the Clayton Act and a savings clause to preserve the applicability of that section was apparently deemed necessary. Section 7 of the Clayton Act is not applicable to bank mergers, and, therefore, there can be no question of preserving its applicability to such mergers.

For the above reasons we are opposed to adoption by the Senate of the amendment to section 23 of title III of S. 1451 proposed by Senator O'MAHONEY.

Sincerely yours,

RAY M. GIDNEY,
Comptroller of the Currency.

Mr. SPARKMAN. Mr. President, if I correctly understood the Senator from Arkansas, what Mr. Gidney said was that to adopt the O'Mahoney amendment in regard to section 23, and then later to place the banks under the Clayton Act, would be inconsistent—but not that this section as it now stands is inconsistent with the Clayton Act.

Mr. FULBRIGHT. It is clear as it now stands. Everybody knows, and I think the Senator from Wyoming does not deny that, he hopes to make section 7 of the Clayton Act applicable to banks. That is one of his motives in proposing the amendment.

Mr. SPARKMAN. I should like to say to the Senator from Arkansas that I support the proposition of putting banks under the Clayton Act, and I hope such legislation will be approved later. But I am not thinking of that now. I am thinking of improving the measure now before the Senate, and I believe that an amendment like the one pending will improve section 23. As a matter of fact, I favor a simple amendment added to this language which would merely provide that prior notice be given to the Attorney General. Then, later on, if the O'Mahoney bill should be passed, the language he has in his amendment could be incorporated in that bill. However, I think that if the proposal were written into the bill as an amendment, certainly the Attorney General would be given prior notice.

Mr. O'MAHONEY. Mr. President, I wish to respond to the implication of the Senator from Arkansas, who seemed to select me to point to. I agree with him that we wish to vote, but I want to say to the Senator from Arkansas and to all my colleagues that my interest in this matter grows from my desire to put an end to mergers which substantially lessen competition among banks. We cannot hope to save free enterprise in this country by allowing banks and other businesses to continue to move so that they wipe out State lines and local communities, and make small business in the United States dependent upon the loans of an overburdened Treasury to keep them in operation.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER (Mr. BIBLE in the chair). The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY]. On this question the yeas and nays have been ordered, and the clerk will call——

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wyoming. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Massachusetts [Mr. KENNEDY], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

If present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER] is absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER] and the Senator from Nevada [Mr. MALONE] are absent because of illness.

The Senator from Maryland [Mr. BUTLER] is detained on official business.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. KNOWLAND], and the Senator from Nevada [Mr. MALONE] would each vote "nay."

The result was announced—yeas 28, nays 58, not voting 10, as follows:

YEAS—28

Anderson	Hill	Morse
Blakley	Humphrey	Mundt
Carroll	Jackson	Neuberger
Chavez	Johnson, Tex.	O'Mahoney
Church	Kefauver	Pastore
Clark	Lausche	Smathers
Douglas	Long	Sparkman
Ervin	Magnuson	Talmadge
Gore	McNamara	
Green	Monroney	

NAYS—58

Aiken	Cotton	Hruska
Allott	Curtis	Ives
Barrett	Dirksen	Javits
Beall	Dworshak	Jenner
Bennett	Eastland	Johnston, S. C.
Bible	Ellender	Kerr
Bridges	Flanders	Kuchel
Bush	Frear	Martin, Iowa
Byrd	Fulbright	Martin, Pa.
Capehart	Goldwater	McCarthy
Carlson	Hayden	McClellan
Case, N. J.	Hennings	Morton
Case, S. Dak.	Hickenlooper	Payne
Cooper	Holland	Potter
Purtell	Scott	Watkins
Revercomb	Smith, Maine	Wiley
Robertson	Smith, N. J.	Williams
Russell	Stennis	Young
Saltonstall	Thurmond	
Schoeppel	Thye	

NOT VOTING—10

Bricker	Langer	Neely
Butler	Malone	Symington
Kennedy	Mansfield	
Knowland	Murray	

So Mr. O'MAHONEY's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

REQUEST BY SENATOR EASTLAND FOR PERMISSION TO TESTIFY IN UNITED STATES DISTRICT COURT IN THE CASE OF SEYMOUR PECK, CHARGED WITH CONTEMPT OF THE SENATE

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the distinguished Senator from South Carolina yield in order that I may submit a unanimous-consent request, with the understanding that he shall not lose the floor, and that these comments will not interrupt the continuity of his speech.

Mr. JOHNSTON of South Carolina. I yield for that purpose and with that understanding.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the senior Senator from Mississippi [Mr. EASTLAND], the distinguished chairman of the Committee on the Judiciary, may be recognized to make a very brief statement and submit a unanimous-consent request to the Senate.

The PRESIDING OFFICER. Without objection, the Senator from Mississippi is recognized for that purpose.

Mr. EASTLAND. Mr. President, as chairman of the Subcommittee on Internal Security of the Committee on the Judiciary, I have been subpenaed as a witness to testify in the case against Seymour Peck, who was cited for contempt of the United States Senate. The United States district court judge states that my testimony will be necessary.

Under the precedents of the Senate, this is a matter to which the Senate must give its consent. Accordingly, I ask unanimous consent that I may be authorized by the Senate to testify in the United States District Court for the District of Columbia.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. Mr. President, I should like to inquire of the Senator from Mississippi whether he will appear as a Government witness or as a witness for the defendant. I heard that the Senator had been subpenaed by the defense.

Mr. EASTLAND. Yes; I was subpenaed by the defense. The United States attorney states that he would also call me as a Government witness.

Mr. RUSSELL. Before I give my consent, I wish to know in which capacity the Senator from Mississippi is to appear.

Mr. EASTLAND. I could only appear as the Senate would direct. My judgment would be that I should appear with the consent of the Senate as a Government witness.

Mr. RUSSELL. Does the Senator include that request in his unanimous-consent request?

Mr. EASTLAND. I include it.

The PRESIDING OFFICER. That is included in the request.

Mr. RUSSELL. In that event I shall not interpose any objection. However, I do not wish to see established a precedent whereby any defendant who has been cited by the Senate for contempt may reach into the Senate and haul a Senator or Senators into court to testify, perhaps in a distant city. I did not hear all the Senator's statement, but I know that in similar cases and circumstances judges who respect the division of powers in our Government have quashed subpenas issued for Senators. I am surprised that this subpena, which was issued on behalf of the defendant, was not quashed by the court.

Mr. EASTLAND. A motion was made by the United States attorney to quash the subpena, but the motion was overruled by the trial judge.

Mr. RUSSELL. I shall not object, if the Senator from Mississippi wishes to appear in this case. However, we are treading on rather dangerous ground to authorize Senators to answer illegal subpenas. In the future I hope I shall be apprised before a request of this nature is made. It is tremendously important in the maintenance of the division of powers in our Government. As a Member of the legislative branch of the Government I have undertaken, to the limit of my ability, to protect every right and power of the executive branch of the Government and of the judicial branch of the Government. At times I have been very severely criticized for my stand in protecting the right of those in high places in Government to refrain from testifying to private conversations which had to do with matters wholly within the jurisdiction of the executive branch of the Government.

I greatly fear we are setting a bad precedent today. No legal subpena can be issued for a Senator in a case of this kind where the Senate is in session. In the future some judge may subpena the entire Senate to make us explain legislative action in a judicial proceeding and rely on this precedent. I dislike to see the Senator respond to this subpena, but if he wishes to do so I shall not object in this instance. However, in the future I propose to object to the Senate approving of such procedures as this.

Mr. CHAVEZ. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. If the Senator from South Carolina will yield further, I should like to state that it has been customary in the Senate, in cases of this kind, to submit a formal resolution and to ask the Senate's action on that resolution. The Parliamentarian is preparing such a resolution at this time, and I shall confer further with the

distinguished chairman of the Committee on the Judiciary, and perhaps submit a resolution formally to the Senate later in the day.

The PRESIDING OFFICER. Objection is heard to the unanimous-consent request.

Mr. DIRKSEN. I should like to know when the Senator is expected to appear in court.

Mr. EASTLAND. Tomorrow afternoon.

Mr. DIRKSEN. Is it a matter that can be continued and testimony taken later?

Mr. EASTLAND. The matter was passed over until tomorrow afternoon. That is a matter within the discretion of the trial judge.

Mr. CHAVEZ. I still object, Mr. President.

Mr. DIRKSEN. If the Senator from South Carolina will yield further, I should like to make this observation. I believe the last instance of this kind involved an employee of the Committee on Government Operations. In that case I presented a formal resolution. I believe the majority leader is quite in order on that point.

Mr. EASTLAND. Of course, such a resolution is in order. It is a matter that is to be passed upon by the Senate. It would be unnecessary to submit a resolution if unanimous consent were given.

Mr. JOHNSON of Texas. Mr. President, I thank the Senator from South Carolina [Mr. JOHNSTON] for his usual courtesy. I should like Senators to be on notice that a resolution will be presented later in the day.

Mr. JOHNSTON of South Carolina. I was very glad to yield to the Senator for that purpose.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

REDUCTION OF BUDGET BY REDUCING THE NUMBER OF FEDERAL EMPLOYEES

Mr. JOHNSTON of South Carolina. Mr. President, I propose to accept the President's challenge to Congress to chart the way to a reduction in the budget.

The bill I am about to introduce is designed to reduce the number of Federal employees by 250,000 during the fiscal year starting July 1, 1957.

The bill will reduce Federal expenditures by well over $1 billion a year. It will accomplish this great saving in an orderly manner. It will do so without disruption of essential operations or ill-advised curtailment of necessary Government services. Moreover, its purpose will be accomplished without the forced separation of a single career employee. As a matter of fact, enactment of the bill will improve the lot of career employees in a number of ways.

Mr. President, on June 30, 1939, immediately preceding World War II, Government employment in the executive branch stood at 935,000. On June 30, 1945, as the war neared its climax, employment in the executive branch reached a peak of 3,785,000. During the 4 years following the end of the war, employment was reduced almost 50 percent to a postwar low of 1,935,000 on June 30, 1950.

Since that date Federal employment steadily increased to a postwar high of 2,600,000 on June 30, 1953. At the present time there are 2,375,000 employees in the executive branch of the Government. In other words, employment today is 440,000 above the 1950 level.

These figures show rather convincingly that the administration either lacks the will or does not possess the know-how necessary to trim excess Federal employment. It is for this reason that I believe legislation to be absolutely necessary.

Under my bill employment by the Government after July 1, 1957, will be restricted to the filling of not more than 1 out of every 4 vacancies that occur as the result of deaths, retirements, resignations, and other types of normal separations. This restriction would apply until the number of employees in the executive branch has been reduced to 110 percent of the 1950 level or a total of 2,125,000 employees. This figure would then prevail as a ceiling on employment in the executive branch.

The Government has a normal turnover rate of over 400,000 employees a year. Thus, the "1 out of 4" replacement limitation would bring employment down to the ceiling before the end of the next fiscal year.

In bringing about this reduction, I do not propose to take hasty action similar to that which occurred in previous years when ill-advised riders were attached to appropriation bills.

I am predicting that if something along the line I am advocating is not accomplished, Senators will find riders placed upon appropriations bills which will be very damaging to civil-service employees who are making Government service a career.

I propose to hold public hearings on the bill at which time spokesmen for the administration will be given an opportunity to discuss the measure. If the administration cooperates I am confident we can accomplish our objective without weakening or slowing down our defense effort or without imposing any undue handicap on any essential Government service.

Mr. President, out of order, I introduce a bill to reduce the number of Government employees by prohibiting the filling of certain vacancies and to establish a ceiling on Government employment, with the request that it be referred to the appropriate committee for consideration.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1683) to reduce the number of Government employees by prohibiting the filling of certain vacancies and to establish a ceiling on Government employment, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

Mr. BARRETT. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Wyoming reserves the right to object.

Mr. BARRETT. I am very much concerned with the budget which the President submitted to the Congress. I certainly agree that the Congress should take action to cut expenditures. As I understand the situation, the budget of $71.8 billion is based on the theory the Congress would pass the postal rate increase bill and increase revenues to the Treasury by $650 million. Now, should the Congress not take up that bill and pass it, then the budget will in effect be $72,450,000,000.

I should like to ask the distinguished Senator from South Carolina, the chairman of the Committee on Post Office and Civil Service, if he has any present plans to call a hearing on the postal rate-increase bill so that the Congress can do something to hold the budget down to the figure of $71.8 billion insofar as this item is concerned and, of course, somewhat lower than that figure with such cuts as the Congress may make.

Mr. JOHNSTON of South Carolina. It has always been customary for the House to introduce all revenue bills. Once before, the Senate passed a bill and sent it to the House, and the House sent it back to the Senate with a statement to the effect, "We are the body which has the right to introduce revenue bills, and we wish the Senate to know we do introduce all revenue bills."

As quickly as the House of Representatives acts, we shall act here. We are now having hearings which deal indirectly with that very matter. We are having hearings to decide upon the policy to be followed by the Post Office and Civil Service Committee, and possibly later by the Senate, when acting upon the bill, and we will decide how to proceed.

Mr. BARRETT. Will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BARRETT. It seems to me, Mr. President, the Congress must take its share of the responsibility in cutting down this budget. While I appreciate everything the Senator has stated about the jurisdiction of the Ways and Means Committee of the other body, nevertheless I am certain that on other occasions similar to this the Senate has held hearings concurrently with the House and accordingly I think this is a time when the committee should act and act promptly. It appears to me that this is an important matter, and if Senators are going to criticize this budget, which is the highest peacetime budget in our history, as they have criticized it in this Chamber, we ought to do everything we can to hold the budget down.

Mr. JOHNSTON of South Carolina. I observe the Senator from Kansas [Mr. CARLSON] in the Chamber. The Senator was chairman of the committee during the 2 years the Republicans were in charge, and the committee at that time took the same position I am now expressing, that it would allow the House to act

first, in accordance with the Constitution of the United States.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Minnesota.

Mr. HUMPHREY. May I ask the Senator from South Carolina whether at this stage in the hearings the Committee on Post Office and Civil Service is inquiring into the personnel buildup in the Post Office Department, particularly the higher echelon personnel such as in the regional offices and the additional assistant secretaries and bureau chiefs, and so forth.

Mr. JOHNSTON of South Carolina. We have not as yet done that, but I should like to inform the Senator that the setting up of regional offices in the Post Office Department, according to the statement of the Postmaster General, has cost approximately $5 million. There is some question in regard to the amount, as to whether it is $20 million or $5 million. My recollection is that he testified there was an additional cost of $5 million in the setting up of regional offices.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield further.

Mr. HUMPHREY. I was interested in the comments of the Senator from Wyoming as to the budget being a matter of Congressional responsibility also. I am sure all of us know that ultimately appropriations are made by the Congress, but I do not recall being consulted as a Member of Congress as to the budget which was presented by the President. My information is that the President presented a budget which was developed by the departments of Government.

As an individual Member of Congress—at least, one of the 26 Senators—I do not recall being consulted. This does not mean that ultimately the Senators will not have to be recorded. In fact, when the record vote is taken, it will be a yea-and-nay vote; it will not be, like Mr. Eisenhower's, a "maybe" or one of the in-and-out propositions.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. Permit me to answer the Senator from Minnesota.

I agree with the Senator thoroughly. The procedure whereby the departments prepare budgets and send them to the Congress, without the Congress having anything to do with them, is costing the Government—I would estimate—billions of dollars. The House and the Senate should have a method of overseeing the budget at the time the budget is being prepared.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield further.

Mr. HUMPHREY. Apparently when the heat came on, the administration started to retreat from its own budget. The former President of the United States used to say, "If you can't take the heat, get out of the kitchen," but apparently what this administration attempted to do when the heat came on, was to say, "Let us invite in some neighbors, and let them take the heat."

Since that time the heat has been on the Members of Congress and anybody dropping into Washington, D. C. In the meantime, those responsible for the budget go on television and say, "We are going to cut the budget." When they come before the committees of the Congress, they say, "We did not mean that. We were just saying that over television. We have to have some time on television."

When they come before the committees of Congress, as the Secretary of Commerce did, they change the story. The Secretary of Commerce said, "Cut, but not my department."

When the Secretary of the Treasury was pinned down he said, "I did not quite say what folks said I said."

The President said there was no difference between the Secretary of the Treasury and himself—except that they are on diametrically opposite sides of the budget issue. Anyone who can make out any sensible pattern in this kind of a budget could, I may say, make a maze trap look like a straight line.

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Virginia.

Mr. ROBERTSON. The Senator from Virginia wishes to commend his friend from South Carolina for the splendid bill he has introduced, but wishes to invite attention to the fact that the bill has not been printed and there is before the Senate a bill which has been printed, on which the Senate has been working for 3 weeks.

Mr. JOHNSTON of South Carolina. I have finished.

Mr. ROBERTSON. We should like to have the privilege of considering one more amendment and finishing the consideration of this bill. Then we shall be glad to consider the bill the Senator from South Carolina has introduced.

Mr. DIRKSEN. Further reserving the right to object——

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator from Illinois reserves the right to object.

Mr. DIRKSEN. While we are searching, Mr. President, for weapons and instruments with which to attack the budget, it seems to me Members of the Senate ought to reread the Reorganization Act of 1946, for in section 138 the two revenue committees of the Congress and the two appropriations committees are not only authorized but are directed to fashion a legislative budget and to write a ceiling on appropriations for expenditure. The act went further. It then required that there be a concurrent resolution in both branches.

My friend from Minnesota [Mr. HUMPHREY] has discussed retreating. It is the Congress that is retreating. I have no recollection of a meeting of the Legislative Budget Committee since I left the House of Representatives in 1948.

I am not throwing stones. I think there is fault on both sides. But I have seen no resolution introduced to repeal section 138 (a) of the Reorganization Act of 1946. All the weapons, all the instruments, all the facts, all the authority we need are already in existence if we are serious about this budget business.

I shall not object, Mr. President.

Mr. HUMPHREY. I may say to my good friend from Illinois that I appreciate his explanation of the Reorganization Act. I recall that a similar explanation was made some years ago.

Mr. DIRKSEN. That is correct.

Mr. HUMPHREY. At that time former President Truman was in the White House; and, oh, Mr. President, the cries of anguish that came up from the other side of the aisle when Harry Truman sent to the Capitol one of those poor, little economic budgets were unbelievable. They made the cries of the prophets of old sound like hushed whispers.

Mr. DIRKSEN. I have just looked at a bill which has on it the names of 70 cosponsors. It is a bill to set up a joint budgetary service committee. That is just another instrument intended as an amendment to section 138 of the Legislative Reorganization Act.

If we want to do something, if we are serious, the authority is contained in the act which was put on the statute books more than 11 years ago, but which has not yet been used.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. CARLSON. Mr. President, I do not desire to become involved in any controversy on this question, since it is my desire to assist the chairman of the Subcommittee of the Committee on Banking and Currency to get further action on the banking bill. But I think I should mention one or two items concerning personnel reductions in connection with the bill which the chairman of the Committee on Post Office and Civil Service has introduced.

I am as anxious to reduce personnel as is any other Member of the Senate, and even further than here proposed, but I trust that will be done without discrimination and without creating chaos in the Government agencies. That is something which really does concern me.

If I understand the bill correctly, 3 out of 4 vacancies are not to be filled. It seems to me that such a policy could totally bog down some essential programs and seriously impair the operations of Government agencies.

First of all, vacancies are often concentrated in certain job levels, types of occupations, locations, and connected with certain programs. In using attrition solely as the method of cutting down the operation of the Government, it should be noted that the highest turnover is in the lower grades.

General statistics by grade level turnover, last compiled in April of 1951, showed that the GS-1 level had the highest rate of turnover—5.6 percent for 1 month. The GS-5 level had a 1.8 percent turnover for 1 month. The GS-11

level had a 1.3 percent turnover for 1 month. In the upper grades, grades 15 to 18, there was a 1.1 percent turnover for 1 month. Blue-collar workers have a higher percentage of turnover than white-collar workers; 34.3 percent in 1953 as compared to 22.4 percent.

It seems to me that this is one of our greatest problems here. An arbitrary formula might well create vacancies in positions where even though attrition is high, the position itself is absolutely essential. I am glad the chairman stated that he proposes to hold hearings on the bill. I think it is of utmost importance that we try to reduce Government operation cost, but in doing so, let us keep in mind the effect that such a reduction may have upon the qualified operations of the Government and upon the civil-service personnel themselves. There are many problems with respect to which we cannot act hastily without creating greater loss than gain. I assure the chairman that I shall be of all the assistance I can to him in this particular matter.

To illustrate further, in the Department of Defense, over a 3-month period, of all the people hired in the Department of the Army to fill vacancies, one-half of them were in the highly technical and scientific field. The National Aeronautical Committee Advisory Group, for instance, has its highest separation in the GS-9 level of the aeronautical research scientists, which is 29 percent. If only 1 out of every 4 vacancies is to be filled in that group, it seems to me that the national defense programs of the country would be endangered.

I think the distinguished chairman of the committee is confronted with a problem which requires the very close attention of the committee and of Congress.

I was interested to learn that in the foreign field service of the State Department there are some posts which employ only four persons. As a matter of fact, there are only 4 foreign posts throughout the world which employ more than 100 persons. There are 72 posts which employ from 6 to 15 persons; 132 which employ from 1 to 5 persons. Certainly an understaffed operation is not the answer.

In my firm opinion when only 1 out of 4 of those vacancies is to be filled, careful discretion needs to be exercised in the matter.

Before I conclude my statement, I think the RECORD should show that the Eisenhower administration does not have a bad record in the matter of reducing Federal personnel.

On January 31, 1953, there was a total of 2,530,495 Government employees. On January 31, 1953, there was a total of 2,640,000 Government employees. On January 31, 1954, the total was 2,425,182. On January 31, 1955, the total was 2,366,536. On January 31, 1956, the total was 2,360,184. On January 31, 1957, the total was 2,401,320.

Aside from the number employed on January 31 of this year, there has been a general tendency to reduce the number of Federal employees under the Eisenhower administration.

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. DOUGLAS. Mr. President, we have all enjoyed the discussion which has been going on with the attack gentle and the retort courteous which has now been in progress for some minutes. I suppose I should apologize to Members for bringing the Senate back to the pedestrian subject of the bill which is now under consideration. However, I should like to call up my amendment designated "3-12-57—C." It is offered on behalf of the Senator from Oklahoma [Mr. MONRONEY], the Senator from Pennsylvania [Mr. CLARK], and myself.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the amendment be printed in the RECORD, and that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. DOUGLAS, for himself and other Senators, is as follows:

On page 164, in the sixth line, strike out "to lessen competition unduly or to tend unduly" and insert in lieu thereof "substantially to lessen competition or to tend."

On page 164, in the eleventh line, strike out "may" and insert in lieu thereof "shall."

On page 164, in the fifteenth line, after the period insert a new sentence as follows: "If the Attorney General finds that the effect of the proposed transaction may be substantially to lessen competition or to tend to create a monopoly, consent shall not be given under this section unless the Attorney General finds further that such a transaction is necessary to prevent the probable failure of one of the banks concerned."

Mr. DOUGLAS. Mr. President, I think it is well that we know what the present situation is and what the issues now are.

I think it is true that the present bill takes one forward step, so far as mergers are concerned, in that, prior to a merger, notice is required to be given to the regulatory authorities, not merely to the Comptroller of the Currency, in the case of mergers where the resulting bank is a national bank, but also to the Federal Reserve Board in those cases where the merged bank is a State bank and a member of that system, and to the FDIC in the case of an insured State bank which is not a member of the Federal Reserve System. In each case the consent of the appropriate agency is required. In that respect the bill is a forward step.

But it is a backward step in two respects. First, the standard by which the proposed merger is to be tested is softened by removing the phrase in the Clayton Act that mergers which substantially lessen competition are illegal, and by substituting for that language the phrase "lessen competition unduly or tend unduly to create a monopoly."

That is a much softer wording, and it is not at all certain what is meant by it.

I think there would be a long period of litigation and argument before any agreed meaning of the term could be reached. But I think the general effect undoubtedly would be to have a much weaker protection than if there were used the phrase "substantially lessen competition or tend to create a monopoly," with the word "unduly" eliminated in the latter case.

The amendment which the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Pennsylvania [Mr. CLARK] are joining me in sponsoring retains the words "substantially to lessen competition or to tend to create a monopoly."

So in this respect our amendment is stronger than the present bill.

Our amendment is also stronger than the present bill in that the amendment requires approval by the Attorney General before a merger can be consummated. In other words, under the amendment, it is not only necessary that the so-called examining authorities should give their approval, but it is also necessary that the Attorney General give his approval.

The reasons for our amendment should be briefly stated. In the first place, most regulators tend to be taken over by the group they are supposed to be regulating. The pressure to do so is very severe, and they tend to become industry-minded. I think that is true of the agencies in question. In making that statement, I do not impugn the character of those concerned; such a tendency is a perfectly natural one.

Some persons may ask, "Why should we think the Attorney General may do any better?" It is true that in recent years the office of the Attorney General has become to too great an extent a political office. It may always have been such; but at least in the last 15 years it has become a political office. I make that statement in regard to that office under various Attorneys General; I hold no especial brief for the present Attorney General.

The Attorney General has, however, an Office which deals with antitrust matters; and in the case of such matters, I suppose he generally follows the advice of that Office, which is concerned with maintaining free competition and which has had much more experience than the bank regulatory agencies in judging and applying competitive factors and tests.

Although I have been critical of this administration in the case of many matters, I think that, on the whole, the record of the Department of Justice in this respect has been a good one, and that Mr. Barnes, in particular, made a very fine Assistant Attorney General.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Illinois yield to the Senator from New York?

Mr. DOUGLAS. I yield.

Mr. JAVITS. For the same reason that I voted against the previous amendment, which was offered by the Senator from Wyoming [Mr. O'MAHONEY], I intend to vote for the pending amendment, which has been offered by the Senator

from Illinois [Mr. DOUGLAS]. If the Senator from Illinois will permit me to do so, I should like to state why.

My reason for opposing the amendment of the Senator from Wyoming was that it would have made a merger possible of defeat after its consummation. Having been an attorney general myself, I believe that such an amendment would absolutely eliminate mergers; it would become almost impossible to make them.

The amendment of the Senator from Illinois would serve the beneficent purpose of introducing antitrust law legislation, by an authority specifically charged with enforcing antitrust law legislation, into the stage of predetermination. In that respect the amendment of the Senator from Illinois is administratively entirely sound, and I shall support it.

Mr. DOUGLAS. I thank the Senator from New York.

Mr. President, I do not know that I need to argue the amendment at great length.

If Senators will examine the material which I placed in the RECORD on last Thursday, I believe they will see the degree to which financial power is concentrated in the principal cities. I introduced such material in regard to various cities. In city after city the two leading banks have from 50 percent to 80 percent, and in some cases even more, of all the assets.

This means, in effect, that in the case of any loans made, one or two banks in such cities can decide questions of life or death in the case of individual businesses. When financial power becomes concentrated, industrial power tends to follow financial power. We have already gone too far down this road, but in order to check possible further concentration, I believe the Attorney General should be given powers of approval or rejection, along with the examining authorities. That is the purpose of our amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], for himself and other Senators.

The amendment was rejected.

Mr. COOPER. Mr. President, I call up the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 184, it is proposed to strike out subparagraph (d), and to insert in lieu thereof the following:

No member of a Federal home-loan bank whose accounts are not insured by the Federal Savings and Loan Corporation shall advertise or represent in any manner to so state, imply, or convey the impression that its accounts are insured by said Corporation. Any such member institution found violating this section by the Federal Home Loan Bank Board shall be removed by the Board from membership in the Federal home-loan bank.

Mr. ROBERTSON. Mr. President, will the Senator from Kentucky yield to me?

Mr. COOPER. Mr. President, before yielding, I should like to state my reasons for submitting the amendment.

The amendment refers to subparagraph (d) of paragraph 4 of section 401 of title IV, on page 184.

From a reading of the hearings on this section, I understand that its purpose was to prescribe a punishment in the case of uninsured members of the Federal home-loan bank who represent falsely that they are insured members of the bank. If that purpose were clear from the language of this section, there could be no objection.

I have received communications from members of the Federal home-loan bank, who point out that this section does not expressly penalize members who represent falsely that they are insured members of the bank, but that it prescribes a penalty for a statement of truth.

If Senators will read subparagraph (d), they will see that it does not expressly provide any penalty in the case of a member of a Federal home-loan bank or a member associated with the Federal Home Loan Bank System who engages in false representation or in misrepresentation. It would permit the Board to prescribe a penalty for members who state the true fact of their membership in the Federal home-loan bank.

Subparagraph (d) reads in part as follows:

It shall not be lawful for any uninsured member of a Federal home-loan bank to advertise or represent in any way, off the premises on which is situated its main office or any branch office or agency thereof, that it is a member of a Federal home-loan bank or is otherwise associated with the Federal Home Loan Bank System—

And so forth. It seems to me to be rather illogical to prescribe a penalty for making a true statement of fact. This has been pointed out to me by members of the Federal Home Loan Association who are uninsured members, who make no false representations that they are insured members, but only true statements that they are members.

I should like to insert a paragraph from a statement made before the committee by Judge Lawrence F. Speckman, president of the Lincoln Building and Loan Association, of Louisville, Ky.:

Personally we know of no instance of false representation having been made by any institution, but have been told by those who are proposing this prohibition that several associations who are uninsured members of the Federal Home Loan Bank System have advertised in such a manner as to convey the impression that they are insured by reason of being a member of the Federal Home Loan Bank System. It seems to us, who are innocent of such conduct, that the Board itself does have inherent power to prevent those acts by seeking an injunction in a court of equity, without having the Congress to adopt a law which would prevent honest-to-goodness members of the Federal Home Loan Bank System publishing and declaring to the world that they are members of that System. If there is need of a law to bar impersonation or false representation by its members, it should be by due process and not by regulation.

Mr. ROBERTSON. Mr. President, will the Senator from Kentucky yield to me?

Mr. COOPER. I yield.

Mr. ROBERTSON. The Senator from Kentucky approached me with a letter from one of his constituents, and the Senator from Kentucky wished to know whether the penalty for improper off-the-premises advertising of an uninsured bank which pretended to be an insured bank would apply to the symbol used on the stationery. I should like to call attention to page 62 of the report, where not only the chairman of the committee, but the full committee, said it did not apply to the stationery.

The Senator from Kentucky has offered an amendment which would strike out this whole provision which is necessary in order to keep an uninsured bank from pretending to be an insured bank. But I am sure the Senator from Kentucky does not want to permit any such misrepresentation.

Mr. COOPER. Of course I do not. I am pointing out the committee's language as extreme.

Mr. ROBERTSON. But that is what his amendment would do; it would nullify this provision.

If the Senator from Kentucky is interested only in the stationery, that point is taken care of.

Mr. COOPER. Let me ask the Senator from Virginia whether subparagraph (d) imposes a penalty upon a member bank for simply stating the truth—namely, that it is a member of the Federal Home Loan Bank System.

Mr. ROBERTSON. I invite the attention of the distinguished Senator from Kentucky to the bottom of page 61 of the report, where we find the following:

Subsection (d) is a new provision restricting off-premise advertising of membership in a FHL bank or other association with the FHLB system by a member whose accounts are not also insured—

Note that—

by the Federal Savings and Loan Insurance Corporation. The section permits the Board to specify by regulation the extent to which such advertisement or representation of such membership is allowed. Violation of any provision of this subsection is made subject to a $1,000 penalty recoverable by the Board.

Turning to page 62, I read:

Within the spirit of the purpose of this subsection, it is expected that the Board will exercise sound discretion in promulgating the regulations permitted. For example, the evil feared is not deemed present to such a degree as to warrant prohibition of the use on stationery of the member of appropriate indicia of membership in a FHL bank, without any accompanying implications of insurance of accounts by a Federal agency.

That takes care of the stationery problem. The Senator inadvertently, I think, has gone further and has wiped out the provision with respect to off-premise advertising.

Mr. COOPER. Mr. President, I have not wiped it out. I have offered an amendment in lieu of the section. I must say that the Senator from Virginia has not yet answered the question which my amendment raises. I asked him if

it was not true that the wording of this section of the bill, whatever may be the intention of the committee, orders something which I cannot remember having seen before in a penal statute; namely, penalizing the expression of truth. The language specifically provides that if a member of a Federal home-loan bank, uninsured in that system, makes a statement that it is a member of the Federal home-loan bank, or associated with the Federal Home Loan Bank System, it can be fined $1,000 even though the statement is true, after regulations have been issued by the Director. Does not the Senator agree that a penalty is being provided against a member of the association for simply stating the truth? My amendment would change that result, and still protect against any misrepresentation that a bank is insured. It provides:

No member of a Federal home-loan bank whose accounts are not insured by the Federal Savings and Loan Corporation shall advertise or represent in any manner to so state, imply, or convey the impression that its accounts are insured by said corporation.

A penalty would apply for misrepresentation.

I submit there is quite a distinction between the provision which is in the bill and the amendment which I have offered, although both are directed against misrepresentations. I might say that today was the first time it had been called to my attention.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. ROBERTSON. It was not our intention—and the committee was unanimous on this point—to prevent any insured home-loan bank from stating the facts; but we wanted to keep banks from misleading the public, so the public would not think, when they were depositing money in a bank, that their funds were insured when they were not. Therefore, I think the amendment should not be adopted.

Mr. COOPER. I find no fault with the intent of the provision. I anticipate that the provision, as written, makes it possible to assess a penalty against an uninsured member for stating a true fact, that it is a member of the association of home-loan banks. I am pleased that the Senator from Virginia says that is not the purpose of the committee. But, I do not believe this is a proper way to prescribe a penalty in a statute. That is the reason why I am offering my amendment.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER].

The amendment was rejected.

Mr. THURMOND. Mr. President, I received a letter today from the Federal Deposit Insurance Corporation. I ask unanimous consent that the letter be printed in the RECORD following my remarks, as a part of the debate on the pending measure, to show the intent of and the construction by the Federal Deposit Insurance Corporation of section 23 of the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, March 21, 1957.

Hon. STROM THURMOND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: In our discussions last evening you expressed some concern about the provisions in section 23 of the Federal Deposit Insurance Act, as contained in the proposed "Financial Institutions Act of 1957," S. 1451. This provision appears on page 163 of the bill.

As I told you last night, it is not the intent or purpose of this bill to deprive State banking authorities of rights given them under State laws to take initial actions and make initial decisions in reference to merger transactions.

In the event that the current proposal is enacted into law, I wish to assure you, on behalf of the Corporation, that it will not consent to any transaction under this section of the law, involving a State bank, without the prior approval of the State banking authority, if such approval is required by State law.

I trust, with this assurance, that we can count on your support of this section of the bill without any further amendment.

With kindest personal regards,

Sincerely yours,

ROYAL L. COURTS,
General Counsel.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1451) was ordered to be engrossed for a third reading, was read the third time, and passed.

REQUEST BY SENATOR EASTLAND FOR PERMISSION TO TESTIFY IN UNITED STATES DISTRICT COURT IN THE CASE OF SEYMOUR PECK, CHARGED WITH CONTEMPT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished acting minority leader [Mr. DIRKSEN] and myself, I send to the desk a resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 116), as follows:

Whereas Hon. JAMES O. EASTLAND, a Member of this body, has been served with a subpena to appear as a witness before the District Court of the United States for the District of Columbia, to testify at 2 p. m., on the 22d day of March 1957, in the case of the *United States* v. *Seymour Peck;* and

Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate: Therefore be it

Resolved, That Hon. JAMES O. EASTLAND is authorized to appear in response to the subpena of the District Court of the United States for the District of Columbia at a time when the Senate is not sitting in session; and be it further

Resolved, That a copy of this resolution be submitted to the said court as a respectful answer to the subpena of said court.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consideration the resolution.

Mr. RUSSELL. Mr. President, I feel that the resolution should be amended in the second line by adding, after the word "witness" the words "for the United States."

It may seem, Mr. President, to be a hairsplitting procedure, but suppose this question arises in a great many cases and all defendants cited for contempt start subpenaing Senators in large numbers to explain their actions in this legislative body in judicial proceedings. All these cases are not tried in the city of Washington; they are tried in many jurisdictions. It seems to me that, in light of the Senator's statement, the resolution should be modified by the addition of the words "for the United States."

The PRESIDING OFFICER. Does the Senator offer the suggestion as an amendment?

Mr. RUSSELL. I offer that as an amendment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WATKINS. Suppose the Senator goes to testify for the United States and the defense calls him. Would not the court and the defendant be entitled to get whatever evidence the Senator might have to aid them?

Mr. RUSSELL. Of course, if the Senator is going to place this question on the basis of the subpenaing of an ordinary witness into court, he would be correct. I think there is some difference, when a Senator has handled a resolution which is a citation for contempt, for him then to be subpenaed by the defense. The defendant is entitled to every right or privilege is properly his but under the Constitution no defendant can subpena any Senator into court to make him account for legislative action. If the Senator wishes to testify voluntarily that is another matter.

The Senator from Mississippi included in his unanimous-consent request the statement that he would be a witness for the Government.

I shall not press the suggestion if the Senator from Mississippi is content and the majority leader and the minority leader are content. But we are dealing with a question which has broad implications. To be frank, I do not like the idea of subpenaing Senators in matters of this kind, either for the Government or for the defense. The Senator from Mississippi, who is the Senator involved, stated, in response to my suggestion, that he would alter his unanimous-consent request so as to make it a request for permission to appear as a witness for the Government. I think that would be preferable to responding to the subpena issued for the defendant but I will not seek to impose my views on the Senator.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WATKINS. Would not the Senator think it would make some difference when the action now before the Court was initiated, in a manner of speaking, by the Senate itself? As I understand, this resolution was initiated by the Internal Security Subcommittee of the Judiciary Committee, and the Judiciary Committee passed upon it and it came before the Senate. The Senate adopted the resolution and sent it to the Department of Justice, with the request that the Department of Justice proceed to prosecute this particular individual.

Mr. RUSSELL. There is nothing unusual in that. Time and again such citations have been issued. We have issued innumerable citations, but this is the first time, to my knowledge, that a Member of the Senate who had handled the citation on the floor of the Senate has been subpenaed as a witness by the defense. It may have happened before, but not in the past 25 years.

Mr. WATKINS. I was subpenaed in one of these cases upon one occasion. The case in which I was subpenaed came before a subcommittee of which I was acting as chairman at the time. I did not testify, although I returned from Utah for that purpose. The Senate was not then in session.

It seems to me that it is fundamental that anyone charged with a crime should have the necessary testimony for his defense.

Mr. RUSSELL. That is not the issue in cases of this kind at all. The privileges of the Senate are involved. The Senate might be completely disorganized, so that it could not proceed as a legislative body, by reason of the abuse of the power of subpena. It could not function. It could be denuded of Senators by reason of irresponsible subpenaing.

Mr. WATKINS. If that should happen, I probably would stand with the Senator on that question.

Mr. EASTLAND. Mr. President, I should like to make a statement.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Mississippi?

Mr. RUSSELL. I yield.

Mr. EASTLAND. The United States Attorney, Mr. Hitz, has stated that he desires my testimony. I can appear as a Government witness. I shall be subject to cross-examination by the defense for any purpose it desires. So it will get all the information it desires. I do not see that it makes any difference. The amendment suggested by the Senator from Georgia satisfies me.

Mr. RUSSELL. Mr. President, I shall not labor the point, but I am rather amazed that as a good a lawyer as the Senator from Utah should consider the issuance of a subpena for a Senator in a case of this kind as a casual matter.

Sometimes we deal with this question from the other side of the fence. As I recall, a certain Senate committee subpenaed former Governor Adams, who is one of the Assistants to the President at the White House, and the governor respectfully declined to appear before the Senate committee. The Senate committee did not cite him for contempt. He was within his rights, under the division of powers.

In this case the Senator from Mississippi is willing to appear as a witness, and I shall not insist on the amendment. But I do not think this is merely a matter of another subpena issued in a court of law. In effect, the Senator from Mississippi is being called to accountability in a court of law for something that was done in the Senate, not only by that Senator, but by all Senators. To me it is quite different from subpenaing some man who might know something about a stolen chicken in connection with a criminal prosecution. When a Senator is subpenaed as a result of Senate action, this raises a serious constitutional issue, in my opinion. But if the Senator from Mississippi is content, I shall not insist on the amendment. However, I am apprehensive about procedures of this kind.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DIRKSEN. I think there is a real point in the contention made by the Senator from Georgia with respect to the establishment of a precedent, and I believe that another paragraph might well be added somewhat to this effect:

Be it further resolved, That approval of this authorization shall not be construed as a precedent in any subsequent action.

Mr. RUSSELL. I should be happy to have the authors of the resolution accept that language.

Mr. DIRKSEN. I submit it as an amendment.

Mr. RUSSELL. The question goes to the very integrity of the Senate as a part of the legislative body, a coordinate and coequal branch of the Government.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FULBRIGHT. What would be the position if all Senators who voted for the citation were subpenaed at once?

Mr. RUSSELL. That is the very question I have raised. I think the Senate ought to give some consideration to that question.

Mr. FULBRIGHT. Would we not be compelled to close up?

Mr. RUSSELL. The resolution is brought up in a shotgun fashion this afternoon. I am very jealous of the prerogatives of the Senate and would not like to see us take a false step.

Mr. FULBRIGHT. I think the Senator ought to insist upon his amendment.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from New Jersey.

Mr. CASE of New Jersey. I think the Senator from Utah has placed his finger on a very important point. The Senator from Utah pointed out that the Senate has asked the Department of Justice to proceed in contempt proceedings in the court with regard to a witness who was recalcitrant before a Senate committee.

The Senate did not have to adopt that procedure. The Senate could itself have haled the individual before it and dealt with the individual.

It seems to me that our prerogatives as a legislative body are not involved quite to the degree that the Senator from Georgia suggests, when we have asked the courts, a part of another branch of the Government, to take on for us this particular chore. It seems to me, therefore, that we are not creating any very bad precedent when, in such a proceeding, initiated at our request, we consent to having a Member of the Senate appear as a witness. I believe he should be available, in such a proceeding, so instituted, either for the defense or for the prosecution.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. RUSSELL. Just a moment, after I reply to the Senator from New Jersey.

This is not a new question, as such. Subpenas have been issued heretofore for Members of the Senate in matters of this kind. Heretofore, on motion of the district attorney, the subpenas have usually been quashed and have never been served.

In this case, the subpena was not quashed, but was served on the Senator from Mississippi. The courts have heretofore had more respect for the prerogatives and privileges of the Senate than the Senator from New Jersey would indicate, because they have quashed subpenas.

I have no objection to the Senator from Mississippi proceeding to testify if he wishes to do so. However, I am always hesitant to embrace something which involves a precedent which could be used in the future to impair the efficiency of the Senate as a legislative body and to destroy the privileges and prerogatives of the Senate.

The legislative branch of the Government has taken quite a beating in the past 25 years. In my opinion it no longer occupies the place in the esteem of the people of the Nation that it once occupied. We have gradually been pushed into a somewhat subordinate position. I do not know that we were altogether pushed. There were times when there were such overpowering personalities in the executive branch that the legislative branch might have been led, or might have gone willingly into a subordinate position. But the idea has never appealed to me. I believe that the legislative branch is as important as either of the other two branches. In some respects it is even more important.

So long as I am a Member of this body, I shall not treat casually and lightly incidents which affect the integrity of the Senate and the protection of its privileges as a coordinate branch of the Congress.

Mr. WATKINS and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom does he yield?

Mr. RUSSELL. I yield first to the Senator from Utah.

Mr. WATKINS. I hope the Senator does not think that I am treating this matter casually, because I am not. I think, however, that when we have initiated a matter, as we did in this case,

by adopting a resolution citing a man for contempt, and have sent the citation to the Department of Justice, in the executive branch of the Government, certainly we should listen to a request of the district attorney who handles the matter for a Senator to help carry out his prosecution of the case.

Mr. RUSSELL. But that is not the way the matter arose in the first place.

Mr. WATKINS. The Senator would permit the Senator from Mississippi to appear as a witness at the request of the district attorney, because the district attorney has indicated that he needs the testimony of the Senator from Mississippi.

Mr. RUSSELL. I requested the Senator from Mississippi to state whether he was going to appear as a witness for the defendant or as a witness for the Government. He said he wanted to go because, he said, the Government's case would be inadequate without his appearance. He having said that he would be willing to go, I was willing to refrain from interposing any objection to his going.

Mr. WATKINS. The Senator said that he could be cross-examined.

Mr. RUSSELL. Of course he could be.

Mr. WATKINS. He could not be cross-examined unless it be on a matter that had been raised on direct examination by the prosecution. If the matter were not brought up on direct testimony in the Government's case, the Senator could not be cross-examined on it. The cross-examination would be limited to matters brought up in the Government's case.

Mr. RUSSELL. The Senator states the rule of evidence in the United States Court as I understand it. A different rule applied in the courts of my State, at least it did when I was in the active practice many years ago.

Mr. WATKINS. Under those circumstances he would be able to testify for the Government, but not for the defendant.

Mr. EASTLAND. I have been told by the Government's attorney that that rule would not be strictly applied; that I would be open to cross-examination; that the defense would have an opportunity to ask me any questions it wished to ask me; that the defense would be permitted to ask me any relevant questions it desired to ask me; and that the defense would not be bound by the rule that would limit cross-examination to matters brought out on direct examination.

Mr. WATKINS. I should like to make one further statement. I believe the Senator from Georgia will agree that the rule I have stated is the rule as it has been applied in the past; that unless a matter is brought out on direct examination, it is not possible to cross-examine on it.

Mr. RUSSELL. I understand the Federal judges follow that rule. It is not the rule of evidence in the State courts in my State.

Mr. WATKINS. It is a rule of evidence in the State courts of my State. I have had to rule on matters of this kind when I was a judge. Of course if cross examination is permitted, that is a different matter. We must remember that here we are confronted with a case that we have initiated. Is a defendant to be deprived of testimony merely because we will not permit a Senator to testify?

Mr. RUSSELL. I shall not go into that again.

Mr. WATKINS. I am not holding any brief for the defendant in this case.

Mr. RUSSELL. I do not know anything about him. I do not even know his name. I have nothing for him or against him. I am interested in procedure.

Mr. WATKINS. I would still think the Senator from Mississippi should be permitted to testify. The Senate has charged a defendant with the commission of a certain offense, and if a Senator has any information that bears on the case, he should be given an opportunity to give his testimony.

Mr. RUSSELL. If the Senator from Mississippi wishes to testify, I am willing to let him testify. However, I doubt that that was the reason for the issuance of the subpena.

Mr. WATKINS. I do not know what the real reason was.

Mr. RUSSELL. Neither do I. However, I doubt the defendant expects to get assistance from the Senator who handled the citation for contempt on the floor of the Senate.

Mr. WATKINS. He must have thought that the Senator had some evidence that would be of help to him.

Mr. RUSSELL. The Senator has had very broad judicial experience, and he knows that when a witness is subpenaed, his counsel can always say he was surprised by the witness and that he is not testifying to what he was expected to testify. In that event the examination is open to cross-examination.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STENNIS. The Senator from Utah has rather sharply challenged the bringing up of this matter. I believe he should be commended, and I think he is correct in raising the point. While ordinarily I could agree that a Senator could not be subpenaed when he has official duties to perform, and that he cannot be put under compulsory process, it seems to me that in this case the Senate is, in part, a party to this lawsuit. The Senate preferred the charges. The Senate certified them and sent them to another branch of the Government to try the case.

We should certainly be very slow to withhold testimony of any kind, even though it involves the attendance of a Member of the Senate. We also agree to the general proposition that the doors of the court are always open and that a defendant must be confronted with witnesses and have the right to cross-examine them, and must be provided with the ordinary processes of law. We are the ones who initiated the proceedings.

Therefore, I believe we should go as far as we can possibly go, even though there is a great principle involved, as the Senator from Georgia so rightly says, and from which principle I would not detract in any way. Until there has been an abuse of power by the Government, which is prosecuting the case, we should be willing to go along with the request.

Mr. RUSSELL. I merely wish to observe, as I did a few moments ago, that this is not the first time that this matter has come up in this way. There have been instances in the past where subpenas have been issued for Senators to appear in court, but in which cases the judiciary was more jealous in protecting the division of the powers of the Government than is the case in the present situation. In those cases the judges quashed such subpenas.

Mr. STENNIS. Has the court refused to do that in this case?

Mr. RUSSELL. The senior Senator from Mississippi stated it has refused to do so.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. First I wish to compliment the Senator from Georgia on asking that extreme caution be used in this matter. I think that in every such case extreme caution should be used. I believe that the discussion on the RECORD this afternoon will show that the Senate is using extreme caution.

I agree that when the chairman of the committee which has recommended the certification of a charge to the court for hearing is summoned by the defendant, he should be permitted to appear as a witness, unless by doing so he is prevented from performing his duties as a Senator. The Senator from Mississippi, standing in that position, has taken the correct position.

I wish to say one more thing, and then I shall be through. I believe we are showing conclusively, by discussing the matter and by jealously considering whether we should give permission, and then giving permission as a matter of grace, not as a matter of right for anyone to demand it, that we are using the extreme caution upon which the Senator from Georgia insists. I congratulate the Senator from Georgia for insisting on it. I believe we should safeguard the privilege of the Senate by insisting on proceeding as a matter of grace in extending this authority to the chairman of one of its committees.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MORSE. Will the Senator take me through the procedural steps involved here, so that I may understand the facts?

Mr. RUSSELL. I am sorry; all the facts I have been able to glean were stated during the debate.

Mr. MORSE. I understand that counsel for the defense has asked the court to have the subpena issued.

Mr. RUSSELL. I understand that to be the case. I do not know whether that

is the situation. Counsel may have gone to the clerk of the court and obtained his subpena.

Mr. MORSE. At any rate, he requested the subpena.

Mr. RUSSELL. That is correct.

Mr. MORSE. Do I understand correctly that counsel for the Government asked that the subpena be quashed?

Mr. RUSSELL. The Senator from Mississippi so stated.

Mr. MORSE. On what basis did he make his motion to quash?

Mr. EASTLAND. On the ground that defendant's counsel had no right to request such a subpena.

Mr. RUSSELL. On the ground that it involved the privilege of the Senate. That was the ground in the other cases. I assume that was the ground in this case.

Mr. MORSE. The court refused to grant the motion to quash?

Mr. RUSSELL. The Senator from Mississippi has so stated.

Mr. MORSE. Did the court make its ruling orally or in writing?

Mr. EASTLAND. I do not know.

Mr. MORSE. But the court did refuse to grant the motion to quash?

Mr. EASTLAND. That is correct.

Mr. MORSE. The court refused to grant the motion to quash when objection was raised that the court was lacking in authority to subpena a Senator to testify in court.

Mr. EASTLAND. That is correct.

Mr. MORSE. I believe that very clearly joins the issue on the division of authority.

Mr FULBRIGHT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FULBRIGHT. Following the statement made by the Senator from Illinois, I wonder whether it would add anything by way of properly protecting the Senate if the following language were added to the resolution:

Provided, however, That the appearance of the Senator to testify is not pursuant to the subpena served on him, appearance pursuant to which is respectfully declined, but solely by virtue of the consent of the Senate.

Mr. RUSSELL. In my opinion it is perfectly clear that the court has no power to subpena the Senator. The only reason I am agreeing to this is that the Senator from Mississippi wishes to attend.

Mr. FULBRIGHT. Since the Senator does desire to attend, and since I assume the Senate will adopt some kind of resolution, would not the proviso I have suggested protect the status of the Senate presently, if it is adequate?

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, first I should like to make it abundantly clear that the leadership is not proceeding or attempting to proceed in any shotgun fashion or casual, light manner. I have spent most of the day on this subject. I have conferred with the distinguished Senator from Georgia at least twice about the matter.

I expressed grave feelings of apprehension to the Senator from Mississippi when the Senator first brought the matter to my attention. I discussed it with other distinguished legal authorities who are Members of this body.

The Constitution is quite clear on the subject. The precedents are clear on the subject. Section 588 of volume 6 of Cannon's Precedents of the House of Representatives says:

> The constitutional privilege of Members in the matter of arrest has been construed to exempt from subpoena during sessions of Congress.
>
> A Senator being subpoenaed to appear before the grand jury of the District of Columbia announced in the Senate that he would disregard it.
>
> A Senator declining to heed a summons to appear and testify before a Federal grand jury, the court held that if he failed to obey the subpoena voluntarily the court was without power to compel his attendance.

Section 6 of article I of the Constitution, which gives immunity from arrest to Members of Congress while attending sessions, underlies the interpretation of the precedent I have just read.

The chairman of the Committee on the Judiciary desires to appear as a witness, and has made it clear.

The Parliamentarian suggested that in view of the lack of precedents in the Senate on this very point there should be a formal resolution similar to the resolutions passed in the House and this resolution was modeled after the resolutions adopted there. The resolution was submitted to the chairman of the Committee on the Judiciary, not through the leadership, but directly from the Parliamentarian. It was then brought to the leadership. I read the resolution. I noted that it did not incorporate the protection requested by the Senator from Georgia [Mr. RUSSELL]. So I thereupon sought to assure myself the resolution would be satisfactory to the Senator from Georgia by asking the chairman of the Committee on the Judiciary if this language would be satisfactory and if it should be submitted in this form. The Senator from Mississippi indicated to me it was satisfactory.

I gather, in the light of the subsequent discussion, that the Senator from Mississippi had not discussed it with the Senator from Georgia. But I specifically raised the question with the Senator from Mississippi before I asked the acting minority leader to join in the resolution. I did this not because the majority leader or the acting minority leader is anxious to send the chairman of the Committee on the Judiciary downtown in response to a subpena, or anxious to ask the Senate to do so, but because the chairman of the Committee on the Judiciary felt that he should do it and that the interests of justice would be served by his so doing.

I will say that this action could open a very dangerous field, and if the practice should become a common one it could result in serious consequences. I am reluctant, as is the Senator from Georgia, to take this action, but both of us talked about the matter at some length and, as a matter of fact, I think the Senator from Texas was somewhat persuaded by the Senator from Georgia that the course we are following here is the best one.

Mr. RUSSELL. The Senator from Texas is wholly in error if he thinks that I ever saw this resolution before it was offered. I stepped up to the clerk's desk, after having been called out of the Chamber for a few minutes, to find out if a resolution had been offered, and the parliamentarian showed me a copy. I immediately stated that in my opinion the resolution should contain the language agreed to by the Senator from Mississippi when the Senator made his unanimous-consent request. Before I could turn around the resolution had been offered and read from the desk. I was not consulted in any way.

Mr. EASTLAND. I am willing to take the blame for that.

Mr. RUSSELL. I am not trying to place the blame on anyone. There was no reason for anybody to consult me. I am a Senator of the United States and I am supposed to be able to protect my rights and explain my views on the floor of the Senate. It is not necessary for the Senator from Mississippi [Mr. EASTLAND] or the Senator from Texas [Mr. JOHNSON], or the Senator from Illinois [Mr. DIRKSEN] to consult with me. I am supposed to be able to take care of myself.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. EASTLAND. Mr. President, it is solely my responsibility. I had not shown the resolution to the Senator from Georgia. I told the Senator from Texas that I had discussed the resolution with the Senator from Georgia.

Mr. RUSSELL. I stated, on reflection, after having heard the resolution read and having suggested the amendment, that if the resolution were agreeable to the Senator from Mississippi, I would not oppose it, nor move to amend it. But I still think we are dealing here with a very dangerous precedent.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I wish to commend the Senator from Mississippi for indicating his willingness to appear as a witness, although under the provisions of the Constitution of the United States the Senator is immune from the mandate imposed by a subpena duly issued by a court. The Constitution obviously provides that when a Member of Congress is in attendance on a session, any subpena served upon him shall be without validity.

I think, however, that we ought not lose sight of the fact that although we are Members of Congress, we ought to be available to give testimony in instances where justice will be served through the presentation of competent knowledge which we might have on the issues which are to be determined.

The issue here is not one of privilege. This is a case where a citizen of the

United States is being called upon to present to a court testimony which is pertinent in the disposition, justly, of the issues which will be presented in a trial. The need for appearing is accentuated by the fact that the judicial proceedings are the consequence of action taken by a committee or by the Senate.

I do not believe—and I am certain that it is not the fact—that one of us would want to escape giving for a fellow citizen honest testimony which would reveal the truth of what happened in a judicial proceeding under which, if he were found to be guilty, he would be punished.

I wish to emphasize the argument that I have constantly heard, and one to which we all subscribe, that the right to trial—the right to meet accusers face to face, and the right to summon those who can give testimony in our behalf—is sacred, inviolate, and should never be denied. Certainly the Senator from Mississippi would not wish to have that right denied.

I believe there is no question about constitutionality of the action. It seems to me that the judge, whoever he was, had to do some circuitous thinking to come to the conclusion that the provision of the Constitution did not apply to the Senator from Mississippi.

I subscribe fully and wholly to the words of the senior Senator from Georgia in wishing to protect every Representative in Congress and every Senator in the performance of his duties while the Congress is in session.

From my standpoint—and I believe my colleagues will subscribe to the thought—there is no Senator within this body who is not privileged to give testimony in court in accordance with truth so that in our judicial tribunals justice shall be done to all men and women who come before the court.

Mr. RUSSELL. I am in favor of justice and the securing of all rights. I will make this observation: I hope the Senator from Mississippi, in the light of all that has been said, will appear as a witness for the defense.

I will also make the statement, without the slightest fear that it will not be borne out in the events of the trial, that before the examination has proceeded for 5 minutes, the attorney for the defendant will claim he has been entrapped by the witness.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. I think one point has gotten into the RECORD erroneously, and I should like to correct it. Is it the understanding of the Senator from Georgia that the Senator from Mississippi is summonsed not as a Senator, not as a citizen, but as chairman of the Committee on the Judiciary of the Senate?

Mr. RUSSELL. I do not know as to that.

Mr. HOLLAND. I will ask the Senator from Mississippi if that is not the case. Is he not summonsed as chairman of the Committee on the Judiciary?

Mr. EASTLAND. I did not see the subpena, but I understand I was subpenaed as Chairman of the Internal Security Subcommittee.

Mr. HOLLAND. I so understand. I think the Senate is fully protected in its rights and privileges in every way by passing upon this question as a matter of grace. I want the RECORD to show that over and over again. The Senate does not have to approve this action; but we are preserving cautiously every right and privilege of every Senator and every chairman and every committee when we insist upon hearing the request of the Senator who is affected, and then passing upon the request as an incident to his appearing before he appears.

Mr. MORSE. Mr. President, I wish to comment very briefly upon the problem as I see it, because I think there is probably more involved procedurewise, and more involved from the standpoint of precedent, than we are giving sufficient thought to at the present time, because what we are doing as lawyers—many of us—is "curbstoning" on a matter of great importance.

I certainly agree with the thesis of the Senator from Ohio [Mr. LAUSCHE] that no United States Senator ought to deny, through the processes of justice, any information he could make available to the courts in the administration of justice. I think that is our clear duty as citizens, irrespective of our position.

In this instance we are talking about the Senator from Mississippi [Mr. EASTLAND]. But let us talk about Senator X. I think that any Senator X ought to make available to a court, on a voluntary basis, any information which he has within his knowledge that will expedite the administration of justice in any case where the court, the prosecutor, or the defense thinks he can be a helpful witness.

But, Mr. President, that is not all that is involved in this case. The Senator from Georgia has raised a procedural point, and a constitutional point, too, which we had better ponder for a few minutes, because the matter of the division of power is pretty fundamental to government by law.

I asked the question a moment ago whether or not a motion to quash had been made. I wish that I had the court record before me, because I am certain I could speak with greater knowledge if I had the transcript before me. But I am making these comments on the basis of this assumption, which has been borne out by the advice I have received from the Senator from Georgia and the Senator from Mississippi.

A subpena was requested by the defendant. The subpena was authorized by the court over the objection of counsel for the Government, whose objection was based on the ground that under the Constitution—and the precedents seem to bear out the counsel for the Government—the court lacked the constitutional authority and jurisdiction to issue a subpena against a United States Senator. That is the present decision of that court on this point. In my opinion, it is the material issue at this point in our discussion.

If these gentlemen have given accurate information about what has happened in this trial to date, we have been advised that the court takes the position that it has the power to subpena a Senator before it.

I think it is an ancillary and a completely subsidiary matter to proceed with the argument that we ought to see to it that the defendant gets whatever information the Senator from Mississippi can make available to him, or to the Government, too, until we come to grips, first, with this decision of the court. I think that can be handled in the resolution if we take a little time to word it. But it does not do any good to add to the resolution a statement that this action is not to be considered a precedent. We are making the precedent, and the language denying it will not change the fact.

We have before us a decision, a ruling, apparently, by a court which challenges the division of power, a ruling which could not stand if it were taken to the upper courts.

I do not see why we should proceed now to act on the resolution on the basis of authorizing the subpena to be executed against the Senator from Mississippi. Our simply saying that we are going to authorize him to appear voluntarily and by our consent does not change the fact that the ruling of the court is on the books. If we agree to a resolution, it will in effect make perfectly clear that we repudiate the subpena, but we will also make it perfectly clear that we advise our colleague to volunteer his testimony to the court, the prosecution, and the defense. We will have made this constitutional point, but I do not think we are going to make it by any language which says, "This is not a precedent," so long as the Senate agrees to a resolution which authorizes the Senator from Mississippi to answer the subpena, because that is what we are doing.

I do not think the Senate should agree to any resolution which results in the Senator from Mississippi answering a subpena which is beyond the jurisdiction of the court. On the other hand, I agree with the Senator from Ohio [Mr. LAUSCHE]: I think the Senator from Mississippi ought to make available to the court any information which he can make available to it at such time, at least, when the Senate of the United States is not in session, so that there can be no interference with the Senator's duty in transacting the people's business on the floor of the Senate. I do not think that problem is unsolvable.

I think we can take a little time. We may wait until tomorrow, but we can take the time tonight to draft a resolution which will not say that the Senate at any time in the future authorizes a Senator, by resolution, to answer a subpena which, in my judgment, the court is without power to issue.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. I am curious about this point, because I happened to have been a member of a House committee which cited a man for contempt. Later I was subpenaed into court, and I went

to court and testified. Why not? Should not a defendant have his chance to prove whether a quorum of the committee was present, and that he could not get some member of the committee to be present? I think we are going rather far afield when we say that this is a matter which can simply be glossed over.

I understand the chairman of the Committee on the Judiciary was subpenaed by the defense in the original instance. How else would the defense get into the testimony the fact as to whether a quorum of the committee was or was not present? Does the defendant have to accept the certificate of the clerk of the committee? Can he not ask the man who handled the gavel?

I went to court and testified, and the individual who was being tried was sent to jail. In the next case in which I testified, the defendant went free.

I thought it was a part of the responsibility of a person who had certified that a man was guilty of contempt to be willing to go into court and say, "Yes, the proper questions were asked in the presence of the correct number of members of the committee to constitute a quorum."

Mr. MORSE. I think so, too.

Mr. ANDERSON. If he cannot say that, we are in very bad shape.

The Senator suggested that the resolution might go over until tomorrow. I call his attention to rule XIV, section 6, which provides:

> All resolutions shall lie over 1 day for consideration, unless by unanimous consent the Senate shall otherwise direct.

I understand there may be a precedent for setting that rule aside, even though the rule was adopted only in 1947; but I think this may be a matter which we will want to consider a little further.

I am one of the few individuals who had the distinct pleasure and privilege of being subpenaed as a member of the Cabinet to come before a Senate committee. The Sergeant at Arms of the Senate of the United States came to the Department of Agriculture with the order of a Senate committee to confiscate the notebooks of all the stenographers in a specific section in the Office of the Secretary of Agriculture, in the hope that in those notebooks there might be something about grain speculation.

That is what the Senate did. I do not think the Senate should get too exercised if someone wishes the chairman of a committee to appear in court and state whether a quorum was present when a certain person was charged with contempt of that committee.

Mr. MORSE. Mr. President, so far as the net result is concerned, I do not think the Senator from Oregon and the Senator from New Mexico differ, except on this very vital point: The Senate of the United States is in session at the present time. A court has subpenaed a United States Senator, while the Senate is in session. In my judgment under the Constitution such a subpena will not stand the legal test, because the court is without authority to reach into the Senate Chamber and, by subpena, take a United States Senator out of the Senate and down to the court.

What the Senator from New Mexico and I would do—and I am sure any other Senator would do it—is this: If the court indicated to us that it would like to have our testimony, we would go to the court and would give the testimony. But the subpena power is a rather precious safeguard under the separation of powers doctrine; and so long as the decisions have been what they are, I do not think we should knowingly allow a lower court to proceed to get Senators to act on the basis of a ruling which is quite contrary to the rulings which have been issued by higher courts throughout our history. That is my point. I am not talking about this particular case; I am talking about the matter of the subpena.

I think that today we should make clear to the lower court, "Your Honor, you do not have the power." I think we can get that statement into the resolution.

But then we can say, "But, Your Honor, we want you to know that we want to cooperate with you to the utmost in seeing to it that there is made available to you any information from any Senator on a voluntary basis."

I think that is a very important difference.

Mr. ANDERSON. I agree with the Senator from Oregon about that.

In this particular instance I think the court would be very lenient, and would not try to compel the attendance of the Senator from Mississippi at any time not convenient to him, or would not attempt to take him away from the Senate.

I would endorse cooperation of the sort referred to by the Senator from Oregon.

Mr. MORSE. But when a judge slaps such a subpena upon a Senator, the judge attempts to exercise a power which in my judgment he does not have.

I think we have the duty of protecting the separation-of-powers system, as the Senator from Georgia and other Senators have pointed out.

Therefore, I should like to try my hand at drafting a resolution which will get the matter before us, and at the same time will see to it that the United States attorney and the Court have available to them whatever the Senator from Mississippi can make available to them.

Mr. FULBRIGHT. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. MORSE. I yield.

Mr. FULBRIGHT. I wish to express my approval of the point regarding subpenas.

The situation cited by the Senator from New Mexico [Mr. ANDERSON] shows the danger of establishing such a precedent. I wish to point out that the Senate should continue, as it has from time to time in the past, to give some attention to the maintenance of its privileges.

So I hope the Senator from Oregon will not insist on including in the resolution a provision which would require the Senator from Mississippi to go before the Court at a time inconvenient to the Senator from Mississippi.

The reference to "a time inconvenient to the Senator from Mississippi" shows how erroneous it would be for the subpena to be accepted at all.

So I hope the Senator from Oregon will accept my point about the use of the words "pursuant to which he respectfully declines."

I think in the resolution we should make very clear that we are not approving of the subpena.

Mr. MORSE. Yes; or we should use some similar expression.

I do not wish to be verbose in either the resolution or the debate, but I think some provision more detailed as to the documentation of the law could very appropriately be included in the resolution, for the information of the court.

Mr. President, in view of what the Senator from Georgia, the Senator from New Mexico, and other Senators have said about such resolutions, I should like to propound a parliamentary inquiry, because in this situation the time element is quite important: Would the Senator from Oregon be within his parliamentary rights if he objected to consideration of the resolution and voting on the resolution today?

The PRESIDING OFFICER. The Chair is advised that the precedents of the Senate are that the resolution is a privileged matter and therefore can be acted upon immediately. However, that is not the view of the present occupant of the chair. In the view of the present occupant of the chair, the rule states quite clearly that "all resolutions shall lie over 1 day for consideration, unless by unanimous consent the Senate shall otherwise direct."

The Chair does not care to rule contrary to the advice of the Parliamentarian, and would prefer to submit the question to the Senate, in the event the question is raised.

Mr. MORSE. Mr. President, I am going to raise it, because I think we should spend a little time this evening in working on the resolution, if there is any reason why the court could not allow the trial of the case to be continued for whatever length of time might be necessary under these circumstances.

Therefore, in order to get the issue clearly drawn, I shall object to having the resolution acted on today. Mr. President, I do object.

Mr. JOHNSON of Texas. Mr. President, I have assured Senators that the leadership would try to protect Senators against the taking of yea-and-nay votes late this evening.

Mr. President, we live and learn. I acted as I did because of the understanding that such procedure was desired by the chairman of the Judiciary Committee. I did so to suit both his conscience and his convenience, and with the full approval of the Senator from Georgia and other Senators who have spoken in regard to this matter and who now have raised this point.

Mr. President, I am not anxious to hurry the Senator from Mississippi downtown. The Senate can be in session tomorrow.

The resolution now pending has been prepared in accordance with the precedents of the other body. I do not think anyone contends that any provision of the Constitution states that Senators or Members of the House of Representatives are privileged from subpena. I think all of us know that a court is without power to enforce a subpena by arresting a Member of Congress during a session of Congress.

So the only thing with which we are confronted is the question of when will be a convenient time for the desired witness to appear?

I cautioned the chairman of the Judiciary Committee against appearing at all. I approached the matter with grave apprehensions. It was only after listening to the discussion of several Members who are very able lawyers—including the Senator from Oregon [Mr. MORSE], the Senator from Georgia [Mr. RUSSELL], and others—that I concluded that a formal resolution should be offered.

I do not wish to abandon the resolution, and I do not wish to appear in the light of asking the Senate to do something it should not do or to do something on the spur of the moment.

Mr. HICKENLOOPER. Mr. President, will the Senator from Texas yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. HICKENLOOPER. As I understood the Senator a moment ago, he said there was no question in his mind that a Senator could be subpenaed.

Mr. JOHNSON of Texas. That is correct.

Mr. HICKENLOOPER. Will the Senator from Texas amplify on that point, and state whether he distinguishes between a subpena and a requirement that a Senator testify, and whether he distinguishes between a civil situation and the questioning of a Senator about something which occurred on the floor of the Senate or in connection with his official duties.

If we were to fail to make a statement in response to a statement that there is no question that a Member of Congress can be subpenaed, I feel we would not quite touch upon the various situations which might be involved.

Mr. JOHNSON of Texas. In the case of the most direct precedent in point which I have available to me—and I shall read from that precedent—we find that—

"The Congress of the United States is now in session, and until yesterday I never heard of a precedent to this procedure in an instance of this kind.

"Section 6, article I, of the Constitution of the United States, gives immunity to arrest to the Members of Congress while that body is in session. It does not say that they are privileged from subpena, but if they do not obey, the only step the court could take would be to issue an attachment for their arrest. Since the Constitution provides immunity from arrest, in my opinion they are not subject to such action."

Justice Gordon then reviews a Pennsylvania case decided in 1800, holding that the court knew of no exception to the immunity of Members of Congress from the service of subpenas, and concluded:

"Unless the gentlemen see fit to obey the subpenas, this court at the present time has no power to compel them to do so."

Mr. HICKENLOOPER. I was trying to draw a distinction in the mechanics of serving a subpena, which I agree can be served on a Member of Congress, here or anyplace else where he can be reached. But it is like taking a horse to water; one cannot compel him to drink it.

Mr. JOHNSON of Texas. That was the point I attempted to make. The courts have the power to serve a subpena, but they do not have the power to enforce it when Congress is in session.

The Senator from Mississippi feels that it is in the interest of justice and in the interest of the country that he appear. He desires to appear, and he prefers to appear tomorrow, when the Senate will not be in session, and he asks consent of the Senate to do his duty as he sees it. We are attempting to obtain that consent. If it is the judgment of the Senate that consent shall not be given, the Senator from Texas is certainly ready to abide by the judgment of this body. He was simply attempting to accommodate the distinguished chairman of the Judiciary Committee, and he thought he was acting with the approval of other Senators.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. What happens if the Senate refuses to give its consent and refuses to agree to the resolution? The Senator can still testify.

Mr. JOHNSON of Texas. I do not feel, under the precedents, the Senator would desire to so act in the absence of consent. The Senator from Mississippi can speak for himself, but the usual resolution on the subject reads as follows, and I now read a resolution which was agreed to in the House of Representatives in 1948:

Whereas Representative John McDowell has been served with a subpena to appear as a witness before the District Court of the United States for the District of Columbia to testify at 10 a. m. on the 12th day of April 1948 in the case of the *United States v. John Howard Lawson*, Criminal No. 1352-47; and

Whereas by the privileges of the House no Member is authorized to appear and testify but by order of the House: Therefore be it

Resolved, That John McDowell is authorized to appear in response to the subpena of the District Court of the United States for the District of Columbia at such time as when the House is not sitting in session.

I think, in the light of the precedents of this body and the precedents of the House of Representatives, the Senator from Mississippi desires the consent of the Senate. He came to me earlier in the day and said he desired to seek such consent.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. Does the Senator not think in the future Senators might be placed in a very embarrassing position if the resolution were agreed to? If the Senator should testify, and a week or two from now he might not want to testify, would the Senate not have placed him in a very embarrassing position? Could the matter be reconciled by changing the resolution so that it would state the courts have no right to subpena a Senator, but in this case we are permitting the Senator to testify because the Senate referred this specific case to that specific court?

Mr. JOHNSON of Texas. The Senator from Texas would not want to reach the conclusion that the courts have no power to subpena. I think they have no power to enforce subpenas. If the Senate does not wish to permit the Senator to testify, if it does not want to give its consent, if it feels it might be embarrassing to have him testify, of course, the Senate can take such action as it sees fit. I do not feel that way. I think the ends of justice would be better served by having the Senator from Mississippi testify than if consent were refused.

Mr. CAPEHART. Would it help matters if the Senate stated that the Senate is agreeing to the resolution because it referred a specific case to a specific court, thereby limiting such action in the future to such cases where the Senate refers specific cases to specific courts?

Mr. JOHNSON of Texas. I think the resolution does that. The resolution gives approval only in this case, and only under these conditions and circumstances. It has been made abundantly clear, from the legislative history, the Senator from Mississippi was desirous of proceeding to testify.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Colorado.

Mr. CARROLL. What time would the Senator from Mississippi respond to the subpena?

Mr. JOHNSON of Texas. He hoped to appear at 2 o'clock tomorrow.

Mr. CARROLL. I have a suggestion the Senator might explore. I can see the wisdom of the majority leader's presentation in protecting the precedents. It is very clear the courts have the power to subpena, but they do not have the power to enforce subpenas. Obviously, if the courts could find the Senator from Mississippi in contempt of court, they could find the whole Congress in contempt for obstructing a decision. If the Senate said to the Senator from Mississippi that he could not go, it would be ridiculous on its face.

I have this recommendation to make. Rather than to meet this question by resolution, if the Senator from Mississippi would be willing to testify in court voluntarily, it would seem to me the proper procedure would be to go before the court and ask the court to vacate this order, and have the order issuing the subpena withdrawn and expunged from the records. It is a simple matter, and it could be done in 15 minutes. If the Senate would get that cooperation, the Senator from Mississippi could go voluntarily.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. EASTLAND. It is broader than the facts given by the subpena. The United States attorney has also requested that I testify.

Mr. CARROLL. If that be so, the matter would depend on whether or not the Senator from Mississippi desired to go voluntarily, either in behalf of the Government or in behalf of the defendant, as has been explained by the Senator from Oregon and the Senator from Ohio, because a defendant has constitutional rights, too. He has constitutional protections, just as a Senator has constitutional protections. In the decisions cited by the majority leader, it seems to be clear that the court had no other alternative than to issue the subpena, knowing he would be without power to enforce the subpena. The question again comes up, as we become disciples of accommodation, that this is a matter of accommodation, and the court should withdraw the subpena to put us back in the position where we were before. The Senator from Mississippi could appear voluntarily, if he wanted to, unless the court forces the issue. If the court should do that, we would have to meet it head on with a resolution.

Mr. MORSE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. I want to make clear to the Senator from Texas that I am just as anxious as he is to see to it that the Senator from Mississippi be given every opportunity to testify in this case, in the interest of justice. I agree with the observations of the Senator from Colorado. I think the matter can be very well handled by a proper resolution that the Senate can draft. I think this discussion tonight is going to be a good education for the court. When we discuss the question that the court has the power to issue a subpena, but not the power to enforce it, that is a pretty empty power. That is certainly putting form over substance.

I want to talk to Senators who are lawyers now. We have been standing here "curbstoning" now for 30 minutes on this matter. Not one of us has had time to get his nose into a single case or a single lawbook.

The precedents have been very ably cited to us by the majority leader. I think we are dealing with a very important procedural right of the Senate and that we had better know that we are right on the law. We had better have at least overnight to do a little studying, to enable us to come forward tomorrow with a resolution which will protect the rights of the Senate under the division of powers, and guarantee that, in the administration of justice, there will be available to the court whatever information the Senator from Mississippi wishes to make available to the court. On the basis of the discussion which has occurred, I think we would be making a great mistake to pass this resolution until we have had time to study it.

I renew my point of order. Referring to the report made to us by the Parliamentarian, I do not think the House precedents are binding upon the Senate. We have the right to make our own precedents and rules in matters of this kind, involving the rights of the Senate.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. Does the Senator not recognize that the precedents of the House with respect to establishing its rules on the first day of a session are not completely followed by the Senate?

Mr. MORSE. The Senator knows my position on that question.

Therefore, if I am in order, I object to the consideration of the resolution tonight.

The PRESIDING OFFICER. The present occupant of the chair has stated that he proposes to submit that point to the Senate.

Mr. JOHNSON of Texas. Mr. President, in view of the statements which I previously made, and the assurances which I have given certain Senators, I would not wish to have a vote this evening. I think we can delay action for another day, or another 2 days, or for such time as the Senate may desire. Therefore, I propose to suggest that the Senate adjourn until 12 o'clock noon tomorrow.

THE FEDERAL BUDGET FOR FISCAL YEAR 1958

INTRODUCTION

Mr. BYRD. I respectfully present for the consideration of the President and the Congress a summary of the results of a thorough study of the pending Federal budget for fiscal year 1958, beginning July 1.

I do not assume in any way that my suggestions are the final answer to the difficult problems involved in reducing hundreds of appropriations requested in the 1,150-page budget document submitted by the administration to Congress on January 16.

I well know that other Members of the Senate and House of Representatives are more able than I am to deal with budget reductions. I commend the Appropriations Committee of the House for the reductions already made. Action by the House is of the utmost significance because all appropriation bills must originate in that body.

I wish only to be an active member of the team dedicated to preserving the solvency of the Federal Government of the United States which is threatened by this, the largest peacetime budget in history.

Necessarily, my first statement, based on detailed study, cannot embrace all the details which convince me that substantial reductions can and should be made without destroying essential and proper functions of the Federal Government. It merely outlines the framework within which I believe such reductions can and should be made, based on examination of hundreds of appropriation accounts.

From time to time I shall present to the Senate further justification for the reductions I suggest in detail.

Mr. President, I ask that the remainder of my statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the remainder of the statement was ordered to be printed in the RECORD, as follows:

THE SITUATION

The Federal fiscal situation confronting us may be described in brief as follows:

NEW PROPOSALS

Proposals establishing new functions, expanding old ones, and for indefensible increases in current authorizations, requested in the Federal budget for fiscal year 1958, beginning July 1, will force continuing increase in future budgets.

BALANCE UNASSURED

The proposed budget is in precarious balance, depending upon postal rate increase and steadily rising income. Neither is assured.

DEBT LIMIT

The Federal debt is at its statutory limit, contingent liabilities are at their peak, the value of the dollar is dropping, and inflation has been restarted. Interest on the debt is taking 10 cents out of every tax dollar collected. Without this debt cost, taxes could be cut 10 percent across the board.

TAX BURDEN

Current taxes, from all sources, Federal, State, and local, are taking a full third of the income of all citizens to finance government activities.

HIGHER RATES

Taxes at present rates from current sources are taking more than 90 percent of some individual incomes and more than 60 percent of the net income of most corporations. The present tax rates are approaching confiscation. The economy cannot much longer survive present tax rates on current sources, and it should be understood that tax sources have been exhausted.

BUDGET REDUCTION

Reduction of Federal appropriation and expenditure budgets is the only alternative in the Federal financial situation confronting us. Based on a thorough study of the President's budget document, and 24 years of experience in the United States Senate, I am convinced that requested appropriations can be reduced by $6.5 billion, summarized generally as follows:

(Budget total in requested appropriations, $73.3 billion.)

Reductions recommended, by broad categories:

1. National security activities: $1.5 billion.

This includes military, atomic energy, and stockpile. This reduction is less than 5 percent. It simply contemplates squeezing out waste. It does not contemplate curtailment of any essential activity or procurement. The reduction would leave $39.6 billion in new appropriations for these programs. Together with $40.1 billion remaining in unexpended balances of prior appropriations and $67 million in foreign currencies, this group of activities would have $79.8 billion available for expenditure.

2. Foreign aid and international affairs: $2 billion.

This includes foreign military assistance, economic aid, contributions to international organizations, and diplomacy. The reduction contemplates military assistance at this year's $2 billion level, at a saving of $0.5 billion; and a $1.5 billion cut in economic aid. After this cut, military assistance will have $2 billion in new appropriations; $4 billion in unexpended balances in prior appropriations, and $70 million in foreign currencies, for a total of $6.1 billion. After this cut, economic aid would have $400 million in new appropriations, $2.2 billion in unexpended balances in prior appropriations,

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precedents are binding upon the Senate.

Mr. CARROLL. I yield.

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unexpended balances in prior appropriations,

and $726 million in foreign currencies, for a total of $3.3 billion.

3. Domestic-civilian activities: $3 billion.

This includes remaining Federal activities. Appropriations to these activities are up 36 percent since 1954. The budget contains 37 proposals for new and expanded activities in this category with 1958 requests totaling $2 billion. These include 14 new Federal grants to States programs bringing the total to 67, and among these is the public school-construction program with a first year appropriation of $451 million. Among the hundreds of old current accounts, the budget proposes increases in 3 out every 4. After this cut, domestic-civilian programs, exclusive of highways, will have $33.8 billion in new authorizations plus $24 billion in unexpended balances in prior appropriations, for a total of nearly $48 billion. The House of Representatives is to be congratulated on reductions it has made in this area to date. I hope the Senate will cut in even greater magnitude.

Total reductions: $5.5 billion.

Remaining appropriations: $66.8 billion.

These reductions are suggested on the basis of examination of requested appropriations and authorizations, estimated expenditures and projected unexpended balances in approximately 500 current authorizations, 90 permanent appropriations, 75 public enterprise funds, 120 intragovernmental revolving funds and 40 proposals for new and expanded activities.

METHOD

Based on detailed examination of each of these accounts with my staff, we have arrived at what we believe to be practical and feasible reductions after careful consideration of:

1. The economic and budget conditions under which these unprecedented peacetime Federal appropriations are requested, including the dropping value of the dollar, the terrible tax burden we are carrying, and the continually increasing Federal expenditures through expanding Federal programs.

2. 1958 requests as compared with appropriations enacted for each account in 1957 and 1956; and in this connection I have considered such workload information as the budget gives, estimated increase in personnel, all program and "obligations by objects" information available; and I have taken into account Federal contributions to retirement funds heretofore appropriated in lump sum to the Civil Service Commission.

3. The magnitude of construction requests with especial attention to proposed new starts.

4. New programs, with especial attention to those which will continue indefinitely with rising costs; and

5. Total funds which would be available from both new appropriations and unexpended balances in prior appropriations and authorizations, obligated and unobligated.

EMPLOYEES

Generally, civilian employment in the Military Establishment has been declining in relatively small stages, but employment by civilian agencies has increased 35,000 since 1954, and an estimated increase of 44,500 in civilian agency employment is budgeted for the coming fiscal year. Total Federal civilian employment is now 2,387,015, plus 273,920 foreign nationals employed overseas outside of regular rolls.

PUBLIC WORKS

Federal civilian public works are budgeted for $2.3 billion in 1958 appropriations. This is an increase of more than a half billion dollars over the current year. Add $2.1 billion in appropriations for military public works and the total rises to $4.4 billion. Consider an additional $2.9 billion for highways outside the budget, and you have Federal appropriations in and out of the regular budget of $7.3 billion for public works.

FEDERAL CREDIT

The budget proposes new commitments in 1958 under Federal-credit programs totaling $21.4 billion (rounded)—$4.3 billion in direct loans, and $17.2 billion in guaranteed and insured loans largely for Federal-housing programs. This is an increase of nearly $1 billion in guaranteed and insured loans. This is one of the most inflationary areas of Federal Government activity. It is public risk for private profit. The budget estimates that for 1958 the cumulative net authority for credit commitments under Federal programs will reach $82 billion.

NEW PROGRAMS

I shall refer to new programs by describing briefly one horrible example of what happens to old programs. There is in the budget an item entitled "Salaries and Expenses, President's Committee on Education Beyond High School," Department of Health, Education, and Welfare. It is shown as an old program. The committee was given a 1957 appropriation of $150,000 to make a report by December 31, 1957. The original appropriation provided no funds for grants or subsidies. The pending budget proposes an additional 1957 supplemental of $650,000 in the current year for grants and subsidies. Then it goes further and proposes one 1958 appropriation of $300,000 to enable the committee to complete its report, and another 1958 appropriation of $2.5 million "further to assist in developing programs * * * to implement recommendations of the committee." Here we have a $150,000 appropriation for a committee report, which in 2 years grows to a $3 million appropriation for a grants and subsidy program before the report is made. This is a small example of how these programs grow.

UNEXPENDED BALANCES

When you examine the Federal budget, you really study three budgets. First, there is the expenditure budget, which for 1958 is estimated at $71.8 billion. This is the figure to which most frequent reference is made. Second, there is the budget of new appropriations and authorizations. This is the budget to which this statement necessarily refers, because it is the one now before Congress for action. Expenditures may be made from these appropriations in the coming and future years. The third budget embraces unexpended balances in prior appropriations from which expenditures may be made during the coming year without any current action by Congress. These unexpended balances, as of July 1, are estimated at $70 billion. If Congress should enact the new appropriations and authorizations totaling $73.3 billion as requested in the pending budget, Federal agencies would have a spending availability of $143.3 billion. If $2.9 billion is added for authorization to the so-called highway trust fund, the total would exceed $145 billion.

GENERAL COMMENT

It must be emphasized that this budget is dangerous in the extreme, because it entrenches wasteful Federal spending and embarks on many new projects which will compel larger and larger budgets as the years go on.

It is a complete reversal of the retrenchment policy to which this administration pledged itself. When President Eisenhower came into office in 1953, his administration cut the Truman budget $10 billion, and for fiscal year 1955 he cut spending another $3 billion—a total of $13 billion.

Since that time his budgets have been rising steadily, with huge increases in the domestic-civilian area. This budget is the worst yet. It begins another spending spree which will continue inflation and increase the cost of living.

To approve the 1958 budget requests would mean constantly increasing Federal spending based on the tremendous commitments proposed.

We have a great decision to make:

Pass this budget in its present form and magnitude, and it will grow and grow with eventual disaster.

Cut it down to proper size and we will be able to see fair weather.

Let us not forget that the distinguished Secretary of the Treasury, who is an able financier, denounced this budget presented by his own administration as authorizing expenditures which if continued would lead to a depression which would "curl your hair."

THE CHALLENGE OF NUCLEAR POWER

Mr. WATKINS. Mr. President, the importance of nuclear power is recognized universally. How we best may come into full use of this form of power is a matter upon which, however, there is variety of opinion.

Recently one of our foremost nuclear scientists, Rear Adm. H. G. Rickover, discussed the Challenge of Nuclear Power, before the Navy Guided Missile Preview luncheon here. In this he discussed in a forthright manner some of the problems that exist in attainment of our desired goals.

So that the Congress may have the benefit of Admiral Rickover's thought upon this vital topic I ask unanimous consent that his speech appear in the CONGRESSIONAL RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY REAR ADM. H. G. RICKOVER, UNITED STATES NAVY, CHIEF, NAVAL REACTORS BRANCH, DIVISION OF REACTOR DEVELOPMENT, UNITED STATES ATOMIC ENERGY COMMISSION, AND ASSISTANT CHIEF OF THE BUREAU OF SHIPS FOR NUCLEAR PROPULSION, BEFORE THE NAVY GUIDED MISSILE PREVIEW LUNCHEON, SHERATON-PARK HOTEL, WASHINGTON, D. C., MARCH 1, 1957, ON THE CHALLENGE OF NUCLEAR POWER

Many factors have been suggested as the major source of difficulty in achieving nuclear power. Secrecy, the novel scientific concepts involved, legal and governmental restrictions—each of these has been cited as the major stumbling block.

But the one factor which today most severely limits our exploitation of nuclear power is neither legal nor governmental. It is not a lack of new ideas, nor even a lack of understanding of recently developed ones. These do have some effect. The main problem is with materials and equipment generally considered as conventional, but which must conform to the exacting standards required of all components of a nuclear powerplant.

Just as the strength of a chain is no greater than that of its weakest link, so does the successful operation of a nuclear powerplant depend on the reliability of all its parts—not alone the nuclear reactor, but also the heat exchangers, pumps, valves, etc. In fact, our experience with the four operating plants of the Naval Reactors Program has shown that it is these components which have proved less reliable than the nuclear reactor itself. Also, the cost of these components has been high and their delivery time poor. They have thus been the cause of

much of the high cost and long completion time of today's nuclear powerplants. Here, I believe, is an aspect of nuclear power whose importance is little understood, and which presents a challenge to industry.

It is commonly believed that nuclear power development is primarily the province of the nuclear physicist. Nothing could be further from the truth. What actually faces us is the need to determine by calculation and by experiment how best to remove heat from a reactor, and then to design and build all of the components that make up the reactor system in such a way that they will operate efficiently and reliably under the rigorous conditions inherent in nuclear power generation.

It has not been difficult to focus the necessary attention on the novel features of nuclear power, such as the nuclear reactor itself. Here new problems were expected; they were easily recognized, and are being reasonably well solved. But it has been very difficult to get sufficient effort directed toward the more conventional aspects of nuclear plants—the heat exchangers, the pumps, the valves, the instrumentation. Here normal engineering and manufacturing techniques have proved to be inadequate when applied to nuclear plants. To manufacture satisfactory nuclear plants requires that the whole plateau of engineering design, materials, inspection, and training be raised significantly above present levels. This is so because a failure which would be trivial in a nonnuclear application could have serious consequences where radioactivity is involved. It is also more difficult to maintain and repair equipment which is radioactive and welded hermetically tight.

Since the nuclear reactor is the most challenging and novel of the components that make up a nuclear-power system, it attracts most of the technical attention. So it is not surprising to find that when industry speaks of getting into the nuclear-power field, it almost invariably refers to the design and development of reactors alone. Today many companies interested in nuclear power dissipate the efforts of their technical manpower on academic reactor feasibility studies, but give little, if any, consideration to the overall reliability of the plant. The necessity for improving design and performance of the conventional-type equipment, which transforms the heat generated by the nuclear reactor into useful power, is apparently either not understood or is disregarded. As a result not enough effort is being expended to improve this equipment so that it can meet the exacting demands of nuclear power applications. The extent of this neglect cannot be measured in time and dollars alone; it must also be measured in terms of what is today one of our scarcest and most priceless assets—trained technical manpower.

Let me give you some examples to demonstrate how today's normal engineering methods and manufacturing controls have proved inadequate for nuclear application, and the steps which are being taken to remedy the situation. You will see from these examples that the development of naval nuclear propulsion is not a normal development which will follow inevitably from today's engineering and organizational facilities. On the contrary, it requires special effort both in engineering and in management.

Three main factors are responsible for most of our difficulties in applying conventional-type components to nuclear powerplants. They are:

First, the need for shorter manufacturing time than is customary in conventional powerplants.

Second, the use of materials in shapes and under conditions different from those with which industry has had experience.

Third, the need for more rigorous criteria to evaluate the adequacy of materials and equipment.

Let me amplify these points:

First of all, there are good reasons for requiring shorter manufacturing times. The development of a nuclear reactor is a technically difficult and time-consuming undertaking. If the United States is to capitalize on any technological lead we may have in this field, our nuclear powerplants must be built in a short time. For this reason our practice is to order the conventional-type equipment for nuclear plants as soon as a preliminary design of the nuclear reactor has been firmed up. But our invariable experience has been that industry cannot deliver this equipment as quickly as it is needed; and this prevents us from fully exploiting our technological advantages. This is a sobering fact, especially since the welfare of our country in the future may well depend on the rapidity and the effectiveness with which we are able to exploit new concepts.

Second, nuclear powerplants today require components which have different shapes and which are capable of operating under different conditions than those with which industry has had experience. We had expected that industry's technological know-how was sufficient to take care of these modest departures from conventional practice. We found this not to be so; in fact, we found that industry frequently has inadequate understanding of the fundamentals involved even in straightforward applications. For this reason many of the problems that have arisen in our program have had to be solved by empirical means. We have been forced to try many approaches, hoping that one would work. We cannot try all possibilities, and we cannot afford to continue trying several possibilities. We must first understand why something will work or will not work. Until the fundamental processes involved are understood, additional large-scale use of technical manpower and money will be required to solve each new, even slightly different, problem as it arises.

The empirical methods we are using are rapidly becoming unsuitable for solving these problems. This empirical approach is enormously wasteful of money and trained technical manpower; it also results in unexpected and unexplainable flaws and failures. These continue to plague us, and cause considerable delay.

Finally, the necessity for use of more rigorous inspection criteria arises from the emphasis we necessarily place on reliability. Failure of a component in a nuclear powerplant has far greater significance to plant safety and operation than a similar failure in a conventional plant. The reason, as I have mentioned, is the radioactivity hazard, and the resultant difficulty of access for maintenance and repair. While this can be minimized by proper choice of reactor coolants, serious problems nevertheless remain, which have not been sufficiently appreciated by many who are working on reactor plant design and manufacture.

Thus, it is clear that conventional-type components when used in nuclear powerplants must meet far more exacting standards, and must demand a higher order of engineering than similar components used in normal industrial applications. This is a challenge to industry which is not yet thoroughly understood or accepted.

To illustrate the problems which arise from these special requirements of nuclear powerplants, I will give you a few examples. They can be grouped as follows:

First, lack of fundamental understanding even of common materials and of their fabrication.

Second, lack of management attention to the work, both from an organizational and from a detailed technical standpoint.

1. Lack of fundamental understanding.

(a) Our present knowledge of stainless steel is far from satisfactory. We have had to devote excessive attention to its fabrication and weldability to assure that the end product will be satisfactory. This is a field where fundamental knowledge leading to more effective methods and techniques is urgently needed.

(b) Many of our steam generators use stainless steel tubes. Despite every design and operating precaution taken by us, we have experienced leaks in some of our steam generators. One corrective measure is to stress relieve the stainless steel tubing to minimize corrosion. The manufacturers of this equipment have had years of experience in fabricating tubes. Yet, when they were confronted with the requirement of stress relieving stainless steel tubes, without resultant surface contamination or distortion, they needed no less than 5 months to develop their processes. These 5 months were not anticipated by us and caused a corresponding delay in the completion of the steam generators for one of our newer ships. But even after this delay of 5 months and the expenditure of close to a million dollars, we still do not have a good understanding of this technical problem. Here, as in many other cases, we had to spend considerable time and money on a "brute force" approach, because there was no hope of obtaining an understanding of the fundamentals involved in a reasonable length of time.

(c) Obtaining sound carbon steel forgings and castings has continuously plagued us and is a major problem. Experiences with defective forgings and castings have forced us to order twice as many as are actually needed in order to insure a sufficient number of satisfactory ones. For example, one of our contractors needed about 50 large forgings. Yet no less than 100 had to be made in order to supply these 50; the other 50 were so poor they had to be scrapped. I estimate that during the next 5 years the naval reactors program alone will require about 600 large forgings. If the present rejection rate continues, an additional 600 forgings will have to be made and scrapped, at a waste of millions of dollars.

(d) The same is true of large stainless steel castings. Many of these have had gross defects. We have had to become reconciled to the fact that here again extra units must be made to be certain of obtaining a sufficient number of good ones. We still have not learned why these difficulties arise and how sound parts can be assured. I estimate that 2,750 castings weighing about 7,500,000 pounds will be required during the next 5 years in the naval program. If the present rejection rate continues, about 4,100 castings will have to be made in order to meet this requirement. The cost of the additional castings which will have to be scrapped is estimated as several million dollars.

These rejection rates for forgings and castings certainly do not speak well for our fundamental understanding of materials and their fabrication.

2. My second point, the need for an entirely new quality level of management to insure a satisfactory product, is even more important, but more difficult to illustrate in a brief talk.

We have found that before a company can produce heat exchangers, valves, pumps, instruments, or other components suitable for a nuclear powerplant, a complete revision of its normal organizational procedures is necessary. A full-time project manager responsible directly to top management must be placed in charge of the nuclear products. He must establish new levels of engineering and scientific competence. This generally

works and the total rises to $4.4 billion. Consider an additional $2.9 billion for high-

domestic-civilian area. This budget is the worst yet. It begins another spending spree

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and scientific competence. This generally

requires that personnel be given special education and training—academic evening courses at nearby schools or universities, and practical courses at the plant itself. Management will have to pay more attention to the training of personnel in administrative methods and in purchasing and expediting.

New tools and procedures for inspection must be developed and put into use. Facilities for testing raw materials and the final product must be designed and installed. Often these are very expensive.

In short, an entirely new level of technical and administrative competence must be built up for even the so-called conventional-type equipment.

For example, in one experimental program nine small industrial-type pumps were ordered, one at a time, over a period of a year by our laboratories. These were a standard commercial product, ordered from several companies, out of their catalogs of stocked items. They were to be used for laboratory tests of a completely nonnuclear nature. Yet, each of the nine pumps had some serious defect upon delivery: poor castings which allowed gross leakage, misalinement which prevented operation, incorrect material used. Such defects can easily be corrected in most applications; they are only a nuisance. In a nuclear powerplant, however, where radioactivity is involved, such defects are intolerable.

Contrast this situation with the performance of the special canned-rotor pumps we had to develop for nuclear application. These developmental pumps, welded into place, require no lubrication and have run for years without inspection. They have received no attention and show no signs of needing any. Three industrial concerns have now been trained to make these pumps. Because of their reliability they are now also finding use in nonnuclear applications.

The difficulties I have discussed represent a very small number of those we have so far encountered; as our program expands the number of problems increases. They are but an indication of the difficulties with so-called conventional-type equipment which must be faced and solved before a nuclear power industry can become a reality.

Two lessons stand out from what I have said:

First: Too much dependence is currently being placed on routine design and production methods. Practical nuclear power cannot be achieved by routine methods. The performance and safety standards of nuclear plants pose problems which require technology far in advance of that now being used. We have found from numerous and repeated experiences that the only way these problems can be solved is by special and persistent attention by management. One or more individuals, competent in technology as well as in administration, must be appointed on a full-time basis in each organization to follow the nuclear work and to report directly to management. Otherwise, management will not really know the status of these development items and will not be able to make certain that satisfactory results will be achieved on time.

Second: Companies should determine where their background and talent can best meet the needs of nuclear power. For most companies this is not in the design of the reactor itself; rather it lies in the development or perfection of reliable, higher performance materials and components. Right now nuclear power requires that practically everything be designed by scientific methods.

Today there exists both a great opportunity and a great challenge in the nuclear power field. Those who realize that a major function of management is to plan for the future, and who are willing to undertake difficult work, including achievement of better understanding of fundamentals, will be the ones who remain in this field and benefit from it because they will be solving tomorrow's problems today.

If this challenge is accepted and successfully met, the entire level of technology, management, and productive skill in the United States will be raised. This is of vital interest to our country if we are to maintain the technological supremacy which is fundamental to our survival.

FINANCIAL INSTITUTIONS ACT OF 1957

Mr. STENNIS. Mr. President, during the formal proceedings and debate on the banking bill the junior Senator from South Carolina [Mr. THURMOND] had ready an amendment whereby he proposed to strike out certain sentences in section 23 of the bill which came from the committee, with reference to bank mergers, and the merging of State banks.

That amendment was not offered because the junior Senator from South Carolina had received certain assurances from the Federal Deposit Insurance Corporation, in the form of a letter from its General Counsel, which the junior Senator from South Carolina has already read into the RECORD.

Those assurances were to the effect that the Federal Deposit Insurance Corporation would not approve such mergers until the proposals had also received the approval of the State banking authorities, with reference to the merging of State banks.

I appreciate very much the assurances of the Federal Deposit Insurance Corporation. It enjoys the confidence of the banking fraternity of Mississippi by reason of a very fine record of administration. On the basis of such confidence, we are assured that the course of the Federal Deposit Insurance Corporation will be as indicated.

As I understand from the Senator from South Carolina, that guaranty and assurance satisfied him, and I am very glad to associate myself with him in those sentiments, and to agree, as one of the supporters of the amendment to which I have referred, that under those conditions and circumstances the principle is preserved, and that it is not necessary to present the amendment.

I thank the junior Senator from South Carolina for his very fine efforts and his work in planning the amendment, drafting it, and generating support for it.

He has rendered a real service to the State banks, and I am very glad to join with him in accepting the assurances of the FDIC.

SUITABILITY OF MINNESOTA LAKES FOR SPEEDBOAT TRIALS

Mr. HUMPHREY. Mr. President, a recent article in the Washington Evening Star by Mr. Malcolm Lamborne reports that the famous boatsman, Mr. Donald Campbell, is looking high and low for the right kind of lake on which to shatter the world's speedboat racing record.

It occurs to me that Mr. Campbell need not look further than the State of Minnesota for a suitable lake. We have nearly 11,000 of them, Mr. President, and Minnesota's enthusiasm for water sports of all kinds would make Mr. Campbell feel most welcome indeed.

The Minneapolis aquatennial—centered in a large part around the celebration and advancement of water sports of all kinds—will be held again this year in July. It is one of America's most colorful and beautiful festivals.

It would seem appropriate at this time, Mr. President, to extend, on behalf of the people of Minnesota and the city of Minneapolis, a cordial invitation to Mr. Campbell, to my fellow Senators and to all Americans who love the great outdoors and water sports of all kinds, to visit Minneapolis at aquatennial time and to find at firsthand the delights which a Minnesota summer offers the sportsman.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on sessions of the Senate until next Tuesday, for official reasons.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 21, 1957, he presented to the President of the United States the enrolled bill (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat.

RECESS

Mr. JOHNSON of Texas. Mr. President, if no Senator desires to address the Senate, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 22, 1957, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 21, 1957

The House met at 12 o'clock noon.

The Most Reverend Archbishop Vasili, of Byelorussian Autocephalic Orthodox Church, New York City, offered the following prayer:

Eternal God, our Father, Thou who did create the universe and us and did establish everlasting laws, and so loved mankind as to give Thy only begotten son, that we following Him, might edify Thy kingdom on earth.

Our Heavenly Father, Thou enlightened the mind of the glorious founders of this country, blessed them and helped them to draw up the laws for general prosperity and peace. Strengthen their hearts with Thy grace, that they may become merciful samaritans to all the fortuneless and homeless and to all in need. Make them the hope of all those who are suffering and oppressed, make them become the luminous torch of truth and

liberty all over the world; for all races, nations, and individuals.

This prayer we make to Thee, our God, on this anniversary of the declaration of independence of Byelorussia, whose freedom was suppressed with brute, godless force, whose millions of martyrs before Thy throne cry to Thee: Exercise Thy justice, restore our freedom for which Byelorussian people strive without ceasing against their oppressors.

We beseech Thee, merciful Father, shorten the days of discord among nations, stop the fighting, remove the threat of war and hasten the end of oppression.

We humbly implore Thee, our God, accept this our prayer, bless this Congress, the United States of America, and Byelorussia.

May Thy glorious name, merciful Father, reign in our hearts and be blessed now and forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

PRICE SUPPORT FOR CORN

Mr. COAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. COAD. Mr. Speaker, last week, immediately following the defeat of the corn legislation in the House, I drafted a petition addressed to the Secretary of Agriculture and asked the Members of the House to join me in its support. This petition asked the Secretary to announce price supports on corn produced in the commercial corn area at $1.60 per bushel for those farmers staying within their allotted acreage.

The program which this petition calls for is an urgent item, for I understand the Secretary of Agriculture is thinking of supporting corn which is grown outside of the allotment program. As we have seen in the last year, this kind of support program only tended to increase production which added to our overall problem.

Therefore, I invite others to join me in asking that supports at a higher level be placed where they ought to be placed—on corn which is raised in compliance with announced acreage allotments. The only possible way the corn producers can remain in the acreage allotments is to be assured of a fair price.

PROTECTION OF AMERICAN INDUSTRY

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it is a mystery to most Americans why tariffs are lowered to permit competing foreign products to enter this country and imperil American industries and American jobs.

In 1955 a 15-percent reduction in tariffs on rubber footwear products dealt a hard blow to our own manufacturers of these products right here in the home market.

Is this the kind of policy we want from an administration that is duty bound to protect American industries and American workers from unfair foreign competition?

We can understand why noncompeting products and materials should come into the American market. We need them, and they have them.

But when manufacturers of competitive goods which are produced by labor receiving less than 10 percent of the average wage paid in American rubber footwear plants are encouraged to send more goods into our market, we must fight these destructive policies until they are revoked and replaced by tariffs adequate for the protection of sorely pressed American industries.

What happens to American enterprise, and the American standard of living, when the executive department, by its arbitrary tariff cuts, invites foreign products that are manufactured by cheap labor to undersell our own industries and our own workers?

They are endangered by the actions of a Government that was elected to serve the best interests of the American economy and the American people, at least in our own domain.

The footwear producers in the United States are understandably bitter that they are not given any representation in this country's tariff negotiations with other nations.

When the administration encourages low-wage producers of competing products from abroad to invade the American market by tariff reductions and other rulings, it is undercutting our minimum wage laws and other legislation passed by Congress to insure adequate wages and other benefits for our workers; not by deliberate intent, of course, but that is the way it works out. Perhaps this contradiction is not evident to those who concentrate on international relations but fail to comprehend the impact of tariff concessions on certain segments of the home market.

No wonder that Congress distrusts the proposed Organization for Trade Cooperation.

From the experience of the rubber footwear industry, the discretionary power of the Government to make tariff cuts without the restraining influence of customs law places this and other industries in the uncomfortable position where they can be horse traded out of existence at the whim of a few global planners in Washington.

We must resist these policies before they inflict further damage.

The rubber footwear industry in the United States, finding the administration deaf to its pleas for tariff protection, seeks the support of labor and management throughout the American economy to halt the concessions that are being made to competing products from abroad.

Must foreign policy be permitted to exercise a life-or-death control over those American industries that are regarded by some nonelected State Department officials as expendable?

PENN-TEXAS-FAIRBANKS, MORSE PROXY FIGHT

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, on Tuesday I spoke regarding the spectacular attempt of the Silberstein-Penn-Texas syndicate to gobble up one of our most respected American corporations. I now wish to bring to the further attention of the Congress additional comment concerning these maneuvers. The first is an article in the March 25 issue of Time magazine entitled "In His Fight for Control of Fairbanks, Morse & Co., Financier Leopold Silberstein Operated With All the Cloak-and-Dagger Tactics of International Intrigue." The second is an article by the nationally known financial editor of the New York Journal American, Leslie Gould, which appeared on March 20 and is entitled "How To Become a Big Shot Industrialist—Via Takeover Route." Mr. Gould, with obvious reference to the Silberstein maneuvers, states that there is a way to become a big-shot industrialist and "it can be done with other people's money." The essential step in the plan, says Mr. Gould, "as the takeover operation develops, influence peddling lawyers and retinue of publicity men and with actual or claimed access to high place—even that big Office on Pennsylvania Avenue in Washington—are taken on." Another step in the operation concerns the Swiss banks. Mr. Gould says if the company to be taken over is a larger one and associates with capital of the raiding group wish to be anonymous, there are the Swiss banks. The Swiss banks never reveal their customers, who can be anyone. Another wrinkle is to contract with third parties "mystery individuals to buy stock on their own, using their credit, but guaranteeing them a price substantially above the market. This is being resorted to more and more. It amounts to a buying of proxies, for the delivery of and payment for the shares is made after stockholders' meeting voting on the control."

Mr. Speaker, I have been officially advised that the SEC is even now continuing its investigation of the Silberstein-Penn-Texas operation. There is no indication that this investigation will be completed before the critical date of March 27, when the annual meeting of the Fairbanks, Morse stockholders is scheduled to take place. I am also advised that an action alleging conspiracy and violation of the SEC laws, among

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other things, has been filed by Fairbanks, Morse in the Federal court in Chicago. In view of the fact that the SEC investigation has not been completed, I feel that it is the duty of the SEC to intervene in the court action and ask the court to postpone the annual meeting until their investigation is completed. If this is not done the SEC may well find itself in the position, months from now, of locking the barn door after the horse has been stolen.

ECONOMIES IN THE HOUSE OF REPRESENTATIVES

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection?

Mr. KILBURN. Mr. Speaker, I strongly endorse the resolution introduced yesterday by our colleague from California, Representative SMITH.

I agree with his position. I think the proposed additional House office building should be abandoned at least for the present. That the costly renovation of the present House office buildings should be indefinitely postponed and that certainly the front facade of the Capitol, after standing 100 years, can well wait until we have money available.

Many of us did not realize when this matter went through the House and certainly I did not appreciate how costly it was going to be.

In my 17 years down here I have had an office in the Old House Office Building. I have two rooms. They are fine offices—all I need and I don't want any more room.

I heartily commend Representative SMITH for his resolution and join with him in the hopes that it will be adopted.

ANNUAL MEETING OF UNITED STATES JUNIOR CHAMBER OF COMMERCE EXECUTIVE COMMITTEE

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MAY. Mr. Speaker, the United States Junior Chamber of Commerce executive committee meets annually in March in Washington, D. C., for the purpose of conducting regular business as well as becoming more familiar with the affairs of the National Government. During the course of the 3-day meeting, each of the members of the committee visit their Senators and Congressmen to talk over items of importance in their own State as well as nationally.

Each year in the District of Columbia meeting room of the Capitol a luncheon is held hosted by the senior Senator from the State of the president of the United States Junior Chamber of Commerce attended by the Senators from each executive committee member's State and the Congressman from his district. This year the luncheon was hosted by Senator COOPER, of Kentucky, in honor of Jaycee President Wendell H. Ford.

As a past national vice president of the United States Junior Chamber of Commerce, it is indeed a pleasure to be able to recognize that organization from the floor of the Congress.

Members attending the 3-day session are as follows: President Wendell H. Ford, Kentucky; Past President Hugh McKenna, Nebraska; Vice President Ralph Peters, Pennsylvania; Vice President William Risher, South Carolina; Vice President John Holland, Mississippi; Vice President Charles Shearer, Indiana; Vice President C. Robert Jones, Iowa; Vice President Wallace Springer, Missouri; Vice President Richard Fitzgerald, California; Vice President Lawrence Woodworth, Washington; Vice President George Pagonis, New Jersey; Roland Tibbetts, executive vice president, Oklahoma; Ben Sisson, treasurer, New York; Philip Knox, general legal counsel, California; Ira Kay, president of Junior Chamber of Commerce International; James Kelley, vice president of Junior Chamber of Commerce International; F. L. Fillipelli, president, Canadian Junior Chamber of Commerce.

DULLES ON THE MIDEAST

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, this morning's New York Times carries a headline "Dulles Confident on Mideast Trend—Events in General Are in the Interest of Peace He Says on Leaving for Bermuda."

I do hope that this is not a feeling of confidence engendered again by the fact that we have reached another brink. I do earnestly pray that we are on the way to peace. But if we are to be guided by what followed his past predictions, we are not on the way to peace but on the brink of dire trouble.

Mr. MARTIN. Of course, we have not got into war yet.

Mr. MULTER. No; and I hope we stay out.

Mr. MORANO. There is no shooting, though.

Mr. MULTER. There is plenty of shooting, unfortunately.

The same newspaper also carries this front-page headline immediately alongside the one I have already read. This one reads: "Outlook at Cairo Is Bleak on U. N. Talk With Nasser." Which headline do you believe, Homer Bigart's sent from Cairo or Secretary Dulles' pulled out of the air en route from Australia to Washington to Bermuda?

THE PLIGHT OF THE JEWS IN EGYPT

Permit me to direct your attention to another matter which is not receiving the attention of our State Department. It is best told in the following fact sheet issued by the American Jewish Committee:

THE PLIGHT OF THE JEWS IN EGYPT

(This fact sheet is one of a series of publications issued by the American Jewish Committee during its 50th anniversary year. For a half-century, the committee has upheld the right of every man to be judged on his merits, not by his religion, color, birthplace or ancestry. In those countries where democratic principles are faltering or alien, the committee seeks to protect Jews from oppression; to enable them to live not only in safety, but with dignity and full equality, and to emigrate without penalty, should they wish to do so. The American Jewish Committee is a non-Zionist organization. It has sought to help the State of Israel to become an effective advocate of liberty in the Middle East and to provide a dignified life for those who need or wish to settle there.)

The plight of Jews in Egypt today is a tragic one. Since November 1956, thousands have been formally expelled by the Nasser Government. Many more thousands have been forced to emigrate "voluntarily." At least 10,000 of the estimated 35,000 to 55,000 Jews in Egypt have had to leave the country. Those who remain face economic strangulation; with their goods and assets sequestered and their funds blocked, it is no longer possible for them to earn a living. They have been given to understand that there can be no future for Jews in Egypt.

The wall of isolation and secrecy which was thrown around these developments has been crumbling since November 24, 1956, when the American Jewish Committee first called attention to the facts. A few days later, the committee published Egyptian documents as irrefutable evidence. These disclosures were promptly minimized or disclaimed by Egyptian leaders. Additional data, assembled by the American Jewish Committee's overseas staff after interviewing hundreds of refugees newly arrived in Europe from Egypt, confirm the grim picture of terrorism and persecution.

This fact sheet is issued in order to present the truth.

THE JEWS OF EGYPT BEFORE NASSER

There has been a Jewish community in Egypt for almost 2,000 years. About 7,000 strong in the early 1800's, it had grown to well over 65,000 by 1947, when Egypt took its latest census.

During the past century, Jews participated in all phases of Egyptian life. They served as senators and deputies, cabinet ministers and members of the former royal court. They played a prominent role in business, finance and industry, and in the expansion of Egyptian agriculture, and constituted an important segment of the Egyptian middle class. They were active in cultural activities and, ironically, in the nationalist movement for an independent Egypt.

Under Egypt's first nationality law, adopted in 1929—7 years after the country gained independence—it was difficult for members of all minority groups to obtain citizenship. Consequently, only about 10,000 Jews were Egyptian citizens in 1956. About 15,000 were foreign nationals, holding passports from a variety of countries. The remainder were legally classified as stateless.

After the Arab-Israel war in 1948, several hundred Jews in Egypt were arrested, and their properties sequestered. The situation of the entire Jewish community was precarious. There was some improvement after King Farouk was deposed and Gen. Mohammed Naguib came to power in 1952. In

April 1954, however, Naguib was overthrown by Col. Abdel Gamal Nasser. Arrests of Jews began soon after. Thirteen Jews were put on trial as "Zionist agents and saboteurs." Two committed suicide as a result of the treatment they received; two were executed; others were sentenced to long imprisonment.

During the period 1947–1956, a sense of increasing uneasiness caused many Jews to emigrate. Since the number of these departures has never been ascertainable, the Jewish population at the end of 1956 could not be precisely determined. Estimates range from 35,000 to 55,000.

NASSER'S MASK OF TOLERANCE

Late in 1956, after the French-British-Israeli forces moved against Egypt, the western press began to carry the first accounts of Egypt's systematic program of terror and expulsion. As a result, the Egyptian Government took a number of measures to reassure the world:

December 10, 1956: Zakaria Mohieddine, Minister of Interior, in an interview, published in the Journal D'Egypte: "Egyptian Jews are treated without any discrimination whatsoever, and if we have detained a certain number of Egyptian Jews their number is no more than 120."

December 13, 1956: Dr. Mahmoud Fawzi, Foreign Minister, quoted in the New York Times: "Out of 65,000 Jews in Egypt, only 120 have been interned for valid reasons of public security."

December 17, 1956: Lieutenant Colonel Hatem, director general of the information department, termed reports of Egypt's persecution and expulsion of Jews "completely false."

December 20, 1956: Egypt's chief rabbi, Haim Nahoum, 84 years old, blind, and under a doctor's care, was required to issue a voluntary statement: "We address to God our warmest prayers for the grandeur of Egypt, her prosperity, and the welfare of her sons."

BEHIND THE MASK

The United States press has found reason to be skeptical of Egypt's official disclaimers:

"Despite an Egyptian denial, there is enough evidence now that Jews are being deported from Egypt—because they are Jews—to require United Nations intervention. * * * The methods used are so similar to what Hitler did before the war as to be frightening." (The New York Times, editorial, November 29, 1956.)

"Egypt * * * is making it very clear that all Jews should go at the expense of leaving most of their material wealth behind." (New York Herald Tribune, news release, December 10, 1956.)

"The second flight from Egypt is now in full swing. I have just seen it. The apologists for the Nasser regime say there is no persecution of Jews in Egypt but I would bear witness that I have seen it and felt it and heard it in the past few days. * * * Egyptian officials claim they hold only 131 Jews there but every Jew in Cairo knows there are hundreds and some reliable sources believe the figure may run to 3,000." (William Richardson in the New York Post, December 18, 1956.)

Nasser's Nazi advisers

The dexterity and speed with which the Nasser government has moved against its Jewish population have been cited by many observers as indicating that practiced hands have been guiding this campaign.

It is well known that Egypt employs many foreign advisers, including Communist technicians from Russia and her satellites. But the employment of German Nazis, former Wehrmacht officers and members of the Afrika Korps has been largely hidden from the world. At present, it is estimated that some 200 or more work in Egypt, including:

SS Gen. Wilhelm Voss—in charge of Egypt's Central Planning Board and chief adviser to the War Minister.

Dr. Johann von Leers, associate of Goebbels and notorious anti-Semite—advises on anti-Jewish propaganda. Indicative of Egypt's attempt to hide her Nazis is the fact that William Stevenson of the Toronto Star was expelled from the country 24 hours after filing the first interview with von Leers.

Gen. Otto Remer—headed the Egyptian-training program which created the fedayeen guerrilla fighters.

NASSER'S FOUR-PRONGED ATTACK AGAINST THE JEWS

On November 1, 1956, the Egyptian Government initiated a series of measures directed against the Jewish community. Four lines of action were pursued:

1. Arrests and imprisonment.
2. Expulsion from the country.
3. Economic strangulation.
4. Denial and revocation of citizenship.

Arrests and imprisonment

On the night of November 1, squads of Egyptian police invaded Jewish homes in each of Egypt's leading cities. Forcing entry without any warrant, they concluded their searches by taking at least one member of the family—usually the head of the house—off to prison. Families were warned not to leave their homes, except to purchase food for an hour or two a day. Building janitors were given firearms and invested with police authority to keep Jewish tenants in confinement.

For the first few days, prisoners were shunted around to a variety of common-law jails—such as the Citadel in Cairo, and the Prison des Barrages, about 25 miles from the city—and into various internment centers. Finally, they were grouped into five camps:

The Abassiah Jewish School in Cairo held stateless Jews and those who were Egyptian citizens.

The Prison des Barrages held Jews who were Greek, Italian, Spanish, Portuguese, Iranian, Rumanian, Polish, and White Russian—any nationality except French or British.

Two school buildings in Cairo, French and British, were internment centers for British and French citizens including several hundred Jews.

The B'tesh prison at Heliopolis, a Cairo suburb, held 42 Jewish women.

Egyptian wardens warned prisoners that they were under martial law—that they had no civil rights. They were packed into cells without light or air, or into overcrowded school internment centers where it was forbidden to open the windows for days on end. Sanitary facilities could be used only under guard and at certain times. Some prisoners were lashed on the feet; others were cuffed and beaten when they refused to sign papers presented to them by the Egyptian authorities. Only after the intervention of the Red Cross were internment conditions somewhat alleviated and even the most elementary hygiene conditions observed.

As of December 7, 1956, at least 900 Jews had been arrested. With arrests still continuing, these figures represent an extremely conservative estimate.

Expulsion from the country

Mass expulsion began about November 15. At that time, the Egyptian Ministry of Interior ordered a number of Jews—most of them stateless—to report immediately to Ministry offices. There they were told that unless they left the country within a few days (usually 3 to 7), they would be put into concentration camps. Here again, only one member of a family was usually chosen—most often the breadwinner, so that the whole family would have to go or be left without means of support.

Jews who have been interned are, almost without exception, expelled aboard planes or International Red Cross transports that now ply regularly between Alexandria and European ports. These prisoners—only a small fraction of the total number expelled—are brought directly from the jail to the plane or ship, usually in handcuffs. The departure of 1 such group—967 Jews from Cairo—was described by foreign correspondent William Richardson:

"For the last hundred yards they were marched through the streets while Arabs shouted at them. At the station they were left handcuffed and under guard for more than an hour. A mob gathered, began cursing and spitting, and then threw stones. The guards laughed and their officers taunted the Jews: "You're going to die." (New York Post, January 8, 1957.)

Soon after the expulsion program started, and with the obvious "approval" of the Egyptian Government, the offices of the grand rabbinate in Cairo began registering Jews for emigration. Expulsion orders reached Jews of every status—Egyptian citizens, stateless and foreign subjects alike. All were required to state that they were leaving "voluntarily," would not return, and were renouncing all claims against Egypt.

At first, when the emigree left Egypt, the police took back his expulsion order, so that there would be no evidence of formal expulsion. Later, such orders were not even written; Jews were simply required to sign a statement that they had received verbal orders. In some cases, even Jews holding Egyptian passports, who refused to sign "voluntary requests" for emigration, were physically "persuaded" to do so by the Egyptian police. In other cases, interned prisoners were told that they would have to remain in jail until they agreed to give up their citizenship and leave the country. Word of such incidents, spreading rapidly among the Jewish population, contributed to the exodus.

Within 3 months, at least 10,000 Jews left the country.

By February 10, 1957, ships leaving Egypt had carried over 8,500 Jewish refugees to Europe: 2,092 to Greece; 3,855 to France; 2,600 to Italy. Many others left Egypt by air, going directly to Switzerland, Belgium, and elsewhere. Thus, 10,000 is a conservative estimate of the total.

At the outset, those departing were permitted to take only 20 Egyptian pounds (approximately $57) and a small value of personal effects. Today, they may take 100 Egyptian pounds (about $287) plus two valises. All emigrants are carefully searched by customs officers, to make sure that no personal valuables are carried away.

Economic strangulation

The Government of Egypt has made it plain that Jews not officially expelled now face the choice of leaving voluntarily or remaining without means of survival.

Economic strangulation of Egypt's Jewish community is taking place under Military Proclamation No. 4, headed "Regime of Sequestrations" and dated November 1, 1956. Article I states:

"The director-general of the management of properties of persons interned or placed under surveillance, charged with the execution of the provisions of Law No. 176 of 1956, will assume the management of the properties of the following persons and institutions:

"1. All physical persons who were interned or placed under surveillance in execution of the law relative to the state of siege.

"2. Every society, association, or foundation, whatever its purpose may be, functioning under the control of any single person cited above, or any person having an important interest in it.

"3. All persons who reside outside of the Republic of Egypt but pursue activities which are prejudicial to the security of the state.

"4. All branches, agencies, or bureaus domiciled in the Republic of Egypt and functioning under the control of any of the aforementioned persons or those who have an important interest in them."

Jews either "interned" or under "surveillance," and therefore subject to this order, represent the economic mainstay of Egyptian Jewry—the largest and most important enterprises; and the main sustenance, through voluntary contributions, of Jewish religious, educational, social, and welfare institutions.

Similar action against British and French nationals, Jewish and non-Jewish, has proceeded under another Military Proclamation No. 5. Proclamation No. 4, however, was aimed almost exclusively at Jews—stateless, Egyptian citizens, and nationals of countries other than Britain and France.

But this measure was only the beginning.

Jews working for sequestered firms were either fired immediately or advised that they would be dropped as soon as substitutes were trained. Often, these discharges were called indefinite suspension, to avoid paying pensions or allowances legally due.

Nonsequestered firms employing Jews were unofficially advised that it would be difficult to obtain export-import licenses and other essential Government permits while Jews were on their payrolls.

Various professional societies and guilds published public announcements expelling all their British, French, and Jewish members, thereby preventing doctors, lawyers, engineers, and accountants from continuing to practice their professions.

In other economic spheres, regulations were adopted which, in effect, eliminated all Jews and westerners. A cotton exchange ruling, for example, that all transactions must be carried on in the Arabic tongue, made it impossible for the overwhelming majority of non-Moslem brokers to do business.

Bank funds belonging to Jews have been blocked. Thus, those who had means, instead of being able to help the needy, are themselves in dire straits.

It should be noted that the Egyptian Government has been careful to cloak these measures against Jews in language that omits the word "Jew." Through these various devices, devious and direct, the Jewish breadwinner has suffered the seizure of his business, the loss of his job, the closing down of his professional practice, the wiping out of resources and livelihood alike.

Denial and revocation of citizenship

In November 1956, Egypt modified its citizenship and nationality laws in order to keep Jews from becoming Egyptian citizens, should they desire to do so, and to provide a legal base for withdrawing the citizenship status of those Jews who had attained it.

Article 1, of the new law of November 22, 1956, stipulates that Zionists shall not be eligible for citizenship; and article 18 of the same law asserts that "Egyptian nationality may be declared forfeited" by order of the Ministry of the Interior in the case of persons classified as Zionists. The law, however, does not define Zionism, leaving Egyptian authorities free to interpret it as they please.

Furthermore, under the new law, only individuals "established on Egyptian territory before January 1, 1900, who conserved their residence until the date of promulgation of the present law" are eligible for citizenship. Since there is no documentation available in Egypt that would enable a person to prove he had been there continuously since 1900, this clause gives the Egyptian authorities additional ground for denying citizenship at will.

WHAT THE UNITED STATES CAN DO TO HELP

Since the great majority are stateless, emigration of Jews from Egypt presents many problems. However, a number of countries—France, Britain, Italy, Brazil, Switzerland, Israel, and others—are aiding them in their efforts to find new homes.

Although the United States has cautioned the Egyptian Government on its treatment of Jews, the emigration requirements of the McCarran-Walter Act have not been eased to permit their entrance. There are several important steps the United States could take:

1. The Jews driven from Egypt deserve the same humanitarian considerations so generously accorded the refugees from Communist Hungary. The parole provisions of the McCarran-Walter Act should be utilized to admit some of them to the United States on the same basis as Hungarian refugees.

2. The United States should institute a "mercy airlift" for all who are permitted to come here.

3. The United States should urge the Secretary General of the United Nations to investigate Egypt's treatment of Jews and her violation of the UN's Universal Declaration of Human Rights.

Pertinent provisions of the Universal Declaration of Human Rights

Article 9: "No one shall be subjected to arbitrary arrest, detention, or exile."

Article 15: "No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality."

Article 17: "No one shall be arbitrarily deprived of his property."

OVERSEAS OIL OPERATIONS ESCAPE INCOME TAX LAWS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, the current hearings of the Senate Subcommittee on Interior and Insular Affairs and Monopoly Subcommittee of the Senate Committee on the Judiciary are rendering a valuable public service in making public the diversion from the Public Treasury million of dollars of income taxes on overseas oil operations of American corporations.

In the committee sessions it has been disclosed that the lucrative Middle East oil profits of American corporations, running into the hundreds of millions of dollars, effectively escape American income-tax laws by using the depletion allowance which permits them to deduct 27½ percent per year of their sales up to half of their net income from taxable profit. In addition, they have arranged a change in their relationship with foreign governments under which income taxes by the foreign governments are supplaning the royalty-split arrangement which existed prior to 1950. Under the earlier arrangements, the American corporations split their profits with foreign governments on a royalty basis for use of the oil concessions. Under this arrangement the royalties paid the foreign government were deducted before determination of income for tax purposes. By supplanting the royalty arrangement with an income tax levied by the foreign government, the oil companies can deduct the tax paid for foreign governments from net income, thereby eliminating any income taxes due the United States.

In 1955 Aramco's oil sales totaled $724 million. After paying King Saud, of Saudi Arabia, $272 million, $272 million remained at net profits for Aramco. Ordinarily, this company would have had to pay 52 percent of this amount, or $141 million in United States income taxes. Instead, Aramco was able to deduct $121 million from its taxable profits as a "depletion credit" and then from the large tax obligation still remaining, it was able to deduct $193 million as Saudi Arabian income taxes. Therefore, Aramco's tax deductions of Middle East operations totaled $314 million, or $58 million more than the net income from Middle East operations, leaving $58 million in tax credit available for deductions by its component American companies on their net income from operations in the United States.

In view of the fact that Standard Oil of California, Standard Oil of New Jersey, and the Texas Co. each has a 30-percent interest in Aramco, they are each recipients of a tax credit of $17½ million from their 30-percent interest in Aramco which is deductible from their income on domestic operations. The Socony Mobil Oil Co., with a 10-percent interest in Aramco, receives a tax credit of $5,800,000 on its domestic income. Therefore, in addition to paying no taxes on profitable Middle East operations, Aramco provides its component companies with valuable tax credits against their domestic income. American companies in Venezuelan oil operate under the same taxless structure and pioneered in its development.

Oil profits of American companies operating in the Middle East, Venezuela, and the other oil provinces are operating in a tax vacuum protected at high cost by the American Government. Almost a half billion dollars per year escape the Federal Treasury through the "gimmicks" devised by the overseas oil industry and written into American law. The enterprise of these oil corporations, in developing mineral wealth in foreign lands, is dwarfed by their even more vigorous enterprise in avoiding American income taxes. The escape of American oil profits from the American tax collector is utterly disgusting.

SAVINGS AND LOAN ASSOCIATIONS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 196 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4135) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the consideration of the bill H. R. 4135. As indicated by the reading of the resolution, the purpose of the bill is to protect local control of savings and loan associations.

There is no objection to the rule and, so far as I know, little if any objection to the legislation as such, and I have no requests for time.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no one who is against either the rule or the bill itself.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF SMALL RECLAMATION PROJECTS ACT OF 1956

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 193 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield one-half of my time to the gentleman from Illinois [Mr. ALLEN], and I now yield myself such time as I may require.

Mr. Speaker, the resolution provides for 1 hour of general debate, after which the bill will be read for amendment under the 5-minute rule, the open rules provided for by the Committee on Rules.

The purpose of the bill is to modify certain language in the Small Reclamation Projects Act of 1956 objected to by the President at the time he approved the act, and thus permit this much needed program to be gotten into operation.

The act provides for cooperation between the Federal Government and States or local public agencies in the development of small reclamation projects. It would enable certain State and/or local projects to be built by those agencies and financially reimbursed by the Federal Government, just as if the Federal Government had done the work, either in the form of loans or outright grants.

The objective of the amendment has been to retain in the Congress legislative oversight of the small projects program and at the same time adopt language agreeable to the President, who had raised the question as to whether the language in the act as originally passed does, or does not, violate the separation of powers within the Government.

The Committee on Interior and Insular Affairs has complied with the Ramseyer Rule and I urge the adoption of this resolution so that the House may proceed to the consideration of H. R. 2146.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no one opposed to the rule, but it is my understanding that there will be some opposition to the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

MANAGEMENT OF SAVINGS AND LOAN ASSOCIATIONS

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4135) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 4135, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky [Mr. SPENCE] will be recognized for 30 minutes, and the gentleman from Iowa [Mr. TALLE] will be recognized for 30 minutes. The Chair now recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the last Congress passed an act regulating and controlling bank holding companies. That act was passed after much opposition and after a hard fight. The holding companies in the banking field had grown to be financial monsters. There was centralized control and concentrated economic power. As a result of these holding companies, there was a condition which was dangerous to our economy and not favorable to the best interests of the ordinary banker. Notwithstanding the fight that was made against that bill, it was passed overwhelmingly by both Houses of the Congress and was signed by the President. We come here today with a bill that is remarkable for its lack of opposition. It came out of the committee by unanimous vote. It has the approval of the Bureau of the Budget and the Federal Home Loan Bank Board. It has the approval of both the United States Savings and Loan League and the National Savings and Loan League. The rule was given for its consideration by the unanimous vote of the Committee on Rules. So there seems to be no opposition to the bill anywhere. We gave an opportunity to the largest holding company in the savings and loan field to testify. They decided they would not testify, but sent a statement.

There are 6,000 savings and loan associations in the United States with assets of $43 billion. In 1946 the entire assets of the savings and loan associations of the United States were $10 billion. It has been quadrupled in 10 years. Of those institutions all but 400 are mutual savings and loan associations. There are 3,700 insured institutions that have assets of $39 billion. There are 2,300 uninsured institutions that have only $4 billion of assets.

This bill is not punitive. It inflicts no punishment. It is not an ex post facto law. It impairs no existing obligations. It authorizes the Home Loan Bank Board to withhold insurance from savings and loan associations that are held by the holding companies and gives the Board power to go to court to force holding companies to release control of any association acquired in violation of the act. Under the terms of this bill a holding company is a company that owns, controls, or has the power to vote 10 percent or more of the stock of two insured savings and loan associations.

There are two holding companies now in the savings and loan field. One of them was organized about 18 months ago and has grown to have assets of $240 million. Savings and loan associations are local institutions. They are controlled by local people. They build up a community. When an individual puts his money into a mutual association he is purchasing stock; when he takes his money out the stock is withdrawn. In many cases when he borrows money he is purchasing stock in payment of his debt, and when he has paid his debt that stock is withdrawn.

This evil has not grown in the building and loan associations to the extent it did in the banking field. What we are doing now is anticipating future growth and making some provision to prevent these institutions having the same power and

influence in the building and loan association field that bank holding companies do in the general banking field.

It is a great advantage to the community to have a local institution. It is a disadvantage to have these financial institutions managed and controlled by nonresidents at distant points, who do not have the same interest in the development of the community, who do not have the same interest in the welfare of the people that local institutions have. These local institutions engross the attention and the interest of those who are engaged in operating them to a remarkable extent. In the smaller associations the remuneration to the managers and directors is very small, but they enthusiastically give much of their time and effort in operating them. We do not want to let the basic character of these institutions be changed; we want them to remain local institutions undirected by distant owners, and not controlled by people who are more interested in the acquisition of these institutions than in the development of the locality where the institutions exist.

A savings and loan association cannot make loans beyond 50 miles of its office, and we should not change that basic character which they originally had and which they want to maintain. It is to the interest of those institutions and it will be to the interest of home buyers and of the community generally to see that there is no change made in the character of these institutions by reason of the development of holding companies.

This bill has the approval not only of these savings and loan leagues but I know it also has almost universal approval of the members of the leagues. They cherish their independence; they are proud of the fine work they are doing in the community; they are proud of their association, and they want the character of the association to remain as it is.

I have no criticism to make of the holding companies or the men who organize them. They had a perfect right to do so. It was legal; however, such organization is a very fruitful enterprise that richly rewards those who engage in it. I am confident if there is no restraint on holding companies they would grow in this field as they have in the banking field and they would be just as destructive to the interest of the people here as they were there.

The savings and loan associations have assets, as I said, of $43 billion, about 85 percent of which is invested in homes. I do not think any institution could be better qualified to lend on homes than savings and loan associations. They take an interest in their borrowers, who are building homes. They see that the contractors, the material men, mechanics, and the laborers are currently paid, so that no liens can be placed upon the houses. There is a friendly, neighborly association between the borrower and the local savings and loan institutions. They stand high in the affection of people because of the service they render. For that reason I am sure that all my colleagues are in favor of this bill. Not only the savings and loan associations favor it, but the holding companies have made no fight against it.

I hope the bill as approved by the committee will be passed unanimously by the House. I am sure that when the effects of it are felt we will receive the grateful commendation of those who are interested. At this time when we need homes for our people, and the home is the very basis of our civilization, it is of immense interest to our Government to see that our people are properly housed. The home is a temple for teaching religion and morality. It is the sanctuary for the family which gives strength to our institutions, and it is a pillar for our Republic. No group of men, no organizations in America, have done more for the construction of homes than the savings and loan associations. We should protect them from any influence that will weaken or destroy their independence.

This bill is not a punitive one; it is a bill that punishes nobody. It simply denies to the associations who violate its provisions and intent the insurance of their deposits. I believe the denial of this insurance by the Federal Home Loan Bank Board is of such importance to the associations that it will achieve the result desired. The Corporation insures individual share accounts of savings and loan associations up to $10,000, just as the Federal Deposit Insurance Corporation insures deposits in banks. It gives to the associations a stability and a confidence that they would not have otherwise.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The fact that this bill comes out of the committee unanimously, and also by the unanimous vote of the Committee on Rules, and by the support of all groups interested in the bill, is simply another piece of evidence of the great service and the outstanding leadership given by my distinguished friend, the gentleman from Kentucky [Mr. SPENCE], throughout all the years that he has been a Member of the Congress. The gentleman from Kentucky was not aware of the fact that I asked him to yield to pay my respects to him and to show the profound affection and admiration I have for him as a legislator. The gentleman from Kentucky [Mr. SPENCE], is one of the outstanding Members of the Congress. His leadership is kind, considerate, understanding. Not only is he one of the outstanding Members of the Congress, with a refreshing outlook on the duties and responsibilities of Government, but he possesses a nobility of character that has been an inspiration for years to follow, and it certainly has been an inspiration for me to follow. I want my friend from Kentucky to know that I profoundly value his friendship, and one of the treasures that I shall always have is the fact that I served with him in the Congress. And, I might also say that the people of his district are justified in feeling proud of our distinguished friend and colleague.

Mr. SPENCE. I am profoundly grateful for the splendid tribute the distinguished majority leader has paid me. But I never thought that any characteristics of mine had any effect on the passage of these bills. I thought it was the innate virtue and justice of the bills that carried them through, and I still believe that, notwithstanding the encomiums of our distinguished leader and the kind words he said about me, which are deeply appreciated.

Mr. TALLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Chairman, I have asked for this time in order to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. I will be very happy to.

On Monday we will take up H. R. 4602, veterans' housing, direct loans. If there should be any rollcall, the rollcall will be put over until Tuesday.

For Tuesday, Wednesday, Thursday, Friday:

Labor, Health, Education, and Welfare appropriation bill for 1958.

House Resolution 85, investigations by the Committee on Banking and Currency relating to the operation of the monetary and credit structure of the United States.

H. R. 2146, Small Reclamation Projects Act of 1956.

Then there is the usual reservation that conference reports, if any, might be brought up at any time, and any further program will be announced later.

Mr. ARENDS. I thank the gentleman.

Mr. TALLE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, as the chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE] has said, there is no opposition to the pending bill. At least no witness appeared to oppose it and our committee gave it unanimous approval.

I think a number of matters should be pointed out by way of explanation of the bill. The purpose of the bill is to preserve and promote local management of savings and loan associations by protecting them against encroachment of holding companies.

Now, how is it proposed that this be done? It is to be done in three ways. First, by prohibiting any holding company from acquiring control of two or more savings and loan associations if the savings accounts in the associations are insured by the Federal Savings and Loan Insurance Corporation.

Secondly, it is proposed that this be done by denying Federal Savings and Loan Corporation insurance to any uninsured savings and loan association, if it is controlled by a holding company which also controls an insured savings and loan association. In other words, we do not want a holding company to do by indirection that which it may not do directly.

The bill proposes, thirdly, to accomplish this purpose by prohibiting any insured savings and loan association, controlled by a holding company, from making any loan to the holding company or any of its subsidiaries.

In reading the report Members will come upon a pair of terms that may require definition. One is the term "upstream loan." That means a loan that is made by a savings and loan association to a holding company. The pending bill prohibits such a loan.

Another term is "cross stream" loan which means a loan that might be made by one subsidiary to another subsidiary. That type of loan is also prohibited in the pending bill.

As the chairman of the Committee on Banking and Currency has pointed out, the pending bill does not provide any penalty against such organizations as may exist now. It is not retroactive. But a holding company which may now exist may not acquire control of additional insured associations.

Looking at the history in this field, one is reminded of the old proverb that mighty oaks from little acorns grow. The first organization of this character dates back to 1831 when 37 members got together and formed a mutual association. Consider the tremendous growth since that day. By 1956 there were over 6,000 savings and loan associations having assets of about $43 billion. These associations help to finance more than one-third of all the homes that are being built in our country.

Mr. Chairman, this is an appropriate time to consider the basic characteristics of these associations because I believe the characteristics point up virtues that are a part of the finest American tradition: First, they promote thrift. Second, they promote home ownership. Third, they provide local management. They are managed by people who know the persons who borrow the money and the people who build the homes.

Then, I may say, too, that they restrict their operations roughly to a radius not exceeding 50 miles from the home office, so that the making and servicing of loans are functions performed by persons who are fully informed as to essential facts that are basic in good management.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Florida.

Mr. HALEY. Did I correctly understand the gentleman to say that this law would not apply to these corporations that may now be in the position of holding more than 10 percent?

Mr. TALLE. It is not retroactive; that is right.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I am always delighted to yield to my friend from Georgia.

Mr. BROWN of Georgia. This bill came out of committee with a unanimous vote. It has the support of the Federal Home Loan Bank Board, the Bureau of the Budget, and both national associations representing savings and loan companies.

Mr. TALLE. I thank the gentleman for adding that information, which is completely correct.

It may be that some Members would like to turn to the hearings. In that case, I suggest that you examine page 34 of the hearings on this bill. I interrogated Mr. J. E. Hoeft, president of the Glendale Federal Savings & Loan Association, about the origin of the first holding company. You will find on page 34 that Mr. Hoeft replied that the first one was organized in San Francisco in 1927. However, it was short-lived, for it proceeded to fan out in its operations and established 17 offices of different kinds. It became clear that the purpose of this holding company was not to promote savings and loans, but to do something else. It became involved in court action, and that company now does not do any savings and loan business. It does do a real-estate business.

From that time on there appeared to be no vigor in the movement for establishing holding companies in this field until quite recently, within the last 2 years, so the committee thought it well to provide against the possible expansion of this form of business organization. Therefore, the pending bill provides protection against something that has not been generally troublesome in the past, but which could prove to be unfortunate and bad for the savings and loan business in the future.

Mr. Chairman, I urge the passage of the bill.

Mr. SEELY-BROWN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Chairman, I rise in support of H. R. 4135, as amended by the Committee on Banking and Currency.

The proposed legislation has three major purposes:

First. It would prohibit any holding company from acquiring control of two or more savings and loan associations if the savings accounts in the associations are insured by the FSLIC—Federal Savings and Loan Insurance Corporation.

Second. It would deny FSLIC insurance to any uninsured savings and loan association if it is controlled by a holding company which also controls an insured savings and loan association.

Third. It would prohibit any insured savings and loan association controlled by a holding company from making any loan to the holding company or any of its subsidiaries.

It should be made perfectly clear at this point that the proposed bill is not retroactive. It would not require an existing holding company to divest itself of any insured association it now controls, but it would prevent the company from the future acquisition of any additional insured associations.

From an early start in 1831, the savings and loan associations have grown rapidly in size and number. As of the end of the last calendar year there were over 6,000 such associations in the United States, with combined assets of nearly $43 billion. These institutions are currently making more than one-third of all home loans in this country—more than any other single type of lender.

One of the essential characteristics of a savings and loan association is local ownership and control. The great bulk of loans are made for homes within a 50-mile radius of the home office. The managers are part of the community, the money they manage comes from the community.

Such a basic philosophy is part of the great American tradition and concept. All of us object to concentration of economic control and power. Action to prevent any such abuse should be taken now while there are still relatively few savings and loan holding companies.

This bill is supported by the Federal Home Loan Bank Board, the Bureau of the Budget and both national organizations representing the industry. I urge its prompt passage by the House.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

TRIBUTE TO CHAIRMAN SPENCE

Mr. PATMAN. Mr. Chairman, first I desire to join the majority leader [Mr. McCORMACK] in commending and praising the distinguished chairman of the Committee on Banking and Currency, the Honorable BRENT SPENCE. It has been my privilege to serve with the gentleman from Kentucky [Mr. SPENCE] many years. He is a very able, sincere Member of Congress, who always keeps the interest of his constituents at heart and is always working in the interest of the people of the entire Nation. He has many legislative victories to his credit, but none more important than this bill that carries out the policy against the use of holding companies as enacted in the Spence Bank Holding Company Act which became a law recently.

This is the second bill which I have just mentioned on holding companies that Chairman SPENCE has sponsored and authored. The first one related to commercial banks. I believe the passage of that bill was a milestone. I know it is a milestone in the history of this country to regulate holding companies as they relate to commercial banks.

Chairman SPENCE spent several years working on that bill. He worked on it not only as an individual and as a Member of the Congress, but with the Committee on Banking and Currency, of which he is, of course, chairman. After he finally secured the enactment of that important piece of legislation, he then turned to one that is equally important in its particular field, namely, the savings and loan field, and that is to prevent holding companies in the savings and loan business.

CONCENTRATION OF CREDIT

The trend now, whether we like it or not, and most of us oppose it and do not like it, is in the direction of concentration of credit facilities. The Holding Company Act, as it relates to banking, will have a tendency to retard, if not stop, that trend in that direction. This bill, if enacted into law will have the same effect as it relates to savings and

loan companies. We must encourage the savings and loan companies because they encourage thrift and cause people to want to save their money. They can get a fair rate of interest for their money, if they deposit it in small amounts or in large amounts, or at least make an investment, I should say, instead of a deposit with the savings and loan companies and the investment is protected up to $10,000 in the same way and manner and, for all intents and purposes, as the deposits of a commercial bank are protected by the Federal Deposit Insurance Corporation. One reason we must encourage these savings and loan associations is because they are making loans for the construction of homes. I do not know of anything that is better for our country to do than to permit people, or make it possible for people, to be homeowners. They take more interest in their country. We have more homeowners in our country today, I believe, although I have not checked the figures, than at any time in the past because we have made it possible for more people to more easily own their homes instead of renting their homes.

RENT CONTROL?

We have a situation we must face concerning homeownership. We are all opposed to rent control. Most of us here have lived under rent control during emergency periods. It was very obnoxious and unsatisfactory. There is not anything satisfactory about rent control. Everything is against it and nothing for it except in a time of emergency when there are fewer houses and not enough to meet the need, it is just absolutely necessary to have some control over rental properties. Because of the emergency and the war, we did have rent control.

Now we are beginning to feel a little pinch in housing today. Scarcities are showing up throughout the country. We have a very low vacancy record throughout the Nation. There is a squeeze on in many areas of the country today. If we do not encourage these savings and loan associations and make it possible for people to build homes and buy homes, we are liable to be faced with another emergency in rental property even without a war going on. If we are faced with that situation possibly we will be asked to deal with it by having rent control. We do not want rent control. It is not necessary if we expand credit to the extent that people can get credit to build homes. Today it is much easier for a person to borrow money to construct a home costing twenty or twenty-five or even forty thousand dollars than it is to borrow money to purchase a home that is worth only $10,000 or $12,500. I think the latter type of housing is preferable and should be encouraged, because it will accommodate more people.

We are told now everything is inflationary. Housing is inflationary. Well, I do not subscribe to that statement that housing is so inflationary that we should cut down on housing. Production is the answer to inflation. It is the best answer on earth to inflation. If you have fewer automobiles than we need the best way in the world to stop inflation in the prices of automobiles is to produce more automobiles. That is the answer to inflation. The answer to inflation in housing, particularly on the rental question, is more housing. That answers the question of inflation.

So, in encouraging savings and loan associations you discourage inflation, because they encourage the construction of more houses, and production is an answer to inflation.

I desire to read just a part of this very fine report that Chairman Spence issued in connection with this bill. It contains some wonderful statements.

On page 4, I read—since I cannot improve upon the language, I will just read the language in the report:

> Any such expansion of the holding company type of operation in the savings and loan industry would pose a serious threat to its traditions of local ownership and local management. These traditions should be maintained. The customers of these institutions should not be subjected to the red-tape and impersonality of absentee ownership.

That applies not only to savings and loans, but to banks as well. Banks and savings and loan associations should serve local people.

Let me read further:

> The home borrower should be able, as he is now, to discuss his problems and needs with the actual managers of the institution, rather than with mere representatives of a far-away national organization. Since most of the institution's loans are made on property within a 50-mile radius of its office, the managers should be part of the community.

That is a wonderful statement. That is exactly right. Not only savings and loan associations but commercial banks as well. The people who own those institutions should be a part of the local community.

Then I continue reading:

> They should know the people who live there and be thoroughly familiar with local real estate and business conditions. With this knowledge, they can deal with delinquent loans, for example, on a case-by-case basis, making proper allowances for the circumstances of each case, rather than rigidly applying rules prescribed by absentee management. The Congress has already acted to prevent undue concentration of economic control through the holding-company device in the field of commercial banking. That legislation was enacted only after protracted hearings and debate. It was necessarily complex, because many bank holding companies had become established, with wide holdings in both banking and other businesses, and assets in the billions of dollars. In one State, a bank holding company through its controlled banks held three-fourths of all bank deposits in the State. While no comparable situation now exists in the savings and loan field, it could develop. The holding-company device could be used in the savings and loan field to circumvent State and Federal restrictions on branches, just as it was in the field of banking. Action to prevent it should be taken now, while there are relatively few savings and loan holding companies.

Again I say it is a great tribute to the great chairman of this fine Committee on Banking and Currency for making it possible for that legislation to be placed on the statute books of the United States. I predict it will never be repealed—it is such a good law.

INTEREST RATES OF VETERANS' ADMINISTRATION GUARANTEED AND DIRECT LOANS

Mr. Chairman, it is seldom that I have the time to read all the printed hearings on a particular bill. However, I have considered the question of raising the interest rate on VA home mortgages of such major importance that I personally spent the time necessary to read and study the 363 pages of the hearings before the Committee on Veterans' Affairs on this important subject. The hearings were conducted from January 24 to February 6 of this year, and the bill that will be before the House next week is a result of these hearings. I am inserting herewith pertinent excerpts from the testimony that I read.

ENDORSE HIGH-INTEREST POLICY

Not one witness stated that any more money or credit would be available for VA loans if the interest rate was increased to 5 percent from 4½ percent. One thing sure: If we vote for the increase, we will be voting to not only recognize but to endorse the high-interest policy that is now causing so much trouble. Congress must at some point assume a firm, definite attitude on interest rates and against their increase beyond a reasonable point. There is no problem in connection with VA home mortgages that more available money will not cure. The problem is not interest rates; it is availability of credit. If private lenders have gone on strike against 4½ percent Government-guaranteed mortgages, Congress should make money available for that purpose. The excerpts that I have selected from these hearings and that I consider of importance are as follows:

Page 30—page references are to the printed hearings—statement of first witnesses, Ralph H. Stone, Chief Benefits Director, Veterans' Administration, accompanied by Thomas J. Sweeney, Director, Loan Guaranty Service, Department of Veterans' Benefits; Philip N. Brownstein, Assistant Director for Loan Policy and Management, Loan Guaranty Service; Robert Colwell, Staff Assistant, Loan Guaranty Service; W. A. Poissant, Chief Actuary, Department of Insurance; T. F. Daley, Associate General Counsel for Legislative Service; and James Bayles, Legislative Attorney.

Page 38:

Mr. SWEENEY. The builder pays the discount. We will bandy that around, but if he is using that technique to market his property, that is one thing. We have reports in here that discounts are now 10 or 11 points. However, if in that community there is guaranteed-loan money flowing, I do not know to what levels, but our reports to date show that even in larger communities where they are paying 4- or 5-point discounts, loans are being made.

It will be noticed that the Veterans' Representative, Mr. Sweeney, admits that discounts are now 10 or 11 points. This is a national scandal. Government-guaranteed paper should not be sold at such an enormous discount.

Page 39:

Mr. SISK (Democrat, California, member of the committee). Mr. Sweeney, let me ask you one direct question: Today the discount rate is 9 percent. Would it be your position that you would refuse to approve that area for direct loans as long as money was available at 9 percent?

Mr. SWEENEY. Yes, sir; that is our present policy.

The Veterans' Administration is, therefore, on record as saying that in an area where direct loans cannot be obtained by veterans except at a discount of 9 percent the Veterans' Administration will not make direct loans possible. It occurs to me that this is a terrible situation. Certainly, such discounts mean a very unreasonable rate to veterans. The Veterans' Administration should grant direct loans in areas without question where such extortionate rates prevail.

Page 42:

Mr. SISK (Democrat, California, member of the committee). Did I not understand you to say a little while ago that you have the authority or the Veterans' Administration has the authority to declare any area available for direct loans?

Mr. BROWN. Where money is not available, yes, that is the policy.

That is when money is not available in many of your communities at a price, and discounts do not figure in this situation. In other words, there is plenty of money, but it is at a price, you see. We cannot control it, and I do not know who can control it.

It is further indicated by the Veterans' Administration that, regardless of the discounts, as long as money is available at a price, the Veterans' Administration will not go to the rescue of the veteran and grant direct loans although the Veterans' Administration has the power to do so.

Pages 44 to 45:

* * * * *

Mr. AVERY (Republican, of Ohio, member of committee). Mr. Stone, * * * how are you going to decide whether there is a shortage of money, and who pays the discount costs? Of course, the old argument that the builder pays it is for the birds, as far as I am concerned. I think the purchaser pays the discount someplace along the line but, perhaps, we should write the rules, Mr. Chairman, and make it easier for the Veterans' Administration to operate.

Mr. BROWN. Well, of course, we have tried to stretch this small amount of money, comparatively speaking, to the total as far as we could, and put it into the right situations.

Mr. AVERY. I appreciate your position. I would hate to have to make that decision as to when there was a shortage of money when some banks are paying 9 points, and others are paying 2 points.

Mr. BROWN. I do not think the discount rates should be considered in the decision on a direct loan in any way. It has nothing to do with it.

This testimony further corroborates the statement that the Veterans' Administration does not concern itself with discount rates, regardless of the amount, and will not go to the aid of the veteran, who is being taken advantage of through discount practices, although the Veterans' Administration has the power to do so.

Pages 61 to 62:

Mr. BROWN. * * * Arguments for: * * * (a) The argument has been advanced that since money is a commodity and the price of practically all other commodities has risen in recent years, it is reasonable to expect that the price of money should also rise. * * *

Arguments against: * * * (c) The highest interest rate permissible would tend to become the minimum because veteran borrowers are in a weak bargaining position with lenders, due to their inability to shop around for money; lenders will naturally try to obtain the maximum rate possible in each mortgage transaction so that the mortgage may be sold by the originator at a premium in the private secondary market.

The argument that money is a commodity is fallacious. When gold and silver were used as a media of exchange, and each commodity represented actual values, money was a commodity in that sense, but now when the value of a Federal Reserve note—which is 90 percent of our money—represents only one-half cent in paper value, and when the Federal Reserve controls the supply, it is not a commodity. Therefore, the argument that money—including paper money—is a commodity is not worthy of consideration because it does not represent the actual facts.

Page 63: Quoting Mr. Stone, Chief Benefits Director, Veterans' Administration:

> Initial effect of FHA rate increase: As you know, it was announced that effective December 4, 1956, the maximum interest rate on most classes of loans insured by the Federal Housing Administration would thereafter be 5 percent instead of 4½ percent. Shortly thereafter the Federal National Mortgage Association also announced a new schedule of prices it would pay for both 5 percent and 4¾-percent loans it purchases, and for purchase commitments. These purchase prices are 99½ to 97½ for 5-percent mortgages, 96 to 94 for 4½-percent mortgages. Standby commitments are priced at 94 for 5-percent mortgages and 90 for those at 4½ percent.

It will be noticed that the Federal Housing Administration rate was increased just a month before the 85th Congress convened. Evidently there was a thought on the part of those who increased this rate that it would induce the Congress to raise the rate of Veterans' Administration loans. Mr. Stone admits that the 5-percent mortgage rate is not effective and the standard commitments are 94—or a 6 percent discount on such mortgages.

Page 93: Part of exhibits in statement of Mr. Stone, Chief Benefits Director, Veterans' Administration:

> From the information collected, it appears to us that unless the interest rate is increased on VA guaranteed loans before the building season starts that the veterans will not be able to secure VA guaranteed loans to construct or purchase a dwelling. The builders and sellers will not be able to absorb 8 percent discount required by the lenders to make a 4½ percent VA loan.
>
> As an example, the following shows the impact the interest rate has made. From December 3 through December 7, 1956, the Loan Guaranty Division received 10 requests for determination of reasonable value. From December 10 through December 14, 1956, they received four. These were no doubt all committed prior to the FHA increase. So far this week they have received none.

EXHIBIT F.—*Effective yield on mortgages bearing 4½ percent interest purchased at a discount and prepaid before maturity*

	Price	Yield if prepaid in 8 years	Yield if prepaid in 10 years	Yield if prepaid in 12 years	Maturity
30-year mortgage	97	4.94	4.91	4.87	4.76
	95	5.32	5.29	5.12	4.94
	94	5.49	5.35	5.24	5.04
	96	5.26	5.05	5.79	5.42
25-year mortgage	97	5.00	4.93	4.89	4.76
	95	5.33	5.28	5.15	5.03
	94	5.49	5.34	5.23	5.13
	90	5.75	5.60	5.54	5.36
20-year mortgage	97	5.02	4.96	4.91	4.86
	96	5.20	5.11	5.05	4.98
	95	5.38	5.27	5.20	5.11
	94	5.57	5.43	5.34	5.24
	90	5.89	5.69	5.95	5.77

Effective yield on mortgages bearing 5-percent interest purchased at a discount and prepaid before maturity

	Price	Yield if prepaid in 8 years	Yield if prepaid in 10 years	Yield if prepaid in 12 years	Maturity
30-year mortgage	97	5.42	5.40	5.37	5.37
	96	5.82	5.71	5.68	5.46
	95	6.72	6.47	6.31	5.95
25-year mortgage	97	5.51	5.44	5.39	5.37
	96	5.86	5.74	5.68	5.52
	95	6.77	6.36	5.97	5.69
20-year mortgage	97	5.60	5.46	5.40	5.33
	96	5.71	5.62	5.56	5.49
	95	5.86	5.78	5.73	5.62
	90	6.56	6.41	6.47	6.23

The average home mortgage is paid in 12 years so in considering the above figures, this fact should be kept in mind.

Page 106: Quoting Mr. Sweeney, Director, Loan Guaranty Service, Department of Veterans' Benefits, Veterans' Administration:

> Mr. SWEENEY. Mr. BROWN, what I think you are referring to is that prior to the announcement of FHA even as early as last August, we had many inquiries coming from the lenders asking if they could qualify their commitment with the statement that this commitment to make a 4½ percent loan is conditioned. And they put a stipulation in their loan agreement or loan contract that the maximum rate at the time of closing will be in effect.
>
> That provision was cleared last September.
>
> Mr. BROWN (Democrat, of North Carolina, member of committee). When?
>
> Mr. SWEENEY. Last September.
>
> Mr. BROWN. So it has been in your commitment since last September?
>
> Mr. SWEENEY. That is right, sir.

It appears that the Veterans' Administration joined in the effort as far back as September 1956 to put pressure on the Congress to raise the VA rate from 4½ percent to 5 percent and went further by anticipating that Congress would grant such raise by authorizing contracts to be made that would commit the veterans to pay the increased rate if and when it is granted by Congress.

Page 107:

> Mr. BROWN. Not as a practical matter. Because there has been quite a discount there.
>
> Mr. SISK. Four points represent approximately a half percent interest increase?

Mr. STONE. I think 3 points, 9 years, to make one-half point interest, or something like that.

Mr. SISK. And so, as a practical matter, there has been no 4 percent money available in the western United States for the last 18 months or 2 years.

Mr. STONE. You could say so, and that is probably true of the whole country with perhaps New England excepted.

The money market is always better in New York and the New England States than in the rest of the country. It was the intention of the Federal Reserve Act to change this policy of regional rates, but if the Federal Reserve Board and Federal Reserve banks have ever made an earnest effort to eliminate regional rates on interest rates, I do not have any knowledge of it.

Page 110: Statement of Albert M. Cole, Housing and Home Finance Administrator, accompanied by Stanley Bachman, president, Federal National Mortgage Association, and Fred Morrison, secretary, VHMCP.

Page 112: Quoting Mr. Cole, Housing and Home Finance Administrator:

This decline in starts does not appear to reflect any weakening in the basic demands for homes. The national average vacancy ratio among dwelling units for rent or sale amounted to 2.8 percent at the end of the third quarter of 1956. This is a relatively low overall vacancy ratio. * * *

Some element of surplus conditions was suggested for perhaps 10 percent of the areas and shortages in about an equal number.

It will be noticed that the Housing Administrator, Mr. Cole, says that the vacancy ratio was only 2.8 percent at the end of the third quarter of 1956. We have never had national rent control in peacetime or during cold-war conditions, but if housing becomes too scarce, rent control will, doubtless, be considered by the Congress.

Pages 118 to 119:

The CHAIRMAN (Mr. TEAGUE, Democrat, of Texas, chairman of committee). One other question, Albert. Of course, we got the 4½ percent interest rate, but we know from a practical standpoint it is not 4½. If we increased this to 5 percent, would you people be in favor of any limit on discounts?

Mr. COLE. A limit on discounts? Well, it is a very lovely idea. But it would not work. So the answer is "No."

Many Members of Congress—including myself—would be glad to consider raising the Veterans' Administration rate to 5 percent if the discount practice is outlawed. Since Mr. Cole is definitely against limiting the discounts, I would not be in favor of raising the VA rate from 4½ to 5. In fact—as shown later—the VA rate considering the discount is now much over 5 percent, so if it is raised to 5 and still permit discounts, the veterans will not be helped; only the lenders would be helped.

Page 126: Statement of witness Ehney A. Camp, Jr., vice president and treasurer, Liberty National Life Insurance Co., Birmingam, Ala.:

Page 130: Quoting Mr. Camp:

This has been the position which we have taken consistently in the past 2 years before Congressional hearings, and we believe it to be the only real solution regarding the Government insured and guaranteed rate. The effectiveness of a mortgage yield responsive to market forces was beautifully illustrated in the summer of 1953. Shortly after the rate on VA loans was raised to 4½ percent, the new commitments by life-insurance companies increased sharply, and outstanding VA commitments of life companies arose $500 million or around 360 percent in the ensuing year.

Mr. Camp seems to think that the rate being raised in 1953 from 4 to 4½ percent caused money to become available for VA loans. It will be interesting to Members of Congress, who were here at that time, to recall the true facts. May 4, 1953—when money was really tight and interest rates were going up—Speaker SAM RAYBURN, Majority Leader JOHN MCCORMACK, chairman of the Committee on Banking and Currency, Mr. SPENCE, a majority of the members of the Committee on Banking and Currency, and many other Democratic Members announced that a resolution was being prepared and would be introduced the next Monday, May 11, 1953, to ease money and lower interest rates by requiring the Federal Reserve Board to support United States Government bonds at par. The resolution was introduced on May 11 and on that very day the Federal Reserve made the first effort in the market to ease money conditions, which resulted in immediately lowering interest rates. However, 4 days before May 11, the rates on VA housing loans were increased from 4 percent to 4½ percent. When the Federal Reserve Board took an about-face May 11 and eased money and caused interest rates to be lowered, the 4½ percent rates should have been reduced back to 4 where it was, but it was not done. There would have, doubtless, been plenty of money available at 4 percent under conditions then prevailing. Members who are interested in this question will find some revealing information by referring back to the resolution at that time, its contents and the debate on the floor.

Page 173: Statement of witness, Samuel E. Neel, Washington, D. C., general counsel, Mortgage Bankers Association of America.

Pages 185 to 186: Quoting Mr. Neel:

Let me give you an example. You gentlemen, and I do not question the wisdom of what you have done, have made guaranteed Government loans available to people who want to build tankers. These are absolutely guaranteed Government loans. They are fully 100 percent guaranteed. If the loan is in default 30 days, bang; the Government pays off in cash. It is even better than a GI or FHA loan. And those loans are being made today in tremendous quantities—billions of dollars. And the interest rate on those loans is 5¼ or 5½ or can go as high as 6 percent. And, therefore, the competition from the Government itself is to some extent responsible for the inability of people who are laboring under a ceiling to get loans under that ceiling.

An official of the Federal Reserve Board has announced that school construction is postponable. Federal Reserve officials are also saying that to make available more housing credit for the construction of low-priced homes would add to inflationary pressures, but these same officials never have any criticism of expenditures for racetracks, gambling casinos, and many types of huge construction by big-business concerns that are not inconvenienced by interest rates or lack of money or credit.

Page 190: Statement of Witness Harry Held, vice president, Bowery Savings Bank, New York, N. Y., chairman, Committee on Mortgage Investments, National Association of Mutual Savings Banks, accompanied by Harry E. Proctor.

Page 192, quoting Mr. Held:

Actually, under the fixed interest-rate formula, the home builders must compete for mortgage funds on the basis of the amount of discount they are willing to pay. The only sound cure for this situation would be setting of an interest rate sufficiently high to eliminate the necessity for the use of discount. On this basis, builders, instead of competing for mortgage money via the discount route, would be enabled to compete for mortgage money on an interest-rate basis.

The question is, How high would an interest rate have to be to eliminate the necessity for the use of a discount? Certainly, it would be over 5 percent, or 5½ percent, or even 6 percent. There seems to be no disposition on the part of officials to even frown upon, much less to try to prevent, these scandalous, disgraceful discounts charged veterans and others.

Page 193, quoting Mr. Held:

Mr. HELD. I can give you some indication. The last report issued by the National Association of Real Estate Boards indicated that on conventional loans, in 36 percent—I believe 36 percent; I have not got the figures exactly—36 percent of the country, conventional loans can still be made at 5 percent. In the balance of the country, the rates run from 5¼ and 5½ up to as high as 6 percent.

Mr. Held's testimony indicates that a rate that would prevent discounts would certainly be above 6 percent.

Page 193: Quoting Mr. Held:

In September, the rate on 60 percent of the loans could be made at 5 percent. And that has dropped down to about 36 percent or possibly below that by now.

So that you might assume that an FHA or a GI loan would certainly command the same rate as a conventional loan and probably a quarter to a half percent less.

* * * * *

Mr. HELD. Possible a half percent below conventional rate.

Actually, when we talk about 4½ or 5 percent, we have got to take into consideration that in a mortgage loan as against, let us say, maritime ship loans, where we have no expense in taking care of the loan, we have an expense of about 0.30 as a servicing cost for those particular loans. And if we do it out of State, we have a further expense because we have to pay a half of 1 percent. So that actually, on that yield, it is not 4½ percent. It is down at a maximum to about 4.20. And on a 5-percent basis, it would be about 4.80.

This is an interesting observation about maritime loans and the cost of servicing these loans. I admit that this information should be taken into consideration.

Page 195: Statements of Frank P. Flynn, Jr., cochairman, legislative committee, Prefabricated Home Manufacturers' Institute; George E. Price, president, and Pat Harness, executive vice

president, Prefabricated Home Manufacturers' Institute.

Pages 199 to 200: Quoting Mr. Flynn, cochairman, legislative committee, Prefabricated Home Manufacturers' Institute:

Mr. FLYNN. Dr. Long, I would predict that in the event the interest rate is not increased it would be necessary to provide a direct loan program or function through FNMA with all of its debt obligations being purchased by the Treasury. At least with our present interest structure. For example, FNMA cannot operate on a self-sustaining basis if they have to pay 4¼ on their debentures and only collect 4½ percent interest; and FNMA under its regular operations, leaving aside the special assistance program, has never cost the taxpayers of America a dime and prior to its reorganization in 1954 had shown a profit of over $120 million.

Page 200: Quoting Mr. BOYKIN, Democrat of Alabama, member of committee, and Mr. Flynn, cochairman, legislative committee, Prefabricated Home Manufacturers' Institute:

Mr. BOYKIN. You mentioned the large discounts. What are the discounts?

Mr. FLYNN. I was in New York yesterday. Mr. BOYKIN, and was offered a $5 million commitment at a price of 87 and I thanked the institution very kindly but told them that you could not stay in business with that because one problem that I think needs clarification is that these discounts are coming out of the pockets of the builder.

Imagine such a large discount being offered as Mr. Flynn outlined in this testimony on mortgage paper that is guaranteed by the United States Government.

Page 201: Quoting Mr. Flynn:

Mr. FLYNN. Well, do not think it would have any substantial influence, Mr. Whitener. I am not an economist. I am an attorney, but I have always been taught that underproduction was what contributed to inflation rather than overproduction, and I cannot agree with those people who claim that all of our evils are occasioned by the fact that we have been providing easy credit and permitting too many houses to be built. I think the more houses that we build the less inflationary pressures will be created.

This is an interesting point Mr. Flynn discussed. I agree with him that underproduction contributes to inflation and that more production is the best way to overcome inflation. The more homes that are built, the more reasonable will be the prevailing rates and the less likelihood of arbitrary, obnoxious rent controls.

Page 203: Statements of George S. Goodyear, president; Joseph McGrath, legislative director; and Herbert S. Colton, general counsel, National Association of Home Builders.

Page 204: Quoting from statement of George S. Goodyear:

MAKE 1957 POLICY STATEMENT

Home buyers, particularly those of modest means, are inordinately affected by the burden of tight money. Meanwhile, credit continues, without visible impairment, to flow in recordbreaking amounts into industrial expansion and into shorter-term and higher-yielding consumer loans. Irreparable damage to the home-building industry, to other small business, and to the Nation must inevitably follow if credit is available only to those who can afford to pay a high price. To accomplish the stated and laudable objective of preventing inflation, Federal Reserve and Government credit policies must be reshaped to insure more equitable distribution of available credit to all sectors of the economy. Only thus can the basic shelter needs of the American public be satisfied in today's economy.

Home buyers must continue to suffer because our industry, compared with others, does not enjoy equal opportunity of access to the capital supply. Our industry is immediately affected by (1) special tax and similar advantages to other industries which severely restrict the ability of the home builder—and of his typical customer—to compete for money; and (2) governmentally stimulated competition for capital for guaranteed loans for ship construction, for public buildings, and for military housing. This will be further aggravated by the road-building program. Some means must be found to apportion available credit properly to our industry and to these and other desirable uses.

Mr. Goodyear brings out a good point about competition for existing credit and money, including loans for ship construction, public buildings, and the road-building program.

Page 206: Quoting further from statement of George S. Goodyear:

IX. COMMUNITY FACILITIES

The most important need for the long-range growth of our urban civilization is adequate provision of community facilities needed for modern family living. Communities are falling further and further behind in producing schools, street, sewer, and water, and other facilities and are adapting palliatives which cause serious present and future difficulties.

This is a very important point. Interest rates are so high that small towns and cities are experiencing difficulty selling bonds for the purpose of providing school construction and needed public services and facilities. We are told that Federal aid to education should not be considered, that this is a problem for the States and local communities. Yet, we have become a party to a policy that has forced interest rates so high that the States and cities cannot obtain money on their tax-exempt bonds to provide such services.

Page 232: Quoting Mr. LONG (Democrat, Louisiana) member of committee, and Mr. Goodyear, president, National Association of Home Builders:

Mr. LONG. Maybe I do not understand. Are you saying that, if the rate is raised to 5 percent, there will be more money available for GI loans?

Mr. GOODYEAR. No, sir. We do not think there will be any more money available but we do think that it will lower the discount and bring it in line with the FHA price which is about 5 percent discount. It will probably make it possible for some of our builders to build houses for veterans.

Page 233:

Mr. GOODYEAR. At the present time private investors in some areas, are buying VA loans or attempting to buy them at 87, 88, 89, 90, and 91. If the VA rate is raised to 5 percent and FNMA can set an effective buying price of 97 or 98, certainly the private investors are going to have to raise their price if they are going to buy any loans. This proposal that we are suggesting here will cover about 250,000 houses.

Page 234:

Mr. GOODYEAR. Well, FNMA is presently buying 4½ percent GI loans at a net effective price of 92.

Mr. SISK (Democrat, California, member of committee). Ninety-two net?

Mr. GOODYEAR. Yes, sir. Now, the builders, frankly, cannot afford to pay an 8-percent discount and stay in business.

Mr. SISK. In other words, if we increase the interest rate, let us say, to 5 percent, with the additional financing which you propose for FNMA to keep it in business, what in all probability would be their purchase rate?

Mr. GOODYEAR. At the present time, FNMA's net effective rate on FHA 5-percent loans, in your particular area, is around 95½ to 96.

Pages 235 to 236:

Mr. GOODYEAR. Yes, sir. There is another factor, too, in this mortgage market. There are a lot of people getting into the mortgage market. For instance, there is the shipbuilding program of the Maritime Commission. That has formerly been a trust-certificate or direct-loan obligation. Today the Maritime Commission is making 100 percent guaranteed loans on ships to be built and the savings banks are buying those 100-percent guaranteed loans at an interest rate of 5 percent and in some cases higher.

They are now attempting to put the airlines under such a certificate where the Government or someone will guarantee the mortgages on planes. It just means that there are more and more people invading the mortgage market and taking the funds out of it.

Page 241: Statement of William Levitt, private builder, New York, N. Y.

Pages 242 to 243:

Mr. LEVITT. * * * I think the situation is very, very simple. I think we have made it much too complicated, we the builders, you in the Congress, the banking fraternity, and all the rest. It is simply this: There is just so much money in the United States to go around, and we want part of it and the shipbuilding industry wants part of it and General Motors wants part of it and everybody wants part of it, and there is not enough to go around. * * *

Let's have flexible interest rates. If money costs 6 percent, do not stick our heads in the ground and say, "The mortgage should be written at 4½ percent and we will pay an 8-point discount and get it." * * *

I do not think that even a flexible interest rate today would bring out all the mortgage money that we need. Again, the Congress, in its infinite wisdom, has decided that ship loans could be insured 100 percent by a branch of the Federal Government, could bear interest as high as 5¾ and 6 percent in certain cases, and very frankly, there is no earthly reason under the sun for people like savings banks and insurance companies not to make those loans as against making loans to us, the builders, at 4½ or 5 percent rates. It does not make any sense.

That is a strong bit of competition that we have today. Perhaps if our loans could bear the same interest as these ship loans we might get some share of it. That is one item. * * *

I think it is discriminatory. I think it is unnecessary. I think our past experience—and you have twenty-odd years to go back on—shows that a one-half of 1 percent premium is completely unnecessary. The reason I bring it up at this time is that if you do increase interest rates on FHA, you might take off that half point to make it a little more palatable to the homeowner.

NATIONAL LEADER IN HOME BUILDING ANNOUNCES INCREASE OF $400 IN COST OF LOW-PRICED HOMES

In an article in the New York Herald Tribune for March 17, 1957, it was stated:

The scarcity of mortgage money already has had the effect of raising the price of new homes, by cutting down economical mass output. Testifying on industry needs before a House Banking subcommittee in Washington last week, William Levitt, president of Levitt & Sons, one of the Nation's leading home-building organizations, said that his firm raised all its prices in the lower brackets by $500, about 2 or 3 weeks earlier. It was done for one reason only, he said, because if the firm is only going to build a few houses, it has to spread its costs and overhead over those few homes, and must get more money per unit.

Page 246: Still quoting Mr. Levitt, private builder, New York, N. Y.:

Mr. LEVITT. * * * A 5-percent rate FHA and VA is no solution to the problem. Why should it be if you can get a ship loan at 5¾ fully guaranteed? Why lend to us on a mortgage at 5 percent when it costs a half point to service and collect? * * * The housing market, contrary to everything being bandied about these days—"Is the market saturated"—contrary to all that, your market is gradually getting bigger and bigger all the time and this is not my statement. This is a statement agreed to by practically every economist worth his salt in the United States, and beginning a couple of years from now we should go on a cycle for at least another generation or two of a very, very healthy industry and I am thinking of 2 million housing units per year.

Page 247:

We are learning more and more how to use labor and machinery and there is very, very little shortage. I know of no shortages of labor—and we have been operating in the large metropolitan districts of both New York and Philadelphia—and there is no shortage of labor and material.

There is one shortage of one commodity. That is the one commodity we have no substitute for—money. On that we are in competition. It is the one commodity that everybody else in this country uses along with us. We want to be placed on an even footing so that we can buy it just as easily as they buy it.

That is when you get all this talk about pegging an interest rate. If we peg an interest rate at 5¼ or 5½ percent, you do not think you are going to stop General Motors from bidding a quarter or a half point over that. As long as you fellows pass legislation guaranteeing it at 6 percent to a shipbuilder, where do we come in?

Mr. Levitt says there is no shortage of labor and machinery; that the only shortage is money.

Page 248: Statements of Robert E. Scott, National Association of Real Estate Boards; and John C. Williamson, director, division of governmental affairs:

Mr. SCOTT. * * * Financing for public buildings, and ship and tanker construction, and the pressures of State and municipal bodies for financing community needs, all add to the competitive forces which are freezing out many would-be homeowners because they cannot—with a frozen submarket interest rate—compete successfully with others for the savings of the American people.

Page 254:

Mrs. DWYER (Republican, of New Jersey, member of committee). I would like to ask Mr. Scott a question. Do you believe that veterans would resent paying this increased cost from 4½ to 5 percent?

Mr. SCOTT. No, I don't. I know from my own experience as a broker, that we have literally hundreds of veterans coming to our office desirous, anxious, ready, willing, and able to buy, and we have to tell them that we just do not have GI mortgage money for them. In talking to brokers throughout the country, we find their experience to be identical. There is no dearth of buyers. I agree with Mr. Levitt that we have not even scratched the surface. As a matter of fact, the statistics show that the percentage of vacancies in new houses is almost the same today as it was 7 years ago. According to Housing and Construction Reports, the United States Department of Commerce, the latest issue, the percentage of vacancies in new houses in April of 1950 was one-half of 1 percent. In the third quarter of 1956 it was six-tenths of 1 percent, practically no change in 7 years, despite the volume of building and the great volume of sales of existing construction, so we know from our own experience and from statistics that there are buyers. There are buyers who are being denied the advantages and opportunities of homeownership through lack of money which is being channeled into other forms of investment at higher interest rates.

Mr. Scott emphasizes that the percentage of vacancies in new homes is still very low. This is further evidence that more housing will be necessary in order to prevent the threat of rent control.

Page 255:

Mr. SCOTT. Five percent will not be high enough in those areas where other forms of investment are yielding 5½, 5¾, and 6 percent. The people who lend this money have an obligation to their policyholders, shareholders, and stockholders to loan their money at the highest yield consistent with prudent lending, with safety and security.

Page 267: Statement of Seaborn P. Collins, past national commander, and chairman, housing committee, the American Legion:

Page 272:

Mr. COLLINS. Here is the thing that has happened, Mr. Congressman. As I told you, I live in a small town in the Southwest. When I build a veteran a home today and that veteran comes in and makes application for a loan it is necessary for us to get an advance commitment from FNMA, a Government agency, now. An advance commitment costs me 10 points. Based on a 25-year loan, that is the equivalent of 1¼ percent interest. A Government agency now is charging me 5¾ percent interest, the equivalent of that, counting the discount. That is the situation that exists in the entire Southwest. It exists in Texas. It exists in California. It exists in most of the South. It has completely dried up all the funds. There are no GI homes going to be built. Nobody can build them on that kind of basis. It just is not there.

Page 275:

Mr. COLLINS. Yes, sir. It will not solve the problem. It will at least give the veteran the same opportunity as a nonveteran to bid for what money there is available. That is all it will accomplish.

* * * * *

Mr. COLLINS. May I say this about that: I mentioned in this testimony, and this is very true, that in the first 2 or 3 years of the GI program it really was not in operation because there were so many administrative difficulties that it did not even apply. We could not make it usable. Then when the Korean war came along we put on controls so that this veterans' program that we are talking about has not been in existence since 1944. As far as practical purposes are concerned, we have had only 5 or 6 years in which every veteran had an opportunity to buy.

Mr. SAYLOR (Republican, of Pennsylvania, member of committee). I think you are correct. I think that was brought out by Mr. Stone when he came here and showed us the figures of the guaranteed and direct loans, showing that in about the last 5 years it has actually been a working proposition. Before that time the amounts in it were negligible.

Mr. COLLINS. That is right.

These are interesting points by the past national commander of the American Legion.

Page 277:

Mr. COLLINS. No. That is not what we intend at all. We mention in here that we think Congress should set up a maximum interest rate. The thing we are trying to prevent is the thing that happened December 4, when FHA raised to 5. Congress was not in session and veterans have been discriminated against ever since and will be until adequate legislation is passed.

Mr. AYRES. Mr. Collins, do you think a flexible interest rate will have any meaning if Congress pegs it?

Mr. COLLINS. We did not ask for a flexible interest rate. Under the National Housing Act there are definite limits. The maximum limit is 5 percent except in case of emergency, and I assume that that means a war.

Mr. AYRES. But you are of the opinion that Congress should have a definite ceiling.

Mr. COLLINS. Yes, sir; and I say in here that I think it is very necessary to the VA program.

Mr. AYRES. What should that ceiling be?

Mr. COLLINS. I do not know.

Mr. Collins does not advocate a certain ceiling on interest rates, but he says that there should be a definite ceiling.

Mr. COLLINS. Mrs. Rogers, a man can pay an $80-a-month payment on an automobile and there is no limitation to the number of credits. I am not against automobiles, but he cannot pay $80 a month on a home because the home is not available or the money to finance it. There is all the money in the world for automobiles and all kinds of financing and evidently interest rate means nothing to that. Every segment of this economy is getting funds except the home-loan program.

This is an interesting point by Mr. Collins that a veteran has no trouble buying an automobile and, I am sure, the same is true as to the purchase of trailers as there is plenty of money available and no financial problems.

Page 285:

Mr. COLLINS. No; I am talking about the automobile industry. They jumped to 6½ million automobiles produced last year as against 4 million the year before. The housing industry is going down and yet the population is growing. We are destroying two to four hundred thousand homes every year with fires and demolition and we are having an increase in population and we are not meeting the demand.

Page 286:

The CHAIRMAN (Mr. TEAGUE). I would like to read a letter that I received this morning that was quite interesting to me and ask you to comment on it.

"It is our strong feeling that a raise in the VA interest rate at this time when there seems to be a prospect of the general money

market easing would be a great error and a step in the wrong direction."

Mr. COLLINS. I may be wrong, but there is not an insurance company that operates in the State of New Mexico—and all the major ones do—that is in the market today for VA loans except at a terrific discount of about 8 points.

Page 289: Statement of Francis W. Stover, counsel, National Legislative Service, Veterans of Foreign Wars of the United States:

Page 291:

The VFW is of the opinion that the present 4½-percent interest rate does not reflect the true cost of the average GI loan because of the growing practice of discounts which range up to 12 percent in some areas, according to our information. We doubt if an increase of one-half percent in the interest rate will produce any substantial increase in the flow of private funds into GI loans. We also doubt whether the alternative of a wide-open Government direct-loan program is the correct answer. Such an alternative might encourage the release of inflationary forces that could do the veterans more harm than good. We suggest as an incentive to encouraging the flow of private funds into GI loans the use of a tax-exemption device which has been successful in the sale of municipal bonds.

The Veterans of Foreign Wars is adamant in its opposition to an increased interest rate on VA loans. However, Mr. Stover states in the next excerpt that if it should be desired that the rate should be increased to 5 percent, the discount on GI loans should be outlawed.

Page 291: Continuing quotation of Mr. Collins:

The VFW, in addition to the recommendations outlined in our convention resolutions, offers the following suggestions:

1. If it is decided to increase the interest rate to 5 percent, assurance should be obtained from responsible spokesmen for private lenders that new funds will be made available and the Administrator of Veterans' Affairs should be given discretionary power to outlaw discounts on GI loans.

Page 292:

Mrs. ROGERS (Republican, Massachusetts, ranking minority member of committee). I think, Mr. Ketchum has deplored the discount.

Mr. STOVER. Yes, he does. It is a vicious practice that we would like to see cease as soon as possible.

Page 329: Statement of W. Randolph Burgess, Under Secretary of the Treasury:

Page 333:

Mr. BURGESS. It is certainly all I would recommend at the present time. Nobody is a prophet enough to look ahead and see what the economic situation is going to be and what the pressures are, and so on. But certainly at the present time, 5 percent would be a fair rate. The mortgage might not sell exactly at par, but it would be close to it.

Mr. Burgess admits that even at a 5-percent rate, the VA mortgage loans would not sell at par. How much would the discount be? No one knows and there does not seem to be any real concerted effort to stop such discounts.

Page 335: Quoting Mr. Burgess, Under Secretary of the Treasury:

Of course, we have always considered these insurance funds, where we collect money from the veterans, a pretty sacred trust. Now, a Government bond is the best investment for such trust funds. A mortgage partially guaranteed by the Government is a pretty good piece of paper. The losses on it have been very moderate. But it is not a Government security. It is not the best kind of investment for trust funds that we receive from veterans.

I do not believe that Mr. Burgess' argument is sound that the VA Government-guaranteed loans to veterans are not as good as a Government bond. The inescapable fact is that the same Government guarantees both.

Page 337: Quoting Mr. Burgess:

I base that on all I know about money. They used to say 5 percent will bring money out of the ground. Lenders of money have sharp pencils, and they lend money where they can get a return. This 4½ percent not only is a bad return, but it results in discounts and deception. Where a builder tries to build and sell these mortgages, somebody has to absorb the discount. And do you think the builder absorbs them in every case? The veteran is getting fooled, gentlemen. This is a deception on the veteran. It pretends to be something, and it is not.

Please notice that Mr. Burgess says that the veteran pays the discounts. He says that the 4½ percent results in discounts and deception, but he does not recommend outlawing such discounts and deception even if the rate is raised to 5 percent.

Page 342:

Mr. BURGESS. There are a few cases of that, but in the main they are lending money to business at 4¼ or 4½, or 4 percent with the very best credits. So it would be rather rare cases where they would get 5 to 6.

I think that from what I know about insurance companies, a 5-percent rate for this is competitive with other employment of money, and a change of this rate would not affect other rates, because we really already have a 5-percent rate for veterans' mortgages, although we have not got the label, because of these discounts.

Mr. Burgess admits that the rate on VA mortgages now is 5 percent, so the point is: How will raising the rate from 4½ percent to 5 percent help the veteran if he is not protected against discounts?

Page 343:

Mr. WEAVER (Republican, Nebraska, member of committee). Going back to the question I asked you a moment ago, if the 5-percent rate would be effective and would not do the job, as to making this additional source of money available, then would a further increase be necessary?

Mr. BURGESS. Well, again, that is a hypothetical question. It is a very hard one to answer, Mr. WEAVER.

The following letter, which I consider very fine on these problems, was received by me today:

HUNTINGTON, W. VA., *March 20, 1957.*

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D. C.

SIR: The present hue and cry of the moneylenders and their allies for Congress to raise the interest rates on VA loans reminds me of when the same arguments were used to raise the FHA interest rate.

There was no notable increase in the amount of mortgage loan funds in this area after the FHA interest rate was increased; in fact, the damnable discount is still with us, which gives the whole real-estate business a black eye. This vicious discounting of FHA and GI mortgages places everyone in the awkward position of feeling dishonest in their dealings. This practice is neither understood nor explainable to the average person. It is a bad reflection on everyone involved. It breeds distrust and suspicions throughout the real-estate business.

It appears to me the moneylenders are still on strike for higher interest rates, and it is apparent that the recent increase on FHA loans to 5 percent for the investor is still not enough. What purpose would be accomplished by Congress raising the interest rate on VA loans? It is ridiculous to assume that lenders will provide the money, and discounting cease, by merely increasing the interest one-half of 1 percent.

If sufficient funds were provided for FNMA to purchase Government-backed mortgages, as it once operated, most of the present ills of the mortgage market would be eliminated overnight. The borrower has and always will be at the mercy of the lender. Our Government must and should provide reasonable protection.

Very truly yours,

THE WALTER PAYNE & BOB SMITH CO.,
ROBERT L. SMITH, *Manager.*

TESTIMONY OF WRIGHT PATMAN BEFORE COMMITTEE ON VETERANS' AFFAIRS, FEBRUARY 1, 1957

Mr. Speaker, I am inserting herewith my testimony before the Teague committee in favor of using national service life insurance funds to make housing loans to veterans. I also recommended increasing the amount available to the Federal National Mortgage Association. In my testimony, I gave some illustrations of hardship cases caused by high interest and discounts against conscience.

The testimony is as follows:

INTEREST RATES ON VETERANS' ADMINISTRATION GUARANTEED AND DIRECT LOANS—USE OF NATIONAL SERVICE LIFE INSURANCE TRUST FOR LOANS—DISCOUNT PRACTICES—OPERATIONS OF VHMCF

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D. C., February 1, 1957.

The committee met at 10 a. m., pursuant to recess, in room 356, Old House Office Building, Hon. OLIN E. TEAGUE (chairman) presiding.

The CHAIRMAN. The committee will come to order.

Our first witness this morning will be Mr. WRIGHT PATMAN, from the great State of TEXAS.

Mr. PATMAN.

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PATMAN. Thank you, Mr. Chairman.

I am certainly glad to be back before this fine and important committee. My first service in Congress 28 years ago was on the Veterans' Affairs Committee and I am proud of the work that we accomplished. It is a very important committee. I do not know of one that is more important in our Congress today.

I certainly congratulate you gentlemen on continuing to serve and be of service to the country and to the veterans by serving on this very important committee.

I want to thank you for this opportunity to testify in behalf of my proposal to aid prospective GI home purchasers to obtain mortgage financing for moderate-priced housing at reasonable financing costs.

At a time when giant corporations are getting all the capital they need at low interest rates to finance a record volume of industrial expansion, Korean veterans and

their families find it virtually impossible to finance the purchase of a moderate-priced home.

At the same time we are committing $1 billion of our credit into this tanker program.

The number of homes started under the GI loan program has been cut 31 percent below a year ago level.

Home builders predict that lack of financing and stiffer GI buying terms may cut 1957 home production a further 10 to 25 percent.

The credit policies of the past 4 years have produced:

1. A persistent trend toward ever higher interest rates on home mortgages along with increasingly restrictive mortgage terms for GI's.

2. A vicious mortgage discount practice that has spread all over the Nation.

The CHAIRMAN. May I ask you a question there?

Mr. PATMAN. Yes, sir.

The CHAIRMAN. Who is responsible for those credit policies?

Mr. PATMAN. If I do not cover it I shall be very glad to try to answer it. I think I will cover it.

The CHAIRMAN. Would you rather sit down?

Mr. PATMAN. I prefer to stand. This is a matter of great importance to me. I carefully prepared this statement and want to present it to you in the best way that I can.

3. Outright refusal to make GI home loans in many parts of the country.

4. A sharp decline in new home construction concentrated almost entirely in the price range suitable for moderate-income GI families.

The time has come to reverse these policies.

H. R. 21 is designed to do that. That is the bill I introduced, Mr. Chairman.

Under my proposal, the Secretary of the Treasury is authorized and directed to invest up to 25 percent of the national service life insurance premium reserves in VA-guaranteed GI home mortgages at their par value. This will channel over $1 billion of funds into the GI housing market to support GI mortgages at their present 4½ percent ceiling interest rate. An additional $2 billion of special assistance FNMA funds are also authorized for such purchases if necessary. Thus a total of more than $3 billion is authorized to be made available for direct support of the GI mortgage market at the 4½ percent rate. Let me stress that there is no risk involved for my proposal provides that any GI mortgage acquired by the NSLI fund that defaults shall be immediately purchased by the Administrator of Veterans' Affairs.

In passing, I might point out that H. R. 21 would make NSLI funds available for the purchase of GI mortgages in all areas of the country. In this respect, it differs from other bills, which are directed toward providing aid only to veterans in rural areas. Admittedly, the GI's in rural areas have had the most difficulty in obtaining mortgage financing, and I would certainly have no objection to a provision directing the Secretary of the Treasury to give priority to rural areas in channeling NSLI funds into GI mortgages.

H. R. 21 also has this additional attraction. It would put to veterans' use the funds contributed by veterans and it would increase the earnings of the national service life insurance fund. Thus, veterans who contributed to the fund could benefit either in the form of higher dividends or lower premiums.

Another provision of H. R. 21 is directed at the scandalous and exorbitant discounts imposed by lenders in connection with the financing of home construction and home purchases under the VA-guaranteed program.

Our great Government is being accused of being in a racket. Good citizens of our country in letters to me often make this statement or a similar one in connection with the big discounts that are being required of them in order to sell a home or to buy a home.

One letter from a supplier of home-building materials stated:

"I think it is a shame what is happening and the way it is being manipulated by the big finance companies demanding outrageous discounts on these type loans. We closed a VA loan the other day and it cost the veteran and ourselves on a $10,000 loan around $750.

"It is being said that there is tight money, et cetera, but I call it blood money. If you will give the big discounts there is plenty of money available for the payer. I feel like the lumbermen"—and he is a lumberman—"are all being used to steal from the veteran and give it to the finance companies. I noticed what you have to say the other day in the paper about straightening this deal out, and I think it is a good approach to it. We do not object to there being a 5-percent interest charge, but we certainly do object to being made to make the veteran sign a note for par value and then FNMA, itself, buys that piece of paper if they get a big discount—anywhere from 4 percent to 7 percent. It makes a lot of us feel like our Government, itself, is in a racket; and we think that this matter should have something done about it immediately.

"I think the whole thing could be straightened out in 48 hours if you make money available to FNMA at par value for VA and FHA, then let private capital handle it if they desire to; and I am sure in just a short time private capital will buy at par.

"I wish to let you know that we lumbermen appreciate the effort you are putting forth to get the matter straightened out, but it does need something done about it immediately as we are practically frozen at this time."

I have another letter from one of my own constituents in Texarkana, Tex. These letters I am quoting from are cases in which the Government is accused of being in a racket and they are presenting some pretty strong proof in that direction and it involves every one of us. It involves me. It involves the chairman. It involves us all. Quoting:

"I am writing regarding the GI home loan which you said you were going to bring up in Congress.

"We have sold our home and the buyer has been trying to get a GI loan. That is, we have everything completed, but the investor that is buying the papers wants us to discount our papers 8 percent and we think that is outrageous.

"Could you please advise us concerning this bill? When are you going to bring this bill and do you think it will pass? Also, how long do you think it will be before it will be in effect?

"Mr. PATMAN, we would appreciate it very much if you could let us know about this matter as soon as possible. Thank you."

Another letter from Houston, Tex., is from a man who works for the Houston Chronicle, one of the greatest newspapers in all Texas. Here is what he starts off by saying:

"I am pretty doggone sore. You see, early last November I had an opportunity to buy a house here in Houston that I liked, at a price I liked, under an FHA 4½-percent loan.

"I accepted the deal. So did the owner. And I duly applied for the 4½-percent FHA loan through the mortgage company that had got the commitment from the FHA and was willing to make the loan provided I could qualify.

"All this was before the interest rate was raised to 5 percent.

"While my application was in the mill, the FHA told the mortgage company it could sock me for even more interest than it had asked for in the first place.

"I hope I'm making this kinda clear: Seller, buyer, mortgage company, agent, even FHA, had all agreed on 4½ percent, and application was made before the rate was changed on December 4. Yet when my loan was finally approved, somebody had arbitrarily authorized the moneylenders to knife me for an extra pound of flesh—ex post facto.

"At least that's what the mortgage company says my Government has done to me. And they're probably right; aren't they?"

Authority to control discounts existed in the Housing Act of 1950. This answers your earlier question, Mr. Chairman.

But this administration and the Republican 83d Congress succeeded in removing that protection from the Housing Act of 1954.

The CHAIRMAN. Right there, Mr. PATMAN, what about the bills we passed to let the money go into plant expansion and into building ships?

Mr. PATMAN. The tanker interest rates are higher.

The CHAIRMAN. But they are Government guaranteed.

Mr. PATMAN. I know they are, just like this.

I tried hard to keep that protection in there. When the administration bill, H. R. 7839, reached the floor, I offered an amendment striking title II—and the chairman of this committee, the American Legion, and all the veterans' organizations were behind us—which not only gave a broad grant of authority to the President to vary terms and rates on VA mortgages but also repealed the VA's authority to prohibit discounts on VA-guaranteed mortgages. The House overwhelmingly approved my amendment, thereby restoring the VA's authority to control discounts.

When the bill went to the Senate, however, the administration persuaded the Members that the authority to limit discounts was no longer needed, since the credit situation had been eased. Moreover, it was asserted the 1953 interest-rate increase had made VA mortgages competitive with other long-term investments.

A Senate amendment to H. R. 7839, adopted June 3, 1954, restored the repealer of section 504, which my amendment had deleted from the House bill.

In the ensuing conference, I was necessarily absent because I was engaged in a primary contest. The House conferees agreed to the Senate repealer of section 504, but the managers on the part of the House conferees made the following strong statement on the matter:

"The Senate amendment added to the House bill a provision repealing section 504 of the Housing Act of 1950, which directed the Federal Housing Commissioner and the Administrator of Veterans' Affairs to limit and control the fees and charges imposed by lenders upon builders and purchasers in connection with mortgages and home loans. A similar provision in the House bill was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House. Section 504 of the Housing Act of 1950 is no longer needed, since adequate authority for the control of these fees and charges is otherwise available. The conference substitute includes the provision added by the Senate amendment. This is intended in no way to remove any protection afforded to veterans and other purchasers against excessive fees and charges in connection with VA and FHA home loans. The VA and FHA will continue to have adequate authority under other provisions of law to control fees and charges paid by purchasers in connection with the initiation of such loans and the disbursement of loan proceeds, and it is the intention of the committee of conference that those agencies will continue to exercise their authority to protect veterans and other purchasers against excessive fees and charges" (Rept. No. 2271, dated July 17, 1954).

In other words, the House agreed to the repeal of section 504 because its conferees

were led to believe that the practice of discounts would be controlled and that there was adequate authority on the part of the VA and FHA to do so without section 504.

If I had been there I would probably have been persuaded by the same argument. I am not blaming the conferees. I am just stating the facts but the conferees were pressured into leaving that repealer in there.

And in an interpretation of the Housing Act of 1954, put out by the Housing and Home Finance Agency, Detailed Summary of the Housing Act of 1954, at page 16, the following appears:

"CONTROL OF LENDERS' CHARGES AND FEES

"Section 504 of the Housing Act of 1950, which directed the Federal Housing Commission and the Veterans' Administrator to limit and control the fees and charges imposed by lenders upon the builders and purchasers in connection with mortgages and home loans, is repealed. This provision is no longer needed, and adequate authority for the control of those fees and charges is otherwise available."

That is what the Housing and Home Financing Agency sent out all over the country immediately after that. No longer are these discounts controlled or regulated in any way.

Within a year after section 504 was repealed, the practice of discounting was revived and in 1955 with the renewed hard-money, high-interest rate drive, it reached scandalous proportions.

On November 6, 1955, I called the attention of the administration's housing officials to discounts as high as 9 percent being charged on GI home loans, and a widespread practice of 5 points being charged in many sections of the country. I suggested that the FHA and VA issue regulations setting a maximum permissible discount fee pending a more satisfactory solution for handling the problem of channeling more funds into the home-building industry.

No action was taken by VA or FHA to police the discount abuses despite the assurances given in 1954 to the Congress that adequate authority existed and despite the strong language in the report of the managers on behalf of the House conferees that their action was in no way intended to remove protection afforded to veterans and other purchasers against excessive fees and charges in connection with GI and FHA home loans.

Because the administration acquiesced in these exorbitant discounts, lenders were encouraged and emboldened to demand higher ceiling interest rates on VA home mortgages.

That is why we are confronted with the problem that we now face regarding the financing of home construction under the VA-guaranteed home mortgage program.

The record of this administration's handling of the financing of home mortgages underwritten by the Government is one of imposing ever-higher interest costs on the home builder and hard-pressed home purchaser and diverting the money into the profits of the banks and other institutional lenders.

It is time to call a halt to this policy before the home-building industry is strangled.

If we do not act affirmatively now, the needless interest-boosting spiral will continue with one rate increase leading to still another and sooner or later the average GI's family will not be able to meet the high monthly payments on a home.

Instead of pricing more families out of the housing market, by raising financing charges, there is an urgent need to lower the financing costs of housing so that families of modest means can afford decent shelter without having to curtail their essential food, clothing, and medical outlays.

The No. 1 need of the home-building industry is reasonably priced mortgage credit. Congress must make certain that credit is forthcoming. It is the duty of Congress, Mr. Chairman. We cannot escape it as Members of Congress. Every hard-money statement that goes out from the Federal Reserve Board is a statement from every one of you and from me. That is a responsibility of this Congress. We cannot escape it and when they refer to Uncle Sam as being in a racket they are referring to us. They are just being nice and just not calling us by name.

Without a supply of such credit, the home-building industry cannot undertake the volume production essential to provide GI's and their families with decent housing within the means of their modest incomes.

Legislation authorizing the use of NSLI funds to purchase GI mortgages at par will not only put a brake on the interest spiral but it will also help curb the scandalous discount practice.

The VA guaranteed GI mortgage is a safe investment and 4½ percent is a reasonable return on a Government-backed investment.

If we stand firm and hold the line, I am confident that private investors will adapt themselves to the 4½ percent rate and we will find before long an ample flow of private funds into the GI housing market.

Now then, Mr. Chairman, I want to be perfectly frank with you. If we cannot get money for 4½ percent for the GI's and 5 percent would get it, I would not quibble over the one-half percent although I think it is scandalous and terrible and unnecessary. However, you will not get any more money at 5 percent than you will at 4½ percent.

Testimony before your committee has disclosed that the going rate while you are considering this has gone up beyond 5 percent so that this is an escalator deal in which they are engaged. They are raising one and then raising the other. I, too, think it is scandalous for a Government agency to use Government credit to force discounts on Government-guaranteed mortgages for veterans or others. It is just like robbing a bank in broad daylight. It is worse than that to the veterans of our country. We are not only condoning but encouraging usury of the most scandalous type, the type that is most hurtful to our economy. Purchasing power is the basis of prosperity and you are taking purchasing power away from these veterans and others and diverting it to money lenders for usurious interest. It is not in the interest of the Nation.

I think this high-interest policy is a relic of the Dark Ages and should be stopped. It is terrible. If you call the bankers' bluff on this 4½ percent you will stop it at 4½ percent. If they say 5, ask them if they will furnish money at 5. They will give you no assurance any more than they will for 4½ percent, so why raise it to 5?

Yesterday the Secretary of the Treasury, Mr. Humphrey, announced that they were raising the interest rate on some short-term notes that are due soon to 3½ percent interest. That has the effect of boosting the rates on mortgages to 6 percent. We used to have a 1½-percent spread on mortgage money. From 2½ to 4 percent was the spread that the bankers and the financiers were willing to accept. They said it was satisfactory, it was reasonable. Then they got the spread up to 2½ percent and said, "We have to have that because of the increased cost of operating."

If you pay 3½ percent on Government issues, that means 6 percent mortgage financing, so that Mr. Humphrey yesterday fixed the going mortgage rate at 6 percent. He has already gone 1 percent above the 5 percent before you can get this bill reported out. And by the time you get it passed, regardless of the kind of bill you report, you will not have money available because they will just keep on making it higher and higher. I think you ought to call their bluff.

The Congress will be accused of abdicating its authority if we do not do something about this because it is the authority and duty and responsibility of Congress.

I want to mention one thing about veterans. I was here in a period when the atmosphere was charged with the logical argument that in the event of another war money should be drafted the same as men. Of course, it was carried to the ridiculous extreme. We know that and you know how it could be so carried from an emotional standpoint. Emotion prevailed rather than logic and reason.

At the same time, a lot of people gave it serious thought. In the event we have another war and men will have to sacrifice, they said let us compel people who furnish money to furnish it at a sacrifice, too.

When we went into World War II we had that feeling, "We are going to have the men sacrifice but we are going to get this money at a low rate, 2½ percent." We did that. For 14½ years the Government rate was maintained at 2½ percent, and Government bonds supported at par. You could always get your money out of them. Then in 1953 a change commenced and they got the rate up. Now where do we find ourselves? The veterans, their widows, their children, hospitals, medical care, insurance, and everything that the Government is spending for veterans' programs for fiscal 1957 will be less than $5 billion. To be exact, I think it is about $4,800,000,000.

The people who originally furnished that money at a cheap rate of 2½ percent are making a sacrifice, too. Now this $275 billion debt represents the cost of two wars. That is money we borrowed to fight those wars. The people who have acquired that debt since 1953 have been getting increases faster than the veterans and today the amount we are paying for interest on that debt has gone up, up, up, until it is 50 percent more than the amount that is paid to all veterans for all purposes. As long as that prevails, you cannot say that the veterans' programs are doing so much toward injuring the country. They are not. Who is injuring the country? It is up to you to decide.

When the premiums come into the national service life insurance fund Mr. Humphrey just puts an I O U in the fund box for 3 percent—that is all this fund is getting, although the going interest rate is higher than that. This bill would permit the use of that fund or part of it for the purchase of VA-guaranteed mortgages where they will make more than 3 percent.

Back during the time when Mr. Mellon was Secretary of the Treasury and the adjusted compensation certificates were outstanding and the Congress was paying $112 million a year on a retirement fund to retire those certificates in a certain length of time, Mr. Mellon commenced the policy of using those funds for general purposes. Every time he got that $112 million he put an I O U in that box. That is what they are doing now on that national service life insurance fund. I think we should use it to the best advantage for the veterans and for the country. I hope that the committee gives serious consideration to the passage of this bill.

I have one more letter, Mr. Chairman. This is from Collingdale, Pa.:

"May I suggest the following as a fit subject for examination. When the Federal Reserve Board and the home-loan banks take steps which result in limiting the supply of money and credit, why are they not required to place controls on the fees which their members may charge for lending this money to the public? Certainly, if we had a severe shortage of any other article such as rubber,

sugar, or lumber, the Government would immediately improvise controls to protect the public from gouging. Yet there is evidently no limit to the charges banks may impose upon those in need of mortgage money even though the Government itself is responsible for that item being in short supply. It is not uncommon for those wishing to obtain mortgage money in this area to have to pay a 6- to 10-percent fee, and last week I heard of a case where, for a VA mortgage in a changing section of Philadelphia, the borrower had to pay 20 percent.

"Right here in Philadelphia.

"To my mind this is nothing but a legalized black market."

I cannot argue with him and you cannot either. About whom is he talking? He is talking about you and me. He is talking about the Congress. It is the responsibility of Congress.

I appreciate the consideration you gentlemen are giving to this very important subject. It is a matter of greatest importance. Thank you.

The CHAIRMAN. Are there any questions? Mr. Ayres?

Mr. AYRES. Mr. PATMAN, you seem to place the blame in this situation on the administration in power; is that right?

Mr. PATMAN. Well, part of it; yes, sir. The main responsibility is you and me and the rest of us.

Mr. AYRES. Can we take credit for the high employment and the highest gross national product in the history of our country which is perhaps absorbing a lot of this money which would go into mortgages if our economy were not expanding?

Mr. PATMAN. You inherited it that way. Unfortunately we did not when we came back into power in 1933. You had a good running organization. It was all set up for you. All you had to do was keep it on the road.

Mr. AYRES. Then what would you suggest, since you seem to think it is the Congress' responsibility? Will the passing of your bill correct all these evils?

Mr. PATMAN. It will not correct them all but it will be a good start.

Mr. AYRES. In your judgment, based on your past experience on the finance committee in the Congress which handled that phase of our economy in the way of legislation, you do not think that increasing the interest rate to 5 percent is going to provide more money?

Mr. PATMAN. Not unless you make the money available yourself. Not unless the Congress makes it available. You will not get it from private lenders. The insurance people so testified before your committee the other day. They said that the going rate is much above 5 percent. They are saying that even before you get to 5 percent.

Mr. AYRES. That is all.

The CHAIRMAN. Are there any further questions?

Mr. BOYKIN. I want to say to Congressman WRIGHT PATMAN of Texas that I think it is a great statement.

I think the things happening to our veterans are tragic. I had breakfast this morning with Dr. Henry Grube, our minister from Mobile. We had with us a young lawyer's wife.

Her father was wounded in World War I and is dead. He happened to be my brother. Her husband is a young lawyer, doing very well. When they wanted to get a loan in Mobile, Ala., they wanted a bonus of 10 percent and then could not get it. I am going to be glad to try to let her have it. There is no way a veteran can be in business and pay those rates.

There is a lot to what you say and I think this committee is going to do something about it. We had a wonderful man here yesterday who said he did not think 5 percent would do it. I think they want the rates to be left wide open. I really think that is what they want. Does it look that way to you, Mr. Chairman?

These veterans cannot get a guaranteed loan by this Government when we are giving foreigners, people that we saved and people that hate us, so much money. These veterans really saved those people and saved us, too. We would not have a United States now if it had not been for these veterans.

I believe this committee is going to do something, Congressman PATMAN. I think you have made a great statement which will be very helpful to us. We are going to have a copy of it. I am going to send it to all our veterans and also the newspapers. I wish everybody could hear what you have said because it is wonderful.

If the situation is as bad as you have indicated, it is a crime. It is just the most terrible thing that ever happened. We are giving money away to every country in the world and not taking any security or anything else and never expecting to get it back while here these great men, our own men, are not only compelled to give security on their homes, but to pay these terrible rates of interest and a bonus besides.

I think you have made a great case.

Mr. PATMAN. Thank you, Mr. BOYKIN.

The CHAIRMAN. What about the statement that the Treasury would have to dump their present investments and would lose money on them to make this money available?

Mr. PATMAN. Let us analyze that. What investments do they have? They have these I O U's in that box at 3 percent. If we take that billion dollars out of there they will have to replace that by selling securities on the market as they are doing every day. If the interest rate is high, it is of their own making. The Federal Reserve and the Treasury make the rates. They set out to make these rates higher and are making them higher every day. They are talking about 10 percent. I do not know how far they will go.

Mr. BOYKIN. It is already 10 percent because of that bonus, Mr. PATMAN.

Mr. PATMAN. Yes; and I repeat that it is highway robbery. In the West when we had a robbery in broad daylight, where fellows would come in on horses with handkerchiefs over their faces and rob a bank in broad daylight, the people all around would look down upon the people in the community for not stopping them. They would say, "If it had been at night in the dark you could not stop it, but you let them come in broad daylight and rob your bank."

As Members of Congress, we are in the position of the people of that town who let the robbers come in there in broad daylight and rob the bank. We are letting these veterans be robbed in broad daylight.

Mr. KEARNEY. I say to my friend, who is a very good friend of mine, that if that had not happened we would not be reading any western stories.

Mr. PATMAN. That is right.

Thank you.

The CHAIRMAN. We had some testimony yesterday listing about 3 or 4 objections to using that fund.

Mr. PATMAN. There is one complete answer. We are against rackets and we are against imposing on the taxpayers and the Government and we believe in the Golden Rule and giving everybody a square deal.

The CHAIRMAN. Mr. Scott, of the National Association of Real Estate Boards, gave three objections yesterday to this proposal. The first was that:

"The NSLI trust fund is invested in Government obligations. The diverting of a portion of this reserve for direct home loans, or for the purchase of VA-guaranteed home loans, would require the Treasury to borrow the money to replace the withdrawals for this purpose, thereby further aggravating the management of the public debt which now imposes a more than $7 billion per annum interest charge on the American people."

Mr. PATMAN. Let me answer that, Mr. Chairman. That is part of their national debt. If you will look in the New York Herald Tribune or New York Times or the Wall Street Journal where it appears at least once a week, you will find the list of obligations that must be refunded during the course of the year. They aggregate about $72 billion to $78 billion, and $1 billion is insignificant in comparison to the amount that has to be refunded each year.

The CHAIRMAN. Mr. Scott raised a second point:

"We also raise the question whether the NSLI trust fund may properly be used for this purpose in view of the fact that the $5½ billion presently in the fund accumulated while the NSLI Act, which constitutes a contract between the fund and the servicemen or veteran policyholder, specified that the reserves were to be invested in obligations guaranteed as to principal and interest by the Government."

Mr. PATMAN. Let me answer that. That is almost on the side of being ridiculous. Now, here this trust fund already has Government obligations. We take a billion dollars of obligations out and put another billion dollars of Government obligations in the same spot, in exactly the same position.

The CHAIRMAN. Let me read the third one:

"Proposed legislation on this subject apparently contemplates the purchase of VA home loans at par, or at least at a price above the market. This raises the additional question as to whether the Secretary of the Treasury, acting in a fiduciary capacity, should use trust funds for the purchase of mortgages at prices above market value."

Mr. PATMAN. They will all go to par value if you approve, as I am proposing, the use of these funds for that purpose. That will put them all at par. And all it is is a switching of obligations. A Government obligation is in the NSLI lockbox right now, and the VA-guaranteed mortgage is the Government obligation we propose to put in there. They will just draw a higher rate of interest. They will get 4½ percent instead of 3. It will help everybody, Mr. Chairman.

The CHAIRMAN. Thank you, sir. We appreciate your coming up.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. TALLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MCVEY].

Mr. MCVEY. Mr. Chairman, the House has before it today, H. R. 4135, a measure designed to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies.

We have, in this country, more than 6,000 savings and loan associations having assets of approximately $43 billion, and about 3,700 of that number have been insured by the Federal Savings and Loan Insurance Corporation. The insured associations have assets of $39 billion.

H. R. 4135 would make it unlawful for any holding company to gain control of more than one association whose accounts are insured by FSLIC, and would prevent the acquisition of an insured association by any company having control of any other insured association. Further, the FSLIC would be prevented from granting insurance to any savings and loan association controlled by a holding company that controls another insured association. A company would be considered as controlling an association if it owns 10 percent or more of the stock of such association, or if it is determined by the Federal Home Loan Bank Board, after reasonable notice and opportunity for hearing, that such company exercises a controlling influence over the management and policies of the association.

Since the inception of the savings and loan industry in the United States, these associations have been locally owned and managed, and it is believed that the maintenance of this tradition is invaluable to their patrons. Basically, savings and loan associations are local institutions designed to encourage thrift and the promotion of home ownership. Their investments are mainly in residential mortgages, and the majority of their mortgage loans are usually made within a 50-mile area of their home offices. This calls for management well versed in local real estate conditions and experienced in the savings and loan field. It is felt that the customers of these organizations prefer to deal with the actual managers of the association, rather than to work with representatives of a far away national organization.

At the present time, there are only two holding companies that control two or more associations. These are the Great Western Financial Corporation, which was organized in 1955 to acquire control of the Great Western Savings and Loan Association of Los Angeles, and the First Security Corporation of Utah, which controls one association in Utah and one in Idaho. Since its beginning about 18 months ago, the Great Western Financial Corporation has acquired three more associations.

Because the use of the holding company device to acquire control of savings and loan associations is not widespread at present, I believe that this is an opportune time to take action to prevent the expansion of this type of operation in the savings and loan industry. I have no quarrel with the holding company as a corporate device. However, I do not think it is compatible with the traditions and principles which have been characteristic of this industry for more than a century.

H. R. 4135 deals with future operations and would impose no hardship on the two existing holding companies. They would be permitted to continue to own and operate the institutions now under their control. It would, however, prevent the further expansion of those companies and prevent any other holding company from owning or acquiring ownership of more than one institution. The bill has the support of the Federal Home Loan Bank Board, the Bureau of the Budget, and both national organizations representing the savings and loan industry. I favor the enactment of H. R. 4135, and feel that it merits the support of the House of Representatives.

Mr. TALLE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, by and large legislative bodies, including Congress, find their chief task to be that of locking the barn after the horse is stolen. Usually Congress gets around to the point of attempting to correct a situation after the damage has been done. Bills are introduced to prevent the reoccurrence of social evils, grave injustices, and oppressive actions of the strong upon the weak.

Last year this Congress enacted the bank holding company bill several years after the events complained of and to be guarded against had occurred. The forces within our economy which brought about these combinations were apparent for several decades.

Mr. SPENCE, the chairman of our Committee on Banking and Currency, in introducing H. R. 4135 has foreseen that the same forces which brought banking under the control of holding companies might well result in the savings and loan industry falling victim of the holding company idea. In guiding this bill through the committee and to the floor our chairman is asking that we legislate, to lock the door, before the threat becomes a dangerous reality.

Today only one or two such holding companies are known to exist, but the economic factors which gave the idea birth could well cause others to be formed. Hence, the time to act is now.

The savings and loan institution has developed because of the very personal and local touch which it can give to the needs of homebuyers and homeowners. They are restricted by law as to the area which they can serve so as to preserve this local identity. Control has been traditionally exercised at home, and any attempt to interject control by a holding company could destroy this attribute.

The desirable savings and loan picture is one which serves a community need as an institution to promote thrift and facilitate homeownership; not to face competition in order to exist. It is possible that the holding company idea, if allowed to spread could result in an epidemic of such organizations, preying upon each other.

It is the purpose of a savings and loan institution to serve the community. Too often we have observed that a financial colossus, such as a holding company, has a tendency to attempt to control and run things in a community, rather than serve the community, and it is for these reasons, Mr. Chairman, that I would urge that this legislation be approved.

While I have the floor I wish to make just one observation. During the course of the hearings on this legislation it developed that the present economic atmosphere is conducive to the development of holding companies in this and other industries. The economic situation is this: That only by disposing of the stock can the stockholders themselves realize the utmost profit because of the tax structure which we inherently have in this country.

Possibly this legislation will seek to solve the immediate problem. But so long as that tax structure remains as it is the tendency toward combinations of this sort will continue. I feel that it is time that this Congress and the appropriate committees of the Congress should look into our tax structure to see that it serves our Nation as it should, not only as a source of revenue but also as an instrumentality which will be conducive to large and small business alike and which will not bring about such financial mergers, such financial giants, which can destroy individual initiative and free enterprise.

Mr. TALLE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, this bill, which was unanimously reported by the Committee on Banking and Currency of the House, deserves the support of the entire membership of the House. It does something which is unusual in legislation of this kind in that it seeks to correct possible abuses before they have taken place.

The gentleman from Kentucky [Mr. SPENCE] in introducing this bill has done the savings and loan associations a great service and also the people of this country in anticipating factors that could enter into the mortgage lending program of the United States which would actually stifle progressive housing development.

The purpose of this bill is merely to insure that savings and loan associations, the largest single source of home mortgage credit in the country, retain their traditional character of local management, ownership, and operation. Probably no financial institution has been closer to the people of its community and closer to the working people than has the savings and loan associations. About 75 percent of their loans are made without Federal insurance or Federal guaranty on terms worked out by the borrower and the association. The officers and directors are local men who know many of the borrowers, who know the community, and who can take a personal and real interest in helping each family obtain a home well suited to their needs on terms that are practical. Furthermore, in times of distress they can work with the borrower to change the payment or forego payments for temporary periods. They can do this because they are not governed by a set of rules of a home office thousands of miles away, nor are they controlled by absentee stock ownership.

There have been some wonderful examples of how savings and loan associations have helped their borrowers and their communities through periods of local crisis such as a strike or factory closedown in one-industry towns.

Mr. Chairman, this bill makes certain that the holding company device, which in the long run is inconsistent with the local management of institutions, will not come to dominate these savings and loan associations. The savings and loan associations of New Jersey are in favor of this bill, as are the associations all over the country.

Mr. Chairman, I urge the adoption of the pending legislation.

Mr. TALLE. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, I am privileged to announce that on Tuesday next, March 26, at about 3 to 3:15 p. m., the membership of the House will be accorded the honor of a visit by the Honorable Robert Briscoe, Lord Mayor of Dublin, Ireland. At that time next Tuesday afternoon in the Speaker's rooms all of the Members of the House will be given an opportunity to personally greet my good friend, the first Jewish lord mayor of Dublin, Ireland.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That title IV of the National Housing Act, as amended (12 U. S. C., sec. 1724 et seq.), is amended by adding at the end thereof the following new section:

"REGULATION OF HOLDING COMPANIES

"SEC. 408. (a) (1) As used in this section, the term 'company' means any corporation, business trust, association, or similar organization, but does not include the Federal Savings and Loan Insurance Corporation, any partnership, or any company the majority of the shares of which is owned by the United States or by any State.

"(2) As used in this section the term 'stock' means nonwithdrawable stock, underlying ownership stock other than mutual shares in a mutual institution, permanent stock, guaranty stock, or stock of a similar nature (as defined by the Federal Home Loan Bank Board by regulation) by whatever name called.

"(3) For the purposes of this section, a company shall be considered as having control of an institution if such company owns, controls, or holds with power to vote more than 10 percent of the stock of such institution, or if the Federal Home Loan Bank Board determines, after reasonable notice and opportunity for hearing, that such company directly or indirectly exercises a controlling influence over the management and policies of such institution.

"(b) (1) The Corporation shall reject any application made for insurance under this title on or after the date of the enactment of this section if it finds that the applicant is controlled by any company which also controls any insured institution or any other applicant for insurance.

"(2) If an application of any institution for insurance under this title is approved on or after the date of the enactment of this section, and the Federal Home Loan Bank Board subsequently determines, after reasonable notice and opportunity for hearing, that at the time of such approval such institution was controlled by a company which also controlled another insured institution (or another applicant for insurance if the application of such other applicant was approved), the Board shall either—

"(A) terminate the insured status of such institution; or

"(B) require such company, in the manner provided in subsection (e) of this section, to dispose of so much of the stock of such institution, or take such other action, or both, as may be necessary to divest itself of its control of such institution.

If the insured status of an institution is terminated under subparagraph (A), the provisions of section 407 relating to continuation of insurance of accounts, examination by the Corporation during the period of such continuation, final insurance premium, and notice to insured members shall be applicable as though the termination had been ordered under such section 407.

"(c) It shall be unlawful for any company on or after the date of the enactment of this section—

"(1) to acquire the control of more than one insured institution; or

"(2) to acquire the control of an insured institution when it holds the control of any other insured institution.

"(d) Any company may, without regard to subsection (c), acquire stock pursuant to a pledge or hypothecation to secure a loan or in connection with the liquidation of a loan, but it shall be unlawful for any such company to retain for more than one year any control the acquisition of which by such company would, except for this subsection, have been unlawful under subsection (c).

"(e) If, in the opinion of the Federal Home Loan Bank Board, any company holds control of an institution and such control was acquired in violation of subsection (c) or retained in violation of subsection (d), it shall give such company notice that if it does not divest itself of such control within 30 days an action will be brought to force the divestiture thereof. If such company does not dispose of so much of the stock of such institution, or take such other action, or both, as may be necessary to divest itself of such control within 30 days after the receipt of such notice, the Board shall, without regard to any statute of limitation, institute in the United States district court for the district in which the home office of such company is located, or in the United States District Court for the District of Columbia, and prosecute to final satisfaction, an action to require divestiture of such control. Such courts shall have jurisdiction of all actions brought under this subsection and, in view of the fact that the questions involved are of general public importance, shall hear and determine such actions with all reasonable promptness. Any such action shall be brought by the Federal Home Loan Bank Board in its own name and may, in the discretion of the Board, be prosecuted through its own attorneys. All expenses of the Board under this subsection shall be considered as nonadministrative expenses."

With the following committee amendments:

Page 2, line 3, after "section", insert "(except when used in subsection (f))".

Page 2, lines 10, 12, and 16, after "institution", insert "or other organization".

Page 4, strike out line 8 and all that follows down through line 7 on page 5, and insert the following:

"(e) If, in the opinion of the Federal Home Loan Bank Board, any company holds control of an institution and such control was acquired in violation of subsection (c) or retained in violation of subsection (d), it shall give such company notice that if it does not divest itself of such control within 30 days an action will be brought to force the divestiture thereof. Notice given to such institution shall constitute notice to such company for purposes of the preceding sentence. If such company does not dispose of so much of the stock of such institution, or take such other action, or both, as may be necessary to divest itself of such control within 30 days after the receipt of such notice, the Board shall, without regard to any statute of limitation, institute in the United States district court for the district in which the principal office of such institution is located, and prosecute to final satisfaction, an action to require divestiture of such control. Process in any such action may be served in any district in which such company transacts business or wherever it may be found. The United States district courts shall have jurisdiction of all actions brought under this subsection, and in view of the fact that the questions involved are of general public importance, shall hear and determine such actions with all reasonable promptness. Any such action shall be brought by the Federal Home Loan Bank Board in its own name and may, in the discretion of the Board, be prosecuted through its own attorneys. All expenses of the Board under this subsection shall be considered as nonadministrative expenses."

Page 5, after line 7, insert the following:

"(f) It shall be unlawful, on or after the date of the enactment of this section, for any insured institution which is controlled by a company—

"(1) to invest any of its funds in the stock, bonds, debentures, or other obligations of such company or of any other organization controlled by such company;

"(2) to accept the stock, bonds, debentures, or other obligations of such company, or of any other organization controlled by such company, as collateral security for advances made to such company or organization or to any other person; except that such institution may accept, and hold for a period not exceeding 2 years, such stock, bonds, debentures, or other obligations as security for debts contracted prior to the acquisition of such control;

"(3) to purchase securities or other assets or obligations under repurchase agreement from such company or from any other organization controlled by such company; and

"(4) to make any loan, discount, or extension of credit to such company or to any other organization controlled by such company.

Except as otherwise provided by regulation by the Federal Home Loan Bank Board, a non-interest-bearing deposit with a bank, to the credit of an insured institution, shall not be deemed to be a loan, discount, or extension of credit to such bank for the purposes of this subsection. As used in this subsection, the term 'organization' means a corporation, business trust, association, partnership, or similar organization."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4135) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies, pursuant to House Resolution 196, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LIFE IN YUGOSLAVIA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I wish to include in the RECORD a translation of two letters which a constituent of mine received from his friend who has just returned from Yugoslavia. I believe that the letter expresses in simple and moving words everyday life in that Communist-dominated country, the leaders of which are trying to convince us that conditions in Yugoslavia have changed under Tito. In order to protect my constituent's friend and the friend's family in Yugoslavia, I have deleted the dates, names, and all references to towns and villages visited by the writer of the letters. Otherwise no word has been changed in what the person conveyed to my constituent.

[Translation from Serbo-Croatian]

———, 24, 1957.

Mrs. ———,

DEAR FRIEND: As I see from your card, your * * * arrived from the old country. I don't know what he may have told you about the old country, but I want to tell you that I was there in * * *. I stayed there for a month. Should I have known the conditions prevailing there, believe me, I never would have undertaken that trip. I found the people in rags and poorer than they ever were before. I myself lost 12 pounds during my stay there, being unable to eat normally because of all these flies.

It wasn't easy for me since I had no friends and had to approach people on my own. I made many acquaintances and had talks with many people on the most varied topics. I once met a captain of the Yugoslav Army and asked him quite casually to tell me to which side Yugoslavia would lean in case of war. He said, "My dear * * *, once you are back in America, you should frankly tell your people that the Yugoslav Army is pretty much part of Russia." When I commented that this did not sound say too good considering all the help that America was extending to Yugoslavia and that they should be in favor of the Western countries, the captain retorted, "We know that America is doing much to help Yugoslavia, but we do not get anything of all that help and our poverty is still the same. Those in power are filling their pockets. This is how things are in our country."

I was in Zagreb and also in other towns. I was surprised to see Zagreb drab and dirty. All the other towns I saw were also shabby. The first week of my visit fell in the grape harvest season and I enjoyed the grapes very much. I spent some 5 days in the house of * * * and another 5 days at the priest's of * * *. With these two hosts I was a little bit better off. I dawdled away an entire month. Had it been possible to get passage back at the end of the second week, I would have returned at once.

I saw 16-year-old girls laboring with picks and shovels on railroad construction work for a monthly pay of 3,000 dinars, which is something like twelve to thirteen dollars. The income tax imposed on the peasants is twice the amount of their actual income. I saw government officials as they were removing all the more valuable belongings from peasants' households because their owners were unable to pay their tax. Their property was auctioned off the very next day. To my question whether these people were credited with the proceeds of the sales, the answer was, "Things that once have been taken away are as good as lost." The officials return every 3 months. I asked the peasants where they were going to go when they next come and find nothing to seize. They said they didn't know. One day an old woman came to see me. She had received a parcel from her daughter living in America out of which more than half the contents had been stolen. She asked me to take her to the post office and find out what actually happened. The postmaster told us that the parcels were not being opened by his office, that this was done in Zagreb and that he would write to Zagreb to see what happened. I said to the postmaster that a thing stolen is as good as lost. The postmaster conceded that I was right. He said that the officials were underpaid and consequently compelled to embezzle. He added that the Americans should insure their parcels so that they would be compensated for their losses. I told him that our postal service had no confidence in them, their state apparatus being what it is and that it would not agree to such arrangements. The postmaster wrote me later saying that he tried to see me after I left. He wanted to tell me more. "Dear ———," he said, "I send you my greetings because you were right in everything you said."

I also met a retired official and asked him about his pension. He told me that he was receiving 6,000 dinars per month. To my question as to how he could live on that, he answered that during the first half of the month he managed somehow to make ends meet, but for the second half of the month he had nothing left to live on.

Visiting friends at lunch or dinner time I never saw anything on their table but potatoes or cornbread. It was simply awful. Never in my life have I seen anything like that.

On my trip to Zagreb, though I traveled first class, I was lucky to be able to squeeze myself into the hallway of the train where I had to stand all the time from 6:30 in the morning until 2 in the afternoon. From Trieste, where several cars were added to our train, on the way to Paris we were more comfortable. In Paris I found accommodations in a hotel teeming with people from all parts of Europe. These people did not speak English and had made no reservations with trans-Atlantic companies for their transportation. There were Hungarians who had fled their country because of the rebellion there. When they heard that I spoke Slavic languages, there were many who offered me $50 to help them fill in their reservation forms. The Cunard agent was the first I contacted about possible arrangements. He told me that the tourist class was overcrowded so that the only berths available were cabin-class berths at the price of $70. I asked my people whether they were prepared to pay so much, and they said that the price did not matter, the main thing being to secure transportation. I was busy filling in their forms from 10 o'clock in the morning until 2 after midnight, and I didn't charge them a cent. The main thing was not to leave them stranded in Paris. Many of them had been at the hotel a week before I arrived there. So you may see under what circumstances people are living in Europe.

My crossing to Europe was very agreeable, but sailing back was horrible. More than 80 percent of the passengers were seasick. I personally was fortunate enough not to fall sick, and so I had to attend my fellow passengers and assist them in getting medical help. Believe me, we looked like a gay bunch on our arrival in New York.

I am glad I visited the graves of my parents and this I shall never forget. Although I did not fare best, I shall keep in my memory this visit to the old country. More than 90 percent of the people there are opposed to the present regime. Our people have the greatest sympathy for the Hungarians and they wish something similar would happen in Yugoslavia.

We are still getting on somehow. The main thing is to keep one's health and this makes people rich. How are things with you?

With my best regards, as ever yours.

[Translation From Serbo-Croatian]

———, N. Y., ——— 17, 1957.

DEAR ———: I received your esteemed letter, and I understand that you propose to show my letter to your Congressman. I no longer remember just what I wrote in the letter, but I know that whatever I wrote you is true, because I am unable to do otherwise or to calumniate others. What I wrote you is far from being all I saw. There are many things I did not tell you. To tell you everything I saw and went through would require many more pages.

If people in Yugoslavia had been more intelligent I am sure they wouldn't be plunged in their present state of chaos. I entirely agree with you that there should be no discrimination between Serbs, Croats and Slovenes. We in America are made up of all nations, and thus we are getting stronger and more advanced than any other country in the world. This should be even easier for the Yugoslavs in view of the fact that they are all Slavs. Today they mistrust each other. This makes things worse from year to year, and nobody knows where it will lead in a few more years. As I reported in my letter, a captain of the Yugoslav Army told me that in case of war the Yugoslav Army would constitute an important reserve for Russia. So America is only good to help everybody in Europe, and receives little or no recognition.

I should like to add that what has already happened may happen again, and our sons may be killed with our money and with weapons delivered by us.

There is also the fact that we are giving millions to Yugoslavia, and nobody ever questions for what purposes. As that captain said: "The poor Yugoslav people don't get anything out of it; those in power fill their pockets, and the poverty is the same as ever." I insisted, after I returned to our people, on the idea that the spending of our money by the Yugoslavs should be checked by our people. My idea was that any time we send money to a foreign country, some representative of ours should go to that country and keep a close check over the spending of our money. If the people of a given country are really in need of help, the help should actually go to the needy. If we here in America are ready to help people, our help should be given directly to those we have

decided to help, and not to those who some day are bound to declare war on our country.

I'm sure I didn't tell you in my letter that I was invited by the priest of * * * to stay at his house for a couple of days or so in consideration for what I had done for him and his church in 1951. I decided to accept this invitation for a few days. The first evening the priest warned me that if I wanted to stay with him more than 24 hours I would have to fill in a form addressed to the government. I told him to fill out the form if such were the regulations. A few days after this we were visited by two men who came to enquire the purpose of my staying with the priest. I wasn't there when they came, but my host told me about their visit and questions upon my return. Before leaving they said: "We know * * * from the States is a * * *, and we also know that he is not an enemy of our nation." There you can see how closely they check up on us while we, in our turn, are not allowed to check on the spending of our own money.

They pilfer more than half the parcels we send our relatives, and there are no ways of finding out where and by whom they are stolen. This I ascertained when I was in * * *. There an old woman came to me and asked me to go with her to the post office since I spoke English, and the forms on the parcels she received had been filled in in English. When I saw the postmaster he didn't know what to tell me. He finally said that the parcels were not being opened by his people, that this was done in Zagreb, and that he really didn't know what actually happened. I asked him what to do when things were definitely lost. "My dear * * *," he went on, "You know very well that our officials are miserably paid and must pilfer if they want to live." So this is how things are.

While still there I thought a lot about publishing my Yugoslav experiences in American papers. I didn't speak of it to anybody. Many, however, suspected my plans, and begged me not to do so because it could bring harm to all those I had frequented. On my return to the States our paper sent a reporter to take my picture and interview me. You will find here enclosed a copy. I didn't think that it would interest you and so didn't send it earlier. I sent a copy to friends there, who wrote back saying that they had already received a copy of the same issue sent by their government. One more proof of their checking on us. God preserve us from such freedom.

I don't know what reason there may be for inviting Tito to the United States. As I understand it, his visit is scheduled for April or so, and he will probably play the same role he played in Russia. It is a pity.

I am sorry not to be in a position to write in our papers, but I cannot take it on my conscience to cause trouble for my friends there, because they are frank people who behaved toward me with the warmest sympathy. No matter whether they were Serbs, Croats, or Slovenes they talked to me, and I saw no difference between them. Our people are still the same as they were so many years ago. They deserve our esteem.

Religion doesn't make man. It's man who makes religion and so many other things too. If you decide to hand my letter over to your Congressman I don't mind, do so. I think however, that it would be better not to give him my name. Or, just tell him my name so that he can have it on record in case he is attacked.

I have received many letters from friends, from people I met and became acquainted with. They asked me many questions. Many told me also that they had called at my place after I had left. They wanted to talk to me. My original plan was to make a longer stay, but I soon got fed up with things there, and became eager to leave as soon as possible. Your son is probably in a position to tell you many things; I am sure that he fared no better. I remember two Yugoslav students who entered my first-class compartment in Venice. As they sat there they didn't speak to each other and just stared at me. After a while I asked them whether they spoke English. One of them answered that he did, but very little. He answered my further questions saying that they were bound for Zagreb and that they were Croats. I told them that I also was a Croat and was also bound for Zagreb. After this we had a long conversation, in the course of which I learned a lot about conditions in Yugoslavia. One of them said: You are probably on a visiting tour and intend to return to America. When I confirmed this they started talking more openly. I gave them American cigarettes and bought them food at the train stops. And so we traveled together to Zagreb. There they helped me with my luggage and we parted. I asked them about the students' living conditions. They said they were awful, that the students didn't have enough to eat, and that it was hard to get shoes and everything else, because everything was very expensive. As a matter of fact here in the States we wouldn't wear clothes like theirs even on our way to work in a factory. The captain I met was a Serb from Croatia, but he was a nice, decent fellow. We drank to our friendship at a party, and since I have been back here he has written me several times. He said to me: "You are one of the first who speaks to everybody. I have seen many visitors who didn't want to speak to us." I really liked to meet people, because in America we do this and are accustomed to it.

So long so good. * * *

With my best regards to you, your husband, and your son.

Yours sincerely,

PROUD OF OREGON

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, today I am introducing a bill to authorize and direct the Postmaster General to issue a series of stamps commemorating the 100th anniversary of the admission of Oregon to the Union. It is my hope that this legislation will be approved in time to make these stamps available to the public on Oregon's birthday, February 14, 1959.

Mr. Speaker, we who have the privilege of representing Oregon are deeply proud of our Beaver State. Perhaps no other State in the Union so deeply symbolizes both the old and the new. As the last State to be admitted before the tragic Civil War in 1861, Oregon is in a peculiar way a bridge between the old Union and the new. Surely, with her neighbor States, Oregon represents the healthy infant that is today's West, growing at a fantastic rate, only just beginning to realize the full potential of her God-given resources. Oregon is typical, too, of the West, in that perhaps a majority of her people today are latter-day pioneers who have made the same trek along the Oregon Trail that the pioneers of a century ago made. Perhaps these new pioneers make their trips in greater comfort, and with greater speed. But they have arrived to partake of no less opportunity, no more limited horizons, no less free and soaring a spirit.

But hand-in-hand with our newness, are deep and meaningful ties with the past and with the seed time of the Republic. Members from the Southern States will remember with Oregonians the name of Joe Lane, Governor of Oregon, Delegate to Congress from Oregon Territory, and Senator from Oregon. They will remember his name as vice presidential candidate on the Breckenridge Democratic ticket in 1860. The Members from New England will be interested to know that Portland very nearly was called Boston, the choice being made when a Maine man and a Massachusetts man flipped a coin, and the Maine man won. The same Members from New England and up-State New York would not know they had left home if they were to visit our beautiful Willamette Valley and its quiet towns, or our lovely capital city of Salem.

Our frontier past is still with us, visible in the form of the McLoughlin House at Oregon City, residence of John McLoughlin, chief factor for the Hudson's Bay Co. during the 1830's and 1840's. Oregon's newness sometimes disguises her age. Capt. Robert Gray led Americans onto Oregon's Pacific shores before the Constitution was adopted. Lewis and Clark stood on the banks of the Columbia when there were only 17 stars in our flag.

The fur trappers and the mountain men opened up the Oregon company, but the settlers were not long in following. And many of them came to Oregon under religious promptings, as their ancestors had come to New England. Jason Lee and Marcus Whitman and other men of God came to preach the Gospel and stayed to build a civilization. In Oregon City in 1846 was founded the second oldest Catholic archdiocese in the Nation.

Oregon's beginnings were proud, and the hopes of our fathers were high. But a century has dwarfed our beginnings, and made their hopes seem conservative. Today there are over a million and a half Oregonians, and more are arriving every day. Under the name of the Oregon System, the institutions of direct democracy, the initiative, referendum and recall have spread across the Nation. Our lumbering, agricultural and fishing industries are sources of great wealth for Oregon, and help supply a worldwide demand. Industries are beginning to find in Oregon's mild climate and her incalculable supplies of cheap hydroelectric power a real advantage. Our cities are growing—the face of the land changes every day.

Mr. Speaker, Oregon's flag flies higher today than it ever has before.

CALL OF THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOYLE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Allen, Calif.	Green, Pa.	Passman
Anderson, Mont.	Gregory	Patterson
Andresen, August H.	Gubser	Pillion
Baldwin	Gwinn	Poage
Barden	Hagen	Polk
Barrett	Halleck	Powell
Bates	Hardy	Prouty
Bentley	Hays, Ark.	Radwan
Blatnik	Hiestand	Rains
Bolton	Hill	Rivers
Bow	Hillings	Rogers, Mass.
Bowler	Holifield	Roosevelt
Buckley	Holtzman	Saund
Celler	Hosmer	Scott, Pa.
Christopher	Hyde	Scudder
Chudoff	Ikard	Selden
Collier	Jackson	Sheehan
Corbett	Kearney	Shelley
Coudert	Kilday	Sisk
Curtis, Mo.	King	Smith, Calif.
Davis, Tenn.	Kirwan	Smith, Wis.
Denton	Lipscomb	Teague, Calif.
Dies	McDonough	Teague, Tex.
Diggs	McGregor	Teller
Doyle	Maillard	Utt
Durham	Meader	Vursell
Eberharter	Miller, Calif.	Wigglesworth
Fallon	Miller, N. Y.	Williams, N. Y.
Garmatz	Morrison	Wilson, Calif.
	Moss	Winstead
	Moulder	Younger

The SPEAKER. On this rollcall 336 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

LABOR, HEALTH, EDUCATION AND WELFARE APPROPRIATION BILL, 1958

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the Labor, Health, Education and Welfare appropriation bill for the fiscal year 1958.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TABER. Mr. Speaker, I reserve all points of order on the bill.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, at the request of the Committee on Interior and Insular Affairs I ask unanimous consent that the committee may have until midnight tonight to file a report on the bill H. R. 5538.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

A SOUND PROGRAM FOR SMALL BUSINESS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

Mr. PHILBIN. Mr. Speaker, I was privileged today at a meeting of the New England congressional delegation to listen to one of the finest presentations of its kind on the subject of small business, which I have ever heard.

This presentation was made by distinguished officials of the Smaller Business Association of New England. It was concise, balanced, and forceful. The speeches, which were really well-documented and illustrated lectures on various subjects pertaining to small business, were crisp, penetrating, and very impressive.

A program was set forth, which embraced the issues and suggestions for legislative and administrative action this outstanding organization supports. A keen, able analysis was made of underlying conditions and problems affecting small business, which require corrective attention. These included various proposals:

First. Laws providing for an exemption from the Federal corporate-income tax of a specific amount of net profit before taxes where the amount exempted is plowed back into the business.

Second. A graduated corporate-income tax to afford greatest relief to companies with lowest incomes by providing additional capital for expansion and building up necessary reserves.

Third. To revise depreciation rates so that they may be applicable to used equipment purchased after January 1, 1957, in order to permit small-business men who cannot afford to purchase high-cost new equipment to depreciate used equipment many of them are compelled to buy in this period of high prices.

Fourth. Further action of Congress to eliminate double taxation of dividends and its attendant inequities and evils, its unfair, discriminatory impact upon individuals and business, and its deterrent effects upon the investment of risk capital.

Fifth. Amendment of the Federal estate tax to allow payments to be spread on an option basis over a period of 10 years without an affirmative showing of hardship.

I have previously introduced in this and other sessions of Congress appropriate measures to carry out the objectives of this excellent program, and I personally can see no reason why the Congress cannot take favorable action upon these proposals at an early date. Representatives of the organization are desirous and willing to appear before the House Ways and Means Committee and other committees in support of these splendid objectives, and I invite the cooperation and assistance of all the friends of small business and all advocates of our free-enterprise system in the House to join in vigorous efforts to achieve this program.

The association also very ably presented its case for a capital bank to provide new sources of risk capital similar to that proposed by the Committee for Economic Development, to be designed to provide long-term advances and equity capital for small business by private banks without Government interference.

The association also urged a permanent Small Business Administration to safeguard the survival and growth of small business in our economy.

Taken as a whole, the program outlined and so ably presented by this organization commends itself strongly to the attention and consideration of every Member of Congress.

Small business is the keystone of our great free private enterprise system. Let us not stand by in this crisis it is facing and passively observe its loss of stature and growth. On the other hand, let us rally to its cause and do what we can as representatives of the people to keep small business as a vital, meaningful, powerful force in our economy, working for the expansion of the Nation, the full employment of our citizens, and the steady increase of our American standards of living. To do less in this challenging period is to overlook one of the greatest and most urgent problems before us. Americans do not want the regimented, socialistic, police state. They want to preserve and to expand and to enrich our vaunted free system which has served us and the cause of personal liberty so well. Here is a field where we can promote that end, that laudable objective. Let us do it.

PAPERWORK REDUCTIONS INCLUDED IN DEFENSE DEPARTMENT CUTS

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, Secretary of Defense Wilson, in a press release issued on Tuesday, March 18, announced that substantial reductions, both military and civilian, have been made in Defense Department personnel in the metropolitan Washington area. In his statement, Mr. Wilson pointed out the elimination of unnecessary reports and the reduction in volume of paperwork as means of effecting further economies in his Department. The inclusion of these objectives in his economy effort is most commendable.

My subcommittee, which is engaged in the study of Government printing facilities and paperwork in general, reports that more than 270 million pounds of paper are now being used by the Government each year for printing, duplicating, and office use. A large part of this amount of paper is used for printing forms which are used throughout the Government. As was cited in the conclusions of our subcommittee report, part I—1955—constant and daily vigilance of responsible agency officials, assisted by an adequate forms management staff can further reduce Government paperwork. In addition to the economies which can

be obtained by effective forms management, much can be done to further reduce the cost of Government by eliminating unessential publications, and by developing a more selective distribution of those publications which are deemed to be essential.

Just in case the mention of 270 million pounds of paper does not sound very impressive, may I say that this tremendous poundage of paper used annually by our Government, would fill the capacity of 5,400 freight cars, or a hundred freight trains of 54 cars each.

ADJOURNMENT TO MONDAY, MARCH 25

Mr. BOYLE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALENDAR WEDNESDAY

Mr. BOYLE. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TARIFF COMPENSATION

The SPEAKER. Under the previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, I wish to call to the attention of the House a notice issued by the Committee for Reciprocity Information for a public hearing to determine how the United States can compensate the United Kingdom and Belgium for the tariff increase on linen toweling made by this country under the escape clause in July 1956.

I doubt that many Members of the Congress are aware of what happens after we raise a tariff as a result of an escape-clause action by the Tariff Commission.

When the rate was raised on watches we compensated Switzerland by reducing our tariff on nine items that we import from that country. Of course, these reductions were automatically extended to all other countries under the most-favored-nation clause. When we made a slight increase in the duty on bicycles we compensated England by reducing our duty on various other products that we import from England, including automobiles and trucks, aircraft parts, Scotch whiskey, and other products.

Now, a duty increase under an escape-clause action is nothing more than the correction of an error of judgment made by the State Department in the first place in cutting the tariff too sharply on a particular product in a trade agreement.

Why do we then find ourselves in the position of having to pay for the privilege of correcting such an error in judgment? The only answer I can find is that it is because the State Department wanted it that way and agreed to such a provision in the General Agreement on Tariffs and Trade.

The hearings in the present case; that is, to determine the compensatory tariff reductions that we are to make for the increase in the duty on linen toweling is No. 6 of such compensatory actions. I hope that the Congress will take a close look at the list of products that has been worked up by the State Department and its satellites in the other executive departments on which duty reductions are to be offered in return for our linen toweling duty increase. I offer the official list for the RECORD.

LIST OF ARTICLES IMPORTED INTO THE UNITED STATES PROPOSED FOR CONSIDERATION IN TRADE AGREEMENT NEGOTIATIONS

TARIFF ACT OF 1930, TITLE I—DUTIABLE LIST

Paragraph 5: All chemical elements, all chemical salts and compounds, and all combinations and mixtures of any of the foregoing, all the foregoing obtained naturally or artificially and not specially provided for: Sodium alginate.

Paragraph 53: Sperm oil, refined or otherwise processed; spermaceti wax.

Paragraph 93: Zinc chloride; zinc sulfate.

Paragraph 218 (a). Biological, chemical, metallurgical, pharmaceutical, and surgical articles and utensils of all kinds, including all scientific articles and utensils, whether used for experimental purposes in hospitals, laboratories, schools or universities, colleges, or otherwise, all the foregoing, finished or unfinished, wholly or in chief value of fused quartz or fused silica.

Paragraph 372. Textile machinery, finished or unfinished, not specially provided for: Machinery for manufacturing or processing vegetable fibers other than cotton or jute prior in the making of fabrics or crocheted, knit, woven, or felt articles not made from fabrics (except beaming, slashing, warping, or winding machinery or combinations thereof, and except bleaching, printing, dyeing, or finishing machinery).

Paragraph 906: Cloth, in chief value of cotton, containing wool. (NOTE.—Paragraph 1122, Tariff Act of 1930, limits the wool content of cloth classifiable under paragraph 906 to less than 17 percent in weight.)

Paragraph 907: Tracing cloth; waterproof cloth, wholly or in chief value of cotton or other vegetable fiber, but not in part of india rubber.

Paragraph 921: All other floor coverings, including carpets, carpeting, mats, and rugs, wholly or in chief value of cotton; imitation of oriental rugs.

Paragraph 1009 (c): Woven fabrics, in the piece or otherwise, wholly or in chief value of vegetable fiber, except cotton, filled, coated, or otherwise prepared for use as artists' canvas.

Paragraph 1010: Woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber, except cotton or jute, or of which these substances or any of them is the component material of chief value, not specially provided for (except toweling, i. e., fabrics chiefly used for making towels, of flax, hemp, or ramie, or of which these substances or any of them is the component material of chief value).

Paragraph 1410: Unbound books of all kinds, bound books of all kinds except those bound wholly or in part in leather, sheets or printed pages of books bound wholly or in part in leather, all the foregoing not specially provided for, if other than of bona fide foreign authorship (not including diaries, music is books, pamphlets, prayer books, sheets or printed pages of prayer books found wholly or in part in leather, or tourist literature containing geographic, historical, hotel, timetable, travel, or similar information, chiefly with respect to places or travel facilities outside the continental United States).

You will not believe it when I tell you that 11 tariff paragraphs covering a wide range of products have been lined up for examination to determine which ones will be the sacrificial lambs. I have here the official notice of hearings and a glance at it shows that the product listing covers 2½ pages.

These 11 products are to be put in jeopardy because we corrected a previous State Department error. The industries producing these products in this country, innocent bystanders though they are, will be searched to see which ones will be exposed to greater import competition. Possibly the entire group could be hurt.

I have known all along that the State Department holds our home industry in low esteem. I had never guessed, however, that it esteemed foreign industries at a ratio of 11 to 1 over our own.

Not only is this an outrage; it throws a revealing light on the kind of trading system the State Department has boggled us into. It also gives us an idea of the kind of trade policy we could expect if Congress should approve United States membership in the OTC.

One reason for the State Department's lining up 11 American industries for tariff reduction in exchange for the tariff increase on one product—namely, linen toweling—may be found in the Department's attempt to make escape-clause actions as difficult as possible. If every time one domestic industry gets relief 1 up to 10 others are to be placed in jeopardy, escape-clause actions will be frowned upon.

No one will know who will be picked for sacrifice in compensation of an escape-clause tariff increase until the list made up by the State Department high priests and their helpers comes out, just as in the linen toweling case. Ten industries, more or less, will then have to go to the trouble and expense of coming to Washington and defending themselves before two hearings—not just one. They will have to appear before the Committee for Reciprocity Information and before the Tariff Commission if they wish to protest. None of them will know what has happened to them in Geneva until after the fact; and there will be no appeal.

Mr. Speaker, I would not have believed that the State Department could lend itself to such shabby treatment of our industry were it not before us in black and white.

We can well imagine what would happen if the escape-clause provision of the Trade Agreements Act should function as it was intended by Congress that it should. For every successful escape-clause case there would follow hearings on a compensatory list and up to 10 items would be arraigned for each one on

which a duty had been increased under the escape clause. Before long the Tariff Commission would be several times as busy hearing compensatory cases as with original escape-clause cases.

GATT would soon have a full agenda of tariff-reduction claims against the United States outside of the regular tariff negotiations authorized by Congress. Without express authorization from Congress to make further agreements in which tariff reductions were authorized, the State Department could keep on reducing numerous tariffs as compensation for escape-clause actions. Even at the ratio of 5-to-1 rather than 11-to-1 as in the linen toweling case, it is easy to see that this would give the Department a new area of tariff reduction outside that authorized in H. R. 1 of 1955 or previous trade-agreement-extension acts.

I hope that no one will regard these remarks as facetious. What is happening here, that is, in the compensatory cases, is typical of the manner in which the State Department plays fast and loose with American industry, agriculture and labor, and also of its efforts to run rings around Congress.

It seems to me that the sensible way to handle a case in which an escape-clause action was taken would be simply to give back the concession the other country made for our duty reduction.

In other words, when we reduced the duty on linen toweling presumably England and Belgium gave us some equal concession. If we then found it necessary later to cancel our concession on linen toweling, it looks straightforward enough to assume that at most England and Belgium would, if they were so minded, simply withdraw whatever concession they had given us for the duty reduction on linen toweling that we gave them.

But, no. That would be too simple and sensible. How could the State Department stay in business if it operated open and above board in this manner? Never. We must convoke public hearings before two governmental agencies and haul up a lot of industries that never heard of linen toweling and ask them why their throats should not be cut because the State Department 6 months ago in its blind zeal to rush toward the goal of free trade made too deep a cut in the linen tariff. That is more in keeping with State Department methods as we have come to know them. That makes sense to the diplomats if not to us.

In this way, as I have already pointed out, the State Department and its alter egos in the other departments such as Commerce, enlarges its field of operations without going to Congress for further tariff-reducing powers.

I pose the question once more: How much longer are we in Congress going to submit to the boa-constrictive actions of the State Department and the executive to squeeze from us the powers that the electorate back home, the people who sustain this country, expect us to exercise toward the regulation of our foreign commerce?

Almost every new move in this field by the State Department and the Executive betrays their contempt of Congress and therefore of the Constitution. In such behavior they also betray an equal indifference for the producers and industries back home. They freely and obtrusively override the Tariff Commission, an agency of Congress, in the field of its competence. They have come to worship in the temple of foreign affairs and that appears to be all they care about. They have made a cult of the foreign-affairs rainbow and they are busy chasing the receding iridescence over the entire globe. This makes the homefolks seem drab and uninteresting by comparison.

It is up to us in the Congress to retrieve a semblance of balance.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Georgia.

Mr. LANHAM. Let me ask the gentleman whether or not other nations have to make such compensatory payments as we are required to make? Do other nations that raise tariffs to protect their interests then have to make compensatory payments?

Mr. BAILEY. They are supposed to do so, but let me say to the gentleman from Georgia they do not do that. Instead of doing what they should do, and what the United States has been doing, they set up added safeguards to protect their own industries, but we go ahead and make concessions. That is what makes reciprocal trade agreements no longer reciprocal agreements. They are too much one-sided. Again let me remind the House that it is time the Congress took action to curb the activities of our State and Commerce Departments in this respect.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from West Virginia.

Mr. NEAL. Does the gentleman believe that this session of the Congress will be asked to okay and to adopt the principles of OTC?

Mr. BAILEY. I understand that there is a special message coming up from the White House asking immediate consideration of OTC. I have no official information that that is correct. Frankly, if the gentleman from West Virginia wants my opinion, I know of no better time to urge the adoption of OTC because I think it is the intent of this Congress to defeat it just as they did the ITO in 1950. Whether the Committee on Ways and Means will consider this legislation I do not know, but I have no fear of what is going to happen if they do bring it out on the floor of this House.

Mr. NEAL. In the light of the present attitude of the Tariff Commission relative to complaints that are issued by small industrialists in our country in the present day, would the gentleman explain in a few words just what the adoption of OTC would mean to the present foreign trade situation.

Mr. BAILEY. For the information of the gentleman from West Virginia, first and most important would be the abject surrender on the part of Congress of the powers vested in the Congress under section 8 of the Constitution, which says that the Congress shall regulate commerce, shall make and approve treaties, and fix tariffs. All that is being done now by the Department of State and the Department of Commerce and by the Executive. They even go around the Tariff Commission which was set up by the Congress to handle the details of our tariff system. The Tariff Commission finds one way and the State Department through their Committee on Reciprocity, convinces the President that the Tariff Commission is all wrong. I think the gentleman will remember that in the extension of the Trade Agreements Act 2 years ago, one of the bitterest floor fights in the past 25 years in Congress was over the question of 1 amendment that we wanted in the escape clause, and that was that the findings of the Tariff Commission be final and binding in all instances except in matters affecting the national security. We wanted to give the President the right to bring in any materials to build up our defenses by way of stockpiling. But as to all of the decisions of the Tariff Commission affecting business in this country both the Department of State and the President would have to keep their hands off those decisions. That recovers for the Congress the authority that we carelessly gave away in 1934.

Mr. NEAL. I thank the gentleman very much. I just wanted to bring out the point that we gave away all the authority Congress ever had when we adopted the original Trade Agreements Act.

Mr. BAILEY. We gave away a great deal of it.

DISTRIBUTION OF POLIO VACCINE

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, last Wednesday there was released by the United States Public Health Service a statement to the effect that the supply of "poliomyelitis vaccine has tightened considerably in the past few weeks" and that "a number of communities have reported they are unable to obtain immediately all the vaccine they expect to use in their vaccination programs."

Those of us who were in Congress during the uncertain days in the early part of 1955 remember when the equitable distribution of this vital vaccine was a matter of deep concern to us all.

I have been informed that while there are still available in the "pipeline" throughout the Nation some 10 million cubic centimeters of vaccine as of a week ago today, this amount is not equally distributed. It is estimated that between now and July 1 the manufacturers can be expected to produce between 35 and 40 million cubic centimeters of vaccine. Under these calculations, there

would be available enough vaccine for 50 million inoculations.

On the other hand, it is estimated that there are in the Nation 66 million children under the age of 20 and pregnant women. Of the children under the age of 20, 44 million have had at least 1 inoculation; 25 million have had 2 inoculations; and 10 million have had all 3 inoculations.

It is vitally essential that as supplies of vaccine are produced they be equitably distributed with first priority on inoculations being given to the most susceptible group.

In an effort to assure orderly distribution of this vaccine, I am today introducing a House joint resolution giving to the Secretary of the Department of Health, Education, and Welfare standby authority to control the distribution of poliomyelitis vaccine. I trust that it will not be necessary to use the powers that this resolution would vest in the Secretary.

But I am also confident that every parent in the Nation would rest more easily in the knowledge that this standby power did exist in the Secretary and could be invoked at any time to assure that their child would receive the needed vaccine in preference to some other individual less susceptible, on the basis of existing medical knowledge, to this dread disease.

SUPPLY AND AVAILABILITY OF PETROLEUM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 15 minutes.

Mr. BYRD. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BYRD. Mr. Speaker, I am inserting in the RECORD a statement by the Honorable Walter S. Hallanan, president of the Plymouth Oil Co., before the House Committee on Interstate and Foreign Commerce. Mr. Hallanan is a distinguished citizen of West Virginia, a leader in the Republican Party in West Virginia, a man of wide experience and great ability, admired and highly respected by all West Virginians. His statement was submitted to the committee today, and I am sure that the Members of the Congress will find the statement to be interesting and informative, as it pertains to the price, supply, and availability of petroleum and its products.

STATEMENT BY WALTER S. HALLANAN, PRESIDENT, PLYMOUTH OIL CO., BEFORE INTERSTATE AND FOREIGN COMMERCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MARCH 20, 1957

My name is Walter S. Hallanan. My home is in Charleston, W. Va. I appear here today in my capacity as president of Plymouth Oil Co., an independent integrated company which has no production outside the United States except for an interest in an area of producing wells in western Canada.

I am grateful to this committee for the opportunity to put upon the record such information as I possess with respect to the price, supply, and availability of petroleum and its products.

Mr. Chairman, I confess to considerable bewilderment over the rash of intemperate public statements, Congressional investigations, and threatened governmental controls over the oil industry that followed the recent modest and wholly inadequate increase in the price of crude oil and some of its derivatives. Any fair analysis of the record shows that the oil industry has lagged far behind the inflationary procession and that it has indeed been a captive consumer victim of the upward price spiral.

In view of that fact, it is difficult to interpret the recent attacks upon the industry in any other light than as part of a pattern which has made oil a favorite political target in Washington. This conclusion is forced upon me as I realize that there has been no similar outburst as practically every other major industry has, in the last 10 years, advanced the prices of its products with methodical precision and regularity far beyond any increases that came in the petroleum industry.

It is obvious, it seems to me, that too many persons have appraised the oil industry in terms of that mere handful of individuals who have struck it rich and made the headlines. We hear and read much about these extremely fortunate few, who do not represent more than one in a thousand, but we do not hear about the thousands who have gone broke in drilling dry holes or of the other thousands who have been able just to keep their heads above water.

Having had some experience in the field of journalism, I realize that an individual who gets rich overnight, becomes first-page news, while the record of an ordinary bankruptcy rates not more than a single paragraph on the classified page. I do submit, however, that it is just as unfair and unrealistic to judge the economy of an entire industry by a few isolated cases of extreme good fortune as it is to appraise the institution of marriage as a failure because of a few headline-making divorce suits.

The simple truth is that there is no industrial path in the world strewn with as many economic skeletons as the trail of the oil wildcatter. It is only the urge and incentive of being the one in a thousand that keeps these pioneers going. And it is important for the country to realize that the individual wildcatter is responsible for the fact that we today have adequate supplies of petroleum and its products, because he has discovered 75 percent of the oil we have in this country. If we are to have sufficient reserves to meet the enormously increased demands of the future, especially of any emergency that may come to our door, we must keep alive the incentive for these pioneers to assume the unusual hazards of drilling exploratory wells—a hazard that has increased from year to year.

That incentive is lacking today. It has been erased by rising costs, inadequate price, and the threat of continued year-to-year increases in imports of cheap foreign oil. The effect of this squeeze upon the domestic oil producer is beginning to be reflected in an alarming decline in the number of new wells being drilled. Despite the slight encouragement of the January crude price increase, the number of wells drilled so far this year is the lowest in 6 years. Instead of going forward to meet the continued increase in demand and to maintain adequate reserves for the future, we are not even holding our own. We are slipping backward, and for the simple reason that prudent men cannot be expected to assume the enormous hazards of searching for oil, knowing in advance that even if they are 1 out of 10 that are successful they will receive a price for their product that will not give adequate return for their investment.

It is further startling to realize that February well completions in the United States were about 4,000, or 615 below the same month in 1955. It is important to note that this slump runs counter to the tide of industry in general.

It is a fact and not a theory, Mr. Chairman, that no man can exist in the oil producing business today without a backlog of reserves that were discovered and developed several years ago when finding costs were infinitely less than what they are today. It is a harsh economic fact that in many areas it costs more today to find and produce oil than it sells for. That is a condition that is not only disastrous to the individual operator and unhealthy for the industry, but it is filled with the utmost peril to the public welfare and the national defense.

My bewilderment over the way that the oil industry has been singled out for unfair abuse was intensified by the complete lack of political reaction to something I read in the news columns just 2 weeks ago. It was a rather brief and inconspicuous item on an inside page of the New York Times, announcing an increase of 25 cents a ton in the price of coal, effective April first. That was the fourth increase in coal prices in the last 3 years, with the result that smokeless coal mined in the area where I live has risen from $5.46 a ton in 1954 to $6.96 today, and with the increase scheduled for April 1, will go to $7.21.

I want to make it plain that I do not criticize these increases. Because I live in the largest coal-producing State in the Union and also because coal is competitive with oil, I have a general knowledge of the economy of the coal industry. On the basis of that knowledge, I have every reason to believe that those increases were necessary to meet the rising cost of operations and to maintain the coal industry in a healthy condition. It is further recognized that prior to 1954, the coal price structure had been abnormally depressed, just as oil prices were depressed throughout the wartime period of rigid Governmental control.

The point I wish to make is that there was no hue and cry in Washington about four price increases on coal in 3 years—no breast-beating about the year-to-year increases in the price of steel, the latest of which came just a month ago—no denunciation of steadily rising prices of bread, milk, coffee, meat, clothing and everything else the American consumer buys. But when the price of oil is modestly and inadequately increased for only the second time in 10 years, the industry is unjustly and unfairly pilloried as a callous and greedy price gouger.

What is it, I ask, that makes oil a stepchild of the national economy? We object, Mr. Chairman, to this double standard of economic morality. We protest against our captive victim status in the inflationary web of rising prices. Aside from the considerations of fairness to an industry that has met every demand of the Nation in both peace and war, we believe it to be vital to the public welfare and the national defense that the Nation's oil reserves and productive capacity keep pace with the fantastic growth of our country and be in position to meet the demands of any national emergency. I wonder if it is generally realized that in 1966, less than 10 years, our daily demand for oil will reach the astounding figure of 12 million barrels as compared with the daily demand of 8,827,000 barrels for 1956.

May I say that my observation of the present study by this committee is that it has been conducted in a fair and objective manner, and I for one am grateful that you have provided an opportunity and a forum for the facts to be brought to public attention.

Mr. Chairman, I have a few charts here, to which I invite the attention of the committee. They are factual, being based upon the figures of the United States Bureau of Labor Statistics, the United States Bureau of Mines and other equally reliable sources. They tell the story of the oil industry's captive victim status more impressively than reams of figures which might be put into the record. These charts have been reproduced and enlarged from the publication World Oil.

If you will take a look at this first chart, you will note that since 1947, the price of crude oil has advanced only 16 percent, while oilfield labor is up 61 percent, oilfield machinery 55 percent, line pipe 126 percent, alloy casing 93 percent, and carbon casing 83 percent. Since June of 1952, the crude oil price has advanced 10 percent, while in the same period oilfield labor has gone up 15 percent, oilfield machinery 20 percent, line pipe 40 percent, alloy casing 39 percent, and carbon casing 28 percent.

In addition to higher material and labor costs, there are other factors that have added greatly to the cost of finding and producing oil in the United States. The demand for petroleum products has increased 62 percent since 1947, and, in order to keep pace with that growing demand, the industry has had to spend ever increasing amounts in drilling operations. I now invite your attention to another chart. You will note that from 1947 to 1956, the number of wells drilled annually has increased 76 percent. However, that figure does not tell the full story. Because of the greater depths to which it has been necessary to drill in the last few years, the actual footage increased 109 percent in that 10-year period.

The per-foot drilling cost went up 34 percent, and the number of wildcat wells drilled increased from 9,751 in 1947 to 22,111 in 1956, or 127 percent. Another serious problem of oil exploration in this country is reflected in the figures showing the increase in the number of dry holes—from 31 percent in 1947 to 36 percent in 1956. This includes all wells, both wildcat and development. In the realm of wildcat wells alone, there were more than twice as many dry holes in 1956 as in 1947.

I can understand that many persons might not be impressed by these figures in the light of the fact that certain oil companies, or perhaps even the industry as a whole, might be pointed to as making satisfactory though not excessive profits. These are in reality bookkeeping profits realized from the liquidation of reserves that were acquired many years ago at a fraction of the present cost of finding oil. They represented goods taken from the shelf which can only be replaced at much higher cost.

May I point out to this committee that in 1955, the last year for which exact figures are available, 66 percent of the Nation's oil production came from fields that were discovered and developed prior to World War II, when finding and development costs were very much less than they are today. An additional 11 percent of production came from fields that were drilled during the war at a cost not more than one-third the present level. More than one-half of the remaining 23 percent of the 1955 production came from discoveries between 1947 and 1951 when costs approximated one-half those of today.

Let me now direct your attention to another chart, which strikingly illustrates the financial burden imposed upon the oil industry by the tremendous increase in demand for its products.

You will note that while annual crude production increased 53 percent from 1946 to 1956—from 1.7 billion barrels to 2.6 billion barrels—production expenditures were not up a mere 53 percent, nor even a hundred percent or 200 percent. In the same period they went up 246 percent—from 1.3 billion to 4.5 billion. The expenditures per barrel of production were up 121 percent, or from 78 cents to $1.72 per barrel.

The next chart reveals that the capital expenditures the industry has been compelled to make in order to keep pace with the expanding economy, have tripled in the last 10 years. You will note that those additions to physical facilities, in terms of wells, refineries, pipelines, etc., were $2 billion in 1946, three billion three hundred million in 1948, two billion nine hundred million in 1950, four billion four hundred million in 1952, five billion three hundred million in 1954, and six billion one hundred million last year.

That is a lot of money, gentlemen, and the sad economic fact is that it has necessarily had to come from the production of the industry's inventory of low-cost reserves. It could not and cannot come from reserves discovered and developed in the last 5 years because there simply is no profit in those more recent discoveries.

Most of the recent criticism of the oil industry has been directed not so much against the increase in the price of crude as in the small increases in gasoline and fuel oil prices. I suppose this is to be expected, although it should be axiomatic that if the farmer gets more for his meat and milk, those increases will necessarily be reflected at the consumer level. It would require real economic magic for refiners to absorb the crude price increases, because they, like producers, have also been caught in the inflationary squeeze.

I am aware that many of the attacks upon the 1-cent increase in gasoline have been predicated upon the false premise that we have an excessive supply of that product. Critics have stressed that current gasoline storage is from fifteen to twenty million barrels above inventory figures of a year ago. What these critics either overlook or consciously fail to mention is that supply cannot be accurately and realistically measured in terms of barrels. Like all things, it is relative. In this case, supply must be related to the increased demand, and to another factor which I will discuss briefly.

With the increased demand for gasoline as well as other petroleum products there is a necessary expansion of storage capacity and centers of distribution which makes necessary an increased requirement for working stocks which are unavailable to consumers. The statistical fact that recent gasoline stocks were the highest in history should not necessarily be interpreted as being "excessive." Gasoline stocks at the end of 1956 show a statistical figure of 52 times the estimated average daily demand for the first quarter of this year. The average for the same period in the last 5 years was 49. During the 3-year period 1947–49 the figure was also 49. During the war, however, when we had rationing of gasoline, the average was 56. For the 5 years just prior to World War II the average was 63.

At the end of January of this year, domestic gasoline stocks had declined to the point where they represented only a little over 50 days demand before allowing for unavailable or working stocks. As of today, the margin is even less. So, instead of "swimming in gasoline," as some have incorrectly stated, the trend in inventories is rapidly moving toward the peril point. Working stocks normally require over half of the amount actually in storage and to the extent of working requirements to maintain normal operation, such working stocks are not available. It should be recognized that as the population increases, with its resulting increase in demand for petroleum products, the per capita consumption of petroleum has been rapidly increasing.

With further reference to gasoline prices, I invite your attention to the fact that increase in the cost of this product during 1956 over the average for the 3-year period, 1947–49 inclusive, was only 14 percent. I do not have the exact figure as to the average gasoline price, following the recent increase which ranged from one-quarter cent to 1 cent a gallon, but even after it is taken into consideration, the total increase over the 1947–49 figure would be less than 25 percent, and far below the average increase in all other commodities. This is figured on the average price to consumers at the service stations, exclusive of Federal and State taxes. It should not be overlooked in this connection that the quality of the product has been vastly improved, with the result that a gallon of today's gasoline produces vastly more power and energy than the product of 10 years ago. I think it is an eminently fair statement that there isn't another country on earth that would not be extremely happy to possess our inventories of gasoline, and other petroleum products, and to have them available at twice the prices that the American consumer pays.

Actually, gasoline is still America's biggest bargain. No other country enjoys the use of such a product at so low cost. Such items as milk, coffee, and soft drinks retail for about two and one-half times as much as gasoline. I invite your attention to another chart which makes a comparison of gasoline prices with those of other liquids in wide demand. You will note that including an average of 9 cents in Federal and State taxes, gasoline still retails to the motorist at 31½ cents per gallon. The retail price of milk is 84 cents a gallon, and even if you figure coffee at 5 cents a cup and soft drinks at 5 cents a bottle, both are selling for 80 cents a gallon.

When it is related to purchasing power, the price of gasoline is really cheaper today than in 1948. In that year, regular-grade gasoline, including taxes, sold at the filling-station pump for 25.9 cents per gallon. The hourly wage of employees in manufacturing industries was then $1.35, so that 1 hour's pay purchased 5¼ gallons of gasoline. Today the filling-station price of regular gasoline, including tax, is 31½ cents, but, with the 1957 average hourly wage of $2, 1 hour's pay now buys 6½ gallons. It should be mentioned also that the octane level of gasoline has been substantially increased since 1948.

It is especially gratifying to me that two of my fellow West Virginians, Hon. HARLEY STAGGERS and Hon. WILL E. NEAL, are members of this important committee of Congress. Dr. Neal was a contemporary of my late father in the practice of medicine in Cabell County in the horseback days of half a century ago.

When Dr. Neal graduated from the horse to the automobile, he became a customer of the petroleum industry, and I was recently told of one of his recollections of that early day which is most pertinent and revealing in connection with the study this committee is making. The doctor was quoted by a mutual friend as having observed that the inferior gasoline of that time cost him 15 or 16 cents a gallon without any State or Federal tax. With today's total tax of 9 cents added on, the comparable price with today's 31-cent figure would be 24 or 25 cents. And that was 40 years ago when motor gasoline had an octane rating of not more than 50 as compared to 90 octane for today's product. I do not believe that any other commodity used by American consumers has advanced in price so little and improved its quality so greatly.

My own opinion is that the first consideration of the consuming public is an adequate supply. I am reminded of the story of the woman shopper who, when asked 75 cents a dozen for eggs in a delicatessen, pointed out that the grocery across the street was advertising them for 60 cents. When she was

asked why she didn't buy the eggs over there, she replied, "They don't have any."

America has the "eggs" so far as petroleum products are concerned, and it makes them available to the public at reasonable prices—prices that are fantastically cheap when compared to those existing elsewhere in the world.

The enormously increased drilling costs, the much greater depths to which it is now necessary to drill in order to find new reserves, and the rapidly diminishing areas of potential production, have combined to make it unprofitable for the industry to maintain its exploratory efforts unless gross revenues are adequate. In the light of the facts as to increased costs and depths and the realization that the industry is largely dependent upon income from low-cost reserves that are rapidly being depleted, it certainly cannot be argued that revenues have been adequate or even that the deficiency has been bridged by the recent price increase.

With reference to the increased cost of finding new reserves, may I direct your attention to the fact that in the 5-year period preceding World War II, wildcat drilling resulted in the discovery of an average of 68 barrels of oil per foot drilled. During the war the comparable figure was 25 barrels, and it is now less than 10 barrels. These figures demonstrate that it now requires from 6 to 10 times the exploratory effort and cost to find a new barrel of oil as compared with results of similar effort less than 20 years ago.

The recent crisis in the Middle East forcibly demonstrated that there can be no dependency upon foreign oil. The longer we delay in facing up realistically to the import problem, the more precarious our self-sufficiency in the most vital substance of war and peace will become. Because of its very nature, oil is indissolubly bound up with the national economy and the defense of our country. Without it the wheels of our industrial machine would grind to a stop. Without adequate reserves of this precious source of power and lubrication, we would be helpless against any enemy aggressor.

We must have oil, and, from the standpoint of the national defense, we must have it here at home. We have learned the hard way that foreign oil is unavailable in the hour of emergency. That lesson of the Second World War was accentuated by the closing of the Suez Canal. We were then again taught that when danger threatens, our only reliance in the matter of oil is upon our own domestic reserves.

In the light of these inescapable facts, and the lessons of World War II and Suez, it seems the time has come when, as a matter of self-preservation, the Congress should establish a well defined national oil policy designed to protect the domestic industry from the unfair and destructive competition of excessive imports of foreign oil, and to provide the necessary incentive for the discovery and development of sufficient oil resources within our own borders to meet any emergency of the future.

It is fully recognized that our economy requires a reasonable level of imports of oil. These imports are necessary in order that the domestic industry may maintain a surplus productive capacity for emergency purposes. It should not be overlooked, however, that when imports exceed reasonable bounds this cushion of safety becomes a Frankenstein that defeats its own purpose.

The national oil policy recommended by the National Petroleum Council in 1949 lays down a sound and practical guide which Congress might wisely implement through appropriate statutory provisions.

With respect to imports this policy, accepted and adopted by the council, which represents all segments within the industry, including both importing and domestic producing companies, makes it plain that foreign oil should be utilized to supplement but not to supplant domestic production. Let me read two sentences from that policy:

"Oil from abroad should be available to the United States to the extent that it may be needed to supplement our domestic supplies. Imports in excess of our economic needs, after taking into account domestic production in conformance with good conservation practices and within the limits of maximum efficient rates of production, will retard domestic exploration and development of new oilfields and the technological progress in all branches of the industry which is essential to the Nation's economic welfare and security."

The most strategic line of national defense our Nation has is the more than 2 million barrels of "cushion" oil that can be made available in the event an emergency comes. That is an invaluable asset to our Nation's defense program. All the $8 million fighting bombers and the guided missiles would be of little value unless we had adequate ammunition of oil here at home to give them mobility. The billions of dollars that Congress is authorizing to make this Nation impregnable would be worthless from any practical standpoint unless we had here at home the oil reserves with which to make our defenses effective.

Let us hope that the day will never come when our country will be laid open to attack without the necessary oil to support our first line of defense. That would be a sad day for America. The one certain way to avoid such a tragedy is for Congress to encourage the independent oil producer to continue his wildcatting and to provide reasonable incentive for him to do so. That is the way we have developed our oil reserves in the past and it is the only way we can safely look to the future with a sense of security and confidence.

THE NATION'S RAILROAD INDUSTRY IS SUFFERING FROM A CRUSHING BURDEN INFLICTED BY THE INEQUITIES OF GOVERNMENTAL RESTRICTIONS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I wish to call attention once again to the inequitable burdens which beset the great railroad industry of this country.

The huge interlacing network of steel rails upon which the present prosperity of our country is built, and which is indispensable to the Nation's future health and welfare, suffers from a crushing burden of governmental oppression.

Mr. Speaker, I should like to outline briefly the extent of the petty discriminations which have arisen in the transportation industry.

Most of these inequities—described at length in a recent publication of the Federation for Railway Progress—are an inheritance from the era of railroad monopoly.

That monopoly now has vanished, but the railroads still suffer from its aftereffects.

They are, in fact, treated as though the public interest required them to be muzzled, while their competitors—with the Government's blessing—are given free rein to conduct their activities without the restraints which Congress saw fit to impose on the railroads away back in 1887.

There is a common pattern visible among the minor legalisms and bureaucratic impositions which now hamper the efficient functioning of the Nation's transport network.

The common pattern is this: the railroads are subjected to many burdens not imposed upon their competitors.

Take for example the paperwork required of common carriers by the various regulatory agencies which are creatures of Congress.

Heading the list is a mandatory annual report.

For railroads it is 75 pages in length.

For motor carriers this report is 135 pages long.

Next is a report of executive salaries.

Railroads must report the compensation of all executives earning $20,000 or more yearly.

Airlines, on the other hand, must report the compensation only of elected, not appointed executives, which is but a small portion of the total.

When the railroads make payments to individuals and organizations for services rendered, they must report such payments when these total in excess of $5,000.

For the airlines, the comparable figure is $10,000.

Thus we have mandatory public disclosure of important information about self-supporting transportation enterprises, while a veil of secrecy all but conceals the significant data about competing carriers whose operations are substantially supported by public funds.

Mr. Speaker, this is far from all the story.

The Interstate Commerce Commission prescribes the accounting systems used by surface carriers.

Its accounting instructions to trucking concerns are 67 pages long.

To bus lines there are 86 pages of such instructions.

But for railroads—there are no less than 236 pages of accounting instructions—55 percent more for them than for trucks and buses combined.

To keep track of the traffic moving over this Nation's vast commercial arteries, the ICC requires from the railroads a 1-percent sample of their freight waybills and voluminous commodity statistics supplied at quarterly intervals.

The motor and water carriers, on the other hand, which by the Commission's own findings, now carry more than half of the Nation's freight traffic, supply commodity statistics only annually and waybill samplings not at all.

When accidents occur, the ICC requires a written report in each instance.

And what do they do with these reports?

The motor carrier accident reports are treated with the respect accorded to the gravest documents pertaining to the national security.

In other words, they are classified confidential and no prying eye can violate their sanctity.

Railroad accident reports, on the other hand, are thrown out on the table where they can be—and often are—examined by anyone, including persons engaged in obtaining leads to accidents for the purpose of offering legal representation to the injured party or next of kin.

As if these bureaucratic discriminations were not enough of a burden, the railroads must contend with numerous other regulations not required of their competitors.

Take tariff indexes, for instance.

Each year the rail carriers spend over $300,000 to compile these weighty lists of their rates, fares, and charges.

But who compiles such a list for the motor carriers?

It may come as a surprise to know that the ICC does for the trucking industry—at Government expense—a job that costs the railroads over $300,000 yearly.

Not content with prejudicing the railroads in the ways I have already outlined, the present regulatory policy also puts the railroads at a disadvantage in soliciting business.

They can extend 4 days' credit to a shipper; their competitors may extend 7.

To promote their streamlined trains—upon which the rail carriers have lavished many millions of dollars—the railroads must pay cash on the barrelhead.

Their competitors by air, however, are permitted to exchange free rides for advertising.

At such a disadvantage, no wonder the railroads are losing their passenger traffic when they cannot merchandise it in the modern manner.

Mr. Speaker, such discriminatory treatment of the railroads not only helps their competitors by air and highway—it also helps their inland waterway competition.

Each year the railroads incur costs of close to $2 million to insure the free flow of navigation on the navigable waterways.

Yes, that is the cost of higher bridges and train delays due to shipping—$2 million spent which in no way benefits the railroads but actually helps their competition.

Mr. Speaker, some of these inequities are ridiculous.

They serve no useful purpose now—if they ever did.

Another group of these requirements seems to serve the principal purpose of helping other kinds of transportation at the expense of the railroads.

This type of unbalanced regulation and petty discrimination detracts from fair competitive conditions in transportation—and renders meaningless our declared national policy of "fair and impartial regulation of all modes of transportation."

It should be corrected without delay—in fairness to the railroad industry—and in the interest of a modernized and financially strong system of common-carrier transportation adequate for the needs of the Nation.

CYPRUS

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I want to speak to the House shortly on the developments on the Island of Cyprus.

On Friday of last week a shower of leaflets was dropped on the Island of Cyprus by the so-called rebels, E. O. K. A., the local Cypriot patriots, saying in effect they would be willing to suspend their activities, and to negotiate directly with the British to try to work out some peaceful adjustment, provided Archbishop Makarios is first released.

Since that time the British have said they too would be willing to negotiate but they have demanded first that Archbishop Makarios of Cyprus, who is now held on the Seychelles Island in the Indian Ocean by the British, make a public statement calling for an end to violence before he can be released. Actually, Archbishop Makarios has been held for over a year by the British, incommunicado, without trial and without charge, so that this has caused real trouble on the Island of Cyprus, as he is the religious leader of Cyprus.

The British Government accepted an offer by the NATO organization to conciliate the differences among Britain, Greece, and Turkey over the future of Cyprus, at the same time as the British made their offer.

We NATO countries must try every way to find a solution for breaking the log jam on Cyprus. It is a blight on the peaceful peoples of the West to have this dangerous and unfair condition exist.

I have been very critical of the British because of their firm position on hanging and imprisoning so many Cyprus citizens on so many small charges. The British Government in Cyprus is headed by Sir John Harding as governor, who is acting under emergency strict military-type regulations, and has an executive council that likewise operates under those emergency regulations.

As you know, I addressed this House last week and strongly protested prior to the execution by the British Government, on Thursday, March 14, of a young man aged 18, Evagoras Pallikarides, who had been arrested, and when he pleaded guilty on February 25 of this year was promptly sentenced to death for carrying a weapon. The weapon turned out to be a part of a gun that could not be immediately used. It was not loaded. The magazine of the gun was not even in it. Likewise, the gun had been greased for being stored. So there was no possibility of use at the time—even the British court stated these facts.

The judge at the time young Pallikarides was sentenced for execution said that, "as the weapon could have been used in the future for an illegal purpose and Evagoras Pallikarides admitted he had it in his possession, he should be executed. Under these emergency regulations, the burden of proof is on the defendant to prove that he was not acting illegally. The burden of proof is not on the prosecution as in Britain, or in America under our Constitution's protection.

This young man was a brave young man. He stood up and said, when they asked him what he had to say in his defense, "I plead guilty to the possession of the gun." He further said, "I am willing to die for the freedom of Cyprus and my Cypriot people." That to me sounded like young United States patriot Nathan Hale, of our American Revolution, who likewise to the British, when he was faced with certain execution, said, "I am sorry I have only one life to give for my country."

This young man of Cyprus was too proud to appeal. So when I talked to Sir John Harding, Governor of Cyprus, by telephone the afternoon prior to the execution, I said, "Why not let the young man appeal?". And, I was advised that the young man's attorneys would not appeal on instructions of the young man. Then, as it was only an 18-year-old boy, I wanted to know "Then, why not mercy?" Incredibly, it was stated that the young man had not asked for mercy and the time for appeal had expired. Therefore, he was executed the next morning. I recalled to the Governor, that when I was 18, I wanted to save the world, and I think you did too, but that now we were both older, and knew more. I asked that instead of executing this young man who is so proud, let me take this young man and I will give him 4 years at any college or university, and myself pay to put him in school for 4 years. I said that I was of part British descent myself and that maybe we could get a balanced educated young man out of him who might like the British in the future, as I did.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I am glad to yield to the gentleman.

Mr. GROSS. I want to commend the gentleman for his denunciation of the tyranny being practiced by the British on the island of Cyprus.

Mr. FULTON. It certainly is tyranny on Cyprus.

Mr. GROSS. I hope the gentleman will join with me in expressing our protests in a rather effective way when the bill comes up to forgive the British $82 million in interest which they owe the United States plus principal payments. In that way we can let them know that we do not approve of some of the things that they are doing. You will have that opportunity and so will I and so will all Members.

Mr. FULTON. That raises a very difficult question on the British loan extension, when there are provisions that are not clear.

The SPEAKER pro tempore. Without objection, the gentleman will be recognized for 5 additional minutes.

Mr. FULTON. The problem is now before the European subcommittee of the House Foreign Affairs Committee of which I am ranking Republican member. The British loan was granted in

cepted and adopted by the council, which represents all segments within the industry, the railroads still suffer from its after-effects.

carrier transportation adequate for the needs of the Nation.

executed. Under these emergency regulations, the burden of proof is on the

which I am ranking Republican member. The British loan was granted in

1946. The provisions of payment of the British loan are dependent on the economic status of Great Britain at the various times of payment. Under certain conditions, Britain can claim that the interest is completely waived.

Before our committee on Monday, March 18, 1957, came Mr. George Humphrey, Secretary of the Treasury. I believe in George Humphrey because I think he is a fine gentleman and a good businessman. Mr. Humphrey said to our committee that purely as a matter of working out a tangled situation where the language of the loan is not clear, and consequently, to get interest payments that will continue regularly on this British loan, the United States Government should make a compromise adjustment as a business agreement separate and apart from any foreign policy.

I asked Mr. Humphrey whether in his opinion he felt this other tangled situation on Cyprus of continued executions and imprisonments, for example, should come into the question on the extension or compromise of the British loan interest payments. Mr. Humphrey advised me that it should not. In his belief, this British loan situation is simply a business transaction and should not be clouded with foreign policy.

I also asked Secretary Humphrey whether when we in the United States are supplying the British with foreign aid for military purposes and were consequently helping them garrison the troops on Cyprus, and other places abroad, that the United States should not have something to say about it. Mr. Humphrey said, "No."

As a Republican Member of the Congress in this administration, I believe I will vote in the Foreign Affairs Committee to bring out the bill for the compromise of the loan payments on the British loan because it is good business and not because it is foreign policy.

Mr. GROSS. Mr. Speaker, will the gentleman yield again?

Mr. FULTON. I am glad to yield to the gentleman.

Mr. GROSS. I do not care what kind of legislation you bring out of your committee. The British will pay if they want to, and only if they want to do so. You will not collect from them unless you want to wage a war to collect the money or use some other means involving compulsion.

Mr. FULTON. You put me in the rather unusual position of first saying I am strongly against the British policy in Cyprus on one hand, but I must say, in all fairness, the British have lived up to the terms of payment on the United States loan to the British Government in full, paying all principal and interest payments to date.

When the question came up on this one payment that has now arisen under the language, the British Government nevertheless put the questioned portion of the funds in escrow and said that the problem should be determined by compromise. The British Government then sent representatives to the United States Treasury Department in Washington and had full discussions several weeks ago with Secretary of the Treasury Humphrey. They have now arrived at a compromise agreement with our country, which our administration, your administration—a Republican administration under President Eisenhower—says is satisfactory. Therefore, I think, not as a matter of policy but as a matter of good business relations, because actually the British are our friends, we must agree with this mutually acceptable compromise, and approve that agreement that has been made by Secretary of the Treasury Humphrey.

Mr. GROSS. I think we ought to keep the record straight. The British may have kept up their payments on the approximately $4 billion loan, but they are far in arrears on other moneys that they have borrowed from the United States at other times.

Mr. FULTON. I would like to say to the gentleman that in order to have the series of financial transactions showing the balance sheet between Great Britain and the United States to date, the gentleman from Ohio [Mr. VORYS] and I have joined in asking the Secretary of the Treasury, Mr. Humphrey, to give us the material for the RECORD, to show the British transactions with the United States Government from 1939 down to date—through World War II, right up to the current situation, so that we can see just what the financial history has been. Rather than answer you in detail, I will refer you to that, and either the gentleman from Ohio [Mr. VORYS] or I will put it into the RECORD.

The point is this, that we in Congress want to have stated, all loans, grants, credits, and payments of interest or principal, or any forgiveness of any obligation between Great Britain and the United States from 1939 up to date, as well as the statement and settlement of the lend lease and World War II accounts.

Now may I return to the Cyprus situation which is extremely serious as it constitutes a troublesome part of the Mid-East. As I have said, the British have just made the offer that they will negotiate on the so-called firm policy in Cyprus, resulting in the hanging of so many young men 19 to 23 or 25 years of age, providing Archbishop Makarios, now held by the British, will make a public statement urging a cessation of violence by the rebel forces.

I strongly believe to be fair, as a part of this offer, the British likewise must say that they will ease up on this harsh, hangman policy of no mercy and no sympathy on Cyprus, and will stay pending executions of five young Cyprus patriots aged from 18 to 23. Without this stopping of violence and extreme action on Britain's part, there is no act of good faith, and Britain's acts will give lie to her government's words. The terrible part is that the British government continues executing young patriots of Cyprus. How can anybody negotiate under conditions of this kind while this bloody business goes on? Or who in his right mind would expect the people of Cyprus to do so, against such odds?

If the policy of the British Governor on Cyprus continues under the one-sided emergency regulations, of executing everybody who has possession of a weapon or a part of it, we in America should recall that the British government would then have executed in American revolutionary times George Washington, whose picture is on my right in this hall, as well as that great patriot from France, Lafayette, whose picture is on my left, for having possession of a gun and fighting against tyranny. Likewise, the British then would have executed the ancestors of many of us, including two of my own, and I would not even be here, because my ancestors carried weapons against the British in the United States Revolutionary War, believing they were fighting for freedom.

I might say that had the British moderates then in the 1770 period in the House of Lords and the House of Commons been listened to by the British Government, the whole history of this hemisphere might be different. There were people in Britain then who were moderates, just as there are people here and in Britain who are moderates at present on the policy of Cyprus. There are many Members in this House who have strongly objected to use of this long-continued and hated hangman's policy of no quarter and no mercy now being carried out so extremely in Cyprus by the British Governor and the executive council.

I have complimented, as did the gentleman from Massachusetts [Mr. MARTIN], the fine work of Ramon Magsaysay, the President of the Philippines who in the original start of his policy in dealing with the Huks and the Communists who were rebelling, was firm. But where it was indicated that there could be negotiation and that the people could come back, Ramon Magsaysay, to his very great credit, said, just as Abraham Lincoln said:

> I am for a moderate, humane, warmhearted policy. Come on back, you rebel people in the hills; you, nevertheless, are Philippine citizens. We will help you to get started again; we will give you farms; we will talk with you as citizens.

Such action has made the Philippine Government one of the strongest governments in the world today, with the policy of moderation.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. FULTON was permitted to proceed for 5 additional minutes.)

Mr. FULTON. I sincerely ask the British to consider if they will today or tomorrow make such a statement publicly, because the colonial office and the cabinet have had the Governor, Sir John Harding, back in London consulting with him on the policy for Cyprus. I hope the British would say that if Archbishop Makarios will make a public statement to urge the rebels in Cyprus to give up violence that they, the British Government, will assure no more executions and hangings of the 5 young men of Cyprus now under sentence of death until negotiations are completed, and that

further consideration will be given and applications for mercy will be received.

I commend the British for saying that they would like to negotiate this matter under the North Atlantic Treaty Organization. I can heartily recommend this course to our Secretary of State, our United States State Department, and to the British. We must remember that the United Nations resolution of February 20, 1957, urges negotiations on the parties directly concerned. These negotiations must be directly by the parties concerned with appropriate backing by the North Atlantic Treaty nations to insure fair dealing, guarantees of freedom, and democratic procedures. United States General Julius Holmes, now Special Assistant to United States Secretary of State Dulles, originally suggested when he was with NATO in Paris that NATO organization procedure should be expanded for negotiation and conciliation procedure. This would be an excellent example to start this procedure.

We should ask the British likewise in the United Nations that they will say at once they will act as trustees temporarily of Cyprus, acting under United Nations principles and in accordance with the policies set down by the United Nations resolution of February 20, 1957, and by the North Atlantic Treaty Organization nations, until a more permanent solution for Cyprus can be reached by peaceful and democratic means. We nations of the West are all interested in the defense of Cyprus against communism and that a base be provided for military purposes for the defense of the West, under proper agreement and compensation. I am sure that everybody with humanitarian instincts decries this current terrible, relentless policy of no mercy and of summary executions and killing by this hangman Governor, Sir John Harding, who has been given final power under these emergency regulations rigidly enforced with no mercy for these young men on the island of Cyprus, who believe they are guided by the highest motives of freedom and liberty.

Let me tell you what happened. Since June of 1956, in just a little over 10 months, the British Government on Cyprus has executed 9 young men by hanging. Five more are currently under sentence of death, three being recently sentenced to death. In a city the size of Washington, 10 times larger, that would be the equivalent of executing 140 high-school and college students in this area in a little over a 10-month period. We would be disturbed as Washingtonians and as United States citizens if the British were here and had us as a colony and we found 140 patriotic-minded young men being executed who felt they were fighting for our freedom. And think of the fact that the last one, aged 18, executed on March 14, 1957, was too proud even to ask personally for mercy after the sentence, or appeal. Maybe the British feel now they are governing with too heavy a hand; maybe the moderate policy is best.

Likewise, as I pointed out, on February 28 the British court sentenced to death 3 more young men, all aged 18 to 23. That means at the present time there are five young men on Cyprus still awaiting execution by the British Governor, Sir John Harding, who relentlessly shows no mercy and orders them out to the hangman's noose the next morning. When I telephoned the Governor of Cyprus that Wednesday afternoon, March 13, I said to him: "Sir John, it becomes your unpleasant duty to execute him—Evagoras Pallikorides, aged 18—in the morning or I will educate him for 4 years in America. I was calling his attention to the terrible decision he had to make of saying whether he give me this young man and I will educate him for 4 years, or else he should take him and execute him in the morning. The Governor said: "Do not let sentiment enter into this sort of thing." He said the sentence stands. I said, maybe it is better for the young man if you, as governor, do what I recommend rather than what you are saying, and let us go on the basis of what is best for the young man.

There was a prompt refusal. The young man was executed in the morning in spite of the plea of our United Nations delegate, Ambassador Cabot Lodge, the previous afternoon, who sent a special written note of representation by hand to the British representatives at the United Nations objecting to such hurried execution being carried out on March 14 under a sentence of death of only February 25.

Yes, in spite of the urgent request for further consideration made by our new United States Ambassador to England, Jock Whitney, who was then at dinner the evening before, with the Prime Minister. He likewise favored some postponement so that more consideration should be given to determine what should be done with this young Greek patriot. The young man was executed 6 or 7 hours later by hanging on orders of Governor of Cyprus Sir John Harding without even consideration on appeal by the Supreme Court of Cyprus, or the Privy Council of Britain.

Yes, in spite of quite several British officials requesting further time for consideration, the young man was executed, a little too promptly perhaps, for good conscience. But such bloody business is best over quickly, when it is a young man without many friends, before public sentiment becomes too aroused.

I want to compliment our United States Department of State, particularly Mr. Chris Herter, Under Secretary of State, for his human interest, and Mr. Robert Murphy, Deputy Under Secretary of State, for his courtesy and full cooperation. I would like to compliment Mr. Elbrick, who is head of the European desk of the State Department, for his prompt and courteous action. I also want to compliment particularly Cabot Lodge, who went clear out of his road to stop this distressing situation from occurring, on two occasions, at my request. I would like to compliment our new Ambassador, Jock Whitney, who has shown himself every inch a statesman and likewise a person with a real heart, who took the time to make representations on an emergency basis when he was at dinner with the Prime Minister the evening before the execution.

If we people of the NATO countries can once prevail on the British to moderate the Cyprus policy to a sensible and reasonable humane basis, and ask the Cyprus rebels to go along for the time being so that the United Nations resolution of February 20, 1957, can be implemented by direct negotiation of the parties concerned, under peaceful and democratic procedures without further violence during negotiations, then we in the Western democracies are making progress. If both sides, however, retain this current extreme policy, with ambushing of young British soldiers on one side, and the British Government hanging young men peremptorily, we cannot make progress. Of course, the rebels will then continue reprisal after reprisal, and freedom for the people of Cyprus continues to be repressed indefinitely until a real explosion or the turn toward sources promising a more lenient policy will occur. Ill the day for Britain, Cyprus, Greece, and Turkey that this occurs.

I urge the participants on all sides to reconsider, and I urge the British to make a public statement promptly to show good faith, that they will not go through with the execution of five young men now under sentence of death on Cyprus, pending negotiations.

Mr. DIXON. I would like to endorse the remarks of the gentleman from Pennsylvania, Congressman FULTON, that have been made with reference to Britain's policy in Cyprus.

FEDERAL INSPECTION OF POULTRY

Mr. DIXON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Speaker, the Subcommittee on Poultry of the House Committee on Agriculture has been working religiously on a compulsory poultry-inspection bill. The committee worked last session under the able direction of the gentleman from Ohio, Representative JAMES G. POLK, and this year under the effective leadership of the gentleman from Kentucky, Representative JOHN C. WATTS.

My subcommittee chairman, the gentleman from Kentucky, informs me that work on the bill will be fairly well completed within the next 30 days.

The most significant and commendatory thing about this compulsory inspection movement is that the poultry raisers and processors themselves are the very people who want compulsory inspection. Their support is largely the result of the success of the present voluntary program operated by the United States Department of Agriculture. To this voluntary inspection system we can attribute much of the credit for the unprecedented increase in consumption of poultry during the last few years.

Treasury Department in Washington and had full discussions several weeks

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Recognition of the success of the voluntary poultry-inspection program of the Department of Agriculture is becoming widespread and merits comment on the floor of the House of Representatives.

I have been impressed during recent hearings of the Poultry and Eggs Subcommittee at the near-universal desire to keep the poultry-inspection function within the Department of Agriculture and to expand inspection by making it compulsory for poultry going into interstate commerce.

Last year some of the bills to make poultry inspection compulsory would have taken this function from the Department of Agriculture and placed it in the Food and Drug Administration of the Department of Health, Education, and Welfare.

Typical of this point of view was a statement of Dr. Oscar Sussman, secretary-treasurer, Association of State Public Health Veterinarians. In his testimony before a subcommittee of the Senate Committee on Agriculture and Forestry, Dr. Sussman stated:

We believe all food products should be examined and inspected under the authority of an agency which is a consumer-protective agency in contrast to a producer-protective agency.

In most instances, the United States Department of Agriculture is generally thought of, and actually is, a producer-protective agency. Their prime concern is with production and marketing.

Health agencies and food and drug agencies, on the other hand, are primarily concerned with the protection of the consumer.

Now, the movement to shift poultry inspection to the Department of Health, Education, and Welfare has almost disappeared, however. There appears to be near universal satisfaction with the performance of the Department of Agriculture. This is important because our consumers will be protected and our poultry industry, the third highest producer of farm income, can significantly benefit only if the inspection is well administered and the public has confidence in the inspection.

The three large farm organizations want to expand poultry inspection under the Department of Agriculture. The American Farm Bureau Federation adopted the following resolution at its last annual convention in December:

We recommend legislation to require mandatory inspection of poultry meat sold in interstate commerce to be administered and financed by the USDA. We further recommend that authority be given the Secretary of Agriculture to provide the same inspection of poultry meat sold in interstate commerce upon application by State or local authorities in major consuming areas following hearings and adequate opportunity for affected parties to be heard.

Following the testimony of Matt Triggs, assistant legislative director of the AFBF, I asked him a few questions, as follows:

Mr. DIXON. Mr. Triggs, are your farmers fairly happy with voluntary inspection as far as it goes?

Mr. TRIGGS. I can answer that I think by saying that they have been satisfied with the voluntary inspection because, of course, any group that became dissatisfied with it did not have to participate.

Mr. DIXON. Are they satisfied with the administration of it?

Mr. TRIGGS. I think the answer to your question is yes.

Mr. DIXON. Do you think that satisfaction is sufficient to bring general support for this further step of compulsory inspection?

Mr. TRIGGS. I skipped over part of my statement in view of the time element, but maybe I should just kind of summarize this. This subject has been extensively debated since the hearings of this committee last summer by poultrymen all over the country. They were not all to begin with for compulsory inspection, but the great concensus of opinion now is, as certainly reflected by us, that compulsory inspection of interstate shipments and, under certain conditions, intrastate shipments is desirable and is in the interest of poultrymen.

Mr. DIXON. And you want it under the Department of Agriculture?

Mr. TRIGGS. By all means under the Department of Agriculture. At the 90th annual session of the National Grange, held last November, the following resolution was adopted:

"That a Federal poultry inspection system be established in the Poultry Branch of the United States Department of Agriculture, with the Secretary of Agriculture authorized to determine the type, character, and scope of inspection required to assure wholesome poultry products."

Mr. Joseph O. Parker, legislative counsel of the Grange, stated in his testimony on March 6:

The voluntary poultry inspection program administered by the Agricultural Marketing Service in the Department of Agriculture is manned by highly trained competent personnel with long experience in poultry. This record of poultry inspection experience and achievement which has been built up over the last quarter of a century is unequaled.

Reuben Johnson, assistant coordinator of legislative services for the National Farmers Union, said in his testimony of March 6:

It seems largely the result of growing sentiment in this committee and in Congress for a poultry inspection law that the great majority of poultry processors now embrace the principle of mandatory Federal poultry inspection. We also note that the Department of Agriculture has again this year spoken strongly for such a law.

J. O. Kumpe, member of the board of directors and past president of the Southwestern Association, whose membership produces approximately 80 percent of the volume of broilers in 6 Southwestern States, reported their resolution as follows:

We favor compulsory inspection for wholesomeness of all poultry products moving into interstate commerce, under the present Inspection and Grading Division of the Poultry Branch, Agricultural Marketing Service, USDA, and that such inspection be paid from public appropriated funds.

Charles D. Hawks, general manager of the Arkansas Poultry Federation, in testifying for compulsory inspection by the Department of Agriculture said:

We are confident that the Secretary of Agriculture will utilize existing facilities with the same confidence our poultry industry has placed in them.

Shirley W. Barker, director of the poultry department, Amalgamated Meat Cutters & Butcher Workmen of North America, AFL-CIO, stated:

We also note with great satisfaction that the Department of Agriculture has in 1956 and today, spoken strongly and forcefully for this principle.

Among various other groups the Northeast Turkey Growers Association has indicated they want the Secretary of Agriculture to have jurisdiction over a compulsory inspection program and to put it in the Department where he sees fit.

Although the various groups affected have different ideas on some details of the program, rarely has there been such fundamental unity both as to the need and the administrative department. Their testimony reveals confidence in and approval of the USDA's administration of the poultry inspection program. I hope that, as soon as we can agree on details and report out a bill, Congress will act promptly for the benefit of the consuming public and our poultry industry.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MEADER, for 1 hour, on Wednesday next.

Mr. AUCHINCLOSS, for 30 minutes, on Wednesday next.

Mr. BYRD for 15 minutes today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHERER for March 25 through March 29, 1957, on account of attendance at hearings of Committee on Un-American Activities in Chicago, Ill., on said dates.

Mr. CHUDOFF (at the request of Mrs. GRANAHAN) for today and through March 26, 1957, on account of death in family.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FORAND and to include a press release and a digest of a bill.

Mr. McGOVERN and to include an editorial.

Mr. LANHAM and to include extraneous matter.

Mr. ALLEN of Illinois and to include a statement with reference to our national security.

Mr. MASON on the subject Federal Aid for Public Schools and to include an article on the same subject by Raymond Moley.

Mr. HENDERSON and to include extraneous matter.

Mr. PATMAN to revise and extend his remarks made in Committee and to include statements and excerpts.

Mr. ROBSION of Kentucky and to include extraneous matter.

Mr. CANNON and to include a speech by Mr. WHITTEN.

Mr. PHILBIN and to include extraneous matter.

Mr. CRAMER in two instances, in each to include extraneous matter.

Mr. TABER and to include a table.

Mr. ABBITT (at the request of Mr. BOYLE) and to include extraneous matter.

Mr. HARRISON of Nebraska (at the request of Mr. MARTIN) and to include extraneous matter.

Mr. LATHAM and to include extraneous matter.

Mr. ENGLE (at the request of Mr. HALEY) and to include extraneous matter.

ADJOURNMENT

Mr. BOYLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 21 minutes p. m.), under its previous order, the House adjourned until Monday, March 25, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

638. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to facilitate the payment of Government checks, and for other purposes"; to the Committee on Government Operations.

639. A letter from the Acting Secretary of Labor, transmitting a report of tort claims paid by the Department of Labor during the year ending December 31, 1956, pursuant to title 28, section 2673, United States Code; to the Committee on the Judiciary.

640. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Rose Lillian Gilbert, A-5518668, involving suspension of deportation under the provisions of section 244 (a) (5) of the Immigration and Nationality Act of 1952, and requesting that it be withdrawn and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

641. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Trust Territory of the Pacific Islands, Department of the Interior, for the fiscal years ended June 30, 1955 and 1956, pursuant to the Interior Department Appropriation Act, fiscal year 1955 (68 Stat. 372), and Department of the Interior and Related Agencies Appropriation Act, 1956 (69 Stat. 149); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON of Illinois: Committee on Government Operations. Third report pertaining to private electric utilities organized efforts to influence the Secretary of the Interior; without amendment (Rept. No. 213). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 1045. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended; with amendment (Rept. No. 214). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5538. A bill to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes; without amendment (Rept. No. 215). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. Report on administration plan to improve congressional control of the budget; without amendment (Rept. No. 216). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOGARTY: Committee on Appropriations. H. R. 6287. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 217). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 6236. A bill to provide a national cemetery near LaFollette, Tenn.; to the Committee on Interior and Insular Affairs.

By Mr. BLATNIK:

H. R. 6237. A bill to provide for the issuance of a special series of postage stamps to be known as wilderness preservation stamps; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. R. 6238. A bill to amend section 1292 of title 28 of the United States Code relating to appeals from interlocutory orders; to the Committee on the Judiciary.

H. R. 6239. A bill to amend section 1461 of title 18 of the United States Code, relating to the mailing of obscene or crime-inciting matter; to the Committee on the Judiciary.

H. R. 6240. A bill to provide that the United States district judges for the districts of Hawaii and Puerto Rico shall have the same tenure of office and retirement rights as all other United States district judges; to the Committee on the Judiciary.

By Mr. COLMER:

H. R. 6241. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. FASCELL:

H. R. 6242. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. FINO:

H. R. 6243. A bill to amend the Internal Revenue Code of 1954 to reduce from 65 to 62 the age at which the additional exemption on account of age becomes allowable in the case of a taxpayer or spouse who is a woman; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 6244. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Ways and Means.

By Mrs. GREEN of Oregon:

H. R. 6245. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H. R. 6246. A bill to extend for an additional 5 years the provisions of the act of September 30, 1950, entitled "An act to promote the development of improved transport aircraft by providing for the operation, testing and modification thereof"; to the Committee on Interstate and Foreign Commerce.

H. R. 6247. A bill to amend the act of October 26, 1949, to authorize the Secretary of Commerce to pay certain expenses in connection with the training of officers and employees of the Department; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H. R. 6248. A bill to encourage private United States investment in foreign countries by restricting the incidence of double taxation on taxpayers with gross income from sources outside the United States; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 6249. A bill to repeal the paragraph of the Legislative Appropriation Act, 1956, which authorizes the extension, reconstruction, and replacement of the central portion of the United States Capitol; to the Committee on Public Works.

By Mr. HOLT:

H. R. 6250. A bill to equalize benefits under laws administered by the Veterans' Administration furnished to reservists and members of the National Guard; to the Committee on Veterans' Affairs.

By Mr. HYDE:

H. R. 6251. A bill to enlarge the jurisdiction of United States commissioners in the trial of traffic violations on the parkways in the environs of the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes; to the Committee on the Judiciary.

By Mr. KRUEGER:

H. R. 6252. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCARTHY:

H. R. 6253. A bill to amend the Internal Revenue Code of 1954 to exempt from the tax on admissions any admissions to an athletic game or exhibition if the proceeds therefrom inure exclusively to the benefit of a charitable organization or institution; to the Committee on Ways and Means.

By Mr. McCULLOCH:

H. R. 6254. A bill to amend section 191 of title 31, United States Code, to establish priority for debts due to the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. McGOVERN:

H. R. 6255. A bill to provide for the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the use of interest from such investments for scientific scholarships and fellowships for children of veterans; to the Committee on Interstate and Foreign Commerce.

H. R. 6256. A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; to the Committee on Education and Labor.

By Mr. McINTIRE:

H. R. 6257. A bill to amend the Tariff Act of 1930 to place horseshoes on the free list; to the Committee on Ways and Means.

By Mr. McMILLAN (by request):

H. R. 6258. A bill to amend the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937, as amended; to the Committee on the District of Columbia.

H. R. 6259. A bill to amend the act known as the "District of Columbia Revenue Act of 1937," approved August 17, 1937; to the Committee on the District of Columbia.

By Mr. MICHEL:

H. R. 6260. A bill to authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the direction of the Secretary of the Army to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, to regulate the flow of the Illinois River at Pekin, Ill., and for other purposes; to the Committee on Public Works.

By Mr. NORBLAD:

H. R. 6261. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union; to the Committee on Post Office and Civil Service.

By Mr. PERKINS:

H. R. 6262. A bill to provide that veterans may accrue educational benefits under the Veterans' Readjustment Assistance Act of 1952 and Public Law 894, 81st Congress, until individuals may no longer be inducted for training and service in the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PORTER:

H. R. 6263. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union; to the Committee on Post Office and Civil Service.

By Mr. RAY:

H. R. 6264. A bill to amend the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. RILEY:

H. R. 6265. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. ROGERS of Colorado:

H. R. 6266. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that upon application therefor, real property donated to the United States by any State or political subdivision which is surplus to the United States shall be returned to such State or political subdivision; to the Committee on Government Operations.

By Mrs. ST. GEORGE:

H. R. 6267. A bill to authorize the sale of certain vessels to Turkey for use in the coastwise trade of Turkey; to the Committee on Merchant Marine and Fisheries.

By Mr. SCOTT of North Carolina:

H. R. 6268. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. WHARTON:

H. R. 6269. A bill to amend the Agricultural Act of 1956 (70 Stat. 209) to provide donations of surplus food commodities to State and local penal institutions; to the Committee on Agriculture.

H. R. 6270. A bill to establish dates for celebrating certain public legal holidays; to the Committee on the Judiciary.

By Mr. UDALL:

H. R. 6271. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. ULLMAN:

H. R. 6272. A bill to provide for the issuance of a special series of postage stamps in commemoration of the 100th anniversary of the admission of the State of Oregon to the Union; to the Committee on Post Office and Civil Service.

By Mr. YOUNGER:

H. R. 6273. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. ZELENKO:

H. R. 6274. A bill to provide that the Secretary of the Interior shall accept title to Grant's Tomb in New York, N. Y., and maintain it as the General Grant National Memorial; to the Committee on Interior and Insular Affairs.

By Mr. FOGARTY:

H. R. 6287. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

By Mrs. GREEN of Oregon:

H. J. Res. 281. Joint resolution authorizing the Secretary of the Department of Health, Education, and Welfare to exercise, for a limited period of time, certain emergency controls with respect to the distribution and use of poliomyelitis vaccine; to the Committee on Interstate and Foreign Commerce.

By Mr. BREEDING:

H. J. Res. 282. Joint resolution to investigate the advisability of establishing national monuments in certain areas of the State of Kansas; to the Committee on Interior and Insular Affairs.

H. J. Res. 283. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BENNETT of Michigan:

H. Res. 211. Resolution to authorize and direct the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the effects of widespread abandonment of railroad passenger service in the United States, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. McINTOSH: Senate Concurrent Resolution No. 24, adopted by the Legislature of the State of Michigan, protesting the proposed revision of official standards for wheat promulgated under the authority of the United States Grain Standards Act, as amended; to the Committee on Agriculture.

Also, Senate Concurrent Resolution No. 22, adopted by the Legislature of the State of Michigan, February 25, 1957, requesting Congress to issue a special commemorative stamp in the honor of the Diamond Anniversary of the Knights of Columbus; to the Committee on Post Office and Civil Service.

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to enact legislation already introduced providing for a $200 million loan fund for the purpose of inducing industry to locate on or near Indian reservations, which would provide consistent and suitable employment to Indian citizens, and alleviate the vast amount of unemployment among the Indian people; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELANEY:

H. R. 6275. A bill for the relief of Maria Schager; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 6276. A bill for the relief of Tran Dinh Khe; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 6277. A bill for the relief of Mario Gargano; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 6278. A bill for the relief of June Beatrice Simmons Hightower Darling (nee Arson) alias Lewis; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 6279. A bill for the relief of Hebbani Krishnamurthi Jairaj; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 6280. A bill for the relief of Aurora Laidas Afonso; to the Committee on the Judiciary.

H. R. 6281. A bill for the relief of Hercules Gilkas; to the Committee on the Judiciary.

By Mr. NIMTZ:

H. R. 6282. A bill for the relief of the former shareholders and debenture-note holders of the Goshen Veneer Co., an Indiana corporation; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H. R. 6283. A bill for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl M. Blaisdell; to the Committee on the Judiciary.

By Mr. SEMINSKI:

H. R. 6284. A bill for the relief of Joseph G. Choquette; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 6285. A bill for the relief of Mrs. Ping Ying Chang Tai, her daughter Nora Pi-Yen Tai, and her son Yuan Fhing Tai; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6286. A bill for the relief of Frantisek Hanisko; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

154. Mr. HALE presented a petition of the Spokane Public Forum, Spokane, Wash., relative to going on record as being opposed to all advertising on our highways, and calling upon the State for legislation prohibiting this manner of offensive advertising on the highways, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

Relief for Southern Farmers

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1957

Mr. HILL. Mr. President, on Tuesday last I had the privilege of appearing before the Johnston subcommittee of the Senate Agriculture Committee, along with a group of farmers and agricultural leaders from Alabama. We endeavored to emphasize the fact that Alabama and the rest of the South are presently in the grips of a farm depression of far-reaching proportions, and that it is absolutely necessary to provide relief for our farmers, who are so hard hit by depressed farm prices and reduced cotton acreage allotments. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the statement I made before the subcommittee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HILL BEFORE THE SENATE AGRICULTURE COMMITTEE, MARCH 12, 1957

Mr. Chairman, I deeply appreciate the opportunity afforded me and my fellow Alabamians to appear before you in support of pending measures to relieve the hardships suffered by so many of our farmers as a result of inequities in our existing acreage-allotment program for cotton. We are fortunate in having with us today agricultural leaders from Alabama who, because they have worked and lived with the problem, are intimately acquainted with the tragic circumstances confronting the Alabama cotton farmer. These outstanding leaders will give you a firsthand account of the effects on the Alabama cotton farmer and our agricultural communities of the acreage-allotment program as it is being administered under existing law.

It is appalling to me that our farm people, whose prosperity is basic to the prosperity of the Nation and constitute 19.3 percent of the national population receive only 6.5 percent of the national income—less than one-half their proportionate share. While corporate and personal income, take-home pay and buying power of other segments of the population continue to rise to new peaks, the standard of living of our farmers grows steadily worse. While corporation profits in 1956 jumped 47 percent over the annual average for 1947–49, while dividends increased 69 percent and interest 93 percent in the same period, the farmers' total net income fell 25 percent.

These unhappy facts cannot be regarded as mere statistical data, for they can be translated into the practical realities of stark tragedy for thousands of men, women, and children whose hopes and aspirations for a decent standard of living are inseparably tied to the soil. I am sure that our friends who are here today can graphically portray the disheartening and desolate prospects the future promises, if we do not improve our farm program, particularly the administration of acreage allotments under present law.

In many States, as in my home State of Alabama, cotton is still the No. 1 cash crop. The sharp reduction in acreage allotments over the past few years adversely affects all cotton farmers but most gravely jeopardizes the economic position of two groups.

The first group consists of those farmers who followed the advice of farm leaders and the policy of Congress and diversified and voluntarily reduced their cotton acreage. With the decline in the prices of livestock and other crops to which they have diverted they are now being penalized and in many instances driven off their farms for carrying out the very agricultural reforms Congress declared were necessary to strengthen their economic position and that of the Nation.

The second group is composed of small farmers whose cotton acreage has been reduced to the point of virtually destroying their ability to get credit to carry on their farming operations. Many such farmers in Alabama and throughout the South are being forced to leave their farms, only to swell the rolls of the unemployed in our towns and cities.

The situation presents a most serious national problem that must be dealt with by Congress immediately. We are forced to realize that when one large economic group—such as the cotton farmer—suffers, all of us suffer. The depressed income and the reduced purchasing power of our farm people are inevitably passed along to industry and business in the form of reduced demand for consumer goods and loss of sales. The results are curtailed production, unemployment and a weakening of the Nation's economy. Great depressions have had their beginning in depressed farm prices.

The measures Senator SPARKMAN and I are sponsoring do not propose a permanent solution to the farm problem. They are in the nature of stopgap measures pending enactment of long-range remedies, but they will provide emergency relief for our cotton farmer by preventing a decrease in the acreage allotment of his main cash crop and by removing the penalties now imposed on an individual farmer because of the failure of his fellow farmers to plant their allotted quota of cotton.

If America is to continue to build her strength and her greatness, we must make the fruits of our labors available to all. The American farmer still continues to do his job courageously and to sustain us by providing us, at great sacrifice to himself, with the food and fiber necessary to life itself, and yet during the years between 1947–49 and 1956, 900,000 farm families were forced to leave their farms and their homes.

Despite the heroic efforts of our farmers to provide for the Nation, its welfare and its strength, and despite their love for their soil and their way of life, their love of living close to nature and nature's God, today we behold the sad spectacle of millions of our finest and best citizens driven by the specter of poverty and economic oppression from their land and their heritage.

The annals of human history record indelibly the rise, the degeneration and internal decay, and eventual fall of nations and civilizations. Let us not forget that the farm homes of America have given us the great reservoir of the manners and the spirit and of the moral and spiritual values that have preserved the vigor of our Nation and the foundations of our freedom and our enterprise. Indeed, America's greatness has been builded not alone upon material wealth, but far more importantly upon the initiative, the independence, and the love of God that have flown from the farm homes of America into the warp and woof of the Nation's life. To forsake our farmers now is to forsake our priceless legacy, the fountainhead of our strength and of our continued greatness.

We must extend to the American farmer understanding, not indifference; faith, not cynicism; action, not promises. The question is: Can we afford not to come to his rescue? For if we fail him we shall fail our America.

The Middle East Problem

EXTENSION OF REMARKS

OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1957

Mr. SALTONSTALL. Mr. President, I have read with interest an article by Walter Lippmann in this morning's Washington Post, which was inserted in the RECORD by the majority leader. It was an excellent discussion of the problems facing us in the Middle East. I ask unanimous request to have printed in the CONGRESSIONAL RECORD a brief part of a talk I gave in Everett, Mass., last Sunday evening, March 17, which summarizes my own thinking on this important problem.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

As Americans, we believe in keeping our word to each other. We believe that the United States, as a Nation, should keep its word to other nations. We stand for this not only because we want our country to deal with the rest of the world in an honorable manner of which we can be proud, but also because it is the only way in which progress can be made toward the friendly relationships between nations which are essential to world peace.

We joined in the United Nations. Under its charter we agreed not to join in military aggression. That is the reason we refused to join with or support England, France, and Israel last fall when those nations attacked Egypt. We had given our word to the United Nations that we would not support armed aggression, and we considered the attack on Egypt to be armed aggression.

When the United Nations called upon England, France, and Israel to withdraw from Egyptian territory, they did so. This was honorable and commendable.

We are still faced with the problem of making the armistice stick until a final peace settlement can be worked out for the Middle East. That's going to take time. We all know it. Now today we are under obligation to the community of free nations to see that Egypt lives up to her responsibilities. We must be as firm with Egypt as we were with England, France, and Israel. It is my personal belief that the Suez Canal should be opened to the ships of all nations, including Israel; that Israel and all other nations should have the right to use the Gulf

of Aqaba; and that the Gaza Strip must not be used as a base for attacks on Israel.

We must progress toward these objectives by persuasive and diplomatic action and by any other legitimate means available to us.

The real enemy in the Middle East is Soviet Russia. We want to make clear to Russia, and those who may be inclined to turn toward Russia, that we intend to do our utmost to gain a permanent peace in the world, and that we are trying as hard as we can to turn the faces of many nations, whose people want freedom, toward the West.

Federal Budget Questionnaire

EXTENSION OF REMARKS

OF

HON. JOHN E. HENDERSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. HENDERSON. Mr. Speaker, once again I have found it helpful to contact the people of the 15th District of Ohio, with regard to vital issues which are before the Congress. Through the medium of a questionnaire I am asking my constituents to give me the benefit of their thinking on several issues. Their responses will be helpful to me and my colleagues in guiding us to a decision on these important subjects.

The current budget is a subject which has received widespread publicity throughout the Nation. Many of my constituents are becoming more aware of the magnitude of our expensive Government. As an added feature of my questionnaire I have included a breakdown of the current budget and have asked that my constituents express themselves on any part of it, whether they feel that the individual items be retained, reduced, or eliminated.

The questionnaire is as follows:

FEDERAL BUDGET QUESTIONNAIRE

Much dissatisfaction with high Federal expenditures has been expressed since the budget recommendations for fiscal year 1958 (July 1, 1957–June 30, 1958) were presented to Congress in January. On this page is a brief outline of approximate expenditures recommended. If you care to comment, please indicate your feeling about these programs.

	Yes	Reduce	Eliminate
I. Major national security items ($43,335,000,000—60.3 percent):			
Purchase of aircraft, ships, guided missiles, and other military equipment ($12,273,000,000)			
Pay and support of military personnel ($10,524,000,000)			
Operation and maintenance of military equipment and facilities ($9,598,000,000)			
Military public works, research, reserves ($5,805,000,000)			
Military assistance to foreign nations ($2,600,000,000)			
Atomic energy programs ($2,340,000,000)			
Stockpiling of minerals and defense production ($395,000,000)			
II. International affairs and finance items ($2,444,000,000—3.4 percent):			
Foreign aid (economic and technical development) ($1,533,000,000)			
Export-Import Bank loans to assist United States industries in foreign markets ($243,000,000)			
Conduct of foreign affairs ($194,000,000)			
Foreign information and exchange activities ($174,000,000)			
III. Commerce and housing ($1,749,000,000—2.4 percent):			
Aviation ($465,000,000)			
Housing and community development ($438,000,000)			
Water transportation ($420,000,000)			
Civil defense and disaster aids ($168,000,000)			
Postal service ($58,000,000)			
Highways ($42,000,000)			
General aids to business and other ($157,000,000)			
IV. Agriculture and agricultural resources ($4,995,000,000—6.9 percent):			
Farm price supports and related programs ($2,490,000,000)			
Soil bank ($1,250,000,000)			
Agricultural land and water resources ($366,000,000)			
Farm ownership and operation loans ($371,000,000)			
Rural electrification and rural telephone loans ($265,000,000)			
Research and other agricultural services ($280,000,000)			
V. Natural resources ($1,538,000,000—2.1 percent)			
River basin development and public power ($992,000,000)			
Forests, public lands, and Indian lands ($263,000,000)			
National parks and fish and wildlife ($137,000,000)			
Minerals ($96,000,000)			
General resource surveys and other ($47,000,000)			
VI. Labor and welfare ($3,538,000,000—4.9 percent)			
Public assistance (payments to States to aid needy persons) ($1,694,000,000)			
Promotion of public health ($805,000,000)			
Promotion of education ($534,000,000)			
Labor and manpower service ($400,000,000)			
General purpose research, libraries and museums ($111,000,000)			
School-lunch program, vocational rehabilitation and others ($39,000,000)			
VII. Veterans services and benefits ($5,027,000,000—7 percent)			
Compensation and pensions ($3,163,000,000)			
Hospitals and medical care ($938,000,000)			
Education and training ($757,000,000)			
Veterans unemployment and loan guarantee benefits ($110,000,000)			
Insurance and indemnities ($42,000,000)			
Other services and administrative costs ($179,000,000)			
VIII. General government ($1,461,000,000—2 percent)			
Financial management ($519,000,000)			
Property and records management ($307,000,000)			
FBI, alien control and related programs ($196,000,000)			
Legislative and judicial functions ($152,000,000)			
Central personnel costs ($104,000,000)			
District of Columbia, U. S. Territories ($168,000,000)			
Weather Bureau and other ($70,000,000)			
IX. Interest on our national debt ($7,300,000,000—10.2 percent)			
This figure represents a fixed debt and is not subject to change except through the retirement of the principal.			

Address by Hon. Wayne Morse, of Oregon, Before Methodist Leaders in Social Action

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1957

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me on March 19, 1957, before the national meeting of Methodist Leaders in Social Action.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR WAYNE MORSE BEFORE NATIONAL MEETING OF METHODIST LEADERS IN SOCIAL ACTION, MARCH 19, 1957

My friends, it is a notable and memorable experience for me to address the social action leaders of the Methodist Church, and I have accepted your invitation to come here today with pleasure, but also with some trepidation.

It is more to be expected, and is perhaps more natural, for social action leaders of a church to speak to practicing politicians about their obligations to the moral standards of Christianity, and to social welfare, than for a politician to speak to churchmen about the obligations of the church to political life.

Yet it is well to keep in mind that the foundation of American government is essentially a religious one, and that its basis and its objective are as well known, and sometimes better known, to the practitioners of government as to the clergy. The Declaration of Independence, the Constitution, and the Bill of Rights are religious documents. They are grounded in the doctrine of natural rights, a doctrine which holds that freedom of thought and conscience are inherent in all people wherever born, regardless of the form of government under which they live. It is the heritage of Americans that our Government was founded and organized for the explicit purpose of protecting and furthering these natural rights.

Few who enter American political life, and particularly the Congress of the United States, can fail to gain a greater appreciation of the purposes of the framers of the Constitution as a result of their political participation. The general-welfare clause, which empowers Congress to legislate to promote the general welfare, is the heart and soul of the Constitution, and of the American system of government. It was put best by Lincoln when he described it as the legitimate object of government "to do for the people what needs to be done, but which they cannot by individual effort do at all, or do so well, for themselves." This definition has been attacked even today by many in the party of Lincoln who have not even caught up to the Great Emancipator, much less with modern Republicanism. But the people, in election after election, have fulfilled the definition of Lincoln's, because they know that it is the means whereby the true wealth and value of America can be realized. And that true wealth is our human wealth. It is the wealth we have in the hearts, minds, and talents of nearly 170 million people. In our Declaration of Independence it is written that governments are instituted among men to obtain the objectives of life, liberty,

and pursuit of happiness. These are objectives of the mind and spirit and not of material wealth only, and it is to their realization that our best efforts must be dedicated, relying on the superb instrument of the American Constitution and its general-welfare clause to do it.

I have dwelt at some length on the philosophic foundation of American Government because it is an important preface to what I want to say about the obligation and responsibility of the individual who seeks to carry out the objective of government by entering politics.

THE OBLIGATION OF AN ELECTED OFFICIAL

The historic writings of most of our constitutional fathers, such as Thomas Jefferson, George Washington, Benjamin Franklin, John Adams, John Dickinson, Robert Morris, and James Madison, all show that they did not believe that the elected representatives of free people serve as hired men of political parties and political machines, but held their offices as the servants of a free people.

Our Founding Fathers set up a representative republican form of government which placed the ethical duty upon the shoulders of the representatives of a free people in a parliamentary body to act on the basis of the facts, to keep faith with the truth, and to stand up against a temporary wave of public opinion that is characterized by an emotional reaction to propaganda, misrepresentations, and unsound public policy.

Edmund Burke put this principle of representation in eloquent language when he said in his great speech to the electors of Bristol on November 3, 1774: "It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. But his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion. To deliver an opinion is the right of all men; that of constituents is a weighty and respectable opinion, which a representative ought always most seriously to consider. But authoritative instructions; mandates issued, which the member is bound blindly and implicitly to obey, to vote, and to argue for, though contrary to the clearest conviction of his judgment and conscience * * * these are things utterly unknown to the laws of this land, and which arise from a fundamental mistake of the whole order and tenor of our constitution."

Let me assure you that keeping faith with that basic principle of representative government many times is not the best way to make political friends and influence your political party. Yet I hold to the view that unless one keeps faith with that principle he will, time and time again, sell his constituents short in the matter of standards and values. Why do I say that? I say it because frequently public opinion is wrong, frequently public opinion is based upon misrepresentation, misinformation, and misunderstanding of the facts. One of the obligations of statesmanship, as I see the problem, is to sit in the Congress of the United States and exercise an honest independence of judgment on the merits of issues in accordance with the facts as one sees them and vote accordingly, even though at the time a wave of public opinion in one's State and throughout the country seems to hold a contrary point of view.

However, if one is right on the facts and will keep faith with his duty of political leadership, he need have no fear as to what the final decision of the people will be once they come to understand the facts which form the basis of their representative's vote and action.

To you churchmen, let me urge you to remember to watch out for the officeholder who is afraid to be defeated. Watch out for the politician who thinks that his reelection is more important than the public interest. Watch out for the politician who scratches your back, tells you he agrees with you on every controversial issue. I say watch out for him because he has ceased to be your true representative. It is this type of representation in public office that is weakening standards of government because it constitutes placing politics above principle. It makes a virtue out of political expediency and a liability out of intellectual honesty.

THE ROLE OF THE CHURCH AND RELIGIOUS LEADERS IN AMERICAN POLITICS

Having discussed the role of government as an instrument of the natural aspirations of man, and the role of the politician, as I see it, in a government established to promote those aspirations, I would like to talk a little about the role of the church and of religious leaders in American politics.

The pulpit has many uses. It can be used to exhort the individual listener to mend his ways in order to gain salvation; or to explain the word of God; or to relate the Judeo-Christian ethic to our political and social lives.

I am principally concerned here with the latter use of the pulpit, and I take it that you are met here primarily to examine this relationship.

As I see it, the greatest contribution that the clergy, particularly those individuals concerned with the social-welfare challenge of Christianity, can make to American politics is to view with a critical and even ruthless judgment the two elements I have discussed—the extent to which a program or policy of a party or an administration furthers the general welfare of the American people, and the extent to which our representatives at all levels of government fulfill their responsibility to providence and to the people they represent to be guided by the dictates of conscience and not by the pressures of expediency.

As a student of history, I am obliged to say that in all American history we have seldom had an era when so little of that kind of judgment was being used. Today, the press, the political commentators in all mediums of communication, the intellectual leadership of most walks of life, have virtually rolled over and played dead for the most colossal publicity campaign of all time.

A conscientious, critical, constructive discussion of Government policies, both foreign and domestic, is almost absent from the Nation's press. The voice that calls for deliberation and analysis of a life or death issue such as confronts us in the Middle East is shouted down on grounds that a terrible emergency exists, one that will not permit the elected Representatives of the people to find out the purposes and possible consequences of the policy, though one that apparently does not preclude a Bermuda cruise on the part of the Chief Executive who has asked for and received an abdication by Congress of its responsibility to participate in decisions involving war or peace.

The Eisenhower administration, and the President himself, have enjoyed an immunity from critical appraisal almost unknown in American history. I fear for the consequences of this renunciation of responsibility on the part of American intellectual and spiritual leaders. I fear for it because we are no longer in an age when a wrong or mistaken policy can be reversed and what was lost reclaimed. Today, when a foreign policy goes awry, we wake up one morning faced with the awful prospect of annihilation, as we were last October when a situation in the Suez area that we were told never looked brighter, suddenly erupted into war. We got off easy that time. The price we paid for allowing the administration to run our foreign affairs for 4 years without a searching debate from the press—and from Congress—was a small one, compared to what it could have been, and to what it may well be the next time.

At home, a natural resources policy that puts a premium on private profit instead of on the full development of the common heritage of the people in their river basins means a permanent loss of that heritage, to ourselves and to future generations.

A failure of government to provide the money needed for good schools means a future generation of American citizens whose needs and abilities are underdeveloped, and that is a far more serious social loss than even the economic loss of an underdeveloped river basin. I would even submit that the clergy of America who have traditionally been the custodians of the principle that education of the common people is the first obligation of a Christian community, have no more compelling duty than to demand that out of the great material wealth of the country, we provide for the common education. We are not doing it now. We are shortchanging our boys and girls with half-day classes, with a shortage of qualified teachers that deprives our children of the attention to their individual problems which they deserve. Right now, there are at least 840,000 children attending school part time because we have not provided them with enough teachers and with adequate school facilities.

This school situation is a disgrace to America—a disgrace to the Nation that founded compulsory public education as the best means of achieving the moral and spiritual improvement of its people. It is a disgrace to any society of our material means and our professed beliefs in education. Yet we have tolerated it for nearly 10 years, and we have accepted excuses and delays in the place of action.

When the first ordinance for compulsory education at public expense was issued in Massachusetts in 1649, it was expressly for the purpose of thwarting the lures of "Ye olde Deluder, Satan." Our language today would be more sophisticated, but our belief in education as the sine qua non of democracy and of the betterment of the individual remains the same.

Yet I have found little disposition on the part of the clergy generally to draw the issue with those who are responsible for our failure in the field of education. I have found little disposition on the part of the clergy, or of American spiritual and intellectual leadership as a whole, to insist that the present administration return to the fundamental objective of our Government, namely, the promotion of the general welfare.

What I do see is a blind, uncritical acceptance of the trappings of spirituality in place of the substance of moral responsibility in high office. The personal activities of the President and his associates are of no concern to me, but what is of concern to me is what I regard as their failure to promote the interest of the American people of today and tomorrow, and their policy of giving to the public ostentation and display instead of concrete performance of public duty. The clergy has, I believe, been as ready as any other group—and I regret to say this—to accept this unworthy substitute. It has, generally speaking, accepted the form without demanding the substance of ethical behavior in public office.

It has done this with regard to the programs and policies of government, and it has done so with regard to the obligation of individuals who hold public office.

The duty of the elected representative of the people as it was visualized by Burke and by the framers of the Constitution is on the defensive. The candidate or officeholder who defies the steamroller of the publicity campaign because his mind and conscience tell him that the public interest lies in another direction finds himself regarded not a hero in the cause of duty to his conscience but as an obstructor who must be silenced or removed as soon as possible. Like the simple man of the fairy tale who tried to point out that the emperor really had on no clothes at all, he becomes a pariah to a domineering political leadership and to its idolatrous followers. The test of a candidate for public office today, and of the fitness of an incumbent, is too often the measure of his kinship to the current political administration, rather than the measure of his kinship to his conscience.

More so than any other social group, excepting possibly only the press, the religious leadership of America has an obligation to serve the political truth. Not just the truth that is found by application of the mind to a problem, but to the truth which holds that the mind of man is responsible to God. Truth is the hardest of all masters. It requires ceaseless mental activity, and perhaps that is the principal reason why it has attracted few disciples. But, it also requires that the individual mind be honored for devotion to principle and to conscience, even when that devotion leads to another conclusion from our own.

In September of 1862, President Lincoln was wrestling with one of the most momentous decisions of American history, the issue of emancipation, when a delegation representing the religious denominations of Chicago called on him to ask that he proclaim emancipation. His reply was as follows: "I am approached with the most opposite opinions and advice, and that by religious men who are equally certain that they represent the divine will. I am sure that either the one or the other class is mistaken in that belief, and perhaps in some respects both. I hope it will not be irreverent for me to say that if it is probable that God would reveal His will to others on a point so connected with my duty it might be supposed he would reveal it directly to me; for, unless I am more deceived in myself than I often am, it is my earnest desire to know the will of providence in this matter."

I know of no test for a political candidate more in keeping with the Christian ethic than the test of his adherence to his own conviction and conscience and his refusal to accept another's judgment in place of his own. The church, and its religious leaders, ought to insist upon that adherence, just as it ought to insist upon political platforms and policies that will promote the general public interest. Its role in political life ought to be to expose cant and hypocrisy, no matter in what area of government it is found or by whom practiced. Its contribution must be to hold before the American people the moral objectives of our society, and to measure political programs against those objectives. It must not hesitate to speak out against policies that are a denial of the general welfare, nor to advocate those that expand human freedom and activity.

It must also demand that our officeholders keep themselves free from political dictation by economic pressures or political bosses. It must awaken voters to the fundamental concept of representative government which requires that an elected official keep faith with his own judgment and conscience.

A social action group of a church must constantly turn a searching light upon governmental affairs at all levels. More so than even our media of political expression and information, the church must give a standard and a direction to governmental policy. Without the guidance of spiritual and moral leadership, any government—regardless of its form—will founder, our own no less than any other. If the church does not perform this function, I know of no other institution that will.

The American Nation must continue to be guided by the spiritual and moral values of Christianity, no less now than when it was founded. Your group has made a notable contribution in that direction, one that I hope will be expanded and developed in the future, for without the fundamental principle of the brotherhood of man and the fatherhood of God as our guide, the forms of government lose all meaning and vitality.

To hold this guide before us is what I regard as your mission in political life. It has been indigenous to American politics in varying degrees since colonial days, but today it is in eclipse. The future of America and of the American people depends upon the extent to which it can be brought back as the focal point of our Government and politics.

Remedy for the Corn Situation

EXTENSION OF REMARKS

OF

HON. ROBERT D. HARRISON

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. HARRISON of Nebraska. Mr. Speaker, on March 11, 1957, the gentleman from Ohio [Mr. POLK] and I joined in transmitting to Members of the House of Representatives a statement of reasons why our companion bills, H. R. 4555 and H. R. 4589, should be passed. The bills were designed to permit corn farmers to use either 1 of the 2 options on which they voted last December to bring supply into balance with demand. The letter of transmittal and the statement follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 11, 1957.

DEAR CONGRESSMAN: Attached is a brief statement on the corn situation. It urges you to support this Tuesday, March 12, a bipartisan compromise introduced by Mr. HARRISON, Republican, of Nebraska, and Mr. POLK, Democrat, of Ohio (H. R. 4555 and H. R. 4589).

It permits corn farmers to use either of the two options voted on last December to help adjust corn production.

It does not increase costs over the options offered corn farmers by the 1956 act.

It provides a 1957 minimum national base acreage for corn similar to the minimums now in effect for cotton, wheat, rice, peanuts, and some types of tobacco.

It can be put into effect with a minimum of administrative difficulty since it uses the same notices to farmers that were used last December in the referendum.

It is only for 1 year—1957.

It will substantially increase participation in adjustment programs to reduce corn production.

It will help stabilize livestock, dairy, and poultry product prices.

Sincerely yours,

ROBERT D. HARRISON.
JAMES G. POLK.

H. R. 4555 by Mr. HARRISON, Republican, Nebraska, and H. R. 4589, by Mr. POLK, Democrat, Ohio, companion bills, should be passed.

1. They permit corn farmers to use either 1 of the 2 options on which they voted last December to bring supply into balance with demand. This gives the farmers the option of (1) staying within the 37.3 million corn allotment with price support of at least $1.36 per bushel or (2) staying within the 51 million acre soil bank base with price support of $1.31 per bushel with the requirement that an acreage of cropland equal to 15 percent of the base be put into the soil bank. This soil bank acreage cannot be harvested or grazed. This is exactly what the corn farmers were offered in the December 1956 corn referendum for the 1957 program. Sixty-one and five-tenths percent said they preferred the 51-million-acre-soil-bank base with lower supports; 38.5 percent said they preferred the 37-million-acre-corn allotments with higher supports. The law required a 66⅔ majority vote to put the soil bank base approach into effect. Since only 61.5 percent favored this, the present law forces the program back to the old discredited allotment program favored by the minority (38.5 percent). The effect is to allow the minority to deprive the majority of the kind of a program they prefer. The program favored by the majority will get more adjustment for the money spent. A combination of the old and new approach, which these bills provide, authorizes a program to obtain more participation in adjusting corn production in 1957.

2. They do not increase the cost in 1957 of the price-support and soil-bank programs over the options which were offered to corn farmers by the Agricultural Act of 1956.

3. This is not special privilege for corn in relation to other basic commodities since cotton, wheat, rice, peanuts, and some types of tobacco have minimum allotments. Corn does not have a minimum. These minimums permit payments to farmers for price-support and soil-bank participation which otherwise would not be made. Wheat farmers this year would be cut from 55 million acres to 12.4 million acres except for the minimum national allotment. Likewise cotton would be cut from 17.6 to 3.9 million acres this year. It is unreasonable for the law to deny corn a similar minimum and require an acreage cut from 56 million to 37 million in 1 year. In the past, acreage taken out of basic crops has been devoted to the production of feed grains which has substantially contributed to the lower acreage allotment for corn which is holding down on corn participation in the production-adjustment programs. This will help correct the situation without giving special privileges to corn farmers.

4. Farmers have their allotment notices under these programs so that administrative actions to put the programs into effect would be the very smallest possible. This would be the quickest way to put a workable program into effect.

5. They are for 1 year only.

6. This legislation would result in a substantial reduction in corn production in 1957. This will help stabilize livestock, dairy, and poultry product prices.

7. This will help solve the corn problem this year and as soon as the legislation passes we can get to work this year on the bigger problem of balancing feed supplies of all kinds with demands. This latter problem is too big to attempt to solve before corn-planting time. It involves not only corn, grain sorghums, oats, barley, and rye, but also hay, protein feed, byproduct feed, synthetic feed, and pasture. Likewise it involves the whole theory and application of the price-support and soil-bank programs for the so-called basic commodities.

8. It permits both the majority and minority of the corn farmers to have the kind of programs they believe are most desirable.

9. Attached is a list of how each State voted in the referendum.

State	Percent favoring soil-bank program	Percent favoring acreage allotment program
Alabama	89.5	10.4
Arkansas	89.6	10.4
Delaware	88.4	11.6
Georgia	85.9	14.1
Illinois	90.8	10.2
Indiana	74.6	25.4
Iowa	58.5	41.5
Kansas	51.7	48.3
Kentucky	87.2	12.8
Maryland	67.2	32.8
Michigan	75.0	25.0
Minnesota	23.6	76.4
Missouri	47.5	52.5
Nebraska	50.0	50.0
New Jersey	80.7	19.3
North Carolina	78.8	21.2
North Dakota	28.5	71.5
Ohio	71.3	28.7
Pennsylvania	73.9	26.1
South Dakota	27.0	73.0
Tennessee	86.9	13.1
Virginia	50.9	49.1
West Virginia	94.5	5.4
Wisconsin	58.0	42.0
Total	61.5	38.5

Department of Labor and the Department of Health, Education, and Welfare Appropriation Bill

EXTENSION OF REMARKS

OF

HON. JOHN TABER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. TABER. Mr. Speaker, pursuant to the unanimous consent request that I received, I am submitting an extension of my remarks in the RECORD with reference to the bill for making appropriations for the Department of Labor and for the Department of Health, Education, and Welfare. I hope that this might have the earnest consideration of all the Members of the House.

We had a great to-do here last week over a resolution submitted by my esteemed colleague and friend, Chairman CANNON of the House Appropriations Committee.

At the same time that this Cannon resolution recognized that this House "must, in the public interest, make substantial reductions in the President's budget for the fiscal year 1958," it asked our President to show us how to do our work.

And the President, quite properly, tossed the Cannon resolution back in our laps.

Now that we have disposed of it, I think it is about time that we stopped fussing and finagling and settled down to our job of examining this budget. It is only fair to point out that so far this year this House has demonstrated that it does know how to cut an Executive budget in a great bipartisan effort.

If we do not do it this year and we approve the Executive budget as submitted, we will have increased the spending authority of the Federal Government by $16 billion in the last 3 years.

All of us are familiar with the way Federal spending grows. Every year the appropriations for the departments, agencies, and bureaus of the vast Federal establishment are upped—most of them a little, and some by large amounts. And when we are dealing with billions, increases of hundreds of thousands or a million dollars are not too striking.

But I submit, gentlemen, that the overall impact is shocking if we look at the items percentagewise. I have been making some comparisons of the spending proposals in this new budget we are considering with actual expenditure authorizations in fiscal 1955.

The percentage increases gave me a jolt. I think they will startle you, too. For that reason I am submitting some tables that should prove helpful to all of us in cutting these appropriations.

It is not too much to ask that we not only refuse to increase 1958 appropriations over last year but also cut them back to the actual expenditures in 1955.

Public Health Service, funds for research

	1956 enacted	1957 estimated	1958 estimated
General	$5,248,362	$9,477,000	$10,966,000
National Cancer	22,886,042	36,433,000	38,618,000
Mental Health	16,775,701	30,115,000	32,873,000
National Heart	18,065,062	28,163,000	31,001,000
Arthritis	10,534,790	15,474,000	17,284,000
Allergy	6,596,596	13,049,000	15,661,000
Neurology	9,442,261	17,248,000	18,315,000
Dental health	1,303,057	4,635,000	5,000,000
Total (all fields)	90,584,416	155,594,000	170,517,000
Grants for research:			
General	4,865,941	7,979,000	8,456,000
Cancer Institute	9,262,963	18,559,000	20,175,000
Mental Health	3,926,923	8,872,000	10,902,000
National Heart	8,532,500	14,665,000	18,354,000
Dental Health	418,913	2,600,000	2,825,000
Arthritis, etc.	4,809,973	8,140,000	9,537,000
Allergy, etc.	2,596,987	8,212,000	10,624,000
Neurology, etc.	4,244,504	9,130,000	9,750,000
Research fellowships:			
General	548,418	998,000	1,498,000
Cancer	942,137	1,600,000	1,600,000
Mental health	298,997	647,000	647,000
Heart	802,418	1,353,000	1,335,000
Dental health	88,000	500,000	500,000
Arthritis	146,382	300,000	300,000
Allergy	116,827	117,000	117,000	
Neurology	148,900	500,000	500,000
Total	2,779,102	5,397,000	5,897,000
Training grants:			
General research		500,000	500,000
Cancer	2,732,628	4,675,000	4,675,000
Mental health	5,884,237	12,000,000	12,000,000
National heart	2,140,206	4,400,000	4,400,000
Dental		500,000	500,000
Arthritis	964,318	1,800,000	1,800,000
Allergy			650,000
Neurology	1,631,662	3,750,000	3,750,000
Total	14,343,041	27,675,000	28,825,000
Grants for detection, etc.:			
Cancer	2,217,825	2,200,000	2,200,000
Mental Health	2,980,547	4,000,000	4,000,000
National Heart	1,088,031	2,125,000	2,125,000
Total	6,286,443	8,375,000	8,375,000
Cancer, grants field investigations	1,290,280	1,900,000	1,900,000
Direct research:			
Cancer	6,515,417	9,040,000	8,700,000
Mental Health	5,674,008	4,890,000	5,234,000
National Health	6,435,880	5,400,000	5,767,000
Dental health	794,178	1,095,000	1,184,000
Arthritis	4,624,107	5,184,000	5,667,000
Allergy	3,873,142	4,720,000	5,342,000
Neurology	5,216,239	8,408,000	4,315,000
Total	27,363,031	33,100,000	36,422,000

Farm Program Figures

EXTENSION OF REMARKS

OF

HON. GEORGE S. McGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. McGOVERN. Mr. Speaker, one of the most widely held political myths of recent years is the totally false notion that Secretary of Agriculture Benson has been cutting the cost of our farm program and at the same time reducing farm surpluses. It would be more accurate to give Mr. Benson credit for piling up more farm surpluses and wasting more of the taxpayers' money than all the previous Secretaries of Agriculture combined.

The editor of the Mitchell (S. Dak.) Daily Republic in an editorial dated March 13, 1957, has commented as follows on the statistics pertaining to Mr. Benson's operations to date:

FARM PROGRAM FIGURES

Because of the skilled and intensive propaganda campaign that has emanated from the

Republican National Committee and the Department of Agriculture in the past few years, many persons no doubt have the impression that the farmer's financial status has begun to show some improvement and that Secretary of Agriculture Benson has been highly successful in reducing the surpluses of farm products.

That being the case, it should come as more than a slight shock to those persons to read some statistics cited in Representative GEORGE MCGOVERN's Washington Report.

"Since Mr. Benson took over our farm program in 1953, net farm income has dropped from $15.1 billion in 1953 to $11.7 billion in 1956," MCGOVERN revealed. "Government held surpluses have increased from $3.5 billion as of June 30, 1953, to $8.2 billion as of December 31, 1956. Federal costs for supporting farm crops during the past 4 years are 3 times higher than the cost of the entire previous 20-year period."

These are shocking and sensational statistics and certainly would appear to bear the Congressman out in his conclusion that "obviously the Benson farm program has benefited no one with the possible exception of the processors. We can only hope that Congress will support the efforts some of us are making to restore farm income."

The Nasser Problem

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1957

Mr. JAVITS. Mr. President, I am looking very carefully into the economic cost in money and into other possibilities of bypassing the Suez Canal, which I think is the only way, by peaceful means, to bring Colonel Nasser to some terms with the free world and its necessities.

In aid of that effort, I had intended to ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Today and Tomorrow—the Nasser Problem," written by Walter Lippmann, but I am informed that the distinguished majority leader, the Senator from Texas [Mr. JOHNSON] has already presented it for the RECORD.

I do ask unanimous consent that an address I delivered last night to the National Council of Jewish Women here in Washington be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JACOB K. JAVITS, OF NEW YORK, DELIVERED BEFORE THE NATIONAL COUNCIL OF JEWISH WOMEN, SHOREHAM HOTEL, WASHINGTON, D. C., MARCH 20, 1957

The time for a showdown with Colonel Nasser in the Middle East is now. The war of nerves with him is on, and the prestige of the United States and the United Nations is on the line.

In his letter to Prime Minister Ben-Gurion President Eisenhower assured him that "Israel will have no cause to regret" its withdrawal of troops. Now that Israel has withdrawn, I am deeply convinced that she has the full support of the American people on the moral justification of her position.

I believe that the United States and the U. N. have undertaken serious moral commitments involving their good faith and the judgment of the world will be based upon the effort to perform these moral commitments more than on strict legal construction. In this connection, I do not see why it should be taken for granted that Egypt belongs in the Gaza Strip under the armistice agreement of 1949. On the contrary, a very good case may be made out for the proposition that, having violated the armistice by its fedayeen raids, Egypt may not use this agreement now to assert civil jurisdiction, and the area should revert to U. N. disposition as before the armistice agreement.

I think we must understand that in the Mideast crisis the U. N. is facing one of its greatest tests as an agency to maintain the peace and could be seriously damaged for future effectiveness in this area if it fails here.

Expressions about hopes and expectations regarding a settlement of a conflict between Israel and Egypt contained in a joint declaration by United States Secretary of State Dulles and Israel Foreign Minister Meier cannot obscure that hard fact.

Let us never forget that Nasser needs the U. N. far more than the U. N. needs Nasser. Nasser needs U. N. funds to clear the canal and feed the Arab refugees in the Gaza Strip. In dealing with him we should lead from strength; strength that comes from the realization that our position regarding the Gaza Strip, the Suez Canal, and the Gulf of Aqaba is morally right and that Nasser depends on the Suez Canal monetarily in a big way. I sincerely hope that the challenge of Nasserism will be felt in Bermuda, where President Eisenhower, the free world leader for peace, is meeting with Prime Minister Macmillan, of Great Britain, our greatest ally.

If necessary to bring Nasser to terms, I believe we should lead the free world in bypassing the canal. We should assure Great Britain, France, and other large users of the canal that we intend to help them financially to bypass the canal, thereby in effect invoking economic sanctions on Egypt, without U. N. action, if it does not cooperate in maintaining Mid-East peace.

Bypassing the canal presents an analogy with our problems with Iran during the rule of Mossadegh who found that the free world could not be defied indefinitely when it refused to submit to his injustice or exactions. Our country, in the interest of peace, should back the same kind of treatment for Colonel Nasser.

I recognize the budget implications of such a declaration as it probably would involve an estimated underwriting of $250 million a year, but the very reason for budget reduction in other respects is to be able to meet just such emergencies in the maintenance of peace.

The moral commitments of the United States and the U. N. respecting the Middle East are: That the U. N. Emergency Force will remain deployed to separate Egyptian and Israeli land and sea forces at the Strait of Tiran and the Gaza Strip "until it is clear that the nonexercise of any claimed belligerent rights has established, in practice, peaceful conditions." These are the words of United States Ambassador to the United Nations Henry Cabot Lodge on January 28, in the U. N. General Assembly. Also, that "the United States believes that the gulf [of Aqaba] comprehends international waters and that no nation has the right to prevent free and innocent passage in the gulf and through the straits giving access thereto." These are the words of the United States memorandum to Israel dated February 11. Also, in the words of President Eisenhower in his address of February 20, when he said, "the United States as a member of the United Nations would seek such disposition of the United Nations emergency force as would assure that the Gaza Strip could no longer be a source of armed infiltration and reprisals." The three points upon which Israel has always insisted and which were the basis for the "grave and repeated provocations" which brought on the hostilities of October 1956 are: Cessation of guerrilla (fedayeen) raids from the Gaza Strip into Israel; freedom of transit through the Gulf of Aqaba to Israel's port of Elath; and transit on the same basis as other nations for Israel's shipping through the Suez Canal.

It is now clear that Colonel Nasser will not allow, if he can help it, Israel's shipping to move through the Gulf of Aqaba or the Suez Canal, thereby invoking belligerent rights, the nonexercise of which is one part of a moral commitment of the U. N. and the United States. He has already ousted the U. N. from civil administration in the Gaza Strip and is clearly getting ready to oust the UNEF from military responsibilities there, in this way not waiting until peaceful conditions are established, but on the contrary giving every indication of renewal of the Fedayeen raids.

The grave question facing the free world is: What will the United States do? What will we do within and what will we do outside the United Nations to keep the peace in the Mid-East. We are dealing now not with form or verbal assertions but with acts. The U. N., because of the tenuous legal position it has taken that it has a right to be in the Gaza Strip through the UNEF only by the consent of Egypt, is yielding one position after another. Colonel Nasser will obviously persist in pressing every possible opening, and so long as he so persists and if he is successful, the free world must expect the danger of war, vast Communist influence in the Mid-East, the denial of the area to peaceful commerce and ultimately either being held up for the oil resources of the Mid-East which it needs or else having them denied.

Within the U. N., the United States should call for a special emergency session of the U. N. General Assembly to deal with: (1) Backing up the UNEF in its stated mission "to help maintain quiet during and after the withdrawal of non-Egyptian forces" over "an area extending roughly from the Suez Canal to the armistice demarcation lines"; and (2) serve notice on Egypt that if it should attempt to send troops into the Gaza Strip or assert belligerent rights and deny to Israel's shipping transit through the Gulf of Aqaba or the Suez Canal, we should consider that an imminent threat to peace and demand sanctions against Egypt.

Acting outside the U. N. we should also send our own shipping through the Gulf of Aqaba, demonstrating its character as international waters.

We should take the initiative in this situation because the prestige of our country and our own self-interest in maintaining the peace in the Middle East are at stake.

Silberstein's Penn-Texas Compromising National Security?

EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. ALLEN of Illinois. Mr. Speaker, during the last few weeks national attention has been focused on the activities of one Leopold Silberstein and his Penn-Texas Co.'s efforts to take over one of America's fine old companies and one of

our most important national-defense producers. Through the use of squads of high-priced lobbyists working at every level of our Government, and the financial backing of unnamed principals buying through Swiss banks, Silberstein claims he has achieved his goal of taking over the Fairbanks, Morse & Co. What deals he has made with the Swiss banks and the foreign principals we do not know, and the Securities and Exchange Commission has been unable to find out. Even the firms of the New York Stock Exchange which made the purchases for the Swiss banks do not know who the real purchasers are. I am informed that the charges of violations of proxy-solicitation rules against Silberstein and his Penn-Texas Co. at the Securities and Exchange Commission include evasion of disclosure regulations, charges of failure to comply with the information-reporting requirements, charges of failure to disclose who his associates are and what are their true interests, as well as illegal proxy solicitations.

I am also advised that the Securities and Exchange Commission has been investigating these charges for some time but, as of now, has done nothing.

In the meantime, the annual meeting of the Fairbanks, Morse & Co. will be held on March 27 and Mr. Silberstein tells the public in paid advertisements that he is set to take over. If Silberstein ousts the Fairbanks, Morse management and takes over with his undisclosed associates who operate through Swiss banks, it will be too late for any effective action to rectify any violations of law that may have occurred.

Fairbanks, Morse & Co., as the builder of components so vital to the national-security program that they cannot be mentioned, will be in the hands of Penn-Texas whose interests have always been in overnight profits. The interests of Silberstein's associates who act anonymously through Swiss banks are not known.

Should the Congress and the Securities and Exchange Commission stand on the sidewalk while this sinister parade marches by or should we not be doing something now, before it is too late, so that our vital national interests are not being compromised?

The Importance of Action by the 85th Congress To Assist Small and Independent Business

EXTENSION OF REMARKS

OF

HON. WILLIAM C. CRAMER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. CRAMER. Mr. Speaker, there has been much said about relief to small business during the past few months and many efforts by various executive branches of Government have been made to assist this vitally important segment of the American economy. Perhaps the major move to bring real aid and not just conversation is the introduction of several bills, including my own (H. R. 5986), which would bring about methods of tax relief to small businesses with taxable incomes under $150,000 a year by amendment of the Internal Revenue Code.

Small-business concerns today, and there are over 4 million in the United States, face a future that is neither bright nor conducive to the expansion of this traditionally independent and important part of the Nation's great backbone of manufacturing and service trades. It is imperative that such conditions should be improved through the efforts of the 85th Congress.

In the bill that I have introduced revision of existing laws would be made to provide for the growth, expansion, and modernization of independent business enterprises engaged in trade or commerce. This would be achieved by methods of tax computation that would bring them nearer to a par with larger corporations when endeavoring to utilize capital assets to finance operational and expansion borrowings. Participation of family-sized farms and agricultural interests is also provided in the proposals of my bill.

The most logical and practical method of immediate relief for the widest segment of small business is through tax relief. In only this way can we strike at the heart of the problem of the many small-business men of the Nation. They must have direct tax relief that will overcome the fluctuations of income and resultant onerous burdens imposed by present Federal taxes.

The table of exemptions proposed in my bill allows for certain expenditures to be treated as not chargeable to the capital account within certain limits. Allowable expenditures would include construction, erection, installation, improvement, or aquisition of any facility, land, building, machinery, or equipment used in the business.

The following table explains limitations of these deductions:

If taxable income is:	The limit is:
Not over $10,000	50 percent of taxable income.
Over $10,000 but not over $25,000.	$5,000, plus 40 percent of excess of taxable income over $10,000.
Over $25,000 but not over $50,000.	$11,000, plus 30 percent of excess of taxable income over $25,000.
Over $50,000 but not over $100,000.	$18,500, plus 20 percent of excess over $50,000.
Over $100,000 but not over $150,000.	$28,500, plus 10 percent of excess over $100,000.

The expenditures so treated shall be allowed as a deduction.

Other sections of the bill would allow for further election on the part of the taxpayer in filing returns and provide incentive for the investment of private capital in small business.

It is most demanding on this 85th Congress that concrete action to relieve the distress of the small-business man be taken. I urge such action both in the committee and on the floor of the House.

Court Decongestion

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. PHILBIN. Mr. Speaker, under leave to address the House and revise and extend my remarks, I desire to comment briefly upon a very impressive article recently appearing in the Journal of the American Judicature Society by the Honorable Irving R. Kaufman, able and learned judge of the United States District Court for the Southern District of New York on the subject of Calendar Decongestion in the Southern District of New York. This fine article elaborating on the encouraging results achieved in relieving court calendars in New York is timely indeed.

It will be generally agreed, I believe, Mr. Speaker, by lawyers and all those interested in our great judicial system that the most important function of our courts is to dispense prompt and speedy justice.

Of late years, we have witnessed throughout the Nation the unpalatable spectacle in many of our courts of litigants who are forced by calendar congestion to wait for several years for the trial of their cases.

From time to time the Congress has recognized these undesirable conditions by providing additional judges for the hard pressed Federal judiciary. We have also taken action to provide additional facilities and personnel and make other improvements in the administration of the Federal courts.

It can be agreed, however, that congestion and delay in the trial of legal causes is not confined to Federal courts alone, but is present in many of our State and district courts.

Judge Kaufman's article outlines with considerable particularity effective measures which have been pursued by the judges and the bar of the southern district court in New York to combat court delays and congestion. The striking thing about these measures enumerated in Judge Kaufman's elucidation is that they have apparently been so successful and effective in clearing the court calendar of deadwood and expediting early trials in probably the busiest judicial district in the country.

The results achieved by the learned judges and the bar of this district would seem clearly to indicate that there is an available, practicable remedy for stultifying court congestion. If this remedy has been so successful in one district, there is no reason why it cannot be equally successful elsewhere. I think that the judges of this court are to be particularly congratulated upon their resourcefulness and the ingenuity which they displayed

U. N. have undertaken serious moral commitments involving their good faith and the

branches of Government have been made to assist this vitally important segment

Texas Co.'s efforts to take over one of America's fine old companies and one of

congratulated upon their resourcefulness and the ingenuity which they displayed

in conceiving and carrying out this ameliorative program, as well as for the ability, tenacity, and persistency which characterized their action.

To be sure, in principle most of the techniques employed are not novel. They have been suggested and tried before in some places. But the particular organization and timing and application of these techniques, coupled with the vigor, intensity, and drive manifested by the judges, as well as the splendid cooperation of members of the bar, present a pattern in the field of efficient court administration which may well be emulated.

I can wholeheartedly commend to every jurist, lawyer, student, and person interested in our American system of justice the reading of this excellent article. It contains much food for thought for the legal profession and for the courts everywhere, as well as for harassed litigants, and is a definite contribution to the solution of one of our most vexing problems of legal administration. I hope that other States and districts will benefit from this salutary program and thus bring nearer our ideal of speedy justice in the courts.

Military Public Land Withdrawal Report: H. R. 5538

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. ENGLE. Mr. Speaker, the House Interior and Insular Affairs Committee, which I have the honor to serve as chairman, is today filing its report on H. R. 5538, a bill "to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes."

The report of the committee reflects the conclusions and findings which result from a total of 28 hearing and legislative markup days which my committee devoted to this matter in the past 18 months, and reaffirms the wisdom of the House in passing without a single objection, in the 84th Congress, the predecessor to the reported bill.

Under permission to extend my remarks, I take this opportunity to include hereafter an extract entitled "Summary of Committee Action and Findings," taken from the committee's report on this urgently needed legislation. I trust that the House will take early action, through approval of H. R. 5538, to recapture to the Congress—in light of the findings of our committee with regard to military public land withdrawals—its constitutional responsibility under the property clause for direct Congressional control of these matters.

SUMMARY OF COMMITTEE ACTION AND FINDINGS ON MILITARY PUBLIC LAND WITHDRAWALS

On the record made by this committee in a total of 28 hearing days and legislation markup sessions spanning the last session of the 84th Congress and the first 9 weeks of this Congress, the House Committee on Interior and Insular Affairs believes that the findings hereinafter set out are established.

1. DEFENSE HOLDINGS, PENDING REQUESTS

Twenty years ago—in 1937—defense agencies of the United States controlled a total of 3 million acres of real property, for all defense purposes.

Today, the total is more than 30 million acres in the United States and Alaska; if all pending defense applications for public lands had been approved, then defense agencies would today control nearly 40 million acres of real property in the United States and Alaska, of which 23.6 million acres would represent withdrawn public lands.

2. RATE OF DEFENSE LAND ACQUISITION

In the 18-month period preceding June 30, 1955—a period of 547 days—agencies of the Department of Defense acquired land at the rate of more than 5 acres per minute every minute of the day and night. Had the applications totaling 8.7 million acres pending been approved between that date and January 1, 1957, the rate of defense agency public land acquisition alone would have been at a rate in excess of 11 acres per minute.

3. "FREEZE" ON EXECUTIVE WITHDRAWALS

In view of the sharp upturn in Defense Department land acquisitions, and in view of the fact that all such withdrawals were finalized within the executive departments by executive action (Defense requests, Interior approved), the committee chairman, Representative ENGLE, on October 29, 1955, after consultation with ranking committee members on both sides, addressed a letter to the Acting Assistant Secretary of the Interior for Public Land Management requesting that further approvals be withheld until the committee could initiate an inquiry into policies and procedures governing defense withdrawals.

Interior agreed to withhold approval of pending requests, and urged early committee study of the matter in the 84th Congress. Since October 29, 1955, less than 40,000 acres of public land have been withdrawn for defense purposes.

4. DEFENSE WITHDRAWAL CONTROL LEGISLATION

After extensive hearings during the 2d session of the 84th Congress, the committee developed legislation aimed at returning to the Congress direct control of future defense agency withdrawals of public lands, with both Defense and Interior agreeing that except in cases of most urgent necessity, none of the pending applications would be approved until the control legislation had been disposed of by the Congress.

H. R. 12185, the bill reported in the 84th Congress, passed the House on July 26, 1956, without a dissenting vote and after receiving unprecedented support from official State agencies of 29 States, from all major national conservation groups, from numerous regional and local groups, organizations, and individuals and in very large measure the support of the Department of the Interior and the Department of Defense.

House Report No. 2856 (84th Cong., 2d sess.), which accompanied H. R. 12185 to the House set out in detail the findings and conclusions which formed the basis for the unanimous recommendation of the House Interior and Insular Affairs Committee for early and favorable House action, which came too late for Senate consideration of the measure.

The bill also unanimously reported by the committee herewith is in all essentials the bill approved by the House in the 84th Congress, with some language changes made for greater clarification as to scope and procedure.

In addition to requiring an act of Congress before defense land acquisitions exceeding 5,000 acres take effect—including public lands of the United States, Alaska and Hawaii, outer Continental Shelf lands and Federal lands, and waters off the coasts of Alaska and Hawaii—the bill operates to: make applicable to all military reservations and facilities the hunting, fishing, and trapping laws of the State or Territory in which such installation is located; redefine the responsibility of the Secretary of the Interior with respect to Defense-held public lands found surplus to Defense needs; and to clarify the existing law with respect to disposition, management, and control of the mineral estate in Defense-held public lands.

The findings of the committee in the past 18 months underscore in the committee's view the urgent need for enactment of H. R. 5538.

5. DEFENSE AGENCY CONTROL PROCEDURES

The record made by the committee constitutes a severe indictment of central control procedures in the Military Establishment in nearly all phases of public land acquisition, utilization, and management over a period spanning many years. It appears that the 800 percent jump (from 3 million to more than 28 million acres) in total military land holdings from the War Department days of 1937 to the creation of the Department of Defense in 1947 was made by independent actions of the military departments—the Army, Navy (for the Navy and Marine Corps), and Air Force—without benefit of centralized control procedures. Further, that until August 27, 1954, the record shows Defense had cleared without question applications for withdrawal of millions of acres of additional lands solely on the basis of an asserted need by the requesting military department. In turn, the Department of the Interior—responsible for finalizing all public land withdrawal orders—had for years approved application after application on the basis of Defense Department requests, since Interior was without authority or the technical data needed to challenge them.

The consequences of this procedure, until August 27, 1955, when Defense for the first time issued a Departmentwide directive establishing a comprehensive periodic reports control procedure, are best indicated in the following sections.

6. TEMPORARY WITHDRAWALS BECOME PERMANENT

During the 6-year period 1939–45, more than 13 million acres of public lands were withdrawn or reserved by Executive action for the use of the military. By the terms of the orders which set aside these lands for the military, they were to automatically revert to public land status 6 months after the unlimited national emergency; the unlimited national emergency terminated April 28, 1952, and the 6 months' plus period expired October 28, 1952.

Yet, on February 20, 1956, a total of 49 of these temporary withdrawals—made from 11 to 17 years earlier—embracing 11.9 million acres, and located in 10 States and Alaska, were still in effect.

7. DEFENSE AGENCY POSITION, JANUARY 1956

The testimony of the Departments of Defense, Army, Navy, and Air Force with respect to the more than 30 million acres held in the United States and Alaska as of January 1, 1956, and with respect to the 8.7 million acres' worth of applications which had already been approved by them and by Defense was, in effect this: All of the land

held as of that date is needed and is being used under maximum multiple purpose use, and all of the land under application is needed.

Defense Department witnesses did concede that the results of the August 1955 directive might modify these positions. The modification—in dollars, acres, resources, and deficiencies revealed—has been staggering.

8. IMPROVED PROPERTY FOUND EXCESS, 1956–57

After the January 1956 testimony of Defense the first of 2,158 reports on that number of Army, Navy, and Air Force installations began to flow into Defense under the 1955 utilization directive.

As of February 2, 1957, with approximately 66 percent of the reports in, but with only about one-third of the total to be received evaluated, Defense found that 1,056,083 acres of land, together with improvements costing $345.2 million, were excess to the requirements of the military department having custody and control. It should be emphasized that 18,300 acres which cost about $230 million represents industrial property recommended for disposal, subject to a national security recapture clause.

It will be seen that if the reports evaluated to date are representative, the ultimate finding of surplus improved property (industrial and nonindustrial) may reach 3 million acres with an initial cost of more than $1 billion. From the standpoint of this committee's particular interest, the significant figures are more than 1 million acres with improvements, but representing nonindustrial property, which cost originally $125 million.

9. MILITARY DEPARTMENT CONTROLS

The committee's tentative conclusion in its 1956 report that "serious deficiencies" were indicated in defense agency control procedures, in retrospect, appear to have been fully justified, if unduly cautious.

The committee has pointed out in its report that of the three military departments, Army, Navy, and Air Force, as of February 2, 1957, only the Department of the Air Force had submitted to Defense utilization reports on all of its properties (701 properties, 701 reports), while Navy had submitted about 30 percent (242 of 962), and Army about 90 percent (428 of 470). In turn, Defense had evaluated only about 30 percent of the total reports to be received.

It has also been noted that only the Department of the Air Force had, as of the close of the committee's hearing record, completed a detailed review of its range holdings, real property policy, multiple resource policy, and fishing and hunting policy. It has also been noted that the Air Force Board, under the chairmanship of Maj. Gen. Leland S. Stranathan, found that as of October 9, 1956:

(a) Instructions governing Air Force ranges were "incomplete, obsolete, and complex."

(b) No valid criteria existed for determining range sizes.

(c) Regulations as to multiple use on Air Force ranges "do not announce clear-cut policy with regard to the desirability of permitting or encouraging hunting, fishing, grazing, agricultural and mining activities."

(d) Regulations governing hunting and fishing are "divergent and complex."

(e) A total of 9 Air Force ranges in 8 States, and embracing 5.1 million acres of land, had been "without justification" closed to general hunting and fishing.

(f) There is no policy guidance in regulations regarding the desirability or undesirability of leasing Air Force rangelands for grazing and agricultural purposes.

(g) A total of 12 Air Force ranges, embracing more than 6.7 million acres in 10 States, had been closed to grazing or agriculture "without justification." (As the committee noted, in its report, applying nationwide Bureau of Land Management grazing averages, such an area would have a theoretical, potential carrying capacity for more than 67,000 cattle and more than 420,000 sheep, per year.)

(h) Finally, and of greatest import, the Board found on October 9, 1957, that about 40 percent of the 14.4 million acres of land held by the Air Force and described 9 months earlier before the committee as "fully utilized and needed for the foreseeable future"—5.7 million acres—were, in fact, excess to current and long-range Air Force requirements as bombing and gunnery ranges; thus, an area equal in size to a strip of land 2.8 miles wide from New York to San Francisco, held but excess.

The committee has no basis for any conclusion as to whether the findings of the Stranathan Board with respect to Air Force holdings are representative of the situation throughout the military departments. It does here reiterate its unqualified conviction that no additional public land withdrawals should be finalized—except in cases of most urgent necessity, and then only subject to revocation thereafter if dictated by the results of studies not yet completed—until the Defense Department has reviewed the Stranathan Board findings, and until Defense has in turn insisted on development of similar internal reports on the part of the Departments of the Army and Navy to be followed by detailed scrutiny and evaluation of both at the Defense level.

10. INCALCULABLE WASTEFULNESS

The commendation of the Air Force Board in the body of this report for the Board's forthright and direct assault on Air Force internal control procedures, and the highly critical and constructive self-analysis resulting will not, of course, obscure the clear message in the findings. The record of this one military department's analysis of its own operations is, in the committee's view, a recitation of incalculable wastefulness—of taxpayers' dollars, of resources within the reservations marked "closed" for so many years to public multiple use and enjoyment, and of unquestionable but immeasurable damaging effect to the local economies from which each unneeded or unused acre was carved.

11. LOST: 303,000 UTAH ACRES

Reference to one other finding should serve as an exclamation point to the committee's plea for early enactment of legislation which will provide a basis for review of military land requests by the Congress.

For 15 years—from 1942 until at least last month—the Air Force has controlled, but admittedly they had never used an area of approximately 303,000 acres of land in western Utah, held in conjunction with Wendover Bombing Range. When pressed for an explanation as to why this 500-square-mile area (more than seven times the size of the entire District of Columbia) had not been used, Air Force witnesses said that it could not have been used because it was traversed on the surface by a major railroad, highway, and pipelines, and overhead by a commercial airway.

In turn, when asked why it had not been released 15 years ago if not used and admittedly not usable, the Air Force witness made it clear that the Air Force did not know it controlled the area, with this explanation:

"I think there may be an explanation of that. I know when I first looked into it, it just did not occur to me that we would own land in a bombing and gunnery range under a commercial airway * * *. I think that is probably what beclouded the issue, that the airway was plotted across the map and one would not think of looking for land under it."

12. NAVY NEVADA LAND

The committee has, in the body of the report, brought up to date the developments on the request of the Navy for withdrawal of some 2.8 million acres of land in northern Nevada for use as a gunnery range, and the decision, after many months, that Navy would instead satisfy the bulk of its requirement by using the nearly 2 million acres in southern Nevada declared excess on March 1, 1956, by the Air Force.

It appears that by reason of this decision, to the northern Nevada economy there will be saved within the proposed area all or most of the inheld 35 ranches (ranging in size from 200 to 19,000 acres); 22,400 cattle and 14,000 sheep grazing in the area; 142 patented mining claims, 1,609 unpatented mining claims, and several millions of dollars worth of operating mines, and a priceless wildlife habitat for antelope, mule deer, sage hens, and chukar partridges.

13. MILITARY HUNTING AND FISHING

The committee has noted the very substantial progress made in the matter of military-local relationships on hunting and fishing during the past year, with a number of specific accomplishments listed in the body of the report. It is clear, however, that there remains some validity in the assertion that "exclusive military hunting preserves" still exist.

There has been set out in the body of the report, in some detail, the views of the committee in opposition to the present practice of the "guest of the military" approach, as well as its views on the privileged status of retired military personnel, visiting military personnel, temporary duty military personnel, and various classes of dignitaries—including Members of Congress—all or some of whom are listed as entitled to hunting and fishing privileges on all or some of the Army's installations. The committee believes that this principal remaining questionable practice should, and can be, reevaluated throughout the military departments where it prevails.

14. THE MILITARY AND PETROLEUM RESOURCES

The report of the committee has dealt, at several points, with the effect of the military overwater or offshore range policy on petroleum resources. Reference has been made specifically to the committee's position on San Nicolas Island, Calif. (pp. 50–51, supra), and on the Navy's insistence on retaining intact the existing W-92 warning area in the Gulf of Mexico off Louisiana (pp. 51–55, supra). It is believed section 6 of H. R. 5538 effectively lays to rest the San Nicolas matter.

The combination of intractability of the Navy in the matter of the W-92 withdrawal area with the unwillingness or inability of the Department of the Interior to act, and the failure of those responsible in the Executive Office of the President to settle a months-old Defense/Navy-Interior clash, is simply incomprehensible, for the reasons the committee noted in the body of the report on this subject.

This multiple inaction at the Executive level does, however, afford an opportunity for early and decisive disposal by the Congress of the matter, in keeping with the basic objective of recapturing to the legislative branch its too-long-abandoned constitutional responsibility under the property clause.

The statistical effect of permitting Navy's use of 800,000 acres of the shelf lands overlaid by the W-92 Navy warning areas is this: The taxpayers of the United States are being asked to pay outright (through revenues not received from oil leasing) about $250 per surface acre of saltwater airspace over the Gulf of Mexico for asserted naval gunnery needs—when the same Navy controls more than 16,000 square miles (13.2

million acres) of other warning areas in the Gulf of Mexico and has had designated there an additional 10,000 square miles (8.8 million acres); further, that the Navy already controls or has had designated warning areas totaling 236,000 square miles (199.7 million acres) in surface area off the Atlantic and Pacific coasts.

The committee—failing action before House disposition of H. R. 5538—stands ready to propose an amendment aimed at resolving the W-92 matter.

15. "SUPERRANGE" PLAN DISCARDED

From testimony of witnesses representing the Atomic Energy Commission, Air Force, and Navy in 1956, the committee had expressed concern at the proposal to carve out of public domain a new joint-use "superrange" for ballistics-testing purposes in the vicinity of Albuquerque, N. Mex. From testimony last year, it appeared this range might require as much as 10,000 square miles in one piece (an area 100 x 100 miles on its extreme axis), or roughly 6 million acres.

Decision of the Air Force to obtain use of the airspace and of non-federally-owned lands of lesser area, within and over the Navaho Indian Reservation, and on terms satisfactory to the tribe, is applauded by the committee as an alternative to the original, and tentative plan.

16. SUMMATION OF TODAY'S DEFENSE NEEDS: "CUBIC MILES"

The technological advances made in development of our modern utensils of war have outmoded traditional concepts of military land acquisition, management, and control—just as they have made obsolete, over the years, what were called at the height of World War II conventional weapons concepts.

In an age of high-speed, high-altitude, and pilotless aircraft, of ground-to-ground, ground-to-air, air-to-ground and air-to-air atomic and hydrogen projectiles and missiles, it appears that the United States Defense Establishment had concentrated so much—and so effectively—on the operations aspects of its collective missions that it had at the same time largely ignored updating the procedures and policies governing acquisition, management, utilization, and control of real property deemed necessary to carry out these missions. Put another way, while policies for carrying out the basic defense mission advanced to a supereffective point, policies for assuring vital domestic land and related resources were permitted to remain outmoded, wasteful, stifling to resource development, decentralized, and ineffective.

We have said that if all pending Defense applications were approved today, then Defense agencies would control nearly 40 million acres of land surface area in the States and Alaska, and at the same time they would control inland and offshore airspace overlaying a surface area aggregating an astronomical 602,000 square miles (388.9 million acres). The answer to the 1956 plea of this committee that Defense agencies should get out overwater with their ranges is clear: they're already there.

It is clear to this committee, then, that military use requirements today must be thought of in terms of both horizontal and vertical needs. While the concern and jurisdiction of this committee is limited to the former, and then only where public lands are involved, the committee believes that it is absolutely vital that continuing reevaluations be made of Federal legislation and administrative controls governing the assignment and use of airspace, which does involve the latter.

As reported above, the committee believes that very substantial progress has been recently made by Defense agencies in the direction of vastly improved real property procedures, which involves horizontal needs; it is possible that similar studies of Defense airspace, or vertical needs, would achieve similar results. This is so because the record made in the 84th Congress and in this Congress makes it clear that, where we spoke of military acres pre-World War II, and military square miles by 1945, today those requirements can only be adequately described in terms of cubic miles.

Annapolis, Md., High-School Students Do Something To Improve Foreign Relations

EXTENSION OF REMARKS

OF

HON. RICHARD E. LANKFORD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. LANKFORD. Mr. Speaker, at times I have felt that in our efforts to improve relations with other countries we are too much concerned with governments and not enough with people. Sometimes we forget that it is vitally important to our foreign relations that peoples of other nations as well as governments understand us, how we live, our hopes and aspirations, among other things. It is easy to talk about how we can foster understanding between peoples of the United States and peoples of foreign countries. Frequently, somebody does something concrete about it. I am proud to say that the student body at Annapolis High School in my district is doing something concrete about it. The students are working on a project that will help build understanding and friendship for the United States overseas, and I understand they are doing a good job of it.

The other day I received this letter:

I thought you might like to have a look at the attached special issue of a student newspaper published at the Annapolis High School in your district.

The idea for this project came to me as a result of the Agency's experience and success in suggesting similar publications in American colleges and universities. I wondered whether or not this could also be achieved at the secondary school level. As you can see, the Annapolis High School has done a very creditable job. The issue is designed specifically for high-school students in the city of Karachi, Pakistan, and I am now awaiting comment from our Embassy regarding its impact among the Pakistani students.

You may also, I think, take some pride in knowing that this is the first high school in the country, to our knowledge, which has engaged in precisely this type of project. The headmaster of the school has just written my office requesting guidance for the next issue for Pakistan. They plan to publish at least four separate issues each year.

Sincerely yours,

JOHN M. BEES,
Deputy Director, Office of Private Cooperation, United States Information Agency

Since I received this letter, the students have published their second special edition and this is now on its way to Pakistan.

In these newspapers, our Annapolis students tell about life in America—in school and elsewhere. In the first issue in December, for example, there were articles about classes, about the subjects studied, and how the young people dressed. Other articles told about how our courts work in a democracy, the meaning of freedom of the press, and brief history of school sports.

The February issue continues to give background about American life including articles about family life, recreational activities of teenagers, and historical facts about Maryland and Annapolis.

Both papers carry friendly greetings to students in Pakistan. It is hoped that the high schools of Karachi will be able to prepare a counterpart newspaper which will provide our youngsters with similar information regarding life and work in Pakistan.

It is with pride that I tell about this accomplishment of our students at Annapolis and the leadership they are giving to young people in building friendship overseas. I hope Members of the Congress will bring this kind of activity to the attention of schools in their districts so that their students may also join in this worthy endeavor.

Celebration of 50th Anniversary of Tivoli Hotel

EXTENSION OF REMARKS

OF

HON. JOHN M. ROBSION, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. ROBSION of Kentucky. Mr. Speaker, last November one of my distinguished predecessors in this body, Hon. Maurice H. Thatcher, who represented the Louisville, Ky., District for 5 terms—1923–33—was the recipient of a very pleasing and honorable recognition. He is the only surviving member of the Isthmian Canal Commission—1910–13—during which period he also served as civil governor of the Canal Zone. There are some who are yet serving their constitutencies in the House who recall his services here with respect and esteem. From time to time since his retirement from Congress, statements of the high character of his public service and of his continuing activities for the public welfare have been voiced here, in one or another form, and gone into the permanency of the CONGRESSIONAL RECORD. All of us who know him are very much gratified that he is yet active and effective in various fields of usefulness.

Just now I have in mind the fact that in November 1956 in response to the invitation of the Governor of the Canal Zone, Gen. William E. Potter, he and Mrs. Thatcher voyaged to the Isthmus of Panama and there spent several days as the guests of the Canal Zone Government. The ship that carried them was the *Cristobal*, whose master was Capt. Charles L. Foley, a most capable navi-

gator and a fellow Kentuckian of the Thatchers.

On the Isthmus Governor Thatcher participated in the celebration of the 50th anniversary of the world-famous Tivoli Hotel, located in Ancon, C. Z., immediately adjacent to the city of Panama. On that occasion he was the guest of honor and principal speaker at the celebration, and both he and Mrs. Thatcher were warmly received—not only at the celebration itself, but, as well, everywhere they went in the Canal Zone and Panama.

Those in charge of the celebration provided a very interesting program, featured by talks by oldtimer Fred de V. Sill, who introduced Governor Potter; Governor Potter, who offered a word of welcome to the assemblage and presented Governor Thatcher; and the latter, whose subject was Reminiscences.

The Tivoli Hotel has played a very important part in the construction, operation, and maintenance of the Panama Canal. It was erected in 1905–6 because of a most urgent situation. Chief engineer of the canal project, John F. Stevens, in his characteristically vigorous manner, under due authorization undertook in August 1905 the building of a hotel at Ancon. It is recorded that the name selected for the structure, "Tivoli," was derived from the famous Tivoli Hill—one of the seven in Rome. The work was speeded, not only because of the general need involved, but also for the very special reason that President Theodore Roosevelt in the latter part of June 1906 had indicated he would visit the isthmus in November of that year. When President Roosevelt arrived on the isthmus in November, he and Mrs. Roosevelt—who accompanied him—were assigned to quarters in the uncompleted hotel; which quarters ever since have been known as the presidential suite. Henceforward, for a half century the Tivoli Hotel—more recently known as the Tivoli Guest House—has furnished most satisfactory accommodations for the thousands of its patrons, including some of the most famous people in the world. Throughout the years the Tivoli Hotel has been, indeed, one of the most famous hostelries of the Western Hemisphere. As a guest house, the Tivoli no longer is operated for commercial purposes but is maintained for the direct use of canal officials and employees, and others visiting the isthmus in formal capacities. The newly constructed and ultramodern hotel, El Panama, in Panama City, now furnishes accommodations for the general public.

Following the talks by Mr. Sill, Governor Potter, and Governor Thatcher, the program dealt with well-acted skits of interesting historic events occurring during the life of the hotel, in which the actors were chiefly young people of the Canal Zone. A splendid musical program was rendered by the Balboa High School Concert Band and the chorus of Canal Zone boys and girls of the Balboa High School Glee Club.

The President of the Republic of Panama, the Honorable Ernesto de la Guardia, and Senora de la Guardia, were among the large number present. The assemblage—made up of the residents of the Canal Zone and the Republic of Panama, the armed services and members of the diplomatic corps—was most impressive. The following is quoted from the printed program:

Maurice H. Thatcher, member of the Isthmian Canal Commission from 1910 to 1913, is loved and respected by the people on both sides of the Panama Canal Zone border.

Although his direct connections with the Panama Canal were severed over 40 years ago, his interest in its affairs has been as keen over these years as that of the most enthusiastic employee.

His present visit to the isthmus to participate in this significant anniversary program is one of several trips to his second home he and Mrs. Thatcher have made since 1913.

Mr. Thatcher served 10 years, 1923–33, in the United States House of Representatives from Kentucky. During this time he devoted much attention to Panama Canal affairs, sponsoring legislation for the ferry and highway to the interior of the Republic which bear his name.

An author and poet, Mr. Thatcher has written many well-known poems dealing with the canal and its people.

Regarding the celebration and the visit of the Thatchers, the following news story was carried in the December 7, 1956, issue of the Panama Canal Review, official organ of the Panama Canal Company and Canal Zone Government:

It was a real nice party, and the Tivoli would be the first to say so, if it only could. After all, 50th birthdays are something special, even if the celebrant is a hotel.

On hand to help with the celebration was one of the oldest oldtimers of them all—Maurice H. Thatcher, of Washington, D. C., the only member of the Isthmian Canal Commission still living. He and Mrs. Thatcher, who were given the Roosevelt suite for their stay here, enchanted young and old with their spryness and interest in the isthmus.

Also on hand was the Canal Zone's top-ranking good neighbor, President Ernesto de la Guardia, Jr., of Panama, who came accompanied by his wife and some of his official family and who seemed to enjoy thoroughly every minute of the birthday party.

The printed program furnished the following interesting text about the Tivoli Hotel:

Now the oldest public building in the Canal Zone in use, the Tivoli Guest House observes its 50th birthday in the grand manner which the anniversary and the institution deserves—with a salute and a toast from its friends, old and new, far and near.

The Tivoli—its name, the building, and its guests—has been intimately connected with the stirring events of the history of the Panama Canal. Its broad verandas, its spacious public rooms, and its commodious living quarters all echo the sounds of exploding dynamite, of rattling dirt trains rolling out of Culebra Cut, and of a quarter million ship whistles which have followed the dirt trains.

There is little of the prosaic about the Tivoli and these facts are little needed on this festive occasion.

Let us savor the memories that its corridors hold. Let us salute an old friend on a significant birthday.

Governor Thatcher, in his address, after thanking Governor Potter and his family for the invitation to Mrs. Thatcher and himself for the courtesies being accorded them, spoke of the gratification he felt because of the popularity Governor Potter and his family had achieved in so short a time following his selection for the post. Thereupon, he spoke in a reminiscential mood, with respect to the Tivoli Hotel and the canal construction era; and took occasion to address directly President de la Guardia and Governor Potter with regard to the many problems arising between Panama and the United States through the administration of the canal, and ventured to emphasize the importance of careful consideration and mutual understandings necessary for the solution of any differences which might arise. This, it may be added, is the spirit in which these two distinguished officials are acting.

An interesting article in regard to the celebration appeared on the following day, November 16, in the Panama American, the afternoon Spanish-English daily of Panama City, as follows:

NO ROOM ON FRONT PORCH AS CROWD PACKS TIVOLI

Almost everybody was to be seen at the Tivoli last night. So much so that regular residents could hardly find a seat out on the big front porch.

The President and his lady came early. Already on hand to welcome them were the Governor and his lady, and their daughter.

Maurice H. Thatcher, who served on the Isthmian Canal Commission when the waterway and the Tivoli were young, was the chief speaker for the hostelry's 50th birthday party.

Mrs. Thatcher, who accompanied her husband from Washington, was also an honored guest.

Frederick De V. Sill, a distinguished hero of World War I and a retired employee of the canal made the introductory remarks. Hundreds of people had worked to make the Tivoli celebration the roaring success it was. Among them was Phil Thornton, who served as a general coordinator.

Playing seven stirring marches and songs that were first played on the isthmus at Isthmian Canal Commission band concerts, the Balboa High School Band set the fast pace for the party. They wore costumes reminiscent of the pre-1911 era.

Gov. William E. Potter welcomed the guests, speaking in the role of President Theodore Roosevelt, whose impending arrival at the Tivoli in 1906 caused it to be rushed into readiness.

Still speaking as Roosevelt, Potter greeted "President Manuel Amador Guerrero," Panama's first President, in the person of President Ernesto de la Guardia, Jr.

Thatcher struck an international chord in his address. Voicing his delight at being back on the isthmus, he said to President de la Guardia:

"I am sure, Mr. President, that you will find in Governor Potter and he in you that desire to cooperate and work in mutual regard toward the relationship which destiny has brought in our two countries."

This morning Thatcher and Mrs. Thatcher paid a call on the President and the First Lady at the Presidencia.

Last night's crowd gave an enthusiastic reception to the musical narrative, "Out on the Big Front Porch," written and produced by Donald E. Musselman and Victor A. Herr.

* * * * * * *

The crowd at the Tivoli was estimated at more than 1,200. Seats had been arranged for slightly over 600 in the ballroom; several hundred more persons were sitting or standing in the lobby, bar and grille.

One estimator said: "If the Tivoli stood up under that crowd, it ought to last another 50 years."

H. J. Chase, manager of the Tivoli Guest House, reported that light refreshments were served to about 1,000 in the dining room after the formal program.

* * * * *

Zonians were delighted by familiar references in the script for "Out on the Big Front Porch." Frequent laughter greeted well-known names, and one woman who had lived here for many years was heard to say, repeatedly, "That's right; that's exactly how it happened."

A good many of those who attended the program took the trouble to tell members of the committee how much they had enjoyed it. One of the nicest compliments: "There was more friendliness and more neighborliness at the Tivoli party than there has been at anything held here for years."

Also, on November 16, the Star and Herald of Panama carried the following story of the celebration:

THATCHER STRESSES REPUBLIC OF PANAMA-UNITED STATES COOPERATION AT TIVOLI FETE

The old walls of the Tivoli Hotel echoed last night to the voice of time, speaking 50 years ago through the sons and daughters of the generations who saw the world go by, out on its big front porch.

There was one voice with the authentic ring of an oldtimer. It was that of Maurice H. Thatcher, only surviving member of the Isthmian Canal Commission, and special guest at the celebration of the 50th anniversary of the world-famed hostelry.

"If these venerated walls could speak," he told an audience of Isthmians—young and old—who packed the Tivoli ballroom, "what stories they might tell and what inspiration they would bring to those who might listen."

And some of the stories were told—and sung—last night. A superb 50-minute musical narrative, Out on the Big Front Porch, written and produced by Donald E. Musselman and Victor A. Herr, inspired the audience—the oldtimers who helped make the heyday of the Tivoli, the present generation which still enjoys its quiet atmosphere, and the new generation that looks upon it as a storied landmark.

The reminiscent mood was set from the start by Fred De V. Sill, himself an oldtimer, who acted as master of ceremonies. It began with his story about the carometta driver who was asked to drive to the casa loco (the old insane asylum at San Juan Place) and replied, "Oh, yes, the Administration Building."

And it continued as Gov. W. E. Potter welcomed the guests—he speaking as President Theodore Roosevelt, whose visit to the Tivoli on November 15, 1906, marked the official opening of the hotel, and greeting President Manuel Amador Guerrero, then Panama's Chief Executive, in the person of President Ernesto de la Guardia, Jr.

The reminiscent mood heightened as Thatcher, erect and firm-voiced despite the weight of years, was introduced to the hundreds in the ballroom. He spoke of the pleasure he and Mrs. Thatcher experienced in revisiting Panama and of the fitting recognition to the Tivoli's anniversary.

Then, addressing President de la Guardia, he added:

"I am sure, Mr. President, that you will find in Governor Potter, and he in you, that desire to cooperate and work in mutual regard toward the relationship which destiny has brought to our two countries."

It was an appropriate remark, for in the audience were many Panamanians who themselves had shared in the days of glory of the Tivoli.

The mood built up as the musical narrative unfolded on a stage which was a replica of the big front porch. From the very first scene where Giacomo, the homesick Italian who named the site after the Tivoli Hill which rises over Rome, the audience was captivated.

With a magnificent rendition by the Balboa High School Glee Club, which provided the musical background, the narrative told of Teddy Roosevelt's visit, of the old hostelry days, the romantic and not-so-romantic incidents, and life in the Tivoli through two world wars. All seven scenes were acted with feeling by the cast and sung with fervor by the Glee Club.

And the fitting grand finale—which preceded an informal reception in the dining room for all comers was the stirring rendition of the show's theme song:

"Out on the big front porch
We see the world go by.
Out on the big front porch
The past will never die.
Although the time may flee
I know there'll always be
A waiting chair for me
Out on the big front porch."

The Thatchers were kept very busy during their short Isthmian stay in attending functions in their honor. On the evening of their arrival on the Isthmus—November 15—they were guests at a meeting of the Isthmian Historical Society—a most praiseworthy and successful organization founded in 1954 at the suggestion of Governor Thatcher. Rev. Edward J. Cooper, long-time pastor of the Colon church, shared honors at the meeting, at which both spoke. In this connection, the following editorial appeared November 16 in the Star and Herald—itself an old-timer with more than 100 years of history behind it:

WHEN OLDTIMERS GET TOGETHER

Gray, white, and a few bald heads predominated Wednesday evening when the Isthmian Historical Society met at the Hotel Tivoli to honor the Honorable Maurice H. Thatcher, member, the Isthmian Canal Commission (1910 to 1913). Mr. Thatcher, long-time Member of Congress and now a practicing attorney in Washington, D. C., is a guest of the Canal Zone for festivities honoring the 50th anniversary of the Hotel Tivoli, the main gathering place for Canal Zone festivities, meetings of various kinds, popular dances, also the favorite stopping point for more than one United States President and hundreds of visiting Congressmen through the past half century.

There were many speakers presenting carefully compiled reports on various Canal Zone events and activities through the years. They spoke of the make-do arrangements through those early years, the building and organization of churches and other meeting places for groups and organizations whose main motive was to make United States citizens and their families feel at home in those early years of tropical service.

One of the most heart-touching and colorful addresses was made by the Reverend Edward J. Cooper, for many years pastor of Christ Church By-the-Sea in Colon, which is said to be the oldest structure of its kind on the Atlantic side. Father Cooper, now completely blind and residing since his retirement in Guatemala, was brought to Panama by the society to speak at this meeting. He was as eagerly greeted as Mr. Thatcher by the mostly elderly audience.

Mr. Thatcher spoke briefly, but it was clear that he was greatly touched by the program and his elderly listeners who also included Canal Zone sons, daughters, and grandchildren. Some of the latter bespoke the fact of intermarriage of the early Canal diggers with Panamanians.

"The Canal Zone," said Mr. Thatcher, "is an agency for freedom, and for those who love freedom, also of defense. If at any time I can be of service in helping you, or in which the Library of Congress could help, I hope you will call on me." He then thanked the Historical Society for inviting him to speak and assured his audience that any among them who may visit him in Kentucky will receive a warm welcome from Mrs. Thatcher (who is with him on this historic visit) and himself at their home in Kentucky.

Perhaps the most cheering thought expressed by the numerous elderly speakers was that voiced by Father Cooper who, though he has worked in this vineyard since 1907 and despite his blindness, is still living usefully and happily. Father Cooper assured his listeners that he is still only 21 years old.

"I do not believe in age," the churchman declared with complete sincerity. "Only my clothes grow old. Since we draw our life from God who is ageless we are born again by the spirit of God. A thousand years from now when we meet in our Father's Kingdom, I shall still say: 'I am 21.'"

On the morning of November 15, Governor Thatcher, at the Canal Zone Administration Building plaza, presented to the Panama Canal Company—Canal Zone Government—the National Safety Council Award of Merit for the splendid safety record set by the Panama Canal Company and the Canal Zone Government in the operation of the canal and Canal Zone activities.

While on the isthmus, Governor and Mrs. Thatcher called on President and Senora de la Guardia at the Presidencia in Panama City, and visited the Gorgas Memorial Laboratory, created under legislation sponsored by him in Congress in 1928. This great research institution, supported by Congressional appropriations and dealing with the cause and prevention of tropical diseases, is located in Panama City. The building and the grounds therefor were donated by the Panamanian Government to the Gorgas Memorial Institute of Tropical and Preventive Medicine—named for General Gorgas, the famed sanitarian and member of the Commission during the canal construction days. After his retirement from Congress, Governor Thatcher was chosen as vice president and general counsel of the institute, positions he yet holds. The director of the laboratory, Dr. Carlos M. Johnson, and the efficient laboratory staff are doing splendid work in the important field of research; and the fame of the laboratory—which has been in existence since its founding in 1928—is worldwide.

The Thatchers, following a formal invitation, visited the Panamanian town of Arraijan, situated on the west side of the canal, not far from Panama City, and located at the terminus of the Thatcher Highway, which extends from the Thatcher Ferry—across the canal—westward through the zone strip. The ferry and highway constitute important links in the inter-American highway system. Governor Thatcher, while in Congress, was the author of legislation which provided for the establishment of the ferry and the construction of the highway, both of which have always been free from tolls and unite the eastern and western portions of the Canal Zone and the Republic of Panama.

These important works were officially named in his honor.

An interesting story derives from the establishment of the ferry and the construction of the highway in 1932. The people of the town of Arraijan, in the autumn of that year, in gratitude for the fact that they were thus placed in easy contact with Panama City, the capital of the Republic, which is situated on the east side of the canal, named a street—Calle Thatcher—in Governor Thatcher's honor and gave him a lot in the town. At that time Arraijan had a population of less than 1,000; now the population has risen to nearly 3,000. Through the years he had indicated his desire to return the lot to the town of Arraijan for some public benefit, as, for instance, a playground for children of Arraijan. On the occasion of this visit to Arraijan, arrangements were concluded between himself and the municipal authorities for the exchange of a considerably larger piece of ground within the town's limits for the lot to which he held title. His standing offer to make a substantial personal contribution for the playground was accepted, and it is expected shortly that the playground, now officially named by the Arraijan authorities, "Parque Infantil don Maurice H. Thatcher"—Maurice H. Thatcher Children's Park—will be in operation.

Regarding the Arraijan matter, there appeared in the Star and Herald of November 20, 1956, the following:

MAURICE H. THATCHER PARK IN ARRAIJAN CLOSE TO REALITY

A children's park in the town of Arraijan is almost a reality thanks to Maurice H. Thatcher, sole surviving member of the Isthmian Canal Commission.

Back in 1935, shortly after the completion of the Thatcher Highway which linked Arraijan with Panama City, the people of the town voted to present Thatcher with a lot of land as a gesture of gratitude. On a subsequent visit to the Isthmus, Thatcher visited Arraijan and told officials that he would like to return the land to the town for use as a children's park.

When Thatcher came to the Isthmus last week to attend the celebration of the 50th anniversary of the Hotel Tivoli, Mayor Ismael Amaya of Arraijan and the town's council had things well planned.

At a special night meeting on the eve of Thatcher's visit, the council voted approval of the return of the land originally presented to the former Congressman—and voted to give Thatcher, in perpetuity, a larger tract of land which already had been set aside as a children's park.

On his visit to Arraijan last week, Thatcher was received by Mayor Amaya, the city council, other town officials and 600 students from the Arraijan school. He was formally presented with the council's resolution accepting the land originally presented to him and awarding him title on the larger tract for the park.

Thatcher offered to donate playground equipment for the proposed park and left a catalog with the town officials to have the children themselves choose the equipment they want. A movement immediately began to have the Arraijan council appropriate funds to add to Thatcher's contribution.

The Arraijan council's resolution, naturally, provides that the children's park will be named "Maurice H. Thatcher Children's Park."

In and out of Congress, Governor Thatcher through the years has indicated in numerous and effective ways his interest in the welfare of the Canal Zone and the Republic of Panama, as well as in the oldtimers of the canal construction days and of the later operating forces of the canal and of the Canal Zone Government—serving these officials and employees in effective work in behalf of legislation providing annuities and other benefits for them.

On the last night of their stay on the isthmus a largely attended and very pleasing reception was accorded Governor and Mrs. Thatcher at the Tivoli Guesthouse, given by Capt. and Mrs. Cornelius S. McCormack, of Ancon—Mrs. McCormack was a member of the 50th Anniversary Committee—largely attended by oldtime friends of the Thatchers on both sides of the line—between Panama and the Canal Zone—and by many others, including officials of the Canal Zone and the Panamanian Government, and distinguished members of the military and naval forces stationed on the isthmus, and the diplomatic establishments.

In the Canal Zone and Panama it was the judgment of all that the celebration was an outstanding success and that Governor and Mrs. Thatcher made an indispensable contribution thereto.

Mrs. Thatcher is remembered as a most charming hostess during their isthmian residence in Ancon and their home, which was a social center of activities, importantly served to cement friendship between the people of Panama and the Canal Zone.

All of which serves to indicate the reason Governor and Mrs. Thatcher are held in the highest regard and esteem—both in the Canal Zone and in the Republic of Panama, and by the builders of the Panama Canal and the operating forces.

In the epic history of the Isthmus of Panama many things of vast import have occurred. Sprinkled along the way there have been lesser incidents of a most interesting character, serving to link together the major events and eras. The celebration of the 50th anniversary of the Tivoli Hotel was such a link, and a most vital one; its formal recognition was altogether fitting. Also, it was most appropriate that Governor and Mrs. Thatcher should have been invited to attend, and fortunate that they did so, honoring the occasion by their presence and participation.

In Virginia's Oldest Tradition

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. ABBITT. Mr. Speaker, on Tuesday, March 19, 1957, Senator HARRY F. BYRD, senior Senator from Virginia, made an outstanding and memorable speech before the Richmond Kiwanis Club in Richmond, Va.

Senator BYRD again demonstrated the love he has for America as well as the desire to maintain our way of life in this great Nation; he demonstrated why so long he has been looked to by most Virginians as a leader of courage, integrity, and real ability—one who dares to stand up and fight for the causes he believes to be right.

There appeared in the Richmond News Leader of Wednesday, March 20, 1957, a very fine editorial commenting upon Senator BYRD's speech and the stand that he has taken in this great hour of crisis in Virginia.

Under leave to extend my remarks, I desire to include herewith this editorial:

IN VIRGINIA'S OLDEST TRADITION

One hundred and sixty-nine years ago, come June, a convention of Virginians met in Richmond to consider ratification of the new Constitution. Among their number were many of the most distinguished patriots of our history—Madison, Marshall, Pendleton, Mason, Henry, Edmund Randolph, George Wythe, Light Horse Harry Lee, James Monroe. Their debates offer absorbing reading in our own time.

We fell to reflecting upon the Convention of 1788, and the great assertions of political principle that gathering produced, in listening to Senator BYRD on Monday afternoon. The Virginia Senator stood squarely in Virginia's finest tradition.

He denounced the civil rights bills, in part because these measures would deny trial by jury in certain cases. What was it our fathers said on Shockoe Hill? "In all criminal and capital prosecutions, a man hath a right to * * * a fair and speedy trial by an impartial jury of his vicinage." And again, "in controversies respecting property, and in suits between man and man, the ancient trial by jury is one of the greatest securities to the rights of the people, and ought to remain sacred and inviolable."

Mr. Byrd renewed his frequent warnings against the despotism that must result when government becomes as massive as it is today. What did Virginia say then? "All power is naturally invested in and consequently derived from the people; magistrates therefore are their trustees and agents and at all times amenable to them."

Most significantly, Senator BYRD resolutely asserted a right to resist the Supreme Court—indeed, to defy it—by an unyielding refusal to submit to usurped power. What did the Virginia Convention say in 1788? It said this, and let it be written large in our councils of state: "That government ought to be instituted for the common benefit, protection, and security of the people; and that the doctrine of nonresistance against arbitrary power and oppression is absurd, slavish, and destructive to the good and happiness of mankind."

It was Virginia that demanded, 169 years ago, an explicit statement in the Constitution that all powers not delegated by the Constitution to the Federal Government, or denied by the Constitution to the States, were reserved to the States respectively. It was Virginia that denied the power of any department of the Federal Government to "cancel, abridge, restrain or modify" any right or power which the people reserved to themselves within their States.

If Senator BYRD, in echoing these high resolves of our greatest men, was in any sense advocating "anarchy," he was in illustrious company. He was not, of course, advocating any such thing. He was reflecting not only the most fundamental principles of our Government as these were asserted long ago, but

also the most immediate desires and convictions of the people of Virginia in our own time.

Is it wondered that Virginia follows Senator BYRD's leadership? Virginia has been following such leadership since the stormy summer afternoons that Madison and Henry tangled in debate, here in this very city, 169 years ago.

Depressed Areas Need Help

EXTENSION OF REMARKS

OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. FORAND. Mr. Speaker, I am today introducing a bill providing for an effective program to alleviate conditions of unemployment in distressed areas.

This bill is quite similar to S. 964, now under consideration at the other end of the Capitol. It contains, however, one very outstanding feature not in the Senate bill; namely, a section that would extend the benefits of accelerated amortization for new and expanding industries. This feature would not apply to any existing industry just moving its operation from one State or area into a depressed area. I do not think that raiding one area to help another is good business.

Under leave to extend my remarks, already granted me, I include a press release and a digest of my bill:

Congressman AIME J. FORAND, Democrat, of Rhode Island, today introduced in the House of Representatives a bill which has for its purpose the establishment of an effective program to alleviate conditions of substantial and persistent unemployment in certain economically depressed areas.

Citing the tax features of his bill Congressman FORAND said: "This is the shot in the arm Rhode Island, whose average unemployment is much higher than the national average, and other areas throughout the country need to combat persistent unemployment problems. This most important tax feature of my bill will tend to lure new industry into these depressed areas for the mutual benefit of all, and it is so designed that it will not permit the transfer of business operations from one State to another. We want new business and those industries that will take advantage of the technical skills of our people, and not just the tax relief."

Congressman FORAND, who is a ranking member of the House Ways and Means Committee, is working together with Senator DOUGLAS for the inclusion of this tax provision on the House side, since matters dealing with revenue must originate in the House. Many provisions of Mr. FORAND's bill are similar to the Douglas bill now pending in the Senate. They include:

1. Loans to assist in financing the purchase or development of land for industrial use.
2. Loans for public facilities.
3. Grants for public facilities.
4. Procurement practices by the Government.
5. Financial assistance under Housing Act.
6. Vocational training.
7. Tax relief (amortization) for the erection, construction, reconstruction, etc., of new industry not heretofore removed from another State.

DIGEST OF AREA REDEVELOPMENT BILL INTRODUCED BY CONGRESSMAN AIME J. FORAND

1. Purpose: To assist communities, industries, enterprises, and individuals in areas needing redevelopment to expand their productive activity to alleviate excessive and prolonged unemployment and underemployment by providing new employment opportunities and developing and expanding existing facilities and resources without reducing employment in other areas.

2. Organization:

(a) Creates an Area Redevelopment Administration with an Administrator appointed by the President, subject to Senate confirmation.

(b) Creates advisory committees to assist Administrator:

(1) Government Advisory Committee consisting of heads of major interested Federal bureaus.

(2) National Public Advisory Committee consisting of representatives of business, labor, and agriculture.

(3) Administrator also authorized to confer with parties in interest from any industry in which employment has dropped substantially over extended period of years, causing high levels of unemployment in redevelopment areas.

3. Redevelopment areas defined:

(a) Industrial redevelopment areas are defined as "those within the United States in which Administrator determines that there has existed substantial and persistent unemployment for an extended period of time."

Areas shall be so designated where unemployment is not less than:

(1) 12 percent for preceding 1-year period.

(2) 8 percent for 15 months of preceding 18-month period.

(3) 6 percent for 8 months in each of 2 preceding years.

(b) Rural redevelopment areas are defined as "those rural areas within the United States in which he determines that there exist the largest number and percentage of low income farm families, and a condition of substantial and persistent unemployment or underemployment."

Administrator shall consider in making determination:

(1) Number of low income farm families in rural areas and proportion such low income families are to total farm families in such areas.

(2) Relationship of income levels of families in such areas to general levels of income in the United States.

(3) Current and prospective employment opportunities in such areas and availability of manpower there for supplemental employment.

(c) Administrator may designate several counties or municipalities or a part of a county or municipality as a "redevelopment area."

4. Local committees: Once a redevelopment area is determined, local redevelopment committee shall be appointed by Administrator consisting of at least seven residents of area, representing management, labor, commercial, industrial development, and agricultural groups. Committee shall submit plans and cost estimates for:

(a) Development of resources, processing and marketing facilities of area.

(b) Construction, rehabilitation, and alteration of industrial plants or commercial facilities of area.

(c) Purchase of machinery or equipment for use in area to attract new industry and stimulate economic activity.

Local committees shall enlist support of local residents and private and public lending agencies in financing such plans. Administrator shall furnish technical and professional assistance to local committees.

Administrator may appoint regional advisory committees on same basis as above to represent two or more redevelopment areas.

Funds for local committees: Not more than $1,500,000 of sums available to Administrator may be used to aid regional and local committees for administrative expenses only—salaries and traveling expenses of committee members excluded.

5. Loans:

(a) On application approved by a local committee, Administrator may make loans to assist in financing (1) purchase or development of land for industrial usage; (2) construction, rehabilitation or alteration of industrial plants or other manufacturing, commercial, or processing facilities; and (3) purchase of machinery or equipment for use in area, if he finds;

(1) Project planned is reasonably calculated to provide more than temporary alleviation of unemployment or underemployment.

(2) Funds requested not otherwise available on reasonable terms.

(3) Amount of loan plus private funds available are adequate to insure completion.

(4) There is reasonable expectation of repayment.

(5) Borrower will not transfer business operations to such plant so as to effect a significant reduction of employment in any other area within the United States.

(b) No loan shall be in excess of 75 percent of aggregate cost, or for more than 40 years. Interest rate shall be at cost to Administrator plus one-half of 1 percent per annum.

(c) Administrator shall require not less than 10 percent or more than 25 percent of aggregate cost to be supplied by (1) States or subdivisions thereof, or (2) local interests. Federal lien has first status. Five percent of aggregate cost for which loan is made shall be supplied by nongovernmental sources. Financial condition of area to determine amount of local contribution to costs. (Balance if any needed for 100 percent of loan would have to come from other sources outside the area.)

(d) "Borrower" includes lessees, subcontractors, or persons or firms under common control.

(e) One hundred million dollars authorized for making industrial redevelopment loans, on revolving fund basis. One hundred million dollars appropriated for rural redevelopment loans, with limitation of $6 million to any one State, on revolving fund basis.

6. Assistance to public facilities:

(a) Loan for public facilities. Upon application of any State or political subdivision thereof, Indian tribe, private or public redevelopment organization, Administrator is authorized to make loans to assist in financing purchase or development of land for public facility usage, and construction, rehabilitation, alteration, expansion or improvement of public facilities in redevelopment areas, if he finds:

(1) Project provides more than temporary alleviation of unemployment or underemployment and will tend to improve opportunities in area for successful establishment or expansion of industrial or commercial plants or facilities.

(2) Funds requested are not otherwise available on reasonable terms.

(3) Amount of loan plus amount of other available funds are adequate to insure completion.

(4) There is reasonable expectation of repayment.

No loan shall be in excess of 75 percent of aggregate cost, or for longer than 40 years. Interest rate at cost to Administrator plus one-half of 1 percent.

Administrator shall require not less than 10 percent or more than 25 percent of aggregate cost to be supplied by State or political subdivision as equity capital or loan. Federal lien has first position. Financial condition of areas to determine amount of local contribution to cost. (Balance if any needed

for 100 percent of loan would come from other sources inside or outside area.)

Seventy-five million dollars authorized for public facility loans, on revolving fund basis.

(b) Grants for public facilities: Administrator may conduct studies of needs and probable costs in redevelopment areas for needed land acquisition for public facility usage and for construction, rehabilitation, alteration, expansion, or improvement of useful public facilities. May receive proposals from States, Indian tribes, organizations, etc., showing plans, costs, and contributions to be made to proposal and Administrator may make grants where he finds:

(1) Proposal will provide more than temporary alleviation of unemployment or underemployment and proposal will tend to improve opportunities of area for establishment or expansion of industrial or commercial plants or facilities;

(2) Local groups will contribute to cost of project in proportion to their ability to contribute.

(3) Project will fill a pressing need of area, and there is little probability project could otherwise be undertaken.

Amount of grant for any project shall not exceed difference between funds which can be practicably obtained from other sources (including loan under section 6 of this act) and amount necessary to insure completion.

Administrator shall provide supervision to prevent waste of Federal funds.

Appropriations authorized not to exceed $50 million for making grants.

7. Funds for industrial plants and public facilities: Administrator with approval of President may issue notes and obligations not exceeding $275 million. Secretary of Treasury shall purchase and may sell such note.

8. Establishment of revolving funds: Creates revolving funds for industrial redevelopment loans ($10 million), for rural redevelopment loans ($100 million), and for public facility loans ($75 million).

9. Information: Administrator shall aid redevelopment areas by furnishing assistance, technical information, market research, advice, etc., obtainable from Federal Government agencies. Administrator shall also supply Federal procurement agencies with names and addresses of redevelopment area firms desirous of obtaining contracts from United States Government.

10. Technical assistance: Administrator authorized to provide technical assistance to redevelopment areas, including studies of needs and potentials for economic growth. Administrator may provide use of his staff or services of private individuals, firms, or institutions under contract. Appropriation authorized for these purposes in amount not in excess of $4,500,000.

11. Powers of Administrator: These include all ordinary and necessary powers to employ and compensate staff; hold hearings; secure data from other agencies; make, extend, service, modify, collect, and liquidate loans; acquire, manage, and sell property in collection of loans; employ experts; and establish rules, regulations, and procedures.

12. Termination of eligibility for assistance: Whenever Administrator shall determine that area designated as redevelopment area no longer meets requirements for such designation of section 5 of act, no further assistance shall be granted. But an area may be redesignated as a redevelopment area if requirements of section 5 of act again prevail.

Contracts or undertakings previously entered into shall continue to be valid.

Administrator shall advise Federal and local agencies of changes.

13. Procurement by Government agencies: Each department of the Federal Government engaged in procurement of supplies shall:

(a) Use best efforts to award negotiated procurement to contractors in redevelopment areas.

(b) Where deemed appropriate, set aside portions of procurements for negotiation with firms in redevelopment areas.

(c) Provide bid matching opportunities for redevelopment areas firms.

(d) Assure that firms in redevelopment areas have opportunities to be bidders and get notices.

(e) In event of tie bids, all other things being equal, award contract to firm in redevelopment areas.

(f) Encourage prime contractors to award subcontracts to firms in redevelopment areas.

(g) Cooperate with other departments and agencies of Federal Government to achieve objectives set forth.

14. Financial assistance under Housing Act:

(a) Housing and Home Finance Administrator is authorized to use slum clearance and urban renewal projects in redevelopment areas for industrial and commercial rebuilding without regard to requirements of existing law that project area be predominantly residential in character or that it be redeveloped for predominantly residential uses. This is, however, subject to the limitation that not more than 10 percent of the funds authorized under existing laws for loans or capital grants for slum clearance and urban renewal shall be available to provide financial assistance under this section.

(b) Housing and Home Finance Administrator is authorized also to make urban planning grants for planning in redevelopment areas.

15. Tax relief (relating to amortization of emergency facilities and new facilities in depressed areas):

(a) Allows for fast amortization on facilities (where the construction, reconstruction, erection installation or acquisition of the facility is commenced on or after the date of the enactment of the Area Redevelopment Act) to provide new employment opportunities and develop and expand existing facilities and resources in areas designated as "depressed areas" by the Administrator.

(b) No facility shall be certified under the first part of this section if such facility is determined by the certifying authority to be ineligible for a loan under the Area Redevelopment Act by reason of section 7 (a) (4) of this act. (Antimigration section.)

(c) Effective only with respect to taxable years beginning after December 31, 1956.

16. Vocational training: Secretary of Labor shall:

(a) Determine vocational training or retraining needs of unemployed individuals in redevelopment areas and cooperate with Secretary of Health, Education, and Welfare, and State and local agencies engaged in vocational training to assure that all facilities are available to such unemployed persons.

(b) Determine additional facilities needed to meet vocational training or retraining needs. Secretary of Labor shall then so advise Secretary of Health, Education, and Welfare who shall furnish assistance, including finances, to State agencies to meet needs. If State agencies are unable to meet vocational training and retraining needs, Secretary of Health, Education, and Welfare may contract for such services with public or private institutions. Secretary of Labor shall provide any necessary technical assistance for setting up apprenticeship, journeymen and other job training needed in locality.

17. Retraining subsistence payments: Secretary of Labor shall:

(a) Enter into agreements with redevelopment area States whereby the States as agents of the Federal Government make weekly retraining payments to unemployed individuals not entitled to unemployment compensation (exhaustions or not insured) and certified by Secretary of Labor to be taking training.

(b) Make retraining payments to such individuals for not more than 13 weeks in amounts equal to average unemployment compensation payments payable in State making payments.

18. Penalties:

(a) Knowingly false statements or willful overvaluations of security for purpose of influencing Administrator or obtaining loan, etc., are punishable by fine of not more than $5,000, or imprisonment for not more than 2 years, or both.

(b) Whoever being connected with Administrator embezzles, misapplies, etc., any funds, or with intent to defraud the Administrator or other body politic makes false statements, entries, reports, etc., or with intent to defraud participates or receives any profit or benefit through any loan or act of the Administrator, or gives unauthorized information concerning future action or plan of Administrator which might affect the value of securities or invests, speculates, etc., in securities of company receiving a loan or assistance from Administrator, shall be punishable by $10,000 fine or imprisonment for not more than 5 years, or both.

19. Employment of expediter and administration employees: No loan shall be made to business enterprise unless owners (a) certify to Administrator names of attorneys, agents, etc., employed for purpose of expediting application and fees paid for service, and (b) execute agreement binding such business enterprise for period 2 years after assistance rendered by Administrator to it to refrain from employing any person who on date assistance was rendered or within 1 year prior thereto shall have served as officer or employee of Administrator in position involving discretion as to granting assistance under this act.

20. Annual report: Administrator shall make a comprehensive and detailed annual report to Congress of his operations for each fiscal year. Report shall also show, among other things:

(a) Number and size of Government contracts for furnishing supplies and services placed with business firms located in redevelopment areas; and

(b) Amount and duration of employment resulting from such contracts.

Governmental agencies shall furnish administratively such information as may be necessary for purpose of this section.

21. Appropriations: Authorized to be appropriated such sums as may be necessary to carry out provisions of the act.

Federal Aid for Public Schools

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. MASON. Mr. Speaker, there is no such thing as free Federal aid. The Federal Government has no money of its own to give away. It must first take away from the citizens of the States in taxation the dollars it so generously gives back to the States. Uncle Sam must also take away from the States the billions it gives to foreign governments. Uncle Sam has not one dime of his own to give away. He can only give away the dollars he takes from you and you and you.

Mr. Speaker, the total amount appropriated for Federal school aid during the 8-year period from July 1, 1949, to July 1,

1957, was $1,997,606,731. It was spent as follows:

1. School lunch programs	$569,542,500
2. Grants to colleges for agricultural and mechanical arts	140,306,000
3. Grants to States for vocational education programs	224,699,961
4. School construction grants to local school districts in federally impacted areas—where Federal activities have overloaded the regular school accommodations	593,408,019
5. Grants to local school districts for maintenance and operation of schools in federally impacted areas	469,652,151
Total	1,997,606,731

Mr. Speaker, today Congress is being urged to provide Federal aid for public schools—both elementary and secondary schools. Tomorrow, it will be Federal aid for colleges and universities; in fact, that movement has already started.

Both major political parties went on record in support of the principle of Federal aid for public schools. The drive for Federal aid is being sparked by President Eisenhower; the power behind the drive is being furnished by certain professional organizations, college and university heads, big Government-minded laymen, the NEA, and various State education associations.

The drive will be difficult to stop. Senator LAUSCHE, of Ohio, says:

Federal aid is invariably followed by Federal control.

I am in full agreement with Senator LAUSCHE. Federal control follows Federal aid as inevitably as night follows day.

For example, in 1916 Congress passed the Smith-Hughes Act providing Federal financial aid for local vocational educational systems. Prior to passage, its proponents insisted vigorously and incessantly that it would involve no Federal control. However, Federal regulations in connection with the act have been expanded over the years until they now fill a 108-page book, Administration of Vocational Education, published by the Government Printing Office. One sentence, on page 4, however, is all that is necessary to quote:

Each State is required to submit a plan which must meet with the approval of the Federal Office of Education.

No approval of plan, no money. What is that but Federal control?

Mr. Speaker, an authority on the subject of Federal aid for schools, Roger A. Freeman, the former Research Director for the Intergovernmental Relations Commission, had this to say on the problem of Federal aid for schools:

Education for many years has been the largest item of public expenditure in the United States next to national defense. The cost of education accounts for about one-third of all State and local expenditures and is about twice as great as the next largest public function—highways. * * * School funds have consistently risen faster than enrollment, or other public services, and are continuing to do so.

Mr. Freeman stated that Federal money is not needed for schools when the facts are known even if the Gallup poll last year indicated that 68 percent of the persons questioned in the poll favored Federal aid for schools. He explained the results of the poll came about because "the opponents of Federal aid have let the controversy go by default." He calls for a nationwide movement to lay the facts before the American public to head off pending Congressional action in favor of Federal aid for schools.

The report of the Intergovernmental Commission on Education stated:

We have been unable to find a State that cannot afford to make more money available to its schools or that is economically unable to support an adequate school system.

Mr. Speaker, in his book, Let's Face It, Dean Clarence Manion says:

In the Communist Manifesto Earl Marx made control of public education one of the 10 commandments of communism. Crypto-Communists, fellow travelers, and leftwing progressives in the field of education have kept their sights fixed upon this objective ever since. Twenty-five years ago a group of liberal American educators, appointed by the American Historical Society and financed with more than a quarter of a million dollars from the Carnegie and other foundations, went into a long learned huddle and finally came out with a 15-volume report. In their findings they declared that our form of government was a failure and should give way to a collectivized society, wherein the individual should be made to surrender his liberty in the interest of group welfare. They determined that only the schools of the country could bring about this revolutionary change in our American system, and that it was the duty of every educator to see that the schools did so.

Mr. Speaker, the following article by Raymond Moley, entitled "The States Can Do It" is carried in the March 25 issue of Newsweek. It is an excellent article, worthy of careful and thoughtful consideration. I therefore include it as a part of these remarks:

THE STATES CAN DO IT

(By Raymond Moley)

OKLAHOMA CITY.—Two weeks ago, Steve Stahl, executive secretary of the Oklahoma Public Expenditures Council, in behalf of the taxpayers of his State, appeared before a Congressional committee in Washington to demonstrate with unimpeachable facts that his State needed no Federal aid for school construction.

He was treated with inexcusable discourtesy, notably by a Democratic Congressman, C. M. BAILEY, and by PETER FRELINGHUYSEN, of New Jersey, a Republican. BAILEY, in the course of his attack, offered this bit of evidence why taxes are so high: "If the money is not spent for school construction it will be spent for something else." FRELINGHUYSEN suggested that Federal grants for schools would "encourage the tapping of new sources at State and local levels." This tapping has been pretty bad already. A statement of a taxpayers' association of FRELINGHUYSEN's State points out that, since the State is already shelling out plenty in taxes, it wants no Federal tap for school construction.

Stahl's conclusion is that citizens, native and foreign, who go to Washington with a tin cup get a royal welcome, but those who go to say they do not want anything are treated to a "bum's rush."

Since the collectivists behind the school bill are claiming that the measure is only for needy States, I have taken pains on this trip through the South to find out whether the poor States can or cannot meet their own school needs. Two of these are Oklahoma and Louisiana.

MONEY AT HAND

Stahl pointed out, amid hoots and jeers, that while the figures of the United States Office of Education say that Oklahoma needs 500 new classrooms, the State and local communities have raised the money for and are planning to build 1,200 new classrooms. He said also, in denial of the President's claim, that school construction has been lagging, that Oklahoma has increased its school revenues 57 percent since 1951; that while in 1951 the school bond issue in the State amounted to $6.4 million, the figure rose to $27.2 million in 1956, and in the first 6 weeks of 1957 an additional $3 million were voted. Surely a State that pays $750 million yearly in Federal taxes is not poor. And if some of the people living in the stuffy atmosphere of phony figures that prevails in Washington would come out here and look around, they would have ocular evidence of the financial capability of the State.

In Louisiana I secured a copy of a school survey by a responsible taxpayers' agency, the Public Affairs Research Council. This study gathered firsthand data regarding the bonding authority for the State's 67 parishes and cities. It showed that 62 had sufficient authority to raise all the school-construction funds necessary, with $569,100,000 left over. The five "needy" parishes would require $4,100,000 in help. The President's plan would give the State $9,204,000 of Federal money, and the State would match with $4,601,000. Why in the name of commonsense should Uncle Sam give $9,204,000, gathered from other States, to induce Louisiana to raise $4,601,000, which is all it needs?

FASTER PROGRESS

Moreover, the financial facts completely refute the charge of the President that there has been inadequate progress in keeping up with the rise in school population. In 1954 Louisiana's State Department of Education estimated that the State's school systems would require $235,600,000 to finance their building requirements to 1959. Since then, 13 of those systems have issued bonds sufficient for their needs, and 54 have reduced their needs very materially. In addition, there may be as much as $100 million in local funds for school construction authorized but not yet spent. Over a 10-year period the rate of school construction has exceeded the rate of increase in school population and has also covered obsolescence.

Apparently the Federal school-construction program is not designed to meet legitimate needs, but to bribe States to do what they are not only able to do for themselves but are doing at a rate faster than would be accomplished with Federal aid. Certainly if the bribe is paid, the States will not move faster. They will quit and let Uncle Sam do it.

The Lighting of the Torch for Religious Freedom in America

EXTENSION OF REMARKS

OF

HON. HENRY J. LATHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. LATHAM. Mr. Speaker, I wish to insert in the RECORD for the benefit of

the Members a copy of a letter to the Postmaster General, which is self-explanatory; an editorial from the Long Island Press of March 10, 1957; and the text of the Flushing Remonstrance:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 21, 1957.

The Honorable ARTHUR E. SUMMERFIELD,
The Postmaster General,
Washington, D. C.

MY DEAR MR. SUMMERFIELD: I write this appeal on behalf of the four Members of Congress from the County of Queens, in the State of New York, the Honorable ALBERT H. BOSCH, Hon. JAMES J. DELANEY, Hon. LESTER HOLTZMAN, and myself. You will note, therefore, that this appeal is bipartisan and unanimous, as far as the congressional delegation from Queens County, N. Y., is concerned.

We would like to renew a request made before to you that the Post Office Department issue a stamp in commemoration of the signing of the famous Remonstrance at the Bowne House, Flushing, Queens County, N. Y. This landmark was dedicated as a national shrine to religious freedom and tolerance on October 10, 1945. December 27, 1957, will be the 300th anniversary of the signing of this document which lighted the torch of religious freedom in America.

It is our understanding that the Post Office Department prefers to issue commemorative stamps only on significant anniversaries. Could there be any more significant anniversary than the 300th anniversary of religious freedom in America?

It was in Bowne House in 1649 that John Bowne openly defied Gov. Peter Stuyvesant and the Dutch Government by giving asylum to persecuted Quakers who had been prohibited and denied the freedom of worshiping God according to their beliefs. For this John Bowne suffered arrest, imprisonment, separation from his family, and banishment from America.

I am sure you will find in your files numerous endorsements of this commemorative stamp and suggestions for a design.

I hope you will give the most earnest consideration to this request.

Sincerely yours,

HENRY J. LATHAM,
Member of Congress.

MUST LONG ISLAND REMONSTRATE AGAIN?

The Post Office Department has issued stamps to commemorate many historic events and to honor famous Americans.

It also has issued special stamps in tribute to poultry-raising, the trucking industry, and the Baltimore and Ohio Railroad—to name a few.

The time now is ripe for the Post Office Department to issue a stamp commemorating one of the greatest events in our history, the establishment of true religious freedom in America.

That freedom was established on Long Island. It was born in the historic Flushing Remonstrance of 1657, and this is the 300th anniversary of that event.

In those early colonial days, some valiant Long Islanders ran into trouble with Gov. Peter Stuyvesant over their right to worship according to their personal religious convictions. This series of troublous events reached its climax when Stuyvesant posted a proclamation in every town forbidding the good countrymen to accept Quakers into their homes.

The Remonstrance was Long Island's answer to Governor Stuyvesant. It marked a turning point in the battle for religious freedom.

The Post Office Department has been asked to issue a special commemorative Religious Freedom Tercentenary Stamp. A proposed design for this stamp has been submitted to Washington. It bears the picture of Bowne House—the home of John Bowne, an early fighter for religious freedom.

Unless the Post Office Department soon shows some indication that it is going to authorize a Religious Freedom Stamp—in connection with the tercentenary—it will be time for Long Islanders to send Washington a 1957-style Remonstrance.

REMONSTRANCE OF THE INHABITANTS OF THE TOWN OF FLUSHING TO GOVERNOR STUYVESANT, DECEMBER 27, 1657

RIGHT HONORABLE: You have been pleased to send up unto us a certain prohibition or command that we should not receive or entertain any of those people called Quakers because they are supposed to be by some, seducers of the people. For our part we cannot condemn them in this case, neither can we stretch out our hands against them, to punish, banish or persecute them, for out of Christ God is consuming fire, and it is a fearful thing to fall into the hands of the living God.

We desire therefore in this case not to judge least we be judged, neither to condemn least we be condemned, but rather let every man stand and fall to his own Master. Wee are bounde by the Law to doe good unto all men, especially to those of the household of faith. And though for the present we seem to be unsensible of the law and the Law giver yet when death and the Law assault us, if wee have our advocate to seeke, who shall plead for us in this case of conscience betwixt God and our own souls; the powers of this world can neither attack us, neither excuse us, for if God justifye who can condemn and if God condemn there is none can justifye.

And for those jealousies and suspicions which some have of them, that they are destructive unto Magistracy and Minsterye, that can not bee, for the magistrate hath the sword in his hand and the minister hath the sword in his hand, as witnesse those two great examples which all magistrates and ministers are to follow, Moses and Christ, whom God raised up maintained and defended against all the enemies both of flesh and spirit; and therefore that which is of God will stand, and that which is of man will come to nothing. And as the Lord hath taught Moses or the civil power to give an outward liberty in the state by the law written in his heart designed for the good of all, and can truly judge who is good, who is evil, who is true and who is false, and can pass definitive sentence of life or death against that man which rises up against the fundamental law of the States General; soe he hath made his ministers a savor of life unto life, and a savor of death unto death.

The law of love, peace, and liberty in the states extending to Jews, Turks, and Egyptians, as they are considered the sonnes of Adam, which is the glory of the outward state of Holland, soe love, peace, and liberty, extending to all in Christ Jesus, condemns hatred, war, and bondage. And because our Saviour saith it is impossible but that offenses will come, but woe unto him by whom they cometh, our desire is not to offend one of his little ones, in whatsoever form, name or title hee appears in, whether Presbyterian, Independent, Baptist or Quaker, but shall be glad to see anything of God in any of them, desiring to doe unto all men as wee desire all men should doe unto us, which is the true law both of church and state; for our Saviour saith this is the law and the prophets.

Therefore if any of these said persons come in love unto us, we cannot in conscience lay violent hands upon them, but give them free egresse and regresse unto our town, and houses, as God shall persuade our consciences. And in this we are true subjects both of church and state, for we are bounde by the law of God and man to doe good unto all men and evil to noe man. And this is according to the patent and charter of our towne, given unto us in the name of the States General, which we are not willing to infringe, and violate, but shall houlde to our patent and shall remaine, your humble subjects, the inhabitants of Vlishing.

Written this 27th day of December, in the year 1657, by mee

EDWARD HART,
Clericus.

Let Us Correct the Causes of the Farm Problem

EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. CANNON. Mr. Speaker, under leave to extend my remarks in the RECORD I include a notable and timely address by Hon. JAMIE L. WHITTEN, of Mississippi, delivered before the Plains Cotton Growers Association at Lubbock, Tex., Monday, March 18, 1957.

Mr. WHITTEN has served as chairman of the Subcommittee on Agricultural Appropriations in the Committee on Appropriations for many years and is perhaps as familiar with the farm problem as any man in the Nation today:

LET US CORRECT THE CAUSES OF THE FARM PROBLEM

We have learned that controlling acreage will not control United States production. We also have learned that reducing United States production will not reduce world production.

Also, the Department has shown, through its shortsighted policy of holding United States offerings in world trade above world prices, which it followed up until a year ago, that while such course would help hold up world prices, in the process foreign countries increased production, got the markets, and the United States ended with surpluses on which it paid storage and continued to reduce United States acreage, while foreign acreage expanded.

We have learned that Secretary Benson's theory of reducing price supports won't work. In recent hearings before my committee, it was shown that the Secretary's action in reducing price supports on cotton $15 per bale had not decreased production, had not increased consumption, nor had this reduction been passed on to the consumer. All his action did was to lower farm income.

Existing law invites every farmer to increase his production per acre to the fullest extent he can. Present efforts to control United States production by acres leads to more and more use of expensive fertilizers, insecticides, irrigation equipment, and other expensive equipment, adding to operating costs. As the farmer, with reduced acreage, tries to produce more and more per acre under existing law, in effect he cuts his own acreage for the following year. And, if continued, it would mean a gradual shrinkage of an already too small acreage, resulting in more and more people being forced from the farms.

The present acreage reserve program, where the farmer is paid for leaving out of production a part of his allotted cotton acreage, also heads in the wrong direction

and is based on the false premise that removing acres until present supplies are sold will correct the farm situation.

It is my opinion that such program is doing untold harm to every city, town, and village in the country. I would point out another fact which farmers should recognize. Today there are only 13 percent of the American people on farms and the other 87 percent will believe that this acreage reserve payment is a direct gift to the farmer, whereas in fact it will be of little help to the farmer, for the reason that the farmer must leave this acreage out of his already limited allotment. Such payment from the Government will not substantially add to his income, but is in substitution for the income he would have received from the acreage. Since the payment comes for not farming, it is my opinion this will, in time, inflame the American people against farm programs generally.

It is my belief that we must rewrite our farm legislation so as to reverse the present approach, which leads to less and less farming on a more and more expensive basis, which does not relieve the world supply and demand situation and makes the condition with the American farmer more and more dependent upon the 87 percent of Americans who are nonfarmers, who in the final analysis, through their Representatives in Congress, must accept any farm program in order for it to continue.

We must start out with the premise that any farm program, to be worthwhile, must let the American farmer farm. The world needs American production; if American farmers do not farm year in and year out we will gradually lose our markets to foreign competition. If our farmers do not farm, all businesses which are to any degree dependent upon farm production and activity will feel the pinch greatly as they are beginning to do at the present time.

If we do not let our farmers farm, where are the thousands and thousands of young 4-H Club members going to find a place to use their talents in connection with farming?

It is my belief that the best approach to our present farm difficulties is through a domestic allotment plan. I have been working with lawyers at the Department of Agriculture in recent weeks, in an effort to write such a bill, which would apply to wheat, tobacco, and rice on the same general basis as it would for cotton. We all recognize that with a dollar an hour minimum wage, the bargaining rights of labor unions, 14 freight rate increases since World War II, and all the other costs built into the American economy by various laws, it is absolutely essential that some protection against such costs be given to the American farmer through price supports. I am convinced, however, that these protections should be self-financing in that the costs should be passed on to the consumer by the sales price. All cost of wage contracts is paid by the consumer. All the costs of freight rate increases are borne by the user. Thus it goes. Only the farmer is left dependent upon annual appropriations of the Congress; and yet the necessity for such financial support of the farmer flows from these other laws which add to his costs. Therefore, I am preparing a bill which will be introduced shortly, wherein the American cotton farmer will be given support on his share of the domestic market, figured in terms of bales or pounds. Such supports on the farmer's share of the domestic market should be on the basis of 100 percent of parity. Under such bill, the farmer will be released from acreage controls and any cotton that he produces beyond his share of domestic markets would be available only for world trade and on that share of his crop the farmer would be dependent on what the world market would pay.

This approach would guarantee to users of American cotton that the United States would continue as a consistent source of supply. Under this approach we would get rid of all acreage controls and the many troublesome features of such a control program.

Based on my years of experience as chairman of the Agricultural Appropriations Subcommittee, where we review annually the overall farm-program operations, it is my belief that the mechanics of such a program would be to issue to the farmer annually certificates for his share of the domestic market, figured in bales and pounds on somewhat the same basis as acreage is now figured. Domestic mills then would be required to use only certified cotton to meet their domestic market, but would be authorized to buy at the world price a sufficient quantity of cotton for their export market.

Such an approach would prevent the outlay of millions of dollars each year by the Government, as is now required. Instead of the American people being taxed to support the farm program, the users would pay the cost just as now the users pay the cost of wage contracts, freight-rate increases and all the rest.

Such a program will make it possible to use our exchanges, it will restore cotton movements to normal channels, and above all it will let our farmers farm as against present programs. It will let the farmer rotate the use of his land, reduce his operating expenses and will relieve the farmer from having to vote more and more acreage restrictions on himself in order to obtain support prices.

Such bill will require the Secretary of Agriculture to sell at competitive prices any cotton above a security reserve which comes into the hands of the Commodity Credit Corporation, within 12 months after title is taken over by such Corporation. Such a program would regain and retain the farmers' export market upon which his economic well-being is dependent.

May I ask that all farmers and farm organizations study such proposals for the purpose of improving on their views. I am sure that such a program will not be perfect. However, I do know such an approach will do much to correct the glaring defects in the present law which reduces the farmer's farming every year and which leaves the farmer more and more dependent upon annual appropriations of the Congress.

The Inter-American Highway

EXTENSION OF REMARKS

OF

HON. WILLIAM C. CRAMER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. CRAMER. Mr. Speaker, in the prominent Latin American newspaper, Diario Las Americas, published in the State of Florida, appeared a report I have prepared on the Inter-American Highway. This important link between the Nations of Central America and the United States is of vital interest to this Congress and the Nation. For this reason I ask inclusion of the article at this time and urge greater understanding between our nations through such great cooperative projects as this highway that is now nearing completion.

[From the Miami Springs, Fla., Diario Las Americas of March 10, 1957]

THE INTER-AMERICAN HIGHWAY

(By Congressman WILLIAM C. CRAMER)

More than any shouted platitude quiet strokes of a few pens on final construction contracts will demonstrate to the world the ability of neighboring nations to achieve a common goal—peacefully and with complete respect of each other.

What is, perhaps, the world's greatest project to be conceived and jointly programed by several nations, the Inter-American Highway, will by next April reach final stages. By the pen, final contracts for the few remaining miles of work will be signed. This 3,200-mile link from the southern border of the United States through Central America to the Panama Canal soon will be as great a bond of friendship and commerce as the world has ever seen.

As a member of the Public Works Committee of the House of Representatives, it has been my privilege to play a part in this work that was originally conceived in 1924. I have inspected the entire route of the highway and was impressed with the great engineering skill that has been demonstrated in overcoming what would seem to be impossible terrain. I have talked to the people responsible for the program in each of the nations of Central America and know the sincere desire to provide a pathway of commerce and friendship. Above all, I have been impressed that the program has been one of complete cooperation and united effort in providing the manpower, brains, and funds to do the job at hand. The people of Central America showed unusual skill and determination in this effort.

The highway today has reached the final stages.

Mexico has completed all portions of the road and is busy paving an additional 548 miles.

Guatemala will open to controlled traffic by July of this year the 26-mile strip, previously impassible, to add another link in the chain.

Honduras continues to improve its portion of the highway.

Of the 140 miles of incomplete road in Costa Rica, 100 miles of construction is now underway, and the remaining 40 will be contracted for in 90 days.

On March 15, Panama will open bids on the final 15-mile strip that will complete construction programing.

These are the up-to-date facts of the Inter-American Highway—a project exclusive of Mexico's contribution, nearly one-half of the route, costing approximately $191 million.

There is much more to the highway than just the dollars and cents of construction and a hard-working team of engineers and workers. This primary means of travel will make each of our countries a little stronger—will strengthen the bonds that have held us together over the years as friendly nations. It is the means by which each nation can and will encourage the neighborly contacts and mutual understanding that brings true friendship.

Those of us who have made exhaustive study of the highway know it will establish a greater and stronger economy in the nations that it traverses. Mutual accessibility of marked areas beyond the borders of each nation will expand trade relations and enlarge opportunities for free trade in new areas. Strong cultural and spiritual ties will extend from one end of the road to the other. The North American tourist now spends annually a billion dollars in the Caribbean area, and with the completion of the highway I confidently predict this expenditure

will be far surpassed and this gateway to the Latin America will be a most popular destination of hundreds of thousands of my fellow citizens.

The Congress of the United States, representing the people of this Nation, is proud of the part it is taking in completion of this great project. We are even more proud of the fact that this international effort has been a friendly cooperative program of accomplishment between peaceful nations and that today we are near our goal.

SENATE

FRIDAY, MARCH 22, 1957

(Legislative day of Thursday, March 21, 1957)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, in a world swept by violent forces with which in our own strength alone we cannot cope, forgive us for the doubts which besiege our minds and paralyze our actions because of massed forces of evil about us in this sadly embattled world. Open our eyes to see, on the heights above, the chariots of God and the horsemen thereof, against which the gates of hell cannot prevail.

As we play our part in days of destiny, with all mankind in the valley of decision, fronting the thorny problems being weighed this very day under Bermuda's fair skies, may the leaders of this Republic—humanity's last hope—behold towering o'er the wrecks of time the conquering sign of a rugged cross; and may their ears, attuned to the infinite, catch the clear accents of the inevitable Christ, declaring in these days of the passion, "I will yet draw all men unto Me." We ask it in His ever-blessed name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, March 21, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 4135) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 4135) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies, was read twice by its title and referred to the Committee on Banking and Currency.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until Monday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, following completion of the morning business on Monday, March 25, there be a call of the bills and other measures on the calendar to which there is no objection, from the beginning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to announce, for the information of the Senate, that following the call of the calendar on Monday, it is my intention to move that the Senate proceed to the consideration of Calendar No. 161, Senate Joint Resolution 72, to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945. Any Senators who may care to discuss the joint resolution should be prepared to do so on Monday.

Then I intend to ask that the Senate consider the following measures:

Calendar No. 136, Senate bill 1291, to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau subport of embarkation, to the Territory of Alaska.

Calendar No. 137, Senate bill 332, to amend the act of June 4, 1920, as amended, providing for the allotment of lands of the Crow Tribe, and for other purposes.

Calendar No. 111, Senate bill 913, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Benjamin B. Hare, to be postmaster at Denmark, S. C., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

STATUTE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive I, 85th Congress, 1st session, the Statute of the International Atomic Energy Agency, signed by the United States of America and other countries, on October 26, 1956, and that the statute, together with the accompanying papers, be referred to the Committee on Foreign Relations, and that the President's message of transmittal be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I am attaching herewith a certified copy of the Statute of the International Atomic Energy Agency. I also transmit for the information of the Senate a report addressed to me by the Secretary of State in regard to the statute, together with certain related papers.

When the Statute of the International Atomic Energy Agency was open for signature at United Nations Headquarters in New York for 3 months, from October 26, 1956, to January 24, 1957, it was signed in behalf of the United States of America and by 79 other nations. It is the product of almost 3 years of negotiations beginning with my address to the United Nations on December 8, 1953. There I expressed the profound hope of the American people, a hope shared by people throughout the world, that means could be found to harness the atom to the labors of peace.

Today, in the grim necessity of preserving the peace, the free world must turn to the deadly power of the atom as a guardian of freedom and a prime deterrent to aggression. Yet the true promise of the atom is not for destructive purposes but for constructive purposes. And in America, we can already see in atomic energy an enormous potential for human benefit: electric power, treatment of disease, and extraordinary service to agriculture, industry, and science itself. And this is but the beginning.

There is every indication that we can look forward to even greater values of atomic energy in America.

The peoples of other nations also see great hope in the atom for the development of their economies and advancement of their welfare. They devoutly wish for ways and means of directing the atom to peaceful uses. There is widespread appreciation of the role the United States has already played in the great atoms-for-peace program to help many of these nations start their own atomic energy programs.

Now, in our proposal to the United Nations for the establishment of an International Atomic Energy Agency, we have answered the basic desire of many nations for an international body to which all may belong—a body in which all may safely pool their knowledge and skill for the advancement of all; from which all may draw knowledge, advice, and nuclear fuels to aid their individual efforts in developing the atom for peaceful employment.

This promise of increased well-being for the people of the world offered by the International Atomic Energy Agency is a major purpose of our proposal. Another is the extension of our fixed and unending determination to open and widen all possible avenues toward a just and enduring world peace. In promoting these purposes, the International Atomic Energy Agency would provide a practical meeting place—a common ground of cooperative effort among nations. Thus, through shared hope and work, the world would come to realize the immense possibilities of the atom for the benefit of all.

The statute and the Agency which it will establish hold promise of important progress in that direction. They constitute both a practical approach and a symbol of all that people of good will hope to see accomplished through the use of atomic energy. They offer the underdeveloped nations in particular an earlier availability of the benefits flowing from the constructive uses of the atom, and afford all countries the prospect of mutually stimulated scientific advance dedicated to the welfare of mankind.

To achieve the confidence essential to cooperation among members of the International Atomic Energy Agency, great care has been exercised to insure that fissionable material will be safeguarded to prevent its diversion to any military purpose. A comprehensive safeguard system is provided by the statute. This will apply to all aspects of the Agency's activity involving nuclear materials. A key part of this system is a plan of thorough international inspection. The United States will provide fissionable materials for Agency projects only as this safeguard system is put into effect. I am satisfied that the security of the United States will not be endangered by materials made available to or through this Agency. I should add that the United States is under no obligation to disclose secret information to this Agency.

Authority for directing the Agency will rest primarily in a Board of Governors. The method of choosing these Governors was considered with particular care. The formula finally agreed upon balances geographic considerations with the capacity of the cooperating nations to supply technical or material support to Agency projects. This formula assures the protection of the interests of America and the free world. There is also reasonable assurance against entry into the Agency of nations which are excluded from the United Nations, and which were excluded from the Conference and from Agency membership by overwhelming vote on a number of occasions.

This statute is the work of many. It reflects the experience of those concerned with our Nation's efforts since World War II to relieve the burdens of armament for all people. It is consistent with the policies of our present Atomic Energy Act. It has profited by the addition of suggestions from bipartisan Congressional hearings.

It is my firm belief that this statute, and the International Atomic Energy Agency provided by it, are in the present and future interest of our country. They have my wholehearted support. I urge early consent to the ratification of the statute, so that the United States which proposed the establishment of this new instrument of peaceful progress may be among the first to give it final approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 21, 1957.*

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

Maj. Gen. Earl Clarence Bergquist, Army of the United States (brigadier general, U. S. Army), and sundry other officers for appointment in the Regular Army of the United States.

By Mr. CASE of South Dakota, from the Committee on Armed Services:

Maj. Gen. David Ayres Depue Ogden, United States Army, and Maj. Gen. Garrison Holt Davidson, Army of the United States (brigadier general, U. S. Army), to be assigned to positions of importance and responsibility designated by the President, in the rank of lieutenant general, and Maj. Gen. Samuel Leslie Myers, Army of the United States (colonel, U. S. Army), and sundry other officers for appointment in the Regular Army of the United States;

Maj. Gen. Verne J. McCaul, United States Marine Corps, for commands and other duties determined by the President; and

Quintino J. Serenati and sundry other persons for appointment in the Regular Air Force.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Andrew H. Berding, of the District of Columbia, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Thomas Sovereign Gates, Jr., of Pennsylvania, to be Secretary of the Navy.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of William Howard Francis, Jr., of Texas, to be an Assistant Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AUTHORIZATION FOR SENATOR EASTLAND TO TESTIFY IN UNITED STATES DISTRICT COURT IN THE CASE OF SEYMOUR PECK

Mr. MORSE. Mr. President, I submit a resolution, so that it may be at the desk. I shall discuss the resolution later today, as we go into the matter involving the response of the Senator from Mississippi [Mr. EASTLAND] to the subpena that has been issued under the authority of the district court of the United States.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 117) was referred to the Committee on the Judiciary, as follows:

Whereas Hon. JAMES O. EASTLAND, a Member of this body, has been served with a subpena to appear as a witness before the District Court of the United States for the District of Columbia, to testify at 2 p. m., on the 22d day of March 1957, in the case of the *United States* v. *Seymour Peck*; and

Whereas it is the sense of the Senate that by virtue of the provisions of the Constitution of the United States said court has no authority to compel the attendance of any Member of the Senate as a witness before said court during his attendance at any session of the Senate; and

Whereas, under the Standing Rules of the Senate, no Senator may absent himself from the service of the Senate without leave of the Senate: Therefore be it

Resolved, That Hon. JAMES O. EASTLAND is granted leave to appear as a witness before the district court of the United States in the case of the *United States* v. *Seymour Peck* at a time when the Senate is not sitting in daily session; and be it further

Resolved, That a copy of this resolution be submitted to the said court.

The PRESIDENT pro tempore. At the time when the Senate took a recess

on yesterday, it had under consideration the resolution—Senate Resolution 116—authorizing the appearance of Senator JAMES O. EASTLAND, of Mississippi, as a witness before the District Court of the United States for the District of Columbia, which had been submitted by the Senator from Texas [Mr. JOHNSON], for himself and the acting minority leader, the Senator from Illinois [Mr. DIRKSEN], and for the consideration of which unanimous consent had been asked by the Senator from Texas and had been granted by the Senate. The Chair therefore lays before the Senate the resolution as the unfinished business.

The Senate resumed the consideration of the resolution (S. Res. 116) to grant permission to Senator EASTLAND to testify in the United States District Court for the District of Columbia in the case of Seymour Peck, charged with contempt of the Senate.

The PRESIDENT pro tempore. The text of the resolution is open to amendment. Any amendment to the preamble will not be in order until after the resolution itself has been agreed to.

The question is on agreeing to the resolution.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. Will the Chair advise the Senate as to what is the pending question?

The PRESIDENT pro tempore. The question is on agreeing to Senate Resolution 116.

Mr. JOHNSON of Texas. Mr. President, I hope my colleagues will indulge me for just a few moments.

This resolution was brought up yesterday after consultation with the Parliamentarian and the distinguished acting minority leader. There was a rather full discussion of it last evening. If the resolution is to be acted upon, it should be acted upon within the next few minutes if it is to serve its intended purpose.

The Senate will remain in session today as long as necessary for Senators to place matters in the RECORD. However, if Senators will indulge me, I should like first to obtain a prompt decision on the resolution.

Mr. MORSE. Mr. President, in view of the fact that I discussed this question last night, and in effect, asked for postponement until today of consideration of the resolution in order that I might consult the lawbooks—because I think important senatorial and procedural rights are involved in this issue—I think I should make a brief report upon my findings since last night, when I put my nose in the lawbooks.

We have before us a resolution submitted by the majority leader [Mr. JOHNSON of Texas], which I certainly hope will accomplish the purposes in our minds and protect the rights of the Senate. One might express a preference for a slightly different form. I shall discuss only 1 or 2 items of form.

I have before me a photostatic copy of an analysis of the problem involved, which was prepared by an Assistant Legislative Counsel of the United States Senate, Mr. Harry B. Littell, in February 1951. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MEMORANDUM

This memorandum is written pursuant to your request for the opinion of this Office whether or not a Member of Congress may, during a session of Congress, be subpensed as a witness in judicial proceedings.

I. INTRODUCTION

The immunity of Members of Congress from arrest is afforded by article I, section 6 of the Constitution in the following language:

"They shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same: * * *."

As was to be expected, there was some early confusion as to the meaning of the phrase "except treason, felony, and breach of the peace." However, that question was settled by the Supreme Court in *Williamson* v. *United States* ((1908), 207 U. S. 425), which held that the phrase was intended to include all criminal offenses. This was apparently the status of the common law at the time of the adoption of the Constitution. Thus the Constitution, in effect, grants immunity from arrest to Members of Congress only in civil cases.

Prior to the decision of the Supreme Court in *Long* v. *Ansell* ((1934) 293 U. S. 76), it was uncertain as to whether the constitutional exemption included freedom from service of a summons as a defendant in a civil case. One line of cases beginning with *Bolton* v. *Martin* (1 Dall. 296), held that the privilege did include freedom from service of a summons as a defendant in a civil case. See also *Doty* v. *Strong* (1 Pinney (Wisc.) 84); *Miner* v. *Markham* (28 Fed. 387). The Bolton case has been criticised as relying upon an outdated edition of Blackstone's Commentaries as its ultimate authority for decision.

The second line of cases which held that the privilege did not extend to freedom from service of summons as a defendant in a civil case included *Merrick* v. *Giddings* (McA. and M. 55); and *Howard* v. *Citizen's Bank and Trust Company* (12 App. D. C. 222), which firmly established the law so far as proceedings in the District of Columbia was concerned. This state of uncertainty was finally put to rest by the Supreme Court in 1934 in *Long* v. *Ansell*. The decision, written by Mr. Justice Brandeis, included the following language:

"History confirms the conclusion that the immunity is limited to arrest. See opinion of Mr. Justice Wylie in *Merrick* v. *Giddings*. The cases cited in support of the contrary view rest largely upon doubtful notions as to the historic privileges of members of Parliament before the enactment in 1770 of the statute of 10 George III, c. 50. That act declared that members of Parliament should be subject to civil process, provided that they were not arrested or imprisoned. When the Constitution was adopted, arrests in civil suits were still common in America. It is only to such arrests that the provision applies." (*Williamson* v. *United States* (207 U. S. 425).)

Thus, through the decisions of the Supreme Court in *Williamson* v. *United States* and *Long* v. *Ansell*, the interpretation of article I, section 6 of the Constitution has developed to the extent that those two propositions may be asserted with assurance:

1. The privilege does not extend to freedom from arrest as a defendant in a criminal case.

2. The privilege does not include freedom from service of a summons as a defendant in a civil case.

II. CONSTITUTIONAL WRITERS

While the leading writers on our Constitution devote only scant attention to the present question of the immunity of Members of Congress from being subpensed, at least three leading authors have undertaken to provide a definite answer to the question. Justice Story in his commentaries is unequivocal in arriving at the conclusion that the privilege of freedom from arrest extends to freedom from subpena.

"This privilege from arrest privileges them of course against all process, the disobedience to which is punishable by attachment of the person, such as a subpena ad respondendum, aut testificandum, or a summons to serve on a jury, and (as has been justly observed) with reason, because a member has superior duties to perform in another place. When a representative is withdrawn from his seat by a summons, the people whom he represents lose their voice in debate and vote as they do in his voluntary absence. When a Senator is withdrawn by summons, his State loses half its voice in debate and vote, as it does in his voluntary absence. The enormous disparity of the evil admits of no comparison. The privilege, indeed, is deemed not merely the privilege of the member or his constituents, but the privilege of the House also. And every man must at his peril take notice who are the Members of the House returned of record." (Story, Commentaries on the Constitution of the United States, vol. I, 860.)

In Cushing, Law and Practice of Legislative Assemblies, the following paragraph discusses the status of the privilege with respect to disobedience of court orders at common law.

"There is another class of cases, which do not come properly under the denomination of either civil or criminal proceedings, as above defined, but which ordinarily give rise to an attachment or an arrest and imprisonment of the person, namely, contempts of the judicial tribunals, either by disobedience of their orders, or by contumelious and disorderly behavior toward their authority or in their presence. In reference to these cases, the authorities show, that where the contempt is a mere disobedience of an order of the court, made for the sole purpose of enforcing a civil right, and in the nature of a process to compel the doing of a specific act, as, for the payment of money, or other performance of an award, or for the payment of costs, the privileges will protect against an attachment; but, where the contempt arises from the disobedience of such an order, and is accompanied by criminal incidents, as where a ward of the court of chancery was clandestinely removed from the custody of the person with whom the ward was residing under the authority and by the order of the court; or, where it consists of contumelious, disorderly, or indecent behavior toward and in the presence of a judicial tribunal, as, for example refusing to be sworn as a witness, the privilege will afford no protection" (sec. 504).

Evidently the practice in this country after the adoption of the Constitution was not so clear, for in discussing the subject of exemption of Members of Congress from service as jurors or witnesses under our American constitutional government, Mr. Cushing writes as follows:

"The privileges of exemption from serving on juries, and from attending as witnesses, though well established according to the common parliamentary law, are mentioned in none of the constitutions, and in but few of the laws of the several States. Mr. Jefferson places these privileges on the ground, that "the privilege from arrest privileges of

course against all process the disobedience to which is punishable by an attachment of the person; as a subpena ad respondendum, or testificandum, or a summons on a jury; and with reason, because a member has superior duties to perform in another place." It may be true, perhaps, as a general principle, that the privilege from arrest privileges against all process, the disobedience to which is punishable by an attachment of the person; and though this principle may relieve the party from all restraint of his person, yet this alone is not enough to protect one against other consequences, resulting from nonattendance as a juror or witness, as, for example, the imposition of a fine in the first case, or the action of the party for damages in the second; and, consequently, these privileges, in order to be effectual, must rest upon a broader ground, than the mere exemption from process; and this can only be found in the general principle of parliamentary law, by which the members of a legislative assembly are protected from all the consequences of refusing to attend as witnesses or serve as jurors." (Cushing, op. cit., sec. 598.)

Apparently much of the basis for the position taken by the authorities quoted above is derived from the discussion of this subject by Thomas Jefferson in his Manual for Parliamentary Practice. After discussing the origin of the Congressional privilege, the manual contains the following:

"This privilege from arrest, privileges, of course, against all process the disobedience to which is punishable by an attachment of the person, as a subpena ad respondendum, or testificandum, or a summons on a jury; and with reason, because a member has superior duties to perform in another place. When a Representative is withdrawn from his seat by summons, the 40,000 people whom he represents lose their voice in debate and vote, as they do on his voluntary absence; when a Senator is withdrawn by summons, his State loses half its voice in debate and vote, as it does on his voluntary absence. The enormous disparity of evil admits of no comparison." (Jefferson's Manual of Parliamentary Practice, sec. II.)

The other writers on the Constitution which I have consulted have not taken a position on the question but have merely reported what scant judicial authority could be found. (See Willoughby, the Constitutional Law of the United States, vol. I, sec. 342; Watson, the Constitution of the United States, vol. I, pp. 314–319; Cooley, Constitutional Limitations (7th edition), p. 192.)

In summary of this part it may be said that the early writers on the Constitution were almost uniformly of the view that the privilege from arrest included freedom from service of a subpena as a witness or a juror. The later constitutional writers, perhaps influenced by judicial decisions discussed above, have shied away from taking a definite position. This difference might also be explained on the grounds that the early writers might not have relied entirely upon an interpretation of the language of the Constitution but might have been influenced by a consideration of the general parliamentary law of England. The existence of any privileges other than those that might be implied from the language of the Constitution has been questioned by later writers on this subject (see discussion in pt. V below).

III. JUDICIAL PRECEDENT

There has been scarcely any judicial authority to assist in arriving at a solution of the question posed. So far as I have been able to ascertain there has been only one reported case dealing specifically with the question of the privilege of a Member of Congress to be immune from subpena. In 1800, the United States Circuit Court for the District of Pennsylvania was requested to send a letter to several Members of Congress requesting their attendance as witnesses.

In disposing of the request Justice Chase, sitting as a justice of the circuit court, used the following language:

"The Constitution gives to every man charged with an offense the benefit of compulsory process to secure the attendance of his witnesses. I do not know of any privilege to exempt Members of Congress from the service or the obligations of a subpena in such cases. I will not sign any letter of the kind proposed. If, upon service of a subpena, the Members of Congress do not attend, a different question may arise; and it will then be time enough to decide whether an attachment ought, or ought not, to issue. It is not a necessary consequence of nonattendance, after the service of a subpena, that an attachment shall issue. A satisfactory reason may appear to the court to justify or excuse it." (*United States* v. *Cooper* (4 Dall. 341).)

In 1910, a case was presented in the Supreme Court of the District of Columbia seeking a writ of mandamus against the Joint Committee on Printing. The court issued a rule to show cause why the writ should not be granted, whereupon the Senate adopted a resolution expressing the opinion of the Senate that the court's order invaded the constitutional privileges of the Senate and of three Senators. The resolution further directed the Senators not to make an appearance in response. The court rendered a lengthy opinion upon the question of its jurisdiction to issue the order, holding that it had the jurisdiction and that no privilege of the Senate was invaded. It was pointed out in the opinion, however, that the order did not require the Senators to make a personal appearance. The petition for the writ of mandamus was subsequently denied upon other grounds. (See *Valley Paper Co.* v. *Joint Committee on Printing*, reported in H. Doc. 808, 61st Cong.)

In 1929, a Member of the Senate was served with a subpena issued by the Supreme Court of the District of Columbia directing him to attend and testify before a session of the grand jury. The Senator (Mr. Coleman L. Blease of South Carolina) announced to the Senate that he would disregard the subpena. This announced refusal having been transmitted to the court, Justice Peyton Gordon addressed the grand jury as follows:

"The Congress of the United States is now in session, and until yesterday I never heard of a precedent to this procedure in an instance of this kind.

"Section 6, article I, of the Constitution of the United States, gives immunity to arrest to the Members of Congress while that body is in session. It does not say that they are privileged from subpena, but if they do not obey, the only step the court could take would be to issue an attachment for their arrest. Since the Constitution provides immunity from arrest, in my opinion they are not subject to such action.

"Unless the gentlemen see fit to obey the subpenas, this court at the present time has no power to compel them to do so." (Cannon's Precedents, vol. VI, sec. 568.)

IV. LEGISLATIVE PRECEDENTS

The two Houses of Congress have been uniform in upholding a broad interpretation of the privilege from arrest. Although, as Mr. Justice Brandeis said in *Long* v. *Ansell*, neither House has ever claimed that the privilege included immunity from service of a summons in a civil case, both have taken the position that the privilege did extend to service of a subpena upon a Member. There are numerous reported instances wherein a Member of Congress who had been subpenaed reported the fact to the House of which he was a Member. In most cases the House, by resolution, has authorized the Member to appear in response to the subpena. (See Hinds' Precedents, vol. III, sec. 2662).

However, on one occasion in the House of Representatives, the subpenaed Members were ordered not to respond (see Hinds' Precedents, vol. III, sec. 2661). The Senate took similar action in 1910 with respect to the Valley Paper Co. case, set forth in part III above, although apparently no subpena was involved. Also, as reported above, in 1929 a Senator announced on the floor his intention to disregard a subpena of the Supreme Court of the District of Columbia.

Although the most common practice is for the House concerned to give its approval to a Member to respond to a subpena, the House of Representatives in 1941 adopted a resolution directing a Member to appear in response to a subpena, which commanded him to appear before a grand jury in New York, at such time as the House should not be in session.

There appears to be no reported instance of any further proceedings in any of the cases wherein either House has ordered one of its Members not to respond to a subpena or to respond at a time different from that stated in the subpena.

It should be noted that, insofar as Congressional practice is concerned, the privilege is considered also to involve a privilege of the House concerned, which a Member cannot waive without its consent. (See Hinds' Precedents, vol. III, sec. 2661, 2662; Cannon's Precedents, vol. VI, sec. 586; Jefferson's Manual, sec. III.)

V. LEGAL PERIODICALS

The question of the privilege of Members of Congress to be free from subpena has been discussed in two fairly recent legal articles. The first is found in volume 30 of the Georgetown Law Journal at page 361, and the second is found in volume 10 of the George Washington Law Review at page 513. A third article by Prof. O. P. Field entitled "The Constitutional Privileges of Legislators," contains a good review of the whole subject of Congressional privilege, although it was written in 1925, prior to the decision of the Supreme Court in *Long* v. *Ansell*.

The first two articles cited stem from action of the House with respect to a subpena served upon Representative Hamilton Fish in 1941, ordering him to appear before a special Federal grand jury in New York. It was upon this occasion that the House adopted a resolution directing Representative Fish to respond to the subpena at such time as the House should not be in session. The article in the Georgetown Law Journal is generally critical of the action of the House, although it comes to no conclusion with respect to the question involved. On the other hand, the article in the George Washington Law Review, which in general takes a restrictive view of the Congressional privilege, comes to the conclusion that Members of Congress should be privileged from subpena. In arriving at this conclusion, the author argues that there is no inherent Congressional privilege, but that whatever privilege there is must stem directly from the Constitution, and that the word "arrest" is open to interpretation. In distinguishing between service of a summons upon a defendant in a civil case (which was the question in *Long* v. *Ansell*) and a subpena upon a witness the author concludes as follows:

"Its distinction lies in that the threat to punish a person who does not attend and subject himself to the court's orders deters a person from disobeying such a command. It subscribes that person's locomotion, and thereby constitutes an 'arrest' within the

proscription of the Constitution. The conclusion is compelling upon the author because the reason for the immunity is to nullify any attempt to prevent a Member of Congress or Congress itself from properly functioning as a legislative body." (10 Geo. Wash. L. R. 527.)

VI. CONCLUSION

From the foregoing discussion it can be readily seen that no conclusive answer can be given in response to the question posed. It may be fairly said that the two Houses of Congress have consistently insisted upon the privilege of their Members being immune from subpena. Most of the legal writers on the subject have also taken this view. The early writers especially were outspoken in their opinion that Members of the Congress should not be subject to subpena.

While I personally also adopt this view, I would hasten to warn that there are few judicial precedents upon which one may rely. Although I am of the opinion that a logical distinction can and should be made between a summons in a civil suit, which does not in itself require the defendant's presence in court, and a subpena, which does require the attendance of the person subpenaed and which also usually restricts his movements until he is discharged from the subpena, there is no assurance that the courts would make a similar distinction if the question were presented to them. It should be remembered that the Supreme Court has, in the two cases in which it has been called upon to construe the extent of the privilege conferred by article I, section 6 of the Constitution, taken a position restricting the scope of the privilege to what might be said to be its narrowest possible meaning.

Cushing states that a privilege existed at common law which protected members of legislatures from all consequences of refusing to attend as witnesses. (Cushing, Law and Practice of Legislative Assemblies, sec. 598.) It seems highly doubtful that this common law privilege has become a part of the law of the United States. No specific claim of any such privilege has been found in any of the authorities which I have consulted. Jefferson in his manual indicates that one of the purposes of the constitutional provision was to limit the large number of privileges which Parliament had, from time to time, assumed.

If it be assumed that a Member of Congress is not privileged from responding to a subpena, the question arises as to what consequences might follow upon his disobedience to a subpena served upon him. The authorities who have addressed themselves to this question indicate that arrest or attachment of the Member in enforcement of the subpena would be prohibited under the constitutional privilege (see address by Justice Peyton Gordon to the grand jury, contained in Cannon's Precedents, vol. VI, sec. 568). However, such disobedience might be considered a contempt of the court which issued the subpena, and if it is so considered the question would then arise as to whether the Member could then be arrested for such contempt. Mr. Cushing, in the first paragraph quoted in part II of this memorandum, indicates that an arrest for a contempt involving disobedience to an order of a court was proper at common law. (However, in another paragraph (also quoted in pt. II) he indicates that at common law members of Parliament were privileged from attending as witnesses.) The article in volume 30 of the Georgetown Law Journal expresses the author's belief that disobedience to a subpena would constitute a civil contempt for which the Member could not be arrested under his constitutional privilege. Since contempt proceedings are discretionary with the court, it would seem unlikely that the question would arise in any case in which the Member of Congress gives as the reason for invoking his privilege the necessity for his attendance at a session of the House of which he is a Member. There are no judicial decisions on this point and the authorities do not indicate what the consequence has been in those cases, reported above, wherein one of the Houses has directed its Members not to respond to a subpena.

Respectfully,

HARRY B. LITTELL,
Assistant Counsel.

FEBRUARY 9, 1951.

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Channing, "Congress' Cloak" (1942), 30 Georgetown L. J. 351.

Field, "The Constitutional Privileges of Legislators" (1925), 9 Minn. L. R. 443.

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Bolton v. *Martin* (1758), 1 Dall. 296.

Geyer's Lessee v. *Irwin* (1790), 4 Dall. 107.

United States v. *Cooper* (1800), 4 Dall. 341.

Miner v. *Markham* (1886), 28 Fed. 357.

Williamson v. *United States* (1908), 207 U. S. 425.

Long v. *Ansell* (1934), 293 U. S. 76; 69 F. 2d 204.

Valley Paper Co. v. *Joint Committee on Printing* (1910), House Doc. 808, 61st Cong.

Hinds' Precedents of the House of Representatives, vol. III, sec. 2660–2676.

Cannon's Precedents of the House of Representatives, vol. VI, sec. 585–589.

Mr. MORSE. Mr. President, from such hasty research as I have made, I am satisfied that Mr. Littell covered all the cases of record on this subject. Among the cases which he cited, and the constitutional authorities which he cited, it seems to me that the controlling decision is that found in the opinion by Justice Brandeis, which is included in this transcript. It speaks for itself.

In effect, Justice Brandeis pointed out that, in the matter of civil process, a subpena can issue, but, in effect, it cannot be enforced because of the privilege against arrest that is specifically outlined in the Constitution.

Usually the motion to quash a subpena is made on the return date. That is the ordinary practice in the Federal courts. In this particular case, which gives rise to the problem confronting us, the motion to quash was made at the time the request for the subpena was made, and at that time Judge Youngdahl refused to grant the motion. In my judgment he was in error. Nevertheless, that was the action which he took.

I think it would have been better, and fairer to the court, if the motion to quash had been withheld until the return date. Then the court would have had before it the resolution which I think we should send down; and, on the basis of such resolution, I am inclined to think that any Federal court would grant the motion to quash.

As I brought out in the debate last night, what the Senate has before it is an action by the court. The action by the court is the action refusing to grant a motion to quash. So at this particular moment, I think the court finds itself in the position, in this field, in which it at least implies that it can issue a subpena and take United States Senators out of their seats on the floor of the Senate to go down to testify before the court. I am satisfied the court cannot do that unless, as has been brought out in the cases, the Senator himself is involved in a criminal proceeding. Even the Constitution itself does not grant any privilege to a Senator in that respect.

I should like to read the conclusion of the very excellent legal memorandum which was prepared for the Senate back in 1951, in behalf of another Senator who raised this point. Nothing came of it, because there was no attempt to require the Senator to testify. The conclusion in this legal memorandum is as follows:

From the foregoing discussion it can be readily seen that no conclusive answer can be given in response to the question posed. It may be fairly said that the two Houses of Congress have consistently insisted upon the privilege of their Members being immune from subpena. Most of the legal writers on the subject have also taken this view. The early writers especially were outspoken in their opinion that Members of the Congress should not be subject to subpena.

While I personally also adopt this view, I would hasten to warn that there are few judicial precedents upon which one may rely. Although I am of the opinion that a logical distinction can and should be made between a summons in a civil suit, which does not in itself require the defendant's presence in court, and a subpena, which does require the attendance of the person subpenaed and which also usually restricts his movements until he is discharged from the subpena, there is no assurance that the courts would make a similar distinction if the question were presented to them. It should be remembered that the Supreme Court has, in the two cases in which it has been called upon to construe the extent of the privilege conferred by article I, section 6 of the Constitution, taken a position restricting the scope of the privilege to what might be said to be its narrowest possible meaning.

That is, the meaning that deals with an attempt to enforce the subpena by way of arrest.

Cushing states that a privilege existed at common law which protected members of legislatures from all consequences of refusing to attend as witnesses.

The memorandum cites the authority.

It seems highly doubtful that this common-law privilege has become a part of the law of the United States. No specific claim of any such privilege has been found in any of the authorities which I have consulted. Jefferson, in his manual, indicates that one of the purposes of the constitutional provision was to limit the large number of privileges which Parliament had from time to time assumed.

If it be assumed that a Member of Congress is not privileged from responding to a subpena, the question arises as to what consequences might follow upon his disobedience to a subpena served upon him.

The authorities who have addressed themselves to this question indicate that arrest or attachment of the Member in enforcement of the subpena would be prohibited under the constitutional privilege. (See address by Justice Peyton Gordon to the grand jury, contained in Cannon's Precedents, vol. VI, sec. 588.)

The Senator from Texas [Mr. JOHNSON] referred to this point in the debate yesterday afternoon.

However, such disobedience might be considered a contempt of the court which issued the subpena, and if it is so considered the question would then arise as to whether the Member could then be arrested for such contempt. Mr. Cushing in the first paragraph quoted in part II of this memorandum indicates that an arrest for a contempt involving disobedience to an order of a court was proper at common law. (However, in another paragraph (also quoted in pt. II) he indicates that at common law members of parliament were privileged from attending as witnesses.) The article in volume 30 of the Georgetown Law Journal expresses the author's belief that disobedience to a subpena would constitute a civil contempt for which the Member could not be arrested under his constitutional privilege. Since contempt proceedings are discretionary with the court—

I wish to stress that point by way of digression. Since there is this discretion, I believe it makes a great deal of difference as to how we phrase the resolution that issues to the court.

I now return to the memorandum:

Since contempt proceedings are discretionary with the court, it would seem unlikely that the question would arise in any case in which the Member of Congress gives as the reason for invoking his privilege the necessity for his attendance at a session of the House of which he is a Member. There are no judicial decisions on this point, and the authorities do not indicate what the consequence has been in those cases, reported above, wherein one of the Houses has directed its Members not to respond to a subpena.

I now turn to the resolution, and I should like in that connection to have the attention of the Senator from Texas for just a moment. In the resolution which the Senator from Texas has submitted, these words appear:

Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate.

I have a little trouble, I may say to the Senator from Texas, with that language, because I cannot find any authority, and I cannot find any precedent which would support our saying to the court: "Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate."

However, the Senate does have standing rules. I should like to suggest to the Senator from Texas that I would propose to substitute for the language I have read, language which can be documented, namely:

Whereas under the standing rules of the Senate, no Senator may absent himself from the service of the Senate without leave of the Senate.

That is the rule. It seems to me that that language ought to be submitted to the court, rather than the language:

Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate.

There have been some instances in the past in which such resolutions have been adopted by the Senate. I understand that. However, I submit there is nothing in any of the authorities I have studied which makes it binding upon a Senator to go to court to testify. The general rule of the Senate is that technically a Senator must obtain leave of the Senate to absent himself from a sitting session of the Senate.

I may say to my friend the Senator from Texas that my language actually strengthens the legal point, and I would suggest that we substitute the language of my resolution.

I have no pride of authorship. The resolution was prepared by the legislative counsel of the Senate after conference. I talked with the legislative counsel of the Senate, or at least my administative assistant talked with him, and there was discussed with the legislative counsel the wording "Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate." The legislative counsel, after trying to find authority to support that language, suggested to me that the words "whereas under the standing rules of the Senate, no Senator may absent himself from the Senate without leave of the Senate" are preferable.

I recommend that language to the Senator from Texas. However, I wish to make clear to him that if he prefers not to make any change in his language, I shall go along with his language. I shall not offer a formal amendment to the Senator's language. I give him the benefit of such legal counsel as I have been able to obtain, and I raise with him the point that I do not believe the Senator from Texas or any one else can find any authority that supports the language "whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate."

My suggested language gives us a firm bottom on which to rest our case, because there is a rule of the Senate that no Senator may absent himself from the service of the Senate without leave of the Senate.

I think that rule is what we ought to rest our case upon. The resolution would then read:

Resolved, That Hon. JAMES O. EASTLAND is authorized to appear in response to the subpena of the District Court of the United States for the District of Columbia at a time when the Senate is not sitting in session—

That is the language used by the Senator from Texas in his proposed resolution—

and be it further

Resolved, That a copy of this resolution be submitted to the said court.

Now to come to grips with the fact that a subpena has been issued and a motion to quash has been denied by the court.

In the resolution I would propose, I say:

Whereas it is the sense of the Senate that by virtue of the provisions of the Constitution of the United States said court has no authority to compel the attendance of any Member of the Senate as a witness before said court during his attendance at any session of the Senate.

I wish to point out that in my opinion that language ought to be in our resolution, because it leaves no room for doubt that once again the Senate is restating its historic position that a court does not have power in a matter such as this to subpena a Senator to court.

The memorandum I have introduced cities exceptions. However, we do state, as a declaration, the Senate's position in this case.

We then go on to call the court's attention to the further fact that a Senator must technically obtain consent of the Senate to absent himself from a sitting session of the Senate. We then say to the court that we grant this witness leave to go to court and testify. The witness then goes to court and testifies in response to our resolution, not in response to the subpena.

I do not know what the court will do, but I do believe the resolution, containing the language I suggest, will place Judge Youngdahl in the position where he will have to decide whether he wishes to grant a new motion to quash the subpena.

All I am doing is submitting to the majority leader the best advice of our legislative counsel. If for any reason he prefers the resolution as he has submitted it, without changing a word in it, I shall vote for it unless the debate shows that from a legal standpoint it should be modified. However, I do believe that the resolution we have worked out, by a pooling of our legal judgment, is preferable to the language he has submitted.

Mr. COOPER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, we are very anxious to obtain action on the pending resolution, and if Senators will cooperate with the majority leader, I hope we may be able to do that. The Senator from Mississippi has been requested to appear in court at 2 o'clock this afternoon.

Mr. COOPER. Mr. President, I shall wait.

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief reply to the Senator from Oregon [Mr. MORSE], a very able and distinguished Senator and experienced lawyer.

My knowledge and experience in the field covered by the resolution are very limited, and necessarily I must rely upon the precedents which have been established and the counsel which is given to me by the attachés of the Senate.

I have not had an opportunity to study the refinement or improvement suggested by the Senator from Oregon.

The Senate is lacking in precedents for resolutions authorizing Senators to appear and to testify in court. But the

Congress is composed of the House of Representatives and the Senate, and the precedents of the House in this respect are many and frequent.

After full consultation with some of the most able lawyers in this body, and with the parliamentarians, who possess a wealth of experience in this field, a resolution was prepared following the language used in many similar instances by the House of Representatives. That resolution is clear, and, in my opinion, is susceptible of no misunderstanding by the court or by the Senate.

Our problem last evening was that most of the Senators discussing the question were not aware, first, that there was a resolution under consideration, and, second, what were the provisions of the resolution.

I desire to read that resolution for the information of all Members of the Senate:

Whereas Hon. JAMES O. EASTLAND, a Member of this body, has been served with a subpena to appear as a witness before the District Court of the United States for the District of Columbia, to testify at 2 o'clock postmeridian, on the 22d day of March 1957, in the case of the United States against Seymour Peck; and

The next is very important language, Mr. President. It is language contained, as I said, in numerous House resolutions directly concerned with this point:

Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate.

That is language which comes from the House resolutions, and I assume the language appears as a result of the constitutional provision that Members of Congress shall be immune from arrest during sessions of Congress. That specific language has stood the test, and has met the problem presented time and time and time again in the other body. I knew of no better precedent on which to rely.

We have stated, Mr. President, that "by the privileges of the Senate, no Member is authorized to appear and testify, but by order of the Senate."

Action by a Senator appearing and testifying cannot be taken except at the direction of the Senate. There is no difference of opinion here about the authority of the Senate. The whole question is, is it a matter of wisdom for the Senate to grant this authority?

I reflected on that a great deal before I came to a decision. I suggested to the chairman of the Committee on the Judiciary that he consult the members of that committee. I consulted with the senior Senator from Georgia [Mr. RUSSELL] day before yesterday, and I consulted with him on two occasions yesterday. I consulted with the able Senator from Oregon [Mr. MORSE], because I regard him as one of the great lawyers of this body. I consulted with those Senators before I presented the resolution, and I obtained from every Senator to whom I talked the unanimous opinion that in the light of all the facts presented and the circumstances confronting us, the Senate had but one course to follow, since the Senator from Mississippi desired to appear, and felt that the ends of justice would be better served by his appearance. The Senator from Mississippi wished to have the consent of the Senate, and the unanimous opinion of Senators consulted was that it would not be the better part of wisdom for the Senate to refuse such consent. Therefore the resolution was presented.

The last paragraph of the resolution reads:

Resolved, That Hon. JAMES O. EASTLAND is authorized to appear in response to the subpena of the District Court of the United States for the District of Columbia at a time when the Senate is not sitting in session; and be it further

Resolved, That a copy of this resolution be submitted to the said court as a respectful answer to the subpena of said court.

The only precedents of which the Senator from Texas is aware are the precedents of the other body, a part of the Congress of the United States. The other body on numerous occasions has passed resolutions, containing different names, referring to different courts, and to different times, but in substance the same as this resolution.

Mr. President, I am therefore hopeful the Senate may agree to adopt the resolution as presented.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. FULBRIGHT. Mr. President, I regret very much that I am unable to agree with the arguments of the majority leader. I agree with the Senator's purpose, I believe, but I cannot vote for this resolution so long as it contains the language in line 2, "in response to the subpena."

I would agree to the resolution if it contained a proviso similar to that I suggested. It would not have to be in the exact language I suggested, but I would agree with language which expressed the opinion that appearance pursuant to the subpena was respectfully declined; that is, an assertion that the Senator does not appear in response to a subpena.

My vote, of course, will not determine the issue, but this particular privilege with which we are dealing goes back to the earliest days of the origin of Parliament in England. One of the first means the kings of England used in trying to discourage the development of a democratic system was, on one pretext or another, to arrest members of Parliament and throw them in jail whenever the members of Parliament did not agree with the king, or when they raised issues which displeased the king.

The privilege possessed by the Senate developed over many years. It evolved over the centuries and was brought into our Constitution with that ancient heritage. I see no reason why even in the slightest degree we should abandon that heritage at this late stage because some judge in a local court has decided he would depart from the precedents. This principle is not primarily for the personal protection of the individual Member; it is to protect the integrity of the institution of the Senate.

Another observation—which I do not like to make—is that the fact that the House of Representatives has followed the procedure suggested does not impress me at all. I would not like to see the day come when the Senate would be confronted with a proposal that the Senate should have a Rules Committee like that of the House of Representatives because the House of Representatives has such a committee, which enables the leadership of that body, regardless of party, to foreclose debate and to pass legislation without the slightest opportunity being afforded to individual Members to effectively oppose proposed legislation. It is a question whether or not that House or this House can preserve some means of affecting or resisting Executive power. In this case, it is a judicial order, but very often the judiciary and the executive are closely allied. In either case, the reasons for maintaining the independence of the Senate are the same.

As the distinguished Senator from Georgia [Mr. RUSSELL] said last evening, in much more eloquent language than I am able to employ, I am not going to be a party to a procedure which nibbles away even a little bit of the independence of this body, or the power possessed by this body, to interpose some kind of effective resistance to arbitrary action on the part of the Executive or on the part of those holding power in the judiciary of our Government.

The Senate is the one last bastion among upper houses of all the Western World, in all the parliamentary countries, which has retained any substantial power. That power is based upon the independence of the Senate from interference by the Executive or the Judiciary and independence of the Members from restraint under procedural rules which close the mouths of the Members.

This problem reminds me of that involved in the power of unlimited debate. I deplore the further restriction of the power of unlimited debate which has taken place recently in this body. If and when debate is strictly limited, as is the case in many other legislative bodies, our influence and usefulness will come to an end.

The point is whether this body can retain its independence and can retain its prestige and power so that it can continue to influence the policies and actions of our Government.

So I cannot vote for the resolution in its present form. I would vote for it if the particular language to which I have objected were deleted, or if some substitute were suggested. But I shall have to vote against the resolution in its present form.

Mr. MORSE. Mr. President, I desire the attention of the majority leader for a moment, because I desire to make a plea to him.

First, I wish to comment on his observation that before he presented the resolution he talked with his lawyer friends in the Senate, including the senior Senator from Oregon. We did confer, but we did not discuss the resolution; we did not see his resolution.

He came to the back part of the Chamber, so far as I am concerned, and

broached this matter. I said then, as I said during the debate last night, and as I say now, that, in my judgment, the Senator from Mississippi [Mr. EASTLAND] should testify in the case, and that the Senate should make it possible for him to testify. I think it would be most unfortunate, he having issued a contempt citation, or having asked the Senate for the issuance of a contempt citation, if, in the opinion of the court, the Senator has a contribution to make to the administration of justice before the court, the Senator were denied by the Senate the privilege of testifying before the court. This is particularly true when the Senator from Mississippi has stated over and over again that he wants to testify and is willing to testify.

That is what the majority leader talked to us about. He did not talk to us about the language of the resolution which he subsequently introduced.

I want to make it very clear to him, and for the RECORD, because I am raising objections as a lawyer, that I join with the majority leader in the presentation he made to us that the Senate ought to take the steps necessary for the Senator from Mississippi to testify before the court; but we ought to protect the prerogatives of the Senate when we do so. So I wish to dwell now upon the statement made by the Senator from Arkansas [Mr. FULBRIGHT]. I think it is very vital, I may say to the majority leader, to the Senator from Mississippi, and to the Senator from Arkansas, that we give heed to it. But I will speak for the RECORD, if necessary.

I think the Senator from Arkansas is quite correct in the objection he raises to the language of the resolution in respect to the subpena, which provides, in line 2 of the resolving clause:

> That Honorable JAMES O. EASTLAND is authorized to appear in response to the subpena of the District Court of the United States for the District of Columbia.

I think that is a great mistake in language, I may say to my friend from Texas. He has said he is not a lawyer, although he has consulted with lawyers. But he did not consult with us on this language at any time. Had he done so, and if we were good lawyers, we would have said we were going to put our noses into the lawbooks. That is why I said we should debate this question. That is why I wanted time to study it.

There is another part of the remarks of the Senator from Texas which should be corrected. He says there are no Senate precedents. There are Senate precedents. There are not only House precedents. I have already put a legal memorandum into the RECORD on this point. I shall quote from it now. It was prepared in 1951 by the legal counsel for the Senate, Mr. Harry B. Littell.

He said:

> In 1910 a case was presented in the Supreme Court of the District of Columbia seeking a writ of mandamus against the Joint Committee on Printing. The court issued a rule to show cause why the writ should not be granted, whereupon the Senate adopted a resolution expressing the opinion of the Senate that the court's order invaded the constitutional privileges of the Senate and of three Senators.

It was Senators who were involved, Mr. President, not Members of the House of Representatives at all. I continue:

> The resolution further directed the Senators not to make an appearance in response.

That is a pretty strong precedent. That case did not involve subpena; it concerned a writ of mandamus. I continue:

> The court rendered a lengthy opinion upon the question of its jurisdiction to issue the order, holding that it had the jurisdiction, and that no privilege of the Senate was invaded. It was pointed out in the opinion, however, that the order did not require the Senators to make a personal appearance. The petition for the writ of mandamus was subsequently denied upon other grounds. (See *Valley Paper Company v. Joint Committee on Printing*, reported in H. Doc. No. 806, 61st Cong.)

This is another Senate precedent. Do Senators tell me there are not any Senate precedents? I say there are, and that they ought to have been made available to the Senate.

> In 1929 a Member of the Senate was served with a subpena issued by the Supreme Court of the District of Columbia to direct him to attend and testify before a session of the grand jury. The Senator (Mr. Coleman L. Blease, of South Carolina) announced to the Senate that he would disregard the subpena. This announced refusal having been transmitted to the court, Justice Peyton Gordon addressed the grand jury as follows:
>
> "The Congress of the United States is now in session, and until yesterday I never heard of a precedent to this procedure in an instance of this kind.
>
> "Section 6, article 1, of the Constitution of the United States gives immunity to arrest to the Members of Congress while that body is in session. It does not say that they are privileged from subpena; but if they do not obey, the only step the court could take would be to issue an attachment for their arrest. Since the Constitution provides immunity from arrest, in my opinion, they are not subject to such action.
>
> "Unless the gentlemen see fit to obey the subpenas, this court at the present time has no power to compel them to do so." (Cannon's Precedents, vol. VI, sec. 568).

I desire to say at this time in the debate that I agree completely with the statement of the Senator from Arkansas. We should not, in the resolution we send to the court, say that we authorize the Senator from Mississippi to appear in response to the subpena, because that goes to the heart of this matter. That provision ought to be stricken from the resolution.

Let me make a plea to the Senator from Texas. He has stated to us that he is not a lawyer. Some of us are lawyers. We have a legal reputation to protect in the Senate. I do not think the Senator from Texas should put a single Senator who is a lawyer in a position where he will have to make a choice between voting or not voting for the language the Senator from Texas offers us, and which any lawyer may think will reflect on his own legal judgment, as I believe would be the case if he voted for the language submitted or followed the majority leader, because the language the Senator from Arkansas is proposing and the language the Senator from Oregon is proposing accomplish the same purpose which the Senator from Texas has in mind, but do not run into the legal problem we are pointing out.

I have quoted to the Senate a statement by Justice Brandeis, which gives great weight to the contention that the Senate certainly should make it clear that the Senator from Mississippi should go to court and testify; but I submit that the Senator from Arkansas is right in saying that the appearance by the Senator from Mississippi should not be in response to the subpena. I cannot imagine a Federal court saying to the Senator from Mississippi, "You cannot testify unless you testify in response to a subpena." The situation is just that simple.

Therefore, I respectfully plead with the majority leader that he adopt either the language of the Senator from Arkansas or the language of the resolution proposed by the Senator from Oregon. I will read my resolution, and then I will take my seat. I will stand on my resolution. I want to say, before the Senator from Texas may say that the Senator from Oregon is walking out on him, that I am a good enough lawyer to know that when in the trial of a case the point is made that I am in error in regard to a point of law, I should proceed to follow what the law is.

Because I think the Senator from Arkansas has made an unanswerable legal criticism of the language of the resolution, as a lawyer and as a Senator I say to the majority leader that I will not vote for the majority leader's resolution with the reference to a subpena in it, but I will vote for it if that reference is omitted. The Senator from Texas can write the resolution in any way he desires, if he wants his own language; and if he will cover the point I have just made, I will vote for it.

The text of the resolution I propose is as follows:

> Whereas Hon. JAMES O. EASTLAND, a Member of this body, has been served with a subpena to appear as a witness before the District Court of the United States for the District of Columbia, to testify at 2 p. m., on the 22d day of March 1957, in the case of the *United States v. Seymour Peck*; and
>
> Whereas it is the sense of the Senate that by virtue of the provisions of the Constitution of the United States said court has no authority to compel the attendance of any Member of the Senate as a witness before said court during his attendance at any session of the Senate; and
>
> Whereas under the Standing Rules of the Senate, no Senator may absent himself from the service of the Senate without leave of the Senate: Therefore be it
>
> *Resolved*, That Hon. JAMES O. EASTLAND is granted leave to appear as a witness before the district court of the United States in the case of the *United States v. Seymour Peck* at a time when the Senate is not sitting in daily session; and be it further
>
> *Resolved*, That a copy of this resolution be submitted to the said court.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. I wish to ask the able Senator from Oregon whether he

also objects or excepts to that part of the resolution which reads:

> Whereas by the privileges of the Senate no Member is authorized to appear and testify, but by order of the Senate.

Mr. MORSE. Yes; I objected to it earlier; before the Senator came into the Chamber. I listened to the Senator from Texas. He cannot cite a single documented authority which backs up any of this language.

Mr. ANDERSON. Then why do we leave in the resolution something which is not sustained by the records of the Senate itself?

Mr. MORSE. I cannot find any rule, and neither can the legislative counsel, that "Whereas by the privileges of the Senate" any "Member is authorized to appear and testify" except by permission of the Senate.

Mr. ANDERSON. Then why do the words "Whereas by the privileges of the Senate" appear in the resolution?

Mr. MORSE. In my judgment the use of that language is a mistake; and I am speaking now as a lawyer, and I am speaking on the basis of what I consider to be my legal duty. On that basis, I cannot accept that language. Instead, I shall propose that the Senate insert the following:

> Whereas it is the sense of the Senate that by virtue of the provisions of the Constitution of the United States said court has no authority to compel the attendance of any Member of the Senate as a witness before said court during his attendance at any session of the Senate; and
>
> Whereas under the standing rules of the Senate, no Senator may absent himself from the service of the Senate without leave of the Senate; and

Mr. ANDERSON. I wish to say that I am very much interested in the language the Senator from Oregon suggests.

However, I conclude that the language of the resolution to which we have just referred is completely out of order.

Again I would submit a parliamentary inquiry, if necessary, in order to have the Chair cite to the Senate the privileges of the Senate which make it impossible for a Senator to respond except by order of the Senate.

The able Senator from Mississippi has a right to go to the court and testify there if he wishes to do so. I wish some Senator would start citing the precedents, instead of merely including such language in the resolution. Some day the use of such language will react to hurt a great many persons.

Mr. EASTLAND. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from New Mexico yield to the Senator from Mississippi?

Mr. ANDERSON. I am happy to yield.

Mr. EASTLAND. I should like to state that I was advised by counsel for the Judiciary Committee that the only possible procedure was to secure the consent of the Senate.

The resolution which the majority leader and the acting minority leader submitted was in the regular form used by the House of Representatives. Some amendments have been submitted. Frankly, I do not know what precedent they would set and whether it would be good or bad.

I should like to have the majority leader agree that the Senate not proceed further with the resolution. Then I can decide, voluntarily, whether to go to the court and testify or not.

Mr. ANDERSON. Mr. President, what I am trying to say is that I think the Senator is on very dangerous ground when he submits a resolution to the effect that the Senate is bound by the precedents of the House of Representatives. The Senator knows very well that I have a rather strong opinion in regard to rule XXII, and that for a long time I have been trying to get the rules of the Senate modified. If the Senate is going to start to proceed on the basis of House of Representatives precedents, I only wish to call attention to the fact that the House has a rather strong precedent to the effect that the previous question can be ordered. If the Senate begins to operate on the basis that the only precedent it has in this instance is a precedent of the House of Representatives, then some of these days I shall raise the point of the previous question; and then I wish to see the same Senators argue that, the precedents of the House being what they are, the Senate has no alternative except to order the previous question. My remarks, now directed to the Senator from Arkansas, are based upon a recognition of the trap we shall be in.

Mr. EASTLAND. Mr. President, my request of the majority leader was that the Senate proceed no further with the resolution.

Mr. ANDERSON. I merely wish to say that I desire to serve notice that when the time comes when I feel we have waited a reasonable time for rule XXII to be modified, I intend to move the previous question in regard to some of these matters; and I want the precedents of the House of Representatives to be used to sustain my position on that point, just as a precedent of the House of Representatives is now sought to be applied.

The Senate has no rule which states that a Senator cannot testify in court except by order of the Senate. If the Senate is now to rely upon a precedent of the House of Representatives, I wish to have an opportunity to have the Senate go even further in that direction, so that my position on rule XXII will be sustained when the proper time comes.

Mr. JOHNSON of Texas. Mr. President, in view of what the distinguished chairman of the Judiciary Committee has said, I plan, after every Member has had an opportunity to speak on this subject, to move that the Senate proceed to the consideration of some other resolution.

I speak with no great authority on the precedents of the House of Representatives or of the Senate. I followed very carefully, on yesterday, and again this morning, the statements of the Senator from New Mexico.

I do think that the Constitution would apply to the Members of the House of Representatives and to the Members of the Senate in the same manner, insofar as this particular question is concerned.

It happens that there has not been a precedent in the Senate for such action. There have been many such precedents in the House of Representatives.

I wish to refer to only one, so that the RECORD may be clear. I read it at this time:

> On November 10, 1941—

And I believe that both the Senator from New Mexico [Mr. ANDERSON] and I were then Members of the House of Representatives—

> Mr. Fish, of New York, rose to a question of personal privilege, and sent to the desk a subpena served upon him to attend before the grand jury of the District Court of the United States for the District of Columbia on November 12, 1941, at 10:30 a. m., on behalf of the United States, which was read.
>
> Mr. Fish said that "under the precedents of the House, I find that I am unable to comply with this summons without the consent of the House, the privilege of the House being involved. I therefore submit the matter for the consideration of this body."

As I understand the situation, that was what the Senator from Mississippi was attempting to do yesterday.

I read further:

> Mr. MCCORMACK, of Massachusetts, the majority leader, then offered a resolution (H. Res. 335), which in substance directed the House Judiciary Committee to investigate—
>
> Investigate what?—
>
> whether the service of such a subpena—
>
> On a Member of Congress—
>
> or other court process upon a Member invaded the rights and privileges of the House; and provided that until the committee should report, Mr. Fish should refrain from responding to the summons served upon him. The resolution was agreed to.

In the absence of any precedent, it was thought that this would at least shed some light, after a congressional committee had made a study of this particular point.

Mr. ANDERSON. Mr. President, will the majority leader yield to me at this time?

Mr. JOHNSON of Texas. I am glad to yield to the Senator from New Mexico.

Mr. ANDERSON. I only wish to say to my able and beloved majority leader that if we adopted a resolution of this kind, allowing the Senator from Mississippi to testify, and if he wanted to testify, I would feel that thereafter there might be precedents and privileges which would apply in this case.

All I was trying to suggest was that if there were privileges in the Senate which might be removed, I believed that hereafter they would be removed.

I am not unmindful of what the majority leader has said about the desirability of having the Senator from Mississippi testify. I am completely ready to vote in favor of a resolution permitting him to testify.

But I do not want him to appear in response to a subpena. I do object to that, particularly while the Senate is in session. If the Senate adopts a resolution including a provision which will allow

the Senator from Mississippi to go to the court and testify, I think that will be fine.

I want the majority leader to recognize that he has some of us in a rather unfortunate position. We would like to go along with his wishes, but on this question we have previous commitments which make it difficult for us to do so. I hope he will judge our position from that standpoint.

Mr. JOHNSON of Texas. Mr. President, I continue to read:

On November 17, 1941, the committee—

After making its investigation—

submitted a report (No. 1415) stating, in part, that "it is the judgment of your committee that the service of this summons does invade—

The Senator wanted to know the basis for this section of the resolution. This is the basis the Parliamentarian used; it is not the language of the Senator from Texas—

"the rights and privileges of the House of Representatives," but that in each case the House might waive its privileges under conditions attached.

Mr. McCORMACK then offered a resolution (H. Res. 340), which was agreed to, as follows:

"Whereas Representative Hamilton Fish, a Member of this House from the State of New York, has been summoned to appear—

That was merely restating the fact, which is what the resolution now pending does. I have not heard any Member say the court did not have authority to issue a subpena, or that a subpena has not been issued—

"before a grand jury—

And so forth—

"Therefore be it

"*Resolved*, That the said Hamilton Fish be, and he is hereby, authorized to appear and testify before the said grand jury at such time as the House is not sitting in session."

Because of that precedent and others of like nature, the leadership felt that a resolution setting forth the facts now confronting the Senate should be drafted. We cannot ignore the fact that the subpena has been issued. It has been issued. I do not think there is anyone who contends it was illegally issued.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. I would contend the judge had no legal basis to issue the subpena. I think it is an empty gesture and a quibbling of words when we say the court can issue a subpena when it has no effect. I think it is playing with words. I do not think the judge had a proper legal basis to issue the subpena.

The very fact that there are no precedents applying to Senators should impress the Senate. Certainly, throughout our history, there have been occasions for action in cases of this kind. Why have there not been precedents? Because the judges, up to this one, recognized the limitation and did not force the issue. I think it is very significant that there have been no precedents with regard to the Senate in this respect. I think we should hesitate and take a long look at this question because there are no precedents in the Senate on the matter. I do not want the Senate to set a precedent of accepting the precedents of the House of Representatives as binding upon either our rules or our privileges.

Mr. JOHNSON of Texas. Mr. President, I have attempted to explain why the resolution was drafted as it was. I think there are many reasons why there are not any precedents in the Senate. Many Senators have testified before grand juries and in other actions when the Senate was not in session, and some have testified without the consent of the Senate when it was in session. I understood the Senator from Mississippi seriously considered following that procedure, and it was suggested that he follow it last night.

I am not determined that the Senate take any action. For 2 days I took the general position that we ought to approach this matter very carefully. Finally I became convinced that if the Senate is to cite people for contempt, and if it is to ask the Department of Justice to prosecute those people pursuant to such citations, and if the court needs to have information from us as to whether or not a quorum is present or as to what happened in a committee, or other information necessary to determine the truth in each particular case, and, if the Senator concerned felt that he was prepared to do it, wanted to do it, and that the ends of justice would be served by his doing it, he should seek the consent of the Senate.

I have no pride of authorship in the resolution. We have the Morse resolution and the Fulbright amendment. The resolution at the desk was one drafted by the Parliamentarian. The other body of Congress has taken many similar actions.

I do not contend we should follow the line of reasoning that because the other House takes some action we are bound by it. I only say, in the absence of any Senate precedent, I think the provision of the Constitution applies equally to the House and the Senate, and that is what is involved in this case.

Mr. RUSSELL. Mr. President, I merely wish to make a few brief observations with respect to the pending resolution. Yesterday afternoon I must have been somewhat confused, because not until I read the RECORD this morning did I understand some of the Senators who addressed themselves to this issue were apparently of the opinion that I was trying to suppress evidence and cause some poor defendant to be denied his rights, that here was a defendant who wanted testimony, and due to my position, he would be denied his rights under the Constitution. That was so far from my thoughts that it was necessary to read the RECORD this morning to understand what those Senators had in their minds.

Mr. President, I have greater respect for the Senate of the United States and for any individual Member of this body than to believe that any Senator, not to speak of the Senate as a body, would withhold any evidence that is pertinent to any judicial inquiry. If this matter had arisen by a request of the district attorney for the Senator from Mississippi or any other Senator to appear, it would have been my position that he should have appeared and that he should have offered to cast any light on the issues that were then and there pending. If it had come about through a request by the attorney for the defendant that a Senator appear with a statement on the possessed facts that were germane to the defense of that defendant, it undoubtedly would have been the duty of that Senator to have voluntarily appeared and submitted testimony that would have been vital to the issues then and there pending. I would not have then taken, and do not now take, any position to the contrary.

I am somewhat amazed at some of my colleagues who apparently thought I was discussing the propriety of a Senator's giving evidence in a case. I read the RECORD this morning, and to me it was reasonably clear that I did make the point I undertook to make, although, of course, we all sometimes attach too much importance to our own remarks.

The point I was undertaking to make is that this is a case in which the subpena was issued for a Senator; in which the processes of the court have been invoked with respect to the Senator, in his representative capacity as Senator; the case in which the question had been presented to the judge on the motion to quash the subpena, which motion the judge had overruled.

If Senators cannot understand the difference between a Senator appearing under those circumstances and a situation in which he voluntarily submits himself to offer testimony, anything I might say here would not enlighten them in the slightest degree.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. Let me say to the able Senator from Georgia that I understood him perfectly. I hope no other Senator misunderstood him. The Senator from Georgia was making the point to which he refers, and I thought it was a very valid point, namely, that a Senator in possession of evidence ought to testify, but that he ought not to testify in response to a subpena. I think the Senator from Georgia made himself abundantly clear.

Mr. RUSSELL. I am happy that the Senator from New Mexico understood my position, because it is very evident, from the statements made, that a number of other Senators did not.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Oregon.

Mr. MORSE. As I previously stated, I think the Senator from Georgia has placed his finger on the controlling, operative fact in this whole case. The Senator from Georgia will recall, as the RECORD will show, that yesterday afternoon I asked him if he would yield for a few questions.

We went through the process of the subpena having been issued, the United States attorney having moved to quash the subpena, and Judge Youngdahl having denied the motion. As I stated, that draws the issue.

As to the jurisdiction of the court to order a United States Senator out of the Chamber of the Senate while the Senate is sitting, to appear before the court, we can handle that problem without responding to the subpena. We can handle it by a resolution, as we propose, which gives the Senator from Mississippi permission to absent himself from the Senate to testify. That is what we propose to do. But I cannot vote for a resolution which recognizes the subpena.

We have precedents of the Senate, the majority leader to the contrary notwithstanding. I respectfully submit that if his advice is based upon the opinion of the Parliamentarian, the Parliamentarian may be talking about a House precedent, whereas I am talking about a legal precedent. I think we should draw that distinction.

Mr. RUSSELL. Let me say to the Senator from Oregon that in my opinion none of the cases which have been cited represent a precedent, even in the House of Representatives, in connection with the issue which is presented to us. It is an entirely different matter.

The record does not disclose whether or not a motion was made to quash the subpena in any of the cases cited; but unless a motion were made to quash the subpena and was overruled, the House precedents would be in nowise binding, even on the House, if this kind of case were presented in the House of Representatives, on these facts.

I can understand how, perhaps, some Senators thought that when I said that I thought the Senator from Mississippi should appear as a witness for the Government, I was taking the position that in no event should he appear for the defendant.

The reason I took the position I did was that the defendant had subpenaed the Senator from Mississippi. The motion to quash the subpena had been made with respect to that subpena. If the Senator had appeared pursuant to a subpena, he would have been recognizing the subpena which, in my opinion, should have been quashed on motion in the first instance.

On the contrary, if he had appeared as a witness for the United States in the case, upon proper request by the district attorney over the telephone or by letter, that would have been an entirely different matter. That was the reason I raised the point that the Senator should appear as a witness for the United States rather than for the defendant. It was not because of any desire on my part to persecute the defendant, whom I do not know, and about whom I care nothing.

My effort was to preserve the integrity of the Senate. At times I become a little weary over the willingness of Senators—and I am not speaking particularly about this case, any more than many others—to abandon those standards and constitutional privileges which, if we insist on them, will give us an equal standing with the executive and judicial branches of the Government in the operation of this great Republic of ours.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KNOWLAND. I was necessarily absent in California yesterday, but I read the RECORD on the way to the Capitol from the airport, and was very much impressed by the discussion which took place in the Senate yesterday.

It seems to me that the Senator from Georgia has clearly stated the case. I speak as a layman, and not as an attorney. Not only have we a constitutional privilege which applies equally to all Members of Congress, whether Members of the House or of the Senate, but it seems to me that there is an additional constitutional factor insofar as the Senate is concerned, in the section of the Constitution which provides that no State shall be deprived of equal representation in the Senate without its consent. If a subpena could be served on a United States Senator from the State of Mississippi, the State of Georgia, or the State of California, to the extent that that particular Senator was withdrawn from his post of duty by a subpena, the State would be deprived of its equal representation in the Senate, during the discussion of legislation of major or minor importance. Nevertheless, the State is entitled to equal representation in the Senate, and I think that is a point which must be very carefully considered in connection with other highly important constitutional questions.

Mr. RUSSELL. I thank the Senator. We might discuss a number of provisions of the Constitution, among others being the provision that no Member of Congress can be called to account elsewhere for what he may say on the floor of the Senate or the House. There are any number of decisions dealing with that subject and affecting the constitutional rights of Members of Congress.

The whole point I was making was that I apprehend that we might establish a very dangerous precedent, even if we permitted a United States Senator to respond to a subpena under these circumstances.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. I asked to be recognized only to commend the distinguished Senator from Georgia for his positive, clear statement of what he feared when he objected last evening. I did not misunderstand the purpose of the question which the distinguished Senator raised last evening. I thought I understood very clearly the point the Senator was endeavoring to make. I commend him for his effort. I believe he has stated most emphatically the need for making certain that the identity of the United States Congress is not lost in this form of government, because if the identity of the United States Congress is ever lost, then we shall surrender much of the people's representation, which has made this Nation the great nation it is.

Mr. RUSSELL. I thank the Senator from Minnesota for that very wise and cogent observation.

This is the place to which the people must look, in the last analysis, for the protection of their rights. They cannot look to a United States court, in which judges are appointed for life. They must look to the House of Representatives, which is renewed and refreshed by the election of all its Members every 2 years, or to this body, which has infused into it at each election one-third of the membership by election of the people. If we are to deposit all the rights of the people of the United States in a judiciary appointed for life, history will mean nothing whatever, unless we have arrived at the point where the liberties of the people are to be stricken down and eliminated. That is one of the reasons why I think this is a matter of more than passing importance.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. I should like to ask the distinguished Senator if I am correct in my understanding that the purpose of the subpena was to determine whether or not a quorum was present, either in the committee or in the Senate itself?

Mr. RUSSELL. I do not know the purpose of the subpena, but from a brief conversation which I had with the Senator from Mississippi, I do not believe that was the basis on which the subpena was issued.

As I understand, there has been no controversy as to that. That fact has been established by other evidence, and was not challenged by the defendant.

Mr. CASE of South Dakota. I was going to observe that if that were the purpose of the subpena, an officer of either the Senate or the committee might be in a better position to testify as to who was present and whether a quorum was present than an individual Member of the Senate, even the chairman of a committee. I have been present in the Senate on many occasions when I would not have wished to testify as to whether there had been a quorum present. I am not charged with keeping the record.

Mr. RUSSELL. I thank the Senator for his observation. I do not think that is what the defense had in mind at all in issuing the subpena. It is my information that a member of the staff of the committee had already appeared before the court and had established the requisites of the legalities of the situation and as to the committee's proceedings.

As I understand, it is a fishing expedition that the defendant went on in asking for the subpena to be issued. I do not disparage his right to get a Senator to appear in court, if he wants to have the testimony of a Senator, even if it is a fishing expedition. If he will go about it in the right way, it is my opinion that most Members of the Senate will respond. However, we are going a long way when we recognize and approve a Senator's appearance in a judicial proceeding in answer to a subpena that was issued without force and effect, and which was

challenged by the district attorney, the

Mr. RUSSELL. I do not attach great

TRANSACTION OF ROUTINE MORN-

"Whereas the import of low-cost Japanese

A resolution adopted by the board of elder-

Passed the senate the 25th day of Feb-

think we should hesitate and take a long withhold any evidence that is pertinent a few questions.

challenged by the district attorney, the representative of the Government in the proceedings, with a motion to quash, and when that motion was overruled.

Now we are requested to approve the appearance of the Senator under that subpena.

That is why I suggested that the Senator not respond to the subpena, but respond to a proper request of the district attorney that he go as a witness for the United States. If we set off on any such course of action as this, there can come a time, just through a little precedent, with a little more built on it, when we may have the whole Senate brought to a judicial proceeding somewhere. It would not necessarily have to be in the District of Columbia. If a subpena to compel the attendance of a Senator is valid in a proceeding in Washington, in the District of Columbia, a subpena can be valid also in Santa Fe, N. Mex., or San Francisco, Calif., or Portland, Oreg., or anywhere else within the jurisdiction of the Federal court.

I am not undertaking to prejudice the case. I do not know anything about it. I do not know even the nature of the citation.

I say that a defendant who may have taken advantage of the fifth amendment or another provision of the Constitution, or a defendant who may have been recalcitrant in his refusal, without the invocation of any provision of the Constitution, or a defendant who may have told the committee that he would not testify, without assigning any reason for his refusal, could very well summon the whole Senate and examine Senators one by one, to get at their motives or their reasons for voting for the citation for contempt.

This is an entirely different case from the ordinary request for the approval of a Senator to appear in court. If a district attorney requests a Senator to appear, instead of asking for a subpena to drag him down to court, or if a defendant's counsel submits a request, couched in proper terms, in my opinion no Member of the Senate would hesitate to respond, if he had any evidence that was pertinent to the issue involved in the case.

Mr. President, this involves a case where a motion to quash the subpena was made and where that motion was overruled. For my part, I do not approve of a Senator responding to a subpena which has that history.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DIRKSEN. In the interest of clarity, I believe this debate is excellent for future purposes. I do not recall whether the contention was made last evening that it was an invalid procedure for the judge even to issue the subpena. Senators may recall the point made by the majority leader that there was nothing wrong with the issuance of a subpena; it was only that it could not be given effect under the provisions of the Constitution which extends to Members of Congress the privilege of immunity to arrest while Congress is in session.

Mr. RUSSELL. I do not attach great importance to the issuance of a subpena. The issuance of a subpena is more or less a routine affair. However, if the subpena is challenged by the district attorney on constitutional grounds, particularly on the ground that it involves the privileges of a legislative body, one of the coordinate branches of the Government, I say that then it assumes an entirely different hue from the ordinary situation.

It is very much as if a Senator had himself invoked the privileges of the Senate in refusing to testify. It is very much as if the Senate had refused a Senator the right to testify. When a subpena has been challenged and a motion to quash it has been overruled, I say the Senate should not permit a Senator to respond. For that reason I hope that when the Senator from Mississippi appears in this case he will appear as a witness for the Government, for the United States, for those who do not undertake to invade the privileges of the Senate and would drag a Senator off to court. I commend the Senator for being willing to go to court, but this situation involves more than the Senator from Mississippi; it involves my rights, and it involves every Senator's rights.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. EASTLAND. I should like to tell my friend from Georgia that since the beginning of the debate, after the submission of the resolution, the United States Attorney has requested me to testify on behalf of the Government. That is why I have requested the majority leader and the acting minority leader to proceed no further under the resolution.

When we conclude the debate I shall be glad to appear at court. I was originally supposed to appear at 2 o'clock, and I have been able to postpone my appearance until 2:30. I should like to attend at the request of the United States Attorney, as a Government witness.

Mr. RUSSELL. In the light of that statement I shall offer no further remarks at this time.

Mr. DIRKSEN. In the light of that statement, which I assume was addressed to the acting minority leader, I have no objection to the withdrawal of the resolution. Inasmuch as it had been jointly submitted with the majority leader, I assume he will have something to say about it.

Mr. JOHNSON of Texas. Mr. President, I move that Senate Resolution 116, the resolution we have been discussing today, be indefinitely postponed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. The Senate earlier today entered an order to stand in adjournment until 12 o'clock Monday; did it not?

The PRESIDING OFFICER. That is correct.

TRANSACTION OF ROUTINE MORNING BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED LEGISLATION RELATING TO CERTAIN MONEY ORDERS WHICH REMAIN UNPAID

A letter from the Governor, Canal Government, Balboa Heights, C. Z., transmitting a draft of proposed legislation relating to Canal Zone money orders which remain unpaid (with an accompanying paper); to the Committee on Armed Services.

REPORT ON STATE OF THE FINANCES

A letter from the Secretary of the Treasury, transmitting, pursuant to law, his report on the State of the Finances, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Finance.

AUDIT REPORT ON TRUST TERRITORY OF THE PACIFIC ISLANDS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Trust Territory of the Pacific Islands, Department of the Interior, for the fiscal years ended June 30, 1955, and 1956 (with an accompanying report); to the Committee on Government Operations.

REPORT ON INDUSTRIAL CONCENTRATION AND PRODUCT DIVERSIFICATION

A letter from the Chairman, Federal Trade Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission on Industrial Concentration and Product Diversification in the 1,000 Largest Manufacturing Companies: 1950, dated January 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Rose Lillian Gilbert from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on April 16, 1956 (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing the Congress of the United States to adopt legislation to protect and promote the textile industry in the city of Fall River

"Whereas during the last 7 months of 1956 4 textile mills were closed down in the city of Fall River, and the complete loss of the textile industry, an industry vital to the region and to the national defense, seems imminent in said city; and

"Whereas the city of Fall River, once a flourishing textile manufacturing center containing 111 textile plants, now has but 2 plants manufacturing cotton cloth; and

tutional privileges which, if we insist on made this Nation the great nation it is. without force and effect, and which was

"Whereas the import of low-cost Japanese textiles with low-tariff duties has glutted the textile market to the detriment of the textile industry and threatens to destroy completely the economy of the city of Fall River which has already been reduced to perilous straits because of its continuous and steady loss of textile manufacturing plants: Therefore be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact such legislation as may be necessary to protect the textile industry, so vital to our defense, and to subsidize said industry in areas where it may be necessary so that the industry will not be wiped out in various parts of the country, particularly in the New England area and in the city of Fall River; and be it further

"*Resolved*, That the secretary of the Commonwealth transmit forthwith copies of these resolutions to the President of the United States, to the Presiding Officer of each branch of the Congress of the United States, and to each member thereof from this Commonwealth.

"Senate, adopted, March 11, 1957.

"IRVING N. HAYDEN,
"*Clerk.*

"House of representatives, adopted in concurrence, March 14, 1957.

"LAWRENCE R. GROVE,
"*Clerk.*

"A true copy.

"Attest:

"EDWARD J. CRONIN,
"*Secretary of the Commonwealth.*"

A concurrent resolution of the Legislature of the State of North Dakota; to the Committee on Interior and Insular Affairs:

"House Concurrent Resolution S

"Concurrent resolution memorializing the Congress to pass legislation already introduced which would set up a $200 million program to induce industry to locate on or near Indian reservations to provide employment for Indians

"Whereas North Dakota has a large number of Indians residing within its boundaries and is vitally interested in providing employment for these Indian citizens; and

"Whereas one of the shortcomings in the past in the administration of Indian affairs has been the inability to provide consistent and suitable employment to the Indian people; and

"Whereas there has been legislation introduced in the 85th Congress which would induce industry to locate on or near Indian reservations to provide employment for the Indian people, and alleviate their unemployment: Now, therefore, be it

"*Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein)*, That the Congress of the United States is hereby urged and requested to enact the legislation already introduced providing for a $200 million loan fund for the purpose of inducing industry to locate on or near Indian reservations, which industries would provide consistent and suitable employment to Indian citizens, and alleviate the vast amount of unemployment among the Indian people; be it further

"*Resolved*, That copies of this resolution be forwarded by the chief clerk of the House of Representatives of the State of North Dakota to the Presiding Officers of each of the Houses of Congress of the United States, to the United States Commissioner of Indian Affairs, and to each member of the North Dakota congressional delegation.

"B. WOLF,
"*Speaker of the House.*
"GERALD L. STAIR,
"*Chief Clerk of the House.*
"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*"

A resolution adopted by the board of aldermen, of the city of Westwego, La., relating to the stationing of a weather ship in the Gulf of Mexico; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Jewish War Veterans of the United States of America, at Milwaukee, Wis., favoring the extension of the educational benefits under the Veterans Readjustment Assistance Act of 1952; to the Committee on Labor and Public Welfare.

JOINT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. THYE. Mr. President, during the last session of Congress I introduced legislation to provide for the establishment of the Great Lakes Fisheries Commission. The primary duty of this Commission, composed of representatives of both the Canadian and United States Governments, is the promoting and coordinating of research activities in the eradication of the sea lamprey. The lamprey is a parasite which attaches itself to a fish and sucks away its life blood. It attacks principally the more valuable food fishes such as trout and whitefish. The loss due to the lamprey in the Great Lakes approximates over $5 million a year, and continued research into lamprey control is absolutely necessary to the survival of the valuable lake trout fishing industry of the Great Lakes.

I have a joint resolution adopted by the Legislature of the State of Minnesota, memorializing the President and the Congress to support measures for the lamprey-control program of the Great Lakes. I am in accord with the purpose of this joint resolution, Mr. President, and ask unanimous consent that it be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution 5

Joint resolution memorializing the President and the Congress of the United States to support measures for the lamprey-control program of the Great Lakes

Whereas the lamprey is propagating rapidly in the Great Lakes and is depleting the lake trout and other game and edible fish therein; and

Whereas the influx of the lamprey in the Great Lakes is a menace to sportsmen and commercial fishermen; and

Whereas this fact has been recognized by the Federal Government and certain legislation has been enacted by Congress to control the evil: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the President of the United States and the Congress urge the enactment of legislation to control the lamprey in the Great Lakes; be it further

Resolved, That the secretary of state transmit copies of this resolution to the President of the United States and to each Member of Congress from the State of Minnesota.

A. I. JOHNSON,
Speaker of the House of Representatives.
KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives the 21st day of February 1957.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate the 25th day of February 1957.

I. G. TOBEY,
Secretary of the Senate.

Approved February 28, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed March 1, 1957.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

By Mr. THYE:

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on the Judiciary:

"Resolution 6

"Concurrent resolution memorializing Congress with reference to the adoption of a national flower

"Whereas practically all nations of the world number among their exemplifying national symbols a floral emblem, a selection founded on gratitude; and

"Whereas the United States, a land of flowers, has never made such a selection; and

"Whereas the United States is endowed with a rare gift which has its roots deep in the history, legends and lore of the Western Hemisphere; and

"Whereas this rare gift was anciently revered by calling it 'maya,' a name meaning 'mother, that which sustains us,' and which sustained countless generations of original Americans through more than 10,000 years; and

"Whereas this 'mother' was waiting on the wild shores of the New World to sustain the freedom-seeking Pilgrims, who came empty-handed into the wilderness; and

"Whereas it was Massasoit's gifts of maize, Indian corn, which mothered the Pilgrims through their first agonizing winter; and

"Whereas the first harvest gave the Pilgrims food for their second winter, seed for their second sowing, plus a supply to send to London to pay on their debt for the Mayflower crossing and to purchase a few desperately needed supplies; and

"Whereas this shipment of golden seed became the first export from the present United States, bullion soon to become greater in value than all the gold and emeralds wrested by the Conquistadors from the Incas; and

"Whereas this same golden fruitage from our native plant traveled in saddle bags, in prairie schooners, in ox carts, in hollowed log boats as pioneers moved ever westward, the seed making homes for the settlers wherever they went, building communities that became this mighty Nation; and

"Whereas today, from early spring until the end of harvest days each year, corn marches in regimental rows, mile on mile, across plains, down into valleys, up mountain sides, from the eastern ocean to the western coast, providing for the Nation; and

"Whereas dedicated scientists have converted corn into myriad uses, so that it is with us all our waking hours—in cream in the morning coffee, the bacon, ham, eggs, butter, in the corn sirup for cakes and waffles at breakfast, through the entire day, reigning at every dinner and banquet throughout the country, in the pages in ledgers, in business offices, in the ink used on the pages, in candy kitchens, bakeries, butcher shops, laundries, in apothecary shops, ice cream parlors, expansive dairies, canneries, meatpacking plants, factories, and in military supplies for the defense of its native land; and

"Whereas astronomical statistics testify to the fabulous value of corn in the economy of our Nation; and

"Whereas with the shrinking of the world through the rapid multiplying of its people, corn will become increasingly needful, increasingly priceless; and

"Whereas our native grain is as characteristic, as distinctive, and as significant as our remarkable national flag; and

"Whereas corn is not only American, it is America, as much a part of this Nation and its people as the air we breathe, the good earth, and bountiful sunshine: Therefore be it

"*Resolved, by the Legislature of Minnesota*, That we, in profound gratitude, honor this priceless gift and its Giver by adopting its flower, the tassel of corn, as our national floral emblem; and be it further

"*Resolved*, That the secretary of state of the State of Minnesota be instructed to transmit copies of the joint resolution to the President of the United States, the Secretary of Agriculture, to each Member of Congress, and to the governors of all other States.

"KARL F. ROLVAAG,
"President of the Senate.
"A. I. JOHNSON,
"Speaker of the House of Representatives.

"Passed the senate the 11th day of February 1957.

"HY TURZER,
"Secretary of the Senate.

"Passed the house of representatives the 4th day of March 1957.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Approved March 8, 1957.

"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota.

"Filed March 8, 1957.

"JOSEPH L. DONOVAN,
"Secretary of State."

RESOLUTION OF THE NEBRASKA LEGISLATURE

Mr. CURTIS. Mr. President, the Legislature of the State of Nebraska has adopted a resolution relating to grant aid programs. The resolution recites:

Legislative Resolution 10

Whereas the State of Nebraska is now in a period of severe drought and its legislature is striving to economize in expenditures; and

Whereas through Federal grant-in-aid programs the Federal Government by extravagant and unnecessary spending is forcing Nebraska, also, to spend extravagantly to match and thus obtain back part of its own money; and

Whereas Nebraska citizens pay income taxes which go to Washington and are returned in part to Nebraska under Federal grant-in-aid programs in amounts reduced by bureaucratic overhead, creating the false impression that the State is getting something for nothing; and

Whereas in returning funds to Nebraska the Federal Government ties strings to the use of these funds which interfere with local government, complicates the enactment of State legislation and forces the State to spend in fields it believes unwarranted; and

Whereas it is common knowledge that local projects financed in part by Federal funds usually cost excessively because of unnecessary Federal requirements; and

Whereas the Nebraska Legislature feels that its citizens know better than the Federal Government how to spend the citizens' money and that local government is more capable and efficient than the Federal Government in managing local programs: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in 68th session assembled—

1. That the Federal Government refrain from enacting new grant-aid programs and reexamine all such existing programs and end or reduce their costs wherever possible.

2. That copies of this resolution be transmitted to the President of the United States, Vice President of the United States as President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each Member from Nebraska in the Senate of the United States and in the House of Representatives of the United States.

3. That copies of this resolution be transmitted to the presiding officers of the legislatures of the other 47 States for their information and consideration.

DWIGHT W. BURNEY,
President of the Legislature.

I, Hugo F. Erb, hereby certify that the above is a true and correct copy of Legislative Resolution 10, which was passed by the Legislature of Nebraska in 68th regular session on the 13th day of March 1957.

HUGO F. ERB,
Clerk of the Legislature.

Mr. CURTIS. Mr. President, I present the resolution, and ask that it be appropriately referred.

The resolution was referred to the Committee on Government Operations.

(The PRESIDENT pro tempore laid before the Senate a resolution of the Legislature of the State of Nebraska, identical with the foregoing, which was referred to the Committee on Government Operations.)

JOINT RESOLUTION OF WASHINGTON LEGISLATURE

Mr. MAGNUSON. Mr. President, the need for the designation of an alternate route to United States Highway No. 10 across the State of Washington has long been keenly felt by officials and citizens alike. Their feeling in this matter was expressed again through a joint resolution adopted by the Legislature of the State of Washington, which has just adjourned.

I present the joint resolution, for appropriate reference, and ask unanimous consent that it may be printed in the RECORD.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Memorial 9

To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled, and to the Secretary of Commerce of the United States:

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectively represent and petition as follows:

Whereas in order to facilitate the flow of traffic across the State of Washington from centers of population south of the city of Seattle to the central and southwestern parts of the State, and to the States of Idaho and Oregon it is urgently necessary that a second highway be improved; and

Whereas Washington State Highway No. 5, being United States Route 410, known as the National Park Highway is ideal for this purpose: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Washington in legislative session assembled, That we respectfully memorialize and petition the President of the United States and the Secretary of Commerce of the United States to take whatever steps that may be necessary to designate Washington State Highway No. 5, being United States Route No. 410, as an alternate to United States Route No. 10 and to incorporate State Highway No. 5, being United States Route 410, into the National Interstate and Defense Highway System; and be it further

"*Resolved*, That copies of this memorial be transmitted to the President of the United States, the Secretary of Commerce of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

Passed the senate February 19, 1957.

JOHN A. CHERBERG,
President of the Senate.

Passed the house February 28, 1957.

JOHN L. O'BRIEN,
Speaker of the House.

FINANCING OF SLUM CLEARANCE AND URBAN REDEVELOPMENT PROGRAM—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of the City of New Rochelle, N. Y., relating to the financing of the slum clearance and urban redevelopment program.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 82, ADOPTED BY THE COUNCIL OF THE CITY OF NEW ROCHELLE, MARCH 6, 1957

Resolution urging the United States Congress to continue adequate financing of the slum clearance and urban redevelopment program and increasing the funds available for such programs throughout the country

Whereas the city of New Rochelle, N. Y., together with many other cities throughout the country is presently engaged in a slum clearance and urban redevelopment program under title 1 of the Housing Act of 1949, and

Whereas such program is in the stage of the preparation of final plans and any break or discontinuance of this program by reason of inadequate funds being available for these great plans for slum clearance throughout the Nation would result in a continuation of inadequate housing and slums with which local municipal governments are unable to cope without Federal assistance and a great loss in funds already expended in the preliminary stages of these programs which have not been fully completed and which will have to be abandoned if the Federal program is discontinued: Now, therefore, be it

Resolved, That the City Council of the City of New Rochelle urge the Congress of the United States to continue adequate financing of slum clearance and urban redevelopment programs throughout the United States and to provide for an increase in the funds available for such programs; and be it further

Resolved, That a copy of this resolution be forwarded to the Honorable IRVING IVES, Hon. JACOB JAVITS, and Hon. EDWARD DOOLEY, legislative Representatives of this city in the United States Congress, to the House Banking and Currency Committee and to its chairman, the Honorable ALBERT RAINS and to the United States conference of mayors; and be it further

Resolved, That this resolution shall take effect immediately.

GEORGE VERGARA, *Mayor.*
CHARLES U. COMBES, *City Clerk.*

Authenticated and certified this 6th day of March 1957.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the council of the city of Schenectady, N. Y., relating to the financing of the redevelopment program.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 5808

Whereas increasing local activity in slum clearance and urban redevelopment programs has made it imperative that there be a prompt increase in the capital grant authority of the Urban Renewal Administration under title I of the Housing Act of 1949 if there is not to be a damaging break in the continuity of local operations under this program; and

Whereas while the amount of actual capital grant contracts under execution still totals less than $250 million, the additional amounts of capital grants earmarked for projects in the planning stage and needed to support projects for which planning applications are currently pending have raised the total capital grant requirements of the program to substantially over $900 million, or more than the total capital grant authorization now available to the URA. While the President has the authority under the Housing Act of 1956 to allocate an additional $100 million in capital grant authorization, at the pace of local demands for such allocations this additional amount would suffice to carry the program forward for only a brief period; and

Whereas the President's budget for the coming fiscal year contained a request for authorization by Congress of an additional $350 million in capital grant contract authority to become available on July 1, 1957, and a further amount of $250 million to become available on July 1, 1958, with an additional authorization of $100 million at the discretion of the President; and

Whereas the need for continuing adequate financing of the slum-clearance and urban-redevelopment program will be among the matters of major municipal interest now being considered at hearings which commenced on March 6, 1957, by the Housing Subcommittee of the House Banking and Currency Committee under the chairmanship of Congressman ALBERT RAINS, of Alabama; and

Whereas the city of Schenectady, a pioneer in urban redevelopment, is now in a planning stage for an urban renewal project adjacent to the present redevelopment project; and

Whereas the city of Schenectady may request additional funds from the capital grant from the United States Government to complete this project: Now, therefore, be it

Resolved, That the Council of the City of Schenectady urges congressional approval of the President's request in his budget for the coming fiscal year for authorization by Congress of an additional $250 million in capital-grant contract authority to become available on July 1, 1957, and a further amount of $250 million to become available on July 1, 1958, with an additional authorization of $100 million at the discretion of the President; and be it further

Resolved, That copies of this resolution be forwarded forthwith by the clerk of the city of Schenectady to Representative BERNARD W. KEARNEY, Senator IRVING M. IVES, Senator JACOB K. JAVITS, and to Congressman ALBERT RAINS, of Alabama, chairman of the Housing Subcommittee of the House Banking and Currency Committee.

FOREIGN POLICY RESOLUTION ADOPTED BY NORTHWEST REGIONAL CONFERENCE OF YOUNG DEMOCRATS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which I received from Jack Wells, chairman of the Regional Conference of Young Democrats, meeting recently in Boise, Idaho.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BOISE, IDAHO, *March 3, 1957.*

Senator WAYNE L. MORSE,
Senate Office Building:

The following resolution on foreign policy was adopted by the Northwest Regional Conference of Young Democrats at Boise, Idaho, on March 2, 1957. We are forwarding it immediately to the six Pacific Northwest Senators for their information during the current foreign policy debate in the Senate.

"We express our opposition to the Eisenhower doctrine for the Middle East. Our opposition to this proposal is based upon the following:

"1. This proposal, although purporting to be an aid to the United Nations, is in effect a means of circumventing the authority of this body by substituting the authority of the President of the United States.

"2. This doctrine asks Congress to approve a possible action of the President at a future date. This is an infringement on the rights of Congress.

"3. If enacted, this policy would undoubtedly cause mistrust of us and our policies by the intensely nationalistic governments of the Middle East. The veiled threat of making the Middle East a United States protectorate is evident in the document.

"4. Our utterances of national policy should not be based on 'sabre rattling' or threats of armed intervention. Our protection of a country attacked by an aggressor nation is understood and our talk of entering wars not yet in progress or possibly not even contemplated is not conducive to world peace.

"5. Perpetuating the arms race in the Middle East is not an effective way to prevent war.

"We recognize the need for positive action in the Middle East and hereby recommend:

"1. Economic aid to the people of the Middle East through United Nations agencies.

"2. United States support of the maintenance of a United Nations police force in the Middle East."

JACK WELLS,
Chairman, Regional Conference.

INCREASE IN RATE OF CONSTRUCTION OF POWER, FLOOD CONTROL, AND IRRIGATION DAMS IN PACIFIC NORTHWEST—RESOLUTION OF NORTHWEST REGIONAL CONFERENCE OF YOUNG DEMOCRATS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram sent to me by Jack Wells, chairman, Northwest Regional Conference of Young Democrats, dealing with a request for an increase in appropriations for the construction of power, flood-control, and irrigation dams in the Pacific Northwest, including Green Peter Dam.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BOISE, IDAHO, *March 3, 1957.*

Senator WAYNE L. MORSE,
Senate Office Building:

We, the Young Democrats of Oregon, Washington, and Idaho, meeting in regional conference at Boise, Idaho, on March 2, 1957, moved to strongly commend the speech of Congressman CHARLES POTTER, of Oregon, for his forthright and courageous attack on the dictatorship of Trujillo and the espionage system maintained by the Fascistic Dominican Government in the United States.

The Northwest Conference passed the following resolution:

"The young Democrats of the Northwest urge that the Congress increase the appropriations requested in the administration's budget for planning and construction and the speeding up the rate of construction of power, flood-control, and irrigation dams in the Pacific Northwest, including Green Peter Dam."

JACK WELLS,
Chairman, Northwest Regional Conference.

RESOLUTION OF DULUTH, MINN., AFL-CIO CENTRAL BODY

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have a resolution which I have received from the Duluth, Minn., AFL-CIO central body endorsing S. 27, relating to employees of the civil service, printed at this point in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

AMALGAMATED ASSOCIATION OF STREET, ELECTRIC RAILWAY AND MOTOR COACH EMPLOYEES OF AMERICA,
Duluth, Minn.-Superior, Wis., March 5, 1957.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: A resolution to memorialize the Congress of the United States to enact legislation providing for salary adjustment for the postal employees—presented by Emil A. Dreher on behalf of the postal employees of Duluth:

Whereas employees of the United States Postal Service have greater workloads and responsibilities than ever before, and

Whereas the work of the Postal Department is being performed in an efficient manner and is deserving of increased compensation: Now therefore be it

Resolved, That the Duluth AFL-CIO central body endorses a salary schedule for postal employees commensurate with that in private industry and which will give adequate recognition of increased productivity of postal employees, and to that end urges the Congress of the United States to vote for and support H. R. 2474 and S. 27; and be it further

Resolved, That a copy of this resolution be transmitted to the presiding officers of the Senate and House of Representatives of the United States and to the Hon. JOHN A. BLATNIK, Congressman, and to Senators HUBERT H. HUMPHREY and EDWARD J. THYE, of the State of Minnesota.

Sincerely yours,

OTTO ANDERSON,
Recording Secretary.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MORSE:

S. 1685. A bill for the relief of Sie Gun Chau (Tse) and Hing Man Chau; to the Committee on the Judiciary.

By Mr. GREEN:

S. 1686. A bill for the relief of Dario Herrera; and

S. 1687. A bill for the relief of Heinrich Luxemburg, alias Henry Luxemburg, alias Stelian Luiscscu; to the Committee on the Judiciary.

By Mr. WILEY:

S. 1688. A bill to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits; to the Committee on Finance.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1689. A bill to amend section 203 (b) (6) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO INCOME CEILING OF CERTAIN PERSONS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to increase from $1,200 to $1,800 annually the income ceiling on individuals receiving social security payments.

This proposed legislation, which I have recommended, in effect, for a number of years, would amend section 2039 of the Social Security Act. It would permit beneficiaries to increase their earnings on the outside, so to speak, without losing the modest pensions to which they are now entitled under the law.

There have been a good many arguments for scrapping the income ceiling entfrely, since it is felt that those who contribute to their own social security, should be entitled to their payments, regardless of what their supplementary income happens to be after they have reached 62 or 65 years of age.

I am sure this issue will be thoroughly explored at the time when the House Ways and Means Committee and the Senate Finance Committee look into this very important problem.

I present a supplementary statement which I have prepared on this subject, and I ask unanimous consent that it be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the supplementary statement will be printed in the RECORD.

The bill (S. 1688) to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Finance.

The supplementary statement presented by Mr. WILEY is as follows:

SUPPLEMENTARY STATEMENT BY SENATOR WILEY

The proposed legislation to increase allowable extra earnings for social-security beneficiaries from $1,200 to $1,800 annually, I believe, will provide real help and encouragement to many of the millions of folks now in retirement, and for those facing the prospect of retirement.

I have never been in favor of relegating these folks who have reached an arbitrary age line, say, 62 or 65, to the ranks of forgotten men and women.

Instead, I strongly believe they should be provided the right and opportunity to continue to be doers in the social and economic life of our communities.

In order successfully to provide the climate in which our golden-age citizens can continue to be happy and useful members of our society, however, greater understanding is required by the community.

This means, of course, recognition of and respect for the rights, privileges, and personal dignity of these folks. Moreover, it requires that, if possible, these folks be allowed the opportunity to be economically independent.

BRING OBSOLETE LAW UP TO DATE

As we know, the social-security law in this respect has not been amended since 1954.

In the interim, as we all know, the cost of living has been creeping upward. Unhappily, the folks on social security, as well as other pensioned and fixed-income groups, have, in effect, been forced to lower their standards of living. This often creates an almost tragic situation.

We know, of course, that a good many of these older folks are still willing and able to work.

Although it is not always possible to find jobs, happily there are some farsighted employers in the country who are ready and willing to hire these mature citizens.

Now, I believe we need to remove the legislative block in the path to a better life for these people. If after 62 or 65 a man or woman can find a job to supplement an often all-too-meager pension, the law ought not to restrict too closely the extra earnings allowable.

ILLUSTRATION OF HARSHNESS OF PRESENT SITUATION

As we know, in the upper-age brackets suppose a man or woman is receiving the minimum social-security benefit of $30 a month. In itself this is a mere pittance and falls far too short of meeting the most minimal needs of living.

However, we have further restricted the opportunity for a decent, comfortable life by too tightly limiting the amount of money he or she may earn to supplement the pension.

For example, the maximum one can earn now is $100 each month. This, in addition to $30 monthly minimum benefits, adds up to $130. Think of it—$130 a month for food, shelter, clothing, and other human needs.

Which of us could live comfortably on this small amount?

This problem is faced by a considerable proportion of the 9 million folks on social-security rolls.

OUR DEBT TO OLD FOLKS

These fine people have helped to create this great country. We cannot now relegate them to the scrap heap, to cheap, lonely rooms—yes, even to the slums.

I believe it is not only fair but humane to provide as many of these fine folks as possible with opportunity for a brighter future.

That is why I believe that a liberalization of the extra earnings provisions of the law is absolutely—and immediately—necessary.

Here are a few of the many expressions to me from back home on this subject:

LETTERS FROM BADGER CONSTITUENTS URGE ACTION

From Milwaukee, Wis.:

"MY DEAR SENATOR: I am taking the liberty of calling your attention to some illogical aspects of the present social security, especially as it is currently administered.

"I have met many elderly people who have to stop short of their full earning potential because of fear of being cut off from their social-security benefits, with the consequent complicated procedures necessary to get back on again.

"Sincerely."

From La Crosse, Wis.:

"Now then, if a man at age 65 is able to work and could get a job, he could not take work that would pay over $23.07 a week or he will lose his social-security payments. * * * I do believe that no man should plan on depending only on social security when he is 65, but why should he be hog-tied so he cannot help to provide for himself after age 65, if he should not have any other means of support?

"Sincerely."

From Eau Claire, Wis.:

"At the present time the earnings of social-security beneficiaries are restricted. * * * Christians in the great body of Congress certainly have the obligation to do all they can for senior citizens, especially when it can be done without reaching into the Treasury of the United States as is too often done. I would not want to believe that Members are interested tonguewise but not dollarwise especially when the request is made that the elderly want to go out and earn what they can (which, incidentally, would mean more money paid into the social-security fund). Please, Senator, give this your prayerful attention in a specific way, for it concerns millions and their well-being. They will rise up and call you blessed for anything you do.

"Sincerely."

HELP OLDSTERS RECEIVE SUBSISTENCE GRANTS ALSO

Let me point out finally that part and parcel of this general problem is the matter of a more sympathetic attitude toward folks on old-age assistance, as distinguished from social security.

Last year the Senate wisely acted to permit recipients of old-age assistance to earn at least up to $50 per month without having that amount deducted from their subsistence payments. Unfortunately, this amendment was lost in conference. Now my able colleague from Illinois [Mr. DOUGLAS] has offered a bill, S. 1121, to amend title I of the Social Security Act for this purpose. I hope this bill will be enacted.

It is commonsense. It is humanitarian. It is just.

EXTENSION OF EXISTING CORPORATE NORMAL-TAX AND CERTAIN EXCISE-TAX RATES — AMENDMENTS

Mr. BIBLE submitted amendments, intended to be proposed by him, to the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which were referred to the Committee on Finance and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MORSE:

Address delivered by Senator DOUGLAS, of Illinois, before National Rural Electric Cooperative Association, at the Coliseum, Chicago, Ill., March 4, 1957.

By Mr. WILEY:

Address on the challenges to America at home and abroad, delivered by him at the annual dinner of the funeral directors of Lancaster County, at Lancaster, Pa., March 18, 1957.

By Mr. JAVITS:

Extracts from speech delivered by him at American citizenship award dinner of the Golden Slipper Square Club in Philadelphia, Pa., as printed in the New York Herald Tribune of March 13, 1957.

NOTICE OF CONSIDERATION OF A NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Francis H. Russell, of Maine, a Foreign Service Officer of class 1, to be Ambassador of the United States to New Zealand, vice John C. Hendrickson, resigned.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

CONVEYANCE OF CERTAIN PROPERTY OF THE UNITED STATES TO THE TERRITORY OF ALASKA

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 136, S. 1291.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1291) to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

REQUEST FOR DISCHARGE OF COMMITTEE ON BANKING AND CURRENCY FROM FURTHER CONSIDERATION OF S. 478

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of S. 478, a bill to cede to the State of New Mexico concurrent jurisdiction over certain areas of land in the State of New Mexico now under the exclusive jurisdiction of the United States. This bill was first introduced on January 9 and referred to the Committee on Interior and Insular Affairs, and on January 30 was discharged from that committee and referred to the Committee on Banking and Currency. The bill involves a problem of intergovernmental relations to which a housing matter under title VIII of the National Housing Act is incidental, and would, therefore, be more appropriately the province of the Committee on Government Operations, which has already under consideration the problem involved.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. DIRKSEN. Mr. President, I am not sure that the matter has been cleared with this side of the aisle. I see no member of the committee on the floor.

Mr. FULBRIGHT. I cleared it with the Senator from New Mexico, who was interested in the matter. It involves a re-referral of a bill.

Mr. DIRKSEN. I would suggest a slight delay on this matter. I may not object later after it has received the formal clearance.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. For the moment I am constrained to object.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is the Senate now considering Calendar No. 136, S. 1291?

The PRESIDING OFFICER. A motion to take it up has been made by the Senator from Texas. That motion has not been acted on, because the Senator from Arkansas obtained the floor to make a unanimous-consent request.

CONVEYANCE OF CERTAIN PROPERTY OF THE UNITED STATES TO THE TERRITORY OF ALASKA

Mr. JOHNSON of Texas. Mr. President, may we have the question put?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The question is on agreeing to the motion of the Senator from Texas.

Mr. DIRKSEN. Mr. President, what was the motion?

Mr. JOHNSON of Texas. A motion to proceed to the consideration of Calendar No. 136, S. 1291, to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

Mr. DIRKSEN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. Is it now in order to ask the Senator from Utah [Mr. WATKINS] a clarifying question about the pending business?

Mr. DIRKSEN. Mr. President, I am unable to hear the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, a parliamentary inquiry. I did not hear the Senator from Arkansas [Mr. FULBRIGHT] and I do not know what the present situation is.

The PRESIDING OFFICER. The Senator from Arkansas made a unanimous-consent request, which he is holding in abeyance.

Mr. MORSE. May I now address the Senator from Utah with regard to Senate bill 1291?

Mr. WATKINS. May I say to the Senator from Oregon I did not have the slightest idea the bill, S. 1291, was going to be considered today, and I do not have my material with relation to the bill here.

Mr. MORSE. I am sure the Senator from Utah has this information in his head.

This case, I believe, is one which conforms to the Morse formula. Is this not one of the cases where we are making land available for National Guard purposes?

Mr. WATKINS. That is right.

Mr. MORSE. We have done this in many cases, because there is a great Federal interest. Whenever we transfer land to be used for a National Guard purpose there is a national-defense interest involved.

Mr. WATKINS. That is right.

Mr. MORSE. I support the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. If there are no Senators desiring recognition——

Mr. WATKINS. Mr. President, I do not desire recognition.

Mr. JOHNSON of Texas. Does the Senator from Delaware desire recognition?

Mr. WILLIAMS. I was waiting until the bill had been passed.

Mr. JOHNSON of Texas. Mr. President, I desire to have an explanation and discussion of the bill before the bill is passed. I had not intended to take action on the bill today.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I intended to make this bill the pending business. I did not anticipate any action would be taken on the bill today. I wish to accommodate any Senator who may desire to address the Senate or incorporate anything in the RECORD. If there are no Senators who desire to do that, then I move that the Senate——

Mr. CASE of South Dakota. Mr. President——

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

Mr. FULBRIGHT. Mr. President, I understand there are two requests, both similar in nature.

Mr. President, I ask unanimous consent that the action I previously requested be taken. I understand there is no objection.

The PRESIDING OFFICER. Does the Senator from Texas withhold his suggestion of the absence of a quorum?

Mr. JOHNSON of Texas. Yes, Mr. President; I shall withhold it, although I have not cleared the request of the Senator from Arkansas. I would like to be more familiar with it.

Mr. FULBRIGHT. That is perfectly all right. I am in no hurry. Let it go over to next week.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALLEGED VICE CONDITIONS IN PORTLAND, OREG.

Mr. MORSE. Mr. President, I desire to report to the Senate a broadcast which occurred on the Columbia Broadcasting System News of America on March 21, at 9 a. m. The following is a transcript of the broadcast by Stuart Novins:

There are two things that must be reported by any newsman coming out of Portland, Oreg., as this reporter has just done, and they both relate to the current exposures by Senator MCCLELLAN's subcommittee about alleged vice conditions in Oregon's City of Roses. Last week the committee entered into testimony a list of 35 locations in Portland where vice or other illegal operations were said to be operating without interference by the mayor. This reporter made the rounds of those 35 locations to see just how bad the situation actually is. One address of the 35 simply does not exist in the city. Another described as operating on January 1 is actually an empty house that has been completely vacant for several months. A third address turned out to be the private residence of a man who is a retired former editor of one of Portland's old newspapers. He has lived at the same address for 30 years, and his reputation as a newspaperman was built on the crusades he ran against crime. And the rest of the list adds up to nothing more than exists in any city of any significance at all. Portlanders know this, but Portlanders are shocked not so much at the reported vice conditions themselves but the idea that such an important body as the United States Senate should level the finger of scorn at this really very conservative city. One has the feeling talking with Portland citizens that, while their civic conscience may have been ruffled, their civic pride has been flattered by these exposures.

OIL AND GAS PRODUCTION IN PENNSYLVANIA

Mr. MARTIN of Pennsylvania. Mr. President, March 5 of this year was the 60th anniversary of the bringing in of the discovery well in the Fonner field of Greene County, Pa. The Washington (Pa.) Reporter, which notes daily happenings of 60 years ago, made reference to this gusher in both its March 8 and 6 issues. It seems as if that well initially made almost 400 barrels a day. That was a gusher for Pennsylvania. The interesting thing, however, is that in 1956 it made an average of 5½ barrels for every day of the year.

It also may be interesting to note that Pennsylvania in 1925 produced 101 billion cubic feet of gas, and in 1955, 30 years later, it was producing 123 billion cubic feet. There are now many more wells than there were 30 years ago. The production is small, but it adds up to a most profitable figure. The requirements for gas in western Pennsylvania, on an annual basis, are approximately four times that of 1925. That means that we must bring in, from other States, an enormous production.

We now have in Pennsylvania almost 73,000 oil and gas wells. The average production for oil is less than one-half barrel per day. Many of these oil and gas wells are being operated by farmers.

SCHOOL CONSTRUCTION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a special memorandum from J. L. McCaskill, the executive secretary of the National Education Association, in reply to the testimony by the United States Chamber of Commerce on school construction legislation.

On February 21, 1957, I gave my own reply to that testimony and labeled it antisocial. I am delighted to have this statement from the NEA, detailing the figure juggling by the chamber of commerce in order to reach the specious conclusion that we have a surplus rather than a shortage of classroom space.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

PAPER CLASSROOMS FOR REAL KIDS?

If schools could be built on paper, the statistics of the Chamber of Commerce of the United States would solve the classroom shortage overnight. That is if, like the chamber of commerce, we were willing to overlook some hard and inescapable facts. In recent weeks the chamber has flooded the country with circulars claiming that there is no classroom shortage because we are building more schools each year than we need.

HOW DO WE KNOW THERE IS A CLASSROOM SHORTAGE?

From 1950 to 1954, the United States Office of Education under orders from Congress conducted a survey of school building needs involving the expenditure of some $4 million of Federal and State funds. The States did the surveying by sending questionnaires and teams of specialists to local school districts. The reports were made in two phases; the need as of September 1952 and the objectives sought as of September 1959. These studies have been seriously distorted by the chamber of commerce and other opponents of construction legislation.

To keep abreast of the current situation, the Office of Education has sent out each year brief survey forms to the State education agencies asking for information on number of classrooms needed, the number expected to be built, and the number of children affected by classroom shortages. Again, the State education agencies have filed reports based on the best information available to them at the time, information which they must obtain from local school districts.

Such a survey in the fall of 1956 is the basis for the testimony of Health, Education, and Welfare Secretary Marion B. Folsom to the House subcommittee that our classrooms are overcrowded by 2.3 million children which it would take 80,000 classrooms to hold; and that another 70,000 classrooms should be replaced as soon as possible, a total of 150,000 classrooms needed immediately.

"WISHFUL THINKING" SAY THE OPPONENTS OF SCHOOL CONSTRUCTION BILLS

The chamber of commerce asserts that at the end of 1956–57 we will have built 470,000 classrooms since 1947–48, many more than the number needed to house annual enrollment increases. The chamber knows this only because the States have reported it to the Office of Education. Yet when the States report that obsolescence, overcrowding, and double sessions are causing an immediate need for 150,000 classrooms, the chamber refuses to believe it. Indeed, on February 20, 1957, Thomas A. Ballantine, Kentucky businessman, testifying for the chamber before a House Education and Labor subcommittee dismissed estimates of buildings to be replaced as "wishful thinking on the part of local school administrators." Perhaps it was this kind of wishful thinking that wanted to replace an obsolete firetrap in Flatrock, N. C., before it was too late. This building burned to the ground on February 22, 1957, snuffing out the lives of a pupil and a heroic teacher who managed to save many of her charges from being trapped in the flaming structure.

WHAT THE CHAMBER'S FIGURES DON'T SHOW

Classrooms built with Federal help

The chamber's publication, News and Cues, makes the bold assertion that 470,000 classrooms were constructed by States and local communities without Federal aid in the 10-year period beginning in 1947 and ending in 1957. Since 1951 just under 6,000 classrooms a year have been built with Federal assistance, $500 million worth of construction stimulated by $600 million in Federal funds from Public Law 815, 81st Congress. So the chamber is wrong on this count—all our classrooms were not built by State and local action alone. Moreover, this Federal aid for school construction has been given without Federal control—thus destroying another one of the chamber's carefully nurtured bugaboos, that Federal funds inevitably bring Federal control.

Unwarranted optimism counts unbuilt rooms

The chamber's 470,000 classrooms figure represents wishful thinking on its part. Thus News and Cues for February 1957 reports 67,000 classrooms built in 1955–56, while the Office of Education in its circular 490, dated January 1957, reports 62,600 actually built. Even more amazing is the way the chamber includes in its 470,000 classrooms 69,000 classrooms which haven't even been built yet. They may be built in 1956–57 provided construction is not slowed down by increased interest rates on school bonds, rising building costs, and shortages of vital construction materials. Yet the chamber insists "69,000 were built."

National figures conceal local impact

Also concealed in the chamber's use of 290,000 classrooms as representing the number of classrooms needed to house the enrollment increases over the last 10 years are two factors that cannot be ignored. The first is that the impact of increasing enrollments has not been evenly distributed, thus creating in many communities such as our suburbs, for instance, classroom shortages far in

excess of local capacity to build fast enough to overcome them.

What about high-school enrollments?

The second factor is that the overall construction and enrollment figures used by the chamber don't show the varying impact of increased enrollments on elementary schools and high schools. So far, the impact has been largely felt in elementary schools, and our local communities have exerted themselves to build elementary classrooms while putting off building more expensive high schools for which the need is clearly predictable. Between 1957 and 1964 high-school enrollments will increase by 49 percent while in the previous 7 years they only increased 21 percent. In circular 490 the Office of Education reports the beginning of an ominous trend in overcrowding in high schools, from 556,000 students in the fall of 1955 to 610,000 in the fall of 1956 enrolled beyond normal capacity, a 9.8 percent increase in overcrowding in just one year.

CAN WE HAVE IT BOTH WAYS?

The chamber of commerce doesn't hesitate to use Office of Education figures based on State reports when it comes to counting the number of classrooms built. But the credibility and integrity of State officials reporting classroom needs were sharply questioned by the witness for the chamber in the hearings before the House Education and Labor Committee. In short, rather than face the issue of Federal action to terminate the school construction emergency the chamber wants to play the numbers game with an issue affecting the welfare of schoolchildren. The most effective answer to this kind of fiddling while Rome burns was given by President Eisenhower himself in his special message of January 28, 1957, when he said: "The need for Federal assistance in eliminating this (classroom) shortage is not theory, but demonstrated fact. It cannot be said—realistically—that the States and communities will meet the need. The classroom shortage has been apparent for a number of years."

The chamber has consistently opposed Federal grants in aid for education where there would be any chance of shifting part of the burden of school financing from the property tax to the Federal personal and corporate income tax. It is not surprising that the chamber opposes shifting any portion of taxes from the small property owner to the large profit maker.

HIGHWAYS, YES—SCHOOLS, NO

A major Federal grant program which the chamber does support is the multi-billion-dollar Federal Highway Construction Act, a bonanza for the heavy construction industry and its suppliers. The need for Federal aid to highways is unquestioned by the chamber; yet it is just as true, in theory, that the States and localities can take care of their highway needs by raising taxes and removing debt limits as it is true in theory that they could build the schools they need eventually. If we cannot wait in one instance neither can we wait in the other, especially when States can now get $2 worth of highway for each dollar they appropriate for roads and no more than $1 worth of school buildings for each dollar appropriated for that purpose.

THE PEOPLE'S CHOICE NOT THE CHAMBER'S

The American people want Federal aid for school construction by a 4-to-1 majority, if the January 1957 Gallup poll is any indicator of public opinion. The national figures alone cannot tell the whole story of what must be done. The need exists wherever a school district has exerted itself to the utmost and children are still being shortchanged for classroom space. Translated into figures this comes to 2,300,000 children in overcrowded classrooms; 840,000 on double sessions, and no one knows how many of those on double sessions are also in an overcrowded classroom when they get into the school building for a few hours a day.

Rather than act to correct this situation, the chamber of commerce wants to juggle with statistics. The NEA believes that the American people through their elected representatives in the Senate and House prefer rather to protect the educational opportunity of their children than to run the risk of "too little and too late."

J. L. MCCASKILL,
Executive Secretary,
NEA Legislative Commission.

MARCH 1, 1957.

MEMORIAL MONUMENT HONORING THE LATE ALBEN W. BARKLEY, OF KENTUCKY

Mr. COOPER. Mr. President, I desire at this time to call the attention of our colleagues in the Senate to an event of importance to the people of Kentucky and of interest to the Members of the Senate.

On Sunday, April 14, 1957, at 2:30 p. m., a memorial monument honoring the late Senator and Vice President, Alben W. Barkley, will be unveiled in Paducah, Ky. The principal speaker for the occasion will be a man for whom we have the greatest respect, the Honorable SAM RAYBURN, Speaker of the House of Representatives.

The Paducah Junior Chamber of Commerce has asked me to extend to each of my colleagues in the Senate an invitation to be present at the ceremonies attendant upon the unveiling of the monument.

These ceremonies will begin on Saturday, April 13, at 6 p. m., at which time invited guests will be honored at a dinner at the Irvin S. Cobb Hotel. The formal dedicatory services will be conducted on the following day.

On behalf of the people of Paducah and of Kentucky, I extend this invitation.

PAKISTAN INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, Saturday, March 23, is Republic Day in Pakistan. Known also as Constitution Day, the celebration will mark the first anniversary of the date when Pakistan became a republic, March 23, 1956. The same date 17 years ago, March 23, 1940, was of similar historic importance. It was the date when the famous Pakistan resolution was moved at the All-India Muslim League in Lahore—the resolution which for the first time put on record a demand for a separate independent Muslim State in the Indian subcontinent.

Today the United States has no more loyal friend than the Republic of Pakistan and its people. Our common purpose in defending the free world against communism has taken concrete form in the SEATO pact. It goes without saying that the United States of America has a continuing and vital interest in the independence, economic development, and democratic growth of the Republic of Pakistan.

TARIFF ON VIOLINS AND VIOLAS

Mr. HUMPHREY. Mr. President, I understand that the administration is once again considering the granting of tariff increases for certain products. One of these cases has been called to my attention by the American String Teachers Association, the president of the Minnesota unit being Mr. Howard Van Sickle.

Mr. Van Sickle quite forcibly points out that should the tariff on violins and violas be permitted to be increased there would be most unfortunate repercussions in the field of music training for our young people.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter addressed to me by Mr. Van Sickle, and my letter to President Eisenhower dated March 19, 1957.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN STRING TEACHERS ASSOCIATION,
Mankato, Minn., March 8, 1957.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Recently our attention was called to the ramifications of a tariff bill before President Eisenhower that would cause considerable hardship to schools and schoolchildren if the affirmative report is adopted. We are referring to the Escape Claim Case, No. 55, initiated by the Jackson, Guldan Co., of Columbus, in reference to violins and violas.

The Tariff Commission kindly sent us a copy of the report to the President and we have taken time to read it completely. We are even more convinced that the negative views expressed by Commissioners Schreiber and Sutton more nearly represent the true situation and should be adopted. If the Jackson, Guldan Co. made an acceptable product for use in the schools we would feel differently. We can't see any justification for encouraging the manufacturing of violins and violas that do not meet even the minimum requirements for quality and then hiking the cost of acceptable instruments through tariff increases so that a $100 outfit will have to cost $150. An acceptance of the affirmative report would do just that.

We would sincerely appreciate any action you might be able to take to express to President Eisenhower our hope that he will favor the report that does not hamper our school program and the welfare of young musicians, the negative report.

Sincerely yours,
HOWARD M. VAN SICKLE,
President.

MARCH 19, 1957.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: The president of the Minnesota unit of the American String Teachers Association, Mr. Howard M. Van Sickle, has called my attention to the proposal which is now before you known as the Escape Claim Case, No. 55, initiated by the Jackson, Guldan Co. of Columbus, Ohio, in reference to violins and violas. I wish to urge you to accept the views of the minority of the Tariff Commission expressed by Commissioners Schreiber and Sutton.

According to Mr. Van Sickle and American String Teachers Association, an affirmative decision would merely encourage the manufacture of violins and violas "that do not even meet the minimum requirements for quality," and would raise the cost of an acceptable instrument so that a $100 outfit would have to cost $150.

It seems to me that the welfare of our young musicians in school who would be adversely affected by permitting such a tariff rise should be most carefully considered.

Sincerely yours,

HUBERT H. HUMPHREY.

THE MOTION PICTURE INDUSTRY

Mr. HUMPHREY. Mr. President, during the past 10 years one of the hardest hit segments of business has been the motion picture industry, and in particular independent theater owners. The primary cause of these woes has been the drop in theater attendance due to the phenomenal growth of television throughout the country.

Motion picture producers and distributors have fortunately been able to change their method of operation so as to meet competition of television and to realize a profit—although much less a profit than made before. The larger first-run theaters in the bigger cities and towns have also been able to continue profitable operations due to better pictures and extended showings. The smaller theaters located in the suburbs and in the smaller towns and villages, and in most cases owned by small-business men, have suffered the most during this period of the expansion of television. The number of conventional four-wall theaters dropped in the past 10 years from 18,700 to 14,600 and the annual gross admission receipts of all theaters fell in this same period from $1.5 billion to $1.155 billion.

Last year as chairman of the Subcommittee on Retailing, Distribution, and Fair Trade Practices of the Senate Small Business Committee, I was asked by representatives of the independent theater owners to study their complaints and the situation they were confronted with in the hope that some constructive measures would be forthcoming. In answer to these petitions our subcommittee held extensive hearings, carefully studied the voluminous testimony and exhibits presented by all segments of the industry, conferred with industry members most familiar with the problems before us, and prepared an extensive report which contained several recommendations designed to help alleviate the difficulties being experienced by small exhibitors. This report was unanimously approved by all 13 Senators serving on the Small Business Committee. I wish to summarize our recommendations and to briefly report as to what has been done within the industry in recent months to assist the small exhibitors.

Our report recommended that distributors and exhibitors make every effort to work out a voluntary arbitration system to settle disputes arising over clearances, runs, competitive bidding, forced sales, and contract violations. It was our opinion that much of the dissension within the industry could be eliminated if there was an arbitration system whereby disputes as mentioned above could be settled with a minimum of expense, time, and effort. The committee rejected the demand of the two largest associations of exhibitors that any arbitration system should provide for arbitration of film rentals on the ground that such restriction was not warranted.

Our committee recommended that the Small Business Administration consider revision of its rules so that theaters would be made eligible for loans in cases where regular lending institutions would not grant credit.

The proposal for Federal legislation to regulate film rentals was turned down on the grounds that it would be better if such topics as film rentals were settled within the industry itself rather than by the Federal Government.

The final recommendation, or perhaps a better word would be "observation," was that the large film companies had a great responsibility to assist the small theater owners to continue in business at a fair profit. The committee did not feel that this responsibility had been fully met as evidenced by, first, the harsh film rentals demanded of even many small theaters, and, second, by the distributors' seeming lack of regard for the exhibitors demonstrated by the recent sales of older pictures for showing on television in direct competition with films showing at local houses.

It is now approximately 8 months since our committee report was issued and I am pleased to state that there have been marked improvements in the industry to the benefit of independent exhibitors, although much still remains to be done.

A most important development has been the rise in theater attendance since last summer after having steadily declined for a period of several years. It appears that the public is becoming more selective in its television watching and is more inclined to consider seeing motion pictures at the theater even though this means leaving the comfort of home and paying theater admissions.

Our committee was pleased to see the Small Business Administration liberalize their rules in accordance with our suggestion so that owners of four-wall theaters are now eligible for business loans. The number of SBA loans approved to date, however, is quite few and complaints have been made that the SBA rules are so stringent that many exhibitors will not even bother applying for such loans.

One of the major complaints of exhibitors was that the film companies were not producing enough feature films and this resulted in falling attendance at the smaller theaters which run 2 or 3 different shows each week unlike the big first-run houses which only show a few pictures per year and can be quite selective in their choice. The reports are that there will be 40 more pictures produced this year than last, which should prove of help to small exhibitors in particular.

Perhaps the most encouraging development is the evidence of a more cooperative and positive spirit within the industry. There appears to be less name-calling and more constructive thought and study being given to working out solutions to the problems facing the industry. Mr. Ernest Stellings, president of the largest exhibitor organization, Theatre Owners of America, recently reported that the major distributors have indicated to him that they intend to ease up on film rental being charged smaller exhibitors who are having difficulties remaining in business. Mr. Stellings expressed optimism and indicated that the distributors are sincere in their expressions of being more considerate in their dealings with small theater owners.

Both the Theatre Owners of America and Allied States Association of Motion Picture Exhibitors, the two main exhibitor organizations, have indicated a willingness to enter into an arbitration agreement with the distributors along the lines suggested in our committee's report. TOA and Allied both had insisted that film rentals be arbitrated and they are to be commended for being willing to compromise and withdraw this demand in keeping with our recommendations. The Motion Picture Association of America, which represents producers and distributors, has indicated that it is ready and willing to enter into arbitration talks with exhibitors. At the present time plans are being made to set up a committee of exhibitors and distributors to begin working out an acceptable arbitration system.

I feel, Mr. President, that the actions I have enumerated here today show that real progress has been made in the past few months and that there exists today a greater spirit of cooperation and a more positive approach toward solving the problems facing small exhibitors.

I digress to comment that I am making this report because of the number of inquiries I have received from Senators relating to the motion-picture industry and the problems which were presented to our committee. Rather than reply individually to such inquiries, I decided to prepare a report as to the progress and development relating to our committee's recommendations and to submit the report to the Senate. It is for that purpose that I have taken the time of the Senate today.

It is my sincere hope that before long I shall be able to report much greater progress within the motion-picture industry and, in particular, the establishment of a meaningful arbitration system designed to settle disputes arising between exhibitors and distributors. I call upon the industry members to work wholeheartedly toward this goal.

I continue to call upon the members of the motion-picture industry to work wholeheartedly toward this goal. I respectfully urge the motion-picture industry and its exhibitors and distributors to solve their problems in a spirit of cooperation, as the report indicates. If they will follow the recommendations of the Senate Committee on Small Business, I am convinced that many of the problems which have been evident within the past 10 years will be well on the road to solution.

REPORT OF THE FAIRLESS COMMITTEE

Mr. HUMPHREY. Mr. President, the Fairless Committee, President Eisenhower's special advisory committee on foreign aid, released its report a week ago. We may be grateful, I suppose, for the general restatement which the Committee made regarding the report of continued economic assistance abroad.

But from a Presidential committee composed of such distinction a more thoughtful, detailed, and constructive report might have been expected. I am frank in stating, Mr. President, that the Fairless Committee report is not very helpful. Few of his recommendations are specific and many are critical. The report contains no detailed analysis either of individual country programs or of the various categories of foreign aid. The report equivocates on what is probably the most fundamental question facing us in the whole field of foreign aid—whether we should undertake an enlarged and concerted program of economic assistance to underdeveloped areas.

Once more, Mr. President, it seems clear that the Congress must take the lead. It must do so even though it does not have the equipment, or the sources which are readily available to an administration in charge of the executive branch.

I ask unanimous consent that an editorial concerning the Fairless Committee report, and which was published in the Washington Post on Wednesday, March 6, be printed at this point in my remarks. This editorial, Mr. President, concludes with what I believe to be the only conclusion possible:

> The administration can be thankful, however, if it means to undertake the badly needed reorientation and rejuvenation of foreign aid, that the Senate has under way a far more comprehensive review on the subject. This review already has produced an impressive and immensely useful study of economic assistance objectives by the Massachusetts Institute of Technology. This study furnishes a proper basis for an administration as well as a Congressional program, and it puts the Fairless report to shame.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 6, 1957]

FOREIGN-AID FICTION

President Eisenhower said in his second inaugural address that "our skills, our knowledge, and, at times, our substance" must be committed to the aid of underdeveloped areas of the world. If this is the administration's objective, and if American foreign policy envisages something beyond deterrence, containment, and unending cold war, the report of the Fairless Committee on foreign aid ought to be consigned to the trash heap.

The President's citizen advisers on the mutual-security program make a bow to the need for continuing emphasis on economic development and long-range assurances of such assistance to the underdeveloped areas, proclaiming, "armed force alone is not enough." But the gesture is an empty one, denied on each succeeding page of the surprisingly scanty report—which, by the way, does not begin to cover the ground that the President staked out for his committee.

First the committee seeks to perpetuate the false notion that the United States now has a substantial economic-aid program by lumping together all aid that is not strictly military and finding it not feasible to evaluate the true level of long-run, development assistance. It does not note that what relatively little assistance of this type there has been since Korea has been provided to only a few underdeveloped areas.

To leave no doubt of its real intentions, the committee then urges that grant aid for development purposes be severely limited and that all loans be terminated except those repayable in dollars. Taken together, of course, these policies would mean that those countries most in need of outside development capital would be ineligible for American aid, since they have, in the main, no exports with which to earn dollars and insufficient resources, in some instances, to service even soft loans repayable in their own currencies.

The Committee also would halt the useful sale of American agricultural surpluses for foreign currencies, earmarked for economic development, and require that these commodities be sold only for dollars to buyers who can prove that the deal will increase their consumption.

Perhaps most disquieting is the Committee's heavy-handed identification of economic development aid with military security. "In foreign-assistance program," the report says, "a higher priority should be given to those countries which have joined in the collective-security system." It is difficult to imagine higher priorities for countries such as Formosa and South Korea than they now enjoy in foreign aid. What is needed is something for the many other emerging nations of Asia and Africa which, for the most part, could contribute little to military security anyway.

At one point, perhaps revealing the Committee's basic sentiments better than anything else that is said, the report declares that only through private business activities abroad "can our long-range objectives be realized." If the Committee means by this foreign investments by American firms, it need look only at its own statistics to show the present hopelessness of attracting substantial American capital to most of the underdeveloped countries. Until Government aid has paved the way, creating at least the beginning of a stable economic environment, there is little place for risk capital. Moreover, many essential projects, such as roads, hydroelectric stations and land reclamation, are not in any circumstances suited for private investment. Greater efforts to induce such investment, perhaps in partnership with or guaranteed by Government funds of course are desirable.

The committee would transfer the military aid program to the Defense Department budget and place economic aid directly under State Department control. Separate planning and budgeting of development and other aid programs is needed, for the criteria are different and much public confusion could thus be eliminated. But no step should be taken to increase the militarization of aid in the eyes of other peoples and to abet the tendency of the Defense Department to use foreign aid to serve the needs of its own modernization program. And it is questionable whether long-range development aid could be adequately insulated from day-by-day diplomatic objectives in the State Department. The present complex channels for aid administration need to be simplified and strengthened. But the proposed transfers of function do not seem the way to go about it.

The committee's collateral comments on behalf of continued reciprocal tariff reduction, the European common market and for 2-year foreign aid budgeting in place of an annual review are welcome. The administration can be thankful, however, if it means to undertake the badly needed reorientation and rejuvenation of foreign aid, that the Senate has under way a far more comprehensive review of the subject. This review already has produced an impressive and immensely useful study of economic assistance objectives by the Massachusetts Institute of Technology. This study furnishes a proper basis for an administration as well as a Congressional program, and it puts the Fairless report to shame.

POSTAL RATES

Mr. MARTIN of Iowa. Mr. President, I deplore the unwarranted attack made upon Postmaster General Arthur E. Summerfield yesterday by the chairman of the Post Office and Civil Service Committee at the hearing before a subcommittee.

All the Postmaster General did, which was in behalf of the best interests of the American people, was promptly to expose the self-serving arguments of a so-called citizens advisory council, who misused their public trust to oppose once again increases in the below-cost postage rates they enjoy.

The report of the citizens advisory council seeks to continue indefinitely the huge postal losses of recent years and to have them paid for by the taxpayers instead of the users of the mails.

Mr. President, I say, and say most emphatically, the Postmaster General should be commended for his alertness and his courage in exposing the special pleading of those who use the mails for profit at the expense of American taxpayers.

The Postmaster General violated no confidences, for the report he received from the Senator last Friday had no restrictions imposed as to any public comment. Furthermore, copies without restrictions were sent to Members of the House of Representatives on Friday, March 15, and several days before that to certain reporters. Why anyone, in good conscience, should criticize the Postmaster General for issuing a statement for release on Sunday, March 17, is beyond my comprehension. Possibly the Postmaster General's alertness upset some well-laid plans, but that certainly in no way justifies the chairman's unwarranted comments.

As a member of the Senate Post Office and Civil Service Committee I and some of my colleagues on that committee have been kept in the dark as to the activities of the citizens advisory council and the development of its recommendations.

I should like to know, and I publicly ask the chairman of the Committee on Post Office and Civil Service to make public the answers to the following questions:

First, how many meetings did this council have? When and where and who were present?

Second, did they ever attempt to ascertain the views of the Post Office Department on the matters discussed in their report?

Third, who were the authors of the report? How have they previously testified on postage-rate increases?

Fourth, how many copies of this report were printed; what did they cost; to whom and when were they sent?

Fifth, why were copies of the report sent, without any restrictions as to release dates, on Friday, March 15, to Members of the House of Representatives and not simultaneously to the Senate? Who gave advance copies, early in the week of March 11, to certain favored reporters and favored publications?

Sixth, who chose the seven members of the council? Why were they selected?

The chairman of the committee owes the full committee and the public an answer to these questions.

As evidence of the distortions and exaggerations of facts and figures employed by the Citizens Advisory Council, I ask that the statement given by the Deputy Postmaster General, Maurice H. Stans, before the committee yesterday, be printed in the RECORD following my remarks. Anyone who reads Mr. Stans' thorough analysis can judge for himself the true facts.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MAURICE H. STANS, DEPUTY POSTMASTER GENERAL, ON ANALYSIS OF THE REPORT OF THE CITIZENS ADVISORY COMMITTEE ON POST OFFICE AND CIVIL SERVICE, MARCH 21, 1957

Mr. Chairman and members of the committee, in his statement today on the post office as a public service the Postmaster General has treated three basic and substantial areas of disagreement with the amounts of money appearing in the report of the citizens advisory council. These issues are:

1. The council uses as its figure for the postal deficit the amount of $362,700,000. We say that the deficit should be considered to be in excess of $651 million.

2. The council says that public welfare expenditures included in the Post Office Department's deficit amount to $392 million a year. We say that the public welfare services rendered by the Post Office Department are properly priced at about $30 million a year.

3. The council concludes that if public welfare items are taken into account "no true deficit exists at the present time." We say that even after public welfare items are eliminated, the postal deficit is substantially in excess of $620 million a year.

It is my purpose, in testifying before the committee this morning, to analyze for you the facts and figures behind these differences of opinion. With full information before it, the committee can quickly and well determine which set of figures is correct. It is our belief that the Post Office position is sound and that a full display of the facts will establish that without question.

THE POSTAL DEFICIT

The deficit of the Post Office Department for the fiscal year ended June 30, 1956, was reported in the annual report of the Department released approximately January 1, 1957, and was shown in the amount of $463.9 million. For various reasons this figure, however, does not reflect the current spread between the Department's revenues and its expenses. As a result of recent legislation, the Post Office estimates its budgetary deficit for fiscal 1957 at $515 million and for fiscal 1958 at $651 million.

In the case of the 1958 amount, present indications are that it is a minimum. There are pending before the Congress a number of bills to provide pay increases and fringe benefits to postal employees. There are pending at the Interstate Commerce Commission actions by the American railroads to increase their charges for transporting the mail by amounts ranging as high as $150 million annually. Current costs of supplies are also higher. In the face of all these factors it is extremely likely that the deficit for 1958 will exceed the current estimate of $651 million by perhaps a substantial amount.

Since 1958 is the first year that could be benefited by a postal-rate increase, we think that 1958 is the proper year—not 1955—to use as the measure of the postal deficit in considering the need for postage increases.

There are two basic circumstances that account for a large part of the $300 million difference between the deficit estimate of the council and the amount which the Post Office submits:

1. Under Public Law 68 wage increases were enacted by the Congress for postal employees, effective in part on March 1, 1955, and in part on December 3, 1955. Obviously, only a small portion of the impact of this legislation appeared in the figures for the fiscal year ended June 30, 1955. The result is that $191 million of this pay increase and other fringe benefits is now a part of postal costs but is not reflected in the deficit figure for 1955 used by the council.

2. Under the 1956 amendments to the Civil Service Retirement Act the Post Office is required to pay into the civil-service retirement fund an amount equal to 6½ percent of its payroll, beginning July 1, 1957. For fiscal 1958 the amount of this payment is expected to be about $131 million. The council did not consider this item at all.

With these incontrovertible facts it is clear that the dimensions of the postal deficit are those claimed by the Postmaster General and that the council has unfortunately omitted factors extremely material to sound conclusions.

PUBLIC WELFARE ITEMS

Beginning on page 14 and continuing on page 20 the council lists various categories of public welfare services of the Post Office, pricing them at a total amount of $392.4 million. On subsequent pages the report contends that there are other hidden public welfare costs for which no money amounts are available.

I should like now to direct myself to these various items of public welfare and give to the committee the amounts as they appear in the Post Office Department records for these items. In this case, in order to provide direct comparisons, I will use the amounts for fiscal 1956, but will indicate any instances in which current figures would be significantly different.

PAGES 14 AND 15

The council lists some nonpostal services and says these cost us $12.4 million a year.

The only item of money consequence in this list is described under the title "Custodial Services—Public Buildings." It cost the Department $9.3 million in fiscal 1955 to provide custodial service for that portion of the space in postal buildings occupied by other Government agencies.

However, there is a direct offset to this item that the council did not consider. General Services Administration provides custodial service to space occupied by the postal service in many other buildings under GSA jurisdiction. In fiscal 1955 the Post Office share of this cost borne by GSA was $9.7 million.

In the net, therefore, there is no public welfare cost in this item. It would be unreasonable to subtract one item without adding the other.

(For fiscal 1956 we spent $10.9 million for custodial service in public buildings for the benefit of other agencies, but in that year the General Services Administration spent $18.9 million on our space in its buildings.)

The only items on page 14 of the report which presently involve public welfare costs are work performed by the Post Office for the Civil Service Commission, the sale of documentary internal revenue stamps for the Treasury Department, and the interdepartmental mail messenger service in Washington. These cost us $2.1 million in 1955. As part of our present legislative program we are planning to ask Congress to provide reimbursement to us from the Treasury for these services.

The other items on page 14 do not really involve net expenditures at all, since the Post Office is reimbursed for these services annually, as closely as they can be estimated.

So, the public welfare expenditures for the nonpostal services listed on page 14 amounted, not to $12.4 million, but to $2.1 million in 1955. In 1956 they were $2.4 million.

PAGES 16 AND 17

The council lists three categories of mail carried at little or no charge, and concludes that they represent a subsidy of $15.9 million.

The major item in this group is "free-in-county" delivery of newspapers, at a cost of $13.3 million. Our measure of the public welfare in this is $800,000, since that is the amount of postage which would be received on all these mailings if they paid the regular "in-county" rates that would otherwise be applicable for second-class mail. The extent of subsidy can be only the price concessions granted to this subgroup of mailers. The full cost of $13.3 million on this mail would properly state the subsidy only if all second-class mail paid its full cost, which, of course, is far from true.

Therefore, the public welfare burden of free-in-county mail is only $800,000.

Another item in this group is designated as "free registered mail for Government agencies," priced at $1.6 million. While the amount is correct for 1955, the item itself is no longer pertinent because Public Law 705, enacted July 14, 1956, now provides for reimbursement to the Post Office annually by other Government agencies for this service.

The correct sum of the subsidized classes of mail described on page 16 of the Council's report is therefore $1.6 million, not $15.9 million.

PAGES 18 AND 19

The report says on these pages that the Department sustains a cost of $60.5 million in providing for the public welfare through preferential low rates to certain classes of mailers.

We agree that these are undeniably public welfare items but we say the amount is exaggerated.

The major item here is the "loss on exempt publications" which, the report says, amounts to $46.2 million. Certain nonprofit organizations are allowed to mail their publications at rates of postage less than those paid by publications for profit. However, if these publications paid the full second-class rates to go through the mails the Department would have realized only $2 million more in 1955 and $2.2 million more in 1956.

These same nonprofit organizations are also granted third-class postage rates lower than those otherwise provided by law. The revenue concession on these mailings was

$5.6 million in 1955 and we agree that this should be included among our public welfare expenses. The council did not mention this subsidy.

If these changes are made, the public welfare contributions on page 18 will total $21.9 million instead of $60.5 million.

PAGES 20 AND 21

The report says that we sustain a loss of $35,800,000 on post cards and postal cards and that this is a contribution to the public welfare.

The handling of post cards and postal cards in the mail, in our opinion, is not a public welfare service but an underpriced service. The loss is caused solely by the fact that the present 2-cent rate on post cards and postal cards is too low. The postage rate bill which you introduced, Mr. Chairman, at our request, would increase that rate to 3-cents and would thereby produce an additional $22.6 million in revenue. If this is done, there is practically no loss on post cards and postal cards and no question of public welfare can arise.

Also, on page 20, the report shows a large question mark after an item entitled "Loss on 1 billion Christmas cards sent unsealed," with a notation that this is estimated as $10 million.

Once again, we believe that there is no public welfare element involved. The citizen has a choice of two ways in which to make his mailings, sealed or unsealed, at different rates. If he chooses the cheaper service he is not being subsidized any more than a man is being subsidized by Western Union when he sends a night letter instead of a telegram, or by the telephone company when he makes a long-distance call after 6 p. m., or by the airlines when he travels at a coach rate at inconvenient hours.

PAGES 22 AND 23

The report states that the Department sustains a net loss of $48 million on its special services, such as registry, certified mail, insurance, collect-on-delivery, money orders, and postal savings.

These services were not, so far as we can learn, established as public welfare services and we do not believe they are such now. They are auxiliary services to the regular mails, usable by all the public. The losses are incurred because the charges are too low.

We have been making intensive studies to reduce the cost of these services by simplifying and streamlining procedures, and we also intend to make realistic upward adjustments in the fees in the near future. We do not consider that there is any public welfare cost to be recognized in this item.

PAGES 24 AND 25

The report says that the Department loses $73 million a year in revenue to the Railway Express Agency because of the size and weight limitations imposed on parcel post by the Congress, and that this is a public welfare expenditure.

Here the council's reasoning is difficult to understand. In some way it feels that by foregoing this $73 million of revenue the Post Office has incurred a loss in the public welfare.

We believe that the size and weight limitation on parcel post has nothing whatever to do with the public welfare. If anything, it can be argued that it is contrary to the public welfare since the limitation causes the public a considerable amount of inconvenience.

Whatever the reasoning, the point is immaterial. Since Congress has also established that parcel post must break even, the $73 million, or any part of it, that we might possibly receive in additional revenues if the size and weight limitations were removed would not change the postal deficit; any net revenue over expenses on this added volume would only go to reduce the rates on parcel post.

Ordinarily, it would seem that a public-welfare service is something that is performed. One cannot sensibly charge to the account of public welfare actions that are not performed. Theoretically, the Department could perform many services and sell many items in post offices in competition with private industry and do so at a profit. The fact that we forgo such profits by not doing these things cannot be construed as a financial sacrifice in the interest of public welfare.

We do not believe there is any public-welfare cost to be recognized in this item.

PAGES 26 AND 27

The report states that the Department contributes $95 million to the public welfare by providing rural free delivery service.

In its reasoning, the report apparently fails to take into account the amount of mail generated in the cities by our rural patrons. Approximately eight times as much mail is delivered on rural routes as is collected on them. If we had no rural delivery at all this mail could never be sent, and city dwellers as well as farmers would be deprived of a service beneficial to all.

I would like to illustrate this.

In 1955 revenues received for mail collected on rural routes amounted to only $38 million, while expenditures came to $206 million. But revenues from mail delivered on rural routes in 1955 amounted to $209 million.

This means that revenues on mail going to and coming from rural routes amounted to $247 million as against expenditures of $206 million. This does not suggest that we made a $41 million profit on rural services, but it does indicate that it is erroneous to conclude that these rural services are costing us any considerable sum of money.

For these and other reasons which I will mention in connection with the next item, we contend that no public-welfare cost is involved in this service.

PAGES 28 AND 29

The report says we are losing $30.8 million a year on third-class post offices and $31 million a year on fourth-class post offices.

We disagree. The facts are these:

1. In fiscal 1956 the cost of third-class post offices was $87.6 million; the revenues, generated, on mail originating in or delivered by these offices, came to $184 million.

2. In the same year the cost of fourth-class offices was $35.5 million; and the revenues generated, on mail originating in or delivered by these offices, came to $39.9 million.

We do not agree that it can logically be said that these offices are money losers for the Department, if they are viewed in this light.

Even these figures understate the case. The revenues are lower than they should be because of the low rates of postage prevailing on all mail, wherever mailed. If revenues are raised to produce a break-even result for the postal service as a whole, the earnings of these offices will improve, too.

Furthermore, rural routes and small post offices are an integral and indispensable part of the postal service.

Many business operations have uneconomic divisions which are maintained for the sake of a more financially satisfactory all-round operation.

For instance, the used-car transactions of an automobile dealer may in themselves produce a loss but they are a necessary adjunct to the sale of new cars. The warehouses of chain stores may not contribute any revenues but they are part of an effective distribution pattern. The streetcar rider who lives at the end of the line, by the council's definition, is uneconomic to the transit company, but he is part of the public being served at a uniform price. This also applies to the electric consumer and the telephone subscriber in the sparsely settled outer fringes of the service area.

The Postal Establishment shares with every other public utility the responsibility to serve uniformly all who apply within the area of service. That fact alone argues against classifying any part of the expenditures as being for the public welfare and therefore payable by people—taxpayers—who do not use the service.

The city dweller or the publisher who sends mail to the country is just as much the beneficiary of rural service as the addressee, and the system as a whole should properly stand the costs of the rural service.

Now, Mr. Chairman and members of the committee, I would like to recapitulate a little, using the table we have prepared: (Appendix C).

We find the following differences in our figures in regard to public welfare costs:

On page 14: Instead of $12.4 million, we have $2.1 million.

On page 16: Instead of $15.9 million we have $1.6 million.

On page 18: Instead of $60.5 million we have $21.9 million.

On page 20: Instead of $35.8 million, we have zero.

On page 22: Instead of $48 million, we have zero.

On page 24: Instead of $73 million, we have zero.

On page 26: Instead of $95 million, we have zero.

On page 28: Instead of $61.8 million, we have zero.

There are a few more items of public welfare that the council does not list. These amount to $1.5 million, consisting of free mail for the Pan American Union, Pan American Sanitary Bureau, widows of Presidents, and others; and excess rates to foreign air carriers.

When we add these in we show a total burden for public welfare of $27.1 million in 1955 and $29.1 million in 1956.

This is $365 million less than the council's figure for 1955.

HIDDEN COSTS

From page 33 on, the report hints at enormous "hidden costs" which it says are being incurred in the interest of public welfare but for which amounts cannot be specified.

I would like to examine these items with you at this point.

PAGES 34 AND 35

The report says: "Congressionally approved legislation exists which now directs the Post Office Department in its transportation operations. The post office cannot by law choose as economical a method of transportation as a private business."

The report quotes former Assistant Postmaster General John M. Redding who, as a paid consultant of the trucking industry, said in 1953 that the Department could save $85 million a year if it diverted from rail to truck all mail moving within a 300-mile radius. The inference is that we are passing on to the users of the mails the additional costs we incur because of restrictions imposed on us by Congress.

Respectfully, we differ. The Post Office Department is not seriously restricted by law in its selection of the surface transportation medium which it employs. It is reasonably free to select the medium best suited for the special transportation job from the standpoint of service and economy.

The suggestion that the Department could save $85 million a year through the diversion

of mail from rail to highway is not realistic. Mr. Redding's estimate is based on diversion of storage mail traffic to the extent of $120 million and railway post office service of $60 million. For one thing, the total payment for railway post office service throughout the United States in fiscal 1956 amounted to only $81.3 million. Nowhere near all of this could be diverted.

As pointed out in the citizens advisory council report, the transportation payments of the Post Office Department have been reduced from fiscal 1953 to fiscal 1956 by $55 million a year (actually $67.7 million on a wholly comparable basis). This reduction has been made despite a mail volume increase of 11 percent. This saving has been brought about partly by judicious diversion of some traffic from rail to truck and partly by special agreements worked out in cooperation with railroad companies to make their rates competitive with highway transportation. An increasing amount of mail is being carried in highway vehicles operated by railroad companies under special agreements with the Department. Where either is the case, diversion to truck would not save money.

We estimate that about 75 percent of our mail is moved by rail. Further reductions of some amount are possible in our transportation costs. However, they require expensive new facilities at many points and the changes would not produce net savings for some years, and then in amounts immeasurably smaller than the $65-million figure estimated by Mr. Redding.

PAGES 16 AND 17

The report says: "By simply not enforcing an existing Federal statute, the executive branch has tacitly supported the granting of subsidies by the Post Office Department to major communication interests."

Here the council, apparently confused regarding the contractual agreement between the railroads and the Railway Express Agency, believes that the Department is subsidizing the railroads by $100 million by paying rates that are double those paid by that agency. The council intimates that it is the Department's fault that United States Code 39, section 557, passed in 1916, has never been enforced.

In a railway mail pay proceeding initiated on February 19, 1947, the Department sought to invoke the provisions of section 557, title 39, United States Code. The Interstate Commerce Commission denied the request in that proceeding.

In October 1948 the Postmaster General made a renewed request by petition to the Interstate Commerce Commission in a separate proceeding (Docket No. 30177). This petition requested the Commission to furnish information as to the revenue received by the railroads from the transportation of non-first-class mail and thereby enable the Postmaster General and the Interstate Commerce Commission to comply with this provision of law. The Commission ruled that this provision of law does not place a duty upon it to formulate rates in such a fashion and that, furthermore, no rates are published or maintained by the railroads for express. The express revenue received by the railroads is not derived from rates but from the variable net earnings of the express agency under operating agreements with the railroads.

Under the law the ICC prescribes the rates of compensation to be paid the railroads. It has ruled twice that the contention adopted by the Council on page 34 is not valid.

PAGES 38 AND 39

The report says: "Pursuant to law, the Post Office does not have the full authority to select the most economical and expeditious mode of transportation for the use of the mails."

The council, quoting from the report of another advisory council made in 1954, says that the Department in transporting empty mailbags from depositories to mail concentration centers in first-class-mail cars and that the use of trucks would save millions annually. The report supports this misinformation with a chart in a scale which implies that the item is proportionately equivalent to at least $100 million a year.

In the first place, the Department spends only $420,000 a year to railroads, at freight rates, to carry this equipment, so the opportunity of saving millions of dollars a year in this area seems limited.

In the second place, only 20 percent of all empty mailbags are now carried by passenger trains, and those are carried only when the rail rates are the lowest available.

A wide network of transportation facilities is now available and is used for moving empty equipment at rates much lower than those paid by private industry for moving similar commodities.

The money-saving possibilities indicated by the council do not exist.

PAGES 40 AND 41

The report says: "Congressionally approved legislation directs the Post Office Department in its transportation operations. Based on public-welfare considerations, this legislation does not seek the most economical method of transportation."

The report cites the 62d United States Statutes at Large, page 578, title 39, United States Code, sections 473 and 474, which require that we transport the mail between airports and post offices in Government-owned vehicles. Then the Council's chartmaker on page 41 allocates space to this expenditure equivalent in scale to at least $100 million.

This restriction by the Congress does cost us money—but the cost is less than $100,000 a year. Furthermore, the Department has included in its legislative program for 1957 a bill to repeal this directive.

PAGES 42 AND 43

The report says: "Many postal expenditures provide community services which are regarded by the general public as services for which no fees are required."

Among the 13 items listed is 1, the selling of documentary stamps, already considered under nonpostal services ch page 14 of the report. The other items on page 43 are given space on the chart, in a grotesque exaggeration, that suggests that these services cost the Department at least $225 million a year.

Actually the aggregate cost to the Department of all these items is about $100,000 a year.

I testified to that effect last week before the House Committee on Post Office and Civil Service, and said that reimbursement for these items from public funds of the Government would not be worth the cost of the accounting work involved.

HALF QUOTATIONS

I would like to make one more point.

Although I am naturally flattered that the Council sees fit to quote me in several places in its report, I am concerned that the quotations are incomplete and make me appear to mean precisely the opposite of what I actually said.

On page 11 of the report, for instance, I am quoted as follows:

"If we use computations provided by the Kelly law * * * which eliminates from the postal deficit all public service costs and all subsidies * * * it is shown that the Post Office did not operate at a loss during the period from its inception to 1946. This is a conclusion reached by Congressman KELLY himself for the years up to 1950, and by a consultant for the Magazine Publishers Association for the years from them up to the end of World War II."

The report omits the fact that I went on to point out that Dr. Jules Backman, the consultant for the Magazine Publishers Association referred to, had gone on to say that rising postal costs between the end of World War II and 1952, the year his report was written, had created an aggregate postal deficit for that period, even by Kelly law computations, of $2.3 billion. And, I might add, that figure brought up to 1956—still by Kelly law computations—is about $4 billion.

While we are on that point, I would like to emphasize that our computations of the welfare items borne by the Post Office are wholly consistent with the Kelly law. The council's report is not; it lists many items which the Kelly law did not consider to be public welfare costs, and it inflates the amounts of others.

The report again half quotes me on page 45. The quotation, as reprinted, runs as follows:

"The other agencies of Government—let us say the Department of State or Department of the Interior * * * perform services that diffuse their benefits over all the people. The nature of these services is such that there is no way to evaluate them, person by person, or, in many cases to break them down into measurable units. It is the proper role of taxation to assume the burden of paying for such immeasurable services in the interest of common good of all citizens."

However, the council does not state that I went on to say: "But, in the Post Office we perform services in the form of individual transactions—all measurable, all distinguishable, each from the other.

"It is not the proper role of taxation to assume the burden of paying the cost of an operation such as this. We believe that the costs should be paid by those who use the services, just as those who use the services of a municipally owned power or water plant pay for its services according to measured units of use.

"That is why we charge postage rates. To follow all the way the argument that we shouldn't be disturbed about deficits, why should we charge any fees at all? Why shouldn't we carry everybody's mail free of charge and pass the costs on to the taxpayer?"

Whether or not you agree with what I have said in these two full quotations, I am sure you agree that they have a different meaning than is implied by the excerpts selected by the council for inclusion in its report.

On this matter of charges for Government services, we believe that it is the mandate of Congress that all Government agencies should recover the full cost of what measurable services they perform for recognizable individuals or groups of individuals.

Public Law 137, 82d Congress, states this principle specifically:

"It is the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued by any Federal agency (including wholly owned Government corporations as defined in the Government Corporation Control Act of 1945) to or for any person (including groups, associations, organizations, partnerships, corporations, or businesses), except those engaged in the transaction of official business of the Government, shall be self-sustaining to the full extent possible." (65 Stat. 290).

In specific legislation this expression of Congressional thinking has been reiterated many times. (See appendix A.) The council believes that some Government agencies are not observing this general mandate.

Even if that is true, we submit that it is no less correct and no less desirable. In appendix B of this statement I have included some examples that are pertinent of agencies which are observing this mandate by operating on a break-even basis or at a profit.

To say, as the report says, that the Post Office Department recovers from its rates and fees a higher percentage of its expenditures than do certain other agencies of Government is merely to say that the Post Office performs a far higher percentage of measurable services for identifiable individuals or groups. But that recovery of cost is still inadequate at present rates of postage to compensate fully for these measurable services.

CONCLUSION

This, Mr. Chairman and members of the committee, completes my analysis of the Report of the citizens advisory council.

I regret that it is necessary to express such great disagreement with the figures of the council. I leave it to your good judgment, now that you have heard the other side, to decide which is right.

That decision is an important one, more so now than at any time in the past. Any policy determination that would permanently settle upon the taxpayer public welfare items of the dimensions proposed by the council's report would merely perpetuate an unfair situation. A disposition of the policy problem on the basis of our proposals would settle for all time the exaggerated arguments of those who perennially resist higher postage rates. If it is accompanied by legislation increasing postage, as we propose, the actual users of the mails will pay their rightful share of the cost of postal service and the taxpayers will be relieved of an unconscionable burden.

Thank you very much for your kind consideration. If there are any questions I would be happy to answer them.

APPENDIX A

Samples of Congressional action along the lines that services of a businesslike nature performed by Government agencies for specific agencies or corporations shall be self-sustaining to the full extent possible.

1895, Government Printing Office: On sale of additional plates: "* * * at a price not to exceed the cost of composition, the metal, and making to the Government, and 10 percent add * * *" (U. S. Code, title 44, sec. 58).

On sale of public documents: "* * * to sell at cost any public document in his charge, said cost to be estimated by the Public Printer and based on printing from stereotype plates" (U. S. Code, title 44, sec. 71).

1932, Government Printing Office: On the price of Government publications: "The price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized book dealers and quantity purchasers * * *" (U. S. Code, title 44, sec. 72a).

1934, Bureau of Federal Credit Unions: On the issuance of certificates of approval, etc.: "* * * the purpose of such fees being to defray, as far as practicable, the administrative and supervisory costs incident to the carrying out of this chapter" (U. S. C., title 12, sec. 1755).

1935, Tennessee Valley Authority: On power projects: "It is declared to be the policy of this chapter that, in order, as soon as practicable, to make the power projects self-supporting and self-liquidating, the surplus power shall be sold at rates which * * * will produce gross revenues in excess of the cost of production of said power at each power station * * *" (U. S. C., title 16, sec. 831m).

Department of Health, Education, and Welfare: "* * * Services under this section shall be rendered only upon payment by the applicant of fees fixed by regulation in such amounts as may be necessary to provide, equip and maintain an adequate and efficient inspection service" (U. S. C., title 21, sec. 372a).

1938, Department of Health, Education, and Welfare: On the certification of coal-tar colors: "* * * shall be performed only on payment of such fees, as may be necessary to provide, maintain and equip an adequate service for such purposes" (U. S. C., title 21, sec. 376).

1950, Bureau of Engraving and Printing: On costs incidental to work or service performed: "* * * at prices deemed by the Secretary of the Treasury to be adequate to recover the amount of direct and indirect cost of the Bureau, including its administrative expenses incidental to performing the work or service requisitioned" (U. S. C., title 31, sec. 181).

1950, Report of Senate Committee on Expenditures in the Executive Departments: On recovery of expenditures for services performed by Government agencies for identifiable persons or corporations: "* * * those who receive the benefit of services rendered by the Government especially for them should pay the cost thereof * * *."

"* * * the cost to which the Government is put should be borne by the beneficiaries * * *" (S. Rept. No. 2120, 81st Cong., 2d sess.).

APPENDIX B

Examples of Government agencies that operate in such a manner as to be "self-sustaining to the full extent possible."

[Millions of dollars]

Agency	Fiscal year 1956		
	Revenues	Expenditures	Net
Tennessee Valley Authority	227.3	180.7	+46.6
Alaska Railroad	17.9	15.8	+2.1
Food and Drug Administration	1.1	1.1	------
Bureau of Federal Credit Unions	2.0	1.9	+.1
Panama Canal Company	9.2	8.4	+.8
Bureau of Engraving and Printing	24.4	24.4	------
Government Printing Office	90.3	84.5	+5.8

APPENDIX C.—*Post Office Department—Statement of amounts of public-welfare costs (in millions) included in the postal deficit*

Page		Citizens advisory council's figures, 1956	Post Office Department figures	
			1955	1956
14	Nonpostal services	$11.4	[1] $2.1	[2] $2.4
16	Classes of mail carried at little or no charge	15.9	[3] 1.6	[3] 1.8
18	Preferential rates to certain classes	60.1	[3] 21.9	[3] 23.2
20	Loss on postal card cards	15.6	0	0
22	Loss on special services	48.0	0	0
24	Parcel-post size and weight limits	73.0	0	0
26	Rural-delivery service	85.0	0	0
28	3d- and 4th-class post offices	51.8	0	0
	All other items	0	[3] 1.5	[3] 1.7
	Total	352.4	27.1	29.1

[1] Reimbursement being requested for Civil Service, Documentary Stamps and Official Messenger Service (item 4 of legislative program).
[2] Reimbursement requested, H. R. 2306.

ESTABLISHMENT OF NATIONAL COWBOY HALL OF FAME AND MUSEUM AS A NATIONAL SHRINE

Mr. CASE of South Dakota. Mr. President, the movement to establish a National Cowboy Hall of Fame and Museum has attracted a great deal of interest in my State. At present there is a desire to have this museum established as a national shrine.

The cowboys of America have given a great deal to the character of our country. In our own Dakota Territory, we take a great deal of pride in the fact that the rugged personality of Theodore Roosevelt was a product of the great West. Our western frontiers have given rise to many fabulous heroes, many great legends, and many great chapters in the history of our Nation. The romance connected with those days constitutes the source of great interest today.

Mr. President, there is not a day when one cannot find western movies being shown on theater screens in the United States. Television programs daily recount the exploits of cowboys and bad men of the West. Magazine and book stores do a thriving business in volumes which recount the adventures and excitement of the "riders of the range."

Wisely, those who were associated with this era of history, from 17 Western States, gathered together and established the National Cowboy Hall of Fame and Museum. A site was chosen at Oklahoma City, Okla., and plans and construction are progressing.

Mr. President, my remarks today, therefore, are directed toward recognition of the Cowboy Hall of Fame and Museum as a national shrine for the proper placement of records and the "tools of the trade" of the cowboy in a manner befitting this great segment of our Nation's history. This hall of fame and museum would give recognition to the everyday working cowboy who quietly and steadily went about his work that ended in establishing the West and in developing the law and order which furnish the basis of our civilization there today.

In my own great State of South Dakota, there are still among the living some of those who actually took part in winning the West. Our last great round-up was in 1902, and those who took part in it have an organization known as the 1902 Cowboys. Although their number is dwindling as they answer the call to the Last Great Roundup, they do meet each year at the time of the stock growers' convention.

Two South Dakotans are serving among the trustees, giving of their time and effort to make the Cowboy Hall of Fame and Museum a truly great national shrine. I refer to Mr. Bert Hall, of Kennebec, a former rancher and early day cowboy, now retired, and the author of a book about the great roundup in South Dakota; and to Mr. Ernest Ham, of Viewfield, one of the younger ranchers and stockmen, whose father and uncle were both prominent cattlemen in western South Dakota.

But, Mr. President, the records of the lives and achievements of those who

won the West are still fresh. The personal mementoes are still sitting on mantels or are stored in trunks in attics. They should be saved and preserved, before they are lost forever.

In the Black Hills, we have a realization of the value of a museum for at Deadwood, where during the gold-discovery days some of these men had their hangouts, we have the Adams Pioneer Museum which holds a large number of exhibits of things directly connected with the days of seventy-six. Annually, thousands of visitors pass through this museum. The exhibits bring home to them the actual proof of the existence of such characters as Wild Bill and Calamity Jane, Potato Creek Johnny and Jack McCall. The visitors come a little closer to the real color of the pioneer days in Dakota Territory and, in Mitchell, the Friends of the Middle Border have recreated the atmosphere of the homesteading which Hamlin Garland's stories made famous.

So, Mr. President, I can say that we in South Dakota know well the value of saving these things for posterity.

It is with that thought in mind that, because the West has figured so largely in the history of our country and in its development, which even now is not yet completed, we believe it is evident that every consideration should be given to establishing a proper and fitting memorial for the working cowboy. It should be a memorial which will be open to all people. Therefore, I urge consideration of the establishment of the Cowboy Hall of Fame and Museum as a national shrine.

ADJOURNMENT TO MONDAY

Mr. HUMPHREY. Mr. President, if there is no other business to come before the Senate at this time, I now move that, pursuant to the order previously entered, the Senate adjourn to Monday.

The motion was agreed to; and (at 2 o'clock and 5 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Monday, March 25, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 22 (legislative day of March 21), 1957:

DIPLOMATIC AND FOREIGN SERVICE

Francis H. Russell, of Maine, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of sections 8298, 8304, and 8305, title 10, United States Code. All officers are subject to physical examination required by law.

LIEUTENANT COLONEL TO COLONEL

Line of the Air Force

Preston, Ellery David, Jr., 1195A.
Jones, William Wesley, 1240A.
Dane, Paul Howard, 1296A.
Temple, Richard Leofric, 1317A.
Focht, Joseph George, 1359A.
Hawes, Daniel Graham, 1390A.
Herreiko, Frank Edward, 1405A.
Prohaska, Elmer George, 1630A.
Morrison, Richard Steele, 1676A.
Walton, Charles Manly, Jr., 1707A.
Heinlein, Oscar Allen, 1740A.
Bullis, Harry J., 1877A.
Hall, John Osborn, 1911A.
Tates, Edward Charles, 1914A.
Gregory, Charles Edward, 1956A.
Fowler, Winston Cureton, 1978A.
Bagstad, Charles Webster, 1986A.
Turner, Allen, 2030A.
McEntire, William Eliza, 2035A.
Looke, Cecil James, Jr., 2045A.
Gayle, Charles Afton, 2047A.
Evanoff, Alexander George, 2051A.
Porter, Stuart Moss, 2061A.
Wood, Frank Lee, Jr., 2063A.
Mitchell, Philip Harold, 2216A.
Witsell, Benjamin Fishburn, 2464A.
Skelton, John William, 2545A.
Corwin, Alexander, 2553A.
Clark, Albert James, 2571A.
Bowman, Harry Guy, 2577A.
Barrett, Richard Adrian, 2586A.
Moynihan, William Laurence, 2592A.
Waugh, Richard Gordon, 2598A.
Jones, Wayne Emery, 2601A.
Dargusch, Julius Theodore, 19666A.
Teed, Willard Golding, 2610A.
Chase, George Humphrey, 2703A.
Redd, Denny Lee, 2717A.
West, Frank Thornton, 2719A.
Walter, George Clarage, Jr., 2739A.
Oldfield, Arthur Barney, 19649A.
Bush, Morris, 2776A.
Burnside, John Marion, 2777A.
Ault, John Willard, 2783A.
Blackstone, John Everett, 2785A.
Pankey, Russell George, 2812A.
Geismer, Oscar Henry, 2820A.
Aertgeerts, Jerome Edward, 2825A.
Stancook, Joseph Cobb, 5218A.
Grek, Robert Marshall, 2839A.
Haas, Wilford Norman, 2848A.
Rogers, Norman Elliott, Jr., 2852A.
Judkins, William T., 2862A.
Ferguson, Marion Grey, Jr., 2497A.
Raynor, Spencer Winthrope, 2523A.
Hanley, Lloyd Graham, 19551A.
Proctor, William Genier, 19535A.
Bledsoe, Hugh Harold, 2870A.
Rakestraw, Bryan LaVern, 2875A.
Windell, Albert Cecil, 2876A.
Boyd, Raymond Gilbert, 2883A.
Reeder, Horace Greeley, 2d, 2889A.
O'Hern, Clyde William, 2892A.
Fitzgerald, Joseph Ordell, 2896A.
Wildes, Gordon Weber, 2913A.
McCampbell, James Monroe, 2916A.
Twitty, James Watson, 2917A.
Johnson, Roberts Poinsett, Jr., 2920A.
Quinn, Robert James, Jr., 2934A.
Alexander, William Davidson, 3d, 19560A.
Houck, Colie, 2941A.
Newman, Wilfred Bernet, 2952A.
Treacy, James John, 2965A.
Dunphy, Francis Albert, 8263A.
Cooper, Edwin Branan, 2970A.
Sheridan, Alexander Paul, 2980A.
Huff, Howard Chester, 2982A.
Borowski, Edmund Joseph, 2984A.
Stone, Maurice M., 2402A.
Rheberg, Steven Candler, 3057A.
Learnard, Arthur Trowbridge, 3061A.
Bond, Ralph Winston, 3063A.
Franden, Hugh Andrew, 3069A.
Stumpf, Carl John, 3071A.
Rector, Roscoe Garnett, 3080A.
Arnett, Thomas Nelson, 3084A.
Dreiman, Paul Edward, 3094A.
Flashman, James Derwent, 3098A.
Glaser, Goodlett John, 3102A.
Mikulak, Michael Nicholas, 3105A.
Dimmock, Charles, 3120A.
Nance, Donald Wesley, 3122A.
Sauer, August Peter, 3123A.
McFarland, Jack Bonz, 3135A.
Ellis, Robert Rube, 3116A.
Martin, John Byrd, 3128A.
Knudson, Cecil Cephas, 3137A.
Green, Robert Alan, 3141A.
Monroe, Henry Scaroboro, 3143A.
Morneau, Chester Henry, 3149A.
Grubb, William Franklin, 3156A.
King, Kenneth Wilson, 3158A.
Johnson, Enchol Melvin, 3159A.
Roderick, Charles Ransom, 5266A.
Kelly, John Harris, 3166A.
Williamson, William Padgett, 3169A.
Haney, George William, 3174A.
Tarver, Benjamin Marcus, Jr., 3177A.
Strand, Wilbur Charles, 3182A.
Wergin, James Robert, 3186A.
Bailey, Edward Par, 3200A.
Back, Klair E., 3206A.
Horgan, Maurice Chapman, 3246A.
Lehnhard, Donald Frank, 3251A.
Walters, Ernest Lee, 3258A.
Gillespie, William Gregory, 3261A.
Key, George Alexander, 3268A.
Wolfe, Thomas William 3268A.
Clark, James Walker, 3270A.
Gould, Robert Austin, Jr., 3285A.
Harty, William Edwin, 3291A.
McBrayer, Cornelius Evans, 3299A.
Mickley, William Bowen, 3309A.
Rohrich, Joseph, Jr., 3310A.
Bennett, Thomas Marion, 3313A.
Johnson, Oscar Graham, 3314A.
Hines, James Payne, 3319A.
Moore, William Evans, Jr., 3327A.
Myers, Eugene Exander, 3334A.
Walters, Rudolph Breece, 3342A.
Wilson, Olin Lloyd, 3345A.
Gesell, Robert Charles, 3346A.
Cooke, Charles James, 3348A.
Barlow, Myron Ford, 3467A.
Camp, Kenneth Lee, 3373A.
Holst, John Bernt, 3392A.
Campbell, Murdoch William, 3394A.
Likes, David Henry, 3396A.
Spurlock, Gerald Martin, 3397A.
Williams, Joe Ross, 3403A.
Gustafson, Roy William, 3404A.
Bryant, Alexander Wilson, 3428A.
Dalton, Charles D'orr, 3507A.
Toliver, Raymond Frederick, 3515A.
Nash, Clifford, 3523A.
Taylor, Roger William, 3525A.
Elliker, Hadley Burres, 3527A.
Hardman, Charles Franklin, 3531A.
Walther, Dale Lorraine, 3532A.
Earthman, Henry Bivins, 3537A.
Jones, Jarvis Parnell, 3540A.
Brooks, Nelson Sisson, 3546A.
Ekstrand, Carl Vernon, 3547A.
Warren, William, 25R1A.
Page, Harry Robert, 3597A.
Evans, James A., Jr., 3618A.
Bratton, Leslie Raymond, 3620A.
Ola, George Joseph, 3630A.
Its, Milford Felix, 3633A.
Merritt, Ralph LeRoy, Jr., 3636A.
Mahon, James Eli, 3640A.
Randolph, Richard Louis, 3643A.
Pirruccello, Joseph Salvatore, 3650A.
Driscoll, John Joffre, 3654A.
Bowers, Robert Dana, 3665A.
Verner, Edward, 3669A.
McCartan, Arthur Austin, 3674A.
Bunse, Harry Frank, 3677A.
Ruebel, Joseph William, 3680A.
Marston, Morrill Elwood, 3683A.
Ferrill, Harlan Benton, 3690A.
Fulcher, G. H., 3698A.
Epperson, Elmer Harrison, 3702A.
Bearly, James Henry, 3703A.
Beauchamp, Willard Augustus, 3704A.
Moreland, Hugh Harold, 3705A.
Hendrix, William Murray, 3707A.
Breckenridge, John Preston, 3711A.
Reeve, Ralph Amos, 3717A.
Adams, William Carrolton, 3723A.
VanDerHeyden, Edward Eugene, 3737A.

Phillips, Arnold Thiclens, 3742A.
Lambeth, Benjamin Shadrach, Jr., 3742A.
Wintermute, Ira Francis, 3745A.
Miller, Warren Mahlon, Jr., 3749A.
Horras, Lawrence Edward, 3751A.
Johannes, John Michael, 3764A.
Ferrey, James Paisley, 3768A.
Davis, Everett, 3767A.
Randall, Wilmer Ammons, 3769A.
Adams, Joseph Verner, Jr., 3772A.
Szaniawski, Edward William, 3725A.
Sams, Barton Kruse, 3787A.
Sisk, Eugene Bounds, Jr., 4213A.
Ewing, Clair Eugene, 3792A.
Cobb, Robert Hardin, 3817A.
Phillips, Eugene Wendell, 3829A.
Cage, Phil B., 3836A.
Hugos, Howard Francis, 3855A.
Sparks, Harold Proctor, 3856A.
Sykes, Philip Avery, 3859A.
Parkhill, William Henry, 3868A.
Paulson, Robert William, 3871A.
Knudson, Albert, 3873A.
Wynne, John Douglas, 3875A.
Cobb, James Opal, 3876A.
Keller, Ralph Waldo, 3877A.
Fahy, Albert Francis, Jr., 3878A.
Warden, Henry Edward, 3881A.
Humphries, Bert Willis, 3882A.
Bleymaier, Joseph Sylvester, 3882A.
Mullins, William Pearlie, 3885A.
Smith, Donald Tharpe, 3889A.
Jones, Robert Herrick, 3895A.
Cotter, Harold Eugene, 3896A.
Choniski, William John, 3901A.
Mahon, Herschel Daniel, 3903A.
Leimbacher, Robert James, 3906A.
Van Benthuysen, Max Elliott, 3910A.
Hoffman, Arthur Elkin, 3911A.
Baughn, Julius Henry, 3914A.
Lawrence, Rollo Charles, Jr., 3925A.
Exon, Arthur Ernest, 3940A.
Vande-Hey, James Michael, 3941A.
Clark, Walter Edwin, 3943A.
Piper, Preston, 3946A.
Daly, William Thomas, 3947A.
Sheppard, William Alan, 3957A.
Jones, Richard, 3958A.
Bender, Frank Peter, 3976A.
James, Albert William, 3979A.
Doddridge, David Edward, 3981A.
Hallock, Judson, 3982A.
Sutterlin, Howard Douglas, 3983A.
Cox, Chester Charles, 3985A.
Hignett, Forest Edwin, 3987A.
Allen, Barnett Stanford, 3990A.
Holt, Harold Norman, 3995A.
Beckham, Walter Carl, 3996A.
Maxwell, Hugh Durwood, Jr., 4003A.
Fickling, William Arnold, 4004A.
Jones, Wingate Brewer, 4008A.
Baccus, Donald Arthur, 4009A.
Johnson, James Kenneth, 4013A.
Kneen, George Henry, Jr., 4015A.
Hussey, John Joseph, Jr., 4019A.
McBrayer, James Roy, Jr., 4020A.
Baile, Kenneth Rex, 4021A.
Thompson, James Herman, 4022A.
Stephens, John Edward, 4025A.
Bennett, James Whitt, 4028A.
Harris, John Frederick, 4031A.
Woods, David Seavey, 4033A.
Fisher, Thomas Legate 2d, 4039A.
Tuttle, Robert Merrill, 4041A.
Locke, John Langford, 4042A.
Richards, John Rose, 4047A.
Kelsey, Straughan Downing, 4048A.
Henschke, John Miles, 4049A.
Stalnaker, George Winfield, 4050A.
Easton, John Jay, 4051A.
Elder, Clarence Lewis, 4055A.
Sawyer, Willis Bruner, 4058A.
Cole, Clifford Elbert, 4061A.
de Jonckhere, Eric Thomas, 4062A.
Berger, Leon Herman, 4064A.
Stillson, George Hamilton, Jr., 4065A.
Brown, Edwin Watson, 4066A.
Travis, Richard Van Pelt, 4067A.
Norton, Harold Wesly, 4068A.
Bentley, Jack Leith, 4071A.
Evans, Andrew Julian, Jr., 4072A.
Moore, Walter Leon, Jr., 4074A.
Kline, Richard William, 4075A.
Brier, William Wallace, Jr., 4078A.
LaRocca, Gerald Anthony, 4080A.
Peddie, Joseph Scott, 4081A.
Cox, James Isaac, 4084A.
Curtis, Gwynne Sutherland, Jr., 4088A.
Meador, John William, 4089A.
O'Connor, Roderic Ehu, 4090A.
Stafford, Charles Leonard, 4111A.
Connelly, Charles Hilton, 4114A.
Richardson, Elmer Winston, 4123A.
Pyle, Clifton, 4124A.
Daniel, William Allen, 4125A.
Pike, Harry MacCulloch, 4130A.
Savoie, William Frank, 4134A.
Newsome, James Wyatt, 4137A.
Towler, Harry Hunt, Jr., 4139A.
Guthrie, James William, 4141A.
Amen, Henry John, 4143A.
Michaelis, Ralph Leslie, 4147A.
Perry, Arthur Clarke, 4148A.
McCutcheon, Robert Haynes, 4150A.
Boyd, James Moore, 4151A.
Jack, Jean Albert, 4152A.
Splain, John Farley, 4157A.

Medical Corps

Gray, James Karadine, 19114A.
Houghton, Karl Herbert, 19119A.
Switzer, Ralph Eugene, 19121A.
Hoey, Patrick Henry, 19122A.
Jarman, Julian Adolph, 19634A.
Pletcher, Kenneth Eugene, 19136A.
Groover, Marshall Eugene, Jr., 19150A.
Nuernberger, Robert Earle, 19152A.
Jenkins, Raymond Taylor, 19154A.
Towner, Alonzo Allan, 19158A.
Fisackerly, James Samuel, 19173A.
Smith, Larry Allen, 19178A.
Wenger, Don S., 19185A.
Duff, Pratis L., 19188A.
Crouch, Thomas Henry, 19192A.

Dental Corps

Schuessler, Carlos Francis, 18865A.
Richardson, Frederick Henry, Jr., 18867A.

Veterinary Corps

Snodgrass, William Birchard, 18968A.

Medical Service Corps

Luft, John, 19388A.
Johnson, James Thomas, 19393A.
Domanski, Thaddeus John, 19394A.
Sandberg, Ennis Dallas, 19411A.

Chaplain

Priest, Leroy Richard, 18715A.
Habetz, Leonard Clement, 18725A.
Powers, Stanley Michael, 18730A.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Byspiel, Allen, 28867A.
Nichols, Richard Harry, 28866A.
Schoder, William John, 28868A.
Stefan, Thomas James, 28870A.
Pitts, James Luther, Jr., 28869A.
Proctor, Lowell, T. L., 28872A.
Elliott, John Norwood, 28873A.
McKenzie, John Rudolph, 28871A.
Galloway, Floyd Emerson, Jr., 28875A.
Telford, Arnold Larsen, 28874A.
Westby, Kenneth Lee, 28877A.
Hyden, Robert Gifford, 28876A.
Wilson, Herbert General, Jr., 28880A.
Stargardt, Kenneth Henry, 28878A.
Lamberson, Donald Leslie, 28879A.
Veith, Edwin Thomas, 28881A.
Delmar, Robert Anthony, 28882A.
Eberwine, James Frederick, 28883A.
Leomazzi, Ercole Ray, 28886A.
Phillips, Peter James, 28887A.
Goodman, Norman, 28888A.
Wehling, George Eugene, 28889A.
LaSheile, Kirke, Jr., 28885A.
Carver, James Edward, 28824A.
Hamman, Gene Earl, 28893A.
Streit, John Edward, 28894A.
Howard, Summers Ivan, 28892A.
Massey, Billie James, 28898A.
Einstein, Hans Albert, 28891A.
Rowe, Philip Allison, Jr., 28899A.
Powell, Richard, 28895A.
Conway, Oscar Carl, 28896A.
Sivils, Howard Beale, Jr., 28897A.
Couch, William Ervin, 28906A.
Shields, Bobby Ty, 28900A.
Morrill, David Crawford, 28902A.
Dellaripa, Robert Francis, 28901A.
Stelpflug, William J., 28908A.
Stergar, Gene John, 28903A.
Vanderhoof, Rodney Dale, 28904A.
Waller, Robert Eugene, 28905A.
Wolfsberger, Richard Edward, 28906A.
Brown, Wendell Larry, 28910A.
Grayson, Robert Wesley, 28909A.
Cosgrove, John Albert, 28908A.
Keenan, Henry Donald, 28911A.
Waitt, Donald Francis, 28912A.
Arndt, Charles Lane, 28913A.
Turner, Billy Carl, 27971A.
Arrington, Wallace Elsworth, Jr., 28917A.
Green, Robert Curtis, 28918A.
Donaldson, Ralph Leavens, 28914A.
Newman, Stanley Charles, 28916A.
Turner, Alvin Ray, 28915A.
Beene, Reagan Harrison, Jr., 28919A.
Cobb, Forrest Newell, 28920A.
Branch, William Edward, Jr., 28921A.
Parks, George Burton, 26195A.
Scott, David Randolph, 26241A.
Brewster, Philip Lyman, 26084A.
Freyer, Gustav John, 2d, 26056A.
Conrady, Denis Anthony, 26017A.
Smith, Gary Thomas, 26202A.
Heinrich, George Fred, 26326A.
Dwyre, Douglas Golding, Jr. 26038A.
Maltagliati, Mauro Justino, 26153A.
Fahey, John Peter, 26045A.
Bothyl, George Warren, 25977A.
Macleay, Lachlan, 26150A.
Albright, William Edward, Jr., 25950A.
Snavely, Richard Charles, 26254A.
Cantrell, Gayle Wayne, 25996A.
Ahmann, James Henry, 25949A.
Hennessy, Dan Michael, 26281A.
Truscott, James Joseph, 2d, 26263A.
Yantis, Richard Perry, 26306A.
Herres, Robert Trailes, 26091A.
Larson, Don McKnight, 26132A.
Orth, William Albert, 26188A.
Payne, Earl Davis, Jr., 26198A.
White, Alvin Pierce, Jr., 26999A.
Prohaska, Charles Roy, 26215A.
Appel, Jack Lee, 25957A.
Frye, Wayne Thomas, 26009A.
Kirwin, James Myron, 26123A.
Daughtry, James William, 26022A.
Keck, James Sherburne, 26120A.
Rowley, Charles Stoddard, 26230A.
Choate, Stanley Foster, 26008A.
Casey, Aloysius Gerald, 26002A.
Clark, Frederick Arlyn, 26012A.
Sampson, Walter Eugene, 26223A.
Hutchesson, Rufus Daniel, 24167A.
Boucher, William Armstrong, 25979A.
Fraher, James Joseph, Jr., 26051A.
Zartman, John Richard, 26311A.
Cobb, Francis Carter, 26016A.
DeMos, Charles Frederick, 26025A.
Karns, James Merton Lee, 26119A.
Wright, Kenneth Delmar, 26207A.
Zerkel, James Myron, 26313A.
Vossler, Richard Joseph, 26252A.
Linton, Charles Robert, 26143A.
Abbey, George William Samuel, 25942A.
Forster, Tom Jennings, 26049A.
Walker, William Robert, 26204A.
Pflugrath, Donald Orian, 26199A.
Cherry, Richard Edward, Jr., 26006A.
Boyd, William Pettit, 25980A.
Buccola, Gilbert Anthony, 25991A.
Balogh, John Charles, 25962A.
Knops, Frederick William, Jr., 26124A.
Milnor, David Philip, 26178A.

Haygood, William Lee, Jr., 26085A.
Shukay, Thomas Raymond, 26246A.
DeFede, Edward Peter, 26025A.
Dalton, James Edward, 26021A.
Parshall, Gerald Herbert, 26196A.
Wolfgang, Stephen Worth, 26305A.
Callas, Nicholas Phillip, 25997A.
Layne, Raymond Ronald, 26285A.
Knox, James Summers, 26125A.
Giles, James Edward, Jr., 26067A.
McLean, Charles George, 26164A.
Horner, Jack Donald, 26101A.
Lunn, Leroy Thomas, 26148A.
Spencer, Richard Byron, 26257A.
Winkelman, Arnold Henry, 26303A.
Roush, Charles Homer, Jr., 26229A.
Ingalls, James Maclay, 26108A.
Taffet, Harvey, 26271A.
Thurman, William Earl, 26260A.
Patterson, Winston David, 26197A.
Dunn, Harry Patrick, 26036A.
Clarke, Robert Flanders, 26013A.
Muns, Robert Horace, 26181A.
Soreco, Carl Joseph, 26256A.
Egan, William McDonald, 26040A.
Marshall, John Curtis, 26154A.
Schrupp, Walter Clair, 26238A.
Riess, George William, 26223A.
Wesner, John Alfred, 26297A.
Kronsbein, George William, Jr., 26129A.
Chuday, Richard James, 26010A.
O'Mara, Daniel Joseph, 26192A.
Youngflesh, Richard Dunphy, 26310A.
Finch, Ronald Emory, 26048A.
Mahaffy, Craig Eugene, 26152A.
Chapman, Robert Eugene, 26004A.
Stephenson, John Kent, 26265A.
Artman, Joseph Theodore, Jr., 25959A.
Swanson, Stanley Roy, 26270A.
Hogan, Duane Louis, 26097A.
Hrustich, John, 26105A.
James, Joseph Rankin, 26111A.
Luckey, Kenneth Edward, 26146A.
Murphy, Matthew Patrick, 2d, 26182A.
Wood, Leland Roy, 26306A.
Garwood, Robert Kenneth, 26063A.
Mackey, Gerald Forrest, 26149A.
Harvell, John Freeman, 26083A.
Daily, Madison McDonald, 26020A.
Thackwray, Lee Boardman, 26275A.
Merten, John Esper, 26169A.
Stanley, James Riley, 26259A.
O'Brien, Harry Thomas, 26190A.
Gaynor, Henry Jonathan, 26064A.
Griggs, Leonard Leroy, Jr., 26073A.
Boverie, Richard Thomas, 25979A.
Smith, Charles Noel Dupont, 26250A.
Gramley, Dale Roger, 26070A.
Pustay, John Steven, 26216A.
Trautmann, Albert Richard, 26282A.
Hicks, James Nelson, Jr., 26092A.
Sandlin, Doral Randolph, 26340A.
Koops, Gordon Gafford, 26127A.
Heed, Joseph James, Jr., 26087A.
Diebold, James Warren, 26031A.
Powell, Charles Edward, 26210A.
Taylor, Charles Howard, 26274A.
Healy, James Francis, 26086A.
Murphy, Richard Frederick, 26183A.
Proffitt, Richard Cantrell, 26214A.
Sullivan, Cornelius Joseph, 26268A.
Pilcher, Harold Eugene, 26205A.
Hoover, William Walter, 26100A.
Nasar, Michael Anthony, 26184A.
Steigelman, Caro Richard, 26263A.
Christner, Alan Shirley, Jr., 26009A.
Gerding, John Matthew, 26065A.
Liby, William Dean, 26140A.
Martin, Thomas Patrick, 26155A.
Windle, Edward Westcott, Jr., 26302A.
Suppicich, Vincent Robert, 26269A.
Newsome, Wesley Alexander, Jr., 26186A.
Quasney, William Ronald, 26217A.
Johnson, Gordon Leonard, 26116A.
O'Leary, John Jerome, 26191A.
Bryant, Louis Leon, 25990A.
Whitehead, James Bradford, 26346A.
Januleski, John Patrick, 26112A.
Revere, Francis Lee, 26221A.
Miller, John Anthony, 26171A.
Meheerle, Henry James, 26168A.
Erickson, Duane Harold, 26044A.
Padberg, Richard George, 26337A.
Devlin, Joseph Aloysius, Jr., 26030A.
Usdavines, Edmond Joseph, 26284A.
Saville, Edward Almon, 26235A.
Anderson, Carl Frederick, 25955A.
Ricks, Luin Blunt, 26222A.
Emley, William Patrick, Jr., 26041A.
Thornton, Morris Zane, 26279A.
Vipraio, William Joseph, Jr., 26296A.
Rogers, Robert Willard, 26228A.
Schalk, Manfred Allen, 26236A.
Vollmann, Phillip Dean, 26287A.
McFarlane, Larimer Cushman, 26160A.
Howes, Hal William, 26103A.
Fredericks, Barron, 3d, 26054A.
Gurney, Harlan Leslie, 26074A.
Hart, Loren Verne, 26082A.
Matheny, William Albert, Jr., 26157A.
Bell, Kenneth Holmes, 25966A.
Salas, Julian, 26232A.
Kyker, James Howard, 26130A.
Edwards, Jay Thomas 3d, 26039A.
Harris, William Sterling, 26081A.
Schuler, William Edward, 26239A.
Bricker, John Creighton, 25985A.
May, Robert Charles, Jr., 26159A.
Tatum, Edgar Franklin, Jr., 26273A.
Burns, Robert Edward, 25995A.
Ridgway, Terry Ryder, 26224A.
Burcham, John Bartlett, Jr., 25993A.
Hirsch, George Sheilds, 26096A.
Weiler, John Nicholas, 26296A.
Nickerson, Wilson Harry, 26187A.
Thomas, Gary Paul, 26277A.
Drum, Lawrence Thomas, 26034A.
Ennis, Ralph Edward, Jr., 26043A.
Barth, Marvin Jenkins, 2d, 25964A.
Ayres, Don, 25960A.
Booth, Herbert Willoughby, Jr., 25975A.
Sipes, Kenneth Lovell, Jr., 26248A.
Jennings, Allen Louis, Jr., 26114A.
Stockel, Norman Harry, 26266A.
Vierbicky, Van Leon, 26343A.
Lewis, Donald Gene, 26138A.
Brubaker, Richard Emory, 25988A.
Fromm, Robert E., 26058A.
Byers, Richard Krausse, 25996A.
Martinez, Edmund Eugene, 26156A.
Holmlund, Jerome Henry, 26099A.
Davis, Quinton, 26023A.
Dorr, Robert Eugene, 26032A.
Smith, Edwin Thomas, 26251A.
Hawthorne, Eugene Emerson, 26084A.
Schleusener, Willis John, 26237A.
McVeigh, William Moes, 3d, 26166A.
Bullington, Robert James, 25992A.
Miller, David Lloyd, 26170A.
Thomas, Calvin Wayne, 26276A.
Gamble, Ronald Frederick, 26060A.
Alverson, Warren James, 25953A.
Moore, Thomas Wiley, 26177A.
Volpone, John Francis, 26288A.
Gerst, Theodore Carlton, 26066A.
Tanner, H. C., 26272A.
Shelton, Charles Ira, 26245A.
Wacker, Rudolph Frank, 26291A.
McGinnis, David Richard, 26162A.
Arnet, John Edward, 25958A.
Shaffran, S. J., 26243A.
Hunter, Howard William, Jr., 26106A.
Meehan, John Douglas, 26167A.
Caroccio, Frank John, Jr., 25999A.
Cassidy, John Christopher, 26003A.
Ganter, Robert Joseph, 26061A.
Lawson, John Elsworth, 26134A.
Cianflone, Henry William, 26011A.
Wild, Arthur William, Jr., 26300A.
Zelten, Donald Bernard, 26312A.
Strader, James Thomas, 26267A.
Porter, Ralph Emmett, 26207A.
Roach, William Joseph, 26227A.
Soos, George Charles, 26255A.
Wachowski, Thomas John, 26290A.
Nightengale, Merlyn Eugene, 26188A.
Moore, Jack Edward, 26176A.
Clarke, William Hemp, 26014A.
Frier, William Lloyd, 26057A.
Devereaux, Alan Leigh, 26029A.
Heiting, Arnold Wilfred, 26088A.
Leach, James Allen, 26136A.
Lapchick, Joseph Donald, Jr., 26132A.
McPetridge, James Charles, 26161A.
Hill, James Jay, 26094A.
Stefanelli, Mario Joseph, 26262A.
Deem, Donald David, 26323A.
Wilson, Samuel Hudson, 26301A.
Gute, George William, 26075A.
Mitchell, Derek VanZant, 26174A.
Lightsey, Clovis Tann, 26142A.
Maestri, Raymond Rudolph, 26331A.
Beck, Stanley Clifton, 25965A.
Glover, William Roland, 2d, 26069A.
Yeager, Joseph Linden, 26309A.
Lansky, Paul, 26131A.
Carpenter, Terrol Allen, 26000A.
Harms, Carl Melvin, 26080A.
Emrick, Harry William, Jr., 26042A.
Leventen, George Nelson, 26137A.
McMillan, George Winston, Jr., 26165A.
Rigterink, John Walter, 26225A.
Brown, James Thomas, 25987A.
Duckett, Ross Belton, 26035A.
Zimmerman, James Stanley, 26314A.
Pigott, William Russell, 26204A.
Stanley, Kenneth Elliott, 26260A.
Wagner, Louis Charles, 26292A.
Wintrode, John Henry, Jr., 26304A.
Phillips, John Daniel, 26201A.
Haff, Wallace Kendall, 26077A.
Hall, John Alden, 26078A.
Graves, Theodore Keith, 26071A.
Ray, Don Roger, 26218A.
Allred, Elmer Gene, 25951A.
Seagroves, Jean Conrad, 26242A.
Morris, John Joseph, 26179A.
Berko, Edward Martin, 25969A.
Smith, Joseph Brothers, 26253A.
Charles, William Miller, Jr., 26005A.
Krause, John Edward, 26128A.
Johansson, Carl Bertil Lennart, 26115A.
Frank, Marvin, 26052A.
Boiko, William, 25973A.
Shain, Elwin Rox, 26244A.
Dennis, Derrol LeRoy, 26027A.
Barry, John Joseph, 25963A.
Foster, James Eugene, 26050A.
Bryan, Blackshear Morrison, Jr., 25989A.
Jackson, Edward Hughes, Jr., 26110A.
Gray, Robert Lee, Jr., 26072A.
Anderson, Jack Renold, 25956A.
McKay, William Glen, 26163A.
Bonham, John Louis, 25974A.
Farrar, Walter Batteal, Jr., 26046A.
Kirkpatrick, Matthew Douglas, 26122A.
Mathews, Samuel Moore, Jr., 26158A.
Momberger, Alan Joseph, 26175A.
MacWilliam, Charles Ernest, 26151A.
Alsperger, Eugene Joseph, 25952A.
Miller, William Leighton, 26172A.
Gilmore, William Richard, 26068A.
Lovfald, Peer John, Jr., 26145A.
High, Ralph Jerold, 26093A.
Phillips, William Wiley, 26202A.
Iverson, Kendell Glynn, 26109A.
Bennett, Clarence Leroy, 25967A.
Phillips, Edwin Faraday, 26200A.
Chisholm, Lewis Forman, 26007A.
Lueker, Rano Eugene, 26147A.
Jarrett, James Phillips, 26113A.
Whatley, James Charles, Jr., 26298A.
Thomas, William Robert, 26276A.
Baker, James Edgar, 25961A.
Mudd, Joseph Francis, 26180A.
Clune, John Joseph, 26015A.
Lief, Ronald Eric, 26141A.
Hamblin, Robert Allen, 26079A.
Size, Alvin Dale, 26249A.
Johnson, Ronald Lee, 26117A.
Lewis, Richard Brooks, 26139A.
Walker, Keith Leon, 26293A.
Dean, Grant Gilman, 26024A.
Blume, Murray Burton, 25971A.
Crews, Carl Bobbitt, 26018A.
Downs, Timothy Joseph, Jr., 26033A.
Procknal, Eugene Stephen, 26212A.

Stephen, Norman Frank, 26264A.
Ortiz-Lopez, Jaime, 26194A.
Franks, Joseph William, Jr., 26053A.
Guttenberg, Eugene Lawrence, 26076A.
Houghton, Stanley Powell, 26102A.
Fields, Samuel Henry, 26047A.
Potter, Norwood William, 26209A.
Ward, Clyde Livingston, Jr., 26295A.
Burns, Kenneth Dean, 25994A.
Deppish, Walter Charles, Jr., 26028A.
VanAusdal, Alton Lane, 26342A.
Cronin, James Helfrich, 26322A.
Nobles, Charles Lawrence, 26189A.
Knotts, George Franklin, 26330A.
Carter, Jackson Busic, 26001A.
Rude, Joseph Allard, 26338A.
Russ, Lawrence Grant, 26231A.
Proctor, Henry Arthur, 26213A.
Anders, John Henry, 25954A.
Wetzel, Emery Scott, Jr., 26345A.
Brewer, James Elmer, 25983A.
Higgs, James Gordon, 26327A.
Lay, Bobby Shepard, 26135A.
Moss, James Edward, 26335A.
McCarthy, Francis James, Jr., 26332A.
Freer, Albert Paddock, Jr., 26055A.
Bavaria, Edward Cletus, 26318A.
Sagmoen, William Thomas, 26339A.
Henry, David Lawrence, 26090A.
Brendel, Jo, 25982A.
Knutkowski, George Daniel, 26126A.
King, Leonard Allen, 26121A.
Knapp, Ronald Kearney, 26329A.
Morgan, Joe Patton, 26178A.
McKay, Kevin Edward, 26333A.
Morris, Ronald Eugene, 26334A.
Wilson, Charles Everett, 26347A.
Cockrell, Kirk Fletcher, 26320A.
Nelson, Richard Warfield, 26185A.
Boggess, William Allen, 25972A.
Brashear, John Alfred, 25981A.
Picardat, Dale Lester, 26203A.
Roach, Barry Lee, 26226A.
Weaver, John Edward, 26344A.
Dunne, Robert Eugene, 26037A.
Bentz, Richard Harvell, 26319A.
Reddington, Raphael Luke, 26220A.
Kaiser, Robert Andrew, 26328A.
Suggs, Lem Davis, Jr., 26341A.
Spiker, Heewannah Keith, 26258A.
Sassone, Richard Paul, 26234A.
Steadman, Jesse Douglas, 26261A.
Brown, George Desmond, 25986A.
Johnson, William Joseph, 26116A.
Geasland, Robert Lee, 26324A.
Birkenmeier, Robert Edward, 25970A.
Poe, Eugene Marion, Jr., 26206A.
Harover, Samuel Richard 3d, 26325A.
Schultz, Andrew Myron, 26240A.
Bathurst, William DeFord, 26317A.
Prahalis, Stanley Paul, 26211A.
Neas, John Martin, 26336A.
Hines, Olive John, 26095A.
Hoy, Franklin Wallace, Jr., 26104A.
Abernathy, Thomas Jerome, 26316A.
Holman, Jerry Pinkston, 26098A.
Strub, James Earl, 28923A.
Scambos, Ernest Taso, 28926A.
Lee, James Walsh, 28925A.
Anderson, Alvord VanPatten, 3d, 28924A.
Bright, Boris Elbert, 28928A.
Hollingsworth, Joe Bryce, 28927A.
Combs, Wayne Lionel, 28929A.
Brantly, Milton Louis, 28930A.
Shinn, Gerard Combs, 28935A.
Scruggs, Frank Preston, Jr., 28933A.
Shapleigh, Edward Everett, 28934A.
Pangle, Herbert Wesley, 28932A.
Johnston, Ted Sadler, 28931A.
Boyer, Joe Charles, 28936A.
Morris, William Franklin, 28937A.
McLawhon, William Austin, 29405A.
Poehlman, William, Jr., 28939A.
Newman, Russell Theodore, 28938A.

Medical Service Corps

Penikas, Vincent Thomas, 29513A.

Nurse Corps

Pratt, Ruth Ann, 28019W.

NOTE.—Dates of rank of all officers nominated to be determined by the Secretary of the Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of March 21), 1957:

DEPARTMENT OF STATE

Andrew H. Berding, of the District of Columbia, to be an Assistant Secretary of State.

DEPARTMENT OF THE NAVY

Thomas Sovereign Gates, Jr., of Pennsylvania, to be Secretary of the Navy.

DEPARTMENT OF DEFENSE

William Howard Francis, Jr., of Texas, to be an Assistant Secretary of Defense.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 22 (legislative day of March 21), 1957:

POSTMASTER

SOUTH CAROLINA

Benjamin B. Hare, at Denmark.

EXTENSIONS OF REMARKS

A Capital Budget for the Federal Government

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1957

Mr. MORSE. Mr. President, on last Monday, March 4, the senior Senator from Illinois [Mr. DOUGLAS] addressed the National Rural Electric Cooperative Association in Chicago on the subject of a capital budget for the Federal Government. In this speech the Senator outlined the basic defects in our present budgeting system, namely, that it does not present a true picture of the assets and liabilities of the American people as a whole, and that it fails to provide a yardstick whereby the financial wisdom of governmental expenditures for capital projects can be measured.

I ask that the address by this great economist who sits among us be printed in the RECORD, so that his analysis of Federal budgeting may be read and studied. It deserves thoughtful consideration from students, from those in business, and from those in public service who recognize that the American people lack a basis for evaluating the investment uses of their tax dollars.

It discusses a subject which cries out for reform in our Federal budgetary bookkeeping system. For several years I have urged the adoption of a capital budget for the Federal Government, and I shall introduce legislation to accomplish it just as soon as I can complete my research and drafting work on it.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A CAPITAL BUDGET FOR THE FEDERAL GOVERNMENT

(Speech by Senator PAUL H. DOUGLAS before National Rural Electric Cooperative Association, the Coliseum, Chicago, March 4, 1957)

It gives me great joy to see you all here this afternoon and to be given the honor of speaking to you. I literally marvel at the progress made in rural electrification during this last quarter-century.

Twenty-six years ago, I was an adviser to a progressive Governor of Pennsylvania, Gifford Pinchot. One of my dearest friends, Morris L. Cooke, was also working with Governor Pinchot, and the two were developing plans for a network of electrical transmission lines through the rural areas of Pennsylvania with the distribution to be handled by farmer cooperatives. This idea was ridiculed by many and bitterly opposed by the private utilities. It was said there would be no demand for the power on the farms and that it would therefore be a white elephant. The utilities said that if it would pay, they would have done it before, and that the effort to inject the government and the cooperatives into the field was un-American socialism of the worst order.

These forces were too strong for Gifford Pinchot to overcome in Pennsylvania. But a new national administration took office in 1933 which believed in vigorous action to deal with the depression and which was receptive to new ideas. I was glad to play a modest part in getting Morris Cooke together with my fellow Chicagoan, Harold Ickes, who had just been made Administrator of Public Works. They began experiments with rural electrification on the cooperative principle with the Government making loans and furnishing technical assistance, but with the cooperatives doing the local operation and paying the loan back with interest out of the income from the service.

Out of this grew the Rural Electrification Administration, and out of that and the Government loans came the local co-ops and your great organization. I feel, therefore, like a midwife's helper who sees the child he helped to bring into the world reach sturdy, honorable, and respected manhood. I have, therefore, always been a believer in the REA, and in recent years it has been a deep source of satisfaction to support its principles and to help it develop by voice and vote on the floor of the Senate.

For a quarter of a century we have had to face the opposition of the private utilities. At first, this was open and violent. Today, it is more concealed and subtle. One of the arguments which their high-powered public relations experts use upon an unwary public is that expenditures for the REA are wasteful, that we get nothing back from

them and that such outlays, as well as virtually all Government expenditures, are money and resources down the drain.

Today, I would like to talk to you about a capital budget for the Federal Government. This phrase, capital budget, might sound quite formidable, but it is actually simple. You all use this concept in your business—farmers, cooperatives and the entire private sector of the economy. A cooperative, for example, when it receives a loan from the Rural Electrification Administration to build a generation and transmission system makes two entries in its accounts. One is a liability for the loan, and another an asset showing that this generation and transmission system is worth so many millions of dollars. The same is true for the farmer when he borrows money to build a new barn, to plant a crop, or to replenish his breeding stock, and the same is true for your National Association when it borrowed money from you, the member systems, to build its new building.

A corporation does the same thing; it too operates on a capital budget. It always reports, as you know, in addition to a profit and loss statement, a balance sheet at the end of the year showing the financial condition, growth or stagnation, profit or loss of the organization. This balance sheet shows on the one side the assets of the corporation, and on the other side the liabilities. A private utility, for example, when it increases its electric plant in service by a million dollars, an asset, it balances this item on the liability side of the ledger by an item of $1 million for mortgage debt. If in a given year a corporation adds a million or a hundred million to its debt (liabilities) it adds an equal amount to its asset and the change is heralded and greeted as "good management," and "progress."

Farmers, cooperatives, and private business therefore use the concept of a capital budget. They distinguish between operating expenses and investments. Investment is not an operating expense. But not so the Federal Government.

The Federal Government has no balance sheet. When the Government's common stockholders, the people, try to look at expenditures for government operations this is what you see. Liabilities amount to the total amount of the Federal debt—about $275 billion and assets equal to zero. If, in a given year the Federal Government goes into debt for a billion dollars there is no cry of "good management"—but cries of "waste, inflation, bureaucracy, and pork barrel politics."

This attitude of the people toward Federal expenditures and the debt is inevitable as long as John Citizen, seeking to find the facts, has to pick up a 5- to 10-pound budget report every year in order to figure out what the Federal Government is doing. And even if he has enough time and aspirin to get through this monumental to me, he may still not know the facts because much of the verbiage and the accounting gymnastics contained in these volumes are purposefully obscured so that even we, the Congress, cannot figure out precisely what is going on in the Federal Government.

On the other hand, this attitude of Citizen Taxpayer is unsound because he does not insist that the Federal Government keep books that make sense.

We have been lulled and propagandized into believing that Government expenditures are like a Christmas tree—it looks good for a week or two, but then you have to throw it out. In other words, Federal expenditures offer no permanent achievements. It has been pounded into us that a good government spends no more than it takes in—regardless of the purpose of the proposed deficit expenditures.

Now what does all this mean in terms of the problems of your rural-electric cooperatives and the related Federal-power program?

Let us sweep aside some propaganda and take a look at the facts. But first let me reiterate one important fact. Money borrowed or saved and used for investment purposes by any sector of the economy except the Federal Government, whether it be to build a new plant, buy a tractor or build a barn, shows up in the accounts as an expenditure, but it is balanced on the books by the net worth of the land, building, or equipment. If this were not so every business in the country, your farm, cooperative, would always be shown to operate in the red, technically bankrupt at all times. But this is not the way we keep the accounts for the Federal Government. For the Federal Government, an expenditure is an expenditure whether it lends money for a public housing project, a hospital, or it gives money to the military to purchase oyster forks for the Navy.

Now let us go back to what a capital budget for the Federal Government would mean to the rural-electric cooperatives. As in the example cited above, when the Federal Government lends money to the rural-electric system, the loaned money is repayable with interest and secured by a mortgage on the system, the loan shows up in the budget as an expenditure just like the money used to purchase oyster forks. Operating under this outmoded accounting system, the Government has only expenses and no assets—an absurd situation and contrary to fact.

It is absurd, because it puts the Federal Government in the position of having spent upward of $3 billion for Federal power facilities, with no corresponding notation made of the fact that these facilities at the same time that they represent expenditures also represent investments.

Such practices create a false impression in the minds of all people. The Hells Canyon project fight is a good case in point. You and I know that if the high Hells Canyon Dam were built by the Federal Government most of the cost would be repaid, with interest, and the project would be owned by the people of the United States. You will recall that the private utilities propaganda against this project took, in part, the form of a full page and showed how much money this project would cost the taxpayers if developed by the Federal Government. Much of the confusion emanating from this controversy would have been eliminated if the Federal Government had in force a capital budget system of accounting.

With a capital budget everyone would have known that the expenditures of the Federal construction of a high Hells Canyon Dam would be reimbursed with interest. The rug would have been pulled from under the propagandist who argued that this project would be paid for by the taxpayers instead of by those who purchase the power output. The basic arguments advanced by the utilities in this and all similar fights would be far less influential if we could get a Federal capital budget in operation. It would then be possible for Congress and citizens to see that it is not more economical to give away their power sites and atomic resources than to invest public funds in their development.

Let's switch our attention for a moment to look at the effect a Federal capital budget might have directly on the rural electric cooperatives. Under the existing method of keeping Federal books, when REA, NRECA, and members of your rural electric cooperatives go to the Congress requesting loan funds, which are really investment funds repayable with interest, they encounter opposition not to "investment" but to expenditures. When the Bureau of the Budget considers the request of the REA Administrator for a new year's loan budget, the Administrator, in the eyes of the public, is placed in the position of asking for "expenditure" funds (like for our oyster forks), rather than investment funds. This situation is unrealistic, a misrepresentation of reality, and leads to endless misunderstandings and thoughtless opposition.

For you, the rural electric cooperatives, this does lead to endless problems and frustrations, but for the private utilities it is most useful. Remember, the private utilities operate as a cost-plus industry. They are authorized to earn a fixed rate of return on their investment over and above all costs. They can engage in very expensive propaganda campaigns and charge it up to the ratepayers as a cost and to the Treasury as a legitimate deduction from profits.

At the same time that this propaganda campaign has been going on, the private utilities have been "sneaking in the back door" of the Treasury. You all know to what I refer—the rapid tax amortization subsidy which the private utilities are receiving under section 168 of the tax laws. My colleague, Senator BYRD, of Virginia, has recently released through his committee, the Joint Committee on Internal Revenue Taxation, a very interesting report on this matter which you all should read. This subsidy amounts to an estimated $4.7 billion, and as you will recall the Federal Government has invested under $3 billion in the rural electrification program and just about another $3 billion in the Federal power program.

But this is not all. Again, while the private utilities were hurling all kinds of epithets at the rural electric cooperatives and the Federal power program, they were at the same time busily engaged in 1954 in helping to push through Congress the 1954 amendments to the Internal Revenue Code. As you know, section 167 of the code now allows any business to choose what is called a liberalized method of depreciation in place of the conventional straight line method of computing depreciation. This is another subsidy to private business, an ultimate loss to the Treasury, and means in the final analysis that when the Federal Government needs more money it will not be forthcoming from business, but must be exacted from personal income taxes. This subsidy, it has been estimated, will be worth many billions of dollars to the private utilities. This amounts to more than 6 times the investment in the rural electrification program and 3 times the combined investment in the rural electrification and Federal power programs.

Let me recall the Senate fight which occurred in 1954 over whether REA needed an additional $35 million in electric loan funds. As you may remember, I introduced this amendment from the Senate floor knowing that the funds were needed and also knowing that the money would be repaid with interest to the Treasury. We were told by the Acting REA Administrator that the funds could not be used under any circumstances, but, as a matter of fact, in the spring of 1955 when the Colorado Ute loan was made it was necessary for REA to draw down earmarked funds from the 1956 budget in order to process the loan before July 1, 1955.

Now I believe that under a capital budget plan this fight simply would not have occurred because justifiable loans by REA could be made without bringing about all the cries from even sincere people who sincerely want to balance the budget.

If we could get this one idea of the capital budget across to the public and incorporated into the accounting practices of the Federal Government, I think many of the problems which we run into in attempting to get the Congress to invest in worthwhile undertakings would be eliminated.

Just keep in mind that the basic difference between a capital budget and the present Federal budget is that the capital budget would distinguish between investments and ordinary expenditures for current operations so that the Congress and economy-minded citizens could primarily concentrate on current expenditures and not confuse productive and profitable investments such as in the rural electrification program with them. To be sure we need as much economy in governmental operations as possible, but even operating under this valid assumption does not refute the need for investing in enterprises which will benefit the entire Nation.

Probably also the capital budget itself should be divided into three parts. The first would be those where the principal is to be reimbursed with interest, as is the case with REA and power investments. The second would be where the principal is reimbursable but no interest paid as in irrigation, while the third would consist of those investments which, while judged socially beneficial are not reimbursed to the Treasury and upon which no interest is paid. The most striking examples of this are the expenditures for flood control and river and harbor improvements. They might also include the Hill-Burton grants for hospital construction.

All of you rural electric leaders know that you have had to fight with the public, the Congress, with the private utilities and private utility fronts on this point of economy in Government. And it is quite true that many times when the Congress has insisted on economy, when the Bureau of the Budget has cut the REA request for funds or put a ceiling on the loan program, it was hard to tell where sincere economy left off and the power company front began.

An accounting system which would be based on the principal of capital budgeting would go a long way in bringing rationality into Federal policies. It would place Government investment for capital creation in its proper perspective. It would give the public a true picture of their status as owners of the national property and assets. In this way, the public could intelligently measure the total debt and expenditure policy of the Federal Government against total assets. Such a budget was advocated 45 years ago by the eminent Boston accountant, Harvey S. Chase. It is even sounder now than it was then.

Under a system of capital budgeting the public could readily distinguish between current expenditures which are nonreimbursable—gone forever, and investment expenditures which are wealth creating and reimbursable—just as though they were private investments.

Operating under a capital budget, there would be no problem in proving to the Congress and the people that REA, based on the best estimates possible, will need a certain amount of credit the following fiscal year. The credit would be forthcoming because everyone would know that such funds are merely borrowed from the Government and paid back with interest, and that such loans are backed up by a mortgage on the cooperative electric system. The same would be true for Federal power projects.

There is every reason in the world for a divided or capital budget, and no valid arguments against one. Habit, fears that we would spend more on Federal power projects, fears that Mr. Hoover could not justify abolition of REA as "an expense" are some basic reasons why we do not already have a capital budget.

Now, of course, no accounting system can create miracles. A capital budget would not have prevented Mr. McKay from recommending the giveaway of Hells Canyon; but it would have made him sound ridiculous. A capital budget would make the Dixon-Yates deal sound absurd to almost everyone except Admiral Strauss and his banking and utility friends.

No miracles, but a lot of interesting facts and rational thinking regarding Federal expenditures and investments could flow from a capital budget.

Now, attempting to incorporate a capital budget into Federal accounting will not be an easy job because many vested interests would be opposed to such a plan. The private power companies and others who hope to profit from grabbing parts of the public domain including the atomic energy program would probably oppose such a reform. But you would be joined by many individuals and groups who do not like the idea of the Federal Government hiding its assets and investments under a lot of red ink.

If we want a government run on a sound business basis, an efficient government—a government striving to maximize economies—then we need to adopt a good set of accounting techniques.

The answer is the capital budget.

Challenges to America at Home and Abroad

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1957

Mr. WILEY. Mr. President, on Monday evening it was my pleasure to journey to Lancaster, Pa., for the purpose of presenting a talk on the subject of the challenges to America at home and abroad.

I send to the desk the text of this address and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS EISENHOWER-MACMILLAN MEETING SHOULD REVITALIZE NORTH ATLANTIC COOPERATION; URGES STRONG CITIZEN SUPPORT OF PRINCIPLE OF MUTUAL SECURITY AGAINST ATTACKS FROM BACKWARD-LOOKING 19TH CENTURY MINDS

(Address by Hon. ALEXANDER WILEY, Republican, Wisconsin, senior Republican, Senate Foreign Relations Committee, at the annual dinner of the Funeral Directors of Lancaster County, Lancaster, Pa., March 18, 1957)

I am honored to be included as your guest speaker on the occasion of your annual meeting.

I have always had a warm spot in my heart for this particular area of your fine State, rich in true American tradition. Lancaster is probably one of those realtively few communities in the country which has safeguarded its local way of life against some of the more artificial effects of our fast-moving technological age. It has continued to retain that wonderful charm and individuality, engendered by the spirit of Pennsylvania's early pioneers.

As members of a vital service and as respected leaders of your country, you hold a thoughtful philosophy toward life and toward your fellow man.

Your associations and daily contacts undoubtedly make you more sensitive to human problems and needs than is the case with many other segments of our population. Carried to a much wider scale, I would also presume that your concern for America's welfare and her future role is a deep one.

In my discussion with you this evening, I would like to highlight some of the crucial issues facing our country today.

OUR OWN TOP CHALLENGES TODAY

What are the basic challenges? They are two in number:

1. First, on the home front, to keep our economy strong, healthy, and secure.

2. Second, on the international front, to maintain world peace and to promote world freedom.

I am confident that we are going to fulfill both challenges.

BRIGHT SPOTS ON DOMESTIC SCENE

Here, at home, 1957 finds us continuing upward on the prosperity scale.

Our "gross national product" is rising up from an alltime high of $430 billion.

Our personal income is rising from the $330 billion level.

The purchasing power of the dollar, while it has been slipping somewhat because of wage and price increases, has, nonetheless, not skyrocketed upward, as some people feared.

Sixty-six million people are gainfully employed.

Our population estimates continue to soar upward. This country of 170 million as of 1957, will be 200 million in 1967. It may be as much as 300 million as far as 7 years before the turn into the 21st century. This means vast new markets for goods and services.

NUMEROUS PROBLEMS AT HOME

Now, we all recognize that we have our problems here at home. Our budget is at a peacetime high, and our taxes are at a peacetime peak. As a matter of fact, one-third of all United States income is going into Federal, State, and local taxes.

It is important, however, to look at that budget burden and at that heavy tax burden in the light of a changing America in a changing world.

There is not too much meaning in comparing present budget figures with absolute prewar budget figures. Why? Because the world, and America, have utterly changed, and so have our needs and requirements.

TODAY'S CHANGED WORLD

In this world of 1957, man has circled the earth, nonstop, in B-52 bombers in 45 hours.

Man has crossed the North American Continent in 3 hours 45 minutes, in the forerunner of a jet commercial airliner.

Science has reached out in such masterful discoveries—in nuclear energy, electronics—that the world has been contracted in space and time.

THE DANGER TO NORTH AMERICA

What does that mean in terms of the military danger to us?

Well, the Administrator of the Federal Civil Defense Administration, Governor Peterson, has made this grim estimate: In the event of world war III, even if we built a nationwide system of shelters (costing upward of $40 billion), as much as 60 percent of the population of the United States might be exterminated by an enemy attack. I repeat—60 percent of our 170 million people might be wiped out by a shower of enemy-guided missiles and strategic bombings.

It is small wonder, therefore, why we find it necessary to have 3 separate radar lines drawn from the frozen north regions of Canada to the United States-Canadian border; a strong continental Air Defense Command to intercept the enemy; Nike-guided

missile sites around our major cities; and a budget, of which 60 percent is devoted to military preparedness.

REEVALUATING WEAPONS SYSTEMS

Thus we are learning that to protect national and collective security is not cheap. Preserving peace in our time is dear, and it will continue to be so long as we have to combat a formidable ideology dedicated to world domination.

Yet, while we must support a strong defense structure, we are entitled to get the most for our money. Are we getting this?

I'm not sure. I feel that the Pentagon must meet the test of a thorough weapons reappraisal. How much reliance should be placed on nuclear planes and missiles in the future; on aircraft carriers, for example, on ground forces. And what are the types and numbers of weapons we can best afford. These are basic questions which the American people are entitled to have answered.

OUR WORLDWIDE PROBLEMS

It is against the background of these facts that we turn to the second top challenge, and that is to fulfill our diplomatic and economic responsibilities on the world scene.

Wherever we look around the globe we see significant problems. Let me name just a few:

(a) In the powder-keg Middle East, we find ourselves, unfortunately, confronted with a new crisis because of President Nasser's sending of a civil governor into the always explosive Gaza strip.

We likewise find the crisis intensified by Nasser's insistence that tolls be paid directly to Egypt before ships' passage through the Suez Canal.

(b) In Western Europe, we find that our allies, who are hard-pressed financially, especially in view of the Suez-caused oil shortage, have been seriously reducing their contributions to NATO.

(c) We find likewise that Western Germany, which in September faces a critical national election, is under extreme diplomatic and propaganda pressure from the Soviet Union. The Kremlin seeks to pressure Bonn into accepting some Soviet compromise arrangement as regards neutrality in return for reunification.

(d) In south Asia we find Communist subversive movements continuing at work in virtually every country. Red penetration ranges from revolution-torn Indonesia to other relatively new nations like India, Burma, Nepal, and Afghanistan. All of these underdeveloped lands face exceedingly difficult economic problems in trying to raise primitive standards of living.

These then are but a few of the challenges on the world scene.

WHY WE ARE SO CONCERNED

But I can almost hear someone ask, "Senator WILEY, what business is it of ours whether there is Communist penetration of Egypt or Syria or Indonesia, or whether West Germany goes neutral, or whether anybody else refuses to side with us in the cold war?"

The answer is very simple: It is absolutely crucial that international communism not pick up additional "real estate." It is crucial that the Kremlin not force us out of key Western areas, particularly areas where we have air, naval, and sea bases.

This country needs allies. We need foreign bases, especially for our Strategic Air Command. We need foreign war materials for the building of our tanks, guns, planes, and ships. We need Mideast petroleum (and so do our allies).

We need allies who are ready, willing, and eager to keep their own forces alert to defend their own borders—allies like South Korea, Turkey, Vietnam, Pakistan.

We dare not permit the Soviet Union to get away with grabbing virtually any country, however small. Why? Because if she does succeed, then all other small countries will be frightened into neutrality or into the Soviet camp.

Under these circumstances, it is important that the Western Allies revitalize their ties—economic, military, political, social.

EISENHOWER-MACMILLAN MEETING SHOULD BE HELPFUL LANDMARK

That is one reason why I anticipate with the deepest of interest constructive results from the conference in Bermuda, commencing on Wednesday, between President Eisenhower and Prime Minister Harold MacMillan, of the United Kingdom.

It is clear that our British friends and ourselves have had some serious differences in the recent past—notably over the Middle East.

It is clear, too, that our disunity has, regrettably, tended to play into the hands of our enemies.

Of course, I do not believe that the United States should, for the sake of real or token unity, compromise on any of its basic principles. But I do believe that the United States should and will make every reasonable effort to find common ground with our best and strongest ally.

The Eisenhower-MacMillan meeting can and should be a landmark in reuniting the Western World, in halting the trans-Atlantic baiting and sniping which have been going on for many months.

Closer cooperation with our long-standing French ally is likewise imperative. But this must be only part of our forward-looking foreign-policy program.

AVOIDING APPEASEMENT IN MIDDLE EAST

In the Middle East, the latest unwarranted provocation by Egypt's Nasser is a vivid warning that the United States can definitely not sit in the sun and let the world go by.

If Colonel Nasser commits any new infractions in the Gaza strip, flaunting the United Nations and dishonoring his own assurances on the Israeli withdrawal, the immediate responsibilities of the United States are clear.

We have patiently steered through the Mideast crisis over the past months. We have tried to calm the many disturbances threatening to erupt Arab-Israeli relations once and for all. It was due chiefly to United States assurances that Israel withdrew her troops in accord with United Nations requests.

Now, we cannot allow ourselves to drift or be pushed on Nasser's tide.

What actions should, then, be considered?

A firm warning to Egypt against further belligerency; a possible emergency call to the United Nations General Assembly in the event of additional troublemaking; consideration of further economic pressure against Egypt—these are actions which we must weigh. The alternative is to submit to a dictator who is "feeling his oats" in defying international law and moral responsibilities.

Not only must we quickly meet the issue at hand. We must lay bases for permanent settlement in the Middle East. It's time we learned that we cannot ride on a retread tire forever.

It's dangerous to the occupants and puts the whole car out of balance. Comparing this common auto situation to the chronic Middle East turmoil, we find that a patched-up armistice agreement is no good.

Positive initiative is needed, therefore, in settling the Arab refugee problem, the endless boundary disputes, the problem of transit rights through Suez, and the Gulf of Aqaba.

And, as leader of the free world and its leading spokesman in the United Nations, the United States responsibility for meeting this overall challenge is clear cut.

UNITED STATES MUST SHOW UP THE NEW "RED FACE"

The dangers we see on the Mideast front are, of course, part and parcel of a much greater epidemic, intended to draw all diseased victims into its ward—international communism.

The amazing turnabout tactics of the Soviet Union just within the last 5 months, and her gross hypocrisy during the Hungarian rebellion, are grim reminders that Soviet aims under Khrushchev, or anyone else, are still world domination.

Showing Soviet Russia up for what she is and countering her current lure moves throughout the world make a big order for the United States. But it is one which must be filled.

The Soviet Union continues to follow her historical pattern of avoiding outright aggression in seeking to add more countries to her satellite chain.

She is embarking on an expanded program of political and economic warfare designed to wean over strategic areas. She is taking advantage of tensions such as we face in the Middle East; so she seeks to keep the fires of dispute smoldering. She is certainly doing a thorough job of it from Greece to Africa to Indonesia, where the forces of nationalism and low standards of living can be fed on, for Communist gains.

Further, the Soviet (phony) good-neighbor policy is being pinpointed to strategic spots in the Kremlin scheme. Vast arms aid to Syria and Egypt, supplemented by trade and cultural missions, large offers of economic assistance to less-developed nations struggling for self-sustaining economies, a simultaneous campaign of anti-American propaganda—these are some of the hard facts of the new Red face.

WE MUST STRENGTHEN TIES WITH UNDERDEVELOPED WORLD

How must we proceed in erasing the Soviet blueprint? There are several ways:

First, we must recognize that the evolution of underdeveloped countries with rising expectations is at hand. We must strengthen our ties with these new governments, desiring independence and self-government.

We must disprove Communist accusations of our alleged siding with imperialism and colonialism. Vice President NIXON's visit to the Gold Coast and seven other African countries is a positive step in this direction. President Eisenhower's meeting with King Saud, of Arabia, is another effort to show that we sincerely want to help stabilize the Middle East and help further economic progress in that area.

Putting new life into our security pacts with countries of the Middle East, southeast Asia, and the Far East, is still another way of tightening the bonds of mutual interest. By "new life," I mean greater emphasis on political and economic ties.

The major emphasis on military security alone has too often fostered misunderstanding and suspicions abroad. It is necessary, of course, to strength the internal security of countries fighting subversion and revolutionary elements. But we must realize that there are nations who want to remain free of military alliances, in order, they feel, that they may concentrate on the battle against hunger, disease, and poverty.

PRESIDENT'S REMINDER OF OUR RESPONSIBILITY

And may I stress the need for a new, dynamic approach to economic assistance. The problem of international economic development is one which the United States must meet. It is to our national interest that we

do so. Why? As the President stated in his second inaugural address:

"One-third of all mankind has entered upon an historic struggle for a new freedom: freedom from grinding poverty * * * (and) wherever in the world a people knows desperate want, there must appear at least a spark of hope, the hope of progress—or there will surely rise at last the flames of conflict."

HISTORIC CONCEPT OF ENLIGHTENED MUTUAL SECURITY

Now, secondly, what about the overall concept of United States Mutual Security itself?

In my judgment, it is sound and, indeed, indispensable.

Congress now has before it no less than three separate series of reports, confirming the advisability of this program:

The report of the Benjamin Fairless Commission.

The report of Eric Johnston and his associates, on the International Development Advisory Board.

The reports of various private contractors who have studied the program on behalf of the Senate Foreign Relations Committee.

(On Wednesday, we are opening hearings on these reports.)

Each and all of these reports bear the most careful study. There is no doubt that constructive changes can and should be made in mutual security, e. g., to stimulate more sound private investments; to secure better coordination in planning of assistance, etc.

20TH CENTURY VERSUS 19TH CENTURY THINKING

But the basic concept of aid, in our own enlightened self-interest, must be protected. The 1958 Mutual Security Budget must be scrutinized; but it must not be sabotaged.

Why? Because of the facts in the changed, danger-filled world of the 20th century—facts such as I earlier mentioned.

Open, alert 20th century minds may honestly differ as to the details of the program. But backward-looking 19th century minds, unaware or uninterested in the grim realities of the 20th century, must not be permitted to destroy or sabotage this program. We—you and I—take rightful pride in the rich traditions of Lancaster's and Pennsylvania's and America's past. But we are more concerned with Lancaster's and Pennsylvania's and America's future.

The past has much to teach us. The best of the past must always be preserved. But it is the present and the future which hold the challenges which must be fulfilled.

We must find new teachings in the old books. We must find new guides for the beckoning future.

ANSWERS TO CRITICS OF MUTUAL SECURITY

May I, before continuing, point out to those who have criticized—wholesale—the mutual security program, certain essential facts:

In the first place, mutual security expenditures have been eminently successful in helping to revitalize the economies of many foreign lands—economies which would long since have collapsed into bankruptcy. In so doing, many a foreign country has become a better customer for America's own goods and services.

In the second place, the very appropriations for this mutual security have been spent in overwhelming part on the products of our own factories. In other words, the dollars which we have appropriated have actually been spent largely inside the United States, where they have helped create jobs.

And, finally, let me point out this fact, so far as direct military expenditures are concerned:

A dollar spent to maintain a South Korean or Turkish or Pakistani or Vietnamese soldier at his own border will save spending perhaps 25 times what would be necessary to maintain an infinitely costlier American lad in uniform at that very same border.

Thus, it is far cheaper and more efficient to help these allied countries protect themselves, than it is to send more American boys overseas to try to protect them.

CAN THE UNITED STATES MEET THESE TESTS?—WE CAN, WITH DETERMINATION

I have reviewed what are, in my opinion, the major challenges to United States strength of leadership, here at home and beyond our national boundaries.

I, for one, continue my faith in our President and in his desire to meet these challenges head on through positive and firm policies. And so, I believe we are well on our way to confirming our ability to meet the tests of our times.

The recent overwhelming passage of the Eisenhower Mideast doctrine was one such landmark.

The Eisenhower-Macmillan meeting should prove another.

The forthcoming visit of Chancellor Adenauer should prove still another landmark in western unity and adequacy.

Like the past visits of French Premier Mollet, English Defense Minister Sandys, German Foreign Minister Von Brentano, each of these get-togethers establishes stronger foundations for the edifice of peace, which we are building for this 20th century and beyond.

Can we, then, meet the tests of this time?

Yes; with patience and fortitude we can, we must.

Foreign Aid Is Vital to United States Security

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1957

Mr. JAVITS. Mr. President, on Thursday, March 7, I addressed the American citizenship award dinner of the Golden Slipper Square Club in Philadelphia. In the course of my remarks I sought to marshal the facts in support of the vital importance of continuing United States overseas economic and technical assistance programs. Subsequently these remarks were reprinted in the New York Herald Tribune of March 13, 1957.

I ask unanimous consent that the New York Herald Tribune article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEED FOR FOREIGN AID

(By Senator JACOB K. JAVITS)

The following are excerpts from a speech delivered recently by Senator JAVITS at the American citizenship award dinner of the Golden Slipper Square Club in Philadelphia:

"United States overseas economic and technical assistance programs are in danger in the Congress. Unless there is a great rallying of public support behind these programs, they could be so seriously crippled as to materially retard the fight against communism and the struggle for international peace. For the economic and technical assistance programs are as vital to the security of the United States as the military assistance program.

"There is considerable evidence that the economic and technical assistance programs are in jeopardy. One solid indication is in the temper of the Congress shown in the recent Senate vote on the Russell amendment that would have eliminated such aid from the President's Mideast doctrine. Another is the large number of surveys on the programs being made both inside and outside Government. A third is the series of attacks on the programs because of individual failures in particular countries. Finally, and very importantly, these programs are the prime targets of those who would cut at any price the admittedly large $72 billion budget for the coming fiscal year.

"I am an advocate of pruning any unnecessary spending from the Federal budget and I shall devote my efforts in the Senate to that cause. But at the same time, I believe that economies that would endanger our national security, as a drastic cutdown in the economic and technical assistance programs certainly would, are unwise economies to be avoided in the national interest.

* * * * *

"What then is needed and what should be the objective in the Congress? First, we need to step up our economic aid program from approximately $600 million a year to $2 billion a year. This would still be less than one-half of 1 percent of our gross national product.

"In this should be included sums for technical cooperation, both directly and through the United Nations; today our own technical assistance programs cost $135 million and our contributions to the U. N. program about $15.5 million a year. Not all this need be in grants, although in critical areas where we are spending 80 percent of our economic aid now, such as Korea, Formosa, Vietnam, Pakistan and Turkey, loans may prove difficult. However, loans may prove difficult. However, we can certainly make the increase primarily in loans, long-term and at loan interest.

"Second, we need also to expand very materially the availability of personnel for overseas technical and economic assistance programs, and especially for the preliminary training for these individuals. For truly, these are among the finest soldiers for peace we have. In my recent trip around the world, I learned that it takes 18 months to orient an American properly in an economic aid job. And he stays for only 2 or 3 years. This preliminary training should be done in advance in the United States.

* * * * *

"Third, it should be our job to increase overseas private investment from the present level of just under $2 billion net per year to $5 billion a year within the next 10 years. To do this, we should give prompt consideration to an income tax program for the accelerated amortization of investments made in coordination with the foreign policy of the United States. And we should consider establishing a governmental medium for integrating the private sector of the American economy into the Nation's foreign policy.

"In order to place our foreign aid programs in their proper perspective, I believe it is vital to dispel certain myths about them.

"First, the myth that the programs represent such a huge expenditure that we would jeopardize some major domestic social and economic advances. The fact is that every dollar of aid abroad must return to the United States to be spent. The National Planning Association reports that since 1948 foreign aid programs have involved relatively small cost to the United States. For example, in the whole period since 1948, the aid

programs, including military aid, amounted to 1.7 percent of our gross national product, and in the last year they have amounted to only 1 percent of our gross national product.

* * * * *

"The second myth is that other free nations who are capable of overseas assistance, are not doing their part. This is dispelled by a special study, just released, prepared for the Senate Foreign Relations Committee by a private research organization showing that the Western European nations plus Canada, New Zealand, Australia, and the Union of South Africa have spent about two-thirds as much in relation to their gross national product on foreign aid as has the United States.

"The third myth is that failures in a particular country damn the whole program. Certainly, there have been failures, for example in Iran. But the program is so great, involving 60 countries and 8,000 United States citizens employed directly and indirectly, plus 3,000 foreign nationals for clerical and housekeeping functions, how could some failures be avoided?

* * * * *

"But failures must be compared with the literal revolutions which such aid has caused. In India, aid has been heavily responsible for the community development program referred to there as the silent revolution. This program has reached 80 million rural people directly and before it is completed it will have reached all of the 500,000 villages in India with their population of over 250 million. In Latin America, the cooperative health program has affected more than 25 million with vast improvements, not only in health but in productivity. In the Asian arc, agricultural output has been brought up 10 percent over prewar levels, an absolutely vital need because increased population would otherwise have brought on widescale starvation.

"We in the United States cannot be either prosperous or secure in a world suffering from chronically depressed living standards. By way of contrast, the per capita annual income in India is $80; in Pakistan, $70; in Japan, $190; Brazil, $230; Peru, $120; in Lebanon, $260, with even less in other Middle East countries—all compared to our $1,870. The Fairless Committee, reporting just the other day, truly concluded that both military and economic aid programs have successfully countered Soviet expansion and should be continued.

* * * * *

"The situation is critical and the hour is late. The Communists are pressing their offensive upon free institutions all over the world. Military security, for which we are today spending 80 percent of our foreign-aid budget—for this fiscal year a total of $3,178,570 out of appropriations of $3,756,570,000—is only the shield. Behind this shield, we must integrate and develop a free world, give it hope, encouragement and progress, if we are to overcome successfully the constantly increasing Communist drive of infiltration and subversion."

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PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, FIRST SESSION

SENATE

MONDAY, MARCH 25, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, at whose word man goeth forth unto his work and do his labor until the evening, we beseech Thee, this new week, keep within the grasp of Thy firm hand the threads of each day's words and deeds, that we may not mar the fair design of what Thou wouldst do for us and through us. Apart from Thee, these feverish days are but tangled tragedy; but in Thy radiance, trivial rounds become sacraments, common days are glorified, and even bitterness, disappointment, and failure are transfigured and redeemed.

Suffer not any one of us, we pray Thee, to bruise by malice or contempt the rightful self-respect of any comrade at our side, remembering that each of us walks a lonely way. And so we ask that this day Thou wilt consecrate with Thy presence the way our feet may go, and the humblest work will shine, and the rough place be made plain. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Friday, March 22, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Statehood of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

LEAVE OF ABSENCE

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the Senator from North Carolina [Mr. SCOTT] and the Senator from Georgia [Mr. TALMADGE] be given leave of the Senate from today until March 28, to hold hearings on behalf of the Senate Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I should like to announce that at the conclusion of the call of the calendar, it is my intention to move that the Senate proceed to the consideration of Calendar No. 161, Senate Joint Resolution 72, to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945. I should like to have the staff notify the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Banking and Currency and the ranking minority members of the committee, to be prepared in that connection. I expect that the joint resolution will be reached at approximately 1:30 p. m.

DAMAGED LANDS IN TEXAS, AND IMPORTANCE OF THE DEFERRED GRAZING BILL

Mr. JOHNSON of Texas. Mr. President, I am pleased to announce and confirm that it has been raining in Texas. It rained last week, and the week before that, and even the week before that. Many sections report the best spring rainfall in 7 or 8 years; some counties have received as much as 10 inches of rain in a span of 4 weeks. That is considerable in the State of Texas.

But I must hasten to point out that this in no way resembles a drought breaker. It is, merely and more accurately, a stay of execution—an indication to our farmers and ranchers that they need not yet outfit themselves with a shroud.

Stanley Walker, a great New York newspaperman who has now returned to his Texas hill country home, recently reported how wonderful it was to see Texas turning green. It is, indeed, a wonderful sight; but all that green is a little deceiving. It is as pretty and fragile and useless as dime-store tinsel, and as insubstantial as fog. It can be lost to us in a matter of weeks if the land is abused, and the pretty picture makes for strong temptations.

I should like to quote from parts of letters received in my office recently from two county judges.

Judge C. G. Newton, of Kendall County, writes:

> It is indeed pitiful to watch sheep in our pastures grazing the tender, sparse grass into the ground and holding recovery back beyond the danger point. But these ranchers must live, and in order to do so they must have stock on the range. Most of them have borrowed up to the limit to buy feed to keep a foundation herd, and they are broke. They must have help if beef, wool, and mohair are to be produced ever again in this State.
>
> And the only help is in the deferment of our pastures for a sufficient time to allow a complete recovery. In order to carry on this program it will be necessary for the landowners to receive sufficient income to live on while nature repairs the damage of this long drought. It will take several years of average rain to bring rangeland back, and this present year is most critical. There is no cover on the soil, and heavy rains will do serious and permanent damage by carrying much of the topsoil into the creeks and rivers. What little grass there is must be protected in every way if most of our rangeland is ever again going to be fit for the cattle industry. That means that pastures must be deferred for from 1 to 2 years so that the struggling grasses can have a chance to again protect this rolling country.

Judge Newton added that the assistance he is asking for "must be sufficient and it must be soon."

Judge Carl C. Wood, of Armstrong County, writes:

> The range bill to rest grass on which you have been working will certainly help. It is just what these dried out, overgrazed ranges need, and few ranchers are in a position to retire any land right now without help. * * * It will be a real boost to many ranchers, and it will more or less fit right in with the fact that most of them have already reduced their herds because of financial or drought reasons. This will give them a chance to come back gradually without going deeper into debt.

Mr. President, the deferred grazing bill which I hope will soon reach the floor for consideration is absolutely essential to recovery of the damaged lands in Texas.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SOIL BANK CONSERVATION RESERVE PROGRAM

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report on the conservation reserve program of the soil bank, dated March 13, 1957 (with an accompanying report); to the Committee on Agriculture and Forestry.

PROPOSED LEGISLATION TO INCREASE NUMBER OF CERTAIN NAVAL OFFICERS

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to increase the number of regular officers of the Navy who may be appointed for limited duty only, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF LAW RELATING TO EXPENDITURE OF CERTAIN FUNDS, KLAMATH COUNTY, OREG.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the law with respect to the recoupment of funds expended in cooperation with the school board of Klamath County, Oreg., because of the attendance of Indian children, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO CIVIL PENALTIES IN CERTAIN CASES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of January 31, 1957 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

IMPLEMENTATION OF TREATY AND AGREEMENT WITH PANAMA

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to implement a treaty and agreement with the Republic of Panama, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PROPOSED AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO EXTENSION OF PERIOD FOR BROADCAST LICENSES

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting a proposed amendment to the Communications Act of 1934, to permit broadcast licenses to be for a 5-year period instead of only 3 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting the dissent of Commissioner Bartley to the proposed amendment of the majority of the Commission to amend the Communications Act of 1934, relating to the length of the period for broadcast licenses, transmitted to the Senate on February 13, 1957 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

ESTABLISHMENT OF FEDERAL ADVISORY COUNCIL ON THE ARTS

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, and so forth were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 16

"A joint memorial of the Senate and House of Representatives of the State of Montana to the President and Congress of the United States and to the Honorable James E. Murray and Mike Mansfield, United States Senators; and to the Honorable Lee Metcalf and LeRoy H. Anderson, Representatives in Congress and to the Honorable Glenn L. Emmons, Commissioner of Indian Affairs; urging Congress to pass appropriate Federal legislation to grant to Indian citizens residing on Indian reservations within the State of Montana, authority to consent by election to the assumption by the State of Montana of jurisdiction over both criminal and civil matters originating within the boundaries of such reservations

"Whereas a serious problem exists in the matter of the proper enforcement of the civil and criminal laws within the State of Montana in those areas wherein are situate Federal Indian reservations by reason of the fact that under the present Federal and State statutory structure the civil and criminal laws of the State of Montana have no force and effect within the confines of such reservations, and the authorities and officers of the State of Montana have no jurisdiction within or over the confines of such reservations; and

"Whereas tribal courts exercising jurisdiction on the various Montana Indian reservations, in many cases, are unable to provide adequate law enforcement benefits to the Indian citizens situate on such reservations; and

"Whereas the administration of law and of justice will be promoted on such reservations by assumption of civil and criminal jurisdiction by the State of Montana, provided that enrolled Indian citizens, by election duly held, consent by majority vote to such extension of jurisdiction: Now, therefore, be it

"Resolved by the House of Representatives of the 35th Legislative Assembly of the State of Montana (the Senate concurring), That we respectfully urge the Congress of the United States to appoint a committee to consult with the various Indian tribes situate on the reservations in the State of Montana, and to encourage the members of such Indian tribes to conduct elections by referendum vote to determine if they wish, and to what extent they wish, to come within the civil and criminal jurisdiction of the State of Montana.

"EUGENE H. MAHONEY,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

A resolution of the Legislature of the State of Nebraska; to the Committee on Finance:

"Legislature Resolution 11

"Whereas the Veterans' Affairs Committee of the House of Representatives of the United States Congress is considering House Roll 64; and

"Whereas section 1 (c) of this bill provides that the Veterans' Administration shall withhold all pensions due a veteran—in excess of $30 while he is being furnished domiciliary care in a State home; and

"Whereas this provision would eliminate the possibility of a veteran member of the home contributing to the State for his maintenance; and

"Whereas the State of Nebraska is presently collecting approximately $40,000 per year from members of the home in Nebraska for their maintenance: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in 68th session assembled, That (1) this body requests that section 1 (c) of House Roll 64 be stricken from the bill.

"(2) That the clerk of the legislature be directed spread at large on the Legislative Journal this resolution, and that a copy hereof, properly authenticated, be sent to the Vice President of the United States, each member of the Veterans' Affairs Committee of the House of Representatives, each member of the Nebraska delegation in Congress, the Governor of Nebraska, the department commander of the Veterans of Foreign Wars in Nebraska, the department commander of the American Legion in Nebraska, the department commander of the Disabled American Veterans in Nebraska, and the director of veterans' affairs for Nebraska.

"DWIGHT W. BURNET,
"President of the Legislature."

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Interior and Insular Affairs:

"A concurrent resolution memorializing the Congress of the United States to require the Secretary of the Interior to revoke a withdrawal of lands in San Juan County, Utah

"Be it resolved by the Legislature of the State of Utah (the Governor concurring therein):

"Whereas the Secretary of Interior on February 8, 1957, issued an order withdrawing approximately 73,600 acres of land in San Juan County, Utah; and

"Whereas the said withdrawal adversely affects the use of such land by long established livestock users and will create a great economic hardship upon such users; and

"Whereas the said withdrawal is in an area of increasing mineral development, and such withdrawal can adversely affect the development of these resources; and

"Whereas in the event said withdrawn lands are made a part of the Navaho Indian Reservation, the revenues received by the State of Utah under the Federal Leasing Act will be substantially decreased; and

"Whereas no hearing upon the merits or necessity for the withdrawal was given to the people of Utah; and

"Whereas said withdrawal will adversely affect property rights and long-established uses of said land; and

"Whereas the impact of said withdrawal will create economic hardships upon the people of this State; and

"Whereas by the act of March 1, 1933, 72d Congress, 2d session (vol. 47 U. S. S., p. 1418, ch. 160), Congress ordained that no further allotment of lands to Indians on the public domain would be made in San Juan County, Utah; and

"Whereas the Secretary of Interior's withdrawal is in contradiction of said act of Congress: Now, therefore, be it

"Resolved by the Legislature of the State of Utah (the Governor concurring therein), That the Congress of the United States require that the Secretary of the Interior revoke his withdrawal of February 8, 1957, relating to approximately 73,600 acres of land in San Juan County, Utah; and be it further

"Resolved, That the Congress of the United States refuse to pass any legislation which

would implement the withdrawal of February 8, 1957; and be it further

"Resolved, That the secretary of state of Utah be and is hereby authorized and directed to send copies of this concurrent memorial to the President of the United States, to the Senate and House of Representatives of the United States, to the Senators and Congressmen representing Utah in the National Congress, and to the Honorable Secretary of the Interior of the United States."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Labor and Public Welfare:

"House Joint Resolution 4

"Be it resolved by the Legislature of the Territory of Alaska:

"Whereas under the Labor-Management Relations Act of 1947, commonly known as the Taft-Hartley Act, the States and Territories of the United States are permitted to enact legislation prohibiting agreements which require membership in a labor organization as a condition of employment; and

"Whereas as a result thereof many jurisdictions have enacted so-called open-shop statutes to the great detriment of all organized workingmen; and

"Whereas the American laborer has struggled and suffered untold setbacks and hardships to attain his rightful place in the labor world; and

"Whereas section 14 (b) of the Taft-Hartley Act does not guarantee such protection and enjoyment: Now, therefore, be it

Resolved by the House of Representatives of the Territory of Alaska (the Senate concurring), That we respectfully urge the repeal of section 14 (b) of the said Labor-Management Relations Act, 1947 (29 U. S. C., sec. 164 (b)), permitting the adoption of such discriminatory legislation; and be it further

"Resolved, That copies of this resolution be sent to the President of the United States, the Senate and House of Representatives of the United States of America, and the Delegate to Congress for Alaska.

"Passed by the house March 8, 1957.

"RICHARD J. GREUEL,
"Speaker of the House.

"Attest:

"DOLORES D. GOAD,
"Chief Clerk of the House.

"Passed by the Senate March 14, 1957.

"VICTOR C. RIVERS,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate."

A telegram in the nature of a petition from the New York State Council of Lathers, Poughkeepsie, N. Y., signed by Joseph M. Kloes, secretary-treasurer, relating to the use of plaster and lath in certain construction at Plattsburg, N. Y.; to the Committee on Banking and Currency.

CONCURRENT RESOLUTIONS OF NORTH DAKOTA LEGISLATURE

Mr. YOUNG. Mr. President, on behalf of myself and my colleague, the senior Senator from North Dakota [Mr. LANGER], I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, House Concurrent Resolution L, as approved by the North Dakota State Legislature on January 8, 1957.

This concurrent resolution urges the Congress of the United States to investigate the subordination of power generation on the Missouri River to navigation. It calls attention to the release of water from the Fort Peck, Garrison, and Fort Randall Dams during the navigation season in the lower Missouri River to the detriment of power production.

The concurrent resolution urges Congress to implement and make effective the mandate intended in the O'Mahoney-Millikin amendment that the use of water for navigation be subordinated to its use for power generation.

There being no objection, the concurrent resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Concurrent Resolution L

Concurrent resolution urging the Congress of the United States and the Committees on Insular Affairs and the Committee on Public Works of the United States Senate and House of Representatives to investigate the subordination of power generation on the Missouri River to navigation

Whereas the supply of low-cost Federal power in the Upper Missouri Basin is inadequate to meet the foreseeable needs of preference customers; and

Whereas it is known that the United States Corps of Engineers has been releasing water from the Fort Peck, Garrison, and Fort Randall Dams during the navigation season in the lower Missouri River to the detriment of power production, Federal revenue, and good management: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That we call upon the Congress of the United States to implement and make effective the mandate intended in the O'Mahoney-Millikin amendment that the use of water for navigation purposes be subordinated to western uses; and be it further

Resolved, That we call upon the Army Corps of Engineers to cease the release of large quantities of water for such subordinate purposes; and be it further

Resolved, That the committees on Interior and Insular Affairs and the committee on Public Works of the United States Senate and House of Representatives are requested to investigate the subordination of power generation on the Missouri River to navigation, and to determine all facts necessary to ascertain the balance between electric power supply and requirements, existing and prospective, in the Upper Missouri Basin. Such investigations and determinations should include a study of power supply available considering management of the river in consonance with the O'Mahoney-Millikin principles as well as the need for and the economics of developing steam generation to firm up hydro power now being sold or to be sold by the Government at less than firm power rates, and such investigation should also consider the feasibility and desirability of low dams with locks to provide a slackwater channel on the Missouri River for navigation; and be it further

Resolved, That copies of this resolution be forwarded by the chief clerk of the house of representatives to the President of the United States, the Committees on Public Works and Interior and Insular Affairs of the United States Senate and House of Representatives, and to each member of the North Dakota Congressional delegation.

B. J. WOLF,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.
CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.

Mr. YOUNG. Mr. President, on behalf of myself, and my colleague, the senior Senator from North Dakota [Mr. LANGER], I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, House Concurrent Resolution S which was duly signed by the President of the Senate and Speaker of the House of Representatives of the North Dakota State Legislature on January 8, 1957.

The concurrent resolution memorializes the Congress to pass legislation already introduced which would establish a $200 million program to induce industry to locate on or near Indian reservations to provide employment for Indians.

This expression of the North Dakota Legislature lends emphasis to the great interest in my State for a comprehensive program to provide stable employment for Indian people and to otherwise assist in improving their low economic status.

There being no objection, the concurrent resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

House Concurrent Resolution S

Concurrent resolution memorializing the Congress to pass legislation already introduced which would set up a $200 million program to induce industry to locate on or near Indian reservations to provide employment for Indians

Whereas North Dakota has a large number of Indians residing within its boundaries and is vitally interested in providing employment for these Indian citizens; and

Whereas one of the shortcomings in the past in the administration of Indian affairs has been the inability to provide consistent and suitable employment to the Indian people; and

Whereas there has been legislation introduced in the 85th Congress which would induce industry to locate on or near Indian reservations to provide employment for the Indian people, and alleviate their unemployment: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the Congress of the United States is hereby urged and requested to enact the legislation already introduced providing for a $200 million loan fund for the purpose of inducing industry to locate on or near Indian reservations, which industries would provide consistent and suitable employment to Indian citizens, and alleviate the vast amount of unemployment among the Indian people; be it further

Resolved, That copies of this resolution be forwarded by the Chief Clerk of the House of Representatives of the State of North Dakota to the Presiding Officers of each of the Houses of Congress of the United States, to the United States Commissioner of Indian Affairs, and to each member of the North Dakota Congressional delegation.

B. J. WOLF,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.
CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.

JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received from the Lieutenant Governor of New Mexico, senate joint memorial 12, passed by the State of New Mexico, concerning the Federal program of our National Guard, and Senate Joint

Memorial 13, memorializing the Congress of the United States to investigate the effects of chemically and physically induced precipitation.

Both of these memorials were passed by the New Mexico State Legislature and have been signed by the governor.

I ask unanimous consent that the memorials be printed in the RECORD and appropriately referred.

There being no objection, the joint resolutions were received, appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Armed Services:

"Senate Joint Memorial 12

"Joint memorial to the President and Congress of the United States relating to training of the National Guard

"Whereas the National Guard from the earliest colonial days has been the great civilian fighting power which has gone to stand beside the Regular military forces of our Nation, and always has provided that extra strength and ability which has been needed to insure victory for our own Armed Forces; and

"Whereas because of its willingness and readiness to fight if need be, and the skill and ardor with which it has conducted itself on the battlefields of the world it has justly been called by the Congress of the United States 'an integral part of the first line defenses of this Nation'; and

"Whereas the National Guard of New Mexico has served with loyalty, honor, and distinction in every period of emergency from the earliest Territorial days, through all of the Indian campaigns, the Spanish-American War, the Mexican border campaign, World War I, World War II, and the Korean police action; and

"Whereas the New Mexico National Guard's 120th Engineer Regiment, then an integral part of the valiant 45th Infantry Division of the Oklahoma National Guard, appeared in a leading and decisive role in numerous major campaigns and battles in Europe during World War II and earned an enviable and unequaled record of excellence in combat; and

"Whereas the New Mexico National Guard's 804th Antitank Battalion engaged enemy forces in North Africa, Sicily, and Italy, created a distinguished battle history and built a combat reputation unexcelled in quality; and

"Whereas because of the superior quality of its leadership and the ability of its membership, the excellence of its morale and esprit de corps, and the exceptional level of its combat readiness and military skill, the New Mexico National Guard's Antiaircraft Artillery Brigade, comprised of the 200th and 515th Regiments of Coast Artillery Corps Antiaircraft Artillery, faced an overwhelmingly superior Japanese ground and air army and, as a major unit of the outnumbered American command, fought the invaders of the Philippine Islands to a standstill and defeated them on the field of battle until lack of ammunition and medicine and the onslaught of sickness and hunger forced the surrender of the defending troops; and

"Whereas during those hectic and historic days on the Bataan Peninsula the elements of the New Mexico National Guard's Antiaircraft Artillery Brigade earned and were awarded three Presidential Unit Citations in recognition of the valiant role they had played in that drama of delay, destruction, and defeat; and

"Whereas the members of the New Mexico National Guard's Antiaircraft Artillery Brigade, at the very end of the battle on Bataan and until and after the hour of surrender, justly earned the praise which is given them in the official history of the United States Army in World War II in the paragraphs quoted herewith, as follows:

EXCERPT, APRIL 9, 1942

"'The situation everywhere along the front was obscure. With troops jamming all roads and with communication so uncertain as to be nonexistent, even frontline commanders did not know where their units were at any given moment. Higher headquarters, forced to rely on runners and the armored group radio net for information, were even less informed than the unit commanders. It was not until 1800, for example, that General King learned that the Alangan line had been penetrated on the east. By that time the two Japanese columns—the Nagano detachment and the 4th Division—were already south of the river and pushing forward rapidly along the East Road and Trail 20.

"'To Luzon Force Headquarters, the chief threat seemed to be developing along the East Road, which provided the enemy clear passage to Mariveles. With the tanks and 75-mm. guns (SPM) in retreat and already nearing Cabcaben and with his last reserves committed, General King attempted to form a line with the only organized unit remaining, the Provisional Coast Artillery Brigade (AA). At about 1900 he directed Col. Charles G. Sage, the brigade commander, to destroy all his antiaircraft weapons except those which could be used by infantry and to form his men along the high ground just north of Cabcaben. At the same time he released the 1st Philippine Constabulary, then in transit from I Corps to II Corps, and ordered it into position on the left of the brigade.

"'While the artillerymen were attempting to establish a line at Cabcaben, Bleumel's scattered force was nearing the Lamao River. The retreat from the Alangan had been a difficult one. The men of the 31st Infantry (United States) and the 57th Infantry had been forced to fall back through the jungle and by now were in the last stages of exhaustion. The 14th Engineer Battalion and the 26th Cavalry, which had withdrawn along Route 20, had found the march less trying, but had suffered other mishaps, and one element of the 26th Cavalry, covering the withdrawal, had been lost in the jungle and never again joined the regiment.

"'It was about 2130 when General Bleumel and the last of the covering force reached the Lamao. At that time he received telephone orders from General Parker to form a line along the Lamao River and within the hour he had his men across the river and in an assembly area. But the establishment of a line was not so easily accomplished. None of the officers know the area and the moonless night made it difficult to find defensible positions along which to deploy the troops. After a discouraging reconnaissance in the darkness, General Bleumel, who by now was using the 26th Cavalry staff as his own, concluded that a line behind the Lamao was not feasible. Unable to reach either corps or Luzon Force Headquarters, he finally turned for aid to General Wainwright, who could only advise him to use his own judgment.

"'Even without precise information on Bleumel's situation it was already evident to General King that II Corps had disintegrated. Reports from officer patrols and from the tanks and the self-propelled 75's clearly reflected the chaotic state of the command. There was no chance that the 1st Philippine Constabulary would reach Colonel Sage before daylight, and little possibility that any of the retreating troops could be organized in time to be placed on the line Sage was trying to establish near Cabcaben. Nevertheless orders were issued directing the 26th Cavalry to fall in on the right of Provisional Coast Artillery Brigade. The cavalrymen evidently did not receive these orders and when the artillerymen, a half hour before midnight, occupied the last remaining line, they stood alone'; and

"Whereas the New Mexico National Guard provided for the Armed Forces of the United States during the Korean emergency 3 antiaircraft artillery battalions, 1 fighter squadron, and several smaller units, to a total number of more than 1,200 officers and men, and these battalions and units and individual members of the New Mexico units served honorably, honestly, and faithfully in Korea, in Europe, in vital defense areas in the United States and elsewhere throughout the world; and

"Whereas the New Mexico National Guard has striven earnestly and always to find, develop, and use only the highest type of officer and noncommissioned officer leadership, quality and ability, and to train effectively every enlisted member in its ranks; and

"Whereas the New Mexico Army National Guard in the past 16 months has sent to the Army's 6 months' basic training program 528 of its enlisted membership (that number being over 14 percent of its present total enlisted strength) and thereby leads all States and areas of the Nation in percentage of participation in that program; and

"Whereas the officers and noncommissioned officers of the New Mexico National Guard realize, and are deeply concerned with, the fact that hundreds of our State's finest young men, the potential future leaders of the State and of its military forces, are prohibited from participating in the present 6 months' training program because of the requirement that they attend for 6 consecutive months, which requirement would, if they engaged in the training, seriously disrupt their plans to continue their education; and

"Whereas the New Mexico Legislature is cognisant of these facts and desires that a program of training be developed for the National Guard which can and will be available to all of the young men of the State without interfering with their plans and efforts to obtain an education: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the President of the United States, the Congress of the United States, the Senators and Representatives of New Mexico in the United States Congress be memorialized as follows, to wit:

"That the Congress enact the necessary legislation to insure:

"1. That whatever mandatory program is developed and put into operation for the use of and the training of personnel of the National Guard, of whatever length may be determined to be necessary to provide a satisfactory level of training and military skill, be arranged in segments of such length and conducted during such months each year that any and all young men may participate without any hindrance to their pursuit of advanced education.

"2. That the program, once developed and put into operation, be not changed in scope or intent by administrative action, to the end that those who are to participate therein may make firm plans for their future activities; and be it further

"Resolved, That copies of this memorial be sent to the President of the United States and to the members of the Congressional delegation from New Mexico.

"JOE M. MONTOYA,
"President, Senate.
"GRACE MCAFEE,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 21st day of February 1957.

"EDWIN L. MECHEM,
"Governor, State of New Mexico."

"JOE M. MONTOYA,
"President, Senate.
"GRACE MCAFEE,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 21st day of February 1957.

"EDWIN L. MECHEM,
"Governor, State of New Mexico."

To the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 13

"Joint memorial memorializing the Congress of the United States to investigate the effects of chemically and physically induced precipitation

"Whereas the beneficial effects of artificial rainmaking in many cases have not materialized and the results induced often have been harmful; and

"Whereas there exists presently no scientific or legal means by which the effects of chemically and physically induced precipitation can be measured or controlled: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the United States be respectfully petitioned to investigate, or cause to be investigated, the effects of artificially induced precipitation and take the steps necessary to protect the interests of the great Southwest from any harmful effects; and be it further

"Resolved, That a copy of this memorial be sent to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States and to each member of the New Mexico Congressional delegation.

"JOE M. MONTOYA,
"President, Senate.
"GRACE MCAFEE,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 21st day of February 1957.

"EDWIN L. MECHEM,
"Governor, State of New Mexico."

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of New Mexico, identical with the foregoing, which was referred to the Committee on Interstate and Foreign Commerce.)

CONCURRENT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. THYE. Mr. President, I am in receipt of a letter from the Secretary of State of Minnesota, which enclosed Concurrent Resolution 7, memorializing the Congress to increase the wages of postal employees. I fully concur in the resolution. I think that enactment of a salary increase for postal employees would be a timely act on the part of Congress.

I ask unanimous consent that the letter and resolution be printed in the RECORD, and appropriately referred.

There being no objection, the letter and concurrent resolution were referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF STATE,
St. Paul, Minn., March 20, 1957.

The Honorable EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: Enclosed is Resolution 7, a concurrent resolution memorializing the Congress of the United States to enact legislation providing for salary adjustment for postal employees.

Yours very truly,
JOSEPH L. DONOVAN,
Secretary of State.

"Resolution 7

"Concurrent resolution memorializing the Congress of the United States to enact legislation providing for salary adjustment for postal employees

"Whereas employees of the United States Postal Service have greater workloads and responsibilities than ever before; and

"Whereas salaries of postal workers have not kept pace with salaries for similar work in private industry, and with the increase in employee productivity; and

"Whereas the work of the Postal Department is being performed in an efficient manner and is deserving of increased compensation: Now, therefore, be it

"Resolved, That the House of Representatives of the State of Minnesota (the Senate concurring), endorses a salary schedule for postal employees commensurate with that in private industry and which will give adequate recognition of the increased productivity of postal employees; and be it further

"Resolved, That a copy of this resolution be transmitted to the Presiding Officers of the Senate and House of Representatives of the United States and to each Member of Congress from the State of Minnesota.

"A. I. JOHNSON,
"Speaker of the House of Representatives.
"KARL F. ROLVAAG,
"President of the Senate.

"Passed the house of representatives the 8th day of February 1957.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Passed the senate the 5th day of March 1957.

"H. Y. TORREY,
"Secretary of the Senate.

"Approved March 8, 1957.

"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota.

"Filed March 8, 1957.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

(The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Minnesota, identical with the foregoing, which was referred to the Committee on Post Office and Civil Service.)

Mr. HUMPHREY. Mr. President, I have just received a concurrent resolution from the Secretary of State of the State of Minnesota memorializing Congress to enact legislation providing for a salary adjustment for postal employees.

I ask unanimous consent that the text of this resolution be printed in the RECORD, and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD.

(See concurrent resolution printed in full when presented earlier today by Mr. THYE.)

JOINT RESOLUTIONS OF NEVADA LEGISLATURE

Mr. BIBLE. Mr. President, on behalf of myself and my colleague, the senior Senator from Nevada [Mr. MALONE], I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, six joint resolutions of the Nevada State Legislature.

There being no objection, the joint resolutions were received and appropriately referred; and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Armed Services:

"Senate Joint Resolution 15

"Joint resolution memorializing the Secretary of the Department of Defense, the Senators and Representative from the State of Nevada, the Secretary of the Department of the Navy, and the Chief of the Bureau of Ordnance of the Department of the Navy to accelerate the integration of nonconventional weapons system (missiles, propellants, and nuclear) into the storage and processing facility at the United States Naval Ammunition Depot, Hawthorne, Nev., and that such industrial plant be immediately and substantially expanded to provide suitable storage and processing facilities for the reoccurringly new family of intermediate range ballistics missiles as well as all other missiles under the cognisance of the Department of the Navy

"Whereas the United States Naval Ammunition Depot, Hawthorne, Nev., was selected as the ideal site for the storage and processing of United States Navy munitions following the disastrous explosion at Lake Denmark, N. J., in 1926, which resulted in untold property damage and loss of life; and

"Whereas the wisdom, foresight, and prudence of the members of the congressional and naval committees which favorably ruled on such site selection for the depot has been amply and effectively demonstrated in World War II and during the Korean campaign as witness the enviable and important contribution rendered to the defense of the Nation by Naval Ammunition Depot, Hawthorne, Nev., during these conflicts; and

"Whereas the Naval Ammunition Depot, Hawthorne, Nev., is strategically located, being far removed from heavily populated areas in the event of disaster, yet being within the protective range of natural mountain barriers and friendly aircraft, specifically, Nellis Air Force Base, Las Vegas, Nev.; Naval Auxiliary Air Station, Fallon, Nev., and Stead Air Force Base, Reno, Nev., should there be an urgent requirement for repelling hostile aircraft; and

"Whereas the Naval Ammunition Depot, Hawthorne, Nev., enjoys unsurpassed climatic and humidity ranges which contribute to long-range ideal and economic ammunition storage; and

"Whereas as new, nonconventional weapons and munitions are phased into service use, the old, conventionl weapons and munitions with the exception of minimum requirements will undoubtedly be phased out of service; and

"Whereas the location of the United States Naval Ammunition Depot, Hawthorne, Nev., is such that it lends itself to rapid railway and truck delivery of munitions to terminals and tidewater points should the need therefore arise; and

"Whereas water and electrical energy for large industrial consumption is, or can be made, available and previously acquired real estate is sufficient to provide for large-scale plant expansion; and

"Whereas it appears that substantial economies will result to the Department of Defense if they utilize, expand, modify, and take advantage of the facilities at Naval Ammunition Depot, Hawthorne, which already represents a multimillion dollar investment by the United States Government; and

"Whereas it is desirable from all prudent and judicious defense points of view to have a major nonconventional weapons facility to serve the installations of the several Western States, the United States Pacific Fleets and the United States Far Eastern Fleets and because this need is so clearly and abundantly manifest: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Secretary of the Department of Defense, the State of Nevada's Congressional delegation, the Secretary of the Department of the Navy, and the Chief of the Bureau of Ordnance of the Department of the Navy be, and they are hereby, memorialized to collaborate vigorously with a mutual objective of accelerating the integration of the nonconventional weapons system (missiles, propellants and nuclear) into the storage and processing facility at the United States Naval Ammunition Depot, Hawthorne, Nev., and further, that appropriate steps be taken for such industrial plant to be immediately and substantially expanded to provide suitable storage and processing facilities for the reoccurringly new family of intermediate range ballistic missiles, the responsibility for which has recently been publicly assigned to the United States Navy as well as all other types of missiles under cognisance of the United States Navy; and be it further

"Resolved, That the secretary of state of the State of Nevada is directed to transmit certified copies of this resolution to the Secretary of the Department of Defense, each Member of the State of Nevada's Congressional delegation, the Secretary of the Department of the Navy and the Chief of the Bureau of Ordnance of the Department of the Navy.

"Adopted by the senate, March 7, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.

"Adopted by the assembly, March 11, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

To the Committee on Finance:

"Senate Joint Resolution 14

"Joint Resolution memorializing the Congress of the United States to resume its responsibility of regulating foreign commerce, and to allow the 1934 Trade Agreements Act to expire in June 1958

"Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the American workingmen's jobs, or American investments; and

"Whereas article I, section 8 of the Constitution of the United States provides that the Congress shall have the power to lay and collect taxes, duties, imposts, and excises and shall regulate foreign commerce; and

"Whereas the Congress transferred the constitutional responsibility to regulate foreign trade to the executive branch through the 1934 Trade Agreements Act as extended to June 1958, with authority to transfer such responsibility to Geneva under the general agreements on tariffs and trade: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the United States Congress is hereby urged to resume its constitutional responsibility of regulating foreign commerce and the national economy, through the adjustment of duties, imposts and excises, through its agent the Tariff Commission, and allow the 1934 Trade Agreements Act, which transferred such responsibility to the President, to expire in June 1958; and be it further

"Resolved, That the secretary of state of the State of Nevada shall transmit copies of this resolution to each Member of the Nevada Congressional delegation.

"Adopted by the senate, March 11, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.

"Adopted by the assembly, March 15, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

To the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 12

"Joint resolution memorializing the Secretary of the Department of the Interior and the Director of the Geological Survey to accelerate its activities in the State of Nevada in making surveys and collecting information about mineral and water resources

"Whereas it has been the policy of the State of Nevada to advertise, publicize, promote, and aid in the development of the commercial, industrial, agricultural, mining, and other vital economic interests of this State; and

"Whereas if Nevada is to encourage the prosperous development and location of industry, business, and commerce within this State, it must collect and disseminate information concerning its mineral and water resources and waterpower potential; and

"Whereas the Geological Survey was established in the Department of the Interior to collect, distribute, and make available information about the mineral and water resources of the Nation; and

"Whereas the Conservation Division of the Geological Survey furnishes to State agencies, individuals, and corporations, pertinent data bearing on the problems of the waterpower, irrigation, and water supplies for domestic and industrial use in the public land States, prepares maps and reports for public information concerning operations for the development and production of oil and gas leases on Federal lands, and estimates petroleum reserves in public land holdings; and

"Whereas the Geological Division of the Geological Survey investigates and prepares for publication studies of mineral deposits, their mode of occurrence and means of discovery, and undertakes physical exploration, drilling, and trenching, to guide geologic work; and

"Whereas the Topographic Division of the Geological Survey is charged with the duty of executing field surveys and preparing maps, charts, and bulletins delineating the physical features of land areas in the United States; and

"Whereas the Water Resources Division of the Geological Survey investigates the quantity, quality, and availability of surface and ground waters in the United States, measures the flow of streams and collects, compiles, and analyzes other basic data relating to surface water resources and investigates the waters that lie below the surface, their source, occurrence, quantity, and their conservation and utilization by means of wells and springs; and

"Whereas the various divisions of the Geological Survey are behind schedule in making surveys and statewide studies of Nevada's mineral and water resources, and unless these activities are accelerated this State will be seriously handicapped in competing with other Western States for the location of industry: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Legislature of the State of Nevada respectfully memorializes the Secretary of the Department of the Interior and the Director of the Geological Survey to take whatever action is necessary to expedite its activities within the State of Nevada in determining the nature and extent of this State's mineral and water resources; and be it further

"Resolved, That the secretary of state of the State of Nevada shall transmit certified copies of this resolution to the Secretary of the Department of the Interior, the Director of the Geological Survey, and each Senator and the Representative from the State of Nevada in the Congress of the United States.

"Adopted by the senate February 25, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.

"Adopted by the assembly, March 4, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

To the Committee on Post Office and Civil Service:

"Senate Joint Resolution 9

"Joint resolution relating to a stamp commemorating the 100th anniversary of the first land survey in Death Valley

"Whereas matters of historic and national importance are fitting subjects for commemorative issues of United States postage stamps; and

"Whereas this year marks the 100th anniversary of one of the most difficult land surveys, that of the land survey of the great Death Valley; and

"Whereas this survey is now used to delineate the Death Valley National Monument, one of the most unique of all our national monuments, which monument was established in 1933 with a total acreage of 1,864,893 acres, of which 115,240 acres are in the State of Nevada; and

"Whereas not only has the proposal to issue such a commemorative stamp received the wholehearted support of citizens from all walks of life who have learned to love the unique and magnificent grandeur of Death Valley and who especially appreciate the tremendous undertaking of those original surveyors, but it is also supported by the Honorable Governors of the State of Nevada and of the State of California: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Legislature of the State of Nevada respectfully memorializes the President, the Congress of the United States, and the Postmaster General to provide for a commemorative stamp honoring the 100th anniversary of the first land survey of Death Valley; and be it further

"Resolved, That the secretary of the senate shall transmit suitable prepared copies of this resolution to the President and Vice President of the United States, to the Postmaster General, to the Speaker of the House of Representatives, and to each Senator and Representative from Nevada in the Congress of the United States.

"Adopted by the senate February 13, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.

"Adopted by the assembly February 21, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature

of the State of Nevada, identical with the foregoing, which was referred to the Committee on Post Office and Civil Service.)

To the Committee on Public Works:

"Senate Joint Resolution 6

"Joint resolution memorializing the United States Bureau of Public Roads to designate a portion of United States Highway No. 93 as part of the United States highway primary system

"Whereas extensive publicity has been in the past and is being given by the Five States Highway Association and by the various States, counties, cities, and towns situated along the route of United States Highway No. 93 and by others, which publicity outlines the advantages of travel on such highway; and

"Whereas United States Highway No. 93, also known as North American Highway, has been and now is becoming more and more extensively used and traveled by business persons and tourists; and

"Whereas improvement of United States Highway No. 93 and increased travel thereon will tend to bring increased revenue to the cities and towns along United States Highway No. 93 and over an extensive portion of the State of Nevada; and

"Whereas the placement of United States Highway No. 93 on the United States highway primary system will enable and assist the Five States Highway Association, States, counties, municipalities, and others to better advertise such highway, and, specifically, to enable them to advertise same as a first-line highway; and

"Whereas the improvement of United States Highway No. 93 will materially assist in relieving any traffic problem existing on United States Highway No. 91; and

"Whereas the placement of that section of United States Highway No. 93 hereinafter mentioned on the United States highway primary system will, in effect, make more highway money available for the general betterment of other roads in Clark and Lincoln Counties: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the United States Bureau of Public Roads take all steps necessary to designate that portion of United States Highway 93 between the Gratto Corner in the city of Caliente, county of Lincoln, State of Nevada, and the point of intersection of United States Highway 93 and United States Highway 91 as part of the United States highway primary system; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the United States Bureau of Public Roads, Washington, D. C., and to the United States Senators and Congressman from the State of Nevada.

"Adopted by the assembly March 4, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.

"Adopted by the senate February 26, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

To the Joint Committee on Atomic Energy:

"Senate Joint Resolution 8

"Joint resolution memorializing Nevada's Congressional delegation and the Atomic Energy Commission to endeavor to have established in the Eureka County area of eastern Nevada an experimental power generating reactor plant

"Whereas the proven lead, zinc, and silver ore bodies in the Eureka mining district in Eureka County, Nev., cannot be profitably mined for lack of an economical means of pumping water from mine shafts; and

"Whereas vast agricultural lands with shallow water tables lay dormant, awaiting resourceful means of irrigation; and

"Whereas encouraged by the inspiration of Senator GEORGE MALONE, an extensive field exploration was made in the summer of 1952 of the mammoth acreage of public domain in the Eureka County area of Nevada by a renowned scientist for the Atomic Energy Commission and presently Director of the Economic Development Branch of the Atomic Energy Commission; and

"Whereas at the cessation of the investigation, this renowned scientist expressed high satisfaction of the Eureka County area for the establishment of an experimental power generating reactor plant; and

"Whereas the titanic need for a power generating reactor plant for eastern Nevada is manifest: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada (jointly), That the State of Nevada's Congressional delegation and the Peacetime Use Branch of the Atomic Energy Commission be, and it is hereby, memorialized to introduce and endeavor to pass legislation for the establishment of an experimental power generating reactor plant in the Eureka County area of eastern Nevada; and be it further

"Resolved, That the secretary of state of the State of Nevada is directed to transmit certified copies of this resolution to each Member of the Nevada Congressional delegation.

"Adopted by the assembly February 14, 1957.

"WM. D. SWACKHAMER,
"Speaker of the Assembly.
"C. O. BASTIAN,
"Chief Clerk of the Assembly.

"Adopted by the senate February 5, 1957.

"REX BELL,
"President of the Senate.
"H. E. ROWNTREE,
"Secretary of the Senate.
"CHARLES H. RUSSELL,
"Governor of the State of Nevada."

By Mr. CURTIS:

A resolution of the Legislature of the State of Nebraska; to the Committee on Agriculture and Forestry:

"Legislative Resolution 12

"Whereas that agricultural economy and progress have a direct and interrelated bearing on the economy and progress of our entire Nation as a whole;

"Whereas that Nebraska being almost exclusively an agricultural State, the above statement holds an ever greater importance to Nebraska than a great many other States;

"Whereas that as of this date the Congress of the United States has as yet been unable or unwilling to come up or agree upon a workable program for corn farmers;

"Whereas that the Department of Agriculture in the last few years has been unable to control production and surpluses with the programs they have offered because of their unpalatability to corn farmers;

"Whereas that unless a program is adopted which is acceptable to farmers with an appeal to them so that the percentage of participation can be high enough to actually control the production of corn, disastrously low prices of both corn and livestock will follow very soon which will greatly accelerate the cost-price squeeze in which the farmers are presently involved;

"Whereas that this situation will terminate industrial growth not only in Nebraska but all of the Farm Belt States;

"Whereas that it will terminate progress in all tax-supported governmental efforts, such as schools, roads, and other things which the Government does with tax funds; and

"Whereas that the effect of this will greatly reduce our standard of living: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in 68th session assembled, 1. That we plead with the Congress of the United States to resolve their differences without delay in connection with the corn program to be offered to farmers for 1957 inasmuch as planting season is now at hand and the farmer must know immediately in order to plan his operations accordingly.

"2. That the program offered be one under which the farmer can pay his operating costs aimed at relieving the cost-price squeeze and permit the farmer to retain title to his home and stay on the land.

"3. That copies of this resolution, suitably engrossed, be transmitted by the clerk of the legislature to the Secretary of Agriculture, Ezra Benson; to the Speaker of the House of Representatives of the United States; and to each Member from Nebraska in the Congress of the United States.

"DWIGHT W. BURNEY,
"President of the Legislature.

"I, Hugo F. Sra, hereby certify that the above is a true and correct copy of Legislative Resolution 12, which was passed by the Legislature of Nebraska in 68th regular session on the 20th day of March 1957.

"HUGO F. SRA,
"Clerk of the Legislature."

THE PROBLEMS OF INDIAN TRIBES OF OREGON—RESOLUTION OF OREGON STATE SENATE

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Oregon State Senate in Salem, on March 22, 1957, by a rollcall vote of 28 to 1.

The resolution provides for a special legislative interim committee to study and analyze the problems of Indian tribes and Indian residents of the State of Oregon.

This resolution, combined with the decisive nature of its adoption, indicates how fully members of the Oregon State Senate are aware of the pressing need to solve many of the issues which affect our Indian people and their tribal resources.

Senate sponsors of this resolution in the Oregon State Senate are Hon. Carl H. Francis of Yamhill County and Hon. Harry D. Boivin of Klamath County. Representative John Kerbow is the sponsor in the house. I ask that the full text of the resolution appear in the RECORD for the information of Members of the Senate who only recently passed my bill dealing with postponement of Federal termination over the Klamath Indians in southeastern Oregon.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas there is a great need for an exhaustive study of the social, economic and legal problems relating to Indians residing in the State of Oregon, so that better understanding be had and proper legislation be developed to cope with these problems: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring), That there hereby is created a special interim committee consisting of nine members to study Indian problems. Two members of the committee shall be members of the senate appointed by the president thereof. Two members of the committee

shall be members of the house of representatives appointed by the speaker thereof. The remaining five members of the committee shall be appointed by the Governor; be it further

Resolved, That the committee shall:

1. Make a full study of the social and economic problems relating generally to Indians residing in Oregon, and a like study of laws, including treaties, relating to Indians residing in Oregon;

2. Recommend to the Governor and the legislative assembly any action or legislation which, in the opinion of the committee may be desirable or necessary in relation to such problems;

3. Make a full report of its studies and recommendations to the Governor and the legislative assembly on or before the date of the convening of the 50th legislative assembly; be it further

Resolved, That the committee may employ such personnel and perform all other acts as in its judgment may be necessary for the accomplishment of the purposes for which the committee is created; and be it further

Resolved, That the members of the committee shall not receive any compensation for their services but shall be allowed all actual travel and other expenses necessarily incurred by the committee and its members in carrying out the purposes of this resolution; and the expenses of the committee, upon approval of the chairman, shall be paid out of moneys appropriated for the expenses of the 49th legislative assembly, providing such expenses shall not exceed the sum of $25,000.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERR, from the Committee on Public Works, with amendments:

S. 497. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes (Rept. No. 168).

(See the remarks of Mr. KERR when he reported the above bill, which appear under a separate heading.)

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 4090. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates (Rept. No. 183).

(See the remarks of Mr. BYRD when he reported the above bill, which appear under a separate heading.)

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 161. A bill for the relief of Elias Youssef Mikhael (Ellis Joseph Michael) (Rept. No. 169);

S. 248. A bill for the relief of Herta Kubelle Shields (Rept. No. 170);

S. 438. A bill for the relief of Paul Er (Ear) Chen and Lydia Chen, nee Shih Ming Chung (Rept. No. 171);

S. 771. A bill for the relief of Rebecca Erriste Mustachi (Rept. No. 172);

S. 1171. A bill for the relief of Harry Siegbert Schmidt (Rept. No. 173);

S. 1192. A bill for the relief of Irma B. Poellmann (Rept. No. 174);

S. 1203. A bill for the relief of Lydia Anne Foote (Rept. No. 175);

S. 1346. A bill for the relief of Jane Bailey (nee Jane Dsun Ma) (Rept. No. 176); and

H. R. 1757. An act for the relief of Nicola Marcello (Rept. No. 177).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 294. A bill for the relief of Mrs. Marion Huggins (Rept. No. 178);

S. 538. A bill for the relief of Nicolaos Papathanasiou (Rept. No. 179);

S. 987. A bill for the relief of Leonardo Finelli (Rept. No. 180); and

H. R. 1359. An act for the relief of Mrs. Theodore (Nicole Xantho) Rousseau (Rept. No. 181).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 251. A bill for the relief of Edith Elisabeth Wagner (Rept. No. 182).

By Mr. BIBLE, from the Committee on the District of Columbia, without amendment:

S. 73. A bill to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland (Rept. No. 184).

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 655. A bill to extend the life of the District of Columbia Auditorium Commission (Rept. No. 185).

CONSTRUCTION OF CERTAIN PUBLIC WORKS FOR FLOOD CONTROL—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. KERR. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and I submit a report (No. 168) thereon.

I ask unanimous consent that the report may be printed, together with the individual views of certain members of the committee.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oklahoma.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL:

S. 1690. A bill to amend and clarify the reemployment provisions of the Armed Forces Reserve Act of 1952, as amended, and the Universal Military Training and Service Act, as amended; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG:

S. 1691. A bill to appropriate $290,000 for constructing at the Dunseith, N. Dak., port of entry Federal facilities for the Bureau of Customs and Immigration and Naturalization Service; and

S. 1692. A bill to appropriate $85,000 for constructing at Grand Forks, N. Dak., Federal facilities for the border patrol sector headquarters of the Immigration and Naturalization Service; to the Committee on Appropriations.

By Mr. EASTLAND:

S. 1693. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for insurance to be granted thereunder to certain employees of States whose positions are financed entirely from Federal funds; to the Committee on Post Office and Civil Service.

By Mr. CLARK (for himself, Mr. DOUGLAS, Mr. HUMPHREY, Mr. KEFAUVER, Mr. MAGNUSON, Mr. MCNAMARA, Mr. MORSE, Mr. MURRAY, and Mr. NEUBERGER):

S. 1694. A bill relating to the provision of housing for moderate-income families and for elderly persons; to the Committee on Banking and Currency.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. POTTER (for himself, Mr. TREE, and Mr. BARRETT):

S. 1695. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Finance.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1696. A bill to amend the Agricultural Act of 1949 to provide for furnishing the Coast Guard Academy and the United States Merchant Marine Academy with surplus dairy products; to the Committee on Agriculture and Forestry.

By Mr. CARROLL (for himself and Mr. ALLOTT):

S. 1697. A bill to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KERR:

S. 1698. A bill to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments; to the Committee on Labor and Public Welfare.

By Mr. WILEY:

S. 1699. A bill to provide for the establishment of a dairy research laboratory; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 1700. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that upon application therefor, real property donated to the United States by any State or political subdivision which is surplus to the United States shall be returned to such State or political subdivision; to the Committee on Government Operations.

S. 1701. A bill to amend Public Law 815, 81st Congress, in order to provide elementary and secondary school facilities at the United States Air Force Academy; to the Committee on Labor and Public Welfare.

By Mrs. SMITH of Maine (for herself and Mr. PAYNE):

S. 1702. A bill to amend the Soil Bank Act to permit payments under the conservation-reserve program with respect to land suitable for crops on which trees will be planted; to the Committee on Agriculture and Forestry.

By Mr. SMITH of New Jersey (for himself and Mr. CASE of New Jersey):

S. 1703. A bill to provide that compensation received as a Federal officer or employee shall be subject to State tax only in the State in which such officer or employee is domiciled, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 1704. A bill for the relief of Mrs. Mattie Jane Lawson; to the Committee on the Judiciary.

By Mr. MCCARTHY:

S. 1705. A bill to amend the Servicemen's Readjustment Act of 1944 to provide that the maximum rate on loans made or guaranteed under such act shall not exceed 4 percent and to amend the Internal Revenue Code of 1954 to provide special tax treatment for interest on loans guaranteed under such act; to the Committee on Finance.

By Mr. NEELY (by request):

S. 1706. A bill to amend the act entitled "An act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes," approved December 20, 1944, as amended;

S. 1707. A bill to amend title I of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes";

S. 1708. A bill to amend the act entitled "An act relating to children born out of wedlock," approved January 11, 1951;

S. 1709. A bill to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes; and

S. 1710. A bill to modify the Code of Law for the District of Columbia to provide for a uniform succession of real and personal property in case of intestacy, to abolish dower and courtesy, and to grant unto a surviving spouse a statutory share in the other's real estate owned at time of death, and for other purposes; to the Committee on the District of Columbia.

By Mr. SPARKMAN (for himself and Mr. CAPEHART):

S. 1711. A bill to provide for the establishment of a Commission on National Housing Policy; to the Committee on Banking and Currency.

REEMPLOYMENT RIGHTS OF NATIONAL GUARD MEN

Mr. SALTONSTALL. Mr. President, I introduce, for appropriate reference, a bill to amend the existing reemployment provisions of the Armed Forces Reserve Act and the Universal Military Training and Service Act. The basic purpose of this bill, which has been prepared by the Department of Labor and is sponsored by the administration, is to provide the same reemployment rights for National Guard men serving on 3 to 6 months' tours of active duty for training as are now provided for the members of the Army Reserve who perform this active duty. It certainly seems equitable that members of the National Guard required to undertake the same active Federal service as their Reserve counterparts should have equal opportunity under law to assert their reemployment rights. For those persons performing 2 weeks' active duty the period of time in which they may assert their reemployment rights would be shortened by this bill from 30 days to 15, plus necessary travel time; for those performing service on weekend or weekly drills, this bill would limit the time to 72 hours plus travel time.

This proposed legislation also permits an extension of the time during which a person performing service under the proposed act may apply for reemployment rights if he has been hospitalized in connection with his entering the Armed Forces for training duty.

The proposal also clarifies the rights of "probationary" employees, which have heretofore been subject to conflicting interpretation.

Two other sections of the bill pertain to the rights of civil-service employees as to the assertion of reemployment rights and restoration of seniority.

It would certainly seem that this bill, if enacted, would help not only to clarify the rights now vested in returning servicemen by existing statutes, but would also adjust equitably the rights of both Reserve military and National Guard men. By granting equal benefits to National Guard men and the Army Reserve, this proposal will undoubtedly help strengthen our first line of defense, the National Guard.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1690) to amend and clarify the reemployment provisions of the Armed Forces Reserve Act of 1952, as amended, and the Universal Military Training and Service Act, as amended, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Armed Services.

HOUSING FOR MODERATE-INCOME FAMILIES AND ELDERLY PERSONS

Mr. CLARK. Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], and the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER] I introduce, for appropriate reference, a bill to assist families of moderate income and elderly persons to meet their housing needs through the purchase or rental of new housing constructed by private enterprise.

Mr. President, I ask unanimous consent that a statement I have prepared on the bill may be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CLARK

This bill meets both an economic and a social need.

The economic need arises from the crisis which confronts the home-building industry. In spite of our general prosperity, home construction has fallen to its lowest level since 1948. The number of housing starts in February reflected an annual rate of construction of 910,000 housing units. The president of the National Association of Home Builders testified last week before the Housing Subcommittee that the trend of construction is still downward and that the outlook is for not more than 850,000 housing starts this year. Many builders, particularly small builders, are being forced out of business.

The Nation cannot afford to permit an industry so basic as home building to suffer this kind of setback. It is a setback which will adversely affect many other segments of the economy.

The social need arises from the fact that the present rate of home construction is scarcely enough to offset the number of new families formed in the United States. We need enough new homes not only to take care of population growth, but to replace the millions of substandard homes—they numbered 7 million at the time of the 1950 census—that are unfit for occupancy. And we must face the need for taking care of thousands of families who will be displaced by urban renewal projects and by construction of highways under the Federal Highway Act.

If we are to serve all these purposes—if we are to make any gains at all in eradicating slums—if we are going to move toward the national goal set in the Housing Act of 1949 of "a decent home and a suitable living environment for every American family," we need to restore the level of 1.4 million new homes which was achieved in 1950 and, if possible, reach an even higher rate.

The present rate of housing construction—if it continues—will leave the Nation with a deficit of almost 500,000 homes a year below the peak rate of construction that has been and can be achieved. The deficit is even greater if the measure is our social need. And this deficit is cumulative. The plain fact is that in most urban centers slums are being created faster than they are being cleared. In this rich country, living conditions for millions of families are getting steadily worse—not better. And as a former mayor I can testify that bad housing always carries with it the accompanying evils of higher rates of crime, delinquency, and illness.

One reason for the critical decline in home building is that new home construction at the present time is almost entirely for persons in the higher income brackets. The Federal Government provides a wide range of housing assistance for higher income families—who actually need help the least. In 1955 fewer than half of the new FHA-financed homes were sold to people in the lower two-thirds of the income scale. Since then the volume of FHA construction has fallen, and the average price of FHA-insured homes has risen—with the result that the FHA is providing even less assistance to the great majority of American families. The Veterans' Administration housing program has virtually come to a halt in most localities, and the proposal by the administration to raise the interest rate would mean that this program, too, would serve predominantly families in the higher income brackets.

Backing up FHA and VA, the Government has established the elaborate mechanism of FNMA.

What this amounts to is that the Federal Government provides extensive assistance for homes for upper income families, and tragically little help for families at or below the middle of the income scale. The one program designed for low-income families—public housing—has been permitted to dwindle to a ridiculously low level.

I am not opposed to the Government's assisting—through FHA, VA, and FNMA—the upper income segments of our population. They essentially are good programs, because they add to the total housing supply at no ultimate cost to the Government. But I think it is anomalous that the resources and power of the United States Government should be directed exclusively, or even predominantly, to help those of our citizens who need help the least. What I, and my fellow Senators, are proposing today is to make governmental assistance available also to families of moderate income and to elderly persons who do not need subsidies but who can, with somewhat more moderate credit terms, buy or rent decent homes constructed within the framework of the private enterprise system.

The bill we are introducing would establish a National Mortgage Corporation within the existing Housing and Home Finance Agency. On the basis of a Treasury subscription of $100 million, the Corporation would be authorized to issue obligations and make loans initially up to an aggregate of $1 billion. The loans would be made to families of moderate income and to cooperatives, nonprofit organizations, and private corporations whose housing units would be designed for families of moderate income or elderly persons. Each corporate borrower would be obliged to subscribe for capital stock in an amount equal to 5 percent of the mortgage loan which it seeks from the Corporation. The loans would be for periods up to 40 years and at a rate of interest equal to the cost of money to the Corporation, plus one-half of

1 percent. To assure that the benefits of the low rate of Government borrowing would be passed on to the home buyer, the obligations of the Corporation would be guaranteed by the Treasury. The low-interest rate plus the long-amortization period would lower the monthly rental or carrying charges to a point where millions of families and elderly persons who cannot now obtain decent private housing would be able to enter the housing market.

This program will help to meet an overwhelming need with no subsidy on the part of the Government and no ultimate cost to the taxpayers. It will stimulate private enterprise without competing with it. To make sure that there is no competition with private lending agencies, the bill specifically provides that no family shall be eligible for a loan if the family's income is sufficient to enable it to obtain new housing in the private market. For this purpose the criterion is established that 20 percent represents a reasonable proportion of family income to spend for shelter. Particularly in the moderate-income brackets, families who spend more than this proportion are bound to do so only at the expense of food, education, health care and other necessities of life.

What we are proposing today is by no means a new conception of governmental action. In instances where private credit has been unable to meet a social need, the Congress has on many occasions in the past made available governmental credit. To open western lands for settlement, we have made long-term loans for reclamation. To help tenant farmers purchase farms, we have made farm credit available. When the private utilities proved unable to bring the blessings of electricity to the Nation's farms, we established the REA to make loans to cooperatives. The Reconstruction Finance Corporation lent to banks, railroads and other big businesses when they were in trouble. Even now, we have a Small Business Administration which makes loans to small enterprises who are excluded from the credit market.

My colleagues and I propose to help meet the great social and economic need for housing by applying the same principles which have worked so successfully to meet the needs of farmers and businessmen. The junior Senator from Alabama, Senator SPARKMAN, who has done as much to improve the housing standards of our people as any Member of this body, presented a similar proposal in 1949. Last year, Senator Lehman of New York and other Senators advocated a comparable measure. With the housing industry declining, there is even greater need for such measures now than there was in 1949 or 1956.

There may be those who suggest that our program would be inflationary. But inflation needs to be controlled in those parts of the economy where it arises, and today inflationary pressures certainly do not arise in the home-building industry—which is operating at less than two-thirds of its peak rate of a few years ago. I believe the Congress must acknowledge a responsibility to make sure that the flow of credit is guided into a pattern that will serve the needs of the country. In a tight-money market, if the Congress stands by while credit goes simply to the highest bidders, then moderate-priced housing is bound to be squeezed out. In the interest of the Nation's social well-being and economic health, it is imperative that we act to guide more credit into the housing sector of the economy—and especially the moderate-income brackets.

If this requires that credit be diverted from other purposes—so as not to increase the total volume of credit—then this can be done through the normal processes of credit control which are now being used, and such diversion would be not only justified but necessary and desirable.

Mr. CLARK. Mr. President, I ask unanimous consent that the bill lie on the desk for one calendar day, in order that additional cosponsors may have an opportunity to join in sponsoring the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 1694) relating to the provision of housing for moderate-income families and for elderly persons, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO DEDUCTION OF CERTAIN TEACHER EXPENSES

Mr. POTTER. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954, to provide for a deduction from gross income of certain expenses incurred by teachers.

In essence, the bill would allow a teacher as a deductible item for income-tax purposes, up to $600, the money he spent, as a business expense, for books and summer schools and other expenses which a teacher incurs. At the present time such items, of course, are not deductible.

We already allow a business man to make various deductions, such as for the expense of hiring hotel suites, for meals, and for other similar items. Certainly our underpaid teachers should be able to deduct their expenses for books and summer schools and other training, as well as for other purposes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. POTTER. I am delighted to yield.

Mr. THYE. I believe the bill which has been introduced by the distinguished Senator from Michigan is a measure which should be very carefully studied.

It is a very timely bill. For some weeks now I have studied the same question. It is unreasonable to ask our teachers to spend from 6 weeks to perhaps 2 months each summer in attending summer school, in order to qualify themselves to retain their certificates without allowing such expenditure as a tax deduction. Of course if they do not qualify, they cannot retain their teaching positions, and they are disqualified from attaining a higher teaching grade. If they are compelled to go back to school to acquire additional educational background, in order to comply with requirements, so that they may retain their teaching positions, the least we can do is to permit them to make deductions for such expenses from their income taxes.

Mr. POTTER. I thank the distinguished Senator from Minnesota.

Mr. THYE. Mr. President, I should like to join as a cosponsor of the bill.

Mr. POTTER. I am delighted to have the Senator join as a cosponsor.

I ask unanimous consent that the name of the Senator from Minnesota may be added as a cosponsor of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. BARRETT. I wish to commend the distinguished Senator from Michigan for his fine statement and for introducing the bill. I have long favored such a procedure. I should also like to join as a cosponsor of the bill.

Mr. POTTER. I thank the Senator from Wyoming. I ask unanimous consent that the name of the distinguished Senator from Wyoming [Mr. BARRETT] may be added as a cosponsor of the bill.

The VICE PRESIDENT. Without objection, it is so ordered. The bill will be received and appropriately referred.

The bill (S. 1695) to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education, introduced by Mr. POTTER (for himself, Mr. THYE, and Mr. BARRETT), was received, read twice by its title, and referred to the Committee on Finance.

PROPOSED DAIRY RESEARCH LABORATORY

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to establish a dairy research center at Madison, Wis.

As may be recalled, I introduced a similar bill in the 84th Congress. Developments since then underscore the urgent need for a new laboratory to carry on full-time research into basic dairy problems.

A study of the facts shows that present research and development methods are not keeping pace with the rate of modern discoveries in other fields, let alone with the growing needs of the dairy industry:

In spite of full-scale promotion efforts, the consumption of health-giving dairy products is not showing any significant increase;

Government storehouses are still needlessly bulging with hundreds of thousands of pounds of so-called surplus dairy products;

More and more of our dairy farmers unfortunately are being driven to the wall because of low prices.

Obviously, new developments in our dynamic age, including new preferences of most American housewives, are also demanding changes in the dairy industry. And so we need new and better means of dairy processing, packaging, refrigeration, powdering, condensing, and merchandising.

A whole new field in preservation of milk products lies in the potential of food radiation. This phenomenon alone will take an intensive research endeavor.

Dairy research developments are presently scattered throughout the country under auspices of the United States Department of Agriculture, our State agriculture agencies, and the dairy industry itself.

I am not proposing, of course, that these efforts be abandoned or be centralized merely at one location. Instead,

I propose that these programs be better coordinated through a headquarters research center. And what better place to carry on this research than at Madison, Wis., admirably equipped in research facilities and in background in dairy problems?

My proposal as stated would set up a dairy research laboratory at Madison, charged with conducting research into all basic problems of dairying—production, marketing, and utilization. It would also authorize study into new phases of the problems of human nutrition, as well as—and here is a new provision—the effective and economical treatment of dairy plant wastes. This represents a growing concern in many areas.

Finally, I present a most interesting article from the March 22 issue of the Wall Street Journal which describes the current effort by scientists to find new uses for the 200 million tons of agricultural residues each year. The article refers, in part, to dairy research, but the latter research is still at much too limited a scale to effect any substantial economic improvement in United States dairying.

I am convinced that a full-scale dairy research effort would pay handsome dividends. I am certain that the miracle of fluid milk contains within its chemical components a host of possibilities for new type byproducts, just as far lesser farm items, like the lowly corncob, or the soybean hull, and the peanut hull have revealed many outstanding byproduct possibilities for industry.

Of course, we want Americans to drink more vitamin-rich fluid milk—in part because it is fluid which pays the dairyman his best returns. But rather than let an ounce of milk go to waste, let us unlock the potential miracles of the milk atoms and molecules and find new byproduct uses, if there is any amount of milk left over—over and above—fluid-milk consumption.

Dairying is, of course, the greatest single source of cash farm income. Let us help it to help itself.

I ask unanimous consent that the bill, together with the article, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and article will be printed in the RECORD.

The bill (S. 1699) to provide for the establishment of a dairy research laboratory, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to establish a dairy research laboratory to be known and designated as the Dairy Research Laboratory of the Department of Agriculture. The Secretary shall establish such laboratory at Madison, Wis.

SEC. 2. The objectives of the laboratory to be established under this act shall be to conduct and stimulate continuous research into the basic problems of dairying, including but not limited to research relating to the improvement of the quality of, and the development of new and improved methods of, packaging, processing, refrigeration, powdering, condensing, transportation, storing, marketing, distribution, and merchandising of dairy commodities; research relating to the combating of livestock disease, the increasing of dairy productivity, the lowering of dairy costs; research relating to the problems of human nutrition and the nutritive value of dairy products, including gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended food and nonfood uses and markets for dairy products and byproducts; research relating to the development of treatment and disposal methods for dairy plant wastes; research relating to the design, development, improvement, and the more efficient use of dairy machines and equipment; and research relating to any other matters that may contribute to the establishment and maintenance of a more effective dairy industry.

SEC. 3. The Secretary is hereby authorized (a) to provide, by construction or otherwise, the necessary facilities for the housing of the Dairy Research Laboratory established under this act, including any equipment necessary to the operation of such laboratory; (b) to maintain, repair, and alter such facilities; (c) to acquire buildings, property, and rights and interests therein by purchase, lease, gift, transfer, condemnation, or otherwise, necessary to the operation of such laboratory; (d) to incur necessary administrative expenses in the establishment and operation of such laboratory, including personal services; (e) to accept in the name of the United States donations of any buildings, property, real or personal, to such laboratory; and (f) to utilize voluntary or uncompensated services at such laboratory.

SEC. 4. In order to facilitate administration and to increase the effectiveness of all dairy research facilities of the Department of Agriculture, the Secretary is authorized and directed, notwithstanding any other provision of law, to transfer the functions, powers, and duties of any other agency, division, bureau, service, section, or other administrative unit in the Department of Agriculture, which is primarily concerned with research in connection with dairy products, to the Dairy Research Laboratory established under this act.

SEC. 5. In carrying out the provisions of this act the Secretary may cooperate with other agencies of the Government, State agencies, State colleges and universities, private research organizations, purchasing and consuming organizations, chambers of commerce, transportation and storage agencies and organizations, and other persons or corporations engaged in the production, packaging, processing, refrigeration, powdering, condensing, transportation, storing, marketing, distribution, and merchandising of dairy products or byproducts.

SEC. 6. The Secretary shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this act.

SEC. 7. There is hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this act.

The article presented by Mr. WILEY is as follows:

[From the Wall Street Journal of March 22, 1957]

SCIENTISTS TURN CORNCOBS TO HAND LOTION, CORNSTARCH TO THREAD—RESEARCHERS STEP UP EFFORTS TO CONVERT SURPLUS FARM CROPS TO USEFUL PRODUCTS

(By Arlen J. Large)

LA FAYETTE, IND.—Teams of white-smocked chemists, peering into bubbling beakers and electron microscope viewing screens, are trying to brew a possible balm for the Nation's farm headaches.

Here at Purdue University, scientists labor over molecular jigsaw puzzles that, when solved, might convert surplus farm crops into new sources of textiles, plastics, construction materials, and other industrial products of value.

Purdue is only one of many institutions seeking laboratory answers to two somewhat contradictory problems: How to help the individual farmer boost his output at less cost and how to put the stuff to worthwhile use after he grows it.

A PUSH FOR MORE SPENDING

The search for solutions seems likely to be intensified. For one thing, a special Presidential commission next month will urge Congress to double Federal outlays on research to develop industrial uses for crops. It also will propose a new system of subsidies to promote application of laboratory findings.

One problem crop is corn. It's now the taxpayer's biggest surplus farm product. About 90 percent of the crop goes for livestock feed. Less than 5 percent is manufactured into starch, corn sirup, and sugar. The remainder goes for alcohol, meal, or cornflakes.

The problem: How to make corn a more industrially valuable material, diverting it from the Nation's overstuffed feed bin.

"It's time some of our colleges and agricultural experiment stations start looking for new uses for agricultural products, as well as figuring out ways to help the farmer grow more," declares Roy L. Whistler, a Purdue biochemistry professor.

This is something of a crusade for Mr. Whistler, a bouncy, nattily dressed chemist with a knack for talking about laboratory legerdemain with a back-fence simplicity. He's a member of the special Presidential commission. And for his after-dinner speaking engagements in Indiana and elsewhere, he totes a briefcase with samples of experimental items made from farm products.

Agricultural residues, he explains, are cornstalks, corncobs, soybean and peanut hulls, wheat straw, and such. "Our farms produce 200 million tons—million, mind you—of these residues a year. We've got to find a way to use them at costs competitive with other raw materials."

THREAD, WALLBOARD, LOTION

From his traveling bag of chemical tricks, he pulls out skeins of bright-colored thread and clear plastic panels made from cornstarch; pieces of rustic-looking wallboard made from corn stalks and soybean hulls; a jar of perfumed hand lotion made from corncobs.

Mr. Whistler's work at Purdue is research—a quest for technical breakthroughs which lay the foundation for a product's commercial application.

"We're trying to see if some of these things are chemically possible," he says. "We don't have the know-how, the contacts with customers and their needs that private industry does. If we get something, we want to turn our findings over to the boys who can use it."

Corn is one of the products which Mr. Whistler believes has an even bigger industrial future. Cornstarch, outside of its use in food products, has long been valuable to industry. Chemically modified to a yellow powder, it's used as an adhesive for the sand cores around which metal castings are molded. A similar type keeps oil field drilling muds at the proper, gooey consistency. Paper mills use it for making slick bond grades. Surgeons dust it on their hands instead of talcum powder because if accidently-punctured operating gloves spill starch into the patient's insides, it's harmlessly absorbed.

A BETTER PLASTIC SOUGHT

At present, researchers are working on plastics made from cornstarch. "Starch has a lot of nice long molecules, every bit as long

as the cellulose we get from wood," says Mr. Whistler. "Except for one thing, it's very good for shock-resistant plastics."

The drawback, he explains, is that starch from ordinary corn contains about three bush-shaped molecules for every long, or amylose, molecule. The bushy kind makes cornstarch plastics too brittle.

Agronomists at Purdue and other agricultural experiment stations are now working on a variety of corn with a high amylose molecule content. They've developed a strain containing starch with 75 percent to 80 percent amylose, and are transferring these qualities to several high-yielding commercial hybrids. Purdue plans to plant some of the high-amylose corn this summer on experimental plots.

"We're aiming for corn that has 90 percent to 100 percent amylose," Mr. Whistler says. "If we get it, we think it could mean a lot to the plastics industry. And it's almost certain to bring a price premium to the farmer."

Unlike other varieties of special-purpose corn, he adds, it can be planted next to ordinary feed-grain corn. "Waxy" corn, a source of gums and thickening agents, must be isolated to prevent the birds-and-bees consequences of cross-pollination.

Research, of course, is moving at an undiminished pace on the other side of the agricultural fence—that of helping farmers to grow more food more cheaply.

Purdue dairy specialists, for example, are this week seeing one of their laboratory techniques move into the realm of on-the-farm practical application.

They've developed a means of making silage for dairy cattle without using silos, the tall, dome-topped towers which stand next to barns in milk-producing areas.

Silage is ordinary grass, cornstalks, alfalfa, soybean stalks or the like, chopped up in fine bits while still green. It's allowed to ferment, much like sauerkraut, permitting a farmer to store it for long periods without loss of nutritional elements. As a rule, silage is put up in the summer, and fed to cattle when the snow comes.

Silage tends to get moldy and unfit for feed if air gets to it, and the purpose of a silo is to keep air out. Purdue's non-silo method simply lets a farmer pile his silage in long, loaflike stacks, and cover the whole business with a sheet of polyethylene. The black film is tucked into the ground around the edges, giving the stack an airtight skin.

D. L. Hill, a Purdue dairy specialist who helped develop the system, says it's useful to farmers who need extra silage capacity, or who want to build stacks near feed lots. But cost-cutting is expected to be the biggest attraction for farmers squeezed by rising expenses and sluggish prices for their products.

Visking Corp., which this week in Chicago announced a nationwide marketing drive to sell polyethylene to silage-making farmers, estimates 200 tons of grass silage can be stored under film for about 96 cents a ton annually. Figures compiled by Texas A. & M. College peg comparable costs for using an upright concrete silo at roughly $1.30 a ton.

Mr. Hill says he's somewhat astonished by the interest shown by farmers and Visking officials in a technique that originally started as a laboratory gimmick. "This has gone further than we expected," he says, smiling. "We started out by only wanting to make grass silage in little plastic bags so we could study it in the lab."

The idea came to him one afternoon in Purdue's dairy manufacturing shop, watching some friends wrap balls of Swiss cheese in Saran plastic. Last summer, the idea was transferred to the field, where about 15 stacks were put up by Purdue researchers and some local cooperating farmers. Experimental work with stack silage under film was also done last summer by Rutgers University and the University of South Dakota.

"This idea has caught on a lot faster than anyone thought," says Clyde Kracht, manager of market research for Visking's plastics division. The company, which supplied film for Purude's tests, is organizing a new distribution setup to market the black film through farm retail outlets.

Both Purdue and Visking shy from predictions that the technique will replace the familiar upright silo. "There's a lot of prestige to owning one on your farm," notes Mr. Kracht. "We've got strict orders out to our people not to take potshots at them."

TAXATION OF COMPENSATION OF FEDERAL EMPLOYEES

Mr. SMITH of New Jersey. Mr. President, on behalf of myself, and my colleague, the junior Senator from New Jersey [Mr. CASE], I introduce, for appropriate reference, a bill to provide that Federal employees shall be subject to State taxes on their incomes only in the State in which they are domiciled, and establishing jurisdiction for the Federal district courts to determine controversies arising from challenged declarations of domicile.

For over 10 years, I have been actively supporting legislation which would remove the inequity caused by Federal employees residing in one State being forced to pay State or municipal taxes on their income in another State, due to Federal employment in the second State. Broadly speaking, the bill deals with unfair pyramiding of income taxes levied on Federal employees by the States and Territories and their political subdivisions and the District of Columbia. The bill would permit only the State of domicile and its political subdivisions to levy such taxes on a Federal employee.

Mr. President, such remedial legislation is long past due and I urge the Senate to give it early approval.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1703) to provide that compensation received as a Federal officer or employee shall be subject to State tax only in the State in which such officer or employee is domiciled, and for other purposes, introduced by Mr. SMITH of New Jersey (for himself and Mr. CASE of New Jersey), was received, read twice by its title, and referred to the Committee on Finance.

CHANGES OF REFERENCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of the bill (S. 478) to cede to the State of New Mexico concurrent jurisdiction over certain areas of land in the State of New Mexico now under the exclusive jurisdiction of the United States.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. This bill involves a problem of intergovernmental relations to which a housing matter under title VIII of the National Housing Act is incidental, and would, therefore, be more appropriately the province of the Committee on Government Operations, which has already under consideration the problem involved.

Mr. President, on behalf of the Committee on the Judiciary, as a result of a committee order entered at a recent meeting, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill (S. 1169) for the relief of Herbert C. Heller, and that the bill be referred to the Senate Committee on Post Office and Civil Service.

The bill would authorize payment out of the Civil Service Retirement and Disability Fund to individuals. Since the matters of this kind come within the jurisdiction of the Post Office and Civil Service Committee it is believed such committee should more properly handle this proposed legislation.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BUTLER:

Statement by him in honor of Maryland Day, the 323d anniversary of the founding of the Free State of Maryland.

By Mr. KEFAUVER:

Address delivered by him to the Young Democratic Club of America, at Washington, D. C., on March 22, 1957.

Address delivered by him to the National Capital Wing, Civil Air Patrol, on March 15, 1957.

By Mr. WILEY:

Exchange of correspondence with Mrs. Robert Low Bacon on a national cultural center for the District of Columbia.

NOTICE OF CONSIDERATION OF A NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Charles E. Bohlen, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador of the United States to the Republic of the Philippines.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days in accordance with the committee rule.

NATIONAL WILDLIFE WEEK

Mr. MANSFIELD. Mr. President, National Wildlife Week is being observed throughout the country this week, March 17–23. The United States has had a good record in recent years in the preservation of our wildlife and scenic resources, and these values are being realized more each year. But it is a constant battle to protect and preserve these things so important to the American way of life.

There are millions of American who hunt, fish, and use our parks and forests. The purpose of Wildlife Week is to make these people and others aware of the daily threats to scenic resources

and many other outdoor values, things which are too often taken for granted. The National Wildlife Federation and the numerous State and national organizations are spearheading this campaign, and are to be commenced for their fine work.

The population of our country is ever increasing; our cities and industries are constantly expanding; lumbering activities are increasing in our forests; and the waters of our streams and lakes are being harnessed to provide power, irrigation, and flood control. We must have all of these things if this Nation is to prosper, but that does not mean that we have to forgo the pleasant outdoor experiences connected with our forests and rivers.

National Wildlife Week is the time for the Nation and the Congress to take an inventory of our progress in learning to live in balance with our natural resources—our soils, forest, waters, and wildlife. Every person shares in the responsibility for taking an interest in our wildlife and outdoor scenic resources, regardless of whether he is in his own backyard, in a city park, in a great State or Federal park, or in the fields that he enjoys seeing on a Sunday drive.

Montana has a special interest in National Wildlife Week because the Treasure State has such an abundance of wildlife and scenic resources: mountains, lakes, streams, and wild game.

In Montana we are at present attempting to develop one of the finest nesting areas for ducks and geese, Benton Lake. Such projects as this one will insure an adequate supply of wild fowl in future years. The resources are there for all to enjoy, but we wish to make sure that we can continue to take pleasure in these things. We can do this if we alert ourselves to the goals of the National Wildlife Week.

The theme for 1957, Make a Place for Wildlife, is a very good starting point.

Wildlife is an important part of our national heritage. Since it is shared by each of us, all must shoulder the responsibility of guarding and protecting it.

Mr. President, I ask unanimous consent that the nine courses of action as set forth by the National Wildlife Federation to protect and preserve nature's living places be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NINE COURSES OF ACTION AS OUTLINED BY THE NATIONAL WILDLIFE ASSOCIATION

1. Start education campaigns in your neighborhood and community. Interest your leaders in saving and improving wildlife areas. Tell civic organizations—sportsmen and conservation groups, women's clubs, garden clubs, Lions, Rotary, church leaders—what must be done. Point out to leaders the relationships between wildlife and our basic water, soil, and plant resources. Healthy wildlife crops do not come from polluted waters and abused lands—these bring forth nothing but disease and desolation.

2. Encourage and support research on wildlife and its living areas. Cures for wildlife scarcities are discovered through study of each animal's needs and the ability of the land to satisfy these. Every habitat improvement program should be based on plans developed through careful research.

3. Show the people who are using the land—the farmers, ranchers, lumbermen, home builders, engineers, industrialists—how they can manage their lands without destroying wildlife living areas.

4. Encourage citizen groups (conservation and sportsmen clubs, youth organizations, etc.) to carry out wildlife habitat improvement projects in the field. This work should be done in close cooperation with State and Federal fish and game agencies.

5. Get behind programs of State and Federal conservation agencies. They need your help to stop wasteful destruction of natural habitats. Work toward public purchase and management of vital wildlife areas where these are threatened.

6. Recognize and support sound policies for using our lands and waters to insure protection and improvement of wildlife habitats. Strengthen the Coordination Act (Public Law 732, 79th Cong.) to make certain wildlife values will be protected and developed in connection with Federal drainage and water projects. Make sure that wildlife areas are improved as part of water conservation programs. Stop wasteful drainage of marshes and swamps—vitally important to the survival of ducks, geese, and other "wetlands" species.

7. Protect and defend our State, Federal, and private sanctuaries, refuges, parks, forests, wilderness, and management areas. Stop the invasion of primitive habitats which provide living quarters for endangered animals.

8. Make it your business to find out if your State's waters are protected against pollution. Fight to keep them clean and useful for wildlife and healthful recreation. See if your State pollution abatement program is adequate. Get acquainted with the new Federal pollution control law (Public Law 660, 84th Cong.). It provides many benefits to State and local communities which can help in protecting wildlife habitats in streams, lakes, marshes, and coastal waters.

9. Support the efforts of private conservation organizations. With your help they can defend wildlife and recreational resources against attack from people who seek to sacrifice these for selfish or political gain.

DEATH OF PRESIDENT MAGSAYSAY AND OTHER PHILIPPINE LEADERS

Mr. MANSFIELD. Mr. President, I am in receipt of a letter from the Honorable John A. O'Donnell, a former high United States official in the Philippines during the postwar period, and now a practicing attorney in Washington, D. C. In his letter to me, Mr. O'Donnell expresses great sympathy and concern in the loss to the free world of President Ramon Magsaysay, and also the loss of many of his personal friends many of them high officials of the Republic, who were with the President of the Philippines at the time of the airplane disaster. I ask unanimous consent that Mr. O'Donnell's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 19, 1957.*

The Honorable MIKE MANSFIELD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: As a friend of the Philippines I know that you are deeply shocked, as I am, by the tragic loss to that young republic of its devoted patriots and public servants who were killed in Sunday's airplane crash in the outskirts of the city of Cebu. Several of these, including the President of the Philippines, were close friends of mine from my days as a member of the Philippine War Damage Commission (1946–51).

President Ramon Magsaysay, a man from and of the people, was acclaimed far and wide not only for his leadership of the people of the Philippines in times of distress but of the forces of freedom against the threat of communism in the Far East.

I knew him when he was a member of the Philippine Congress representing his neighbors in Olongapo near Subic Bay, a locality well known to the military forces of the United States. At a time when the Philippine War Damage Commission, of which I was a member, was under pressure from innumerable groups and individuals seeking compensation of personal claims, Congressman Magsaysay introduced a refreshing note in asking only for a schoolhouse to replace the one destroyed in his native village. I shall never forget the simplicity with which he addressed his petition to me. This characteristic of impersonal devotion to his public responsibilities remained with him throughout his brief and heroic career.

Another tragic loss in the recent catastrophe in the mountain near Cebu was that of Senator Tomas Cabili, a companion of the fighter Magsaysay in the days of guerrilla operations in Mindanao which made possible the early return of General MacArthur. Cabili was a close and trusted coworker of President Magsaysay in his more recent undertakings in behalf of the Philippines.

Another loss which is very close to me is that of my friend, Secretary of Education Gregorio Hernandez. A true scholar educated in the Philippines and in the United States, he became dean of the law school of the University of Santo Tomas. While I was war damage commissioner, he was an able assistant general counsel of this agency displaying a high degree of professional skill as well as an understanding of his countrymen and a devotion to his public duties. He was a kindly man who held his responsibilities high above his personal affairs which often included attacks of illness and obstacles which would have deterred less courageous and consecrated individuals. I consider his untimely death a loss of the greatest magnitude in the recent holocaust.

Another good friend of mine who lost his life in this terrible tragedy was Mr. Jesus Paredes, Jr., executive secretary of the Catholic Schools Association, which is affiliated with the Catholic Welfare Organization of the Philippines. Mr. Paredes was a newspaperman and a radio news commentator. He was a great student of communism and never for one moment was he ever deceived by the outward change in policy or procedure of the Communists. He knew that Communist control of any country would result in the impairment or destruction of the fullness of sovereignty and of the free exercise thereof. Jesus Paredes, Jr., knew that atheistic communism was a destroyer of all liberty.

The Philippines will mourn all of the people who were lost in the ill-fated airplane which left Cebu with its precious cargo, but at the same time they may well be proud of the record of attainment of the men to whom I have paid these few words of tribute.

Sincerely yours,

JOHN A. O'DONNELL,
Attorney at Law.

THE BERMUDA CONFERENCE

Mr. MANSFIELD. Mr. President, there appeared in the New York Times of Sunday, March 24, an article or dispatch about the Bermuda conference,

sent from Washington, D. C., and written by James Reston. I believe the article to be a very excellent one, because in plain language Mr. Reston tells us the type of communique which perhaps could have been issued by those participating in the conference and one which would have told the story in a nutshell. I believe the language set forth in the article is both plain, understandable, and sets out quite clearly the present-day relationship between the United States and the United Kingdom.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT WON'T BE ANNOUNCED IN BERMUDA

(By James Reston)

WASHINGTON, March 23.—When the President of the United States and the Prime Minister of Britain held their last meeting on this side of the Atlantic, Washington was treated to a torrent of hands-across-the-sea rhetoric that now makes strange and melancholy reading.

The Eden-Eisenhower communique of February 1956, papered over every crack in the alliance, and Sir Anthony told the Senate:

"Never, I am sure, has the measure of agreement between us been so wide and true. Never has the identity of our purpose been so plain. This is the keynote of our work together in these days."

Under the influence of all this, and after waiting 21 years for some plain words in an Anglo-American communique, this reporter submits below a modest draft of what might, but definitely will not, be issued after the current meeting in Bermuda:

A STATEMENT

At the end of 4 days of friendly but sometimes tiresome conversation, the President and the Prime Minister issued the following statement:

"Conscious of the unity of purpose of our two countries, of the threat of Soviet communism, and of the need to improve on the miserable record of Anglo-American relations in the last 12 months, we have done our best to patch things up.

"Moreover, recognizing that our peoples want to know what we are doing here, we have resolved on a policy of speaking with all candor short of political embarrassment at home.

"In our conversations, we have acknowledged certain inescapable facts:

"We represent two sovereign and divided governments established to promote the diverse and sometimes contradictory interests of two different and suspicious peoples.

"Each of these peoples is the other's most dependable ally and customer. They both profess much the same philosophy of life and government, share similar fears and aspirations, inherit a common system of law, and are therefore closer together than any other two major countries that do not acknowledge a common allegiance.

"Nevertheless, as recent events in Egypt have shown, differences of history and geography still plague the alliance, and we have frankly recognized that the British people will never forgive the Americans for Sir Anthony Eden's mistakes, nor will the Americans forgive the British for not finishing what should never have been started.

"With these things in mind, we reviewed many matters of mutual interest to the two Governments in various areas of the world."

I. EUROPE

"We reaffirm that the North Atlantic Treaty is essential to our common security, and this affirmation distresses us because the North Atlantic Treaty is getting relatively weaker all the time.

"We checked the present level of forces with the Lisbon goals set almost a decade ago: They were running well behind. We reviewed the rearmament of Germany: it was just beginning. We checked on the French NATO divisions: they were in North Africa. We explored the political implications of Britain's impending reduction of forces in Europe: they were disturbing.

"Accordingly, we agreed: (1) That the British troop withdrawal would hurt NATO; (2) that British economics were, however, necessary to preserve the resources of the whole sterling area, and (3) that we might as well admit it."

II. MIDDLE EAST

We discussed the tensions which prejudice the stability of the area and carry a potential threat to world peace, but for the life of us we could not devise a hopeful formula.

It was agreed that every effort should be made to decrease sources of misunderstanding between this area and the western nations. We are eager to contribute wherever possible to the settlement of difficulties between states in the region. We wish to help peoples in this part of the world achieve their legitimate aspirations. We are firmly united in our purpose of a just and lasting Middle East peace, but we just do not know how to achieve it.

In the meanwhile we believe in the principle of free navigation in the Suez Canal and the Gulf of Aqaba, and we reaffirm our abiding conviction that Col. Gamal Abdel Nasser, of Egypt is not a nice man.

III. CONCLUSIONS

In conclusion we have had a friendly reunion and removed some misunderstandings, but we have found no formula for reforming mankind or abolishing trouble. We have observed once more here that most of the menace in the world today lies beyond the range of our law and authority, that we can do more to adjust differences together than we can separately, but that complete unity of thought and action in the Atlantic alliance is neither possible nor desirable.

In the light of this we have decided to keep in mind the limitations as well as the great advantages of cooperation between our two governments, and to do more than we promise in the future, rather than the other way around.

THIRTY-NINTH ANNIVERSARY OF LIBERATION OF BYELORUSSIA

Mr. JAVITS. Mr. President, the 39th anniversary of liberation of Byelorussia and the proclamation of an independent Byelorussian democratic republic, which occurred on March 25, 1957, highlights the struggles of the Byelorussians to regain freedom—an exceptional example of the efforts of oppressed peoples for liberation of the minority held in the brutal vice of Soviet Communist tyranny.

I have just received a letter from the Byelorussian Congress Committee of America calling attention to this occasion, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

THE INDEPENDENCE DAY OF BYELORUSSIA

We Americans celebrate every year the Fourth of July—the day of the Declaration of Independence of the United States of America. The 25th of March is a Byelorussian national holiday, the day on which 39 years ago the Byelorussian Democratic Rada (Council) solemnly proclaimed the independence of the Byelorussian Democratic Republic (BNR) in the country's capital, Minsk.

The history of these two nations was different. The young American Nation, after having become independent, could freely develop all branches of national life and create the most democratic and powerful state in the world. The fate of Byelorussia was different, because of her different geopolitical location.

Byelorussia, a country on the crossroads of Europe where Western culture and freedom met the Eastern barbarian despotism, was always the battlefield of these two antagonistic worlds.

In the past Byelorussia was an independent nation and played an important part in the medieval history of eastern Europe. In the early Middle Ages Byelorussia appeared under the name of Kryvia and later on (13th century) was known as the Grand Duchy of Lithuania; in 1795 the country was forcibly incorporated into imperial Russia.

There were continuous efforts on the part of Byelorussians to regain their freedom: In 1812 with help of Napoleon; in 1863 by armed uprising under leadership of Katsus Kalinouski and others. The October revolution in Russia offered another opportunity to shake off the chains of slavery—this time by the means of democratic self-determination. Through the coordinated effort of all Byelorussian organizations, a national representation, consisting of 1,872 delegates from all corners of the country, convened in Minsk on December 18, 1917. This All-Byelorussian Congress became in fact the constituent assembly of Byelorussia.

The Congress elected Rada (Council) and its Presidium as its executive bodies, which have assumed the responsibility for the fate of the nation.

On March 25, 1918, Rada and its executive council solemnly proclaimed the independence of Byelorussia and published its third constitutional act containing the official text of the proclamation. The Byelorussian Democratic Republic was recognized de jure by Austria, Czechoslovakia, Estonia, Finland, Georgia, Latvia, Lithuania, Poland, and the Ukraine and de facto by Bulgaria, Denmark, France, and Yugoslavia.

The new republic could not resist for too long a time the pressure of Russian imperialism without any help from outside and soon fell victims of new occupation, this time by the Red army.

Her place was taken by the Bolshevik-sponsored Byelorussian Soviet Socialist Republic, created on January 1, 1919, in Smolensk as a Communist counterweight to the democratic republic. This "union republic" with its puppet government is still in existence within the structure of the Soviet Union.

The people of Byelorussia never did accept the government forced upon them, and defended their rights by arms. The famous Sluck uprising of 1920 was brutally crushed by overwhelming Communist forces suffering the same fate as the Hungarian revolution 36 years later.

During the following 30 years the population has been subjected to a violent and ruthless persecution, deportation, and extermination. Millions were deported into Siberia, where they are still, if alive, waiting for liberation.

On the international forum the Communist puppet government of B. S. S. R. continually abuses membership of Byelorussia in the United Nations.

The Byelorussian people know that they have thousands of compatriots living in the free world who are spreading the truth about their history, culture, and present sufferings. They also know that the Byelorussian Democratic Rada and its government in exile act and lead the best forces of the nation in the fight for freedom and justice.

THE MIDDLE EAST AS A LABORATORY FOR DISARMAMENT AND DEVELOPMENT

Mr. HUMPHREY. Mr. President, many Members of Congress are aware that some of the most constructive thinking that has lately been done on the Middle Eastern crisis has come from Mr. James P. Warburg. Several of his articles have been inserted in the RECORD from time to time by various Members.

A recent address by Mr. Warburg to the Second New York Conference on World Disarmament and Development strikes me as one of his most helpful contributions. The address is entitled "The Middle East as a Laboratory for Disarmament and Development." I, myself, have recently suggested several proposals similar to those mentioned by Mr. Warburg in his article. Without committing myself to the entire substance of Mr. Warburg's address—as much of it is new in thought and provocative—I think he has given us an invaluable contribution to current thinking about the Middle Eastern crisis, and I ask unanimous consent that the text of this article be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE MIDDLE EAST AS A LABORATORY FOR DISARMAMENT AND DEVELOPMENT

(An Address by James P. Warburg to the Second New York Conference on World Disarmament and Development)

A year ago, we met here to discuss the need for worldwide dicarmament and economic development. Since then, little if any progress has been made. And not only that. An election year has come and gone without even a serious discussion of either subject. Yet, if the need for public education leading to the support of more constructive national policies was great in March 1956, it is infinitely greater today.

The world has not stood still while United States policy has remained frozen in a mold of complacent inflexibility.

This year, your committee has wisely chosen to apply the broad principles which we discussed a year ago to the pressing problems of the Middle East. While adhering to this frame of reference, I must, at the outset, express the opinion that the Middle East crisis cannot profitably be discussed except in the context of recent events in Eastern Europe and the radical changes which have taken place in world wide power relationships.

THE TWIN CRISIS

The crisis which began in 1956 is a twin crisis. It has affected both poles of power in what, a year ago, looked like a bipolar world. The developments in Eastern Europe have profoundly shaken the foundations of Soviet power. The events in the Middle East have undermined the strength and solidarity of the anti-communist coalition.

For the moment, the European crisis and the Middle East crisis have offset each other. Russia would today be in much deeper trouble, had it not been for the blunders of the Western powers in the Middle East. The Western powers would be in an even more precarious position than they are today, had it not been for the Russian blunders which provoked the satellite revolt. The coincidence in time of the two crises has prevented either side from taking full advantage of the other's difficulties; it has also interlocked the solution of their respective problems.

Russia's problem in Eastern Europe is to find a way of withdrawing without loss of prestige or security from a position which has, in the long run, become untenable.

The Western problem in the Middle East is to find a way of preventing the further intrusion of Soviet influence into an area from which Western retirement has become inevitable.

Neither problem can be solved without finding a solution to the other.

The solution of the European problem lies in negotiating a carefully phased withdrawal of Anglo-American and Soviet forces from that part of the Continent which lies west of the Soviet frontier, resulting eventually in the creation of a broad, militarily neutralized belt with a reunified, neutralized Germany at its center. The first step in such a phased withdrawal might well be the evacuation of that part of Germany which lies between the Rhine and the Oder-Neisse Rivers, and the use of that neutralized area as a laboratory for the development of effective methods of inspection and enforcement. At my suggestion, the Arden House Disarmament Conference, held last December, adopted a proposal to this effect and submitted it, through Senators FLANDERS and SPARKMAN, to President Eisenhower.

The solution of the Middle East problem lies in negotiating with the Soviet Union a mutual hands-off agreement, with each side renouncing all hopes or ambitions to dominate all or part of the area. Such an agreement would include an arms embargo and a mutual covenant to aid the social and economic development of the Middle Eastern nations without either side seeking to gain, through such aid, political influence or economic advantage.

THE TWIN GOALS

In other words, the twin goals of American diplomacy at this time should, in my judgment, be the military neutralization of Europe between the English Channel and the Soviet border and the similar neutralization of the Middle East.

The attainment of these aims would necessitate changing the nature of NATO and of the Baghdad Pact. Likewise, it would necessitate changing the nature of the Warsaw Pact and of Soviet relations to Egypt and Syria. NATO would become, in effect, a unilateral declaration asserting that any Soviet incursion into the neutralized area, and particularly, any attack upon the nations of Western Europe, would be considered by the United States, Great Britain and Canada as an attack upon themselves. The Warsaw Pact would become a countervailing Soviet declaration that Rusia would consider any Western incursion into the neutralized area as an attack upon herself. Similar countervailing declarations as to the Middle East would supplant the Baghdad Pact and the incipient Soviet alliances with Egypt and Syria.

In the Middle East as well as in Europe, the United Nations should, I think, be asked to endorse these hands-off agreements and to participate to greatest extent possible in their enforcement, so that any violation by either side would instantly be recognized as a violation of the United Nations Charter calling for immediate action by the world organization.

Admittedly, it will not be easy to achieve these goals but, before we consider the obstacles and how to overcome them, let us see what would be accomplished by their achievement.

The phased evacuation of Europe would separate the armed forces which now confront each other in central Germany, thus removing one of the most likely causes of war. It would relieve the neutralized nations of Europe of the burden of maintaining armaments and, more important, it would prevent the otherwise inevitable equipment of a number of European nations with atomic weapons which they do not now possess. Thus, the phased evacuation of Anglo-American and Soviet troops would constitute a major step toward universal disarmament, while, at the same time, providing a gradually widening testing ground for the techniques of enforcement.

A hands-off agreement in the Middle East would have similar desirable consequences for all concerned. It would assure the United States that Russia would not get into a position to control or interfere with the production and transportation of Middle Eastern oil. It would assure the Soviet Union that the United States would not maintain or develop bases in the Middle East which would threaten Russia's vital centers. It would assure the Middle Eastern countries the opportunity to develop their full independence and would leave it to them to fill the so-called vacuum created by British withdrawal.

In addition, since the hands-off agreement would include an arms embargo, the Middle Eastern countries would to all intents and purposes be demilitarized and thus would be relieved of the burden of maintaining military establishments. The extent to which this benefit would be realized would depend upon the extent to which the area could be internally pacified. This, in turn, would depend chiefly upon an Arab-Israeli peace settlement.

THE OBSTACLES

Let us now consider the obstacles, first in Europe and then in the Middle East.

Among the West European countries, Germany is the only one likely to object to being demilitarized. Paradoxically enough, the Germans are likely to show more interest in having their own armed forces when it is suggested that their country be demilitarized than they have shown in the 6 years during which the Western powers have urged them to rearm. However, when the phased withdrawal reaches the stage at which Poland, Czechoslovakia and Hungary are also neutralized, this German attitude is likely to change, especially when Chancellor Adenauer is no longer the dominant figure.

Among the East European countries, only Poland, traditionally both anti-Russian and anti-German, is likely to hesitate before accepting a status of demilitarized neutrality. However, when Germany accepts that condition and Soviet troops clear out of Poland, the Poles may no longer feel the need of maintaining a costly military establishment.

Whatever the objection raised by the smaller European nations, the important fact is that the Soviet Union itself opened the door to a phased withdrawal from Europe in its note of November 17, 1956. The United States has so far failed to explore this opportunity, partly out of deference to Chancellor Adenauer and partly because our Government has been so preoccupied with its own troubles in the Middle East that it has failed to exploit Russia's troubles in Eastern Europe. These are not the only reasons for our Government's reluctance to take the initiative. There are apparently some influential persons in Washington who have for years opposed any and all negotiations with Russia until we should have achieved a more formidable position of strength and who, now that we have it, say that we should not negotiate because of Russia's apparent weakness.

Finally, among the obstacles to the gradual neutralization of Europe west of the Soviet border, there is the fear that the neutralized Europeans nations might gain an unfair advantage as competitors for world markets over the non-Continental powers who would guarantee their security. This fear applies particularly to Great Britain. My answer would be that the United Kingdom's importance as one of the guaranteeing powers depends less upon the size of its own military establishments than upon its Commonwealth relationships and its availability

as a base. So far as the United States, Canada, and Russia are concerned, the more they suffer from the competition of the demilitarized countries, the greater will be the pressure upon them to end the arms race and to make a serious and sincere effort to achieve reliably enforced universal disarmament.

Coming now to the Middle East, if we assume an Arab-Israeli peace settlement, Turkey is the nation most likely to object to the demilitarization and neutralization of the whole area. Turkey would be in a position to voice its misgivings not only as a member of the Baghdad Pact but as a member of NATO. Traditionally hostile to Russia and with a long frontier to guard, Turkey might well wish to remain capable of self-defense, even though assured that a Soviet attack upon her would bring instant retaliation by the United States Strategic Air Force. This understandable attitude might, however, change with a prolonged relaxation of tensions and, especially, if certain protective measures were devised for the Turkish straits.

Pakistan might also object to neutralization, but for entirely different reasons, having less to do with self-defense against Russia than with hostility to India. My own view is that it was a great mistake to rearm Pakistan and to bring it into the Middle East and southeast Asia alliances—a mistake which alienated India and upset the balance of power not only between India and Pakistan but between Pakistan and Afghanistan, driving the latter into the arms of the Soviet Union. Nevertheless, having committed this error, it will be difficult to undo it, and it may well be that both Turkey and Pakistan will have to be left out of an overall Middle East settlement at the beginning.

SPECIAL DIFFICULTIES IN THE MIDDLE EAST

Apart from these two special cases, the neutralization of the Middle East depends upon the prior establishment of peace within the area—peace between Israel and the Arab States and peace among the Arab nations.

Unlike the situation in Europe, where we could right now negotiate with Russia from a position of strength, we should, in the present circumstances, have to negotiate from a position of weakness in trying to reach a hands-off agreement in the Middle East. This weakness arises primarily from three factors:

1. The Russians have the advantage that Arab nationalism is more antiwestern than anti-Communist. With Anglo-French influence and power rapidly disappearing from the Arab scene, Arab antiwesternism is becoming more and more sharply focused upon Israel.

2. The Russians are not committed, as we are, to preserve the existence of Israel.

3. In wooing the Arabs and pretending to be interested solely in their welfare, the Russians have no such clearly visible self-interest as we have through our huge investment in and Europe's dependence upon Middle East oil.

These are the great handicaps to our diplomacy which must be overcome before we can effectively negotiate a hands-off agreement in the Middle East. An additional factor working against us is our association in the Arab mind with the colonial powers, kept alive by our ambiguous attitude toward the Arab independence movements in North Africa.

Yet, in spite of these handicaps, the fundamental basis for a negotiation exists, because Russia wants us out of the Middle East no less than we want her out of it. This was evidenced by the Soviet note of February 12, 1957, which we shall presently discuss in detail.

A CONCRETE PROPOSAL

Three weeks prior to the publication of the Soviet proposal, I prepared an article entitled "Steps Toward a Middle Eastern Peace," which appeared in the February 7 issue of the Reporter and which has since been reprinted in the CONGRESSIONAL RECORD. The article outlined a number of specific proposals designed to rid our diplomacy of the handicaps just mentioned. Briefly, the steps suggested were these:

1. That the United States should offer to place the Panama Canal Zone and the canal itself under United Nations control, provided that Egypt would agree to place under United Nations control the Suez Canal and the Straits of Tiran, and provided, further, that Egypt and Israel would cede or sell to the United Nations a strip of territory running from Gaza to the Gulf of Aqaba. This proposal, previously put forward last September in a letter to the New York Times, 6 weeks before the Anglo-French-Israeli invasion of Egypt, was designed to remove the major disputes between Israel and Egypt and between Egypt and the nations dependent upon assured use of the Suez waterway. It was not original. It was merely a revival in modified form of the proposal to internationalize all the strategic waterways put forward by the United States at the Potsdam Conference in 1945. If adopted, it might well have prevented the disastrous developments of October–November 1956.

The restatement of this proposal in my February 7 article answered the major objections raised against it and also showed how the same principle might, under certain conditions, later be applied to the Turkish Straits, the Kiel Canal, and the Rhine-Danube waterway.

The article suggested further:

2. That the United Nations establish a permanent base in the Gaza-Aqaba Strip and undertake as well the policing of Israel's armistice borders with Jordan, Syria, and Lebanon, thus establishing a trip wire against Arab-Israeli aggression.

3. That Israel be induced to renounce formally and explicitly any ambition toward further territorial aggrandizement and to accept in principle the need for some adjustment of its present frontiers.

4. That the Arab States be induced, on the basis of this Israeli declaration, to renounce any intention to destroy Israel, to accept the fact of its existence, and to declare their willingness to settle all differences, including the repatriation or resettlement of refugees, by peaceful negotiation.

(It should be mentioned here that Israeli officials have at various times stated that Israel had no expansionist aims. Some doubt has, however, been cast upon these declarations by recent Israeli proposals concerning the future of the Gaza Strip and also by statements made from time to time by minority extremist leaders in Israel.)

5. That a United Nations Middle East Development Authority be established in order to foster the social and economic development of the entire area; that this Authority be empowered to levy a tax upon all oil shipped from Middle Eastern ports; to take over the operation of Middle East pipelines and to levy an additional tax upon oil flowing through them; and to devote the proceeds of both levies to regional development.

This idea was also not original. It was put forward by a group of British Middle East experts and published in the London Observer of December 16, 1956.

In connection with this last proposal I made an additional suggestion, namely, that, in addition to sponsoring a United Nations Middle East Development Authority, the United States should offer to channel all its own economic aid to the area through that authority provided that the Soviet Union would agree to do likewise. My thought was that, if Russia were to accept such a proposal, one of the major elements of a hands-off agreement would have been achieved, since both American and Soviet economic aid would then be stripped of political overtunes. If, on the other hand, the Kremlin were to reject such an American proposal, the Soviet Union would stand unmasked before the Arab world as a selfishly ambitious imperialist power.

The purpose of the steps just outlined is self-evident. The proposals were designed to break the deadlock between Egypt and the canal users, to bring about an Arab-Israeli peace settlement, and to spread the benefit of the oil resources lying in a few Middle Eastern lands throughout the whole area in such a way that every nation in the region would have a strong vested interest in the uninterrupted production and transportation of Middle East oil.

RUSSIA SEIZES THE INITIATIVE

Unfortunately the Kremlin has now beaten us to the diplomatic punch by making precisely that move with respect to the Middle East which an earlier western initiative with respect to Eastern Europe might have forestalled.

In its note of February 12, 1957, addressed to the United States, Great Britain, and France the Soviet Government took advantage of western embarrassment, disunity, and indecision by preempting the sponsorship of a hands-off agreement for the neutralization of the Middle East.

The six points of the Soviet proposal were:

"1. The preservation of peace in the Near and Middle East by settling questions at issue exclusively by peaceful means.

"2. Noninterference in the internal affairs of the countries of the Near and Middle East. Respect for the sovereignty and independence of these countries.

"3. Refusal to undertake any attempts to draw these countries into military alinements with the participation of the great powers.

"4. The liquidation of foreign bases and the withdrawal of foreign troops from the territory of countries of the Near and Middle East.

"5. Joint refusal to supply arms to countries of the Near and Middle East.

"6. Assistance in the economic development of countries of the Near and Middle East, without putting forward any political, military or other conditions incompatible with the dignity and sovereignty of these countries."

Points 1, 2, 5, and 6—peaceful settlement of disputes, noninterference in internal affairs, an arms embargo and cooperation in providing economic aid without political strings attached—constitute a succinct statement of what should be our own objectives, if our purpose is to neutralize the Middle East and to assure its free and full development, rather than to dominate the area ourselves. A rejection of these four points would imply that we actually do seek a dominant position.

On the other hand, points 3 and 4—abandonment of military alliances, withdrawal of foreign troops and relinquishment of bases on Middle Eastern soil—were clearly unacceptable because they called for one-sided concessions on the part of the West, without countervailing concessions on the part of Russia. The Soviet Union has no bases in the Middle Eastern countries, no known military alliances and no troops, other than perhaps a few technicians. Britain and the United States not only have bases and commitments under military alliances, but Britain also has a few troops in the Persian Gulf area where she still holds a crown colony and several protectorates.

The obvious quid pro quo for the neutralization of the Middle East, where the West holds certain positions which admittedly would threaten Soviet security in the event of war, would be the retirement of Russian coercive power from Eastern Europe. Had the United States, last November, assumed the initiative in proposing a concrete plan for the phased withdrawal of foreign troops from

Europe, leading to the eventual neutralization of the continent west of the Soviet frontier, the proper bargaining position would have been established.

AN OPPORTUNITY MISSED

On the day when the Soviet Middle East proposal was published, I wrote to the White House, to a number of Senators, and to the Washington Post, pointing out substantially what I have said in the foregoing analysis. My letter, since published in a number of newspapers and in the CONGRESSIONAL RECORD, concluded with this warning:

"For us to reject the Soviet proposal out of hand—which is probably what the Kremlin wants us to do—would be the height of folly. What we should do is to accept in principle the proposed neutralization of the Middle East, stating, however, that we shall be willing to discuss the dissolution of military pacts, the withdrawal of troops and the relinquishment of bases only in the context of a corresponding Soviet withdrawal from Eastern Europe. Any other answer will leave us in a wholly invidious position in the eyes of the peoples of the Middle East."

Well, you know what happened. Within 24 hours, our Government brushed off the Russian proposal as an insincere propaganda move, designed primarily to make trouble for the Eisenhower doctrine. This was the substance of the comment issued by the President's press secretary, James Hagerty, from vacation headquarters in Thomasville, Ga.

Whether sincere or insincere to the extent of being merely a gambit in the battle for the minds of men, the Soviet proposal was unquestionably a shrewdly calculated move aimed at precisely that which it accomplished, namely, to put forward a proposal attractive to the peoples of the Middle East which the United States would reject. If we must let our opponents lead, I wish we could at least learn to counterpunch.

OTHER LESSONS OF THE PAST

Before I close, let me point out some other lessons which, it seems to me, we might profitably learn from the past.

The first is that it is unwise to arm nations against an assumed danger of which they themselves are not clearly aware, especially when such nations have border disputes, dynastic quarrels and other unresolved differences among each other. Our past experience in the Middle East shows that arms provided for defense against Soviet invasion have produced but little regional military strength and have, on the contrary, served to exacerbate the tensions, jealousies and animosities within the area.

The second lesson is that an obsessive preoccupation with providing a physical defense for the land and the physical resources of an area leads to a neglect of the psychological, historical, social, cultural and political factors which are the basic determining factors affecting the area's behavior. Thus, one cannot understand Arab hostility toward Britain and Israel, and, hence, toward the West as a whole, without recognizing that this hostility has deep roots in the broken British promises of World War I. One cannot comprehend the cleavages within the Arab League, without taking into account the ancient rivalry between the Hashemite and Wahabi dynasties and the even more ancient hostility between Egypt and the desert tribes of Mesopotamia.

Above all, preoccupation with rearmament and military alliances leads to overemphasis upon relationships with governments to the neglect of relationships with peoples. Yet peoples, not nations, are the key to the Middle East problem. Arab nationalism is not national in the strict sense of the word; the Arab does not feel loyalty to a nation-state, such as Iraq or Saudi Arabia, as much as he feels loyalty to his tribe, his village or city and—skipping over the nation-state—to the Islamic Arab world as a whole. This is partly because the Arab nation-states are relatively young, but even more because the grievances of the peoples of the Arab States are so largely common grievances; to wit, poverty, illiteracy, disease, and exploitation by feudal potentates, often supported by foreign influence.

We did not lose China to communism because of Soviet expansive imperialism. We lost China to communism because the masses of the Chinese people lay beyond the reach of our influence and our understanding, and because we were thus unable to guide their revolution by demonstrating the availability of an alternative, other than communism, to Kuomintang misrule. If we lose the Middle East to communism, it will be for much the same reasons, but with far less excuse.

The third major lesson to be derived from our experience is that, while rearmament only makes matters worse, economic aid will not necessarily solve the problems of the Middle East. Money given or loaned to governments which are not responsive to the needs of their peoples will serve only to perpetuate the existing injustices. Hence, the more economic aid takes the form of regional development, bringing benefits directly to the peoples of several nations, the more effective it will be.

Finally, we should learn from the mistakes of the past that playing off one group of middle eastern nations against another benefits no one but our enemies. The classic example is furnished by our rearming of Iraq and our refusal to rearm Egypt, after Iraq had agreed and Egypt had declined to enter into an anti-Soviet alliance. The result was that Egypt turned to Russia for arms and thus enabled the Kremlin to establish a base for political operations in the rear of our half-constructed defense alliance.

The truth of the matter is that, after 10 years of living in a dynamically changing postwar world, we still have no foreign policy—in the Middle East or elsewhere. We are still obsessed with armaments and alliances and the preservation of the status quo. We are not winning the allegiance of the peoples who are going to change the status quo, whether we like it or not. We are not helping our friends to make difficult readjustments. We are not taking advantage of the painful readjustments which our opponents are forced to make. Above all, we are not addressing ourselves to the two most urgent tasks of our time—the abolition of war through universal disarmament, and the creation of a world in which hunger, poverty, disease, and oppression will no longer move men to violence.

Perhaps I am overoptimistic in thinking that the disaster which has befallen us in the Middle East has brought about at least a partial awakening. After years of bipartisan complacency, there are a few voices now being heard in Washington—voices which demand an end to self-righteous declarations and the long overdue development of a policy worthy of this Nation. Let me urge you to support this demand by every means in your power. And let me particularly urge you, if I may, to support not only the broad general principles of a policy which aims at world disarmament and development but the immediate steps which you believe might lead toward the eventual achievement of lasting peace. It is necessary to know where we are going, but it is also necessary to know how we propose to get there. That, I take it, was why your committee arranged this particular program.

THE CIVIL RIGHTS BILLS AND GOVERNMENT BY INJUNCTION

Mr. ERVIN. Mr. President, the most shameful story in the judicial annals of America was written during the generation preceding our own when Federal judges robbed labor of its right to trial by jury, its right to freedom of the press, and its right to freedom of speech by substituting government by injunction for government by law.

Since the so-called civil rights bills are calculated and intended to establish government by injunction in the so-called civil rights field, it would be well for the Senate to pause and ponder some of the episodes in the shameful story to which I have referred.

I wish to invite the attention of the Senate—and especially the attention of Senators interested in the so-called civil rights bill—to the episode recorded in the buckram-bound volume I hold in my hand—volume 233 of the Reports of the Supreme Court of the United States. I invite the attention of the Senate particularly to pages 604 to 613, both inclusive, of this volume, where the case of Gompers against United States appears.

In that case, Samuel Gompers, one of the wisest and most patriotic labor leaders of America of all time, was charged with contempt of court on account of his alleged disobedience to an injunction issued by a Federal court of the District of Columbia on the application of Bucks Stove & Range Co., which undertook to defeat by the injunctive process the just demands of its striking employees for reasonable working conditions.

A Federal judge sitting without a jury adjudged Gompers guilty of contempt and sentenced him to jail for disobedience of the injunction because, forsooth, he had truthfully stated orally and in print that no law compelled his hearers or readers to buy a stove manufactured by Bucks Stove & Range Co.

Gompers managed to escape actual service of the jail sentence merely because the Supreme Court held on his appeal that the contempt proceedings had not been initiated within 3 years after the violations alleged, and in consequence the trial judge had lost his power to punish Gompers for contempt under the 3-year statute of limitations.

At the request of the United Press, I prepared a statement setting forth some of the implications of government by injunction as presented by the civil rights bills now pending before Congress. This statement appeared in the Washington Daily News and other newspapers throughout the country on March 15, 1957. I ask that copy of it be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of March 15, 1957]

TRIAL BY JURY OR BY INJUNCTION?—A BASIC ISSUE OF CIVIL RIGHTS

(By Senator SAM J. ERVIN, JR.)

The right to vote and the right to enjoy all civil liberties are basic to a free people and must be protected.

It is, however, a tragic error to attempt the protection of civil rights for any one group through a process which denies a liberty equally precious, that of trial by jury. The administration's civil rights proposals will do exactly this.

These proposals eliminate trial by jury by making the United States Government a party to private suits brought under present civil rights statutes and substituting an

equitable remedy, the injunction, for common law proceedings.

The injunction is a set of rules laid down by a court to which compliance is ordered. This may sound simple enough, but the injunction is particularly open to abuse because of its possible scope and extension and because of the widespread threat of summary punishment which it conveys.

An injunction can extend to persons not parties to the action and can turn a private controversy into a means of establishing a code of conduct for an entire community and coercing innocent conduct.

TOO BROAD

Labor injunctions of the early 1900's, for example, were truly said to have applied to "10,000 workers and all the world besides." Now in Clinton, Tenn., there is in force an injunction so broad that it prohibits both speech and peaceful picketing against its integration order.

It should be remembered that an injunction must be obeyed while in force and that disobedience is punishable by contempt under it even though the order itself is subsequently declared improper.

The most frightening aspect of the civil rights proposals is the power of the court to punish disobedience to the injunction by summary proceedings for contempt, without jury trial. Under present Federal laws, when an individual is subject to contempt proceedings, for acts allegedly in violation of State or Federal laws, he has the right to jury trial on request.

This guaranty arose out of labor's experience with injunctions and judges. But it does not apply to injunction cases wherein the United States is a party to the suit.

The administration asks that the United States Government become a party to private suits under civil-rights statutes, thus negating completely trial by jury except upon election of a judge and empowering a single judge to issue the injunction, make its initial interpretation, determine who has violated it, and punish him for contempt.

SOPHISTRY

It is the height of sophistry to maintain that injunction and contempt proceedings, as equitable matters, do not subject an individual to the jeopardy he suffers in ordinary criminal proceedings. There is not one particle less liberty involved in punishment for contempt and in punishment for violation of a State or Federal law.

The real difference is that under common-law proceedings an accused's guilt or innocence and his liability to damages, are determined by a jury while in contempt proceedings his fate rests with a single judge. One held in contempt, whether it be criminal or civil contempt, is subject to fine or imprisonment.

Criminal-contempt judgments set forth a definite fine and sentence. But civil-contempt judgments are of greater magnitude since actual damages are estimated as fines and the jail sentence extends for so long as the court order is not complied with.

The advocates of these civil-rights measures say that the injunction provides a quick, tailormade remedy in this area. It is true that constitutional safeguards provided in jury trial make the punishment of an act as a crime a slower, less sure process.

Constitutional guaranties do render action in the democratic process slower, more cumbersome than actions by totalitarian states. Yet should any constitutional guaranty be surrendered for the sake of quickness and ease?

We should remember that the Founding Fathers established constitutional guaranties because they loathed bureaucratic and judicial tyranny more than they loved bureaucratic and judicial haste.

PREJUDICE

The proponents of these measures also say that the injunctive remedy will be free of prejudice and bias sometimes shown by local juries. But they fail to take into account the situation and possible prejudice of the judge.

Under the administration bill the judge will be projected into the midst of the civil rights issue, an issue highly charged with emotionalism and politics. On one side of the controversy will be ranged the entire resources of the Federal Government which the other side will view in certainty as an engine of oppression to them.

In this atmosphere the judge will decide whether to issue an injunction, whether to cite for contempt largely on the basis of affidavits submitted, affidavits which are always an unreliable method of proof but particularly so in a passionate struggle where winning becomes more important than truth.

There are other subtle factors present in a judge's decision. One is the danger that the judge may view a violation of his own injunction as a personal insult to him. Or he as a Presidential appointee may conceive his role to be that of furthering particular policies of the Government or party.

Surely no good judge would want the responsibility for acting under these proposals and no bad judge should be given that responsibility.

In the zeal to insure full citizenship rights to one group let us not foist government by injunction upon this Nation. We cannot increase the rights of one group by destroying the rights of all groups. The administration bill will not solve the racial problem but will increase race tensions and divisions to unknown proportions.

DYNAMITE

Those who propose the bill might ponder these words of Samuel Gompers before Senate hearings of the 62d Congress: "If ever the time shall come (and let us hope and work that it never shall come) when government by dynamite shall be attempted, it will have as its main cause the theory and policy upon which is based government by injunction—personal government foisted upon our people instead of a government by law."

The only true solution to the racial problem is the slower process of raising the economic and educational level of all our people coupled with enforcement of present civil rights laws, both State and Federal, but without robbing our citizens of their right of jury trial.

WHY THE UNITED STATES WILL NOT RECOGNIZE RED CHINA

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Secretary John Foster Dulles, which appeared in the U. S. News & World Report of March 22, 1957, under the heading "Dulles Tells Why the United States Will Not Recognize Red China."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DULLES TELLS WHY THE UNITED STATES WILL NOT RECOGNIZE RED CHINA

(By John Foster Dulles, Secretary of State)

The United States adheres steadfastly to the three main aspects of its China policy, which is to recognize the Republic of China; not to recognize the so-called People's Republic of China; and to oppose the seating of this People's Republic in the United Nations as the accredited representative of what the charter calls the Republic of China.

This policy is not merely an expression of emotional dislike of Chinese communism, although the creed and practices of the Chinese Communists are in fact repugnant to us. Also our policy is not merely an expression of sentimental loyalty to the Republic of China, although we do feel loyalty to a government which was loyal to the Allied cause throughout even the darkest days of the Second World War.

Our policy stems primarily from considerations of national interest and, we believe, of international interest. First of all we ask ourselves: Will the interests of the United States be advanced by according diplomatic recognition to the Chinese Communist regime?

The answer to that is, in our opinion, clearly negative. United States diplomatic recognition of the Chinese Communist regime would serve no national purpose, but would strengthen and encourage influences hostile to us and our allies and further imperil lands whose independence is related to our own peace and security.

In this connection we recall that there are many millions of immigrant Chinese who form parts of the populations of free Asian countries. Today many of them, perhaps most of them, remain loyal to the Republic of China now seated at Taiwan (Formosa) which symbolizes the China that they know.

We can see only loss and no gain in action which would make these overseas Chinese more apt to serve the subversive policies of the Chinese Communist regime. If we examine this matter from the standpoint of the United Nations, we come to a similar conclusion. The United Nations would not be strengthened if the Communists were there to represent China and we cannot see that they have any right to this role.

The charter seeks that membership should be made up of peace-loving governments able and willing to carry out their obligations under the charter.

There is no evidence that the Chinese Communist regime would represent China in the spirit envisaged by the charter. It has fought the United Nations in Korea and still stands condemned as an aggressor against the United Nations. It seized Tibet by force. It promoted the war in Indochina. It refuses to renounce resort to war as an instrument of its policy in relation to Taiwan and the Penghus (Pescadores). Its conduct toward other nations and their citizens does not reflect the tolerance and good neighborliness which the members of the U. N. are supposed to practice.

If the Communist regime were allowed to represent the Republic of China in the United Nations, it would presumably sit on the Security Council as a permanent member with veto power. That Council is the body which by the charter is entrusted with primary responsibility for the maintenance of peace and security in conformity with the principles of justice and international law.

It would be grotesque if that high responsibility were to be conferred upon a regime which itself stands condemned as an armed aggressor against the U. N. and which itself is a most conspicuous violator of justice and international law.

The United Nations is faced with growing responsibilities. These could not be more readily discharged by giving the Chinese Communists the opportunity to work mischief there.

We believe that United States policies are not merely in our own interest and in the interest of the free world but also that they are in the interest of the Chinese people themselves with whom the American people have historic ties of friendship.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the RECORD an interview with

General Doi, a former lieutenant general of Japan with years of experience in both China and Russia, on his extensive conversations over a period of months with Red Chinese leaders. The interview was published in the U. S. News & World Report.

There being no objection, text of the interview was ordered to be printed in the RECORD, as follows:

HOW RED CHINA PLOTS AGAINST THE UNITED STATES AS REVEALED IN INTERVIEWS AT PEIPING BETWEEN RED CHINA'S HIGHEST OFFICIALS AND A JAPANESE MILITARY GROUP

The highest officials of Red China sat down recently with a group of Japanese military men of top rank and deliberately urged them to persuade the Japanese Government to join with the Peiping government "to throw the United States out of Asia."

General Doi, leader of the Japanese military group that visited Red China, here reports on those meetings and on what Red China's bosses are saying and doing.

Akio Doi, a former lieutenant general of Japan with years of experience in both China and Russia, had extensive conversations over a period of a month with Mao Tse-tung, Chou En-lai and other top Chinese Reds.

When General Doi returned to Tokyo he was interviewed by Robert P. Martin, a regional editor for "U. S. News & World Report" who spent many years in China and has watched closely the Communist movement in Asia.

AT TOKYO

Question. How long were you in Red China, General Doi?

Answer. Our group, all of us former imperial officers, was in China just a month. We were guests of the Red China government.

Question. Was it an inspection trip, or did you also talk with the Chinese leaders?

Answer. Both. We visited the industrial areas in Manchuria, and also took a look at some of the new developments in northwest China. But we saw Mao Tse-tung, chairman of the People's Republic of China; Premier Chou En-lai; Vice Premier Chen Yi, and all of the Chinese military chiefs, and many other officials. We talked with Chairman Mao for 2 hours. Other Japanese visitors have met Mao at cocktail parties and receptions, but we were the first Japanese to have such a serious conversation with him.

Question. Did the Chinese have much to say about relations between Red China and the United States?

Answer. Oh, yes. We discussed that several times. I was surprised that Red China hates the United States much more violently than I had thought. Their position is quite clear: "Our only enemy is the United States." At least that's what they say.

Mao Tse-tung told me:

"Japan is occupied and our Formosa is still held by the Americans. So Japan and Red China should join hands to expel the United States from our territories. The people of the Afro-Asian area and Latin America have been striving hard to throw out the American, British, and French imperialists.

"China encourages and helps these efforts, and now Japan should join us in this effort. If it is necessary, and you want me, I am ready to become chief of staff of the Japanese armed forces to drive the United States out of Asia." Mao also said:

"The United States is a capitalist nation and must necessarily follow a policy of imperialism and aggression. On the other hand, the Soviet Union, a Socialist country, is not imperialistic and has no need for aggression. Please believe this."

I argued against this with Mao, telling him that we Japanese simply could not accept this at face value. And finally Mao replied:

"Of course, Japan is theoretically independent, but we Chinese cannot disguise our deep sympathy for you Japanese who are still under the military and economic occupation of the Americans. All of the forces in the world should get together to overthrow American capitalism and imperialism. And this can be done without going to war."

Question. Was Mao serious when he offered to become chief of staff of the Japanese forces?

Answer. Not at all. He laughed when he said it. He didn't mean he would come to Japan. He meant that he was ready and willing to cooperate with and give advice to the Japanese if we decided to help throw the United States out of Asia.

Question. How does what Mao told you square with what the Chinese have often said, that they want friendly relations with the United States?

Answer. Basically, the Chinese leaders believe that the entire world will turn Communist—although it may take a long time, particularly in the case of the United States. So they will accept temporary arrangements. For instance, if Formosa is returned to Red China and the Southeast Asia Treaty Organization (SEATO) is liquidated, then friendly relations between America and China will be possible. But the Communist Chinese will still be operating on the premise that America, eventually and inevitably, will go Communist.

One thing you must always keep in mind: Red China's true intentions are one thing; her tactics are another. Peiping's words and actions are often contradictory. When the democracies do this, everyone explodes in anger or disgust. But Mao can do or say anything he wants. It doesn't matter even if what he does is diametrically opposed to what he has said in the past. The Chinese Communists want first of all to eject the United States from Asia, and, finally, to communize the United States. On the road to either of these goals, the Chinese may very well offer to establish friendly relations with you.

Question. Then "peaceful coexistence" is simply a tactic to the Chinese?

Answer. Yes, it is their tactics. The recent Russo-Chinese joint communiqué plainly stated in part that "capitalism is not basically compatible with communism," but in another section the same communiqué said, "We are going to follow the line of peaceful coexistence."

As a matter of fact, in one of the written questions I put to Mao Tse-tung, I asked him if the objectives of international communism were compatible with peaceful coexistence. Mao answered that "no doubt they will be compatible."

Then the Chinese asked me this question: "Isn't Japan afraid of Red China's possible military invasion or her economic domination of Japan?"

I told Mao that Japan does not fear either military invasion or Red China's economic domination of Japan. What we really fear is that the Communists will continue the cold war, believing that Japan will finally turn Communist. I asked Mao to state firmly that he would not follow the tricky infiltration tactics used elsewhere by the Communists, and that China would end the cold war against Japan. But Mao refused to give such a statement. So it seems to me that the Chinese leaders intend to push their Red imperialistic policies along the line laid down by Stalin.

Question. Mao Tse-tung told you war would not be required to throw the United States out of Asia. Just how do the Chinese intend to do it?

Answer. It's obvious that both the Soviet Union and Red China realize that they don't have the military strength to throw the United States out of Asia. Their strongest weapon is ideological warfare, that is, to stir up anti-American and anticapitalist feelings among the people of Asia. One example of this is the effort Mao and his subordinates made to impress us with their idea that Red China would eventually dominate the other nations of Asia and that we should not wait too long to join them.

I told one of the top Chinese leaders this story: When the Soviet Union urged Britain to establish close, friendly relations with them, the late British Foreign Secretary, Ernest Bevin, replied that Britain could afford to be friends with Russia but could not afford as the price of this friendship to make the United States an enemy. For the United States would then starve Britain. In the same way, I said, Japan can be friends with Red China but not at the cost of sacrificing her ties with the United States. None of the Chinese leaders commented on this story.

Question. Would you say, then, that the Chinese are afraid of a war with the United States?

Answer. From what I saw and heard in Red China, I would say they are not particularly afraid of or worried about American military power. Marshal Peng Teh-huai, Vice Premier and Defense Minister, said to me:

"China is so strong now that she will never be defeated by the United States even in an atomic war. We have 600 million people, and, even if 400 million were killed, the surviving 200 million would never surrender. In the long run we would defeat America, so we are not at all afraid."

But this explanation, that 200 million survivors would continue fighting, makes me suspect that the Chinese Communists really fear the Americans. Also, they probably would not hate the United States as strongly as they do if they did not fear you. That's one of the reasons they are trying to stir up hatred of America in the other countries of Asia. They want to drive the United States out of Asia without risking war.

FIRST AIM: A STRONG CHINA

Question. Did you get a solid impression of whether the Chinese have abandoned plans for aggression in Korea or Vietnam or elsewhere?

Answer. My strong impression is that they do not have territorial ambitions at present. Rather, they seem to be concentrating on building a China that will not be inferior to Japan. The Chinese are proud of the 5,000 years of history when they were culturally superior to the rest of the world. They despise the last century, when they were dominated by the West and Japan. Now, they say, they are going to reestablish their position of superiority.

Obviously, you can't say flatly they have no intention of attacking neighboring countries, but certainly their immediate aim is to build a strong and respected China.

Question. What about Formosa? Were there any indications they might attack there?

Answer. No; I saw no indications of any planning for an attack. In the classrooms of the military academies—the schools for the air force, the tank units, and the Navy—I saw maps of Formosa pasted on the wall. The maps bore this slogan: "Formosa can be regained by our military might." But no one talked about an invasion.

Question. Did the Communists appear worried about Chiang Kai-shek's invading the mainland?

Answer. No; nothing I saw or heard indicated any concern. They continue to paint Chiang as an evil man, and this caricature appears continuously in their propaganda.

On the other hand, the Communists are greatly concerned about spies and secret agents. Perhaps the Reds are worried about

internal subversion promoted by the Nationalists. The Communists did take us to see about 10 former Nationalist generals who had surrendered, to show the good treatment these generals had received. This may have been planned as a sort of propaganda campaign against us Japanese.

Question. Was there any talk about a "two China" solution—a peaceful acceptance of the status quo, with two Chinese governments: one on Formosa and the other in Peiping?

Answer. Oh, no. The Communists don't accept the two China proposition at all. Even Chou En-lai is firm on this. He simply said:

"Formosa is occupied by the United States."

Then he added:

"Wouldn't it be better for Japan to trade with 600 million Chinese than with only 8 million Formosans?"

This upset me, and I replied, "People do not necessarily trade with others just for the sake of profit. Neither do the States act solely from the viewpoint of profits."

Chou shrugged his shoulders and replied: "We Chinese will just concern ourselves with profits."

Question. If Chiang Kai-shek and the United States continue to protect Formosa, and the Communists do not intend to use force, how do the Reds expect to get the island?

Answer. Red China has been carrying out an extensive campaign among Chinese everywhere in the world. They say:

"Don't forget that you are Chinese, no matter where you live and what you are doing. You must take part in the work of building Great China."

They press this campaign among the 2 million Chinese who fled to Formosa from the mainland, and particularly among the high Nationalist leaders. They also tell the 6 million Formosans on the island that they will be happier and live better under the Communists than under the Nationalists. The leaders in Peiping think this campaign will eventually bring Formosa back to the mainland government.

Question. How long do they think this will take?

Answer [laughing loudly]. The Chinese Communists say this:

"Even if the United States doesn't recognize us for a hundred or even a thousand years, we will still become a great nation. In the same way, Formosa will return to us some day."

They don't seem to worry at all about how long the process will take.

WE'LL NEVER INVADE JAPAN

Question. Why did Mao Tse-tung, who has refused to see most other Japanese visitors, spend so much time with you and the other Japanese officers?

Answer. Mao made it very plain what he had in mind the moment we met. He said:

"We heartily hope to establish friendly and peaceful relations with Japan. Japan is a great nation in Asia. Her culture and economy are advanced and her people are diligent. China must join hands with Japan. We are not interested in the past. And, no matter how strong China becomes, we will never invade Japan. But, unless Japan and China get along amicably, neither Asia nor the world will have peace. Don't you agree that it is good for China to learn and get help from Japan, and for Japan to learn and get help from China?"

So we knew what Mao had in mind.

Question. But it seems that Mao attached great importance to the fact that all of you were military men; in fact, most of the 15 members of your group had fought against China at one time or another.

Answer. In the first place, the Chinese Communists realize that the Japanese officers—many of whom were purged by the United States occupation and therefore are not necessarily friendly to Americans—are gradually regaining influence in Japan. His theory is that if the Japanese officers could be convinced that Red China has no aggressive intentions toward Japan, then they might oppose Japanese rearmament.

Also, the Chinese Communists probably realize that they shouldn't rely entirely on the Communist and Socialist forces in Japan to throw out the United States—which would make Japan powerless to deal with Red China. If the nationalistic elements joined with the leftists, however, together they might be able to force the United States to leave.

This second point is also related to Peiping's hope of communizing Japan. Remember that the younger officers and cadets who were involved in or supported the May 15, 1932, incident (when Premier Inukai was assassinated) were anticapitalist. Although they were militarists, they dreamed of socialistic reforms. The Chinese Communists probably hope to impress these ex-officers with what has happened in China. Then they might support revolution in Japan. As you probably know, Tatsuo Tsukui, a well-known rightist in Japan, changed his views of China after inspecting that country and now believes that the Japanese should imitate the Communists.

WORLD TREND TO SOCIALISM

Question. Did Mao Tse-tung or any of the leaders you saw actually suggest that Japan should turn Communist?

Answer. They did not say it quite so bluntly. But Mao told me:

"There is an inevitable and irresistible worldwide trend toward socialism. We want to know if Japan is going to oppose this tide."

Later he said:

"The Meiji Restoration (ending the power of the military leaders in Japan in 1868) exerted an immense influence on the Chinese revolution of 1911. The recent Chinese revolution must certainly have considerable effect on Japan in the future."

"It is American imperialism that suppresses the desires of the Japanese masses. Japan must become independent by throwing out the Americans."

All of these put together certainly that the Chinese are thinking in terms of a Communist Japan.

Question. Were the Chinese Communists more interested in separating Japan from the United States or in establishing good trade relations with Japan?

Answer. Certainly they were emphasizing trade and cultural exchanges. Obviously, if the Soviet Union is unable to continue supplying capital goods, then the pace of the Chinese 5-year plans must be slowed. They will have to buy goods from Japan, West Germany, England, and, if possible, even from the United States.

The Chinese have one big problem, however. They can export coal, iron ore, rice, soybeans, and salt, but Japan is the only country producing capital goods that can use these items. That explains why the mainland Chinese are so interested in trading with us.

Question. What was your impression of current Soviet-Chinese relations? Are they still close partners, or are they drifting apart?

Answer. Politically speaking, Russia and China seem to be very close, and both countries will want to keep solid relations. The Soviet-Chinese communique of January 19, 1957, clearly established unity as their basic line. But the Soviet Union does not want Red China to become too powerful, and this holding back creates a certain discontent among the ambitious Chinese. And don't forget that in the past there has always been mutual hostility between the two countries. Now both of them realize that they must hang together if the Communist world is to survive.

Question. Did you notice any resentment in Peiping to the Khrushchev, Bulganin, and Khukov travels in India and Burma? Say, a feeling that Russia was penetrating an area that Red China may consider her own political reservation?

Answer. I believe that Moscow and Peiping have reached an understanding on spheres of influence. That would cover Southeast Asia. However, I had an interesting discussion about Tibet with the Chinese leaders. I asked why they did not grant Tibet independence or at least autonomy. They answered that Britain would then seize Tibet.

I pointed out that Britain has given India, Pakistan, and Burma their independence and, furthermore, that Britain doesn't have the military power to seize Tibet. Perhaps you, I said—meaning the Chinese Communists—are afraid that another country might seize Tibet. I didn't say it, but the Chinese knew I referred to the Soviet Union. They just laughed at this and refused to comment. If there is rivalry between Russia and China over Tibet, think how much greater the rivalry is over Mongolia.

RED CHINA'S INFLUENCE

Question. Is there any reason to believe that Red China's influence on Soviet policy may be increasing as a result of Chou En-lai's recent trip to Moscow, Warsaw, and Budapest? Wasn't he trying to patch up the cracks in the Soviet bloc?

Answer. Chinese influence is certainly increasing. Furthermore, it is on the ideological, not just the political level. One of the sharpest impressions I got from my trip to China was that Mao Tse-tung is a much stronger Marxist than I had suspected. I urged Mao not to be a doctrinaire Marxist but to follow a socialistic course that would fit Asia. Mao flatly rejected my suggestion, saying:

"That is impossible. I am a Marxist."

Before my trip to China I had hoped that Mao would steer a course somewhat independent of Moscow—say, somewhere between Tito and the Kremlin. My hope was completely crushed by the various joint statements and declarations justifying Russia's intervention in Hungary and calling on the forces of international communism to unite around the leadership of the Soviet Union. Nehru (Prime Minister of India) certainly must have also been disappointed by those statements.

The Soviet Union may have forced Red China to support her actions in East Europe. But, more likely, Peiping decided it was necessary for the two nations to stand together. In the future, I suppose, Red China's attitude toward Russian policies will be decided on the basis of each problem that comes up; but, basically, decisions will be made in accordance with the Marxist line.

However, China will be consulted and her views will be woven into whatever policy emerges. This means that the Soviet-China combination will become the nucleus of international communism in the future, instead of the Soviet Union alone being the nucleus as in the past. As a result, Red China's weight and influence will rise in the Soviet bloc countries.

Question. Do you think China might try to seize leadership of the world Communist movement?

Answer. No; I don't think so.

Question. But the Poles say that Red China encouraged them to seek greater independence from Moscow. Doesn't that imply either that the Chinese are hoping to seize leadership or that they don't really want a solid Communist front?

Answer. Let's look at it this way: In China itself there has been a certain rivalry between so-called national Communists and

international Communists. At first, the Chinese seemed to prefer national communism, particularly when domestic policies were at issue. They also collected foreign dividends from this nationalism. They earned prestige and popularity among the Afro-Asian countries, and Britain was persuaded that Red China was Titoist.

BACK TO STALINISM

Mao, however, is basically a Marxist. So, when the Poles almost revolted and the Hungarians did revolt against Soviet chauvinism, Mao was on the spot. If he criticized the Soviet Union's system and methods as strongly as Tito did, then Mao would be—indirectly, of course—branding his own regime as being as bad as the Soviet Union. After all, the Chinese had proudly boasted that Russia had been their mentor and guide. So Chou En-lai rushed to Moscow and there, with Khrushchev, took steps to end the unrest in East Europe and to patch up the split in the Soviet bloc. Now the basic line calls for repudiation of national communism and adherence to a modified Stalinism.

Question. The Chinese still seem to hope they can persuade Tito to rejoin the Soviet bloc. Isn't that why Peng Chen, mayor of Peiping, has been visiting Yugoslavia?

Answer. I think that's probably the reason for his trip. Also, don't forget that the national Communists in China still feel closer to Titoism than to Stalinism. But, since Red China has now clearly sided with the Soviet Union, Tito and Mao can be allies only if Tito submits to Soviet domination. Tito will never do that.

Question. While you were in Peiping, did you hear any complaints about Soviet Russia's economic aid to Red China?

Answer. Yes; I heard some criticism. But it is very skillfully disguised, and the top leaders, of course, say nothing. One of the high Red officials questioned me about United States policy toward Japan. I asked him about the Soviet Union's policy toward China. He would not answer me. So I asked him, very bluntly: "Isn't Red China subordinate to Russia?" Again he refused to reply.

A Chinese, not a top official, told me:

"The Russians always talk about the unselfish assistance they give to China. It will take time before we know whether they are telling the truth and are unselfish."

Another Chinese commented rather bitterly:

"Small countries such as [North] Korea and Outer Mongolia get Russian assistance without payment. But China, a large nation, cannot get aid from Russia free of charge."

A factory worker confided:

"The equipment from the Soviet Union comes slowly, and the quality is inferior."

So there are complaints.

WHY SOVIET SHIPMENTS LAG

Question. Will the troubles in East Europe tend to slow down the flow of goods from Russia?

Answer. Oh, yes. Russia now has to give economic assistance to East Europe instead of simply exploiting the satellites, as in the past. They've also been forced to cut back their own 5-year plan and to increase production of consumer goods. The Russians have to keep spending on armaments to keep pace with the United States, and they have to keep some of their promises of aid to Southeast Asian countries.

Obviously, it is going to be more and more difficult to increase economic assistance to Red China.

Question. Will this affect the relations between China and the Soviet Union?

Answer. Not necessarily. They will maintain their close political relationship, and Red China will put a greater emphasis on building a self-supporting economy. This explains their urgent desire to expand trade with Japan. Japan could supply many of the things the Chinese need.

The Communists also believe that, as trade and cultural relations with Japan increase, so will anti-Americanism rise in Japan. Thus, trade goes along with their strategy of driving the Americans out of Japan.

However, Chou En-lai, who is more realistic than some of the other Chinese leaders, does not seem to support this analysis of the situation. He told me that China and Japan should be friends and not worry about breaking off relations between Japan and the United States.

Question. Did Mao Tse-tung appear to be healthy and alert?

Answer. You've heard the frequent rumors about his heart attacks and other physical ailments. But he certainly looked quite healthy. Chou, on the other hand, appeared to be very tired. One of Mao's cronies told me:

"The rule is that Chou does not report the details of every problem or affair to Chairman Mao. Mao confines himself to decisions on basic problems. So Chairman Mao is able to take good care of his health."

Question. Was there any criticism that Chou En-lai had been traveling abroad too much lately?

Answer. No; no criticism like that. In a dictatorship, criticism on that level will put a man into prison.

Question. Is Mao Tse-tung a dictator?

Answer. Of course Mao is a dictator. His position is entirely different from Chou's. He personally makes every major policy decision.

Question. Don't the Chinese boast a great deal about their collective leadership?

Answer. That's on a lower level—in the cabinet, the military council, the central committee and on down through the party. Collective leadership is the principle there. But the basic decisions—and the final ones—are always made by Mao.

Question. Is there any indication that Mao concentrates on domestic problems and gives Chou En-lai a more or less free hand in foreign affairs?

Answer. Nothing like that. Chou holds the posts of Prime Minister and Foreign Minister concurrently, mainly because of his personal character, his sociability and his knowledge of foreign affairs. But every basic decision, on foreign or domestic affairs, always comes from Mao.

MAO'S SUCCESSOR

Question. Did you learn in Peiping whether Mao's successor has been chosen?

Answer: Nothing concrete, but one can judge from the last (Chinese Communist) Party Congress, which was held in September, that Liu Shao-chi will succeed Mao. Liu, you remember, gave the general report to the Congress, while Chou had to confine himself to a report on the first 5-year plan. That underlined the difference in the ranking of the two men as far as the succession goes.

General Doi, you said earlier that Premier Chou En-lai is more realistic than the other Chinese leaders, and I suppose you include Mao Tse-tung. What do you mean by "more realistic"?

Answer. A person engaged in day-to-day politics is more inclined to understand and take into consideration the minds and feelings of the people. Take the Chinese agricultural cooperative: Chou and the Cabinet decided to slow down the pace of the cooperative movement because, being closer to the people, they knew resistance was building up. But Mao, in his famous speech, reversed the Cabinet's decision and ordered full speed ahead with the cooperatives. I think Chou in this case was being more realistic in listening to what the people wanted.

Question. Would you say that Chou is more realistic in his approach to the United States or his understanding of foreign policy?

Answer. Oh, yes; he is realistic in that respect, too. Chou's tone in speaking about relations with the United States is much softer than what Mao or Chen Yi and some of the others say. Also, he is much more flexible. Maybe this is because, as Foreign Minister, he is closer to the problem. But it may also be because of his personal character.

Question. Do you think Chou really wants the United States to recognize Red China?

Answer. Oh, yes; most of the Chinese leaders really want it. Recognition means they will be admitted to the United Nations, and then they will be in a position to act vigorously in other fields.

Right now, Chou is very useful to Mao. Chou is always prominent when Red China plans to make compromises or wants to underline peaceful policies. But we must keep in mind always that it is Mao Tse-tung who pulls the strings.

HOW CHOU IS RATED

Question. That would seem to make Chou En-lai a puppet of Mao's.

Answer. Well, what I really mean is that Chou is one of Mao's two arms. Mao uses one arm for evil things and then uses his other arm, or Chou En-lai, for good or peaceful things.

Question. You said Chou En-lai's tone was softer than that of some other Chinese leaders. What did you mean?

Answer. Here's an example: Chou told me Japan and China should become friends and resume relations now without worrying about our relations with America. The latter problem, he said, was one for the Japanese to settle. Mao Tse-tung, on the other hand, used much stronger words. He said that Japan is occupied by the United States, and that China and Japan must work together to expel the Americans.

Question. Were the Chinese very friendly toward you?

Answer. Oh, yes; they did everything to show their interest. Mao Tse-tung, for instance, asked if he could see His Majesty the Emperor—he expressly said "His Majesty"—in the event Mao visited Japan. He asked us to convey his best wishes to the Emperor, adding:

"The sentiments of the Japanese people must be respected if relations between Japan and China are to be improved. That is why we respect the Emperor. Laos and Cambodia are also kingdoms, and, in order to keep good relations with them, we respect their Kings."

Alas, Japan was being compared with Laos and Cambodia.

When we started to leave, Mao told us:

"We greet everyone from Japan, even those who fought against us and those who are anti-Communist. When you return home you are welcome to keep or change your present attitude. You are free to abuse China or carry on anti-Communist propaganda."

So, you see, my right to say what I please about China has already been approved by Mao Tse-tung.

The VICE PRESIDENT. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing the nomination of Arnold C. Works to be postmaster at Augusta, Wis., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BYRD, from the Committee on Finance:

Edward Foss Wilson, of Illinois, to be Assistant Secretary of Health, Education, and Welfare, vice James B. Mintener, resigned; and

John Alanson Perkins of Delaware, to be Under Secretary of Health, Education, and Welfare, vice Herold C. Hunt, resigned.

By Mr. EASTLAND, from the Committee on the Judiciary:

William J. Jameson, of Montana, to be United States district judge for the district of Montana, vice Charles N. Pray, retiring; and

John J. Sirica, of the District of Columbia, to be United States district judge for the District of Columbia, vice Henry A. Schweinhaut, retired.

By Mr. NEELY, from the Committee on the District of Columbia:

Catherine B. Kelly, of Maryland, to be associate judge of the municipal court for the District of Columbia.

The PRESIDING OFFICER (Mr. PAYNE in the chair). If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Army be considered and confirmed en bloc, with the exception of the ninth name on page 5, the nomination of Brig. Gen. Ralph Wise Zwicker, and the last name on page 5, the nomination of Brig. Gen. Ralph Wise Zwicker.

At the request of the junior Senator from Wisconsin [Mr. MCCARTHY], I ask that that nomination go over.

With that exception, I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, with the exception of the nomination of Brig. Gen. Ralph Wise Zwicker, the nominations in the Army are considered and confirmed en bloc.

IN THE AIR FORCE

The legislative clerk proceeded to read sundry nominations in the Air Force.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Air Force are considered and confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of Maj. Gen. Verne J. McCaul, to have the grade, rank, pay, and allowances of lieutenant general while so serving.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Without objection, the President will be notified of all nominations confirmed today.

LEGISLATIVE SESSION—THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the unanimous consent agreement heretofore entered into, the Senate will proceed to the consideration of measures on the legislative calendar. The clerk will call the first measure on the calendar.

ALLOTMENT OF LANDS OF THE CROW TRIBE OF INDIANS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 137, at this time.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 332), to amend the act of June 4, 1920, as amended, providing for the allotment of lands of the Crow Tribe, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, line 10, after the word "law," to strike out "including legal rights for access and ways of necessity," and insert "and the right to obtain access and ways of necessity pursuant to State law,", so as to make the bill read:

Be it enacted, etc., That the first paragraph of section 2 of the act of June 4, 1920 (41 Stat. 751), as amended by the act of June 8, 1940 (54 Stat. 252), is hereby repealed. All conveyances heretofore made in violation of the acreage limitations contained in such paragraph are hereby validated, ratified, and confirmed insofar as such acreage limitations are concerned, but the right to challenge such conveyances for any other cause recognized by law and the right to obtain access and ways of necessity pursuant to State law, shall not be affected by this act: *Provided, however*, That no conveyance ratified, confirmed, or validated by this act shall be construed to convey to the original grantee or any allottee, his heirs or assigns, any mineral rights in the lands to which this act applies. All such minerals, including oil and gas, shall, upon the expiration of the 50-year mineral reservation to the tribe, become the property of the allottee or his heirs or devisees subject to any outstanding leases made by the tribe, regardless of the disposition made of the surface of the allotted lands by such allottee, heir, or devisee.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, may we have an explanation of this bill?

Mr. MANSFIELD. Mr. President, this is a bill which passed the Senate unanimously last year, and seeks to correct a situation which existed on the Crow Indian Reservation in the State of Montana.

The provision of the 1920 act apparently was not enforced until a few months ago, that is, that these lands should not be sold. Possible violations of the provision began in 1921, and they continued throughout the 1930's, the 1940's, and until all sales of land on the Crow Reservation were suspended a few months ago by the Commissioner of Indian Affairs when the matter was first called to his attention. At that time the Commissioner ordered a full investigation.

The investigation showed that the number of apparent violations of the statute throughout the past 35 years is substantial, but that they were in all probability unintentional. In some cases the violations were the result of direct sales by Indians who received fee patents either by Congressional enactment or by administrative action. In such cases the Department had no direct connection with the sale transactions. In other cases, however, the sales were supervised ones conducted by the Bureau of Indian Affairs at the request of the Indian owner.

This bill has the approval of the Department of the Interior. It was introduced by the Senators from Wyoming and the Senators from Montana, and applies to a situation which needs rectification. There is no opposition at all to the bill.

Mr. ELLENDER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. ELLENDER. Is this bill designed to limit sale of the Indian land through the Department of the Interior, and not permit sales by individual Indians?

Mr. MANSFIELD. No. The bill has to do with clouded titles, which unfortunately came into being. This bill will clear up the matter. It will assure, so far as mineral rights are concerned, that they will still remain with the Indians. There is no appropriation involved, and there is no new land involved.

Mr. ELLENDER. The Senator from Montana has just stated that in the past some of these lands were sold by individual Indians; that is, by members of the tribe.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. Will this proposed legislation correct that situation?

Mr. MANSFIELD. Yes. There is a cloud on certain land titles due to the

provisions of the 1920 statute, which were not understood.

This bill has the full support of the Crow Indian Nation. It has the full support of the ranchers in the area. To the best of my knowledge there is no opposition.

This bill is for the correction of a wrong. I think it will result in a great deal of benefit to ranchers and Indians in that area.

Mr. BARRETT. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from Wyoming.

Mr. BARRETT. This bill has the unanimous support of practically all the parties concerned.

I should like to invite the attention of Senators to the fact that under the provisions of the bill the mineral rights, which were reserved to the individual Indians under the 1920 act, are preserved in that status by the proposed legislation.

Mr. MANSFIELD. I thank the Senator.

Mr. President, this bill was reported not only this year, but last year, as well, from the Committee on Interior and Insular Affairs. I certainly hope the bill will be passed by the Senate at this time.

Mr. BARRETT. Mr. President, will the Senator yield further?

Mr. MANSFIELD. I yield.

Mr. BARRETT. If this proposed legislation is passed, it will obviate the necessity for a whole flock of private bills to accomplish the same purpose; will it not?

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 332) was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. The clerk will state the first order of business on the calendar.

BILLS AND RESOLUTIONS PASSED OVER

The concurrent resolution (S. Con. Res. 2) to create a joint Congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President, was announced as the first measure in order.

Mr. CLARK. Over, Mr. President.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The resolution (S. Res. 24) to amend rule XIV of the Standing Rules of the Senate was announced as next in order.

Mr. BARRETT. Over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 913) to provide permanent authority for the Postmaster General to establish portal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations and for other purposes, was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1423) to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended, was announced as next in order.

Mr. BARRETT. Over, Mr. President.

The PRESIDING OFFICER. The bill will go over.

The bill (H. R. 4815) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces and at defense or other strategic installations, and for other purposes, was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDING OFFICER. The bill will go over.

INVESTIGATION BY FEDERAL TRADE COMMISSION OF PRODUCTION, DISTRIBUTION, OR SALE OF NEWSPRINT IN INTERSTATE COMMERCE — RESOLUTION PASSED OVER

The resolution (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce, was announced as next in order.

Mr. ELLENDER. Over.

Mr. MAGNUSON. Mr. President, will the Senator from Louisiana withhold his objection?

Mr. ELLENDER. I withhold my objection temporarily.

Mr. MAGNUSON. The Senate Committee on Interstate and Foreign Commerce has held quite lengthy hearings on the question of newsprint shortages and newsprint prices. These matters were pointed up by the fact that the Canadian newsprint manufacturers, which supply almost 80 percent of the newsprint consumed in the United States, had suddenly announced a price rise of $4 a ton, all in agreement. One manufacturer announced the increase in price, and the rest followed.

I am convinced the practices of the Canadian newsprint manufacturers in concert probably is perfectly within the Canadian law, but surely it is my considered opinion, after hearing the testimony in the hearings, that should they be American manufacturers doing the same thing in concert, as it were, it would surely be alleged there was a violation of the antitrust acts, and an attempt at price fixing.

Newsprint is in tremendous shortage throughout the world, particularly in the United States. Supply in the United States has never kept up with the demand.

Newsprint is a universal commodity. One witness testified that it is worth almost more than money, that a person could trade it better than he could trade silver or gold, because of the shortage.

Our newspapers have always been in a tight supply situation, ever since before the war, with regard to newsprint, which is having a grave effect upon our economic life. All newspaper prices are rising.

I am informed that in New York the other day the daily newspapers had to raise their prices again. The New York Times is now selling for 35 cents per Sunday copy here in Washington. This price rise is largely due, of course, to the rise in newsprint prices. This rise in price has had a serious effect upon the smaller newspapers in the United States, the weeklies. An increase of $4 or $5 a ton in newsprint is substantial, and may make the difference as to whether that small weekly or biweekly can remain in business. I do not know what percentage the newsprint represents in the cost of running a newspaper, but it constitutes a substantial portion of the cost. We endeavored to get information regarding that question.

In line with the situation I am discussing, I have just been handed, by one of the Senators in the Chamber, a story which came off the ticker, which says:

> The St. Lawrence Corp., one of several newsprint producers that raised prices to United States customers early this year, reported that 1956 was the best year in its history.
>
> The company said in its annual report that gross sales increased by 10.9 percent to $87,973,957; total production gained 6 percent to 567,909 tons. Operating profit was up 16.2 percent over the previous year to $23,345,317, and net profit increased 31.6 percent over 1955 net profit of $7,062,842.
>
> President P. M. Fox said the company expects to sell all it is able to produce this year.

Nevertheless, in concert, all the prices were raised early this year and took effect about 3 weeks ago. A great problem is posed, because 80 percent of the newsprint used in this country is imported. The United States is trying to produce more newsprint. There has been some success in the southern areas of the United States, where it has been found that pine timber can be used because it reproduces itself in a short period of time.

But many of the sources of supply of the raw materials are held by other companies which do not produce newsprint, but sell their products for other purposes. In my own part of the country, there are many wood, paper, and pulp mills which have the timber tied up for the production of pulp, which is a more attractive product because the producers find it more salable. It should be remembered also that one newsprint machine costs anywhere between $5 million and $7 million.

It has been difficult to get the survey started, but progress is now being made. After the committee had held hearings, it decided unanimously that the Federal Trade Commission, which is technically an arm of Congress, should be asked to proceed with further studies or to make a further investigation from the price-fixing angle of this matter, and the committee would examine into the broader aspects of the development of newsprint production in areas where power development looks bright, and would try to get the American industry away from its dependency upon Canadian producers, because it is they who are sitting literally at our throats, so far as the price of newsprint is concerned. It is amazing

to note that all of the newsprint producers raise their prices at the same time, the increases to take effect at the same time. The Senator from Ohio [Mr. LAUSCHE] attended all the hearings, and he was struck by the magnitude of this problem.

The purpose of the resolution is to make it crystal clear that the committee felt that the matter of the fixing of newsprint prices was something which should be investigated by the Federal Trade Commission.

I understand that the Senator from Louisiana [Mr. ELLENDER] objects because it is his view that the Federal Trade Commission can conduct an investigation anyway. But I did not want the objection to be raised without pointing out that there is a reason for the adoption of the resolution. The fact that the resolution may be passed over in no way minimizes the need and, I think, the advisability of having the Federal Trade Commission again investigate the price-fixing angle with respect to the cost of newsprint. Several investigations have been made, but they were made some time ago. In some instances, the Department of Justice brought indictments against the manufacturers of newsprint. Some of the manufacturers have part of their company in the United States, and part of it in Canada.

So in view of the trouble which is being encountered at present, I think it is very desirable, as I am certain the Senator from Louisiana also feels it is desirable, to have this matter investigated.

I am sure that his objection to the resolution and his request that it be passed over merely goes to the procedural part of the consideration of the resolution. Am I not correct?

Mr. ELLENDER. Mr. President, the Senator from Washington knows that for several years past I have objected to many of the investigations which have been proposed on the ground that they are unnecessary. In this instance, several thousand dollars have already been spent on investigations of the newsprint industry, but nothing has come of those investigations. If the money which is proposed be spent in yet another investigation, which is now being sought by the Senator from Washington, had been expended earlier by the Federal Trade Commission, some positive results might have been obtained by now.

Under existing law, the Federal Trade Commission has the right to make such investigations. As I pointed out, a letter from the chairman of the committee asking for such a study would have just as much effect as our passing this resolution, calling for another investigation at considerable cost to our taxpayers. I am satisfied that the purpose of the resolution is to give to the Federal Trade Commission authority, as it were, to come before the Congress and ask for an increase in its appropriation, in order to conduct an investigation of the newsprint industry. The Commission does not need any more authority from Congress. All it need do is come before the Committee on Appropriations and make a proper showing that an investigation should be made, that additional funds are needed, and I feel sure that sufficient money will be made available. The Commission has that right—that duty—under existing law. If the Federal Trade Commission thinks that something ought to be done now, let it say so when it comes before the Committee on Appropriations. I am certain the committee will give the Commission's representatives a proper hearing, and the money, if necessary, in order to conduct the investigation.

Mr. MAGNUSON. I thank the Senator from Louisiana. The Federal Trade Commission has already made such a presentation to the Committee on Appropriations. As the Senator from Louisiana knows, I am also the chairman of the subcommittee of the Committee on Appropriations which handles the Federal Trade Commission appropriation, so I am somewhat in the position of one who wears two hats, so far as this matter is concerned. But I want the RECORD to show that the committee feels that this is a matter which really should be gone into.

I understand the position of the Senator from Louisiana; I believe his objection is only to the matter of procedure. The committee itself has not finished all its hearings concerning this problem. We have not even had printed the testimony of all the witnesses. I expect the committee to take such action as it can, so far as the committee can deal with the 80 percent of the problem which is within the borders of the United States.

The PRESIDING OFFICER. Does the Senator from Louisiana renew his objection?

Mr. ELLENDER. I do. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN PROPERTY OF THE UNITED STATES TO THE TERRITORY OF ALASKA

The bill (S. 1291) to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska, was announced as next in order.

Mr. CLARK. Mr. President, H. R. 4939, Calendar 162, is a companion bill. I ask unanimous consent that the Senate proceed to the consideration of Calendar 162, and that upon its passage Calendar 136, S. 1291, be indefinitely postponed.

The PRESIDING OFFICER. The clerk will state the House bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 4939) to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania?

There being no objection, the bill (H. R. 4939) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1291 will be indefinitely postponed.

MARY BARME

The bill (S. 51) for the relief of Mary Barme and her minor children was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mary Barme and her two minor children, Steran Barme and Dinah Barme, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

DUK CHANG CHO

The bill (S. 58) for the relief of Duk Chang Cho was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Duk Chang Cho, shall be held and considered to be the natural-born alien child of M. Sgt. and Mrs. Francis M. Bradshaw, citizens of the United States.

DR. JAMES R. P. WONG

The bill (S. 123) for the relief of Dr. James R. P. Wong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. James R. P. Wong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANNA MARIA COSENTINO AND FRANCESCA MARIA COSENTINO

The bill (S. 127) for the relief of Anna Maria Cosentino and Francesca Maria Cosentino was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Anna Maria Cosentino and Francesca Maria Cosentino shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

HERBERT JAMES BRAMLEY

The bill (S. 424) for the relief of Herbert James Bramley was considered, ordered to be engrossed for a third read-

ing, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, the alien, Herbert James Bramley, may be granted a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act and upon compliance with such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SHUN WEN LUNG

The bill (S. 530) for the relief of Shun Wen Lung (also known as Van Long and Van S. Lung) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Shun Wen Lung (also known as Van Long and Van S. Lung) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HAN HONG WANG AND AN-YIN CHEN WANG

The bill (S. 689) for the relief of Han Hong Wang and An-Yin Chen Wang was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Han Hong Wang and An-Yin Chen Wang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

DR. CHING-LIN HSIA AND HIS WIFE

The bill (S. 690) for the relief of Dr. Ching-Lin Hsia and his wife Wai Tsung Hsia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Ching-Lin Hsia and wife, Wai Tsung Hsia, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ALECOS MARKOS KARAVASILIS AND HIS WIFE

The bill (S. 696) for the relief of Alecos Markos Karavasilis and his wife Steliani Karavasilis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Alecos Markos Karavasilis and his wife, Steliani Karavasilis, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quotas for the first year that such quotas are available.

KARL EIGIL ENGEDAL HANSEN AND HIS WIFE AND CHILD

The bill (S. 701) for the relief of Karl Eigil Engedal Hansen and his wife Else Viola Agnethe Hansen, and their minor child, Jessie Engedal Hansen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jessie Engedal Hansen, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ERWIN WIEDENHOFER

The bill (S. 718) for the relief of Erwin Wiedenhofer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Erwin Wiedenhofer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MR. AND MRS. DELIO A. LOO MURGAS

The bill (S. 731) for the relief of Mr. and Mrs. Delio A. Loo Murgas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mr. and Mrs. Delio A. Loo Murgas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

RICHARD RHEN-YANG LIN AND HIS WIFE

The bill (S. 786) for the relief of Richard Rhen-Yang Lin and his wife, Julia Lam Lin, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Richard Rhen-Yang Lin and his wife, Julia Lam Lin, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this section, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

MANUEL SOUZA NOVO

The bill (S. 805) for the relief of Manuel Souza Novo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Manuel Souza Novo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FETHI HEPCAKICI

The bill (S. 853) for the relief of Fethi Hepcakici was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, That, for the purposes of the Immigration and Nationality Act, Fethi Hepcakici shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

STEPHEN KUANG-TAO HSU

The bill (S. 1098) for the relief of Stephen Kuang-Tao Hsu was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Stephen Kuang-Tao Hsu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon

payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HAROLD GEORGE JACKSON

The bill (S. 1179) for the relief of Harold George Jackson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Harold George Jackson may be admitted to the United States for permanent residence, if he is found to be otherwise admissible under the provisions of such act: *Provided*, That the provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

JOHN NICHOLAS CHRISTODOULIAS

The Senate proceeded to consider the bill (S. 1167) for the relief of John Nicholas Christodoulias, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, John Nicholas Christodoulias shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. JOHN WILLIAM BRENNAN

The bill (H. R. 1863) for the relief of Mrs. John William Brennan was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BARRETT. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. EASTLAND. Mr. President, this bill, as proposed to be amended, would waive a 1-day lateness in the filing by a World War I veteran of an application for United States Government life insurance in the amount of $4,000, so that the Administrator of Veterans' Affairs may pay such insurance to the veteran's widow.

The record shows that on April 25, 1951, the veteran applied through the Jackson, Miss., regional office of the Veterans' Administration for a policy of Government insurance. That office was swamped with applications on that day, due to the fact that many veterans were applying for renewal of Government insurance policies, as well as for reissuance of policies prior to enactment of H. R. 1, which became Public Law 23, 82d Congress, on April 25, 1951. An important provision of H. R. 1 prohibited the issuance of Government insurance on ex-servicemen after the enactment of H. R. 1. According to the record, the veteran was advised by the Jackson office to go back to his home in Brookhaven, Miss., and have the physical examination made by a doctor there. He thereupon returned home the same day and arranged for a private physician to conduct the physical examination, as a result of which the application for insurance, the doctor's certificate, and the first premium were forwarded to the Veterans' Administration at Washington on the next morning—1 day after the deadline.

The committee felt that this veteran was a victim of circumstances beyond his control and that he was denied the same rights obtained by others who were in line ahead of him on April 25, 1951.

Mr. BARRETT. Mr. President, I thank the Senator from Mississippi for his explanation of the bill.

I have no objection to the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 10, after the name "Senior," to insert a colon and "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

AUGUSTA J. STRIGGA

The Senate proceeded to consider the bill (H. R. 2046) for the relief of August J. Strigga, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "act," to strike out "in excess of 10 percent thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

JAMES L. BOSTWICK

The Senate proceeded to consider the bill (H. R. 3322) for the relief of James L. Bostwick, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after "1955", to strike out the colon and "*Provided*, That no part of amount appropriated in this act in excess of 10 percent thereof be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

ANNA TERESA STEINHAUSER AND DOMINIC PAUL STEINHAUSER

The Senate proceeded to consider the bill (S. 93) for the relief of Anna Teresa Steinhauser and Dominic Paul Steinhauser, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Dominic Paul Steinhauser (Hiroshi Tsuruda), shall be held and considered to be the natural-born alien child of Master Sergeant and Mrs. Paul W. Steinhauser, citizens of the United States.

Sec. 2. That, notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act, the alien, Dominic Paul Steinhauser (Hiroshi Tsuruda) may be granted a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act and upon compliance with such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Dominic Paul Steinhauser (Hiroshi Tsuruda)."

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ELLENDER. Let the bill go over.

Mr. BARRETT. Mr. President, by request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American

Financial Agreement of December 6, 1945, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. ELLENDER. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

That concludes the call of the calendar.

Mr. ELLENDER. Mr. President, what became of Calendar No. 162, House bill 4939, relating to the conveyance of certain property in Juneau, Alaska?

The PRESIDING OFFICER. That bill was passed earlier.

Calendar No. 161, Senate Joint Resolution 72, relating to amendment of the Anglo-American Financial Agreement, was passed over.

CONSIDERATION ON TOMORROW OF OMNIBUS FLOOD-CONTROL BILL

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that I am informed that Senate bill 497, the omnibus flood-control bill introduced by the Senator from New Mexico [Mr. CHAVEZ], on behalf of himself and other Senators, has just been reported to the Senate. Copies of hearings on the bill and copies of the report will be available. If that is the case, I expect to request the Senate to proceed to the consideration of the bill tomorrow.

ORDER FOR ADJOURNMENT TO TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until tomorrow, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 161, Senate Joint Resolution 72, to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That section 1 of the act of July 15, 1956 (60 Stat. 535; 22 U. S. C. 286*l*) is hereby amended by changing the period at the end thereof to a comma and adding the following, "and the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, amending said agreement is hereby approved."

The PRESIDING OFFICER. The joint resolution is open to amendment.

ESTABLISHMENT OF ADDITIONAL POSTAL STATIONS AT STATIONS OF THE ARMED FORCES

Mr. JOHNSON of Texas. Mr. President, I should like to inquire whether the distinguished senior Senator from South Carolina [Mr. JOHNSTON] is prepared to have the Senate proceed at this time to the consideration of Calendar No. 111, Senate bill 913, relating to the establishment of additional postal stations at stations of the Armed Forces.

Mr. JOHNSTON of South Carolina. I am.

Mr. JOHNSON of Texas. Then, Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 111, Senate bill 913.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 913) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, which had been reported from the Committee on Post Office and Civil Service, with an amendment, on page 1, after line 5, to insert:

SEC. 2. The paragraph relating to basic compensation of employees of Senate committees in the Legislative Appropriation Act, 1956, is amended by striking out "the basic compensation of 1 employee of each such committee may be fixed at any rate not in excess of $8,460 per annum" and inserting in lieu thereof "the basic compensation of 2 employees of each such committee may be fixed at any rate not in excess of $8,460 per annum."

So as to make the bill read:

Be it enacted, etc., That the first section of the act of March 10, 1952 (66 Stat. 23, 39 U. S. C. 160, note), is hereby amended by striking out the second sentence.

SEC. 2. The paragraph relating to basic compensation of employees of Senate committees in the Legislative Appropriation Act, 1956, is amended by striking out "the basic compensation of 1 employee of each such committee may be fixed at any rate not in excess of $8,460 per annum" and inserting in lieu thereof "the basic compensation of 2 employees of each such committee may be fixed at any rate not in excess of $8,460 per annum."

Mr. JOHNSON of Texas. Mr. President, will the distinguished senior Senator from South Carolina give us an explanation of the bill?

I should like to announce, for the information of all Senators now present, that previously an announcement was made concerning this bill.

Mr. ELLENDER. When was the announcement made?

Mr. JOHNSON of Texas. Some time last week.

Mr. ELLENDER. Did it appear in the RECORD?

Mr. JOHNSON of Texas. Yes.

Mr. ELLENDER. I did not see it, and I asked to be notified about the bill.

Mr. JOHNSON of Texas. Mr. President, this is the first information I have had that the Senator from Louisiana was interested in Calendar III, Senate bill 913.

Mr. ELLENDER. Well, I objected to its consideration the last time it was called up. I have no objection to the bill; my objection is only to the amendment which is sought to be added to the bill.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Louisiana will refer to page 4201 of the CONGRESSIONAL RECORD for March 22, last Friday, he will observe that notice was given that I intended to ask unanimous consent that Calendar 111, Senate bill 913, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, be considered by the Senate following the call of the Calendar.

If the Senator from Louisiana prefers to have the Senate act first on the joint resolution relating to amendment of the Anglo-American Financial Agreement, I shall request that that be done.

Perhaps the Senator from South Carolina will give us an explanation of Senate bill 913, and then we can see whether it will be possible to work out the situation.

Mr. JOHNSTON of South Carolina. Mr. President, as I understand, there is no opposition to Senate bill 913 as introduced, but there may be some questions regarding the bill as reported. I shall be glad to explain the bill.

At the present time the law gives the Postmaster General the right to establish postal stations at military camps or other strategic installations. However, such authority rule expires on March 10, 1957. In the interest of more efficient and economical operation of postal facilities necessary to serve installations of the Armed Forces, both the Post Office Department and the Department of Defense asked that the authority be extended on a permanent basis. Section 1 of the bill will accomplish this purpose.

I do not think there should be any opposition to that provision. The committee was unanimous regarding it. The committee was also unanimous regarding the committee amendment which appears as section 2 of the bill as reported.

It will be found that section 2 will allow each committee of the Senate to pay 1 more of its employees a salary of $14,300, instead of $13,600. The amendment does not provide for additional employees, but merely provides for an increase in the compensation of one employee already authorized.

I desire to call attention to the fact that in the House of Representatives committee chairmen are restricted only by the $14,800 ceiling in fixing the pay of professional staff employees. Senators will find that most of the employees of the House committees are being paid $14,800. In these circumstances, the Senate committees are losing some of their staff members, who will not remain with the Senate committees when they are able to receive increased pay for doing the same work for the House committees.

Under the amendment, another member of the staff of each Senate committee could be paid $14,300, instead of $13,500. The amendment will allow the chairman of each committee to make that salary increase if he wishes to do so. If he does not wish to do so, he will not have to. But under the amendment he will be able to do so if he wishes—for instance, in an emergency situation.

Mr. ELLENDER. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. ELLENDER. Did the committee report the amendment? As a matter of fact, the amendment which the Senator from South Carolina seeks to add to the bill is extraneous to the bill and has no connection at all with it. Is that not correct?

Mr. JOHNSTON of South Carolina. It was in S. 913 as reported by the committee.

Mr. ELLENDER. But the bill itself has nothing to do with the salaries of employees of Senate committees.

Mr. JOHNSTON of South Carolina. However, a number of Senators have expressed approval of the provision. It was approved unanimously by the full Committee on Post Office and Civil Service.

Mr. ELLENDER. Mr. President, can the Senator not wait until the legislative appropriations bill is before the Senate, so the matter can be taken up in the regular order? That is all I am asking for.

Mr. JOHNSTON of South Carolina. The Committee on Civil Service and Post Office passes on salaries. I do not know whether there will come before the committee any proposed legislation in regard to legislative salaries.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the House bill, H. R. 4815, which is Order No. 130, be substituted for the Senate bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 4815) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the House bill which was previously offered by the Senator from South Carolina. [Putting the question.]

Mr. ELLENDER. Mr. President, just a moment. I am asking for recognition.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. ELLENDER. As I indicated last week, I have no objection to the bill as it was reported by the committee. What I am objecting to is the amendment that is sought to be added to the bill by the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I want to correct that statement. The House bill referred to by the Senator from Louisiana was not reported by the committee. The bill that was reported from the committee unanimously, contained the provision to which the Senator objects.

Mr. ELLENDER. The amendment that is sought to be added to the bill has absolutely and positively nothing to do with permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces and at defense or other strategic installations, and for other purposes. I thought the amendment was added by the Senator from South Carolina, but he states the amendment was added by the committee.

Mr. JOHNSTON of South Carolina. The amendment was not added by me, but by the full committee.

Mr. ELLENDER. As I recall, the other day the Senator added the amendment.

Mr. JOHNSTON of South Carolina. No. To repeat. The amendment was added by the full committee.

Mr. ELLENDER. I should like to have an opportunity to look into the matter. I regret very much that I was not on notice that this bill was to be taken up today, but I suppose that in reading the RECORD it did not occur to me that a bill bearing the title this one does would also involve raising the pay of committee clerks.

Mr. JOHNSTON of South Carolina. The report of the committee has been on the desks of Senators for days.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JOHNSON of Texas. I should like to accommodate the Senator from Louisiana. I wonder if it would be agreeable to the Senator from South Carolina if we proceeded to another bill. Perhaps he and the Senator from Louisiana can have a conference about the bill. At least, the Senator from Louisiana would have some time to get together whatever material he wants on the bill, and the Senate can take it up at a later date. I assure the Senator I will not delay action on the bill, but I do not want to ask the Senator from Louisiana to go ahead on a measure on which he needs further preparation.

Mr. ELLENDER. The position I took the other day when this subject first came up, I may state to the majority leader, was that the amendment had no business being attached to this bill. It is a proposal that should go in the legislative bill when it reaches the Senate. I thought that would be done. That is all I am asking for. Every now and then a Senator bobs up and states that we ought to cut expenditures here and there and economize here and there; but the bill under discussion would add quite a bit of expense to the running of each committee. It would permit a committee chairman to raise the salaries of some of the clerks.

Mr. JOHNSTON of South Carolina. Just one.

Mr. ELLENDER. Even if it affects only one, it ought to be done in the regular order. It ought to be included in the legislative bill, not attached as a rider to general postal legislation. That is all I am pleading for. I thought that would be done, Mr. President.

Mr. JOHNSTON of South Carolina. I do not see how the Senator from Louisiana can become any more enlightened on the proposal than he is at the present time. The committee took action on it, and was unanimous in reporting the bill in its present form, and I believe it to be appropriate and correct.

Mr. ELLENDER. Let me state to my good friend from South Carolina that we have a committee which regularly takes care of such proposals. The Senator's committee has not anything to do with authorizing an increase in the ceiling in salaries which can be paid to committee clerks, or anything like that.

Mr. JOHNSTON of South Carolina. So far as the Senate Post Office and Civil Service Committee is concerned, it can regulate all salaries, from the President's down, and it has been doing that heretofore, to my own knowledge.

Mr. ELLENDER. The Senate Appropriations Committee has been attending to nearly all of such matters, as long as I have been in the Senate, whenever the legislative appropriations bill comes before us. To the best of my knowledge, we have never approached the issue of raising pay ceilings except through the Committee on Appropriations in connection with the legislative appropriations bill.

Mr. JOHNSTON of South Carolina. The Senator will find that, under the Reorganization Act, our committee has the right to set the salaries of everyone who works for this Government of ours, even the salary of the President of the United States.

The PRESIDING OFFICER. The question is——

Mr. ELLENDER. Mr. President, I will ask that the bill go over until I have time to look further into it. I did not know the matter was coming up this morning. I have been very busy. For that reason I ask that it go over until I am able to look into it further.

Mr. JOHNSTON of South Carolina. I should like to call one matter in regard to the bill to the attention of the Senator from Louisiana. The provision does not make it compulsory for any chairman of a committee to increase any salary. It merely leaves it optional with the chairman to increase the salary of one of the committee staff.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. JOHNSON of Texas. Mr. President, I wonder if my friend from South Carolina would be agreeable to having the Senate lay the bill aside temporarily.

Mr. JOHNSTON of South Carolina. I do not object. Let the Senator from Louisiana look into it further, if he cares to.

Mr. JOHNSON of Texas. I hope that will be agreeable to the Senator from South Carolina, because I can understand the problems confronting the Senator from Louisiana. He is very cooperative with the leadership, and with all committee chairmen. He feels very deeply in this matter, and I appreciate his feelings. I think that if the distin-

guished Senator from South Carolina will go along with the request, it will be helpful to all of us.

Mr. JOHNSTON of South Carolina. In all fairness to the chairman of committees, I think the Senator will find that not more than half of them are using the limitation to which they can go in regard to salaries at the present time.

Mr. JOHNSON of Texas. Let us proceed to the consideration of order No. 161, Senate Joint Resolution 72, to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

We shall have a quorum call. There will be some discussion on that joint resolution. We have sent for the distinguished Senator from Arkansas [Mr. FULBRIGHT]. At the conclusion of the consideration of order No. 161, Senate Joint Resolution 72, I hope the Senator from South Carolina and the Senator from Louisiana may have adjusted their differences or found some area of agreement, or at least have had an opportunity to do so, while we are considering the joint resolution. Is that agreeable to the Senator from South Carolina?

Mr. JOHNSTON of South Carolina. That is agreeable to me.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate resume the consideration of order No. 161, Senate Joint Resolution 72. I may say this matter has been previously cleared with the minority leader.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the joint resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

MARYLAND DAY—VISIT TO THE SENATE BY MISS ILONA GALE ELY, MARYLAND CHERRY BLOSSOM QUEEN

Mr. BEALL. Mr. President, this is a big day in Maryland. Three hundred and twenty-three years ago today Lord Calvert landed at the point where St. Marys City now stands, and founded what subsequently became the State of Maryland.

Today is Maryland Day. We are also very happy today because Maryland has chosen as her cherry blossom princess, Miss Ilona Gale Ely, who is now in the Senators' family gallery. It is an honor and a pleasure to present her to the Senate. I will ask Miss Ely to stand.

[Miss Ely rose, and was greeted with applause.]

EXTENSION OF CORPORATE NORMAL-TAX AND CERTAIN EXCISE-TAX RATES—REPORT OF A COMMITTEE

Mr. BYRD. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and I submit a report—No. 183—thereon.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. JOHNSON of Texas. Is this the bill for the continuation of the excise taxes?

Mr. BYRD. That is correct.

Mr. JOHNSON of Texas. When would it be agreeable to the Senator to have it considered? I assume that the report will be printed and that hearings will be available by Wednesday. Would it be agreeable to the Senator to have the bill considered Wednesday?

Mr. BYRD. That would be a very appropriate time. The bill must be signed by the President before April 1. The report will be available by Wednesday.

Mr. JOHNSON of Texas. If the report is available, and if the printed hearings are available, I should like to serve notice that the Senate will proceed to the consideration of the bill at as early a time as possible. We have the flood-control bill to consider tomorrow. I assume the material on that bill will not be available until Wednesday, so I plan to make the excise-tax bill the unfinished business on Wednesday, and continue with its consideration until we have completed action on the bill, if that is satisfactory.

Mr. BYRD. That is satisfactory to me. The hearings have been printed and mailed to each Member of the Senate.

The only change made in the House bill was to extend the excise taxes until July 1, 1958—in other words, for 15 months instead of 12 months.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

The Senate resumed the consideration of the joint resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open fo amendment.

Mr. FULBRIGHT. Mr. President.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The clerk will state the pending business.

The CHIEF CLERK. Calendar No. 161, Senate Joint Resolution 72, to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

Mr. FULBRIGHT. Mr. President, Senate Joint Resolution 72 would approve the proposed amendment to the Anglo-American Financial Agreement of 1945.

This amendment, signed by Secretary of the Treasury Humphrey and Sir Harold Caccia, British Ambassador, on March 6, 1957, would change the terms of repayment of the $3,750,000,000 loan made under the 1945 financial agreement. It would permit postponement of not more than seven future installments of principal and interest and postponement of the interest due December 31, 1956, instead of the cancellation of interest provided for in the 1945 agreement under certain conditions specified in the agreement.

Approval of this amendment was recommended by the President in his message of March 6, 1957. The Banking and Currency Committee held a public hearing on the resolution a week ago Friday at which Secretary Humphrey and Acting Deputy Under Secretary of State Kalijarvi testified in favor of the resolution, and Under Secretary of the Treasury Burgess was also present.

The committee reported the resolution out unanimously.

Under the original agreement the British borrowed $3,750,000,000. This was to be repaid in 50 installments beginning December 31, 1951, and ending December 31, 2000, including interest at 2 percent per year. At the same time the lend-lease and surplus property transactions with the United Kingdom were settled under arrangements by which the principal due to the United States, $622 million, was to be repaid on the same terms as the repayment of the loan.

The United Kingdom made the annual payment of principal and interest of $138,400,000 called for under these arrangements, up to December 31, 1955—amounting to about $291 million of principal and $424 million of interest. The principal due December 31, 1956, was paid. However, because the United Kingdom claimed its right under the waiver provisions of the agreement, the interest then due, $81,600,000, was set aside in the Federal Reserve Bank of New York, until the matter of the waiver might be determined.

The 1945 agreement contained elaborate and complicated provisions setting forth circumstances under which the United Kingdom would be entitled to cancellation of the interest payment due in any year. The general principle involved, as stated in the agreement, was that interest would be canceled if

"the Government of the United Kingdom finds that a waiver is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves."

The detailed provisions and limitations relating to the waiver are extremely complicated. Secretary Humphrey explained them at length during the hearing. It is enough, I think, to say that they were based on anticipated future developments which have not eventuated.

The result is that it is now impossible, for all practical purposes, to say whether the conditions prescribed for the waiver have or have not been satisfied.

The fact that these waiver provisions have become obsolete and in fact meaningless has been recognized for a number of years. As long ago as September 1953, Secretary Humphrey and Under Secretary Burgess discussed with British officials the need for a revision of these provisions, and the matter was discussed repeatedly in the following years.

When the United Kingdom claimed its rights under the waiver provision in December 1956, the need for revision could no longer be postponed, and further discussions resulted in the amendment of March 6, 1957.

The amendment eliminates these technical difficulties by what appeared to the committee a sound and businesslike revision of the terms of the agreement.

The amendment would permit the Government of the United Kingdom, in any calendar year after 1956, to defer the payment of the $138,400,000 annual installment of principal and interest for that year, if the United Kingdom finds this necessary in view of the present and prospective position of international exchange and the level of its gold and foreign exchange reserves. No more than seven annual installments of principal and interest could be deferred. The first such deferred installment would be paid on December 31, 2001, and the others in succeeding years. The installment of interest for 1956 would be deferred to December 31 of the year following the last installment under the agreement. All deferred installments, both principal and interest, including the interest payment for 1956, would bear interest at 2 percent per year. These deferred installments might be accelerated.

The companion Canadian loan to the United Kingdom made in 1946 is being amended to provide the same postponement terms, and installments due under that loan will be deferred whenever installments are deferred under the amended Anglo-American financial agreement.

In any financial transaction, particularly one between two countries, it is desirable to eliminate any uncertainty and confusion, which might lead to dispute and ill will. The amendment accomplishes this desirable result.

From a financial point of view, it seems entirely possible that the United States would gain from this amendment. As things stand now, the agreement provides that, if the waiver conditions are met every year from now to the year 2000, the United Kingdom would be entitled to waivers of interest totaling over $2 billion. This, of course, is an outside figure, as the waiver conditions would probably not be met every year. Under the amendment the United Kingdom would give up entirely its rights to these waivers.

In return, under the amendment the United States would agree to postponement of the $81,600,000 of interest due December 1956 to no later than December 31, 2008, and agrees to possible postponement to no later than December 31, 2007, of no more than 7 annual installments, both principal and interest, each amounting to $138,400,000. In the meanwhile the United States will receive interest at 2 percent per year on all deferred amounts.

As a financial transaction, this seems like a very satisfactory arrangement from the point of view of the United States. And it also seems an extremely satisfactory way to eliminate a source of disagreement and argument over an obsolete and confusing provision.

Accordingly, I urge the Senate to approve Senate Joint Resolution 72.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. REVERCOMB. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield.

Mr. REVERCOMB. The Senator has made a very clear statement upon a subject which is of interest to the people of this country. The press has carried statements concerning the matter of the cancellation of the interest due by the British upon this debt. As I understand—and I hope the Senator from Arkansas will correct me if I am in error—there is to be no cancellation of the interest, but merely a postponement of the payment of it.

Mr. FULBRIGHT. The Senator is correct.

Mr. REVERCOMB. Furthermore, the prior agreement, which permitted a rebate under certain conditions, or required the foregoing of the interest, is to be changed, is it not?

Mr. FULBRIGHT. That is correct. The joint resolution approves the amendment of the old conditions, and eliminates the provision for cancellation of interest payments.

Mr. REVERCOMB. Under the joint resolution reported by the distinguished Senator from Arkansas, the payment of the interest would be postponed and not more than a total of seven of the installments upon the debt could be postponed.

Mr. FULBRIGHT. The Senator is correct.

Mr. REVERCOMB. I thank the Senator.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. I congratulate the chairman of the Committee on Banking and Currency upon his able presentation of this subject. I join with him in his endorsement of the proposed legislation and express the hope that it will pass without opposition, as I believe it was reported without opposition by the Senator's committee.

It is my understanding that this matter has been brought to a head gradually, but perhaps more so on account of the developments last fall, when the British found themselves caught in somewhat of a monetary squeeze due to a threatening of their income on account of the events in the Middle East. It was perhaps the latter development which brought this matter to a head; for it came on top of developments some 7 or 8 years ago when the pound was devalued, thus making it more difficult for the British, for a few years after the establishment of this agreement, actually to live up to the terms of the agreement.

In agreeing to this amendment to the financial agreement, we are taking into account the increased difficulties which have been encountered by our strongest and best ally in the world today, as I am certain she has been for many years past. In doing so, we are recognizing, certainly, that we are not going to fail a strong ally merely because she happens to be a strong one, but that in the time of her need it is incumbent upon us to recognize her situation and to make the adjustments which may seem necessary to maintain her strength.

Since I believe that is the policy behind the proposed rearrangement, I think the committee has evolved an agreement which is a very satisfactory one, indeed, and is one in which the United States has secured a definite quid pro quo, as the Senator from Arkansas so clearly outlined, in the form of a waiver by the British of her rights under the present agreement.

I again wish to join with the Senator from Arkansas in the hope that the joint resolution will be passed without opposition.

Mr. FULBRIGHT. For the RECORD, I call attention to the bottom of page 21 of the committee hearings, which deals with one aspect of the Senator's comments, namely, that the matter of the revision of the agreement has been before the Treasury since 1953. The Suez matter merely made the situation more urgent in bringing it to a head. The Senator from Connecticut has correctly stated the situation as it was outlined in the testimony.

Mr. BUSH. I agree fully with the Senator. I thank him for making that point clear.

Mr. JAVITS. Mr. President, will the Senator yield for an observation?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. We hear much about the help which is given to the underdeveloped areas of the world. I do not think nearly enough attention has been paid to the grave financial problems which Great Britain is facing because its economy has been seriously shaken. Whatever shakes the economy of Great Britain shakes the economy of the world.

I do not think any American can ever forget that the Credit Anstalt failure in Vienna in about 1931 or 1932 touched off the worst of the great depression.

I hope I may be permitted to make the observation to the distinguished chairman of the Committee on Banking and Currency that some attention should be paid in a constructive way to the overall financial situation of Great Britain; that the United States will not be carried away by their own pride concerning their condition, because the fortunes of the entire world are almost as much at stake as our own fortunes are.

I hope that we will take as hard and thorough a look at the needs of Great Britain and do what we can to help them, both by way of suggestion and by way of our influence, especially by way of our cooperation, as we are doing in respect of the underdeveloped areas, about which we are doing far more than we are doing about the particular matter which the Senator from Arkansas has brought up today.

Mr. FULBRIGHT. I thank the Senator from New York for his contribution. I think he is quite right in his observations.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. I wish to inquire of our eminent chairman about the meaning of the last sentence on page 4 of the committee report, some five lines from the bottom of the page, in which it is stated:

> Interest will in the meantime be paid annually at 2 percent on all deferred amounts.

Mr. FULBRIGHT. The statement of the Senator from Illinois is correct.

Mr. DOUGLAS. It says that interest will in the meantime be paid annually at 2 percent of all deferred amounts.

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. Will that be 2 percent on the interest which is deferred, as well as on the principal?

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. So the Government of the United States and the taxpayers of the United States will not ultimately lose anything, by means of this proposal; is that correct?

Mr. FULBRIGHT. If this agreement is carried through to the end, it will not cause any loss, whereas under the existing agreement, under certain conditions there would be a right of complete cancellation of the interest.

Mr. DOUGLAS. In other words, interest will be paid on the interest which is temporarily postponed; is that correct?

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. I thank the Senator from Arkansas.

Mr. FULBRIGHT. That was made very clear in the hearings; I asked that direct question of the Secretary, and received an affirmative reply from him.

Mr. ELLENDER. Mr. President, almost 11 years ago, while the subject of this same British loan was under consideration by the Senate, I pointed out that this advance would only be a stopgap measure—a mere shot in the arm for the then-troubled economy of the United Kingdom—and that it would not solve existing problems. I further stated that in order to keep the British economy afloat, we would be compelled to pour more billions of dollars into her economic bloodstream. The RECORD will show that I opposed the making of this loan, not because I felt any animosity toward our British cousins, but because I felt that the granting of this loan would only prolong the agony, so to speak—that the British economy had become so dislocated that there was no hope that Britain would ever be able to regain her once powerful place in international trade, unless she took drastic corrective action.

Events since that time have borne out my prediction. Since this loan was made, we have made grants to the British of nearly $4 billion; and we have made other loans totaling over $1 billion. The British, Mr. President, have been provided a grand total of over $8½ billion from the United States Treasury since July 1, 1945. This figure does not include the staggering sum of $28.7 billion we made available to the United Kingdom during World War II in lend-lease and other goods. As Senators know, this lend-lease indebtedness was settled by our Government at about 10 cents on the dollar, payable over a period of many years, and the proceeds had to be spent in the United Kingdom under certain stipulated conditions.

Mr. President, I am not going to vote against this joint resolution, because I understand and appreciate the fact that the proposal before us represents the only hope—although dim—we have of ever obtaining repayment on the loan we made in 1946. However, I think the Senate should realize and understand that the precise situation some of us predicted 11 years ago has come to pass. Senators who were present during that debate will recall that this loan was made on the theory that it would tide over the British during the 3 or 4 postwar years required for the readjustment of international trade; the theory was that this sum would help to put Britain on her feet.

Events since that time demonstrate the precise fact which I and other Senators attempted to emphasize 11 years ago, during the debate on this loan—namely, that there is no more hope of restoring the United Kingdom to economic health with American dollars than there is of pumping life into a dead horse.

What has happened to the United Kingdom since 1946, Mr. President? Her population has increased by nearly 2 million despite the fact that the world has long known that Britain cannot hope to survive unless she reduces her population by encouraging migration of her population to other parts of the world.

The British gross national product has increased by some 8 billion pounds; but during the same time, the British national debt has increased by over 5½ billion pounds. The British balance of trade position still shows a deficit, although the negative balance is considerably less than it was in 1946.

The point I wish to make, Mr. President, is that Britain has been able to keep her head above water only because the United States has poured billions of dollars on top of billions of dollars in economic aid into the British economy. We have also assisted her in carrying her rearmament load, and the presence of thousands of United States soldiers in the United Kingdom has helped considerably. However, Mr. President, let us not forget that today Britain is cutting back on her contribution to the North Atlantic Treaty Organization. She is going to pull troops back from Europe and reduce her defense budget. Yet, Mr. President, what is America doing? We are not undertaking to convince the British to do more for themselves. On the contrary, we are now going to provide the British with guided missiles, at tremendous cost. We are also going to provide atomic warheads for these missiles—warheads which will be stockpiled in Great Britain, in order to be used should the need to do so arise.

I need not remind the Senate that the British loan agreement before us today was, and still is, a highly favorable one. The joint resolution we are called upon to approve would make it even more so.

For example, this loan was approved in July of 1946. The British began drawing upon the line of credit then made available in the same month; her last draft was made on March 1, 1948. The British did not begin paying interest on the indebtedness until 1951. We are told that some 2 or 3 years ago—in 1953, to be exact—the British contacted our Government and requested a waiver of interest under the 1946 agreement. In other words, Mr. President, only 2 years after payments began to fall due under this agreement, the British found themselves in a position where they sought to invoke the waiver-of-interest provision. Now, less than 6 years after the first payment became due, we are having to rewrite the agreement, in order to keep the British from facing the prospect of bankruptcy. In other words, we find ourselves with such a heavy investment in the United Kingdom that we must further liberalize an already liberal agreement, in order to keep alive the prospect of realizing at least something on that investment.

I think the Senate should understand, too, that while this agreement was originally promulgated as a means of making currencies convertible and of liberalizing international trade between our country and the sterling bloc countries, these purposes have still not been accomplished. Senators will note that section 7 of the original agreement provides as follows:

> 7. Sterling area exchange arrangements. The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than 1 year after the effective date of this agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling area countries (apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to December 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

I understand that our State Department takes the position that the United Kingdom is in compliance with this section, inasmuch as it has not, by any legislative act or decree, maintained restrictions on the use of sterling credits by our Government and private individuals from countries belonging to the so-called sterling bloc. Yet, restrictions are still in effect.

Mr. President, although the Government of the United Kingdom has not officially applied or required these restrictions, British bankers, insurance firms, and others exert such pressure on Commonwealth nations, by virtue of their large holdings, that restrictions are maintained "voluntarily." In other words, the so-called sterling area dollar pool still exists, although as I understand section 7 of the agreement, it was to be done away with. However, our diplomats take the position that the pool's continued existence is not due to official action on the part of the United Kingdom, but, rather, because of voluntary action by member nations of the sterling bloc. Hence, technically and legally, the United Kingdom is in compliance with section 7.

Legally, this is doubtless correct; actually, I understand considerable economic and moral persuasion is exerted by the United Kingdom and its powerful financial interests to preserve and maintain the dollar pool.

The reason is simple, Mr. President. Britain is still in a bad way financially; despite devaluation of the pound in 1949, it is still not a convertible currency. Hence, the British take the position that if the dollar pool were done away with and the pound sterling made convertible, a body blow would be dealt to the British trading position and to the economic strength of the sterling bloc.

If this is correct, and I assume it is, then it is just one more indication that our wholesale economic aid to Great Britain has done no long-range good. I repeat now what I stated to the Senate 11 years ago, in 1946:

> I will not say that the proposed loan will not be of any help whatsoever to the United Kingdom, but it is going to be a mere shot in the arm. In other words, I can visualize that in the near future, this money will be absorbed by the British in order to maintain her population in the British Isles. In other words, the money will be used to replace revenues which she formerly received from shipping and from the profits she derived from various ventures throughout the world. I cannot foresee that those ventures, from which she derived so much in the way of funds with which to maintain herself in the past, will be sufficiently great in the future to maintain her.

I say the same thing today, Mr. President. The British are in a bad way. The only reason they have been able to maintain their solvency is that bountiful American assistance has permitted them to keep their heads above water.

I do not desire to see this process continue, lest we are brought down to the same economic level as the British.

I need not repeat the fact that we have a huge investment in Britain; the United Kingdom owes us large sums of money. We have granted to the United Kingdom tremendous amounts of economic and military aid. I do not believe our country should become a Shylock, and seek a pound of flesh, but I do think the United Kingdom should be urged to take steps to correct the faults which presently plague her economy. The United Kingdom must reconcile itself to the fact that it cannot maintain the standard of living to which it has become accustomed, without taking drastic action. It is tragic but true, Mr. President, that because of overpopulation, the people of Great Britain are not able to make their maximum contribution to the welfare of the world. The British people are possessed of great talents and great technological skills. If British know-how were exported to some of her underdeveloped dominions, or to other backward areas of the world, not only the British would benefit, but the future welfare of other nations would be greatly enhanced.

That is what I advocated 11 years ago. It is a great pity that the talent that is now available in Great Britian is not sent to her colonies and members of the Commonwealth abroad, so that it can be used to best advantage. Britain should begin reducing her population, by exporting some of her people to her dominions. She should undertake to cooperate more fully with other nations with respect to free international trade. As Britain's greatest creditor, and because of our huge investment in the United Kingdom, we should certainly take steps to see that Britain undertakes to do more for herself. Otherwise, we shall certainly lose the huge amounts we have poured into that country since World War II.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Did I understand the Senator to say, in his prior statement, that the British had waived interest in 1953?

Mr. ELLENDER. No. A request had been made to waive the interest in 1953.

Mr. FULBRIGHT. That was at the beginning of the negotiations which resulted in this agreement; was it not?

Mr. ELLENDER. No. As the Senator recalls, although the money was made available in 1946 and drafts were drawn against it through early 1948, payments for interest on the loan were not to start until 1951.

Mr. FULBRIGHT. That is correct.

Mr. ELLENDER. I am informed that 2 years after 1951, in 1953, the British did ask for a postponement of interest, but nothing came of that until later. However, negotiations began in 1953.

Mr. FULBRIGHT. The matter now before the Senate came of it. According to the Secretary of the Treasury, that was when the question of the meaning of the waiver provisions was first raised, and negotiations resulting in the agreement now before the Senate came of it, one might say. That is what the Secretary testified. Negotiations resulting in this amendment to the agreement began about 1953.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. The Senator from Louisiana has made a most persuasive comment on the matter pending before the Senate. I should like to call his attention to a dispatch from this morning's Washington Post and Times Herald, calling attention to a strike in Britain of 1,200,000 workers. The article concludes:

> The first phase of the factory workers' strike is hitting aircraft, electrical, and heavy industry plants in 10 industrial areas from Belfast to the North Sea and from Glasgow to Southampton.

Mr. ELLENDER. I would not be at all surprised if we do not hear more of the loan. This is not the last we will hear, I suspect. It may be, after 7 years' grace have expired, they are going to come back. There is no doubt about that. I would not be at all surprised if within the next 12 months we were asked to furnish some more dollars to the United Kingdom to keep her afloat. Everything I predicted 11 years ago is coming to pass. Stop to think of these facts: The population of the United Kingdom is increasing today at the rate of a quarter of a million persons a year. The British Isles have very little in the way of natural resources. I am referring to the United Kingdom. The British have no natural resources of any kind except coal, which is very expensive to mine, and about a seventh or an eighth of their iron ore requirements.

Britain produces about 42 or 43 percent of her food. Everything else she must import. She must bring it in in ships and spread it over England, Northern Ireland, Scotland, and Wales, where the factories are, manufacture the goods in antiquated shops, and then sell the manufactured products on the world market in competition with countries which have more modern machinery, and which have the raw products in their own backyards. How in the name of commonsense can the British compete in world trade? They simply cannot.

The very thing which I predicted 11 years ago is coming to pass. The money which we made available to the United Kingdom 11 years ago did not last 3 or 4 years, as the proponents of the measure said it would. As I recall, at the end of 18 months they were in hot water.

I well remember one of the chief arguments advanced, which I presume prompted many Senators to vote for the British loan. That argument was that we would do away with the sterling bloc, and have freer trade. Eleven years have passed, and the situation is the same as it was before.

Today if the sterling bloc had been eliminated, we could trade with quite a number of sterling countries of Asia. We could sell to these countries, and we could sell to countries in the Far Pacific many of the surplus commodities which we have, and accept from those countries their own currencies. In turn, we could take those same currencies, if we so desired, and buy the things we need. But the sterling bloc, the dollar pool, still remain. Now, as before, when we want to purchase goods with pounds instead of dollars, the British step in and say, "No; you cannot do it that way. If

you need rubber from Malaya, or if you need tin from Malaya and other places, you must buy it with dollars." They will not accept the British pound.

Eleven years ago this loan was made in order to do away with that situation. But it still exists, and my prediction is that it will never be done away with.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. The same thing is true with respect to cotton, is it not?

Mr. ELLENDER. The Senator is correct.

I wish now to refer to a few more facts in connection with loans to the British. It will be recalled that during World War I we loaned to the British $4,368,000,000. That was canceled out entirely. The reason for it, according to information I obtained from the Legislative Reference Service of the Library of Congress, was that when Germany notified our European Allies in 1934 that she would no longer pay reparations, the Allies notified the United States that they would no longer be able to pay their indebtedness to the United States. In 1935 the debts were, as a matter of practical effect, written off. As to the United Kingdom, if the indebtedness had continued to exist and draw interest, the amount due the United States today, including interest, would approximate $8 billion. The debt was forgiven.

In World War II the aid given to Great Britain, mostly by way of lend-lease, amounted to $28,616,955,000. As I recall the figures, a little more than $6½ billion worth of merchantable commodities, such as oil and various other materials, were left on hand when hostilities ended. We also had a great many airplanes over there, which were not worth too much. We had total assets in Great Britain in excess of $6½ billion.

What we did was to let the British have those assets for 10 cents on the dollar, and, even to obtain this meager return, we had to agree to certain conditions. For example, how must we spend that money? We must spend it in the United Kingdom, by building embassies and other structures, and helping, through the Fulbright scholarship program, to educate the British.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Of the $622 million surplus property and lend-lease settlement, which the British agreed to repay in 1945, only $50 million was allocated to be spent in pounds for various purposes. Among them were the purposes which the Senator mentioned, including cost of buildings, the exchange program, and so forth. Of the $50 million allocated for that purpose, some $23 million has not as yet been expended.

Mr. ELLENDER. The point I am trying to make, I might say, my good friend from Arkansas, is that this money cannot be freely spent. It must be spent under conditions written into the loan agreement between our country and the United Kingdom. In other words, it is not free money. We can spend it only in the United Kingdom—in England, Scotland, Wales, and Northern Ireland.

Mr. FULBRIGHT. I do not wish to argue with the Senator, but I wish to make clear the reason for that imbalance in payments. Until the British find a favorable balance of trade, which would create a free currency in England, those restrictions will prevail.

Mr. ELLENDER. I understand that perfectly. As a matter of fact, we made the loan of $3¾ billion 11 years ago; in order to bring British trade into balance and to stabilize Britain's currency. But we are still in the same spot we were 11 years ago. Of course, British trade has increased a good bit, as I shall point out in a moment, but it is still on the negative side. The pound is still not convertible.

Now, Mr. President, here is the rest of our record of aid to Britain.

Post-World War II aid consisted of: Grant, $3,763,332,000; loan, $4,782,428,000, or a total of $8,545,760,000.

As I pointed out a moment ago, conditions are just a wee bit better today than they were 11 years ago, but I predict that the United Kingdom cannot continue to keep her head above water as things now stand unless good old Uncle Sam continues to pour out dollars in order to keep her afloat.

In order to place the facts in the RECORD so that Senators may see them, I wish to state the comparative position in 1946 and in 1956.

In 1946 the population of Great Britain was 49,217,000; in 1956 it was 51,209,000.

The gross national debt in 1946 was £23,741,900,000; in 1956 it was £27,122,400,000.

The gross national product in 1946 was £8,787 million; in 1956 it was £16,874 million.

The gross national product per capita was £178.5 in 1946; and in 1955 it was £331.1.

Let us consider now the balance of payments. With all this good showing, with all the money we have been pouring into the United Kingdom, notwithstanding the fact that we now have in the United Kingdom thousands of soldiers who spend their money there pretty freely, and the fact that, in addition to all I have been speaking about, in the past 4 years we have spent in excess of $320 million to build airfields in the United Kingdom, she is still in the red.

Imports: In 1946, £1,081 million; today, £3,431 million.

Exports: In 1946, £905 million; in 1950, £3,054 million.

Invisible assets, such as tourism, and other items like that: In 1946, £168 million; in 1956, £277 million.

The net balance; that is, the balance of payments between imports and exports, in 1946—when Britain was pretty low and before we made the loan to her—minus £344 million. Today, after all we have been furnishing to Britain and all we have done for her, the figure is minus £119 million.

I ask unanimous consent that the entire statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED KINGDOM

Financial Assistance From the United States (as of June 30, 1956)

World War I loan	[1] $4,368,000,000
World War II aid	[2] 28,616,955,000
Post-World War II aid:	
Grant	[3] 3,763,332,000
Loan	4,782,428,000
Total	8,545,760,000
Total assistance	41,530,715,000

[1] When Germany notified the European Allies in 1934 that she would no longer pay reparations, the Allies notified the United States that they would no longer be able to pay their indebtedness to the United States. In 1935, the debts were, as a matter of practical effect, written off. As to the United Kingdom, if the indebtedness had continued to exist and draw interest, the amount due the United States today (including interest) would approximate $8,085,559,302.

[2] Mostly lend-lease.

[3] Actually delivered.

(Source: Legislative Reference Service, Library of Congress, Mr. Picker.)

Comparative position, 1946–56

	1946	1956
Population	49,217,000	51,209,000
Gross national debt	£23,741,900,000	£27,122,400,000
Gross national product	£8,787,000,000	£16,874,000,000
Per capita gross national product	£178.5	£331.1 (1955)
Balance of payments:		
Imports	£1,081,000,000	£3,431,000,000
Exports	905,000,000	3,054,000,000
Invisible [1]	+168,000,000	+277,000,000
Net balance	−344,000,000	−119,000,000

[1] Tourism, etc.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ELLENDER. I gladly yield.

Mr. BUSH. The Senator paints a very dire picture of our friendly ally, and I agree that it is unfortunate that Britain's fortunes should have slipped to the extent they have.

However, does the Senator not agree with me that, even so, the British represent the strongest ally we have in the cold war, in the fight against international communism, in which we are engaged, and that we are likely to remain in it for a long time to come? Does the Senator not agree that Britain represents today, in spite of her difficulties, the strongest ally we have?

Mr. ELLENDER. I do not know how my good friend from Connecticut measures strength. As I have tried to point out, during World War II we had to make available a little under $29 billion in lend-lease to support Britain. Let us not forget that if another war should come the United Kingdom will be a nation which will have absolutely no resources of any kind available to it on its islands.

Mr. BUSH. I would hardly agree with the Senator that Britain has no resources on the British Isles. What about our airbases on the British Isles? What about our storage of atomic weapons? What about our Air Force in the British Isles?

Mr. ELLENDER. It is my feeling that we could obtain such facilities somewhere else at a much cheaper rate. As a matter of fact, we have airbases all over France and all over Europe and in various other places. We have them in North Africa, and we have them even at the North Pole.

Mr. BUSH. The Senator does not feel, does he, that we would have them there unless we needed them there?

Mr. ELLENDER. No; I agree with the Senator. I hope to go into that question in a little more detail when the foreign-aid bill and the mutual-defense items come up for consideration in the Senate later.

It is my considered judgment that the Armed Services in the past have had what I would term b-u-m intelligence. I will discuss that in detail later, too. I do not wish to go into it at this time.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. Obviously it is true that the United States must maintain air bases in Britain as a part of our international defense against Communist aggression. However, is it not likewise true that Britain should recognize her own interests in maintaining those airports, from which to defend the British Isles against Communist aggression, as well as to cooperate with the United States?

Mr. ELLENDER. Five years ago we entered into an agreement with the British under which they were to provide 50 percent of the cost of rebuilding and revitalizing X number of airbases. For about 2 years they did furnish 50 percent of the cost, and the amount they contributed was, as I recall offhand, £44 million. We put up the same amount. It should be remembered that was money spent for the purpose of revitalizing existing airports.

Within 2 years the British came to us, threw up their hands and said, "We cannot put up any more money. If you need to build those airports, you will have to do it on your own." What happened? Good old Uncle Sam took on the whole burden. As a result, in addition to what we had spent under the agreement with the British, we spent an additional $320 million. All that money was in addition to the amount I have just stated. All that money has assisted in bolstering the economy of the United Kingdom.

We certainly cannot keep up spending that kind of money. If we do, we will soon drag ourselves down to the same level economically as that of the people we are trying to help. If that day comes, there will be darkness in this world.

I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, while listening to the Senator from Louisiana, I could not help remembering what happened on the floor of the Senate 11 years ago. At that time he opposed what was known as the British loan of $3,750,000,000. I, too, opposed the British loan. At that time I predicted, as did the Senator from Louisiana, that the British would ask for an extension. I also predicted that after they had obtained that extension, they would not ask for further extensions, but would ask for a cancellation of the whole amount. That is what I am now telling the Senate will happen on the next round.

It will be recalled that in 1946 we made a loan to the British, with no interest and no payment on the loan to be made until 1951. In 1951 they were to begin making payments on the principal and interest.

Now they are asking for an extension of the payment of the interest that is now due to the United States.

In my humble judgment, they are more able to pay today than they will ever be in the future. We must also remember that they will also owe the installments that will fall due under the bill passed years ago, plus the amount we are asked to extend at the present time. That will represent a heavier burden than is the case at the present time, because the British will be paying interest on what is due now and also the interest that will be due in the future.

It is true that we want the British for our allies. There is no question about that. However, at the same time, as I have said many times on and off the floor of the Senate, I do not believe we make and hold many permanent friends by giving money to them. We will find that the British will be with us in the future when it is to the advantage of the British to be with us, and only then. That will be true regardless of what we do today in connection with the measure now pending.

I commend the Senator from Arkansas [Mr. FULBRIGHT] for bringing the matter to the Senate in the form in which it was presented. I am surprised that the State Department did not try to persuade him to bring in a proposal under which we would cancel the interest due up to now and provide for starting fresh now. That is what we would expect from the British at this time. I believe it is only putting off collecting until tomorrow what we should collect today, but what we will not collect tomorrow. I wish to go on record as predicting that the next move will be not to postpone interest payments, but to cancel the amount due.

Mr. ELLENDER. I yield the floor, Mr. President.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 72) was ordered to be engrossed for a third reading, read the third time, and passed.

ESTABLISHMENT OF ADDITIONAL POSTAL STATIONS AT STATIONS OF THE ARMED FORCES

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 130, H. R. 4815, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. DIRKSEN. Mr. President, reserving the right to object, I was not present at the time the bill was considered on the call of the calendar. I notice the bill went over. I do not know who made such motion.

Mr. JOHNSTON of South Carolina. The bill went over several days ago and was taken up again today.

Mr. DIRKSEN. It was marked to go over on today's calendar call.

The PRESIDING OFFICER. The Chair is informed this bill is the unfinished business of the Senate.

Mr. FULBRIGHT. The majority leader, when he left the Chamber, asked me to request that this bill be considered. It had been the unfinished business and was set aside when the Senate proceeded to consider the joint resolution just passed.

Mr. DIRKSEN. Mr. President, I make no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. ELLENDER. Mr. President, I wish to make it plain that the matter before the Senate should be considered by the Subcommittee on Legislative Appropriations of the Committee on Appropriations, because that is the procedure which was followed when the law was changed in 1956. The change was made by virtue of a clause written into the Legislative Appropriation Act, to provide that the basic compensation of one employee of each committee could be fixed at a rate not in excess of $8,460 per annum.

I am simply stating to Senators that the Senate ought to look further into this matter, in the hope we might be able to save a little money in the operations of the Senate. It is true it is argued this change will not cost much, since it will be only $700 per committee, and the Senate has 15 standing committees, which will not mean a large total amount. However, if one adds that amount to many other small amounts, he finds the small amounts grow into a heap.

I am simply suggesting to the Senate that this matter ought to be considered in the regular manner, as such matters have been handled in the past.

I am informed that five committees have made this request. The Committee on Appropriations, I understand, made the request. I do not know where the information was obtained, but I do know it was never brought before the Committee on Agriculture and Forestry. I do not believe the Committee on Appropriations would come within this category.

The Committee on the Judiciary, of all committees, is asking that it be empowered to employ a clerk and to give that clerk $700 more than the committee is now able to pay him. However, as I pointed out some time ago, the Committee on the Judiciary, in addition to the amount of money which it spends per year from its regular appropriations, will spend this year almost a million dollars.

I observe the Senator from Arkansas [Mr. FULBRIGHT] in the Chamber. The Committee on Banking and Currency is asking for an increase, despite all the extra moneys made available to that committee for hearings that are being carried on now. The Committee on Interior and Insular Affairs is also making this request.

Mr. President, if Senators will look at the RECORD they will find that the committees which are asking for the extra money—if the list I have is correct, and I have no reason to doubt that it is—are the very same committees which have from year to year asked for more and more and more money to conduct their investigations.

Mr. President, as I have said, I plead with my good friend, the Senator from South Carolina [Mr. JOHNSTON] to permit the bill to be passed, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, without the amendment, which could be considered when the legislative appropriation bill is considered in the next couple of months.

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DIRKSEN. I should like to ask a question or two. Has there been a specific request by the Postmaster General for this legislation?

Mr. JOHNSTON of South Carolina. There has been a request for the authority contained in section 1 of the bill. The authority for this went out of existence on March 11, 1957.

Mr. DIRKSEN. Is there a specific request from the Postmaster General?

Mr. JOHNSTON of South Carolina. Yes. The Senator from Illinois will find that in the report from Mr. Stans, Acting Postmaster General.

Mr. DIRKSEN. My distinguished friend from South Carolina will remember the discussion relating to the Committee on the Judiciary this morning, as to requiring a present and projected estimate of cost. Is there a present estimate of cost?

Mr. JOHNSTON of South Carolina. So far as that is concerned, the bill had already been reported out when that matter was considered. The bill has been on the calendar for several days.

Mr. DIRKSEN. I grant that. The bill passed the House on the 4th of March.

Mr. JOHNSTON of South Carolina. It is necessary to have the installations provided for? It will mean a saving, according to the Post Office Department.

Mr. DIRKSEN. If these auxiliary stations and extra stations are established in all camps and elsewhere, obviously they must be manned by personnel.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DIRKSEN. Obviously there must be trucks to transport the mail to and from, and obviously there must be other personnel to process the mail. So this procedure will charge the 1958 budget, certainly, with an additional cost. I mention that item, because there has been a good deal of interest in the 1958 budget.

Mr. JOHNSTON of South Carolina. I should like to read from the report accompanying S. 913, before the Senator makes any such statement as that. The Postmaster General's office reports:

> In the interest of more efficient and economical operation of the postal facilities necessary to serve installations of the Armed Forces, and the defense or other strategic installations, it is the view of this Department that the authority contained in the act of March 10, 1952, should be made permanent.

Mr. DIRKSEN. If this procedure is in the interest of economy, then of course my next question would be, How much are we going to save?

Mr. JOHNSTON of South Carolina. This bill was introduced at the request of the Postmaster General, and it passed the House unanimously.

Mr. DIRKSEN. I see no minority member of the Committee on Post Office and Civil Service present in the chamber.

Mr. JOHNSTON of South Carolina. The minority members voted unanimously for the bill in the committee.

Mr. DIRKSEN. Far be it from me to belabor the matter. In line with the sentiments uttered this morning, with relation to the Committee on the Judiciary, to which we devoted a good deal of time, I did wish to mention the matter.

Mr. JOHNSTON of South Carolina. I remember the Senator's question.

Mr. DIRKSEN. I should still like to know how much, tentatively, we are either going to spend or to save. If this proposal is made in the interest of economy, there should be some evidence of saving. If it is going to require the personnel I envision to man these various stations, then there should be some hint as to how many people are likely to be added to the rolls and what the annual cost would be.

Mr. JOHNSTON of South Carolina. Mr. President, I believe the Senator from Illinois is aware of the fact that at a great many installations there are men in service who handle the post office delivery of the mail. But they do require certain places for mail service, and in some instances even pay for that. In some instances they do not pay for it.

It would be almost impossible to tell the exact cost to be involved in this matter in the future. There is no way of knowing what installations might be started or when some of the installations would go out of existence.

Mr. DIRKSEN. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DIRKSEN. Having high faith and confidence in the Postmaster General, notwithstanding the fact that he has been so roundly assailed on this floor from time to time, I am willing to stand in his corner on this matter, since the letter from the Acting Postmaster General indicates what is proposed ought to be made permanent legislation.

I still feel we ought to be supplied with some evidences of what is contemplated in the proposal and of how much we will be charged for it.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. STENNIS. Is the Senator from South Carolina proposing to offer an amendment?

Mr. JOHNSTON of South Carolina. I am not offering the amendment; the committee offered the amendment. This is a committee amendment.

Mr. STENNIS. Will the Senator yield to me for the purpose of discussing the subject very briefly?

Mr. JOHNSTON of South Carolina. I yield.

Mr. STENNIS. I happen to be the Chairman of the Legislative Subcommittee of the Committee on Appropriations. I wish to voice objection to the amendment, not so much to the substance or the merits of it, because the Legislative Appropriations Subcommittee has not considered the amendment. Something was said on the floor by the Senator from Louisiana to the effect that the full Committee on Appropriations has considered the matter. If the full Committee on Appropriations considered it, it was when the Senator from Mississippi could not be present.

Mr. JOHNSTON of South Carolina. It was the full membership of the Committee on Post Office and Civil Service which considered the amendment. That is the committee which has the authority to pass on all these matters. If the Senator will read the Reorganization Act on page 33 he will see that the Committee on Post Office and Civil Service has jurisdiction of matters of this kind.

Mr. STENNIS. I would not challenge the jurisdiction of the Senator's committee. The Senator's statement is technically correct. But for a good number of years the practical operation of matters concerning the employees of the Senate has been that the Committee on Appropriations has been the agency of this body which has really passed on the consideration of such problems as the number of staff members to be employed, or at least the compensation scale to be paid and the greatest amounts to be allowed. The reason for that, as I understand, is that such matters are more matters of comity between the two Houses than they are matters of legislation.

By experience, as well as by custom, there has grown up a very definite, positive method of settling these questions in the Committee on Appropriations, and this method has been found to be generally satisfactory to all parties concerned.

I am not prepared to discuss the merits of the matter; I am not prepared to say that the committees do not need this relatively small increase in compensation

powered to employ a clerk and to give that clerk $700 more than the committee is now able to pay him. However, as I pointed out some time ago, the Committee on the Judiciary, in addition to the amount of money which it spends per year from its regular appropriations, will spend this year almost a million dollars.

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By experience, as well as by custom, there has grown up a very definite, positive method of settling these questions in

for additional staff members. But very seriously I submit to the Senate that it is not wise to set aside, abrogate, and perhaps abolish a long-continued custom and practice which has proved to be very satisfactory for many years before the Senator from Mississippi entered the Senate, and to substitute for it a proposal which might prove to be unsatisfactory.

As a general proposition, it is better to keep these matters separate and to let the Senate Committee on Appropriations, at least, pass upon the compensation and status of staff employees.

The Legislative Subcommittee of the Committee on Appropriations has not had a meeting so far this year. There has been no occasion to have one, so far as the chairman of the subcommittee knows, and I have not been notified of any matters to come before it yet. This is the only matter which might be considered, except for some very preliminary matters. This is the only proposed change in the law which has been submitted on this subject matter. So it is not a question of the dereliction of duty of the Subcommittee on Appropriations.

Mr. JOHNSTON of South Carolina. Under the rules of the Senate, is it not true that any attempt in the Senate to legislate upon an appropriation bill would be subject to objection on the floor?

Mr. STENNIS. The Senator is correct; that is the general rule.

Mr. JOHNSTON of South Carolina. Would not the Senator from Mississippi be in a very embarrassing position if his committee tried to regulate the salaries of employees and if some Senator then objected to that procedure on the floor? Would not the Senator have to obtain a two-thirds vote to have his proposal agreed to in the Senate?

Mr. STENNIS. The Senator from South Carolina is technically correct in his position on this matter. My argument is simply that, as a practical matter, experience has shown that it is better to follow the course which has been established and uniformly followed, as I understand, for many years.

If a material change is to be made, it is certainly a matter of courtesy to one of the committees of the Senate, at least, to have the question submitted to it, so that the committee can become familiar with the substance of the matter, rather than to submit a nongermane amendment to a post office bill, an amendment which will set aside, abrogate, or destroy the relationship between the Committee on Appropriations and the Senate concerning the matter of authority.

Mr. JOHNSTON of South Carolina. For the Senator's information, this matter was discussed fully in the committee.

Mr. STENNIS. In the Committee on Appropriations?

Mr. JOHNSTON of South Carolina. No; not in the Committee on Appropriations, but before the Committee on Post Office and Civil Service.

Mr. STENNIS. The Senator from South Carolina is technically correct about his jurisdiction. My point is that the submitting of the amendment of the nature is contrary to the policy established in such matters.

Mr. JOHNSTON of South Carolina. I serve notice that in the future I shall raise the point of jurisdiction whenever one of these proposals comes up in connection with an appropriation bill.

Mr. STENNIS. The Senator is certainly within his rights.

Mr. JOHNSTON of South Carolina. I am not going to let some other committee take over the authority of my committee, so long as I am its chairman.

Mr. STENNIS. My plea now is that if the rules are to be changed, each committee should be notified so that the matter can be brought before it on the merits, and then be considered on the Senate floor. After a reasonable discussion of the subject, the Senate can make an informed decision, rather than to have brought before it, without any notice, an amendment pertaining to the Post Office Department to be attached to an unrelated bill.

On the merits, I might agree with the Senator's proposed change in the law. But it is the method of conducting the Senate's business which should be preserved. The Legislative Appropriations Subcommittee has not had an opportunity to meet. The other members of the subcommittee are the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Texas [Mr. JOHNSON], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Illinois [Mr. DIRKSEN]. I ask that they, as well as the full Committee on Appropriations, may have a chance to study the matter, and then to submit it to the Senate for its consideration.

I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. It will be necessary to change the rules of the Senate in order to carry out the proposal of the Senator from Mississippi and to carry on the business of the Senate in the way in which he desires. Rule XXV provides:

(e) Committee on Post Office and Civil Service, to consist of 13 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. The Federal civil service generally.
2. The status of officers and employees of the United States, including their compensation, classification, and retirement.
3. The postal service generally, including the railway mail service, and measures relating to ocean mail and pneumatic-tube service; but excluding post roads.
4. Postal savings banks.
5. Census and the collection of statistics generally.
6. The National Archives.

Senators will notice that the rule states: "the status of officers and employees of the United States, including their compensation, classification, and retirement."

Certainly the employees of committees are employees of the Government. If there was something in the act which gave that particular duty to the Committee on Appropriations, certainly the duty would devolve upon that committee to include it in an appropriation bill. But if the Committee on Appropriations brought up the matter in an appropriation bill, a point of order might be raised that it was legislation upon any appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. DIRKSEN. Mr. President, I think, of course, my friend, the distinguished Senator from Mississippi [Mr. STENNIS], is correct when he says that the amendment is not germane to a postal matter, properly speaking; that it comes entirely within the legislative domain. I think there is merit, however, in the contention made by my good friend from South Carolina. But since the proposal has originated in a postal bill, when it is a matter which affects the legislative appropriations, I wonder if my distinguished friend would seriously object if I offered an amendment to section 2 to include the postal rate increase bill which is presently pending before the Senate Committee on Post Office and Civil Service?

Mr. JOHNSTON of South Carolina. That will be fine, if the amendment the Senator from Illinois proposes will provide for enough of an increase to make all classes of mail pay its way. I hope the Senator's amendment is not the typical Republican maneuver of very little increase on big business who now get practically a free ride and a large increase of from 3 cents to 4 cents or 5 cents on letter mail that the average taxpayer uses to communicate with their friends and family. If the Senator from Illinois is offering an amendment that will increase big-business rates by the more than 400-percent needed to break even then I will not object.

Mr. DIRKSEN. I am willing to submit the amendment, because I did not introduce the bill.

Mr. JOHNSTON of South Carolina. If the amendment the Senator from Illinois plans to submit will require that all classes pay their way entirely, then we shall have a real bill.

Mr. DIRKSEN. The bill was introduced this year by the distinguished chairman of the Senate Committee on Post Office and Civil Service [Mr. JOHNSTON of South Carolina], on behalf of himself and the ranking Republican member of the committee, the Senator from Kansas [Mr. CARLSON]. I did not draft the bill. The bill is presently pending in the Committee on Post Office and Civil Service. However, I think the time will come when we must wrestle with the entire question of postal rates, for if the Post Office Department is to be charged with additional expenses, then, in view of the very heavy deficit position of the Post Office Department at the present time, notwithstanding the efforts of the Postmaster General, we must bring the revenues of the Department in line with its expenditures. We cannot expect to run this great branch of the Government on the basis of 1956 costs

and 1932 revenue rates, but that is precisely what is occurring today.

Mr. President, I would not for a moment wish to be offensive to my very affable, agreeable, and distinguished friend, the senior Senator from South Carolina [Mr. JOHNSTON]. He and I serve together on the Judiciary Committee. But as time goes on, I feel that it is possible that no action will be taken on Senate bill 1534, which would readjust the postal rates and establish a Congressional policy for the determination of postal rates. If no action is taken on the bill, we shall not provide relief for either the Postmaster General and the Post Office Department or for the belabored budget for 1958.

Mr. President, if my friend, the Senator from South Carolina, is agreeable to having me do so, I would be delighted to submit the text of Senate bill 1534 as an amendment to the pending measure.

Mr. JOHNSTON of South Carolina. If the Senator from Illinois will submit the amendment in such a way as to provide that every class shall pay its own way, then we shall vote for the amendment right now. Let the Senator from Illinois submit the amendment, so the Senate may act on it.

Mr. DIRKSEN. Mr. President, it is not difficult for me to submit the text of Senate bill 1534 as an amendment to section 2 of the pending bill. I think such an amendment is in order.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment submitted by the Senator from South Carolina [Mr. JOHNSTON], which is set forth as section 2 of the Senate version of the bill.

Mr. JOHNSTON of South Carolina. No, Mr. President; it is the committee amendment.

The PRESIDING OFFICER. It was submitted as section 2 of Senate bill 913. The amendment has been submitted to the pending bill, and the amendment is open to amendment.

Mr. DIRKSEN. Mr. President, I am sure that is the case. For that reason, I would submit, as an amendment to the pending amendment, the text of Senate bill 1534, which is pending before the Committee on Post Office and Civil Service. I would offer such an amendment as either section 3 of the House bill or as an amendment to section 2. I would offer, as such an amendment, the text of Senate bill 1534 in its entirety, as it was introduced by the distinguished Senator from South Carolina.

The PRESIDING OFFICER. In either event, the amendment of the Senator from Illinois would be offered as an amendment to the amendment which the Senator from South Carolina [Mr. JOHNSTON] has submitted, on behalf of the committee.

Mr. DIRKSEN. Very well, Mr. President; to the amendment submitted by the Senator from South Carolina, I now submit, as an amendment, the text of Senate bill 1534, without the general statement at the beginning of the bill.

The PRESIDING OFFICER. Without objection the amendment to the amendment will be printed at this point in the RECORD.

The amendment to the amendment is as follows:

At the end of the amendment submitted by Mr. JOHNSTON of South Carolina, insert the following:

"SEC. 3.

"TITLE I—POSTAL RATE INCREASES

"Short title

"SEC. 101. This title may be cited as the 'Postal Rate Increase Act, 1957.'

"First-class mail

"SEC. 102. (a) That part of the first section of the joint resolution of June 30, 1947 (61 Stat. 213; 39 U. S. C. 280), which precedes the proviso, is amended by striking out '3 cents' and inserting in lieu thereof '4 cents.'

"(b) Section 1 of the Act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 280), as amended, is further amended as follows—

"(1) by striking out '2 cents' wherever it appears in subsection (a) thereof and inserting in lieu thereof '3 cents'; and

"(2) by striking out '2 cents' in subsection (b) thereof and inserting in lieu thereof '3 cents.'

"Domestic airmail

"SEC. 103. Section 201 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1261; 39 U. S. C. 463a) is amended by—

"(1) striking out '6 cents' in the first sentence and inserting in lieu thereof '7 cents'; and

"(2) striking out '4 cents' in the second sentence and inserting in lieu thereof '5 cents.'

"Second-class mail

"SEC. 104 (a) Section 2 (a) of the Act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 289a), is amended by inserting immediately before the colon which precedes the first proviso the following: ', and (4) such postage is further adjusted to the amounts set forth in the following table, on the dates specified:

	"'Effective July 1, 1957 (cents per pound, or fraction thereof)	Effective July 1, 1958 (cents per pound, or fraction thereof)	Effective July 1, 1959 (cents per pound, or fraction thereof)	Effective July 1, 1960 (cents per pound, or fraction thereof)
A publication having not more than 5 per centum of its space devoted to advertisements, and that portion of other publications devoted to matter other than advertisements	2.2	2.5	2.8	3.1
Advertising portion of a publication having more than 5 per centum of its space devoted to advertisements:				
First and second zones	2.2	2.5	2.8	3.1
Third zone	3.0	3.4	3.8	4.2
Fourth zone	4.2	5.1	5.7	6.3
Fifth zone	5.0	6.8	7.5	8.3
Sixth zone	7.5	8.4	9.4	10.4
Seventh zone	9.0	10.1	11.3	12.5
Eighth zone	10.5	11.8	13.2	14.6'"

"The adjustment in postage contained in the amendment made by this subsection shall not apply to any issue of a newspaper with respect to which issue the entire press run consists of $5,000 copies or less and the rate or rates of postage, as in effect immediately prior to the date of enactment of this act, for the mailing of any issue of any newspapers to which this sentence applies shall remain in effect until otherwise provided by Congress.

"(b) Section 2 (c) of such act of October 30, 1951, is amended by striking out 'one-eighth of 1 cent' and inserting in lieu thereof one-fourth of 1 cent, except that (1) the postage on each individually addressed copy mailed by the organizations listed, and for the purposes prescribed in the second and third provisos of subsection (a) of this section, and each individually addressed copy of a publication of the second class addressed for delivery within the county and not entitled to the free-in-county mailing privilege, shall not be less than one-eighth of 1 cent, and (2) the per copy rates prescribed for publications covered by section 25 of the act of March 3, 1879, as amended (39 U. S. C. 286), are continued'.

"(c) Section 2 (d) of such act of October 30, 1951, is amended by striking out '1 cent' and inserting in lieu thereof '1½ cents'.

"Controlled circulation publications

"SEC. 105. Section 203 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262; 39 U. S. C. 291b), is amended by—

"(1) striking out '10 cents a pound or fraction thereof' and inserting in lieu thereof '12 cents a pound or fraction thereof regardless of the weight of the individual copies'; and

"(2) adding at the end thereof a new sentence reading 'The rates provided in this section shall remain in effect until otherwise provided by Congress.'

"Third-class mail

"SEC. 106. Section 3 of the act of October 30, 1951 (65 Stat. 673; 39 U. S. C. 290a-1), is amended—

"(1) in that part of such section which precedes the first proviso—

"(A) by striking out '2 cents' wherever appearing therein and inserting in lieu thereof '3 cents';

"(B) by striking out '1 cent' and inserting in lieu thereof '1½ cents'; and

"(C) by striking out '1½ cents for each additional 2 ounces or fraction thereof' and inserting in lieu thereof '1 cent for each additional ounce or fraction thereof';

"(2) in the first proviso contained in such section, by striking out '$10' and inserting in lieu thereof '$20';

"(3) in the second proviso contained in such section—

"(A) by striking out '14 cents' and inserting in lieu thereof '16 cents';

"(B) by striking out '1 cent' wherever appearing therein and inserting in lieu thereof '2 cents'; and

"(C) by striking out '10 cents' and inserting in lieu thereof '12 cents';

"(4) by striking out the third proviso contained in such section and inserting in lieu thereof '*Provided further*, That the minimum charge per piece of 2 cents specified in the foregoing proviso shall be increased to 2½ cents on July 1, 1959'; and

"(5) in the fourth proviso contained in such section, by striking out '3 cents' and inserting in lieu thereof '5 cents.'

"Fourth-class mail

"SEC. 107. Sections 204 (d) and (e) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262), as amended (39 U. S. C., sec. 292a (d) and (e)), are amended to read as follows:

"'(d) The following materials when in parcels not exceeding 70 pounds in weight

and 1932 revenue rates, but that is precisely what is occurring today.

Mr. President, I would not for a moment wish to be offensive to my very affable, agreeable, and distinguished friend, the senior Senator from South Carolina [Mr. JOHNSTON]. He and I serve together on the Judiciary Committee. But as time goes on, I feel that it is possible that no action will be taken on Senate bill 1534, which would readjust the postal rates and establish a Congressional policy for the determination of postal rates. If no action is taken on the bill, we shall not provide relief for either the Postmaster General and the Post Office Department or for the belabored budget for 1958.

Mr. President, if my friend, the Senator from South Carolina, is agreeable to having me do so, I would be delighted to submit the text of Senate bill 1534 as an amendment to the pending measure.

Mr. JOHNSTON of South Carolina. If the Senator from Illinois will submit the amendment in such a way as to provide that every class shall pay its own way, then we shall vote for the amendment right now. Let the Senator from Illinois submit the amendment, so the Senate may act on it.

Mr. DIRKSEN. Mr. President, it is not difficult for me to submit the text of Senate bill 1534 as an amendment to section 2 of the pending bill. I think such an amendment is in order.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment submitted by the Senator from South Carolina [Mr. JOHNSTON], which is set forth as section 2 of the Senate version of the bill.

Mr. JOHNSTON of South Carolina. No, Mr. President; it is the committee amendment.

The PRESIDING OFFICER. It was submitted as section 2 of Senate bill 913. The amendment has been submitted to the pending bill, and the amendment is open to amendment.

Mr. DIRKSEN. Mr. President, I am sure that is the case. For that reason, I would submit, as an amendment to the pending amendment, the text of Senate bill 1534 as a substitute for the amendment introduced by the distinguished Senator from South Carolina.

The PRESIDING OFFICER. In either event, the amendment of the Senator from Illinois would be offered as an amendment to the amendment which the Senator from South Carolina [Mr. JOHNSTON] has submitted, on behalf of the committee.

Mr. DIRKSEN. Very well, Mr. President; to the amendment submitted by the Senator from South Carolina, I now submit, as an amendment, the text of Senate bill 1534, without the general statement at the beginning of the bill.

The PRESIDING OFFICER. Without objection the amendment to the amendment will be printed at this point in the RECORD.

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At the end of the amendment submitted by Mr. JOHNSTON of South Carolina, insert the following:

"SEC. 3.

"TITLE I—POSTAL RATE INCREASES

"Short title

"SEC. 101. This title may be cited as the 'Postal Rate Increase Act, 1957.'

"First-class mail

"SEC. 102. (a) That part of the first section of the joint resolution of June 30, 1947 (61 Stat. 213; 39 U. S. C. 280), which precedes the proviso, is amended by striking out '3 cents' and inserting in lieu thereof '4 cents.'

"(b) Section 1 of the Act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 280), as amended, is further amended as follows—

"(1) by striking out '2 cents' wherever it appears in subsection (a) thereof and inserting in lieu thereof '3 cents'; and

"(2) by striking out '2 cents' in subsection (b) thereof and inserting in lieu thereof '3 cents.'

"Domestic airmail

"SEC. 103. Section 201 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1261; 39 U. S. C. 463a) is amended by—

"(1) striking out '6 cents' in the first sentence and inserting in lieu thereof '7 cents'; and

"(2) striking out '4 cents' in the second sentence and inserting in lieu thereof '5 cents.'

"The adjustment in postage contained in the amendment made by this subsection shall not apply to any issue of a newspaper with respect to which issue the entire press run consists of 5,000 copies or less and the rate or rates of postage, as in effect immediately prior to the date of enactment of this act, for the mailing of any issue of any newspapers to which this sentence applies shall remain in effect until otherwise provided by Congress.

"(b) Section 2 (c) of such act of October 30, 1951, is amended by striking out 'one-eighth of 1 cent' and inserting in lieu thereof one-fourth of 1 cent, except that (1) the postage on each individually addressed copy mailed by the organizations listed, and for the purposes prescribed in the second and third provisos of subsection (a) of this section, and each individually addressed copy of a publication of the second class addressed for delivery within the county and not entitled to the free-in-county mailing privilege, shall not be less than one-eighth of 1 cent, and (2) the per copy rates prescribed for publications covered by section 25 of the act of March 3, 1879, as amended (39 U. S. C. 286), are continued'.

"(c) Section 2 (d) of such act of October 30, 1951, is amended by striking out '1 cent' and inserting in lieu thereof '1½ cents'.

"Controlled circulation publications

"SEC. 105. Section 203 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262; 39 U. S. C. 291b), is amended by—

"(1) striking out '10 cents a pound or fraction thereof' and inserting in lieu thereof '12 cents a pound or fraction thereof regardless of the weight of the individual copies'; and

"(2) adding at the end thereof a new sentence reading 'The rates provided in this section shall remain in effect until otherwise provided by Congress.'

"Third-class mail

"SEC. 106. Section 3 of the act of October 30, 1951 (65 Stat. 673; 39 U. S. C. 290a-1), is amended—

"(1) in that part of such section which precedes the first proviso—

"(A) by striking out '2 cents' wherever appearing therein and inserting in lieu thereof '3 cents';

"(B) by striking out '1 cent' and inserting in lieu thereof '1½ cents'; and

"(C) by striking out '1½ cents for each additional 2 ounces or fraction thereof' and inserting in lieu thereof '1 cent for each additional ounce or fraction thereof';

"(2) in the first proviso contained in such

may be sent at the postage rate of 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, and this rate shall continue until otherwise provided by the Congress: (1) books permanently bound for preservation consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters; (3) printed music whether in bound form or in sheet form; (4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answers, test scores, or identifying information recorded thereon in writing or by mark; and (5) manuscripts for books, periodical articles, and music.

"'(e) (1) The following materials when in parcels not exceeding 70 pounds in weight when loaned or exchanged between (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members or readers or borrowers, shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof except, that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection, and this rate shall continue until otherwise provided by the Congress: (a) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (b) printed music, whether in bound form or in sheet form; (c) bound volumes of academic theses in typewritten or other duplicated form and bound volumes of periodicals; and (d) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

"'(2) The rate provided in paragraph (1) for books may apply to 16-millimeter films, filmstrips, transparencies for projection and slides, microfilms, sound recordings, and catalogs of such materials when sent in parcels not exceeding 70 pounds in weight to or from (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual.

"'(3) Public libraries, organizations, or associations, before being entitled to the rates specified in paragraphs (1) and (2) of this subsection, shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.'

"Determination of class or post office and compensation of postmaster and certain employees

"SEC. 108. On and after January 1, 1958, 80 percent of the gross postal receipts of all classes of post offices shall be counted for the purpose of determining the class of the post office or the compensation or allowances of postmasters or other employees whose compensation or allowances are based on the annual receipts of such offices. Nothing contained in this section shall operate to decrease the compensation or allowances in effect immediately prior to January 1, 1958, for postmasters and other employees in the postal field service on such date whose compensation or allowances are based on the annual receipts of such offices.

"Repeals

"SEC. 109. The last sentence of section 4 (a) of the Civil Service Retirement Act as contained in the Civil Service Retirement Act Amendments of 1956 (70 Stat. 747), is hereby repealed and hereafter the amounts contributed by the Post Office Department to the civil service retirement and disability fund in compliance with such section 4 (a) of the Civil Service Retirement Act shall be considered as costs of providing postal service for the purpose of establishing postal rates.

"Conditions precedent to withdrawal from general fund of Treasury

"SEC. 110. That part of the paragraph under the heading 'General Provisions' under the appropriations for the Post Office Department contained in chapter IV of the Supplemental Appropriation Act, 1951 (64 Stat. 1050; 31 U. S. C. 695), which precedes the proviso is amended by striking out 'the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service' and inserting in lieu thereof '(1) that the revenues from fourth-class mail service will not exceed by more than 3 percent the costs thereof; or (2) that the costs of such fourth-class mail service will not exceed by more than 3 percent the revenues therefrom.'

"Effective dates

"SEC. 111. (a) The rates of postage prescribed by this title, except those prescribed in section 104 (a), shall become effective on July 1, 1957.

"(b) The rates of postage prescribed by section 104 (a) of this title shall become effective as provided in such section 104 (a).

"(c) The fee prescribed by section 106 (2) of this title shall become effective on January 1, 1958.

"(d) Section 109 of this title shall become effective as of the effective date of the Civil Service Retirement Act Amendments of 1956.

"TITLE II—POSTAL RATE POLICY

"Short title

"SEC. 201. This title may be cited as the 'Postal Rate Policy Act.'

"Findings

"SEC. 202. The Congress hereby finds that—

"(1) the postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;

"(2) the postal establishment has been extended and enlarged through the years into a nationwide network of services and facilities for the communication of intelligence, the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry;

"(3) the development and expansion of these several elements of postal service, under authorization by the Congress, have been the impelling force in the origin and growth of many and varied business, commercial, and industrial enterprises which contribute materially to the national economy and the public welfare and which depend upon the continuance of these elements of postal service;

"(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear also, from the continued expansion of the postal service and the authorization of certain services rendered or facilities provided at a calculated loss to the Government, that the postal establishment performs some functions in which the public interest outweighs the profit and loss factors which would prevail if the postal establishment were operated solely as a business enterprise;

"(5) the postal establishment should be operated in a businesslike manner but clearly is not a commercial enterprise conducted for profit and it would be an unfair burden upon users of the mails to compel them to underwrite those expenses incurred by the postal establishment which are not related to the postal services they receive;

"(6) notwithstanding the need for all users of the mails to be informed with reasonable certainty of the postal rates and fees which will be imposed upon them, the Congress heretofore has not laid down a firm policy (except for fourth-class mail and certain special services authorized by law) with respect to the identification and evaluation of those services rendered by the postal establishment in whole or in part for the benefit of the general public and those services which inure in whole or in part to the benefit of certain users of the mails; and

"(7) the public interest and the increasing complexity of the social and economic fabric of the Nation require an immediate, clear, and affirmative declaration of congressional policy for the creation and maintenance of a sound and equitable postal-rate structure which will assure efficient service, produce adequate postal revenues, and stand the test of time.

"Declaration of policy

"SEC. 203. (a) The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

"(b) It is hereby declared to be the policy of the Congress, as set forth in this title—

"(1) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and

"(2) in accordance with these general principles, standards, and related requirements, to provide a means by which the postal-rate structure may be fixed and adjusted by action of the Congress, from time to time, as the public interest may require, in the light of periodic reviews of the postal-rate structure, periodic studies and surveys of expenses and revenues, and periodic reports and recommendations, required to be made by the Postmaster General as provided by section 206 of this title, on the basis of the cost ascertainment system.

"(c) The general principles, standards, and related requirements referred to in subsection (b) of this section are as follows:

"(1) In the determination and adjustment of the postal-rate structure, due consideration should be given to—

"(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States,

"(B) the development and maintenance of a postal service adapted to the present needs, and adaptable to the future needs, of the people of the United States,

"(C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees,

"(D) the effect of postal services and the impact of postal rates and fees on users of the mails,

"(E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail service,

"(F) the value of mail,

"(G) the value of time of delivery of mail, and

"(H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent service factors.

"(2) The acceptance, transportation, and delivery of first-class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first-class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first-class mail in the manner provided by this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

"(3) Those services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public service aspects, which, in whole or in part, are held and considered by the Congress from time to time to be public services for the purposes of this title shall be administered on the following basis:

"(A) the sum of such public service items should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally, and

"(B) nothing contained in any provision of this title should be construed as indicating any intention on the part of the Congress (i) that such public services, or any of them, should be limited or restricted or (ii) to derogate in any way from the need and desirability thereof in the public interest.

"(4) For the purpose of the determination and adjustment of the postal-rate structure in the manner provided by this title and by section 207 of the act of February 28, 1925, as amended (39 U. S. C. 247), and section 12 of the act of October 30, 1951 (39 U. S. C. 246f), the postal rates shall be adjusted from time to time so that the total amount of the adjusted revenues shall be approximately equivalent to the total amount of the expenses, both as determined in the manner provided by this title.

"Authorization of appropriated funds

"SEC. 204. There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount equal to the sum of the public service items referred to in section 203 (c) (3). Such appropriations shall be available to enable the Postmaster General to pay into postal revenues at quarterly or other intervals such amounts as he shall determine to be necessary to reimburse the Post Office Department for such expenses and losses of revenue.

"Application of cost ascertainment system

"SEC. 205. (a) For the purposes of this title, revenues and expenses shall be determined and ascertained, and each allocation and apportionment with respect thereto shall be made, upon the basis of the cost ascertainment system, to the extent not otherwise indicated in this title.

"(b) Nothing in this title shall be construed to affect the cost ascertainment system or any authority, power, duty, or procedure of the Postmaster General or of the postal establishment generally, except to the extent necessary to carry out this title.

"Reviews, studies, surveys, reports, and recommendations of Postmaster General

"SEC. 206. (a) The Postmaster General is authorized and directed to initiate and conduct, through the facilities of the postal establishment, either on a continuing basis or from time to time, as he deems advisable, but not less often than every 2 years, a review of the postal-rate structure and a study and survey of the expenses incurred and the revenues received in connection with the several classes of mail, and the various classes and kinds of services and facilities provided by the postal establishment, in order to determine, on the basis of such review, study, and survey for each class and kind of service or facility provided by the postal establishment, the need for adjustment of postal rates and fees in the manner provided by this title.

"(b) The Postmaster General shall submit to the Senate and the House of Representatives not later than April 15 of each alternate fiscal year, beginning with the fiscal year ending June 30, 1959, a report of the results of the review, study, and survey conducted pursuant to subsection (a) of this section. Such report shall include—

"(1) information with respect to expenses and revenues which is pertinent to the allocation of expenses and the determination and adjustment of postal rates and fees in the manner provided by this title,

"(2) such other information as is necessary to enable the Congress, or as may be required by the Congress or an appropriate committee thereof, to carry out the purposes of this title, and

"(3) such recommendations as the Postmaster General deems appropriate.

"Congressional action prerequisite to adjustments in postage rates and fees

"SEC. 207. Except as otherwise provided by law, nothing in this title shall be construed to authorize any change, adjustment, or revision with respect to any postal rate or fee, except by further action of the Congress.

"Definitions

"SEC. 208. (a) For the purposes of this title, the term—

"(1) 'cost ascertainment system' means the cost ascertainment system (including the principles and standards thereof) utilized by the Post Office Department (39 U. S. C. 828) for the ascertainment and allocation of expenses and revenues of the postal service, as in effect from time to time, to the extent consistent with this title;

"(2) 'revenues' and 'costs,' whether applied to the total postal operation or to the mail classes or services, shall have the same meaning as when used in the cost-ascertainment report, and the terms 'costs' and 'expenses' shall be synonymous; and

"(3) 'adjusted revenues,' whether applied to the total postal operations or to the mail classes and services, shall mean the revenues, increased by the sums authorized under section 204 to be appropriated to the Post Office Department for the public-service items referred to in section 203 (c) (3).

"(b) Whenever reference is made in this title, or in any other law or regulation in connection with this title, to any of the several classes of mail and services, such reference shall have the same meaning as when used in the cost-ascertainment report, except that first-class mail shall include domestic airmail other than air parcel post."

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Dirksen
Allott	Capehart	Douglas
Anderson	Carlson	Dworshak
Barrett	Carroll	Eastland
Beall	Case, N. J.	Ellender
Bennett	Case, S. Dak.	Ervin
Bible	Church	Flanders
Bricker	Clark	Frear
Bridges	Cooper	Fulbright
Bush	Cotton	Goldwater
Butler	Curtis	Green
Hayden	Lausche	Potter
Hennings	Long	Revercomb
Hickenlooper	Magnuson	Russell
Hill	Mansfield	Saltonstall
Hruska	Martin, Iowa	Smathers
Humphrey	Martin, Pa.	Smith, Maine
Ives	McCarthy	Smith, N. J.
Jackson	McClellan	Sparkman
Javits	McNamara	Symington
Jenner	Morse	Thurmond
Johnson, Tex.	Morton	Thye
Johnston, S. C.	Mundt	Wagner
Kefauver	Murray	Watkins
Kennedy	Neely	Wiley
Kerr	Neuberger	Williams
Knowland	O'Mahoney	Young
Kuchel	Payne	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. HOLLAND], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from North Carolina [Mr. SCOTT] and the Senator from Georgia [Mr. TALMADGE] are absent by leave of the Senate attending hearings of the Senate Agriculture Committee.

Mr. DIRKSEN. I announce that the Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The PRESIDING OFFICER (Mr. CHURCH in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN] to the amendment of the Senator from South Carolina [Mr. JOHNSTON].

Mr. DIRKSEN obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KNOWLAND. I was out of the chamber for a time, and when I returned I was informed that the Senator from Illinois had offered as an amendment to the pending bill the postal rate increase bill. Am I correct as to the parliamentary situation?

Mr. DIRKSEN. The Senator is correct.

Mr. KNOWLAND. I have sent for the ranking Member on our side of the aisle on the Post Office and Civil Service Committee [Mr. CARLSON]. He has had some consultations with the chairman of the committee. I understand that the committee itself has set hearings on the postal rate bill for April 2 or 3. Is that correct?

Mr. JOHNSTON of South Carolina. No. Those hearings relate to the policy questions. We shall not deal with the rate situation until we see what the House does. I think that is the agreement among members of the committee. However, if we are to be threatened, I do not know when the question will be taken up for consideration.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CARLSON. I think it should be stated for the record that the Committee on Post Office and Civil Service held a meeting last week at which there appeared the Postmaster General and the Assistant Postmaster General, who discussed the question of policy with respect to the Post Office Department. They also went into the question of rates. It was agreed that we would hold the next open hearings on April 2 and 3, on policy. After all, as I understand, rates later become a part of the policy.

Mr. JOHNSTON of South Carolina. The only matter before our committee in that regard is the subject of policy.

Mr. CARLSON. The chairman has made a correct statement of the facts. However, I believe it was mentioned, at least by the ranking minority member of the committee, that although we should continue to consider the policy matter, no doubt at the end of that consideration the committee would get into the rate situation also. I believe we should establish the policy and also increase the rates. That is my personal view. I believe we will have to do it. I believe it would be unfortunate if the Senate were to defeat the pending measure this afternoon through the intrusion of a nongermane matter without prior and appropriate consideration by the proper committee.

Mr. DIRKSEN. If the Senate will indulge me for a few moments, an amendment has been offered to the pending bill which, in the first instance, authorizes the Postmaster General to permanently install certain facilities at camps and in other defense installations. That amendment deals with the pay scale for certain committee personnel. As I understand, the distinguished chairman of the Legislative Subcommittee on Appropriations knows nothing about it; and nothing has ever been presented to the legislative subcommittee on this subject, so far as I know.

Obviously it is something that is not germane to the pending bill.

Under the circumstances, I cannot understand how I am straying from the path of propriety and rectitude in offering another proposal which has likewise not been considered by a committee.

I wish to evince my interest in postal rates. The Postmaster General, according to a statement he has issued, calls attention to the fact tht in the next fiscal year the Post Office Department will lose about $657 million.

If we are to charge the Post Office Department with additional expenditures, notwithstanding the fact that we expect the Postmaster General to act with economy and efficiency, then it is high time that both the Senate and the House give immediate attention to the question of postal rates.

Last year I went before the House committee to testify on this subject. I was hopeful that something could be accomplished at that time. I earnestly hope that the distinguished chairman of the Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON], will give us some hint now as to how expeditiously this matter will be considered, because I believe it to be one of the most important subjects presently pending in the Senate. I wonder whether he can give us some idea on the subject.

Mr. JOHNSTON of South Carolina. Four years ago, when the Republicans were in the majority, we agreed, at the suggestion of the chairman of the committee, a Republican, that we would hold hearings on the matter when the House had acted on the bill, it being a revenue matter. Last year we did the same thing. When the bill came to us from the House, we started hearings. If I have my way, that will be the procedure this year.

Mr. DIRKSEN. By way of clarification, I might state, after the observation by the distinguished Senator from Kansas [Mr. CARLSON], that there is pending before the committee a report of the advisory group which was set up under a resolution adopted last year. I have a copy of it, and I believe a copy has been furnished to every Member of the Senate. I have examined it with some care. However, it is only a report; it is not legislation. The legislation I offer as an amendment to section 2 of the pending bill is the postal-rate increase bill which was introduced by the distinguished chairman, the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Only by request.

Mr. DIRKSEN. It was also introduced by the distinguished Senator from Kansas [Mr. CARLSON]. I should, in all candor, say that it was introduced by request. I assume it is the Department's bill. I wish to affirm over and over again that I never undertake to take a bill from any committee. However, in the instant case another proposal was added to the bill which had not been checked with the Legislative Subcommittee on Appropriations. Therefore, I thought I was on good ground in offering my amendment, even though the postal-rate increase bill involves long-range policy and is a measure of major significance, as compared with section 2 of the pending bill, relating to personnel.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CARLSON. The Senator from Illinois has made a very accurate statement to the Senate on the past history of the postal rate bill. The Senator from Illinois will remember that when he was a member of the committee and I, too, was a member of that committee, we did pass a 4-cent first-class postal rate bill. When we got into conference with the House, however, the House conferees would not accept that portion of the bill. If we had prevailed at that time, we would not be in this situation today.

I would urge the distinguished Senator from Illinois to let us work on the matter in committee. I am as much interested in getting an increase in the postal rate as is any other Member of the Senate. I believe we must increase the first- and second- and third-class postal rates, and I also believe that Congress should write a postal policy. If it is in the interest of the people to maintain the service, we should determine the extent of the service, and raise the remainder of the money needed through an increase in the postal rates. We can do it if we are given an opportunity to do it.

Mr. JOHNSTON of South Carolina. The Senator from Kansas will acknowledge, I believe, that what we are trying to do at the present time is to set the policy in committee. We must first set the policy. Until we know what the policy is, we cannot proceed. We do not know, for example, how much revenue is needed by the Post Office Department.

That being the case, that is what we must do first. That is what we are trying to do in committee. We are working hard on that subject, and we hope to reach a conclusion on it.

The Senator from Illinois referred to an advisory committee, which was appointed by me. Two years ago I appointed that committee, to make an investigation of the subject of policy. For the information of the Senator from Illinois and for the information of the Senate generally, 4 years ago the Senator from Kansas [Mr. CARLSON], when he was chairman of the committee, appointed a similar advisory committee. That committee made an investigation and reported to the committee. In a great many respects the report this year is very much like the report that was made 4 years ago.

I believe the Senator from Indiana will agree to that statement, as I am sure the Senator from Kansas will also. Both Senators served on the committee at that time, and they are serving on it now.

Furthermore, after we passed the postal-rate increase bill in 1951, we could not get the bill out of conference, and we had to take what the House advocated at that time, in order to get any increase in postal rates. I believe the Senator from Kansas will also vouch for that fact.

Mr. DIRKSEN. I have only one further brief observation to make. I point out that in the years from 1946 to 1956 the average loss of the Post Office Department every year was $450 million. The aggregate loss during that period of time since 1945 has been $5 billion.

The interest on that amount, as it contributes to the public debt, is $100 million a year. In my judgment, this is one of the most important and pressing programs that Congress can consider and is confronted with. I am impelled, therefore, whenever there is an opportunity, to dramatize the situation, in the hope that we can expedite action. Having made my case, Mr. President, I ask unanimous consent to include in my remarks a statement issued by the Post Office Department on this question.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

POSTAL RATE INCREASES WILL HELP PROVIDE BETTER MAIL SERVICE, REDUCE HUGE POSTAL LOSSES, BALANCE THE FEDERAL BUDGET

WHY POSTAL RATE INCREASES ARE NEEDED NOW

Postage rates are the same today as they were in 1932 for first-class letter mail; only 3 percent greater for second-class mail; and 38 percent greater for third-class mail.

Meanwhile, everything the Post Office Department buys and uses has more than doubled in cost since 1932, just as household and business expenses have.

The Post Office Department will lose about $650 million in the next fiscal year. Postal losses since 1945 total more than $5 billion and now cost the taxpayers over $100 million a year in interest alone on this part of our national debt.

Large drains on the General Treasury to support the Post Office Department are actually a postwar phenomenon, due primarily to higher costs of operating the Department.

From 1900 to 1940 postal losses averaged only $33 million a year. Between 1946 and 1956 losses increased fourteen fold—to about $450 million a year. Unless present trends are halted, postal losses may soon be $1 billion or more a year.

DO PRESENT POSTAL LOSSES INCLUDE FRANKED MAIL, AIRLINE SUBSIDIES AND PUBLIC SERVICES?

The present huge postal losses no longer include the subsidies formerly paid the airlines approximating $70 million yearly. These costs were transferred to the CAB by law in June 1953.

Since August 1953, the Department has been paid in full for handling "franked" congressional mail (approximating $1.5 million yearly) and "penalty" mail of Government agencies (approximating $35 million yearly) which were formerly carried free.

The Department backs H. R. 5206 now before Congress, which identifies the cost of various public services it performs (such as free mail for the blind, reduced cost rates for religious, fraternal and educational publications etc.) and provides for reimbursement of currently approximately $36.4 million annually for these services from the General Fund of the Treasury.

If this legislation is passed, then the public and the Congress will know the actual costs of the identifiable public services the Department performs at the taxpayers' expense and with their consent. These unquestionable subsidies will then no longer be included in the deficit of the Department.

WHAT RATE INCREASES ARE NOW PROPOSED?

A long-range clearly-defined financial policy for the Department and postal rate increases to yield $462 million in fiscal year 1958 and eventually $837.5 million a year in new revenues was submitted to Congress on March 7, 1957. Legislation to accomplish these results was introduced into the Senate (S. 1534) on March 8, 1957, by Senators OLIN JOHNSTON and FRANK CARLSON, and in the House (H. R. 5836) on March 11, 1957, by Congressman TOM MURRAY.

The proposed rate increases in first-class letters from 3 cents to 4 cents an ounce and from 2 cents to 3 cents on post cards and drop letters would produce $348.5 million yearly in new revenues.

Increases from 6 cents to 7 cents an ounce on airmail letters and from 4 cents to 5 cents on airmail cards would yield $17.3 million a year in new income.

Second-class zone rates on magazines and newspapers would be increased by four successive annual 15-percent increases to provide additional revenue of $7.3 million in fiscal year 1958 and a total of $31 million at the end of the 4th year. Adjustments in the minimum per piece rate and in transient rates would produce $2 million of new revenues in fiscal year 1958.

Rates on third-class mail (largely direct mail advertising circulars and small parcels up to 8 ounces) would advance to yield $128 million in additional revenue by 1960. These include a two-step increase for the minimum piece rate under bulk mailings from 1.5 cents to 2 cents this year to 2.5 cents on July 1, 1958.

Increases in book rates from 8 cents to 10 cents for the first pound and from 4 cents to 5 cents for additional pounds would provide no new revenues since this category would be broadened to include manuscripts and other materials which now pay higher rates of postage. Increases in controlled circulation publications from 20 cents for 8 ounces or under and 11 cents for over 8 ounces to a uniform rate of 12 cents per pound would yield $700,000 more revenue a year.

Present rates for both second- and third-class matter sent by nonprofit religious, charitable, fraternal and educational organizations are not increased by the current proposals. Newspapers with circulation of 5,000 or less are also exempted.

Rate proposals for fourth-class parcel post are not included in the current recommendations since this class of mail now pays its way, as required by law.

WHY INCREASE LETTER POSTAGE TO 4 CENTS?

First-class mail is now losing money at the 3-cent rate.

IS 4-CENT POSTAGE ON LETTERS UNREASONABLE?

No. At 4 cents, the letter rate will still be the world's greatest bargain, whether used for a single letter or for a large mailing by business. Actually three-fourths of all first-class letters are sent by business. Many segments of our business community—which use the mails for profit—prefer to pay more of their share of the postage used rather than pay in taxes.

The additional cost of a 4-cent letter rate to the average family would be only 15 cents per month. In return, the average American would benefit since the huge postal losses would be reduced and no longer added to his already heavy tax load.

When postal rates are increased the users of the mails will pay a larger share of the costs of the postal services they use. This will end an economic travesty whereby American taxpayers pay for postal losses that will soon approximate $1 billion a year.

WHY WORRY ABOUT LOSING MONEY WHEN OTHER GOVERNMENT DEPARTMENTS DON'T PAY THEIR WAY?

The Post Office Department is different from other Departments of Government which perform services with benefits to all the people. The nature of those services is such that there is no way to measure them, person by person, or, in many cases, to break them down into measurable units.

It is the proper role of taxation to assume the burden of paying for such unmeasurable services in the interest of the common good of all citizens.

But in the post office services are performed in the form of individual transactions—all measurable, all distinguishable, each from the other.

It is not the proper role of taxation to assume the burden of paying the cost of an operation such as this.

That is why postage rates are charged. To follow the argument that the Post Office Department shouldn't be disturbed about its huge yearly losses, why should the Post Office charge any fees at all? Why shouldn't it carry everybody's mail free-of-charge and pass the costs on to the taxpayers?

WOULD THE POSTAL INCREASES PROPOSED BALANCE THE POSTAL BUDGET?

No. For the fiscal year 1958 these proposed rate increases on first-, second-, and third-class mail would yield about $462 million in new revenues, but the Post Office Department would still lose approximately $200 million in that year.

When the fair and long overdue rate increases proposed to the Congress are enacted into law they will be a long step forward toward:

(1) Constantly better postal service for 170 million Americans.

(2) More nearly break-even operations of the Post Office Department.

(3) Payment by business mailers of a larger share of the costs of the services they use for profit.

(4) Helping balance the Federal budget so essential to the economic security and welfare of all our citizens.

Mr. DIRKSEN. Mr. President, I withdraw my amendment, and yield the floor.

Mr. STENNIS. Mr. President, I should like to speak on the pending bill, S. 913, the title of which is a bill to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

The PRESIDING OFFICER (Mr. ERVIN in the chair). The Chair will state that the bill the Senate is now considering is H. R. 4815.

Mr. STENNIS. It relates to the same subject, however. The Committee on Post Office and Civil Service has recommended an amendment, which is section 2 of the bill. It relates to a nongermane matter, being an increase in the compensation of one staff member of the Senate committee.

Technically, that subject is within the jurisdiction of the committee of which the Senator from South Carolina [Mr. JOHNSTON] is chairman. The very strong and uniform custom and practice in the Senate for a considerable number of years has been to have matters of compensation and basic pay worked out by the Committee on Appropriations.

The primary reason for that procedure is that each House, as a matter of comity, works those things out for itself. The Senate does so, I am sure, through the Appropriations Committee. I do not know which committee of the House handles that subject matter.

This matter is technically within the jurisdiction of the Committee on Post Office and Civil Service, but the amendment will set aside and abrogate and in fact destroy the custom and system which has been worked out and is serving very satisfactorily, if the matter is not referred to the Committee on Appropriations or is not even within the knowledge of the Subcommittee on Legislative Appropriations, of which I now have the honor of being chairman. That is the reason I am discussing this subject.

I appeal to the Senate, before this matter is passed upon—and I am not now discussing the merits of it—and before this system which has proved so satisfactory to the Senate is cast aside, to wait until the Committee on Appropriations has had an opportunity to pass on this matter. The Committee on Appropriations may agree to the substance of this very amendment and recommend its adoption at the proper time. But the Senate is headed for serious trouble, I humbly submit, if we cast aside this practice and procedure and yield here to this amendment at this time. We, in that procedure, would be sowing seeds to give us serious trouble in the future, in my humble opinion.

I have had an opportunity to discuss this with the chairman of the Committee on Appropriations, who has authorized me to urge on his behalf that this custom not be changed.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I do not object to a procedure whereby the Committee on Appropriations would

study the matter and report on it, but I do contend under the Reorganization Act the Committee on Post Office and Civil Service has authority with regard to such matters. I do not wish to do anything, in any way, to take such authority from the Committee on Post Office and Civil Service.

Mr. STENNIS. I think the Senator is correct.

Mr. JOHNSTON of South Carolina. As to the amount, and what they would pay, Senators will find such information written into an act. I helped write such provisions in the act which was passed, relating to salaries and how much difference there would be.

Then there was an amendment to the act, and I did not object to that. The amendment came out as a part of an appropriation bill. But if Senators will study the history of the matter, they will find except for that instance at all other times the matter has been regulated by the Committee on Post Office and Civil Service. For that reason I wish to retain the rights of the Committee on Post Office and Civil Service.

I do not object to the matter being considered by the Senator from Mississippi.

Mr. STENNIS. The Senator from South Carolina is correct as to the matter of jurisdiction. I would not contradict the Senator on that. This custom did not grow up as any intentional infringement on the rights of the Committee on Post Office and Civil Service.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I agree with the distinguished Senator from South Carolina, the chairman of the Committee on Post Office and Civil Service. I think this is a matter clearly within the scope of the authority of that committee, which may set ceilings on salaries on committee personnel or any other personnel.

I think the Senator from Mississippi has made it abundantly clear he feels the same way, but in view of the policy which has been practiced, and in the light of the facts brought out by the Senator from Mississippi, I am hopeful the distinguished chairman of the Committee on Post Office and Civil Service will agree to withdraw his proposed amendment for the time being, thus allowing the Subcommittee on Legislative Appropriations time to review the matter.

Mr. JOHNSTON of South Carolina. I ask that this bill be retained on the calendar, to be considered later. Let the bill be set aside temporarily.

Mr. STENNIS subsequently said:

Mr. President, will the Senator from Texas yield for a parliamentary inquiry?

Mr. JOHNSON of Texas. I yield.

Mr. STENNIS. I wish to inquire as to the action taken on Calendar No. 111, Senate bill 913.

Mr. JOHNSON of Texas. The companion House bill (H. R. 4815) was temporarily laid aside, and another measure was taken up. House bill 4815 was then returned to the calendar.

Mr. STENNIS. Was there any understanding as to when the postal bill will come up again for consideration?

Mr. JOHNSON of Texas. The understanding is that the distinguished Senator from South Carolina [Mr. JOHNSTON] and the distinguished Senator from Mississippi [Mr. STENNIS] will confer, to ascertain whether they can find an area of agreement. I hope they can, because I should certainly dislike to be caught between the two of them.

Mr. STENNIS. I thank the Senator.

INVESTIGATION BY FEDERAL TRADE COMMISSION OF PRODUCTION, DISTRIBUTION, OR SALE OF NEWSPRINT IN INTERSTATE COMMERCE

Mr. JOHNSON of Texas. I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 131, Senate Concurrent Resolution 20; and I announce, Mr. President, it will not be the intention of the majority leader to have action upon that resolution today. I do wish to make the resolution the unfinished business.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the concurrent resolution.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce for the information of Senators that tomorrow the Senate will consider the omnibus public works bill.

On Wednesday we hope to consider the tax bill, for it is necessary that the bill be sent to the President before Saturday. The distinguished chairman of the Committee on Finance filed a report on the bill today. The record of hearings will be available together with the bill and the report on Wednesday.

Mr. President, I wish to make the announcement that the Senate will be kept in session today as long as necessary for Senators to address the Senate and transact any routine business, including the insertion of matters in the RECORD. I have an agreement with the distinguished minority leader, because of an appointment each of us has at 4 o'clock, that there will be no other business transacted this afternoon. I should like to put Senators on notice to that effect.

UNITED STATES MEMBERSHIP IN BAGHDAD PACT

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER (Mr. BIBLE in the chair). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the announcement from Bermuda that the United States will join the Military Committee of the Baghdad Pact adds another curious twist to this Nation's zigzag path through the Middle East. For we shall now be members of all Baghdad Pact committees; we shall have, through the new Mid-East resolution or otherwise, full military commitments against Communist aggression with all Baghdad Pact members. We shall, in short, assume all obligations of a full membership in the pact except formal membership itself.

Yet the United States has been repeatedly and recently invited to accept formal membership in the Baghdad Pact and has repeatedly and recently refused to do so. The reasons for staying out were clearly set forth by Mr. Dulles in the recent Mid-East hearings, in response to questions put to him by the Senator from North Carolina, Senator ERVIN, and myself. "It was too controversial as among Arab countries," Mr. Dulles told us at that time. "We did not think it wise to cast in our lot with part of the countries of the area in terms of a pact which was divisive. * * * We do not want to become involved in Arab politics." Saudi Arabia and other nations with whom it was crucial that we maintain close relations were bitterly opposed to it, the Secretary pointed out; and the members of the pact "are already obligated to cooperate in their mutual defense whether or not we join the pact." The Mid-East resolution, he indicated, should be adopted instead in the hope of unifying, rather than dividing, the area.

How, then, can we justify this latest announcement of supporting anew the Baghdad Pact, strengthening its military foundation, and further "casting in our lot" with its members? The Bermuda announcement states that this is "a logical development" of the Mid-East resolution; but the legislative history of that resolution makes it clear that this is a most illogical development. Indeed, to make such an announcement arousing further irritation, suspicion, and resentment among the very Arab States we needed to woo through the resolution seriously undermines Ambassador Richards as he attempts to preach unity and good will throughout the area. The fact that the announcement came as a result of bilateral talks with the British could unfortunately only serve to aggravate its divisive effects.

All of these setbacks may have been more acceptable if outweighed by the announcement's advantages—but where are those advantages? We already had military commitments in the area and coordination with the pact military committee. We were already doing our best to shore up this artificial defense line, now outflanked in effect in Egypt and Syria. What possible necessity was

there, therefore, to make this announcement at this time, in conjunction with the British and undermining Ambassador Richards? What is the purpose of this elusive status of full membership without formal membership (unless it is avoidance of Senate approval)? Whom do we hope to deceive by pretending to the pact members that we are full participants and pretending to the other Arab States that we are not full participants after all?

Fuller American participation in the Baghdad Pact might, of course, make sense were it an integral part of a comprehensive policy for the Middle East—a policy which had purposes and effects that could be understood and accepted by all nations in that area—a policy which attacked all of the major problems of the Middle East with consistency and foresight, instead of rushing, in helter-skelter fashion, from one crisis to another, alarming our friends, antagonizing those whom we want to be our friends, and thoroughly confusing the American people in the process. Such a long-range comprehensive policy for the Middle East, Mr. President, is long overdue and may even now be too late. We can only hope that this latest twist does not do damage that will make the future more difficult.

REQUIREMENT OF EXCESSIVE NUMBER OF COPIES OF COMMUNICATIONS TO INTERSTATE COMMERCE COMMISSION

Mr. WILLIAMS. Mr. President, we hear much about bureaucratic redtape, but far too often we in Congress fail to appreciate what this means to a farmer or to the average small-business man.

A situation has just been called to my attention in which a small-business man in the State of Delaware wrote the Interstate Commerce Commission protesting the proposed plan to increase freight rates for railroads, and outlining very clearly the reasons supporting his objection.

The Interstate Commerce Commission advised that his request could not be considered unless he would make 66 copies of his objection, and gave instructions as to where they should be sent.

This is ridiculous. A farmer or the average businessman without a mimeograph machine or a surplus of stenographic help—such as is sometimes found in these agencies—cannot afford to make 66 copies of every letter.

I have forwarded this taxpayer's protest against the proposed freight rate increases to the Honorable Owen Clarke, chairman of the Interstate Commerce Commission, with the expectation that the protest will be given due consideration.

At the same time I am asking this agency to amend its procedure so that a letter from the average American citizen, who pays both their salaries and mine, may be given proper recognition without being required to furnish 66 copies.

I sincerely hope that the Commissioner will not feel it necessary to send me 66 copies of his reply.

Mr. President, I ask unanimous consent that the text of the Commission's regulation requiring 66 copies be printed at this point in the RECORD.

There being no objection, the regulation was ordered to be printed in the RECORD, as follows:

EX PARTE 206, INSTRUCTION SHEET

3. FILING AND SERVICE

(a) An executed original marked "Original" and 24 copies must be mailed to Mr. Harold D. McCoy, Secretary, Interstate Commerce Commission, Washington 25, D. C., to reach Washington not later than March 16, 1957.

(b) Twenty-five copies must be mailed to Mr. Edward Kaler, 804 Transportation Building, Washington 6, D. C.

(c) One copy to each of the regional offices of the Interstate Commerce Commission, as follows (a total of 13 copies):

Mr. George R. Nuzum, regional manager, ICC, 624 New Post Office Building, Boston 9, Mass.

Mr. Thomas L. McClelland, regional manager, ICC, room 1111, 346 Broadway, New York 13, N. Y.

Mr. T. G. Reynolds, regional manager, ICC, 800 United States Custom House Building, Second and Chestnut Streets, Philadelphia 6, Pa.

Mr. Roy M. Snetzer, regional manager, ICC, 232 New Post Office Building, Columbus 15, Ohio.

Mr. William Addams, regional manager, ICC, 743 Peachtree Seventh Building, 50 Seventh Street NW., Atlanta 3, Ga.

Mr. E. S. Craig, regional manager, ICC, room 701, United States Court House, 801 Broadway, Nashville 3, Tenn.

Mr. Harry P. Raymond, regional manager, ICC, 852 United States Custom House Building, 610 South Canal Street, Chicago 7, Ill.

Mr. W. E. Hustleby, regional manager, ICC, 618 Metropolitan Building, 2d Avenue South and 3d Street, Minneapolis, Minn.

Mr. H. Joseph Simmons, regional manager, ICC, 500 Federal Office Building, 911 Walnut Street, Kansas City 6, Mo.

Mr. R. K. Hagarty, regional manager, ICC, room 2100, 300 West Vickery Street, Fort Worth 2, Tex.

Mr. Bert L. Penn, regional manager, ICC, 251 New Customs Building, 19th and Stout Streets, Denver, Colo.

Mr. Frank E. Landsburg, regional manager, ICC, 538 Pittock Block, 921 S. W. Washington Street, Portland, Oreg.

Mr. Pete H. Dawson, regional manager, ICC, room 944 Flood Building, 870 Market Street, San Francisco 2, Calif.

(d) Please send 3 copies of your statement to Paul T. Truitt, executive vice president, National Plant Food Institute, 1700 K Street NW., Washington 6, D. C.

THE ONE HUNDRED AND THIRTY-SIXTH ANNIVERSARY OF THE INDEPENDENCE OF GREECE

Mr. COTTON. Mr. President, the 25th of March 1821, is a day to be remembered by all freedom-loving people. On that day, the Greek heritage of liberty took on new meaning as the courageous Greek people threw off the yoke of the Ottoman Empire which had weighed them down for almost 400 years. This day, Monday, March 25, 1957, will be celebrated as the 136th anniversary of that day—Greek Independence Day.

As with other freedom-loving people, the Greeks have had to fight for their freedom. The heroism of Marathon, Thermopylae, and Salamis still excites the world. In more recent times, the Greeks also have proved their devotion and skill in defense of their freedom. Who can forget the courage of the Greek response to Mussolini's ultimatum and the heroism of the battles that followed in 1940 and 1941?

Today, Greece is a valued ally and a trusted member of NATO. Greece preached democracy to the world during the Golden Age of Greece and the lessons of that time have produced splendid results here in the United States.

My interest in Greece and in Americans of Greek descent has always been particularly keen because of my association with Senator George H. Moses many years ago as a member of his staff. Senator Moses, of course, had been the United States Minister to Greece before being elected to the United States Senate. He spoke Greek fluently and was an ardent admirer and stanch supporter of Greek culture and character. My association with him sharpened my awareness and understanding of Greek influence on our civilization and our way of life.

This influence of Greece, ancient and modern, to our civilization and our life can hardly be overestimated. At the same time, however, we must not overlook the great contribution which our citizens of Greek descent have made in the United States.

We in New Hampshire are proud of our fellow citizens of Greek ancestry and of their many contributions to our State.

But we cannot observe the anniversary of Greek independence without being aware that all Greeks are not free and independent under a government of their own choosing. The events of the past 2 years in Cyprus only emphasize the love of freedom which seems inevitably to be found in the hearts of the Greek people. The solution of the problems of Cyprus is to be found in applying the great principles of self-determination and justice. Inevitably, the people of Cyprus will gain the right to choose their own government. I want the people of Cyprus to have that right now. Resistance to this course can only increase tensions and lead to further bloodshed.

PROMOTING INDIVIDUAL RESPONSIBILITY IN YOUNG PEOPLE

Mr. MARTIN of Iowa. Mr. President, the General Federation of Women's Clubs has awarded one of its television prizes to college news conference for promoting individual responsibility in young people. I commend the General Federation of Women's Clubs and Mrs. Robert I. C. Prout for their great service in promoting this program, and I commend and congratulate the Iowa Federation of Women's Clubs, its president, Mrs. Elmer Taylor, of Traer, Iowa, and Mrs. William A. Seidler, of Jamaica, Iowa, citizenship chairman for the Iowa Federation of Women's Clubs, for their effective leadership in this project. Iowa is

the first State to complete successfully its statewide citizenship essay contest and to send its winners to Washington.

The Iowa contest was won by Betty Jane Matson, of Shelby, Iowa, and Harlan Hahn, of Osage, Iowa, high schools. Each of the Iowa winners won a special trip to Washington to see their Government at work and were selected to appear on this nationwide TV and radio college forum, which is seen and heard on ABC.

Miss Matson appeared here some weeks ago to interview Presidential Assistant Harold Stassen, and last Sunday, Mr. Hahn interviewed Mr. James B. Carey, vice president of the AFL-CIO and president of the IUE. I was highly honored to have Miss Ruth Hagy, the owner, producer, and moderator of this program; her assistant, Miss Helen Jean Rogers; and Mr. Hahn for lunch in the Senate dining room Saturday noon. I was deeply impressed by the merit of the college news conference program and by Mr. Hahn's winning essay, The Blessings of Liberty. I ask unanimous consent to include his essay at this point in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE BLESSINGS OF LIBERTY

(By Harlan Hahn, Osage High School, Osage, Iowa)

I stood on soil that was foreign to my being. Around me was the bleak, desolate landscape, a relic of the war that had, years earlier, raged in fury and turmoil over the dormant earth. This was hallowed ground, for it had been christened by the fire of machineguns and the blood of American boys. This was ground that bore the heavy, hobnailed boot of the aggressor; ground that lost its identity as a rain of bullets sent a spray of dust spiraling into the air.

These were the beachheads of Normandy, France. On June 6, 1946, the word "invasion" darkened the front pages of newspapers around the world. The boys who fell in the ebbing tide of Normandy were the descendants of a group of men who had assembled in Philadelphia centuries before, to pledge their sacred honor—likewise in the face of death—to the cause of liberty. Later, a group met again after a bloody revolution and devised a governmental structure that gave form to the ideas they had expressed in their original declaration. Both the framers of these documents and the boys on that beachhead were acting to "secure the blessings of liberty" for the present generation and "our posterity." We fought to preserve our democratic heritage in a land that had never known our way of life.

But what could give cause to this tragic war? What could be worth the blood and death on a shore that was a world away from our homeland? The answer to these questions comes in but one word—democracy.

Democracy is a way of life. It may be portrayed by that stream of people passing on the sidewalks of a large metropolitan city. America's greatest gift to these people is individual liberty. Freedom originates within the individual. It is a personal right to speak, to act, and to worship according to the dictates of one's own conscience.

My country gives its citizens the right to speak freely so they may thereby come to a better understanding of the national issues. It is our right to criticize the party in power, the right to declare our beliefs as we see fit. Freedom of speech can be permitted because it is our belief that, in the competition of ideas, truth will prevail.

While democracy is a belief in the ability of people to govern their own lives and destinies, it is also an eternal reliance upon the supreme guidance of God. America is based upon those moral and spiritual principles that gave life purpose and men personal dignity. In the imposing Gothic cathedral or the small stucco church, men may gather to worship, directed only by their own convictions.

In our society, a free press plays an important and influential role in our decisions as a Nation. An informed America is vital to the preservation of our democratic form of life. Freedom may be pronounced in the editorial opinions of a weekly newspaper or the rumble of a mighty press. It is represented by free publications disseminating their analysis of current happenings to a public that will make the final decisions concerning these matters.

Perhaps our most graphic illustration of democracy in action is the New England town meeting. A meeting of the local Lions or Rotary Club may assume another form of freedom, for it is the right to assemble.

Security of home and person is evidenced in the chalky white board house, secure and free from encroachment. It is a guaranty to every American that he will not be forced to quarter troops, that he may not be searched or arrested without a warrant, that his privacy will be respected.

Under the Constitution, "equal protection of the laws" is afforded every American. Many of our forefathers were denied a trial by jury, the writ of habeus corpus, and protection from ex post facto laws. These rights were incorporated in our tradition because this despotism once existed. Today, we need not fear this suppressive tyranny.

The central feature of our lives and freedoms is perhaps our system of free enterprise. It too is a system of individualism. All the material products which we know as such an essential part of our lives are the products of free enterprise. Not only does it give a person the freedom of living his life according to his own capacities and character, but it is also a form which must exist if our personal rights to free thoughts and action are to be continued.

These are the rights that have meant death to many and life itself to others. These are the privileges which we must protect and cherish. On the sands of Normandy, and in a stately edifice in Philadelphia, men struggled with their minds and hands to will their freedoms to the generation of their sons. We, today, are the heirs of that democratic legacy; it is upon us that these blessings of liberty have been bestowed.

We must, therefore, in our own way seek to protect and safeguard our freedoms. We must accept the responsibilities that are so closely akin to these rights.

Normandy was swept by the tide of history, for it was an unprecedented military victory. Yet, it does not mean that democracy is now secure for the ages, for it did not turn the tide of apathy in America.

It is an incident that speaks to us saying: "Participate in your government, express your opinions; or, most surely, you will someday again have to make the supreme sacrifice for your indifference." In our own hearts and minds we must know, we must secure these precious blessings.

Let us hope that men may never again have to die in battle, even for these sacred truths. May the example of a free America, lavished in a democratic heritage, prevent another Normandy.

THE FAIRLESS COMMITTEE SEES NO NEED FOR SUNFED

Mr. MARTIN of Iowa. Mr. President, on May 7, and again on May 14, 1956, I expressed on the Senate floor my opposition to the establishment of SUNFED, the Special United Nations Fund for Economic Development.

During the current session of the United Nations General Assembly, 4 resolutions were submitted giving support to the establishment of SUNFED with varying degrees of urgency. The United States and United Kingdom delegations made it quite clear that they were not prepared to support any early establishment of such a fund.

I am concerned that the General Assembly unanimously adopted a 43-power resolution requesting the ad hoc committee on SUNFED "to set forth the different forms of legal framework" on which a development fund might be established and statutes drafted.

In my statement on the Senate floor on May 7, 1956, I reviewed the attitude of the Randall Commission toward multilateral foreign aid programs. I said:

It is clear that the Randall Commission believes that foreign aid can only be justified where it contributes to our own security. This is the basis for the recent request by President Eisenhower for an expanded long-term foreign aid program for Asia and the Far East.

If these programs are to contribute to our security, it would seem that they must be bilateral. The security of the United States would not be enhanced through participation in a multilateral aid program administered by the United Nations. Such a program necessarily would invite technicians from the Soviet bloc into many of the underdeveloped countries.

For many years there has been constant agitation within the United Nations for the establishment of a Special United Nations Fund for Economic Development, known as SUNFED. Our Government has consistently opposed the formation of SUNFED.

I also attempted to show that this concept was supported strongly by Adlai Stevenson and Walter Reuther. I said:

Adlai Stevenson, in addressing the American Society of Newspaper Editors on April 21, proposed that all of our foreign aid should be channeled through the United Nations. This is not a new idea with Adlai Stevenson. He got it from Walter Reuther, who on Saturday, March 24, called on the United States to spend $8 billion a year for a quarter of a century in a global relief program. Walter Reuther proposed that 2 percent of the gross national product be spent for peace, prosperity, and progress. His program contained these points:

"First. The 2-percent contribution over a 25-year period; contributions to be made without qualifications.

"Second. Program to be administered through the United Nations and multilateral agencies.

"Third. Economic aid from the world fund to be available to unalined as well as alined nations.

"Fourth. United States aid to be made available at once through existing multilateral agencies such as SUNFED and the Colombo plan, pending the U. N.'s consideration of the creation of the world fund.

"Adlai Stevenson's proposal, which he plainly borrowed from Walter Reuther, would place an intolerable burden on the United States taxpayer, without any return in enhanced security. I am convinced that we must help create a climate for private investment if the people of the underdeveloped countries are to really advance their standard of living. If they look to SUNFED, instead of creating the conditions at home to stimulate private investment, they will have missed a golden opportunity."

We have just reaffirmed the necessity of using foreign aid to assist nations which wish to preserve their freedom through the passage of the resolution establishing the Eisenhower doctrine for the Middle East.

In view of my stated position on this issue, it was a great satisfaction to me that the President's Citizen Advisers on the Mutual Security Program, a group popularly known as the Fairless Committee, in a unanimous report came to the same conclusion which I advanced last May. They reaffirmed the position of the Randall Commission. This is what the Fairless Committee had to say concerning the establishment of SUNFED. I am now quoting from page 11 of the Fairless report:

> In foreign assistance programs a higher priority should be given to those countries which have joined in the collective security system.
>
> We recognize that some nations apparently do not entertain either the same apprehension as we of the threat of the Communist conspiracy or the same judgment as to the measures necessary to defend against it. We fully respect their right, indeed their obligation, to take whatever course they believe to be in their own national interest. Our Government is obligated to do likewise, and we should marshal our resources to that end.
>
> The contributions of other economically advanced nations to the task of providing external assistance to nations in need should be actively sought. But it does not appear that there is need for yet another worldwide bureau, such as the Special United Nations Fund for Economic Development, for the distribution of grant economic assistance. The need is rather for increased support by other nations of the technical assistance and lending activities of the existing international institutions.
>
> Our support for the technical assistance work of the United Nations should continue at about the present level.
>
> For any country which the United States wishes to support, and for which substantial non-United States aid might be forthcoming, we should announce publicly our willingness to undertake appropriate joint assistance programs.

The Commission, in other words, says that we should continue to favor those countries in our foreign-aid expenditures who have joined with us in a collective-security system. We should further the investment of private funds for economic development. As representatives of the American people, we cannot in good conscience vote to expend money taken from the American taxpayers merely to raise living standards throughout the world. That is, after all, an act of charity, and we cannot do charity with the money of our taxpayers.

I vote for foreign aid only when I am satisfied that these expenditures contribute to the strength of the free world and tend to reduce the possibility of war and our own expenditures for national defense. I never hesitate to vote to expend the money of our taxpayers to secure the defense of our country. However, I do not feel I can vote to spend our taxpayers' money merely to do good for those less fortunate because that would be a desirable thing to do for the recipients.

I heartily endorse these statements by the Fairless Committee.

NATIONWIDE POULTRY INSPECTION

Mr. NEUBERGER. Mr. President, recently, it was my privilege to testify before the Senate Committee on Agriculture and Forestry in behalf of the bill (S. 1128) introduced by the Senator from Minnesota [Mr. HUMPHREY] to provide a system of poultry inspection for the Nation. I have also submitted a statement to the House Agriculture Committee to be included in the record of its hearings on similar bills.

As a member of the State legislature in my home State of Oregon, I worked hard to secure a State system of poultry inspection. Regulation and inspection are needed at both the State level and the Federal level. This need is greater than ever in view of the recent debatable trend to industrialize the methods of egg and broiler production. Traditionally, poultry production has been considered one phase of agriculture in which local producers took precedence in the local market. So-called "vertical integration" may rapidly change that situation. This integration trend is not in the public interest. Today, armadas of refrigerated truck and trailer loads of broilers are rushed to supermarkets half way across the continent where the broilers are advertised as "leaders" in double-page advertising spreads. This has imperiled the future of many small local producers.

It is interesting, and in light of recent developments significant, that a year ago a serious psittacosis, or parrot fever, outbreak appeared first in one of Oregon's largest poultry operations. Although large poultry operations may very well be run in a more streamlined and scientific manner, as the case in my home State so clearly demonstrated, once a disease has struck, it makes the need for Federal inspection all the more imperative.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD my statement and a letter submitted to the House Agriculture Committee. The letter is from Mr. L. B. Myers president of the Egg Candlers and Poultry Workers Union, No. 231, of Portland, Oreg.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT AND ENCLOSURES SUBMITTED BY SENATOR RICHARD L. NEUBERGER, OF OREGON, TO HOUSE AGRICULTURE COMMITTEE ON POULTRY INSPECTION

Mr. President, the lack of legislation for the mandatory inspection of poultry has had sorry consequences in Oregon on occasion. Last year psittacosis or parrot fever, a pneumonia-like illness, broke out among turkey flocks in the Portland area and spread to human beings, resulting in death in certain instances and a considerable number of hospital cases.

Economic dislocation resulted in the west coast poultry industry with Washington State immediately clamping a tight embargo on Oregon turkeys and turkey eggs. Consumers, although not necessarily endangered, may have been sold birds which died of the disease. And the Oregon poultry industry suffered a severe public relations setback.

All of these terrible results to life and property can be minimized, and perhaps even prevented, by the enactment of poultry inspection legislation. The Oregon outbreak is a case history in the need for such legislation.

Poultry suffers from some 26 diseases which are transmissible to man. Some of the illnesses are of only academic interest, they are spread so rarely to humans. Others, like psittacosis, cause major epidemics. Texas poultry workers have been the target of several of these outbreaks between 1948 and 1954. The last, in the summer of 1954, hit at least 200 persons with either 1 or 2 fatalities occurring. Outbreaks have also taken place in New Jersey, Nebraska, Virginia, and Iowa.

In February and March of 1956, the disease came to Oregon in full force. Two turkey breeding flocks, with a total of 10,000 fowl, contracted the illness. These flocks were on farms on Scappoose and Sauvies Islands in the Columbia River, according to the Portland Oregonian.

The disease soon spread from the turkeys to farm workers. This, by the way, is the first time health officials have found farm workers to have contracted psittacosis from poultry. In previous outbreaks, the United States Public Health Service reports that only poultry processing workers were affected.

But in Oregon several farmworkers became ill. One died. Although health authorities cannot be certain the death was completely due to psittacosis, it is thought the disease was at least a contributing factor.

The diseased poultry was sent to a rendering plant and three processing plants in the Portland area. It spread havoc there. Another man who had been handling the diseased birds died. Other employees became ill with many requiring hospitalization.

The toll soon stood at 64. It may actually have been higher. Influenza was prevalent in the Portland area and additional psittacosis cases may have been misdiagnosed for it.

Psittacosis is a very painful illness, according to medical authorities. I should like to offer a short excerpt of the clinical findings in the Texas outbreaks, as reported in the book Psittacosis, edited by F. R. Beaudette. It will give the Members of the Congress an idea of the human suffering caused by the disease.

"The onset usually was characterized by fever, anorexia, chilly sensations, severe headache, and nausea or vomiting. Unless prompt and vigorous antibiotic treatment was instituted, the disease was slowly progressive and after a few days most patients felt much worse. At the height of the illness the most common complaints were feverishness, headache, cough, weakness, nausea, and loss of appetite. Several patients complained of chills, drenching sweat, and pain or soreness in the chest. Abnormal findings on physical examination usually were negligible at the time of hospitalization, even though the patients were quite toxic, usually with high fever. During the height of illness the patients frequently were delirious or disoriented. The most seriously ill became lethargic or stuperous; this frequently was a cause for comment. * * *

"The duration of illness varied from a few days to several weeks. More than half of the patients were ill 2 or 3 weeks. Several patients had relapses; relapses occurred both in treated and untreated cases. Those more seriously ill convalesced slowly, but, excepting the fatal cases, recovery generally was complete and uneventful except for prolonged weakness."

But what about the consumer? So far, he has not been endangered by psittacosis. As far as I can learn, no consumer has been reported hurt so far in any American outbreak of this disease. Public health groups emphasize the "so far" however, since they recall that until the Oregon epidemic no

farm worker had ever been reported hit by the disease either.

The Portland situation does demonstrate how dead, diseased birds are slaughtered for marketing to consumers just like live, healthy ones. In one plant, I am told, health authorities found 49 fowls which had previously died of psittacosis were nevertheless, being processed.

Even if psittacosis is definitely found to be nontransmissible to man after the fowl has been killed or has died, the consumer should be protected from unwittingly buying such diseased poultry. There is no reason why he should not be assured of a healthy bird when he pays his hard-earned money.

The psittacosis outbreak has not only caused human suffering, it also has created havoc and fear in agricultural commerce. On the West Coast, after the recent outbreak, the Washington State Department of Agriculture clamped a strict embargo against turkeys and turkey eggs from Oregon.

The embargo naturally caused considerable hardship to Oregon turkey raisers. Oregon is one of the Nation's largest producers of turkeys and turkey eggs and the hatcheries ordinarily sell 60 percent of their products to other States. Washington, Colorado, and Utah usually are the biggest buyers, but with the Washington market temporarily shut off, the industry suffered severely.

Of course, the Oregon poultry industry suffered a serious public relations setback. Needless to say, occurrences such as these, including the dressing of poultry which had previously died of disease, did not raise the confidence of the public in poultry and sales necessarily suffered.

What can be done about these outbreaks? The United States Department of Agriculture may direct that the fowls be fed antibiotic drugs to wipe out psittacosis among them. A segregation program for diseased or suspect birds can also be ordered.

These steps are good as far as they go. But further action is needed and it is up to us, in Congress, as well as State legislators, to take them.

We, here, must enact a mandatory poultry-inspection law. Before and after slaughter inspection provisions would virtually wipe out the industrial health hazard now posed to poultry workers. We would be able to bring to a minimum, and perhaps completely prevent, deaths and illness, from psittacosis, like those suffered in Oregon.

The inspection would assure the consumer a clean and healthy product in poultry moving in interstate commerce. He could have complete confidence in the healthfulness and cleanliness of the chickens, the turkeys, and ducks he buys.

The producer and the processor would benefit from a more stable market. And with large outbreaks gone, the embargoes and the resultant economic dislocations would become a thing of the past.

The Oregon psittacosis outbreak demonstrated beyond question the imperativeness that we enact proper legislation as soon as possible. We cannot afford to let human life suffer, as it once suffered in the Portland area. We cannot afford to let an industry decline. We have a means of dealing with the problem. Let us use it.

I also submit for the record, Mr. Chairman, a letter from Local 231, Egg Candlers and Poultry Workers of Portland, Oreg.

AMALGAMATED MEAT CUTTERS
AND BUTCHER WORKMEN OF
NORTH AMERICA, AFL,
Portland, Oreg., February 6, 1957.

The Honorable RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Since the outbreak of psittacosis in Oregon, the members of local union No. 231 have been more anxious than ever to have a strong compulsory poultry inspection bill enacted by Congress.

There are several amendments being introduced in regard to poultry inspection but the amendment introduced by Senator HUBERT H. HUMPHREY is the one which we believe will provide the type of legislation we want.

We are writing to ask that you cosponsor the Humphrey amendment and do everything you can to secure passage of a mandatory poultry inspection bill in this session of Congress.

With sincere best wishes, we remain,

Very truly yours,
EGG CANDLERS AND POULTRY WORKERS, LOCAL UNION NO. 231,
L. B. MYERS, *President.*

SECURITY OF ISRAEL

Mr. NEUBERGER. Mr. President, with his characteristic courage and candor, former Senator Herbert H. Lehman, of New York, on March 22, told the National Council of Jewish Women that the United States Government assumed responsibility for the security of Israel, when it urged the Israelis to withdraw forces from the Gaza Strip in response to assurances from President Eisenhower and Secretary Dulles.

Ex-Senator Lehman, who has continued to demonstrate wide and keen interest in public problems, pointed out that our own Government, although vitally concerned with stability of the Middle East, has consistently ignored the belligerent threats voiced by Arab powers against the continued existence of Israel.

I ask unanimous consent that a dispatch published in the Washington Post and Times Herald of March 23, 1957, describing Herbert Lehman's address, be printed in the body of the RECORD. The article was written by Miss Eileen Summers, of the staff of that newspaper.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORMER SENATOR LEHMAN SAYS ISRAEL'S SECURITY IS IN UNITED STATES HANDS

(By Eileen Summers)

Former Senator Herbert Lehman, Democrat, New York, said last night America is now responsible for the security of Israel.

It would be "gross perfidy," Lehman said, "if the United States Government should now try to dodge or avoid in any respect its assurance to Israel." To do so, he added, would be to "play straight into the hands of the Kremlin."

Lehman, who addressed the National Council of Jewish Women at a dinner in his honor at the Sheraton-Park Hotel, called for "straight talk to the Arab leaders and the Arab masses" by the United States Government.

Amid applause, Lehman added, "We must stop telling the Arab leaders one thing and the Israeli leaders another."

"The United States Government," he said, "must convince the Arabs that there are no circumstances and no considerations—diplomatic, political, or economic under which this country would stand aside and let Israel be attacked or destroyed."

When the security of Israel is assured, Lehman continued, we should be prepared and ready to assist the Arab peoples "with all our might and resources" to achieve their "proper and legitimate aspirations to prosperity, honor, and dignity."

He charged that the errors and shortcomings of American policy in the Middle East "before the Soviets moved into the Middle East" helped set the stage for that move. He added:

"Beginning in the late summer of 1955, Soviet power grew and spread in the Middle East with Nasser acting as the spearhead of it."

There was still more applause when Lehman charged that "our Government has consistently pretended not to notice while the Arabs have talked about wiping Israel off the map. And indeed, some of our diplomats in Arab countries have sometimes sounded as if they privately sympathized with the Arab viewpoint."

Lehman said the United States Government's "persistent reference to impartiality" as a new American policy in the Middle East has been interpreted by some Arab leaders as meaning that "under the right conditions, the United States might consider the destruction of Israel to be justified."

A number of Senators and Representatives were present at the banquet, the final event in the 5-day convention of the council.

Among them were Senators ESTES KEFAUVER, of Tennessee, and DONALD JACKSON and WARREN MAGNUSON, of Washington.

Tributes to Mr. and Mrs. Lehman were received from former President Truman, Adlai Stevenson, Mrs. Eleanor Roosevelt, Gov. Robert B. Meyner, of New Jersey, Gov. Averell Harriman, of New York, Supreme Court Justices Felix Frankfurter, John Marshall Harlan, and William O. Douglas, and many Senators.

Earlier in the day, Mrs. Moise S. Cain, of New Orleans was reelected to a second 2-year term as the council's national president. Mrs. Samuel Brown, of Washington, was among 15 women elected to the national board of directors.

TRIBUTE TO SENATOR GOLDWATER, OF ARIZONA

Mr. CURTIS. Mr. President, I am pleased to submit, for the interest of my colleagues, two editorials regarding the junior Senator from Arizona [Mr. GOLDWATER]. The editorials were published in the Valley Times, of San Fernando Valley, Calif., under date of February 16 and February 19, 1957. These commendable editorials are fully deserved by our distinguished colleague, the Senator from Arizona. I ask unanimous consent that the editorials be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From San Fernando Valley Times of February 16, 1957]

ONE SENATOR WHO MARCHES ON

(By George Todt)

"Not in the clamor of the crowded street,
Not in the shouts and plaudits of the strong,
But in ourselves are triumph and defeat."
—*Longfellow (the Poets).*

Last Wednesday I was privileged to hear a remarkable extemporaneous address given before a joint convention luncheon of the National Sand and Gravel Association and the National Ready Mixed Concrete Association at the Statler Hotel in Los Angeles. It was delivered by Senator BARRY GOLDWATER, of Arizona, one of the great new champions of the fundamental Republican Party in 1957—and he was simply magnificent.

It was possibly the biggest jam of human beings ever to sit at a Statler luncheon. There may have been in excess of 2,200 people on hand to hear the courageous young Senator from the Southwest—and he did not

disappoint them. From the roaring swell of approval concerning his remarks by his audience, one might have been pardoned for thinking it was California's own great Senator BILL KNOWLAND who was at bat. Actually, these two fine men are very close together in their ideological concepts and general outlook. Both are conservatives, but not extremists. One might say that they stood on political ground equidistant from Paul Hoffman and his arch critic, Senator JOE MCCARTHY. Senator GOLDWATER springs from bona fide pioneer stock. His grandfather settled in Arizona in the early days and established a general store in the mining town of La Paz. The family next went to Prescott; when the community of Phoenix was laid out, they moved there and established one of the earliest stores there. Goldwater's Department Store now is the Saks Fifth Avenue of the Arizona capital.

BARRY GOLDWATER left the University of Arizona at the time of his father's death and took over the management of the family business. In the intervening years, he became an active leader in his community, participating in about every worthwhile community enterprise.

With World War II approaching, he volunteered for military duty, prior to Pearl Harbor, turning over the family business to a younger brother.

Aviation enthusiast for some years back, he naturally chose the Air Force. Serving in North Africa and Asia, he earned an enviable record. War over, he entered the Active Reserve, being now a full colonel.

Entering politics in 1949, he joined a group of other community leaders, and set out to clear up a cloudy situation in the Phoenix City Hall. In 1949, and again in 1951, he was elected to the city council.

In 1952 he became a candidate for the United States Senate, but in that race he had to challenge an entrenched Democratic leader, Senator Ernest W. McFarland, then Democratic Majority Senate leader, now Arizona Governor.

In his first four years in the Senate, he established a record for courage and devotion to basic American principles. He serves on important Senate committees—Labor and Public Welfare, Interior and Insular Affairs, and (by recent appointment) the Special Bipartisan Committee to Investigate Racketeering in Labor-Management Relations.

Senator GOLDWATER believes that employees should have the right to form and to join unions, but that they should not be forced to do so. He is strongly opposed to compulsion in any form. He was one of the original supporters of Arizona's right-to-work law. He is perhaps best known as the courageous Republican who has bearded the Democratic strong man, Walter Reuther, in his den. And—loud as he has been known to be upon occasion—Reuther seems to evidence little desire to come to grips with Senator GOLDWATER. Not in the open, at least.

However, it is being rumored in some quarters that Mr. Reuther has persuaded at least one Republican person high in automotive centers to attempt to read the Senator out of the Republican Party. This really is a laugh.

[From the San Fernando Valley Times of February 19, 1957]

UNION COMPULSION—UNITED STATES CONSTITUTION

(By George Todt)

"For what avail the plough or sail,
Or land, or life, if freedom fail?"
—*Emerson, Boston.*

"Should we have compulsory unionism?" That was a question Senator BARRY GOLDWATER, of Arizona, put to a Los Angeles audience last week. This is the way he answered it:

"I believe that after the American people have soberly reflected on the loss of their personal freedom and liberties, they will say 'let's not force anyone to be compelled to join anything.' But at the same time, we must also protect the right of the people to organize. We are not against unions—just the element of compulsion.

"The United States is the only one of all the 54 nations throughout the world which have passed labor legislation that presently has compulsory unionism. The Federal Government has made a terrible mistake in putting compulsion on the books.

"The right to work should be viewed in the light of our right of association—men and women have a perfect right not to want to belong to something according to their individual choices in the matter. Or the right of the people peacefully to assemble—some people just don't want to belong to things. Nor should they ever be forced to do so against their wills in our libertarian republic. Here we are set up to protect the human dignity of our citizens according to their individual conscience, as long as they act within the law, and there is no room here for the doctrine of force.

"This country is the only place where we have a chance to operate according to God's law of free agency for mankind. We must keep it as it was meant to be.

"How can men have a right to life, liberty, and the pursuit of happiness—which is basic American doctrine—unless they also have jobs? The right to work is coextensive with the right of life, itself. For, as Shakespeare wrote in the Merchant of Venice—'you take away my house when you take away the prop which doth sustain my house.' And when you take away a man's house—or his right to work—you take away his very life.

"This is not merely a conservative Republican, or partisan, view; on the contrary, it has been shared also by well-known liberals of the opposite political faith. One was Franklin Delano Roosevelt, who was against the closed shop and likened it to Hitler's methods. Another is Senator HUBERT HUMPHREY, of Minnesota, who, to his eternal credit, has come out in favor of the right to work being included as an integral part of the civil liberties bill (S. 83) now pending in Congress.

"I have discussed the philosophical implications of the right to work with the President, and outlined the dangers of compulsion to him. The question is, Where will the compulsion end? Should unions be the result of such compulsion—or collective bargaining? I believe that Mr. Eisenhower, great American that he is, does not wish the Government to take any kind of arbitrary stand on this vital issue. Rather, he thinks this is something the American people should, and must, decide for themselves.

"A lot of strange things have been happening in this country since 1932, and the citizens of this Nation had better wake up to the fact. Today some labor leaders are trying to make political parties out of labor. It won't work. We can't have splinter parties in our system. What is needed now is adequate legislation to control monopoly characteristics in unions. We must restrain the accumulation of undue power in the hands of a few labor leaders to prevent what is going on. For too much power in the hands of any person—or a privileged few—is bound to corrupt.

"We Americans must ever stand against the abuse of power in any segment of our great society—whether from labor, management, bureaucracy, or whatever the source may be. We must be honest with ourselves and say: 'If I truly believe in the Declaration of Independence, the Constitution, and its Bill of Rights—then I must give it more than simply lip service. I must live it in my own life. And I must support the right of every fellow citizen to live it according to his conscience and free agency—and without compulsion from any man.' This is freedom under God. And it is the only true American way of life."

ORDER OF BUSINESS

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PROXY CONTEST BETWEEN FAIRBANKS, MORSE & CO. AND THE PENN-TEXAS CO.

Mr. KEFAUVER. Mr. President, all of us have followed the newspaper accounts of the proxy contest between Fairbanks, Morse & Co. and the Penn-Texas Co. over the control of Fairbanks, Morse.

In the CONGRESSIONAL RECORD of Thursday, March 21, there appears, on pages 4188–4189, an extension of remarks by Representative ALLEN, of Illinois. The title is "Silberstein's Penn-Texas Compromising National Security?"

Mr. President, I have no interest in the outcome of this contest, other than that it is carried on fairly and within the rules of the Securities and Exchange Commission and the decisions of the courts. I do think, however, that it is unfortunate that certain disparaging personal insinuations have been made in Congress and elsewhere against Leopold Silberstein, of the Penn-Texas Co. The insertion in Thursday's RECORD, in addition to the question raised about national security, intimated that Mr. Silberstein had some evil motive in the contest, and also it was charged that there was something wrong and sinister in the purchase of Fairbanks, Morse & Co. stock by some Swiss banks. I have seen several even harsher charges along this line, and some of them were discussed by my able colleague, the Senator from New Hampshire [Mr. BRIDGES], on the floor of the Senate a few days ago.

This proxy contest is under the supervision of the SEC; and so far as I know, the Commission is doing its duty in the matter. But in all fairness, it seems to me that it is going too far to base attacks upon Mr. Silberstein because of the fact that he migrated here from another country and became an American citizen only a few years ago.

The facts, as I understand them, are that he escaped from Germany during the time of Hitler's regime, and came to the United States about 9 years ago, and became a citizen as soon as the law permitted. I know Mr. Silberstein personally. I know him to be a good American, and I have confidence in him. I know he went through many hardships to escape the brutalism of Hitlerism, and he deserves much credit for having become a successful businessman in this country. Since he came to the United States, he has done many worthwhile things in civic enterprises, and recently is offering jobs

and opportunities for almost 1,000 Hungarian refugees.

We welcome into this country men of ability who want to be good citizens and who can contribute to the economy and welfare of our country.

The second point is in connection with the purchase of stock of Fairbanks, Morse & Co. by certain Swiss banks. I do not know the extent of such purchases, but it is well known that American companies have purchased interests in foreign companies, and, indeed, it is the policy of our Government to encourage investments abroad. Of course, it is well known that many of the best enterprises in the United States have been partly financed by capital from abroad; and I think our country has benefited when capital from friendly and democratic nations, such as Switzerland, is invested in the United States. Of course, any such investments must come under the rules laid down by the Securities and Exchange Commission; and if some change is needed in our laws relative to investments of foreign firms in this country, it should be dealt with by properly considered legislative proposals, and not collaterally.

I hope the good name of Mr. Silberstein and the disparaging remarks about Swiss banks may be left out of this contest. I hope this and other similar contests will be carried on within the limits of the rules and regulations laid down by our Government when it created the SEC, and not on the basis of personal castigation or unfriendly inferences against foreign capital.

ADJOURNMENT

Mr. NEUBERGER. Mr. President, under the order previously entered, I move that the Senate do now adjourn.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, March 26, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 25, 1957:

Foreign and Diplomatic Service

Charles E. Bohlen, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

Department of Health, Education, and Welfare

Katherine Brownell Oettinger, of Massachusetts, to be chief of the Children's Bureau, Department of Health, Education, and Welfare, vice Martha Eliot, resigned.

United States District Judge

Caleb R. Layton III, of Delaware, to be United States district judge for the district of Delaware, vice Richard S. Rodney, retired.

United States Attorneys

Ben Peterson, of Idaho, to be United States attorney for the district of Idaho for a term of 4 years, vice Sherman F. Furey, Jr., resigned.

Anthony Julian, of Massachusetts, to be United States attorney for the district of Massachusetts for a term of 4 years. He is now serving in this office under an appointment which expires March 19, 1957.

United States Marshals

Frank O. Bell, of California, to be United States marshal for the northern district of California for a term of 4 years. He is now serving in this office under an appointment which expires July 17, 1957.

Robert W. Ware, of California, to be United States marshal for the southern district of California for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

Thomas H. Trent, of Florida, to be United States marshal for the southern district of Florida for a term of 4 years, vice Leo H. Brooker, resigned.

In the Navy

Rear Adm. Donald B. Duncan, United States Navy, retired, for appointment to the grade of admiral on the retired list of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25, 1957:

In the Army

The following-named officers under the provisions of title 10, U. S. C., sec. 3066, to be assigned to positions of importance and responsibility designated by the President under subsec. (a) of sec. 3066, in rank as follows:

To be lieutenant generals

Maj. Gen. David Ayres Depue Ogden, O12051, United States Army.

Maj. Gen. Garrison Holt Davidson, O16756, AUS (brigadier general, United States Army).

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3284 and 3306:

To be brigadier generals

Maj. Gen. Samuel Leslie Myers, O17180.
Maj. Gen. Verdi Beethoven Barnes, O17198.
Brig. Gen. William Mattingly Breckinridge, O17210.
Brig. Gen. Wilhelm Paul Johnson, O17229.
Maj. Gen. Carl Ferdinand Fritzsche, O17234.
Brig. Gen. Ralph Joseph Butchers, O17242.
Maj. Gen. Thomas Lilley Sherburne, Jr., O17293.
Maj. Gen. Stanhope Brasfield Mason, O17295.
Maj. Gen. Paul DeWitt Adams, O17306.
Maj. Gen. Alfred Benjamin Denniston, O17315.
Maj. Gen. Robert Henry Wienecke, O41569.
Brig. Gen. Richard Joseph Werner, O29107.
Brig. Gen. Walter King Wilson, Jr., O17512.
Brig. Gen. Thomas Jahn Sands, O17521.
Maj. Gen. Carl Henry Jark, O17556.
Maj. Gen. Edwin Hugh John Carns, O17560.
Maj. Gen. John Elliot Theimer, O17566.
Maj. Gen. George Elial Bush, O17634.
Brig. Gen. William Carson Bullock, O17635.
Maj. Gen. Robert William Ward, O17637.
Maj. Gen. Paul Wyatt Caraway, O17659.
Maj. Gen. James Bernard Quill, O17673.
Maj. Gen. Russell Lowell Vittrup, O17681.
Maj. Gen. Paul Lamar Freeman, Jr., O17704.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. Raymond Wiley Curtis, O16784.
Brig. Gen. Raymond Earle Bell, O16897.
Brig. Gen. Wilhelm Paul Johnson, O17229.
Brig. Gen. Thomas Jahn Sands, O17521.
Brig. Gen. Roy Ernest Lindquist, O18125.
Brig. Gen. Walter Bernard Yeager, O29464.
Brig. Gen. Edwin Anderson Walker, O18562.

To be brigadier generals

Col. Clarence Price Canby, O17904.
Col. Roger Gaylord Prentiss, Jr., O17825.
Col. Morton Elmer Townes, O18255.
Col. Charles Lowman Decker, O18549.
Col. Nathaniel Brewning Rieger, O51027.
Col. Charles Michael Baer, O18718.
Col. Frederick William Coleman 3d, O19216.
Col. Reuben Henry Tucker 3d, O19894.

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of the Reserve Officer Personnel Act of 1954, Public Law 773, 83d Congress.

To be major generals

Brig. Gen. Waldemar Fritz Breidster, O231017.
Brig. Gen. George Samuel Cook, O251434.
Brig. Gen. Kenneth Cooper, O184126.
Brig. Gen. Joseph Clifford Hodgin, O120835.

To be brigadier generals

Col. Harry Elmer Besley, O275145.
Col. Truman Graves Blocker, Jr., O475788.
Col. Clifford Laurence Dier, O246655.
Col. John Jeremiah Fitzgerald, O290834.
Col. Howard Fenimore Haines, O173170.
Col. Carl Schulze Junkermann, O278976.
Col. Francis Burke McSwiney, O305589.
Col. John Chester Monning, O337254.
Col. Albert Harold Nosun, O264243.
Col. Clay Olbon, O246675.
Col. Clemont C. Parrish, O270901.
Col. Robert Herman Simmert, O271697.
Col. Herbert Alfred Smith, O189961.
Col. Maurice Lynn Watts, O392863.
Col. Robert Clifford Wilson, Jr., O313324.

The officer named herein for appointment as Reserve commissioned officer of the Army under the provisions of title 10, United States Code, section 593 (a):

To be major general

Lt. Col. Raymond Frederick Hufft, O345018.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

To be major generals

Maj. Gen. Earl Clarence Bergquist, O16998.
Maj. Gen. Thomas Leonard Harrold, O16051.
Maj. Gen. George Edward Martin, O16802.
Maj. Gen. Thomas John Hall Trapnell, O16762.
Maj. Gen. Donald Prentice Booth, O16395.
Maj. Gen. Clark Luis Ruffner, O15968.
Lt. Gen. Ridgely Gaither, O15970.
Maj. Gen. William Nelson Gillmore, O16196.
Maj. Gen. Garrison Holt Davidson, O16756.
Maj. Gen. Howard Ker, O15518.
Maj. Gen. Robert Ward Berry, O15554.
Maj. Gen. Rinaldo Van Brunt, O16225.
Maj. Gen. John Albert Dabney, O16602.
Maj. Gen. Guy Stanley Meloy, Jr., O16892.
Maj. Gen. Lionel Charles McGarr, O17225.
Maj. Gen. Paul Donal Harkins, O17625.
Maj. Gen. Gerald Edward Galloway, O16043.
Maj. Gen. Robert Lee Howze, Jr., O16055.
Maj. Gen. David Henry Tulley, O16075.
Maj. Gen. William Henry Nutter, O16098.
Maj. Gen. John Bruce Medaris, O39554.
Maj. Gen. Parmer Wiley Edwards, O16775.
Brig. Gen. Raymond Wiley Curtis, O16784.
Maj. Gen. Edward Gilbert Farrand, O16788.
Brig. Gen. Charles Richard Hutchison, O16796.
Maj. Gen. Bertram Arthur Holtzworth, O16804.
Brig. Gen. Olaf Helgesen Kyster, Jr., O16830.
Maj. Gen. William Jordan Verbeck, O16852.
Brig. Gen. Raymond Earle Bell, O16897.
Maj. Gen. Philip DeWitt Ginder, O16904.
Maj. Gen. Paul Alfred Disney, O17004.
Brig. Gen. Martin Joseph Morin, O16911.

Brig. Gen. Theodore Scott Biggs, O17076.
Maj. Gen. Samuel Roberts Browning, O17081.
Brig. Gen. Thomas Fraley Van Natta, O17066.
Maj. Gen. Webster Anderson, O17101.
Brig. Gen. David William Traub, O17110.
Brig. Gen. William Henry Hennig, O17122.
Brig. Gen. Garrison Barkley Coverdale, O17148.
Brig. Gen. Mercer Christie Walter, O17151.
Maj. Gen. John Cogswell Oakes, O17160.
Brig. Gen. Paul Amos Gavan, O17169.
Maj. Gen. John Honeycutt Hinrichs, O17174.
Maj. Gen. John Southworth Upham, Jr., O17178.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. Martin Joseph Morin, O16911.
Brig. Gen. William Mattingly Breckenridge, O17210.
Brig. Gen. Norman Hayden Vissering, O41603.
Brig. Gen. James Dreyfus, O29117.
Brig. Gen. Walter King Wilson, Jr., O17512.

To be brigadier generals

Col. Paul Strimple Fancher, O18637.
Col. Joseph Hamilton McNinch, O18645.
Col. Edward James McNally, O17629.
Col. Frederick James Kendall, O51236.
Col. William Allen Harris, O18976.
Col. William Orin Blandford, O18990.
Col. Morris Oswald Edwards, O19041.
Col. Thomas Herbert Beck, O19164.
Col. Thomas Bowes Evans, O19174.
Col. Royal Reynolds, Jr., O19238.
Col. William Reeves Shuler, O20116.
Col. Chester Victor Clifton, Jr., O20246.
Col. John Arnold Heintges, O20281.

IN THE AIR FORCE

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 8294, title 10, United States Code, as modified by the act of April 30, 1956 (70 Stat. 119), and section 8067, title 10, United States Code, with a view to designation for the performance of duties as indicated:

To be lieutenant colonel, USAF (Medical)

Quintino J. Serenati, AO969179.

To be major, USAF (Dental)

Edward A. Graykowski, AO3042009.

To be captains, USAF (medical)

Andrew P. Bateon, AO3002006.
John K. Cherry, AO3001537.
Richard T. Day, AO948530.
Hugh B. Mitchell, Jr.
Edgardo Ortiz-Gordils, AO3041670.
David L. Robinson.
William L. Shepard, AO3002034.

To be captains, USAF (dental)

Robert A. Karr, AO816117.
Thomas Salimeno, Jr.
Roy S. Sloan.

To be first lieutenants, USAF (medical)

George W. Beddingfield.
Hubert R. Buxton, Jr.
John H. Carney, AO3045037.
Edward R. Christensen.
Charles D. Cobau.
Yancey G. Culton, Jr., AO3044662.
Leroy J. Cummings, AO3041963.
John P. Darby, Jr., AO3041783.
Joseph T. DeWitte.
John P. Dodds.
John R. DuBois, Jr.
Henry M. Eisenberg, AO2249870.
John Floyd, AO3074724.
Ridley M. Glover, AO3045946.
Howard R. Gould.
Duane E. Graveline, AO3043199.
Stanley N. Graven, AO3045948.
William D. Heath, O1879809.
Eugene Kalnitsky, AO3041641.
Dana G. King, Jr., AO3045955.
Gerald Klebanoff, AO3074765.
Eugene L. Komrad, AO3074713.
Charles F. Llenza, AO3076443.
John D. Moroney, AO3074718.
Anthony S. Neri, AO3074773.
Norris L. Newton, AO3074734.
George K. Nitz, AO3041622.
Henry J. Powsner.
Marian L. Rhame, Jr.
Harold N. Richardson, AO3042263.
Robert P. Riker.
Charles A. Rockwood, Jr.
Alfred R. Rosenthal, AO3074749.
Bernhard Roth, AO1891757.
David Seaman, AO3042798.
James A. Sheffield, AO3043843.
Samuel G. Southwick, AO3043908.
Ralph C. Tierney, AO3045976.
Orville E. Weaver.
Lester F. Williams, Jr., AO3045978.
James C. Wootton.

To be first lieutenants, USAF (Dental)

William R. Brown, AO3042376.
William T. Byerly, AO746288.
Theodore C. Cole, AO2214954.
John H. Miller, AO3001723.

IN THE MARINE CORPS

To be lieutenant general

Designated, in accordance with the provisions of section 5232, title 10, United States Code, Maj. Gen. Verne J. McCaul, USMC, for commands and other duties determined by the President to be within the contemplation of said section, to have the grade, rank, pay, and allowances of lieutenant general while so serving.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 25, 1957:

POSTMASTER

WISCONSIN

Arnold C. Works to be postmaster at Augusta.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 25, 1957

The House met at 12 o'clock noon.

Rev. George J. Chegin, St. Mary's Byzantine Rite Catholic Church, Trenton, N. J., offered the following prayer:

Almighty God, who hast given us this good land for our heritage, we humbly beseech Thee that we may always prove ourselves a people mindful of Thy favor and glad to do Thy holy will. Bless our land with honorable industry, sound learning, and pure manners. Save us from pride and arrogancy and every evil way. Endue with the spirit of wisdom those to whom we have entrusted the authority of our Government, that there may be peace and justice at home and that through obedience to Thy laws we may show forth Thy praise among the nations of the earth; all of which we ask through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Thursday, March 21, 1957, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1451. An act to amend and revise the statutes governing financial institutions and credit.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN], chairman of the Committee on the District of Columbia.

DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Reserving the right to object, Mr. Speaker, can the gentleman tell us how much money is to be spent under the terms of this bill?

Mr. McMILLAN. It does not authorize the expenditure of any money. It is merely to extend the life of this Commission.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act creating a Federal commission to formulate plans for the construction in the District of Columbia of a civic auditorium, including an Inaugural Hall of Presidents and a Music, Fine Arts, and Mass Communications Center," approved July 1, 1955, as amended, is amended—

(1) by striking out in subsection (a) "District of Columbia Auditorium Commission" and inserting in lieu thereof "Commission for a National Cultural Center";

(2) by striking out in subsection (c) (1) "consider" and inserting in lieu thereof "select and recommend"; and

(3) by adding at the end of the first section of such act the following new subsection:

"(f) The Commission shall continue in existence until the construction of the civic auditorium referred to in subsection (a) of this section has been completed."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACT PROVIDING ADDITIONAL REVENUE FOR DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 6258) to amend the act entitled "An act to provide additional revenue for the District of Columbia,

and for other purposes," approved August 17, 1937, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That section 2 of title IV of the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937 (50 Stat. 680), as amended (sec. 40–102, D. C. Code), is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding the provisions of this act, any two-wheel semitrailer owned by a nonresident owner which is offered for lease for a period not in excess of 1 year to operators of private motor vehicles for the purpose of transporting the lessee's personal property and which does not exceed (1 a maximum unladen weight of 1,500 pounds, (2) a maximum gross vehicular weight of 3,000 pounds, and (3) a maximum outside width of 84 inches, shall be exempt from registration and registration fees in the District of Columbia if such trailer is registered in the State, Territory, Province, or country in which the owner has his residence.

Sec. 2. Subsection (b) of section 3 of title IV of said act approved August 17, 1937 (50 Stat. 681), as amended (sec. 40–103 (b), D. C. Code), is amended by striking class C of such subsection and inserting in lieu thereof the following:

"Class C: For each trailer, when the manufacturer's shipping weight of the chassis, plus the weight of the body, is less than 500 pounds, $8; 500 pounds or more but less than 1,000 pounds, $12; 1,000 pounds or more but less than 1,500 pounds, $20; 1,500 pounds or more but less than 2,500 pounds, $32; 2,500 pounds or more but less than 3,500 pounds, $46; 3,500 pounds or more but less than 6,000 pounds, $60; 6,000 pounds or more but less than 8,000 pounds, $74; 8,000 pounds or more but less than 10,000 pounds, $92; 10,000 pounds or more but less than 12,000 pounds, $122; 12,000 pounds or more but less than 16,000 pounds, $152; 16,000 pounds or more, $182: *Provided*, That in determining the total weight of a trailer subject to the provisions of this class C, there shall be excluded, in computing such weight, the weight of any special equipment which is subject to taxation as tangible personal property under subsection (e) of this section."

Sec. 3. Subsection (b) of section 3 of title IV of said act approved August 17, 1937 (50 Stat. 681), as amended (sec. 40–103 (b), D. C. Code), is amended by inserting between classes D and F the following:

"Class E: For each motor vehicle classified by the Commissioners or their designated agent as an antique motor vehicle on the basis of a finding that such vehicle was manufactured prior to January 1, 1930, and is owned solely as a collector's item, with its use limited to participation in club activities, exhibits, tours, parades, and similar uses, but in no event for general transportation, $5."

Mr. McMILLAN. The purpose of this bill, Mr. Speaker, is to grant the Commissioners authority to grant temporary tags for use during the cherry blossom period and other periods without its being necessary for a full year's payment to be made for the license tags.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHMENT OF A UNITED STATES SCIENCE ACADEMY

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, last week I introduced a bill, H. R. 6164, to provide for the establishment of a United States Science Academy. This bill has been referred to the Committee on Education and Labor.

Mr. Speaker, we have all heard a great deal about the tremendous number of engineers and scientists that Russia is graduating year after year. We have been told that this constitutes a great menace to our country, to our defense, and to our future. But we have not been told what to do about it. I suggest that we have an Academy of Sciences patterned after the service academies at West Point and Annapolis and New London and Denver, and that we give these young men an education in the sciences and that they be nominated to the academy by the Senators, Congressmen and the President, in other words as we now nominate the cadets and midshipmen, but that the candidates must pass a competitive examination. It is my hope, Mr. Speaker, that the Committee on Education and Labor will give this project their serious consideration as soon as possible. We must do everything possible to further the education of our young people in the sciences and in engineering at this time in the world's history.

GREATEST SHOW ON EARTH

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include material.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, I rise to announce to this Chamber that the Greatest Show on Earth, the Ringling Bros. & Barnum & Bailey Circus will not produce its regular show on May 8 in Madison Square Garden as previously expected.

The show on this evening should be quite hilarious and most entertaining. A good production is expected because the tickets will be either $50 or $100.

Ardent animal lovers may be disappointed, but it will still be a circus, because the New Jersey Republican Finance Committee is putting on the show in its own right, to raise funds and announce the opening of the Republican gubernatorial campaign.

I confess I am sorry the Barnum & Bailey Circus was not originally scheduled to appear on the Jersey side of the Hudson River, because then the Republicans could have announced their candidate for governor on native soil.

I would like to assure everyone that there will be at least one clown there, even though I understand the great Emmett Kelley has left the circus for more lucrative work. You can rest assured that Ringling Bros. & Barnum & Bailey Circus will take every necessary step to see to it that its patrons will not be disappointed.

The two contestants for the Republican nomination in the New Jersey gubernatorial primary have often provided entertainment equal to Emmett Keiley at his best, and, as you know, Emmett Kelley was the best in the world.

The Trenton Sunday Times-Advertiser on March 24 reported one of the candidates hung some "tags" on Democratic Gov. Robert B. Meyner, that can only be described as pure slapstick designed for comedy effect. This Republican candidate was certainly clowning and underrates the intelligence of the New Jersey voters if he thinks they are taking him seriously.

I include here as part of my remarks articles from the New York Times and the Trenton Sunday Times-Advertiser on the points I have been making:

[From the New York Times of March 22, 1957]

"THREE-RING DRIVE SET BY JERSEY GOP—SLATE FOR GOVERNOR TO BOW AT 1-NIGHT CIRCUS STAND WITH $100-A-SEAT TOP

NEWARK, March 22.—Some politicians might shy away from linking politics with a circus, but New Jersey Republicans have no such qualms. They have decided that a circus setting not only would swell the party's treasury but also would make political speeches more palatable.

And so it was announced today that the Republican finance committee would open the gubernatorial campaign May 8 at the Ringling Bros. & Barnum & Bailey Circus in Madison Square Garden in New York.

David Van Alstyne, Jr., of Englewood, chairman of the affair, and William E. Darragh, executive director of the State finance group, said the circus would replace a $100-a-plate dinner scheduled for May 21 in the Waldorf-Astoria Hotel.

The committee has taken over the Garden for the evening show. It will offer 2,000 box seats at $100 each. Behind the choice places will be 4,000 seats at $50 each. The purchaser of a $100 seat will receive four balcony tickets free.

The Republicans will put on a show of their own—vocally, that is. Mr. Van Alstyne will introduce the party's State chairman; it is expected that Samuel L. Bodine will be reelected next month. He in turn will present the loser of the primary fight for governor between State Senators Malcolm S. Forbes, of Somerset, and Wayne Dumont, Jr., of Warren. This speaker will then introduce the candidate for governor, who is expected to run against Gov. Robert B. Meyner.

As an added attraction, the sponsors promise a headliner—"a prominent national figure."

[From the Trenton Sunday Times-Advertiser of March 24, 1957]

FORBES, DUMONT SHOW THEY THINK ALIKE IN DEBATE; FAVORITE ASKED TO TAKE STAND ON ASSESSMENT ISSUE—BOTH CANDIDATES FOR REPUBLICAN GUBERNATORIAL NOMINATION LEVEL SAME CRITICISM AT MEYNER IN FIRST FORUM—MORRISTOWN TALK SITE; OPPONENTS CONSIDER OTHER CAPABLE

MORRISTOWN.—Senator Malcolm S. Forbes prepared fresh attacks on Governor Meyner today, confident he has successfully withstood the most concentrated onslaught of Senator Wayne Dumont, Jr.

Dumont, for his part, picked up another issue for use against Forbes in the remaining 3 weeks of the primary campaign. He challenged Forbes to take a stand on assessment of taxable property at 100 percent of true value. Dumont is against such assessment.

Observers were agreed, however, that the similarities rather than the differences between Forbes and Dumont were emphasized in the only joint debate of their campaigns for the Republican gubernatorial nomination.

Dumont had made no secret of his counting on the debate in Morristown Friday night to mark him in the eyes of rank-and-file Republicans as clearly preferable to Forbes as an opponent for Meyner.

Forbes enjoys overwhelming GOP organization support for the nomination. Dumont last night obtained Hunterdon County's support when former Senator Arthur Foran announced a majority of the county Republican committee favors him.

But by the end of the nearly 2-hour-long debate, Dumont was forced to concede Forbes was "well qualified" to run against Meyner, and issues and not personalities were more important anyhow.

This was Forbes' attitude from the beginning. He declared: "We have no quarrel. I refuse to go traipsing around the State arguing with the Senator from Warren. • • • Either one of us is qualified. The only difference is that we both want to be governor and only one of us can get the nomination."

This remark brought the biggest burst of applause from among the 1,000 persons present at the Park Theater on Morristown's Green. Most of the audience were eager partisans of one candidate or the other. That the general public did not share the same enthusiasm was evidenced by a nearly empty balcony.

Dumont even found himself leveling the same criticism at Meyner that Forbes had delighted in all evening.

In the order in which they were heard, the Somerset senator hung the following tags on the Democratic Governor, who is unopposed in the April 16 primary: "weather vane," "handshaker," "clambaker," "powder-puff," one who stands "four-square in all directions," "faker," "hoodwinker," and one who "takes a powder in every controversy."

Dumont added that Meyner "vacillates."

ARMY RESERVE RECRUITMENT PROGRAM

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, the Department of the Army informs me that the Army Reserve recruitment program is moving forward with ever-increasing strides. As of the week ending March 18, 1957, recruitment under the Reserve Act of 1955 for the Army Reserve for enlisted personnel has reached the figure of 133,662.

As of this date mentioned above, recruitment for the week of March 18, 1957, at 1:15 p. m., showed 3,235 recruits obtained under the United States Army Reserve program. Of this number, the 6-month program for training claimed 996 enlistments; the 6-year program claimed 905 enlistments, and the special 1-year program for prior servicemen claimed 1,334. This last-mentioned is the program by which we permit prior-trained men to enter the Reserve for 1 year of Active Reserve training, following which they go into the Standby Reserve.

As I have said the week showed a gain for the Army Reserve—not including the National Guard—of 3,235 persons. While I do not have final figures on the National Guard recruitment, I know that for the month of February the Guard obtained more than 4,500 recruits to the 11-week and 6-month training programs. The month of March also has been an excellent month for the National Guard.

CALL OF THE HOUSE

Mr. ADAIR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Anderson, Mont.	Fallon	McGovern
Andresen, August H.	Farbstein	McIntosh
Anfuso	Frelinghuysen	Magnuson
Ashmore	Fulton	Matthews
Aspinall	Garmatz	Meader
Barden	Granahan	Miller, Calif.
Barrett	Grant	Miller, N. Y.
Bass, N. H.	Green, Pa.	Moore
Boggs	Griffiths	Morano
Bowler	Gubser	Morgan
Boykin	Gwinn	Morrison
Breeding	Halleck	Moulder, Mo.
Brownson	Hakell	Norrell
Broyhill	Hays, Ohio	Osmers
Buckley	Healey	Patterson
Carnahan	Hébert	Philbin
Celler	Hemphill	Poage
Chamberlain	Henderson	Powell
Chudoff	Hillings	Prouty
Clark	Holland	Radwan
Cole	Holtzman	Reece, Tenn.
Cooley	Jackson	Rhodes, Pa.
Coudert	James	Rivers
Curtin	Jennings	Roosevelt
Curtis, Mo.	Johansen	Santangelo
Dawson, Ill.	Jonas	Scherer
Dellay	Jones, Mo.	Scudder
Denton	Keating	Stauffer
Dies	Kelley, Pa.	Steed
Dollinger	Kelly, N. Y.	Taylor
Dorn, N. Y.	Kluczynski	Teller
Dorn, S. C.	Lanham	Tollefson
Eberharter	Lesinski	Wharton
Elliott	McConnell	Williams, N. Y.
	McCulloch	Zelenko

The SPEAKER. On this rollcall, 318 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

CONSTRUCTION LOANS TO VETERANS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 187) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up for consideration House Resolution 187, which makes in order H. R. 4602, a bill to encourage new residential construction for veterans' housing in rural areas, cities, and small towns. This bill increases the maximum amount in which direct loans may be made from $10,000 to $12,500; it also extends the direct loan program for veterans from June 30, 1958, to July 25, 1958; it also authorizes advance financing commitments and for other purposes set forth in the bill.

The reason for increasing the maximum amount from $10,000 to $12,500 is based on the general overall increases in costs of construction, hence the need for larger loans.

The present direct loan program is scheduled to expire June 20, 1958. Under the terms of the bill H. R. 4602 it would be extended to July 25, 1958, so that it corresponds with the expiration date of the guaranteed loan program for World War II veterans—a proposed extension of only 25 days.

The bill also provides for loans to aid in renovating and improving farm dwellings for veterans; it provides for the purchase of a farm with a dwelling and for the construction of a farm dwelling on land owned by the veteran. These, of course, are in addition to the provisions for the construction of a dwelling by a veteran in a small city or town as set forth in H. R. 4602.

There is nothing in the bill which provides for any change in the existing interest rate of 4½ percent maximum.

The Committee on Veterans' Affairs have complied with the Ramseyer rule. The resolution provides for 2 hours of debate under an open rule. I urge the adoption of this resolution so that the House may proceed to the consideration of H. R. 4602.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and I reserve the remainder of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, some taxpayers are wondering whether the SEC is worth while—whether they are getting value for the appropriations given the SEC. When, on Wednesday last, March 20, the bill before the House carried $8,700,000 for the Exchange, a motion was made by me to strike $581,000, the amount which it was said was needed for additional, not present, personnel—CONGRESSIONAL RECORD, page 4053.

I called the attention of the gentleman from Texas [Mr. THOMAS], who had charge of the bill, to the present Fairbanks, Morse & Co. situation. On his assurance that the Commission had cases before it where innocent men and women were being defrauded and the additional personnel was needed for their protection, I withdrew the amendment because it was "not my desire to cut an appropriation where the reduction will prevent our people being protected."

Reliable, conservative stockholders and employee stockholders of Fairbanks, Morse & Co. have been bitterly complaining to me that the SEC has not been on guard, has not protected them from raids by exploiters—who, it was said, in this case were acting under the cloak of foreign investors.

The law, title 15, United States Code, section 2B, subsection 78n (a)—proxies—page 1705, reads:

It shall be unlawful for any person, by the use of the mails or by any means or instrumentality of interstate commerce or of any facility of any national securities exchange or otherwise to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered on any national securities exchange in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

The Commission had power, as such agencies usually do, to make rules for its guidance. We have rule X-14A-9, False or Misleading Statements, which reads:

Rule X-14A-9. False or misleading statements: No solicitation subject to this regulation shall be made by means of any proxy statement, form of proxy, notice of meeting, or other communication written or oral containing any statement which at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

NOTES.—The following are some examples of what, depending upon particular facts and circumstances, may be misleading within the meaning of this rule:

(a) Predictions as to specific future market values, earnings, or dividends.

(b) Material which directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or association, without factual foundation.

(c) Failure to so identify a proxy statement, form of proxy and other soliciting material as to clearly distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter.

(d) Claims made prior to a meeting regarding the results of a solicitation.

It is a matter of common knowledge that in recent years some individuals of exceptional ability have adopted the practice of raiding the funds of corporations which, because of efficient, conservative management, have accumulated a liquid surplus.

Members of the House recall that Capital Transit here in Washington, by frugal, efficient management, accumulated a large reserve of cash assets.

Then along came Wolfson and, acting within the law, shrewdly and for personal gain, purchased control. The obvious purpose, it was charged, being to milk the corporation, that is, to split up by way of dividends—either stock or cash—the liquid assets of the company, leaving it without adequate capital to make needed replacement of equipment or to provide for more efficient service or the expansion of the system. Wolfson was successful.

A somewhat similar drive on Montgomery Ward & Co. by some of the same gentlemen did not succeed so well.

Now, complaints come to me from employee stockholders of Fairbanks, Morse & Co. who live in my district, that a similar raid by Leopold D. Silberstein, chairman of the Penn-Texas Corp., is trying to take over the company.

Quite naturally, the local stockholders and the employees fear not only that many jobs will be lost, but that the value of the stock which many of them hold will be destroyed by the Silberstein outfit, if it is successful; that a necessary manufacturing business will be destroyed.

The prize is large, running as it does into many millions. Fairbanks, Morse & Co. has quick assets of approximately $70 million.

Some of those who seek it have no practical experience in operating the business and apparently their sole purpose is a quick killing in the financial field. They are not unlike the racketeers who are now being investigated by the Senate committee—showing that they care not at all about the methods they use or the effect of the operations, provided they can profit financially—except that these operators make at least a pretense of staying within the law.

The purpose of the law and of the regulations—if I read and understood them correctly—is to advise those who hold stock which can be voted to control management and determine the policy of a corporation, to know not only the responsibility but the purpose of those who seek to purchase the stock or the right to vote it.

The press, which is usually reliable, gives the information that some of the stock which carried voting privileges—now controlled by L. D. Silberstein or the Penn-Texas Corp.—was purchased from the Leopold D. Silberstein Foundation, Inc., of New York City, and from the American Committee for the Weizmann Institute of Science, Inc.—both of which are on the United States tax-free foundation list.

Whatever may have been the reason for the purchase of this stock by the two tax-free foundations—and no doubt one was that it was a sound, profit-paying investment—it is apparent that Silberstein has neither the experience nor a record which shows that he or those he represents have either the ability or the intention of carrying on the business of Fairbanks, Morse & Co.

The New York Journal-American of Wednesday, March 20, carries a news story which reads as follows:

LAUSCHE BLASTS DEAL; SILBERSTEIN FIGHTS SUIT

WASHINGTON, March 20.—Senator LAUSCHE, Democrat, Ohio, said today Senators have been informed that securities laws of this country have been violated through use of Swiss banks for stock purchases in the battle for control of the Fairbanks-Morse Corp.

LAUSCHE made the statement after a closed-door session of the Senate Banking Subcommittee heard reports by Securities and Exchange Commission.

LAUSCHE did not identify the purchaser of the stock but Representative REECE, Republican, of Tennessee, told the House later Penn-Texas Corp. had bought 300,000 shares through or from Swiss banks.

Penn-Texas is seeking control of Fairbanks, Morse, a Chicago machinery firm, in a proxy battle due for a showdown March 27. Penn-Texas is headed by Leopold D. Silberstein, who came to this country 8 years ago.

"We learned that the laws of this country are being frustrated through use of Swiss banks to make purchases of large blocks of Fairbanks, Morse stocks," LAUSCHE said.

He explained that anyone making direct or indirect purchase of 10 percent or more stocks in a United States corporation must make the facts known to the SEC.

Leopold D. Silberstein, chairman, Penn-Texas Corp., today described as unprecedented and amazing a suit by Fairbanks, Morse & Co. asking the United States district court of Chicago to rule Silberstein's forces out of Fairbanks, Morse election on grounds of illegal stock dealings.

"Mr. Robert Morse has now publicly conceded defeat," Silberstein said. "This latest court action is simply another attempt to publicize unwarranted insinuations. He merely seeks to postpone the inevitable.

"I believe that everyone engaged in higher business or finance will be indignant at this attempt of Mr. Morse to have the courts interfere with the normal democratic procedure of stockholder elections.

"The Morse management had the same opportunity as Penn-Texas to buy Fairbanks shares. It refused to make the necessary investment and now, on what appears to be completely specious grounds, has initiated an unprecedented and amazing legal maneuver designed to disenfranchise Penn-Texas, the corporation's largest stockholder."

A story on the next day, from the financial editor of the same paper, Leslie Gould, gives the following account:

MUST READING FOR EXECUTIVES

Must reading for every corporation head in the Nation is the proxy statement of the Penn-Texas Corp. in its grab for control of the $135 million Fairbanks, Morse & Co. of Chicago.

What is happening to the Fairbanks, Morse management could happen to that of any of the 1,200 companies listed on the New York Stock Exchange.

It is happening to a management owning a third of the company's outstanding shares. This is an unusually large stock ownership position.

In most companies management will own no more than 10 percent and for many of

the larger enterprises it's much less—under 5 percent.

Up until this sensational battle, such an investment by management—a third of the stock—was believed insurance against a takeover.

This was true before an operation such as this, where Swiss banks provided the blocks of stock that may give control to Leopold D. Silberstein and his Penn-Texas Corp.

COURTS WILL DECIDE

The courts will decide on the voting of these and other shares acquired by Penn-Texas. How the courts rule will determine whether Silberstein and his group gain a majority of the 11-man board. They won four places in last year's proxy fight.

Failing to gain control last year in a popularity contest with the management for public share owners' votes, the Silberstein group went out to buy the control in the open market and in a series of complicated deals with Swiss banks and mystery individuals, like the 41-year-old Jacques Sarlie, and other unknowns in the field of finance.

The purchases were financed through margin accounts with stock exchange and other brokerage firms, bank loans, including credit from Swiss banks, and complicated real-estate deals, involving sale and leaseback of properties of Penn-Texas subsidiaries.

NEARLY HALF OF PRICE STILL OWING

The operation will take $35 million, with nearly half this sum still to be paid under contracts calling for delivery of Fairbanks, Morse shares by holders, including mystery man Sarlie and Swiss banks weeks and months after the Morse stockholder meeting.

Fortunes are being made on these purchases by the undisclosed customers of the Swiss banks, by Sarlie and others. The profits run into the millions—more than $3 million—and they may reach $5 million. Most of such profits are taxable at the lower capital-gains rates.

Sarlie, a bachelor who became an American citizen after serving in the Armed Forces, admits he stands to make more than a million on his stock deals with Penn-Texas. This money will come in handy in the cafe society set in which he moves.

SARLIE A VISITOR TO RUSSIA

Last June there was this reference to him in one of the popular society columns:

"Cafe circuit glows for Sarlie: The cafe circuit welcomed back Jacques Sarlie from Russia like a conquering hero."

Sarlie, who has a large modern art collection, says he went behind the Iron Curtain to see a Russian painting exhibit. It was 2 months after his return from there that he began to buy Fairbanks, Morse stocks in substantial amounts. In all he bought 147,600 shares, contracting to sell 130,000 to Penn-Texas and selling the balance in the market during the period of his acquisition.

OFFERED TO SELL SHARES

For 70,000 shares, most of which he started acquiring in August of last year, he reported to the SEC, he had contacted Silberstein and "offered to sell him shares * * * from time to time as they should be acquired by me, at my own risk, in 10,000 share blocks for forward delivery not less than 6 months after execution of each purchase contract."

Sarlie made some of his purchases through Peter M. Cats, Silberstein's son-in-law, who is a customer's man at Francis I. du Pont & Co., one of the largest stock-exchange houses.

Penn-Texas in its proxy statement said it bought 92,800 Fairbanks shares through the Du Pont firm, saying, "Mr. Cats, of course, serviced this account."

Penn-Texas also said:

"There never has been any understanding or arrangement between Mr. Cats and Mr. Silberstein, any officer, or director, or nominee for director, any committee member, or any associate of any of them, whereby Mr. Cats was to act in any capacity (for his own account, for the account of others, or for or on behalf of any of them or of Penn-Texas) so as either to acquire more shares, induce others to acquire them, or to arrange for the financing, directly or indirectly, of the purchase of more shares."

ONLY 8 DAYS BEFORE MEETING

That is only a sampling of the operations that go into a grab for control.

The Penn-Texas proxy statement, detailing many of the complicated stock deals, was filed only 8 days before the shareowners' meeting. Yet, to understand it a person needs the help of a CPA and a lawyer.

Nevertheless, there is still time for any corporation executive to read and learn what can happen to them.

A story from the Washington Post of the following day, March 22, but under a Chicago dateline, reads:

COURT FIGHT TO CONTROL FAIRBANKS OPENS QUIETLY

CHICAGO, March 21.—A court fight for the right to rule Fairbanks, Morse & Co. opened today.

It started with a quiet, brief gathering of attorneys in the United States District Court—something like the handshake that precedes the slugging in the boxing ring.

Albert E. Jenner, Jr., attorney for Fairbanks, Morse asked Judge Joseph Sam Perry to issue a preliminary injunction to prevent Leopold D. Silberstein and his associates from voting their stock at the Fairbanks, Morse stockholders' meeting next week.

Lawyers for Silberstein and his Penn-Texas Corp. and associates asked for a little time to prepare their side of the case.

The jurist scheduled the hearing for Monday.

"I'll be just a stepping stone to the court of appeals," Judge Perry commented.

He said that if he makes his decision at the end of Monday's hearing one side or the other could make an appeal to the United States Circuit Court of Appeals before the annual meeting of shareholders Wednesday.

The Silberstein group says it controls enough Fairbanks, Morse stock to elect a majority of the board of directors and take charge of the company.

The Fairbanks, Morse management, led by President Robert H. Morse, Jr., has filed a suit to prevent the Silberstein forces from voting their stock at the shareholders' session.

Judge Perry had an earlier role in the battling Silberstein and the Morse management. In February 1956 he dismissed a Penn-Texas suit to bar an exchange of stock between Fairbanks, Morse and Canadian Locomotive Co., Ltd., a Fairbanks, Morse subsidiary. The judge's action was upheld today by the Seventh Circuit United States Court of Appeals."

An ad in the Three Rivers (Mich.) Commercial, published in Three Rivers, St. Joseph County, Mich., on Monday, March 18, reads as follows:

AN OPEN LETTER TO THE OFFICERS AND EMPLOYEES OF FAIRBANKS, MORSE & CO.

It now seems possible that the stockholders of your company at its annual meeting on March 27 may vote in a new management.

This advertisement is addressed to you because Penn-Texas Corp. feels that it owes you a special responsibility.

We want to assure you that you have nothing to fear if a new management is elected. Your interests as employees and ours as stockholders are identical. We both desire a healthy, growing company. We think that you will be especially pleased with our established policy of promotion from the ranks, with no ceiling imposed on the ambitions of able employees. We want you to know that the record of Penn-Texas shows universal concern for the welfare of its employees.

It should be reassuring to you to know that Penn-Texas has a great stake in the present and future welfare and progress of your company. At present market prices our investment in Fairbanks, Morse shares will represent approximately $35 million.

The Penn-Texas group of companies is one of America's great industrial families. Its sales last year were $125,000,000. It employs more than 12,000 persons, including many hundreds of top-flight scientists and engineers. In the family are such important producers as the Pratt & Whitney Co., Inc., of West Hartford, Conn.; the Hallicrafters Company of Chicago, and a number of important other industrial organizations.

We have great confidence in our ability to guide Fairbanks, Morse to new pinnacles of success. Moreover, we are convinced that we will have the full cooperation of all the officers and employees in achieving this goal.

Penn-Texas Corp. owns and has contracted for, as of March 4, 1957, an aggregate of 646,250 shares of Fairbanks, Morse & Co. stock.

PENN-TEXAS CORP.,
L. D. SILBERSTEIN,
Chairman.

Now it is my understanding that the Federal statute and the regulations of the Securities and Exchange Commission itself, if complied with, would give the employee stockholders and the stockholders who reside in the Fourth Congressional District of Michigan, as well as all other stockholders, the information which they are entitled to under the law.

The law and the regulations, as I understand them, in the words of Chief Judge Charles E. Clark of the United States Court of Appeals for the Second Circuit, "clearly entrusted to the SEC the duty of protecting the investing public in proxy battles."

Just a few days ago in the press I read a statement that an individual—I think it was Jacques Sarlie—had 130,000 shares of Fairbanks, Morse & Co. stock—which represented the balance of power in a proxy voting contest—had been offered by the Penn-Texas Corp., Leopold D. Silberstein, chairman, $1 million for the voting rights to that stock. The gentleman further stated, according to the news account, that Fairbanks, Morse & Co. could have it if they wanted to pay an additional million.

The overall picture seems to indicate that here we have an individual born abroad but now a citizen of this country, operating through and behind Swiss interests—(which, under their law, are not compelled to comply with our statutes)—seeking to raid the treasury of an American corporation—a corporation of long standing, a corporation which has satisfactory relations with its employees, a corporation which pays substantial dividends, a corporation which supplies present urgent needs of the American public, and pays substantial taxes to local, State, and Federal Governments—and for the sole purpose of enriching a few individuals who are shrewd enough, unscrupulous enough, to care little or not at all what may happen to others, if they can line their own pockets, fatten their own bank accounts.

And, in addition, we have, so it is charged, the SEC, sitting on its hands, failing to take action—to perform its duty under the statute which created it—asking for twice $581,000—CONGRESSIONAL RECORD page 4053—getting $581,000, for additional employees while apparently the raiders—in today's parlance, racketeers—carry on their program.

That the SEC recognizes some of the defects of the situation is apparent from its 22d annual report, for the fiscal year ended June 30, 1956. On page 35, I find the following:

Furthermore, the opposition groups in many cases have engaged in concealed financing devices in connection with the purchase of shares both by themselves and by others whose vote they seek. Specifically, such agreements include arrangements by the contestants to purchase shares of others after they have been voted, agreements to guarantee profits on the purchase of shares by those willing to vote for such group, agreements to protect against loss and other contractual arrangements for financing. Disclosure of these financing procedures is necessary to enable shareholders properly to appraise the motivations of the group which engages in them. Our new rules now require disclosure of these financing arrangements, if any exist.

The necessity for statutory and regulatory control, the Commission apparently also realizes, for, on page 38 of the report, we find this:

"Finally, if the parties are left to themselves free of Commission regulation, their recourse to remedy misleading statements by their opponents will be to the courts. This is a more cumbersome, costly, and dilatory procedure than the continuous administrative processing of soliciting material by the Commission and its staff, a procedure which tends to prevent, although it cannot guarantee, the presentation of misleading statements. This administrative procedure provides for the correction of misleading statements and omissions discovered to have been in subsequent material or by resolicitation. The staff's corrective suggestions are almost invariably followed by the parties with a minimum of disruption of the course of the campaign. The Commission believes that its administrative procedure for resolving these problems before corporate meetings are held is manifestly more in the interest of the stockholder and the public interest than the more cumbersome court proceedings."

Since the foregoing was dictated and mimeographed on Saturday morning, March 23, it seems that additional hearings have been held or inquiries made by certain Senators, and that SEC, in view of the additional testimony and protests, has promised to hand down a decision not later than 11 o'clock this morning, Monday, March 25, as to whether the proxy meetings would be postponed.

Not having been present at the hearings, naturally no worthwhile opinion can be expressed by me as to any decision which may be reached.

If the proxy meeting is delayed, then SEC must be given credit for taking action, even though such action would seem to have been overlong delayed.

Nevertheless whatever order may now be issued by SEC, whatever the result, it is apparent that such order has not prevented an attempted raid on Fairbanks, Morse & Co., caused needless worry and expense. Nor does it in any way lessen the need for new legislation which will prevent the raiding by modern privateers which has overlong been practiced.

If my understanding of the SEC spokesman is accurate, it now contends that it is doing everything possible to prevent what might be described if one adopted the opinion of Justice Stone in volume 315, United States reports, page 540, as legalized robbery.

While the SEC may have teeth, either they are too few in number or too dull to effectively bite into the situation which now exists. At present, a greedy or money-crazy individual or organization, if it has or can beg or borrow the necessary funds, walking a tightrope on statutory and regulatory provisions, may purchase on the open market a controlling interest in what might be termed a "fat" corporation. By "fat" is meant assets readily convertible into cash or its equivalent.

Having majority control and being uninterested in a permanent going concern which would supply a ready market, pay dividends, taxes, and furnish jobs, the holders of the majority of the stock having control of the company can close it down, throw thousands of employees out of their jobs, take what it can get for the real estate and equipment, add it to the surplus, and divide the take.

Now it may be that the procedure is legal under present law. If it is within statutory provisions, then we need and we need right now additions to the statute which will prevent anyone purchasing control of a business where the sole purpose is to discontinue the enterprise and split up whatever may be realized from its discontinuance.

The principle that the majority rule, that if I own a business I have the right to discontinue it is not forgotten, nor is the right of the individual or of a legal entity to acquire, own, and enjoy property forgotten.

But just as the robber with his gun or piece of lead pipe is not permitted to take from the citizen what he may have in his pocket, it would seem that there should be some restraint upon the individual or the organization which, having ample funds—funds which have been earned through the efforts of a corporation's or association's management—buy control of that concern for the sole purpose of dissolution of a corporation to make a personal profit.

Just as there are the antitrust laws, to cite but one, written and upheld to protect citizens, it would seem that this practice which is becoming current of unscrupulous money-crazy individuals or organizations should have legal restrictions placed upon their operations. The present situation of Fairbanks Morse & Co. is an illustration of what has been happening, apparently because of lack of remedy. The courts have been appealed to, but no decision has, as of today, to my knowledge, come down which will prevent the success of this raiding operation.

SEC may contend, as so often do executive departments or agencies when Congressmen or congressional committees seek action, that the law is inadequate or that it lacks personnel to fully perform its duties, and that if the Congress will just give it larger requested appropriations all will be well.

The only conclusion that can be reached by me is this: A vicious racketeering process is being followed by individuals who have control of millions or perhaps billions of dollars.

Using their enormous financial power, able to employ the most expert legal talent, they take a chance, attempt to skirt the edges of the law, avoid the spirit of our law, and by a technical construction of its words succeed in destroying sound legitimate enterprises with harmful results, not only to employees, stockholders, customers, but to taxpayers and the Government itself.

In this particular case the raiding process involves the operations of foreign banking interests.

Billions upon billions of the taxpayers' money have been given to people throughout the world or to their governments. It is becoming notorious that some of those countries who have indirectly received a benefit from our gifts have thrown a protective cloak around the operations of some of those who are now preying upon our domestic corporations and those justly entitled to the profits thereof.

While a select Senate committee is apparently making a record which will result in legislation designed to protect employees, management, and the public from certain racketeers, cannot the House Committee on the Judiciary or the Committee on Banking and Currency come up—and that without too great delay—with legislation which will protect all those who are now apparently defenseless against the unjustifiable raids to which reference has been made?

Next Wednesday, March 27, seems to be the deadline in court action. It is not speedy enough to give relief, but the SEC should be able to—can, if it is willing—come up with a decision requiring those who now claim to hold a majority of the voting rights of the stock outstanding to comply with what many consider to be the law.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 4602, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TEAGUE of Texas. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, soon after the House Committee on Veterans' Affairs was organized, our first order of business was veterans' housing. We have had extensive hearings. We had 8 days hearings and heard 40 witnesses. Practically all members attended every day. If the Members have seen the various material that came into their offices, they will know that we have done a lot of work so far as the housing program is concerned. I appreciate the splendid cooperation shown by all members of the committee in developing H. R. 4602.

When the first Housing Act was passed in 1944, it did not provide a direct loan program. About 6 years later it became evident that no private money was going into the housing program in rural areas and small towns; consequently, the direct loan program was established. The bill that we have before us today, H. R. 4602, deals only with direct loans.

This bill does a number of things that we think will permit the veterans in rural areas and small towns to have an opportunity of buying a home.

Mr. Chairman, H. R. 4602, the bill before us, is a bill which involves only the Veterans Administration direct loan program. The Veterans Administration home loan programs were created in 1944. The program as it operates today consists of the guaranteed loan program and the direct loan program. It is necessary that these two terms be understood.

A guaranteed loan is a loan made by a private lender, such as an insurance company or savings and loan bank, to a veteran, with the Veterans Administration guaranteeing up to $7,500 of the loan against loss by the lender. The guaranteed loan program is the major part of the program. Practically all of the projects which you see in the larger cities of the country are financed through guaranteed loan. Over 5 million veterans have obtained guaranteed loans. Since the beginning of the program in 1944, the principal amount of the guaranteed loan program has exceeded $40 billion. The contingent liability of the Veterans Administration on the guaranteed portion of these loans now exceeds $21 billion.

The direct loan program is insignificant compared to the scope of the guaranteed loan program. Under the direct loan program, the Veterans Administration makes loans directly to the veteran from appropriated funds; however, such loans are restricted to veterans residing in small towns and rural areas. Six hundred and eight million dollars has been loaned to 85,000 veterans under the direct loan program. Let me emphasize again that the bill which we have here today deals with the direct loan program and is not a bill aimed at modifying or changing the guaranteed loan program.

I think that it is desirable that H. R. 4602 be thoroughly understood as to its relation with the direct-loan program. H. R. 4602 provides for a continuation of the direct-loan program created about 6 years ago. The veterans' home-loan program was created in 1944 and functioned from 1944 to about 1950 with no provision for direct loans for veterans in rural areas and small towns. After 6 years experience, it became apparent that private lenders were not going into the small towns and rural areas to make loan money available to veterans in those areas. The guaranteed-loan program developed rapidly in the big cities of the Nation and became quite effective in many of the smaller cities with populations from 40,000 to 100,000. With a few exceptions, funds from private lenders under the guaranteed-loan program did not flow into the small towns and rural areas. When it became apparent that the rural and smalltown veteran was not getting an even break under the veterans' home-loan program, the Congress created a direct-loan program intended to provide some opportunity for that group of veterans. For the first 2 years, $100 million per year was appropriated. For the ensuing 4 years $150 million a year was appropriated.

Last year, the Congress took action to extend the home-loan program for World War II veterans from its scheduled expiration date of July 25, 1957 to July 25, 1958. Although authority to continue to make loans was extended by the Congress, funds for the direct-loan program for the additional year were not provided. This bill, H. R. 4602, appropriates an additional $150 million for the coming fiscal year. I wish to reemphasize that H. R. 4602 represents a continuation at previous levels of the Veterans Administration direct-loan program.

I am aware, as is every other Member of the House, that problems exist in the guaranteed-loan program which, for all practical purposes, is the veterans' home loan program, so far as city veterans, builders, and lenders are concerned. There have been erroneous press statements regarding the action of the Veterans' Affairs Committee in reporting H. R. 4602, to the effect that H. R. 4602 was reported by the committee as its answer to the problem confronting the home-building industry and city veterans who would be seeking loans under the guaranteed-loan program. This is absolutely incorrect. This bill, H. R. 4602, was not reported by the committee as a solution to the problems of the guaranteed-loan program. In my opinion, the House will be acting unwisely if it attempts to amend the bill to make it a vehicle for proposals aimed at curing the ills of the guaranteed-loan program. That is a problem in itself, which I will discuss later in this statement. It is necessary to understand that H. R. 4602 is a continuation of the direct-loan program and it should not be viewed as a solution to the problems that have developed in the guaranteed-loan program.

I have said that H. R. 4602 represents an extension, at existing levels, of the direct loan program; however, there are some modifications of procedures proposed by the bill which should be explained.

Section 1 of the bill contains a statement of policy which is intended to clarify for the Veterans' Administration the areas in which direct-loan funds will be used. The Veterans' Administration has had no such guidance in the past from the Congress, but has developed a policy of its own for declaring direct-loan areas. Under Veterans' Administration's policy, it has declared all or parts of about 2,500 counties in the United States as direct-loan areas. Generally speaking, all of the large cities and cities above 50,000 have been excluded. Most rural areas, including smaller towns up to 25,000 or 30,000 have been included, with the exception that the Veterans' Administration has included some towns as large as 50,000, where loan money was very scarce. Examples of such towns are Laredo, Tex.; Huntington, W. Va.; and Asheville, N. C. On the other hand, they have excluded some smaller cities and towns of 20,000 to 30,000 population which are close to big metropolitan areas and because of their location have had adequate loan funds from private lenders.

The statement of policy in the bill will not change, to any great degree, the presently declared direct-loan areas of the Veterans' Administration. Under the statement of policy, the Veterans' Administration will continue to declare all of those areas presently designated as eligible and will probably take in a few more small towns up to 30,000 in population, where the history of the loan program indicates that there has been very little loan activity. Let me make it clear that although the bill and the committee report uses the figure of 30,000 as a guideline, the Veterans' Administration is expected to exercise discretion and exclude towns of that size and below which are actually part of a metropolitan area and where ample funds have been available, yet on the other hand the Veterans Administration is permitted to make a finding of need in towns above 30,000 where the history of the area actually shows that very little funds have been available to veterans. I think it is important to understand that the Veterans' Administration is guided in declaring a direct loan area, not by the situation which exists at the moment, where temporarily very little loan funds may be available even in the big cities. It is guided by the experience developed in the area over a period of 10 years. If the Veterans' Administration was expected to make a declaration of direct-loan areas based on the situation as it exists today, probably most of the United States would be included, since there is a reduction in advance loan commitments even in the larger cities at the present time.

Very good records are available as to the history of participation by veterans in various areas. The Veterans' Affairs Committee has completed a survey of every county in the United States and has figures as to veteran population in the county and the percent of veterans in the county who have obtained a loan

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during the past 10 years. This survey shows that the veterans residing in most of the small towns and rural areas of the United States have had very little opportunity to obtain a home loan, while veterans residing in the cities of the Nation have done very well. The Committee's investigation shows that 3,234,438 World War II veterans live in 1,635 rural counties where less than 10 percent have obtained a home loan, as compared with 2,857,307 veterans who reside in 126 metropolitan counties in the United States where more than 40 percent have obtained a home loan. There is a marked difference in the availability of money and the percentage of participation by veterans in various regional areas of the United States. In the States of Delaware, Maryland, Washington, and California, about 40 percent of the World War II veterans residing in those States have obtained a home loan. This compares with the States of North Dakota, Mississippi, West Virginia, and South Carolina, where about 10 percent of World War II veterans residing in those States have been able to get a loan. There has been a high degree of participation in practically all of the larger cities of the Nation. The counties such as the suburban counties to Washington, D. C., Fairfax County, Virginia, and Montgomery County, Maryland, and the counties having such larger cities as Roanoke, Va., New York, Philadelphia, Denver, Oklahoma City, New Orleans, Kansas City, Detroit, Minneapolis, Los Angeles, Newark, Miami, Seattle, Memphis, and Corpus Christi, Tex., are typical of the cities of the Nation where 50 percent or more of the World War II veterans residing in the county have been able to obtain a home loan. It is from such cities as these that Members of Congress are receiving most of their mail complaining that the veterans' guaranteed loan program is not operating satisfactorily. The real problem confronting the veterans' home loan program is not stimulating loan activity in the big urban centers of the Nation, where a wonderful opportunity has existed for 10 years for veterans to obtain a home under the most favorable financing terms. The real problem which we should solve and which, in some measure, H. R. 4602 will solve, is that of providing some semblance of opportunity for the millions of veterans who live in the county seats and crossroads towns of the Nation, where the private lender has not been willing to send his money. If you agree with me that this group of veterans deserve a fair break under the home loan program, then I believe that you will concur that the Committee on Veterans' Affairs was correct when it reported out H. R. 4602 to give immediate attention to the needs of those veterans who have had the least opportunity.

I have been receiving hundreds of letters from lenders and builders in the big cities of the Nation complaining that they will not be able to plan their projects of 500 and 1,000 houses for the coming year and I note that these letters are coming to me from the areas in my own State and other States where a tremendous loan program has operated during the past years, yet there seems to be little concern for the veteran who lives in the area which private lending institutions do not serve and who has had no opportunity to obtain a home loan.

The bill continues the authority of the Administrator of Veterans' Affairs to make a direct loan in direct loan areas for, first, the purchase or construction of a dwelling; second, the purchase of a farm with a dwelling; third, the construction of a farm dwelling on land owned by a veteran; and fourth, repair, alteration, or improvement of a dwelling owned by a veteran.

A loan may be made to a veteran who meets the credit requirements of Veterans' Administration; however, he must produce evidence that he cannot get a loan in the area in which he lives and if the loan is for farm housing, he must show that he is unable to obtain a loan for such purchase under the Bankhead-Jones Farm Tenant Act or the Housing Act of 1949.

The first part of the bill repeals section 512 of the Servicemen's Readjustment Act, the present direct loan program, and substitutes a new section, thereby establishing new policy and new Congressional intent with regard to direct loans. The reason for that is that the Veterans' Administration in its present policy is to the effect that the veterans have not had the opportunity to gain much benefit from the direct loan program.

The bill also contains an intent as to declaration of direct loan areas and is expressed to include small cities, towns, and rural areas.

Thirty thousand is used as a guideline where the town is not part of the metropolitan area of a big city. VA can declare larger town on the basis of a historical shortage of mortgage funds.

The bill appropriates an additional $150 million for the period July 1, 1957, to July 25, 1958, and provides that the Administrator may recover the money he failed to draw last year—$50 million plus repayments of $7 million.

The bill increases the amount of direct loans from $10,000 to $12,500.

The bill provides for an advance commitment to a builder upon the payment of a commitment fee of 2 percent of the amount of the loan. The commitment is to be valid for 3 months and subject to extension if the builder is active and has contracted with an eligible veteran. This provision will provide a means under which builders can obtain financing for new construction in small cities, towns, and rural areas.

The bill creates a new procedure under which the Administrator may submit the cases to the voluntary home mortgage credit program. The bill provides that the Administrator shall continue processing the direct loan of the veteran without delay, submitting the information to the voluntary home mortgage credit program and giving that agency up to 60 days after the loan is closed to find a lender to buy the loan from the Veterans' Administration. It also gives the Administrator the authority to transfer the commitment fee paid by the builder to the private lender who purchases the loan.

The bill provides that the Administrator may make construction advances to the veteran and builder during construction, thereby eliminating the necessity of the builder obtaining a construction loan.

The bill provides discretionary authority to the Administrator to exempt new construction under this section from the subdivision and land planning requirements as prescribed by section 504. It permits the building of homes in keeping with the area in which they are located, thereby eliminating the Veterans' Administration's present demands that a builder, building in a country town, must pave the streets, install curbs and gutters in front of the house, that being the only place in the town in which that type of improvement is done. The bill does not permit any deviations from the Veterans' Administration minimum construction requirements.

Mr. Chairman, after all our hearings and all the work the committee performed, I think there was one vote against this bill in committee. Actually, there were three bills introduced dealing with this subject. One was introduced by the gentleman from Ohio [Mr. AYRES], one by the gentleman from Indiana [Mr. ADAIR], and one by myself. The only difference in these bills was that my bill did not provide for an interest increase and the other two bills did. The administration recommended approval of the two bills with the interest increase. They did not recommend approval of the bill without an interest increase. Our committee voted on the interest increase, and the interest increase was voted down.

I am sure that there will be an amendment offered to this bill increasing the interest rate. I am sure that evidence will be offered showing why the interest rate should be increased. It is my personal belief that the interest rate does not need to be increased; that the money market is easing; that there will be money for houses throughout this year.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Tennessee.

Mr. EVINS. I am sure that I join with others in commending the gentleman in reporting the bill. It certainly is needed. We should provide housing for veterans in this Nation. I was interested in examining the report of this committee, and it is to be pointed out that more than 49 percent of direct loans have been made in the metropolitan areas of the country, and that very few loans, in fact, a small percentage, have been made in small towns and rural areas; in some cases less than 2 percent, some 1 percent, and other areas not at all. So, the direct-loan program, the great bulk of it, has gone to the metropolitan areas, and that there is need in the rural areas and small towns in that particular program I think we can all agree. I personally am in agreement with the chairman that the interest rate should not be increased; that we should hold the line. The President, when he addressed the Congress, said we should stop this continuing spiral of interest-rate and wage increases, and

I believe the committee, in voting down the increase, has put a stop to this spiral of inflation and has made a valuable contribution in that regard. If this House will refuse to accept a higher interest rate on this type of loan, it will make a further contribution in this area, which is provided in your bill. I express the hope that the interest rate will not be increased.

Mr. TEAGUE of Texas. I think the figures show that veteran homeowners in the metropolitan areas are about 60 percent while in the small-town rural areas about 15 percent.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I want to ask the distinguished chairman of this committee about this matter to which he alluded in his remarks just made. I have been having a good deal of difficulty in subdivisions located far out from the downtown sections of my home city and other areas, where no developments in streets, such as hard-surfaced streets, have occurred. Will the gentleman explain just a little bit more how this bill will affect that and if it will relieve that situation?

Mr. TEAGUE of Texas. This bill deals only with direct-loan areas. There are towns of 50,000 that have been declared direct-loan areas. If the Administrator feels that they do not come within the area, he could exempt them. But it does not affect it in other than the direct-loan areas.

Mr. BROOKS of Louisiana. No other type at all would be made except the direct loan in those areas?

Mr. TEAGUE of Texas. That is true.

Mr. BROOKS of Louisiana. The FHA likewise would still adhere to its original ruling, which requires pavement in those subdivisions?

Mr. TEAGUE of Texas. Of course, this has nothing to do with the FHA building.

Mr. BROOKS of Louisiana. No, but am I correct in that a direct loan under the gentleman's bill would be made in those areas regardless of the FHA?

Mr. TEAGUE of Texas. Yes; it certainly would.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Florida.

Mr. HALEY. In view of the statement of the gentleman from Tennessee [Mr. EVINS], does the chairman feel that he could in just a moment enlighten the members of the committee as to the commitments that have been made and are based somewhat on what the Congress does in this matter of the interest rates? I think it would be very enlightening to the Members of the House.

Mr. TEAGUE of Texas. I am sure the gentleman from Florida, who attended very religiously all our hearings, remembers that there was some testimony to the effect that there was some $900 million in advance commitments. We could not get that broken down as to how much was VA and how much was FHA. Obviously a good part of it was VA, and obviously there was the provision that could make the veteran pay the higher rate of interest. Actually the committee's mail coming from veterans has all been with regard to their concern about the fact that they will lose their advance commitment and might have to pay the higher interest rate, which would add something between $600 and $1,000 to the cost of a house.

Mr. Speaker, I ask unanimous consent that the gentleman from Colorado may have permission to insert his remarks in the body of the RECORD, following my first remarks. Mr. Speaker, I make this request since the gentleman from Colorado [Mr. ASPINALL] is in the hospital.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Chairman, we have here before us H. R. 4602, a bill which is intended to improve the possibilities of veterans living in small towns and rural areas securing a Federal home loan. It is my opinion, Mr. Chairman, that this step is long overdue.

The Committee on Veterans' Affairs has completed a national survey of Veterans' Administration loan activities in every county of the United States. Those of us representing districts comprised mainly of rural areas and small towns have been shocked to find that while we have had a wonderful veterans' housing program for the cities of the Nation, yet for all practical purposes it has bypassed those veterans living in the small towns and rural areas.

The magnitude of the veterans' housing program defies comprehension. Loans have been guaranteed for veterans living in urban centers in a principal amount exceeding $40 billion; yet those living in the small towns and rural areas have had little opportunity for home loans except through the veterans' direct home loan program, which has in 10 years placed about $600 million in loans in the book. We are told that 40 percent of the veterans of World War II live in the 2,500 counties where all or part has been declared a direct-loan area, as compared with 60 percent of the veteran population living in the urban centers. The 60 percent have gotten $40 billion for home loans, while the 40 percent have gotten less than $500 million. It is the purpose of H. R. 4602 to create some small measure of equality between these 2 groups.

Let us not confuse the purpose of this bill to be that of underwriting the building industry of the Nation. It is not intended to be the basis for city builders to continue construction of housing projects in every major city of the Nation, and it is not offered as an answer to the cries of the city builders that the building industry is in trouble. That may well be true and let me say, I recognize the necessity of maintaining a strong home-building industry for our Nation, but I do want to emphasize that H. R. 4602 is not designed for that purpose. It would be a serious mistake if we accept amendments here today which attempt to convert H. R. 4602 into a device for stimulating more building activity in urban centers where the loan guaranty programs has been a tremendous success and has provided unlimited opportunities to city veterans for the purchase of homes.

The objective of H. R. 4602 is national in scope. In our survey, we found that 3,234,438 World War II veterans live in 1,635 rural counties where less than 10 percent have obtained a home loan. This compares with 2,857,307 veterans who reside in 126 metropolitan areas where more than 40 percent have obtained a home loan. H. R. 4602 is intended to give help to the veterans of the Nation who reside in the rural areas.

At this point, I would like to discuss the situation as it exists in the Fourth Congressional District of Colorado, since I think my district is quite typical of that which exists nationally. Colorado has 165,339 World War II veterans; 24.7 percent of these veterans have been able to obtain a home loan. This is a little below the national average, which is 25.2 percent. My congressional district is composed of 24 counties in which 25,694 veterans live, and only 6.3 percent of these veterans have been able to get a home loan.

I am not enthusiastic for direct lending as a matter of principle. I would be most happy to let this obligation rest with the private lenders; however, we have had 10 years to prove that the private lenders will not do the job for these rural counties. I do think that once we create a home-loan benefit for the Nation that veterans living in the rural areas have a right to expect some semblance of equal treatment. The only answer is direct loans from the Federal Government.

Under H. R. 4602 we have raised the ceiling on the loan from $10,000 to $12,500, a step which I think is certainly justified due to the rising cost of construction. More important, we have created a method whereby builders may secure fund reservations and build new houses for sale to veterans on much the same basis that houses are being built for veterans who use the guaranteed loan program.

I have been receiving the same type mail as other Members of Congress from builders and lenders expressing their distress that financing may not be readily available for the construction of big projects around cities. I am perfectly willing to cooperate with my colleagues on the Veterans' Affairs Committee and the Banking and Currency Committee in an effort to create a long-range housing program on which the housing industry and the prospective homeowners of the future can depend, but that is not the matter which is before us now. The Banking and Currency Committee is holding hearings on bills designed to modify FHA, which I believe will be helpful if enacted.

I repeat that the matter before us now has to do with a gesture of fairness toward the veterans living in the rural areas of this country. I call on my colleagues who represent the great cities of the Nation, the cities where one-half or more of the veterans have been able to get loans during the past 10 years, to cooperate with those of us who represent the rural veterans where, up to now, veterans have had very little chane to participate in the program.

I believe the committee, in voting down the increase, has put a stop to this spiral of inflation and has made a valuable contribution in that regard. If this House will refuse to accept a higher interest rate on this type of loan, it will make a further contribution in this area, which is provided in your bill. I express the hope that the interest rate will not be increased.

Mr. TEAGUE of Texas. I think the figures show that veteran homeowners in the metropolitan areas are about 60 percent while in the small-town rural areas about 15 percent.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I want to ask the distinguished chairman of this committee about this matter to which he alluded in his remarks just made. I have been having a good deal of difficulty in subdivisions located far out from the downtown sections of my home city and other areas, where no developments in streets, such as hard-surfaced streets, have occurred. Will the gentleman explain just a little bit more how this bill will affect that and if it will relieve that situation?

Mr. TEAGUE of Texas. This bill deals only with direct-loan areas. There are towns of 50,000 that have been declared direct-loan areas. If the Administrator feels that they do not come within the area, he could exempt them. But it does not affect it in other than the direct-loan areas.

Mr. BROOKS of Louisiana. No other type at all would be made except the direct loan in those areas?

Mr. TEAGUE of Texas. That is true.

Mr. BROOKS of Louisiana. The FHA likewise would still adhere to its original ruling, which requires pavement in those subdivisions?

Mr. TEAGUE of Texas. Of course, this has nothing to do with the FHA building.

Mr. BROOKS of Louisiana. No, but am I correct in that a direct loan under the gentleman's bill would be made in those areas regardless of the FHA?

Mr. TEAGUE of Texas. Yes.

rate of interest. Actually the committee's mail coming from veterans has all been with regard to their concern about the fact that they will lose their advance commitment and might have to pay the higher interest rate, which would add something between $600 and $1,000 to the cost of a house.

Mr. Speaker, I ask unanimous consent that the gentleman from Colorado may have permission to insert his remarks in the body of the RECORD, following my first remarks. Mr. Speaker, I make this request since the gentleman from Colorado [Mr. ASPINALL] is in the hospital.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Chairman, we have here before us H. R. 4602, a bill which is intended to improve the possibilities of veterans living in small towns and rural areas securing a Federal home loan. It is my opinion, Mr. Chairman, that this step is long overdue.

The Committee on Veterans' Affairs has completed a national survey of Veterans' Administration loan activities in every county of the United States. Those of us representing districts comprised mainly of rural areas and small towns have been shocked to find that while we have had a wonderful veterans' housing program for the cities of the Nation, yet for all practical purposes it has bypassed those veterans living in the small towns and rural areas.

The magnitude of the veterans' housing program defies comprehension. Loans have been guaranteed for veterans living in urban centers in a principal amount exceeding $40 billion; yet those living in the small towns and rural areas have had little opportunity for home loans except through the veterans' direct home loan program, which has in 10 years placed about $600 million in loans in the book. We are told that 40 percent of the veterans of World War II live in the 2,500 counties where all or part has been declared a direct-loan area, as compared with 60 percent of the veteran population living in the urban centers. The 60 percent have gotten $40 billion

ties to city veterans for the purchase of homes.

The objective of H. R. 4602 is national in scope. In our survey, we found that 3,234,438 World War II veterans live in 1,635 rural counties where less than 10 percent have obtained a home loan. This compares with 2,857,307 veterans who reside in 126 metropolitan areas where more than 40 percent have obtained a home loan. H. R. 4602 is intended to give help to the veterans of the Nation who reside in the rural areas.

At this point, I would like to discuss the situation as it exists in the Fourth Congressional District of Colorado, since I think my district is quite typical of that which exists nationally. Colorado has 165,339 World War II veterans; 24.7 percent of these veterans have been able to obtain a home loan. This is a little below the national average, which is 25.2 percent. My congressional district is composed of 24 counties in which 25,694 veterans live, and only 6.3 percent of these veterans have been able to get a home loan.

I am not enthusiastic for direct lending as a matter of principle. I would be most happy to let this obligation rest with the private lenders; however, we have had 10 years to prove that the private lenders will not do the job for these rural counties. I do think that once we create a home-loan benefit for the Nation that veterans living in the rural areas have a right to expect some semblance of equal treatment. The only answer is direct loans from the Federal Government.

Under H. R. 4602 we have raised the ceiling on the loan from $10,000 to $12,500, a step which I think is certainly justified due to the rising cost of construction. More important, we have created a method whereby builders may secure fund reservations and build new houses for sale to veterans on much the same basis that houses are being built for veterans who use the guaranteed loan program.

I have been receiving the same type mail as other Members of Congress from builders and lenders expressing their dis-

Undoubtedly, there will be a great deal of discussion about a proposed rate increase. We must be absolutely frank and admit that, regardless of the interest rate, rural areas, such as the congressional district which I represent, will not have mortgage financing for homes for veterans. We have had interest rates for 10 years which have poured an abundance of mortgage money into the urban centers, and yet none has flowed into the rural areas. There is absolutely no basis for believing at this point that an increase in interest rate will cure the most acute problem confronting the veterans' home loan program—that of providing some opportunity, at this late date, for the rural veteran to purchase a home. It is my personal opinion that an interest rate increase will actually do very little for the veteran living in urban centers, and certainly there was nothing in the testimony before the Committee on Veterans' Affairs to indicate that any significant quantity of new money will be made available; but, be that as it may, the two problems shall not be confused. We are today dealing with H. R. 4602, which has the limiting objective of providing a little money for rural veterans for the purchase of homes, and I urge that we vote it out without delay.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself such time as I desire.

Mr. Chairman, the bill which is now before the House, H. R. 4602, is designed primarily to make more loans available to veterans for the purchase of a home. Briefly, this measure would direct the Administrator of Veterans' Affairs to assist veterans in rural areas and small cities by designating such areas where guaranteed loan financing is unavailable as "house credit shortage areas" eligible for direct loans. In view of the increase in housing construction costs, the maximum amount of a direct loan to an eligible veteran would be increased from $10,000 to $12,500. The present annual authorization of $150 million for direct loans would be continued through fiscal 1958, and in addition, the Administrator would be permitted to use funds previously authorized but which had lapsed because they were not seasonably requested from the Treasury. Among the other features of this important bill is a provision authorizing a system of advance commitments to builders for the purpose of encouraging home building for veterans in the house credit shortage areas, eligible for direct loans.

The current acute shortage of funds for loans to veterans is of great and immediate concern to me, and I believe it is very important that legislation be enacted now that will enable our veterans, who have not yet availed themselves of their GI loan entitlement, to be in a position to get the financing they need for the home of their choice. Veterans, particularly those of modest means, are especially disadvantaged by the tight money situation, and it is necessary that a flow of funds be assured to meet adequately the demands of those veterans seeking to finance their homes under the provisions of the Servicemen's Readjustment Act. The present acute problem of GI financing arises in large part from the fact that funds, which in the past have been made available for the GI loan program, are now being channeled into alternative investments bearing an interest rate much higher than the 4½-percent rate on GI loans. My position with respect to raising the interest rate on veterans' loans to 5 percent, is influenced solely by my concern for the veteran and by what I conceive to be to his best interest both immediate and long-range. Frankly, I have certain misgivings regarding the interest rate question and whether an increase is the solution. Other factors may be important but to my mind they are secondary to the overriding consideration of the veterans' welfare.

Mr. Chairman, there is a very obvious difference of opinion as to the interest rate to be charged veterans on their loans. I am inclined to stay with the 4.5 percent interest rate and not go up to the 5 percent rate, because, from talking with bank, insurance, and other people, I doubt very much that it will make much difference if we do go up to 5 percent. I have learned from many quarters that money is not so tight as it was, and the feeling seems to be the veterans can secure their loans. After the interest rate went up from 4 to 4½ percent Veterans' Administration testimony showed that practically no additional loans were made for a year after the legislation passed. The veterans should not be taxed this extra half percent interest rate. The interest should not be increased to 5 percent.

Mr. Chairman, I yield such time as he may desire to the ranking Member of the committee on the Republican side, the gentleman from New York, General KEARNEY.

Mr. KEARNEY. Mr. Chairman, I am probably in disagreement with a lot of my colleagues on the committee, but I have found out not only through the State of New York but throughout the country that the veteran cannot get a loan at 4.5 percent. For that reason, I support the increase of half a percent, to 5 percent.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 1 minute to speak of the fact that the Administrator of Veterans' Affairs, Mr. Higley, had $150 million with which he could have made direct loans to veterans and he did not do so. I think we have to watch that situation extremely carefully. I personally would make direct loans to veterans in the city areas if they could not get the money from the banks.

Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, I know we are all happy that this bill has been brought to the floor, for two reasons. One is that it is an important bill. We are also happy that the great chairman of the Committee on Veterans' Affairs, whose son was injured in a very serious automobile accident a short time ago is now on his way to recovery, can be with us today.

Having been here going on 7 years and having always been on the Committee on Veterans' Affairs, on very, very few occasions have I ever found myself in disagreement with our chairman the gentleman from Texas [Mr. TEAGUE]. I am for his bill 100 percent. I introduced the same bill myself except that I provided for a 5 percent interest rate. It is interesting to note, Mr. Chairman, that this is the first time since the GI housing bill has been in effect that the Congress has had to decide what should be done regarding interest. In 1953 I was chairman of the subcommittee on veterans' housing. At that time we had a very serious problem in getting mortgage money for the veterans. The rate in 1953 was 4 percent. The chairman of the committee was a member of the subcommittee. In fact, the gentleman from Texas [Mr. TEAGUE] was the ranking member at that time.

We went across the country holding hearings on this problem. However, we did not have to come to the Congress and ask you to vote an increase in the percentage that the veterans would be permitted to pay because the law, as amended, provided that the Administrator be given some flexibility in setting an interest rate. So the law stated that the Administrator with the concurrence of the Secretary of the Treasury could set a rate between 4 percent and 4½ percent. After we completed our hearings in 1953, I was convinced, if we were to get mortgage money for the veterans of this country, the Administrator would have to raise the rate to 4½ percent. I so stated in a letter to President Eisenhower. Shortly thereafter, the rate was increased to 4½ percent. Now, what happened? In about 3 years after that, 1,300,000 veterans were able to use their GI housing rights. Money was available within 6 months' time. In the past year, however, there has not been any realistic interest rate at 4½ percent available to any veteran because this House had gotten into the picture. At the present time, although the veteran is paying 4½ percent supposedly, actually the lender is receiving much more than that 4½ percent because there are very few, if any, loans being sold at par. I presume most of you are familiar with the discount practice, but I will explain it to you briefly. If a builder builds a home and the Veterans' Administration appraises it at $10,000 and the veteran signs a mortgage for $10,000, when the builder passes that note on to the lender, if there is a 5-point discount, he only gets $9,500. There is a great argument as to whether it comes out of the hide of the builder or whether the veteran gets a cheaper home or whether the appraisal is adjusted to the discount practice in that particular community. I do not care to go into that today, but I can make the point, and I think you will agree, from a realistic point of view there has not been any 4½-percent money available for almost the past year.

It is a matter of record what happened in 1953 when the Administrator put into effect a 4½-percent rate. As I said, there were 1,300,000 who have used their GI building benefits since that time. The big question we have to decide here today is, actually, very, very simple. Are we going to authorize the Veterans' Administrator to establish a rate between 4 and 5 percent by amending the law to give him that authority, which he

does not now have—4½ percent is as high as he can go—and let free enterprise operate and permit the lenders of this country to have a fair return on the mortgage money, and at the same time permit them to protect the depositors who have entrusted them with their money? It is impossible for any small lending institution to pay depositors 3 percent and lend money out at 4½ percent.

Just think back in your own districts of the many little savings and loan banks that are paying 3 percent to the depositors. He is entitled to a fair return on his money. At the present time we told the veterans a little over a year ago, that the GI program for World War II veterans was going to expire in July 1958. When we told the veterans that, many of them keyed their plans to this summer and fall. We still have legislation on the books, but we have told the veterans that a year from now the program is going to expire; but we are doing absolutely nothing to provide him mortgage money with which to purchase that home. So if we do not choose to permit free enterprise to operate in this field and give the Administrator the right to establish a fair and realistic interest rate, then we have only one other alternative, and that is to enlarge the direct-loan program, and put your Government and my Government in the lending business to veterans to the tune of five or six billion dollars a year. What would that mean to your budget? It means that if you are going to have a direct-loan program to take care of every veteran in this country who has a desire to buy a home, you can vote a direct appropriation of from five to six billion dollars annually which will give you a seventy-seven- or seventy-eight-billion-dollar budget instead of a $72-billion budget. I do not think the American people, including veterans and nonveterans, want the Government in the lending business to that extent, when free enterprise is anxious and willing to go into the field if you will just give the Administrator the authority to provide a realistic interest rate.

I received a very interesting telegram from the Savings & Loan League in this country. They have provided about 20 percent of the mortgage money for the GI program. I think this telegram sums up pretty well the position of all lending institutions, including insurance companies, small banks, and savings and loan companies. This is the telegram:

WASHINGTON, D. C., *March 22, 1957.*

Hon. WILLIAM H. AYRES,
House Office Building,
Washington, D. C.:

Incoming totals for February show further decline in savings and loan participation in GI loans, down 30 percent from February 1955. Because of the competitive increase in the cost of savings, our institutions reduced their GI lending by one-half billion dollars in 1956. These February figures indicate this trend is continuing and that at the 4½-percent rate our institutions would make only $500 million in GI loans during the next 12 months. At a more competitive 5-percent rate we expect expanded volume approaching the $1½ billion loaned in 1955. Thus, so far as savings and loan associations are concerned, and we are only one of the lending groups involved in the GI program, the difference between 4½ percent interest and 5 percent interest could make a difference of $1 billion, or loans to 100,000 veterans in the 12 months ahead.

NORMAN STRUNK,
Executive Vice President, United States Savings & Loan League, Chicago, Ill.

There is a billion dollars that you are not going to have at the 4½-percent interest rate.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. TEAGUE of Texas. Does the gentleman really believe that none of that money will go into housing unless the interest rate is increased?

Mr. AYRES. The gentleman has stated that they will have approximately a half billion dollars, but they will have a billion more at 5 percent. I am convinced that that increase of a billion more will not go into the program.

Mr. TEAGUE of Texas. Would the gentleman make a prediction of any kind as to the number of veterans' houses that will be built in the next year if we do not increase the interest rate?

Mr. AYRES. I did not bring my crystal ball with me today.

Mr. TEAGUE of Texas. I am not trying to ask the gentleman a loaded question. The gentleman is one of the most active members of our committee and his opinion should be appreciated. The reason I asked the gentleman is that there were 46,500 loans closed a year ago in January, and there were 50,000 in January, which shows there has been some reduction, but there have been 250,000 or 300,000 houses built this year. So that the increase will be $500,000—I believe it will be between four and five hundred thousand, and those veterans will pay the cost of the increase.

I would like to ask the gentleman how many loans will be made if we do not increase the rate at all.

Mr. AYRES. First I would like to answer the question the gentleman propounded regarding the possibility that there were going to be loans closed without an increase. Most of those loans closed in January—and I am certain the gentleman is conscious of this—were contemplated, many of them, a year prior to that date, and commitments had been made. The houses were completed. But there were not that many commitments made in January; there are practically no commitments being made at the present time by any of your lending institutions and, of course, as the gentleman knows, in his great State of Texas and in my State of Ohio there are practically no builders contemplating getting into the field until they can get this increase.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield further?

Mr. AYRES. I yield to the gentleman.

Mr. TEAGUE of Texas. The figures I have from the Veterans' Administration place the request for January of this year at $19,000 and for February just a little over $20,000. That should be some indication of what would happen in the next few years.

Mr. AYRES. Those are requests only. That does not mean that the mortgage money is going to be forthcoming. And this proves my point. We have these veterans who are making application for loans, but that does not mean that they have a lender who is anxious to lend money at 4½ percent at all.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. KEARNEY. There is nobody in the House, I believe, who has more respect for the chairman of our committee than I, no one who has more respect for the gentleman from Ohio who now has the floor, but let me ask this question of the gentleman from Ohio [Mr. AYRES]. Is it not a fact that with the interest rate at the present 4½ percent level the veterans cannot get any loans for housing.

Mr. AYRES. That is the fact to a great extent. There are a few lenders who have connections in local communities who want to take a loan, but even they are not going to take many at 4½ percent. Those instances are very rare.

Mr. KEARNEY. If we assume that the rate is going up to 5 percent—and we are not sure of that at all—we definitely know as far as 4½ percent is concerned that the veterans cannot get any loan through, so it seems that it must be increased.

Mr. AYRES. That is very true.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Michigan. I know he is for the interest increase.

Mr. RABAUT. No, I am not.

I want to ask the gentleman this question: Whether or not certain evils will be out if the rate is increased to 5 percent?

Mr. AYRES. The gentleman means the discount practice?

Mr. RABAUT. The discount practice, under-the-table procedures, and things like that that are going on.

Mr. AYRES. I do not know what the gentleman means by "under the table." I believe the practice will be curtailed; it will not be eliminated; no.

Mr. RABAUT. It will merely result in adding another one-half percent to the cost the veterans already is under.

Mr. AYRES. I think it will be curtailed considerably. We have had firm statements from very responsible gentlemen in the financial circles, many of whom got out of this mortgage field. There are big concerns with money who will get into the field. We have large insurance companies who will have a billion and a half for this market at 5 percent, I will say to the gentleman from Michigan. So I feel that the discount evil will be lessened.

Mr. RABAUT. There is one other thing I believe everybody should remember and that is that every one of these loans carries the guaranty of the United States Government.

Mr. AYRES. That is very true; there is a guaranty, but very few people enjoy losing money on a deal even though it carries a guaranty.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. MULTER. On my own time I am going to read some letters to the Committee which show pretty conclusively that increasing the interest rate will not bring another dollar into the mortgage market.

Mr. AYRES. If the gentleman gets into that, I will be forced to read the hundreds of letters I have from builders here stating differently.

Mr. MULTER. I would like to call the gentleman's attention to the fact that several times the Committee on Veterans' Affairs has brought bills to the House covering this subject of loans to veterans. I have in front of me the RECORD of March 24, 1954, at which time the distinguished gentlewoman from Massachusetts [Mrs. ROGERS] promised the House that the Committee on Veterans' Affairs is very much in favor of cutting the interest rate, and we hope, she said, to have a bill along that line considered very shortly. But the bill never arrived here. Instead a bill increasing the rate was offered.

Mr. AYRES. The gentlewoman from Massachusetts is here. I will let her answer the question. The gentleman from Ohio did not say that.

Mr. MULTER. The gentleman from Ohio participated in the debate on that very day and told the House at that time that the committee will consider cutting back the interest rate because, as the gentleman indicated, under existing law at that time the administration has the right to increase the rate. We were all complaining because they had increased the rate and the only way we could cut it back would be by way of legislation. The gentleman joined the distinguished gentlewoman from Massachusetts in saying we would get such a bill.

Mr. AYRES. I figured that the House should work its will. It was not my bill, however.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I wonder if the gentleman from New York suggests that we should legislate as to the amount of interest, or the interest rate that should be paid by private institutions?

Mr. MULTER. I am suggesting that as far as veteran loans are concerned, whether they are guaranteed or insured or are direct loans, there should be a maximum interest rate fixed by the Congress and it should not be over 4½ percent. The 4½ percent would be ample if Government bonds are selling at 3½ percent. There is no reason why any insured mortgage of a veteran should carry a higher interest rate.

Mr. AYRES. May I say that the gentleman from New York has been very consistent over the years. He naturally feels there should be limitations in its operation. However, I am convinced in my own mind that we are not going to have mortgage money to supply the market for the millions of veterans who want homes unless we do have a realistic interest rate and that can only be brought about if the free-enterprise system is to be protected by giving the Administrator the right to set the rate.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that the 4½-percent mortgage is worth more to the holder than a 5-percent FHA mortgage for the reason that the 4½-percent mortgage is guaranteed by the Government? In the event of a default the person holding the mortgage is paid immediately, he does not have to wait.

Mr. AYRES. The percentage of default has been very small, less than 1½ percent.

Mr. PATMAN. Let me finish. Whereas, in the case of the 5-percent mortgage they are not paid; they are given debentures. There is a difference in the type of security. One is worth more than the other.

Mr. AYRES. I think we have to leave that to the discretion of the man who is investing the money of the little depositors of the country. If in his judgment it is not a good mortgage at 4½ percent, then we have to make it possible for him to have a realistic interest rate because he has a moral obligation to those people who have trusted him with their hard-earned money.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Is it not a fact that the American Legion has agreed that a 5-percent interest rate is necessary in order to get the loan?

Mr. AYRES. The American Legion appointed a subcommittee to study this problem and it was the consensus of that group, although they did not like to see the veteran pay any more interest than necessary, that if he was to get a home we would have to have a realistic interest rate and they have urged 5 percent as the rate.

Mr. BROOKS of Louisiana. With these huge discounts that are going on now, if you get a realistic interest rate and stop the discounts, lots of people say that would be a possible solution. Has anybody come up with a provision which would provide a penalty for charging discounts, bonuses, or side payments, or whatever you want to call them, if the interest rate should be raised to 5 percent?

Mr. AYRES. I will say to the gentleman from Louisiana the difficulty in the discount, of course, is the variation in the value of money between the east and the west coast. There does have to be some flexibility.

I would like to close by reading what is a typical letter received from veterans themselves who are close to this situation. Here is a veteran who has written from Indianapolis, Ind. He is earning his living now, since he is out of the service, in the mortgage business. He writes:

DEAR SIR: Millions of veterans will be deprived of their home-mortgage benefit, unless the VA mortgage interest rate is permitted to rise to a level competitive with other investments. Speaking as a veteran myself, I can say that we don't want to be protected out of the right to do business in the kind of free economy we enjoy.

Now, that expresses the wishes of a vast majority of the veterans of this country. They want homes. They do not feel that the Congress of the United States has a right to deny them that privilege. They are not anxious to pay any more interest than necessary, but they do want a free economy protected. They do not want the Government in the lending business to the tune of $5 billion or $6 billion, while at the same time they want the right to use the law that we have told them they could use. We told them that law was going to expire in July 1958. I would like to see this House be realistic and face up to what, in my judgment, is a problem not only affecting the veteran but affecting our whole economy.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. KEARNEY. Mr. Chairman, I thoroughly agree with the gentleman's explanation. Now, the answer comes down to this, if I am correct. We can argue here until doomsday, but the answer is the veterans will not get a loan at 4½ percent.

Mr. AYRES. That is right.

Mr. KEARNEY. Whether he gets it at 5 is something to be determined in the future.

Mr. AYRES. The figures show that he will.

Mr. KEARNEY. The figure of 4½ percent is all out of line.

Mr. AYRES. That is correct.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Chairman, the gentleman from Ohio and the gentleman from New York are stressing the fact that you cannot buy a home at a 4½-percent interest rate. For the past week we have had clippings taken from every newspaper across these United States. For example, in the Akron Beacon Journal, Akron, Ohio, March 17, 1957, there is a big advertisement showing 4½-percent GI loans. Toledo Blade, March 10, a big advertisement, 4½-percent GI loans. In the Columbus Dispatch, March 10, "No money down, GI loans." In the Akron Beacon Journal, March 17, again "No money down, GI 4½-percent loans." In Chicago, "188 homes sold last Sunday, VA and FHA 4½-percent loans." If you cannot buy at that rate, I do not know why they advertise them all over the United States.

Mr. AYRES. First I want to commend the gentleman for reading the advertisement from the Akron Beacon Journal. Secondly, I know most of those builders doing that advertising, and wherever you find some there is anywhere from 6 to 8 percent discount if they can place it. In no place do they say, "We will close your loan in 2 weeks. We have financing available. Come out and see us." I would say to the gentleman, if we could, it might be advisable to go to Akron and hold hearings, and he will see that there is no 4½-percent money available.

Mr. TEAGUE of Texas. Will the gentleman tell us the whole story of the Legion support of interest increase?

Mr. AYRES. I do not know the whole story. I am not as close to the American Legion as is the gentleman from Texas.

Mr. TEAGUE of Texas. The gentleman knows that the REHAB conference, which was composed of the State commanders all over the United States, reversed what the national executive committee had done, as far as the increased rate is concerned.

Mr. AYRES. But the Legion has again answered that by a telegram from the commander. They have reiterated their statement that it is the consensus of the American Legion, and the committee feels they are speaking for those at the grassroots level, but they say we need the increase to 5 percent.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. SHUFORD], who is the chairman of our Subcommittee on Housing.

Mr. SHUFORD. Mr. Chairman, I wish to voice my support to H. R. 4602, a bill which I am sure could be labeled with the old phrase "Too little and too late."

First, I wish to remind the Members of the House that historically the Congress has felt it a privilege to provide some special benefits for veterans, and such action you might say now constitutes the public policy of this country. The Congress has provided these special benefits to show its appreciation and the appreciation of the Nation for the time and sacrifice these men have made in defense of our country.

Congress, in 1950, enacted the direct loan program because the veterans in the small cities, towns, and rural areas of the country were unable to get a guaranteed loan. At that time the guaranteed loan program had been in existence for 6 years and the veterans living in the rural areas had not been afforded an opportunity to enjoy the benefits which were enacted for them by Congress. At that time a token appropriation of $100 million was made for 1950, and the same amount was appropriated for 1951. These amounts were expended virtually overnight, showing and proving beyond any reasonable doubt that the veterans in the small cities, towns, and rural areas of our Nation did not have access to mortgage financing.

The Veterans' Administration had to create large waiting lists for veterans desiring direct loans. It took from 3 to 8 months for a veteran to get from the bottom to the top of the waiting lists. In many instances, when the veteran was fortunate enough to reach the top, he then found that the house he wished to buy had long since been sold to someone else.

Congress has extended the direct loan program so that it has operated continuously since 1950, and during the years from 1953 to 1956 Congress has appropriated $150 million a year for this program.

The Veterans' Affairs Committee made an intensive survey of the veterans living in every county in the United States and found that 40 percent of the World War II veterans live in 2,500 counties that have been declared as direct loan areas as compared with 60 percent of the World War II veterans who live in metropolitan areas. Further, only 10 percent of the veterans living in the rural areas have been able to obtain a home loan, while over 40 percent of the veterans living in 126 metropolitan counties have obtained a home loan. Converting these figures to dollars, it is astounding to me to find that the veterans living in the metropolitan areas of our country have been able to get over $40 billion in loans, while the veterans living in the small cities, towns, and rural areas of the country have had approximately one-half billion dollars for home loans. From these figures, there should be no question that there is still a great need for the bill we have before us which will continue the direct loan program for 1 year and provide the same amount of money that has been provided in the past, namely, $150 million.

Some criticism has been made that this bill discriminates against the veterans living in the metropolitan areas. I wish to call your attention to the fact that from the foregoing statistics this is far from the facts.

The bill before us is not intended to be a cure-all for the present tight money market or the lack of mortgage financing for veterans' homes. The bill merely deals with the veterans living in the small cities, towns, and rural areas of our country. The bill does, however, provide that builders can participate in the direct loan program much the same as they do in the guaranteed loan program. Heretofore, the direct loan program has dealt mainly with existing and old homes, in that approximately 80 percent of the direct loans made by the Veterans Administration have been for this type of houses. I am sure each of you will agree with me that there are very few, if any, counties, in your congressional districts that do not need at least 10 or 12 new houses. H. R. 4602 will provide approximately 45,000 homes. If these are evenly distributed throughout the country, it will mean that each of our counties will get 10 or 12 new houses.

I am not enthusiastic for direct lending or having the Government in the mortgage-financing business, but private capital has not done the job as far as the rural areas of our country are concerned. Therefore, I am convinced that the only way to correct this situation is to continue the direct-loan program for another year. H. R. 4602 increases the ceiling on the direct loan from $10,000 to $12,500. I think this step is certainly justified in view of the rising cost of construction. The bill also will assist builders in financing the construction as they can obtain advances during the construction from the Veterans' Administration up to the cost of the lot, plus 80 percent of the in-place construction.

There undoubtedly will be a great deal of discussion about a proposed interest-rate increase on both guaranteed and direct loans. I would like to take this opportunity to express my feelings and conclusions on this question. First, I would like to call your attention to the fact that, when the committee was considering H. R. 4602, an amendment was offered to increase the interest rate from 4½ percent to 5 percent. This amendment was defeated by the committee. I have received numerous letters and telegrams from builders and lenders soliciting my support for an increase in interest rate, but I have yet to receive a letter from an individual veteran asking that the rate be increased.

Four veterans' organizations appearing before the committee opposed the rate increase. They were the VFW, DAV, Jewish War Veterans, and AMVETS. The American Legion has advocated a rate increase and several days ago sent a communication to all Members of Congress reaffirming their position. I have written to the American Legion and asked for clarification of the position of the organization.

In my letter I pointed out that the American Legion's position, advocating the interest-rate increase from 4½ percent to 5 percent, is based on a recommendation by a five-man special housing committee and confirmed by the organization's executive committee, but later about 1,000 State officers and service officers, making up the National Rehabilitation Conference, rejected the recommendation of the special committee and the executive committee. I asked the American Legion for an expression of opinion as to whether they felt that the action of the five-man special committee and the executive committee was more truly representative of grassroots Legion opinion than the action taken by a gathering of State commanders, State adjutants, national officers, and service officers. The reply from the American Legion was "Yes." I certainly cannot concur with this opinion. I believe that State commanders, State adjutants, and service officers are closer to the membership than a five-man special committee or even the executive committee, and the action taken in February by the National Rehabilitation Conference is more truly indicative of the feelings of the average veteran on this issue.

In my letter to the American Legion, I pointed out that lenders appearing before the Veterans' Affairs Committee offered no assurances that any substantial amounts of new mortgage financing would be made available as a result of an interest rate increase and questioned the justification of raising interest rates without these assurances. The American Legion, in its reply, did not concur with my analysis of lenders' testimony and stated that they believed that the weight of the testimony before the Veterans' Affairs Committee was that significant amounts of new mortgage financing would be made available if the rate is increased.

I raised the question of veterans losing advance commitments if the interest rate is increased. The American Legion, in its reply, conceded that there may be about 65,000 commitments outstanding and that these veterans would be penalized if the rate is increased. The American Legion justified its position on the basis that a great many more veterans

would get loans and that those having advance commitments should be required to suffer the penalty of increased interest cost for the good of the total group.

The Housing and Home Finance Agency has released its adjusted annual figure for housing starts for 1957, based on the current month's activities, and it is something over 900,000 new starts for the year. This indicates that the program as it is presently operating will produce mortgage financing for about 300,00 to 400,000 veterans.

An increase in interest rate will add from $600 to $1,500 to the cost of every house built under the program. The net results, therefore, will be to add several hundred million dollars in increased interest cost to the houses obtained by veterans next year and, in addition, about 65,000 veterans, according to the American Legion, will lose an advance commitment at 4½ percent.

The veterans' housing program was created for veterans. We should be most careful in taking this step which will have such a tremendous financial impact on the intended beneficiaries of the program.

To further support my stand that an interest-rate increase should not be considered, I call your attention to a write-up in the Tuesday, March 12, issue of the Wall Street Journal which states:

> Bankers are starting to talk about a cut in interest rate due to the demands for loans easing.

The writeup also quotes some top officials of New York banks. One is quoted as saying:

> A further increase in interest rate is out.

Another top official is quoted as saying:

> Mortgage money still is scarce but not as scarce as it was a few months ago. Some of the lenders are back in the market looking for mortgages for the first time in over a year.

Near the end of the article is the quotation which is of interest. The official is quoted as saying:

> If business loans stay off, we know we can make some people happy by making more real-estate loans.

There are several other indications that the mortgage market is improving. The following item appeared in the Wall Street Journal March 21, 1957:

> Treasury financing: Investors oversubscribed the Treasury's new $9 billion offering of securities more than 4 times, the Department said. It allotted subscribers to the 3⅝-percent certificates 31 percent of their order, and subscribers of the 3½-percent notes 12 percent.

On March 20, 1957, the Wall Street Journal printed a report entitled "Dealers in Bankers' Acceptances Cut Rate by One-fourth Percentage Point—First Reduction in 9 Months Made Because of Excess Short-Term Fund Supply—Bankers' acceptances dealers cut their rates one-fourth of a percentage point, the first reduction in the yield of the trade bills in more than 9 months."

The Associated Press on March 18, 1957, quoted Mr. Cole, Administrator of the Housing and Home Finance Agency, as saying that—

> He is confident that the supply of mortgage funds will improve in the near future.

House and Home Magazine has printed a report as follows:

> The money market has loosened a little after months of steady tightening.

An article appearing in the real-estate section of the Evening Star over the weekend pointed to the fact that some builders are becoming dubious as to the desirability of a rate increase. The article stated that—

> This group believes that the GI housing program was conceived to benefit veterans; the legal 4½-percent interest rate which was one of these benefits will be diluted if the rate is raised; if lenders won't lend at 4½ percent, the Government has an obligation to make loans available in some way.

The veterans' home loan program was conceived as a benefit for veterans. Our vote here should be cast with regard to the welfare of veterans. We should not be unnecessarily motivated by the desires of other groups.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I am glad to yield to the gentleman.

Mr. TEAGUE of Texas. Does the gentleman from North Carolina feel the action of the executive committee or the action of the rehabilitation committee most represents the feelings of the veterans across the country?

Mr. SHUFORD. I will say that I think the rehabilitation committee really touches the grassroots of the country. You must understand and realize that this recommendation of the executive committee and that five-man committee for the American Legion was made last September or last year and not under the present financial conditions.

Mr. TEAGUE of Texas. Can the gentleman tell us who the members were of that five-man committee?

Mr. SHUFORD. I am sorry I do not have the names of the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. GROSS. Do I understand correctly that the Government obligated $40 billion for the metropolitan areas of the country for veterans' loans?

Mr. SHUFORD. No; they have made $40 billion worth of loans in the metropolitan areas. They have not obligated that. That is not in the future. They have already done that.

Mr. GROSS. They have already done that?

Mr. SHUFORD. They have already done that. In the rural areas and in the small towns, there have only been loans amounting to about a half billion dollars.

Mr. GROSS. Five hundred million dollars?

Mr. SHUFORD. Yes.

Mr. GROSS. How does the gentleman account for this disparity as between the metropolitan areas and the, shall we say, the rural areas, small towns, and cities?

Mr. SHUFORD. I would say to the gentleman that we have had this direct-loan program, but it has not been available to the veterans in those areas. The houses there are old. Of course you have the Voluntary Home Credit Mortgage Co., to which every loan has to be submitted, before the loan can be made, and the ones with money have not been going into the rural areas.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. SHUFORD] has expired.

Mr. TEAGUE of Texas. Mr. Chairman, I yield to the gentleman 3 additional minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. GROSS. Does the gentleman think there has been any deliberate discrimination as between those areas of the country?

Mr. SHUFORD. I would not say there has been deliberate discrimination. I will say that at the end of this fiscal year the Veterans' Administration will have over $300 million that is available for direct loans, if they desire to loan.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I will be glad to yield to the gentleman.

Mr. KEARNEY. In answer to the distinguished chairman of the committee that the American Legion did advocate a 5 percent interest rate, is it not also true that all veteran organizations during the interim between one convention and another have certain committees carrying out the wishes of that particular organization?

Mr. SHUFORD. I imagine that is correct. I have not attended any of those conventions recently, but I imagine they appoint committees, and they report back at a later date. However, I will say that the rehabilitation members were here a few weeks ago, and they refused to go along with the action of their national committee.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. WEAVER. A few moments ago there was a discussion about the discount practice throughout the country. Does the gentleman feel that there has been any letup in discount practices since the FHA increased the rate last December?

Mr. SHUFORD. I do not say there has been any letup since they went to 5 percent. If they go to 5 percent for the Veterans' Administration, there will be no letup then. I think it is a vicious practice, but it will be there just the same.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. McCORMACK. Suppose the tight-money policy in about 4 months gets easier, then the veterans are tied to 5 percent?

Mr. SHUFORD. The veterans will be tied to 5 percent, and it will cost each individual veteran from $600 to $1,500 additional on his loan.

Mr. McCORMACK. And the so-called tight-money policy has not been put into operation by Congress, but by administrative action on the part of the Federal Reserve System, in the main?

Mr. SHUFORD. That is right.

Mr. McCORMACK. And the vote for the 5-percent interest is a vote for tight money, is that not right?

Mr. SHUFORD. That would be my impression.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. SHUFORD] has again expired.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D. C., March 20, 1957.

Mr. W. O. "DAN" DANIEL,
National Commander, the American Legion, Washington, D. C.

DEAR MR. COMMANDER: This has reference to the letter dated March 19, 1957, addressed to all Members of Congress, recommending that interest rates on veterans' loans be raised from 4½ percent to 5 percent. The statement which accompanied your letter made reference to a "special housing committee" of the American Legion which recommended that an interest-rate increase from 4½ per- to 5 percent and subsequent approval of the recommendations by the national executive committee. No mention was made of the National Rehabilitation Conference, which was held in Washington, D. C., during the month of February, subsequent to the action of the special housing committee.

It is my understanding that the National Rehabilitation Conference, composed of department commanders, department adjutants, American Legion service officers, and hundreds of other State and National officers, and prominent Legionnaires, rejected the recommendation of the special housing committee. Is it your position that the recommendation of the special housing committee, as approved by the national executive committee, more nearly represents the grassroots opinion of Legionnaires throughout the country than does action which occurred in the National Rehabilitation Conference?

When the Veterans' Affairs Committee rejected the proposed interest-rate increase, it was confronted with two basic facts. After hearing testimony from representatives of the major lending groups of the Nation, the committee had received no assurances that an interest-rate increase from 4½ percent to 5 percent would produce a significant amount of new mortgage money for veterans' loans. In addition, the committee was told that there are several hundred million dollars in outstanding commitments to veterans at 4½ percent. The Veterans' Affairs Committee has received many letters from veterans holding 4½-percent commitments who are concerned that they will lose their 4½-percent loan and be required to pay the higher rate of 5 percent if the interest rate is increased.

One of the reasons which prompted the committee to reject the proposed increase from 4½ percent was that the committee has no desire to subject many thousands of veterans holding an advance commitment at 4½ percent to an additional cost on their homes of from $600 to $1,500 as a result of increased interest charges. There can be no doubt that hundreds of millions of dollars in advance commitments are available to the veterans of the Nation, since houses at 4½ percent are being advertised in practically every major city of the United States today.

In order to clarify the position of the American Legion, I would appreciate being advised as follows:

(1) Do you believe that the action of the special housing committee in December is more truly representative of the grassroots Legion opinion than the action taken by the assembly of State officers and leaders during the National Rehabilitation Conference in February?

(2) Is there a justification for increasing interest rates on the assumption that veterans will be assisted in obtaining homes when lenders who have complete control over mortgage financing have indicated that no significant amounts of new mortgage financing would come into the market as a result of an interest-rate increase?

(3) An increase in interest rates from 4½ percent to 5 percent will cause many thousands of veterans to lose advance commitments at 4½ percent interest totaling hundreds of millions of dollars. In each instance where a veteran loses a commitment on a 4½-percent loan, from $600 to $1,500 will be added to the cost of his home in the form of increased interest. Is it the position of the American Legion that Congress should raise interest rates and cause this group of veterans to lose their advance commitments at 4½ percent?

I would appreciate clarification of the position of the American Legion on these points prior to March 25 if possible.

Sincerely yours,

GEORGE A. SHUFORD,
Chairman, Subcommittee on Housing.

THE AMERICAN LEGION,
Washington, D. C., March 22, 1957.

Hon. GEORGE A. SHUFORD,
Chairman, Subcommittee on Housing, Veterans' Affairs Committee, House Office Building, Washington, D. C.

DEAR CONGRESSMAN SHUFORD: This is in reply to your letter of March 20, 1957, in which you discuss my letter of March 19 concerning interest rates as they apply to veterans' housing, and in which you ask for clarification of the American Legion's position.

First, let me say that I do not believe the question is whether the interest rates which veterans pay on GI loans should be increased from 4½ percent to 5 percent, since 4½-percent loans rapidly are becoming a thing of the past, and the real question is as follows:

Should the permissible interest rate on GI loans be allowed to remain out of line so that few, if any, veterans are able to take advantage of the benefit intended, or should it be increased so that veterans will be able to get loans?

Your questions, quoted hereon, will be discussed in the order presented:

"(1) Do you believe that the action of the special housing committee in December is more truly representative of the grassroots Legion opinion than the action taken by the assembly of State officers and leaders during the National Rehabilitation Conference in February?"

Discussion: 1. Our answer to question number (1) is "Yes."

However, before answering this question it is necessary to realize it so that it may become capable of answer in accordance with what we believe to be the factual situation. Because the report of our special housing committee was sent to all members of our national executive committee who approved said report by a vote of 44 to 4, the question in my opinion perhaps might better read:

"Do you believe that the action of the special housing committee in December, which was approved by the national executive committee of the American Legion, is more truly representative of the grassroots Legion opinion than the action taken by the assembly of State officers and leaders during the National Rehabilitation Conference in February?"

Our organization from its inception has always proceeded to conduct its affairs in a democratic manner consonant with our form of government. Under our organizational and structural formation no policy is adopted, nor is any program initiated, except upon authorization by either a national convention or by the action of the national executive committee. Our procedure in this instance, with respect to the question of interest rates on GI home loans, was no different than it has been for the past 38 years. May I point out that our 1956 national convention, with 3,142 authorized delegates from the several departments and outlying posts, approved a proposal directing me, as national commander, to appoint a committee to make a study of the declining veterans' home mortgage loans, with instructions that said committee report its findings and recommendations to the national executive committee for approval or disapproval. This was done, and the communication I mailed to you under date of March 19 summarizes the recommendations of the special committee which were approved by the national executive committee.

Therefore, since the official position of the American Legion was arrived at by the national executive committee of our organization, its action speaks for the membership of the American Legion. Consequently, the conclusion may be drawn that it is also speaking for the grassroots Legion opinion. I, as national commander, have no reason to believe that the action of the national executive committee in this instance is any less representative of the opinions of our Legionnaires throughout the length and breadth of our land, than what it has been in the past on important measures upon which our organization has taken a position.

Conversely, the action taken by those present at our National Rehabilitation Conference is not an official expression of the American Legion's position. Any recommendation made by this body must be presented in the form of a resolution to be presented at a later time for consideration by one of our governing bodies; the national executive committee (which meets in May), or at our next annual national convention. Therefore, since the expression of this body cannot be our official position, unless later approved or adopted by one or the other of our governing bodies, it cannot be considered representative of the position of the American Legion nor of its membership.

"(2) Is there a justification for increasing interest rates on the assumption that veterans will be assisted in obtaining homes when lenders who have complete control over mortgage financing have indicated that no significant amounts of new mortgage financing would come into the market as a result of an interest rate increase?"

Discussion: The answer to this question would be "no," if we shared your belief on the facts as stated. However, because we believe that the weight of the testimony given by lending institutions revealed that raising interest rates would produce additional amounts of new mortgage financing into the market, it is our position that the increase in the interest rate is justified. It is our understanding of the testimony rendered by the various lending institutions that there was a reticence on their part to prognosticate just how much new mortgage financing would become available as a result of an increase in the current VA interest rate, not that "no significant amounts" of new mortgage financing would become available.

We further believe that the weight of the testimony given before your committee indicates that lending institutions recognized the fact that VA mortgages have fallen behind in their ability to compete for capital funds because the interest rate on VA loans has not been allowed to respond to demand and capital supply forces in the capital market; as a result they recommended an increase in the VA interest rate so that VA loans would be put on a par with FHA loans, thereby allowing both the FHA and VA loan

programs to compete with conventional mortgaging in the open market.

It is noted that in the testimony given recently before the Housing Subcommittee, House Banking and Currency Committee, a representative testifying on behalf of the life insurance companies said: "A rate of 5 percent on VA mortgages would largely restore their competitive position, so that we would expect an appreciable increase in life insurance company investments in VA mortgages at that rate." It is believed that somewhat similar testimony was given before the House Veterans' Affairs Committee by a representative of the U. S. Savings and Loan League and other lender representatives.

"(3) An increase in interest rates from 4½ percent to 5 percent will cause many thousands of veterans to lose advance commitments at 4½ percent interest totaling hundreds of millions of dollars. In each instance where a veteran loses a commitment on a 4½ percent loan, from $600 to $1,500 will be added to the cost of his home in the form of increased interest. Is it the position of the American Legion that Congress should raise interest rates and cause this group of veterans to lose their advance commitments at 4½ percent?"

Discussion: It is our understanding that there are about 65,000 commitments presently outstanding which have not yet resulted in closed loans. Probably most of these commitments provide that the interest rate shall be the maximum permissible on VA loans at the time of loan closing. However, a considerable number of them also relate to cases in which the veteran has signed a statement indicating that he realizes his commitment is tentative and the loan will not be closed unless the interest rate is increased to 5 percent. We would have no way of knowing how many such cases are included in the 65,000 commitments outstanding. But the important point, it seems to us, is whether a million or more veterans who desire GI financing should be called upon to accept FHA loans at 5½ percent, or conventional loans at 6 percent or 7 percent interest or perhaps be forced out of the market completely so that some fifty or sixty thousand veterans will get a somewhat better break. The American Legion must view this problem from an overall standpoint, not only of World War II veterans, but also of those veterans who are eligible by reason of Korean service. The latter group will be the ones hardest hit. Most of them are just now reaching the economic and family positions where they are becoming interested in home ownership. Korean veterans have until January 31, 1965, to make use of their GI loan benefit, but if the permissible rate on GI mortgages cannot compete with the yield available to lenders on similar investments, it is evident that the benefit will be impossible of fulfillment. It certainly could not be considered equitable treatment to some 6 million Korean veterans who ultimately will be eligible for GI loans, by making them unavailable, by maintaining an unrealistic interest rate in order to allow some fifty or sixty thousand veterans to obtain more advantageous type financing.

In summary, let me say that the American Legion recommended an increase in the permissible interest rate on GI loans because there did not appear to be any reasonable alternative. Any attempt to supply needed home loan financing through direct loans would be futile since it would require an outlay of Government funds totaling six or seven billion dollars annually. We are firmly in support of the VA direct loan program, but believe it should be continued along the lines originally intended and confined to the remote areas where private lenders do not generally participate in mortgage lending of this nature.

There are some indications, according to certain informed observers, that the mortgage situation is easing. However, for the past several months most lenders have been investing in GI loans only at substantial discounts. There is nothing in the current picture which would indicate a sufficient improvement in the mortgage market to make 4½-percent loans competitive at any time in the foreseeable future. However, there are increasing indications that GI loans would again be available if the interest rate is increased to 5 percent.

In weighing these various factors the conclusion is inescapable; in our opinion the interests of veterans, generally, will be best served by making it possible for them to obtain the financing they need, by an adjustment of the VA interest rate. Currently, this requires that the interest rate be made competitive, and I urge that you and your committee support an authorized increase in the permissible GI rate.

Sincerely yours,

DAN DANIEL,
National Commander.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. KEARNEY. The distinguished gentleman from Massachusetts [Mr. MCCORMACK] said a moment ago that tight money was the result of administrative action. As far as we on this committee are concerned, we are trying to solve the veterans' questions. We are not interested in politics.

Mr. ADAIR. Mr. Chairman, as previous speakers have pointed out, there is a great deal in this bill with which we are all in agreement. We are addressing most of our remarks to the question of a possible interest increase because that is perhaps the major controversial point here. But I think the committee ought not to lose sight of the fact that this bill relates principally to the question of improving the operations of the veterans' direct loan program.

Many of the provisions of the bill came out of the committee unanimously, or virtually so. As to all of those things, therefore, we are in agreement, and those of us who feel that some relief should be given as to the interest rate would want you to keep that fact in mind.

I take it we are all in agreement also that the reason we have legislation such as this before us is that we are interested, as a legislative body, in seeing that homes are built for deserving veterans. That is certainly the thing in which I am interested, and that is the principal reason for our consideration of this bill here today.

It must be borne in mind that the proposed amendment does not require an interest rate of 5 percent; it would make it possible for the Veterans Administrator to increase rates up to 5 percent both in the direct loan and in the guaranteed loan program.

Those of us who expect to support the 5-percent rate believe that by so doing we will make it possible for more homes for veterans to be constructed; otherwise we certainly would not support such a provision. I think everyone in this House would want to see homes built for veterans as reasonably as possible.

The question comes down simply to this: That the testimony before our committee was that we are not getting the amount of money at 4½ percent which we require to build the homes veterans want to purchase. If this be true, then the solution is to try something else, that is to give the Administrator authority to increase the rate if in his judgment he deems it wise and necessary.

Mr. LONG. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Louisiana.

Mr. LONG. I wish to ask the gentleman whether anyone who appeared before the committee said that increasing the rate to 5 percent would get any more loans?

Mr. ADAIR. There was a great deal of testimony, I may say to the gentleman from Louisiana, to the effect that more money would be available if the interest rate were increased.

Now in my opinion this bill is not the final, the ultimate, the complete solution to this problem. We support this bill in the hope and expectation that it will help. I for one believe it is a step in the right direction. If we increase the interest rate, I believe it would materially assist in freeing more money to accomplish the building of more homes for veterans.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman from Massachusetts said that a vote for the 5-percent interest rate was a vote for tight money. If by voting for the 5-percent interest rate we can make money a little easier and more available to the veterans for their building of homes would not the gentleman say that a vote for 5 percent was a vote to loosen up some of the tight money?

Mr. ADAIR. The gentleman is correct, and we are trying to loosen up money for the purpose he has stated, that is, to make money available for veterans' homes.

There are other aspects of this problem. Some well-informed people believe that if we do give the Administrator the authority to increase the rate of interest that we make it unnecessary for the Government to increase the amount of money that it puts into the direct loan program; in other words, there is a considerable body of well-informed opinion which holds that by supporting this increase we would be strengthening our free enterprise system and moving away from the theory of looking to the Federal Government as the source from which loans should be made. To that extent we would be tending to take the Federal Government out of business.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. There is no member of the committee who tries more diligently to learn the correct answers to problems than the gentleman from Indiana. Would the gentleman comment on the fact that today veterans throughout the country are paying 5 percent and more through discount practices, that if we increase or give authority to increase it in this bill to 5 percent or more

for veterans across the country through discount practices, we would also add an increase to the direct loan areas?

Mr. ADAIR. The gentleman points out a fact which is true, when he speaks of the matter of discounts. They are being charged across the country. As the testimony before the committee demonstrates, the amount of the discount varies with different parts of the country. Some of us feel that if the interest rate is raised by the Administrator, if he be granted that authority, that we will see a situation in which discounts generally are lowered. If we can take 4 percent off discounts it is the equivalent, I am informed, of reducing the interest rate by one-half percent.

So there is reason to believe that if we reach a realistic interest figure we may thereby be able to reduce the amount of the discount and in the long run it will not cost the veteran any more and probably would cost him less. He would be paying a little more interest but in the overall cost it would not be greater to him, because we would hope and expect that discounts would be lowered, or perhaps even done away with.

I say again, as I said at the outset, here is a situation in which we find veterans' houses are not being built. We believe an increase in interest rates would produce more houses. It may not be the ultimate and the total solution to the problem, but it is certainly a move in that direction; therefore, I believe the bill should be supported with the 5-percent interest rate.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from New Jersey.

Mr. WIDNALL. The previous speaker, the gentleman from North Carolina, made a statement that only 10 percent of the veterans in rural areas have been able to procure a mortgage loan. Does that statement mean that 100 percent of the veterans applied for mortgage loans?

Mr. ADAIR. No; it does not mean that, and I do not think the gentleman meant to imply that. I am glad the gentleman from New Jersey clarifies that point.

Mr. JARMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

VA RATE INCREASE VITAL TO OKLAHOMA

Mr. JARMAN. Mr. Chairman, in Oklahoma and particularly in the metropolitan area of Oklahoma City, the home loan guaranty program of the Veterans' Administration has been outstanding in its benefit to veterans purchasing homes. In the State of Oklahoma generally between 30 and 35 percent of all World War II veterans have been able to buy a home through the assistance of this VA program and in the county of Oklahoma the percentage reaches as high as 84.3 percent. Therefore, the future of this program is of vital concern to me and to the veterans in my area.

Over the past 6 months it has become clear that the benefits of the GI program have been seriously curtailed by what amounts to an almost complete stoppage in the supply of investment funds for VA guaranteed loans. Thus, in January I was advised that no VA mortgage funds were available at 4½ percent except for a limited amount at a net discount of 6 percent. More recently, in the past week a further check showed that the mortgage situation was just about the same as in January except that the GI loan situation is now worse. At the same time, it is the clear conviction of the builders and lenders in Oklahoma City that if the VA interest rate is raised to 5 percent, there will be a substantial increase in funds for the program both through local savings and loan associations and from other investment sources. Without such an increase the only investment support is through the Federal National Mortgage Association which can now charge a net discount of 9 points for a VA 4½ percent loan with less than 10 percent down payment. This is a price that is prohibitive to builders and in effect prevents further starts under the VA program.

To halt the VA program in this fashion is both disturbing and dangerous. The drop in national housing starts in the month of February was startling, with the annual rate falling to 910,000—the lowest since May 1949. But to me even more serious is the drastic curtailment in housing starts for Oklahoma City. Based on preliminary data of the Bureau of Labor Statistics on housing start trends in principal metropolitan areas, the drop in housing starts in the first 10 months of 1956 was 40 percent below the same period during 1955. This is a matter of the utmost concern to all segments of the private economy in my area. If this is the result of the administration's "tight money" policy, as seems evident, it appears to me that the adverse repercussions in private business will be far-reaching.

More than matters of general business economy are involved here, however. The VA housing program for World War II veterans was extended by the Congress last year to July 25, 1958, and one of the principal reasons for continuing the program was the fact that as of last year only 26 percent of the 15.3 million World War II veterans had used their home loan entitlement. Moreover, 2 out of every 3 of these veterans who had used their GI right retained from $3,500 to $5,500 of their entitlement still available to them. Clearly it is unfair to these veterans now to prevent their use of this program during its remaining year through failure to provide it with a competitive interest rate. Considered from a broader viewpoint, it would be equally unjustified for the Congress to cast aside a mortgage guaranty program which has recently provided the financing for as high as 30 percent of all private housing starts in the Nation and has been one of the major means of providing new low-cost and middle-income housing for our young families.

I most certainly support enactment of H. R. 4602, introduced by Chairman TEAGUE, of the Veterans' Affairs Committee, which will continue and expand the VA direct-lending program because I believe it will be helpful to the smaller cities and towns and rural areas in my district and in the State of Oklahoma, generally. It has been made clear, however, that H. R. 4602 will be of no assistance whatsoever to the financing of housing in metropolitan areas, such as Oklahoma City, and that it will in no way replace the VA home loan guaranty programs for World War II and Korean veterans, which are now completely ineffective because of their statutory 4½ percent rate. Accordingly, I would urge the Members of the House, even though as a general matter I am opposed to higher interest rates, to vote in favor of an amendment to H. R. 4602 permitting an increase in the VA rate. I am convinced that this action is necessary for effective continuation of the GI bill of rights and the VA home loan guaranty programs for the thousands of veterans who would benefit from their provisions.

I am pleased that the need for this action has been supported by the American Legion and by many other groups desiring to see these valuable home-financing programs continued effectively. I am distressed that monetary policies and the current tight money situation have forced an interest rate increase upon the VA programs, and I would hope that our Committee on Veterans' Affairs will exercise an alert and vigilant scrutiny of the operations of the money market and VA programs during coming months so that its influence can be exercised in the direction of lowering the VA interest rate at the earliest opportunity. Certainly, I agree that the statutory amendment necessary now to permit a rate increase should envision and include the authority for such lowering of the rate just as soon as the money market and mortgage investment conditions will permit.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 8 minutes to the gentleman from Louisiana [Mr. LONG].

Mr. LONG. Mr. Chairman, first I would like to compliment our chairman on the splendid manner in which he has handled this bill and for the great pains he has taken in order to aid us in trying to get just a little money for the boys at the forks of the creek.

Something has been said about who represents who and why. I just happen to have a few little things down here that I will present. We talk about a five-man committee, but let us see who they are. That committee comprises 2 builders, 1 lender, 1 gentleman connected with a public utility, and another gentleman who sells trailers. But who came here over a thousand strong representing all branches of the American Legion, some of them from the grassroots? I would like to know just which bunch should more nearly represent the grassroots of the American Legion. Is it the builders, the lenders, the trailer builders and sellers or the American Legion boys themselves who are a thousand strong against the five-man committee who came here and almost unanimously said, "We do not want any 5-percent money."

Mr. Chairman, I will not go into an explanation of H. R. 4602. The provisions of the bill have been adequately explained, but I do wish to comment on the need for this legislation.

for veterans across the country through discount practices, we would also add an increase to the direct loan areas?

Mr. ADAIR. The gentleman points out a fact which is true, when he speaks of the matter of discounts. They are being charged across the country. As the testimony before the committee demonstrates, the amount of the discount varies with different parts of the country. Some of us feel that if the interest rate is raised by the Administrator, if he be granted that authority, that we will see a situation in which discounts generally are lowered. If we can take 4 percent off discounts it is the equivalent, I am informed, of reducing the interest rate by one-half percent.

So there is reason to believe that if we reach a realistic interest figure we may thereby be able to reduce the amount of the discount and in the long run it will not cost the veteran any more and probably would cost him less. He would be paying a little more interest but in the overall cost it would not be greater to him, because we would hope and expect that discounts would be lowered, or perhaps even done away with.

I say again, as I said at the outset, here is a situation in which we find veterans' houses are not being built. We believe an increase in interest rates would produce more houses. It may not be the ultimate and the total solution to the problem, but it is certainly a move in that direction; therefore, I believe the bill should be supported with the 5-percent interest rate.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from New Jersey.

Mr. WIDNALL. The previous speaker, the gentleman from North Carolina, made a statement that only 10 percent of the veterans in rural areas have been able to procure a mortgage loan. Does that statement mean that 100 percent of the veterans applied for mortgage loans?

Mr. ADAIR. No; it does not mean that, and I do not think the gentleman meant to imply that. I am glad the gentleman from New Jersey clarifies that point.

Mr. JARMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

VA RATE INCREASE VITAL TO OKLAHOMA

Mr. JARMAN. Mr. Chairman, in Oklahoma and particularly in the metropolitan area of Oklahoma City, the home loan guaranty program of the Veterans' Administration has been outstanding in amounts to an almost complete stoppage in the supply of investment funds for VA guaranteed loans. Thus, in January I was advised that no VA mortgage funds were available at 4½ percent except for a limited amount at a net discount of 6 percent. More recently, in the past week a further check showed that the mortgage situation was just about the same as in January except that the GI loan situation is now worse. At the same time, it is the clear conviction of the builders and lenders in Oklahoma City that if the VA interest rate is raised to 5 percent, there will be a substantial increase in funds for the program both through local savings and loan associations and from other investment sources. Without such an increase the only investment support is through the Federal National Mortgage Association which can now charge a net discount of 9 points for a VA 4½ percent loan with less than 10 percent down payment. This is a price that is prohibitive to builders and in effect prevents further starts under the VA program.

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H. R. 4602 does not represent an expansion of the direct-loan program for veterans. It represents a continuation at previously established levels. This bill calls for an appropriation for next year of $150 million and changes the direct-loan program with regard to the construction of new homes. This is a step that is long overdue. We have loaned about $580 million to veterans living in small towns and rural areas under the direct-loan program. Eighty percent of that has been for old houses. It has been almost impossible for a veteran to use the direct-loan program to build a new house. The ceiling of $10,000 has been too low and we are correcting that and raising the ceiling to $12,500. We are also providing for advance commitments so that builders may obtain fund reservations and build houses to be offered for sale to veterans with direct loans just as houses are built for veterans living in the large cities under the guaranteed-loan program. Veterans' Administration has enough money on hand, together with that appropriated by this bill, to build about 40,000 new houses. That is the equivalent of about 10 new houses in every county in the United States.

The Veterans' Affairs Committee has completed a survey of every county in the United States and it is now clear beyond any shadow of doubt that the veteran living in the small town and rural area has not had a fair break. Forty or fifty percent of the veterans living in the larger cities of the country have been able to obtain a home loan. Even today, when money is tight houses are being offered for sale in every city in the United States at 4½-percent financing and with low downpayments. There is no money for the veteran in the small town and rural area and except for the little bit of direct loan money which has been available in the past, there has been no money during the 10 years in which the veterans' home loan program has operated. We have guaranteed over $40 billion in loans for city veterans and have loaned about $580 million for veterans in small towns and rural areas. Veterans' Administration officials testified before our committee that 40 percent of the veterans of the country live in direct loan areas where only $580 million has been made available. This compares with 60 percent of the veterans living in urban centers where $40 billion in loans have been made. It is high time that we do something to correct this gross injustice.

The Eighth Congressional District of Louisiana, which I represent, is a typical rural congressional district and has 31,607 World War II veterans living in it. Only 8.1 percent of these veterans have been able to get a loan. The entire State of Louisiana is far behind the national average. Nineteen and two-tenths percent of the World War II veterans of Louisiana have been able to get a loan, as compared with the national average of 25.2 percent. I have five parishes in my district where less than 3 percent of the World War II veterans living there have been able to get a loan. This is not because these rural veterans have no desire to own their own home or to build a new home. Many of them are financially able to purchase a home if they can get a loan. There is quite a contrast between the opportunity for a loan in the Eighth Congressional District to the situation which exists in the bigger cities of Louisiana. St. Bernard and Jefferson Parish are two of the suburban counties to New Orleans. East Baton Rouge Parish has the city of Baton Rouge and Lake Charles is in Calcasieu Parish. Thirty-one thousand seven hundred and fifty World War II veterans live in these four parishes and 60.4 percent of them have been able to get a loan. I mentioned before that I have 31,607 World War II veterans living in my congressional district of eight parishes and only 8.1 percent have been able to get a loan. H. R. 4602 is intended to correct this discrimination.

Let me emphasize that the discrimination which I have described here, using as an example my Congressional district and the larger cities of Louisiana, is not restricted to the State of Louisiana. This situation exists throughout the Nation. I urge that we pass H. R. 4602 without controversial amendments in order that the rural veteran and the veteran in the small town may be given a little help before the veterans' home loan program expires.

PROPOSED INCREASE IN INTEREST RATE

The amendment to increase the interest rate on Veterans' Administration loans from 4½ percent to 5 percent was offered in the committee and was beaten by an overwhelming vote. I believe that I attended every session of the hearings of the committee and I became convinced that an increase in interest rates would serve only to add additional cost to the homes of those veterans who have advance commitments now and would not produce any substantial amounts of new mortgage financing. In fact, representatives of the life insurance companies, savings banks, mortgage bankers, and building groups were unanimous in their opinion that very little if any new money would be made available if the interest rate is increased to 5 percent. They did state, however, that the Veterans' Administration program would be in a better position to compete with FHA for the limited amount of money available.

I think that it would be a serious mistake for the Congress to raise interest rates without the assurances of lenders that they will make money available at the new rate. I know there has been considerable talk since the hearings that commitments have now been obtained from some savings and loan banks that they will loan money at 5 percent. I have not seen any such commitments obtained from the life insurance companies and the life insurance companies are responsible for a large part of the mortgage financing that goes into Veterans' Administration housing.

The shortage of mortgage financing is the direct result of the administration's hard money policy and I think that it is entirely inconsistent for the administration to first invoke a hard money policy to curtail consumer credit and then recommend a rate increase to obtain more housing credit. The spokesmen for the life insurance companies who testified before our committee said that there are $900 million in outstanding commitments for Veterans' Administration and FHA loans. In addition to these, the savings and loan banks and other banks of the country have many millions more in outstanding commitments. Houses are being offered for sale today with a 4½ percent loan. Many veterans have written to the committee urging that the rate not be increased until they can close their loan on a 4½ percent commitment which they now have. I do not wish to be a party to saddling thousands of veterans who have 4½ percent commitments with an additional $600 to $1,000 on the cost of the house when there is no assurance from lenders that the increase in interest rate will bring out any new money.

I do not concur in the statements which are made that the veteran is not interested in the amount of interest that he pays—he is only interested in a low downpayment—and I do not believe that veterans want the rate increased. We had five veteran organizations appear before our committee. Four of them opposed the rate increase. The American Legion favored the rate increase, based on the recommendation of a 5-man committee made up of 2 builders, a lender, a gentleman who is connected with a public utilities company, and a gentleman who builds trailers. A few days later over a thousand members of the American Legion—State commanders, adjutants, national officers, and American Legion service officers—met here in town and that group voted to oppose the rate increase. So far as I am concerned, I think these leaders of the American Legion more nearly represent veterans' opinion than the five-man committee which formed the policy.

Here is a summary of the testimony by veteran organizations against the proposed rate increase:

American Legion: "Accordingly, then, your committee recommends as follows:

"'That the American Legion recommend appropriate legislation be enacted by the Congress to provide the Administrator of Veterans' Affairs with the same authority to regulate interest rates on VA loans as the FHA Administrator now exercises over FHA loans under the National Housing Act. Under this type of legislation the Administrator of Veterans' Affairs would have the authority within realistic legislative limits to increase or decrease rates to meet the conditions of the time. In a period such as this he would have had the authority to increase the rate in time to have assured the continued flow of GI loans under private auspices and the present emergency would be adequately met.'

"Mr. SAYLOR. Now, heretofore there has been this arbitrary, fixed 4-percent loan, then 4½ percent, and now they come along and suggest a 5-percent loan. My own thinking is that that in and of itself will not solve the problem. Do you agree with that?

"Mr. COLLINS (American Legion witness). Yes, sir. It will not solve the problem. It will at least give the veteran the same opportunity as a nonveteran to bid for what money there is available. That is all it will accomplish."

Veterans of Foreign Wars: "Instead of increasing the GI loan interest rate, the VFW convention delegates last year thought it should be rolled back to 4 percent. Consequently, I could not recommend an increase from 4½ to 5 percent. * * * The VFW is of the opinion that the present 4½-percent interest rate does not reflect the true cost of the average GI loan because of the growing practice of discounts which range up to 12 percent in some areas, according to our information. We doubt if an increase of one-half percent in the interest rate will produce any substantial increase in the flow of private funds into GI loans.

"I am not too sure that this subject is of great interest to any large number of veterans. Most of the communications and calls my office has received came from persons directly interested in building, selling, or financing homes, and persons involved in the administration of the various loan programs. Very few veterans as such have expressed any interest one way or another. In fact, I sent out a bulletin to our 48 State departments advising them of this hearing and inviting comments and/or recommendations. The response, or lack of response, seems to indicate very little interest."

Disabled American Veterans: "It is not believed that this Congress will raise the interest rate from 4½ percent."

Jewish War Veterans of the United States: "At the 61st annual national convention of the Jewish War Veterans of the United States of America, last August, resolutions were passed to urge the Administrator of the VA to use his discretionary power to fix the interest rate on VA mortgage loans at 4 percent, to petition the Congress to limit the interest rate on such loans at 4 percent. * * *

"The purchase of homes of necessity uses up huge amounts of credits. It is, therefore, obvious that housing is a direct target of these increased interest rates. Indeed, the Vice Chairman of the Federal Reserve Board, Mr. Balderston, is reported in the Evening Star as having 'categorized housing as a postponable item' in a speech before the Mortgage Bankers Association of America. By making money tight, it is hoped to prevent many families from acquiring homes. In other words, this policy makes the veteran's desire for a home postponable. Under this theory, the man who was expendable fighting in his country's uniform is expendable again in the fight to jack up interest rates. * * * By authorizing an increase in the interest rates for VA guaranteed home-mortgage loans, you will simply be adding to the competition."

AMVETS: "We submit that the 4½-percent interest rate, while it is not all that the traffic will bear, nevertheless provides an adequate return to the investors participating in the program and should be retained in the law. * * * Those who advocate an increase to 5 percent can give no assurance that this step will attract any new money to the Veterans' Administration program. On the other hand, there is every indication that further increases will be necessary if it is intended to make Veterans' Administration rates competitive.

"The one immediate effect of an increase to 5 percent that can be accurately measured involves the 91,000 loan commitments outstanding at the end of December 1956. * * * We find the immediate and direct effect would be to saddle 91,000 veterans with an increase in the amount necessary to amortize their loans of more than $3½ million per year. AMVETS seriously question whether the nebulous advantage of an increase to 5 percent will negate the obvious breach of faith with these 91,000 veterans."

I believe that the veteran organizations speak for veterans when they state opposition to the rate increase. I know that builders and lenders are expressing a lot of concern for the veterans' housing program, but there should be no mistake about it. Builders and lenders are speaking as builders and lenders. They are not spokesmen for the veterans and if we vote for this rate increase today we will be voting it for the benefit of builders and not for the benefit of veterans.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, we all know that our GI housing program in this country is practically at a standstill due to the plain fact that mortgage money at 4½ percent interest is not available.

This bill, H. R. 4602, does not help nor correct the deplorable situation that exists. While it extends and expands our direct-loan program, it still confines its application to rural areas and small cities and towns. It does not take care of all GI loans throughout the United States.

I propose to introduce an amendment which will extend and expand this program to cover all veterans, wherever they may reside, whether in urban or rural areas.

I do not believe that increasing the interest rate to 5 percent is the answer to this problem. First of all, an increase of interest rate will only serve to aggravate inflation by raising the cost of housing and it will add to the present competition for the use of credit.

In view of the fact that recent reports have indicated that mortgage money will become less tight and that interest rates will gradually level off, I see no reason to oblige a veteran to pay 5 percent at this time. I suggest that we extend this program to all veterans pending readjustment of this critical mortgage market.

My amendment will serve as a stopgap during this critical period.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, H. R. 4602 is a bill which is worthy of the support of every Member of this body. I say this because I know that all of us are interested in a fair and equitable administration of the veterans' housing program in this country.

The housing program for veterans was first provided for in the Serviceman's Readjustment Act and had as its primary and sole purpose assisting veterans of World War II and, later, the Korean incident in readjusting to civilian life. It was based upon the philosophy that this country owed an obligation to those who served in the Armed Forces during periods of international military conflict.

Even though the language of the previous legislation makes all war veterans of both of these wars eligible for home loans, the record shows that the end result has not been that which was intended.

It is a matter of record that the veterans residing in small towns and rural areas have not had an opportunity to participate in this housing program on an equal basis with their fellow veterans who reside in the large population centers.

Approximately $40 billion have been loaned under the VA guaranteed loan program. Only about $584 million has been loaned to veterans in the small towns and rural areas through the direct-loan program.

In testimony before the Veterans' Affairs Committee, representatives of the Veterans' Administration have testified that it has declared all or part of 2,500 counties in the United States as direct-loan areas because little or no private financing has been available under the guaranteed-loan program.

They further testified that 40 percent of the Nation's World War II veteran population lives in these areas of a rural and limited population nature.

The remaining 60 percent of the veterans of World War II reside in urban centers and have had guaranteed loans available to them. This means that 60 percent of the veterans of World War II have received about $40 billion in guaranteed loans. The remaining 40 percent of veterans living in the small towns and rural areas have received only $584 million in housing loans under the direct loan program.

This points up the real problem in the veterans' housing field. It clearly indicates to me that the vital problem is not to build more projects in the cities and population centers where the 40 percent of the veteran population has already been able to obtain home loans. The real problem is providing some semblance of equity of opportunity in the housing loan field for veterans in the areas of limited population.

The 11th Congressional District of North Carolina, which I am privileged to represent in this body, is typical of most of the rural areas in the United States. There are 7 counties in our district, having a total World War II veteran population of 29,350. Only 11.6 percent of these veterans have been able to obtain a home loan under the veterans' loan program.

Only 15.3 percent of the 344,000 veterans living in the State of North Carolina have been able to procure loans of this type. This compares with the national average of 25.2 percent of World War veterans who have obtained these loans.

The veterans of the 11th Congressional District of North Carolina have received less than half the national average in housing loans.

There is one county in my district which has a World War II veteran population of 1,000, and since World War II there has not been a single loan made, either direct or guaranteed. In another of the counties in my district only 6 loans have been made, even though the veteran population there is 1,480.

Compare these figures with those in my neighboring county of Mecklenburg, in which is located the largest city in North Carolina—Charlotte. Twenty thousand four hundred and sixty World War II veterans live in that county, and eight thousand, eight hundred and twelve, or 43.1 percent, have received a veteran's loan for housing purposes.

Twenty-nine thousand three hundred and fifty World War II veteran live in the 11th Congressional District, made up of seven counties which are, for the most part, rural in nature—about 9,000 more than reside in Mecklenburg County—yet only 3,406 have been able to get a veteran's housing loan.

There have been less than half as many loans made in the entire 11th Congressional District as have been made in the county of Mecklenburg, N. C.

I would not have it understood that I am complaining about the good fortune of the veterans in Mecklenburg County. I am delighted that the veterans of that great county have been so fortunate. My purpose in mentioning this is to show that the present experience with the veterans' housing loan program has not shown us an equitable situation.

The veteran in the small communities and rural areas is entitled to the availability of housing loans on the same basis as is enjoyed by his brothers in the larger population centers.

The situation that I have mentioned with reference to my own district seems to prevail throughout the United States. It represents a major issue confronting the administration of this program for the veteran.

In the interest of fairness to all persons who served in our armed forces during periods of war and who are now making their homes in the smaller communities of the Nation, it is imperative that this Congress take steps to create opportunities for them comparable to the opportunities which have existed, and now exist, in the larger cities and towns of this country.

H. R. 4602 is a step in the right direction. It will make available an additional $150 million in the coming year, and when added to funds previously appropriated and now on hand will result in making a total of $450 million available to veterans in small towns and rural areas during the next 18 months.

This fund will make it possible for veterans to build approximately 40,000 new homes at the national level of $12,500 which the bill establishes.

Another weakness in the direct loan program has been that advance commitments could not be procured by the builders.

Under existing law only the veteran himself could obtain a commitment from the VA. The legislation now proposed removes that limitation in that it sets up a procedure for advance commitments to builders for new construction. It will encourage the builders in the small towns through their ability to obtain advance commitments from the Veterans' Administration. These commitments will make it possible for them to develop small subdivisions and offer the houses thus built to the veterans on a financing plan that will make it attractive to both the veteran and the builder.

The importance of this provision is further indicated when we take into account that the Veterans' Administration's direct loan program has been used primarily for financing older houses, and not for new construction. Eighty percent of the loan activity under this program has been for this old construction, and we are told that this was primarily due to the fact that it was almost impossible to build a new home under the procedure previously required.

Now, there has been a great deal said about the failure of H. R. 4602 to increase the allowable interest rate from the present level of 4½ percent to 5 percent or to a flexible rate of interest. We have all been besieged with telegrams and letters from financial institutions, homebuilders, insurance companies, and agencies other than those which represent the veteran.

I am frank to state that there is a serious economic problem facing the home builders of this Nation.

If I thought for one moment that an increase in the interest rate now allowed under the law on veterans' housing would open the doors to the money markets for this purpose I would have no hesitancy in voting for an amendment to the existing law to increase the interest rate.

In sitting through the hearings conducted by the Veterans' Affairs Committee we have heard absolutely no evidence as to the amount of money, if any, that an increase in the interest rate would bring into the veterans' housing market.

There is considerable conflict as to whether it would have any effect whatever upon the situation of the home builders in this country. After participating in these hearings I am convinced that to increase the interest rate would not be of benefit to the veterans of this country and seriously question that it would be of any value to the home builders.

Mr. Chairman, it is common knowledge that this GI or veterans' housing program was designed for the benefit of one group of people—the veterans of the United States. It was not for the home builders, it was not for the bankers, it was not for the life-insurance companies, nor was it for any other group to be found in our economic and social life.

That being true, I cannot bring myself to the view that we should burden the veterans of this Nation with increased interest rates on their homes simply because agencies and groups other than veterans' groups propose them.

It was significant that the great veterans' groups represented at the hearings conducted by our committee were virtually unanimous in urging that the Congress keep the interest rate pegged at 4½ percent.

These are the organizations which have historically promoted the interest of the veterans of this Nation.

I find it difficult to follow the leadership of those who are not primarily concerned about the veteran and his welfare when there is such a unanimity of opinion against them on the part of those organizations who are guarding the welfare of our veteran population.

Another problem that has concerned many of us was the fact that there are now outstanding in this Nation millions of dollars in commitments for veterans' housing. We are told that each of these commitments has what is called an escalator clause, by the terms of which the veteran would be required to pay the highest legal rate of interest, even though that rate of interest became legal after the lending company had committed itself to finance his home under the veterans' housing program.

It is my considered opinion that to vote to increase the interest rate beyond the present 4½-percent limitation will have as its principal effect the burdening of men who now have valid commitments with additional interest upon those loans.

If the interest rate is raised to 5 percent, it will saddle these thousands of veterans with an increase in the cost of their homes from $600 to $1,500. There will be no defense available to the veteran against these increased charges under the so-called escalator provisions of outstanding commitments.

The veterans' loan program, I repeat, was not designed as a subsidy to the building or the lending industry. It was designed to give to the veterans of this country a program of financing whereby they could build for themselves and their families a small home at a low interest rate and with a low downpayment. If the 5-percent interest rate is the answer to the entire problem of the home-building industry and the lending and financial agencies, then I respectfully suggest that the 5-percent rate now being enjoyed by them in the FHA program should offer the impetus which they claim they will derive from an increase in the veterans' interest rate.

I say again that I believe that an increase in the interest rate would be of little, if any benefit to the home-building industry in this county. I am certain that it will be of no benefit to the veteran.

The committee heard lengthy testimony from representatives of the financial institutions of the Nation. It was the thread of though through all of this testimony that a rate increase would produce very little, if any, new funds for financing homes for veterans and their families. It was pointed out that the increase in the FHA rate last December had done little good. It was further pointed out that the FHA program had declined substantially below its level in the 4 months preceding the rate increase.

Let me read to you some of the statements made by representatives of financial institutions and lending agencies as they testified before our committee concerning the anticipate effect of an increase in the interest rate from 4½ percent to 5 percent.

American Life Convention and Life Insurance Association of America, represented by R. Manning Brown, Ehney A. Camp, and Milford A. Vieser:

Mr. VIESER. We say to you that if you were to raise the rate today to 4¾ or 5, there is no assurance that 6 months or a year from now you would not have another tieup. It could go the other way, but it would get much tighter.

I would be glad to give you my personal opinion as to that market right today. I think it would be 5¼. And that is an overall picture. * * * But I think the average rate today would probably be 5⅛ or 5¼, right today. And I say that, because there apparently are quite a number of sales being made in the FHA market at 98, which, translated, gives you a rate of 5⅛ or 5¼.

Mortgage Bankers Association of America, Mr. Robert Tharpe, chairman, legislative committee:

Mr. THARPE. What it will take to do the business we cannot say for sure, but it would

be a mistake for the Congress to assume that an increase of 5 percent at this time will produce any substantial immediate increase in VA mortgage applications or will provide a par market for existing loans.

Mr. Harry Held, vice president, Bowery Savings Bank, New York, N. Y., chairman, committee on mortgage investment, National Association of Mutual Savings Banks:

The CHAIRMAN. Of course, the only way you are going to get rid of discount points is a flexible interest rate. An increase to 5 percent would not do it.

Mr. HELD. That is right. All that will do will be to modify the discount.

United States Savings & Loan League, T. Bert King, Washington counsel, and Stephen Slipher, vice president:

Mr. ADAIR. To address ourselves a little further to this matter of the rate which you recommend, I recall a few years ago some people coming before this committee and testifying that, if the interest were increased from 4½ percent, the problems would be solved. * * * If the Congress should increase the interest rate on VA guaranteed loans at this time do you think that would be another temporary thing and that it might be necessary to be back before the Congress again in 2 or 3 years; or, as far as you are able to foresee, do you think that that might take care of it for a longer period of time?

Mr. KING. Thank you for qualifying that, Congressman, because nobody can sit at this table and give you an answer to that question that is good for more than a couple of months at best (hearings, p. 307).

These men were the official spokesmen of the agencies and organizations who are considered to be experts in the financial field.

In the face of their testimony that a rate increase will bring out little or no new money for the home-building program for veterans, how can we justify increasing the interest rate beyond its present level of 4½ percent?

It particularly brings into focus the true picture when we consider their testimony along with the numerous letters received by the Veterans' Affairs Committee and its members from veterans who express the fear that an increased interest rate would cause them to lose their 4½-percent commitment under the escalator clause which the commitment contains as I have heretofore discussed it.

The Veterans' Affairs Committee has conducted long and extensive hearings in this matter. The committee has fully lived up to its obligation to view the veterans' home loan program strictly from the standpoint of the individual that it was philosophically intended to aid—the veteran.

The vote of the committee in reporting out this bill is to the best interest of the veteran.

It was a decision arrived at by conscientious committee members who had no one to punish or to reward. I say to you that the action of our committee is entitled to be sustained by the membership of this great legislative body.

In the expression of the opinions that I have given to you, I would not have you interpret it to mean that I am hostile to either the homebuilding industry or to the lending institutions of this Nation. I recognize that we must have an energetic and active building industry and that those engaged in the business of finance must receive a fair and adequate profit if we are to preserve our way of life in this country.

What I am saying, Mr. Chairman, is that the veterans' housing program should not be turned into a program for the benefit of the builders or any other industry or business activity.

I believe that it is imperative that something be done immediately to improve the plight of the people now engaged in the homebuilding industry. I would unhesitatingly support legislation designed to accomplish that purpose if I were convinced that its net effect would be as desired.

I am advised that at the present time there are bills pending in the Banking and Currency Committee upon which hearings have been held which may accomplish these desired purposes. These bills would greatly liberalize the requirements for downpayments under FHA and would bring millions of American citizens into the home purchasing market. These individuals would pay the 5 percent rate under FHA which the builders and lenders are now demanding. Legislative action of that nature would not penalize the veterans of this Nation on the commitments that now have the 4½ percent.

I am confident that the Banking and Currency Committee will give most serious consideration to the plight of the homebuilding industry and will create programs which will serve the needs of all the citizens of the Nation. The nonveteran is entitled to a fair break in his desire to purchase a home under a realistic downpayment and financing program. In this nonveteran group is the present exserviceman who gave his service in time of peace and who is in need of assistance in readjustment and in building a home for himself and his family.

There are approximately 600,000 veterans being discharged each year who were drafted into the service or who entered the service under the compulsion of the draft. These veterans have no entitlement at all under the Veterans' Home Loan Program. A liberalized FHA program would seem to be required to adequately serve the needs of this group.

In mentioning the FHA program in my statement to you I have done so in order to point out that the Veterans' Administration Loan Program is only one of the great programs for the homebuilders of this Nation. It has served the people of this Nation in an excellent manner. I know that it will do so in the future. I hope that it will be implemented at this session of Congress in order that it may be of service to even a greater number of our people.

But the FHA program is not in the same philosophical panorama as the VA loan program, because the veterans' program was designed for one particular group of our population. If we are to preserve the philosophy which dictated the original enactment of this program we must never lose sight of the fact that it is a veterans program, and not a program for the express benefit of any other group or organization.

H. R. 4602 should be enacted without amendment and, particularly, without any amendment with reference to the increase in interest rate.

The enactment of this law will be of immeasurable value to the veterans in the small towns and rural areas who have not received the benefit to which they were entitled under our veterans' home loan program.

I urge that the Members of this body join hands with the majority of the Veterans' Affairs Committee and favorably act upon H. R. 4602.

Mr. PERKINS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Chairman, I rise in support of H. R. 4602, and against an increase in interest rates. I am hopeful that this particular piece of legislation will eliminate the discrimination against veterans who make application for veterans' loans to build homes outside of the metropolitan areas.

I wish to congratulate the Veterans' Affairs Committee for going into the subject and bringing to the floor this legislation. I have felt for quite a period of time that there was something wrong in rural areas where applicants were unable to get veterans' loans. I am hopeful that somewhere along the line at least a billion dollars may be made available for veterans' loans.

I, along with many others, introduced legislation providing that 25 percent of the national service life insurance fund may be invested in making direct home loans to veterans. The veterans are entitled to a better loan program and I feel that this legislation will correct a lot of inequities.

You certainly have a curious situation when the effect of a law, which is supposed to iron out certain inequities, is to reinforce those inequities.

Committee studies show that while 40 percent of our veterans living in urban areas have obtained GI housing loans, only 10 percent of those living away from the major population centers, in rural areas or in cities and towns of under 30,000 population, have received the same benefit.

Now, the policy of Congress on this matter is clearly settled and settled in the only equitable manner: that policy is to establish special legislation to make sure that substantially equivalent benefits are made available to all veterans.

H. R. 4602 is a strongly worded bill that we have every reason to believe will prove effective.

Mr. Chairman, I wholeheartedly join with many of my colleagues here in the House to strongly endorse this bill and urge its enactment at the earliest possible moment.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, in the few minutes allotted to me today, I want to, first of all, warmly commend the chairman of our committee, the distinguished gentleman from Texas, OLIN TEAGUE, better known as "Tiger," for the

outstanding contribution he has made while serving in this capacity. In addition, may I say that I am very proud of our committee staff. This staff is an intelligent, conscientious, and capable group of people who have been of immeasurable assistance to me just as I know they have been to my colleagues with whom I serve on this committee in the study of these matters.

In the consideration of H. R. 4602, before us today, there is but one basic question to resolve—and that is whether we want to encourage the construction of homes for our veterans in many rural areas and small communities and towns where private financing, in most instances, has not been and is not now available.

Let me briefly use a few figures to illustrate the point I wish to make. As of the end of December 1956, approximately 5 million veterans had secured VA-guaranteed or insured loans using part or all of their entitlement—those loans being made in areas where private financing was readily available. Of this number, 424,420 of these veterans were from the Korean war.

As of the end of 1956, a cumulative total of 151,631 direct loan applications had been received. Of these, 61,611 had been withdrawn or rejected, 83,288 had been closed and fully disbursed, and 6,732 were being processed.

In addition, about 19,943 loans have been made to veterans through December of 1956 by the Voluntary Home Mortgage Credit Program. These VHMCP loans were by private industry in areas which formerly had to rely completely on direct loan financing. No firm figures are available as to the total number of housing loans made to veterans by conventional financing, but it is recognized that they would be very few in number compared to the Veterans' Administration guaranteed or insured loans, the direct loans and those processed through VHMCP. The loss ratio on all of these GI loans has been infinitesimal percentagewise.

Our total veterans population at the end of 1956 included about 15½ million veterans of World War II, and nearly 5 million veterans from Korea. Therefore today we have some 15 million veterans of both Korea and World War II who have not used any or part of their loan guaranty entitlement.

In the total area of our 48 States there are 3,076 counties, 2,700 of these counties are wholly or partially eligible for direct loans. It is most significant to note that 40 percent of our veterans, or about 7 million veterans, who are still eligible for loans live in this direct loan area, while 60 percent of our veterans live in the so-called metropolitan areas.

The committee print on page 2 states:

> The inequity of opportunity to obtain a home loan in various sections of the country is demonstrated by the fact that 3,234,438 veterans live in 1,635 rural counties where less than 10 percent have obtained a home loan as compared with 2,857,307 veterans who reside in 126 metropolitan counties where more than 40 percent have obtained a home loan.

When we realize then that about 5 million veterans, the bulk of whom live in the metropolitan areas, have secured a VA guaranteed or insured loan, then there can be no question in my mind that unless that inequity is corrected there will continue to be an unfair discrimination against veterans in these rural areas—or the direct loan area—where private capital is not available.

Let me refer briefly to page 36 of the hearings in which our chairman asked Mr. Ralph Stone, Chief Benefits Director of the Veterans' Administration, to read section 512 of the Servicemen's Readjustment Act.

Mr. STONE (reading):

(1) Upon application by a veteran eligible for the benefits of this title the Administrator is authorized and directed to make, or enter into a commitment to make the veteran a loan for any of the following purposes:

(A) To purchase or construct a dwelling to be owned and occupied by him as a home;

(B) To purchase a farm on which there is a farm residence to be occupied by the veteran as his home;

(C) To construct on land owned by the veteran a farm residence to be occupied by him as his home; or

(D) To repair, alter, or improve a farm residence or other dwelling owned by the veteran and occupied by him as his home.

The CHAIRMAN. That is sufficient. The point I want to make is that the law says the Administrator is authorized and directed to make the loan. Is that right?

Mr. STONE. Yes.

The CHAIRMAN. If he is directed to make these loans and Congress authorized the money and he can delegate any area in the United States in which to make loans, why not use the money Congress has authorized?

Mr. STONE. We have an intervening law to work with.

The CHAIRMAN. You are referring to VHMCP?

Mr. STONE. Yes.

The CHAIRMAN. Will you read the part of the law that requires that?

Mr. STONE. We discussed it very thoroughly last year with you and then had a special meeting with the VHMCP.

The CHAIRMAN. The truth is there is no section in there that says so; is that not true?

Mr. STONE. There is no section that says we must follow VHMCP.

The CHAIRMAN. So the truth is you could and should use this direct loan money if you wanted to?

Mr. STONE. Yes. There is no question about that.

It is true, I feel that the Voluntary Home Mortgage Credit Program has been a source of money for housing outside the large centers of population and removed from the city areas, but there is no doubt in my mind but that the VA has used this VHMCP as a crutch and in so doing has ignored completely the intent of the original law in the use of direct-loan funds to provide housing for veterans. It seems unfortunate and untimely that action was taken last December to increase the interest rates on FHA loans. May I refer to page 288 of the hearings and a colloquy between myself and Seaborn Collins, former national commander of the American Legion, and who is himself a builder:

Mr. WEAVER. Mr. Collins, as a builder, what was your experience immediately preceding the increase in the FHA rate as to the availability of funds for VA loans?

Mr. COLLINS. It was the same as FHA at the same discount of about four points.

Mr. WEAVER. I noticed that in your statement and verbally you stated that everything has happened since the FHA rates were increased. Was it your feeling that, had the FHA rate not been increased, we would not find ourselves in perhaps the dilemma that we are as to the availability of funds for VA loans?

Mr. COLLINS. I know that, if the FHA rate had not been increased, discounts would probably have increased because of the competition that the building industry is having to compete with from all these other sources.

Mr. WEAVER. On both of them?

Mr. COLLINS. On both of them. The only thing I say is that whatever affects the VA program affects the FHA program and the whole thing in a package because one is guaranteed and the other is insured by the Government, so that what affects one affects the other and, if you increase the interest rate on one and not the other, you dry up the funds on the other.

In view of Mr. Collins comments any action by this Congress to increase the interest rate to attempt to remedy one mistake already made would be placing an additional burden on the backs of our veterans and their families. It would be a disservice to those who have an outstanding commitment at this time to buy a home.

This matter of raising interest rates was voted down by a substantial vote in our committee. The committee, however, favorably reported out this bill, H. R. 4602, which would encourage new residential construction for veterans' housing in rural areas and small communities. In addition, it raised the maximum amount in which direct loans may be made from $10,000 to $12,500, it authorizes advance financing commitments, and extends the direct-loan program for veterans until July 25, 1958.

The Veterans' home-loan program is a veterans' program, and not a program designed as a basis for supporting the home-building industry.

Our committee conducted lengthy hearings during which it heard testimony from representatives of lending groups, such as the life insurance companies, mortgage bankers, savings and loan banks, mutual savings banks, and from building groups such as home builders and prefabricated-home builders. It also heard testimony from a number of veteran organizations.

In essence, the lending groups urged that the interest rate be increased from 4½ to 5 percent; however, they offered no assurances that such an increase would produce any additional money for veteran home loans. The statement of the representative of the life insurance companies which I want to quote is typical of these statements:

> We say to you that if you were to raise the rate today to 4¾ or 5 there is no assurance that 6 months or a year from now you would not have another tieup. It could go the other way but it could get much tighter. * * * I would be glad to give my personal opinion as to that overall market right today. I think that it would be 5¼. That is an overall picture.
>
> And when I say that, there is a variety of rates due to locations. Probably it would be just a shade less in New England, a capital market. But I think the average rate today would probably be 5⅛, 5⅛, or 5¼.

Representatives of the life-insurance companies stated that at the time these hearings were in process life insurance

companies had about $900 million in outstanding commitments for home loans. We are advised that about $150 million of this is committed for 4½-percent Veterans' Administration loans. Our committee is receiving hundreds of letters from veterans who have a commitment for a 4½-percent loan. These veterans are urging that Congress not raise the rate, since they will be required to pay the higher rate if the law is changed.

Four veteran groups opposed the rate increase. One organization favored it.

Any amendment that suggests an increase in interest rates on VA loans is providing an escalator arrangement at the expense of veterans, and there is no telling where it will stop.

An interest rate increase of one-half percent for a $15,000 loan on a 25-year maturity will increase the monthly payment of the veteran by $4.26, with a total increase of $1,278 over the period of the loan, and an interest rate increase of one-half percent for a $20,000 loan on a 25-year maturity will increase the monthly payment of the veteran by $5.75, with a total increase of $1,725 over the period of the loan. It is understandable that the many thousands of veterans throughout the country who are now in the process of obtaining a loan on an advance commitment at 4½ percent are concerned that the Congress will take action which will saddle them with a substantial increase in the cost of their homes. I am sure that a desire to protect these veterans played a great part in the committee's determination not to raise the interest rate.

An interest rate increase of one-half percent will add about $300 million to the price of homes bought by veterans in 1957, if it may be assumed that the 1957 program will be about the same as in 1956. In view of the great cost to the veteran homeowner, this matter deserves the most careful consideration.

Still another problem grows out of the proposal to increase the interest rate. A veteran becomes eligible for a Veterans' Administration loan only if he can meet the standards of the Veterans' Administration for credit. The veteran is required to have net earnings of four times his monthly home payment for principal, interest, insurance, and taxes. A veteran seeking a $15,000 loan at 4½ percent must have net earnings of $351 a month. If the rate is increased by one-half percent, he is required to have a monthly net earning of $370 a month. From this example, it is apparent that a rate increase of one-half percent will render ineligible many veterans in the lower wage brackets who are seeking a loan.

Most of the demand for the proposed increase in interest rates is coming from home builders in metropolitan areas. A recent survey conducted by the Veterans' Affairs Committee indicates that the greatest problem in the veterans' home loan program is providing loans for veterans in rural areas and small towns. The committee found that in about 125 metropolitan centers of the United States, 40 percent of the World War II veterans residing in those areas have obtained a home loan. On the other hand, it found that in 1,500 rural counties of the United States, having a total veteran population larger than the cities referred to above, less than 10 percent have been able to get a home loan.

The situation in Nebraska is typical of the Nation. There has been considerable building activity in about six counties; however, Lancaster County is the only county in the First Congressional District where substantial building under the veterans' program has occurred. I find that veterans throughout my district have not had an opportunity to participate to any great extent in the veterans' loan program. Twenty-five and two-tenths percent of the World War II veterans of the Nation have obtained a home loan, yet only 17.4 percent of the World War II veterans of the First Congressional District have been successful in getting a loan. The program has been practically nonexistent in most of the rural counties of my district. It is the same throughout the Nation.

There is no information available which would indicate that an increase in the interest rate would cause mortgage financing to flow into the areas where the least opportunity for the veteran has existed. It was a realization of this fact that caused me to vote to pass out H. R. 4602, which will provide for a substantial new construction program for veterans in small towns and rural areas. Under this bill, about a half billion dollars will become available to the Veterans' Administration in the next 18 months. These funds are sufficient to build about 40,000 new houses in the Nation, or an average of about 10 per county in the United States. It is my hope that under this bill some new construction will be financed in the smaller communities of my State and other States, thus creating for the veterans residing in those towns, an opportunity to obtain a home loan which has not heretofore existed during the 10 years that the veterans' program has operated.

I am quite aware that there is a great interest in the rate increase on the part of builders and lenders who have been active in building large subdivisions in the more heavily populated areas, but, I am primarily interested in the operation of veterans' program as it affects our veterans, as homeowners, and their families, and not as a basis to subsidize and support the building industry. I believe we must look to other means for the support of the home building industry through the development of an orderly and workable national housing program. The veterans home loan program was created as a readjustment device for returning war veterans. The program for World War II veterans is scheduled to expire in July of next year. The Korean group continues to be eligible for about 10 more years. The home building industry cannot continue to look to the veterans home loan program as a basis for the support of its activities, since the program is temporary in nature and is drawing to a close. The people of the building industry recognize this as an accepted fact. The future of the home building industry is dependent upon the development of a long-range housing program which will provide a reasonable basis for housing credit for all of the people of the Nation. The President recommended, in his budget message to the Congress, the development of such a plan through a liberalized FHA program. I have introduced a bill, H. R. 5315, designed to carry out this purpose. I shall continue to seek its enactment, since it is my opinion that such a program will be necessary if the future of the home building industry, so vital to the Nation's general economic health, is to be assured. I do not see a solution to the problems of the home building industry through a rate increase on Veterans' Administration loans which, according to the best informed sources available to the Veterans' Affairs Committee, will produce negligible results.

It is my understanding that an amendment may be offered to this bill to provide a liberalized FHA program for veterans who are eligible for a Veterans' Administration guaranteed loan. Under the plan, the veteran would, of course, be required to pay the higher rate of 5 percent which prevails on FHA loans, but he would be permitted to purchase on a low downpayment identical to the veterans' program. The Administrator of Veterans' Affairs would be authorized to pay the insurance premium for the veteran. I expect to support and vote for this amendment if it is offered; however, it is, in my opinion, only a stopgap measure. We should work toward a liberalized FHA program for all prospective homeowners, since such a program would not only be of benefit to veterans who have not used their loan guaranty entitlement, but it would be available to the 5 million veterans who have already purchased a home and who, at some time in the future, may move or need a larger home. It would also be available to those young men who are now coming out of our Armed Forces not classified as war veterans and thus not eligible for a home loan.

This administration is well aware of inflation and the detrimental effects that it has on our economy. Efforts to hold down inflation have necessarily made the mortgage market more difficult. However, I am certain that the committee's recognition of the danger of inflation played a very large part in its vote against interest rate increases.

I urge you to weigh this matter carefully and then give your full support to H. R. 4602, as it was reported out of our committee and not with any proposal that would increase the interest rate.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Is it not true that the preponderance of testimony before our committee was just what the gentleman has said. The only thing an increase in the interest rate would do is to make it more competitive with FHA but would not bring substantial money into the housing market?

Mr. WEAVER. That is exactly correct.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I would like to begin my remarks by expressing my own personal appreciation

to the chairman and to the committee for this time and for the splendid bill which they have brought forth from the Committee on Veterans' Affairs to the House of Representatives. I do not think there is any doubt about the fact that this is a piece of legislation that is urgently needed, that can be justified, and that will do a much better job of meeting the problem of the small town and of the farm areas of our country with regard to housing needs. The speakers who have preceded me have fully documented the fact that there has been a great inequity through the years in some counties of this country, in fact, practically every State in the Union has some counties in which less than 5 percent of the eligible veterans have been able to get loans. This expansion of the direct loan program makes it possible to go into areas and do something for those veterans and do it with a substantial amount of money which is needed in this program. The other features providing a speedier method of getting the loans and providing advance commitment authority are improvements on the program. I want to commend the housing subcommittee of the Committee on Veterans' Affairs for this very fine piece of legislation.

Now, it seems that the debate that has proceeded thus far has somewhat gone off on a sidetrack of whether or not we should have an increase in the interest rate as a part of this legislation. I hope it is not the feeling of this House that a determination of this interest rate question is imperative before we can pass this legislation. Whether you are for an increase in interest rates or whether you are against an increase in interest rates, this is a good and a sound and a solid piece of legislation, and we should have it, and vote for it regardless of our position on the interest rate. You cannot look at the interest rate question without being convinced that there are some compelling arguments on both sides of the picture. The very able gentleman from Ohio [Mr. AYRES] has advanced eloquently arguments in support of an increase in the interest rate, and there is no doubt about the fact that those arguments have weight and are deserving of the consideration of this House.

On the other hand, you cannot study the hearings of this committee and you cannot read the proceedings that took place before the committee without having a serious doubt raised in your mind about several points: First of all, on whether or not a simple increase in the interest rate will meet the problem and will put the funds in the guaranteed-loan program that we need; secondly, whether it is in the interest of our country to continue this upward spiral of interest rates that we have seen through the past few years in which the cost of financing the national debt of the United States has increased each year at a rapid rate of millions and millions of dollars. In 1956, the rising interest rates cost Uncle Sam some $666 million to finance the national debt in additional cost for the financing operation. In 1957 that additional cost over what it had been will be $906 million additional. In other words, we have seen the cost of financing this debt go up from $5,980,000,000 in 1952 to $7,338,000,000 in 1957.

Now, there is a lot of talk around this country about economizing, about stopping the upward spiral of prices and stopping the upward spiral of wages. I think there is also a need on this floor today to determine whether or not this Congress wants to do something constructive and substantive to stop the upward spiral of interest rates paid upon Government obligations and Government securities of different kinds.

I propose, when the 5-minute rule is reached, to offer an amendment which will do two fundamental things. First of all, it will give the President discretion to authorize the Veterans' Administrator to spend more than $1,250,000,000 out of national service life insurance funds to buy GI mortgages at 4½ percent. Secondly, it will authorize the Veterans' Administrator to set up certain regulations to limit the charges and the fees imposed on the builder and on the veteran purchaser. The objective will be to provide a secondary mortgage market for these 4½-percent guaranteed loans as a substantial foundation for our overall veterans' housing program.

Now, I am not going to claim to you here today that we can adopt this amendment and have as big a program as we have ever had in the past. Personally, I think we are facing an overall credit picture here in the United States today in which the demands for financing are so great, from so many different quarters, that we will have a very difficult time sustaining the same volume of residential building in 1957 and 1958 that we had this past year. But, I do think this amendment will help the picture, and I hope the House will adopt it before it takes a step in raising the interest rate.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I have just been wondering. The gentleman did not discuss this discount practice that has been referred to here today on a number of occasions. It gives me great concern. What difference does it make whether it is 4½ percent or 5 percent if this discount practice is permitted to continue? How are you going to meet this situation, because according to the statement here, No. 7, discounts vary from 2 to 8 points. The 4-point discount will yield a return of approximately one-half percent interest, 8 points a percent on interest. If this discount practice is permitted to continue, what difference does it make what rate we establish?

Mr. EDMONDSON. May I say in answer to the gentleman that 1 of the 2 major parts of this amendment is to authorize regulations to limit charges and fees which are imposed on builders and purchasers of mortgages. They would be restrained on discounts, which is something we do not have at the present time.

Mr. GAVIN. Is there anything in this legislation as to violation by some manner or means of what has been established as the established rate of 4½ percent? How does this discount practice operate?

Mr. EDMONDSON. Discounts are not involved at all in the direct-loan program, because the direct-loan program does not have discounts.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. STAGGERS], who has been a distinguished member of the committee for many years and who has done a good job.

Mr. STAGGERS. I appreciate very much the words of the gentlewoman from Massachusetts and the fact that she has yielded me this time.

May I say I am for the bill and against the 5 percent interest rate. The gentleman from New York mentioned something about politics. I believe there is politics in this. Everything in Congress has politics in it. We cannot get away from that.

I will leave it up to the Members of the Congress as to whom has put on the pressure the last few days about this bill. I think you will find out that there is some politics in it.

This discount practice is nothing more than highway robbery to me. We have gotten into this usury race. The Federal Government and the bankers in the past have cracked down. I think it is time this Congress does something about it. But we are debating something else. When things are going on that are wrong, we should do something to correct them. We have many folks, the bankers themselves and the insurance companies, who say there is no assurance this will cure the situation.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. KEARNEY. May I say to the gentleman, who is a very distinguished member of our committee, that I have been on that committee going on 15 years and never once have I heard any question about politics being raised on any bill before the committee.

Mr. STAGGERS. I agree with the gentleman from New York on that. A while ago when the gentleman from Massachusetts, the majority leader, raised a question that the gentleman had brought up the money question, the gentleman from New York said he was bringing in politics. I do not believe he was. The press carries items about this tight-money policy. It is only a question of fact. He did not mention politics.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Briefly, sir.

Mr. KEARNEY. I want to say to the gentleman from West Virginia so far as the discussion between the gentleman from Massachusetts, the majority leader, and myself, it was a question of whether he stated it was an administrative order or an administration order.

Mr. MULTER. I have no right to speak for him. I think that it is the responsibility of both, the administration in the first instance and secondarily, the

Veterans' Administration, which is administering this program.

Mr. Chairman, we have before us a bill which all agree is a good bill as far as it goes. There are going to be some amendments offered to it, one of which would make it a very bad bill and the other must necessarily make it a much better bill.

The problem is whether or not by adopting the amendment, when offered, to increase the interest rates you are going to get any more money into the mortgage market for the veterans who want to buy homes. I say to you the answer is no.

You can increase the rate of interest to 10 percent and it is not going to bring another dollar into this mortgage market. The tight-money policy means that there is not enough money to meet all the demands for it and this administration is going to keep the money supply short so that the demand will continue to exceed the supply. Where is this money going to come from if you increase the interest rate? We were told not so long ago, "Let us give Fanny May another billion dollars of lending power." We were told that that would not be inflationary. That is what this administration said. What was that going to be used for? That billion dollars was going to be used to buy mortgages from mortgage lenders so that they could relend the proceeds. That would bring more money into the mortgage market to the extent of that $1 billion.

Another amendment which will be offered will make this a better bill by increasing this direct-lending power so that it will cover the whole country and make money available to veterans who want to buy homes by using only their own money. It will make available their life-insurance reserve funds which are held for their benefit and are now invested in United States Government obligations. I tell you that it is necessarily less inflationary to take a billion dollars or $2 billions of the veterans' own money out of their reserve fund and lend it to them on long-term loans than it is to take that amount of money from the Treasury and giving it to the money lenders of the country to put into a revolving fund for the purpose of purchasing and selling mortgages.

Here is a Veterans' Administration release of March 16, 1957:

> The Veterans' Administration received 25,773 home-loan applications during February, a decrease of 18.5 percent from the previous month. Appraisal requests also decreased about 34 percent from the previous month.

That means that the trouble is your veteran is being priced out of the home market. When you go to the Veterans' Administration and ask them for a commitment, you show them the costs of the home. That includes the cost of the land, the cost of the materials, the cost of the labor, and the cost of financing. On that basis you get a commitment, whether it be the VA or the FHA. That financing cost or discount, which is anywhere up to 15 points is included in the cost of the home. As a result, a $10,000 mortgage must now be $11,500 or a $12,500 mortgage must be increased by $1,250 if there is only a 10-point discount.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. KEARNEY. I presume that the gentleman from New York is like myself, he wants to be sure that the veterans can obtain loans.

Mr. MULTER. That is right.

Mr. KEARNEY. Do you believe that the veterans today, taking our own State of New York for instance, can get along with 4½ percent interest?

Mr. MULTER. May I quote to you letters that I have received from builders and bankers who wish to be left unnamed, who say that the increased interest rate would not bring $1 more into the mortgage market; that there are mortgages available to the veterans at 4½ percent if the price of the house is kept down to where the veteran can afford to purchase and carry it.

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, when this bill was reported from our committee to the floor of this House, in my opinion it represented a good bill. However, if either the amendments which have been referred to by the distinguished gentleman from Ohio [Mr. AYRES] are adopted, or the amendments referred to by the gentleman from Oklahoma [Mr. EDMONDSON] are adopted they will defeat the entire purpose of this bill.

Now let us look at what this bill does. The bill, as brought from our committee, expands the direct-loan program by making more money available, and expanding the areas wherein the direct loans can be made. It makes a few corrections with regard to the procedure, and that is all that the committee bill does. The amendments which the gentleman from Ohio [Mr. AYRES] would have you adopt will extend not just to the direct-loan program, but it will extend to the entire veterans' home-loan program, and in my opinion has absolutely no business in this bill.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. Not at this point. I will yield after I have finished my statement.

The gentleman from Oklahoma is not satisfied with the decision of the committee as to how much should be in this direct-loan program. He wants to give it an additional several billion dollars. The people from the Treasury Department testified and said that all that amendment would do would be to take away from the Treasury Department a present source of sale of Government bonds, and compel the Government to go out and look elsewhere to sell bonds to replace that market.

This House must decide now whether or not you want to expand the direct-loan program. I think it is a good thing. It is a good thing because, as the gentleman from Pennsylvania [Mr. GAVIN] has pointed out, there has grown up in this country a vicious practice. I say "vicious" because certain organizations are not interested in veterans. They are only looking to line their own pockets with a few dollars. Therefore, there has grown up in various parts of the country a discount program. This discount program varies with the area that the lenders are operating in. If you really want to do the veterans a real favor, this House would go on record and say that any organization, seller, or buyer, that engages in a discount practice is guilty of a crime, and put teeth in the law and put them in jail, and you would have plenty of money available not just for the direct loans, but you would have plenty of money available for the entire veterans housing program.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. I want to make just one point. The gentleman from Pennsylvania has made a very important contribution and that is that we are supposedly working on a veterans' program. Maybe the building industry is in trouble, I do not know, but, for sure, the veterans' program should not be used as a vehicle as far as our building program is concerned. That should come back to the committee for consideration.

Mr. SAYLOR. The chairman is quite correct. I urge all Members of the House to support the Veterans' Affairs Committee and pass this bill with no amendments.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, this whole question revolves around whether there is mortgage money available to take care of the veterans' housing program. It has been said in the well of the House today that the veterans' building program has gone into a slump. Well, there was a rumor abroad in the land more than a year ago that the Congress would probably take some action to raise that 4½-percent ceiling on veterans' housing loans to 5 percent and, of course, until we go one way or the other on that proposition, it is going to hold down mortgage loans for veterans' housing. They are going to wait to see, as the old saying has it, on which side of the fence the cat is going to jump. So I hope we take action on this bill today to make direct loans. I think an amendment will be offered that will take care of the situation in our great urban centers as well as in the small towns and the rural sections.

One gentleman said that if we voted the interest increase it would not necessarily mean that the veteran in all cases would have to pay 5 percent, that it just permitted them to charge him 5 percent. Anybody with enough faith to believe that all veterans would not have to pay the 5-percent rate could buy hair restorer from a baldheaded barber. But I have not that much faith. When it becomes known that direct loans are available at 4½ percent without a discount, the money will become available from the mortgage companies. But I

do not know where they got that word "discount." It is not a discount, it is a lug. A colleague asked me, when does a discount become a lug? I said, "On the day it is collected" regardless of whether it is 2 percent or 12 percent. That is a bad name but I like to call things like that a bad name.

Of course, we have tight money at the present time, I realize that, but it is not going to loosen up credit to raise the interest rates. I can remember when farm mortgage money was tight and mortgages for city homes and businesses were tight. I can remember back in Missouri when the loan rate on mortgage money was 7 percent and the loan ran 5 years, then became due. Then the lending company charged you a 5-percent commission to secure the loan for you and when it was due 5 years later, if your security was still considered good and you could not pay your loan, for another 2½-percent commission they would renew that loan. Figure that up for 10 years. Suppose a man borrowed $10,000 to build a new house or to buy a farm or to start a business in a town and he kept that money 10 years. It would cost him 70 percent of the face of the loan in interest and 7½ percent in his two commissions. Therefore he would have paid out $7,750 in interest and commissions and still owed the full $10,000 loan.

Now, that is the direction in which we are drifting at the present time. I would not vote for an amendment to raise this interest rate to 5 percent unless it includes this: If an amendment is offered on the floor of the House today and that amendment prevails to make it a fineable and jailable offense to charge, collect, or to attempt to charge or collect a discount or lug on the veterans' housing loan. Then and not until then will I support an increase rate of 5 percent.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I think the House is very anxious and interested to work out legislation here that is beneficial to the veteran. But, this discount business, which we have heard about today, is rather confusing to me. How does it operate? The committee has not made it clear, to me at least, and I have listened intently. How does it operate? Suppose a veteran wants to buy a house for $10,000 and he expects a rate of 4½ percent, but the man who is going to make the loan is not going to give it to him at 4½ percent but at 5 or 5½ percent. Does the veteran make a loan for $10,000 and then a second separate loan for the additional amount so that he actually would be paying at the rate of 5 or 5½ percent? How is this arranged?

Mr. TEAGUE of Texas. Mr. Chairman, if the gentleman will yield, the discount is nothing more or less than a bonus paid to the lender for lending the money. For example, if you were a builder and I was a lender and you had a paper that was worth, say, $100 and I would say "I will give you $96 for it," each 4 points discount equals one-half percent interest rate, so to that extent it is an interest rate. It is different in different parts of the country. In the East it is very small.

Mr. GAVIN. What material difference does it make here if we pass this legislation for 4½ percent or 5 percent if this discount practice is permitted to continue? They could arrange so that the veteran would have to pay whatever rate they decide upon.

Mr. TEAGUE of Texas. Well, it does not make near the difference that we have talked about this afternoon. For example, all over the country today there is nowhere but what they are paying 5 percent or more for interest rates today.

Mr. GAVIN. Well, then, in order to make the loan, they make some sort of a discount arrangement.

Mr. TEAGUE of Texas. That is right.

Mr. GAVIN. There is a question I want to ask here. On page 54 it states that there are 91,000 loan commitments outstanding at the end of 1956. Now, those are loans that are at present outstanding at 4½ percent. What is the situation as far as those present outstanding loans are concerned? Would the interest rate automatically be increased from 4½ percent if they are now increased to 5 percent?

Mrs. ROGERS of Massachusetts. The chairman wants to answer that, but I want to say this: those loans have never been made because the Veterans' Administration has not the money to make them.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. The testimony before our committee was that most of those loans have in them a savings clause which says that the veteran will pay the prevailing interest rate. If we say 5 percent, that is the prevailing interest rate, but again you should not forget the discount. And, if they do not pay it, it will be added in discounts, so they pay it one way or the other.

Mr. GAVIN. I thank the gentleman.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. BALDWIN. In the committee report on page 4 it says that this applies only to cities of 30,000 or less and it excludes metropolitan areas and their commuting areas. Now, the gentleman is familiar with northern California and the San Francisco-Oakland Bay area. Most of the district I represent is a commuter area for people who work in San Francisco or Oakland. I take it that such an area would be excluded from the provisions of this bill.

Mr. SISK. They would be excluded under the provisions of this bill unless the Administrator found a definite shortage of money; that is, that private money was not available, and if he found that and made that declaration, then they could become eligible under this bill. That is my understanding, and I am sure the chairman will correct me if it is not correct.

Mr. TEAGUE of Texas. He might find there is no money at the moment, and if there is a history of no money in that area, he might declare it a direct-loan area. But, in practically every place in the country there is some shortage of money.

Mr. BALDWIN. The gentleman is referring to money at 4½ percent?

Mr. TEAGUE of Texas. Yes.

Mr. BALDWIN. I thank the gentleman.

Mr. SISK. Mr. Chairman, I am a little bit concerned that there have been some questions of partisanship or of politics with reference to this bill. I think that is most unfortunate, because our committee has not operated and does not operate along those lines. I have the highest regard for every member of our committee, both the members on the Republican side as well as the members on the Democratic side, and we have operated strictly on that basis, and I find, as can be seen here, Members on both sides of the aisle taking different positions with reference to the interest-rate increase. It would be my hope that in the actions that we may take on this bill or on such amendments as may be offered that they will be strictly on a bipartisan basis, keeping in mind the best interests of the veteran.

Now, I would like to call your attention to a matter that seems to me of utmost importance here today. We talk about whether or not the veterans can purchase a home under the 4½-percent interest rate. I would like to call your attention to this bulletin here, which is available at the back of the chamber, to some of the information on page 55 of that particular print. What we are doing today is denying in many instances homes to our veterans because the cost of the home is so great that he simply cannot make the necessary payments. There is a required salary which he must have in order to qualify and in order to become eligible for the purchase of a home. As the monthly rates increase, his salary must increase or he cannot qualify for a home. In addition to that, as the overall cost of the home goes up the opportunities become less and less for the great majority of veterans to purchase a home. I have had a great deal of concern about the interest rate and about the condition of the building industry, but when we examine the difference that exists between the present 4½-percent interest rate and what it would be at 5 percent, we find that on a $12,000 home it would increase the cost of the home to the veteran by over $1,000. It is going to increase the required monthly income of that veteran substantially. It is going to increase his cost per month, and every time we do anything that will increase the cost of the home to the veteran purchaser, we are reducing the number of veterans who will be able to purchase homes. At this time, too, I would like to call your attention to some of the things that happened in the past. Just 2 years ago, the Veterans' Administrator felt it was necessary to take administrative action to increase the downpayment on VA homes in order to curb consumer credit. Many of you, I am sure, recall that occurrence because many of us had letters from home and our veterans were very much concerned. The purpose of that increase in downpayment was to curb consumer credit. Now we propose to increase the interest rate in order to open up consumer credit. To me, it is a position that is simply inconsistent.

I am very much concerned with getting the veterans' housing program back on the track. Not only are veterans in some cases being denied homes under present policies, but the slowdown of the whole construction industry is creating serious economic repercussions.

I am happy to see indications of some loosening of the money situation, and certainly a good possibility that money may shortly become available at 4½-percent interest rates, with reduced discounts.

Another standing committee of the House has under consideration at the present time liberalization of the FHA program, and it is my belief that it will substantially improve the home-construction picture.

I feel that we should pass this present piece of legislation and move on to the consideration of other aspects of the building program.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 512 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 694 (1)) is amended to read as follows:

"DIRECT LOANS TO VETERANS

"SEC. 512. (a) The Congress finds that housing credit under section 501 of this title is not and has not been generally available to veterans living in rural areas, or in small cities and towns not near large metropolitan areas. It is therefore the purpose of this section to provide housing credit for veterans living in such rural areas and such small cities and towns.

"(b) Whenever the Administrator finds that private capital is not generally available in any rural area or small city or town for the financing of loans guaranteed under section 501 of this title, he shall designate such rural area or small city or town as a 'housing credit shortage area', and shall make, or enter into commitments to make, loans for any or all of the following purposes in such area—

"(1) For the purchase or construction of a dwelling to be owned and occupied by a veteran as his home;

"(2) For the purchase of a farm on which there is a farm residence to be owned and occupied by a veteran as his home;

"(3) For the construction on land owned by a veteran of a farm residence to be occupied by him as his home; or

"(4) For the repair, alteration, or improvement of a farm residence or other dwelling owned by a veteran and occupied by him as his home.

If there is an indebtedness which is secured by a lien against land owned by a veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

"(c) No loan may be made under this section to a veteran unless he shows to the satisfaction of the Administrator that—

"(1) he is a satisfactory credit risk;

"(2) the payments to be required under the proposed loan bear a proper relation to his present and anticipated income and expenses;

"(3) he is unable to obtain from a private lender in such housing credit shortage area, at an interest rate not in excess of the rate authorized for guaranteed home loans, a loan for such purpose for which he is qualified under section 501 of this title; and

"(4) he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act or under the Housing Act of 1949.

"(d) (1) Loans made under this section shall bear interest at a rate determined by the Administrator, not to exceed the rate authorized for guaranteed home loans, and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable.

"(2) The original principal amount of any loan made under this section shall not exceed an amount which bears the same ratio to $12,500 as the amount of guaranty to which the veteran is entitled under section 501 at the time the loan is made bears to $7,500; and the guaranty entitlement of any veteran who heretofore or hereafter has been granted a loan under this section shall be charged with an amount which bears the same ratio to $7,500 as the amount of the loan bears to $12,500.

"(3) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction. The Administrator shall determine the expenses incident to origination of loans made under this section, which expenses, or a reasonable flat allowance in lieu thereof, shall be paid by the veteran in addition to the loan closing costs.

"(4) Loans made under this section shall be repaid in monthly installments; except that in the case of loans made for any of the purposes described in paragraph (2), (3), or (4) of subsection (b), the Administrator may provide that such loans shall be repaid in quarterly, semiannual, or annual installments.

"(5) The Administrator may sell, and shall offer for sale, to any person or entity approved for such purpose by him, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and shall guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 of this title.

"(6) No veteran may obtain loans under this section aggregating more than $12,500.

"(e) (1) If any builder or sponsor proposes to construct one or more dwellings in a housing credit shortage area, the Administrator may enter into commitment with such builder or sponsor, under which funds available for loans under this section will be reserved for a period not in excess of 3 months, or such longer period as the Administrator may authorize to meet the needs in any particular case, for the purpose of making loans to veterans to purchase such dwellings. Such commitment may not be assigned or transferred except with the written approval of the Administrator. The Administrator shall not enter into any such commitment unless such builder or sponsor pays a nonrefundable commitment fee to the Administrator in an amount determined by the Administrator, not to exceed 2 percent of the funds reserved for such builder or sponsor.

"(2) Whenever the Administrator finds that a dwelling with respect to which funds are being reserved under this subsection, has been sold, or contracted to be sold, to a veteran eligible for a direct loan under this section, the Administrator shall enter into a commitment to make the veteran a loan for the purchase of such dwelling. With respect to any loan made to an eligible veteran under this subsection, the Administrator may make advances during the construction of the dwelling, up to a maximum in advances of (A) the cost of the land plus (B) 80 percent of the value of the construction in place.

"(3) After the Administrator has entered into a commitment to make a veteran a loan under this subsection, he may refer the proposed loan to the Voluntary Home Mortgage Credit Committee, in order to afford a private lender the opportunity to acquire such loan subject to guaranty as provided in paragraph (5) of subsection (d) of this section. If before the expiration of 60 days after the loan made to the veteran by the Administrator is fully disbursed, a private lender agrees to purchase such loan, all or any part of the commitment fee paid to the Administrator with respect to such loan may be paid to such private lender when such loan is so purchased.

"If a private lender has not purchased or agreed to purchase such loan before the expiration of 60 days after the loan made by the Administrator is fully disbursed, the commitment fee paid with respect to such loan shall become a part of the special deposit account referred to in subsection (c) of section 513 of this title. If a loan is not made to a veteran for the purchase of a dwelling, the commitment fee paid with respect to such dwelling shall become a part of such special deposit account.

"(4) The Administrator may exempt dwellings constructed through assistance provided by this subsection from the minimum land planning and subdivision requirements prescribed pursuant to subsection (b) of section 504 of this title, and with respect to such dwellings may prescribe special minimum land planning and subdivision requirements which shall be in keeping with the general housing facilities in the locality but shall require that such dwellings meet minimum requirements of structural soundness and general acceptability.

"(f) The authority to make loans under this section shall expire July 25, 1958, except that if a commitment to a veteran to make such a loan was issued by the Administrator before that date the loan may be completed after that date."

SEC. 2. (a) Subsection (a) of section 513 of such act (38 U. S. C., sec. 694m) is amended (1) by striking out "June 30, 1957" and inserting "July 25, 1958," and (2) by inserting immediately before the period at the end of the second sentence thereof the following: "Retaining, however, a reasonable reserve for making loans with respect to which he has entered into commitments with veterans before such last day."

(b) Subsection (c) of such section is amended by striking out "June 30, 1958" and inserting "June 30, 1959."

(c) Subsection (d) of such section 513 is amended (1) by striking out "1957" and inserting "1958"; (2) by inserting immediately after "so advanced" the following: "under this sentence"; and (3) by inserting immediately after the first sentence therein the following new sentence: "The Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1958, such additional sums as the Administrator may request (not in excess of the difference between the amounts advanced under this subsection after June 30, 1955, and the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request)."

SEC. 3. (a) The fourth sentence of subsection (a) of section 500 of such act (38 U. S. C., sec. 694) is amended by striking out all that follows "in this title," and inserting

rence because many of us had letters from home and our veterans were very much concerned. The purpose of that increase in downpayment was to curb consumer credit. Now we propose to increase the interest rate in order to open up consumer credit. To me, it is a position that is simply inconsistent.

I am very much concerned with getting the veterans' housing program back on the track. Not only are veterans in some cases being denied homes under present policies, but the slowdown of the whole construction industry is creating serious economic repercussions.

I am happy to see indications of some loosening of the money situation, and certainly a good possibility that money may shortly become available at 4½-percent interest rates, with reduced discounts.

Another standing committee of the House has under consideration at the present time liberalization of the FHA program, and it is my belief that it will substantially improve the home-construction picture.

I feel that we should pass this present piece of legislation and move on to the consideration of other aspects of the building program.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 512 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 694 (1)) is amended to read as follows:

"DIRECT LOANS TO VETERANS

"SEC. 512. (a) The Congress finds that housing credit under section 501 of this title is not and has not been generally available to veterans living in rural areas, or in small cities and towns not near large metropolitan areas. It is therefore the purpose of this section to provide housing credit for veterans living in such rural areas and such small cities and towns.

"(b) Whenever the Administrator finds that private capital is not generally available in any rural area or small city or town for the financing of loans guaranteed under section 501 of this title, he shall designate such rural area or small city or town as a 'housing credit shortage area', and shall make, or enter into commitments to make, loans for any or all of the following purposes in such area—

"(1) For the purchase or construction of a dwelling to be owned and occupied by a veteran as his home;

"(2) For the purchase of a farm on which there is a farm residence to be owned and occupied by a veteran as his home;

"(3) For the construction on land owned by a veteran of a farm residence to be occupied by his veteran of a farm residence to be occu-

"(2) the payments to be required under the proposed loan bear a proper relation to his present and anticipated income and expenses;

"(3) he is unable to obtain from a private lender in such housing credit shortage area, at an interest rate not in excess of the rate authorized for guaranteed home loans, a loan for such purpose for which he is qualified under section 501 of this title; and

"(4) he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act or under the Housing Act of 1949.

"(d) (1) Loans made under this section shall bear interest at a rate determined by the Administrator, not to exceed the rate authorized for guaranteed home loans, and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable.

"(2) The original principal amount of any loan made under this section shall not exceed an amount which bears the same ratio to $12,500 as the amount of guaranty to which the veteran is entitled under section 501 at the time the loan is made bears to $7,500; and the guaranty entitlement of any veteran who heretofore or hereafter has been granted a loan under this section shall be charged with an amount which bears the same ratio to $7,500 as the amount of the loan bears to $12,500.

"(3) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction. The Administrator shall determine the expenses incident to origination of loans made under this section, which expenses, or a reasonable flat allowance in lieu thereof, shall be paid by the veteran in addition to the loan closing costs.

"(4) Loans made under this section shall be repaid in monthly installments; except that in the case of loans made for any of the purposes described in paragraph (2), (3), or (4) of subsection (b), the Administrator may provide that such loans shall be repaid in quarterly, semiannual, or annual installments.

"(5) The Administrator may sell, and shall offer for sale, to any person or entity approved for such purpose by him, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and shall guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 of this title.

"(6) No veteran may obtain loans under this section aggregating more than $12,500.

"(e) (1) If any builder or sponsor proposes to construct one or more dwellings in a housing credit shortage area, the Administrator may enter into commitment with such builder or sponsor, under which funds available for loans under this section will be reserved for a period not in excess of 3 months, or such longer period as the

eran eligible for a direct loan under this section, the Administrator shall enter into a commitment to make the veteran a loan for the purchase of such dwelling. With respect to any loan made to an eligible veteran under this subsection, the Administrator may make advances during the construction of the dwelling, up to a maximum in advances of (A) the cost of the land plus (B) 80 percent of the value of the construction in place.

"(3) After the Administrator has entered into a commitment to make a veteran a loan under this subsection, he may refer the proposed loan to the Voluntary Home Mortgage Credit Committee, in order to afford a private lender the opportunity to acquire such loan subject to guaranty as provided in paragraph (5) of subsection (d) of this section. If before the expiration of 60 days after the loan made to the veteran by the Administrator is fully disbursed, a private lender agrees to purchase such loan, all or any part of the commitment fee paid to the Administrator with respect to such loan may be paid to such private lender when such loan is so purchased.

"If a private lender has not purchased or agreed to purchase such loan before the expiration of 60 days after the loan made by the Administrator is fully disbursed, the commitment fee paid with respect to such loan shall become a part of the special deposit account referred to in subsection (c) of section 513 of this title. If a loan is not made to a veteran for the purchase of a dwelling, the commitment fee paid with respect to such dwelling shall become a part of such special deposit account.

"(4) The Administrator may exempt dwellings constructed through assistance provided by this subsection from the minimum land planning and subdivision requirements prescribed pursuant to subsection (b) of section 504 of this title, and with respect to such dwellings may prescribe special minimum land planning and subdivision requirements which shall be in keeping with the general housing facilities in the locality but shall require that such dwellings meet minimum requirements of structural soundness and general acceptability.

"(f) The authority to make loans under this section shall expire July 25, 1958, except that if a commitment to a veteran to make such a loan was issued by the Administrator before that date the loan may be completed after that date."

SEC. 2. (a) Subsection (a) of section 513 of such act (38 U. S. C., sec. 694m) is amended (1) by striking out "June 30, 1957" and inserting "July 25, 1958," and (2) by inserting immediately before the period at the end of the second sentence thereof the following: "Retaining, however, a reasonable reserve for making loans with respect to which he has entered into commitments with veterans before such last day."

(b) Subsection (c) of such section is amended by striking out "June 30, 1958" and inserting "June 30, 1959."

(c) Subsection (d) of such section 513 is amended (1) by striking out "1957" and inserting "1958"; (2) by inserting immediately after "so advanced" the following:

"is automatically guaranteed by the Government by this title in an amount not exceeding 60 percent of the loan if the loan is made for any of the purposes specified in section 501 of this title and not exceeding 50 percent of the loan if made for any of the purposes specified in section 502, 503, or 507 of this title: *Provided*, That unless the loan is made for one of the purposes specified in section 501 of this title the aggregate amount guaranteed shall not exceed $3,000 in the case of non-real-estate loans, nor $4,000 in the case of real-estate loans, or a prorated portion thereof on loans of both types or combination thereof."

(b) Subsection (b) of section 501 of such act (38 U. S. C., sec. 694a) is amended by striking out all that follows "(b)" to the colon immediately preceding the first proviso and inserting: "Any loan made to a veteran for any of the purposes specified in subsection (a) or subsection (c) of this section 501 is automatically guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 percent of the loan."

(c) Subsection (c) of such section 501 is amended by striking out "may be guaranteed" and inserting "is automatically guaranteed."

Mr. TEAGUE of Texas (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there any objection to the request of the gentleman from Texas?

There was no objection.

Mr. FINO. Mr. Chairman, I have several amendments at the desk. They are all correlated and must be considered en bloc, so I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

On page 1, strike out line 7 and all that follows down through line 12 on page 2 and insert:

"SEC. 512. (a) The Administrator shall make, or enter into commitments to make, loans to veterans for any or all of the following purposes—."

On page 3, line 8, strike out "(c)" and insert "(b)."

On page 3, lines 12 and 13, strike out "in such housing credit shortage area."

On page 3, line 21, strike out "(d)" and insert "(c)."

On page 4, lines 3 and 9, and on page 5, line 9, strike out "$12,500" and insert "$18,000."

On page 4, line 23, strike out "(b)" and insert "(a)."

On page 5, line 1, strike out "(5)" and insert "(d) (1)."

On page 5, line 8, strike out "(6)" and insert "(2)."

On page 5, lines 11 and 12, strike out "in a housing credit shortage area."

On page 6, line 17, strike out "in paragraph (5) of."

On page 8, line 15, strike out "(not in" and all that follows down through line 20 on page 8, and insert: "not in excess of (1) $500,000,000 plus (2) the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request, less (3) the amounts advanced under this subsection after June 30, 1955."

Mr. FINO. Mr. Chairman, this amendment is a simple one, yet, a most important one. It proposes to make the direct loan program for veterans' housing available to all veterans, wherever they may reside, whether in urban or rural areas.

As you well remember, the direct loan program was originally intended for veterans in rural areas and small cities and towns on the theory that private capital was not generally available in those sections of the country. It was not intended for urban and metropolitan areas because ample GI loan funds were considered available at all times. However, the picture has changed so drastically throughout the United States that our GI housing program at this point is practically at a standstill.

There is now an immediate, urgent necessity for the establishment of an effective remedy for the shortage that exists.

Mr. Chairman, proposals for handling the general problem of the shortage of funds for home loans have been numerous and varied but they do not strike at the heart of the problem—the lack of funds for financing veterans' loans.

GI loan activity has been decreasing steadily—and will continue to decrease unless adequate provisions are made to increase the availability of funds. The effects of this decline in GI loan activity could be tremendous. The number of individuals employed in the building trades will be reduced; builders will be forced to charge higher and higher construction rates in order to realize a total reasonable profit; sales of consumer goods will be curtailed; and real-estate dealers and lenders will find their businesses considerably reduced. Thus, not only is the homeseeking veteran placed at a disadvantage, but many others who have been deriving a measure of their income from the veterans' housing program, would be drastically hurt. For the sake of the maintenance of the high level of the economy of the country, we cannot afford to let the GI loan program be discarded.

Mr. Chairman, H. R. 4602 introduced by my colleague, the gentleman from Texas [Mr. TEAGUE], proposes to amend and extend the direct loan program of the Veterans' Administration by, first, raising the maximum amount for individual loans to $12,500; second, facilitating the veterans' handling of loan closing costs; and third, extending the effective date of the direct loan program's authority.

As presently constituted, and as proposed under the Teague bill, funds of the direct loan program are available only to veterans in small communities and remote areas which do not have adequate credit facilities. The amendment to H. R. 4602 which I am submitting today, seeks to extend the authority under the VA direct loan program to include all veterans, regardless of their geographical location. In addition I propose to increase the maximum limit for individual loans under this program to $18,000 and to increase the funds authorized to $650 million. I believe these changes are both feasible and necessary at this time.

Mr. Chairman, it is my considered opinion, that increasing the interest rate on VA loans would be detrimental both to the general economy and to the homeseeking veteran. An increase in the VA loan interest rate from 4½ to 5 percent might make more money available for veterans who are seeking home loans. But the funds would not begin to fill the need, and such an increase would be a direct hindrance to many veterans who wish to own their own homes. Additional costs equal to anywhere from $900 to $1,200 are more than most veterans can afford or should be required to pay. Not to mention the fact that should the general interest-rate level decline, the veteran would suffer the disadvantage of having his interest rate frozen at the higher level.

Some business and financial experts have predicted that with proper handling of monetary problems and policies, there will be a leveling off of interest rates. On this assumption, it is more expedient and less costly to the economy for the Government to supply the needed funds until such time as private funds become more available, than it is to contribute to the rising level of increasing interest rates. Raising the VA interest rate at this time would serve to place the Government in the position of perpetuating the upward trend in loan rates at a time when the administration is attempting to prevent and forestall inflationary trends. According to data presented to the Subcommittee on Housing of the House Committee on Veterans' Affairs, 40 percent of the veteran population was located in direct-loan areas in 1956. Thus, 60 percent of the veteran population, living in urban areas, not eligible for direct loans from the VA, is currently caught in a tight mortgage-money market, unable to purchase homes under the Veterans Readjustment Act of 1944.

Mr. Chairman, since the increase in the FHA interest rate in December of 1956, the GI-home loan program has been virtually, as I said before, at a standstill. VA starts and appraisal requests have been steadily declining since May 1956. December 1956 housing starts under VA inspection were considerably below those for November and for December 1955. In fact, 1956 totals were the lowest since 1953.

Mr. Chairman, this Congress cannot afford to witness the death of the GI-home-loan program. If we do not make funds available for financing veterans' loans at a cost which they can afford we will not only have failed to serve the best interest of our veterans but we will have failed to take a necessary step to eliminate a serious threat to our national economic well-being.

Mr. Chairman, the adoption of my amendment will again stimulate home construction and provide our veterans with much needed housing at a fair and equitable interest rate.

Mr. TEAGUE of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment may be simple, but listening to it, it sounds a little complicated. It seems to me the committee should have had an opportunity to consider an amendment as important as this. There are about 3,300,000 veterans in our country living in rural areas and small towns who have not had an opportunity to buy homes. Less than 10 percent of them have had an opportunity to buy homes; 2,800,000 live in 126 metropolitan areas, where something over 40 percent have had a chance to buy homes. It is my feeling that this amendment would definitely jeopardize the purpose of this bill, and for that reason I hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FINO].

The amendment was rejected.

Mr. STAGGERS. Mr. Chairman, I move to strike out the last word.

First, I would like to say in answer to the gentleman from New York [Mr. KEARNEY] that I am sure the Veterans' Affairs Committee has never played politics with the veterans. I never would question the motive of any Member of this Congress or accuse him of playing politics with veterans' affairs because I believe we all have their interest at heart.

May I say that I served with the gentlewoman from Massachusetts [Mrs. ROGERS] on the Veterans' Affairs Committee. She did a wonderful job. Her interest has always been for the veteran, and the same thing holds true of the gentleman from Texas [Mr. TEAGUE]. He is wholly dedicated to their interest. I assume that every other member of that committee is also. I am reminded of an old saying we have back home, that there are two sides to every question, that no pancake gets so flat but what it has two sides to it. So it is with any question, and we can give our views on each side.

I am interested in these veteran loans because of the fact that in the State of West Virginia only 11.7 percent of the veterans have been able to participate in these veterans' loans. I know that many thousands of veterans in the State have applied for loans and have not been able to get them for one reason or another. Many veterans in my own hometown, a small town, have come to me or called me and asked me what was the trouble, did not the Congress intend that the veterans get these loans? I told them that we did. According to this manual there are now available to the Veterans' Administration $301 million to lend to veterans that have not been lent in direct loans. I do not know why. I will let you in your own mind try to figure out what the answer to that is.

As one of my colleagues said, when we resolve this question, as to whether it will be 4½ percent or 5 percent we will have loans available to the veterans. You cannot blame any man who is in the financial world from holding up a loan if he feels he is going to get from $600 to $1,500 in addition on loans, then holds them up for a short time, and the Congress says we will give them more money. That is certainly what would happen if we increased the rate. It will also go back and penalize those who have made a contract in good faith with the Administration that they will be charged only 4½ percent.

We have heard a lot of talk in the Congress and seen a lot in the press of this country about inflation. I sincerely believe if we do this we are contributing one great item to the inflation of the country. If we say we are going to hold it at 4½ percent, the money would be made available.

I believe one of the most important things we can do, as my colleague from Pennsylvania and others have stated, is to insert in this law a penalty provision that anybody who asks or receives additional money than is allowed by the veterans' bill as originally written shall be guilty of a Federal offense and dealt with accordingly. I think it is of the utmost importance that the Congress do something about that.

Mr. Chairman, I hope that the present bill will be passed and that the amendment raising the interest rate will be voted down.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I know the gentleman feels as I do that the GI's deserve a great deal of credit for the way they have paid back their loans. They have established a remarkable record, which is another reason why we should be grateful to the veterans.

Mr. STAGGERS. That is correct. It certainly is a deserving program. We gave the veterans of this Nation to understand they would be dealt with in a certain way. Now we are trying to renege upon that contract made by the Congress of the United States, not the insurance companies or the builders. Now they are coming to us and the responsibility is ours. We should not change the rules of the game.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. KEARNEY. I agree with the distinguished gentlewoman from Massachusetts that the home loan guaranty has been one of the best provisions of the Veterans' Administration. I think the percentage loss runs to about one-tenth of 1 percent. But that is in the background and we have to do something about it if the veterans are going to get loans.

Mr. STAGGERS. That is true. It seems as if there is plenty of money to invest in Government bonds although the rate has been sliding down. We have 3 percent on these bonds. These loans are made and guaranteed by the Government of the United States the same as those bonds are that we have been buying at 3 percent. Now we are going to raise the rate to 3¼ or 3½ percent on other Government bonds. I cannot understand it. It is the same guaranty that is given to the bonds and the money goes for the use of the veterans as that money which goes into the series bonds.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 9 after line 20 insert a new section as follows:

"Interest on veterans' loans: Interest upon any loan which bears interest at a rate not exceeding 3½ percent per annum, and any part of which is guaranteed under title 3 of the Servicemen's Readjustment Act of 1944, as amended, shall not be considered gross income for purposes of taxation."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Illinois.

Mr. MASON. I just want this time to serve notice on the committee that there will be no future extensions of time.

Mr. MULTER. Mr. Chairman, this amendment, I think, would accomplish the purpose of making more money available for veterans' loans. It is the subject matter of a bill which I introduced, together with the gentleman from New York [Mr. KEOGH], in the last session. It is H. R. 804 in this session. It provides, in effect, tax exemption of the interest received from loans to veterans, provided the interest rate on those loans does not exceed 3½ percent.

By this simple enactment, the veteran could get a 3½ percent loan and the lender could get a net return to him of 3½ percent less the cost of placing and servicing the loan. Now, they tell me, and I think it is the fact, that it costs about one-half percent to place, process, and service a veteran's mortgage loan. That means they would have 3 percent free of taxation on every mortgage of this kind that they made to veterans. Now, there is nothing mandatory about the provision. I do not say the lender or the bank must loan at 3½ percent, but I say if they do extend themselves to this extent and help the veterans of this country, giving them a low-interest rate, then they get a tax exemption on the return of their interest on these loans, and these loans only.

Mr. Chairman, I urge the enactment of this amendment.

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the pending bill. It seeks to amend the Internal Revenue Code, a subject matter not covered by the pending bill, a subject matter under the jurisdiction of another standing committee of the House, the Committee on Ways and Means.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the amendment?

Mr. MULTER. All I can say is that the gentleman from Tennessee has properly stated the case. I was hoping he would not urge the point.

The CHAIRMAN. The Chair is ready to rule.

A very similar amendment was previously considered by the House. This amendment would do substantially the same as the gentleman's former amendment on a previous bill. At that time the amendment was ruled not germane

nity to consider an amendment as important as this. There are about 3,300,000 veterans in our country living in rural areas and small towns who have not had an opportunity to buy homes. Less than 10 percent of them have had an opportunity to buy homes; 2,300,000 live in 126 metropolitan areas, where something over 40 percent have had a chance to buy homes. It is my feeling that this amendment would definitely jeopardize the purpose of this bill, and for that reason I hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FINO].

The amendment was rejected.

Mr. STAGGERS. Mr. Chairman, I move to strike out the last word.

First, I would like to say in answer to the gentleman from New York [Mr. KEARNEY] that I am sure the Veterans' Affairs Committee has never played politics with the veterans. I never would question the motive of any Member of this Congress or accuse him of playing politics with veterans' affairs because I believe we all have their interest at heart.

May I say that I served with the gentlewoman from Massachusetts [Mrs. ROGERS] on the Veterans' Affairs Committee. She did a wonderful job. Her interest has always been for the veteran, and the same thing holds true of the gentleman from Texas [Mr. TEAGUE]. He is wholly dedicated to their interest. I assume that every other member of that committee is also. I am reminded of an old saying we have back home, that there are two sides to every question, that no pancake gets so flat but what it has two sides to it. So it is with any question, and we can give our views on each side.

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Mr. Chairman, I hope that the present bill will be passed and that the amendment raising the interest rate will be voted down.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

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Mr. STAGGERS. That is correct. It certainly is a deserving program. We gave the veterans of this Nation to understand they would be dealt with in a certain way. Now we are trying to renege upon that contract made by the Congress of the United States, not the insurance companies or the builders. Now they are coming to us and the responsibility is ours. We should not change the rules of the game.

Mr. KEARNEY. Mr. Chairman, will

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 9 after line 20 insert a new section as follows:

"Interest on veterans' loans: Interest upon any loan which bears interest at a rate not exceeding 3½ percent per annum, and any part of which is guaranteed under title 3 of the Servicemen's Readjustment Act of 1944, as amended, shall not be considered gross income for purposes of taxation."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Illinois.

Mr. MASON. I just want this time to serve notice on the committee that there will be no future extensions of time.

Mr. MULTER. Mr. Chairman, this amendment, I think, would accomplish the purpose of making more money available for veterans' loans. It is the subject matter of a bill which I introduced, together with the gentleman from New York [Mr. KEOGH], in the last session. It is H. R. 804 in this session. It provides, in effect, tax exemption of the interest received from loans to veterans, provided the interest rate on those loans does not exceed 3½ percent.

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and the Chair holds that this amendment is not germane and sustains the point of order.

Mr. AYRES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AYRES: On page 4, lines 3 and 4, and on page 5, line 8, strike out "$12,500" and insert "$13,500."

Mr. AYRES. Mr. Chairman, this amendment has nothing to do with the amendment that will be offered a little later dealing with the interest rate. It was at my suggestion when the hearings were being conducted in our committee that if we were to have a direct loan program function effectively, we would have to increase the amount from $10,000 to at least $12,500 or perhaps even higher. Having heard from a number of veterans throughout the country and now having broadened the bill to a point where it is going to affect those veterans in smaller towns and communities, I think we all realize that in many instances it will be impossible for the veteran to get the type of housing that he needs for his larger family today at the $12,500 figure. Therefore, I deem it advisable to increase that amount to $13,500. It, of course, would not change the bill in any other respect. However, it will make it possible for the veterans covered by this bill to get a loan of $13,500.

Now, there is another reason for increasing the amount. It has not been discussed here this afternoon, but there is a very important organization dealing with guaranteed loans and direct loans primarily, and that is an organization called the Voluntary Home Mortgage Credit Program. That program is a group of private enterprise representatives who attempt to place these direct loans in the hands of private lenders. I think it will be easier for the veterans in many instances to get a better type house, to get individuals in the lending business interested in buying the mortgage, if we give this additional $1,000 leeway and increase the amount to $13,500.

I must in all fairness state to you that if the amendment I am going to offer a little later to raise the interest to 5 percent does not pass, we are not going to be helping the veteran to any great degree in these rural areas, because the amount of money that has been appropriated is going to be all gone within 30 days and the Voluntary Home Mortgage Credit Program will not be able to place any of these loans at the 4.5 percent figure. But if we have a $13,500 ceiling, and if we have a 5-percent interest rate, you are going to find millions of dollars that normally would go into the direct-loan channels being allocated over to private lenders through the Voluntary Home Mortgage Credit Program.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I should like to join with the gentleman in hoping that this amount will be raised to $13,500. I think it would result in a better coverage. I think it would make it possible for a number of homes to be acquired that otherwise would be beyond the price range covered by these loans.

Mr. AYRES. I thank the gentleman from Oklahoma.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. TEAGUE of Texas. If my memory is correct, the testimony before the committee was that the cost of building has increased about 22 percent since this law was first enacted.

Mr. AYRES. That is correct. I believe it was 24 percent.

Mr. TEAGUE of Texas. There was nothing magic about the figure of $12,500. As far as I am concerned, I think the gentleman is improving the bill.

Mr. AYRES. I thank the gentleman very much. I hope he shares that view when I offer my amendment increasing the interest rate, which will really make this thing work.

Mr. TEAGUE of Texas. The gentleman knows I do not.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Florida.

Mr. CRAMER. I am very much interested in the rural program, but I am equally concerned with regard to the urban program. May I ask the gentleman what in his opinion is the reason the Committee on Veterans' Affairs did not make some proposal with regard to what seems to be admitted, that there is a shortage in the urban as well as the rural situation? That seems to be the major consideration.

Mr. AYRES. Many of the rural areas can be placed under the program with the consent of the Veterans' Administration. The metropolitan areas proper cannot be under existing administration regulation. If we get a realistic interest rate, I will say to the gentleman from Florida, I think the veterans in St. Petersburg will be able to get guaranteed home loans.

Mr. CRAMER. Is there any reason why the committee did not give that full consideration and come up with some program to make that money available?

Mr. AYRES. If there is a realistic interest rate, money will be available. That was considered in the committee. The gentleman from Indiana offered the amendment but the committee, in my judgment, did not use good judgment and the amendment was voted down.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Iowa.

Mr. GROSS. I think the record shows that the large city areas have already got $40 billion of this money as compared with less than one-half a billion in the rural and smalltown areas.

Mr. AYRES. They have gotten $40 billion of free-enterprise money, not $40 billion of Government money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. EDMONDSON. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. EDMONDSON: On page 9, immediately after line 20, insert the following:

"(d) Such section 501 is further amended by adding at the end thereof the following new subsection:

"'(d) In order to stabilize the price at which loans guaranteed under this section generally will be salable to investors, the President in his discretion may authorize the Administrator to invest and reinvest not more than 25 percent of the National Service Life Insurance Fund by purchasing, and making commitments to purchase, loans guaranteed under this section. The price to be paid for any such loan shall be the unpaid principal balance thereof plus accrued interest. No loan may be purchased under this subsection (1) except from the original mortgagee before any other sale thereof, and (2) only if such loan is guaranteed on or after the date of enactment of this subsection. Loans purchased under this subsection may be sold for not less than the unpaid principal balance thereof plus accrued interest. If any loan purchased under this subsection by the Administrator defaults, and he determines the default to be insoluble, the Administrator shall acquire such loan, and pay to such fund (in the manner provided by the first proviso in section 506 of this act) the entire unpaid principal balance of the loan plus accrued interest.'

"SEC. 4. With respect to housing built or sold with assistance provided under title III of the Servicemen's Readjustment Act of 1944, the Administrator of Veterans' Affairs is hereby specifically authorized and directed to issue such regulations, applicable uniformly to all classes of mortgagees, as he determines desirable for the purpose of limiting the charges and fees imposed upon the builder or veteran purchaser in connection with the financing of the construction or sale of such housing, whether or not such charges were or are imposed in connection with the financing assisted by the Federal Government, and no loan shall be insured or guaranteed under such title unless the mortgagee certifies that it has not imposed upon the builder or veteran purchaser any charges or fees in connection with the financing of the construction or sale of such housing in excess of the charges or fees permitted under such regulations for such purposes as are applicable to the housing involved."

Mr. ADAIR. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the pending legislation. This amendment would require an amendment to the National Service Life Insurance Act whereas the legislation here before us today relates to the Servicemen's Readjustment Act. It would also provide funds for guaranteed loans whereas the legislation now pending relates to direct loans. Therefore, I believe the amendment is not germane and subject to the point of order.

Mr. EDMONDSON. Mr. Chairman, would the gentleman reserve the point of order so that I may speak on the amendment?

Mr. ADAIR. Mr. Chairman, I would reserve the point of order with the assurance of the Chair that we would not lose the right to insist on the point of order.

The CHAIRMAN. The gentleman from Indiana reserves the point of order.

The Chair recognizes the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, this amendment does two simple things. In the first place, it gives to the President of the United States the discretionary power to authorize the Administrator of Veterans' Affairs to use not to exceed 25 percent of the national service life insurance fund account to purchase mortgages. It also gives to the Administrator of Veterans' Affairs the authority to establish certain regulations to prevent these exorbitant discount and other exorbitant charges about which there has been a great deal of testimony and a great deal of discussion here today. It would make available somewhere between $1,300,000,000 and $1,500,000,000 to purchase these mortgages and guaranteed loans and to help sustain this market in the city and urban areas, which very obviously are only indirectly helped by the bill in its present form. The bill does a good job as presently written to help relieve the inequity existing now for a long, long time in your cities in giving an advantage to your city man. But, it could very easily result, I think, in inequity in other directions if we do not take some positive and affirmative step to shore up the support for 4½ percent loans. That is the intention of this amendment. It places a discretion in our chief executive and requires no new tax money, and it gives some relief to these city areas which admittedly today are not having the housing program that they have had in the past. I want to agree with the gentleman from New York [Mr. FINO] when he said that this bill provides very little aid and assistance to our city areas, as it is presently written. This is an attempt to do something in that direction.

Mr. Chairman, if I may, I would like to speak to the point of order, if the gentleman from Indiana insists on the point of order.

The CHAIRMAN. Does the gentleman from Indiana desire to press his point of order at this time?

Mr. ADAIR. I do, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard further on the point of order?

Mr. ADAIR. No, Mr. Chairman; I expressed my views previously.

The CHAIRMAN. The Chair will hear the gentleman from Oklahoma on the point of order raised by the gentleman from Indiana.

Mr. EDMONDSON. Mr. Chairman, may I say with regard to the point of order that this amendment was written with the intention to confine definitely to the scope of this bill and to the functions of this bill the additional authority over NSLI funds that was provided for the President and for the Administrator of Veterans' Affairs. It is designed entirely to bolster and support the direct and guaranteed loan program for the veterans of the United States. I personally do not see why it requires any further amendment to the national service life insurance law because, it seems to me, to give an implementing authority to the President consistent with his present powers. It is something that this Congress can do by any type of legislation bearing on the overall question of veterans' legislation and veterans' facilities. This very definitely deals with a veterans' program. The money is affected only to the extent that it is shifted from purchase of Government bonds over to a purchase of Government-insured mortgages. So in no way are we reducing the security and the safety of this money. Of course, I do not think anyone would intend to do that. But, we are giving to the Administrator and to the President an additional weapon to meet this problem which we face at the present time. I hope the amendment can be found to be within the purview of the pending legislation. Further, may I point out, Mr. Chairman, the legislation does contain sections which do amend the guaranteed loan program as well as amendments of the direct loan program.

Mr. MULTER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman may proceed.

Mr. MULTER. Mr. Chairman, may I supplement what the gentleman from Oklahoma just said in support of the amendment and against the point of order by pointing out to you the very title of the bill we are considering provides in part, "to extend the direct loan program for veterans." The gentleman's amendment would do just that. It would extend the direct loan program for veterans. It does not amend the National Service Life Insurance Act because what the gentleman is doing in providing the amount which shall be used for this purpose of extending the direct loan program is merely a limitation of how much money will be used to extend the program. He uses that as a guide as to the amount to be used. I urge that the point of order be overruled.

The CHAIRMAN (Mr. SIKES). The Chair is ready to rule.

In the opinion of the Chair the bill before us, H. R. 4602, does deal primarily and solely with direct loans, and it is clearly shown in the title and elsewhere in the bill that that is the intent of the bill. The amendment which has been offered would include guaranteed loans, and it would bring in the national service life insurance. Therefore, new legislation would be brought into consideration, and in the opinion of the Chair the amendment is not germane. Therefore the Chair sustains the point of order.

Mr. AYRES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AYRES: On page 3, line 23, immediately after "home loans" insert "which rate is hereby increased to a maximum prescribed rate of 5 per centum per annum."

Mr. MULTER. Mr. Chairman, I would like to make a point of order at this time, or I will reserve it if the gentleman prefers.

Mr. AYRES. In the interest of time, will the gentleman make his point of order now.

Mr. MULTER. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill. I believe that all the Chair has said in sustaining the point of order just ruled upon must be directed with the same force and effect to the amendment offered by the gentleman from Ohio [Mr. AYRES]. It is not encompassed within the bill as now presented, and therefore is not germane.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. AYRES. I do, Mr. Chairman.

As has been pointed out in debate previously, the Congress has never been called upon to vote an increase in the rate of interest on GI direct loans or GI guaranteed loans. When the law was originally written, it was recognized that there should be flexibility, and the Administrator of Veterans' Affairs, through the authority vested in the Secretary of the Treasury, was given authority to set the rate between 4 and 4½ percent. We all realize that the direct-loan program for veterans and guaranteed loans program must be very similar insofar as benefit to the veteran is concerned. At the time this law becomes official and is enacted into law, then the veteran in rural communities will be guaranteed a loan at 4½ percent interest, with no discount. The veteran in the city will have the program but there will not be any mortgage money available to him.

On September 22, 1914, the chairman of the committee at that time, the Honorable John J. Fitzgerald from New York, the same State as the gentleman who just raised the point of order, raised this point of order against the very veterans that he represents: "That the amendment be germane means that it must be akin to or relevant to the subject matter of the bill. It must be an amendment that would appropriately be considered in connection with the bill."

Now, taking the words of Mr. Fitzgerald, we find that my amendment applies to page 3, line 23, in which we say right after the words "home loans," "which rate is hereby increased to a maximum prescribed rate of 5 percent per annum."

We have always considered the direct-loan program in conjunction with the guaranteed-loan program, because they are both dealing with veterans who served their country in the same capacity. In view of the fact that this amendment is akin to or relevant to the subject matter of the bill, I feel it must be germane.

I submit that my amendment is entirely germane to H. R. 4602. In support of my position I desire to cite appropriate sections from precedents of the House of Representatives.

First, volume 8 of the precedents, section 3054 to 3056, you will find this:

To a proposition to accomplish a certain purpose by one method, a proposition to achieve the same purpose by another closely related method is germane.

You could not find a precedent any more germane to the situation than the likeness of these two programs, the direct-loan program and the guaranteed-loan program.

Also:

To a bill creating two boards where separate duties are prescribed, creating one board authorized to discharge duties devolving upon both boards was held to be germane.

I could go on with 6 or 7 more, but I feel I have made enough statements to

show that this amendment is akin to and relevant to the subject matter of the bill and therefore it should be germane to the bill.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. MULTER. Will the gentleman tell the House whether or not his proposed amendment is intended to apply only to those areas that are covered by the bill, H. R. 4602?

Mr. AYRES. The wording of the amendment, I will say to the gentleman from New York, covers those areas that H. R. 4602 covers, and also in conjunction with H. R. 4602 the language refers back to the guaranteed-loan program, so that language has to be changed also.

Mr. MULTER. Will they apply to the metropolitan areas?

Mr. AYRES. If my amendment is ruled germane and is agreed to, it will.

Mr. MULTER. And will apply to other loans as well as the guaranteed loans?

Mr. AYRES. Yes, it will.

Mr. MULTER. Mr. Chairman, may I be heard in further support of my point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MULTER. Mr. Chairman, I think the gentleman has just proved my case. If this amendment is intended to apply to the metropolitan areas and to apply to the many situations he refers to, none of them are encompassed within the bill as now presented to the House.

The CHAIRMAN (Mr. SIKES). The Chair is prepared to rule on the point of order.

Under the rules of the House on germaneness, the Chair quotes as follows:

> One individual proposition may not be amended by another individual proposition even though the two may belong to the same class.

It appears to the Chair that lies four square with the point of order that has been raised against the pending amendment. The bill before us deals solely with direct loans, as is clearly shown in the title and in the bill itself. To bring in guaranteed loans in addition would be to bring in a new class of loans in addition to those already provided for in the bill.

The Chair therefore holds that the amendment is not germane to the bill and sustains the point of order.

Mr. AYRES. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

> Amendment offered by Mr. AYRES: Page 3, line 23, after the word "exceed", strike out "the rate authorized for guaranteed home loans" and insert "5 per centum per annum."

Mr. MULTER. Mr. Chairman, a point of order.

The CHAIRMAN. Does the gentleman from New York desire to reserve a point of order or to make a point of order?

Mr. MULTER. I make the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from New York, Mr. MULTER, makes a point of order against the amendment. Does the gentleman from New York desire to be heard on the point of order?

Mr. MULTER. Yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MULTER. This amendment, I urge, is not germane to the bill before us for all the reasons I have already urged. I believe that the Chair must adhere to the ruling already made on the prior amendment and make the same ruling on this amendment.

The CHAIRMAN. Does the gentleman from Ohio desire to speak on the point of order?

Mr. AYERS. Mr. Chairman, the amendment that has just been read applies only to the direct loan program. It could not possibly be more germane. It is just as germane as the 4½ percent figure that is now stated in the bill.

The CHAIRMAN. May the Chair be completely clear as to the meaning of the gentleman from Ohio. Does the Chair understand that this amendment is not intended to apply to guaranteed loans but is intended to apply only to direct loans?

Mr. AYRES. That is correct.

The CHAIRMAN. Then the Chair is ready to rule, and the Chair holds that the amendment is germane. The Chair overrules the point of order.

The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. AYRES. Mr. Chairman, I regret that the gentleman from New York saw fit to draw such a fine technicality which denies the House the right today to vote as to whether they want the veterans in the metropolitan areas to have the right to use the guaranteed loan program.

I am confident that the House in its wisdom will bring it up at a later date in the immediate future.

If we are to have a successful direct loan program, Mr. Chairman, we are also going to need a realistic program. The money that would have to be appropriated is a huge amount to have to add on to current budget demands. There will be over $400 million available to this direct loan program. This is the taxpayers' money that they are lending out to the veterans. When you vote on this proposition think of the size of the budget.

I do not think there is anyone on this side of the aisle who is so unrealistic as to want to appropriate $5 billion and make it possible for a million veterans to get homes. I do not think that there is anyone who wants to propose a program like that. But in view of the fact that if we cannot get a realistic interest rate here today that would be the probable alternative, a direct loan program of four-hundred-million-some-odd dollars that will be available.

Should such a program be undertaken the fund would be exhausted in 30 days and it would take care of fewer than 40,000 veterans. At the 4½-percent rate the voluntary home mortgage credit people are not going to be able to place any of these mortgages with the private lenders. Unless the rate is raised to 5 percent you are going to have to embark upon a $400 million direct loan program with that much additional burden put on the Federal budget. If that is what you want to have, if that is the way you think it ought to proceed, you do not have to vote for my amendment to increase the rate to 5 percent.

Another thing, the direct loan program is not subject to any of these discounts, whereas the veterans, so far as buying homes in the city is concerned, have been subjected to a discount, and we know that discrimination against the veteran exists. The only thing that makes this like the city program is that the veteran will be paying a 5-percent rate and money will be more available, because I am confident that the voluntary home mortgage credit people will be able to place these notes with private lenders. Everybody wants to preserve the free enterprise system. If you do not, then it would be just as sensible to guarantee a loan for him to buy the furniture he puts in his home and the automobile he uses to take him back and forth from his work. At least let us be sensible about it. It is amply demonstrated that 4½ percent is not attractive to the mortgage people. If you want to protect the free enterprise system and protect the budget, keep the budget at least where it is, then vote for my amendment. It is entirely workable and it is a realistic approach.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. KEARNEY. In view of the two points raised by the gentleman from New York on a point of order, do I understand that the gentleman feels that the bill should be returned to the committee?

Mr. AYRES. I think if the bill passes, the direct loan bill, the way we are dealing with it, with the 5-percent amendment, it is a good bill and should be enacted into law. A representative, Mr. Burgess, of the office of the Secretary of the Treasury, said he would recommend a veto if the bill went to the President at 4½ percent. So, unless we come forward with a realistic rate, we are promoting stalling tactics to kill a bill which is a good bill.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from California.

Mr. ROOSEVELT. Would the gentleman explain to me whether or not his amendment means that commitments previously entered into by the administator prior to this date would now have a 5-percent rate, even though the rate at the time they were entered into was 4½ percent?

Mr. AYRES. I will say to the gentleman I think it would apply at the time of the closing, those that are now in, of course, as of that time. That could be corrected by an amendment, if the gentleman desires. But, that would be my interpretation: At the time of closing.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROOSEVELT to the amendment offered by Mr. AYRES: Insert immediately after "per annum" in the language to be added the following proviso: "*Provided*, That no loan made after the enactment of this amendment pursuant to a commitment made by the administrator before that date shall bear interest at a rate in excess of 4½ per centum per annum."

Mr. ROOSEVELT. Mr. Chairman, what I am simply trying to do by this amendment is to make sure that no veteran who already has entered into a commitment received from the administrator shall have his rate of interest changed from 4½ to 5 percent. This does not affect any new money which the gentleman from Ohio has been talking about. But, if we raise the 4½ to 5 percent on loans already in existence, we would be providing a windfall, in the first place, and, secondly, it seems to me that we would also be moving forward to a position where we would be breaking faith on a contract which the veteran had entered into, on which he had planned, and which he is entitled to have remain at that point.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Chairman, of course the gentleman is aware that his amendment would be very important on guaranteed loans but has very little application to the direct loan program, because the administrator may permit a 2-point discount on a direct loan but that is all.

Mr. ROOSEVELT. I do recognize that, but I want to first establish the principle here in case we have to meet it later on.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Georgia.

Mr. FORRESTER. I think the gentleman has some substance there. In other words, as I understand the gentleman, if they can raise this interest rate to 5 percent on those who have previously contracted for 4½ percent, then if this Congress wants to, we can raise it to 6 percent or 7 percent. Now, here is what worries me about the gentleman's amendment. Does the gentleman's amendment actually do what he is trying to do? I think the gentleman is on solid ground there, and I think we ought to have some respect for contracts as far as that money going at 4½ percent is concerned. I think there ought to be some assurance that that is what they are going to pay. I wonder if the gentleman would mind reading the amendment again.

The CHAIRMAN. Without objection, the amendment will again be read.

There was no objection.

The Clerk again read the amendment.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Ohio.

Mr. AYRES. I think the gentleman has clarified what I had in mind as applicable to the program. In other words, if the amendment should prevail and we should get this direct-loan program moving, those who have made applications and have commitments should still go at the old rate. I accept the gentleman's amendment.

Mr. ROOSEVELT. I thank the gentleman.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from North Carolina.

Mr. WHITENER. By the gentleman's amendment he implies that he favors now placing on the veterans of the rural areas a burden which has not been experienced by their brothers in other other areas, in the urban areas, who have received $40 billion in loans as compared to $584 million to the rural veterans, as has been suggested by the amendment offered by the gentleman from Ohio. Does the gentleman advocate the same program which our friend, the gentleman from Ohio, has recommended here by virtue of his amendment?

Mr. ROOSEVELT. I would say to the gentleman from North Carolina that I did not understand the gentleman from Ohio was exacting any such promise from me and I made no such promise. I certainly have not made it and do not advocate it.

Mr. WHITENER. I thank the gentleman.

Mr. LONG. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, something has been said here today about being fair with the boys in town. If we have not been fair with this program to the bigger towns, there is no way to do it. The boys in the cities have received $40 billion in guaranteed loans. What did the rural boys get out of this loan system, guaranteed and direct? A little more than one-half billion dollars. Just what do the city boys want? We are here trying to get some homes for the boys in the country. Let us not confuse this thing at this time by talking about being fair. Let the rural veteran have $40 billion and we will be willing to go along and be fair, too.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from New York.

Mr. MULTER. The city boys are not for this 5-percent amendment, and do not let anybody kid you about it. We are against this 5 percent, too. We are for helping the veterans in the farm and rural areas. We want to give them this money at a reasonable rate, but 5 percent is an unreasonable rate.

Mr. LONG. I thank the gentleman for his contribution.

Mr. GAVIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think this amendment is a very good one, but whether it will do what the gentleman from California intends it to do I do not know. There were 91,000 veteran loan commitments outstanding at the end of 1956. We find the immediate, direct effect would be to saddle 91,000 veterans with an increase in the amount necessary to amortize their loans by more than $3.5 million. These 91,000 veterans were acting in good faith when they made the contracts with whomever they made them, individuals, banks, or the Government, to pay 4.5 percent.

I just want to say to the Members of the House, when you automatically increase that to 5 percent you will hear plenty from these veterans back home. According to legal counsel, the contract they entered into states the rate will be the rate prevailing on the date the loan is closed. Would these loans then automatically come in under the 5-percent rate? In my mind it is a question whether or not the amendment offered by the gentleman from California will do what he intends it to do—freeze the loans at 4½ percent. I feel that this is a very important matter to the veteran. There are 91,000 veterans that have loans at 4.5 percent. If you jump them to 5 percent, you are going to cause them great difficulty and have some explaining to do as to why they were not protected, as they should be, against an increase of one-half of 1 percent.

Does the gentleman think his amendment will actually do what he intends it to do, and that is, to respect the contracts that these veterans have already entered into at 4.5 percent?

Mr. ROOSEVELT. I am informed by the legislative counsel that this will clarify any question as to whether or not, supposing the amendment offered by the gentleman from Ohio were to be adopted, any question that any contract already entered into between the Administrator and the veteran would remain at 4½ percent.

Mr. GAVIN. You are just assuming. What I want to know is, will it? Does your amendment guarantee it? Because it states in a memo I have that "in the contract the rate will be the rate prevailing on the date that the loan is closed." That is the contract, so if the amendment is adopted, to raise it to 5 percent, it may automatically increase the rate to these 91,000 veterans.

Mr. ROOSEVELT. I will have to say to the gentleman that I am not in the position of the judiciary and I am not able to guarantee what any court will hold. But I think it does make it clear.

Mr. GAVIN. There are 91,000 veterans here who are going to be asking questions. I would like to have the answers to whether or not this will meet the situation. It would be unjust to permit such a situation to arise.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. MASON. The whole question is whether the commitment closes the loan. If a commitment closes a loan that settles it.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. TEAGUE of Texas. This amendment applies only to direct loans and it has very little application to what we are considering here. If the guaranteed loans were included, it would have a terrific effect.

Mr. GAVIN. But it will have some application; will it not?

Mr. TEAGUE of Texas. Very little.

Mr. GAVIN. How many out of the 91,000, do you think it would apply to?

Mr. TEAGUE of Texas. There are 2 points allowed by the Administrator on loans; that is, 2 points discount. I am not sure exactly what the gentleman's amendment means so far as the discount is concerned. All that is allowed on direct loans is two points.

Mr. GAVIN. I just want to call to the attention of the House that this is a technical and legal question. I do not know the answer, but I would like to have some assurance by the committee in view of the fact that these veterans entered in good faith into loans at 4½ percent that they will under no circumstances be increased. Now to automatically increase the interest rate to 5 percent would be an unfair thing to do. Now the question is whether this amendment will protect these veterans. I am making this a part of the record so the committee can explore the situation and straighten the matter out so that it will be clearly understood. I think something should be done to protect those veterans who, in good faith, entered into these contracts at 4½ percent.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. AYRES. The 91,000 veterans that the gentleman is talking about, those with reference to the AMVETS are with the guaranteed loan program and not the direct loan program.

Mr. GAVIN. Will it be changed; that is what I want to know?

Mr. AYRES. Not the guaranteed loans. This has no connection with the guaranteed loan program at all, none whatsoever.

Mr. GAVIN. You feel satisfied that their rates of interest will not jump from 4½ percent to 5 percent?

Mr. AYRES. That is right.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. Well, I wanted to make certain.

Mr. Chairman, I ask unanimous consent to proceed for an additional minute.

Mr. MASON. Mr. Chairman, I will have to object to the gentleman's request.

The CHAIRMAN. Objection is heard.

Mr. TEAGUE of Texas. Mr. Chairman, I rise in opposition to the Ayres amendment.

Mr. Chairman, this is a very important amendment. Knowing the gentleman from Ohio, he should ask unanimous consent to withdraw this amendment. I know him well enough to know that he does not want to penalize the veteran who lives in rural areas and small towns to the tune of $35 million, which this amendment would do.

He knows that this is not going to force any kind of increase in the guaranteed loans. As chairman of the Committee on Veterans' Affairs, I will call another hearing on increasing the rate if we have bills referred to the committee proposing to raise the interest rate. During out recent hearings we went into the subject of interest rates at length. There was no assurance offered by lending groups that an increase in interest rates to 5 percent would bring out any significant amount of new mortgage funds for VA loans. After the hearings we received many letters from lenders urging an increase in VA interest rates. We wired them asking exactly how much money they would put into the program if the rate was increased to 5 percent—how much money they put into the program last year, and what discount would be charged. Out of 52 telegrams, 26 replies on about half of them said they would put an equal amount or more into the program next year providing the rate was increased. Thirteen said they would have less money available next year than was allocated in 1956 even if the rate is increased.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I am glad to yield to the gentleman.

Mr. AYRES. I have telegrams from savings and loan institutions throughout the country and from small banks and insurance companies. They would not make a firm commitment. They cannot estimate exactly withing a few dollars, but they estimated that with the increased interest rate, there would be a little over $2½ billion in the market for 1957.

I also have a letter from Mr. Morrison in which he says if they have a 5-percent rate in this direct-loan program that they would be able to place in the rural communities at least $650,000,000.

Mr. TEAGUE of Texas. If we have another bill to increase it to 5 percent I will be glad to call the committee together and go into it, but certainly the gentleman should not impose on the small rural areas a 5-percent rate when veterans in other metropolitan communities pay only 4½. Why should the Government make money on the money they loan to veterans?

Mr. AYRES. My point in introducing the amendment is to make certain that we get an adequate amount of money in those areas. We cannot do it at 4½ percent. You are discriminating against the veterans in the rural communities because by the very appropriation you are saying that only 40,000 at $10,000 each will be able to get a home. This $625,000,000 that the VHMCP say they will be able to place will give you housing for 100,000 veterans in the rural communities, and I think that will take care of the demand in 1957.

Mr. TEAGUE of Texas. If you adopt this amendment you add $35 million profit on the money that the Government is loaning to the veterans under the bill. That is the exact extent of what this amendment does to this bill. I hope the amendment will be voted down.

The CHAIRMAN. The time of the gentleman from Texas [Mr. TEAGUE] has expired.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I personally regret the fact that it is not possible to present to this House a clear-cut vote on the question of whether or not the interest rate would be raised across the board on direct loans and upon guaranteed loans. But since the rules of the House have not made it possible, then I certainly want to join the chairman of this committee in saying that it would be the height of unfairness, the height of discrimination against these rural areas to put a 5-percent interest rate on their loans when the interest rate on city loans and guaranteed loans remains 4½ percent. The only justification that has been offered by the gentleman from Ohio [Mr. AYRES], for doing this is to say that we have a discount rate in effect at this time on guaranteed loans and therefore we are just making the interest rate the same for the two. The fact of the matter is that the man who has a guaranteed loan is not paying that interest rate that is covered by a discount. He is paying 4½ percent today, the same as the man who has a loan under a direct loan is paying 4½ percent. What is happening is that the builder at the time he sells the mortgage is taking a slice off his profit when he has to discount the paper in order to get the money to pay for it.

Now, here is the situation we have before us at this time: Are we going to the rural areas and the small towns and saying: "You men are going to have to pay 5 percent for your loans. We are only charging 4½ percent on loans in the city, but you will have to pay 5 percent because this builder who built this house in the city had his paper discounted when he sold it to the mortgage company or the life-insurance company or whoever bought that mortgage." I would be much happier to see this issue before us on the straight question of whether or not we should raise these interest rates across the board. But I hope we will not vote to have 1 rate for 1 class of veterans while we still have a different rate for another class.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. AYRES. Does the gentleman think that when there is a 5, 6, 7, 8, 9, and 10-percent discount that the builder absorbs that loss?

Mr. EDMONDSON. If we can believe what many builders have testified before our committee, the builder is taking a terrific loss. I do not say there is not some end effect for the veteran in a cheaper job, but the veteran is not paying that interest rate. The gentleman knows he is not paying it. If anything, he is taking a less efficient product—a more poorly constructed product as a result of it, but he is not paying the interest rate on the loan that is represented by this discount.

Mr. AYRES. It is coming out of the veteran's hide, because he is paying an unrealistic price on a house which has been given an unrealistic appraisal. Does the gentleman think that the Voluntary Home Credit Mortgage people should place this money with private lenders and dissolve their organization?

Mr. EDMONDSON. Personally I think that the Voluntary Home Credit Mortgage Co. is the biggest fraud that has ever been perpetrated upon the Congress of the United States. It has not come within 25 percent of realizing the objectives that it set forth in the representations it made to this Congress. They have fallen far short of the objectives which they set for themselves last year.

Mr. AYRES. Does the gentleman think that the $230 million that they placed of veterans' loans was not beneficial?

Mr. EDMONDSON. It has never been satisfactorily demonstrated to me that the $230 million of which the gentleman speaks was ever placed in direct loan areas in actual operation, with persons who might have received a direct loan.

Mr. AYRES. Does the gentleman feel it would have been desirable for them to place these loans in rural communities at 5 percent instead of 4½?

Mr. EDMONDSON. By the same token they could have got the money easier at 10 percent or any rate higher than 4½ percent, but I do not think that alone is justification to raise the rate to 10 percent any more than it is to raise it to 5.

Mr. AYRES. I think the rate of 5 percent is a realistic interest rate and is one that we must have if we are to avoid adding heavily to the budget.

Mr. EDMONDSON. The gentleman might be right.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. TEAGUE of Texas. I think it is important to point out to the House that we are going to discharge from 600,000 to a million young men with service after January 31, 1955, who have no veterans' status. At the moment the Banking and Currency Committee is holding hearings on liberalizing the FHA program. This bill at best will apply to 40,000 small town rural houses.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to announce that the Republican conference called for this afternoon after the adjournment of the House is postponed until 11 o'clock tomorrow morning in this Chamber.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, to the amendment offered by the gentleman from Ohio [Mr. AYRES].

The amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Ohio as amended.

The question was taken, and on a division (demanded by Mr. AYRES) there were—ayes 45, noes 82.

So the amendment was rejected.

By unanimous consent the pro forma amendments were withdrawn.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 8, after line 20, insert:

"SEC. 8. Section 513 of the Servicemen's Readjustment Act of 1944 is amended by adding at the end thereof the following new subsection:

"'(e) Notwithstanding any other provision of this title, the Secretary of the Treasury is authorized and directed between the effective date of this subsection and June 30, 1958, to make available to the Administrator such additional sums not in excess of $2 billion, as the Administrator may request. The Administrator is authorized and directed to use such funds for the purpose of making direct loans to veterans in any areas upon a finding that the loans and the veterans are eligible in all respects, but that the veterans are unable to obtain financing for guaranteed loans at interest rates not to exceed 4½ per centum per annum. Funds for such loans or the commitments to make such loans, shall be allocated by the Administrator in such manner as he deems proper for carrying out the provisions of this section. Such loans may be processed by the Administrator without referral to any other department or agency of the Government or to any private lender or group of lending agencies. Except as expressly modified here, the provisions of sections 512 and 513 of this title shall remain fully applicable, provided that with respect to any veteran who has not previously availed himself of his guarantee entitlement, or whose entitlement has been excluded pursuant to section 500 (a) hereof, the original principal amount of the loan shall not exceed $20,000.'"

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. AYRES. Now I think we are getting down to the real crux of the issue. Are you going to put the Government in the lending business or are you going to let free enterprise do it? Are you going to increase the budget or are you going to cut it? I think the gentleman was a party to a resolution that was sent down to the President trying to get advice from the President as to where the budget should be cut. I can say to the gentleman if he does not want it increased $2 billion, he should withdraw the amendment. If he wants to put the Government in the lending business, he should make it $5 billion so that all the veterans can get loans.

Mr. MULTER. Mr. Chairman, if what the gentleman has said really had me in a box I would ask leave to withdraw the amendment. The fact of the matter is this amendment is a temporary measure to make $2 billion available only to June 30, 1958. It is less inflationary than any measure that has been sent up to us by the administration and which the Secretary of the Treasury has told us was not inflationary. It is a lot less inflationary than the billion dollars you voted a few days ago at the instance of the Secretary of the Treasury for FNMA.

If you are serious, if you have been serious since 1954, and I have before me the RECORD of March 24, 1954, where you were all protesting how anxious you were to help the veteran, how you were going to put money back into the veteran's mortgage market by keeping his interest down so he could buy a house at a reasonable price with reasonable financing, you must vote for this amendment. If you meant all that you will have to vote for this amendment. It is not the Democrats who are on the spot; it is my friends on the left side of the aisle.

If you really want to help the veterans this is the way to do it. You have over $7 billion in the veterans' reserve insurance fund. The amendment that was ruled out of order a little while ago required that that fund be used for this purpose. My amendment does not require it to be used for this purpose. If the Secretary of the Treasury does not want to add any more to the budget or does not want to increase the interest rate, he may use the veterans' money out of that fund for loans to veterans. Under this amendment he has the discretion to do that.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman state exactly what his amendment does? Is it to end direct loans?

Mr. MULTER. This extends the direct loan program. This brings in another $2 billion to the direct loan program throughout the country so that the city boy and the farm boy, if he is a veteran, can come in and get his direct loan if he cannot secure it through private financing. It does not put the Government in the lending business in competition with private enterprise. The amendment simply says that if the veteran cannot get his loan from private sources at 4½ percent interest, he can apply to the Veterans' Administration and the Secretary shall make available to the Veterans' Administration up to $2 billion for that purpose until June 1958. If these big bankers mean what they say that the mortgage market is going to ease up and things are going to get easier and veterans will be able to get mortgages again, they need not fear this amendment. As soon as they come back into the market with their guaranteed mortgages, this program ceases. As long as they stay out of the mortgage market for veterans, the Veterans' Administration can say to the veteran: "Come in here. If you have a good house and you qualify under this program and you cannot get the money privately, the Government will lend it to you at 4½ percent interest."

This is the veterans' own money. It is the same money that is bringing the Government 2½ percent but which we will lend to the veteran at 4½ percent, earning for the veterans' reserve fund an additional 2 percent return.

I would like to see the program enacted with a provision that would provide that the veteran should not pay any more for his mortgage than the Government pays for borrowing money. But, I know you would not be able to get that kind of an amendment through, so I have taken a middle course. By these direct loans the veterans could get money at a fair interest rate.

Mr. SHEEHAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Illinois.

Mr. SHEEHAN. Under the program the gentleman is proposing now, can any of his constituents in the city of Brooklyn get any money out of his program?

Mr. MULTER. Yes.

Mr. SHEEHAN. How would they go about it?

Mr. MULTER. All they need to do is come in and show that the veteran qualifies for a loan and he cannot get it from private industry; he cannot get it from a savings bank or insurance company, and he will get it from the Veterans' Administration. The same for your people in Chicago.

Mr. SHEEHAN. We cannot build a home in Chicago that a veteran would get a $13,000 mortgage on.

Mr. MULTER. But I covered that, too. My amendment increases the amount up to $20,000. He can do that, can he not?

Mr. SHEEHAN. That is right.

Mr. MULTER. He can do it in New York. The limit under this amendment is $20,000. This gives equal treatment to the city boy and to the farm boy, who are veterans.

Mr. LONG. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we worked a long time on this bill. That is, the committee has. It was a very controversial matter. We held lengthy hearings, heard many witnesses, and spent hours conferring with people who knew something about it. To come in here and in a few minutes try to rewrite this bill is bad business. For that reason I am opposed to the amendment.

Mr. AYRES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, now you gentlemen who are against a realistic interest rate and want a housing program for veterans should support the amendment offered by the gentleman from New York. It is very, very simple. The decision you are going to have to make, whether you make it today or make it 30 days from now, or whether you procrastinate and kill the whole program, is eventually going to have to be made on this basis. Are you going to permit free enterprise to operate, or are you going to take it out of the hide of the taxpayers to finance houses for every veteran in the rural, metropolitan, and small-community areas? That is the real thing that we have not discussed too much today. But if the gentlemen who are against a realistic interest rate, who are against permitting a free economy to operate in the money field, are serious, then you have only one alternative, and that is to take it out of a direction appropriation and give the Secretary of the Treasury the power through the Veterans' Administrator to place this money out in the field in mortgages for veterans. If you are against a realistic interest rate, then you will vote $2 billion today, and they will be back in perhaps 3 or 4 months, before we adjourn, for another $2 billion, if you are going to satisfy the market. If that is your position, I hope you vote to do it today.

The gentleman from Texas has said he will hold hearings on the possibility of bringing a bill out that will not be ruled out of order, so that you can stand up and be counted, whether you are for a larger, bigger Federal expenditure or whether you want a free economy to operate. And I know that the gentleman will hold those hearings. I would propose proper legislation before the committee, but, frankly, the way the committee is set up, I doubt very much if we will have the votes to bring such a bill to the floor. So it appears as though we are going to have no way this session in the House to do anything about this very, very serious problem. What I have seen happen in the past will probably happen in this instance. We will send the bill over to the other body, they will put in what they want, we will go to conference, and then accept the compromise, which we hope will work.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. TEAGUE of Texas. Does the gentleman believe there is no hope for the money market easing? I have reports that have been in the Wall Street Journal recently that the Treasury has recently offered bonds and they were oversubscribed 3 or 4 times.

Mr. AYRES. No; I do not think the money market is easing at all. In fact, there will be some news out within the next 24 hours regarding the cost of financing some more money for the Federal National Mortgage Association. It is going to be one-tenth of 1 percent, I believe, higher than it was for the last appropriation.

Mr. TEAGUE of Texas. To what would the gentleman attribute the oversubscription of the bond issue? The Wall Street Journal stated:

> Treasury financing: Investors oversubscribed the Treasury's now $3 billion offering of securities more than 4 times, the Department said. It allotted subscribers to the 3⅜ percent certificates 31 percent of their order, and subscribers of the 3⅛ percent notes 12 percent.

It seems to me that would indicate the money market was easier.

Mr. AYRES. I have not seen the article, and I would want to know more about it.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Maryland.

Mr. DEVEREUX. It is my understanding on that particular issue that the Government is now paying a higher interest rate than it did previously. That is one of the factors contributing to the oversubscription.

Mr. TEAGUE of Texas. I was told by the chairman of the Committee on Ways and Means they had authorized 3.5 percent. The Treasury says they will get it at 2.75 percent. It seems to me there is considerable evidence the money market is easing.

Mr. DEVEREUX. If the gentleman from Texas be correct, it is not necessary to pay 5 percent. There is nothing in this proposal that would make the Veterans' Administration insist upon 5 percent. If they can get it for less, 4.5 percent, that is fine.

Mr. AYRES. That was the amendment that was just voted down. Now the gentleman from New York wants to provide a program, which is the only other alternative, where he is going to take from the Federal Treasury money and give it to the discretion of the Veterans' Administrator and the Secretary to place that money in GI mortgages. That is eventually what we are going to have to vote on, so why duck the issue any further by trying to keep crawling around something rather than hitting it head on? If you are against a realistic interest rate, I suggest you support the gentleman from New York and spend $2 billion for a veterans' program.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from New York.

Mr. MULTER. Can the gentleman tell us how else we can get the money in the current market? Where is it going to come from?

Mr. AYRES. With a realistic program, we have already shown in the debate here this afternoon over $2 billion of commitments from the savings and loan companies, the small lenders, and the life-insurance companies. That is practically a firm commitment at 5 percent.

Mr. TEAGUE of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, our committee has tried to bring out a reasonable bill with which practically everybody could go along. The administration has supported the increase. The committee rejected it. I am very much afraid that if this change is made in the bill it would jeopardize the possibility of this bill's becoming law. For that reason, I hope the House will vote it down.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Ohio.

Mr. AYRES. Did not Mr. Burgess in testifying before the committee and did not the report on the bill say that the administration would be against the bill at 4.5 percent, as it is now written?

Mr. TEAGUE of Texas. The administration reported against my bill, which was this bill, H. R. 4602, without the interest increase.

Mr. AYRES. And also without my amendment that was adopted raising the limitation to $13,500.

Mr. TEAGUE of Texas. No; I think the gentleman is mistaken there.

Mr. AYRES. The gentleman's original bill did not have my amendment in it, so now the bill we will be voting on, assuming the amendment offered by the gentleman from New York is not adopted, will be the original bill that was voted out from the committee except for the one change, my change of raising the limitation from $12,500 to $13,500.

Mr. TEAGUE of Texas. Correct.

Mr. AYRES. The administration had already said they were against the bill with the $12,500 limitation and the 4.5-percent interest, but they would have been for it at 5 percent. So we are passing on a bill here, assuming it passes, that the administration has already said it was against.

Mr. TEAGUE of Texas. I would say to the gentleman from the conversations I have had around the Government here, I would be quite hopeful that this bill would be signed if it reaches the White House, as reported from the committee. I am not sure it would be signed with the $2 billion in it. Mr. Burgess did not say that he would recommend a veto on H. R. 4602 as reported by the committee. He said he would recommend a veto if the NSLI feature was in the bill. That

is the only thing that he mentioned recommending a veto for at any time during the hearings.

Mr. AYRES. But, the report you got back from the Bureau of the Budget said that they were against your bill, as it was reported from the committee.

Mr. TEAGUE of Texas. The Bureau of the Budget said that they would not concur without the interest increase in it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The pro forma amendments were withdrawn.

Mr. BURNS of Hawaii. Mr. Chairman, while not necessarily agreeing with the position of the signers of the wires I include in the RECORD several wires received from Hawaii regarding the matter being considered. Hawaii has a great interest in the veterans program with more than 60,000 veterans living there. My information is that less than 10 percent have their own homes. We want to see the program made effective so that our veterans may be given the opportunity they fought for.

> HONOLULU, *February 20, 1957.*
>
> Delegate JOHN BURNS,
> *Hawaii Delegate to Congress,*
> *Washington, D. C.:*
>
> By action rejecting increase in GI rate Hawaii VA guaranty program will come to end unless you urge passage by Congress increase to 5 percent rate. Advise that issue on floor of Congress Wednesday.
>
> E. F. FITZSIMMONS,
> *President, Home Builders Association of Hawaii; member NAHB.*

> HONOLULU, *February 20, 1957.*
>
> Delegate JACK BURNS,
> *House of Representatives,*
> *Washington, D. C.:*
>
> Urge you to see the chairman of Veterans Housing Committee concerning desire to increase rate of issue to 5 percent. This matter is of great concern to veterans of the Territory of Hawaii.
>
> WALLACE YOUNG,
> *Department Commander, American Legion.*

> HONOLULU, *February 20, 1957.*
>
> JOHN A. BURNS,
> *Delegate from Hawaii,*
> *House Office Building,*
> *Washington, D. C.:*
>
> Home Builders Association of Hawaii reports rejection of GI mortgage interest rate increase Tuesday by House Veterans' Affairs Committee means end of VA guaranty program in Hawaii. Issue may be on House floor today. I urge you do all you can to win favorable action on increase of interest rate, as money not available at lower interest. Best regards.
>
> NEAL F. BLAISDELL,
> *Mayor.*

> WASHINGTON, D. C., *February 19, 1957.*
>
> Hon. JOHN A. BURNS,
> *Delegate to Congress from Hawaii,*
> *House of Representatives,*
> *Washington, D. C.:*
>
> Following received from Home Builders Association of Hawaii: "Please be advised that House Veterans' Affairs Committee this morning rejected increase in GI rate. Issue may be on House floor by Wednesday. Urge you advise Delegate BURNS this means end VA guaranty program in Hawaii. Request you instruct him to fight for increase of 5 percent interest rate." Transmitted to you for appropriate action.
>
> SAMUEL WILDER KING,
> *Governor of Hawaii.*
>
> HONOLULU, T. H.

> MARCH 12, 1957.
>
> Hon. JOHN A. BURNS,
> *Hawaii Delegate to Congress,*
> *Washington, D. C.:*
>
> We plead that you support Congressman WILLIAM AYRES' amendment to H. R. 4602 increasing GI interest rate to 5 percent. Our GI loan program depends upon favorable action Ayres amendment.
>
> HOME BUILDERS ASSOCIATION OF HAWAII.

> Hon. JOHN A. BURNS,
> *Hawaii Delegate to Congress,*
> *Washington, D. C.:*
>
> Veteran housing program dead in Hawaii. Urgently request your support for GI interest rate increase. Vote coming up during week of March 25 in Congress.
>
> E. F. FITZSIMMONS,
> *President, Home Builders Association of Hawaii.*

Mr. LANE. Mr. Chairman, one of the most significant laws passed during the 1940's was the Servicemen's Readjustment Act of 1944.

It was a comprehensive program to help men and women returning from military service to readjust themselves to civilian life.

Inspired by the gratitude of a Nation toward those who had sacrificed to defend it, this legislation turned out to be an economic blessing as well. Millions of veterans were provided with opportunities that would otherwise be unavailable to them.

Among the many and varied benefits was that of Government assistance to a veteran in the purchase of a home, or farm.

As in all new legislation, for which there are no precedents to guide us, certain shortcomings came to light when put to the test of experience.

The Committee on Veterans' Affairs of the United States House of Representatives is to be complimented for favorably reporting H. R. 4602, and for recommending that this bill be passed.

From its conscientious survey and hearings, it found defects in the original loan program that should be corrected.

It reports that:

> The direct loan program was created because the guaranteed loan program was not providing an equitable opportunity for all veterans to obtain a home loan. The guaranteed loan program functioned in metropolitan areas but was, and has been, of little benefit to veterans living in small cities and towns and rural areas.

This observation is documented by the fact that, of 3,234,438 veterans living in 1,635 rural counties, less than 10 percent had obtained a loan to purchase a home. This compares with 2,857,307 veterans residing in 126 metropolitan counties where over 40 percent have obtained a guaranteed loan.

Furthermore, it was almost impossible, under the law, for a builder to participate in the program and build new homes in direct-loan areas.

Finally, and this is substantiated by the number of veterans seeking the help of their Congressmen on this question of purchasing older properties that fail to meet VA requirements unless renovations are made, it became evident that veterans in small cities and towns had little opportunity to obtain new homes.

It was estimated that 60 percent of the direct loans made to date have been for the purchase of old and existing homes.

The committee found that the present limitation of $10,000 is not in keeping with the continual increase in the cost of construction and this limitation, in many instances, has been responsible for a veteran not obtaining the home of his choice. H. R. 4602 raises the loan ceiling to $12,500 to correct this imbalance.

In order to encourage new construction for veterans' housing this bill wisely authorizes the issuance of commitments to builders or sponsors for the reservation of direct-loan funds. At the present time, the builder is in no position to rely on direct-loan financing to market his units, as all loan negotiations are with the veteran and the project builder has no assured source of financing.

This and other provisions of the recommended bill, relating to the designated housing credit shortage areas, make it possible for Government and private enterprise to team up in expediting the construction of new residential housing for veterans.

This will help to meet the unsatisfied demand of many deserving veterans for a place of their own.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker pro tempore [Mr. COOPER] having assumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes, pursuant to House Resolution 187, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

By unanimous consent, on motion of Mr. TEAGUE of Texas, the title was amended to read as follows: "An act to encourage new residential construction for veterans' housing in rural areas and

is the only thing that he mentioned recommending a veto for at any time during the hearings.

Mr. AYRES. But, the report you got back from the Bureau of the Budget said that they were against your bill, as it was reported from the committee.

Mr. TEAGUE of Texas. The Bureau of the Budget said that they would not concur without the interest increase in it.

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The amendment was rejected.

The pro forma amendments were withdrawn.

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of purchasing older properties that fail to meet VA requirements unless renovations are made, it became evident that veterans in small cities and towns had little opportunity to obtain new homes.

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The committee found that the present limitation of $10,000 is not in keeping with the continual increase in the cost of construction and this limitation, in many instances, has been responsible for a veteran not obtaining the home of his choice. H. R. 4602 raises the loan ceiling to $12,500 to correct this imbalance.

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This will help to meet the unsatisfied demand of many deserving veterans for a place of their own.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker pro tempore [Mr. COOPER] having assumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes, pursuant to House Resolution 187, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes."

GENERAL LEAVE TO EXTEND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD, and also that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

HON. CARLOS P. GARCIA, PRESIDENT OF THE PHILIPPINES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, to revise and extend my remarks and to include therein a biography of Hon. Carlos P. Garcia, President of the Philippines.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, we hear reassuring words from the Philippines. After the tragic death of the late President Magsaysay there was a feeling of uncertainty here in our country about the direction that our sister republic of the Philippines may take under a new leader.

We need have no fear, Mr. Speaker. The new President, the Honorable Carlos P. Garcia, is a confirmed anti-Communist. He is a stanch chairman of freedom and democracy.

When he was inducted into office as the fourth President of the Philippines he said:

> I shall carry out every item of the Magsaysay program to its full realization. * * *
>
> We will continue to fight against atheistic communism.

He also said he would continue to carry out the same foreign policy laid down by the Magsaysay administration. He declared that this included maintenance of national security, compliance with Filipino commitments to the United States and SEATO.

We also have the assurance of Gen. Carlos P. Romulo, Philippine Ambassador to the United States, for whom we in the House have the highest regard, that under President Garcia's leadership, "the Philippine Ship of State will continue sailing on an even keel." In a letter that General Romulo wrote to the New York Times of March 19, he said:

> There was a close and even affectionate relationship between the late President Magsaysay and his Vice President. On the reparations issue it was with his approval that Ambassador Felino Neri was designated to conclude the negotiations. He was not responsible for the "Asia for Asians" slogan and he had nothing to do with its launching. It was at his request, because of the pressure of his official duties, which compelled him to remain in Manila, that President Magsaysay sent me to the Bandung Conference.

President Garcia is a convinced anti-Communist. On May 7, the day Dien Bien Phu fell, he delivered an address in which he said: "The Philippines are keenly aware of the perils of Communist aggression from without as well as of Communist subversion from within. Asian nationalism has nothing in common with communism.

The Washington Daily News also published the following letter from General Romulo:

> We are fortunate that we have in President Carlos P. Garcia, a friend of the United States who, as Secretary of Foreign Affairs, has consistently stood foursquare for closer friendship with the American people.
>
> In the Geneva Conference in 1955, he won the admiration of the free world with an address that showed he is a champion of democracy and freedom. After a reasoned reply to Chou En-lai, he concluded: "The muse of history will write the final verdict: The United States opened the great era of liberation not only of the Philippines but also of all Asia."
>
> In the San Francisco Conference in 1945, as one of the delegates to that meeting, he showed his vision and statesmanship when he fought the veto power.
>
> We can rest assured that under his able guidance the Philippine Ship of State will continue sailing on an even keel.

A perusal of the following thumbnail biographical sketch of President Garcia reveals that he is an experienced administrator, an outstanding legislator and parliamentarian, a seasoned diplomat and a highly cultured man of many parts. It is, I repeat, most reassuring for us in the United States, that the man now at the helm in the Philippines is one with such a record. I am sure I bespeak the sentiments of every Member of the House, in fact, of every American, when I say that we wish him success in his administration and the blessings of the Almighty as he starts his awesome duties as President of the Philippines.

His biography follows:

CARLOS P. GARCIA, PRESIDENT OF THE PHILIPPINES

The fourth President of the Republic of the Philippines is Carlos P. Garcia, who took his oath of office on March 18, 1957. He succeeded the late Ramon Magsaysay who, along with 25 others, died in a flaming plane crash on a mountain in Cebu Island on March 17, 1957.

Under the constitutional provision the former Vice President was sworn into office on March 18 by Supreme Court Chief Justice Ricardo Paras. His oath-taking assured a smooth continuity of administration in the 10-year-old Republic.

In a brief informal address, President Garcia promised to "carry on the massive program of the Magsaysay administration" and said there would be no sweeping changes in the Government.

Addressing a group of friends in Malacanang (Presidential office and residence), Mr. Garcia said briefly:

"I can hardly say a word on this occasion. I can only tell you I shall carry out every item of the Magsaysay program to its full realization."

President Garcia is a convinced anti-Communist. On May 7, 1954, the day Dien Bien Phu fell, he delivered an address in which he said:

"The Philippines is keenly aware of the perils of Communist aggression from without as well as of Communist subversion from within. Asian nationalism has nothing in common with communism."

After receiving news of Magsaysay's death, Garcia immediately flew to Manila from Canberra, Australia, where as chief Philippine delegate, he was attending the Third Council of Ministers meeting of the Southeast Asia Treaty Organization. Magsaysay was elected President of the Republic on November 10, 1953, on the Nacionalista Party ticket with Garcia as Vice President.

President Garcia was born on November 4, 1896, in the town of Talibon, Province of Bohol. His father was Policronio Garcia, who was mayor of Talibon for four terms, and his mother was Ambrosia Polistico, both deceased. The Province of Bohol is one of the 13 Provinces which constitute the Visayan group. The President was a Malcolm 4-year law scholar. He graduated valedictorian of the Philippine Law School in 1923 and was one of the bar topnotchers in the same year. He taught school for 2½ years. He served 6 years as congressman (3 terms), 9 years as governor (3 terms) and 13 years (3 terms) as senator. He became minority floor leader of the senate in 1946. He resigned in 1953 as senator after his election as Vice President. As senator he was chairman of the advisory committee, committee on Government reorganization, and the subcommittee on Japanese reparations. He was a member of the senate electoral tribunal and the senate committee on foreign affairs, finance, public works, army and navy, privileges and election, rules, code, and justice.

After the war he served as Philippine delegate to the United Nations Conference in San Francisco and in the same year, 1945, he was sent to Washington in connection with Philippine rehabilitation and war-damage claims. In 1950 he was a delegate to the Interparliamentary Union in Dublin, Ireland, and after returning to Manila, he attended the 1950 Southeast Asia Conference held in Baguio City.

In 1954 he was chairman of the Philippine delegation to the Geneva Conference for Korean unification. He served as president of the Southeast Asia Treaty Organization conference in Manila in September 1954. Since 1955, he has regularly served as chairman of the Philippine delegation to the council meetings of the Southeast Asia Treaty Organization. With all these multitudinous duties for his people, he has served as Secretary for Foreign Affairs with credit and distinction.

Newspaper reporters voted him as one of the most outstanding senators from 1946 to 1955.

During the war he was hunted by the enemy. Three times he narrowly escaped capture by Japanese soldiers after refusing to surrender in May 1942. In December 1943 he received a letter from the then Commonwealth President Manuel L. Quezon, Washington, D. C., confirming and approving the civil government in Bohol of which he was an adviser.

As Vice President he concurrently held the secretaryship of foreign affairs. As President, he is retaining the foreign affairs portfolio.

In an address on February 14, 1957, he told the Supreme Council of the Ancient and Accepted Scottish Rite of Masonry of the Philippines thus:

"The Philippine Republic immediately upon her regaining independence set down as a cardinal and fundamental policy the preservation and maintenance of close Philippine-American relations and the continuing effort to improve the same. Consequently, we allined ourselves with the democratic nations of the free world under American leadership. We continue to fight side by side with the other members of the free world, to make freedom, democracy, and justice the common patrimony of all countries and peoples of the world. It is our unalterable determination to pursue this policy as long as divine providence from whom we received the blessings of freedom and democracy will continue to guide the destiny of our country. As long as the basis of Philippine-American relations will continue to be that of equality, mutual respect and national dignity and justice, so long will the Philippines and the United States of America stick together."

A well-read man, President Garcia's reading habits incline him to philosophy, history, economics, and poetry. He has attained recognition as a poet in the Visayan language. His favorite diversion is chess. He is married to Leonila Dimataga, a pharmacist of Opon, Cebu. They have one daughter, Linda, who is a senior student in the college of liberal arts, University of the Philippines.

GREEK INDEPENDENCE DAY (MARCH 25)

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in the long and glorious history of the Greeks there are countless important and significant dates, but in their modern history it is difficult to point to a date which signifies as much to patriotic Greeks as does March 25, the date of Greek independence. On that day, in the year 1821, Greeks proclaimed their national independence, revolted against their oppressors and regained their national sovereignty.

The idea of national political independence was not new to the Greeks. They had known it and prized it highly many centuries before the idea became familiar to modern Europe. In ancient Greece, in small communities and in large municipalities, in city-states, and in confederations of states, the idea of independence and freedom was preached and practiced long before the dawn of our Christian era, and of course long before the West was organized into separate, independent, and free states. It is one of the many ironies of history that, though the idea spread in the West and eventually found a firm foothold there, and fortunately today we find its best expression in the West, it was submerged in its traditional birthplace. Thus, while the West was enjoying the benefit of the ideas born in Greece, for almost four centuries the Greeks in their homeland were denied that natural privilege.

From about the middle of the 15th century the whole mainland of Greece was overrun and conquered by the Ottoman Turks, and from then on until the historic Greek revolt of 1821 the Turks remained the undisputed and ruthless masters of Greece. They ruled the Greeks with an iron hand. All ideas of freedom and independence were proscribed; and any move on the part of the populace deemed subversive was crushed instantly and mercilessly. But the most severe repressive measures were of no avail; the idea of independence, particularly the idea of national political independence, could not be eliminated or held down for long; nor could it be crushed by force. And the revolt of the Greeks against their powerful masters proved that the idea was not only a living entity among them, but that it was the very essence of their spiritual livelihood.

On the 25th of March, in 1821, a band of brave and intrepid Greeks under the leadership of a dauntless archbishop in Patras unfurled the banner of revolt and proclaimed their national political independence. From that day on, for more than 8 years, Greek warriors fought bravely against the combined forces of the entire Ottoman Empire. At times, when the powers of the West were reluctant to intervene in this unevenly matched life-and-death battle, the Greek cause seemed hopelessly lost. All the wishes and prayers of all philhellenes in the West, and the little outside aid that was being sent to Greece, and the personal efforts of individuals like the English poet Lord Byron, could not salvage the fate of the liberty-loving Greeks. Fortunately, however, against heavy odds the Greeks held their own. They fought on even when they saw, with their own eyes, the butchery of their loved ones, and heard of the sale of their families into slavery. And these horrors were more than enough to rouse the powers of the West. They discarded their neutrality and in 1827 began to help. The final victory came in the naval battle of Navarino on October 10.

Personally, I have always been keenly interested in the people of Greece. I have been happy in their national success; and in their misfortune they have always counted me among their warmest sympathizers. Convinced of its righteousness, I have always supported and championed their cause. In recent years Greek independence was in serious danger by foreign aggressors and other evil forces. The memories of World War II and postwar years are still fresh in our minds. If we have learned a lesson from the events of those years, it is that national independence demands constant national vigilance, and it entails supreme sacrifices from us all. The Greeks of 136 years ago, as well as those of our own days, have proved equal to the task at hand. They have made a remarkable record for themselves by defending their national independence. Today they have a claim upon the West; one might say they have a just claim upon humanity. That claim is based upon the unquestioned and unchallenged fact that their worthy ancestors gave birth to the noble idea of independence and freedom. They on their part did all in their power to safeguard and preserve it, and then pass it on to their successors. We of the West, as their distant successors and followers, owe much to them. We are beholden to the Greeks for nearly all noble ideas and ideals that have become distinct hallmarks of all civilized men. Perhaps the noblest of these are the ideas of liberty and freedom, group independence, and national political independence. On this day, on the Greek Independence Day, we can show our appreciation for these fine ideas and ideals by joining all freedom-loving and patriotic Greeks in the celebration of their national holiday, the Greek Independence Day.

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent that following the remarks of the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], I may extend my remarks in the RECORD on Greek Independence Day.

The SPEAKER pro tempore (Mr. COOPER). Is there objection?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, the celebration of independence days are always of great significance. They bring back memories of those heroic and glorious days of yesteryears; they evoke the spirit of those martyrs who gladly gave their lives for the attainment of national independence; and they testify to the character of those valiant souls who fought and died for the freedom of their fellow men. The celebration of Greek Independence Day signifies all of these.

Greece was the cradle of freedom and liberty, and the Greeks were the people who evolved the idea, gave it a living form and practiced it for centuries. Then, while the idea spread to other parts of the then known world, Greece was invaded and conquered, and the Greeks ceased to be free and independent. For centuries they were subjected to alien rulers and were governed by alien regimes. In 1821 the Greeks rose against their Ottoman overlords and eventually attained their national independence.

Since then Greece has been a sovereign state, and the Greeks in their mainland have been masters of their destiny. That is not, however, the case of Greeks in Cyprus, where they have endured alien rule for centuries and are now struggling for their right of self-determination and freedom. In the past the Greeks of Cyprus fought against the Ottoman Turks, and today they are determined to cast off Britain's colonial rule and attain their goal. The right of self-determination of the Greeks there, who constitute four-fifths of the population, is not to be questioned. It is our hope and prayer that the right of self-determination for the Cypriot Greeks soon will be affirmed and recognized.

I might add that the Government and the people of this country recognize the great debt of all mankind to the land from whence came our inspiration for democratic government, have done their best in the maintenance and preservation of Greek independence. We have helped the Greeks militarily, financially, and with technical assistance. We have always encouraged free and reciprocal trade and commerce with Greece, and we have done everything not only to keep Greece's economy solvent, but also have been firm in our efforts to maintain its political sovereignty and national independence which Greeks proclaimed 136 years ago today. On this happy anniversary day the people of our country join with those of Greece in rejoicing and in celebration.

SOIL BANK AMENDMENT TO AID SMALL FARMERS

Mr. COFFIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. COFFIN. Mr. Speaker, one of the most important problems in Maine and in our national economy is the small family-centered farmer. For years our agricultural policy has favored the big cash crop farmer, and today the policies of the Secretary of Agriculture are blunt, if not brutal, in writing off the small-family farm as a thing of the past.

Size is somehow equated with efficiency, and the contributions of the small farmer to our economy and our society are totally ignored.

In the East, particularly, the small farmer is hard hit. Years of cultivation have, in many cases, reduced the productivity of the soil to a point where cash crops cannot be produced. Shifting markets have taken away many of the outlets for crops sold in former years. This is particularly true of hay. Many times, when our eastern farmer has tried to diversify, concentrating more on dairying and livestock, he has found himself squeezed by high prices induced by our national agricultural policy. This problem has been intensified in the last 4 years.

I do not oppose agricultural programs designed to aid the cash crop farmers. They have their problems. They, too, are an important part of our economy, playing a most important role in our economy. To write these farmers off would be to plunge ourselves into economic chaos.

This is something we should all remember. The prosperity of our farmers is closely interrelated with the prosperity of business, large and small, and of labor. We who live in urban areas cannot ignore the plight of the farmer without hurting ourselves. The time has come for us to work together on a program which will strengthen the farmer, particularly the small farmer.

I do not pretend to have an answer to the total farm crisis. What I am proposing today is an amendment to existing farm legislation which will benefit a segment of the farm population which has received little assistance in the past from the price-support program.

The bill which I am introducing today would amend the Soil Bank Act to authorize the Secretary of Agriculture to enter into contracts with farmers under the conservation-reserve program for acreage which was once used in the production of crops and is still suitable for crop production. This authorization would apply when trees are to be planted on the specified acreage.

At the present time, farmers in Maine and similar areas can take advantage of the soil-bank program in acreage regularly used in the production of crops. The Soil Bank Act includes tame hay and other grasses which do not require annual tillage in the definition of crops. However, administrative regulations require that crops not requiring annual tillage must have been harvested within the past 3 years to be eligible for the conservation-reserve program. Only 217 Maine farmers shared in the benefits of the soil-bank program in 1956.

The land my bill would add is mostly stony soil, too rolling for modern farm machinery, which in recent years has been used partially for hay and partially for grazing. In time, unless properly cared for, this land will revert to bushes and alders, of no value to anyone.

Some may ask why we should concern ourselves with such farms. There are several reasons, some economic and some concerned with the traditional values of our rural life.

These lands once made up the farms of our forebears. From these farms sons and daughters, grandsons and granddaughters have migrated across our country, contributing to the development of our Nation. The sturdy values of those who founded these farms and those who have followed form the backbone of our society. To wipe out this heritage, or to let it die, will take away some of the most enduring qualities of America.

There is an economic argument for this program. Today our consideration of farm programs is dominated by fears of surplus. This will not always be the case. Our burgeoning population and its increased standard of living will make an ever-increasing demand on more and more restricted acreage.

Not so long ago we used water as an inexhaustible resource. Today we are hastily making plans to husband what remains. Some day we may find ourselves in the same position in relation to the soil.

I doubt that the land I have been describing will ever produce cash crops. But there is one crop which can be produced on this land, and in the interests of conserving a vital natural resource, should be produced. This crop is trees.

Much of the land in the East, and sections of the West, is ideal for forest production. Soil conditions are good and rainfall is ample. The land on which these trees will grow coincides, most frequently, with land which is not suited for modern cash crop production and which has not received the benefit of the price support program.

Farmers today are committed to conservation practices. In Maine, for example, 7,600 farmers, or 38 percent of all operating units, were enrolled in the Soil Conservation District program by December 31, 1956. More have joined since that date. Four thousand seven hundred of those enrolled had developed basic conservation plans for their farms.

Yet only 5,000 acres of the almost 1 million acres planned were planted to trees. This represents an estimated 5 percent of the tree planting need.

Many more farmers would like to join in this program. But they are hampered by two factors: They are limited in capital resources; and they hesitate to invest in a long term crop which offers them no return during their lifetime.

Bringing this marginal land under the soil bank would offer an added incentive to farmers to plant these acres to trees. They would receive a modest return on their investment of time and labor, and they would have the promise of a substantial future return to themselves or their children.

In addition, this would enhance the value of property already sorely depreciated. It would strengthen the financial position of many small communities, now hard pressed to meet the demands of education, highways, and public welfare. Ultimately it will mean a return in Federal taxes which would be lost without such a program.

The Federal cost in such a program would be very modest. The initial 50-percent planting cost contribution would be about $12 per acre. The 10-year rental would be $3 an acre for a total of $30. The complete cost per acre, for a 10-year period, would be $42.

The idea for the bill which I am introducing was suggested by our Maine farmers and conservationists. I developed it through consultation with agricultural experts, and my colleague, the distinguished gentlemen from the Third District of Maine. It represents the best thinking I have been able to find on this pressing problem.

This is a modest program. It would help our small farmers share some of the enormous benefits which are going to the big growers, and for which these small farmers have paid twice: Once through taxes to finance the big farm-support program, and again through high prices of feed.

Mr. Speaker, I hope this House will give serious consideration to this proposal. Our small family farmers have given much to this Nation.

They are in difficult straits today, and they ask only the opportunity to contribute to our Nation's future.

THE 22D AMENDMENT—WHAT DO AMERICAN HISTORIANS AND POLITICAL SCIENTISTS SAY?

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, as an advocate of repeal of the 22d amendment—House Joint Resolution 182—I am hopeful that many of our colleagues are interested in reappraising the wisdom of this amendment. In order to encourage Members to give fresh consideration to this problem, it occurred to me that it might be helpful to hear from some of the eminent historians and political scientists of our country.

With this thought in mind I have undertaken—with the cooperation of the American Historical Society and the American Political Science Association—a cross section survey of opinion on this vital question. A few days ago I directed over 30 letters to leading historians and political scientists in all parts of our country whose names were furnished to me by these two organizations. As I receive replies from these students of American Government it is my intention to insert them in the RECORD with appropriate comments in order to stimulate discussion of this issue.

I have advised these scholars that all replies, whatever their tenor, will be placed in the CONGRESSIONAL RECORD.

These men are, I believe, detached from the mainstream of our political life. For this reason I feel that their comments and observations deserve thoughtful consideration.

One of the first replies came from Dr. Clinton Rossiter, who is chairman of the Department of Government at Cornell University. Dr. Rossiter's recent book The American Presidency was a distinguished work which has received wide and favorable attention. I believe his provocative letter will make a good point of departure for this survey. As part of these remarks I am including his letter together with a list of the political scientists and historians whose opinions I have solicited:

CORNELL UNIVERSITY,
DEPARTMENT OF GOVERNMENT,
Ithaca, N. Y., March 18, 1957.

Hon. STEWART L. UDALL,
House of Representatives,
Washington, D. C.

DEAR MR. UDALL: I am grateful for this opportunity to state my opinion on the advisability of repealing the 22d amendment to the Constitution. I was flatly opposed to the adoption of this amendment, and I am glad to go on record as supporting your attempt to have it stricken from the Constitution.

Let me fashion my few remarks in the form of an indictment of the 22d amendment. I think it was a mistake for all these reasons:

It expressed a lack of faith in the commonsense and good judgment of the people of the United States and subjected future generations needlessly to "government from the grave."

It put an unnecessary element of rigidity in a Constitution whose flexibility has been one of our most precious possessions.

It plastered the Constitution with a prohibition based on the sharp anger of a moment rather than the studied wisdom of a generation. It was, indeed, although this fact may no longer be relevant, an undisguised insult to the memory of Franklin D. Roosevelt. I have nothing against the inalienable right of Americans to be critical of the dead as well as of the living, but the Constitution is not the place to engage in a display of rancor.

Although it is still too early to make this point with certainty, it very probably has weakened the office of the Presidency permanently. Everything in our history tells us that a President who does not or cannot seek reelection loses much of his grip in his last couple of years, and we no longer can afford Presidents who lose their grip.

Although we may have to wait many years, and I hope the wait is even longer, we may live to regret this amendment bitterly in a time of a severe national emergency. The people should have the right at such time to reelect a President even if he has already had 8 years in office.

Finally, it should be noted that this amendment was not, like the repeal of the 18th amendment, submitted to ratifying conventions elected by the people. It was and it remains a tainted amendment, an ill-begotten excrescence on the most successful of all charters of government that sooner or later must be cut away.

Cordially yours,

CLINTON ROSSITER,
Chairman.

POLITICAL SCIENTISTS

William Anderson, University of Minnesota.
Thomas S. Barclay, Stanford University.
Samuel H. Beer, Harvard University.
E. S. Corwin, Princeton University.
Manning J. Dauer, University of Florida.
Samuel T. Edlersveld, University of Michigan.
Thomas H. Eliot, Washington University.
Cortez A. M. Ewing, University of Oklahoma.
Robert J. Harris, Vanderbilt University.
James Hart, University of Virginia.
Ivan H. Hinderaker, University of California.
Arthur N. Holcombe, Harvard University.
N. D. Houghton, University of Arizona.
Claudius O. Johnson, State College of Washington.
Lane W. Lancaster, University of Nebraska.
James M. Burns, Williams College.
Dayton D. McKean, University of Colorado.
Charles B. Robson, University of North Carolina.
Clinton Rossiter, Cornell University.
E. E. Schattschneider, Wesleyan University.
Carl B. Swisher, Johns Hopkins University.
R. G. Whitesel, University of Iowa.

HISTORIANS

Howard Beale, University of Wisconsin.
Henry Steele Commager, Amherst College.
John Hicks, University of California.
Arthur Link, Northwestern University.
George McGovern, Dakota Wesleyan University.
Elting Morrison, Massachusetts Institute of Technology.
Allan Nevins, Columbia University.
Ray Nichols, University of Pennsylvania.
Basil Rauch, Barnard College, Columbia University.
Arthur M. Schlesinger, Jr., Harvard University.

FOOD CONTAMINANTS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, there have been so many warnings given by scientific men as to the poisons used directly and indirectly in the preparation of foods, drinks, and medicines that the situation urgently demands a thorough hearing on the subject.

It has been reliably reported by reputable sources that many foods and drinks which are widely used by consumers in our population contain coloring matter and other ingredients dangerous to the public health.

According to an article in the New York Times of August 21, 1956, cancer-producing food additives create a public health problem. Cancer is traced to food additives such as many dyes, thickeners, synthetic flavors and sweeteners, preservatives, shortening, bleaches, oils and fat substitutes, according to the symposium of the International Union Against Cancer held at Rome, Italy, in August of 1956. This symposium was attended by 42 cancer experts from 21 countries, including the United States. The cochairman of the symposium was Dr. Wilhelm C. Heuper, Chief of the Environmental Cancer Section of the United States, Cancer Institute.

The food contaminants identified were said to have included antibiotics, estrogen for fattening animals, pesticides residues, soot, chemical sterilizers, antisprouting agents, wrapping materials, and sterilization by radiation. The report of this symposium said that certain mineral oils and paraffines used for coating milk containers had produced cancer in man and experimental animals. It further said that certain detergents had carcinogenic effects, and that no food dye at present met "agreed criteria for safety." Twenty-nine dyes were listed as unsuitable or potentially dangerous; 20 groups of suspect food additives were listed and 17 groups of suspect food contaminants.

All of these reports and findings furnish a striking illustration of the imperative need for a current thorough examination by the Congress of all foods, beverages, drugs, and so-called medicines on the suspect lists.

I have no grudges to be satisfied as to any food, medical or manufacturing organization engaged in preparing food, medicine or drinks. But living in an atmosphere where these complaints are current daily and where reputable scientists and doctors report so frequently concerning poisons in food, drinks and medicines, in my opinion these charges cannot be dismissed without an investigation.

I realize that many influential organizations will resent this "meddling" as they term it, but I know of no principle of good government or ethics that compels a public official to be silent and to accept at full face value what these organizations say about the food, medicines and drinks they produce, while all around us we are confronted with warnings from scientific and professional men.

The only solution that seems logical to me is to have a congressional committee appointed, without regard to political parties, authorized to hold hearings under the general rules of special committees, to receive, digest and investigate these complaints, and let those who are complained against come before it and present their side of the controversy.

If in fact there are no ingredients in the foods or popular drinks of this period which are dangerous or harmful to those who consume them, their manufacturers should be anxious to have this information brought out. On the other hand, if chemicals and drugs are now being used, which the proof shows are dangerous to public health, and if certain foods and drinks do contain cancer-producing elements the public ought to know that also; and the further manufacture and sale of any such dangerous food, drinks and medicines should be promptly prohibited. That is the only interest I have in the situation and I am today introducing a resolution for the appointment of such a special committee.

ONE HUNDRED AND THIRTY-SIXTH ANNIVERSARY OF THE INDEPENDENCE OF GREECE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am pleased to bring to the attention of the House that today marks the anniversary of the independence of Greece and the Greek people. Because of our friendship over many, many years with the people of Greece it is only fitting for us here today to give attention to this important occasion.

It is an honor for me to again pay tribute to Greece and to the Greek people wherever they may be in the world on this 136th anniversary of Greek independence. Not only are the millions of Americans of Greek ancestry proud to celebrate this anniversary of Greek independence, but also it is fitting for all Americans irrespective of national background, everywhere in our great country, to pay their respect and appreciation to the great nation of Greece and its illustrious people. It is fitting because so much of the foundation of American democracy is rooted deeply in the culture of ancient Greece. It is, therefore, fitting for me at this time to recount briefly something of the great legacy that flows from heroic Greece into our American civilization.

This precious quality we call freedom which we think of as the American way of life was molded and patterned in concept in ancient Greece with all of its richness, with all of its grandeur and glory.

From the viewpoint of culture, Americans need only to look at the great buildings in our large cities, and particularly in our Nation's Capital of Washington, to observe the tremendous similarity with the great structures of ancient Greece. Greek architecture is noted for its fine balance and structural beauty. The lines are simple but possess a grandeur. There is a purity, a perfection, and inspiration which flows from its composure and serenity. It breathes glory and defies all concept of time.

A perfect example of this basic architectural and structural beauty is the great Lincoln Memorial in Washington, D. C. The simple lines and the beauty of its character are perfectly fitting as a memorial to our beloved Abraham Lincoln. Countless Americans year after year from school age to old age visit this magnificent memorial shrine of Abraham Lincoln here in the Nation's Capital. This beautiful and perfect structure with the great statue of President Lincoln sitting inside beyond its graceful columns is a source not only of inspiration but of a renewed strength for our American way of life. All of the cost and labor and effort that went into this magnificent memorial for President Lincoln has been repaid to the Nation many times over in so many different ways.

From the viewpoint of sculpture we owe so much to the great work of the ancient Greek people. Then, too, there is the American theater and its relation to the Greek theater of ancient times. And, of course, we must mention the enormous contributions to our language and our literature that have come to us from the noble and renowned citizens of this heroic country at the eastern end of the Mediterranean Sea. In addition to all of this, however, there is a very significant contribution to our American way of life made by the Greek people of long ago, which is most fitting for me to mention on this anniversary of Greek independence.

This contribution to our American way of life flowing from ancient Greece to a young, virile, democratic nation is in the field of political philosophy. Like the ancient Greeks of antiquity who created and were the foremost advocates of democracy, the United States of America stands today as the bulwark of democracy upon which the free nations of the world are actually dependent. This great democracy of which we are so proud was fashioned in the fundamental thinking of the ancient Greeks. Consider, if you will, for a moment the words of Pericles, spoken at the end of the first year of the Peloponnesian War. These words are so true they could very well have been spoken during the present hour on the floor of this greatest of modern Parliaments of the people. I quote:

> Because in the administration it hath respect not to the few but to the multitude, our form of government is called a democracy. Wherein there is not only an equality amongst all men in point of law for their private controversies, but in election to public offices we consider neither class nor rank, but each man preferred according to his virtue or to the esteem in which he is held for some special excellence; nor is anyone put back even through poverty, because of the obscurity of his person, so long as he can do good service to the commonwealth.

These are the words of Pericles spoken centuries ago. Are they not just as applicable to the American democracy today as they were to ancient Greece?

There is no question but that the fundamental concepts of American democracy and our free way of life are based upon those of ancient Greece. In addition to Pericles, we are deeply indebted to the great thinking of such distinguished Greek scholars and philosophers as Plato and Aristotle. Probably no single man has had a greater influence on our American democracy than has Aristotle. Many of his ideas are fundamental to our system of government and our way of life. It may be accurately said that many of our precious principles under which our democratic system functions had their basic origins in the creative thinking and the philosophic logic of the great mind of Aristotle.

Not only is America proud of its abundant Greek legacy, but America is also grateful to the Greece of long ago for these remarkable contributions and many times America has shown to Greece and the Greek people that its gratitude is constant and continuing. While Greece was engaged in mortal conflict with the Ottoman Empire for its independence 136 years ago, a grateful America contributed its support. At that time our country was small and insignificant among the then great powers of the world, but at that time our leadership showed the courage that has made America the greatest power on earth today. In Congress Henry Clay and Daniel Webster, towering statesmen of their time, enthusiastically supported the struggle of Greece for her independence. President James Monroe in a memorable message to Congress, said:

> There is good cause to believe * * * that Greece will become again an independent nation. That she may obtain that rank is the object of our most ardent wishes.

Back in those swiftly moving times of 1820 our new country was a child among nations and we were located thousands of miles across the great seas from the old civilization of southern Europe, nevertheless the American people gave abundantly to the noble Greek struggle for independence. We gave our hopes, our prayers, our public expression, and our encouragement for victory and survival of a heroic Greece, independent of the shackles of the powerful Turkish rulers who governed by enslavement and cruelty.

It was not, however, until many, many years later that America was able to show in substance and in great measure its debt of gratitude for all of its legacy from Greece. As World War II came upon mankind everywhere, it was obvious to all nations that the United States of America had grown to be the most powerful and mighty nation on earth. It was the military might of this matured America that defeated those evil forces determined to destroy democracy and the free way of life.

At the close of World War II, however, another factor began to threaten free men everywhere. World communism was on the march and the heroic nation of Greece was directly in its path. Due to the war British power was in a state of fatigue and weakness. France was a beaten and defeated nation. Italy was humiliated. The power of Germany was destroyed. Nothing stood in the way of mighty Russia to move through the Balkans, conquer Greece and once again take away her freedom and make this proud nation a vassal state. Regardless of the odds, heroic Greece stood up to the challenge.

In this struggle, the United States recognized the fact that not only was communism determined to destroy Greece but it was determined to destroy the cradle of democracy and the free way of life. As this struggle became desperate, the United States responded to this challenge with its economic and military power. Guns, tanks, military supplies, food for the entire nation, material of all kinds were sent to Greece. And in addition to all of this, once again the free men of America also sent their hopes and prayers just as they did to the heroic Greek people in their struggle for independence 136 years ago.

To the glorious history of Greece, new pages were added, for Greece, with American help, was able to block the mighty march of communism. This modern-day heroic Greece showed its courage and stamina and determination to remain free, and free it did remain. In the years since World War II, communism has suffered no greater defeat.

After the conflict was over, America again came to the rescue of Greece and continued to aid her with the necessities of recovery and the building of a stable and free economy. With American aid over this last decade, Greece has become not only a fine democracy once again, but today Greece is a dependable free nation and one to be reckoned with by those who challenge the free way of life. Side by side in friendship developed over the years our two great democracies stand together.

Because of the ancient ties of Greece and America, because it is a free democratic nation, because Greece stands for freedom and justice for mankind, and I suppose because of so many distinguished Americans of Greek descent, certainly the long-enduring Greek-American friendship is solidly cemented and will weather the forces of challenge as the future unfolds. Of this I am certain, and that is that when another century has passed by, the America and Greece of that far-off time will be locked together in the same bonds of friendship that exist between our two wonderful countries on this 136th anniversary of the independence of Greece.

There are many Americans of Greek descent in the Commonwealth of Massachusetts and in my own Fifth Congressional District. So many of these fine people I am pleased and proud and honored to have as my friends. Over many years we have worked together to accomplish many objectives and many things. We have worked and cooperated together for the good of our community. We know each other. We understand each other. We are grateful for our freedom and grateful for our opportunities. Just as the distinguished Greeks of ancient times gave a great legacy to our great American democracy, so are the Greeks of modern times, in Greece and in America as American citizens, making their contribution to the free way of life and the building of a constantly improving, finer day. A greatly expanding new culture together with the old from which it flows will be the priceless legacy for our free people of the future.

Here in my home community, I extend to the thousands of Americans of Greek ancestry my congratulations on this independence anniversary of their motherland. I extend to them my thanks for all that their great land of Greece has given not only to America in the arts and culture and political philosophy, but also my thanks and appreciation for their quality, their fineness, and loyalty as American citizens. And finally, I extend to them my grateful thanks and appreciation for the honor of their friendship as fellow citizens of our wonderful United States of America and as neighbors together in one of its finest communities.

SMALL BUSINESS INDUSTRY ADVISORY COMMITTEE

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, on last Thursday and Friday, March 21 and 22, the first conference was held of the Department of Defense Small Business Advisory Committee. At the initial session of this conference the members of both the House and Senate Small Business Committees were invited to be present, and I for one appreciated the invitation and the opportunity of attending the opening session.

The invitation to this conference indicated that this new advisory group is an outgrowth of the old Air Force Advisory Group on Small Business, which was composed of representatives from both large and small industry. This same invitation notes that the objective of such advisory groups is to yield "invaluable assistance in formulating new policies for defense suppliers." Certainly all of us will applaud and support the announced purpose of this advisory group, for no agency of Government could do more to help small business by some bold new policies than the Department of Defense. Certainly we will agree that some critical and constructive thinking needs to be done about military procurement practices if we are to stem and turn back the recent trend in which more and more independent manufacturers disappear each year from the American scene.

However, it is only logical and natural that we look at the make-up of any such advisory group, and that we consider the nature and size of the corporations which employ and pay these able men who are now to assume the important task of advising the Department of Defense on small business procurement problems.

I regret to state that the makeup of this new Advisory Committee has certain alarming aspects which must give us pause. In addition to the 4 members who are officials of the various military departments, there are 18 members who are officials of private concerns. Of these 18 members only 8—less than a majority—can with any assurance be classified as representatives of small concerns under the traditional Defense Department definition of 500 employees or less. Three other members come from firms which appear to have between 1,000 and 3,000 employees. The other members come from corporations which are much larger and which are clearly large corporations under any of the definitions now employed.

It is especially illuminating to note the position of the large concerns represented on this Small Business Advisory Committee in terms of their standing as prime contractors to the military establishment. Most of the Members of the House are probably aware that the most recent Defense Department statistics show that fewer than 100 large corporations receive more than 69 percent of the net value of all military prime contract awards. This leaves only 31 percent for the thousands upon thousands of other manufacturing concerns, whether they be large, medium or small in size.

Now, 6 of the corporations represented on this new Advisory Committee on Small Business are among the top 100 corporations which received prime contracts for the calendar year 1955, and these 6 suppliers include the concerns which stood first, second, fourth, and eighth on the list. Four of the corporations represented on this committee received during 1955 net prime contract awards totaling more than $2½ billion and amounting to more than one-sixth of all such contract awards. The following table is taken from a report of the Department of Defense dated December 27, 1956, and entitled "100 Companies and Their Subsidiaries Listed According to Net Value of Military Prime Contract Awards." It covers the calendar year 1955 and is the last annual period for which the Department of Defense has released figures:

Companies	Millions of dollars	Percent of United States total
1. Boeing Airplane Co.	707.3	5.3
2. North American Aviation, Inc.	700.9	5.3
3. United Aircraft Corp.	587.4	3.8
4. Lockheed Aircraft Corp.	412.7	2.7
5. American Machine & Foundry Corp.	27.4	0.2
6. Chrysler Corp.	17.5	0.1
Total	2,633.1	17.2

Two of the other companies represented—Bath Iron Works and Food Machinery & Chemical Corp.—were among the 100 top corporations which received military prime contract awards during World War II.

Quite obviously some of the large concerns represented on this Small Business Advisory Committee are benefactors, for example, of the so-called weapons system concept of procurement to which the military departments have been so heavily committed since Mr. Charles Wilson became Secretary of Defense. Under this weapons system the Department of Defense makes fewer contracts to purchase some of the principal components which eventually become part of the larger items of defense equipment such as aircraft, naval craft, tanks, large gun assemblies, etcetera. Instead, the Defense Department leaves the important task of spreading defense production almost entirely up to the discretion of the large contractors by means of such subcontracting as the large contractor finds it profitable or convenient to make. This, of course, places thousands of smaller concerns more and more at the mercy of a handful of giant companies with respect to how much subcontracting is done, with whom, and upon what terms and conditions. The dangers in this development must surely be apparent to all.

However, it seems a little naive to assume that an advisory committee such as we have here is likely to present Mr. Wilson with any genuine criticism of fundamentals, such as the "weapons system" concept, or that it will urge the Department to adopt any conditions, other than fine phrases which will insure small business a realistic and fair share of participation in the production of the defense equipment which is ultimately paid for by the taxpayers.

The high percentage of officials from large corporations who have been placed at Cabinet level or near Cabinet level by President Eisenhower has frequently been a source of both serious and humorous comment. It is unlikely that small independent businessmen will find anything humorous about still another advisory group at the policy level which is stacked so heavily with representatives of giant industrial corporations. Last year, which happened to be an election year, saw the creation of a special Cabinet Committee on Small Business. At that time one looked in vain to find a single bona fide small businessman on that committee or even to find one single member who was well known among small businessmen, or among the various associations of small businessmen, as a genuine leader with respect to small-business problems.

Now, to be sure, this new advisory committee on small business procurement problems does contain some genuine small businessmen, albeit they are in a minority. Moreover, my remarks are intended in no way to impugn the personal sincerity of any of the members of this committee who have been called to serve without pay as advisors. But surely the Defense Department can find a more representative group of businessmen to sit in its high councils; surely a number of the present or past leaders of already existing small-business associations in various parts of the country could make a distinctive and creative contribution to such a committee; surely this administration should not hesitate to greatly broaden the base of this advisory committee if its true purpose is to reduce the concentration of military procurement with a few giant corporations and to spread out these taxpayers' dollars among the thousands upon thousands of qualified manufacturers who are competent to participate in our defense effort.

I do not suggest that it is the function of the Congress to provide the executive branch with the advisors with which it surrounds its policymakers. But the Congress, in anticipating the further results upon small business of the procurement and fiscal policies of this administration, should ponder how well connected so many of the advisors of this administration are to a few of the giant corporations of our country.

At this point may I insert the list of members of the Department of Defense Small Business Industry Advisory Committee for 1957:

MEMBERS OF DEPARTMENT OF DEFENSE SMALL BUSINESS INDUSTRY ADVISORY COMMITTEE, 1957

Mr. I. J. Minett, general manager, defense operations division, Chrysler Corp., 341 Massachusetts Avenue, Detroit, Mich.

Mr. L. H. Terpening, L. H. Terpening Co., 16 West 61st Street, New York, N. Y.

Mr. Walter F. Joyce, vice president, Texas Instruments, Inc., 6000 Lemmon Avenue, Dallas, Tex.

Mr. Herbert E. Wolfe, Herbert E. Wolfe Construction Co., St. Augustine, Fla.

Mr. Walter D. Thomas, Manager, Washington, D. C. Office Food Machinery & Chemical Corp., 839 Wyatt Building, Washington, D. C.

Mr. Elton Darby, Southern Sash Supply Co., Sheffield, Ala.

Mr. Arthur A. Boehm, secretary-treasurer, Boehm Pressed Steel Co., 2219 West 63d Street, Cleveland, Ohio.

Mr. Arthur H. Maciasewski, president, A. R. F. Products, Inc., Raton, N. Mex.

Mr. L. B. Bingaman, president and treasurer, Gremco, Inc., 3535 North Sylvania Street, Fort Worth, Tex.

Mr. Leonard C. Mallett, general manager, Pratt & Whitney Division, United Aircraft Corp., East Hartford, Conn.

Mr. John R. Newell, president, Bath Iron Works, Bath, Maine.

Mr. Morehead Patterson, president and chairman, American Machinery and Foundry Co., 261 Madison Avenue, New York, N. Y.

Mr. Rulon Nagely, corporate director of material, North American Aviation, Inc., International Airport, Los Angeles, Calif.

Mr. Frank L. Dobbins, materiel manager, Boeing Airplane Co., Seattle, Wash.

Mr. Ralph J. Osborn, manufacturing manager, Lockheed's Georgia Division, Marietta, Ga.

Mr. Stuart Bailey, president, Jansky-Bailey Corp., Washington, D. C.

Mr. A. D. Piamondon, Jr., president, Piamondon Magnetics Co., 1850 West Hubbard Street, Chicago, Ill.

Mr. E. C. Burkhart, president, Genisco, Inc., 2233 Federal Avenue, Los Angeles, Calif.

Mr. Joseph M. McKellar, Director for Small Business, Office of the Secretary of Defense, Washington, D. C.

Mr. Jack W. Askins, Small Business Adviser, Department of the Army, Washington, D. C.

Capt. Neale W. Curtin, Small Business Adviser, Department of the Navy, Washington, D. C.

Mr. Kennard Weddell, Small Business Adviser, Department of the Air Force, Washington, D. C.

PEANUTS

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, I have today introduced a bill, the passage of which I hope will be helpful to peanut producers. It is intended to increase the normal supply allowed for carryover of peanuts. The bill is as follows:

Section 301 (b) (10) (A) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "15 percent in the case of peanuts" and inserting "25 percent in the case of peanuts."

In the case of peanuts, the present definition of "normal supply" allows for a carryover at the beginning of the marketing year—August 1—of 15 percent of the sum of the consumption and exports used in computing normal supply. This allowance for carryover figured to be 99,000 tons at the beginning of the marketing year, August 1. For the last 5 years the industry has, in order to keep the pipelines open, elected to carry over as of August 1, exclusive of CCC stocks, an average of 134,000 tons. Including CCC stocks, the 5-year carryover has averaged 171,600 tons.

Further, the Secretary announced on February 25, 1957, the Department of Agriculture considered it necessary in order to provide an adequate supply to carry into the new crop year approximately 60,000 additional tons of peanuts in CCC inventory. This resulted in an estimated carryover on August 1 of 205,000 tons. In the judgment of the Secretary, such is necessary to provide reasonable assurance of an adequate supply.

The purpose of this amendment is simply to legislatively put this phase of the program in line with present-day trade practices and the recent administrative action of the Secretary.

The United States Department of Agriculture estimated consumption and exports for the 1957 marketing year at 660,000 tons. Hence, increasing the allowance for carryover to 25 percent would result in an allowance for carryover in computing normal supply of 25 percent of 660,000 tons or 165,000 tons. This will be well within the 205,000 tons the Secretary by administrative action on February 25, 1957, announced as a necessary carryover in order to reasonably assure an adequate supply.

If 205,000 tons are considered a necessary carryover as of August 1, then a legislative allowance for a carryover of 165,000 tons in computing normal supply certainly seems conservative. The present figure of 15 percent only allows for a carryover over of 99,000 tons in computing normal supply.

Each resulting 1 percent lowering of the support price due to inadequate legislative allowance for carryover amounts to approximately $2 million. Hence, an 8 percent lower support price due to this situation totals approximately $16 million. Further, these lower prices will be reflected in the most recent 10-year period of average prices received by growers and under the present parity formula will result in lower parity prices in the future years.

SPANISH WAR VETERANS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, my hat is off to, and I am showering with orchids of affection, the members of the house of representatives and the senate of the great State of Washington.

Time is running out on the aged women in that little and rapidly thinning band of Spanish-war widows who in this period of inflation are striving to keep body and soul together on pitiful pensions of $54.18 a month.

But the great legislators in the State of Washington are not unmindful. By unanimous vote they passed a resolution memorializing us in the Congress of the United States to move our feet and to get on the statute books a law increasing the pension for these aged women. If we do not pass H. R. 358 very soon there will not be many of these aged women left.

Twice this body has provided its wisdom and its nobility by passing a bill increasing to $75 a month the pension paid to these old women. Twice the House has passed this good bill and by unanimous vote. But twice the bill has died in the other body.

I appreciate that there are many important matters both domestic and international that demand our attention, but surely from a human standpoint there is nothing that would be more uplifting to the spirit than to pause just for a moment or two to give a lifting hand to a few old women, the widows of the soldiers of a war in the long-ago yesterdays, who now are struggling and undergoing hardships tormenting to us to contemplate to live on $54.18 a month. I do hope that H. R. 358 will come to the floor of the House before the Easter vacation and that it may be before the other body, I hope and pray, for consideration immediately after the return from the Easter holidays.

I am concluding my remarks with the resolution passed unanimously by the general assembly of the State of Washington. It reads:

House Joint Memorial 18

To the Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the house of representatives and the senate of the State of Washington, in legislative session assembled, most respectfully represent and petition your honorable bodies as follows:

Whereas Congressman BARRATT O'HARA, of Illinois, has introduced H. R. 358 to grant an increased pension for war widows of Spanish-American veterans: Now, therefore, be it

Resolved, That we the house of representatives and the senate of the State of Washington, do hereby memorialize and petition the Congress of the United States of America to pass H. R. 358 without delay; be it further

Resolved, That copies of this memorial be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each Senator and Representative in Congress from the State of Washington.

Passed the house March 2, 1957:

JOHN L. O'BRIEN,
Speaker of the House.

Passed the senate March 11, 1957:

JOHN A. CHERBERG,
President of the Senate.

I hereby certify this to be a true and correct copy of House Joint Memorial 18.

S. B. HOLCOMB,
Chief Clerk, House of Representatives.

THE BUDGET

The SPEAKER pro tempore (Mr. COOPER). Under previous order of the House, the gentleman from Texas [Mr. IKARD] is recognized for 60 minutes.

Mr. IKARD. Mr. Speaker, the present "battle of the budget" is our No. 1 fiscal problem. The controversy raging over our largest peacetime budget in history needs no detailed discussion here. All of the Members of the House are thoroughly familiar with the protests that have arisen as a result of it and the fact that all of us are caught between the rising cost of living and higher tax burdens. There is little question also but what everyone here is fully conscious of their responsibilities, whenever possible, to cut Federal spending so that we may be able to reduce the annual tax levies that are imposed on the people of the country. It is important, though, I think to make several points about the budget itself and the Bureau of the Budget.

This tremendous budget of almost $72 billion represents, I suppose, the considered judgment of the President and his advisers on the fiscal needs of the Federal Government including all programs and policies, foreign and domestic, and their implementation at desired levels of administrative competence and efficiency. At least that is what the Federal budget should represent. Ever since the creation of the Bureau of the Budget, it has acted as the "alter ego" of the President. Through the Bureau, the President is afforded a vehicle whereby he can translate the programs and policies that he favors and recommends into dollars. The Federal budget provides the President of the United States a means for making to the Congress his suggestions for expenditures. The Bureau of the Budget is an agency headed by an officer selected by the President and responsible only to him. It is a Bureau that employs almost 500 people—spends approximately $4 million a year—and works for approximately 12 months with the President and the executive departments of the Government in working out the budget. This budget is a secret document which is not given to Congress—which Congress is not consulted about—which Congress does not know about until it is released by the President on Capitol Hill. As I have suggested, this budget is a representation of the program of the President of the United States presented to Congress.

This year, hardly had the budget document reached us when we witnessed a novel spectacle of several in high places in the executive branch of the Government attacking the budget and inviting us in Congress to slash it without, however, suggesting in any way which programs should be cut or how much the overall budget should be reduced. The present confused state of affairs in which the executive branch of our Government is, in some instances, denouncing the budget which it prepared, can lead only to the conclusion that the whole budgetary system of our Government as we have known it historically has failed. If Congress is to undo within a few months the budget that it took the Executive a year to prepare—if Congress is to be responsible for writing the budget for the executive branch as we have been told that we are this year—then should not the Bureau of the Budget be responsible to the Congress rather than to the execuive branch? If we are each year to play this game of "political hide and seek" about who must prepare the budget and who must be responsible for it, then it is high time we have some real reform in this field. And if the executive branch will not accept its responsibility in suggesting through its budget its program, the Congress must accept that responsibility.

I am not suggesting that the Congress must ever appropriate in accordance with any budget, for at most, the budget has been in the past simply the suggestions of the President, an outline or blueprint of the President's program. The power of the purse is the constitutional birthright of the Congress. We inherited this power from the English House of Commons which won it after a prolonged contest with the British crown. Our Founding Fathers realized that the liberties of the people would not long endure unless the people themselves, acting through their Representatives, should control the purse strings. Our Constitution expresses this birthright in the following way: It provides that no money shall be drawn from the Treasury except in consequence and appropriations made by law; that no appropriations shall be made for the support of the Army for a period longer than 2 years; that all bills for raising revenue shall originate here in this House but that the Senate may amend as with other bills. In exercise of this power of the purse, it is all of our responsibility during this session to make substantial realistic reductions in the spending of our Federal Government. Up to this point, we have made reasonably good progress in this direction under the leadership of the Committee on Appropriations. We have reduced in appropriation bills that have already passed the House or have been reported from the committee something over $800 million. We here in the House have stated by resolution that it is the sense of this body that the level of spending must be greatly reduced, and members of the Committee on Appropriations have asked the Defense Department to restudy their requests so that they might be substantially reduced by $3 billion to $3½ billion. This is good progress, but we must have more. We must maintain this drive against excessive spending and, of course, work greater economies. We must accept more responsibility and more direct control here in the Congress over the everyday spending of Federal funds.

Since I am not a member of the Committee on Appropriations, many of you here may be wondering why I have taken your time in discussing budgetary problems confronting us at this time. The answer simply is this—for every dollar spent, a dollar must be provided in taxes, and the committee on which I serve, the Committee on Ways and Means, has the responsibility of raising that revenue. With income tax rates on individuals ranging from a minimum of 20 percent to a maxmum of 91 percent and the rates of corporations running from 30 percent to 52 percent, it seems to me that the real basic reason for reducing Federal expenditures is to provide tax relief. Taxes are too high. Relief must be given both to individuals and to business, but it must be given in a responsible way. We cannot with any seriousness speak of tax reduction unless our expenditures are substantially reduced, and it seems to me that now is the time this year to make the reductions that are necessary for us to start a general program of scaling down our taxes. The tax rate simply cannot come down until we have cut expenditures.

In the field of taxes, we are also faced with utter confusion in the executive

House has passed this good bill and by unanimous vote. But twice the bill has died in the other body.

I appreciate that there are many important matters both domestic and international that demand our attention, but surely from a human standpoint there is nothing that would be more uplifting to the spirit than to pause just for a moment or two to give a lifting hand to a few old women, the widows of the soldiers of a war in the long-ago yesterdays, who now are struggling and undergoing hardships tormenting to us to contemplate to live on $54.18 a month. I do hope that H. R. 358 will come to the floor of the House before the Easter vacation and that it may be before the other body, I hope and pray, for consideration immediately after the return from the Easter holidays.

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Mr. IKARD. Mr. Speaker, the present "battle of the budget" is our No. 1 fiscal problem. The controversy raging over our largest peacetime budget in history needs no detailed discussion here. All of the Members of the House are thoroughly familiar with the protests that have arisen as a result of it and the fact that all of us are caught between the rising cost of living and higher tax burdens. There is little question also but what everyone here is fully conscious of their responsibilities, whenever possible that are imposed on the people of the country. It is important, though, I think to make several points about the budget itself and the Bureau of the Budget.

This tremendous budget of almost $72 billion represents, I suppose, the considered judgment of the President and his advisers on the fiscal needs of the Federal Government including all programs and policies, foreign and domestic, and their implementation at desired levels of administrative competence and efficiency. At least that is what the Federal budget should represent. Ever since the creation of the Bureau of the Budget, it has acted as the "alter ego" of the President. Through the Bureau, the President is afforded a vehicle whereby he can translate the programs and policies that he favors and recommends into dollars. The Federal budget provides the President of the United States a means for making to the Congress his suggestions for expenditures. The Bureau of the Budget is an agency headed by an officer selected by the President and responsible only to him. It is a Bureau that employs almost 500 people—spends approximately $4 million a year—and works for approximately 12 months with the President and the executive departments of the Government in working out the budget. This budget is a secret document which is not given to Congress—which Congress is not consulted about—which Congress does not know about until it is released by the President on Capitol Hill. As I have suggested, this budget is a representation of the program of the President of the United States presented to Congress.

This year, hardly had the budget document reached us when we witnessed a novel spectacle of several in high places in the executive branch of the Government attacking the budget and inviting us in Congress to slash it without, however, suggesting in any way which programs should be cut or how much the overall budget should be reduced. The present confused state of affairs in which the executive branch of our Government is, in some instances, denouncing the budget which it prepared, can lead only to the conclusion that the whole budgetary system of our Government as we have known it historically has failed. If Congress is to undo within a few months the budget that it took the Executive a year to prepare—if Congress is to be responsible for writing the budget for the executive branch as we have been told that we are this year—then should not the Bureau of the Budget be responsible to the Congress rather than to the execuive branch? If we are each year to play this game of "political hide and seek" about who must prepare the budget and who must be responsible for it, then it is high time we have some real reform in this field. And if the executive branch will not accept its responsibility in suggesting through its budget its program, the Congress must accept that responsibility.

I am not suggesting that the Congress must ever appropriate in accordance tions of the President, an outline or blueprint of the President's program. The power of the purse is the constitutional birthright of the Congress. We inherited this power from the English House of Commons which won it after a prolonged contest with the British crown. Our Founding Fathers realized that the liberties of the people would not long endure unless the people themselves, acting through their Representatives, should control the purse strings. Our Constitution expresses this birthright in the following way: It provides that no money shall be drawn from the Treasury except in consequence and appropriations made by law; that no appropriations shall be made for the support of the Army for a period longer than 2 years; that all bills for raising revenue shall originate here in this House but that the Senate may amend as with other bills. In exercise of this power of the purse, it is all of our responsibility during this session to make substantial realistic reductions in the spending of our Federal Government. Up to this point, we have made reasonably good progress in this direction under the leadership of the Committee on Appropriations. We have reduced in appropriation bills that have already passed the House or have been reported from the committee something over $800 million. We here in the House have stated by resolution that it is the sense of this body that the level of spending must be greatly reduced, and members of the Committee on Appropriations have asked the Defense Department to restudy their requests so that they might be substantially reduced by $3 billion to $3½ billion. This is good progress, but we must have more. We must maintain this drive against excessive spending and, of course, work greater economies. We must accept more responsibility and more direct control here in the Congress over the everyday spending of Federal funds.

Since I am not a member of the Committee on Appropriations, many of you here may be wondering why I have taken your time in discussing budgetary problems confronting us at this time. The answer simply is this—for every dollar spent, a dollar must be provided in taxes, and the committee on which I serve, the Committee on Ways and Means, has the responsibility of raising that revenue. With income tax rates on individuals ranging from a minimum of 20 percent to a maxmum of 91 percent and the rates of corporations running from 30 percent to 52 percent, it seems to me that the real basic reason for reducing Federal expenditures is to provide tax relief. Taxes are too high. Relief must be given both to individuals and to business, but it must be given in a responsible way. We cannot with any seriousness speak of tax reduction unless our expenditures are substantially reduced, and it seems to me that now is the time this year to make the reductions that are necessary for us to start a general program of scaling down our taxes. The tax rate simply cannot come down until we have cut ex-

branch of the Government. The President in his budget message and his economic report advocated tax relief to small business in line with recommendations of his Cabinet Committee which studied that subject. This tax relief recommended involves a revenue loss of $600 to $700 million a year. Here we find another apparent instance of internal disagreement in the executive branch, for the Secretary of the Treasury has stated that, although he believes in a number of recommendations of the Cabinet Committee that fall within the category, in his judgment there are "a lot of good things you ought to do" but which he opposes because they would result in substantial revenue loss:

In almost every field of taxation there has been a statement and then a contradiction by responsible people in the administration to the point that the situation is now so muddled and confused that there is no apparent policy in existence. It is, therefore, the responsibility of us here in the Congress to immediately develop a program with regard to taxes which would provide for the financing of the operations of the Government. The total budget receipts for the fiscal year 1956 were $68.1 billion. The 1957 estimate is $70.6 billion. The 1958 estimate is $73.6 billion. The bulk of these revenues are provided by the individual and corporate income taxes which are estimated to produce $41 billion and $22 billion, respectively, for the fiscal year 1953. If the Treasury estimates for the fiscal year 1958 are as low as they have been in recent years, the actual revenues produced for the fiscal year 1958 will be larger by at least $3 to $4 billion if present economic conditions continue. These vast sums taken from the earnings of the American people have generated many inequities and hardships and have built tremendous pressures for tax revision and tax relief. There can be no question but what tax relief is necessary. But to state that tax relief is necessary brings into focus the hard question of what kind of relief should be granted and how it should be distributed between the various segments of the American tax-paying public. Almost any segment of our economy can make an excellent case for tax relief and point to hardships that are worked on them by the present tax law. There can be little argument, however, that the next tax relief granted by Congress should be for the primary benefit of the individual taxpayer. The bulk of the revenue derived from the individual income tax are produced at the first bracket. Roughly, 50 million of our 71 million individual taxpayers pay taxes at the first bracket rate. I am counting married couples who filed joint returns as two taxpayers for this purpose. Only approximately 16 percent of the total yield of the individual income tax is provided by graduation above the first bracket when one looks at the whole income range. This indicates that our individual income tax is not as progressive as a glance at section 1 of the code would make it appear. As a matter of fact, about the only progression enjoyed by taxpayers at the first 2 brackets is provided by the $600 personal exemption allowed to the taxpayer for himself, his wife, and his dependents.

We have not heard nearly as much recently about the burdens imposed on the individual taxpayer these days as we have about the burdens imposed upon small corporations. Certainly I am not opposed to any tax relief to small corporations. I would be in favor of it; however, even a cursory examination of the rate proposal put forth by the President's Cabinet Committee and the leading proposals for tax relief of small corporations introduced by Members of Congress indicates clearly that very few small businesses would be benefited by them. None of these leading proposals would give tax relief to individual proprietorships or partnerships even though they represent the vast majority of small American business. The proponents of these bills will argue that under the present code the sole proprietorship or partnership may elect to be treated for tax purposes as a corporation and that this procedure is provided for in section 1361 of the 1954 Revenue Code; however, the facts do not sustain this argument. The code does permit individuals and partnerships to elect irrevocably to be taxed as corporations; however, less than 46 elections have been made under this section to date. This small number of elections to be treated as corporation results from the uncertainties engendered by the failure of the Internal Revenue and the Treasury Department to issue regulations under this section. If the recommendations of the President's Cabinet Committee or provisions of H. R. 7 were adopted, the pressures would be increased under section 1361 of the code. But even so, it is now apparent that little relief would come to the small unincorporated businessman. These pressures would increase because on incomes up to $25,000 a year would be subject under the Cabinet Committee's proposal to only a 20 percent rate, and under the provisions of H. R. 7 a 22 percent rate, while at today's rate an individual proprietor or partner whose taxable income from his trade or business equals $25,000 is subject to a tax rate of 59 percent or 43 percent if he is married.

Small unincorporated businesses represent by far the great majority of small business in this country. For example, of the total business filing income tax returns for 1953, corporations constituted only 7.45 percent of the total. Of businesses filing income tax returns showing net income, corporations constituted only 5.81 percent of the total, and corporations constituted only 14.5 percent of business filing income tax returns for 1953 which showed no net income. It is apparent, therefore, that corporations represent a small minority of the total business population of our country. Interestingly enough, corporations showing taxable net incomes in excess of $250,000 represented less than 3 percent of the total number of corporations reporting net income but they paid well over 80 percent of the total taxes paid by corporations. Now let us compare the corporate figures with those in the individual income tax group. In 1953, the lowest individual income group, which is adjusted gross income of under $5,000 counted for 47 percent of the total adjusted gross income reported by individuals. The middle income group adjusted gross income, from $5,000 to $10,000, accounted for 36 percent of adjusted gross income reported by individuals. Together these two groups accounted for 83 percent while the highest income groups adjusted gross income above $10,000 accounted for only 17 percent of the total adjusted gross income. In other words, the bulk in revenues derived from individual income tax is accounted for by the lower income tax payers while on the other hand, the bulk of income derived from corporate income tax is accounted for by the corporations having incomes in excess of $250,000 a year. It is, therefore, apparent that relief to small business which would be confined to small corporations would be limited in its application and, in fact, would not reach many of those in the small business field who need the relief the most.

We are told that as a rough measure, we can say that 1 percentage point of the corporate normal tax is worth about $400 million a year in revenue and 1 percentage point at the first bracket of individual income is worth about $1 billion in revenue. Utilizing these rules of thumb one has but to pick up a copy of a bill incorporating one of the many current proposals for relief to small corporations to discover that the revenue losses are fabulous when compared to the very limited distribution of the relief. For example, I examined a copy of a bill, which has been widely endorsed, just the other day. I noted that the corporate normal tax would be reduced 20 percent by the bill and that the surtax exemption would be raised from $25,000 to $150,000. Applying the rule of thumb mentioned above, we immediately accounted for $4 billion in revenue losses or almost exactly the same amount that would be lost by cutting the first bracket back in the individual income from 20 percent to 16 percent. After checking this, I immediately remembered that 50 million of our 71 million taxpayers pay taxes at the first bracket rate, and that only $2½ billion would be lost in revenue by providing an increase of $100 in the $600-exemption now accorded to taxpayers for themselves, their wives, and their dependents.

Let me repeat that we here in Congress must accept the responsibility of materially reducing the expenditures proposed in the President's budget, that the reductions that we make must be sufficient to enable us to commence a program of general tax reduction and still keep the operation of our Government on a sound fiscal basis. We cannot expect either the individuals or American business to endure for much longer the highly oppressive tax rates with which they are now saddled. We cannot expect the people to continue to pay taxes that were imposed during World War II and the Korean emergency for an indefinite period. The first tax relief that is granted should be given in the area where it will reach the most people and do the most good for individuals and small businesses, and this cannot be accomplished by giving tax relief only to small corporations or other selected groups.

THE YANKEE HOMECOMING OF 1958

The SPEAKER pro tempore (Mr. COOPER). Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, instead of using all of my time, I am simply going to place in the RECORD a speech that I made some time ago regarding the Yankee homecoming of 1958. It should have gone in the RECORD at that time, but through an inadvertence, it was not placed in the CONGRESSIONAL RECORD. I hope that the Members will read the description of the Yankee homecoming and that in 1958 all of my colleagues will come up into New England and into Yankee-land. I assure you we will give you an extremely warm welcome.

Mr. Speaker, I rise to draw attention to a short statement by Jack Frost, president of the movement called Yankee Homecoming, a statement made to New England Members of Congress today. It is descriptive of what we can do to encourage our so-called Yankees to come back to New England and show the rest of the country and the world the advantages of settling in New England and bringing industries to New England.

My district, of course, is in Massachusetts and I live in the midst of a very historic area which played a dramatic part in the American Revolution when the first blow for freedom was struck. I have three very fine national defense industries and many others in my district. I am, naturally, very devoted to Massachusetts and also to my native State, Maine. We have a wonderful section of the country, Mr. Speaker, with almost any climate at one time or another during the year. It is a changeable climate, but we have a very, very wonderful country, Mr. Speaker, and I hope all of the Members of Congress will encourage their constituents to visit New England during the Yankee Homecoming of 1958.

Mr. Speaker, at this point I include as part of my remarks the statement above referred to by Jack Frost on this subject:

WHAT IS A YANKEE?

To Europeans any American is a Yankee; westerners call folks east of the Mississippi Yankees; and some southerners call all northerners Yankees. Back in the old days Yankeeland was that area touching Passamaquoddy Bay on the northeast and including all New England and that part of New York east of its first river.

But we feel Yankee is not race, religion or geographical designation, that it is a creed, a belief in American ingenuity, free enterprise, and respect for another's rights, property, and personal liberty.

Are you a Yankee? There is a big welcome awaiting you in the New England States in 1958. This is a year-long promotion beginning in 1958.

WHAT WILL THE PLAN COST?

Yankee Homecoming, impressive as it will be, should not cost one extra dollar of anybody's money. The entire project will cost over $1 million to promote, and it will have an incalculable impact.

The amazing thing about this promotion is that the dollars spent will not be extra dollars, but the same dollars usually spent separately by States and industries, directed now toward a central theme, namely Yankee Homecoming. So that instead of scattered minor impact, competitors, noncompetitors, State and local government agencies and private industries channel the same money in dynamic fashion into a basic theme and thus make an effective impression on the entire country.

Businessmen realize that 2 or 3 department stores in the same area will individually do more volume than if 1 store were alone, for the group makes the area a shopping center. Likewise, the New England States pooling their resources and working in unison can win more business for each State than through the lone-wolf approach used in the past. Everybody will want to be there in 1958.

The homecoming theme is big enough and poignant enough to sustain an entire year's activities, not just one season. Thus double benefits accrue by spurring off-season tourist travel—in magical winter, glorious spring and lovely Indian summer—when New England is at its best and when accommodations are most plentiful. Just picture the autumn foliage pilgrimage up and down Yankee trails.

I personally have an investment equity of $34,000 in Yankee homecoming. I hope to recover it and make myself a dollar, too. But my greatest satisfaction will be in stirring the pulse of my native New England.

Although one or two principles are not mentioned, the following firms and individuals are among the small nucleus responsible for helping me when my own resources became limited, so that we could continue with this plan. They are: Sherman L. Whipple, Jr., president, Wiggin Terminals; S. Bruce Black, chairman, Liberty Mutual Insurance Co.; New England Electric Co.; Joseph Sullivan, Lowell printer; Paul T. Rothwell. Without these civic-minded gentlemen who believe in volatile salesmanship to tell the New England story, Yankee homecoming would still be just an idea.

INDUSTRY SUPPORTS THIS NOVEL INDUSTRIAL AND TRAVEL PROMOTION

Massachusetts industrialists are furnishing the secondary capital to get Yankee homecoming rolling on a New England-wide basis after initial expenditures by Jack Frost. Major capital will come from similar sources throughout the 6 States because of the fundamental soundness of the plan. Its basic principle goes back to a fable writer of several centuries B. C.

Aesop wrote of the farmer who called his sons to him and gave them a bundle of sticks to break, which none of them could accomplish. He then untied the bundle and gave them sticks to break one by one, which they did easily.

"Thus, my sons, as long as you remain united, you are a match for all your enemies; but differ and separate, and you are undone."

Yankee Homecoming organizes the New England States to work together and prosper together in such fashion, thus increasing the impact and decreasing the individual cost.

PUBLIC CAN BOOST "HOMECOMING"

The public, as well as State governments and industry, can boost Yankee Homecoming a year in advance.

When a letter is written or a card posted, mention the grand pilgrimage of pageantry that will take place in 1958. Of course, official Yankee Homecoming postcards will be available in 1957 for certain areas, showing a picture and description of the forthcoming event in that area. Use these. There are other items of fine souvenir and gift value that will be made available to the public for 1957.

Everyone loves a parade or a pageant, but so, too, does everyone love to participate. So check with your local chamber of commerce, mayor, or homecoming committee and become a part of the festivities in your town. It is hoped that at least half the towns and cities in New England will participate in the effort. Because, no matter where a tourist may be during homecoming, we want him to feel welcome and a part of the community.

Its appeal to States is that each State will profit in its turn as this gigantic "moving world's fair" of New England rotates from State to State in its major activities, each of 52 homecoming weeks apportioned according to season and events. The homecoming committee will work with clubs, organizations, chambers of commerce, church groups, and other existing bodies and agencies, organizing the manifold field activities. Prominent Yankees in show business, the arts, and letters will be invited back to their birthplaces and add to the zest at welcomings and festivals.

WHO WILL BENEFIT AND HOW?

First, the touring American public as a whole will benefit from exposure while at their leisure, on vacation, to the basic concepts of free enterprise and individual freedom that began in the six New England States. It will be a sort of patriotic rebirth.

Secondly, New England as a whole will benefit, not only from the extra tourist dollars that will result, but from the rubbing of elbows with the rest of the world, and by having once again as in olden times, "a guest in the house."

Thirdly, hotels and restaurants will benefit, both from the tourists and industrialists who will return on vacation and from the conventions of firms whose early beginnings were in New England. Travel and transportation people will benefit here and throughout the United States. The greatest benefit will come to the six New England States which, by working together like the husbandman's sons in Aesop's story, will learn the advantages of joint promotional efforts.

In addition to numerous reconstructions of old Yankee life such as the forthcoming Mayflower Passage, Old Sturbridge Village in Massachusetts; Shelburne Museum in Vermont; Mystic Seaport in Connecticut, we have Yankee villages that are shrines of themselves.

We have scores of "Williamsburgs," except they have been here, not "funded" by the Rockefellers, just parts of our living Yankee past from which many pioneers set out. Places like Nantucket and Cape Cod, Mass.; Camden, Maine; Old Lyme, Conn.; Portsmouth, N. H., parts of Bristol, Old Newport, R. I.; Stowe, Vt. (or any little Vermont town.).

Add local citizens in period costumes and you have an event; add mayors, Governors or Congressmen, famous citizens who have come home and you have a big event; add parades, pageants, and good down-East food, and you have a festival.

We have lobster and seafood festivals; art and music festivals; ham and bean suppers and clambakes; foliage and sugaring-off festivals, add to these, scheduled family reunions, college reunions; seminars, symposiums, conferences; conventions and grant tours, toss in a few delegations of distinguished guests from foreign countries, States such as California, New York, Florida, where there are myriad "expatriate" Yankees; a few steamshipfuls of expatriates from abroad and European relatives of those who came here.

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Mrs. ROGERS of Massachusetts. Mr. Speaker, instead of using all of my time, I am simply going to place in the RECORD a speech that I made some time ago regarding the Yankee homecoming of 1958. It should have gone in the RECORD at that time, but through an inadvertence, it was not placed in the CONGRESSIONAL RECORD. I hope that the Members will read the description of the Yankee homecoming and that in 1958 all of my colleagues will come up into New England and into Yankee-land. I assure you we will give you an extremely warm welcome.

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from Scandinavian nations, France, Germany, Italy, the British Isles, and you have a glamor and excitement that'll be hard to beat.

The industrial homecoming that is part of the plan (inducing New England's "barefoot boys" of yesterday, who have captained huge plants west and south to come back to their New England and build plants for 100 or 10 employees, and "live" while they "work") will help reduce tax rates by increasing the number of local industries.

We would appreciate your endorsement of our project, your collective good will, and a continuation of the enthusiastic individual support that we have already received from several members. Thank you for the pleasure and the privilege of speaking to you.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

Mr. SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

HOUSE RESOLUTION 85 IS EXPECTED TO BE CONSIDERED WEDNESDAY, MARCH 27, 1957, ON MONETARY STUDY

Mr. PATMAN. Mr. Speaker, during the past month the Committee on Rules of the House of Representatives has held rather lengthy hearings on House Resolution 85. These hearings were marked by a rather unusual departure from the normal hearings held by the Rules Committee. Usually only Members of the House are heard by the committee. This time the committee was asked to hear witnesses other than House Members, who wished to appear in opposition to House Resolution 85. Among those heard was the Under Secretary of the Treasury, Dr. W. R. Burgess, who opposed the resolution on behalf of the administration. The main burden of Dr. Burgess' opposition stemmed from his unequivocal conviction that a single congressional committee could not command the confidence of the public and could not get the time of the best people to come before it or to serve as experts. This is an entirely new charge. Heretofore single Congressional committees in the other body or this body have not experienced any trouble getting the best experts. I endeavored to answer this point in my testimony at the close of the hearings before the Rules Committee, March 13.

The hearings before the Rules Committee were transcribed so that a permanent record is available. I have taken the time to excerpt portions of Dr. Burgess' testimony relating to the competence of a single congressional committee to do this study. I have excerpted in addition a portion of Representative BROWN's remarks relating to the virtues of a study commission such as is proposed by the Executive. It is inserted herewith:

Under Secretary Burgess states that "dedicated men would not agree to serve with an investigation simply conducted by one committee of this body. They wouldn't think it was good enough."

Mr. O'NEILL. One other thing, Mr. Burgess: Here we are supposedly the world's greatest legislative body.

Secretary BURGESS. We are.

Mr. O'NEILL. We are.

You haven't enough confidence that this body could get dedicated men to do a job without bringing in substantial businessmen?

Secretary BURGESS. It is conceivable; yes. I think it is.

Mr. O'NEILL. How about these men you mentioned that you would like to see working in the committee?

They are dedicated men, and wouldn't they work as part of a task force?

Secretary BURGESS. My judgment, Mr. Congressman, is they would not agree to serve with an investigation simply committed by one committee of this body. They wouldn't think it was good enough.

Mr. O'NEILL. That is all.

* * * * *

Mr. BROWN of Ohio. It has been my experience on commissions that the commissions generally do spade work and get a lot of the roughage out of the way and bring up facts and information for the use, first, of the commission on which to base its report and recommendations, which are then made available to Congress, with all that testimony, so that the Congress doesn't have to go over all of it again, but does have something to refer to, and in that respect I disagree with my friend and think that a commission operation is very helpful because it does save the time of Congress and the Congressional committees. (Hearings before Rules Committee, February 28, 1957.)

STATEMENT BY WRIGHT PATMAN, MEMBER OF CONGRESS, CONCERNING HOUSE RESOLUTION 85, FEBRUARY 20, 1957

Mr. Chairman and members of the committee, at the last meeting of the Rules Committee, I explained why I believe a full and complete study of our national monetary and credit policies and the adequacy of our financial facilities is needed. I also gave the reasons why I felt that Congress rather than the Executive or outsiders named in part by the Executive should conduct this study.

Following my presentation, it became clear from the questioning that your committee wanted to know what specific objectives I had in mind in offering this resolution; what specific areas did I feel ought to be looked into.

Let me say first in answer to the chairman's question as to whether I think the Banking Act of 1935—the Glass-Steagall Act—should be amended, that it will depend upon the findings that the committee makes after it has looked into the functioning of our financial facilities. If it is found that any changes in the laws and regulations governing their operation are needed to improve our ability to meet the credit and capital requirements of an expanding economy and to preserve our competitive enterprise system, then amendments may be suggested to strengthen existing banking laws, including the Glass-Steagall Act.

Another question by Representative COLMER was directed toward the problem of inflation control. This unquestionably should be an important part of the study. One of the things that has impressed me is that rather severe monetary restraints have been imposed—6 increases in the rediscount rate in 1 year—and interest rates have been forced up clear across the board without visibly curbing important price increases. It is also evident that general credit controls impose excessive burdens upon some groups in the economy who scarcely affect inflationary trends while other groups that exercise an important role in the inflationary spiral are scarcely touched by general credit controls.

So the study should very definitely look into the effectiveness and adequacy of Federal Reserve techniques for fighting inflation. Of course in this whole question of what constitutes inflation, we should want to look into the distinctions between normal and necessary expansion and an inflationary trend. And, similarly, in fighting inflation with monetary weapons, we will want to make sure that we don't promote monopoly and keep postponing urgent school construction and housing. So we will have to find ways and means of permitting certain public programs to move ahead and small business to get the credit it needs.

These are only a few of the questions that would be covered by the study. There are many others. Let me mention briefly some others I think will need careful study:

1. The question of required reserves of member banks needs looking into, particularly the level of reserve requirements and differential reserve requirements.

2. When first conceived by Carter Glass, the Reserve System was supposed to be essentially a system of regional banks designed to assure that credit would flow in needed amounts to the different regions of the country. The regional system was supplanted by a central bank in 1935. Now we find that chronic deficits in credit are being experienced by some regions while credit is plentiful in others. I note, for example, that FNMA will buy mortgages at 95 in some regions and say 91 or 88 in others. In other words, this is a reflection that money is more accessible in some places than others. The study should find out the extent of these variations; what causes them; and how they can be overcome.

3. Many new and greatly expanded sources of credit have developed in the last 20 years that are out of reach of monetary controls. Institutions that compete for savings and make credit available are subject to different regulations and laws. We need to look at the laws and regulations governing all public and private institutions.

4. Finally, there is this question of the status and responsibility of the Federal Reserve System.

Let me point out several things we need to consider. There are no vacuums. As nature abhors a vacuum, so does politics. The question of control of the Federal Reserve is a very vital question that affects the lives of every single American. It affects our free-enterprise system.

It is contended that the Federal Reserve should be kept free from political pressures. But what about other kinds of private pressure and influence? What safeguards or controls does the public have to assure that such influences are not being exerted?

Well, it is said that the Federal Reserve is responsible to Congress and that this affords the protection the people need. But how responsible is the Federal Reserve to Congress? I have here in my hand correspondence between the Chairman of the Federal Reserve, the Chairman of the House Government Operations Committee and the Controller of the General Accounting Office. The correspondence discloses that the Chairman of the Federal Reserve refused to allow the Controller of the GAO to conduct an audit in accordance with instructions from the chairman of the House Government Operations Committee. This was a case of the agent refusing to make an accounting to the principal.

Let me show you what is involved here.

Many Members complain about waste and uncontrolled expenditures of taxpayers' funds. I have yet to hear a single Member complain that he has no way of controlling a single penny that is spent by the Federal Reserve, which gets its funds from the taxpayers and is a public agency of the Congress.

Here are some figures that may interest you.

From 1946 to 1956, the 12 Federal Reserve banks received interest on United States

Government securities and profit from sales of such securities amounting to a total of $4,002,588,985. Their net current expenses, excluding outlays for which they were reimbursed by other public agencies with public funds, totaled $1,008,041,864. In other words, the interest they received from the Treasury made it unnecessary for them to come to Congress to ask for appropriations and thus Congress could not control or review expenditures of public funds.

Let me point out that the powerful New York Federal Reserve bank received nearly $1 billion from the Treasury in interest and from profit on sales of United States securities in the same period. Again, it spent $216 million for net current expenses out of public funds over which Congress had no control and no power to review or audit.

So it seems to me that an important area for study by the committee will of necessity be the question of responsibility and accountability of the Federal Reserve.

The questions which a monetary investigation should answer, stated first in broad terms, are:

1. Just what part do monetary controls play in influencing the total volume of economic activity and in influencing the types of economic activity?

2. Can monetary controls be made effective in promoting stable economic growth?

3. What changes, if any, should be made in the types of controls available to the Government, including changes in authority to bring under control types of credit creating institutions now not subject to control?

4. What changes are indicated, if any, to make the system of financial institutions better serve our traditional objective of maintaining a free competitive enterprise system?

When the Federal Reserve System was created it was not then with the theory that its function was to promote economic stability—that is, to lean against both the winds of inflation and deflation. This role is somewhat new and one which has been assumed, or thrust upon the system, piecemean and perhaps, without sufficient authority for performing the role. Furthermore, great changes in our economic system have taken place since the Reserve System was created. It is not of course the sole creator of money; the Treasury activities have become more and more a deciding factor in the money supply. Great pools of savings have been built up in nonbanking institutions such as the insurance companies, which are outside of the control of the system. Yet credit policies of these institutions, as well as their buying and selling of Government securities, play a major role in the credit supply. Large pools of savings have grown up in pension funds, which are important holders of Government securities; and the giant industrial corporations now hold many billions of dollars in savings, much of which is in Government securities.

A variety of Federal credit agencies has grown up as have mutual savings banks. Furthermore, commercial banking operations have changed; in place of the near-exclusive financing of short-term business paper which was contemplated as a commercial banking function, the commercial banks are now heavily involved in consumer credit, mortgage loans, and business financing of a rather long-term type. In short, we now have many governmental agencies creating credit whose policies and influences may at any given time go in opposite directions. We have other financial institutions creating credit outside of any coordinated control.

Some of the more specific questions to be answered are these:

1. Since such a large share of credit is created by institutions which are now outside the control of either the Federal Reserve System or the executive branch of the Government, just how effective is the Federal ability to control the money supply?

2. What is the proper division of responsibility or the proper means of coordinating policies of the Federal Reserve Board, the Treasury, and the various Federal lending agencies?

3. Are activities within the Federal Reserve System itself coordinated, or may the activities of the Open Market Committee go in opposite direction from the Board's action?

4. Does a general contraction of commercial bank credit have an even impact on various types of economic activity, or is the impact greatest on those very kinds of activity which it is public policy to encourage? For example, does the general credit squeeze contract mostly home building and road building, and if so, how should Federal policies for extending credit for these activities be coordinated?

5. What effect does a general credit squeeze have on consumer credit, and what effect does raising interest rates have on the volume of consumer credit when marginal consumer-borrowers are already paying effective interest rates ranging upward to 50 percent per annum, and apparently, most consumers do not actually know what interest rates they are paying?

6. What effect, if any, does raising interest rates have on the volume and type of business credit; in other words, do the quasi-monopolistic firms simply raise prices and then borrow for business expansion, while smaller, more competitive firms are perhaps discouraged from borrowing enough to finance present inventories?

7. How does it happen, as appears to be the case, that the credit restraints squeeze out smaller business borrowers while giant corporations continue to get all of the credit they wish to have?

8. What precisely has the Federal Reserve Board done to restrain the growth of credit other than to raise interest rates, and would some other method, such as increasing reserve requirements, accomplish the same credit restraint without raising interest rates?

9. Should the Federal Reserve Board have authority to use selective credit controls such as controls on consumer credit and controls over big business borrowings?

10. Does increasing interest rates actually contract the supply of credit, or does this merely price some activity such as home building and school building out of the market?

11. Does raising the interest rates actually bring about an increased volume of savings?

12. Do interest rates influence the volume of investment?

13. What effect does increased interest rates have on families of different income levels? That is, do the increased rates merely add to the cost of living to the lower-income families and cause them to save less, and do increased interest rates cause the higher-income families merely to divert venture capital into securities?

14. The commercial banks use very little of their privilege of discounting and borrowing from the Federal Reserve banks, and the discount rate appears to have little to do with how much the privilege is used; how is it then that a raise in the discount rate is a signal which raises interest rates throughout the economic system?

15. Is it proper to allow the price of Government bonds to fall below par?

16. While the Federal Reserve Board talks in terms of a free market price for Government securities, it also admits that there is an unspecified range beyond which it will not allow the price to fall. Should this range be clearly specified so that all bond purchasers will know equally what their Government intends to do, or should the matter be left vague so that those bankers who are able to anticipate the thinking of the Board will be on the inside track?

17. Life insurance companies appear to have a system for making home mortgage loans in most of the small towns of the country. Why is it then, as it appears to be the case, that these companies lend to big business but have no mechanism for lending to small business?

18. Why is it that despite the theory of the Federal Reserve System, interest rates for identical types of credit, for example, mortgage credit, are higher in some parts of the country than in others?

19. Does the present system whereby the Federal Reserve System is augmented by a system of correspondent banks result in the big city banks and the customers of these banks having first call on available credit?

STATEMENT OF REPRESENTATIVE WRIGHT PATMAN, DEMOCRAT, OF TEXAS, BEFORE THE HOUSE RULES COMMITTEE ON HOUSE RESOLUTION 85, MARCH 13, 1957

Mr. Chairman and members of the committee, I want to thank the committee for this opportunity to appear before you. I know it has required a great deal of patience on the part of the members to sit here and listen to extensive testimony on this resolution.

It is apparent, however, from the distinguished witnesses who have asked to appear before you and testify on House Resolution 85 that the subject matter of the resolution is considered to have more than just passing significance. If there were any doubts at the start of this hearing about the intense national interest in our monetary policies, the state of our financial structure and institutions, the Government's lending and insuring agencies, and the Government's role in monetary affairs then those doubts should be resolved by now. Therefore, I am not going to take up the time of the committee today in restating the reasons for this study or the matters that need looking into. However, I do want to put into the record the statement I sent to the members following my earlier appearance before the committee which covered those points.

I have asked to be heard briefly at this time so that I might have the opportunity to respond to some of the objections that have been raised against a single congressional committee conducting the proposed monetary study.

You have heard the witness for the administration, Dr. Burgess, state quite unequivocally that he was certain no single committee of the Congress could command the services of the very best experts and technicians needed to help do this job, while a commission appointed by the President would have no difficulty getting them to serve.

When I heard Dr. Burgess make that statement, I was shocked. I just did not believe that our fine economists, monetary experts, and other technicians would refuse to cooperate with a single congressional committee. So I sent a telegram out to a group of outstanding economists at the universities and in private research organizations. I asked them whether Congress could count on nonpartisan expert assistance, such as their own, in the event a congressional study went forward.

In fact, I sent them a wire stating:

"Those opposing congressional study of monetary policy and financial institutions warning that unless guided by banking community, there will be no hope of getting high-level, expert assistance. Can Congress count on effective nonpartisan assistance such as your own in event congressional study goes forward? This, of course, implies no personal commitment to serve but expression of your attitude."

Government securities and profit from sales of such securities amounting to a total of $4,002,588,985. Their net current expenses, excluding outlays for which they were reimbursed by other public agencies with public funds, totaled $1,008,041,364. In other words, the interest they received from the Treasury made it unnecessary for them to come to Congress to ask for appropriations and thus Congress could not control or review expenditures of public funds.

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Here are the replies I received:

"You can certainly count on every assistance. There is a tradition of candid and friendly cooperation between congressional committees and economic experts, and you have done much to foster it yourself. A congressional study, which in the nature of the case will be broadly based and conscious of all people and points of view, would be far more attractive to independent scholars than a commission dominated by the administration. The latter would be handicapped for obvious reasons in examining present policies including those affecting farmers and small-business men as well as the reasons for the failure to control living costs. As a result there would be overwhelming temptation to bury the important issues in generalities and words. Am not being critical. This is usual result when an interested body, whatever the party, examines itself.

"J. K. GALBRAITH,
"Professor of Economics, Harvard University."

"I am not a financial expert; am sure experts willing to cooperate in proposed inquiry.

"J. M. CLARK,
"Professor of Economics,
"Columbia, University."

"The undersigned reject implication that our assistance on study of monetary policy and financial institutions would be forthcoming only if conducted outside of Congress. An independent and objective study is needed, and Congress can count on our assistance in making such a study.

"WALTER W. HELLER,
"Professor of Economics,
"JOHN H. KAREKEN,
"HARLAN M. SMITH,
"University of Minnesota."

"Badly need investigation of the monetary problems; this investigation should be undertaken by the Congress, not by the administration. This is not a problem for bankers alone; they should, of course, contribute, but the whole theory behind the Federal Reserve is that money is a public utility for which the public interest is the dominant consideration. This is the one commodity which is not monopolistically controlled and for which the Government at all times must take some responsibility both for supply and price. The Robertson committee largely composed of bankers has already reported it is particularly desirable that the sellers of the commodity should not be responsible for the investigation, because they are an interested party; and because a crucial issue is the increased participation of the other financial intermediaries who compete with the bankers. In my opinion, the economists of the country would be more interested in contributing to a nonpartisan investigation if it were broadly sponsored than if it were an investigation for which bankers were responsible.

"SEYMOUR E. HARRIS,
"Professor of Economics and Chairman of Department of Economics, Harvard University."

"Re your tel is difficult to answer your question precisely. Colleges less able to spare faculty members for Government work than in the past. Moreover, professor generally less enthusiastic about present Federal Government as useful place to work but importance of monetary policy investigation is so great that I feel sure academic experts would try to help you to fullest extent possible. Some very able and still vigorous retired professors also probably available. Am personally unavailable at present time.

"PAUL M. O'LEARY,
"Professor of Economics,
Cornell University."

"Strongly endorse congressional study of monetary policy and financial institutions. Congress can unquestionably count on effective nonpartisan assistance from university economists.

"Dr. ALVIN H. HANSEN,
"Harvard University."

"Will be glad to cooperate. Surely every reputable economist will cooperate with any congressional committee.

"Prof. EVERETT E. HAGEN,
"M. I. T."

"Am sure professional economists and other nonpartisan experts will cooperate gladly with Congress on this occasion as in the past. Am personally happy to serve if called.

"BENJAMIN ENSMINGER,
"Professor of Economics,
"Massachusetts Institute of Technology."

"Will be glad to offer any possible assistance in congressional study of monetary policy and financial institutions. Do not agree that high level expert assistance depends upon guidance by banking community.

"WM. H. MICKEWICZ,
"Director, Bureau of Business Research, North Eastern University."

"Retel in my opinion Congress will be able to obtain nonpartisan expert assistance in any study involving monetary policy.

"Dr. SIDNEY ROLFE,
"Economist, Commercial Investment Trust, Financial Corp., New York."

"Re your telegram I will be glad to do everything possible in light of prior commitments. Feel sure most economic experts will cooperate in congressional study.

"Dr. V. LEWIS BASSIE,
"Director, Bureau of Business Research, University of Illinois."

"Your telegram March 1st believe Congress can count on effective nonpartisan assistants in study of monetary policy, such assistance available in past.

"ARTHUR R. BURNS,
"Columbia University."

"I shall if called upon be glad to furnish any and all assistance that I can to a congressional study of monetary policy.

"LEON H. KEYSERLING."

"Referring to your telegram on study of monetary policy. Regardless of any individual preference for one approach as against another, I would certainly, if requested, do my utmost to render nonpartisan assistance to any study initiated by the authorities. Congress can therefore count on such assistance. Regards.

"H. CHRISTIAN SONNE,
"Chairman, Board of Trustees, National Planning Association."

"Nonpartisan experts certainly generally willing to help congressional committees studying matters like monetary policy.

"RICHARD A. LESTER,
"Chairman, Department of Economics, Princeton University."

"Many academic financial experts would cooperate in a monetary study.

"Prof. PAUL A. SAMUELSON, M. I. T."

"You can ccunt on my cooperation.

"Prof. LOREE TARBELL,
Stanford University."

"Personally not qualified for study of monetary policy but have no doubt your committee can get services of independent competent economists.

"Prof. EDWIN E. WITTE,
"Chairman of Department of Economics, University of Wisconsin."

"In reply your wire, positive Congress can count on assistance from economists in study of monetary policy. In my opinion, desirable coordinate congressional study with executive department inquiry if one is contemplated. Even so, seriously doubt whether congressional study would fail to receive wholehearted cooperation from economists and financial experts.

"WILLIAM HABER,
"Professor, Economics, University of Michigan."

"Great majority of economists and monetary experts, both public and private, would cooperate fully in any responsible congressional study of monetary policy and financial institutions.

"HOWARD R. BOWEN,
"President, Grinnell College."

"Strongly support your effort to keep study of monetary policy and financial institutions on objective basis. Am sure that effective nonpartisan assistance can be provided if study is organized.

"JESSE BURKHEAD,
"Professor of Economics, Syracuse University."

"I am confident that expert nonpartisan assistance will be available for any dispassionate inquiry into monetary policy.

"Prof. JAMES TOBIN,
"Yale University."

"Responding your wire, wish to assure you that we would certainly be prepared to assist any group authorized by the Congress to study monetary policies and financial institutions.

"ROBERT R. NATHAN ASSOCIATES, INC."

"In reply to your wire, assure you that I would be glad to be of nonpartisan assistance to congressional committee in fields of my competence.

"Dr. GERHARD COLM,
"Director of Research, National Planning Association."

"Congress can always count on high level expert assistance from economics profession whether for congressional committees or Presidential committees authorized by Congress.

"Prof. BEN W. LEWIS,
"Oberlin College."

These telegrams should remove any doubts about whether a single congressional committee can get objective, unbiased, outstanding experts from private life and our great universities to serve and assist on the proposed monetary study.

In addition to the objection that a single committee might not be able to recruit a staff of sufficient standing to help do an effective job, some witnesses expressed the fear that a study undertaken by a congressional committee might be limited in its usefulness since Congressmen have to take public positions on the issues. It was stated that great harm could result from a study undertaken by Members who appeared to have preconceived ideas and prejudices toward current monetary policies and the regulation of financial institutions.

I am certain that if a congressional monetary study goes forward, it will be conducted as others have been in the past, in an impartial, objective manner.

It should be obvious, however, that in a field as controversial as this one, the experts in the field and those who have studied it over the years would have to be pretty unusual not to have a point of view.

In this connection, when Dr. Burgess testified, he mentioned three outstanding persons whom he felt would be qualified to serve on the proposed Commission. I have a very high regard for their objectivity and expert competence in the field, but I would like to point out that they definitely have expressed themselves publicly on important questions which a monetary commission would consider.

For example, Dr. Burgess mentioned Prof. Lester Chandler, of Princeton, whom I respect, as someone he would like to see on the Commission. Yet he did not seem to think that Professor Chandler's role in the congressional hearings leading to the 1951 "accord" between the Treasury and Federal Reserve indicated he had any preconceived ideas or would necessarily be prejudiced on the subject of the independence of the Federal Reserve.

Dr. Burgess also proposed Mr. Allan Sproul, whom I admire and respect too, as a prospective candidate for the Commission. I do not say that Mr. Sproul's long association with the Federal Reserve Bank of New York and his service as Vice Chairman of the Open Market Committee should render him ineligible. But I do say that after 30 years of service with the Federal Reserve, Mr. Sproul has a point of view. Mr. Sproul has on many public occasions clearly expressed himself on important questions that will come up in this study. For example, Mr. Sproul is on record in favor of direct Federal Reserve authority to regulate consumer and mortgage credit financing. Mr. Sproul has also stated publicly that he is opposed to having the expenditures of the Federal Reserve Banks brought under the budgetary control of Congress and subsequent review by the General Accounting Office.

These represent substantial issues, which should be considered in any monetary study. Clearly, Mr. Sproul has preconceived ideas on these subjects.

Dr. Burgess suggested that Mr. Fraser Wilde would make a fine member of the proposed Commission, and I do not doubt it. But it is equally true that Mr. Wilde has certain notions and ideas about the role of monetary policy in our economy. As Chairman of the Research and Policy Committee, of the Committee for Economic Development, Mr. Wilde has expressed his views on many of the issues, which will be covered by the proposed monetary study. A president of the Connecticut General Life Insurance Co., Mr. Wilde has to look at questions of monetary policy from the practical business point of view. This is not to say, however, that Mr. Wilde would lend this support to policies, which he did not believe were in the public interest.

The point I am making is that intelligent, observant individuals have points of view and they cannot shut them out from their thinking just because they are called upon to sit upon a Commission and study questions, which will affect public policy.

It would be foolish for me, too, to deny that I do not have firm convictions on important issues of monetary policy. I was chairman of a congressional subcommittee which conducted hearings and issued a report on general credit and debt-management problems. Dr. Burgess praised those hearings in a speech he made December 29, 1953, at a joint meeting of the American Economic Association and the American Finance Association here in Washington at the Statler Hotel. He stated:

"I think, a milestone perhaps in the history of finance in this country, was the fact of the Douglas and Patman reports * * * the reports * * * built up a volume on this whole subject of money that is most impressive. And the reports, as they came out, educated public opinion."

I might mention, too, that those hearings and the report of the subcommittee were characterized as highly valuable and completely objective by newspapers and magazines, including the banking magazines, who at the start of the hearings voiced doubts about the chairman's desire to give all the interested parties a fair and impartial hearing. I would like to offer for the record some of those evaluations of the Patman subcommittee's 1952 study.

I want to say a word now about the analogy drawn by Representative BROWN frequently during these hearings, between the Hoover Commission and the type of body that would be best suited to conduct the proposed monetary and financial institutions study.

As Representative BROWN knows, the Hoover Commission was established to deal with the reorganization of the entire executive branch. No single committee of Congress was authorized to do the job. Every committee of the Congress would have had to be called in. More important, the function of the Hoover Commission was to make reorganization-plan recommendations. Under the Reorganization Act, the writing of reorganization plans was expressly made an executive responsibility. Congress could not initiate them. Congress cannot even change a reorganization plan which the Executive submits. If the Congress fails to act, the plan becomes a law.

That is why it was not improper for the Executive to take the leading responsibility for the Hoover Commission study and why the Executive-appointed-Commission approach was logical as furnishing a basis for a reorganization plan. The initiative and responsibility in the field of reorganization of the executive branch was clearly the Executive's under the Reorganization Act.

But does it necessarily follow that the Hoover Commission approach should be applied to an inquiry into national monetary policy and our financial institutions which will provide the basis for congressional legislation and policy determination in this field?

The answer is "No." Indeed, just the reverse is true.

At the very beginning of the Constitution, article I, section 8, the Congress is given the inescapable constitutional responsibility for determining monetary policy. The Executive clearly does not have any responsibility, other than the responsibility to administer the policy we determine.

The issue as between a National Monetary Commission, a majority of whose members would be appointed by the President, with a manoate to make studies and recommendations for monetary legislation, and a congressional committee study, clearly involves a constitutional question. In the monetary field, Congress must write the entire legislation by itself. The Executive has no authority whatsoever in this field, other than to sign or veto the bills, which Congress initiates, and carry out the provisions of such bills as become law. The Executive cannot and should not be permitted to intrude into the monetary field, unless Congress desires to abdicate its constitutional responsibility.

If Congress is to carry out its constitutional duty, it—and not the Executive—must assume the leading responsibility for any study or studies directed toward implementing its own clear constitutional obligation.

I insist that the proposal to authorize a National Monetary Commission, such as is envisaged under H. R. 3660, with a majority of its appointees, and its chairman and vice chairman named by the President, places in the Executive the leading responsibility for a study directed toward helping Congress implement its constitutional obligation to determine monetary policy, an[illegible] violative of the separation of p[illegible] vided by the Constitution.

You have heard it argued t[illegible] should be on the Commission [illegible] Members of Congress. Regardin[illegible] administration bill provides for m[illegible] than it does Members of Cong[illegible] President is authorized under H. [illegible] appoint 9 private citizens, wh[illegible] Members are to be appointed fro[illegible] gress. This is putting the expe[illegible] not on tap.

Who will the experts be? It i[illegible] will come from the field of pri[illegible] ing. Otherwise, what is the [illegible] section 2 (e) of H. R. 3660 which [illegible] to exempt the President's appoi[illegible] provisions of the code which [illegible] cable to cases of conflict of intere[illegible]

I am afraid that under the guise [illegible] to aid Members of Congress, th[illegible] sion study proposed by the Execu[illegible] turn out to be a banker-guided s[illegible]

Surely, Congress would not [illegible] placed in the position of appearin[illegible] a banker-guided study of mone[illegible] over a Congressional committee st[illegible]

If expert assistance is needed, [illegible] the responsibility of the Congres[illegible] nate the experts it needs and kee[illegible] tap—not on top.

For the Executive to be given [illegible] to name the experts to assist C[illegible] carrying out its constitutional res[illegible] in the monetary field is just as ina[illegible] as it would be for Congress to a[illegible] Director of the Bureau of the Bud[illegible] the President discharge his con[illegible] responsibilities.

Furthermore, Congress is being [illegible] the Executive to participate in t[illegible] lous spectacle of authorizing the [illegible] to take primary responsibility in [illegible] a group, whose ultimate function [illegible] advise the Congress on how to legis[illegible] monetary field.

Time and time and time again [illegible] years, the Congress has been urg[illegible] over its legislative responsibilit[illegible] Executive.

Congress sooner or later—and I [illegible] soon—will have to face up to th[illegible] of performing its responsibilities [illegible] Constitution and of carrying out [illegible] directly entrusted to it by the p[illegible] elected us.

If we abdicate our responsibility [illegible] that the problems of Government h[illegible] too complicated and too complex [illegible] we agree that the Executive an[illegible] pointed experts should, in the wor[illegible] resentative BROWN, "bring up fact[illegible] formation * * * and recommendi[illegible] us" so that "the Congress doesn't [illegible] all over it again," then we are dec[illegible] people who elected us.

We are, in effect, admitting th[illegible] unable to do the job the people ele[illegible] do. Moreover, we are admitting [illegible] present system of Government do[illegible] when we say that Congress can't w[illegible] out the President assuming part [illegible] legislative responsibility.

In conclusion, let me say this. [illegible] mittee on Rules of the House of Re[illegible] tives has a unique opportunity [illegible] after these hearings, the Committe[illegible] rejects the National Monetary Co[illegible] proposed in H. R. 3660 and other [illegible] thereof designed to bypass a Con[illegible] study and approves House Resolut[illegible] will not only have made it une[illegible] clear that it has confidence in a c[illegible] of the House to perform its duti[illegible] tently and without bias in an area [illegible] jurisdiction, but more than that, it [illegible] rejected an attempt at Executive u[illegible] and obstruction of Congressional [illegible] tive power. By approving House R[illegible] 85, the Rules Committee will be r[illegible]

It should be obvious, however, that in a field as controversial as this one, the experts in the field and those who have studied it over the years would have to be pretty unusual not to have a point of view.

In this connection, when Dr. Burgess testified, he mentioned three outstanding persons whom he felt would be qualified to serve on the proposed Commission. I have a very high regard for their objectivity and expert competence in the field, but I would like to point out that they definitely have expressed themselves publicly on important questions which a monetary commission would consider.

For example, Dr. Burgess mentioned Prof. Lester Chandler, of Princeton, whom I respect, as someone he would like to see on the Commission. Yet he did not seem to think that Professor Chandler's role in the congressional hearings leading to the 1951 "accord" between the Treasury and Federal Reserve indicated he had any preconceived ideas or would necessarily be prejudiced on the subject of the independence of the Federal Reserve.

Dr. Burgess also proposed Mr. Allan Sproul, whom I admire and respect too, as a prospective candidate for the Commission. I do not say that Mr. Sproul's long association with the Federal Reserve Bank of New York and his service as Vice Chairman of the Open Market Committee should render him ineligible. But I do say that after 30 years of service with the Federal Reserve, Mr. Sproul has a point of view. Mr. Sproul has on many public occasions clearly expressed himself on important questions that will come up in this study. For example, Mr. Sproul is on record in favor of direct Federal Reserve authority to regulate consumer and mortgage credit financing. Mr. Sproul has also stated publicly that he is opposed to having the expenditures of the Federal Reserve Banks brought under the budgetary control of Congress and subsequent review by the General Accounting Office.

These represent substantial issues, which should be considered in any monetary study. Clearly, Mr. Sproul has preconceived ideas on these subjects.

Dr. Burgess suggested that Mr. Fraser Wilde would make a fine member of the proposed Commission, and I do not doubt it. But it is equally true that Mr. Wilde has certain notions and ideas about the role of monetary policy in our economy. As Chairman of the Research and Policy Committee, of the Committee for Economic Development, Mr. Wilde has expressed his views on many of the issues, which will be covered by the proposed monetary study. A president of the Connecticut General Life Insurance Co., Mr. Wilde has to look at questions of monetary policy from the practical business point of view. This is not to say, however, that Mr. Wilde would lend this support to policies, which he did not believe were in the public interest.

The point I am making is that intelligent, observant individuals have points of view and they cannot shut them out from their thinking just because they are called upon to sit upon a Commission and study questions, which will affect public policy.

It would be foolish for me, too, to deny that I do not have firm convictions on important issues of monetary policy. I was chairman of a congressional subcommittee which conducted hearings and issued a report on general credit and debt-management problems. Dr. Burgess praised those hearings in a speech he made December 29, 1953, at a joint meeting of the American Economic Association and the American Finance Association here in Washington at the Statler Hotel. He stated:

"I think, a milestone perhaps in the history of finance in this country, was the fact of the Douglas and Patman reports * * * the reports * * * built up a volume on this whole subject of money that is most impressive. And the reports, as they came out, educated public opinion."

I might mention, too, that those hearings and the report of the subcommittee were characterized as highly valuable and completely objective by newspapers and magazines, including the banking magazines, who at the start of the hearings voiced doubts about the chairman's desire to give all the interested parties a fair and impartial hearing. I would like to offer for the record some of those evaluations of the Patman subcommittee's 1952 study.

I want to say a word now about the analogy drawn by Representative BROWN frequently during these hearings, between the Hoover Commission and the type of body that would be best suited to conduct the proposed monetary and financial institutions study.

As Representative BROWN knows, the Hoover Commission was established to deal with the reorganization of the entire executive branch. No single committee of Congress was authorized to do the job. Every committee of the Congress would have had to be called in. More important, the function of the Hoover Commission was to make reorganization-plan recommendations. Under the Reorganization Act, the writing of reorganization plans was expressly made an executive responsibility. Congress could not initiate them. Congress cannot even change a reorganization plan which the Executive submits. If the Congress fails to act, the plan becomes a law.

That is why it was not improper for the Executive to take the leading responsibility for the Hoover Commission study and why the Executive-appointed-Commission approach was logical as furnishing a basis for a reorganization plan. The initiative and responsibility in the field of reorganization of the executive branch was clearly the Executive's under the Reorganization Act.

But does it necessarily follow that the Hoover Commission approach should be applied to an inquiry into national monetary policy and our financial institutions which will provide the basis for congressional legislation and policy determination in this field?

The answer is "No." Indeed, just the reverse is true.

At the very beginning of the Constitution, article I, section 8, the Congress is given the inescapable constitutional responsibility for determining monetary policy. The Executive clearly does not have any responsibility, other than the responsibility to administer the policy we determine.

The issue as between a National Monetary Commission, a majority of whose members would be appointed by the President, with a mandate to make studies and recommendations for monetary legislation, and a congressional committee study, clearly involves a constitutional question. In the monetary field, Congress must write the entire legislation by itself. The Executive has no authority whatsoever in this field, other than to sign or veto the bills, which Congress initiates, and carry out the provisions of such bills as become law. The Executive cannot and should not be permitted to intrude into the monetary field, unless Congress desires to abdicate its constitutional responsibility.

If Congress is to carry out its constitutional duty, it—and not the Executive—must assume the leading responsibility for any study or studies directed toward implementing its own clear constitutional obligation.

I insist that the proposal to authorize a National Monetary Commission, such as is envisaged under H. R. 3660, with a majority of its appointees, and its chairman and vice chairman named by the President, places in the Executive the leading responsibility for a study directed toward helping Congress implement its constitutional obligation to determine monetary policy, and thus is violative of the separation of powers provided by the Constitution.

You have heard it argued that experts should be on the Commission to aid the Members of Congress. Regarding this, the administration bill provides for more experts than it does Members of Congress. The President is authorized under H. R. 3660 to appoint 9 private citizens, while only 4 Members are to be appointed from the Congress. This is putting the experts on top, not on tap.

Who will the experts be? It is clear they will come from the field of private banking. Otherwise, what is the reason for section 2 (e) of H. R. 3660 which is designed to exempt the President's appointees from provisions of the code which are applicable to cases of conflict of interest?

I am afraid that under the guise of seeking to aid Members of Congress, the Commission study proposed by the Executive could turn out to be a banker-guided study.

Surely, Congress would not want itself placed in the position of appearing to favor a banker-guided study of monetary policy over a Congressional committee study.

If expert assistance is needed, then it is the responsibility of the Congress to designate the experts it needs and keep them on tap—not on top.

For the Executive to be given authority to name the experts to assist Congress in carrying out its constitutional responsibility in the monetary field is just as inappropriate as it would be for Congress to appoint the Director of the Bureau of the Budget to help the President discharge his constitutional responsibilities.

Furthermore, Congress is being asked by the Executive to participate in the anomalous spectacle of authorizing the President to take primary responsibility in appointing a group, whose ultimate function will be to advise the Congress on how to legislate in the monetary field.

Time and time and time again in recent years, the Congress has been urged to turn over its legislative responsibilities to the Executive.

Congress sooner or later—and I hope it is soon—will have to face up to the question of performing its responsibilities under the Constitution and of carrying out the duties directly entrusted to it by the people who elected us.

If we abdicate our responsibility; if we say that the problems of Government have grown too complicated and too complex for us; if we agree that the Executive and his appointed experts should, in the words of Representative BROWN, "bring up facts and information * * * and recommendations for us" so that "the Congress doesn't have to go all over it again," then we are deceiving the people who elected us.

We are, in effect, admitting that we are unable to do the job the people elected us to do. Moreover, we are admitting that our present system of Government doesn't work when we say that Congress can't work without the President assuming part of their legislative responsibility.

In conclusion, let me say this. The Committee on Rules of the House of Representatives has a unique opportunity here. If, after these hearings, the Committee on Rules rejects the National Monetary Commission proposed in H. R. 3660 and other variations thereof designed to bypass a Congressional study and approves House Resolution 85, it will not only have made it unequivocally clear that it has confidence in a committee of the House to perform its duties competently and without bias in an area within its jurisdiction, but more than that, it will have rejected an attempt at Executive usurpation and obstruction of Congressional investigative power. By approving House Resolution 85, the Rules Committee will be reaffirming

the right of Congress to act in a field in which it has clear constitutional responsibility, without awaiting the pleasure and process of the Executive. It will help restore public confidence in the Congress.

Members of the Banking and Currency Committee are not so overburdened that they cannot find time to devote to this highly important problem of monetary policy. And we reject the view that the highest and best judgment in this field is that of the experts. On a matter which affects the welfare of every citizen and the economy of the United States, I say the highest and best judgment is the Congressional judgment, rather than expert judgment, precisely because our judgment is a general judgment. It is representative of and similar to public judgment. That is the essence of our democratic, representative Government.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'NEILL (at the request of Mr. McCORMACK), for Tuesday, on account of official business.

To Mr. BREEDING, for today and Tuesday, on account of official business.

To Mr. HENDERSON (at the request of Mr. McGREGOR) from March 25, 1957, through March 30, 1957, on account of serious illness in immediate family in Ohio.

To Mr. DOYLE, for 3 days beginning today, on account of subcommittee chairmanship, Un-American Activities Committee, public hearings at Chicago.

To Mr. ASPINALL (at the request of Mr. ROGERS of Colorado), to April 9, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts for 10 minutes today.

Mr. BURNS, of Hawaii, on Thursday next for 60 minutes.

Mr. BAILEY on Wednesday next for 30 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. SIKES in three instances and to include extraneous matter.

Mr. PATMAN to extend his remarks at the close of the proceedings today and include extraneous matter.

Mrs. DWYER and to include extraneous matter.

Mr. ENGLE and to include extraneous matter.

Mr. WILLIS and to include extraneous matter.

Mr. CHIPERFIELD.

Mr. BOW and to include extraneous matter.

Mr. TUCK and include an address by the gentleman from Mississippi, Hon. JOHN BELL WILLIAMS.

Mr. McGOVERN (at the request of Mr. McCORMACK) and include extraneous matter.

Mr. VANIK and to include extraneous matter.

Mr. RHODES of Arizona and include an address.

Mr. REUSS.

Mr. BOLAND.

Mr. KEATING.

Mr. FLOOD (at the request of Mr. BOLLING) and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1451. An act to amend and revise the statutes governing financial institutions and credit; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. BOLLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.), the House adjourned until tomorrow, Tuesday, March 26, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

642. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and an illustration, on a review of reports on the Old Channel of Rouge River, Mich., requested by a resolution of the Committee on Public Works, House of Representatives, adopted March 16, 1956 (H. Doc. No. 135); to the Committee on Public Works and ordered to be printed with one illustration.

643. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and illustrations, on a review of reports on Bridgeport Harbor, Conn., requested by resolutions of the Committee on Public Works, United States Senate and House of Representatives, adopted April 20, 1948, July 20, 1954, and March 15, 1949, respectively (H. Doc. No. 136); to the Committee on Public Works and ordered to be printed with three illustrations.

644. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 1, 1957, submitting an interim report, together with accompanying papers and illustrations, on Mad River, Farmington River Basin, Conn., requested by resolutions of the Committee on Public Works, United States Senate and House of Representatives, adopted September 14, 1955, and June 13, 1956, respectively (H. Doc. No. 137); to the Committee on Public Works and ordered to be printed with two illustrations.

645. A letter from the Acting Secretary of Agriculture, transmitting a report on the conservation reserve program of the soil bank, pursuant to Public Law 540, 84th Congress; to the Committee on Agriculture.

646. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to increase the number of Regular officers of the Navy who may be appointed for limited duty only, and for other purposes"; to the Committee on Armed Services.

647. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

648. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1957, pursuant to Public Law 554, 83d Congress; to the Committee on Interstate and Foreign Commerce.

649. A letter from the Chairman, Federal Communications Commission transmitting a draft of proposed legislation entitled "A bill amending section 307 (d) of the Communications Act of 1934, permitting broadcast licenses to be for a 5-year period instead of only 3 years"; to the Committee on Interstate and Foreign Commerce.

650. A letter from the Chairman, Federal Trade Commission, transmitting the report of the Federal Trade Commission entitled "Industrial Concentration and Product Diversification in the 1,000 Largest Manufacturing Companies, 1950"; to the Committee on Interstate and Foreign Commerce.

651. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend the law with respect to the recoupment of funds expended in cooperation with the school board of Klamath County, Oreg., because of the attendance of Indian children, and for other purposes"; to the Committee on Interior and Insular Affairs.

652. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to implement a treaty and agreement with the Republic of Panama, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

653. A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation entitled "A bill relating to Canal Zone money orders which remain unpaid"; to the Committee on Merchant Marine and Fisheries.

654. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to authorize the District of Columbia Board of Education to employ retired teachers as substitute teachers in the public schools of the District of Columbia"; to the Committee on the District of Columbia.

655. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes,' approved April 29, 1942"; to the Committee on the District of Columbia.

656. A letter from the Secretary, Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes"; to the Committee on Education and Labor.

657. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Employee's Compensation Act, as amended, to provide for judicial review of compensation orders, and for other purposes"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON of Illinois: Committee on Government Operations. Fourth report of the Committee on Government Operations pertaining to availability of power to public preference customers from Central Valley project; without amendment (Rept. No. 218). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers (H. Rept. No. 219). Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPENCE: Committee on Banking and Currency. H. R. 5603. A bill to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana; with amendment (Rept. No. 220). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 4136. A bill to extend the period within which Export-Import Bank of Washington may make loans; without amendment (Rept. No. 221). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H. R. 6288. A bill to increase the carryover allowance for peanuts; to the Committee on Agriculture.

By Mr. AUCHINCLOSS:

H. R. 6289. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended, to include cranberries for canning or freezing; to the Committee on Agriculture.

By Mr. BENTLEY:

H. R. 6290. A bill to amend the Agricultural Act of 1956 (70 Stat. 202) to provide donations of surplus food commodities to State and local penal institutions; to the Committee on Agriculture.

By Mr. BOW:

H. R. 6291. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

H. R. 6292. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies; to the Committee on Government Operations.

H. R. 6293. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

H. R. 6294. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS of Louisiana:

H. R. 6295. A bill to provide for the transfer between components of exempt or deferred persons without loss of such exemption or deferment; to the Committee on Armed Services.

H. R. 6296. A bill to provide for periods of enlistment and reenlistment in the Army National Guard and Air National Guard, and for other purposes; to the Committee on Armed Services.

H. R. 6297. A bill to provide for the organization of the National Guard Bureau, and for other purposes; to the Committee on Armed Services.

H. R. 6298. A bill to define the term "military service" in the Civil Service Retirement Act, as amended; to the Committee on Post Office and Civil Service.

H. R. 6299. A bill relating to withholding for State employee retirement, disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard and the Air National Guard; to the Committee on Ways and Means.

By Mr. BYRD:

H. R. 6300. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

H. R. 6301. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHENOWETH:

H. R. 6302. A bill to amend Public Law 815, 81st Congress, in order to provide elementary and secondary school facilities at the United States Air Force Academy; to the Committee on Education and Labor.

By Mr. COFFIN:

H. R. 6303. A bill to amend the Soil Bank Act to permit payments under the conservation reserve program with respect to land suitable for crops on which trees will be planted; to the Committee on Agriculture.

By Mr. COOPER:

H. R. 6304. A bill to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes; to the Committee on Ways and Means.

By Mr. REED:

H. R. 6305. A bill to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H. R. 6306. A bill to amend the act entitled "An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes"; to the Committee on the District of Columbia.

By Mrs. DWYER:

H. R. 6307. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. GRIFFIN:

H. R. 6308. A bill to amend the Federal Employees' Compensation Act, as amended, to provide for judicial review of compensation orders, and for other purposes; to the Committee on Education and Labor.

By Mr. GUBSER:

H. R. 6309. A bill to establish a permanent Commission on Organization of the Executive Branch of the Government; to the Committee on Government Operations.

H. R. 6310. A bill to provide that an individual's service on vessels of the Army Transport Service during World War II, if insufficient for a civil service retirement annuity, shall in certain cases constitute "employment" for social security purposes upon payment of the applicable employment taxes; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 6311. A bill to require persons contracting to construct public buildings and works for the District of Columbia to furnish evidence of financial responsibility for the protection of third persons not parties to the contract; to the Committee on the District of Columbia.

H. R. 6312. A bill to amend section 201 (a) of the Civil Aeronautics Act of 1938, as amended, relative to the terms of office of Board members; to the Committee on Interstate and Foreign Commerce.

By Mr. HEMPHILL:

H. R. 6313. A bill to reorganize the civil defense functions of the Federal Government, to establish a Federal Department of Civil Defense, and for other purposes; to the Committee on Government Operations.

H. R. 6314. A bill to provide for the issuance of a special postage stamp to commemorate the 100th anniversary of the occupancy of the Chambers in the House Wing of the United States Capitol; to the Committee on Post Office and Civil Service.

By Mr. HIESTAND:

H. R. 6315. A bill to provide for a national cemetery in the vicinity of Los Angeles, in the State of California; to the Committee on Interior and Insular Affairs.

By Mrs. KEE:

H. R. 6316. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to volunteer fire-fighting organizations, volunteer reserve services, squads, and first-aid crews; to the Committee on Government Operations.

H. R. 6317. A bill to provide that veterans may accrue educational benefits under the Veterans' Readjustment Assistance Act of 1952 and Public Law 894, 81st Congress, until individuals may no longer be inducted for training and service in the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. HARDEN:

H. R. 6318. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. KNUTSON:

H. R. 6319. A bill to amend the Federal Crop Insurance Act, as amended, to provide for administration by farmer committeemen and improve application of the crop-insurance program in drought and other disaster areas, and for other purposes; to the Committee on Agriculture.

H. R. 6320. A bill to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen; to the Committee on Agriculture.

H. R. 6321. A bill to provide for price reporting and research with respect to forest products; to the Committee on Agriculture.

By Mr. LAIRD:

H. R. 6322. A bill to provide that the dates for submission of plan for future control of property and transfer of the trust property of the Menominee Tribe shall be delayed; to the Committee on Interior and Insular Affairs.

By Mr. LANDRUM:

H. R. 6323. A bill to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes; to the Committee on Education and Labor.

By Mr. McCORMACK:

H. R. 6324. A bill to extend the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, and the Federal Employees' Group Life Insurance Act of 1954 to members of the Capitol guide force; to the Committee on Post Office and Civil Service.

By Mr. McINTIRE:

H. R. 6325. A bill to amend the Soil Bank Act to permit payments under the conservation reserve program with respect to land suitable for crops on which trees will be planted; to the Committee on Agriculture.

By Mr. McINTOSH:

H. R. 6324. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. McVEY:

H. R. 6327. A bill to provide direct aid to States and Territories for public schoolroom construction; to the Committee on Education and Labor.

By Mr. MULTER:

H. R. 6328. A bill to provide an additional remedy for persons having a claim against the United States arising out of contracts relating to certain vessels; to the Committee on the Judiciary.

By Mr. RILEY:

H. R. 6329. A bill to amend title VI of the Public Health Service Act, relating to hospital survey and construction, to permit assistance under that title to be furnished as loans instead of as grants; to the Committee on Interstate and Foreign Commerce.

H. R. 6330. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. SMITH of Kansas:

H. R. 6331. A bill to amend the National Labor Relations Act for the purpose of prohibiting compulsory unionism, and for other purposes; to the Committee on Education and Labor.

By Mr. TALLE:

H. R. 6332. A bill to establish a National Monetary and Financial Commission; to the Committee on Banking and Currency.

By Mr. TEAGUE of Texas:

H. R. 6333. A bill to authorize the incorporation of the Congressional Medal of Honor Society of the United States of America; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. R. 6334. A bill to amend the Federal Flood Insurance Act of 1956, to eliminate certain requirements with respect to State participation, to provide certain priorities in the processing of applications for insurance, and for other purposes; to the Committee on Banking and Currency.

By Mr. ULLMAN:

H. R. 6335. A bill to amend the Soil Bank Act to enable producers of Irish potatoes and other nonbasic agricultural commodities to participate in the acreage reserve program; to the Committee on Agriculture.

By Mr. WITHROW:

H. R. 6336. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. FRIEDEL:

H. R. 6337. A bill to amend the Railroad Retirement Act of 1937 to increase the amount of outside income which a survivor annuitant may earn without deduction from his or her annuity thereunder; to the Committee on Interstate and Foreign Commerce.

H. R. 6338. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. MORRISON:

H. R. 6339. A bill to amend the Servicemen's Readjustment Act of 1944 to provide that the maximum rate on loans made or guaranteed under such act shall not exceed 4 percent and to amend the Internal Revenue Code of 1954 to provide special tax treatment for interest on loans guaranteed under such act; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H. R. 6340. A bill to encourage equity investments through tax incentives, and for other purposes; to the Committee on Ways and Means.

By Mr. WATTS:

H. R. 6341. A bill to remove inequities created by, and to avoid discrimination from, the administrative practices and enforcement of the Civil Service Retirement Act of 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. BYRNES of Wisconsin:

H. J. Res. 284. Joint resolution proposing an amendment to the Constitution of the United States relating to appropriations; to the Committee on the Judiciary.

By Mr. FLOOD:

H. J. Res. 285. Joint resolution designating the period beginning May 1 and ending May 7 of each year as Correct Posture Week; to the Committee on the Judiciary.

By Mr. BURDICK:

H. Res. 212. Resolution that a select committee be appointed to conduct a full and complete investigation and study of the use of chemicals and other additives in food and medicine, and beverages with a view to ascertaining what deleterious effects such chemicals have on human life and health; to the Committee on Rules.

By Mr. McVEY:

H. Res. 213. Resolution to amend the rules of the House to limit expenditures for fiscal year 1958; to the Committee on Rules.

By Mr. ROGERS of Texas:

H. Res. 214. Resolution creating a select committee to conduct an investigation with respect to the real property owned by the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BERRY: Senate Concurrent Resolution No. 9, adopted by the 35th Legislature of the State of South Dakota, urging the repeal of the excise taxes levied on the transportation of persons, property, and messages by common and contract carriers; to the Committee on Ways and Means.

By Mr. DEMPSEY: Senate Joint Memorial No. 13 of the New Mexico Legislature memorializing the Congress of the United States to investigate the effects of chemically and physically induced precipitation; to the Committee on Interstate and Foreign Commerce.

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing the Congress of the United States in relation to the pending reductions in the civilian staff of the United States Naval Construction Battalion Center, at Davisville, R. I.; to the Committee on Armed Services.

By Mr. MARTIN: Resolutions of the General Court of Massachusetts memorializing the Congress of the United States to adopt legislation to protect and promote the textile industry in the city of Fall River; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the establishment of a new and separate Federal judicial district for the southern district of California; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Massachusetts memorializing the President and the Congress of the United States to adopt legislation to protect and promote the textile industry in the city of Fall River; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States that the Federal Government refrain from enacting new grant-aid programs and reexamine all such existing programs and end or reduce their costs wherever possible; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 6342. A bill for the relief of Mrs. Liliane P. Weathersbee; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 6343. A bill for the relief of Joseph Laconi; to the Committee on the Judiciary.

By Mr. BOWLER:

H. R. 6344. A bill for the relief of Maisie Au-Young; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H. R. 6345. A bill for the relief of Catherine S. Siuniak; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 6346. A bill for the relief of Jack Cohen; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 6347. A bill for the relief of Mr. and Mrs. John Lebida; to the Committee on the Judiciary.

H. R. 6348. A bill for the relief of Eleanore Haddigan; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 6349. A bill for the relief of Daniel McRadu; to the Committee on the Judiciary.

H. R. 6350. A bill for the relief of Wilma D. Marsh; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 6351. A bill for the relief of Rosa Roaque Mausisa, Inocencio Mausisa, and Eduardo Mausisa; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 6352. A bill for the relief of Salvatore Ortola Sendra; to the Committee on the Judiciary.

By Mr. O'HARA of Minnesota:

H. R. 6353. A bill for the relief of Mrs. Margarete Briest, nee Eggers; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 6354. A bill for the relief of Basilios George Kopanisanos; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H. R. 6355. A bill for the relief of Thomas F. Peace; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 6356. A bill for the relief of Vincenzo De Robertis; to the Committee on the Judiciary.

H. R. 6357. A bill for the relief of Albert Guido; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 6358. A bill for the relief of Tatem Manufacturing Co.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

155. By Mr. BURDICK: Resolution of the Valley City, N. Dak., Aerie, Fraternal Order of Eagles, urging the Congress of the United States to set aside first Sunday in February each year as Chaplains Day; to the Committee on the Judiciary.

156. By Mr. BUSH: Petition of members of the men's Sunday school class, the Methodist Church, Shinglehouse, Pa., urging the Congress to take action to remove alcoholic beverage advertising from our homes; to the Committee on Interstate and Foreign Commerce.

157. Also, petition of citizens of Shinglehouse, Potter County, Pa., and vicinity, urging the Congress to take action to remove alcoholic beverage advertising from our homes; to the Committee on Interstate and Foreign Commerce.

158. By the SPEAKER: Petition of the chairman, Federation of American Scientists, Washington, D. C., petitioning consideration of their resolution with reference to the United States Government taking an active position of leadership in the United Nations for negotiation of a moratorium on all nuclear explosions detectable by a United Nations monitoring agency, as a first step to gain experience in and build confidence in the United Nations as the instrument for inspected universal disarmament; to the Committee on Foreign Affairs.

159. Also, petition of the president, National Health Federation, San Francisco, Calif., petitioning consideration of their resolution with reference to requesting passage of H. R. 1317 to demonstrate the policy of Government in accepting financial responsibility for the malfeasance of its agents; to the Committee on the Judiciary.

160. Also, petition of the secretary, National Sojourners, Washington Chapter No. 3, Washington, D. C., petitioning consideration of their resolution with reference to the Immigration and Nationality Act and the admission of Hungarian refugees, etc.; to the Committee on the Judiciary.

161. Also, petition of the president, Texas Tank Truck Carriers Association, Dallas, Tex., petitioning consideration of their resolution with reference to requesting passage of legislation for repeal of the Federal transportation tax; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Address by Hon. Estes Kefauver, of Tennessee, to the Young Democratic Club of America

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, March 25, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered to a meeting of the national committeemen and committeewomen of the Young Democratic Club of America on Friday, March 22.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS BY SENATOR KEFAUVER TO THE YOUNG DEMOCRATIC CLUB OF AMERICA, MARCH 22, 1957, MAYFLOWER HOTEL, WASHINGTON

I am very happy to be present at the opening of this national committee meeting of the Young Democratic Club of America.

It is appropriate that you young Democrats, with such a great stake in the future because you are young, should meet here in the Capital to take stock, so to speak, at this particular time.

There is abroad in the world a vast and sometimes turbulent sense of change. Many patterns being set today will have profound effects on the future. Many of these results will be unchangeable. As Democrats, although we do not control the executive branch of the Government, I think we must assume our fair share of responsibility for the way in which those patterns of the future are shaped.

In Bermuda today the head of this Nation and the head of Britain are meeting. We can see dramatized in that island one of the profound changes. The British Empire, which was such a source of power and strength in the 19th century, undisputed ruler of the seas, obviously comes to the island of Bermuda as still a great world power, but the second power. The United States is the first.

This meeting, concerned as it is with the eruptions of the Middle East, with the plaguing questions of the Far East, with renewed understandings between two old friends, the British and the United States, presents in capsule form the concerns of the world.

It also emphasizes how little understanding really exists of the new world order—how little understanding there is of what is to replace the age of imperialism and colonialism, of how the new nations, bursting with a sense of nationalism, are to live together.

You, as young Democrats, will have to live in that world. You, therefore, have a vital interest in its shaping.

The sense of change is just as profound within the borders of our own Nation. The seeds of new social and economic problems are being planted. You and I will have to live with them. One of the most important is size—size of the industrial unit and economic power which it represents.

Let's take a look into this future for a few minutes.

There is no question but that science and technology are getting ready to produce goods and services that even to the sophisticated border on the fantastic. That this is not a dream is demonstrated by the fact that working models of some of them are currently on display at the New York Stock Exchange. I recently read an article entitled "Focus on a Fabulous Future" which appeared in the March 1957 issue of the Exchange, a little magazine published monthly by the New York Stock Exchange. This is what it says:

"While the future cannot be forecast in great detail until it finally settles around us, there are revealing portents available inside test tubes, on drawing boards, in research laboratories—and the Stock Exchange's new million-dollar exhibit hall gives visitors an exciting glimpse of this incredible world of tomorrow. Working models, animation, color, 15,000 moving parts and 11,000 lights all open a window on the goods and services corporations are developing for future delivery."

The article goes on to describe the exhibits of several corporations. Of the United States Steel exhibit, it says:

"Through show windows of the United States Steel Corp.'s exhibit, for example, model rocket ships built to scale whoosh by a towering metallic city, while far below a farm flourishes beneath the sea. As the future unfolds in almost bewildering sequence, Narrator George Hicks describes the magnitude of what tomorrow is expected to yield."

Of Consolidated Edison's exhibit the article says: "Against a large panoramic night view of New York City, an atomic powerplant in miniature demonstrates how nuclear energy will be harnessed for electric power, from boiler to turbogenerator. Since the model represents the Consolidated Edison Co.'s Indian Point nuclear steam-generating plant now under construction, the future may be around the corner. The plant is scheduled to start supplying energy in 1961."

As even the staid New York Stock Exchange suggests: "The future will stagger the imagination of even the most visionary guest * * * a coming age of rockets and atomic energy and cities in the sky."

This all sounds wonderful—and this progress was made possible, I may note in passing, by the vision of Franklin D. Roosevelt and Harry Truman who had the courage to turn the scientists loose, with adequate support and appropriations from the Government, to make it possible to harness the atom.

But while we are exulting over this peek into the future, let us not forget that it raises new social and economic problems which you as young Democrats will have to live with and concerning which the pattern may be in the process of being fashioned right now.

How is all this to come about? In the Wall Street Journal of March 14, I read the report of a speech by Mr. Roger M. Blough, chairman of United States Steel, made to the Economic Club of Chicago. Speaking for one of the world's most powerful corporations, Mr. Blough is worth listening to.

Mr. Blough told his audience that "a new business concept—giant corporations joining to form large combines for spreading their risks—may be developing on the economic scene.

"The future may indeed call for bigger business organizations, as man seeks to unlock the secret of the atom, penetrate outer space, and harness the rays of the sun," he said. He suggested that "business which evolved from the individual entrepreneur to the partnership and then to the modern corporation now may be moving into an era of partnership of corporations."

Mr. Blough then went on to point out that this partnership of corporations was not merely a forecast of what would be necessary to handle America's tomorrows, but that it was also a report of what is already taking place. He said:

"Our biggest corporations are rapidly getting too small to do all the things that are expected of them. The development of raw materials, for instance, has become so expensive, and involves such risks, that a number of large steel companies have had to band together to develop faraway iron-ore deposits, and to establish plants and processes for the manufacturing of usable blast-furnace materials out of low-grade taconite ores."

He asks, but leaves unanswered, this question: "Does this joint development idea, perhaps, presage the birth of even larger joint ventures in business enterprise than our present-day organizations?"

Following Mr. Blough's speech the Wall Street Journal itself raised the questions which I know must have occurred to you as they did to me. The Journal, in its editorial, asked:

"Would it be possible to prevent such organizations from becoming literal monopolies? Even if so, how much damage would

be done to competition? Would small businesses continue to multiply as they now do? Could these giant enterprises remain efficient and so, in fact, meet the demands of the consumers in whose name they were created?"

These questions are relevant. You and I, especially you, must answer them. They are relevant to you as young people; they are relevant to you as Democrats. They foreshadow the formulation of the kind of world you will live in.

My own tentative answers to these questions result from my knowledge of the past. In the America of today, it has not been possible to prevent existing giant corporations from becoming monopolistic. If the America of tomorrow demands combinations of these giants, it is not likely that we shall be able to prevent them from becoming literal monopolies.

The answer must be either that the America of tomorrow does not require such combines, or that, if it does, they as literal monopolies must be controlled in the public interest.

That is a function of government, and, therefore, of politics, not in the narrow sense of partisanship but in the broader sense. We must prepare ourselves. We must study most intensively the necessity for increase in business size to accommodate the problems of the America of tomorrow. We must study most intensively the techniques of Government control. We must be prepared.

I submit our Democratic Congress is now leading the way in a very statesmanlike manner toward exactly the kind of study and planning we need for the America of tomorrow.

In the Foreign Relations Committee, as a result of the resolution passed during the Middle East hearings on the motion of Senator FULBRIGHT, we are gathering together the information needed to assess the policies of the past as a guide to the future.

In the antitrust and monopoly subcommittee, of which I am chairman, we are engaged in a study of concentration and I certainly have in mind the further extension of this study to determine just what kind of society we will be living in tomorrow.

This Nation was founded on the principles of free enterprise and individual liberty. What we want to do, and what we must do, is save our freedom, and still have the blessings of the scientific and technological achievements of which we are capable.

This will be the task of the Democratic Party, and you, as young Democrats, must play a large role in molding the policies by which we will achieve our goals. For you, with your future ahead of you, the America of tomorrow is more important than for any of the rest of us.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. REUSS. Mr. Speaker, it is a matter of great pride to me that the first Member of Congress of Greek descent was a Democrat from the State which I am proud to represent today—the State of Wisconsin. Representative Lucas Miltiades Miller, a Member of this House in 1892 and 1893, came to the United States as the adopted son of an American colonel, who had gone to Greece as a volunteer in the Greek War of Independence, just as Greeks had come to the United States to fight under George Washington for our independence. Not only a Congressman, Miller became a prosperous businessman and himself a colonel in the militia.

All Americans can be proud of our country's support of the efforts of the Greeks to free themselves from alien rule during their great War of Independence which began 136 years ago today. Our faith in the rightness of their cause was a reflection of the deep roots of our own dedication to freedom—roots which in turn went back to the democratic heritage of the ancient Greek city states.

Greece is indeed the mother of Western Civilization and from her have come the basic values which animate America today—values which have drawn many Greeks to our shores seeking freedom and opportunity. These men and women have greatly enriched our common life. It is all the more tragic therefore that today our Nation's gates are barricaded so that we no longer welcome Greeks to our shores with open heart and hand. These barricades must be lifted. Moreover, our country again has an opportunity to assert its historical devotion to freedom by making every effort to assure self-determination for the people of Cyprus.

To these goals, let us repledge ourselves on March 25 as we once again celebrate Greek Independence Day.

Spiraling Rise in the Cost of Living

EXTENSION OF REMARKS

OF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. VANIK. Mr. Speaker, in today's newspaper releases we see further evidence of the spiraling rise in the cost of living. Excepting the New York Times, New York City newspapers in unison announced an increase in prices ranging between 20 percent to 100 percent.

Today, the New York Post announced a 100-percent price increase in raising the price of the newspaper from 5 cents to 10 cents. This announcement follows by several days the recent 100 percent increase in the price of the World Telegram and Sun and the New York Journal-American from 5 cents to 10 cents. The tabloids were more conservative in holding their price increases to 20 percent.

The newspaper industry, thoroughly united in multiplying newspaper prices, has utterly denied its paramount obligation to hold the price line. While newspaper editorials condemn creeping and runaway inflation, their publishers quietly seek to double the price of their product to the public. It appears therefore that newspaper publishers fail to be impressed by the editorials which appear in their own publications.

Newspapers are not alone. In the face of a continued reduction in the demand for steel because of lowered steel requirements by the automobile industry, the major steel companies recently put over a 4½ percent increase in the price of tinplate. This increase raises the price of tinplate about $7.70 a ton, effective April 30.

This rise in the cost of tinplate is not economically justified and results only because of a cutback in tinplate requirements by American canmakers. This price increase in tinplate will soon affect the canned food costs of every household.

Three Hundred and Twenty-third Anniversary of the Founding of the Free State of Maryland

EXTENSION OF REMARKS

OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, March 25, 1957

Mr. BUTLER. Mr. President, I request unanimous consent to have printed in the CONGRESSIONAL RECORD a statement I have prepared in honor of Maryland Day, the 323d anniversary of the founding of the Free State of Maryland.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, today, March 25, is the 323d anniversary of the Free State of Maryland. On this day in the year 1634, a small group of God-fearing, freedom-loving men and women came ashore from the *Ark* and the *Dove* at a point in what is now St. Marys County, Md. With firm conviction and belief in the teachings of God, with courage and fortitude, with enthusiasm for hard work, these men and women set out to change a wilderness into a home, both for themselves and others who cherished liberty and freedom and the right to worship God in accordance with the dictates of their own consciences.

The fertile lands of Maryland, the sea and the great Chesapeake and its tributaries, responded to the steadfast, dedicated efforts of these brave people. Maryland flourished; its people obtained material wealth, and more important, that peace of mind that comes only with religious freedom.

During the American Revolution, Maryland played a dominant part in the events which led to our independence and throughout the pages of American history, Maryland, during times of peace and war, has amply fulfilled its responsibilities to our Nation. Maryland has protected our liberties and our freedoms and contributed immeasurably to the wealth, the culture and the great American tradition. Our history rings with names of such great men as Hanson, Carroll, Decatur, and Taney, just to mention a few, who gave America capable and dedicated service and leadership in times of stress and need.

Maryland was also at the forefront of the expansion and development of America. Almost 150 years ago, just west of Cumberland, a small band of western Marylanders began felling the trees and clearing the trail for the construction of the National Road, the first internal improvement to be undertaken by our young Nation. Running straight as a plummet into the setting sun this highway eventually reached St. Louis, Mo., and was a spectacular success. Millions of Americans and immigrants—families, gold

seekers, adventurers of all types, traveled over this road on their way to the West.

From an early date, Baltimore has been one of America's great seaports, the center of merchant-marine activity reaching to every part of the world. This great port is also the focal point of a vast railway system which stretches to every section of our continent.

Today, as in the past, Maryland exerts a great influence over the affairs of our Nation. The industrial output of her factories, her fine seafood, her quality food and dairy products, her unequaled tobacco—all contribute to the prosperity and high standard of living in America.

From the scenic mountain wonders of western Maryland, past the fertile farm and dairy lands of the foothills, the industrial colossus centered in Baltimore, the quiet dignity and fine tobacco lands of southern Maryland to the charming and fruitful Eastern Shore, Maryland is truly America in miniature.

National Cultural Center for the District of Columbia—Correspondence Between Senator Wiley and Mrs. Robert Low Bacon

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, March 25, 1957

Mr. WILEY. Mr. President, on March 19, as indicated beginning on page 3805 of the CONGRESSIONAL RECORD, I spoke in praise of the proposed National Cultural Center for the District of Columbia.

I mentioned at that time the splendid job which had been performed by the National Auditorium Commission which we of the Congress had created for the purpose of preparing the plans for such a center.

Since making my comments, I have been pleased to hear from a great many citizens in the metropolitan area who are especially interested in seeing Congress promptly select one of the alternative sites, so that this fine project can be commenced.

It will be recalled that in making my original remarks, I pointed out that, since I am not a member of the Senate District Committee and have not had as much opportunity as I would like to explore the site and other questions, it was not possible for me at the time to attempt to make any recommendation on the matter of sites.

I stated, however, that all the factors bearing upon choosing the best possible site should be carefully and promptly studied by the Congress.

Among the many prominent persons with whom I subsequently conferred was one of the most distinguished members of the Commission, Mrs. Robert Low Bacon.

I had invited her detailed reactions, and I was pleased to receive this morning a letter from her. In it she points out the case for the selection of the Foggy Bottom area.

I know that her communication will be of deep interest to my colleagues, especially those serving on the Senate and House District Committees, as well as to the members of the Washington Board of Trade, the Federal City Council, and other interested groups which have given devoted attention to this very important subject.

I ask unanimous consent that the text of my letter of inquiry to Mrs. Bacon and her response today be printed in the RECORD.

There being no objection, the exchange of correspondence was ordered to be printed in the RECORD, as follows:

MARCH 22, 1957.

Mrs. ROBERT LOW BACON,
Washington, D. C.

MY DEAR MRS. BACON: I've just returned from a meeting of the Senate Foreign Relations Committee this morning. I was glad to hear from our committee consultant, Mr. Julius Cahn, of your kind phone message regarding my Senate speech on March 18 on the need for a national cultural center for the District of Columbia.

I know that there are comparatively few, if any, people, here in the District, who are better qualified to comment on this subject than yourself. I say that, not only on the basis of your most active role on the Auditorium Commission, but in view of your many years of other service to this community, as well.

I understand, for example, that since the 1920's, you have been doing your part toward the establishment of a National Opera House here. Such great civic leadership is certainly to be commended.

Under the circumstances, therefore, I would like to invite you personally to give me the benefit of your judgment now on the status of the cultural center project.

I am sure that you feel, as I do, that no time should be lost in getting under way on it.

I recognize, as I know you do, the great international significance of this cultural center. Since, however, I have to work simultaneously on many other foreign-policy fronts, I have asked Mr. Cahn—in his committee service—to help follow through—on the cultural center.

I look forward to receiving your personal observations.

Sincerely yours,

ALEXANDER WILEY.

WASHINGTON, D. C., *March 25, 1957.*

DEAR SENATOR WILEY: Thank you for your letter of March 22. I am indeed glad to know of your appreciation of the international significance of the cultural center for which the Auditorium Commission was created by act of Congress.

It has long been a matter of amazement that the capital of the United States should be unique in its lack of facilities for opera, ballet, and drama.

Our planning committee has studied the requirements and the question of the most suitable site, evaluated according to convenience, surroundings, outlook, terrain, size, and zoning.

Although in the presentation of our plan to the joint district committee of the Senate and House the choice of the site was left to Congress, the executive committee of the Auditorium Commission passed a unanimous resolution in favor of the Foggy Bottom site. It is the only site easily accessible to 80 percent of those who would use the center, also being near the Lincoln Memorial and Memorial Bridge; it would be more frequently seen by prominent visitors and tourists.

Foggy Bottom, between the Lincoln Memorial and Virginia Avenue is the last stretch of the river front as yet unspoiled and it should be made beautiful, therefore it would be as advantageous to the development of that area to have our beautiful buildings, which would not be high, nor completely obstruct views of the river, there, as it would be ideal for the cultural center to be located on that site.

With confidence that your support will help to bring about this happy conclusion,

Sincerely yours,

VIRGINIA M. BACON.

Address by Hon. John Bell Williams, of Mississippi, Before the Defenders of State Sovereignty and Individual Liberties

EXTENSION OF REMARKS

OF

HON. WILLIAM M. TUCK

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. TUCK. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am pleased to include a very able and scholarly address delivered by our colleague, the gentleman from Mississippi, Hon. JOHN BELL WILLIAMS, delivered in the ballroom of the Jefferson Hotel in Richmond, Va., on Friday evening, March 22, 1957. The occasion was a meeting of the Defenders of State Sovereignty and Individual Liberties. Our colleague from Virginia, Hon. WATKINS M. ABBITT, was the toastmaster and I had the privilege of presenting Congressman WILLIAMS to the audience. It was a large and enthusiastic audience and the address of Congressman WILLIAMS was frequently interrupted by loud and sustained applause. At the conclusion of his address the entire audience stood and applauded for several minutes.

The address is as follows:

I bring you greetings and best wishes from 2 million citizens of the great sovereign State of Mississippi. As a guest from a neighboring State, I come before you not in any sense to suggest to you what policies you should adopt or what courses to follow in coping with the problems which you may encounter in the conduct of your internal affairs. Rather, I appear before you as a fellow American and a neighboring southerner to discuss with you matters of mutual concern to our respective States and people. In the words of the Apostle Paul: "Come, let us reason together."

There is little need to recount the many and complex problems that confront our great Nation. You know, as I do, that we face almost insurmountable difficulties in the field of our domestic economy. The foreign doctrines of socialism and communism are on the march. Our currency is undergoing a steady trend toward inflation, and our national debt exceeds that of the rest of the world combined. We try to cope with problems over production in agriculture with domestic programs, while our foreign policy dreamers concoct new scheme to spend our tax moneys to expand the operations of our competitors. We face the threat of predatory war with an atheistic enemy across the seas. We have many problems.

All these, as grave and foreboding as they are, must pale into insignificance, though, in the face of the monstrous problem presented to us by a political Supreme Court on Monday, May 17, 1954.

seekers, adventurers of all types, traveled over this road on their way to the West.

From an early date, Baltimore has been one of America's great seaports, the center of merchant-marine activity reaching to every part of the world. This great port is also the focal point of a vast railway system which stretches to every section of our continent.

Today, as in the past, Maryland exerts a great influence over the affairs of our Nation. The industrial output of her factories, her fine seafood, her quality food and dairy products, her unequaled tobacco—all contribute to the prosperity and high standard of living in America.

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National Cultural Center for the District of Columbia—Correspondence Between Senator Wiley and Mrs. Robert Low Bacon

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EXTENSION OF REMARKS

OF

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OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

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I mentioned at that time the splendid job which had been performed by the National Auditorium Commission which we of the Congress had created for the purpose of preparing the plans for such a center.

Since making my comments, I have been pleased to hear from a great many citizens in the metropolitan area who are especially interested in seeing Congress promptly select one of the alternative sites, so that this fine project can be commenced.

It will be recalled that in making my original remarks, I pointed out that, since I am not a member of the Senate District Committee and have not had as much opportunity as I would like to explore the site and other questions, it was not possible for me at the time to attempt to make any recommendation on the matter of sites.

I stated, however, that all the factors bearing upon choosing the best possible site should be carefully and promptly studied by the Congress.

Among the many prominent persons and House District Committees, as well as to the members of the Washington Board of Trade, the Federal City Council, and other interested groups which have given devoted attention to this very important subject.

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I know that there are comparatively few, if any, people, here in the District, who are better qualified to comment on this subject than yourself. I say that, not only on the basis of your most active role on the Auditorium Commission, but in view of your many years of other service to this community, as well.

I understand, for example, that since the 1920's, you have been doing your part toward the establishment of a National Opera House here. Such great civic leadership is certainly to be commended.

Under the circumstances, therefore, I would like to invite you personally to give me the benefit of your judgment now on the status of the cultural center project.

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WASHINGTON, D. C., *March 25, 1957.*

DEAR SENATOR WILEY: Thank you for your letter of March 22. I am indeed glad to know of your appreciation of the international significance of the cultural center for which the Auditorium Commission was created by act of Congress.

It has long been a matter of amazement that the capital of the United States should be unique in its lack of facilities for opera, ballet, and drama.

Our planning committee has studied the requirements and the question of the most suitable site, evaluated according to convenience, surroundings, outlook, terrain, size, and zoning.

Although in the presentation of our plan to the joint district committee of the Senate and House the choice of the site was left

that area to have our beautiful buildings, which would not be high, nor completely obstruct views of the river, there, as it would be ideal for the cultural center to be located on that site.

With confidence that your support will help to bring about this happy conclusion,

Sincerely yours,

VIRGINIA M. BACON.

Address by Hon. John Bell Williams, of Mississippi, Before the Defenders of State Sovereignty and Individual Liberties

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EXTENSION OF REMARKS

OF

HON. WILLIAM M. TUCK

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. TUCK. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I am pleased to include a very able and scholarly address delivered by our colleague, the gentleman from Mississippi, Hon. JOHN BELL WILLIAMS, delivered in the ballroom of the Jefferson Hotel in Richmond, Va., on Friday evening, March 22, 1957. The occasion was a meeting of the Defenders of State Sovereignty and Individual Liberties. Our colleague from Virginia, Hon. WATKINS M. ABBITT, was the toastmaster and I had the privilege of presenting Congressman WILLIAMS to the audience. It was a large and enthusiastic audience and the address of Congressman WILLIAMS was frequently interrupted by loud and sustained applause. At the conclusion of his address the entire audience stood and applauded for several minutes.

The address is as follows:

I bring you greetings and best wishes from 2 million citizens of the great sovereign State of Mississippi. As a guest from a neighboring State, I come before you not in any sense to suggest to you what policies you should adopt or what courses to follow in coping with the problems which you may encounter in the conduct of your internal affairs. Rather, I appear before you as a fellow American and a neighboring southerner to discuss with you matters of mutual concern to our respective States and people. In the words of the Apostle Paul: "Come, let us reason together."

There is little need to recount the many and complex problems that confront our great Nation. You know, as I do, that we face almost insurmountable difficulties in the field of our domestic economy. The foreign doctrines of socialism and communism are on the march. Our currency is undergoing a steady trend toward inflation, and our national debt exceeds that of the rest of

Other issues are temporary, and deal with the present; they affect primarily this generation of Americans. The issue presented by the Supreme Court threatens to undermine the very structure of our form of government. It would dissolve the very foundations upon which our free democratic society was built, and destroy forever the purity of race that future generations of Americans, both white and Negro, have a right to expect. It threatens to pervert moral premises by translating them into a conglommerate potpourri of amalgamated theories of mongrelization.

We might well consider the fact that once mongrelized, we can never reestablish purity of race, nor can we revive a pride of racial integrity. The hand of man can be employed to destroy racial purity, but once destroyed, man lacks the power to restore that purity. That is why we, both white and Negro, who have pride of birth and race must act to protect and preserve that legacy; otherwise those who follow in subsequent generations will be shackled with the fetters of miscegenation and a heritage of immorality beyond which there will be no escape.

For the shame of this it will not be their generation, but our generation, which must suffer to account.

In facing up to these problems, we cannot afford the luxury of complacency or the convenience of hasty action. If we are to prevail, and we must prevail, we must act in calm and deliberate judgment, but with the firmness and resolve which the occasion demands. There can be no retreating from principle, no compromise born of momentary expediency, and no haggling over methods when that haggling retards the progress of our high purposes.

Above all, we must present a united front, for there is our strength; and we must also understand fully the nature of the evil and know the identities of our enemies in this struggle for our American freedoms.

It was to meet this vital need that the defenders of State sovereignty and individual liberty came into being. It was to meet this need that the citizens councils in my State were born and subsequently the Association of Citizens Councils which extends throughout several of our sister States.

Your presence here tonight is evidence, in itself, of your love for the institutions of freedom under our great American Constitution, and your dedication to the preservation of the noble ideals that have become an integral part of the America we know and love. Your presence here speaks eloquently of your concern for the happiness and strength of the America of the future.

Yours is a fight for the future of our great American institutions, our civilization, and our ideals. You are waging a fight of morality and conscience: that children of both white and colored races may be permitted to enjoy participation in a society unsullied by amalgamation and unstained by moral disintegration.

I would be a coward indeed, unworthy of my self-respect, unfaithful to the trust of my heritage, and a traitor to my children and my children's children, if I sought refuge—as some do—behind a laissez-faire acknowledgment of these dangers, and fail to rally behind the great and good people of my State and Nation when they marshal their forces to repel the evils that beset us—evils that imperil the future happiness, security, and freedom of my children. I salute you as great and fearless Americans, and I am proud to be a part of you.

We are struggling to uphold law—not lawlessness. We intend to hold our ground firmly and resolutely against those who would honor an illegal fiat of nine men who have made an abortive attempt to change the meaning of our Constitution.

But let there be no mistaking our motives; no flouting our aims. We are gaining friends throughout this Nation among thinking people; patriots who love, respect, and revere the basic concepts of our form of Government. These friends are coming to our side because they know we are right. They know that the continuation of our dual sovereignty form of Government depends upon our ultimate victory over the forces of centralization and totalitarianism.

There is no room in our movement for those who advocate violence, nor do we have a place for those who practice race-mixing in private, but who in public anoint themselves as leaders in the fight for racial purity. If hatred of minorities is to be the criterion for membership in our resistance movements, it would be better that we dissolve our organization, for hatred breeds strife, lawlessness, anarchy, and destruction.

Ours must be a firm but peaceful resistance. Peace and understanding, enlightenment, and fundamental Americanism will have to be our battlecry as we seek to enlist friends and allies throughout the rest of the Nation.

Remember this: All the progress we have made since Black Monday toward exposing the hypocrisy and evil designs of our modern carpetbag enemies; all the gains we have made in demonstrating the illegality of the Court's decisions; all the sympathy we have cultivated in other areas of the country in our crusade for the rights of the several States—all this can be swept away with one shotgun blast, by one explosion of dynamite touched off in the heat of passion.

Our legitimate patriotic organizations will not fight lawlessness with lawlessness. The Defenders in Virginia, the citizens councils in my State of Mississippi and our other legitimate resistance organizations will never condone or place the stamp of approval on violence as their weapon to preserve individual freedom in this country.

It is tragic, indeed, that our once-respected United States Supreme Court, honored through the ages for their legal ability and their personal and judicial integrity, should conduct themselves officially in such a manner as to bring down on their heads the shame that has followed in the wake of some of their recent decisions.

Three years have passed since they exchanged their judicial robes for the caps and gowns of sociology professors and proceeded to tear the heart from the American Constitution by their fantastic ruling in the school-segregation cases. It is a sad commentary on current judicial integrity when their decisions can be attacked on legal premises by eminent lawyers and jurists from every part of our country. Sadder, indeed, is the fact that, to my information, at least, not one single legal authority of any stature has been willing or able to come forward and offer a legal defense for the Court's Black Monday decisions.

Criticism of the Supreme Court's recent decisions, which overtly usurp powers and functions rightly belonging to the States or other branches of the Federal Government, has not been confined to unofficial sources.

We have reached a pretty pass, indeed, when the supreme court of a sovereign State of the Union finds decisions and orders of the Federal Supreme Court so unreasonable, so fantastic, and so contrary to both law and the public interest as to compel them openly to defy its edicts. This occurred but a few weeks ago in Florida, when the Florida supreme court was compelled in good conscience and consistent with established law, to state in one of their decisions:

"Indeed, it is unthinkable that the Supreme Court of the United States would attempt to convert into a writ of right that which has for centuries at common law and in this State been considered a discretionary writ; nor can we conceive that that Court would hold that the highest court of a sovereign State does not have the right to control the effective date of its own discretionary process.

"It is a 'consummation devoutly to be wished' that the concept of States rights will not come to be of interest only to writers and students of history. Such concept is vital to the preservation of human liberties now. And whatever one's ideology may be—whether one is a strong defender of State sovereignty or an equally fervent advocate of centralized government—we think the great majority of persons would agree that if the death knell of this fundamental principle of Jeffersonian democracy is to be tolled, the bell should be rung by the people themselves, as the Constitution contemplates. President Lincoln's words of warning are just as true today as they were almost a century ago, when he said, in his first inaugural address on March 4, 1861:

"'If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court * * * the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.'

"And we do not feel it is amiss to refer to the following remarks made by George Washington in his Farewell Address:

"'If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.'"

A recent Alabama criminal case, reversed by the United States Supreme Court, brought forth this comment from the circuit judge before whom the case had been tried:

"The opinion is the voice of the Supreme Court of the United States, but the hand is the hand of the NAACP. The opinion of the majority of the Court speaks the truth neither as to the facts nor as to the law. The opinion offends and is repugnant to judicial sensibilities and the good name of the people of Alabama. In the sacrifice of the South on the altar of the Supreme Court's psychological and sociological omniscience the Pikes case is but another handful of salt to rub into our wounds. It is a damning confession and commentary on our times."

Here in Virginia, your supreme court of appeals, on January 18, 1956, found it necessary to repudiate a directive of the Federal Supreme Court in a case involving Virginia's marriage laws.

Rejecting an unwarranted invasion of the field of jurisdiction reserved to the State of Virginia, and refusing to be intimidated by the Supreme Court into taking action contrary to established law, your supreme court of appeals said in its opinion:

"The record before the circuit court of the city of Portsmouth was adequate for a decision of the issues presented to it. The record before this court was adequate for deciding the issues on review. The decision of the circuit court adjudicated the issues presented to that court. The decision of this court adjudicated the issues presented to it. The decree of the trial court and the decree of this court affirming it have become final so far as these courts are concerned."

Recently, a Federal judge in the great State of Texas refused to order compliance with the Supreme Court's black Monday decisions, reminding the Supreme Court that "if there are civil rights, there are also civil wrongs." In his decision, he openly and officially criticized the Supreme Court for its segregation decisions, stating flatly that they were based on no law, but rather on what the Court

regarded as more authoritative: modern psychological knowledge.

The fact is, my friends, that there is no legal basis for the Court's decision in the school cases. Their decision flies in the very face of the Constitution, and is repugnant to every principle and concept of established law.

For 58 years, since the Court first enunciated the separate but equal doctrine as being in accordance with the constitutional requirements of equal protection under the law, the right of the States to educate their children in segregated public schools was not in question. In a succession of decisions the Supreme Court affirmed and reaffirmed that right of the several States, so that the separate and equal doctrine became a firmly fixed principle of law, a part of the American institution.

Acting on this premise, the Southern States have poured multiplied millions of their State tax dollars into programs of equalization, to bring Negro schools to a level of equality with the white schools, and seeking to assure complete equality in educating the Negro and white youth. The States have initiated and carried out these programs out of a sense of fairness to both races, and in complete disregard of the fact that the burden of expense in so doing rests squarely and almost wholly upon the members of the white race alone.

Even this was not enough to satisfy the radical element, which continues to agitate and to press—not for equal status for so-called minorities—but for a preferred status, and a condition wherein the majority shall be subject to the rule of the minority.

Simply and succinctly, the Supreme Court, in its Black Monday decisions, yielded to the pressure of these johnny-come-lately political opportunists, who claim to hold the balance of power between the two major political parties and who demand ransom with the political future of this country as their hostage.

All these facts the liberals brush off as the bigoted rantings of Southern race baiters and demagogs, and when confronted with these truths, they cringe and seek shelter behind pious declamations and idealistic but irrelevant platitudes.

I am sorry to say, though, that these elements have become so strong in recent times that they control a great segment of the press and radio of this country, to the extent that a form of censorship has been imposed against the dissemination of information and news that might—directly or indirectly—reflect favorably on the attitudes of southern white people, and the logic—moral and legal—of our position.

In many areas, news stories that justify southern attitudes are deliberately withheld from print; statements favoring segregation by Southern leaders are deliberately distorted to make the author appear as a bigoted fool. Words are lifted from context to make it look as if we in the South hold our Negro friends and neighbors in utter contempt—which is, as you know, contrary to all of the teachings and traditions of the southern people. They refer to our area as the Bible Belt, and proceed to hold our religious beliefs up to public ridicule. It has been impossible for us to tell our side of the story to the Nation, because we have been denied access to the means with which to communicate it.

It is significant that those who are farthest removed from the problem, and who know less about it, are the first to come forward with solutions to it. Segregation is no problem, for instance, in Minnesota, or Montana, or Oregon, or Arizona, where an infinitesimal percentage of the population is comprised of Negroes. The problem belongs to the South, and it is ours to solve in the way we deem best suited to local conditions and needs. We do not welcome the interference—however well-intentioned it may be—of outsiders whose only knowledge of conditions here is to be gained from a slanted northern press, or the commercialized diatribes of scalawag southern journalists.

Is it bigotry to hold that race consciousness is a virtue, as distinguished from race prejudice? Race consciousness is neither prejudice nor intolerance. It is an innate awareness of a birthright being held in trust for posterity. In every group, white and Negro, there are individuals who, despising their birthright, have violated that trust. It is even so in Virginia, but, thank God, a majority of us have been taught, and we understand, how it came about that Israel became a great nation, while Edom faded into oblivion. We recall the downfall of every great empire when it became infiltrated with immorality and was reduced to mongrelization through racial intermarriages and intermingling. Even Benjamin Disraeli, a great man in his day, said: "No man will treat with indifference the principle of race, for it is the key to history."

Race consciousness, recognized as a virtue among the southern people, both white and colored, is a symbol of evil in the eyes of a great majority of the northern press and, I am sorry to say, is being preached as anti-Christian from many pulpits throughout the country.

I am not a student of the Bible, though I profess faith in Christianity and the omnipotence of God. Eminent southern clergymen, in whom I rely for my interpretations of the Word of God, have told me unequivocally that segregation is not a spiritual subject, and that there is nothing in the Bible or its teachings that can be cited directly or indirectly to support the theories recently advanced that segregation, per se, is anti-Christian or contrary to the teachings of the Son of God. Yet, they tell me that the Bible deals with miscegnation and interracial marriages in no uncertain terms, holding this to be contrary to the principles of godliness, and in contradiction to the teachings of Christianity.

Thus, church leaders who adopt the pious attitude that interracial marriage and the resulting mongrel offspring are acceptable in the light of Christian teachings assume unto themselves the divine power to rewrite the meaning of the Gospel. In so doing, they invade the realm of politics and their preachings to that extent, at least, should be accorded consideration in that light, and that light alone.

The fact is that there are basic differences between members of the white and colored races, and so long as those differences continue to be as pronounced as they are, integration of the races where Negroes exist in great numbers is but a meaningless figure of speech and will not work. This fact was never more clearly documented than it was last fall, when the tragic results of racial integration in our Nation's Capital came into public view through the vehicle of a congressional investigation. As a member of that investigating committee, I can tell you that the conditions revealed to public view were shocking beyond imagination. If you have not had an opportunity to read the report of findings that resulted from that investigation, I would urge you to do so. It is a vivid portrayal of what we may expect if we sit by and permit forced integration to come about in our schools.

I shall not deal here with the various force bills, popularly called the civil-rights bills, one of which was reported by the House Judiciary Committee last week, except to tell you that these bills deprive American citizens of their most fundamental and basic civil rights, while guaranteeing no additional civil rights to any citizen, white or Negro. These bills specifically deny the right of citizens to trial by jury in certain cases; make the United States a party to lawsuits against individuals for the benefit of other individuals, and grant more authority to the Attorney General of the United States than has ever been conferred on an individual since the days of absolute monarchies and the "divine right of kings."

The civil-rights bills deal primarily with the so-called right to vote, and would grant the Attorney General the power to interfere with the right of the States to determine the qualifications of electors as specifically and exclusively granted to them under the Constitution. All this they would do in the name of protecting the so-called right to vote.

Proponents of the civil-rights bills overlook the fact that the privilege of franchise is not now, and has never been—under our form of government—considered a civil right. So we wonder just what kind of civil right they are trying to protect by depriving our citizens of the right to trial by jury, to free speech, and the right to choose one's own associates.

In Kent's commentaries, there is the definition of civil rights as "the right of personal security, the right of personal liberty, and the right to acquire and enjoy property. Right itself, in a civil suit, is that which any man is entitled to have, or to do, or to require from others, within the limits of prescribed law."

Bouvier's Law Dictionary is very concise in the definition: "Civil rights are those which have no relation to the establishment, support, or management of government."

Black's Law Dictionary says: "Civil rights are such as belong to every citizen of the State or country or, in a wider sense, to all its inhabitants, and are not connected with the administration or organization of government. They include the rights of property, marriage, protection of the laws, freedom of contract, trial by jury, etc."

If the right to vote is an inherent civil right of the American people, then it must be conferred on all our people without restriction for any reason, whether it be age, place or length of residence, failure to register, or any reason whatever.

Otherwise it is a conferred privilege and not a right. The fact that the Constitution gives the States the power to prescribe the qualifications of their electors, and did not require the granting of universal suffrage without restriction, of necessity removes the privilege of voting from the category of being an inherent civil right.

All of these developments: The drive for integration of the races; the passage of Federal civil rights legislation, and recent Supreme Court decisions depriving the States of other basic powers specifically reserved to them by the Constitution are but part and parcel of an alien movement that has been underway in this Nation ever since we became the dominant world power. Enemies of America know that if they can destroy the sovereignty of the several States of this Union and concentrate all authority in Washington, their last major hurdle toward gaining control over our vast commonwealth shall have been completed.

I would quote from a well known American: "The Federal Government did not create the States of this Republic. The States created the Federal Government. The creation should not supersede the creator. For if the States lose their meaning, our entire system of Government loses its meaning and the next step is the rise of the centralized national State in which the seeds of autocracy can take root and grow."

Those are the words of Dwight D. Eisenhower, spoken during his 1952 campaign for the office of President of the United States.

Listen to this, spoken by this same man to the Conference of Governors, meeting the next year in Seattle, Wash.: "I am here because of my indestructible conviction that unless we preserve in this country the place

of State government with the power of authority, the responsibilities, and the revenues necessary to discharge those responsibilities, then we are not going to have America as we have known it. We will have some other form of government."

My friends, those words were spoken by our President at a time when he was seeking the political support of good and patriotic Americans, and they ring with the essence of American statesmanship. I regret to tell you that, in my opinion, his subsequent official actions have not been consonant with those statements of basic principles. On the contrary, I think it can be said with reasonable accuracy that no president in the history of our great Nation, in the discharge of his official duties, has more flagrantly reneged on his campaign pledges or violated his publicly pronounced beliefs more than the present occupant of the House at 1600 Pennsylvania Avenue. Where advocates of States Rights and Constitutional Government had thought they had a champion, they soon found a quisling to their cause.

I regret to say that few champions of States' Rights are found in my party—the opposition party—outside the Southern States; nor can my party be held blameless for the many sins against America that have been committed in the name of civil rights and general public welfare.

America can be saved, and our democratic society preserved, but only if Americans have sufficient love for it to make the sacrifices necessary to preserve it.

As God-fearing people, we are obligated to resist tyranny, no matter what form it may take. If we are true to ourselves, we must resist it even when it wears the sheep's clothing of judicial robes, if freedom is to be the legacy we bequeath to our children.

The resolving of this crisis does not call for complacency, timidity, or cowardice. It will call for taxing new reservoirs of courage, and will demand sacrifices that will test the strength of our convictions. In the face of the Supreme Court's brazen usurpation of authority, its flagrant disregard of constitutional limitations, its willful flouting of judicial precedents, its wanton contempt for the doctrine of stare decisis and other recognized principles of established law, we must resort to drastic measures if we are to preserve the structure of our Republic. This will mean suffering and sacrifice on the part of liberty-loving Americans, and it means seizing the offensive from the conscienceless self-seeking elements who seek to destroy our Republic. It means that we must seek and find the courage that distinguished our great American ancestors in their struggle to build this Republic, and there can be no retreating from principle for any cause whatsoever.

In this historic fight to preserve American liberty, I would remind you—as did your great senior Senator, the Honorable HARRY FLOOD BYRD, earlier this week—that the great sovereign Commonwealth of Virginia is marked as the first and most important target of those who would destroy State sovereignties. As your Senator said, the Federal Government and the NAACP mean "to try and bring Virginia to her knees first." I can tell you, as a citizen of a sister State, that the integration forces are concentrating their fire upon you, not only because of the great prestige you enjoy among the several States, but because they know that if they can break the will of the people of Virginia, other States will lose the will to resist, and will capitulate as a matter of course.

These beautiful rolling hills gave to us the architects of American liberty. It was one of your sons who wrote the Declaration of Independence; another is credited with being the father of the American Constitution; and still another led the forces of independence against the crown, and later served as our first and most revered President.

The character of the people of the Commonwealth of Virginia has always been reflected in the quality of leadership that Virginia has furnished to our Nation from colonial times until now. You have never failed America in any hour of crisis, and I am confident as an American that in this crisis, Virginia will again furnish the leadership so badly needed for our patriotic American cause.

We in Mississippi, our neighbors in Alabama, Louisiana, Georgia, and our sister States are also under attack. We know that direct assaults against us are in the planning stage. But for the present, the frontlines of the fight to save America are in Virginia, and our hopes and prayers are with you as you seek to turn back the evil forces of centralization, miscegenation, and racial amalgamation.

The man from Monticello once said: "Timid men * * * prefer the calm of despotism to the boisterous sea of liberty." He said, "The God that gave us life gave us liberty at the same time. The hand of force may destroy, but cannot disjoin them."

It was his creed that resistance to tyranny was obedience to God.

The same God that watched over Jefferson, and inspired him to swear eternal hostility against tyranny, watches over us tonight. With His divine guidance and help we shall not fail.

Address by Hon. Estes Kefauver, of Tennessee, to National Capital Wing, Civil Air Patrol

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, March 25, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered at Parents' Night, National Capital Wing, Civil Air Patrol, on Friday, March 15, in Washington, D. C. This is the 15th anniversary year of the Civil Air Patrol. It is doing a fine job.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR KEFAUVER AT PARENTS' NIGHT, NATIONAL CAPITAL WING, CAP, MARCH 15, 1957, INTERDEPARTMENTAL AUDITORIUM, WASHINGTON, D. C.

I am pleased to be here, at the invitation of your wing commander, Colonel Donohue, to meet with you members of the National Capital Wing of the Civil Air Patrol. I am particularly pleased at the opportunity of speaking to so many of the cadet boys and girls, and to their parents, who are here with them tonight.

I was a member of the 79th Congress which passed Public Law 476, an act to incorporate the Civil Air Patrol. I was also a member of the 80th Congress which enacted Public Law 575 which established the Civil Air Patrol as an official civilian auxiliary of the United States Air Force. In my home State we are very proud of our Tennessee Civil Air Wing and of its commander, Colonel Alfred M. Waddell.

As a member of the United States Senate, I serve on both the Armed Services and the Judiciary Committees. I am, therefore, in a position to know of the valuable contribution made by the civilian pilots and observers in Civil Air Patrol aircraft. They flew over 24 million miles over water in our effort to meet the enemy submarine attacks in the coastal waters of the United States during World War II. Twenty-six CAP airmen were lost and more than 500 were awarded the Air Medal for their service in actual overwater reconnaissance.

Fortunately, the end of the war did not mean the end of the Civil Air Patrol. It has been continued and it has played a new and challenging role in these days of an uneasy peace. Under the guidance of Gen. Carl A. Spaatz, the retired Chief of Staff of the Air Force, serving as chairman of its National Executive Board and of its immediately past national commander, Maj. Gen. Lucas C. Beau, and its present commander, Maj. Gen. Walter R. Agee, the Civil Air Patrol is effectively fulfilling its mission.

I agree with President Eisenhower who had this to say in his message of congratulations to you in this 15th anniversary year: "From nearly 3,000 bases throughout all our States and Territories, the 90,000 volunteers of the Civil Air Patrol fly daily missions for the safety and well-being of their fellow citizens. In case of national or regional emergencies, the Civil Air Patrol stands by in flight readiness."

Air Force Chief of Staff Gen. Nathan F. Twining described your function well in saying: "We in the Air Force look to the youth aviation education program of the Civil Air Patrol to help answer the ever-increasing demand for alert young men and women in private civil and military aviation. With its light plane operational force and its nationwide youth program, the CAP is a major element of American airpower."

General Twining refers to that aspect of the mission of Civil Air Patrol which particularly commends it to me—the emphasis on youth training and youth programs. As many of you may know, as chairman of a subcommittee of the United States Senate, I held public hearings in many parts of the United States, seeking information in the field of juvenile delinquency. I am hopeful that those hearings, and the facts which they developed, may make some contribution toward marshalling the forces of parents, teachers, clergy and public officials to the seriousness of the problem and to the importance of its solution.

It is in this area that the program of the Civil Air Patrol, maintaining as it does a nationwide youth organization of some 50,000 boys and girls, ranging in age from 14 to 18, is of great importance. It offers a partial solution to the problem of the boy or girl whose leisure time is used without direction or incentive and who too often becomes a statistic in the reports of the juvenile authorities. The training of your cadets in the basic fundamentals of aviation, in the theory of flight, in communications, navigation, and meteorology is an important contribution to them and to the Nation in this jet age of supersonic movement and supersonic thinking. That this is so is evidenced by a survey conducted by the United States Air Force last year. This survey showed that some 28,000 former Civil Air Patrol members were then on active duty with the Air Force. The quality of your cadets and the effectiveness of their training is indicated by the fact that the first two classes of the new United States Air Force Academy lists 67 of your former cadets among their numbers. Of equal, if not greater importance, is the training they receive in the fundamentals of military drill, in discipline and courtesy. These are the important rudiments in character training which will give meaning and direction to the other fields in which they are instructed.

Of this program, on October 5, 1956, Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, said, in part: "The frontiers of today reach skyward. The Civil

Air Patrol, through its work with teen-age cadets, is creating in thousands of young Americans an intense desire to explore a field in which the horizons appear to be unlimited. * * * The energy of youth must be utilized in some manner. The channels into which it is directed may be either creative or destructive. Certainly the work of the Civil Air Patrol * * * is one very effective means of reducing the opportunity for delinquency. * * * I believe that the cadet program is a unique contribution in the fight against juvenile delinquency as well as added insurance that we will have eager young explorers patrolling the unknown airways of tomorrow."

This is a powerful endorsement of your organization. At the same time it is a challenge to you, the senior officers of the Civil Air Patrol, to interest on an ever widening scale the thousands of boys and girls as yet not enrolled in your cadet program.

During the coming summer, thousands of young cadets will be attending encampments at many of our airbases. Some will have qualified for a special course in the operation and tactical application of jet aircraft. And still others will go as your representatives to some 22 friendly foreign nations in exchange for their counterparts who will visit with us here. This International Cadet Exchange is an important contribution to better understanding and mutual appreciation among the participating nations. And these are the foundations upon which the peace for which we are all striving may well be built.

Again, I am happy for the opportunity of meeting with you. I want to assure you that I am aware of what you are doing and that I will always be sympathetic as a Member of the United States Senate to such of your problems as may be presented to us for assistance.

Thank you again. And goodnight.

Tribute to Greece: 136th Anniversary of Her Independence

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. BOLAND. Mr. Speaker, Greece today celebrates again the return to independence and freedom for which she is justly famous. The cradle of political freedom and self-restrained individual liberty, in the 5th century before Christ, Greece has a history and a record of influence on civilization which was not only unsurpassed in all the succeeding centuries but which has known no equal. This tiny country on the map of the world has spread its influence around the globe and down the centuries. Despite countless invasions, conquest, ravaging hordes, and superimposed dynasties, Greece has remained the captor of her conquerors, the victor over those who would vanquish her.

When the Archbishop of Petras raised the standard of revolt against the Turks on March 25, 1821, and led his people in the national struggle against tyranny he was but renewing the tradition of nonsubservience of the Greek body politic and reaffirming the indomitability of the Greek mind. Four centuries of domination by the Turks could not obliterate, could not dim the permanence of that quality of ancient Greece which insured that freedom would prevail.

President Monroe himself lent his voice to the cause. In his annual message on December 3, 1822, he stated our interest in the situation thus:

The mention of Greece fills the mind with the most exalted sentiments and arouses in our bosoms the best feelings of which our nature is susceptible. Superior skill and refinement in the arts, heroic gallantry in action, disinterested patriotism, enthusiastic zeal and devotion in favor of public and personal liberty are associated with our recollections of ancient Greece. That such a country should have been overwhelmed and so long hidden, as it were, from the world under a gloomy despotism has been a cause of unceasing and deep regret for ages past. It was natural, therefore, that the reappearance of these people in their original character, contending in favor of their liberties, should produce that great excitement and sympathy in their favor which have been so signally displayed throughout the United States. A strong hope is entertained that these people will recover their independence and resume their equal station among the nations of the earth.

It is interesting that it was this Greek war for independence that occasioned the statement of Daniel Webster that the United States could no longer hold itself aloof from world affairs. He said:

As one of the free states among the nations * * * our side of this question is settled for us, even without our own volition. Our history, our situation, our character, necessarily decide our position and our course before we have even time to ask whether we have an opinion. Our place is on the side of free institutions.

In the following century, and in our own time, the Truman doctrine has been called the first real break in peacetime of the American public as a whole from isolationism. The aid was needed to maintain the independence of Greece and Turkey from Communist subversion. Referring to this situation, Lincoln MacVeagh, a recent Ambassador from the United States to Greece, wrote in 1955:

Since our declaration of the Truman doctrine in 1947, we have shown an understanding not only of the importance to us of the independence and territorial integrity of Greece, but also of the great step forward she has taken on the international stage in composing her age-long differences with Turkey and allying herself with that country on the present frontiers of freedom.

Thus the accent on freedom and independence has echoes from Greece through the world, through the centuries for more than 2,300 years.

SEC's Power To Enjoin Proxy Fights in the Public Interest

EXTENSION OF REMARKS

OF

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. CHIPERFIELD. Mr. Speaker, the current proxy contest being waged for control of Fairbanks, Morse & Co., between the Penn-Texas corporation headed by Leopold Silberstein and the present management, headed by its president, Robert H. Morse, Jr., is of widespread public interest. It is of particular import to many people in my district who are officers, employees, and stockholders of the Fairbanks, Morse & Co.

I want to call attention to the application of the proxy rules as they are administered by the SEC.

The Commission is an independent agency which must be impartial in its examination of proxy material used by participants. Its guiding purpose is to see that public stockholders receive protection from false, misleading, and irrelevant statements to which they are entitled.

Early in 1956 the Commission revised its proxy rules to permit more effective control over proxy solicitation, especially in the case of contests for the election of directors. In recent years there have been many bitterly fought proxy contests between management and groups opposing, with the control of large corporations at stake. The Commission recognizes the legal relationship of a proxy holder to the security owner as that of being a fiduciary and that proxy holder is, accordingly, subject to legal concepts generally governing the conduct of directors who manage corporate affairs. Documents that are to be used for the solicitation of proxies must be filed with the Commission and be examined to see whether they comply with the Commission's standard of disclosure. The responsibility for the accuracy and completeness of the material used rests with the user of the material.

It is within the power of the Commission to institute proceedings to enjoin solicitation of proxies; to compel resolicitation or to restrain the voting of proxies where it has reason to believe that false or misleading statements are being used in seeking the support of stockholders. In fact, the Commission must turn to the court for plenary action since it has no administrative process for compelling false or misleading material to be corrected, nor can it by its own order stop a solicitation which violates these rules. The compelling force which the Commission may use is to seek Federal court action to prevent the use of material that is misleading or false.

In the bitterly fought Fairbanks, Morse proxy campaign the principal issue is whether all persons and institutions who should be named as participants have been named, and whether they have complied with the Commission's requirements for filing information as to the extent and nature of their interest. This question is particularly pertinent since large blocks of Fairbanks, Morse shares are reported as under contract of purchase by Penn-Texas through foreign banks or institutions who are admittedly only agents. Their principals are hidden behind the rule of secrecy, imposed by foreign laws. As it stands, persons or institutions who are probably actual participants have not been required to disclose their background, personal history, the extent of their ownership or the circumstances under which they became participants.

Air Patrol, through its work with teen-age cadets, is creating in thousands of young Americans an intense desire to explore a field in which the horizons appear to be unlimited. * * * The energy of youth must be utilized in some manner. The channels into which it is directed may be either creative or destructive. Certainly the work of the Civil Air Patrol * * * is one very effective means of reducing the opportunity for delinquency. * * * I believe that the cadet program is a unique contribution in the fight against juvenile delinquency as well as added insurance that we will have eager young explorers patrolling the unknown airways of tomorrow."

This is a powerful endorsement of your organization. At the same time it is a challenge to you, the senior officers of the Civil Air Patrol, to interest on an ever widening scale the thousands of boys and girls as yet not enrolled in your cadet program.

During the coming summer, thousands of young cadets will be attending encampments at many of our airbases. Some will have qualified for a special course in the operation and tactical application of jet aircraft. And still others will go as your representatives to some 22 friendly foreign nations in exchange for their counterparts who will visit with us here. This International Cadet Exchange is an important contribution to better understanding and mutual appreciation among the participating nations. And these are the foundations upon which the peace for which we are all striving may well be built.

Again, I am happy for the opportunity of meeting with you. I want to assure you that I am aware of what you are doing and that I will always be sympathetic as a Member of the United States Senate to such of your problems as may be presented to us for assistance.

Thank you again. And goodnight.

Tribute to Greece: 136th Anniversary of

that quality of ancient Greece which insured that freedom would prevail.

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Nothing is known as to the transactions by which their holdings were acquired or whether there are any understandings or arrangements affecting their disposition. The Commission has always regarded this type of disclosure as vitally important in protecting investors in corporate control contests. In this case, with the issues being so bitterly contested, it is essential to any fair decision. The admitted failure of the holders or beneficial owners of large blocks of stock to comply with requirements of disclosure prior to voting the proxies should be adequate basis for the SEC to invoke its statutory powers to restrain the voting of such proxies until there can be no question about compliance.

Jeffersonianism, 1957

EXTENSION OF REMARKS

OF

HON. GEORGE S. McGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. McGOVERN. Mr. Speaker, much has been written and spoken on the themes of Jeffersonian democracy. Certainly, the concepts of the Sage of Monticello, that great architect of American freedom, have provided a continuing stimulus to each new generation.

Last Saturday night, March 23, a new Member of the Congress, FRANK M. COFFIN, of the State of Maine, offered a brilliant and timely interpretation of Thomas Jefferson. Displaying both a keen historical insight and a profound appreciation for democracy's contemporary challenges, Congressman COFFIN spoke to the problems of 1957 in the perspective of a century and a half of Jeffersonian thought.

It was a great personal satisfaction to stand by FRANK COFFIN's side as we took our first oath of office together as new Members of the Congress in 1957. It was our able colleague from Maine who led the revival of two-party government in that great State as chairman of the Democratic Party in 1954 until the end of 1956.

After successfully directing the campaign that in 1954 gave Maine its first Democratic governor in many years, FRANK COFFIN was elected to the Congress in 1956. A distinguished graduate of the Harvard Law School and an able lawyer, Congressman COFFIN is the first Democrat to represent his State in the Congress in nearly a quarter of a century.

His address of March 23 follows:

ADDRESS BY HON. FRANK M. COFFIN, OF MAINE, BEFORE THE YOUNG DEMOCRATIC CLUBS OF AMERICA'S 26TH ANNIVERSARY DINNER, HOTEL MAYFLOWER, MARCH 23, 1957

The daily publication on Capitol Hill, the CONGRESSIONAL RECORD, is a repository of two kinds of entries: Actual debate and what we refer to for some unknown reason as extraneous matter. This could be correspondence, editorials, even poetry, book reviews, and magazine articles. Often these nuggets prove quite as valuable as the debate.

Tonight, I shall not attempt a speech. (Being accustomed to the 5-minute rule in the House, I do not see how I could possibly fill the 12 minutes allotted me.) I shall, instead, exercise my congressional privilege and insert some extraneous matter into the record of these proceedings. This extraneous matter is a rather remarkable document which has just come to my attention.

It is the fragment of a correspondence with Thomas Jefferson. This, in itself, is not remarkable, because the correspondence of Thomas Jefferson, by one count, ran to some 18,000 letters. Indeed, in his later years he complained that his letter writing kept him "at the drudgery of the writing-table all the prime hours of the day" and made him lead "the life of a mill-horse."

This fragment, however, is remarkable for two reasons. First, it is not included in any standard collection; and, second, it apparently is a correspondence between the Sage of Monticello and a present-day young Democrat. At first I viewed these fragments with skepticism. But I became convinced when I went to the Library of Congress and compared Jefferson's preliminary draft of the Declaration of Independence with the handwriting in the fragments. He still uses one of those very first post office pens.

Apparently the Young Democrat had written him with some doubts in his mind, being born after 1803, whether the Democratic Party was really, as Republican canard went, like a mule "without pride of ancestry or hope of posterity."

Jefferson replied: "My dear young man, please excuse this old goose quill pen. It has been grossly overworked. But, poor as it is, it is infinitely superior to those I have seen in your present-day post offices. May I suggest that you go back to using geese for a source of pen points rather than administrative policy?

"Really, I am amazed that the party still exists. After I left Washington in 1800, it seemed to be falling apart at the seams. But somehow our party's performance always managed to exceed its promises. Even Old Hickory showed little promise at first although he voted for me twice. But he finally transferred his fighting ability to the cause of the farmer, the laborer, and the mechanic against the rich and the powerful. He was a great President.

"Jim Polk, from the Duck County Valley in Tennessee, liked politics from the beginning, but he was the first and the most unlikely darkhorse we've had. I never thought he would be his own man. But again I underestimated our party and its leader. Polk was one of the hardest working Presidents we ever had. And I want to remind you that he thought the job so important that he wouldn't take any time politicking for a second term. He made his Cabinet men stick to their jobs and forbade them to waste any time campaigning for him. I had hoped the same thing might happen a couple of years ago. But it didn't.

"I don't know how our party came back after the terrible War Between the States. But we did very well under Cleveland. Then along came that proper and earnest young fellow Virginian, Tommy Wilson, son of the preacher. You can imagine how I felt about him. He said I was a great man but not a great American. He wouldn't even come up the hill to see Monticello when he attended my own University of Virginia. He was 40 before he said a good word for me publicly. Even then he liked Grover Cleveland better. But he gradually came to understand the aspirations of the common people. His New Freedom was the voice of the small farmer and the small-business man raised against partnership of Government and monopoly. He helped us enter the 20th century.

"That squire of Hyde Park, Franklin Roosevelt, came closer to my personal tastes. But it seemed improbable that this patrician would sense the needs of the times and lead our country through its worst domestic and international crisis to a place of preeminence in the world. But you knew him, too. And that cocky little infantry captain from Missouri. He had a great deal of Andy Jackson in him. His great accomplishment was to maintain our Nation's place in the world and our party's place in the Nation.

"So, I can't really see why you are worried at all about your background, except that the other party has begged, borrowed, or stolen everything you've thought up. I just wish Alexander Hamilton had felt the same way about my ideas. I am incensed, though, that the other party felt it necessary to take our name. * * * I thought it such a good one."

This seemed to satisfy the Young Democrat as far as "pride of ancestry" went. But apparently he wrote another letter inquiring about "hope of posterity." In due course he received a reply:

"My dear young friend, you flatter me by your continued attentions. You have asked whether there is still a job to be done by our party. To read your question I wonder if you are contemplating turning the donkey out to pasture. You sound almost old enough to be a Young Republican—and I cannot imagine anything more ancient.

"No; this donkey may occasionally go out to pasture, but he doesn't stay there. He has an unquenchable instinct for harness. It was put to the test in the most distant part of the Commonwealth of Massachusetts. I believe it is now called Maine. Those good people in my day, being small farmers, artisans, and businessmen, were good Democrats. After the unpleasantness in Mr. Lincoln's time, they led the donkey out in the middle of their great pine forests and hoped to lose him. But look what has happened. Not only have they just reelected their fourth Democratic governor in 90 years by the greatest vote ever given any governor, but they have sent to Washington their first Democratic Congressman in a quarter of a century. This, to me, carries the same moral as the return of the tribes of Israel after the Babylonian captivity.

"You are concerned about what you call civil rights and what we used to call the rights of man. These rights are not quickly or painlessly achieved. I found that out even on my own plantation. That bloody War Between the States was only half the task. The other half is, in a sense, more difficult, more demanding of the highest order of sensitivity, patience, and determination that you can muster. I have seen the problem building up for two centuries. It cannot be solved overnight, but solved it must be.

"In your domestic economy I see the wheel has turned full cycle. Without being immodest I suggest that you read some of the things I wrote about the small farmer and the communities in which he lived. I am still convinced that they are the backbone of this country. But this backbone is vertebra by vertebra, being taken out by surgery. (As I look over the Nation today, I see that their place in society is challenged by those great forces that have so developed since my time. The party must meet that challenge by insuring that, given a reasonable amount of initiative and competence, the small farmer and businessman shall not be squeezed out of existence. I tried to tell Hamilton of this danger, but to no avail.) This challenge to our way of life has hardly been recognized. If it is to be met, there is only one party equipped by philosophy to take the leadership. You cannot reasonably expect those whose affections and loyalties are inextricably woven into the great industrial fabric of the age, to foster the cause of those smaller units which they have so long fought, acquired, or destroyed.

"I used to think that our natural resources were limitless. Yet even so I spent a good part of my life taking care of my land at Monticello. I confess to a sense of shame as I read of the devastation of our forests, the erosion of our soil, our floods and dust storms. I cannot imagine how good husbandmen can allow a land of plenty to go to waste. This challenge, too, is yours, because these are the resources of all the people, not just a few. Again, you cannot reasonably expect this challenge to be met by those whose wealth has come from the exclusive use or abuse of these resources. Not, that is, unless human nature has changed since my time.

"One of the fields of my life work I remember with greatest pride was the education of our youth, particularly my work in establishing a public-school system and in founding the University of Virginia. That system has gone a long way. But when I read of what has been done in what used to be that remote barbaric land of the Czars, I realize that we have not gone far enough. It is hard for me to believe that the goal of providing enough good classrooms for our young people is a debatable subject. And I am dismayed to find so little thought about the other problems of education. Here is a challenge worthy of our party's mettle. In fact, so long as you have unsightly and unhealthy slums, bad roads, men out of work or slaving at poor wages, sick people uncared for, and old people living in indignity, you as a party face continuing challenges to your conscience as the heirs of a land of plenty.

"These things I hope our party will remember in Congress. I much admire its efforts toward economy in Government, but true economy means doing the job that must be done at the lowest cost. Simply to save money by not doing the job is merely to substitute human cost for financial cost. Beware the Trojan Horse of economy which carries within its hollow frame the forces of reaction.

"Finally, I have come to realize that an ocean is not an ocean. It is just a distance of a few hours by aircraft, or less by guided missile. The world has shrunk since my time, almost beyond recognition. You are faced with an awesome threat and an unprecedented opportunity. The threat is annihilation by total war. If my own experience in diplomacy means anything, I must say that this threat is not reduced by weakening our bonds with friends of long standing, by failing to think ahead of current crises, by vacillating in time of decision, by shifting the total burden of leadership to others, or by failing to keep commitments whether legal or moral. When I succeeded Dr. Franklin as Minister to France, I was careful to say that neither I nor anyone else could replace him. To entrust foreign matters to men whose replacement is regretted rather than desired is a goal toward which you should strive. I might add that neither Dr. Franklin nor I obtained our position because of any contribution to anyone's campaign.

"The opportunity you face is that of an imaginative, patient, and responsible leadership working toward a world of free peoples. This opportunity exists only if you can shake off the bonds of smugness and self-centeredness. I had the great privilege of writing the Declaration of Independence for our young Nation. You have the supreme privilege of applying it to the nations of the world.

"My young friend, the party we both hold in common is—if you but have the faith, the energy, and the determination—entering upon its days of greatest service. I envy you the times in which you live.

"Your obedient servant.

"THOMAS JEFFERSON."

One Hundred and Thirty-sixth Anniversary of Greek Independence

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. KEATING. Mr. Speaker, today marks the 136th anniversary of the struggle of Greece for independence from Ottoman tyranny. On this day, Greeks and friends of Greece all over the world pay tribute to those heroes of the past who laid down their lives to win Greece's freedom from the rule of foreign despots.

In a larger sense, also, all of us pay tribute to, and give thanks for, the many contributions of the Greek people to the progress of civilization as we know it today. How different our world today would be without the philosophy, drama, medicine, literature, mathematics, astronomy, oratory, politics, and education which have, in large measure sprung from the Hellenic cradle.

Greek Independence Day this year finds the whole world concerned above all else with the life-and-death struggle with the forces of communism. It is fitting, therefore, that our thoughts linger longest on the noble traditions of freedom which repose in the Hellenic heritage.

From our earliest days, this Nation has felt a special kinship with the people of Greece. President Madison enunciated the sentiments of the United States well in 1822 when he said:

> The name of Greece fills the mind and heart with the highest and noblest sentiments. * * * The disappearance of this country for a long time under an aggressive dark yoke has profoundly agrieved the generous spirits of the past. It was therefore natural for the reappearance of this people in its original character, fighting for its liberty, to arouse enthusiasm and sympathy everywhere in the United States.

Having regained that freedom which had remained kindled in their hearts through long centuries of oppression, the Greeks rebuilt their nation on the principles of democracy which had first found expression in ancient Greece. It is those same principles, Mr. Speaker, which today inspire Greeks and all lovers of freedom.

Today, as 136 years ago, the people of Greece stand prepared to resist oppression regardless of its form or from what quarter it comes. In combating the threat of communism within their borders, in fighting side by side with other brave soldiers of the United Nations in Korea, the people of Greece have shown the continued strength of a culture and a tradition which finds its inception in the principles of human rights and dignity of the individual.

These qualities, combined with other attributes of their rich heritage, have made the sons and daughters of Greece who have come to America admirable citizens. Their perseverence, passionate love of freedom and abilities in myriad fields have made Greeks leading members of any American community where they have settled.

Through organizations such as the American Hellenic Educational Progressive Association—AHEPA—Greeks in America have kept alive the proud traditions of their homeland and harmonized them with the activities of their new land.

Mr. Speaker, we need have no fear about the future of Greece. As they fought in 1821, they are prepared to fight again and again to protect their freedoms against foreign aggression. That is the spirit which made them free. It is the spirit which will keep them free.

Federal Aid for School Construction

EXTENSION OF REMARKS

OF

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. RHODES of Arizona. Mr. Speaker, under leave previously granted, I would like to include in the RECORD a speech made by the Honorable SAMUEL K. McCONNELL, JR., entitled "Federal Aid for School Construction" before the Penn Valley Parent School Association on March 19, 1957. In this address, Congressman McCONNELL effectively and concisely analyzes the subject of Federal aid to school construction.

The speech follows:

DISCUSSION BY REPRESENTATIVE SAMUEL K. McCONNELL, JR., ON FEDERAL AID FOR SCHOOL CONSTRUCTION, PENN VALLEY PARENT SCHOOL ASSOCIATION, PENN VALLEY SCHOOL, MARCH 19, 1957

Tonight, I will discuss a subject of vital and far-reaching significance to America. Because it concerns the welfare of our children; because it involves questions of fundamentals of government; and because it contains elements of emotional conflict, there is need for sober reflection and restraint.

Federal aid to education has been discussed for a number of years. The term "Federal aid to education" has been used rather broadly and loosely in arguments. Roughly, the subject can be divided into three broad categories.

1. Aid to school districts adversely affected by the impact of Federal activities (principally defense establishments). In these situations the Government acquires land for airfields, camps, arsenals, etc. After purchasing the land the Government will thereafter pay no rent or taxes for the use of the land. Obviously, some payment is due to the local authorities. Congress has overwhelmingly passed legislation for assistance to the affected school districts for a period of many years.

2. Aid for maintenance and operation of schools, for textbooks, teachers' salaries, light, heat, power, etc. This type of aid has been very controversial, resulting in arguments over aid to private schools, and control of the running of the schools of America.

3. Aid for the construction of school facilities. This type of aid has been somewhat less controversial, but arguments are occurring over assistance to districts and States failing to show intention to desegregate; over formulas for grants to richer and poorer States; and over the possibility of operation of schools later if such assistance is granted now.

The bills presently before Congress are for construction aid only, and therefore I will discuss that subject more fully tonight.

Why do we have classroom shortages at this time and how large are the shortages?

The depression period of 1929–33; two wars with attendant shortages of labor and materials; a rapidly expanding and shifting population with big increases in the birthrate; and the inflationary spiral which greatly increased the costs of construction; all contributed to a growing shortage of school facilities. States and local areas have been increasing their efforts to meet the situation. For example, in 1949–50, they spent about $1 billion to build 35,000 new classrooms; last year they spent about $2¼ billion to build 62,000 classrooms; and this year they are attempting to construct about 69,000. They have done a creditable job but even at the present accelerated rate of construction it will take some years before the shortages will be eliminated.

Exact estimates of shortages and future needs are not easy to obtain, because standards vary in different States and matters of judgment are involved.

The latest figures available from the Office of the United States Commissioner of Education indicate a shortage in the entire country of 159,000 classrooms. This figure was obtained from State educational offices throughout the Nation; 80,000 classrooms for excess enrollments, and 79,000 to replace classrooms abandoned because of obsolescence, consolidations, fires, and other types of destruction of schoolrooms—a combined total of 159,000.

Practically all authorities agree that new enrollments will total 1¼ million children annually for the next 4 or 5 years. The new enrollments alone will require about 45,000 new classrooms annually. Abandoned schools yearly will total about 14,000 to 15,000. Thus about 60,000 new classrooms will be needed annually to keep abreast of current new demands. All above that figure would apply to past shortages of 159,000.

The job before us is to arouse greater State and local action in order to more rapidly eliminate the shortages. President Eisenhower has proposed a short 4-year program to supplement and encourage State and local effort, not supplant it; $325 million a year for aid to the States to be used for financially needy school districts to construct classrooms—the money to be divided among the States under a formula which takes into account the per capita income of a State and the school-age population. A bond purchase revolving fund of $750 million to purchase school bonds of districts not able to market their bonds at a reasonable rate of interest. Up to a total of $150 million to provide for one-half of a basic reserve fund to provide greater security for the bonds issued by a school financing agency. The purpose is to encourage States to establish such agencies. At the present time only four States, including Pennsylvania, build schools by means of school authorities or financing agencies. And $20 million for administrative expenses assistance to States in developing long-range plans to eliminate restrictions on school construction. The entire purpose of the program is to stimulate and encourage greater State and local action to handle their own school construction needs.

The Kelley (Democrat) bill is a 6-year program and calls for direct grants to States of over $600 million a year, and under a formula based entirely on the school-age population of a State. Financial need is not considered. The Kelley bill also provides for a bond purchase fund and a basic reserve fund contribution for school financing agencies similar in type and amount to the Eisenhower program.

What are some of the major arguments against the proposed school construction legislation?

Opponents of Federal assistance have argued that such a program would mean Federal control and domination of education in this country. I am strongly opposed to Federal control of education. I believe there is danger of such control when a bureau of the Government is providing maintenance and operation aid, but I cannot see that same danger from construction assistance. This is "brick and mortar" aid, and once a school is constructed, and the local authorities take title to the building the Government assistance would end and there would be no further contact or connection whatsoever with the school. The running of the school thereafter would be under the supervision of the local school authorities.

Opponents say "yes, but this program would be just a foot in the door." Actually the Federal Government has been financially aiding education in various ways for almost a century, and there is no Federal domination of education today. We have been aiding land grant colleges since before the turn of the 20th century, as one example.

Another contention is that large amounts of the proposed Federal funds would be required for administrative expenses. The fact is that the budget provides for only two-tenths of 1 percent of the proposed funds for administrative purposes. Even counting the cost of collecting Federal revenues and other overhead expenses, 99 percent of the proposed funds would be distributed for actual use by communities to help build needed schools.

There is a serious argument over the fact that the President's program would call for more money from the wealthier States than the poorer ones. That is true, because the program is based on an equalization principle. Many States have equalization programs which require heavier contributions from richer areas to help the poorer areas in their educational activities. Michigan, California, Pennsylvania, New York, and Ohio would pay out larger amounts than poorer States.

The administration's program would distribute grants on the basis of school-age population and relative financial income. The Kelley bill would distribute Federal funds according to school-age population alone.

A recent analysis by the Office of Education shows that the 12 wealthiest States in per capita income have an average of $10,655 in annual income to support each school-age child. They have more than one-half of all the income in the country. They are now building about 45 percent of all the schools being built in the country this year. And they have less than one-fourth of the actual classroom shortage this year; but, under the distribution system based on school-age population alone, these States would receive almost 40 percent of the Federal grants.

On the other hand, the 12 lowest States in per capita income have an average of only $4,416 income annually per school-age child. They have only 12 percent of the total national income. They are building only 16 percent of the rooms being built this year. And they have well over 35 percent of the current classroom shortage. And yet, if grants are distributed according to school-age population alone, these States would get only 22 percent of the Federal aid.

Under the administration's proposal, the 12 wealthiest States would receive 27 percent of the Federal grants, and the 12 lowest income States, where the shortage is most acute, would receive 32 percent of the Federal aid.

Opponents of any Federal assistance are attacking the accuracy of the figures concerning classroom shortages. Not a single authority that I know of claims that no shortages exist, but efforts are being made to discredit the shortage figures which have been obtained by the Office of Education from State educational departments who are closest to the situation and best able to get the facts. Those who deny the existence of a serious shortage offer no different figures of their own.

Every responsible survey of conditions has concluded there is a substantial and continuing classroom shortage in various areas of the United States. This was the conclusion from information received from State education agencies in response to a questionnaire last fall from the Office of Education. Also, from the School Facilities Survey undertaken more than 4 years ago, using different methods. And the conclusion from independent surveys made for the White House Conference on Education and National Education Association.

The Office of Education questionnaire last fall asked the States to estimate the number of children in excess of normal capacity of the schools in use. This was the third successive year in which the States have reported on this item. And for the third year in a row the figure was about the same—about 2¼ million children above capacity. These children are not imaginery. They are in school today, and can be counted with reasonable accuracy.

The States estimated 80,000 new classrooms were needed last fall just to accommodate this overflow of enrollment. Further, the States estimated 79,000 additional classrooms were needed to replace facilities unfit for use, or a total shortage of 159,000 classrooms.

One serious impediment to passage of a school construction bill is an amendment which will be offered by Representative ADAM POWELL. His amendment would deny aid to any State for school construction which fails to show compliance with the Supreme Court decision calling for an end to segregation in schools. Such an amendment would kill the bill, especially in the Senate.

While I can understand the desire of those favoring more rapid desegregation, nevertheless it does not appear necessary in a school construction bill. No Commissioner of Education could start to grant aid if a bill is passed, without the likelihood of a court challenge of his action. Then before aid could be given the courts would have to decide whether a State is complying or not. The Supreme Court in deciding the original case stated that decision as to compliance would be decided by the courts. It would not be decided by a department or an official of the executive branch of the Government.

One of the serious objections raised to this program is that it calls for Federal spending at a time when the budget is high. I believe the budget is high and can be cut. My past record would show that I have voted to reduce or eliminate many items, and I will continue to vote for lower amounts. I do believe, however, that provision for adequate classrooms for the children of America is of immediate concern to this Nation. Lost educational opportunities in the formative years can seldom be regained. In the complex world of today, such economy could be detrimental to our national security and a drag on the full development of our human resources.

In summary, I favor a relatively short-term Federal program, for a moderate amount of money, to stimulate, not supplant, State and local action to enable them to more rapidly eliminate the shortage of classrooms in this country. It would be a sound investment in the future of America.

Greek Independence Day

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. FLOOD. Mr. Speaker, on this day 136 years ago, Greece declared independence from the Ottoman Empire. Today we are happy to join with the Greek nation and our own citizens of Greek heritage in celebrating this event. The American people have always held the warmest and most friendly feelings toward the Greek people. Throughout these years our spirits have been united in devotion to freedom, but today we are also allies in the North Atlantic Treaty Organization for the mutual defense of that freedom.

The American Revolution of 1776 served as an inspiration to the Greek people in their battle for national independence. In 1821 the United States was the outstanding example of a colony that had revolted, obtained its independence, and successfully defended it against a major European power, in the War of 1812. When the Greek people became one of the first to lift high the standard of liberty in Europe, Americans of all political parties were united in their hopes for Greek freedom. Not only did this seem to be a second case of a people seeking freedom from domination by a foreign power, but also Greece represented the source of historic wisdom in philosophy, literature, and art which was most highly prized by the Founding Fathers of our own Nation. As President Madison said in 1822:

> The name of Greece fills the mind and heart with the greatest and noblest sentiments. * * * It was * * * natural for * * * this people * * * to arouse enthusiasm and sympathy everywhere in the United States.

Our two countries were united in both World War I and the Second World War, when Greece was a shining example of how tenaciously a freedom-loving people could fight to retain their independence. For a long time, the courageous Greek people battled the forces of Nazi Germany. Finally, Greece was occupied amidst a devastating destruction of many of the architectural gems of Western Civilization. When, in 1944, Greece was liberated by the victorious Allies she soon faced renewed threats to her freedom as well as the task of rebuilding her war-devastated land.

In 1947 this new threat came from the Communist guerrilla bands in the north which were actively aided by Russian-controlled Yugoslavia, Bulgaria and Albania. The Soviet Union thus sought to foment and support a Communist revolution that would add Greece to her growing number of satellite states. And at that very moment, when Greek peril seemed greatest, Britain's desperate economic straits forced the withdrawal of her troops from Greece. The United States, which had emerged from World War II with its great strength still intact, responded with the famous Truman doctrine. The American people sent both economic and military aid to the embattled Greek Government which enabled it to successfully fight off this latest attack upon her independence.

It became clear there was a threat of a Soviet armed attack upon Western Europe that would last for a long time. It also became clear that it could only be successfully met by united action. Thus, in 1949, Greece joined with the United States and other nations of the general Atlantic area in founding the North Atlantic Treaty Organization. An attack upon any one member of NATO is considered an attack upon every other member. United States military might is committed to the defense of Greece. The brutal repression of the Hungarian revolution is only the latest proof that the Soviet threat is a continuing reality and that unity amongst the NATO powers is as vital today as any time since the founding of the organization. Today as we celebrate Greek Independence Day, it becomes increasingly vital that all members of the alliance settle their mutual differences by amicable means in the interests of continuing the united strength and common purpose needed to defend our basic independence in the world today.

Equal Pay for Women

EXTENSION OF REMARKS

OF

HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mrs. DWYER. Mr. Speaker, 5 years ago, as a member of the Legislature of the State of New Jersey, I was privileged to introduce a bill for Equal Pay for Equal Work for Women. The bill was passed by both Houses of the legislature and became a law the same year. With passage of the bill, New Jersey became the 13th State in the Nation to adopt an equal pay law.

Since 1952, three other States have added such legislation to their statutes. Sixteen States and Alaska now have equal pay laws, but this progress by the States has been painfully slow. A large majority of our States still have not enacted equal pay legislation—a factor which, I believe, sharply emphasizes the need for Federal action in this field.

Today, at the request of the administration, I have introduced a bill calling for Equal Pay for Equal Work for Women. My distinguished colleague from Indiana, Congresswoman HARDEN, is introducing similar legislation. It is our hope that this legislation—based on President Eisenhower's recommendations—will receive just and favorable consideration during this session of Congress. Certainly, the time for such action is long overdue.

The demand for such legislation, of course, is not new. As early as 1868, the National Labor Union Convention adopted a resolution urging Federal and State Governments to pass laws, securing equal salaries for equal work to all women employed under the various departments of the Government. Since that time, we know, the Federal Government, under the Classification Act of 1923 and the Classification Act of 1949, has come to recognize the validity of equal pay rate for the job, regardless of sex, for its own employees.

On the State level, Michigan and Montana were the first to enact equal-pay legislation applying to employees in private interstate industry. That was in 1919. Fourteen other States and Alaska have slowly followed suit.

On the Federal level, equal pay bills have been introduced in every congressional session since the 79th Congress in 1945.

These various bills have attracted wide interest and support by unions—both AFL and CIO; women's organizations and civic groups, as well as the United States Department of Labor and various State departments of labor. But no action has been forthcoming.

I do not believe this hesitation by the Congress can be justified.

More than a century has passed since women first were openly accepted as part of the labor force of our country. Today, more than 20 million women are included in our labor force. The earnings of these women contribute significantly to the well-being of their families and help to increase our national wealth.

This rise in the number of women in our labor force has been accompanied by an ever-widening range of occupations in which they are engaged. After all, the great majority of occupations and industrial processes today are neither exclusively men's nor women's fields of endeavor. There are only a limited number of jobs that women are not able to hold if given the training and the opportunity.

It has been said, by those arguing against equal pay, that men have the responsibility of supporting dependents. That is partially correct, but they do not have that responsibility exclusively. Widowed and single women often are the only wage earners in a family, and some married women carry the entire responsibility for family support. In 1953, for example, a woman was the chief breadwinner in nearly 4 million of this Nation's families—or about one-tenth of all families in the United States.

In addition, the continuing high cost of living has made it necessary for more and more married women to continue working in order to contribute to family expenses, to help pay for homes and to help educate children.

Yet, in the face of such indisputable facts, women still are generally paid less than men for their services. The average earnings of all women in the Nation who are paid wages or salaries is about $1,400 per year, compared to $3,200 for men, according to a study by the Business and Professional Women—one of the strong advocates of equal-pay legislation.

The need for equal pay is a matter of simple justice. Women are contributing more and more to the economic life of our country; they are playing an increasingly important role in the support of their families. And yet they are expected to accept a second-class role as far as wages are concerned.

I believe equal pay is important to the economic life of our entire country.

Equal pay will protect both women and men workers. For the women, it means equality in wage treatment. For the men, it helps sustain wage rates and discourages employers from hiring women at lower rates. For employers, it means better labor relations and efficiency. For the community, it means increased consumer purchasing power, increased economic security for the families of workers and a prosperous, full employment.

The arguments against this type of legislation have been proven groundless in New Jersey and other of the States which have adopted equal-pay laws. These States have provided ample proof that such a law is workable. I hope this session of Congress will follow the examples of these States. We cannot correct injustice with inactivity; we cannot continue to apply outdated customs and traditions to the women in the labor force of our great and progressive Nation.

Legal Problems in the Submerged Lands

EXTENSION OF REMARKS

OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. WILLIS. Mr. Speaker, it is now a little over 3½ years since the Congress enacted the Submerged Lands Act and the Outer Continental Shelf Lands Act. I am certain that many recall the difficulties which we experienced in solving that perplexing problem. We found ourselves in a field where legal precedences were few, if any. One might say that we pioneered in the wilderness of the offshore lands.

Mindful of the fact that problems would arise in the future involving questions arising out of the administration and operation of those laws, I had taken upon myself a personal responsibility to closely observe and study the experiences of those handling this problem. At my suggestion a cursory study was conducted last year by the staff of the Committee on the Judiciary. The results clearly confirmed the opinion I had at the time the laws were enacted that many problems would arise which, at the time of enactment, could not be foreseen nor properly cared for, if foreseen.

Therefore, at the start of this Congress I urged that the Committee on the Judiciary be authorized specifically to conduct a study and analysis of the problems arising from the operation and administration of these laws. Fortunately, such authority has been granted the Committee on the Judiciary and the chairman, the gentleman from New York [Mr. CELLER] has appointed a subcommittee comprised of myself as chairman, Messrs. TUCK, FRAZIER, KEATING, and HILLINGS.

Besides this action the question has also been approached in an excellent and scholarly manner by the School of Law of Tulane University. Last fall, at New Orleans, La., the lectures and forums of the professional study program for 1956 were devoted to the legal problems in the tidelands. These lectures encompassed such subjects as the Federal-State jurisdiction in the tidelands; the mineral operations in the tidelands; status of an employee in the tidelands, including discussion of State compensation, the Jones Act, the Death on the High Seas Act, article 2315 of the Louisiana Civil Code, admiralty remedy, and the Harbor Workers Act; and insurance in the tidelands, including discussion of the nature of marine insurance, types of underwriters, types of policy, analysis of the Policy Act and the perils covered, total loss, general average, particular average, cargo insurance, hull insurance, builders' risk, and reinsurance agreements. The lecturers for this series were outstanding men in their respective fields. They included United States District Judge John J. Shelly Wright, of the eastern district of Louisiana; George C. Schoenberger, Jr., Esq., an outstanding attorney of Louisiana, general attorney and manager of the legal department of the Shell Oil Co.; John W. Sims, Esq., a leading member of the Louisiana bar; Raymond H. Kierr, one of the outstanding maritime lawyers in the Nation; W. Ford Reese, Esq., a leading attorney in Louisiana and past president of the Louisiana State Bar Association; Purcell T. Baumgartner, an insurance specialist in maritime underwriting; Charles Kohlmeyer, Esq., a Louisiana attorney specializing in admiralty law; and Benjamin W. Yancey, Esq., another Louisiana attorney specializing in maritime and insurance law.

The proceedings of the program entitled "Legal Problems in Tidelands" were printed and distributed by the courtesy of the Offshore Co., Baton Rouge, La. I do not hesitate to recommend this study and wish to express my gratitude to the School of Law of Tulane University for its outstanding and excellent contribution.

A preliminary study points up many and varied problems to which the Judiciary Subcommittee will devote much of its time. There is the question arising in criminal law of double jeopardy because of violations committed in the Outer Continental Shelf area. Also, there is the question of possible mutiny when certain acts are committed in the Outer Continental Shelf region. There is the peculiar problem of contract law which results from the drilling and building operations in the Outer Continental Shelf area. These are merely some of the problems which result from these two laws enacted in 1953. There are many others.

It is my hope that the work which the subcommittee will undertake will gather sufficient facts and knowledge from the time and experience of operating under the laws so that a definite conclusion may be reached as to what, if anything, should be done in the way of amendments to existing law. It is agreed by most people that Congress made a very commendable effort in attempting to solve this difficult problem of submerged lands, but the true test of the success of that effort must be found in time and experience. The time has come to initiate a very necessary study in order that improvements may be made in the best interest of all parties involved, including the Government of the United States.

Indicative of the many ramifications of this problem is a recent article which appeared in the New Orleans Times-Picayune entitled "Outer Continental Shelf Poses Legal Problems." The remarks of United States District Judge J. Skelly Wright are most pertinent and under unanimous consent I include it with my statement.

The article follows:

OUTER CONTINENTAL SHELF POSES LEGAL PROBLEMS—JUDGE TALKS ON FIELDS OF JURISDICTION INVOLVED

The Outer Continental Shelf of this country's coastal States presents numerous unsolved legal problems, Federal district judge, J. Skelly Wright, United States District Court, Eastern Division of Louisiana, said Sunday night at the New Orleans Country Club.

These problems, he said, occur in the fields of criminal, contract, admiralty, and personal-injury law and involve State-Federal jurisdiction, mutiny, and double jeopardy.

Judge Wright was principal speaker at the annual banquet of the Tulane chapter of Phi Delta Phi, international legal fraternity.

He said that, according to the Outer Continental Shelf Act of 1953, the area of the shelf seaward from the 3-mile line or other recognized State boundary shall be under the exclusive control of the United States.

This control is exercised much in the same manner as a post office or fort, Judge Wright said.

But, he added, the civil and criminal laws of the adjacent State, where not in conflict with the law, are to be applied by the Federal district court to controversies "arising out of or in connection with" any mineral operations in the shelf area.

EXCEPTION CITED

An exception to the application of the State law in the area, Judge Wright explained, "seems to be that the Longshoremen's and Harbor Workers' Compensation Act supplants any State workmen's compensation statute which might otherwise be applicable."

The possibility of double jeopardy in criminal law, being tried twice in court for the same offense, is very much present in legal matters pertaining to the Outer Continental Shelf, Judge Wright said.

The Supreme Court has ruled in a previous Court case "that the same act may be published under State and Federal law without violating the 14th or 5th amendments or any other constitutional provision," Judge Wright said. "The Court held that where there is dual sovereignty, there may be double jeopardy."

QUESTION ARISES

This poses the question of whether States can continue to punish offenses committed seaward of their boundries now that boundaries of States have been extended at least 3 miles into the marginal sea, Judge Wright said.

"If the doctrine of Hebert versus Louisiana is to be followed, a person may be punished by a State government under the State penal statute, and then the same penal statute may be used by the Federal Government to exact an additional, and perhaps identical punishment," he said.

The question of possible mutiny also arises in legal problems pertaining to the Outer Continental Shelf, Judge Wright said.

MUTINY POSSIBILITY

"If the floatable, submersible drilling platforms which are used in the tidelands are to be considered vessels, are workers on these platforms who engage in economic strikes guilty of mutiny?" he asked. "It will be up to the courts to determine if these platforms are artificial islands or fixed structures."

An unsolved problem also occurs in contract law: To what extent is the building and operating of these drilling platforms subject to State or Federal law or has the Outer Continental Shelf Act made a change in existing approaches to the problem?

Judge Wright said that the Outer Continental Shelf Act "is not a utopian act but it is a creditable one. Time and experience will probably indicate the necessity of changing it. Most people agree that Congress has made a commendable effort to solve a very difficult problem involving the tidelands."

Prior to Judge Wright's address, initiation ceremonies were held for 28 Tulane law students. Judge Wright received an honorary membership to Phi Delta Phi, which was presented by Malcolm W. Monroe, New Orleans attorney and national vice president of the fraternity.

Status of Forces

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. BOW. Mr. Speaker, article VII of the NATO Status of Forces Agreement which surrenders criminal jurisdiction over our servicemen to the foreign countries where they are serving purports to throw certain safeguards around an accused who is subject to such jurisdiction. Section 9 of article VII provides that whenever a member of a force or civilian component or a dependent is prosecuted under the jurisdiction of a receiving State he shall be entitled—

(a) To a prompt and speedy trial;

(b) To be informed, in advance of trial, of the specific charge or charges made against him;

(c) To be confronted with the witnesses against him;

(d) To have compulsory process for obtaining witnesses in his favor, if they are within the jurisdiction of the receiving State;

(e) To have legal representation of his own choice for his defense or to have free or assisted legal representation under the conditions prevailing for the time being in the receiving State;

(f) If he considers it necessary, to have the services of a competent interpreter; and

(g) To communicate with a representative of the Government of the sending State and, when the rules of the court permit, to have such a representative present at his trial.

When Attorney General Brownell appeared before the Senate Foreign Relations Committee on June 24, 1953, to support this agreement, he said that these provisions constituted "civilized standards of justice." He did not appear to be concerned that these provisions did not give to an accused any of the following rights:

First. A right to bail.

Second. The right to be tried by a fair and impartial court.

Third. The right to have a reasonable time to prepare his defense, after being informed of the charges against him.

Fourth. The right to be present at his trial.

Fifth. The right to be presumed innocent until proven guilty.

Sixth. The burden of proof on the Government in all criminal cases to prove such guilt beyond a reasonable doubt.

Seventh. The right not to have involuntary confessions used against him.

Eighth. The right not to be compelled to testify against himself.

Ninth. The right to cross-examine the witnesses against him.

Tenth. Protection against double jeopardy.

Eleventh. Protection against ex post facto laws.

Twelfth. Protection against bills of attainder.

These are all rights guaranteed to an accused by our Constitution. He will lose most of them in foreign courts. Are we to consider that these rights are uncivilized standards and that our Constitution is wrong in granting them to an accused?

In discussing the effect of Article VII of this Treaty it is generally considered that the jurisdiction over our servicemen has been surrendered to civil authorities of the foreign states. This is not necessarily true. It would be possible under the treaty for a foreign power, having refused to waive its jurisdiction, to try an accused in its own military court. In fact that has been done on at least one occasion. Those who justify the treaty on the ground that sentences in foreign courts are less than would be meted out by an American court-martial should consider the effect if such a practice of trial by foreign court-martial becomes general.

Answer to Secretary Seaton's Recommendation for Acceptance of Pacific Gas & Electric Co.'s Proposal on Trinity River Project

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1957

Mr. ENGLE. Mr. Speaker, the recommendation of Secretary Seaton that Congress approve the so-called partnership proposal of the Pacific Gas & Electric Co. on the Trinity River project, whereby the company would build the powerplants and purchase falling water from the project, boils down to one more attempt to repudiate and reverse a half century of Federal Government power policy and at the same time load hidden charges on the power bills of California power and energy users. This proposed revision of the concept of reclamation whereby the project is operated for profitmaking purposes would also result in the partitioning of one segment of the project for construction and operation entirely separate and different from the rest of the project, would emphasize operation of the project for power production to the detriment of water consumptive use purposes and would result in additional costs of power to Federal installations in California. Acceptance of the recommendation would mean the end of public power in California. Following is a brief summary of reasons why Secretary Seaton's recommendation should be rejected and the Pacific Gas & Electric proposal disapproved.

COMPANY'S PROPOSAL VIOLATES AND REPUDIATES LONG-ESTABLISHED FEDERAL POWER POLICY

First. Acceptance of Secretary Seaton's recommendation and approval of the company's proposal would be a reversal of half a century of power policy in the Federal Government. The policy which has been established by Congress relative to disposal of electric power and energy made available through development of the Nation's water resources is set out in numerous acts of Congress, including but not limited to, the Reclamation Project Act of April 16, 1906, the Raker Act of December 19, 1913, the Federal Water Power Act of 1920, the Boulder Canyon Act of 1928, the Tennessee Valley Authority Act of 1933, the Rural Electrification Act of 1936, the Bonneville Act of 1937, the Fort Peck Act of 1938, the Reclamation Project Act of 1939, the Flood Control Act of 1944, the River and Harbor Act of 1945, the Eklutna Project Act of 1950, the Falcon Project Act of 1954, and the Small Reclamation Projects Act of 1956. This long-established policy provides that such electric power and energy be disposed of in such manner as to encourage the most widespread use thereof at lowest possible rates to consumers consistent with sound business principles, and that preference in such disposition shall be given to public agencies, municipalities, and cooperatives.

It appears that the decision to repudiate existing Federal power policy comes from the White House, as it is not consistent with Secretary Seaton's stated views to the Senate Interior Committee only 9 months ago. When asked if he believed "that the Department of Interior should adopt a policy, in harmony with Congress, to maintain the principle of public power" Secretary Seaton replied as follows:

> Yes; I see no difficulty there. Whenever the people of a given area, whether it is a region or a State, want public power, it seems to me that they have the determining voice in the matter in any legislation which Congress has passed which makes it possible for those people to exercise their own right of choice. It is a matter which is entirely up to them.

* * * * *

So far as I am concerned, as long as the preference clause is part of the law of this country, as passed by the Congress, the Department of Interior, so far as I am able to see to it, will adhere to the letter of the law.

Now, only 9 months later, in his report to Congress, Secretary Seaton recommends a proposal which he recognizes cannot comply with long-established power policy and with the Trinity authorizing act:

I am not unmindful of the fact that acceptance of the company's proposal would render it impossible to comply with two of the restrictions contained in the act. The first of these is the provision which requires that contracts for the sale and delivery of the additional electric energy available from the Central Valley project power system as a result of the construction of the plants authorized and their integration with that system shall be made in accordance with preferences expressed in the Federal reclamation laws. The second of these is the requirement that a first preference be given to preference customers in Trinity County, Calif., to the extent of the 25 percent of the additional energy added to the Central Valley project as a result of the construction of the Trinity River division. Since joint development of the Trinity resource would add no energy to the Central Valley project power system, except to the extent that the company provides support under its proposed amendments to the existing sales and interchange contract, it appears that there would be no power from which to satisfy either of the two restrictions mentioned.

Secretary Seaton's recommendation would lay aside existing Federal power policy in the interest of a greater financial return to the Federal Government. The Secretary admits that, by so doing, preference provisions in the authorizing act could not be complied with and preference agencies would be required to pay $86 million more for power and energy over a 50-year period than under Federal development. If the San Luis unit, now proposed for authorization, is constructed, preference customers would have to pay $118 million more for energy.

If it were the policy of the Federal Government to exploit the power potential of Federal projects for profitmaking purposes, a less drastic measure but a more lucrative one would be to simply raise the project power rates. Power rates for the Central Valley project could be brought in line with the existing rates of the private utilities and return to the Federal Government, over the payout period, several times the additional $165 million which the Secretary claims from the P. G. & E. proposal.

There is another approach that might be considered if the project is to be put on a profitmaking basis. The value of the Trinity energy at load center is estimated at 13 or 14 mills per kilowatt-hour. Why should the Federal Government not go ahead with construction of the power plants, keeping the Central Valley project intact, and deliver the energy to the company at the load center at its stated value? The surplus to the Federal Government over the repayment period would be close to half a billion dollars.

IT IS THE POWER CONSUMERS WHO PAY

Second. Acceptance of Secretary Seaton's recommendation, and approval of the P. G. & E. proposal would load hidden charges on the power bills of northern California power and energy users. The homeowner, farmer, and businessman would find the P. G. & E. highly advertised generous payments to the Government on their power bills. Also on their power bills would be the costs to the company for construction and operation of the powerplants as well as the Federal, State, and local taxes, which the company claims that it would pay if it builds the power facilities. These are all costs to the company which would necessarily have to be passed on to the consumers. Specifically, the Pacific Gas and Electric Co. pays no money it does not collect on the electric bills. The cost of the powerhouses, the money paid the Federal Government for falling water, as well as the Federal, State, and local taxes, would all be charged to the power users, and at a profit. To put it simply, if the P. G. & E. proposal produces $165 million more in surplus revenues over the payout period than under Federal construction and the P. G. & E. Co. pays $135 million in taxes, then the power consumers pay $300 million more, plus the company's profit.

It is pertinent to point out that just 4 days before Secretary Seaton made his recommendation, the Pacific Gas and Electric Co. submitted a petition to the California Public Utilities Commission asking for an increase in electric rates of almost 6 percent, which would average 37 cents per month per household. The company itself estimated that the electric rate boost affecting 1,735,000 California customers would increase revenues by $16,600,000 annually. Under a system where allowable rates are based upon costs plus a nice profit, why should the company hesitate to raise its offer for falling water by $1,100,000 per year or to place an additional $300 million burden on the power consumers?

PARTITIONSHIP NOT PARTNERSHIP

Third. The Central Valley project was not constructed for profitmaking purposes. It was constructed to meet the needs of the people of the Central Valley Basin for water, flood control, and for low-cost electric power. Under the Secretary's recommendation and the company's proposal, one segment of the vast integrated reclamation project would be constructed and operated entirely different from the rest of the project. The Central Valley project is a whole integrated system of dams, reservoirs, canals, transmission lines, powerplants, and so forth, constructed by the Federal Government, all designed for comprehensive development of the basin to protect the people and land from floods, to furnish a dependable water supply for agriculture and defense purposes, and to furnish power and energy at lowest rates possible consistent with project repayment. This recommendation for partnership or partitionship, as it has been referred to, whereby one segment is set apart and operated different from the rest, just does not make sense. Acceptance of the Secretary's recommendation would irreparably disrupt existing operations of the Central Valley project and threaten future development.

ACCEPTANCE OF SECRETARY'S RECOMMENDATION WOULD MEAN THE END OF PUBLIC POWER IN CALIFORNIA AS A DETERRENT TO HIGH POWER RATES

Fourth. The great effort of the Pacific Gas and Electric Co. to put over this proposal goes, of course, beyond the specific facilities involved here. The real purpose of the company is to stop for all time the expansion of Federal power in California in order that it may monopolize the power market in that area. Acceptance of this proposal would set the precedent for future Federal development. Experience and history have shown that in areas of public power such as the TVA area, the Northwest, the Missouri Basin, and California, prevailing power rates, including the rates of private utilities, are lower than in areas where there is no Federal power. Compare, for instance, the prevailing electric power and energy rates in the Northwest with those in the Northeast.

Federal power, therefore, has not only resulted in low-cost power to public agencies, municipalities, and cooperatives, but it has had the effect of holding down the rates charged by private utilities in Federal power areas. Not only have the so-called preference customers benefited but all the users of electric energy in the area have benefited. If Federal power is cut off in California, it will be to the detriment of not only the potential direct beneficiaries of Federal power but also every user of electricity in the area.

PROPOSAL EMPHASIZES POWER OPERATION TO THE DETRIMENT OF CONSUMPTIVE USE PURPOSES

Fifth. Under the P. G. & E. proposal, the project plan of operation would provide for releases of water to maximize power and energy production. The proposed contract includes a very detailed schedule of releases designed to produce the maximum amount of power and energy for integration into the company's overall power system. Although, theoretically, the water needs of the project would retain priority, any time the Federal Government could not meet the schedule of releases for power because of interference with water consumptive use requirements, then the Federal Government would have to pay the company penalties for such noncompliance with the schedule. The proposed contract contains this paragraph:

If, by reason of (1) water supply conditions more adverse than those of record, (2) the authorization of additional divisions of the Central Valley project by Congress, or (3) changes or revision of the crop pattern of said project, the United States is unable to meet the irrigation requirements of said project through releases of water made available pursuant to paragraphs (a) and (b) of this article in combination with releases of all water available from the active storage capacities of Shasta and Folsom Reservoirs as defined below, and of such other reservoirs as may be authorized as part of said project, the United States may, on advance written notice to Pacific and subject to the provisions of article 12 (d), make available for such irrigation requirements and for use through the powerplants of Pacific's project additional amounts of water even though storage in Trinity or Whiskeytown Reservoir is then less than that specified in table 5 above. Pacific may thereafter take such action as is necessary to provide, from the most

economical alternative source or sources, dependable power capacity in lieu of the dependable power capacity which otherwise would be assured by the reservoir storage specified in table 5. If the release of such additional amounts of water by the United States or the action taken by Pacific to provide such capacity causes an increase in the cost to Pacific of furnishing electric power to its customers the United States shall compensate Pacific for such increased cost by direct reimbursement to Pacific or by appropriate adjustment of the payments provided for in article 13 or both.

The costs to the Federal Government which would result from penalties have not been considered in the evaluation of the proposal. Since the project operating plan is based on historical flows and therefore nothing more than an educated guess, conflicts are bound to arise from time to time between the needs for water to develop electricity and the needs for water to meet requirements of irrigation and municipal water supply. When this serious problem involves the substitution of dollars for water, I fear that it is the water users who may come up short. Even if the priorities are adhered to, I can visualize huge unforeseen payments to the company. It seems to me that the basic purpose of the Central Valley project is the storing and releasing of water in the interests of irrigation and municipal water supply. I believe that, in the public interest, such purpose should be fulfilled without imposing payments on the Government of the United States for noncompliance with a specific schedule of operations designed to maximize power benefits.

"MORE FUNDS FOR POTENTIAL IRRIGATION" ARGUMENT NOT VALID

Sixth. Secretary Seaton states in his letter to Congress that acceptance of P. G. & E.'s proposal would "provide substantially more funds for potential irrigation and multipurpose development in the Central Valley project area."

He also states:

It seems to me that the development of power resources of the Trinity River division under a joint proposal such as that offered by the company would mean that power would become a better partner of irrigation development in the Central Valley project area than under all Federal construction.

Unfortunately, the Secretary overlooks two important factors which makes the first statement invalid and proves the second statement false. First, financial studies of the Central Valley project, based on Federal development, indicate surplus revenues sufficient to expand irrigation as fast as the need develops. The need for additional power revenues to assist irrigation development does not exist. For instance, the report of the Secretary indicates a surplus of about $114 million in the repayment analysis of the authorized features. With the San Luis unit added, a recent report indicates a surplus of about $100 million at the end of the repayment period. It is pretty clear that under the present power rate structure of the Central Valley project there will be sufficient power revenues available to carry forward future irrigation development as fast as it is needed. In this connection, in Secretary Seaton's report one of Commissioner Dexheimer's conclusions is as follows:

Construction of the Trinity River division either as an all-Federal undertaking or through the proposed joint development is feasible and justifiable from both an engineering and economic viewpoint. Under either arrangement there appears to be ample opportunity for expansion of the irrigation phase of the Central Valley project.

The second fallacy in the Secretary's statement is that he overlooks and does not consider the energy needs of the irrigation districts throughout California and the cost to the districts of obtaining necessary energy for pumping. It should be evident that any proposal which results in the irrigation districts having to pay higher rates for their pumping energy does not result in power becoming a better partner of irrigation.

TAKEOVER PROVISIONS NOT FAVORABLE TO THE FEDERAL GOVERNMENT AND WERE NOT CONSIDERED BY SECRETARY IN FINANCIAL ANALYSIS

Seventh. Consonant with the provisions of the Federal Power Act, the proposed contract between the Pacific Gas & Electric Co. and the Federal Government provides that the United States could acquire at the end of the 50-year contract period the power facilities constructed by the company. However, acquisition by the Federal Government would require payment for the company's net investment in the project, not to exceed the fair value of the property taken, plus severance damages. The financial advantage which the Secretary claims for the company's proposal completely overlooks this matter of acquisition costs to the Federal Government. In other words, the analysis on which the Secretary's recommendation is based overlooks the fact that under Federal construction the Federal Government will own the power facilities at the end of 50 years, while under the recommended proposal the company will own the power facilities. In connection with the Secretary's claimed surplus of $165 million under the company's proposal, the report of the Commissioner of Reclamation has the following to say:

For comparison, these two figures require an adjustment that cannot be determined at this time. Under all-Federal development at the end of the 50-year payout period the Federal Government would own outright the fully amortized and operative Trinity River division power facilities, an equity of substantial value. Under joint development the Federal Government could acquire this equity only by payment to the company its remaining net investment plus severance damages. The effect of the retired adjustment would be to reduce the difference in surpluses shown above.

The recent experience of the State of California with respect to its negotiations for the purchase of Pacific Gas & Electric Co.'s Big Bend powerplant on the Feather River is an indication of what the Federal Government may be faced with at the end of the 50-year contract period. The Big Ben powerplant was constructed by the company sometime between 1908 and 1916, at a cost of about $7,700,000. This plant will have to be purchased by the State in connection with its construction of the Feather River project. In the negotiations for purchase of the plant, the company has advised the State that this powerplant is now worth $33 million.

It appears that the Federal Government is put in an unfavorable position with respect to takeover of the power facilities at the end of the contract period and that the Secretary has overlooked this in setting out the financial advantages of the recommended proposal.

ASSUMING A POLICY OF "THE MORE SURPLUS THE BETTER" THE AMOUNT OF COMPANY'S OFFER IS STILL TOO LOW

Eighth. When the Pacific Gas & Electric Co. appeared before congressional committees 18 months ago, its offer to the Federal Government for use of the falling water was $3.5 million annually. Since that time the company has increased its offer to $4,617,000 annually, or an increase of over $1,100,000 annually. Although on the surface this appears to be a generous offer, it is still too low if it is to be the policy to exploit the power resources to the fullest. Analysis of the offer indicates that it is comparable to loaning the company Federal money at about 3½ percent. The Bureau of Reclamation has allocated to power $94,693,000 of the construction cost of the Trinity River division joint-use facilities. The annual payment of $4,617,000 by the company would just about amortize this power allocation in 50 years at 3½ percent and pay a reasonable share of the operation and maintenance expenses. Therefore, it appears that the offer is not as generous as it may seem on the surface. If it is to be the policy to make money from the power operations, then the Federal Government should expect a return on its investment of better than 3½ percent. Other lending institutions get a considerably higher return.

Also, there is another approach that indicates the company's offer is not enough if the policy were to put the project on a profit-making basis. The Pacific Gas & Electric Co. contracts for bulk sales of electricity, such as the contracts with Sacramento Municipal Utility District, Southern California Edison, and various chemical companies, include a clause whereby the price of energy is tied to the cost of fuel. In other words, as the cost of fuel fluctuates the price paid to the company for energy will fluctuate. The company has been attempting for some time to get the California Public Utilities Commission to permit it to include a similar clause in its regular rate schedules. In recent years the price of fuel has gone continually up and the company's recent petition to the Public Utilities Commission for a 6-percent rate increase was based upon increases in the price of fuel oil. In this connection, the company, in its offer to purchase falling water, determined the value of the Trinity energy by a comparison with the cost of steam generation. Therefore, the value of the Trinity energy to the company likewise fluctuates with the cost of fuel, and as the cost of fuel increases the value of the energy to the company increases. Using the company's argument for including an escalator clause in its contracts for disposal of energy, whereby the price is tied to the cost of fuel, why

should a similar clause not be included in a contract whereby the company, in a sense, is purchasing energy. In other words, as the value of the Trinity energy to the company increases, why should the company not pay more for it? It is my understanding that, with respect to the company's present offer, the energy was evaluated on the basis of fuel oil at $2 per barrel. The price of fuel oil today is in the neighborhood of $2.75 per barrel. Already, then, the value of the energy to the company is considerably more than the company reported as a basis for its offer. Over the 50-year contract period, if past economic trends mean anything, the price of fuel will continue to go up. If it were the policy, then, to put the project on a profit-making basis, it would appear imperative that the Federal Government would have to insist that any contract include an escalator clause tieing the company's payments to the price of fuel.

PREVIOUS CLAIMS BY COMPANY REGARDING THE ADDITIONAL POWER GENERATING CAPACITY UNDER ITS PROPOSAL ARE NO LONGER VALID

Ninth. At the time the Pacific Gas & Electric Co. appeared before the Congressional committees its proposal called for installation of 130,000 more kilowatts of generating capacity than the Bureau proposed at that time to install. This higher capacity, of course, was based on integration of the power facilities into the company's overall system and the use of the Trinity facilities for peaking purposes. It was a little difficult at that time to understand how the company could claim this advantage in the face of the understanding we have always had that regardless of who constructed the power facilities the energy therefrom, along with the energy from the other CVP power facilities, would be integrated into the overall system for the benefit of both the company and the Federal Government. Since that time a firm agreement with respect to integration has been reached between the Bureau and the company and the authorized capacity of the Trinity division has been increased to "not to exceed 400,000 kilowatts." Therefore, this argument in favor of the company's proposal is no longer valid and the operating plan will be the same regardless of who builds the power-plants.

SECRETARY'S RECOMMENDATION DOES NOT MEET THE INTENT OF CONGRESS IN AUTHORIZING THE NEGOTIATION

Tenth. The authority in the Trinity authorizing act for completing the negotiations did not imply authorization for the Secretary to study proposals which would violate existing law and, as a matter of fact, language in the act itself. In other words, it was assumed that any agreement with the company would include protection for preference customers as well as protection for the power consumers against exorbitant power rates. To make this clear, the Senate report on the legislation carried this statement:

> The proviso is in no sense to be understood as an authorization to waive, in any negotiation for the sale of falling water, any preference in the sale or transmission of power as expressed in section 5 of the Flood Control Act of 1944, in the Reclamation Project Act of 1939, or in any other law.

In not following this instruction, there is a serious question as to whether the expenditures for the studies involved in this proposal have not been made illegally.

ACCEPTANCE OF RECOMMENDATION WOULD RESULT IN ADDITIONAL COST OF POWER TO FEDERAL INSTALLATIONS IN CALIFORNIA

Eleventh. Secretary Seaton's report indicates that if the company's proposal is accepted it would result in Federal installations paying about $30 million more for power over the repayment period, and this additional payment by Federal installations would be increased to $71 million if the San Luis unit is constructed. It just does not make sense for the Federal Government to build a project which includes the potential for producing power and to dispose of the power potential without any marketing restrictions while compelling its own governmental agencies to pay excessive private power rates for their required electric energy.

A good illustration of this comes to light in connection with the House Appropriations Committee's consideration of the independent offices appropriation bill. This bill includes funds for the Ames Laboratory in California which uses a rather extensive amount of electric energy. The installation expects to use 432 million kilowatt-hours during fiscal year 1958. The Ames Laboratory purchases all the energy it can from the Federal Central Valley project. Its remaining needs must come from the Pacific Gas & Electric Co. Testimony given the Appropriations Committee indicates that the installation will have to pay about 13 mills per kilowatt-hour for the energy purchased from the company compared with 5 mills for the energy purchased from the Central Valley project—a difference of 8 mills per kilowatt-hour. Additional testimony indicates that the installation expects to purchase half of its energy needs for fiscal year 1958 or 216 million kilowatt-hours from the Pacific Gas & Electric Co. Based on the testimony given, 216 million kilowatt-hours would cost the Federal Government $1,728,000 more from the Pacific Gas & Electric Co. than from the Federal project. There is a growing indication, and this is an example, that Secretary Seaton has greatly underestimated the financial losses to Federal installations and public agencies which would result from acceptance of his recommendation.

SENATE

TUESDAY, MARCH 26, 1957

Rev. Demetrios G. Kalaris, pastor, Sts. Constantine and Helen Greek Orthodox Church, Washington, D. C., offered the following prayer:

O Lord, Almighty, common Father of us all, who has manifested in Thine only begotten Son the truth that "there is neither Jew nor Greek, there is neither bond nor free, there is neither male nor female, for we are all one," we beseech Thee to hear our humble prayer:

We pray to Thee in this hour when grave decisions must be resolved by these, Thy servants, assembled here to understand, cooperate, and dedicate themselves to the ideal of justice and brotherhood, for the welfare of our beloved Nation and the many peoples of Thine inheritance.

Send down, O Father in heaven, Thy life-giving spirit to direct their thoughts in the way of truth, so they may enact, order, and enforce whatsoever things are true, whatsoever things are pure, whatsoever things are just, tending toward all excellence and virtue. Enlighten them to lead our people in the way of Thy righteousness. In all humility, we entreat Thee, who art the source of wisdom, bless and grant perfect health of mind and body unto these, Thy servants, chosen to preserve and fulfill the high precepts of our heritage.

May the grace of our Lord, Jesus Christ, and of God, the Father, and the communion of the Holy Spirit, be with us all. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, March 25, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4602. An act to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct-loan program for veterans, and for other purposes; and

H. R. 4813. An act to extend the life of the District of Columbia Auditorium Commission, and for other purposes; and

H. R. 6258. An act to amend the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937, as amended.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4939) to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska, and it was signed by the Vice President.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar as indicated:

H. R. 4602. An act to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from $10,000 to $13,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes; to the Committee on Banking and Currency.

H. R. 4813. An act to extend the life of the District of Columbia Auditorium Commission, and for other purposes; placed on the calendar.

H. R. 6258. An act to amend the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937, as amended; to the Committee on the District of Columbia.

LEAVE OF ABSENCE

Mr. JOHNSTON of South Carolina. Mr. President, I wish to notify the Senate that I am scheduled to be present tomorrow in South Carolina, on official business, holding hearings. The farmers will meet in Florence, S. C., and I ask unanimous consent that I may be absent from the session of the Senate tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Health, Education, Welfare, and Safety of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Territories of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

UNDERGROUND WATER IN TEXAS, AND IMPORTANCE OF DAMS ON THE SAN GABRIEL RIVER

Mr. JOHNSON of Texas. Mr. President, the water problem in Texas has many facets. It involves soil and water conservation, streamflow, small and large dams, flood control, and the problem of harnessing what rainfall we do receive, before it pours into the Gulf of Mexico.

The people of Williamson County, in my home district in Texas, are interested in building a series of small dams on the San Gabriel River. Such a series of dams would provide an abundance of water for the area, as well as afford flood protection.

Mr. Henry Fox, who writes for the Taylor Times, makes another point that has long been overlooked. After 8 years of drought in Texas, many underground streams are going dry, and water wells are dry or inadequate. Mr. Fox, in a recent article, reports that the series of small dams proposed in Williamson County will greatly heighten the prospects of increasing the flow of underground water.

I ask unanimous consent to have the article by Henry Fox printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Taylor (Tex.) Times of March 14, 1957]

"DAMS WOULD HELP"—WILL WILLIAMSON COUNTY WELLS EVER COME BACK?

(By Henry Fox)

One aspect of flood-prevention projects, such as the one on Brushy Creek and the sought-after one on the San Gabriel River, which could be the most important to landowners not directly in the path of floods caused by these streams and the branches and creeks flowing into them, is the prospect of increasing the flow of underground water.

What percentage of water wells on the farms and ranches of Williamson County are now dry or inadequate is not known, but it is known that the figure is pretty high.

Will these wells ever come back? Or more important, will other underground streams of water which could be drilled to, come back?

To answer the question, you'd have to know where these underground streams are fed. It is fairly safe to say though that most of the wells and springs in Williamson County (not the deep wells such as those the towns get their artesian water from) are fed by the water that falls on the watershed. The San Gabriel River itself, for example, is not fed from surface water. It's true when we get a heavy, fast rain, the river gets on a big rise, but the water that keeps the river flowing normally, a month after the last rain, does not come from runoff water. It comes from springs, which are fed by rains which soaked into the ground. Runoff water doesn't feed the river more than a few days at a time, after which it has indeed lived up to its name; it has run off to the Gulf of Mexico.

The same thing no doubt is true of the water wells and upland springs. After a good, slow rain, many wells in the county pick up. Some don't, not after these many years of inadequate rain, and it's possible that many of them never will, although this isn't to say other wells on the same farm couldn't be dug and water found, provided the underground streams were recharged.

This is the aspect of a flood-prevention project which appeals particularly to landowners not in the flood areas, but still in the watershed.

If we got only slow rains, there wouldn't be much need for flood prevention; but, out of 20 or 30 inches of rain in a year's time, more than half falls suddenly, like the one around 1 o'clock last Monday morning, which dumped over an inch in less than an hour. More than half of that rain left Williamson County.

If we'd had flood-detention dams scattered throughout the Brushy and San Gabriel watersheds, all that water would still be in the county. The dams, as you know, would have held it back, letting it flow out at a controlled rate over the next 30 days.

With part of this water staying in the numerous small lakes for 30 days, and the rest flowing out gradually throughout that time, an unestimated amount would have a chance to seep into the ground and recharge the underground supply.

How much water flowing down a creek or river seeps into the ground?

In a test in the Midwest, where some people wanted to pump water into a stream, let it flow down 25 miles to a city to be pumped back out, it was found that in this 25-mile stretch, where the soil was not unusually porous but actually was heavy clay, 30 million gallons of water a day would be lost through seepage, according to Louis Koenig, a noted research scientist who is an adviser to the United States Department of Agriculture.

From this you can get some idea of the amount of water which would seep into the ground of Williamson County if we could hold back the rainfall when it comes and let it flow gradually down the creeks and the river instead of rushing pellmell downstream and out of the county and on to the Gulf of Mexico. (For another example of seepage, you can examine the San Gabriel River. When the river slows down after a month without rain, the flow at Circleville still is a lot greater than it is at Hare or Lanesport. In fact, there have been times when the river was still running at Circleville but had disappeared into the ground entirely before it reached Lanesport.)

Landowners who live in the actual flood plain of a river or creek will get the most immediate relief from a flood-prevention project, but everybody who lives in the entire watershed and drinks water or has livestock which drinks water, will get immeasurable benefit from such a project.

TRIBUTE TO AMBASSADOR WHITING WILLAUER

Mr. MANSFIELD. Mr. President, I was delighted to listen to the Senator from Illinois [Mr. DIRKSEN], last week, and to the chairman of the Foreign Relations Committee [Mr. GREEN], yesterday, speak as they did about the services being rendered by Ambassador Whiting Willauer, our present Ambassador to the Republic of Honduras. At that time they called attention to the fact that Ambassador Willauer had performed, beyond the call of duty, an act which had great repercussions in the country to which he is our accredited Ambassador and which proved beyond question his great ability as an emissary of the United States Government.

It is my hope that proper recognition will be given to Ambassador Willauer, and that our Government will have the benefit of his outstanding services for many years to come, in the field in which he has been chosen to represent us.

I have known Mr. Willauer for 15 years. He has always done an outstanding job in behalf of our people and our country, which he now so ably represents.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I will yield to the majority leader.

Mr. JOHNSON of Texas. I heartily concur in what the distinguished Democratic whip has said. Ambassador Willauer is a friend of mine. I read with great interest of his extreme bravery and of the very fine record he has made in the diplomatic service—a record which holds forth the promise of even greater achievements in the future.

I wish to associate myself with what the distinguished Senator from Montana has said.

Mr. MANSFIELD. Mr. President, I appreciate what the distinguished majority leader has said.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

EMPLOYMENT OF CERTAIN TEACHERS IN DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, Washington, D. C., transmitting a draft of proposed legislation to authorize the District of Columbia Board of Education to employ retired teachers as substitute teachers in the public schools of the District of Columbia (with an accompanying paper); to the Committee on the District of Columbia.

AUDIT REPORT ON FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Savings and Loan Insurance Corporation, supervised by the Federal Home Loan Bank Board, for the fiscal year ended June 30, 1956 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO CERTAIN RADIO TOWERS

A letter from the Chairman, Federal Communications Commission, Washington, D. C., proposing legislation to amend the Communications Act of 1934, as amended, to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used pursuant to license issued by the Federal Communications Commission; to the Committee on Interstate and Foreign Commerce.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Fernando Yao Da Silva and Soo Chen Chou Da Silva from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on April 16, 1956 (with an accompanying paper); to the Committee on the Judiciary.

ACQUISITION OF CERTAIN LAND IN THE DISTRICT OF COLUMBIA

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend an act extending the authorized area for public building construction under the Public Buildings Act of 1926, as amended, to exclude therefrom the area within E and F Streets and 19th Street and Virginia Avenue NW., in the District of Columbia (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the House of Representatives of the State of New Mexico; to the Committee on Public Works:

"House Memorial 10

"A memorial memorializing the Congress of the United States to enact legislation for the construction of a flood control and irrigation dam and works upon the Gallinas River.

"Whereas the waters of the Gallinas River are wasted and dissipated through lack of conservation facilities; and

"Whereas the economy of the State and the well-being of its citizenry are now and will be in the future increasingly dependent upon the proper conservation and use of water; and

"Whereas the erection of a dam upon the Gallinas River for flood control and irrigation purposes will be of vast benefit to the welfare of the State of New Mexico: Now, therefore, be it

"*Resolved*, That the Congress of the United States be and it is hereby memorialized to enact legislation for the purpose of constructing a flood control and irrigation dam and works upon the Gallinas River in the State of New Mexico; and be it further

"*Resolved*, That copies of this memorial be furnished to each House of Congress and the appropriate officers thereof.

"DONALD D. HALLAM,
"*Speaker, House of Representatives.*
"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*"

A joint resolution of the Legislature of the State of Washington; to the Committee on Finance:

"House Joint Memorial 18

"*To the Senate and House of Representatives of the United States in Congress Assembled:*

"We, your memorialists, the House of Representatives and the Senate of the State of Washington, in legislative session assembled, most respectfully represent and petition your honorable bodies as follows:

"Whereas Congressman Barrett O'Hara of Illinois has introduced H. R. 358 to grant an increased pension for war widows of Spanish-American veterans: Now, therefore, be it

"*Resolved*, That we the House of Representatives and the Senate of the State of Washington, do hereby memorialize and petition the Congress of the United States of America to pass H. R. 358 without delay; and be it further

"*Resolved*, That copies of this memorial be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each Senator and Representative in Congress from the State of Washington.

"Passed the House March 2, 1957.
"JOHN L. O'BRIEN,
"*Speaker of the House.*
"Passed the Senate March 11, 1957.
"JOHN A. CHERBERG,
"*President of the Senate.*

"I hereby certify this to be a true and correct copy of House Joint Memorial 18.
"S. B. HOLCOMB,
"*Chief Clerk, House of Representatives.*"

A joint resolution of the Legislature of the State of Washington; to the Committee on the Judiciary:

"House Joint Memorial 13

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and the House of Representatives of the United States of America, in Congress assembled:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas the Ninth Circuit Judicial Council in 1954 adopted a resolution asking for a division of the ninth judicial circuit and a creation of a new 11th judicial circuit; and

"Whereas during the last term of the ninth circuit court of appeals the district's size and increased population necessitated no less than 27 district court judges being called upon to act as circuit court judges, with a resulting intolerable congestion in the local district courts; and

"Whereas the burden of the present ninth circuit court of appeals is carried to the United States district judges, to the detriment of every citizen within a district: Now, therefore, be it

"*Resolved*, That your memorialists respectfully petition the President and the Congress of the United States to enact legislation to create out of the present United States Court of Appeals for the 9th Circuit a new court to be the United States Court of Appeals for the 11th Circuit, its jurisdiction to embrace the States of Oregon, Washington, Idaho, and Montana, and the Territory of Alaska; and be it further

"*Resolved*, That copies of this memorial be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"Passed the House February 25, 1957.
"JOHN L. O'BRIEN,
"*Speaker of the House.*
"Passed the Senate March 13, 1957.
"JOHN A. CHERBERG,
"*President of the Senate.*

"I hereby certify this to be a true and correct copy of House Joint Memorial 13.
"S. B. HOLCOMB,
"*Chief Clerk, House of Representatives.*"

A petition, signed by Lemuel L. Gates, and sundry other citizens of the States of Arkansas and Tennessee, relating to the return of American fighting men captured and unaccounted for by the enemy in the war in Korea; to the Committee on Foreign Relations.

A letter in the nature of a petition from Polish-American societies and brotherhood organizations, and American veterans' posts, of Manchester, N. H., relating to independence for Poland; to the Committee on Foreign Relations.

A resolution adopted by the Washington, D. C., Chapter of the National Sojourners, relating to the parole provisions of the Immigration and Nationality Act; to the Committee on the Judiciary.

RESOLUTION OF MONTANA HOUSE OF REPRESENTATIVES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks House Resolution 2 of the Montana Legislature, concerning the spread between farm and retail prices of beef, and request that it be referred both to the Committee on Agriculture and Forestry and to the Committee on the Judiciary, with the request that the Committee on the Judiciary call the attention of the Subcommittee on Antitrust and Monopoly to the House resolution.

There being no objection, the resolution was referred to the Committees on Agriculture and Forestry and the Judiciary, jointly, and ordered to be printed in the RECORD, as follows:

House Resolution 2

Resolution of the House of Representatives of the State of Montana to the Congress of the United States; to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, United States Senators from Montana; to the Honorable LEE METCALF and the Honorable LEROY ANDERSON, Representatives from Montana; and to the honorable Secretary of Agriculture of the United States, requesting a full-scale and immediate investigation of the spread between the "on the hoof" cattle prices and the price paid for retail beef by the consumer

Whereas official reports of the earnings of the major meatpackers clearly indicate that while producers are suffering serious economic loss due to a depression in live cattle prices, meatpackers' earnings are the highest in history; and

Whereas while "on the hoof" cattle prices are suffering a serious depression, consumers, at the same time, are prevented from having sufficient meat in their diet because of the high cost of retail beef: Now, therefore, be it

Resolved by the House of Representatives of the State of Montana, That the Congress of the United States be urged and requested immediately to implement and proceed with the investigation of the spread between the "on the hoof" cattle prices and the prices paid for retail beef by the consumer; be it further

Resolved, That copies of this resolution be submitted by the secretary of state of the State of Montana, to the Senate and the House of Representatives of the United States Congress, to Senators JAMES E. MURRAY and MIKE MANSFIELD, to Representatives LEE METCALF and LEROY ANDERSON, and to the Secretary of Agriculture of the United States.

EUGENE H. MAHONEY,
Speaker of the House.

By Mr. CHAVEZ:

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Finance:

"Senate Joint Memorial 4

"Joint memorial memorializing the Congress of the United States to support all efforts and take whatever action is necessary to effectuate a reasonable limitation on petroleum imports in the interest of national security

"Whereas increasing tensions and uncertainties which threaten world peace have emphasized the paramount importance of adequate petroleum supplies within the control of the United States, and make mandatory specific national policies to assure a strong and capable domestic petroleum-producing industry; and

"Whereas an urgent need for an effective limitation on imports of crude petroleum and its products has been emphasized by present world conditions, to wit:

"Item I. The Suez crisis, and the resulting disruption of oil transportation from Middle East oil-producing areas, has created shortages in wide areas of the free world and has given emphasis to the danger of reliance for vital oil supplies on areas beyond the control of the United States and its allies.

"Item II. Excess oil producing capability in the United States has made possible the shipment of substantial quantities of petroleum to our free-world allies denied access to Middle East oil, thereby demonstrating that a healthy domestic petroleum industry is of primary importance not only to our country but to our allies as well.

"Item III. The danger inherent in excessive oil imports and increasing reliance on inaccessible foreign oil supplies was recognized by the Congress when it adopted section 7 of the 1955 Trade Agreements Extension Act, giving the President authority to reduce petroleum imports when they threaten to impair the national security.

"Item IV. Following repeated studies, the executive branch of Government determined that import levels prior to the Suez crisis represented a threat to the national security, and efforts were initiated by the Office of Defense Mobilization to limit petroleum imports through individual, voluntary action of oil-importing companies.

"Item V. Despite continuing Government effort to limit petroleum imports over a period of 1½ years, oil imports continued to increase beyond levels determined by Government as harmful to the national security, illustrating the ineffectiveness of voluntary import restraints and the vital necessary of positive Government action.

"Item VI. The need for effective limitation on petroleum imports has been increased, rather than reduced, by events in the Middle East, and action to accomplish this should be forthcoming before changing conditions can again enable imports to reach the destructive levels which existed prior to the Suez crisis: Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the Congress of the United States be, and hereby is, urged to support all efforts and take whatever action is necessary to effectuate a limitation on petroleum imports which will prevent injury to the national defense and the general economy and welfare of the Nation; and be it further

"*Resolved*, That copies of this joint memorial be transmitted to members of this State's delegation in the Congress, to the Director of the Office of Defense Mobilization, to the United States Secretary of State and Secretary of the Interior, and to the attention of the President of the United States.

"JOE M. MONTOYA,
"*President, Senate.*
"GRACE MCAFEE,
"*Chief Clerk, Senate.*
"DONALD D. HALLAM,
"*Speaker, House of Representatives.*
"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*
"Approved by me this 9th day of March 1957.
"EDWIN L. MECHEM,
"*Governor, State of New Mexico.*"

A joint resolution of the Legislature of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 5

"Joint memorial memorializing the Congress of the United States to amend the Natural Gas Act

"Whereas interpretation of the Federal Natural Gas Act by the Supreme Court of the United States and the current interpretation of that Supreme Court decision by the Federal Power Commission threaten the traditional and historical right of the State of New Mexico to regulate and control the production and gathering of oil and gas in the best interest of the people of the State of New Mexico and the Nation; and

"Whereas despite many years of interpretation to the contrary, the 1954 Supreme Court interpretation of the Natural Gas Act and the orders of the Federal Power Commission based on that interpretation, now apply utility-type control of price and market for gas to independent producers; and

"Whereas the State of New Mexico, through the commissioner of public lands, who is the trustee of State lands under the Federal Enabling Act, is the largest royalty owner of oil and gas in the State; and

"Whereas royalties, rentals, and bonuses from oil and gas on State land are the major support of public schools and State institutions; and

"Whereas the regulation of the independent production of gas, and the inevitable resultant regulation of the production of oil, by the Federal Power Commission contemplates control of the price received for these resources at the wellhead, thus affecting the right and the duty of the New Mexico commissioner of public lands to receive the full benefit of its State lands for the schools and institutions of the State, such royalties, rentals, and bonuses commensurate with a fair price established by arm's length negotiations; and

"Whereas the State of New Mexico, through its oil conservation commission, has pioneered in laws and regulations to prevent waste of oil and gas and has spent many years establishing a method of control beneficial to the State and the Nation and fair to those engaged in the oil and gas exploration and production business; and

"Whereas the State of New Mexico does not recognize the independent producer of natural gas as a public utility; and

"Whereas this legislature and the responsible officials of the State of New Mexico recognize—

"That the tried and proven method of arm's length negotiations has been beneficial to the development and establishment of the reserves of both oil and gas;

"That the industry under these circumstances has met rapidly the expanding demand for gas and currently supplies about one-fourth of the Nation's mineral energy;

"That the field price of gas on a heat content basis is far lower in cost than any other fuel;

"That the natural gas producers' field price currently amounts to less than 10 percent of the residential consumer's gas bill;

"That since 1945 the cost of living has risen about 50 percent yet the cost of gas to the household consumer has risen only about 10 percent;

"That the State of New Mexico and the Nation's fuel problem can better be served by a continuation of the longstanding interpretation of the Natural Gas Act wherein independent producers were excluded from Federal Power Commission control: Now, therefore, be it

"*Resolved*, That the 23d legislature of the State of New Mexico does hereby memorialize the Congress of the United States to take such steps as are necessary to amend the Natural Gas Act to exclude the independent producers of natural gas from the control of the Federal Power Commission; and be it further

"*Resolved*, That copies of this memorial be sent to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to the

RESOLUTION OF MONTANA HOUSE OF REPRESENTATIVES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks House Resolution 2 of the Montana Legislature, concerning the spread between farm and retail prices of beef, and request that it be referred both to the Committee on Agriculture and Forestry and to the Committee on the Judiciary, with the request that the Committee on the Judiciary call the attention of the Subcommittee on Antitrust and Monopoly to the House resolution.

There being no objection, the resolution was referred to the Committees on Agriculture and Forestry and the Judiciary, jointly, and ordered to be printed in the RECORD, as follows:

House Resolution 2

Resolution of the House of Representatives of the State of Montana to the Congress of the United States; to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, United States Senators from Montana; to the Honorable LEE METCALF and the Honorable LEROY ANDERSON, Representatives from Montana; and to the honorable Secretary of Agriculture of the United States, requesting a full-scale and immediate investigation of the spread between the "on the hoof" cattle prices and the price paid for retail beef by the consumer

Whereas official reports of the earnings of the major meatpackers clearly indicate that while producers are suffering serious economic loss due to a depression in live cattle prices, meatpackers' earnings are the highest in history; and

Whereas while "on the hoof" cattle prices are suffering a serious depression, consumers, at the same time, are prevented from having sufficient meat in their diet because of the high cost of retail beef: Now, therefore, be it

Resolved by the House of Representatives of the State of Montana, That the Congress of the

"Whereas an urgent need for an effective limitation on imports of crude petroleum and its products has been emphasized by present world conditions, to wit:

"Item I. The Suez crisis, and the resulting disruption of oil transportation from Middle East oil-producing areas, has created shortages in wide areas of the free world and has given emphasis to the danger of reliance for vital oil supplies on areas beyond the control of the United States and its allies.

"Item II. Excess oil producing capability in the United States has made possible the shipment of substantial quantities of petroleum to our free-world allies denied access to Middle East oil, thereby demonstrating that a healthy domestic petroleum industry is of primary importance not only to our country but to our allies as well.

"Item III. The danger inherent in excessive oil imports and increasing reliance on inaccessible foreign oil supplies was recognized by the Congress when it adopted section 7 of the 1955 Trade Agreements Extension Act, giving the President authority to reduce petroleum imports when they threaten to impair the national security.

"Item IV. Following repeated studies, the executive branch of Government determined that import levels prior to the Suez crisis represented a threat to the national security, and efforts were initiated by the Office of Defense Mobilization to limit petroleum imports through individual, voluntary action of oil-importing companies.

"Item V. Despite continuing Government effort to limit petroleum imports over a period of 1½ years, oil imports continued to increase beyond levels determined by Government as harmful to the national security, illustrating the ineffectiveness of voluntary import restraints and the vital necessary of positive Government action.

"Item VI. The need for effective limitation on petroleum imports has been increased, rather than reduced, by events in the Middle East, and action to accomplish this should be forthcoming before changing conditions can again enable imports to reach the destructive levels which existed prior to the Suez crisis: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the Congress of the

the United States and the current interpretation of that Supreme Court decision by the Federal Power Commission threaten the traditional and historical right of the State of New Mexico to regulate and control the production and gathering of oil and gas in the best interest of the people of the State of New Mexico and the Nation; and

"Whereas despite many years of interpretation to the contrary, the 1954 Supreme Court interpretation of the Natural Gas Act and the orders of the Federal Power Commission based on that interpretation, now apply utility-type control of price and market for gas to independent producers; and

"Whereas the State of New Mexico, through the commissioner of public lands, who is the trustee of State lands under the Federal Enabling Act, is the largest royalty owner of oil and gas in the State; and

"Whereas royalties, rentals, and bonuses from oil and gas on State land are the major support of public schools and State institutions; and

"Whereas the regulation of the independent production of gas, and the inevitable resultant regulation of the production of oil, by the Federal Power Commission contemplates control of the price received for these resources at the wellhead, thus affecting the right and the duty of the New Mexico commissioner of public lands to receive the full benefit of its State lands for the schools and institutions of the State, such royalties, rentals, and bonuses commensurate with a fair price established by arm's length negotiations; and

"Whereas the State of New Mexico, through its oil conservation commission, has pioneered in laws and regulations to prevent waste of oil and gas and has spent many years establishing a method of control beneficial to the State and the Nation and fair to those engaged in the oil and gas exploration and production business; and

"Whereas the State of New Mexico does not recognize the independent producer of natural gas as a public utility; and

"Whereas this legislature and the responsible officials of the State of New Mexico recognize—

"That the tried and proven method of

members of New Mexico's delegation in the Congress of the United States.

"JOE M. MONTOYA,
"President, Senate.
"GRACE MCAFEE,
"Chief Clerk, Senate.
"DONALD D. HALLAM,
"Speaker, House of Representatives.
"FLOYD CROSS,
"Chief Clerk, House of Representatives.

"Approved by me this 9th day of March 1957.

"EDWIN L. MECHEM,
"Governor, State of New Mexico."

A joint resolution of the Legislature of the State of New Mexico, relating to the training of the National Guard; to the Committee on Armed Services.

(See the above joint resolution printed in full when presented by Mr. ANDERSON on March 25, 1957, p. 4237, CONGRESSIONAL RECORD.)

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 812. A bill to amend the Agricultural Act of 1949 with respect to price support for extra-long-staple cotton (Rept. No. 187);

S. 1314. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes (Rept. No. 188); and

S. 1442. A bill to facilitate the regulation, control, and eradication of plant pests (Rept. No. 189).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with amendments:

S. 44. A bill to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico (Rept. No. 190).

By Mr. SYMINGTON, from the Committee on Agriculture and Forestry, without amendment:

S. 1094. A bill to authorize and direct the Secretary of Agriculture to convey to the University of Missouri, for agricultural purposes, certain real property in Callaway County, Mo. (Rept. No. 198).

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "INTERNAL SECURITY ANNUAL REPORT FOR 1956"—REPORT OF A COMMITTEE

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I report favorably an original concurrent resolution to print for the use of the Senate Committee on the Judiciary additional copies of the Internal Security Annual Report for 1956.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 22) was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary 17,000 additional copies of Senate Report No 131, 85th Congress, entitled "Internal Security Annual Report for 1956."

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POTTER:

S. 1712. A bill for the relief of Anna Sakomar; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. 1713. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Finance.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 1714. A bill for the relief of Roma H. Sellers; to the Committee on the Judiciary.

By Mr. BEALL (for himself, Mr. GOLDWATER, and Mr. CAPEHART):

S. 1715. A bill to provide additional visas for certain aliens of Greek ethnic origin residing in Greece; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself, Mr. IVES, Mr. COOPER, Mr. MURRAY, Mr. HENNINGS, and Mr. JAVITS):

S. 1716. A bill to provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 1717. A bill prohibiting lithographing or engraving on envelopes sold by the Post Office Department, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1718. A bill to amend section 201 (a) of the Civil Aeronautics Act of 1938, as amended relative to the terms of office of members of the Civil Aeronautics Board; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. IVES:

S. 1719. A bill for the relief of Mario Jurman; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 1720. A bill to repeal the second proviso of section 206 (a) (1) of the Interstate Commerce Act, and for other purposes; and

S. 1721. A bill to amend sections 2323 and 2323 of 28 United States Code; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under a separate heading.)

By Mr. SMATHERS:

S. 1722. A bill for the relief of C. Q. Wright, Jr., captain, United States Navy, retired; to the Committee on the Judiciary.

By Mr. WATKINS (for himself and Mr. SMITH of New Jersey):

S. 1723. A bill to amend the National Labor Relations Act, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1724. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 1725. A bill for the relief of Spyros G. Andreopoulos; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

The following concurrent resolution was reported by Mr. EASTLAND, from the Committee on the Judiciary, and referred to the Committee on Rules and Administration:

S. Con. Res. 23. Concurrent resolution to print for the use of the Senate Committee on the Judiciary additional copies of the "Internal Security Annual Report for 1956."

(See concurrent resolution printed in full where it appears under the heading "Reports of Committees.")

DESIGNATION OF PART OF CAPITOL GROUNDS AS "EISENHOWER PLAZA," AND PROVIDING DEDICATORY EXERCISES THEREFOR

Mr. THYE submitted the following concurrent resolution (S. Con. Res. 23), which was referred to the Committee on Public Works:

Whereas the jurisdiction over the Capitol grounds is provided for in Public Law 870, 79th Congress, 2d session; and

Whereas that area of the Capitol grounds bounded by Constitution Avenue NE. and NW., Delaware Avenue NE., D Street NE. and NW., New Jersey Avenue NW., and Louisiana Avenue NW. containing the plaza, fountain, reflecting pool and terrace of the Capitol improvements area has undergone a 2-year period of reconstruction; and

Whereas this area will be again opened to the general public to be viewed by the thousands of visitors attracted to the Nation's Capital each year; and

Whereas the reconstruction of this area of the Capitol grounds has taken place during the administration of President Dwight D. Eisenhower; and

Whereas this beautiful park area has been neither dedicated nor named since the date of its improvement; and

Whereas it is the purpose of Congress to honor the inspiring leadership of the Allied Armed Forces during World War II by Dwight D. Eisenhower, and to recognize his firm belief in the dignity and honor of the individual and his dedication to the cause of peace and freedom for all peoples of the world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That such area of the Capitol Grounds be henceforth known as Eisenhower Plaza in recognition of the cherished place which President Dwight D. Eisenhower holds in the hearts of people everywhere; and be it further

Resolved, That public dedicatory ceremonies take place the evening of May 5, 1957, such ceremonies to be planned by a joint committee of the Senate and House of Representatives consisting of three Members of the Senate to be appointed by the President of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House of Representatives.

PROPOSED FEDERAL ADVISORY COUNCIL ON THE ARTS

Mr. SMITH of New Jersey. Mr. President, on behalf of myself, the senior Senator from New York [Mr. IVES], the senior Senator from Kentucky [Mr. COOPER], the senior Senator from Montana [Mr. MURRAY], the senior Senator from Missouri [Mr. HENNINGS], and the junior Senator from New York [Mr. JAVITS], I introduce, for appropriate reference, a bill for the establishment of a Federal Advisory Council on the Arts within the Department of Health, Education, and Welfare. In his State-of-the-Union message on January 6, 1955, President Eisenhower recommended the establishment of such a council; and this bill has been prepared by the Department of Health, Education, and Welfare, to implement this program.

Several bills were introduced in the 84th Congress to establish an Advisory Council on the Arts, including S. 3054, prepared by the Department, and S. 3419, introduced by Senator Lehman and others. A special subcommittee of the Committee on Labor and Public Welfare held hearings during April of 1956, and, after some revision, reported S. 3419 to the Senate in July. S. 3419 passed the Senate, but failed to be reported from the House Committee on Education and Labor.

The bill which I am introducing today has been revised by the Department to take into consideration some of the findings and recommendations of the committee hearings and report of last year. It would establish a Federal Advisory Council on the Arts within the Department of Health, Education, and Welfare to undertake studies of, and make recommendations related to, appropriate methods for the encouragement of creative activity in the performance and practice of the arts and of participation in and appreciation of the arts. Such studies would be conducted by special committees of persons expert in the particular field of art involved, and their recommendations would be submitted to the Secretary of Health, Education, and Welfare. The Council will be primarily concerned with stimulating creative artistic activity, and will not be concerned with financial support of particular artistic projects.

Mr. President, this proposal, together with the encouragement and support of the arts now being provided by many private organizations and individuals, will make possible a major step forward in the cultural life of the Nation. I ask unanimous consent that the letter of transmittal from Secretary Folsom and the text of the bill be printed at this point in the body of the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1716) to provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes, introduced by Mr. SMITH of New Jersey (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Congress hereby finds and declares it to be the policy of the Congress in enacting this act—

(a) That the growth and flourishing of the arts depend upon freedom, imagination, and individual initiative;

(b) That the encouragement of creative activity in the performance and practice of the arts, and of a widespread participation in and appreciation of the arts, is essential to the general welfare and the national interest; and

(c) That the encouragement of the arts, while primarily a matter for private and local initiative, is an appropriate matter of concern to the United States Government.

SEC. 2. (a) There is hereby established in the Department of Health, Education, and Welfare a Federal Advisory Council on the Arts (hereinafter in this act referred to as the "Council"). The Council shall be composed of 21 members appointed by the President, from among private citizens of the United States who are widely recognized for their knowledge of or experience in, or for their profound interest in, one or more of the arts and who collectively will provide an appropriate balance of representation among the major art fields including music, drama, dance, literature, architecture and allied arts, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, and television; and the President is requested in the making such appointments to give consideration to such recommendations as may from time to time be submitted to him by leading national organizations in these fields. Each member of the Council shall hold office for a term of 6 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office shall expire, as designated by the President at the time of appointment, 7 at the end of the second year, 7 at the end of the fourth year, and 7 at the end of the sixth year after the date of appointment. No member of the Council shall be eligible for reappointment during the 2-year period following the expiration of his term. The Council shall meet at the call of the Chairman or the Secretary of Health, Education, and Welfare (herein referred to as the "Secretary"), but not less often than twice each calendar year. The Council shall annually elect one of its members to serve as Chairman until the next election.

(b) The Council shall have an executive secretary who shall be appointed by the Secretary after consultation with the Council. Within the limits of appropriations available therefor, the Secretary shall also provide the Council, its executive secretary, and members of its special committees, necessary secretarial, clerical, and other staff assistance.

SEC. 3. The Council shall, upon its own initiative or upon request by the Secretary (who in making his requests shall consider requests submitted to him by the heads of other Federal departments or agencies), undertake studies of, and make recommendations relating to, appropriate methods, consistent with the policies set forth in section 1, for encouragement of creative activity in the performance and practice of the arts and of participation in and appreciation of the arts. Such studies shall be conducted by special committees of persons, expert in the field of art involved, appointed by the Secretary after consultation with the Council. After considering reports on these studies, the Council shall make recommendations in writing to the Secretary. In the selection of subjects to be studied and in the formulation of recommendations, the Council may obtain the advice of any interested and qualified persons and organizations.

SEC. 4. Members of the Council, and members of special committees appointed pursuant to section 3, while attending meetings of the Council or while engaged in the conduct of studies hereunder, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding $50 per diem, and shall be paid travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 73b-2) for persons in the Government service employed intermittently.

SEC. 5. (a) Any member of the Council or of a special committee, appointed under this act, and any other person appointed, employed, or utilized in an advisory or consultative capacity under this act is hereby exempted, with respect to such appointment, employment, or utilization, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code, except as otherwise specified in subsection (b) of this section.

(b) (1) The exemption granted by subsection (a) of this section shall not extend to the following acts performed as an officer or employee of the United States by any person so appointed, employed, or utilized: (A) The negotiation or execution of, or (B) the making of any recommendation with respect to, or (C) the taking of any other action with respect to, any individual contract or other arrangement under this act with the private employer of such person or any corporation, joint stock company, association, firm, partnership, or other business entity in the pecuniary profits or contracts of which such person has any direct or indirect interest.

(2) The exemption granted by subsection (a) of this section shall, during the period of such appointment, employment, or utilization and the further period of 2 years after the termination thereof, not extend to the prosecution or participation in the prosecution, by any person so appointed, employed, or utilized, of any claim against the Government involving any individual contract or other arrangement entered into pursuant to this act concerning with the appointee had any responsibility during the period of such appointment, employment, or utilization.

SEC. 6. There are hereby authorized to be appropriated to the Department of Health, Education, and Welfare such sums as may be necessary to carry out this act, including expenses of professional, clerical, and stenographic assistance. Such appropriations shall be available for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a).

SEC. 7. This act shall not be deemed to invalidate any provision in any act of Congress or Executive order vesting authority in the Commission of Fine Arts.

The letter presented by Mr. SMITH of New Jersey is as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D. C.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: I am enclosing for your consideration a draft bill "To provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes."

The draft bill is essentially the same as H. R. 5756, and H. R. 6713, 84th Congress, which bills were designed to carry out the recommendation of the President, contained in his state of the Union message delivered to the Congress under date of January 6, 1955. In that message President Eisenhower said:

"In the advancement of the various activities which will make our civilization endure and flourish, the Federal Government should do more to give official recognition to the importance of the arts and other cultural activities. I shall recommend the establishment of a Federal Advisory Commission on the Arts within the Department of Health, Education, and Welfare, to advise the Federal Government on ways to encourage artistic and cultural endeavor and appreciation."

Throughout the great epochs of history civilization has been most importantly exemplified by masterworks of arts and architecture, music, and the dance, drama, and literature. Indeed, the verdict of history judges a civilization most definitively by its cultivation of the arts. Encouragement of

the arts is a demonstration to itself and to others of a nation's belief in its spiritual resources and creative destiny.

The United States, despite its relative youth, is rich in artistic achievement. We have contributed new power of design in architecture, created new rhythms in music, and developed a literature which commands worldwide attention. In the theater and film, and in the ancient form of the dance we show a creative vitality. Our great museums, art galleries, and orchestras are the pride of our people. Yet millions of Americans know painting and sculpture only in reproductions, and there are vast areas where living theater is never seen. We must search for new ways to bring the enjoyment of and participation in the arts to more of our people.

We must also find ways to stimulate our talented persons in the arts. We have at our disposal many persons of talent and genius, whose gifts need the encouragement and recognition which persons in other comparable fields enjoy. The artist, the actor, and the writer must exercise crafts which are mastered only after long technical training—a training equally as arduous as that which the doctor, the chemist, or the astronomer must undergo. To a great extent workers in the arts have had to find their own facilities which, except in rare and widely scattered instances, do not compare in availability, number, or quality with those available to other fields.

Philanthropic individuals and private and public organizations have provided strong support for the arts, and properly so. On the other hand, our National Government has not lent its encouragement and prestige to the arts to the extent that is feasible and desirable.

The instant draft legislative proposal would provide for a Federal Advisory Council on the Arts within the Department of Health, Education, and Welfare to undertake studies of, and make recommendations related to, appropriate methods for encouragement of creative activity in the performance and practice of the arts and of participation in and appreciation of the arts. Such studies would be conducted by special committees of persons expert in the particular field of art involved. After considering reports on these studies the Council would make recommendations in writing to the Secretary of Health, Education, and Welfare. In the selection of subjects to be studied and in the formulation of recommendations the Council could obtain the advice of interested and qualified persons and organizations.

Federal encouragement of the arts should go forward in accordance with the traditional principles which the American people believe should guide the relationship of their National Government to them. The draft legislation therefore recognizes three essential principles: (a) that the growth and flourishing of the arts depend upon freedom, imagination, and individual initiative; (b) that the encouragement of creative activity in the performance and practice of the arts, and of a widespread participation in and appreciation of the arts, is essential to the general welfare and national interest; and (c) that the encouragement of the arts, while primarily a matter for private and local initiative, is an appropriate matter of concern to the United States Government.

Special care has been taken to insure that the proposed Federal Advisory Council on the Arts not be in conflict with or duplicate the authority and responsibility of the Commission of Fine Arts provided for by the act of May 17, 1910 (40 U. S. C. 104). Thus, section 7 of the draft bill provides that: "this act shall not be deemed to invalidate any act of Congress or Executive order vesting authority in the Commission of Fine Arts."

Also, to avoid confusing the existing Commission of Fine Arts with the proposed new group, the latter is designated a "Council" rather than a "Commission."

In addition to the above-noted change in name to "Federal Advisory Council on the Arts," there are other changes in the instant proposal designed to clarify the intent and strengthen the proposal as compared with that submitted to the 84th Congress. Thus, the status of the new Council has been strengthened by providing fixed 6-year terms for its members and by having the Council elect its own chairman. Appropriate reference is made to the desirability of balanced representation on the Council from the major art fields and to consideration by the President of recommendations on membership submitted by leading national art organizations. Finally, it is made clear that all Federal departments and agencies may submit to the Secretary of Health, Education, and Welfare requests for studies to be undertaken by the Council.

The Bureau of the Budget advises that it perceives no objection to the submission of the proposed legislation to the Congress for its consideration and that its enactment would be in accord with the program of the President.

Sincerely yours,

M. B. FOLSOM,
Secretary.

PROHIBITION OF LITHOGRAPHING CERTAIN ENVELOPES BY POST OFFICE DEPARTMENT

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill to take the Post Office Department out of the printing business, by prohibiting the lithographing or engraving of advertisements and commercial printing on envelopes being sold by the Post Office Department.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1717) prohibiting lithographing or engraving on envelopes sold by the Post Office Department, and for other purposes, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF CIVIL AERONAUTICS ACTS, RELATING TO TERMS OF OFFICE OF MEMBERS OF CIVIL AERONAUTICS BOARD

Mr. MAGNUSON. Mr. President, by request I introduce, for appropriate reference, a bill relating to the terms of office of the members of the Civil Aeronautics Board.

The bill provides that upon the expiration of the term of office of a member of the Board, he shall continue to serve until his successor is appointed and qualified, but in no event for a period of more than 120 days after the expiration of his term of office.

Experience has demonstrated that on occasion there has been delay in the appointment and confirmation of Board members, with the result that the work of the Board has been delayed and hampered. The Board is a small one, of only five members; consequently when it is not maintained at full strength it is handicapped in the performance of its duties.

I have added to the bill, which has been requested by the Civil Aeronautics Board, the further provision that in the future the terms of Board members shall expire on March 31 instead of December 31. Having these terms expire at the height of the Christmas-New Year's holiday season is awkward and annoying, to say the least. It will be much better from every viewpoint to have them expire later in the year when the Senate is in session and when the President is at his desk.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1718) to amend section 201 (a) of the Civil Aeronautics Act of 1938, as amended, relative to the terms of office of members of the Civil Aeronautics Board, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PROPOSED LEGISLATION RELATING TO INTERSTATE COMMERCE

Mr. MAGNUSON. Mr. President, at the request of the Chairman of the Interstate Commerce Commission, I introduce, for appropriate reference, two bills relating to interstate commerce. I ask unanimous consent that the letter of the Chairman of the Interstate Commerce Commission, together with the justifications for the proposed legislation, may be printed in the RECORD.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the letter and justifications will be printed in the RECORD.

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1720. A bill to repeal the second proviso of section 206 (a) (1) of the Interstate Commerce Act, and for other purposes; and

S. 1721. A bill to amend sections 2322 and 2323 of title 28, United States Code.

The letter and justifications presented by Mr. MAGNUSON are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, March 13, 1957.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 20 copies each of draft bills, together with statements of justification therefor, which would give effect to legislative recommendations Nos. 9 and 22 appearing on pages 168 and 172, respectively, of the Commission's 70th Annual Report to Congress, as follows:

"9. We recommend that the second proviso of section 206 (a) (1), which permits certain motor carriers holding State operating authorities to engage in interstate and foreign commerce without authority from this Commission, be repealed, but with a provision preserving the rights of those carriers presently engaged in such operations under the proviso.

"22. We recommend that chapter 157, title 28, of the United States Code entitled "Judiciary and Judicial Procedure" be amended so as to provide that suits brought to set aside Commission orders be brought against the Commission instead of the United States, with the Government, through the Attorney

General, being given the right to intervene in appropriate cases."

The Commission would appreciate your assistance in introducing these bills and scheduling early hearings thereon.

With kindest regards, I am,

Sincerely yours,

OWEN CLARKE,
Chairman.

JUSTIFICATION, LEGISLATIVE RECOMMENDATION 9

The attached draft bill would repeal the second proviso of section 206 (a) (1) of the Interstate Commerce Act, which permits motor carriers holding State operating authorities and operating only between points within the State to engage in interstate and foreign commerce without authority from the Interstate Commerce Commission, but would preserve the rights of those carriers presently engaged in such operations under the proviso.

Under the second proviso of section 206 (a) (1), motor common carriers operating solely within a State are not required to obtain from the Commission a certificate authorizing the transportation of passengers or property in interstate or foreign commerce between points within the State, if such carrier has obtained from the State a certificate of public convenience and necessity. The Commission does, however, require carriers which conduct operations under the proviso to file statements (sometimes called registrations) with the Commission describing their operations.

Since such carriers are otherwise subject to the Commission's jurisdiction, unless an exemption has been obtained as provided in section 204 (a) (4a), many of them have chosen to obtain interstate certificates to which they were entitled, the same as multiple-State carriers, under the original grandfather clause. In other instances carriers operating under the exemption have purchased from multiple-State operators portions of their operations within a single State, which portions were covered by interstate certificates to which the purchasers became entitled.

The second proviso was originally included in the statute because the transportation of property moving in interstate commerce wholly within a State was considered as being incidental to the intrastate transportation and the interstate transportation performed by such carriers was not considered to be important. It has developed, however, that the interstate transportation performed by such carriers is frequently an important link in a route connecting cities in different States, and State certificates have been obtained solely for the purpose of providing such interstate link.

In exempting the institution of operations wholly within a single State, insofar as the certificate requirements of the act are concerned, the intention of the second proviso appears to have been that State authorities could better determine the need for such limited operations. This has not been the case. State commissions, in many instances, have had no opportunity to make such a determination. Many multiple-State carriers, for example, which are not eligible to operate under the second proviso, already hold, or subsequently obtained, intrastate certificates. These carriers could, and would, ultimately transfer their certificates to persons who were eligible to operate under the proviso. Also, many single-State carriers entitled to interstate certificates would obtain such certificates and thereafter dispose of their intrastate certificates to persons who could thereupon begin operation under the exemption. While neither of these transactions increases the number of intrastate carriers, with which the State authorities are primarily concerned, they have resulted in an uncontrolled multiplicity of interstate operations.

For some time now the mere preference of a single-State carrier for an interstate certificate has not been honored by the Commission. Instead, the Commission has required a showing of a needed service that could be performed under an interstate certificate which would not be performed solely under the second proviso. In appropriate situations involving the purchase of interstate operating rights under section 5 of the act, the Commission has approved the transaction upon the condition that the intrastate certificate retained by the vendor shall not be used as the basis for reinstitution, under the proviso, of interstate service by the vendor between the same points. These measures have not been altogether effective, and the problem appears insoluble under the present provisions of the act.

There are certain advantages to be derived from procuring and holding an interstate certificate, and many certificates have been granted covering operations identical with those which could have been conducted under the proviso. For example, in cases where an intrastate certificate is impermanent for some reason, or is more readily revocable, additional security is provided through obtaining an interstate certificate. Also, an interstate certificate is more easily disposed of, especially to a multiple-State operator who would not, upon acquiring the operation being conducted under the proviso, be eligible to continue such operation under the exemption. In addition, it is easier for holders of interstate certificates to expand by acquiring other certificated operations which result in multiple-State operations.

In order to promote stability in transportation it is desirable that the entry of motor carriers into the interstate transportation picture be based on the need for the additional interstate service. It is therefore urged that the second proviso be repealed as proposed in the attached draft bill.

JUSTIFICATION, LEGISLATIVE RECOMMENDATION 22

Under existing law, the United States, represented by the Attorney General, is the statutory defendant in actions before three-judge district courts to set aside orders of the Interstate Commerce Commission. The Commission has a statutory right to intervene in such actions, and it regularly does so through its own attorneys. In recent years, the Department of Justice has refused to defend some of the Commission's orders. In other cases, the Department has attempted to confess error against the Commission, either in the district courts or in the Supreme Court.

We believe that the Congress expected the Department of Justice to defend the Commission's orders, rather than to exercise the judicial function of deciding whether they are right or wrong. In fairness, it should be noted that the Department of Justice has a primary responsibility for administration of the antitrust laws, the philosophy of which differs in some respects from the regulatory concepts of the Interstate Commerce Act. Also, the Department of Justice often is required to represent before the Commission and the courts the interests of the United States as the largest shipper in the country. In other crucial cases, the Department apparently finds it embarrassing to defend the Commission's orders against the opposition of the Department of Agriculture, which is charged by the Agricultural Adjustment Act of 1938 (7 U. S. C. 1291) with representing the interests of farmers with respect to "rates, charges, tariffs, and practices relating to the transportation of farm products." We agree entirely that these policies and interests should be defended zealously by the Department of Justice.

At the same time, the Commission, as an independent agency responsible only to the Congress, is bound to apply in its decisions the national transportation policy, which Congress has made overriding in the administration of the Interstate Commerce Act. We believe that our decisions based under that policy should not be reviewed by an executive department which is charged by law with the administration of other and sometimes overlapping policies.

Accordingly, we recommend that the Commission be entrusted with the defense of its own orders in the courts. At the same time, the Department of Justice should be permitted to intervene in any case which involves any other interest of the Federal Government, such as the interest of the United States as a shipper or in cases where the Department believes that Congress intended the policy of the antitrust laws to be controlling.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT, AS AMENDED

Mr. WATKINS. Mr. President, yesterday the Supreme Court held by a 6-to-2 decision that the States are powerless to act in unfair labor practice cases over which the National Labor Relations Board has refused jurisdiction. I refer to the case of the Photo Sound Products Co. against the Utah Labor Relations Board.

The effect of this decision of the Supreme Court is to create a legal no-man's-land—an area in which the National Labor Relations Board has refused jurisdiction and in which the State is forbidden to assert jurisdiction.

Mr. President, I introduce, for appropriate reference, a bill to amend the National Labor Relations Act. If enacted, the bill I introduce will permit the States and Territories to assume jurisdiction in any labor dispute or class of cases over which the National Labor Relations Board has declined to assert jurisdiction. Thus there will be eliminated the legal no-man's-land which has been created as a consequence of the Photo Sound Products case.

Mr. President, I ask unanimous consent that the bill lie on the table until the close of business on Monday, April 1, in order that such other Senators as care to do so may join with me in sponsoring this bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WATKINS. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks an article from the New York Times entitled "States Rulings on Labor Curbed," with the subtitle "Unfair Practices Solely Up to NLRB, High Court Says."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATES RULINGS ON LABOR CURBED—UNFAIR PRACTICES SOLELY UP TO NLRB, HIGH COURT SAYS

WASHINGTON, March 25.—The Supreme Court ruled today that States could not take over unfair labor practice cases simply because the National Labor Relations Board had declined to act. The vote was 6 to 2. The Court ruled on three cases in Utah, Ohio, and California.

In another decision, a unanimous Court ruled that railroad strikes that were called to force settlement of minor grievances pending before the National Railroad Adjustment Board violated the Railway Labor Act.

The principal case involving the Federal-State jurisdiction issue was brought by F. S. Guss, doing business as Photo Sound Products Manufacturing Co., against the Utah Labor Relations Board.

The United Steelworkers of America filed an unfair labor practice charge against the company before the NLRB in 1953 or early 1954.

About that time, the Board decided it would not handle cases of a local nature, even though it might have jurisdiction to do so under the law. It refused to take the Utah case. The union went to the Utah board, which took the case and was upheld by the Utah Supreme Court. The company appealed.

Chief Justice Earl Warren, writing for the Court, said:

"We are told by appellee [Utah] that to deny the State jurisdiction here will create a vast no-man's-land, subject to regulation by no agency or court. We are told by appellant [the company] that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right.

"We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress' power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no-man's-land.

"Congress is free to change the situation at will."

The Court reversed the Utah Supreme Court.

SECTION IN DISCUSSION

The minority members, Associate Justices Harold H. Burton and Tom C. Clark, discussed section 10, under which the National Board and the States may make agreements whereby certain cases are ceded to State board. They said:

"By this decision the Court restricts the power of the States to those labor disputes over which the National Board expressly cedes its jurisdiction to the appropriate State agencies. However, the provisos (sec. 10) are so highly restrictive that not a single cession has been made under it.

"The result of this decision is the creation of an extensive no-man's land within which no Federal or State agency or court is empowered to deal with labor controversies. It is difficult to believe that Congress, sub silentio, intended to take such a step backward in the field of labor relations."

MAJORITY MEMBERS

The majority members of the Court in the case, besides the Chief Justice, were: Associate Justices Hugo L. Black, Felix Frankfurter, William O. Douglas, John M. Harlan, and William J. Brennan, Jr.

Peter W. Billings, of Salt Lake City, argued for F. S. Guss; E. R. Callister, attorney general of Utah, for the State of Utah.

In the railroad case, the Brotherhood of Railroad Trainmen appealed a decision of the Seventh Circuit Court of Appeals. The court had granted an injunction halting a strike against the Chicago River & Indiana Railroad Co.

The Railway Labor Act prescribes certain procedures to be followed by employers and employees. These include consideration of grievances by the adjustment board. The board has authority to render binding decisions, as distinct from the National (Railway) Mediation Board, which is nonjudicial in contract matters. The ultimate question was whether railway labor could resort to strikes over matters pending before the adjustment board.

Chief Justice Warren, writing for the Court, said: "The brotherhood contends that the Norris-LaGuardia Act has withdrawn the power of Federal courts to issue injunctions in labor disputes. The limitation, it is urged, applies with full force to all railway labor disputes as well as labor controversies in other industries.

"We hold that the Norris-LaGuardia Act cannot be read alone in matters dealing with railway labor disputes. There must be an accommodation of that statute and the Railway Labor Act so that the obvious purpose in the enactment of each is preserved. We think that the purposes of these acts are reconcilable."

The union's counsel in the case was William C. Wines, of Chicago. The railroad's counsel was Walter J. Cummings, Jr., of Chicago.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. SMITH of New Jersey. I am very happy indeed to identify myself with the distinguished Senator from Utah in offering this amendment to the act. We have felt for some time there was a no-man's-land in the legislation at the present time, under the rulings of the courts, and so on. I believe it is important that this no-man's-land be eliminated.

Mr. WATKINS. I thank the Senator from New Jersey. Mr. President, inadvertently I failed to mention the name of the Senator from New Jersey [Mr. SMITH] as a cosponsor of this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1723) to amend the National Labor Relations Act, as amended, introduced by Mr. WATKINS (for himself and Mr. SMITH of New Jersey), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO DEDUCTION FROM GROSS INCOME OF CERTAIN TEACHER EXPENSES

Mr. HUMPHREY. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I introduce a bill, and ask for its appropriate reference. It is a bill to allow deductions from gross income of certain amounts to be paid by a teacher for his or her further education.

Some time ago, Mr. President, when I introduced my Youth Opportunity program, I stressed the importance of tax arrangements and tax adjustments relating to teachers. At that time I introduced some proposed legislation which I thought would be helpful.

There is a long and discouraging history of uncertainty of interpretation and ambiguity of regulation on this whole issue of tax deductibility for teachers' educational expenditures.

For at least 15 years, Mr. President, the National Education Association of the United States and other interested groups have tried to persuade the Internal Revenue Service to treat the continuing educational expenses of teachers as a deductible item of business expenditure. A lawyer can attend a tax or real-estate institute, an insurance man may take a short course in new methods of writing insurance, a doctor can take a refresher course on the use of antibiotics, and an actor can take a course in physical culture for the purpose of losing weight and thereby keeping in good condition. In each of these cases the expenses are tax deductible. Not so with the teacher who goes to summer school or who takes courses during the winter toward an advanced degree or simply to broaden her professional competence.

In 1950, Mrs. Norah Payne Hill, a Virginia teacher, with help from the NEA, succeeded in getting a favorable decision from the Fourth Federal Circuit Court of Appeals which permitted her to deduct her summer-school expenses on the ground that this was necessary in order to maintain a teaching certificate in Virginia. In 1951, the Internal Revenue Service modified its regulations slightly in order to permit deduction of summer-school expenses only, such deduction to be limited to those cases where the teacher submitted satisfactory evidence that such courses were required in order for her to maintain her position. Even this concession proved unsatisfactory, since it left regional directors of Internal Revenue with considerable discretion to rule against deductions for summer-school expenses.

Last July, Mr. President, the Internal Revenue Service proposed new and apparently more restrictive regulations on deductions for educational expenses. These proposed regulations are still pending. Under them a deduction apparently would not be allowed for a course which gives academic credit, even though the course may be necessary to maintain a certificate, if by taking it, the teacher could obtain a different position or qualify for entry into new employment. A deduction apparently could not be taken if the course would advance the teacher in earning capacity, salary, status or position, or would enhance substantially the teacher's reputation.

Mr. President, last summer, following the proposal of these new regulations, the NEA and several State associations filed official letters of protest against the new regulations. I ask unanimous consent that a statement filed with the Internal Revenue Service on September 11, 1956, on behalf of the NEA be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT FILED WITH INTERNAL REVENUE SERVICE SEPTEMBER 11, 1956, ON BEHALF OF THE NATIONAL EDUCATION ASSOCIATION

PROPOSED RULES 1.162-5: EXPENSES FOR EDUCATION

Since 1942, the National Education Association has urged the Internal Revenue Service to allow the deduction of educational expenses of public-school teachers under section 23 (a) (1) of the Code of 1939, now section 162 (a) of the Code of 1954. Over this 14-year period, the association has filed numerous requests for rulings, accompanied

by supporting evidence as to the reasonableness of the requests. Frequent personal conferences have also been held between members of the NEA research division staff and the employees of the rule-making section of the Internal Revenue Service. In each instance, the association has been unsuccessful. The original rule, O. D. 892 (4 C. B. 209) had been issued in 1921—long before public-school teachers were subject to Federal income taxation. Modification of O. D. 892 made by the Internal Revenue Service in 1951 was most disappointing to the profession.

In 1947, Senator Pepper, without any request from the NEA, introduced a bill which would have made summer-school expenses of all teachers deductible for Federal income tax purposes. In the Senate, the Pepper bill was lost by only 10 votes. As evidenced by the discussion on the floor, other Senators questioned the necessity for enactment of the legislation because allowance of the deduction of these expenses was considered to have been provided for obviously in section 23 (a) (1) of the Code of 1939, and the Senators suggested that teachers use the normal methods of protestation against O. D. 892 by presenting the issue to the courts. That step was taken in the case of *Hill v. Commissioner*, decided in favor of the teacher on May 19, 1950, in the United States Court of Appeals for the Fourth Circuit (13 T. C. No. 41).

As a consequence of the Hill decision, in January 1951, the Internal Revenue Service issued I. T. 4044 (C. B. 1951-1, 16) modifying O. D. 892. However, the new rule interpreted the court's decision as narrowly as possible. Mrs. Hill was an experienced teacher holding the highest grade of certificate issued in the State, but her certificate was expiring. In order to hold her position, Mrs. Hill was required by law to have a current certificate, in order to renew her expiring certificate. Mrs. Hill had to meet certain requirements. The 1951 ruling of the Internal Revenue Service stated that only when summer-school expenses are incurred by a public-school teacher in order to maintain her position are they deductible as ordinary and necessary business expenses, and "in cases in which the facts are similar to those present in the Hill case, the rule of that case will be applied." It is true that the circuit court did not hold that all expenses incurred by teachers in attending summer school are deductible. However, the court quoted from several opinions by the Supreme Court of the United States to the effect that what are ordinary and necessary business expenses must depend on the nature and scope of the particular business out of which the expense in question accrues. "It is the kind of transaction out of which the obligation arose and its normalcy in the particular business which are crucial and controlling." (*Deputy v. Du Pont* (308 U. S. 488, 496).) The disappointment of the teaching profession lay in the fact that the Internal Revenue Service apparently did not examine into the obligations and the normalcy of the teaching profession in order to promulgate a rule which would have application beyond the narrow limits of the facts of the Hill case. Therefore, the National Education Association continued its interest in this matter.

As recently as January 19, 1956, a conference was held with the rule-making staff of the Service who had been assigned the preparation of new regulations with regard to educational expenses under section 162 (a) of the code of 1954. The National Education Association representatives attempted to explain the "normalcy" of the teaching profession and were assured that the new rules to be proposed would meet the problems of public-school teachers more adequately than had I. T. 4044.

The proposed rules (identified as sec. 1.162-5 of the Federal Tax Regulations and published on July 10, 1956, on p. 5093 of the Federal Register, vol. 21, No. 132) are even more restrictive than I. T. 4044 and, furthermore, show an utter disregard of the "normalcy" of the teaching profession. The National Education Association filed a letter of protest under date of August 2 and sought this opportunity for an oral presentation of suggestions for improvement of the proposed rules so that educational expenses of teachers which are ordinary and necessary expenses of the profession will be deductible under section 161 (a) of the code of 1954.

The National Education Association believes, and is prepared to prove, that a fair and just interpretation of section 161 (a), with due consideration of the normalcy of the public-school teaching profession would allow the deduction of expenses for all part-time inservice education of public-school teachers incurred after the taxpayer has become a regular teacher. Inservice education should be broadly defined so as to include any experiences, such as workshops, research projects, and travel, as well as attendance at formal university and college classes. The only expenses that should be nondeductible should be those incurred for preemployment preparation and those incurred for full-time attendance over a period of long duration. Teachers, unlike members of other professions, have no nationally uniform level of education that must be acquired before they are permitted to teach. (Nor does the National Education Association recommend that a national standard be set, even for income-tax purposes, because educators all over the country would then object on the basis that the Federal Government is attempting to control education—a State function.) In the various States, teachers can, and frequently do, start teaching in a regular position after only 1, 2, or 3 years of college education. If they begin teaching before having completed the recommended 4-year course, they usually finish by attending school during summers, evenings, or in some other part-time way. But they are persons established in the profession, nevertheless, in each of the several States in which they have been employed. Therefore, the completion of further education might possibly lead to adjustment, but it is not necessarily a prerequisite for such.

In the proposed rules the deductibility of educational expenses of teachers are predicated upon the following conditions:

1. If the attendance is not a requirement of the employer deduction will be allowed only if (a) no academic credit accrues; (b) the attendance is of short duration; (c) classes attended are those designed for established members of the profession.

2. Regardless of whether or not attendance is required, no deduction will be allowed if, as a result of the education, the taxpayer secures or qualifies for (a) a different position; (b) new employment; (c) a specialty; (d) increased prestige or enhancement of professional reputation; (e) increased earning capacity.

It is true that some of these conditions are qualified but the qualifications revolve around terms that are intangible and relative, such as incidental, minor, and substantial. Use of these terms leaves the door open to subjective evaluation by local agents of the Internal Revenue Service. What one would categorize as incidental and minor, another would classify as substantial. Thus, under the proposed rules equal tax treatment may not result even among teachers who undergo exactly the same inservice education for exactly the same purposes.

The first qualification—that attendance must be a requirement of the employer if academic credit accrues—is inequitable. Let us give you several illustrations:

The State board of education makes the earning of a designated number of college credits every 5 years mandatory for renewal of a teacher's certificate.

A local board of education makes the earning of a designated number of college credits every 3 years mandatory for continuance of a teacher's employment.

A State or local board of education makes the earning of a designated number of college credits every 3 or 5 years mandatory for the payment of the salary that would normally accrue to the teacher in the State or local mandated salary schedule.

From our viewpoint it is also inequitable to insist that taking the courses shall be a mandatory requirement. For example:

A superintendent or principal strongly suggests to a teacher that he is weak in certain respects and must build up his competence; he warns the teacher that otherwise he will be considered for dismissal at the end of the following school year.

A high-school teacher employed in a district where a master's degree is not required of high-school teachers knows that the trend is toward such a requirement and expects that eventually his employer will adopt such a requirement; the teacher reads the handwriting on the wall and works toward a master's degree that he knows will some day be a legal requirement.

Each of these situations may be just as compelling as the others. One who waits until the ax falls does not follow the prudent-man policy. A teacher who ignores the suggestion or warning of a superintendent or principal may find himself dismissed, just as a teacher who disregards legal requirements will be dismissed.

Aside from the discrimination that could result from the proposed criterion that expenses for courses resulting in academic credit cannot be deducted unless attendance is required by the employer, this qualification also penalizes those teachers who feel a moral obligation to keep abreast of the times without waiting for legal regulations requiring them to take inservice education. Good teachers could not deduct their expenses while poor teachers who are threatened with dismissal or other penalty if they do not take inservice education would be entitled to the deduction.

Expenses incurred in "fulfilling the general cultural aspirations" of a teacher would be nondeductible; yet, it is the teacher's moral obligation to entertain cultural aspirations and to fulfill them. A broad cultural background through a general program of studies is now considered an essential part of any teacher's equipment. Also the National Education Association does not understand what the service means by "cultural aspirations." Nothing could be less objective. One person might consider culture to be "frills" that are unnecessary, the pleasant for everyday living, but never an essential in earning a livelihood. Teachers consider that culture includes all the general background for understanding of life and that it is their responsibility to pass that culture along to their students.

One of the qualifications is that attendance must be of short duration. The National Education Association does not know how short the attendance must be to qualify. The confusion that could result from the indefinite term of short duration may be illustrated by 4 teachers each of whom could have obtained 6 hours of credit in the same college courses at different times:

Teacher A attended classes 2 hours a day 5 days a week for a period of 6 weeks in summer school.

Teacher B attended classes 1 hour each of 2 nights a week during an entire school year of 30 weeks.

Teacher C attended classes 1 hour a day 5 days a week for a period of 12 weeks in a college operating on a quarterly basis. The quarter would not necessarily need to be in the summer, but could be.

Teacher D attended daytime classes for a semester of 15 weeks, taking two 2-hour classes once a week.

Under the proposed rules, possibly only the 4 weeks' summer school attendance would be considered of short duration by the Internal Revenue Service. Yet, each of these teachers could, for the purpose of certificate renewal, in order to hold their present positions cover the same curriculum and attend classes for the same number of hours. In each circumstance the teacher would attend class for 60 hours and would obtain the necessary 6 credits. They should have equal tax treatment.

These illustrations point out also the futility of attempting to distinguish on this basis between inservice education taken during sabbatical leave and the same type of education taken in summer school or night courses in connection with a full-time teaching position. If teacher C attended the summer quarter 1 year and attended the spring quarter several years later while on sabbatical leave, why should not both attendances be treated alike for income-tax purposes, other things being equal? Also, teacher D is no different from teacher B, except that teacher B attended night classes for 2 semesters while teacher D attended daytime classes for 1 semester.

The National Education Association, therefore, believes that "of short duration" should be defined. Furthermore, the term "part time" should be added to this qualification. Insertion of part-time education as part of the qualification would permit teachers who take inservice education by attendance at day or evening classes throughout the school year while working to obtain the same tax treatment as those who take their courses in concentrated form during a short summer-school session. Both terms are needed. If part-time education were the only term used, it might not be interpreted to include a full-time curriculum taken during even a short summer-school session; if short duration were the only term used, neither teachers nor income-tax agents could be sure that even summer-school attendance of various durations would be given the same tax treatment.

We recommend that educational expenses incurred either for part-time attendance or for attendance that is for a short period be deductible; and we further strongly urge that the Service define these terms in a realistic way that recognizes the normalcy of the profession and is definite enough that local income-tax agents can be made aware of the intent of the rule.

Another qualification is that the classes attended must be those especially designed for established members of the profession. The objectionable words are especially designed. There are two objections. First, apparently a teacher could not deduct expenses of attendance at any classes except those that are courses in education, strictly speaking, and second, not all of those.

Let us take a social-studies teacher who feels it is necessary to take a course in geography, or economics, or sociology. Sometimes these courses are recommended by the principal or some other supervisory official that the teacher may teach more effectively in his present position. These classes may not be administered by the department of education; they are not designed for teachers or students preparing to enter the profession of teaching—but they are essential to a social-studies teacher. The recommended course may be at either the undergraduate or graduate level.

Even among education courses, per se, the implication in the qualification is that the service is making a distinction between graduate and undergraduate courses. Graduate and undergraduate students are mixed in many college classes. Some graduate students are preparing to enter the profession while some persons who are established in the profession attend classes as undergraduates. Persons well established in the teaching profession can and do attend classes that are especially designed to prepare persons to enter the profession. What has been especially designed for one experienced teacher might be too elementary or too advanced for another teacher, depending upon their previous experience. Furthermore, suppose a teacher in a small rural school must attend classes intended for those preparing for teaching, because the demands of the small school require the teacher to be prepared to teach several classes for which he is not yet certificated. Also, the curriculum for the preparation of teachers is not static. Universities and colleges add new courses, and regularly employed teachers return to learn the new subject matter and new methods. In many instances a teacher holding a graduate degree will take such a course at the undergraduate level.

Entering a specialty or any new position following a teacher's inservice education precludes the teacher from meeting the qualifications for deduction of his educational expenses. The proposed rules would not only apply this restriction to motives but to results. For example, the specialty or new position might not even provide additional remuneration. The qualification should be so worded as to avoid its possible application to new assignments. For example, a teacher of French may have been notified that in the ensuing school year he will be assigned classes in Spanish as well as in French. He attends summer school to brush up on his Spanish. He is not entering a new position at higher pay; he is merely refreshing himself in order to fulfill the duties of his current position. Yet, he could not deduct his expenses under the proposed rules because he obtains academic credit for attendance. A classroom teacher who attends classes to prepare for a new assignment as a classroom teacher in the same school system is not preparing himself for a different kind of position since he will remain a classroom teacher for the same employer, and on the same scale of remuneration.

The National Education Association believes that, at most, established teachers should find their educational expenses nondeductible only when they are incurred for the purpose of obtaining a position at a higher salary, either with a new employer or a different kind of position as a higher salary regardless of who is the employer, such as when a classroom teacher prepares for a principalship. For purposes of Federal income taxation, administration and classroom teaching can be considered separate occupations. Even in these cases, expenses should be deductible unless the new and different kind of position, as defined, was offered before the attendance and therefore was the primary purpose of attendance. To state the issue more generally, the rules should make the distinction on the basis of purpose only, and not on the basis of results that may or may not be anticipated when the teacher takes the course.

The qualification that professional reputation cannot be enhanced as a result of the inservice education is hardly worthy of discussion. Additional education of any taxpayer should enhance his prestige. Again referring to the second example in the proposed rules, where Dr. B is permitted to deduct expenses of attending a course in pediatrics, we point out that it is entirely fallacious to assume that a physician does not increase his prestige by attending a course that broadens his professional ability or professional contacts.

Furthermore, how is relative reputation to be measured? The Internal Revenue Service agents cannot weigh the extent of increased prestige among physicians any more than they can among teachers. Is an income tax agent to decide by his subjective personal opinion that Miss Jones has become increasingly well thought of among the educators and the patrons of the school because she attended some college? In that event, the same agent could easily decide that Miss Smith's reputation was not enhanced, possibly because Miss Smith already was held in high regard or possibly because Miss Smith did so poorly in the class that her already low reputation as a teacher was not improved as a consequence. It is even possible that income tax agents might evaluate colleges attended and say that attendance at some well-known institution would certainly enhance a teacher's reputation but conclude that attendance at some unknown institution could not possibly have that result. Also, individual differences in appearance and personality of teachers conferring with the same agent could affect his decision. This is not to reflect on the integrity of employees of the Internal Revenue Service, but no human being can hold himself to an objective evaluation of something that cannot be evaluated objectively.

The proposed rules would permit the deduction of educational expenses otherwise deductible only if the attendance does not substantially advance the taxpayer's earning capacity. The qualification is not feasible in the public-school teaching profession. However, before discussing that point, the National Education Association would like to raise the question of what the word "substantial" means in this connection. If a teacher is paid $4,000 for a school year, attends summer school, and is paid $4,250 for the ensuing school year, is the $250 a "substantial" advance? Where does the Internal Revenue Service plan to draw the line? It has drawn no line in the proposed rules. One local director may determine that less than a 10-percent increase in earning capacity is not substantial; another may determine that a 5-percent increase is substantial; a third may decide on the basis of the fact that the teacher has taken one step up a ladder which permits him to reach a higher maximum salary after 10 years. If the qualification of not advancing in earning capacity is to be retained in the rules when they are made final, the word "substantial" should be replaced by some objective measure such as an increase of 25 percent or more in the same or the next school year.

Regardless of this aspect of this qualification, the National Education Association believes that inclusion of the qualification, even if made adequately definite, is discriminatory against the teaching profession and is inconsistent with other qualifications in the proposed rules. First, with regard to the discrimination, we would like to point out that other taxpayers incur expenses with the acknowledged motive of increasing earning capacity—and they deduct these expenses for Federal income-tax purposes. Dr. B for example 2 of the proposed rules is likely to increase his earning capacity, yet he is allowed to deduct his expenses. His increased earning capacity could be as great as that of Dr. A's whose expenses would be disallowed. In either case the increase is exceedingly greater than increases teachers would receive. Teachers incur educational expenses and increase their earning capacity to a limited extent because their compensation is fixed by State or local regulations. These regulations are called salary schedules. Teachers in 97 percent of the public-school systems in the United States work under salary schedules in which the board of education has no discretionary authority to pay a teacher a salary less than the amount to which he is entitled on the schedule. Forty percent of these salary schedules tie inservice education requirements to changes in salary amounts. The slightly higher salary follows as a normal consequence after the teacher has met the

inservice education requirements mandated by the schedule or other statutory or regulatory provisions, as for renewal of certificate.

Salary schedules are prescribed by State or local regulations. Under a State-mandated schedule, local boards of education have no discretion in paying a teacher a salary lower in amount than the amount due him on the schedule. The State salary schedule may be tied to certification so that all teachers holding the same grade of certificate (and with the same number of years of experience) are to be paid the same salary. Certificates are required for employment; they are valid for various periods. They must be renewed. For renewal the teacher must earn a designated number of additional college credits. Frequently there is a limit on the number of times a certificate can be renewed; then a certificate of a different grade is issued after the teacher meets the qualifications. When credits are obtained the certificate is renewed or one of a different grade is issued. As a result, the teacher is due a different amount of salary.

When a salary schedule provides for the payment of a salary of $4,500 for all teachers with standard certificates, and the standard certificate is valid for 5 years, and academic credit of 6 hours is prerequisite for renewal of that certificate, it is the certification requirement that causes the teacher to receive $4,500 in salary—not the 6 credit hours of academic education he earned by college attendance, since both are required by law. If the teacher does not obtain the required credits he is not entitled to a certificate; he cannot be employed. Thus, indirectly, such a salary schedule means that failure to obtain the required type of certificate because of not obtaining the additional college credits results in dismissal. On the other hand, meeting the requirements may result in increased salary. And, although the higher salary follows as a normal consequence, the proposed rules would preclude such a teacher from deducting the expenses incurred. Here lies the inconsistency. At one point the rules state that deduction will be allowed if the expenses are incurred to retain one's position; at another point, the rules state that deduction will be disallowed if the teacher increases his earning capacity as a result of attendance.

Fulfilling the inservice requirements of a local salary schedule is necessary for the teacher to maintain his status on the schedule. Failure to meet the requirement means loss in salary which he would otherwise attain. Teachers make progress on the salary schedule normally. A teacher does not retain his professional status in the school system if he is passed over in the salary schedule; and, furthermore, a teacher who is passed over time after time because he fails to meet the standards is likely to be dismissed eventually.

Finally, the proposed rules apparently apply only to attendance at formal classes in educational institutions. Teachers meet requirements for inservice education also by educational travel. Teachers, regardless of legal requirements, take educational tours to broaden their understanding and thus improve their teaching. Many educational institutions and voluntary membership associations of teachers operate educational tours for teachers, many of which are given academic credit. The employer or the institution, or both, usually requires prior approval to be certain that the travel undertaken by the teacher meets his educational needs. Usually 1 week of travel is considered equivalent to 1 semester hour of credit. Generally, upon his return the teacher must file a report before he is given credit by the employer or the institution. To make a distinction between a teacher who travels and one who attends classes is a distinction without a difference.

The Service surely would admit that a geography teacher can teach more efficiently about the Grand Canyon after having seen it; an art teacher can teach about the masterpieces more efficiently after having visited museums; a physics teacher can explain the application of principles more clearly after having studied their application in a General Electric or General Motors plant. In this respect the teacher is no different from a surgeon who can operate more efficiently after having attended a clinic to watch an outstanding surgeon perform an operation on a refresher-course basis. A teacher today does not limit himself to the words between the covers of a textbook. Any teacher can be a better teacher if he has examined firsthand the things his students must be taught. The National Education Association believes that educational travel for a teacher necessitates expenditures that should be deductible as an ordinary and necessary business expense, except when the travel is merely for the teacher's recreation or pleasure.

In conclusion, the National Education Association urges the Commissioner to revise the proposed rules in the following respects:

1. Eliminate all relative terms of uncertain meanings.

2. Provide the same tax treatment for courses that are taken with and without academic credit.

3. Permit deductibility of expenses incurred voluntarily if otherwise eligible.

4. Delete all references to "cultural aspirations" and "enhancement of reputation."

5. Make no distinction between classes as to whether they are "especially designed" for those preparing to enter the profession or for those already established in the profession, leaving the distinction to rest on the status of the taxpayer rather than on the course attended.

6. Permit deduction of expenses incurred in full-time attendance over a period of short duration or part-time attendance over a period of long duration, these terms being defined.

7. Include all types of inservice education, such as travel, in the same category, other things being equal.

8. Distinguish between deductibility of expenses incurred in preparing for a new assignment in the same school system and nondeductibility of expenses incurred in preparing for a new and different kind of position, which is based on increased remuneration, in the same school system or employment in a different school system.

9. Eliminate the qualification with regard to increase in earning capacity, at least to exclude increases that would normally accrue through the officially adopted salary schedule, or substitute a definite amount for the word "substantial."

Mr. HUMPHREY. Mr. President, further conversations were held between the protesting groups and the technical and legal staff of the Internal Revenue Service. I, myself, have been following these developments with deep concern. I have discussed the matter personally with Dr. Gordon Mork, associate professor of education at the University of Minnesota. My staff has conferred with Dr. James McCaskill, of the National Education Association in Washington.

It is now perfectly clear that a satisfactory resolution of the problem of educational expense deductions for teachers will probably not be resolved in the absence of new legislation.

For that reason, Mr. President, I introduce a bill which would allow a deduction up to a maximum of $600 a year for teachers employed by public or private accredited schools. The deduction would apply for expenses of tuition, books, equipment, travel, and living, to the extent that these exceed the individual's normal living expenses, and are paid by the individual in connection with his enrollment in educational courses at a accredited institution of higher education. After years of inequitable and discriminatory treatment, the teachers of America deserve a better tax break than has hitherto been available to them under the restrictive rules and regulations made pursuant to the current statute. Mr. President, I am convinced that the proposed legislation I introduce today is long overdue.

I am pleased to note other Senators have manifested interest in this same type of legislation. I remember that only about a week ago keen interest in this proposed legislation was exhibited by the senior Senator from Florida [Mr. HOLLAND]. I know other Senators likewise have presented proposals or are in the process of so doing.

I appreciate the fact that revenue measure must originate in the House of Representatives, but I am hopeful that the introduction of this bill now in the Senate will speed Senate action at such time as this action may appropriately be taken.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1724) to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

CHANGE OF REFERENCE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be discharged from further consideration of S. 537, a bill introduced by the Senator from Arizona [Mr. GOLDWATER] on January 10, 1957, authorizing the Commissioner of the Public Housing Administration to convey certain land to the State of Arizona for National Guard purposes. Since the bill was introduced, the land in question has been transferred to the Department of the Army. This bill is, therefore, more appropriately a matter for consideration by the Committee on Armed Services, and I ask that the bill be referred to that committee.

The VICE PRESIDENT. Without objection, it is so ordered.

FLOOD CONTROL ACT OF 1957—AMENDMENTS

Mr. NEUBERGER (for himself and Mr. MORSE) submitted an amendment, intended to be proposed by them jointly to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS. Mr. President, I submit an amendment, intended to be proposed by me to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on

rivers and harbors for navigation, flood control, and for other purposes. I ask unanimous consent that the amendment, together with an explanation of the purpose of the amendment may be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment and explanation will be printed in the RECORD.

The amendment, together with the explanation, are as follows:

On page 58, between lines 4 and 5, insert a new section as follows:

"SEC. 210. The authorizations made in titles I and II of this act shall not be effective until such time as the President determines which of the projects authorized in such titles having an estimated total cost of not less than $375 million are least essential in the national interest. The authorizations made in titles I and II of this act shall become effective as of the date of such determination by the President except that such projects determined by the President to be least essential in the national interest shall not be authorized until such later date or dates as the President determines that carrying out any such project or projects would be necessary and beneficial to the national economy. The President shall notify the Congress of any determinations made under the provisions of this section."

On page 58, line 5, in lieu of "Sec. 210," insert "Sec. 211."

WHAT THE DOUGLAS AMENDMENT PROVIDES

1. None of the $1.5 billion in projects authorized in the bill shall become effective until the President determines which 25 percent are "least essential in the national interest." This determination could be made in a matter of a very few weeks.

2. At that time, Congress could begin appropriations for those three-fourths of the projects—or parts of projects—which are most essential.

3. The remaining 25 percent would be deferred or postponed until the President made a specific determination that the carrying out of each or all of them "would be beneficial to the national economy." The President is required to notify the Congress when his determination for a project or projects is made.

4. Projects with the least priority would be postponed so as not to add to inflationary pressures in this period of inflation.

5. If there were signs of deflation or the onset of recession, the President could "trigger" some or all of the remaining projects to offset the deflation or recession.

6. It would give the President, with the hundreds of budget and administrative officials who know the details of these projects, the responsibility of determining the priority in which they were carried out. The President is best equipped to do this. Meanwhile, of course, Congress retains the right to "authorize" projects which is our constitutional prerogative.

7. If this amendment is passed and is carried over to remaining authorization and appropriation bills, it could mean an initial savings of $2 to $3 billion in fiscal 1958. Since the ultimate costs of public works projects in the past have been two and one-quarter times their estimated costs at the time of their authorization, eventual savings could run as high as $4.5 to $6.8 billion.

8. In making his determination, the President would have discretion to take into account a number of considerations, such as (a) the projects with the best cost-benefit ratios, (b) those best designed to overcome local conditions of unemployment or economic distress, (c) those designed to avoid future natural catastrophes, and (d) those best designed to aid the national defense.

9. By applying the reductions to the national debt, inflationary pressures could be eased. The tight money policy and the monetary authorities would thereby not have to bear the entire burden of dampening inflationary pressures which, at the present time, they are not entirely equipped to do.

10. The savings would allow the budget estimates for badly needed and too long postponed priority programs, such as schools, hospitals, slum clearance, and aid to chronically depressed industrial and farm areas, to be carried through without raising the national debt, adding to inflationary pressures, or unbalancing the budget.

11. The proposal carries out the recommendation of the 1957 Report of the Congressional Joint Economic Committee that:

"The Federal Government, in the present circumstances, can contribute toward easing the necessity for restraints by exercising the utmost economy in its own spending programs.

"The Committee believes that the Federal Government should exercise leadership in contributing to economic stability by substantially reducing public works expenditures now. Expenditures which can be deferred economically would be better made when inflationary pressures lessen."

EXTENSION OF CERTAIN CORPORATE AND EXCISE TAXES—AMENDMENTS

Mr. WILLIAMS (for himself, Mr. AIKEN, Mrs. SMITH of Maine, and Mr. PURTELL) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted an amendment, intended to be proposed by him, to House bill 4090, supra, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CASE of South Dakota:

Article entitled "Better Water and More of It," written by him and published in the South Dakota Stockgrower magazine for March 1957.

THE YELLOWTAIL DAM AND RESERVOIR

Mr. MANSFIELD. Mr. President, this morning I appeared before the Senate Committee on Interior and Insular Affairs, of which my distinguished colleague, the senior Senator from Montana [Mr. MURRAY], is chairman. The Senator from Montana has been the primary force behind the Yellowtail project for almost 13 years and, more than any other man, has kept this proposal alive. No one could have been more determined and consistent than my distinguished colleague in behalf of this project. On every occasion he has been a tower of strength and the leader in the fight for Yellowtail. At that time I made a statement in behalf of the Yellowtail Dam and Reservoir, on the Crow Reservation, in the southeastern part of my State. I ask unanimous consent that the statement I made before the Senate Committee on Interior and Insular Affairs be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD ON SENATE JOINT RESOLUTION 12, YELLOWTAIL DAM AND RESERVOIR

Mr. Chairman, I appreciate the opportunity of appearing this morning before the Committee on Interior and Insular Affairs in behalf of one of the few remaining natural power sites in this country—Yellowtail Dam and Reservoir. The construction of this project will give a needed shot in the arm to the economy of eastern Montana. It will provide power in an area with power demands exceeding production; it will bring arid lands under irrigation; and it will provide flood control and recreation, in addition to a number of other subsidiary benefits.

I need not restate the purpose of Senate Joint Resolution 12 other than to say it will provide for transfer of right-of-way of approximately 7,000 acres of land for Yellowtail Dam and Reservoir and payment of $5 million to the Crow Indian Tribe in this connection. The facts and testimony are before the committee. They support, in my judgment, the just and fair compensation as set forth in this joint resolution.

I presented a statement in behalf of Senate Joint Resolution 12 at the time of the public hearing several weeks ago and today I wish only to make a few comments, after which I will be most happy to discuss phases of this legislation with any of the members of the committee who may desire to do so.

Testimony in behalf of this joint resolution has cited two precedents for the $5 million payment—Kerr Dam in western Montana and Felton Dam in Oregon. In both instances special values and justifiable considerations were essential factors where Indian lands for power site purposes are being leased by private utilities at rates which in a 50-year period yield proportionately more than the proposed payment in this resolution. This procedure has been subscribed to as reasonable by the Federal Power Commission and the Department of the Interior. What we are asking in this joint resolution is equitable treatment for the Crow Indians.

The Flathead Indians at Kerr Dam are receiving an annual payment of $175,000 and the Warm Spring Indians are receiving $90,000 for their lands at the Felton project. Over a 50-year period the Indian charges will be $7,377,000 and $3,952,000 respectively. In view of these precedents and the multipurpose benefits derived from a completed Yellowtail Dam, I feel that the $5 million figure is justifiable.

I would like to point out that since a third generator has been installed at Kerr Dam, the Flathead Indians are currently negotiating for additional compensation from the utility company in view of this new power revenue.

The Yellowtail Dam settlement will be an outright purchase, allowing certain reservations for the Crow Indians as set forth in this joint resolution, as opposed to a lease at Kerr and Felton Dams.

In a report submitted to the distinguished chairman of this committee on February 5 by the Bureau of the Budget they state that these precedents should not be considered because they are private concerns, licensed under the jurisdiction of the Federal Power Act. The utilities are private profit-making

organizations and cannot be compared with the Federal Government's operations, but it is the duty of the FPC and the Interior Department to see that the interests of the Indians and the consumers of power from these projects are protected. If these payments are considered reasonable certainly a lesser payment of $5 million when computed over a period of time for the Crows is not too much to ask. We are giving equitable compensation to the Crow Indian Tribe and the completion of the Yellowtail Dam will give the consumer power at reasonable rates.

The Budget Bureau rejects the provision that the reduction in area of the Crow tribal lands to approximately 5 percent of the original area, as partial justification for the $5 million payment. As established, by treaty in 1851, the Crow Indian Reservation in Montana and Wyoming was composed of 38,500,000 acres of land, including valuable grazing and other agricultural lands, as well as vast timber and mineral resources. The Crow Indian Reservation now comprises 2,018,218 acres. To the contrary, this is just one more reason why we should bend over a little backwards to treat these Indians equitably. The approval of this payment should in no way be considered fulfillment of any claims on this matter now pending before the Indian Claims Commission.

Judge Charles N. Pray of the district court of the United States ruled in favor of comdemnation proceedings in procuring these 7,000 acres of land necessary for Yellowtail Dam and Reservoir. The date of the court decision was January 8, 1957.

I do not know what plans the Bureau of Reclamation may have in pursuing the condemnation proceedings, but I do want to make it very clear to the Members of this Committee and the Congress that I am unalterably opposed to condemnation proceedings. I shall never agree to a position of force in obtaining these lands.

The original appraisal of the actual value of these lands was set at something under $50,000 without giving consideration to power site values. The Department of Interior, under both Democratic and Republican administrations, has offered the Crow Indians $1,500,000 for these lands. These offers were not adequate and were rejected by the Tribe. At the other extreme there have been proposals recommending $1 million a year on a least basis for 50 years at which time the project would revert to tribal ownership. I understand that this suggested payment has been reduced to something like $8 million for the transfer of these lands. In view of the various offers proposed I feel that the $5 million settlement is just, fair and equitable and it is agreed to by the vast majority of those concerned.

The Montana delegation is unyielding in its support of the $5 million settlement, we will not settle for a lesser amount. As I have said before, one of the most important special values of this settlement of the transfer of these Indians lands is to see that the Crow Indian Tribe gets equitable treatment, if not preferential treatment.

The Crow Indian Tribe has been more than cooperative in advancing the development of this vital multipurpose project in southeastern Montana and neighboring Wyoming. On several occasions they have endorsed the $5 million settlement by tribal resolution, the most recent being January 25, 1957.

This payment was subscribed to by Congress in the last Congress, the Governor of Montana has endorsed the settlement, the people of the Billings-Hardin area of Montana are fully behind it, and most recently the Montana Legislature passed House Joint Memorial 4 urging and requesting the enactment of resolutions pending before Congress setting forth a fair and just settlement.

President Eisenhower vetoed Senate Joint Resolution 135 in the last session of Congress. However, I sincerely believe that he will reconsider when he is given all of the facts and their justification.

A rejection of the settlement as provided in Senate Joint Resolution 12 will result in endless delay in the construction of this most vital multipurpose project. All obstacles will be removed with the approval of the joint resolution—a green light for this project, with all planning completed. This project has been authorized for over 12 years.

Early and expeditious action on this legislation by Congress is imperative so that we can appropriate funds this session of Congress for the beginning of construction of Yellowtail Dam and Reservoir in fiscal year 1958. Any additional delay in meeting the power needs of the Northwest will be detrimental.

Mr. Chairman, I want to thank you and the members of the committee for the opportunity to appear in executive session in behalf of Senate Joint Resolution 12.

Mr. MANSFIELD. Mr. President, in addition to the statement, which will be incorporated in the record of the hearings, I also drew a parallel between the proposed Yellowtail project, in southeastern Montana, and the proposal made by this administration, last year, to grant $56 million to the Government of Egypt to build a multipurpose project known as the Aswan Dam. At that time I was opposed to that particular project; and I am happy to state once again that I am glad the Secretary of State withdrew the offer of $56 million, on a grant basis, which this Government was prepared to make.

I drew the parallel because the Yellowtail Dam, in southeastern Montana, is also a multipurpose project. It is one which will be of great benefit to the people of southeastern Montana and the people of northern Wyoming. Its cost is fully reimbursable, at interest; and it will be beneficial, not only to the people of Montana and Wyoming, but also to the Federal Government, because it has been estimated that these multipurpose projects last for approximately 100 years. The cost of this project will be fully repayable within a 40-year period, at interest; and then for the next 60 years, except for minor repairs and upkeep, the funds derived therefrom will go into the Federal Treasury.

So, Mr. President, I sincerely hope that, this time, if the joint resolution (S. J. Res. 12) dealing with the Yellowtail Dam and Reservoir is passed by the Congress and goes to the White House, the President will go into the matter very carefully, and will affix his signature to the joint resolution. In so doing, he will be participating with the people of Montana and Wyoming in the development of our great States' natural resources for the benefit of our people. I conclude by reiterating that this project is fully reimbursable and that the Crow Nation has offered, on an equitable and just basis, a great resource which can, will, and must, some day, be developed for the interest and the welfare of our people.

AGREEMENT AT BERMUDA

Mr. SMITH of New Jersey. Mr. President, in light of the wide interest throughout the country in the recent Bermuda Conference between President Eisenhower and his associates and Prime Minister Macmillan, of Great Britain, I feel that it is important that we all understand as fully as we can the fine outcome of that conference and the progress made there. Of course, with the unsettled problems of the Middle East, we still have many headaches ahead of us, but in order to present what seem to me to be the high spots of the accomplishments of the conference, I ask unanimous consent to publish in the body of the RECORD, in connection with my remarks, an editorial which appeared in the New York Times of Monday, March 25, entitled "Agreement at Bermuda." I also request unanimous consent to publish, in connection with my remarks, the column by Mr. David Lawrence in the New York Herald Tribune of Monday, March 25, entitled "United States Baghdad Pact Support Completes Ring About Reds."

There being no objection, the editorial and column were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 25, 1957]

AGREEMENT AT BERMUDA

In 4 days of discussions conducted with the "freedom and frankness" befitting old friends who represent two sovereign nations with not always identical views and policies, President Eisenhower and Prime Minister Macmillan have healed the breach between the United States and Britain caused by the Suez crisis and have laid a firm foundation for the restoration of the special bonds that bind the English-speaking world. The results of their Bermuda conference are summed up in a detailed but businesslike communique bare of all emotionalism or rhetorical flourishes. Such warmer touches may be supplied later when and if the projected visit of Queen Elizabeth to the United States materializes.

But, in keeping with the new realism that dominated the conference, the two statesmen recognize that they must "seek to coordinate" their foreign policies in the interest of peace with justice in a changing but increasingly interdependent world. For that purpose they have taken a number of important decisions with which they are "well satisfied." What is more, they undertake to continue the exchange of views "so well begun" to avert any new breach in the future.

In general, and in line with the Eisenhower-Mollet communique last month, the Bermuda decisions place greatest emphasis on the necessity of defending and strengthening the free world against the aggressive designs of Soviet Russia and its puppets and partners everywhere, including the Middle East. To that end the United States and Britain again join France in stressing the value of collective security pacts and the special importance of the North Atlantic alliance as the cornerstone of Western defense. These alliances, it is again made plain, are not aggressive. They operate within the framework of the United Nations as instruments of permitted self-defense and, if need be, as potential enforcement agencies of the United Nations.

In that connection the communique takes indirect account of the British defense cuts entailing British troop withdrawals from continental Europe and Asia. It emphasizes that in the absence of an effective disarmament agreement the free world must in the main depend for its safety on the deterrent effect of atomic and hydrogen weapons. And the United States announces two steps to compensate for the British cuts. It agrees in principle, as an answer to Soviet threats

during the Suez crisis to rocket-bomb Britain, to supply Britain with guided missiles capable of raining destruction on Soviet Russia, even though the atomic warheads will remain in American possession and though France and Germany are likely to claim immediate arms parity with Britain. It likewise agrees, in keeping with the Eisenhower doctrine, to join the work of the military committee of the Baghdad Pact to strengthen the northern tier defenses against communism.

To the same end of strengthening the free world the two nations reaffirm the importance of European unity and the common market, including closer British association with it in a free-trade area, though the United States voices the reservation that it must not lead to a high-tariff bloc. To the same end they reaffirm their support of German reunification in peace and freedom, despite Soviet obstructions, and emphasize their sympathy for the people of Hungary and their condemnation of Soviet oppression of Eastern Europe.

At the same time, in the face of discouraging reports from Cairo, they agree that the United Nations resolutions calling for freedom of navigation in the Aqaba Gulf and primary United Nations responsibility in Gaza must be carried out, and that the Security Council decision to "insulate" the Suez Canal from Egyptian politics must be implemented. Should Nasser refuse, they have discussed concrete measures to bring him to terms, but what these measures are to be, since force has been ruled out, remains to be clarified.

Finally, the two nations announce that, though the testing of nuclear weapons must continue for the present, they are willing to limit such tests to prevent harmful effects, and to put their own tests under international, including Soviet, observation if the Soviets will do the same. There is little likelihood that the Soviets, which have fought off every inspection of their own armaments, will do so, but the offer is a symbolic token of Western good will which should not remain without effect on the rest of the world.

[From the New York Herald Tribune of March 26, 1957]

U. S. BAGHDAD PACT SUPPORT COMPLETES RING ABOUT REDS

(By David Lawrence)

WASHINGTON, March 24.—When President Eisenhower told Prime Minister Macmillan of Great Britain that the United States had decided to give military support to the Baghdad Pact, it was both a warning to Soviet Russia and a step in retaliation for the sending of arms to Egypt by the Moscow regime.

To the average American who doesn't have his maps handy it should be recalled that the members of the Baghdad Pact—Turkey, Iran, Iraq, and Pakistan—all are directly alongside the borders of Soviet Russia. There is in this area no group of buffer countries between the Soviets and the Western powers as is the case in Eastern Europe where Moscow maintains her own troops inside the satellite states. It's the first time that American military power may be interposed directly athwart the path of the Soviets in the Middle East and in Central Asia.

LINE AROUND SOVIETS

The Western group of nations in the free world will now have their outposts of ground and air forces ready to resist Communist aggression in the Far East, in Central and Southeast Asia, in the Middle East, and in Western Europe. The series of bases and potential bases represents a definitely drawn line around the Soviets.

This action by the United States has been made possible through the approval by Congress of the Eisenhower doctrine. While it is true that a President always has the power to resist sudden attack on our own territory or on our own ships at sea, the virtue of the Eisenhower doctrine is that Congress now has joined in giving advance authorization for the use of American forces in an area of the world where the Soviets, unless deterred, could readily start a miscalculated aggression against the Western powers.

DETERRENT POWER

What is emerging is a new use of deterrent power. Superficial analysis of the Eisenhower doctrine recently by some of the political critics in Congress and by some writers—who kept citing previous authority and precedents as sufficient for a Presidential use of our military forces today in any troubled areas—completely overlooked the deterrent effect sought by Mr. Eisenhower. This is achieved only when the Congress and the Executive together issue a plain warning of the intended use of American military power in a specific zone that might be regarded by Soviet Russia as a logical place for penetration. The Soviets certainly would not be as much impressed by a reading of miscellaneous precedents of 100 years standing as by concrete action taken in 1957 by both Houses of Congress.

Moscow may be unhappy about America's latest move in publicly announcing an intention to support militarily the Baghdad Pact but the Soviets asked for it when they meddled in the Middle East and supplied arms to Nasser. The latest move by the United States is a stern warning that America will not stand idly by and let the Soviets penetrate the Middle East with further aid in arms.

Although the United States specifically says there is no intention to use American military support for any member countries of the Baghdad Pact in disputes with each other or with other countries in the Middle East or in any of their own areas, as, for instance, as between Pakistan and India, the fact remains that the buildup of the Baghdad members on a military basis will have a counter effect on any Soviet schemes to stimulate such local wars. There is evidence that Moscow has been fishing in troubled waters all along and that Syria and Egypt have come under Soviet military influence.

So it is natural for the West to take measures of defense against such potential aggression by the Soviets and this is the real significance of our joining in the military planning to be done with the members of the Baghdad Pact which, of course, includes Britain. The consummation between the United States and Britain of this important step in military cooperation in the Middle East itself must necessarily have a profound effect wherever the illusion has prevailed that America and Britain would be driven apart hereafter just because of the failure to consult each other last October in the Suez crisis.

Colonel Nasser will not be happy over what has happened but unless he renounces his Soviet alliance he will find Egypt isolated militarily and certainly the Soviets will not be able to bring arms to him in the event that any trouble breaks out again in the Middle East.

For the latest action by the United States, fulfilling one of the main purposes of the Eisenhower Doctrine, draws a line on the map south of which Soviet Russia cannot supply military forces or arms without incurring the hostility of the Baghdad Pact members and the United States. As a London dispatch puts it, the new move by America is viewed as the most important Middle East development since the Communist arms deal with Egypt became known last year.

ORDER OF BUSINESS—ORDER FOR RECESS UNTIL 10 O'CLOCK TOMORROW

Mr. JOHNSON of Texas. Mr. President, I should like to make a motion that the Senate proceed to the consideration of Order No. 163, Senate 497, a bill introduced by the Senator from New Mexico [Mr. CHAVEZ] for himself and other Senators, and make the announcement that I do not plan to have any action taken on that bill today. After Senators have inserted any material they desire to insert in the RECORD and those who so desire have addressed the Senate, I expect to have the Senate recess until 10 o'clock tomorrow morning.

Before action on my motion, however, I should like to ask that the Senate, when it concludes its business today, stand in recess until 10 o'clock tomorrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

FLOOD CONTROL ACT OF 1957

Mr. JOHNSON of Texas. I move that the Senate proceed to the consideration of Order No. 163, Senate bill 497.

I should like to explain, before the motion is acted upon, that there are available to Senators copies of the bill, the report, and the hearings on the bill; but some of my colleagues desire to give further study to the hearings and the report as filed. In an attempt to accommodate them, and save time in the long run, I agreed that the Senate would recess early today and convene early tomorrow, so we could get action on Senate bill 497, and then proceed to the consideration of the tax bill reported from the Finance Committee.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. I would agree with the request of the majority leader, but this is an important bill for the entire country. As a matter of fact, heretofore the Senate passed an almost identical bill, but it was vetoed. We have added some to the other projects. The committee has held hearings, under the chairmanship of the Senator from Oklahoma [Mr. KERR], which hearings were attended by minority members such as Senators MARTIN, of Pennsylvania, CASE, COTTON, and others. We feel that action should be taken today.

I understand the majority leader has consulted with the minority leader. I actually would like to accommodate him. As a matter of fact, I would be inclined to accommodate him, but I had hoped both the majority and the minority leaders would try to get action on the bill at the earliest possible moment.

Mr. JOHNSON of Texas. I will say to the Senator from New Mexico I think the Senate would save time by following the procedure the majority leader has outlined. The Senate will meet early tomorrow, and in the meantime our colleagues will have an opportunity to review the material.

Mr. CHAVEZ. May I get some assurance from the leaders as to when the Senate will take up the bill?

Mr. JOHNSON of Texas. Following the prayer tomorrow.

Mr. CHAVEZ. I agree to that.

Mr. JOHNSON of Texas. The Senate has already entered an order to meet at 10 o'clock tomorrow morning. I hope the Senate will have a morning hour and a quorum call, and then proceed to discuss Senate bill 497.

Mr. President, I renew my motion that the Senate proceed to the consideration of order No. 163, Senate bill 497.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which had been reported from the Committee on Public Works with amendments.

THE ROLE OF COLLEGE EDUCATION IN A FREE SOCIETY

Mr. CHURCH. Mr. President, on March 8, 1957, it was my pleasure to address the American Association of Junior Colleges at Salt Lake City, Utah. I spoke on the role of college education in a free society.

Because education is affected with a public interest in a way that today perhaps is more critical than ever before, I ask unanimous consent that the text of my address be printed in the body of the RECORD, immediately following my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ROLE OF COLLEGE EDUCATION IN A FREE SOCIETY, ADDRESS OF FRANK CHURCH, UNITED STATES SENATOR FROM IDAHO, BEFORE THE AMERICAN ASSOCIATION OF JUNIOR COLLEGES AT SALT LAKE CITY, UTAH, MARCH 8, 1957

Mr. Chairman, ladies and gentlemen, the general theme of my address this evening is the role of college education in a free society. For the discussion of this subject I have, of course, no professional qualifications. I cannot speak to you as an educator. My profession is law, and my career is, at present, that of a United States Senator. Senators these days are sometimes concerned about education, just as educators are sometimes concerned about Senators. The overriding concern of both ought to be an educational system that will nourish and safeguard freedom in our land.

The stark, central fact about the world today is that it is split into two parts, half slave and half free. To state it so is not to speak idly. In essence, one-half is dedicated to personal freedom; the other half subordinates personal freedom to the demands of the state. It is abundantly clear that, in the Communist half of the world, tyranny, in the sense of the cruel and arbitrary exercise of despotic power, is in fact deeply entrenched. In our half, while personal freedom under law is by no means the universal reality, it is the dominant objective.

Tyranny, of course, is not new to the world. Our forebearers have suffered under it, in one form or another, and have contended against it, at one time or another, for centuries. But never was there a time when tyranny presented so mortal a threat to freedom as now. The ancient tyrant rested his rule on spearpoints; yesterday's tyrant depended on muskets; today's tyrant has all the awesome weapons of modern technology at his command. In the time of our own revolution—and in the time of the French revolution—it was still possible for a people to organize against a tyrant, arm themselves with small arms, and take possession of half a country, even before news of the revolt reached the Crown. In those times, it was still possible for the farmer and the merchant to seize his rifle, join a citizens' army, and fight against the tyrant's troops on somewhat equal terms. This kind of revolution has been a part of our western tradition, and it has become a part of our concept, taught to us in our classrooms, and accepted by most of us almost as an article of faith, that people oppressed by tyranny will not endure it long, but will rise in revolt against it and break its yoke. Truth, we are fond of saying, once crushed to earth, will rise again.

I think that the time has come when we must reexamine this premise. Only months ago we watched a gallant Hungarian people fight desperately for freedom, but vainly did they die. For years we have witnessed brave workers behind the Iron Curtain engage in futile revolt against hated Communist rule. In Pilsen, Czechoslovakia, in 1953, the workers took possession of the great Skoda munitions plant, and then extended their control to the entire city. When the puppet police were ordered to fire, they would not. When the puppet troops were ordered to march, they refused. But Russian tanks crushed the revolt swiftly and surely.

We remember, in the same year, the uprising of the workers in East Berlin. Who can forget the photographs that were taken then of men fighting in the streets, so fearless in their dedication that they met the Russian tanks in the open, armed with the only weapons they could find—the bricks and stones of the broken buildings.

Lest you say that I dramatize too much, and that I point, for illustration, to captive peoples in little countries living under the boot of the Russian Goliath, let me remind you of a very different case in point, which, I believe, will even better illustrate my argument—the case of Nazi Germany, familiar to us all.

Hitler was a modern tyrant whose power to retain the reins of government was surely put to the ultimate test. He achieved control of Germany, without ever having won majority support. Once Chancellor, he arrogated to himself dictatorial powers, and crushed all opposition to his rule. He ordered Germany into a war that was not, even in the beginning, popular with his people. After the blitzkreig victories, the war became a hopeless stalemate. Inexorably, the tide of battle turned; Germany was bled white on the battlefields of Europe; her armies were destroyed in Africa; her major ally, Italy, tottered and collapsed before the invading Allied armies, and Hitler's partner, the sawdust Caesar, was shot down in the streets of Milan, and hung by his boots for the crowds to revile. Two years before the war ended, it had become clear that there was no possible way for Germany to win. Yet, the German tyrant, thought mad by members of his own high command, continued doggedly to hold control. Hitler was dictator and Hitler remained dictator, while his armies, bludgeoned and beaten, retreated back toward the capital. Hitler was dictator and Hitler remained dictator, while the great cities of Germany were pounded into rubble by massive fleets of bombers, against which there was no shield. There was no place to hide. There was no way to win. And sane men, many of whom held high positions in the army and in the Government, conspired together in an effort to stop the bloodshed by deposing Adolph Hitler. But Hitler was dictator and Hitler remained dictator, until there was nothing left of Germany but the black and twisted ruins of Berlin. Germany stopped fighting when Hitler stopped living, his life taken by his own hand in a bunker under the rubble of his smashed chancery. I saw what was left of that chancery when I was in Berlin a year ago. It is just a pile of broken stone and masonry, a fitting monument to the memory of Adolph Hitler.

The point I make, my friends, is this: Modern tyranny, once it takes possession of a people, has the implements with which it can preserve its power indefinitely. It has armored divisions and highly mobile troops for swift dispatch into any corner of the country where trouble brews. It has secret police who mix constantly with the people and who, by wire or wireless, can instantly apprise the capital of any planned uprising long before it can be effectively launched. What's worse still, is that modern tyranny has the means with which to remold the minds of the people. The newspapers, the magazines, the radio and television programs, can be so efficiently censored and directed by the tyrant, the schools and universities can be so rigidly disciplined, that the people can be taught, in time, to accept what the State directs, and to forget what the truth may be. Never before, in all the history of the world, has a tyrant commanded any tools to compare with those he can now possess. Never before could a people be so completely captured and controlled. This is why I say, with the deepest conviction, that we must not let the tyranny of our times engulf what is left of the free world. For if tyranny triumphs throughout the world at large, it will plunge mankind into an age of darkness that could last a thousand years.

What, then, is the challenge facing the educators of America? What is the role that education should play in keeping our country free? One role is plain. Education should contribute to our military security. Everyone agrees that our schools should furnish us with the trained technicians we need to fill the requirements of our industry and the necessities of our defense. In recent weeks, I have listened to many of my colleagues in the Senate warn the Nation about the immense number of trained technicians being graduated each year from Russian universities. Several bills have already been introduced to give Federal financial assistance to qualified students in our own colleges who seek degrees in the sciences. As long as our freedom is threatened by possible conquest from without, who will quarrel with the urgency of the mission of our schools to supply us with the physicists, the chemists, the engineers, and technicians we must have to keep our military defenses strong? I neither question this mission, nor belittle its importance.

Yet, it could easily be a fatal mistake for us to assume that the principal threat to our freedom today lies in the possibility of military conquest from without. I don't believe that it does. I suggest to you that the greatest totalitarian triumphs of the 20th century have come from within the countries fallen victim. This was so, in the case of the Communist seizures, in Russia and in China; this was so, in the case of the Fascist seizures in Germany, Italy, Spain, and Japan. The threat to freedom is authoritarian government. It matters not whether that government owns all the factories, as in a Communist state, or whether it owns only the public buildings and the military forces, as in a Fascist state. Freedom can be totally extinguished one way or the other.

Now I think we have been alerted to the Communist method of subversion and revolution from within. Certainly we should be by now. Every day it is being dramatized anew in our newspapers and magazines and on radio and television programs. The method involves all of the conventional techniques of espionage, conspiracy and intrigue.

This kind of Communist threat is one that we can readily identify and understand. Thus we can safeguard ourselves against it. I think it noteworthy that Communist subversion and revolt from within has worked only in countries like Russia and China, where the established governments were weak and inept, and where the people at large were cursed with ignorance and poverty. The United States, richest and most powerful country of the world, presents just the opposite case. No, my friends, I have long been convinced that the greatest potential danger to freedom within our land does not lurk beneath a Red flag that we can all recognize and tear down. I have too much faith in the inherent health and sturdiness of my country to believe that a few fanatics serving an alien cause can steal from us our freedom. They may indeed do mischief. We should take every precaution, consistent with the methods of a free society, to protect ourselves against them. But those who serve the Red flag within this country are far removed from any real power in our political life. Every American who retained his perspective through the storm of "McCarthyism" we have just weathered, or who has regained his perspective since, knows that this is true.

The greatest potential danger to freedom within our land, I submit, rests not in alien hands, but in our own. If we lack good judgment—and these turbulent times will tax our judgment to its limits—we have the power in our own hands to destroy freedom in the name of defending it. Misguided but zealous patriots waving the Stars and Stripes, could, without meaning to do so, expand into a political force of such dimension as to trample freedom underfoot. This is how tyranny has come, in our own lifetimes, to enlightened and progressive countries not so unlike our own.

A year ago I was in Munich talking to a German who had supported Hitler in the early days. He was appalled at what had happened to Germany after the Nazis took control. When I asked him why he had been drawn to Hitler, at the crucial time when the people still could have stopped him, he gave me a simple, truthful explanation I won't forget. He said, "Hitler was for Germany. He was the most pro-German politician I had ever listened to. I didn't understand what freedom really was. Hitler said he would protect it, and make Germany pure and strong. He said our ills were due to the traitors among us, the Jews and the Communists. He promised to rid us of these enemies. He was for Germany. I didn't understand."

Ask me what the primary purpose of education is, in a free society, and I will tell you it is this: It is to teach the people to understand. It is to teach the people the real meaning of freedom, for it is a complex concept to master, not a simple one. It is to equip the people to govern themselves, for govern they must. It is to charge them, at least at the college level where the most significant learning must occur, with a meaningful acquaintance with the history of our civilization, with the nature of free government under law, and with a general knowledge sufficiently broad to enable them to intelligently discharge their responsibilities as free citizens.

I am aware that there is nothing novel in the doctrine that college students should receive a liberal education in the humanities and in the social sciences. Despite all the pressures to which modern education is subject, the place of these disciplines in the curriculum has been ably defined. Sometimes, however, an outsider, from his different perspective, can make profitable suggestions for the attainment of an agreed objective. Looking at our college system from the point of view of a layman, but one who has had fairly recent experience with it, I wish now to suggest some ways in which it seems to me that the colleges can improve their implementation of the philosophy that the great thoughts and fruitful experiences of western civilization must in the interest of freedom, be transmitted, intact, to each new generation.

First, it occurs to me that it ought not to be taken for granted that the entering college freshman is aware of the significance to him of the nontechnical courses he will be required or encouraged to take. Perhaps a little deliberate indoctrination is in order. The scientific world has its own proud philosophy and most high school people are exposed to it in the person of competent and dedicated high school teachers of science. They have been taught to respect facts and the empirical method of identifying, classifying and applying them. They have already experienced the satisfaction of testing textbook propositions for themselves in the laboratory. That which they have thus verified for themselves, they have learned to respect. Many of them, I am afraid, have no such respect for the methods of the humanities and social studies.

It seems to me that a freshman survey course, in which the philosophy and rationale of the humanities and the social studies are developed from first principles, might properly be required of all college freshmen. From this course, they should gain an appreciation of the role of the humanities in nurturing the capacity to live happy and well. They should gain some insight into the relationship between the social studies and the fulfillment of responsible citizenship in a free society. Above all, they should be started, at least, on the road to an appreciation of the fact that an educated person must always be, by definition, a foe of intolerance and bigotry; an effective fighter for freedom and a capacious vessel for the reception of ideas. They should be apprised that the basic problems of human relations are the most subtle, the most baffling, and at the same time, the most challenging problems that the human intellect can assault.

Second, I think college administrators and faculties should be alert to defend and promote the prestige of the humanities and the social studies. First impressions cut deep, and even the physical environment in which a class is taught can affect the student's evaluation of its importance. I remember well, in this connection, the first philosophy course I attended at Stanford. This much-abused department of learning, I think we can agree, is fundamental to anything that deserves the name of education. It deals with absolutely basic values and it pursues them by means of the most rigorous intellectual discipline. I looked forward to my first class in philosophy with delighted anticipation. It was taught in a musty classroom in a decrepit corner of the campus. I soon learned that the entire philosophy department, at that great university, was staffed by two men and headed by an associate professor. In retrospect, it seems to me tragic, but not surprising, that those classes were not heavily attended.

Another aspect of the same problem has to do with faculty salaries and prestige. Most of you are doubtless painfully aware of the fact that it is difficult to employ competent teachers at the salary level available to most colleges. The difficulty is most acute, of course, in the scientific field where the competition of industry is relentless. Now, a young man with a Ph. D. in philosophy, or English literature, has somewhat fewer alternatives to teaching than does a young doctor whose specialty is chemistry or nuclear physics. Under the economic pressures thus induced, many college administrators must be sorely tempted, even against their better judgment, to adopt a double standard of salaries for technical and nontechnical teaching personnel. I say against their better judgment, for I am sure every good administrator recognizes that open or tacit discrimination in this regard will inevitably dry up the sources of good teachers in the downgraded fields. But the most destructive consequence is the inevitable communication to the students of the weakened morale of teachers who feel themselves underrated.

Still another factor undermining the prestige of nontechnical courses is the fact that they often seem too easy to justify or demand the best efforts of competent students. Students tend to accept the valuation of a course of study implicitly placed upon it by the instructor, and it is unhappily the case that attitudes toward and methods of teaching the humanities and social studies have sometimes failed to keep pace with the quality of scientific instruction. Add to these factors the authentic glamour which attaches, by reason of its dramatic achievements, particularly in the nuclear field, to all who don the cloak of science, and it is not surprising that many bright students approach the study of the humanities with impatience, if not with actual distaste.

Before leaving this point, let me suggest that where money is a problem (and isn't it always?) we must avoid the pressure to skimp in the humanities. The preservation of freedom is at stake. Freedom is not the product of science. The Greeks had freedom. Indeed, the effectiveness of Nazi technology and the vitality and resourcefulness of Soviet science today demonstrate that science and tyranny are not necessarily incompatible. Freedom can live and grow only in intimate association with the humanities. Still speaking as a layman, I would say, if sacrifices need be made, then let's cut the frills—the cooking, dancing, marketing courses, yes; the swollen athletic programs, if need be. But do not trifle with the humanities, for to do so is to strike at freedom in its most vulnerable place.

Finally, I believe it is the responsibility of college administrators and faculties to resist to the utmost those who would isolate you from the mainstream of American life. Contempt for and mistrust of the intellectual has gone too far in this country. Survival in the atomic age does not lie in adulation of good-natured mediocrity, or in scorn for the bold, creative thinking that comes from the disciplined minds concentrated in institutions of higher learning. I believe there is a growing distinction in this connection between the place of universities in the United States and the respected position enjoyed by their European counterparts. The young man who goes away to college with the preconception derived from the attitudes of his parents, from the public statements of successful businessmen and political leaders and from the mass mediums of communication, that what he will learn there is of no practical significance, is simply being taught to look for the answers to the great questions of our time in the newspapers rather than in the books and great minds he will encounter as he acquires his higher education.

During my recent political campaign in Idaho, I was eager to discuss the issues on college campuses, before college students and faculties. Only at the private institutions were opportunities to do so available. Contrast this with the situation in England, where colleges and universities have traditionally been, and where they remain the preferred forum for public debate of the great questions of the day.

While the relationship between the college and its community should be close and harmonious, I do not mean to suggest that the college should simply mirror the community. To the extent that it merely conforms, it will fail in its mission—which is to lift and to lead. Only the colleges and universities, the centers of creative original thought, can lift us to the level at which we can find solutions to the human problems of our age.

I began this consideration of the role of education in modern America by recalling that we live in a bifurcated world. I have emphasized that because one-half of that world is a tyranny equipped with technology it represents for all of us a menace of unprecedented and terrifying proportions. I have suggested that a significant aspect of that menace lies in the fact that science, which creates the technology that lends new terror to modern tyranny, is not in itself incompatible with tyranny. I have stated my belief that the colleges and universities must do more than they are to make certain that in meeting the pressing demand to turn out competent scientists in ever increasing numbers, they do not neglect, also, to turn out educated people equipped to discharge the responsibilities of citizenship in this perilous age.

Let me conclude with a truism that bears repeating no less often simply because it is true. The future of the world, if we are lucky, is now being determined in the classrooms. What happens to the mind and spirit of young men and women of college age is, I think, decisive in determining the level at which they will contribute to the preservation and the growth of the society into which they emerge.

Therefore, we who are not educators wish you well. It may be that our lives are in your hands.

OPPOSITION BY CHAMBER OF COMMERCE OF THE UNITED STATES TO FEDERAL AID TO EDUCATION

Mr. NEUBERGER. Mr. President, the Chamber of Commerce of the United States has been leading the opposition to legislation providing for Federal aid to schools, on the premise that education is primarily a local and State responsibility. I now challenge the Chamber of Commerce of the United States—and its affiliates throughout the Nation—to demonstrate the sincerity and good faith of this position.

Such sincerity can be shown in but one way. It can be shown only if chambers of commerce will take the lead in urging far more generous support of elementary and high schools at the State and local level. Actions speak far louder than words. Words erect no classrooms and pay no schoolteachers. It takes funds and support to achieve these purposes.

In the New York Times for March 17, Dr. Earl J. McGrath, former United States Commissioner of Education, pointed out that legislation and bond issues for schools "have been vigorously opposed in the States and communities by some of the very people in the chamber who argue against Federal aid. The only deduction one can make is that the chamber wants to spend as little as possible for schools."

For example, in my State of Oregon, the State now provides $80 per child for State support of education. This is less than one-third of what it costs to educate a boy or girl in Oregon. Virtually every survey of education indicates that the State government should contribute a minimum of one-half of school expenditures per child. In Oregon this would be about $135.

School groups, led by the Oregon Education Association, are seeking $120 per child in State-donated aid. That is their goal in the present 1957 session of the Oregon State Legislature, now convened at Salem, the seat of State government. This goal of educational and school groups is a major issue before the legislature in our State.

I have just talked by telephone to Cecil V. Posey, executive secretary of the Oregon Education Association. Mr. Posey informs me that any help which chambers of commerce in Oregon are giving to a sum of $120 in State school aid per child is, at most, infinitesimal. This is the word chosen by Mr. Posey, who is on the firing line where this battle for school support in Oregon is being waged. Mr. Posey himself is a member of the Portland Chamber of Commerce, the largest chamber organization in our State. He reports to me that the Portland chamber favors an increase in State aid of only $10 per child to $90 a year.

Now, Mr. President, I do not think you can have this thing both ways. You cannot be opposed to Federal aid to schools, on the grounds that education is purely a State and local problem, and then be against adequate increases in school funds at the State and local level. Such a position adds up only to blind and stubborn opposition to proper educational facilities for the next generation of Americans.

I have cited the chambers of commerce in my own State not in any sense of criticism. Actually, it is my opinion that chambers of commerce in Oregon are probably more receptive to reasonable educational standards than are chambers in the vast majority of States. Oregon's people are rightly proud of their high educational standards. But if chambers of commerce are not enthusiastically indorsing increased State school aid in Oregon, how can national leaders of the Chamber of Commerce of the United States oppose Federal aid to schools on the premise that education is strictly a local responsibility?

Mr. President, I favor Federal aid to schools because I realize that a child is a citizen of the Nation. The United States Government shares responsibility for the child's education. After all, the child may be called on in later life to sacrifice greatly for that Government. Furthermore, States and school districts are lagging behind alarmingly in meeting our normal educational needs. Only the Federal Government possesses the financial resources to fill the breach.

The Department of Health, Education, and Welfare tells us that America will need 105,000 new classrooms annually for the next 4 years. At most, only 70,000 of these can be paid for locally. The extra 35,000 schoolrooms will cost at least $1,400,000,000 a year.

The administration's inadequate Federal-aid program will provide $325 million, or enough to erect 8,400 schoolrooms a year. The Kelley Federal-aid bill, which I am sponsoring in the Senate, would make available $600 million annually, which could build 15,400 new classrooms a year. Even this program is not enough, but it is far more adequate than the administration's skimpy proposals. Failure to build the necessary school facilities would be a failure to take care of the next generation of Americans. And the Chamber of Commerce of the United States opposes even the administration's school-aid bill, on the grounds that it goes too far.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD in connection with my remarks a cogent letter from the New York Times of March 17, 1957, on the school-aid crisis by Dr. Earl J. McGrath, former commissioner of education, and presently executive officer of the Institute of Higher Education at Teachers College, New York.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO REMEDY SCHOOL SHORTAGE—CHAMBER OF COMMERCE OPPOSITION TO FEDERAL AID CHALLENGED

To the EDITOR OF THE NEW YORK TIMES:

Your issue of March 2 reports the testimony of John Miles, representing the United States Chamber of Commerce, before the House Committee on Education and Labor regarding the schoolhouse shortage in the United States. Mr. Miles' testimony is shocking.

First, with regard to the numbers game, which, I regret, Mr. Miles has revived. As early as 1952 a study for the Congress, made in the United States Office of Education, of schoolhouse facilities showed a critical shortage of classrooms throughout the Nation. These figures on need involved over $10 billion. With regard to these figures, the Chamber of Commerce then said, as it says now, that, if left to their own devices, the States and communities would soon build the additional classrooms out of their own resources.

Yet 5 years later, as Secretary Folsom has shown, the present shortage of classrooms still numbers 150,000. The argument that the States and local districts could and would build the needed classrooms had no validity then and has none now. Nevertheless Mr. Miles advances the same threadbare and false argument that the States and school districts will, in 3 years, build the needed facilities from their own resources.

AVAILABILITY OF DATA

In view of the data abundantly available to all those who sincerely wish to arrive at the truth, one is irresistibly driven to the conclusion that Mr. Miles' statement was not consistent with the facts. There are three disturbing aspects of this testimony which voters, and especially their congressional representatives, will want to consider seriously.

The first is the deviousness involved in the statement by the chamber's representative that the States and local communities should and can build their own schools. If the chamber really believes this statement and ardently wants the schools built, the chamber of commerce ought to be carrying on thumping campaigns for larger State appropriations and larger local bond issues for schools.

Regrettably, the opposite is true. Such legislation and bond issues have repeatedly been vigorously opposed in the States and communities by some of these very people in the chamber who argue against Federal aid. The only deduction one can draw is that the chamber wants to spend as little as possible for schools.

This position would be understandable, if not defensible, if the chamber were equally parsimonious with the public's money in all other respects. But the record shows that it isn't. Where its own selfish interests are involved, as, for example, in the matter of road building, it shows none of the revulsion

toward increased Federal grants and the inevitable increased burden of taxes which it exhibits toward the expenditure of Federal money for the improvement of children's education.

EDUCATION AND CITIZENSHIP

Since the education of our children for work and for the responsibilities of citizenship is directly connected with the well-being of our country and its position of strength in the world at large, one can draw his own conclusions concerning the social responsibility of the chamber of commerce.

Secondly, thoughtful citizens will be troubled by the influence of a self-interested and financially strong lobby on the legislative process. A Washington reporter of the New York Times stated, in an article on page 52 of the March 3 issue, that educators in the House hearing were reporting from key cities that high officials of the chamber of commerce were stimulating letters, telegrams, and telephone messages to the Congress opposing Federal aid for schoolhouse construction.

For this reason congressional mail is running 5 to 1 against Federal legislation for providing aid to the States for the building of school facilities. Yet as late as February 10 a Gallup poll, reported in the Washington Post, showed that American citizens, regardless of political affiliation or religion, were overwhelmingly in favor of this type of legislation; overall, the percentage was 76.

MAJORITY SUPPORT

Surely the Members of Congress, serving as they do their entire constituency and not a special group with unlimited financial resources to press their own case, will recognize that the letters received opposing Federal aid constitute a negligible, though vocal, percentage of their constituents and that the vast majority of voters want Federal aid for schoolhouse construction.

Thirdly, the strongest defense of free enterprise and our free way of life generally at home is increased opportunity for the development of the talents of our people. The strongest defense against communism abroad is the recognition among other peoples that we stand for human, not material, values. In both respects the enactment of Federal legislation for schoolhouse construction will strengthen our position at home and abroad. Those who oppose it weaken our economy at home and our international position in the conflict with communism.

It is gratifying to observe that many members of the local chambers of commerce are not in favor of the socially detrimental policy advocated by Mr. Miles and the Washington leaders of the chamber of commerce, a policy which, if continued, in the end will undermine public faith and confidence in the purposes and policies of American business.

EARL J. MCGRATH.

NEW YORK, *March 13, 1957.*

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to have the RECORD show very clearly that pursuant to the unanimous consent given by the Senate, the Senate will meet at 10 o'clock tomorrow morning. It had been our plan to debate and act upon Senate bill 497 today. However, the printed hearings, together with the report, did not become available until after 9 o'clock this morning.

My distinguished colleague, the able minority leader [Mr. KNOWLAND] called me and asked me if this measure could not be scheduled for tomorrow instead of today, in order to accommodate some Members of the minority.

I realize that the Senate does not work on a one-way street. Although we have no proposed legislation scheduled for consideration today other than Senate bill 497, I agreed that if the Senate could convene at 10 o'clock in the morning and act on Senate bill 497 before proceeding to the consideration of the tax bill which has been reported from the Committee on Finance, I would be willing to comply with the request. I am doing so, but I want each Member of the Senate who is interested in Senate bill 497 to know that after the Senate convenes in the morning, immediately following the morning hour, we shall proceed with the consideration of Senate bill 497, which is now the unfinished business. I hope action can be concluded on the bill at an early hour.

I am informed that practically every item in Senate bill 497 was considered by the Senate last year and was unanimously approved, with very little debate. Some of the items that were in that bill, which was subsequently vetoed, have been deleted. So far as I can see, consideration of the bill should not require a great length of time. If it is necessary to hold late sessions in order to get the tax bill to the President by Saturday, we shall be prepared to do so.

Mr. THYE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. THYE. We hope in the next few days to be able to report from the Committee on Agriculture and Forestry a corn acreage bill. If such a bill is reported, will it be possible to set aside some time to discuss it and deliberate upon it? The corn planting season is rapidly advancing, and it is necessary that prompt action be taken on the corn acreage bill in order that producers may be aware of an increase in acreage if we succeed in enacting such legislation.

Mr. JOHNSON of Texas. Mr. President, I can give the Senator no assurance in that connection at this time. The Senators knows that both policy committees will wish to consider the bill. The bill is not yet on the calendar. I am not familiar with the desires of Members on either side of the aisle on this matter.

Very few bills are delayed after they reach the calendar. We are delaying the very important flood-control bill only because the distinguished minority leader asks us to do so.

Another distinguished Member of the minority has asked me what to do about a committee session scheduled for tomorrow, because there will be a conflict. Sometimes it is difficult to comply with the wishes of all Senators; but I assure the Senator from Minnesota that when the bill to which he refers reaches the calendar, it will follow the regular procedure of being considered by both policy committees, and we shall endeavor to reach an agreement as to a convenient date for its consideration.

Mr. THYE. I fully realize and appreciate the problems of the majority leader. However, I wish to alert him to the fact that there will be before the Senate in the next few days a bill pertaining to an increased corn-acreage allotment. When it comes before the Senate I believe it should be given the green light, so to speak, because it is of great importance to many American farmers.

Mr. JOHNSON of Texas. I appreciate very much the information my good friend from Minnesota has given us. May I inquire whether he refers to the same bill which the House has rejected?

Mr. THYE. No; it is not the same bill. The Senate works on its own bills. Therefore, the Senate will be considering its own bill.

Mr. JOHNSON of Texas. How does it differ from the House bill?

Mr. THYE. It has a few of the earmarks of the House bill, but it is essentially new timber. It is new timber, and the Senator from Texas can make his own marks on it.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business.

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Philip Young, of New York, to be Ambassador Extraordinary and Plenipotentiary to the kingdom of the Netherlands;

John Clifford Folger, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary to Belgium; and

Philip W. Bonsal, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary to Bolivia.

The PRESIDING OFFICER (Mr. CHURCH in the chair). If there be no further reports of committees, the nominations on the calendar are in order.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senate proceed to the consideration of nominations on the Executive Calendar under the heading "New Reports."

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nominations on the Executive Calendar under the heading new reports.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

The legislative clerk read the nomination of John Alanson Perkins to be Under Secretary of Health, Education, and Welfare.

Mr. JOHNSON of Texas. At the request of the acting minority leader, I ask unanimous consent that the nomination go over.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read the nomination of Edward Foss Wilson to be Assistant Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The legislative clerk read the nomination of William J. Jameson to be a United States district judge for the district of Montana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John J. Sirica to be a United States district judge for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Catherine B. Kelly to be associate judge of the municipal court for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified of the nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be so notified.

Mr. JOHNSON of Texas subsequently said. Mr. President, as in executive session, I should like to announce an error I made earlier in the day. When the name of Mr. John Alanson Perkins, of Delaware, was reached during the calling of the Executive Calendar, I asked that the nomination go over because the Executive Calendar copy I had on my desk showed a request had been made that the nomination be passed over. I assumed that request had been made by the distinguished minority leader, and I so stated.

I have since learned, Mr. President, that the request was placed on the calendar by a member of the majority, and that the Senator has since withdrawn his objection.

I should like to have the RECORD show, first, that I was in error when I stated the nomination was passed over at the request of the minority leader, and, second, that such objection as had been registered has now been withdrawn.

Mr. President, now as in executive session, may we have action on the nomination?

The PRESIDING OFFICER. The clerk will state the nomination.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of John Alanson Perkins, of Delaware, to be Under Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of the confirmation of this nomination.

Mr. FREAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FREAR. Was the complete Executive Calendar consented to?

Mr. JOHNSON of Texas. We have just confirmed the nomination of Mr. Perkins, of Delaware, to be Under Secretary of Health, Education, and Welfare. Earlier in the day I had asked that consideration of his nomination go over, because I thought the distinguished Senator from California [Mr. KNOWLAND] had such a request from his side. The Senator from California later informed me I was in error, and upon investigation I discovered a Member of the majority had requested that the nomination go over, but that Senator has since withdrawn his request. We have just confirmed the nomination of Mr. Perkins, and the Senate has ordered that the President be notified.

Mr. FREAR. I appreciate the remarks of the majority leader. My interest was with relation to Mr. Edward Foss Wilson. Has the nomination of Mr. Wilson as Assistant Secretary of Health, Education, and Welfare been confirmed?

Mr. JOHNSON of Texas. Mr. Wilson's nomination was confirmed earlier today.

Mr. FREAR. I thank the Senator.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

SALUTE TO BASEBALL

Mr. JACKSON. Mr. President, even the most casual sports follower is aware that the 1957 baseball season is upon us. We are reminded of the fact daily in our newspapers, on radio, and television. And now the National Broadcasting Co. plans to devote all of its coast-to-coast facilities from 9 to 10:30 p. m. the night of Saturday, April 13, to a full color Salute to Baseball on the very eve of the 1957 season.

I cite these facts, not in surprise, but out of enthusiasm for our national pastime.

We may never be able to compute the value of baseball, for instance, in combating juvenile delinquency. Consider, for the moment, that almost 12,000 teams of boys in nearly 3,000 cities in 46 States take part in Little League activities alone. At the next higher level, some 80,000 teams, involving more than a million teen-agers, compete in American Legion junior baseball leagues across America. From the ranks of these lower leagues, and the high schools and colleges of our Nation, come the superstars who reach big league stature and who, in turn, serve as models of good citizenship to millions of Americans who feel a common fraternity in the great national pastime.

There are recreational and other values of baseball to be recited, but I should like, for a moment, to dwell on some of its historical aspects.

A century ago, baseball already had a definitive history, with the first baseball association formed.

It was exactly 100 years ago when the first nine-inning game was played under new rules which superseded the old regulations that declared the winner to be the first team which scored 21 runs.

Ninety years ago this very city, Washington, D. C., sent out what may have been the first baseball team to make a tour of other cities, and when our National Government was celebrating its centennial, the National League of professional baseball teams was formed.

When Rutherford B. Hayes was being inaugurated, baseball was setting forth rules which gave us canvas-covered, permanently fixed bases, and catchers were devising masks and chest protectors.

While our Nation was divided over slavery, its citizens were concerning themselves with a rule requiring white-wash lines on the baseball field to distinguish fairly hit balls from foul balls.

When the War Between the States ended, the national sports preoccupation was with the device called the stolen base, first achieved by a Philadelphia player named Eddie Cuthbert.

In war or peace, in good times or poor times, our people have never failed to find time for the sport of baseball, a sport which in 1 year alone can attract 16 million Americans to huge stadiums in 13 major league cities, a sport which has given us a unique array of national heroes such as Ty Cobb, Babe Ruth, Christy Mathewson, Tris Speaker, and, today, Ted Williams, Stan Musial, and Mickey Mantle.

There is small need for me here to cite the great amount of good will that has accrued to our Nation in foreign lands where this distinctly American game has spread.

It is necessary to mention only in passing that traditions already have been established which demand that our President throw out the first ball each season; that various Members of the House and Senate take active part in the game each year, and that on many occasions even our deliberations recede to comparative oblivion while most of the Nation occupies itself with the progress of the opening-day game, the all-star game, down-to-the-wire pennant races, and the world series climax.

In reviewing some of these historical milestones of our national pastime, I consider it sufficiently important as another significant event for us to be made aware of the first all-color television Salute to Baseball.

THE POSTAL PAY-INCREASE BILL AND THE COST OF LIVING

Mr. HUMPHREY. Mr. President, I have just received a letter from a constituent of mine, whose name I shall withhold. The letter concerns S. 27, the postal pay-increase bill, of which I am privileged to be a cosponsor. The letter to which I refer, Mr. President, is the most effective presentation I have yet seen, in stark, everyday, human terms, of the difficulties now being faced by the families of our underpaid letter carriers.

The letter is itself a most persuasive argument for the speedy passage of S. 27.

At this point I ask unanimous consent to have the text of the letter printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 7, 1957.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: As a voting citizen, the wife of a post-office employee, and mother of our three children, I wish to thank you for your cosponsorship of the subject bill. In the following I wish to give you our personal facts and figures to help you continue to help all postal employees get a substantial adjustment of wages:

As a letter carrier, my husband is paid $4,410 annually. At that pay rate we have only $145.54 actual bimonthly take-home pay for the living expenses of a family of five. I am sure that the following itemized accounts of actual expenditures will prove that this could never begin to cover our living expenses:

Mortgage, $45 per month	$540.00
House insurance, per year	24.00
Utilities (gas, electricity, water, and telephone), total	411.93
Emergency repairs (plumbing)	42.55
Total housing and maintenance cost during 1956	1,018.48

It would be well to point out here that our house is 42 years old and we long ago reached the point of its being the shabbiest house in the block, for which we are deeply and profoundly ashamed. And yet, without adequate income, there is little we can do with only elbow grease. It's hard enough to feed the family, let alone the lawn. Every week someone rings the doorbell and then there are 2 and 3 telephone calls a week advising me that we must have a new roof (we know it only too well) and the outside must be painted (we hope to have enough this year to be able to paint it again ourselves). "Lady, you should insulate your house to save money." That is a laugh, really, when you haven't the money to spend—to save. For years we have been trying to get the budget to allow a simple fire insurance for personal and household property, but we just can't handle it. We've been advised to rewire our house and bring in more power (estimate of $300 to $650). We've also been advised to replace the sewer connections for about $300 before the old pipes burst. Excavating by owners of adjoining property has made a retaining-wall installation by us a serious necessity, but we cannot afford the concrete blocks and cement necessary to put it in ourselves. Oh, I could go on, but perhaps it is sufficient to say that all of the property in our block is very well maintained, but it does cost money to keep it that way, notwithstanding the high cost of bare essentials.

Food allowance: $120 per month, total $1,440.

This is always a problem but I thank God that we have an understanding grocer and a very patient milkman. However, I find with the children growing older that it is growing increasingly more difficult for me to make things stretch. I don't really see how some families can possibly manage. You might say that any emergency which arises actually hits us in the solar plexus, because this is our only fund which is flexible—not definitely contracted in amount, therefore, we have to charge the groceries to meet an emergency. What happens? We never are able to catch up, and we are constantly in debt to the grocer and the milk company even though it may be on a current basis. A matter of robbing Peter to pay Paul, but poor Pete. We sure do hope that S. 27 takes care of him.

Clothing and sewing needs for a family of five, $150. This is mainly shoes for five and the rest is for children's wear and materials for sewing children's clothes and gifts. Poor dad, his best suit is still his wedding suit of 10 years ago. Although I haven't been able to buy any clothes for myself, I've been lucky because my mother has given me some of hers and my sister has given me hats. Other clothing needs for my husband and myself have been covered by gifts to us, I don't know how we could manage without them.

Personal property tax, Federal internal revenue tax, Minnesota internal revenue tax, and real-estate tax, total, $494.98.

Doctors, dentist, medical needs, hospitalization, total $481.20. This does not include any dental work done for my husband and me, we were both given estimates on dental work, seriously needed, 3 years ago which exceeded $300 each. Since it was out of the question then, it is even more so now, so nothing has been done and obviously the situation regarding our teeth is most disturbing. We do take care of the children and see that they have their regular checkups and required attention. We sincerely believe that our first duty is to our youngsters.

Car expense (1948 Nash), total $300 per year. Although our car is 9 years old, and third hand to us, we felt we were lucky to be able to buy it last spring for only $150. It is a gas and oil burner, but it does get Bill to work, which helps on transportation costs and it gives the family a chance to get out for a ride once in awhile. It couldn't take us on trips or vacations. But, with children, a car is a necessity.

Dad's personal insurance, total $220.20. My husband is the only one we can afford to insure. The insurance I had was paid long ago and disappeared to cover debts. I shudder to think of what the situation would be like for my Bill if he had to replace me with paid help, in case of my demise, and no insurance to assist in the costs. But there is just not enough money coming in.

Daily newspaper, total $24.

School insurance for children, total $3 (small comfort, but at least they have some insurance).

Haircuts for Dad only $2.50 per month; total $30 yer year. I do save here, I do all the barbering of the boys and myself. And incidentally I haven't been in a beauty shop since my wedding day, when my friend the operator combed my hair for the great event.

Unions dues for dad, $2 per month, total $24 per year.

Dad's bowling on post-office league, total $45.50, is his only personal recreation. He needs this, and although he has insisted that we can't afford it—I feel he needs it. He would, however, enjoy it more if the morale of the post-office boys was higher, and if this S. 27 goes through, I know it will be.

Our family recreation costs are represented by $76.80 for television repair. With an inheritance windfall 5 years ago we invested in a television set. That inheritance was small, but we were wise to put it into something which would prove to be an all-family hobby. We consider it our recreation expense.

Actual church, school, and charitable contributions, $280.06.

Well, Senator, I've reached the end of a series of items, and you can see that they in no way indicate our cost of living. The total of $4,588.22 is for bare essentials and yet does not even cover them. Should I remind you at this point that my husband's pay rate is a mere $4,410?

Did it occur to you that there is no mention of Christmas, vacation, Easter, or birthday expense? How about State fair, sports activities, Como Park, popcorn, popsicles, and excelsior? Postage for Christmas cards, and cards for other important occasions to friends—also letters (especially to Senators and Congressmen) and Christmas packages. Treats for the children, their parties at school or an occasional Walt Disney spree at the neighborhood theater? And let's not forget replacement household necessities such as sheets, towels, curtains, painting, cleaning, and outside yard expense as well as hardware and do-it-yourself plumbing and repair materials.

Where does the money come from? It doesn't really—we just go deeper and deeper in debt. Bill has part-time work which helps a little. I worked evenings for the telephone company until they couldn't use any more part-time help. I try to save on the grocery allowance to cover the unexpected. But there are so many unexpected and we really do not have an excess in our grocery allowance. I bake our bread and we use oleomargarine (it is a shame to have to admit that in a dairy State). I work at the polls for elections which has helped—but there are few elections in a year.

I think, by this, that our figures are actual proof unadulterated that we need a reasonable and sufficient adjustment of the pay rates for all postoffice workers, and your S. 27 will do it. I only hope that my efforts in writing this letter will in some way help you to convince others.

We are an average family with modest activities. We are not asking for an income to allow us to "keep up with the Jones;" we just want to live like we do and be able to make ends meet and have something to pay on debts and look forward to being in the clear so that we can save a little and be prepared for emergencies and plan ahead. This hand-to-mouth existence is strictly for the birds.

If you will bear with me, please, although I realize I have overimposed on your time, I would like to have you consider a few comparative facts. Ten years ago my husband was bringing home $110.42 take-home pay, and now he brings home $145.54. In that, you can see that after 10 years we have only $35 more, and yet consider how living costs have soared in comparison. I worked for a while before I was married and when I resigned in 1947 I was getting $65 a week for clerical work. Girls doing the same type of work and being paid on the same basis as I was are now getting at least $100 a week. One girl that I worked with, and she was paid the same salary as I was in 1947, resigned at $500 a month for a better paying job. I am speaking of girls doing clerical work, and yet a man in the postoffice works the same period of time and his percentage of increase looks sick in comparison.

Further comparison, which even more than proves that present and past administrations have not been fair to postal employees, is proven in the following analysis of weekly wages in private industry:

	1939	1956	Percent increase
Printing industry	[illegible]	[illegible]	[illegible]
Petroleum and coal	32.62	107.33	229
Manufacturing	28.86	81.40	282
Steel	29.68	106.04	[illegible]
Automotive	32.85	99.06	201
Machinery workers	29.27	95.18	225
Class I railroads	31.00	[illegible]	[illegible]

The Government insists and demands high standards in salaries paid by private industry, then why not apply those same principles to Government salaries? It doesn't take an expert to figure it, just common sense. How can our Government feel justified in buying manufactured goods, and in so doing support private industry and their wage standards and yet maintain an indifferent attitude toward salaries for the service it (the Government) gives.

We must have honest, intelligent, and efficient people in our postal service, but you cannot get efficiency with cheap help. More and more hundreds of good, efficient, and loyal postal employees will be forced to leave the service next year if this pay scale is not properly adjusted to present living costs. Glance at the list above, where will our Government get help at the wages it wants to pay in competition with private industry? It's simply all out of line.

Taxes are paid to support the Government and its services to our country, that is the American way. And we expect good postal service as a Government function: not as a self-supporting institution. I firmly believe that all Government employees should most certainly be paid in accordance with the standard of living costs. I happen to be pleading right now, in this letter, for postal employees and I sincerely hope that there will be no question about the passage of S. 27. It's a good bill. A sound bill. A practical bill. And it represents good Government.

My sincere gratitude to you, Senator HUMPHREY, for your help in compiling the subject bill, and for your patience in reading to the end of this letter. I do hope that you will not let up on your efforts to persuade others.

Mr. HUMPHREY. Mr. President, the writer of the letter says, in part:

As a letter carrier, my husband is paid $4,410 annually. At that pay rate we have only $145.54 actual bimonthly take-home pay for the living expenses of family of five. I am sure that the following itemized accounts of actual expenditures will prove that this could never begin to cover our living expenses.

Then my correspondent lists some of the costs. I again quote from the letter:

Total housing and maintenance cost during 1956, $1,018.48.

Mortgage, $45 a month, $540.

House insurance, $24 per year.

Utilities: gas, electric, water, telephone, total $411.93.

Emergency repairs (plumbing), $42.55.

It would be well to point out here that our house is 42 years old, and we long ago reached the point of its being the shabbiest house in the block, for which we are deeply and profoundly ashamed. And yet, without adequate income, there is little we can do with only elbow grease.

Then the correspondent goes on to point out that the food allowance for this family of five is $120 a month, or a total of $1,440 a year. She lists clothing and sewing needs for a family of five as only $150.

She goes on to state:

Personal property tax, Federal internal revenue tax, Minnesota internal revenue tax, and real estate tax, total, $594.98.

Doctors, dentist, medical needs, hospitalization, total $481.20.

Car expense (1948 Nash), total $300 per year.

Dad's personal insurance, total $220.20.

Daily newspaper, total $24.

School insurance for children, total $3.

Haircuts for dad only $2.50 per month, total $30 per year.

Union dues for dad, $2 per month, total $24 per year.

Actual church, school, and charitable contributions, $280.06.

When we add up those amounts, they total $4,588.22 for the bare essentials. The husband's rate of pay is $4,410 a year.

Then the correspondent says:

Did it occur to you that there is no mention of Christmas, vacation, Easter, or birthday expense? How about State fair, sports activities, postage for Christmas cards, and cards for other important occasions to friends, also letters and Christmas packages, and treats for children and their parties at school?

The letter goes on to say:

And let's not forget replacement houshold necessities such as sheets, towels, curtains, painting, cleaning, and outside yard expenses.

Where does the money come from? It doesn't really—we just go deeper and deeper in debt. Bill has part-time work which helps a little. I worked evenings for the telephone company until they couldn't use any more part-time help.

Mr. President, I believe the letter deserves the attention of every Member of the Senate. It is not one selected for any particular reason; it is one of many letters which I have received.

As a family man, I am very much impressed by the intelligent presentation which the writer of this letter makes. My heart goes out to this family. A salary of $4,410 a year, for a family of 5, is pitifully inadequate.

I do not know how many Members of the Senate realize how much the cost of living has increased of late. All any Senator needs to do in that regard is to talk to his wife about her marketing and other shopping.

My wife and I have a family of 4 children, with good, healthy appetites, who can go through a $50 grocery bill each week so fast it makes one's head swim. We do not spend our time entertaining a great deal. We try to live a normal family life.

One of the items which is growing in cost is the food item, despite the fact that farm prices are not rising. One of the great contradictions of our time is to find food prices up and farm prices down. The farmer is running deeper into debt, although food prices are rising. The city resident finds himself in the throes of a rise in the cost of living.

I notice that on March 22 the Bureau of Labor Statistics reported that in February the cost of living rose 0.4 percent, to a new high of 118.7 percent of the 1947–49 level. This is the sixth straight month in which consumer prices have set an all-time high.

In this connection, I should like to call attention to two brief statements on the cost of living. First I quote from the 1952 Republican platform, which reads:

Further inflation must and can be prevented. Sound tax and monetary policies are essential to this end.

The second quote was made in 1952 by a candidate for public office whose name in charity I shall refrain from mentioning:

Yes, my Mamie gets after me about the high cost of living. It's another reason why I say it's time for a change, time to get back to an honest dollar and an honest dollar's worth.

Mr. President, I invite the Senate's attention to these statements, because the Bureau of Labor Statistics, in noting the rise in cost of living, cited one particular area where the cost had gone up, the area of food. I wish to have the RECORD clear that despite the fact that food costs have gone up, farm income has gone down.

The administration tries to apply what it calls its tight credit and hard money policies, including raising interest rates, in the vain hope that they will control the inflationary pressures in our economy. The truth is, Mr. President, that the policies simply do not work. They have not worked. As a matter of fact, many corporations have just announced that they are contemplating a greater capital improvement program, capital investment program, for 1957 than for any time in the history of our country.

So the so-called high interest rates and tight credit have not restricted capital outlays.

There is a reason for this. The interest costs can be absorbed by the company or passed on to the consumer. The only people who are being injured by the high interest rate, tight money program are the average citizens who are in need of housing; the average citizens who are in need of consumer credit; the farmers who find it ever more difficult to obtain farm credit; and the independent businessman, who finds it almost impossible to obtain necessary credit at reasonable rates of interest for his business.

I note that one of the most alarming results of the administration's monetary policies has been the steady drop in home construction.

Private housing starts in February, according to figures released by the Federal Reserve, were at a seasonably adjusted annual rate of 915,000 units, down from 1 million units in January and 1.1 million units in February 1956. Based upon the February figures, housing starts in 1957 will be down 180,000 units from last year and 435,000 units under the record year of 1950.

Considering that since 1950 the population of our country has gone up 13 percent and the gross national product has risen 25 percent, the decline in home construction is certainly a matter of most serious concern. The basic reason for the housing slump is the tight money policy which the administration has adhered to and which has caused mortgage funds to become increasingly difficult to obtain despite the fact that home loan interest rates are higher today than they have been in a quarter of a century.

Thanks to the administration the GI loan program is practically extinct because financial institutions will not lend money at 4½ percent when they can do much better than that elsewhere. The only conditions under which lenders will grant GI loans is if builders will accept

a discount which runs anywhere from 5 to 8 points. On a $10,000 home this means the builder receives only $9,200 to $9,500 thereby wiping out his profit margin. A very interesting and illuminating article on the growing irritation over discounting appeared in the New York Times of March 10, 1957. I ask unanimous consent, Mr. President, that the article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IRRITATION GROWS OVER DISCOUNTING—BAN ON PRACTICE IN CASES OF UNITED STATES BACKED MORTGAGES IS SOUGHT IN CONGRESS—TIGHT MONEY IS FACTOR—LOAN PREMIUMS ARE LEGAL, BUT A DEGREE OF SECRECY SURROUNDS PROCEDURE

(By Glenn Fowler)

Resentment among home builders to the growing practice of discounting mortgage loans has reached the point where demands are being made for congressional action to outlaw discounts on Government-backed mortgages.

Under the practice of discounting, the borrower, in effect, receives less money than he agrees to pay back. In seeking to finance a $10,000 home, for example, he may have to accept a 5-percent discount; he would receive only $9,500 but repay the full $10,000. The loan would thus yield the lender $500 in addition to the interest over its term.

Discounts have become widespread as the supply of funds to finance home construction has dwindled in the tight-money market. They have recently been particularly severe on mortgages guaranteed by the Veterans' Administration or insured by the Federal Housing Administration, because the maximum interest rate that lenders may charge on these loans is 4½ and 5 percent, respectively. Unless they are discounted, the loans simply are not attractive enough to lenders.

A BURDEN TO ALL

Discounts plague not only builders and prospective buyers of homes but savings banks, savings and loan associations and other originators of mortgages as well. Discounts in the secondary mortgage market—where banks sell loans already made in order to replenish their supply of money for future loans—have become so prohibitive that they must hold their mortgages and thus remain closed to further lending.

The discount situation, though acute, has received a good deal less public attention than the controversy over rates of interest on mortgages which now finds both builders and lenders urging Congress to permit higher interest on GI loans. One reason is that a certain amount of secrecy surrounds the practice of discounting.

Although it is at present perfectly legal, and is a recognized device to facilitate the consummation of loans in the money market, discounting is often treated as an under-the-table matter. Lenders dislike admitting that they require an extra inducement to grant a mortgage at a given rate of interest. Borrowers often are loath to admit that they pay the premium, even though they realize that other borrowers are in the same position.

Now, however, builders forced to pay heavy discounts are beginning to complain publicly. A group of Detroit builders recently took newspaper advertisements to announce that they would no longer sell houses on GI mortgage terms because of the discounts demanded. One advertisement said: "Today it costs us $1,250 to get a $15,000 GI mortgage. We can't do business that way."

HARDEST ON WEST COAST

Discounts vary in different parts of the country. They are said to be heaviest on the west coast, where the demand for money is greatest and lenders are thus in a more favorable position. Banks and savings and loan associations in that area pay their depositors 4 percent interest, compared with 3 percent here. Consequently, they must earn more than 4½ or 5 percent on a mortgage. If they agree to a Government-backed loan, they will do so only with the added incentive of a stiff discount.

Complaints about discounts on home mortgages have reached Congress. Representative WRIGHT PATMAN, Democrat of Texas, said recently that discounts "are running as high as 15 percent." He urged Congress to put a stop to it.

A New York mortgage specialist, Martin Price of Price Mortgage Associates, believes that an end to discounts could be brought about if the Government would buy mortgages from banks without discounting them. These purchases could be made either by a new Government organization or by the Federal National Mortgage Association. The FNMA currently buys Government-backed mortgages at discount, just as do private institutions in the secondary market.

Discounts on GI loans were at one time outlawed. Under the Housing Act of 1950, the VA was permitted to specify what service charges lenders could make. Between 1951 and 1953, only certain stipulated charges for originating mortgages were allowed, and discounts were not recognized.

In 1953, however, Congress revised the law, withdrawing the VA's authority to restrict lenders' charges. At present GI mortgages at the 4½ percent interest rate are subject to varying service charges, depending upon the area, as well as being discounted heavily.

Mr. HUMPHREY. Mr. President, the scarcity of mortgage money is being felt not only by prospective home buyers and builders, but by thousands of businessmen in the building materials field as well. The latest figures of the Federal Reserve show the following production indexes, using the figure 100 to represent the 1947–49 average: Lumber down from 100 in January 1956 to 89 in January 1957; millwork and plywood down from 189 in January 1956 to 167 in January 1957; furniture down from 124 in January 1956 to 117 in January 1957; gas ranges down from 83 in December 1955 to 74 in December 1956—those were the most recent figures I was able to obtain on that particular item—refrigerators down from 106 to January 1956 to 85 in January 1957; washing machines down from 186 in January 1956 to 168 in January 1957; furnaces down from 101 in January 1956 to 79 in January 1957; water heaters down from 115 in December 1955 to 100 in December 1956.

So we see, Mr. President, that the housing slump hurts a good many people not directly in the housing field. But we are assured by administration spokesmen that things will somehow improve. A few days ago Housing Administrator Albert Cole said that he saw "straws in the wind" pointing toward greater availability of credit and that these "straws are getting bigger and the wind is getting stronger." Apparently these straws have not yet blown over to Constitution Avenue because only 4 days later William McChesney Martin, Chairman of the Federal Reserve Board, came up to the Capitol and testified that he saw nothing at all in the money market "that shows a trend" toward easier credit. When experts in the executive branch of the Government disagree so frequently it becomes rather difficult for us poor laymen to know just what to believe.

It is, I suppose, amusing, if not comforting, to have spokesmen for the Government speak out of both sides of their mouths. One can always find something in this administration to please somebody. Mr. Cole assures the prospective home builder that credit will be easier and that money will be available. Mr. Martin of the Federal Reserve Board assures those who are in the Federal Reserve banking business, "Do not worry; interest rates will still be high and credit will be tight."

In the meantime one of the great industries of America, the home-building industry, is suffering from a recession. Literally hundreds of small contractors, who do not have great cash reserves, are being driven to the wall, and thousands upon thousands of American families are being denied adequate housing, primarily because this administration is addicted to a policy of higher interest rates and tight credit. This policy has been a dismal failure insofar as any inflation control is concerned.

It is a policy which has led to greater profits for lending institutions and higher prices for home construction and other items over and beyond home construction. It has restricted housing construction for persons in the middle and low-income brackets who really need homes, and it has in no way restricted housing construction in the field of the larger, more expensive, semi-palatial type of residence.

The pat solution to the dismal housing picture offered by the Republican Party is to raise interest rates even higher. Such a proposal comes as no shock to anyone who has studied the history of the GOP, for that party has always stood for high interest rates and dear money. In fact, its devotion to such policies has taken on an almost religious fervor, and to question the wisdom of such thinking is to run the danger of being considered guilty of some kind of economic illiteracy.

The Republican ideology has always been that easy credit and low interest rates are not only undesirable but, in a sense, sinful—at least, from an economic standpoint. That notion persists down to this very day.

I wish to make it clear that I am not impugning the motives of my Republican friends. I believe they are completely sincere in their devotion to the principle of tight money. But I am forced to the conclusion that their thinking is based more upon old wives' tales than on economic realities. The reality today is that the tight money as advocated and endorsed by this administration and the Republican Party is jeopardizing thousands of home builders and building material firms, and has prevented thousands upon thousands of American families from realizing their dreams of homes of their own.

While I concentrate my attention primarily on the housing industry, I may say that the same policy of tight money has worked considerable injury upon small business and American agriculture, to the point where many of the independent business people today are

finding it actually impossible to obtain the credit which is necessary to finance their operations or even to modernize their institutions.

I have in my hand an Associated Press article entitled "Tight Credit Hit by Home Builders," published in the Duluth News-Tribune of Sunday, March 17, 1957. The article is datelined at New York on March 16, and reads, in part, as follows:

The boom lost a little more of its zip this week. You could see the signs most clearly in four key fields—steel, autos, retail trade, and housing.

Except possibly for housing, the symptoms were pretty mild.

Another paragraph of the article reads:

Home builders for some time now have been complaining bitterly about the Government's tight-money policy. This week, at congressional hearings in Washington, they really let down their hair.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIGHT CREDIT HIT BY HOME BUILDERS

NEW YORK, March 16.—The boom lost a little more of its zip this week. You could see the signs most clearly in four key fields—steel, autos, retail trade, and housing.

Except possibly for housing, the symptoms were pretty mild. A few steel furnaces were shut down, but nobody was laid off. A Detroit trade journal said auto dealers, after a good February, had returned to the practice of granting discounts. Department store sales for the week ended March 9 trailed year-ago business by 10 percent. Retailers said part—but by no means all—of the decline was due to last year's earlier Easter. At this time last year Easter was only a few weeks away.

Home builders for some time now have been complaining bitterly about the Government's tight-money policy. This week, at Congressional hearings in Washington, they really let down their hair.

George S. Goodyear, appearing for the National Association of Home Builders, said the shortage of funds for mortgage lending has throttled home building to a point where it threatens to hurt the whole economy. Said Goodyear: "We are now in immediate danger of being controlled to death."

William J. Levitt, the Nation's largest home builder, told Congressional investigators: "I am no longer predicting a depression in home building. I'm saying that we're in a depression right now."

Underscoring these comments, the Government reported that builders started work on 17 percent fewer homes in February than in the same month last year. Building usually picks up in February but this year it declined.

But the cloud was not without its silver lining—builders were told that the credit pinch may ease this year.

Albert Cole, the Government's Housing Administrator, said there should be a moderate improvement in the availability of mortgage funds the next 16 months. J. Stanley Baughman, President of the Federal National Mortgage Association, said there is a great chance you'll see an easier credit situation in about 5 months.

Baughman's theory: Savings banks and insurance companies will have more money to invest in mortgages because business firms are no longer borrowing heavily for expansion.

If these predictions are correct, and if you can hold off on that new house 6 months or so, you may find mortgage money easier and cheaper.

Credit is tight now because business expanded at a whirlwind pace last year and had to borrow billions of dollars to pay for the new factories, machinery, and equipment. The growth in this type of spending was fantastic—$6½ billion more than in 1955, or a gain of 22 percent. This year, according to a Government study, the rise will continue but at a much slower rate. It's estimated businessmen will spend $37 billion on various types of improvements in 1957—an increase of $2 billion, of 6½ percent. About half the 1957 increase will be due to higher costs.

Mr. HUMPHREY. Mr. President, I ask unanimous consent also that a letter to the Editor of the New York Herald Tribune, entitled "Easing Tight Money," signed by Alfred Baker Lewis, and published in the New York Herald Tribune of March 8, 1957, be printed at this point in the RECORD. It contains some constructive suggestions which deserve attention.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EASING TIGHT MONEY

To the NEW YORK HERALD TRIBUNE:

The present tight money policy of the Federal Government, with the resulting high interest rates, is interfering with the useful welfare purposes of some Government programs. Particularly the policy of stimulating home ownership through the guaranty of mortgages by the VA and FHA, as well as other proposals such as Federal aid to build schools and highways, are being hurt by being made more costly. For example, Congress is considering a rise in interest rates on VA guaranteed mortgages to 5 percent. Although the higher interest rates will make new homes more costly, and therefore probably tend to reduce the amount of new home building, the interest rates have to be raised to attract money into such loans. Thus the dilemma is clear.

A way out would be to make 1 or 2 percent of the interest paid on money lent for useful social purposes, such as home building, exempt from corporation profits taxes and individual income taxes. For corporations paying 52 percent profits tax making 2 percent of the mortgage interest free of tax, would be equivalent to a rise of 1 percent in the interest rate, and for individuals in the higher income tax brackets, there would also be a substantial increase in the effective yield after taxes.

The current high tax rates afford a great opportunity to direct the flow of enterprise into useful channels by reducing the tax on the return from investments which have an especially desirable effect on social welfare. All that is needed is a little more fiscal imagination and more belief in using Government to increase welfare than the President and his Cabinet seem to have.

ALFRED BAKER LEWIS.

MOUNT VERNON, N. Y., *February 8, 1957.*

Mr. HUMPHREY. Mr. President, to raise interest rates on GI home loans, as suggested by the administration, the American Bankers Association, and the giant insurance companies, is a step of highly questionable value, so far as making mortgage money available is concerned.

More realistic proposals are before Congress. One is the bill introduced by the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], S. 726, of which I am proud to be a cosponsor. That bill would allocate $1,300,000,000 from the National Service Life Insurance Fund to be used for direct loans to veterans at 4½ percent interest.

Among other bills before Congress are S. 88 and S. 89, which I have introduced, and which direct the Secretary of the Treasury to invest up to 25 percent of the National Service Life Insurance Fund for the purchase of loans to veterans guaranteed under the Servicemen's Readjustment Act of 1944, in order to stabilize the prices at which such loans will be salable to investors. These bills direct the Federal National Mortgage Association to act as the agent of the Secretary of the Treasury with respect to the purchase, service, and sale of such loans. The bills also direct the Federal National Mortgage Association to exercise its special assistance functions by making commitments to purchase, in the total amount of $1 billion, mortgages securing loans which are guaranteed pursuant to the Servicemen's Readjustment Act of 1944.

Mr. President, I hope a housing crisis will be averted. I was heartened yesterday by the action in the other House on the bill introduced by Representative TEAGUE. I notice that the direct loan feature of the GI housing and finance program was substantially increased, making available more than $500 million at 4½ percent interest to veterans who are in need of direct loans upon housing. The restrictions, however, are that most of the activity will occur in the rural areas and small communities where adequate financing is not available.

Moreover, it is to be noted that the maximum amount available for direct loans was raised from $10,000, as I recall, to $13,000. This is all to the good, but it is not enough.

If America continues to have a decline in agricultural income and at the same time a decline in construction, those two developments should be regarded as symptoms of an unhealthy situation in the economy.

The administration seems to be very complacent and content about the fact that there are great building plans for large industry. I am for that, and I am delighted. It does indicate confidence on the part of large industry. But I submit that the building program should also be based upon social values as well as economic values. One of the social values to which I refer is the social value of home ownership. The administration is making it exceedingly difficult for the average citizen to own a home and to obtain the necessary financing without paying through the nose to the money lenders.

Of course, all this trouble started sometime ago, when the administration decided to raise interest rates upon Government bonds and decided to pay more money for the refinancing of the public debt. It would be well for every Member of Congress to tell his constituency how much this administration has charged the taxpayer for the refinancing of the public debt.

I want the RECORD to be crystal clear that as of January 1, 1953, there was no

difficulty whatsoever on the part of the Government in refinancing any portion of the public debt at substantially lower rates of interest than are now being paid. Suffice it to say that interest rates upon what we call 60-day and 90-day notes, which are for all practical purposes like cash, are higher today than they have been in 25 years. I may add that 5-year notes or bonds and 10-year maturities have gone up and up and up with each new issue. The Government of the United States seems to be delighted to pay the banks an increased interest rate upon Government bonds held by the large financial institutions of the country, but the Government is unwilling to help the farmers use another part of the economy to obtain a better price for their labor and their products.

Mr. President, I have discussed this theme again and again, year after year; I intend to continue to do so because it illustrates the economic bias of this administration.

Of course, so long as the large metropolitan newspapers are in support of such a policy, the American people will not get very much information about it. The other day in the Senate I read a brief statement about the profits of several of the large companies. Mr. President, you should see the mail I received. The officers of a number of companies wrote to me saying, "Senator HUMPHREY, you should not talk like that." From all over the country I received articles clipped from newspapers, written by various columnists; the articles appeared in newspapers from one side of the country to the other, from Boston to San Diego, from Seattle to Florida. Strangely enough, Mr. President, all the columnists must have been thinking alike at the same time, because there is great similarity in the articles, which contain almost identical statements and arguments. It is simply amazing that so many writers should think alike on the same day, in composing articles which appeared in newspapers in all parts of the country. However, it is not really surprising, for what happened was that the public-relations officers, officials, and agents of the large corporations found out what I had said, and got in touch with their lackeys, and said to them, "Put on the heat; some Member of the Senate has questioned our right to make this much money."

Mr. President, I see my friend, the Senator from Colorado [Mr. CARROLL], in the Chamber. I am sure that in the hearings he is holding in regard to the large oil companies, he is finding out a little bit about what I am discussing. It was interesting to note not long ago that when the President of the United States asked industry and labor to restrain themselves and to apply self-discipline in the case of wages and prices, within a week the oil industry "cooperated" by raising the price of crude oil a substantial amount.

Mr. President, in the case of those who raise prices upon goods which are produced, let me say that at least they are producing something. At least that is being done by private industry; in a free-enterprise system, competitive prices are a possibility, and profits are certainly honorable. We want industry to make good, substantial, healthy profits. But when the Government of the United States pursues a policy which places on the American consumers and taxpayers a heavier burden, then it is time for a reexamination. I want the RECORD to be quite clear that the Government has been pursuing exactly that kind of policy.

Mr. CARROLL. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Minnesota yield to the Senator from Colorado?

Mr. HUMPHREY. I yield to my friend, the Senator from Colorado.

Mr. CARROLL. I regret that I missed the earlier part of the remarks of the distinguished Senator from Minnesota. I do not understand the thesis upon which he is speaking; but I certainly concur with his statement about the effect on consumers and the economy of the Nation of the 35 cents a barrel increase in the price of crude oil. I am sure the Senator from Minnesota understands that the effect of the 35-cent increase was a chain reaction; after that price increase was imposed upon the people of the Nation, on January 3, the Humble Oil Co. increased the price of crude oil; on January 7, the Texaco Co. increased its price, and made it retroactive to January 3, in the case of crude oil; and on January 8, the Gulf Oil Corp. increased its price. All over the country there is a price rise, not only in the case of crude oil, but also in the case of gasoline and fuel oil used to heat houses by consumers in all parts of the country, from the east to the west, from New England to Florida, from the Atlantic coast to California.

It is estimated that that chain reaction has cost the people of the Nation $1 billion, which, as the Senator from Minnesota well knows, has a very inflationary effect upon the economy. It takes money out of the pockets of the people. It cost the Government of the United States an additional $85 million for petroleum products purchased by it.

The remarks of the Senator from Minnesota are especially pertinent, and I commend him for bringing these facts to the attention of the American people.

Mr. HUMPHREY. Mr. President, let me thank the Senator from Colorado. I wish to commend him for the splendid and diligent job he is doing, along with the Senator from Wyoming [Mr. O'MAHONEY] and other Members of this body, in investigating not only the price rise, which of course is of immediate importance, but also the economic structures of some of our large corporate industries.

Mr. President, let me return for a moment to the housing situation.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, the administration's record in the housing field is a disgrace, and the responsibility lies with the Members of Congress to do all within their power to correct this state of affairs. As we know, the administration tells Congress that if it boosts the interest rate on GI loans, more money will be available and the dilemma we face will be corrected in short order. However, there are many Americans who do not "buy" that argument for high interest rates on home loans. Among this group are more and more builders who realize the disastrous effects of the tight-money policy being pursued by the Eisenhower administration.

The Washington Star of March 9, 1957, published a very interesting article on this subject, which states that many builders look upon this proposal for higher GI rates as simply another move to insure that FHA and conventional type loans will remain permanently at their high rates of interest. I ask unanimous consent, Mr. President, that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of March 9, 1957]

HOME INTEREST-RATE BATTLE BUILDS UP ON CAPITOL HILL

(By Robert J. Lewis)

Congress heard a crescendo of testimony this week urging an increase in interest rates on safe-as-Gibraltar GI loans.

The campaign was led by the administration itself, supported strongly by lending groups.

One administraion official, Under Secretary of the Treasury W. Randolph Burgess, went so far as to say that higher interest rates would not raise the cost of housing to GI's. His testimony was given before the House Banking Committee's Subcommittee on Housing.

The battle for a rate boost was being waged largely on the basis that interest rates need more flexibility.

If this flexibility is not given to interest rates on Government-backed mortgages, veterans won't be able to get loans for homes, testimony implied.

BUILDERS MORE DUBIOUS

Builders' reaction to this testimony in favor of higher interest rates appears to be more and more on the dubious side.

Many builders are convinced that instead of more flexibility, an increase in the GI interest rate may freeze interest at higher rates. They fear that a GI rate increase will put a solid floor under the present higher conventional and FHA rates that will keep interest rates permanently higher even after the money supply loosens up. They point to past experience which shows that, almost invariably, the maximum rates permitted by the Government automatically become the minimum rates at which you can obtain a loan.

Increases in rates permitted on Government-supported loans have had chiefly the effect, in the past, of raising rates on conventional loans still higher, of putting a nationwide damper on home-building production, of dashing the hopes of a greater number of families who would like to buy homes, but who are made ineligible when interest rates are raised.

Under Secretary of the Treasury Burgess told a House committee, in effect, that by raising the present 4½ percent GI rate to 5 percent, Congress would be doing veterans a favor.

ARGUMENT USED BEFORE

The argument used by Mr. Burgess in support of 5-percent mortgages for GI's was similar to the one used only a few months ago by advocates of an increase in FHA interest rates.

They said: "Raise the rates and you will be able to get mortgage funds without having to pay the lender so much to grant you the loan."

Before FHA interest rates were raised 2 months ago by the Government, builders in the Washington area were having to pay lenders around $2 to $3 for each $100 of loan amount in order to obtain the loan.

What happened after the interest rate was raised to 5 percent?

Very little, builders say, so far as availability of money and its cost for new mortgages was concerned. Lenders still charged builders around the same amount to provide money for 5-percent mortgages as they previously had charged for 4½-percent mortgages.

And, instead of the old 4½ percent FHA mortgage selling for $97 or $98 per $100 as before, its value fell, almost immediately, to $93 or $94. And, at the same time, GI loans were put at a sharper disadvantage.

Thus, the net effect was chiefly to raise the interest rate and the housing cost to the buyer without markedly alleviating the builders' problem or eliminating the so-called "hidden cost" of obtaining the loan.

RESULT IN DOUBT

If as little advantage is gained for either the buyer or the builder in case the GI interest rate is raised as was gained from the FHA rate increase, neither veterans nor builders could count on the "hidden cost" of mortgage money being eliminated, builders point out.

And if the cost of obtaining mortgage money is not sharply reduced or eliminated, Mr. Burgess' contention that an interest-rate boost will not increase the cost of housing doesn't appear to be a supportable one. For, if interest rates are raised and there is not a compensatory reduction in the "hidden" charge to builders for mortgage money, the veteran will find he has to pay more to buy a home.

The fly in the ointment at the moment is, of course, that 4½-percent GI loans must compete with FHA 5-percent loans—and with conventional loans of a still higher rate—to attract the funds of investors.

At the same time, however, GI loans are logically more attractive to lenders in some respects than FHA loans, and this could have a bearing on their future standing as investments.

Their attraction for some investors results from the Veterans' Administration's policy of paying cash in full to the lender in case the veteran fails to meet his payments.

LOAN SECURITY GOOD

This, in effect, has given the GI loan a 100-percent guaranty against default, removing all the risk for the lender. The legal safeguards make these loans as safe as having hard cash in a lock box.

In contrast, conventional loans are not backed by Government insurance or guaranty; and FHA loans, while Government insured, are somewhat less attractive for this reason: If the FHA loan payments are not met by the home buyer and the property is taken over, the lender may receive from FHA the principal amount of his loan not in cash but in FHA debentures which pay a lower rate of interest than the mortgage loan itself.

Considering these and other factors, Congress appears to be taking a dim view, so far, of the proposals to raise GI rates, and seems inclined to contrive some other means of encouraging investment in GI loans, both by direct Federal lending and in other ways.

Builders, themselves, since the scandalously disappointing result of the FHA interest-rate increase, are beginning to wonder whether a GI rate increase is as much an answer as advocates have contended. Some builders have raised the question of whether an increase now may not have a tendency to lock the industry into an interest-rate structure permanently higher and inescapably less flexible than exists today in the light of alternative aids which Congress may be expected to supply as a means of maintaining an adequate supply of homes for veterans.

Mr. HUMPHREY. Mr. President, I wish to read a few lines from the article to which I have just referred. As I have stated, it was published in the Washington Star.

The article was written by Robert J. Lewis, real-estate editor of the Star, and deals with housing problems and interest rate difficulties. In the article Mr. Lewis says, in part:

What happened after the interest rate was raised to 5 percent? Very little, builders say, so far as availability of money, and its cost for new mortgages, was concerned. Lenders still charged builders around the same amount to provide money for 5-percent mortgages as they previously had charged for 4½-percent mortgages.

* * * * *

Thus, the net effect was chiefly to raise the interest rate and the housing cost to the buyer without markedly alleviating the builder's problem or eliminating the so-called hidden cost of obtaining the loan.

A little further in the article, we find the following statement which I believe summarizes the situation very well:

Builders themselves, since the scandalously disappointing result of the FHA interest-rate increase, are beginning to wonder whether a GI rate increase is as much an answer as advocates have contended. Some builders have raised the question of whether an increase now may not have a tendency to lock the industry into an interest-rate structure permanently higher and inescapably less flexible than exists today in the light of alternative aids which Congress may be expected to supply as a means of maintaining an adequate supply of homes for veterans.

I should add to that, not only for veterans, who need priority rights, but also for all citizens.

Mr. President, I should like to make reference to further comments and articles I have gathered together because of my interest in this particular problem. I have in my hand a lead story from a suburban newspaper, the Hennepin County Review. That newspaper, which is published at Hopkins, Minn., I believe to be the largest suburban newspaper in the State. The newspaper represents very responsible journalism, and an excellent editorial policy. The title of the article is "Tight Money Perils Asbury." The editor makes these comments:

The tight money market has imperiled suburbia's new hospital in St. Louis Park, a much-needed community hospital.

The article continues:

"Tight money," nebulous and usually impersonal term, is applied to a period when money is difficult to borrow and when interest rates are high.

Tight money, it was revealed this week, has immeasurably complicated the task of financing the new Asbury Methodist Hospital in St. Louis Park and could, conceivably, force a postponement of the whole construction program.

A little further down in the article, it is stated:

Fifteen months ago, when plans for the building first were announced, the hospital had a firm commitment from a lending agency for the $2.8 million mortgage money required.

Then money became tight and more difficult to find. Interest rates went up. Federal agencies, as an anti-inflation measure, moved to make easy credit more difficult.

Soon, thereafter, the lending agency canceled its commitment and officials have been working, night and day since, to secure another.

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Hennepin County Review of February 21, 1957]

TIGHT MONEY PERILS ASBURY

The tight-money market has imperiled suburbia's new hospital in St. Louis Park.

"Tight money," nebulous and usually impersonal term, is applied to a period when money is difficult to borrow and when interest rates are high.

Tight money, it was revealed this week has immeasurably complicated the task of financing the new Asbury Methodist Hospital in St. Louis Park and could, conceivably, force a postponement of the whole construction program.

Still, with that risk clearly before them, Asbury Hospital's board of governors voted last week to proceed with construction plans. Somehow, they declared, the gleaming new structure will be completed.

Specifically, they approved the letting of a $37,900 construction contract for preliminary grading work on the hospital Excelsior Boulevard site in west St. Louis Park. They approved plans for a formal ground breaking in mid-March. And they ordered their executive committee to ask bids on the general construction contract in April * * * with final decision on the actual building to be made within 45 days thereafter.

But they made it clear their success or failure in completing necessary financing will hinge largely on results of the United Hospital Fund campaign and they emphasized the contributions of suburban people would play a vital part in the success or failure of that drive. To date, response of suburban residents and industries to the UHF campaign have not been encouraging.

Here are the economic A B C's of the hospital financing problem:

The completely integrated hospital is expected to cost about $5½ million. The hospital has usable funds of about $1½ million * * * hopes to receive in excess of $2 million from UHF and expected to borrow $2,800,000 to complete the project. If the UHF campaign yields what is expected, hospital officials can go before lending agencies with a secure equity to back its project. If the UHF drive fails, the financing task will be made immeasurably more difficult.

Fifteen months ago, when plans for the building first were announced, the hospital had a firm commitment from a lending agency for the $2.8 million mortgage money required.

Then money became "tight" and more difficult to find. Interest rates went up. Federal agencies, as an anti-inflation measure, moved to make easy credit more difficult. Soon, thereafter, the lending agency canceled its commitment and officials have been working, night and day, since to secure another. To date they have not been successful and the whole hospital program, accordingly, is imperiled.

But Finance Chairman Cliff Rutherford expressed optimism last week the loan still can be negotiated. Correspondence and conferences with interested lending agencies are

continuing. Somehow, the board of governors agreed the financing will be completed, if, and only if, the vital UHF campaign succeeds.

Bids on the preliminary grading work ranged from $37,800 (low) to $52,000. That work is expected to start April 15; be completed by August 1.

Some economies in the general construction contract can be effected, Mr. Rutherford said. Purchase of needed equipment may be delayed. Construction of the nurses' home can be postponed. But the plans can't be cut to any major degree without eliminating a vital service (accident ward, obstetrics section, etc.) and reducing the hospital's ability to repay its construction obligations.

The hospital, the governors agreed, will be constructed along the lines originally planned or not at all. If the building is to serve the suburban community, it must be able to function as a balanced, planned institution.

Why must the hospital borrow money to construct its new building? Administrator Vernon Spry told last week's meeting that the hospital never had made money other than to meet its obligations. Its fees are based on actual operating costs plus enough added income to pay off funds borrowed for construction and other capital investment. It is not designed as a profit-making venture, has never accumulated a reserve large enough for major construction, and if its profits grow too high fees will be reduced.

Mr. HUMPHREY. Mr. President, the author of this article assumes that this situation was merely the operation of a free economy, when, in fact, it was dictated from Washington. The first act of this administration was to do exactly as it had been trained to do—to carry through the old, traditional, hard money, tight credit, high interest rate policy.

I think it is fair to say that the Secretary of the Treasury and his new associates had not even become familiar with the telephones before they decided they had better explore the money markets and firm up the interest rates. They did that through the refinancing of the public debt. The Federal Government is the greatest user of money in the world. General Motors looks like a small operation compared to the activities of the Federal Government in the money market. This is no reflection on General Motors; it is simply a matter of economic fact. Yet the Federal Government proceeded forthwith, on its own volition, to raise its interest rates.

We were given a brainwashing job at the same time. We were told the Federal Government was going to put its Federal debt on a uniform basis, with 30-year loans and 30-year bonds. Of course, that would require a little higher rate of interest, but it was going to be a much more orderly procedure.

I will leave it to any Senator to say if the administration did that. All they did was to have the one bond issue, the so-called three and a quarters, which practically broke the Federal bond market. Other bonds, with lower interest rates, started to lose value. Interest rates went up. Ever since then interest rates have been going up. Each time the Federal Government refinances any section, portion, part, or segment of the Federal debt, interest rates go up; and when they go up, such increased rates are reflected in every single credit transaction in the United States of America, all the way down the line.

Mr. President, I have in my hand an article by Mr. Reiman Morin, an Associated Press staff writer. This article was published on February 22, 1957, in the St. Paul Pioneer Press. I suppose it was published in every newspaper in the country. The article is entitled "Tight Money—Economy Stumps Experts." The article points out that, despite the so-called tight-money program and credit controls, borrowing continues; only the borrowing is being done by the larger corporations, which can afford it, and which, in turn, can pass on the increased costs of interest and borrowing charges to the consumers.

Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Paul (Minn.) Pioneer Press of February 22, 1957]

TIGHT MONEY—ECONOMY STUMPS EXPERTS

(By Reiman Morin)

In a recent speech, a businessman who makes billion-dollar decisions, said to his audience:

"If you want to be pessimistic, you can say we have reached an uneasy balance between boom and bust. If you want to be optimistic, you can say our economy has stabilized at a high prosperous level."

He was Arthur O. Dietz, president of the CIT Financial Corp. (and he indicated that, given proper management all around, the latter seems more likely).

Now in Washington today, they are talking about conducting a big, all-embracing study of the financial patterns of the United States—money, credit, banking, the powers of the Federal Reserve, the vast new pools of money outside its controls, and what all this has been doing to your pocketbook and your future.

In other words, to determine where we stand today, and where we are likely to go from here.

Such an inquiry inevitably will touch on many aspects of the New Look in the American economy.

It is four times bigger today than in 1940. More people, proportionately, go to high school and college. More live in their own homes, own automobiles. In 1956, for the first time, the average wage for factory workers went over $2 an hour. Never before has the world seen such a standard of living.

Now, having burst upward at such speed, must it slow?

Some economists say the old cycle is inescapable. Others say the bust may not come this year or next, but in the long run, come it must.

But another group believes the old pattern is at least bent out of shape—minor adjustments may develop—and possibly banished forever. Says Sumner H. Slichter, Harvard economist:

"Today, the fear held by economists in the thirties, that any economy with a high per capita production must expect a chronic deficiency of demand, seems pretty foolish."

Those who agree with him point to several factors today:

1. The experience of the 1930 depression, and the knowledge distilled from it, spot the signs in advance and take measures to head off a serious slide.

2. Legislative machinery in the form of the full Employment Act of 1946, and the powers of the Federal Reserve, could throw the whole, massive weight of the Federal Government against a recession.

3. The apparent flexibility of the economy—where one big segment may slide downward while others continue to move upward, so that there is no longer the row-of-falling-dominoes result.

Another big question relating to the New Look is this:

Whatever became of thrift? Doesn't it pay to save any more?

Economist Malcom P. McNair recently noted that Americans have added more than $100 billion to their debts in the past 10 years. Today, he said, they owe $95 billion on homes, $32 billion on cars and other installment purchases, $4 billion on department store charge accounts.

And Joseph M. Dodge, head of the Detroit Bank and Trust Co., said some figures indicate 8 million families have pledged up to 40 percent of their take-home pay—presumably for things bought on time.

Well, is this situation reaching the danger point? Should Washington step in and slap on controls?

The consumer might reply, "why should I wait until I can pay cash for something I want, knowing the price will go up while I'm saving money?"

Tied to this is the question of wages and prices. Who's responsible for the steady rise in prices—industry or labor?

People have called the guaranteed annual wage, plus other automatic benefits, "built-in inflation."

Management produces figures to show that corporation profits, after taxes and excluding inventory changes, have not risen markedly since 1948, certainly not in proportion to price rises.

Labor, with other figures, asserts that this is a "manipulated inflation." Nat Weinberg, United Automobile Workers economist, recently told a Congressional committee that "corporations possessing the power to administer prices have abused that power."

If the projected Federal inquiry looks at monetary policy, and the general actions of the people, what will it say of Federal budgets and spending?

Everything is bigger today, the population, the economy, total debt, personal savings, the tax bite, and the Federal budget.

That is the main characteristic of the New Look.

Mr. HUMPHREY. Mr. President, I have another article which relates to what I was trying to point out a moment ago, namely, how the agricultural economy is being affected. I have in my hand an article published in the Minneapolis Tribune of March 17, 1957. It is an Associated Press article, written by Mr. Ovid A. Martin, who is one of the outstanding feature writers of the Associated Press. He is very competent in the field of agricultural problems, particularly agricultural economics. The article is headed "Farmers Feel 'Tight-Money' Squeeze in Higher Loan Rates." Mr. Martin writes:

The Nation's tight-money markets are being felt down on the farms.

Some producers are paying 40 percent more for money for short-term operating loans than they paid 2 years ago. Most are paying at least 20 percent more.

Government finance officials say it is possible—and likely—that interest charges will go even higher this year.

I digress, Mr. President, to ask, is it not interesting to note how the Government officials can be so sure of what is going to happen to interest charges? I wonder if they are really willing to say to the same reading public that what happens to interest charges is pretty much in the hands of the Federal Government. The Federal Government is such a dominant factor in the money market that it sets the pattern, just as United States Steel sets the pattern in the case of steel.

Going back to the article, I read further from it:

The farmer-owned system of Federal land banks—the backbone of the farm mortgage credit system—has found it necessary to raise their once famous 4 percent annual rate to as much, in some cases, as 6.5 percent. On a percentage basis, this is a boost of nearly 63 percent for the maximum increase.

Similar increases have been made by insurance companies, banks, and other private lending institutions.

The article reads further:

(In the upper Midwest, rate increases to farmers have not exceeded 1 percent and in some cases only 0.5 percent, according to Franklin Parsons, director of research of Federal Reserve Bank of Minneapolis.

(Many banks in the upper Midwest already had an interest rate of 5 to 5.5 percent, he said. They have stood on that, he said. "They don't change rates too often in the rural areas.")

Of course, not all farmer-borrowers are feeling the impact of the increases on their farm mortgage loans. Those who borrowed money before 1955—the date when demands for loans began to increase in relation to the supply—are continuing to pay the old and lower rates. Their mortgage contracts protect them against increases.

But those who have borrowed since that time are paying higher rates. And those who buy this year and possibly next may pay even higher rates than those who have secured loans during the past 6 months.

The Agriculture Department estimated that farmers as a group paid nearly $450 million last year in interest on loans on farm real estate. This amount, which did not include interest charges on non-real-estate loans, was 10 percent higher than in 1955.

Officials say another 10 percent increase on such loans is likely this year.

The Federal land banks get their money through sale—by the Government's farm credit administration (FCA)—of farm loan bonds. The FCA supervises the land banks and 497 farmer-backed production credit associations, local units which advance short-term farm operating loans to farmers.

As interest rates advanced in the money markets, the FCA found it necessary to pay higher and higher interest rates on these bonds, just as many local government units, such as school districts, have had to pay higher rates on bonds floated for school construction.

Before money supplies became tight, the FCA had been able to sell bonds for interest rates as low as 1.5 percent a year. In January this year it had to sell bonds at 3.96 percent. Officials expect the agency will have to pay even higher rates to get additional money before the year is out.

Thus, the basic cost of money now being obtained by the land banks is slightly more than 4 percent. But the amount the banks charge farmer-borrowers must be increased enough to pay the cost of administration of the FCA appraisal fees, and costs of operating the land banks and the production credit associations. These costs average around 1.5 percent a year.

The interest-payment problem is catching many farmers in two ways. They are having to pay higher rates and to borrow more money than in previous years. Many farmers are finding it necessary to buy more and better farm machinery and equipment in order to reduce their crop or livestock unit production costs so they might make a profit.

For the same reason, many are buying more land so that they might have more efficient operating units.

Except for the Government-supervised land-bank system, the Government has not increased rates on its loan programs since the tight money situation developed. Most of the rates range from 2 to 5 percent.

The sum and substance of that article is what every farmer in America knows to be true. He is caught in a three-pronged pincers attack—on the one hand, lower farm prices; on the other, higher operating costs; and, in addition, higher financing costs. He cannot win. Yet the Government of the United States has been responsible for most of the burdensome effect upon him. The Government's farm program is literally in shambles. It is being systematically weakened, and ultimately will be destroyed under the policies which are being pursued.

The Government's fiscal program, its credit and interest-rate program, is designed not to help the little man in the American economy, but to provide financing for large corporate business. This subject is one falling within the jurisdiction of the Joint Committee on the Economic Report, as well as of the Antimonopoly Subcommittee of the Senate Committee on the Judiciary, under the chairmanship of the Senator from Wyoming [Mr. O'MAHONEY], and of a similar subcommittee studying small-business problems, under the chairmanship of the Senator from Tennessee [Mr. KEFAUVER]. I encourage these two great Senators to pursue their study relentlessly. I am convinced in my own mind that the question of bigness involves not only big government, but also the question of big financing, big industry, and monopoly. I offer my wholehearted cooperation to the Senators who are concentrating their talents and attention on the problem.

I hold in my hand an article entitled "Tight Money Cuts Classrooms Out of Plans for New Schools," also written by Reiman Morin, and published in the Minneapolis Star and Tribune of February 19, 1957.

This is what is happening all over America. We are throwing away classrooms for interest. The policies of the Government are directed more toward providing an interest rate increase than classroom space. Is it not ironical that a Federal Government which can increase rates by the scratch of a pen—with, of course, the attention of the Secretary of the Treasury and the Federal Reserve Board—stands incapable of building a single classroom for America's growing school population, or of helping anyone else to build one? Furthermore, the policies of the Federal Government are denying my State of Minnesota, and particularly my home city of Minneapolis, aid in building the classrooms that are needed.

Let me read from Mr. Morin's article. Here is a human-interest story. Mr. Morin says:

Last June, the people in Chelsea, Mich., decided to build a new high school.

The two sections of the present school are 50 and 75 years old, respectively.

And apart from their age, they are getting crowded. Enrollment is over 500 now and Chelsea, a pretty little town near great industrial areas, is growing.

Charles S. Cameron, superintendent of schools, said he expected more than 50 and maybe 100 additional students within a year.

So, in June, the people voted to spend $2,200,000 for a new one. They approved a bond issue for that amount; in other words, to go into the market and borrow the money.

The district has a good credit rating. Advertising for bids, however, at 4 percent interest, there were no takers for the total. In October, the bids were offered at 5 percent.

These are tax exempt securities. When one receives 4 percent on a municipal bond issue or a school bond issue, that means 4 percent in his pocket. No one touches it. It is tax exempt. These are supposed to be gilt-edged securities. These are the securities which large insurance companies and banks like to get their hands on, because they are tax exempt.

The article continues:

This time there were three bids. The bonds were sold at 4.189126 percent interest.

Now what do those six figures after the decimal point mean in money?

Cameron estimates they will amount to $77,000 by the time the loan is repaid. The architects were working on blueprints in his office during this conversation. I asked them what they could build for $77,000.

"Almost four classrooms," they said. "Or one shop building."

The little community lost 4 classrooms or 1 shop building to the money lenders, because of the policy of the Government of the United States under this administration. It is interesting to note that when we Democrats were in power, business said it had no confidence in us. Yet money rates were much cheaper than they are now. I always assumed that the reason for high interest rates was the risk involved. Apparently this administration is quite a risk, because every time it offers another issue of bonds the interest rate goes up. The previous administration, following a war, with all the uncertainties of a postwar period, was able to finance the public debt at appreciably less cost than it is now being done. At that time one could borrow money at 4 percent interest to build himself a home, and there was plenty of it available. There were great demands on the money market.

The article by Mr. Morin continues:

This case, with different details, can be duplicated a hundredfold. It is happening all over the country, and where population pressures are greatest, the situation is even more acute.

Even New York, main center of the money market, feels it.

"It costs closer to $30,000 for a classroom here," said Dr. David G. Salten, superintendent of schools in Long Beach, N. Y. "Interest rates have gone in a few years from 3½ percent to 4½.

"If the increased cost of the money is $100,000, that means you have lost 3 classrooms.

"School construction can't be postponed for a more favorable market. Hence the debt service for school districts in the years ahead will be consuming millions of dollars that should be going into teachers' salaries and the building of new classrooms."

These are examples of the meaning of the phrase, tight money. A few years ago, school districts obtained funds—"hired" them, as Calvin Coolidge used to say—at much lower costs.

But today, the spectacular expansion of population and the American economy has created a tremendous demand for money.

States and local governments are trying to borrow it for schools, hospitals, sewers, necessities of their citizens. Big business needs it for new plants and to modernize machines. Small business needs it for short-term financing.

Individuals want it for homes, automobiles, electrical appliances, usually bought with installment payments.

Think of a million dollars as a machine, say a tractor.

If scores of farmers and builders all want to rent the tractor at the same time, the charges on it will go up. That's what has made money tight.

Figures for New York indicate that the average cost per elementary school pupil for new buildings has gone from $1,411 to $2,067 in 2 years.

A sizable portion of the increase is represented by debt financing—by interest rates.

Mr. Morin's article concludes:

(The last elementary school completed in Minneapolis—Kenny School, finished in the fall of 1954—cost about $1,340 per pupil, according to A. I. Heggerston, director of administrative research for the Minneapolis Board of Education.)

Some State governments have used pension fund pools to buy bonds of small communities that can't afford commercial rates.

President Eisenhower has proposed $2,200,000,000 in Federal construction funds.

And Florida's Gov. Leroy Collins recently proposed that the Federal Government make investments in State and local securities. He wrote President Eisenhower last December.

Sherman Adams, assistant to the President, replied to Collins' letter. He noted the high interest rates and wrote:

"It is also true for the Federal Government, and we are paying the highest rates in over 80 years in our financing operations."

Adams pointed out that "the administration proposed in the school construction bill last year that the Federal Government purchase school bonds that can be floated only at an interest rate far above market rates on Federal securities.

"We will urge Congressional action on this program as soon as possible."

Mr. President, I am not averse to the money market making a good profit. The money market is entitled to make a profit. It was making one before the interest rates went up. About a month ago I placed in the CONGRESSIONAL RECORD the facts relating to the largest banks and financial institutions in the country, and showed that they enjoyed a great increase in their profits. They are entitled to an increase in their profits. I am not opposed to their getting profits, but I am opposed to the interest rate policy of the present administration which places the burden of the debt financing upon those who can least afford to pay and upon the social services and upon the educational services which are needed in a growing America.

I say the present fiscal policies are working to the detriment of education and to the detriment of health facilities, and to the detriment of the family farmer and of the independent businessman—the man who has a small factory which seeks to compete with a larger producer. The cost of the small man's money is a significant factor in the development of his business.

Mr. President, I ask unanimous consent that the article entitled "No Quick Money Provided in Federal School Aid Bill" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO QUICK MONEY PROVIDED IN FEDERAL SCHOOL AID BILL

WASHINGTON.—When Congress is all through with its fight over Federal aid to schools—when (and if) a school construction aid bill becomes law—Minnesota school districts will have another wait before they know how much (if any) Federal money they will receive.

The problem is this: No matter whether the Congress adopts the Eisenhower administration program, with an ability-to-pay factor involved in the splitting of funds among the States, or the Democratic program, with State school-age population the determinant for allocations, the States themselves must then go to work to prepare plans for using the Federal dollars.

The Government, under either plan, will give money to the States—and leave it to the States to handle distribution to localities.

Both the administration bill and the Democratic bill introduced by Representative AUGUSTINE KELLEY, Democrat, of Pennsylvania, avoid specific language telling States how to divide their piece of the Federal school-aid melon. But both bills contain provisions to this effect:

In order to get approval by the United States Commissioner of Education—a prerequisite for payment of Federal funds to a State—a State must present an acceptable plan for using the money.

In the language of the Kelley bill (the administration measure contains a similar requirement), the plan must "set forth principles for determining the priority of projects in the State for assistance under this title which will assure that first priority will be given * * * to local educational agencies which, upon making an effort commensurate with their economic resources, are unable, solely because of lack of such resources, to finance from the resources available to them the full cost of needed school facilities."

These "priority principles"—again quoting from the Kelley bill—must take into account three factors: the financial resources "of the several local educational agencies in the State"; efforts that have been and are being made to meet building needs out of State and local funds; and the "urgency of their needs."

Thus under either plan such questions as whether a local school district can receive Federal money before it borrows money up to the limit of its bonded indebtedness will have to be settled by the State of Minnesota—with overall Federal approval—and not by the wording of the school-aid bill itself.

Staff members of the House Education Committee say that under these provisions the question of whether a locality has reached the limit of its bonded indebtedness should certainly be a factor in setting up a State plan—but just how much weight should be given to it would be up to the individual States.

Mr. HUMPHREY. Mr. President, I have in my hand an article entitled "Treasury Discretion Hit." It reviews some of the fiscal policies of the administration. The article again calls attention to the fact that the Treasury Department is seeking legislation which would give it the same flexibility with regard to fixing the interest rate on savings bonds which it now has with respect to fixing the interest rate on other Government securities.

I am sure many Senators have noted that the Treasury Department at long last has decided that perhaps series E bonds are entitled to a little more consideration with respect to the interest rate, inasmuch as those bonds are for the most part owned by working people. They are owned by schoolteachers and retired people, and others. It seems to me that, instead of raising the interest rate on the series E bonds, which is something that may have to be done if the administration's policies are pursued, it might be preferable if we were to adopt a resolution rolling back all interest rates on the entire Federal debt structure. Perhaps that would be better than to keep building more and more and higher interest rates in the financing and refinancing of our burdensome public debt.

It seems to me that we would at least be wise to examine the possibility of trying to reduce interest rates and to sustain a more reasonable level of debt financing costs.

Not long ago the Senator from Louisiana [Mr. LONG] commented on the great increase in the cost of financing the public debt. I do not recall exactly his figures. I shall mention in broad terms what I believe to be his figures, and he will have the opportunity to detail them to the Senate after reading the RECORD of today.

I am sure I am accurate when I say that because of the policies of this administration in handling and managing the public debt, the taxpayers of America are paying considerably over a billion and a half dollars a year more in interest rates than would be required if the Government had continued its financing at the rate it was paying in January 1953.

I am sure that someone will come to Congress from the Treasury Department or the Federal Reserve Board and explain to us that it is a very complicated subject. Whenever anyone mentions the subject, he is told he is treading on supposedly economic hallowed ground. He is told that the average citizen, or a Senator, or a Member of the House is not supposed to know anything at all about financing and interest and credit; it is something for a self-defined, self-styled, self-appointed group of experts.

Well, Mr. President, some of us, although we do not claim to be experts, do claim to be literate. Some of us do have at least some elementary knowledge in the field of economics.

I am not unmindful of the fact that the interest rates deserve a degree of flexibility. I am not unmindful of the fact, either, that if the money market were a free money market, it would have considerable flexibility. However, I know when the Federal Government is such a large user of money, or is responsible for the use of such a tremendous amount of money, that what the Federal Government does in terms of its willingness to pay interest rates has a very substantial effect upon the entire financial structure of the Nation—upon credit availability, interest rates, discount rates, and all the costs of managing the fiscal policy.

I commend to the appropriate committees of Congress a more diligent examination of the current fiscal policies of the Government.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am delighted to yield.

Mr. CARROLL. Has the Senator found anywhere in his studies any evidence that our money policy has assisted any segment of our economy aside from those who control the money itself? For example, I learned in Colorado a few months ago that it was the small-business man—whether an automobile dealer or a contractor—who was complaining that the tight money policy of our country was hurting him. Has that situation eased since November or December of last year?

Mr. HUMPHREY. I believe it is fair to say, in response to the Senator's question, that there is no indication that there has been any easing of the situation at all. As a matter of fact, the report of the Senate Select Committee on Small Business, a committee authorized to investigate these matters, indicates that the credit problems of independent small business are becoming more difficult, and that the availability of credit is far more restricted, despite the fact that we have established a Small Business Administration with authority to lend money and to make supplies of money available to small business.

The truth is that our independent businesses are having a difficult time. I do not believe this is a matter for academic discussion. All that any Member of Congress need do is to go home and visit with his constituents. I do not mean certain kinds of constituents, particularly those who are willing to treat him to a $10 dinner or a $5 dinner. I mean the constituents with whom he may have a 10-cent cup of coffee.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Certainly what the Senator has said is true. It is not a theory the Senator has been expounding; rather, he has described a condition which exists at the grassroots of the country. For example, I have found that a small building and loan association had to increase its interest rate a half percent because it was forced to do so. I am finding that situation to prevail pretty generally. I am finding other small financial institutions being forced to do likewise. What is the cause? Is not the basic cause the fact that the so-called prime rate was increased months ago by the New York banks?

Mr. HUMPHREY. The Senator is correct.

Mr. CARROLL. Who caused that?

Mr. HUMPHREY. It was in accordance with a policy established, as the administration will say, by the Federal Reserve Board. Then we will hear the story, "But the Federal Reserve Board is not politically controlled." But I submit that the Secretary of the Treasury is involved, whoever he may be, because of the tremendous impact of the Federal Government on the money market when the Federal Government does its refinancing. The Federal Reserve Board is under considerable influence from the Federal Government, or the administration in power.

Mr. CARROLL. What the Senator from Minnesota has so ably expressed today is certainly the prevailing sentiment which comes from the small business life of Colorado and the small community life and, I suspect, the entire community life. I desire personally to thank the Senator for a very splendid presentation.

Mr. HUMPHREY. I am most grateful to the Senator from Colorado. My purpose in rising today to discuss this matter was to reassure Senators who are on important committees dealing with the fiscal and financial policies of the Government—such as the Committee on Banking and Currency, the Committee on Finance, the Joint Committee on the Economic Report, and the Committee on the Judiciary, which committees have legislative jurisdiction and authority over these matters—that there is keen interest in the subject on the part of many Members of the Senate. I receive more mail about this subject than on any other subject except the Federal budget. I am of the opinion that if there should be as big a hue and cry raised by the chamber of commerce about the interest rate policies of the Government as has been raised about the Federal budget, we could save the taxpayers much more money than we are going to save them by whatever budget cuts are made.

I notice some Members of Congress say we may cut the budget $2 billion. Some of those who are a little bit more optimistic, and perhaps a little less prudent, have even gone so far as to say $4 billion.

Mr. President, by careful analysis and reevaluation of our fiscal policies, particularly of our interest rate policies, we could save the American taxpayer—the American consumer—as much or more money than any amount we could save under a justifiable budget cut. At the same time we could perform some much-needed service for the American people.

I repeat, I am not an expert at all in this matter. I am interested. I pay interest. I know what interest means. I know what our young people are going through in terms of acquiring properties. I know what is happening to builders in this great area of the District of Columbia and in neighboring States. They are in trouble. Yet big industry announces a $37½ billion expansion program.

I think we have to make up our minds whether or not we want Americans, all Americans, to enjoy the opportunity of a good living, or whether this is to be a program for only a few.

PUBLIC WORKS

Mr. BYRD. Mr. President, the pending bill, S. 497, would authorize approximately 100 new public works projects, including work on the huge river basin projects, and the report, which was not available until about 10 a. m. today, indicates that they will ultimately cost more than $1.5 billion.

There is reason to believe that the total ultimate cost of some of the projects, including some of the river basin projects, will be far beyond the estimates contained in the reported estimates. I will venture the guess that the ultimate cost of the projects proposed to be authorized in the bill will run to at least $2 billion, and probably more.

This bill constitutes one of the reasons why the size of the budget increases year by year. Once these projects are authorized, they will be put under contract; and from then on, it will be a matter of appropriating to them for years to come. Some of the authorizations may be advisable; but this is an omnibus bill covering a great many projects. Each one should be considered separately.

It will be recalled that the President last year vetoed a bill similar to this one. The committee indicates that it has made some changes, by comparison with the vetoed bill, and that further study has been given to some of the projects.

There has been no opportunity for Senators who are not members of the Committee on Public Works to study the projects proposed in the bill, but there is reason to believe that most of the projects need additional and indeed prolonged study.

The committee makes a point of urgency with respect to the recommended projects, but in view of the current budget and inflationary conditions I suspect there are very few, if any, of the proposed projects which could not be deferred without impairment of the national economy.

Generally speaking these projects are new, and there is little, if anything, in the pending budget and appropriation bills to cover them. The chances are that if this bill is passed now, there will be a supplemental appropriation bill later on in the current session to make the first-year money available to them. And this will be only the beginning.

The Bureau of the Budget, for 1958, requested $682 million to be appropriated for the coming year. If this authorization bill requires more money for the fiscal year 1958, the 1958 supplemental appropriation will be in addition.

These public-works projects, under the Army engineers, are in addition to hundreds of other public-works projects in progress under dozens of Federal programs. All told, the civil public works already budgeted require 1958 appropriations of $2.3 billion. Add $2.9 billion of trust fund authorizations for highways, and the total becomes $5.2 billion. Military public works are budgeted for appropriations of approximately $2.1 billion. Thus the grand total of public-works appropriations for 1958 is $7.3 billion. Exclusive of the projects in this bill, the ultimate cost of the civil public-works projects already authorized will be $18.2 billion.

Under the circumstances, with practically no time made available for its consideration and considering the heavy annual appropriations already required for public works, the previous veto, the budget situation, and the demand for

tax reductions, this bill should not be taken up and passed on short notice.

I serve notice that it is my intention to vote against the bill whenever it is taken up, provided it comes before the Senate as an omnibus public-works bill covering approximately 100 different projects.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

INVESTIGATION BY FEDERAL TRADE COMMISSION OF PRODUCTION, DISTRIBUTION, OR SALE OF NEWSPRINT IN INTERSTATE COMMERCE

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce.

EXTENSION OF CERTAIN CORPORATE AND EXCISE TAX RATES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 178, House bill 4090, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; and as a part of that request I submit a unanimous-consent agreement proposed on behalf of the distinguished minority leader and myself.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

Ordered, That, effective on Wednesday, March 27, 1957, at the conclusion of routine morning business, during the further consideration of the bill (H. R. 4090), the Tax Rate Extension Act of 1957, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and the minority leaders.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas or to the proposed unanimous-consent agreement? The Chair hears none. Without objection, the Senate will proceed to consider the bill, and the proposed agreement is entered.

Thereupon, the Senate proceeded to consider the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which had been reported from the Committee on Finance with amendments.

Mr. FULBRIGHT. Mr. President, I call up my amendment which is designated as "2-27-57-B," and ask that it be made the pending question.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, beginning with line 3, Mr. FULBRIGHT (for himself, Mr. BIBLE, Mr. BLAKLEY, Mr. CARROLL, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. DOUGLAS, Mr. ERVIN, Mr. GOLDWATER, Mr. GREEN, Mr. HENNINGS, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MONRONEY, Mr. MORSE, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. SMATHERS, Mr. SMITH of New Jersey, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. THURMOND, and Mr. WILEY) proposes to strike out all through line 12 on page 2 and to insert the following:

That this act may be cited as the "Corporate Tax Rates Adjustment Act of 1957."

SEC. 2. Adjustment of corporate normal tax and surtax rates.

(a) Corporate normal tax rate: Section 11 (b) of the Internal Revenue Code of 1954 (relating to rate of corporate normal tax) is amended to read as follows:

"(b) Normal tax: The normal tax is equal to 22 percent of the taxable income."

(b) Corporate surtax rate: Section 11 (c) of such Code (relating to rate of corporate surtax) is amended by striking out "22 percent" and inserting in lieu thereof "21 percent."

(c) Tax on certain mutual insurance companies:

(1) Normal tax: Section 821 (a) (1) (A) of such Code (relating to rate of normal tax on certain mutual insurance companies) is amended to read as follows:

"(A) Normal tax: A normal tax of 22 percent of the mutual insurance company taxable income, or 44 percent of the amount by which such taxable income exceeds $3,000, whichever is the lesser; plus".

(2) Surtax: Section 821 (a) (1) (B) of such Code (relating to rate of surtax on certain mutual insurance companies) is amended by striking out "22 percent" and inserting in lieu thereof "21 percent."

(d) Tax on certain interinsurers and reciprocal underwriters:

(1) Normal tax: Section 821 (b) (1) of such Code (relating to rate of normal tax on certain interinsurers and reciprocal underwriters) is amended to read as follows:

"(1) Normal tax: A normal tax of 22 percent of the mutual insurance company taxable income, or 44 percent of the amount by which such taxable income exceeds $50,000, whichever is the lesser; plus".

(2) Surtax: Section 821 (b) (2) of such Code (relating to rate of surtax on certain interinsurers and reciprocal underwriters) is amended to read as follows:

"(2) Surtax: A surtax of 21 percent of the mutual insurance company taxable income (computed as provided in subsection (a) (1)) in excess of $25,000, or 46.5 percent of the amount by which such taxable income exceeds $50,000, whichever is the lesser."

(e) Effective date: The amendments made by this section shall apply only with respect to taxable years beginning after March 31, 1957.

Amend the title so as to read: "An act to amend the Internal Revenue Code of 1954 so as to adjust corporate normal tax and surtax rates and to provide a 1-year extension of certain excise-tax rates."

Mr. JOHNSON of Texas. Mr. President, I was not aware that there are committee amendments to the bill. In view of the discussion I have had with the distinguished Senator from Arkansas [Mr. FULBRIGHT] and with the distinguished minority leader, I ask unanimous consent that the amendment just stated be considered after the committee amendments are acted upon.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. CASE of South Dakota. Mr. President, reserving the right to object, let me say that the Members of the Senate are unable to obtain copies of the amendment or even copies of the bill.

Mr. KNOWLAND. Mr. President, if the Senator from South Dakota will yield to me, let me say the amendment was submitted on February 21, 1957, and is available. The vote on the amendment will, as I understand, under the unanimous-consent agreement, not come until tomorrow.

Mr. JOHNSON of Texas. Not necessarily; I do not know what the wishes of the Senator from Arkansas are.

Mr. FULBRIGHT. It is quite all right with me to have the vote on the amendment taken tomorrow. I merely wished to have my amendment considered first. It has been considered before, in connection with similar bills, during previous sessions of Congress.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement, the limitation on debate does not begin until tomorrow. For that reason, the Senator from Arkansas wished to have the general discussion commence today.

Mr. CASE of South Dakota. I merely wished to have the situation clarified. We asked at the desk for copies of the amendment, but were not able to obtain them. So it was really impossible for us to know what was proposed.

If the desire is simply to have the amendment placed before the Senate, and if the Senator from Arkansas merely wishes to discuss the amendment at this time, I withdraw the objection.

Mr. KNOWLAND. Mr. President, under the unanimous-consent agreement, the limitation on debate does not begin until tomorrow; there is no limitation on debate today. Whether the debate by the Senator from Arkansas and by other Senators who either support or oppose his amendment will continue during the remainder of today and into tomorrow

is a matter which, of course, I have no way of determining. However, under the unanimous-consent agreement, there is no limitation on debate today.

Mr. CASE of South Dakota. In other words, the amendment of the Senator from Arkansas could yet be voted upon today; is that correct?

Mr. KNOWLAND. Yes. But as of tomorrow there will be a limitation on debate of 1 hour on each amendment and 2 hours on the bill.

Mr. JOHNSON of Texas. Mr. President, I am informed that ample copies of the amendment are available, and have been since February 22.

Mr. CASE of South Dakota. I am one of the Senators whose names appear on the amendment, as sponsors of it; and in my office I have copies of the amendment. But no copies were available on the floor until a moment ago, and I understand that then only four copies were available on the floor. Obviously, in connection with a matter of this sort, ample copies should be available on the floor, particularly if there is a prospect that the amendment will be voted on soon.

Mr. JOHNSON of Texas. Mr. President, I assure the Senator from South Dakota that ample copies of the amendment will be available to each Member of the Senate.

Mr. CASE of South Dakota. Mr. President, in view of the unanimous-consent agreement which has been entered, I think many Members of the Senate are of the impression that voting on the amendments will not begin until tomorrow. Before any voting occurs, there should be a quorum call.

Mr. JOHNSON of Texas. The Senator from South Dakota may be assured that there will be a quorum call before any vote is taken. We just concluded a quorum call for the purpose of submitting the proposed unanimous-consent agreement.

Mr. BYRD. Mr. President, I ask that the committee amendments be stated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas that the amendment offered by the Senator from Arkansas be considered after the amendments of the committee have been disposed of? The Chair hears none, and it is so ordered.

The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 1, in line 5, it is proposed to strike out "one year" and insert in lieu thereof "fifteen-month."

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum, before we proceed with the discussion of the tax bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bush	Church
Allott	Butler	Clark
Anderson	Byrd	Cooper
Barrett	Capehart	Cotton
Beall	Carlson	Curtis
Bennett	Carroll	Dirksen
Bible	Case, N. J.	Douglas
Bricker	Case, S. Dak.	Dworshak
Bridges	Chavez	Eastland
Ellender	Kefauver	Pastore
Ervin	Kennedy	Payne
Flanders	Kerr	Potter
Frear	Knowland	Revercomb
Fulbright	Kuchel	Robertson
Goldwater	Lausche	Russell
Gore	Long	Saltonstall
Green	Magnuson	Smathers
Hayden	Mansfield	Smith, Maine
Hennings	Martin, Iowa	Smith, N. J.
Hickenlooper	Martin, Pa.	Sparkman
Hill	McCarthy	Stennis
Holland	McClellan	Symington
Hruska	McNamara	Thurmond
Humphrey	Morse	Thye
Ives	Morton	Watkins
Jackson	Mundt	Wiley
Javits	Murray	Williams
Jenner	Neely	Young
Johnson, Tex.	Neuberger	
Johnston, S. C.	O'Mahoney	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY] and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

The Senator from North Carolina [Mr. SCOTT] and the Senator from Georgia [Mr. TALMADGE] are absent by leave of the Senate holding hearing for the Senate Agriculture Committee.

Mr. DIRKSEN. I announce that the Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, first I should like to announce to the Senate that under the order previously entered the Senate will convene tomorrow morning at 10 o'clock. It is anticipated we shall have several yea-and-nay votes tomorrow. Certainly we shall have several quorum calls which will not be withdrawn. Therefore, I should like to ask the aids to the minority and majority to notify all Senators that the Senate will convene at 10 o'clock a. m., that we are expecting several quorum calls and several yea-and-nay votes, and that we are hopeful we can conclude action on the tax bill before the Senate recesses tomorrow evening. If Senators on both sides will cooperate with the leadership and be present when quorums are called, it will be very helpful.

Mr. President, I should like to announce that we do not plan to remain in session late this evening. As most Senators are aware, this is the date of the annual Congressional night at the National Press Club. We hope the Senate will conclude discussion early enough to accommodate Senators who wish to attend.

I should like to announce, for the information of the Senate, that, in addition to the committee amendments, I understand there are at least 2 or 3, and possibly 4, amendments to the tax bill to be considered. There is an amendment by the Senator from Arkansas [Mr. FULBRIGHT]; perhaps an amendment by the Senator from Illinois [Mr. DOUGLAS]; and an amendment by the Senator from Alabama [Mr. SPARKMAN].

After we conclude action on the tax bill, which we hope will be tomorrow, we will return to the consideration of Senate bill 497. The procedure will involve a delay, and I hope the sponsors of Senate bill 497 will understand the urgency of the passage of the tax bill. As soon as we conclude with the tax bill we will proceed to Senate bill 497.

Mr. President, I now move that the committee amendments to House bill 4090 be agreed to en bloc.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to.

The committee amendments, agreed to en bloc, are as follows:

On page 1, line 5, after "Sec. 2", to strike out "one year" and insert "fifteen-month"; on page 2, line 2, after the word "thereof", to strike out "April" and insert "July"; in line 5, after the word "thereof", to strike out "April" and insert "July"; in line 8, after the word "thereof", to strike out "March 31" and insert "June 30"; in line 11, after the word "thereof", to strike out "March 31" and insert "June 30"; in line 13, after "Sec. 3.", to strike out "one year" and insert "fifteen-month"; in line 18, after the word "thereof", to strike out "April" and insert "July"; on page 3, line 10, after the word "thereof", to strike out "April" and insert "July"; in line 12, after the word "thereof", to strike out "May" and insert "August"; at the beginning of line 16, to strike out "March 31" and insert "June 30"; in line 20, after the word "thereof", to strike out "April" and insert "July"; in line 22, after the word "thereof", to strike out "July" and insert "October"; on page 4, line 1, after the word "thereof", to strike out "April" and insert "July"; in line 2, after the word "thereof", to strike out "July" and insert "October"; in line 4, after the word "thereof", to strike out "August" and insert "November"; and, in line 9, after the word "thereof", to strike out "April" and insert "July."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] for himself and other Senators.

Mr. BYRD. Mr. President, H. R. 4090, the Tax Rate Extension Act of 1957, as amended by the committee, provides for an extension of the present corporate income tax rate and the existing rates of certain excise taxes for 15 months, or until July 1, 1958. The rates of these taxes presently are scheduled for reduction on April 1, 1957.

The present 52 percent corporate income tax rate, without the extension provided in the bill, would revert to 47 percent as of the 1st of this April, through a reduction in the normal tax rate from 30 percent to 25 percent.

The excise tax rates, which, without this bill, also would be decreased this April, are those on alcoholic beverages, cigarettes, automobiles, and automobile parts and accessories. The bill does not affect the excise tax rates which previously were scheduled for reduction this April but as a result of the Highway Revenue Act of 1956 were extended—along with certain increases—until July 1, 1972.

I ask unanimous consent to have printed in the RECORD at this point in my remarks, 2 tables, the first showing the excise tax rates extended under this bill, and the second showing the

estimated revenue gain from the 15 months' extension of the existing corporate and excise tax rates.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Excise tax rates extended until July 1, 1958* [1]

	Unit of tax	Rate extended for period from Apr. 1, 1957, to July 1, 1958	Rate to become effective July 1, 1958 [1]
Liquor taxes:			
Distilled spirits	Per proof gallon	$10.50	$9.
Beer	Per barrel	$8	$5.
Wine:			
Still wine:			
Containing less than 14 percent alcohol	Per wine gallon	17 cents	15 cents.
Containing 14 to 21 percent alcohol	do	67 cents	60 cents.
Containing 21 to 24 percent alcohol	do	$2.25	$2.
Containing more than 24 percent alcohol	do	$10.50	$9.
Sparkling wines, liqueurs, cordials, etc.:			
Champagne or sparkling wine	do	$3.40	$3.
Liqueurs, cordials, etc	do	$1.92	$1.60.
Artificially carbonated wines	do	$2.40	$2.
Tobacco taxes: Cigarettes	Per 1,000	$4	$3.50.
Manufacturer's excise:			
Passenger cars	Manufacturers' sale price	10 percent	7 percent.
Auto parts and accessories	do	8 percent	5 percent.

[1] These rates were increased by the Revenue Act of 1951 and the increases were scheduled to terminate on Apr. 1, 1954. The Excise Tax Reduction Act of 1954, extended these rate increases to Apr. 1, 1956, the Tax Rate Extension Act of 1955, extended these rate increases to Apr. 1, 1957, and the Tax Rate Extension Act of 1956, extended these rate increases to Apr. 1, 1957. The Highway Revenue Act of 1956, in addition to making certain increases, extended the taxes on gasoline, trucks, buses, and truck trailers, and diesel and special motor fuel, which were in the prior extension acts, until July 1, 1972.

Source: Prepared by the staff of the Joint Committee on Internal Revenue Taxation.

TABLE 2.—*Estimated revenue gain from extension of existing corporate and excise tax rates*

[Extension from Apr. 1, 1957, to July 1, 1958]

	Change in rate which would occur without bill	Estimated revenue gain (in millions of dollars)	
		Fiscal year 1957	Fiscal year 1958
Corporation income tax	52 to 47 percent normal tax (reduced from 30 to 25 percent).		1,440
Excises:			
Alcohol taxes:			
Distilled spirits	$10.50 to $9 per gallon	40	142
Beer	$8 to $5 per barrel	31	85
Wine	Various rates	3	10
Total, alcoholic beverages		84	237
Tobacco taxes: Cigarettes (small)	$4 to $3.50 per 1,000	50	200
Manufacturers' excise taxes:			
Passenger cars	10 to 7 percent	81	403
Auto parts and accessories	8 to 5 percent	7	58
Total, manufacturers' excises		88	463
Total excises		172	900
Total, corporate income tax and excises		172	[1] 2,340

[1] Through a typographical error this total appears as $2,340 million in the Finance Committee report.

NOTE.—Floor-stock refunds of about $180 million will be postponed from the fiscal year 1960 to the fiscal year 1959 by the extension of existing excise tax rates.

Source: Prepared by the staff of the Joint Committee on Internal Revenue Taxation.

Mr. BYRD. Mr. President, the Senate committee has made only one substantive amendment to the House version of the bill. The committee has provided for an extension of the present corporate income tax rate and the excise tax rates until July 1, 1958, instead of only until April 1, 1958, as would be provided by the House action. This amendment is proposed by the Senate committee primarily so that the matter of rates can be considered more extensively next year, without the Senator's being compelled to rush any action in the first part of the session next year. Moreover, the new dates will coincide with the close of the Government's fiscal year and will parallel the action taken by Congress on appropriations. The added time should place Congress in a better position next year to review these tax rates in the light of the action taken by Congress with respect to budget expenditures. The matter of extending the rates until July 1, 1958, was discussed with the Secretary of the Treasury, Mr. Humphrey, in our hearings, and he raised no objection; in fact, he approved it. In addition, I have informally discussed this matter with members of the House Committee on Ways and Means, and it is my impression that the House also will not raise any objection to this amendment.

The extension of these taxes was taken into account in arriving at the estimated budget receipts for the fiscal year 1958. If these rates were not continued, it is estimated that there would be a budgetary deficit of one-half billion dollars in the fiscal year 1958. On the other hand, with the extension of the rates until April 1, 1958, as provided by the House bill, it is estimated that there will be a budgetary surplus in the fiscal year 1958 of $1.8 billion; and with the Senate amendment extending these rates until July 1, 1958, it is estimated that there will be a budget surplus of $2 billion in the fiscal year 1958.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a table showing the effect of the extension of the corporate and the excise tax rates on the budgets for the fiscal years 1957 and 1958 under both the House and Senate Finance Committee versions of this bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Effect on the budget of H. R. 4090 as passed by the House and as reported by the Committee on Finance*

[In billions of dollars]

	Under present law	Under H. R. 4090— As passed by the House	Under H. R. 4090— As reported by the Committee on Finance
Fiscal year 1957:			
Budget expenditures	$68.9	$68.9	$68.9
Budget receipts	70.4	70.6	70.6
Surplus	+1.5	+1.7	+1.7
Fiscal year 1958:			
Budget expenditures	71.8	71.8	71.8
Budget receipts	71.3	[1] 73.6	[1] 73.8
Surplus (+) or deficit (−)	−.5	+1.8	+2.0

[1] Reflects increase in tax collections due to extension of rates and also reflects the postponement of floor stock refunds.

Mr. BYRD. Mr. President, realizing that a number of Members of this Body favor the addition of amendments to the bill, the Committee on Finance held 3 days of hearings primarily to hear testimony concerning proposed amendments providing relief for small business, as well as for other purposes. The hearings were held on March 19, 21, and 22. After hearing the testimony, the committee decided that it was not desirable to add any of these amendments to this bill. One of the primary reasons for this action is that the bill should be passed promptly by the Senate with as little controversy as possible in view of the short period of time remaining before April 1. Since excise taxes cannot, under the Constitution, be made retroactive, if the bill does not become law by April 1, there will be a substantial loss in excise taxes which cannot be recovered. The Government will lose approximately $3 million each day after March 31, and about $22 million a week for each week after that date if the bill is not passed promptly. If any amendments are made to the bill which are not acceptable to the House, conferees will have to be appointed, a conference will have to be held by the two Houses, both Houses will then have to meet and approve the conference report, and then the bill will have to go to the President. After today there will be only 5 days remaining in March, so if there is any delay there will be little time left for the President to sign the bill. It is important, therefore, that the Senate act without delay on the bill.

For that reason, the committee decided not to add any amendments to which objection might be raised by the House.

Two amendments were offered in the committee hearings to change the rates of the corporate tax. One was offered by the junior Senator from Arkansas [Mr. FULBRIGHT] and the other by the junior Senator from Alabama [Mr. SPARKMAN]. The amendment offered by the junior Senator from Arkansas retains the present method of levying the corporate normal tax and surtax, but substitutes for the present 30 percent normal tax rate a rate of 22 percent, and for the present surtax rate of 22 percent a rate of 31 percent. The overall rate under this amendment, therefore, is increased to 53 percent, as compared to 52 percent under existing law.

The amendment offered by the junior Senator from Alabama provides a graduated tax rate on corporations ranging from 5 percent on taxable incomes not over $5,000 to 55 percent on incomes above $100,000. This amendment would undoubtedly cause many of the larger corporations to break up into small units in order to get the benefit of the lower bracket rates. If this were not done, an additional tax burden would be imposed on the small stockholders of large corporations. Aside from this fact, a graduated corporate tax would discourage the growth to small corporations. It would hurt many corporations desiring to expand and become larger.

The possible revenue effect of the proposed graduated rate amendment cannot be ignored. A revenue estimate was presented which seemed to indicate that the proposal would involve no loss in revenue to the Government. This estimate, however, was based on the assumption that there would be no change in the distribution of corporations by income classes. The committee believes that this assumption is highly unrealistic. The proposed graduated corporate tax schedule, with an initial rate of 5 percent, would certainly offer an incentive for large corporations to split up and the result would be a serious loss in revenue.

The committee is desirous of providing relief for small business, but the amendments offered in the committee changing the corporate rates do not provide the desired result. Most small businesses are unincorporated and operate as partnerships or sole proprietorships. Only from 10 to 15 percent of the total number of operating businesses are corporations. The committee sees no justification for a tax reduction which would benefit only the small corporate segment and thus discriminate against the many small-business firms which are not incorporated.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. As a matter of fact, in the neighborhood of 98 percent of the sole proprietors already pay less than the corporate rate which will result if the amendment shall be agreed to. In other words, they pay less than 22 percent. I do not know how it could be considered discrimination, if they are already paying less than 22 percent.

Mr. BYRD. I had reference to the unincorporated small businesses.

Mr. FULBRIGHT. To sole proprietors or partnerships?

Mr. BYRD. Partnerships are not sole proprietors. Partnerships are in different categories. Many partnerships would be in an entirely different class, and would receive no reduction.

Mr. FULBRIGHT. I understand, but many are already paying a lower rate. How would it be discriminatory against a person, be he either an individual in business alone or in partnership with another, who is already paying less than 22 percent, to lower the rate for the small corporation to 22 percent?

Mr. BYRD. He must be in a very low bracket, because the taxes start at 18 percent.

Mr. FULBRIGHT. Ninety-eight percent of the sole proprietors, according to to the 1953 reports, which are the latest reports available, have a profit of less than $12,000, which brings them into the 22 percent or lower group.

Mr. BYRD. They would have to have an income of $2,000 in order to come under that rate.

Mr. FULBRIGHT. I think the Senator from Virginia will find that it is $12,000.

Mr. BYRD. Mr. Stam says it is $2,000.

Mr. FULBRIGHT. To get an effective rate of 22 percent?

Mr. BYRD. That is correct.

Mr. FULBRIGHT. I would not want to question Mr. Stam's judgment, but I think a sole proprietor would have to make $12,000 in order to get an effective rate of 22 percent, would he not?

Mr. BYRD. Yes; the Senator from Arkansas is correct; $20,000 has an effective rate of 22.7 percent.

Mr. FULBRIGHT. How can the Senator from Virginia say it is discriminatory when the vast majority, about 98 percent of the sole proprietors and the partnerships, according to the best calculations we can find, are already paying less than the small corporations will pay if this amendment shall be adopted? I do not think that is discriminatory at all.

Mr. BYRD. But the Senator from Arkansas entirely ignores the partnerships.

Mr. FULBRIGHT. No, I do not.

Mr. BYRD. There are many partnerships.

Mr. FULBRIGHT. Ninety percent of the partnerships fall under exactly the same situation as that of the sole proprietors I have mentioned. It is difficult to compute their number, but the statistics indicate that in the case of approximately 90 percent of the partnerships, the partners pay at the rate of 22 percent or less.

Mr. BYRD. Mr. President, the amendment of the Senator from Arkansas would give relief for corporations, up to $25,000.

Other amendments, in addition to the two relating to the corporate tax rates, were offered. The committee feels that the additional amendments require further study. Immediate action on this bill is required, since otherwise the excise-tax rates involved would be reduced on April 1, 1957. The staff has been instructed by the Finance Committee to give further study to the question of what can effectively be done to aid small business in the field of taxation, and to report what it finds to the Finance Committee.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. COTTON in the chair). Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. BYRD. I yield.

Mr. MARTIN of Pennsylvania. If the bill is not passed and signed by midnight, March 31, the excise taxes after that date will be lost; there will be no way for the department to collect them; is not that correct?

Mr. BYRD. The Senator from Pennsylvania is entirely correct. Not only would they be lost, but the greatest confusion would occur. For instance, if the bill were not enacted by next Monday, the tax on automobiles would revert to 7 percent, or a 3-percent difference; and in that event many persons would claim they had purchased their automobiles on that particular day. Even a failure to act for 2 or 3 days would cause great confusion in connection with the collection of excise taxes. We were advised by the Treasury Department that the situation would be very serious.

Mr. MARTIN of Pennsylvania. So far as corporate taxes are concerned, the taxes could be collected retroactively, could they not?

Mr. BYRD. That is correct.

Mr. MARTIN of Pennsylvania. But the excise taxes would be entirely lost; and, in addition, there would be great confusion, so far as individual taxpayers would be concerned; is not that correct?

Mr. BYRD. The Senator from Pennsylvania is correct.

Mr. STENNIS. Mr. President, will the Senator from Virginia yield for a question?

Mr. BYRD. I yield.

Mr. STENNIS. I have an amendment which I desire to submit. As I have understood the chairman of the committee, the purpose is to have debate at this time on the amendment of the Senator from Arkansas, but not to have other amendments offered now.

Mr. BYRD. That is correct.

Mr. STENNIS. I have in mind an amendment providing for the giving of more liberal consideration to schoolteachers who incur actual expenses in continuing their required academic studies, in connection with obtaining degrees and in raising their scholastic or academic standing.

Mr. BYRD. The Senator from Mississippi knows that all revenue measures must originate in the House of Representatives.

Mr. STENNIS. That is true.

Mr. BYRD. But I am advised by the Ways and Means Committee of the House that it is considering a number of measures which, when passed, will be sent to the Senate, and then will be considered by the Senate Finance Committee. Mr.

Stam, the chief of staff, who has been in cocsultation with the House officials, has advised me to that effect.

Mr. STENNIS. I appreciate that information. On the assurance that these matters will be taken up by the Finance Committee when there is an opportunity to do so, I shall not now submit the amendment I have in mind.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD. I yield.

Mr. MARTIN of Pennsylvania. The distinguished Senator from Virginia has been a member of the Finance Committee for a greater length of time than has any other member of the committee. Let me ask him this question: Has not there usually been presented what we call a bobtailed bill, which deals with matters such as the one in which the distinguished Senator from Mississippi is interested and the ones in which many other Senators may be interested?

Mr. BYRD. I think that is correct. The Ways and Means Committee reports to the House, and the House passes, a so-called bobtailed bill, which then comes to the Senate.

Mr. FULBRIGHT. Mr. President, if I correctly understand the situation, the pending question is on agreeing to my amendment.

The PRESIDING OFFICER. That is correct.

Mr. FULBRIGHT. Mr. President, I offer the amendment on behalf of myself, the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Colorado [Mr. CARROLL], the Senator from Florida [Mr. SMATHERS], the Senator from Idaho [Mr. CHURCH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Maine [Mrs. SMITH], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from Montana [Mr. MANSFIELD], the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVES], the Senator from New Jersey [Mr. SMITH], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. MONRONEY], the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the Senator from Pennsylvania [Mr. CLARK], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from South Dakota [Mr. CASE], the Senators from South Carolina [Mr. JOHNSTON and Mr. THURMOND], the Senator from Texas [Mr. BLAKLEY], the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON], the Senator from Wisconsin [Mr. WILEY], and the Senator from Wyoming [Mr. O'MAHONEY].

Including myself, Mr. President, the amendment is sponsored by 32 Senators, one-third of the Members of the Senate. We represent 26 separate States, over one-half of the States of the Union.

Mr. MARTIN of Pennsylvania. Mr. President, let me inquire whether the amendment is the one which is identified as "2-27-57-B."

Mr. FULBRIGHT. That is correct.

Mr. MARTIN of Pennsylvania. I thank the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, if I had been able to contact more Senators, if some Senators did not have a policy against cosponsoring proposed legislation, and if other Senators had not already sponsored bills with the same purpose, I feel certain that this amendment could have had the sponsorship of over half of the Membership of the Senate. In any event, Mr. President, I want to express my appreciation to the Senators who have joined me in sponsoring this amendment, to those who would have joined except for the reasons I have mentioned, and to those who conscientiously studied my proposal, but were unable to support it. I am particularly grateful to Senators CLARK, HILL, MANSFIELD, and SPARKMAN, who appeared before the Finance Committee to support this amendment, and to Senators CHURCH, DOUGLAS, ERVIN, JACKSON, MONRONEY, NEUBERGER, and WILEY who wrote letters to the Finance Committee favoring adoption of the amendment. Without the encouragement and support of these colleagues, my efforts would have been infinitely more difficult; and I want the RECORD to show that the Senate is crowded with these friends of the small-business man.

Mr. President, I also wish to express my appreciation to the Finance Committee for the attention it has given to my proposal during this session of Congress. This is the fourth year in which I have tried to interest the committee in proposed legislation to reduce taxes for small corporations. My first bill was offered on February 27, 1948, as an amendment to H. R. 4790. That amendment would have exempted from taxation the first $15,000 of corporate income. The amendment was opposed by the then chairman of the Finance Committee, and the amendment failed by a vote of 46 to 21.

On July 28, 1955, I again introduced a bill—S. 2673—to exempt the first $15,000 of corporate income. Early in 1956 it became obvious to me that that proposal was not receiving the support it deserved, primarily because it entailed a revenue loss. In order to overcome this objection, on February 3, 1956, I introduced a bill—S. 3129—which would have cut taxes for small corporations and would have increased Federal revenue. I offered this bill as an amendment to two bills in 1956—H. R. 9166 and H. R. 10660. On both occasions I was met with objections from the chairman of the Finance Committee that no hearings had been held, that the bill was urgent, or that my amendment was not germane.

On January 7, 1957, I introduced S. 150, a bill which is identical to the amendment I offer today. Through this long period, from 1948 to date, I have tried to point out that small businesses need tax relief and that the Finance Committee should interest itself in this problem. So I was extremely gratified when the chairman of the Finance Committee announced on March 19, 1957, that beginning 2 days later—on March 21, 1957—the committee would have 2 days of hearings for both the proponents and the opponents of my amendment. I am further gratified that the committee has instructed its staff to conduct a special study on ways to provide tax relief for small business. If we can adopt this amendment today, it should provide a good point of departure for the forthcoming staff study.

Mr. President, our Nation is on the threshold of tremendous economic expansion; our population is growing; our industrial capacity and our commercial capacity are growing; and our gross national product is growing. But the growth of business units is not keeping pace. It is true that new businesses are being formed every day, but increasing numbers of mergers and failures are reducing the net gain in business population to an unhealthy level. For example, while the gross national product in constant dollars was rising only three times as fast as business population during the years from 1940–53, gross national product has risen almost four times as fast since 1953. This means that the increased fruits of our national endeavor are flowing into the hands of relatively fewer business units. This is a trend which must be halted. My amendment is a first step in this direction.

There is apparently no longer any argument about the need for tax relief for small businesses. The President is for it; both major political parties are for it; and, so far as I know, all members of Congress are for it. According to yesterday's Washington Post, even the Finance Committee is for it. The paper reports that the committee instructed its staff to conduct a special study on the most effective way to provide tax relief for small business. It would seem, Mr. President, that there is no longer any debate about whether to give tax relief. There is only a question as to how to do it.

I have a very direct and uncomplicated amendment that should command the support of all true friends of low-income corporations. In fact, my amendment is identical in principle with the unanimous recommendation of the President's Cabinet Committee on Small Business.

My amendment changes the corporate normal rate from 30 percent to 22 percent, and changes the surtax from 22 percent to 31 percent. The maximum effective rate is raised from 52 percent to 53 percent. The effect of the amendment is estimated to increase Federal revenue by $20 million. It would reduce taxes on about 98 percent of all corporations—those earning less than $225,000; and it would raise taxes for about 2 percent of all corporations—in other words, those earning more than $225,000.

I have available for each Senator, which I shall place on their desks tomorrow, at the time of the voting, a brief summary of the need for and the effects of this amendment.

In order to conserve the time of the Senate, I shall not repeat the arguments I have made heretofore on this subject. However, in order that the record of this debate may be complete, Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks, the following: (1) the brief summary to which I have referred, (2) a statement I made when introducing S. 150 on January 7, 1957, (3) a statement I made when offering this amendment on February 21, 1957, and (4) a statement I made before the Finance Committee on March 19, 1957.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

EQUITABLE READJUSTMENT OF CORPORATE TAX BURDEN WITHOUT REVENUE LOSS

Present law provides normal tax rate of 30 percent, surtax rate of 22 percent. The first $25,000 is exempt from surtax.

The amendment reduces the normal corporation tax rate to 22 percent, and increases the surtax to 31 percent. The 31 percent rate would apply to income over $25,000.

Effect on revenue: Increase by $20,000,000 a year.

Effect on corporations: (See table below.) Examples: Corporations with incomes $5,000 and less save $400, 26.7 percent; $15,000, save $1,200, 26.7 percent; $25,000, save $2,000, 26.7 percent; smaller savings on incomes up to $225,000; slight increase on incomes above $225,000.

Number affected: Latest figures (1953 income tax returns) show out of 607,975 active corporations only 14,421 earned over $250,000. This proposal would reduce taxes for approximately 98 percent of all corporations—with no revenue loss.

NEED

Three sources of small business capital: Equity, loans, and retained earnings. Expense of raising equity of $300,000 in securities market: 20 percent to 30 percent. Large corporation financing may be a fraction of 61 percent; 40 to 50 times as expensive to small corporations. Loans: 6 percent or higher for small, 4 percent for large.

Small corporations are, therefore, more dependent on retained earnings, yet earn less per dollar of sales. (Third quarter of 1956 corporations with assets under $250,000 earned 3 cents per dollar of sales; corporations $100 million and over 6 cents per dollar.) Smaller corporations also losing out in volume of sales—increased only 3 percent 1954–55, as against 19 percent for large corporations.

Relative number of new firms declines: GNP in constant dollars was rising only 3 times as fast as business population in years 1940–53, but has risen almost 4 times as fast since 1953.

Business failures—increasing: Exclusively small businesses. In 1945, 809; 1953, 8,862; 1954, 11,086; 1955, 10,969; 1956, 12,686.

Mergers also increasing: Ranged from 87 to 419 throughout the forties; reached 822 in 1952; 793 in 1953; 617 in 1954; 846 in 1955; and 905 in 1956.

Effect of a normal tax rate of 22 percent and a surtax rate of 31 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 31 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,750	−1,750	−8.5
$100,000	46,500	45,250	−1,250	−2.7
$225,000	111,500	111,500	(1)	(1)
$500,000	254,500	257,250	+2,750	+1.1
$1,000,000	514,500	522,250	+7,750	+1.5
$10,000,000	5,194,500	5,292,250	+97,750	+1.9
$100,000,000	51,994,500	52,992,250	+997,750	+1.9

[1] No change.

STATEMENT BY SENATOR FULBRIGHT INTRODUCING A BILL TO REDUCE INCOME TAXES FOR LOW-INCOME CORPORATIONS

I announced publicly on December 28 that I would continue my efforts to adjust corporate tax rates and give relief to low-income corporations. Today, I introduce a bill for this purpose. I would be pleased, of course, if the House of Representatives would send the Senate a bill containing this or more favorable tax relief for small businesses. If the House does not, however, I plan to offer the substance of this bill as an amendment to any corporation income tax proposals passed by the House of Representatives.

This bill is the same as S. 3129, which I introduced on February 3, 1956, and which I offered as an amendment to revenue measures on two different occasions in the second session of the 84th Congress. I regret that the Finance Committee was unable to hold hearings on my bill and that its merits were not debated on the floor of the Senate. On one occasion, the Senate was told that the urgency for extension of certain excise taxes did not permit consideration of my proposal. On the other occasion, my amendment was objected to on the ground that it was not germane to the bill under consideration. I am hopeful that the early introduction of this proposal in the 85th Congress will permit the scheduling of hearings before the Finance Committee and full consideration by the Senate.

My proposal is easily understood and provides a partial answer to the vexing problem of halting the trend toward bigger and more powerful economic concentration in this country. Existing law prescribes a normal tax rate of 30 percent on all taxable corporate income, and a surtax rate of 22 percent on taxable corporate income in excess of $25,000. My bill, in essence, reverses these rates in a way which will increase Federal revenue and will reduce the tax bill for corporations earning less than $225,000 per annum. I propose a normal tax rate of 22 percent and a surtax rate of 31 percent. The effects of this change appear in the following table:

Effects of a normal tax rate of 22 percent and a surtax rate of 31 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 31 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,750	−1,750	−8.5
$100,000	46,500	45,250	−1,250	−2.7
$225,000	111,500	111,500	(1)	(1)
$500,000	254,500	257,250	+2,750	+1.1
$1,000,000	514,500	522,250	+7,750	+1.5
$10,000,000	5,194,500	5,292,250	+97,750	+1.9
$100,000,000	51,994,500	52,992,250	+997,750	+1.9

[1] No change.

The small tax increase for corporations earning over $225,000 a year will more than offset the tax reductions for small businesses, and will increase the total Federal tax yield from corporate taxpayers.

I will defer until a later date a detailed justification for this change in the corporate tax rates. For the present, however, I merely point out the prime consideration which moves me to introduce this bill. It is axiomatic that no living thing can remain static—it must grow or it must wither. The small corporations in our free economy cannot escape the inevitable—if they cannot grow, they must eventually pass from the business scene by failure or by absorption into a larger business unit. If present trends continue, we conceivably may find our economic fate in the hands of fewer and fewer corporate giants.

Small businesses can survive and grow only by retention of earnings. Earnings are their only reasonable source of new capital. They cannot compete for borrowings or in the securities markets. If Federal tax policies are not adjusted to relieve this biased position of small business units in their efforts to obtain growth capital, they have little hope for the future. I am convinced that tax relief is essential to a resolution of their dilemma.

Mr. President, I am quite optimistic about the prospects for small business tax relief this year. The small-business men of the country were promised tax relief by both parties in the recent political campaign. In spite of recent discouraging statements by administration spokesmen, I believe that the Congress will not forget so quickly. I respectfully request the sympathetic consideration of this bill by all Members of the Senate.

STATEMENT BY SENATOR FULBRIGHT INTRODUCING AN AMENDMENT TO H. R. 4090, PROPOSING TAX RELIEF FOR SMALL BUSINESS CORPORATIONS

Mr. President, on behalf of myself and Senators BIBLE, BLAKLEY, CARROLL, CASE of South Dakota, CHAVES, CHURCH, CLARK, DOUGLAS, ERVIN, GOLDWATER, GREEN, HENNINGS, HILL, HUMPHREY, JACKSON, JOHNSTON, KENNEDY, MAGNUSON, MANSFIELD, MONRONEY, MORSE, NEUBERGER, O'MAHONEY, PASTORE, SMATHERS, SMITH of New Jersey, SMITH of Maine, SPARKMAN, SYMINGTON, THURMOND, and WILEY, I introduce an amendment which I propose to offer to H. R. 4090, the bill which would extend the present Federal tax rates on corporate income. This amendment is the same as my bill (S. 150), which I introduced on January 7, 1957, the first day upon which the introduction of bills was in order in this session of the Senate.

My amendment would do two things. First, it would reduce the Federal tax burden on all corporations which have less than $225,000 in taxable income. Second, it would increase total Federal revenue in an estimated amount of approximately $20 million. These effects would be achieved as follows: The normal tax rate on all taxable corporate income would be lowered from 30 percent to 22 percent, and the surtax rate on taxable income in excess of $25,000 would be raised from 22 percent to 31 percent. This adjustment imposes the lower tax rate upon the lower amounts of income and imposes the higher tax rate upon the higher amounts of income.

I ask unanimous consent to insert at this point in my remarks a table showing the effects of my proposal:

Effects of a normal tax rate of 22 percent and a surtax rate of 31 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 31 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,750	−1,750	−8.5
$100,000	46,500	45,250	−1,250	−2.7
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$1,000,000	514,500	522,250	+7,750	+1.5
$10,000,000	5,194,500	5,292,250	+97,750	+1.9
$100,000,000	51,994,500	52,992,250	+997,750	+1.9

[1] No change.

Mr. President, I am greatly encouraged that 31 Members of the Senate have joined me in offering this amendment. These Senators are from all parts of the Nation and from both sides of the aisle. Because of this bipartisan support, I will not include in this statement what may be my own personal views regarding the program of the President in the field of corporate taxation. Instead, I will limit my remarks to the basic evidence which should compel the passage of this, or a similar, proposal without delay.

Mr. President, a healthy community of small businesses is essential to national growth, national prosperity, and political health. We must prevent the development of an economic no-man's-land in the business world. This means that some form of encouragement must be devised for the modest-sized enterprise to enable it to grow and to remain strong. The Senate must be reminded again that a healthy community of small businesses can be maintained only to the extent that reasonable quantities of capital are available for normal growth and normal fluctuations in earned income. Capital is needed to replace wornout machinery and other equipment, to convert to new production techniques, to redesign or otherwise improve the product of the business, to weather periods of low income caused by necessary changes in product or in techniques of production, to launch new products and services, and to compete with the superior resources of giant corporations.

Businesses have three principal sources for funds with which to maintain and expand production: First, new capital investment; second, borrowing; and third, business earnings. Small business has difficulty in obtaining equity capital because it does not have the large financial resources which will guarantee stockholders against severe loss on their investment. A small-business man who needs equity capital usually is told that the expense of raising up to $300,000 in the securities market averages almost 20 percent and may reach 25 percent or 30 percent. He must face the uncomfortable fact that it will cost him many times as much to tap the capital markets as it costs the larger corporations.

Because of the difficulty in obtaining equity financing, the small-business man usually must borrow money for a short term from a bank or other lender to realize his capital needs. Long-term borrowings in the securities markets are subject to the same difficulties as equity financing. Interest rates are commonly established at 6 percent or even higher for the small-business man. The large corporation may either float a debt issue of securities or borrow money at lower interest rates for long terms. What may be even more significant is that, under present conditions in the money markets, funds are not available to small businesses on any terms.

But even the supply of short term, high interest loans is insufficient. The Federal Government has for many years recognized this problem and the Congress has provided lending programs under the RFC, the Small Defense Plants Administration, and the Small Business Administration. In fact, one of the first actions of the 85th Congress increased by $60 million the business loan fund of the Small Business Administration. And this was stopgap legislation—intended to last the agency only through July 1957. This assistance has been but a token solution to the problem and I, for one, do not look to Government loans as the long-term answer.

This leaves for consideration the third source of capital—business earnings. If the flotation of securities is largely fruitless, if long-term loans at low interest are not available, the small business must depend upon earnings for its capital requirements. Hence, unless its profits are greater, or its tax burden is less, the small company finds itself in a position of relative weakness compared to larger companies. It is a demonstrated fact that earnings as a percentage of sales or as a percentage of assets are much smaller for small firms than they are for larger firms.

Therefore, the only hope for improving the competitive position of small businesses is through tax adjustments. If some tax relief is not given to small businesses soon, we may find our economy even more tightly controlled by giant corporations than it is today. Mr. T. M. Evans, president of the H. K. Porter Co., of Pittsburgh, as reported by the Senate Select Committee on Small Business, made the following observation:

"I think that, if our economic system is to continue, we must have smaller businesses developing, otherwise competition will be eliminated in the next 5 to 10 years, and we will end up with 1, or possibly 2, large companies in each of the major fields * * *. Smaller businesses * * * are * * * gradually being forced out of business by the giant corporations and by some of the unfair advantages which those corporations have under our present economy."

Mr. President, I believe that many of the advantages mentioned by Mr. Evans exist in our Federal tax laws, and there are many others in this country who believe that the corporate tax structure favors the growth of large businesses as against small businesses. For instance, Mr. Dexter M. Keezer, vice president and director of the economics department of the McGraw-Hill Publishing Co., has made the following statement:

"I think we have at the present time a high and satisfactory level of business investment * * *. But simply in terms of maintaining an adequate level of investment, I would not say that the present is an occasion to reduce the corporate tax rate. Except, may I give this qualification? Maintaining this rate means that you are going to have larger and larger corporate units at the expense of smaller units. This seems to be a matter of great social, political, and economic significance. Over a period with which we are concerned, the smaller corporations, as you well know, have not had the same rate of growth and capital acquisition."

Now, Mr. President, I want to point out some specific and significant advantages which large corporations have under our present Federal tax laws. One example of existing big business bias in our corporate tax laws involves the accelerated depreciation of new machinery, while similar treatment is not available for used machinery. It is well known that small businesses are the principal purchasers of used machinery. Thus, the very significant benefit of the accelerated depreciation tax provisions are not available to many smaller corporations. Some people advocate including secondhand machinery under the accelerated depreciation provisions, but I think that this action alone would merely accentuate the problem. For example, under present law a large corporation can, in a relatively short time, depreciate new machinery to a figure below its market value. The large corporation can then sell this machinery for more than its depreciated value and treat the income as a capital gain. If secondhand machinery had the benefit of accelerated depreciation, small businesses would be more eager to buy secondhand equipment. Then the giant corporations would realize even greater profits from the sales and greater capital-gain windfalls.

The way to treat small businesses fairly would be to permit accelerated depreciation of both old and new machinery, and to tax income derived from the sale of depreciated machinery at the regular rates for corporate income. But until such changes are made, this is one more factor contributing to the financial dilemma of small businesses.

Another advantage for large corporations is their ability to attract and hold highly skilled management and technical personnel by deferred compensation plans. These plans reduce the impact of individual income tax rates and give a higher real income to such employees. For instance, a special bonus is given large corporations by those provisions of the tax laws which deal with stock options. All salaried employees must pay taxes upon their incomes at the regular income tax rates. The fortunate recipient of a stock option, however, pays no tax, in most instances, when he receives the option; pays no tax when he exercises the option; and pays only a capital gains tax upon any profit he makes when he sells the stock.

To qualify for this preferred treatment, the corporation must be able to value its stock by some acceptable reference to market value at the time the option is granted. The small corporation, which is closely held, has great difficulty in meeting this requirement. As a result, it is the large publicly held corporations which benefit. Almost half the corporations listed on the New York Stock Exchange have such plans. The revenue loss to the Government cannot be estimated, but it is very substantial.

By this and similar devices, big business is able to attract and to hold the most able technical and executive talent. A small corporation must pay much higher salaries, if its employees who do not have stock options, are to be able to keep, after taxes, as much as the employees of the large corporation which does have a stock option plan in force. Naturally, in a competitive labor market, the most valuable employees will tend to enter the employ of the corporations paying them the highest net salaries, after taxes.

Even the owner of the small corporation may believe that he himself can find refuge against business risk, attain relative security, and provide a fund for his retirement by giving up his small business and going to work for a large corporation. The tax laws foster this trend by such provisions as restricted stock options.

Still another advantage of the large corporations is their ability to adjust to tax rates with little effect upon their rates of earnings after taxes. This is possible because large corporations can, to a considerable extent, shift a large portion of their taxes to consumers in the form of higher prices. This is especially the case in industries which are dominated by one or a few corporate giants, and where competition does not operate to hold prices down. An official of the General Motors Corp., when discussing his company's pricing and production policies with the Senate Subcommittee on Antitrust and Monopoly, in 1955, said that "we have come pretty close to earning what we expected over the years."

Small corporations can rarely set prices to absorb taxes. There are too many of them and generally no single one is in a position to exert substantial control over prices in its industry.

Actually, the small corporation gets hit from both sides under the present corporate tax structure. His raw materials tend to be produced by giant concerns which can pass on a large share of their taxes to him. Thus, corporate taxes, for the small corporation, will generally result in higher costs. At the same time, he does not have the economic power to set prices to absorb his own taxes.

And finally, some very wise provisions in the tax law, designed to encourage research and experimental programs by industry, operate to the primary benefit of big business. These provisions offer favorable tax treatment of expenditures made for research. While these provisions have considerable merit, I think we should frankly admit that the benefits inure almost exclusively to big businesses.

Furthermore, the defense needs of the Nation require direct Federal expenditures for research for weapons and other items of military necessity. The size of these Federal expenditures amounts to over a billion dollars every year, and the contracts go primarily to our huge industrial corporations. It would seem that the law has compounded the advantage of big business in the field of research.

Mr. President, I cite these other features of Federal tax laws to illustrate that rates alone do not measure the relative burden of corporate taxation. The rate adjustment which I propose may partially offset the big business bias existing in the tax structure as a whole.

To emphasize the urgency of this tax problem, I call the Senate's attention to two significant indicators of the dilemma of small businesses. First, there is the appalling number of business failures. For the 5 years beginning in 1952, the number of failures reported by Dun & Bradstreet, Inc., is as follows:

1952	7,611
1953	8,862
1954	11,086
1955	10,969
1956	12,686

The 1956 figure is the highest since 1940. Furthermore, failures reached 220 in the week ending January 31, 1957, a figure reported to be the highest for any postwar week and exceeding the prewar figure of 218 for the comparable week in 1939.

Secondly, there is the matter of growth in the business population. One indicator of trends in the business world is the relationship between the gross national product and the number of operating business firms. A noticeable deterioration in this relationship has occurred in the last 4 years. During the 13-year period from 1940 through 1952, the gross national product (expressed in constant dollars) rose in a ratio of 3 to 1 over growth in business population. During the 4 years from 1953 through 1956, however, this ratio has increased to 4 to 1. The meaning of this change is crystal clear—the fruits of our expanding economy are flowing in ever increasing amounts into the hands of fewer and fewer business units.

Mr. President, I am fearful that our tax laws may be leading us down the road to a corporate state. The present corporate rate structure seems to have contributed to the decline in the relative importance of small business in recent years. To the extent that our tax laws foster larger and larger business units, our political democracy is weakened. I am sure that we all recognize the relationship between the survival of many thriving business units and the survival of our political democracy. This tax adjustment is one way to help relieve the pressure. The headlong rush toward economic concentration must be slowed before it can be stopped. I believe that this tax change is an essential first step in the right direction.

STATEMENT BY SENATOR FULBRIGHT BEFORE THE FINANCE COMMITTEE ON S. 150 AND AMENDMENT 2-27-57-B TO H. R. 4090

Mr. Chairman, and members of the committee, I want to thank you for affording me this opportunity to testify on my bill, S. 150, and the amendment which I and 31 other Senators have proposed to the corporate tax extension bill, H. R. 4090. I plan to make very brief remarks explaining my position, to ask that certain material be inserted in the record of this hearing, and then to discuss more fully with you any particular facets of the subject which may be suggested by members of the committee.

At the outset I should like to emphasize my understanding of the issue which is before the committee. Your committee must determine, for the fourth consecutive year, whether the present rates of corporate income taxation shall be extended for yet another year. My amendment goes straight to the heart of this question. It is germane. The amendment does not bring into issue, nor does H. R. 4090, what the level of personal income tax should be, nor what the depletion allowance should be, nor what other extraneous tax policies should be. More importantly, neither my amendment nor H. R. 4090 raises the question of what level of revenue is required to finance the Federal budget. My amendment does not involve either a loss or a substantial increase in revenue.

I want to emphasize that I am not persuaded by the argument that the committee should not consider my amendment because to do so opens the door to other amendments. My amendment relates solely to the very question which will be before the Senate when it considers whether the present corporate tax rates shall be extended for the fourth consecutive year.

This is the third consecutive session of Congress in which I have attempted to reduce taxes for smaller corporations. The proposal now before you is identical with a bill which I discussed with you at this time last year. My amendment would redistribute the impact of Federal corporate income taxes in a way (1) to reduce taxes for approximately 98 percent of all corporations, (2) to increase taxes for approximately 2 percent of all corporations, and (3) to increase Federal revenue by approximately $30 million.

I am motivated by the conviction that, just as our political democracy would wither by diminution of a growing and active electorate, our economic democracy cannot continue without growth in the numbers and strength of business units competing in the market place. I am, quite frankly, alarmed at recent trends toward concentration in the business world, and I believe that Federal tax policies are a significant contributing factor.

Tax rates alone are not the full measure of the impact of taxation on business units. I am proposing a rate adjustment to benefit small corporations as a means of compensating for other tax provisions which primarily benefit larger corporations. Some of these other factors are as follows: (1) The treatment of interest on borrowed funds, coupled with the superior credit position of larger corporations; (2) the accelerated depreciation of new machinery; (3) the capital-gains taxation of employee bonuses received in the form of stock options; (4) the ability of larger corporations to convert an income tax into virtually a sales tax upon consumers; and (5) the treatment of expenditures for research and experimentation which primarily benefits larger corporations. When these advantages operate in conjunction with preferential positions in equity stock flotations, in creation of borrowed capital, and in raw material purchasing power, the larger corporation can do business pretty much on its own terms.

Every economic indicator gives evidence that present policies, in taxation and perhaps other fields, may be leading this country toward economic domination by a very few powerful corporations. It is only a matter of time—unless some changes are made. Business failures, business mergers, reduction in growth rate of numbers of business units, net sales by asset size, earnings by asset size, earnings on stockholders' equity by asset size—all show a deterioration in the relative strength of smaller business units. We should not let these trends continue.

I must be frank with the committee and express my disappointment that this subject has not been thoroughly discussed in open hearings by both opponents and proponents. I had hoped for such hearings last year, and I felt assured that they would certainly occur this year. I realize that any committee of Congress is reluctant to act upon proposals which have not been thoroughly explored by the committee.

I believe, however, that the committee has had ample notice and ample time in which to hold such hearings. Perhaps it may be considered necessary to hear those whose taxes would be raised by my amendment. If so, and if this cannot be done prior to March 31, then I suggest that the excise tax portions of H. R. 4090 be acted upon separately, and that the corporate tax extension be considered at the earliest possible time thereafter. It is my opinion, however, that this very simple amendment is quite well understood and has been quite thoroughly explored by all parties concerned.

I am strengthened in this view by two very significant events. First, the Secretary of the Treasury told this committee last year that he could not endorse my proposal without thorough consideration. It would seem to me that this thorough consideration was accomplished by the President's Cabinet Committee on Small Business. On August 7, 1956, the Secretary of Defense, the Secretary of Commerce, the Secretary of Labor, the Director of the Office of Defense Mobilization, the Administrator of the Housing and Home Finance Agency, the Administrator of the Small Business Administration, and the chairman of the Council of Economic Advisers unanimously recommended a corporate tax structure almost identical to my bill. There are only two differences. My amendment contains a spread of only 9 percent between the normal tax rate and the surtax rate, whereas the Cabinet Committee proposes a higher spread of 12 percent; and my amendment would increase Federal revenue, whereas the Cabinet Committee proposal would reduce Federal revenue.

On August 9, 1956, the President of the United States endorsed the recommendations of his Cabinet Committee, and I must presume that this endorsement was made only after the thorough consideration deemed so necessary by the Secretary of the Treasury.

Secondly, both major political parties pledged tax relief for small businesses in the election campaign of 1956. I believe that such steps would have been taken only after thorough and careful consideration by these great political parties. This is the first, and perhaps only, opportunity the Senate will have during this session of Congress to live up to those pledges. I believe that the tax adjustment which I have offered has been thoroughly considered and that it is the first step toward recognizing the rightful claim of small businesses for tax relief.

Now, Mr. Chairman, I would like to insert in the RECORD copies of statements which I made on this subject on January 7, 1957, and on February 21, 1957. I will be happy to answer any questions about my bill, or to participate in any discussion which the committee members may care to initiate.

Mr. FULBRIGHT. Mr. President, I should also like to ask for the yeas and nays on this amendment, when it is voted on tomorrow.

The yeas and nays were not ordered.

Mr. KERR. Mr. President, I suggest the absence of a quorum.

Mr. FULBRIGHT. Is the Senator opposed to the yeas and nays?

Mr. KERR. I am.

Mr. FULBRIGHT. I did not know there was opposition. I did not mean that there should be a vote on the amendment today. Does the Senator oppose a record vote at any time?

Mr. KERR. I neither oppose nor favor it; I merely suggested the absence of a quorum.

Mr. FULBRIGHT. I had no idea that the Senator opposed a record vote, so I withdraw the request. I thought it was a request which should be made as a matter of course.

Mr. President, opponents have said (1) that my amendment converts a temporary tax rate into a permanent tax rate, (2) that my amendment will cause a delay in congressional action which cannot be tolerated, (3) that my amendment involves a more steeply graduated effective rate, and (4) that my amendment would be unfair to unincorporated businesses. I shall answer each of these objections in turn.

The statement that my amendment would make a temporary situation permanent is ridiculous. To be sure, the pending bill has an automatic reduction feature which my amendment does not have. But, Mr. President, if H. R. 4090 passes without change, this will be the fourth consecutive year in which this so-called "temporary" rate will have been continued. It is my understanding that the Congress plans to meet next year, and in every year after that. This tax rate is no more permanent than any other law passed by the Congress. It can be changed at any time. The automatic reduction has been but a fiction, and any objection on this basis does not deserve the deliberation of the Senate.

The Secretary of the Treasury entered a most mournful plea before the Finance Committee. He urged that all amendments be defeated—for to do otherwise, he stated, would delay passage of this very important revenue measure. If there has been delay in the consideration of this measure, it has not occurred in the Senate. H. R. 4090 was reported by the House Ways and Means Committee on February 7, 1957. It was reported by the Rules Committee of the House on February 11, 1957. Floor action was scheduled in the House for February 21, 1957. It has been suggested that this action was deliberately postponed to discourage the Senate from altering the bill; and the character of the remarks which have been made is reminiscent of the old record which we heard every year, and have been hearing now for 4 years, about the urgency of the bill, although it always seems to come to the floor of the Senate for action at the very last moment.

But, in any event, H. R. 4090 was not acted upon by the House until March 14. The bill has been before the Senate less than 2 weeks, and we are now debating it on March 27.

In spite of these facts, however, I am not overwrought with the urgency to pass H. R. 4090 without amendment. The excise-tax portions of this bill, as I understand, are the only portions which require early approval. That was brought out by the comment of the Senator from Pennsylvania a few moments ago.

If opponents of my amendment are failing to join me solely for the reason of urgency, then I suggest that we pass the excise portions and consider the corporate income-tax rates later, and at our leisure. I have had an amendment drafted which would accomplish this result. If the managers of the bill would care to join me in this amendment, I would be happy to accept it. By this means we could then carefully consider the plight of small business, and could draft more comprehensive changes in the corporate tax laws than I have so far proposed.

Another objection raised against my amendment is that it would cause a more steeply graduated effective corporate tax rate. Here are the effective rates, at certain income intervals, as proposed by H. R. 4090 and as proposed by my amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the effective rates as proposed by H. R. 4090, and as proposed by my amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Levels of income	Effective rate in—	
	H. R. 4090	Fulbright amendment
	Percent	*Percent*
Up to $25,000	30	22
$50,000	41	37.5
$100,000	46.5	43.95
$200,000	49.25	49.13
$500,000	50.9	51.45
$1,000,000	51.45	52.22
$10,000,000	51.94	52.92
$100,000,000	51.99	52.99

Mr. FULBRIGHT. Mr. President, the point I wish to make is that there is no steep graduation except at the first step, from $25,000 to $50,000. Above that amount the difference is very, very, small indeed. At $100 million, for example, the effective rate under the bill is 51.99 percent, as against 52.99 percent in my amendment. There is a difference of 1 percent, which is not a very great difference.

I cannot say whether my amendment results in a steeper rate—whatever that means. This is the significant difference to me. In no instance at $200,000 or under does my effective rate exceed the effective rate of H. R. 4090. And in no instance above $200,000 does my effective rate exceed H. R. 4090 by more than 1 percent. And this higher rate would apply, as I have said, to only 2 percent of the largest corporations in the country.

Mr. President, the principal objection which I have heard to this amendment is that it would be unfair to those taxpayers doing business as sole proprietors or as partnerships. It has been said that this amendment would do great damage to millions of independent small businesses. That was said a few moments ago on the floor of the Senate. I have analyzed this charge, and I find that it is totally unfounded. These are the facts based upon internal revenue statistics for 1953—the latest available year.

My amendment would reduce to 22 percent the normal corporate tax rate. It is reasonable, therefore, that no corporation could possibly be better off than a competitor who pays at an individual tax rate of 22 percent or less.

As I said a moment ago, there is no discrimination against an individual who is paying 22 percent or less. He is already in a favorable position relative to small corporations, so I do not see how the proposal could possibly be considered discriminatory.

A sole proprietor with net income of $12,000 pays at an effective rate of approximately 22 percent—those earning less pay at a lesser rate. On this same basis, a partnership with a minimum of 2 equal partners earning as much as $24,000, would each pay individual taxes on $12,000 at a rate of approximately 22 percent. The question is, therefore, How many proprietors and partnerships would still have a lower tax rate than their corporate competitors if my amendment should pass?

Of the 6,342,582 sole proprietors with net profit in 1953, 6,121,031 earned less than $12,000, and therefore paid at a rate less than 22 percent. This is approximately 96.6 percent of all sole proprietors reporting. In addition, another 1.4 percent of the sole proprietors are identified as farmers, fishermen, accountants, auditors, doctors, nurses, lawyers, and the like who are not normally corporate competitors and who earned more than $12,000 and are therefore not excluded above. So they could be added to the number of those who have incomes of less than $12,000.

This makes a total of 98 percent of the 6,342,582 sole proprietors who could not make a valid claim to injury by the passage of my amendment, because their rate is already as low as or lower than the rate which the amendment would provide.

Nineteen hundred and fifty-three statistics for partnerships do not show a breakdown for incomes of $24,000 exactly, and the closest interval is for those above and below $20,000. This is slightly prejudicial to the point I wish to make, but I had rather be conservative in my estimates than be charged with exaggeration. These figures show that out of 819,681 partnerships with deficits or with net income, a total of 719,580, or approximately 87 percent, were under $20,000. This means that a minimum of 87 percent of the partnerships paid taxes at an effective rate of under 22 percent. Moreover, another 2 percent of these partnerships are not corporate competitors and are not otherwise counted in the 87 percent—being farmers, fishermen, accountants, auditors, doctors, nurses, lawyers, and the like who reported partnership income more than $20,000. Furthermore, I would estimate—and I think this is very conservative—that another 6 percent could be eliminated if statistics were available at the $24,000 income interval and if the factor of multiple partnerships could be fully evaluated. Thus, only an estimated 5 percent of the partnerships could possibly complain about the effects of this amendment. I may point out that in estimating the income of partnerships, I have assumed that there were only two partners. Of course, we all know that a great many partnerships have more than two partners, but the statistics do not exist to break the comparison down beyond that point.

Mr. President, I respectfully submit that if this 2 percent of sole proprietors and the 5 percent of partnerships believe that the corporate form of doing business is more advantageous taxwise, then these businessmen should by all means take the relatively simple steps necessary to incorporate their businesses.

Mr. President, I do not wish to minimize the need which all taxpayers have for relief at the earliest possible moment. I discuss this issue solely to show that this readjustment in corporate tax rates would not harm the overwhelming majority of unincorporated businesses. I do not present my amendment as a means of curing all the inequities in the Federal tax laws. I believe that it is a fair way to take the first step toward recognizing the need for small business growth through retention of a larger share of their earnings. It is not merely a question of equity or fairness. I think it is primarily a question of wisdom, and of the survival of our democratic economic system.

We should not wait another year. We know what needs to be done; this is the opportunity to do it; so let us do it now. It has been delayed upon three different occasions, and I do not think it should be delayed any longer.

Dr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Illinois.

Mr. DOUGLAS. I ask the Senator if it is not true that the platform of the Democratic Party last year declared as follows:

> We pledge ourselves to * * * tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion, and to the realistic application of the principle of graduated taxation to such corporate income.

Does the Senator from Arkansas remember that pledge?

Mr. FULBRIGHT. The Senator is quite correct. If I recall correctly, there was a very similar pledge in the Republican platform.

Mr. DOUGLAS. Does the Senator from Arkansas not believe that platforms are not merely made to get in on, but to stand on?

Mr. FULBRIGHT. I think that is a difficult question to answer. Obviously they are not always followed through.

Mr. DOUGLAS. Does the Senator from Arkansas not believe that we should stand on our platforms after election, as well as before election when we are seeking votes?

Mr. FULBRIGHT. I think the Senator is correct, by and large.

Mr. DOUGLAS. Is that not true with respect to both political parties?

Mr. FULBRIGHT. Of course, we all agree that there are details in platforms on which we may disagree.

Mr. DOUGLAS. Did the Republican platform not contain a similar pledge for aid to small business?

Mr. FULBRIGHT. The Senator is quite correct.

Mr. DOUGLAS. Does the Senator from Arkansas not believe that Members on the other side of the aisle should stand on principle, just as the Senator from Arkansas and those of us on our side of the aisle who are joining him are trying to stand on principle?

Mr. FULBRIGHT. I agree with the Senator. I think it would be a very fine thing and a very wise thing for them to do. I point out that the President's Cabinet Committee, which reported last summer, also recommended a change, quite similar to the one in the bill, except that it did not provide a method to make up the loss. They recommended a cut, as a first step, to 20 percent, as I recall.

Mr. DOUGLAS. Is it not true that the Republican platform last year, under the heading of small business, in stating what the Republican Party intended to do for small business, said: "And certain tax reductions, as budgetary requirements permit."

Mr. FULBRIGHT. The Senator is quite correct.

Mr. DOUGLAS. The Senator's proposal does not involve any loss of revenue, does it?

Mr. FULBRIGHT. Not at all. It is estimated by the experts that it would bring about an increase in revenue of $20 million.

Mr. DOUGLAS. So that the budgetary requirements will certainly permit tax reductions for small business, is that not true?

Mr. FULBRIGHT. The Senator is quite correct.

Mr. DOUGLAS. Does the Senator from Arkansas not believe that our Republican friends should be conscience-smitten if they should fail to support his amendment?

Mr. FULBRIGHT. I should think they would be.

Mr. DOUGLAS. Does the Senator from Arkansas remember the statement of President Eisenhower during the campaign, which is found in the New York Times of October 22, 1956? According to that statement, the President said, and I quote the U. P. story:

> President Eisenhower, replying to Democratic criticism, revealed today that he planned to ask Congress next year—

That would be 1957—

> to give small-business men about $600 million in tax relief. He accused the Democrats with campaign misrepresentations about his program for small business.

The Senator from Arkansas is proposing tax relief for small business of about $400 million. I mean that much relief would go to small business. Is that correct?

Mr. FULBRIGHT. The Senator is correct.

Mr. DOUGLAS. That relief is offset——

Mr. FULBRIGHT. It is offset by increases in higher brackets.

Mr. DOUGLAS. There is a shifting of that amount.

Mr. FULBRIGHT. The Senator is correct.

Mr. DOUGLAS. Therefore, if President Eisenhower wanted to give $600 million in relief to small business, he should not object to giving $400 million in relief to small business.

Mr. FULBRIGHT. The Senator is quite correct. I should like to say that I have written to the President on this subject, but so far I have received no answer.

Mr. DOUGLAS. The Senator's proposal falls within the test of budgetary requirement, because it involves no total loss of revenue.

Mr. FULBRIGHT. The Senator is correct.

Mr. DOUGLAS. Does the Senator from Arkansas not believe that both the Republican and the Democratic Parties sought the votes of the American people last fall on the pledge that they would reduce the taxes on small business?

Mr. FULBRIGHT. The Senator is absolutely correct.

Mr. DOUGLAS. If campaign pledges mean anything, they should be fulfilled as soon as the election is over. Is that not true?

Mr. FULBRIGHT. I think they certainly should be fulfilled in this instance, and in most other instances.

Mr. DOUGLAS. Does the tendency of some politicians to ignore campaign pledges not remind the Senator of Elvis Presley's famous song, I Love You Tender? During the campaign they sing I need you; I want you! I love you! Afterward they switch to See You Later, Alligator.

Mr. FULBRIGHT. Because it is appropriate to what the Senator has stated, I should like to refer to the progress report of the Cabinet Committee on Small Business, which is dated August 7, 1956. On page 4 there is a recommendation under taxation which reads:

> With regard to Federal taxes the committee recognizes the recent improvement in the budgetary outlook and, in the event that the budgetary outlook remains favorable, recommends:
>
> 1. That the taxes imposed on business corporations be modified by reducing the tax rate from 30 percent to 20 percent on incomes up to $25,000.

Mr. DOUGLAS. Is it not true that in August 1956 the President's Committee on Small Business proposed a cut in corporate taxes on small business amounting to $600 million?

Mr. FULBRIGHT. Yes; that is what I have just read.

Mr. DOUGLAS. Is it not also true that President Eisenhower in his speech at Lexington, Ky., on the first of October 1956, said:

> I shall call for further help to small business with some dozen specific recommendations for action—including special tax measures.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. DOUGLAS. Has the Senator heard of any such recommendation being sent to Congress?

Mr. FULBRIGHT. I have not.

Mr. DOUGLAS. Has the Senator noticed any overwhelming eagerness on the part of Senators on the other side of the aisle to make good the pledge which their leaders made during the campaign?

Mr. FULBRIGHT. I am hopeful that on tomorrow they will show their eagerness when a vote comes on the amendment. I should not like to prejudge them today. I believe tomorrow they will surely support the amendment.

Mr. DOUGLAS. Does the Senator from Arkansas remember the statement made by the Assistant to the President, Governor Sherman Adams, quoted in the Wall Street Journal of October 1956? He said:

> Consistent with our budgetary situation, we shall definitely ask Congress for relief.

Mr. FULBRIGHT. The Senator is correct.

Mr. DOUGLAS. Has the Senator noticed any such recommendation for tax relief coming from the White House?

Mr. FULBRIGHT. No; not recently. I have not heard of any recently. As a matter of fact, the Secretary of the Treasury opposed the amendment last week when he appeared before the committee.

Mr. DOUGLAS. Is a grave danger not threatened to the American way of life when politicians, depending on the forgetfulness of the voters, make promises to get themselves elected and then forget the promises after the election is over?

Mr. FULBRIGHT. The Senator is quite correct. If such disillusionment is carried too far, it could endanger the survival of our system of Government.

Mr. DOUGLAS. I wish to congratulate the Senator from Arkansas for trying to make good the pledge which the Democratic Party made in convention at Chicago. I hope he will get widespread support for his amendment from our side of the aisle; that there will be repentance on the other side of the aisle, and that we will have an overwhelming victory on tomorrow.

Mr. FULBRIGHT. I may say, in addition to pledges such as the Senator from Illinois has outlined, in a country which seeks to keep some form of political and economic democracy, it is absolutely essential that opportunities for small business be made tolerable, so that small businesses may survive. Conditions which have developed in recent years have imposed such burdens on small business—I refer not only to taxation, though taxation is one of the principal ones—that some readjustment is required.

Mr. DOUGLAS. Is it not true that it is highly desirable to decentralize economic power, because if economic power is concentrated, political power will be concentrated also?

Mr. FULBRIGHT. The Senator is quite correct.

Mr. DOUGLAS. In order to have a free society, it is necessary to have a society in which property and power are diffused. Is that not correct?

Mr. FULBRIGHT. The Senator is quite correct. That has been a basic principle in our country. It would be a great shame if there were to be increasing concentration and control of our economy.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am glad to yield to the Senator from Alabama, one of the distinguished cosponsors of the amendment.

Mr. SPARKMAN. I am a cosponsor of the amendment, although the Senator understands that I have an amendment of my own which I believe to be preferable. However, I am willing to go along with his amendment.

Mr. FULBRIGHT. As I said to the Senator, I believe if his amendment could surmount the budgetary objection, the amendment would be an excellent one. It is similar to the ones for which we have fought heretofore.

Mr. SPARKMAN. It is not my purpose to debate the amendment. I shall certainly vote for the Senator's amendment, although I prefer my own, which I hope to offer tomorrow. As a matter of fact, if the administration now stood for what it seemed to stand for last August and last October, my amendment could be very easily written into law. Is that not correct?

Mr. FULBRIGHT. And if the administration supported the amendment, I am sure it would be written into the law.

Mr. SPARKMAN. It would be; yes. When I refer to the administration standing for what it stood for then, I refer to the fact that the Cabinet committee, representing the very bulwark of the Eisenhower administration, made 14 recommendations and pointed out the cost of the tax proposal they offered would run anywhere between $600 million and $700 million. That would be the cost in revenue to the Government.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. SPARKMAN. May I ask the distinguished Senator from Arkansas, the chairman of the committee which handles small-business legislation, if the Cabinet committee did not recommend, in addition to tax revision, that businesses be given the right to utilize, for the purchase of used property not exceeding $50,000 in any one year, the formulas for accelerated depreciation which were made available to purchasers of new property by the Internal Revenue Code of 1954?

Mr. FULBRIGHT. The Senator is correct. That is the second recommendation of the committee.

Mr. SPARKMAN. Yes. In other words, in 1954 we gave to purchasers of new equipment the right to depreciate it rapidly. However, for some reason we did not give that right to purchasers of used property. Is it not true that small business is a large purchaser of used equipment?

Mr. FULBRIGHT. The Senator is correct. That is but another illustration, I think, of the discriminatory aspects of the existing legislation, discriminatory in favor of big business. It is true small business can use accelerated depreciation, but as a practical matter they do not do so to the same extent as big businesses. This is one of the illustrations of the burdens I had reference to a moment ago as existing in our present laws, which ought to be corrected.

Mr. SPARKMAN. The Senator is aware of the fact, I presume, that I presented an amendment to the committee last week, which is pending, which would have achieved the same result the Senator from Arkansas sought when he presented his amendment. The amendment would carry out the recommendation that was made by the administration last August and last October.

Mr. FULBRIGHT. I think the Senator is quite correct.

Mr. SPARKMAN. Does the Senator know of any reason why that kind of amendment, which would simply do justice to small businesses, should not be adopted?

Mr. FULBRIGHT. I can see no reason for not adopting it. The practice of bringing before the Senate every year a bill extending certain taxes just before they expire, and which must be extended in order to avoid confusion and utter chaos, according to the chairman, seems to me to be not a procedure which will ever result in our having an opportunity to examine into questions such as the Senator raises.

Mr. SPARKMAN. Let me ask the distinguished Senator how long it has been a matter of knowledge to the Senate that if these excise taxes were to be continued the legislation had to be passed before the last day of this month.

Mr. FULBRIGHT. Of course, it has been known for a year. Certainly at the beginning of this session, I submitted my amendment. I think the Senator submitted his amendment then, also.

Mr. SPARKMAN. When did the Senator first submit his amendment?

Mr. FULBRIGHT. Does the Senator refer to this year?

Mr. SPARKMAN. No.

Mr. FULBRIGHT. In 1948 I submitted a similar amendment, intended to achieve the purpose I have in presenting the amendment now. In that case there was an exemption of the first $15,000.

Mr. SPARKMAN. That really related to excess-profit taxes, as I recall.

Mr. FULBRIGHT. That was still a different amendment, submitted earlier, I believe. I think it was 1948 when I proposed the amendment I spoke of, with the purpose of achieving this same objective.

Mr. SPARKMAN. Is it not true that for a year or more these amendments have been known of?

Mr. FULBRIGHT. Yes. It has been over a year, with reference to this particular amendment. I offered an identical amendment in February 1956.

Mr. SPARKMAN. I remind the Senator from Arkansas that a year ago the Senator was not able to appear before the committee, and asked me to appear instead.

Mr. FULBRIGHT. The Senator is correct.

Mr. SPARKMAN. I represented the Senator from Arkansas in the presentation of this amendment to the committee a year ago.

Mr. FULBRIGHT. The Senator is absolutely correct.

Mr. SPARKMAN. But we were told by the committee that the committee did not reject the amendment; it simply did not accept it.

Mr. FULBRIGHT. The Senator is correct.

Mr. SPARKMAN. The committee did not come to a vote, it was said. My understanding is that this year a vote was taken. Is that the Senator's understanding?

Mr. FULBRIGHT. That is my understanding. The amendment came to a vote and was voted down.

Mr. SPARKMAN. Was the vote announced; or does the Senator know?

Mr. FULBRIGHT. I do not know, officially. I heard unofficially that there were two votes.

Mr. SPARKMAN. Two favorable votes?

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. Two votes in favor of carrying out the campaign pledges of both parties, carrying out what the President's own Cabinet Committee recommended last August.

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. And what the President himself, in October, campaigning, repeatedly said he was going to do.

Mr. DOUGLAS. Will the Senator yield for a question?

Mr. KERR. Will the Senator yield to me for a question?

Mr. SPARKMAN. I have some additional questions I should like to address to the Senator from Arkansas, but I shall be glad to defer them, if the Senator will permit me to ask them later.

Mr. FULBRIGHT. Certainly. I shall be glad to yield to the Senator from Oklahoma.

Mr. KERR. I thank the Senator. The Senator is discussing a matter in which I am greatly interested, and a matter in which I participated. I refer to the discussions of the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from Illinois [Mr. DOUGLAS], and I think there should be some enlightenment at this point.

First I should like to congratulate the Senator from Arkansas on the fact that he and the distinguished Senator from Illinois seem to have gotten so close together in the endeavor to carry out the pledges of the Democratic platform.

Mr. FULBRIGHT. Generally speaking, we do agree. There are a few items on which we do not agree.

Mr. KERR. Then there was not that complete harmony I thought I sensed.

Mr. FULBRIGHT. As I said, there are always a few differences of opinion, on specific items, but this is not one of them.

Mr. KERR. I should like to refer to the specific item upon which the Senator from Arkansas and the distinguished Senator from Illinois have agreed.

Mr. FULBRIGHT. Yes.

Mr. KERR. I hold in my hand the excerpt which the distinguished Senator from Illinois gave me, and to which he made reference, and to which the Senator from Alabama has just made reference. I find it reads:

> We pledge ourselves * * * to tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation—

Is that what it says?

Mr. SPARKMAN. From which platform is the Senator reading?

Mr. KERR. It continues:

> which will encourage business expansion——

Mr. DOUGLAS. Will the Senator read the next clause, please?

Mr. KERR. The Senator from Illinois may read it.

Mr. DOUGLAS. Will the Senator from Oklahoma read it now?

Mr. KERR. The Senator from Illinois may read it when he gets to it. I did not interrupt the Senator from Illinois.

Mr. DOUGLAS. The Senator was reading the quotation. Now I should like to have the Senator read the second clause.

Mr. KERR. I shall be glad to do that when I finish discussing this one.

I wish to say to my good friend, the Senator from Illinois, that he is a master of practically everything, but, after all, if it is all right with him, I will proceed in this examination in my own way.

Mr. DOUGLAS. But the Senator was reading along and then stopped. There are some very vital words which follow, which indicate the pledge was confined to corporate taxation.

Mr. KERR. I was reading what the Senator from Illinois told me was a copy of the language of the Democratic platform.

Does the Senator have the Democratic platform in his hand? Perhaps we could use that.

I shall return to the Senator from Illinois the copy I have, since my using it seems to give him the idea that it places in his hands the power to control the matter, and the manner in which I discuss it.

Mr. DOUGLAS. Oh, no. But the next clause reads:

> and to the realistic application of the principle of graduated taxation to such corporate income.

Which is precisely what the Senator from Arkansas is advocating.

Mr. KERR. Now may I proceed with my examination?

Mr. DOUGLAS. Certainly.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and, if so, to whom?

Mr. FULBRIGHT. I yield to the Senator from Oklahoma for a question.

Mr. KERR. Does the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. KERR. I wish to thank the Senator for his generosity.

Mr. DOUGLAS. I am very anxious that the fine reputation of the Senator from Oklahoma for accuracy should be continued.

Mr. KERR. I must say I am overwhelmed by the Senator's concern for my accuracy, and I imagine his concern about my reputation is exceeded only by mine for his.

I refer again to the language which is in the Democratic platform, to which the Senator from Illinois, the Senator from Alabama, and the Senator from Arkansas addressed themselves:

> We pledge ourselves * * * to tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion, and to the realistic application of the principle of graduated taxation to such corporate income.

This pledge, as I understand it, is to provide tax relief for all small and independent businesses.

Mr. FULBRIGHT. It does refer to corporate income in that particular reference.

Mr. KERR. Does the distinguished Senator from Arkansas think the Democratic platform limited its pledge to corporate structures?

Mr. FULBRIGHT. That particular paragraph makes reference to "such corporate income."

I must say to the Senator I personally do not wish to stop for all time some relief for small corporations. I would be perfectly willing to go along with any amendment the Senator could work out to give relief in other fields. The Senator well knows the reason for this approach.

Mr. KERR. I am addressing myself to the amendment the Senate is now considering.

Mr. FULBRIGHT. The amendment is for the relief of small corporations, and that is all that is referred to in the particular paragraph of the platform just quoted.

Mr. KERR. I deny that this particular paragraph is limited to corporate small business.

Mr. SPARKMAN. Mr. President, will the Senator yield to me on that point for one suggestion?

Mr. FULBRIGHT. I would not say that the Democratic Party intended to limit altogether its concern about small corporations to this particular reference or to such corporate income. I think an overall reading of the whole statement could well be interpreted to mean that also the Democratic Party would welcome relief for other small taxpayers.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. The Senator from Arkansas knows, does he not, that I introduced five proposals relating to taxation?

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. I introduced them in an effort to meet the very test on which the Senator from Oklahoma is checking. I appeared before the Committee on Finance in behalf of all five of the amendments. Does the Senator from Arkansas know what the committee did with them?

Mr. FULBRIGHT. No.

Mr. SPARKMAN. The committee rejected them, the same as it rejected the amendment offered by the Senator from Arkansas.

How are we going to meet the problem? If we try to take care of all small businesses, whether they be incorporated or unincorporated, we meet exactly the same fate.

Mr. FULBRIGHT. The proposals are voted down because they will cost the Treasury too much. If we bring in one which will not cost the Treasury too much, the committee will not entertain it because it does not give relief to everybody.

Mr. SPARKMAN. The President's Cabinet Committee plainly recommended a program which would allow small, closely held businesses to defer taxes over a period of at least 10 years. I followed their recommendation exactly with the bill. It would not cost the

Government anything. It would defer the payments, but in the long run it would not cost anything; it would make money. Does the Senator know what fate my proposals met with the committee?

Mr. FULBRIGHT. No.

Mr. SPARKMAN. They were all voted down. They met the same fate.

Both parties build up a feeling across the country that something will be done for small business. When do we get a chance to do it? Only when a tax bill is sent to the Senate by the House. Yet it is always too late to get the proposal added to the bill, and we meet exactly the same fate, regardless of what the measure may be, if we try to have it written into the bill.

I wonder if the Senator from Arkansas read in the newspapers a few days ago the speech made by a New York banker. In his speech, the banker pointed out that the primary economic problem in the United States today is tax relief for small business. The article appears on the first page of the financial section of the New York Times of March 23, 1957. The headline is: "Taxes Are Held Biggest Factor in Failures of Small Businesses." The speech was delivered by Mr. George Champion, president of New York's Chase Manhattan Bank.

Mr. FULBRIGHT. The Chase Manhattan is the largest bank in the country.

Mr. SPARKMAN. Mr. Champion says that taxes are the greatest factor in the failure of small businesses.

I wonder if the Senator from Arkansas read in the Journal of Commerce of today an article entitled "Business Failures."

Mr. FULBRIGHT. No; I did not.

Mr. SPARKMAN. The article reads:

> Business failures increased to 318 in the week ended March 21 from 301 in the preceding week, reported Dun & Bradstreet, Inc. The toll was considerably heavier than the 206 last year and the 232 in 1955. However, for the first time in 6 weeks failures dipped below their prewar level. They were down 9 percent from the 350 in the similar week of 1939.
>
> Nearly all the weeks' increase occurred in retailing, where the toll mounted to 165 from 141.
>
> * * * * *
>
> Considerably more business failed than a year ago in all industry and trade groups. In fact, tools were over 50 percent above their 1956 levels in all functions except manufacturing.

Almost every day, certainly almost every week, we read articles about the increasing hardships of small business. It is important to note that persons like the president of the Chase Manhattan Bank are citing it as the primary economic problem.

Yet what do we do in the Senate? We say, "Wait 15 months; then we will talk about it."

It has been almost 15 months since the Senator from Arkansas first introduced his bill. The country has been led to believe that something will be done. Yet we are now confronted with exactly the same response as was made in the past: "We will study the problem and try to do something about it next year."

Mr. KERR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KERR. In order that I may get the discussion back to where it was before our delightful friend from Alabama took charge of it——

Mr. SPARKMAN. Does the Senator from Oklahoma recall that I yielded to let him ask a question or two, and that he took charge and has had charge ever since?

Mr. KERR. If it is not satisfactory to the Senator from Alabama to yield to me, I will retire.

Mr. FULBRIGHT. I yield to the Senator from Oklahoma.

Mr. KERR. The Senator from Alabama has told us about five measures which he sponsored before the committee. I am certain the Senator from Arkansas realizes that not one of them was identical with the measure we are discussing.

Mr. FULBRIGHT. They were similar in purpose, but not identical. I think that is correct.

Mr. KERR. The five measures which he introduced before the committee, according to his own testimony, would have required or brought about a reduction of a billion dollars a year in taxes. Ninety percent of that amount, or $900 million, would have been allocated to corporations under the provisions of his amendment.

As I understand the pledge of the Democratic Party, which was referred to by the Senator from Arkansas and other Senators who have addressed themselves to this matter, the pledge is to give "tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation."

I should like to know if the Senator from Arkansas agrees with that statement.

Mr. FULBRIGHT. I would agree with it; yes. That is the objective of the Democratic Party. But, as I say, corporate income is specifically mentioned. I would say a proper interpretation means that such relief should be given to all small business. The proposal does not mean that until we can reach perfection and can give everyone all relief, we should not give it to any particular group.

Mr. KERR. Nor does the Senator from Oklahoma maintain that position. I was simply trying to establish the basis upon which we were discussing the question.

Mr. FULBRIGHT. The sentence reads:

> We pledge ourselves to tax relief for all small and independent business by fair and equitable adjustments in Federal taxation which would encourage business expansion, and to the realistic application of the principle of graduated taxation to such corporate income.

The word "such" seems to refer back to the antecedent "all small and independent businesses."

But we also know that the Democratic Party has said it does not mean to exclude sole proprietors.

Mr. KERR. This is the only statement in the platform about helping small businesses.

Mr. FULBRIGHT. I did not examine every provision; this is the only one with which I am familiar.

Mr. KERR. Will the Senator from Arkansas agree with me that our party did not promise to limit itself to give all the relief to the corporate small business of our country?

Mr. FULBRIGHT. I do not think the Democratic Party intended to say it was interested only in giving relief to corporations, be they small or large.

Mr. KERR. So if we are going to do something to carry out the pledge of the Democratic Party, it will have to be something which will be equitable and fair as between all types of small business.

Mr. FULBRIGHT. It will have to be equitable and fair. We do not want to be unfair to anybody by giving relief only to one group. I think that is quite proper.

Mr. KERR. Is the Senator from Arkansas aware of the fact that corporate small businesses amount to only about 10 percent of those engaged in small business?

Mr. FULBRIGHT. I have just read the figures taken officially. I did not reduce them to a percentage, if the Senator wishes to make a point about it. Is the Senator speaking about sole proprietors and partnerships?

Mr. KERR. I am speaking of the percentage of all small businesses as represented by those who are unincorporated.

Mr. FULBRIGHT. I should say that that is probably right, because there are a great many small businesses which are sole proprietorships. I read the figure a minute ago.

Mr. KERR. If there is any doubt about the figure of 10 percent being accurate, I should be glad to go further into the matter.

Mr. FULBRIGHT. It may be 8 or 9 percent, or something like that.

Mr. KERR. I think it is about 10 or 11 percent.

Mr. FULBRIGHT. I will accept that figure as being generally correct. For example, there would be 6,342,562 sole proprietors who had net profit in 1953.

Mr. KERR. How many corporations?

Mr. FULBRIGHT. Approximately 697,000.

Mr. KERR. That is big, little, and middle sized?

Mr. FULBRIGHT. That is correct.

Mr. KERR. That would mean that the number of incorporated small businesses amounts to only approximately 10 or 11 percent of those engaged in small-business operations.

Mr. FULBRIGHT. I will not argue over the percentage. Ninety-eight percent of the corporations will obtain relief under this amendment. Two percent will have a slight burden added to their tax bills.

Mr. KERR. But all of them put together amount to only 10 percent of the total; is not that correct?

Mr. FULBRIGHT. That is correct; I will not argue about the percentage.

Mr. KERR. Mr. President, will the Senator from Arkansas yield further to me?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Arkansas yield further to the Senator from Oklahoma?

Mr. FULBRIGHT. I yield.

Mr. KERR. At this point will the Senator from Arkansas state for the RECORD the amount of relief which, under his amendment, would be provided for these taxpayers?

Mr. FULBRIGHT. In round numbers, or percentagewise?

Mr. KERR. In dollars.

Mr. FULBRIGHT. I think it will be in the neighborhood of between $400 million and $500 million.

Mr. KERR. The amendment does not provide any tax relief for any taxpayers except those who are incorporated, does it?

Mr. FULBRIGHT. That is correct.

Mr. KERR. I wish to say that I am just as much in favor of making a tax adjustment in order to carry out this pledge of the Democratic Party platform as is the Senator from Arkansas, or the Senator from Alabama, or the Senator from Illinois; and, further, I wish to say to the Senator from Arkansas that I have a very, very high respect and regard for him.

Mr. FULBRIGHT. The Senator from Oklahoma is very kind.

Mr. KERR. I know of no Member of this body who is more entitled to respect or to greater recognition of his merit and his integrity of purpose than is the Senator from Arkansas.

Mr. FULBRIGHT. I appreciate those kind words.

Mr. KERR. And in the discussion I am having with the Senator from Arkansas, I am proceeding in line with that feeling. However, in view of the information which has peen pinpointed here, I have the conviction that if the amendment of the Senator from Arkansas shall be agreed to, it will provide tax relief in the neighborhood of $400 million.

Mr. FULBRIGHT. Yes; in that neighborhood.

Mr. KERR. But I have the conviction that the benefit of the amendment will be limited to approximately 10 percent of the group, whereas I know that the Senator from Arkansas has an equal regard for all members of the group.

Mr. FULBRIGHT. That is correct. I wish we could provide relief for all of them. But we cannot, because the Treasury Department could not stand it, and the Senator would not support it, and neither would the committee.

Mr. KERR. I wish to say that the Senator from Oklahoma will support proposed legislation which will give relief to all of them, regardless of whether the Secretary of the Treasury favors it.

Mr. FULBRIGHT. I did not know that.

Mr. KERR. The Senator from Arkansas was here when he and I and other Senators attempted—2 years ago, I believe—to provide tax relief in a total of $2 billion, such relief to be provided for every individual taxpayer in the country on the basis of giving the greatest benefit to the low-income groups.

Mr. FULBRIGHT. The Senator from Oklahoma is quite correct; and I voted for that amendment. I remind him that I voted against the 1954 bill because I thought all its benefits would go to big business. I do not recall the number of Senators who voted against it, but I was one of them; and I am glad I did vote against it, because under that bill the benefit of many unwise provisions have been given to the big ones, and the little ones have not received such benefit. I am now trying to correct that situation.

Mr. KERR. I believe the Senator from Arkansas is trying to do so. But even under the provisions applicable prior to the 1954 bill, as well as under those providing for higher excise-tax rates and higher individual income-tax rates, in the past 2 years reductions totaling approximately $7,400 million a year have been made in the tax structure, applicable to all the taxpayers of the United States.

Mr. FULBRIGHT. But with emphasis upon the big corporations. That is what I complain about.

Mr. KERR. It is very good for the Senator from Arkansas to say that, because it illustrates my conclusion, namely, that of the $7,400 million, individual taxpayers have received benefits in the amount of $3,800 million, and all corporate taxpayers have received benefits in the amount of approximately $3,600 million of the total. The latter group of benefits includes termination of the excess-profits tax. The Senator from Arkansas and I agreed that that division of the tax relief was not equitable, and that more of the relief should have gone to those in the lower income-tax groups.

Mr. FULBRIGHT. That is the burden of my song, I may say to the Senator from Oklahoma.

Mr. KERR. That is why I am surprised to see the Senator from Arkansas sponsoring proposed legislation which would give an additional $400 million of tax relief, but would limit it 100 percent to corporate taxpayers, whereas at least 90 percent of those in whom I know he is equally interested would not receive a penny's worth of benefit from his amendment.

Mr. FULBRIGHT. Let me ask the Senator from Oklahoma a question: Does he think there is the slightest chance that a bill giving relief in any substantial amount to the other small taxpayers, and which would result in a substantial decrease in the total income to the Government, would be considered favorably by his committee? In other words, the only point I make is that the reason the amendment is restricted is that this is one bit of relief which can be given without encountering the argument that the Treasury cannot afford the consequent loss in revenue.

It is true that there are other important considerations in this whole field. I am afraid of a repetition of the 1929 experience in this country—that is to say, excessive inflation, resulting in a depression. I do not wish to take the responsibility of adding to inflationary pressures, by means of deficit financing. That is the reason why I have not proposed—and I do not know of any Senator who has proposed—a real cut in the income of the Government, without a corresponding cut in the outgo. If a cut were made in the income, without a corresponding cut in the outgo, there would be deficit financing.

But the pending amendment is not subject to any such criticism, for it will not decrease the Government's income. The amendment provides for a very restricted shift in a small amount of taxes. I make no claim that the amendment is the final answer to the problems involved here at all. Time and time again I have said that the amendment provides for a small amount of good which can be done.

Does the Senator from Oklahoma refuse to do one kind deed, when he cannot rectify all the ills existing in the world?

Mr. KERR. No, indeed.

Mr. FULBRIGHT. Of course, the Senator from Oklahoma does not.

Mr. KERR. Mr. President, will the Senator from Arkansas yield further to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Arkansas yield further to the Senator from Oklahoma?

Mr. FULBRIGHT. I yield.

Mr. KERR. The Senator from Arkansas is aware, is he not, that his amendment will reduce the taxes paid by some taxpayers——

Mr. FULBRIGHT. That is correct.

Mr. KERR. And that it will increase the taxes paid by other taxpayers?

Mr. FULBRIGHT. But only in the case of a very few large corporations.

Mr. KERR. But the amount of such increase in taxes will be the same as the amount of the reduction of taxes that is made as a result of adoption of the amendment.

Mr. FULBRIGHT. Such increase in taxes will apply to very few taxpayers in number, and will apply to those who can well stand such an increase.

Mr. KERR. I do not deny that; but I recognize that to the extent that the amendment reduces taxes in the case of some taxpayers, it will increase taxes in the case of other taxpayers.

Mr. FULBRIGHT. That is absolutely correct. I thought that essential in order to avoid the objection I have just mentioned.

Mr. KERR. Let me say to the Senator from Arkansas that I do not criticize an effort to do good to some, simply because the same good cannot be done to all. But my opinion of the great Senator from Arkansas has been, and still is, that if he proposes to do some good for one group, he will not pick out 10 percent of those equally entitled to such relief and provide that they be given relief, and provide that such relief be denied to the others, especially when the group he picks out to have 100 percent of the benefit of his amendment is the incorporated group, whereas certainly those who are doing business on a unincorporated basis are equally entitled to receive such relief, are equally among the casualties referred to by the great Senator from Alabama as being in failing businesses, and certainly are just as much entitled to such relief as are the 10 percent whose businesses are incorporated.

Mr. FULBRIGHT. The unincorporated, sole proprietors in a position to do business of a similar nature are already paying at a lower rate than are those who will receive the benefit proposed by means of this amendment. In my explanation of the amendment, I have outlined that situation. The great mass of the sole proprietors—approximately 98 percent of them—already are paying at a rate of 22 percent or less. By means of this amendment we shall only bring the small-business men to whom the amendment applies into the same category.

Mr. KERR. Let us make sure that that matter is stated accurately for the RECORD. Who are the ones who pay at a rate of less than 22 percent on personal income?

Mr. FULBRIGHT. Mr. President, I regret that the Senator from Oklahoma was not present——

Mr. KERR. I was here.

Mr. FULBRIGHT. Then does the Senator from Oklahoma challenge the accuracy of my statement?

Mr. KERR. I do not challenge its accuracy. I simply ask the Senator from Arkansas to make the matter clear.

Mr. FULBRIGHT. I admit that this is a very technical matter, and it is not easy to spell it out.

Mr. KERR. That is correct.

Mr. FULBRIGHT. But it has been set forth to the best of my ability and to the best of the ability of my staff, in an attempt to make the presentation accurate. I shall repeat the statement.

Mr. KERR. Will the Senator from Arkansas answer my question: What percentage of personal income is exempt from taxation; how much is the exemption in dollars and cents?

Mr. FULBRIGHT. Of course, that varies——

Mr. KERR. No; it does not vary——

Mr. FULBRIGHT. It varies, as the Senator from Oklahoma well knows, according to the number of dependents.

Mr. KERR. It may be affected by the number of dependents; but an individual starts out with a certain amount of income that is not subject to tax.

Mr. FULBRIGHT. Is $600 what the Senator is talking about?

Mr. KERR. That is the amount of dependency exemption, $600.

Mr. FULBRIGHT. Yes. The individual has a $600 exemption. Does the Senator mean that I did not take that into calculation?

Mr. KERR. I did not mean anything about what the Senator did or did not do. I was merely trying to get into the RECORD information which I believe will fail to sustain the position which the Senator from Arkansas took with reference to the posture of individual taxpayers, because the rate for the individual businessman goes up much faster than it does for an incorporated businessman.

Mr. FULBRIGHT. The Senator is talking about persons in the very high brackets.

Mr. KERR. No, I am not. How high does the Senator think income has to go before a person is subject to a 30-percent rate?

Mr. FULBRIGHT. I think he has to make $28,000. The effective rate at $28,000, according to our calculations, results in a tax of $8,520, which is 30.4 percent. That is the effective rate.

Mr. KERR. Is that $28,000 for a single man, or a married man with dependents?

Mr. FULBRIGHT. That is for a married man. It is the rate effective for married taxpayers. Each individual amount has not been calculated. We could not calculate it for an unlimited or infinite number of dependents.

Mr. KERR. If I understand, then, the Senator tells us the amount of income which an individual must receive, before a 30-percent rate is effective, is $28,000.

Mr. FULBRIGHT. No. This is what the Senator from New Mexico [Mr. ANDERSON] brought out in the hearings, as shown on page 21:

> Senator ANDERSON. He hits 30 percent very early as a top base or bracket but he doesn't hit an average 30 percent of his take until he gets above $37,500 or an equivalent figure. He has $35,000 net income. He pays $10,800.

That was the statement of the Senator from New Mexico.

Mr. KERR. Was the Senator from New Mexico talking about an individual taxpayer, or a taxpayer making a joint return with his spouse, or one who had a number of dependents?

Mr. FULBRIGHT. This is an individual. The difference between a joint taxpayer and an individual taxpayer has been explained. What we were calculating was the effective rate, not at what bracket the taxpayer reaches 30 percent.

Mr. KERR. The present rate on corporations is 20 percent.

Mr. FULBRIGHT. It is 30 percent. It starts off on the first nickel earned.

Mr. KERR. The first nickel?

Mr. FULBRIGHT. Yes.

Mr. KERR. Can the Senator tell me how much an individual can make free of taxes?

Mr. FULBRIGHT. $600 is the individual exemption. The rate on the first $4,000 is 20 percent. That is $800.

Mr. KERR. In other words, under the present law, the individual pays the same rate the corporation would pay under the amendment the Senator offers. Is that correct?

Mr. FULBRIGHT. No. My amendment would start at 22 percent.

Mr. KERR. It is 20 percent on the first $4,000.

Mr. FULBRIGHT. No.

Mr. KERR. I understood the Senator to say the taxpayer was subject to a 22 percent rate to begin with.

Mr. FULBRIGHT. That is correct, for corporations under my amendment but the individual has to earn $12,000 to fall under the 22 percent effective rate.

Mr. KERR. But he pays 20 percent on the $4,000.

Mr. FULBRIGHT. That is right.

Mr. KERR. Is the Senator making a difference between 20 and 22 percent?

Mr. FULBRIGHT. There is quite a difference.

Mr. KERR. The Senator is not saying the taxpayer pays nothing until he gets to $12,000, is he?

Mr. FULBRIGHT. No. That is the effective rate, which, as the Senator knows, is the composite rate.

Mr. KERR. The taxpayer pays that on the entire $12,000?

Mr. FULBRIGHT. Yes.

Mr. KERR. And he pays 20 percent on the entire $4,000?

Mr. FULBRIGHT. That is correct. That is my understanding.

Mr. KERR. That is correct, and the Senator's understanding about it is right. The Senator is certainly aware of the fact that every individual starts right in paying 20 percent on his income, unless he has exemptions.

Mr. FULBRIGHT. That is right.

Mr. KERR. If the Senator is going to give relief to small business, he cannot effectually accomplish that purpose, either on principle or on the basis of the pledge in the Democratic platform, unless he makes it applicable to all of them, instead of to only 10 percent. That is the point of the Senator from Oklahoma.

Mr. FULBRIGHT. I only say nearly 98 percent of the proprietors are already paying 22 percent or less.

Mr. KERR. Or less?

Mr. FULBRIGHT. Twenty-two percent or less.

Mr. KERR. Will the Senator tell me who pays less?

Mr. FULBRIGHT. Those who earn less than $12,000.

Mr. KERR. In other words, those with exemptions——

Mr. FULBRIGHT. Those who do not earn $12,000 pay 22 percent or less. The term "$12,000" takes in those who earn $12,000 or less, which takes in about 98 percent of the taxpayers.

Mr. KERR. Would not the Senator be more accurate if he said those who pay 22 percent or nothing?

Mr. FULBRIGHT. Or nothing?

Mr. KERR. Yes. What rate is less than 22 percent, under our tax law?

Mr. FULBRIGHT. Twenty percent is less than 22 percent.

Mr. KERR. If taxpayers pay anything at all, they pay 20 percent, do they not?

Mr. FULBRIGHT. Yes; except for their exemptions.

Mr. KERR. If they have exemptions, they do not pay anything.

Mr. FULBRIGHT. Twenty percent is less than 22 percent. How does it hurt anybody if the corporate rate is lowered to 22 percent? We do not harm any of those individuals.

Mr. KERR. Neither does the Senator give them any benefit.

Mr. FULBRIGHT. Absolutely. I make no pretense of giving benefit to everybody.

Mr. KERR. Therein is the weakness of the proposal.

Mr. FULBRIGHT. I go back to what I said previously—I am sure the Senator does not object to doing a little good.

Mr. KERR. I would certainly join the Senator in a proposal to increase the exemptions, which would make benefits available to the little fellow.

Mr. FULBRIGHT. I will go along with the Senator, with the restriction that it does not result in deficit financing. Under the conditions which exist today, one of the greatest domestic threats is inflation. I know that what haunts the party in office today is a repetition of 1929. I do not want to be a party to helping that come about. Last year I tried to sound a warning lest there be a repetition of what happened in 1929. However, if the Senator thinks we can reduce expenditures, I will join with him and support his amendment.

Mr. KERR. I will return that pledge to the Senator. I will join with him.

Mr. FULBRIGHT. This amendment does not cause deficit financing. It causes not one single dollar's loss to the Treasury.

Mr. KERR. The same principle could be applied in the suggestion I made if individual exemptions were increased. We could provide for increases in taxes somewhere else.

Mr. FULBRIGHT. Why does not the Senator offer such an amendment?

Mr. KERR. The Senator from Oklahoma did. It was defeated three different times.

Mr. FULBRIGHT. Has the Senator from Oklahoma done it this year?

Mr. KERR. No.

Mr. FULBRIGHT. After all, the Senator is on the committee. He is more of an expert on this subject than I am. I am an amateur in this field, although I happen to know something about small business. There are small businesses in Fayetteville, Ark., that make $5,000. I know what a burden taxes are on them.

Mr. KERR. I know there are workers in the State of the Senator from Arkansas who make $5,000 or less, but I cannot find anything in this proposal that helps them.

Mr. FULBRIGHT. I do not purport to solve all the ills in the Nation's economy. I picked out one little segment. That can be done without harming anybody, including the Federal Government. I see no validity in the argument that because we are not helping everyone we should not help this little group.

Mr. SPARKMAN. Mr. President——

Mr. KERR. Mr. President, let me conclude, and then I shall allow the Senator from Alabama to return to the fray.

The Senator from Arkansas said he was justifying his proposal on the basis of a pledge contained in the Democratic platform.

Mr. FULBRIGHT. That is correct.

Mr. KERR. Which he now agrees would not be fulfilled by this amendment.

Mr. FULBRIGHT. I did not say that the Democratic platform was the only reason. I said it was one of the reasons.

An original bill, identical with this amendment, was introduced before the platform was written. The platforms of both parties came along and endorsed the bill, in effect. Those platforms were not the origin of the bill, as I said in my original speech. As long ago as 1948 I introduced a bill seeking to achieve a similar purpose.

Mr. KERR. That is correct; but the party platform did not come along and endorse the Senator's bill. The party platform made a pledge to give this relief to all taxpayers.

Mr. FULBRIGHT. Yes.

Mr. KERR. The bill would give relief to 10 percent of the taxpayers.

Mr. FULBRIGHT. The party platform did not say that if we could not give everyone relief we would not give relief to anyone.

Mr. KERR. It did not say, "We hereby pledge ourselves to give benefits to corporate taxpayers."

Mr. FULBRIGHT. The Senator is quibbling over a few words. The Senator is not impressed one way or the other by the platform, in any case. That is not controlling. I have never taken the position that party platforms should be followed slavishly in every respect. I do not take that position now. They are an indication of the composite wisdom of those who draft them. By and large, we should pay attention to them, if, as in this case, they have application to particular problems confronting us. We all do that, I think, in more or less good faith. However, we are not restricted to the application of relief to everyone at one time. It is an utter impossibility to do it in any case. The Senator knows that. We must approach the problem piecemeal.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. Of course, the platform contains a number of items under the heading "Small and Independent Business." It contains five items. The item to which the distinguished Senator from Oklahoma made particular reference is the second item. It really has three different parts.

Mr. FULBRIGHT. Yes. It is a composite item.

Mr. SPARKMAN. First, it says:

> We pledge ourselves to tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion—and to the realistic application of the principle of graduated taxation to such corporate income.
>
> An option should be provided to spread Federal estate taxes over a period of years when an estate consists principally of the equity capital of a closely held small business.

What is the business we are considering in connection with this measure today? Are we not trying to determine the level of corporate income taxes?

Mr. FULBRIGHT. Certainly. If we were considering an amendment dealing with individuals, the Senator from Oklahoma and his colleagues would yell to high heaven, "This is only a corporate-tax bill. It has nothing to do with the other features."

Mr. KERR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KERR. I would rather the Senator would not say that I would yell to high heaven.

Mr. FULBRIGHT. I mean he would lift his mellifluous voice. Of course he would not yell. He would raise his voice to the greatest heights of eloquence, and I am sure he would carry everything before him, as he usually does, both in committee and on the floor.

But the Senator from Alabama is quite correct.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. I invite attention to the fact that I introduced a bill to provide for the spread of Federal estate taxes over a period of 10 years, which bill was recommended by the President's Cabinet Committee. I went before the committee and testified on the bill. Does the Senator know what the committee did with it?

Mr. FULBRIGHT. No.

Mr. SPARKMAN. It voted it down. The Senator had one amendment. I had five amendments. Various other Senators had amendments. Was a single one agreed to? There were probably a dozen different amendments pending. Not a single one was approved. Yet the objection is made on the floor that the Senator's amendment hits only one segment. The other amendments covered other segments, but they were all treated alike.

Mr. FULBRIGHT. The Senator is absolutely correct. It is an objection without any substance whatever, in view of the objections with regard to the other amendments.

Mr. SPARKMAN. It seems to me that it might be a good idea, in order to clarify the record, to place in the RECORD at this point the Democratic platform pledge, and perhaps the Republican pledge, relating to small business. Has that been done?

Mr. FULBRIGHT. No.

Mr. President, I ask unanimous consent that the portions of the respective platforms relating to small business be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the Democratic platform of 1956]

> Small and independent business: In contrast to the maladministration by the Republican Party of the Federal program to assist small and independent business, we pledge ourselves—
>
> (1) To the strict and impartial enforcement of the laws originally fostered and strengthened by the Democratic Party and designed to prevent monopolies and other concentrations of economic and financial power, and to enact legislation to close loopholes in the laws prohibiting price discrimination;
>
> (2) To tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion, and to the realistic application of the principle of graduated taxation to such corporate income. An option should be provided to spread Federal estate taxes over a period of years when an estate consists principally of the equity capital of a closely held small business;
>
> (3) To adoption of all practical means of making long- and short-term credit available to small and independent businessmen at reasonable rates;
>
> (4) To the award of a substantially higher proportion of Government contracts to independent small businesses, and to the award of a far larger percentage of military procurement, by value, after competitive bids rather than by negotiation behind closed doors. We severely condemn Republican discrimination against small and independent business;
>
> (5) To replacement of the weak and ineffective Republican conduct of the Small Business Administration, and its reconstitution as a vigorous, independent agency which will advocate the cause of small and independent businessmen, and render genuine assistance in fulfilling their needs and solving their problems. We condemn the Republican administration for its failure to serve this important segment of our economy.

[From the Republican platform of 1956]

Then, insofar as consistent with a balanced budget, we pledge to work toward these additional objectives:

Further reductions in taxes with particular consideration for low and middle income families.

Initiation of a sound policy of tax reductions which will encourage small independent businesses to modernize and progress.

Continual study of additional ways to correct inequities in the effect of various taxes.

Mr. SPARKMAN. Mr. President, may I make another suggestion?

Mr. FULBRIGHT. Certainly.

Mr. SPARKMAN. In order that we may have it constantly before us as a reminder, would it not be well to place in the RECORD an excerpt from the progress report by the Cabinet Committee?

Mr. FULBRIGHT. Yes. Included in that report is a section dealing with this subject. I ask unanimous consent to have that portion of the report printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

TAXATION

With regard to Federal taxes the Committee recognizes the recent improvement in the budgetary outlook and, in the event that the budgetary outlook remains favorable, recommends—

1. That the taxes imposed on business corporations be modified by reducing the tax rate from 30 percent to 20 percent on incomes up to $25,000.

At present the tax rate is 30 percent of the first $25,000 of the income of a corporation and 52 percent of the income in excess of $25,000. The Committee's proposal would reduce by one-third the tax on the first $25,000 of corporate income, but would leave unchanged the tax on income in excess of this figure. Thus, the benefits from tax reduction would be concentrated progressively upon corporations with the smallest net incomes.

While taxes on all corporate businesses should in time be lowered, the present proposal would substantially reduce the taxes on small corporations which constitute the great majority. It would help the smaller firms to retain earnings for financing expansion, or would give them some advantage in pricing. It would generally encourage the formation of new businesses.

2. That businesses be given the right to utilize, for purchases of used property not exceeding $50,000 in any one year, the formulas of accelerated depreciation that were made available to purchasers of new property by the Internal Revenue Code of 1954.

This measure would benefit small and new businesses, whether or not they are incorporated. Because of the limitations of its capital, a small business must often begin operations by buying an old building, used machinery, or used display equipment. Under the Internal Revenue Code of 1954, only new property is eligible for the prescribed methods of accelerated depreciation. An extension of the privilege of accelerated depreciation deductions to limited purchases of used property would improve the financial position and outlook of smaller businesses.

3. That corporations with, say, 10 or fewer stockholders be given the option of being taxed as if they were partnerships.

Many small businesses avoid the corporate form of organization, despite the advantages of limited liability and continuity of legal existence, because the corporate income tax may prove an added burden. The present proposal would make decisions whether or not to incorporate turn on factors other than taxes, since the law already gives certain partnerships the option of being taxed as corporations.

This measure was originally proposed by the administration in 1954. It would particularly benefit small firms having stockholders with very modest incomes.

4. That the taxpayer be given the option of paying the estate tax over a period of up to 10 years in cases where the estate consists largely of investments in closely held business concerns.

At present the need to pay a heavy estate tax at times leads to the disruption of the management, control, and operations of a small business. This is a contributing cause of numerous mergers. Although the law permits the Commissioner of Internal Revenue to defer the payment of the estate tax up to 10 years, this provision of the law applies only to cases of hardship. It does not give the taxpayer who may claim hardship any assurance that his claim will be recognized. Nor is relief available when assets can be sold at a fair price, even though the sale leads to the merger or dissolution of a company.

To remove these difficulties the taxpayer should be given the option of paying the estate tax forthwith or in installments over a maximum period of 10 years, whenever an estate consists largely of investments in closely held business concerns. In the event that the taxpayer elects the latter option, he should be charged a moderate rate of interest as at present in hardship cases. Careful consideration should be given to the merits of limiting the installment option to an estate tax of some specified maximum amount.

Mr. SPARKMAN. Mr. President, may I make one further suggestion?

Mr. FULBRIGHT. Certainly.

Mr. SPARKMAN. There was a very readable article in the Wall Street Journal of October 22, 1956, covering President Eisenhower's news conference, in which he told of the progress which was being made, and stated that he intended to propose a small-business program to the next Congress. I wonder if the Senator would care to place that article in the RECORD.

Mr. FULBRIGHT. I should like to have that article included in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of October 22, 1956]

EISENHOWER PLANNING SPECIAL PROGRAM OF TAX AID, OTHER RELIEF FOR SMALL BUSINESS FOR NEXT CONGRESS—PRESIDENT SAYS OTHER STEPS NOT NEEDING LEGISLATION WILL BE TAKEN BEFORE THEN

(By a Wall Street Journal Staff Reporter)

WASHINGTON.—President Eisenhower disclosed he is drawing up a special program for small business—topped by tax relief—to present to Congress next year.

He also reviewed his administration's favors to small-business men since 1953 and outlined still other steps he is taking to help them before Congress returns next January.

The President's statement of plans for small-business men took the form of a telegram to an upstate New York group called Small Businessmen for Ike. They complain that, while the administration has a good record for small concerns, the Democrats are misrepresenting it in their campaign oratory.

In reply, Mr. Eisenhower said he is moving ahead with legislative proposals which, among other things, would:

Cut to 20 percent from the present 30 percent, the Federal tax on a corporation's first $25,000 of income.

Boost to $500,000 from the present $300,000 the ceiling on securities issues exempt from full registration with the Securities and Exchange Commission.

Enable the Department of Justice to scrutinize more closely proposed mergers that might jeopardize the competitive position of little companies.

Extend the life of the Small Business Administration beyond its expiration date of next June 30.

NONLEGISLATIVE STEPS TAKEN

Noting that these proposals were made last summer by the Cabinet Committee on Small Business, Mr. Eisenhower said he has "already put into operation" the Cabinet Committee proposals that don't require new legislation.

Specifically, the Chief Executive said he has:

Called for a "comprehensive review" of Government procurement policies aimed at increasing small-business share of Uncle Sam's purchases, urging big prime contractors to subcontract to little concerns and insuring that a small concern's need for "progress payments" on partly completed Government work won't handicap its chances of getting contracts.

Asked the Commerce Department and SBA to draw up, early next year, programs to keep small business abreast of advances in technology and methods of distribution.

Called on the Budget Bureau to lessen the burden of paperwork on small businesses by simplifying wage reporting for social-security and income-tax withholding and streamlining other statistical reports.

Mr. Eisenhower's statement was in reply to a telegram from Fred Herman, who said his group was "concerned over the misrepresentations of your program in the present campaign."

Democrats have charged the Republican administration is "dominated by big business" and that a growing number of mergers between corporations, coupled with what they call the administration's tight-money policies, are driving many small concerns out of business.

Mr. Eisenhower answered that the record of his 3½ years in office "shows more accomplished, and more under way, for small business than ever before."

"Small business is sharing in the prosperity of the American economy," the President said. "Profits of small manufacturing concerns rose in 1955 and again in 1956." Elsewhere in his telegram the Chief Executive, in reply to Democratic statements that business failures have increased, declared:

There is a "larger number of independent business firms, in relation to the size of the Nation's work force, than there were in 1929 or in 1939," and that "the number is growing rapidly."

Turning to the administration's past activities, Mr. Eisenhower said it created the Small Business Administration, "the first independent peacetime agency to devote itself exclusively to matters of interest to small business."

PRESIDENT CITES "POSITIVE STEPS"

Moreover, he said, it established last spring a Cabinet Committee on Small Business for "developing policies and getting prompt action" on problems involving more than one agency of the Government. Members of this group include the Secretaries of Defense, Commerce, and Labor, the heads of the Office of Defense Mobilization, the Housing and Home Finance Agency, and the Small Business Administration. The group is headed by Dr. Arthur F. Burns, Chairman of the President's Council of Economic Advisers.

In addition to these moves, the President said, the administration has aided small concerns through such "positive steps" as:

Allowing the excess-profits tax to die at the end of 1953 and sponsoring the 1954 general tax revision which included provisions designed to benefit small business.

Getting the Government out of some 234 activities that competed with private enterprise, thereby creating new opportunities for small concerns.

Boosting small concerns' share of prime Government contracts to 22.2 percent of the total in the 3 years ended last June 30, up from 19.4 percent during the period from 1951 to 1953.

Extending to other big buying agencies of the Government the program under which the Defense Department sets aside certain contracts for exclusive award to small concerns.

Setting up a new division in the Federal Trade Commission to handle complaints from little companies of unfair competition from larger concerns.

Approving, through the SBA, over 8,000 business and disaster loans worth nearly a quarter of a billion dollars.

Furnishing, through the SBA and the Commerce Department, advice on management problems and information on Government contract opportunities.

While he did not specifically state that he would ask Congress to cut the tax rate on a corporation's first $25,000 of income, Mr. Eisenhower said the administration has "been moving ahead with the recommendations" of the Cabinet Committee, and added elsewhere in his message that these "excellent recommendations" requiring new legislation "must await the next session of the Congress."

Other tax steps outlined

Mr. Eisenhower noted that the tax recommendations included, in addition to the proposal for slicing the corporate-tax rate, several other proposals which would:

Permit accelerated writeoff, for tax purposes, of a small company's purchases of used property.

Give an estate consisting largely of investments in closely held business concerns an option to pay death taxes over a period up to 10 years, in order to avoid financial disruption of small enterprises.

Give a small corporation with a small number of stockholders an option to be taxed as a partnership. This latter proposal, Mr. Eisenhower explained, is designed to enable the owners of a small business to avoid being taxed twice on earnings received from his business.

PROGRESS REPORT BY THE CABINET COMMITTEE ON SMALL BUSINESS, AUGUST 7, 1956

THE WHITE HOUSE,
Washington, August 9, 1956.

DR. ARTHUR F. BURNS,
Chairman, Council of Economic Advisers, Washington, D. C.

DEAR MR. CHAIRMAN: I was particularly pleased to receive and read the progress report of the Cabinet Committee on Small Business which you and your colleagues have been working on for many weeks.

This administration is engaged in a continuing effort to insure that the American economy is based on a strong, broad foundation of healthy free enterprises—small and large. The first progress report of the Cabinet Committee on Small Business is a further forward step in this effort.

The scope of the report's analysis and recommendations demonstrates that no constructive potential avenue of improvement—either legislative or executive—is being overlooked in our search to widen the opportunities for small businesses in America.

We must continue to strive to eliminate obstacles hindering the growth of small businesses. I also firmly believe that uneconomic or sweeping nostrums have no place in this administration's program; such measures usually help no one and eventually injure all. I am glad to see that the Committee emphasizes the importance of maintaining competition and of continued vigilance against any outcropping of monopoly; also that the Committee's report recognizes the need of preserving and increasing efficiency in business, and that it has focused on positive measures to help small businesses get started and grow.

I want to assure you that I shall give the recommendations of the Committee the prompt and favorable consideration they deserve—both in preparing for executive action and in drawing up the administration's legislative program for the new Congress. I shall ask the departments principally concerned to advise me further.

I wish to thank you and your Cabinet colleagues for this forward-looking and useful progress report, and I urge the Committee to continue its studies of small-business problems and to keep its findings current in order that no opportunity will be neglected to strengthen this vital segment of the American economy.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. SPARKMAN. Mr. President, may I make one further suggestion?

Mr. FULBRIGHT. Certainly.

Mr. SPARKMAN. Should there not also be inserted in the RECORD an excerpt from the article in the New York Times, to which reference has been made, telling about the speech by the president of the Chase Manhattan Bank of New York?

Mr. FULBRIGHT. That should be placed in the RECORD at this point, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

TAXES ARE HELD BIGGEST FACTOR IN FAILURES OF SMALL BUSINESSES

CHICAGO, March 22.—Taxation is a far more formidable threat to small business than tight money, George Champion, president of New York's Chase Manhattan Bank, said today. He branded inheritance taxes the biggest contributor to the demise of small-business enterprises, which, he said, are not being discriminated against by current bank credit policies.

Mr. Champion, who became president of the country's second largest bank last New Year's Day, addressed members of the Executive Club of Chicago at a luncheon meeting in the Sherman Hotel. He made his comments on taxation versus tight money at a news conference earlier in the day.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CARROLL. It is too bad that I do not have with me some of my campaign speech material, which I used a few months ago, so that I might insert it in the RECORD.

We were led to believe, by virtue of the Democratic platform, that if we came to the Senate of the United States the Fulbright bill or the Sparkman bill would be given serious consideration. We campaigned on the unequivocal promise of tax relief to small business. That is why I am amazed to learn today that the bill of the distinguished Senator from Arkansas has received no consideration. I understand it was rejected by the Committee on Finance.

Mr. FULBRIGHT. That is not official, but I understand it was voted down by a very substantial majority.

Mr. CARROLL. I am also amazed to learn that the five amendments of the distinguished Senator from Alabama were rejected.

Will the Senator from Arkansas permit me to ask the Senator from Alabama a question?

Mr. FULBRIGHT. Certainly.

Mr. CARROLL. I understand five of the amendments of the Senator from Alabama have been rejected by the committee.

Mr. SPARKMAN. That is correct.

Mr. CARROLL. Those were amendments——

Mr. SPARKMAN. Those were amendments which were drafted in an effort to meet the objection which the Senator from Oklahoma suggested, that is, that this bill covers only one segment.

If I may briefly enumerate the five amendments, the first one was a graduated income-tax provision.

Another was a provision to allow spreading of the inheritance tax over a period of years, in keeping with the suggestion of the President's Cabinet Committee.

Another would have allowed rapid depreciation in the case of purchases of used equipment. This, too, was in keeping with the recommendations of the President's Cabinet Committee.

Another amendment, also in keeping with the recommendations of the President's Cabinet Committee, would have permitted small corporations desiring to do so to be taxed as partnerships. The Senate passed that measure 2 or 3 years ago, but it was stricken out in conference.

The fifth amendment would have made deductions for moneys paid into pension and benefit funds uniform across the board.

Mr. CARROLL. Let me say to the Senator from Arkansas that a few months ago, in Denver, Colo., a small group of businessmen met, just as we are gathered here in a small group this evening, and discussed with me the Fulbright bill and the Sparkman bill. I told them about the provisions of the Democratic platform. I told them they could depend on me and on the Democratic Party to work toward passage of tax-relief legislation for small businesses.

Also, let me say to the Senator from Alabama, that the statement by the president of the Chase Manhattan Bank is not new. He said that one of the softest spots in our economy is small business. Almost every leading economist has said, "Something must be done about small business. How does small business expect to live? How can it avoid being merged and swallowed up by big business?"

We were led to believe that when we came to Congress we would have before

us for debate and vote a small-business proposal such as have been introduced by the Senators from Alabama and Arkansas. Perhaps the time is premature. I criticize no one, and I do not want my remarks construed as criticism, but I did think I would see quick and effective action on behalf of small business, and that is what I promised my constituents. I have studied the amendment of the distinguished Senator from Arkansas, of which I am cosponsor, and I will admit that I am impressed with the arguments and the points raised by the Senator from Oklahoma, to the effect that the Fulbright bill might be a little restrictive. And, frankly, I am also favorably disposed to the comprehensive treatment of the graduated income-tax bill of the Senator from Alabama.

In any event, it seems to me that the statement of the distinguished Senator from Arkansas is pertinent. Even if it is only 10 percent relief that we can give, it may very well prove to be the opening wedge which will force Congress to take a necessary step forward, if the economic conditions are as serious as indicated by leading bankers and economists. If we take that one forward step, if we would pass the so-called Fulbright amendment, then perhaps in a year or so we can look forward to a more comprehensive program, as suggested by the Senator from Alabama. It would be a serious mistake, I believe, to do nothing. We should move forward by all means.

As a new Member, I should apologize for taking so much of the time of the distinguished Senator from Arkansas. However, I have made a personal pledge that I would come to the Senate to speak in behalf of small-business men, who most certainly need all the help we can give them. No one challenges the fact that small corporations desperately need help. The truth of the matter is that we ought to be moving along the path of presenting and passing in this session a graduated income tax benefiting small business, as was so ably described by the distinguished Senator from Alabama.

Mr. FULBRIGHT. Mr. President, I certainly appreciate the remarks of the Senator from Colorado. He should not feel the necessity of making any apology for his statements, because I certainly think they are very important. I will say to him also that this is the only practical opportunity he will have to vote on any corporate tax bill. From now on he will be met, as I have been met repeatedly during the past years, with the argument that such a proposal is not germane to the bill. Last year the Senate considered a bill dealing with highway construction. My amendment was not considered germane to that bill. I will say to the Senator that he will not have a further practical opportunity to amend this section of the act. This will be his only opportunity.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. First, I certainly agree with the Senator in his statement that there will be no opportunity any more this year, and probably not for the next 15 months, because the bill would extend the present act for 15 months.

Mr. FULBRIGHT. The Senator is correct.

Mr. SPARKMAN. I may say that I am truly and utterly amazed at the philosophy advanced by the distinguished Senator from Oklahoma. All of us have known him to be a big hearted person and one of great understanding. I have never heard of him—and certainly never suspected him—being opposed to something merely because it helped only a part of the whole.

I have never heard him use the argument that we must do the whole job or do nothing at all. I wonder how the Senator from Oklahoma would have felt if that argument had been advanced when the Salk polio vaccine was being distributed. I wonder what would have been his reaction if we had said, "We will keep it all; we are not going to make any of it available until we have enough for every person in the United States, or certainly for every child in the United States. We will not give it out a little at a time."

Of course, we did not follow that procedure at all. We let it out as we had it, and we had good results by letting it out a little at a time.

I know that the Senator from Oklahoma would be opposed to any other method of distributing polio vaccine.

What is the difference here?

Shall we wait until we can do the job completely? I call attention to the fact that every amendment which was offered seeking to do something for small business met exactly the same fate. Down it went.

Mr. FULBRIGHT. The Senator has expressed the matter very well indeed. I appreciate his statement.

Mr. KERR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KERR. First I should like to say that I do not agree with my good friend from Alabama that this situation is similar to the distribution of the Salk polio vaccine. The distribution was not limited to children in one State or in two States.

Mr. SPARKMAN. Neither is this limited in that way.

Mr. KERR. But it was made available as fast as it could be provided to all children. That situation is not present in connection with the amendment offered by the Senator from Arkansas, or in the amendment offered by the distinguished Senator from Alabama.

However, the question I rose to ask the Senator was this: The Senator has said that any proposed amendment would be met by a point of order that it was not germane. Would the Senator make his statement clear in that regard?

Mr. FULBRIGHT. I do not believe I said a point of order. I said it would be met by the argument that was made last year in connection with the road bill. Let me put it this way. I was discouraged most persuasively in offering my amendment to the extension of the corporate tax bill last year. It was represented that other bills would come along; in fact, all kinds of bills. It was said that such an amendment as I was proposing could be attached to any one of those bills.

As a matter of fact, no bill came along that had any power behind it or that I thought would be passed. I waited and waited, and finally the road bill came along. It was a bill dealing with the general field of taxation. It looked to me as though it had enough steam behind it so that it would be passed. I offered my amendment to the bill. I was told, "Goodness, gracious, don't clutter up this wonderful road bill that all of us favor. This is a controversial amendment you are trying to offer. It would do all kinds of things to the road bill."

Mr. KERR. Does the Senator not agree that the measure the Senate is now considering is a general tax measure?

Mr. FULBRIGHT. The primary and essential purpose of it is an extension of certain corporate taxes and excise taxes.

Mr. KERR. Does the Senator not agree that any amendment having to do with relief for individual taxpayers or corporate taxpayers would be in order on the pending bill?

Mr. FULBRIGHT. I agree so far as a point of order is concerned. I was not trying to raise any parliamentary argument. I say the sentiment in the Senate would be that such an amendment would not be germane.

Mr. KERR. But it would be in order.

Mr. FULBRIGHT. I think it would be in order.

Mr. KERR. That is the only point I wished to clear up.

Mr. FULBRIGHT. I would say to the Senator that it is not necessary to argue with me any point of parliamentary law. He can catch me in all kinds of situations in that regard.

Mr. KERR. I had the impression, from what he said, that an amendment, for instance, to increase the individual tax exemption might not be germane to the pending bill.

Mr. FULBRIGHT. I would not say that. I was certainly discouraged before the committee.

Mr. KERR. We are not before the committee now; we are before the Senate.

Mr. FULBRIGHT. The sentiment would be the same, before the committee or before the Senate. Since the 1954 act was passed—and I believe that was a monstrosity in its treatment of corporations—there has not been a significant amendment considered by the committee or by the Senate.

Mr. KERR. But any such amendment any Senator might wish to offer to the pending bill would not be subject to a point of order, but would be in order.

Mr. FULBRIGHT. But it would not be given serious consideration. The principal argument that we would be met with would be, "You must not clutter up this bill. It is necessary to have this bill passed."

The Secretary of the Treasury is quoted at page 65 of the hearings as saying:

> I think it is most unfortunate that this small-business matter has come up at this time in this connection with this bill. This bill is a must bill for action within 30 days.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. If the Senator from Oklahoma has finished asking me questions.

Mr. KERR. I find no fault with my good friend's criticism of the Secretary of the Treasury. I merely hope he will make it clear that he is not leveling his criticisms toward anything the Senator from Oklahoma has said or done because of identity of purpose or posture with the Secretary of the Treasury. If he will make that slight concession, the Senator from Oklahoma will be very happy.

Mr. FULBRIGHT. I will concede that to the Senator from Oklahoma.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I shall be glad to yield the floor, unless the Senator wishes to ask me a question.

Mr. O'MAHONEY. I wish to ask the Senator a question.

Mr. FULBRIGHT. Certainly, I yield.

Mr. O'MAHONEY. And also to make a suggestion.

Mr. FULBRIGHT. I shall welcome a suggestion.

Mr. O'MAHONEY. I am happy indeed to find the Senator making this battle for small business. It ought to be made. It must be made, and every month's delay in not making it successfully and securing the relief required is a setback to the economy of the United States.

Mr. FULBRIGHT. I appreciate that statement of the Senator.

Mr. O'MAHONEY. We cannot possibly continue to refuse to small business the relief which it deserves, so that it may make profitable gains and contribute to the revenue the Government so deeply needs at this moment.

Mr. FULBRIGHT. I am sure the Senator does not believe that just because we cannot give relief to everybody, to private individuals and partnerships, we should not proceed with the relief now proposed.

Mr. O'MAHONEY. Of course not. I wish to go one step forward at a time. The Senator from Arkansas is presenting a definite and positive step forward which should be taken at this moment.

Would the Senator object to a suggestion which I should like to make to him?

Mr. FULBRIGHT. I would welcome a suggestion.

Mr. O'MAHONEY. The Senator makes a very brilliant defense of this amendment before less than a quorum of the Senate. We shall close this session in 20 minutes. The vote will not be taken until tomorrow.

Mr. FULBRIGHT. The Senator is correct.

Mr. O'MAHONEY. The bill which is before the Senate must be passed. It is a "must" bill, to be enacted before the end of the week, I understand.

Mr. FULBRIGHT. The Senator is correct.

Mr. O'MAHONEY. Therefore, if an amendment is added to this bill in the Senate, the chances are it will not kill the bill or delay the bill, but the amendment will be adopted by the House of Representatives without any objection whatsoever, because everybody who pays any attention at all to the state of our economy knows how important it is that small business be restored to a position of active and dynamic production of tax revenue to help balance the budget.

The Secretary of the Treasury, instead of arguing against the adoption of this amendment to this bill at this time, should be urging its adoption.

My suggestion to the Senator is that I should like to have him send a telegram tonight to every absent Senator, calling attention to the fact that the amendment of the Senator from Arkansas to aid small business in such a vital and sound manner will be voted upon tomorrow, and that the Senator would be happy indeed to have those Senators who are now absent read the RECORD in the morning and come to the Senate Chamber prepared to vote for the amendment.

As one Senator who has listened to a part of the remarks of the Senator from Arkansas, I should be happy to join him in sending such a telegram to our absent colleagues.

Mr. FULBRIGHT. I appreciate the suggestion of the Senator very much. I think such a procedure would be an excellent idea.

Mr. O'MAHONEY. We must in some way reach Senators who are absent. The Senator's voice is not reaching them now. Unless absent Senators read the RECORD in the morning they will not know what a splendid argument the Senator from Arkansas has made for small-business corporations of every State in the Union. Nothing more important can be done, in my judgment, to support the fiscal status of the United States Government, than to adopt the amendment which the Senator has offered. There are powerful forces working against it.

I see from the side of my eye the junior Senator from Colorado [Mr. CARROLL]. This reminds me of the fact that in our hearings upon oil recently we had the testimony of President Rathbone of the Standard Oil Co. of New Jersey. I asked him how many subsidiary and affiliated corporations there were in the empire of the Standard Oil Co. of New Jersey, which operates in the United States, in South America, and in the Middle East. It is a worldwide corporation producing and selling petroleum and petroleum products as an integrated corporation.

I asked, "How many subsidiaries do you have?" He said, "About 250," and then he added, voluntarily as I recall, "Well, perhaps 100 of those are paper companies."

We all know what a paper corporation is. It is a corporation created without any immediate functions, but to be held in readiness to take advantage of some business opportunity. And by the existence of these paper corporations—some of them chartered on authority of foreign governments, but most of them chartered on authority of States of the Union—these giant companies take advantage of the opportunities which ought to be open to small business.

There was another witness before the committee, Mr. B. Brewster Jennings, the head of Socony Mobil. I asked him how many subsidiary corporations Socony Mobil had, and he said they had 234. We had the list. I counted the list. Some 44 of those corporations were chartered by foreign governments.

This is the situation which confronts small business. The large corporations are eating them up.

Mr. FULBRIGHT. The Senator is certainly correct.

Mr. O'MAHONEY. Unless we put a stop to it we are going to make these seats permanently empty.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. O'MAHONEY. Will the Senator be good enough to send that telegram?

Mr. FULBRIGHT. Yes; we shall prepare such a telegram.

The Senator is quite correct. The way to accomplish what is desired is not to try to penalize big business directly. That is not the way to do it. The right way is to help the little businesses help themselves.

Mr. O'MAHONEY. Precisely.

Mr. FULBRIGHT. If we do not do it this way, in time there will eventually arise a demand, and properly so, to do something directly to big business.

Mr. O'MAHONEY. I wish to have the RECORD show I shall be here when the time comes to vote tomorrow.

Mr. FULBRIGHT. I thank the Senator.

Mr. O'MAHONEY. And I shall be voting for the Senator's amendment.

Mr. FULBRIGHT. I thank the Senator from Wyoming very much. He has made a very fine contribution.

In conclusion, Mr. President, the issue before the Senate is the level of corporate income taxation for the next 15 months. There is no way to avoid that issue. The fact that the pending amendment does not help everybody does not evade that issue. A vote against my amendment is a vote against tax relief for small incorporated businesses.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. The Senate has previously agreed to an order to convene at 10 o'clock tomorrow, has it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. I should like all Senators to be on notice that the pending amendment will be laid before the Senate, I assume, as soon as the Journal has been approved tomorrow. There will be no morning hour, unless consent is given. Is that correct?

The PRESIDING OFFICER. The agreement reads, "at the conclusion of routine morning business."

Mr. JOHNSON of Texas. Mr. President, I should like to have all Senators on notice that the pending amendment will be voted on early tomorrow, so that they may be prepared to discuss it, if

they care to. It is our hope we can complete action on the bill tomorrow and send it to the House.

Mr. President, I desire now to make a motion.

The PRESIDING OFFICER. The Senator from Texas has the floor.

RECESS TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate take a recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, March 27, 1957, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 26, 1957:

DEPARTMENT OF DEFENSE

Donald A. Quarles, of New Jersey, to be Deputy Secretary of Defense, vice Reuben B. Robertson, Jr.

JOINT CHIEFS OF STAFF

Gen. Nathan F. Twining, United States Air Force, for appointment as Chairman of the Joint Chiefs of Staff for a term of 2 years.

DEPARTMENT OF THE AIR FORCE

James H. Douglas, of Illinois, to be Secretary of the Air Force, vice Donald A. Quarles.

Gen. Thomas D. White, United States Air Force, for appointment as Chief of Staff, Department of the Air Force, for a period of 2 years.

DEPARTMENT OF THE NAVY

Adm. Arleigh A. Burke, United States Navy, for appointment as Chief of Naval Operations, Department of the Navy, for a period of 2 years. (Reappointment.)

APPOINTMENTS AND PROMOTIONS IN THE NAVY

John H. Thomas (Naval Reserve Officers' Training Corps) to be an ensign in the Navy, subject to qualification therefor as provided by law.

The following-named (civilian college graduates) to be ensigns in the Medical Corps of the Navy, subject to qualification therefor as provided by law:

COMMANDER

Henry Santina

LIEUTENANT

John P. Heatwole
Cornelius N. Stover

The following-named (Naval Reserve officers) to the grades indicated in the Medical Corps of the Navy, subject to qualification therefor as provided by law:

LIEUTENANT COMMANDER

William E. Hayes
Kenneth P. Jones III
Neil V. White

LIEUTENANT

Ariand A. Adams
Ferry Ah-Tye
Boris M. Astrachan
Stephen J. Barcay, Jr.
Donald F. Barcome
Calvin F. Bishop
John H. A. Bomberger III
Charles R. Boyce
Milan L. Brandon
Robert C. Brod
Herbert R. Brown, Jr.
James E. Butler
LeRoy J. Byerly
William E. Cowell
Wilbur E. Crenwelge
James J. Daubert
Truman G. Daughtridge
John J. Donoghue
Richard M. Escajeda
William R. Forney
Donald J. Fraser
David A. Gehring
John A. Gehweiler, Jr.
Patrick E. Golden
David Harris
Clyde D. Hawley
Arthur C. Hickey
George A. Johnson
Melvin L. Keller
John R. Kindell
Ronald R. Lund
Stephen J. Mucha
Charles W. Nickerson
Frank O. Rasach, Jr.
James S. Russell
Francis E. Senn
George Showak
Joseph F. Smith
Charles J. Stahl III
Frederick T. Suppes
Calvin B. Wallace, Jr.
John T. Whitmore
Charles N. Wilkins, Jr.
Joseph H. Wood, Jr.

Mable A. Frew (Naval Reserve woman officer) to be a lieutenant in the Medical Corps of the Navy, subject to qualification therefor as provided by law.

The following-named (Naval Reserve officers) to the grades indicated in the Dental Corps of the Navy, subject to qualification therefor as provided by law:

COMMANDER

Cecil O. Parrish

LIEUTENANT COMMANDER

Murray Hamburg
James H. Scribner

LIEUTENANT

Thomas E. Bilderton
Erwin J. Heinkel, Jr.
John B. Holmes
Richard W. Little
Richard L. McClelland
Francis H. Oriowski
Charles E. Patton
Elmer J. Ruisi
Joseph I. Tenca

LIEUTENANT (JUNIOR GRADE)

Robert B. Peck

David L. Martin, United States Navy retired officer to be a lieutenant commander in the Navy (administration) pursuant to title 10, United States Code 1211, subject to qualification therefor as provided by law.

The following-named women Reserve officers for permanent appointment to be lieutenants in the line of the Navy in lieu of lieutenants (junior grade) as previously nominated and confirmed to correct grade, subject to qualification therefor as provided by law:

Dorothy L. McCoury
Barbara P. Taylor

Robert H. Lundy, Reserve officer for permanent appointment to be a lieutenant (junior grade) in the line of the Navy in lieu of ensign as previously nominated to correct grade, subject to qualification therefor as provided by law.

The following-named (Naval Reserve aviators) to be ensigns in the Navy, subject to qualifications therefor as provided by law:

Adelore L. Alexander
Robert C. Arts
Donald R. Ashby
Lawrence C. Atkin
Donald L. Bastian
Charles R. Bowling
Rex K. Bozell
Clarold L. Britton
George C. Brown, Jr.
Donald E. Brownsberger
Norman S. Bull
James B. Busey IV
James F. Butler
Richard D. Calderwood
Thomas R. Coleman
Timothy W. Connolly
Stuart M. Corey
Floyd E. Cox
Bobby C. Crawford
Terry A. Damon
Michael E. Dearcot
James R. Downs
William M. Fanning
Duane V. Fech
James K. Fields
Jerome I. Fink
John E. Flatley
Robert T. Frankenfield
Raymond D. Gatterman
Donald A. Gilliamsen
John W. Gilroy, Jr.
Robert C. Good
William R. Grammer
Rodney R. Guidry
Marion Z. Haggard
Richard J. Hartranft
Joseph S. Henriques
Arthur L. Herr, Jr.
John C. Holland
Robert A. Holman, Jr.
Henry L. Hubbard
Ronald E. Hughes
Roland K. Huisman
James D. Hovis
Everett L. Jenkins
Jerry D. Jones
Robert E. Jones
George C. Knies
Robert E. Lane
Melvin R. Lee
Anton F. Lind
James M. Mabe
Donald Z. Manheimer
Alvin "F" Marsh
Tommy L. Mauer
Robert W. McKay
Bruce J. Miller
Clayton L. Milliner
Johnnie R. Moore
Malcolm T. Moore
John P. Morris
Wylie S. Morris
Thomas L. Motes
George A. Murphy
Bruce A. Narowetz
David R. Nothwang
Gerard R. Olson
William J. Oslun
Gordon S. Petersen
Gordon F. Pine
Joe L. Poltevent
Joseph E. Potoenak
Donald B. Pringle
Richard F. Ralter
Jerry B. Reinhardt
Paul H. Robbins
Max R. Sumelhart
Thomas J. Ryan
Charles S. Sapp
Robert M. Schlemmer
Martin S. Schuman
Raymond J. Sinwell
James B. Sherrouse
Ralph W. Smith, Jr.
Charles E. Southwick
Kenneth L. Sterling
Merlyn L. Stock
Ronald L. Stoddart
Ronald P. Stone
Carroll F. Storm
Ralph B. Stover
Richard G. Taipale
Charles H. Tanner
Charles C. Taylor
Albert J. Thayer
Glenn F. Thomas
Donald G. Tise
Joseph J. Tonole, Jr.
Willard H. Van Dyke, Jr.
Everett K. Veach, Jr.
Claude W. Walch
Raymond H. Walker, Jr.
Ralph E. Walters, Jr.
Fred J. Wilson
George M. Wise

The following-named officers of the Navy for permanent promotion to the grade of lieutenant:

LIEUTENANT, LINE

Edward M. Dassler
Norton H. Goodsell
Edmund A. Quasebarth, Jr.
Don H. Black
Joseph Simmons, Jr.
Raymond E. Zagorski
Robert L. Esau
Charles C. Christiansen
Donald E. Moors
Robert M. Thompson
Robert E. Hunter, Jr.
Robert F. Lawson
"J." "D." Ward
Leslie Addicott, Jr.
James M. Roberts
Logan C. Blackwell
Dick D. Mahaffey
David L. Hughes
William H. Russell
Philip Steinberg
Bruce B. Sheppard
Ronald V. Himelick
James A. Kauflin
Henry H. Schleuning, Jr.
James H. Morris
Hughes Hill
Thomas J. Jimmerson, Jr.
Arthur H. Anderson
Roy W. Magnuson
John G. Denham
Leonard Morey, Jr.
Ray E. Smith
Stuart G. Madison
Harry T. Jenkins, Jr.
John R. Dewenter, Jr.
William F. Conklin
Carl D. Neidhold
Russell G. Walden
Carl Blaskowsky
Wayne H. Atkin

LIEUTENANT, SUPPLY CORPS

Frank H. Rutter, Jr.
Claiborne T. Selden
Thomas R. Downs
Gordon M. Herr
Howard P. Granger
James A. Naismith
William W. Anderson
Francis J. Malerich
Paul L. Rendelson
John P. Prestwich
Paul E. Ersen

LIEUTENANT, CIVIL ENGINEER CORPS

Edward H. Marsh II
John W. Clark
Robert P. Woodworth

LIEUTENANT, MEDICAL SERVICE CORPS

Wayne E. Williams
Armand R. Nice
Morris J. Damato

LIEUTENANT, NURSE CORPS

Rose M. Quillin
Peggy S. Heimberger
Veronica A. Lesho
Daisy Evans

The following-named officers of the Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps as indicated, subject to qualification therefor as provided by law:

LINE

Adamson, Edwin C., Jr.
Ahlgren, Kenneth L.
Armstrong, Stephen O., Jr.
Arnold, Robert B.
Austin, Carl G.
Banham, Herbert G., Jr.
Barnes, Harold
Barth, Joseph J., Jr.
Bartlett, Frederick R.
Bates, Carl M.
Belechak, Stephen C.
Bishop, Richard D.
Bostwick, Charles G., Jr.
Boyd, Herbert C.
Brooks, Darrell H.
Burris, Raymond M.
Cammail, John K.

Cantilon, Henry C.
Carlson, Earl L.
Carroll, James F.
Chase, Robert T., Jr.
Chenem, Norman B.
Clark, Philip K.
Clemens, Eugene M.
Conroy, Robert O.
Cook, Harry K.
Cox, Gordon L.
Daily, Hubert D., Jr.
DePuo, Modestino R.
Dempsey, Gerald M.
Derda, James R.
Dowd, Francis X.
Drees, Morris C.
Drummet, Richard C.
Duff, Robert G.
Eckerd, Kenneth C.
Erickson, William K.
Eyres, Thomas D.
Ferrazzano, Fred J.
Forsman, Arvid E.
Foster, Thomas J.
Fox, Richard W.
Frederick, John L.
Garcia, William V.
Gedney, George
Genette, Robert L.
Gherrity, Patrick E.
Glasgow, Thomas A.
Gliem, Ernest H.
Goschke, Erwin A.
Hack, Arthur J., Jr.
Hageman, Roger H.
Hager, Wilbur G.
Hampton, Winfred F., Jr.
Harlow, David L.
Heft, James O.
Hill, Frank W.
Hiser, Francis A., Jr.
Hoskins, Bill J.
Jacobs, Edward J., Jr.
Johnson, Alfred C.
Johnson, Robert E.
Jones, Robert H.
King, Donald E.
Kirkpatrick, Hollis H.
Krisman, Frank R.
Langner, David S.
Lewis, Willis L., Jr.
Lott, Carl D.
McBride, John B.
McBurney, Cleland V.
McCartney, Rodney F.
McCoy, John J.
McElrath, Thomas W.
McKeown, George J.
McLin, Robert L.
McMahon, Thomas J.
Millman, Larry
Moore, Thomas G.
Morgan, Robert E.
Nichols, Jack H.
Ott, Matthew J.
Payne, Dean M.
Pedersen, Robert M.
Poore, Ralph E.
Richard, John J.
Riley, Kenneth J.
Roff, Ray, Jr.
Schaadt, Douglas D.
Schnetzler, Ertill E., Jr.
Simon, Douglas N.
Smythe, Robert E.
Soldwedel, Eugene L.
Spohnholtz, James R.
Stearns, Russell E.
Stevens, Duncan P.
Stich, John D.
Taylor, Don W.
Timm, Alvin R.
Tomenendal, Robert J.
Uelman, William C.
Verich, Demetrio A.
Wheat, Billy V.
Wiltse, Irving M.
Wirt, Robert O.

SUPPLY CORPS

Briggs, Irving G.
Furnweger, Alfred J.
Gapp, John J.
Gray, Jack E.
Moore, Guy T.
Pavlisin, Frank
Thompson, Mark W.
Walker, John A.
Young, Charles W.

CIVIL ENGINEER CORPS

Carlstrom, Richard H.
Crockett, Billy G.
Ecklund, Glenn L.
Hines, John C.
Hoffner, Carleton C., Jr.
Jones, Horace B., Jr.
Lake, George
Paulsen, Raymond E.
Scherer, Clark H., Jr.
Schoenagle, Fred C., Jr.
Wolf, Robert B.

George L. Smith, United States Navy, for transfer to and permanent appointment in the Civil Engineer Corps in the temporary grade of lieutenant.

IN THE MARINE CORPS

The following-named Reserve officers for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Louis R. Abraham
Denny N. Bearce
Harry J. Becker, Jr.
David R. Bennett
Carl E. R. Black
William A. Bloomer
William Boone
Jerry T. Bowlin
Robert M. Boyd, Jr.
Earl E. Brown
Desmond F. Browne
Ronald E. Cardwell
Eugene S. Courson
James M. Cox
James O. Cranford
Robert C. Cummings
Nicky C. Davis
Brian T. Duffy
Ronald E. Dunn
Dean E. Edwards
James L. English
Charles S. Esterline
Laurence R. Gaboury
Gordon S. Gray
Joe L. Gregorcyk
Darold L. Guttormson
Charles R. Habgood
Donald A. Hall
Thomas W. Hancock, Jr.
Richard W. Hawthorne
Theodore A. Heister
Anthony J. Holzhauer
Denis R. Horn
George M. Hutchins
Franklin G. Hutchinson, Jr.
Henry C. Ivy, Jr.
Glenn G. Jacks
Robert H. Jewell, Jr.
Carl B. Johnson
Alvah J. Kettering
Peter L. Keys
Frank P. Knight
Kenneth P. Knuebel
John E. Lockie
William H. Long
Jack A. Mack
James E. McDavid III
Charles J. McDonald, Jr.
Richard C. Moserve
Robert S. Moore
Harvey J. Morgan
Carl W. Newton
Richard A. Noll
Charles W. Oaks
Enos S. Olin
Bobbie G. Overcash
Lester G. Paldy
Charles E. Parker
James B. Peters III
John M. Phillips
William Rasmussen
John W. Roberts
Roy E. Saunders
Eugene E. Schilhab
William L. Schnaider
James M. Schmidt
Ernest A. Schwab
Donald T. Sessler
Robert F. Sheridan
Robert F. Spiete
Victor D. Stauch, Jr.
Orlo K. Steele
Walter L. Strain
Bernace M. Symm
Charles Tye
Bruce D. Webb
Robert J. Weiss
Francis V. White, Jr.
Fred T. Whitman
Louis M. Withlam
Richard C. Yezzi

The following-named Reserve officers for permanent appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Carl G. Eaton
Malcolm C. Gaffen
Charles A. Folsom
Robert K. Slack
Guy W. Ward

The following-named Reserve officers for temporary appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Harry J. Becker, Jr.
David R. Bennett
Carl E. R. Black
William A. Bloomer
William Boone
Robert M. Boyd, Jr.
Earl E. Brown
Desmond F. Browne
Ronald E. Cardwell
Eugene S. Courson
James M. Cox
James O. Cranford
Robert C. Cummings
Nicky C. Davis
James L. English
Charles S. Esterline
Laurence R. Gaboury
Gordon S. Gray
Joe L. Gregorcyk
Darold L. Guttormson
Charles R. Habgood
Donald A. Hall
Richard W. Hawthorne
Gordon S. Gray
Joe L. Gregorcyk
Darold L. Guttormson
Charles R. Habgood
Donald A. Hall
Thomas W. Hancock, Jr.
Richard W. Hawthorne
Theodore A. Heister
Anthony J. Holzhauer
Denis R. Horn
George M. Hutchins
Franklin G. Hutchinson, Jr.
Henry C. Ivy, Jr.
Glenn G. Jacks
Carl B. Johnson
Alvah J. Kettering
Peter L. Keys
Frank P. Knight
Kenneth P. Knuebel
John E. Lockie
William H. Long
Jack A. Mack
James E. McDavid III
Charles J. McDonald, Jr.
Richard C. Moserve
Robert S. Moore
Harvey J. Morgan
Carl W. Newton
Richard A. Noll
Charles W. Oaks
Enos S. Olin
Bobbie G. Overcash
Lester G. Paldy
Charles E. Parker
James B. Peters III
John M. Phillips
William Rasmussen
John W. Roberts
Roy E. Saunders
Eugene E. Schilhab
William L. Schnaider
James M. Schmidt
Ernest A. Schwab
Donald T. Sessler
Robert F. Sheridan
Robert F. Spiete
Victor D. Stauch, Jr.
Orlo K. Steele
Walter L. Strain
Bernace M. Symm
Charles Tye
Bruce D. Webb
Robert J. Weiss
Francis V. White, Jr.
Fred T. Whitman
Louis M. Withlam

The following-named Reserve officers for temporary appointment to the grade of captain in the Marine Corps, subject to the qualifications therefor as provided by law:

Malcolm C. Gaffen
Charles A. Folsom
Robert K. Slack
Guy W. Ward

CONFIRMATIONS

Executive nominations confirmed by the Senate March 26, 1957:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

John Alanson Perkins, of Delaware, to be Under Secretary of Health, Education, and Welfare.

Edward Foss Wilson, of Illinois, to be Assistant Secretary of Health, Education, and Welfare.

UNITED STATES DISTRICT JUDGES

William J. Jameson, of Montana, to be United States district judge for the district of Montana.

John J. Sirica, of the District of Columbia, to be United States district judge for the District of Columbia.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Catherine B. Kelly, of Maryland, to be an associate judge of the municipal court for the District of Columbia, term of 10 years.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 26, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Heavenly Father, as we continue to go forth into the hours of this new day, may we be humble and heroic in spirit, faithful and fruitful in service.

Deliver our minds and hearts from those fear-ridden cares and anxieties which wear us down and weaken our morale.

Help us to realize that, even though life today has in it many hard facts and tense experiences, we must not allow them to undermine our faith.

Give us the guidance of Thy spirit and may we follow the ways which Thou hast marked out for us for they are the ways of pleasantness and peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1663. An act for the relief of Mrs. John William Brennan;

H. R. 2046. An act for the relief of August J. Striggs; and

H. R. 3322. An act for the relief of James L. Bostwick.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 51. An act for the relief of Mary Barme and her two minor children, Steran Barme and Dinah Barme;

S. 58. An act for the relief of Duk Chang Cho;

S. 93. An act for the relief of Dominic Paul Steinhauser (Hiroshi Tsuruda);

S. 123. An act for the relief of Dr. James R. P. Wong;

S. 127. An act for the relief of Anna Maria Cosentino and Francesca Maria Cosentino;

S. 322. An act to amend the act of June 4, 1920, as amended, providing for allotments of lands of the Crow Tribe, and for other purposes;

S. 424. An act for the relief of Herbert James Bramley;

S. 530. An act for the relief of Shun Wen Lung (also known as Van Long and Van S. Lung);

S. 669. An act for the relief of Han Hong Wang and An-Yin Chen Wang;

S. 690. An act for the relief of Dr. Ching-Lin Hsia and wife, Wai Tsung Hsia;

S. 695. An act for the relief of Aliecos Markos Karavasilis and his wife, Stellani Karavasilis;

S. 701. An act for the relief of Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jannie Engedal Hansen;

S. 718. An act for the relief of Erwin Wiedenhofer;

S. 731. An act for the relief of Mr. and Mrs. Delio A. Loo Murgas;

S. 786. An act for the relief of Richard Rhen-Yang Lin and his wife, Julia Lam Lin;

S. 803. An act for the relief of Manuel Sousa Novo;

S. 853. An act for the relief of Fethi Hepeskici;

S. 1098. An act for the relief of Stephen Kuang-Tao Hsu;

S. 1167. An act for the relief of John Nicholas Christodoulias;

S. 1179. An act for the relief of Harold George Jackson; and

S. J. Res. 72. Joint resolution to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

NATIONAL INVITATION BASKETBALL TOURNAMENT CHAMPIONS

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, I should like to take this opportunity to call the attention of the House to the new national invitation basketball tournament champions, the Bradley Braves, of Peoria, Ill. As a Bradley alumnus, I am particularly proud of the Braves' most recent achievement.

In winning the national invitation tournament at Madison Square Garden in New York last Saturday, the Braves broke 5 records; most points in 1 game—116; most points in 1 half—72; most free throws in 1 game—42; most points in 3-game series—294; and, in addition, broke the all-time garden college record for points scored in 1 game—116.

The Bradley coach, Mr. Chuck Orsborn, now in his first year as varsity mentor, is to be congratulated for the excellent manner in which he brought his boys along during the season and keyed them up for this championship tournament. Coach Orsborn was himself a star forward on Bradley's first "fameus 5" team of the late thirties which won third place in the first NIT tournament in 1938.

The individual players are to be congratulated singularly for having conducted themselves as gentlemen and good sportsmen at all times both on and off the court. Theirs was a truly great team effort, as every man on the squad got to play in the tournament and scored at least two points.

It was, I am sure, a great thrill for the boys to win this one as it is the fruition of many a boyhood dream in high school to someday be able to play in the Garden in a championship tournament.

With All American Barney Cable, who averaged over 23 points a game, leading the way, the other boys who brought honor to themselves and credit to Bradley University are: Dick Dhabalt, Dave Emerson, Gene Herberger, Curley Johnson, Bobby Jo Mason, Wes Mason, Joe Billy McDade, Shellie McMillon, Gene Morse, John Myers, and Charles Sedgwick.

These young men, in this most recent National Invitation Tournament, have undoubtedly provided for the millions of courtside and television spectators, some of the greatest moments in sports history. Since 8 members of this fabulous group are juniors and 4 are sophomores, even greater achievements can be expected from Coach Chuck Orsborn and his Bradley Braves in years to come.

CALL OF THE HOUSE

Mr. WILSON of Indiana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 29]

Anderson, Mont.	Diggs	Meader
Andresen, August H.	Doyle	Moulder
Aspinall	Eberharter	Patman
Bass, N. H.	Frelinghuysen	Pfost
Bilitch	Grant	Poage
Bowler	Green, Pa.	Powell
Boykin	Gregory	Prouty
Brown, Mo.	Gwinn	Reece, Tenn.
Brownson	Henderson	Rhodes, Pa.
Buckley	Hillings	Robeson, Va.
Carrigg	Holtzman	Scherer
Celler	Jackson	Teller
Davis, Tenn.	Jones, Mo.	Thompson, N. J.
Dies	McIntosh	Tollefson
	McMillan	Whitten
	Magnuson	Williams, N. Y.

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Interior and Insular Affairs have permission to sit during general debate today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL, 1958

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, one-half to be controlled by the gentleman from New York [Mr. TABER] and one-half by me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FOGARTY. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, I am very pleased to see in the chair, presiding over the deliberations of this committee today, and perhaps tomorrow, the other half of the Rhode Island delegation, my colleague, AIME FORAND. I am sure, with the gentleman from Rhode Island in the chair, this bill will pass without too much difficulty.

I am privileged to report to the committee again this year on the requests for annual appropriations for the fiscal year 1958 for the Departments of Labor, and Health, Education, and Welfare and related agencies. This is the 11th year that I have appeared before the committee as a member of this subcommittee. This is the 7th year that I have appeared before the committee as chairman of the subcommittee to present the bill prepared by the subcommittee and approved by the full Committee on Appropriations.

First, I want to thank each and every member of the subcommittee for the fine support and cooperation they have shown me during the 6 or 7 weeks of hearings that have been held on this particular bill. We worked long days, meeting at 10 o'clock in the morning and going until 12:15 or 12:30, coming back at 1:30 and continuing until 4:30 or 5 o'clock. So it has been 6 or 7 long weeks of work.

On my side of the aisle the gentleman from Georgia [Mr. LANHAM] is serving his third year on this subcommittee. He has certainly been a stalwart worker. The gentleman from Indiana [Mr. DENROW] is serving his fifth year on the subcommittee. He certainly knows all of the problems and programs of the agencies we have under discussion this afternoon.

As I said a year ago and 2 years ago, I was very pleased that the gentleman from New York [Mr. TABER], the senior member of the Committee on Appropriations on the Republican side, has seen fit to act as the ranking member of

this subcommittee, and I have enjoyed immensely my work with JOHN TABER.

This year we had a new member, the gentleman from Wisconsin [Mr. LAIRD], who worked as diligently as every one of the other members of the committee. I want to thank him for his help, cooperation, and attendance at these meetings.

Of course a committee such as we have could not operate unless we had a good right arm, and that right arm is Robert Moyer, who has been the clerk of this committee through both administrations now for 6 years. I do not know what the committee would do, and I am sure I do not know what I would do, unless we had the experienced help such as Bob Moyer has given this committee. Without him we could not issue the report we have given you this afternoon.

I suppose almost every subcommittee chairman will come up during the remainder of this Congress and say to the House, "This is a most difficult appropriation bill to cut." I have said this before on many, many occasions, and I believe it is true, that this is the most difficult appropriation bill to cut because it deals mainly and directly with the problems of human beings. Most of the huge expenditures carried in this bill are uncontrollable by the appropriating committees of Congress because Members of this House, in previous Congresses, have by your votes bound us in our actions as far as appropriating funds in many of the grant areas.

This year we are coming to you with a bill carrying a total figure of $2,862,502,881. In 1957, the fiscal year in which we are now operating, there was appropriated $2,881,321,781. The total carried in the bill is $18,818,900 below what is available for the fiscal year 1957. The budget the President requested Congress to enact this year totaled $2,981,277,581. We have allowed this year $2,862,502,881, or a cut in the President's budget of about $119 million.

Of this amount of $2,800,000,000, almost $2 billion is in uncontrollable items because of the actions of past Congresses in voting authorizations which establish what amounts to absolute requirements for appropriations.

In the Labor Department the grants to the States amount to 91 percent of the total budget. Only 9 percent is for administration of the grants and other direct operations.

Also, in the Department of Health, Education, and Welfare the grants to States, institutions, and individuals amount to 91 percent, and only 9 percent is for all direct operations. Out of that 9 percent, 7½ percent is for public health. So we have, in effect, only an area of 1½ percent of this budget for health, education, and welfare where there is any room for making reductions.

Let me remind you of what happened in that 84th Congress by a majority vote of the House and the other body and with the approval of the President of the United States.

First. You remember the social security act amendments a year ago? When that bill passed, it passed this House by an overwhelming majority. During our recent hearings one of the members of our subcommittee asked Mr. Schottland, the head of the Social Security Administration, "What will be the effect of the social security amendments that were voted upon last year?" His answer was "By 1960, the additional cost will amount to $1,700,000,000." So when you voted for these social security amendments last year, you were voting to increase taxation $1,700,000,000 in addition to what we had prior to the enactment of the social security amendments.

Second. Then another big item was the new Water Pollution Control Act. You know that that passed the House by an overwhelming majority.

Third. You have the Health Survey Act.

Fourth. The Library Services Act.

Fifth. The authorization for the President's Committee on Education beyond the high school.

Sixth. The national library of medicine.

Seventh. The health research facilities.

Eighth. Public Law 911 which took in four categories: Graduate training of professional public health personnel; advanced training of professional nurses; vocational educational for practical nurses; and authorization for special projects grants in the field of mental health.

Ninth. The Air Pollution Control Act.

That, in itself, is a pretty good reason why we carry some increases this year. The reason we are showing these increases is because the majority of you men and women here today voted to enact this legislation in the 84th Congress, and we are following out as a subcommittee on appropriations, and the full committee, the objectives of the previous Congress which voted overwhelmingly for the enactment of this kind of legislation.

In the bill itself, the first part is the Department of Labor. In my opinion, they have asked us for very conservative appropriations. One of the questions generally asked is on personnel. In the Department of Labor, the current employment as of the end of February was 5,160. The positions authorized in appropriations for 1957 total 5,420. The positions requested in 1958 were 5,710. The positions in the 1958 bill that we are considering now amount to 5,533, or a decrease of 157 from the President's budget, and an increase of 133 over 1957. So, as far as the increase in personnel is concerned, even though we have saddled these administration agencies with bigger and bigger programs to work with by our votes in Congress, we have cut their requests for additional personnel by more than 50 percent in the Department of Labor.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GROSS. What did the gentleman say the total increase will be?

Mr. FOGARTY. One hundred and thirty-three—and we cut 157.

Mr. GROSS. Does the gentleman have any breakdown as to the grades?

Mr. FOGARTY. I do not have the grades at hand but we have them in the justifications, and they are in the hearings. Every position was justified by grade and duties.

Mr. GROSS. One hundred and fifty-three increase?

Mr. FOGARTY. One hundred and thirty-three increase, and a cut of 157 positions in the Department of Labor.

In the Department of Health, Education, and Welfare we have allowed 1,086 more positions than authorized for 1957. And we have decreased their request by 1,025 positions, which is approximately a 50-percent cut in the increase that they asked for in personnel in the Department of Health, Education, and Welfare.

Mr. GROSS. Does the gentleman have a breakdown of those increases?

Mr. FOGARTY. I will get you the tables as soon as I finish.

At the beginning of the hearings, the Secretary of Labor, Mr. Mitchell, was our first witness. Even though he is a Republican, I must say he is trying to do a good job. I know all of you will not agree with that. There is some division of opinion between Democrats and Republicans and between labor and management, but he has been trying to do a decent job for all segments of our economy, and I think he should be commended. I did ask him, "There seems to be a great demand from Members of Congress and from people all over the country to cut the budget that we have before us. Now is there any place in this proposed budget that you are here justifying as far as the Department of Labor is concerned, that we can cut a position or one dime from?"

His answer was: "No; I don't believe it should be cut." He indicated further that they are doing the job that Congress has asked them to do. Many of the things that they are required to do, they are required to do because you people voted for these programs during the last couple of years in the 84th Congress. Many of you I know in the last election were going around bragging about what you had done for the laboring people of this country. If you want to continue to brag, we solicit your support today to stand by that pledge and support the budget requested by your administration with the adjustments made by the committee.

Mr. Folsom, the Secretary of the Department of Health, Education, and Welfare, appeared before our committee, and I think that he, too, is doing an excellent job as a member of the Cabinet. There may be some division of opinion among some of you because you may think he is too liberal. I do not think he is asking enough. I think he should have asked for more. And I think in some areas in the Department of Labor that the Secretary of Labor did not ask for enough. As far as Mr. Folsom is concerned, I think he could spend more money than he is asking for which would save the taxpayers many thousands of dollars in return—not only dollars but lives.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Idaho.

Mr. BUDGE. We must realize that the gentleman from Rhode Island has

a very difficult task before him in the presentation of this particular bill due to the human interest features in it. Referring, though, to this problem of personnel, I note that for the Department of Health, Education, and Welfare their actual employment on the last day of last month, that is, February 28, was 28,041 employees. In the authorization for the fiscal year 1957, where substantial increases were made, the Congress allowed for the employment of 30,994. There is a difference there of 2,953 employees which the Department has been unable to employ. Yet this bill, in addition to the 2,953 that have been authorized but have not been hired, raises the employment another 1,086 employees.

Mr. FOGARTY. That is right and mainly because the new programs that you and I, or the majority of us, voted for a year ago did not get started until just a few months before the 28th of February. They are still recruiting personnel to man these jobs that have been given to them by the Congress of the United States and by your President and mine. In some of these areas we were critical in our report because they have moved so slowly. We think they should have moved faster in many areas. One of the difficulties they have, of course, especially in the Office of Education, is the matter of salaries. It is difficult to attract good men at the salaries that the Government offers in some of these specialized fields, especially in the fields of science, medicine, and education. That is one of the things that has been holding them up, but we expect by June 30 with the amount that we authorized for 1957 they will have on the rolls at that time the full number authorized; so the actual increase for 1958 will be just what this table shows, 1,086.

Mr. BUDGE. I wonder if the distinguished gentleman from Rhode Island would inform the committee as to the number of job increases in these two departments which were included in the 1957 appropriations over 1956?

Mr. FOGARTY. I do not have those figures before me but I will get them for the gentleman in just a few minutes. In 9 times out of 10 these increases are due to the action we took as Members of Congress when we passed additional legislation. Let us not forget that. When I voted for the social-security amendments last year I voted for them with the full knowledge it was going to cost a lot more money. I knew that at the time. There is no reason in the world for any of us to say, "I did not realize it was going to cost this amount of money when we voted these authorizations."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Iowa.

Mr. GROSS. Is the gentleman speaking of administrative costs with respect to social security?

Mr. FOGARTY. I am talking about the increased Federal matching provisions for public assistance, the liberalizing amendments as far as disability, children, reducing the retirement age for women, and so forth.

Mr. GROSS. Is not the social-security program a self-supporting program?

Mr. FOGARTY. It is supposed to be, but it is all paid from taxes of one kind or another. We are taking in about $7½ billion a year and paying out $7 billion in social-security benefits at this time.

Now, if I may run down through some of the programs in the Department of Labor. We have been a little bit critical of the Department of Labor for not doing more regarding the matter of the employment of older workers in this country. As many of you know, when a person reaches the age of 45 he often finds it impossible to get another job. We have spent nearly two hundred thousand dollars doing research in this field in the last two years. Now the Department of Labor has come up with a set of pamphlets that they think will help in inducing employers to hire men over the age of 45. We did not think the Department of Labor had gone far enough in this field. In our report this year we said:

> The committee hopes that the so-called action programs planned for next year will speed up progress in this field.

That is one program, I am sure, that the Secretary of Labor could spend much more money in if he had it available to him, and it would do a world of good for the older people we are always talking about.

In the Office of the Secretary, while we cut the request $109,000, we allowed $50,000 for a non-recurring rent item; an increase of $30,000 for international labor affairs, and approximately $80,000 for other activities in the Office of the Secretary that go along with these increased programs we have enacted into law.

In the Solicitor's office there is a minimum increase of about $20,000.

In the Bureau of Labor Standards we cut their request about in half.

In the Bureau of Veterans Reemployment Rights, they come in with a sizable increase of about $150,000, and we gave them the entire amount that they asked for, because that is the only agency in the Government today where the veteran has any special rights, and where any man going into the service today will have his job guaranteed to him when he returns home. Because of the expanded Ready Reserve program, which will add very considerably to their work, we have allowed the full amount of increase of $159,000. I believe that this increase is fully justified and I cannot imagine any Member of this body failing to support this item. To do so, in my opinion, would be to renege on the responsibility which we have to the veterans of this country.

In the Bureau of Apprentice there was a new item requested, which caused some concern among the Members of the Congress because there is some controversy between the vocational-education people and apprenticeship and training advocates. So we took off the "and training" part and eliminated $340,000 that this new program would cost and kept it at the same level as 1957. We said in our report that we do not find fault with the program, but because of the confusion that exists on a local level in the States between the vocational people and the Bureau of Apprenticeship and Training, we have deferred this item. If they straighten out their differences and the item is included by the Senate, we will then consider it in conference.

In the Bureau of Employment Security, we have allowed a small increase.

In the Bureau of Employees Compensation, we allowed a sizable increase to decentralize the work of the Bureau. As a result of 4 years' experience with one field office at San Francisco we found that it works very well. Processing claims has been speeded up, and the people who have been injured are getting better service and do not have to wait so long for benefits. So we have adopted their recommendation of establishing field offices in Boston, New York, and Chicago to further decentralize.

In the Bureau of Labor Statistics we cut the requested increase about in half.

In the Women's Bureau they asked for a little increase to hire four more people, and we have allowed for that.

In the Wage and Hour Division we have allowed what they asked for, which is not any increase in personnel.

In the Department of Health, Education, and Welfare we have continued the programs at about the same level except for programs where there has been an expansion required by basic legislation voted by Congress.

Under the last Democratic administration this committee made recommendations that went over the President's budget for many programs, especially the National Institutes of Health, and the Congress approved it and the administration adopted these expanded programs because they felt that the majority of Congress wanted them adopted.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. It is my understanding, from what the gentleman is saying, that having authorized all these activities, now we have to pay for them.

Mr. FOGARTY. Either pay for them or break faith with the States, communities, and institutions, and the people, that are acting and have put up money to meet their share of the cost of these programs.

Mr. HOFFMAN. Well, what about some where we have not made any agreement with the States. There are some, are there not? There are such items in here.

Mr. FOGARTY. No. If there are, I do not know of any.

Mr. HOFFMAN. Do the States have a part in everything carried in this bill?

Mr. FOGARTY. The law allows them to take part if, by an act of their own legislature, they put up matching funds required to take part in these grant programs. If a State decides not to, for instance, if the legislature in the State of Michigan decides not to take part in the new library service program, they do not have to take part and will not have to put up any money and any Federal

money earmarked for Michigan will revert to the Treasury.

Mr. HOFFMAN. But we are in a position, then, that if the States do go along, by our previous action we have committed ourselves to a program that is going to cost more money.

Mr. FOGARTY. Positively.

Mr. HOFFMAN. And there is no use talking about cutting the budget, is there?

Mr. FOGARTY. I do not know how you can cut some of those items. When you pass a bill that provides Federal assistance to federally impacted school areas, for instance, and establish a formula for entitlements, I do not know what can be done except to appropriate the money. If they meet that formula we have no alternative than to grant the amount of funds that the formula calls for. Of course, you can do one other thing; you can repeal some of the legislation that has been enacted if you want to reduce Government expenditures.

Mr. HOFFMAN. I understood the gentleman to say, if we did that, we would be breaking faith with the States which decided to go along.

Mr. FOGARTY. Not by repealing the legislation, because we would give them due notice when the legislation was repealed. I am not recommending that, because I do not think some of these programs go far enough, but that is the way to do it if you want to cut expenditures.

Mr. HOFFMAN. What does the gentleman mean by not having gone far enough?

Mr. FOGARTY. In some of these areas I think they ought to be given more money than they are asking for if they are to do the job we expect of them. I do not think they have asked for enough in many areas. I think we could save the Federal Government money in the long run if we gave them more money to operate with in many instances.

Mr. HALEY. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Florida.

Mr. HALEY. With reference to the activity having to do with the health of the Indians, I note that Dr. Shaw who is the head of this program and also was when it was in the Department of the Interior—I suppose he was on loan, by the way—in his testimony was very critical of the Department of the Interior. I note also that the increase from 1953 in that particular activity has been from $21 million to $40 million. What additional facilities is the Department of Health, Education, and Welfare now supplying to the Indians that the Indian Bureau was not supplying at the time they took it over?

Mr. FOGARTY. Let me say first that the Public Health Service did not ask for this additional responsibility.

Mr. HALEY. I realize that.

Mr. FOGARTY. I do not know whose idea it was, but it is something they did not ask for. Knowing the Public Health Service as we do, and knowing it to be a good Service, when they assumed that responsibility we said, "As long as you have this responsibility now we want you to go in, make a survey, then come back and tell us exactly what is needed. We are going to give you the money to do a good job because we have received complaints that not much was being done to improve the health of the Indians on these reservations."

Mr. HALEY. Mr. Chairman, would the gentleman yield further?

Mr. FOGARTY. I yield further.

Mr. HALEY. Mr. Chairman, I wonder if it is the thought of the Health, Education, and Welfare people to extend these services to Indians off reservations. If so, I think they would get into deep water and instead of a program costing $40 million a year, it will become a $400 million program. Would the gentleman care to enlighten me on that?

Mr. FOGARTY. I cannot give the gentleman a good answer to that because I do not know for sure what they are thinking about, but they have presented no program to the committee regarding services for Indians not on reservations.

Mr. HALEY. That is what is worrying me, because if it is the intention of the Federal Government through the Health, Education and Welfare Department to go into that field, it is picking up a health problem that should belong to the State.

Mr. FOGARTY. As far as I know, that is not the intention, and I agree with the gentleman that the program should not be so expanded.

Mr. HALEY. I hope the gentleman does not misunderstand me. I am not opposed to providing them with good services on the reservations, but I would certainly like to know where the program is going.

Mr. FOGARTY. I think it is a good question, and I think we are in agreement on this subject. As far as I do know, that is not the intention of the Public Health Service. As far as the committee is concerned, since the Public Health Service is charged with this responsibility we want to give them the tools with which to do a decent job.

We found they wanted to build 2 or 3 hospitals in the Southwest, in New Mexico and Arizona, but the administration has said those hospitals are not going to be built until they get inflation under control. We think they ought to be built.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Indiana.

Mr. DENTON. As a member of the subcommittee which heard the testimony on this appropriation bill, I want to express my appreciation of the manner in which the chairman of this subcommittee, the gentleman from Rhode Island [Mr. FOGARTY] conducted those hearings. He had a detailed knowledge of all the affairs of the departments that came before this committee. He was painstaking; he was patient. I felt that he was anxious to cut out waste, inefficiency and extravagance wherever possible, and at the same time to avoid impairing the essential functions of government.

A really outstanding work of the gentleman from Rhode Island [Mr. FOGARTY] has been his effort in behalf of retarded children. They had been forgotten and nothing was being done for them. Then our chairman undertook a program. He inaugurated a program of education and of research in the neurological division of the National Institutes of Health. Now a real program has been worked out for the fuller development of retarded children.

The work of the gentleman from Rhode Island [Mr. FOGARTY] in behalf of public health and medical research already is legend. It will be remembered after many of us are long gone.

I am sorry we did not go as far in this bill as I think we should have gone in some respects. Because of the research work of the National Institutes of Health, blindness has been reduced 40 percent. I am sorry that we did not do something to promote more research into hearing disorders and deafness. I wish a $1 million sum had been recommended for that purpose.

We do not know just how many people there are who suffer from deafness and hearing difficulties. But we know there are a great many. Almost nothing has been done in the way of research on this subject. We did transfer I think about $600,000 to be used for that purpose.

Another thing I am sorry we did not go ahead with is the chemotherapy program in search of a possible cancer cure there. There will be 5 or 6 million dollars of cancer-research funds left over at the end of this fiscal year. The Public Health Service had made arrangements with the pharmaceutical companies to carry out research in the use of drugs for treating cancer. I think this program was really getting somewhere. But the National Institutes of Health were unable to get approval from higher authorities for the form of contracts to be used for this work. These leftover funds will now revert to the Treasury. I wish we could have reappropriated this money for that program instead of permitting it to revert.

Again I want to express my appreciation to the chairman for the manner in which he has conducted these hearings.

Mr. FOGARTY. I thank the gentleman.

I should like now to proceed with my statement. We did find criticism of the Department of Health, Education, and Welfare with regard to their program on problems of the aging. That is a problem that is coming upon us and not enough is being done about it. We have been critical of the lack of enthusiasm for developing a program new for some years. I remember when Oscar Ewing was the Administrator we criticized him for not doing more in this field, and we have more critical comment regarding the present administration.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. In just a moment. I would like to finish this statement.

Mr. BROOKS of Louisiana. I am going to make a point of order, then.

Mr. FOGARTY. Go ahead and make it.

Mr. BROOKS of Louisiana. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

Mr. FOGARTY. Mr. Chairman, I will be very happy to yield to the gentleman from Louisiana when I complete my statement. But I insist that no man will succeed in getting me to yield this floor through the use of threats. I never have succumbed to a threatening statement and I hope I never will.

Mr. Chairman, in the construction program we found some criticism too, because we believe that some of the proposed construction could save the Federal Government a lot of money. We have been attempting to get a new building for the old-age and survivors' insurance program in Baltimore now for years. That building, they tell us, will save a million dollars a year. As long as the construction of that building is held up, it will cost the fund $1 million a year. We have been trying to get a building for the Communicable Disease Center built in Atlanta, Ga., that would house different components of this agency under one roof, which would save the Federal Government money. But, because the administration chose to get it under this lease-purchase idea, that building has not been started. We thought last year we made provisions to build a dental research building at Bethesda, but because of the policy of the administration, funds for that building have been deleted. We gave approval a year ago to build an administration building for the National Institutes of Health at Bethesda, but because of the same policy, that building has been deferred and they have forced the Department of Health, Education, and Welfare to go out and hire space that they so badly need at this time. We think the building program has been very poorly handled, indeed.

With reference to the Food and Drug Administration, we gave them just what they asked for—not as much as the Citizens Advisory Committee recommended a couple of years ago, but we gave them everything they asked for.

With reference to Gallaudet Hospital, we are living up to the agreement with Gallaudet College making that college of first-class rank.

Howard University has been given a little cut. They asked for $800,000 more this year for salaries and expenses and we allowed them $500,000, which we thought was a fair increase. We also are giving them something that they have been requesting for 4 or 5 years now—$150,000 to plan 2 new buildings.

In the Office of Education, we allowed the full amount for vocational education except for Guam and the new fisheries program. The only place in the budget that we went over the Bureau of the Budget figures was on the grants for library services. The Department asked the Bureau of the Budget for $5 million for library services. The Bureau of the Budget allowed $3 million and this committee is recommending $5 million. The authorization approved by this House and signed by the President is $7,500,000.

On the payments to school districts and assistance on school construction in federally impacted areas, we gave just what they asked for.

On salaries and expenses, we cut them in the Department of Education $500,000. We asked the Department of Education to come up with a program next year that will help in better educational opportunities for the 1,500,000 or 2 million children who have speech or hearing defects.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MILLER of Nebraska. In the report on page 17, on the construction of Indian health facilities, I find this language:

> Available for construction of Indian health facilities during the fiscal year 1956, $5,555,000.

What Indian health facilities does that refer to?

Mr. FOGARTY. Where is that in the report?

Mr. MILLER of Nebraska. On page 17 of the report, the second line, "available for construction of Indian health facilities during the fiscal year, 1956."

I am wondering what the Indian health facilities are that are referred to.

Mr. FOGARTY. They are dwellings to accommodate some of the public health personnel who are working with the Indians, small clinic buildings and that sort of thing.

Mr. MILLER of Nebraska. Does that deal with sanitary facilities, waterworks, and so forth?

Mr. FOGARTY. No not sanitary facilities.

Mr. MILLER of Nebraska. Is there some appropriation here for sanitary facilities, such as sewage disposal plants, and water plants of some kind?

Mr. FOGARTY. No. There is nothing in here for that.

Mr. MILLER of Nebraska. They have been before a subcommittee, of which the gentleman from Florida [Mr. HALEY] is chairman, asking for an authorization to construct and maintain sewage disposal plants.

Mr. FOGARTY. There is nothing in this bill for that.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BYRNES of Wisconsin. The gentleman mentioned grants for library service. On what basis does the committee justify going above the budget figure? I ask that particularly in view of the fact that recently the House passed a resolution calling upon the President to tell us where we could cut the budget, further because the budget was too high. In this instance we are going over what the President recommended.

Mr. FOGARTY. We increased that item because the Congress last year overwhelmingly voted for this library service bill. We laid down a certain formula for providing Federal funds that the States could match, by enacting legislation in their own States. We were told that some thirty-odd States had taken action, and that by next fiscal year the States will have put up enough money to use $6 million instead of $5 million.

Mr. BYRNES of Wisconsin. As I understood the bill that was passed last year—I was against it, but it was passed, as the gentleman said, overwhelmingly—but as I recall we provided for about $7 million.

Mr. FOGARTY. $7,500,000.

Mr. BYRNES of Wisconsin. Now you are saying that if all of the States do everything that it is possible for them to do, it is anticipated they will match about $6 million.

Mr. FOGARTY. Six million, on the basis of current estimates.

Mr. BYRNES of Wisconsin. Yet you are going to give them only $5 million.

Mr. FOGARTY. Let me tell the gentleman——

Mr. BYRNES of Wisconsin. Why do we pick out that place to make a reduction of $1 million?

Mr. FOGARTY. The authorization is $7,500,000. The Department of Health, Education, and Welfare asked the Bureau of the Budget for $5 million. Some of us were trying to get this raised in committee. We tried to get $6 million. Five million dollars was a compromise in the committee between the $6 million and the $3 million requested by the Bureau of the Budget.

Mr. BYRNES of Wisconsin. How does the Bureau of the Budget justify $3 million?

Mr. FOGARTY. I cannot tell you. The Bureau of the Budget has confused me on many occasions. I just cannot answer you.

Mr. BYRNES of Wisconsin. Did anybody attempt to justify the $3 million figure?

Mr. FOGARTY. Yes. The Office of Education witnesses. They had no other choice but to justify what was in the budget, because they are under those restrictions.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DIXON. I commend the committee and its chairman, Representative FOGARTY, for making the library appropriation the only item that was raised above the budget and upon providing these additional funds. As a result of our authorization bill last year some States enacted legislation to take advantage of this Federal assistance. My State was one of them. In a way it was our moral obligation after the States had passed laws to avail themselves of the Federal law. I express my appreciation to the committee and hope the House will support the committee figure for libraries.

Mr. FOGARTY. I appreciate the gentleman's remarks. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. When I rose a little while ago I had in mind asking the gentleman for a little information. The matter I have in mind is not a vital matter, but it is something that I would like to have the gentleman clear up. That is this item of salaries and expenses in the Public Health Service, where you have increased it by $69,000.

Why have salaries been increased when salaries generally are reduced? That is, the salary account generally in the bill has been reduced. Why do you increase that $69,000?

Mr. FOGARTY. Which appropriation?

Mr. BROOKS of Louisiana. On page 37 of the report.

Mr. FOGARTY. Salaries and expenses for hospital construction services, is that what the gentleman is referring to? That is just for increases in mandatory costs.

Mr. BROOKS of Louisiana. It is mandatory increases only?

Mr. FOGARTY. I think that they should have more personnel in that division to do a better job in connection with this hospital construction program. As the gentleman knows, his State has been one of the States that has taken full advantage of the Hill-Burton Hospital Construction Act. In order to keep it going in the right way we have to have good administration.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BROOKS of Louisiana. I am interested in keeping down expenditures where we can keep them down properly. The gentleman said that is a mandatory increase?

Mr. FOGARTY. There is no increase for personnel. It is a mandatory increase.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Why was the request for $2½ million disallowed?

Mr. FOGARTY. It was disallowed on the basis that it was a new program that added to Federal expenditures. Even though it was authorized by the Congress last year in the social security amendments, it was a new program and that was one of the areas that had less appeal than some of the others.

Mr. COOLEY. A program as comprehensive as this and a program involving this much money to be spent should have trained personnel to be used in the administration of the program?

Mr. FOGARTY. I happen to agree with the gentleman, but the majority did not agree with us. As a result we have that $2½ million cut.

Mr. COOLEY. I regret that the committee did not authorize that amount.

Mr. FOGARTY. I have taken more time than I expected so I will just briefly mention the remaining items in the bill.

In connection with vocational rehabilitation we have allowed the full amount requested. In salaries and expenses we cut $115,000 and provided that all of the increase be utilized in the field offices.

In connection with the Public Health Service, the appropriation recommended for "Assistance to States, general" is a reduction of $5 million from the request, but is an increase of $2 million over 1957.

The amounts recommended for grants to Alaska, venereal disease control and tuberculosis, are the same as the requests. For communicable disease control we cut $60,000.

For "sanitary engineering activities" we cut $423,000 from their request and allowed an increase of $3,640,000 over 1957. The increase is made necessary by the new legislation of the last Congress.

Grants for waste treatment works construction is $50 million, the same as last year.

The hospital construction program in total is what they asked for.

For United States Public Health Service hospitals and medical care we show an increase because of the deplorable condition that exists in those hospitals at this time. We feel that patients should get first class attention in these hospitals.

Indian health activities have been discussed earlier.

Now, referring to the National Institutes of Health. We made one change in their request this year. The Department asked for funds to increase allowance to the universities and institutions receiving research grants from 15 to 25 percent. We have denied that increase from 15 to 25 percent on the basis that it was only 2 years ago that we raised that allowance from 8 to 15 percent. We did not reduce the amount of money requested for this, which was $6 million plus, and have made this amount available to the National Institutes of Health for further research above what was budgeted for. We did earmark the amount that would have been used for increased overhead allowances in the field of cancer, or $1,616,000, to enter into contracts with pharmaceutical houses to test the thousands of chemical compounds they have lying on the shelves for anticancer properties.

In the field of neurology, $620,000 was budgeted for increased overhead allowances. We have earmarked that to be expended in a program of research into the problem of children with hearing and speech defects. Those are the two main changes as far as the Institutes of Health are concerned. And, incidentally, I had expected to speak in much more detail on this today but I have yielded to Members rather freely and am running out of time so I shall mention more about this important program for speech and hearing defects tomorrow.

St. Elizabeths Hospital—we cut out all of the increase in personnel that they asked for but allowed in full for all mandatory increases.

We gave the Bureau of Old-Age and Survivors' Insurance practically what they asked for.

We reduced the figure of $1,679,000,000 for public assistance grants to $1,600,000,000 for reasons set forth in the report. If the actual requirements are more than we have allowed, then under the law we have to meet them, unless you change the law.

We have reduced the salaries and expenses for the Children's Bureau by $154,000, and have given them what they asked for in grants to States.

In the Office of the Secretary, he asked for a sizable increase, and we gave about half of what was requested.

Now, Mr. Chairman, I know there are others who want to speak on the bill. I have yielded to everybody who has asked me to yield and as a result have taken quite a bit of time, but I want to make one closing remark. I think you will agree with me that when we are dealing with human beings as we are in this particular bill, it is a most difficult one to cut. I am not satisfied with it, and the reason I am not satisfied with it is because I do not think we go far enough in some of these fields. I think we could expend more money in research on many of these diseases that are killing and disabling human beings than we are spending. We could save lives, and we could save money by an expenditure of more funds than we are providing. But, it is the best we could do under the circumstances. I am very happy to present this report to you, and I ask for your earnest consideration and support of it.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. Preliminary to my remarks on the bill now before us, it is my desire to commend the gentleman from Rhode Island [Mr. FOGARTY] and his committee on the splendid bill they have brought before us with particular reference to the subject of health.

I have observed during the 11 years that the gentleman from Rhode Island [Mr. FOGARTY] has been a member of this important subcommittee on the Appropriations Committee and for the 7 years during which he has been chairman, that he has at all times exhibited a very great and commendable interest in providing adequate funds to advance the health activities of our Government. There has been at no time anyone in the Congress whose humane instincts have done more to promote the welfare of our people than the gentleman from Rhode Island who has just addressed us. Whenever his membership in this House may cease, and I certainly hope, as do the rest of his colleagues, that it will be a long, long time in the future, that it will be with the full measure of satisfaction that comes to one who has worked sincerely, honestly, and well in behalf of his fellow man. He has justly earned the good will of his colleagues and the thousands upon thousands of people to whom his labors have already and will hereafter benefit. His work merits the praise of all. I trust we in this House, the people whom he so ably represents in his Congressional district, and the people of this Nation as a whole shall continue to have the benefit of his great service to humanity.

The gentleman from Rhode Island [Mr. FOGARTY], as chairman of his great committee, has presented a clear and lucid picture of the health needs of our Nation, what has been accomplished, and what is planned for the future. A reading of the testimony given at the numerous hearings held by the committee, and the questions and comments of the gentleman from Rhode Island [Mr. FOGARTY], leaves no doubt that Chairman FOGARTY is the best informed man in Congress on all the details affecting our national health program. His knowledge of the entire subject is great. It is indeed remarkable. But of equal importance with his knowledge is the fact that his heart has human instincts that speak out for a recognition by the Government of its obligation to provide adequately for the health of our people.

The bill as presented by the committee is entitled to the support of the Congress. It recognizes the need for care in making expenditures, but it also recognizes there are some considerations that must take precedence over the mere saving of dollars and cents. We must be equally, or, even more concerned in preserving the health of our people and saving the lives of our people. This is the purpose and intent of the appropriations contained in this bill in providing research, preventive, and other type programs and facilities for the sick and mentally and physically handicapped who are in our midst.

I am in entire accord with the thought already expressed that there is no subject more difficult to cut than appropriations made to promote health and care for the sick and handicapped. And yet, the committee has been able to make some reduction in the overall budget estimates without seriously impairing the necessary services. It is true that there may be additional ways in which money can and should be spent to advantage, yet it is also true that many such can await a little longer until the need for reducing costs of government is not so impelling as at the present time. This bill, therefore, shows a fine sense of responsibility to provide what is necessary but withhold what can be deferred without doing immediate harm.

My service on the Committee on Interstate and Foreign Commerce has afforded me the opportunity to take part in the building up of our national health program. I confess, and in all sincerity frankly state, there has been no service in my many years in Congress that has given me more genuine and real pleasure and satisfaction than that which I have been able to do as a member and chairman, at times, of the above-mentioned committee in the field of health legislation.

This program to promote health has extended into numerous and varied fields of activity. When I first became a member of the committee nearly 30 years ago there was little being done on the Federal level as compared to the present to provide nationwide programs to promote health and encourage research. Increased interest has caused not only the adoption of Federal programs but also an increase in the number and expense of State and local programs. All of this latter expansion has been largely the result of legislation that has authorized and provided Federal funds to State and local authorities to assist and thereby encourage them to inaugurate new or more extensive health programs and to provide additional facilities for the better care of the sick and handicapped.

Thus, programs have been instituted for the benefit of mentally retarded children, care of the aging, construction of hospitals, nursing homes, clinical health centers, rehabilitation facilities, assistance to the blind, mentally ill, prevention and elimination of venereal diseases, research programs related to prevention and cure of tuberculosis, cancer, heart disease, arthritis, polio, blindness, communicable and infectious diseases, dental health activities, neurology, health research facilities. This represents merely a quick summary of what has been done and is being done through Federal activity. There is much more that could be said if time permitted the whole story to be told. A reading of the committee hearings would undoubtedly be a surprise and I believe would convince anyone who may doubt the efficacy and widespread good being accomplished in the field of public health.

I trust that the membership will give full consideration to the fine work being done in this important field of government activity and the splendid results being attained. I venture to say that there are no Government expenditures that are producing more satisfactory results. And, in my opinion, our obligation to promote and improve the health of our people is one that cannot and should not be ignored. Let whatever cuts in expenditures may be necessary be made where the health, happiness, and lives of our people will not be imperiled or curtailed.

I appeal to the membership to support the pending bill in its entirety.

Mr. FOGARTY. I thank the gentleman.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I take advantage of this opportunity to announce that the distinguished Lord Mayor of Dublin, Ireland, the Honorable Robert Briscoe, will be here this afternoon between 3 and 3:15, and that the membership of the House will have an opportunity to greet him in the Speaker's rooms at that time.

I thank the gentleman from New York.

Mr. TABER. Mr. Chairman, the bill comes here with the endorsement of the Committee on Appropriations. Frankly, I feel that we have not met the situation that we are faced with.

Now, just so you can have a little picture of what we are facing, I want to call your attention to a few figures that I took out of the Treasury statement yesterday relating to the financial situation of the United States.

On the 31st of December we showed an increase in receipts of $3,350 million over the same 6 months of fiscal 1956. We showed an increase in expenditures of $2,155 million. So that in the first 6 months of this fiscal year we were better off in the matter of balancing the budget than we were before by $1,195 million.

At the present time—probably I am a day or two out of the way, but these are the latest figures I was able to get—the expenditures above last year had risen from $2,155 million to $5,682 million, and the receipts had risen at that time above last year only to $4,283 million. That means that instead of being better off, as we were the 1st day of January, we are worse off toward a balanced budget today by $1,399 million. That means that our position has changed by the sum of those 2 figures, or $2,594 million as of this date. In other words, we are $2½ billion in worse shape toward balancing the budget for this particular year than we were on the 1st day of January.

I do not know how that impresses the membership. I appreciate that a fellow who tells a story that brings out the facts, even though it hurts, and hurts his own feelings to give them, does not get the most attentive audience in the world. But I want to say that those figures, to my mind, demand of every Member of the House of Representatives the utmost of vigilance in trying to screen out every dollar of appropriations and expenditures that it is possible to screen out. And we will have to do that on some things that we ourselves would like to see built up; because the worst thing that can happen to the United States, the worst thing that we can have happen to us is to come into the end of this fiscal year without a balanced budget. That means more and more inflation; that means more and more difficulty in trying to get anywhere with the situation that we are confronted with.

This bill has come before you with the Appropriations Committee divided. Frankly, I felt that it could be cut quite considerably without hurting anything. I thought it would be very much better if we did not try to advance so rapidly in our expenditures that we would perhaps upset the applecart entirely.

The bill does come here with a cut in the budget estimates of $118,774,700, with a total budget estimate of $2,862,000,000. As compared with last year it is less. It is less because the authorized amount for school construction was $66 million less than was appropriated last year, and because the veterans' unemployment insurance is running out. It amounts to $33 million less than it did in the bill for 1957.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. JONAS. Are not some of the cuts less than firm cuts, certainly in the field of grants to the States? Are they not in the nature of estimates on the part of the committee instead of firm cuts that will stand up?

Mr. TABER. I would not want to say that. I am inclined to believe that most of the cuts are pretty well stable. The social security grants have been cut quite considerably, that is, $79,400,000 on the grant estimate, and there are a few smaller cuts on different items.

The picture there, in my opinion, and I think I am correct, is that they have a pretty bad situation with reference to the management of the biggest block of money in this bill. Out of the $1.6 billion of appropriations, the limitation in the bill calls for not exceeding $104 million for administration. This means that the total amount for administration will be 15 percent, or a little better, of the amount that is given away. That is a very bad situation. There is State after State where the amount is much more than 15 percent. The worst part of the picture to me is that in my own State the average expenditures are 20 percent of the amount that is allocated to the people who operate it by the Federal Government and the States. The figure for the administration, or the part of it that relates to dependent children is as high as 27 percent. In other

words, of every dollar you give them 27 cents goes for administration. That, to me, is tragic. It means that the people in the States who are handling this thing have not gotten on top of it and they are not getting on top of it. For that reason, I am very much disturbed about it.

There are many items in this bill which, in my opinion, should be reduced further. I am not going to go into the details of them at this time. I hope when these items are reached that those Members interested in economy will offer amendments to reduce the bill so that it will carry no more than is absolutely required to do a decent job. The committee has done something toward reducing the number of personnel involved, but, in my opinion, I believe in a great many cases we could have done a great deal more and at least brought them back to the current year's figures. The whole situation here, to me, is one where, if we do not meet our responsibilities and face the situation, it is going to be very difficult for us to do any kind of a job with the Government's money.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GROSS. I notice in the hearings it is proposed by the Department of Labor that employees transferred or decentralized and moved to another part of the country be paid $12-a-day plus $6-a-day for dependents, which would be in addition to transportation and moving of their household effects. That would be setting a new precedent and an expensive one. Can the gentleman tell us whether that got into the bill?

Mr. TABER. As I remember it, that was included in the budget estimate, but, frankly, I do not know.

Mr. GROSS. Is there any such authorization as that in the present bill? I have not been able to find it. But, some of the language here is not too clear to me.

Mr. TABER. I cannot tell the gentleman offhand whether that is in the bill or not.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BUDGE. I can advise the gentleman from Iowa that that was deleted by the committee.

Mr. GROSS. I thank the gentleman.

Mr. TABER. Well, that is where they did one thing toward improving the bill. Mr. Chairman, I hope that when this bill is finished that we will have gone on record in favor of improving the bill a little bit more. The committee did some improving, but I would like to see the House stand for improving the bill a little bit more.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIER. Did I understand the gentleman from Iowa (Mr. GROSS) to say that there was something in this bill that he could not find; if that is true, why, then, this is the first bill he has slipped on.

Mr. TABER. It must be that he was looking at the budget which was sent down here rather than the bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BYRNES of Wisconsin. In this bill, there are a number of new Federal grant-in-aid programs that are just being inaugurated. I refer particularly to this one for the library services. That has not been done before; has it?

Mr. TABER. It was authorized a year ago, and the other body inserted some money in the bill to operate it; $2,050,000 was provided. Down through the 1st day of February, as I remember it, about $400,000 of that $2,050,000 had been obligated. How much they will have obligated at the end of the year I do not know. Frankly, I want to say to the gentleman that I am opposed to any increase above the budget because so many States have not approved of it, and some of them have definitely refused.

Mr. BYRNES of Wisconsin. There is one thing that bothers me. Perhaps the gentleman can clear it up. When the Congress authorizes, let us use as an example this library-service program, an expenditure of $7½ million, does that give to the Department authority to obligate up to that $7½ million even before the Congress has appropriated $7½ million or whatever money is carried in the appropriation bill?

Mr. TABER. It does not. They have no authority to obligate any money until they get specific legislation to obligate.

Mr. BYRNES of Wisconsin. Then I would assume that the status of this matter, as far as the next fiscal year is concerned, is that there is no actual obligation, other than the statement of Congressional intent, that it is desired to move into this program to some degree.

Mr. TABER. There may be a few odds and ends, tails to the kite, like small items that have been obligated that have to be paid for before the 1st of July, but that is all.

Mr. BYRNES of Wisconsin. The gentleman from Rhode Island [Mr. FOGARTY] places a great deal of stress upon the fact that in most cases the Appropriations Committee was tied because of the authorization policy. I wondered if the gentleman agrees that your hands were tied to the extent that the gentleman from Rhode Island would have us believe.

Mr. TABER. Well, I do not know. I did not hear just what he said along that line, but as far as I am concerned, my hands are not tied on appropriating any money unless we have previously given them, by statute or otherwise, contract authority, and we may have to meet that contract authority.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. LAIRD).

Mr. LAIRD. Mr. Chairman, this bill that is before us today is perhaps one of the most difficult appropriation bills upon which to operate, as far as the Appropriations Committee is concerned. If we on the Appropriations Committee have erred at all in the markup of this appropriation bill for the Departments of Labor, and Health, Education, and Welfare, we have erred on the side of generosity. It is a fact that the Congress was overgenerous in appropriating funds in this bill last year. As a matter of fact over $20 million will be returned to the Treasury which was appropriated last year. I am sure every effort was made by the various bureaus to spend this money.

This Congress has expressed disapproval of the President's budget in many speeches. Most of the talking has been in broad general terms and not in specific terms as it relates to individual budget items. Today we will be face to face with specific budget items. The Congress expressed the opinion just 4 weeks ago that the Executive budget was too high. The majority party supported this resolution on a straight party vote.

Mr. Chairman, our distinguished and able subcommittee chairman has gone into detail on each of the individual items of this appropriation bill. It might be well for us to look at a few of the overall figures in this bill.

The Department of Labor receives an appropriation of $364,366,300 in this bill. That is the direct appropriation and does not include funds which are transferred from the various trust funds. This compares with a budget request made for the Department of Labor in the amount of $384,678,000, or a reduction of $20 million in the request placed before the committee by the Department and approved by the Bureau of the Budget. The total appropriation for the Department of Labor in this present fiscal year is $380,785,000; therefore, the appropriation in this bill is $16,419,000 below the appropriation authorized for this fiscal year.

In the Department of Health, Education, and Welfare, the budget estimate for this fiscal year which was presented to our committee was $2,582,000,000. This bill contains an appropriation in direct funds from the Treasury of $2,433,000,000. I think it is well for us to look closely at this particular bill to see where the major reductions, when compared to the 1957 budget, are shown. These major reductions are in the amount of $33.2 million for payments of unemployment compensation for veterans. This was a nonrecurring expense that would not normally appear in this appropriation bill for the fiscal year 1958. There is no real budget cut either on the part of the Bureau of the Budget or on the part of the Appropriations Committee as far as this $33.2 million reduction is concerned.

The next big item is the $66.8 million reduction in assistance to school districts for school construction. This also was a nonrecurring item of expense and does not represent a budget reduction as far as the Bureau of the Budget is concerned or as far as the House Appropriations Committee is concerned. In addition to that, there is a reduction as compared with the 1957 budget of $5.6 million in the construction of Indian health facilities. Also in this bill there is the figure of $8.8 million which does not recur from last year's budget covering the appropriation for construction of hospital facilities at St. Elizabeths. These and similar nonrecurring items make up a total of $120 million. In

other words, the budget base for fiscal year 1957 can be reduced by this amount in comparison with the 1958 figures in the bill before us today.

I think it is well for us to look over some of the new programs which the President and the Bureau included in this particular bill. Every one of these new programs was authorized by the 84th Congress. I might add that I voted with the minority on the establishment of these programs.

During the testimony which you will find in the committee hearings I asked a question of the Social Security Administrator as to the total cost of the social-security bill passed by the last session of Congress. I asked what projected yearly cost of that program was, and I received the answer. That answer was $1,800,000,000 a year.

Many people, when they voted on this particular bill, thought they were approving a bill providing for the reduction of the age level for retirement for women from 65 to 62 and for a new total disability program starting at the age of 50.

This particular bill contained many other provisions which were far-reaching and received very little attention when the bill was acted upon. This legislation last year provided for a new authorization and new program of $5 million for each of the first 2 years and an open-end authorized thereafter to take over the State and local responsibility of training State and local welfare workers. The Federal Government would pay 30 percent of that cost of this training. Also in that bill were provisions which changed the Federal-State matching formula, which increased the amount the Federal Government's grant, on old-age assistance, to take but one example, from $30 to $39, an increase of $9 per month. This, in effect, almost unloaded the total cost of this program on the Federal Government in several low-budget States. All of these State-Federal grant matching formulas were changed in this particular bill, and those changes alone brought about the increase in this bill of over $200 million in the single item of public assistance grants to States.

The budget request for grants to States for public assistance was $1,670,000,000, and it seems to me when the committee shows a cut in this program of $79 million, we are merely fooling ourselves. This cut will not stand up if the States show that they have expended the money in a larger amount than our committee has estimated. And, it is our guess against the guess of the Social Security Administrator, and whether that particular cut will actually be a cut depends entirely on the program in each of the 48 States. We may only be faced with a supplemental next January.

Today all of us have received wires from public welfare people and State public welfare directors objecting to the administrative expense limitation which was written into this particular bill. This limitation provides that no more than $104 million can be used for administrative expense reimbursement. I feel that the limitation is a justifiable limitation and certainly if any Member will take the time to read over the record on this particular item in our bill and see how these State administrative expenses have gone up, I am sure you will agree that some definite limitation is necessary and proper. We find that the administrative costs in some States are running to as high as 17 percent of the total money paid out to individual recipients in a program. In other States the administrative cost is down below 4 percent of the total amount paid out in grants. It is time that some pruning of these administrative costs be brought about as far as the Federal Government's matching is concerned.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from North Carolina.

Mr. JONAS. Can the gentleman tell the committee offhand how much the States pay in the way of matching for those costs?

Mr. LAIRD. Well, the States and local communities pay 50 percent of the total cost of the salaries and expenses.

Mr. JONAS. So that this full sum, as limited by this action, can be used, and amounting to only 50 percent, the administrative costs would be over $200 million.

Mr. LAIRD. That is correct. The matching formula is a 50–50 formula with no limitation at the present time as to the total over all amount that will be matched. We wrote a limitation into the supplemental appropriation bill for this particular fiscal year. That limitation was $101 million, and it was sustained here in the House for this particular fiscal year. This is a limitation for fiscal 1958, and it is an increase over the previously authorized limitation approved by the House of $3 million.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Indiana.

Mr. BEAMER. I want to commend the committee on the cuts that it has made, and I would like to ask one question. Hurriedly glancing over the table on the back of the committee report, it indicates that while many cuts have been made over the proposed budget this year, it still indicates that it has not been reduced very much over the 1957 appropriation. Let me ask the gentleman this question: It seems that the salaries and expenses account for a great deal of the increase. Is that due to the fact that they have added personnel or increased their salaries?

Mr. LAIRD. As far as the salaries and expenses item throughout the entire bill is concerned, the large portion of increase is due to the provision for extra days pay and civil-service retirement.

The greatest personnel increase is in the Social Security Administration. Of course, that is not paid by direct appropriations from the Treasury but by appropriations from the social security trust fund.

Mr. BEAMER. Is it true that many of these agencies have been adding to their personnel.

Mr. LAIRD. That is certainly true.

Mr. BEAMER. I do not find it in the committee hearings; I have not had a chance to study them very carefully.

Mr. LAIRD. If you take one specific example, the Wage and Hour Division, the gentleman will find a tremendous increase in personnel over the budget request for 1957. However, there was a supplemental request that was submitted after passing of the minimum bill last year. This bill, you will remember, increased the minimum wage from 75 cents to a dollar.

Mr. BEAMER. Did that increase the number of people required?

Mr. LAIRD. Personnel as far as investigators were almost double in this Wage and Hour Division. Employment went to a total figure of 1,535 authorized positions in a division that had less than 1,000 in the original 1957 budget.

In answer to the gentleman from Indiana [Mr. BEAMER] the current employment of the United States Department of Labor on February 28 was 5,160. The number of positions requested in the 1958 budget was 5,710. The number which the committee allowed is 5,553. This makes a total of 393 new positions allowed in this bill as compared with employment on February 28.

Mr. BEAMER. The committee cut back the number.

Mr. LAIRD. As to the Department of Health, Education, and Welfare, employment on February 28, 1957, was 28,041. The budget request for 1958 in number of positions was 33,105. The number of positions allowed in this bill is 32,080. The greatest single increase in that particular is in the item Salaries and Expenses in the Office of Field Administration and in the Social Security Administration.

Mr. BEAMER. I did not intend to pick out any specific agencies, but it seemed, looking over the table in back of the committee report, that the item Salaries and Expenses accounted for a considerable portion of the increase. I was merely asking if that was due to increased salaries or to an increase in number of positions.

Mr. LAIRD. There is an increase in the number of positions allowed in this bill over 1957 of 1,233 positions. There is also the provision concerning Civil Service retirement charges which affects the appropriation figure.

Mr. BEAMER. Is the increase in personnel due to legislation passed by the preceding Congress or is it due to an increase in the requests made by the agencies themselves?

Mr. LAIRD. The increases in position were justified before our committee as a direct result of legislative enactment by the 84th Congress and by the increased responsibilities which these departments insisted were brought about through this Congressional action.

Mr. BEAMER. In other words, it is the result of action of the previous Congress; it is an inheritance, shall we say, and we cannot avoid it.

Mr. LAIRD. We could avoid it if we did not appropriate the money, if the House decided not to follow through on the position which the last Congress took. In that case the House would not have to appropriate the money. That is one way it can be stopped. The other would be for the House to repeal the authorizing legislation.

Mr. BEAMER. I thank the gentleman.

Mr. JOHANSEN. Mr. Chairman, would the gentleman yield further for a question?

Mr. LAIRD. I yield to the gentleman from Michigan.

Mr. JOHANSEN. On page 12 of the committee report, with reference to the Office of Education, I notice this statement:

> However, the total man-years of employment provided for by the committee's recommendations will be considerably higher in 1958 than in 1957.

I wonder if the gentleman has any specific figures on the anticipated increase either in man-years or number of positions?

I have a second question in that same connection, I will say to the gentleman.

Mr. LAIRD. For the Office of Education, the greatest increase in number of positions is shown as follows: The total employment in the Office of Education on February 28, 1957, was 660. The number allowed in the budget request for 1958 was 839. The number the committee allowed was 742. In the budget of 1957 the number of positions permitted was 751. The number of positions allowed in this particular budget for the Office of Education is 742, but as I said the budget request for 1958 was for 839 positions.

Mr. JOHANSEN. But that does mean an increase of about 82 over the February 28 statement.

Mr. LAIRD. That is correct, but I should like to point out to the gentleman that the authorized strength of the Office of Education was higher, but there were unfilled vacancies in the Department of Education as of February 28, 1957.

Mr. JOHANSEN. Are there any additions covered in that 80 additional that are in any sense anticipatory of the possible adoption of Federal assistance to the States for school construction? Is there an anticipatory increase in the budget as to persons?

Mr. LAIRD. There were no positions allowed in anticipation of that bill. Of course, many of these people would work on that program if that bill should pass. The Office of Education will ask for more positions, you can rest assured of that, should the Federal construction aid bill pass.

Mr. JOHANSEN. I have no doubt on that score.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Idaho.

Mr. BUDGE. For fear the House will get the impression that all of these increases in personnel are due to enactments of the 84th Congress, let us take, for example, the Department of Health, Education, and Welfare. As of the end of February of this year they had 28,041 employees, yet clear back in the 1956 fiscal year appropriation bill they had authorization for 503 employees, which was 462 more employees under the authorization in the 1956 appropriation bill, and they still have to have additional employees. In 1957 they were allowed to go up to 34,994, and they still got up only to the 28,000 figure. This bill takes it up over 32,000, which is 4,000 people more than they actually had employed at the end of February of this year, even though clear back in the 1956 appropriation bill they could have had, were they able to employ them, 462 people more than they now have on the rolls.

Mr. LAIRD. The gentleman misunderstood my statement. I said that in their appearances before the committee the departments justified their increases on the basis of the increased workload that was brought about by Congressional action. I think that if the gentleman will go through the record he will see that they did justify their requests for increased positions on that basis.

Mr. BUDGE. I am happy that the gentleman has clarified that, because I think the Members would have concluded that all of these additional employees that are called for in the bill result from actions of the last Congress, when from their own employment records I do not believe that is true, as the gentleman has pointed out.

Mr. LAIRD. According to the testimony before the committee the administrators of those agencies tried to justify their increases on the basis of the new legislation passed by the 84th Congress. That was what I was referring to in my comments earlier.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. JONAS. Reference was made earlier in the gentleman's discussion about the grants-to-States and public assistance about the $79,400,000, perhaps, not being a confirmed cut in the final analysis. Have you in this committee been in the habit of cutting these grants in the past, and, if so, will the gentleman state what the experience has been—whether our guess has been nearer right or has the Department's guess been nearer right and what is the best prospect as to whether this $79 million or a part of it will have to go back in a supplemental request.

Mr. LAIRD. I cannot tell the gentleman definitely whether the $79 million will be a saving or not. I do not think it is possible to tell that at this time. This is the best guess the committee can make as to the amount of money that will be used. Actually, I do not think it is fair to say that this is definitely a saving so far as the expenditure of funds from the Treasury is concerned. The same thing is true on other programs like vocational rehabilitation. I think you will find they will be back here with a supplemental bill in the second session of the 85th Congress to make up any deficiency which may exist in the fourth quarter of 1958.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. HIESTAND. This is not at all to belittle the work of the committee which has undoubtedly done a very thorough and exhaustive job; however, the report comes in showing a net saving of one-hundred-and-eighteen-million-odd dollars from the requests. As every Member of the House knows, the country wants a severe cut in this budget. I think everybody knows that. If this item which was just referred to of $79,400,000 has to be restored, together with certain other items which may have to be restored, is it not possible that that $118 million will be entirely wiped out?

Mr. LAIRD. That is quite possible if in the next few months, the State legislatures, particularly in some of the Southern States, raise the amounts allowed in their budgets for old-age assistance, aid to dependent children, and other programs.

Mr. HIESTAND. The point I am asking here is that this $118 million total recommended decrease figures a shade over 2½ percent, which is nowhere near a substantial decrease from the committee's recommended budget. If that is entirely wiped out, we would be in a position of having to vote, if we take the committee's recommendation either for no increase or for an actual increase over the Federal Government's requested budget; is that not a fact?

Mr. LAIRD. That is correct. In my opening statement, I tried to point out the reason. Most of the reductions over the 1957 budget figures as compared to this 1958 budget bill were on nonrecurring expenses, and if you consider increase allowed in this bill for personnel and salaries which will be a recurring expense for the fiscal year 1959, you will find that we will have trouble next year with this bill.

Mr. HIESTAND. In effect, we may be called upon to approve an increase instead of a cut in the budget?

Mr. LAIRD. Not today, but we could. That is a possibility I have outlined before.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. FOGARTY. On that same point, do you remember a year ago when we had some new grant items for unemployment compensation for veterans, the administration asked for $90 million and we cut them $20 million. We thought that was a sizable cut. But, we find they cannot use the $70 million. So, we were a little too conservative in cutting that grant item.

Mr. LAIRD. The gentleman will agree that that does not necessarily represent a saving of expenditure of Federal tax dollars as the money would not have been used anyway.

Mr. FOGARTY. It would have reverted to the Treasury, the same as all these cuts. Then, on Federal employees, we cut them $5 million on the basis that we did not think that many Government employees would be discharged from their jobs. That cut has stood up.

On this cut there is every reason to believe it will stand up. Of course, if we should get into a depression we may have to appropriate three times what this cut would be.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. KEAN. With reference to the $104 million for administration of the assistance program, do I understand that you have granted what was asked for and

put a limitation that they should not bring any more?

Mr. LAIRD. No. I think the gentleman will find that the record before our committee would indicate that the amount of money they estimate they will need for administrative expenses in fiscal year 1958 is $104,500,000. We have set a limitation of $104 million.

Mr. KEAN. Approximately the same amount?

Mr. LAIRD. Approximately the same amount. An increase over the limitation we enacted several weeks back, which was $101 million for fiscal year 1957.

Mr. KEAN. But actually by doing this, whether it is correct or not, you are negating the law passed by the Ways and Means Committee and passed by the Congress saying that we would match the amounts that the States would spend.

Mr. LAIRD. I feel it is a perfectly proper limitation for an Appropriations Committee to exercise in the use of Federal funds. It is a limitation on the amount that can be used for matching administrative expenses, and I feel that some committee of the Congress has to keep check on these administrative expenses. It seems the responsibility of the Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. FOGARTY. Mr. Chairman, I yield 25 minutes to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, the gentleman from New York [Mr. TABER] tells us that he is disturbed by the proposition before us today. He is not the only one who is disturbed. There are many people who are disturbed by this budget.

The fiscal policy and spending program of the administration and the Congress—because the two are jointly responsible—are meeting with unexpected resistance on the part of taxpayers all over the country. It is not an isolated attitude. It is not confined to any particular part of the country. These protests, letters, telegrams, and telephone messages are coming from every State in the Union. They are coming in from large taxpayers and small taxpayers. The situation represents what amounts to a national uprising.

People are getting tired of paying a dollar for 50 cents worth of food. They are getting tired of paying twice the rental they paid a few years ago on the house in which they live. They are getting tired of a dollar that is falling in value so rapidly that the cost of hospitalization makes the average breadwinner apprehensive of the time when he or any member of his family require medical attention. People are getting tired of the depreciating value of the dollar, which is wiping out more than half of the purchasing power of their life savings. They are getting tired of exorbitant taxes. They are getting tired of paying war levies in time of peace. They are getting tired of the requisition of a disproportionate amount of their earnings which the Government is taking away from them today.

The Federal Government, the State governments, and the local governments are taking from the taxpaper today the largest amount, the largest percentage, of his earnings in the peacetime history of the Nation. The total tax bill paid by the average taxpayer today, State, local, and Federal, amounts to approximately 33 percent of his earnings. It approximates one-third of the national income, so the average wage earner today out of his 6-day week, works 2 days for the Government and has left for himself and his family only 4 days' pay.

Mr. MASON. Will the gentleman yield for a correction?

Mr. CANNON. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman said it was the highest tax in any peacetime history of the country. It is higher today than in any wartime period of the country.

Mr. CANNON. I stand corrected. The gentleman has expressed it more accurately than I did.

Mr. Chairman, there is a revolt in the country and the surprising thing about it is that, whereas in ordinary years there is usually some criticism for a week or two after the budget is messaged over, there is today an ever-growing protest and an ever-increased volume of mail from the country in criticism of the budget.

People are demanding a reduction in expenditure in order to secure a reduction in taxes. There is a strange lassitude here in Congress and down at the other end of the Avenue on tax reduction and the newspapers are reporting that we will not get a bill to reduce taxes this year.

I would like to suggest, Mr. Chairman, there are many here who want to see taxes reduced at this session. We want to see spend'ng reduced to the point where it will be possible to reduce taxes now without waiting another session or another year.

Of course, as long as you have these top heavy budgets, you have to get enough tax money to pay for them. There is no other source from which you can pay these budgets except to take it out of the pockets of the taxpayers.

So as long as you have these huge budgets, you have to have huge taxes. And as long as we have a budget the size of this one, $3 billion above the current year and around $8 billion above 1955, you have to continue war taxes to pay the bill. The only way to reduce taxes is to reduce expenses. We cannot go along indefinitely refunding the national debt, issuing more I O U's, increasing the rate of interest on Government bonds in order to get people to buy them. And the budget before us today is the one stumbling block in the way of a tax bill this session.

Reduce the budget. Reduce expenditures. Reduce taxes. And make it possible to balance the budget in reality as well as on paper. We should understand, Mr. Chairman, that while we tentatively have balanced the budget at $1,800,000,000 we are at a point where an unexpected increase on the debit side of the ledger, a failure to book expected revenues could easily throw the budget out of balance on that narrow margin.

Our high rate of Federal income cannot last forever. Already we have passed the crest of the current boom. Already a quiet recession is under way. In every industrial city they are withdrawing programs for expansion. They are deferring plans for new plants. They are trying to reduce inventories to meet reduced demand. The St. Louis newspapers this morning report that the Ford Motor Co., which up to this time has sold more automobiles than any other automobile company this year, is dismissing on the 1st of April 1,700 men from their St. Louis plants because the consumers in that territory are not able to buy needed automobiles.

Of course, there is a school of thought that the people have become so accustomed to high taxes that they no longer pay any attention and we can continue the program this budget implements of tax and tax and tax, and spend and spend and spend, and elect and elect and elect, indefinitely because the people have become inured to heavy taxes. But that is a mistaken premise and the budget before us now—and I make the statement advisedly—is the most dangerous budget that has ever been submitted to any Congress. It embodies the greatest spending program in the peacetime history of the Nation. What renders it especially dangerous is that it carries with it programs for future spending that will unquestionably involve us in ever-expanding expenditures in the years to come.

In these appropriation bills, if they follow the recommendations of the budget, we are not only committing the United States Treasury to unprecedented expenses in the fiscal year 1958, but we are committing the Government to a program of spending for years beyond. The commitments are there. They are in the budget. They are in this bill.

There are in the budget some 15 new items providing for contributions to the States for purposes for which the United States Government has never contributed before. We are not only asked to pass a huge program for 1958, but we are asked to establish new obligations to start new spending programs never undertaken before.

If the voters are protesting now, and if taxpayers are having trouble adjusting income to pay these taxes, what will be their position when these 15 new programs go into effect and when these boom-time money trees cease to bloom? Recessions come periodically. We cannot maintain flood tide prosperity forever. If we have a year or two of recession, how will we meet, with the decreased income of the taxpayer, and the decreased revenues of the Federal Government, the commitments of this program and, in addition, all these other rapidly expanding programs?

Just take time to go through the budget and quietly figure out what these commitments will eventually cost. They always start very modestly and, invariably we underestimate the amounts they will require. But they always cost more when the time comes to pay the bill—

when the time comes to pay the fiddler; and the time always comes when you have to pay the fiddler.

Many men are leaving today a dubious heritage to their children. We value the family heirlooms that come down to us from past generations. We appreciate the fine old estates, houses, antique furniture, and blue chip securities that our ancestors leave us. But today too many ancestors are leaving heirlooms in the form of mortgages on the old homeplace. If the ancestor cannot today maintain himself without mortgaging the family home, how will the children and grandchildren pay it off after the boom has passed, and with decreased income and a mortgaged national economy? That is what we are voting on here this afternoon. The children of the future would appreciate these splendid programs but they would rather have a solvent United States Government.

Future generations will not be for this budget and the astounding thing is that nobody else is for it. I have yet to hear anyone say they are for this budget. The President has indicated unmistakably that he would like to see the House cut it. The chief fiscal officer of the Cabinet, the Secretary of the Treasury, says it ought to be cut. Leaders on that side of the aisle say it ought to be cut. There is a large representation on this side of the aisle that says it ought to be cut. All the newspapers advocate reduction. The Wall Street Journal, the Journal of Commerce, and all metropolitan newspapers carry editorials saying it ought to be cut. Nobody is for this budget, but we are being asked to vote for it when nobody wants it.

Mr. Chairman, it was my happy fortune along with others here in the House to serve at a time when we did not have a big national debt. In those halcyon days when the budget came before the Committee on Appropriations and its subcommittees, we asked only one question. "Would the proposed expenditure be a good investment?"

That day has long since gone by. We have been through three world wars. We owe the greatest debt of all time and we are not appreciably reducing it. The question on a budget estimate today is "Can we get along without it?" And if we can get along without it we should cut it out of the budget and apply the money to tax reduction and systematic liquidation of the public debt. That is the only way we will ever stop inflation. That is the only way we will ever bring the dollar back to parity. That is the only way we will ever stabilize the cost of living. That is the only way we can maintain national solvency.

No one disputes the beneficial effects of these welfare programs. But can we afford them in this national and international crisis?

We have similar problems with our personal budgets. The family would like to have another car. It really would be a matter of economy. We would save taxi fare. We ought to have new and better clothing. It is good business to look well. You have to look prosperous to be prosperous. The children are just at the growing age and ought to have better and more expensive cuts of meat on the dinner table. Childhood diets should not be too monotonous. But when you go down to the bank to renew your note, the banker is going to wonder if it was expedient to buy that extra car or that expensive clothing or to take that little summer vacation to relieve your jangled nerves.

So, Mr. Chairman, the rule is changed. Whereas before the war—when we had no pressing debts, when we were meeting our obligations, when our total budget was less than the amount we pay today for interest on the Federal debt—then the only question was, "Would this be a good investment?" But today the question is, can we get along without it? We cannot meet every need. We cannot finance every program. We cannot wipe away every tear.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mrs. CHURCH. Mr. Chairman, may I ask the gentleman from New York to yield a minute to the gentleman from Missouri?

Mr. CANNON. I yield to the distinguished gentlewoman from Illinois.

Mrs. CHURCH. I thank the gentleman. I am sorry that he could not yield to me earlier, but I am very glad to have heard the full discourse. I want to compliment the gentleman on what I think has been a most adequate description of the present mood of the country. I would compliment the gentleman, too, on his own indicated promise to do what he can do to cut the budget. My question briefly is this. I remember that the House Committee on Appropriations has been held in the highest regard for many years. I have seen it able to act to reduce substantially the President's budget. I am wondering whether or not the chairman of the Committee on Appropriations, who has just given such an admirable description of the condition in which we find ourselves, since he is one of the best qualified, probably, together with the gentleman from New York, to know where the budget could be cut, will answer this question: Could the Committee on Appropriations not help the rest of the House by making the necessary substantial cuts in the budget?

Mr. CANNON. That is what the Committee on Appropriations has been doing for the last 2 months. We have cut something like 6 percent from the bills already passed and expect to cut this bill today and future bills to even a larger percentage, and we shall appreciate the gentlewoman's gracious counsel and advice and assistance.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I think it was a pretty good indication of the real situation when we just witnessed this last talk about economy in general terms, but without one single specific suggestion about what can be done about it. I can say this, and I think everyone here knows it: There is only one way to cut a budget and that is to begin right in the details of the budget before you.

I was very disappointed to have the chairman of the Committee on Appropriations which brought out this bill talk for half an hour without giving one specific instance where this budget might be cut. I would further like to point out that if this budget is to be cut the Appropriations Committee has to be staffed with more of a staff than they presently have; not that the men on that staff are not perfectly capable men, but the budget was cut by the 83d Congress mainly because the then chairman of the committee [Mr. TABER], adequately staffed that committee with a great deal of additional help so it could be done. I still call upon the chairman of the Committee on Appropriations, if he really means this talk about economy, let him get the Appropriations Committee staffed so that we can pinpoint where these cuts can be made.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. CANNON. In response to the gentleman's statement that no reference to detail has been made, I will say that the gentleman from New York [Mr. TABER], to whom he refers, came to me just now and suggested that we not take up the details in general debate but defer them until we reach the amending stage. I am merely following the suggestion of the gentleman's leader.

I will say furthermore in response to the gentleman's other statement, that no member of the committee has asked for information that he did not get. If the gentleman can get any member of the Appropriations Committee to say that he has not received authentic, dependable and comprehensive information on any subject requested let him do it now.

Mr. CURTIS of Missouri. Oh, I suspect there will be many who will say it, because they say it in their regular speeches when they are discussing the details. As a Member of this House who has to go over your hearings and read them, I can say that the information is frequently inadequate. The reports of the Subcommittees on Appropriations under the chairmanship of the gentleman from Missouri have so stated, that they did not get sufficiently accurate information, and in many instances the information is completely inaccurate.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. HALEY. I thoroughly believe what the gentleman says right here. If this Congress would properly staff the Appropriations Committee or some similar committee, we would save a thousand dollars for every $10 you put in.

Mr. CURTIS of Missouri. I thank the gentleman, because we have proof of it. In the 83d Congress they did cut the budget $10 billion. It was not a meat-ax cut. It was detail cuts.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. COLMER. I am happy to hear the gentleman's statement about this staff. The gentleman will recall that

on three occasions the other body has passed a bill that would do the very thing the gentleman is talking about; that would set up a joint committee on the budget, within the Appropriations Committee, to give the Appropriations Committee the tools with which to work. So, when they appeared before you, you would be able to not only fence with them but to meet their arguments and thereby save untold millions of dollars. I have the honor of sponsoring that bill in the House.

In 1952 we had my bill up for consideration and we lost by 16 votes. Now is the time, with everybody favoring economy, for us to revive that legislation. Incidentally, that bill was introduced in the other body several days ago with 71 Members of that body sponsoring it. I hope the gentleman will look into that matter because I know he is very much interested in it and would like to have the tools with which to work.

Mr. CURTIS of Missouri. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CURTIS of Missouri. Mr. Chairman, I am sorry I took so much time in rebuttal instead of taking up some affirmative matters I wanted to touch upon. I have been going over as carefully as I can this budget trying to pick out some items I knew a little bit about where I thought there should be cuts. There is shown a particular area which is one of the most difficult areas to discuss, because it is a matter that is quite emotional. I refer to the National Institutes of Health. There is not a person in this House who is not very much interested in the adequacy of the health of our people.

The question I pose on all of these health measures or any measure is this: It is not sufficient to appropriate money. The real test is how the money is going to be spent and what the program is.

As I go into the cuts I shall propose, I will show from the hearings that the people running these programs have said that they cannot spend the money so fast. They were given more money last year than they asked for and there are unobligated balances carried over this year. That is not resulting in better health to our heart patients nor is it an answer to our cancer problem.

It is most amazing to me that no mention is made in the committee report on these programs that after all the Federal Government is the tail that is wagging a great big dog. Our private enterprise system is the primary area where we are going ahead in connection with health and most everything else. When we read in the committee hearings about the great advance in mental health, we find that it has been due to the tranquilizer pills that have been developed by private enterprise, not by these Government grants. Nowhere in these hearings is there any indication of the relationship of the Federal Government's program to the tremendous program being carried on by private enterprise. The Federal Government's programs in these areas of necessity must be ancillary programs and yet they are presented as if they were the basic programs. There is no information adduced in the committee hearings concerning the basic programs presently going on in fields of cancer, mental health, heart diseases, arthritis, and so forth, in private enterprise. Only by reading between the lines is one aware of the fact that the basic work is being done in private enterprise. In fact the picture has been reversed so that the chairman asks one of the Government witnesses what private enterprise is doing to cooperate with the Federal program. It is time we settled which program is basic, the Federal Government or private enterprise, and which ancillary.

Mr. TABER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am going to speak for a moment about the staff of the Appropriations Committee because I think the membership should have information as to just what the situation is. We have a staff of approximately 30 regular employees. It consists of men of long experience in the committee and with a long legislative background. Some of them are graduates of the FBI, some of them have been taken on from other agencies.

We have no difficulty in having the research work that is required by the committee done by those men. They cover the field in magnificent style.

There is—not a single thing in the bill that was sent over here by the other body which in the slightest degree would help the Appropriations Committee in getting at anything. It provides for a joint setup of research people which would be simply a duplication of effort, and I am afraid that it would be controlled by the other body so that we would get nowhere and have no information that could possibly be used successfully by us. It would permit increases in appropriations by the other body to be promoted beyond endurance.

Now, those of us who wish to keep appropriations down do not want to see that kind of a bill pass and, for my part, I cannot be a party to it. That bill would not provide for investigators of the type that we used in the 83d Congress in the slightest degree. They could not come within the provisions of that bill. They could not be of the slightest use. We have the authority at the present time to hire all the research people and the investigators that could possibly and intelligently be used, and we do not need any other legislation to bring it about.

That is a situation that we are confronted with, and I hope that those who are interested in saving a dollar wherever it can be done will not support something that would work in the other direction.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I want to say this in all fairness to the gentleman from New York [Mr. TABER] and to the gentleman from Missouri [Mr. CANNON]: Regardless of all the publicity that might have gone to any Member of the body as far as cutting Federal expenditures of our budget is concerned, in the 17 years that I have been in this Congress I do not know of any two men who have done more as a team to cut down Federal expenditures than have the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON]. Every time we have had a complaint about an agency running wild, whether the gentleman from New York was chairman or the gentleman from Missouri was chairman, they have asked for an investigation of that agency to be made, and the various personnel were acquired and hired and reports were issued, and those reports were made public so that any Member of the Congress could see them. I think the gentlemen should be complimented.

Mr. TABER. The gentleman has stated the situation as it exists.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. COLMER. Unfortunately my attention was diverted and I did not hear all the gentleman had to say in reply to the gentleman from Missouri [Mr. CURTIS] and the remarks that I made. But, I did hear the gentleman say in effect that the proposed joint committee on the budget was not necessary; that you had that authority now, and that you had all of the necessary experts and so forth. Is that correct?

Mr. TABER. No. I said that we had a research staff composed of the clerks of the committee, working on the different subcommittees, that were entirely competent and able to do the research work that we needed, and that the bill that was passed by the other body related entirely to research people and would be just a duplication without giving us any additional information. It would be under the control of the other body, and we would not have first crack at it nor be able to handle it in such a way that it would do us any good.

Mr. COLMER. Now, if the gentleman will bear with me, the gentleman says that he has all the clerks that he requires. Now we are complaining about this gargantuan budget of the President. Is it not true that the President has a Budget Bureau of between 400 and 500 employees?

Mr. TABER. Something like 400. I cannot remember exactly.

Mr. COLMER. Can the gentleman tell us now what the other body and this body in the Congress have in the way of Appropriation Committee employees?

Mr. TABER. I do not know what they have. They have a very substantial number, but I do not think they have as many as we have.

Mr. COLMER. Well, I am afraid the gentleman did not understand. How many do the Committees on Appropriations of the two Houses have?

Mr. TABER. The two Appropriations Committees, I would say, have 60 to 75, without getting into the investigatorial staff. The investigatorial staff in the House I know about.

Mr. COLMER. Would the gentleman tell us how many that is in the House?

Mr. TABER. I cannot tell the gentleman, because it is operated on this basis: There is a director of investigation and an assistant, and clerical help of somewhere around 3 to 4, maybe 5.

At the present time they draw on employees of the General Accounting Office, the FBI and on certain occasions other agencies; and often people from the outside have been called in.

Mr. BOW. Mr. Chairman, would the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman from Mississippi has mentioned the 400 and some employees of the Bureau of the Budget, as compared with the number that we have in the House. That does not seem to make his argument sound, because the Budget people come up here, having a much higher number of employees, 400 and more people, apparently trying to find where to spend money, and when they come up here and see our 30 employees we find we are able to reduce that budget. I do not believe the question of the number of employees on the staff has anything to do with the question of economy.

Mr. COLMER. Mr. Chairman, would the gentleman yield further?

Mr. TABER. I yield.

Mr. COLMER. The distinguished gentleman from Ohio [Mr. BOW] has just made an observation that I do not think would stand up under consideration, with all due deference to him. The Bureau of the Budget has 400 or 500 employees as against 30 employees down here, but they are responsible to the various spending agencies. We here in the House are responsible to the taxpayers. The very people the gentleman is talking about employing who are in these departments, to do research or investigation work, come from the very departments we are trying to cut.

Would the gentleman permit this specific question? I am sure there is no one in this House on either side of the aisle who has a greater admiration for the gentleman in the well of the House than have I when it comes to this question. But I have never been able to understand his position on this matter. Specifically, would the gentleman undertake to tell us here and now that if the Committees on Appropriations had an adequate staff of independent investigators responsible only to the House of Representatives and to the Senate of the United States, working continuously on this job of investigating, watchdogging, they could not be of great benefit to the great Committees on Appropriations in finding places in this budget where we can cut?

Mr. TABER. Frankly, I would be afraid that they would be more interested in raising appropriations than in cutting them down, with that kind of a setup. That is one of the reasons why I do not feel favorably toward the bill. That bill does not relate to investigators, it relates only to clerical staff and research.

Mr. COLMER. Oh, no; I am afraid the gentleman has not studied the bill.

Mr. TABER. I do not have it before me, or I would point out where what I have said is true.

Mr. COLMER. If I had the time, so could I. But I am laboring at a disadvantage here. I think if I had the time I could hold up my own end of the discussion a little bit better. But I am sure that the gentleman does not mean to say that if he had an adequate staff of experts and research men who were responsible to his committee, and responsible to this joint committee, that they would work contrary to the purpose for which we employed them.

Mr. TABER. That bill does not provide for that situation, and I do not see how it would work.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BECKER. Irrespective of any other bill or any other staffing by any other group, is it not a fact when the gentleman from New York was chairman of the House Committee on Appropriations in the 83d Congress, with the proper staff the gentleman had, he was able to go through that budget and cut the budget by $10 billion?

Mr. TABER. I think we accomplished that, yes, but that is not what is being proposed by the other body.

Mr. BECKER. I agree with that, but with the staff the gentleman had he could do that?

Mr. TABER. We could.

Mr. COLMER. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. COLMER. Right on that point, the gentleman would recall, I am sure, that that was done not through any staff the gentleman's committee had specifically but through a little coalition of economy-minded Members of this House who largely provided their own staff.

Mr. TABER. I had between 90 and 100 persons on the staff of the Committee on Appropriations investigating, and they were working all the time through that period.

Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, the graciousness on the part of the distinguished gentleman from New York in yielding to me under these circumstances is indicative and characteristic of his splendid conduct in this House always.

I am at a loss, in view of the very high regard I have for him and the very splendid job he has done, to understand his opposition to this so-called joint committee on the budget.

There are so many things I should like to say in the few minutes I have that I just have to hit a little at random. In the first place, the argument is made by the distinguished gentleman from New York here, as it has been made by him and others in the past, that the House would surrender its power of initiating appropriations if this joint committee were set up. I just cannot understand that.

In the first place, under the bill I am sponsoring this joint committee would be made up under and from the two Committees on Appropriations, from the House and the Senate. Bearing in mind the constitutional prerogatives of the House in initiating appropriations, my bill provides that 9 Members of the House shall constitute the House contribution to that committee from the Appropriations Committee, as against 7 Members from the other body; and moreover, that the chairmanship of that joint committee shall remain permanently in the House.

Because of the intense interest in the other body, I have reason to believe that the other body will go along with that disproportionate arrangement as far as the two bodies are concerned. I know that the Members of the other body are evaluated more highly in some quarters, possibly, because they, like gold, are fewer in number and possibly have a better press. But I am not ready to confess any such inferiority complex so far as I am concerned as a Member of this body. I cannot understand the thing that we are confronted with so many times in this House, "Well, we did the best we could, but the other body overwhelmed us." On an equal basis, I cannot understand that and I certainly could not understand how 7 Members of the other body could overrule 9 Members from this side with the chairman on the House side.

I just cannot believe that my distinguished friend from New York who has done such yeoman service in this cause—he is no new convert to this economy wave, he has been practicing and preaching it all along—but I cannot understand how he can take the position that if he had a staff of competent experts, men who were experts in their fields working for his committee, it would not give him a better opportunity to fence with and to answer the arguments of the brass, so-called, and the bureaucrats, so-called. Certainly, with a group of permanent staff who would be on the job the year around and who would be responsible not to the bureau, not to the President, but responsible to the Congress of the United States, that committee would be in a better position when they got to writing up their bills.

I want to point out another thing that has not been brought out in this colloquy, and that is that up until the time I brought this joint committee bill to the floor of the House in 1952, that Appropriations Committee of the House, and largely of the Senate, had a very small group of clerks—yes, efficient men, good men, men who were doing a good job and who were responsible to the Committee on Appropriations, but who were largely housekeepers and clerks, markup clerks.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COLMER. I thank the gentleman.

When we brought that bill here, it looked like we might pass it. What did the Committee on Appropriations do? They came in, may I say to my friend from Ohio, with an amendment to a pending appropriation bill which set up $250,000 to employ additional staff. I have not been able to find out whether

they ever used that money or not although I queried the distinguished chairman of the Committee on Appropriations recently when he was before the Committee on Rules. In my judgment, and I may be wrong, but you pass judgment on it yourselves on your responsibility, the point I am trying to bring out is that when these bureaus come up here before the Committee on Appropriations, the committee sitting there in subcommittee with one or two clerks, members of the committee are largely at the mercy of those who appear, advocating and upholding the recommendations in that budget. If I am wrong, I shall be willing to admit it. But here I think is an opportunity to do something about this by giving the House the same kind of tools to work with that you give the President of the United States. After all, we are responsible for this.

Mr. Chairman, I thank the gentleman from New York for giving me this time.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. NEAL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NEAL. Mr. Chairman, the Evening Star on Saturday, March 23, carried an editorial captioned "Dangerous Budget."

After brief references to Senator BYRD's criticism of the 1958 budget, it had this to say:

> The essential point which Senator BYRD makes is that this budget is dangerous in the extreme because it entrenches wasteful spending and embarks on many new projects which will compel larger and larger budgets as the years go on.

The editorial continued:

> If this is correct, and we think it is, it is this continually rising trend in expenditures which poses the great threat. Unless the trend is checked, more inflation and higher living costs are inevitable, and in the end we may find ourselves deep in the hair curling depression to which Secretary Humphrey has alluded.

Nothing more clearly justifies Senator BYRD's reference to the 1958 budget as "dangerous" than a careful review of the report of the Appropriations Committee by Mr. Fogarty, on the Departments of Labor, and Health, Education, and Welfare, and related agencies appropriation bill 1958, dated March 21, 1957.

Generally speaking, it appears that this committee has exercised considerable diligence in justifying its reasons for curtailing requested amounts submitted by the various agencies.

But in explanation of their inability to make more than mere gestures toward reductions, the following paragraph is significant:

> Most of the salary and expense items in the bill show increases in 1958 over 1957. That is, in several instances, due mainly to increased workload placed on these departments and agencies by the substantial expansion of many of their programs by the last Congress, such as the amendments to the Social Security Act, increase in the minimum wage, the new Water Pollution Control Act, etc.
>
> In most instances, however, these increases are made up largely of mandatory increases in costs. The most significant of these is the new and mandatory item of contribution to the civil service retirement fund, which will be an expense in 1958 but not in 1957. This one new item of expense amounts to approximately $10 million for salaries provided in this bill.

When we review the acts of former sessions of Congress revealing one by one into the hundreds the creation of new bureaus, new agencies, new wage levels, new welfare schemes, and accompanying pressures for added Federal employees requiring housing, working facilities, travel allowances, shorter work weeks, insurance protection, medical and hospital care, and retirement benefits, it is little wonder that the cost of our Government has far outgrown the financial ability of the taxpaying public to assume. And because of recurrent and continued pressure by organized groups to attain an advantage over the last one so provided for, we Members of Congress seem unable to appraise these requests in the light of future costs, as Government grows steadily bigger, manned by an ever increasing number of civilian employees.

Nor is this trend confined to continental United States. Overseas agencies are just as prone to measure their success by finding new projects to expand their activities in order to justify more employees and increase their budget demands year by year, thereby placing their employees in position to build for themselves substantial retirement benefits.

With American citizens working 2 days of each week to contribute to Government costs, what have they to look forward to if the present trends of increased Federal employment plus the cost of retirement privilege makes future huge budgets mandatory?

The Appropriations Committee has faced this situation head on and sounded the warning in terms no Member of Congress can fail to understand.

Since this report deals entirely with civil agencies, it makes no reference to foreign aid or to national defense. To the extent to which civilian employees are engaged in the Armed Forces and economic and technical foreign aid programs, there is little doubt that the same tendency prevails wherever Federal employees are engaged.

The spending habit seems to have impaired the good judgment of legislators and public officials charged with the custody of other people's money. What chance has the taxpayer who is at the mercy of a spendthrift Congress? And what chance has he of tax relief when the Congress continues to authorize an ever-growing peacetime budget with increasing mandatory items?

People in my district are losing faith in their Government because of this huge peacetime budget. They say plainly unless present officials show some success in reducing present spending, they can, and will, be replaced by candidates who are definitely committed to reduce both taxes and public spending. They have come to realize that the Congress is primarily responsible for the fix we are in and are acutely aware that only the Congress has the power to tighten the purse strings.

But what can he do about it when the officials he elects to Congress on their promises to practice economy, close their eyes to all pleas for economy and succumb to pressures of selfish groups seeking subsidies or donations for their immediate ends? If he votes as he now feels, the next Congress will greet many new faces.

Extravagant habits of the past several administrations have at last become common knowledge of the average United States citizen. Members who aspire to return to Congress will do well to heed the handwriting on the wall.

At no time during the last two decades have the people of this Nation reacted in such universally critical terms against the abuses of taxing and spending powers by Government officeholders.

It is high time these elected and appointed officials in all branches of our Government awaken to the fact that this is still a democratic country where an informed public, aroused and resentful, are not barred from expending their dissatisfaction at the polls.

Mr. Speaker, let me say again, regardless of past influences and pressures from whatever source, the Congress of the United States, empowered by the Constitution with the enactment of laws, the levying of taxes, and a determination of budgets, cannot evade its responsibility for the existing overmanned bureaucracy that constitutes our Federal Government today. Just as the Congress must bear the responsibility for its creation, so do the American people demand that the Congress take immediate steps to reduce Federal Government and administrative costs consistent with the demands of peacetime economy.

The gentleman from Mississippi [Mr. COLMER] has just remarked when representatives of the bureaus appear before our committee that the members of the committee are at their mercy.

If this be true, it is entirely due to the growing tendency of Members of Congress, after years of experience and observation of bureaucratic methods, to still subvert their own judgment to the appeals of the bureau spokesmen.

Just as long as the Congress permits the creation of more bureaus and more civil employees, just so long will they face demands for annually increasing budgets.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I do not believe anybody can question my sincerity about effecting economy in the conduct of our Government, and in reducing taxes to give relief to the long-suffering American people who have willingly and generously carried the burdens and responsibilities of unfortunate people all over the world and have done so to the extent of many billions of dollars over the past 10 or more years. There will be many places to make cuts on appropriation bills. I will be anxious to see the attitude and thinking of the membership, particularly when we come to the foreign aid appropriation of some $4 billion. There will be an opportunity to really make some effective and substantial reductions that may be of material help in balancing the budget and affording relief to the American taxpayers.

I am particularly interested in our aged people who, in the declining years of their life, need our assistance. On page 32 of the bill it states:

> GRANTS TO STATES FOR PUBLIC ASSISTANCE
>
> Grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to permanent and permanently disabled.

Those are deserving old people and others who need our help. I know that the appropriation established is $1,600,000,000. The question I would like to propound to my distinguished friend, the gentleman from Rhode Island [Mr. FOGARTY], whom I want to compliment on his very fine work over a long period of years, in behalf of programs of health and welfare. He has by his untiring work earned and deserves the highest commendations of the membership on both sides of the aisle.

I would like to ask the gentleman if the $1,600,000,000 grants to States will maintain the average national pension now received by our aged, blind, dependent children, and other people. Is it adequate, I would like to be assured, to take care of them as they have been taken care of in the past?

Mr. FOGARTY. The budget request was $1,679,000,000. It also asked for $2,500,000 for a training program of personnel in the public assistance program. They also asked for $2,080,000 for a new program in cooperative research to find better methods of dealing with these people on public assistance. With the enactment of the social security amendments last year, it was the feeling of the committee that with those two projects, $2,500,000 and $2,080,000, and with the new social security amendments, this would be sufficient to meet the responsibility of the Federal Government. It is $200 million more than they had available in 1957. If it turns out that we have a depression or a recession or something like that and more people go on the public-assistance rolls, then it will be the responsibility of the Congress to meet that workload, because of some such situation.

Mr. GAVIN. I thank the gentleman. We have a deep and sympathetic interest in all of the people of the free world, but we should look after our own people who are in need of assistance. If there is going to be any reduction in the budget, let us see that no attempts are made that would cause additional hardships to these people who in the declining years of their lives need our help. I am glad that the gentleman has assured me that the $1,600,000,000 is adequate to take care of their requirements during the coming year.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am deeply concerned by the growing increases in the payroll of this Government. In 1952, as I recall, the payroll was down to approximately 2 million civilian employees. Today it is more than 2,400,000. And I take no consolation from the fact that apparently this bill provides—I hope the chairman of the subcommittee will correct me if I am wrong—for an increase of some 1,200 new employees—additions to the payroll.

I am not only concerned but I am irritated by the fact, in addition to these personnel increases, that are going on not only in this bill but in other bills, that Congress is approving the employment of consultants and engineering management firms all over the landscape. I call the attention of the chairman of the subcommittee to his own remarks in the hearings as follows:

> Mr. FOGARTY. You have had a management consultant team come in and make a survey of the Department of Labor. Whatever happened as a result of that?

So far as I have been able to read the hearings, no answer was provided as to what happened as a result of this management team being employed in the Department of Labor.

Turning further into the hearings I call attention to pages 266 and 267 of the hearings. Look at the experts and management consultants that were employed in 1956 by the Department of Labor. The chairman of the subcommittee asked that they be identified. They are identified as to name and that is all. I do not know what their qualifications were for the jobs they held. I wonder if the chairman of the subcommittee can tell me, are these consultants and experts all college professors, or what are they?

Mr. FOGARTY. I cannot tell the gentleman. It is your Secretary of Labor who hired them.

Mr. GROSS. That is scarcely an answer.

Mr. FOGARTY. They were hired without consulting the committee, I might say, and this survey was made without consultation with the committee, and having known it was going on, I did ask that question this year in the hearings, "What savings, if any, have resulted from these surveys that have been made." And, the answer was "Just better management in the department." That was about the best answer we could get.

Mr. GROSS. I recall the hiring of a management-engineering firm by the Department of State some 3 or 4 years ago—1953, I believe it was. They employed Heller & Associates and paid them at the rate of approximately $5,000 per man-month. Still employment in the State Department goes up and up, as it apparently will in the Department of Labor if this bill is enacted.

Mr. FOGARTY. They did the same thing in the Post Office, did they not?

Mr. GROSS. Yes; they did. I wonder if the gentleman can tell me what all these consultants and experts cost?

Mr. FOGARTY. As I remember, I do not believe we got any costs.

Mr. GROSS. I will say to the chairman of the subcommittee that when this bill comes under the 5-minute rule I am going to offer an amendment which in effect will provide that no consultants or so-called experts can be hired without coming to the proper committee of the Congress to justify their hiring. I will offer that as an amendment, and I hope the gentleman will accept it, because I am getting sick and tired of seeing management-consultant firms hired and these firms paid as high as $5,000 per man-month.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I wonder if the chairman of the subcommittee can offer any comment, general or specific, which accounts for the 1,200 added employees. Is this supposed to be all attributed to new authorizations by the Congress?

Mr. FOGARTY. In the entire bill, you mean?

Mr. JOHANSEN. Yes.

Mr. FOGARTY. The great majority of it, I will say at least 90 percent, is attributable to legislation that most of us voted for by big majorities in the last couple of years. The easiest way to do something about these appropriations, especially in a bill like this, is to repeal some of these bills that we voted for in the last couple of years. That is the easiest way and the most direct way to approach the whole problem.

Mr. GROSS. I would like to address one other question to the chairman of the subcommittee, and that is with reference to the proposed building for the Social Security Administration at Baltimore. I believe the gentleman said that they were spending $1 million a month in rent.

Mr. FOGARTY. No; $1 million a year.

Mr. GROSS. Rather, $1 million a year.

Mr. FOGARTY. They told us it would save the trust fund $100,000 a month, which would be $1.2 million a year, if they were allowed to go ahead and build that building, which is not coming out of the Federal Treasury but is coming out of the trust fund itself, at a cost of some $27 million or $28 million.

Mr. GROSS. May I ask the reason why this building is not being constructed?

Mr. FOGARTY. Because, apparently, of the philosophy of the administration that they are cutting down on all buildings and because of the inflationary period that we are in at the present time.

Mr. GROSS. Then, I wonder if the gentleman will agree with me that it is just as inflationary to dig a hole in the ground here in Washington and fill it up with a big new House office building, extend the front of the Capitol to the tune of about $40 million, build a brand new office building for the other body, and build a $57 million State Department building. Is that not considered to be inflationary?

Mr. FOGARTY. Well, you will have to ask the President that, I guess, because the Bureau of the Budget has made these decisions on what to cut out and what to allow.

Mr. GROSS. Well, the gentleman will agree with me, will he not, that it is just as inflationary to build a building in Washington as it is to build a building in Baltimore?

Mr. FOGARTY. I just do not happen to believe it is inflationary to build these buildings. I disagree with that philosophy. I do not agree with it at all.

Mr. GROSS. I think it is probably inflationary, but if building is to be stopped for that reason, I am ready, willing, and able to help stop the building of the new House office building and all the rest of these buildings here in Washington.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, after reading a few hundred pages of these hearings, I decided that legislatively this Congress is dealing with a giant in this bill and I am just hopeful that we will have the courage to win the fight. I was really amazed at the liberality of the approach of those in the Department of Health, Education and Welfare. It would seem to me that they have an insatiable desire to build up a legislative kingdom of their own, and unless they are stopped and trussed up, in my judgment they will go a long way toward dominating too much of this Government.

I may be mistaken, but I do not think I am, when I say that we are dealing with a group of agencies under Mr. Folsom that numbers in employees over 50,000. I have looked into the matter somewhat and it would seem to me that in the Department of Health, Education, and Welfare they were asking for an increase in employment of about 5,548. I understand the committee has cut that down considerably and I want to compliment them for their splendid work.

I looked into the subject of research. On every page it was research this and research that. They want to do research to see if they could better the training of social workers; research on the subject of retarded speech of children; research in the subject of the aged; research in juvenile delinquency. I was so amased at the amount of research that they asked to do that I asked them to tell me if they could how much in dollars was in this bill for research, as they presented it to the committee. They may be mistaken, or I may be mistaken, but the figures I got totaled $163 million for research.

I am wondering with all of the research being done along medical and other lines if it is necessary for this organization to get into the research field as deeply as they have, and I hope something will be done by amendment or otherwise that will stop some of this research.

In addition, I noticed the other day in the committee, with all that we have done for the education of the people, that it was decided that the Federal Government must get into the library business and into the extension of library services all over the Nation. It seems to me that we can get the people sufficiently educated with all we are now doing for education without taking up this new program and this new commitment. True, maybe they want only $5 million, but it is the camel getting its nose under the tent; it mushrooms and mushrooms.

I am wondering, when they get into research in delinquency if this Department feels that it ought to take over all of the responsibilities of the parents and the schools, the matter of retarded speech in children, et cetera.

Through the Department of Agriculture alone we have contributed to the feeding of the children $293,600,000 last year. In addition, we haul them to school and take them back from school. After that is over and they go into college, through the College Housing Act we borrow money at 3.5 percent, 3.6 percent, or 3.75 percent and loan it at 2.75 percent, at a loss, to help the colleges build dormitories for the students. Yet with all of our high schools, all of our colleges, everything that we have done for youth, this organization wants to step in and take over a part of the duties of parenthood in the homes of this Nation. I hope, as we read the bill, we will be able to cut many millions of unnecessary waste in this bill off of the burdened backs of the taxpayers.

Mr. FOGARTY. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, my service on the Committee on Appropriations has been both interesting and a revelation, in a sense. I want to say for the chairmen of our committee, Mr. CANNON and Mr. TABER, in reply to some purported criticisms today that the Committee on Appropriations was not making any attempt to cut this budget, that I know that both of these gentlemen are as sincerely concerned as any person in this House can possibly be, and so are the other members of the Appropriations Committee. We have attempted to do a good job. We all want to cut the budget, just as you do.

I was interested in the statement of the gentleman from Mississippi [Mr. COLMER] and the reply to him by the gentleman from New York. It seems to me that what he wants to do is set up a sort of superduper conference committee. I am sure if any of you have served on a conference committee on appropriations with Members of another body—I shall not refer to it as the Senate because I am not referring to the Senate, I am referring to the upper House, so-called, because of the fact that that body to which I refer ups most of the appropriations made in the House.

There is no question but that if the committee, as Mr. COLMER, and I know he is sincere about it, wants to set up, is established, the upper body to which I refer would dominate.

I am sure the gentleman from New York put his finger on the spot when he referred to that possibility.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. BAILEY. I would like to ask the distinguished gentleman from Georgia to clarify the position of the Committee on Appropriations. I have before me a wire from our State director of public assistance. It reads as follows:

> Nineteen hundred and fifty-eight appropriation bill, H. R. 6287, provides for closed end appropriation of State and local administrative funds, also training or research funds deleted. Principle of closed end appropriation inconsistent with basic 50-50 matching provisions of Social Security Act. Passage of bill with these features would seriously impair administration of public assistance in West Virginia. Limited legislative appropriation for administration this State makes 50-50 matching vital here. Am advised no decision yet reached by House-Senate conference committee on H. R. 4249, deficiency appropriation for 1957. This also very important to West Virginia.

Before the gentleman answers, may I say that they are resorting to a reduction in grants in the State of West Virginia, and we are in a rather unusual situation there in that our State has a tremendous amount of unemployment and there is a greater load being carried than would be true in other States. So they are being forced to reduce their grants in order to be able to get by for this fiscal year, largely, I understand, because the House refused to approve an item in the deficiency appropriation bill some weeks ago which is now in the other body. Will you clarify the position of the House with reference to what the gentleman inquires about on these appropriations for administration and the deletion of certain training funds?

Mr. LANHAM. During the hearings on the deficiency appropriation bill, penetrating questions by the gentleman from New York [Mr. TABER] brought out the fact that the caseload in the administration of these funds had increased only 3 percent during the past 6 or 7 years while the administrative costs had increased 75 percent. There is no doubt that in your State the administrative costs are low. They are in my State, but as the gentleman from New York [Mr. TABER] has told you, in his State they reached an unheard of figure in some instances of 27 percent. The duty is upon the Administrator in Washington to take all of these requests for matching funds and to be sure that this program is economically administered. We reduced the appropriation by $2 million just as a sort of warning to these people in Washington that they must equalize this thing and that they must refuse to continue to approve requests for matching funds that were not in line with a reasonable percentage of the cost.

Mr. BAILEY. If the tremendous administration costs exist in the larger States, would the distinguished gentleman be willing to say it will not impair the program in the small States like West Virginia where we have a great deal of unemployment?

Mr. LANHAM. I am satisfied it will not. Should it prove it is doing so, I am sure this subcommittee and the committee as a whole, and the House, will supply whatever money is necessary.

Mr. BAILEY. But, based on your action in not passing the item in the deficiency appropriation bill, there is not much hope for them to come back and that you would undo what you have already done.

Mr. LANHAM. I will say to the gentleman that while I cannot reveal the details, we are tied up on that appropriation really on another matter and this matter could be adjusted in a very short time if we got down to that point.

Mr. BAILEY. I thank the gentleman from Georgia for the information even though it does not fully clarify the questions I asked.

Mr. LANHAM. I am sorry I did not clarify it satisfactorily, but the reason we did it and the reason we put the limitation on this bill is to try to hold them in line and save money on the administrative costs. We do not mean to take a dime from any of the recipients but this program must be administered economically or it is going to destroy itself.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mrs. GREEN of Oregon. Following the question asked by the gentleman from West Virginia, if you were to change this from an open end appropriation to a closed appropriation, what kind of formula are you going to use for the distribution of funds in the States; or is it going to be on a first come, first serve basis? In other words, would every State come in and get the most that they possibly could?

Mr. LANHAM. No; it would be on a 50-50 basis as usual. But, it is up to the administrator in Washington to turn down requests from these States that are running up exorbitant administrative costs.

Mrs. GREEN of Oregon. But, under the formula, as I understand it, and if I am wrong, will the gentleman correct me? It is on a matching basis and the cost of administration will be divided on a 50-50 basis—the State paying half and the Federal Government paying half. When you change it and make it a closed appropriation; how can you then proceed to keep it on a matching basis?

Mr. LANHAM. I say to you that if they could not proceed on a matching basis, I answered the gentleman from West Virginia by saying that an additional appropriation would be made.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The gentleman from New York [Mr. TABER] has 2 minutes remaining.

Mr. TABER. I yield that 2 minutes to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. One other thing I wanted to say, I am sure we all want to cut this budget. I hope we do not let politics get into it. I want to compliment the chairman and the Members on both sides of our subcommittee. We have our differences, but they are not political differences. I hope as we amend this bill which touches so vitally human beings in our country, that we do not let politics get into it. We have done the best we could. We think we have a good bill. If you have to cut, cut in the number of employees allowed, and let us not cut any of the services that come back to our people, to which they are entitled under legislation which we passed, some of it only last year. I refer especially to the Library Service appropriation. I just hope that will not be cut. If an effort is made, I will take time then to explain the situation.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. LAIRD. In response to the gentlewoman from Oregon, the Department of Health, Education, and Welfare Administrator must approve the administrative practices of the States when they come in for increases.

Mr. LANHAM. That is correct.

Mr. LAIRD. Those that are unnecessary will have to be cut out in order to stay within the $400 million authorization made in this bill. That is true, is it not?

Mr. LANHAM. That is true.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mrs. GREEN of Oregon. The Council of State Governments reports that 13 of the State legislatures have already adjourned, and most of them have made their appropriations for the next 2 years. Now, if we change the nature of this law, would the gentleman tell me what recourse those States will have? How will they make up the deficit if the Federal Government now says, "We are going to change the rules—the law—in midstream"?

Mr. LANHAM. I have explained to the lady that we have no idea of changing the formula. The formula will not be changed, but the obligation is upon the people in Washington not to approve those budgets that are submitted that are excessive.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. LANHAM] has again expired.

Mr. FOGARTY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF LABOR

Office of the Secretary

Salaries and expenses: For expenses necessary for the Office of the Secretary of Labor (hereafter in this title referred to as the Secretary), including payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public; and purchase of uniforms or allowances therefor, as authorized by the act of September 1, 1954, as amended (5 U. S. C. 2131); $1,510,000, of which not more than $200,000 shall be for international labor affairs.

Mr. BUDGE. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 2, lines 11 and 12, strike out "$1,510,000" in line 11 and "$200,000" in line 12 and insert in lieu thereof "$1,480,000" in line 11 and "$170,000" in line 12.

Mr. BUDGE. Mr. Chairman, I am very happy to hear the remarks of the distinguished gentleman from Georgia [Mr. LANHAM], with regard to cuts in personnel if we did not cut the basic missions to be accomplished under the various appropriations in this bill.

On Saturday last I noticed an Associated Press release which stated that the Government civilian payroll at the start of this year was 2,403,311, which means that exclusive of the military we have in the last 12 months added 48,110 civilians to the Federal payroll. If we multiply that by the average salary of, roughly, $5,000, it amounts to almost a quarter of a billion dollars in increased salaries alone during the last year.

I call particular attention to the personnel in these two departments. In 1956—that is in the appropriations for fiscal 1956—both of these departments were given funds to hire substantially more people than they now have or have ever had on the payroll. The Department of Health, Education, and Welfare as of the 28th of February had 28,041 people; yet they were allowed to have under the appropriation bill for the fiscal year 1956 28,503 or 462 people that they have not employed. In 1957 this figure was raised to 30,994, which is substantially 3,000 people more than they have been able to employ.

This bill goes further and places another 2,000 employees on the Government payroll when they have not even filled the vacancies that have existed for almost 2 years.

The particular amendment that I have offered is one of a series which I hope will be adopted to reduce the Government personnel back to the figures authorized in the 1957 fiscal year appropriation. In other words, I am not attempting any roll-back. The amendment would allow them the amount they were authorized to hire under the 1957 appropriation bill and which they have not even reached at the present time. The particular amendment that is pending applies to a reduction of $30,000 in the office of the Secretary. The purpose of that additional $30,000 is to employ three people, one to work on the South American desk of the International Labor Organization activities, another to work on the Near East desk and another who is supposed to be a general expert overall. I think these jobs can be eliminated in this new appropriation bill and I hope the amendment will be adopted.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Indiana.

Mr. BEAMER. Mr. Chairman, I want to compliment the very able gentleman who has just been speaking on this very important subject. I am quite sure if all of us would look through the committee report we will find that one of the most amazing things in the committee report is the fact we are constantly being faced with increased personnel. I do want to compliment the gentleman and I hope he will offer further amendments in connection with other agencies where they have increased unnecessarily the number of personnel.

Mr. BUDGE. I thank the gentleman and I again wish to assure the committee that the reductions proposed are all for new employees over and above the amount permitted under the fiscal year 1957 appropriation bill.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Kansas.

Mr. AVERY. I wonder if the gentleman can tell us when there is State participation in administering a program how those employees are counted? Would they come under the limitations the gentleman is referring to or would they be set aside?

Mr. BUDGE. With respect to this particular amendment, this is entirely a Federal Government matter. I do not believe that any of the series of amendments which I hope will be adopted will relate to any State employees.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. HOFFMAN. I object, Mr. Chairman.

Mr. GROSS. Mr. Chairman, I rise in support of the amendment because, as I said awhile ago, certainly something is going to have to be done to stop the steady growth of employment in the Federal Government which, as the gentleman from Idaho has well stated, now totals more than 2.4 million employees, an increase from about 1952 of at least 400,000.

I also take this time to ask the chairman of the subcommittee what is meant by the revolving fund. Can the gentleman tell me what is meant by this revolving fund which is referred to in the hearings, and can it be used for the payment of personnel, consultants, experts, and so on and so forth?

Mr. FOGARTY. Not for experts, no. We cut out the original request for $150,000 in this revolving fund and then spelled out in the report just what it is to be used for. On page 2, in the second paragraph, it says that it will be for central reproduction service, central visual exhibit service, central supply service, and so forth, and telephone, mail, and messenger services. It is limited to those things in the bill.

Mr. GROSS. And the present bill does not contain the broad language that was proposed in the bill sent to the committee?

Mr. FOGARTY. No, it does not. We cut that out.

Mr. GROSS. That is all cut out and this revolving fund cannot be used except for those things?

Mr. FOGARTY. Only for these specific things spelled out in the bill on page 2.

Mr. GROSS. I thank the gentleman. I wonder if the gentleman could further explain to me why there is an appropriation in this bill for the Interstate Commission on the Potomac River Basin?

Mr. FOGARTY. Well, that is something that the local interests in the neighborhood, in the Potomac River basin, got this Congress to pass, and there is an annual contribution of $5,000 that we pay toward the establishment and workings of that commission, and it is just one of those things that have been helping the local area here in their problem in the Potomac River.

Mr. GROSS. I wonder if the Committee on Appropriations, with equal facility, would provide an appropriation for the Missouri River basin, the Mississippi River basin, and the Ohio River basin?

Mr. FOGARTY. If the gentleman would introduce legislation and it would pass Congress later, like some of these other bills in the last couple of years, by an overwhelming vote, I would certainly do my best to have it included.

Mr. GROSS. Including the $15 million bridge across the Potomac at Jones Point and connecting the States of Maryland and Virginia?

Mr. FOGARTY. If Congress authorized it, I certainly would try to carry out the dictates of the Members of Congress. I am only too willing to cooperate.

Mr. GROSS. Those are some of the authorizations, which the gentleman has been talking about, which come back to haunt us in the future.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I suppose the gentleman will want to defend that $15 million bridge.

Mr. HYDE. No; I just want to explain the $5,000 for the Potomac River Basin. That is paid by the Federal Government pursuant to a compact between Virginia, Maryland, West Virginia, Pennsylvania, and the District of Columbia. Each of the jurisdictions contributes $5,000 and the Federal Government contributes $5,000 toward planning and for the development of methods by which pollution can be controlled in the Potomac River.

Mr. GROSS. So the Federal Government has been compacted into a spending item between the States of Virginia, Maryland, and whatever other adjoining States there are.

Mr. HYDE. It is a State compact of five jurisdictions.

Mr. GROSS. Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, permit me to ask the chairman of the subcommittee having the bill in charge a question about this "International labor affairs." Just what do you want these additional employees for?

Mr. FOGARTY. As the gentleman from Idaho explained, there is 1 for the Far East, there is 1 for Latin America, and there is a topside job here in the Department of Labor.

Mr. HOFFMAN. Pardon me. I did not make my question clear.

Mr. FOGARTY. I think they said they needed 1 or 2 secretaries.

Mr. HOFFMAN. What are they supposed to do? What are their duties?

Mr. FOGARTY. They are working with the Department of State in international affairs, and their main duty is to be working with the labor movements in most of the countries that we have dealings with. It is very strongly supported by your President——

Mr. HOFFMAN. Whose President?

Mr. FOGARTY. Your President and my President, and by the Secretary of Labor. There was some controversy over the United States taking part in the International Labor Organization meeting at Geneva, but the chamber of commerce and the National Association of Manufacturers have voted to participate this year, even though they had not before.

Mr. HOFFMAN. I thank the gentleman. We may assume that the chamber of commerce and the National Association of Manufacturers have some business interests abroad.

Reading the paper this morning it appeared that the importation of small automobiles into this country has more than doubled in the past year. That may mean that the more cars they sell here, the less our own manufacturers sell.

It will be noticed, too, that the labor organizations, especially that represented by Mr. Reuther—well, the A. F. of L., too—are advocating—at least according to the literature they sent to my office, by mistake probably, and also according to the labor papers—they are advocating that we should raise the scale of wages abroad. They advocate that we should send technical experts over there to tell the people how to make better automobiles for less money. And the net result, as I get it, would be that they increase competition from abroad, which is all to the good of the consumers who want to buy the cars, but certainly does not help the working people of this country to retain their jobs or to create more jobs for them.

They are in favor of that. Then they want to send over there, or he went over there—well, no; my President and your President sent over Mr. Beck, did he not, as the representative of the American labor movement?

Mr. TABER. Mr. Chairman, would the gentleman yield there?

Mr. HOFFMAN. I yield.

Mr. TABER. Mr. Beck got over there, but he was not appointed to go over there.

Mr. HOFFMAN. Wait a minute. Beck was appointed or was sent over there.

Mr. TABER. No.

Mr. HOFFMAN. Well, he went over on the understanding that he would be appointed.

Mr. TABER. He thought he was going to be.

Mr. HOFFMAN. The gentleman knows very well that we play politics with the labor bosses just as do the gentlemen over here. With this difference the Democrats get it, we do not.

Mr. TABER. Is it not a fact that there is a labor attaché in practically every embassy that we have abroad?

Mr. HOFFMAN. That we have what?

Mr. TABER. A labor attaché.

Mr. HOFFMAN. The point is this. We send people over there who misrepresent the American workingman and the American workingwoman. And the net result of what these fellows want to do or do is to destroy the market here.

I see my friend from West Virginia [Mr. BAILEY] getting uneasy over there. Tell the House when you get up, about the pottery and the glass industry that have almost been put out of business in your district by competition from abroad and how you have been converted to Republican doctrine on this one issue of the tariff, anyway.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I think we should hold this down a little, if we are to cut this budget at all. That is, unless we are just shadowboxing and fooling the

people—no; we are not fooling the people, trying to fool the people—it is about time that we voted these amendments through and then, as someone suggested, when the bill goes over to that very refined and intelligent upper body, and then comes back in a conference report, let us vote the conference report down. For the last 20 years, to my knowledge, we have been taking everything that they sent back over here. We have just blacked their shoes and kissed their feet and taken everything they sent back to us after they put in what they wanted. Unless we assert ourselves now, and when the bill comes back, we will never get anywhere.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Chairman, we all know that the U. S. S. R. has turned its attention from expansion by military force to expansion of its influence through subversion.

Through the World Federation of Trade Unions, a Communist-dominated organization, and other devices, the Soviet are preaching false doctrine to workers in many countries. These false doctrines are designed to appeal to the aspirations of workers for better conditions for themselves and their families.

A small increase is requested in the small staff that follows the Communist activities among workers in other countries. Information on conditions and attitudes of workers often forecast the policy to be followed by governments.

If our foreign policy is to be fully effective, the results of the analyses of attitudes of the workers and their organization leaders must be taken into account in making that policy.

I recommend that the appropriation committee's recommendation be approved.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

(By unanimous consent, at the request of Mr. GROSS, Mr. SMITH of Virginia was permitted to proceed for 5 additional minutes.)

Mr. SMITH of Virginia. Mr. Chairman, I should like to say a few words not so much about the pending amendment but about the bill that is before us and about the general subject of reducing our appropriations this year so that we may with some degree of hope look forward to a much needed reduction in the tax burden of the people of another year. I have heard a lot of expressions from Members of the House on that subject. Everybody says, "I want to see the appropriation bill cut." Tomorrow you are going to have that acid test. The country is going to find out whether this Congress really means to cut these appropriation bills or whether we are shadow boxing about this thing.

Personally, I think there is not a bill that comes before this House that could not be cut 10 percent without hurting the essential functions of the Government. I believe the House wants to do this. I believe if those who want to do it will stay on the floor tomorrow we will be able to accomplish something very important to the welfare of this country, because if we can begin this matter of reducing these appropriations as they come along by a substantial amount we will be able to do it on all the bills.

Let us talk about this bill for a minute. This, Mr. Chairman, is a tough one. This is the one that has all the "do good" in it, that has all these fine programs that we all love. This has all the programs where it is so easy to give away somebody else's money, the taxpayer's money. There is not a word in here that I could pick out that I would not say was a fine eleemosynary enterprise, not one.

I always have my sympathy with the Appropriations Committee, particularly the subcommittees that have to deal with these subjects and have to make these decisions of what to cut and what not to cut, because I know they are pressed from every side. We start these welfare programs and every year they grow and grow and grow and grow. That is true in this bill.

You will probably hear it said that this bill has been cut over $100 million. You know why? To begin with, there are two large items in this bill, one of $66 million and one of $33 million, which makes almost $100 million, practically all of the cut in this bill, and they have expired or been reduced by not being carried on any more. That is the reduction in this bill. But if you will go through the report on this bill, you will find that in nearly every instance the amount is raised over last year's appropriations.

What I submit to this House is this simple question: If we mean to reduce appropriations; if the country is for the reduction of appropriations; if the President hopes that we can find means for reducing the appropriations, as he has said, then is it not a fair proposition to say to each one of these agencies as it comes along: "We are not going to cut your throat, we are not going to destroy this fine eleemosynary project that a previous Congress inaugurated, but we are going to cut you back merely to what you spent last year." In other words, we are not going to give you an increase. If you will do that on this bill, you will cut this bill somewhere between $75 million and $100 million. Nearly every appropriation in this bill, nearly every part of it, is raised over the appropriation of last year. All I am asking you is this. I expect to offer an amendment in a few minutes. All I ask is that you cut them back to what they spent last year. Is that not fair? Let them absorb the cut. If there is anything there they need that is cut out and if they want to economize in these bureaus, like we want to economize and like the President wants to economize and like the Secretary of the Treasury wants to economize, if they really want to do it, they can find plenty of room in these large sums that are appropriated and they can just tighten their belt a little bit and take these things off the list now. Now, my friend says, "We have to appropriate this money because Congress authorized these things." Congress, I expect, makes some mistakes because Congress has not been above making mistakes in past years. But, no previous Congress can bind this Congress to continue appropriations on matters that a previous Congress authorized or appropriated money for, if this Congress thinks it is in the best interest of the country to reduce those appropriations or to eliminate them. If you do not accept that as a theory of government, then you cannot do anything with these bills. You cannot reduce them because they are going to keep on going up and up and up. You have to be willing to just face this issue and say this thing has got to be cut, these budgets have got to be reduced and these appropriations must be reduced, and we have to have the courage to stand up and do it and I hope that we will.

Mr. McCONNELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel I would be remiss if I did not rise at this time to speak favorably about the International Labor Organization. I am not standing here advocating an increase in the number of assistants or specialists. In fact, I think that we could carry on satisfactorily with the present number of specialists and employees. So I am not opposing the proposal that was made here to reduce the appropriation for additional specialists. I visited the ILO last summer. I regret to say I happen to be one of the very few Members of this body who ever visited the ILO during any conference. I went over prejudiced. I felt that it was a radical organization which would be of little value to the welfare of America. I was of the opinion that we should get out of it. I left there with the firm opinion that we should stay in the ILO, and I am glad that the chamber of commerce and the National Association of Manufacturers have agreed to continue for another year. There are various parts of the ILO program that I do not agree with. I question the idea of the treaty-making power from conventions and the idea that they can pass certain types of recommendations which eventually people think of as being in the nature of a treaty.

The United States itself has shown that it is doubtful of that part of the ILO program, in that we have approved only about seven treaties since our participation in the ILO, and they have been in the maritime field. So, the possible detrimental aspects to the United States of the ILO will be held to a minimum if we do not go along with the treaty-making power in ILO. However, as a sounding board, as an opportunity for the United States to know what some of the other nations of the world are doing, particularly in their labor movements, I think it offers a wonderful opportunity at a very low price for America. Also, it enables the United States to show to other nations the advantages of a capitalistic economy versus a communistic controlled economy.

Mention has been made of labor attachés. The labor attachés, as a whole I think, are doing good work in the various foreign countries where they are

stationed. I quite agree with the gentleman from New York [Mr. TABER] that they could take on some additional duties and save us the necessity of appropriating money at this time to put on additional specialists. I think the labor attaché program could very well be expanded without additional appropriations for new specialists.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. BUDGE. I am indebted to the gentleman from Pennsylvania for his statement that he was not opposing this amendment, and to again point out to the House that this does not have any effect on the International Labor Organization as such. It simply means that there would not be three additional positions created in the office of the Secretary to review the findings of the labor attachés around the world.

Mr. McCONNELL. I thank the gentleman, and I yield back the remainder of my time.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FOGARTY. Mr. Chairman, there has been a great deal said about cutting appropriations, and especially cutting this appropriation. Let us remind you once again of what you men and women, who were here in the 84th Congress, voted for last year and 2 years ago. You voted to liberalize the social security amendments, which will cost hundreds of millions of dollars. You voted for a new Water Pollution Control Act, which will cost tens of millions of dollars. You voted for a Health Survey Act, which will cost a million dollars. You voted for the Library Services Act. There is $5 million in this appropriation for that, and some Members think it ought to be $7½ million. You voted to authorize a committee for education beyond the high school. You voted for the National Library of Medicine, which will cost over a million dollars. You voted for the Health Research Facilities Act which will cost tens of millions of dollars. You voted to create training of professional publicly trained personnel. You voted for advanced training of professional nurses. You voted to authorize special grants in the field of mental health. You voted for a new Air Pollution Control Act. When you voted for all of those bills in the last 2 years you must have known it would cost the Federal Treasury millions and millions of dollars. The only way we are going to get any economy, if you want real economy, is to introduce legislation that will repeal some of those measures I have just talked about today. As far as I am concerned, I think they are all important. As far as this appropriation bill before us today is concerned, I think we have cut it too much. I think in some areas we should be increasing appropriations. We should be increasing appropriations over and above what the President has asked in this bill that we have before us.

Now, with reference to the Department of Labor, this is your Secretary of Labor. This is a Republican administration, an administration that we have been led to believe over the years has been for economy. You ran on that platform and so did he last year and 4 years ago. During the hearings your Secretary of Labor replied to a question from me as follows:

> Mr. Secretary, is there any place in this budget that we have before us that you think we can cut and not curtail any highly desirable services for the fiscal year 1958?
>
> Mr. MITCHELL. This budget, Mr. Chairman, has had the attention of all of the top people in the Department of Labor, including myself. It represents to you a compromise from the original request of the various heads who felt there were more projects than could well be undertaken in the interest of the workers and the economy of the country. I believe that as presented to you the budget represents the best thinking of all the people engaged in its preparation. I know of no area where it could be cut without affecting the work and effectiveness of the Department of Labor.

Those are the words of your Secretary of Labor when he was asked to give us some information as to where we could cut this budget and that was his answer.

Speaking with reference to this amendment striking $30,000 for three additional people for the International Labor Organization, as the gentleman from Idaho [Mr. BUDGE] has said, it will not in one way affect the operation of the International Labor Organization but it will in another because at the time we did not have any representation in Latin America where it is claimed by those who know something about this program that we should. We do not have any representation as far as the Near East is concerned and Mr. Wilkins, your Assistant Secretary of Labor, testified that he is not able to keep up with half of the responsibilities that he is charged with now with the staff he has.

They asked us for $51,000 more than they had in the fiscal year 1957. This increase was requested to permit the Department to follow the labor developments in countries of regions of the world such as Latin America and the Middle East.

Because of the far-reaching influence of workers and worker organizations in the political life and economic development of a country, it is essential that the United States be thoroughly informed on the activities and attitudes of these workers as United States foreign policy is developed and day-to-day actions are taken.

The world is still in the process of testing the fitness of political systems and the validity of political philosophies. This country needs to know about Communist activity among workers in other countries. Its significance must be appraised and proposals for dealing with it must be developed.

Area specialists in the Department analyze developments and provide information and advice to the Department of State which is considered along with other information and advice in developing policy and in determining day-to-day actions.

Without the additional money, the Government may be without expert analyses of labor developments in areas of the world.

We compromised and allowed them $30,000 in the belief this is a necessary agency of Government, that it is helping in the international situation. For many, many times over the years we have been listening to their testimony and they have made many suggestions that have helped the economy of this country and the economy of other countries. To those of you who are interested in the tariff question, this is one of the most legitimate ways I know of to raise the living standards and wages in foreign countries, which will cut down the competition of foreign goods that are affecting some of the industries we have, where there is a surplus in labor markets.

On behalf of the Secretary of Labor and the request he has made, and the compromise we have reached on their original request of $51,000 for this item, under which we have provided $30,000, I ask that the pending amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken; and on a division (demanded by Mr. BUDGE) there were—ayes 123, noes 69.

So the amendment was agreed to.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wonder what is going on here. Judging by that last vote, it seems that only five of our friends on the other side of the aisle had the temerity to stand up and vote with President Eisenhower and the Secretary of Labor.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize that all of us are interested in economy and in reducing the budget, but it is difficult for me to understand how the committee could justify disallowing $2.5 million for the training of welfare personnel in view of the fact that the Department itself actually cut the item 50 percent. This Congress authorized $5 million to start this training program with. The Department made a very plausible and a very reasonable presentation and asked only for $2.5 million, yet the committee disallowed the item.

I know, Mr. Chairman, that it will be difficult to reinstate the item, but if I understand it, this is the item which would provide adequately trained personnel to assist people who are now dependent entirely upon charity to become self-supporting: the blind people, the handicapped people, the aged, and those with other incapacitating disabilities. I would just like to ask the chairman of the committee, the gentleman from Rhode Island, Mr. FOGARTY, if he will be kind enough to give me his attention, why it is that after Congress authorized $5 million and the Department recommended a 50 percent reduction in that item the committee disallowed the small sum of $2.5 million for the training of personnel to administer these programs and to help the disabled people.

Mr. FOGARTY. I think the result of the last vote just taken is a pretty good answer to that.

Mr. COOLEY. Well, now then, I would like to comment, in all seriousness, if that is the way we are going to economize, by cutting a program that was designed to help blind people, we are faced with a sad situation. Now, let us be realistic about it. Do you want to take away from the blind man and the totally incapacitated individual the aid and assistance which this Congress has authorized? It is just like taking the cup out of the blind man's hand.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I think the gentleman has misinterpreted this program. It was a program authorized in the social-security bill in the last session of the Congress. There has been no money appropriated by the Congress in past sessions or in this session for this particular program. It is an entirely new program.

Mr. COOLEY. The gentleman misunderstands me. I know what I am talking about. I know that this is a new program.

Mr. LAIRD. This is a new program, and in view of the fact that the Congress went on record by adopting a resolution asking the President to make substantial reductions, the committee felt it was the consensus of Congress that they wanted reductions in this budget.

Mr. COOLEY. I do not want to be impolite. The gentleman has expressed his views. I said it was a new program that we started upon with the idea of trying to aid these unfortunate people in becoming self-supporting. If you could know what has been accomplished without this provision. Many blind people who have heretofore been totally dependent are now earning a livelihood and are self-respecting citizens.

Are you telling the House now that because of some perhaps ill-advised resolution passed by Congress calling upon the President to tell us how to cut the budget that I should feel justified in taking the cup out of a blind man's hand in the name of economy? That is what you are doing.

This is a new program. I knew what I was voting for when I voted for the new program. I think that this one item would certainly tend to minimize the financial burdens which are now borne by the Federal Government and that it would be a good investment to try to find some way to aid these people to become self-supporting.

If you want to economize, you can adopt the committee version of the bill. I submit that somebody on the committee should sponsor an amendment to restore the small sum of $2,500,000 and let us embark upon a program which would be of advantage in future years.

Mr. LAIRD. Mr. Chairman, would the gentleman yield?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I just want to make it clear that the fine work which the gentleman has referred to is being done in the various States. Our action has nothing to do with these particular State programs as it is a new program. This program provides that the fine work that is being carried on in several of our States would be paid for by the Federal Government, to the extent of 80 percent of the check. This does not stop the work that is now being carried on in the States to which the gentleman has referred.

Mr. COOLEY. Certainly it does not stop it. I realize that full well. But the gentleman's own administration devised this formula for matching funds. The Federal Government puts up 80 percent and the States put up 20 percent. They train personnel and that trained personnel go out and help to place these people in profitable employment.

I say that some member of the committee should introduce an amendment as I have suggested. This is a good program and should be started now.

I am certain that every Member of this House knows something about the wonderful work which has already been done in placing unfortunate and dependent people in profitable employment, which has relieved the relief load. There is a definite and a desperate shortage of well-trained personnel in this particular field of social activity. This program was approved by Congress in the hope that more efficient and well-trained personnel may be made available to the end that more and more of our unfortunate citizens might become pleasantly and profitably employed. To disallow this item could well prove to be false economy. This is neither a gift nor a grant in the ordinary sense of the word. It is actually an investment and I believe a very good investment. Many unfortunate and disabled people could be placed in profitable employment if trained personnel could be made available to them to assist in finding profitable jobs. It seems to me that this is a sad and a sorry place to stop to economize, and I indulge in the hope that this House will reinstate this item and start this program.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to suggest that in Illinois and many other States throughout this Nation, the fine work that the gentleman talks about, taking care of the blind and other people who cannot take care of themselves, is being done at the home level by the taxpayers of the States.

Practically every new program that has been offered and which they are attempting to embark upon through this bill is being carried on in most of the States at the local level. And the people there are happy to do it.

So I would suggest to the gentleman from North Carolina [Mr. COOLEY] that there ought to come a time when he would cease bringing all of his troubles to the Federal Government, quit carrying the tincup to which he referred to the Federal Government and with his and their vaunted wealth down there take care of their own people, instead of coming to the Federal Government and asking for alms.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this debate, apparently, is getting into the usual pattern. We all love our friend—I think that is the proper word—from North Carolina, Mr. COOLEY. But we cannot just sit quietly by when he claims that we on the Republican side are taking the tincup away from the blind man, as was disclaimed by our colleague from Illinois, Mr. VURSELL. Just give us credit for dropping as many nickels into that blind man's cup as do you on your side when you go down the street.

Do not assume that you have all of the kindliness, all of the charity, and all of the virtues, that we have none, because that not only makes us feel badly over here, even though we know, as well as you know, you are mistaken. Do not appear to be a good Samaritan. It does not fit you.

The gentleman from New York, Mr. ROONEY, came down into the well a few moments ago and said that he was surprised to note, or was glad to note—I have forgotten which it was—that five of the Members on the minority side had the temerity to vote with the President and the Secretary of Labor.

To the gentleman from New York [Mr. ROONEY] permit me to say those five gentlemen have not been here long enough to drop into the habit of voting as the boss told them to vote. When you had a President down there—when I say President, he is my President, too, but I mean of your political faith, it may have been the rule to hear the cracking of the party whip. We on this side of the aisle do not walk down the chalkline all the time. We do not even follow the Speaker all the time, as sometimes it has been said—though I doubt it, however—that you folks do. But of that we will perhaps have a demonstration tomorrow when House Resolution 85 is on. It may be I should not talk that way; but here we are. And the five had the courage, the good sense to vote their convictions. Those young men—I did not see who they were, but I understand they were young gentlemen—did not vote, as the gentleman would have us believe they did, because of the President's views, but because they thought it was the right thing to do.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from New York.

Mr. ROONEY. Surely the gentleman would not call our distinguished friend from New Jersey a young man, a young Member, would he?

Mr. HOFFMAN. Which one? Mr. WOLVERTON? Mr. WOLVERTON for years here has had the courage to vote his convictions. He has courage and ability, we are all better legislators because he is here. No one to my knowledge ever

accused him of casting a political vote. Do you find fault with that?

Mr. ROONEY. No.

Mr. HOFFMAN. Then what are you squawking for or about? We have on our side people who do vote their convictions, and no one is finding any fault if they follow the President or if they do not. The President never asked for a rubberstamp Congressman. No doubt some few have been or are taking advantage of his friendship to try to read out of the party all those who do not accept them as infallible—who recognize that they, basking in the shadow of his personal popularity, would share the limelight, insert themselves in the political forefront. We will go along with the President when we can, but we cannot always turn the political grindstone for anyone who just at the moment may assume to speak for Ike. Your Secretary of Labor? Sure he is my Secretary of Labor, too. I do not go along with him on everything. I cannot. I intend to vote for some of the amendments to the Taft-Hartley Act which I assume they will send down here, but not all of them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I was prompted to make the observation I did make because of the gentleman's statement to the effect that I asked the question why they had failed to start this program which they authorized. He referred to the resolution which we passed.

Mr. HOFFMAN. And you characterized it as ill advised.

Mr. COOLEY. I am not going to argue with you about it.

Mr. HOFFMAN. I do not know. I was just recalling you so stated a moment ago.

Mr. COOLEY. I voted for it. But the point is, when he said that, that was an indication to me that because of this budget urge we were about to cripple the program to help the blind people. I have my own responsibility. The gentleman has his own responsibility. I think it is a good program. I think it should be followed. I think it is a good investment.

Mr. HOFFMAN. Wait a minute. I do not go along with everything you say.

Mr. COOLEY. No; you do not go along with anything anybody says.

Mr. HOFFMAN. I do not blindly follow every path that seems to look good at the moment. Many a word of good advice has been given to me by present and former Members of this House, from your side and many, many times I have accepted and acted on them. Remember when you had your picture taken with Walter Reuther who claimed to be the farmer's friend?

Mr. COOLEY. Never mind that. You were going along with the President last year, were you not? He was your President last year.

Mr. HOFFMAN. He was and he is. The point is this: I do not want you—and I know that the gentleman from Texas [Mr. PATMAN], who is against monopoly, would not approve of it—I do not want you to claim a monopoly of kindliness, and Christianity, and desire to help the unfortunate.

Mr. COOLEY. I have not made any such claim.

Mr. HOFFMAN. I misunderstood you completely if you did not. If my ears did not deceive me you charged those who supported the amendment with taking the blind man's cup from him.

Mr. COOLEY. No; you did not. I have not made any such claim. I feel that is true of the committee members on both sides of the aisle.

Mr. HOFFMAN. Are you through?

Mr. COOLEY. Yes.

Mr. HOFFMAN. Thank you for the contribution. Read the gentleman's speech tomorrow as it is printed in the RECORD and unless he changes it you will learn just what he did say. If I did not catch the trend of his argument—and have not accurately sensed its import—accept my apology.

The Clerk read as follows:

OFFICE OF THE SOLICITOR

Salaries and expenses: For expenses necessary for the Office of the Solicitor, $2,225,000, together with not to exceed $365,000 to be derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 3, line 9, strike out "$2,225,000" and insert in lieu thereof "$2,205,000."

Mr. BUDGE. Mr. Chairman, after the last colloquy, I rather hesitate to address the Committee on an item of this size. It is a reduction of only $20,000 in the Office of the Solicitor. As shown in the report, this is for new personnel over and above the 1957 budget for this office. I apologize to the membership in offering these amendments this way for such small amounts of money, but it is the only way I can think of that individual portions of the bill can be reached. I think all of us would like to hold this personnel down at least to the 1957 level, particularly in view of the fact, I should like to emphasize to the membership once more, that the Department of Labor and the Department of Health, Education, and Welfare as of the last day of February of this year were still unable to recruit almost 1,500 people, the number of people who were allowed in those two Departments in the appropriation bill for the fiscal year 1956—not 1957 but 1956. They still have not been able to employ the people. I again apologize to the membership for these piecemeal amendments, but it is the only way to reach the money in the bill.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield.

Mr. SMITH of Virginia. I have an amendment at the Clerk's desk which would cut this appropriation by $204,000. That amendment would cut it back to the appropriation which was allowed to the Solicitor's Office last year. As I said a few minutes ago, it seems to me that if we mean business about this thing, and I do not want to play with chicken feed for the next couple of days, then we ought to be willing to stand up and vote to hold these appropriations at least to the last year's figures. That is the only way that we can make substantial cuts. I wonder if the gentleman does not agree with that amendment to cut it back to last year?

Mr. BUDGE. I should be very happy to. I would be happy to have an amendment offered in some way so that it could be done with one amendment rather than piecemeal.

Mr. SMITH of Virginia. I do not know of any way that you can do it all in one amendment because some of them you cannot reduce and others you can reduce. I think it would require a number of amendments. But, it seems to me, if we are going to make any substantial cuts on this bill, we might as well recognize at the beginning that we have to cut them back at least to what they had a year ago. That ought to satisfy everybody.

Mr. BUDGE. I should like to suggest that if the gentleman from Virginia will offer a substitute to the amendment which I have offered, I would be happy to support him in holding the appropriations and the personnel to the number authorized in 1957.

Mr. SMITH of Virginia. Would the gentleman yield to me for that purpose?

Mr. BUDGE. I yield to the gentleman.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as a substitute for the amendment offered by Mr. BUDGE: On page 3, line 9, strike out "$2,225,000" and insert "$2,021,000."

The CHAIRMAN. Does the gentleman from Virginia care to be heard on the amendment?

Mr. SMITH of Virginia. Only briefly, Mr. Chairman.

This amendment does what I suggested a little while ago. I think many Members feel we should cut these appropriations at least back to last year's figures. I am rather dismayed because the Chairman read you a long list of authorizations that previous Congresses have made. As I said before, Congress sometimes makes mistakes. I do not say that they did in this case. I know that Congress did authorize these things, but they did not appropriate the money. We appropriate on these things, and that is what we are doing now. All I am asking is that we repent if we have made some mistakes. I am calling you to come to the mourner's bench with me. We have made mistakes in the past. Let us rectify them now. This is our chance. I will quote an old spiritual, which is, "As long as the light holds out, the vilest sinner may return." Let us cut these things back to what they were last year, at least.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ROOSEVELT. It is my understanding that if this amount was deleted from this appropriation the actual effect would be to cut out the retirement provi-

sions that were voted last year. The only way in which they could be absorbed would be to actually let the personnel go below the amount that was available last year. So that actually you would be cutting down the efficiency of the Department. If I am incorrect, I would like to be corrected.

Mr. SMITH of Virginia. The gentleman is eminently correct. This year the retirement by the Government was transferred from the Civil Service Commission and distributed among the various agencies. It is a small portion of each of these appropriations. It seems to me that there is no agency in this Government that could not tighten its belt just a little and absorb that out of this year's appropriation. Where are we going to economize if we do not make some of these people who are spending the Government's money tighten up a little? This is a small item, a small amount of belt tightening that each of these agencies would have to do in order to absorb that amount. We used to have the Jensen amendment which prohibited a department from employing new employees when vacancies occurred. If they will merely apply that principle and work a little harder and not fill those vacancies that occur very rapidly, they will be able to absorb it without any embarrassment and without any injury to the Federal service. This is the Office of the Solicitor. That is lawyers. Goodness knows they are getting two and a quarter million as it is. They will have no trouble absorbing that if they, like Secretary Humphrey, want to do it.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FOGARTY. Mr. Chairman, the point made by the distinguished gentleman from California [Mr. ROOSEVELT] was a point well taken, because it just goes to show that when some of these amendments are offered they go much further than you ever thought they would. The mandatory increases for the Office of Solicitor, the civil service retirement fund contribution of $129,900, and the extra day's pay of $8,325, amount to $137,000. So this would not just take them back to what they had in 1957. It means they will have to lay off additional personnel to make up that $137,000.

We have been piling work on the Office of the Solicitor in the Department of Labor. For those of you who voted to raise minimum wages from 75 cents an hour to $1, it means that you were telling the Solicitor that you were at that time giving him an added responsibility to see to it that the litigation under the wage-hour law is carried out. You voted for that bill a couple of years ago to raise the minimum wage from 75 cents to $1 an hour. Now you want to come in here with an amendment like this and say to the Congress: "Yes, we voted to raise it from 75 cents to $1 an hour but we do not want it enforced."

Why do you not stand up and say you are against the minimum-wage law providing $1 an hour? Why do you not stand up today and say you did not mean to increase minimum wages from 75 cents to $1 an hour; or, if you did, you do not want it enforced?

There is the Federal Employees' Compensation Act. This is taken care of by the Solicitor's Office, which recovers thousands of dollars for the Government in third-party suits. You are going to cut that down by this kind of an amendment.

Under the wage-and-hour law, in back wages this past year they were able to collect by litigation, going to the courts, $1,875,000 which was found due those people who were not paid a minimum wage.

If you want to disrupt those programs, if you want to renege on the promises that were made to the people by the votes of this House when we raised the minimum wage from 75 cents to $1 an hour, then you should support this kind of an amendment. But to my mind that is not good business at all. If we voted for that legislation, we ought to stand up and be counted when the appropriations to carry out the legislation are being voted on; not vote for the legislation for publicity's sake, then come back a year later and cut the guts out of the appropriations so that it cannot be enforced. That is what you are doing here today by offering these crippling amendments.

I know the Department of Labor is a popular place to cut because it is the Department of Labor; it has the word "labor" in it. But in the Interior bill that was up here last week there was no demand to cut it back to what they had in 1957.

Why start the pattern with the Department of Labor? The cuts in the Interior bill were not 50 percent as much as we cut the increases in this bill. I did not hear any demand to cut that bill back to what they had in 1957. I hope on all other appropriation bills, if this is going to be your philosophy from here on out when these bills are before us, that each of you get up and make a confession that you did the wrong thing last year and the year before and the 2 years before that when you voted for this legislation that your administration has advocated in the past 4 years. I think it adds up to just exactly that. You are either for it or you are against it. You cannot on the one hand vote to expand these programs, and on the other hand, deny the administrators of this program the tools to do a decent job. When you refuse them the tools to do a decent job and they do not have sufficient help, then you cannot expect to be able to find fault because they are not doing the job as Congress intended it to be done. That is the situation we find ourselves in now. If you adopt the pending amendment you are going to set this office back from the 1957 level and you are going to cripple a lot of the laws you voted for in the last 2 years and cause an injustice to both management and labor.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Virginia [Mr. SMITH] to the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE] as amended.

The amendment, as amended, was agreed to.

The Clerk read as follows:

BUREAU OF LABOR STANDARDS

Salaries and expenses: For expenses necessary for the promotion of industrial safety, employment stabilization, and amicable industrial relations for labor and industry; performance of safety functions of the Secretary under the Federal Employees' Compensation Act, as amended (5 U. S. C. 784 (c)); performance of the functions vested in the Secretary by title I of the Labor-Management Relations Act, 1947 (29 U. S. C. 169 (f) and (g)); and not less than $182,575 for the work of the President's Committee on National Employ the Physically Handicapped Week, as authorized by the act of July 11, 1949 (63 Stat. 409): *Provided*, That no part of the appropriation for the President's committee shall be subject to reduction or transfer to any other department or agency under the provisions of any existing law; including purchase of reports and of material for informational exhibits and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards; $1,031,300.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 4, line 7, strike out "$1,031,300" and insert "$955,000."

Mr. BUDGE. Mr. Chairman, this amendment is identical with the ones which I have offered before. It reduces the number of personnel in this particular agency to the 1957 level. It does, however, add to the funds appropriated sufficient funds to take care of the retirement payments to the Civil Service Commission and it also takes care of the extra day's pay which is being encountered in all of these departments.

Mr. Chairman, I hope that the amendment will be adopted. It does not cut any existing program. It just keeps the personnel that were authorized under the present year's appropriation bill. I should like again to stress the fact that the Department has never yet employed the employees that it was authorized to employ under the 1957 bill or under the 1956 bill. I hope that the amendment will be adopted. It does not cut back anything and it does make allowance for the retirement payments to the retirement fund.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from California.

Mr. ROOSEVELT. Does your amendment cut out the $20,000 to extend the safety service to industries using fissionable material?

Mr. BUDGE. I do not know that you could say that it cuts out any specific program. I think that an agency of this nature can reprogram within the agency and do those things which it believes are the most urgent to be done.

I would like to comment a little bit on the remarks of my good friend from Rhode Island, with whom I had the pleasure to serve on this particular subcommittee of the Committee on Appropriations for a period of 2 years. If we

accept the idea advanced by the gentleman from Rhode Island that once an authorization bill is passed it is then our duty to appropriate the full amount of the authorization bill, then the Committee on Appropriations could be abolished; it would serve no function. Time after time we hear the statement, "Oh, this is only an authorization. We will let the Committee on Appropriations work on it." And then when the Committee on Appropriations comes in and the committee cuts something or the House says that it wants to cut something, why should we always say, "Well, just a year ago you voted to authorize it." If we are going to vote the full authorizations on programs, let us abolish the Committee on Appropriations and at least save the taxpayers that amount of money.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will only take 1 minute, but I would like to ask the gentleman who just spoke one question, if he will please answer. May I make it clear for the record that in reducing the amount you are not specifically indicating that you want this new work covered by this $20,000 abandoned because in your remarks you indicated that you wanted no new work undertaken, and this seems to me to be a very important new work and I do not want it left in the record that the Department is instructed not to go ahead with it.

Mr. BUDGE. In answer to the gentleman from California I want to say this: In our private business, in any kind of endeavor today, where you enter upon some new line, particularly when it is just a very minor item in the overall picture, you do not immediately go out and hire so many people earmarked to do that particular thing. You attempt to absorb those costs with the people you now have working for you, and I honestly believe that it can be done very well with the present limitation of the people who are working in the Department of Labor, and I know that it can be done if they only employ the people that were authorized under this year's appropriation bill, let alone the raise called for in this bill.

Mr. ROOSEVELT. I thank the gentleman, and I hope I am right in saying that I think he agrees with me.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I do not like to find myself in disagreement with my friend, the gentleman from Idaho [Mr. BUDGE], but when I voted, for example, to raise the minimum wage in this country from 75 cents to $1 an hour, I meant just that, and I expected that we would approve the necessary appropriations to see to it that the law was enforced. If we do not want to do that and follow through with the appropriate appropriations, then we should not have voted for the law, in the first place, in my opinion.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Idaho.

Mr. BUDGE. I am just curious to know, in the gentleman's opinion, how much more it will cost to enforce the Fair Labor Standards Act at $1 an hour than at 75 cents an hour.

Mr. FOGARTY. We actually do not know, because we have inspectors to visit only about 7 percent of the plants covered under the law; so we do not know. Under the 75-cent-an-hour law, if this will answer the gentleman's question, 1 out of 8 establishments investigated was found to be not in compliance. Under the dollar-an-hour minimum, 1 out of 5 firms investigated was found to be not in compliance with the wage-and-hour law. That is a pretty good example.

As I look at the matter of the responsibility of the Committee on Appropriations, it is this: When we vote for legislation then I think it is the duty of the Committee on Appropriations to go through these department requests, to carry out that legislation, with a fine-tooth comb. If we find any place where we can save money, if we can justify in the record that money is being expended loosely, then it is our responsibility to tighten the reins on that particular department. That is our responsibility as I see it.

Mr. Chairman, if you can find in the record anything to show that the Bureau of Labor Standards has been loosely operated in any way, shape, or form, then I think you have a legitimate reason for cutting this appropriation.

There is not a State in the Union which has not at some time called on this Bureau for help—for information about how other States are handling a labor problem in legislation or administration, for technical assistance on how to save human lives and limbs in industry, on how to facilitate employment for a legless veteran, how to find a proper job for a youngster, and so on and on.

Most of the States you represent call upon the Bureau of Labor Standards constantly.

Your State officials who ask Bureau help are not only administrators. They are legislators in your State capitols just as we are here in the Nation's Capitol. And where do we go, as a matter of fact, for information on State labor laws, on how to prevent work injuries, and so on, in order to answer our constituents? I go to the Bureau of Labor Standards and so do many of you. This Bureau answers more than 3,000 requests a year from the States and several hundred from Members of Congress.

Upon request it trains their factory inspectors to do a better job of saving lives on the job; it shows employees, mainly through their organizations, how to cut costs of production through accident prevention; it advises with State legislative commissions which constantly seek from them the most practical and economical way to solve a labor problem. It urges States to set up committees or commissions to study and solve their own problems rather than run to Washington for a law. It gathers information and successful experience from other States and makes it available to all. It works with the States, but does not try to run them. It knows that unless the States face and solve their labor problems in this dynamic, changing economy of ours, you and I are going to meet increasing pressure to authorize the Federal Government to do the job.

Your committee has already cut this Bureau's request by $135,700. Almost half the increase is for the mandatory payments to the Civil Service Retirement Fund. We have allowed only the most modest increases: $15,000 for the President's Committee on Employment of the Physically Handicapped and $20,000 to extend safety services to industries using fissionable materials. All of us know something about—and those of you on the Joint Committee on Atomic Energy know graphically—the horrible dangers from radiation in the peacetime development of this new force. These dangers can be controlled but it is a technical, complicated job, especially when industry all over the country is increasing the use of radioactive isotopes and our States must assume responsibility for safeguarding workers in this new field.

Let us give this pittance to the Bureau to hire and train men to help the States. Let us not have on our conscience the false economy which shortens the lives of men and endangers the future generation.

We cut the request by over $100,000. They asked for $135,700 more than we allowed them. The answer that was given to my friend from California [Mr. ROOSEVELT] concerning the $20,000 for additional safety services under the gentleman's amendment, should have been that it would be stricken from the bill. They would not have the manpower to go into that new area at all.

In addition, and I do not know whether the gentleman from Idaho [Mr. BUDGE] realizes this or not, but on page 2 of the bill, line 22, it says: "and not less than $182,575 for the work of the President's Committee on National Employ the Physically Handicapped Week." That means that as long as you have not changed the figure in the bill, you are still allowing the $15,000 increase we gave them for that work but you will then be cutting the amount for the Bureau of Labor Standards by another $15,000.

Mr. BUDGE. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield to the gentleman.

Mr. BUDGE. Of course, I realize what a difficult task the gentleman from Rhode Island has in bringing this bill to the floor. It is probably the most difficult bill to bring to the floor of any which come before this body because of the human interest involved, but I still feel that these amendments which I have offered are proper when they simply curtail the employment to those levels authorized under the appropriations for the fiscal year 1957, especially when they have not even reached the level of employment authorized for 1957. Therefore, I do not see how the gentleman can contend that the programs are being damaged in any way.

Mr. FOGARTY. I think the gentleman knows that in arriving at these budget requests they allow about 5 percent for so-called lapses. When we consider the number of positions authorized and multiply that by 5 percent, we get the lapses generally assumed in the average Government operation. If this is considered, as it should be, the Department of Labor is staffed right up to the 1957 budget.

In the gentleman's amendment that we are talking about now, since you have not changed that limitation of $182,575 on line 22, it means that the gentleman's amendment will go $15,000 deeper than he intended to go. In other words, he will not be going back to what the Bureau of Labor Standards had in 1957 but $15,000 less than the amount that they had in 1957.

Mr. BUDGE. Mr. Chairman, will the gentleman yield further?

Mr. FOGARTY. I yield.

Mr. BUDGE. Of course, anything of that kind, as the gentleman knows, could be corrected in conference. That has been done before. But here is what I still cannot understand. The current employment of the Department of Labor is 5,160, and the Congress allowed in the 1956 appropriations an employment figure of 5,322. Then the gentleman allowed in the 1958 bill a total of 5,553.

You have raised the allowance in this bill to 5,553, and they still have not reached the level that was authorized in 1956.

Mr. FOGARTY. But taking into consideration that under average conditions regarding turnover replacement of personnel leaving a Government agency, recruitment, and so forth, one must allow about 5 percent for lapses, then how do you come out? They will be pretty close to what they should be.

Mr. BUDGE. The HEW figure would be about 10 percent.

Mr. FOGARTY. It would not be better than 10 percent in the Labor Department; it would be less than 5 percent. In the HEW I think it would be 10 percent, because many of the programs were not enacted into law until the closing days of the session, and it took them some months to get tooled up and get into operation. In the Labor Department that is not so, because we did not have new legislation enacted during the last part of the last session of Congress.

Mr. Chairman, I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken; and the Chairman being in doubt, the Committee divided and there were—ayes 107, noes 70.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Salaries and expenses: For expenses necessary to render assistance in connection with the exercise of reemployment rights under section 8 of the Selective Training and Service Act of 1940, as amended (50 U. S. C. App. 308), the Service Extension Act of 1941, as amended (50 U. S. C. App. 361), the Army Reserve and Retired Personnel Service Law of 1940, as amended (50 U. S. C. App. 401), and section 9 of the Universal Military Training and Service Act (50 U. S. C. App. 459), and the Reserve Forces Act of 1955 (69 Stat. 598), $542,000.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 4, line 16, strike out "$542,000" and insert "$406,000."

Mr. BUDGE. Mr. Chairman, this is exactly the same type amendment as was previously adopted. It takes the number of positions authorized in fiscal 1957 and adds to that amount of money the payments for the retirement fund, and the money for the extra day's pay. It does not cut out any existing program. It simply means that we will continue at the same level as we are now operating in this particular agency, and that the retirement payment will be contributed in addition to the present spending for personnel in the agency.

I hope the amendment will be adopted.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I really thought this might go by without any attempted cuts by my friends on the Republican side of the aisle, because this does not really affect labor as the term "labor" is usually thought of. It just affects veterans. It affects all the veterans of our country. It is something the American Legion has testified for, it is something the Veterans of Foreign Wars have testified for, it is something the Disabled American Veterans have testified for, it is something the AMVETS have testified for, in fact every veterans' organization has urged that this item be approved.

It is because of your action in passing the reserve act a year or two ago that they have a 40 percent increase in workload. This year because of the passing of the Military Reserve Act they have 25 percent over 1957. This is the only place in the Federal Government where an employee who leaves the service, whether he be in the Reserve, in the National Guard, or in the regular armed services, has any guaranty that his job rights will be retained when he returns home.

On top of that, since from now on those going into the armed services have no further rights as far as education and all the other benefits under the GI bill of rights is concerned, this is the only thing that a person going into the service today has to look to from the Federal Government. Let me repeat this again. It is estimated that the number of reservists and National Guard men who must perform training duty will average about 1,250,000, an increase of 40 percent over 1956 and 25 percent over 1957. That is something that was not in this situation before. So, in effect, when you cut down this increase, you are saying to everyone who goes up for training in the National Guard or in the Reserve, "We are not going to guarantee your job and job rights when you come back home." When you cut out this amount of money that is all there is to it. If you want to vote that way, all well and good. It is a vote against the veteran. It is a vote against every reservist who is called up for special training in the years to come. If you want to deny them their rights to get their jobs back when they return from training, then a good way to deny them that right is to vote for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 103, noes 96.

Mr. FOGARTY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers, Mr. FOGARTY and Mr. BUDGE.

The Committee again divided, and the tellers reported there were—ayes 114; noes 87.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF APPRENTICESHIP

Salaries and expenses: For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice training, as authorized by the acts of March 4, 1913 (5 U. S. C. 611), and August 16, 1937 (29 U. S. C. 50), $3,600,000.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: On page 4, line 24, strike out "$3,600,000" and insert "$3,399,000."

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it is, first, important to point out that this cut is proposed in spite of the fact that in this particular appropriation there is no increase in the number of employees allowed the department. So if on the previous occasions you have voted because you felt that we should maintain the status of the department as far as employment is concerned exactly where it was before, that is not the case here.

By this amendment you are asked to cut out a $201,000 appropriation for the better training of personnel in industrial plants, the very thing that is at the heart of, actually, most of our national defense. If you cut this out you are doing something which will put us further behind the Communist Russian advances in industrial fields and you are doing almost irreparable harm to our national defense.

I think the time has come to recognize that simply because you get postcards from people at home which tell you in general terms to cut the budget is no excuse for us to cut without any rhyme or reason. Certainly, here is a case where there is no good reason to do so.

The world is moving and no action of ours is going to bring it to a halt. If we do not voice the fact that we need better industrial techniques in all of our employment areas in the United States for our own advancement, our own standards of living as well as national defense, we are going back down the reactionary trail which each and every one of us is going to regret at some future time. I therefore hope that the pending amendment will be defeated.

Mr. ASHLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is true that economy can be effected simply by chopping down the budget requests of the various departments and agencies of the Federal Government, but it is also true that sound economy can also be practiced by providing sufficient funds for the efficient carrying out of Government operations and by the intelligent investment of Federal funds in the future development of our economy.

I feel strongly, Mr. Chairman, that we have an opportunity today to distinguish between these types of economy. I doubt if there are more than a handful of Members in this body who seriously dispute the tremendous job which the Bureau of Apprenticeship—under the Department of Labor—has performed in recent years, and the even greater contribution which it can make to a sound national economy if this program is allowed to develop and grow.

One thing should be understood at the outset, Mr. Chairman. The apprenticeship programs which are initiated by the Bureau of Apprenticeship do not fall within the category sometimes referred to as a "Federal handout."

Apprenticeship, in its simplest terms, is training for those occupations commonly known as skilled crafts or trades that require a wide and diverse range of skills and knowledge, as well as a maturity and independence of judgment. The apprenticeship programs which we are considering at this time are not conducted by the Federal Government. They are voluntary programs between management and labor, stimulated by Government and in cooperation with vocational education. In most instances, these programs evolve as a result of the encouragement and technical assistance offered by the Federal Government through the Bureau of Apprenticeship.

At the present time, skilled workers in the United States number nearly 9 million and comprise about 14 percent of our work force. Each year 250,000 new skilled workers are needed merely to replace those who die or retire. Many additional thousands, of course, are needed annually to meet expanding activity in almost every segment of our economy.

If this need is to be met—and I'm sure we all agree that it must be met—these skilled workers have got to come from someplace. At the present time, approved apprenticeship programs registered with the Department of Labor produce about 40,000 graduate apprentices a year, and about the same number graduate from programs which have not been registered with the Department of Labor. We know from both Government and industry sources that the additional 200,000 and more skilled workers needed each year are simply not forthcoming from our technical schools, from skilled immigrants from abroad, from training programs within industry, and from workers with job experience.

We have got to face the fact that there is a shortage of skilled workers in the United States today and that this shortage will affect our future economic activity just as it affects our economic activity today.

There is a very direct casual relationship between the shortage of skilled labor in the construction and home building industries and the inflationary high prices which the American consumer is paying for new homes and plant facilities. The demand for skilled labor in these areas is greater than the average supply—and the result, as we all know, is a higher price to the buyer. When we project the tremendous demand for homes, industrial facilities, highways, schools, and essential public works in the years ahead, it becomes absolutely clear that we must plan now to assure a sufficient supply of skilled men and women in our American work force. To do otherwise is to invite greater inflation and to further endanger the soundness of our national economy.

We must also recognize the very significant change in the nature of our industrial activity, which also requires expansion of the apprenticeship program. We know that thousands of additional skilled workers will be needed as a result of automation and the strides in technology which are being made today. Atomic plant construction, for example, has shown that welders of ordinary skill are simply not fully qualified to do the job, and in the printing field, highly trained printers have found it necessary to acquire new skills as phototype-setting and other developments have taken place.

Mr. Chairman, World War II and Korea demonstrated beyond the shadow of a doubt the essential nature of the apprenticeship program. Yet since Korea, the program—because of money limitations—has gone backwards, not forward. The 275 field men for the Bureau of Apprenticeship can extend themselves only so far. During 1956, they worked with 133,000 business establishments, 9,000 local unions, and 2,000 trade associations.

Mr. Chairman, both from the standpoint of our national security and our peacetime economy, I submit that the value and success of the apprenticeship programs initiated by the Bureau of Apprenticeship have been conclusively demonstrated. To meet the challenge of the future, I further believe that economy in the best sense dictates that this program move forward. For this reason, I vehemently oppose the amendment offered by the gentleman from Texas, and I urge consideration of restoring the additional $340,000 requested by the Department of Labor for the Bureau of Apprenticeship.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to make the observation that I doubt seriously if the author of this amendment has a single industrial plant in his district.

Mr. ASHLEY. I am glad to have that information from the gentleman.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. Once before when I offered an amendment my good friend from West Virginia made that comment, and I want to say at this time that I do have some industrial plants in my district, but I also have quite a few taxpayers.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Is the gentleman aware of the fact that private enterprise has a tremendous program under way in this area and also the States?

Mr. ASHLEY. Of course I am.

Mr. CURTIS of Missouri. It is not our fault because the Federal Government does not do it.

Mr. ASHLEY. Would the gentleman care to go into that a little bit further?

Mr. CURTIS of Missouri. I should be happy to.

Mr. ASHLEY. What is private industry doing?

Mr. CURTIS of Missouri. They are doing a tremendous job. The bulk of it is being done there. That is the basis of the argument.

Mr. ASHLEY. Are they doing a full job? That is the question. And the answer is no. Furthermore, private industry is very much in support of this program.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know that there is a spirit here now tending to sustain every amendment to cut the budget. But I think in this instance the committee would be doing something which on greater reflection they would not want to do.

The retirement cost, which is a new item attributed to this appropriation is $174,180. The item for an extra day's pay is $11,420. That makes a total of approximately $185,000. You are proposing to cut this appropriation now $185,000 below what it was last year. I think this is an especially bad time to make a cut in this appropriation. The apprenticeship training program has been carried on through the cooperation of both the employers and the employees. A man serves a certain number of years as a journeyman. He goes to school and works on the job.

This has been a program carried on primarily in the building trades. There is a plan now to carry it to the factories in the mass-production industries.

We know that one of the things Russia is doing is emphasizing the training of skilled workmen. They are emphasizing technical education. I do not think this is a case where we can afford to fall

behind, and of all times I do not think now is the time to cut this program almost $200,000 more.

Mr. JONAS. Mr. Chairman, would the gentleman yield?

Mr. DENTON. I yield to the gentleman from North Carolina.

Mr. JONAS. Is it true that a good part of the increase requested was to take care of 30 new positions all of which would be located in the city of Washington?

Mr. DENTON. As I remember, we cut out most of the new positions. I understand that this item was for work to be done in the field. This program was to take care of the mass-production field to which it had not been extended heretofore.

Mr. JONAS. If the gentleman will yield further, on page 124 of the hearings there is a colloquy between the subcommittee chairman and representatives of the Department in which it was pointed out by the chairman that in the past the committee had suggested that increases be used in the field, but that the Bureau had been increasing its staff in Washington; and that 30 of these positions requested here was for work in Washington.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this particular amendment goes far beyond the level of the 1957 appropriation. The gentleman from Idaho [Mr. BUDGE] has been offering amendments to keep the budget figures on salary and expense items in line with the 1957 appropriation act. This particular amendment, however, goes beyond that and makes a deeper cut than appropriation approved in the 1957 budget.

As a matter of fact, I offered an amendment in the subcommittee and suggested that we hold the figure to the 1957 level. The committee agreed to hold the Bureau of Apprenticeship at the 1957 level. In that budget the new positions to which the gentleman from North Carolina referred were not allowed.

As a matter of fact, the whole increase which was requested by the Labor Department and approved by the President and Bureau of the Budget for the Bureau of Apprenticeship Training was disallowed by the subcommittee.

The amendment which is before us goes much deeper and makes cuts beyond the 1957 budget figure. I just wanted to make sure that all members of the committee know that this is a different type of amendment than the amendments that have been offered by the gentleman from Idaho [Mr. BUDGE]. I hope the committee will approve the appropriation in the amount of $3,600,000 for the Bureau of Apprenticeship. I call again to the attention of the committee that this budget item was reduced by $340,000 by an amendment offered by me in committee.

The Bureau of Apprenticeship in its appearance before our committee asked for $3,940,000 for fiscal 1958. In fiscal year 1957 the Bureau of Apprenticeship received $3,390,000. The increased request for fiscal year 1958 provided for $201,000 to cover mandatory increases in expenses for 1958 and $340,000 for a new expanded training program in the Bureau of Apprenticeship. Many Members of Congress expressed great concern to our committee that this proposed program was getting into the field of vocational education. The committee accepted my amendment and deferred the possible extension of this program until more conclusive evidence was presented to our committee that the concern shown by vocational people throughout the United States and by Members of Congress was not well founded.

At this point, I would like to include in the RECORD several of the many letters which I received as a member of this subcommittee opposing the new expanded training program in the Bureau of Apprenticeship:

STATE OF WISCONSIN,
STATE BOARD OF
VOCATIONAL AND ADULT EDUCATION,
Madison, March 13, 1957.

The Honorable MELVIN LAIRD,
United States House of Representatives,
Washington, D. C.

DEAR SIR: This will confirm my telephone conversation with you this morning regarding the appropriation which has been recommended for the United States Department of Labor for the purpose of launching a training program. It is my understanding that the budget at the present time carries an appropriation of approximately $300,000 which would enable the United States Department of Labor to launch a training program in vocational education during the coming year.

The State board of vocational and adult education and the local schools of vocational and adult education have always cooperated with the United States Department of Labor in the apprenticeship training program.

My associates in vocational education and I are concerned because if an appropriation is made to the United States Department of Labor for the purpose of training, we will have a Federal training agency competing with the vocational school system in the program of vocational education.

I was greatly assured this morning when you advised me that you were opposed to the development of a training program in the United States Department of Labor. My associates in vocational education and I will appreciate anything that you may do to the end that vocational education in Wisconsin will continue to be the responsibility of our State system of vocational education.

With best wishes, I am,

Sincerely yours,

C. L. GREENE,
State Director, Vocational and Adult Education.

MARSHFIELD VOCATIONAL
AND ADULT EDUCATION SCHOOL,
Marshfield, Wis., March 6, 1957.

Hon. MELVIN R. LAIRD,
United States Congressman,
Washington, D. C.

DEAR MELVIN: Sorry I did not get to see you on your visit to Marshfield this past week. Ruth said she saw you in church. I was not violating the Sabbath by going fishing, but was taking care of a cold.

I am concerned about a matter involving providing funds to the Department of Labor so that this Department can launch a training program. There is no need for a duplication of said program as demands for training be taken care of by the United States Department of Education. I know you are a member of the House Appropriations Committee and also a member of the House subcommittee that handles appropriations for the Labor Department and that you are in a position to scrutinize the Labor Department's request for said funds.

In the present search for funds to run the Government, there is no need to add another training agency. I hope to see you the next time you come to Marshfield.

Best wishes to the family.

I am,

Yours truly,

L. H. DREISENDORFER,
Director.

WAUSAU VOCATIONAL
AND ADULT SCHOOL,
Wausau, Wis., March 8, 1957.

Hon. MELVIN R. LAIRD,
House of Representatives,
Washington, D. C.

DEAR MR. LAIRD: It has been brought to our attention that legislation is being prepared to create additional funds for the Department of Labor permitting the Division of Apprenticeship to set up a training program.

For many years the Wisconsin schools of vocational and adult education have conducted training courses for apprentices with well organized programs and competent instructors who are under the supervision of people trained in adult education. I am quite certain that if you would investigate you will find that there is very little criticism of the program being offered. Therefore, we feel that it would be a duplication to set up a training division within the Department of Labor when vocational schools on the local level are carrying out this type of training with local and State funds.

We encourage you to vote against any type of appropriation which would set up a competitive program.

Sincerely,

LAWRENCE E. HOTT,
Director.

WATERTOWN VOCATIONAL
AND ADULT SCHOOL,
Watertown, Wis, March 19, 1957.

Hon. MELVIN R. LAIRD,
House of Representatives,
Washington, D. C.

MY DEAR MR. LAIRD: I wish to register my obections to the proposed authorization by Congress for the use of funds to the Department of Labor for apprenticeship training.

The recent reorganization in the Department of Labor duplicates the existing division of apprenticeship which is already a duplication of the apprenticeship training program carried on in Wisconsin.

This is an opportunity to cut Government spending and at the same time perform a service to the State of Wisconsin. Apprenticeship training would still be strongly supported in this State by the vocational and adult schools.

I trust you will exert every effort to oppose the appropriation to the Department of Labor for this training.

Sincerely yours,

GLENN L. JOHNSON,
Director.

MANITOWOC SCHOOL OF
VOCATIONAL AND ADULT EDUCATION,
Manitowoc, Wis., March 9, 1957.

Representative MELVIN LAIRD,
House Office Building,
Washington, D. C.

DEAR MR. LAIRD: I have been informed that our Secretary of Labor is planning to have the Labor Department enter into the field of training if funds are authorized for this purpose. I am sure that you realize that the Labor Department was never intended to be a training institution. If we have so much money to spend, why not have it appropriated to the training institutions which are already in existence and functioning most effectively with the limited funds provided

for them. I sincerely hope that you will assist us in keeping training funds channeled to our schools and help to kill the proposal of giving funds to the Labor Department for this purpose.

Extending best wishes, I am,

Yours very truly,

JOHN G. AUSMAN,
Director.

EAU CLAIRE SCHOOL OF VOCATIONAL AND ADULT EDUCATION,
Eau Claire, Wis., March 11, 1957.

Congressman MELVIN R. LAIRD,
House of Representatives,
Washington, D. C.

HONORABLE SIR: It is my understanding that you are a member of the House Appropriation's Committee and a member of the House Subcommittee that has to do with appropriations for the Department of Labor. It has come to my attention that the Department of Labor is seeking appropriation to set up a separate division for education and training in addition to the now-existing division of apprenticeship. As one who has been dealing with the problems of apprenticeships and other trade training for the past 25 years, it is my humble opinion that appropriations should not be used for this purpose for the following reasons:

1. It would be spending money for the purpose of duplicating a service that already exists in the State of Wisconsin and of which I know that you are much aware of. The Apprenticeship Division of the Department of Labor have fieldmen in the State of Wisconsin with whom we are in constant contact with apprenticeship training. The vocational schools adequately handled the matter of apprenticeship training long before the division of apprenticeship was turned over to the Department of Labor. I am sure that you are aware that the record shows that apprenticeship training and other occupational training in the State of Wisconsin has been pretty well taken care of on a State level up to the present time.

2. It seems to me it would be unwise to set up any kind of a training or education program outside of the now-existing departments of education on a Federal level. If training is inadequate in any division of our economy, then it means to me her such education.

3. On our local level, we are experiencing an ever increasing load of trainees and applications for training in the technical fields. The vocational school at Eau Claire has had a full load enrollment in day schools for the last 3 years with an ever increasing number of applicants awaiting on the outside. The needs of the industries of our Nation for technical help is skyrocketing beyond our capabilities for taking care of the demand. If the Federal Government is to give help to education and training in this field, which I feel it should, this is the place it could right now be profitably used. The vocational schools of Wisconsin are now in their 46th year of operation, and I believe that this 46 years of experience should not be wasted but should be exploited to the fullest extent.

4. The educational system of Wisconsin provides practically 100 percent coverage for education and training opportunities—elementary schools, secondary schools, and beyond the high schools we have our colleges and universities. For that great number of people, which according to surveys we have made in our own area, who will not or cannot attend college or university, we have our vocational school system for vocational and technical education on a part-time or a full-time basis. No system of education is so good that it cannot be improved, but with this excellent coverage it would seem that the wisest policy is to improve what we have rather than to add something that would be only a duplication.

I hope that your committee will in its wisdom make the recommendations that would augment present education and training programs of our Nation financially rather than set up finances to be used by a Federal agency for purposes which are not now clear.

Sincerely yours,

W. L. ENGE, *Director.*

STOUGHTON VOCATIONAL SCHOOL,
Stoughton, Wis., March 8, 1957.

Hon. MELVIN R. LAIRD,
Member of Congress,
Washington, D. C.

DEAR SIR: It was brought to our attention today that the United States Department of Labor is making an effort to launch a training program for apprentices during the coming year and one which we feel would seriously affect the program of vocational and adult education in Wisconsin.

You are undoubtedly aware of the fact that included in our Wisconsin program is a well-established apprenticeship training program which served thousands of apprentices in Wisconsin during the war and is now doing the same in cooperation with the trades and with industry and one which is already aided by the Federal Government.

It would seem that to set up a second apprenticeship training program would simply duplicate the work which our well-equipped vocational schools in Wisconsin have done satisfactorily for many years and would involve a tremendous additional expenditure.

The Wisconsin apprenticeship program has stood the test in time of war and in time of peace and has proven to be adequate. At the present time there are 7,327 apprentices actively enrolled in the Wisconsin program in some 60 different trades.

Since you are a member of the Senate Subcommittee on Appropriations for the Labor Department, we in the field of vocational education as well as labor appeal to you to oppose any such duplication of the present apprenticeship training program and to use every influence at your command to prevent the passage of any legislation that would tend to handicap or retard the program which is now in effect.

Very truly yours,

G. W. SCHIEFELKER,
Director.

SCHOOL OF VOCATIONAL AND ADULT EDUCATION,
Marinette, Wis., March 8, 1957.

Congressman MELVIN R. LAIRD,
United States House of Representatives,
Washington, D. C.

DEAR MR. LAIRD: It has come to my attention recently of the reorganization in the United States Department of Labor setting up a separate Division of Training in addition to the existing Division of Apprenticeship.

You, no doubt, are aware of the very good assistance the vocational schools of Wisconsin are giving the apprenticeship program. The Federal apprenticeship men working in our State are really superfluous.

Every State in the Union has a vocational department which could do apprenticeship training, so why set up other facilities to increase costs? With the possibility of bill S. 1299, the area vocational school measure, becoming a law, why not have them assume the training in their areas?

In other words, it is my belief that the country has sufficient training facilities in existence without spending more money for duplication. Here is another place to hold down on expenditures.

I feel that the Department of Labor should not receive authorization or money for training.

Yours very truly,

H. H. MERRILL,
Director.

APPLETON SCHOOL OF VOCATIONAL AND ADULT EDUCATION,
Appleton, Wis., March 7, 1957.

Congressman MELVIN LAIRD,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN LAIRD: Information has come to me that the Department of Labor is requesting funds for the purpose of entering into a training program for apprentices. This is an authority that the Department has sought for a number of years, and which Congress, so far, has wisely rejected.

I can think of no good reason for any agency of the Federal Government entering into the field of education, particularly in providing instruction for apprentices, as their efforts would be largely a duplicate of existing public facilities.

Rather than increase the appropriation to the Department of Labor, Congress would serve the interests of the people better by observing the results of the expenditures now being made. My experience with a representative of the Department of Labor, is that they achieve practically no useful purpose in Wisconsin.

I sincerely hope you will see fit to oppose authority in the Appropriations Committee of which I understand you are a member.

Yours sincerely,

CARL G. BERTRAM, *Director.*

THE VOCATIONAL AND ADULT SCHOOL,
Fond Du Lac, Wis., March 8, 1957.

The Honorable MELVIN R. LAIRD,
House of Representatives, Member of House Appropriations Committee,
Washington, D. C.

DEAR SIR: If you are interested in keeping government out of business, school business, as I know you are, then you will do what you can against the United States Department of Labor's new angle in promoting a separate division of training under the Division of Apprenticeship.

It is not reasonable, in view of the need for efficiency and economy in Government, that a new division in the Labor Department be set up for the training of apprentices when such a setup is already existing in most communities all over the country. These training centers are under local control, supervised by State and Federal regulations. If a few centers are not doing the job they should be doing, it doesn't need another Federal Department to correct the situation.

I feel positive that you are well informed as to the Wisconsin system of apprentice training. Our apprentice training is one of the most, if not the most, important phase of vocational training. Each school has purchased equipment and hired instructors especially for apprentice training. Is it the idea of the Labor Department to take over this job we have been doing on a local level since 1911? Both labor and industry in Wisconsin are behind our system of training. They are not in favor of having the training of their apprentices under a Federal bureau.

I trust that you will do everything in your power to stop this movement before it gets a foothold.

Yours very truly,

O. J. DOSS, *Director.*

Mr. VANIK. Mr. Chairman, the purpose of this appropriation is to provide training for the American worker to upgrade his skill to a higher degree of productivity. Every Member of Congress on both sides of the aisle should support this legislation.

How does the apprenticeship program operate? The Labor Department does not train workers, nor does it find jobs for those who want to be trained as apprentices. For a job as an apprentice, applications should be made to a local public employment service, a local labor

union in the trade in which the applicant is interested, or directly to the employer.

The Federal field representatives seek out the firms and associations involved in the trades listed as critical operations. They figuratively knock on doors to interest the firms in such fields to get behind a training program.

They talk to the personnel men—men who find it difficult to fill such jobs in their plants. They ask these men if it had occurred to them that they could possibly train their own skilled help.

A conference with other related plant executives usually results in such a program being set up. The practice is increasing. It gives the employer more skillful workers and the individual better opportunities for employment and a chance to earn while learning.

The Labor Department helps such firms establish apprenticeship standards. It spells out such basic steps as how the trainee comes into the program, the employer's responsibility, the trainee's eligibility, wages, hours, and such.

There are a number of ways of operating such a program. It could be an employer with no union, an employer with a bargaining agreement with a union, a group of employers and a union in an area, a union program exclusively or an employer's group without a union.

All apprenticeship agreements between employer and employee must be registered with the State apprenticeship council. The trainees must attend related classrooms, which are held either at the shop or in special courses in a trade school. Federal supervisors attend a limited number of such apprenticeship training courses to see that the standards are maintained.

The Secretary of Labor has said and most everyone agrees that we must train an additional 5 million skilled and semi-skilled industrial workers by 1965.

In Cleveland, the training programs are numerically far above the national average for the production of craftsmen in the construction, mechanical and industrial or service trades. The training programs are conducted through the Cleveland Trade School (sponsored by the Cleveland Board of Education) and in industrial plants working in close cooperation with the Ohio State Apprenticeship Council and the Labor Department's Bureau of Apprenticeship.

Five thousand firms of all types participating in 750 registered programs with 4,743 apprentices throughout the Cleveland region, 2,598 persons in the building trades, 1,236 in industrial and mechanical trades. Six apprentices per program are being trained in the Cleveland area. Our Cleveland Trade School is currently training 2,427 apprentices with about 700 journeymen enrolled in an adult education upgrading program. It is also conducting a full-time trade preparation program for high-school-age boys leading to probable apprenticeships.

In my community, we have through the apprentice training program brought 475 new journeymen from trade school each year of the past 5. In addition, 5,000 journeymen have received additional training on changes in materials and methods.

This appropriation is of excellent priority and must be protected. The amendment should be defeated. A further appropriation cut would seriously imperil a vital American program to increase worker productivity.

Mr. O'HARA of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, I will take the time of the Committee only long enough to read two telegrams that stress the importance of the apprenticeship program both to labor and to management. The first telegram is from the secretary of the Chicago Federation of Labor and reads:

> We strongly urge your influence in restoring $340,000 to the Bureau of Apprenticeship and Training as originally requested by the Bureau of the Budget. This amount was cut by a misunderstanding that the Bureau of Apprenticeship and Training was to assume responsibilities of vocational education.
>
> CHICAGO FEDERATION OF LABOR,
> WILLIAM F. CHEARY,
> *Secretary.*

The second telegram is from the executive secretary of the Illinois Association of Plumbing Contractors. It reads:

> Our association, representing the plumbing contractors of Illinois, has relied on the services of the Bureau of Apprenticeship and Training in the Department of Labor as a means of meeting the skilled manpower needs of our industry for the past 15 years. We urgently request your support of their original budget request of $3,940,000 to further their continued assistance with our membership. Expressing appreciation to you for your consideration of this request on behalf of our membership, I am,
>
> MYRNA MURRAY,
> *Executive Secretary, Illinois Association of Plumbing Contractors.*

These telegrams speak for themselves. In reaching out with laudable intent to effect economy it is our responsibility to differentiate between that which is waste and should be eliminated and that which serves a useful, necessary, and constructive end and cannot be eliminated without damage to our economy. In this case, as the telegrams that I have read clearly indicate, there is no division of opinion between labor and management as to the great constructive value in the work being done by the Bureau of Apprenticeship and Training.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am surprised that the gentleman from Texas has offered an amendment cutting a program that has had universal approval from both labor and management ever since its inception. For the 11 years I have been on this committee this particular program has been praised by Members on both sides of the aisle, as well as by labor and management.

When Mr. Keefe, of Wisconsin, was chairman of this committee, back when I first began to serve on it in 1947, he was one of the greatest advocates of this apprenticeship training program, because it had always had the support and cooperation of both labor and management. Never before have we had amendments to cut this particular appropriation until today.

The amendment offered by the gentleman from Texas does not do what he says it does. It goes far beyond, as the gentleman from Wisconsin has pointed out.

This year we had a budget request for a new program which added training to the Bureau of Apprenticeship. They added "and training," which was a new program and would cost in the neighborhood of $340,000.

Because of some confusion that existed in the States on the local level between the vocational education people and the Bureau of Apprenticeship people it was thought that this might be getting into the field of vocational education. At the suggestion of the gentleman from Wisconsin [Mr. LAIRD] the subcommittee struck out all that was asked for this new program and said in our report that we were denying all increases for this new program on the basis of the confusion existing at the local level as to whether or not the field of training was going to get into the field of vocational education. I am positive that it was not so intended. However, the confusion existed, and that is why we are asking you to approve this program as presented today.

The cost of this operation, that the gentleman from Texas has not given you, today represents $190,000. There are no new positions. That means he wants to cut this program that has had the support and cooperation of labor and management over the years, particularly the building trades industry all over the country. This is one of the programs that they support, as well as the builders themselves. This is one program that I believe should be left alone.

I hope the gentleman's amendment is not agreed to, because he wants to go far below what they had available in 1957. There is no mistake about that. You cannot get around it. If you adopt his figure, you have to cut the personnel under what they have at the present time. You will not be cutting any increase because there are no increases allowed in the amount you have before you in this particular bill. I hope, because of the universal approval this program has had over the years from labor and management, that you will see fit to go along with the committee's recommendation and turn down the amendment offered by the gentleman from Texas.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MORANO. Is it not true that if this amendment is adopted, you will reduce the training program for apprentices and thereby reduce the production of good mechanics in the skilled trades? And will that not also result in a weakening of the economic structure in many of our States?

Mr. FOGARTY. Positively.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. JONAS. Will the gentleman confirm to the Committee the statements that have been made that all of the requests for new positions in Washington were turned down. That is correct; is it not?

Mr. FOGARTY. That is correct. The only new position was in this new area of training. We cut that out entirely. All we allowed in this bill is the going program for 1957 plus the mandatory costs. That is all. There is not one new position in the appropriation we have before us. I hope the amendment will be defeated.

Mr. BOLAND. Mr. Chairman, I join with the distinguished gentleman from Rhode Island [Mr. FOGARTY] in urging the Committee to reject the amendment of the gentleman from Texas to cut this item by $201,000. I am concerned with the attitude of the membership of this Committee this afternoon in its headlong flight to slash numerous items in this particular appropriation bill. I fear and I know that in its anxiety to cut this budget without regard to the consequences, great harm will be done to many programs of the Department of Labor that have proved invaluable and worth while to the economy of this Nation. The program under discussion is one that has been completely justified. The amendment to cut it will do irreparable harm. As pointed out by Chairman FOGARTY, the reported amount of $3,600,000 is a reduction of $340,000 from the request of the Department. It is an increase over fiscal 1957 but only as to mandatory increases occasioned principally by the contribution to the civil-service retirement fund. There is no provision for expansion of the staff. The Committee has been told this afternoon of the great good that this program has worked between labor and management. I trust that the proposal to cut this item will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. ROGERS of Texas), there were—ayes 74, noes 106.

So the amendment was rejected.

Mr. FOGARTY. Mr. Chairman, on the basis of an agreement and a discussion that I had with the gentleman from New York that we would run to between 5 and 5:30 o'clock today, and it now being 20 minutes to 6, I am going to ask that the Committee rise. I also would like to make the statement that we hope to finish this bill tomorrow, and we can expect several rollcalls on the amendments that have been adopted.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MARTIN. Will the majority leader announce for the information of the membership the order of business tomorrow.

Mr. McCORMACK. Mr. Chairman, the first order of business tomorrow will be House Resolution 85. Following the disposition of that resolution, the pending appropriation bill will be continued.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

AMENDING ATOMIC ENERGY ACT

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Atomic Energy Act of 1954, as amended, is amended by adding a new section 126 to read as follows:

"SEC. 126. Cooperation with Berlin: The President may authorize the Commission to enter into agreements for cooperation with the Federal Republic of Germany in accordance with section 123, on behalf of Berlin, which for the purposes of this Act comprises those areas over which the Berlin Senate exercises jurisdiction (the United States, British, and French sectors) and the Commission may thereafter cooperate with Berlin pursuant to sections 54, 57, 64, 82, 103, or 104: *Provided*, That the guaranties required by section 123 shall be made by Berlin with the approval of the allied commandants."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

HON. ROBERT BRISCOE, LORD MAYOR OF DUBLIN

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I am deeply pleased today that I have had the opportunity to join with my colleagues in the House of Representatives in extending a most hearty welcome to his honor, the Lord Mayor of Dublin.

I cannot recall ever being so impressed with the terrific job of public relations promotion as I have been with the work being done in our own country by Mr. Briscoe.

In this day, when all nations of the world—whether we agree with their philosophy of government or not—are constantly engaged in the great work of seeking friends abroad—it is a genuine thrill to meet with this representative of the little Republic of Ireland and acknowledge that he has probably won more friends in the few days he has been here—than all other foreign representatives combined.

I wish him well—I wish well for his country, the land of my forebears—and I hope he will soon be able to return to our shores—not as a representative of a divided Ireland but as the official representative of an island republic—once more united—as God always intended it to be.

I would ask unanimous consent that I may be permitted to insert in the RECORD at this point a letter from a lady who lives in my district in Rhode Island—a letter which I have found is typical of the public reaction to Lord Mayor Briscoe's visit to our country.

CRANSTON, R. I., *March 24, 1957.*

HON. JOHN E. FOGARTY,
House Office Building
Washington, D. C.

DEAR MR. FOGARTY: I hope you looked in this afternoon on the Lord Mayor of Dublin when he was interviewed by the press, and from where I sat, it seemed to me, not a very friendly press.

I was delighted at the information which he gave on conditions in Ireland, the cause, and his hopes for a united Ireland. Every person of Irish descent in this country should give him a vote of thanks. I would write him but I do not know where to address him.

You are the only person in Washington in public office, to my knowledge, who has come out for a united Ireland. There is so much talk about a little area in Africa, and other heathenish countries clamoring for freedom, but never a word about the land that was overrun by England, stripped of everything, and left to die—deeds as bad and maybe worse, than countries she is now condemning. And the brass of some of the members of the press, inferring that possibly the intelligence of the people of Ireland would prohibit them from becoming a success in industry. The Lord Mayor stood up to them and certainly gave them and everyone looking in, a picture of Ireland, which is long overdue, and which I hope will open the eyes of many who perhaps were not just acquainted with the facts. I hope you will keep up your campaign for a united Ireland. If we talk about it enough it may snowball into a reality. Best wishes.

Sincerely,

MARGARET J. GARTLAND.

PRIEST SOUGHT A LOT FOR MAYOR BRISCOE

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I understand that the House of Representatives is to be visited today by the Honorable Robert Briscoe, Jewish Lord Mayor of Dublin City. In conjunction with this visit, I would like to include under leave to extend my remarks an item from the Evening Bulletin, Providence, R. I., of March 25, 1957.

This article is the invocation given by the Reverend Joseph E. Manton, C. SS. R., of the Mission Church, Boston,

Mass., on the occasion of a breakfast given the Lord Mayor in that city last week. It is one of the finest prayers I have ever read and I am sure that all the Members will agree that Father Manton's remarks are most fitting and pertinent.

PRIEST SOUGHT A LOT FOR MAYOR BRISCOE

When Robert Briscoe, Jewish Lord Mayor of Dublin, came to Boston last week, the Reverend Joseph E. Manton, C. SS. R., of the Mission Church was ready for the occasion with a sparkling prayer befitting the occasion.

The prayer, delivered as an invocation at Governor Furcolo's breakfast for the Lord Mayor, follows:

"Almighty God, our good and gracious Father, we find ourselves a bit bewildered this morning. You know that the first President of the Irish Republic was a Protestant; the present Lord Mayor of Dublin is a Jew; the news is going around that the Lakes of Killarney belong to a Yank; and the historians keep hissing in our ears that St. Patrick was a Frenchman. Please keep the blackthorns from becoming bamboo.

"But when we remember that Daniel O'Connell was named after a Jewish prophet, and Michael Collins after an archangel whose name is Hebrew, and that David is practically a synonym for Harp, it makes us realize that the Jordan and the Shannon cannot be complete strangers as each goes running down to its separate sea.

"Help us then, this morning to hold high the brimming cup of hospitality to a good and great man who represents both; and to greet him not as a stranger, but as a treasured friend. And while he is over here, make him in the best sense of the word a fair-weather friend, with none of those 'soft' days they have in Ireland, where, of course, it never really rains—those are only silver harp strings coming down—just a few drops of holy water sprinkled on the windshield. Deign to give him (mostly) serene and mellow weather so that he will go back as bright as the colors in the Book of Kells.

"And, dear God, stay the man up with monumental patience as he heroically endures a hundred toastmasters from here to the west coast who will gaily imagine that the very fillings in their teeth are fragments of the Blarney Stone, as they ring all the obvious changes on a Jewish mayor of Dublin. Help the poor man not to be banquet weary of all these glib attempts to paint a green beard on Moses, or by the end he will be seeing little Leprecohens.

"Deliver him, O Lord, this real Irishman who risked his life for the land he loved, from any professional Irishmen (with an angle)—there are mercifully very few—but spare him even these; the sham shamrocks, the bogus bogtrotters, the synthetic Sinn Feiners, and especially the extravagant psycho-Patricks who love too loudly through a green haze an Ireland that never was. Instead, let him meet our wonderful best; the many, many genuine, practical people who appreciate that the purpose of this trip is not merely the wearin' of the green, but the sharin' of the green—by touring in Ireland and by trading with Ireland.

"Finally, dear God, bless this man, our friend; and this meal, our food; and today let the blessing come down generously even on the English muffins and the orange juice, so that having broken our fast at the top of the mornin' we may rise thanking you from the bottom of our hearts. Amen."

BIPARTISANSHIP IN FOREIGN AFFAIRS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks I include an editorial from the Evening Bulletin of Providence, R. I., for March 14, 1957.

The editorial is entitled "An Apt Reminder From Senator GREEN" and refers to advice given by the chairman of the Senate Foreign Relations Committee, Senator THEODORE FRANCIS GREEN, to Secretary of State Dulles on the need for a restoration of genuine bipartisanship in foreign affairs. As the Bulletin states, "Senator GREEN has provided responsible criticism in the Nation's interest." I urge all my colleagues to read this editorial.

AN APT REMINDER FROM SENATOR GREEN

In urging the restoration of genuine bipartisanship in foreign affairs, Rhode Island's Senator GREEN offered good advice to Secretary of State Dulles.

Certainly, sincere bipartisanship is desirable as a general matter of principle. Now that President Eisenhower is in his "lame duck" term, bipartisanship becomes downright essential just to carry out his program of providing leadership and support to the free world.

Senator GREEN, of course, has been a consistent internationalist, and has generally backed the broad objectives of both Democratic and Republican foreign policies. In criticising the manner in which Republican leadership recently has been handling the presentation of that policy to both Congress and the public, he is only accepting the mantle of his position as chairman of the powerful Senate Foreign Affairs Committee.

The trouble President Eisenhower had in bringing his Mid-East doctrine to the point of passage should make Senator GREEN's counsel of cooperation redundant.

But in his wisdom of the ways of men and politics, Senator GREEN knows no lesson is so well learned that refreshers are unnecessary. Therefore, the Senator's temperate needling of the administration over its belated bow to bipartisanship on its crash program for the Levant should not go unheeded.

Another administrative lapse into a mire of secrecy, slogans, reassurances, and mistakes that characterized policy just prior to the outbreak of war over the Suez could provoke a Democratic revolt of major significance. And then foreign policy would be stuck on dead center.

Senator GREEN has provided responsible criticism in the Nation's interest.

HOUSE RESOLUTION 85

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the debate on House Resolution 85 be extended to not to exceed 2 hours, the time to be equally divided between and controlled by the gentleman from Missouri [Mr. BOLLING], and the gentleman from Ohio [Mr. BROWN]; and that no motion or amendment will be in order during the 2 hours' debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Reserving the right to object, Mr. Speaker, does this resolution come in under a rule?

Mr. McCORMACK. This is a resolution that comes from the Rules Committee under 1 hour debate. The purpose of this request is to extend the debate to 2 hours.

Mr. GROSS. There is no rule making the resolution in order?

Mr. McCORMACK. No.

Mr. GROSS. Therefore, it will not come up under a gag rule?

The SPEAKER. It is a privileged resolution.

Mr. McCORMACK. It is a privileged resolution. Ordinarily there would be 1 hour debate, but this request is simply extending the debate to 2 hours.

Mr. MARTIN. I concur in what the gentleman says. All this requests seeks is to extend the debate from 1 hour to 2 hours.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection?

There was no objection.

THE PHOTOGRAPHY INDUSTRY

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, the District of Columbia for 10 days is enjoying the distinction of playing host at the National Guard Armory to a "World's Fair of Photography." The occasion is the second Biennial International Photographic Exposition which is attracting visitors from every State and Territory, all the provinces of Canada, and 44 other countries, as well as thousands of Washington area residents.

Probably, many of my colleagues in this House have visited or are planning to attend this "First American World's Fair of Photography."

But if Washington is the photo capital of the world during this brief time, the city of Rochester in upstate New York may be so proclaimed during all the other days of this or any other year.

During my visit to the exposition on its opening night, I reflected on the many contributions that my home city of Rochester, through its progressive and growing photographic industry, has made to both America's and the world's way of life. Equally impressive—as I am sure my associates in this Congress who represent other photographic manufacturing centers will agree—are the contributions to better living and better international understanding that have emanated from other centers of photographic research and manufacture both in this country and abroad.

As I walked through the 30 acres of exhibits by photographic associations, manufacturers and Government agencies—more than 300 in all—I considered some of the unique contributions that photography has made to the welfare of Americans and peoples all over the world.

In the National Guard Armory, I saw people of every age snapping some of the nearly two and one-half billion pictures that American families enjoy taking and

talking about each year. Such widespread interest makes amateur photography an important industry by itself. And as a thriving business, it has brought the benefits of steady and remunerative employment to workers in the photographic factories of my Congressional district and to many others. In a broader sense, however, it is a source of worthwhile pleasure for millions of American families. An inexpensive hobby for most, and one that is becoming increasingly popular as more and more Americans are able to enjoy additional hours of leisure from their labors, photography provides not only the pleasures of picture taking, but even more important it gives everyone a means of storing and recalling meaningful moments of his life.

At the National Guard Armory, I met representatives of the six major photographic organizations that are making Washington their convention city during the exposition. The skills and hard work of members of the Photographic Society of America, the Photographers Association of America, the National Press Photographers Association, the American Society of Magazine Photographers, the National Association of Photographic Manufacturers, and the Master Photo Dealers and Finishers Association are helping to make photography more pleasant and easier for all of us to enjoy.

Also at the armory, I was impressed by graphic demonstrations of how photography serves mankind. Through many means, photography contributes to our progress and security through science, industry, the armed services and other Government agencies.

The Federal Bureau of Investigation has recognized its dependence on photography, and the advances in photographic techniques that have been made by its members, in a demonstration at the armory which shows how the FBI uses photography to fight crime. There, too, and at other points throughout the city, the armed services and other governmental agencies are also honoring the role of photography in their work through displays during the exposition.

In every field, photography has meaning. Our observations of the stars are recorded on sensitized plates aind films that accumulate light no human eye could note. In medicine, the contributions of X-ray to our well-being cannot be overemphasized. Scientists and many researchers depend heavily on photomicrography, autoradiography, and other applications of photography as powerful weapons which may help them win their battles against cancer and other diseases. In education and the dissemination of information, a photograph may often be worth more than the colloquial "1,000 words." Scientists and engineers in every field depend on photography, be it to photograph the depths of an oil well or the progress of the first earth satellite far above the atmosphere. Photocopiers, microfilm equipment, and other office aids have proved their practical worth to businessmen everywhere. Some of the most advanced applications of photography—particularly those supplied by our great motion-picture industry centered in Hollywood and New York, and our newest medium of communication, the television industry—have a major effect on all our lives. Many other types of photography have directly resulted from the work of Rochester scientists and are being used by the Armed Forces in the missiles, planes, ships, and armaments on which our freedom depends.

There are countless other contributions of vital importance to our people and Nation which are worthy of note, but perhaps the paramount promise of photography lies in its universality. The International Photographic Exposition is truly an international meeting. And as an international meeting, this exposition deals with a subject on which there can be instant understanding. We need no dictionary to tell us what a good photograph communicates, whether it has been made in this country or any other.

For photography is a universal language. It is perhaps the most effective means at our disposal for telling the peoples of the world what we are like and how we live. It can be equally important in helping us to learn about them.

On the roof of the National Guard Armory during this exposition a blaze of light pulses regularly from the largest electronic flash lamp ever made. In a very real sense, this light symbolizes the great contributions of photography today as it illuminates the heavens and our lives.

THE LATE LIEUTENANT GENERAL HUBERT R. HARMON

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Speaker, Lt. Gen. Hubert Reilly Harmon died on Washington's Birthday, February 22, 1957. George Washington once said, "To be prepared for war is one of the most effectual means of preserving the peace." General Harmon devoted his life to that ideal—as a cadet at the United States Military Academy, as a distinguished general in the Pacific in World War II, as a member of the United Nations Military Staff Committee, and as first Superintendent of the United States Air Force Academy.

Hubert Harmon was born on April 3, 1892, in Chester, Pa. Like his father and two brothers, he graduated from the United States Military Academy, where he was a classmate of President Eisenhower. His son, Kendrick, is now a member of the West Point class of 1957.

Upon graduation from West Point, General Harmon was commissioned a second lieutenant in the Coast Artillery Corps but soon followed his brother, Millard, to the Flying School at San Diego, Calif. A series of assignments led gradually to important posts as commanding general, Gulf Coast Air Force Training Center; commanding general, Sixth Air Force; deputy commander for air, South Pacific area; commander of the AAF Personnel Distribution Command; commander, Caribbean Air Command; senior Air Force member, Military and Naval Staff Committee of the United Nations; United States delegate to the Inter-American Defense Board; special assistant for Air Force Academy matters; and the first Superintendent of the United States Air Force Academy.

It was the latter assignment which proved to be the greatest challenge to General Harmon. While many in the Air Force dreamed of an academy that would equal in concept of service the United States Military and Naval Academies, General Harmon had the task of translating those hopes and aspirations into a vital force.

He did much to obtain from Congress the authorization to establish an Air Force Academy. In addition, General Harmon was responsible primarily for the formulation of the program of instruction, uniquely tailored to meet Air Force needs; for the procurement of competent officers as faculty and staff, and for setting up the criteria for selection of the cadets. These things he did and did well. The United States Air Force Academy, authorized by an act of Congress which the President signed on April 1, 1954, is a living memorial to the courage, singleness of purpose, ideals, and integrity of Lt. Gen. Hubert R. Harmon, its first Superintendent.

The story of General Harmon's work for this new service school goes back to December 19, 1949, when he became Special Assistant for Air Force Academy Matters. Man had recently entered the atomic age, and the clouds of international communism darkened the face of the earth. It was General Harmon's job to establish an academy to train Air Force career officers equal to the enormous responsibilities of this situation. No one was more aware than he of the awesome possibilities of the future and of his own great responsibilities in preparing Air Force officers for the morrow. In November 1955 he said:

> The act of Congress which in 1954 authorized the Academy is one of tremendous import. It recognized that the human body, the mind, and the spirit are more important than ever in our highly mechanized nuclear age. Responsibilities borne by individual human beings have been multiplied enormously by the power and complexity of present-day weapons. Today a single officer in the United States Air Force may be called upon to carry out a mission which during World War II would have required the crews of a thousand planes. That officer must have the courage, the character, and the patriotism to press home his mission against any and all odds. He may have to do this alone in the skies with no other American within thousands of miles to observe his conduct. He should have the ability to organize and lead other men—the skill and the physique to operate at supersonic speeds—the endurance and the know-how to survive if forced down in cruel enemy country.
>
> In peacetime, he needs the vision and the patience to maintain eternal vigilance, realizing that his readiness, and that alone, may deter aggression and prevent the horrors of war. Both at home and abroad he must understand people—be able to get along with his neighbors. In an era of revolutionary scientific advances he requires the knowledge and imagination to adapt himself to changing types of techniques. If war is forced upon us, he must be resourceful enough to rise to any emergency. Repeatedly, he must endure long periods of separation from his family. Through good times and bad, he must be devoted to his country so deeply that he is willing to spend his life in its service.

General Harmon himself exemplified these ideals, and to the promotion of an Air Force Academy that would inculcate them he devoted the later years of his life both as the Special Assistant for Air Force Academy Matters and as the first Superintendent of the Academy. He gathered about him staff members to whom he was able to transmit his concepts of honor, duty, and country. The serious attributes of his character were seasoned with a delightful sense of humor and a warm, human personality. His successor as Superintendent, Maj. Gen. James E. Briggs, said of General Harmon's relations with his staff:

> Probably the greatest impression General Harmon left on me when I first came out here was the very unique relationship he had with those who were subordinate to him. It was not only one of respect but it was one of true love, affection, and sincere devotion to duty, as General Harmon led them to their duty.

Regarding his influence on the cadets of the Air Force Cadet Wing, General Briggs said:

> I think he left many marks. Probably the most important was the inculcation of the sense of duty which he transmitted to them by his deeds and by talking to the cadets both individually and collectively. A great mark that he left with us was his introduction, of course, of the honor code, which we hope will carry on for years into the future.

On July 27, 1956, when he turned over the command of the Air Force Academy to the new Superintendent, General Harmon was a very sick man. But the Academy he had established rested upon a solid and firm foundation.

The Academy is his monument. Following the path he marked out for it, it is developing into a truly great Academy worthy of the same love, affection, and respect that the American people have given to the United States Military and Naval Academies. The 1915 yearbook of the United States Military Academy was remarkably prophetic when it said of diminutive Hubert Harmon:

> How far the little candle throws its beams.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection?

Mr. ABBITT. Mr. Speaker, there has been a good deal of name calling in recent weeks with respect to the budget which was submitted to this Congress in January, calling for the largest amount of money ever asked for the operation of the Federal Government in a peacetime year. We have before us today one part of that budget which we have seen grow year after year—and which will continue to grow so long as new programs are added.

It has been said in weeks past that the budget is high because of the new legislation which Congress enacts and, of course, this is true in the sense that only Congress can enact laws and appropriate money. But let us get the record straight.

In addition to the $2,862,502,881 provided for in the bill, there is a vast amount of additional authority and appropriations which have been asked for or will be asked for by the executive branch. We should not lose sight of this in discussing this bill today. This bill does not mention many new things which are going to cost vast sums of money and which are going to cost even more in the years which lie ahead.

I wish to call to the attention of the House particularly a portion of the committee's hearings on the bill when the Secretary of Health, Education, and Welfare appeared before the committee. I think it gives a good insight into the business of who is responsible for the growing size of the budget.

Secretary Folsom appeared before the committee on February 11 and said, in his statement, as follows:

> The budget proposes appropriations totaling $3,070,602,412 for the Department of Health, Education, and Welfare. This represents an increase of $564,449,587—or approximately 23 percent of estimated appropriations for fiscal 1957 * * * Eighty-four and six-tenths percent of the proposed increase, or $477,545,000, covers the first-year cost of new legislation recommended by the President.

The Secretary then went on to say that there are increases in existing programs and that the total amount of these increases for programs under existing legislation is $173,854,862. The simple fact is that year after year we see new requests in the budget. One way to ward off further increases is to stop creating new programs to spend money. I hope the Chief Executive as well as the Congress will take note of this truth.

The new programs contained in the 1958 budget are too numerous to elaborate here, but the simple fact is that there are now proposed by the Chief Executive more than a dozen new programs in the field of Federal-State relations alone. Many of these are in the Department of Health, Education, and Welfare. The list of these new programs, requests for which will be made in addition to this budget, are found on page 2 of the committee's hearings and should be read by every Member of the House.

The principal item is, of course, the proposed Federal aid to schools for the purposes of construction. In my opinion, this should be eliminated and thereby substantially reduce the burden our people are being called upon to bear. The proposal for Federal aid for school construction is an ideal example of a program which the Federal Government is trying to assume which is the distinct obligation and responsibility of the State and local governments. Mr. Folsom says the first-year cost of this would be $451 million, or the major part of the 23 percent increase of which he speaks. We might well relieve him of this additional cost of running his Department by denying any Federal aid in this connection.

The State and local governments are thoroughly capable of doing this job if they will. It will take additional taxes in many instances, but let me remind those who think otherwise that there is no saving by having the Federal Government do the job. We have no assurance whatsoever that a Federal excursion into this field will end in 4 years, as the administration has indicated it will, and therefore, the better part of wisdom should encourage us to leave this field to the States and localities where it belongs.

PROTECTION FOR ISRAEL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, the President of the United States and the Secretary of State are now denying that assurances were given to Israel of protection for that small democracy on her withdrawal from the Straits of Tiran and the Gaza Strip.

A look at the record of pronouncements of the United States and the United Nations will show whether or not there was a commitment made or implied by either of the aforementioned parties.

On November 21, 1956, the United Nations Assembly passed a resolution calling for cease-fire and withdrawal of invading forces. In the movement for the passage of that resolution, the United States, through its delegation, acting under Presidential instructions, was a leader, if not the dominant force.

The language of that declaration called on all parties "to observe scrupulously the provisions of the armistice agreements" and "to refrain from introducing military goods into the area." The resolution also called upon the parties to "restore and secure freedom of navigation in the Suez Canal."

I need not say that the right of free transit through the Suez Canal is guaranteed to all countries in war and peace by the Constantinople Treaty of 1888. Egypt has agreed to that treaty in all respects, except insofar as it affects Israel, the only country against which it claims a state of belligerency. No such loophole for belligerency exists in the treaty. Also, it should be noted that under the armistice all parties renounced belligerent rights.

On November 5, the United Nations went further, passing another resolution which established the United Nations Emergency Force—UNEF—and directed it to "secure and supervise the cessation of all hostilities in accordance of all the terms" of the resolution of November 2, 1956.

Acting under his general authority and under that of the resolutions above, Secretary Dag Hammarskjold made a series

of reports to the United Nations which were endorsed by the General Assembly. On November 6, 1956, he reported that the United Nations Emergency Force would have the duty "to help maintain quiet during and after the withdrawal of non-Egyptian forces. The scope of the duty of this U. N. force was in an area from the Suez Canal to the armistice demarcation lines." In this report the U. N. force was also charged "to secure compliance with the other terms established in the resolution of November 2."

On January 14, 1957, Mr. Hammarskjold reported to the U. N. that the Israelis would be justified in the exercise of their "right to innocent passage through the Straits of Tiran and the Gulf of Aqaba in accordance with international law."

Much more specific statements on the rights of Israel were made in later reports by Mr. Hammarskjold. On January 24 he said that because of the armistice agreements and a decision of the Security Council Egypt and Israel could be considered "not entitled to claim belligerent rights."

That there might be no question of the position of the United States, Ambassador Lodge made the following statement to the General Assembly, January 28:

> Under the (armistice) agreement, and pursuant to the Security Council decision, neither side may assert belligerent rights, much less engage in hostile actions.

Further—

> The United States strongly supports the Secretary General's recommendation concerning the deployment of the United Nations Emergency Force on both sides of the armistice lines—and at the Straits of Tiran—until it is clear that the nonexercise of any claimed belligerent rights has established in practice peaceful conditions.

To further clarify our commitment, the United States began sending messages, formal and informal, to the Government of Israel. The first such communication was a memorandum to Israel on February 11, where the United States took the position that "the future of the Gaza Strip is to be worked out through the efforts and good offices of the United Nations," and that "the United States believes that the Aqaba Gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the gulf and through the straits giving access thereto."

The President himself made a further statement on the subject of the United States position on Israel's rights on her withdrawal on February 20. He said, "the United States would be glad to urge and support some participation by the United Nations, with the approval of Egypt, in the administration of the Gaza Strip," so that that area "could no longer be used as a source of armed infiltration."

The President further said that the world "should not assume Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba." He also said if "Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations."

The last event I want to chronicle is a letter from the President of the United States to Prime Minister David Ben-Gurion. The President wrote, "Israel will have no cause to regret" its pullback from the Gaza Strip and from the Gulf of Aqaba.

A student of constitutional law will say that there is no treaty obligation incurred by the United States here. That is true. But it is equally true that the United States gave the clearest possible assurances to Israel. The United Nations, with the active leadership and participation of America, made vigorous and unequivocal declarations on Israel's rights in the area and on freedom of navigation of the Suez and Gulf of Aqaba.

An unambiguous statement was made that no longer would the Gaza Strip be used as a base for infiltrators and fedayeen suicide raiders against Israel.

On the basis of this historical background Israel made certain assumptions when she withdrew from Gaza and the Gulf of Aqaba. Those assumptions were that she would have free, innocent passage of the Straits of Aqaba and the Suez Canal, and that she would be free of the fedayeen suicide raiders who had so long attacked her from Gaza and other parts of the Arab world.

Thus the United States has incurred the strongest sort of moral duty to make good on the assurances given to Israel. An equal obligation rests on the U. N. These obligations are made more binding by the sure knowledge that if these assurances and the U. N. resolutions are not upheld by vigorous action, the effectiveness of the U. N. as a peacemaker will be destroyed and it will follow the League of Nations into oblivion.

The United States cannot rely only on the U. N. because that family of nations is almost powerless without strong United States leadership and backing. Aggressive and forceful action by the United States will do much to make negotiation by Mr. Hammarskjold easy. History and the peace of the world depend on America's choice of action here.

THE LATE ALNEY EARLE CHAFFEE

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Nebraska [Mr. CUNNINGHAM], be permitted to extend his remarks at this point and to include some appropriate quotations on the late A. E. Chaffee; and I make the same request for myself and other Members.

The SPEAKER. Is there objection?

There was no objection.

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, I would like to address the House in eulogy of the late Alney Earle Chaffee, senior assistant in this Chamber, who at the time of his death on Monday, March 18, was serving his 51st year as an employee of the House of Representatives, and his 37th year as its Reading Clerk.

As our minority leader, Mr. MARTIN, said to the House on the occasion of Mr. Chaffee's 90th birthday only a few days ago, such a record of service "is an achievement few men realize."

It had not been my good fortune to have been long acquainted with Mr. Chaffee, having met him only soon after taking my seat in this Congress. He came to me and identified himself as one of my constituents, and told me how he had maintained his allegiance and voting residence in Omaha throughout his half-century and more of Federal service. He expressed his desire to be helpful in any way that he could. His manner was so sincere, so genuine and gentle, it was easy to see why his friends declared that to know him was to love him.

The message brought by his minister, Dr. Edward G. Latch, at Mr. Chaffee's funeral service in the Metropolitan Memorial Methodist Church on March 21, is a beautiful tribute which I would like to here include in my remarks:

> We have come together this morning to tap the resources of our Christian faith and to render our tribute to a grand person and a good man. For us it is a time of sorrow, of real sorrow; it is also a time of triumph and of real triumph. In this hour may our faith lift us up, make us strong, and keep us steady.
>
> And our faith brings to us the assurance of the eternal life. After all, death is not the end of life but an open doorway into a brighter, fairer life in what we may think of as the nearer presence of God. Death is but transition, the passing from one realm to another realm; from one sphere to another sphere; from one life to another life; or as I am fond of thinking of it—from one room to another room still within the great mansion of our Heavenly Father. Our loved one—Alney Earle Chaffee—lives, and lives with God. Tapping the resources of our faith, may we be given strength and love for this day and all the days that are to come.
>
> We have come together not only to renew our faith but to render our affection and respect to Alney Earle Chaffee—one of God's great good men. He began his career on the Capitol Hill in 1906, and was promoted to the position of reading clerk in 1920. This position he held with honor and distinction for the rest of his life. From this reading clerk's desk in front of the Speaker, Mr. Chaffee through the years read messages from the President, House bills, and called the roll. He did it so well, I wonder if God will not use him to call the roll up yonder.
>
> On several occasions, as on his recent 90th birthday, the leaders of the Congress have taken the floor to express their affectionate regard for him: "A lovable gentleman of the old school," "served over 50 years faithfully and conscientiously," "gained the respect of every Member of the Congress," "I do not think God ever made a finer man than Mr. Chaffee," were among his tributes.
>
> In every sense of the word he was a good husband, a good father, and we may add a good grandfather and a good great-grandfather. How fitting it was that the day before he passed away his family spent part of that Sabbath day with him, much to his joy and to the joy of all who gathered under that roof that day. His minister had called upon him the day before. They had a lovely chat together and closed as they always did with prayer.
>
> He was a good member of the Metropolitan Memorial Church—the National Methodist Church. He was an official, a trustee, a faithful attendant upon the services of the church, and completely devoted to its welfare and its progress. He was a leader of whom all of us are proud.

> He was a man of high integrity, of sound character, conscientious, faithful, honest to the core—one who gave himself completely to the work he felt called upon to do. The New Testament speaks of "the salt of the earth"; he was. It speaks of "the light of the world"; he was. In every good sense of the word, he was a Christian gentleman. With love and affection we place his body in the ground, but his spirit we commend unto God, remembering the words that Jesus spoke upon the cross—"Father, unto Thy hands I commend my spirit."
>
> One of his Capitol associates handed to me just a few minutes ago a brief verse written by Mr. Chaffee, with which I would like to conclude this service:
>
> "Why these hopes and longings
> These constant doubts and fears?
> Life is but one brief moment
> In an eternity of years.
> Ah! but in that one brief moment
> Which Nature so endears
> The soul works out its destiny
> Either joy or bitter tears."
>
> May it comfort us to know that for Mr. Chaffee this destiny is eternal joy and peace.

Mr. WEAVER. Mr. Speaker, it was with a sense of real loss that I learned, upon my return from Nebraska, of the passing of our friend and faithful servant, Alney Earle Chaffee.

His long and loyal service to this Congress had made him somewhat of an institution within an institution. Our friendship was only a few years old, but in the course of his abiding interest in the affairs of Nebraska he had come to know my late father and my brother much earlier, which made him rather a friend of the family.

At the time of his death several members of the Nebraska delegation were in Lincoln for the annual celebration of Founders' Day. On March 1, Nebraska marked its 90th anniversary as the 37th State of the Union. On March 3, Earle Chaffee celebrated his 90th birthday too.

But that is not the only reason the Nebraska occasion was especially meaningful to Mr. Chaffee. He married Fanny Pendleton, of Nebraska City, the daughter of a real pioneer family. The Pendletons had come into Nebraska before it was a State. They walked across the frozen Missouri River and set up a homestead in a log cabin. They joined in the struggle to bring establishment and recognition to the forming State. This was the sense of dedication to Nebraska which Mr. Chaffee was to come to share.

Earle Chaffee met Fanny Pendleton at an elocution class conducted by his sister Marion who was a rather talented Chautauqua artist of that day. Though he had been a somewhat reluctant student he remained forever grateful, not only that it was here that he had met his beloved wife, but for the vocal training which prepared him to perform the difficult duties of reading clerk with remarkable skill and excellence.

Mr. Chaffee farmed for a time at Burr and at Syracuse, where he was also engaged in real estate. He became active in Republican political affairs and was rewarded with a Congressional assignment, coming to Washington in 1906.

For the next half-century Mr. Chaffee made his home near to the Capitol and he and his family were familiar and popular participants in activities hereabout. Earle and Fanny Chaffee had achieved and celebrated their golden wedding anniversary 7 years before her death in 1951.

Mr. Chaffee was a devoted husband and father. He was extremely proud of his family. He liked nothing better than to talk about his family—and learn about yours.

His recent birthday had been especially wonderful for him because all his family had been with him to celebrate. Besides his daughter and her husband, Mr. and Mrs. Walter B. Mallorey, with whom he had lately made his home, there was his grandson, Donald L. Mallorey and Donald's bride of a year; and his granddaughter and her husband, Mr. and Mrs. James S. Crupper, who are the parents of two little girls who were the greatest joy in Mr. Chaffee's life—his two great granddaughters, Susan and Jane.

To this fine family I extend my deepest sympathy, for we share in their sorrow. Even as we share in their appreciation for this good man, our departed friend, Alney Earle Chaffee.

Mr. TALLE. Mr. Speaker, as a Representative from Iowa, I know that the people of my State desire that appropriate tribute be paid to the memory of the late A. E. Chaffee, for his early life and training were influenced by the environment of the Hawkeye State. It was to a farm near Cedar Rapids Iowa, in my Congressional district, that the Chaffee family migrated westward from Vermont in the latter part of the 19th century. Mr. Chaffee's father was a skilled blacksmith—a fact which gave him a happy feeling of kinship with his favorite idol, former Speaker JOSEPH W. MARTIN, JR., whose father was likewise a blacksmith by trade.

But it was to the profession of law that Earle Chaffe hoped to prepare and apply himself. This ambition was not realized, however, because ill health forced him to discontinue his undergraduate studies at Iowa State College at Ames and to return to the farm and outdoor life.

Subsequently, romance beckoned him to the neighboring State of Nebraska, and in the course of events he found his way to Washington in 1906.

We are indeed grateful for those events which gave to the Congress such a faithful and talented servant, and to each of us a loyal and cherished friend.

Our sentiments, I believe, could not be better expressed than they were by our Chaplain of the House, the Reverend Bernard Braskamp, when he said:

> My life has been greatly enriched by the friendship of Mr. Chaffee. I rejoice that I had the high privilege of being associated with him in the service of the House of Representatives. He sensed the sanctity of this service, and was never recreant in the performance of any of his duties and responsibilities. His wholesome influence, which was so strongly felt by his associates, will continue as a cherished heritage from our beloved friend.

Mr. PROUTY. Mr. Speaker, I appreciate this opportunity to join my colleagues in eulogy of our late friend, Earle Chaffee.

Ninety years ago this March 3, in 1867, Mr. Chaffee was born in Granville, Vt., which was a matter of pride to both the State of Vermont and her native son.

He did, indeed, love Vermont, and returned to vacation there almost every year. The day after his death, his daughter found a letter he had written, but not yet posted, to a dear friend in Brandon, Vt. To Frank O. Kennedy he had written that a recent physical examination had given him a reasonably good bill of health, and confirmed that Mr. Kennedy might go ahead and reserve Mr. Chaffee's favorite room at the Brandon Inn for his much anticipated July retreat to the Green Mountains.

It was symbolic of his generous thoughtfulness as well as his pride in the products of his native State that the first thing he would do when he arrived for his vacation each year was to forward back to his friends in Washington a supply of Vermont's famous maple syrup.

Perhaps as a testimonial to Mr. Chaffee's judgment of the sweeter thing in Vermont life, he was designated a judge of a beauty contest in a local pageant last year. This little recognition delighted our 90-year-young friend no end.

Many would gladly argue that the sweetest product ever to come from Vermont was this lovable man, Earle Chaffee. His associates attest that he was never known to say an unkind word about anyone, but was always ready with a cheerful or encouraging expression.

Such a man will most surely be missed, and we extend to his family our sympathy in a very real sense.

EXCHANGE OF TEACHERS WITH IRELAND

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I should like to have my remarks divided into three separate speeches, first to include a letter from the Department of State signed by Russell L. Riley regarding the exchange of teachers with Ireland.

Mr. Speaker, for 3 years I have been trying to secure an exchange of teachers with Ireland. At last it has been agreed to by both the Irish people and our own State Department.

I should like to include with my remarks a release of the Department of State. I do not know that any additional money will be required, but I am sure all of the friends of the Irish people, if they need any more money for the teachers coming to this country because it costs slightly more to live in this country, will furnish that money. We certainly should have the advantage of all the cultural background and learning that the Irish have—their poetry, their music, and all the arts in which they are so proficient. I doubt if even some of those of Irish descent in America realize their great contributions in art and science and medicine. We have so many of Irish descent in America that we

know that loyal patriotism to our country and know of their great loyalty and patriotism in fighting for Ireland, and with it all we know their wit and humor and warmheartedness.

The letter and release follow:

DEPARTMENT OF STATE,
Washington, March 21, 1957.

The Honorable EDITH NOURSE ROGERS,
House of Representatives.

DEAR MRS. ROGERS: I know you will be interested in the enclosed announcement of the signing of an educational exchange agreement with Ireland.

We won't know the exact number and types of people who will be given educational opportunities under this new program until the joint Irish-American board is established in Dublin. The Government of Ireland and our Ambassador will each appoint an equal number of members to a completely binational board which will operate as the Fulbright boards do in other countries with which we have these educational exchange agreements.

In anticipation of this Irish-American agreement, which, as you know, has been pending for some time we have included in our appropriation request for fiscal year 1958, now before the Congress, a total of $6 exchanges with Ireland. Of this total about two-thirds would be Irish and one-third Americans. This, of course, will be subject to review by the joint Irish-American board which will devise the details of a balanced program, embracing projects of mutual interest to our two countries.

In view of your often expressed interest in teacher exchanges with Ireland, I am hopeful that the board will provide for them, as we have already suggested. The schoolteacher exchange reaches a segment of the young population of a nation which can be very readily influenced in ways healthful to improved international relations.

Thank you so much for your support to the program and please call on me if I can give you any additional information.

Cordially,

RUSSELL L. RILEY,
Director, International Educational Exchange Service.

(Enclosure: Department of State Press Release No. 151.)

UNITED STATES SIGNS EDUCATIONAL AGREEMENT WITH IRELAND

The Department of State announced that an educational exchange agreement was signed in Dublin today between Ireland and the United States in connection with the use of the American grant counterpart fund. The agreement was signed by Mr. Liam Cosgrove, Minister for External Affairs, on behalf of Ireland and by His Excellency, William Howard Taft III, American Ambassador, on behalf of the United States of America.

The agreement provides that a sum of £500,000 sterling out of the grant counterpart fund (which totals approximately £8,142,000 sterling) is to be allotted, in the words of the agreement, "to promote further mutual understanding between the peoples of Ireland and the United States of America by wider exchange of knowledge through educational contacts."

The terms of the agreement provide that approximately £25,000 sterling shall be expended annually for the purpose of financing studies, research, instruction, teaching, lecturing, and other educational activities on the part of Irish citizens in American schools, universities, and other institutions of higher learning on the one hand, and American citizens in like educational institutions in Ireland on the other. The funds available under the agreement may be used to finance transportation, tuition, maintenance, and other expenses for such educational activities.

The scholarship exchange program will be administered by a joint Irish-American board in Dublin. The agreement will come into force when the Government of Ireland has notified the United States Government that the necessary legislative steps have been taken to implement the agreement. Further details as to the operation of the agreement and as to the manner in which applications for scholarship benefits under it are to be applied for will be announced at a later date.

THE NATIONAL CONFERENCE OF CHRISTIANS AND JEWS

Mr. Speaker, I would like to include in separate remarks a letter from Mr. Leonard P. Aries, executive director of the National Conference of Christians and Jews, and to also include an address by Dr. Everett R. Clinchy, also a telegram of greetings to the Brotherhood Conference from the President of the United States.

The letter, the address, and the telegram follow:

THE NATIONAL CONFERENCE
OF CHRISTIANS AND JEWS,
Washington, D. C., March 26, 1957.

The Honorable EDITH NOURSE ROGERS,
The House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: It was a pleasure to have had you with us at the brotherhood dinner and to have seen you looking so well.

You were good enough to suggest at the close of the dinner that you would be pleased to incorporate in the Congressional Record the remarks of Dr. Clinchy and the President's statement. Both of these I am enclosing. The reason for the delay in forwarding the enclosed to you is due to the fact that after the transcript was made from the Voice of America tape it had to be forwarded to Dr. Clinchy in Tokyo for review and checking. Dr. Clinchy, as you know, left almost immediately after the brotherhood dinner for a speaking and conference trip through Asia in connection with world brotherhood.

The statement from the President is addressed to Secretary Folsom in his capacity as chairman of Brotherhood Week for the District of Columbia. You will recall, too, that Secretary Folsom presented the statement from the rostrum at the dinner.

May I take this occasion, too, of expressing on behalf of the National Conference of Christians and Jews and myself personally our deep appreciation to you for your continuous efforts through the years for the cause of better understanding and brotherhood?

All best wishes.

Cordially yours,

LEONARD P. ARIES,
Executive Director.

ADDRESS BY DR. EVERETT R. CLINCHY, PRESIDENT, WORLD BROTHERHOOD AND NATIONAL CONFERENCE OF CHRISTIANS AND JEWS, 1957 BROTHERHOOD DINNER, SHERATON-PARK HOTEL, WASHINGTON, D. C., FEBRUARY 20, 1957

I invite you to work in partnership with the Creator for a stage in the development of the evolution of this universe that needs desperately to be born—it is the age of the World Family of Man. The emergence of this sense of the family of peoples can be compared with other great steps in this evolution, with the time 5 billion years ago when this universe got started; with the age 3 billion years ago when our part of the solar system was shaped as an earth circling the sun; with the struggle 1 billion years ago when the first marine life climbed on land and, like grasping new-born babies, were persistently determined to live in the new environment. And the coming epoch can be compared with the time when men and women walked upright on this sphere. These creatures with souls, minds, capacity for ideals, and the ability to plan work to make these hopes come true, gave promise of the age I am talking about. This age of the World Family of Man is as big a step as those taken by the civilizations of ancient Asia or of the Greek and Roman civilizations ahead of paleolithic and neolithic man. If we will put forth sufficient effort, will, determination, and persistence to push potential human capacities more than these have ever developed before, and conduct ourselves in the new environment that science, technology, education, and religion have brought about, the age of a single world family of man shall be.

Our problem started, of course, with differences among the groups of people who make up the family of man. In the early days when the tribes were wandering, trying to survive on the face of this globe, differences developed in groups that were separated from each other by barriers of mountains and seas. As they wandered, natural selection along with climate, diet, and other conditions, produced skin color, skull-bone shape, hair texture, and other physical differences. These now present problems to us as we are required to live together in one interdependent neighborhood.

Again, cultural differences evolved as peoples developed different languages, believed in different revelations, organized different religions, cultivated different tastes, arts, habits, customs and laws. The plural number of cultures now present problems of fear, hate, greed and war.

About four or five thousand years ago in what is now India the idea of brotherhood emerged. Only a few saints and poets understood it—nobody did much about it. In the Judaeo-Christian tradition, in what is now Israel, the idea of one God emerged. God is the Father of all peoples, the Jews from Abraham's time taught. Strangers should live together as members of the human family. It took a long time in the yardstick of a million years for this idea to make political sense. Mr. Speaker RAYBURN, you would be able to spell this out more clearly than I. The common people wrested from King John in England, the Magna Carta. That was only 700 years ago. About 200 years ago the American Declaration of Independence was shaped, asserting that everybody in this land, of whatever origin, of whatever conviction, was a creature of God, with unalienable rights to life, liberty, and the pursuit of happiness. Then something wonderful happened. Science came along with technology. Man said, "We can make this thing come true economically. We can prepare a good life for all the peoples of this continent." It was then that man promised the defeat of the problem of poverty in the United States of America.

After World War II the peoples of Asia caught onto this idea. The most significant event since the American Revolution was the 1955 Bandung Conference. There the representatives of the two-thirds of the human family who are the colored peoples of Asia and Africa met together and determined to enjoy self-government, the fruits of science and technology, and parity of opportunity for every human being to develop to full potentialities in freedom. In Indonesia they wrote on the trolley cars after World War II phrases from the American Declaration of Independence and the four freedoms of Roosevelt and Churchill. That set going inciting ideas. All of the races of man determined to ride in the bus where they choose, from this time on. All of the peoples of man,

white or colored, East or West, expect to have a share in the good life with a decent standard of living.

The physical foundations and the ideas with which we can build the brotherhood of man are at hand. There remain the psychic problems of man's hostility to man to solve.

We can use the new study of the science of human relations to create miracles in human relations that will match the wonders of modern medicine and the extraordinary achievements of the natural scientists and the technologists. As scientists study the human psyche, they are able to understand destructive impulses of fear, outrage, hate, and death dealing; that they must be managed and restrained. There are, however, also creative, constructive impulses that lie within the human psyche: These urge truth seeking, understanding, love, and cooperation. They are instinctive.

No one can forever keep the lid on the truth-seeking impulse in human beings. The freedom fighters of Hungary threw off the lid, even though these university students presumably had been indoctrinated with regard to the discipline of communism since the day of birth. With truth seeking there is also the impulse in every human being to understand. To seek answers to "why," "what," "how" is as irrepressible as the appetite to food. Out of understanding comes compassion, patience, and kindness. Then there is the impulse to love—the greatest power in the world, about which man still knows very little. The impulse to cooperate is another creative urge. The scientists tell us that in the long pull we get more satisfaction out of cooperation than from any other human activity. The more widespread the cooperation and the more complex it is, the more rewarding and joyous that cooperation becomes.

These, then, are the constructive impulses which we now can foster and develop. The psychiatrists find that we can foster love, cultivate cooperation, increase the degree of truth seeking, and intensify the understanding that human beings will exert. This being so, we can face the fact that all of us are living at only 15 percent of our human capacity for constructive, creative action, and we can develop human beings with greater powers of the Creator in them, thus producing human beings with greater inward capacities for maturity, peace, and appreciation than ever before any age of man has cultivated.

As all of the peoples of the world of all nations act together, our generation can introduce this new age of the world family of man.

Mr. Larson, is there anything greater that the Information Service of the United States of America can share with the whole world than this idea of the family of man? Let us tell the peoples of the world that Americans believe in this ideal, and that to us it is more important than dollars or guns. As we promise to act as trusting, cooperative, loving members of the family of peoples, we must show in our country an exhibition of what friendly cultural pluralism means on one continent.

The business of the National Conference of Christians and Jews, and of World Brotherhood, Inc., abroad, is to enlist the schools, the religious agencies, the community agencies, the economic agencies of labor and agriculture and management, the agencies of the media of communication, of radio, and television, of newspaper and magazine, of films and theater, and fine arts, to bring into being this new age of the family of man.

The new epoch will not come automatically. It calls for the prayers and the service of all.

THE WHITE HOUSE,
Washington, D. C. February 19, 1957.

Hon. MARION B. FOLSOM,
Secretary of Health, Education, and Welfare:

Please give my greetings to the members, friends, and distinguished guests of the National Conference of Christians and Jews gathered in their annual brotherhood dinner.

When a man becomes a citizen of our land—or a public servant pledged to advance the common weal—he promises to support and defend the Constitution of the United States against all enemies, foreign and domestic.

Now, this Nation is protected from the enemies which threaten us from without by a splendid shield of young citizens of every color and creed united in their oath of allegiance and mutually reinforced by the respect each has for the other. But the foundation of our defense is at home. This is where all Americans must stand together in support of freedom or separately watch it sink from sight. The choice between these alternatives determines whether, in Lincoln's words: "We shall nobly save, or meanly lose, the last best hope of earth."

During Brotherhood Week it is well to be reminded of the truth which sets us free: The fundamental truth that all men are created equal. This is a time to review the progress being made in all parts of the country toward strengthening the birthright of each American to grow and work, to learn and worship freely.

So, as the National Conference of Christians and Jews seeks to promote the welfare of all peoples in the family of man, it has my complete support and determined partnership.

DWIGHT D. EISENHOWER.

THE USO NATIONAL COUNCIL LUNCHEON

Mr. Speaker, I would like to include in separate remarks a letter from Maj. Gen. W. S. Stone and a fine speech he delivered at the USO National Council luncheon which I was privileged to attend last week. The speech of Major General Stone, of the Department of the Air Force, shows the tremendous cost of even one airplane, the great amount of training that these youngsters must have in the sciences, and that they should be encouraged in order to fly them. It was a very inspiring and distinguished luncheon. The USO is doing a splendid, unselfish, patriotic service in keeping these young pilots and young people in the Armed Forces as reasonably happy as possible while they are rendering this unselfish service to their country. As you all know the USO sends their women to the far reaches of the globe where our service people are stationed.

The letter and speech follows:

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, UNITED STATES AIR FORCE,
Washington, D. C., March 22, 1957.

Hon. EDITH NOURSE ROGERS,
House of Representatives.

DEAR MRS ROGERS: It was indeed a pleasure to meet and have the opportunity to converse with you during the USO National Council luncheon yesterday.

Enclosed is a copy of my talk which you requested I send you. If I can be of any further assistance at any time, please call on me.

Sincerely yours,

W. S. STONE,
Major General, USAF,
Assistant DCS, Personnel.

SPEECH BY MAJ. GEN. W. S. STONE, ASSISTANT DEPUTY CHIEF OF STAFF, PERSONNEL, BEFORE THE NATIONAL COUNCIL OF USO, STATLER HOTEL, WASHINGTON, D. C., MARCH 21, 1957

Mr. Chairman, ladies and gentleman of the national council, it is certainly good to meet with a group that has done so much to promote the well-being of our people in uniform. I speak for all the military services in expressing profound appreciation for your sincere interest and most helpful work in our behalf. In addition, I welcome this opportunity to stress the continuing importance of USO activities to our people in uniform. In fact, I feel that we have an obligation to do this periodically so that you may better understand our present and future requirements.

In this connection I hope to sell you today on a twofold proposition: First, that our military people are being called upon to perform jobs that make increasing demands on their skill and their stamina; and second, that we must therefore give careful consideration to the major factors of motivation and compensation which provide the incentive and the reward for their best efforts.

The most important of these motivating factors are patriotism, material compensation, and public recognition. This last item, public recognition, is of primary concern to us here because it encompasses the activities of USO. The scope of these activities signifies in large measure the level of public esteem for our servicemen and reflects the degree of interest in their welfare.

So from that standpoint alone, it is clear that your USO programs are highly significant. But, for a full understanding of their importance, we must take into account first the rapidly changing character of military duty.

Let's see what it is that we are asking our people to do today, that no one could have dreamed of 50 years ago. Most of the differences have been caused by military applications of scientific progress. These have brought rapid increases in the cost, complexity, and performance of our weapons. Although this transition has had a major impact on all elements of our Armed Forces—land, sea, and air—its implications have been especially drastic in the Air Force.

To understand just what is involved we have to consider some of the specific Air Force activities that are constantly in progress. Let's take the case of a heavy bomb wing in the Strategic Air Command. In one of these outfits a 6-man crew operates the B-52, a weapon costing more than $6 million, on simulated combat missions against targets at intercontinental range. Inflight refueling, precision navigation, and bombing under all conditions of weather, are some of the mission requirements that demand a peak level of technical skill. Flights of that kind going on all the time and lasting more than 18 hours, are considered routine. But the fact remains that each of our crews on these delivery vehicles for nuclear weapons controls an important segment of our total military power. Considering the vital jobs assigned to them in helping to prevent a war or to win one if necessary, these crew members are discharging a tremendous public trust. And nowhere in history can we find an example of a military task that calls for a comparable degree of skill, responsibility and dedication. The same thing must be said of the combat aircrews in our Tactical Air Command and Air Defense Command. These people also are operating weapons of unprecedented cost, complexity and striking power.

Our maintenance technicians—like our aircrews—have experienced a comparable increase in responsibility and job difficulty.

In the guided-missile field we are training our people in a whole new category of skills required for the repair and adjustment of

propulsion systems and guidance and control mechanisms.

Finally, I should cite our dependence on the vigilance and ability of communications technicians who operate the radar warning devices that guard the arctic approaches to our country.

Now everything that I have said about our equipment and our operations is intended to underscore our acute need for people with exceptional ability. Our prospects for attracting people of this caliber and our ability to keep them hinge primarily on the three factors I mentioned earlier—patriotism, material compensation, and public recognition.

Patriotism has run high among our people throughout the history of our Nation. In fact there has been a progressive increase in the patriotic fiber of our people, as our record in recent major conflicts will bear out. And we depend heavily on patriotism to bring out people—during intervals of national crisis—to exceptional levels of sacrifice and performance. However, our situation today during peacetime calls for a large scale and continuing military program to meet a Communist threat that shows no sign of abatement. Added to this is the fact that several years are now required to give our people the experience they need in flying and technical jobs. As a result we must ask them to accept long tours of military service. In these circumstances we should not expect them to be sustained by a sense of patriotism alone. After they have been with us long enough to gain skill and experience in difficult assignments they deserve to receive pay and benefits that are commensurate with their abilities.

Growing recognition of this fact has brought legislation to increase the attractiveness of a military career. Additional improvements are needed and are being recommended to the Congress now in session.

Beyond this we are continuously refining Air Force methods of handling people. Improved policies on promotions, assignments, and transfers have provided part of the answer to the problem of increasing the incentives of a military career. Also, in this business of human relations, our operating commanders continually strive to imbue their people with a keen sense of mission and pride of service.

Tied in with this broad effort is the vitally important factor of public recognition. We can measure this in many ways—by the tone of press comment, by samplings of public sentiment, and by the day-to-day associations of our people among their civilian neighbors. But the most valid indication of all is the measure of active community support of our military activities across the Nation. As reflected by the programs of the USO this community support can and does reach out to our people around the world. I would say that this form of public recognition is one of the keystones in the expression of good will and support for the servicemen.

Up to this point, I have dealt only with the broadest aspects of USO activities. In a more specific vein, I want to touch on the canteen and camp-show programs. Both of them are extremely beneficial to our people.

For servicemen in transit, and we have lots of them, the USO canteens provide a focal point of hospitality, plus many practical facilities and services for which they have a common need. And for those who are permanently stationed, the USO canteen can and does provide a center of welcome and entertainment and helps them establish social ties in the community.

Your camp shows provide a remarkable morale boost for our servicemen in overseas areas. This feature of USO activity is being received with more and more enthusiasm. In the months ahead, the Air Force especially, will probably have an increasing need for these shows—and for this reason. We are going into a period of increased dispersal and even wider deployment of many units. As matters stand today, we have people stationed at more than 2,000 separate installations around the world. Many of these are in isolated areas. They are put there as a matter of military necessity—to get our missiles and planes within range of their targets; to give us a trip wire of radar warning against attack. So we shall have to continue the practice of assigning our people to areas where they cannot enjoy the community and family associations that mean so much to all Americans.

You can, therefore, readily understand why our people in Korea, in the Arctic, and other remote areas look forward as they do to having USO performers bring live entertainment to their stations. This offers a closer tie with their stateside experience than all the libraries and hobby shops we can provide.

In closing, I should like to emphasize once more that scientific advance has so increased the speed, range, and striking power of our weapons that we now have an opportunity to achieve more combat capability for a given number of people than ever before in our history. But we can capitalize on this technical advantage only on one condition—that we obtain and keep in the service people with sufficient ability to make the best use of our improved hardware. This, as we have seen, will require a broad range of action to increase the attractiveness of a military career. Thanks to people like you we are making good progress in this area. A continuation of your efforts is absolutely essential.

Again, our sincere appreciation for your past support and for your obvious willingness to work with us in the years ahead.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

OBJECTIVE STUDY PROPOSED IN HOUSE RESOLUTION 85

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, House Resolution 85 would authorize the Banking and Currency Committee or a subcommittee designated by the chairman to undertake a comprehensive study of the effectiveness of monetary policy in combating inflation and the adequacy of our financial institutions in meeting the tremendous credit and capital demands that are originating not only here at home but abroad.

In the last several years demands upon our financial institutions—commercial banks, savings and loan associations, mutual savings banks, insurance companies, pension and trust funds—for credit and capital to finance development and expansion have reached unprecedented levels.

The sheer magnitude of these demands alone would have presented formidable problems. But during this period, when credit and capital demands reached such record heights, the debt-management and monetary authorities instituted a policy of general credit restraint aimed at curbing inflationary pressures and maintaining a stable average price level.

The pursuit of this policy of general monetary restraint has opened up a veritable Pandora's box of problems without, unfortunately, solving the problem toward which it was directed—namely, that of stabilizing prices.

MONETARY RESTRAINT UNEVEN

It is an indisputable fact that the policy of restraint has had such an uneven impact upon the various groups and sectors of our economy as to become a matter of widespread public dissatisfaction and protest. Members of the Congress each day receive fresh evidence of some additional inequity attributable to the extreme credit tightness. The plain fact is that the Members are in a dilemma as to what to do about it. On the one hand, we are told that there is this great threat of inflation which warrants restraining credit and increasing the rate of interest. On the other hand, we see that price rises, despite restraints, are not a threat but an actual fact and that in part they are caused by the very measures that were supposed to prevent them. Members can read in the papers that the cost of new homes and rents are going up because of the higher costs of financing.

INEQUITIES

Members can also read that all across the country, electric, gas, and telephone utilities are filing applications for rate increases to cover the higher costs of borrowing in 1955 and 1956 to finance expansion. Members also know the capital outlays by the big corporations, which it is generally agreed have been the primary source of the inflationary pressure in 1956, are untouched by the policy of credit restraint. On the other hand, Members know of thousands of cases where the local small-business man cannot obtain needed credit for inventories or expansion and, if he can, he must pay a very high rate of interest.

Members from the agricultural sections are familiar with the impact of the scarce credit and high interest squeeze on the farmer. And those who represent areas affected by the drought know that farmers and ranchers have had to pay higher interest rates on new borrowings to meet their taxes and the interest on old loans.

LOCAL BOND ISSUE

I am certain there is not a single Member in this House who has not heard from back home about the skyrocketing costs of floating local bond issues for schools and related community facilities. In a great many instances, legal ceilings on permissible interest rates have forced local authorities to withdraw from the market and defer construction of urgently-needed schools and other community facilities.

ARE CERTAIN PROJECTS INFLATIONARY?

The people all across the country are looking to us for answers. They are asking, why is it inflationary to extend credit to a local merchant when the big corporations are getting billions? They

are asking the Congress whether projects with a high social priority—such as schools, housing, hospitals, libraries, and the like—must take their place at the end of the line, while other less urgent projects—such as resort hotels, race tracks, bowling alleys, and the like—are permitted to go forward unimpeded. Surely, they say, there must be some machinery we can devise, which will approach these problems in a responsible and rational way.

WHY?

Well, that is one of the purposes of the proposed study. We want to find out how the free market system allocates credit under conditions when, because of inflationary pressures, it becomes necessary to restrain the expansion of credit.

It should be possible for Congress, in conjunction with our great lending and investing institutions and within the framework of our free private enterprise system, to work out some means whereby a more socially responsive method of allocating scarce credit can be developed. It is simply a question of bringing our institutional practices up to date and in line with our contemporary needs.

IS HIGHER INTEREST ONLY ALTERNATIVE?

Since 1953, every time the Federal Reserve has sought to contain an inflationary threat, it has raised the rediscount rate. Never once has it raised reserve requirements. Yet, on three occasions, it has reduced reserve requirements. The net effect has been to greatly increase earning assets of the commercial banks at no cost whatsoever to those banks; and, in addition, to greatly increase the average interest rate on those earning assets. We are all, of course, interested in a prosperous and financially sound banking system and we want to see them profit so they can continue to perform their essential services, but we are also concerned with the soundness of our economy.

One of the questions that will be studied in the proposed inquiry is the relative merits and effectiveness of credit restraining techniques presently at the disposal of the Federal Reserve System and if it is possible to use techniques other than the discount rate to effect stabilization.

ARE LOCAL CREDIT NEEDS SUPPLIED?

An important question that needs study is the extent to which our regional reserve banks actually are fulfilling the need that was originally contemplated by the late Carter Glass when he helped draw up the original Federal Reserve Act.

As you know, he was concerned with establishing not a central bank but a system of regional banks that would ensure an adequate flow of credit and currency to meet the commercial, industrial, and agricultural requirements of all sections of the country. This system was supposed to eliminate the chronic deficits and the sharp differentials in interest rates experienced by sections of the country removed from the great financial centers. To some extent, it appeared that these problems were in fact removed after the establishment of the System. But with the reduction in power of the regional banks and the emergence of the strong central bank after 1935, we find that chronic deficits and sharp differentials in rates have reappeared in some regions, whereas credit is plentiful in others. The proposed study would look into the extent of these variations, their causes, and how they can be overcome.

When the original Federal Reserve Act was enacted and even later when the Banking Act amendments of 1933 and 1935 were passed, a great many institutions that today play a very important role in our financial structure either were very small or did not exist at all. These new or greatly expanded sources of funds that have grown up in our system in the past 20 or 40 years are, to a large extent, out of reach of the restraint exercised by the central monetary authority. While they are subject to various laws and regulations, these laws and regulations vary in their application to a considerable degree. The proposed study will look at all the institutions that compete for savings and extend credit to determine whether our laws and regulations governing these institutions need revision in the light of present day realities.

ENTIRE FINANCIAL STRUCTURE TO BE STUDIED

More important than that, we want to survey the entire financial structure of our country to see whether it is adequate to meet the demands that are daily being placed upon it. We want to find out what the particular roles and functions of the different financial institutions are. Are there conflicts and overlaps that need to be resolved? What about the problems of concentration of banking resources? And a corrolary question: Are our financial institutions large enough to do the financing jobs that they may be called upon to perform?

I could go on and list many more examples of the types of problems that need study and will be studied if this proposed inquiry goes forward. I am sure, however, that the Members are by now just as aware of the scope and urgency of these monetary and financial institution problems as I am.

ANSWERS TO SOME OBJECTIONS

Let me just conclude by posing some of the objections that have been raised to this resolution and the answering of them:

First. It has been seriously assented that a single Congressional committee or subcommittee could not possibly attract the experts needed to help do the kind of study that needs to be done and one that would command confidence and respect from the public.

I believe that I have answered this objection. I have telegrams from some 35 top economists and experts in the country assuring me that nonpartisan expert assistance would be available if the Congressional study goes forward.

Second. It has been also alleged that Members of Congress should not attempt to undertake the preliminary study, since they have to take public positions on the issues and are consequently already identified with a particular point of view. My answer is that it would be impossible to get a Commission of outside experts without a point of law. The merit of having Members of Congress do this study is that their points of view are a matter of public record while too often the outside expert's is not.

Third. It has been seriously charged that if such a study goes forward, composed of members who have in the past been critical of certain bankers and banking policies, that this would undermine confidence and pose a serious threat to the economy of the country which is now so delicately balanced.

My answer is that any study that goes forward I am sure will be conducted on the same high objective plane as have past studies of monetary policy. Sure important policy questions will be probed and it is definitely conceivable that criticism of certain policies may be voiced and recommendations may be forthcoming calling for changes in certain policies, but these will have to be supported by facts and not bias or prejudices.

I can only say that those who fear the economy may collapse because a study of monetary policy and financial institutions is to be undertaken by a committee of Congress must either have poor faith in the strength of the economy or a low regard for the patriotism of Members of Congress. And may I ask, why would it be safer to entrust such a study to outsiders, comprised mainly of interested private parties, as the President has proposed? Would they command greater confidence from the banking community? Would they exhibit a greater concern for the general welfare than the Members of Congress?

Fourth. It has been stated that Congress is too busy and is not well equipped to do such a complicated and complex study; that we should let the experts do the job for us.

My answer is that the members of the Banking and Currency Committee are not so overburdened that they cannot find the time to devote to this urgent problem that intimately affects the lives and welfare of every single American citizen.

And I reject completely and unequivocally the view that the highest and best judgment in this or any other field is the experts' judgment. On an issue that affects the economy of the Nation and the pocketbook of every citizen, I say that the highest and best judgment is not the expert judgment but the Congressional judgment. I say this because ours is a general judgment. It is representative and similar to the public judgment. And moreover we Members of Congress have to go before the bar of that public judgment every 2 years and hold ourselves accountable for the decisions we make, whereas the private experts do not. That is the essence of our democratic, representative government. And if we abdicate our responsibility and say that these complex problems are to be left to the experts, we are saying we are unfit to do the job the people elected us and entrusted us to do. We are saying that our form of government does not work.

The United States Constitution places the responsibility for controlling money and credit on Congress.

It is respectfully suggested that the executive branch of the Government has an interest in enforcing the laws passed by Congress, not in trying to influence their passage through the reports of committees selected by the Executive. The Congress has its own committees composed of elected representatives of the people and who have something to lose if they fail to act in the public interest.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BARTLETT, for 30 minutes, on March 28, 1957.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOLLAND.

Mr. BURNS of Hawaii and to include extraneous matter.

Mr. FOGARTY, his remarks today in Committee of the Whole and to include extraneous matter.

Mrs. DWYER and to include extraneous matter.

Mr. FEIGHAN.

Mr. SCHWENGEL and to include an editorial.

Mr. SEELY-BROWN and to include extraneous matter.

Mr. DIXON and to include extraneous matter.

Mr. DINGELL and include extraneous material.

Mr. LAIRD, the remarks he made in Committee of the Whole and include several letters, editorials, tables, and charts.

Mr. BYRD (at the request of Mr. McCORMACK) and include extraneous matter.

Mr. ABBITT and include extraneous matter.

Mr. SHELLEY (at the request of Mr. McCORMACK) and include extraneous matter.

Mr. FLOOD (at the request of Mr. McCORMACK) in two instances and include extraneous matter.

Mr. WOLVERTON, to extend his remarks made in the Committee of the Whole today and include extraneous matter.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 51. An act for the relief of Mary Barme and her two minor children, Steran Barme and Dinah Barme; to the Committee on the Judiciary.

S. 58. An act for the relief of Duk Chang Cho; to the Committee on the Judiciary.

S. 93. An act for the relief of Dominic Paul Steinhauser (Hiroshi Tsuruda); to the Committee on the Judiciary.

S. 123. An act for the relief of Dr. James R. P. Wong; to the Committee on the Judiciary.

S. 127. An act for the relief of Anna Maria Cosentino and Francesca Maria Cosentino; to the Committee on the Judiciary.

S. 332. An act to amend the act of June 4, 1920, as amended, providing for allotments of lands of the Crow Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 424. An act for the relief of Herbert James Bramley; to the Committee on the Judiciary.

S. 530. An act for the relief of Shun Wen Lung (also known as Van Long and Van S. Lung); to the Committee on the Judiciary.

S. 689. An act for the relief of Han Hong Wang and An-Yin Chen Wang; to the Committee on the Judiciary.

S. 690. An act for the relief of Dr. Ching-Lin Hsia and wife, Wai Tsung Hsia; to the Committee on the Judiciary.

S. 696. An act for the relief of Alecos Markos Karavasilis and his wife, Stellani Karavasilis; to the Committee on the Judiciary.

S. 701. An act for the relief of Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jessie Engedal Hansen; to the Committee on the Judiciary.

S. 718. An act for the relief of Erwin Wiedenhofer; to the Committee on the Judiciary.

S. 731. An act for the relief of Mr. and Mrs. Delio A. Loo Murgas; to the Committee on the Judiciary.

S. 786. An act for the relief of Richard Rhen-Yang Lin and his wife, Julia Lam Lin; to the Committee on the Judiciary.

S. 805. An act for the relief of Manuel Sousa Novo; to the Committee on the Judiciary.

S. 859. An act for the relief of Fethi Hepcakici; to the Committee on the Judiciary.

S. 1096. An act for the relief of Stephen Kuang-Tao Hsu; to the Committee on the Judiciary.

S. 1167. An act for the relief of John Nicholas Christodoulias; to the Committee on the Judiciary.

S. 1179. An act for the relief of Harold George Jackson; to the Committee on the Judiciary.

S. J. Res. 72. Joint resolution to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945; on the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 27, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

658. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Savings and Loan Insurance Corporation for the fiscal year ended June 30, 1956 (H. Doc. No. 138); to the Committee on Government Operations and ordered to be printed.

659. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to amend an act extending the authorized taking area for public building construction under the Public Buildings Act of 1926, as amended, to exclude therefrom the area within E and F Streets and 19th Street and Virginia Avenue NW., in the District of Columbia"; to the Committee on Public Works.

660. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the cases of Fernando Yao Da Silva, A-7383217, and Soo Chen Chou Da Silva, A-7377758, involving suspension of deportation under the provisions of section 244 (a) (1) of the Immigration and Nationality Act of 1952, and requesting that they be returned to this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLE: Joint Committee on Atomic Energy. H. R. 5866. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 228). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 3486. A bill to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia; without amendment (Rept. No. 229). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 2018. A bill to permit any State of the United States or any political subdivision of any such State to purchase from the District of Columbia Reformatory at Lorton, Va., gun mountings and carriages for guns for use at historic sites and for museum display purposes; without amendment (Rept. No. 230). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 5893. A bill to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driver training purposes from the payment of certain fees and taxes during the period of such loan, and for other purposes; without amendment (Rept. No. 231). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 6306. A bill to amend the act entitled "An act authorizing and directing the Commissioners of the District of Columbia to construct 2 4-lane bridges to replace the existing 14th Street or highway bridge across the Potomac River, and for other purposes"; without amendment (Rept. No. 236). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. House Joint Resolution 126. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Sixth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes; with amendment (Rept. No. 237). Referred to the Committee of the Whole House on the State of the Union.

Mr. EBERHARTER: Committee on Ways and Means. H. R. 3035. A bill to provide a temporary extension of certain special provisions relating to State plans for aid to the blind; with amendment (Rept. No. 238). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCARTHY: Committee on Ways and Means. H. R. 4686. A bill to continue until the close of June 30, 1958, the suspension of duties and import taxes on metal scrap, and for other purposes; without amendment (Rept. No. 239). Referred to the Committee of the Whole House on the State of the Union.

Mr. MASON: Committee on Ways and Means. H. R. 4803. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Chicagoland Commerce and Industry Exposition, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; with amendment (Rept. No. 240). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 3753. A bill to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen; with amendment (Rept. No. 272). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 3820. A bill to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes; without amendment (Rept. No. 273). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 4370. A bill to amend section 645 of title 14, United States Code, relative to the settlement of claims incident to activities of the Coast Guard, and for other purposes; without amendment (Rept. No. 274). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 11. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 222). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 12. Concurrent resolution withdrawing suspension of deportation of Carlis Stender; without amendment (Rept. No. 223). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 17. Concurrent resolution favoring the suspension of deportation in the case of certain aliens; without amendment (Rept. No. 224). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 18. Concurrent resolution withdrawing suspension of deportation of Ashun Yung; without amendment (Rept. No. 235). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. House Joint Resolution 272. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 226). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. House Joint Resolution 273. Joint resolution to waive the provisions of section 212 (a) (9) and (12) of the Immigration and Nationality Act, in behalf of certain aliens; without amendment (Rept. No. 227). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1451. A bill for the relief of Cecelia Vaccaro; with amendment (Rept. No. 232). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 1765. A bill for the relief of Ellen G. Marinas; without amendment (Rept. No. 233). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1454. A bill for the relief of Jeffrey Charles Medworth; without amendment (Rept. No. 234) Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 1837. A bill for the relief of Elda Mondillo; with amendment (Rept. No. 235). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1348. A bill for the relief of Frank E. Gallagher, Jr.; without amendment (Rept. No. 241). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1472. A bill for the relief of Anna L. De Angelis; with amendment (Rept. No. 242). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1502. A bill for the relief of Homer Caramias; without amendment (Rept. No. 243). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1535. A bill for the relief of Georg Gahn and Margarete Gahn; without amendment (Rept. No. 244). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1700. A bill for the relief of Western Instruments Associates; without amendment (Rept. No. 245). Referred to the Committee of the Whole House.

Mr. CRAMER: Committee on the Judiciary. H. R. 1752. A bill for the relief of Frank J. and Mae T. W. Burger; without amendment (Rept. No. 246). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2045. A bill for the relief of Robert D. Miller, of Juneau, Alaska; without amendment (Rept. No. 247). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2674. A bill for the relief of Morris B. Wallach; without amendment (Rept. No. 248). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2720. A bill for the relief of Alexei Frank; without amendment (Rept. No. 249). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2973. A bill for the relief of the estate of William V. Stepp, Jr.; without amendment (Rept. No. 250). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3126. A bill for the relief of Bunge Corp.; with amendment (Rept. No. 251). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3276. A bill for the relief of Edwin K. Fernandes; with amendment (Rept. No. 252). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3556. A bill for the relief of Ernest Hagler; without amendment (Rept. No. 253). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3559. A bill for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck; without amendment (Rept. No. 254). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3921. A bill for the relief of Helmuth S. Heyl; without amendment (Rept. No. 255). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4023. A bill for the relief of Oswald N. Smith; with amendment (Rept. No. 256). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4970. A bill for the relief of Joy Kulis and Janet Arline Kulis; without amendment (Rept. No. 257). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 5061. A bill for the relief of Harry V. Shoop, Frederick J. Richardson, Joseph D. Rosenlieb, Joseph E. P. McCann, and Junior K. Schoolcraft; without amendment (Rept. No. 258). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 5061. A bill for the relief of Capt. Thomas C. Curtis and Capt. George L. Lane; without amendment (Rept. No. 259). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5062. A bill for the relief of Joe Kawakami; without amendment (Rept. No. 260). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5063. A bill for the relief of Robert Burns DeWitt; without amendment (Rept. No. 261). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5168. A bill for the relief of William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham; without amendment (Rept. No. 262). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 5220. A bill for the relief of the estate of Higa Kensai; without amendment (Rept. No. 263). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 5355. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corporation of Union, N. J.; without amendment (Rept. No. 264). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 5441. A bill for the relief of Scott Berry; with amendment (Rept. No. 265). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5707. A bill for the relief of the A. G. Israel Commodity Co., Inc.; without amendment (Rept. No. 266). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5714. A bill for the relief of William Frederick Werner; without amendment (Rept. No. 267). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5718. A bill for the relief of Juanita Gibson Lewis; without amendment (Rept.

No. 268). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5855. A bill for the relief of Manuel Mello; without amendment (Rept. No. 269). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6172. A bill for the relief of Thomas F. Milton; without amendment (Rept. No. 270). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6175. A bill for the relief of Virginia Hell; without amendment (Rept. No. 271). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H. R. 6359. A bill to amend title III of the Servicemen's Readjustment Act of 1944 to authorize the Administrator of Veterans' Affairs to prescribe a rate of interest on guaranteed, insured, and direct loans of not more than 5 percent per annum; to the Committee on Veterans' Affairs.

By Mr. AYRES:

H. R. 6360. A bill to amend title III of the Servicemen's Readjustment Act of 1944 to authorize the Administrator of Veterans' Affairs to prescribe a rate of interest on guaranteed, insured, and direct loans of not more than 5 percent per annum; to the Committee on Veterans' Affairs.

By Mr. BOYLE:

H. R. 6361. A bill to amend section 17 of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 6362. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. DEVEREUX:

H. R. 6363. A bill to amend the act of May 24, 1928, providing for a bridge across Bear Creek at or near Lovel Point, Baltimore County, Md., to provide for the construction of another bridge, and for other purposes; to the Committee on Public Works.

By Mr. ENGLE:

H. R. 6364. A bill to provide for the distribution of the land and assets of certain Indian rancherias and reservations in California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUBSER:

H. R. 6365. A bill to provide for the award of certain medals, crosses, and other similar awards, in cases where the statement or report recommending the award was not completely processed because of loss or inadvertence; to the Committee on Armed Services.

By Mr. HOLMES:

H. R. 6366. A bill to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOSMER:

H. R. 6367. A bill to provide recognition as veterans of the Indian wars for persons who took part in the capture of the Ute Indians in 1906, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LONG:

H. R. 6368. A bill to amend the public assistance provisions of the Social Security Act to provide that the ownership by an individual of real property shall not be taken into account in determining such individual's need for assistance; to the Committee on Ways and Means.

By Mr. PILLION:

H. R. 6369. A bill to increase from $600 to $700 the income tax exemptions allowed for a taxpayer, his spouse, and his dependents, and the additional exemptions allowed for old age and blindness; to the Committee on Ways and Means.

By Mr. PORTER:

H. R. 6370. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended, to include cranberries for canning or freezing; to the Committee on Agriculture.

H. R. 6371. A bill to increase the equipment maintenance allowance for rural carriers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RIVERS:

H. R. 6372. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 6373. A bill to authorize the Secretary of the Navy to take possession of the naval oil shale reserves and to experiment in the extraction of synthetic liquid fuels from oil shale in the interest of national security; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H. R. 6374. A bill to provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes; to the Committee on Education and Labor.

By Mr. CUNNINGHAM of Nebraska:

H. R. 6375. A bill to increase the rates of basic salary of postal field service employees; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 6376. A bill to amend titles I, IV, X, and XIV of the Social Security Act so as to further assist the States in extending aid for medical care to persons eligible for public assistance under such titles; to the Committee on Ways and Means.

By Mr. McMILLAN:

H. R. 6377. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act; to the Committee on the District of Columbia.

By Mr. NIMITZ:

H. R. 6378. A bill to provide for the procurement of judge advocates and law specialist officers for the Army, Navy, Air Force, and Coast Guard, and for other purposes; to the Committee on Armed Services.

By Mr. RHODES of Arizona:

H. R. 6379. A bill to provide for a U. S. S. *Arizona* Memorial at Pearl Harbor, T. H.; to the Committee on Armed Services.

By Mr. SHELLEY:

H. R. 6380. A bill to amend the Railroad Retirement Act of 1937 to eliminate existing restrictions upon an individual's right to receive benefits simultaneously under that act and title II of the Social Security Act or to receive more than one annuity under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wyoming:

H. R. 6381. A bill granting the consent and approval of Congress to a Bear River compact, and for related purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARDY:

H. R. 6382. A bill to subject naval ship construction to the act of June 30, 1936 (49 Stat. 2036), as amended; to the Committee on Armed Services.

H. R. 6383. A bill to relieve certain officers and employees of liability for repayment of certain salary overpayments under certain salary conversion provisions of the Federal Employees Salary Increase Act of 1955; to the Committee on the Judiciary.

By Mr. HARRIS:

H. R. 6384. A bill to amend part I of the Interstate Commerce Act requiring filing of rules and regulations on operations of track motorcars and other self-propelled equipment; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 6385. A bill to amend part I of the Interstate Commerce Act requiring filing of rules and regulations on operations of track motorcars and other self-propelled equipment; to the Committee on Interstate and Foreign Commerce.

By Mr. NICHOLSON:

H. R. 6386. A bill to authorize additional improvements to the navigation project at Nantucket Harbor, Mass.; to the Committee on Public Works.

By Mr. SIMPSON of Illinois:

H. R. 6387. A bill to provide for the issuance of a special postage stamp to commemorate the 100th anniversary of the Lincoln-Douglas debates; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H. R. 6388. A bill to provide that the owner of surface rights to real property the subsurface oil and gas deposits of which are owned by the United States shall have priority to lease such subsurface deposits; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS:

H. J. Res. 286. Joint resolution to establish a commission to commemorate the 100th anniversary of the Civil War, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMSON of Wyoming:

H. J. Res. 287. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Heart Mountain division, Shoshone Federal reclamation project, Wyoming; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Joint Resolution No. 15 of the Nevada State Senate memorializing the Secretary of the Department of Defense, the Senators and Representatives from the State of Nevada, the Secretary of the Department of the Navy, and the Chief of the Bureau of Ordnance of the Department of the Navy to accelerate the integration of nonconventional weapons system (missiles, propellants, and nuclear) into the storage and processing facility at the United States Naval Ammunition Depot, Hawthorne, Nev., and that such industrial plant be immediately and substantially expanded to provide suitable storage and processing facilities for the reoccurringly new family of intermediate range ballistics missiles as well as all other missiles under the cognizance of the Department of the Navy; to the Committee on Armed Services.

Also, Joint Resolution No. 12 of the Nevada State Senate memorializing the Secretary of the Department of the Interior and the Director of the Geological Survey to accelerate its activities in the State of Nevada in making surveys and collecting information about mineral and water resources; to the Committee on Interior and Insular Affairs.

Also, Joint Resolution No. 3 of the Nevada State Senate memorializing Nevada's Congressional delegation and the Atomic Energy Commission to endeavor to have established in the Eureka County area of eastern Nevada an experimental power generating reactor plant; to the Joint Committee on Atomic Energy.

Also, Joint Resolution No. 9 of the Nevada State Senate relating to a stamp commemorating the 100th anniversary of the first land survey in Death Valley; to the Committee on Post Office and Civil Service.

Also, Joint Resolution No. 6 of the Nevada State Senate memorializing the United States Bureau of Public Roads to designate a portion of United States Highway 93 as part of the United States highway primary system; to the Committee on Public Works.

Also, Joint Resolution No. 14 of the Nevada State Senate memorializing the Congress of the United States to resume its responsibility of regulating foreign commerce, and to allow the 1934 Trade Agreements Act to expire in June 1958; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to enact legislation providing for salary adjustment for postal employees; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to resolve their differences without delay in connection with the corn program to be offered to farmers for 1957 inasmuch as planting season is now at hand and the farmer must know immediately in order to plan his operations accordingly, etc.; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to provide for a stamp commemorating the 100th anniversary of the first land survey in Death Valley; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to investigate the effects of chemically and physically induced precipitation; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to require that the Secretary of the Interior revoke his withdrawal of February 8, 1957, relating to approximately 73,600 acres of land in San Juan County, Utah; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to enact legislation to create out of the present United States Court of Appeals for the Ninth Circuit a new court to be the United States Court of Appeals for the 11th Circuit, its jurisdiction to embrace the States of Oregon, Washington, Idaho, and Montana and the Territory of Alaska; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to requesting passage of H. R. 356 without delay; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States respectfully urging repeal of section 14 (b) of the Labor Management Relations Act, 1947 (29 U. S. C. sec. 164 (b)), permitting the adoption of such discriminatory legislation; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H. R. 6389. A bill for the relief of Eskil K. Hassel; to the Committee on the Judiciary.

H. R. 6390. A bill for the relief of Bernard J. Hoffman, doing business under the trade name Pyro Guard Service Co.; to the Committee on the Judiciary.

H. R. 6391. A bill for the relief of Laszlo Weiss; to the Committee on the Judiciary.

H. R. 6392. A bill for the relief of Hermenio U. Dacones and Juana Edralin Dacones; to the Committee on the Judiciary.

By Mr. BURDICK:

H. R. 6393. A bill for the relief of Basil P. Zirinis; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania (by request):

H. R. 6394. A bill for the relief of Mrs. Hedwig Siemmer; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 6395. A bill for the relief of James H. Wheatley; to the Committee on the Judiciary.

By Mr. CURTIN:

H. R. 6396. A bill for the relief of Elvira Molino; to the Committee on the Judiciary.

H. R. 6397. A bill for the relief of Yuam Il Sun; to the Committee on the Judiciary.

By Mr. HOSMER:

H. R. 6398. A bill for the relief of Nemesio L. Ocampo; to the Committee on the Judiciary.

By Mrs. KEE:

H. R. 6399. A bill for the relief of Mitsuko Harris; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6400. A bill for the relief of Maj. Francis N. Sgourdgeos; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 6401. A bill for the relief of Robert Lin-Yuan Lin (also known as Lin-yuan Lin); to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 6402. A bill for the relief of Francisco Valle de Leon (also known as Jose Barrios-Pinedo); to the Committee on the Judiciary.

H. R. 6403. A bill for the relief of Joanne Grace Buckwalter; to the Committee on the Judiciary.

By Mr. TEWES:

H. R. 6404. A bill for the relief of Magdalena Lehmann; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 6405. A bill for the relief of Arnie W. Lohman; to the Committee on the Judiciary.

H. R. 6406. A bill for the relief of Maria Kanaski Johnson; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 288. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. J. Res. 289. Joint resolution to facilitate the admission into the United States of certain alien children; to the Committee on the Judiciary.

H. J. Res. 290. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

162. By Mr. BEAMER: Petition of the Fifth District Bar Association adopted by members of the legal profession of the 5th Congressional District of Indiana on March 20, 1957, at Kokomo, Ind., endorsing H. R. 9 and H. R. 10; to the Committee on Ways and Means.

163. By Mr. BROWNSON: Petition of M. F. Sexson of Indianapolis, Ind., concerning his desire to see a commemorative coin struck in honor of our national motto, "In God We Trust"; to the Committee on Banking and Currency.

164. Also, petition of Mrs. Clara Koenig and five others expressing their opposition to the Federal aid to schools bill; to the Committee on Education and Labor.

165. Also, petition of L. C. Koenig and six others expressing their opposition to the Federal aid to schools bill; to the Committee on Education and Labor.

166. By Mr. BUSH: Petition of citizens of Williamsport, Pa., and vicinity urging the passage of legislation making it legally mandatory for all operators of slaughtering houses to use the most modern, humane methods available in the slaughter of meat animals; to the Committee on Agriculture.

167. By Mr. HORAN: Petition of 41 citizens of Spokane, Wash., and vicinity, urging the Congress to pass legislation prohibiting alcoholic beverage advertising on television broadcasts; to the Committee on Interstate and Foreign Commerce.

168. By the SPEAKER: Petition of the secretary, Silver State Republican Women's Club, Reno, Nev., petitioning consideration of their resolution with reference to commending Hon. CLARE E. HOFFMAN, of Michigan for the introduction of House Joint Resolution 232; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Elizabeth Haili Among

EXTENSION OF REMARKS

OF

HON. JOHN A. BURNS

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. BURNS of Hawaii. Mr. Speaker, on Monday of last week Elizabeth Haili Among, a valued constitutent and a long time personal friend for whom I have always had the highest respect and admiration, died of cancer in Honolulu.

Mrs. Among had long known she was going to die, and it was entirely characteristic of her self-forgetfulness and of her absorption in the welfare of others, that only a few of her closest friends knew of this. Her death is a great loss to the community, her friends and family, and to me personally.

I include herewith a copy of a wire I sent to her family last Thursday:

Elizabeth Haili Among more than deserves to be honored among the outstanding and distinguished citizens of Hawaii. Her completely unselfish devotion to the good of the community, marked by deeds and great personal effort as well as by words; her constant effort to improve the lot and opportunity of the so-called forgotten and common man; her untiring and ceaseless endeavor to build a society wherein the God-given dignity of man would have meaning and would have reality for every human being demonstrated her complete and unswerving belief in the principles and ideals of the United States of America.

Her life is an outstanding instance of that generosity and that greatness of soul which is so characteristic of the native Hawaiian,

and which it is his glory, more than anyone else's, to have contributed to our unique Hawaiian democracy.

Halii understood and sympathized deeply with human weakness and with human faults. They made her only all the more ready to help others in their struggle to begin anew. No one who needed her help was ever refused, no matter who he was. She never condemned anyone or spoke in hatred of anyone. She spoke well even of those whose ideas or whose programs she strongly opposed. Halii did much for the "least among us." Unassuming, seeking neither credit nor glory, she gave of herself freely to her fellowman, and by her tact, her understanding and her intelligence gave him much more than she will ever be credited with.

She lived among us, and she gave us strength. In memory she lives among us still, and as long as we remember and love her—and we will always—she will continue to give us strength.

I extend my deepest and heartfelt sympathy and understanding to her family. We, who live, must and will go on inspired by her example. May God have mercy upon her soul.

Penn-Texas Corp. Versus Fairbanks, Morse & Co.

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1957

Mr. FLOOD. Mr. Speaker, a titanic struggle of interest to everyone in the business world will probably culminate this week in Chicago. I refer to the fight between the leading industrial corporations, the Penn-Texas Corp., and Fairbanks, Morse & Co.

From reading some of the accounts of this matter in the newspapers, and indeed in the CONGRESSIONAL RECORD, one would assume that it is a reprehensible thing for one company to attempt to take over another. I deplore the unfair- and uncalled-for attacks which have been made on Leopold D. Silberstein, head of the Penn-Texas Corp.

I would like to aline myself with my colleagues from Pennsylvania, the Honorable FRANCIS E. WALTER and the Honorable HERMAN P. EBERHARTER, who, like myself, are aware that Mr. Silberstein came into our State and took over a failing company and within 1 year was able to report substantial profits.

Thus began, in the State of Pennsylvania, what may be termed his meteoric rise. With that as a base, he followed the American traditional pattern and has expanded his activities. Inevitably, such a rapid rise draws attention, creates comment and also opposition. With that opposition I am not concerned. I am concerned only with trying to keep the record straight to the effect that every American is entitled to the benefits of his ingenuity and ability and that a man's activities so long as they are honorable, as they are in this case, should not be smeared and particularly when the sole purpose is to gain a financial advantage.

Mr. Silberstein and his Penn-Texas Corp. is rapidly nearing the end of the corporate struggle with the Fairbanks, Morse & Co. for ownership and management of the latter. I have no interest in the outcome of this fight, provided the efforts of both sides are in conformity with the rules and regulations of the Securities and Exchange Commission, but I do have an interest in clean and aboveboard fighting, whether in corporate struggles or in other human endeavors.

Therefore, Mr. Speaker, I, like my colleagues from Pennsylvania, am concerned because the evidence in this case indicates that methods are being used which are not in keeping with American standards of fair play. The Penn-Texas workers are engaged at this moment in making millions of dollars worth of vitally needed national defense products so secret that, I am told, the Secretary of Defense could not get inside the plants without a special pass. In several other States, particularly Michigan and Connecticut, I am informed, the Penn-Texas people are busily engaged in major national defense projects.

Now that this matter is before the court, I am sure that neither I nor any other Member of the House would make any statement that in any way could effect the outcome of this highly publicized proxy contest. I am equally sure that all of us in both Houses do have an interest in seeing to it that outside the courtroom this contest is carried on according to the rules and regulations of the Securities and Exchange Commission which has jurisdiction over such contests.

Mr. Speaker, it seems to me that this matter has reached a point where it should be focused in proper perspective. As fas as I can gather from the press and the statements made in the CONGRESSIONAL RECORD, the principal charges against Mr. Leopold Silberstein are these:

First. He, an immigrant from Germany and a recently naturalized citizen of the United States, has built up a small company into a large one, namely, Penn-Texas Corp., and through Penn-Texas is trying to acquire control of Fairbanks, Morse & Co. by buying its shares on the open market.

Mr. Speaker, since when has it been illegal—when no monopoly or restraint of trade is involved—for one company to acquire control of another?

Second. Mr. Silberstein and the Penn-Texas Corp. are condemned because they have bought Fairbanks Morse shares on credit. Mr. President, since when has it been illegal to purchase securities in the open market on credit? Our economy is largely built on credit. If no law or regulation has been violated why should there be any criticism of stock purchase made on credit?

Third. Mr. Silberstein and the Penn-Texas Corp. are accused of some nebulous wrongdoing because they have purchased shares of Fairbanks stock in the United States from certain Swiss banks and that the Swiss banks under the laws of Switzerland are not permitted to reveal the beneficial ownership of the shares which they have sold.

Mr. Speaker, the laws of Switzerland are entitled to full faith and credit. Is Congress prepared to legislate against American stock ownership by the banks of Switzerland unless Switzerland—a nation with whom we maintain cordial relations—is prepared to repeal her bank secrecy laws which have formed a part of that nation's policy for over a century? Is Mr. Silberstein or Penn-Texas Corp. to be held accountable for the laws of the sovereign state of Switzerland?

Mr. Silberstein and the Penn-Texas Corp. have been accused of violating the rules and regulations of the Securities and Exchange Commission.

Mr. Speaker, if there has been any such violation, the Securities and Exchange Commission has the power to seek an injunction against Mr. Silberstein and the Penn-Texas Corp. or to prevent their solicitation of proxies in the Fairbanks-Morse contest. It has done neither.

Mr. Speaker, does any Member of either House of Congress suggest that this excellent agency of our Government has failed to perform its duty as required by law. No such insinuation has been called to my attention and I know of none.

Mr. Silberstein is a good and decent citizen. We should give him the benefit of the American tradition of fair play.

I have every confidence that Mr. Silberstein can meet all such unwarranted attacks, but I think it most incumbent upon the Congress to fully investigate the circumstances surrounding the present struggle and thus provide that in the future responsible persons can carry on their business activities under ground rules of fair play which will preclude a repetition of what is going on in the case of Mr. Silberstein.

H. R. 6575: A Bill To Repeal the Colorado River Storage Project

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1957

Mr. DIXON. Mr. Speaker, a bill to repeal the Colorado River storage project, H. R. 6575, has been introduced into the House of Representatives. The author of the bill quoted Raymond Moley as saying that increased costs "obviously would now knock the roof off any past estimate."

This argument was utterly demolished by the opening of bids on construction of the giant Glen Canyon Dam. The lowest bid was not $25 million to $50 million higher than the Bureau of Reclamation estimate, as was predicted by those opposing the project. The winning bid of Merritt, Chapman & Scott was an astonishing $107,955,000, compared with the Bureau of Reclamation estimate of $135 million. This saving of more than $27 million is 25 percent of the cost of the dam.

In conclusion, I stress that construction of the Colorado storage project is proving itself more economic than ever, and I urge Congress to give full support for its rapid completion by appropriating at least the amount recommended in the President's budget.

Better Water and More of It

EXTENSION OF REMARKS
OF
HON. FRANCIS CASE
OF SOUTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, March 26, 1957

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Better Water and More of It," which appeared in the South Dakota Stockgrower magazine for March, publication of the South Dakota Stock Growers Association.

This article, which I prepared, points out some of the problems facing the Nation and the individual in regard to water. Desalinization of water becomes more important as our use of water is stepped up and as use outstrips the discovery of new sources. The increase of the quality of water will go a long way in solving the problems of quantity.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BETTER WATER AND MORE OF IT
(By United States Senator FRANCIS CASE)

Your Uncle Sam is concerned with the growing shortage of water.

President Eisenhower said to me a couple years ago that he regarded water as our most critical natural resource.

A table presented to our Senate Committee on Public Works gives these figures showing the increased water requirements of the United States:

Billions of gallons per day in United States

Type of use	1900	1955
Rural and farm	2.0	5.4
Municipal	3.0	17.0
Steam power	5.0	42.0
Private industrial	10.0	55.0
Irrigation	25.0	105.0
Total	45.0	229.4

And the projected use based on the trends of our industry and civilization indicates a total 1975 requirement of 577 billion gallons of water per day.

But we can bring the problem a lot closer to South Dakota than these statistics.

Is there a stock grower who has not at some time had a water problem?

Uncle Sam has some costly lessons on water—and so have individual farmers and ranchers.

A few years ago one rancher showed me a well on which he had spent $400 that had plenty of water but it was so strong his cattle would not touch it.

And I have seen horses at various times with crippled feet said to be due to alkali water.

Last week hearings before the Senate Committee on Public Works brought out that the Government had spent $7,500,000 on the Shadehill Dam and Reservoir on Grand River but that up to date, the experts are not ready to say the stored water can be safely used for irrigation.

Also that the Government had spent several hundred thousand dollars getting ready to build a dam on the Moreau River near Bixby but suspended operations when it was discovered that the water was likely to make certain soils too tight for plant growth and limit the crops that could be grown on other soils.

So, it occurs to me to report a bit about what the Government is doing on this two-headed problem: the quantity and quality of stock water.

Quantity of water has always been the first question, of course.

From 1910–11 and from 1931–37, I have some vivid memories of wells going dry, shallow dams drying out, creeks turning into muddy pools few and far between.

And, within the past 3 years, a lot of springs that had been good for 50 years have turned into a clump of dry hoof tracks.

Along about 1937–38, the Government started measurably to help build stock-water dams.

That was my first term in the House of Representatives and, coming from "the short-grass country," I tried to do what I could to develop a useful program.

Dams that were deep did not dry out when August came. In the 20 years that it has been my privilege to boost this dam-building program, over 90,000 stockwater dams have been built in South Dakota. They will average about 1 acre each in surface area—together, 90,000 acres of water surface.

But, just as the deep-draw dams that called for heavy equipment to pack and roll the dirt replaced the disappointing dams that we once built with horse-drawn scrapers and fresnos, so now we are turning in many places to "scoop-outs" that are deeper in ratio to surface area and offer the least possible chance for evaporation.

But whether dam or scoop-out, most of these projects would be beyond the capability of the average farmer's equipment. So, through the ASC program which pays so much per cubic yard, or through the use of jointly owned equipment in a Soil Conservation District and its technical assistance, water facilities are being provided that individual farmers could not provide.

These programs should continue.

There is another problem. It was probably best expressed most graphically in that couplet of the shipwrecked sailor who found—

"Water, water everywhere,
But not a drop to drink."

Government attention is now also going to the quality of water as one way to increase the quantity.

That's the why of the desalination research program started by a bill which I sponsored in the Senate a few years ago and extended last year.

This program seeks to find, answers, if such exist, to the problem of the rancher who spent the $400 drilling and hit a strong vein of water, plenty of it, but too strong for his stock to touch.

It is to find the answer, if it exists, for the farmer and the Government who prepare to irrigate but discover that some water sours certain soils or makes them so tight in a few years that the water will not percolate through it—or possibly produces forage that seems to founder livestock occasionally if selenium is present. The Agriculture Yearbook for 1948 on grass says:

"Alkali disease, the chronic type of selenium poisoning, is characterized by dullness and lack of vitality, depraved appetite, rough coat in horses and cattle, loss of hair from the mane and tail of horses and from the switch of cattle, soreness and sloughing of the hoofs, and stiffness of the joints."

So—the program of research for the desalting of water has a real meaning for both the grower of livestock and the Government when money is spent on increasing the quantity of water. The quality must be worth the effort, too.

Interior Secretary Fred Seaton has just sent me a report on the progress in desalination research for the past year.

The so-called membrane electrodialysis process, it is now believed, can take the salt out of water for about 50 cents per thousand gallons.

The rotary distillation process promises to run about the same in moderately sized quantities—but may be cheaper.

This distillation process, right now, however, must find a way to overcome the deposits of scale. It's like getting rid of the scale in mother's old teakettle. The membrane process has one advantage of turning out a sludge that carries away the salts.

Solar and freezing processes are receiving increasing attention. They would use cheap natural sources of energy, of course—the sun and the cold.

In solar processes, the trick is to catch the moisture that evaporates in the process which takes place when a pond dries at the edges and leaves that white alkali ring.

At the present, all of these processes are in the research state, but some of them offer considerable promise.

The time may come, however, when, as a result of this Government research, that the ordinary stockgrower may be able to run his water through some sort of a wringer and take out the salts, improve the taste and have the water so soft that his wife will not need extra soap powders or detergents.

Support of Secretary of Labor Mitchell

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1957

Mrs. DWYER. Mr. Speaker, while I most certainly agree that economy in Government is an important responsibility facing this Congress—particularly in view of our vast and vital commitments around the world and the need for maintaining a strong national security—I strongly believe that some of the appropriations cuts voted for this week in the Department of Labor budget have been, as President Eisenhower stated, "fatuous and foolish."

I have the greatest respect for our Secretary of Labor, James P. Mitchell. I believe he is one of the greatest Secretaries of Labor our Nation has ever had, and I think it is important to recall that both labor and management, recognizing his outstanding abilities, were overjoyed this year when he agreed to stay in his job rather than accept an important post in industry.

During his years in office, Secretary Mitchell has done much to bring about a sounder relationship between labor and management; he has shown a sincere concern for, and understanding of, the problems of both important segments of our national life. He has administered his department with high efficiency and integrity.

I am proud to claim Secretary Mitchell as a resident of my Sixth Congressional District of New Jersey; I am proud to be able to say here that I have, during these past few days, firmly sustained his recommendations against certain budget cuts.

I did so—even when a coalition of Republicans and Democrats took an opposite stand—because I was convinced these recommendations were sound. I did so because I shared with Secretary Mitchell a conviction that certain of these appropriations cuts would seriously cripple essential services and programs. I did so in the knowledge that the Department of Labor was created to safeguard the welfare of the working men and women of America; that it serves more of our people than any other governmental department.

I regret that more Members of the House did not share these convictions, for I believe we have, in some instances, been guilty of unwise and unjust acts in the name of false economy; that we have effected certain cuts which can only impair and cripple essential services to our people.

A Commendation for Our Connecticut Colleague, Mr. Morano

EXTENSION OF REMARKS

OF

HON. HORACE SEELY-BROWN, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. SEELY-BROWN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the text of a letter recently sent to the President of the United States by several members of a special subcommittee study mission to Guatamala.

The letter includes excerpts from editorial comment in one of several Guatamalan newspapers, all of which are generous in their praise of the work of the American congressional committee, and especially Representative ALBERT P. MORANO, of Connecticut's Fourth District:

COMMITTEE ON FOREIGN AFFAIRS,
March 14, 1957.

The PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Recently a group from the House Foreign Affairs Committee completed a special study mission to Guatamala. In addition to ourselves, the mission included Congressman THOMAS S. GORDON, of Illinois, chairman of the Committee on Foreign Affairs; Congressman A. S. J. CARNAHAN, of Missouri; and Congressman ALBERT P. MORANO, of Connecticut, the third Republican member of the group.

Guatemala is a key country to hemispheric relations and it is essential that good relations with that country be constantly furthered. We are happy to have served with this group in the accomplishment of a successful mission.

In this connection, we wish to call to your attention the very special talent, skill, and personality possessed by our colleague, Congressman ALBERT P. MORANO. During a prior study mission on which we served in June 1955 to Costa Rica, Nicaragua, El Salvador, and Guatemala, Congressman MORANO addressed the legislative bodies of two of those countries, Nicaragua and El Salvador, in fluent Spanish, in the local idiom, and with a warmth that won the hearts of the people in those two countries. During our recent mission to Guatemala Congressman MORANO addressed the legislative body of that country and again received a standing ovation. Typical of the reaction was the following editorial from a Guatemalan newspaper:

"THE AMERICAN CONGRESSMEN"

"This morning five members of the Foreign Affairs Committee of the United States House of Representatives were received in plenary session of the Guatemalan Congress, an event that is referred to in the news story appearing in another part of this edition. The gentlemen are invited guests of President Castillo Armas and it is the second time that they have come to our country. The first time was at the beginning of this regime, only a short time after the events which brought about the political change which proscribed the Communist rule in Guatemala. They observed then how the political and administrative affairs were being conducted by the movement which triumphed in July 1954; now they have returned to find out what has been done to bring about recovery, how programs are being developed, and how the democratic life again has established itself among our people.

"The aforementioned Congressmen—Messrs. MERROW, GORDON, MORANO, CHIPERFIELD, and CARNAHAN—were influential in the decision of the American Congress to grant $15 million in aid for the 1956-57 period. This lends a certain luster to their presence here now which they have so recognized and stated.

"Reinforcing the protocolary greetings of Mr. Carnahan, Mr. MORANO was highly expressive. He was so in every sense, but particularly in affirming the community of spiritual, or better said, ideological interests of the two nations; the United States of America and Guatemala. The speaker strongly stressed the force of this tie, describing it as the integration of a domain whose elements are coexistent and which cannot be loosened without risking loss of the most precious of all possessions—liberty. Mr. MORANO said so in this phrase which must be highlighted before publishing in its entirety the brilliant speech which he delivered this morning before our Congress:

"'The heartbeat of liberty here in Guatemala and the heartbeat of liberty in the United States are the same. If this heartbeat is interrupted in the United States, the same will happen in Guatemala and the same will occur inversely.'

"This conclusion in itself makes the address historical and it should receive attentive consideration by Guatemalans, apart from other merits found in the contents of the text, which follows." (Translation from Spanish, editorial in El Espectador, Guatemala City, Guatemala, February 14, 1957.)

Many United States officials, as well as local residents of the three countries whose legislative bodies Congressman MORANO addressed, have stated that Congressman MORANO has enhanced the prestige and standing of the United States in those countries and has increased the good will toward the United States to a remarkable degree. This has been accomplished not only by his fluent knowledge of Spanish, but by his profound understanding of Latin America, its people and its psychology, and by his ability to tell the story of the United States to the people of Latin America.

We know that you agree with us that good relations between the United States and our Latin American neighbors are vital to the peace and security of the hemisphere and to our own national interests. It is essential that there be made the best use of our resources, skill and manpower to the end that hemispheric relations may be constantly improved. In this effort we feel strongly that Congressman MORANO can render a great service to our Nation and to you in your efforts to improve United States-Latin American relations.

We feel certain that Congressman MORANO would be happy to serve on any special good will mission you may find necessary in our dealings with our Latin American neighbors.

We are happy to call these unusual qualifications of our Republican colleague, who is doing so much to implement your farsighted foreign policy programs, to your personal attention.

Because we believe this matter to be of such vital importance, we are addressing this letter to you for your personal comment, and are sending a copy to the Secretary of State for his information.

A copy of the report of the special study mission to Guatemala is attached herewith.

Respectfully yours,

ROBERT B. CHIPERFIELD,
Ranking Minority Member, Committee on Foreign Affairs.

CHESTER E. MERROW.

The President's Budget

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. FEIGHAN. Mr. Speaker, under leave obtained, I wish to insert in the RECORD an address I delivered over WHK Radio Station, Cleveland, on Saturday, March 23, on the President's budget.

The speech follows:

THE PRESIDENT'S BUDGET

My subject is the President's budget. I know this is a subject of great interest to you because it affects your pocketbooks and every taxpayer of the United States. Congress is very much concerned about the new budget the President recently submitted. Our concern grows out of a number of reasons.

The latest budget submitted to Congress by President Eisenhower is the largest peacetime budget ever presented in the history of the Nation. It called for enactment of over $73 billion in appropriations and authority to obligate over $76 billion.

This latest budget is $3 billion over the budget of the current year. It is between five and six billion dollars more than last year. Think of this, the new budget is between seven and eight billion dollars more than the year before that. The records show that the proposed economy program which President Eisenhower promised the American people has resulted in an increase each year of several billion dollars over the preceding year. Naturally you, the taxpayers, have to pay this increase.

It is important for you to remember that the administration has been asking Congress each year for increased authority to enter into financial obligations. Obviously larger and larger grants of such authority each year mean higher spending in succeeding years. This is a consideration which Congress will give most careful study during the immediate months ahead.

On the same day the President submitted his new budget to the Congress, Secretary of the Treasury Humphrey called a press conference at which he made the following statement: "The cost of living has recently moved up somewhat in spite of monetary measures to restrain it. Governmental expenditures and the number of Government employees are now increasing. This trend should promptly be stopped." Secretary of the Treasury Humphrey is a member of the President's Cabinet and traditionally a man holding such a position is supposed to advise the President on money matters. It appeared that the President and his other advisers forgot to consult with Secretary Humphrey before they prepared their budget and sent it to Congress. However, a day later, President Eisenhower, at a press conference, stated he was in agreement with Secretary of Treasury Humphrey that the rate of spending was dangerously high and should be checked. After the President restated his position on the budget, we in Congress were confronted with the problem of trying to determine whose budget we had before us. Secretary of the Treasury Humphrey stated that he disagreed with it and President Eisenhower later concurred with Humphrey—obviously someone other than the President must have been responsible for preparing, approving, and submitting the budget sent to Congress.

However, both President Eisenhower and Secretary of the Treasury Humphrey, while stating that the budget was too high, failed to tell Congress where the cuts should be made. The President is Chief Executive of the Government, responsible for running the Government and therefore he should know best where cuts can be made.

It is obvious to Congress that a serious divided command exists at the highest levels of our Government. Congress decided to support the President in this issue of a divided command. Accordingly last week the House of Representatives put itself on record as anxious to make substantial reductions in the President's budget for the fiscal year of 1960 and passed a resolution which reads as follows:

"*Resolved*, That the President respectfully be requested to indicate the places and amounts in his budget where he thinks substantial reductions can best be made; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the President."

By this action Congress made it unmistakably clear that it intends to support the President of the United States in a situation of divided command which prevails in the executive branch of the Government.

The appearance of Secretary of Commerce Weeks, another member of President Eisenhower's Cabinet, on a nationwide television network last week would have been very funny were it not for the fact that it emphasized the divided command of President Eisenhower with respect to matters of the budget. Secretary Weeks, while on the television program, emphatically stated that the budget, as submitted by the President, could and should be cut substantially. A few days later this same Secretary Weeks, when appearing before the House Appropriations Committee, could not find one way by which a cut of any kind could be effected in the budget submitted for the Department of Commerce. From this, one could very well conclude that when members of President Eisenhower's program appear on national television programs, they have a sharp eye on the presidential campaign of 1960, but when appearing before the House Appropriations Committee, they express a cold disregard for the taxpayers' pocketbook. It is a tough job for Congress to get at the bottom of the new budget submitted by the President and to know where substantial cuts can be made. We Members of Congress are anxious to maintain public services necessary to the security and welfare of the American people and to cut off all the window trimming, unnecessary services and sinecure jobs allocated to political hacks, some of them coming as high as $20,000 per year of the taxpayers' money.

Another matter of interest to the citizens of Cleveland who voted to bring the Pan American games to Cleveland is the effort being made by some of the Ohio Members of Congress to secure Federal support for these games. It is my conviction that the holding of the Pan American games in Cleveland in 1959 will make a substantial contribution to the improvement of relations between the people of North, Central, and South America, as well as provide an example of real down-to-earth friendship for the whole world to observe. Cleveland is known as one of the most cosmopolitan cities of the world. This makes Cleveland an ideal host for the Pan American games.

Reasons were advocated before a committee of Congress only a few days ago in support of a proposal that Congress appropriate funds to cover part of the expenses necessary to the successful conduct of the Pan American games. On March 8, I, together with a number of civic leaders of Cleveland, including Mayor Celebrezze, visited the White House urging support for the Pan American games to be held in Cleveland. The President was unavailable and Howard Pile, one of his assistants, received the delegation. After a full discussion of the merits of our proposal, Governor Pyle assured us that President Eisenhower was firmly behind the Pan American games.

On March 12th this same delegation of civic leaders from Cleveland appeared before a House Subcommittee on Appropriations in support of a request for $4,900,000 to cover part of the expenses of the Pan American games. We were astonished to hear from Hon. JOHN J. ROONEY, chairman of the subcommittee, that the State Department had withdrawn its support of the Pan American games. Later I was informally told that withdrawal of this support very likely would eliminate Federal support for the holding of the Pan American games in Cleveland.

In light of this development on March 14, I addressed a letter to the President in which I expressed my concern about this situation of divided command in which the President favors the Pan American games and the Department of State has reversed its position which, only a few months ago, promised all-out support for the Pan American games. On March 20 I received a letter from the White House signed by Howard Pile, Deputy Assistant to the President, assuring me that the President had not changed his position in support of the Pan American games.

It is difficult to estimate the outcome of any project put under the spell of the divided command. I assure you that I, in company with civic leaders of Cleveland, will do my best to eliminate the divided command which now jeopardizes the holding of the Pan American games in Cleveland. The Federal Government spends billions of dollars each year for our national security and to improve solidarity of the Western Hemisphere. We seek to impress upon the countries of the world the record of developments of such progressive cities in the United States as Cleveland. What better expenditure of Federal funds could be made to increase the solidarity of the Western Hemisphere than to support the holding of the Pan American games in Cleveland in 1959?

Waging Peace

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. SCHWENGEL. Mr. Speaker, I wish to take this opportunity to invite the attention of the House to a recent book by Mr. Claude Maxwell Stanley entitled "Waging Peace." I realize that few of us have adequate time for reading, but I think this book is especially worthy of your attention.

This is not a book by an expert. The author calls himself an amateur in the field of foreign relations. He is an engineer—a businessman. But this book, Waging Peace, is not an amateur's work. It is the work of an American who has given what I consider to be a stimulating contribution to our thinking about foreign affairs. Gentlemen, I believe that this book will have a great influence. It is a tight, comprehensive presentation of the desires, objectives and objections of a perceptive and brilliant citizen. It is indeed seldom that one may find an analysis of our problems that cuts through the morass of grandiloquent speech and shadowy thought so penetratingly. Mr. Stanley pinpoints the problem in American foreign policy which all of us in our own glimpses of the "whole picture" have, at one time or another, felt. That is the inescapable inadequacy of the way our goals and aims have been defined and our seeming inability to anticipate problems. He says our problem is, and I quote:

(That) we jump from crisis to crisis, usually late and often inadequate. We appear to change our minds without reason, to waver and to delay. The result is often diplomatic defeat. We cannot afford the luxury of politics and diplomacy as usual in the nuclear age. The consequences are too great if we fail to avert nuclear war or to stem the onward march of communism.

And a bit further on, Mr. Stanley says:

We dare not wait for the slow-moving reaction of an oppressed people to change their government. We cannot count upon a change of leadership to alter the path of the Soviet Union.

In short, gentlemen, Mr. Stanley decries our failure of will, of courage, if you will, and our failure to wage peace with the earnestness and aggressiveness that waging war warrants. For the waging of peace is a vital, indeed an inescapable task of this great Nation in which we cannot afford to fail. We must seize the initiative. Foreign policy by counteraction is inadequate, degrading and dangerous.

Mr. Stanley has seven specific principles on which a program for waging peace should be based. I will not attempt to elucidate these in this short space, but will leave them for your own reading. Let me only say that Mr. Stanley points out that our first responsibility is the preservation of our freedoms, and to preserve these freedoms in the immediate, pragmatic sense, we are obliged to maintain our strength. We cannot legislate evil out of existence. The differences between the two dominant philosophies of the world today, communism and democracy, can best be emphasized by our exemplary conduct. This book, Waging Peace, stresses the transitory nature of military might, and rather places its strongest reliance upon the ramifications flowing from other instrumentalities of diplomacy and foreign policy.

This book has the refreshing capacity to reflect in depth on the whole picture of what America is and means. Gentlemen, both as inheritors of a rich full heritage and culture, as well as representatives of the people of this Nation, we have an unflagging, dogged obligation to administer its governmental affairs in such a manner as to clarify, as well as prevent the undermining of, our deepest

traditions and philosophy. There is a time for reflection in the lives of all of us, and I know of no more important time in the history of our Nation or of the world for reflection and reevaluation than the present. We must seek direction and unity in our policies. Mr. Stanley shows us one such direction, and this direction warrants review. It is a viewpoint which should be understood by most, and must be recognized by all Americans. Regardless of whatever position on world affairs any one of us may hold, every American, I earnestly feel, should read this book.

Statement of Hon. Robert C. Byrd, of West Virginia, to the House Committee on Interstate and Foreign Commerce

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. BYRD. Mr. Speaker, I wish to direct to the attention of our colleagues the statement I today presented to the House Committee on Interstate and Foreign Commerce in support of the bill H. R. 4353, which has been introduced by the chairman of the committee, the Honorable OREN HARRIS, to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to improve and liberalize benefits payable to railroad workers and other beneficiaries under those laws. I have today introduced a similar bill.

The statement follows:

STATEMENT OF HON. ROBERT C. BYRD, SIXTH DISTRICT, WEST VIRGINIA, PRESENTED TO THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE MARCH 26, 1957

Mr. Chairman and members of the committee, I appreciate the opportunity to present this statement in support of the legislation that has been introduced by the chairman of this committee to amend the Railroad Retirement Act, the Railroad Retirment Tax Act, and the Railroad Unemployment Insurance Act, so as to improve and liberalize benefits payable to railroad workers and other beneficiaries under those laws. I am today introducing legislation similar to H. R. 4353.

Legislation to increase benefits under the railroad retirement system is overdue. The abundant information and testimony already on record convincingly reveal that the benefits available to rail workers upon their retirement from active employment are inadequate to support a man and wife at an average standard of living. The responsibility to correct this situation, as well as the obligation to so do, is that of the Congress—for the very reason that the railroad retirement system is under the management of the Congress and is not worked out through bargaining between labor and management.

With reference to the Railroad Retirement Act, the proposed measure would increase all annuities, pensions, and insurance lump sums by 10 percent. The only exception under the 10 percent increase would be those annuities that are based on the equivalent of the annuitant's average monthly compensation while working in the railroad industry. A disability annuitant would not lose the annuity for any month in which he earned over $100 in outside employment, provided his total annual earnings did not exceed $1,300. Women workers with less than 30 years of service would be eligible to retire at age 62 on a reduced basis, rather than at age 65. A wife may elect to receive her annuity at age 62 on a reduced basis, rather than at age 65. The election to draw an annuity before reaching age 65 would reduce the annuity by one one-hundred-eightieth for each month that the annuitant is under age 65. The bill authorizes payment of the insurance lump sums up to a maximum of $750. The act presently precludes the payment of this sum if the deceased employee is survived by a person entitled to an annuity in the month in which the employee died. The maximum creditable compensation under the Railroad Retirement Act would be increased from $350 to $400 a month.

To finance the benefits under the Railroad Retirement Act, an amendment is proposed to the Railroad Retirement Tax Act which will increase the rate of tax from 6¼ percent to 7½ percent on carriers and employees.

Of great importance are the amendments which the bill proposes to the Railroad Unemployment Insurance Act. The daily benefit rate would be increased to 60 percent of compensation for the employee's last employment in a "base" year—the present rate being 50 percent. Daily benefit rates would be $0.50 to $1.70 higher than the present rates. The maximum benefit rate would be increased to $10.20 from $8.50. Sundays and holidays would be treated as days of employment. Benefits would be payable for each day of unemployment over 4, rather than the present requirement of 7 days. The period for which unemployment benefits are to be paid will be extended in the case of career railroad employees, i. e., those with at least 5 years of railroad service—the extended benefit period depending upon the employee's years of service. The maximum period for which unemployment benefits are presently payable is 130 days. In this regard, the bill, H. R. 4353, provides as follows:

Years of service:	*Number of compensable 14-day periods*
5 and less than 10	39
10 and less than 15	65
15 and less than 20	91
20 and over	117

In the Sixth District of West Virginia, which I have the honor to represent, we have many railroad workers—a good number of whom in recent years have been made idle because of the conversion from steam to diesel power. This is seemingly inconceivable when one realizes that the net income of railways in 1955 was $925 million against a total of $681.5 million in 1954. I recall distinctly the despairing letter I received around the holidays from one of my constituents—a man, 63 years of age, with 50 years of service as a roundhouse machinist, who had been "advanced to the rocking chair." Under the proposed amendment, this worker could receive unemployment-insurance benefits until he reaches 65 years of age.

The absolute necessity of expanding the unemployment-insurance benefits has been clearly demonstrated by the bare statistics of railway employment in recent years. The testimony before this committee shows that railway traffic in 1956 was 40 percent above 1929, but employment in the same period went down by 40 percent. The tabulation that follows substantiates this fact:

Year:	*Number of railway employees*
1948	2,300,000
1951	2,100,000
1956 (approximate)	1,600,000

In other words, there were 30 percent fewer railroad workers in 1956 than there were in 1948, and yet the volume of traffic in those years was almost the same. Furthermore, the prospect is that another 250,000 railroad workers will be dropped from the rolls within the next 10 years or so. Automation is taking its toll. I understand the newer yards have a machine with an electronic memory by which the routing of cars can be selected in advance and recorded on a machine. When the cars come to the yard, the machine sorts them automatically and rolls them into their proper place.

In July 1956 when legislation was enacted by the Congress to increase benefits by, generally, 10 percent, the echo resounding from the enactment was that the increase was, in essence, a temporary measure, for the purpose of providing an interim modest increase in benefits of 10 percent which, on the average, amounted to $10 a month. That was merely a step in the right direction, and its purpose was to afford some measure of hope to beneficiaries under the Railroad Retirement Act. At the time of the 1956 enactment, the rolls of the Railroad Retirement Board showed 650,900 beneficiaries. Out of that total number, the increases went to about 300,000 annuitants, about 40,000 wives, and 65,000 survivors. The average monthly benefit now is only $111.70, and the average for survivor benefits ranges from only $46.30 to $50.50. It is also noteworthy that prior to the 1956 legislation employee annuities under the railroad retirement system had been increased only twice since 1937, and survivor benefits only once since their inception in 1946. On the other hand, the cost of living, as measured by the Consumer Price Index, has risen 5 percent in the period between 1950 and November 1956. Today it is the highest it has ever been in the history of our country.

The retirement income now provided for industrial workers under most negotiated plans is far above that received by railway annuitants. The retirement income for a 30-year worker in industry, with annual earnings of $4,200, has been placed at between $170 and $200 a month (including social-security benefits of $108.50). It is plainly evident that railroad workers lag behind the rest of American workers. Surely, such workers should not be penalized with working and living conditions below the standards of other industries as a result of governmental regulation. Railroad workers and their dependents are entitled to share in the improvements and adjustments received by all other American workmen. I, therefore, sincerely hope that the committee will be able to give favorable consideration to legislation beneficial to railroad workers and their dependents.

Need for New School Construction

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. DINGELL. Mr. Speaker, recently, Mr. Louis Schimmel, president of the Pontiac, Mich., School Board, told a committee of Congress that Michigan has been able to take care of its own school building needs.

He presumes to speak as head of one small school district for all the school districts of Michigan.

The country needs a vast number of additional classrooms to handle a population growing with explosive speed. Population growth exceeds 1 percent a year. Last year the country was reliably reported to need 150,000 classrooms, enough to build a one-story school, one classroom wide, extending from coast to coast.

A number of facts have been overlooked by the maker of the statement to which I alluded. The first is that Michigan's total value of public school property per pupil is only $647, or about 60 percent of that expended by the 2 top States in per-pupil expenditure. Equally important is the fact that he is not authorized to speak for the State of Michigan.

The best rebuttal of the statement by Mr. Schimmel is an impartial study made by the Department of Health, Education, and Welfare during the last session of Congress. That study shows that 14.5 percent of Michigan's total capital needs for school construction cannot be met by 1959–60.

Mr. Schimmel's arguments are simply reduceable to this, that he does not like Federal aid to education; and that he feels it unnecessary, even in view of compelling and obvious evidence to the contrary in the form of antiquated, unsafe, and overcrowded schools, children going half days to school, and receiving inadequate supervision.

Each year's delay in the passage of an adequate Federal school construction program robs another year's baby crop of an adequate education. Each year's baby crop in school suffers another year's loss. Further, in a very real way, the people of the United States suffer a loss in skills, invention, and progress in an age where the Soviet Union is making tremendous strides in the production of skilled technicians, scientists, and engineers, in what probably is the critical test in the battle for supremacy between communism and free society.

Russia in the past 5 years has turned out 216,000 engineers, we have graduated only 142,000 in the same period. In the next 5 years Russia will train 400,000 exclusive of a large number trained in the satellites and China. America's projected output of engineers will be 153,000. The results are similar in other fields of scientific and technical endeavor.

Adm. Lewis L. Strauss, Chairman of the Atomic Energy Commission, has warned that unless immediate steps are taken to correct this educational deficiency the results can become disastrous. Edward Teller, the father of the hydrogen bomb, a distinguished scientist has said simply and positively that the Soviet will surpass the United States in the technical and scientific field.

The tables below by the research division of the National Education Association, published in January 1957, are of interest. The first is the average value of public school property per pupil enrolled. The years cited are 1951 to 1952. Ordinarily that would not be the best figure to use because of the time lag. However, it is substantially reliable, and the most recent figures I could find. The thing which makes it most useful is that school construction in no area has kept up with the population growth:

TABLE 25.—*Average value of public-school property per pupil enrolled, 1951–52*

Delaware	$1,102
New York	952
New Hampshire	926
Wisconsin	815
Kansas	781
Oregon	725
Rhode Island	724
Washington	698
Nevada	683
New Jersey	656
Michigan	647
Pennsylvania	637
Wyoming	630
Ohio	614
Montana	605
Minnesota	590
North Dakota	582
Nebraska	579
Connecticut	575
Illinois	574
Massachusetts	573
Colorado	555
Iowa	547
California	546
Maryland	538
United States	525
Utah	497
Idaho	486
Vermont	463
Missouri	462
South Dakota	445
New Mexico	427
Louisiana	416
Virginia	404
West Virginia	392
North Carolina	384
Indiana	374
Oklahoma	374
Maine	368
Florida	367
Arizona	360
Texas	342
Kentucky	336
Arkansas	308
Georgia	282
Alabama	278
South Carolina	234
Mississippi	209
Tennessee	148

The next table from the same source is of equal importance. It shows expenditures for public education from State and local sources as a percent of income payments. The figures are not new, but again they are substantially identical with, or below today's expenditures:

TABLE 26.—*Current expenditures for public education from State and local sources as a percent of income payments, 1953–54*

	Percent
North Dakota	3.64
South Dakota	3.48
New Mexico	3.13
Idaho	3.10
Arizona	3.05
Louisiana	3.03
Iowa	3.02
Montana	3.02
Oregon	2.98
North Carolina	2.93
Oklahoma	2.90
South Carolina	2.89
West Virginia	2.87
Wyoming	2.85
Utah	2.84
Minnesota	2.74
Kansas	2.72
Nebraska	2.71
Colorado	2.67
Georgia	2.65
Mississippi	2.64
California	2.61
Vermont	2.54
Texas	2.51
Alabama	2.50
Tennessee	2.43
Washington	2.42
Arkansas	2.40
Indiana	2.33
Florida	2.31
Maine	2.31
Wisconsin	2.30
United States	2.29
Pennsylvania	2.24
Michigan	2.16
New York	2.11
New Hampshire	2.09
New Jersey	2.00
Virginia	1.99
Kentucky	1.98
Massachusetts	1.96
Nevada	1.96
Illinois	1.91
Ohio	1.90
Maryland	1.90
Missouri	1.89
Delaware	1.86
Connecticut	1.75
Rhode Island	1.50

The third table shows the estimated percent of capital needs for school construction by 1959 to 1960 which States cannot finance:

TABLE 27.—*Estimated percent of total capital needs for school construction by 1959–60 which States cannot finance*

	Percent
Nevada	4.9
Louisiana	6.3
Montana	7.4
Colorado	8.0
Oregon	10.6
Michigan	14.5
Massachusetts	14.7
Minnesota	15.3
Mississippi	17.1
Vermont	18.0
Florida	18.4
Wisconsin	19.5
Arizona	20.9
New Hampshire	27.2
California	29.2
Connecticut	35.5
Iowa	35.5
Georgia	36.9
Kansas	38.3
All States	43.3
Indiana	43.5
North Carolina	52.4
Texas	52.7
West Virginia	54.5
Kentucky	54.9
Washington	56.0
Tennessee	61.3
Arkansas	65.0
Maine	67.8
Oklahoma	68.4
Pennsylvania	72.7
Maryland	76.0
New Jersey	86.9
Rhode Island	87.3
New Mexico	93.9
Alabama	95.3
Delaware	No data
Idaho	No data
Illinois	No data
Missouri	No data
Nebraska	No data
New York	No data
North Dakota	No data
Ohio	No data
South Carolina	No data
South Dakota	No data
Utah	No data
Virginia	No data
Wyoming	No data

The last two tables I insert are equally indicative of the need for school aid to Michigan and other States of the Union. They are from the Department of Health, Education, and Welfare, published in a school facilities survey. The first shows the number of units which are now in use and the number of which should be abandoned:

(1) States	(2) Now in use: Elementary (a)	Secondary (b)	Combined elementary-secondary (c)	Total (d)	(3) Should be abandoned by 1959–60: Elementary (a)	Secondary (b)	Combined elementary-secondary (c)	Total (d)
Alabama	947	50	1,211	2,208	527	8	835	1,370
Arizona	268	46	------	314	22	3	------	25
Arkansas	750	128	775	1,653	345	4	164	513
California	3,771	678	10	4,459	698	37	6	741
Colorado	1,203	125	173	1,501	459	10	24	493
Connecticut	701	70	59	830	11	2	5	18
Florida	919	144	299	1,362	234	12	24	270
Georgia	2,093	195	602	2,890	1,307	35	186	1,528
Indiana	1,482	241	545	2,268	578	18	71	667
Iowa	492	170	722	1,384	41	6	23	68
Kansas	3,347	323	236	3,906	1,430	62	48	1,540
Kentucky	3,608	116	592	4,316	3,471	13	52	3,536
Louisiana	1,295	88	816	1,839	619	2	36	657
Maine	1,158	132	67	1,357	673	62	10	745
Maryland	713	146	92	951	150	3	------	153
Massachusetts	1,273	307	439	2,019	453	81	109	643
Michigan	4,292	235	456	4,983	1,897	25	19	1,941
Minnesota	3,947	115	428	4,480	3,246	6	7	3,259
Mississippi	2,512	80	696	3,288	2,030	------	77	2,107
Montana	1,160	46	138	1,355	318	12	89	419
Nevada	109	17	19	205	35	1	1	37
New Hampshire	417	39	54	510	282	19	8	309
New Jersey	1,465	197	67	1,729	230	11	2	243
New Mexico	624	69	159	852	22	10	6	38
North Carolina	1,416	78	850	2,344	545	------	7	552
Oklahoma	1,684	215	504	2,403	48	18	8	74
Oregon	1,030	185	56	1,271	43	3	1	47
Pennsylvania	5,642	695	528	6,865	2,657	90	40	2,787
Rhode Island	267	44	18	329	47	------	1	48
Tennessee	3,437	128	375	3,941	2,374	5	9	2,388
Texas	4,272	506	1,097	5,875	1,084	177	458	1,719
Vermont	552	68	62	737	356	7	36	400
Washington	1,102	381	------	1,483	20	2	------	22
West Virginia	2,378	219	155	2,752	916	9	8	933
Wisconsin	5,265	198	283	5,746	686	3	2	690
Alaska	129	3	23	155	2	1	1	4
Hawaii	127	24	30	181	14	------	------	14
Puerto Rico	1,097	90	225	1,412	6	1	1	8
38 States	88,420	6,465	12,315	87,220	28,300	737	2,051	31,088
United States	94,203	8,929	10,906	120,038	28,405	1,018	2,628	42,104

The last table from the same source above shows the outlay required for meeting school plant needs is substantial, and shows still more substantial deficits for the States and municipalities in meeting these needs:

TABLE J.—*Estimated capital outlay of projected plans for meeting school plant needs by 1959–60: Totals for States, and for administrative units with inadequate applicable capital outlay resources, within the law and customary practice in the respective States at the time of the survey*

[Financial data in thousands]

(1) State	For entire State: Number of administrative units (2)	Costs (3)	For administrative units with inadequate applicable capital outlay resources (within the limitations of law and customary practice): Number of such units (4)	Costs (5)	Applicable capital outlay resources (see p. 27) (6)	Computed deficits (7)
Alabama	108	$350,411	108	$380,411	$116,337	$334,074
Arizona	158	117,004	62	83,683	29,222	54,429
Arkansas	403	196,391	273	165,534	56,319	128,914
California	2,018	2,116,924	140	1,264,565	645,717	618,949
Colorado	1,184	171,618	51	44,836	30,973	13,864
Connecticut	174	261,449	83	170,484	77,581	92,903
Florida	67	326,937	39	131,422	71,310	60,112
Georgia	200	402,550	187	400,338	244,796	181,542
Indiana	1,104	420,170	421	318,100	127,000	191,100
Iowa	4,538	113,980	198	83,665	42,154	80,511
Kansas	3,420	392,460	195	284,460	190,455	112,005
Kentucky	228	359,691	122	305,363	108,514	197,051
Louisiana	67	335,591	19	49,974	35,234	14,740
Maine	697	84,803	343	77,176	19,690	57,486
Maryland	24	280,140	24	280,130	67,138	212,992
Massachusetts	351	558,718	146	313,748	121,388	192,360
Michigan	4,532	526,287	183	229,038	162,476	66,562
Minnesota [1]	5,441	419,453	138	172,989	108,354	64,235
Mississippi [2]	1,417	117,608	83	61,832	41,689	20,143
Montana	1,274	53,610	35	7,000	4,000	2,900
Nevada	171	21,346	22	3,021	1,996	1,048
New Hampshire [1]	234	145,226	26	$31,946	19,623	$12,323
New Jersey	846	500,659	98	440,120	[3] 0	440,120
New Mexico [1]	104	124,073	73	115,721	1,442	114,279
North Carolina	174	265,663	155	259,119	100,002	159,117
Oklahoma	1,845	211,142	1,014	205,137	60,757	144,385
Oregon	766	104,233	71	23,690	12,881	11,049
Pennsylvania	2,505	871,125	1,962	798,662	165,328	633,625
Rhode Island	39	64,334	31	63,114	6,920	56,194
Tennessee	150	337,476	139	310,916	104,340	206,576
Texas	2,030	892,159	138	845,158	390,471	454,487
Vermont	260	96,568	70	21,551	14,987	6,564
Washington	524	342,240	104	194,802	46,948	148,554
West Virginia	55	106,008	42	90,290	32,161	58,130
Wisconsin	5,778	189,074	289	70,095	33,215	36,880
Alaska	21	30,876	0	0	0	0
Hawaii	8	42,546	5	43,348	15,829	28,619
Puerto Rico	77	46,348	(4)	(5)	(5)	(5)
38 States	42,506	11,630,883	7,513	7,941,267	2,918,061	5,023,206
United States [4]	------	16,013,882	------	10,933,866	4,017,708	6,916,158

[1] Data based on local planning areas instead of local school administrative units.
[2] All of the 395 deficit units have exhausted their statutory bonding capacity.
[3] The territory is a single fiscal unit for school construction, with applicable resources of $21,953,000 and a deficit of $24,415,000.
[4] Projected on the basis of enrollments in all States and Territories, rounded to thousands, from data reported from 38 States enrolling 72.62965 percent of the pupils in the fall of 1954.

Even a casual perusal of the statistics shows that Mr. Schimmel is in error.

One of the best sources of authority in speaking for all the people of a State is the Governor. In Michigan we have a remarkable Governor, the Honorable G. Mennen Williams, elected last fall for the fifth time, by one of the largest majorities given any Governor in the history of the State. His position is that Michigan needs Federal aid for construction of schools. It is superfluous to say that position has been supported by the people of the State at the polls.

The summation of this is found in a statement by Mr. Albert J. Phillips, executive secretary of the Michigan Education Association, made before the House Committee on Education and Labor, showing the need for a Federal school construction program:

STATEMENT IN FAVOR OF FEDERAL AID FOR SCHOOL CONSTRUCTION SUBMITTED BY ALBERT J. PHILLIPS, EXECUTIVE SECRETARY OF THE MICHIGAN EDUCATION ASSOCIATION

Michigan schools need both Federal and State aid for school construction if they are to meet the school buildings needs of the near future and over a long range period.

This is due to the following factors:

1. The annual enrollment increases are now 70,000 pupils per year. These will be higher within a few years. This calls for an additional 2,200 classrooms per year for the elementary grades. Other school facilities are necessary in addition to these classroom needs.

2. Michigan will soon need additional junior high schools, and later senior high schools in addition to the elementary school needs. The cost of high schools is greater than that for elementary schools.

3. Increasing costs of school construction is proving to be an acute problem in many school districts.

4. Some districts already are overburdened by high millage levies for the retirement of school bonds.

5. Many districts are now levying excessively high combined millages for school operation and debt retirement. These added to the millage levies for other governmental units (city and county) have produced extremely high millage rates on property in these school districts.

6. Increasing interest rates, which have more than doubled in the past few years, are going to prevent the construction of many school buildings. If interest rates on school bonds could be reduced this would help a great deal.

7. Some areas, especially in southeastern Michigan, are growing so rapidly in population that the schools have hundreds of children added to their enrollments before many of the homes are placed on the assessment rolls.

8. The school building needs up to June 30, 1956 were estimated at about $423,500,000. There is a great backlog of school construction and needed repairs.

Michigan has done a great deal to solve its school building needs. The Michigan Education Association in 1948 initiated and secured the adoption of a constitutional amendment which changed the period for bond issues from "up to 5 years" to "up to 20 years."

This was the greatest single move in helping to solve our school building needs.

The following data will show how Michigan moved forward on this problem:

Year	Building and site fund	Debt retirement	Total
1940–41	$410,000	$9,690,000	$10,100,000
1941–42	340,000	9,620,000	9,960,000
1942–43	310,000	9,270,000	9,580,000
1943–44	1,300,000	14,120,000	15,420,000
1944–45	1,980,000	12,830,000	14,790,000
1945–46	2,910,000	7,270,000	10,180,000
1946–47	5,300,000	7,060,000	12,360,000
1947–48	9,980,000	7,240,000	17,220,000
AMENDMENT TO CONSTITUTION PASSED NOVEMBER 1948			
1948–49	13,220,000	8,990,000	22,210,000
1949–50	19,360,000	13,290,000	32,650,000
1950–51	17,170,000	17,810,000	34,980,000
1951–52	17,500,000	23,130,000	40,630,000
1952–53	17,590,000	29,590,000	47,120,000
1953–54	21,600,000	36,540,000	58,140,000
1954–55	26,520,000	47,940,000	74,460,000

Another constitutional amendment was passed in April 1955. We do not have data as yet on building and site fund and debt retirement payments for 1955–56.

The following data will give information on the extent to which school-bond issues have been voted in Michigan since the MEA sponsored amendment was adopted in November 1948:

July 1, 1949, to Jan. 1, 1950	$29,446,700
Jan. 1, 1950, to June 30, 1950	25,892,800
July 1, 1950, to Jan. 1, 1951	17,765,100
Jan. 1, 1951, to July 1, 1952	28,964,000
July 1, 1951, to Jan. 1, 1952	22,984,390
Jan. 1, 1952, to July 1, 1952	$24,067,000
July 1, 1952, to July 1, 1953	64,096,015
July 1, 1953, to Jan. 1, 1954	28,422,500
Jan. 1, 1954, to July 1, 1954	50,623,900
July 1, 1954, to Jan. 1, 1955	48,635,825
Jan. 1, 1955, to July 1, 1955	25,736,500
July 1, 1955, to Jan. 1, 1956	54,093,500
Jan. 1, 1956, to July 1, 1956	92,718,500
July 1, 1956, to Jan. 1, 1957	66,242,650
Total	588,689,470

In spite of the fine support given by Michigan's property taxpayers, the school-building problem is becoming increasingly acute. The present State superintendent of public instruction has appointed a State committee to study the problem and offer suggestions as to possible solutions.

The Michigan Education Association on April 6, 1956, adopted the following resolution:

"We urge immediate action by the United States Congress in providing aid to the States for the construction of public school buildings, especially the appropriations of funds as proposed by the Kelley bill, H. R. 7535, without the inclusion of the Powell proposal which we believe would prevent the passage of much needed legislation for construction of schools."

Government Employee Pay Raise Legislation

EXTENSION OF REMARKS

OF

HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. SHELLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to point up the failure of the present administration to take one of the basic steps necessary to increase the efficiency of the operation of the Federal Government and to contribute to real economy. Faced with the President's budget, which calls for spending money in such huge amounts as to frighten the average intelligent citizen, it seems to me that the board of directors of any well-run business would fire the executive responsible for presenting such a program if he had not first done everything possible to pare it to the bone and to eliminate waste. Yet this administration and its Chief Executive have neglected in any of their proposals to Congress to date to recommend action in the most elemental and fundamental area where economy in either business or Government must start. That area is, of course, the organization and maintenance of a personnel staff trained to do the job efficiently, and given pay and working conditions adequate to maintain high morale and a low turnover rate. In other words, the Government employees with whom, regardless of commission recommendations or executive orders, economy begins and ends.

The business community long ago woke up to the fact that the best way to run a business is to maintain the best personnel program. It sometimes took a little educating to convince hardheaded business men of that fact, and I helped in some cases, but they know it now on the basis of profitable experience. Yet, faced with an extremely high turnover rate, and tremendous difficulty in finding and keeping qualified people to fill any kind of a Government job in the face of competition from industry which pays far more and provides far more benefits, the President has done nothing to remedy this basic cause of waste. I have searched the state of the Union message and the budget message in vain for any evidence of a concrete program of Government employee legislation. As a matter of fact in the budget message the President specifically states that "at the present time, I do not contemplate proposing an extensive program of personnel legislation." He did make 2, and only 2, recommendations. One to set up a system of health and medical insurance for Federal employees, with which I certainly concur, and the other to authorize the training of Government employees outside of the employing agency. This is what I call making a molehill out of a mountain.

People qualified in industrial relations work will tell anybody, including the President, that one of the primary methods of attracting and keeping qualified people on the job is to pay them adequately. That's elemental. As a matter of fact he has been told just that by the Advisory Committee on Professional and Technical Compensation—the so-called Cordiner Committee, which dealt specifically with Department of Defense pay scales but whose findings are equally applicable throughout the Government. But the President, it is reported, advised of the findings of the committee staff that substantial salary increases would be required to make Government jobs as attractive as industry jobs of a comparable nature, privately indicated that he would not approve such a report. The formal issuance of a report has been delayed. Whether the President's reported attitude has anything to do with this delay I do not know. But I shall bear in mind the President's indication in his budget message that legislative recommendations would be forthcoming as a result of the Cordiner report and watch for such recommendations with interest. It will be particularly interesting to note whether the committee's formal recommendations square with the staff study released to the press some time ago.

Presumably, administration reluctance to recommend or approve wage increases for Government employees is based on the false premise that the initial increased cost to the Government could not be justified. The administration apparently does not know or has shut its collective mind to the facts which I have pointed out, namely, that a satisfied, permanent work force pays for itself and returns dividends in increased efficiency and reduced numbers. The Civil Service Commission informs me that the annual turnover rate in Government jobs throughout the country reached a rate of 21.2 percent in 1956. In other words, better than 1 out of every 5 civilian employees of the Government had to be replaced in 1956. There were a total of 460,585 separations from jobs for the year. Almost one-half of these were

outright quits. On February 4 of this year former President Hoover, who I am sure even the administration will acknowledge is a good authority, stated in a speech that "it costs about $3,000 to process and to give a year's training to a new employee." Now suppose that through improved personnel policies we were able to reduce the turnover by 200,000. It does not take much figuring to calculate that as much as $600 million could be saved by this means alone. The total civilian payroll of the Government in the United States last year was about $10,800,000,000. That is quite a saving if the administration is really interested in economy.

Presumably, the President's thinking on the matter of Government-employee legislation is indicated in his state of the Union message when he warned of the inflationary tendencies of wage increases. He urged that such increases should be "reasonably related to improvements in productivity." If that is the criterion he is applying in determining not to ask Government employee wage increases, and indicating opposition to them, his thinking is typically naive and uninformed. In the largely unmechanized Government jobs productivity, and the consequent saving therefrom, is directly governed by the employee and his satisfaction with his job. Job satisfaction is directly related to his pay and working conditions. So long as the Government employee is underpaid, as he now is, and restricted on fringe benefits, as he now is, increases in productivity in any appreciable amount are just not in the cards. Wage increases and improved working conditions must provide the necessary incentive.

The President does not seem to have been nearly as much perturbed over the inflationary tendencies of his enormous budget as he apparently is over the relatively minor effect any Government wage increase would have. Nor does he seem to be concerned over the moral and practical obligation to keep the Government, as an employer, within at least a respectable distance of the private employer in its treatment of its employees. I am sure that the Government worker and his family, struggling to keep up with the high cost of living induced by the inflationary-price policies of the big-business interests with whom the Eisenhower administration is so closely allied, would rather swallow an Eisenhower grilled steak than his lame reference to inflationary tendencies as a reason for not offering enough pay to maintain a decent living standard.

Mr. Speaker, I have introduced a number of bills in the House for the benefit of Government employees because I know from long experience that any employer, Government or private, must keep abreast of the times if he does not want to lose his employees wholesale, as the Government is now finding out. In this connection I have received letters from a number of Government employee groups commending me for my stand and pointing out the weakness of the administration position. I ask that these letters be printed at this point in the RECORD:

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington, D. C., March 11, 1957.

Hon. JACK SHELLEY,
House Office Building,
Washington, D. C.

DEAR MR. SHELLEY: In the absence of National President Campbell, who is away from the city, I am acknowledging receipt of your letter of February 27, 1957.

On behalf of the entire membership of our federation, I would like to express their sincere appreciation of your sponsorship of these important measures.

It is most reassuring to know that Federal employees have friends in Congress, such as yourself, who are vitally interested in seeing that the Federal Government as an employer provides pay and working conditions commensurate with those utilized by progressive employers in private industry.

Much work is being accomplished now by our members to advance the legislation you have offered. Our efforts will intensify as time progresses.

As trade unionists, all of us in the AFGE are keenly aware of the excellent work being done by Members of Congress who are associated with the labor movement.

We are most happy to number you as a friend in this category.

Again, a hearty "thank you" for your cooperation in sponsoring the bills enclosed with your letter. They will be a source of great encouragement to all members of the federation, but particularly those in the San Francisco area.

Sincerely,

JOHN A. MCCARY,
Legislative Representative.

NATIONAL FEDERATION OF POST OFFICE CLERKS,
Washington, D. C., March 1, 1957.

Hon. JOHN F. SHELLEY,
House Office Building,
Washington, D. C.

DEAR JACK: Thanks for your letter of the 27th and for the introduction of a number of bills in the interest of postal and Federal employees.

I am sure you know that postal employees particularly appreciate your action which is thoroughly in line with your past record in support of their interests.

I appreciate also your appraisal of the current situation and I am forced to agree with you that current delays result largely from the failure of the administration to recommend a program and their apparent strong objection on the grounds of economy to necessary salary increases. It is a strange thing, but apparently true, at least in the minds of some administration spokesmen, that price increases thus far have not been inflationary but wage increases that would permit postal and Federal employees to catch up would be a danger to the entire economy. I am always surprised when I hear about private industry waiting for postal employees to get salary increases before they raise prices or wages. I must be listening to the wrong radio and television programs and reading the wrong newspapers because I certainly get an entirely different slant on this problem.

I am attaching herewith a current issue of the Union Postal Clerk containing an editorial I have written on this subject which you may find of interest.

With kindest personal regards and all good wishes, I am

Sincerely yours,

E. C. HALLBECK,
Legislative Director.

[From the Union Postal Clerk for March 1957]

HERE WE GO AGAIN

A few years ago it was perfectly correct to say that "nothing is certain except death and taxes." In these times we can amplify the quotation to "nothing is certain except death, taxes, and opposition to postal salary increases."

It seems that simultaneous with the introduction of a bill to bring postal salaries into line with salaries paid in private employment, we are certain to hear the claim that such increases in pay would be inflationary and would destroy the Nation's economy. This cry of "wolf" is repeated time after time despite the very obvious fact that increases granted in the past did not prove inflationary as forecast by the calamity howlers.

We are becoming rather accustomed to having certain administration spokesmen raise vigorous objections, and weep copious tears about the dangers to the national budget every time postal salary increases are mentioned. We have, in fact, come to expect such objections. Private business does the same thing every time the unions seek wage increases. We suspect that Congressmen are also coming to expect such claims from the administration and have come to recognize this cry of "wolf" as a fake designed to becloud the issue.

This year something new has been added. We still hear the same doleful claims from the official spokesmen but with a new twist. They have added volume to their cry of "Wolf" by having others shout it for them. At the moment it is the United States Chamber of Commerce and its president, John S. Coleman, who are doing a lot of public worrying about inflation.

The February 8 issue of the chamber's paper, Washington Report, features an editorial "Postal Workers Pay Hike Clue to Inflation Binge" which offers the ridiculous theory that postal wages are the harbingers of inflation and that the granting of a postal salary increase would "set off clamorous demands by labor union officials upon business and industry for wage hikes covering millions of employees across the Nation." One wonders just how silly an argument can get. It must certainly be news to people in private industry, be they on the side of management or labor, to learn that the contracts negotiated in the past 2 years did not provide wage increases but that increases are being held in abeyance until such time as postal employees receive an increase. That will surely be news to the steel industry, to those in the automobile field, and to industry generally. What world is the United States Chamber living in? Since when has labor or industry waited for postal wage increases to raise wages and/or prices? Since when has government set the standards either in pay or working conditions? Postal and Government workers generally are the victims of what inflation exists and surely cannot be considered the cause of it. Those who state otherwise are probably the same type of people who, living in the days of the Roman Empire, worried about the poor lions and the effects on their digestion, rather than the helpless Christians.

INTERNATIONAL ASSOCIATION OF MACHINISTS,
Washington, D. C., March 1, 1957.

Hon. JOHN F. SHELLEY,
United States House of Representatives,
Old House Office Building,
Washington, D. C.

Subject: Federal-employee legislation.

MY DEAR CONGRESSMAN SHELLEY: I am in receipt of your communication dated February 27, 1957, along with copies of H. R. 4700, H. R. 4701, H. R. 4703, H. R. 4704, and

H. R. 4705; all bills relating to important and much-needed improvements in the economic status and working conditions of Federal employees and those on the civil-service-retirement rolls.

Your evaluation of the inert attitude of the administration as it applies to the much-needed improvements in the Federal civil service is very appropriate. It appears that every maneuver in the book is being used, and some new maneuvers have been devised, for the purpose of deliberately stalling the enactment of intelligent and progressive legislation which is designed to raise the Federal employee from the substandard wages and working conditions.

We deeply appreciate your interest in these matters, and we sincerely hope that the Democratic-controlled committees will not await the administration's belated proposals, if any, and immediately proceed to enact many of the good bills presently in the legislative hopper.

By taking the initiative, the Democratic-controlled Congress can place "the monkey" squarely upon the shoulders of those responsible for such unseemly attitudes, for all the public to see and, especially, that segment of the Federal employee group which has not as yet recognized the impact of the great harm being predicated upon them and their families by the administration.

In your position as a member of the Appropriations Committee of the House of Representatives, you can provide a splendid service to the taxpayer and the Federal employees employed by the Defense Department activities by taking the lead in a battle to preserve the jobs of these employees who are in grave jeopardy of losing same by virtue of the administration's active efforts to curtail or close down Government owned and operated navy yards, air stations, and arsenals.

The Federal Government has invested huge sums of money for equipment and trained personnel to operate these activities in the interest of protecting the taxpayer against the unconscionable profit gouging of armaments and ship-manufacturing combines. If the administration's present policy is permitted to go on unchallenged and unbridled, we will be lending our country into a situation where these unconscionable combines will be able to dictate warlike policies to the administrators of our Government.

I would be most happy to discuss this subject with you in greater detail at your convenience.

Our organization deeply appreciates your interest in Federal employee problems, and we have notified all of our affiliated locals in the State of California, as well as throughout the Nation, of the bills introduced by yourself and other legislators who have taken an interest in the economic lot and working conditions of Federal employees.

With best wishes, I remain,

Sincerely and fraternally yours,

WILLIAM H. RYAN,
President, District No. 44, International Association of Machinists, AFL-CIO.

WESTERN REGION PUBLIC HOUSING, LODGE NO. 922,
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
San Francisco, Calif., March 7, 1957.

Hon. JOHN F. SHELLEY,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN SHELLEY: We appreciate your interest and courtesy in sending us copies of your several bills in behalf of Federal-employee benefits; pay raise, health insurance, and annuitants' increase.

There is a growing tendency to adopt a retrogressive philosophy toward Federal employees which must be countered and subverted by progressive legislative action. Programs and studies are delaying tactics. Legislative action is necessary on all progressive fronts.

Federal employees are not second class—they are first line, loyal citizens. Their work merits the worth of their hire and a 20-percent differential below that of comparable positions in private industry reflects the penury of some legislators not as favorable to workers and their welfare as you have proven to be.

We are appreciative of your continuing efforts and cooperation and trust you shall be successful in our behalf with all the benefits you recognize are due Federal employees.

Sincerely yours,

JOHN W. COLLINS,
President.

As a final point, Mr. Speaker, I have just received from Senator OLIN JOHNSTON, chairman of the Senate Committee on Post Office and Civil Service, a fine report by the Citizens' Advisory Council to that committee. The advisory council has as its members 7 outstanding people, including leading businessmen, educators, and only 1 representative of organized Government employees. The final recommendation of the council is worth quoting in full because it substantiates to the hilt the things that I have just said. It applies equally well to all branches of our Federal Government as well as to the Post Office at which it is directly aimed.

This is what the council says:

Improvement in postal service and better working conditions for postal workers can only come about if wages are adjusted on the basis of merit and economic conditions, and not tied to postal rates or postal revenues.

Polish National Communism: A Myth

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1957

Mr. FLOOD. Mr. Speaker, last autumn a political change, only superficial in character, took place in Poland which has an important bearing upon the welfare of the Polish people and the status of Polish-American diplomatic relations. A new Communist Government came into power, claiming to be an advocate of "national" communism. This government is now in the process of negotiating an agreement for American economic aid.

Americans should have a clear understanding of this new so-called national Communist Government in Poland. In the first place, it is still a Communist regime, guided by the same body of thought of other Communist regimes throughout the world. Claims to "national" communism are in themselves contradictory because communism by theory and practice is a worldwide antidemocratic, antinational conspiracy dedicated to the ignoble end of destroying man's natural right to freedom.

The new regime in Warsaw has appealed to a concept that is dear to the heart of every Pole; that concept is, patriotism and love of country. Such is the only claim of this regime to popularity.

And what is the basis of this claim?

What is the justification for the appeal to Polish patriotism?

It is fear; Fear inspired by the belief that if the Polish people do not accept their "nationalist" regime, and if they seek to overthrow it and establish a genuine democracy as we know they do, Soviet Russia would intervene and crush the Polish nation in a bloodbath of war and terror.

Thus, the heart of the matter is this: The Polish people are compelled to accept their masters who have but one fundamental objective in their policies and that is the preservation of communism in Poland.

America is, therefore, faced with a very delicate situation.

What are we to do?

The dangers are great; the situation is full of uncertainties.

Nonetheless, we must act. There is a natural humanitarian instinct within us as a nation which compels us to do whatever we can to alleviate the terrible economic conditions of the Polish people. We must respond to this instinct, for the interest of the Polish people—and not their Communist oppressors whether they be nationalist or Stalinist—is a matter of great concern for us.

Aid the Polish people we must, but it must be done with great caution. We must make it clear that we do not seek to strengthen the regime and perpetuate communism in Poland, but that we are aiding the Polish people, doing only what we can to give them hope for the future.

Nor do we want our aid to be an occasion for the terrible retribution that befell Hungary. It is not our aim to provoke Russia. We want no military alliance with Poland. We desire only to aid the Polish people.

Such aid agreements that are concluded must stipulate, however, that the United States has the right to observe the distribution of the aid, seeing that it is placed where it will do the people the most good. Safeguards should be a key stipulation in whatever agreement is finally concluded.

When this important question is solved, then our attention should be turned to such issues as the danger posed by Polish consulates in America being used again as propaganda centers; the inequity of exchange in currency which is so unrealistic in relation to the true economic values; religious freedom in Poland; and the question of cultural exchange and travel in Poland on both of which I hold many reservations at this time.

Our position vis-a-vis Poland should be clear to everyone. The Polish nationalist regime does not deserve our sanction any more than other Communist regimes do. What does deserve our blessings—indeed our everlasting blessings—are the people of Poland. It is their interest, their welfare, their future which concerns us, and whatever is done by way of aid to Poland should be done solely for them.

Speech of Congressman Elmer J. Holland, Democrat, Pennsylvania, Given on March 18, 1957, Before the Members of Local 1272, United Steelworkers of America, on the 20th Anniversary of the Signing of the First Contract for Collective Bargaining Between the Union and the Steel Industry

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. HOLLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address:

SPEECH OF CONGRESSMAN ELMER J. HOLLAND, DEMOCRAT, PENNSYLVANIA, GIVEN ON MARCH 18, 1957, BEFORE THE MEMBERS OF LOCAL 1272, UNITED STEELWORKERS OF AMERICA, ON THE 20TH ANNIVERSARY OF THE SIGNING OF THE FIRST CONTRACT FOR COLLECTIVE BARGAINING BETWEEN THE UNION AND THE STEEL INDUSTRY

Mr. Chairman, Mr. Abel, and distinguished guests and brothers and sisters of the labor movement. Mr. Jones, you have missed what I believe to be one of my most important assets in your introduction of me—and that is—I am a dues-paying member of local 1272 of the United Steelworkers of America. I am very proud of that fact and I am always glad to have others join with me in that pride.

Mr. Abel has, very ably, recalled to your attention many of the events that have occurred since the first steel contract was signed 20 years ago.

Now, I would like to take you back a little further—say 20 years before the birth of the United Steelworkers of America. That would be before the First World War. And, I would like to recall some things that happened right here on the South Side.

My parents settled here in the 16th ward when they came over from the old country and all of my brothers and sisters and I, there were nine of us, were born right here within a stone's throw of the mills. The first Hollands arrived about 90 years ago and we have seen many changes right here in our own front yard during those years. Of course, I wasn't around all 90 of them, but I have firsthand information on what occurred before I arrived on the scene.

I had started to work in the mills before World War I, but I must admit my period of employment with them was not too long, for I did not hesitate to criticise the working conditions and even went so far as to suggest that we workers organize a union. Need I add that when the reports of such a conversation got to the proper individuals, I received notice that my services were no longer needed.

That really wasn't anything new in our family, though.

My father, before me, had been a member of the Amalgamated Association of Iron, Steel, and Tin Workers, and had taken part in the now famous and historic Homestead Strike.

Because of his interest in the union and his participation in that strike, he was not only fired, but he was blacklisted, as were many of the union men of those days, and could not secure employment at any mill in the United States.

It is hard to believe today that such a condition ever existed in this country of ours, but it did, and this is how it worked.

The mills, in those days had on their payrolls agents of the Pinkerton Detective Agency and even if a man changed his name and moved to another town to get work, he was discovered and fired immediately upon discovery.

The families of these men suffered too. They were hunted and hounded like criminals if they dared ask for food or help.

The industrialists kept their mills running by using immigrant labor which they brought in. These poor individuals were shipped in with numbers on them. They could not read or speak or understand our language. All they knew was work, work, work.

Most of them came from the Balkan and Mediterranean countries. They knew nothing of our standard of living—they did not know the value of American money—they were assigned to beds in overcrowded rooming houses, and when they weren't sleeping from sheer exhaustion, they were working. And they worked for practically nothing.

Hundreds of them were killed in the mills or crippled and maimed for life.

Here on the South Side, when I was a child, it was a familiar sight to see the old horse-drawn wooden wagon careening up Carson Street to the hospital and back for another load of workers. It was called the butcher's wagon by the workers.

The company lawyer apparently had a "district office" in the hospital, for as the poor worker arrived at the hospital he was there with a paper to be signed—and Joe and Mike and Steve and John put their "x" on the line. When they recovered sufficiently to get out of the hospital and go back to work—then they found out they had signed a statement saying that "through their own negligence they had been injured and the mill was not responsible" and their job was gone.

On paydays you would trip over cripples at the 27th Street Gate for the only way they could get any money to live on was through begging from the more fortunate workers.

Back in those days you didn't have to be injured to lose a job. If the boss had a friend or a relative who needed work * * * you could be fired without cause and replaced without recourse.

In 1917 we went to war, the one that was being fought to "save the world for democracy."

We on the South Side contributed much in manpower to that war. Most of the families from this district had large families and many of the sons of these families went overseas. In fact we had a larger percentage than most communities, and most of us from the South Side, coming from poor families and working homes, had a few ideals that we were fighting for. Among them was that "we were going to make the world a better place in which to live."

Times were good at home, as they always are during a war.

Employment was high, wages were high, and living costs were higher. The workers actually were not making any more because the price of everything had gone up.

The war ended in 1918 and the boys started to come back.

They were happy with the thought that they had won the war, and the world would be better because of their victory.

The workers in the mills had seen steady work during the war years. They had seen millionaires made from their sweat and toil, and, they had decided it was time for them to organize and get better working conditions and a small share of the enormous profits the companies had secured.

They knew that once war orders ceased work would fall off, and jobs would be scarce. They decided they wanted some protection from the whims of the boss so that he could not fire them if he so desired.

In 1919 the Amalgamated Association of Iron, Steel, and Tin Workers started a campaign to try to organize the workers.

I had just returned home from France and was asked to come down to 27th and Carson Street and make a speech on the advantages of belonging to a union. I accepted and my father helped me get my speech ready.

You must realize, of course, that the company did not take this organizing campaign lying down. They had brought in coal and iron police, and thugs whom they had sworn in as deputy sheriffs, and these gentlemen kept people moving on the streets of the South Side. You were not allowed to stand around in groups and talk. If you did you could be jailed for loitering.

Meetings that were scheduled were broken up, even in private homes, and these paid thugs dragged men who attended them from their homes, beat them up, and you always landed in the South Side police station.

As I was on my way to make my speech I saw these hired thugs, with their tin badges, forcing everyone to move on.

I started to speak and paid hirelings from the mills appeared from all sides. They pushed and jostled anyone who might stop to listen.

I asked one, "What's the idea? I just returned from France from the war that was to make the world safe for democracy. Is this how I am to be welcomed home?" One said, "Oh, fresh guy, are you?"

And since you all know my reputation for having such an even temper, you can imagine what happened next.

The fight was on, and I landed in jail.

I got out, of course—came back—and we had a repeat performance. The whole thing over again. Even another ride—another sojourn in jail.

It's hard to believe, I know—but I know it did happen and it was right here on Carson Street in 1919.

We failed in our attempt to organize the mills, and, once again, many men were blacklisted as they were when my father was a young man. Time had not changed any in the eyes of the industrialists.

Then came the roaring twenties.

The Charleston days—the speakeasy days—the days of the skyrocketing stock market. Fortunes were made overnight—cars were manufactured on assembly lines and Fords sprouted like toadstools after a rain.

The boom was on.

Then someone lowered the boom—1929, and the bottom fell out of everything.

Depression enveloped our land from coast to coast. It also enveloped the whole world in general.

People were desperate, families were starving, adults and children alike were ill clothed, ill housed, and ill fed.

The financial wizards of the world had—by their own greediness to get more and more and more—failed to see that if the average man didn't get enough money in wages, he could not buy what was being manufactured, and, if no one bought, there was no need to manufacture.

The little people were grabbing at anything that would give them food, shelter, and clothes.

Banks had failed and life savings were lost.

Soup lines were everywhere.

Apples were sold on the corners.

Churches and private charity agencies tried to help, but the job was beyond them.

During those years Hitler took over in Germany and became their idol with his Nazi theories.

Mussolini moved in on Italy—and he got the trains running again. His Fascist theories were followed willingly.

Stalin and Lenin saved the peasants of Russia, so they thought—and their communistic theories were followed.

In America, we elected Roosevelt.

1933—when Roosevelt took office as President, the people of America would have followed in anything he had suggested—socialism, fascism, nativism, communism. They had nothing to lose—for they had nothing left.

We were fortunate though.

Roosevelt like out capitalistic system. He wanted to make it work, and to make it work he knew that all the people had to share in it, not just the few as had been the practice in the past.

He knew the workers and Labor in general had to be recognized as a component part of that system.

To assure Labor of its place in our economic system, Roosevelt—and a Democratic Congress—passed the Wagner National Labor Relations Act.

With that law on our books, Labor had the right to bargain collectively for the sale of its only product—labor.

We, of the South Side, remember well the day at the gates of the Jones & Laughlin Steel Corp., at 27th and Carson Streets—the same place I had attempted to speak from in 1919—when the campaign began to organize the workers into the Steel Workers Organizing Committee.

The Pennsylvania State Police were there.

They were there because a Democratic governor of the State of Pennsylvania, George Earle, had ordered them to protect—not the strike-breakers this time—but the organizers of the union.

The coal and iron police were there, too, but they were not permitted to touch anyone outside the mills.

Then a strange thing happened. For the first time in the history of any labor dispute—anywhere in the United States—a car drew up to the gates and out of this car stepped the governor of Pennsylvania.

I will always remember the words he spoke.

"You were brought here today," he said to the State police, "to avoid bloodshed and disorder. Above all, I want to warn you—you are not here to give protection to this mill in its effort to break the strike. These workers have the right to organize into a union of their choosing, and you are here to protect their rights."

A few days later, the Steel Workers' Organizing Committee was recognized as a bargaining unit for the Jones and Laughlin Steel Corporation.

Mr. Abel has told you the story from that date up to the present.

I must warn you, however, that to keep the gains you now have and for which these thousands of men before you fought to give you, you must not becme indifferent to what is happening around you.

I know, as well as you, that management has made many statements that they are not against unions—that they are willing to negotiate with your representatives. We have heard these many times.

But statements and actions are two different things.

We just have to look at the record of the 20 years Mr. Abel has covered.

I told you about the strike of 1937 when we first organized the steelworkers.

During the war years, World War II, that is, organized labor was loyal to our country.

Wages were permitted to be frozen, although the profits of the corporations were not.

After the war, the United Steelworkers asked for an adjustment of wages, and we got a 4-week strike in 1946 in order to get that adjustment.

In 1949 we asked that those who had spent their lives in this mill and made possible the profits the company had made be given a pension. We got the pension after a 6-week strike.

In 1952 we asked for a wage adjustment and an improvement in fringe benefits. Again we got what we wanted—after another 6-week strike.

In 1956 we were fortunate, we were out only 1 day.

In 1956, last year, we had to go out on strike for 4 weeks in order to get our increases and benefits.

Management's statements that they are not against the union—and they are always willing to negotiate—are true apparently after they are forced to do so.

Incidentally, there is an interesting sidelight to our 1956 strike, and I think I should tell you why I believe it was a political strike.

In January of 1956 the Wall Street Journal, Business Week, and Newsweek magazines began to run articles pointing to the large stockpile of steel that had been accumulated. They predicted that on or about October 1 there would be a 30-percent layoff in the iron and steel industry.

Now, this was a presidential election year—and a layoff in October, right before election, would play havoc with the Republican chances to win the presidency in November.

It has been stated by a number of columnists that this strike, which we were forced into, should never have occurred—for, according to them, the steel companies were willing to grant the requests made by the steelworkers.

There was rumored to have been a meeting of top Republican politicians and leading industrialists—and it was decided there to put the blame on the union and force a strike for about 4 weeks.

While the strike was in progress, the companies could then get rid of the stockpiles and the mills could reopen with full employment and keep working right through election time.

You can't help but wonder if this rumored meeting didn't really take place, for that is exactly what happened.

Let me warn you, as your Congressman and a former State Senator, don't be taken in by the "honeyed words" of management—for their words and their actions do not coincide.

Management has learned they cannot defeat or destroy your unions by forcing you to strike.

So—they are turning to other methods.

They can defeat you and they can destroy your union by legislation—by taking a little each year until you have nothing left.

Propaganda, coming over my desk in Washington day after day, contains speeches made by anti-union industrialists. These speeches are printed and distributed by advertising companies that receive huge fees—and—its done for only one purpose—to weaken your union.

This sort of thing causes me to fear for your future.

They couldn't break you on the picket line—so now they will do it by law.

They have succeeded in getting 18 States to pass the so-called right-to-work law. This law was not passed to help the individual or the union, it was passed to destroy the union movement in America, State by State, and they now have 18 of the 48 States in their corner.

Many of us, in the union today, are not fully acquainted with the battles we were forced to fight in order to get what we have.

The working conditions we now enjoy are results of the fights the union waged in the past.

Vacations with pay.

Pensions in addition to your social security.

Holidays with pay.

Hospitalization, which assures your wife proper medical care at childbirth.

These are all benefits the union has fought for—for you.

Life insurance; 40-hour week; security of employment, so the boss can't replace you with one of his relatives just because he happens to be out of work.

If you had tried to discuss a grievance in the old days, you would have been fired for complaining to the boss.

Workmen's compensation protects you when you have been injured.

Unemployment compensation feeds you during a layoff.

And above all your union has given you dignity, as an individual, rather than just another number on the payroll list.

Our fight still goes on.

We cannot let down.

Today, you are working in a war economy. All of us pray for peace—but—do you realize what would happen to the economy if the Government suddenly stopped spending for defense?

Millions would be laid off in the changeover from wartime to peacetime production.

The productivity during the war did not just happen.

It was planned.

First—the brains of America were brought to Washington. Men representing labor, capital, management, and Government, sat around a table in Washington and worked out an answer to the question "What was needed to win the war?"

The military decided they needed thousands of planes, ships, submarines, tanks, guns, bombs, and all other weapons.

They didn't ask where the money for these was coming from—they were needed; we had to have them.

Plans were made to get this great productivity at once.

Mills, mines, factories, plants, all were ordered "full speed ahead."

Wheels turned day and night.

It was a must.

I know that many of you must have asked yourself this question: "Why is it the wheels of industry only turn 24 hours a day when they are making the weapons to kill, to lay waste, to destroy, and to bring sorrow to the world?"

And here is another question we all want answered: "Why can't this be done in peace as well as in war?"

These are the questions that you, as a member of your union, must help to answer.

In peacetime there are no stirring speeches made on winning a peace.

Everything goes back to the humdrum existence of "am I working tomorrow or next week?"

Government forgets about that great productivity they hammered at us during the war.

In peacetime they worry very little about having a job for every man to do. No rousing speeches come over our radios or TV about absenteeism or part-time work. It is the old story of layoffs.

The loss of jobs is shunted aside with expressions like this: "There are only between 2 and 3 million unemployed."

But if you are 1 of those 2 or 3 million, it is not so simple to you. You have house payments to meet, car payments to meet, grocery and meat bills to meet, youngsters to clothe—are you worried?

If 2 or 3 million were unemployed during wartime, our Government would move from top to bottom to place them in necessary jobs.

The greatest answer our Government can give to the people of the world in general—and the Communists in particular—is that we can have full employment in peace just as we did in war.

That kind of propaganda would be understood by workers all over the world.

How can it be done?

Just as easily in peacetime as it was in wartime.

Call back to Washington the brains of America—labor, management, capital, and

government. Let them gather around that same table and plan to win the peace as they planned to win the war.

Let them determine how many jobs are needed to have full employment, and then start the wheels once more.

Let them find out what we need now, and the answer could easily be:

Houses are needed for our people.

Schools are needed to have adequate room for our children.

Surgical and medical hospitals are needed so that immediate attention can be given to our ill.

Mental institutions are badly needed so that our mentally ill, so long neglected, can be treated and cured and rehabilitated.

Roads are needed to relieve the present over-crowded conditions on our highways and provide safe means of transportation.

These are only a few of the many things that could be planned that could contribute to the winning of the peace.

You, as members of labor, should play a big part in demanding that this be done.

America is at the crossroads.

The Communists are saying to the world that America must have war to have prosperity.

We must prove otherwise.

Let us all, each and everyone of us, work for this new peacetime goal.

Let us prove to the world that we, who in war could keep the wheels of industry going 24 hours a day making the weapons of war, can again keep the wheels of industry going 24 hours a day making the necessities for a life worth living.

The United Steelworkers of America must and shall do their part.

Segregation and "Surrender"

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1957

Mr. ABBITT. Mr. Speaker, there is a gradual movement in this country toward Federal control of all activities. Many leaders are adopting a so-called middle-of-the-road philosophy. The bartering of principle is a dangerous business. In making concessions and compromises, principle is lost and the rights of the people diminish.

If the Supreme Court decision of May 17, 1954, is allowed to stand, the school system of our State will be wrecked; the rights of our people mutilated; and the sovereignty of our State desecrated. Somewhere along the line it becomes necessary to meet the issue head-on.

Many politicians, in their zeal to secure political preferment, are willing to turn their backs on constitutional government, the sovereignty of our States, and the privileges and freedoms of the individuals of this country. Some of our would-be leaders in Virginia have adopted an attitude that they are for segregated schools but there is nothing that can be done to permit the Commonwealth of Virginia to continue to operate her schools on a segregated basis; that there must be a little integration in compliance with the decree of the Supreme Court.

There is no such thing as a little compliance. Either we comply or we exert every possible legitimate, peaceful means at the disposal of the Commonwealth of Virginia and her people to maintain the right to operate our schools as the people of Virginia desire them operated.

I am convinced that if our people will stand together on this great issue and fight for the principles involved we have reason to hope that the people of this country will some day awaken to a realization of what the Court has attempted to do to our Constitution and demand a return to constitutional government.

On Monday, March 25, 1957, there appeared in the Richmond News Leader an outstanding editorial entitled "Segregation and 'Surrender'." On Tuesday, March 26, 1957, there appeared in the Richmond Times-Dispatch an equally outstanding editorial entitled "Dalton Should 'Choose to Run'." These fine editorials pointed out in detail the political manipulations of one of the politicians in Virginia who is attempting to secure political preferment by playing upon words and forgetting principle. In one breath this politician pretends that he favors keeping white schools of Virginia white and in the next breath says we must have some integration. He wants to be all things to all people and at the same time no doubt hopes in his heart that by playing up to the Modern Republicanism of the present administration he will secure an appointment to one of the judicial plums now dangling in Virginia.

There is an unholy alliance between Attorney General Brownell, the present administration and the NAACP to bring Virginia to her knees and to force us to take orders from Brownell and the NAACP. Could it be that Mr. Dalton has now joined this unholy alliance?

Mr. Speaker, under leave to extend my remarks, I desire to include these editorials which are as follows:

[From the Richmond News Leader of March 25, 1957]

SEGREGATION AND "SURRENDER"

With Senator Ted Dalton's address before the Republican State Central Committee on Saturday, the issue of a school policy in Virginia is fairly joined.

Mr. Dalton, speaking for the Republicans, is agreeable to some racial integration under a plan of pupil assignment. He would keep the white schools "as white as possible," but he would prefer integration to closing schools.

On the opposite side, the dominant Democratic organization of United States Senator HARRY F. BYRD, which has endorsed the gubernatorial candidacy of J. Lindsay Almond, Jr., favors an approach of "massive resistance" at the State level. This carries with it the denial of State funds to any locality which integrates its local schools. Because the State supplement is vital to school operations in most counties and cities, this might have the effect of closing some schools in order to prevent race mixing.

It is fair to say that Senator Dalton is no more "in favor of integration" than the Byrd organization is "in favor of risking the closing of some schools." Both parties denounce the Supreme Court's school decision (Mr. Dalton, who may abandon politics to accept a Federal judgeship, described the opinion as "unreasonable and unfair"), and both parties, it may be assumed, have an equal devotion to the cause of educating children. Their division lies at that critical point, some time in the future, when a local school division at last faces the bitter choice: Mix the races, or close the school. Mr. Dalton would mix. Mr. BYRD would close.

In this bitter, tragic choice, this newspaper aligns itself with Senator BYRD—and for a number of reasons.

To permit the assignment of white and Negro pupils to the same classroom, as a State policy, is to surrender altogether to the Supreme Court of the United States. We are not yet ready to surrender.

To risk the closing of a school, or actually to close a school, is a miserably unhappy prospect. Yet the stakes are high. If the Federal courts can be convinced that Virginia means business—if Negro petitioners can be convinced that to win a suit means to lose their school—we may reach an impasse at a price which is relatively small in terms of the overall gain. In any event, this newspaper has enough confidence in the ingenuity and resourcefulness of the white people of Virginia to be confident that a school, once closed, would not remain closed long. The loss in educational opportunity to white children, at least, would be only temporary. Negro petitioners, having precipitated the crisis, would have only themselves to blame for whatever consequences might result.

The capitulation advocated by Senator Dalton might begin with "just a little integration," but the experience of Baltimore offers abundant proof that a little integration swiftly develops into big integration. Baltimore began with a 3-percent mixing in its first year; this jumped to 7 percent in the second year; it is now 15 percent in the third year. Moreover, physical conditions in rural counties make "a little integration" impossible. It is total, or none at all.

We oppose Senator Dalton's soft view for other reasons: Important as public education is, other things are important, too—and among them is a steadfast insistence upon obedience to the Constitution as the supreme law of the land. To submit tamely to this flagrant usurpation of power by the Supreme Court will make every subsequent usurpation that much easier; for the South to resist, and to keep on resisting, even at bitter price, may serve to awaken the rest of the country to the serious nature of the constitutional crisis at hand.

One final point: To accept race-mixing now, in our view, will be to saddle succeeding generations in the South with the terrible consequences of racial amalgamation. No responsible person contends that integration in 1957 will mean "mongrelization" in 1958. The apprehension is for 1977 or 1997—for 20, 30, or 40 years hence. If a firm stand now will prevent that consequence then, our children one day will be thankful for this resistance in our own time.

Let us take it to the hustings, Mr. Dalton. If devotion to the Constitution is so dead in Virginia, and pride of race so feeble, that the people of this State will abandon both Constitution and race on the altar of a few public schoolhouses, we deserve the worst that may happen to us.

[From the Richmond Times-Dispatch of March 26, 1957]

DALTON SHOULD CHOOSE TO RUN

"Although I am taking a hard and long look at the matter of running (for governor), the chances are that I will not do so," State Senator Ted Dalton told the Republican State Central Committee on Saturday.

We hope Mr. Dalton decides to accept the nomination.

The likelihood of his doing so appears less certain than it had been before he made his speech to the GOP committee.

He did not speak like a man who expects to run for governor, on a Republican ticket, in a traditionally Democratic State.

The less charitable will accuse him of speaking like a man in line for lifetime appointment to a Federal judgeship to succeed Judge Barksdale, slated to retire 4 months hence from the bench of the United States District Court of Western Virginia.

Nor did he speak like a Republican.

What he said was unmistakably in line with the new Republicanism, whose standardbearer has reneged on his pledge to protect States rights.

Heretofore Mr. Dalton's gubernatorial aspirations had been regarded with a sort of kindly interest by some Virginia Democrats. This attitude reflected favorably on his popularity, as well as a belief that his chances of success at the polls were comfortably remote.

We doubt that the same tolerant attitude prevails now that he has unmistakably identified himself with the neither-here-nor-there middle-of-the-road "Republicanism" symbolized by Mr. Eisenhower and those White House advisers who appraise the school issue in terms of political strategy.

Mr. Dalton told the GOP committee that he had not made up his mind on whether or not to run for governor, because, he said, he was not satisfied that he had "fully done his part to establish a two-party system in Virginia."

This newspaper believes a genuine two-party system to be indispensable to the system of checks and balances which protects a nation and a state against abuse of political power.

But as GOP Committeeman William Siple of Hopewell said, in commenting on the Dalton middle-of-the-road policy, "It might put the Republican Party (in Virginia) behind the 8-ball for the next 50 years."

The prospect of that hopeless position (to the detriment of two-party government) was enhanced by the committee's 25-to-5 vote against Committeeman Walter G. Gambill's motion to censure Mr. Eisenhower's Modern Republicanism, as an expedient surrender to the big government ideology of the New Deal.

Mr. Dalton, in Saturday's speech, referred to the Supreme Court school decision as "unreasonable and unfair." Yet he would have Virginia bow to that unconstitutional directive—gradually.

"We do not approve of the decision in Virginia," he said, adding that we should "keep white schools white."

But having said that, he half-about-faced. "An intelligent approach" to the situation, he said, would be to "keep the white school as white as possible, under law and order."

Mr. Dalton's proposal advocates gradual surrender to a Supreme Court directive we do not recognize as law, enacted by the representatives of the people, or by State ratification of an amendment, but a directive—a judicial fiat trespassing explicit constitutional limitations on the Court's powers.

This possible successor to a Federal judgeship in Virginia would have the people of this State yield to insertion of the thin edge of the wedge. Once inserted, the Federal courts would be free to wield the sledgehammer to drive that wedge in deeper.

As the forcible transfer of pupils in New York has clearly shown, the NAACP is not content with such integration as would take place along neighborhood lines. They wish to uproot white children from white schools, and uproot colored children from colored schools, in order to expedite race mingling by force.

There was a time when it could still be hoped that both the NAACP and the Court itself might be sensitive to the enormity of the disruption created by hasty implementation of the school decision—and the imperative need for permitting southern mores, rather than the Court's impatience, to determine regional reaction to the Court order. The growing aggressiveness of the NAACP, and the intransigence of the Court (as seen in its refusal yesterday to review the Charlottesville and Arlington cases) have destroyed that hope.

Mr. Dalton seems completely unaware of this radical change in the situation.

Mr. Dalton ignored another salient fact in the dilemma created by the Court's decision:

Virginia is not an isolated target of the Eisenhower-Brownell campaign to win the big city Negro vote. It does not exist in a vacuum. It is traditionally and inseparably linked to the South as a whole. The South's public school system is in jeopardy as a result of the "new" Republicans' determination to regulate State-financed education.

Mr. Dalton takes a defeatist attitude. He says there' no hope of the Court reversing itself. He says that our public schools must be preserved—even at the cost of integration by gradualism. He accuses Senator BYRD of "Calling on our little children to bear the brunt."

This resort to pathos is most disappointing in a statesman who had been, and is, widely respected. It was a deplorable appeal to the very "emotionalism" he charges against Virginia Democrats.

Mr. Dalton refuses to recognize that the "massive (but passive) resistance" advocated by Senator BYRD, not only in Virginia but throughout the South, may prove to be our best hope to bring about a change of the Court's approach to a deadlock of its own creation.

Nor does Mr. Dalton seem to realize that this deadlock cannot be broken along judicial lines.

A political decision can be altered only by political means.

It seems reasonable to assume that a Court which allowed itself to be influenced by a minority political-pressure group may not be indifferent to the great majority of voters in 13 States determined to resist en bloc.

Mr. BYRD and other southern statesmen do not advocate, as Mr. Dalton charges, the closing of public schools. They do say that the closing of schools, in deference to the wishes of parents, will be the only alternative—if the high Court refuses to recognize the preponderance of hard fact over the abstract philosophizing of the NAACP.

Mr. Dalton professes to believe that the majority of Virginians see things his way. He alone can give them an opportunity to be counted—by running for governor.

SENATE

WEDNESDAY, MARCH 27, 1957

(Legislative day of Tuesday, March 26, 1957)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Theodore Henry Palmquist, D. D., minister of Foundry Methodist Church, Washington, D. C., offered the following prayer:

Lord of all creation and Father of all mankind: We thank Thee for the privilege of living in this great land where the law upholds the rights and dignities of man, including the right to assemble freely and to organize for mutual development, and the freedom to speak, with none to bar the way.

Teach us, however, what we can and what we cannot inherit—initials, but not a name; a house, but not a home. These privileges and many others must be born anew in us, and we must prove ourselves worthy by protecting them with our whole philosophy of living.

Bless our homes and our families. Teach us that all our dreams for tomorrow will come true only as we train our youth in the way of truth and reverence.

Bless the President of the United States and the Members of this 85th Congress, who have been elected to stand for us all in high places and to speak unafraid. Teach us all that people are more important than profits; that right is more essential than riches; and that to be sound is a greater eternal factor than to be safe.

All this we ask in Thy name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, March 26, 1957, was approved, and its reading was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, was read twice by its title and referred to the Joint Committee on Atomic Energy.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Veterans Affairs of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Public Health, Education, Welfare, and Safety of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

Mr. MAGNUSON. Mr. President, I conferred with the majority leader and the minority leader yesterday, and I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to meet this morning. The committee has several nominations to

consider. We had set hearings on the nominations about 2 weeks in advance. There is no legislation pending, but all the witnesses and the nominees are now in the committee room. I was hoping this request would be granted.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, and I shall not object, because the distinguished and cooperative chairman of the Committee on Interstate and Foreign Commerce has already explored this matter thoroughly with the leadership. I do wish to say, for the information of the chairman and the other members of the committee, that we are going to have several quorum calls today. It will expedite the business of the Senate if the committee will recess its meeting as soon as the quorum bells ring, and let the Members answer to the quorum calls, and they may then return to their committees.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. JOHNSON of Texas. I have no objection to the request.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the purpose of the introduction of bills, the presentation of petitions and memorials, and the transaction of other routine business, subject to a 3-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OPERATION OF TRADE AGREEMENTS PROGRAM

A letter from the Chairman, United States Tariff Commission, Washington, D. C., transmitting, pursuant to law, a report of that Commission on the operation of the trade agreements program, for the period July 1955–June 1956 (with an accompanying report); to the Committee on Finance.

LAWS ENACTED BY LEGISLATURE OF VIRGIN ISLANDS

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the First Legislature of the Virgin Islands in its 1956 regular and special sessions (with accompanying papers); to the Committee on Interior and Insular Affairs.

EXTENSION OF VOLUNTARY HEALTH PREPAYMENT PLANS

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to encourage the extension and improvement of voluntary health prepayment plans or policies (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT OF GIRL SCOUTS OF AMERICA

A letter from the president and national executive director, Girl Scouts of the United States of America, New York City, N. Y., transmitting, pursuant to law, a report of that organization, for the year ended September 30, 1956 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Tennessee; to the Committee on Foreign Relations:

"House Joint Resolution 35

"Whereas the members of our Armed Forces serving abroad, their civilian components and the dependents of each, are now subject to the criminal jurisdiction of more than 50 countries in which they may be on duty, by reason of the NATO Status of Forces Treaty, the administrative agreement with Japan, and executive agreements with other nations; and

"Whereas these agreements penalize our servicemen for foreign service by depriving them of many of the rights granted by our Constitution, which they are sworn to defend; and

"Whereas it is impossible for any serviceman accused of transgression in a foreign country to receive a fair and impartial trial because of the varying systems of jurisprudence which make it impossible for him to receive the protection of all of the rights and guaranties which our Constitution gives to every citizen and because of the prejudice and animosity sometimes existing against our men; and

"Whereas legislation has been introduced in both the Senate and the House of Representatives of the United States to direct the President to seek a modification of all such agreements so that the United States may regain exclusive jurisdiction over the members of its Armed Forces for all purposes, or if such a modification is refused, then to terminate or denounce the agreements according to the terms of each: Now, therefore, be it

"*Resolved by the House of Representatives (the Senate concurring), of the General Assembly of the State of Tennessee*, That the members of this legislature deplore the arrangements now existing which make service in our Armed Forces abroad a hazard by depriving our servicemen, their civilian components and dependents of each, of the rights and guaranties of our Constitution when they are stationed in other lands; and be it further

"*Resolved*, That we respectfully urge the Congress of the United States to immediately enact the legislation now pending or similar legislation which will secure a modification or denunciation of the provisions of the NATO Status of Forces Treaty and all other agreements which surrender to foreign nations criminal jurisdiction over our servicemen; and be it further

"*Resolved*, That the Legislature of the State of Tennessee expresses its belief that all United States service personnel stationed abroad should be tried by United States military tribunals under the Uniform Code of Military Justice for any offense committed on foreign soil and respectfully urges the President of the United States, by negotiation, and the Senate and the House of Representatives of the United States by legislation directing such negotiation, to immediately seek a modification of all existing agreements with foreign nations so that the United States may regain criminal jurisdiction over its Armed Forces, and failing such modification being secured, to denounce such agreement; and be it further

"*Resolved*, That a copy of this resolution be spread on Journals of the House and Senate and that copies hereof be transmitted forthwith to the President of the United States, and to all Members of the Senate and House of Representatives of the United States Congress, and filed with the clerk of each.

"Adopted March 13, 1957.

"JAMES L. BOMAR,
"*Speaker of the House of Representatives.*

"Concurred in March 18, 1957.

"JARED MADDUX,
"*Speaker of the Senate.*

"Approved March 21, 1957.

"FRANK G. CLEMENT, *Governor.*"

Two concurrent resolutions of the Legislature of the State of North Dakota; to the Committee on Public Works:

"Senate Concurrent Resolution J

"A concurrent resolution favoring the early construction of the proposed dam and reservoir project on the Pipestem Creek, near Jamestown, N. Dak., and urging the Corps of Engineers to expedite the completion of a favorable report thereon

"Whereas the need for improved management of our water resources, for controlling floods, providing municipal, industrial, and agricultural water supplies, generating hydro power, creating recreational opportunities, propagating fish and wildlife, and for other purposes, increases with each passing year; and

"Whereas the Pipestem Creek, a tributary of the James River, is a stream with recurring floods, whose waters, if impounded, would greatly benefit, instead of damage, affected urban and highly productive rural areas; and

"Whereas the Garrison district, Corps of Engineers, United States Army, under authority of a resolution by the Committee on Flood Control, House of Representatives, adopted November 10, 1943, submitted an interim report on investigations and surveys for the control of floods thereon at Jamestown, N. Dak., on March 2, 1954, which report with recommendations for improvement of Pipestem Creek was unacceptable to local interests meeting to hear and consider the same; and

"Whereas a restudy, reexamination and review of said report together with additional investigations and surveys of the subject basin are needed, for which funds have been and are being provided by Congress: Now, therefore, be it

"*Resolved by the Senate of the State of North Dakota (the House of Representatives concurring therein)*, That the 35th Legislative Assembly of the State of North Dakota favors the early construction of the proposed Pipestem Creek dam and reservoir project a few miles northwest of Jamestown, N. Dak., and urges the Corps of Engineers to promptly develop and complete a favorable report thereon in order that the project may be included in the next flood control bill; and be it further

"*Resolved*, That copies hereof be mailed by the secretary of state to the President of the Senate, the Speaker of the House of Representatives, the chairman of the Committees on Public Works, the Chief of Engineers, the Garrison district engineer, and to Senators WILLIAM LANGER and MILTON R. YOUNG, and Representatives USHER L. BURDICK and OTTO KRUEGER.

"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*
"B. WOLF,
"*Speaker of the House.*
"GERALD L. STAIR,
"*Chief Clerk of the House.*"

"House Concurrent Resolution P

"A concurrent resolution favoring the early construction of the proposed Pembina River dam and reservoir project and urging the Corps of Engineers to expedite the completion of a favorable report thereon

"Whereas the proposed dam and reservoir project on the Pembina River, near Walhalla, N. Dak., has been under restudy, reexamination, and review by the district engineer, St. Paul District, Corps of Engineers, United States Army, for a number of years, with a view of finding a more favorable benefit-to-cost ratio to better justify recommendations for its accomplishment; and

"Whereas there appears to be potential irrigable areas of up to 25,000 acres, or more, susceptible of development in connection with such project, and there are additional benefits, both direct and indirect, which have not been, but should be, considered in the evaluation thereof, all of which would substantially improve and increase the economic feasibility of the project: Now, therefore, be it

"*Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein)*, That the 35th Legislative Assembly of the State of North Dakota favors the early construction of the Pembina River dam and reservoir project for flood control, domestic, municipal, industrial and agricultural water supplies, power, recreation, fish and wildlife, and other uses, and urges the Corps of Engineers to expedite the development and completion of a favorable benefit-cost report thereon to the end that congressional approval thereof may be sought in the next flood-control bill; and be it further

"*Resolved*, That copies hereof be mailed by the secretary of state to the President of the Senate, the Speaker of the House of Representatives, the chairmen of the Committees on Public Works, the Chief of Engineers, the St. Paul district engineer, and to Senators WILLIAM LANGER and MILTON R. YOUNG, and Representatives USHER L. BURDICK and OTTO KRUEGER.

"B. J. WOLF,
"*Speaker of the House.*
"GERALD L. STAIR,
"*Chief Clerk of the House.*
"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*"

A resolution adopted by the convention of the Jewish War Veterans of the United States of America, at Milwaukee, Wis., relating to the President's powers to negotiate treaties; to the Committee on the Judiciary.

A resolution adopted by the American Patriots, at Boston, Mass., relating to the treatment of Hungary by Russia, and the censure of Senator MCCARTHY; to the Committee on the Judiciary.

JOINT RESOLUTION OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial No. 13, memorializing the President of the United States of America, the Congress of the United States of America, the Secretary of the Interior, and the Secretary of Health, Education, and Welfare, to grant the Fort Stanton Reservation to the State of New Mexico.

This joint memorial was passed by the New Mexico State Legislature, and has been signed by the Governor.

I ask unanimous consent that the memorial be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

House Joint Memorial 13

A joint memorial memorializing the President of the United States of America, the Congress of the United States of America, the Secretary of the Interior, and the Secretary of Health, Education, and Welfare, requesting that the Fort Stanton Reservation be granted to the State of New Mexico

Whereas for many years Fort Stanton Reservation has been utilized by the United States of America for various purposes, but is no longer used by the United States of America for Government purposes; and

Whereas there exists at the present time a pressing need for additional grazing land due to the substantially increased population of this State; and

Whereas the economic level of the State is depressed by the lack of this grazing land: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the President of the United States of America, the Congress of the United States of America, the Secretary of the Interior, and the Secretary of Health, Education, and Welfare are hereby memorialized to grant to the State of New Mexico the Fort Stanton Reservation, subject to the proper and just determination of any other claims or rights that may have existed at the time of the withdrawals of such land for public purposes, and to grant said land to the State without delay; and be it further

Resolved, That duly enrolled and engrossed copies of this memorial bearing the great seal of the State of New Mexico be transmitted to the President of the United States of America, the Congress of the United States of America, the Secretary of the Interior, and the Secretary of Health, Education, and Welfare, and the congressional representatives of the State of New Mexico.

DONALD D. HALLAM,
Speaker, House of Representatives.
FLOYD CROSS,
Chief Clerk, House of Representatives.
JOE M. MONTOYA,
President, Senate.
GRACE MCAFEE,
Chief Clerk, Senate.

Approved by me this 11th day of March 1957.

EDWIN L. MECHEM,
Governor, State of New Mexico.

CIVIL RIGHTS—RESOLUTION OF UNITED YOUNG REPUBLICAN CLUB, NEW YORK, N. Y.

Mr. JAVITS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the United Young Republican Club, of New York City, N. Y., commending the President for his consistent record of concern for civil rights, and urging all Americans to support with vigor the administration's civil-rights program.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the President of the United States, Dwight D. Eisenhower, has again and again demonstrated his dedication to the cause of equality and justice for all; and

Whereas genuine democracy cannot exist unless every American is assured of his constitutional rights and of freedom from intimidation and violence in the exercise of these rights; and

Whereas courageous Negro and white citizens in some areas of our Nation have been subjected to repeated acts of intimidation and violence aimed at crushing all efforts to promote equality and understanding among our people; and

Whereas individuals have been killed and injured, and property, including churches, has been severely damaged by the enemies of decent Americans everywhere; be it

Resolved by the members of the United Young Republican Club—

1. That we commend our President for his consistent record of concern for civil rights and his firm action in abolishing discrimination and segregation wherever Federal law has jurisdiction.

2. That we strongly endorse the President's civil-rights program and urge all Americans to support it with increased vigor against the determined opposition of most Democratic leaders.

3. That we call upon our President to encourage and strengthen the forces seeking justice everywhere by speaking out boldly against organized violence that has afflicted parts of our land.

4. That copies of this resolution be sent to the President, the Attorney General of the United States, and the Senators from the State of New York.

5. That other Republican organizations in the New York City area be urged to adopt similar resolutions.

Adopted unanimously, March membership meeting.

UNITED YOUNG REPUBLICAN CLUB,
THOMAS G. WEAVER, *President.*
ERNESTINE HOPKINS,
Recording Secretary.

NOMINATION OF JOHN S. HASTINGS TO BE JUDGE OF THE UNITED STATES CIRCUIT COURT OF APPEALS, SEVENTH CIRCUIT—RESOLUTIONS

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the Morgan County, and Daviess County Bar Associations, of Indiana, approving the confirmation of the nomination of John S. Hastings, to be a judge of the United States Circuit Court of Appeals, for the Seventh Circuit.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

The following is a resolution duly adopted by the Morgan County Bar Association at Martinsville, Morgan County, Ind., on March 25, 1957:

"Whereas the President of the United States has nominated and appointed the Honorable John S. Hastings as a judge in the United States Circuit Court of Appeals of the Seventh Circuit, subject to confirmation by the Senate of the United States; and

"Whereas the Morgan County Bar Association of Morgan County, Ind., is well acquainted with the legal qualifications, background and outstanding ability of the Honorable John S. Hastings: Now, therefore, be it

"*Resolved*, That the Morgan County Bar Association of Morgan County, Ind., hereby expresses its approval and appreciation to the Honorable Dwight D. Eisenhower, President of the United States, for his selection and nomination of the Honorable John S. Hastings, of Washington, Ind., as a judge of the United States Circuit Court of Appeals of the Seventh Circuit, and heartily recommends and endorses to the Senate of the

United States the Honorable John S. Hastings and respectfully requests that his appointment be confirmed."

RESOLUTION OF THE DAVIESS COUNTY BAR ASSOCIATION APPROVING THE APPOINTMENT OF JOHN S. HASTINGS TO THE FEDERAL JUDICIARY

Whereas John S. Hastings, an attorney and member of the Daviess County, Ind., Bar Association, has been nominated by the President of the United States for appointment to the Federal Judiciary; and

Whereas John S. Hastings has been a distinguished member of our association, and an outstanding citizen of our State; and

Whereas his integrity is beyond reproach, and his intelligence is unexcelled, and

Whereas we, the undersigned, deem it a distinct privilege and an honor to indorse the nomination of John S. Hastings, and urge the confirmation of his nomination by the Senate of the United States: Now, therefore, be it

Resolved by the Daviess County, Ind., Bar Association, We hereby urge the Senate of the United States to confirm the appointment of John S. Hastings to the Federal judiciary.

MARCH 18, 1957.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. 1549. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 191).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 42. A bill to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes (Rept. No. 193).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. J. Res. 39. Joint resolution to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex. and Tex. (Rept. No. 192).

By Mr. SPARKMAN, from the Committee on Banking and Currency, with an amendment:

S. 1679. A bill to increase the special-assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act (Rept. No. 194).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD, from the Committee on Finance:

Fred C. Scribner, Jr., of Maine, to be an Assistant Secretary of the Treasury, vice Andrew N. Overby, resigned.

By Mr. SMATHERS, from the Committee on Interstate and Foreign Commerce:

Louis J. Hector, of Florida, to be a member of the Civil Aeronautics Board, vice Joseph P. Adams, term expired.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PASTORE (for himself and Mr. GREEN):

S. 1726. A bill authorizing certain construction for the protection of the Narragansett Bay area against hurricane tidal flooding; to the Committee on Public Works.

(See the remarks of Mr. PASTORE when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. IVES, Mr. COOPER, Mr. PAYNE, and Mr. BEALL):

S. 1727. A bill to establish a program of Federal loans and loan insurance and encouragement of similar State programs for the purpose of encouraging and assisting individuals to obtain college or university education; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. PAYNE (for himself, Mrs. SMITH of Maine, Mr. IVES, Mr. JAVITS, Mr. KENNEDY, Mr. KUCHEL, and Mr. SALTONSTALL):

S. 1728. A bill to provide certain assistance to State and Territorial maritime academies or colleges; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1729. A bill to amend the Interstate Commerce Act so as to provide for the protection of railroad employees by regulating the use of track motor cars, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1730. A bill to implement a treaty and agreement with the Republic of Panama, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL:

S. 1731. A bill to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to the Committee on Labor and Public Welfare.

By Mr. KERR:

S. 1732. A bill to readjust equitably the retirement benefits of certain individuals on the emergency officers' retired list, and for other purposes; to the Committee on Armed Services.

By Mr. GORE:

S. 1733. A bill to provide for a U. S. S. *Arizona* memorial at Pearl Harbor, T. H.; to the Committee on Armed Services.

By Mr. MARTIN of Iowa:

S. 1734. A bill to authorize the inclusion of certain periods of National Guard service for purposes of determining retired pay for nonregular service; to the Committee on Armed Services.

By Mr. EASTLAND (for himself, Mr. THURMOND, and Mr. BYRD):

S. 1735. A bill to amend chapter 233, title 18, United States Code, relating to criminal contempts; to the Committee on the Judiciary.

(See the remarks of Mr. EASTLAND when he introduced the above bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 1736. A bill for the relief of Rosa Sigl; to the Committee on the Judiciary.

By Mr. CLARK:

S. 1737. A bill to amend the United States Housing Act of 1937, as amended, to increase the number of new public housing units, and for other purposes; to the Committee on Banking and Currency.

By Mr. SALTONSTALL:

S. 1738. A bill to provide for systematic reduction of the public debt; to the Committee on Finance.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 1739. A bill for the relief of Chue Ling Chun; to the Committee on the Judiciary.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS:

S. J. Res. 77. Joint resolution authorizing the President to issue a proclamation designating the 7-day period beginning May 26, 1957, as All-American Family Week; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. J. Res. 78. Joint resolution designating March 15 of each year as Andrew Jackson Day; to the Committee on the Judiciary.

PROTECTION OF NARRAGANSETT BAY AREA AGAINST HURRICANE TIDAL FLOODING

Mr. PASTORE. Mr. President, on behalf of myself and my colleague, the senior Senator from Rhode Island [Mr. GREEN], I introduce, for appropriate reference, a bill authorizing certain construction for the protection of the Narragansett Bay area against hurricane tidal flooding. Narragansett Bay lies in one of the most densely populated areas of the country. In density of population, Rhode Island ranks first in the United States. Most of the major industrial areas of the State are located in the bay area; and within the lower and middle bays is one of the primary naval bases of our country. The port of Providence ranks third in New England.

With its mouth open to the Atlantic Ocean, Narragansett Bay lies in the path of the great hurricanes which approach the New England coast. The three most damaging hurricanes since 1900 occurred in the 17-year period from 1938 to 1954. Two of these produced flood levels 15 to 16 feet above the mean sea level at Providence. The 1954 flood covered 500 acres of the commercial area of Providence, and caused damage in the amount of $41 million, while the total damage in the Narragansett Bay area was $92 million. In the 1938 hurricane, the damage for the entire area was $120 million.

Because of these destructive hurricanes, the Congress, in Public Law 71, 84th Congress, authorized studies to be made for the protection of Providence and the lower Narragansett Bay area. The plans recommended as a result of those studies are incorporated in the bill now introduced. There are two units—the Fox Point Dam and the lower bay barriers. Estimated annual benefits from the Fox Point Dam are $1,733,000 at a benefit-to-cost ratio of 2.37 to 1. Estimated benefits from the lower bay barrier will annually be $4,267,000, at a benefit-to-cost ratio of 1.65 to 1. All these figures establish the economic feasibility of the projects in the judgment of the Engineers.

In addition, there are the uncalculated costs to health, security, and national defense. Beyond these is the tragic cost in human life—for 250 lives were lost in Rhode Island alone in the hurricane of 1938.

Approval of these projects will be confirmation of the results of the careful studies of the Corps of Engineers of the United States Army, and will be in consonance with our concern for the security of an area important to our economy and to our defense.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1726) authorizing certain construction for the protection of the Narragansett Bay area against hurricane tidal flooding, introduced by Mr. PASTORE (for himself and Mr. GREEN), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the project for the protection of the Providence, R. I., area against hurricane tidal floods by the construction of a barrier at Fox Point, on the Providence River, is authorized substantially in accordance with the recommendations of the Division Engineer, New England Division, Corps of Engineers, United States Army, in his report dated February 15, 1957, as such may be modified by the Board of Engineers for Rivers and Harbors and the Chief of Engineers, at an estimated initial cost to the United States of $16,180,000.

SEC. 2. The project for the general protection of the Narragansett Bay area from hurricane tidal floods by the construction of a series of lower-bay barriers is authorized substantially in accordance with the recommendations of the Division Engineer, New England Division, Corps of Engineers, United States Army, in his report dated February 15, 1957, as such may be modified by the Board of Engineers for Rivers and Harbors and the Chief of Engineers, at an estimated initial cost to the United States of between $67 million and $105 million.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

EDUCATION LOAN ACT OF 1957

Mr. JAVITS. Mr. President, on behalf of myself, my colleague, the senior Senator from New York [Mr. IVES], the senior Senator from Kentucky [Mr. COOPER], the junior Senator from Maine [Mr. PAYNE], and the junior Senator from Maryland [Mr. BEALL], I introduce, for appropriate reference, a bill to establish a $1 billion program of Federal loans and loan insurance over a period of 8 years up to 1965, to encourage and assist individuals needing financial support, where merited in the national interest, in obtaining a college or university education.

The Secretary of Health, Education and Welfare would be authorized to establish priorities for loans in education in particular fields, whenever he determined such priorities were in the national interest.

According to the estimates of leading educators, more than 200,000 boys and girls who graduate from high school this year, and who are of college caliber, will not be able to attend college for financial reasons. Of this number, approximately 100,000 are in the "gifted" category, and could reasonably be expected to be among the leaders in the sciences, the professions, and the arts, were they able to complete their education.

Furthermore, Mr. President, about one-half of the estimated 700,000 college freshmen next fall will have varying degrees of financial difficulty in meeting college expenses; and an undetermined number will be forced to discontinue their education because they are unable to meet expenses.

Mr. President, in this connection I may say that we are dealing with what is probably our greatest natural resource, namely, our young people, and especially their need for technological and scientific training in higher education.

Although there is an immediate need for participation by the Federal Government in loans for higher education, the need will grow sharply in the future, as the number of high-school graduates increases. For example, this year 1,400,000 boys and girls are expected to graduate from high school. By 1965, it is estimated that the number will be 2,014,400; and by 1970 there will be 2,187,000 graduating from high school. Facing a total college enrollment of an estimated 3,778,000 by 1960, 4,860,000 by 1965, and 6,443,000 by 1970, compared with the present enrollment of 3,230,000, and with the termination of the GI Bill of Rights, the establishment of a program such as this one is imperative. Of course, Mr. President, the expected rapid increase in high school graduation and college enrollments is due to the great increase in the number of births around the 1940's.

The importance of a higher education to the individual is, I believe, self-evident in this new technological world. The importance to our Nation and to the free world in the greatest possible expansion of educational opportunities, especially in scientific and technical fields, is becoming increasingly apparent.

For example, it was estimated in 1955 that the Soviet Union graduated over 34,000 more engineers annually than we did—57,000, as compared to our 22,600. In the engineering race, one of the important keys to industrial development which is such a vital component to national security, the Russians are overtaking us. It is my conviction that the program under the bill we are introducing will substantially stimulate an expansion in our higher-education programs in the sciences and professions.

An important provision of our bill is the one which would make Federal loans available to a limited number of students from abroad, to permit them to study in American colleges and universities. At present, about 37,000 foreign students are studying in United States institutions of higher learning. The estimate for the Soviet Union is 250,000 foreign students studying there. That program on the part of the Soviet Union is its greatest means of building up leadership material for Communist purposes in Moscow. About 2,700 students from abroad receive some form of financial assistance from our Government, but the overwhelming majority of these are graduate students. The remaining 34,300 receive no assistance from our Government. Over half are doing undergraduate work. It is to increase the number of students from abroad doing undergraduate study in this country that the foreign-student provision of this bill is designed.

The bill would permit loans to be made to students from abroad, with repayment in local currency. Not more than 5 percent of the direct loans could be utilized for that purpose, and the number of foreign students permitted to qualify would be limited to a maximum of 5,000 at any time. This would be the largest single source of financial assistance to students from abroad.

Mr. President, compare our present activities to those of the Soviet Union in providing educational opportunities for students from other countries. Contrasted to the 37,000 we are taking, the Soviet Union is drawing an estimated 250,000 students from the Communist bloc. We need to step up our foreign-student training program, because the more foreign students we can train in this country, the more exponents of freedom we shall have abroad, when those students return to their homes.

Another significant aspect of the bill is that by basing the program on loans, rather than on outright grants, we would avoid any substantial added strain on the budget. The bill involves very small appropriations. It is based essentially on the fact that students are generally well able to pay the cost of their education, once we give them a chance to obtain it by a loan to be repaid when they go to work.

A report by the New York education department in 1956 showed a significant increase in the demand for loan funds reported by several institutions of higher learning. The same survey showed that 66⅔ percent of the 80 colleges reporting showed that 90 percent or more of the loan funds were repaid; and another 25 percent of the colleges reported 100-percent collections.

The bill provides that the Secretary of Health, Education, and Welfare shall set up a program to assist individuals to obtain an education beyond the secondary-school level. The bill further provides for the creation, in the Department of Health, Education, and Welfare, of a Bureau of Student Loans, to operate under the Commissioner of Education.

According to the terms of the bill, a special fund to be known as the Federal education loan and loan insurance fund would be established in the Treasury, to be used as a revolving fund for insuring private-loan sources. The loans could not exceed $1,000 per student for any academic year of education, and could not be made for more than 5 such years of education.

To encourage State assistance in helping make student loans available, the bill authorizes the Secretary to make direct grants up to $100,000 to any State in any fiscal year. This money would be kept in a separate fund, under the control of the State agency charged with chief concern over institutions of higher education, and would be made available to help

meet organizational and operating expenses of nonprofit corporations chartered for the principal purpose of providing loan programs for students of the State to attend college.

For direct-loan purposes, there would be appropriated to the fund $10 million for the fiscal year beginning July 1, 1957. For 1958, the figure would be $15 million; for the fiscal year 1959, the sum of $25 million; and for 1960 through 1963, the sum of $50 million annually, making a total eventual revolving fund of $250 million in 8 years. The loans would bear interest at 2 percent a year or "such higher rate as shall be fixed by the Secretary"; so it is contemplated that the rate would be equal to about one-half the going rate of commercial loans. The Secretary would be authorized to make up the difference in interest needed to obtain the loans. No interest would accrue prior to the commencement period of repayment or 1 year after ceasing full-time study, whichever would come sooner. The borrower would have 10 years in which to repay.

The bill stipulates that loans shall be used only to defray costs while pursuing a full-time course of study; and in order to be eligible for them, the bill requires that applicants first must be accepted by a recognized institution of higher learning. Loans would be made without discrimination as to sex, race, national origin, creed, or color.

The bill provides for Government insurance on loans made to students by private sources, including universities and colleges. Administration of this program would largely be concentrated in the institutions themselves. This section of the bill states that the loan-insurance plan provides for payment to financial institutions and institutions of higher education of 90 percent of any losses suffered on loans.

Mr. President, those of us who have joined in introducing and sponsoring the bill have no idea that ours is the only way to solve this monumental problem. But in calling attention to the problem, which vitally affects the private colleges and universities of the country, those of us who sponsor the bill are offering solutions. We invite other Senators to offer solutions, too; but we believe that the problem must be dealt with now by some legislation. Private colleges and universities are planning to raise $500 million for their support annually over what they are raising now to deal with increased enrollment, and we need to cooperate in this drive by helping directly the needy student.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1727) to establish a program of Federal loans and loan insurance and encouragement of similar State programs for the purpose of encouraging and assisting individuals to obtain college or university education, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

PROPOSED MARITIME ACADEMY ACT OF 1957

Mr. PAYNE. Mr. President, on behalf of myself, the senior Senator from Maine [Mrs. SMITH], the senior Senator from New York [Mr. IVES], the junior Senator from New York [Mr. JAVITS], the junior Senator from Massachusetts [Mr. KENNEDY], the junior Senator from California [Mr. KUCHEL], and the senior Senator from Massachusetts [Mr. SALTONSTALL], I introduce, for appropriate reference, a bill entitled the "Maritime Academy Act of 1957." I ask unanimous consent that a statement which I have prepared on this bill, a memorandum setting forth the Federal expenditures involved in the bill, and the text of the bill itself, be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement, memorandum, and bill will be printed in the RECORD.

The bill (S. 1728) to provide certain assistance to State and Territorial maritime academies or colleges, introduced by Mr. PAYNE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement, memorandum, and bill are as follows:

STATEMENT BY SENATOR PAYNE ON STATE MARITIME ACADEMY BILL

The State maritime academy bill which I am introducing today would codify and modernize Federal laws relating to State maritime academies. This bill is cosponsored by my colleagues, Senator MARGARET SMITH of Maine, and Senators SALTONSTALL and KENNEDY, of Massachusetts; IVES and JAVITS, of New York; and KUCHEL, of California.

This bill is an outgrowth of the comprehensive review of maritime training and education made by the Special Maritime Training Subcommittee of the Senate Interstate and Foreign Commerce Committee in 1955–56 under authority of Senate Resolution 35, 84th Congress, 1st session. The special subcommittee, composed of the senior Senator from Washington [Mr. MAGNUSON] as chairman, and myself, held hearings on both the east and west coasts and visited 3 of the 4 State maritime academies as well as the United States Merchant Marine Academy at Kings Point, N. Y., in the fall of 1955. The record developed by the special subcommittee forms one of the most complete compilations of factual material on maritime training and education ever assembled in the United States.

In these days, with the experience of two World Wars still fresh in our minds, it goes almost without saying that a strong merchant marine is essential if the United States is to maintain its position of world leadership. The merchant marine is indeed, as has so often been said, our fourth arm of defense. Without the highly trained personnel needed to man a modern merchant vessel it would be impossible for this Nation to have an adequate merchant marine to meet both its commerce and defense needs.

The special subcommittee found that both the Federal and State maritime academies in this country were doing an outstanding job of training highly skilled officers to man the ships of our merchant marine. It found that while the merchant marine annually needs from 1,000 to 1,600 new officers, the maritime academies, both Federal and State, are currently producing only 400 to 500 graduates annually.

The special subcommittee found, and its report so indicated, that one of the major problems annually plaguing the four State maritime academies was the uncertainty over the continuance of Federal financial assistance. Since this assistance is presently on a strictly annual basis, the State maritime academies are not able to tell a prospective student applying for admission what his expenses will be during his course of instruction. This has deterred many interested prospective students from attending the State maritime academies. I was recently advised by one academy that the report of the special subcommittee alone has had a salutary effect and that applications for admission have risen steadily in the last 2 years.

In its report the special subcommittee recommended that legislative action be taken to give the State maritime academies some assurance of continuity in Federal financial assistance (S. Rept. 1465, 84th Cong., p. 15). The basic purpose of the bill I am introducing today is to implement this recommendation by giving the Department of Commerce authority to make contracts for annual payments with each academy for periods of up to 4 years. This provision would keep the actual appropriation of funds for the State maritime academies on an annual basis but would, at the same time, give each academy some assurance that assistance would continue for at least the period of the course of instruction of each entering class.

The bill would also codify the existing laws relating to State maritime academies by bringing together several rather widely scattered provisions. It would make a very modest increase in the level of financial assistance to the State maritime academies through increasing the annual grants for maintenance and support and by placing the presently vague program of subsistence allowances for cadets on a basis very comparable to the Department of the Navy's Reserve Officer Training Corps (Holloway plan) program.

The State maritime academy bill has been under careful study and consideration for over a year and represents the carefully considered opinions of many of those interested in the outstanding and vital programs of the four State maritime academies in Maine, Massachusetts, New York, and California. It is my firm conviction that this legislation must be enacted if we are to insure a continued adequate supply of highly trained merchant marine officers to meet the needs of the United States for a strong merchant marine in both peace and war.

MEMORANDUM ON INCREASED FEDERAL FINANCIAL ASSISTANCE TO THE STATE MARITIME ACADEMIES PROPOSED IN THE MARITIME ACADEMY ACT OF 1957

1. Maintenance and repair of vessels: Existing law authorizes the loan of suitable vessels to State maritime academies or colleges and provides that such vessels shall remain the property of the United States and be kept in repair by the United States. The proposed bill would not change the financial obligation of the Government for the loan and maintenance of the State maritime training ships. The Federal budget for 1958 requests an appropriation for this purpose of $149,800 ($37,450 per ship) which is the same as that appropriated for fiscal years 1956 and 1957. No additional cost.

2. Grants for State maritime academies: Existing law authorizes annual grants to State maritime academies, not to exceed the amount annually appropriated by a State for such school, and not to exceed $50,000. Moreover the annual grant to each school is limited to $25,000 unless the school agrees to accept out-of-State students on terms prescribed by the Maritime Administration and then a school may receive only so much of the additional $25,000 as is necessary to cover

the per capita costs of the out-of-State students. The proposed bill would change this by setting the total annual grant limit at $75,000 per school and would limit a school to $25,000 annually unless it accepted out-of-State students. Maritime schools eligible for assistance and meeting this requirement would receive the full annual grant of $75,000. The proposed bill would also give the State maritime academies some degree of assurance of continuity of Federal financial assistance by authorizing the Department of Commerce to make contracts for annual payments for periods up to 4 years. Additional cost per year—$110,000.

3. Allowances for cadet-midshipmen: Existing law permits expenditures incident to maritime training under rules and regulations prescribed by the Secretary of Commerce. Under this authority uniform, book, and subsistence allowances have been established for cadet-midshipmen at the four State maritime academies. At the present time these allowances amount to $475 per year per cadet and the number of cadets eligible for such allowances is limited to those who qualify as merchant marine students in accordance with Navy Department directives with the maximum number eligible at each school limited to slightly less than the enrollment of each school. The proposed bill would authorize a subsistence allowance of $600 per year for each cadet attending a State maritime academy. This amount is identical to that paid to students attending private colleges under the Navy's Holloway program. As with the funds for maintenance of State maritime academies, discussed in paragraph 2 of this memorandum, the proposed bill would provide authority to contract in advance to make these subsistence payments for the duration of the course of instruction but in no case to exceed 4 years. Additional cost per year estimated to be approximately $225,150. (Note: Maine, Massachusetts, and California State Maritime Academies have a 3-year course, and the New York State Academy has a 4-year course.)

Be it enacted, etc., That this act may be cited as the Maritime Academy Act of 1957.

DECLARATION OF POLICY

SEC. 2. It is herewith declared to be the policy of the Congress to promote the development of a strong merchant marine through assistance and cooperation with States and Territories which operate or maintain a maritime academy or college for the training of merchant marine officers.

VESSELS FOR MARITIME ACADEMIES

SEC. 3. (a) In order to carry out the policy set out in section 2 of this act, the Secretary of Commerce (hereinafter referred to as the Secretary) may furnish any suitable vessel under his jurisdiction, or obtained under the provisions of subsection (b) of this section, or construct and furnish a suitable vessel if such a vessel is not available, to the State of Maine, the State of Massachusetts, the State of New York, the State of California, and to any other State or Territory of the United States, for use as a training vessel for a maritime academy or college meeting the requirements of this act. Any such vessel (1) shall be repaired, reconditioned, equipped (including all apparel, charts, books, and instruments of navigation) as necessary for use as a training ship, (2) shall be furnished only upon application therefor in writing by the governor of such State or Territory, (3) shall be furnished only if a suitable port for the safe mooring of such vessel is available while it is being used by such academy or college, (4) shall be maintained in good repair by the Secretary, and (5) shall remain the property of the United States.

(b) Any department or agency of the United States may provide to the Secretary for disposition under the provisions of this act any vessel (including equipment) which is suitable for the purposes of this act and can be spared without detriment to the service to which such vessel has been assigned.

CONTRACTS FOR ASSISTANCE

SEC. 4. The Secretary may enter into agreements with not more than one maritime academy or college, which meets the requirements of this act, in each State or Territory, to make annual payments to such academy or college for not in excess of 4 years in the case of each such agreement, to be used for the maintenance and support of such academy or college. Such payments for any year to any maritime academy or college shall be an amount equal to the amount furnished to such academy or college for its maintenance and support by the State or Territory in which such academy or college is located, except that such payments to any academy or college for any year shall not exceed $75,000, or $25,000 if such academy or college does not meet the requirement of section 5 (b) of this act.

REQUIREMENTS

SEC. 5. (a) As a condition to receiving any payments or the use of any vessel under the provisions of this act an academy or college shall—

(1) provide courses of instruction to youths in navigation and maritime engineering, including steam and diesel propulsion, and courses in atomic or nuclear propulsion as soon as practical and possible; and

(2) shall agree in writing to conform to such standards in such courses, in training facilities, in entrance requirements, and in instructors, as are established by the Secretary after consultation with superintendents of maritime academies and colleges in the United States.

(b) As a condition to receiving payment of any amount in excess of $25,000 for any year under the provisions of section 4 of this act a maritime academy or college shall agree to admit to such academy or college students resident in other States in such numbers as the Secretary shall prescribe, except that the number of such students prescribed for any academy or college shall not at any time exceed one-third of the student capacity of such academy or college.

SUBSISTENCE PAYMENTS

SEC. 6. (a) The Secretary may enter into agreements, with each academy or college with which he contracts under section 4, to make payments, at the rate of $600 per academic year per student, to such academy or college, with respect to each student attending such academy or college. Such payments (1) shall be used to assist in defraying the cost of uniforms, books, and subsistence for such student, (2) shall commence to accrue on the day such student begins his first term of work at such academy or college, and (3) shall be paid to such academy or college, in such installments as the Secretary shall prescribe, while such student is in attendance and until the completion of his course of instruction, but in no event for more than 4 academic years for any one student.

(b) If the Secretary deems it advisable in the case of any such academy or college, he may, in lieu of entering into agreements with such academy or college for payments under this section, enter into such agreements directly with each student at such academy or college and make such payments directly to each such student.

DETAILING OF CERTAIN OFFICERS

SEC. 7. When requested by the Governor of any State or Territory, the President of the United States is authorized to detail, when in his opinion such detailing can be done without detriment to the public service, proper officers of the Navy, Coast Guard, or merchant marine as superintendents or instructors, or both, at maritime academies or colleges meeting the requirements of this act. Officers so detailed shall be compensated by the Federal agency ordinarily compensating them when they are serving on active duty for the Federal Government.

ACTS REPEALED

SEC. 8. The act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353), as amended, and the joint resolution entitled "Joint resolution to provide suitable vessels for the use of certain State nautical schools, and for other purposes," approved July 29, 1941 (55 Stat. 607), are repealed.

APPROPRIATIONS AUTHORIZED

SEC. 9. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO THE REGULATION OF TRACK MOTORCARS

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to amend the Interstate Commerce Act so as to provide for the protection of railroad employees by regulating the use of track motorcars, and for other purposes. I ask unanimous consent that a memorandum explaining the purposes of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 1729) to amend the Interstate Commerce Act so as to provide for the protection of railroad employees by regulating the use of track motorcars, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The memorandum presented by Mr. MAGNUSON is as follows:

MEMORANDUM REGARDING TRACK MOTORCAR OPERATION BILL

The standard railway labor organizations in the United States have prepared a bill for introduction in the current session of Congress having for its purpose the protection of railroad employees and travelers on railroads by requiring track motorcars to be operated subject to adequate rules and regulations for directing and controling their movement, in order to avoid accidents. The bill would require railroads operating track motorcars and other self-propelled equipment to file rules and regulations with the Interstate Commerce Commission within 90 days after approval of the act. Such rules filed by the carriers are subject to Commission approval and to such modifications as the Commission may require in the interests of safety.

Track motorcars are vehicles which come under common observation by members of the public. Nearly everyone has seen the vehicle known as the handcar. In recent years these have been improved to the extent that nearly all are now propelled by motors, and have been greatly increased in size, so that they are capable of carrying from 1 to as many as 14 employees. Some track motorcars haul one or more trailers, each of which has a capacity of as many as 16 employees. Track motorcars are used by railroad companies to (1) transport workers, and (2) to transport materials of various kinds. In both instances they travel upon main line tracks mingled with passenger

trains and freight trains at all times of the day and night.

Track motorcars are used as vehicles for travel by employees in the signal department, maintenance-of-way department, bridge and building department, by those persons charged with inspection of rights-of-way, signals, telegraph and telephones, and by employees attending to emergencies which may develop on the line of railroad. Track motorcars are also used to transport materials used in the installation and maintenance of tracks, signals, and implementing equipment.

Accidents involving track motorcars, particularly collisions between them and passenger and freight trains, have been prolific sources of death and injuries to riders of the track motorcars and employees on the trains. The railroads themselves have failed to cope with the appalling accident record; they have failed to surround track motorcar operation with adequate protective conditions. The bill of the standard railway labor organizations would compel the railroads to establish adequate protective rules. The bill would repeal section 27 of part 1 of the Interstate Commerce Act (49 U. S. C. 1–27, inclusive), add a new section 27, and reenact section 27 as section 28. New section 27 follows in large part the pattern of section 25 of the Interstate Commerce Act, known as the Signal Inspection Act.

The need for protection of track motorcars is revealed by statistics contained in the Interstate Commerce Commission's Accident Report No. 3710 issued February 14, 1957, wherein the Commission stated that during the past 10 years it has investigated 66 collisions in which track motorcars were involved, these accidents resulting in the death of 92 persons and injury to 191 persons. Present operating conditions on the railroads are unsafe for employees who ride the motorcars and operate the trains. Employees who are obliged to use motorcars in the course of duties on the lines of railroad are not informed in all instances what trains are operating on the rails where they have to work. Crews of locomotives are never given information that track motorcars may be on the rails where the locomotives are running. The track motorcars weigh from a few hundred pounds to several tons. A collision between a track motorcar (possibly with trailers) and a train may, and often does, result in death and injury to passengers on the motorcars as well as employees serving on the trains by reason of the impact of collision or derailment.

The track motorcar cannot be depended upon to actuate the signal system in use on the railroad. It is too light in weight and does not have enough axles. Hence in many instances the track motorcars are insulated so that they cannot shunt the signal circuit so as to actuate the signal system which protects the movement of the standard trains.

In recognition of the deplorable accident record and the lack of protection by signals and otherwise, the Interstate Commerce Commission, in numerous accident investigation reports, has recommended that the railroads establish rules and regulations designed to provide proper protection for the movement of track motorcars. In the most part such rules would be expected to require that the crews of both the trains and track motorcars be supplied with current information respecting the presence of each other on the rails of a particular district. In testimony before the Senate Committee on Interstate and Foreign Commerce, 83d Congress, on April 14 and 15, 1953, Hon. William J. Patterson, Commissioner of the Interstate Commerce Commission, testified as follows:

"The number and severity of accidents to track motorcars has been increasing. The Commission is without authority to prescribe rules for their safe operation. Many of the carriers have not provided such rules, and apparently never will, unless compelled to do so."

The proposed bill provides that on and after 90 days following approval thereof, no carrier shall operate upon its lines any track motorcar without its being accorded protection against collision through the establishment and enforcement of adequate rules and regulations, such rules to be established in the manner to be provided in the bill.

The States have not legislated on this subject. A few have enacted full-crews laws pertaining to track motorcars. No conflict can arise as the result of the presence of State full-crews laws and it is not intended that they shall be affected.

The rules and regulations to be established under the proposed bill come into being in the following fashion:

1. Each carrier, within 90 days after approval of the act, is required to file its proposed rules and regulations with the Interstate Commerce Commission. These, together with such modifications as the Commission may require, become obligatory on the carrier, its officers, and agents.

2. Should any carrier fail to file with the Commission its rules and regulations, the Commission is required to prepare same, which shall become obligatory upon the carrier when served on a carrier officer.

3. Carriers from time to time may change the rules and regulations, provided Commission approval is secured.

4. The Commission may, upon its own motion, or upon complaint of an interested party, after hearing, revise, amend, or modify the rules and regulations.

The bill further provides that it shall be the duty of the Commission to see that the requirements of the act, and the orders, rules, and regulations made, prescribed, and approved thereunder are observed by carriers. Any carrier, officer, or agent violating the provisions of the act is made liable to a penalty of $500 for each violation.

IMPLEMENTATION OF TREATY AND AGREEMENT WITH REPUBLIC OF PANAMA

Mr. MAGNUSON. Mr. President, by request of the Director of the Bureau of the Budget, I introduce, for appropriate reference, a bill to implement a treaty and agreement with the Republic of Panama, and for other purposes. I ask unanimous consent to have printed in the RECORD the letter of the Director of the Bureau of the Budget requesting the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1730) to implement a treaty and agreement with the Republic of Panama, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 21, 1957.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is submitted herewith for consideration of the Congress a draft bill entitled, "A bill to implement a treaty and agreement with the Republic of Panama, and for other purposes." This bill is submitted in accordance with the President's budget message statement that "Legislation will be proposed again to carry out the treaty and agreement made in 1955 with the Republic of Panama." The treaty and agreement referred to were signed by the United States Government and the Republic of Panama on January 25, 1955, and proclaimed by the President on August 26, 1955. A statement describing the principal features of the bill is also enclosed for your convenience.

I strongly urge that this proposed legislation be acted on before the close of the present session of Congress.

Sincerely yours,

PERCIVAL F. BRUNDAGE,
Director.

CHUE LING CHUN

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill for the relief of Chue Ling Chun. I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1739) for the relief of Chue Ling Chun, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding the provisions of paragraph (6) of section 212 (a) of the Immigration and Nationality Act, Chue Ling Chun may, if he is found to be otherwise admissible under the provisions of such act, be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose. A suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Chue Ling Chun in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such act. This act shall apply only to grounds for exclusion under paragraph (6) of section 212 (a) of such act known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

FLOOD CONTROL ACT OF 1957—AMENDMENTS

Mr. BARRETT submitted an amendment, intended to be proposed by him, to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to Senate bill 497, supra, which was ordered to lie on the table and to be printed.

Mr. WATKINS submitted amendments, intended to be proposed by him, to Senate bill 497, supra, which were ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SALTONSTALL (for Mr. BEALL):

Address entitled "Sovereignty, Civilization, and Ships," delivered by Gov. Theodore R. McKeldin, of Maryland, at the Chicago World Trade Conference, letter from Governor McKeldin to President Eisenhower, and a statement by Senator BEALL.

By Mr. KEFAUVER:

Statement prepared by him relating to tax relief for small business.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Ben Peterson, of Idaho, to be United States attorney for the district of Idaho, for a term of 4 years, vice Sherman F. Furey, Jr., resigned;

Anthony Julian, of Massachusetts, to be United States attorney for the district of Massachusetts, for a term of 4 years;

Frank O. Bell, of California, to be United States marshal for the northern district of California, for a term of 4 years;

Robert W. Ware, of California, to be United States marshal for the southern district of California, for a term of 4 years; and

Thomas H. Trent, of Florida, to be United States marshal for the southern district of Florida, for a term of 4 years, vice Leo H. Brooker, resigned.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in these nominations to file with the committee in writing on or before Thursday, April 4, 1957, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF CALEB R. LAYTON III TO BE UNITED STATES DISTRICT JUDGE, DISTRICT OF DELAWARE

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, April 8, 1957, at 2 p. m., in room 424, Senate Office Building, upon the nomination of Caleb R. Layton III, of Delaware, to be United States district judge for the district of Delaware, vice Richard S. Rodney, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

ENCOURAGING SOUND PRIVATE AMERICAN INVESTMENTS IN FOREIGN CORPORATIONS

Mr. WILEY. Mr. President, on May 18, 1956, I pointed out on the Senate floor this fact: One of the most important ways by which the prosperity of the free world can be promoted is through the encouragement of a sound flow—I emphasize "sound flow"—of United States private capital abroad.

TWO AND ONE-HALF BILLION DOLLARS OF CAPITAL INVESTMENTS OVERSEAS IN 1956

In its March 1957 issue, the First National City Bank of New York, quoting United States Government figures, estimates that the total outflow of private capital abroad during last year was around $2½ billion.

This, however, is only part of the total capital provided by United States private investors.

Thus, a substantial portion of the earnings of the many United States enterprises which already exist abroad is normally retained there. These earnings are plowed back into branches or affiliates. Such reinvestments in 1956 could well have been over $900 million.

I say that it is important that this overall private flow of capital be maintained and, indeed, increased. But, I emphasize, always on a sound basis.

RELIEVE UNCLE SAM OF PART OF AID BURDEN

The reason for encouraging the flow is, of course, this: To the extent that private investors can help provide much-needed capital abroad, the United States Government may, at least in part, be relieved of obligations. I mean obligations in terms of helping to stimulate the development of foreign free economies.

As a supporter of the Government's mutual-security program, I feel that the United States Government still definitely has strong obligations to meet through mutual security.

I PREFER PRIVATE CHANNELS

But I want private investment to do its maximum part, to play its soundest role. Naturally, I prefer private to Government investments. Our taxpayers obviously face enormous existent burdens. Let private channels be used, therefore, whenever possible, for both private profit and public good.

I send to the desk a supplementary statement which I have prepared on this overall investment subject.

I append a series of materials which had been furnished to me, at my request, by the Honorable J. Sinclair Armstrong, Chairman of the Securities and Exchange Commission.

This up-to-date material will, I believe, prove most illuminating and helpful in a general review of this exceedingly important subject.

I ask unanimous consent that the text of my statement and of the appended materials be printed at this point in the body of the CONGRESSIONAL RECORD, so that it may be read in connection with our future deliberations on the subject of mutual security.

There being no objection, the statement and material were ordered to be printed in the RECORD, as follows:

SUPPLEMENTARY STATEMENT BY SENATOR WILEY

I should like to observe at the outset that there are, of course, a very considerable variety of items under the general heading, "Overseas Private Investments."

There are, for example, direct investments in industries, including mining and petroleum.

There are investments in bonds and equities.

There are investments in the form of indispensable banking and commercial credit.

All told, there are probably $30 billions in private U. S. capital now invested and reinvested abroad on a long-term basis.

First, let us look briefly at American direct investments.

SIX HUNDRED AND SEVENTY-FIVE MILLION DOLLARS A YEAR IN DIRECT INVESTMENTS ABROAD

During the 1950 to 1955 period, United States investors placed abroad on the average of $675 million a year of direct investment capital. To this sum must be added around $730 million of reinvested profits.

Industrywide, petroleum exploration and development absorbed around 40 percent of the new private direct investment capital during the 1950–55 period.

Mining and smelting ventures absorbed another 21 percent during that period.

But on still another phase, during those 5 years, new capital going into manufacturing enterprises abroad was built up largely through the reinvestment of profits.

THREE HUNDRED AND SEVENTY MILLION DOLLARS ANNUAL AVERAGE OF PORTFOLIO CAPITAL

The principal focus of my attention today, however, is not in the form of direct investments, but rather in the form of the movement of portfolio and other capital especially by large numbers of private investors.

But this overall heading includes varied transactions like the subscription to dollar bond issues, as well as the purchase or sale of equity stocks in foreign undertakings. (This latter is my principal focus at this time.)

Still another form of capital movement is, of course, in the form of long and medium term commercial and banking credit to finance foreign trade.

During the 1950–55 period, all of these varied capital transactions involved an average annual outflow of some $370 million in new capital. But in 1956, there was a tremendous increase in such movement. This is shown from the very first SEC table—with a preliminary overall figure of around $634 million represented in private long-term portfolio capital movements in 1956.

NEED FOR INVESTORS' CAUTION

Now, anyone who has studied this portfolio field, especially foreign stocks and bonds, is immediately impressed by this fact: the subject requires the most careful study by experts.

All of the many risks which are involved—currency, tax and otherwise—should be very carefully understood by the investor—especially, the relatively small investor who may be interested in foreign equities.

Any wildly speculative "get-rich-quick" psychology can prove as harmful and self-defeating, or more so, in this field of foreign investments, as in the field of domestic investments.

MANY PROBLEMS IN FOREIGN INVESTMENT

This country was built, however, by the sound investment of risk capital—foreign and domestic capital. And it is my hope that foreign free economies can likewise accelerate their orderly growth through attracting sound investment of risk capital.

Let it be frankly understood, nonetheless, that there are a tremendous number of country-by-country problems which confront the American investor as he looks abroad.

A few of these problems are well described in an article which will follow my remarks and the SEC tables. The article had been printed in the magazine American Investor, as published in August 1956, by the American Stock Exchange.

WHY INVEST ABROAD IF THERE IS GOOD RETURN AT HOME?

Frank consideration of obstacles to overseas investment should, moreover, be read against the background of the present tight-money situation, right here in the United States. As everyone is aware, there is a money shortage in the financial markets in our own country. Interest rates have been rapidly rising.

Inevitably, the investor may ask himself: "Considering all of the many opportunities for sound investment in the United States, why go abroad, where, even under the best circumstances, the risks may be higher and all sorts of governmental restrictions may prevent me from getting my fair return?"

This is but one of the many questions which must be studied in the course of reviewing the tables which follow.

TRUSTEE OF OTHERS' MONEY MUST BE ESPECIALLY CAREFUL

And, it must be borne in mind, that anyone who serves as trustee of someone else's money—anyone serving as director of a corporation or of a pension fund or some other institution—will think especially hard and long before committing another man's capital overseas.

COMMENDATION OF SEC COOPERATION

I would not want to conclude my remarks without expressing my appreciation to Chairman Armstrong and to the Division of Trading and Exchanges of the SEC for its cooperation with me and with a member of the committee professional staff in compiling this and other information.

I should like to note, parenthetically, that the problems of the SEC have multiplied manyfold with the tremendous expansion of the American economy.

It is my feeling that previously the SEC has unfortunately been hampered in its operations by the fact that it does not have sufficient staff to fulfill all of the responsibilities which have arisen. More responsibilities are continually being thrust upon the SEC by events, and, yes, by Congressional insistence; e. g., for greater protection of the public against fraud (a matter which I have previously commented upon).

Considering the SEC's vast jurisdiction, considering the sheer complexity of the financial-technical problems which it confronts, the SEC has performed generally commendably.

I feel confident that in this year's study of SEC's budget request by the Appropriations Committees, due recognition will be made of the Commission and of its need for an adequate increased staff.

CALENDAR YEAR 1956 NOW COVERED

In reviewing these present tables, my readers' attention is invited to the comments which I made last year, beginning on page 8458 of the CONGRESSIONAL RECORD of May 18, 1956. At that time, it will be noted, the SEC supplied me with information concerning foreign companies effectively registered under the Securities Act of 1933 during the calendar years 1954 and 1955.

The present tables bring the story up to date, so to speak, by providing comparable information for the calendar year 1956.

It should be noted, however, that in the table listing foreign issues on the New York Stock Exchange and the American Stock Exchange for 1956 Canadian issues are now included, whereas in my May 18, 1956, insertion in the CONGRESSIONAL RECORD the Canadian references were inadvertently excluded.

MAINTAIN SANCTITY OF CONTRACT

Finally, I should like to stress a point which I have made again and again, and it is this: America has grown great because, in part, its financial system has been sound.

The private-enterprise system, the system of risk taking, the system of profit and loss, has enabled us to grow from a primitive country of 3 million in a wilderness to an advanced superpower of 170 million, with the most highly developed industrial system on the face of this earth and with the highest standard of living of any major power.

It is our hope that other peoples will come increasingly to enjoy similar opportunities, similar high standards of living, such as we enjoy today.

But I frankly doubt that some of them will do so, unless, in part, they provide a friendlier climate for private investment such as we have provided here at home.

That means they must maintain the integrity of their financial reputation. It means maintaining fullest confidence of investors, foreign and domestic—that governments respect the sanctity of a private contract. It means that governments must treat the investor fairly, in addition to fulfilling all the other needs for a free economy which, I am sure, are quite obvious to all.

These are not new facts. The World Bank has stressed them time and again. So have the Export-Import Bank, the Departments of State and Commerce, the presidents and chairmen of leading United States banks and corporations, and many other experts in this field.

OTHER PERTINENT ARTICLES MERITING REVIEW

There follow now the SEC tables and the article entitled "The Foreign Market."

Were space available, I would reprint several additional significant articles, the first two by the Department of Commerce:

(a) "Growth of Foreign Investments in the United States and Abroad," survey of Current Business, August 1956; and

(b) "The Roles of United States Investments in the Latin American Economy," reprint from Survey of Current Business, January 1957.

And then:

(c) "United States Business Investments Abroad," Foreign Information Service, The First National City Bank of New York, March 1957.

(d) "Investing in Foreign Securities," article in Analysts Journal, February 1956.

SUMMARY

This material was assembled by the Division of Trading and Exchanges following request of Senator WILEY in a personal conference with Chairman Armstrong, together with subsequent consultation between members of the Division of Trading and Exchanges, Securities and Exchange Commission, and Mr. Julius N. Cahn, consultant, Senate Committee on Foreign Relations.

1. Private long-term portfolio capital movements, by type and area, 1946–56.

2. Number and dollar amount of effective registrations of foreign companies under the Securities Act of 1933, year 1956.

3. Foreign companies effectively registered under the Securities Act of 1933, year 1956.

4. Number and value of foreign securities listed on New York Stock Exchange as of year-ends, 1953–56.

5. New listings of foreign issues on New York and American Stock Exchanges, 1956.[1]

TABLE 1.—*Private long-term portfolio capital movements, by type and area, 1946–56*

[Millions of dollars; capital outflows (—)]

	1946	1947	1948	1949	1950	1951	1952	1953 [r]	1954 [p]	1955 [r]	1956 [p]
All areas, by type	127	—49	—99	—80	—495	—457	—214	185	—229	—240	—634
New foreign securities	—85	—196	—140	—118	—264	—491	—395	—270	—319	—124	—438
Amortizations and redemptions	346	296	62	103	307	173	95	130	124	213	163
Transactions in outstanding issues, net	—96	87	19	—55	—322	28	181	228	—31	—95	—174
Banking and commercial loans, net					—226	—149	—115	98	—104	—268	—185
Canadian capital movements, by type	6	204	—104	—13	—194	—233	—99	—9	—35	51	—400
New securities	—59	—85	—130	—102	—183	—372	—156	—278	—197	—38	—261
Amortizations and redemptions	242	327	44	78	179	80	28	106	60	169	95
Transactions in outstanding issues, net	—180	82	2	10	—447	—29	104	142	20	—51	—116
Banking and commercial loans, net					6	2	—10	—27	8	—40	—27
All capital movements, by area	127	—49	—99	—80	—495	—457	—214	185	—229	—240	—634
Canada	6	204	—104	—13	—194	—233	—99	—9	—35	51	—400
Latin American Republics	136	55	46	16	37	30	34	28	—163	—213	—44
Europe	17	—106	—39	—76	—298	—25	—90	160	39	—87	—108
Other foreign countries	—30	41	13	—2	(3)	—47	—10	—1	—124	—54	—56
International institutions	0	—263	—7	—4	—2	—153	—118	—46	—96	—27	—17

[1] Revised.
[2] Preliminary.
[3] Net movement less than $500,000.

Source: Office of Business Economics, Department of Commerce.

TABLE 2.—*Effective registrations of foreign companies under the Securities Act of 1933, calendar year 1956*

All effective registrations	
Number of statements (see list of names attached)	22
Number of issues	28
Dollar amount (millions)	$454.8
Effective registrations: cash account of issuer	
Number of statements	20
Number of issues	24
Dollar amount (millions)	$377.0
Mining:	
Number of issues	8
Dollar amount (millions)	$45.7
Manufacturing:	
Number of issues	6
Dollar amount (millions)	$62.8

TABLE 2.—*Effective registrations of foreign companies under the Securities Act of 1933, calendar year 1956*—Continued

Effective registrations: cash account of issuer—Continued	
Gas, electric, and water:	
Number of issues	2
Dollar amount (millions)	$39.9
Investment companies:	
Number of issues	6
Dollar amount (millions)	$185.5
Other:	
Number of issues	3
Dollar amount (millions)	$2.0
Effective registrations—other	
Dollar amount (millions)	$77.8

[1] Reference herein to companies and issues is intended only for purposes of illustration and does not, of course, imply any evaluation as to the nature of the investment.

TABLE 3.—*Foreign companies effectively registered under the Securities Act of 1933, calendar year 1956*

Name:	SEC file No.
Canada General Fund (1954), Ltd.	[1] 12127
Lake Lauzon Mines, Ltd.	[2] 11060
Investors Group Canadian Fund, Ltd.	[2] 11308
Canadian Delhi Petroleum, Ltd.	12301
Tomrock Copper Mines, Ltd.	12262
Westcoast Transmission Co., Ltd.	12225
Westcoast Transmission Co., Ltd., Voting Trust	12226
Simca (Automobile Machine & Body Manufacturing Co.)	12407
United Funds Canada, Ltd.	[2] 11036
"Isras" Israel-Rassco Investment Co., Ltd.	[1] 11939
Home Oil Co., Ltd.	12572
Lake Ontario Portland Cement Co., Ltd.	12579
Supercrete, Ltd.	12628
Canadian Husky Oil, Ltd.	12631
Israel-Mediterranean Petroleum, Inc., and voting trustees for the American Voting Trust Certificates	12555

[1] Filed in 1955.
[2] Filed in 1954.
[3] Amended to register additional securities as provided by sec. 24 (e) (1) of the Investment Company Act of 1940.

TABLE 3.—*Foreign companies effectively registered under the Securities Act of 1933, calendar year 1956*—Continued

Name:	SEC file No.
Pan-Israel Oil Co., Inc., and voting trustees for the American Voting Trust Certificates	12556
Canadian International Growth Fund, Ltd.	[3] 12580
Bahamas Helicopters, Ltd.	12653
Northspan Uranium Mines, Ltd.	12868
Imperial Oil, Ltd.	12860
Canada General Fund (1954), Ltd.	[3] 12127
Investors Group Canadian Fund, Ltd.	[3] 11308

[3] Amended to register additional securities as provided by sec. 24 (e) (1) of the Investment Company Act of 1940.

TABLE 4.—*Foreign government bonds*[1] *listed on New York Stock Exchange*

[Values in millions]

Date	Number of issuers	Number of issues	Par value	Market value
Dec. 31, 1953	80	187	$1,234.4	[illegible]
Dec. 31, 1954	88	201	1,167.7	971.6
Dec. 31, 1955	55	199	1,204.5	914.5
Dec. 31, 1956	56	190	1,108.0	758.7

[1] Does not include bonds of International Bank.

Foreign corporate bonds listed on New York Stock Exchange

[Values in millions]

Date	Number of issuers	Number of issues	Par value	Market value
Dec. 31, 1953	35	55	$607.7	$506.7
Dec. 31, 1954	36	76	609.8	521.4
Dec. 31, 1955	35	74	608.0	484.3
Dec. 31, 1956	35	75	602.7	400.0

Foreign stocks (common) listed on New York Stock Exchange

[Shares and value in millions]

Date	Number of issues	Number of shares	Market value
Dec. 31, 1953	17	74	$1,915
Dec. 31, 1954	18	77	2,065
Dec. 31, 1955	20	88	4,092
Dec. 31, 1956	20	95	4,633

Foreign stocks (common and preferred) listed on New York Stock Exchange

[Shares and value in millions]

Date	Number of issuers	Number of issues	Number of shares	Market value
Dec. 31, 1953	19	20	75	$1,943
Dec. 31, 1954	20	21	78	2,097
Dec. 31, 1955	22	23	88	4,124
Dec. 31, 1956	22	23	96	4,609

TABLE 5.—*New listings of foreign issues on New York and American Stock Exchanges, 1956*

	Effective date	Number of shares or par value		Effective date	Number of shares or par value
NEW YORK STOCK EXCHANGE			AMERICAN STOCK EXCHANGE		
Union of South Africa, 4¼-percent external loan bonds 1965.	Jan. 23, 1956	$17,000,000.	Trans-Cuba Oil Co. V. T. C. for 50 cents par common class A.	Feb. 29, 1956	6,000,000 V. T. C.'s.
General Electric Company of Germany:[1]			Atlas Consolidated Mining & Development Corp. 10 Phil. pesos par block shares.	May 6, 1956	1,339,584 shares.
5¾-percent debt-adjustment bonds, series A 1968.	Mar. 16, 1956	$1,005,000.	Prairie Oil Royalties Co., Ltd., $1 par capital	do	1,700,820 shares.
4½-percent debt-adjustment bonds, series B 1968.	do	$545,000.	La Consolidada, S. A.[1] Am. shares for 75 pesos par common.	May 10, 1956	513,453 shares.
4½-percent debt-adjustment bonds, series C 1968.	do	$3,453,000.	Liberal Petroleums, Ltd., 25 cents par common	June 24, 1956	2,917,765 shares.
State of Hamburg, Germany,[1] 4½-percent convertible and funding bonds 1966.	Apr. 23, 1956	$8,200,000.	Silver Miller Mines, Ltd., $1 par capital	July 12, 1956	4,989,181 shares.
Commonwealth of Australia[1] 4½-percent bonds due 1971.	July 11, 1956	$25,000,000.	New Chamberlain Petroleums, Ltd., 50 cents par common.	Sept. 2, 1956	3,000,000 shares.
Rudolph Karstadt, Inc.,[1] 4½-percent debt-adjustment bonds 1963.	Oct. 19, 1956	$3,143,000.	Nickel Rim Mines, Ltd., $1 par capital	do	4,000,000 shares.
			Northspan Uranium Mines, Ltd., $1 par common.	Nov. 14, 1956	9,975,364 shares.

[1] Other securities of these issuers were listed previously.

[From the American Investor of August 1956]

THE FOREIGN MARKET

United States citizens are buying abroad as well as going abroad. Through the purchase of securities in foreign companies they are becoming owners and partners in shops, mills, factories and the like. There are many reasons why. The return tends to be better than in the United States, the opportunity for higher prices good and the price paid lower than the comparable United States security. Virtually all foreign countries with the exception of Switzerland suffer chronically and sometimes acutely from a shortage of capital. In order to entice United States dollars into their corporate coffers, a higher yield is paid than is generally available in this country. Brazilian investments, for instance, pay an average of 10 to 12 cents on the dollar as compared to about 4 cents in the United States.

The lure of foreign securities is more than income. The growth potentials are believed by many to be tremendous and could become more so as the standard of living improves. In underdeveloped countries the natural resources have to be developed, electricity harnessed and heavy industry established. Against what can be done television is a trite but illustrative example. Seventy per cent of Canadian and 98 percent of Western European families within TV reception range have yet to be sold sets as against less than 20 percent in the United States. While new markets have yet to be scratched, old, well-established firms have grown to new heights since the war. The impact on stock prices is aptly shown by O'okiep Copper, a South African mining and smelting concern. The price of a share of O'okiep was 6¼ in 1946—its 1956 high was 131¼.

Even now prices of selected foreign issues appear attractive. In Wall Street parlance, all else being equal it is the price-earnings ratio that counts. This means that if the ABC Company with 1 million shares of common stock in the hands of the public netted $2 million in 1955 and the price of each share of stock is $10, the stock sells at 5 times its per share earnings (number of shares divided into profits with the answer divided into the stock price). In the United States markets a stock selling at 10 times its per share earnings was recently considered an average buy while one selling more than 20 times such earnings was considered high-priced. On this basis it is easy to see why many foreign securities are said to be undervalued. For example, a large number of Brazilian securities recently sold from 2 to 5 times earnings with the average standing at 3.3 times. The fact that a foreign security is low priced does not mean it is unknown. The British firm of Courtaulds Ltd., the world's largest manufacturer of rayon and related products recently sold at about 8 times its 1955–56 earnings. At the same time its nearest American counterpart, American Viscose, sold at 10 times its estimated earnings.

Americans are frequently urged to put their dollars outside the United States border, yet the flow of the general public's greenbacks into the foreign market has indeed been slow. People characteristically prefer what they know. United States citizens show a strong preference for the stocks of United States corporations whose products are well known, much advertised and commonly used. The idea that company plants are relatively near and can be visited (even if they never are) appeals more to the investor than an interest in more distant, even though more lucrative, plants abroad. High in popularity are Canadian securities; while Canada is foreign and tremendously fast-growing, it is not "too foreign."

A far greater deterrent than shyness of the unknown are the pitfalls. And unless a stock is traded on an American exchange, that is, has a ready market for sellers, it can often be extremely difficult for a United States citizen to obtain cash for the stock. About the only countries where an American can get his money out as easily as he can put it in are Canada, Mexico, Venezuela, Uruguay, Switzerland, Tangiers, and Lebanon. It can be done with relative ease in England,

Belgium, and Holland. In Japan, for instance, the situation is difficult to the point of being ludicrous. A United States investor who buys a Japanese security not traded on an American exchange must wait 6 years and 1 day to get back his whole investment. If the stock should soar, say 400 percent within 2 weeks, he could sell it—but his money stays in Japan. If he decides to switch from one Japanese security to another he must do so within 1 month after the sale of the first or his money is blocked. After a 2-year investment in a specific Japanese stock (no switches), the American may start to withdraw the proceeds at the rate of 20 percent a year. As a result United States investors hesitate at buying Japanese securities not traded on a United States exchange.

Even when restrictions are not so prohibitive, the foreign market is hardly a mecca for the American. Political upheavals, expropriations, and nationalization of industry are never ending threats. Foreign investment laws often change overnight while currency rates can be even more volatile. Frequently it is difficult to know what the exchange rate actually is; black-market currency operations have all the intricacy of a Chinese whodunit and the average American investor is no match for foreign professionals. Most Americans stay away from the black market but all are faced with another problem.

Business is done differently abroad than it is in the United States and understandable or not, it probably will continue to be done that way. For instance, outside the United States competition is seldom encouraged while price fixing is acceptable. When an American dollar goes outside the United States borders it is converted into foreign currency and acts as a foreigner although its owner may never deviate from his staid Bostonian habits. A bookkeeper in the United States and one in a foreign country would be hard put to understand one another even if both spoke English. The systems are too different. For instance, foreign earnings are generally understated and foreign corporations believe in building up hidden reserves. Even then, the percentage of earnings paid out to stockholders in the form of dividends is generally lower than in the United States. Stock dividends, however, are far from uncommon. Imperial Chemical, for example, increased its outstanding common from 50 million in 1945 to 141 million by last year largely through stock dividends. Taxes vary from country to country. Holland does not tax dividends paid to United States citizens, Canada levies a 15-percent tax, Germany 30 percent. Corporation taxes are likewise different. In England the figure is 42½ percent, in the United States 52 percent, in Italy 65 percent, in West Germany 75 percent.

The differences are endless and touch on all facets of economic life. Result: United States citizens are highly suspicious of foreigners, and those foreigners are equally suspicious of us. No aid is terminology, as many a United States purchaser of a so-called cheap stock has discovered. The stock is likely to stay at the cheap price, for historically the United States stock price earnings ratio tops the foreign one. A foreign stock which sells at 14 times earnings, compared to 17 times earnings for its United States counterpart, may have gone as high as it will until the United States stock moves up further.

Right now the purchase of foreign securities appears to have leveled off after a 2-year upswing. The prime reasons are twofold: world tension plus rising foreign stock prices. But the growth potential and resulting profits in many foreign countries are still tremendously large. Cooperation is necessary—money that goes in must come out just as easily. As foreign companies recognize the worth of the American investor and list their securities on American exchanges, this situation will improve.

MOVEMENT OF HEADQUARTERS OF MISSOURI-KANSAS-TEXAS RAILROAD

Mr. SYMINGTON. Mr. President, the unprecedented action of the management of the Missouri-Kansas-Texas Railroad in secretly moving its headquarters out of St. Louis over the weekend is hard for any fairminded person to understand. Here is a public utility that apparently has little or no respect for its loyal employees or the public in general.

This procedure would seem to represent an alltime low in a corporation's approach to the question of public relations.

It is my understanding that employees of the railroad came to work Monday morning, many with their lunch boxes, only to read a sign pasted on the closed doors to the effect that if they wanted work they could now apply in Denison, Tex., at 10 a. m. Wednesday morning.

It is also my understanding that some employees have even lost personal belongings, which were left in the desks they had left over the weekend.

It will be hard for the people of St. Louis and the surrounding area to forget this highhanded action on the part of this railroad.

I have brought this matter to the attention of the senior Senator from Washington [Mr. MAGNUSON], chairman of the Senate Interstate and Foreign Commerce Committee.

The Senator from Washington is requesting an immediate report from the Interstate Commerce Commission, and he tells me that when that is received he intends to have his committee investigate the matter.

Under our system of free enterprise, nothing should prevent the management of this railroad from establishing its office or offices anywhere it considers to the best interest of its stockholders. But the secret and heartless manner in which this move has been made can only bring discredit to this public utility in the minds of the people it serves.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. MAGNUSON. There is now being prepared a request which will be sent immediately to the ICC, asking for immediate investigation of what I consider to be, from the facts I know, and as has been stated by the Senator from Missouri, a very highhanded procedure on the part of the management of this particular railroad.

Mr. SYMINGTON. In the name of the people of St. Louis and the St. Louis area, I most sincerely thank the great Senator from the State of Washington for his prompt interest in this matter.

NEED FOR A REVISED FEDERAL BUDGET

Mr. BYRD. Mr. President, it is my earnest hope that President Eisenhower will decide to send to the Congress a revision of his January budget, pointing out wherein reductions can be made. In view of my political record, it is needless for me to say that I make this suggestion completely without partisanship.

It is my understanding, and it has been so stated by the President, that the pending budget was predicated upon carrying out the will of our citizens.

It is true that, for 24 years, the people back home have been urging Federal spending. I have frequently remarked that many people come to Washington to urge more and more spending, but practically none come to protest against spending. Now, however, the situation is changed.

There is a grassroots movement for more economical Federal Government, which is different from anything I have seen in my 24 years of service in the Senate. People at home are passing formal resolutions for reduced spending, and they are coming to Washington to back them up. This means that the people back home have come to realize that spending and spending and taxing and taxing can destroy this great country of ours.

In view of the very manifest change of public sentiment, it would be a statesmanlike action on the part of the President, who I am sure desires to follow the will of the people, to send new budget recommendations for retrenchment.

I fully realize the responsibility of Congress, for all appropriations rest in the Congress; but, on the other hand, the President controls the rate and timing of expenditures. It is my firm conviction that coordinate action between the President and the Congress is essential to retrenchment without impairment of essential Federal functions.

The law provides that the President submit to Congress his budget recommendation, but, in recent years, a new condition has arisen which gives to the President very great control over the rate of annual expenditures.

I refer to the unexpended balances of appropriations and authorizations previously made, which, as of July 1, are estimated at $70 billion. If the Congress reduces appropriations, the President in many instances can, if he desires, use these unexpended balances to continue the rate of annual expenditures without reduction. Of course, it could only be done within certain limits. It is a fact, however, that the unexpended balances are running high in many Federal programs.

In national security, the unexpended balances will be $40 billion at the end of this fiscal year; in foreign aid, the unexpended balances will be $6 billion; and in domestic-civilian activities, the unexpended balances will be $24 billion. It therefore must be apparent to all that unless there is coordinated action between the President and the Congress it is possible that no real reduction in actual expenditures can be expected. In fact, the total of the unexpended balances as of the first of next July will be nearly equal to estimated expenditures for the coming year.

I wish to make it clear that Congress can cut the appropriations, but, because of the huge unexpended balances, expenditure reduction does not necessarily follow.

What the people want is that spending be cut so that actually payments can be made on the public debt and taxes reduced.

If requested appropriations are enacted there will be available, including the unexpended balances, the sum of approximately $145 billion as of July 1.

The only legal restraint on the expenditure of this huge sum will be the ceiling that now exists on the public debt.

I repeat my previous statement, that enactment of the budget at the proposed level and in its present form will shut the door to tax reduction for a long time to come. It will start new avenues of spending which will grow and grow. It will mean we will have a higher budget next year than this year.

I make this appeal to the President in the interest of true economy and retrenchment which, as I have tried to make clear, is possible only by coordinate action of Congress and the executive branch. We all know that the President could not personally consider the thousands of items included in the 1,150-page budget submitted to Congress. For this he had to rely upon his subordinates. His response to the nationwide demand of the people now to reduce this budget would be a graceful recognition of the fact that this is a democratic country and that those in power should follow the will of a majority of our citizens.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MANSFIELD. Is it not true that the President has control over the Bureau of the Budget?

Mr. BYRD. It is.

Mr. MANSFIELD. Is it not true that the Bureau of the Budget works on a year-a-round basis, and has access to all elements of the Government, so that it can know what is going on, and base its judgment upon such knowledge?

Mr. BYRD. The Senator is entirely correct. The trained personnel in the Bureau of the Budget could make available information as to the reductions which should be made in the budget in an orderly way and in a more effective way than could Congress by going into the 1150-page budget and making reductions of its own.

Mr. MANSFIELD. Is it not true that the Bureau of the Budget has at least 500 employees working on a year-a-round basis?

Mr. BYRD. The Senator is correct.

Mr. MANSFIELD. Could the Senator from Virginia, for whom I have great admiration, and whom I commend for the speech he has made today, tell the Senate how the Congress could compete with the Bureau of the Budget in learning all that goes on within the financial recesses of the Government, on the basis of the time and personnel we have at our disposal?

Mr. BYRD. It would be very difficult for Congress to do so. There are 600 separate items in the budget which are subject to reduction by amendment. There are more than 6,000 subitems. It naturally follows that it is most difficult for the Appropriations Committees and the Congress itself to act on these individual items. Therefore I think it is incumbent on the administration to submit a budget revised in accordance with public sentiment. As the Senator from Montana knows, the people are demanding a reduction in Federal spending.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. BYRD. I yield.

Mr. MANSFIELD. I agree with what the Senator from Virginia has just said. Does the Senator see, in the trend in recent years, a lessening of the power of the purse on the part of the Congress, and an increase in that particular aspect on the part of the Executive?

Mr. BYRD. I think the implication of the Senator's question is correct, especially with respect to the huge unexpended balances, the timing of the expenditure of which is entirely controlled by the President. However, I wish to make it clear that the speech I have made today does not indicate that Congress should not cut such expenditures if the President is unwilling to submit a new budget. We must do the best we can. If Congress must do it, the job will not be so good as that which could be done by the Bureau of the Budget, with its trained personnel. However, if the President does not do it, it is the duty of Congress to cut the budget.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. The time of the Senator from Virginia has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Virginia may have 2 additional minutes, in order to answer an inquiry by the Senator from Ohio.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I was particularly impressed by the statement of the Senator from Virginia as to the expansion of fields of governmental service into which the Federal Government will enter in the event the President's recommendation is followed. Can the Senator from Virginia tell us the number of new fields of operation which the Federal Government will enter this year?

Mr. BYRD. That could hardly be done in 2 minutes.

Consider, first, Federal grants to the States. There are 14 new Federal grants to the States provided for in the present budget, one being for the construction of local schools. That will open up a Pandora's box. It will cost many billions of dollars, and it will not be possible to stop it. There are a number of other new avenues of spending.

Mr. LAUSCHE. How many fields of governmental operation which historically and traditionally were performed by the States, and for which the Federal Government gave aid, existed prior to 1932?

Mr. BYRD. The field of Federal grants is one category. In 1932 there was only one Federal grant, and that was for roads. In that year the cost was $250 million. If the President's budget is adopted, there will be 67 Federal grants to States, costing $5½ billion.

Mr. LAUSCHE. Am I correct in my understanding that since 1932 the Federal Government has undertaken to provide money for approximately 50 fields of governmental service which historically and traditionally were previously financed by local and State governments?

Mr. BYRD. The Senator is correct. I think there are 53.

Mr. LAUSCHE. But if this year's recommendations are carried into effect, that number will be increased by 16, will it not?

Mr. BYRD. The number will be increased by 14.

Mr. LAUSCHE. Am I also correct in understanding that if the wedge is driven by the adoption of those recommendations this year, the prospects are that the appropriations to finance such services will expand each year in the future?

Mr. BYRD. The Senator is entirely correct.

Mr. LAUSCHE. I thank the Senator very much.

Mr. MARTIN of Pennsylvania. Mr. President, I am very much interested in the remarks made by the distinguished Senator from Virginia [Mr. BYRD] on the subject of reducing the budget. I do not know of any time in the history of our country when the people in general have become as greatly interested in governmental spending as now.

I have before me an excellent editorial on the subject, entitled "$1 Billion Budget Cut Gets You $19," published in the Oil City Derrick of March 26, 1957. The editorial points out that a billion dollar cut in the budget would mean that every man, woman, and child in the country would have an additional $19 for his own use. Of course, as the editorial points out, a $2 billion reduction in the budget would mean twice that amount, or $38.

The editorial treats the question of the budget directly at the grassroots. Therefore I ask that it be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE-BILLION-DOLLAR BUDGET CUT GETS YOU $19

Suggestions for trimming the Federal budget of $71.8 billion are pretty general. Congressional leaders, economic and business leaders, and the man in the street all are saying it's too high and ought to be cut.

Suggestions on the size of the budget cut are pretty general, too, but quite varied. The proposed trimming figures range from $2 billion up to $8 billion.

But just what does a cut of $2 billion or $8 billion mean to the average American.

In figures anybody can understand, it means just this—it is estimated by the Tax Foundation that for each $1 billion slashed from the budget, every American family of 4, on the average, would have an additional $19 for its own use.

For example, the $19 multiplied by a $2 billion slash would mean $38 in your pocket; a $3 billion trimming, $57; and an $8 billion slash, a sizable $152.

Now to make the application of a budget slash just a bit more personal. Suppose a slash of $5 billion were made and you applied the saving it would mean to some of the

things you might want for your home. Well, you could buy, for instance, 5 portable humidifiers, a hi-fi phonograph, 4 portable tool sets, an upholstered chair, two 6-by-9 rugs, a table TV set, or 2 clock radios.

You see, budget slashing is real money in your pocket. So you'd better add your voice to that of other taxpayers and demand that the upward spiral of Federal spending be halted and a substantial cutback made in that fantastic $71.8 billion budget for fiscal 1958.

DIAMOND JUBILEE ANNIVERSARY OF KNIGHTS OF COLUMBUS

Mr. BUSH. Mr. President, the Knights of Columbus, founded in the State of Connecticut in 1882, will begin its diamond jubilee celebration on Friday of this week.

The supreme knight of this organization is Luke E. Hart, of St. Louis, a very distinguished citizen who is highly respected by the people of my State.

The observance of this jubilee will stretch from New Haven to the Philippines, and from northern Canada to Puerto Rico.

The native New Haven organization still has its roots firmly entrenched in that community. There is located the supreme council headquarters and San Salvador Council No. 1.

On March 29, 1882, the General Assembly of Connecticut approved a resolution that Michael J. McGivney, Mathew C. O'Connor, Cornelius T. Driscoll, James T. Mullen, John T. Kerrigan, Daniel Colwell, and William M. Geary, and all other persons now associated with them under the name of the Knights of Columbus, together with all other such persons as may hereafter become associated with them, and their successors, are constituted a body corporate and politic by the name of the Knights of Columbus.

The charter thus granted to these citizens of New Haven marked the birth here of what has grown to an organization of more than 1 million in the United States, Canada, Mexico, Cuba, Puerto Rico, and the Philippines.

If my colleague, the junior Senator from Connecticut [Mr. PURTELL] were present, he would join with me in congratulating the Knights of Columbus and Supreme Knight Luke E. Hart upon the eve of the diamond jubilee. On behalf of my colleague, as well as myself, I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks an article from the New Haven Register of Sunday, March 24, 1957, discussing the diamond jubilee, and also a copy of the proclamation issued by the Governor of our State, proclaiming Knights of Columbus Day.

There being no objection, the article and proclamation were ordered to be printed in the RECORD, as follows:

[From the New Haven Register of March 24, 1957]

K. OF C., FOUNDED HERE IN 1882, STARTS DIAMOND JUBILEE FRIDAY—REV. M. J. MCGIVNEY STATUE TO BE UNVEILED SUNDAY IN WATERBURY

The Knights of Columbus, world's largest fraternal benefit society of Catholic men founded here 75 years ago, is readying its diamond jubilee.

The observance will stretch from New Haven to the Philippines, from northern Canada to Puerto Rico. The native New Haven organization still has its roots firmly entrenched here with the supreme council headquarters and San Salvador Council No. 1.

On March 29, 1882, the General Assembly of Connecticut approved a resolution "that Michael J. McGivney, Mathew C. O'Connor, Cornelius T. Driscoll, James T. Mullen, John T. Kerrigan, Daniel Colwell, and William M. Geary, and all other persons now associated with them under the name of the Knights of Columbus, together with all such persons as may hereafter become associated with them, and their successors, are constituted a body corporate and politic by the name of the Knights of Columbus."

The charter thus granted to these citizens of New Haven marked the birth here of what has grown to an organization of more than 1 million in the United States, Canada, Mexico, Cuba, Puerto Rico, and the Philippines.

CONGRATULATIONS GIVEN

Congratulations have been pouring into the office of the supreme council for weeks. Led by Gov. Abraham A. Ribicoff and Mayor Richard C. Lee, State governors and mayors of cities all over the United States have wired their best wishes and have proclaimed March 29 Knights of Columbus Day, according to Charles Ducey, director of the service bureau of the supreme council.

Among the governors who have proclaimed March 29 Knights of Columbus Day are those from the States of Arkansas, Connecticut, Washington, D. C. (Commissioners), Florida, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, Ohio, Pennsylvania, Tennessee, Texas, Vermont, Washington State. More wires are coming in all the time.

Dan Daniel, commander of the American Legion, has extended congratulations. Many State legislatures have adopted resolutions congratulating the knights and commemorating March 29. Among them are the legislatures of Arkansas, California, Connecticut, Michigan, Ohio, Tennessee, Wisconsin. Mayors from hundreds of cities have wired headquarters here, and it is expected that nearly every American city and town will be represented by the time anniversary celebrations start.

Next Sunday (March 31) a bronze statue of the Reverend Michael J. McGivney, the founder, will be unveiled and dedicated at Waterbury, his birthplace.

INITIAL JUBILEE EVENT

The exercises honoring the priest, who was a curate at St. Mary's parish here, when he conceived the idea out of which the Knights of Columbus grew, will be the initial event in a jubilee observance in which 4,000 councils of the now far-flung society are participating.

The statue will be unveiled by John William Walsh, of Bridgeport, 12-year-old great-grandnephew of Father McGivney. Joseph A. Coletti, of Boston, was the sculptor for the statue, cast from a plaster likeness.

The 8-foot bronze figure has been erected in a small park at the intersection of Grand and Meadow Streets, opposite the Waterbury railroad station. The statue stands on a 14-ton marble pedestal 10 feet high.

Speakers at the ceremony will include Archbishop Henry J. O'Brien, of Hartford, Supreme Knight Luke E. Hart, Governor Ribicoff, Mayor Edward Bergin, of Waterbury, and James V. Hughes, of Vancouver, B. C., a director of the Knights of Columbus. Judge John E. Swift, of Boston, former supreme knight, will preside.

Among the invited guests are Francis Cardinal Spellman, Archbishop of New York; Bishop Lawrence J. Shehan, of Bridgeport; Bishop Bernard J. Flanagan, of Norwich; Auxiliary Bishop John F. Hackett, of Hartford; Justice Raymond E. Baldwin, of the Supreme Court of Errors; and Justice Patrick B. O'Sullivan, chief justice-designate of the Connecticut Supreme Court of Errors.

The Knights have grown out of but never away from New Haven. The home office of the Supreme Council, from which all the society's activities are directed, has always ben located here and now occupies the former general office building of the New Haven Railroad.

Father McGivney and the little group of men who were associated with him in the founding of the Knights of Columbus had one immediate purpose—to form a society which would provide financial assistance to its members and their dependents in time of need, disability or death.

FAMILIES DISRUPTED

They had striking and frequent evidence of the need for such a society in their own circle of friends when families were disrupted and thrown into poverty by the death of the breadwinner.

The effects of sudden loss of the head of the family, therefore, plus the determination to do something practical about relieving them, was the beginning from which has come an organization with assets of $120 million to them and their beneficiaries.

Fairly recent reports of the acquisition by the Knights of Columbus of the Yankee Stadium site, and other sizable financial deals, reflect only one of the many phases of the society's growth from its humble beginning.

Although the original and still strongly maintained purpose of the K. of C. was to provide financial aid for the widows and children of its members, there was built into its charter the blueprint of more general service to church, state and community.

Soon after its founding, its primary purpose was expanded to include activities by local, State, and supreme or international councils in the fields of social welfare, aid to religion, patriotic endeavor, civic betterment, aid to education, and similar projects.

Early in their existence, the Knights established a chair of American history at the Catholic University of America and later contributed $500,000 to the same institution for graduate scholarships. In the famous "Oregon school case," and in similar situations, the society led the fight which resulted in Supreme Court decisions upholding the right of parents to educate their children in the parochial schools.

MICROFILMING COMPLETED

The Knights have just completed the work begun in 1951, of microfilming almost 10 million pages of manuscripts preserved in the Vatican Library. These reproductions are now available to American scholars at the K. of C. Vatican Film Library at St. Louis University and master films of the collection have been stored in a place safe from war or disaster damage.

Immediately after World War II, the Knights established a million-dollar scholarship fund which is providing a complete college education for sons and daughters of members who were killed or totally disabled in military service. Recently, the provisions were extended to cover Korean war service.

Since 1948 the society has spent almost $5 million advertising Catholic doctrine and practices in paid space in newspapers and magazines. As a result, more than two and a half million inquiries have been received at the K. of C. Religious Information Bureau in St. Louis, Mo., and the program has been praised by non-Catholic as well as Catholic leaders.

Activities of the Knights in the field of patriotic endeavor range from the operation of the still-remembered "K. of C. Huts," during World War I, at training camps in the United States and Canada and at the front lines in France under the slogan "Everybody Welcome, Everything Free," to the campaign

inaugurated in 1951, which led to the inclusion in 1954 of the words "under God" in the official pledge of allegiance to the flag.

PLAYGROUNDS IN ROME

Long interested in the welfare of youth, the organization has maintained for 30 years, at the request of Pope Benedict XV and succeeding Pontiffs, playgrounds in the crowded areas of Rome. The K of C also sponsors and directs its own organization of Columbian Squires for boys of high-school age.

The spread of the Knights of Columbus vine planted in New Haven 75 years ago is reflected in the home locations of its officers and directors.

The international officers of the society are Supreme Knight Hart, St. Louis; Deputy Supreme Knight Wm. J. Mulligan, Hartford; Supreme Secretary Joseph P. Lamb, New York; Supreme Treasurer Francis J. Heazel, Asheville, N. C.; Supreme Advocate Harold J. Lamboley, Monroe, Wis.; Supreme Chaplain Rt. Rev. Msgr. Leo M. Finn, Bridgeport; Supreme Physician Gerald J. Luns, M. D., Hamilton, Ontario, and Supreme Warden Lawrence J. Cowen, Pocatello, Idaho.

Also members of the board of directors are Francis Fauteux, Montreal; Gervase T. Murphy, Calumet, Mich.; Dr. Charles W. Henney, Portage, Wis.; William E. Burke, Utica, N. Y.; Clarence J. Malone, Topeka, Kans.; Charles J. Morgan, Chicago; William Lennox, Philadelphia; R. Conroy Scoggins, Houston; John T. Rocap, Indianapolis; Gerald C. Riley, Los Angeles; John W. McDevitt, Waltham, Mass.; F. J. Connolly, Shakopee, Minn.; James V. Hughes, Vancouver, B. C.; George M. Turner, Walsenburg, Colo.; and Harry C. Pierotti, Memphis.

Supreme Knight Hart thus sums up the feeling on this diamond jubilee of the knights, of more than a million members of the society he has served through about half its history and which he has headed since 1953:

"Our hearts remember gratefully the vision, the courage and the devoted labors of our founders and of the great host of brother knights who have carried on and who are pledged to raise to even greater heights the name and fame of the Knights of Columbus."

GOVERNOR PROCLAIMS KNIGHTS OF COLUMBUS DAY

Gov. Abraham A. Ribicoff, in designating March 29 as Knights of Columbus Day in Connecticut, issued this proclamation:

"United in service to God, service to their country, and service to their fellowmen, more than 1 million members of the Knights of Columbus celebrate their order's Diamond Jubilee this month.

"This anniversary has a special meaning for Connecticut, because Connecticut is the birthplace of this splendid order. Its founder, Father Michael J. McGivney, was born in Waterbury, and it was as a young curate at St. Mary's Church in New Haven that he first perceived the need for a fraternal benefit society for the men of his parish. Father McGivney's vision, and the efforts of a small group of likeminded laymen, resulted in the original charter of the Knights of Columbus, granted by the General Assembly of Connecticut on March 29, 1882.

"Dedicated to broad positive goals in the fields of religious and patriotic education, of service to youth, of war relief and social welfare, and of interfaith understanding, the Knights of Columbus have justified the most hopeful expectations of their founder.

"Today, an active membership of over 1 million Knights of Columbus in councils throughout the United States, Canada, Mexico, Cuba, and the Philippines attests to the vigor of the ideal which Father McGivney brought to life.

"Connecticut's 35,000 Knights of Columbus can take justifiable pride in 75 years of religious and humanitarian accomplishment. Connecticut citizens of every faith will join in expressing congratulations to the Knights of Columbus on their Diamond Jubilee, and in sharing confidence in the continuation by the Knights of Columbus of their tradition of service.

"It is fitting, therefore, that March 29, 1957, be designated as Knights of Columbus Day so that this order may receive the recognition which it deserves."

THE DEVELOPMENT OF SAFFLOWER AND THE NEW CROP DEVELOPMENT RESEARCH PROGRAM

Mr. WATKINS. Mr. President, in my minority views to the 1956 report of the Joint Economic Committee, I noted that "at the moment, new crops development research seems to be the front which offers the greatest promise for more efficient utilization of resources in agriculture now being used to produce quantities of some crops greatly in excess of demand"—page 71.

A week before that report was issued, I called the Senate's attention to a publication of the Utah State Agriculture College Experiment Station relating to the development of safflower, a new crop. On that occasion I indicated that:

First. Safflower is an annual oil-seed plant, which produces an oil adapted for use in making paint, and a cake or meal byproduct which is recognized as a good protein supplement for livestock.

Second. Safflower is as easily grown as spring wheat, and does well on some of less arid of the drylands devoted to wheat production in northern Utah and similar areas.

Third. There is an established market for safflower oil at industrial centers and for oil-seed meal locally, but that there is no extracting plant closer than California.

Recent developments relating to safflower production in Utah are reported in the March 1, 1957, issue of the Box Elder Journal which is published in Brigham City, Utah. In an interesting article entitled, "Propose Extensive Experimentation With Safflower Seed Crop in Box Elder County" it is indicated that:

First. Two processing firms are interested in signing contracts with farmers to grow 10,000 acres of safflower at $70 a ton for seed.

Second. If the crops at the end of 3 years have proved profitable to the growers and sufficient acreage could be secured that one of the firms would build a processing plant in the area.

Since the article contains other interesting facts about this new crop, safflower, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROPOSE EXTENSIVE EXPERIMENTATION WITH SAFFLOWER SEED CROP IN BOX ELDER COUNTY—NEW VEGETABLE OIL INDUSTRY MAY RESULT FROM CROP INTRODUCTION—THOUSAND ACRES OFFERED TO GROW NEW CROP NEXT YEAR, ADDITIONAL ACREAGE IS SOUGHT

Introduction of a new cash, dry-land farm crop which could develop into a new vegetable oil refining industry in Box Elder County was discussed Tuesday evening at a meeting held in Tremonton and attended by 60 farmers from Box Elder and Cache Counties, Utah, Franklin and Oneida Counties, Idaho.

Attending the meeting were Dr. Carl E. Claassen, president of Pacific Oilseeds, Inc., Woodland, Calif., and Edwin A. Hill, vice president, Pacific Vegetable Oil Corp., San Francisco, who told the group they were interested in signing contracts for approximately 10,000 acres of safflower.

DEMAND IS HIGH

Safflower oils are in great demand, Dr. Claassen told the group in pointing out that his company is interested in increased acreage of this plant.

He offered a price of $70 per ton to farmers who might produce the seed, delivered to local elevators. He pointed out that his company was interested in having growers produce the seed for 2 or 3 years.

At the end of that period, if the crop has proved profitable to the growers, and sufficient acreage could be secured, the company would want to build a processing plant, either in northern Utah or southern Idaho.

THIRTY THOUSAND ACRES AVAILABLE

County Agent Fullmer Allred pointed out that Box Elder County has approximately 30,000 acres of land capable of producing dry-farm, fall wheat, with approximately one-third of this amount being deferred because of wheat-acreage allotments.

The safflower plant, which is a desert plant, might do well under dry farm conditions in this area, the county agent pointed out. In some test plots, which have been put out in northern Utah, this crop has produced from 300 to 1,340 pounds per acre, he reported.

Under irrigation in Utah, safflower has produced 2,300 pounds of seed per acre, Prof. Don Pittman of Utah State Agricultural College, announced.

PRODUCTION RECORD GOOD

L. H. Daines, Logan, reported that he had grown safflower on his dry farm in Cache County continuously for the past 9 years with production ranging from 400 to 1,500 per acre.

County agents from four counties brought farmers to the meeting. Dr. Wade Parkey, who is with the Department of Agriculture with offices at the campus in Logan, will be spending full time doing research work on safflower plants, the group was told.

He will follow up with the safflower program started by Prof. Don Pittman. Other specialists from the college attending the session were Prof. Del Tingey and Dr. Rollo Woodward.

EXPLORES NEW AREAS

Dr. Claassen said that his company was looking for a new area where they could obtain seed for oils and that they were unable to secure any more in California. He said that the average production per acre in California was approximately 1,700 pounds.

After the meeting a poll was taken of the number of acres that farmers would volunteer to grow in this area, by County Agent Allred. It showed that there were 1,000 acres of land that the safflower could be raised on next year from those in attendance.

"There will be other farmers in northern Utah and southern Idaho who will be interested in trying this crop, and these people should contact their county agricultural agent," Allred said.

SEED COST IS LOW

Seed should be available at a cost of about $8 per 100 pound weight, it was announced. Recommended rates for planting are about 25 pounds per acre. This would be a cost of approximately $2 per acre for seed.

Edwin A. Hill said that his company in San Francisco would pay $70 per ton for the seed plus $15 freight for anyone who would deliver seed they now had on hand to his factory.

Growers should be receiving $85 to $90 per ton in a few years. This year growers in California received approximately $75 per ton.

County Agent Roberts and his assistant Johnsen, from Franklin County, attended this meeting. County Agent Grover from Oneida County was also in attendance.

HON. WHITING WILLAUER, UNITED STATES AMBASSADOR TO HONDURAS

Mr. BRIDGES. Mr. President, I should like to join my distinguished colleagues, the Senator from Texas [Mr. JOHNSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Rhode Island [Mr. GREEN], and the Senator from Montana [Mr. MANSFIELD] in paying tribute to the United States Ambassador to Honduras, Mr. Whiting Willauer, for his courageous act which has recently been publicized.

I have known Mr. Willauer for many years and can verify that this outstanding deed is not out of character. In Boston, he had a distinguished career as an admiralty lawyer; in Washington with the Justice Department Criminal Division, he helped to clear up political corruption in the Federal judiciary and then to curb the anti-Americanism of Nazi bundists.

Football injuries prevented him from taking a commission during the war, so he joined the China Defense Supplies Agency and went to China to supervise the transportation of supplies over the famed hump. After the war, he associated himself with General Chennault in organizing the well-known Civil Air Transport. While the Communists were overrunning China, Ambassador Willauer directed an airlift in which 18 cargo planes averaged 28 round trips daily, flying supplies to the outmanned Chiang-kai Shek forces. As a result of his activities in China, he was the No. 3 man on the liquidation list of the Chinese Reds.

It is evident, then, that this act of bravery is nothing new for Mr. Willauer. The recovery of a 12-year-old boy from a treacherous river pool in Honduras is further proof of the courage of this man. The State Department is indeed fortunate in having such a man in its service. I trust that Ambassador Willauer's services will be continued, and the United States will have the benefit of his talents for a long time.

THE GREAT CHALLENGE OF UNEXPLORED REGIONS—REAR ADM. RICHARD E. BYRD AND CAPT. FINN RONNE

Mr. WILEY. Mr. President, I have in my hand two clippings which I feel express the challenge to America in exploring and developing the unknown. The clippings symbolize the great role performed by those adventuresome spirits who have blazed so many a trail for this Nation in the frozen Arctic and Antarctic.

The first is an editorial from the March 13, 1957, issue of the Milwaukee Journal, which pays a final tribute to Adm. Richard E. Byrd, that great figure whose untimely departure the Nation still mourns.

The second is an article from the March 24 issue of the New York Times, by Capt. Finn Ronne, one of America's outstanding explorers, and now one of the leaders of the party of scientists and Navy men in the Antarctic.

Perhaps I read this latter article with particular interest because it refers, in part, to a flight made by Captain Ronne with Lt. Comdr. Charles McCarthy, of New Richmond, Wis., at the controls.

But whether an explorer is from Wisconsin or from Virginia or any other State, the people of the United States thrill to the exploits of these modern day Vikings.

We cannot overstate the importance of America's establishing its fullest rights with respect to the Antarctic. No man now living can foretell the uses which this region may ultimately have in terms of national defense, mineral resources, aviation, opportunities, scientific experimentation, and other advantages.

I ask unanimous consent that both these clippings be printed in the body of the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal of March 13, 1957]

GO AGAIN IF BYRD COMMANDED

Few men have the zeal or courage to explore unknown parts of this much-charted globe. Richard Evelyn Byrd, now dead at 68—whose enthusiasm always made him seem as young as when he flew over the North Pole in 1926—was one of them.

With determination, he talked the Navy into training him as a World War I flier, even though a thrice broken leg had earlier forced him into retirement. With persuasiveness and ingenuity, he won financial backing for his North Pole venture, his nonstop flight across the Atlantic, and two expeditions to Antarctica.

With the experience thus gained and with undiminished zest, he headed three more Government-financed trips to the South Pole continent—including the current Deep Freeze phase of this Nation's participation in the international geophysical year.

All told, Admiral Byrd helped bring some 2 million square miles of territory—much of it potentially rich in natural resources—into the range of human knowledge. And through his books and lectures he gave Americans a better understanding of the area and the trials that face men who strive to unlock its secrets.

Admiral Byrd gained wealth from his writings (although a big part of his earnings went to pay off expedition debts). He received the Nation's highest awards for accomplishment and valor, including the Congressional Medal of Honor. Yet the finest tribute probably came from Bernt Balchen, the pilot of his earlier expeditions.

Said Balchen after the first trip to Antarctica: "I'd go again if Byrd commanded. Oh, he is a joyous man."

[From the New York Times of March 24, 1957]

RONNE DESCRIBES POLAR BASE TASK—THIRTY-NINE-MAN UNITED STATES PARTY RACES TO COMPLETE ELLSWORTH UNIT FOR ANTARCTIC WINTER

(By Capt. Finn Ronne)

ELLSWORTH STATION, ANTARCTICA, March 20.—Since I took over command of this station February 12, the 39 of us have labored day and night to complete our base for the winter.

With only two exceptions, the weather has been too foul to permit any airplane flights.

On March 3, a brief respite in the otherwise constant overcast allowed us to make a short flight to the British Shackleton Base, 51 miles to the east of us. Hugo Neuberg, glaciologist for the International Geophysical Year beginning July 1, was along to discuss his program with members of the 16-man British group headed by Dr. Vivian Fuchs.

In the next Antarctic spring, Dr. Fuchs, whom I met in the Antarctic in 1948, will lead the British trans-Antarctic sledge party across the continent to meet another British party led by Sir Edmund Hillary, the conqueror of Mount Everest. The Hillary party will sledge southward from McMurdo Sound.

The two British parties plan to meet in the vicinity of the South Pole.

At present, our two groups are interested in exchanging information about the crevassed and mountainous terrain south of our respective bases in order to facilitate our field work next spring.

The sun broke through our usual heavy overcast—March 16, and we took advantage of it for a 5-hour reconnaissance flight south into the core of Edith Ronne Land. This part of the Antarctic was discovered on my 1946–48 expedition, when we were based in Marguerite Bay on Palmer Peninsula.

With Lt. Comdr. Charles McCarthy, of New Richmond, Wis., as pilot, we flew almost due south in a single-engine Otter airplane. The purpose was to survey a safe route for our International Geophysical Year traverse party scheduled to go into the field next spring.

Two hours after takeoff, black and massive mountains loomed straight ahead. They were the flattop mountains sighted earlier this year by Dr. Fuchs. These mountains in the eastern part of Edith Ronne Land are about 4,500 feet high, with glaciers flowing into the ice shelf from the higher inland elevations.

Upon reaching them, we changed course to due west and could then see a long string of mountains stretching in a westerly direction toward the horizon. The elevation of the terrain under the flight track was about 800 feet above sea level.

The ice shelf ended here in a steep, heavily crevassed ice fall rising to about 4,000 feet as it blended into the higher continental land due south. We could look straight into the unknown and unexplored part of the Antarctic.

The base organization now is running smoothly. We hope to have our station 100 percent completed by April 1.

It is getting colder now, with many snowdrifts piling up outside. But our outside work fortunately has been completed.

For the last 36 hours prior to the departure of our two supply ships February 12, we worked without letup. Our Seabee mobile construction battalion took exactly 15 days to establish our base, an estimated 5-week job.

Under the direction of Lt. Comdr. Henry Stephens, United States Navy, of Fairbanks, Ga., 6,250 tons of building material and equipment were hauled to this station site. Near the edge of the shelf ice, a temporary camp was set up and a supply dump laid out. Then a trail party set out to assure a safe route 2 miles up to our permanent base site.

Traveling on skis, attached to each other by lengths of rope, the party probed the ice ahead for crevasses or other weaknesses. The men were followed by a weasel equipped with an electronic crevass detector and a sled with explosives and trail-marking poles.

In the race against time, below-freezing temperatures won. Newly formed bay ice threatened to trap our two ships, and their departure date was accelerated by 3 days.

Shortly before leaving, Capt. Edwin A. McDonald, United States Navy, task group commander, turned the command of the Ellsworth Station over to me in what might be described as a formal ceremony for this part of the world.

"We have gone into waters where ships have never sailed before us," Captain McDonald said. "They were uncharted waters without knowledge of ice conditions.

SENATE HEARINGS AND INDIVIDUAL RIGHTS

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a most thoughtful and informative editorial from the Salem Statesman of March 22, 1957, entitled, "Senate Hearings and Individual Rights." Author of the editorial is Charles A. Sprague, editor of the Statesman, and a former distinguished Governor of the State of Oregon.

The editorial in the Statesman was inspired by a letter to the editor from Mr. Thomas C. Enright, an outstanding attorney of Salem. Mr. Enright expressed concern over certain practices of Senate investigating committees which, in his opinion, are not totally fair to those who may be accused before such committees. As a result of the cogent points raised by Mr. Enright, who is a former member of the staff of the distinguished senior Senator from Oregon [Mr. MORSE], ex-Governor Sprague has suggested reforms in Senate committee procedure which might have the effect of assuring greater protection for the good names and reputations of people involved.

In fairness both to Mr. Sprague and Mr. Enright, it should be emphasized that neither of these men has condoned any of the unwise practices of certain labor union leaders whose activities have been the subject of investigation by the special Senate committee studying labor-management relationships. But both Mr. Sprague and Mr. Enright cite the need for rules and standards which, in the words of Mr. Sprague, "may be desirable to prevent injury to reputations of honorable persons."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Salem (Oreg.) Statesman of March 22, 1957]

SENATE HEARINGS AND INDIVIDUAL RIGHTS

In his contribution in today's Safety Valve, Tom Enright makes a valid case against "trial by hearsay" in congressional hearings. To a lawyer the procedures followed violate ancient standards of justice. The evils are magnified when under television the whole Nation can observe the prosecution of the inquiry. It has something of the fascination of a gladiatorial combat or a bullfight, with the spectators hanging on the dialogue and noting, even with satisfaction, writhings of the individual pinned to the witness table.

The potential for destruction of reputation is terrifying. Appearance before the committee, critical interrogation erect suspicion in the public mind, or even a conclusion of guilty may be formed which the victim will never be able to dislodge.

Committee hearings are quite in contrast with judicial inquiries which start in the grand jury room. Witnesses are sworn. They testify in secret. They are not permitted to disclose their testimony after they leave the jury room. A grand jury returns an indictment on the basis of probable cause. Then the State has to prove the person indicted guilty after trial in open court. There witnesses appear, are sworn, testify in public, are cross-examined. The defendant can introduce witnesses in his own behalf. He has the benefit of counsel. Evidence to be admitted must conform to strict rules. Quite a different procedure, indeed.

In theory the Congressional committee hearings are not trials; they are inquiries, ostensibly to aid the Congress in drafting of legislation. In practice they may be veritable ordeals, as many who have been through the mill will testify. When the hearings are over, the committee publishes a report, and may print all of the testimony received if it is deemed of sufficient importance. But the committee does not indict. And it may never enact laws in consequence of disclosures at the hearings. If it believes laws have been violated, it sends the transcript to the Attorney General who may initiate criminal proceeding.

In spite of the procedural shortcomings of legislative investigations, they do have a proper place in our Government. Often they perform a very useful service. The one now being conducted by the Senate committee under Chairman MCCLELLAN is exposing nefarious conduct in the handling of labor union funds. The facts need to be exposed to the public gaze, particularly for the information of the dues-paying members of the union concerned.

These inquiries may be too much on the free wheeling side, but they need to be less formal and faster-paced than court trials. The strict rules of court procedure do not seem to fit. Some rules or standards may be desirable to prevent injury to reputations of honorable persons, and the suggestions offered by Senator MORSE and others ought to be considered by an appropriate committee and then by the Senate.

Attitudes toward these hearings often seem to reflect the sympathies an observer has toward the parties involved. JOE MCCARTHY stirred up strong reactions, some favorable, most of them unfavorable, over the way he ran the anti-Red hearings. We recall that past committees were quite as severe as the present committees in their zeal to ferret out facts: The Black committee probing utility holding companies in the 1930's, the committee probing bankers in the same period, also the probe of munitions makers by the Nye committee. The Kefauver crime investigation of 1951 made a lot of scum squirm; and the investigation of the antics of internal revenue officials in the Truman administration turned up a lot of dirt. Publicity, dangerous as it is, has powerful purgative effects. In each instance complaints were raised over the methods employed by the committee, such as Mr. Enright has expressed. The Senate, however, has been reluctant to adopt rules of procedure, though the practice shows considerable improvement over McCarthy-Jenner days. Correction will have to come when things cool off and the subject can be studied in a detached manner. Unfortunately when that time arrives, it seems to be forgotten.

Responsibility rests with the Senate which is the sole judge of its own rules. With all the lawyers in the Senate, some reform ought to be possible. When extremes do break out, public opinion may supply a constraining curb.

The PRESIDENT pro tempore. Is there any further morning business?

Mr. JOHNSON of Texas. Mr. President, before concluding morning business, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	McClellan
Allott	Frear	McNamara
Anderson	Fulbright	Monroney
Barrett	Goldwater	Morse
Beall	Gore	Morton
Bennett	Green	Mundt
Bible	Hayden	Murray
Bricker	Hickenlooper	Neuberger
Bridges	Hill	O'Mahoney
Bush	Holland	Pastore
Butler	Hruska	Payne
Byrd	Humphrey	Potter
Capehart	Ives	Revercomb
Carlson	Jackson	Robertson
Carroll	Javits	Russell
Case, N. J.	Jenner	Saltonstall
Case, S. Dak.	Johnson, Tex.	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Kerr	Sparkman
Cooper	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Lausche	Thurmond
Dirksen	Long	Thye
Douglas	Magnuson	Watkins
Dworshak	Mansfield	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Young
Ervin	McCarthy	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY] and the Senator from Missouri [Mr. HENNINGS] are absent on official business.

The Senator from South Carolina [Mr. JOHNSTON] is absent on official business holding hearings for the Senate Agriculture Committee.

The Senator from North Carolina [Mr. SCOTT] and the Senator from Georgia [Mr. TALMADGE] are absent by leave of the Senate holding hearings for the Senate Agriculture Committee.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business as a member of the Subcommittee on the Tobacco Industry holding hearings in Georgia and South Carolina.

The PRESIDENT pro tempore. A quorum is present.

If there are no further proceedings under the morning hour, the Chair lays before the Senate the unfinished business.

EXTENSION OF CERTAIN CORPORATE AND EXCISE TAX RATES

The Senate resumed the consideration of the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] for himself and other Senators, which will be stated.

The LEGISLATIVE CLERK. On page 1, beginning with line 3, it is proposed to

strike out all through line 13 on page 2 and insert the following:

That this act may be cited as the "Corporate Tax Rates Adjustment Act of 1957."

SEC. 2. Adjustment of corporate normal tax and surtax rates.

(a) Corporate normal tax rate: Section 11 (b) of the Internal Revenue Code of 1954 (relating to rate of corporate normal tax) is amended to read as follows:

"(b) Normal tax: The normal tax is equal to 22 percent of the taxable income."

(b) Corporate surtax rate: Section 11 (c) of such Code (relating to rate of corporate surtax) is amended by striking out "22 percent" and inserting in lieu thereof "31 percent."

(c) Tax on certain mutual insurance companies:

(1) Normal tax: Section 821 (a) (1) (A) of such Code (relating to rate of normal tax on certain mutual insurance companies) is amended to read as follows:

"(A) Normal tax: A normal tax of 22 percent of the mutual insurance company taxable income, or 44 percent of the amount by which such taxable income exceeds $3,000, whichever is the lesser; plus."

(2) Surtax: Section 821 (a) (1) (B) of such Code (relating to rate of surtax on certain mutual insurance companies) is amended by striking out "22 percent" and inserting in lieu thereof "31 percent."

(d) Tax on certain interinsurers and reciprocal underwriters:

(1) Normal tax: Section 821 (b) (1) of such Code (relating to rate of normal tax on certain interinsurers and reciprocal underwriters) is amended to read as follows:

"(1) Normal tax: A normal tax of 22 percent of the mutual insurance company taxable income, or 44 percent of the amount by which such taxable income exceeds $50,000, whichever is the lesser; plus."

(2) Surtax: Section 821 (b) (3) of such Code (relating to rate of surtax on certain interinsurers and reciprocal underwriters) is amended to read as follows:

"(2) Surtax: A surtax of 31 percent of the mutual insurance company taxable income (computed as provided in subsection (a) (1)) in excess of $25,000, or 46.5 percent of the amount by which such taxable income exceeds $50,000, whichever is the lesser."

(e) Effective date: The amendments made by this section shall apply only with respect to taxable years beginning after March 31, 1957.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays on my amendment, which is the pending question.

The yeas and nays were ordered.

The PRESIDENT pro tempore. Does the Senator from Arkansas desire to use a part of his time?

Mr. FULBRIGHT. Yes; I yield myself 10 minutes.

Mr. President, the vote the Senate is about to take is on my amendment designated "2-27-57-B."

There has been distributed, and there should be on each Senator's desk, a memorandum dated March 27, 1957, entitled "Equitable Readjustment of Corporate Tax Burden—Without Revenue Loss." This 1-page memorandum is designed to summarize the substance and the need for the amendment which I offer on behalf of myself and 31 other Senators. I urge Senators to read this very short memorandum before the vote is taken.

It is not my purpose to repeat at this time the arguments in favor of the amendment. The subject was rather fully discussed on the Senate floor yesterday. I wish only to make a very few points, and then I shall rest my case.

First, I should like to say that this bill, in all probability, affords Senators the only opportunity they will have, at least in this session of Congress, to vote for tax relief for small business corporations.

The amendment does not involve any loss in revenue. On the contrary, it will increase revenue by $20 million a year.

The amendment also affords Senators an opportunity to carry out campaign pledges in both party platforms. To my Republican friends let me call attention to the fact that the amendment is in substantial compliance with the recommendations of the President's Cabinet Committee on Small Business, which the President himself endorsed last fall.

The only argument whatever which has been made against the bill is that it does not afford relief to all small business units—that is, those which are not organized in corporate form. This subject was discussed fully yesterday. For the present, let me say that it is not persuasive to me that because we cannot do something for everyone, we should not do something for anyone. The record will show that the amendment does not discriminate against those businesses not organized as corporations. This being so, I see nothing at all to the argument that because we cannot cure all the ills in our system, we should not attempt to cure any of them.

The issue before the Senate, I submit, is whether we shall continue for yet another year the extremely burdensome and discriminatory taxes against small incorporated businesses, or whether we shall afford them some measure of relief.

Every economic indicator and every business statistic shows that small corporations are discriminated against and that one of the most effective means of such discrimination is the present rate of corporate income tax.

Business failures are increasing. Mergers are increasing. The relative number of new firms is declining.

In the face of these facts and many others which are known to every Member of the Senate, I submit that no procedural arguments are sufficient. The issue, and the only issue, is whether Senators wish to continue the present level of corporate income taxation, or whether they wish to afford some relief to smaller units.

Mr. President, after the debate yesterday, I had a study made regarding former corporate-tax rates. I think it is rather significant that under the Revenue Act of 1945, the corporate-tax rates were quite similar to the ones which will result from my amendment. Under the rate then existing, on incomes from zero to $5,000, the combined rate was 21 percent; and on incomes from $5,000 to $20,000 it was 23 percent, which is a very close approximation to the rate which will result if my amendment is adopted and becomes law, as a part of the pending bill. Above $20,000, to $25,000, the rate was 25 percent; and on incomes from $25,000 to $50,000, the rate was 53 percent. So, in effect, if my amendment is adopted and is enacted into law, the new rates will very closely approximate the rates in existence under the 1945 act.

To those who are so much disturbed by the fact that the amendment requires an increase from 52 to 53 percent, I can say that 53 percent was the rate under the 1945 act.

The present rates were put into effect in 1951. So we have a relationship which has not been in existence for a very long time; and certainly it is a relationship which has no particular justification, as I view the matter. In fact, I think it is completely out of line, insofar as the smaller and the larger corporations are concerned.

Mr. LONG. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. FULBRIGHT. I yield.

Mr. LONG. I have always been rather reluctant to vote for the amendment, because I dislike to vote to raise anyone's taxes. However, in the committee I did support the amendment when it came to a final vote.

It seems to me that taxes are already high enough when they are 52 percent, in the case of the larger corporations.

I wonder whether the Senator from Arkansas would be willing to modify his amendment by changing the 31 percent figure to 30 percent. That change would result in the loss of some revenue. However, we propose to reduce the budget, anyway; and if we reduce the interest rates on the national debt, we shall have a surplus of perhaps $3 billion.

So I wonder whether the Senator from Arkansas would agree to make such a modification in his amendment.

Mr. FULBRIGHT. The modification suggested by the Senator from Louisiana was one of my original proposals; but the sole reason for providing for 53 percent is to prevent any loss of revenue. Representatives of the administration and members of the committee argue very powerfully against a reduction in the total income to the Federal Treasury. Under the circumstances, I think we would encounter opposition from other quarters much too strong to warrant risking accepting such a modification of the amendment.

Mr. LONG. Does the Senator from Arkansas know that there is before the Congress at this moment a bill, sent here by the administration, to increase the interest rate on the E-bonds by one-half of 1 percent, on a total of $38 billion of bonds? If we are to increase expenditures in that way, how are we ever to balance the budget—by raising people's taxes and by increasing expenditures at the same time?

If we want to save the Government money, it would be better simply to instruct the Federal Reserve Board to reduce interest rates.

Mr. FULBRIGHT. Mr. President, there are many alternatives which are appealing to me. The reason for the particular one incorporated in the pending amendment is simply that the proposal involved has very limited application; it will raise the tax rates on only

2 percent of all corporations, and they are the very largest ones, those with taxable incomes of $225,000 or more. So the burden will be very slight, relatively speaking. In other words, a corporation with an income of $100 million will have its taxes raised by less than 2 percent.

Mr. LONG. The Senator from Arkansas knows, however, that the 2 percent of the corporations on which he wishes to raise taxes probably have as many stockholders as do all the other 98 percent of the corporations put together.

Mr. FULBRIGHT. But the majority ownership of them is restricted to relatively few persons. I may say that the statistics in that connection were presented very carefully in my statement to the committee. Actually, those persons are relatively few in number; and they are the ones who can best afford a slight increase in taxes. Under the 1945 act, the rate on corporations with incomes from $25,000 to $50,000 was 53 percent. That was the rate then, under the act existing in 1945. The tax rate was 21 percent on the smaller ones, those with incomes of $5,000. Actually, the present rates go back only to 1951.

I am trying to reestablish a certain equity in the distribution of the rates.

Mr. LONG. Mr. President, if the Senator from Arkansas will yield further to me, let me say that I believe he understands the problem which confronts some of us. We dislike to fire a gun that shoots in two directions at the same time. In other words, in order to reduce the tax rate on small business from 30 percent to 22 percent, it is said that we must raise the tax rate on some other corporations from 52 percent to 53 percent. What I should like to vote for would be a measure simply to reduce the tax rate on small businesses.

Mr. FULBRIGHT. If there were the slightest chance of doing so, I would go along with the Senator from Louisiana. But it is my judgment that to do as he suggests would result in further opposition and would minimize the possibility of providing any relief at all. That is the difficulty. I should like to have the individual taxpayers provided with an increased exemption, but I think it is hopeless to attempt to do so at the present time.

Mr. CLARK. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. CLARK. Let me point out to my good friend, the Senator from Louisiana [Mr. LONG], that on the basis of the figures prepared by the Senator from Arkansas, the increase his amendment proposes in taxes would apply to only 2 percent of all corporations in the country. There are in the country 697,975 corporations subject to this tax. The amendment of the Senator from Arkansas would apply only to 14,221 of them.

The PRESIDING OFFICER. The time the Senator from Arkansas has allotted to himself has expired.

Mr. FULBRIGHT. Mr. President, I yield myself 3 additional minutes, in order to be able to yield further to the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas allots himself an additional 3 minutes.

Mr. FULBRIGHT. I yield further to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, let me say that only 14,221 of them earned more than $200,000, and, as I calculate rapidly, they represent only 2 percent of all concerned; and, generally speaking, those corporations are the well-to-do corporations of the country, those which in my judgment could well afford to make this concession to small business, and thus retard to that extent the elimination of small business as a result of the very great advantages which the large corporations have available to them in other fields.

Mr. LONG. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. LONG. Let me say that the point I have in mind is that this group, constituting 2 percent of the corporations, represents far more stockholders than all the other 98 percent of the corporations put together represent. However, if we are considering this matter from the point of view of tax benefits to the American people, an increase in the taxes imposed on the 2 percent would mean an increase in the burden on the greater number of American people who are stockholders in large corporations. There would be more American citizens hurt than benefited.

I am perfectly willing to vote to reduce the tax rate on small businesses from 30 to 22 percent, but I am reluctant to vote to raise the tax rate on large corporations from 52 to 53 percent.

Mr. FULBRIGHT. Mr. President, the statement I made regarding the stockholders about whom the Senator from Louisiana is concerned is as follows: A recent study on this subject by the Survey and Research Center of the University of Michigan shows that, first, only 7 percent of American families own publicly held stocks; and, second, that 8 percent of this stockowning group owned over four-fifths of the stock. It would appear therefore, that less than 1 percent of all American families own over four-fifths of all publicly held stock owned by individuals in 1952.

Another study—one made at Harvard University in 1949—resulted in an estimate that approximately 65 percent of all privately owned stock was held by the 1 percent of the families of the country which have annual income of $15,000 or more.

The PRESIDING OFFICER. The time of the Senator from Arkansas has again expired.

Mr. SPARKMAN. Mr. President——

Mr. FULBRIGHT. Mr. President, I yield to the Senator from Alabama such time as he may require.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I rise to support the pending amendment.

I joined with the Senator from Arkansas [Mr. FULBRIGHT] and 30 other Senators in sponsoring the amendment, since I felt that it was a step in the right direction. Frankly, I feel that the Senate should do more than this measure provides to grant tax relief to sorely pressed small businesses, and I shall urge the adoption of other proposals which will give further assistance.

Nonetheless, we must be practical, and the adoption of this amendment will at least indicate that we are not unaware of the present critical state of small business, and that we intend to do everything within our power to restore the vigor and vitality of this most important segment of our economy.

For the past 7 years I have been honored to serve as a member of the Senate Small Business Committee; for 5 of them, I have been its chairman. Almost since the first month of its operation it has been apparent that the greatest problem faced by the some 4,400,000 small-business concerns was the impact of high taxes. The scarcity of intermediate and long-term capital can largely be attributed to the inability of smaller firms to reinvest earnings, when taxes take such a large bite. Furthermore, outside investors look askance at a firm which stands a good chance of losing money, and which would be so heavily taxed if it were able to show a paper profit.

During some 7 of the last 15 years, small firms have also had to cope with an almost-confiscatory excess-profits tax, which was well designed to protect the large and established corporations through the use of base-period earnings credits, while guaranteeing that small firms would be unable to grow or that new firms would be able to enter the economy. And now that the excess-profits tax has gone, the present system is not a great deal better, unfortunately.

I was naive enough to hope that the belated recognition of the precarious position of small business by both political parties during the late, lamented campaign period signaled a real desire to take concrete action to remove the worst of the Federal roadblocks which impede the growth of small business into the role of effective competitors. I felt that the August report of the Cabinet Committee on Small Business and the hearty support of that group's recommendations by President Eisenhower meant that the administration would support congressional action in this field. But I should have become suspicious when it became apparent that Mr. George M. Humphrey, the Secretary of the Treasury, was not one of those applauding the Cabinet Report, nor did he give his approval to the President's espousal of those recommendations.

Now we find that Mr. Humphrey is able to come before the Senate Finance Committee—and other congressional groups, as well—and say that he has never supported these proposals, and that it would all but wreck the country if any one of them were to be adopted. Even more dangerous, from my point of view, is the Secretary's glib quoting of statistics to show that small business "never had it so good," and that all this talk about tax relief for small business would be only gilding the lily of record small-business

profits. It seems that the good Secretary has secret sources of information which he has classified and kept hidden from us ordinary observers. Every index of which the Senate Small Business Committee is aware has shown a disheartening deterioration in the position of small business over the past few years. Our committee has unanimously pointed this out in our last two annual reports—and I have commended those reports as outside reading for Mr. Humphrey.

Luckily, the Republican Party has faced facts somewhat more realistically than has the Secretary of the Treasury, and its party platform specifically called for several significant tax-relief measures, including one very similar to that now before the Senate. I call upon my Republican colleagues to remember their San Francisco planks and their autumnal pledges.

In the same way, my own party strongly urged prompt action to alleviate somewhat the impact of present high tax rates on small business. Our platform was specific, and our candidates spoke to this point.

But for some reason the plight of small business does not seem to be receiving the same consideration in March 1957 as it did in October 1956. I wonder why. Has the problem somehow become less urgent? Are taxes now lower for small business? Have we proof small business no longer needs tax relief?

I should like to spend a few minutes in trying to correct certain misconceptions which have appeared during the past few days on the general matter of small-business tax relief and the specific matter of the amendment now before the Senate.

First of all, its 32 sponsors realize that this amendment will not cure all the ailments of all the patients. No claim has ever been made that it will. It is true that it will apply to corporations and that most small businesses are unincorporated. But is that a logical ground for rejecting the amendment? If it will relieve the minds and the consciences of my colleagues, I hasten to assure them on this point. After the Fulbright amendment is voted upon, I shall offer several amendments which will give some measure of help to proprietors of and partners in small businesses. So please do not vote against the Fulbright amendment merely because it is directed only at small corporations. In addition, it seems to me to be the height of absurdity to refuse to help some because aid cannot be given to all. I have never found this to be a persuasive argument.

Second, I ask my colleagues not to oppose tax relief at this time because they are told there will be better opportunities later this year to help small business. If there are such chances, I, for one, shall be delighted, but my recollection of the past several years leaves me somewhat skeptical on this score. Last year, for example, no strenuous floor fight was made for this amendment, because its sponsors were assured that there would be a chance later in the year to attach small-business tax relief on some other revenue measure coming over from the House. I need not tell my colleagues that such a second chance never came.

In the third place, we are told that this is an urgent piece of legislation—a "must," if you will. I have to agree that we have waited until the last minute before getting to this measure, but that is not the fault of those of us who are pressing for small-business relief. We submitted our proposals to the Senate back on January 7—the first day it was possible to introduce bills. Furthermore, it has been known since last March 31 that this deadline was set for us. Why have we once again waited until the last few days? All but the most junior Members among us have seen numerous occasions when deadlines have come upon our deliberations and we have passed extending resolutions, or temporary extensions have been enacted which gave us the time to give adequate consideration to the measures before us. I respectfully suggest that such a procedure be adopted, if the alternative is to give short shrift to all plans for tax relief at this time. If we can fight wars and spend unappropriated funds by such resolutions, I see no reason why we cannot collect taxes in the same manner.

Furthermore, it occurs to me that there may indeed be no time trouble if the Senate adopts 1 or 2 amendments to the pending bill. The House may accept them as readily as they apparently will accept the lengthening of the extension period from 12 months to 15 months. Let us not be too pessimistic and defeatist on this point, since the Members of the House are, after all, Republicans and Democrats whose parties pledged this sort of help only a few months ago.

I submit to colleagues that small business is in dire need of help. It must receive that help quickly. Today we are seeking approval of the most meaningful type of help to small business—tax relief. I trust that the Senate will give most careful consideration to my proposals, because we may not have a like opportunity in this session of Congress to give small business the help it so desperately needs. I know that my colleagues share with me a great sense of responsibility toward the small-business community of our Nation. I know that they recognize, as I do, that the continued health of our economy depends in large measure on the continued health and vitality of the 4 million small-business enterprises that dot our country. Therefore, we must take full advantage of this opportunity to write into a bill those amendments which will buttress and foster the health of our small-business community.

Mr. President, I strongly urge the adoption of the pending amendment.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. FULBRIGHT. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 8 minutes remaining.

Mr. FULBRIGHT. I have committed my time.

Will the Senator from Texas yield a part of the time on the bill, for the purpose of having some additional time available on the amendment?

Mr. JOHNSON of Texas. How much time does the Senator desire?

Mr. FULBRIGHT. The Senator from Minnesota wishes to ask some questions.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. It is not for me. The Senator from Minnesota wishes to ask the Senator from Alabama some questions.

Mr. JOHNSON of Texas. I yield the Senator from Alabama 3 minutes.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. I merely desired to indicate my full support of the amendment offered by the Senator from Arkansas and advocated also by the Senator from Alabama. It was my privilege to be a cosponsor of the amendment when it was originally introduced as a separate bill. I think it should be noted that the proposal of the Senator from Arkansas is somewhat in line with the intentions of the administration in the field of tax relief for small business.

Mr. SPARKMAN. Not somewhat in line—completely in line. The Senator is referring to the President's Cabinet Committee, is he not?

Mr. HUMPHREY. The President's Cabinet Committee.

Mr. SPARKMAN. It is completely in line with the recommendations of that Committee.

Mr. HUMPHREY. And with the story that appeared either in the Journal of Commerce or the Wall Street Journal of October or November of 1956, I think it was.

Mr. SPARKMAN. It was the Wall Street Journal of October 27, 1956, during the campaign.

Mr. HUMPHREY. If the proposal was sound in October, prior to the election, it seems to me it should be sound in March, after the election.

Mr. SPARKMAN. The Senator has not stated that that article gave the President's blessing to this program, the identical program which the Senator from Arkansas proposes.

Mr. HUMPHREY. Yes; as I understand, the Senator from Alabama will offer other amendments which will relate to individual proprietorships or partnerships.

Mr. SPARKMAN. To implement further the recommendations by the Cabinet Committee, which, in turn, were endorsed by the President when he was campaigning.

Mr. HUMPHREY. I thank the Senator. I think I am correct in saying that earlier the Senate Small Business Committee, in one of its reports on tax adjustments for independent small business, made recommendations of a similar nature.

Mr. SPARKMAN. As early as 1953, and every year since, as the Senator knows. He is a member of that committee.

Mr. HUMPHREY. I was a member of that particular subcommittee which held hearings, and I recall the hearings which we held. If there is any segment of our economy which needs an equitable tax

base if it is to survive, in the light of the high interest rates, the tight credit policies, and the tremendous economic concentration, it is the small business part of our economy.

Mr. SPARKMAN. Everyone admits that.

Mr. HUMPHREY. I am happy to work with my colleagues on this proposal. I hope it will be adopted. We have been promising this relief long enough. Pretty soon we ought to deliver.

Mr. SPARKMAN. The Senator is absolutely correct.

Mr. FULBRIGHT. Mr. President, I wonder if the opponents of the amendment would care to use some of their time. I should like to reserve some of my time.

The PRESIDING OFFICER. The Senator from Texas [Mr. JOHNSON] has control of the time on the other side.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from Utah [Mr. WATKINS]. Then I shall yield to the Senator from Connecticut [Mr. BUSH], and to the Senator from Vermont [Mr. FLANDERS].

Mr. WATKINS. Mr. President, for several reasons, which I shall shortly discuss, I intend to vote for H. R. 4090, as reported by the Committee on Finance. Much as I should like to vote for amendments along the line proposed in committee by the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Alabama [Mr. SPARKMAN], I cannot do so in light of the present economic situation and the size of the proposed 1958 fiscal year budget.

In its 1957 report, the Joint Economic Committee observed that—

> The Federal Government, in the present circumstances, can contribute toward easing the necessity for restraints by exercising the utmost economy in its own spending programs. We agree with the President's statement that the Federal Government must provide the services which the American people demand of it. But the Government can best discharge this obligation by rigorously appraising all of its present and proposed expenditures so as to eliminate waste and make certain that these expenditures properly reflect the priorities accorded by the Nation as a whole to various services and functions (p. 4).

While I concur with this point of view, I earnestly believe we can provide such services and still cut this $71.8 billion budget by at least $2 billion to $3 billion. But I still would doubt the wisdom of reducing tax revenues until we know the level of Federal spending. Taxwise, I for one do not want Congress to take action at this time which would result in a deficit for the 1958 fiscal year.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WATKINS. I have only 10 minutes. My speech is tailored to the time available to me. I am sorry I cannot yield.

As a result of deficit financing, the interest cost alone which is budgeted for fiscal 1958 amounts to $7.3 billion or more than 10 percent of the entire budget request. I do not want to add to this expenditure next year by again resorting to deficit financing in order to meet Government expenses. Especially is this true when, based upon present anticipated revenues and assuming no change in the present tax rate, we will end the 1958 fiscal year with a budget surplus of at least $1.8 billion.

Secretary Humphrey pointed out in his testimony the folly of changing the existing corporate normal tax rate, and certain existing excise-tax rates which are extended by H. R. 4090. He said on that occasion:

> The estimated surplus for the fiscal year 1958 is considerably less than the revenue which will be received during that year from the legislation which is now on before you. Therefore, if these rates are not extended, we would have a substantial deficit in 1958. After 2 years of balanced budgets as a result of the combined hard work of the Congress and the administration, it would be inexcusable to slip back into deficit financing next year (hearings, p. 56).

Another reason why I oppose tax relief for special groups at this time is the current inflationary situation. As I suggested in my supplemental views to the 1957 report of the Joint Economic Committee:

> The year [1956] began with inflationary pressures present; it ended with such pressures dominating economic activity. Government, business, and labor face a major challenge in checking the general price level which moved up sharply in 1956.

One means of relieving such inflationary pressures is to maintain restraints upon the total demand for goods and services.

As the Joint Economic Committee itself observed in its 1957 report:

> Developments in 1956 and current prospects for 1957 bring into focus the problem of maintaining stability of the general level of prices during periods of full employment. To curb general price increases, the rate of expansion of total spending must be held down to the rate of increase in real output. * * * We therefore endorse the President's recommendation that tax rates be continued at their present levels. The hoped-for budget surplus, in fact, is based on extension of these rates. Such a surplus, if achieved, will contribute modestly to controlling inflation (p. 3).

From February 1956 to February 1957, the consumer price-level index rose by 3.5 percent. This is genuine cause for concern. Tax relief of the sort proposed in committee by amendment to H. R. 4090 ought not to be granted, in my judgment, under these circumstances.

Mr. President, my third reason for opposing amendments to the bill at this time, which were suggested in committee, is that I am opposed to the inequity created by granting tax relief to particular groups of taxpayers, when under the economic and budgetary burdens we all now face it is not possible to grant general tax relief. It has been suggested, for example, that special tax consideration be given to small corporations in the interest supposedly of helping all small business.

But would that be the result? The committe report makes it very clear that small business in general would not benefit to any large extent. In its report, the committee stated:

> Your committee is desirous of providing relief for small business but the amendments changing the corporate rates offered in the committee do not provide the desired result. Most small businesses are unincorporated, being partnerships or sole proprietorships. Only 10 to 15 percent of the total number of operating businesses are corporations. Your committee sees no justification for tax reduction which would benefit only this small corporate regiment and thus discriminate against the many small-business firms which are not incorporated. This committee has instructed its staff to report its suggestions for small-business relief (p. 3).

Mr. President, special tax relief under the conditions I have described in my opinion are not warranted. When our budgetary situation and current inflationary pressure are abated, I shall be among the first to propose general tax relief. But I feel I would be remiss in my obligations if I did not vote for H. R. 4090 as it was reported by the Finance Committee.

Mr. JOHNSON of Texas. Mr. President, how much time did the Senator from Utah use?

The PRESIDING OFFICER. The Senator from Utah used 8 minutes.

Mr. JOHNSON of Texas. I yield 10 minutes to the distinguished senior Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I rise to oppose the pending amendment because I think it is one of the most discriminatory pieces of proposed legislation I have seen during the time I have been a Member of the Senate.

Yesterday afternoon I listened to the debate at some length, and particularly to the references to the Republican platform and to the platform of the Democratic Party. I observe at this point that the Republican platform made no specific recommendations concerning tax reduction which could in any way bear upon this situation. The inference which was drawn yesterday that that was the case I believe to be entirely without foundation.

The only reference to tax reductions under the heading of small business in the Republican platform related to "certain tax reductions as budgetary requirements permit."

In the Democratic platform, however, as was pointed out by the distinguished Senator from Illinois, this language appears:

> We pledge ourselves to tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion.

I submit that the pending amendment does not fall within that platform pledge at all. It is not a tax-relief proposal for all small and independent businesses, what the platform calls for; on the contrary, it is highly discriminatory as between small-business enterprises. As has been so ably pointed out, it applies to only about 10 percent of the small-business operators in the country; the other 90 percent are given no tax relief whatever.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield for a comment?

Mr. BUSH. My time is limited. I shall be glad to yield after I have concluded my remarks.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. BUSH. Mr. President, I submit that the amendment represents discrimination of the higher order, because it selects a group of small-business operators, 10 percent of the whole, and gives tax relief to that small group, whereas it gives no measure of tax relief to the remaining 90 percent. Nevertheless, the Democratic platform calls for relief for all small and independent businesses.

Mr. President, the Democratic platform also speaks of "fair and equitable adjustments in Federal taxation which will encourage business expansion."

I submit there is nothing encouraging whatever in the amendment; it is certainly discouraging to 90 percent of the small-business operators, and is discouraging to corporations generally, whatever their size may be.

I would say that it would be particularly discouraging to small stockholders, people who own interests in American corporations of all sizes. There are approximately 8½ million shareholders of public corporations, of which two-thirds earn less than $7,500 a year. They are not the rich people of the country. They are not the wealthy people; 5,600,000 of the total number of stockholders earn less than $7,500 a year.

The largest of the American corporations is the American Telephone & Telegraph Co., which has 1,434,000 men, women, and children as stockholders. The average holding is 35 shares, and 600,000 shareholders of the total of 1,434,000 own 10 shares or less.

The Ford Motor Co. has 300,000 stockholders, of which there are as many with incomes of less than $7,900 as with incomes over that amount.

The United States Steel Corp. has 245,000 men, women, and children owning common stock, and about one-half of them have incomes of less than the average wages paid to the employees of the United States Steel Corp.

The same applies to other large corporations in America.

Therefore I believe that the amendment is highly discriminatory, not only in the field of small-business enterprises, but in the whole field of corporate business.

The Democratic platform speaks of encouragement to business expansion. I can think of nothing more discouraging to business expansion than to enact an increase in the corporation tax rate, which is exactly what the amendment would do. If we wish to encourage small businesses to become larger businesses and to employ more people, and to create more jobs, the way to do it is not by way of a discriminatory increase in the tax rate. I am afraid that that would be considered by small businesses themselves who want to grow as a move deleterious to their interests. Therefore, I very strongly oppose the amendment, and I ask the Senate to defeat it on the ground that it is highly discriminatory and very unfair to businesses of all sizes.

The PRESIDING OFFICER. The Senator from Connecticut will suspend. Senators who wish to carry on conversations will please retire from the Chamber. Senators and staff members who wish to carry on conversations will please retire from the Senate floor. The Senator from Connecticut may resume.

Mr. BUSH. Mr. President, I have about concluded my remarks. I now yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Connecticut yields to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. I merely wished to make a comment when the distinguished Senator from Connecticut was discussing the platform planks of the two great political parties. I wished to point out that the distinguished Senator from Connecticut could speak with real authority and understanding when he commented on the Republican platform, because he was the chairman of the committee which formulated that document.

Mr. BUSH. I thank the Senator. I should like to make one more point on the subject of stockholders of corporations. Not only would many hundreds of thousands of small stockholders in corporations be affected by the amendment, but the same statement applies to the great insurance companies and corporate pension funds which gather the savings of our hard-working men and women and invest them, in part, at least, in the common stock of corporations of all sizes.

Most of the corporations, of course, are fairly large, as compared with the so-called small-business operations, at whom the amendment is aimed; but the fact remains that the people who own the large corporations are not the rich people the proponents of the amendment apparently think they are. They are the small people who have put their savings into the corporate life of the Nation. One reason why our country has prospered is that such corporations have the standing and integrity to attract the savings of people in all walks of life. As I said, there are 8½ million stockholders who own shares in the corporations of the United States.

Therefore I strongly urge the Senate to vote down the amendment. When we come to the question of tax relief, which I earnestly hope we may consider sooner or later, let us approach it on the basis of fairness and justice to all concerned; let us not single out one limited group, and discriminate against a great many thousands of people by giving a small bit of relief to one selected group of business operators.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Texas yields 3 minutes to the Senator from Vermont.

Mr. FLANDERS. Mr. President, I shall not take that much time. A great many things could be said in favor of passing the bill as it was reported by the committee. I shall touch on only two of those points.

One is that a change in the corporation tax, such as is suggested, is not a small matter, and neither are similar proposed changes small matters. They affect principles, and they affect the results of an earnest consideration and study of the corporation tax itself. It is therefore inappropriate to add such proposals to the pending bill. That is point No. 1.

I move on to point No. 2, which is that in practically every case in which a tax is imposed, the burden of the tax ultimately falls upon the people themselves. The Senator from Connecticut [Mr. BUSH] has indicated that the tax on the large corporations falls on individuals, some of whom are rich and some of whom are poor. The fact that the burden of taxation on a small company is light is by no means any assurance that a tax reduction in its behalf will give relief to persons of low income.

A graduated personal income tax has logic to it. A graduated corporation tax has no logic to it. On that basis, Mr. Chairman, I am against the proposed amendment.

I hope the time will come when we shall face the problems involved in the double taxation of dividends. The pending amendment approaches that serious problem from exactly the wrong direction. So, Mr. President, I trust the amendment will be voted down, as well as others having the same purpose and effect.

The PRESIDING OFFICER. Does any Senator wish to use further time for or against the amendment?

Mr. JOHNSON of Texas. Mr. President, at the moment I have no request for time.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Pennsylvania [Mr. CLARK].

The PRESIDING OFFICER. The Senator from Arkansas yields 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, as chairman of the Subcommittee on Small Business of the Committee on Banking and Currency I urge the adoption of the amendment proposed by the Senator from Arkansas.

I should like to point out, as I did before the Committee on Finance, that this amendment is strictly in accord with recommendations made by the President of the United States in his state of the Union message in 1953, when he said:

> We must develop a system of taxation which includes particularly real opportunities for the growth of small business.

And which was reiterated in the President's budget message of this year, when he said:

> In the area of taxation I am especially interested in the problems of small business. Last August the Cabinet Committee on Small Business made a series of carefully considered recommendations in this field. Some relief in the tax burden affecting small business as recommended by that committee which will give help with a minimum loss of revenue should have early consideration by the Congress.

Mr. President, I have listened with great interest to the debate this morning, and particularly the comments made by my good friend, the Senator from Connecticut [Mr. BUSH]. He made two points, the first of which was that the pending amendment is discriminatory in effect. I may say that the amendment is no more discriminatory than is the graduated system of income taxation, which applies today to every individual citizen in the United States. In my judgment a graduated system of taxation for corporations is long overdue.

Mr. President, this proposal will give tax relief to 683,554 corporations, or 98 percent of all the incorporated organizations in the United States of America.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. CLARK. I regret very much that I am unable to yield to the Senator from Oklahoma, because the time is so limited. At the conclusion of my remarks I shall be happy to yield to him.

Mr. KERR. Would the Senator repeat the number of corporations he said would be given relief?

Mr. CLARK. Six hundred and eighty-three thousand five hundred and fifty-four corporations would have their taxes reduced if this amendment should be adopted and become law. That figure represents no small percentage of small business organizations of this country. It is quite true that this relief is not encyclopedic, but we must proceed in this matter all the way around the periphery and provide relief by some fits and starts, because we cannot do it all at once.

Mr. President, I also point out that my distinguished friend, the Senator from Utah [Mr. WATKINS], was in error when he said enactment of the amendment would reduce the Federal tax revenue.

In my judgment, Mr. President, the amendment is completely and entirely in accord with the very clear commitment made in the Republican platform of 1956, which contained this statement:

> Small business can look forward to certain tax reductions as budgetary requirements permit.

Mr. President, this amendment, as drawn, has the effect of increasing revenues for budget purposes, not decreasing them. I hope very much, Mr. President, the Senate will vote favorably on the amendment of the Senator from Arkansas.

Mr. SALTONSTALL. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 2 minutes.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Oklahoma [Mr. KERR], in the absence of the Senator from Virginia [Mr. BYRD], a question, if I may.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield for a question?

Mr. KERR. I yield.

Mr. SALTONSTALL. I thank the Senator from Oklahoma.

I shall vote to support the committee's position. I believe, in fairness to business generally, that small business should have some help, if it is possible to give such help in a fair manner to small business as a whole.

I should like to ask the Senator from Oklahoma, who is the ranking majority member on the Committee on Finance, second only to the Senator from Virginia, what if anything the committee is doing with regard to this subject, and what the committee plans to do, if possible, before the session of the Senate comes to an end this year.

Mr. KERR. I will say to the distinguished Senator from Massachusetts that the chairman of the committee announced—and will repeat the announcement in this Chamber—that it is the hope of the Committee on Finance that full consideration can be given to the problem which the Senator has suggested. It is the belief of the chairman of the committee, shared by the Senator from Oklahoma, and I believe by a majority of the members of the committee, that when the subject is considered it should be approached by the committee from the standpoint of providing the greatest possible relief consistent with the requirements of and the position of the budget, but on a basis which will be beneficial to all small businesses rather than to a very limited minority of the small businesses.

I shall touch upon a number of those aspects of the matter in the time which I hope the majority leader will allot to me in a few moments.

Mr. SALTONSTALL. Mr. President, I thank the Senator from Oklahoma. I can only say, as one whose constituency contains many small businesses, that I hope the committee will give some help to small business, if it is possible to do so.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I should like to offer an amendment.

The PRESIDING OFFICER. Does the Senator from Texas yield time to the Senator from Louisiana?

Mr. JOHNSON of Texas. The Senator desires to offer an amendment, Mr. President, so the Senator does not require any time.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that no amendments are in order until time has expired on the amendment proposed by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. KERR. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Is the amendment to be offered by the Senator from Louisiana an amendment to the bill, or an amendment to the amendment?

The PRESIDING OFFICER. It is to be an amendment, as the Chair understands, to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. KERR. Is it the ruling of the Chair that no amendment to the amendment is in order?

The PRESIDING OFFICER. Until the time has elapsed for the full discussion of the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] as provided under the unanimous-consent agreement, or until further time has been waived by both sides, which would bring about the same result.

Mr. KERR. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Upon the occurrence of the events mentioned by the Presiding Officer, then would the amendment to be offered by the Senator from Louisiana to the amendment of the Senator from Arkansas be in order?

The PRESIDING OFFICER. The Presiding Officer is advised it would then be in order.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. I ask unanimous consent that I may offer the amendment at this time.

The PRESIDING OFFICER. In the opinion of the Chair the time has expired to such an extent that it may be possible to bring about the situation the Senator desires without acting upon his particular request.

Does the Senator from Texas desire further time against the amendment?

Mr. JOHNSON of Texas. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes.

Mr. JOHNSON of Texas. How much time does the Senator from Arkansas have?

The PRESIDING OFFICER. Does the Senator from Arkansas desire further time?

Mr. FULBRIGHT. Yes. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Arkansas has 3 minutes.

Mr. FULBRIGHT. Will the Senator from Texas yield me 7 minutes on the bill, in order that I may yield to Senators desiring recognition?

Mr. JOHNSON of Texas. I yield to the Senator from Arkansas an additional 5 minutes.

Mr. FULBRIGHT. I yield 5 minutes to the Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. Mr. President, during the campaign it was rather generally asserted that something would have to be done by Congress to help small business. On the television, on the radio, on the platforms, arguments were made that the small-business man of our Nation was vanishing. It was generally conceded that the business which was considered small and had passed away had brought to the stage what once was considered large businesses, but which, comparatively speaking, had become small. To me, it seems that that progression is continuing every day.

I have had communication with industrialists who I thought were big figures in industry. Yet they told me my impression that they were big was absolutely wrong; that they were helpless in the industrial contest which was going on. They said they were tossed about like corks on the ocean; that they were subject to the whims of those operating big business.

Those arguments were heard everywhere. I cannot bring myself to the

state of mind that now, while we are assembled and we can do something for them, we should declare that the lack of time makes that impossible.

The Republican platform declared that the Republican Party would provide aid to small business. While I have the fullest respect for my colleague, the Senator from Connecticut [Mr. BUSH], I am afraid that if aid to small business is related to aid to all, the aid will never come.

There is a moral obligation on the part of the minority segment of the Senate, there is one upon the majority party of the Senate, and there is one upon the administration, to provide aid for the small-business man. But over and above that, there must be a selfish motive which will induce us to find a means to help, and that selfish motive is that we must understand that the strength and the health of our economy has a positive and direct relationship to the continued existence of the small-business man. It is on that basis that I give support to the amendment offered by the Senator from Arkansas.

Mr. MORSE. Mr. President, will the Senator from Arkansas yield to me 2 minutes?

Mr. FULBRIGHT. I yield 2 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Chair is sorry to inform the Senator from Arkansas that his time is completely used up.

Mr. FULBRIGHT. Mr. President, I understood that the Senator from Texas has yielded to me an additional 5 minutes on the bill, some of which I am at liberty to yield to the Senator from Oregon.

The PRESIDING OFFICER. The original 30 minutes of the Senator from Arkansas on the amendment has expired; but if he wishes to yield any part of the 5 minutes which the Senator from Texas has yielded to him on the bill, he may do so.

Mr. FULBRIGHT. That is my understanding. I wish to yield 2 minutes of that time to the Senator from Oregon.

Mr. MORSE. Mr. President, when the Senator from Arkansas [Mr. FULBRIGHT] introduced his bill easing the tax burden on small business last year, S. 3129, I joined him in sponsoring it because I believed that without a degree of tax relief, small business would continue to lose ground in the American economy.

That is exactly what has been happening. Small business in my State is in serious doldrums. The Fulbright amendment was a very important issue in my campaign last fall. I spoke in support of it before business group after business group throughout the campaign, from beginning to end, and the Fulbright amendment was endorsed by one group after another. I was urged to return to Washington and make a fight in support of the Fulbright amendment, because I am satisfied that is what the small-business men in my State desire—and I believe they are typical of the Nation. I think it is fair that they should receive such relief.

Our proposal would result in a tax bill for corporations having earnings of under $25,000 amounting to 26.7 percent less than their current tax bill.

In February 1956, when the Senator from Arkansas introduced S. 3129, I stated that the small corporations affected by it needed encouragement; they needed help. They do not ordinarily accrue profits for dividend purposes, but if they are to accrue capital for investment and expansion they must be relieved of a part of their tax burden.

This is increasingly important to them as interest rates continue to be forced up by the administration's fiscal policies. Small businesses ordinarily depend primarily upon commercial banks for capital, unlike large corporations which finance their expansion out of earnings.

In March 1956, a private survey showed that about half the small- and medium-sized companies having bank-credit lines the previous year had been cut off.

The administration tight-money program has forced small business to the wall and has necessitated a tax reduction to provide them with a source of capital. That was the effect of the tight-money policy on the small-business man of America. Its total effect was to boost the rate of business failures from 29 per 10,000 firms in 1952 to 42 per 10,000 firms in 1955 and 48 per 10,000 firms in 1956.

Most significant to Oregon is the fact that the rise in failures was greatest among firms in the contract building business, which showed an increase of 25 percent in 1956 over 1955. The Administration's high-interest-rate policy has crippled the housing industry by pricing lower and middle bracket home builders out of the market. The lumber industry of my State depends chiefly upon housing for a market. The depressed condition in home construction has depressed all of Oregon and has raised unemployment to an alarming level. Oregon's small businesses are suffering not only from the interest rate as it affects their ability to borrow, but as it has affected the housing and lumber industries which furnish their customers.

This is why I am joining the Senator from Arkansas [Mr. FULBRIGHT] in trying to carry out the long-standing recommendation of the Senate Small Business Committee—in which I joined—that tax relief be granted to small businesses. Since tax measures must originate in the House of Representatives, the Senator from Arkansas last year offered our measure as an amendment to two other tax bills; namely, the tax extension bill and the Federal Highway Act. On each occasion the proposal was rejected. He has persisted in advocating this worthwhile legislation at every opportunity, despite all the excuses he has received and all the roadblocks that have been thrown in his way.

I commend the Senator for his resolve in advocating the cause of small business. It has been in the face of an old-fashioned runaround that he has done so.

The runaround has not only been an affront to the Senator from Arkansas and to other Members of Congress who are working to save small business, but to every operator of a business establishment falling within the definition of small business. Here is the chronological record of the administration on tax relief for small business—relief which it must have if it is to survive:

When the Senator from Arkansas introduced S. 3129 and an alternative bill, S. 3126, the Secretary of the Treasury opposed the adoption of either as an amendment to the corporate tax extension bill of 1956 on the ground that the effect was uncertain and the need to act on legislation before the expiration of existing law precluded lengthy hearings. He therefore opposed the adoption of either bill as an amendment to H. R. 9166 of last year. His statement to the Senate Finance Committee contained this summary of his position:

> The second proposal (S. 3129) involving an increase in the rate to 53 percent on corporate income above $25,000 would about balance out, so far as revenue is concerned. However, a change of this sort, involving as it does an increase in the spread between tax rates on different sizes of corporate income, has such far-reaching implications that the final decision on its merits will be possible only after extensive public hearings and thorough consideration from many standpoints. I am not yet prepared to say what our final position on such a proposal might be, but I am satisfied that the problem is so complicated and so important that any quick decision or action might turn out to be wrong.
>
> On this basis, I would oppose any such amendment to the pending bill for the extension for 1 year of existing corporate and excise tax rates.

That was on March 16, 1956. The Fulbright proposal was not adopted.

After opposing this reduction, the President appointed a Cabinet Committee on Small Business, consisting of the Chairman of the Council of Economic Advisors, Mr. Arthur Burns; Secretary of Defense Wilson; Secretary of Commerce Weeks; Secretary of Labor Mitchell; the Director of the Office of Defense Mobilization, Mr. Arthur Flemming; the Housing and Home Finance Administrator, Mr. Albert M. Cole; and the Small Business Administrator, Mr. Wendell B. Barnes.

I might point out that the one Cabinet member most directly concerned, with the exception of the Secretary of Commerce, was left off, and that member was the Secretary of the Treasury. Perhaps that was done to provide an "out" later on, on the theory that the Treasury never subscribed directly to the recommendations of the other Cabinet members. If so, I submit that this was nothing but devious intellectual dishonesty.

On August 7, 1956, less than 2 weeks after the adjournment of Congress, this special White House Committee made its report, recommending primarily that a tax cut almost identical to the Fulbright proposal be enacted. It was the first recommendation of the Committee. It reads in full that "the taxes imposed on business corporations be modified by reducing the tax rate from 30 percent to 20 percent on incomes up to $25,000."

In support of the recommendation, the Committee stated:

> While taxes on all corporate businesses should in time be lowered, the present proposal would substantially reduce the taxes on small corporations which constitute the great majority. It would help the small firms to retain earnings for financing expansion, or would give them some advantage in pricing. It would generally encourage the formulation of new business.

Yesterday on the Senate floor the Senator from Illinois [Mr. DOUGLAS] quoted to us from a speech given by Candidate Eisenhower in Lexington, Ky., on October 1, 1956. Among other things, Candidate Eisenhower said:

> I shall call for further help to small business with some dozen specific recommendations for action—including special tax measures.

On October 22, 1956, the New York Times quoted Candidate Eisenhower as saying that he "planned to ask Congress next year to give small-business men about $600 million in tax relief. He accused the Democrats with campaign misrepresentations about his program for small business."

Well, President Eisenhower, here is your chance. We have here a proposal for small business tax relief that will not even cost the Treasury anything. I invite you to support the Fulbright amendment carrying out the recommendation of your Cabinet Committee, and carrying out your own campaign statements on small business.

You had death-bed religion last October; here and now is the time to make good on your pledges to small business. You can still override your Treasury Secretary's opposition to the Fulbright amendment and prove that you meant what you indicated on the eve of the election. Congress and the small business community know by now that the Treasury Secretary is not the man to look to for aid and comfort. You are the only person who can salvage your own promises.

Mr. President, I think the time has come for the administration to deliver on its promises. The Fulbright amendment would put the administration in a position to do that. I therefore urge the adoption of the amendment on the yea-and-nay vote.

The PRESIDING OFFICER. The Chair wishes to remind the Senator from Texas that he still has 9 minutes of his time on the amendment remaining, if he wishes to use it.

Mr. JOHNSON of Texas. Mr. President, how much time remains for the proponents of the amendment?

The PRESIDING OFFICER. The proponents have exhausted their time on the amendment and have used a portion of the time yielded to them by the Senator from Texas from the time on the bill itself.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Minnesota.

Mr. THYE. Mr. President, I have studied the amendment offered by the distinguished Senator from Arkansas [Mr. FULBRIGHT] and the many cosponsors to determine whether the amendment actually provides tax relief for the small-business firms of this Nation. The more I studied the question, the more I became convinced that only 15 percent of the small-business men would be benefited by the amendment.

I am the ranking Republican member of the Senate Committee on Small Business. For several years the committee has studied the problem of tax relief for small-business men. I am pledged to help bring about a reduction in the taxes imposed upon small-business men. I have discussed the matter with the administration, and I have received the assurance of the administration that it will endeavor to provide tax relief for small-business men at this session of Congress. I have received that assurance from Secretary of the Treasury, George Humphrey.

As I have said, after studying the question, I find that only 15 percent of the small-business men of the Nation will receive any benefit under the Fulbright amendment. I am therefore compelled to vote against the amendment, because not only does the bill involve more than $3 billion of revenue, but there is less than 4 days in which to enact the extension of the taxes which will expire unless extended, and to effect a conference with the House, which will be necessary if the Senate adopts the Fulbright amendment. To have the measure passed before April 1, time is of the essence; and we know it would not be possible to extend the present act if we amended the bill and had to get it through conference and signed by the President in so short a time.

For this reason, and because only 15 percent of our small-business men would receive any tax relief, I must vote against the amendment.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes on the bill to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I was a sponsor of the pending amendment. I am very much interested in and concerned with the problems facing small business. I told the Senator from Arkansas [Mr. FULBRIGHT] that I would support him in connection with the pending amendment, and I fully intended to do so.

However, I am advised that—as the Senator from Minnesota has just stated—the amendment would require the bill to go to conference. In view of the time at our disposal, if the bill were sent to conference, we could easily delay the bill beyond the April 1 deadline for the extension of our present excise taxes. The main bill must be passed prior to April 1 in order to extend these taxes without interruption and serious confusion.

Therefore, Mr. President, I feel it necessary to say that, despite my strong support of the aims of the amendment, I shall be compelled to vote against it because I feel that the main bill is so important for the country at this time and for the entire tax structure that we should not delay its enactment.

As a matter of fact, the bill involves approximately $3 billion, as all of us know; and we must pass the bill before the deadline is reached several days hence. I do not feel that I can jeopardize the taking of final action on the bill before the deadline is reached, even though I very strongly favor the pending amendment and its relief for small business.

In addition, let me say that I am advised that the Treasury Department will not bypass the small-business issue, but will definitely have proposed legislation introduced in the Congress which will meet what all of us are trying to accomplish by means of the pending amendment.

Mr. President, I regret that I cannot support the amendment.

Mr. JOHNSON of Texas. Mr. President, I yield 7 minutes to the Senator from Oklahoma [Mr. KERR].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 7 minutes. The Chair understands that 6 of the 7 minutes yielded will exhaust the time under the control of the Senator from Texas on the amendment, and 1 minute will have to be charged to the time under his control on the bill.

Mr. JOHNSON of Texas. That is understood, Mr. President.

Mr. KERR. Mr. President, I wish to congratulate the distinguished Senator from Arkansas [Mr. FULBRIGHT] and the other Senators who have joined in sponsoring the amendment. I congratulate them both on sponsoring it and on their interest in providing relief for small businesses. I desire to say to them that I share that aim, and I have just as much interest as they have in bringing about that result. However, I must remind them and the other Members of the Senate that the amendment would not accomplish that purpose.

There is before the Senate a considerable amount of erroneous information regarding the effect of the amendment. For instance, a few minutes ago the distinguished junior Senator from Pennsylvania [Mr. CLARK] said the amendment would result in a reduction of taxes in the case of 683,544 corporate taxpayers, whereas the fact of the matter is that there are only approximately 425,000 corporate taxpayers in existence in the United States. So the amendment could not result in a reduction of taxes to 683,544 corporate taxpayers, in view of the fact that there are only about two-thirds of that number now paying taxes.

Then the junior Senator from Pennsylvania made a statement that I wish every Member of the Senate would carefully analyze, because in my judgment, Mr. President, it is the secret to the effort here being made. He said a graduated system of corporate taxes is long overdue. There, Mr. President, is the secret to the effort behind the amendment, namely, to bring about a graduated formula for the taxation of corporations—a formula which, instead of being an aid to the small-business men, would be the death knell to the growth of small business, and would be detrimental to the millions of small people who own stock in corporate entities.

Much has been said here to the effect that the amendment would result in meeting the pledge of the Democratic Party. Mr. President, I deny that allegation. I do not believe the Democratic Party made a pledge limited to corporate small businesses.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield briefly for a question?

Mr. KERR. I yield for a question, inasmuch as I have referred to the distinguished Senator from Pennsylvania.

Mr. CLARK. Does not the Senator from Oklahoma agree that in stating the figure in regard to the number of corporations interested in this matter, he excluded 256,208 corporations which made no taxable income last year, but which may well make taxable incomes this year? That was the basis of the figure I gave.

Mr. KERR. Mr. President, how will it be possible to reduce taxes by lowering the tax rate applicable to them, when they do not pay any taxes under the present structure?

Mr. CLARK. Because I assume they will make money next year.

Mr. KERR. Mr. President, let me say to the Senator from Pennsylvania that that is an assumption in which he can indulge for his own gratification, but for which there is no basis of substantiation.

I do not believe the Democratic Party made a pledge limited to corporations, and excluding a number nine times as great, represented by those which are not incorporated.

If Senators will refer to the platform of the Democratic Party, they will see that the statement I have just made is substantiated by it. I refer to the pledge for tax relief for all small and independent business, by fair and equitable adjustments in taxation.

Mr. President, I say to my friends on this side of the aisle that our party is not pledged to discriminate against 9 out of every 10, in order to give a boon to 1 out of every 10.

Much has been said here about expecting our friends on the other side of the aisle to keep their campaign pledges. Mr. President, if there are those who wish to indulge in that fantasy, I see no reason for objecting to it. But surely my friends here were not too serious in that regard.

On the other hand, I think we should have a very high regard for the pledges made by our party. I have such a high regard for them that I am not going to vote for that which would benefit 1 out of 10, in the case of a whole group to whom we made a pledge.

Mr. President, in one way the amendment would result in an impetus to small business, and I shall state how it would result in it: The amendment would create small businesses out of big businesses. Mr. President, you and I know now of many taxpayers who have a number of small corporations carrying on the sum total of their businesses, because of the present differential in favor of small corporations. If the amendment is adopted, it will result in having many more larger corporations re-created into small identities.

The estimate regarding how much the amendment would cost—to wit, $400 million—is based upon the maintenance of the relationship now existing between small corporations and larger ones. But the amendment would destroy the relationship upon which the estimate of loss of revenue is based, because the amendment would create a very great incentive to increase the number of smaller corporations. I say to my good friend, the Senator from Arkansas [Mr. FULBRIGHT], that the joint staff of the Finance Committee and the Ways and Means Committee of the House of Representatives have given considerable study to the question of what might be the loss which would result from the amendment; and that staff have advised the committee that they do not now have an accurate basis on which to judge how much loss would really result from adoption of the amendment.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. FULBRIGHT. Surely the Senator from Oklahoma does not wish to mislead the Senate by leaving the impression that the amendment would result in a loss of revenue to the Treasury. The Senator from Oklahoma knows that is not a fact. The testimony before the committee was not controverted at all. When the Senator from Oklahoma appeared before the committee, he did not raise this question. The staff state there will be no loss at all.

Mr. KERR. Mr. President, if the Senator from Arkansas will listen to what I have to say, he will not need to ask me to yield.

The PRESIDING OFFICER. The time yielded to the Senator from Oklahoma has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 3 additional minutes on the bill to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 additional minutes.

Mr. KERR. I thank the Senator from Texas.

Mr. President, the pending amendment would result in a loss of revenue to the Federal Government, on the one hand, by providing relief to the small corporations. That relief would result in a reduction in revenue of $400 million. On the other hand, the estimate is that by raising the tax rate on the larger corporations, that loss would be recovered. Have I not correctly summarized the estimate regarding the amendment, I ask the Senator from Arkansas?

Mr. FULBRIGHT. That is very different from giving the impression that the amendment would result in a loss.

Mr. KERR. I had not finished my speech, let me say to the Senator from Arkansas. I would not mislead the Senate any more than he would; furthermore, neither of us could if we would. [Laughter.]

Mr. President, what I am saying is that the amendment would create a far greater loss of revenue than $400 million. The other provision of the amendment—the one which would raise the taxes on larger corporate taxpayers to an extent estimated to balance the $400 million loss which the Senator from Arkansas estimates would result from the amendment, as it applies to the smaller taxpayers—does not constitute an accurate basis for ascertaining the overall effect of the amendment. As a matter of fact, the net loss would be far greater than even the loss the Senator from Arkansas tells the Senate the amendment would cause, and with reference to which loss he proposes a provision to recoup it by increasing the taxes on larger taxpayers.

Mr. President, I close by reminding the Senate that the pending bill has one purpose, namely, to extend taxes which otherwise will expire on the last day of this month.

There will be ample opportunities for the Finance Committee at this session and the next one to give full consideration to the objective sought to be attained by means of the amendment—the objective about which a majority of the members of the Finance Committee are in agreement; and that objective is to provide for small business equitable relief which will be available to all small business, not to only approximately 10 percent of them.

The PRESIDING OFFICER. All time on the amendment has now expired. The Senator from Louisiana [Mr. LONG] is now recognized so he may offer his amendment to the amendment.

Mr. LONG. Mr. President, I offer an amendment to the amendment proposed by the Senator from Arkansas [Mr. FULBRIGHT] for himself and other Senators.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to amend the amendment on page 2, in line 11, by striking out "31" and inserting in lieu thereof "30."

On page 3, in line 4, it is proposed to strike out "31" and insert in lieu thereof "30."

On page 3, in line 18, it is proposed to strike out "31" and insert in lieu thereof "30."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana to the so-called Fulbright amendment.

Mr. LONG. Mr. President, my amendment to the amendment simply means that all corporations would get the same small amount of tax relief, without any one getting a tax increase.

If the pending amendment without my amendment were adopted, it would be completely inequitable and unfair to a great many corporation stockholders. Let me spell out how it would work. Assuming the Fulbright amendment should be adopted, let us assume that there is a corporation which has 1,000 stockholders, each stockholder having one share. Let us assume the corporation is making $250,000. The corporation would be taxed on that $250,000 income at 52 percent. The amendment would raise the rate to 53 percent.

On the other hand, let us say Corporation B, with 100 stockholders, is making $25,000. That corporation is now paying taxes at 30 percent. This amendment would reduce it to 22 percent.

All the taxpayers in both corporations would have the same amount of income before taxes on an equity basis, which would be $250.

The Fulbright amendment would provide that where a stockholder of one corporation could be regarded as paying a tax of 52 percent at the corporate level,

he would now pay a tax of 53 percent, and where another stockholder was paying a tax of 30 percent, he would now pay at 22 percent. One man would pay 2½ times his share of taxes on the equity income that the other man would pay.

It does not seem fair to me to take the stockholder of one corporation and reduce his taxes to the point where he pays 40 percent of what the stockholder of another corporation pays, while the other man has his taxes increased.

It makes better sense to me, if we are going to reduce taxes, to allow everybody to share in the reduction, rather than benefit one, but make another, who is paying 52 percent, which is already too high, pay more. I urge that all corporations receive the benefits. It would mean a $2,000 tax difference. I suggest all the corporations should have a share in tax reduction.

We are told such a tax reduction would cost the Treasury about $345 million. It is expected that there will be a budget surplus of $2 billion when we extend the taxes for 15 months. I think that, with a $2 billion budget surplus, we certainly can afford tax relief to the extent of $345 million. I should like to see foreign-aid expenditures reduced by $1 billion, and I should like to see the Federal Reserve Board use its power to bring interest rates down instead of increasing them. If that were done we could probably save another billion dollars, resulting in a surplus of $4 billion.

In any event, I am personally reluctant to vote for an amendment under which a man who is already taxed 52 percent before he receives any part of the corporate income, and then has to pay a personal income tax, would have his tax raised to 53 percent when he already pays $2.50 compared to every dollar the other man pays. I hope the amendment will not be a means of increasing tax inequity, but will give relief to all corporations.

Mr. KERR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KERR. Is my understanding correct that the Senator from Louisiana has taken the position that his amendment would enable all corporations not only to maintain but to increase their dividends and, since the larger corporations are owned by hundreds of thousands of small taxpayers, that his amendment would be beneficial to the hundreds of thousands of small taxpayers who, in the final analysis, own about 90 percent of the stock of the larger corporations? Is that the position the Senator has taken?

Mr. LONG. That is correct. It is my feeling that if the Senate votes for the Fulbright amendment without the inclusion of the amendment I am offering to it, and a Senator then talks to stockholders across the Nation, he will not know whether he is talking to those whose taxes Congress has increased or to those whose taxes have been reduced. I should like to reduce taxes and not have to say, "Now, look, would you mind telling me what kind of a corporation you hold stock in so I can know whether or not I have voted for or against you?"

We are being asked to fire at the same time both barrels of a shotgun which is aimed in two directions so a man who owns stock in a corporation will not know whether he is getting a benefit or being shot in the brains. I would prefer to have both barrels fired in the same direction.

I personally do not believe that a man who is paying a 52-percent tax on corporation income is paying too small a tax now. I think he is entitled to a tax reduction. I hope an amendment will be adopted which will reduce taxes for all, and not result in a tax benefit for some and a tax increase for others.

While it is true that only 2 percent of corporations make more than $25,000 in income, that 2 percent probably represents a tremendous majority of corporation stockholders.

So far as the people of America are concerned, the pending amendment, in the absence of the amendment I am offering to it, will raise taxes for many more Americans than the number of Americans whose taxes it will reduce.

If the sponsor of the amendment will not accept my amendment to it, then I suppose I shall be compelled to withdraw my amendment; but I cannot vote for an amendment which will result in a greater number of people paying more taxes compared to the number who will receive benefits.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BUSH. I congratulate the Senator for his thinking on this subject. I should like to ask him if it is not true, with reference to the corporations of which he spoke as representing only 2 percent of the total number of corporations, that a very large percentage of the working men and women are employed by those corporations and that they have a stake in the pension funds, the retirement systems, and other benefits provided by those corporations? If they have invested in the stock of the corporations, they also have savings at stake. It is to their advantage that the corporations remain solvent, and that there be an incentive for them to continue along the path of progress they have followed heretofore. Does not the Senator believe in that, and is that not part of the thinking behind the amendment he has offered to the amendment of the Senator from Arkansas?

Mr. LONG. There is a tremendous number of small stockholders in such corporations. I believe the American Telephone & Telegraph Co. has more than 1 million stockholders.

Mr. BUSH. It has a million and a half stockholders.

Mr. LONG. Of that number, undoubtedly one million, two or three hundred thousand, are persons with small incomes. I see no particular point in raising taxes for those people so that someone who may be a principal stockholder in another corporation may have his taxes reduced by 30 percent.

Mr. BUSH. I congratulate the Senator in his thinking on this matter.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FULBRIGHT. I appreciate the Senator's purpose in seeking to reduce all taxes. He is a member of the Finance Committee, and I am sure he has a great deal more influence with that committee than do any of us who are not members. I respectfully request that the Senator offer his amendment as a separate proposal. I may say I would vote for it. I cannot vote for it or accept it as an amendment to the pending amendment, because it goes directly contrary to the principle I have more or less accepted, that under present conditions we should not adopt a provision which would substantially reduce the revenue of the Government. Under the best estimate we had from the staff of the joint committee, such a reduction, without an increase in the surtax, would result in a loss of between four and five hundred million dollars, and possibly as high as $600 million.

In view of the Senator's great knowledge of what is to be expected in the way of income and surplus, I would vote for such a proposal if it were offered separately. However, I should like very much to have a vote on the pending amendment, because it has been before the Senate for more than a year. It has been discussed at great length. If the Senator's amendment to the amendment should be adopted, although I would favor it as a separate proposal, it would completely destroy the clear-cut decision which I seek on the pending amendment.

Mr. LONG. The Senator must realize the position in which he places some of us. Since the junior Senator from Louisiana became a member of the Committee on Finance, he has never voted to raise anyone's taxes. It is quite simple for the Senator from Louisiana to go back to the State from which he comes and explain to his people that he has not voted to raise their taxes.

The Senator from Arkansas comes forward with a proposal to reduce some taxes and raise others. He asks me to vote for a proposal for which I should like to vote, namely, a proposal to reduce certain taxes; but in order to vote for it I would have to vote to raise other taxes. If the amendment of the Senator from Arkansas were to be adopted, I would have to say to my people back home, "What kind of corporation stockholders are you? Are you stockholders in a small corporation, or a large one? If you are stockholders in a large corporation, I voted to raise your taxes. If you are stockholders in a corporation making less than $25,000, I voted for you, and voted against the other type of stockholder."

I should like to vote to reduce taxes, but I have no desire to vote to increase taxes. The Senator from Arkansas places me in an embarrassing position. I would be required to vote to increase certain taxes in order to vote to reduce someone else's taxes. I would much prefer to amend his amendment so as to enable me to vote for a straight tax reduction.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FULBRIGHT. The Senator from Alabama [Mr. SPARKMAN] has amendments which would accomplish what the

Senator from Louisiana is seeking to do, and the Senator will have an opportunity to vote on those amendments. I ask the Senator from Louisiana to permit the Senate to vote on the proposal in my amendment, which has been the subject of a great deal of study. I have testified before the committee 2 or 3 times. As other Senators have stated, it has been discussed by them in their campaigns. I think we are entitled to vote on that proposal. Then the Senate will have the rest of the day to vote on the proposal of the Senator from Louisiana, or the amendment of the Senator from Alabama, who is seeking to do what the Senator from Louisiana proposes.

Mr. LONG. If the Senator from Arkansas could assure me that another proposal would be offered to enable me to vote for a tax reduction, without voting for an increase in the taxes on other corporations or corporation stockholders, I would allow his amendment as written to come to a vote. So far as I am concerned, I should like to vote to reduce everyone's taxes, but I have no desire to vote to reduce the taxes if I must vote to increase the taxes of others.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LAUSCHE. Has the Senator calculated what amount of reduction in the anticipated revenue would result in the event his amendment should be agreed to?

Mr. LONG. We are told that if this were a straight tax reduction proposal for all corporations, instead of a proposal to increase the taxes on some and reduce the taxes on others, the revenue loss would be $345 million. It is predicted that the budget surplus for next year will be $2 billion. I believe we should make further reductions in expenditures, so that we could look forward to a surplus of about $4 billion.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Florida [Mr. HOLLAND] in opposition to the amendment.

Mr. HOLLAND. Mr. President, in the first place I wish to comment that the reason the Select Committee on Small Business has existence and is able to function at this time is that the Senator from Florida introduced, some years ago, a proposed change in the Senate rules, which was finally adopted in an amended form, to provide for the creation of a select committee, in order that the needs of small business might be better served. So the Senator from Florida wishes to have Senators recall that his attitude in favor of the legitimate protection of small business is pretty well preserved in the records of the Senate.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. HOLLAND. I yield.

Mr. THYE. I wish to commend the Senator for his action, which made possible the creation of the Select Committee on Small Business. The Senator from Florida is one of the most effective workers in the field of endeavor in behalf of small business. I wish to have the RECORD show my appreciation of what the Senator from Florida has done in behalf of small business.

Mr. HOLLAND. I appreciate the comment of my friend, the Senator from Minnesota. However, in order to be perfectly fair to all concerned, let me say that the distinguished late Senator Wherry, of Nebraska, offered the substitute proposal which was finally enacted, rather than the original proposal presented by the Senator from Florida. But the point which the Senator from Florida was trying to make is that, first, the records of the Senate show that he has long wanted, and has insisted upon having, a special functioning agency in the Senate to protect the small-business man.

With reference to the question of taxation before us now let me read from the platform of the Democratic Party in the last presidential campaign, the words which I think are most in point at this time.

The first reference is a little blast at our friends across the aisle. It reads:

> The immediate need is to correct the inequities in the tax structure which reflect the Republican determination to favor the few at the expense of the many.

It seems to me that it is difficult to imagine how anything could have been devised and proposed that would further accentuate the effort to favor the few at the expense of the many in a clearer way than the very amendment offered by my distinguished friend, the Senator from Arkansas. So in the first instance we Democrats who offer and support the pending amendment are in the position of having offered exactly the type of tax relief which we pledged ourselves not to adopt.

I ask my good friends on this side of the aisle to think over this question. I myself did a good deal of speaking on this platform. The amendment of the Senator from Arkansas would not only perpetuate the very thing we complained against, but would further aggravate it.

Our chief declaration was in favor of the small individual taxpayer. We said—and we were saying it truthfully; everyone who spoke on this platform had much to say along this line:

> Lower income families need tax relief; only a Democratic victory will assure this. We favor an increase in the present personal tax exemption of $600 to a minimum of at least $800.

Instead of showing any degree of affection in this bill for the small individual taxpayer, instead of trying to raise his personal exemption and credit for dependents above the admittedly inadequate sum of $600, we are going in the opposite direction. I wish I had time to develop the thought that, during World War II, we reduced that figure so greatly that that fact, along with the fact that the purchasing power of the dollar was also being reduced, has left in a very bad situation millions of families in this Nation who have tried to exist at low levels of income.

Now there is brought forward a measure which is discriminatory in the extreme in the field of small business, in that it seeks, as was so ably stated by my distinguished friend from Oklahoma [Mr. KERR], to single out a small group and give them preference, as against a much larger group in small business. We attempt to do something which flies in the face of our declaration that we do not propose to help the few at the expense of the many. And we also forget about the fact that our principal pledge was to try to increase personal exemptions and credits for dependents.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from Texas yield me 3 additional minutes?

Mr. JOHNSON of Texas. Mr. President, I yield 3 additional minutes to the Senator from Florida.

Mr. HOLLAND. In addition, to make our position as absurd as possible, we take the position that we are going to help the corporations whether they need help or not.

Many times I have heard the charge made against us Democrats that we were against the corporations; but I do not believe I have ever heard the charge made against us that we were unduly in favor of them.

My distinguished friend from Arkansas is leading the phalanx, largely of Democrats, who are saying, "We are going to favor one-tenth of the small businesses, which have had money enough to employ a lawyer and incorporate themselves, while we are going to be against their neighbors—garage operators, storekeepers, and others in small business—who did not have enough money to incorporate, or who were satisfied to operate under their own names.

Mr. President, that would leave us in the rather unfair and ridiculous situation of favoring the corporate structure against the competing individually owned structure, particularly when the latter outnumber the former by about 9 to 1.

I hope my distinguished friend, the Senator from Louisiana [Mr. LONG], will forgive me if I say that his amendment would put us in an even worse situation, because it would put us in the position of seeking to reduce the taxes of all corporations, small and large and ignoring at the same time any effort toward carrying through our principal platform commitment to relieve lower income families.

Mr. President, we on this side of the aisle, are dealing with a ridiculous situation. I am sure my friend from Louisiana offered his amendment with full knowledge that it would have to be withdrawn, but in an effort to show what a ridiculous situation we have allowed ourselves to drift into.

I hope the Senate will vote down the amendment by an overwhelming vote, and that then we will go ahead as one united body, Democrats and Republicans alike, to do the thing that is necessary.

First we must extend certain needed taxes—and they are not pleasant taxes—and we must not try to single out small groups, whether corporate groups or otherwise, and give them preferred treatment.

Then, when there is time for the Committee on Finance of the Senate and the

Committee on Ways and Means of the House to report a tax relief measure, and when the budgetary situation admits of it, let us try to be fair as between all taxpayers, whether individuals or corporations.

Mr. President, I yield the floor.

SEVERAL SENATORS. Vote! Vote!

Mr. BRIDGES. Mr. President, will the Senator yield me 1 minute?

Mr. JOHNSON of Texas. I yield 1 minute to my friend from New Hampshire.

Mr. BRIDGES. Mr. President, a new wrinkle has crept into the debate on the other side of the aisle. This is the first time I have heard so much concern expressed by members of the Democratic Party about the Republican platform. Many Senators on the other side of the aisle are attempting to interpret the Republican platform. I believe the interpretation of the Republican platform should be left to Republicans. I would suggest to my friends, the Democrats, that they give a little attention to carrying out the pledges in their own Democratic platform, which over the past years have been ignored and slighted, and to interpret some of those pledges, rather than attempt to interpret the Republican platform.

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, it is my view that I could not take a responsible position in reference to Government financing if I did not oppose both the Fulbright and the Long amendments.

The element of time in our consideration of the subject is of great importance. Today is the 27th of March. If what we do here is not completed, and a conference report of both Houses is not approved, and the measure is not signed by the President by April 1, certain taxes will expire. With regard to the corporate taxes, no harm would be done if they were extended retroactively. However, great havoc and chaos would result if a gap were to develop in our excise-tax rates.

I do not wish to elaborate on that point. It is well understood, I am sure.

It has also been said that the proposals would bring relief to about 1 out of every 10 small businesses because only 1 in 10 are incorporated. I stand firmly on the proposition that the only relief we can bring to small businesses and to individuals and to our entire economy is relief based upon reduced spending.

By cutting down the budget of the country, by reducing taxes, and by reducing the debt, we give balance to our entire tax program. That is the only real way in which we can serve our people with reference to the tax program.

I happen to believe that our corporate tax system is in reality a sales tax, which is passed on to the consumers. Our great corporations today are not owned by the men who run them. Those men own only a small part of the great concerns. The managers of the large corporations are eager to have earnings after taxes, so that they can pass those earnings down to stockholders in the form of dividends. Consequently they set their prices accordingly. Their competitors face the same taxes, and they do likewise. Our corporate tax is not a tax on an entity far removed from the rank and file of people; in the last analysis, it is a tax which is borne by all the people.

We must also consider the fact that every small-business man must buy his materials from the giant corporations. Sometimes the small-business men buy either raw materials or materials which have passed through the first or second processing stages. Sometimes they buy materials or merchandise for resale. However, they do buy them from the giant corporations. That, in effect, creates a situation in which the giants, when they raise their prices, pass the cost down the line to all businesses, and ultimately to the consumers.

One of the complaints we receive when we go back home is that the hardware dealers, the implement dealers, and the farm machinery dealers, for example, have received instructions from their suppliers, who are usually large concerns, that they must increase their prices by 4 percent or 7 percent, or some other percentage. That tends to put the small-business man out of business, and it certainly penalizes the consumer. Let us make no mistakes about the fact that the corporate taxes are passed on to the consumers. A company that does not do it will soon go out of business.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The time of the Senator from Nebraska has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 3 additional minutes to the Senator from Nebraska.

Mr. CURTIS. In the study of our tax structure and of where the tax money comes from, we have found that many men of great wealth own a number of small corporations. I recall one instance of a man who owned 18 active operating corporations. If the Fulbright amendment is adopted, we will give a tax reduction of about 26 percent to each one of that man's 18 enterprises.

How about the individual of modest means who owns 18 shares of stock, and only 18 shares of a large concern? That individual's taxes are raised. Consequently, what do we do with that portion of the corporate tax which must be borne by the owners of stocks like the small college endowment fund?

The Fulbright amendment would increase the taxes on the corporate earnings of the owners of stocks such as college endowment funds and various other types of ownership.

If there is anyone who can figure out a real way to lessen taxes charged to the economy of America, without reducing the budget, I think it would be a matter for magicians and not a matter for legislation. It cannot be done. Taxes are passed on, and if we subtract them in one place and add them some place else, we have not helped the people back home. We have not helped the little-business man, who must buy from the larger producer. We have not helped the unincorporated businessman. We have not helped the consumer. We have not helped the individual who has saved his money and owns a few shares of stock in a larger company. We have not helped those institutions and those savings plans which do have an investment of stock in some of the larger concerns.

Mr. President, we could better spend our time figuring out ways and means to cut down the terrific spending of this Government. We could better spend our time saying "No" to the proposals for all the new Government spending programs which are before us, and thus in reality serve our people and lessen their tax burden.

Moreover, the time element does not permit us to undertake amendments here.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. JOHNSON of Texas. Mr. President, I yield the distinguished Senator from Virginia [Mr. BYRD] 3 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 3 minutes.

Mr. BYRD. Mr. President, this is a single purpose bill. The purpose of the bill is to extend for 15 months taxes which would otherwise expire March 31. The bill must be signed by the President by midnight March 31. If this amendment is adopted it will be extremely difficult to have conference committees appointed, to have the conferees act, and to have both the House and the Senate agree to a conference report before Sunday midnight, March 31.

Mr. President, I wish to invite the attention of the Senate to what will happen if these taxes are not extended by midnight March 31. The corporate tax, which involves an extension of the 5 percent, of course can be made retroactive. But, under the Constitution, the excise tax cannot be made retroactive.

The result will be that if the proposed legislation is not passed and signed into law taxes on distilled spirits will be reduced from $10.50 a gallon to $9 a gallon until the new law becomes operative. Taxes on beer will be reduced from $9 to $8 a barrel. Taxes on wine will be reduced. Taxes on cigarettes will be reduced. The manufacturer's excise taxes on passenger cars, auto parts, and accessories will be reduced.

I wish to point out the fact that once these excise taxes are permitted to lapse it will be nearly impossible to reinstate them, because it will be said that sales in question were made on the days the taxes were not operative.

Mr. President, the Fulbright amendment was considered carefully by the Senate Committee on Finance. The Senate Committee on Finance by a very substantial majority did not approve it. One reason the committee did not approve it was it would increase the tax on corporations from 52 percent to 53 percent.

I wish to call to the attention of the Senate a matter which I do not think has been discussed before; that is, the Fulbright amendment, if adopted, would make permanent the 53 percent corporation tax. The present measure, as is well known, contains tax provisions which have been extended from time to time in the hope that we can in some way at some time reduce the taxes. These

are what are known as Korean war taxes. If the Fulbright amendment is adopted, we will thereby write into permanent law a tax of 53 percent on all corporations having income over $25,000 a year. I believe that is a very serious matter.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. JOHNSON of Texas. I yield to the Senator from Virginia 2 additional minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 additional minutes.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MARTIN of Pennsylvania. I should like to make a comment. Germany is making a marvelous recovery. In part, the recovery is due to the corporate-tax structure in Germany. The maximum surtax on a corporation in Germany is now 56 percent. There is no capital-gains tax in Germany. There is no tax on dividends in Germany. Germany is experiencing a rapid recovery.

Mr. BYRD. I thank the Senator from Pennsylvania.

I believe it would be a very serious thing to make premanent by law a corporation tax of 53 percent, when the tax is now subject to reconsideration each year.

Mr. President, as chairman of the Senate Committee on Finance, I wish to assure the Members of the Senate that the committee is keenly aware of the imperative need for tax relief for small business. We do not approve of this proposed amendment because it would provide relief for some and add to the burden of others. That is not the proper way to solve the problem. Actually, this proposal would apply only to 10 percent of the small businesses. It would create a difference between those which would receive this tax reduction in the corporations and those in partnerships.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. JOHNSON of Texas. I yield 2 additional minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 additional minutes.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. WILEY. I understand the Fulbright amendment would not affect more than 10 percent of small businesses.

Mr. BYRD. That is correct.

Mr. WILEY. In other words, it does not cover partnerships or individuals who are in business; is that right?

Mr. BYRD. The Senator is correct.

Mr. WILEY. I understand further the Senator states we must pass the bill by April 1?

Mr. BYRD. By March 31.

Mr. WILEY. By what date?

Mr. BYRD. The present law expires March 31, Sunday night.

Mr. WILEY. And there is involved a question of $3 billion in taxes.

Mr. BYRD. Mr. President, before I conclude, again, as chairman of the Committee on Finance. I wish to assure the Senate that the committee is going to make every effort to present to the Senate some relief for small business. Such proposed legislation may be acted on by the Committee on Ways and Means of the House first, then by the House, then come to the Senate. We are keenly aware that small business should have all possible tax relief that can be given.

Mr. Colin F. Stam, head of the staff of the Joint Committee on Internal Revenue Taxation, has been requested to study this question with the utmost care and present to the House Ways and Means Committee and the Senate Finance Committee the most feasible and effective way to give relief to small business.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. SALTONSTALL. Do I understand correctly that the statement of the chairman of the Committee on Finance is that while the committee is trying to extend temporarily certain excise taxes and certain corporation taxes, in order to maintain the revenue of the country, this amendment, if adopted, would permanently increase certain corporation taxes?

Mr. BYRD. The proposed amendment would fix permanently at 53 percent the corporation tax, which is now 52 percent on a temporary basis.

Mr. SALTONSTALL. So it would permanently increase a certain proportion of our corporate taxes?

Mr. BYRD. The Senator is correct.

Will the Senator from Texas yield me 1 additional minute?

Mr. JOHNSON of Texas. I yield the Senator an additional minute.

Mr. BYRD. I simply wish to make clear that other revenue bills will come over from the House and will be considered by the Senate Committee on Finance and presented to the Senate. There will be ample opportunity for all these matters to be discussed and other amendments to be offered. If this amendment is added to this particular bill we shall run the risk that the Senate and House may not be able to complete action on the legislation by midnight March 31.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I do not think I need to attest to my record for being a liberal, or working for or being interested in and fighting for the interests of small business.

Before I listened to this debate this morning I had almost concluded I would vote for the Fulbright amendment, but, Mr. President, I have changed my view, and that is the only reason for my speaking now. I would like to tell my colleagues why I have changed my view.

I feel we have a problem here of very grave responsibility. I have never been one to shirk responsibility as a legislator, especially when it came to money, one of the hard things about which to be responsible.

Our responsibility, as I see it, is based upon the fact that not a single penny has been cut out of the budget—not one here in this body. I inquired about the deficiency bill which we passed and found that it related to the 1957 budget. In short, not having cut a single penny out of the 1958 budget, we must make up our minds whether we are ready to make any tax cuts, regardless of whom they are to benefit.

I think it is very clear that there is an enormous feeling in this Chamber that when the time comes to make any tax cuts, they probably will be selective. We will not be able to save nearly enough money to cut taxes across the board. Without any question, among the first to receive relief must be small business. Although I am not one of those who believe that will be sufficient to solve all the problems of small business it is yet the economic segment most entitled to help. There are enormous problems to be solved for small business which are even more important than a modest tax cut.

So, not having cut the budget at all, we are not ready for tax cuts. On the contrary, our responsibility is to extend the taxes which are in effect, so as to protect ourselves and our national economy against a shock far worse than any concession we could make to small business, even though it be a modest concession, by virtue of the fact that we are paying our way as we go, which is our bounden national responsibility. To say this amendment will not reduce revenue is to beg the question as there being no showing that tax for corporations generally should be increased to 53 percent it is unlikely this amendment could be made to stick except as a straight tax cut.

I have now learned one thing about this body, to which I am very new. It follows an adage that a client of mine always used to utter. He always said, "There is a right way to do right." I think that is probably our situation here.

I have found from my experience in this body that there is not only one opportunity, but there are generally several opportunities to do what ought to be done. I for one will pledge to my constituents—indeed, to all my colleagues—that I will join in voting to cut taxes for small business in the amount suggested by the Senator from Arkansas or in any other amount which is compatible with what we can do in accordance with our responsibilities in terms of budget and income.

But I do not feel, in all fairness to the economy of the country and our own consciences, we not yet having cut the budget at all, although the budget stands with a small surplus, which we certainly all want, and which is also desirable in the interest of the country, that we can with propriety make selective tax cuts until we have prepared for them by commensurate cuts in the budget.

Mr. President, I may say that I would favor the amendment of the Senator from Louisiana if we are to do anything at all at this time because I think at least it honestly seeks to anticipate a budget cut.

Mr. LONG. Mr. President, I offered my amendment because I wanted to vote to reduce taxes on small corporations without raising taxes on others. I do

not want to vote for further tax increases.

Inasmuch as the sponsor of the amendment has assured me on a personal basis that he and his cosponsors are very anxious to have a vote on this type of amendment, I am willing that that should occur, with the assurance that the Senate will have an opportunity to vote, either today or subsequently, on a provision which would be a simple tax reduction, rather than a 2-barreled proposition, which would raise 1 man's tax, while it would reduce another man's tax.

Therefore, in order to assure a vote on the Fulbright amendment as written, I withdraw my amendment.

Mr. BYRD subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, immediately prior to the taking of the vote on the Fulbright amendment, a statement which I send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

FULBRIGHT AMENDMENT REVERSING THE NORMAL AND SURTAX RATES (3-27-57-S)

I hope the Senate will not adopt the amendment offered by the distinguished Senator from Arkansas at this time. His amendment, in my opinion, should not be adopted now, for several reasons.

First, his amendment freezes and makes a part of permanent law these high corporate tax rates. It will remove the automatic termination in the bill which guarantees that these rates will be reconsidered again next year.

Second, I do not believe that now is the time to increase the tax burdens of any of our taxpayers. Yet the amendment offered by the distinguished Senator from Arkansas raises the overall tax rate from 52 percent to 53 percent, and freezes it permanently at this level.

Third, while the amendment offered by the Senator from Arkansas reduces the tax burden of the small corporation, it does nothing for the small unincorporated business, the partnership, and the sole proprietorship, which constitute approximately 90 percent of small businesses in this country. I do not believe we should rush through, without full study, an amendment which benefits only a very small minority of our small businesses, and only the corporate ones, at that.

The whole question of the tax treatment of small business is an important one which deserves careful attention and study before any action is taken, if we are to be sure that the type of relief provided is the type which will honestly do the most good for the small business enterprises in America. I doubt very much that the amendment offered by the Senator from Arkansas will accomplish this goal. I ask the Senate to reject his amendment, so as to give us time to study the problem and work out truly beneficial relief for all, and not just the minority, of small business in the United States.

I submit herewith a letter I have received from the Deputy to the Secretary of the Treasury, as follows:

TREASURY DEPARTMENT,
Washington, March 27, 1957.

Hon. HARRY F. BYRD,
United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR BYRD: In further response to the request for information concerning the status of regulations under section 1361, a new provision of the Internal Revenue Code which gives certain partnerships and proprietorships the option to be taxed as corporations, no regulations applicable to this section have yet been issued. This is one of the sections of the code on which regulations are still in the process of preparation.

Very sincerely yours,

DAN THROOP SMITH,
Deputy to the Secretary.

The PRESIDING OFFICER (Mr. FREAR in the chair). The question is on agreeing to the so-called Fulbright amendment. All time on the amendment having expired, and the yeas and nays having been ordered, the clerk will call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Do I understand correctly that the vote will be on the Fulbright amendment?

The PRESIDING OFFICER. That is correct.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY (when his name was called). On this vote I have a pair with the Senator from Nevada [Mr. MALONE]. If the Senator from Nevada were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY] and the Senator from Missouri [Mr. HENNINGS] are absent on official business.

The Senator from South Carolina [Mr. JOHNSTON] is absent on official business holding hearings for the Senate Agriculture Committee.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

The Senator from North Carolina [Mr. SCOTT] and the Senator from Georgia [Mr. TALMADGE] are absent by leave of the Senate holding hearings for the Senate Agriculture Committee.

I further announce that if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from West Virginia [Mr. NEELY], and the Senator from North Carolina [Mr. SCOTT] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Nevada [Mr. MALONE] is absent on official business, and his pair has been previously announced.

The Senator from Connecticut [Mr. PURTELL] is necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business as a member of the Subcommittee on the Tobacco Industry holding hearings in Georgia and South Carolina.

The result was announced—yeas 33, nays 52, as follows:

YEAS—33

Bible	Douglas	Jackson
Carroll	Ervin	Kefauver
Case, S. Dak.	Fulbright	Kennedy
Chavez	Gore	Lausche
Church	Hayden	Magnuson
Clark	Hill	Mansfield
Cotton	Humphrey	McClellan
McNamara	Neuberger	Smith, Maine
Monroney	O'Mahoney	Sparkman
Morse	Pastore	Symington
Mundt	Revercomb	Thurmond

NAYS—52

Aiken	Eastland	Martin, Pa.
Allott	Ellender	Morton
Anderson	Flanders	Murray
Barrett	Frear	Payne
Beall	Goldwater	Potter
Bennett	Green	Robertson
Bricker	Hickenlooper	Russell
Bridges	Holland	Saltonstall
Bush	Bruska	Smathers
Butler	Ives	Smith, N. J.
Byrd	Javits	Stennis
Capehart	Jenner	Thye
Carlson	Johnson, Tex.	Watkins
Case, N. J.	Kerr	Wiley
Cooper	Knowland	Williams
Curtis	Kuchel	Young
Dirksen	Long	
Dworshak	Martin, Iowa	

NOT VOTING—11

Blakley	Malone	Schoeppel
Hennings	McCarthy	Scott
Johnston, S. C.	Neely	Talmadge
Langer	Purtell	

So the amendment offered by Mr. FULBRIGHT (for himself and other Senators) was rejected.

Mr. KNOWLAND. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. BRIDGES. Mr. President I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk. I have offered the amendment on many previous occasions, in connection with other tax bills, and ask that the amendment be read and considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment submitted by Mr. McCARTHY is as follows:

At the end of the bill insert a new section as follows:

"SEC. 4. Exemption from tax of articles made of domestic fur.

"(a) Exemption from tax: Section 4011 of the Internal Revenue Code of 1954 (relating to the tax on furs) is amended by striking out 'fur' each place it appears therein and inserting in lieu thereof 'foreign fur.'

"(b) Definitions: Section 4012 of such code (definitions relating to the tax on furs) is amended—

"(1) by striking out 'fur on the hide or pelt' in subsection (a) and inserting in lieu thereof 'foreign fur on the hide or pelt'; and

"(2) by adding at the end thereof a new subsection as follows:

"'(c) Foreign fur: For purposes of this subchapter, the term "foreign fur on the hide or pelt" means any fur on the hide or pelt not the produce of the United States. For purposes of section 4011, in determining the value of the component materials of any article, the value of any fur on the hide or pelt which is the produce of the United States shall be disregarded.'

"(c) Effective date: The amendments made by this section shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act."

Mr. McCARTHY. Mr. President, my amendment would simply remove the 10-percent tax on domestic furs. Under

the amendment the tax on imported furs would remain.

I think that no further argument on the amendment is needed. I shall not request a yea-and-nay vote on the question of agreeing to the amendment.

Mr. President, I submit the amendment, and ask for a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY].

Mr. BYRD. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Virginia.

Mr. BYRD. Mr. President, I hope the amendment of the Senator from Wisconsin will not be adopted, because of the possibility that its adoption would result in delay in enactment of the bill.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield back the remainder of his time on the amendment?

Mr. McCARTHY. I do.

The PRESIDING OFFICER. Does the Senator from Texas yield back the remainder of the time under his control?

Mr. JOHNSON of Texas. I do, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was rejected.

Mr. WILLIAMS. Mr. President, on behalf of myself, the Senator from Vermont [Mr. AIKEN], the Senator from Maine [Mrs. SMITH], and the Senator from Connecticut [Mr. PURTELL], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill, it is proposed to insert the following:

That section 613 (b) (1) of the Internal Revenue Code of 1954 (relating to percentage depletion for oil and gas wells) is amended by striking out "27½ percent" and inserting in lieu thereof "20 percent."

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware understand that the Senate is proceeding under a unanimous-consent agreement providing for a time limit on debate?

Mr. WILLIAMS. I do.

Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 15 minutes.

Mr. WILLIAMS. Mr. President, I fully recognize what the Senator from Virginia has pointed out, namely, the need for haste in the enactment of this bill. I also agree that the bill is a "must" piece of legislation. But I cannot agree that adoption of an amendment would defeat the bill. The bill could go to conference and could be brought back and considered by both Houses of Congress and action completed by next Saturday.

In reviewing the background of previous attempts to change the depletion allowance, the same argument was used. We are always told that this is not the time. We have had that same argument for the last several years. I know of no argument that can be used in supporting a change than quoting a statement by Senator La Follette in 1942.

Mr. President, I cannot let the amendment be put into the bill without objection.

He was speaking on the depletion amendment.

In my opinion this percentage depletion is one of the worst features of the bill, and now it is being extended. We are vesting interests which will come back to plague us. If we are to include all these things, why do we put in sand and gravel, why do we not provide for the depletion the farmer suffers through erosion of the soil of his farm?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I am speaking on limited time, but I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that provision for sand and gravel was put in a bill 10 years later?

Mr. WILLIAMS. That is correct. On the same date of the discussion, Senator Taft, of Ohio, commenting on the remarks of Senator La Follette, made this statement:

I think, with the Senator from Wisconsin, that the percentage depletion is to a large extent a gift. It is to a large extent a special privilege beyond what anyone else can get.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I do not have the time now. I shall be glad to yield later.

A few years later, in 1942, the Senator from Georgia, Mr. George, in commenting on the extension of depletion allowance to several minerals, pointed out, in his colloquy, that the depletion allowance was being extended solely on the basis that it was needed in war. He emphasized that it was on a temporary basis and that it would be abolished after the war.

If we study the history of depletion allowance for oil, it will be found that it was first proposed in World War I as a wartime measure. When the war was over it was adopted as a fixed part of the tax system. The first rate was 5 percent. Later it was increased to 12½ percent, and then to 25 percent, and then to 27½ percent. So there is nothing sacred about 27½ percent. When the oil-depletion allowance was put into effect, in 1916, there was a proviso that it would be applicable only to the recovery cost of the operation. If that provision were still in the law I would have no fault to find with it.

Later on, a discovery valuation was provided for. Discovery valuation can be revised upward, not only on the day of discovery, but later, if it is discovered that it is worth more. The valuation can be continually revised, with the result that a greater tax exemption is obtained.

The present 27½-percent oil depletion rate obviously gives special tax advantage to this industry above that enjoyed by other taxpayers.

The history of the percentage depletion shows that originally it was adopted for the oil industry as a new formula permitting the recovery of the investment.

When the income tax law for the Federal Government first became effective on March 1, 1913, and until about 1918, the basis for computing depletion in the oil industry, as in the case of depreciation, was the value as of March 1, 1913, or the cost if acquired thereafter.

As late as the year 1916 in legislating with reference to depletion the Congress of the United States included safeguards against evasion beyond full recovery of cost by declaring:

That when the allowance * * * shall equal the capital originally invested, or, in the case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made.

In 1918 the Congress provided for "discovery depletion" or the use of "discovery value" for the purpose of computing the capital investment, rather than the actual investment, and from this inflated value after discovery of oil, gas, or minerals, the depletion could thereafter be computed.

Under this method when an oil and gas well was brought in, an engineering concept of the amount of oil that would be produced was set up on the books, and thereafter this became the so-called capital subject to depletion.

In 1926 Congress abandoned the "discovery depletion" principle and established the principle of percentage depletion at the rate of 27½ percent for oil and gas production.

It is interesting to note, in reviewing the history of depletion, that the Finance Committee of the Senate at no time approved a 27½ percent depletion, except as it came back in a conference report and was adopted by the Congress as a whole.

Now we are told that this rate is sacred and some would even hint that our whole economic system may collapse should the percentage be changed.

I have too much faith in the oil industry to be alarmed by any such suggestion.

Since 1926 oil and gas producers have been permitted to deduct 27½ percent from the gross income from any property producing oil or gas.

This 27½ percent depletion allowance or deduction is computed as a percentage of income from each property without regard to the amount of the investment or to the amount of prior depletion deductions; provided, however, that the deduction does not exceed 50 percent of the net income from the property.

In other words, under the 27½ percent depletion formula the oil companies can each year deduct from their net income, before the computation of taxes, an amount equal to 27½ percent of the gross sales from the wells, subject only to the 50 percent clause referred to above.

This deduction goes on year after year, without regard to the original investment cost, with the result that their original cost can be recovered under this tax-free formula many, many times.

When this 27½ percent formula was originally established in 1926, the tax

rate on domestic corporations was about 14 percent.

With a maximum corporation rate of only 14 percent, this 27½ percent depletion allowance did not mean so much, but with our present corporation rate of 52 percent this 27½ percent gross sale deduction, or depletion allowance, represents a tremendous tax-free bonanza.

During the war, when our excess profits tax was in effect wherein some of our regular corporations were required to pay a rate approximately 80 percent, this depletion allowance benefit was tremendous.

Assuming there was justification for the 27½ percent depletion allowance formula in 1926, that rate is certainly unrealistic today, and my contention is that with the operating expenses of our Government exceeding $70 billion annually the oil industry is not currently paying its proportionate part of the cost of operating our Government and maintaining our defenses.

The importance of percentage depletion is more glaringly emphasized in connection with the operations of foreign companies. The Treasury Department has submitted three examples as to how this works.

Corporation A, with total earnings of approximately $200 million, reported a United States tax liability of $103,887,000. They paid foreign taxes which are deductible from United States taxes in the amount of $103,323,000, leaving a United States tax liability after this foreign tax credit of $564,000. This company had a total allowable depletion of $91,879,000.

Corporation B reported an income of approximately $150 million. Their total allowable depletion was $123,977,000, and they reported a United States tax liability of $78,961,000. The taxes reported as paid to foreign countries by Company B amounted to $98,319,000, and the credit allowed for foreign taxes paid was $77,087,000, leaving a United States tax liability after foreign tax credit of $1,874,000.

Corporation C reported an income of approximately $33 million. The total allowable depletion of Corporation C was $44,895,000. The United States tax liability of this company was $17,325,000, and foreign taxes paid were of the same amount, with credit being given for the full total, leaving Company C with no United States tax liability.

I am not objecting to the foreign tax credit which is an allowance to the companies of foreign income taxes paid to the United States corporation against their United States tax liability. Failure to recognize this allowance would result in the elimination of any incentive for overseas investment. These companies play an important part in our American system. I am urging the adoption of the amendment which would reduce the 27½-percent rate to 20 percent on the basis that it would represent a more equitable distribution of our tax burden.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. POTTER. First I wish to associate myself with the able statement of the Senator from Delaware. I should like to ask the Senator a question.

Today everyone is tax conscious, and we are extremely conscious of the high budget. How much additional revenue would the Senator's amendment bring into the Federal coffers?

Mr. WILLIAMS. The staff of the Joint Committee on Internal Revenue Taxation has furnished the following information: If the percentage depletion on oil and gas wells were reduced from 27½ percent to 20 percent, the gain in revenue would be between $200 million and $250 million a year. If this amendment were adopted, the resulting gain in revenue would provide an amount sufficient to give small business a 20 percent tax reduction on incomes below $25,000.

I am advised that the loss in revenue resulting from a reduction in the normal tax rate on corporations below $25,000, from 30 percent to 25 percent, which would be equivalent to approximately a 20-percent reduction for small business, would be approximately equal to the amount which would be recovered under this amendment.

Mr. POTTER. I have an amendment which I intended to offer, which would allow schoolteachers to charge off as a business expense the cost of books, the cost of tuition for summer school, and other expenses which they may incur, just as businessmen are allowed to charge off their business expenses.

I know that the amount of revenue which the Federal Treasury would lose as a result of my amendment would be offset tenfold by an amendment which would eliminate the tax bonanza given to the oil companies.

I think we should be doing something for a distinguished, hard-working group of American citizens, namely, our schoolteachers, and, at the same time, we should take away the special tax advantage which the oil companies enjoy. I cannot think of a better service to which we could put those funds than that of allowing schoolteachers to charge off as a business expense the cost of books and other expenses.

Mr. WILLIAMS. I thank the Senator for his comments. I am thoroughly in accord with the principle of his amendment and intend to support it.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS. I yield myself 5 additional minutes.

Mr. President, if my amendment were agreed to we could spread the taxload and give relief to many of those who need it. I think the point the Senator from Michigan makes is worthy of consideration by the Congress. I will certainly support his proposal.

Mr. DOUGLAS and Mr. BARRETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Delaware yield, and, if so, to whom?

Mr. WILLIAMS. After I complete my statement.

With other types of business corporations being required to pay 52 percent of their gross income toward the operating cost of our Government and with individual tax rates running as high as 90 percent, certainly those connected with this great industry have no complaint when called upon to assume their part of the taxload.

I ask unanimous consent to incorporate in the RECORD testimony concerning this subject as given by Mr. Paul E. Hadlick, general counsel, National Oil Marketers Association, Washington, D. C., to the Senate Finance Committee on April 15, 1954, during the hearings on H. R. 8300, beginning with his testimony on page 1099 of the printed hearings entitled "Depletion in the Oil Industry," and extending through the first paragraph on page 1105.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DEPLETION IN THE OIL INDUSTRY

There certainly is no objection to permitting a true depletion allowance in the production of oil and gas, inasmuch as the effect on the capital structure of a company is the same as the principle of allowing depreciation on mechanical goods, buildings, etc. Deplete means to exhaust, hence depletion is the exhaustion of a capital asset. One authority has defined depletion as follows:

"Depletion is that deduction from operating income provided to cover capital consumed in the operation of a mine or an oil or gas well, forest, or natural deposit."

An annual depletion allowance for tax purposes is merely a method of allowing a credit for that portion of the capital assets that have been removed and sold. Annual depletion, like depreciation allowed on other capital equipment or properties, should be permitted only to such an extent as to compensate the taxpayer for the exhaustion and wasting of wealth. But when the time comes that an oil or gas producer has taken depletion allowances on his tax return, whatever the rate, equal to his cost, then in that event no further deductions should be permitted.

Since only income is taxable under the Federal income-tax laws we take no issue with the proper allowance of depletion to oil and gas producers or other natural resource industries. The point we wish to make is that the percentage depletion method in the oil industry returns to the producer his capital over and over again and thus provides a tax loophole that should be plugged.

HISTORICAL DEVELOPMENT OF PERCENTAGE DEPLETION FOR OIL AND GAS

The history of how percentage depletion was adopted for the oil industry, while somewhat beclouded, is very interesting. When the income-tax law for the Federal Government first became effective on March 1, 1913, and until about the year 1918, the basis for computing depletion in the oil industry, as in the case of depreciation, was the "value" as of March 1, 1913, or the "cost" if acquired thereafter.

As late as the year 1916 in legislating with reference to depletion the Congress of the United States included safeguards against evasion beyond full recovery of cost by declaring:

"That when the allowance * * * shall equal the capital originally invested, or, in the case of purchase made prior to March 1, 1913, the fair-market value as of that date, no further allowance shall be made." [1]

That should have remained the basis for depletion in the oil industry—a method whereby a taxpayer in the natural resource industries avoided paying taxes on capital, and yet contributed its fair share of taxes on true income.

[1] See conference report on revenue bill, H. R. 16763, 64th Cong., 1st sess.

But here is what happened: The first error occurred in 1918 when the Congress provided for "discovery depletion" or the use of "discovery value" for the purpose of computing the capital investment, rather than the actual investment, and from this inflated value after discovery of oil, gas, or minerals, the depletion could thereafter be computed. Under this method when an oil and gas well was brought in, an engineering concept of the amount of oil that would be produced was set up on the books and thereafter this became the so-called capital subject to depletion.

At hearings before the Senate Finance Committee on the Revenue Act of 1926[2] Mr. L. C. Manson, counsel for the Senate Select Committee Investigating the Bureau of Internal Revenue, described the operation of "discovery depletion" as follows:

"The method followed by the Bureau of arriving at the depletion deduction is to divide the value to be depleted by the estimated number of units in the mine or in the oil or gas property. What I mean by that is to estimate the number of tons of ore, for instance, in a mine and divide the value to be depleted by that estimated tonnage of ore, which gives a depletion unit per ton. For instance, if they estimate a million tons of ore and have a value of $500,000 to deplete, the unit depletion would be 50 cents per ton."

The main point to remember about the system of "discovery depletion" is that the value or capitalization is placed upon the property after the discovery of the oil, gas or mineral. But even this was somewhat protected, for Mr. Manson said further:

"The statute which provides for discovery value as it now stands provides that discovery value shall not be allowed; that is, discovery depletion shall not be allowed where the property falls within an area which was a proven area at the date of purchase or acquisition by the taxpayer."

At least "discovery depletion," while it operated as a sort of Federal subsidy or bonus to the wildcatter or prospector, had the merit that it was not a beneficial covenant running with the land to be used for the benefit of the purchaser for all time to come.

Despite the fact that "discovery depletion" had merits far and above the present percentage depletion allowance, Mr. Manson described it as "* * * the only case under the income-tax law where increment in value since March 1, 1913, escapes taxation."

Following this first error in 1918, the Congress in 1926 abandoned the "discovery depletion" principle—a principle which was bad enough in itself, yet at least providing an incentive bonus to the wildcatter without endowing the land with special tax advantages for all eternity—and to establish the principle of percentage depletion—and a high one—27½ percent—for oil and gas production.

The tax laws since 1926 have authorized an oil or gas company to deduct 27½ percent from the gross income from any property producing oil or gas. This 27½ percent depletion allowance or deduction is computed as a percentage of income from each property without regard to the amount of the investment or to the amount of prior depletion deductions. One saving condition was attached, namely: In no case may the deduction exceed 50 percent of the net income from the property—something that I do not believe happens very often.

Obviously, over the life of an oil or gas-producing property the depletion allowance will not only exceed the investment or cost, but it will go on and on and possibly exceed the value on date of discovery.

[2] 69th Cong., 1st sess., on H. R. 1.

SIZE OF THE OIL-DEPLETION BURDEN

The committee can, no doubt, secure accurate up-to-date figures from the Treasury Department on what the 27½ percent depletion allowance means to every company or individual taking this on tax returns. However, there is in existence some few pieces of information denoting the tremendous size. Recently I tried to secure from Standard & Poor's Corp. reports the amount of Federal income-tax paid by Amerada Petroleum Corp. but I find this item is buried in a classification reading: "Operational, general expense, taxes, etc." It is quite obvious that Amerada pays little, if any, Federal income taxes, though in the year 1952 this company made net profit of $16,296,552. In the January 1946 issue of Fortune magazine there appeared a long article on Amerada Petroleum Corp., which is a crude-oil producing company. The article stated in part:

"Amerada's tax situation is a businessman's dream. The corporation quite literally does not have to pay any Federal income tax if it does not want to. This is due to the highly reasonable provisions of the internal revenue law designed for producers of crude oil. Amerada pays so little in Federal income taxes that it does not even segregate the tax item in its annual reports. In wartime, though Amerada's profits soared, it made no provision for excess-profits taxes, and from 1943 to 1944 its normal Federal income tax actually declined. In 1944, on a gross of 42.6 million, a gross profit of $17 million, and a net after all charges of $5 million, Amerada's allowance for its Federal income tax was only $200,000."

It is among these strictly producing companies that one can get an idea of the magnitude of the twin subsidy of depletion and writeoff of drilling and development costs. The major integrated companies benefit to the degree that they produce oil and gas, though they have other operations upon which taxes are paid.

In addition to Amerada Petroleum Corp., referred to above, here are a few other examples of companies producing oil and gas:

Argo Oil Corp.[3] for the year 1952 made net profits after taxes of $3,406,477 and paid Federal income taxes of $91,560.

Kerr-McGee Oil Industries, Inc., for the year ended June 30, 1952, had net income after taxes of $2,234,688 and paid Federal income taxes of $78,082. For that same period the 27½ percent depletion allowance for this one company amounted to $607,611. For the year ended June 30, 1953, this company had net income after taxes of $3,072,723. But in Standard & Poor's there is just a line where the amount of tax is usually indicated so I do not know what Federal income taxes this company paid for that period. During this latter year its depletion allowance was $858,795.

The Superior Oil Co. (California) for the year ended August 31, 1952, had net income of $11,909,168 and paid Federal income taxes of $200,000. While no figure is given for this company on depletion allowance taken it would closely be computed from the figure of 78,046,162 barrels of oil produced in this period. In this period Superior Oil Co. deducted intangible development costs of $17,298,443. For the year ended August 31, 1953, Superior had net income of $12,000,382 and Standard & Poor's indicates a tax credit of half a million dollars. In this period Superior produced 3,669,231 barrels and wrote off intangible drilling and development costs of $19,962,531.

I call the committee's attention to the table below showing the net income after taxes and the amounts of Federal income taxes paid by a group of 23 companies other than the 4 mentioned above.

[3] Figures on this company and following companies from Standard & Poor's Corp. reports.

Company	Net income	Federal income taxes paid
Atlantic Refining Co.	[illegible]	$16,767,316
Continental Oil Co.	[illegible]	14,400,000
Gulf Oil Corp.	[illegible]	[illegible]
Humble Oil & Refining Co.	145,292,141	90,500,000
Lion Oil Co.	10,911,428	6,796,000
Ohio Oil Co.	[illegible]	14,668,000
Phillips Petroleum Co.	73,284,261	16,500,000
Plymouth Oil Co.	10,795,792	4,667,000
Pure Oil Co.	[illegible]	12,694,732
Seaboard Oil Co. of Delaware	6,433,329	2,900,000
Shell Oil Co.	93,972,831	52,700,000
Sinclair Oil Corp.	[illegible]	17,000,000
Skelly Oil Co.	[illegible]	10,211,000
Socony-Vacuum Oil Co.	171,091,587	51,000,000
Standard Oil Co. of California	174,[illegible]	[illegible]
Standard Oil Co. of Indiana	[illegible]	81,472,000
Standard Oil Co. of New Jersey	519,081,100	265,000,000
Sun Oil Co.	[illegible]	13,700,000
Sunray Oil Corp.	24,724,451	8,830,000
The Texas Co.	181,242,172	47,200,000
Texas & Pacific Coal & Oil Co.	6,896,555	1,250,000
Tidewater Associated Oil Co.	71,316,321	8,219,000
Union Oil Co. of California	52,570,759	4,941,000

Closely akin to the oil industry is the sulfur-producing industry that enjoy a 23-percent depletion allowance. The figures for the two top sulfur companies indicate a similar tax favoritism for them. For the year 1952:

Company	Net income	Federal income taxes paid
Freeport Sulphur Co.	$7,825,730	$1,836,000
Texas Gulf Sulphur Co.	35,112,312	13,500,000

In July of 1953 the House Committee on Interstate and Foreign Commerce conducted hearings on recent price increases of gasoline and oil.[4] This petroleum study was not released until this spring because of delay in the submission of data called for by the committee. For the first time rather complete data over a 3-year period on four large integrated oil companies has been published. It becomes clear from the testimony before the House Interstate and Foreign Commerce Committee, and the charts or tables therein, that this statutory allowance of 27½ percent enters into the calculation of their tax but that the general practice in the industry in keeping their books is to charge only cost depletion. A witness, Mr. W. W. Keeler of Phillips Petroleum Co., was asked in this hearing (p. 181) whether the depletion reflected in the published statements of the company represented the 27½ percent depletion allowance. Mr. Keeler submitted an answer as follows:

"No; the depletion reflected in the published statements is based upon the cost of the oil in the ground as reflected by the accounts of the company and bears no relationship whatever to the depletion deductions provided for in the income-tax laws."

And, before the House Ways and Means Committee in 1951[5] Mr. Swensrud of Gulf Oil Corp. was asked: "Do the statements that your company send to its stockholders yearly or semiyearly on their face show anything with regard to depletion allowances at all?"

Mr. Swensrud's answer was: "No, sir; they do not show the statutory depletion. The statutory depletion enters into the accounting figures as a formula for calculating the tax that you have to pay."

[4] See Petroleum Study (Gasoline and Oil Price Increases), July 1953, House Committee on Interstate and Foreign Commerce, 83d Cong., 1st sess.

[5] Revenue Revision of 1951, House Ways and Means Committee, p. 1715.

DETAILS ON FOUR COMPANIES

Four of the major integrated oil companies submitted data in some detail to the House Committee on Interstate and Foreign Commerce in connection with that committee's Petroleum Study started in July of 1953 and only recently released. I shall refer to some of these facts to enlighten the committee on the magnitude of the depletion allowance and the writeoff of drilling and development costs.

PHILLIPS PETROLEUM CO.

At pages 159 to 161 of the above referred to Petroleum Study you will find the detailed data relative to Phillips Petroleum Co. for the years 1950, 1951, and 1952. Going over these tables you will note that many items are explained as charged "per books" and "for income-tax purposes." For example following the item of "depletion allowance" it states:

"For income-tax purposes: Depletion is based upon cost or 27½ percent of gross income limited to 50 percent of net income from each producing property, determined in accordance with the provisions of sections 23 (m) and 114 (b) of the Internal Revenue Code."

You will note that Phillips lists its depletion allowances for the 3 years as follows:

Year 1950 ..... $28,242,000
Year 1951 31,779,000
Year 1952 33,093,000

When the representative of Phillips was on the stand he was asked a question as to the extent of the tax exemption thus taken. The answer submitted (p. 132) was as follows:

"The depletion claimed on the tax return for 1952 with respect to domestic crude-oil production was $28,477,000. The tax reduction by reason of this depletion was 52 percent, or $14,808,000 or $0.327 per barrel."

You will note that the figure given in the Phillips' table is higher than that used by their representative in giving testimony.

Again referring to the Phillips' tables on page 160 of the Petroleum Study you will find the entry for intangible drilling costs for productive wells. Of course, the writeoffs for nonproductive wells are about the same in the table for the company books and for tax purposes. But the writeoffs of drilling and development costs for productive wells are shown as follows:

Year	Per books	For income-tax purposes
1950	$9,198,000	$15,227,000
1951	11,267,000	19,552,000
1952	15,082,000	37,065,000

At the end of the table on page 161 you will find the totals of the differences in chargeoffs according to the Phillips' books and for tax purposes. Note the tax favoritism in these figures:

Year	Per books	For income-tax purposes
1950	$37,899,000	$68,051,000
1951	49,011,000	95,771,000
1952	63,142,000	118,032,000

And did Phillips ever pay any excess-profits tax? When asked the question by the House Interstate and Foreign Commerce Committee (p. 98) Mr. Keeler of Phillips said:

"No; we are not paying an excess-profits tax this year. I am not sure whether we have ever had an excess-profits tax or not. I understand we have had a small amount."

STANDARD OIL COMPANY OF CALIFORNIA

Figures covering this company's operations for the years 1950, 1951, and 1952 will be found at page 173 of the House Committee on Interstate and Foreign Commerce's Petroleum Study.

The tables for Standard of California show the following depletion allowances taken for income-tax purposes:

Year 1950 ..... $60,939,809
Year 1951 66,250,915
Year 1952 64,328,151

The writeoff of dry holes is about the same on the company books as on the tax return. However, for productive wells the company shows the following deductions from its tax returns:

Year 1950 ..... $23,889,490
Year 1951 28,162,916
Year 1952 28,167,689

And a comparison of the totals shows the following:

Year	Per books	For income-tax purposes
1950	$50,630,490	$120,535,053
1951	73,395,864	131,764,100
1952	97,993,245	155,922,775

SOCONY-VACUUM OIL CO., INC.

The Socony-Vacuum Oil Co., Inc., and its affiliates supplied figures for the Petroleum Study (p. 268) which indicate their 27½-percent depletion allowances to be:

Year:
1950 ..... $37,232,000
1951 45,488,000
1952 45,184,000

Intangible drilling costs written off on productive wells amounted to the following:

Year:
1950 ..... $39,509,000
1951 46,416,000
1952 52,076,000

Comparing the totals for this company, you will note the following:

Year	Per books	For income-tax purposes
1950	$61,411,000	$120,536,000
1951	71,638,000	140,817,000
1952	88,292,000	157,604,000

Just how Socony-Vacuum treats the matter of exploration and development costs on its books and for tax purposes is explained on page 269 of the Petroleum Study. As to intangible drilling costs on productive wells this compilation shows (for purposes of the company's books):

"All intangible drilling costs of productive wells are capitalized and depleted by individual properties on the same basis as producing-property costs."

But for tax purposes it says:

"Tax treatment is in accordance with Internal Revenue Code and regulations. The company has elected for tax purposes to treat intangible drilling costs as current expense."

HUMBLE OIL & REFINING CO.

On pages 374 to 376 of the Petroleum Study by the House Committee on Interstate and Foreign Commerce will be found tables setting forth the figures for the Humble Co. In one of the explanations on page 376 this interesting comment appears:

"The only financial significance of allowable depletion is its effect on taxes. The measure of its effect on taxes is the difference between book depletion and allowable depletion multiplied by the effective tax rate."

Humble Oil, for tax purposes, was allowed the following depletion:

Year 1950 ..... $72,510,455
Year 1951 89,123,222
Year 1952 88,490,000

The tables for this company also show a good comparison of the amounts written off on the books and that on the tax return for intangible drilling costs of productive wells. They are as follows:

Year	Per books	For income-tax purposes
1950	$18,016,000	$36,243,775
1951	24,660,200	61,162,925
1952	29,436,000	63,044,110

The totals for Humble Oil, comparing their deductions on their books and those on their tax returns, are given as follows:

Year	Per books	For income-tax purposes
1950	$81,909,827	$169,576,309
1951	101,064,164	219,990,717
1952	127,854,663	244,590,000

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DOUGLAS. First I wish to congratulate the Senator from Delaware for this very brave and public-spirited amendment. I hope no point of order will be raised against it, and that we shall be able to have a yea-and-nay vote on it.

The Senator from Delaware has placed his finger on what I think is one of the greatest abuses in our tax structure. A few months ago I had some estimates made by reputable persons as to the total amount of taxes now lost by reason of the depletion allowance. The estimates came to approximately $1,500,000,000.

The Senator from Delaware is proposing a reduction of a little more than a quarter—about 27 percent. On the basis of the figures, the savings would amount not to $250 million or $300 million, but to $400 million.

I think the Senator from Delaware deserves a great deal of credit, and that Senators should support him in his general purpose.

I believe that the small driller is entitled to a larger depletion allowance than is the big driller, because he does not have an adequate distribution of risk within his own drillings. Therefore, the amendment which I had prepared and was struggling to offer when the Presiding Officer recognized the Senator from Delaware would have continued the 27½-percent allowance for operators whose gross income was less than $1 million; the allowance would be reduced to 21 percent in the case of operators whose gross income was greater than $1 million, but not to exceed $5 million; and 15 percent for those with gross incomes of more than $5 million.

I hope the Senator's amendment will come to a vote. I shall try to help him obtain a yea-and-nay vote. I shall be compelled to vote against his amendment, but if it is rejected I shall immediately offer my amendment.

Again I urge that no point of order be raised against the Senator's amendment.

Mr. WILLIAMS. I do not believe that a point of order will be raised. After all, we are dealing with a revenue measure, and this question is certainly germane to taxes.

I am asking for a record vote in order that the will of Congress may be recorded.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BARRETT. The Senator from Delaware intends to be fair, I am sure. Earlier in his statement he mentioned sand and gravel, in connection with the depletion allowance on oil and gas.

Mr. WILLIAMS. I was not discussing sand and gravel. This amendment applies only to oil and gas.

Mr. BARRETT. Let me say to the distinguished Senator that, as he well knows, the depletion allowance on oil and gas is based upon the great risk involved in drilling and discovering oil. Only 1 out of 10 wildcat wells which are drilled prove to be oil producers.

I doubt if the oil industry would have been able to supply the needs of this country during World War II had it not been for the fact that this depletion allowance was on the books at that time. And let me call the Senator's attention to the fact that enemy submarines did a pretty effective job in cutting down offshore supplies.

Mr. WILLIAMS. I appreciate the comments of the Senator from Wyoming, but I am operating on limited time.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Delaware has 1 more minute.

Mr. BARRETT. Mr. President, let me call the distinguished Senator's attention to the fact that our first line of defense will rest in airpower but the planes will not be able to deliver the bombs without high octane gasoline and plenty of it, I may say. It is absolutely necessary to keep a strong oil industry for defense purposes and it simply cannot be done without the aid of the present depletion allowance. I hope the amendment is defeated.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The time of the Senator from Delaware has expired.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. WILLIAMS. I shall renew my request for the yeas and nays later after a quorum call.

Mr. DOUGLAS. Mr. President, may we have the yeas and nays?

The yeas and nays were not ordered.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The request of the Senator is out of order. He must have time yielded to him.

Mr. DOUGLAS. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The Senator is out of order. The time on the pending amendment has not expired.

Mr. WILLIAMS. I shall renew my request for the yeas and nays at a later time.

The PRESIDING OFFICER. The Chair recognizes the acting majority leader.

Mr. BIBLE. Mr. President, I am prepared to yield time in opposition. I yield 10 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, the distinguished Senator from Delaware has called attention of the Senate to the extreme loss in revenue brought about by the 27½-percent depletion rate. He has said that such losses amount to $250 million, and he contends a substantial revenue would accrue to the Treasury of the United States if the depletion rate were changed as he proposes.

I doubt very much that the Senator from Delaware has given any consideration to how many millions of dollars the Treasury would lose if we reduced the depletion rate and thereby stopped the exploration for oil in this country. We can readily see what would happen in the midcontinent field, where exploration costs are increasing because it is necessary to go deeper and deeper for oil.

I should like to say also that if ever the 27½-percent depletion rate for oil was needed it is needed now. It is needed now even more than it was in 1926, when the oil industry could find oil at low depths. Therefore I say that a change in the depletion rate would not gain any money for the Treasury; on the contrary, it would cost the Treasury millions of dollars.

The percentage depletion rate for oil and gas is once again under attack in this body of Congress. I say once again, because there have been many attempts to reduce the rate of 27½ percent by Members of Congress who have had no knowledge of the risk involved in the petroleum-producing industry or the tremendous amounts of capital necessary to keep this country not only self-sufficient in oil, but also with a ready reserve in times of emergency.

This issue strikes at the very foundation stones of an industry which is an integral and vital part of our economy and our defense system. It is so important that I hope the Senate will not be tempted to tamper with present depletion provisions without careful and thorough study.

The principal of depletion has its roots planted deeply in constitutional soil. It evolved as a result of the 16th amendment to our Constitution, more than 42 years ago, empowering the Congress to levy certain taxes on income.

The previously adopted fifth amendment to the Constitution, however, forebade that a citizen be deprived of property without due process of law.

Therefore, in cases where the sale of products involved both a diminution of capital and an addition to income there were obvious and fundamental conflicts.

The situation was first met through the recognition of depletion as a deduction from gross income, in the revenue act of 1913. For the next 13 years the subject was carefully studied and the mode of taxation painstakingly revised, until the present method was adopted in 1926, as a result of the most extensive review made of the subject up to that date.

Any attempt to reduce the depletion rate without such a careful study and consideration of all the facts from the oil-producing industry would contravene the months of deliberation given this subject when it was first introduced into our tax system.

Percentage depletion has withstood the searching inquiry of committee after committee of the Congress for three decades. No provision of our tax law has been so thoroughly and so frequently studied. None has been so forcefully upheld as both fair and essential.

Review and analysis of petroleum depletion provisions have not been confined to the Congress. The executive branch of Government has conducted its own periodic studies. Such studies have always confirmed the wisdom of the Congress; none has ever recommended any change.

In February 1955, President Eisenhower's Cabinet Committee on Energy Supplies and Resources Policy issued a report based on long and exhaustive study. This Committee, composed of members of the President's Cabinet, had the following to say with respect to percentage depletion:

> Present tax provisions on coal, oil, and gas production have been an important factor in encouraging development of energy sources at a pace about in keeping with demand. Any changes which may be proposed in the future must be analyzed in terms of their probable effect on development of domestic resources needed for economic progress and national defense as well as the fiscal and tax policies of the Government.

In June 1952, President Truman's Materials Policy Commission, composed of an impartial panel of businessmen and headed by Mr. William S. Paley, also reported on the essentiality of percentage depletion in a report made following long and searching study. This Commission recommended, and I quote:

> That percentage depletion be retained because of its strong inducement to risk capital to enter the mineral industries.

The Commission said further that—

> No alternative method of taxation has come to the Commission's attention or could be devised by the Commission, which, in its judgment, promises to achieve the desired results, particularly not without seriously dislocating well-established capital values and other arrangements in the industries concerned, with highly adverse effects on supply.

I am disturbed that we are now asked to ignore the vast cumulative history of endorsement of this vital tax principle, and to here act without benefit of hearing or analysis on an arbitrary proposition which would unquestionably weaken, if not irreparably damage, one of the most vital industries in America.

In 1954, a subtle attempt was made to arbitrarily reduce the depletion rate. Introduced by the Senator from Illinois (Mr. DOUGLAS), the amendment would have left the depletion rate at 27½ percent for oil operators whose gross income was less than a million dollars each year. However, for operators with a gross income of from one to five million dollars annually, the Senator from Illinois would have reduced the depletion rate to 21 percent and for those whose income exceeded $5 million per year, he would have reduced the rate further to 15 percent.

The Douglas amendment was defeated by a voice vote and an amendment by the Senator from Delaware (Mr. WILLIAMS), which was the same amendment as is before the Senate today, also was overwhelmingly defeated.

To attempt to provide percentage depletion on anything but an equitable and across-the-board basis would not only lead to confusion in the revenue branch of the Government, but also confound the oil operator's problems in a maze of redtape to such a point that he would be sorely tempted to abandon oil finding as a business.

As recently as this year, Secretary of the Treasury Humphrey has asserted that the 27½-percent rate "has worked." "And," he continued, "that's all you can expect of anything."

Secretary Humphrey was basing his statement on the ratio of domestic reserves to production. However, if it is desired to carry his idea a bit further it may be well to investigate whether the percentage depletion rate is adequate to invite new capital into an industry where 68 cents of every sales dollar is reinvested in the search for new reserves.

Through continuing studies in the oil industry it has been determined that although the domestic industry is finding increasingly more oil than it produces, the rate of this increase has been declining in the past several years.

In addition, it has become necessary to drill more wells to find the same amount of oil than it did 10 years ago. In 1946 there were 30,230 wells drilled in the United States and total new reserves amounted to 2,658,000,000 barrels. In 1956, however, although there were 58,200 new wells drilled, the new oil found amounted to only 3,734,156,000 barrels. Thus, it was necessary to drill nearly twice as many wells to find only one-third more oil.

Consequently, discoveries are not following the demand for new oil. Thus, on the basis of a need to expand our petroleum activity and petroleum reserves, it can easily be seen that the percentage depletion rate should, if anything, be increased, and not reduced.

Last month the Guaranty Trust Company of New York published a report entitled "Are We Running Out of Oil?" in which it stated, in reference to depletion:

> The finding of oil is a costly and hazardous business. The cost of a well ranges from $20,000 to as much as $1 million, averaging about $90,000. Of every 9 discovery wells drilled, 8 are dry. Only 1 in 43 finds a field of a million barrels, which is close to the margin of profitability. Only 1 in 243 finds as much as 10 million barrels, and only 1 in 967 finds 50 million or more. Oil is often found in remote and inaccessible areas where large sums must be spent for transportation facilities. From any profits remaining after taxes the producer must provide funds for new exploration and discovery if he is to remain in business, for oil is a wasting asset, and the days of every existing well are numbered.
>
> Recognizing these extraordinary costs and risks, Congress in 1926 enacted legislation permitting the holder of an oil-producing property to treat as depletion for tax purposes 27½ percent of the gross income or 50 percent of the net income from the property, whichever is less. Under this incentive, Americans have developed an oil industry that is one of the principal foundation stones upon which the 20th century standard of living has been built, and have discovered new reserves fast enough to meet increasing current requirements and maintain provision for a decade or more of future years.
>
> Yet the oil-depletion allowance has often been, and still is, under attack. Demands will probably be made in Congress this year, as in years past, for the repeal of this special-interest legislation. Representatives of the industry and of oil-regulatory agencies will probably be called upon to appear before Congressional committees and explain anew why the depletion allowance is not special-interest legislation but legislation in the public interest, because it provides no more than fair compensation for the special risks and costs involved in the business of producing oil.
>
> Rational analysis of the economics of depletion confirms the verdict of experience. Against the existing legislative background, oil has taken its place among the great epics of American enterprise and welfare. Nothing could be more shortsighted than to jeopardize the future of a resource so vital to the prosperity and national security by changes that cannot be justified even on theoretical grounds.

Oil, and its resultant effect on the interest new industries have in Kansas, has helped my State weather two of the worst droughts this earth has ever known. Had it not been for the oil and gas income in the 1930's and again in the last 6 years, thousands of farmers and ranchers would have had to abandon their homes to the swirling dust and rising dunes. As it was, because of this industry, they weathered these storms and in the face of climatic adversity stayed on their farms and planted their crops in the hope the droughts might some day end.

In 1955 alone, this industry paid the landowners of the State of Kansas, in royalties alone, more than $42 million.

In addition, the State collected more than $34 million in gasoline taxes in 1955. No wonder the people of Kansas are concerned at any threat that might reduce the oil industry's ability to search for new drill sites and new reserves for this Nation.

Of the 105 counties in Kansas, there are only 25 without any oil and/or gas production. Approximately 30 percent of the total land area has been proved productive or is now under lease. In all, petroleum accounts for 86.2 percent of the total value of all minerals.

It may be asked, What effect does depletion have on all this? It is generally recognized that depletion is necessary to the economic survival of the small independent producer. In 1955, 35 percent of all the crude oil produced in Kansas was produced by stripper wells, and the average daily production per well was only 9.4 barrels. In addition, more than 99 percent of all the wells in Kansas were under pump or other artificial lift, as of January 1, 1956.

The citizens of Kansas are fully cognizant of depletion's role in the progress of the industry there.

Providing percentage depletion is left unchanged, the total proven reserves in Kansas may exceed 1.5 billion barrels in the next few years. At the end of 1955 they stood at 998,068,000 barrels.

I could talk for hours of the benefits oil has brought to Kansas, but this issue transcends one State. It affects the entire national economy and ultimately the national security.

I can still remember looking across the plains of Kansas and seeing the miles-long trains rushing the oil from Kansas to the East for shipment to the war areas because the German submarines had made the oil overseas unavailable.

More recent in our memory, and even overshadowing our Nation's present foreign policy, is the Suez crisis and resultant attack on Egypt by Britain and France.

As has been admitted by one British statesman, and as is generally conceded today, the reason Britain joined the attack on Egypt was because of the threat to that nation's supplies of Middle East oil.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. JOHNSON of Texas. I yield the distinguished Senator from Kansas 1 additional minute.

The PRESIDING OFFICER. The Senator may proceed for another minute.

Mr. CARLSON. This Nation did not have to join that attack because we had not become dependent upon cheap foreign oil to fuel our expanding economy. In addition, this Nation's tremendous reserve capacity not only helped keep America out of war, it also assisted in bringing about a peaceful settlement to the armed conflict because the domestic industry could fill a major portion of the gap in the dwindling oil supplies of Western Europe.

The ever-present threat of world conflict and the continuing tension in the Middle East illustrates the dangers of any action which would sap the strength of our domestic petroleum industry.

There is evidence that investment capital is not now being generated in the industry to keep up with the growing demand for energy. During the past 20 years, 30 of the larger companies have been forced to borrow more than $5 billion to obtain sufficient funds to carry out this finding and development process. What this figure would be in the next few years, should depletion be reduced or destroyed, no one knows, but in the present financial situation of tight money, it could well spell the doom of the domestic petroleum industry, where costs are rising with each well drilled and wells are being drilled deeper to find profitable pay zones.

Already domestic producers are reporting difficulty in finding new capital outside the industry. If depletion were reduced, the interest in outside capital would dwindle to nothing.

The United States Bureau of Census established last year that there are 12,000 domestic producing companies, a major portion of these being small, independent organizations.

According to the Oil and Gas Journal supplement of March 18 of this year, the 30 large oil companies operating in the United States last year drilled only 23.2 percent of the wells. Smaller independents drilled 76.8 percent. The independents gambled even heavier on wildcats for they drilled 82.8 percent of these ventures.

These independents risked not only their money, but also the savings of thousands of investors from every section of the Nation.

Thus any action which might destroy the incentives of the entire industry would fall hardest on the segment of the industry which does most of the exploratory drilling in the industry.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield to the Senator such time as he may need.

Mr. CARLSON. I feel it does not behoove us here to take any hasty, unstudied action that could have such a disruptive effect on so vital an industry.

At this time, when Congressmen are seeking ways to reduce a record peacetime budget, opponents of percentage depletion might argue that to reduce the depletion rate would increase the revenue of the Federal Government. But would it?

On the contrary, it is very doubtful whether such additional tax revenues would actually be realized. A reduction in the depletion rate would undoubtedly result in a reduction in the drilling rate, for if oilmen had less money with which to search for new oil they would do less drilling. If this happened, exploration activity would fall off, employment and wages in the industry would drop, and purchases of supplies and materials from other industries would decline, resulting in a further adverse effect on our national economy.

I should like to point out to my colleagues some of the revealing trends of recent years which indicate, conclusively, that the present rate of percentage depletion is more vitally essential than ever before in history. These are some of the facts which today confront oil producers in this country.

Since 1948, the average depths of wells drilled in the United States have increased from about 4,200 feet to more than 4,700 feet in 1956.

Since 1947, the net barrels of new oil reserves for each foot of hole drilled have declined from about 25 barrels to about 15 barrels.

Dry holes represented about 28 percent of total wells drilled in 1947. In 1956, however, more than 37 percent of the total wells drilled were costly failures.

As wells go deeper, the cost of both dry holes and producing wells increases phenomenally. A recent industrywide cost survey showed, for example, that while each additional foot drilled between 1,250 and 2,500 feet cost $9.22, each additional foot drilled below 15,000 feet cost a staggering $105.91.

I submit that the Senate would be assuming too much to ignore such trends. We would be endangering too much to act hastily on any proposal to reduce percentage depletion, without a fair and thorough hearing based, as the President's Cabinet Committee suggested, "on the probable effect on development of domestic resources needed for economic progress and national defense."

For more than 30 years, the petroleum industry has been a foundation stone of our national economy. And for more than 30 years, percentage depletion has been a foundation stone of the petroleum industry. The principle of depletion is no longer a theory; it is a proven experience and an economic force interwoven and established as a vital economic factor in the operations of the petroleum industry.

It is not mere coincidence that the oil-producing industry has reached its present proportions in our economy since percentage depletion was written into our tax laws in 1926.

Now, to cast aside reason and to ignore the wisdom of the Congress and all thoughtful students of this vital provision would be to jeopardize one of our greatest sources of energy and national strength in a time of peril and great need. I do not believe the Senate should be asked to take such far-reaching steps on the spur of the moment. I cannot believe my colleagues would act on this matter without benefit of further study of its implications.

Mr. President, I feel very deeply about this matter. I sincerely hope in the interest of the future welfare of the national economy, of the Treasury of the United States, and of the security and defense of our country that this amendment will be defeated.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. MONRONEY. I wish to associate myself with the remarks made by the distinguished Senator from Kansas, particularly on the matter of stripper wells and secondary recovery. Perhaps the biggest development in the State of Oklahoma—and I feel sure also in the State of Kansas—has been the progress made scientifically through the heavy investment by the small independent producers in reconditioning wells through acidation, water flooding, and other secondary methods, so as not to leave 50 percent of the oil in the ground; in other words, to prevent the abandonment of this great natural resource. The small independent producers have spent hundreds of thousands of dollars to increase this recovery.

Is it not a fact that the secondary recovery—the production of stripper wells—would be the very first segment of the industry to feel the ax if the depletion allowance were reduced as proposed by the amendment offered by the Senator from Delaware [Mr. WILLIAMS], or if it were reduced in any significant degree?

Mr. CARLSON. Mr. President, I certainly agree with the statement just made by the Senator from Oklahoma. Those of us who are familiar with the reserves in the stripper-well areas know the producers must have the 27½-percent depletion allowance and any other encouragement they can get, or the United States will lose millions of barrels of oil, which will never come out of the ground.

Mr. MONRONEY. The depletion allowance saves natural resources which would otherwise never be produced and never be developed. The margin of profit which the 27½-percent depletion allowance permits makes it possible for the additional oil now being produced to be produced 5 or 10 years after the time of abandonment under previous conditions.

Mr. CARLSON. Mr. President, I cannot think of anything in this connection which would cost the Treasury of the United States more in revenue or cost the economy more than the adoption of the amendment offered by the Senator from Delaware.

The PRESIDING OFFICER. The majority leader has 17 minutes of additional time, and the Senator from Delaware has 10 minutes.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. How much time does the Senator desire?

Mr. MARTIN of Pennsylvania. Two minutes.

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. MARTIN of Pennsylvania. Mr. President, I hope all Senators will very carefully read the remarks of the distinguished Senator from Kansas, who has presented figures which mean a great deal so far as the oil economy is concerned.

I wish to use the brief 2 minutes I have been allotted to speak for Pennsylvania, and particularly for the small producers.

We have been talking this morning about helping small-business men. The oil industry of Pennsylvania is in the hands of very small business men. More than 70,000 wells are still operating in Pennsylvania, and each well produces on the average just a little more than a half barrel of oil a day. A great number of these wells are owned by farmers.

That is true not only in Pennsylvania, but it is true in Ohio, it is true in West Virginia, and it is probably true in Kentucky. The distinguished Senator from Kansas spoke about the stripper wells, averaging 9 barrels a day. There are hardly any wells in Pennsylvania at present which produce that amount of oil a day.

The problem we face in the Commonwealth of Pennsylvania is that many owners want to abandon these wells and sell the equipment to producers in the Southwest or sell it for scrap in the making of steel. A farmer can operate such a well along with his farm, but if we take away from him the depletion allowance the profit would then be too small, and he would abandon the well, take out the pipe and sell a part of it to operations in other sections of the Nation and the rest of it for the making of steel.

I hope, Mr. President, that every Senator will give very careful consideration to the figures submitted by the distinguished Senator from Kansas.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAMS. Mr. President, I yield 2 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 2 minutes.

Mr. AIKEN. Mr. President, I certainly hope the amendment offered by the Senator from Delaware will be adopted. I noticed opponents of the amendment pleaded on behalf of the little fellow. But, Mr. President, I have heard nobody who is opposing this amendment mention

the multibillion dollar oil industries carried on overseas which are also the beneficiaries of this depletion allowance.

I have a feeling the little fellow is being used somewhat here today. I hope the request of the Senator from Delaware for a record vote on this amendment will be granted.

The PRESIDING OFFICER. The Senator from Delaware has 8 minutes remaining.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield 5 minutes to the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. ANDERSON. Mr. President, before a vote is taken on the pending amendment, I think there ought to be a brief examination of what took place in the hearings of the Committee on Finance when this question was brought up for consideration. The able Senator from Delaware asked Secretary Humphrey questions about this matter time after time, endeavoring to ascertain the position of the Treasury Department upon this amendment, and the Secretary properly answered that he would like to have the facts brought up to date and he would like to have a hearing on it.

On page 68 of the hearings is shown the final answer, in which the Secretary pointed out he would not give an answer as to the Department's recommendation, and said:

> I don't know whether it will be changed or not until you get through the hearings. You have the hearings, bring in the witnesses, let us make all the studies that are required. This is a terrifically big question.

I suggest this is certainly one matter which has to be dealt with in a special hearing, and I think in prolonged hearings, and I have some very personal reasons for so believing.

Many Senators will recall I took a very strong and active part—at least an active part—in the consideration of the tidelands question. I argued that those lands belonged to all the people of the country, in the interest of the United States, but the Congress of the United States decided otherwise, and when it decided otherwise it made another interesting decision that the United States had some rights beyond the tidelands and submerged lands. Therefore, there was very quickly a program of exploration in that area, and there has been the discovery of sulfur which I understand is more important than any other discovery.

Sulfur producers are allowed a 23-percent depletion allowance. Is that right or wrong? I think the Committee on Finance of the Senate and the Committee on Ways and Means of the House, after study and the presentation of testimony, should make some decision. I was on the committee when it tried to reach some decision as to what the provisions should be and what the royalties should be for sulfur, and we were shooting completely in the dark. We had never had hearings on that subject. I do not wish to be in that situation again.

I have noticed also that uranium producers are accorded a 23-percent depletion allowance. Is that too much or too little? I do not know. But I know according to the last report that 70 percent of all the uranium in the United States is located within 30 miles of the community of Grants, N. Mex. We in New Mexico have a great preponderance of all the uranium in the United States. If there is a study of depletion allowances I wish to study the uranium allowance as well as the depletion allowance on oil.

I notice there is a depletion allowance for perlite. In this building there is some perlite that came out of the State of New Mexico, where it was developed. We in New Mexico have interests all up and down the line.

The depletion allowance does not concern itself merely with oil, but the amendments proposed always strike at that one product as if it were the only one worthwhile.

I think the Congress of the United States will some day again make a reappraisal of these problems, but I do not think it should do so by striking at one of them without hearings upon the subject.

I commend the course suggested by the Secretary of the Treasury when he said he wished to know what the facts were. Actually, the Secretary of the Treasury pointed out what I think is very important, that we have had a very large depletion allowance from the standpoint of many people, when the production of oil has just about kept pace with requirements for it.

This would seem to indicate that the depletion allowance might be at about the right figure. That might be a shotgun opinion. The Secretary of the Treasury himself admitted it, but he said it looked as if the depreciation allowance might be about right, because that allowance had been producing about the right quantity of oil. I do not know of any other yardstick which could be used which is simple. It may be that upon hearing the testimony of witnesses another result might be obtained. But the present method strikes me as about the right one.

There has been discussion of the cost of exploration. Anyone who is familiar with the oil areas knows what has happened to the cost of exploration. Well after well has gone down, not merely 1,500 feet, not merely 2,000 feet, but some wells in the State of New Mexico have gone down 12,000 feet. That is a pretty deep hole. I may say that the deepest one of all ended up in a dry hole, which is the reward people sometimes get when they become overly ambitious. But tht is a part of the game. When they took a chance on a well, they naturally expected that it might result in a dry hole.

Therefore, this is one matter which I hope will be explored carefully by the Committee on Finance by the holding of hearings properly conducted. I am certain there are Senators on that committee who will see to it that both points of view will be presented. But I do not believe that short-time depletion is the proper way to solve the problem.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired. The Senator from Texas has 10 minutes remaining, and the Senator from Delaware has 8 minutes remaining.

Mr. JOHNSON of Texas. Mr. President, is the Senator from Delaware prepared to yield back the remainder of his time?

Mr. WILLIAMS. I have a few more insertions I wish to make in the RECORD; then I shall be ready to yield back the remainder of my time.

Mr. President, the Senator from New Mexico has just quoted a statement made by the Secretary of the Treasury. Although I disagree with Secretary Humphrey on this point, I join in paying my respects to him as one of the most able Secretaries of the Treasury which this country has had in a long time. However, since the Senator from New Mexico has extended the courtesy of quoting the present Secretary of the Treasury, I wish to incorporate in the RECORD a statement made by the Secretary of the Treasury in 1937, when the then Secretary said, in commenting on this question of depletion allowance:

> This is perhaps the most glaring loophole in our present revenue law.

I ask unanimous consent that the statement of the Secretary be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> This is perhaps the most glaring loophole in our present revenue law. Since 1926 large oil and mining corporations have been entitled to deduct from 5 to 27½ percent of their gross income as an allowance for the depletion of their mines or wells, and the deduction may be taken even though the cost of the property has been completely recovered. Thus, in 1936, one mining company deducted nearly $3 million under this provision, although it had already completely recovered the cost of its property.
>
> The amount of the deduction was a sheer gift from the United States to this taxpayer and its stockholders, and the revenue that we lost thereby was $818,000. Similar annual losses of revenue in the case of a few other typical companies are $584,000, $557,000, $512,000, $272,000, $267,000, $202,000, and $152,000. The estimated annual loss of revenue due to this source alone is about $75 million. I recommended in 1933 that this provision be eliminated, but nothing was done at that time; and it has since remained unchanged.
>
> Nevertheless depletion was not discussed during the hearings and the joint committee made no recommendation in its report on the subject, explaining this omission as follows: "Because of lack of time."

Mr. WILLIAMS. Mr. President, today we hear the same argument "lack of time." Again I say the time to decide a question is when the roll is called and when the bill is before the Senate.

Mr. President, this question has long been under discussion, I notice that in 1925 the chairman of the House Committee on Ways and Means, Mr. Green, made this statement:

> I might as well say at this point that if I had my way I would wipe out this discovery depletion entirely. I consider that it might

have been justified in time of war, and that was the only justification given for it to begin with.

Chairman Green recognized that the provision was unfair.

I ask unanimous consent that an extract containing the statement of Chairman Green be printed at this point in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

"I might as well say at this point that if I had my way I would wipe out this discovery depletion entirely. I consider that it might have been justified in time of war, and that was the only justification given for it to begin with—for the purpose of inducing men to go ahead and make these discoveries. At the time we put that in, as I recollect it, it was practically admitted that in normal times they would not be entitled to anything of that kind."

Another prominent witness was Dr. Thomas S. Adams, professor of political economy Yale University, who had appeared as representative of the Treasury in 1921. He stated as his opinion that—

"Depreciation and depletion allowances in connection with 'valuations' on which they are based, give rise to the greatest informal or collateral advantages (to the taxpayer) in income-tax procedure."

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report made by the Select Senate Committee on Investigation of the Bureau of Internal Revenue in 1925, in which they referred to this depletion allowance, as follows:

Discovery depletion is an exemption from taxation upon realized income in value not enjoyed by other taxpayers.

They continue by citing certain examples.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The committee summarized its findings concerning discovery depletion as follows:

"Discovery depletion is an exemption from taxation upon realized increment in value not enjoyed by other taxpayers. Upon a tax rate of 12½ percent, this exemption to the oil industry alone amounts to approximately $37,500,000 annually, and during the high-tax period it was correspondingly greater. But a minor part of this exemption is received by the wildcatter or prospector for whose benefit it was intended. The major portion of this exemption goes to the large oil-producing companies, which also deduct the prospecting and developing expense, intended to be offset by discovery depletion, from income as operating expense.

"The regulations governing discovery depletion do not confine this exemption to the discovery of new deposits, but permit the blanketing of known pools of oil with discovery values, to be depleted, free of tax."

Mr. WILLIAMS. Mr. President, the report discussed the history of many depletion cases in order to reveal the abuses then prevalent. Typical was that of the Texas Gulf Sulphur Co., which had been given a discovery value of $38,920,000 on property which it had purchased in 1909 for $250,000.

The report proposed a substitute for discovery depletion based on discounting actual profits annually as earned.

Mr. President, I ask unanimous consent that another extract containing a statement made in 1924 by Chairman Green, of the House Ways and Means Committee, during the discussion of the revenue act, be printed at this point in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Chairman Green, of the Ways and Means Committee, explained the new limitation to the House as follows:

"The deduction for discovery of depletion is limited to 50 percent of the net income of the property depleted. This applies mostly to cases of discovery of oil wells. At present a deduction for discovered depletion may be as great as the entire net income on the property depleted, and I have known instances where companies actually advertised that they could make a distribution of their dividends, without paying any corporation tax. * * * I think in many instances they have succeeded in evading the corporation tax through depletion allowances. We have cut the depletion allowance 50 percent, which will strike the House as quite liberal even then."

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from the report of the Joint Committee on Internal Revenue Taxation concerning the testimony of Dr. Thomas S. Adams, tax adviser to the Treasury Department as presented to the committee in 1921.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REVENUE ACT OF 1921

During the hearings before the Finance Committee, Dr. Thomas S. Adams, tax adviser to the Treasury Department, recommended that the allowance of discovery depletion be limited to 50 percent of the net income from the property depleted.

He cited, as an example of the abuses in this area, the case of a streetcar company which went into the oil business and brought in a gusher. The company was able, because of the very high price of oil at the time, to get a discovery value something in excess of $1.50 per barrel.

The price of oil having dropped considerably, it later claimed depletion in excess of the gross income from the oil property and used the deduction to offset completely the net income of its primary business of operating street railways.

However, the Finance Committee rejected the 50 percent of net income limitation and substituted a limit of 100 percent of net.

Mr. WILLIAMS. Mr. President, I recognize the danger of legislating upon the Senate floor in a matter of such great importance as this.

But I point out that a few years ago rather extensive hearings were held by the Joint Committee on Internal Revenue Taxation, and a special report on the subject, dated March 1950 was prepared. The report contained a complete review of all depletion allowances and was made available to every Member of the Senate Committee on Finance, or the Senate. The report contained the recommendations of the joint committee and was a most comprehensive review.

In my remarks made earlier this afternoon I incorporated testimony on this same question which was given before the Committee on Finance in 1954. This question has long been under study and discussion. I think it is one upon which we are ready to vote, and again I ask that we have a record vote on the amendment.

Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back my time, with the understanding that the Senator from Delaware has yielded back his.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BIBLE in the chair). All time having been yielded back, and the absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	McClellan
Allott	Frear	McNamara
Anderson	Fulbright	Monroney
Barrett	Goldwater	Morse
Beall	Gore	Morton
Bennett	Green	Mundt
Bible	Hayden	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	Neuberger
Bush	Holland	O'Mahoney
Butler	Hruska	Pastore
Byrd	Humphrey	Payne
Capehart	Ives	Potter
Carlson	Jackson	Ravercomb
Carroll	Javits	Robertson
Case, N. J.	Jenner	Russell
Case, S. Dak.	Johnson, Tex.	Saltonstall
Chavez	Kefauver	Smathers
Church	Kennedy	Smith, Maine
Clark	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Lausche	Symington
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Mansfield	Watkins
Eastland	Martin, Iowa	Wiley
Ellender	Martin, Pa.	Williams
Ervin	McCarthy	Young

The PRESIDING OFFICER (Mr. BIBLE in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and other Senators.

Mr. AIKEN. Mr. President, on this question I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. AIKEN. Mr. President, I suggest the absence of a quorum.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. AIKEN. Mr. President, I suggested the absence of a quorum.

The PRESIDING OFFICER. There has not been any business transacted since the last quorum call. Therefore, the suggestion of the absence of a quorum is not in order.

Mr. AIKEN. Is not the request for the yeas and nays considered to be business?

The PRESIDING OFFICER. The yeas and nays were not ordered, and the Chair is advised that such a request does not constitute business.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and other Senators.

The amendment was rejected.

Mr. DOUGLAS. Mr. President, I call up my amendment identified as "3-26-57-A," and ask unanimous consent that it be printed in the RECORD at this point, but that its reading be dispensed with,

and that I be permitted such time as I may need to explain the amendment and argue in its behalf.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Senator from Illinois is limited, under the unanimous-consent agreement, to 30 minutes.

Mr. KERR. Mr. President, reserving the right to object, may I ask what the amendment is?

Mr. DOUGLAS. My amendment is identified as 3-26-57-A.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the amendment of Mr. DOUGLAS was ordered to be printed in the RECORD, as follows:

At the end of the bill insert a new section as follows:

"SEC. 4. Percentage depletion for oil and gas wells.

"(a) Amendment of section 613 (b) (1): Section 613 (b) (1) of the Internal Revenue Code of 1954 (relating to percentage depletion rate for oil and gas wells) is amended to read as follows:

"'(1) (A) 27½ percent: Oil and gas wells to the extent that the taxable income from any such well (computed without allowance for depletion) when added to the taxable income of each other oil and gas well of the taxpayer (computed without allowance for depletion) does not exceed $1,000,000;

"'(B) 21 percent: oil and gas wells to the extent that the taxable income from any such well (computed without allowance for depletion) when added to the taxable income of each other oil and gas well of the taxpayer (computed without allowance for depletion) exceeds $1,000,000 but does not exceed $5,000,000; and

"'(C) 15 percent: oil and gas wells to the extent that the taxable income from any such well (computed without allowance for depletion) when added to the taxable income of each other oil and gas well of the taxpayer (computed without allowance for depletion) exceeds $5,000,000.'"

"(b) Section 613 of such Code is amended by adding at the end thereof the following:

"'(d) Taxpayer Defined: For purposes of paragraph (1) of subsection (b) the term "taxpayer" shall include any person, firm, or corporation which directly or indirectly controls, or is controlled by, or is under common control with, the taxpayer by reason of voting stock interest, common officers, directors or stockholders, voting trusts, or by any other direct or indirect means.'"

Mr. DOUGLAS. Mr. President, my amendment provides that the percentage of depletion for oil and gas wells shall be maintained at 27½ percent for those taxpayers whose taxable income does not exceed $1 million a year. In other words, the small operator would not have his depletion rate reduced, and this should meet the objection which was advanced by the Senator from Kansas [Mr. CARLSON].

The amendment provides that on the taxable income between $1 million and $5 million a year, the depletion rate shall be 21 percent, or a reduction of 6½ percent; and that on all taxable income from oil and gas wells of the taxpayers which exceeds $5 million a year, the depletion rate shall be only 15 percent.

Then there is a provision that the term "taxpayer" is to include all taxpayers who are controlled by a common interest, so that the door will be closed upon incorporation as a means of evading or avoiding the tax.

As I have said, I think the Senator from Delaware deserves great credit for having brought this issue to the floor of the Senate. I was very glad to be one of those who tried to get a yea-and-nay vote on his amendment, and I am very sorry it was not obtained.

As I have said, while I think a reform in the depletion allowance is absolutely imperative, I believe the small operator deserves a degree of protection which was not given to him by the Williams amendment. I say that for this reason: It is true that exploration which costs up to $100,000 a year can be charged as an expense. It is also true that all intangible drilling and development costs can be charged as an expense. It is also true that all operating costs can be charged as an expense. But there remains the problem of dry holes. In a given percentage of cases, if an operator drills a sufficient number of holes, enough producing wells will come in to balance his losses, and he can charge off the losses due to the dry holes against the income from the successful wells. The large operator who drills or owns a number of holes distributes the risk within his enterprise, and can charge off the costs on the unsuccessful holes against the revenue on the successful holes. Therefore, he certainly does not need 27½ percent depletion.

If the small operator, who, let us say, drills only 3 or 4 holes and has a cost of $1 million, finds that all the holes are dry, he has no successful wells against which he can charge the cost of the drilling of the dry holes. In order to induce him to drill, it may well be, and I believe it is true, that a more liberal depletion allowance should be given to him, so that he may have the prospect of great gains to offset the possibility of losses. The point is that while on the average there will be one successful well for about every 8 or 9 wells drilled, the small operator may have to drill as many as 20 wells before he is successful. The large drillers drill enough that they will average out while the small driller often does not.

That is why, though I sympathized very much with the effort of the Senator from Delaware, I was not wholly in agreement with his amendment, though I wanted to see the vote registered, and I would have been willing to answer to a rollcall according to my belief.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. Assuming, as the Senator has suggested, that a driller had all dry holes, what difference would the change in the depletion allowance make to him?

Mr. DOUGLAS. If he were successful, he would make a larger gross income.

Mr. AIKEN. But if he has recovered 100 percent of all his costs, should he then be expected to continue to get the allowance over and above 100 percent of the cost?

Mr. DOUGLAS. I do not think he should recover more than the cost of his entire enterprise. I would put it that way. In my amendment I am trying to protect the little fellow, and give him an inducement to drill.

Mr. AIKEN. Does the Senator understand why anyone who is assiduously defending the rights of the little fellow is unwilling—and I am not referring to the Senator from Illinois, by any means—to reduce the depletion allowance under which the tremendous combines operate in South America and the Middle East, who receive benefits which I understand amount to hundreds of millions of dollars over the course of a very short time?

Mr. DOUGLAS. I might say that had the amendment of the Senator from Delaware been confined to American corporations doing business abroad, I would most certainly have been willing to vote for it. Those corporations are only the enormous, giant concerns.

Mr. AIKEN. I should like to have the RECORD show that I voted for the amendment of the Senator from Delaware, and I shall vote for the amendment of the Senator from Illinois if given an opportunity to do so.

Mr. DOUGLAS. The Senator from Vermont has had a consistent record on this point.

Mr. AIKEN. I believe that when these enormous depletion allowances are given to one segment of our economy it means that other people must dig into their pockets to make up for them.

Mr. DOUGLAS. The Senator from Vermont is entirely correct.

Mr. AIKEN. There is no reason in the world why we should not get back enough of the depletion allowance on overseas operations of the great oil combines to give the small-business man and individual taxpayers some reduction in their taxes.

Mr. DOUGLAS. In the form in which my amendment is drafted, it applies to foreign oil as well as to domestic oil; and since the foreign oil companies are all huge, the reduction from 27½ percent to 15 percent would apply to them, and also to the large operators in the United States.

Mr. AIKEN. I believe the Senator from Delaware has already inserted figures in the RECORD to show that notwithstanding the enormous profits made on overseas operations by the combination of oil companies, some of them wind up by not having to pay any taxes at all in this country.

Mr. DOUGLAS. That is correct.

Mr. AIKEN. Or a very small percentage of their earnings.

Mr. DOUGLAS. That is correct.

Mr. AIKEN. Nothing to compare with the percentage of his earnings which the Senator from Illinois must pay.

Mr. DOUGLAS. The Senator is correct.

For 2 years I was chairman of the Joint Economic Committee. We conducted a series of hearings on the tax structure, under the chairmanship of Representative MILLS. We took a great deal of testimony on the question of depletion allowances. I ask unanimous consent to have inserted in the RECORD at appropriate points and at the end of my remarks some of the exhibits which we developed.

(There being no objection, the exhibits were ordered to be printed in the RECORD at the appropriate points.)

Mr. DOUGLAS. I think it is literally true that, as of 1955, the total depletion deductions were approximately $2,000,000,000. Since the corporate tax would have been 52 percent, this resulted in a tax saving of approximately $1,500,000,000 to the oil companies.

I have estimated that my amendment would save approximately $700 million to the Treasury. I wish to emphasize again that it would not hit the small driller. The weight would fall almost entirely upon the big companies.

I have computed the profits for 27 oil and gas companies inside the United States, nearly all of them for the 10-year period from 1945 to 1954; and also the total Federal corporate income taxes which they paid—see exhibit A. I have assembled this material from Poor's Manual, and I believe it to be substantially correct. I shall not give the names of the companies, because they are not doing anything illegal, and I do not believe in holding up to public opprobrium tax avoidances when they are not evasions. It is not my purpose to indict any 1 company or any 1 set of persons, but to point to a grave weakness in the tax system which needs remedying.

To the best of my knowledge, these companies are all domestic companies. None of them are foreign companies. If we were to consider foreign companies the case would be even more melodramatic. This information concerns only domestic companies, and a table giving the figures follows:

Federal corporate taxes paid by 27 domestic oil companies

	Total net income before taxes	Total Federal corporate income taxes paid	Percent income tax is income before taxes
Company A (10 years)	$167,848,674	$15,861,000	9.45
Company B (10 years)	42,571,540	6,706,925	15.75
Company C (10 years)	80,687,071	4,046,474	5.01
Company D (10 years)	2,648,319	127,434	4.81
Company E (9 years)	45,755,158	5,728,000	10.52
Company F (10 years)	474,838,000	214,664,000	24.13
Company G (10 years)	7,743,200	1,065,000	13.76
Company H (5 years)	9,437,021	1,248,008	13.23
Company I (10 years)	36,837,800	1,088,200	2.95
Company J (10 years)	30,682,700	2,015,054	14.13
Company K (10 years)	96,262,514	18,510,234	19.20
Company L (11 years)	78,584,303	16,244,296	21.49
Company M (10 years)	1,532,176,856	304,100,000	19.85
Company N (10 years)	13,708,055	667,183	4.87
Company O (10 years)	28,700,776	656,675	2.28
Company P (10 years)	32,179,275	2,545,074	8.00
Company Q (10 years)	70,731,437	5,494,821	7.80
Company R (10 years)	83,187,733	19,122,618	22.99
Company S (10 years)	41,044,498	4,234,000	10.26
Company T (9 years)	1,832,437	7,500	.41
Company U (9 years)	66,836,278	10,810,000	16.17
Company V (11 years)	19,826,490	1,572,659	7.93
Company W (10 years)	95,119,340	5,701,000	6.00
Company X (10 years)	34,861,192	4,340,007	12.26
Company Y (10 years)	66,700,725	8,850,000	13.40
Company Z (7 years)	5,967,756	0	0
Company A–Z (10 years)	7,010,599	873,774	12.46
Aggregate of all companies	3,265,290,925	561,916,554	17.21

Over a period of 7 years company Z made $7,368,000 in net income before taxes, and did not pay a single cent of taxes, although the ordinary corporation would pay 52 percent.

Another corporation, company T, has a record over 6 years of combined profits of $1,832,000. During that period it paid $7,500 in taxes, or four-tenths of 1 percent in taxes.

The next company, company W, is a very interesting company. I am tempted to mention its name, but I shall not do so. Over a period of 10 years it had profits of $95,119,340, and paid $5,750,000 in taxes, or 6.05 percent. I invite attention to the fact that, as we know, the ordinary rate is 52 percent. Here is a company with $95 million in profits, paying only 6 percent in taxes instead of 52 percent.

I pass now to another company, company A, with a 10-year record of net income before taxes of $167,848,000. It paid $15,861,000 in taxes, or 9.45 percent, instead of the 52 percent which the ordinary corporation would pay.

Another company, company I, with profits over 10 years of nearly $55 million, paid $1,938,266 in income taxes, or 5.55 percent.

These figures are for domestic corporations. So far as I know, they are not doing business abroad. The grand total of profits in 10 years for all of these 27 companies—that is, net income before taxes—was $3,265,000,000. The total taxes paid amounted to $561,916,000, or 17 percent, whereas the ordinary rate is 52 percent. Those corporations pay one-third the rate of taxes which corporations in the automobile business, the steel industry, the textile industry, or any other industry in the country pay.

If we were to get into the field of foreign corporations, as the Senator from Colorado [Mr. CARROLL] and the Senator from Vermont [Mr. AIKEN] have remarked, the situation would be much worse.

I have been going over the published books on the Middle East situation. I think it is true that there is one company there with net profits of approximately $900 million a year, which paid virtually no taxes.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. I am very much interested in what the Senator from Illinois has to say about domestic corporations. But if the Senator would like to have me do so at this time, I can give him some information with respect to foreign companies.

Mr. DOUGLAS. I should be very grateful to the Senator from Colorado for such information. The Senator from Colorado, along with the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Tennessee [Mr. KEFAUVER], have been doing yeoman work going into this question, and I should like to see some of the results of their work spaded out to the public.

Mr. CARROLL. At this time the committee is still in the process of its investigation. The report is not final, but I think it would help the distinguished Senator from Illinois in his remarks if I were to advise the Members of the Senate that in 1955 Aramco—that is, the Arabian-American Oil Co.—received a depletion allowance of over $121 million. The same corporation, according to its own figures—and this is an approximation—received a depletion allowance in 1956 of $150 million.

I think this is especially important when we think in terms of a tax benefit to an American corporation doing business abroad. It seems to me that it was never contemplated, when the original act was passed, to extend such extensive benefits to American corporations doing business abroad.

Mr. DOUGLAS. When the act was originally passed there were practically no American oil companies doing business abroad except for the few which had some interests in Mexico.

Mr. CARROLL. I was very much interested in the remarks of the distinguished Senator from Kansas [Mr. CARLSON], who spoke on the amendment offered by the Senator from Delaware [Mr. WILLIAMS], particularly when he referred to the necessity of such a depletion allowance at the present time. He said there never was more need than today for such a depletion allowance for exploration purposes.

Mr. President, there is very little need for expensive exploration for oil in the Middle East. Therefore it would seem to me that there would be very little need for a depletion allowance.

In any event, it may be interesting to the Members of the Senate to know, as we consider this subject—and soon we shall have a full report on the matter from the special committee—that the Treasury has lost hundreds of millions of dollars in tax revenue as a result of the depletion allowance and as a result of tax offsets. We hope to have that report submitted to the Senate soon, so that we will be able to amend the tax laws, and in that way protect the taxpayers of the country. I thought that information might be of interest to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Colorado. With reference to the oil situation in the Middle East, while the American oil concessions in Saudi Arabia are the greatest in any one country, is it not also true that an American company owns half of the oil concession in the State of Kuwait?

Mr. CARROLL. There is no question about it. The Gulf Oil Co., an American corporation—and this testimony was given voluntarily before our committee—has heavy oil interests in Kuwait.

Mr. DOUGLAS. Is it not true that the Kuwait field has an annual yield now approximately equal to that of Saudi Arabia?

Mr. CARROLL. I believe the yield is not quite so large.

Mr. DOUGLAS. It is approximately equal to that of Saudi Arabia.

Mr. CARROLL. Let me put it this way. In committee hearings I asked that specific question of the production manager of that operation. I said that Aramco received $121 million in 1955 by way of depletion allowance. I asked him, "How much did you receive?"

He said, "I do not have the figures with me."

I said, "Approximately, how much is your Kuwait oil production, as compared with Aramco in Saudi Arabia?"

He said, "It is at least half as much."

Mr. DOUGLAS. I believe it is more than that.

Mr. CARROLL. It is at least half that much.

Mr. DOUGLAS. Half of $75 million would be $37½ million. That is a conservative figure, I will say to the Senator from Colorado. That amount, added to the $150 million for 1956, gives us a total of $187½ million. Then, in addition, there is the 23½ percent interest of American companies in the fields of Iraq. Is that correct?

Mr. CARROLL. That is correct.

Mr. DOUGLAS. Do American oil companies not have a 40 percent interest in the fields of Iran?

Mr. CARROLL. I understand that there is such an interest. However, the extent of it has not been testified to before our committee, and I therefore hesitate to agree to any figures.

Mr. DOUGLAS. I believe that is correct. I would say that such figures as we have developed indicate that the revenues derived from oil interests abroad are at least between $350 million and $400 million. That in addition to the amount taken domestically.

Mr. President, every time we start to go into this subject, it is said that the subject is under study. That is what my good friend from New Mexico said. I wish he were on the floor. I remember quizzing Mr. Burgess, of the Treasury Department, as to their beginning the study of depletion allowance. He said that they had it under consideration.

In other words, the wheels go round and round and round, but nothing ever comes out.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Is it not true that the Treasury Department had been studying the question of depletion allowance long before 1953? I recall that the former Secretary of the Treasury, Mr. Snyder, had been making studies when he was in charge of the Treasury Department. As I recall, a recommendation was made then to readjust the allowance to 15 percent.

Mr. DOUGLAS. The Senator is correct. The Senator from Minnesota, in the tax debate of 1951, offered an amendment to that effect.

Mr. HUMPHREY. I recall very well that I did so. I recall also the many difficulties we encountered at the time.

Mr. DOUGLAS. As I recall, the amendment of the Senator from Minnesota received 9 votes.

Mr. HUMPHREY. I believe it was 15, more or less.

Mr. DOUGLAS. I was one of the Senators who voted for the amendment at the time. I am very proud to have voted for it.

Mr. HUMPHREY. I may say that a case could possibly be made out for an equitable depletion allowance for domestic companies. In the beginning we were inclined to believe that there should be no allowance at all.

Mr. DOUGLAS. My amendment continues the 27½ percent allowance for the small operator. It is to the huge operator that we would cut the allowance down to 15 percent. In addition, we would provide a graduated scale in between of 21 percent.

Mr. HUMPHREY. The Senator's amendment is a most reasonable one. I believe it is considered to be reasonable even by some who are very well versed in the economics of the oil industry and who favor a 15-percent depletion allowance across the board.

The point that should be emphasized is that we are dealing not so much with the domestic oil production as with the foreign oil production. In the name of commonsense, why must we pay a depletion allowance for something that takes place under the sands of the deserts of Saudi Arabia? I have enough patriotic fervor to overcome an objection for a reasonable depletion allowance within the continental United States, or in areas within the jurisdiction of the United States.

As I understand, the depletion allowance provisions for foreign operations came about when the King of Saudi Arabia decided he needed a little more royalty. So what did we do? We made a sort of transfer from the Treasury of the United States into the coffers of the royal family of Saudi Arabia.

The Senator from Colorado made some comments on this subject. I read about them, not in the metropolitan press, but in the newspaper Labor, the railroad brotherhood newspaper, one of the fine newspapers of our country. I must confess that there has been a dearth of information on this subject printed in the public press.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. The Senator from Minnesota has raised a very pertinent question concerning how this subject came about. Evidently, back in 1926, when the oil corporations were still small, and when they had not yet discovered oil in Saudi Arabia, I suspect that perhaps they wanted to acquire tax benefits. That was 30 years ago.

In 1932, the record shows, the Standard Oil Company of California acquired the complete oil concession in Saudi Arabia. In 1936, having discovered the wonderful oil field there, and wishing to extend, as the testimony shows, its marketing area, it drew in Texaco, another great corporation. In 1947, Standard Oil of New Jersey knocked on the door and said, "Let us come in, too." So did Socony.

In that way, these four major oil corporations—Standard Oil of New Jersey, worth $8 billion; Texaco, worth $3 billion; and Standard Oil of California, and Socony—both billion-dollar corporations—are now taking advantage of the depletion allowance in an area where there is three-quarters of the known oil reserves of the world.

There is no great need for exploration there. We already know that three-quarters of the world's oil is there. Of the $700 million gross earnings of Aramco, only $7 million was expensed for exploration and survey. Therefore, as a result of this wonderful depletion allowance in an area where it is not needed, hundreds of millions of dollars of taxes are deprived the Treasury of the United States.

I think the records on Aramco alone will show that because of depletion allowance in the years 1955 and 1956 the Treasury Department lost $100 million. The United States Treasury received taxes from Aramco in Saudi Arabia in 1947, 1948, and 1949. By their own testimony, in the year 1949 the Treasury received about $50 million. However, Saudi Arabia then adopted an income tax, because Saudia Arabia wanted more of the oil profits. It had been getting only about 21 percent of the profits, and it wanted 50 percent. Therefore Saudi Arabia set up what I call the golden gimmick, a tax gimmick, an income tax. As a result, Saudi Arabia now gets 50 percent of Aramco's profits. Then we found that by applying a tax statute originated in 1918, Aramco was able to offset the Saudi income taxes against its United States taxes and as a result pay the United States Treasury nothing. Not only did we lose the $50 million in 1949, which used to come in to the Treasury, but we lost the additional income we could have expected from the great increase in production and the great increase in profits in the years since 1949.

I wish to talk about profits, and then, if the Senator will permit, to make one final point, after which I shall not encumber the RECORD.

We find the enormous profits of this one corporation have increased the stockholders' equity in the year 1955—in that 1 year—by their own admission, 55 percent. And we are giving them this tax benefit through a depletion allowance which in the year 1955 was $120 million. In the year 1956, as I have indicated, the profits were higher and the depletion allowance for income tax purposes was higher.

I did not wish to go so far as to interfere with the presentation of the distinguished Senator from Illinois, for the Senator is certainly on the right track. However, if we had in effect a 15 percent depletion allowance it would injure the smaller producers, the independent producers or "wildcatters" who really take a risk. The big corporations take no risk, because they consider as expenses the dry holes, surveys and all, and write them off as deductions.

A final point I wish to make is that these large corporations have hundreds of millions of dollars in cash reserves. They have no trouble in getting financing.

I hope, therefore, that the small independent operator will be protected and will not be put in the same category as the large corporations.

Mr. DOUGLAS. Under my amendment he will not be. He would still retain the 27½ percent depletion allowance, under my amendment.

Mr. CARROLL. Then the Senator's amendment is substantially different from the amendment submitted by the distinguished Senator from Delaware.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I have only 2 minutes remaining, but I will yield to the Senator from Ohio in a moment.

Mr. President, the Treasury is losing hundreds of millions of dollars a year, with the result that the big oil operators are paying less than their fair share of taxes. This means others have to pay more.

I will not say this is a loophole, but if we can avoid this difficulty, we will be able to reduce taxes for others.

I now yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Illinois, I observed, became indignant in the description of what to me seems to be a thoroughly unjustified exploitation of the ordinary taxpayer. I merely wished to say to the Senator that I am amazed by his restraint.

Mr. DOUGLAS. I thank the Senator from Ohio. I have never been accused of having undue restraint. This is high praise from an expert.

Mr. LAUSCHE. I commend the Senator for his presentation. I wish also to commend the Senator from Delaware for his presentation.

Mr. DOUGLAS. I thank the Senator.

EXHIBIT A

MEMORANDUM: TAX BENEFITS OF UNITED STATES OIL COMPANIES OPERATING ABROAD

The principal provisions of the Internal Revenue Code and regulations issued thereunder which are of special significance to American oil companies engaging in foreign operations are those concerning: (1) Percentage depletion; (2) exploration, intangible drilling, and development costs; and (3) the foreign tax credit.

The percentage depletion and exploration and development cost provisions are applicable to any United States oil company, regardless of the site of its operations. Similarly, any American company with foreign operations may obtain the benefits of the foreign tax credit. The combination of these provisions is frequently particularly beneficial to American oil companies operating abroad.

1. PERCENTAGE DEPLETION

Capital invested by United States taxpayers in natural-resource properties may be recovered tax free through depletion allowances, irrespective of the location of the properties. For mineral properties, including oil and gas, these allowances are computed according to a cost depletion or a percentage depletion method, the taxpayer being required to take the higher of the two. To compute allowable depletion under the cost method, the adjusted basis of the property (i. e., the value of the property for purposes of determining gain or loss upon its sale or exchange) is divided by the total estimated remaining units (e. g., barrels of oil, tons of ore, etc.) and the result is multiplied by the number of units sold during the year. Cost-depletion deductions are exhausted when the adjusted basis of the property has been reduced to zero.

Allowable depletion under the percentage depletion method is computed as a specified percentage of the gross income from the property, but may not exceed 50 percent of the net income therefrom. Although allowable percentage depletion serves to reduce the basis of the property for purposes of determining gain or loss upon sale, exhaustion of this basis, or the absence of any original basis, does not preclude further percentage depletion allowances since these are related to the income from the property. Accordingly, the amount of the taxpayer's investment in the property is not necessarily relevant in determining the amount of his depletion allowance.

Under the present law the percentage depletion rate applicable to the gross income from oil and gas wells is 27½ percent. Where the costs of extraction are low relative to the value of the oil and gas produced, 27½ percent of such value is excluded from the taxpayer's income for purposes of the income tax computation. (In determining gross income from the property, royalties and rents which must be paid by the taxpayer must first be excluded.) Where, on the other hand, extractive costs are high relative to the gross income from the property, the net income limitation may be effective in reducing the amount of allowable percentage depletion.

2. EXPLORATION AND DEVELOPMENT COSTS

Taxpayers operating oil and gas properties are permitted either to capitalize or write off as current expenses their so-called intangible drilling and development costs of wells. These costs include such items as labor, fuel and power, materials and supplies, tool rental, repairs of drilling equipment, etc., incurred during the drilling of wells and their preparation for production, but do not include the costs incurred for items subject to an allowance for depreciation. There is no limit on the amount of intangible drilling and development costs which may be deducted. The costs incurred in exploration for oil and gas wells are not deductible as ordinary expenses but must be capitalized where such geological and geophysical expenditures result in the acquisition or retention of properties. Where exploration projects prove unsuccessful and are dropped, however, the geological and geophysical expenditures may be expensed through loss deductions.

Broadly speaking, these exploration and development cost deductions are in lieu of cost-depletion deductions. However, the expensing of these costs does not serve to reduce percentage depletion allowances since these are computed only with reference to the income of the property.[1]

3. FOREIGN TAX CREDIT

In determining their United States tax liabilities, American citizens or corporations subjected to foreign income taxes may either (a) deduct from their gross income the full amount of foreign taxes paid, or (b) take a credit against their United States income tax liabilities for income, war profits, or excess profits taxes (or other taxes in lieu of such taxes) paid to a foreign country or to any possession of the United States. The amount of this credit with respect to any one country's tax cannot exceed that proportion of the United States tax liability which the taxpayer's income from sources within such country bears to his entire taxable income. The credit tends to limit the combined foreign and United States income taxes to the level of the United States income tax which would be payable were all of the taxpayer's income derived from sources within the United States.

The option available to the taxpayer to credit rather than deduct foreign income-tax payments provides more liberal treatment with respect to foreign income-tax obligations than is available to the taxpayer with solely domestic operations incurring State and local tax liabilities. For a corporate taxpayer subject to the present combined marginal rate of 52 percent, the net cost per dollar of State or local government tax paid is 48 cents. On the other hand, the net cost to the corporate taxpayer per dollar of foreign tax paid is zero.[2]

Most of the foreign countries in which American oil company operations occur do not provide a percentage depletion allowance in their income taxes. In this respect, therefore, the foreign tax provisions tend to be less liberal than those of the United States. Many of these foreign governments, however, tend to conform fairly closely the tax liabilities they impose on American companies with the United States Federal income tax liabilities which these companies would sustain in the absence of the foreign tax. Accordingly, the foreign income taxes levied on United States companies tend to give effect to the percentage depletion provisions in the United States Federal income tax.

Given this relatively close correspondence between the foreign tax and the United States Federal tax, the availability of the foreign-tax credit, in effect, provides for the payment of the foreign tax by the United States Treasury. In other words, the American oil company's United States Federal income-tax liability is paid instead to the foreign government within whose jurisdiction the oil company's operations take place.

This can be illustrated by reference to the financial statement of the Arabian-American Oil Co. for the year 1955, which was included in the record of the joint meeting of the Subcommittee on Public Lands of the Senate Committee on Interior and Insular Affairs and the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, March 8, 1957.

Aramco in 1955 had total earnings of $724 million, and total expenses—excluding income taxes paid to Saudi Arabia—of $259 million. Had these earnings and expenses been incurred within the United States, Aramco would have had a Federal income tax liability of about $178 million[4]—an effective rate of about 49.4 percent of net income before depletion. The Saudi Arabian income tax actually paid by Aramco in 1955 was $193 million—an effective rate, on the same basis, of 41.5 percent, about 1 percentage point greater than the estimated United States tax rate. By virtue of the foreign-tax credit, Aramco had no United States tax liability for 1955. This close correspondence between the Saudi Arabian tax and the United States tax which would have been payable suggests the influence of percentage depletion allowances in the United States tax law on foreign taxes imposed on American oil companies.

The benefits derived from the foreign-tax credit by an American oil company operating abroad can be illustrated in greater detail by comparing Aramco's 1955 income and expense statement with that of a hypothetical United States company confining its activities to domestic operations. The following table, adapted from that presented in the hearings of the joint meeting of the Public Lands and Antitrust and Monopoly Subcommittees, assumes that the total earnings and expenses of the company with domestic operations only are equal to those of Aramco, including the Saudi Arabian income tax. Thus the domestic company is assumed to have paid State and local government taxes and royalty payments equal in total amount to the sum of Aramco's royalty and Saudi Arabian income-tax payments. The distribution of this amount between royalties and State and local government taxes is arbitrary, but does not drastically affect the final results.[5]

The $99 million difference between the net (after tax) earnings of Aramco and the hypothetical domestic company reflects primarily the advantage from allowing a dollar-for-dollar tax credit for foreign tax payments as an offset to the United States tax liability compared with a deduction from gross income of an equal amount of expenses. A part of this $99 million difference also reflects the specific assumptions with respect to royalties and State and local government taxes allocable to the gross income from the oil and gas wells, in the case of the domestic company. These assumptions, as shown in footnote 3 of the table, affect the amount of allowable percentage depletion and, therefore, the United States tax liability. Apart from the effect of these assumptions in this respect, the table shows that Aramco benefited not only from the provisions for percentage depletion and for expensing exploration and development costs, but in addition from being able to credit its foreign tax payments rather than having to deduct them from its gross income.

[1] Where these costs are incurred by additional development work on an established property, they serve to reduce the net income therefrom and may accordingly reduce allowable percentage depletion.

[2] As shown in the following illustration:

	Corporations with—	
	Domestic operations only	Foreign operations only
Net income, assuming no State and local government taxes or foreign taxes	1,000	1,000
United States income tax	520	520
Income after United States tax (A)	480	480
State and local government taxes	100	
Foreign taxes		100
Taxable income for purposes of United States income tax	900	1,000
United States income tax, before foreign tax credit	468	520
Foreign tax credit		100
United States income tax after foreign tax credit	468	420
Income after all taxes (B)	432	480
Net cost to taxpayer of:		
State and local government taxes (=100) (A)—(B)	48	
Foreign taxes (=100) (A)—(B)		

[3] Aramco statement does not afford sufficiently detailed information to permit precise calculation of United States tax liability, before the foreign tax-credit. The $178 million Federal income-tax liability, therefore, is an approximation.

[4] The maximum difference in the United States tax liability of the hypothetical company resulting from treating the full amount as State and local government taxes, as compared with treating the full amount as royalties, is $16 million.

Arabian-American Oil Co.—Comparative tax treatment of actual foreign operations with hypothetical domestic operations (1955)

		Actual foreign operations	Hypothetical domestic operations
1.	Total earnings	$724,[illegible]	$724,[illegible]
	Expenses:		
2.	Operating	89,914,700	89,914,700
3.	Pipeline and terminal	24,436,000	24,436,000
4.	Exploration and development [1]	14,096,925	14,096,925
5.	Depreciation	64,092,325	64,492,725
6.	Losses on materials and supplies (net)	6,602,000	6,602,000
7.	Royalties and rentals (foreign)	38,601,601	
8.	Royalties and rentals (United States) [2]		191,204,425
9.	Other	1,367,241	1,367,241
10.	Subtotal	259,410,225	[illegible]
11.	Saudi Arabia income taxes	192,742,424	
12.	United States State and local government taxes [3]		80,000,000
13.	Total expenses	452,157,649	[illegible]
	United States Federal income tax computation:		
	Net income before depletion:		
14.	(4) —(10)	464,863,091	
15.	(1) —(12)		272,212,467
16.	Less: Percentage depletion	121,095,095	81,709,689
17.	Taxable income (15) — (16) [4]	343,267,996	190,442,618
18.	Tax before foreign tax credit	178,499,[illegible]	99,024,656
19.	Less: foreign tax credit	192,742,424	
20.	United States Federal income tax		99,024,656
	Net earnings:		
21.	(1) — (18)	272,212,467	
22.	(1) — (18) — (20)		173,187,941

[1] Expenses as incurred.

[2] Assumes domestic royalty and United States State and local government tax payments equal in total amount to Saudi Arabian income taxes and royalties.

[3] Computed as follows:

	Actual foreign operations	Hypothetical domestic operations
Gross income from property:		
Sales of crude	1,271,000,000	1,271,000,000
Less: Royalties	75,461,601	191,204,425
Gross income	442,538,399	829,795,575
(A) 27½ percent of gross income	121,695,095	81,709,689
Net income from property:		
Gross income	442,538,399	829,795,575
Allowable expenses [(3)+(4)+(5)+2+(11)+2] [5]	326,344,857	106,255,857
Net income	116,292,542	103,539,718
(B) 50 percent of net income	158,141,171	81,709,689
Allowable depletion—lesser of (A) or (B)	121,095,095	81,709,689

[5] Allocates 50 percent of depreciation and of United States State and local taxes to extractive properties.

EXHIBIT B

FEDERAL REVENUE SYSTEM: FACTS AND PROBLEMS, JOINT ECONOMIC COMMITTEE, 1956, PAGES 35–84, 168–169

TAXATION OF INCOME FROM NATURAL RESOURCES

I. Present law

The tax law contains several special provisions for the treatment of income derived from natural resources. Generally under the law net income from business activity is determined as the difference between the taxpayer's total receipts or gross income and deductions for the cost of producing the income. The usual deductions are related to the actual monetary costs of the taxpayer. In the case of wasting assets, such as depreciable property, the tax-free recoupment of investment costs is allowed through deductions designed to spread the full costs over the economic life of the asset. Owners of natural resources are accorded a number of optional provisions with respect to their capital costs. In recognition of the wasting character of mineral deposits, a special deduction, known as percentage depletion, is allowed which need bear no relationship to actual costs. Mineral producers may also elect to recoup capital costs currently as they are made rather than being required to deduct them over the life of the asset, and timber producers may elect to treat much of their profits as capital gains rather than ordinary income subject to ordinary tax rates.

A. Depletion Allowances

Capital invested in natural resource properties may be recovered tax free through depletion allowances. For mineral properties these allowances are computed according to a cost depletion or a percentage depletion method, the taxpayer being required to take the higher of the two.[1] To compute allowable depletion under the the cost (or unit) basis for either minerals or timber, the adjusted basis of the property which would be used for determining the gain upon the sale of such property is divided by the total estimated remaining units (i. e., barrels of oil, tons of ore, board-feet of lumber) and the result is multiplied by the number of units sold during the year.[2] Cost depletion deductions are exhausted when the adjusted basis of the property has been reduced to zero.

Allowable depletion under the percentage depletion method is computed as a specified percentage of gross income from the property but not more than 50 percent of the net income therefrom.[3] Although allowable percentage depletion serves to reduce the

[1] I. R. C., secs. 611–613.

[2] Regulation 118, sec. 39.23 (m)-2.

[3] I. R. C., sec. 613.

basis of the property for purposes of determining gain or loss upon sale, exhaustion of basis or the absence of any original basis does not preclude further percentage depletion allowances, since these are related to the income from the property rather than to actual investment costs. Accordingly, percentage depletion allowances may be claimed with respect to the income from a property the basis of which has been completely written off through prior cost or percentage depletion.

The percentage depletion rates prescribed by the law are as follows: [4]

(1) Twenty-seven and five-tenths percent—oil and gas wells.

(2) Twenty-three percent—sulfur and uranium, and (if mined in the United States) asbestos, bauxite, lead, manganese, mercury, nickel, platinum, tin, tungsten, zinc, and 27 other minerals.

(3) Fifteen percent—certain clay, asphalt, and metals not covered by (2).

(4) Ten percent—asbestos (not covered by (2)), coal, lignite, and four other minerals.

(5) Five percent—brick and tile clay, gravel, sand, rough stone, etc., and brine well products.

(6) Fifteen percent—all other minerals except soil, sod, dirt, turf, water, or mosses, or minerals from sea water, the air or similar inexhaustible resources.

Two exceptions are made for this last group. Some of these minerals are also listed in (2) above, if produced in the United States. All of these minerals are, in addition, subject to a use test, i. e., they may be restricted to the 5-percent rate when used for purposes comparable to common sand, gravel, or rough stone.

Depletion allowances are generally available to every person who has an economic interest in and receives income from the exhaustion of a natural resource, the total allowances being apportioned among the various parties in interest. Such allowances, however, may not be claimed by the taxpayers whose economic interests in depletable properties are indirect, such as the rights of shareholders or creditors of a corporation which owns the mineral properties.

The original income-tax legislation provided a reasonable allowance for depletion, not to exceed 5 percent of gross income, for wasting mineral assets. This was later changed to a more specific allowance of depletion based on the cost or 1913 value of the property. Allowances in excess of cost depletion were first granted in the form of discovery depletion in 1918 as a measure to stimulate mineral exploration for war purposes and to lessen tax burdens on small-scale prospectors who made discoveries after years of fruitless search. Discovery depletion deductions allowed the discoverer of any new mineral deposit to recoup not only his costs but also the materially larger appreciated value of the property at the time its profitability was established. In 1921, disturbed by the extent to which large discovery depletion deductions were being used to offset other income, the Congress limited annual discovery depletion to the amount of net income from the mineral property; in 1924, it further lowered this limitation to 50 percent of net income.

Discovery depletion was eliminated for oil and gas properties in 1926, and for metals, sulfur, and coal in 1932, by substitution of allowances based on a percentage of gross income; the 50 percent of net income limitation was retained. Percentage depletion was gradually substituted for discovery depletion on other minerals, until in 1954, discovery depletion was eliminated altogether. The original percentage depletion rates for oil and gas and metals were in general fixed at levels designed to afford these industries approximately the same total annual depletion which they had been allowed under discovery depletion. The percentage depletion rates on coal, sulfur, and other nonmetallics were not based on industry experience under prior discovery depletion allowances but were selected to provide tax relief and incentives deemed suitable by the Congress in view of the rates accorded oil and gas and metals. Subsequent legislation increased these rates in numerous cases.

B. Exploration and Development Costs

In addition to depletion allowances, the tax law also provides special treatment for certain capital expenses incurred in bringing mineral properties into production. Sections 615 and 616 of the 1954 Revenue Code permit the taxpayer either to write off currently as incurred the costs of exploration and development for mineral deposits (except oil and gas wells) or to set these costs up as deferred expenses to be deducted ratably as the deposit is exhausted. Included are expenditures to ascertain the existence, location, extent, or quality of any ore, or mineral deposits, or for shafts, tunnels, raises, stripping, drainage, and other items attributable to the development of the mine or deposit until it reaches a level of full production. Deductions for exploration expenditures are limited to $100,000 per year for not more than 4 years. No similar limitations are imposed on deductions for development costs.

Section 263 (c) of the 1954 Revenue Code affords a similar option for oil and gas operators either to capitalize or to write off as current expense their so-called intangible drilling and development costs of wells. The expenses currently deductible include such items as labor, fuel and power, materials and supplies, tool rental, repairs of drilling equipment, etc., incurred during the drilling of wells and their preparation for production. There is no limit on the amount of such outlays which may be deducted.

The current expensing deductions for mine development expenditures and exploration costs were first granted in the Revenue Act of 1951, which limited the annual deduction for exploration expenses to $75,000; the 1954 code raised this limit to $100,000. Expensing of intangible drilling and development costs of oil and gas wells has existed continuously since an administrative ruling under the Revenue Act of 1916; a concurrent resolution of Congress in 1945 assured its continuance, and finally an express statutory provision was incorporated in the Internal Revenue Code of 1954. To some extent, exploration costs of oil and gas wells are also currently expensed through loss deductions which are allowed by regulations on exploration projects that prove unsuccessful and are dropped. However, geological and geophysical expenditures resulting in the acquisition or retention of properties are not deductible as ordinary expenses, but must be capitalized.[5]

The immediate deducting or expensing of the capital costs incurred in the exploration and development of mineral properties means that these costs are never included in the adjusted basis of the properties, which is recoverable through cost depletion. Broadly, these deductions are in lieu of cost-depletion deductions. However, the expensing of these costs does not serve to reduce percentage-depletion allowances, since these are computed only with reference to the income from the property.

C. Other Special Tax Provisions

A number of other specific provisions afford special tax treatment to taxpayers in the extractive industries. For example, recipients of loans or grants from the United States for the encouragement of exploration, development, or mining of critical and strategic minerals or metals for national defense may exclude such loans or grants from income.[6] Although this provision was made in the Excess Profits Tax Act of 1950, it is applicable to both the corporate normal tax and surtax as well.

Special treatment is also accorded income arising from certain types of timber and coal-mining operations. A taxpayer owning timber or the contract right to cut timber for a 6-month period prior to the beginning of the taxable year in which he cuts the timber may elect to treat the cutting of the timber as a sale of the timber itself, the gain to be taxed at capital-gain rates.[7] A taxpayer owning timber or coal for a period of 6 months before its disposal who retains an economic interest in the coal or timber after its disposal is permitted to treat the royalties received as capital gains; if the net result is a loss, it may be treated as an ordinary loss.[8] This provision as applicable to timber was added in 1943 and extended to coal in 1951. In 1954, the election to treat income from timber as a capital gain was extended to producers of Christmas trees.

D. Foreign Treatment

Aside from the United States, only a few countries grant a special concession unrelated to cost, by which the taxpayer is allowed to reduce income by a percentage of the gross receipts or net income from the mine. Important examples are Canada, Australia, and Southern Rhodesia.

Canada has several special provisions applicable to oil and gas and mining that are somewhat similar to United States provisions, although there are important differences. Canada allows percentage depletion for oil and gas and certain nonbedded minerals, usually at the rate of 33⅓ percent (40 percent for gold and 10 cents a ton for coal) of net profits.[9] Stockholders may also claim a depletion allowance of 10 to 20 percent on dividends received from certain mineral-producing corporations.[10] Canada further allows a deduction as a current expense of outlays for exploration, discovery, and development of mines or exploring or drilling for oil or gas,[11] and grants a complete 3-year exemption for new mines opened between 1946 and 1957.[12]

Australia[13] and Southern Rhodesia[14] have percentage depletion allowances. In the former, the allowance amounts to 20 percent of the net income from specified strategic metals while in Southern Rhodesia it is 10 percent of the gross value of output of gold and silver and 2½ percent for base mineral mining.

Australia has additional provisions which exempt (1) income derived by a company from the sale of domestic gold and dividends received by shareholders of such a company,[15] (2) income derived from a mining property operated principally for gold or gold and copper,[16] (3) income from uranium mines,[17] and (4) income (including dividends paid out of such income) derived by a bona fide prospector from the sale or transfer of rights to mine in a particular area for numerous specified minerals.[18]

II. Issues in the taxation of income from mineral resources

The basic issue in the taxation of income from mineral resources is whether the economic gains which presumably are derived from tax incentives for natural resource development outweigh equity and revenue considerations in the Federal revenue system. While there is substantial agreement as to the desirability of using public policy to encourage private development of the extractive industries, the primary problem is to determine the most effective, efficient, and economical type of public program to this end.

A. Arguments for Continuing the Present Provisions

Those in favor of the present tax provisions maintain that because the value of a mineral property generally exceeds, often by significant amounts, the actual cash or property investment in its development, cost does not represent an adequate basis for computing depletion allowances. The appropriate capital value on which such allowances should be based, rather, is measurable by the price which the taxpayer could obtain for the developed property. It was on this basis that discovery-value depletion was based. However, since discovery-value-depletion allowances involved thorny problems of valuation, percentage depletion allowances, which in the case of oil and gas are believed closely to approximate discovery-value allowances, are regarded as appropriate substitutes.

Proponents of percentage depletion point out that in the absence of such allowances, the tax law would involve a much greater impetus than now exists for the taxpayer who discovers and develops mineral properties to sell them rather than to operate them himself. Sale of the property would involve capital-gains-tax liability on the commuted value of the proceeds from gradual liquidation of the property over time. This commuted value, which would be taken as the basis of the property by the purchaser, would be written off under the cost-depletion method, the allowances under which would exceed percentage depletion. Accordingly, it is argued that the Government would obtain little, if any, net revenue gain from elimination of percentage depletion and would encourage selling out of properties rather than their operation by those discovering them. This would undoubtedly result in an increasing concentration of mineral properties in the hands of fewer and fewer producing companies, with attendant adverse implications for the competitive structure of the economy.

Others favoring the continuation of the present system of allowances would agree that percentage depletion may be excessive in a literal accounting sense. They argue, however, that whatever excess is allowed represents a necessary incentive to mineral producers for continuing exploration and development activity. They point out that substantial amounts of resources must be devoted to such activities which only in a small fraction of cases result in a profitable property. Because of the inordinate degree of risk involved, special incentives must be offered if the economy's demand for natural resources is to be met adequately.

Many of the mineral resources with respect to which percentage depletion is allowed, it is pointed out, are basic to the Nation's defense. It is essential, therefore, to keep these industries operating vigorously and profitably in order to insure adequate domestic supplies in the event of war. The elimination of percentage depletion, it is argued, would require a substantial increase in the prices of mineral output to prevent a substantial contraction of mineral production. Since these prices are largely determined in a world market, however, it is unlikely that the necessary increases would be forthcoming. The result would be dependence on foreign sources of supplies, which would leave the Nation in perilous circumstances if defense requirements were suddenly increased.

Moreover, it is argued, percentage depletion allowances are an important source of the funds required to finance the development and exploitation of mines and wells. Small, independent producers, particularly, would be hard hit by elimination of these allowances and would be forced to curtail their exploration and development programs to a considerable extent. This would be especially true in the case of the relatively small firms engaged in "stripper" operations, since the profitability of such operations, it is alleged, depends to a large extent on favorable tax treatment. Curtailing these operations would result in a considerable waste of recoverable mineral resources. On the other hand, large vertically integrated firms would be in a relatively stronger position, since they would be able to draw on their resources from processing and marketing operations, as well as having readier access to capital markets.

Finally, proponents of the present system maintain that it has become capitalized in the financial structure of the Nation's extractive industries. It is argued, therefore, that any drastic revision of the present law would occasion significant changes in financial structure and policy, which almost certainly could not be accomplished in an orderly manner. Such changes, moreover, would probably result in the elimination of a substantial number of independent producers and significant capital losses for shareholders in all oil-producing companies. The revenue gains to the Government from elimination of so-called excess depletion allowances, accordingly, would be more than offset by virtue of capital-loss offsets and in the long run by a shrinking of the tax base.

B. Opposition to the Present Provisions

Critics of the present tax provisions in the natural resource area urge revision of the law on the basis of equity, revenue, and economic considerations.

1. Equity issue: It is maintained that there is no theoretical justification for treating mineral producers differently from other taxpayers through a system of percentage depletion allowances or through privileges of expensing exploration and development costs. For other expenditures for fixed capital, it is pointed out, the tax law limits total deductions for capital recovery to the amount actually invested by the taxpayer and, except in the case of accelerated amortization and research and development costs requires that these deductions be spread over the useful life of the property. In the extractive industries, on the other hand, the taxpayer is allowed to recover tax free virtually the full amount of his investment in a mineral property often in the year the outlays are made and subsequently claim percentage depletion allowances which bear no relationship to the amount of his investment. Accordingly, the law may permit tax-free recovery of his capital costs several times over. In fact, it is contended, from the standpoint of accounting or economics, it is questionable whether these special deductions should properly be called depletion, since they do not relate to any capital sum that is being exhausted.

The effect of these provisions in a number of selected cases was presented by the Secretary of the Treasury in a statement before the Committee on Ways and Means of the House of Representatives on February 8, 1950. The Secretary presented data for 10 individuals whose net income over the 5 years 1943–47 aggregated $81.9 million. "Net income" was defined in this statement as income after all deductions for ordinary costs, including operating expense, depreciation, cost depletion, exploration costs, and losses on abandonments, but without allowance of deductions for percentage depletion in excess of costs bases or for the expensing of development costs. For Federal tax purposes, however, these latter special deductions were also allowed, resulting in Federal income-tax liabilities which totaled only $12.9 million, representing an overall effective rate of 22.5 percent of net income. In the most extreme case, the taxpayer paid Federal income taxes of only $90,000 on a 5-year income of $14.3 million, an effective rate of only 0.8 percent. In 3 other cases, effective tax rates were less than 10 percent, and in only 1 case was the effective rate over 50 percent, on a net income which averaged nearly $2 million a year.

The Secretary's data showed, moreover, that of the total $81.9 million of net income, $20.9 million, or 33.8 percent, was offset by deductions for percentage depletion and $26.7 million, or 43.1 percent, was offset by development cost deductions. In several cases, these deductions combined exceeded total net income for the individuals over the 5-year period. In addition, in 4 of the 10 cases, deductions for depletion and development costs exceeded net income derived from mineral properties, the excess serving to reduce the amount of income from other sources subject to tax.

The distinction between these two types of deductions, it is alleged, is important in appraising the present tax provisions for natural resources. Percentage depletion in excess of cost depletion represents, in effect, an exemption of certain amounts of income irrespective of the use to which it is put. Expensing deductions are available, however, only where current income is immediately invested in further oil development. Those individuals in this group with the least tax liability were currently investing large amounts of income in oil production. Critics of these allowances contend that while this investment may be socially desirable, it is questionable whether investment in oil has sufficient social priority over other investment to warrant this preferential treatment.

The Secretary also presented data with respect to 20 selected mineral corporations for the year 1947. These showed that on a total net income [19] of $926.6 million, Federal corporation income liabilities amount to only $179 million, an effective rate of 19.3 percent. Since the statutory tax rate in 1947 was 38 percent for corporations in this income range, percentage depletion and development cost deductions were equivalent to almost a 50-percent rate reduction.

In view of these substantial tax benefits, it is argued, particularly cogent reasons have to be provided for continuation of the present preferential treatment. The argument that percentage depletion closely approximates adjusted basis depletion based on fair market value of the property is held to be without substance, since capital allowances elsewhere in the law are not based on current market valuations but on the amount actually invested by the taxpayer. Generalization of this argument, it is maintained, would mean exemption of all capital gains from tax, and consistency would require the upward adjustment of deductions for depreciation, inventories, and other cost items, whenever the current value of an asset exceeded its original cost. On the contrary, it is maintained that

[4] Sec. 613.

[5] I. T. 4006, 1950–51 C. B. 48.

[6] I. R. C., sec. 621.

[7] I. R. C., sec. 631 (a). The purpose of this provision is to give the taxpayer the benefit of the capital-gain rate which he would get if he had sold the timber for cutting rather than cutting it himself.

[8] I. R. C., sec. 631 (b), (c). The purpose of this provision is also to give the taxpayer the benefit of the capital-gain rate. Such a transaction prior to 1944 was treated as a lease rather than a sale.

[9] Income Tax Act, sec. 11 (1) (b); Regulation, secs. 1201–1203.

[10] Income Tax Act, sec. 11 (2); Regulations, secs. 1300–1302.

[11] Income Tax Act, sec. 11 (1) (6); Regulations, sec. 1205; Laws 1949 (2d sess.), ch. 25, sec. 53.

[12] Income Tax Act, sec. 32 (5) (6).

[13] Income Tax Assessment Act, sec. 23A.

[14] Southern Rhodesia Statutes, 1952, ch. 47; 1953, ch. 41.

[15] Income Tax Assessment Act, sec. 23 (c), 44.

[16] Ibid., sec. 23 (o).

[17] Ibid., sec. 23D.

[18] Ibid., sec. 23 (p).

[19] Computed as net income for tax purposes plus depletion in excess of adjusted basis depletion and development costs.

the excess of the value of a developed property over its cost to the taxpayer actually represents income in the form of a capital gain, the tax on which is deferred until realization. No occasion, therefore, exists for deduction of any amount in excess of the taxpayer's investment. Accordingly, it is maintained that in view of the invalidity of the conceptual argument offered by proponents of the present arrangement, this major leakage in the Federal income-tax base should be eliminated.

2. Revenue considerations: The revenue effect of percentage depletion and development cost allowances is cited as a major reason for revising the law in this area. The Paley Commission estimated the revenue loss attributable to excess depletion claimed by individuals and corporations in 1948 was about $530 million.[20] Taking into account increases in tax rates, output and prices of mineral products, the extension of percentage depletion to additional minerals, and the increase in depletion rates since 1948, the present loss may well be in excess of $1 billion on corporate returns alone. Adding to this amount the revenue cost of these allowances claimed by individuals may bring the present total to around $1.2 billion.

3. Economic considerations: Many critics of the present tax provisions pertaining to natural resources maintain that the need for these provisions as incentive devices has been overstated. Moreover, they hold that the overall impact of these provisions is little understood and that, therefore, a basic reappraisal of tax policy in this area is required.

In the first place, it is pointed out that in a fully employed economy, efforts to increase the level of activity in any one industrial area must necessarily be at the expense of output in other sectors of the economy, at least in the short run. Tax policy to afford special privileges with respect to particular types of business activity, therefore, should be based not only on consideration of the absolute demand of the economy for the output of the affected industry but also upon careful and explicit consideration of relative priorities. With "neutral" tax treatment for the extractive industries, the relative priority of mineral output would be expressed through the market mechanism in the price of such output as compared to that of other industries. Thus, if users of mineral products anticipated an increased demand, this would be reflected in a relative increase in the prices of the affected minerals which would serve to attract additional resources to these industries and away from those for which anticipated demand was either falling, remaining stable, or increasing at a lesser rate. With preferential tax treatment only indirectly related to the pricing process, however, economic priorities in mineral industries are not accurately measurable. As a corollary, the real costs of these tax incentives, in terms of the loss of the alternative products of the extra resources in extractive industries, has not been determined.

Secondly, it is pointed out that one of the principal reasons offered for preferential tax treatment in the extractive industries is the relatively great risk associated with exploratory and developmental ventures. Such risks are particularly burdensome for the small, independent operator. Indeed, it was to offer encouragement to the small prospector that special depletion allowances were first introduced. The most recent data available from Statistics of Income, however, show that almost 63 percent of the $2.1 billion total depletion allowances claimed by corporations in 1951 were on returns of companies with assets of $100 million or more while 84 percent of the total was claimed by corporations with assets over $10 million and 96 percent was accounted for by companies with at least $1 million in total assets.[21] Companies of this size are in a position to protect themselves from overall losses and in effect insure against the extraordinary risks of prospecting and developing of particular mineral properties through broad diversification of efforts. Accordingly, it is maintained that the distribution of the incentives of special depletion allowances is quite different from that conceived in the original provision.

Some critics also point out that there are severe risks to investments in other types of industrial activity. They question whether capital invested in the development of electronics, atomic energy, automobiles, etc., is not equally at risk. In the capital markets, they point out, the major mineral resource companies are not given poorer investment ratings than many other types of enterprise whose products are also of national interest.

Moreover, it is argued that the appropriate treatment for any extraordinary risk in prospecting for and developing mineral resources lies in assuring adequate offsets for losses which may be sustained. In the case of large firms, self-insurance against these risks is provided through the reduction in tax liability resulting from offsetting these losses either against the income from established mineral properties or against the income derived in other lines of activity. It is the small prospector, therefore, with inadequate income from existing properties or other sources for whom special treatment should be provided in order to provide the required incentives. Since percentage depletion allowances depend on net income from the property, they offer the small operator little or no protection against risk in the exploratory and development stages. Instead, the tax benefits are obtained only after the property reaches production on an established basis.

Finally, it is argued that the incentives afforded by the special tax treatment fall in a haphazard way even among mineral producers and contribute very little to an orderly process of natural resource development. In fact, it is argued, these provisions actually tend to induce wasteful and uneconomical practices. For example, the net cost to an individual in the top income bracket of exploratory and development activity is only 9 cents on a dollar, since these costs may be deducted currently against his income from other sources. In view of this relatively low cost, inadequate care and selectivity may be exercised in committing resources to this type of activity. In addition, the substantial reduction in effective tax rates on income from mineral output, resulting from percentage depletion allowances, constitutes a strong inducement for wasteful rates of production, contrary to sound conservation practices.

[20] Resources for Freedom, vol. V a report to the President by the President's Materials Policy Commission, 1952, p. 14.

[21] Statistics of Income, pt. II, 1951, pp. 118–119.

TABLE 1.—*Selected corporate business deductions, all corporations, 1946–52*

[Millions of dollars]

Deduction	1946	1947	1948	1949	1950	1951	1952
Compensation of officers	5,143.1	6,028.4	5,753.3	6,743.0	7,606.8	8,122.0	8,430.0
Interest paid	2,251.0	2,501.4	2,758.7	3,045.1	3,211.9	3,700.5	5,013.2
Taxes paid	5,830.5	6,802.9	7,481.7	8,361.3	9,013.2	11,030.8	11,695.8
Contributions or gifts	213.0	241.2	239.2	232.6	252.4	243.0	298.6
Depletion	798.9	1,210.3	1,711.3	1,476.2	1,709.3	2,085.1	2,126.5
Depreciation	4,201.7	5,220.1	6,258.6	7,190.5	7,858.1	8,829.0	9,604.4
Amortization	64.5	58.9	58.9	30.6	43.3	291.9	831.3
Advertising	2,408.3	3,032.2	3,466.0	3,772.7	4,097.0	4,552.9	5,026.9
Amounts contributed under pension plans, etc.[1]	824.6	1,038.3	1,184.5	1,316.1	1,609.9	2,326.9	2,551.8
Other[2]	5,852.1	7,348.4	8,062.8	7,968.7	8,371.3	9,709.7	[3] 630.4
							10,403.6

[1] Deductions claimed under sec. 23 (p) of the Internal Revenue Code for amounts contributed by employers under pension, annuity, stock-bonus, or profit-sharing plans, or other deferred compensation plans.

[2] Contributions under employee-welfare plans.

[3] Includes bad debts, repairs, and rent paid on business property.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

TABLE 2.—*Corporate depletion deductions by total assets classes, 1946–52* [1]

[Thousands of dollars]

Assets classes	1946	1947	1948	1949	1950	1951	1952
Under $50,000	$3.8	$3.9	$4.9	$3.7	$4.0	$3.8	$5.1
$50,000 and under $100,000	3.7	4.6	5.5	4.0	4.4	3.7	5.2
$100,000 and under $250,000	10.8	14.7	16.1	11.9	12.6	12.1	13.5
$250,000 and under $500,000	12.8	18.9	21.4	15.1	17.1	21.4	21.2
$500,000 and under $1,000,000	23.2	31.8	40.8	31.4	31.5	41.4	35.1
$1,000,000 and under $5,000,000	71.3	108.3	126.1	101.0	126.8	160.8	150.8
$5,000,000 and under $10,000,000	38.3	54.3	72.5	57.5	68.3	83.8	85.7
$10,000,000 and under $50,000,000	160.7	165.5	245.2	218.1	278.9	318.9	297.7
$50,000,000 and under $100,000,000	38.6	85.7	99.7	92.8	115.2	120.8	131.2
$100,000,000 or more	445.0	712.8	1,075.8	993.1	1,038.8	1,298.2	1,370.0
Total	777.7	1,201.4	1,698.9	1,426.5	1,691.8	2,055.8	2,112.9

TABLE 2.—*Corporate depletion deductions by total assets classes, 1946–52* [1]—Continued

[Thousands of dollars]

Assets classes	1946	1947	1948	1949	1950	1951	1952
	Percentage distribution						
Under $50,000	0.4	0.3	0.3	0.3	0.2	0.2	0.1
$50,000 and under $100,000	.5	.4	.3	.3	.3	.2	.2
$100,000 and under $250,000	1.4	1.2	.9	.8	.7	.6	.6
$250,000 and under $500,000	1.7	1.6	1.3	1.1	1.0	1.0	1.0
$500,000 and under $1,000,000	3.0	2.6	2.4	2.2	1.9	2.0	1.7
$1,000,000 and under $5,000,000	9.2	9.0	7.4	7.1	7.1	7.8	7.1
$5,000,000 and under $10,000,000	4.9	4.5	4.3	4.0	4.1	4.1	4.1
$10,000,000 and under $50,000,000	15.8	13.8	14.4	14.9	16.5	15.4	14.1
$50,000,000 and under $100,000,000	5.0	7.1	5.3	6.5	6.8	5.8	6.2
$100,000,000 or more	57.2	59.4	63.4	62.7	61.4	62.9	64.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] All returns with balance sheets.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

NOTE.—Detail may not add to totals because of rounding.

TABLE 3.—*Corporate depletion deductions and net income by total assets classes, 1952* [1]

[Dollar amounts in millions]

Assets classes	Net income[2]	Depletion deductions	Depletion deductions as percent of net income	Assets classes	Net income[2]	Depletion deductions	Depletion deductions as percent of net income
Under $50,000	$382.5	$2.6	0.7	$5,000,000 under $10,000,000	$2,319.1	$64.6	2.8
$50,000 under $100,000	577.0	4.7	.8	$10,000,000 under $50,000,000	6,105.7	250.9	4.1
$100,000 under $250,000	1,364.9	11.2	.8	$50,000,000 under $100,000,000	2,806.5	122.4	4.4
$250,000 under $500,000	1,336.0	17.5	1.3	$100,000,000 or more	19,105.5	1,350.5	7.1
$500,000 under $1,000,000	1,644.7	27.4	1.7				
$1,000,000 under $5,000,000	4,716.4	129.2	2.7	Total	40,356.3	1,990.2	4.9

[1] Returns with balance sheets and net income.

[2] Compiled receipts less compiled deductions as shown in Statistics of Income.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

EXHIBIT C

FEDERAL TAX POLICY FOR ECONOMIC GROWTH AND STABILITY, JOINT ECONOMIC COMMITTEE, NOVEMBER 9, 1955

EROSION OF THE FEDERAL CORPORATION INCOME TAX BASE

(William F. Hellmuth, Jr.,[1] Oberlin College)

* * * * *

2. Depletion:

Present depletion deductions are probably the most glaring and most widely condemned source of erosion in the corporate income-tax base. These deductions may also be the ones which have been most liberalized and extended over the past 15 years.

Corporations have been permitted a tax deduction for the exhaustion of oil and mineral resources since 1913. In economics and in our tax law, the principle is well established that the gradual exhaustion in use of a well or mineral deposit represents a cost of production for which deductions should be allowed in computing net income. Controversy exists as to timing and total amount of depletion deductions allowable.

On the basis of tax neutrality between different industries and economic activities, deductions from income over the life of a property would be limited to original cost, with annual tax-free recovery reflecting the portion of the total deposit which is extracted during the year. Using the business-income yardstick, there would be depletion deductions based on actual cost or in some cases no deductions at all for depletion.[1] Full recovery of actual cost under cost depletion would correspond to tax treatment of depreciation or amortization for other capital assets.

Existing legislation allows taxpayers owning an economic interest in mineral deposits the choice of a depletion deduction based on cost or percentage depletion. Percentage depletion gives an annual deduction equal to the smaller of a statutory percentage of gross income from mineral property or 50 percent of net income from the property before any allowance for depletion. Total tax-free deductions under percentage depletion are not limited or even necessarily related to capital cost. Annual percentage depletion deductions are related to production, prices, net income, and statutory percentages. There is no ceiling on the total amount of these deductions and over the life of a property they may total many times a taxpayer's actual investment costs. Thus percentage depletion deductions diverge from allowable deductions which conform either to tax neutrality or to business-income concepts and are an important element of erosion.

The dollar estimate of the excess of percentage over cost depletion is based on Treasury studies of those corporations which accounted for 75 to 80 percent of all depletion allowances claimed by corporations during 1946–49.

Year	Number of corporations	Allowable depletion	Adjusted-basis depletion	Excess of allowable over basis		
				Amount	Percent of allowable	Percent of net income
1946	352	$555	$75	$480	86.5	25.4
1947	341	836	79	760	90.6	35.0
1948	299	1,291	77	1,214	94.0	56.3
1949	260	1,120	61	1,059	94.6	40.1
Total		3,805	292	3,513		
Weighted average					92.3	

Source: 1946 and 1947 data from Revenue Revision of 1950, hearings before the Committee on Ways and Means, House, 81st Cong., 2d sess., vol. 1, pp. 194, 197; 1948 and 1949 data from E. E. Oakes, Incentives for Mineral Industries, the President's Materials Policy Commission, Resources for Freedom, vol. 5, pp. 14–15. Admittedly adjusted-basis depletion is not identical to cost depletion but is based on cost less allowable depletion (larger of percentage or cost depletion) in prior years.

NOTE.—See also an interpretation of the 1946–47 data by D. H. Eldridge, Tax Incentives for Mineral Enterprise, Journal of Political Economy, June 1950, pp. 222–240.

This table indicates that total allowable depletion deductions were at least 10 times depletion deductions based on cost. As legislation in 1951 and 1954 further liberalized percentage depletion and extended the opportunity to expense (currently or deferred) exploration and development costs so they never are charged to a depletion basis, allowable depletion may now be nearer 20 times cost depletion. These figures conceal a wide variation between individual products. Percentage depletion deduction as a multiple of cost depletion during 1946–49 varied from a high of over 200 for sulfur to 19 for oil and gas down to about 3½ for copper and coal. Note that oil and gas accounted for more than 80 percent of all depletion deductions.

[1] Smith and Butters, op. cit., pp. 80–84. Some businesses make no deduction for depletion due to the difficulty of estimating the future life of a deposit accurately.

Allowable depletion compared with adjusted-basis depletion for certain products, 1946–49 combined

[In millions]

	Allowable depletion	Adjusted-basis depletion	Allowable as multiple of adjusted basis	Production percent of total allowable
All products	[illegible]	[illegible]	2.7	100.0
Oil and gas	5,143	167	15.8	[illegible]
Sulfur	60	(1)	(1)	1.6
Coal	135	28	5.4	3.6
Copper	182	49	3.7	4.5

[1] Allowable depletion for sulfur was less than $300,000 for all 4 years combined. Individual years' totals were too small to be reported in tables. Thus allowable depletion for sulfur was at least 200 times the amount of adjusted-basis depletion and possibly much more.

Source: Computed from Treasury depletion studies of several hundred large companies for 1946–49, op. cit.

The most recent Statistics of Income indicate corporate depletion deductions of $3,126,000,000 for 1952. Corporate depletion in 1955 might amount to $2.5 billion, assuming increased dollar volume and another $100 million from the liberalization of depletion by the 1954 Code. Ninety percent of this total gives $2.25 billion as the conservatively estimated amount of corporate income excluded from taxable income due to overgenerous percentage depletion.[3]

Erosion of the tax base due to depletion has been rapid in recent years and perhaps has now come to a position of equilibrium at a position of great liberality, with percentage depletion now available to every metallic and nonmetallic mineral from anorthosite to zinc, including even oystershells and peat. Under section 613 (b) of the 1954 Code, only "soil, sod, dirt, turf, water, and mosses, or minerals from sea water, the air, or similar inexhaustible sources" are not eligible for percentage depletion.

But this hope—that there will be no further erosion from depletion—is probably too optimistic. Industries entitled to a low rate of percentage depletion are continually pressing for higher rates; pass-through of depletion deduction opportunities to corporate stockholders in extractive industries has been requested. A Federal circuit court recently held that the value of finished brick could be used in the income measure for percentage depletion.[4] If this view prevails for brick, other industries will push for equal treatment, possibly even to the value of gasoline for a vertically integrated oil company.

The statutory history of depletion is a superb example of at least three types of tax changes which erode the corporate tax base.

The initial break from cost depletion came in 1918 when Congress allowed to the discoverer only tax-free deductions based on value of property at the time of the discovery or within 30 days thereafter. This was probably the first instance under the Federal income tax where increment of value after 1913 was not taxed. Usually, of course, discovery of oil or minerals increases the value of a property substantially over cost. This higher value was justified as an incentive to exploration and discovery to meet the World War I emergency. A comparable situation arose during World War II when percentage depletion, restricted until then to oil and gas (1926), and sulfur, metal mines, and coal (1932), was extended in 1942 to 3 nonmetals and in 1943 to 10 additional nonmetallic minerals. This expansion of percentage depletion was limited to the period of the war emergency, to encourage production of minerals believed to be scarce for meeting the wartime demands. After both wars, these incentive features first introduced to meet temporary emergencies were not rescinded nor allowed to expire, but instead remained permanently in the tax structure. The first generalization is that temporary tax incentives are difficult or impossible to terminate.

A second observation from experience with depletion is that simplification of tax administration is often advanced at the expense of revenue or equity or both. To overcome administrative difficulties from the use of discovery value,[5] percentage depletion was allowed in 1926 for oil and gas wells. A figure of 27½ percent of gross income was chosen, apparently to give approximately equal dollar deductions under the new method as had been available under the discovery value method. But this percentage method became more valuable as tax rates rose far above the 1926 corporate rate of 13.5 percent and as price levels increased, causing a high revenue cost to the Treasury and arousing the envy of other industries still restricted to cost or discovery value depletion. And the percentage depletion method, as noted above, unlike the cost and discovery value methods, has no overall limit so that deductions continue as long as a property is producing income.

A third lesson is that it is difficult to limit tax favors to just those who discover a new oil or mineral deposit or even to a few selected entire industries however justified this special incentive is on grounds of relative risks or probable scarcity relative to needs for economic growth and national security. The other extractive industries regarded the availability of percentage depletion at liberal rates to a few industries as unfair discrimination and a tax deduction to which they were equally entitled. Politically the have-nots broke the dikes against percentage depletion in 1947, 1951, and again in 1954. Coverage was extended, percentage rates were raised, processes covered were broadened, and even mine residues were made eligible for percentage depletion. Apparent discrimination against certain industries was ended by extending the liberal deductions to all.[6] Companies exploiting sand and gravel pits and oystershells now qualify for percentage depletion along with oil companies and uranium prospectors, though at different rates.

The incentive value of percentage depletion for certain scarce minerals has been blunted by extending the favors to all. One problem is that there are no yardsticks to indicate the incentives needed to get the socially desired amount of investment in different fields. Congress has no guide to determine which industries are entitled to percentage depletion and what depletion rates produce the needed amount and distribution of investment in the extractive industries.[7]

The economic defense of generous percentage depletion results from national policy to provide an incentive or subsidy for certain selected minerals for reasons of national security. But on grounds of tax neutrality, tax equity, and conformity to business income accounting practice, the excess of percentage over cost depletion reflects erosion in the income-tax base. In fact from the standpoint of accounting or economics, it is questionable whether these deductions are properly called depletion since they do not relate to any capital sum which is being exhausted. In some cases the income against which the statutory percentages apply includes not only extraction, but also processes which are essentially manufacturing in character, such as finished brick or industrial talc.

The excess of percentage over cost-depletion deductions reduces corporate taxable net income by about $2¾ billion in 1955 and this figure, under existing legislation, will tend to increase with an expanding economy.

3. Exploration and development costs:

Exploration and development costs are closely allied with the problem of depletion for mineral and oil producers. Current tax legislation allows these producers the option of capitalizing or expensing development and, with qualifications, exploration costs.

Oil and gas producers have enjoyed this option since 1917, first by Treasury regulation, now codified by the 1954 Internal Revenue Code. Intangible drilling and development costs include all costs of labor, fuel, repairs, materials, and construction, except cost of assets which have a salvage value, the latter assets being depreciated. The development costs eligible for expensing account on the average for about 75 percent of the costs incurred in bringing in a well.[7]

The Revenue Act of 1951 extended this option even more fully to mining. A taxpayer with mining interests may now decide each year for each mine to expense or capitalize development costs. Mine exploration and development costs can be deducted currently or set up as deferred expense to run over the life of ore benefited. In either case, a deduction in lieu of cost depletion is given, but percentage-depletion deductions continue undiminished. Before 1951 all development costs in excess of current net income from a property during the development stage had to be capitalized.

This option to expense what are essentially capital costs is another loss to the tax base. Tax neutrality and conformity to business accounting would require that these costs be capitalized and amortized over the life of the assets or, if the assets cannot be moved, over the life of the mineral deposit, if it will be exhausted before the assets are fully depreciated.

The erosion here is twofold. First, the option to expense development costs allows deductions to be taken sooner than if these costs were capitalized and deducted gradually over a period of years. This means that total deductions to any given date are larger than if these costs were spread over several years. Secondly, expensing of development costs combined with percentage depletion allows double deductions for the same costs. To the extent that development costs are expensed, there is no need for depletion to recover investment. If 75 percent of the cost of an oil well is expensed, only the remaining 25 percent remains to be recovered tax free through cost depletion. But with percentage depletion, the annual and total deductions bear no direct relation to capital costs but depend on gross

[3] Since corporations account roughly for 80 percent of all depletion, an additional $500 million to $600 million of depletion erosion would be estimated for the 1955 individual income-tax base. Revenue Revision of 1950, hearings before the Committee on Ways and Means, House, 81st Cong., 2d sess., vol. I, p. 180.

[4] Cherokee Brick & Tile Co. (122 Fed. Supp. 59 (8 CCA, 1954)).

[5] Such questions as what was a new discovery, determination of value just after the discovery, and whether the owner was the discoverer plagued tax administrators.

[6] No reduction in depletion rates has ever been voted by Congress. In 1954 every amendment extending percentage depletion was passed in the Senate. It was impossible even to get the necessary 10 Senators to request a record rollcall on any of these votes. See CONGRESSIONAL RECORD, volume 100, part 7, pp. 9301–9319.

[7] The President's Materials Policy Commission, op. cit., vol. I, pp 33–35. The Commission recommended that percentage depletion be retained because of its strong inducement to risk capital to enter the minerals field. It also recommended that no depletion rates be raised above the 1952 level and that recent additions to minerals eligible for percentage depletion be reexamined to see if incentives are needed for their production.

[7] Oakes, op. cit., p. 17.

and net income. The dollar amount of deductions under percentage depletion is not influenced by the election to capitalize or expense.

Thus, with the expensing of development costs, percentage depletion becomes more than ever an additional deduction which must be justified on grounds other than recovery of costs for these are recovered through expensing. Leasehold costs cannot be expensed but they are usually in the form of royalty payments. Development costs may be offset against income from all sources, a feature which has attracted corporations (and individuals) primarily interested in other industries to finance new oil wells, thus reducing or even eliminating their taxable income while building up their capital assets.[8]

The Treasury study for 1946–47 cited above reported that 96.6 percent of all corporate development costs were claimed by oil and gas producers and that these deductions were about two-thirds of the excess of percentage over cost depletion. Applied to 1955, this suggests about $1.5 billion of costs which are expensed in addition to being recovered through percentage depletion. Without percentage depletion, to avoid any erosion these costs would still not be expensed but would be capitalized and deducted gradually over the life of the assets or the life of the well whichever is shorter; from this point of view erosion would be at least $1.1 billion a year at first, declining gradually as annual depreciation charges accumulate for all such property in use.

The great value of these tax-saving features to the oil industry is documented by published 1954 annual reports. The following table compares the tax position of 3 companies which specialize in crude oil production, 24 large oil companies combined (whose annual reports were available), and all corporations. Note that the effective tax-rate increases from 9.2 percent for Tidewater, to 22.6 percent for 24-company aggregate, to 48.1 percent for all corporations.

Federal taxes and effective tax rates for oil companies and all corporations, 1954

	Net income before tax	Federal income tax	Effective tax rate	Per share	
				Earnings before tax	Federal income tax
	Millions	*Millions*	*Percent*		
Tidewater Associated Oil Co.	$98.0	$9.3	9.2	$3.45	$0.32
Humble Oil & Refining Co.	174.8	28.5	16.3	4.36	.79
Skelly Oil Co.	88.1	6.7	18.5	0.28	1.16
24 large petroleum companies	2,541.0	575.0	22.6		
All corporations	34,042.0	16,369.0	48.1		

Source: Annual reports; Department of Commerce estimate of corporate profits and Federal tax liability.

Since the Revenue Act of 1951, mining companies may expense a limited amount of exploration costs, even if for a productive property. The limit on such costs of a mining taxpayer was raised to $100,000 a year and $400,000 total by the 1954 code. The cost here is relatively small, although taxpayers are increasing their tax saving by incorporating each mine separately. Exploratory expenses above these limits by mining corporations must be capitalized. Only exploratory expenses which lead to dry holes may be expensed currently by the oil and gas industry. This conforms to neutrality and accounting concepts.

* * * * *

b. Unreasonable accumulations of earnings

Section 102 of the 1939 Code provided a penalty tax on accumulation of surplus beyond legitimate needs of the business. The intent of this section was to prevent corporations from being used as tax-avoidance devices by high-income stockholders. The 1954 Code made two eroding changes: The burden of proving that retention of earnings is unreasonable is shifted to the Government; any accumulation up to $60,000 need not be justified. Another change, making the special tax applicable only to the portion of earnings unreasonably accumulated, seem to improve equity and certainty. The eroding changes cause an estimated $10 million revenue loss a year. A 1955 change shifted the burden of proof to the Government for any cases pending under old section 102 which had not already been brought to trial.[9]

C. Privilege for certain unincorporated businesses to be taxed as corporations

A new provision of the 1954 Code permits unincorporated businesses with no more than 50 members to elect to be taxed as a corporation. This option is available only where capital is a material income-producing factor, or where at least 50 percent of gross income is derived from trading as a principal or from certain types of brokerage commissions. The companion section recommended by the President and passed by the Senate permitting certain corporations to be taxed as partnerships was eliminated in conference, leaving this provision to benefit a handful of taxpayers.[10] Other firms such as doctors, accountants, and lawyers doing business as proprietorships or partnerships do not qualify for this option. Because of this divergence from tax neutrality, the estimated revenue loss of $20 million for fiscal year 1955 is included in the erosion total.

D. Other

Undoubtedly there are other provisions which erode the tax base of net business income. Some tax features applicable to corporate reorganizations, partial distributions of both capital and income, family partnerships, and inventors and their "angels" probably permit additional leakages from the tax base. Other deductions might be questioned, such as cost of inventory under LIFO accounting, certain advertising expenses, payments on certain leases of buildings and equipment, and bad debts expense. One possibility of eliminating divergent tax treatment of interest and dividends would be to eliminate the deduction for interest, which amounts to more than $5 billion a year. The possibility of including net income of Government-owned commercial enterprises such as electric powerplants could be raised. This paper has not touched on tax provisions which benefit particular taxpayers or which narrowed the excess-profits tax base.[11]

Best guess of total erosion in business income-tax base, calendar year 1955—Net income entirely excluded from tax base

[In millions of dollars]

	Corporate	Noncorporate
I. Exempt income: Wholly tax-exempt interest	500	
II. Expense deductions:		
Depreciation	3,120	200
Depletion	2,300	500
Exploration and discovery	1,100	200
Other capital expenditures	(?)	80
Officers' compensation	(?)	
Fringe benefits		
Contributions or gifts	500	(?)
IV. Special treatment:		
Life insurance companies	400	
Mutual savings banks and savings and loan associations	200	
Cooperatives	80	50
Maritime industry	20	
V. Miscellaneous: Net operating loss deduction	[1] (70)	
Excluded from present tax base	8,000	900

[1] Not included in total to avoid double counting.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. Does the opposition desire to use any time?

Mr. LONG. Mr. President, I have a few words to say about the amendment.

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, I must oppose this amendment. I submit in many respects it works out to be the absolute epitome of unfairness and injustice.

This is an amendment which proposes to say: Oilman Rich can earn and receive $1 million a year and still retain the 27½ percent depletion allowance.

On the other hand, Grandma Jones, who does not have the importance or prominence of an independent oil and gas man, owns $200 worth of stock in an oil company, and she receives an income of $20 a year from that ownership. My good friend, the Senator from Illinois, under his proposal, would reduce Grandma Jones' $20 to $15, while he would permit oilman Rich to make the $1 million a year and still retain the 27½ percent depletion allowance.

I should like to be the kind of small-business man oilman Rich is, whom the Senator from Illinois wishes to help. It just happens I do not have that kind of income. I wish I did.

However, on the other hand, I would like to protect Grandma Jones' little $20 dividend, which she gets on an annual basis.

The argument has been made that we ought to get after the big oil companies in their overseas operations. Those who make that argument should study the tax liability laws to learn why those corporations do not pay more taxes, because the process is very simple. There is something called a foreign tax credit.

Let me explain, for the benefit of the author of the amendment and other Senators present, that Senators who desire to take away the tax privileges of American corporations doing business overseas ought to educate themselves on the foreign-tax credit, because until they do so they will not understand that increasing the United States tax liability of American corporations doing business overseas in the fashion proposed will not

[8] J. K. Butters, L. E. Thompson, L. L. Bollinger, Effects of Taxation: Investments by Individuals, pp. 201–202 (1953). Some investors regard investments in the oil industry as a source of tax-exempt income, competitive with State and municipal securities.

[9] Public Law 367, amending 1954 code, secs. 534 (b) and (e).

[10] Cary said this section "seems tailored to the needs of certain commission merchants in the South." Op. cit., sec. II B.

[11] Cary, op. cit.; Oakes, "The Revenue Act of 1951: Excess Profits Tax Amendments," National Tax Journal, March 1952, pp. 53 to 64.

increase the revenues of the Federal Government by 5 cents.

Let me explain, for the benefit of Senators, the good examples I have here, in figures I obtained while hearings were being held on H. R. 8300, in the Committee on Finance of the Senate, relating to the Internal Revenue Department.

There was a large oil company doing business in Venezuela, and the United States tax liability, with the 27½ percent depletion allowance, would have been $17,325,000 in 1952. However, the law says that when the company pays taxes to a foreign country, it is entitled to take such tax payment as a credit against the same kind of tax to be paid in this country. So what did the foreign country do? It said, "Under American law, you would have to pay 52 percent, so we will adjust our tax law so that you will pay 52 percent here."

Then what did the figures show? These are 1952 figures, given before the Senate Committee on Finance in the hearings on H. R. 8300, which was the last major tax-reduction bill considered. The United States tax liability was $17,325,000. The foreign tax was $17,325,000. The tax liability to the United States Government after foreign tax credit was zero.

I have an example of another company, Corporation A, which I believe is doing business in Saudi Arabia. The tax liability owed to this country was $103,887,000, and the taxes reported paid to foreign countries were $104,201,000. The United States tax, after foreign credit, was not $100 million. No; it was $564,000. And it was that, Mr. President, for just one good reason. The foreign tax varied in some respects from the American tax, with the result that where the corporation would have owed the United States over $100 million it only owed $564,000.

If taxes are increased on American corporations doing business overseas, all that will be accomplished will be an encouragement to foreign countries to increase the same tax. If by legislation we take away the 27½ percent depletion allowance and reduce it to 15 percent, the foreign countries will do the same thing. Then what will be accomplished? We might give Ibn Saud another $4 million or $5 million a year, or maybe $10 million; and we might give a few million dollars a year to Venezuela. This would be at the expense of the stockholders of the American oil and gas companies.

Mr. President, if the desire is to increase foreign aid, I submit it ought to be done as a matter of national foreign policy and not just as a matter of inadvertence in an unsuccessful and ineffectual attempt to increase United States revenues. That is all that will be accomplished by taking away or reducing the depletion allowance for American oil and gas companies doing business in foreign countries. It is just that simple.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CARROLL. We who are supporting the Douglas amendment studied the very question which the Senator raises about foreign tax credits. I thoroughly agree with him. This is a subject that must be explored by the Congress. As I understand, foreign tax credits originated in a 1918 statute. There was no legislative history behind it. The purpose of that statute was to permit American corporations to invest abroad and, as the Senator has indicated, to receive United States tax credits and tax offsets on their foreign earnings. But let me tell the Senators the history of that law as it related to companies operating in Saudi Arabia.

The companies began operating under the old foreign tax credit statute, and that statute is still applicable today to Aramco in Saudi Arabia. That is why I previously outlined the history of Aramco and told how the concessions were made; how Texaco, the Standard Oil Company of California and the Standard Oil Company of New Jersey came into the picture.

But what I want to emphasize is that at one time these companies did pay an income tax on their foreign earnings to the United States Treasury in all the years in which they were in production—up to 1947, 1948, and 1949.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Louisiana.

Mr. CARROLL. In the special oil investigation hearings I asked Aramco this question: "Did you pay any tax money into the United States Treasury in 1949?" The answer was, "Yes, we did." They were operating under the same foreign tax credit statute. But then a change occurred and suddenly tax payments ceased. And this is where I want the record to show that I am not completely opposed to my distinguished friend from Louisiana. He is correct in asking that we look into foreign tax credit loopholes. After 1949 a pattern developed, not only in Saudi Arabia, but also, I suspect, in Venezuela, and certainly in Kuwait. There was set up what I call the "golden gimmick." What is the "golden gimmick"? It is a tax deal with King Saud. We have some evidence, which came from our own State Department, that King Saud insisted on more of the profits from oil. I am sure every country is entitled to a fair share of profits when foreign companies are draining the country's resources. But instead of giving King Saud a larger share of their own profits, the American oil companies found the income tax "golden gimmick" and began to utilize it to acquire a United States tax credit while at the same time meeting King Saud's demand for more Saudi Arabian income.

The Senator from Alabama is correct when he says the oil companies received $300 million as a tax offset. Aramco alone offset $178 million in 1955. It offset, in 1956, $190 million. Not a dime came to the United States Treasury.

Perhaps we should go back and thoroughly examine our sections of the Internal Revenue Code that permit foreign tax credits as they relate to foreign oil production by United States oil companies. That is one of the reasons why I have said to this distinguished body that I am not offering today an amendment, though I have one drawn and ready to present, to limit the percentage depletion allowance to oil companies to the United States of America. We feel our investigation has not been completed. We want to do a full-scale study of the benefits to the United States Treasury of removal of the percentage depletion allowance on oil produced outside the United States. With due deference to the methods of financing and the functions of the Treasury, we want to examine the Internal Revenue Code and determine why the United States is being deprived of hundreds of millions of dollars of revenue.

I heard the distinguished Senator from Georgia [Mr. RUSSELL] say that $400 million was being spent for hardware to be shipped to Iraq, Iran, Pakistan, and Turkey. I was one Senator who voted to give the President $200 million to go into that area to protect the treasury of Aramco.

Why does this problem become an issue today? It is not because of depletion allowance subject itself. Let us make the record unmistakably clear. It is because with all their profits and tax benefits, the oil companies could not resist taking one more gouge out of the American people; in the midst of an international crisis and with profits fatter than ever, they promptly imposed a price increase upon gasoline and fuel oil, which has had an inflationary chain reaction effect that has cost the consumers of the United States a billion dollars. That is why we are beginning to probe further into the tax advantages they enjoy.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. LONG. Mr. President, will the Senator from Texas yield me 2 more minutes?

Mr. JOHNSON of Texas. I yield 2 additional minutes to the Senator from Louisiana.

Mr. LONG. The point I make, as the Senator himself has so well pointed out, is that the foreign tax credit allowed under American law means that by increasing the tax on American corporations doing business in the oilfields overseas, we will not be getting any money for the American Government. All we will be doing will be to take money from the pockets of American stockholders in those corporations in order to give it to Ibn Saud or to Venezuela. Until we change the laws relating to foreign tax credits, all that is accomplished is to take away from Americans and give to people overseas money which Americans would honestly earn.

Some persons do not want to give credit to Americans doing business overseas. But when Americans go overseas, they spend money, develop resources, and help backward countries to become strong and to raise their standards of living. When they do that, they take the risk, every step of the way, that every bit of their investment will be confiscated.

Furthermore, no basis has been shown for holding that a person making a million dollars should take a 27½-percent depletion allowance while the holder of a small amount of corporation stock should have his income reduced. There has been no showing made why 27½ percent is not a proper depletion allowance.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CARLSON. I think it would be interesting to observe that there are 3,600 oil corporations in the United States. They pay 5 percent of their gross income or gross sales revenue as Federal, State, and local taxes. There are 500,000 other corporations which pay only 3½ percent of their sales revenue as taxes. So while we may want to make a thorough study of the tax structure, I think those corporations are paying very substantial taxes.

Mr. JOHNSON of Texas. Mr. President, unless other Senators desire to speak in opposition to the amendment, I am prepared to yield back the remainder of my time and to suggest the absence of a quorum.

The PRESIDING OFFICER. The proponents of the amendment have consumed all of their time.

Mr. JOHNSON of Texas. I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. All time having been yielded back, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	McClellan
Allott	Frear	McNamara
Anderson	Fulbright	Monroney
Barrett	Goldwater	Morse
Beall	Gore	Morton
Bennett	Green	Mundt
Bible	Hayden	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	Neuberger
Bush	Holland	O'Mahoney
Butler	Hruska	Pastore
Byrd	Humphrey	Payne
Capehart	Ives	Potter
Carlson	Jackson	Revercomb
Carroll	Javits	Robertson
Case, N. J.	Jenner	Russell
Case, S. Dak.	Johnson, Tex.	Saltonstall
Chavez	Kefauver	Smathers
Church	Kennedy	Smith, Maine
Clark	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Lausche	Symington
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Mansfield	Watkins
Eastland	Martin, Iowa	Wiley
Ellender	Martin, Pa.	Williams
Ervin	McCarthy	Young

The PRESIDING OFFICER (Mr. THURMOND in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, on this question, I ask for the yeas and nays. I hope the Senate will order the yeas and nays. On three previous amendments today, the yeas and nays have been refused.

The PRESIDING OFFICER. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

Mr. NEUBERGER. Mr. President, I send to the desk an amendment on behalf of myself and the senior Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the appropriate place it is proposed to insert the following:

Section 1 (a) parts I and II of subchapter C of chapter 33 of the Internal Revenue Code of 1954 (relating to the tax on the transportation of persons and the tax on the transportation of property) are hereby repealed.

(b) The table of parts for such subchapter C is amended by striking out the following:

"Part I. Persons.

"Part II. Property."

SEC. 2. (a) Section 4291 of the Internal Revenue Code of 1954 (relating to cases where persons receiving payment must collect tax) is amended by striking out "Except as provided in section 4264 (a), every" and inserting in lieu thereof "Every".

(b) Section 4292 of such code (relating to State and local governmental exemption) is amended to read as follows:

"SEC. 4292. State and local governmental exemption.

"Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under section 4251 on any payment received for services or facilities furnished to the government of any State, Territory of the United States, or any political subdivision of the foregoing, or the District of Columbia."

(c) Section 6416 of such code (relating to credits or refunds to persons who collected certain taxes) is amended by striking out "4261, 4271," each place it appears therein.

(d) Section 6416 (b) (2) (L) of such code (relating to credits or refunds in the case of certain taxes on sales and services) is amended—

(1) by striking out "tax-exempt passenger fare revenue" and inserting in lieu thereof "commutation fare revenue"; and

(2) by striking out "(not including the tax imposed by section 4261, relating to the tax on transportation of persons)".

(e) Section 6421 (b) of such code (relating to gasoline used for certain nonhighway purposes or by local transit systems) is amended—

(1) by striking out "not including the tax imposed by section 4261, relating to the tax on transportation of persons)" each place it appears therein, and

(2) by striking out "tax-exempt passenger fare revenue" and inserting in lieu thereof "commutation fare revenue" each place it appears therein.

(f) Section 6421 (d) (2) of such code (defining tax-exempt passenger fare revenue) is amended to read as follows:

"(2) Commutation fare revenue: The term 'commutation fare revenue' means revenue attributable to the transportation of persons and attributable to—

"(A) amounts paid for transportation which do not exceed 60 cents,

"(B) amounts paid for commutation or season tickets for single trips of less than 30 miles, or

"(C) amounts paid for commutation tickets for 1 month or less."

(g) Section 7012 of such code (relating to cross references) is amended by striking out subsection (i) and by redesignating subsection (j) as subsection (i).

(h) Section 7272 (b) of such code (relating to penalty for failure to register) is amended by striking out "4272,".

SEC. 3. The amendments made by this act shall apply only with respect to amounts paid, on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, for transportation which begins on or after such first day.

Mr. NEUBERGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEUBERGER. How much time do I have, as the sponsor of the amendment?

The PRESIDING OFFICER. Thirty minutes.

Mr. NEUBERGER. I yield myself 5 minutes.

Mr. President, the amendment, in brief, proposes a repeal of the 3 percent Federal tax on freight and the 10 percent Federal tax on passenger travel. This tax is, in particular, a discrimination against the 11 States of the Far West. Those are the States which extend from the Rocky Mountains to the Pacific coast. In effect, it is a high protective tariff against manufacturing and industry in the Western States.

Let me cite a few statistics which will demonstrate just how discriminatory this tax is against the Far West. Within 500 miles of Pittsburgh, Pa., is found 55 percent of the Nation's population. In addition, in the same area is an overwhelmingly greater portion of American industry and the consumer market. The State which I represent in part in from 2,000 to 3,000 miles from points within that circle around Pittsburgh. A carload of lumber produced in my State will be assessed freight charges of $675 for shipment from Portland, Oreg., to Pittsburgh. Transportation charges for the same carload of pine from forests in the South—from Georgia, for example—are only $410. Thus, the Federal excise tax on transportation collected from the Oregon lumberman is 40 percent greater than that paid by Georgia lumbermen. The South, in turn, suffers under the levy with comparison to areas still nearer to large eastern markets.

I could go on and cite similar discriminations on canned goods, on farm produce, and other items produced in our Far Western States.

The 3 percent freight tax, in particular, acts to make the western product, whether it is fruit, vegetables, lumber, canned fish, plywood, or any other product, more costly in the markets of the East, where most of the American consumers live.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. I wish to associate myself with the remarks my colleague has made. I point out I have previously said on the floor of the Senate what I have heard my colleagues say on this issue, because this is an annual battle for me. I started fighting this particular tax some years ago. The history of it is clear. It never was put into effect, in the first place, for revenue-producing purposes. It was put into the law as a war measure to discourage the use of transportation facilities for nonwar purposes. It was put into the law as a

control device to help in the more successful prosecution of the war. The revenue-producing features were secondary. From a reading of the debates at the time the tax was put into effect, along with a good many other United States taxes, it is perfectly clear it was put into the law with a pledge from the Congress that it would be removed when the war was over. Now what has happened is that we are prostituting this tax. We are now using it for an entirely different purpose than its primary purpose when it was first placed on the books. We are using it for revenue-producing purposes, but in a discriminatory fashion, to the economic injustice of the States of the Far West. I think it cannot be justified on moral grounds, or from a fiscal standpoint, and I congratulate my colleague for the very able argument he is making for the eradication of the tax. His argument is absolutely sound. I hope that this year we shall not permit a continuance of this tax abuse, because that is what it is. It never was put on the books for revenue-producing purposes.

Mr. NEELY. Mr. President, will the Senator yield to me for a moment?

Mr. NEUBERGER. I yield.

Mr. NEELY. Judging from what has happened twice already this afternoon, there will be no record vote on this amendment. I wish to state that if there were to be a record vote on it I would vote for the amendment of the Senator from Oregon.

I wish also to have the RECORD show that if there had been a record vote I would have voted against both the Williams and the Douglas amendments.

Mr. NEUBERGER. I thank the Senator from West Virginia.

Mr. MORSE. Mr. President, will my colleague yield?

Mr. NEUBERGER. I yield.

Mr. MORSE. The Senator from West Virginia always votes for the people. This is a people's amendment.

The PRESIDING OFFICER. The 5 minutes allotted to the Senator from Oregon [Mr. NEUBERGER] by himself have expired.

Mr. NEUBERGER. Mr. President, I yield myself 2 additional minutes.

The Federal freight tax, to which I have referred, is not only discriminatory against manufacturing industries in the West; it is also discriminatory against consumers who reside in the Western States.

To cite only one example, it costs $10 to ship an automatic washing machine to Portland, Oreg., from some eastern manufacturing center such as Pittsburgh, Pa. This is about four times as much as it costs to ship the same product within a 500-mile radius of the great population concentration around Pittsburgh—for example, to Terre Haute, Ind. The Portland housewife is therefore taxed four times as much on her washing machine as are the majority of American homemakers who live within the eastern 500-mile radius.

This tax, which was originally instituted to discourage a burden on our sorely overburdened transportation system during time of total war, is now being continued as a revenue-raising measure; but the continued existence of the tax tends to make it more difficult for western manufacturing and western industry to compete successfully.

This is a country in which the distribution of population is extremely lopsided. The vast majority of Americans live in the Eastern States. Therefore, the far western manufacturer, to be successful, must ship a high proportion of his products eastward. There, they must compete in the marketplace with products produced far closer to the great eastern markets. When the 3-percent Federal transportation tax is added to the cost of all our western-manufactured items, it greatly decreases their ability to compete successfully.

It seems to me only an ordinary degree of fairness that this tax, originally adopted as a wartime emergency measure, should now at last be repealed.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MANSFIELD. I wish to commend the Senator from Oregon for offering this amendment, and to assure him of my support.

The Senator mentions the cost of goods shipped from the East to Oregon. As a matter of fact, they are shipped more cheaply to Oregon than they are to the State of Montana. Certain wholesalers in my State unload their material at the North Dakota line, send trucks there from Billings, load the trucks, and have them driven back to Billings, Mont., thereby saving money in the process.

This problem is westernwide. I sincerely hope that the Finance Committee will accept the amendment offered by the Senator from Oregon, because it means a great deal to us in the West. This handicap prevents us from developing as we should.

Mr. NEUBERGER. I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be glad to yield in a moment. First I wish to comment very briefly on the effective contribution made by the distinguished junior Senator from Montana.

I am pleased that he emphasized the additional discrimination against Rocky Mountain States, such as the State he represents so ably in this body. Mountain States such as Montana do not have the relatively slight benefit—but a very useful benefit—which we in Oregon enjoy by reason of water-borne competition, including ocean-borne transportation. Therefore, rail rates to Montana, in the very poorly constructed rate structures, are even more discriminatory than those we carry on the western seaboard.

I now yield to the Senator from Alabama.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. NEUBERGER. Mr. President, I yield myself 3 additional minutes.

Mr. SPARKMAN. Mr. President, I should like to commend the Senator from Oregon for bringing up this amendment. I should like to consider it in a slightly different light from that in which it was considered by the Senator from Oregon and the Senator from Montana.

It seems to me that the thing about which the two distinguished Senators were really talking was the differential in freight rates, rather than merely the tax. Any area which must ship out many of its raw products before they are processed certainly sustains the impact of the tax we are discussing. Its effect is also felt when the finished products are shipped in the other direction. It is a bad tax anywhere in the United States. So far as I am concerned, it is not particularly discriminatory against any section, except to the extent to which that section may be dependent upon shipping for its economic welfare. I think the tax should be eliminated.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. FULBRIGHT. I commend the Senator from Oregon for his amendment. I think that he is entirely correct with respect to this particular tax. I shall support the amendment. I hope there will be an opportunity for a yea-and-nay vote. I shall vote for his amendment.

Mr. NEUBERGER. I thank the Senator from Arkansas for his support, which I am especially glad to have after the valiant fight he made for small business earlier in the day.

Mr. CHURCH. Mr. President, will the Senator yield 2 minutes to me?

Mr. NEUBERGER. Mr. President, I yield 2 minutes to the Senator from Idaho.

Mr. CHURCH. Mr. President, I rise to speak very briefly on behalf of the amendment which has been offered by the junior Senator from Oregon. I wish to associate myself with the remarks which have been made by the able Senator from Montana [Mr. MANSFIELD].

I, too, represent, in part, a Western State. I feel that there is a real need for supporting this amendment, on three grounds.

First, there is the question of freight rates, which, as the junior Senator from Oregon has already said, operate in a highly discriminatory manner against Western States. It is true that this amendment has to do with an excise tax, but inasmuch as that excise tax is imposed on the freight rates, it merely operates to accentuate the handicap which the freight rates themselves impose upon the West.

For many years the full economic development of the West has been retarded by discriminatory freight rates. The elimination of this excise tax would prove helpful in equalizing the rates and would thus assist in the economic growth of the Western States.

The second reason why I urge adoption of the amendment is that the excise tax was imposed in the first place not as a revenue measure, but to discourage the use of the rails at a time when war was being waged. Therefore it was to the national interest to discourage unnecessary use of the rails. This justification for the tax has long since disappeared, and the time has come, therefore, to eliminate the tax, because the reason for adopting it in the first place no longer prevails.

The third reason why I urge support for this amendment is that the burden of the tax falls most heavily upon farmers and small businessmen.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. NEUBERGER. Mr. President, I yield 1 additional minute to the Senator from Idaho.

Mr. CHURCH. The farmer, of course, is among those least able to bear the tax today, because, as we all know, the farmer's income has fallen off, while his costs have increased. If we were to adopt this amendment we would eliminate an additional increment of cost. The direct result would be real and meaningful benefits to farmers, who, among all the people of the country, stand most in need of benefits today.

Therefore, for those three reasons, the Senator from Oregon should be commended for his proposal. I think it is worthy and meritorious, and I shall support it. If adopted, the amendment would eliminate approximately $700 million from the revenues of the Government. According to the administration's own estimates, under the present budget, a $2 billion surplus is anticipated. Therefore, the adoption of the amendment would not result in a deficit, but would be within the surplus as estimated by the administration.

Mr. NEUBERGER. Mr. President, I yield myself 1 additional minute. I wish to emphasize, prior to the time when some Senators who disagree with us take the floor, what has been so ably said by the Senators from Idaho, Montana, Alabama, my colleague from Oregon, and the Senator from Arkansas.

The Federal transportation tax was originally instituted in 1942. It was put into effect at a time when this country had just been plunged into World War II. It was enacted to discourage any further impact or strain on our transportation system. Yet today this tax is still in existence, after 15 years, on the transportation of people and of freight.

Transportation is in no way a luxury or a special service. Transportation is an inevitable and irreducible element in every phase of the Nation's economic activity, and a disproportionately large and essential element in the economy of the Far West because of our distance from the great marketing and manufacturing centers of the East.

So long as the tax remains in effect, it will be discriminatory against certain parts of the country, particularly the West and the South, in the terms in which the able junior Senator from Alabama discussed so ably.

The Federal excise taxes on transportation have the effect of lengthening by 3 percent the distance which, economically, separates the American West from the East, so far as the movement of products in both directions is concerned, and by 10 percent with respect to travel between those areas.

It seems to me, therefore, eminently equitable that after 15 years of existence of this tax measure, originally adopted as a wartime measure, it should now be repealed, in fairness not only to all the people of the country, but particularly in fairness to the regions which have been discussed with some emphasis today.

Mr. BYRD. Mr. President, I yield myself 3 minutes.

I have a great deal of sympathy with the effort to repeal this tax. I believe it is a very burdensome tax. The loss involved, if the amendment should be adopted, would be $208 million from the personal tax, and $480 million from the property tax, making a total of $688 million.

Again I wish to say what I said earlier today, that any amendment added to the bill, of any character, will be dangerous from the standpoint of completing the legislation by midnight Sunday.

I hope the time may come when Congress will be able to give careful and favorable consideration to the repeal of the transportation tax on freight. However, I shall have to object to such an amendment being included in the bill at this time, and I hope the amendment will be rejected.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield 3 minutes to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I had intended to offer an amendment relating to the transportation tax, and have had such an amendment prepared. However, I understood that the Senator from Oregon had indicated his intention of so doing; in fact, he had introduced a bill on the subject. According to the information I have been able to obtain from the Treasury Department, the amendment would result in a reduction in revenue to the Federal Government of approximately $240 million. Is that about right?

Mr. NEUBERGER. The total would be $700 million.

Mr. HUMPHREY. In total, it is substantially more. I wish to speak particularly to the transportation tax on freight, which to me is a most discriminatory tax. Of course, any tax can be justified by saying that it brings in revenue and that its repeal will result in a loss of revenue. On that basis the most inequitable tax can be justified.

However, it appears to me that the transportation tax, as the Senator from Oregon has pointed out, is discriminatory in terms of the areas of the country which are far distant from the main centers of population and in terms of production. However, more important than that, the tax was adopted as a wartime tax, which had as its purpose in particular a reduction in the shipment of nonessentials, and at the same time for the purpose of raising revenue. It was necessary to impose it in behalf of the war effort.

I wish to join the Senator in supporting his amendment. In fact, it is possible that if his amendment is not adopted I may offer an amendment which would provide for a modified reduction; in other words, to reduce the transportation tax from 8½ to 1½ percent, and to reduce the tax on coal shipments from 4 to 2 cents.

That would bring about only a part of what the Senator from Oregon has in mind. At least it would afford some relief.

In general, I wish to register my opposition to the excise tax principle. It is a retrogressive tax. It does lend itself to tax evasion. Frequently it is a tax which falls unequally upon the users of certain services. I hope the Senator from Oregon will be successful in having his amendment adopted. If it is not adopted at this time, I trust the Committee on Finance will give its attention to a review of the entire excise tax schedule, which has for a long time needed most careful scrutiny and drastic reduction.

Mr. NEUBERGER. Mr. President, I yield myself 2 minutes.

I appreciate the points made by the able Senator from Virginia [Mr. BYRD]. I realize that he is the custodian in this Chamber of what he describes as a single-purpose bill.

The very fact that this tax was originally enacted as a wartime measure and that it has been in existence for 15 years is vivid demonstration of the fact that apparently there has not been a propitious time in which to repeal the tax. In other words, no matter when an effort is made to repeal the tax, it is always argued that that is not the proper time to get rid of it. I have been a Member of the Senate for only a short time, as have some of the other Members who spoke on the amendment, such as the junior Senator from Idaho [Mr. CHURCH]; and I am not familiar with all the various developments in connection with the continuation of the tax over the past 15 years. However, surely at some time during the past 15 years, particularly in the 12 years since the end of World War II, there must have been a propitious and opportune time for its repeal.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NEUBERGER. I yield myself 1 additional minute. There must have been a propitious time when this highly discriminatory levy should have been repealed.

In conclusion, I wish to emphasize the fact that this tax, which spreads into everybody's cost of living and everybody's daily financial burden, particularly the 3-percent tax on the cost of shipping every item that moves by rail or truck or plane or inland waterway in this country, and takes money out of everybody's pocketbook, is a tax that should be repealed.

Mr. BARRETT. I wish to commend the Senator from Oregon for bringing this matter to the attention of the Senate. I hope the Committee on Finance will give consideration to the repeal of the excise taxes on travel and transportation.

I wish to invite the attention of Senators to the fact that Canada had a similar tax, which was imposed at about the same time the American tax was imposed, but Canada saw fit a number of years ago to repeal the tax and give the

people of Canada some relief in that respect.

Is it not a fact that this tax imposes a heavier penalty upon the people of the Western States than it imposes upon the people of the larger centers of population of the United States?

Mr. NEUBERGER. The Senator is undoubtedly correct, because the people of the Western States have to ship their products so much farther to find major markets.

Mr. BARRETT. And the people attending conventions either in Chicago or in New York are required to pay much heavier taxes than people who live in areas located nearer to those cities.

Mr. NEUBERGER. The same would apply to people, of course.

Mr. BARRETT. I thank the Senator.

Mr. NEUBERGER. Mr. President, I yield myself 2 additional minutes.

I am particularly grateful to the Senator from Wyoming for raising the issue of the action Canada has taken in repealing the taxes on travel and transportation. Today we face this special problem in the Pacific Northwest. Many shippers in the United States encourage the use of the great Canadian transcontinental railroads, such as the Canadian National and the Canadian Pacific, to ship their products all the way across Canada and then into New England and the Middle Atlantic States, because the Canadian railroads are not burdened by this tax which is heaped upon the American rail lines, truck lines, air routes, and waterways.

Mr. BARRETT. Mr. President, will the Senator yield again?

Mr. NEUBERGER. I yield.

Mr. BARRETT. I think the Senator from Oregon is eminently correct. I should also like to invite his attention to the fact that people who live on the Eastern seaboard, instead of traveling to the great scenic wonders of the western area of our country, travel to Europe, and thus are relieved of the necessity of paying transportation.

Mr. NEUBERGER. I thank the Senator for his pertinent observation.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a number of very cogent communications and newspaper editorials from the States of the Pacific Northwest, dealing with this vital issue.

There being no objection, the communications and newspaper editorials were ordered to be printed in the RECORD, as follows:

[From the Portland Oregonian of December 28, 1956]

INEQUITABLE FREIGHT TAX

Every time there is a freight rate increase, the penalty of a 3 percent Federal tax goes up with it. And every time freight rates are increased, western industry and agriculture are frozen out of more markets in the East.

One does not expect a postage-stamp rate on freight. But there is no logic in the Federal Government continuing the wartime tax on freight, and the 10 percent wartime tax on passenger travel. We are glad to see that Senator NEUBERGER of Oregon has joined in the effort to get Congress to eliminate these taxes which essentially were adopted to leave more boxcar space for war shipments and to discourage civilian travel in wartime competition with military travel.

The West should be particularly active in demanding that the next Congress repeal these freight and passenger taxes, as well as reexamine the entire structure of excise taxes which hamper production and retail trade, especially in the West which is so far removed from major centers of population.

[From the Eugene (Oreg.) Register Guard of December 27, 1956]

DISCRIMINATION

Senator RICHARD L. NEUBERGER advises that he and Congressman-elect CHARLES O. PORTER will attempt in the next Congressional session to secure repeal of the 3-percent Federal excise tax on freight shipments. The Senator contends the tax bears too heavily on Oregon shippers, largely because of the distance between Oregon and great markets.

The Senator has a hatful of facts to back up his contention that the tax is discriminatory. He points out, to cite just one example, that the freight charges on a carload of lumber amounts to $675, if the lumber is shipped from Portland to Pittsburgh, but $410 if the lumber is shipped from Atlanta to Pittsburgh. The Oregon shipper must pay 40 percent more—not only 40 percent more in freight charges, but 40 percent more in tax. The Senator says that's discrimination. And it sounds like discrimination to us, too.

We hope Oregon shippers who are concerned about this problem will keep the Senator's office supplied with ammunition for his battle to keep Oregon's economy healthy. Politics should be forgotten in this connection and Republicans and Democrats alike should work together to secure a better break for Oregon products.

PORTLAND, OREG., *March 17, 1957.*

Hon. RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have just noted in the local press that you have introduced a bill to repeal the 10-percent tax on passenger travel. I understand that this bill also includes the repeal of the 3-percent tax on freight shipments. I have long thought that these taxes should be repealed. It is my understanding that the tax on passenger travel was a wartime measure only.

I wish to commend your action in this matter and trust that the repeal of this bill will be successful.

Sincerely,

C. G. CROOK.

OREGON PEAR SALES CO.,
Medford, Oreg., December 19, 1956.

Hon. Senator RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: In behalf of the growers in this district, whom we represent, want to thank you for your efforts in regard to the federal excise tax on transportation. It seems this tax somewhere along the line acquired a new title as it was originally known as the "War Emergency Tax," but it appears these taxes are put on with indelible ink.

We just received the bad news today of another freight rate increase of 7 percent on our pears of which the bulk of these are shipped East. This is the second increase this year.

The perishable fruit and vegetable business does not have a set scale of prices, or subsidy, or parity. Returns are governed by supply and demand and we are all aware that the brunt of these increases and taxes are carried by the growers of these farm products.

Again many thanks and feel confident you will continue to support our representative growers.

Very truly yours,

E. J. GULDAN, *Sales Manager.*

JANUARY 3, 1957.

Mr. E. J. GULDAN,
Sales Manager, Oregon Pear Sales Co.,
Medford, Oreg.

DEAR MR. GULDAN: Thank you for your letter of December 19, 1956, in support of my efforts to bring about the long-overdue abandonment of the Federal excise tax on transportation this year. Because I know the importance of transportation costs to the fruit and vegetable business and other factors of our agricultural economy in Oregon, letters of support such as yours will be valuable in demonstrating this importance when the issue comes before the Senate.

With good wishes for the New Year,

Sincerely,

RICHARD L. NEUBERGER.

MARCH 14, 1957.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D. C.

DEAR MR. PORTER: At a recent meeting of the board of directors the matter of repeal of excise taxes on freight and passengers was brought up for discussion. Inasmuch as this proposal is of particular interest to the retail trade division of the Coos Bay Chamber of Commerce, it was referred to them for whatever action they saw fit.

This is to advise, then, that the retail trade division voted unanimous support to the proposal for repeal of wartime excise taxes on freight and passengers and feel that the Oregon Congressional delegation to the Excise Tax Subcommittee of the House Committee on Ways and Means are to be congratulated on said proposal.

We feel that the reasons given in correspondence to the Honorable AIME FORAND, chairman, Subcommittee on Excise Taxes, and carrying the signatures of United States Senators and Members of Congress, are sound and based on true facts.

We trust that everything possible will be done toward the fulfillment of the proposal, and if we may be of assistance in any way we hope that you will call upon us.

Very truly yours,

MARVIN PECK,
Chairman, Retail Trade Division.

(Copies to Wayne L. Morse, United States Senator; Richard L. Neuberger, United States Senator; Edith Green, Member of Congress; Al Ullman, Member of Congress; Hon. Aime Forand; William L. Huggins, president, Coos Bay Chamber of Commerce.)

APPLE GROWERS ASSOCIATION, INC.,
Hood River, Oreg., January 14, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Thank you very much for the copy of your very complete presentation of the case for the repeal of the transportation and communication taxes.

I hope that the western Congressmen can build up enough support with this to overcome the administration's reluctance to lose the revenues. I think the inequity of these taxes is a strong point against them and should be stressed just as you have done.

I hope you will not let this fire die.

Sincerely yours,

J. E. KLAHRE, *General Manager.*

OREGON RAILROAD ASSOCIATION,
Portland, Oreg., January 15, 1957.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR DICK: I appreciate your thoughtfulness in having your secretary send me a copy of your complete testimony to the House Ways and Means Committee urging repeal of the 3 percent Federal freight tax and the 10 percent Federal travel tax.

The removal of these taxes would benefit the economy of our own region as well as that of the country as a whole, and in calling the attention of the Congress to the subject you are performing a valuable service to your State and Nation. On behalf of the railroad industry and the shipping public of Oregon, I wish to thank you for the active interest you have taken and the leadership you have shown in this matter which is of deep concern to us all.

With kind personal regards.

Respectfully yours,

HAROLD J. TURNER.

Mr. MAGNUSON subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of the remarks of the Senator from Oregon [Mr. NEUBERGER] dealing with his amendment for the repeal of the 3-percent transportation tax, a statement prepared by 2,300 shippers and several organizations in my State.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A. Testifying for Washington Potato and Onion Shippers Association, Yakima; Whatcom County Traffic and Rates Bureau, Bellingham; Northwest Fish Traffic Committee, Seattle. The identified groups are shippers and receivers of freight located within the State of Washington. The Washington Potato and Onion Shippers Association covers the principal shippers of potatoes and onions from the State of Washington. Approximately 20,000 cars of those products a year are shipped. The Whatcom County Traffic and Rates Bureau covers the principal shippers and receivers of freight in the Bellingham, Wash., area. The Northwest Fish Traffic Committee covers the principal packers and shippers of fresh and frozen fish in the Pacific Northwest and Alaska.

B. Statement for Pacific Northwest Advisory Board (2,300 shippers). See appendix 1.

C. Position:

1. We ask complete repeal of the 3-percent transportation of property tax.

2. If it cannot be completely repealed now, we ask a 3 cent per 100 pounds maximum on the 3 percent transportation tax on property.

D. Reasons:

1. The long haul western shippers need help now. The Washington potato and onion shippers have had 2 bad years in a row. The situation looks grim for the coming year. The 3 percent transportation tax costs them approximately 5 cents per 100 pound sack shipped. The tax is not based upon their ability to pay, but is based entirely on their inability to pay. They obviously could pay a higher tax where they have a smaller freight charge, but unfortunately the West is sparsely populated and they must ship to the East to market their products. That means high freight rates and high transportation tax based on those high freight rates. The situation is extremely grim for all long-haul shippers. They need help, for they are not sharing in the prosperity of the economy generally. With freight rates such a large proportion of the wholesale price, and with the tax based on those high freight charges, the situation is getting worse by the month. At the present time there is pending before the Interstate Commerce Commission a proposal to increase freight rates by 22 percent, which, if granted, would add another 1 cent per 100 pounds tax. The Federal Government, along with the railroads, is going to have to reduce the penalty on long-haul shippers if the traffic is to continue. Much of the farm economy of the West in particular is operating on no profit now or a very small profit.

2. The tax has doubled since it was enacted and is continuing to increase at a terrific pace. This tax was established in 1942 as a war measure. Since that time a $1 freight rate on general freight from Seattle to the Midwest and East has increased to $1.92 to some territories, and $2 to other territories. For all practical purposes, the rates have doubled with huge additional increases pending in 1957, which will increase the transportation tax by an equivalent amount. Certainly there is every reason in logic and otherwise, if complete repeal of the tax cannot be effectuated now, to about cut the tax in half reducing it to its 1942 level by setting a 3 cents per 100 pounds maximum increase on the 3 percent percentage based tax. That would be a 3-percent tax, but no more than 3 cents per 100 pounds.

3. There are gross inequities in the present tax law.

(a) It favors Canadian shippers over American shippers. Canadian shippers can avoid all the tax by prepaying charges in Canada on international movements while the American competitor shipping to the same markets in the eastern part of the United States must pay the full 3-percent tax.

(b) The tax favors Canadian railroads over American railroads. In some instances trade practices make shipments move collect from Canadian destinations to American customers. The tax is assessed on such international movement only on the haul south of the border. For that reason, a western Canadian shipper will route his shipments with a maximum haul in Canada rather than use gateways from Vancouver, B. C., through Blaine, Wash., or Sumas, Wash., to eastern American consuming points. If 60 percent of the haul could be held in Canada, generally 60 percent of the tax could be avoided. If the shipment is routed from Vancouver, B. C., to New York via Blaine, Wash., approximately 95 percent of any collect shipment would be taxable. For that reason, most shipments which are not completely prepaid in Canada are routed for a maximum haul within Canada to United States destination to avoid tax. Such a situation is unfair to American railroads, as well as to American shippers shipping to the same markets.

(c) The present tax law favors big shippers over small shippers. It makes the big shipper bigger and the small shipper smaller. A large shipper with enough business to go into private trucking pays no tax. The smaller shipper who must rely on common carriers pays the tax. A shipper who must ice his products to get them to market pays no tax if he supplies his own ice. If the small shipper who does not own an icehouse must buy his ice from the railroads, he pays a tax on it. Such a discriminatory tax law should not be allowed to continue.

(d) The present tax law engenders highly questionable practices. If a contract trucker leases his equipment to a shipper, it becomes private trucking not subject to the tax. If he makes a contract haul with the shipper, it is subject to the tax. In recent years there has been a rash of buy and sell arrangements, trip leases, and boat charters in order to convert what would normally be a common carriage into private carriage to avoid the tax. There is a 3-percent tax saving by such conversion. There is serious question whether a tax law is proper which engenders questionable practices to avoid it. A fairer approach would be to put all shippers, private and public, on the same basis by eliminating the transportation tax entirely.

(e) The tax favors short-haul shippers over long-haul shippers to common markets.

A potato shipper from the Minnesota area to Chicago would pay only about 1 cent or 1½ cents in transportation tax. The same carload of potatoes from Washington to the same customer would take a tax charge of 5 cents to 6 cents, depending on the amount of refrigeration used. Why should the Government charge a Washington potato shipper more tax on the same grade of potatoes to the same customer in the same type railroad equipment? The same comment could be made on frozen fish shipments from the Pacific Northwest or on lumber or plywood shipments, or for users of steel. Why should the Government tax one class of shippers more than another for the same essential service? Certainly it cannot be on the ability to pay, for the long distance of haul from and to western markets to producing and consuming centers makes western shippers less able to pay than eastern shippers.

(f) The transportation tax on Government purchases is self-defeating and wasteful of tax money. The transportation tax applies on most United States Government purchases. If delivery is requested at a certain depot or market, the freight and tax is added into the purchase price. The Government takes the tax out of another pocket later on. Both the Government and the shipper lose, for the cost of collection and handling the tax is a burden on both, with no net gain to the Government.

(g) The transportation tax is increasing freight rates. Approximately one-third of the net income of the railroads from freight services is used up to pay for passenger-train deficits. The railroad trains aren't full. The 10-percent passenger-transportation tax is materially affecting passenger train travel. The red-ink passenger operations are forcing all freight rates by rail higher. The largest user of railroad freight service in the country is the United States Government and they are paying the higher freight bill on all their shipments to make up for the passenger deficits.

The railroads in case after case have had to reduce their freight rates in order to meet private truck competition not subject to the tax. That has reduced rail revenues. We have had at least 12 general rate increases in the last 10 years to make up insufficient freight revenues for the railroads. Large amounts of railroad revenue have been lost due to their necessity of absorbing the tax in their freight rate structure if they are to compete with private trucks for available business. Generally speaking, those absorptions have been on shorter haul traffic where private truck competition is keen. On the longer haul traffic to and from the West there are few instances of such absorption. For that reason the short-haul shipper has gained but the long-haul shipper is penalized not once, but twice, by the tax law.

E. The 3 percent tax should have a maximum limitation if it cannot be completely repealed.

If Congress cannot repeal the transportation tax at this time, they should amend the law to read "on property 3 percent tax be not more than 3 cents per 100 pounds."

The limitation proposed is conditioned upon an inability of Congress to make any complete repeal of excise taxes this year. We fully recognize the budgetary problems. It is our conviction that repeal of the transportation tax will increase Government revenues and not decrease them. If common carriers can recover traffic when their discriminatory tax burden is lifted, it will make it possible for the Government to recover about half the loss in transportation taxes from increased income tax. If western shippers can recover and retain their long haul markets it will increase their profits with increasing returns to the Government in the form of corporation or personal income taxes.

If an industry like the potato and onion shippers cannot get out of the red, can anyone think of a finer way to help that industry in its critical needs than by the Government

sharing part of the burden with the Washington potato and onion shippers and the other Washington shippers who are having a difficult financial year.

If the 3 percent transportation tax was limited to 3 cents maximum, it would mean this. There would be no change in the taxes up to $1. Any rate, be it carload, less-than-carload, or covering accessorial services, such as refrigeration services would have a maximum charge of 3 cents per 100 pounds. That would equalize the tax generally to all shippers and would take the unfair burden off the long haul shippers. The western shippers would still obtain no tax relief on the shorter haul traffic for there their ability to pay is greater than on the longer haul traffic. It is equitable on that score. Transportation tax repeal will go a long ways to improving the transportation system of America by helping increase the flow of commerce between points in America and giving American shippers a more equitable break for eastern American markets in competition with their Canadian neighbors to the north who ship to those same markets. Complete elimination of the tax should be in the plans of Congress. If the whole job cannot be done this year, we earnestly request that the maximum limitation step be taken this year as the first half of the job that will have to be done sooner or later.

Respectfully submitted.

FRED H. TOLAN,
(For Whatcom County Traffic and Rates Bureau, Washington Potato and Onion Shippers Association, Northwest Fish Traffic Committee.)

(Statement submitted for the Pacific Northwest Advisory Board is attached as appendix 1.)

APPENDIX 1

PACIFIC NORTHWEST ADVISORY BOARD,
Seattle, Wash., November 27, 1956.

The CHAIRMAN,
Ways and Means Committee,
The House of Representatives,
Washington, D. C.

DEAR SIR: The Pacific Northwest Advisory Board with a membership of over 2,300 manufacturing companies in the States of Washington, Oregon, and Idaho, wants to reiterate and again firmly express to you our opposition to the continuation of the Federal transportation tax on persons and, particularly, on the transportation tax on property. We have repeatedly expressed our feelings to Congress whenever they were considering amendments to this tax. We have met with little success.

We are well aware of the needs of the Federal Government. We realize that it is difficult for any type of tax to be completely fair and impartial to all. We are convinced, however, that the excise tax on people and property is so grossly inequitable that its repeal is mandatory.

The malignant nature of this tax is slowly undermining the bulwark of American transportation—the common carrier. We must have the common carrier strong and sound, but we are finding that the 3-percent tax on property, together with other increased freight costs, is making private carriage more and more attractive. This trend, if it continues to grow, presents real danger and is contrary to the national transportation policy. It must be corrected.

We of the Pacific Northwest, in view of our geographical location to our markets, are particularly concerned with the discriminatory nature of the tax. These markets lie thousands of miles to the east and south. Freight rates are necessarily higher. Must our disadvantageous location be magnified by a percentage tax on our higher freight rates?

We again urge that your committee seriously consider our peculiar problem and grant us the relief we request.

Respectfully submitted.

NELSON M. HICKOK,
President.

Mr. MAGNUSON. I also ask unanimous consent to have printed in the RECORD following the remarks of the distinguished Senator from Oregon [Mr. NEUBERGER] a statement from the Railroad Association of the State of Washington, by its executive vice president, Mr. John M. Hurley, regarding the repeal of the 3-percent tax.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is a tax on a necessity, not a luxury.

It is a tax on the flow of commerce, not on goods.

It raises the cost of living by increasing transportation costs at successive stages of manufacturing, marketing, and distribution.

It is discriminatory in a competitive market.

It discriminates against common carrier and for-hire transportation in competition with private transportation.

It favors the purchase of transportation in foreign countries as opposed to the purchase of these facilities and to travel in the United States.

It particularly discriminates against our part of the country in the Pacific Northwest since we are farther from the large population centers and the center of distribution of goods, as well as the center of industry in the United States.

Since it is on a percentage basis, those who must ship or travel farthest, such as shippers and travelers from our State, are therefore penalized by this tax.

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The other side has 23 minutes remaining.

Mr. BYRD. Mr. President, I yield back the remainder of the time in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Virginia yields back his remaining time.

Mr. NEUBERGER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon yields back the remainder of his time.

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. NEUBERGER], for himself and Mr. MORSE.

The amendment was rejected.

Mr. SPARKMAN. Mr. President, I call up my amendment, numbered "3-18-57-A." I ask unanimous consent that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

Mr. SPARKMAN's amendment is as follows:

SEC. 4. Payment of estate tax in installments.

(a) Election to pay estate tax in installments: Subchapter A of chapter 62 of the Internal Revenue Code of 1954 (relating to place and due date for payment of tax) is amended by adding at the end thereof a new section as follows:

"SEC. 6157. Installment payments of estate tax.

"(a) Election to make installment payments:

"(1) Payments in 2 to 10 installments: The executor of any estate subject to the tax imposed by chapter 11 may elect to pay the amount of such tax in 2 or more (but not exceeding 10) equal installments.

"(2) Payment in 11 to 20 installments: If the Secretary or his delegate finds that the payment in 10 installments of the tax imposed on any estate by chapter 11 would result in undue hardship to the estate, the executor of such estate may elect to pay the amount of such tax in any number (not exceeding 20) of equal installments as may be approved by the Secretary or his delegate.

"(b) Date for payment of installments: If an election is made under subsection (a), the first installment shall be paid on the date prescribed for payment of the tax by section 6151, and each succeeding installment shall be paid 1 year following the date for payment of the preceding installment.

"(c) Proration of deficiency to installments: If an election has been made under subsection (a) and a deficiency is assessed, the deficiency shall be prorated to the installments remaining unpaid on the date of such assessment, and the part of the deficiency so prorated to each such installment shall be collected at the same time and as a part of such installment.

"(d) Installments paid in advance: At the election of the executor, any installment, or part thereof, under subsection (a) may be paid prior to the date prescribed for its payment by subsection (b).

"(e) Acceleration of payments: If any installment under subsection (a) is not paid on or before the date prescribed for its payment by subsection (b), the whole of the unpaid tax shall be paid upon notice and demand from the Secretary or his delegate.

"(f) Undue hardship: For purposes of subsection (a) (2) of this section and for purposes of section 6161 (a) (2), there shall be considered to be an undue hardship to an estate in any case in which property comprising 50 percent or more of the value of the gross estate consists of any of the following:

"(1) Capital assets (other than money), or property used in the trade or business, of an unincorporated business enterprise in which the decedent owned a proprietary interest.

"(2) An undivided proprietary interest in a partnership of which the decedent was a partner.

"(3) Stock of a corporation in which the decedent owned (at the time of his death) 10 percent or more of all outstanding stock."

(b) Table of sections: The table of sections for such subchapter is amended by adding at the end thereof the following:

"Sec. 6157. Installment payments of estate tax."

(c) Amendment of section 6161: Section 6161 of such Code (relating to extension of time for paying tax) is amended—

(a) by striking out "10 years" in subsection (a) (2) and inserting in lieu thereof "20 years", and

(b) by redesignating subsection (d) as subsection (e), and inserting after subsection (c) a new subsection as follows:

"(d) Installment payment of estate tax: In any case in which an executor has elected under section 6157 to pay the tax imposed by chapter 11 in installments, subsection (a) (2) shall not apply to the amount determined by the executor as the tax imposed by chapter 11, and subsection (b) shall not apply to the amount determined as a deficiency with respect to any such tax."

(d) Technical amendment: Section 6601 (c) (2) of such Code (relating to determination of last date prescribed for payment of tax) is amended by striking out "6152 (a)" and inserting in lieu thereof "6152 (a) or 6157 (a)," and by striking out "6152 (b)" and inserting in lieu thereof "6152 (b) or 6157 (b), as the case may be."

(e) Effective date: The amendments made by this section shall apply only with respect to estates of decedents dying after December 31, 1956.

Amend the title so as to read: "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes."

Mr. SPARKMAN. Mr. President, this amendment authorizes the payment of estate taxes in installments.

In June 1953, after a series of hearings throughout the United States, the Senate Small Business Committee issued a report on the "Tax Problems of Small Business" which made five specific recommendations. One of these reads as follows: "The impact of death levies on many privately held small businesses all too often results in forced sales to competing firms in the same industry. Furthermore, the threat of inheritance and estate taxes provides a strong inducement for the principal owners of any such corporation to 'hedge' against the possibility of death through such sell-outs. At the present time, your committee is not in a position to recommend specific reductions in these rates, but it does appear that further studies would indicate methods of administering and collecting estate taxes which would lessen this danger point."

This was a unanimous recommendation of our committee which was, at that time, under the chairmanship of our able friend, the senior Senator from Minnesota, Senator THYE.

Since that time, evidence has accumulated in our files showing that this is no imaginary problem, but is one which bodes ill for the continuation of our free-enterprise system, since it cuts the number of independent firms competing against our giant corporations. Others have also found this to be a real sore spot in our Internal Revenue Code.

Last August, for example, the President's Cabinet Committee on Small Business made the following recommendation:

4. That the taxpayer be given the option of paying the estate tax over a period of up to 10 years in cases where the estate consists largely of investments in closely held business concerns.

At present the need to pay a heavy estate tax at times leads to the disruption of the management, control, and operations of a small business. This is a contributing cause of numerous mergers. Although the law permits the Commissioner of Internal Revenue to defer the payment of the estate tax up to 10 years, this provision of the law applies only to cases of hardship. It does not give the taxpayer who may claim hardship any assurances that his claim will be recognized. Nor is relief available when assets can be sold at a fair price, even though the sale leads to the merger or dissolution of a company.

To remove these difficulties the taxpayer should be given the option of paying the estate tax forthwith or in installments over a maximum period of 10 years, whenever an estate consists largely of investments in closely held business concerns. In the event that the taxpayer elects the latter option, he should be charged a moderate rate of interest as at present in hardship cases. Careful consideration should be given to the merits of limiting the installment option to an estate tax of some specified maximum amount.

Mr. President, when I introduced this measure on January 7 as Senate bill 348, I was joined by nine cosponsors—Senators HILL, HUMPHREY, KEFAUVER, NEUBERGER, KENNEDY, MORSE, THYE, SCHOEPPEL, and KUCHEL. All of these able Senators—both Republicans and Democrats—must have felt, as I did, that the pledges of the two major political parties just a few months earlier had some real meaning. I have already quoted the report of the President's Cabinet Committee on Small Business which was specifically endorsed in the Republican platform adopted in San Francisco. In the same way, we Democrats promised in Chicago to work for this aim:

There should be an option to spread Federal estate taxes over a period of years when an estate consists principally of the equity capital of a closely held business.

Now that we have found that both parties approve this principle, who will there be to oppose the adoption of my amendment?

I am afraid, Mr. President, that there may be someone, even though I cannot conceive how or why.

I suppose that an opponent of small-business tax relief through the spreading of estate-tax payments might say that this involves a loss of revenue. Well, frankly, it might involve such a loss during the first year or so of its operation, but it is obvious that there can be no net loss to the Government through postponing payments, and I even claim that the continuation of the business might mean additional revenues.

It is hard to conceive, but I suppose there are those who might say that this amendment will not help all small businesses. It may not, Mr. President, but it certainly would appear to be a safeguard and a protection for all small businesses—proprietorship, partnership, or corporation—whose principal owners are mortal men. For those who are immortal, there would indeed be no advantage.

Therefore, I most sincerely and respectfully urge that my colleagues support this completely nonpartisan and worthy amendment.

Mr. BYRD. Mr. President, I yield myself 2 minutes.

The same objection applies to this amendment as applied to the other amendment, namely, that, if adopted, it will be difficult to have a conference with the House and to have the bill completed by midnight on Sunday.

I have great sympathy with the proposal that there be some liberalization of the law with respect to the payment of estate taxes, but I call attention to the fact that the amendment gives an executor an election to pay the estate tax in 10 equal installments. Under the existing law, the Commissioner is authorized to grant an extension up to 10 years in case of undue hardship.

I believe the amendment is unwise since it would permit every estate to pay only one-tenth of its estate tax a year, regardless of hardship, without interest. The estate tax yields about $900 million. So the first year this provision went into effect the estate tax yield could drop from $900 million to $90 million.

I may say to the Senator from Alabama that this amendment was not rejected by the Committee on Finance, but was passed over for further consideration.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. SPARKMAN. If I believe in anything, it is in being realistic. I fully understand and appreciate the situation which prevails in the Senate with reference to the proposed legislation.

The distinguished Senator from Virginia knows that I appeared before the committee and presented five amendments which I had proposed. He knows also that I wrote him a letter some time previously, and in reply to my letter he very readily granted me permission to be heard by the committee.

Mr. BYRD. I may say that the Senator from Alabama made a splendid presentation.

Mr. SPARKMAN. I thank the chairman of the committee. I appreciate all the courtesies extended and the time which was given to me. I was given all the time I wanted in which to present these matters.

But, Mr. President, this is something which is beginning to wear a little thin—and I say this with all due respect to the chairman of the committee and to the other members of the committee. I realize that the committee cannot work on a bill until it comes to the Senate from the House. I appreciate the promises that further consideration will be given to the matter. I certainly hope that between now and the date of the next expiration of the law, which will be 15 months from now—in fact, I hope that if an appreciable reduction in the budget is accomplished this year—we may have an opportunity to consider a tax revision bill. Then there may be a real opportunity to present some of these measures which seek to give relief to small business.

So the promise to consider, while it is appreciated, becomes of dubious value after at least 2 or 3 years. I merely wished to drop that thought to the distinguished chairman of the committee.

Mr. BYRD. As the Senator recognizes, under the Constitution, revenue acts originate in the House.

Mr. SPARKMAN. I certainly do recognize that fact, and I made reference to it.

Mr. BYRD. I think the House is giving consideration to tax reductions. If the budget can be reduced, and if expenditures likewise can be reduced, there is no one who would be more willing to have a reasonable tax reduction than would the Senator from Virginia, provided such a reduction would not result in a deficit.

The first thing to do is to start to reduce expenditures. I hope the Senator from Alabama will join with other Senators in that effort. If that can be accomplished, it will mean there can be effective tax reduction without the danger of a deficit.

I think there is merit in what the Senator says. But, to be frank, I hardly belive that a rich person or an estate which can afford to pay the tax should be placed on a 10-year payment basis, without interest. I think there ought to be some modification on that point.

Mr. SPARKMAN. Of course, a proper safeguard could be written into the provision. I referred to closely held corporations.

Mr. BYRD. In some cases the estates cannot afford to pay all the tax at once. But where they can, I think they should not be given a period of 10 years in which to pay, without interest being charged.

Mr. SPARKMAN. I agree with the Senator; but that is a detail which could be worked out.

Mr. BYRD. I hope the time will come when the Senator from Alabama will again appear before the Senate Committee on Finance.

Mr. SPARKMAN. I expect to appear before the Senator's committee every year.

Mr. BYRD. We are always glad to see the Senator from Alabama.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CARLSON. I do not think it is necessary to come to the defense of the chairman in this particular discussion between him and the Senator from Alabama, in regard to the way the amendments proposed by the Senator from Alabama were handled. I assure the Senator from Alabama that the chairman of the committee insisted that each amendment be considered separately. The committee made a thorough analysis of them. I think there are some things in this amendment, and probably in the others which will have to be adjusted. But I assure the Senator from Alabama that the committee was sympathetic to the entire proposal and program. It received every possible consideration under the circumstances.

Mr. BYRD. I thank the Senator from Kansas.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

Mr. BYRD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment was rejected.

Mr. SPARKMAN. Mr. President, I call up my amendment identified as "3-18-57-D." I ask that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. SPARKMAN is as follows:

At the end of the bill add a new section as follows:

"SEC. 4. Use of new methods and rates of depreciation for used property.

"(a) Amendment of section 167: Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended—

"(1) by striking out the period at the end of subsection (c) (2) and inserting in lieu thereof ', or';

"(2) by adding at the end of subsection (c) a new paragraph as follows:

"'(3) acquired after December 31, 1956, if the original use of such property does not commence with the taxpayer, and the use of such property by the taxpayer commences after such date'; and

"(3) by redesignating subsection (h) as (i), and inserting after subsection (g) a new subsection as follows:

"'(h) Limitations with respect to used property:

"'(1) Annual limitation: Paragraph (3) of subsection (c) shall apply to property acquired in any taxable year only to the extent that the basis of such property (determined as of the close of the day of its acquisition), when added to the basis of all other property described in such paragraph (determined as of the close of the day of its acquisition) which is acquired by the taxpayer during the same taxable year, does not exceed $50,000. This paragraph shall not apply to property acquired by the taxpayer during any taxable year which is included within a 60-month period with respect to which an election under paragraph (2) has been made.

"'(2) Five-year limitation: At the election of the taxpayer, paragraph (3) of subsection (c) shall apply to property acquired in any taxable year to the extent that the basis of such property (determined as of the close of the day of its acquisition), when added to the basis of all property described in such paragraph (determined as of the close of the day of its acquisition) which is acquired by the taxpayer during the 60-month period which includes such taxable year, does not exceed $250,000. The 60-month period shall begin, with respect to any taxable year, with the first day of the first taxable year for which the taxpayer elects to have the provisions of this paragraph apply. Such election shall be irrevocable, except with the approval of the Secretary or his delegate, and shall be made in such manner and at such time as the Secretary or his delegate shall by regulations prescribe.'

"(b) Effective date: The amendments made by this section shall apply only to taxable years beginning after December 31, 1956."

Amend the title so as to read: "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes."

Mr. SPARKMAN. Mr. President, this is a very simple amendment, and is a happy one for many reasons. In the first place, our very persuasive Secretary of the Treasury, George M. Humphrey, has indicated that he did not particularly like the idea of any tax relief for small business, but that he would not cut his throat if such relief could be granted with a minimum loss of revenue. In answer to a question, he said that he thought that $50 million was not too bad, but that he might cut his throat at a $51 million loss. Therefore, this amendment is a nice one, for it involves a loss to the Treasury of only $25 million during the first year it is in operation, and involves no decapitation on that score.

Perhaps equally important to others of my colleagues is the fact that the amendment will help many small-business men—both those operating as corporations and those who are unincorporated. What it will do is this:

In 1954, the Congress authorized more liberal depreciation allowances for purchases of new equipment; and, from all observations, those provisions have contributed in some measure to the great expansion of the business plant during the past 3 years. Unfortunately, however, it is a sad fact that small businesses traditionally cannot afford to buy new buildings, new machines, or new fixtures. All too often they can justify only the purchase of used production tools, but they find that even this second-hand equipment materially improves their products and substantially lowers their costs.

My amendment, which was cosponsored by nine of my colleagues—Senators HILL, HUMPHREY, KEFAUVER, NEUBERGER, KENNEDY, MORSE, THYE, SCHOEPPEL, and KUCHEL—when it was introduced on January 7 as S. 351, would grant equity to small businesses which buy used equipment. It follows closely the recommendation of the Senate Small Business Committee in its report on Tax Problems of Small Business, which was unanimously approved by our committee in June 1953, and also follows the recommendations of the President's Cabinet Committee on Small Business, made public in August 1956.

The only possible argument against this measure could be that some abuses on depreciation allowances might result from phantom transfers of tools and equipment; but I have never believed that the possibility of abuse should preclude us from taking necessary, positive, and wise action. Certainly, the tax collectors can curb illegal transactions under present law; or if they cannot, they should come to us for further power.

Here, then, is an amendment which will result in minimal revenue losses over the short run only, and certainly will result in increased tax returns for the Federal Government, when balanced out, over the next 5 or 10 years.

Second, the amendment will apply to all small businesses—both the incorporated and the unincorporated. In the third place, it has been strongly backed by competent legislative and executive study groups, as well as by every business group, so far as I am aware, which has surveyed this problem.

In short, Mr. President, the amendment would extend to the purchasers of used equipment the same privileges that the Congress extended in 1954 to the purchasers of new equipment.

I believe the amendment is a good one. I hope it will be accepted by the chairman of the committee.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. I, too, think the amendment is a good one. It is one which the Senator from Alabama discussed in connection with the last tax bill, as I recall.

I hope very much that the committee will accept the amendment. Of course, we shall soon know whether that will occur.

However, Mr. President, the equity of the amendment is so manifest and so evident, that I cannot imagine that any Member of Congress would not wish to see it become a part of the law.

Mr. SPARKMAN. The Senator from Minnesota is entirely correct. Adoption of the amendment will be simple justice and equity.

Mr. BYRD. Mr. President, this amendment has much merit, and the staff has been instructed to study it and to report to the committee. As the amendment is written, there is no way of telling what the revenue loss will be, inasmuch as the amendment covers buildings as well as equipment. Our committee is interested in the amendment, and will be glad to study it and see whether something can be worked out in another bill.

The loss the amendment would cause might not be so great.

However, of course, as I have previously stated, it would be very unwise for us to attach such amendments to the bill.

Mr. SPARKMAN. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD. I yield.

Mr. SPARKMAN. Our information was that the loss was estimated at $25 million. However, it seems to me there would be no loss in the long run, because the payments must be made, unless there is a variation in the tax rate. If the tax rate rises, there will be a loss. If the tax rate falls, there will be a gain.

Mr. BYRD. I think the $25 million estimate applies to equipment, not to buildings, under the amendment.

Mr. SPARKMAN. That may be true. However, 3 years ago we did make this allowance for the purchasers of new equipment. If we were able to do that then, in the case of the purchasers of new equipment, why are we not able to make a similar provision in the case of the purchasers of used equipment? That is what I cannot understand.

Mr. BYRD. Mr. President, the amendment has considerable merit. It was not rejected by the Finance Committee.

Mr. SPARKMAN. Mr. President, it is quite comforting to have the distinguished chairman of the Finance Committee make that statement.

I solicit the most careful consideration of the amendment in connection with any tax bill which may come before us in the future, and to which the amendment might be applied.

Mr. President, I realize the situation, and therefore I shall not request a vote on the amendment.

I withdraw the amendment.

The PRESIDING OFFICER. The amendment of the Senator from Alabama is withdrawn.

Mr. SPARKMAN. Mr. President, I now call up three of my amendments, which are identified as "3-18-57-B," "3-18-57-C," and "3-18-57-E." I ask that these three amendments be considered en bloc. I make this request in order to facilitate a brief discussion of the amendments, following which I shall request that the amendments be withdrawn.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the three amendments to which he has referred be considered en bloc? Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendments will be printed in full at this point in the RECORD.

The amendments submitted by Mr. SPARKMAN are as follows:

At the end of the bill add a new section as follows:

"SEC. 4. Election of small corporations to be taxed as partnerships.

"(a) Alternative taxable status of certain corporations: Subchapter R of chapter 1 of the Internal Revenue Code of 1954 (relating to election of certain partnerships and proprietorships as to taxable status) is amended—

"(1) by striking out the heading and table of sections for such subchapter and inserting in lieu thereof the following:

"'SUBCHAPTER R—ELECTION OF CERTAIN PARTNERSHIPS, PROPRIETORSHIPS, AND CORPORATIONS AS TO TAXABLE STATUS

"'Part I. Alternative taxable status of certain partnerships and proprietorships.

"'Part II. Alternative taxable status of certain corporations.

"'*Part I. Alternative taxable status of certain partnerships and proprietorships*

"'SEC. 1361. Unincorporated business enterprises electing to be taxed as domestic corporations.'; and

"(2) by inserting after section 1361 a new part as follows:

"'*Part II. Alternative taxable status of certain corporations*

"'SEC. 1371. Certain corporations electing to be treated as partnerships.

"'(a) General rule: Subject to the qualifications in subsection (b), a domestic corporation may, not later than 60 days after the close of any taxable year, elect, in accordance with regulations prescribed by the Secretary or his delegate, to be treated as a partnership for such year and all subsequent years, if all the shareholders owning stock in such corporation at any time on or after the first day of such year and on or before the date of the election consent to the election.

"'(b) Qualifications: The election described in subsection (a) may not be made by a domestic corporation unless at all times during the period on or after the first day of the taxable year with respect to which the election is made and on or before the date of election—

"'(1) such corporation has ..... or less shareholders all of whom are individuals (including all partners of any partnership owning stock in such corporation);

"'(2) all the shareholders are actively engaged in the conduct of the business of such corporation;

"'(3) no shareholder of such corporation is a nonresident alien or a foreign partnership;

"'(4) such corporation is not a corporation which was a party to a reorganization described in section 368 (b), or a corporation to which section 355 (or so much of section 356 as relates to section 355) applies and such corporation has not received a distribution under section 332 (relating to liquidations of subsidiaries) except in a case in which the basis of the assets distributed is determined under section 334 (b) (2);

"'(5) such corporation has only one class of stock; and

"'(6) no more than 80 percent of the stock of such corporation is owned by persons who formerly owned the business of such corporation as an unincorporated enterprise taxable as a domestic corporation under section 1361.

"'(c) Partnership provisions applicable: Under regulations prescribed by the Secretary or his delegate, a domestic corporation making the election under subsection (a) shall be considered a partnership for purposes of this subtitle (except chapter 2 thereof) and shall be subject to subchapter K (sec. 701 and following, relating to partnerships) with respect to formation, operation, distributions, liquidation, sale of an interest, and any other purpose; and each shareholder of such corporation shall be considered a partner owning an interest in the partnership in the proportion which shares owned by such shareholder bear to the total number of outstanding shares of such corporation.

"'(d) Election irrevocable: Except as provided in subsections (e) and (g), the election described in subsection (a) by a domestic corporation shall be irrevocable with respect to—

"'(1) the electing corporation and its shareholders; and

"'(2) any corporate successor to the business of the electing corporation and the shareholders of such successor.

"'(e) Change of ownership: In the first year in which the shareholders who consented to the election described in subsection (a) own 80 percent or less of the stock of a corporation described in subsection (d), such corporation shall not be treated as a partnership for such year or for subsequent years, unless such corporation makes a new election in accordance with the provisions of subsection (a).

"'(f) Constructive ownership: For purposes of subsections (b) (6) and (e), the ownership of a stock interest shall be determined in accordance with the rules for constructive ownership of stock provided in section 267 (c) other than paragraph (3) thereof.

"'(g) Disqualification: If a corporation described in subsection (d) issues stock of a different class than that outstanding, the election described in subsection (a) shall be deemed never to have been made and the corporation shall be liable for all taxes due (except penalties) and such taxes may be assessed and collected as if no return had been filed.

"'(h) Cross reference:

"'For period of limitations on assessment and collection of tax where no return has been filed, see section 6501.'

"(b) Technical amendment:

"(1) Section 1361 (b) of such code (relating to unincorporated business enterprises electing to be taxed as domestic corporations) is amended—

"(A) by striking out 'and' at the end of paragraph (3):

"(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof '; and'; and

"(C) by adding at the end thereof a new paragraph as follows:

"'(5) no proprietor or partners having more than 80 percent interest in the profits or capital of such enterprise formerly owned stock in a corporation treated as a partnership under section 1371 which carried on the business of such enterprise.'

"(2) Section 1504 (b) of such code (relating to definition of includible corporation) is amended by adding at the end thereof a new paragraph as follows:

"'(8) Corporations subject to tax as partnerships under section 1371.'

"(3) The table of subchapters for chapter 1 of such code is amended by striking out

"'Subchapter R. Election of certain partnerships and proprietorships as to taxable status.'

and inserting in lieu thereof

"'Subchapter R. Election of certain partnerships, proprietorships, and corporations as to taxable status.'

"(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1956.

"Amend the title so as to read: 'An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes'."

At the end of the bill add a new section as follows:

"SEC. 4. Election of proprietors of unincorporated businesses to be treated as employees under qualified pension, profit-sharing, and stock bonus plans.

"(a) Amendment of section 401: Section 401 of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) a new subsection as follows:

"'(c) Proprietors of unincorporated businesses:

"'(1) Treatment as employees: For purposes of this part, an individual who—

"'(A) owns a proprietary interest in an unincorporated business enterprise, and

"'(B) performs services in the conduct of the trade or business of such business enterprise, which, if performed by an individual who does not own a proprietary interest in such business enterprise, would constitute services performed by an employee, shall, at his election, be treated as an employee of such business enterprise. Except as provided in paragraph (3), such election shall be irrevocable. Such election shall be made at such time and in such manner as the Secretary or his delegate may by regulations prescribe.

"'(2) Election by partners: In the case of members of a partnership, paragraph (1) shall not apply to any member unless all members who perform services described in paragraph (1) (B) make an election under paragraph (1).

"'(3) Change of ownership: An election by a member of a partnership under paragraph (1) shall cease to be effective—

"'(A) upon the withdrawal from the partnership of a partner who has made an election under paragraph (1), unless, within 90 days after such withdrawal, the remaining members who perform services described in paragraph (1) (B) make a new election under paragraph (1); or

"'(B) upon the addition to the partnership of a new partner who performs services described in paragraph (1) (B), unless, within 90 days after such addition, all partners (including the new partner) who perform services described in paragraph (1) (B) make a new election under paragraph (1).

"'(4) Status as employer unaffected: The election by an individual under paragraph (1) to be treated, for purposes of this part, as an employee shall not affect the status of such individual as an employer for purposes of this part or of any other provision of this title.'

"(b) Repeal of section 1361 (d): Section 1361 (d) of such Code (relating to limitation on treatment of certain proprietors as employees) is repealed.

"(c) Effective date: The amendments made by this section shall apply to taxable years beginning after December 31, 1956.

"Amend the title so as to read: 'An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes.'"

On page 1, beginning with line 3, strike out all through line 15 on page 2, and in lieu thereof insert the following: "That this act may be cited as the 'Corporate Tax Revision Act of 1957.'

"TITLE I—REVISION OF INCOME TAX ON CORPORATIONS

"SEC. 101. Graduated corporate income tax.

"Subsections (a), (b), and (c) of section 11 of the Internal Revenue Code of 1954 (relating to tax on corporations) are amended to read as follows:

"'(a) Corporations in general: A tax is hereby imposed for each taxable year on the taxable income of every corporation. The tax shall be computed under subsection (b) in the case of a taxable year beginning before January 1, 1957, and under subsection (c) in the case of a taxable year beginning after December 31, 1956.

"'(b) Taxable years beginning before January 1, 1957: In the case of a taxable year beginning before January 1, 1957, the tax shall consist of—

"'(1) a normal tax equal to 30 percent of the taxable income, and

"'(2) a surtax equal to 22 percent of the amount by which the taxable income (computed without regard to the deduction, if any, provided in section 242 for partially tax-exempt interest) exceeds $25,000.

"'(c) Taxable years beginning after December 31, 1956: In the case of a taxable year beginning after December 31, 1956, the tax shall be determined in accordance with the following table:

"'If the taxable income is:	"'The tax is:
"'Not over $5,000	5 percent of the taxable income.
Over $5,000 but not over $10,000	$250, plus 10 percent of excess over $5,000.
Over $10,000 but not over $15,000	$750, plus 15 percent of excess over $10,000.
Over $15,000 but not over $20,000	$1,500, plus 25 percent of excess over $15,000.
Over $20,000 but not over $25,000	$2,750, plus 35 percent of excess over $20,000.
Over $25,000 but not over $100,000	$4,500, plus 45 percent of excess over $25,000.
Over $100,000	38,250, plus 55 percent of excess over $100,000.'

"SEC. 102. Technical amendments.

"(a) Section 12 (7) of the Internal Revenue Code of 1954 (cross references relating to tax on corporations) is amended by striking out 'section 11 (c)' and inserting in lieu thereof 'section 11 (b) (2).'

"(b) Section 244 (2) (B) of such Code (relating to dividends received on certain preferred stock) is amended to read as follows:

"'(B) the denominator of which is that percentage which equals—

"'(i) the sum of the normal tax rate and the surtax rate prescribed by section 11, in the case of a taxable year beginning before January 1, 1957, or

"'(ii) the tax rate prescribed by section 11 (determined as though the amount of such tax were expressed entirely in terms of a percentage of taxable income), in the case of a taxable year beginning after December 31, 1956.'

"(c) Section 247 (a) (2) (B) of such Code (relating to dividends paid on certain preferred stock of public utilities) is amended to read as follows:

"'(B) the denominator of which is that percentage which equals—

"'(i) the sum of the normal tax rate and the surtax rate prescribed by section 11, in the case of a taxable year beginning before January 1, 1957, or

"'(ii) the tax rate prescribed by section 11 (determined as though the amount of such tax were expressed entirely in terms of a percentage of taxable income), in the case of a taxable year beginning after December 31, 1956.'

"(d) Section 511 (a) (1) of such Code (relating to imposition of tax on unrelated business income of charitable, and so forth, organizations) is amended by striking out 'a normal tax and a surtax' and inserting in lieu thereof 'a tax.'

"(e) (1) Sections 802 (a) and 802 (c) (2) (A) of such Code (relating to imposition of tax on life insurance companies) are amended by striking out 'a normal tax (computed under section 11 (b)) and a surtax (computed under section 11 (c)' and inserting in lieu thereof 'a tax (computed under section 11).'

"(2) Section 811 (a) of such Code (relating to imposition of tax on life insurance companies) is amended to read as follows:

"'(a) Tax imposed: A tax (computed under section 11) is hereby imposed on the life-insurance-company taxable income of every life-insurance company for each taxable year beginning after December 31, 1956.'

"(f) Section 852 (b) (1) of such Code (relating to taxation of regulated investment companies and their shareholders) is amended (1) by striking out 'Normal tax and surtax' in the heading and inserting in lieu thereof 'tax,' (2) by striking out 'a normal tax and surtax' and inserting in lieu thereof 'a tax,' and (3) by striking out 'the normal tax under section 11' and inserting in lieu thereof 'the tax under section 11 (but only the normal tax under such section in the case of a taxable year beginning before January 1, 1957).'

"(g) Section 922 (2) (B) of such Code (relating to special deduction for Western Hemisphere trade corporations) is amended to read as follows:

"'(B) the denominator of which is that percentage which equals—

"'(i) the sum of the normal tax rate and the surtax rate prescribed by section 11, in the case of a taxable year beginning before January 1, 1957, or

"'(ii) the tax rate prescribed by section 11 (determined as though the amount of such tax were expressed entirely in terms of a percentage of taxable income), in the case of a taxable year beginning after December 31, 1956.'

"(h) Section 1361 (b) (1) of such Code (relating to imposition of taxes on unincorporated business enterprises electing to be treated as domestic corporations) is amended by striking out 'the normal tax and surtax' and inserting in lieu thereof 'the tax.'

"(i) Section 1503 (a) of such Code (relating to computation and payment of tax on consolidated returns) is amended (1) by striking out 'tax imposed under section 11 (c)' and inserting in lieu thereof 'surtax imposed under section 11,' and (2) by adding at the end thereof the following new sentence: 'For purposes of the first sentence of this subsection, the term "surtax imposed by section 11" means (1) the tax imposed by section 11(b) (2), in the case of a taxable year beginning before January 1, 1957, and (2) that portion of the tax imposed by section 11 (c) which is attributable to taxable income exceeding $25,000, in the case of a taxable year beginning after December 31, 1956.'

"(j) Section 1551 of such Code (relating to disallowance of surtax exemption and accumulated earnings credit) is amended by striking out 'provided in section 11 (c)' and inserting in lieu thereof 'provided (in the case of a taxable year beginning before January 1, 1957) in section 11 (b) (2).'

"SEC. 103. Effective date.

"The amendments made by sections 101 and 102 shall apply only with respect to taxable years beginning after December 31, 1956.

"TITLE II—EXCISE TAX RATES

"SEC. 201. One-year extension of certain excise-tax rates.

"Amend the title so as to read: 'An act to impose a graduated tax on the taxable income of corporations and to provide a 1-year extension of certain excise-tax rates.'"

Mr. SPARKMAN. Mr. President, I desire to say a few words about each of the three amendments.

First, I address myself to my amendment which is numbered 3-18-57-E.

Last spring, I introduced S. 4138, which was substantially the same as the amendment now before us. Much thought went into the drafting of that bill, and even more thought and discussion were devoted to the idea that taxes on corporate profits should appropriately be graduated. Like many of my colleagues, I had for a long time had the idea that graduation was not proper for business taxes; but by June 1956, it had become apparent that it was the only real way to give substantial tax help to small business, thereby protecting our free-enterprise system.

In the last 10 months, I have been gratified to note the number of supporters the concept has gained; and by the time I introduced the measure as S. 352, on January 7 of this year, I was asked by 6 other Senators whether they could join me in sponsoring the bill. Incidentally, I am sure many other Senators would have joined me, had I invited the entire membership of the Senate to do so.

Not only Senators, but also many substantial business groups, have backed this idea during the past months; and it appears to me that this plan is certain to be more seriously considered in the coming months, since it enables substantial and meaningful tax savings to be granted to small corporations. Incidentally, my measure also contemplates the effectuation of section 1361 of the Internal Revenue Code, which gives to certain unincorporated businesses the privilege to elect to be taxed as corporations. Obviously, under present rate structures, the option would not be utilized, even if the Treasury Department had issued instructions on its use—which it has not done.

I should like to insert at this point in my remarks a chart showing the tax savings possible under the amendment, and also showing the small amount of rise necessary to offset those benefits.

The chart shows, for example, that a corporation earning $5,000 now is forced to pay 30 percent, or $1,500, in taxes, while the Sparkman amendment would cut this figure to 5 percent, or $250—or a tax saving of over 83 percent for the firms which all of us would agree need it most.

At a $25,000 profit figure, the present law calls for taxes of $7,500, while my amendment would require the payment of $4,500, or a saving of 40 percent—again a significant factor in the survival or growth of a small firm.

In like manner, my amendment provides tax savings for all firms earning up to $375,000. Above that level, businesses would pay somewhat more than they presently are assessed.

Mr. President, I now ask unanimous consent that the chart to which I have referred be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Comparison of present and proposed corporate income tax laws*

Income subject to tax	Effective rate		Present tax liability	Proposed tax liability	Change	
	Present law	Proposed law			Amount	Percent
	Percent	*Percent*				
$5,000	30	5	$1,500	$250	−$1,250	−83.3
$10,000	30	7.5	3,000	750	−2,250	−75
$15,000	30	10	4,500	1,500	−3,000	−66.6
$20,000	30	13.75	6,000	2,750	−3,250	−54.2
$25,000	30	18	7,500	4,500	−3,000	−40
$50,000	41	31.5	20,500	15,750	−4,750	−23.2
$100,000	45.5	38.25	45,500	38,250	−7,250	−17.7
$250,000	49.6	47.7	124,000	119,250	−4,750	−3.8
$375,000	50.53	50.53	189,500	189,500	None	None
$500,000	50.9	51.65	254,500	258,250	+3,750	+1.48
$1,000,000	51.4	53.33	514,500	533,250	+18,750	+3.6
$5,000,000	51.9	54.68	2,594,500	2,732,250	+137,750	+5.3
$10,000,000	51.95	54.83	5,194,500	5,483,250	+288,750	+5.6

Mr. SPARKMAN. Mr. President, as I have said, the amendment relates to a graduated income-tax rate. The amendment is along the same line as the amendment of the Senator from Arkansas [Mr. FULBRIGHT], except for the fact that, under my amendment, small business would be given greater benefits.

One thing about my amendment which I dislike is the fact that the corporations with the greatest incomes would have to pay a somewhat greater tax. But every corporation with a taxable income of not more than $375,000 would receive a saving in taxes, and the corporations with the smallest taxable incomes would receive substantial savings.

The amendment provides for an increased tax in the case of the corporations in the very top brackets—the top 2 percent. That provision is made only because the administration indicated that no loss in revenue could be taken. However, in August of last year, just before the fall campaign, President Eisenhower appointed a Cabinet Committee on Small Business, and that committee made some excellent recommendations—in fact, the same as the recommendations which our Small Business Committee theretofore had made.

In those recommendations, the President's Cabinet Committee indicated that the Government could not stand a loss of as much as $700 million in revenue. Shortly thereafter, during the campaign—in fact, just a few days later—the Republican national convention met in San Francisco, and at that time it adopted the recommendations of the President's Cabinet Committee.

Then, in October, when President Eisenhower was a candidate for reelection, he sent a telegram to a group of "Small Business Men for Ike"; and in the telegram he endorsed completely—lock, stock, and barrel—every one of the recommendations his Cabinet Committee had proposed. Those recommendations would have resulted in as much as a $700 million loss in revenue.

Mr. President, I told the Finance Committee that I would be very glad to see the rate held at the maximum at present—namely, at 52 percent. That would entail a loss in revenue of approximately $900 million, which, after all, is not very much more than the President's Cabinet Committee was willing to recommend.

Mr. President, the Senate voted by a yea-and-nay vote on the amendment of the Senator from Arkansas [Mr. FULBRIGHT]. Again I am realistic; I know what the situation is. Although I regret to do so, Mr. President, I shall not request that a yea-and-nay vote be taken on this amendment.

Mr. President, it is estimated that my amendment will aid small business to the extent of a total of $900 million. The minute it appears that the Congress will approve a revenue loss of that sort, I shall revamp my amendment, so that the top corporate tax rate will remain at 52 percent, and all firms—large and small—will gain some benefits, although, naturally, the bulk of the aid will go to smaller companies.

At this point, I ask unanimous consent to have printed in the RECORD a chart

showing the effect of the modified Sparkman amendment with a top figure of 52 percent.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Comparison of present corporate income tax laws and Sparkman amendment with 52 percent top rate*

Income subject to tax	Effective rate		Present tax liability	Proposed tax liability	Change	
	Present law	Proposed law			Amount	Percent
	Percent	*Percent*				
$5,000	20	5	$1,000	[illegible]	−$1,250	−83.3
$10,000	20	7.5	3,000	750	−2,250	−75
$15,000	20	10	4,500	1,500	−3,000	−66.6
$20,000	20	13.75	6,000	2,750	−3,250	−54.2
$25,000	20	18	7,500	4,500	−3,000	−40
$50,000	41	31.5	20,500	15,750	−4,750	−23.2
$100,000	46.5	38.25	46,500	38,250	−8,250	−17.7
$250,000	52.8	46.34	132,000	115,850	−16,150	−12.2
$375,000	50.53	46.53	189,500	174,500	−15,000	−7.9
$500,000	50.9	49.25	254,500	246,250	−8,250	−3.2
$1,000,000	51.4	50.62	514,500	506,250	−8,250	−1.6
$5,000,000	51.9	51.72	2,594,500	2,586,250	−8,250	−.32
$10,000,000	51.95	51.92	5,194,500	5,186,250	−8,250	−.16

Mr. SPARKMAN. Mr. President, I have said that it appears to me that this is the most effective way to help small business. Let me give an example: For a long time I thought, as some of my colleagues have, about allowing a credit for profits reinvested in a business. When I asked for revenue figures on this matter, I found that granting a credit of only $5,000 would involve a loss of between $1.5 billion and $2.5 billion, according to the estimates of the Joint Committee on Internal Revenue Taxation.

Senators from the great States in the Northeast undoubtedly are aware of the intelligent, conservative, and statesmanlike businessmen who have joined together in the Smaller Business Association of New England. This group has furnished many of the business leaders who have rendered fine service to the Government, both in periods of war and in periods of peace. After a comprehensive and sober study of the subject, the New England group has favored the principle of graduated corporate taxes.

Likewise, Senators from the Southwest probably are aware of the fine organization known as Strategic Industries Association—a group composed of highly-qualified manufacturers largely engaged in complex subcontracting work for the major aircraft corporations. This association has also publicly supported the amendment I am offering.

Let me digress slightly to point out a concrete illustration of why we need small-business tax relief so urgently. The Strategic Industries Association is a young group, and its members are the sort of persons whom we like to consider as furnishing future business leaders whose firms will, in the coming years, be competing effectively with the large corporations. Of the first 50 members of that organization, 5 sold out to big business during the first year of the group's life. They did so largely because of present tax laws. I shall read the telegram from that organization to the Senate Finance Committee, to emphasize this aspect of the small-business tax problem:

LOS ANGELES, CALIF., *March 20, 1957.*

Senator HARRY F. BYRD,
Chairman, Senate Finance Committee,
United States Senate,
Washington, D. C.:

Regret inability to have representative of Strategic Industries Association in Washington to testify on tax problems of small business. We regard this as single most serious problem. Large firms able to pass tax burden to consumer. Small firms must absorb tax impact to remain competitive and are unable to retain sufficient dollars for growth or to attract either equity or loan capital. Result is considered root cause of trend toward centralization of manufacturing in handful of large firms. A half dozen of our former members have had to sell out during past year. Ultimate effect will be socialistic demand for nationalization of large companies and disappearance of free-enterprise economy. Several years of research have gone into our study of problem as covered in our booklet titled "Case for Incentive Corporate Taxes." Copy following in mail. We urge early serious consideration leading to adoption of relief measure along lines of Sparkman bill or Seely-Brown, H. R. 9851, of preceding congressional session.

JOHN MARSCHALK,
Executive Director, Strategic Industries Association.

Mr. President, several other responsible small-business groups have also supported either the actual form or the principle of the amendment I am now proposing.

At the Senate Finance Committee hearing last week, Secretary of the Treasury Humphrey stated that "there is no justification for a progressive corporate tax. The analogy with the progressive individual income tax is not correct." The Secretary seemed to think that that disposed of my idea once and for all.

Let me say, first, that I had never made the analogy between the corporate and the individual tax rates, so the Secretary demolished only his own straw man. Second, I must dispute Mr. Humphrey's flat assertion that "there is no justification for a progressive corporate tax." It is my feeling that anyone studying the difficulties of small business must recognize taxes as the No. 1 problem. Therefore, effective help must be given in this field, if any positive results are to be expected. Bills to create additional sources of credit, bills to curb monopoly, bills providing for the scrutiny of mergers, bills setting up the Small Business Administration—all of these are largely designed to alleviate the ailments caused by high taxes on small business. Until a more effective way is found to give more relief at a smaller revenue cost, I must stay with the graduated-tax idea as the one best way to help small business.

During last week's hearings before the Finance Committee, several other objections were lodged against this concept. Secretary Humphrey and others stated that my bill would help only incorporated businesses, but I tried to point out that section 1361 was designed to provide an election for proprietorships and partnerships to be taxed as corporations. Thus, the lower rates in my bill would undoubtedly lead many unincorporated businesses to make that election. But now it turns out that the Treasury Department has not yet issued regulations allowing the use of this section in the Code we passed almost 3 years ago. This, I submit, is not the fault of those supporting the Sparkman amendment; and I call upon the Treasury Department and the Finance Committee to guarantee that that section will provide what we were told, back in 1954, it was meant to provide. If it is any consolation, I was not the only one fooled by the difference between words and actions, since the President's Cabinet Committee on Small Business also cited section 1361 as granting the privilege of such an election.

Secretary Humphrey and several Senators also pointed out that enactment of my bill would lead to a proliferation of corporations, inasmuch as every business earning above $375,000 would split up almost infinitely, in order to take advantage of the lower rates. This may be possible under present law, although here, again, I thought the Congress was safeguarded by the language of the 1954 Code, which stated that it would not be legal to establish subsidiary corporations for the purpose of tax avoidance. According to what I heard before the Finance Committee last week, it appears that widespread tax evasion is currently being considered legal in these corporate split-ups. Since this is apparently the case, I call upon the Treasury Department and the Finance Committee to draw up regulations or proposed legislation stopping the practice. Perhaps we could produce enough revenue in this way to grant some more small-business tax relief, since it is certain that very few small businesses earn enough to make it worthwhile for them to split up in this way.

Again in his testimony, Secretary Humphrey stated that this sort of proposed legislation should not be enacted without the most careful consideration. Here, for a change, I agree with him; but I want to ask how long it might take to obtain such consideration. I have already mentioned that my bill has been before the Congress for almost a year. If that is not long enough, what is, Mr. President?

The Secretary concluded his testimony with this statement:

> Certainly small business would be helped if its taxes were lower, just as every other group in America would be better off with lower taxes. But we must hold to the line and we must now avoid giving preferential tax treatment, group by group, to any special group and so discriminate against all other groups and delay that happy day when general tax relief can again be given to every taxpayer in America.

Several thoughts occur to me here, Mr. President: In the first place, why should we decide that now is the time to stop helping certain segments of society and the economy, since it is apparent that small business is discriminated against at the present time. Must we stand aside and do nothing to rectify the obvious inequities which have been demonstrated here today? Is the intellectual exercise of holding the line worth the threat to our free economy implicit in the present tax laws?

Finally, Mr. President, how can the proposal I am here offering postpone "that happy day" Secretary Humphrey so wistfully awaits? No revenue loss is involved in my amendment. Thus, on that account there can be no delay or putting off of "the most happy day."

I submit that my amendment is a logical plan for helping those who need help most. When combined with other provisions of my tax program, the amendment will help small businesses. If we really mean what we say about the importance of small and independent businesses in America, we had better stop hiding behind procedural and peripheral objections, and we had better start looking for hard facts and sound alternatives.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. Is the Senator from Alabama now referring to his amendment which is identical with his bill, S. 352?

Mr. SPARKMAN. That is correct.

Mr. HUMPHREY. I understand that his amendment establishes a tax schedule on a graduated basis.

Mr. SPARKMAN. That is correct. I begin with a 5-percent tax on the first $5,000, and then provide for an increase in the rate, so that a small business with an income subject to tax of $5,000 would save $1,250. The present tax is $1,500. Under my amendment, which is similar to my bill, the tax would be only $250.

Mr. HUMPHREY. The Senator from Alabama has placed in the RECORD the table to which he has referred, so that it will be available for the information of all Senators; is that correct?

Mr. SPARKMAN. That is correct.

Furthermore, Mr. President, let me say that a small business with an income subject to tax of $100,000, at the present time has a tax liability of $46,500. Under my amendment or bill, that business would have a tax liability of $38,250, or would have a tax saving of $8,250.

Mr. HUMPHREY. The purpose of the Senator's proposal is to permit the smaller business establishments to accumulate the reserve capital necessary for the operation and expansion of their businesses; is that correct?

Mr. SPARKMAN. Yes—necessary not only for their growth, but also for their very existence and life.

Mr. HUMPHREY. And in the long run the amendment might not result in a loss of revenue at all; is that correct?

Mr. SPARKMAN. Certainly it is correct.

Mr. HUMPHREY. As a matter of fact, as a result of the stimulation of business activity, the revenue of the Federal Government might actually be increased; is that correct?

Mr. SPARKMAN. Yes; the immediate loss would be more than recouped.

Mr. HUMPHREY. I wish to say to the Senator that this is a proposal which has interested me for a long time. I was proud to be a cosponsor of his bill. I noticed this morning, or earlier today, that the Senator from Louisiana indicated a desire to see the enactment of legislation relating to independent business enterprises which would not penalize those in what he called the larger corporations—that is, the stockholders of the larger corporations—but at the same time would give independent business an opportunity to have a better tax program in terms of business capital and reserves. This proposal would meet that criterion.

Mr. SPARKMAN. I wish to thank the Senator. I wholeheartedly support his remarks.

Mr. President, regarding my amendment designated 3-18-57-B, I may say that the 9 Senators who joined with me in introducing this proposal as S. 349 on January 7 and I feel that the adoption of this amendment to H. R. 4090 will correct one obvious inequity in the present Internal Revenue Code. Since 1954, under section 1361 of the code, certain proprietorships and partnerships have been given the privilege of electing to be taxed as corporations. Obviously, during the past 3 years, there has been little or no use of this section, since the present high corporate tax rates have meant that very few unincorporated concerns would find it to their advantage to make this election. On the other hand, the power is a part of our tax law today.

My amendment lettered B gives closely held corporations (those with 10 or more stockholders, all of whom are active in the business) the right to choose to be taxed as partnerships. It would appear that this is a logical change and one which would be supported by all Senators. It should be pointed out that the Senate Finance Committee back in 1954 approved this very feature in its version of H. R. 8300, the bill which became the Revenue Act of that year.

Furthermore, the Cabinet Committee on Small Business sought this revision as 1 of its 4 tax recommendations. It urged:

> That corporations with, say, 10 or fewer stockholders be given the option of being taxed as if they were partnerships. Many small businesses avoid the corporate form of organization, despite the advantages of limited liability and continuity of legal existence, because the corporate income tax may prove an added burden. The present proposal would make decisions whether or not to incorporate turn on factors other than taxes, since the law already gives certain parnerships the option of being taxed as corporations. This measure was originally proposed by the administration in 1954. It would particularly benefit firms having stockholders with very modest incomes.

Mr. President, here again we have the spectacle of seeing the administration, and its spokesman of tax matters, Secretary of the Treasury Humphrey, reverse their fields when some of us earnestly seek to help small business. There is no question in my mind but that this is a legitimate and valid revision and one which would alleviate to a small degree the oppressing burden of present high Federal tax rates on small businesses. Nonetheless, the administration, and, I am afraid, the Senate Finance Committee, are loath to afford the sort of remedy so necessary if a small business is not to lose completely its role in our competitive economy.

While there seems to be some question on how to estimate the cost of this amendment, the Chief of Staff of the Joint Committee on Internal Revenue Taxation has written me that he would guess that the revenue loss involved would be in the neighborhood of $50 million a year. I submit that this is a small price indeed to pay for the medicinal effect of the proposal.

As I have heretofore announced, I withdraw the amendment.

As to my amendment designated 3-18-57-C, it would be hard for any Member of the Senate—or any official in the Executive Branch of the Government to rationalize or defend many features of the Internal Revenue Code as it stands today. It is probably inevitable that a subject so complex would contain many such illogical and inequitable provisions—any of us can understand that. But what I cannot understand is why some serious effort has not been made during the past 3 years by either the administration or the Congress to correct some of the most glaring wrongs in the present law. Every day we witness strong efforts to right evils within our society and within our economy—and all of us applaud attempts to make the law of the land as fair as possible.

On the other hand, no move to smooth out rough spots or to fill in potholes in our tax law has been pushed strenuously here, since the passage of the Revenue Act of 1954. That law itself incorporated some of these inequities about which we have been debating today. To my mind, there is no more obvious flaw than the one which is the subject of this amendment.

In 1954, Congress gave to corporations the right to deduct from their taxable income up to 15 percent of their payrolls for contributions to profit-sharing plans for their employees. In addition, those corporations may also deduct an additional 5 percent for payments to pension plans. Naturally, when corporate tax rates are as high as they are today, these plans are extremely attractive and a corporation is able to make payments into such funds at a cost of only 48 percent, when it is taxed at the top 52 percent level.

Let me point out, however, that this benefit accrues only to employees—and there is the catch. Under interpretations of the law, proprietors or partners of unincorporated businesses cannot qualify for this tax-exempt status. On the other hand, in an extreme case, the sole stockholders of a wholly owned corporation, is able to qualify as an employee of the corporation. This is, I submit, the rankest sort of inequity, and one for which I can find no justification.

If we in the Senate are to take at all seriously our pledges to help small business—and, even more, if we are to make a serious effort to treat all citizens as equal under the laws of the land, there is no way we can dodge the responsibility of correcting the unequal impact of this section of our tax laws.

According to the Joint Committee on Internal Revenue Taxation, it is unable to estimate the revenue loss resulting from action removing this illogical provision from the Code. It would be my guess that the figure would not be high, but whether it is or not, there can be no sound reason for continuing the present section of the law unamended.

Before concluding this brief analysis of my amendment, I should like to quote from the statement I made on the floor of the Senate concerning Senate Bill 350, an identical measure, which I introduced along with Senators HILL, HUMPHREY, KEFAUVER, NEUBERGER, KENNEDY, MORSE, THYE, SCHOEPPEL, and KUCHEL.

Money earned by the trust as a result of its investment of contributed funds is tax exempt. An employee on whose behalf the employer makes a contribution is not taxed on his share of the contribution. And if the employee retires and takes his share of the trust fund in 1 year, he is taxable only at capital gains rates.

Thus it can readily be seen how great are the benefits accruing to beneficiaries under these plans. As I have previously pointed out, a sole stockholder or a majority stockholder of a corporation serving as an officer of the corporation qualifies for the benefits accruing to employees of his company under one of these plans for the reason that under the present law, he meets the test of an employee. He is an employee of his own corporation. But a partner or the proprietor of an unincorporated business entity does not qualify as an employee and thus is not entitled to the benefits of such a plan established in his unincorporated business.

The value of these benefits is very great in terms of security and opportunities for savings. These savings are particularly important for the proprietors of small, unincorporated businesses. Oftentimes their life savings are tied up in the brick and mortar of their businesses. When they die, the impact of the Federal estate tax forces liquidation of the business, frequently a sale of the business to a larger competitor, in order to raise the liquid funds necessary to meet the estate tax. The sole stockholder-president of a corporation having a qualified plan has a ready source of liquid funds—his equity in the plan.

The same situation arises when the time comes for normal retirement. The beneficiary of a tax-exempt pension or profit-sharing plan has at his disposal a fund which has appreciated very greatly in value simply because of the tax benefits which I have already cited. The partner or proprietor of an unincorporated business has a much lesser sum available for his retirement years—only the after-tax dollars which he has managed somehow to set aside for retirement purposes. This is undoubtedly the reason why we find so many more executives of unincorporated businesses continuing their active participation in the business right down to the day of death. They have not been able to accumulate the savings which would be sufficient to enable them to retire comfortably. They simply cannot afford retirement such as their corporate brothers enjoy, because they have not had the benefits of these tax-exempt plans.

Stated in its simplest terms, S. 350 would put the small partner or proprietor on an even footing with his corporate counterpart. It would enable him to save some of the profits of his business for his own retirement and for meeting the cost of estate taxes on his death. The enactment of S. 350 would be a great step in the direction of helping small-business men. It would eliminate the present discrimination in favor of corporate executives and stockholders in closely held corporations.

Mr. President, we have heard much today about the need to help all small businesses before we help any one segment of them. Here is a golden opportunity for my colleagues to prove their desire to help the small and the 4 million unincorporated small businesses at one stroke and, at the same time, to remove a serious injustice in the present code. I should think there could be no opposition to this amendment—I see no reason why the House would not adopt this amendment without objection, since they proved so amenable in the case of the one amendment which was made by the Finance Committee in extending H. R. 4090 from 12 months to 14 months. Incidentally, I should be sorry indeed if this Congress thought that it could fulfill its obligations to the small businesses of the country by this extension alone—I shall hate to face the hundreds and thousands of them who have contacted our committee if the only product of our effort to bring about some measure of tax relief amounts to extending what is admittedly an unfair and dangerous tax law for 15 months and tell them that no help can be expected until July 1, 1958. I wonder how many of them will not be in operation 15 months from now to check up on us at that time.

I withdraw the amendment.

Mr. President, my amendment, designated "3-18-57-D," is a very simple amendment, and a happy one for many reasons. In the first place, our very persuasive Secretary of the Treasury, George M. Humphrey, has indicated that he did not particularly like the idea of any tax relief for small business, but that he would not "cut his throat" if such relief could be granted with a minimum loss of revenue. In answer to a question, he said that he thought that $50 million was not too bad but that he might cut his throat at a $51 million loss. Therefore, this amendment is a nice one, for it involves a loss to the Treasury of only $25 million during the first year it is in operation, and involves no decapitation on that score.

Perhaps equally important to others of my colleagues in the fact that this amendment will help lots of small-business men—both those operating as corporations and those who are unincorporated. What it will do is this:

In 1954 the Congress authorized more liberal depreciation allowances for purchases of new equipment, and from all observations those provisions have contributed in some measure to the great expansion of business plant during the past 3 years. Unfortunately, however, it is a sad fact that small businesses traditionally cannot afford to buy new buildings, new machines, or new fixtures. All too often they can justify only the purchase of used production tools, but they find that even this secondhand equipment materially improves their product and substantially lowers their costs.

My amendment, which was cosponsored by nine of my colleagues—Senators HILL, HUMPHREY, KEFAUVER, NEUBERGER, KENNEDY, MORSE, THYE, SCHOEPPEL, and KUCHEL—when it was introduced on January 7 as S. 351, would grant equity to those small businesses who buy used equipment. It follows closely the recommendation of the Senate Small Business Committee in its report on tax problems of small business which was unanimously approved by our committee in June 1953, and also with the recommendations of the President's Cabinet Committee on Small Business, made public in August 1956.

The only possible argument against this measure could be that some abuses on depreciation allowances might result from phantom transfers of tools and equipment, but I have never believed that the possibility of abuse should preclude us from taking necessary, positive, and wise action. Certainly, the tax collectors can curb illegal transactions under present law, or if they cannot, they should come to us for further power.

Here, then, is an amendment which will result in minimal revenue losses over the short run only, and certainly increased tax returns for the Federal Government when balanced out over the next 5 or 10 years. Secondly, this is an amendment which will apply to all small businesses, incorporated and unincorporated. In the third place, it has been strongly backed by competent legislative and executive study groups, as well as by every business group, so far as I am aware, which has surveyed this problem.

I withdraw the amendment.

All of the amendments were good ones, Mr. President, and I again earnestly beseech the chairman of the committee to see to it that my amendments are given most careful consideration in connection with tax relief for small business at the first opportunity which may be afforded to present it again to the Senate.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CARROLL. I wish to commend the Senator from Alabama for his sincerity and his tenacity in offering his very excellent proposals. It has been difficult to win success in the cause for which he has fought so hard. I associate myself with everything that has been said and done by the Senator from Alabama with reference to these amendments, and urge him to continue to press forward to have them enacted into law.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Colorado. I assure him I am going to press forward. It is not difficult for me to do so, because ever since the organization of the Small Business Committee—and I have been chairman of the committee for 5 of the 7 years I have been a member of it—that committee has been unanimous in its recommendation of just such a tax program.

The PRESIDING OFFICER. The Chair understands that the Senator withdraws his amendments.

Mr. SPARKMAN. Mr. President, I previously stated that that was to be done.

Mr. POTTER. Mr. President, I send an amendment to the desk. I ask unanimous consent that the reading of it be dispensed with, and that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. POTTER's amendment is as follows:

At the end of the bill insert a new section as follows:

"SEC. 4. Deductions for teachers for expenses incurred for further education.

"(a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 217 as section 218 and by inserting after section 216 the following new section:

"'SEC. 217. Expenses of teachers for further education.

"'(a) Allowance of deduction: In the case of an established teacher (as defined in subsection (b) (1)), there shall be allowed as a deduction the expenses paid during the taxable year by such teacher for his further education (as defined in subsection (b) (2)).

"'(b) Definitions: For purposes of this section—

"'(1) the term "established teacher" means an individual who is employed on the educational staff of a public or private school accredited by the accrediting agency of a State or Territory or by a regional accrediting agency; and

"'(2) the term "expenses paid during the taxable year by such teacher for his further education" includes all expenses which are paid during the taxable year by an established teacher (as defined in paragraph (1)) for tuition, books, and other equipment, travel, and living expenses while away from home (to the extent that they exceed his normal living expenses) in connection with his enrollment in a course or courses of education at an institution of higher education accredited by the accrediting agency of a State or Territory or by a regional accrediting agency.

"'(c) Limitations: The deduction allowed a taxpayer under subsection (a) shall not exceed $600 for any taxable year; and no expense shall be allowed as a part of such deduction if such expense is allowable as a deduction under section 162 (relating to trade or business expenses).'

"(b) The table of sections for such part VII is amended by striking out

"'Sec. 217. Cross references.'

"and inserting in lieu thereof,

"'Sec. 217. Expenses of teachers for further education.

"'Sec. 218. Cross references.'

"(c) The amendments made by this section shall apply only with respect to taxable years beginning after December 31, 1956."

Mr. POTTER. Mr. President, I wish to speak on the amendment and other tax problems which I am sure the Finance Committee will be considering at a later date. At least, I hope it will be considering the problem and will suggest to the Senate for action rectification of inequities existing in the present tax structure.

My amendment allows teachers the same tax exemptions, with respect to tuition, books, and necessary travel, which businessmen are allowed. Under the present tax structure, a professional baseball player can make a tax deduction for his uniforms. A person who works in a theater can make deductions for costumes or uniforms. Businessmen can make deductions for hotel and meal expenses. In the teaching profession a teacher may be required to attend summer school merely in order to remain in her profession. She is not allowed to deduct her tuition as an allowable business expense. Neither can she deduct the cost of board and room while attending summer school. In this respect, teachers are discriminated against as compared with other professions, and certainly with other businesses.

The amendment would allow a teacher to make a deduction up to $600 for books, tuition, and travel, if the expense were incurred in the profession of teaching and to enable her to remain in the teaching profession.

Mr. President, I know the temper of the Finance Committee. The committee believes that any amendments offered to the bill will prevent the conferees from agreeing to a bill before the excise taxes expire.

It always seems strange to me, however, that legislation of this character always comes up when the Senate is caught in a squeeze. We cannot do anything to disturb passage of the bill before certain taxes will expire. I would be the last one to suggest that there has ben a concerted effort to bring this proposed legislation before the Senate when there is a time squeeze, so that what I consider legitimate amendments cannot be considered properly by the Senate.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. FLANDERS. We have altered that squeeze by an amendment which the House is willing to accept, so that now this law will run through to June 30, 1958, which will give us more time next year.

Mr. POTTER. I think that is probably so, but I venture to predict that even with the extension to the later date, probably by June 28 of next year there will be a tax bill before the Senate, and it will be said that we must take it as it is, because the committee does not dare to take any amendments to the House for conference, and therefore we must pass it as is, or else. I think the amendment which the Finance Committee has placed in the bill is a laudable one, and I hope the Finance Committee, in the consideration of tax legislation next year, will recognize the need for legislation of the type suggested, and bring the measure up in an orderly manner, so that the Senate and the House may have an opportunity to enact an appropriate tax bill.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. FLANDERS. I am sorry to see the Senator in such a pessimistic mood. I should like to brighten his mood.

Mr. POTTER. The Senator from Michigan would always like to have his mood brightened.

Mr. FLANDERS. I think perhaps I can do it by suggesting that there will be other bills coming along from the House which will furnish better vehicles for amendments than does the pending bill.

Mr. POTTER. I thank the Senator. I hope that will be true. I have discussed this bill and other bills with various members of the Committee on Finance. I have been assured that there will be a so-called bobtailed tax bill coming along toward the latter part of the session.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. HOLLAND. I wish to say to the Senator that I very strongly favor the action he is suggesting. I think it is just. I believe the expenses incurred by a teacher in order to enable him or her to remain in the line of promotion, or, sometimes, even to continue in employment, are certainly proper business expenses, and should be allowed as such.

The Senator may have seen the report concerning a letter which I received the other day from a couple of teachers in Miami, which I think points up better than anything else I have seen the absurdity of the present law. They were complaining that they were not allowed to charge off as necessary business expenses the cost of attending summer school, which was required of them if they were to remain in the particular public school where they were teaching. They contrasted that situation with the fact that their next door neighbor, who, they said, was a striptease artist, had a right under the law to charge off as necessary business expenses the cost of her false eyelashes, her G-string, and any other appurtenances or equipment, if any, that she had to have in order to carry on her calling. It seems to me that there could be no better illustration of the ridiculous conditions and limitations in the present law than that letter brought out.

I commend the distinguished Senator for the effort he is making. I hope he will succeed. I wish, as he does, that we were not confronted with the constitutional situation in which we cannot originate tax legislation here. Therefore, every time we have before us a tax measure on which a tax amendment can be hung, we try to hang on that one peg every loose hat, every loose coat, every loose overcoat, and every other tax garment we may have around.

I thoroughly commend the committee for its insistence that we have before us a task which is necessitous and single, and that there is a limitation of time in which it must be done, however unpleasant it may be for us to be deprived of the opportunity to do some other just and necessary things which we would like to see accomplished.

I think the distinguished Senator realizes, as do most other Members of the Senate, that we must forego until later the opportunity to do some excellent things. In my judgment there is no more excellent objective than the one which the Senator seeks to attain.

Mr. POTTER. I thank the distinguished Senator from Florida. The example which the Senator cited is most graphic. I have never been able to understand how this inequity has existed

for so long without being rectified. I assume one reason is that we do not often have the opportunity to act upon legislation of this kind, as compared with other types of legislation in other fields.

Our teachers, as compared with members of other professions and businesses, have been discriminated against. In most school systems they are required to continue their education in order to retain their employment. They cannot charge off the expense of such education, even when they are carrying out the mandate of their own educational institutions, in which they are employed. They cannot charge off such expenses as business expenses. It is most unfair.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. FLANDERS. I assure the Senator of my benevolent intentions toward his amendment when a suitable vehicle comes along.

The same observation applies to some—but not all—of the amendments which the Senator from Alabama [Mr. SPARKMAN] discussed. I feel that benevolence is due to many of them.

Mr. POTTER. I have discussed this bill with the chairman of the Finance Committee, and he has assured me that at the present time the committee is giving consideration to legislation of this type.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. BYRD. The Senator from Michigan is correct. The committee is having the staff study this particular amendment at this time.

Mr. POTTER. I thank the chairman. I can understand the concern of the chairman to have the Senate pass a bill without unnecessary amendments. However, I wish it were possible to include my amendment in the bill. I hope the Finance Committee will afford us, in this session, an opportunity, in connection with an appropriate bill, to bring about corrections of certain injustices.

Mr. President, I should like to comment on several amendments which have been discussed today, and which purported to be of great help to small business. I have been working on a bill, which I intend to introduce in the very near future, and which I think generally would help all small business. It is similar to a bill which has been introduced in the House of Representatives by Representative THOMAS B. CURTIS, of Missouri.

One of the main problems with which the small-business man is confronted is that the tax structure is such that so much of his money goes into taxes that he is unable to plow money back into his business. He is prevented from expanding, as he would like to do.

My bill would allow small business concerns to make deductions for additional investment in plant, in depreciable assets, and in inventory. The bill will be submitted to the Finance Committee in the very near future, and I commend it to the Finance Committee for its consideration.

With the assurance from the Finance Committee that serious study will be given to the proposal I have mentioned, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Michigan is withdrawn.

Mr. MAGNUSON. Mr. President, I shall not take much of the time of the Senate. I offer the amendment which I send to the desk and ask to have printed in the RECORD at this point, without reading. I should like to take about 3 or 4 minutes to explain it.

The PRESIDING OFFICER. Without objection, the amendment will be printed in full in the RECORD at this point, without reading.

Mr. MAGNUSON's amendment was, at the end of the bill, to add a new section, as follows:

SEC. 4. Limitation of tax on transportation of property other than coal.

(a) Limitation of tax: Subsection (a) of section 4271 of the Internal Revenue Code of 1954 (relating to the tax on the transportation of property other than coal) is amended by inserting before the period at the end thereof the following: "or to 3 cents for each 100 pounds of the property so transported, whichever is less."

(b) Effective date: The amendment made by subsection (a) shall apply only with respect to amounts paid, on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act, for transportation which begins on or after such first day.

Mr. MAGNUSON. I appreciate the legislative situation, as do other Members of the Senate who had amendments to propose on this very complex tax problem, particularly with respect to the excise taxes.

Of course, I would have liked to have had placed a maximum limitation on the transportation tax of 3 percent, and to have let it go at that. However, the failure of that amendment induces me to submit my present amendment, which I also submitted last year. It would correct what I believe to be an inequity in the application of the excise tax. The amendment does not require the repeal of the transportation excise tax. It merely suggests a fairer and nondiscriminatory application of the tax on property.

The maximum tax proposed, of 3 cents per hundredweight, will apply only when the freight rate exceeds $1 per 100 pounds. There would be no change when the freight rate is in excess of $1, or less than 100 pounds.

The proposal of a maximum tax on general freight is exactly what the present tax law does with respect to coal, where the tax is set at 4 cents a ton, or two-tenths of a cent on 100 pounds, irrespective of the length of the coal haul or the amount of the coal freight bill.

Of course, it would apply only in cases where inequities exist with respect to bulk commodities such as lumber and coal. A particularly strong case has been made by potato and onion shippers, especially those west of the Mississippi River.

The principle of a maximum, less than a 4-percent increase, has been ordered by the Interstate Commerce Commission in each of its 5 final freight rate increase orders since 1945.

I shall put into the RECORD the full statement.

Since 1942, when the 3-percent tax was started, freight rates have just about doubled.

I shall not burden the Senate any further, but I ask unanimous consent that the whole statement I have in my hand be printed in the body of the RECORD at this point, as a part of my remarks. It points out the reasons why I believe the change should be made.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MAXIMUM LIMITATION ON THE 3 PERCENT FEDERAL TRANSPORTATION TAX

To the Congress of the United States:

We are asking Congress to make the following change in the Federal transportation tax law.

Change requested:

Internal Revenue Code (1954, 26 U. S. C. A., sec. 4271) (transportation tax on all property, other than coal).

(a) Property other than coal: There is hereby imposed upon the amount paid within or without the United States for the transportation of property, except coal, by rail, motor vehicle, water, or air from one point in the United States to another, a tax equal to 3 percent of the amount so paid, but not more than 3 cents per 100 pounds on the billed weight of the shipment.

REASONS WHY THE CHANGE SHOULD BE MADE

1. Repeal of the transportation excise tax is not asked. What we are asking is only a fairer, nondiscriminatory, application of the transportation tax on property.

The maximum tax proposed here (3 cents a hundredweight) will apply only when the freight rate exceeds $1 per 100 pounds. There will be no change where the freight rate is $1 or less per 100 pounds.

2. This proposal of a maximum tax on general freight is exactly what the present tax law does on coal—where the tax is set at 4 cents per ton (or two-tenths of a cent per 100 pounds) irrespective of the length of coal haul or amount of the coal freight bill).

3. This principle of a maximum (less than a full percentage increase) has been ordered by the Interstate Commerce Commission in each of their five final freight rate increase orders since 1945 on many, many items. See ICC Ex Parte Increase Orders in Dockets 162, 168, 168, 175, and 196. The ICC has recognized it is unjust, unlawful, and unreasonable on much freight to assess a full percentage increase. The tax law, on all freight bases, should recognize a maximum limitation to not prejudice long-haul shippers, or small shippers who cannot ship large enough quantities to get lower rates.

4. Since 1942, when the 3 percent tax was started, freight rates have just about doubled. Maximum increase has been much over 100 percent. Average is about 90 percent up. The Government tax has doubled on most freight since 1942 because the freight rates have doubled. It is proper that taxes be reviewed now to bring taxes back closer to what the Congress ordered in 1942.

5. The 3 percent tax is grossly unfair to both carriers and shippers. Private trucking is not subject to a tax. Common carriers (truck, rail, or water) to meet private competition and hold their business must absorb the tax. Example: If private trucking cost on "X" commodity is $1 for the haul involved, the truck or rail line to hold the business must quote 97 cents in order to take into account the 3 cents tax the Government must take to make their total cost equal $1 per hundredweight. This amendment would make 3 cents per hundredweight their maximum absorption in such situations.

6. This tax is all wrong—in that it puts the greatest tax burden on the shipper least

able to pay. A short-haul shipper can control his local market generally, so could pay a higher tax. However, as his tax is on the small freight charge, he pays little taxes. A long-haul shipper pays a high freight to reach the market. His ability to absorb such costs is much less than the short-haul competitor. However, the longer the haul, the greater the tax. This tax is the reverse of the basic principle that taxes should be based on the ability to pay. This proposed change would limit the tax burden to not over 3 cents per 100 pounds on all freight. See appendix 1 for average rates paid on rail-car movements.

7. The transportation tax has definitely reduced farm income. On a national average rail carload of wheat in 1954 it amounted to 20 cents per ton. On potatoes it amounted to 59 cents per ton; on cattle 54 cents per ton; on butter 60 cents per ton; on hogs 63 cents per ton; on cotton 43 cents per ton, etc. Those are national averages. The longer haul agricultural shippers paid much more than those average taxes.

8. The reduction in taxes here proposed will not be an entire revenue loss to the Government by any means. First, there will be no loss of tax revenue where the freight rate is $1 per hundredweight or less, or where coal hauls are involved. Second, the Government will get 52 percent back in corporation taxes in most instances or in personal income taxes where corporations are not involved. Where there are no profits and no income taxes, it is proper that the Government help such hard-pressed shippers, such as the potato shippers, etc., by reducing taxes. Third, by reducing the tax and encouraging more common carriage back from private carriage, the Government will get 3 percent on the first $1 per hundredweight, where they get nothing today from private hauling. Fourth, by reducing the delivery price of farm products, etc., the amount of agricultural price supports (parity payments) can be reduced. That can reduce other current Government expenditures. Fifth, it can encourage American industry and American employment. Take, for example, a carload of frozen fish from British Columbia to New York City. The Canadian shipper pays no transportation tax. An identical load from Washington or Oregon pays about 12 cents per 100 pounds transportation tax. This proposal would limit that tax to 3 cents per 100 pounds. That $32 per average car saving would be a real help to American fishermen who are having a tough fight to compete. The Treasury would get other taxes from such American fishermen, etc., to offset any transportation tax losses. Sixth, on all Government bids calling for delivery to United States depots, supply points, etc., the shipper pays the tax and includes it in his price to the Government. The Government is getting the money in one pocket and paying it out of another—plus the cost of all the bookkeeping. The Government would save to eliminate taxes on such Government purchases.

9. For the reasons given above and for many more peculiar to each industry, and each shipper, we ask that the transportation tax be adjusted to the fair and reasonable maximum of 3 cents per 100 pounds on the billed weight of all shipments of property (except coal).

Please write or call me if there is further or more specific information that you desire.

Very truly yours,

FRED H. TOLAN.

Mr. MAGNUSON. I also wish to have printed in the RECORD an appendix which shows the average freight rates by railroad on which the 3-percent transportation tax is assessed. The table shows that in many cases the rate rises by graduated sums as a product is shipped west or for any given distance. In many cases these taxes graduate a great deal as the freight rates increase. It seems to me that this is a matter which the committee should consider, not with respect to any change in the tax, but with respect to an adjustment of the tax, as suggested by my amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

APPENDIX 1

Appendix to show average freight rates by railroad on which 3 percent transportation tax is assessed

[Average rate per 100 pounds per ICC waybill study]

From—	Average of all commodities (1)	Agricultural products (2)	Animals and products (3)	Mines products (4)	Forest products (5)	Manufactures and miscellaneous goods (6)
	Cents	Cents	Cents	Cents	Cents	Cents
(1) West of Rockies to—						
East	153	197	243	100	128	155
South	167	191	208	86	153	175
Midwest	100	107	110	48	105	112
Southwest	125	147	107	65	112	153
Far West	26	28	82	18	23	42
All United States	59	74	109	37	67	66
(2) Midwest to—						
East	91	57	175	41	49	94
South	118	99	160	49	76	124
Midwest	16	26	58	6	17	35
Southwest	97	68	122	57	59	117
Far West	174	85	196	63	107	203
All United States	27	32	133	7	23	59
(3) Southwest to—						
East	109	126	151	56	79	106
South	71	76	101	40	41	76
Midwest	67	94	81	40	54	70
Southwest	22	28	51	9	12	36
Far West	125	109	132	53	116	177
All United States	35	40	98	12	19	56

From—	Average of all commodities (1)	Agricultural products (2)	Animals and products (3)	Mines products (4)	Forest products (5)	Manufactures and miscellaneous goods (6)
	Cents	Cents	Cents	Cents	Cents	Cents
(4) South to—						
East	45	115	113	34	55	89
South	14	35	43	9	11	28
Midwest	62	123	114	39	88	112
Southwest	62	82	125	30	27	100
Far West	191	195	229	74	144	228
All United States	24	60	75	13	19	46
(5) East to—						
East	21	26	80	13	20	35
South	81	48	117	25	73	102
Midwest	103	79	132	33	66	118
Southwest	100	93	111	37	110	168
Far West	274	198	233	88	133	277
All United States	36	36	84	13	22	50
(6) All United States to—						
All United States	29	41	100	13	37	53
East	27	48	108	14	26	43
South	25	37	116	10	14	40
Midwest	28	35	60	5	67	56
Southwest	37	40	76	19	32	69
Far West	80	94	129	15	94	94

Authority: ICC Waybill Study (Railroad Average Rates) for Year 1954. Per Statement TD-1 issued November 1956.

Mr. BYRD. Mr. President, I assure the Senator from Washington that full consideration will be given to the matter by the committee.

Mr. MAGNUSON. I believe the distinguished Senator from Virginia and other members of the committee will agree with me that the application of the tax has resulted in some inequities and injustices, and that some adjustments are needed.

I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, the Senator withdraws his amendment.

Mr. HUMPHREY. Mr. President, I have an amendment, and I ask that it not be read in full, but that its text be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. HUMPHREY is as follows:

SEC. 6. Reduction of tax on toilet preparations.

(a) Amendment of section 4021: Section 4021 of the Internal Revenue Code of 1954 (relating to the tax on toilet preparations) is amended by striking out "10 percent" and inserting in lieu thereof "5 percent."

(b) Effective date: The amendment made by subsection (a) shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

SEC. 7. Exemption from tax of pens, mechanical pencils, and lighters produced for sale at retail for less than $5.

(a) Exemption: Part II of subchapter B of chapter 32 of the Internal Revenue Code of 1954 (relating to the tax on pens, mechanical pencils, and lighters) is amended by adding at the end thereof the following new section:

"SEC. 4202. Exemption.

"The tax imposed by section 4201 shall not apply to any article sold by the manufacturer, producer, or importer which is intended to be sold at retail for less than $5. For purposes of this section, the price at which an article is intended to be sold at retail is—

"(1) the retail price recommended by the manufacturer, producer, or importer, if the

manufacturer, producer, or importer establishes to the satisfaction of the Secretary or his delegate that a major portion of articles of the same kind sold by him are sold at retail at such recommended price, or

"(2) if paragraph (1) does not apply, the average price (as established to the satisfaction of the Secretary or his delegate by the manufacturer, producer, or importer) at which articles of the same kind sold by him are sold at retail."

(b) Technical amendment: The table of sections for such part II is amended by adding at the end thereof:

"Sec. 4202. Exemption."

(c) Effective date: The amendments made by this section shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

Mr. HUMPHREY. The amendment consists of two parts. One part would reduce the tax upon commodities which are known as toiletry preparations. The second part would reduce the tax on pens, mechanical pencils, and lighters, sold at retail in American retail establishments.

The amendment is symbolic of a number of amendments which I have had prepared relating to the excise taxes. I have selected 2 out of probably 8 such amendments, so that I may discuss them for a few moments, from the standpoint of what I consider to be a long-overdue revision that is necessary to be made in our tax laws, particularly in the excise-tax field.

Of course, I realize that the excise taxes bring in a substantial amount of revenue. I also realize that we have a history of excise taxes in the United States. Some of those taxes have been applied in recent years, that is, within the past 16 or 17 years, as war taxes or defense taxes. They have acted not only to restrict and restrain purchases, but have also placed upon the average merchant the job of tax collector, at no compensation, I may say, from the Government, and frequently at his own risk, in case he does not collect all the taxes the law prescribes.

Let us consider, for example, a department store or drugstore or a general merchandise store which sells commodities such as talcum powder, or cold cream, or hair oil. I admit that these are not what some people call essentials, but they are surely common items in the American household.

My amendment proposes that the tax be reduced from 10 percent to 5 percent. I want it made quite clear that I feel the whole tax should be repealed. However, in recognition of the revenue needs of the country, I propose in my amendment to cut the tax in half. At least that would give some tax relief to the consumer of those commodities. There is a whole list of commodities under this tax schedule.

What is more important in the long run—and I say this for the purpose of testifying before the Senate committee, so to speak, because that is the purpose of making this record—the merchant is required to collect a kind of Federal sales tax and to be responsible for its remittance to the Federal Treasury.

That is fine if a merchant has complete control over every clerk in his store. That is fine if he can afford to buy the kind of cash register which registers every item on the basis of the category of the item, the department of the store in which it is sold, the cost of the item, and the amount of the tax.

If any of my colleagues have seen that kind of cash register, they know that it is a bookkeeping system in itself. It is a very expensive machine. The only thing that is more expensive, I may say, is for a merchant not to collect the tax and to get caught and then to be penalized by the Federal Government. Then it becomes not only embarrassing, but sometimes literally fatal to the business operation.

I am hopeful that the Government will some day make it possible for a merchant not to be forced to act as tax collector unless the Government is willing to give the merchant the benefit of the civil-service retirement provisions, sick leave, and vacations, and all the other rewards and gratuities which come from employment by the Federal Government. I see no reason at all why the druggist or general merchandiser or department store owner should be working for Uncle Sam without being paid for his work, when other tax collectors are paid. Yet he not only works for Uncle Sam without pay, or salary, but if he does not do the work for which he receives no salary, far beyond the call of duty, he is subject to a jail sentence.

Mr. President, Federal employees, if they are engaged in their work, are entitled to what we call the employees' compensation benefits. There is a bureau in the Department of Labor with jurisdiction over those matters.

However, in this situation, if a department store owner, or a small town merchant, or even the owner of a small grocery store, or of a general supermarket in a small town which sells toiletry items does not collect the tax on each and every sale he is subject to Federal penalty. It might be said, "Well, he ought to collect the tax." Many of my good friends interested in the tax collection business have not worked behind the counter very long. Sometimes it is not only not possible to collect the tax, but it is also not possible to collect the money for the sale. Somebody might pick up the item and walk away, and the merchant would lose not only the tax but the cost of the item.

Mr. President, I make this record today because I am hopeful that in due time the taxes on what I call the ordinary jewelry items, which sell for under $5, and taxes upon articles like pens and pencils, which are just as much a part of life as a pair of shoes, will be repealed. These items should not be taxed. Rather, taxes should be based on the income of the individual and not on the items which he uses.

I also wish to say, Mr. President, that when the Senator from Oregon [Mr. NEUBERGER] proposed this amendment relating to the tax on the transportation of persons and the tax on the transportation of property I strongly supported it. I have in my hand here another amendment which would reduce those taxes to half the present amount. It would reduce the 10-percent tax on transportation of persons to 5 percent, the tax on transportation of property other than coal from 3 percent to 1½ percent, and the tax on transportation of coal from 4 percent to 2 percent.

If there is any reason why there should be a higher tax on the transportation of coal than on the transportation of dominoes I should appreciate hearing it. Understanding that is beyond my conception. But there is a higher tax rate on coal than the tax rate on other commodities. I cannot understand why coal, which is essential to industry and to the home, should be subject to a higher tax rate than other commodities.

Furthermore, I think the transportation tax is inequitable. I believe it works a discrimination upon the consumers and producers in the West and in the South. We who live in those areas have been subject to discriminatory freight rates for years. I think it is about time we called a halt to it, at least so far as we can control it through the tax schedule.

Finally, Mr. President, I have supported today a number of amendments relating to small business. I ask unanimous consent that a resolution which I received from the National Standard Parts Association be printed in the RECORD at this point, since it relates to tax proposals on small business.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION UNANIMOUSLY PASSED BY THE BOARD OF DIRECTORS OF NATIONAL STANDARD PARTS ASSOCIATION AT ITS MEETING HELD DECEMBER 6, 1956

Whereas the members of National Standard Parts Association, consisting of independent manufacturers and wholesalers of automotive parts, equipment, accessories, chemicals, supplies, and refinishing materials—established in all 48 States—are small-business men; and

Whereas the principal difficulty facing all such small-business men in the operation of their businesses is their inability to acquire and retain sufficient funds necessary to profitably conduct their businesses in our competitive economy; and

Whereas most small businesses have depended upon their earnings for such funds, which are no longer available because of the high tax demands of the Federal Government on all profits; and

Whereas President Eisenhower's Committee on Small Business recently recommended tax reduction as one of the most important remedies to aid small business: Therefore be it

Resolved, That the officers and counsel of National Standard Parts Association be directed to investigate and cooperate with any group or Congressional committee appointed for this project, with a view to obtaining necessary legislation to reduce Federal corporate income taxes on the first $25,000 of a company's income; and be it further

Resolved, That copies of this resolution be personally presented by NSPA's Washington legal counsel to each member of both the Senate and House Select Committees on Small Business, as well as to the staff personnel of each of these committees.

Mr. HUMPHREY. I should also like to invite the attention of the Senate, Mr. President, to the fact that the Senator from Alabama [Mr. SPARKMAN], as I noted earlier, has introduced a series of bills which appeared today in the form of amendments, which would have carried out the recommendations of the Senate Select Committee on Small Business as well as some of the recommendations of the Cabinet Committee relating to tax relief for small business.

We have talked about small business tax relief for a generation, but we have not provided any. We have not accomplished a single thing in this field. I suggest that this is an area where the Congress of the United States has a responsibility second to none.

There are investigations in this Congress relating to monopoly. There are investigations in this Congress relating to the application of the Robinson-Patman Act. The Senate can investigate and investigate, but until there is an adjustment of the tax laws so that an industrious individual can accumulate capital to compete in the market place monopoly is going to grow stronger and stronger.

I happen to believe that the best regulator in a free-enterprise system is competition, and the best way to assure competition is to have a set of tax laws which permits the small individual, the small concern, or the small corporation to compete on equitable terms, by accumulating capital so that the concern may stand the test of competition with the industrial giants.

I hope the Senate Committee on Finance in the not too distant future will see fit to consider every one of the proposals which have been advanced here today by Senators on both sides of the aisle, and concentrate on small-business tax relief as an adjustment measure. Such committee action is needed. It is unreasonable to expect that Senators will be able to amend the tax bill on the floor, for that is literally impossible.

Finally, Mr. President, I know we shall come to the time when we will wish to adjust what we call the dependency allowances. I recall about a year or two ago the Senate came very close to making that kind of adjustment. I hope that before the end of this session of Congress we shall be able to raise the exemption allowance for dependents from $600 to at least $700. This would take care of everybody. As has been indicated, it would take care of the rich man and the poor man, the fat man and the thin man, the widow and the orphan. It would take care of the man who has a large family and the man who has a small family.

So, Mr. President, I encourage our colleagues who are members of the Senate Committee on Finance to give their immediate attention to this all-important revenue measure, as to adjusting the exemption for dependents.

We are planning to reduce the budget, according to statements I have heard. If such be the case, there ought to be an opportunity to reduce taxes, and not only to reduce them for some categories but to make a general reduction across the board, which an exemption for dependents would permit.

Mr. President, I said I would not press for a vote on my amendment, because I understand full well what the temper of the Senate is relating to this revenue measure. Therefore, I ask unanimous consent to withdraw the amendment in the hope that the Senate Committee on Finance will give its attention in the months ahead to the many proposals which have been advanced here today, for a much more equitable and constructive tax program.

Mr. MORSE. Mr. President, before the Senator withdraws his amendment, will he yield to me?

Mr. HUMPHREY. I am happy to yield.

Mr. MORSE. I wish to associate myself with every observation the Senator has made, in support of the amendment. It is a sound amendment, and the Committee on Finance has an obligation to give this proposal early consideration.

Mr. HUMPHREY. I wish to thank the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Minnesota has withdrawn the amendment, as the Senator has a right to do.

Are there further amendments?

Mr. CASE of South Dakota. The junior Senator from South Dakota is considering the proposal of a couple of amendments.

Mr. JOHNSON of Texas. Mr. President, I yield such time as the Senator from South Dakota may desire.

The PRESIDING OFFICER. The Senator from South Dakota has been yielded by the Senator from Texas such time as the Senator from South Dakota may need to make his statement.

Mr. CASE of South Dakota. Mr. President, I appreciate the Senator's action.

I should like to address an inquiry to the chairman of the Committee on Finance, if I may have his attention.

The PRESIDING OFFICER. The Senator from South Dakota wishes to address a question to the chairman of the Committee on Finance.

Mr. CASE of South Dakota. The junior Senator from South Dakota had in mind offering some amendments to this bill, if it is the only tax measure we are going to have an opportunity to consider at this session. However, I understood from the statement of the chairman of the Committee on Finance earlier during the day there was other proposed tax legislation under consideration and that in all probability the Senate would have an opportunity to consider amendments to other parts of the tax bill later during the session.

Mr. BYRD. Of course, the Senator realizes such legislation must originate in the House. I am informed by the chief of our staff, Mr. Stam, that such legislation is under consideration in the form of a revenue bill which will come to the Senate. But the Senate Committee on Finance has no revenue bill before it at the present time. I feel certain there will be one.

Mr. CASE of South Dakota. The Senator from South Dakota appreciates the statement of the chairman of the Committee on Finance and realizes, of course, the House must first take action.

Mr. BYRD. The House is preparing to act, and the bill will come to the Senate.

Mr. CASE of South Dakota. Is the distinguished chairman of the committee able to say whether or not amendments dealing with the depletion allowance would be germane to such legislation?

Mr. BYRD. The chief of the staff says he thinks they would be.

Mr. CASE of South Dakota. In that case, Mr. President, the Senator from South Dakota will not offer amendments at this time, but will seek to offer them at a later time. I trust the legislation now under consideration in the Ways and Means Committee of the House of Representatives will reach the Senate later this session.

I thank the distinguished Senator.

The PRESIDING OFFICER. There is time for debate on the bill.

Mr. JOHNSON of Texas. Mr. President.

The PRESIDING OFFICER. Is the Senator from Texas in a position to yield back his time?

Mr. JOHNSON of Texas. If I can obtain recognition I am prepared to make a suggestion.

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Illinois [Mr. DIRKSEN] is prepared to yield back time on the bill I am prepared to yield back my time on the bill.

Mr. DIRKSEN. We are prepared to yield back our time.

Mr. KERR. Mr. President, before the time is yielded back I should like to have 1 minute.

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Oklahoma.

Mr. KERR. Mr. President, some remarks were made on the floor earlier today about the Revenue Act of 1954, and a Senator said that the senior Senator from Oklahoma [Mr. KERR] and other Senators, had voted for the bill. I want to clear the RECORD in that regard.

According to the CONGRESSIONAL RECORD, volume 100, part 7, page 9616, when the bill was passed on July 2, 1954, the senior Senator from Oklahoma was not present, was absent on official business, but was paired against the bill.

When the conference report which enacted the bill was agreed to on July 29, 1954, as is shown in the CONGRESSIONAL RECORD, volume 100, part 9, page 12550, the senior Senator from Oklahoma was present and was recorded as voting "nay."

I have made this statement in order that the RECORD may be clear with reference to the statement made by a Senator on the floor today.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time on the bill.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the bill having been yielded back, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4090) was read the third time and passed.

The title was amended, so as to read: "An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates."

Mr. BYRD. Mr. President, I ask that the bill as passed by the Senate be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand adjourned until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 163, S. 497.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

Mr. JOHNSON of Texas. Mr. President, two of our colleagues have very brief statements they wish to make on another subject. Then there will be an introductory statement on S. 497 this evening.

It is not planned to have any votes this evening, but the Senate will convene at 10 o'clock tomorrow morning, and I hope that action will be taken on the public works bill during the day.

TRIAL BY JURY

Mr. EASTLAND. Mr. President, together with the junior Senator from South Carolina [Mr. THURMOND] and the senior Senator from Virginia [Mr. BYRD], I am about to introduce for appropriate reference a bill to guarantee and assure the sacred right of a trial by jury to every citizen charged with criminal contempt in the Federal courts of the United States.

Arbitrary jail sentences by Federal judges in contempt cases, arising from alleged violations of the court's own injunctions, are foreign to every conception of American justice and fair play.

It is absolutely contrary to both the letter and the spirit of the Bill of Rights. This power should be denied to Federal judges in clear and unmistakable terms. My bill will accomplish that purpose.

For many years members of organized labor have been given the absolute right of trial by jury in all cases of criminal contempt arising out of labor disputes. This bill will extend to all citizens these same rights under Federal law.

The 17 cases of criminal contempt now pending before Judge Taylor's court in Knoxville are concrete examples of a situation where a judge can arbitrarily, at his own discretion, exercise a power which amounts to the denial of due process of law. Sixteen of these persons were arrested and incarcerated for violating an injunction to which they were not parties. Since December they have been unable to obtain a hearing of any kind. The press indicated only yesterday that the judge was undecided as to whether he would permit or allow a trial by jury.

There can be, under our Constitution, no right or privilege which is more sacred and more fundamental to the preservation of liberty than that of trial by jury in all cases where the victims can be confined for long prison sentences.

Mr. President, out of order, I ask unanimous consent, on behalf of the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. BYRD], and myself to introduce the bill for appropriate reference.

Although the bill is offered as a separate bill, it will be offered as an amendment to the civil rights bill which is now before the Committee on the Judiciary.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1735) to amend chapter 233, title 18, United States Code, relating to criminal contempts, introduced by Mr. EASTLAND (for himself, Mr. THURMOND, and Mr. BYRD), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, one of the great American heritages is the right of trial by jury.

Up until the time the Constitution of the United States was formulated and adopted, the right of a person to a trial by jury had never before been so clearly stated in the basic law of any country. In article III, section 2, the Constitution guarantees that "the trial of all crimes, except in cases of impeachment, shall be by jury; and such trial shall be held in the State where the said crimes shall have been committed."

In the fifth amendment to the Constitution the guaranty to a trial by jury is supplemented by the further guaranty that "no person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury."

The sixth amendment spells out the meaning of trial by jury in the following guaranty:

> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

I regret to say, Mr. President, that I do not believe the spirit of this constitutional guaranty has always been applied in the past. But no violation of the spirit of this constitutional guaranty, which has occurred in the past, compares with the apparent determination of some people in the present to circumvent the guaranty of the right of trial by jury.

The dangers inherent in empowering a judge to impose sentences on persons not tried by a jury were made clear in some of the cases arising out of labor disputes in the early thirties.

As a result of occurrences which took place during that period of labor unrest, a law was enacted specifically for the protection of persons involved in labor management disputes. That law—title 18, section 3692—provides that—

> In all cases of contempt arising under the laws of the United States governing the issuance of injunctions or restraining orders in any case involving or growing out of a labor dispute, the accused shall enjoy the right of a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed.

The same protection extended to persons in labor disputes does not apply in other type cases. The law clearly states—title 18, section 401—that—

> A court of the United States shall have power to punish by fine or imprisonment, at its discretion, such contempt of its authority, and none other, as—
>
> (1) Misbehavior of any person in its presence or so near thereto as to obstruct the administration of justice;
>
> (2) Misbehavior of any of its officers in their official transactions;
>
> (3) Disobedience or resistance to its lawful writ, process, order, rule, decree, or command.

In title 18, section 3691, there is another provision which constitutes a denial of the right of trial by jury. This section provides, in addition to the three conditions in section 402, that the right to trial by jury shall not apply in criminal contempts when the action is "brought or prosecuted in the name of, or on behalf of, the United States."

This is a most important provision, when in certain instances the court has requested the United States to prosecute a case, or when the Justice Department has voluntarily entered the case and has substituted the United States for the real party in interest.

In effect, this provision makes it possible to deny the right of trial by jury in all contempt cases.

The entry of the United States into a case negates protection of the right of trial by jury, which Americans almost unanimously consider a fundamental right. I doubt that many citizens realize they have been denied the right of trial by jury in any situation.

If a person charged with a heinous crime is entitled, as he is under the Constitution, to the right of trial by jury, surely there is not a Member of the Senate who would deny the same right to a citizen charged with violating an injunction. The validity of injunctions is subject to dispute. Therefore, I can visualize no reasonable basis on which anyone could claim that justice would be best served by denial of jury trial. The time has not come in this country when the end justifies the means in courts of justice. I do not believe such a time will ever come in the United States. The people of this country believe in constitutional government. I believe they want it strengthened, not weakened.

Mr. President, the bill I am cosponsoring with the Senator from Mississippi [Mr. EASTLAND] and the Senator from Virginia [Mr. BYRD] would strengthen the constitutional guarantee of the right of trial by jury.

The courts would still have the power to punish contempts committed in the presence of the court or so near by as to interfere with justice, or in the event of contempt of an officer of the court.

The bill would simply provide every citizen with the protection now given persons in labor disputes. It would also prevent entry of the United States into cases from denying the accused a trial by jury.

There has been much talk of strengthening civil rights. This bill provides a way to strengthen the right of trial by jury for every citizen of the United States. The bill is nonpartisan and nondiscriminatory. I hope the committee and the Senate will act expeditiously on the bill, so as to protect more adequately this vital right.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two articles by David Lawrence, who is one of the ablest writers in America today. One of the articles is entitled "Does the End Justify the Means?" and was published in the Washington Star of March 26. The other article, entitled "An Unprecedented Action," was published in the Washington Star of March 15.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of March 26, 1957]

DOES THE END JUSTIFY THE MEANS?—HENNINGS' OPINION ON CIVIL RIGHTS CASES SUGGESTS USE OF UNITED STATES INJUNCTIVE POWER

(By David Lawrence)

The end seems to justify the means—and if the Constitution stands in the way, it must be circumvented.

This is a dangerous doctrine in a democracy and one that the American people will resent to the utmost. But it comes, in effect, from the chairman of the Senate Subcommittee on Constitutional Rights, Senator THOMAS HENNINGS, Democrat of Missouri, who, though denying any intention to abandon jury trial in America, says frankly that, because southern juries will not convict in civil rights cases, some way has to be found to get around them.

In a formal memorandum to the members of the Senate Committee on the Judiciary, Mr. HENNINGS says:

"We know that, regardless of the facts, juries in some such cases are not likely to convict. An alternative is the grant of injunctive relief to the United States."

This means government by injunction. It is something that the labor unions successfully fought until they got relief from Congress in the Norris-La Guardia anti-injunction law. But this is a special privilege granted only to individuals involved in labor disputes. Now it is intended to punish without jury trial any citizens who become involved in any way in disputes over civil rights.

This, of course, would result because the suits in civil-rights cases would be prosecuted in the name of the United States, and such a device automatically bars any jury trial.

The Missouri Senator frankly admits this. In fact, his candor is to be commended, for he takes issue with Assistant Attorney General Olney of the Criminal Division of the Department of Justice, who on March 15 issued a statement arguing that the defendants in the Clinton, Tenn., case had not been deprived of a jury trial. Mr. Olney contended that, because in the middle of the proceedings the United States had been made a party to the suit, this was a technical matter and it didn't mean jury trial had been forfeited. Here is what the Assistant Attorney General said:

"The right to a jury trial is not a matter of discretion to be granted or withheld by the Department of Justice or by the court and could not in any case be defeated by the substitution, for technical reasons, of the name of the United States on the contempt citation."

But the memorandum by Senator HENNINGS, which he says is supported by an exhaustive analysis made by the chief counsel of the Senate Subcommittee on Constitutional Rights, takes the opposite view.

Mr. HENNINGS, after giving a list of 28 Federal statutes in which injunctions may be issued, says:

"As outlined above with one exception (labor disputes cases under the Norris-La Guardia Act) there is no right to trial by jury in cases for criminal contempt of court for violations of injunctions, under these statutes, where the United States is a party to the case."

The history of this type of case under Federal injunctions shows that where contempt is committed in the presence of the court or where the principal who is ordered to obey an injunction disregards it, he may be hauled into court and tried and punished without a jury trial.

In the Clinton, Tenn., case, however, the complainants were private individuals who said that 18 defendants had conspired to violate the Federal injunction. These alleged acts were committed outside the courtroom. The defendants were not principals in the dispute. The school board itself had complied with the Federal injunction ordering the end of segregation. Then, all of a sudden, the Department of Justice on February 25 last asked the court to change the name of the case and insert the name "United States" as the complaining party. This automatically bars a jury trial because the law specifically says so.

Surely, the American people are entitled to know what's going on here and what subterfuges are being used at Clinton. For, if what happened in the Clinton case is valid—in fact, the Federal judge promptly approved the change in the name of the case—then civil rights legislation by the Senate or the House isn't really necessary after all. If indeed, "the end justifies the means," the Department of Justice, whether authorized or not by civil rights legislation, can change the name of any case and deprive the defendants of a jury trial in criminal contempt cases. There need be no explanation given except perhaps the excuse of technical reasons, though everyone will know that it's really an effort to get around the fact that southern juries might not bring in convictions in civil rights cases.

A constitutional amendment is the logical way to deal with the whole problem. If two-thirds of both Houses of Congress and three-fourths of the States want to take away or limit further the right of trial by jury, then the Constitution and law will order it done—and such orders will be obeyed.

[From the Washington Evening Star of March 15, 1957]

AN UNPRECEDENTED ACTION—DENIAL OF RIGHTS CHARGED IN ELIMINATION OF JURY TRIAL IN CLINTON CONTEMPT CASE

(By David Lawrence)

The right of trial by jury is such an integral part of the Constitution of the United States that, when someone in the law-enforcement branch of the Government begins to tamper with it, there is naturally grave concern. Sometimes, because technicalities are overlooked by the general public, the opportunity is afforded officials to pull the wool over the eyes of the people.

Thus, within the last few weeks, a strange and unprecedented action has been taken by a Federal judge in Tennessee, acting at the request of the Department of Justice here. It had the effect of denying a jury trial to 18 citizens at Clinton, Tenn., accused of acts of interference with the process of forced association in the schools.

Just after the publicity was first given to the episode in these columns, the United Press in a dispatch from Washington on March 6 reported:

"A Justice Department spokesman said 18 persons charged with interference with integration at a Clinton (Tenn.) high school are entitled to trial by jury."

But the fact is that the Department of Justice, in the middle of the recent proceedings had petitioned the court to change the name of the case so it would be carried on in the name of the United States though previously the parties to the suit were local school board officials and the defendants. By substituting the words "United States," the right to trial by jury in contempt cases was automatically lost. So the announcement is meaningless.

Knowing the law, why did the Department of Justice ask to change the names of the parties in the first place, and why did the Federal judge on February 25 approve that request? But even more puzzling is another question: Why, in view of the March 6 press announcement, hasn't the Department of Justice since asked the Federal judge to withdraw its petition to make the United States a party to the suit and thus make sure that the right of trial by jury for the defendants will be preserved? For it isn't just a matter of discretion or of the willingness of the Department of Justice to grant a jury trial if the United States is a party to the suit. It's a matter of legal right and not of the Department's discretion.

It is being alleged that the Department of Justice all along has not objected to jury trial in the Clinton cases, but this never has been and is not now up to the Department of Justice to decide.

So the question goes back to the action of Federal Judge Robert Taylor in Knoxville, who approved the Department's request that the United States be made a party to the suit. This, under existing law, automatically barred a jury trial.

The theory back of this law presumably is that a judge is the best person to decide whether contempt has been committed in his own courtroom. But the decisions rendered in the past do not uphold the right of a judge to punish for contempt ordinary acts of lawlessness committed outside his courtroom. Contempt cases, moreover, have been filed in the name of the United States only against persons who are themselves principals in a controversy, like the officers of a labor union who defy an injunction when the Government, itself, has seized or taken over a plant or series of plants.

In this instance, the local school board is the complaining party, and the local authorities have the responsibility of enforcing law and order. There would have been a reason for interposing the name of the "United States" as a party to the suit if the local school board had refused to obey the Supreme Court's order on forced association or a Federal judge's injunction on the subject. But the school board has been complying from the start.

All this becomes pertinent because of the so-called civil-rights legislation pending in Congress, under which it is sought to allow the United States to intervene in cases where Negroes may have been refused an opportunity to register and vote in elections. If such legislation is passed, the United States will become a party to all the suits filed, and there will be no opportunity for jury trial unless Congress repeals the present law.

Presumably, the proponents of the civil-rights legislation fear local trials by jury because of public sentiment adverse to forced association of children in schools. So the

device being employed is designed to avoid trial by jury.

It's a situation where the end is supposed to justify the means. But the means happens to be a denial of rights granted in the Constitution, itself.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

The Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. CHAVEZ. Mr. President, before beginning a brief statement on Senate bill 497, I ask the indulgence of the Senate, in order that I may thank the members of the Committee on Public Works for their fine cooperation in the consideration of this important measure.

Mr. President, Senate bill 497 is an omnibus river and harbor and flood-control bill. Title I deals with river and harbor authorizations, and title II deals with flood-control authorizations. The last general authorization bill was the act approved September 3, 1954.

In the past it has been customary to consider such a bill about every 3 years, to give consideration to reports which have been transmitted to Congress and to give additional necessary monetary authorization to major basin plans, in order to carry forward those comprehensive plans, as approved by the Congress.

The Committee on Public Works believes this is the proper time to consider an omnibus bill to authorize projects urgently needed for the protection of lives and property, for the improvement of the Nation's waterways, and for the general enhancement of the national economy.

During the 84th Congress, the Committees on Public Works of both the Senate and the House of Representatives held extensive hearings on many public-works projects. A bill—H. R. 12080, 84th Congress—was passed by the Congress, and was vetoed by the President on August 10, 1956. That bill included an authorization of about $1.6 billion.

In his memorandum of disapproval the President referred to 32 projects, involving an amount of $530 million, which had not been given adequate study and review within the executive branch and by the affected States, in accordance with existing laws, and transmitted to Congress. The President further indicated that his action in vetoing the omnibus bill need cause no delay in starting work on the many worthwhile projects in the bill.

S. 497 is essentially the same as the bill which was passed during the second session of the 84th Congress. The total amount of the bill is about $150 million less than that of H. R. 12080.

During this session of Congress, the committee held additional hearings on many of the projects and provisions of the bill. The Corps of Engineers and the Bureau of the Budget presented data on the present status of the reports and projects in the bill to which exception had previously been taken. Additional data was presented, and local interests and Members of Congress presented their views.

The committee gave careful consideration to the testimony presented, including that given last year to the Committees on Public Works of the Senate and the House. The bill as approved by the committee includes the projects considered fully justified for authorization at this time.

The committee believes this proposed legislation is urgently needed in order to carry forward these important programs and to prevent delay which would have unfortunate results in the retardation of projects and the postponement in the realization of the benefits which would result from such project.

These programs contemplate full coordination with other related programs, in order to produce the ultimate economic utilization and development of our water resources; and they will contribute materially to the economic well-being of the Nation.

The committee recognizes the necessity for maintaining, in connection with these new authorizations, a balance between present and prospective future budgetary developments. In order to preserve and strengthen the welfare and economy of the Nation, our water-resources development program must be continued, and even must be increased as rapidly as fiscal requirements will permit.

In recommending enactment of the bill, the committee realizes that the total authorizations included in it do not exceed the total amounts included in the last several similar bills, when allowance is made for present-day costs.

The estimated cost of the projects reported in the bill is based on current prices, which in general are those prevailing at the present time.

The total amount of monetary authorization in this bill, when broken down into the major categories, is set forth in a table which I ask unanimous consent to have printed at this point in the RECORD, so as to avoid taking the time of the Senate by reading the table into the RECORD. I also ask unanimous consent to have printed in the RECORD tables listing the projects included in the two titles of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Monetary summary of bill (cost of new work)

Title I, rivers and harbors:	
Sec. 101:	
Navigation projects	$89,070,000
Beach-erosion projects	5,200,000
Sec. 104: Eradication of water-hyacinths	6,003,000
Sec. 108: Upper Fox River, Wis	300,000
Sec. 109: Calumet-Sag project, Ill	9,884,000
Title I, rivers and harbors:	
Sec. 110: Illinois and Mississippi Canal	[1] 2,000,000
Total, title I	110,607,000
Title II, flood control:	
Sec. 203:	
New projects or projects modifications	$381,902,000
Increased basin authorizations	633,300,000
Lower Mississippi River Basin	145,745,000
Title II, flood control:	
Sec. 204: Oroville Dam, Calif	[1] 50,000,000
Sec. 205: Missouri River Basin, Department of the Interior	200,000,000
Total, title II	1,410,947,000
Grand total	1,521,554,000

[1] Estimated by the Bureau of the Budget.

Projects in title I of bill, sec. 101

NAVIGATION

Project	Document No.[1]	Federal cost of new work
Salem Harbor, Mass	H. 31, 85th Cong	$1,100,000
Boston Harbor, Mass	H. 849, 84th Cong	720,000
Bridgeport Harbor, Conn	H. —, 85th Cong	2,300,000
New York Harbor, N. Y	S. 45, 84th Cong	1,678,000
Baltimore Harbor and Channels, Md	H. 86, 85th Cong	28,161,000
Herring Creek, Md	H 150, 84th Cong	100,000
Betterton Harbor, Md	H. 333, 84th Cong	78,000
Morehead City Harbor, N. C	S. 96, 84th Cong	1,197,000
Escambia River, Fla	H. 73, 85th Cong	81,000
Gulfport Harbor, Miss	S. 123, 84th Cong	
Barataria Bay, La	H. 87, 85th Cong	1,647,000
Pass Cavallo to Port Lavaca, Tex	H. 131, 84th Cong	413,000
Matagorda Ship Channel (Port Lavaca, Tex.)	H. 398, 84th Cong	8,544,000
Port Aransas-Corpus Christi Waterway, Tex		854,000
Freeport Harbor, Tex	H. 433, 84th Cong	317,000
Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts	H. 135, 84th Cong	2,476,000
Mississippi River at Alton, Ill., enumercial harbor	H. 136, 84th Cong	246,000
Mississippi River at Alton, Ill., small-boat harbor	H. 136, 84th Cong	101,000
Mississippi River at Clinton, Iowa, Beaver Slough	H. 343, 84th Cong	$241,000
Mississippi River at Clinton, Iowa, report on damages	H. 412, 84th Cong	147,000
Mississippi River between St. Louis, Mo., and lock and dam No. 26.	S. 7, 85th Cong	5,902,000
St. Anthony Falls, Minn., modification	H. 23, 86th Cong	
Minnesota River, Minn	S. 144, 84th Cong	2,544,000
Ohio River at Gallipolis, Ohio	H. 472, 84th Cong	66,000
Licking River, Ky	H. 434, 84th Cong	
Two Rivers Harbor, Wis	H. 382, 84th Cong	66,000
Port Washington Harbor, Wis	H. 466, 83d Cong	2,952,000
St. Joseph Harbor, Mich	S. 95, 84th Cong	
Toledo Harbor, Ohio	H. 436, 84th Cong	559,000
Irondequoit Bay, N. Y	H. 322, 84th Cong	1,938,000
Yaquina Bay and Harbor, Oreg	S. 8, 85th Cong	19,900,000
Port Townsend Harbor, Wash	H. 418, 86th Cong	287,000
Douglas and Juneau Harbors, Alaska	H. 295, 84th Cong	1,304,000
Dillingham Harbor, Alaska	H. 360, 84th Cong	372,000
Naknek River, Alaska	H. 390, 84th Cong	19,000
Total, navigation		98,070,000

Projects in title I of bill, sec. 101—Continued

BEACH EROSION

State of Connecticut, area 6, East River to New Haven Harbor.	H. 305, 84th Cong	$12,000
Fire Island Inlet, Long Island, N. Y	H. 411, 84th Cong	2,724,000
Asbury Park to Manasquan, N. J	H. 361, 84th Cong	1,677,000
Manitowoc County, Wis	H. 348, 84th Cong	30,000
Fair Haven Beach State Park, N. Y	H. 134, 84th Cong	114,000
Hamlin Beach State Park, N. Y	H. 138, 84th Cong	404,000
San Diego County, Calif	H. 399, 84th Cong	$289,000
Waimea Beach and Hanapepe Bay, Island of Kauai, T. H.	H. 432, 84th Cong	20,000
Total, beach erosion		5,200,000
Grand total, sec. 101		93,270,000

[1] H indicates House documents. S indicates Senate documents.

Projects in title II of bill, sec. 203

FLOOD CONTROL

Project	Document No.[1]	New projects or modifications	Increased basin authorizations
Connecticut River Basin:			
Comprehensive basin plan			$24,000,000
Littleville Reservoir, Mass	S. 17, 85th Cong		
Mad River Reservoir, Conn	H. —, 85th Cong		
Housatonic River Basin:			
Hall Meadow Brook Reservoir, Conn.	H. 81, 85th Cong	$2,420,000	
East Branch Naugatuck Reservoir, Conn.	do	3,670,000	
Susquehanna River Basin	H 394, 84th Cong		30,000,000
Pantego and Cucklers Creek, N. C	H. 399, 84th Cong	413,000	
Savannah River Basin, completion of Hartwell Reservoir, Ga.	H. 657, 78th Cong		44,300,000
Central and southern Florida:			
Comprehensive basin plan			40,000,000
Hendry County, Fla	H. —, 85th Cong	3,172,000	
Tombigbee River Basin, Miss. and Ala	H 167, 84th Cong	10,711,000	
Alabama River at Montgomery, Ala	H. 83, 86th Cong	1,300,000	
Lower Mississippi River:			
Channel improvement main stem		75,000,000	
White River Backwater project, Arkansas.	S. 26, 85th Cong	2,380,000	
Boeuf and Tensas Rivers and Bayou Macon Basin, Ark.	H. 108, 85th Cong	1,212,000	
Old and Atchafalaya Rivers, La		28,200,000	
St. Francis River Basin, Ark		25,674,000	
McKinney Bayou, Yazoo River, Miss		800,000	
Bayou Chevreuil, La	H. 347, 84th Cong	847,000	
Wolf River, Tenn	H 76, 85th Cong	1,972,000	
Red-Ouachita River Basin, Okla. and Ark.	H. —, 85th Cong	53,235,000	
Trinidad Dam, Purgatoire River, Colo.	H. 326, 84th Cong	16,625,000	
White River Basin:			
Comprehensive basin plan			57,000,000
Lone Rock and Gilbert Reservoirs, Ark.	H. 499, 83d Cong		
Pecos River Basin, Carlsbad, N. Mex		2,068,000	
Rio Grande Basin, Socorro N. Mex		3,152,000	
Upper Mississippi River Basin:			
Comprehensive basin plan			21,000,000
Eau Galle River, Wis	S. 52, 84th Cong	6,090,000	
Winona, Minn	H. 334, 84th Cong	1,620,000	
Mankato and North Mankato, Minn.	H. 437, 84th Cong	1,870,000	
Saylorville Reservoir, Iowa	S. 9, 85th Cong	44,500,000	
Kaskaskia River, Ill		23,000,000	
Root River at Rushford, Minn	H. 431, 84th Cong	700,000	
Great Lakes Basin:			
Bad River, Mellen and Odanah, Wis.	H. 165, 84th Cong	917,000	
Kalamazoo River at Kalamazoo, Mich.	S. 53, 84th Cong	5,358,000	
Grand River at Lansing, Mich	S. 132, 84th Cong	9,825,000	
Great Lakes Basin—Continued			
Saginaw River, Mich	H. 346, 84th Cong	$16,065,000	
Oswego River at Auburn, N. Y	S. 123, 84th Cong	305,000	
Missouri River Basin:			
Comprehensive basin plan			$200,000,000
Elm River Dam, S. Dak		1,750,000	
Floyd River, Iowa	H. 417, 84th Cong	5,060,000	
Black Vermillion River at Frankfort, Kans.	H. 409, 84th Cong	850,000	
Gering and Mitchell Valleys, Nebr.	S. 139, 84th Cong	1,214,000	
Salt Creek and tributaries, Nebraska	H. 396, 84th Cong	13,314,000	
Ruffy Brook and Lost River, Minn	S. 141, 84th Cong	622,000	
Ohio River Basin:			
Saline River and tributaries, Illinois	H. 316, 84th Cong	5,979,000	
Upper Wabash River, Ind	H. 435, 84th Cong	45,500,000	
Bruch Creek at Princeton, W. Va.	S. 122, 84th Cong	917,000	
Meadow River at East Rainelle, W. Va.	S. 137, 84th Cong	708,000	
Williamson, W. Va		660,000	
Lake Chautauqua and Chadakoin River at Jamestown, N. Y.	S. 103, 84th Cong	4,796,000	
West Branch of Mahoning River, Ohio.		19,888,000	
Sandy Lick Creek, Brookville, Pa.	H. —, 85th Cong	1,188,000	
Chartiers Creek at Washington, Pa.		1,285,000	
Middle Gila River Basin, Ariz		5,000,000	
Sacramento River Basin:			
Comprehensive basin plan			17,000,000
Chico Landing to Red Bluff, Calif	H. 272, 84th Cong	1,500,000	
Eel River, Sandy Prairie region, California.	H. 80, 85th Cong	707,000	
Weber River and tributaries, Utah	H. 188, 84th Cong	830,000	
San Joaquin River Basin:			
Comprehensive basin plan			13,000,000
Buchanan Reservoir, Calif	H. 367, 81st Cong	10,900,000	
Hidden Reservoir, Calif	H. 367, 81st Cong	12,900,000	
Kaweah and Tule River Basins, Calif.			28,000,000
Los Angeles River Basin, Calif			44,000,000
Santa Ana River Basin, Calif			3,000,000
Columbia River Basin, including the Willamette River Basin.			112,000,000
Bruces Eddy Reservoir, Idaho	S. 51, 84th Cong	25,000,000	
Sammamish River Basin, Wash	H. 157, 84th Cong	825,000	
Chena River at Fairbanks, Alaska	H. 137, 84th Cong	9,737,000	
Total, basins			833,300,000
New projects or modifications			381,902,000
Projects in lower Mississippi River Basin.[2]			145,745,000
Grand total, sec. 203			1,100,947,000

[1] H indicates House document. S indicates Senate document.

[2] Includes Bayou Chevreuil, La., and Wolf River, Tenn., which are carried under "Flood control, general."

Mr. CHAVEZ. Mr. President, I desire especially to thank the chairman of the Subcommittee on Public Works, the Senator from Oklahoma [Mr. KERR].

I shall appreciate it very much if the Senator from Oklahoma will make a statement at this time.

Mr. KERR. Mr. President, I appreciate very much the kind remarks of the distinguished chairman of the Committee on Public Works. Under his very able leadership, the committee reported the bill, after many days of hearings and weeks of consideration, deliberation, and discussion by the subcommittee and the full committee. It was reported by the committee, not quite unanimously. I think two members filed minority views with reference to the bill.

In the opinion of the Senator from Oklahoma, it is one of the most important pieces of proposed legislation that will come before this session of the Congress.

About 2 years ago, Mr. President, the then distinguished chief of the Army engineers, General Sturgis, appeared before our subcommittee and discussed generally the program of water conservation in the United States. He called attention, first, to the rapidly increasing population of our country; and, second, to the rapidly increasing amounts of water required, on an average per capita, by all the population of our country.

In 1850 the per capita consumption of water in the United States was about 50 gallons a person. In 1950 it had increased to the point where it exceeded 1,000 gallons per capita every day.

In the development of our industrial economy, in the environment of the improved methods of agricultural production, there can be little question that in the next 35 or 40 years the amount of water required, on a per capita basis, will be double the present requirement.

When we realize that the population of our country, on the basis of the present rate of increase, will very likely double in

that same period of time, we are confronted with the realization that the necessity of the population for water could well be four times the amount required today.

In his report to the committee about 2 years ago, the Chief of Engineers, in discussing the falling water tables in underground reservoirs, called attention to what I believe to be one of the most important and serious matters confronting great areas of the United States. In certain areas of the West and Southwest water is being withdrawn from underground reservoirs at a rate that lowers the water table as much as 7 feet a year. In some of the water tables, measurements have disclosed that the natural rate of replacement of the water is about one-half inch a year. With that knowledge in his mind, and with a great general knowledge of the problem, the distinguished General Sturgis stated that, unless we have a more aggressive program of water conservation, unless we go forward at a much more rapid rate in providing surface reservoirs in which to collect and store water for the needs of the areas, vast sections of our country will become a Gobi Desert within 50 years.

In considering that report and other information developed by the committee, and in an effort to face up to the problem in this bill, the committee has provided a section which, in its judgment, will go a long way toward making it possible to provide surface reservoirs throughout the length and breadth of the Nation, in which to collect and store water to meet the present needs of the people, and the increasing needs of the future. That provision is contained in section 205.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. I should like very much to have the chairman of the subcommittee discuss for a moment the detailed provisions of section 205, in order to establish legislative history. Some of my constituents are very interested in this subject.

Mr. KERR. This section declares the policy of Congress to recognize the responsibility of local entities in developing water supplies, and that the Federal Government should participate and cooperate in such development. The committee has amended the section to make it applicable to both Corps of Engineer and Bureau of Reclamation reservoirs.

Subsection (a) would permit the Federal agencies to incorporate storage in reservoirs for low-flow augmentation under certain conditions and with certain restrictions. This is a much needed provision to permit the optimum development of the Nation's water resources and will correct the present situation which sometimes results in the construction of reservoirs which do not take full advantage of the potentiality of the stream flow. Release of the provided storage to increase low flows downstream would not require reimbursement when the benefits are widespread and general.

Subsection (b) provides for inclusion of planned storage in Federal reservoirs projects, existing, surveyed, or to be constructed, for present or anticipated future demand for municipal or industrial water supply, and provides for equitable reimbursement to the United States when a contract is made for the use of the water. The entire amount allocated to water supply is to be repaid within the economic life of the project, not to exceed 50 years, at established interest rates. The committee feels that the provisions of this section should be applicable to projects previously authorized to include storage for water-supply purposes, where such authorization provides for lump-sum payments in advance of the availability of the water for such use.

The committee realizes the seriousness of the water supply situation in our country, and that it is gradually getting worse. With the large quantities of water now being used and the consumption of water increasing at an alarming rate, the condition is not likely to improve.

The committee felt that maximum development should be made of all Federal reservoir projects, those constructed by both the Corps of Engineers and the Bureau of Reclamation, and that the necessary storage should be included in such reservoirs any time that present or anticipated requirements indicate the need for it for water supply purposes or low-flow regulation downstream.

Consideration should be given to inclusion of water supply storage in a reservoir from the early inception of the project. Through the survey stage, then the authorization, the planning, and finally the construction stage. The planning for water supply storage should not stop even after completion of the project, but as the surrounding area develops, population increases, and water demands grow, arrangements should be studied for including the storage in reservoirs then existing.

It was believed desirable that the provisions of this section be made applicable also to any existing reservoirs or those under construction at the present time.

Mr. JOHNSON, of Texas. I should like to ask the distinguished Senator how the repayment provisions for water supply storage apply to existing reservoirs constructed by the Corps of Engineers.

Mr. KERR. The provisions of the section, including reimbursement to repay the costs allocated to water supply, apply the same for reservoirs already constructed, under construction, to be constructed, or now in the survey or planning stage.

Mr. JOHNSON of Texas. How would this provision apply to existing contracts for use of storage for water-supply purposes?

Mr. KERR. There have been several bills passed providing for payment for water-supply storage in Corps of Engineers reservoirs in a lump sum, or contribution made on a percentage basis as construction of the project progresses, in order to permit the project to proceed without delay. Under these bills payment is to be made prior to the time water is first available from the project.

Under the provisions of section 205 the costs allocated to water supply may be repaid on a basis that secures reimbursement within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water.

Mr. JOHNSON of Texas. Then it is the interpretation of the Senator from Oklahoma that a project now under construction, such as the Ferrell's Bridge project in my State, containing authorized storage for water-supply purposes, could be renegotiated and brought under the provisions of section 205.

Mr. KERR. That is my interpretation of the language of the bill, and it was the intention of the committee in adopting that language.

It was the feeling of the committee that with the passage of this new and very vitally important provision of legislation, it would be only equitable and just that its provisions be made available and applicable to projects previously constructed, or now being constructed, just as they are made available with reference to projects now being planned or to be planned and constructed.

Mr. JOHNSON of Texas. I wish to thank my distinguished friend for the time he has given me. I commend him highly for the very fine job he has done in the legislative field of river and harbor and flood-control work. No Member of the Senate has made more of a contribution than the Senator from Oklahoma, and we are all deeply in his debt.

Mr. KERR. I thank the Senator from Texas.

Mr. JOHNSON of Texas. I invite attention to the fact that we are prepared to remain in session as late as necessary this afternoon, to accommodate any Senators who desire to address the Senate.

Under the order previously entered, the Senate will convene at 10 o'clock tomorrow morning. We are hopeful that we can get action on the pending measure before the Senate concludes its business tomorrow. If necessary, we are prepared to remain in session later than usual—if necessary into the evening—to get action on this very important bill.

I wish all Senators to be on notice that the Senate will convene at 10 o'clock tomorrow morning, and that we shall be prepared to remain in session until a vote is had on the pending bill, even though we may be required to remain in session later than usual.

HON. CARLOS P. GARCIA, NEW PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

Mr. KNOWLAND. Mr. President, the death of President Magsaysay was an irreparable loss to the free world, yet it is a matter of gratification for all Americans to see how democracy has taken root in the young Republic of the Philippines.

The sudden death of a great leader is bound to create a crisis in his government. In the case of countries not conversant with democratic principles, they are rocked by upheavals, sometimes bloody, and the nation undergoes a period of turbulence that disturbs the processes of government. In the case of the Philippines, the transition was peaceful and orderly.

The new President, the Honorable Carlos P. Garcia, who as Vice President succeeded the late President Magsaysay, took the reins of government in a manner that was a tribute to the democratic training of the Filipino people.

In an exclusive interview that he gave to the editor in chief of the Scripps-Howard newspapers, Mr. Walker Stone, who happened to be in Manila a few hours after taking his oath of office, President Garcia declared that the Philippines cannot be a neutralist country, and announced that he will continue the uncompromising fight of Magsaysay against communism.

He also said that it is his policy to maintain the traditional relationship between the United States and the Philippines which, he said, "is a relationship that is more than mere friendship, for it was welded in the greatest crucible of all—war."

The interview was published by the Washington Daily News of March 25, and I ask unanimous consent to have it printed in the RECORD at this point in my remarks:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXCLUSIVE INTERVIEW WITH GARCIA—"WE WILL FIGHT COMMUNISM"

(By Walker Stone)

MANILA, March 25.—The Philippines' new President, Carlos P. Garcia, in a special message assured the American people today that Filipinos will never be neutral in the world struggle against communism.

He pledged his administration to continue relations with the United States which are "more than friendship."

The private interview occurred on the upstairs landing of President Garcia's modest two-story home in Quezon City on Manila's outskirts. In the overflowing hall, living and dining rooms below were crowds of seekers after favors. This contemplative man will not soon again know the privacy which was his before top responsibilities were thrust upon him by the tragic death of his political ally, President Ramon Magsaysay.

TALKED SLOWLY

President Garcia, weary after his long trip home from Australia to assume office and take a leading part in Mr. Magsaysay's obsequies, was seated relaxed at a small conference table when asked to give a message to the American people through the Scripps-Howard newspapers. Without notes and without interruption he spoke softly and slowly so it could be taken down in longhand.

"I hope," said the new President, "the American people will understand the Filipino people's desire now to do the best we can to maintain our traditional relations. It is a relationship that is more than mere friendship, for it was welded in the greatest crucible of all—war.

"Our former political connection of a half century helped form that relationship between our two peoples, which is unique in the sense it has no parallel in international relationships.

"The American democratic ideology has entered into the life of the Filipino people in the same way it permeates life in America. The ideology is common to both peoples. As a necessary consequence, our two peoples have a community of interest in the defense and preservation of these ideals."

STANDS WITH UNITED STATES

"This will perhaps explain why the Philippines stand side by side with the United States, which is the recognized leader of the free world in the democratic countries' fight against communism. We stand foursquare with the United States and other free nations.

"It is the general feeling in this country that we cannot even afford to be neutralist. The Philippines is the only Christian country in this part of the world. So it is understandable that, as between a Godless ideology and a God-fearing one, we cannot be neutral.

"As between a political ideology which would annul the citizen's proprietary rights, take away a citizen's freedom of worship, his freedom of thought and expression—between that destructive ideology and the ideals that would preserve those human rights and human dignity, the Filipino people cannot be neutral.

"As between an ideology that would use citizens as a regimented herd of state peons, and an ideology that believes man was not created for the state but that the state was created for man, the Filipinos cannot be neutral.

APPRECIATIVE

"I wish to express our deep appreciation to the United States Government for the effective assistance it has extended in a vast program of uplifting conditions of the masses in the rural areas of the Philippines.

"I hope he will continue to deserve this assistance and sympathy. We are fighting against misery and poverty and disease among the masses which the Communists would exploit. We want to show to our people that the Communist charge, that democracies are neglecting the poor and sick and jobless, is groundless propaganda."

Mr. Garcia, now 60, was first elected to the Philippine Congress at 26, has been in public life since in the lower house and senate, has never been defeated. His first executive office was as Mr. Magsaysay's vice president and minister of foreign affairs where he gave his stamp to the foreign policies he now projects as his own.

Mr. KNOWLAND. In another article, published in the New York World Telegram and Sun of March 21, Mr. Walker Stone described the orderly transfer of governmental powers. I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANILA SEEKING ORDERLY TRANSITION

(By Walker Stone)

MANILA, March 21.—Although the Filipinos are still in a deep emotional shock over President Ramon Magsaysay's death, an orderly transfer of governmental powers has been carried out. That shows their devotion to constitutional processes.

Grieving, thousands crowd the grounds of Malacannan, the presidential residence. But in government offices business is as usual under the new President, former Vice President Carlos P. Garcia.

What's happening here—where the people were prepared for their independence before they got it—contrast markedly with what's occurring in other young Asian nations whose people had no self-rule preparation. All this reflects most creditably on the history of American-Filipino relations.

For nearly 50 years the Stars and Stripes flew over these islands. Yet American policy almost from the start was set toward the day when the Filipinos could raise their own flag of independence. That happy day came July 4, 1946, as had been promised 15 years before by the United States Congress.

Through the years of American sovereignty every United States official working here had beside him a Filipino learning the methods and responsibilities of government. Self-rule came gradually.

First was established a commonwealth, under the presidency of Manuel Quezon, the real founder and driving force of Filipino independence. Mr. Quezon never lived to see it. He died in the United States in 1944, head of a government in exile from the Japanese occupation.

Mr. Quezon was succeeded by Sergio Osmena, who ran a caretaker government after the liberation.

Then came independence and the first elected President of the Republic—Manuel Roxas, idol of the Filipinos educated under the American system. He was a dedicated and talented political leader. After only 2 years he was succeeded by Elpido Quirino, a well-meaning but ineffectual politician who tolerated the corruption of his friends.

Under Mr. Quirino the situation deteriorated as the Communist-led Huks nibbled away at the countryside and came within carbine sound of Manila. But Mr. Quirino had the good sense to appoint Ramon Magsaysay as his Defense Minister—and Mr. Magsaysay stamped out the Huks.

Politically Mr. Quirino suffered from that, and Mr. Magsaysay easily defeated him for the presidency in November 1953. Then the Philippines gained another strong political leader in the tradition of Messrs. Quezon and Roxas.

The question now is whether the wellsprings of Filipino democracy can produce still another strong leader. History justifies optimism.

The prospect is nowhere near this cheerful in nearby Indonesia. The Dutch never intended to leave, never bothered to prepare the people for self-rule. When the Japanese invaded, in some areas they were welcomed as "liberators."

After the war, the Dutch tried a comeback but were driven out. And today Indonesia is a democracy only in name.

In Indochina, the story was much the same as in Indonesia. Today there are three nebulous sovereignties—Laos, Cambodia (where the Communists are infiltrating), and Vietnam. Only in Vietnam is some semblance of order being established, thanks to American help and an unusual political leader, President Ngo Dinh Diem. French authority and influence have vanished.

Mr. KNOWLAND. Commenting on such an orderly transfer of governmental powers, the Washington Daily News, in its issue of March 22, published an editorial, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FILIPINO GOOD SENSE

As might be expected—and to their great credit—the people of the Philippines so far are meeting the crisis caused by President Magsaysay's death with national good sense and a fortunate self-reliance.

New President Carlos P. Garcia promptly pledged that he would carry on undeviatingly the policies of the beloved Magsaysay down to the last item. These included, of course, implacable opposition to "atheistic communism," as he significantly phrased it, and continued good relations with the United States.

Obviously this was reassuring to the Filipinos, stunned though they are by their sudden tragedy.

They will face more difficult tests in the months ahead—a national political campaign with explosive issues and fiery personalities.

But as Walker Stone, Scripps-Howard editor in chief, pointed out yesterday, history justifies optimism. In the Filipinos' case, it is a history of eager receptivity to the ways of democracy, pride in their demonstrated ability to govern themselves.

Americans naturally have a trustful concern. We hope there will never be the slightest faltering in the Filipinos' devotion to the constitutional processes.

Yet the worst possible error we could make would be for this country to take any sides, to express any preference or interfere in any way in the upcoming contests and rivalries.

Their presidential field is wide open—but a larger principle is involved. The Filipinos themselves must make their choice. It is their most precious right—honorably earned and sacredly held.

Mr. KNOWLAND. Mr. President, I am happy to make these statements of record because the American people are keenly interested in the success of the Republic of the Philippines. It would seem that, judging him by his statements since his induction into office, President Garcia is following in the Magsaysay tradition. It is our hope that he will continue the wise policies of his predecessor and we will watch his administration with keen interest.

May his efforts for a militantly democratic and truly free Philippines be crowned with success. This, I am sure, is the prayer of every lover of freedom as President Garcia takes over the leadership of his great people.

SYSTEMATIC REDUCTION OF PUBLIC DEBT

Mr. SALTONSTALL. Mr. President, I introduce for appropriate reference a bill entitled "The Public Debt Reduction Act of 1957." I should like to offer these brief remarks in connection with the introduction of this bill as I feel that it deals with a subject of great national importance.

This bill which is designed to reduce the national debt certainly does not represent the final thinking on this subject. It is one more idea, which I trust is constructive, in these times when we are all interested in finding methods of controlling Federal expenditures. I am advised that in the form which it now is, it is practicable and workable. I trust that the Finance Committee will consider this along with any other proposals which they may have before them. There are undoubtedly many worthwhile suggestions and amendments which can be added to this bill and these shall certainly be welcome.

The bill which I am today introducing amends the Second Liberty Bond Act, amendments to which provide for a ceiling on the total national debt of the United States, now established at $275 billion. The purpose of this bill is to lower, gradually and systematically, the ceiling of the national debt by providing that at the beginning of each fiscal year it be reduced by a certain percentage of the preceding year's Federal revenue.

The percentages which have been selected in this bill range from 2 to 5 percent. These figures have been selected because they are modest and will not disrupt existing Federal programs. If this bill is enacted into law, it will, however, begin to bring about a gradual reduction in the public debt of the United States and will provide a fixed ceiling in any given year for Federal spending. The percentages operate on an escalator principle and it is not until 1961 that the full impact of this bill which I am introducing will be felt, when in that year the debt will be reduced by 5 percent of the net revenue for the fiscal year preceding. The budget for that year will not exceed 95 percent of the previous year's revenue. The bill which I have introduced contains two clauses, one to be invoked in time of war and the other to be invoked in a time of economic crisis when it is considered in the best interests of the Nation to suspend its operation. In addition, if the Congress passes any tax relief measures during the operation of this act, resulting in a reduction in the revenue of the United States, the amount of the reduction of the public debt may be reduced for 2 fiscal years by the amount of the loss of revenue caused by the tax measures enacted.

This attempt to reduce the national debt is not new or original. The first plan for retiring the national debt was made by our Congress shortly after the signing of the Constitution. After the First World War a major effort was made to retire the World War I debt. Congress provided for the application of a reserve portion of funds annually for debt retirement. The flaw in this well-intentioned plan, however, was that no provision was made to prevent a simultaneous increase in our debt and so, although payments were made against the outstanding principal, increases were simultaneously made in the debt. Much of the World War I debt was, however, eliminated. The bill I am introducing, I believe, overcomes this defect.

The national debt of the United States has grown now, however, to proportions which a few years ago would probably be considered economically impossible. Some economists speculate that we may be nearing the so-called "peril point," and that our economy could not withstand the deteriorating pressures of further increases.

During the 1930's, the Federal Government assumed its responsibilities to alleviate the distressed economic conditions, but in doing so the total gross debt rose from $16.8 billion in 1931 to $48.9 billion in 1941. In the next few years this country was thrown into the most terrible and costly war in its history. In 1941 the debt was $48.9 billion. By 1946 it had risen to $269 billion.

In recent years through the efforts of my distinguished colleagues, Senator BYRD, chairman of the Finance Committee, and many others, and with balanced budgets by the administration, the public debt has been held steady at approximately $275 billion. One of the underlying and basic purposes of this bill is to provide a self-disciplining mechanism whereby this sort of fiscal responsibility can be permanently guaranteed.

In recent years the demands of the cold war and the demands of the many legitimate programs which the Federal Government has undertaken in the discharge of its responsibilities to the American people has placed a very heavy strain upon the finances of the United States. It seems to me our plans for the years in the immediate future must continue to take both of these factors into account. In so doing, however, it seems to me that we must be coldly calculating about the ability of our economy to sustain the existing enormous debt and more importantly our ability to add to the debt if necessary. It is in this spirit that I am introducing this bill.

There are five basic goals which I hope this bill will achieve. The first of these is immediately apparent: To reduce the size of the debt of the United States and gradually to reduce the enormous sums of money which annually must be appropriated for payment of interest on the public debt.

It is a matter of grave concern to all of us that a substantial portion of Federal revenue, this year approximately 10 percent, must annually be diverted to interest payments. This year alone the Government must secure $75 billion plus in new loans at current high interest rates in order to meet the $75 billion plus of existing public debts that will mature in the next 12 months.

The second major purpose of this bill is to begin to control Federal spending and to establish a system for limiting the size of expenditures in times of peace and prosperity. The Eisenhower administration in the last 4 years has done a very commendable job in keeping the Government's expenses down. At the present time, however, there is a great public concern over the level of Federal spending. Until we begin to make a concerted, self-disciplined effort to reduce systematically Federal expenses, we cannot even begin to hope for a tax cut or for a greater degree of economic stability and a reduced debt.

As a third objective, this bill, which I hope would provide an effective control over Federal expenditures, would help us to begin to prepare for tax relief, if the Congress determines it to be in the national interest.

A fourth major purpose is to combat inflation. The Eisenhower administration has made a concerted effort to hold back the spiral of inflation which has plagued our economy since 1939. In recent months, however, the effects of rising prices and inflation have been felt with increasing strain. In combating inflation, the task is to curb the advance in outlays that tend to accompany rising costs. To quote from a respected authority:

> The final but perhaps most important criterion for fiscal policy is the budget surplus or deficit. The most essential goal in an inflationary environment should be to achieve a substantial budget surplus. Budget deficits in a period of full employment and rising costs and prices necessarily add to the strain on economic resources at a time when the economy is already being pressed to meet demands for goods and services.

As a fifth objective in these critical times, it is imperative for our Nation to be fully prepared to meet the threat of Communist aggression. The dangers of communism do not come, however, exclusively from the threats of military or armed attack. If we properly interpret Marx and Lenin, then we are fully conscious of the real dangers which we face in an economic struggle with communism. A policy which is designed to combat inflation is essential for the economic welfare of our country and, correspondingly, is a weapon in our hands against the economic penetration of communism. Just as spending for military preparedness is essential for national defense, so is conserving our economic resources essential for national security.

It is for these reasons that I ask the consideration and attention of my colleagues upon the very vital issues with which this bill deals. There are undoubtedly many worthwhile suggestions and amendments which can be added to this bill and I shall certainly welcome them. I do hope that in some form the provisions of this bill can be enacted, to begin to reduce the national debt, to help in our fight against inflation, to promote greater economic stability as a preparedness measure against the threat of international communism, and to demonstrate to the world our respect for fiscal integrity.

The purpose and spirit behind this bill are best summed up in the words of our President in his Economic Message to the Congress in January 1956:

> In times like these we should bend our thoughts to the desirability of debt reduction. Once a budgetary surplus comes definitely into sight and economic conditions continue to be favorable, we should begin reducing our huge public debt. Such an act of fiscal integrity would signify with unmistakable clarity that our democracy is capable of self-discipline. It would add to the confidence that people need to have in the Government, if they are to plan boldly for their own and their children's economic future.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1738) to provide for systematic reduction of the public debt, introduced by Mr. SALTONSTALL, was received, read twice by its title, and referred to the Committee on Finance.

THE PRESSING NEED FOR EXTENDING COVERAGE OF THE FAIR LABOR STANDARDS ACT

Mr. MORSE. Mr. President, hearings on extending coverage of the Fair Labor Standards Act have just been concluded by the Subcommittee on Labor, of which I am a member. In my judgment, this legislation is among the most important to be considered by this Congress and I am in hopes that our committee will be able to report a bill for early action by the Senate.

The recent testimony of three witnesses demonstrates the urgent need for the extending of coverage which would be provided by S. 1267, which it was my privilege to introduce on behalf of myself, Mr. MURRAY, Mr. NEELY, and Mr. MCNAMARA.

In order to acquaint the Members of the Senate with the urgent need for this proposed legislation, I wish to have printed in the RECORD the testimony of Mrs. Patricia Roberts Harris, legislative chairman of the National Council of Negro Women, the Very Reverend Msgr. George G. Higgins, director of the social action department of the National Catholic Welfare Conference, and Mr. Morris S. Rosenthal, chairman of the board of the National Consumers League. I ask unanimous consent to have printed in the RECORD the testimony to which I have referred.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY PATRICIA ROBERTS HARRIS, NATIONAL COUNCIL OF NEGRO WOMEN, BEFORE THE SENATE SUBCOMMITTEE ON LABOR STANDARDS

I am Patricia Roberts Harris, legislative chairman of the National Council of Negro Women, representing approximately 800,000 women in 22 national affiliates and 92 local councils in the major cities of this country. Members of the National Council of Negro Women are found in all the occupations and professions, ranging from college presidents, to domestics.

Because of the wide range of employment concerns of our members, we are especially sensitive to the need for increased coverage under the Fair Labor Standards Act. We therefore support and strongly urge the favorable action of this committee on S. 1267.

As an organization of Negro women we are particularly aware of the fact that those persons in industries not covered by the provisions of the Fair Labor Standards Act are those least able to bargain independently for an adequate wage which permits maintenance of decent, though frugal, living conditions. We do not for a moment suggest that the present minimum wage is adequate to support a family, or even an individual in most areas of this country, but we insist that any lower wage is shocking and economically and morally indefensible.

We shall not at this time discuss the economic justification for extending the coverage of the Fair Labor Standards Act because such testimony has already been presented to the committee. We shall rather limit our brief remarks to our concerns as they relate to our membership.

The industries not presently covered by the act, with the possible exception of retail, are those which employ large numbers of Negroes, such as laundries, restaurants, agricultural processing and cleaning establishments. It is not an exaggeration to state that the presence of Negroes in large numbers in these industries is due largely to the fact that their weak bargaining position forces them to accept lower wages than their more fortunate white neighbors.

Inadequate training resulting from the cumulative effect of decades of inferior education, poverty, and racial discrimination, plus the fact that more desirable jobs often are closed to them because of race, have forced the Negro worker to accept jobs at less than subsistence wages. For this reason, mother, father, and frequently children are forced into the labor market, leading to the deterioration and ultimate destruction of family life. Not infrequently, the Negro woman is the sole breadwinner. Plagued by long hours and insufficient wages, she finds it impossible to fulfill her role as mother and her children become easy prey for the forces of delinquency. It is not difficult to understand the frustrations which beset the human spirit under these conditions.

We do not today speak much of the "just wage" but we should remember that no man's profit should be made by the ugly exploitation of those who cannot protect themselves. Because such exploitation is the case in too many instances, it is the responsibility of the Congress to protect the basic welfare of its citizens by providing minimum standards wherever constitutionally possible.

The National Council of Negro Women not only endorses the extension of coverage sought by S. 1267, but also would wish for coverage of those employing smaller numbers. Such small businesses, in the aggregate, employ thousands of individuals who sorely need protection.

We have been concerned about fair labor standards for the 22 years of our existence and we hope for the day when no man or woman will be forced to work for less than the minimum required to maintain body and spirit. We have faith that the economy of our Nation will not only support such a universal "just wage," but also that it will thrive as a result.

We therefore support the widest possible coverage by the legislation and urge S. 1267 as the bare minimum to be passed at this time.

Respectfully submitted.

PATRICIA ROBERTS HARRIS,
Legislative Chairman,
National Council of Negro Women.

STATEMENT OF VERY REV. MSGR. GEORGE G. HIGGINS, DIRECTOR SOCIAL ACTION DEPARTMENT, NATIONAL CATHOLIC WELFARE CONFERENCE AT HEARINGS CONDUCTED BY THE SUBCOMMITTEE ON LABOR OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE ON AMENDMENTS TO THE FAIR LABOR STANDARDS ACT, MARCH 20, 1957

My name is Msgr. George G. Higgins. I am the director of the social action department of the National Catholic Welfare Conference, Washington, D. C. The social action department is that section of NCWC, the national secretariat of the American bishops, which deals with all matters such as the one being considered by this committee; namely, amendments to the Fair Labor Standards Act.

The NCWC Social Action Department favors the early enactment of S. 1267, which would extend the protection of the Fair Labor Standards Act to several million workers in a variety of occupations which, for one reason or another, were exempted from coverage under the terms of the original statute. Whether or not their exemption in 1938 was justified by conditions prevailing at that time is still a debatable question. In our judgment, however, there is no justification at the present time for continuing to deny the workers employed in these services and trades the minimum protection provided by the Fair Labor Standards Act.

It will not be necessary for us in this statement to discuss the technicalities of S. 1267 in detail. They have already been adequately discussed by previous witnesses before this committee. In the interest of brevity it will be enough to say that, in our opinion, the evidence at hand is overwhelmingly in favor of the enactment of the bill. Its passage would be a boon not only to the millions of workers directly affected by its coverage provisions but to the economy as a whole.

Neither will it be necessary in this brief statement to outline in detail the ethical arguments in favor of adequate minimum wage legislation. Official representatives of the NCWC social-action department have stated these arguments in considerable detail at a number of previous congressional hearings on the Fair Labor Standards Act and proposed amendments to the act between 1938 and the present time. For present purposes suffice it to say that according to Catholic social teaching the payment of a family living wage is required in strict justice. As a matter of fact, the 1919 bishops' program of social reconstruction went so far as to state that the right to a family living wage has priority over the right of an employer to take interest on his investment. This will serve to indicate how seriously the obligation to pay a family living wage is taken in Catholic social teaching.

In the second place, the Government, according to Catholic social teaching, has not only the right but in some cases the duty to enforce a reasonable minimum wage. We do not say that the Government, either Federal or State, should assume complete responsibility for the enforcement of wage

justice. We do say, however, that the Government, whenever necessary, should establish certain minimum standards. This principle is now generally accepted in law and almost unanimously approved by public opinion in the United States. It remains merely to apply the principle as realistically as possible in the light of current economic conditions. This is what we are attempting to do in recommending that the coverage of our present Federal minimum wage law be extended along the lines proposed in S. 1267.

The argument in favor of having the States handle this type of legislation is meaningless for all practical purposes. Even at this late date, after more than 40 years of discussion of minimum wage legislation, action at the State level is woefully incomplete and inadequate. Nineteen States have no minimum wage legislation at all. Only 8 States enforce the payment of minimum wages to men, and only 1 State has as much as a dollar an hour as the statutory wage. It is obvious, then, that meaningful legislation must come at the Federal level.

In conclusion, may we say that we are particularly enthusiastic about the fact that S. 1267, if enacted, would at long last extend the protection of the Fair Labor Standards Act to agricultural workers on large industrial farms. This amendment to the original statute is long overdue. To be sure, all of the workers included in the new coverage provisions of S. 1267 are in dire need of protection, but none so much as those who are employed in our so-called factories in the fields.

EXCERPTS FROM THE STATEMENT OF MORRIS S. ROSENTHAL, CHAIRMAN OF THE BOARD, NATIONAL CONSUMERS LEAGUE, BEFORE THE SENATE SUBCOMMITTEE ON LABOR OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE ON MARCH 8, 1957

The Consumers League is grateful for this opportunity of speaking in support of S. 1267 which would extend the coverage of the minimum wage law to millions of workers who are not now so protected, and, as a businessman, I am very happy to speak in support of this bill.

It is my understanding that S. 1267 would give about 9½ millions of the 20 million unprotected workers the protection of the minimum wage law.

As a businessman, in my consideration of this subject over many years, I have felt there are two fundamental considerations, a conclusion to which would determine the need for and wisdom of minimum wage protection to workers.

First, there is the obligation of a government in a democracy, acting on behalf of all citizens, to give needed protection and care to the individual for the benefit both of the individual and his family and the Nation as a whole.

Secondly, there is the need to think in terms of the impact of economic legislation upon business, upon agriculture and upon the national economic welfare.

Abraham Lincoln is reported to have said that government should do for the people that which the people cannot do for themselves, and I understand that President Eisenhower is reported to have taken this as part of his own philosophy. Assuredly, it is a sound philosophy of democratic government. Democracy is predicated on the freedom and dignity of the individual human being, but we know that society needs protection in many ways so that a few individuals cannot harm the many. We have laws and statutes and police regulations of many kinds all of which are intended to give each citizen an opportunity for a healthy, useful and pleasant life, as well as protection from the predatory.

The United States enjoys great wealth. We are reasonably content with our economic system which we call free or private or competitive enterprise and, in fact, we are rather proud of the high standard of living which we have attained as a people. Frequently, therefore, we either overlook or we are unwilling to recognize that there are still millions of our fellow citizens whose earnings from their jobs do not give them even the minimum that the cost of living figures of any analytical organization call for. In my opinion, we are lacking in our responsibility to our fellow citizens in not extending the assurance for a decent living to all of our workers.

How sound are the arguments of those who predict dire consequences for our economy if the minimum wage is extended to include some millions who do not now get as much as $1 an hour or $40 for a 40-hour week?

First, there are those who in the name of free enterprise, democracy or what not, insist that everyone should have the right to sell his own services and that it is regimentation to have minimum wages set by law.

But, of course, there are glowing inconsistencies in such opposition which, after all, is sheer nonsense. We do not have, and everybody recognizes that we cannot have complete laissez faire enterprise in the United States. Business itself has protection in a good many ways by legislative acts of government. There is regulation of public utilities, rail and truck transport and communication much of which helps corporations by raising rates as costs of operations go higher. Many other forms of business, such as sea and air transport, drilling for oil, the many manufacturing industries that are protected by high tariff rates, have subsidies of one form or another, direct or indirect. Farmers have subsidies.

Business has been given assistance on behalf of national defense but the individual human being whose health is to some extent predicated on diet and whose diet is predicated on purchasing power is seemingly not thought of as a needed bulwark for national defense in the same way in which we think of machines in the factories of corporations.

Second, the claim is frequently made that small business cannot live, that big business will crush it if small business enterprises have to pay a minimum of a dollar an hour to their employees. In the first place, some 10 million workers will still be exempted even after S. 1267 is passed in its present form and I am informed that the corner grocery, the corner drug store, the family-owned farm and countless other small business enterprises will still be allowed to hire relatives or others for less than a dollar an hour.

I do not believe that any business enterprise, industrial or agricultural or commercial should be helped by allowing exploitation of its workers. I cannot agree that low wages is a proper method of helping small business survive. This is putting the entire burden on the worker. Surely there are other forms of assistance that can be given small business such as tax exemptions, loans at low interest rates, technical assistance and so forth. If we are going to subsidize small business, the cost of the subsidy should be spread among all and not imposed upon its wage workers.

Third, we frequently hear the argument of States rights and the need to limit Federal Government protection of individuals through defining interstate commerce narrowly. The Federal Government should not interfere in the proper rights of the States and it is true that some States have minimum wage laws. But these are still relatively few. The facts of political life are that State legislatures have frequently shown that they do not have the concern for the welfare of the less well-off that the Congress has frequently shown. Also, I suggest that the States rights argument is too frequently invoked when vested property interests are opposing social reform and progress. We don't hear as much of States rights when it comes to Federal aid to the building of roads or Federal aid to farmers who suffer from drought disaster. If Federal aid can properly be given to such, as I think it can and should be, then Federal aid can surely be given to the hired hands.

Fourth, extending the coverage broadly would contribute to further harmful inflation is an argument that has frequently been given. Here, too, I submit, that this also is nonsense, and cruel nonsense at that. Higher prices on manufactured goods resulting in higher profits and higher dividends have surely contributed far more to inflation than giving people who are now getting less than a dollar an hour an increase to a dollar an hour.

As a matter of fact, I think that extending the coverage will be a help to some business. It will increase the purchasing power of millions of people who now live in want so that they can afford the goods and services that these businesses have to sell.

Henry Ford taught us over 40 years ago that good wages mean good business, but most businessmen have learned reluctantly and all too slowly that high wages mean greater purchasing power and greater purchasing power means better business for them. Some still haven't learned it.

Also, I think a minimum wage law is a protection to the decent employer in that it prevents those who have no social conscience whatsoever from squeezing wages down so low as to make it difficult, if not impossible, for the employer who recognizes the need, wisdom and decency of paying an adequate living wage.

The business community needs to learn much more than it has that our economic system imposes certain social responsibilities upon us. A wage which will enable every worker to have a minimum decent standard of living for himself and his family is one of the elementary responsibilities of any economic system.

The Congress of the United States has responsibilities to business, to agriculture, to labor and to all of the other segments of our society. One such responsibility in my judgment is for the Congress to pass legislation which will give all help when they need help. S. 1267 will give help to those who are badly in need of help. They are among the unorganized, some may be uneducated and unskilled, but none is unworthy. And I submit that they should not also be uncared for.

I therefore urge upon you the passage of this act. Thank you, sir.

BRUCES EDDY AUTHORIZATION UNWISE AND UNTIMELY

Mr. MORSE. Mr. President, the inclusion of Bruces Eddy in the omnibus rivers and harbors bill before the Senate today is unsound on the merits and as a matter of procedure.

My colleague the junior Senator from Oregon [Mr. NEUBERGER] and I have warned for 2 years that the administration's policies of underdevelopment of Columbia Basin river resources threatened to result in the construction of projects, like Bruces Eddy, which threaten irreplaceable conservation values. Unfortunately we are being proven correct.

The high Hells Canyon Dam would provide over 4 million acre-feet of water storage which is desperately needed not just for low-cost power, but for flood control. Since the administration's attempted giveaway of the Hells Canyon

site, the Army engineers and private utilities have urged that the flood-control storage lost at Hells Canyon—and it is not yet lost for good—be offset by storage projects elsewhere. Bruces Eddy has become the favorite alternative for recouping some of that lost water storage. That was a recurrent theme of Hells Canyon opponents during the 1955 field hearings on Hells Canyon which I attended.

Within the past few weeks the Secretary of the Interior has noted the need for flood storage on the mainstem of the Snake River, and he halfheartedly advised the Federal Power Commission that he was ordering studies of a so-called high Pleasant Valley Dam.

Further evidence of the need for flood storage on the Snake was found in the very recent brief of the FPC staff recommending construction of Nez Perce Dam on the Snake. This is a direct result of the administration's attempted scuttling of high Hells Canyon.

Both Nez Perce and Bruces Eddy are opposed by conservationists—and correctly so. That opposition may not be necessary in the future if, and it is a big "if," means are found to avoid the devastation of fish runs by Nez Perce, and fish, wildlife, and wilderness in the case of Bruces Eddy.

The latter prospects are unpromising. But as my colleague points out in his masterly Individual Views in Senate Report No. 168 accompanying this bill, the fish and wildlife studies of the potential effects of Bruces Eddy are now underway and it is questionable procedure to authorize a project without knowing what those studies show. The committee amendment on page 47 of the bill admits the validity of this objection but offers an illusory protection. It offers no assurance that Congress will have adequate opportunity to assess the reports before appropriations are made pursuant to the authorization. The reports may be inadequate or inconclusive and require detailed consideration before informed action can be taken on appropriations. But all the proviso requires is the filing of a report on the studies. I know of no precedent for such an authorization.

I call attention to the fact that the limitation is upon the appropriation of funds for "construction of the project." However, this does not bar the expenditure of considerable amounts upon preconstruction planning which for a project of this dimension can run into several hundreds of thousands of dollars.

The sensible course is to delay the authorization.

The authorization is strange to say the least as it provides only $25 million—about one-fourth of the amount required. This is a foot-in-the-door authorization. We see only the toe of the shoe—who will be wearing it when the body comes to view?

The Pacific Northwest Power Corp. originally proposed the project as a "partnership" dam for which the taxpayers would pay the bill for nonreimbursable items but the power revenues would go to the corporation. The administration opposes the present authorization because it is holding out for a partnership bill. Obviously it will continue to work for converting this project into a partnership affair. The senior Senator from Idaho disowns the partnership approach and favors the present partial authorization. His disclaimer is not controlling.

The recently elected junior Senator from Idaho [Mr. CHURCH] has opposed the present authorization as premature.

It is indeed premature. Let us find out what will happen to the greatest remaining elk herd in the country, the steelhead trout runs and explore the means of minimizing the impact upon the wilderness area by logging and roads before we blindly pledge $25 million.

This is a "pig in a poke" if ever there was one. A sensible return to comprehensive, full river development could well render the project unnecessary.

I oppose Bruce's Eddy as a senseless invasion of a great wilderness area with magnificent fish and wildlife resources.

Congress will deal a blow to sound conservation unless it strikes the Bruce's Eddy authorization from this bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks a series of telegrams I have received, principally from conservation groups, in opposition to the Bruce's Eddy authorization.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

COLUMBIA FALLS, MONT., *March 27, 1957.*

WAYNE MORSE,
United States Senate,
Washington, D. C.:

This organization requests deletion of Bruces Eddy Dam from omnibus bill. Your cooperation appreciated.

R. J. REDINGER,
Secretary, Northern Rocky Mountain Sportsmen's Association.

WHITEFISH, MONT., *March 27, 1957.*

Senator WAYNE MORSE,
United States Senate Building,
Washington, D. C.:

Our 833 members vigorously urge that deletion of Bruces Eddy Dam project in Idaho from omnibus bill. Present disregard of public opinion and senseless destruction of our wildlife and natural resources must be your primary objective respective to Bruces Eddy proposal.

GUY SHANKS,
President, Whitefish Rod and Gun Club.

PORTLAND, OREG., *March 26, 1957.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

The Oregon division Isaac Walton League of America again expresses its opposition to authorization for Bruces Eddy Dam at this time pending consideration of study now in progress.

ALLAN L. KELLY,
Secretary.

POLSON, MONT., *March 26, 1957.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

District 1, 27 conservation groups of Western Montana strongly urge that Bruces Eddy be stricken from S. 497, the so-called omnibus bill.

DELBERT A. MALGREN,
Secretary, District 1, Montana Wildlife Federation.

POLSON, MONT., *March 26, 1957.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Polson Outdoors, Inc., consisting of 400 sportsmen and conservationists urge that Bruces Eddy appropriation be deleted from omnibus appropriation bill.

LELAND SCHOONOVER,
President.

KALISPELL, MONT., *March 26, 1957.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Our membership 600 conservationists strongly urge Bruces Eddy Dam be eliminated from omnibus bill.

ERNEST WEED,
President, Flathead Wildlife, Inc.

SAN FRANCISCO, CALIF., *March 27, 1957.*

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

The Sierra Club, which has been working diligently in behalf of the Nation's scenic resources for 65 years and which numbers 11,000 members throughout the country, urges that you make every effort to eliminate the proposed Bruces Eddy Dam from the omnibus bill currently being considered. We believe it fundamentally reasonable that any authorization of so controversial a project should not be premature, and should await completion of such studies of our overall needs for scenic and wildlife resources as contemplated in the proposed outdoor recreation resources review legislation now before the Congress, for which there is nationwide, bipartisan support.

DAVID R. BROWER,
Executive Director, Sierra Club.

COEUR D'ALENE, IDAHO, *March 27, 1957.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

Idaho newspapers subsidized by power and lumber interests do not print the infamous misrepresentations employed to seek authorization for Bruces Eddy. Mouths and letters spread the truth among sportsmen and conservationists who repudiate the devious double talk of the project sponsor. They cannot violate their code of ethics as have the proponents. They have not flinched from their unanimous opposition to authorization until resource appraisals are completed. Infiltration of their ranks has attempted to confuse some groups through trickery and double dealing.

Potlatch forests own 400,000 acres of private timber in Clearwater area and have rapidly increased their holdings in past 3 years. Dam would mean fabulous savings in excess of half million dollars annually to this firm. This alone warrants thorough Senate investigation for attempted swindle of American people for private gain. Anadromous fish resources are in process of being reestablished after inadequate passage facilities of Lewiston Dam were corrected. Few salmon of recent years still produce enormous quantities of spawn. Over half thousand elk observed in pool area produce large annual increment of animals for Nation's best elk and deer hunting.

We live in Idaho by choice because we cherish these resources and are nauseated by those with arrogant disregard for them. Bruces Eddy is a symbol of principles that we find dear. Implore that this message

from the hearts of the Idaho people should spark your eloquence in pleading our case.

The Coeur d'Alene Wildlife Federation, the Avery Sportsmen's Association, the Bonner County Sportsmens Association, the Boundary Sportsmens Association, the Clark Fork Rod Gun Club, Hauser Lake Rod Gun Club, Priest Lake Sportsmens Association, Priest River Wildlife Federation, Shoshone County Sportsmens Association, Spirit Lake Sportsmens Association, St. Joe Valley Fish Game Association, North Idaho Junior College Conservation Council, District 1 Idaho Wildlife Federation.

WASHINGTON, D. C., *March 26, 1957.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Conservationists urge your support of amendment to delete Bruces Eddy Dam from Rivers and Harbors omnibus bill. S. 497 today on Senate floor. Senate authorized survey on fish and wildlife resources not completed. Committee amendment to postpone project appropriations until completion of studies, fails to adequately protect wildlife resources. Conservationists of Northwest and through Nation oppose this untimely authorization.

Charles H. Callison, Conservation Director, National Wildlife Federation; Ira Gabrielson, president, Wildlife Management Institute; C. R. Gutermuth, secretary, North American Wildlife Foundation; Joe Penfold, national conservation director, Izaak Walton League of America; Howard Zahniser, executive secretary, the Wilderness Society; Spencer M. Smith, secretary, Citizens Committee on Natural Resources; David R. Brower, executive director, Sierra Club; Mike Hudoba, Stanley E. Little, executive director, National Campers & Hikers; Dick Stroud, executive vice president, Sport Fishing Institute; Fred M. Packard, executive secretary, National Parks Association; Morton Brigham, secretary, Committee for the Preservation of the Clearwater, Idaho, Wildlife Federation; Karl Onthank, president, Federation Western Outdoors Clubs.

YAQUINA BAY AND HARBOR

Mr. MORSE. Mr. President, it is a matter of great satisfaction to the people of Oregon, and especially those who live in the economic area of Yaquina Bay, that after two decades of effort the Yaquina Bay project is being authorized.

Oregon is rich in resources but unfortunately it has been poor in economic opportunities because of the underdevelopment of those resources. At Yaquina Bay this bill will enable physical improvements of tremendous value to the lumber and timber industry which remain the basic industry of the State.

This is the kind of project which means economic dividends for the whole Nation, as this area will be enabled to make a greater contribution to the rest of the country by reason of this vital navigation improvement.

ADJOURNMENT TO 10 A. M. TOMORROW

Mr. SALTONSTALL. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 48 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, March 28, 1957, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 27, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our gracious benefactor, grant that we may always be worthy of our blessings and wise in using them for our highest welfare and the needs of all humanity.

Make us more willing to give our strength to the weak, our sympathy to the sorrowing, and our substance to the poor.

Show us how we may bring joy and peace unto all whose lives are broken by bitter adversities and afflictions; bowed low by grievous and heavy burdens; beset by trials and tribulations.

May we comfort and encourage them with the glorious promise that they who trust in the Lord shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

INVESTIGATION OF NATIONAL MONETARY AND CREDIT POLICIES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 85 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. UDALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 30]

Anderson, Mont.	Cramer	Hillings
Andresen, August H.	Davis, Tenn.	Holtzman
Aspinall	Dies	Jackson
Bailey	Diggs	Jones, Mo.
Bass, N. H.	Doyle	McMillan
Bowler	Eberharter	Morrison
Boykin	Frelinghuysen	Poage
Buckley	Grant	Powell
Celler	Green, Oreg.	Prouty
Clark	Green, Pa.	Scherer
Cooley	Gregory	Sieminski
	Gwinn	Williams, N. Y.
	Henderson	

The SPEAKER. On this rollcall 399 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INVESTIGATION OF NATIONAL MONETARY AND CREDIT POLICIES

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 85 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Committee on Banking and Currency, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study with respect to any matter or matters in the field of national monetary and credit policies and the financial structure, including (1) the status and adequacy of the existing credit mechanisms in the United States, (2) the new institutional sources of credit that have arisen or substantially increased since the enactment of the Banking Act of 1935, (3) the methods used and result of allocating credit under conditions where restraint upon the total supply has to be exercised to prevent inflation, and (4) the impact of changing interest rates on economic growth, competitive enterprise, financing necessary public facilities, and inflation.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the continental United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

With the following committee amendments:

Page 1, line 3, strike out "and directed."

Page 2, line 11, strike out "is in session."

Page 2, lines 12 and 13, strike out "and to hold such hearings, as it deems necessary" and insert "to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member."

The SPEAKER. Pursuant to the order agreed to on yesterday, the Chair will recognize the gentleman from Missouri [Mr. BOLLING] for 1 hour and the gentleman from Ohio [Mr. BROWN] for 1 hour, and no motion or amendent will be in order during the 2 hours' debate.

Mr. BOLLING. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, this resolution provides for a study by the Committee on Banking and Currency or a subcommittee thereof of our national monetary and credit policies and the financial structure of the United States.

One of the reasons that virtually everybody recognizes that there is today a need for such study is the fact that in the past few years there has been a substantial restraint in credit through the use of monetary policies by the Federal Reserve Board. At the same time, there

has been a continuing and significant inflation in certain sectors of our economy.

I listened to the Chairman of the Board of the Federal Reserve, a man for whom I have great admiration, William McChesney Martin, Jr., when he testified before the Joint Economic Committee a few weeks ago. He indicated his support for such a study by making it very clear in answer to questions that he was not sure that our present structure gave the tools necessary to restrain inflation. We have had, despite this restraint, significant inflation.

Others are much concerned about our monetary system and our credit-control mechanism, because there is a strong feeling that in its application through the means available to the Federal Reserve Board there is very substantial discrimination against certain segments of our economic community.

For example, it is contended by some that very large corporations are little affected by the credit restraints available to the Federal Reserve, whereas agriculture, small business, and public institutions are very much affected. There is universal agreement, insofar as I know, among those who are most concerned with this problem, that there should be some sort of a study of our monetary and credit structure.

The President, as everybody knows, requested in his state of the Union speech that there be set up a national monetary commission. Actually, we are not arguing here today whether there is a need for such a study; we are, in fact, talking about the method by which the study will be made.

Now, a number of different methods have been proposed. As I understand it, the first proposal made in direct line with the President's suggestion in his state of the Union message, and reiterated, incidentally, in his economic report, was a nine-man citizens commission, all of the members of which to be appointed by the President. As time passed that proposal was modified, apparently with administration support, by the introduction on the part of the gentleman from Iowa [Mr. TALLE] of a second proposal. This proposal suggested that there be a commission comprised of 9 citizens appointed by the President, and the chairman and ranking minority members or their designees of the House and Senate Banking and Currency Committee; in other words, 9 citizens appointed by the President, with the power of the President to appoint the chairman and the vice chairman, and 2 Members of the House and 2 Members of the Senate designated in the bill as appointees, as members of this commission.

More recently—as a matter of fact, just the other day—another proposal was introduced. I gather that this also has administration support. This proposal is for a commission of 16 members, 8 citizens to be named by the President, 4 each from the House and the Senate. In other words, the administration position has moved from a citizens commission entirely appointed by the President to a half and half commission with 8 being appointed by the President, 4 by the Speaker, and 4 by the President of the Senate. The controversy that we have today is over this difference between the last proposal and the proposal contained in House Resolution 85.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I assume that it is intended to be half and half political, too.

Mr. BOLLING. That is correct.

Mr. McCORMACK. Does the gentleman think it will be half and half political?

Mr. BOLLING. I think it might be half and half political and it would not be half and half from the point of view of the views held by the people appointed.

Now, clearly we have an argument which is really in effect a tempest in a teapot, because if the President really meant the first proposal made by the gentleman from Iowa for a 9-man commission, he could at any time this year, last year, or the year before, 2 years before, have appointed a 9-man commission. He need not have come to the Congress. He could have appointed a 9-man commission. It could have functioned. It could have made its report by this time. As a matter of fact, we have a number of examples of the President doing just that in other important policy areas. For example, I understand that the Bradley Commission, which went into the whole question of veterans' benefits, was appointed without any recourse to the Congress. The Fairless Commission, which recently reported on foreign aid, was appointed without any congressional authorization. The President clearly has had from the beginning of his first term of office the power to set up a citizens commission in the field of monetary policy. As a matter of fact, 2 years ago there was a vote held in this House on a somewhat similar resolution, and at that time the argument made was against the need for any such study. Today it seems to be agreed by all of us that we do need the study.

Now, what are we arguing about when we argue about House Resolution 85? This, again, it seems to me, is really a tempest in a teapot. This House has already passed the usual investigatory resolutions for virtually every major commitee of the House. It allows those committees to investigate anything within their jurisdiction. It gives to them the power of subpena.

If the Committee on Banking and Currency had come in for such a resolution undoubtedly it would have been given this power. And if it had been given this power in this particular fashion there would be no difference in the situation than if we passed the resolution currently being considered.

There is no unique power in House Resolution 85 that would not be within the power of an ordinary investigating resolution which we pass for virtually every committee of the Congress. So this is what we are arguing about when we are arguing about the kind of investigation that will be made. Who is to make it?

The President, when he asked for the National Monetary Commission, said in the last sentence that dealt with that subject:

> Out of their findings and recommendations the administration would develop and present to the Congress any legislative proposals that might be indicated for the purpose of improving our financial machinery.

Thus the President made it clear in his own statement that the ultimate responsibility for any legislative action in this field is the responsibility of the Congress. A reading of the Constitution demonstrates clearly that the responsibility in this field is that of the Congress.

The history of the Aldrich Commission, the history of the proceedings that led to the Federal Reserve Act of 1913, demonstrates clearly that the responsibility is and must be that of the Congress. My contention is in supporting House Resolution 85 that the responsible, the workmanlike way to go about this job is for the appropriate committee of Congress to conduct a thorough investigation.

It has been contended by some, by some of those who appeared before the House Committee on Rules, that such an investigation could not command the respect, could not get the cooperation, could not get the participation of the very best people in the country in this field. This I do not believe based on my own experience here. I have never found an individual in private life, regardless of the eminence of his position, who was not willing to cooperate with any committee of Congress. I have yet to see a responsible individual in this field of monetary policy who has not been willing to cooperate with a committee.

I am convinced that when this resolution is passed we will find that just the people who are most expert will be most willing to be heard and to cooperate.

The Congress has the responsibility. The Congress acts through its committees and the Congress must do the initial spadework if the job is to be done most effectively. It seems to me that this narrows down to a very, very simple question: Will we, in the House of Representatives of the United States, try to evade our responsibility to the American people by passing the buck, on this subject, to a commission of experts? We have the responsibility. This affects the life of every person in the United States. We should take this responsibility and act on it from the beginning of the investigative process right through the legislative process.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, my able colleague on the Rules Committee, the gentleman from Missouri, has explained to you this resolution and its contents. The way this resolution comes before the House there will be no opportunity to amend the measure, offer a motion to recommit, or offer a substitute for it. The resolution is reported from the Rules Committee, not from the Committee on Banking and Currency.

The gentleman from Missouri has well stated that the real issue here is how we

shall make a study of the monetary, credit, and financial systems of this country. Under this resolution the Committee on Banking and Currency either through the full committee or through a subcommittee would have unlimited power to investigate all of our monetary, financial, Federal Reserve, and credit systems in this country and to do almost anything else under the sun it would like to do.

Let me remind you that under the provisions of the Reorganization Act the Committee on Banking and Currency of the House does have authority to make such a study now, that is, of all matters coming under its jurisdiction, such as our monetary and credit systems, our Federal Reserve System, and our banking system. However, the Committee on Banking and Currency has not seen fit to do that.

Two years ago a resolution similar to House Resolution 85 was introduced in the House by the gentleman from Texas [Mr. PATMAN], its author, and it was voted down. The gentleman from Texas [Mr. PATMAN], for whom I have the highest regard and respect, and who is a very able and certainly a very hard-working Member of Congress, has appeared before the Rules Committee assiduously, day after day, in support of his resolution. He has been joined in support of this resolution by his colleague on the Committee on Banking and Currency, the gentleman from New York [Mr. MULTER].

However, I could not help but notice that none of the other members of the Committee on Banking and Currency appeared before the Rules Committee in support of this legislation except his chairman, the gentleman from Kentucky [Mr. SPENCE], who appeared for a very few moments. I believe it was on the last day of the hearing, and he said he thought that if the House wanted to do this, this resolution was the way to do it.

However, the real difference in opinion, the real issue here, as the gentleman from Missouri has explained, is just how a study of our monetary, credit, fiscal, banking, and Federal Reserve systems should be made, whether it should be made by just one committee or one subcommittee or one branch of the Congress, or whether it should be an overall study in which the House, the Senate, and the executive department, all three of which would pass upon any remedial legislation, would participate. Whether if such a commission were named it should be a bipartisan commission, as has been proposed in one bill now pending before the House, H. R. 6332, or whether it should be a nonpartisan commission, in which both the Congress and the executive branch would be represented. Also would there be represented agriculture, labor, and all the other segments of our national life and economy? To me, it seems that the latter procedure would be best because, as I said a moment ago, any corrective legislation that may be enacted as a result of any study made, would require the approval not only of the House but of the other body and the President of the United States. That is certainly true if it is to become effective. Truly we can gain a great deal by having the services of such a commission as has been proposed in the bill H. R. 6332.

The other issue involves some more or less personal matters. It is a question as to whether or not the investigation will be conducted in an objective, unbiased, and unprejudiced way. As I said a moment ago, I have the greatest regard and the greatest respect for the ability and character of the gentleman from Texas [Mr. PATMAN], the author of this resolution. Yet I am not unmindful of the fact that the gentleman from Texas [Mr. PATMAN], and perhaps rightfully so, has long been very, very critical of our monetary system, and certainly critical of the Federal Reserve System and of the financial structure of this country. I asked him the direct question when he was before the Committee on Rules whether he thought he could approach such an investigation, if he were to head it, in an unbiased and unprejudiced way. He said that he certainly could; that he had no bias and no prejudice but that the people who were operating these other financial structures such as the Federal Reserve System and the Secretary and the Under Secretary of the Treasury—he thought that they were prejudiced. So, perhaps, we ought not to have either side or either viewpoint in control of a study and investigation such as this. The gentleman from Texas [Mr. PATMAN], as you know, and I certainly do not want to reflect upon him in any way, has been for many, many years, as many Members of the House who have served here throughout the decades with him know, more or less an exponent of cheap money and of what some people might describe as printing-press money.

Back in the days when the bonus was being paid, he suggested, perhaps, that we just print money to pay the bonus. Another time he seriously suggested to the House that bonds without interest should be issued to take care of some of our national obligations. Very frankly I feel, and I told the gentleman from Texas [Mr. PATMAN] this when we talked about it in the most friendly way, that he does have a fixed viewpoint on this whole problem. It might not lead to our getting the kind of study of our monetary and banking system that I believe we need and can get under a bipartisan commission. I have many quotations that I could make here from past statements, but under the circumstances, I will not do that. However, for the reason that it would be in the best interest of the country to have a nonpartisan and bipartisan study rather than have a study by a committee headed, and perhaps comprised, by gentlemen who have had very fixed opinions in the past, and who have been very freely expressing those opinions and those convictions—as to whether they be right or wrong, I do not pass judgment, but I feel it would not give us the results we want. So, I am opposing House Resolution 85 and I am hoping that it will be defeated so that this other legislation may be considered on the floor of the House to give us a bipartisan study of the whole problem by a commission made up not only of Representatives of the House and, undoubtedly, the gentleman from Texas will be one of them, but will be made up of representatives of the other body and representatives of the executive branch and above all else representatives of the various segments of our economy such as agriculture, labor, business, and industry generally.

I hope that this resolution will be voted down.

Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. SPENCE], chairman of the Committee on Banking and Currency.

Mr. SPENCE. Mr. Speaker, there are two questions involved in the consideration of this resolution. Should an investigation of the monetary mechanism and credit policies of the Government be made, and if so, should the Banking and Currency Committee be authorized to make it? I think we all know that notwithstanding the ordinary methods to prevent inflation that have been used, the purchasing power of the dollar is steadily diminishing. The interest rate has been increased, which makes our money more difficult to obtain, and yet our currency continues to diminish in value. A dollar that is not stable robs the people. As a means of exchange, as a measure of value, as a store of value—the great objective we desire is stability. Inflation not only lessens the purchasing power of money in the pockets of the people, but it also invades their safety-deposit boxes and takes away the value of their savings. No comprehensive and thorough investigation has been made of our financial structure and credit policies for many years. Our expanding economy, our new problems certainly deserve investigation.

Who should investigate? There is a principle in the law which is well founded, that one who has an interest in the matter to be investigated should not sit in judgment. A judge who has an interest in a case will voluntarily retire from the bench. If any one of the jury has an interest, he is disqualified for cause.

Some of the financiers have come before the Rules Committee and have said that a committee of the House is not the proper body to make the investigation. The Congress under the Constitution has the power to lay and collect taxes, duties, imposts, and excises; to borrow money on the credit of the United States; to provide for the common defense and the general welfare of the people; to coin money and regulate the value thereof. No money shall be drawn from the Treasury but in consequence of appropriations made by law. The Constitution provides that the Congress shall make all laws which shall be necessary and proper for carrying into execution the foregoing powers. Certainly a legislative body that has the powers under the Constitution which I have just mentioned, should also have the authority to make investigations in respect thereto. I do not think those who have a direct interest in the result should be permitted to sit on the investigation committee. Investigation is merely an effort to find

the facts and seek the truth. The conclusions will be reported to the Committee on Banking and Currency and are for the information of the committee and the Congress to be used in considering the legislation that will result. The bankers evidently have knowledge that will be useful and should be called as witnesses.

We desire an objective consideration without the committee being weighted down with those who have a deep personal interest. This resolution gives the chairman of the Committee on Banking and Currency the power to appoint the subcommittee. I can say to you now that the senior minority Member will have the authority to select the minority members of the subcommittee. I am sure the committee will do a good and honest job and that the Congress can rely more confidently upon the findings of a committee of our colleagues than it could upon the conclusions of one drawn from outside sources.

I ask you to pass this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 9 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Speaker, I rise to oppose House Resolution 85, which is very much akin to the resolution which was voted down in the House on the 15th day of June 1955.

I opposed that resolution, and I oppose this one. Why? I oppose it because I characterize it as a limping resolution. What do I mean when I call it a limping resolution? I call it that because as you read it you find it provides for a study by a subcommittee of only 1 legislative committee serving in only 1 Chamber of the Congress. That makes it definitely a limping resolution, and we would accomplish nothing that could be considered a worthy response to the request which was made by the President.

My colleagues will recall that the President of the United States in his message on the state of the Union asked for this study. He asked for it again in his budget message. He asked for it a third time in his annual economic report. When the President of the United States asks for something three times within a month, he must consider it pretty important. I think, therefore, it is fair to ask why a certain provision in the Reorganization Act of 1946 was disregarded? That law states—and I am a member of that committee—that:

> It shall be the function of the joint committee * * * as a guide to the several committees of the Congress dealing with legislation relating to the economic report, not later than March 1 of each year * * * to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the economic report.

Note well that the law states specifically that by the first of March, which is the deadline, the Joint Economic Committee shall present its findings and recommendations with respect to the main recommendations made by the President in his economic report.

The author of House Resolution 85 is chairman of the Joint Economic Committee and I will, of course, leave it to the chairman of that committee to explain to the House why this provision of law was disregarded. Mr. Speaker, my colleagues may read our committee report from beginning to end and they will not discover any finding or recommendation relating to the study which the President asked for.

What is wrong with making the study? Surely there should be no confusion as to a proposed study and our legislative prerogatives. There is no intention to violate the Constitution. You do not do that when you make a study. Legislation is something we reserve for ourselves as Members of Congress.

My bill, H. R. 6332, provides as follows:

> The Commission shall make such studies and investigations as it may deem necessary to appraise the nature, performance, and adequacy of existing financial institutions and monetary and other financial measures in meeting the needs of our changing economy.

That is as clear as daylight. It is proposed that a study be made of the nature, performance and adequacy of our financial institutions.

Now, Mr. Speaker, let us examine the composition of the proposed National Monetary Commission.

Surely, H. R. 6332 is bipartisan. It is bipartisan 100 percent. It calls for a commission of 16. Eight of the 16 would be appointed by the President from private life and no more than 4 might be from the same political party. That is bipartisan. The other 8 would be appointed from the Congress, 4 from the House and 4 from the other body. Is that not bipartisan? The Vice President would nominate the 4 members in the Senate, the Speaker of the House of Representatives would nominate the 4 members in the House. That is bipartisan.

It is bipartisan again in another way in that in the other body there would be 2 from each party and in the House 2 from each party, making a total of 8. I repeat, the proposal is bipartisan 100 percent. Furthermore, the Chairman and the Vice Chairman would be chosen by the National Monetary Commission from among its own members.

Mr. Speaker, inasmuch as the composition of the National Monetary Commission has been explained, may I turn to another matter?

Surely there is great need for this study. There is complete agreement about that. That was testified to by everyone who appeared before the Rules Committee. Distinguished scholars, directors of economic research organizations, leaders in our major economic activities—all agree that a study of this nature should be made.

In my opinion it is very necessary for at least two specific reasons:

Point 1. If you add the national debts of all the free nations of the world, you will find that of that gigantic total the United States taxpayers are obligated for roughly 62 percent. Now, that is a fearful truth. Remember we constitute only 6 percent of the world's population; yet that is the obligation we have.

Point 2. Let us keep in mind what has happened to the dollar. My distinguished chairman of the Committee on Banking and Currency pointed out in his remarks what the functions of money are, and he stated them correctly. The first function of the dollar is that it serves as a measure of value.

Now, what happened to E-bonds between 1939 and 1952? Their purchasing power was cut in half; cut in half from 1939 to 1952. What do you say of a measure of value that has become so feeble? What do you say of a yardstick of measurement that is so weak that in the course of the years from 1939 to 1952 its purchasing power was cut in half? That is why, my colleagues, you are getting appeals from people who rely on social-security benefits and on pensions and on annuities, and from the postal workers. The dollar has lost much of its purchasing power. Scripture says "If the salt have lost his savour, wherewith shall it be salted?" Our dollar has lost its savor, its purchasing power, and it is high time that we, the Congress, undertake to inquire into what may be done to prevent further decline at least.

Mr. Speaker, may I turn to another thing that was determined in connection with the hearings before the Joint Economic Committee. Those hearings were highly informative. Many capable and expert witnesses were heard. Finally, the committee issued its report. It is clear from that report that for the coming year the total estimated income and the total estimated expenditures are so close together that a surplus of $1.8 billion may be the best that can be hoped for. If a surplus of only $1.8 billion may be the best that can be expected, then surely the study proposed in H. R. 6332 should be begun at once. When a system is so thin as that, it is time for us to take thought, and let us remember that in 1956, when the gross national product, which is the total of all goods and services, increased by 5½ percent, something over one-half of that 5½ percent increase was not an increase in goods and services at all. It was an increase in prices only, and that is inflation.

Mr. Speaker, let us vote House Resolution 85 down and set up the bipartisan commission which has administration approval. Let us proceed to carry on a truly objective study—a study that can be of great help to Members of Congress in enacting essential legislation. Statesmanship in this important task can result in untold benefits to every American citizen.

Mr. BOLLING. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Speaker, I have no intention of using the entire 10 minutes. First of all, in my appearance here today as a member of the Committee on Banking and Currency, I do not appear as any monetary expert, and I do not intend to try to discuss any of the tight money policies or easy money policies or inflation of any type. I am a bit dismayed and disappointed that this resolution has turned out to be a rather hot issue. I was a little surprised when I began getting wires from my banker friends, urging me to be against the resolution, which is clearly within the jurisdiction of the committee on which I have served

for a good many years and on which some of my colleagues have served much longer. The Banking and Currency Committee is the same committee which wrote all of the laws which bankers are now so anxious to preserve, and is the committee charged by this Congress and by the Constitution of the United States with doing the very thing that this resolution sets out.

I am not unmindful of the fact that there are some side issues and some tangents that have grown up in it in the consideration of this resolution. I think that here in the Congress, charged as we are by the Constitution, we should proceed under the jurisdiction of the rules of the House to do the job imposed on us.

I stepped back there to the library a moment ago, to read the Constitution of the United States just to refresh my mind as to what the duties of the Congress really are as to monetary policy. Under section 8 we find the duties and the powers of Congress. That is our responsibility, not some commission's responsibility, not the President's. It is ours. And this is what it says:

> To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

I do not know too well the history of all the commissions that have been appointed on monetary policy, but it is my information—and I am willing to be corrected if I am wrong—that the last time such an investigation was undertaken, a commission was appointed, they made a study, but in the final analysis they had to bring back to the Congress, as any commission would have to do, to this very committee that some are trying to avoid, any legislation of any type that would affect banks or money in any way.

So it seems to me that today we are about to give away a prerogative of the Congress of the United States. We are about to fail to assume a responsibility that is ours and no one else's, because of some personal or political reason, or pressure of some sort; we are about to delegate to someone else a duty that is ours and ours alone.

I would be very much opposed to this Congress and the Committee on Banking and Currency ever approving any bill that would delegate to a commission the duty, the responsibility, the obligation of Members of Congress.

I do not want to be unkind but for 14 years I have been seeing commissions work. They work on housing and on a great many other things. About all they ever do is to write a big, fancy book of some kind, and then when the hard legislative process has to be faced, it comes before the members of the committee that has jurisdiction of that particular type of legislation.

I know, if I were to be chairman of a committee of this type, I would employ and listen to all of the outstanding bankers and financial leaders of the Nation. I would want to know their viewpoint, of course. But likewise I would want to know the viewpoint of some other people besides bankers and financial experts on this broad and most important question.

I have heard a great many people in days gone by say that we should not tinker with this proposition at all. That was the argument last year, that it might overbalance a rather tense situation. But as my good friend, Dr. TALLE, just told you, the President on three different occasions this year has told the Congress that this ought to be done. So it only resolves itself down to one point. Shall we give away, not only our prerogatives, but our responsibility as Members of Congress to a commission, or shall we do the job?

I know that when I talk to my banker friends I am very frank to tell them that, "In my opinion you misunderstood this situation. You say you have a high regard for the Congress and the laws which we have written. They were written through the legislative process and not through commissions and in my judgment you will receive the fair treatment by the Committee on Banking and Currency that you have always received by that committee when it comes to a consideration of legislation affecting banks and banking, the currency and the monetary policy of this Nation."

We should give them that consideration, that I know. And so, Mr. Speaker, as I said, I am not going to attempt to go into the whole deal, but this is a routine procedure of the Congress and we, the Congress should do the job.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from California.

Mr. McDONOUGH. Mr. Speaker, I have a great deal of respect for the gentleman who has the floor. I have served on the committee with him and I am now serving on a subcommittee with him. I appreciate the remarks he has made. But I am wondering if in saying that the Congress is abdicating its authority in this instance does he agree that the Hoover Commission activity was not the obligation of Congress; and did we not delegate that to private citizens to make recommendations to us, certain administrative courses and legislative courses that we might follow?

Mr. RAINS. Mr. Speaker, I have a high regard for my friend from California. We have been working together on a housing bill this morning, and we work well together. The gentleman contributes greatly to the committee. I have nothing unkind to say of the Hoover Commission, but I have not seen too much good that actually came out of it in recommendations, because many of the recommendations they have made the Congress has not seen fit to take up and consider.

I think we make a mistake in giving commissions duties that we ought to assume. Recommend? Sure. But when it comes to writing legislation, absolutely no. Why not call the commission or the members of that commission before the appropriate committees of the Congress, where they will finally have to come, anyway?

I think we would do well to quit setting up commissions with kind of quasi-legislative authority. It costs a lot of money, and they cannot do anything but write books and submit reports to the people who ought to be doing the job.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Speaker, the need for a monetary commission such as the President has recommended is clear and obvious.

There are some tremendous forces at work in our financial and credit system today, and the future welfare of our country and indeed, the world, depends upon the intelligent and responsible direction of those forces.

There are two ways to approach such a task. One is to launch a war of nerves against the financial world by delegating the study to a politically controlled committee or subcommittee of the Congress. This would be certain to leave our financial and monetary system shaken and on the defensive. The other way is to make the study on a plane that is above and beyond partisanship, and that will command the fullest public confidence and cooperation. In other words, there is a wrong way, and a right way to do this thing. One way would be mischievous and destructive. One would be profitable and constructive.

Certainly Congress has and should have a tremendous interest in such a study. The proposal offered by the distinguished Member from Iowa, Representative TALLE, recognizes that interest, but also recognizes the profound interest of the financial world, within and beyond the bounds of our country, and of the public generally. In short, it provides a mechanism through which a monetary study could be conducted, to the advantage of our country and the free world. Just as war is too important to leave to the generals, so our monetary and credit system is too important to leave to the tender mercies of partisanship. I hope we shall accord this tremendously important matter the detached and disinterested consideration it merits, by adopting the mechanism set forth in the Talle resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Speaker, I believe that the entire membership of the Congress will agree that a thorough study of the monetary and credit structure of the United States is a project worthy of our utmost support at this time. No truly comprehensive inquiry into the financial system of the Nation has been undertaken since the Aldrich Commission made its report in 1912. Since then a veritable revolution in monetary and financial institutions and practices has taken place. Life insurance companies, for example, are a few of the kinds of institutions that have risen from insignificant factors in the money market to high and influential positions. The rise of consumer credit has been phenomenal. The great increase in Federal receipts and expenditures, and in the public debt, has put the Federal Government's policy in a completely new relationship to the economy to what it has occupied before World War I. A wide

variety of monetary and banking theories have also been propounded by economists, whose thinking has certainly influenced policymakers in recent years.

Therefore the objectives of this resolution, that a study of the monetary and credit structure of the Nation be made, is certainly timely and commendable. However, it would be a grave error, in my judgment, to impose an inquiry of this magnitude, complexity, and importance on the membership of a single congressional committee, or subcommittee, such as this resolution proposes.

It is not possible for the members of a congressional committee to spend the time and effort on the kind of basic study of our monetary policies and institutions that is called for. If a committee of the Congress were to assume the responsibility for this study, there would be a great amount of direction, supervision, and participation in the study, which it could not properly delegate to a staff, no matter how well chosen.

To be of greatest benefit to us in the Congress and to the Nation at large, this study should be directed, organized, and conducted by outstanding men of experience and scholarship in the field who have spent a lifetime dealing with various aspects of our monetary and fiscal policy. This would include leaders in our banking system, in our insurance companies, in our other great financial institutions, and in our universities and colleges.

Calling in expert witnesses to testify or to submit information to the committee is not a satisfactory substitute to having some of these same experts participate from the outset in the formulation of the scope and direction of the study and in helping to carry it through to a worthwhile conclusion.

Let me give just a small indication of the magnitude this study might properly assume. Last week the Board of Governors of the Federal Reserve System released the first 5 volumes of a 6-volume study on consumer installment credit. These 5 volumes in themselves total over 1,600 pages. And certainly consumer credit is only one facet of the overall monetary and financial structure of our country today.

In my opinion, any recommendations which may grow out of a major study of monetary policies and institutions will bear a great deal more weight if the work of the commisison or group undertaking the study is recognized as being free from domination by particular political or economic interest groups.

Therefore, while heartily endorsing a study of the subjects outlined in House Resolution 85, I strongly urge that such a study be conducted not by a single committee of the Congress, but instead by an evenly balanced Commission composed of 4 members of the House, 4 members of the Senate, and 8 members appointed by the President, with equal political representation in each instance. This 16-member group would designate its own chairman and vice chairman. The people of our country would have the utmost confidence in a Commission such as this and could feel certain that its conclusions were above any narrow partisan or political considerations.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Speaker, I want to make only one point in the matter before us today. I have been in the banking business for about 30 years. I have been on the Committee on Banking and Currency for several years. As the gentleman from Missouri says, the big question today is the method, how we are going to study this problem.

We all know that the problem is a big one. It will cover not only banks but insurance companies, the Federal Reserve Banks, the Open Market Committee, all the credit unions, all the Government agencies that lend money—the whole financial structure of the country, and that structure reaches into the lives of everyone in this country.

With a huge national debt to manage, and I think it has been done well, it is a pretty sensitive, delicate field; so that the method of investigation, the method of study, is terribly important. That really is what is before us today: How shall it be studied? How shall it be investigated?

In the years I have been here I have a great many times heard Members on both sides of the aisle talk about a closed rule. The manner in which this resolution has been brought up goes way beyond any closed rule you ever saw, because there is no motion to recommit, there is no opportunity to offer amendments, there is no way of substitution and, beyond that, we do not pass on this subject in the constitutional, legislative way we ordinarily do, and that is to have a committee of the House bring out whatever kind of bill is necessary to make this study, then bring it before the House, let it be amended, argue it out here, and then send it to the other body, and let them argue it out. That is the legislative process. Then let it be submitted to a presidential veto, which certainly is constitutional. But in this case we preclude all those constitutional processes on a question which affects the lives of everyone in our country.

I hope you will vote this resolution down.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. McVEY].

Mr. McVEY. Mr. Speaker, I rise in opposition to House Resolution 85. I do so because I have long had an interest in this particular subject. It is not new to me. I introduced a bill providing for a monetary commission in the 83d Congress, another one in the 84th Congress, and I have introduced one in this particular Congress. The bill I have introduced corresponds pretty closely in regard to nonpartisanship to that which has been explained by the gentleman from Iowa [Mr. TALLE]. House Resolution 85 came out of our committee after a brief discussion which occurred very early after this session convened. These bills for a monetary commission have been before our committee—1 at least I know for 4 years. There have been no hearings on these particular bills. So, I think we are acting in haste today in passing House Resolution 85.

Mr. TALLE. Mr. Speaker, will the gentleman yield?

Mr. McVEY. I yield.

Mr. TALLE. I just want to add to what the gentleman from Illinois has said that actually the resolution (H. Res. 85) was never referred to our committee. It went directly to the Committee on Rules. The only reason why it came up in our committee was that the author of it wanted an expression of approval or disapproval by the members of the Banking and Currency Committee. It was merely a sort of poll that was taken there. This resolution is not the handiwork of our committee at all.

Mr. McVEY. I thank the gentleman and appreciate his contribution.

Mr. TALLE. I thank the gentleman.

Mr. McVEY. Mr. Speaker, I appear in opposition to House Resolution 85, which has come to you from the Committee on Banking and Currency, of which I am a member. This resolution came out of our committee only a few days after the Congress convened on a divided vote. It gives too much evidence of haste in the matter of dealing with one of the most important problems facing our country at the present time.

The President, as you will recall, has asked for a Monetary Commission to study the currency situation of this country. He did not ask for such a commission to be composed wholly of Members of the Banking and Currency Committee. House Resolution 85 provides that the commission for this purpose shall be drawn from the Banking and Currency Committee. There are many people outside of the Congress who have spent the greater portion of their lives in practical experience of the kind that is needed to evaluate our monetary system. All of the brains which this country can provide for a study of this subject are not found in the Banking and Currency Committee. We need to go outside of that committee and draw upon the best talents we have in this country to make this study.

In contrast to the methods proposed in House Resolution 85, let us look at some of the other bills which have been referred to our committee and on which no hearings have ever been held. There are two bills, which provide for a nonpartisan commission, one of which provides for the following membership:

First. Six appointed by the President of the United States, 3 from the executive branch of the Government and 3 from private life;

Second. Six appointed by the President of the Senate, 3 from the Senate and 3 from private life;

Third. Six appointed by the Speaker of the House of Representatives, 3 from the House of Representatives and 3 from private life; and

Fourth. Ex-officio the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Farm Credit

Board, the Chairman of the Export-Import Bank of Washington, and the President of the International Bank for Reconstruction and Development.

In order to make this commission as nonpartisan as is possible, of each group of six members already mentioned, not more than three members shall be taken from either of the two major parties.

The minority leader of our committee, the distinguished gentleman, Mr. HENRY O. TALLE, of Iowa, has also introduced a bill, varying somewhat from the one which has just been described and deserving of the considered study of our committee. No such step has been taken up to this time.

This commission will deal with one of the most important problems facing the American Government. The commission shall study and inquire into what changes are necessary or desirable in the banking and monetary system of the United States, or in the laws relating to banking, currency and fiscal policy, by reason of domestic or international considerations or both. It shall investigate—without limitation—the present requirements and methods covering the matters of legal reserves of banks, eligible deposits thereagainst, open market operations of the Federal Reserve banks, adequacy or paucity of eligible paper other than Government obligations, specie reserves, foreign exchange fluctuations, and any and all other factors in this or other countries which, in its judgment, may relate to the purposes set forth in section 1 of H. R. 3240.

It is hoped that this commission will provide some helpful solution that will halt the decline in the purchasing power of the dollar. In 1939 our dollar was worth slightly more than 100 cents. Beginning with that year, it declined gradually and reached a level of 75 cents in 1946. However, the close of the war did not see the end to the decline in the purchasing power of the dollar. By June 1950 it was 58.8 cents, and it declined further until January 1953, when it was worth only 52 cents. It remained stable at that point for 3 years, and shortly thereafter, it began a gradual decline again. Following is a record for recent months:

	Cents
1956:	
June	51.5
July	51.1
August	51.2
September	51.1
October	50.8
November	50.8
December	50.7
Average for 1956	51.5
1957: January	50.6

One duty of this Commission is to study the provisions which endanger the currency of this country, and to provide recommendations which will halt its decline if at all possible. If we do not do this, the purchasing power of the dollar might decline to the point, comparable to what we find in Europe, where the standard currency will scarcely buy a newspaper. Let us look at some of the facts in this connection.

When I was in Europe many years ago, the franc was worth 20 cents. One could obtain 5 of them in exchange for $1. At the present time, you can purchase 350 francs for $1. The lira, which at one time was worth 20 cents, now sells at the rate of 625 for $1. The Mexican peso, which once was worth 50 cents, now exchanges at the rate of a little more than 12 for $1.

We are now enjoying the greatest economy this country has ever experienced. We want to keep that economy as high as is possible. However, it would be foolhardy for us to think that we will always enjoy boom times in our economy. The time will come when the purchasing power of the dollar will be placed under great strain unless we take steps to protect it.

This is one of the most important outcomes to be derived from the study of the Monetary Commission. It is my belief that this Commission should be composed of the best talents we have in this country. Since it seems apparent that we should take advantage of the best experience we can find outside of the Banking and Currency Committee, I think it unwise to adopt House Resolution 85.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, there is no question about the fact that we all agree that an investigation of the credit and monetary policy of the Nation is necessary. The difference of opinion here seems to be as to how it should be done. We have a bill, H. R. 6332, submitted by the ranking minority member of the Committee on Banking and Currency, the gentleman from Iowa [Mr. TALLE], which is very comprehensive in its authority for an investigation of the credit and monetary policy of the Nation. On the other hand, we have House Joint Resolution 85, submitted from the Rules Committee, not from the Committee on Banking and Currency, which limits the investigation to the House Committee on Banking and Currency, of which I am a member.

This resolution is limited to one branch of the Congress, and whatever proposed legislation comes from the investigation must be finally passed upon by both Houses of Congress, and we set up a separate investigating committee in the House, which is practically a reiteration of the present authority granted by the House to the Committee on Banking and Currency, with the exception of the authority to subpena witnesses and documents and records before the committee. The Banking and Currency Committee can proceed, without further authority from the House, to investigate the monetary and credit policy of the Nation. The fact that this did not come to the House from the Committee on Banking and Currency is very significant and should have some influence in the determination of your final vote, because it would be ridiculous for the Committee on Banking and Currency to come in here and ask for authority which it already has.

The proposal that a joint committee of the Senate and the House, plus representative private citizens, to make an investigation of the credit and monetary policy of the country, is not an abdication of the authority of the Committee on Banking and Currency or the Congress, because any final action that may be taken as a result of their reports to the Congress will be in our hands and we can either accept them or reject them. That is the authority that the Constitution authorizes this Congress to exercise. Referring to the remarks of the gentleman from Alabama [Mr. RAINS], I agree that the Constitution confers these rights upon us. I do not agree that we are abdicating these rights by setting up a commission to investigate the credit and monetary policy of the Nation, because we will finally determine what legislation will be passed after this investigation is completed.

We should look at this sensibly. We should not duplicate our efforts. The Senate could pass a similar resolution. Two investigating committees could be operating at the same time. We have found it convenient to have joint commissions on other matters. We have the Joint Senate and House Economic Committee operating at the present time, which has most of the authority that this House Resolution 85 provides.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, it is apparent that the real issue before the House is whether or not the Congress shall measure up to its responsibilities; whether or not the Members of the Congress shall conduct a study, by a duly authorized committee of the Congress, of the credit and monetary policies so that we may proceed to enact any necessary legislation in this area of public concern.

As has already been stated, most everyone is in favor of an inquiry and study being made. The President in his state of the Union message called for a study of the credit situation and monetary policies and urged that an inquiry be made into the nature and adequacy of our monetary system. As others have indicated, the Chairman of the Federal Reserve Board has stated that such investigation should be made.

We should all recognize that there has been no fundamental and comprehensive examination of the workings and problems of our financial system in its entirety since the enactment of the original Federal Reserve System during the first administration of Woodrow Wilson, more than 40 years ago. Many thoughtful citizens including businessmen, bankers, and others, feel that a study in this area is long overdue. This because of complaints of "hard money," "tight credit," and the prevailing inflationary conditions.

It stands to reason that in this length of time—some 40 years since enactment of some of our basic banking legislation—that new problems of utmost significance have arisen which called for a thorough reevaluation. Our economy has changed tremendously, not only in size, but also in the scope and character of its undertakings. We have, during the intervening four decades, and especially in the past 20 years, enacted many types of legislation which affected the whole economy and which interrelate with financial policy.

In addition to the President and Members of Congress and the public in general calling for and recognizing the need for a present-day study of the financial situation, the bankers recognize a need for such a study. We have all received letters and communications from members of the banking fraternity and our banking friends who have stated, in substance, that they favor a monetary credit study, but some have suggested that such a study should be conducted by a group representing not only the Congress, but leaders in other walks of life—to provide a cross section of opinion.

The principal questions at issue, therefore, it seems to me, is whether we have faith in the Congress of the United States—the Members of Congress and the committee system. I, for one, have great confidence in the Members of Congress, and in our great standing committees. In such a study as is proposed by House Resolution 85, both majority and minority Members of the Congress would be represented and a regularly constituted legislative committee of the Congress would make the study.

There is no expert advice to others which is not available to the Congress. There is no other body which could have the competence to reconsider fairly the many interests which are involved in this problem. In so broad a study of our financial problems, the study should be a guide to legislation. This can be accomplished best if the responsibility for study and the responsibility for legislation are combined.

In the event the study were made elsewhere than in the Congress, the Congress, in all good conscience, would need to restudy the study before it could legislate intelligently. This would involve unnecessary duplication at a time when reasonable economies are essential.

Some apparent concern and objection has been voiced to the House Banking Committee making this study because our colleague, the distinguished gentleman from Texas [Mr. PATMAN], would be the chairman or a member of this study group or subcommittee. I, for one, want to say that there is no man in the Congress who, in my humble judgment, is more sincere, more conscientious, and a harder worker than the gentleman from Texas [Mr. PATMAN]. He is one of the best-informed Members of the House on our banking system—the national laws affecting banking. He has made a life study of banking procedures and certainly is an expert in this field—as expert as any Member of the House.

Knowing the gentleman from Texas [Mr. PATMAN] as a sincere and conscientious legislator, I, for one, have no fears that he, as chairman or a member of this committee, would render anything other than outstanding public service.

There are many reasons, Mr. Speaker, why this study of our credit policies should be gotten under way without delay. It is apparent to all that certain aspects of current monetary and credit policies, popularly referred to as the "hard money" policies, seem to be bearing down with excessive and discriminatory severity upon farmers, small-business men, and purchasers of durable goods on credit and upon our States and localities which are endeavoring to construct schools and other necessary improvements at reasonable costs.

Without attempting to prejudice this very complex problem, I say the responsibility rests with the Congress and I for one am willing to leave it to a committee of Congress.

Mr. Speaker, many of us have received many communications and telegrams on this matter. I have one from an esteemed friend and constituent, Mr. Tom Motlow, of Lynchburg, Tenn., a successful smalltown banker, which particularly appealed to me. He has been a highly successful banker for many years. Mr. Motlow has been in the banking business for half a century. I want to read parts of his letter. He has written me as follows:

DEAR MR. EVINS: As you have noticed, there is talk of an overall review or survey of our national financial situation and present working methods.

The Federal Reserve wants it reviewed by bankers and economists and other citizens of national reputation, together with Members of Congress.

Mr. WRIGHT PATMAN is chairman of the Congressional committee and he is very able and knows the working of the Federal Reserve but I doubt if he has ever had much actual experience as a banker.

I was in the banking business, at the head of this little bank, when the Federal Reserve System was started.

The panic of 1907 was the most sudden and most severe of my long recollection, which covers 1893; and you remember that, by history.

Well, the banks closed on Saturday in 1907; that is, quit paying currency and began to pay with checks and clearing-house certificates. Money was unobtainable.

That was Saturday, November 3, 1907.

On the following Monday, November 5, 1907, the United States Senate began the deliberation of a method to stop future panics.

They debated the question, they consulted international bankers and they had the best brains of the Senate, and conferred with most prominent bankers of the Nation from November 5, 1907, to December 23, 1913, when they passed the Federal Reserve bank bill as a Christmas present for President Woodrow Wilson.

Senator Aldrich, Carter Glass, Mr. Freeland, and other able Senators debated the question all those years and had such international bankers as Paul M. Warburg, the brilliant German, in many meetings. Frank A. Vanderlip, of the National City Bank of New York, was called many times and other prominent bankers.

The Federal Reserve did not prevent panics. It was never finished and perfected until Franklin D. Roosevelt came in early in 1933 and really made it workable and effective; and since that time it has worked wonderfully, and we have in the 24 years since then had no money panic such as formerly occurred about every 10 years.

My friend speaks from a wealth of experience and I think the historical facts which he has presented about the bank panics that prevailed in the past and of the workings of our banking system are very interesting. We all hope that we are not approaching such conditions again. We should take preventive measures to forestall both panic and inflation. I believe that the Congress should measure up to its responsibility and make a study of this very important problem and pass the necessary legislation which is required.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, in some ways this is the most important measure we shall have to consider during this present session. It is very far-reaching. It is important enough to have a commission of the most expert and the most qualified group of experts study the whole subject.

I know a lot of us study a great deal on financial matters, particularly the members of the Committee on Banking and Currency, upon which it is my honor to serve. But with all the studying that we do I wonder how much we members of that committee really know about the ramifications and the after effects of measures like the reserve ratios, rediscount rates, and open market operations? I wonder if we do know all of the answers or if anybody in the House knows all the answers.

This is a job for the experts, as the gentleman from Missouri so well expressed it in describing the alternative bill providing for a "commission of experts." Mr. Speaker, this would be a commission of experts, balanced by the Congress, balanced by Members of both Houses of Congress. On the other hand if we adopt House Resolution 85 it will be only the House speaking. The Senate will have to do the same thing over again. A joint commission seems the obvious thing. We do not delegate our lawmaking prerogatives at all. The Talle bill is simply a study and investigation.

Now, a number of Members of this House have been subjected to lots of mail and pressure groups, particularly now while we are discussing expense measures, and the grassroots is speaking. It has been said just a moment ago that various banking groups have mentioned their favor or disfavor of one of these measures, and a number of us have had letters and wires from Federal credit unions. You and I know these are fine people. Largely they are not politicians. They are employees, and they are concerned about what is going to happen and they have been using pressure on us in favor of House Resolution 85. So, I took a chance and I called on one of them, the manager of the California Credit Union League. I just asked him how he came to this conclusion, and he said in part:

In coming to the conclusions which we reached, we were guided by an urgent telegraphic request we received from the Credit Union National Association that we urge credit unions to wire their Congressional Representatives requesting that they oppose H. R. 3660 and support House Resolution 85.

We realize, Mr. HIESTAND, that while we acted in good faith in this matter, that we were possibly ill advised. * * * As you are one of the strongest backers of credit unions and their philosophy, we sincerely trust that we can count on your continued support.

Then we also have a communication—and I am sure you all had it—from the National Association of Retail Druggists. I put a check on that association, too. The Washington office tells me that

they make their recommendations based upon resolutions of the board of directors, but the board of directors does not know anything about it, and they make some assertions about tight money. My suggestion is that when we consider this thing we put it into the hands of experts and vote down House Resolution 85.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I understand the other body of this Congress just recently passed the Robertson Financial Institutions Act. I wonder if the gentleman could tell us in a few short sentences what effect the adoption of this resolution might have on this important Robertson Act.

Mr. HIESTAND. House Resolution 85 would set up our own investigative body. The Robertson bill, S. 1451, which has passed the other body, is about 256 pages thick. It is the result of exhaustive studies. There will be conflicting studies. We are ignoring all of the studies that have been made, and they will be conflicting right along. If we want legislation of this kind—and everybody agrees we need studies and subsequent legislation—we definitely should have a joint board.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from New York.

Mr. MULTER. Does the gentleman intimate that what we should do is take this 256-page banking bill passed by the other body on the recommendation of the bankers and not have a study and investigation by the Committee on Banking and Currency of the House?

Mr. HIESTAND. Well, I will say to the gentleman that, of course, our own committee must consider that. If we vote this resolution down, we can consider that. If we pass this resolution, then we are in conflict right away.

Mr. MULTER. This resolution we are asked to pass today, House Resolution 85, calls for a study of the very things that concern policy as embodied in that bill.

Mr. HIESTAND. Of course, a good deal of it is made——

Mr. MULTER. Made by the bankers who made the recommendations to the other body.

Mr. HIESTAND. Not by the bankers but by experts.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I am opposed to the resolution before us. I want to issue a word of warning about it. The Court packing plan that came before this House 20 years ago rocked the Government setup that we have had for 150 years, and we are still feeling the indirect results of it. I say that this resolution, if passed, will rock the financial and credit setup of this Nation just as much as that Court packing plan did. And it will trigger off a depression that will make our hair curl. That is my feeling in the matter, and I am issuing this word of warning. I say we should have an objective study. I think we all agree that a study should be made, but it should be an objective study. This resolution will not provide for an objective study.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I hope I may have the attention of my colleagues on the other side of the aisle, and particularly the gentleman from Texas [Mr. PATMAN], the sponsor of the pending resolution. I wish to emphasize that there is nothing political or partisan in what I have to say with respect to the measure before us, nor do I mean anything personal with respect to its author.

We are agreed, I am sure, that a study should be made of our national monetary and credit structure. Not since 1913 has a complete examination been made into the nature and adequacy of our financial facilities. In these past 44 years there have indeed been many changes of our whole economy, as well as in financial policies and practices. Ours has been an expanding economy, with a growing population and increased demands for capital and credit. To what extent has our existing financial structure been adequate to these increased demands and needs of various segments of our economy? What can or should be done to improve our whole financial structure in the light of today's economic requirements?

The question before us is not whether this study should be made. On that all agree: It should be undertaken in the public interest. The question before us is how best to undertake an examination of our whole credit and monetary structure that we may get the actual facts, without dramatics or any political fanfare whatsoever. In dealing with the country's monetary and credit policies and practices, we are dealing with something that is basic, technical, and extremely sensitive.

Just as the stock market reacts from day to day in accordance with the news of the day, our whole financial system will inevitably react, in one way or another, to what may be developed in this proposed study. An improperly conducted study, with the committee used as a sounding board to advance some pet monetary theory, may do great damage to our whole economy. It must be borne in mind that the primary requisite of economic stability is public confidence in the country's monetary system, whatever its inadequacies.

An investigation, such as here proposed by the pending resolution, whereby a few Members of this House undertake an examination of our country's financial structure, is more or less certain to be viewed by the general public as having a political purpose. It is not an investigation that should be made. The very term "investigation by a committee of Congress" leaves the general impression, right or wrong, with the people that there is evil to be uncovered, that there are certain things that should be exposed with respect to our financial institutions.

In lieu of what is proposed by the pending resolution, it would better serve the Congress and the public interest if a committee or a commission, whatever you wish to call it, were established to make—not an investigation—that's the wrong word—but rather a study of our credit and monetary structure. It should be a bipartisan committee, if for no other reason than to give public assurance that the study being undertaken is solely to get the facts and nothing but the facts; and, having gotten the facts, that there may be complete public confidence in whatever recommendations may be made.

I have great respect for the Committee on Banking and Currency. And I have great respect for the gentleman from Texas [Mr. PATMAN], a distinguished member of that committee, the sponsor of the pending resolution and who doubtless would be named chairman of the proposed investigation. But, Mr Speaker, with all due respect to the gentleman from Texas [Mr. PATMAN], and with all due respect to the Committee on Banking and Currency, it is my honest opinion that neither he nor the committee alone should be authorized to make this study. I believe it should be undertaken by a bipartisan joint committee, composed of Members of the House and Senate, and of members appointed by the President from civilian life, who have a practical knowledge, by training and experience, of our credit and monetary policies and practices.

The Committee on Banking and Currency is an extremely busy committee. The gentleman from Texas [Mr. PATMAN] is himself an extremely busy Member of Congress, not only in the service of his district itself, but as third ranking member of the Banking and Currency Committee, as chairman of the Joint Economic Committee and as chairman of the Small Business Committee. As able as he is, there are only 24 hours in a day, and there are limitations to what any one man can do.

Aside from that, the point I seek to emphasize in urging that this resolution be rejected is that we give recognition to the fundamental importance of the proposed study, that we strive to have it truly objective, that we make certain it is entirely divorced from politics, in fact or by implication, and that we so organize this undertaking that it will command public confidence in its impartiality and objectivity.

Unfortunately, we do not have the opportunity to amend the pending resolution or to act upon a substitute. I accordingly, and most earnestly, urge that the proposal before us be rejected and that there be reported to the House a bill authorizing the study by a bipartisan commission consisting of Members of both the House and Senate from both sides of the political aisle and members, in equal number, to be appointed by the President.

Mr. McCONNELL. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. I just wanted to compliment the gentleman on a very fine

statement, and to associate myself with his ideas on this subject.

Mr. ARENDS. I thank the gentleman from Pennsylvania.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, some mention has been made of the gentleman from Texas [Mr. PATMAN]. It happens that a number of years ago I had the privilege of serving on a subcommittee of the Joint Economic Committee which went into precisely this subject. I was impressed at that time by the objectivity and the fairness of the gentleman from Texas in his conduct as chairman of that important subcommittee.

I should like to read to the House a few quotations from papers and magazines. The first is from Banking, the official journal of the American Banking Association, of May 1952. Referring to the Patman subcommittee, it said:

> The conduct of the chairman has been, in the words of observers, impeccable.

Again from Banking, the same issue, but a different author:

> For this liberality, freedom and diversity of testimony, Chairman PATMAN is freely given large credit. Mr. PATMAN is said to have refused no single witness a chance to testify. Although he had given the impression of hostility to the Federal Reserve prior to the course of hearings, the Representative's conduct impressed observers as something between that of a fair judge who wanted to hear everyone completely out, and an earnest student anxious to learn every side of each controversial issue.

I have here a series of editorials from newspapers like the New York Herald Tribune and others making it clear that in his performance of duty as chairman of that subcommittee the gentleman from Texas [Mr. PATMAN] was outstanding.

One of the principal opponents of House Resolution 85 is W. Randolph Burgess, who is of course in the Treasury Department. When he appeared before the Rules Committee to testify on House Resolution 85, and he of course was against it, he indicated that the Patman subcommittee that I just mentioned accomplished nothing.

It happened that I had heard Mr. Burgess on December 29, 1953, make a speech before the American Economic Association and the American Finance Association at the Statler Hotel here in Washington. Here is a full paragraph from that speech. Referring to the battle between the Treasury and the Federal Reserve, he said:

> That battle was won partly due to what was perhaps in part accident but is, I think, a milestone perhaps in the history of finance in this country, and that was the fact of the Douglas and the Patman reports. You had two subcommittees of the Congress who conducted studies in the area of money and whose reports—gathering in the testimony of many of you here in this audience today—built up a volume of this whole subject of money that is most impressive. And the reports as they came out educated public opinion, and in my judgment, built up a background against which a central bank could win its battle with the Treasury and with the administration.

I submit that these quotations dispose of the arguments directed at an individual which have been inferred and implied.

One further point, Mr. Speaker. There have been some comments relative to the composition of this committee. If the committee is established, it will be a committee of the Committee on Banking and Currency of the House of Representatives. On it, no doubt, will serve the distinguished gentleman from Iowa [Mr. TALLE], the distinguished gentleman from New York [Mr. KILBURN], who is himself a banker, and I can see no possible reason for stating that this will not be an objective and fair study on the basis of the record of the personalities involved.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am glad to yield to the gentleman.

Mr. McCORMACK. We must keep in mind that this is the recommendation of President Eisenhower. The only disagreement here is as to the procedure. One of our Republican friends who spoke earlier in the day said that this is a job for experts. May the Almighty deliver me from the experts in the banking circles who have brought about the tight-money policy and the problems that that has created, and the experts who brought about the conditions of which we are all aware today. Under the President's proposal and under the proposal that has been submitted from the other side, the investigators will investigate themselves. What more proper place and what more proper people should do this work than the representatives of the people, men who have been elected by the citizens of their own communities. Let me refresh your memory. Let us go back to the year 1913. There was a great man who served in the Congress of the United States at that time, the late Carter Glass, of Virginia. I hope my friends from Virginia recall the fact that the great Carter Glass of their State led the fight for the passage of the Federal Reserve Act. The American Bankers Association bitterly opposed him. It was only because of the leadership and faith and courage of Carter Glass that the Federal Reserve banking system is in existence today. There is not a banker today who would undertake to repeal that law. Yet, they opposed it. In 1933, the National Banking Act and the revisions of our banking laws were bitterly opposed by the bankers of the country. Yet, there is not one today who would undertake to repeal those laws. The law regulating the Securities and Exchange Commission was put through under the leadership of our Speaker RAYBURN, when he was chairman of the Committee on Interstate and Foreign Commerce in 1934. That, too, was bitterly opposed by all the bankers and all the financial houses. Those of us, who were here then, remember the intensity of that fight. We well remember the lobbying of the worst type that was going on. They were afraid then of the people's representatives. I am amazed. If that constitutes Modern Republicanism, it is the type of Modern Republicanism that is a repudiation of the very institutions of our Government.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Massachusetts for his contribution.

Mr. Speaker, I ask unanimous consent that Members may be permitted to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN. Mr. Speaker, I favor a comprehensive and constructive inquiry to determine means to further perfect the financial system under which the Nation is presently enjoying unparalleled prosperity.

I feel that this inquiry should be conducted by a bipartisan commission composed of Members of both Houses of Congress, and of other able men representing different segments of the national economy.

President Eisenhower, in his state of the Union message, requested Congress to authorize the creation of a commission to inquire into the nature, adequacy and performance of the American financial system.

In my opinion, House Resolution 85 proposes a complete distortion of the President's request.

It would authorize the House Committee on Banking and Currency, or one of its subcommittees, to conduct this inquiry.

This seems to me to be the wrong approach to this matter. The responsibility for this inquiry is so great that it should not just be carried on by one committee of one branch of Congress, no matter how able—by one subcommittee—or by one member of a subcommittee.

Instead, this vital inquiry should be conducted somewhat along the lines of the Hoover Commissions. It should be a constructive study by experts, under the policy direction of top people from many walks of life. The membership from both parties, from both branches of Congress should be represented—but it should be broadened beyond that of a legislative committee.

Such a commission, operating outside the limits of partisan politics, is a proper vehicle for a nonpartisan study—of a complicated and technical subject. It is the type of study that should take months of research, of preparation of facts, of evaluation of them, of thought and careful consideration.

House Resolution 85 does not provide for this type of approach to the subject.

Instead, it would lead to the operation of an investigating subcommittee composed of busy Members, weighted down with other duties.

The temptation would always exist to use the subcommittee for partisan political advantage, to attempt to prove the pet economic theories of one or a handful of Members, to make headlines from cross-examination of witnesses.

Unfortunately, this question is presented to the House in the form of a resolution—on a take-it-or-leave-it basis—denying Members the opportunity

to offer amendments to broaden an investigating subcommittee into a nonpartisan commission.

I say, let us vote down this resolution. Then we should start over again, with new legislation to set up a truly bipartisan and nonpolitical commission to conduct a truly comprehensive inquiry.

This inquiry should be constructive, not destructive.

Over the years, by legislation and by the natural action of the free-enterprise system, an economic check and balance system has developed in the United States. This system operates well and efficiently. It is a system which has progressed and improved from year to year.

The operations and policies of financial institutions, including, of course, the United States Government—and the laws under which they operate—have a major impact on the American economy.

Congress has not neglected to take action to better these laws. For instance, since the Federal Reserve Act was enacted in 1913, it has been amended by Congress on 90 different occasions. This is one example of the constant attention of Congress to the monetary policies of the Nation.

As the American economy has changed and expanded, so have the monetary and credit systems and policies.

We should continue our efforts to improve them.

A commission-type inquiry will furnish Congress with facts and considered opinions as a basis for possible future legislation.

A commission is a tool that can help Congress help the people.

By way of contrast, an investigating subcommittee on this subject could do the people a great harm.

The most important intangible factor in our present prosperity is the public confidence in it.

This confidence is well founded.

However, it is commonsense that no action be taken that would tend to shake this confidence.

A sensational investigation casting doubts on our credit and monetary policies could have this bad effect.

There are healthy differences of opinion over details of these policies. These can and should be resolved. The Congress will be in a better position to decide them after an expert and nonpartisan inquiry into them.

The administration has asked for this inquiry in a spirit of trying to determine what is best for the Nation.

However, making these differences of opinion a matter of heated political partisanship is a very risky matter.

I think that all of us agree that basically our financial and monetary system is in good condition. Both parties have contributed towards making it what it is today. It is operating well. All of us would like to see it operate even better.

Our differences of opinion on details of it are relatively minor. I have my opinions, but remain open minded, and do not claim to be a financial expert. Personally I would give much more weight to the recommendations of a nonpartisan expert commission, than I would to those of a subcommittee split along party lines. I would be much more likely to change my opinion because of what the commission would recommend than because of the findings of a majority of a subcommittee.

I do not want to see disagreements on how to improve a system that is operating well—blown to headline proportions—with the risk of undermining public confidence which is such a strong base to American prosperity.

I fear that passage of House Resolution 85 would lead to that risk.

Mr. PHILBIN. Mr. Speaker, it is undeniable that the waning purchasing power of the dollar is one of the great economic questions facing the Nation. The steady decline in this purchasing power is bringing and, unless checked, will continue to bring serious effects upon the livelihood and standards of living of millions of Americans.

It is affecting the prosperity and opportunities of businessmen, particularly small-business men. It is raising interest rates unduly for many, including our veterans.

It is giving sharp impetus to the inflationary cycle, and expanding fears among the people that inflation may be getting out of hand.

The problems of monetary supply and regulation are among the most complex and far-reaching and consequential that any nation has to solve. Money and credit and the relationships of our banking and fiscal institutions are of inestimable impact for good or bad upon the entire economy, and few people indeed possess profound or even comprehensive understanding of the wide, deep ramifications of the pathways of influence, one way or the other, which they set up in the economy.

Of greatest importance is that these questions, depending on the way they are handled and settled, could at any time determine whether the Nation is to be prosperous or depressed; whether our people are to be employed or unemployed; whether the economy is to flourish or wither. Improper solutions of these questions could lead to wild inflation and final boom-burst economic paralysis, or on the other hand to equally disastrous deflationary conditions.

These monetary problems are too complex for laymen. They require the careful, continuous attention of recognized experts. But they are problems which under the Constitution must be tackled by the committees of Congress and in the last analysis be solved by Congress itself.

The proposed inquiry covers a broad, extensive field—a field, as I have stated, of great and challenging complexity. But this Congress cannot shirk its constitutional duty. We must do our part to insure the stabilization of the dollar, to insure its sound purchasing power, to insure its continued usefulness and effectiveness as a suitable medium of exchange.

One of the issues here is how we can best approach and best perform this task. Is this inquiry timely? Will it promote undue uneasiness and lack of confidence among investors? Will it cause concern and apprehension among the people themselves? Will it impede the development of sound credit policies? Will it tend to unbalance the delicate posture of our financial mechanisms? Will it injuriously affect commodity and security markets and prices? These are some of the questions that inevitably come into this particular proposal.

There is apparent agreement by the President, the Congress, most of the banking industry, and other leading businessmen that an inquiry such as is proposed is now necessary. I cannot say that I entirely agree with this conclusion. I do not profess to expert knowledge of these problems. But I do have the benefit of considerable formal study of these problems. And it seems to me that our Congressional committees could in the ordinary course of their routine work undertake such inquiries and formulate resulting recommendations for any legislation that may be necessary to promote adequate credit and to stabilize the value of the dollar and other changes that may be found to be necessary.

I see no reason for pin-pointing any urgent investigation of these matters. Scope and thoroughness and soundness should be the aims, I think, rather than to permit hasty, overpublicized, theoretical measures and methods to absorb our attention and divert us from pursuing the real, discoverable defects, if any, and promptly apply remedial and corrective action.

This is, to my mind, a definite, direct, and unquestionable responsibility of Congress, and I think we must do the best we can to meet it in the traditional American way without endeavoring to transfer our constitutional obligation to persons outside of the legislative branch of this Government. This is our job. Let us do it.

I especially suggest to my valued colleagues to take great, special pains to keep this inquiry within proper legal, economic and psychological bounds so that no injurious, undesirable consequences may come upon our great economic system, or upon the faith and confidence of the American people in their basic way of life.

Mr. BASS of Tennessee. Mr. Speaker, I came on the floor of the House today fully intent on voting for House Resolution 85. However since debate has started I have learned that this resolution is under a gag rule—that is, no amendments, no substitute or no motion to recommit is in order.

I believe in the general intent of the resolution and I have the highest esteem for its author, but I shall vote against the resolution because of the rule under which this matter of general political philosophy is being considered.

Mr. WOLVERTON. Mr. Speaker, the pending House Resolution 85, introduced by the gentleman from Texas (Mr. PATMAN), provides that the Committee on Banking and Currency, acting as a whole or by subcommittee, is authorized to conduct a full and complete investigation and study with respect to any matter or matters in the field of national monetary and credit policies and the financial

structure, including, first, the status and adequacy of the existing credit mechanisms in the United States; second, the new institutional sources of credit that have arisen or substantially increased since the enactment of the Banking Act of 1935; third, the methods used and results of allocating credit under conditions where restraint upon the total supply has to be exercised to prevent inflation; and, fourth, the impact of changing interest rates on economic growth, competitive enterprise, financing necessary public facilities, and inflation.

There does not seem to be any great difference of opinion as to the advisability of having a complete review and study of our entire banking, monetary, and credit system. President Eisenhower declared his full support of same. The only major difference that exists relates to the manner of the investigation and, particularly, by whom this important study should be made. The President is of the opinion that it should be made by a more comprehensive committee than one to be appointed only in the House of Representatives.

Consequently, the issue today is confined to the kind and makeup of the committee that should undertake this important study, if the Congress decides it should be made.

Unfortunately, the present resolution has been brought before the House in a most unusual way. It did not come from the Banking and Currency Committee of the House, which has complete jurisdiction to make such a study, nor even with the official consent or approval of that committee. It was a resolution introduced by an individual member of that committee. It was referred to the Rules Committee of the House. This committee without the testimony of any witnesses outside of Congress acted upon the matter and by a divided vote reported the resolution to the House for action. Under the procedure that was adopted, it was not possible to make any amendment to the resolution so as to provide for a more comprehensive committee than that provided in the Patman resolution, nor was it possible to make any motion to recommit to the committee with instructions that such a study committee as desired by the President be provided for.

The Republican viewpoint and likewise that desired by many Democrats was provided for in a bill—H. R. 6322—introduced by Congressman TALLE, Republican of Iowa, a member of the House Banking and Currency Committee, which would have made it possible for the Senate to have a voice in the matter of its passage and which would also have required Executive action.

The Talle bill, it will be seen, was more in accord with the usual legislative procedure and consequently the kind of procedure that should prevail in a matter so important as this now is.

A study of this kind could be most helpful or most harmful according to the manner in which the study was conducted. Our whole economic system could possibly be sent into a tailspin by unwise tactics or remarks that might be made. The national interest requires that a careful, sincere, and sound procedure be followed. This cannot be too carefully guarded.

The Talle bill, in my opinion, would provide the type of study that would most likely produce the best and soundest results.

This bill seeks to establish a National Monetary and Financial Commission. It provides, in part, as follows:

That during the past half century major changes have occurred in the financial system of the United States. Long established institutions have added new functions, while new lending institutions, private and public, have grown rapidly in size and significance. During the same period increasing reliance has been placed upon monetary, credit, and fiscal measures to foster expansion in production, employment, and income and to combat inflationary or deflationary pressures. The Congress, therefore, declares that a comprehensive and objective review is necessary to appraise the nature, performance, and adequacy of existing financial institutions and monetary and other financial measures in meeting present and future needs of our growing economy.

SEC. 2. (a) There is hereby established the National Monetary and Financial Commission, hereinafter referred to as the Commission. The Commission shall be composed of 16 members, as follows:

(1) Eight members appointed from private life by the President of the United States, not more than four of whom shall be adherents of any one political party.

(2) Four members appointed by the Speaker of the House of Representatives from among the members of the House of Representatives, 2 from the majority party and 2 from the minority party.

(3) Four members appointed by the President of the Senate from among the United States Senators, 2 from the majority party and 2 from the minority party.

(b) The Commission shall elect its chairman and its vice chairman from among its members.

SEC. 3. The Commission shall make such studies and investigations as it may deem necessary to appraise the nature, performance, and adequacy of existing financial institutions and monetary and other financial measures in meeting the needs of our changing economy. These shall include, but need not be limited to, the following:

(a) A survey of major developments in recent decades in the financial structure of the United States.

(b) An appraisal of the relative powers, advantages, privileges, and limitations of the various classes of financial institutions.

(c) A survey and appraisal of the role played by Government and quasi-Government lending agencies and agencies guaranteeing and insuring private loans.

(d) An evaluation of the growth in public and private debt, including consideration of the several major components of the debt, and the impact of the management of the Federal debt.

(e) A comparative review and appraisal of the Federal and State laws and practices governing the chartering, examination, supervision, and regulation of financial institutions, and the insurance of deposits in, or shares of, any such institutions, including study of:

(1) The uniformity and adequacy of the standards applied in chartering such institutions;

(2) The adequacy of examination and supervisory laws and practices to assure the continuing soundness of the institutions examined and supervised and the adequacy and distribution of the responsibilities and powers now vested in the various supervisory agencies;

(3) The consistency of the policies followed in chartering new institutions, authorizing branches and controlling mergers and other combinations with the maintenance of effective competition and the avoidance of monopolistic restraints; and

(4) The effectiveness and scope of Federal insurance of bank deposits and of share accounts in savings and loan associations, the adequacy of the reserves of the insured institutions and the insuring agencies, and the impact of such insurance on the competitive relationships among financial institutions.

(f) An evaluation of the existing means for adapting the volume of money and credit to the needs of the economy, including review of:

(1) The effectiveness of monetary and credit policy as a means of stabilizing the economy, the impact of changes in policy on different parts of the economy;

(2) The adequacy of existing instruments of credit control including their coverage over types of institutions and transactions;

(3) The organizational structure and powers of the Federal Reserve System, and its relationship to other agencies of the Federal Government; and

(4) The coordination of credit controls and other Government measures designed to promote economic growth and stability.

Thus, although I am opposed to the Patman resolution, as presented to the House, yet I favor the objective and would vote for the creation of a commission as provided for in the Talle bill. Such a bill would undoubtedly be approved by the Congress and likewise have the approval of the President.

Mr. REUSS. Mr. Speaker, House Resolution 85 presents just one issue: Should Congress inquire into whether our monetary system is as fit as we can make it for its three main purposes: First, to see that this country has enough credit to achieve full employment and full production; second, to see that credit is provided fairly to both large and small business and agriculture and to the various regions of the country; third, to see that the dollar is protected against inflation.

We have not had a comprehensive study of monetary policy by the Congress for 50 years. Since then the national debt has risen from practically nothing to more than $275 billion, with an annual interest charge of $7.4 billion. All sorts of new lending institutions, public and private, have come into being. The investigation called for by House Resolution 85 should have been held 5 years ago. This House cannot afford to delay another month in getting started on it.

I should have thought that the White House would have welcomed this exercise of Congress' constitutional function to control money and credit. Instead, the White House is displaying about as much enthusiasm at having Congress investigate its financial affairs as Beck and Hoffa are displaying at having Congress investigate their financial affairs. In fact, the administration is moving heaven and earth to stop this House from investigating the credit situation. Ironically, the administration, which just a few weeks ago asked Congress through the Middle East resolution to do the executive's job of formulating foreign policy, now wants Congress to stop doing its job of investigating money and credit and instead wants the Executive to take over its task. The President a few weeks ago was saying to Congress,

"What's mine is yours." Now that we have turned from foreign policy to monetary policy, he is saying "What's yours is mine." If it is all right with everyone, Mr. Speaker, can we not have the executive go back to our system of government as it has developed for the last century and a half and do its job as executive, and allow the legislature to do the legislating?

Maybe I am wasting my breath, for I read that this debate is all cut and dried, that the White House has all the Republicans lined up to vote against House Resolution 85. But let me point out that General Eisenhower has not uttered a word in public why Congress should be prevented from taking a look at monetary policy. But the general apparently does not mind a bit sending his soldiers in Congress into the frontlines to bring about the defeat of House Resolution 85. Let me ask you this: Is Mr. Eisenhower willing to explain to your idle home builders and to your young people who cannot get a home mortgage why Congress should not take a look at whether a sound monetary policy needs to do what it is doing to the home-building industry? Is he willing to explain your vote against House Resolution 85 to the small-business man, the farmer, the people in those parts of the country where banking facilities are sorely needed? Is he willing to explain to the widows, the social-security recipients, the pensioners, the teachers, and the other fixed-income people who are worried about the inflationary rise of the cost of living to an alltime high, why Congress should not get to the bottom of this inflationary situation?

The American people are not going to stand for Congress running away from its constitutional duty to control money and credit, inflation and deflation. This is one problem of which we cannot say, "Let us just refer it to the U. N.," or "Let labor and management pray together and work it out," or "Let us appoint a commission to study this." No; these stubborn problems of monetary policy can only be met by the kind of all-out investigation that House Resolution 85 proposes.

If the administration wants to appoint an outside commission to look into monetary and credit matters, why God bless it, it can go right ahead and appoint a commission tomorrow without any further statutory authority. But meanwhile Congress cannot shirk the responsibility which the Constitution gives and the people expect it to exercise.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I say to my good friend and colleague, the gentleman from Missouri, I appreciate very much the quotations from various publications that he read. I have a number of quotations here that I might read to the House for its enlightenment as to what has gone on in the past, and as to the objectivity of certain individuals. But, I like them too much and respect them too much to read these quotations at the present time. I would be glad to show them to the gentleman from Missouri, and I think it would even convince him, perhaps, that at least in the past objectivity has been a rather rare thing at times and these criticisms we hear of have been made on both sides and directed against each side quite often. I think most of the membership is aware of that situation. So I shall not take advantage of the opportunity you have given me by quotations to in turn impose upon this House these different statements to be found in the CONGRESSIONAL RECORD of the past, the records of the Ways and Means Committee, the Rules Committee, the Banking and Currency Committee, and many other committees.

Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. HALLECK].

The SPEAKER. The gentleman from Indiana is recognized for 15 minutes.

Mr. TALLE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. TALLE. There are two points that should be made in the light of a statement made by the gentleman from New York [Mr. MULTER], and comments made by other Members who have spoken.

In the first place, the distinguished Senator from Virginia [Mr. ROBERTSON] was asked recently whether the Financial Institutions Act, which has passed the Senate and which he sponsored, would take the place of the National Monetary Commission, and he replied that it was not intended to do that; that the National Monetary Commission would undertake to do something that had much broader scope.

Secondly, we are very busy in the Banking and Currency Committee. We are working on housing legislation and that will take much time and effort to complete. We have many other things to do. In the event that misfortune should overtake us and House Resolution 85 were enacted, certainly the Banking and Currency Committee could not undertake more than that, and the Financial Institutions Act, which has passed the other body, would go by the board. If I am in error on that I wish the chairman of the Committee on Banking and Currency would correct me.

Mr. HALLECK. Mr. Speaker, apropos of the suggestion just made by the gentleman from Iowa [Mr. TALLE], I think he has touched upon one of the real reasons why the other approach would be best for this study. That is, that all of us are very, very busy, particularly in the great committees, on problems that involve important legislation. So it would be my idea that the commission approach would be the better one, because this is going to be a long and arduous task if it is to be done properly.

I am sure all of my friends will realize that, coming from Indiana as I do, where everyone is either a poet or politician, though I claim to be a statesman, that I, once in a while, get on the partisan side. I make no apology for that when the occasion is such as to indicate that a matter is to be discussed on a partisan basis. But certainly on this subject I am not going to be partisan. I hope what I have to say may add something to the thinking of the Members as we come to vote on what I am very sure is going to be one of the very important actions of this Congress.

I think I should say at the outset that I am sorry to find myself in opposition to this resolution, the author of which has been my long-time close personal friend. I remember one time the distinguished majority leader, the gentleman from Massachusetts, remarked that he had a minimum of high regard for somebody on our side. I certainly would not say that about my good friend from Texas, WRIGHT PATMAN, because he has been my good friend as I have been his.

I would like also to refer to one of the statements made by the very eminent majority leader in which he, himself, has demonstrated his lack of objectivity by complaining very bitterly about what he calls the tight money policy. I am not going to get into any debate about tight or loose money, or anything else, at this point, but I suggest that apparently there are some people who already have lost their objectivity in respect to this proposed study or investigation.

Another thing I think everyone will agree upon is that in this body for many, many years no one has been more jealous than I have of the prerogatives of the House of Representatives; no one has fought harder than I have to sustain what I believe are the true prerogatives of the House of Representatives. But at the same time, I am convinced in my own mind that the commission approach follows a pattern that has heretofore been used by both Democrats and Republicans in the House of Representatives, a device that has proven very helpful and very valuable.

Reference has been made to experts on monetary policy and banking. I must confess that a great many years ago, longer than I care to remember sometimes, I received a bachelor of arts degree in economics at Indiana University. I took the course on money and banking. I was pretty much confused when I got through, but I finally passed the course. I found out, however, just enough about money and banking to convince me that sometimes a little learning can be a dangerous thing, because it is a highly complicated business.

I came here in 1935 and one of the first great controversies I had to deal with was the matter of paying the bonus, the adjusted service certificates, of the servicemen of World War I.

There were two schools of thought here at that time; one represented what I thought was the American Legion's position championed by the late Fred Vinson, a great Member of this House and subsequently a distinguished Chief Justice of the United States. He wanted to pay those certificates in the coin of the realm as any other obligation of the Government.

There was another approach; that was the one fathered by my good friend the gentleman from Texas, WRIGHT PATMAN. He wanted to start the printing presses. He said it would not cost the taxpayers anything to just print $3 billion worth of money.

Well, I must make a confession. I stood with Fred Vinson and did my best to sustain his position. We were defeated, and I then voted for the Patman method. I have regretted it ever since.

I went down to the American Legion convention at St. Louis after that and made a little speech on a resolution we had. We got the Legion's position clarified. The Legion said, "We want the bonus paid but we do not want it paid in rubber money."

I have gone through the years here with WRIGHT PATMAN. I served on the first Small Business Committee with him. You know, Wright does a magnificent job on a lot of things until he gets into this field of money and banking; and, if I may say so, I am afraid he has gotten a little too expert about it; at least it has seemed so to me.

But through the years as we have sat and listened to his speeches I think this much can be said: They are not in line with what I am certain would be the opinion of the overwhelming majority of Members of this body in respect to our budgetary, economic, and fiscal matters.

All I am saying is that in this matter of objectivity we ought to stay on the job. If there was any doubt in anybody's mind as to the objectivity of the author of this resolution I recommend that you get a copy of the release that was mimeographed and put out by him. Read just the first page, you will see that already he has decided the issue. He not only talks about the things that need to be studied but the gentleman, if I may say so in all humility and again in friendship, could write the report now, Mr. Chairman.

I remember one time when I was a small boy we were having a play in a barn and we had some older boys coaching us. One of them suggested to me that I could take a small part, that I was to say, "I know all about it."

Somebody else suggested to me that I should use the line "I will investigate it." So not knowing in any way what the word "investigate" meant, I said, "I know all about it, I will investigate it." It was the hit line of the show.

The only thing I am concerned about is that this will not be an objective approach to what I say is an extremely important matter. I say again, I am sorry to find myself in opposition to this measure because I would much rather stand with the gentleman from Texas [Mr. PATMAN] and those who support this resolution, but I cannot find it in my heart to do so. I think the study should be made, but I think the commission form is the best way to do it. In view of all the circumstances I cannot find it in my conscience to do anything other than oppose this resolution.

Mr. BOLLING. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Texas [Mr. RAYBURN], Speaker of the House.

Mr. RAYBURN. Mr. Speaker, it may be what I am going to say is futile under the circumstances, but that does not deter me at all, because there has been forces working on this House Resolution 85 for several days that are tremendously powerful and influential.

All through this debate, I regret to say, with all of the kind things that have been said about the gentleman from Texas [Mr. PATMAN] there has run a threat of trying to create a lack of confidence in WRIGHT PATMAN. I care not how much the gentleman from Ohio [Mr. BROWN] or the gentleman from Indiana [Mr. HALLECK] may say of their personal devotion to the gentleman from Texas [Mr. PATMAN], their principal argument—and I can infer from the speeches what the arguments mean—has been to create a lack of confidence in the ability, in the fairness of the gentleman from Texas, WRIGHT PATMAN, to find the facts in everything he goes into.

I had a count made the other day. I was interested to know with how many men and women I served in the House of Representatives. The figure was 2,634. Maybe a few names were not found. I have been here a long time, and I have served with these 2,634 men and women. I have never served with a more devoted man to his duty and to his country than the gentleman from Texas [Mr. PATMAN].

The coming in of the Federal Reserve System has been referred to here. There was an investigation made by Senator Aldrich of Rhode Island. A very good report was filed.

In 1913 one of the first caucuses I ever attended in this Chamber was a caucus of the Democrats with reference to enacting the Federal Reserve Act under the leadership of that great Virginian, Carter Glass.

Many of the Members I have spoken to with reference to how they were going to vote have said: "I have heard from all of my bankers. They are all against this thing." Talk about propaganda? One very important Member of this House brought me a telegram that was sent to him by his banker in which it was stated:

I have been requested from the representatives of the American Bankers Association in Washington to send you the following telegram.

He had not studied it much.

It is a funny thing that many of these people say the gentleman from Texas [Mr. PATMAN] is going to make an attack on the Federal Reserve System. Well, if we had followed the bankers in 1913 and thereafter, we would never have had the Federal Reserve System, because, they said, it would interfere with their business, with their free-enterprise way of doing, and like so many of those so-called "socialistic measures" we passed in 20 years, they are all saying that they are the best things that ever happened.

I have a little time, so I will give you a little history. From 1933 to 1937, when I became majority leader and quit the committee, there originated out of my committee the Utilities Holding Company Act and the Securities Act of 1933, the Stock Exchange Regulation Act, which many of them said had been blue-skying around, that it would stop the sale of all securities in interstate commerce. All the decent ones came to me after it was passed and said it was the best thing that ever happened to them. After the passage of the Stock Exchange Control Act, they said I was going to close all the exchanges in the country. But every governor of the New York Stock Exchange since the passage of that bill in 1934 has come to me, when they said it was going to close the stock exchanges and wreck the economy of the whole country, and said they would not serve as governor of the stock exchange without this bill, "because we are afraid we could not keep out of the penitentiary." Take the Utility Holding Company Act. Well, there was a funny thing about that. You know, a holding company has two ways of making money only. One is by manipulation of stock, to which it lends itself perfectly, and the other is milking it out of the operating companies, because they are the only ones that make any money. Well, they all came in under the leadership of the Honorable Wendell Willkie, who was at that time president of the Commonwealth and Southern. They had the stockholders of the operating companies make their fight for them, because they convinced them by propaganda that it was going to ruin their stock. Well, since then there has not been a decent operating company in the United States—and I think they are all decent—who has not said that it was the greatest thing that ever happened to the operating utilities, because they could control it then without getting on the telephone and asking the Electric Bond & Share in New York whether or not they could put up a pole or string a single strand of wire. These things have come back home, and the people themselves own and operate them.

Talk about propaganda. All of those measures were attacked as socialistic and antifree American enterprise and every other epithet that you could lay to it. But, has anybody in a position of responsibility in the House of Representatives or in the other body or any President from then to now ever recommended any sort of an amendment to any of those acts from a fundamental standpoint? Not a one. We are living under them, and we are doing mighty well. I like bankers as well as I like anybody. They get mistaken just like everybody else in what is to their interest.

Now, I represent the whole people. I am a Representative of the House of Representatives and my people back in my district. Some people connected with the administration came to see me twice about this matter. They said they wanted a full and complete investigation by a cross section of the people of the country. "What better cross section," I said to them, "could you have than the people in the House of Representatives who were commissioned by their people to speak for them?"

They come from every section, every quarter of the United States. They have to be elected. They are not appointed by anybody. A governor of a State can appoint a Senator, but he cannot appoint a Member of the House of Representatives. That keeps the House of Representatives, its membership, and its committees closer to the people than is the case with any other group of people in the United States.

I do not want the House of Representatives to abdicate its power and its authority to do such things as this. You talk about a bipartisan commission or a nonpartisan commission. Those words just float around here all the time and have been for the last 4 years, to my

certain knowledge—bipartisanship, nonpartisanship.

I find that a great many people want nonpartisanship when they want something and they want partisanship when they do not want something.

Why should not this great Committee on Banking and Currency be given the same power and the same authority, under the leadership of the great gentleman from Kentucky [Mr. SPENCE] to do what every other major committee in the House of Representatives has been authorized to do by your vote? What is wrong with the Committee on Banking and Currency? Do not you Republican Members have faith that you can help control that committee? Do you not know that when the gentleman from Kentucky [Mr. SPENCE] appoints a subcommittee, he appoints some of you on it? You will have a voice there.

You go off here and have one of these commissions. The gentleman from Indiana [Mr. HALLECK] says we have had many of them. Well, I have seen a great many of them, and after they are through, they have to come back to the membership of the House of Representatives and these committees, which have to do the work. None of them will take the word only of a commission. They go into hearings, just as this committee under the chairmanship of the gentleman from Kentucky [Mr. SPENCE], with the gentleman from Texas [Mr. PATMAN], and others, would go into these matters initially and make their report to the House of Representatives.

What is wrong with that? Have we no faith in ourselves? Eight appointed by the President of the United States; 2 suggested by the gentleman from Massachusetts [Mr. MARTIN], 2 by myself, 2 by the majority leader in the Senate, and 2 by the minority leader.

Well, the way I think that stacks up, I will say to the gentleman from Indiana, is that it would mean 12 Republicans and 4 Democrats. That is exactly how bipartisan that would be, or rather, if you please, nonpartisan.

So I ask you today, let us go along with this resolution. Let us not listen to these outside forces. Let us do our own business in our own way, we who have been elected by the vote, the faith, and confidence of the American people.

I trust that you will not be voting in panic, but that you will vote in reason and adopt House Resolution 85.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution and amendments to final passage.

The previous question was ordered.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the resolution.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 225, answered "present" 2, not voting 31, as follows:

[Roll No. 31]

YEAS—174

Addonizio	Gathings	Natcher
Albert	Gordon	O'Brien, Ill.
Anfuso	Granahan	O'Hara, Ill.
Ashley	Gray	O'Neill
Bailey	Griffiths	Passman
Baring	Hagen	Patman
Barrett	Hardy	Perkins
Beckworth	Harris	Priest
Bennett, Fla.	Harrison, Va.	Philbin
Blatnik	Hays, Ark.	Pilcher
Boggs	Hays, Ohio	Polk
Boland	Healey	Porter
Bolling	Holifield	Powell
Bonner	Holland	Preston
Boyle	Huddleston	Price
Breeding	Hull	Rabaut
Brooks, La.	Ikard	Rains
Brooks, Tex.	Jennings	Reuss
Brown, Ga.	Johnson	Rhodes, Pa.
Brown, Mo.	Jones, Ala.	Roberts
Burdick	Karsten	Rodino
Burleson	Kee	Rogers, Colo.
Byrd	Kelley, Pa.	Rogers, Tex.
Byrne, Pa.	Kelly, N. Y.	Rooney
Cannon	Keogh	Roosevelt
Carnahan	Kilday	Rutherford
Celler	Kilgore	Santangelo
Chelf	King	Saund
Christopher	Kirwan	Seiden
Chudoff	Klucznski	Shelley
Clark	Knutson	Shuford
Coad	Lane	Siemiński
Coffin	Lanham	Sisk
Cooper	Lankford	Smith, Miss.
Dawson, Ill.	Lennon	Spence
Delaney	Lesinski	Staggers
Denton	Long	Steed
Dingell	Lossr	Sullivan
Dollinger	McCarthy	Teague, Tex.
Donohue	McCormack	Teller
Dowdy	McFall	Thompson, La.
Eberharter	McGovern	Thompson, N. J.
Edmondson	Macdonald	Thompson, Tex.
Elliott	Machrowicz	Thornberry
Engle	Mack, Ill.	Trimble
Evins	Madden	Udall
Fallon	Magnuson	Ullman
Farbstein	Mahon	Vanik
Fascell	Marshall	Watts
Feighan	Matthews	Whitener
Fino	Metcalf	Whitten
Flood	Miller, Calif.	Wier
Fogarty	Mills	Willis
Forand	Morgan	Wright
Fountain	Morris	Yates
Frazier	Moss	Young
Friedel	Moulder	Zablocki
Garmatz	Muller	Zelenko

NAYS—225

Abbitt	Budge	Dwyer
Abernethy	Bush	Fenton
Adair	Byrne, Ill.	Flynt
Alexander	Byrnes, Wis.	Ford
Alger	Canfield	Forrester
Allen, Calif.	Carrigg	Fulton
Allen, Ill.	Cederberg	Gary
Andersen, H. Carl	Chamberlain	Gavin
Andrews	Chenoweth	George
Arends	Chiperfield	Griffin
Ashmore	Church	Gross
Auchincloss	Clevenger	Gubser
Avery	Cole	Hale
Ayres	Collier	Haley
Baker	Colmer	Halleck
Baldwin	Corbett	Harden
Barden	Coudert	Harrison, Nebr.
Bass, Tenn.	Cretella	Harvey
Bates	Cunningham, Iowa	Haskell
Baumhart	Cunningham, Nebr.	Hébert
Beamer	Curtin	Hemphill
Becker	Curtis, Mass.	Herlong
Belcher	Curtis, Mo.	Heselton
Bennett, Mich.	Dague	Hess
Bentley	Davis, Ga.	Hiestand
Berry	Davis, Tenn.	Hill
Betts	Dawson, Utah	Hoeven
Bitch	Delay	Hoffman
Bolton	Dempsey	Holmes
Bosch	Dennison	Holt
Bow	Derounian	Horan
Bray	Devereux	Hosmer
Broomfield	Dixon	Hyde
Brown, Ohio	Dooley	James
Brownson	Dorn, N. Y.	Jarman
Broyhill	Dorn, S. C.	Jenkins
Johansen	Murray	Sikes
Jonas	Neal	Siler
Judd	Nicholson	Simpson, Ill.
Kean	Nimtz	Simpson, Pa.
Kearney	Norblad	Smith, Calif.
Kearns	Norrell	Smith, Kans.
Keating	O'Brien, N. Y.	Smith, Va.
Keeney	O'Hara, Minn.	Smith, Wis.
Kilburn	Osmers	Springer
Kitchin	Ostertag	Stauffer
Knox	Patterson	Taber
Krueger	Pelly	Talle
Laird	Pillion	Taylor
Landrum	Poff	Teague, Calif.
Latham	Prouty	Tewes
LeCompte	Radwan	Thomas
Lipscomb	Ray	Thomson, Wyo.
McConnell	Reece, Tenn.	Tollefson
McCulloch	Reed	Tuck
McDonough	Rees, Kans.	Utt
McGregor	Rhodes, Ariz.	Van Pelt
McIntire	Riehlman	Van Zandt
McIntosh	Riley	Vinson
McVey	Rivers	Vorys
Mack, Wash.	Robeson, Va.	Vursell
Mailliard	Robison, Ky.	Wainwright
Martin	Rogers, Fla.	Walter
Mason	Rogers, Mass.	Weaver
May	Sadlak	Westland
Meader	St. George	Wharton
Merrow	Saylor	Widnall
Michel	Schenck	Wigglesworth
Miller, Md.	Schwengel	Williams, Miss.
Miller, Nebr.	Scott, N. C.	Wilson, Calif.
Miller, N. Y.	Scott, Pa.	Wilson, Ind.
Minshall	Scrivner	Winstead
Moore	Scudder	Withrow
Morano	Seely-Brown	Wolverton
Mumma	Sheehan	Younger

ANSWERED "PRESENT"—2

Fisher	O'Konski

NOT VOTING 31

Anderson, Mont.	Davis, Tenn.	Henderson
Andresen, August H.	Dies	Hillings
Aspinall	Diggs	Holtzman
Bass, N. H.	Doyle	Jackson
Bowler	Durham	Jones, Mo.
Boykin	Frelinghuysen	McMillan
Buckley	Green	Morrison
Cooley	Green, Oreg.	Pouge
Cramer	Green, Pa.	Scherer
	Gregory	Sheppard
	Gwinn	Williams, N. Y.

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Holtzman for, with Mr. Bass of New Hampshire against.

Mr. Aspinall for, with Mr. Gregory against.

Mr. Buckley for, with Mr. Jackson against.

Mr. Green of Pennsylvania for, with Mr. Gwinn against.

Mr. O'Konski for, with Mr. Henderson against.

Mr. Morrison for, with Mr. Scherer against.

Mr. Fisher for, with Mr. Cramer against.

Mrs. Green of Oregon for, with Mr. Frelinghuysen against.

Mr. Doyle for, with Mr. Hillings against.

Mr. Sheppard for, with Mr. Williams of New York against.

Mr. Bowler for, with Mr. August H. Andresen against.

Mr. Dies for, with Mr. Cooley against.

Mr. HALEY changed his vote from "yea" to "nay."

Mr. FISHER. Mr. Speaker, I have a live pair with the gentleman from Florida [Mr. CRAMER]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. O'KONSKI. Mr. Speaker, I have a live pair with the gentleman from Ohio [Mr. HENDERSON]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1958

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 24, page 4, of the bill. If there are no further amendments at this point, the Clerk will read.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to announce that we are going to continue on today, by agreement reached between the ranking minority member the gentleman from New York [Mr. TABER] and myself, until 5 o'clock and then rise and try to complete the bill on tomorrow. We are not quite half way through the Department of Labor, and there are several amendments pending on the desk as far as that Department is concerned that may take up most of the time between now and 5 o'clock.

The Clerk read as follows:

BUREAU OF EMPLOYMENT SECURITY

Salaries and expenses: For expenses necessary for the general administration of the employment service and unemployment compensation programs, including temporary employment of persons, without regard to the civil-service laws, for the farm placement migratory labor program; and not to exceed $10,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); $6 million, of which $1,125,000 shall be for carrying into effect the provisions of title IV (except sec. 602) of the Servicemen's Readjustment Act of 1944.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 5, line 8, strike out "$6,000,000" and insert "$5,558,000."

Mr. SMITH of Virginia. Mr. Chairman, this is an amendment along the line of what we were seeking to do on yesterday when the Committee rose, and that is to reduce this bill to the level of last year. As I said on yesterday, in this age, when the country is demanding a reduction in taxes and a lowering of appropriations, it seems to me it is very little to ask all these bureaus and agencies that they stick with their appropriations of last year and try to tighten up their expenses and find places, of which there are many to economize, so that they can cooperate with the Congress and live within the budget that they had last year.

Now, that is all this amendment does, is to reduce this back to what they had a year ago, and it will reduce this bill by the sum of $442,000. I do not wish to take the time of the House to discuss it further. That is all it does, and I am just asking you to cut it back to last year.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, what the gentleman from Virginia has just said is not quite right. He goes back to last year's figure of $5,558,000, but he does not take into consideration that because of the action of this House last year we are forcing the Bureau of Employment Security to accept the additional responsibilities of mandatory increases that amount to $323,600. So what the gentleman's amendment means is that we would not be going back to last year's figures; but he is asking you to accept a budget cut of $323,000 below the amount they had in this fiscal year. That will mean a reduction in personnel of whatever number of persons that amount of money would employ.

As far as saving money to the taxpayers is concerned, this amendment would not save one dime. The amendment, if passed, would not cut one nickel out of this appropriation, because the money does not come out of the Federal Treasury at all. These funds come into the Federal Treasury by the payment of unemployment taxes by the employer. The administrative expenses that we are talking about now are paid out of a levy of three-tenths of 1 percent which is collected and used for administering the unemployment compensation fund in our country.

We have, through our actions in the past few years, given this Bureau a 30 percent increase in work load in the last 8 years and during that same time we have cut the staff by 7 percent. Think of it! In the last 8 years we have asked this Bureau by legislative action by your votes to assume a 30 percent increase in workload and we have cut their staff by 7 percent, even though this money does not come out of the Federal Treasury at all but is money paid in by the employer. They have the responsibility of administering one of the largest programs in our Government. If you want them to administer it fairly and squarely and honestly there is only one thing you can do, and that is to go along with the committee's recommendation.

As far as their operations are concerned, his is the only division in the Department of Labor that is doing anything to hire handicapped workers, or doing something about the employment of the more mature workers in our country. If you want to handicap them in that work and prevent them from carrying out those programs then you should adopt the amendment offered by the gentleman from Virginia [Mr. SMITH].

We on the committee have presented to you our best judgment. This is the lowest possible figure with which we think they can efficiently operate this division.

Let me make one point again. If you vote for this amendment, you are not voting to cut one dime out of the Federal budget because these funds do not come through taxation, they do not come out of the Federal Treasury. Let us not kid ourselves in that respect. This is one of the best programs we have in the Department of Labor. Every State Director of Employment Security in our country, bar none, would be against this proposed cut.

I hope, because of the universal approval of the operation of this division over the years, that the amendment will be voted down; because, if there is an actual case of false economy that is being attempted to be put over here, this amendment is it.

I was just reading the headlines in today's paper, referring to what happened yesterday here in the House, and the cuts that were made by the House, with 99 percent of the Republicans voting for them. This is the headline: "Ike Vehemently Slaps Piecemeal Budget Cut as Fatuous and Foolish."

I did not know exactly what the word "fatuous" meant until at lunchtime the distinguished lady from Illinois [Mrs. CHURCH] informed me as to its meaning. As I remember, it means something like irresponsible or foolish.

It seems to me that you are deserting the President and his leadership, and his Cabinet in the budget that you have before you today or else he is deserting you. Your actions today indicate to me you have gotten tired of his leadership. It may be that because he is not going to be a candidate 4 years from now you have decided to take over the leadership from your President. It seems to me that it sounds something like that. If the President is quoted correctly, he has said that this is a foolish way to cut the budget. A little gratuitous advice is you ought to listen to your President, because he was the only one who could win on your ticket last year.

I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and, the Chairman being in doubt, the Committee divided and there were—ayes 105, noes 97.

Mr. FOGARTY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SMITH of Virginia and Mr. FOGARTY.

The Committee again divided, and the tellers reported that there were—ayes 126, noes 104.

So the amendment was agreed to.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have for some days been conducting hearings regarding

Alaskan statehood before the Committee on Interior and Insular Affairs. A lot of the opposition to statehood for Alaska has been based on the charge that the Legislature of Alaska has acted immaturely and irresponsibly and that they have not followed sound and good government policies. Well, after having observed what happened here yesterday and what apparently is now starting here today, I just wonder what right some of us have, as Members of the Congress of the United States which, certainly, I agree with the Speaker is the greatest legislative body in the world—but what right do we have to charge anybody—anybody—with a lack of responsibility or a lack of judgment?

I want to pay my tribute to the gentleman from Rhode Island [Mr. FOGARTY]. I think he has been doing an outstanding job here. I could not help but admire him for his courage and for his devotion to the American people to get up here time after time after time and defend the administration's budget against irresponsible actions by members of the President's own party.

Mr. HOFFMAN. Mr. Chairman, a point of order. I demand that the words be taken down.

The CHAIRMAN. The gentleman will suspend. What is the gentleman's point?

Mr. HOFFMAN. The statement of the gentleman. He continued to talk after I made my point of order. The point of order is made against the words he used with reference to irresponsibility in voting as we did. That is a charge that we are irresponsible as Members of the House and I say it is a violation of the rules.

The CHAIRMAN. Is the gentleman making a point of order or demanding that the words be taken down?

Mr. HOFFMAN. I made the point of order in order to gain the floor. Then I asked that the gentleman's words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

I could not help but admire him for his courage and for his devotion to the American people to get up here time after time after time to defend the administration's budget against irresponsible actions by members of the President's own party.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. POAGE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1956, and for other purposes, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

I could not help but admire him for his courage and for his devotion to the American people to get up here time after time after time to defend the administration's budget against irresponsible actions by members of the President's own party.

The SPEAKER. The Chair cannot see in those words any reflection on the character of any gentleman of the House. The Chair also fears that if it should get to the point where one could not criticize somebody's action or vote that it would be pretty hard to carry on debate in the House.

The Chair holds that the words are not a violation of the rules of the House.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. POAGE in the chair.

The CHAIRMAN. The gentleman from California is recognized. The gentleman has 3 minutes remaining.

Mr. SISK. Mr. Chairman, I still maintain that we are responsible, or certainly should be, as representatives of the American people to try to develop and to support in an orderly manner a budget which the various executive departments of the Government can live with. Last year and the year before we heard Members time after time voice their concern over injustice, and I believe they are still just as concerned.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. SISK. I am sorry; I cannot yield.

We are still just as concerned about the human welfare of the American people as we were last year and the year before. My only purpose in taking the floor was to urge that we support the members of this committee, men who have demonstrated a genuine concern not only for economic responsibility, but also a concern for the departments of Government which operate under this budget. Certainly, as I said a little bit ago, I admire the courage and the devotion to duty and to the American people of the gentleman from Rhode Island [Mr. FOGARTY], for coming down to this well time after time and making a fight which begins to look hopeless.

It would be my hope, certainly, that we as Members of Congress would be willing to stand up with a little stiffer backbone. I just wonder how much politics there is in this or how many votes you think you are gaining by cutting $20,000 or $5,000 in many cases out of matters that do not even concern taxation, which happens to be the case in the last vote, as stated by the chairman of the committee, the gentleman from Rhode Island [Mr. FOGARTY] that it did not affect taxes one iota. That is what happens when we get involved in a situation that in making a few grandstand plays we get up and start trying to cut a little nibble here and a little nibble there.

It would be my hope that we can proceed to pass this appropriation bill and to give to the various executive departments of the Government concerned an opportunity to carry on and to conduct the affairs of their departments in order. Over $100 million has been cut out of this budget and I think an excellent job has been done by the subcommittee.

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN. Mr. Chairman, in this debate we have a situation where it now appears to be in order for the Members on one side or the other to accuse those who oppose their views or cast their votes in opposition of being irresponsible.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from New York.

Mr. ROONEY. Is the gentleman criticizing the decision of the Chair on the recent demand that words be taken down?

Mr. HOFFMAN. No; I accept it. I am only trying to show it is in error and the situation is just as described.

Mr. ROONEY. Mr. Chairman, I demand the words be taken down.

Mr. BOYLE. Mr. Chairman, I make a point of order and I want to be heard.

Mr. HOFFMAN. Mr. Chairman, I demand the regular order.

Mr. BOYLE. Mr. Chairman, I withdraw my request, but I think the speaker should be directed to talk on his preferential motion. Anything he has said up to now is a wide, sweeping departure from the way he got the time on the floor.

The CHAIRMAN. The gentleman must confine his remarks to the bill under consideration.

Mr. HOFFMAN. That is what I am trying to do, Mr. Chairman. I am trying to show the fallacy that exists, not of irresponsible Members on either side, because this is not a party or political issue but of trying to write an appropriation bill as we are doing here today. I just want to show the state we are in, more accurately the condition of mind. Of course, I have respect for the speaker, respect his decisions, but that does not foreclose my right to invoke the first not the fifth amendment.

Mr. BOYLE. Mr. Chairman, I renew my request.

The CHAIRMAN. The gentleman will proceed in order.

Mr. HOFFMAN. Mr. Chairman, getting back to where we started, of course, our debate should be constructive. Perhaps I am the worst offender of any Member of the House, and I only regret that when you gentlemen try to follow you do not give me an example of how I should proceed.

Now, here we are, getting back, if it is all right to say, and I assume it is, that the votes over there in opposition to something that we advocate over here are wrong. Apparently it is within the rules for me to characterize those so voting as irresponsible—that I will not do. Irresponsible means among other things, free from or incapable of incur-

ring responsibility, not able to answer for consequences, not able to render satisfaction, one not responsible for his actions, indicating a lack of mental or physical capacity to perform one's duty. Some on the Democratic side had the courage and the intelligence, let us say, to vote earlier today contrary to what apparently House leadership wanted. A majority of around 50 decided they did not wholly agree with the Speaker's views—can they be—is it proper to say they are irresponsible? That vote would be a good example, if I may suggest it where those on the majority side, if they have independent views—and I assume that they have, and so vote—it would be proper to say in debate that you are not responsible legislators.

I made the point in good faith, because the rules should be established and followed. Because if the personal element is injected debate becomes less helpful. I know there are some who came here recently who will be glad to know how far they can go in questioning the ability, the integrity, the sincerity of their Members who disagree with their political conclusions.

The CHAIRMAN. The gentleman will proceed in order.

Mr. HOFFMAN. I will try to comply with the ruling. Am just attempting to show that a charge of irresponsibility does not convey information.

The gentleman said that this last amendment had nothing to do with the taxes imposed upon the people. This is an appropriation bill. Money is what we are talking about, is it not—appropriations that eventually will have to be met by taxation? If an appropriation is cut does it not follow that if the program is continued other dollars must come from someplace to replace those taken out. This motion was offered in good faith, with the idea that as long as we are getting around to where we question each other's ability, motives, or intelligence as Congressmen, and each other's responsibility and the way in which we proceed, that it might be well if we go over until tomorrow and cool off—give a little consideration to what we are doing. I admire the ability of the gentleman who has charge of this bill [Mr. FOGARTY], his courage, and the way in which he has presented the issues. No one can criticize him for the presentation of his views if a political presentation is desirable. But he called attention to some statement which it is reported our President made. I do not have it before me. Permit me to repeat again that apparently Members on both sides are trying to go along with the demand of their constituents that we cut the budget. That is what we are trying to do. Can we not assume from here on that all are acting in good faith? Can we not forget this tincup business of yeterday when we were accused by inference at least of trying to rob the blind man?

I will not go any further. You get my suggestion. It is that some time after all the amendments have been adopted we send the bill back to committee, which by that time will know the will of the House—report it back with substantial cuts—which will give you at least some further reduction and yet not kill all of the programs for which so many have voted but all of which cannot be carried on at an ever-increasing rate until the citizen's burden is beyond his strength to carry—his ability to meet.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I hope that during the rest of today and tomorrow and Friday, or whatever time it takes to finish this bill, you remain, because I think we ought to put the membership on record now that, if sufficient amendments are carried, there are going to be 8, 9, 10, 11, 12, 13, or 14 rollcalls and record votes when we complete the reading of this bill. I want also to remind you again that the two words that I remember from today's headline, because the reporter has taken it from me, were to the effect that the President said at his conference this morning that all reasonable attempts to cut these budget figures of his, his budget and his Cabinet, your leaders, are fatuous. I do not know who those remarks are directed to. You must decide that for yourself, but those are the quotes from your leader.

I remember distinctly the first year that I appeared in the well of this House defending appropriation bills for the Department of Labor was in 1947. You remember the election of 1946 when the Republicans swept the country, elected a Republican House and a Republican Senate. You also remember that in the campaign in 1946 they were going up and down and across the country promising the working people of our country that if they were elected, the friends of the workers and the workers of our country would be fairly treated. Yet you must recall that the first thing you did was to enact the Taft-Hartley Act in 1947. And then when this appropriation bill came before you, you cut it 25 percent in 1947. We Democrats made a pretty good record in 1947 on the floor of this House in fighting those amendments. And then in 1948 you helped to cut it another 20 percent over 1947. So, you made a splendid record in that 80th Congress in cutting appropriations for the Department of Labor. But, what happened in the election of 1948? Because of your help in cutting these appropriations to such an extent, especially in the Department of Labor, and taking away the rights and privileges that the Department extended to the working people of this country by denying them the enforcement of these laws, the people reacted in the fall of 1948 and you woke on the day after election the most amazed persons on this earth, because nobody believed at that time that a Democrat could win the Presidency of the United States as Harry Truman did in 1948.

I want to congratulate you now, because the same combination that was working in that 80th Congress in 1947 and 1948 is again in effect yesterday and today and tomorrow. The same leaders are leading the same fight, and I hope that you have the same success and I hope and pray that your success in cutting these appropriations will guarantee that a Democrat will be elected to the White House 4 years from now.

The American people have shown before that they cannot be fooled for long. I am completely confident that they will see through the strategy of reactionary Republicanism that strips them of their hard-won rights and privileges in the guise of economy. They will demonstrate at the polls, as they have before, that it is more important to maintain decent standards of living for the mass of our population than it is to reduce the taxes of one big corporation.

The CHAIRMAN. The question is on the preferential motion.

The preferential motion was rejected.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I pointed out yesterday, our situation in the United States has worsened in the progress toward a balanced budget to the tune of $2,594,000,000 since the first of the year. The only way we can take care of our people, the only way we can take care of our defense, is by saving money wherever it can be saved and by doing it diligently and properly. For my own part, I have voted for no amendment that I thought would cripple any organization of the Government. I know the conditions of our public payroll. It is so stuffed and so elaborate that it needs to be trimmed down. The only way savings can be made are in the appropriation bills that come up. We must go through them all the way down the line and see that no more is provided in those bills than really is needed to carry on the functions that those departments and agencies have to perform.

I know nothing about the political effect of these cuts. Frankly, I do not believe that any economies that this Congress made in 1947 or in 1953 or 1954 had the slightest to do with the elections in the years following. I do not believe those those votes were a repudiation of the honest effort that was made in the 80th Congress to put the Government of the United States on an honest basis. I believe those Members of Congress who went out and fought on those lines succeeded. I believe they will succeed again if we make an honest effort to approach this problem.

I am not going to change my position. If a thing is right I am going to vote for it. If it is wrong I am going to vote against it. I hope that the House of Representatives will have the courage to do likewise.

The Clerk read as follows:

Grants to States for unemployment compensation and employment service administration: For grants in accordance with the provisions of the act of June 6, 1933, as amended (29 U. S. C. 49–49n), for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, for grants to the States as authorized in title III of the Social Security Act, as amended (42 U. S. C. 501–503), including, upon the request of any State, the purchase of equipment, and the payment of rental for space made available to such State in lieu of grants for such purpose, for necessary expenses including purchasing and installing of air-conditioning equipment in connection with the operation of employment office facilities and services in the District of Columbia, and for expenses not otherwise provided for, necessary for

carrying out title IV of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 694) and title XV of the Social Security Act, as amended (68 Stat. 1130), $362 million, of which $12 million shall be available only to the extent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments: *Provided*, That notwithstanding any provision to the contrary in section 302 (a) of the Social Security Act, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the act of June 6, 1933, and, except in the case of Puerto Rico, Guam, and the Virgin Islands, with the provisions of section 303 of the Social Security Act, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its unemployment compensation law and of its public employment offices: *Provided further*, That such amounts as may be agreed upon by the Department of Labor and the Post Office Department shall be used for the payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter in connection with the administration of unemployment compensation systems and employment services by States receiving grants therefrom.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order against the language beginning after the first figure in line 5, with the words "of which" down to the word "adjustments", in line 15, as legislation upon an appropriation bill and not authorized by law.

The CHAIRMAN. Does the gentleman from Rhode Island wish to be heard on the point of order?

Mr. FOGARTY. I do, Mr. Chairman. This language has been carried in the bill for about 10 years, I think. It was first put in, I believe, under the leadership of Mr. Keefe when he was chairman of this subcommittee because we thought it was in the form of a limitation on an appropriation bill and would discourage supplementals and deficiences that had previously occurred. This $12 million was set aside for the specific reason of taking care of unseen workloads that developed during the year and increased State salaries which by law we are bound to provide when the States increase salaries. So, in order to provide a fund like this that would prevent them from coming back with supplementals each year we agreed on this language. It was the intention of the committee to be a limitation upon an appropriation.

Mr. TABER. Mr. Chairman, I should like to add to my point of order that it requires additional duties of the Secretary.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from New York makes the point of order that the words referred to, beginning in line 5 and ending in line 15, are legislation on an appropriation bill.

The Chair has studied the legislation and finds in agreement with the statement of the gentleman from New York that additional duties are imposed upon the Secretary, as shown in line 6, which reads, "that the Secretary finds necessary," and so forth. Therefore, the Chair must uphold the point of order.

Mr. BYRNES of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to make an inquiry of the chairman of the subcommittee. I wonder if the gentleman from Rhode Island would refer to the hearings for the Department of Labor, on page 29. At the bottom of the page he will note that there is a colloquy between himself and Secretary Mitchell and Mr. Dodson with reference to the funds that they requested of the Bureau of the Budget, and the amounts that were allowed by the Bureau of the Budget and incorporated in the budget sent to Congress. There is some language in this table submitted which I do not understand. In one column appears the words "Congressional estimate." That is a new phrase, as far as I can determine, in connection with any budget operation.

Mr. FOGARTY. It was new to us, too. This is rather unusual terminology.

Mr. BYRNES of Wisconsin. I am not criticizing the committee, I am trying to figure out what these two columns mean. I am inclined to the belief, and I would like to have the gentleman from Rhode Island tell me whether I am right or wrong, that the figures under "Congressional estimate" would apparently be the request made to Congress by the Bureau of the Budget, whereas in the column headed "Budget Bureau estimate" are the requests for funds that were made to the Bureau of the Budget. Is that correct?

Mr. FOGARTY. That is right.

Mr. BYRNES of Wisconsin. I would gather, then, that the Bureau of the Budget increased the amount after the heading "New Applications" by $24,900 above what the Bureau requested?

Mr. FOGARTY. That is right.

Mr. BYRNES of Wisconsin. The Bureau of the Budget also increased nonpersonal services by $161,200?

Mr. FOGARTY. That is right, but they did decrease the entire amount of this program by $258,000, and that is what I find fault with.

Mr. BYRNES of Wisconsin. I appreciate that fact, but in view of the fact that we do have an allowance by the Bureau of the Budget over and above what the Bureau requested for these two particular phases, I offer an amendment.

Mr. FOGARTY. I may have misunderstood the gentleman. Maybe I did not give him the correct answer. This congressional estimate is the request contained in the President's budget. We have not gone over the Bureau of the Budget figures.

Mr. BYRNES of Wisconsin. We still may not understand each other. In this total at the bottom of page 29 there are numerous breakdowns of the total figure which was apparently requested by the Department of Labor of the Bureau of the Budget. Their total in that column would be $18,671,000. That was the total requested of the Bureau of the Budget by the Department of Labor for this particular area.

Mr. FOGARTY. Yes.

Mr. BYRNES of Wisconsin. But that is further broken down into specific amounts. It is true that the overall figure was cut. The Bureau of the Budget cut some of the items that make up the overall $18,671,000, but in 2 categories that also make up that total they increased the amount the Bureau requested. It just seems to me that it is inadvisable to appropriate on the basis of an increase by the Bureau of the Budget over and above what the Department of Labor itself requested to carry out certain specific functions. That is why I submit this amendment which is simply to reduce your overall figure of $261,-814,000 that is found on line 5 by the amount of $186,000. One hundred and eighty-six thousand dollars is the total of the two increases made by the Bureau of the Budget in sending the request to the Congress.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin (Mr. BYRNES).

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 6, line 5, strike out "$262,-000,000" and insert "$261,814,000."

Mr. BYRNES of Wisconsin. Mr. Chairman, I think I have explained the purpose of the amendment and the reference to it in the hearings.

I yield back the balance of my time.

Mr. FOGARTY. Mr. Chairman, I cannot argue too much with the gentleman's contentions, and I accept the amendment.

Mr. BURLESON. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLESON as a substitute for the amendment offered by Mr. BYRNES of Wisconsin: On page 6, line 5, strike out "$262,000,000" and insert "$250,-000,000."

Mr. BURLESON. Mr. Chairman, I wish to ask the gentleman from Wisconsin [Mr. BYRNES] why, since the language on page 6, lines 5 through 14, and the word "adjustments" on line 15, was ruled to be not in order, why his amendment did not include the entire $12 million.

As I read the message of the Bureau of the Budget on this item, they said this: "The purpose of the $12 million" is "to primarily increase tax and auditing workloads, increase placement and counsel services," and so forth. Then further: "The efforts for better management of State agencies, development of employment and unemployment facts, and increases in average annual salaries."

It just seems to me that since the appropriation for fiscal year 1955–56 and fiscal year 1956–57 was for the sum of $250 million that they could get by with the same amount for this fiscal year. This $12 million is a speculative figure. They do not know how much it is going to cost. But they are speculating on what State laws may be passed which would affect unemployment insurance, and so

forth. So, it seems to me that this is certainly a place where we could wait and see what the cost is. There is nothing to lose. It will not impair services. I must admit I am not very familiar with all the details as to what this service is and what it does. But it is obvious that no service is going to be impaired. No service is going to be lessened in any way, and if they could take what they have had for this year it seems we are not being fatuous in this instance. Incidentally, I want to say to my good friend from Rhode Island [Mr. FOGARTY] I appreciate very much what he said yesterday regarding authorizations which must be paid for in the future. I shall refer to this further in a moment. If it is fatuous and foolish to try to reduce this budget, then give me some of it because—well, I just saw the figures on my own income tax. I can do a lot of crabbing about it, too. We are getting enough letters about it from our people back home. I just saw my figures this morning, and I have a great inspiration to say what I am saying today. My State legislature memorialized the Congress the other day, and I appreciate very much the sentiment expressed in the resolution which called for economy in Federal spending. They memorialized Congress to reduce expenditures, to reduce the budget. At the proper time I shall ask this resolution by the Texas Legislature be placed in the RECORD.

Now, this is a grant to the States. Later on I expect to introduce other amendments which will reduce these grants-in-aid to States. We have an opportunity now. We have the people behind us. The key to this whole thing was expressed in the President's budget message when he said that "as long as the people demanded the kind of services called for in this budget, which services they deserve, it is necessary to spend this kind of money." The key is there. As long as the people "demand these services," and the President added "which they deserve," it is necessary to spend this sort of money. Yet they write us and tell us to reduce the budget. All right. Let us do it.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield.

Mr. BROOKS of Louisiana. There has been a threat on foot of having a record vote on cutting expenditures. There are some of us in the House of Representatives who are proud when we can vote to reduce expenditures, and we want our people to know that we are willing to economize and save the credit of the Government.

Mr. BURLESON. I appreciate what the gentleman has to say. I had a letter only yesterday from a man who said, "Unless you believe in wrecking the economy of the country, then let us cut down on the expenditures of Government."

I wrote back and said, "It is something like being against crime and sin. Everyone is against it." Everyone is for reducing the budget but it is usually economy for the other man. I am for economy in Idaho and perhaps in Maine and a considerable amount down in Oklahoma. But I get a little weaker when it gets down into Texas. Then in the districts of some of my colleagues I am for economy over there, unless it would injure and hurt my colleague, but when you come into my district I am for economy, "but." And so it goes and we all know it.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BURLESON] has expired.

(By unanimous consent (at the request of Mr. SMITH of Virginia) Mr. BURLESON was granted 5 additional minutes.)

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield.

Mr. SMITH of Virginia. I wanted to interrupt the gentleman but he was preaching such a good sermon on my doctrine that I did not interrupt him. I wanted to get straightened out on the parliamentary situation. The gentleman who preceded you offered an amendment. Is your amendment offered in the nature of a substitute?

The CHAIRMAN. That is the understanding of the Chair.

Mr. SMITH of Virginia. So that your amendment is a substitute. As I understand, this is the situation: The point of order raised by the gentleman from New York knocked out the clause which carried $12 million. So if you do not pass the Burleson amendment, you have stricken it out on a point of order, but you have appropriated $12 million. You have to adopt the Burleson substitute in order to make effective the point of order made by the gentleman from New York. I hope the House will understand that and vote that way. I hope the gentleman will now proceed. It still leaves equal to what they had last year?

Mr. BURLESON. That is correct and I appreciate the gentleman's assistance in clarifying the situation. As I understand the language subsequent to the figure of $12 million, and the $12 million is included in the figure of $262 million in the bill, was not stricken, but it only permits that the $12 million may be used for a contingent purpose. I am emphasizing the words "contingent purpose," out of the $262 million. If that is not correct, I stand corrected. It being purely speculation as to whether or not it will be needed, here is an opportunity to save a little money, and $12 million is not such a small amount.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield.

Mr. NEAL. I take it for granted that the gentleman does not believe it is good to appropriate money for folks to play with.

Mr. BURLESON. I certainly do not. I do not believe that all appropriations for grants in aid to States is bad. I think there are some things which a State cannot always do, but if I must cite an example, I would say that the most flagrant imaginative proposition of that kind would be Federal aid to education. I just give that as an example. But as the gentleman from Rhode Island said here yesterday—he spoke a truth—we authorize these projects which extend far into the future. That is where we are being fatuous, that is where we are being foolish, in my opinion.

I plead not guilty to some of these issues which the gentleman so ably described yesterday, but I believe in placing the guilt where it belongs, and that is on this body and on the other body, on all of us, in authorizing projects, in buying something on the installment plan which we must pay for when the evil day comes and this is one of those many days.

As I read the budget there are $23 billion in it over which Congress has no control; no more control than we have over the $7 billion interest on the public debt.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman mentioned Federal grants-in-aid for schools and classroom construction. I would like to ask the gentleman if there are not some school districts in his Congressional district that get grants-in-aid under Public Law 815?

Mr. BURLESON. Is that the Smith-Hughes Act?

Mr. BAILEY. No; it is not the Smith-Hughes Act.

Mr. BURLESON. Tell me what it is; I am not familiar with it by number.

Mr. BAILEY. It is the act requiring the Federal Government to meet its responsibility to school districts.

Mr. BURLESON. The gentleman means "impacted-area" funds?

Mr. BAILEY. Yes. Would the gentleman object to taking that money?

Mr. BURLESON. I voted against it. I am not guilty of that, and I have some of that construction in my congressional district. The same is true of public housing.

Mr. BAILEY. The gentleman does not object to those funds going to Texas, does he?

Mr. BURLESON. I said earlier that I, like everyone else, was more for economy in some other part of the country when it comes to Federal-funds handout, but I am not guilty of voting for many of the measures mentioned by my good friend the gentleman from Rhode Island [Mr. FOGARTY], which must be paid for in the future.

I make no claim to great political courage by my record here will show I have not voted for these costly programs, as desirable as many of them may be and the record will further show that my record in this respect is consistent with my votes against more than $10 billion in appropriations last year.

Mr. Chairman, I hope the House will support the cut of $12 million from this bill as I here propose by my amendment.

Mr. JONAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I fully agree with the comments made by the gentleman from Texas [Mr. BURLESON]. I wish to associate myself with them. It may come as a surprise to you but I think all of you should know that while the last session of Congress was reducing the President's requests for appropriation by $257 million, it was at the same time—in other than appropriation bills—increasing the President's requests for other types of obligating and spending authority about $1,736 million. This type

of authority results in expenditures from the Treasury just as expenditures from appropriations. There is no difference in the end result. The place and time to start economizing is right here on this floor when authorization bills are up for consideration and decision.

I voted for the resolution this House passed recently, inviting the President to suggest where budget cuts might be made. I did it despite the fact that I believed the resolution was at least in part politically inspired and was designed to put the President of the United States more or less on the spot; but I was unwilling to cast any vote in this House that could be construed as opposed to economy. I do not care whether the initiative for economy comes from the Executive or whether it originates in the House of Representatives, I am for it. Also, I might add, who gets the credit is immaterial; getting the job done is the important thing.

So long as I remain a Member of the House, I shall support every reasonable effort to bring Government spending under control. I believe that the greatest need facing our country on the domestic front is to get our financial house in order. I believe it is just as important to do that today as it was in 1953 when I helped cut the last budget submitted by former President Truman by more than $10 billion. I am willing to help cut this last budget by as much as it can be cut reasonably and without using a meat ax approach.

While I am on my feet, and with some reluctance, because I happen to admire the gentleman from Rhode Island, and appreciate the hard work he has done as a member of this committee, I would like to say that I cannot allow the implications in his remarks to go unanswered. So far as I am concerned, and I do not pretend to be any better than other Members of this body, I want everyone to know that I do not cast votes here on appropriation measures on the basis of whether such votes will gain me support in the next election. The suggestion that we should vote here today with one eye on how that vote may affect our reelection chances in 1958 was unworthy of the gentleman who made it, and I specifically reject it.

When the time comes that we all put the welfare of the country above partisan or political advantage, we will put our Government's financial house in order; and I mean by that to refuse to appropriate more money than we take in any year unless confronted with a grave national emergency; to balance the budget and keep it balanced; to begin making substantial reductions in the national debt; and get our country's finances in such condition that we can provide some much-needed tax relief.

This is an issue that is above politics. Let us forget politics once and get on with the job of reducing Government spending, and let us do it in such substantial fashion that the entire country will notice it.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin to the substitute offered by Mr. BURLESON: Strike out "$250,000,000" and insert "$249,814,000."

Mr. BYRNES of Wisconsin. Mr. Chairman, what this amendment does is to combine the amendment I previously offered to provide a reduction of $186,000 with the $12 million cut proposed by the gentleman from Texas. This simply combines the two. If the $12 million substitute offered by the gentleman from Texas [Mr. BURLESON] is adopted without this amendment, then the further reduction of $186,000 would be impossible. So my amendment combines the two.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, in answer to the gentleman from North Carolina [Mr. JONAS], I am not trying to find fault with anybody who is trying to cut this budget today. The facts that I related about the 80th Congress were just facts. I related what happened in the 80th Congress and what were the results and I believe because that happened then it can happen again. You not only lost the presidency of the United States at that time, which was right in the palm of your hand, but you lost both Houses of Congress, too. When you could not carry the Congress last year with your President winning by one of the largest majorities in history, there must be something wrong with either the Republican leadership in Congress or with the leadership in the White House. I do not know which it is. But you have to make up your own mind as to that.

I also want to commend men like the gentleman from Texas [Mr. BURLESON] because I believe he is sincere and I know that he has voted against many of these authorizations. I find no fault with those who have the courage of their convictions, who stand up on a record vote and are counted in opposition to some of the legislation that was proposed by your President and enacted during the past 2 years. I do not criticize those who have gotten up in the last 2 years and had the courage to vote against those authorizations.

Those men and women who are now getting up on this floor to cut back these appropriations should be commended. But, I do not like the idea of supporting the things that sound good and read good back home on the one hand, just before election, and then after election, on the other hand, come in here and cut, as I said yesterday, the guts out of these appropriations and make the things that you voted for in the past few years inoperable. To me that is what I find fault with.

I also find fault with the amendment offered by the gentleman from Virginia [Mr. SMITH] and the amendment offered by the gentleman from Texas [Mr. BURLESON] in the plea for economy. Once again I say to you, as I said on the last amendment, this does not save one dime, not one nickel, in the Federal Treasury. It is not a grant to the States in the usual sense. This money is paid in by the employers into a fund and then into the Treasury of the United States. It is their money, not yours or mine. It belongs to these individuals who contribute to the unemployment compensation funds. All we are are the custodians of that fund. That is the only control we have over it. It is not a grant to a State or to a community or to anybody else. We are just giving back to these people the administrative funds to run their programs for unemployment compensation. Now, if you do not believe in unemployment compensation, then you ought to come out and say so, because this is all taken out of that fund of three-tenths of 1 percent that is collected and tourned in to the Treasury and reappropriated to administer the employment services of this country.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. TABER. The fact of the matter is, is it not, that the payments are made out of the Treasury? A tax of a certain amount for administration of unemployment compensation is levied upon the employer, and it is paid in. That is the way it operates.

Mr. FOGARTY. The decision as to what the employer pays is made by the States. It is not made by me or anybody in the Federal Government. That responsibility lies with the States and it is a complete State operation. And I will say to the distinguished minority member, the gentleman from New York [Mr. TABER], in whom I have a great deal of confidence, that when he struck out the language for the contingency fund on a point of order, that we have had in this bill for about 8 years, he was almost requiring the Department to come back and ask for a supplemental for at least some mandatory increases that are bound to come up. When the States raise the pay of these employees and when increased workloads occur in the States because of some conditions unforeseen when these budgets were made up, we are morally bound to provide the necessary funds, and that is exactly why the $12 million was put in there. This is not economy; it is false economy. It is not going to save you one dime. It will mean additional expense for processing supplemental requests for funds and in efficient operations at State level because of inadequate funds. Further there has been no evidence coming to the committee of any misuse of the contingency fund and the existence of this fund has proven in actual operations to be a step forward in the financing of the State employment security agencies. You are now taking a step backward.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin

[Mr. BYRNES] to the substitute offered by the gentleman from Texas [Mr. BURLESON].

The amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Texas [Mr. BURLESON], as amended.

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 102, noes 73.

So the substitute, as amended, was agreed to.

The CHAIRMAN. The question is on the Byrnes amendment as amended by the substitute.

The amendment, as amended, was agreed to.

The Clerk read as follows:

Unemployment compensation for Federal employees: For payments to unemployed Federal employees, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, $26,500,000.

Mr. FLYNT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLYNT: On page 8, line 24, strike out "$26,500,000" and insert "$25,000,000."

Mr. FLYNT. Mr. Chairman, this is an amendment which seeks to bring this section of the bill in line with the 1957 fiscal year appropriation. I read from the report of the committee on page 6:

There was a carryover of funds from 1956 to 1957 of over $3,000,000.

There is, of course, an estimated trend that there will be an increase. I feel that this estimated trend will not exceed the $1,500,000 which is left in, over and above the amounts which were required during fiscal year 1957. We, of course, do not know what the carryover from fiscal 1957 to fiscal 1958 will be.

I have seen nothing in the report, I have seen nothing in the committee hearings which indicates that more than $25 million which my amendment leaves in will be used. This amendment is offered simply for the sole purpose to make a realistic effort to reconcile 1956, 1957, and 1958 figures bearing in mind the increased trend.

I hope the amendment will be adopted. There is nothing that I can see which provides for an extra day's pay for persons drawing unemployment compensation. I know of no reason why there should be increased retirement benefits for persons drawing unemployment compensation. I hope that we have not yet reached the point where people may retire from being unemployed.

I ask that the amendment be adopted.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment does not mean one single, solitary thing. I suppose the gentleman who just offered it voted for the bill that authorized this program a couple of years ago. When he voted for it, he voted to pay this compensation to every Federal employee who is discharged from the Federal Service. So his amendment means nothing because these payments are not controllable and we will have to make the appropriation now or later.

We have arrived at the figure in the bill on the best mathematical terms we could, based on the amount that was spent up until February 28. We believe if we have erred we have erred on the low side. By the adoption of this amendment he is only requiring a supplemental appropriation to come forth next fiscal year.

Let us make no mistake about this. This is a phony cut. If you want a real example of a phony cut, this is it, because we have already voted by legislation to make these payments to Federal employees who are severed from the Federal Service. This will just require them to come in and ask for a supplemental appropriation. Who do we think we are kidding on cuts like this?

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. ROONEY. Is it not a fact that an employee who is separated from the Government is entitled to go into the Court of Claims and get the compensation the Congress decided he was entitled to?

Mr. FOGARTY. Positively.

Mr. ROONEY. Is not this in effect only an estimate of the amount of money necessary to keep that procedure going?

Mr. FOGARTY. Positively. It is an estimate, and we cut the estimate that they came up with on the best figures we had available on the amounts that have been paid out. We shaded that just a little bit to be on the conservative side. So any cut below that is really a phony cut, because we are obligated to make these payments, anyway. It does not make any difference whether or not you adopt this amendment, we have to meet our responsibilities to pay employees who have been discharged.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Georgia.

Mr. FLYNT. Is it not true that there was a $3 million carryover on this provision in fiscal 1956?

Mr. FOGARTY. There was. That was its first year of operation. That year we cut the original estimate by $7 million, and we did not cut enough. So this year we cut a little more than we thought we should to be on the conservative side. So if there is any estimate in this bill, this is one of the most conservative estimates that we have before us, and the figures we have available will show they will spend all of this and perhaps more. Certainly the gentleman's amendment will require a supplemental appropriation before the fiscal year is up.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from North Carolina.

Mr. JONAS. Is this item not in exactly the same category as the $79 million the committee claimed as a cut?

Mr. FOGARTY. No; it is not.

Mr. JONAS. What is the difference?

Mr. FOGARTY. There is this difference, that when we cut the $79 million, as explained yesterday, there were recommendations for $2.5 million for the training program for personnel in the fields of public assistance. There was an item of $2,080,000 for cooperative research projects in the field of public assistance to get more efficiency in the operation of this program. Because of the prophecies of the gentleman and his leaders that we are going into better times, and because we voted for the social-security amendments a year ago that should take more off the public-assistance rolls, we thought that we could expect that that $79 million would not be needed.

Mr. JONAS. But that $79 million alleged cut is simply the substitution of the committee's guess for the Department's guess as to what it would cost; is that not true?

Mr. FOGARTY. On the basis that we would have allowed $2.5 million for training and $2,080,000 for cooperative research; but since those have been stricken out by the full committee, that cut may not stand up. If they had not been stricken from the recommendations of the subcommittee, because we allowed the $2.5 million and the $2,080,000, I am sure it would be a good figure and would not be in the same category as the amendment we have here. We had firm figures as to how much was expended at the end of February of this year and what the trend is in these expenditures so that we could calculate the cost for the rest of this year and next year. We based it on that mathematical computation, and there is none better.

Mr. JONAS. If the committee is wrong, is it not inviting a similar supplemental request as to the amendment of the gentleman from Georgia?

Mr. FOGARTY. The committee thinks that after listening to the hearings we are in the best position to make an estimate. When you guess that they can get along with $1,500,000 less, I think that guess is a little bit on the wild side, if I make myself clear.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. FLYNT. Is it not true there was a $3 million carryover from 1956?

Mr. FOGARTY. That is correct.

Mr. FLYNT. Does your report not also show on the trend of payments that during the past few months they will be slightly lower during the comparable period of last year?

Mr. FOGARTY. That is right.

Mr. FLYNT. And, if so, is a $1,500,000 leeway, which my amendment allows, not in line with your committee's own report?

Mr. FOGARTY. No; that has all been taken into consideration by the committee already.

Mr. FLYNT. But, it is in the report; is it not?

Mr. FOGARTY. Let me read the report. We have said in our report under the heading "Unemployment Compensation for Federal Employees."

The bill includes $26,500,000, a reduction of $8,500,000 from the request, and an increase of $1,500,000 over the amount appropriated for 1957. Since there was a carryover of funds from 1956 to 1957 of over $3 million, the total amount available for 1957 was over $28 million, thus the amount contained in the bill is a reduction of about $1,500,000 from the funds estimated to be expended

for this purpose during the current fiscal year. As in the case of unemployment compensation for veterans, the amount contained in the bill is based on the trend of payments during the last few months, which have been slightly lower than during the comparable period of last year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

The Clerk will read.

The Clerk read as follows:

Salaries and expenses, Mexican farm labor program: For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil service laws, $2,500,000.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 9, line 15, strike out "$2,500,000" and insert "$2,236,200."

Mr. H. CARL ANDERSEN. Mr. Chairman, this is an amendment directly reducing the personnel to the point this particular division had for the fiscal year 1957. I am offering this amendment to reduce this particular item by $263,000. My friends, that is a lot of money. That is equal to our four good farms like my farm back in the State of Minnesota. I still think $263,000 is an awful lot of money. This proposed reduction will provide the Mexican farm labor program for the fiscal year 1958 exactly the same amount of money available for fiscal year 1957. To that extent, it is actually no reduction. But, in reality, it is an effort to hold the line. I have taken into consideration the $110,300 for contributions to the civil service retirement fund, $6,300 for the larger payments to departmental working capital funds which I consider necessary, and finally an offset of $5,400 for nonrecurring items of other contractual services. I reiterate, Mr. Chairman, that the sum I propose will give to this department the very same amount that it has had for this particular fiscal year. I am willing to give them that same amount another year, in spite of the recent crop report from the Department of Agriculture to the effect that a reduction of 12 million acres in the amount of land planted to 59 crops is anticipated this year below last year.

The Department predicts the smallest acreage planted since World War I, and the budget item I propose to cut deals with farm labor brought in from Mexico. We must, for the sake of our national financial stability, bring to a halt wherever possible the ever-increasing demands made for the hundreds of similar agencies in our Government.

They want to go up and up and up—unseasonally up—never down.

Yesterday the gentleman from Idaho [Mr. BUNDY], and the gentleman from Virginia [Mr. SMITH], did a good job in trying to take out of the Labor Department appropriation bill certain unnecessary sums. They were successful in reducing that bill to the extent of slightly more than $400,000. Personally, I was glad to vote for all of the amendments which were adopted.

I feel certain in my own mind that we will do very little harm to any of our old established agencies or departments by limiting them to approximately the appropriations made available for this present fiscal year. I hope that my amendment to effect a saving of $263,800 will be accepted. Remember this one little item goes for nothing else but excess personnel. You people want to knock out a few bureaucrats. There are a lot of good bureaucrats, but if you want to lessen their number, please accept this amount.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in January of this year the Labor Department presented some new Mexican housing regulations. They did not consult with Mr. FOGARTY and his committee before publishing them. They did not consult with the Committee on Agriculture which passed the act originally creating the Mexican labor program. They did not consult with the committee that was set up by them—the so-called Users Committee. They issued these regulations solely and exclusively to get more personnel on the payroll. The issuance was timed so that they could subsequently go before the Appropriations Committee and ask for more funds. Farmers swarmed to Washington in protest from over a wide area of the country asking that their representatives help them obtain modifications of the regulations. I want to show you what they had in mind. One of the principal objections to the regulations had to do with square-foot space minimum requirements. Here is a shotgun house. You have 16 feet this way in length, and you have 10 feet in width. You have 160 square feet in that shotgun house. Before this new regulation went into effect, 25 square feet was the requirement for one man to be housed. In this 10 by 16 shotgun house that is about the size generally of tenant houses over the country, you have three double-decker beds. Six workers have been housed there. That would be 26 square feet per person. Twenty-five square feet was the previous minimum where double bunks were used so you are within the ruling of the Department. Now what have they done? They have come in with a new regulation requiring 34 square feet for 1 man. That will mean that the farmers in the United States that use this labor in some 18 or more States will have to increase the size of their houses to have the same number of workers working for them in the future, by 33⅓ percent. They have appealed to you to do something to help them so that they would not have to increase the size of these houses. They have asked us for help. We have appealed to the Department of Labor in the most humble terms.

Thirty-four Members of this House signed a letter, and I have it right here, asking that these regulations which would cause these farmers to increase the size of their houses be eliminated and other features be made more reasonable. Do you think they complied with our request? Oh, no. On Monday of this week these housing regulations went into effect. Yes; they get under this appropriation as it is, and it was cut down by the Fogarty committee somewhat, because they asked for some $500,000, $375,000 additional for new fieldmen. The amendment offered by the gentleman from Minnesota would strike out the 35 additional compliance fieldmen to be used largely to enforce these new regulations on housing. They asked for 48, plus 1 clerical helper.

I do trust that you will see fit to support the gentleman from Minnesota on his amendment. This would give the service the same money it had last year plus allowance for retirement benefits.

Here's a letter I received from a farmer in my district about these regulations. I include it in its entirety:

BLACK OAK, ARK., *January 25, 1957.*

E. C. GATHINGS,
Congress of the United States,
House of Representatives, Washington.

DEAR SIR: First, I want to thank you for your standing invitation to hear the problems of the people. I hope you will look into this situation with much concern.

We, the small farmers of Arkansas, are forced to use Mexican labor because we can't get anyone to pick our cotton and can't afford mechanical pickers.

Each year it has been harder to meet the demands of the committee for living conditions of the Mexican laborers. This year the requirements are unreasonable and outrageous. The farmers themselves aren't even accustomed to conditions required for them, and the Mexicans themselves are satisfied with conditions as they are now.

When I was growing up everyone took a bath in the living room. Now, we have to have a special room for them to bathe, a screened toilet, separate beds, new mattresses and covers, cabinets, and the list goes on and on.

I am asking you to look into it and see who the committee is and why they are setting these standards. Look at a list of the requirements and judge for yourself if it is necessary just to pick cotton. We can't afford these ridiculous requirements.

We need your help badly.

Sincerely,

MARVIN VARLEY.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Rhode Island is recognized.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island.

There was no objection.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. SISK. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier this afternoon.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HOLIFIELD. I was interested in the remarks of my good friend and neighbor the gentleman from Arkansas [Mr. GATHINGS]. Do I understand that

at the present time there is a regulation that would require a space 5½ feet by 6 feet or 5½ by 5 for each person in these houses?

Mr. FOGARTY. Five by six and three-quarters feet.

Mr. HOLIFIELD. It seems to me that is an unusual amount of space for a human being to live in. I think the gentleman has stated quite a point here. Does that give the person a chance to stand up or sit down in a chair or lie down on a bed?

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HOFFMAN. It is all right for our friend the gentleman from California [Mr. HOLIFIELD] to talk that way, but let me tell you something about what actually happens. Some of us know something about that. Many of these people who come up into our country to work during the summertime never had a roof over them at all until they came. They have lived out of doors.

Mr. HOLIFIELD. Why not take the roof off if it bothers them? There should be some accommodation.

Mr. HOFFMAN. Why not take them out of the rain and out of the weather? Instead of that they never had anything to live under.

Mr. FOGARTY. I admire my friend from Minnesota in his desire for economy, but I think I have a better suggestion to make for him. If he wants real economy let him listen to this. When this program was started, farmers in different sections of the country were urged to use this Mexican farm labor. In order to get the program into operation we had to enter into an agreement with Mexico. The gentleman was on the committee at that time and I am sure he will remember that in order to get the program started we had to charge the farmer $15 for each Mexican he imported. We set up a revolving fund to get the program started, but it worked so well that that appropriation was paid off and quite a surplus was built up. Then the amount was reduced from $15 to $7. The program has succeeded to the extent that today we are spending $2,500,000 for this program out of Federal funds which every taxpayer in the country is called upon to share, yet it helps only a few in that section of the country. Now, I do not think it is unreasonable for us or the Mexican Government to expect that when we enter into a treaty we provide them with decent housing conditions and with decent sanitary conditions.

The reason that these minimum standards the gentleman from Arkansas [Mr. GATHINGS] has been talking about have been established by the Department of Labor is because of complaints that have been coming in from all over the country of the filth that these Mexican laborers have been living in on some of these farms. I do not say that the majority of the farmers are using these Mexican laborers like animals or housing them like animals, but there are a number of places in those areas where this type of help is used where the housing facilities are no better than they have in a barn and sometimes they are worse than a barn. That is the reason these minimum requirements for housing of Mexican laborers have been established by the Department of Labor.

If there is any fault to find, in my opinion, we should find fault with the Department of Labor for having delayed so long in putting into effect some of these minimum standards they are suggesting now. Any fair-minded farmer and many are so doing I know, wants to provide better shelter for a man he is getting at cheap wages from a foreign country, than he provides for his hogs. I do not think it is too much to ask that these minimum requirements be met.

But that is getting a little afield from the point I started to make. The point I was getting at is this: I would think you could save a lot more money in this program if you would write a proviso in this bill that the farmers pay the entire cost. The farmers now are paying in this program about $3½ million and we are paying about $2½ million out of the Treasury. If you would write into this program that the farmers who are using this cheap labor in these areas would assume the cost, then we would be making a substantial reduction in this bill and it would be a real one.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Let us get down to what my amendment does. My amendment would refuse to give to the Department of Labor more personnel than it had in this particular fiscal year for the operation of this particular work. Why should we give them more personnel at this time?

Mr. FOGARTY. It is because those farmers who are using the Mexican nationals are asking that more of these nationals be brought into this country. This year these farmers have asked for a 15 percent increase in Mexican nationals to be used on their farms. We have allowed the Department in this budget a 4 percent increase, that is all, to administer the program. They started out with less than 200,000 nationals. This year they are up to 480,000 Mexican nationals who are being brought into this country. Where are you going to stop? I do not know. You are not going to stop anywhere unless you put a ceiling on the number of Mexican nationals that can be brought in. But if you want real economy in this program, you should write into this bill a provision to the effect that those who take advantage of this cheap labor will assume the cost of the program.

Mr. H. CARL ANDERSEN. The gentleman has been a member of this particular subcommittee for some time and he has done a splendid job throughout the years, but I think sometimes the gentleman does not put the ceiling, as he called it, or the lid that he should place upon the personnel of some of these agencies. That is all I am trying to do here. I am trying to tell this Department of Labor that they shall not have any more personnel than they had last year. What is wrong with that?

Mr. FOGARTY. I am trying to be very realistic.

Mr. H. CARL ANDERSEN. The gentleman is trying to inject across the trail a red herring and everything of that nature.

Mr. FOGARTY. When you have increased the workload by 15 percent, that is a fact, and no one can dispute that. The farmers have asked for a 15-percent increase in importation of Mexican nationals to work on their farms this year, and we have allowed in this budget a 4-percent increase for administration. Now, if there is any red herring in that, you tell me where it is. If you are going to hold the number of employees administering this program to the 1957 level, you should hold the number of Mexican laborers to be imported to the 1957 level also.

Mr. H. CARL ANDERSEN. The Department of Agriculture has just this week put out an announcement to the effect that we will have 12 million less acres in production nationwide than we have ever had since the close of World War I because of the soil bank. Now, why should we need more of these Mexican laborers to come into this country?

Mr. FOGARTY. I do not know. That rests with the employers of this type of cheap labor. They tell the Department of Labor how many Mexicans they need, and the Department enters into an agreement with Mexico, an international agreement, and we have to live up to that agreement. We are paying to the tune now of over $2 million to support a program that only helps a few sections of our country, and every taxpayer of the country is being called upon to assume that load. Now, if you want real economy in this bill, you ought to change the law and let those who are using the labor assume the responsibility of paying for the administration of the program. I opposed this measure when it was first enacted into law, but since it is enacted into law, I am going to defend the necessary amount to administer the law. That is all I am doing now.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Mississippi.

Mr. COLMER. The gentleman, as usual, is most fair and does a splendid job in handling this bill. I was very much impressed by your statement here. I wonder if the gentleman—and he is very realistic about it—would be prepared, as chairman of the subcommittee, to offer such an amendment to require those who use this labor to bear the full burden of it. I think they ought to. They use a lot of it in my section. If the gentleman would offer such an amendment, I would be glad to go along with him.

Mr. FOGARTY. I do not think it should be my responsibility. I am in the position now of supporting the committee, and that is what I am doing up here now. But, I would not oppose such a recommendation. I think that recommendation ought to come from some of you people who have been talking so much about economy this afternoon. That is a real good place for the economy block to start working, and I think

it would meet with unanimous approval all over the country.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from California.

Mr. HAGEN. I was very much interested in what the gentleman said. The gentleman mentioned a figure of 490,000 people, but presently that runs into the hundreds of thousands. I would like to ask how many inspectors does the Department presently have to police this program which involves, I might say, extensive regulations under the law. How many inspectors do they have?

Mr. FOGARTY. I do not know exactly how many inspectors they have at this time. But I do know that they will not have as many next year if this amendment passes because they will have to cut down in order to take care of the increased contracting of workers. But, in any case, it is going to be expected that no laborers be contracted to any grower who does not comply fully with the minimum housing, wage, and other standards.

Mr. HAGEN. They have only about 10 inspectors to police this whole program.

Mr. FOGARTY. The Immigration and Naturalization Service has expended a great deal of money on the so-called wetback problem, and they tell me they have done a pretty good job and have eliminated much of that problem. But, that is a problem of the Immigration and Naturalization Service.

Mr. JENSEN. Mr. Chairman, will the gentleman yield.

Mr. FOGARTY. I yield to the gentleman from Iowa.

Mr. JENSEN. I think the gentleman has made a very good case for the elimination of the entire amount of $2.5 million in this bill for this Mexican labor. Now, the gentleman says we should offer an amendment to the bill to do certain things. Well, of course, as the gentleman from Minnesota said, that would be legislation on an appropriation bill. The gentleman knows that I have been very dubious about this whole program. Years before we entered into this treaty the farmers of the United States of America got plenty of help from Mexico. They went down there and recruited their help, brought it back up here, and sent it back when they were through.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have an amendment which I am going to read. I do not have any pride of authorship; maybe somebody else can do a better job. I am not going to offer it now, because it would not be an amendment to the amendment that is before us. But it is as follows:

On page 9, line 18, insert *Provided*, That hereafter each farmer who receives Mexican labor for farm work shall pay to the United States the sum of $12 for each man he receives each year.

That is about as close as I could figure it, to what would be required to make the United States Treasury whole. It may not be exactly right and it may be somebody can do better with it. But I think somebody ought to offer that kind of an amendment and it ought to be approved.

That is all I have to say at this time.

Mr. COAD. Mr. Chairman, I offer an amendment as a substitute to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COAD as a substitute for the amendment offered by Mr. H. CARL ANDERSEN: Page 9, line 15, strike out "$2,500,000."

Mr. COAD. Mr. Chairman, I believe we have almost unanimous agreement here on the basic realization of the fact that the taxpayers should not pay for the importation of labor which is almost serfdom and slave labor in the beginning.

In the second place, it is not conceivable to stretch the imagination to the extent of believing that all of the people of the United States benefit by this program of the importation of Mexican labor into the United States. I am certain, so far as I can tell, that labor itself does not welcome this kind of imported labor in competition with that which we have already established amongst our people in the United States.

Thirdly, it is obvious, as you go out into the rural areas of these United States that people by droves have gone from the farms and ranches into the towns looking for employment. I have been receiving letters constantly from my constituency concerning people from the farms in my district who have gone into town in competition with the labor market which already has been established there.

If it is the policy of the Federal Government to import labor, then we by that means disrupt further the labor market we have already established. We would then have more of a farm labor problem than we ever had in the beginning. I trust that there will be support for this amendment to strike out the entire item of appropriation.

Mr. JENSEN. Mr. Chairman, would the gentleman yield?

Mr. COAD. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I want to say that I am going to support the gentleman's substitute because I feel that the time has come when we have to get away from some of these deals that are costing the Federal Government so much money. Certainly this is a place where we can do it and we would not be hurting anyone but helping a great many people in the United States who need to work.

Mr. O'HARA of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suppose it is not generally understood that this problem of Mexican labor is of interest to a State as far north as Minnesota, but it is of tremendous interest to my district particularly and I think to southern Minnesota in general because for a number of years the great pea and corn canning industries of Minnesota have had to depend largely on this type of labor coming from either Jamaica or Mexico.

I am perfectly familiar with the treatment of those men. They are paid the going wages. There is talk about cheap labor, but they are paid the going wages everybody else is paid.

Why are they needed? They are needed because local American labor does not want to do the type of work that is necessary to be done. I suppose it is true in California, in Indiana, and in other parts of the country that you have to depend on this type of labor. It has to be imported. The men are treated excellently. The firms who hire these people give them the best kind of care and food and every attention they would give any other type of labor.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Indiana.

Mr. BEAMER. I am happy that the gentleman has referred to the State of Indiana, for two reasons: First of all, we, too, produce some of the very best tomatoes and the best tomato juice. I think the Members of the House can attest to that fact. In that area we have stoop labor. We cannot get help from the factory, the farm, or the cities to do that kind of labor.

I compliment the gentleman on his stand on this subject. In our area Mexicans and Jamaicans and others have been coming in. I think it is proper we should keep them. Last year, with the support of the farm and labor organizations, I introduced a migratory farm labor bill, and I call to the attention of the gentleman from Rhode Island [Mr. FOGARTY] that we need additional money for that purpose.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. TEAGUE of California. Is it not a fact that in Minnesota as in California the farmers would prefer to have domestic, local labor rather than this imported labor?

Mr. O'HARA of Minnesota. Of course they would.

Mr. TEAGUE of California. Is it not a fact this labor costs more to the farmer than domestic labor does?

Mr. O'HARA of Minnesota. The gentleman is right, because they have to pay the transportation and other expenses.

Mr. TEAGUE of California. They have to get a certificate that no domestic labor is available, they have to pay the going rate plus transportation to and from Mexico, and they have to pay insurance and other charges.

Mr. O'HARA of Minnesota. The reason they have to get this labor is that domestic labor is not available. They cannot get it.

(By unanimous consent, at the request of Mr. H. CARL ANDERSEN, Mr. O'HARA of Minnesota was permitted to proceed for 5 additional minutes.)

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. H. CARL ANDERSEN. The gentleman from Minnesota [Mr. O'HARA] is absolutely correct in what he has to say as to the need for this program. The average farmer or laboring man up our

way would never consent to going into the fields, such as the gentleman has, and do this stoop labor.

Mr. O'HARA of Minnesota. That is right.

Mr. H. CARL ANDERSEN. Consequently, I am opposed to the substitute for my amendment. All I am seeking to do is cut down the agency requirements here to a level consistent with what they had in fiscal 1957, with which they handled this program. Does not the gentleman feel they should be able to do a satisfactory job with the personnel and with the $2,100,000 they had available in fiscal 1957?

Mr. O'HARA of Minnesota. I think they can carry out the program with the present personnel they have.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. THOMSON of Wyoming. I congratulate the gentleman on the position he has taken here. In the State of Wyoming, together with about 17 other States, we raise sugar beets. It is impossible to get local people or any people in the United States to perform that type of stoop labor. I would just like to point out that this has done the people of the country a great deal of good. We had this legislation up for discussion a year ago, and it was predicted it was going to hurt the consumer. What is the fact today? The world market for sugar is $1 higher than the market here in the United States. It is important that we preserve our industry. They have to have this labor. I am for economy, if it is necessary, and if it is proper, as it seems to me it is and I would support the amendment offered by the gentleman from New York [Mr. TABER] to pay for it if we need it.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. FISHER. I would like to clarify this situation a little bit because I detect some confusion here. An amendment was offered to strike out the $2,500,000 which is salaries and expenses for carrying on this program. It has been pointed out by the very able chairman of the committee, the gentleman from Rhode Island [Mr. FOGARTY] that the people who use this labor now pay $7 for each one of them. It was formerly $12 and it is now $7. It is also pointed out that they anticipate $490,000 of that will be used during the next year. At $7 each that will run well over the $2,500,000. So, according to that, the thing is self-supporting and the amendment offered by the gentleman from Iowa would actually deprive the Treasury of some money.

Mr. O'HARA of Minnesota. That is correct.

Mr. FISHER. Personally, I represent a district along the Mexican border and we make some use of these nationals. So far as I know the employers would be pleased to pay $12. Of course, that would be a matter for the Committee on Agriculture to determine. I suggest to the gentleman from Iowa, if he wants to do something constructive on this, that he introduce a bill and go before the Committee on Agriculture to amend the Mexican Labor Act and increase it from $7 to $14 or $12 or whatever it is.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. COOLEY. That is already provided for in the law. The only reason they reduced the fees was because of the fact that they were accumulating a profit and it was never intended that the Federal Government should make a profit on this.

Mr. FISHER. Of course not. So actually this is a self-supporting program.

Mr. COOLEY. Now they have increased the fees so as to make it self-supporting.

Mr. FISHER. Now getting back to the original proposition offered by the gentleman from Minnesota [Mr. ANDERSEN], I subscribe to his amendment which I think is sound because they are asking for some additional employees with particular reference to this housing thing which, if examined carefully, will not appear to be sound. I think they have the employees. I think they have about 60 of them to do that or more than 40, I know.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. ROOSEVELT. I would like to get something clear in my own mind before I vote on the amendment. Is it not a fact that the figure, as it came to us from the Committee on Appropriations, is actually a self-supporting figure, therefore, there is actually no reduction here and no weight upon the taxpayer?

Mr. O'HARA of Minnesota. I am not sure about that, I will say to my colleague.

Mr. ROOSEVELT. Can I ask the chairman of the committee whether he would answer that question? Is it not true that this $7 now being paid will actually carry the amount recommended by the Committee on Appropriations and that, therefore, this reduction is no relief and actually no relief to the taxpayers and all it does is to penalize the Department in doing the job properly of enforcing an international agreement made between Mexico and the United States?

Mr. FOGARTY. That is correct. If they are thinking of using 490,000 workers, as they anticipate in 1958, you are absolutely right.

Mr. ROOSEVELT. So the money is actually coming from the farmers themselves, and what the gentleman from Minnesota has proposed is not in any way a saving to the taxpayer.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. H. CARL ANDERSEN. Certainly this money is a direct appropriation and surely the gentleman from California [Mr. ROOSEVELT] will not say that it is a crime to try to save the taxpayers a few dollars. The money that does come in from the program does go into the Treasury, but that is no reason why we should squander it all on bureaucrats here and scatter it all the way over the State of California.

Mr. ROOSEVELT. Bureaucrats are not limited to the State of California.

May I say in answer to that, this is an agreement between Mexico and the United States, and if we do not enforce it we are doing a great deal to ruin the so-called good neighbor policy between the two countries.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. I would just like to say that these 490,000 Mexicans they are bringing in for temporary work are all exempt from our income tax laws. The men who employ them pay nothing into the social security tax at all. I am of the opinion it would be wise to support the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and strike out the whole program.

Mr. DENTON. That goes to pay a part of the expense, but this $2½ million comes out of the Treasury, that is to supervise this program. It seems to me there is no reason why all the people of the United States should pay for the supervising of this program.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. O'HARA] has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

Mr. HOFFMAN. Reserving the right to object, is the gentleman going to speak or is he going to yield some more?

Mr. O'HARA of Minnesota. I am going to speak myself this time.

Mr. HOFFMAN. I withdraw the reservation.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'HARA of Minnesota. I would say in conclusion of this colloquy that has taken place, it is obvious that this is an important program. I would dislike to see the House strike out this entire program. I am as economy-minded as anybody in this House. But I think it would be a serious mistake to strike out this entire program. I do concur with the gentleman from Minnesota [Mr. H. CARL ANDERSEN], who is offering the amendment, which I support and I shall support it on a vote, but I certainly shall oppose the amendment offered by the gentleman from Iowa to strike out all of this appropriation, because this is a highly necessary program. It is highly necessary that it be supervised by the Government in the interest of the program.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. O'HARA] has again expired.

Mr. TABER. Mr. Chairman, I move to strike out the last four words.

I want to say to the members of the committee that the gentleman from Rhode Island [Mr. FOGARTY] and I have agreed that after the amendments relating to this paragraph are disposed of the Committee will rise tonight. The sooner we get through with this the sooner we will rise.

Mr. COLMER. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLMER to the amendment offered by Mr. H. CARL ANDERSEN: At the end of the amendment offered by Mr. H. CARL ANDERSEN insert "*Provided*, That the full amount provided herein shall be reimbursed to the Treasury through payments by farmers using such labor on a pro rata basis."

Mr. GATHINGS. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill.

Mr. COLMER. I wonder if the gentleman would reserve the point of order.

Mr. GATHINGS. I will reserve it but I would like to have it ruled on later.

Mr. COLMER. Certainly. That is what I meant.

The CHAIRMAN. The gentleman from Arkansas reserves the point of order against the amendment to the amendment.

Mr. COLMER. Let me say this: I offered this amendment in good faith, as a result of the colloquy that ensued a moment ago and the statement of the distinguished chairman of the subcommittee.

I believe in practicing what you preach. I am one who is very much of the economy mind. I am not a new convert to this subject. If the people want to use this labor why should the Federal Government be required to pay for their use? In the final analysis it is a subsidy.

Quite a bit of this labor is used in my State, but I repeat I believe in practicing what I preach. If we are going to retrench and economize we are going to have to go down the line and not only economize and retrench upon those items that do not affect us, but if we are going to cut we are going to have to cut where it hurts sometimes.

This Government owes approximately $276 billion in debt. If we started right now to retire that debt at the rate of $5 billion a year, there would not be many of us around when we got through paying it off, yet we continue to operate on deficit spending or at least failing to do anything about reducing it.

I do not like to bore you with these elementary facts, but does it not alarm you, as it does your taxpayers at home, that it is costing more to service the national debt than it cost to operate the whole Federal Government a quarter of a century ago? Somewhere down the line we have got to make a stand, and I offer this amendment in good faith. I hope it will be adopted and that the point of order will not prevail.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. If it were possible to vote for this amendment at this time without a point of order being raised against it I would support the amendment to my amendment. I think it is a good one.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. McCARTHY. For the sake of the record on the question of who is now supporting this amendment I would like to point out that when this amendment was offered to this legislation when it was considered by the House the best we could get was 62 votes for it.

Mr. COLMER. The gentleman means this particular amendment was offered?

Mr. McCARTHY. Yes.

Mr. COLMER. The gentleman's recollection I am sure is correct. I have no particular recollection.

The CHAIRMAN. Does the gentleman from Mississippi want to be heard on the point of order?

Mr. COLMER. No. I offered it in good faith and I stand on that statement.

The CHAIRMAN. The Chair is ready to rule.

The Chair sustains the point of order.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. To what amendment?

Mr. COOLEY. The amendment striking out $2,500,000.

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. COOLEY. Mr. Chairman, I think most of the Members will remember the tragedy that happened on the floor of this House on one occasion when we were discussing this controversial problem. On that occasion several Members of this House came very near losing their lives. Several were seriously injured. I hope nothing like that will happen while I am talking about this amendment today.

I think most of the Members will also remember that while I have supported this Mexican labor program I have had some very serious misgivings about it, but I feel now that since we have a treaty with Mexico we have no alternative other than to keep faith with that treaty. In addition to that, the farmers of the Nation are counting on this Mexican labor. If the labor is not permitted to come in legally you may be sure that the laborers will be brought in illegally. In the first place, I prefer to have the farm labor of this country performed by American workers, but, actually, the stoop labor that is performed by these Mexican nationals is a type of labor that the American worker does not seem to be interested in.

The cost of transportation, subsistance, and maintenance is paid for by the employer and we fixed this in the legislation in our committee. I believe we fixed a limit of $15 per person. For a while that fee was charged and a surplus was accumulated in the fund. Then the fee was reduced gradually until the fee went down to $3 and $1, $3 for the original contract of employment and $1 for reemployment. They have increased those fees back to $4 and $7. I suppose that the people in the Department who fix the amount of the fee fix it with the idea of making the program, or at least that part of it, self-supporting.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. JENSEN. Does the department have the authority to place these fees wherever they see fit up to a certain amount? In other words, is there any limit?

Mr. COOLEY. I may say to the gentleman I have not seen this law in a long time, but my recollection is we fixed a ceiling and left it in the discretion of the department to fix the fees under the ceiling of $15.

Mr. JENSEN. If that is the case, then it appears to me that language could be written in this bill without having a point of order made against it which would provide that the fee shall be sufficient to pay the administrative costs.

Mr. COOLEY. I think the Government does bear the administrative costs. You will recall that these laborers performed some very essential work during the time of the war when we were in an emergency.

Mr. JENSEN. All right. Let me say this: I think the sense of the Members of the House is that this project should be self-supporting. Could not the chairman of the Subcommittee on Appropriations inform the department that handles this project that it place these fees on a basis where the program will be self-supporting?

Mr. COOLEY. I doubt if that would be compatible with either the letter or the spirit of the basic legislation. I will say to the gentleman and also the gentleman from Iowa who offered the amendment that the matter will receive the attention of our committee. I am inclined to say now that I would be in favor of making this program self-supporting in its entirety. The gentleman from Arkansas [Mr. GATHINGS] is chairman of the subcommittee that handles the legislation. He is here and I know he is interested in the program.

I want to say before you vote on the gentleman's amendment, please do not knock out the $2½ million and wreck this program, and, at the same time break faith with this treaty with Mexico. That is all the interest I have. I will go further and say I will try to have the committee to consider immediately the advisability of making the program self-supporting in the future.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. DENTON. We make the farmer pay $15 now, which covers certain expenses, such as transportation and things like that. But this $2½ million does not come from the revolving fund, it comes from the Treasury and covers the supervisory program.

Mr. COOLEY. And, I say if it is wrong then we should change it, we should change it in the House Committee on Agriculture rather than on an appropriation bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. MAHON. I know from first-hand that this labor program is most important to Texas and many other areas, and I thank the gentleman from North Carolina for permitting me to record my opposition to the proposed amendment by the gentleman from Iowa.

Mr. COOLEY. I think so, and I hope the amendment will be defeated.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. HOLIFIELD. I object, Mr. Chairman.

Mr. LONG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know a lot of you are ready to vote. Well, I have been here all day and I was here nearly every other day listening to the debate, so surely you can spare me about 4 or 5 minutes. I am vitally interested in this subject. I have vigorously opposed this Mexican labor bill every time there was any part of it on the floor, and I expect to continue to do that very thing. Many say, "Oh, they pay the same wage for this labor as they do for local labor." That is the same as saying that the veteran does not pay the discount when he buys a home. I live in a district that uses Mexican labor, too, and am familiar with how the program operates. I live in a district where they have been shipping in Hungarian labor also, and I want to talk about that, too, if I have time. But, this Mexican labor comes there and lives in small shacks.

They arrive by the truckload. Just as they ship in livestock, I have seen as many as 30 or 40 packed into 1 flat-bodied truck. They travel all the way from the Mexican border in the trucks and unload at the farm of the contractor. Here they are domiciliated in tiny shacks which amount to no more than a lean-to shelter. There is no such thing as sanitation or plumbing, and what water they use they haul in in barrels. Many of them do not even bother to live in these shacks but simply bed down on the ground without any shelter.

Customarily they have a so-called foreman who is able to speak some English, and he is the spokesman for the entire group. He comes to an agreement with the farmer and handles all the money for the group. There is no such thing as wage standards, and no one knows exactly what was paid except the farmer and the foreman. Wage standards and living conditions are thrown out of the window, and it is a matter of each person making the best deal possible. That is the way this program works in the Eighth Congressional District and the adjoining districts in the State of Louisiana.

In my district there are some large plantations, and in other areas there are small farms. In the area where the small farms are predominant the people do some truck farming and raise a small amount of cotton or corn but principally make their living working away from home. A considerable source of employment is on the larger plantations, and this category of labor is being deprived of the opportunity to work by the importation of Mexican labor. The residents of the Eighth Congressional District of Louisiana perform an honest day's work and in turn expect to be paid a fair and prevailing wage.

We are all proud of the living standards and conditions in our country, and these conditions are made possible only by payment of a fair wage scale. The entire balance is upset when cheap foreign labor is imported at the expense of many for the benefit of a few.

Apart from the displacement of local labor, I object to the morals of these imported Mexican laborers. My experience with them has been limited, but it is obvious that law-enforcement officers encounter a problem when the Mexican laborers are in any given vicinity. One was understood to make this reply upon learning that he would spend some time in jail for theft, "So what, it's O. K. with me; I will get three meals and a place to sleep."

Let us not misunderstand this thing. I am in support of knocking out the $2.5 million or any other amount for the importation of Mexican labor or other foreign labor that comes here in competition with local labor. If you want to vote for those few who hire this labor under contract for little or nothing, then vote for it, but do not be misled.

In the little city of Pineville, La., which has less than 10,000 population, there are about 15 Hungarians who have displaced 15 local citizens in jobs within the creosote and other plants.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from Arkansas.

Mr. GATHINGS. Before any of this labor can come into this country there must be a certification that local labor is not sufficient to take care of the needs in the area.

Mr. LONG. The program does not always work as intended. In my area I see every day during the cotton-picking season, the farming season, literally hundreds of good American boys walking the streets begging for jobs while the Mexican labor does the work.

Mr. GATHINGS. Let me tell you what they do in trying to get local labor. They preach the need for labor from the pulpit. They ask for this labor in every conceivable manner to do this work.

Mr. LONG. I am telling you of my experience with this program. I live among these people in my district and I know what is going on.

Mr. GATHINGS. How many of those Mexicans who worked in the gentleman's district were convicted of thievery? We have not experienced too much difficulty from these people. They are peaceful and largely law abiding.

Mr. LONG. I have no way of knowing how many of the Mexican contract laborers have been convicted of thievery but I do know that in every locality where contract labor is used there are complaints and law enforcement officers are kept busy in seeing that these laborers behave themselves.

We want to practice a little economy, and we want to keep the Government out of private business. We want the Government to quit interfering with the farmers and other people who have business to transact. I believe this is a very good place to begin. Stop the wetbacks from coming into this country and if we do not have a treaty to back it up, let us make one.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Iowa to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The substitute to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 104, noes 30.

So the amendment was agreed to.

Mr. FOGARTY. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

NATIONAL SUNDAY SCHOOL WEEK

Mr. JUDD. Mr. Chairman, I ask unanimous consent to address the House for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, may I call the attention of the House to the fact that the Laymen's National Committee, which is an organization of all faiths and dedicated to the furtherance of religion in man's everyday life, will sponsor the 13th annual National Sunday School Week April 8 through 14. The official theme for this year's observance is "Sunday School: Source of Spiritual Strength." It is hoped that this theme will be widely stressed by all avenues of communication in order to emphasize to the whole country the importance of early religious training for our young people—the same young people who will become the leaders of the Nation and to a considerable extent, of the world.

HOPKINTON-EVERETT RESERVOIR PROJECT, MERRIMACK RIVER BASIN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a bill introduced by me.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have this afternoon introduced a bill which authorizes the appropriation of $800,000 for the important work of the construction of the Hopkinton-Everett Dam in New Hampshire in

order to prevent floods in the Merrimack Valley. The able Member of Congress [Mr. MERROW of New Hampshire] introduced a companion bill. It is an extremely important measure to us in the Merrimack Valley. I hope the members of the Committee on Appropriations and the House will help secure the passage of this bill. The very distinguished chairman of the Appropriations Committee the gentleman from Missouri [Mr. CANNON] has promised us a hearing on the bill.

Mr. Speaker, the bill to which I have referred is as follows:

A bill to appropriate $800,000 for the construction of the Hopkinton-Everett Reservoir project in the Merrimack River Basin

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $800,000 to be expended by the Chief of Engineers under the direction and supervision of the Secretary of the Army to construct the Hopkinton-Everett Reservoir project in the Merrimack River Basin, as heretofore authorized by law.

THE SMALL-BUSINESS MAN OF THE NATION IS IN NEED OF IMMEDIATE TAX RELIEF

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, on March 6, 1957, in an effort to aid small business, I introduced H. R. 5704, a bill to establish corporate income tax rates at 22 percent normal tax and 30 percent surtax.

This bill, which was introduced in cooperation with the small-business men of my Congressional district, amends section 11 of the 1954 Internal Revenue Code and lowers the normal tax rate on all taxable corporate income from 30 percent to 22 percent and increases the surtax rate from 22 percent to 30 percent on taxable income in excess of $25,000.

If the provisions of H. R. 5704 are enacted into law, the change would apply only to taxable years starting after December 31, 1956.

Mr. Speaker, H. R. 5704 is identical to several bills introduced in the Senate and House of Representatives and is in keeping with the general desire on the part of many Members of Congress who have pledged themselves to secure tax relief for the little-business men and who are determined to redeem that pledge.

Contrary to the general impression of the 4,280,000 business concerns in the United States, as of January 1, 1957, only 300,000 of this number can be considered as big business, which means that 4,080,000 or 95 percent of all business concerns in the United States are classified as small business.

According to available statistics, the national income for the calendar year 1956 of all small-business concerns in the United States totaled nearly $20 billion and represents between 40 and 50 percent of the total dollar business of all manufacturing, wholesaling, retailing and service firms in the United States.

From the standpoint of employment, the Nation's business concerns employed 38,390,000, with 17 million of this number being employed by big business with 500 or more employees and the remaining 21,500,000 by small-business concerns with less than 500 employees.

As I have already mentioned, 95 percent of all the business concerns in the United States are classified as small business, employing less than 500 persons.

This is especially true in my home State of Pennsylvania where of the 255,000 business concerns, only 13,000 are classified as big business with the remaining 242,000 in the small-business category.

Mr. Speaker, legislation such as H. R. 5704 providing tax relief to small-business concerns in the United States is desperately needed if small-business firms are not only to exist but to grow and modernize in keeping with the Nation's expanding economy.

One of the real threats to the economy of our Nation at the present time is the inability of small-business concerns to retain earnings and plow them back into the business rather than see them absorbed as Federal taxes.

ONE HUNDREDTH ANNIVERSARY OF THE LEAVENWORTH TIMES

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. AVERY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. AVERY. Mr. Speaker, this month the Leavenworth Times, newspaper of Leavenworth, Kans., is 100 years old. It is the first newspaper in Kansas to attain this anniversary. During this period of time this newspaper has contributed to the outstanding history and development of the city of Leavenworth and the State of Kansas. The Times can be proud of its history and its accomplishments. It has attempted to give Leavenworth the best newspaper possible, and I think that during the years the editors and publishers of this newspaper have achieved their aim. This is manifested by the confidence given the paper by its many readers.

One of the publishers of this outstanding paper was D. R. Anthony, Jr. In 1907 he was elected to serve as a Member of this body from the First Congressional District of Kansas which I now have the honor of serving. Mr. Anthony ably served for 22 consecutive years; he did not seek reelection in 1928 because of ill health.

It is my privilege and pleasure to personally know Mr. D. R. Anthony III, present editor and publisher, and Mr. D. R. Anthony IV, copublisher of the Times, who are son and grandson of D. R. Anthony, Jr. They are carrying on the operation of the newspaper in the fine tradition and heritage which has been established during the past 100 years.

The Leavenworth Times is a charter member of the Associated Press.

The following is an account of the history of this excellent paper. It appeared in the special centennial edition of the newspaper for March 7:

The Leavenworth Times today enters upon its second century of service to the people of its community, a goal achieved by no other newspaper in Kansas.

The first edition of the Times appeared on the streets of frontier Leavenworth on March 7, 1857. Its pages have chronicled the day-by-day developments of great events of the past 100 years.

But then, as now, the Times' principal concern has been with life in Leavenworth—the stories of grief and joy, weddings, and funerals, everyday happenings.

This article will not attempt to sketch the broader aspects of the first century in Leavenworth. That is more of a leisurely task for historians and academic men without deadlines to meet. Instead, some of the highlights in the life of the newspaper itself will be revealed.

These accounts may revive old memories for some readers. For others, they may reveal interesting, even quaint, happenings of the past.

It is safe to say no one now alive can remember when that first edition hit the streets. Those were turbulent days. The slavery issue inflamed hatred across the land. In Kansas had been sown the seeds of discord. Bloodshed was the harvest.

The Times had its beginnings in violence. A previous Free State newspaper, the Territorial Register, met its end in the Missouri River on December 22, 1855.

A gang of some 100 proslavery ruffians raided the Register's plant, established by Mark W. Delahay. The publisher later entertained Lincoln during the latter's campaign for the Presidency.

Despite strong opposition the proslavers seized the Register's equipment and dumped it in the river. From this lawless act, the Times had its beginning.

Men of courage and vision were not scarce in strife-torn Kansas Territory. They brought out a new Free State newspaper and saw it through, good times and bad.

But actually, the Times' story is not that of a single paper, but of several. They include four of the oldest journals in Kansas—the Times, the Conservative, the Bulletin, and the Commercial.

Final consolidation of the four occurred January 1, 1876, when the Commercial was merged with the Times. Years later the Times acquired the Evening Standard. In 1923 it absorbed the Post.

The Times was founded by Robert Crozier. Later, in 1868, Crozier was elected judge of the First Judicial District of Kansas.

He located the offices of his new newspaper on the third floor of a stone building which stood on the north side of Delaware Street.

After the Register was destroyed, Crozier was one of a group of Free State men to see the need of another newspaper to champion their cause.

His decision called for a great deal more courage than is needed today for such a business venture. In those days, one writer said, "Men were wont to debate the issues dear to their hearts with something more than words."

The fate of the Register could scarcely have been comforting to the new editor. Some delay was encountered in getting out the first edition. Crozier had to make a trip east to buy equipment.

When the first edition was published, it caused considerable excitement. Some persons speculated it would follow the Register into the Missouri River. Political feeling in this section ran high. The appearance of a new Free State newspaper was an event of no minor consequence.

Crozier's views were eagerly sought. So great was demand that the stock of newsprint was exhausted with the third edition. Crozier had counted on the supply lasting until mid-summer.

Success, rather than vandalism, brought an early end to Crozier's career as publisher. Six months after he had founded the Times he accepted an attractive offer for the newspaper from Col. J. C. Vaughan. The Army officer bought it September 28, 1857, for his son, Champion Vaughan, later to become General Vaughan.

Vaughan proved one of the most able newspaper writers in the country. "Possessed of an admirable store of adjectives, adverbs, and invectives, he was bright, competent, and fearless almost to the point of foolhardiness," said a later writer.

It was far from safe in those days for an antislavery man in Leavenworth to speak his mind with frankness. But Vaughan did not hesitate "to speak out boldly and pour whole broadsides of hotshot into the proslavery camp, blasting the slaveholders right and left." He expressed abolitionist principles with the utmost vigor and candor, as is shown abundantly by files of the newspaper.

For several months the paper operated under Vaughan's name. Then J. Kemp Bartlett purchased an interest on December 31, 1857. The firm name was changed to Vaughan & Bartlett.

Under this arrangement Vaughan continued for several months as editor. Bartlett was business manager.

Vaughan endeared himself and the newspaper to Free State interests by his able and fearless advocacy of the antislavery cause. He thus gained for the Leavenworth Times a wide reputation as one of the most competent and boldest journals of the newly founded Republican Party.

Yet despite his success, Vaughan, for reasons not made public, decided to sell his interest in the Times. On March 6, 1860, Vaughan sold out to his partner, Bartlett.

While the Times was experiencing those rapid changes of ownership only 4 years after its establishment another newspaper came into being in Leavenworth. It was the Conservative and its owner and editor was D. R. Anthony.

Anthony was born at South Adams, Mass., but had moved to Rochester, N. Y., as a young man with his parents. He had been graduated from Union Academy, a step higher in education than was usual for young men of those times. He had taught school and had worked with his father in the insurance business before coming to Kansas.

His first visit was in the summer of 1854 as a member of the first New England Emigrant Society group under Eli Thayer of Boston. He stayed a few months and decided to return east, wind up his business affairs, and move to Kansas permanently. While in Leavenworth on that first visit he helped found the town of Lawrence when Lawrence consisted of but one permanent dwelling.

He returned to Leavenworth in June 1856, and engaged in the insurance business. But he was a man who was intensely interested in the issues of the era. He wanted means of written expression.

His newspaper was established January 29, 1861. It was purely a coincidence that that date was "Kansas Day"—the day President Buchanan wrote his name on a slip of paper which was a bill admitting Kansas to the sisterhood of States.

Leavenworth was the end of the telegraph line from the east. Marcus J. Parrott, Kansas Delegate to Congress, wired his Leavenworth friends, Dan R. Anthony and D. W. Wilder, the news. They got out an extra edition. Anthony saddled his horse and reached Lawrence through snowdrifts by 9 o'clock that evening while the Territorial legislature was still in session at the Eldridge House. Anthony's entry and distribution of newspapers created jubilant confusion and ended the session. News accounts record that the Eldridge bar did a record business that night.

With the Conservative off to an auspicious start, Anthony's newspaper became the Leavenworth champion of Free State principles.

But Anthony continued to edit and publish the Conservative for a short time only. After Fort Sumter, S. C., was fired upon by Confederates the following April 12, he responded to a call by President Lincoln "for men to fight in defense of the Union and the rights of man."

Anthony was commissioned October 29, 1861, a lieutenant colonel in the First Kansas Cavalry. Before leaving for war, Colonel Anthony disposed of the Conservative.

Meanwhile, the Times continued under Bartlett as sole owner and publisher until October 1, 1863, when it was bought by Thomas Carney, who published under the name of the Times Printing Co.

Carney transferred operation of the paper into the hands of P. H. Hubbel & Co. on the following December 9, although he himself retained controlling interest for the next 5 years.

Hubbel & Co. published the Times for about 18 months. Then, on July 1, 1866, Hubbel & Co. sold out to Clark, Emery & Co., and with this as the name of the publishers, the Times was brought out for the following year and a little more.

Clark, Emery & Co. were succeeded on August 30, 1867, by the firm of Vaughn & Clark. They published for about a year. Then Clark retired and the newspaper was published under the name of John C. Vaughn.

Management of the Times passed from Vaughn on January 1, 1869, to Wilder and Sleeper. Carney at that time disposed of his interests.

After a succession of owners, the Conservative had become the property of Wilder and Sleeper who consolidated it with the Times on January 1, 1869.

Colonel Anthony repurchased the combined newspaper property on May 5, 1871. The Times has remained under the control and ownership of the Anthony family since that time.

Soon after returning to publishing, Colonel Anthony decided to merge the Bulletin with the Times. The deal was put through on November 12, 1871.

Some 4 years later, he determined to buy out the only other morning paper in the city. This was the Commercial, which had been established on July 1, 1858, by George F. Prescott, George C. Rume, and A. F. Callahan.

Through this succession of mergers, the one newspaper grew from what had been four of the oldest and most widely circulated newspapers in the State of Kansas.

Colonel Anthony continued to exercise direct management of the Times until his death, November 12, 1904.

After the Colonel's death the paper was taken over by his son, Daniel Read Anthony, Jr., also prominent in politics and civic affairs. He served as Representative in Congress from the First District from March 29, 1907, until March 4, 1929. His Congressional work was closely in connection with military affairs. For many years he was ranking member of the Military Affairs Committee; then chairman of the Subcommittee on Military Appropriations; finally, during his last term, as chairman of the Committee on Appropriations, a post second only to Speaker of the House.

Failing health caused him to decide in 1928 against seeking another term in Congress. He died in Leavenworth on August 4, 1931, at the age of 60.

Management of the Times then passed to Daniel Read Anthony III, who became editor. In 1949 the Times moved into a new building, one of the newest and most modern printing plants in the State of Kansas.

From 1896 until 1949 the paper was published in the Times Building on the southeast corner of Fourth and Shawnee. Before that the paper had been published in the Anthony Building on the east side of Main between Delaware and Shawnee.

On October 16, 1956, a member of the fourth generation of the Anthony family became a copublisher of the Times.

On that date Daniel R. Anthony III and his sister, Mrs. Eleanor Anthony Dadiani, partners in ownership of the Times, named Daniel R. Anthony IV as copublisher.

The younger Anthony began his work on the Times in the summer of 1941. He has served since 1948 as a full-time staff member. At this time he holds also the position of news editor.

Thus is traced 100 years of Leavenworth Times history. There is little similarity in the product of today when compared to the first issue, just as there is a vast difference in the method of production and in the men (and women) who produce the newspaper.

Newspaper publishing a century ago required little in the way of machinery. All stories were written in longhand and the type was set by hand, letter by letter. The press and page forms and type cases constituted the equipment. If Robert Crozier, editor of 1857, should walk into the Times publishing plant of today he would be as amazed and as confused as would a livery stableman of 1890 in an airplane hangar.

And the whole conception of a newspaper has changed with the years. Editing and writing of a century ago was personal and biased, reflecting the convictions and ambitions of the editor. Strong expressions of opinion were interwoven with the news. Most stories were dressed up to sway opinion. All newspapers did in those days of weighty issues.

The Times of today may not be as exciting to read, but it does attempt to give facts and facts alone in its news columns. Entertainment is provided by the best obtainable syndicated features. The product of today must be acceptable, since an estimated 35,000 persons read every issue.

Mr. Speaker, it has often been said than an individual's severest critics are either his close friends or those who are members of the same profession, and to be commended by a fellow member of your profession is indeed an honor.

The following editorials clearly show the great respect the newspaper profession has for the Leavenworth Times and its publishers.

The following editorial entitled "Kansas' First Newspaper Centennial" appeared in the Topeka State Journal, Topeka, Saturday, March 9:

A State noted for its newspapers and its tradition of colorful newspapermen attained an important anniversary this week.

The first Kansas newspaper to reach the century mark became the Leavenworth Times. With understandable pride the Times celebrated its centennial Thursday by republishing the front page of its volume

1 No. 1 issue of March 7, 1857, and issuing a special section recalling the paper's evolution from old times into the present.

Something unique about the Times is that almost all its life there has appeared but one name on its masthead, namely, "By D. R. Anthony." The first Daniel Read Anthony founded a newspaper in Leavenworth on the day of Kansas statehood, January 29, 1861. He it was who printed an extra and rode horseback with the telegraphed news of statehood to Lawrence where the Territorial legislature was meeting. (Leavenworth was the end of the telegraph line in those days.) He was from Massachusetts, a brother of Susan B. Anthony, the great suffragist.

Dan Anthony took time out to fight as a cavalry officer in the Civil War, returning to Leavenworth where in 1871 he bought the combination of his former paper with the Times. After the colonel died in 1904 the Times continued to serve its public under Dan Anthony, Jr., who presided until 1931 when Dan Anthony III took over. The latter, who has ably carried on the family tradition, was joined as copublisher last year by his son, Dan Anthony IV.

They say the first 100 years are the hardest and we hope there'll always be a Times and an Anthony to swear it's so.

The following editorial entitled "The Times of Leavenworth" appeared in the Manhattan Mercury newspaper, Manhattan, on Thursday, March 7:

If one should seek to read much of the colorful history of Kansas he would need go no further than the files of the Leavenworth Times. For that paper, marking its 100th anniversary yesterday, has chronicled the events of Kansas even before it became a State.

As is the case with so many Kansas papers, the Times emerged from the consolidation of several of them for the cities of our State from the beginning were well and picturesquely covered by the newspaper profession.

Starting with the colorful writings of the early editors, the Leavenworth Times, like so many of the other dailies in Kansas, has acquired respectability but at the same time keeping progressive not only in regard to its own operations but in its leadership in community and State affairs.

There is hardly a finer example of newspaper family responsibility than that which is called to public attention on the centennial of the Leavenworth paper. That is the Anthony family who remain as the present owners. D. R. Anthony began the family career in 1861 on the same day Kansas became a State when he founded the Conservative. He interrupted his career to serve in the Union Army but returned to newspapering in 1871 when he purchased the combined papers known as the Times. It has remained under that name and in the hands of that family ever since. His son ran it.

Now the grandson and great-grandson of the original founder are copublishers of the Times.

From shaky beginnings the Times now circulates to more than 10,000 subscribers a day, 6 days a week. Typically Kansan, it covers its area and all its news. It speaks up on the issues and exercises the type of leadership that has made Kansas papers something to be proud of.

Dan Anthony III and IV are to be congratulated on the anniversary of their fine newspaper. In maintaining their family's tradition in the newspaper field they have set an example for the profession in Kansas.

It is to be hoped that a hundred years hence other Anthonys still will be there publishing a paper that is a credit to a good community and a newspaper State.

BECK AND BREWSTER MORALLY UNFIT

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

Mr. SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, the time has come for some very plain talk from friends of the labor movement. Sometimes it is the office of a friend to speak the truth and not remain silent in the face of unpleasant facts.

I see no reason why members of the teamsters union should suspend judgment on their leaders who are in trouble. By their own admissions it is plain to me that Dave Beck and Frank Brewster are morally unfit to serve as officers of any union. In my opinion, these leaders are doing more to tear down the house of labor than its worst enemies. Beck has shown a flagrant disregard for his responsibilities to the Nation's working people, and I would like to express the hope that the executive council of the AFL-CIO will oust him from his position as one of its vice presidents.

The time has come, I believe, when we have the right to assert that a union office is a public trust.

As far as my knowledge goes, Arizona's teamster locals have a clean record of conduct, and I have sent a message to all teamster locals in Arizona today urging them to lead the way in forcing Beck and Brewster from their positions of leadership. The wire which I sent to these locals follows:

On the basis of their own admissions I am convinced Beck and Brewster are morally unfit to serve as officials of any union. They have flagrantly abused the trust placed in them by union members, and I believe their actions are doing great harm to the cause of working people in our country.

I would like to see Arizona's teamster locals lead the way in forcing Beck, Brewster and any other unfit officials out of the union. Such action will be a healthy demonstration of the basic honesty of the rank and file of the labor movement.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. GREEN of Oregon (at the request of Mr. PORTER), for today, on account of illness.

Mr. HILLINGS (at the request of Mr. AYRES), for week of March 25, on account of official business.

Mr. TRIMBLE, for 1 week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MEADER for 60 minutes on tomorrow.

Mr. BAILEY for 30 minutes on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ANFUSO (at the request of Mr. GORDON) and to include extraneous matter.

Mr. ENGLE and to include extraneous matter.

Mr. HERLONG and to include extraneous matter.

Mr. ROOSEVELT in one instance and to include extraneous matter.

Mr. COAD in two instances and to include extraneous matter.

Mr. LONG (at the request of Mr. POGARTY) to revise and extend his remarks made in Committee of the Whole and include extraneous matter.

Mr. POGARTY to revise and extend his remarks made in Committee of the Whole and include extraneous matter.

Mr. GATHINGS and to revise and extend his remarks made in Committee of the Whole and include certain matter.

Mr. ABBITT (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. McCORMACK and to include extraneous matter.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 26, 1957, present to the President, for his approval, a bill of the House of the following title:

H. R. 4939. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 29 minutes p. m.) the House adjourned until tomorrow, Thursday, March 28, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

661. A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1958 for the Department of Defense, civil functions, involving a decrease of $13,335,000 (H. Doc. No. 169); to the Committee on Appropriations and ordered to be printed.

662. A letter from the national executive director, Girl Scouts of the United States of America, transmitting the Seventh Annual Report of the Girl Scouts of the United States of America, pursuant to Public Law

272, 83d Congress (H. Doc. No. 140); to the Committee on the District of Columbia and ordered to be printed with illustrations.

663. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of February relating to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

664. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to encourage the extension and improvement of voluntary health prepayment plans or policies"; to the Committee on Interstate and Foreign Commerce.

665. A letter from the Chairman, Federal Communications Commission, transmitting a draft of recommendations for the enactment of legislation amending the Communications Act of 1934, as amended, entitled "A bill to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used pursuant to license issued by the Federal Communications Commission"; to the Committee on Interstate and Foreign Commerce.

666. A letter from the Acting Secretary of the Interior, transmitting one copy each of all laws enacted by the First Legislature of the Virgin Islands in its 1956 regular and special sessions, pursuant to section 9 (g) of the Revised Organic Act of the Virgin Islands of the United States, approved July 22, 1954; to the Committee on Interior and Insular Affairs.

667. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Yen Leong Wong, A-6366993, involving the provisions of section 6 of the Refugee Relief Act of 1953, and requesting that it be returned to this Service; to the Committee on the Judiciary.

668. A letter from the Chairman, United States Tariff Commission, transmitting the Ninth Annual Report of the United States Tariff Commission on the operation of the trade agreements program, pursuant to the Trade Agreements Extension Act of 1955, and Executive Order No. 10082 dated October 5, 1949; to the Committee on Ways and Means.

669. A letter from the President, Board of Commissioners of the District of Columbia, transmitting the draft of proposed legislation entitled, "A bill to amend the act entitled 'An act to provide additional revenue for the District of Columbia, and for other purposes,' approved August 17, 1937, as amended"; to the Committee on the District of Columbia.

670. A letter from the President, Board of Commissioners of the District of Columbia, transmitting the draft of proposed legislation entitled, "A bill to amend the District of Columbia Public School Food Services Act"; to the Committee on the District of Columbia.

671. A letter from the President, Board of Commissioners of the District of Columbia, transmitting the draft of proposed legislation entitled, "A bill to amend the act entitled 'An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes,' approved February 4, 1925"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE: Committee on Armed Services. H. R. 896. A bill to provide for the performance of heraldic services for the United States by the Quartermaster General; with amendment (Rept. No. 278). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 6191. A bill to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes; with amendment (Rept. No. 277). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 6304. A bill to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes; without amendment (Rept. No. 276). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 274. Joint resolution to waive the provision of section 212 (a) (9) of the Immigration and Nationality Act in behalf of certain aliens; without amendment (Rept. No. 276). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALGER:

H. R. 6407. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H. R. 6408. A bill to liberalize certain criteria for determining eligibility of widows for benefits; to the Committee on Veterans' Affairs.

H. R. 6409. A bill to authorize the National Potato Grade Labeling Act, which provides quality requirements for, and the inspection, certification, and labeling of Irish potatoes; to the Committee on Agriculture.

By Mrs. BOLTON:

H. R. 6410. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. BYRNE of Pennsylvania:

H. R. 6411. A bill to amend part III of Veterans Regulation No. 1 (a) to provide that pension payments which are waived by retired policemen shall not be considered as income; to the Committee on Veterans' Affairs.

By Mr. FLOOD:

H. R. 6412. A bill to amend title II of the Social Security Act to reduce retirement age from 65 to 60 in the case of men and from 65 to 55 in the case of women, and to provide that any fully insured individual who becomes permanently and totally disabled shall be deemed to have reached retirement age; to the Committee on Ways and Means.

H. R. 6413. A bill to amend the Fair Labor Standards Act of 1938 to fix the minimum wage at $1.25 an hour; to the Committee on Education and Labor.

H. R. 6414. A bill to create a Susquehanna Watershed Commission, and for other purposes; to the Committee on Public Works.

By Mr. POGARTY:

H. R. 6415. A bill authorizing certain construction for the protection of the Narragansett Bay area against hurricane tidal flooding; to the Committee on Public Works.

By Mr. FORAND:

H. R. 6416. A bill authorizing certain construction for the protection of the Narragansett Bay area against hurricane tidal flooding; to the Committee on Public Works.

By Mr. HALE:

H. R. 6417. A bill to provide certain assistance to State and Territorial maritime academies or colleges; to the Committee on Merchant Marine and Fisheries.

By Mr. HARRIS:

H. R. 6418. A bill to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H. R. 6419. A bill to amend the Civil Service Retirement Act with respect to the retirement of internal revenue agents and collection officers in the Department of the Treasury; to the Committee on Post Office and Civil Service.

H. R. 6420. A bill to provide for the construction of a fish and wildlife marine laboratory and experiment station in Brevard County, Fla.; to the Committee on Merchant Marine and Fisheries.

By Mr. HOLLAND:

H. R. 6421. A bill to provide a conclusive presumption of service-connection in the case of certain mental disabilities of World War II and Korean conflict veterans who actually participated in combat; to the Committee on Veterans' Affairs.

By Mr. LOSER:

H. R. 6422. A bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce and for other purposes; to the Committee on Agriculture.

By Mr. McINTIRE:

H. R. 6423. A bill to provide certain assistance to State and Territorial maritime academies or colleges; to the Committee on Merchant Marine and Fisheries.

H. R. 6424. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. MOORE:

H. R. 6425. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. RILEY:

H. R. 6426. A bill to provide that education and training may be afforded certain veterans under the Veterans' Readjustment Assistance Act of 1952 who did not initiate their program of education or training within 3 years after their discharge from active service; to the Committee on Veterans' Affairs.

H. R. 6427. A bill to provide that veterans may accrue educational benefits under the Veterans' Readjustment Assistance Act of 1952 and Public Law 894, 81st Congress, until individuals may no longer be inducted for training and service in the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROBSION of Kentucky:

H. R. 6428. A bill to provide for the award of the Good Conduct Medal to certain veterans of World War I; to the Committee on Armed Services.

By Mr. ROGERS of Texas:

H. R. 6429. A bill to increase the personal income-tax exemption of a taxpayer and the additional exemption for his spouse from $600 to $1,000, and to increase the exemption for a dependent from $600 to $750; to the Committee on Ways and Means.

By Mr. TEWES:

H. R. 6430. A bill to amend section 307 (d) of the Communications Act of 1934 (47 U. S. C. 307 (d)) to increase from 3 to 5 years the maximum period for which a broadcast license may be granted; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H. R. 6431. A bill to amend titles 10 and 32 of the United States Code to provide benefits for nonregular members of the Armed Forces, and members of the National Guard and Air National Guard, disabled from disease incurred while performing training duty; to the Committee on Armed Services.

By Mr. AYRES:

H. R. 6432. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. BASS of Tennessee:

H. R. 6433. A bill to amend the Meat Inspection Act to require the inspection and grading by the Department of Agriculture of meat and meat food products purchased by the Armed Forces; to the Committee on Agriculture.

By Mr. LESINSKI:

H. R. 6434. A bill to establish recognition and observance by employees in the field service of the Federal Government of State holidays; to the Committee on Post Office and Civil Service.

H. R. 6435. A bill to grant longevity pay step increases to Federal employees on an equal basis upon the completion by them of 10, 13, and 16 years of service, respectively; to the Committee on Post Office and Civil Service.

H. R. 6436. A bill to amend the Mutual Security Act of 1954 to encourage the establishment of free democratic governments in the nations of central and eastern Europe which are presently under Soviet domination and control; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 6437. A bill to appropriate $800,000 for the construction of the Hopkinton-Everett Reservoir project in the Merrimack River Basin; to the Committee on Appropriations.

By Mr. MERROW:

H. R. 6438. A bill to appropriate $800,000 for the construction of the Hopkinton-Everett Reservoir project in the Merrimack River Basin; to the Committee on Appropriations.

By Mr. SIKES:

H. R. 6439. A bill to provide for tax refunds in certain cases where it has been determined that an unlawful collection has been made; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H. R. 6440. A bill to amend the act of July 8, 1935, to authorize the appropriation of funds to carry out the purposes of the American National Theater and Academy; to the Committee on the Judiciary.

By Mr. CUNNINGHAM of Nebraska:

H. Res. 218. Resolution requesting the House Office Building Commission to report to the House with regard to the feasibility of deferring or abandoning the construction of the additional House Office Building and the remodeling of the existing House Office Buildings, including certain related projects; to the Committee on Public Works.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HILL: Memorial of the General Assembly of the State of Colorado memorializing the Congress of the United States to grant statehood to the Territories of Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to appoint a committee to consult with the various Indian tribes situated on the reservations in the State of Montana, and to encourage the members of such Indian tribes to conduct elections by referendum vote to determine if they wish, and to what extent they wish, to come within the civil and criminal jurisdiction of the State of Montana; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States urging the denial of passage of any legislation providing for the repeal or amendment of the long- and short-haul clause of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States favoring the early construction of the Pembina River Dam and Reservoir project for flood control, domestic, municipal, industrial and agricultural water supplies, etc.; to the Committee on Public Works.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States favoring the early construction of the proposed Pipestem Creek Dam and Reservoir project a few miles northwest of Jamestown, N. Dak., etc.; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 6441. A bill for the relief of Mrs. Loretto Araujo de Valles; to the Committee on the Judiciary.

H. R. 6442. A bill for the relief of Jose Valles; to the Committee on the Judiciary.

By Mr. ASHLEY:

H. R. 6443. A bill for the relief of Dr. Milan Gavrilovic; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H. R. 6444. A bill for the relief of Margaret Nelson; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 6445. A bill for the relief of Antonia Van Toste; to the Committee on the Judiciary.

By Mr. JOHANSEN:

H. R. 6446. A bill for the relief of Velios D. Nikolaou; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI:

H. R. 6447. A bill for the relief of Weronika Godlewska; to the Committee on the Judiciary.

By Mr. MACK of Washington:

H. R. 6448. A bill for the relief of Cathryn A. Glessner; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 6449. A bill to authorize a refund of social security taxes erroneously paid by the Watertown Housing Authority and certain of its employees; to the Committee on the Judiciary.

By Mr. YATES (by request):

H. R. 6450. A bill for the relief of Mrs. Essne York; to the Committee on the Judiciary.

By Mr. YOUNG:

H. R. 6451. A bill for the relief of Mrs. Balsina de Paolo Borrelli; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

169. By Mr. BUSH: Petition of 57 citizens of Montoursville, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

170. Also, petition of 78 citizens of South Williamsport, Pa., and vicinity urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

171. Also, petition of citizens of Williamsport, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

172. By Mr. JENKINS: Petition of 122 citizens of southeastern Ohio members of branches of the National Association of Letter Carriers; branches of the Ohio Federation of Post Office Clerks; National Postal Transport Association; Lockbourne Air Base and Columbus Army Depot urging Congress to do everything in its power to have passed into law S. 386 and H. R. 6, without amendments, and S. 27, S. 21, S. 910, H. R. 507, H. R. 2462, and H. R. 2474; to the Committee on Post Office and Civil Service.

173. By the SPEAKER: Petition of the State corresponding secretary, Ohio Society, DAR, Milford, Ohio, petitioning consideration of their resolution with reference to urging Congress to implement such legislation as will restore that balance of power specifically provided by the Constitution, etc.; to the Committee on the Judiciary.

174. Also, petition of the president, Public Affairs Luncheon Club, Dallas, Tex., petitioning consideration of their resolution with reference to requesting passage of legislation which will bring labor organizations, as are all corporations, under the provisions contained in the Sherman antitrust statutes, etc.; to the Committee on the Judiciary.

175. Also, petition of the national legislative director, Jewish War Veterans of the United States of America, Washington, D. C., petitioning consideration of their resolution with reference to reaffirming its opposition to any similar amendments affecting the President's powers to negotiate and the Senate's power to ratify treaties and agreements; to the Committee on the Judiciary.

176. Also, petition of the secretary, the State Bar of California, San Francisco, Calif., petitioning consideration of their resolution relative to incidents occurring at a recent public hearing in Los Angeles, Calif., of a subcommittee of the Committee on Un-American Activities, the House of Representatives, United States Congress, etc.; to the Committee on Un-American Activities.

EXTENSIONS OF REMARKS

Sovereignty, Civilization, and Ships

EXTENSION OF REMARKS

OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27, 1957

Mr. SALTONSTALL. Mr. President, on behalf of the Senator from Maryland [Mr. BEALL], I ask unanimous consent to have printed in the RECORD a brief statement prepared by him, a letter from Governor McKeldin to President Eisenhower, and the text of an address delivered by Governor McKeldin at the Chicago World Trade Conference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

The distinguished Governor of the Free State of Maryland, Theodore R. McKeldin, delivered a very significant speech recently before the Chicago World Trade Conference. In it the Governor expressed his concern over the fact that, at times in the past, there has been a gap between America's stated objective of increased world trade and our occasional lapse into unwise protectionism as typified by the unfortunate 50 percent increase in duties in Swiss-watch imports. Governor McKeldin underlined this point by adding the following statement:

"I have had a few occasions in the past to comment in particular on the injury to the Swiss-watch import trade by restrictive Government actions over the last several years, and now it faces threatened imposition of quotas based on claims of defense essentiality. Regardless of whether or not the domestic industry can properly be regarded as essential to our national defense, it is clear to me that import quotas will not serve the purpose of maintaining the vigor of this domestic industry—or of any other industry. I am convinced that the imposition of such devices only serves to harass trade—commerce which is so patently essential to our common security position. Far from expanding restrictions, we should liberalize them and expand trade instead. I have recommended to President Eisenhower, and I reaffirm today my conviction that beneficial psychological and foreign-policy results would flow from a revocation of the 1954 tariff increase on Swiss watches. This would be a bold stroke that could not fail to achieve good results both at home and abroad."

Governor McKeldin has sent a copy of this speech to President Eisenhower and, in his covering letter, the Governor warned the President that he is apt to be faced with a mounting drive for import quotas on watches, bicycles, and many other products, frequently based on a questionable claim by domestic manufacturers of their essentiality to national security. He urged the President not to yield to such pressures, but to continue to stand by the principles enunciated in his inaugural address when he rejected the "fortress America" concept.

Because of the thought-provoking character of the expressions of Governor McKeldin in his speech and in his letter to President Eisenhower, and because I believe that his opinions can be of value to all of us, whether we agree or disagree with him, I request unanimous consent to have them printed in the RECORD.

EXECUTIVE DEPARTMENT,
Annapolis, Md., March 5, 1957.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: As I have expressed to you on other occasions, I am in full accord with your continued efforts to increase the strength and security of the free world through policies designed to expand mutually beneficial trade and I try to lend support to these efforts at every opportunity.

It was especially gratifying to me, therefore, to note that in your memorable Inaugural Address you reaffirmed your deep commitment to this philosophy by rejecting the "fortress America" concept. It was meaningful, also, to read in your recent report to the Congress the affirmation that "our national trade policy, which seeks to promote the continued growth of mutually profitable world trade, is thus doubly in the self-interest of the United States: it furthers both our prosperity and our national security."

The principles embodied in these recent statements of yours have served me well in the preparation of an address which I made several days ago at the Chicago World Trade Conference. As I believe it may be of particular interest to you, I am attaching a copy of the speech herewith.

In this speech at Chicago before a large gathering of businessmen engaged in international trade, I emphasized an essential concomitant of the principles to which you have given expression and support: That it is the special responsibility of the business community to exercise its influence in enlarging the area of freedom for the conduct of world trade. I stressed the need for sustained interest and effort on the part of those businessmen and others who recognize the vital importance of expanded international trade. Only through such widespread understanding can we avoid further undermining of our trade objectives such as occurred when tariffs on Swiss watch imports were, unfortunately, increased by 50 percent in 1954. As I have mentioned previously, I do believe that beneficial psychological and foreign policy results would flow from a revocation of this tariff increase, and a more economic and more effective means of aiding the domestic industry might be developed if, indeed, such aid is merited.

I am disturbed to see today the threat of import quotas in both the Swiss watch and English bicycle cases. The use of such quotas, as I mentioned in my address, is alien to our free enterprise system because they stifle trade and tend to divert it into unnatural and artificial channels. Most alarming to me is the excessive clamor of protectionists for the use of import quotas in the name of national security. This proposition—at least, any promiscuous adherence to such a proposition—stands in bold contradiction to your forthright rejection of the "fortress America" concept.

Therefore, at the Chicago World Trade Conference last week, I took this occasion to call for a removal of restraints that inhibit foreign trade and to emphasize the need for acting with application and consistency if we are to achieve the goals we seek. One significant example is the present need for the Congress to endorse without further delay your repeated requests for enactment of legislation authorizing United States membership in the Organization for Trade Cooperation. Such an expression of leadership spells not only an important milestone in the course of world trade—it also represents enlightened self-interest by the acknowledged leader of the free world.

I hope that my efforts to gain increasing support for the principles you espouse will yield fruitful results and that the national interest will, as it must, eclipse the narrow goals of those who press for the restriction of imports. Clearly, the realization of this objective is of major importance in our continuing endeavors to achieve a true and durable security for the Nation and, in fact, for the free world itself.

With highest regards and all good wishes, I am,

Sincerely,

THEODORE R. MCKELDIN,
Governor of Maryland.

"SOVEREIGNTY, CIVILIZATION, AND SHIPS

"(Address by Gov. Theodore R. McKeldin, of Maryland, Chicago World Trade Conference)

"The word 'sovereignty' has come into increasingly common use in this country in recent years, especially in the dozen years that the cold war has been raging. I wish I could say that it has come into increasingly widespread understanding; but I am afraid that the facts would not bear out any such claim.

"As a matter of fact, it has always been an ill-defined word. Some of the shrewdest brains in the world among lawyers, philosophers, and statesmen have struggled to define it exactly, but with only partial success. Webster's Dictionary offers three definitions, of which perhaps the most definite is "the power that determines and administers the government of a state in the final analysis," which leaves the inquirer free to settle upon practically anything he wishes.

"Certainly in the United States the power 'that determines and administers the government' is very diffuse. Congress has part of it, the President has part, the Supreme Court has part; but I do not understand how any candid man can seriously maintain that all three branches of the Government put together have all of it 'in the final analysis.' At this moment we are shuddering at the threat of war in the Middle East. The President and Congress are making every effort to avoid it and in that I am sure they have the sympathy of the Supreme Court. Yet it may come, and if it does, to that extent this Government will be 'determined and administered' by forces beyond our control.

"In this sense, the 'power that determines * * * the government of a state'—the force that confronts and challenges the government—is external in nature. Recently the President asked the Congress for a declaration of support, for a vote of confidence, in the exercise of the influence and power of this Government in meeting this challenge. In the final analysis, he asked the Congress, the body representative of the people, to express the support of the American people. In a democracy no alternative course is possible. 'In the final analysis'—as that phrase is used in the definition of sovereignty—can only mean the people, the electorate who freely determine their government and the policies, both active and responsive, that their government will pursue.

"I cannot fail to observe in passing, that it is dangerously mischievous to attempt to interfere with or impair the essential function of sovereignty—that is, the conduct of foreign relations—through 'Brickerization' of presidential powers.

"Even within our own borders, government can do no more than direct and to some extent control forces that it did not create and could not subdue, if it wished to do so. One of the most powerful of these is commerce, or in the older, and in some respects better term, 'world trade.' The typical American trader is a private citizen engaged in what he regards as private business. The last thing he wants is to be saddled with any responsibility for the conduct of public affairs and most certainly he cherishes no ambition to regulate the affairs of foreigners, which he associates with sovereignty.

"Nevertheless, regardless of his wishes, he exercises part of the power 'that determines and administers' our national policy 'in the final analysis.' The conditions of modern life impose a certain measure of sovereignty on him, and unless he recognizes this and accepts the implications, he will not serve his country well. In the long run he will not serve himself well, either, although for a short time he may profit at the country's expense.

"What I wish to emphasize here is the special responsibility that American businessmen—particularly those businessmen who are engaged in foreign trade—have in helping give direction to our foreign-trade policy. The determination of the posture that our country assumes in the conduct of commerce among nations is an essential responsibility of the business community.

"The traditional policy of our country has been to encourage the maximum expression of individual preferences, initiative, and enterprise in the market place. This policy has brought great benefits to the economy and rewards to the participants. The logic of such a policy is equally applicable both with respect to domestic trade as well as to foreign commerce. Yet there are those in the business community who would willingly subject our foreign trade, and the American business community that is engaged in such trade, to restrictions and harassments. Indeed, if such restraints were applied to their own domestic affairs, these would be described by them at the very least as 'undue Government interference.'

"Is there any reason why freedom of enterprise should stop at the shoreline? Clearly, the answer must be 'No.'

"There cannot be one logic which applies to domestic trade and another to our foreign trade. To do so is to imperil our own economy. Our export trade accounts for over 3 million American jobs and for commerce that maintains our ports and merchant fleet. The simple arithmetic of logic and experience shows that we cannot export unless we import. And we must remember that imports not only support our exports but afford us supplies of essential and strategic raw materials that sustain our industries and offer competition which lends vigor to our industry and sharpens its enterprise.

"But, as important as is foreign trade to our Nation's economy and to our livelihood, such trade has assumed another dimension of critical importance in the middle of the 20th century. Trade nurtures and sustains the economies of our allies and of the entire free world community. Threats to their trade are threats to their very economic life. By the same token, the opportunity to expand trade offers them the promise of economic progress and growth.

"This is a setting in which we must regard the future of United States trade and tariff policy. And it is a future that is veiled in uncertainty and beclouded by lack of clear purpose on the part of the American people. We can do no better than to chart our course as did President Eisenhower in his stirring and memorable inaugural address. You will recall that he shunned the vague and illusory picture of a fortress America—a safe and solitary refuge in a sea of trouble. He proclaimed America's irrecovable commitment to a unity of purpose with the world community. Our strength is the common strength of free nations; our future inexorably entwined with that of all freedom-loving peoples.

"We are prepared to make sacrifices to achieve our common purpose: to shoulder the burden of armaments and to support the cost of essential programs of economic assistance. There is one thing, however, which we can and must do which will involve no cost but which will bring a harvest of mutual benefits to all the participants. That is to remove the restraints that inhibit foreign trade and to permit the expansion of such trade as conditions of the market place and the activity of the business community will permit.

"It saddens me to observe that our citizenry does not appear willing to give the support to this objective which it merits and requires in order to be brought to reality. The impetus of the 23 years of the reciprocal trade-agreements program has slackened. Instead of further tariff reduction, we have seen the expansion of escape clauses and higher duties imposed on such products as Swiss watches and British bicycles.

"I have emphasized that, in the conduct of foreign relations, the exercise of sovereign power must be accomplished without hindrance. We must recognize that trade relations are no less a part of foreign relations than diplomacy itself. Yet the free conduct of trade relations is threatened by restrictive restraints and compromises which can only sap the vigor of our policy and cast doubt upon our intentions.

"The treatment of British bicycles, Swiss watches, woolens and cotton textiles from Japan has become an unfortunate symbol of our trade policy to many of our free-word friends. Such actions and threats of restrictive action spell inconsistency in our trade-agreement commitments and inject uncertainty into the conduct of world trade. It is particularly ironic that the tariff increases on watches and bicycles have not satisfied the domestic industries; now they seek compound protection through import quotas.

"We have thus seen, as well, increased pressure for the use of quotas to restrict imports—quotas which are alien to our free-enterprise system because they involve direct intervention in the market place for the purpose of controlling and allocating trade. Foreign traders who have chafed over the use of such restrictions by foreign countries during the postwar period of reconstruction know too well how quotas stifle trade and tend to direct it into unnatural and artificial channels.

"Perhaps most alarming is the clamor on the part of protectionists for the use of import quotas based on the contention that a domestic industry is essential to the national defense. Nothing is more contradictory to a rejection of the 'fortress America' concept. Nothing would more directly alienate our allies than to limit our imports by making use of so thoroughly protectionist a device as import quotas.

"I have had a few occasions in the past to comment in particular on the injury to the Swiss watch import trade by restrictive Government actions over the last several years, and now it faces threatened imposition of quotas based on claims of defense essentiality. Regardless of whether or not the domestic industry can properly be regarded as essential to our national defense, it is clear to me that import quotas will not serve the purpose of maintaining the vigor of this domestic industry—or of any other industry. I am convinced that the imposition of such devices only serves to harass trade—commerce which is so patently essential to our common security position. Far from expanding restrictions, we should liberalize them and expand trade instead. I have recommended to President Eisenhower and I reaffirm today my conviction that beneficial psychological and foreign policy results would flow from a revocation of the 1954 tariff increase on Swiss watches. This would be a bold stroke that could not fail to achieve good results both at home and abroad.

"It is well to emphasize again and again that international commerce has a quality of essentiality of its own. For commerce is now and has been from the beginning of recorded history the lifeblood of civilization. At times various nations have sealed their borders against the trader, and centuries of stagnation have been the invariable result. China before the 19th century is the most conspicuous example, but Japan, India, Korea, and Tibet are others. Only where trade moves does civilization really live; and only where trade moves briskly does civilization grow strong and great. Can it be denied, then, that in the final analysis the trader exercises power that determines the destiny of the state?

"It is true enough that this sovereignty of trade is far from absolute, but it exists as certainly as the power exercised by the three branches of Government. It is part, and a highly important part, of the complex of forces that must be brought to work in unison if the Nation is to play successfully the part to which destiny is plainly calling it.

"If I could tell you how these forces are to be brought into focus, I could solve all the problems of statecraft and half the problems of business, here and now. I am not oracle enough for that; but I have wisdom enough—and so have you—to know that the problem will never be solved except by men who have faced it squarely, who know that some responsibility for the solution lies upon them, and who work vigorously to discharge that responsibility.

"I am reminded of a wise phrase of Wendell Willkie's which is found in his book of essays entitled 'An American Program.' Willkie wrote, 'Our sovereignty is not something to be hoarded, but something to be used.'

"Your sovereignty as citizens and as businessmen engaged in foreign trade must be used and exercised for what—and I refuse to say 'if'—when the men who control the movement of American commerce solve the perplexities that harass them today and gain a clear conception of the part they can play and how it should be played, an astonishingly large proportion of our international difficulties will disappear. I have no fear of any failure of either skill or will in American businessmen; what I fear is the shortness of time left to us. Our position in the world is clouded by many obscurities and the work of clearing them away is bound to be difficult; but with firmness, good will, and mutual confidence it can be done, and when it is done a large share of the credit will belong to the traders who have kept the blood stream of civilization moving."

Taxation of Cooperatives

EXTENSION OF REMARKS

OF

HON. MERWIN COAD

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. COAD. Mr. Speaker, in a recent letter from Mr. Allen Arnold, secretary of the Independent Grain and Feed Association of Iowa, I was asked to support H. R. 501 which is a bill to equalize

taxation and provide revenue. My reply to this request is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 26, 1957.

Mr. ALLEN ARNOLD,
Secretary, Independent Grain and Feed Association of Iowa, Lake Park, Iowa

DEAR MR. ARNOLD: Your letter of March 18 is at hand, in which you ask that I support H. R. 501, which calls for changes in the Internal Revenue Code of 1954.

The fundamental principle of a cooperative is basically set out by law and establishes that a cooperative, which does business with other than members, must pay regular taxes on the amount of profit which is accrued thereby. However, that part, which is returned to the members in the form of patronage dividends, is not profit in the same sense that corporation profits are. These dividends are on a proportionate share to the amount of business which the given member has transacted with himself. It is, therefore, not a profit but merely a business saving, which the member has thus been enabled to effect. Because of this principle, as established by law, that amount of dividend is not so classified as corporation profits are classed.

Now in effect, H. R. 501 says that any person who is able, through his own marketing facilities and otherwise, to effect a saving should be taxed as if he had made that amount in profit. The enactment of this bill would destroy the initiative of a person attempting to be thrifty and frugal in his business operations.

The cooperatives, as historically established, have proven their worth many times over, in the overall good which they have done, not only for those members specifically involved, but also for the good of the general economy. While there may well be specific instances of needs for change in the cooperative laws, it is not my present opinion that a blanket taxation of cooperatives is by any means the answer to whatever problem might exist.

I take this opportunity to thank you most kindly for your letter, and feel that this frank appraisal on my part is more appreciated by you than any standoff I might make up in this regard.

Please accept my personal best wishes.

Most cordially yours,

MERWIN COAD,
Member of Congress.

Federal Transportation Taxes Should Be Repealed

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. HERLONG. Mr. Speaker, as the spring arrives, and millions of Americans prepare to take their vacations, I am reminded that the 10-percent Federal transportation tax is still with us. That tax should be repealed as quickly as possible.

Mr. Speaker, the United States Government is one of the very few governments in the world—federal, state, or territorial—which does not recognize the importance of travel to the overall economy.

Forty-three of our States and three of our Territories maintain travel promotion departments and spend considerable sums of money in attracting visitors. There is every reason to believe that within a few years the remaining States and Territories will fall in line on this matter of travel promotion.

More than 40 foreign governments maintain branches of their official government travel bureaus in the United States. The purpose—to attract visitors from this country. Everyone of these foreign countries recognize the great importance of travel dollars.

Why do our States and Territories and more than 40 foreign countries devote so much attention to the development of travel business? I think the reasons are well summed up in this statement recently issued by the National Association of Travel Organizations:

It has been demonstrated that each State has its own distinctive features and attractions which appeal to travelers. There is no other way in which a State can sell itself to people everywhere as effectively as through advertising and exploiting these distinctive attractions. Travel appeals to everyone. Through it a mass appeal can be made, as distinguished from the limited appeal which can be made through extolling industrial or agricultural advantages.

It has been demonstrated that once a travel-promotion program has been undertaken, attention must be devoted to basic improvement programs at home. These programs must include such matters as better accommodations, better food, a wider variety of entertainment, sports and activities, greater neatness and cleanliness, and more friendliness and hospitality. These things benefit residents as well as visitors.

It has been demonstrated that, in conducting a State travel-promotion program, the travel industry is not being set up as a favored industry. The large amount of money brought in by travelers benefits the hundreds of types of enterprises which cater to the needs of travelers. It also creates, through their prosperity, a large demand for all types of goods and services. Travel promotion programs aid everybody, not just a favored few. No one has yet been able to devise a promotional program for any other industry which will, over a long period of time, benefit so many people. Travel promotion does not exhaust tangible resources. Instead it sells scenery, friendliness, and countless services over and over again to the benefit of all.

It has been demonstrated that effective State and regional development programs must include travel promotion, industrial promotion, and agricultural promotion, properly blended. The three go hand in hand and none can be neglected. The mass appeal is made through travel advertising and promotion. If large numbers of visitors are attracted to a State, many will return to become permanent residents. Among them will be business and professional people—industrialists, farmers, and retired people. The businessmen and industrialists will bring their employees, their manufacturing plants, and their payrolls. Business executives today are looking for pleasant living conditions for themselves and their employees, along with good transportation, ample sites, abundant water supply and the other usual requirements. The record shows that at the present time the States which are most adept at attracting visitors also have the best record for attracting new industry.

Although this statement pertains to the States, it also explains why the governments of more than 40 countries attach so much importance to travel promotions.

The United States Government has failed to follow the trend established by more than 40 other nations and by its own States and Territories.

There is no official program for attracting visitors from other nations to this country or assisting the States in the development of travel within the United States of America.

Just the opposite is true.

The United States Government, alone among the governments of the world maintains a 10 percent excise tax on the transportation of persons via the public carriers. It has removed a similar tax on foreign travel. It chooses to help send our people abroad and penalize them if they travel at home.

The United States Government, also alone among the enlightened governments of the world, maintains repressive laws pertaining to the admittance of visitors from other countries. In our anxiety to keep out undesirable alien immigrants, we have unwittingly built a fence around the United States which presents a very inhospitable barrier to those who would visit us of their own free will to spend their money with us and gain some first hand information about this country.

These two major obstacles to the development of travel which have been created by acts of the United States Government should be removed.

The tax on the transportation of persons should be promptly repealed.

The immigration statutes should be revised to encourage people from abroad to visit the United States of America.

The removal of the tax on the transportation of persons would deprive the Government of an estimated $190 million in revenue during 1957. But since a great deal of the travel via the public carriers is performed by businessmen traveling on expense account, the tax on travel is deducted from their income tax. Thus the $190 million collected from travelers will not be clear profit for the Government.

What would the effect of the removal of this tax be?

It would mean that the cost of travel via the public carriers would be reduced by 10 percent, making it possible for the more than 14 million families representing more than 40 million people in this country who do not own automobiles to travel more freely than they do now.

Travel officials estimate that with this brake removed, the 14 million families which do not own automobiles would take long-deferred trips and vacations, spending thereby, about a billion dollars in the year following the removal of the tax—a billion dollars that would be scattered around the Nation in your States and in mine.

If this is true, then the transportation lines would get 22 percent of this, or $220 million dollars in new business, which they could use.

The restaurants and food stores would get 27 percent or $270 million in new business.

The hotels, motels, and resorts would get 21 percent or $210 million in new business.

The retail stores would get 14 percent or $140 million spent for luggage, cameras, skis, sporting goods, and special clothing needed by the travelers.

The theaters, travel attractions, sports events, night clubs, and sightseeing lines would get 11 percent or $110 million.

The laundries, cleaning shops, barbers, telephone companies, utility companies, and other service institutions across the country would get 5 percent or $50 million in new business from this travel.

I submit that this substantial augmentation of the travel business throughout the land would help so many business enterprises meet more payrolls and pay for more goods and supplies that both corporate and individual income taxes payable to the Federal Government would be increased, as would the returns from the many sales and excise taxes which are involved when a billion dollars is fed into the economy in the manner just outlined.

If anyone questions the accuracy of the statistics and estimates quoted, let me tell you this. No agency of the Federal Government could supply this information. It came from the National Association of Travel Organizations, a nonprofit association of all types of travel enterprises in the United States of America.

This association is so anxious to prove that its facts, collected from State and private travel research agencies are right, that it has just raised a fund by private subscription, that will enable the United States Bureau of Census to make a national travel survey during 1957. Note—the travel industry is paying the United States Government to gather facts for it.

Based on the private research figures maintained by this travel association, United States citizens spent $25.5 billion for travel in 1956. This was for business and pleasure travel at home and abroad. $1.9 billion of this was spent abroad. The rest was spent in the United States of America, giving some idea of the very important role of travel in the national economy.

An indication of the fact that their figures are conservative may be gained from this comparison. The Florida State Chamber of Commerce estimated out-of-State tourist expenditures in Florida at $1,210,000,000 during 1955. The National Association of Travel Organizations credits Florida with an even billion in their tabulation.

It is difficult to compute the amount of Federal taxes generated by the travel business, but the total is very substantial. It is estimated that at least 40 percent of the total mileage piled up by private automobiles is for intercity or long-distance travel. The taxes on the gasoline, oil, and rubber alone constitute an enormous sum. Intercity bus mileage generates further Federal taxes. Diesel engines pulling passenger trains do. Gasoline consumed by airplanes is a factor. This is only the beginning of a long list of Federal taxes paid by travel enterprises.

The point is—the time has come for the United States Government to recognize the need for stimulating the travel business for the common good. The States and most foreign governments have long since done so.

The first step is to repeal the 10-percent excise tax on the transportation of persons.

Closely associated with the tax on travel is the 3-percent tax on the transportation of goods. This, too, has a repressive effect on the national economy.

All Northern California Democrats Oppose Pacific Gas & Electric Co. Partnership Proposal on Trinity River Project Powerhouses

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. ENGLE. Mr. Speaker, I wish to include in the CONGRESSIONAL RECORD a statement by all the Democratic congressmen from northern California opposing the so-called partnership proposal of the Pacific Gas & Electric Co. for building the powerhouses on the Trinity River project.

JOINT STATEMENT OF CONGRESSMEN FROM CENTRAL VALLEY AREA IN OPPOSITION TO PACIFIC GAS & ELECTRIC CO. TRINITY PROPOSAL

We have studied carefully the recommendation of Secretary Seaton that Congress approve development of the Trinity Project power facilities by the Pacific Gas & Electric Co. This bold attempt on the part of the administration to circumvent and repudiate existing law and revise the concept of developing reclamation projects is completely unacceptable to us. A few of our reasons are set out briefly in the following paragraphs.

EXISTING LAW AND POLICY WOULD BE VIOLATED

The Federal Government's power policy, as set out in numerous acts of Congress, provides that electric power and energy be disposed of in such manner as to encourage the most widespread use thereof at lowest possible rates to consumers consistent with sound business principles, and that preference in such disposition shall be given to public agencies, municipalities, and cooperatives. If this long-established policy is to be modified to put power operations on a profit-making basis—and we believe it should not be modified in the interest of fullest use of the Nation's water resources for the benefit of the greatest number of our people—but if it is to be modified, the approach should be direct and not by the back door; i. e., it should be done by legislation generally applicable to all projects and areas and not by singling out one individual unit of a going multiple-purpose development.

BASIC CONCEPT OF RECLAMATION DEVELOPMENT WOULD BE CHANGED

The Central Valley project was not constructed for profitmaking purposes. It was constructed to meet the needs of the people of the Central Valley Basin for water, flood control, and low-cost electric power. The Trinity River addition to the project, as indicated in the authorizing act, is subject to the provisions in reclamation law with respect to the disposal of electric energy. The Secretary's recommendation would require extensive amendments to the authorizing legislation enacted less than 2 years ago and approved by the President. The Secretary's recommendation would further deny 250,000 kilowatts of low-cost electric power to the consumers of northern California, including Federal installations, and would result in the partitioning of one segment of this vast integrated system of dams, reservoirs, canals, transmission lines, etc., for construction entirely separate and different from the rest of the project. Such a procedure would irreparably disrupt existing operation of the Central Valley project and threaten future development.

POWER CONSUMERS WOULD NOT BE PROTECTED

The proposed contract between the Department of the Interior and the Pacific Gas & Electric Co contains no provisions for the protection of the power consumers, and in this respect the proposal violates the intention of Congress in authorizing the negotiations. The Senate report implementing the authorizing legislation clearly states that the authorization for negotiations should in no sense be understood to waive, in the negotiations, existing provisions in reclamation law. Secretary Seaton admits that acceptance of his proposal would result in preference agencies paying $86 million more for energy over the contract period and that this additional cost to preference agencies would be $118 million if the San Luis Unit is constructed. There is a growing indication that the Secretary has greatly underestimated these losses.

The Pacific Gas & Electric Co. pays no money it does not collect on the electric bills and therefore, if the proposal were accepted, the homeowner, farmer, and businessman would find on their power bills the Pacific Gas & Electric Co.'s highly advertised "generous payments" to the Government as well as the cost of the powerplants and the Federal, State, and local taxes, and a nice profit to the company.

WATER USERS WOULD NOT BE PROTECTED

Acceptance of Secretary Seaton's recommendation would place project operations on the basis of maximizing power and energy production. This is indicated in the proposed contract by provisions requiring penalty payments by the Federal Government for noncompliance with release schedules designed to maximize power and energy production. Unforeseen periods of low flow could result in enormous payments by the Federal Government to the company in penalties. Conflicts between operations for meeting the water needs of the Central Valley and power operations would be bound to arise and we fear that when this serious problem involves the substitution of dollars for water, it would be the water users who would be hurt. Although, theoretically, the water needs of the Central Valley would retain priority, we fear that there is danger in actual practice that this would not be the case.

WOULD MEAN THE END OF LOW-COST POWER IN CALIFORNIA

We believe that the Pacific Gas & Electric Co.'s design on the Trinity power facilities foreshadows something even bigger and that the real purpose of the company is to stop for all time the expansion of Federal power in California in order that it may monopolize the power market in that area. Acceptance of this proposal would set the precedent for future Federal development in California and elsewhere. If this happens, it will be to the detriment of not only the potential direct beneficiaries of Federal power but also every user of electricity in the area. Experience and history have shown that the existence of Federal power in an area has had the effect of holding down prevailing rates in that area, including rates of private utilities. Compare, for instance, the prevailing rates in the Northwest with those in the Northeast.

CLAIMED ADDITIONAL SURPLUSES NOT NEEDED

The Central Valley project is already on a very sound financial basis. Financial studies of the presently authorized project, including the Trinity addition, indicate a surplus of about $114 million at the end of 50 years and financial studies including proposed future additions all indicate that power revenues will be sufficient to carry forward future irrigation development as rapidly as it is needed. Additional revenues, therefore, are not needed to assist irrigation development. On the other hand, the denial of low-cost electric energy to irrigation districts would hardly support the Secretary's statement that, under his recommendation, power would become a better partner to irrigation development in the Central Valley project area.

FEDERAL GOVERNMENT IN UNFAVORABLE POSITION AT END OF CONTRACT PERIOD

Another very important aspect which we believe has not been given adequate consideration by the Secretary is the relative positions of the Federal Government and the Pacific Gas & Electric Co. at the end of the 50-year contract period. The Federal Government could take over the power facilities at the end of this period only by payment of the company's net investment plus severance damages. In other words, under Federal construction the Federal Government would own the power facilities at the end of the 50-year contract period while under the recommended proposal the Pacific Gas & Electric Co. would own the power facilities. The Secretary's financial comparisons overlook this item. Recent experience of the State of California in a similar situation is an indication of what the Federal Government may be faced with at the end of the repayment period. The Pacific Gas & Electric Co. constructed its Big Ben powerplant on the Feather River sometime between 1908 and 1910 at a cost of about $7,700,000. This plant will have to be purchased by the State of California in connection with construction of its Feather River project. On December 2, 1954, the company advised the State of California that the plant is now worth $83 million.

OUR CONCLUSION

Therefore, for the reasons set out above, among others, we reiterate that Secretary Seaton's recommendation that the Pacific Gas & Electric Co. be permitted to build the Trinity project power facilities is completely unacceptable and should be rejected, and construction of the Trinity River division should proceed in accordance with the Trinity River Act of August 12, 1955.

CLAIR ENGLE.
B. F. SISK.
JOHN J. MCFALL.
JOHN E. MOSS.
JOHN F. SHELLEY.
GEORGE P. MILLER.
HARLAN HAGEN.

Our Middle East Policy Has Been One of Confusion

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include a statement given by me to the Boston Traveller, of Boston, Mass., and appearing in its issue of March 25, 1957:

Our foreign policy during the past 2 years has been one of sharp contradictions, due to uncertainty and indecisive thought and action. The responsibility for this definitely rests with President Eisenhower. It is about time that the blame for our present situation be placed where it rightfully belongs—on President Eisenhower.

Our Middle East policy has been one of confusion.

The Eisenhower Middle East doctrine is as a result of the lack of vision to appreciate the implications involved, and with the proceeding upon the hope that the Kremlin and Nasser would be good. This is false thinking.

It is well known that with firmness on our side, Nasser would have been ousted by forces within Egypt long ago. It is also known that while the leaders of the other Arab nations are determined to destroy Israel, that most of them hate and fear Nasser. President Eisenhower has failed to exploit this fact.

We now find Nasser, whose forces were decisively defeated by the Israelian forces, gaining a great political victory, and more dangerous as a result of the weak leadership on the part of our country.

By the indecision and failures of President Eisenhower, we find Dictator Nasser—saved from defeat and removal from office—acting not only like a dictator, but also like a conqueror.

It is clear that Israel withdrew its forces from the Gaza strip and elsewhere upon at least implied promises being made by our Government and by representatives of the United Nations that Aqaba Bay would be open to Israelian shipping, and that Israel would be protected in the future from Egyptian raids from the Gaza area by the United Nations forces taking over. It is a moral, if not legal, obligation to carry out promises made, either expressedly or by implication.

To allow Nasser to get along with his present plans will be capitulation on our part. Our own national interest is involved. Every nation is watching the United States to see if it will follow a weak or firm policy. When they see weakness or indecision on our part, it causes them to doubt us. The result is neutralism, or the journey toward neutralism—either one of which is unfavorable to us. So, it is more than a question of Israel and Egypt, or other Arab nations—it is a question of our own national interest being involved.

If Nasser gets away with his present plans, our country will be the laughing stock of the world. It will be a serious blow to our best interests. The Kremlin will benefit.

Our leadership should have foreseen the probability of what is now happening. At the last meeting of the leaders of both parties at the White House, when administration spokesmen said that if Israelian forces withdrew, the problem was solved, some of us present warned that if Nasser objected to the United Nations forces immediately going into the areas vacated by the Israelian forces, that the United Nations forces would probably not do so. We also warned them that if this happened, and there was a good probability, that would be capitulation on our part.

We were informed that in private talks with representatives of the United Nations, that the United Nations forces would take over at once when the Israelian forces withdrew.

I have always been of the opinion that Israel, acting for its self-preservation, was justified in going into the Sinai Peninsula and the Gaza strip, and also in taking the position that Aqaba Bay is an open waterway and that another international agreement should be made in connection with the use of the Suez Canal, with the ships of all countries being permitted to use the same. However, without regard to how anyone felt in relation to the action taken by Israel, Israel has a clear case now.

It is a mistake for President Eisenhower to delegate or abdicate our foreign policy in the present crisis to the United Nations. There are occasions when we should act within the United Nations, but there are occasions when we should act unilaterally in our own best interests.

We are now faced with a greater crisis in the Middle East than heretofore. It is not too late to repair the situation and to avert danger of another world conflict.

This can only be done by firmness on our part—abandoning our present policy of indecision and appeasement that is making Nasser a conquering hero.

Small Business Needs Tax Relief

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me as to the small business needs for tax relief.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER

I support the bill offered by the Senator from Arkansas to amend the corporate tax rate. The effect of the Senator's measure would be to bring about a limited degree of graduation in the corporate tax rate. My only complaint with his bill is that it does not go far enough. But at least it is a step in the right direction and one that is sorely needed by small business, particularly at the present time.

Rarely in our history have we had such widespread distress in the ranks of small business at a time of relative prosperity and high employment. It is an ominous portent for the future of our free economy that last year business failures were 16 percent higher than in the preceding year and in the first months of this year, the trend continues steadily upward. In January and February of this year failures were 11 percent higher than in the corresponding period of last year. The tight money policy of the present administration has fallen most cruelly on small firms, which are far less able than large companies to finance their operations out of internal savings and which, even during times of relatively free credit, must pay much higher interest rates than the giant corporations. Today, many small enterprises have found that their traditional sources of credit have dried up. As a result, the competitive disadvantage under which they labor in trying to compete with their large rivals has been increased.

The recent investigations by the various committees of Congress into the price increase in the oil industry have provided a graphic example of the way in which large companies are able to finance the cost of expansion by the simple device of raising prices to the consumer. This, of course, the small company is rarely in a position to do. A minute of the board of directors of the Standard Oil Company of New Jersey of December 13, 1956, states:

"3. Based on the estimates of future expenditures submitted by the affiliates, and

assuming continuance of the company's present dividend policy and of crude prices at their current levels, the forecast shows that for the first time in many years the consolidated group is faced with the prospect of being unable to generate, internally, sufficient cash to cover replacements, modernization, and expansion to the degree desired—and no change in this situation is indicated throughout the period covered by the forecast.

"In this connection, however, it was pointed out that, in part, the high capital expenditure rate reflects deliberate efforts to use, to a greater degree than in recent years, the ownership route rather than the leasing route to cover tanker and service-station requirements" (House Committee on Interstate and Foreign Commerce, vol. 5, p. 694, hearings transcript, Feb. 20, 1957).

Later officials of Standard Oil acknowledged that the recent price increases which the oil industry has put into effect have made it unnecessary for the company to go to outside sources for funds needed for the purposes set forth in the minute. They could have borrowed money to cover the costs of these additional tanker and service-station requirements; they could have floated securities, but they did not do so. Instead they have made the consumer pay the cost of this expansion.

This is merely one example of what has tended to become the principal source of financing of the large corporations—financing out of internal savings, paid for ultimately by the consumer. The present bill, while not limiting in any way the power of the large corporations to finance themselves in this way, would at least to some extent restore the competitive balance between the large corporations which are able to finance themselves in this way and smaller companies which are not. Therefore, I wish to express my hope that the measure will receive the support of all Members of the Senate who are concerned with the future vitality of our competitive system.

Juvenile Delinquency: A National Problem

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. ROOSEVELT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the remarks I had the privilege of making before the subcommittee of the Committee on Education and Labor, the chairman of which is the distinguished gentleman from Alabama, Hon. CARL ELLIOTT. My subject was juvenile delinquency, so important to the future of our country:

STATEMENT IN SUPPORT OF H. R. 2495

Mr. Chairman, in coming before you and the members of this distinguished committee, I come only because of my deep conviction that the subject matter which you are considering deeply affects the future of our country.

Juvenile delinquency has been steadily increasing, until today we find it one of our great national problems. Its causes are, in many cases, national and not local. National distribution of horror books and pornographic matter, as documented in Senate Report No. 2381 of the 84th Congress, 2d session, together with the car-conscious mobility of modern youth, are cases in point.

The mobility of our total population has also added to the need for national legislation. Juvenile delinquency cuts across State lines, just as it also cuts across economic lines. Every citizen up and down the economic scale, therefore, has a stake in controlling juvenile delinquency. While it is true that a majority of crimes are committed by adults, it is equally evident that most of our older, hardened criminals started their evil ways early in life.

It is my belief that it would cost the Nation far less in the long run to spend a little in the beginning, in an effort to turn potential delinquent children to useful lifetime pursuits, rather than careers of violence.

That is why I joined a number of my colleagues in introducing a bill (H. R. 2495). The problem of crime in this bill is dealt with in its early, formative stages. Specifically, the bill calls for Federal leadership and funds to stimulate and promote the training of specialized personnel and to supplement State and local resources and programs, as well as coordinate public and private nonprofit agencies already active in this work.

The bill calls for (a) establishment of a Federal Advisory Council on Juvenile Delinquency, (b) provides for grants to States to strengthen and improve local programs, (c) authorizes the appropriation of $5 million for each of 7 fiscal years for the purpose of training personnel to properly service juvenile-delinquency programs, and (d) authorizes the sum of $1 million for the ensuing fiscal year and such sums as the Congress shall determine for each of the following 6 fiscal years for the development and demonstration of special projects embodying improved techniques and practices for the control, treatment, and lessening of juvenile delinquency.

These measures, I believe, are necessitated by the grim facts of juvenile delinquency. In 1954 juvenile crimes increased by 13 percent; out of 1½ million juveniles dealt with by police, an estimated 475,000 boys and girls were brought to the attention of juvenile courts that year. In 1955, there was another 9-percent increase, and the rate is still growing. Boys outnumbered girls 5 to 1, and there were noticeable signs of delinquent tendencies in half of the group at the age of 8 years.

Incidentally, let me point out to the committee that this is a worldwide trend, as attested by United Nations figures. In only two countries, the United Kingdom and France, have juvenile delinquency rates decreased in the past 5 years. It is significant that in those two countries, there has been launched a nationally coordinated program designed to curb delinquency among youth.

An important feature of this bill which has not been emphasized sufficiently is the provision (p. 8, pars. D and E) which authorizes the States to enter into contracts with private voluntary organizations. Many private recreation associations are doing a splendid job in providing recreation programs. Many of these are in need of assistance from public funds due to increasingly insufficient recreation facilities. I have just recently received a letter from such a struggling association, expressing their needs and concern.

H. R. 2495, therefore, emphasizes action on the local level, resulting in individual treatment. For that reason, the Federal Council will not choose State councils and the authority of the Secretary of Health, Education, and Welfare is strictly spelled out by section 203. In addition, the States have the right of appeal to the courts if the Secretary should suspend payments without due cause.

The members of both the Federal and State councils will represent various professional backgrounds. This recognizes that the problem of juvenile delinquency has criminal, educational, medical, and social aspects. No single approach can do the total job.

When a wave of juvenile delinquency strikes, it means that there is something wrong in our social fabric and in social institutions. Juvenile delinquency implies failure to some extent on the part of every American. This bill would mobilize the resources of our society to accept responsibility for the lives of our children up to the age of 18. It will provide our communities with better mental-health services, with better educational and recreational facilities and with agencies to promote youth employment. The need for such facilities is attested to not only by voluminous testimony before Senator KEFAUVER's Subcommittee To Investigate Juvenile Delinquency, in the 84th Congress, but also by various witnesses before this committee. I join them in urging adoption of this bill so that we may safeguard the Nation's greatest resource, the young people who will determine its future.

Farm Aid

EXTENSION OF REMARKS

OF

HON. MERWIN COAD

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. COAD. Mr. Speaker, a recent exchange of correspondence between myself and a constituent, Dr. Herbert H. Kersten, M. D., of Fort Dodge, Iowa, is presented as follows:

THE KERSTEN CLINIC,
Fort Dodge, Iowa, March 16, 1957.

Congressman MERWIN COAD,
House Office Building, Washington, D. C.

DEAR MR. COAD: In the recent election I worked actively for the election of your opponent because I believed that a Republican Congress would give this country a better chance for a solvent economy. I sincerely hope that you will cause me to get a different view of things.

In the last 20 years the Federal Government has been attempting to subsidize more and more segments of our economy so that it is now the style to scream for handouts of federally collected tax money the minute anyone has financial difficulty. When such grants are given it means only that the particular difficulty experienced rightly or wrongly by a given group is paid for by other citizens who are not directly concerned.

It has reached such an extreme state of affairs that we now find demands on the Federal Treasury (meaning you, me, and the other citizens of the country) for dollar aid for everything under the sun. And with such Federal aid goes Federal control and Federal waste and inefficiency.

Some Congressmen operate on the theory that they will provide whatever a given vocal pressure group demands, regardless of the final effect on the country.

I see that you are beginning to fall into such a trap by endorsing high tax paid subsidy for farmers in the form of corn payments. Can you not see that this will only mean that we are all going to be taxed to provide an artificially high price level for the farmers, and that once this has been done for that particular group that we will be obligated to do the same for all other economic groups when basic changes in the economy threaten to cause long-term readjustments? In 1776, 90 percent of our population lived on the farms. Economic pressures and changes in the price structure have now caused most of our people to live

away from the land. If we had subsidized them to maintain old-time price relationships they would still be on the land, and we would still have a primitive economy.

If we will limit Federal meddling in our economy to a minimum amount of police action to prevent unfair competition, and to control a smooth flow of money and credit, long-term evolutionary trends will have a chance to manifest themselves, and we will continue to have a prosperous economy with unregimented citizens.

Continue on the present road and we will tax and spend ourselves into serfdom.

Let's cut Federal spending and the concomitant Federal taxing to the bone. Don't let Congress continue this insane effort to buy the people with their own tax money.

Let us reduce Federal spending and Federal taxing so as to leave some source of tax income for State and local governments. Then there will be no need for Federal intrusions into such fields as financing schools, propping up commodity prices, and so on.

And I am not speaking from a selfish standpoint. Our family's main asset is in the form of several Iowa farms.

We believe that if prices are permitted to seek their own level (as they should in a genuinely free economy) that inefficient farm operators will go to better paying jobs in town, food costs for most of the country's population will be lower, and unnecessary taxes to pay for the subsidy can be eliminated.

I wish you good luck and good judgment in your career as our Congressman.

Yours very truly,

HERBERT H. KERSTEN, M. D.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 26, 1957.

HERBERT H. KERSTEN, M. D.,
The Kersten Clinic,
Fort Dodge, Iowa

DEAR DR. KERSTEN: Because of the press of legislative matters, I have not been as prompt in replying to your letter of March 16, as I would have liked.

At the outset, let me state that I appreciate your frankness and I shall attempt to reply in kind. There is no achievement in the harangue of vague generalities, and I never like to deal in that regard.

Your letter deals generally with the Federal Budget, Government spending, Government efficiency and related subjects. There is no one who is more convinced than I that definite reductions can and should be made in the budget request for the fiscal year 1958. A budget of $71.8 billion is simply out of line with good judgment and with the economy in general. During these times of general prosperity we should be in a position to at least hold the budget down to a consistent level, pay off some of the public indebtedness and to personally save a fair amount. We cannot do this if the budget is going to rob us of that opportunity.

In line with reducing the Federal Budget, I have assisted in asking that it be cut, and have voted to do so. I am sure that, as further appropriation measures come to the floor of the House, I will seek to cut it to a realistic and workable level.

However, the picture of some specifics of our economy is not in line with what the general scene would lead us, at first glance, to believe. During the 1947–1949 period, the wholesale price level leveled to an average of 100 percent. However, now we find that the mineral prices stand at 125 percent and mineral production stands at 130 percent. Therefore, the mineral price has just about remained even with production.

On the other hand, while farm prices and production were on a par during the period of 1947–49, we find that since that time the following changes have occurred. Farm production is 112 percent of what it was during that base period, but the price level has fallen to 86.4 percent. This general situation has caused a basic dislocation in our economy, and this is the basis for the economic situation which we are experiencing in Iowa.

Any Federal aid which I have supported, do now, or will in the future support (for the farmer) is certainly not on the basis that we ought to give him a direct handout. We have placed artificial values on gold for as long as history has established—it is only fair that we place a real value on those things which are basic to life—the very foodstuffs which we eat and the fiber which we wear, and the materials of our homes.

All industries set a price on their products, which basically is figured at cost of production plus a reasonable profit. This is firmly established and is a policy with which everyone is in general agreement. Industry and labor, as well as other segments of our economy, have been able to regulate their production and their prices. The farmer, unfortunately, has not been able to organize to the degree that he can accomplish this. The Federal Government, because of this lack of organization, has made these many attempts to do for him what he has been unable to do for himself.

There are those who ask for and almost demand that the American farmer be placed on the strict law of supply and demand. I certainly will agree with this, providing the other segments of the economy are also in full operation on the same basis. We are well aware of the tax writeoffs, the subsidies, the tariffs, the land grants, the defense contracts, and all the rest. If these were done away with, and they are no more than artificial stimulants to business, then I would be quite willing to place the farmer in the same operation.

Now it is a readily recognizable fact that we are not going to be able to take industry away from these artificial stimulants, and we cannot completely do away with the actual productive waste which is caused by a defense program. It is therefore not only the prerogative but the basic responsibility of the Government to protect the rural American population by the placement of values on the raw materials which all come from Mother Earth.

To carry the line of logic concerning the efficient farmer to its ultimate and furthest conclusion, we would end up with only one farmer producing all the world's goods at the lowest possible price, if indeed not for free. For, whenever you have even as few as two farmers, one will ultimately be proven to be less efficient than the other. There is a matter of human dignity to be concerned with here, and that is one of the highest privileges and responsibilities which I have, as one who represents the people of the Sixth Iowa District.

Again, I wish to express to you my sincere appreciation for your letter, and feel that the above, generally, if not specifically, sets forth the philosophy under which I guide my thought and action.

Please accept my personal best wishes.

Most cordially yours,

MERWIN COAD,
Member of Congress.

School Integration

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. ABBITT. Mr. Speaker, the other day on the floor of this House I had something to say concerning the question of surrendering principles for political advantage. I have been highly pleased with the wide endorsement of these views in the press of our State. Our Virginia papers have had a good deal to say on this matter during the past few days, and it is interesting to note that there is almost no evidence of support for the kind of thinking which contends that we should give up our fight to preserve segregation in Virginia and throughout the South.

There have always been some in our midst who are adroit in criticizing someone else for what they are doing in connection with a great problem. This has been true since the beginning of time. But these same people are never willing or capable enough to suggest ways of doing differently. It is easy to knock down what the other fellow proposes, but it is a lot harder to map out a program of your own, to put it into force and to get the people to agree to it and have it successfully administered.

Those who would oppose all we have attempted to do in Virginia apparently are in this category. They contend that what we have done is wrong, although the vast majority of the people of Virginia think it is right and have approved it overwhelmingly by the vote of the elected members of our assembly and through their public expressions.

The people of Virginia will never willingly submit to the theory of integration and they have shown overwhelmingly that they respect efforts of those who are trying to preserve it. They are not about to change their minds and put their confidence in people who are of the opinion that the best we can do is to keep the white schools as white as possible and at the same time accept some integration.

I wish to include with my remarks a splendid editorial from the Farmville Herald of Farmville, Va., dealing with this question and, as usual, Mr. J. Barrye Wall, the paper's editor, has grasped the essential truth of the problem. He poses some vital questions and puts in proper perspective this question which is now before us.

No man in Virginia has been more forceful or effective in presenting his views on this problem than has Mr. Wall. On several previous occasions I have included in the RECORD some of his fine comments on this problem of segregation in the schools. Mr. Wall edits his paper in the community from whence came one of the first suits which resulted in the infamous Supreme Court decision in 1954 and yet no man is more respected in that community—by white and Negro citizens alike. He is fair and honest, yet he is a man of his convictions and those convictions are shared by the great majority of the people of our section.

Mr. Wall was one of the original group of Virginians who foresaw this problem and who began immediately to deal with it. He has not wavered one iota in his conviction that the only way to preserve our way of life is the determination to resist integration anywhere. He has lived long enough to see our great school system in Virginia grow and develop until we have a system of which we can be

proud. This applies to both white and Negro schools. More of our people are being educated better today than ever before. Our people are improving our schools every year and we will continue to do so, unless chaos should come with an attempt to integrate and thereby force the closing of large numbers of schools under the laws of the State.

Mr. Wall recognizes these problems as well as any man in the State and people of Virginia are fortunate to have him in the capacity he holds so that his voice may continue to sound loud and clear for the maintenance of our way of life. We must stick together on this and reject as utter folly the suggestions made by well-meaning, but misguided individuals who would sell out all we hold dear for political advantage.

I commend the reading of this editorial to the Members of the House and congratulate Mr. Wall upon his continuing efforts to make our people aware of the seriousness of this situation and as long as we have those who are willing to stand for these principles, our way of life will be maintained.

The editorial follows:

SENATOR DALTON SETS STAGE

Republican State Senator Ted Dalton set the stage Saturday for the gubernatorial campaign in which we expect him to be in the months just ahead. Though he disavows his intention to carry the Republican gubernatorial banner he certainly is placing himself in a position to be its candidate, which he can be by merely saying the word.

His statements before the Republican central committee were nothing new, except that he took occasion to oppose the principle of massive resistance renewed last week by United States Senator HARRY F. BYRD. Mr. Dalton is not out of character in this. He opposed the interposition resolution in the regular session and the Governor's school program in the special session. He maintains that Virginia can accept the principle of nonsegregation laid down by the United States Supreme Court, and then keep white schools white under law and order but keep the public schools. Just how this will be done has not been detailed by Senator Dalton, nor by anyone else. It is a slogan of several other Virginia politicians, some Democrats, who overlook the important governmental principles of usurpation of power by the Federal courts, and the ineffective experience of other States and cities—Washington, D. C., New York City, to mention just two—in maintaining public schools efficiently on an integrated basis. We presume that Mr. Dalton and those who follow his reasoning will accept, first a little racial integration in schools, which will inevitably lead to more and more integration with its complexities of administration, breeding of racial discord, and loss of efficient operation.

The State of Virginia, under the Constitution, is a definite unit of government. Its laws must be effective in all parts of the Commonwealth. There will be no integration at any place in Virginia, or there will be racial integration in all parts of Virginia. So, those who would accept, maybe, a little racial integration in some of the counties with only 25 or 30 Negroes, like Carroll County, must realize that the schools in other parts of the State may find much larger percentages. Further, with the integration of public schools, integration of faculties will follow naturally. The problem becomes more and more complex.

But this is but a part of the question. The overshadowing phase is the usurpation of the powers and sovereignty of the States under the United States Constitution. We have seen no recognized legal authority which has stated unequivocally that the school decision of the Supreme Court on May 17, 1954, is according to law and precedent. The present trend toward government by judicial fiat, Executive orders, and bureaucratic interpretations transcends the question of racial integration of schools as imminently important as that is. Our entire system of government is at stake. Will the Constitutional Republic stand or fall? Will there be sovereignty of the States or will we submit to the political whims of an all powerful judiciary or executive oligarchy? Will Congress be stripped of its powers, or through inertia retreat from its duties? These are questions which cannot be answered simply by using the school and racial issues for political advantages. There is no way under the sun that the school and racial issues can be eliminated from the forthcoming gubernatorial elections, but for goodness' sake do not overlook the important principles of government which are directly connected with those questions.

We hope Mr. Dalton's trial balloon explodes, and quickly.

New York Polish Newspaper on Social Security

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1957

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert an article written by my very dear friend, Peter Yolles, in the Polish daily newspaper, Nowy Swiat, published in New York. I understand that this is the only progressive Polish newspaper with a record of 50 years of civic service. The article by Mr. Yolles was originally written in the Polish language and translated into English. It was published in the issue of March 27, 1957.

Mr. Yolles is one of the ablest writers and lecturers. I have known him for many years. At the beginning of World War II, before I went on active duty overseas, I had the pleasure of serving with him on a Selective Service appeal board. He carried out his duties with humane understanding and, at the same time, in full recognition of his patriotic obligations. He was fair, just, and open-minded. Men of his caliber are always a great asset to any community. I am proud to number him among my friends in all these years.

The translation of his article reads as follows:

OLD AGE IS NO JOY—A TALK WITH CONGRESSMAN VICTOR L. ANFUSO ON SOCIAL SECURITY

(By Peter P. Yolles)

My good friend, Congressman VICTOR L. ANFUSO, is an old and true friend of Poland and the Polish people. He represents a large number of Americans of Polish descent who live in his congressional district in Brooklyn, and he has a laudable habit of maintaining a close contact with his constituents with whom he shares his experiences and his observations in Congress.

Congressman ANFUSO recently introduced a bill containing important amendments to the Social Security Act. He did it after studying the problems of his constituents and hearing from them directly as to how it strikes them most.

During a pleasant conversation with him after dinner in the restaurant of the Polish National Hall in New York, Congressman ANFUSO called attention to the fact that America is growing older—which is a new phenomenon in the life of our country (just as it is in our personal life and of which we are not always conscious until visible signs of that fact begin to appear). America was until now historically very young as a nation. It was also young from the standpoint of the average age of the population. It was certainly very young compared with the history of a nation like Poland, which is a thousand years old. The young American Nation has all the virtues of youth, but also all the faults of youth.

The American people, however, is growing old—even as you and I—which causes far-reaching and deep changes of a psychological, political, social, and above all economic nature in the life of the country. Our Congress is aware of it and has adopted a system of social security to aid the aged. But life writes its own amendments to all laws. Time exposes faults, shortcomings, and outright injustices which, in a true democracy, result in changes, improvements, and corrections in order to adjust the law to the conditions of life.

Congressman ANFUSO explained to me the gist of his proposed amendments to the provisions of the Social Security System. It is his endeavor to adjust the law on paper to the laws of life. Here is one instance:

"Under the Social Security System as presently constituted, the minimum monthly benefit is $30. How it is possible for an elderly person to subsist on this niggardly sum for a whole month is something which I cannot comprehend. It is hardly enough for rent, let alone food, clothing, and other essentials. This is not only inadequate, but in many instances almost heartrending, since most of these people are physically no longer able to earn even the limited outside income permissible under the law. No wonder many of these older citizens receiving the bare minimum benefit are bitter and resentful and feel that they are the forgotten people of today.

"I propose to increase the minimum monthly payments to $40, an increase of only $10 per month. Even at the rate of $40 a month, the daily average comes to only about $1.30, which is hardly enough to take care of the most elementary needs. Yet, small as this increase is, it would be most welcome to many elderly people and give them a greater feeling of security and dignity. I believe it is fair. I believe it is urgent."

In order to be entitled to the benefits of social security, men must attain the age of 65 and women 62. Here is what Congressman ANFUSO suggests:

"I am proposing in my bill to lower the retirement age from 65 to 60 years, and it is to be applicable alike to both men and women. The claim that this will cost us a substantial sum of money is undoubtedly true, but social security has paid for itself from the very first."

Then, there is another provision in the Social Security Act that is difficult and unreasonable. For example, I have attained the age where I am entitled to derive social-security benefits. I have from the very beginning been paying the highest rate and am

now entitled to receive 108 dollars monthly. But this sum is inadequate for a whole month. The law allows me to earn another $1,200 during the year, or $100 a month. Even so, my total income would be limited to about $50 weekly, which is far below the standard of living and needs today, especially considering my status in the community.

Does that mean that I have to be degraded and pushed down the scale of life, in fact almost punished? Why should I not be allowed to earn more by writing, lecturing, etc., as long as I am able? Must I forfeit the benefits to which I am entitled and which are to a great extent my compulsory insurance? Why? I believe that is neither the intention of the law nor its aim.

Congressman ANFUSO understood my problem, which is not only my personal problem but of many others. One of his amendments, therefore, provides to increase the allowance of earnings up to $1,500 yearly. This is a considerable allowance, though still unsatisfactory.

I specifically mentioned my case because Congressman ANFUSO, who is a lawyer by profession, emphasized that the law is not supposed to be inflexible, meaningless, and heartless. It is supposed to contribute toward the welfare of the aged people and it must also allow for adjustment to changing conditions and needs in order to properly fulfill its purposes.

Thus, by direct contact with his constituents, Congressman ANFUSO gains a deep insight into the heart of many problems confronting him. His proposed amendments do justice to these needs toward a gradual improvement in the realization of the idea behind social security. I wished him good luck in his efforts to obtain passage of his bill.

SENATE

THURSDAY, MARCH 28, 1957

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, to the white altar of Thy grace, as we face with humility of spirit the challenge and opportunity of this new day, we come bowing in our ignorance and weakness, praying for wisdom and strength.

Guide us, O Thou great Jehovah, in these chaotic days, as all mankind seems to wander between two worlds: one, dying—the world of brute force and ruthless competition; the other, a world of understanding and cooperation, kept from its destined reign until ancient feuds and fears are melted in the refining fires of a common concern and destiny for all Thy children. May the great causes that will mold the future challenge the best that is in us, as we serve our brief day and as we give to the coming kingdom of human brotherhood the supreme allegiance of our love and labor. We ask it in the name of the Master of all good workmen. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Wednesday, March 27, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress the report of the Railroad Retirement Board for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 28, 1957.*

REPORT ON ADMINISTRATION OF FEDERAL DISASTER ACT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 142)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Public Works:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 28, 1957.*

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees or subcommittees were authorized to meet today during the session of the Senate:

The Internal Security Subcommittee of the Committee on the Judiciary;

The Antitrust and Monopoly Subcommittee of the Committee on the Judiciary;

The Interstate and Foreign Commerce Committee; and

The Housing Subcommittee of the Committee on Banking and Currency.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there have been no significant developments to report for the month of February relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

REPORT ON CERTAIN CONTRACTS FOR RESEARCH, DEVELOPMENT, AND EXPERIMENTAL PURPOSES BY NAVY DEPARTMENT

A letter from the Vice Chief of Naval Material, Department of the Navy, transmitting, pursuant to law, a report on contracts, in excess of $50,000 for research, development, and experimental purposes awarded by the Department of the Navy, for the period July 1–December 31, 1956 (with an accompanying report); to the Committee on Armed Services.

REPORTS ON MILITARY PRIME CONTRACTS FOR WORK IN THE UNITED STATES

A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, reports on Army, Navy, and Air Force prime contract procurement actions with small and large concerns for work with the United States for the first 7 months of fiscal year 1957 (with accompanying reports); to the Committee on Banking and Currency.

AMENDMENT OF DISTRICT OF COLUMBIA PUBLIC SCHOOL FOOD SERVICES ACT

A letter from the President, Board of Commissioner, District of Columbia, Washington, D. C., transmitting a draft of proposed legislation to amend the District of Columbia Public School Food Services Act (with an accompanying paper); to the Committee on the District of Columbia.

ADDITIONAL REVENUE FOR DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, Washington, D. C., transmitting a draft of proposed legislation to amend the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937, as amended (with an accompanying paper); to the Committee on the District of Columbia.

COMPULSORY SCHOOL ATTENDANCE IN DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, Washington, D. C., transmitting a draft of proposed legislation to amend the act entitled "An act to provided for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other

purposes," approved February 4, 1925 (with an accompanying paper); to the Committee on the District of Columbia.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Yen Leong Wong from a report transmitted to the Senate on January 16, 1956, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status; to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, National Council, Boy Scouts of America, New Brunswick, N. J., transmitting, pursuant to law, a report of that organization, for the year 1956 (with an accompanying report); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of North Dakota; to the Committee on Interstate and Foreign Commerce:

"House Concurrent Resolution C-2

"A concurrent resolution opposing repeal or change of the long- and short-haul clause of section 4 of the Interstate Commerce Act

"Whereas there will be proposed and introduced in the Congress of the United States legislation providing for repeal of the long- and short-haul clause of the fourth section of the Interstate Commerce Act; and

"Whereas the repeal of the long- and short-haul clause would permit railroad companies to assess lower rates and charges for long hauls than for short hauls over the same route in the same direction; and

"Whereas the charging of a higher rate for a short haul than for a longer haul, the shorter being included within the longer, is now forbidden on North Dakota intrastate traffic in section 49-0409 of the North Dakota Revised Code of 1943; and

"Whereas the passage of such legislation will result in increased freight rates and charges on articles moving in interstate commerce to and from North Dakota, particularly on grain, lignite, and other commodities, to the detriment of producers, shippers, and consumers of the State of North Dakota; that it would encourage discriminations in rates against small shippers in favor of large shippers that would be against the public interest; and would, we believe, be in the end detrimental to the best interests of the railroads themselves: Now, therefore, be it

"*Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein)*, That the Congress of the United States is hereby respectfully memorialized and urged to deny the passage of any legislation providing for the repeal or amendment of the long- and short-haul clause of the fourth section of the Interstate Commerce Act, when, as, and if, presented for its consideration; and be it further

"*Resolved*, That the Senators and Representatives of the State of North Dakota in the Congress of the United States be requested to put forth every honorable effort to defeat the aforesaid type of legislation upon presentation to the Congress of the United States, and that copies of this memorial be forwarded forthwith by the secretary of state to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of North Dakota, and to the committees which will consider such legislation.

"B. J. WOLF,
"Speaker of the House.
"GERALD L. STAIR,
"Chief Clerk of the House.
"CLYDE DUFFY,
"President of the Senate.
"VIC GILBREATH,
"Secretary of the Senate."

By Mr. GORE:

A joint resolution of the Legislature of the State of Tennessee; to the Committee on Labor and Public Welfare:

"House Joint Resolution 22

"Whereas on the morning of October 12, 1956, there were tears in the eyes and a quiver in the voice of the Honorable Zeke W. Johnson, Jr., Sergeant at Arms in the United States House of Representatives as he called the Capitol Police Corps together and solemnly announced, "Lower the flag to half staff, Percy Priest is dead"; and

"Whereas on that same morning, the citizens of Nashville and Davidson County, Tenn., on the way to their chosen work, observed that flags at Federal, State, county, and city public buildings were flying at half staff, and later found out that said flags were flying at half staff out of respect to Representative Percy Priest, whom Almighty God in His infinite wisdom had seen fit to call home from these earthly portals at 2:15 a. m. on this morning; and

"Whereas the entire populace of the State of Tennessee, as a result, became cognisant of the fact that not only had they lost a good and faithful servant, but that each individual citizen in his own peculiar rights had lost a true and devoted friend; and

"Whereas only a short time back, and on December 14, 1954, Representative Priest was invited by the Nashville Civitan Club to deliver a speech, but upon his arrival was precluded from this task due to the fact that it was the purpose of this club to instead honor the said Percy Priest and as he sat for an hour, between smiles and tears, his life moved before him, with scores of old friends and neighbors crowding by to remind him that said life had been an unselfish one and full of human warmth and Christianity; and

"Whereas on December 16, 1954, only 2 days after this tribute by the Civitan Club, and almost 2 years prior to the death of the Honorable Percy Priest, an editorial appeared in the December 16, 1954, edition of the Nashville Tennessean, which editorial is so appropriate it is thought that same should be reproduced in part for the benefit of this general assembly, and which is as follows:

" 'Perhaps it is enough to say that the life which passed in review before him—his own life—has been a good one from its early years to the rewarding maturity. It has been a good and unselfish life, savored with genuine humility; but there has also been an unwavering courage to stand for that which is right when the example of spiritual strength was most needed.

" 'The qualities which made Percy Priest a good schoolteacher, and later an able newspaperman, have served him well as a maker of laws in the Nation's Capitol. The friends of old, he has maintained, and always he has gone on to win new ones. In the fact of national emergencies he has shouldered heavy responsibilities and worked with diligence and patriotism for his country's welfare.

" 'One of the finest things he has done is to set a standard official conduct which, if taken as a guide by all, would do away with the need of a revised code of ethics in the conduct of Congressional business.

" 'For many years, Percy Priest has been a member of the Nashville Civitan Club, and it was fitting that these associates should honor him so appropriately by turning back the pages of his life to reveal not only "the things I might have done," but the things indelibly written to the credit of the honored guest and associate. For all, it was a happy occasion.'

"Whereas Mr. Priest was a native Tennessean, having been born at Carters Creek in Maury County, on April 1, 1900, son of the late George M. and Harriet Hastings Priest; and

"Whereas he attended Maury County Public Schools and Central High School at Columbia, then Middle Tennessee State College, and later the University of Tennessee, and Peabody College; and

"Whereas as a student, he was deeply interested in oratory, debates, dramatics and history, all of which were to make a substantial contribution to his career; and

"Whereas in his youth, he knew the rigors of farm and country life, and often rode horseback the 15 miles between his farm home and the high school at Columbia, and other times hitched a horse to a buggy, or rode on a little mixed train on the Middle Tennessee Railroad; and

"Whereas after attending Middle Tennessee State College, he taught in Maury County 2 years and then became a teacher and athletic coach in the high school at Culleoka and in all, was a schoolteacher for a period of 7 years, during which time he took summer courses at the University of Tennessee and Peabody College; and

"Whereas he was associated with the Nashville Tennessean from May 1926 until September 1940, advancing to State news editor, city editor and managing editor, later becoming the newspaper's roving reporter and writing human interest stories based on his travels throughout the State; and

"Whereas it has been so truthfully stated that it was as an individual rather than a public official that James Percy Priest was best known to thousands, with no request from any individual being too small, nor any person being too unimportant to get his attention, and with his greatness being attributed to a simple faith in God; and

"Whereas Mr. Priest, during his lifetime, was quoted as saying:

" 'Whatever my achievements may be, I shall look back—not on these achievements, but on the warm personal friendships I have made along the way.

" 'In the discharge of my duties, I have faced every issue frankly, and have acted forthrightly, without dodging, straddling, or equivocation. I have not followed the way of expediency to advance my own political personal ends.'; and

"Whereas in view of the entire life portrayed by James Percy Priest, the above excerpts being only a sketch of the fullness of same; and

"Whereas the people of this great State are always cognizant of the true virtues of life and eager to commemorate for the fulfillment of said virtues: Now, therefore, be it

"*Resolved by the House of Representatives of the 50th General Assembly of the State of Tennessee (the Senate concurring)*, That this tribute to this outstanding Tennessean be expressed by this joint resolution, and that as a body we extend to his bereaved family our sympathy and sincere condolence in the great loss sustained by them and by all the people of Tennessee; and be it further

"*Resolved*, That the 50th General Assembly go on record as being in support of the idea first proposed by the Reverend Harold D. Gregory, superintendent of missions, Nashville Baptist Association, with said idea later being carried into effect by the introduction of a resolution in the Congress of the United States by the Honorable Carlton Loser, whereby the new permanent Veterans Hospital at Nashville be named in honor of the late James Percy Priest; and be it further

"*Resolved*, That the clerk be directed to prepare and forward a copy of this resolution to each Mrs. J. Percy Priest and their 4-year-old daughter, Harriet Frances Priest; and be it further

"*Resolved*, That a copy of this resolution be sent to each Member of Congress and each United States Senator serving the State of Tennessee; and be it further

"*Resolved*, That a copy of this resolution be mailed to the President of the United States, the Honorable Dwight D. Eisenhower, who stated after the death of Congressman Priest:

" 'The Congress of the United States and the people of the Nation have lost a valuable Member, in the sudden passing of James Percy Priest of Tennessee.'

"Adopted February 21, 1957.

"JAMES L. BOMAR,
"Speaker of the House of Representatives.

"Concurred in March 14, 1957.

"JARED MADDUX,
"Speaker of the Senate.

"Approved March 19, 1957.

"FRANK G. CLEMENT, *Governor.*"

Resolutions of the 63d Annual State Conference, Minnesota Daughters of the American Revolution, Minneapolis, Minn., relating to the treatymaking power, and so forth; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS OF NORTH DAKOTA LEGISLATURE

Mr. YOUNG. Mr. President, on behalf of myself and my colleague, the senior Senator from North Dakota [Mr. LANGER], I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, House Concurrent Resolution V as approved by the 35th Legislative Assembly of the State of North Dakota.

This concurrent resolution urges that the North Dakota waterfowl hunting season should open not later than the last Friday or Saturday in September in any year.

The concurrent resolution states that North Dakota produces more ducks than any other State, that many ducks begin migrating out of North Dakota from the middle of September and that Canadian provinces open their waterfowl season 2 weeks or more earlier than does North Dakota.

There being no objection, the concurrent resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

House Concurrent Resolution V

A concurrent resolution urging that the North Dakota waterfowl hunting season should open not later than the last Friday or Saturday in September in any year

Whereas North Dakota produces more ducks than any other State, and several times more than are shot by State licensed hunters; and

Whereas many ducks begin migrating out of North Dakota from the middle of September; and

Whereas our duck season is ordinarily closed, by virtue of weather conditions, by November first, or shortly thereafter; and

Whereas the Canadian provinces to our north open their waterfowl hunting season 2 weeks or more earlier than we do in North Dakota: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the hunting season for migratory waterfowl should open not later than the last Friday or Saturday of September in any year; be it further

Resolved, That copies of this resolution be forwarded by the secretary of state to the State game and fish commissioner, the North Dakota delegation in Congress, and the director of the United States Fish and Wildlife Service, Department of the Interior.

B. J. WOLF,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.
CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.

Mr. YOUNG. Mr. President, on behalf of myself and my colleague, the senior Senator from North Dakota [Mr. LANGER], I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, Senate Concurrent Resolution EE which was approved by the North Dakota State Legislature on the 8th day of January of this year.

This resolution urges immediate measures by the President of the United States to limit petroleum imports to levels recommended by his cabinet fuels committee in February 1955. It further states that the failure of oil importing companies to limit imports as urged by the Government now requires mandatory Government actions to restrict petroleum imports in conformance with accepted defense standards.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution EE

A concurrent resolution relating to the need to protect the national security by imposing a limitation on petroleum imports

Whereas expanding development of petroleum resources, dependent upon the incentives of increasing markets, is of primary importance to the economy of North Dakota and is essential in maintaining the financial requirements of our State government; and

Whereas the security of the United States and the national economy are dependent upon continued discovery and availability of increasing petroleum supplies in North Dakota and her sister States; and

Whereas the incentives to search for, find, and develop new petroleum reserves have been and are now undermined by excessive imports of petroleum and its products, as illustrated by the increasing encroachment of Canadian petroleum competing for North Dakota oil markets in the North Central United States; and

Whereas this growing economic threat to needed and essential expansion of our petroleum resources has been recognized by all branches of government as an impairment to the security of the United States and her allies in the free world; and

Whereas the Congress of the United States provided in the 1955 extension of the Trade Agreements Act authority for a limitation on petroleum imports when they threaten to impair the national security, and the administration, having ascertained that such impairment did exist, has acted without success to obtain voluntary limitations of petroleum imports in consonance with national defense standards enunciated by a Presidential Cabinet Fuels Committee and by the Congress; and

Whereas the failure of oil importing companies to limit petroleum imports as urged by Government in the name of national security, and the continued increase in these imports in defiance of such Government requests, now requires positive mandatory Government actions to restrict petroleum imports in conformance with accepted defense standards; and

Whereas this action must and should be taken immediately if the Nation is to avoid increasing imports and ultimate dependence on unreliable foreign sources of petroleum supply, the dangers of which are now illustrated by conditions in Western Europe, dependent for vital petroleum fuels on the Suez lifeline which is now disrupted; and

Whereas an effective limitation on petroleum imports is made more essential by worldwide expansion of oil tanker fleets and capacities which will enable the importation of unprecedented quantities of oil from the vast Middle East fields when normal movements of oil are restored in the eastern Mediterranean: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the House of Representatives concurring therein), That this legislature hereby urges immediate measures by the President of the United States to limit petroleum imports to levels recommended by his Cabinet Fuels Committee in February 1955, and that North Dakota representatives in the United States Congress are herewith urged to pursue whatever actions they deem essential to assist in accomplishing this objective; and be it further

Resolved, That copies of this resolution be immediately dispatched by the secretary of state to the President of the United States, to the members of his Cabinet Fuels Committee, and to North Dakota Members of the United States Senate and the House of Representatives.

CLYDE DUFFY,
President of the Senate.
VIC GILBREATH,
Secretary of the Senate.
B. J. WOLF,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.

RESOLUTION OF CO-OP SERVICES, INC., NEW YORK MILLS, MINN.

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Co-op Services, Inc., New York Mills, Minn., urging the adoption of a production payment system to assure 100 percent parity returns to family-type farmers.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

NEW YORK MILLS, MINN.,
March 19, 1957.

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR MR. HUMPHREY: We, the members of Co-op Services, Inc., representing approximately 1,900 shareholders, passed the following resolution at our 46th annual meeting which was held in New York Mills, Minn., on March 16, 1957. We ask that you give this resolution your gravest consideration.

Whereas farmers and business, not only in the trade area of this cooperative, but in the entire State of Minnesota, and the Nation, are greatly disturbed by the Secretary of Agriculture's present policies; and

Whereas such policies are causing hardship for the family-type farmer and the Main Street businessman, to the extent many cannot continue in business; therefore

We urge immediate adoption of a production payment system (similarly administered as the one for wool producers) to assure 100 percent parity returns to the family-type farmers, and avoid the reliance on heavy Government purchases and storage.

VERNER A. ANDERSON,
Secretary, Co-op Services, Inc.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAVEZ, from the Committee on Public Works, with an amendment:

S. 495. A bill to authorize the acquisition of the remaining property in square 725 in the District of Columbia, and the construction thereon of additional facilities for the United States Senate (Rept. No. 196).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 728. A bill to authorize the acquisition of the remaining property in square 725 and the property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds (Rept. No. 197).

COMPULSORY INSPECTION OF POULTRY AND POULTRY PRODUCTS—REPORT OF A COMMITTEE

Mr. ELLENDER. Mr. President, from the Committee on Agriculture and Forestry, I report, favorably, an original bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, and I submit a report (No. 195) thereon.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

The bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, reported by Mr. ELLENDER, from the Committee on Agriculture and Forestry, was read twice by its title and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON of South Carolina:

S. 1740. A bill to authorize the payment from the employees' life-insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS (for himself and Mr. CURTIS):

S. 1741. A bill to provide for an experimental program for making alcohol butadiene and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1742. A bill to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley project schools, Yellowstone County, Mont., to the Committee on Interior and Insular Affairs.

By Mr. AIKEN:

S. 1743. A bill to authorize cooperative associations of producers to bargain with purchasers singly or in groups, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. AIKEN when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of New Jersey:

S. 1744. A bill for the relief of Sabir M. Amawi; and

S. 1745. A bill for the relief of Dominick Ducato; to the Committee on the Judiciary.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 1746. A bill to provide for the conveyance of certain property of the United States in Gulfport, Miss., to the Gulfport Municipal Separate School District; to the Committee on Finance.

By Mr. ELLENDER:

S. 1747. A bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products; placed on the calendar.

(See the remarks of Mr. ELLENDER when he reported the above bill, which appear under a separate heading.)

By Mr. DWORSHAK (for himself, Mr. O'MAHONEY, and Mr. BARRETT):

S. 1748. A bill to add certain lands located in Idaho and Wyoming to the Caribou and Targhee National Forests; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (by request):

S. 1749. A bill to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. HILL (for himself and Mr. SMITH of New Jersey):

S. 1750. A bill to encourage the extension and improvement of voluntary health prepayment plans or policies; to the Committee on Labor and Public Welfare.

By Mr. KEFAUVER (for himself, Mr. GORE, Mr. EASTLAND, and Mr. STENNIS):

S. 1751. A bill granting the consent and approval of Congress to the Tennessee River Basin Water Pollution Control Compact; to the Committee on Public Works.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1752. A bill to increase from 75 percent to 90 percent the maximum United States share of the cost of approved airport projects in Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (for himself, Mr. BIBLE, Mr. BRICKER, Mr. PAYNE, Mr. SCHOEPPEL, and Mr. SMATHERS):

S. 1753. A bill relating to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLELLAN (by request):

S. 1754. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 30 years, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. FLANDERS:

S. 1755. A bill for the relief of D. Vijayadevaraj Urs; to the Committee on the Judiciary.

PAYMENT OF CERTAIN EXPENSES FROM EMPLOYEES' LIFE INSURANCE FUND

Mr. JOHNSTON of South Carolina. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from South Carolina may proceed.

Mr. JOHNSTON of South Carolina. Mr. President, the Federal Employees' Group Life Insurance Act was approved August 17, 1954. It is recognized and accepted as a farsighted and highly worthwhile piece of legislation. For that reason, I would not wish to have my remarks taken as a reflection on the merits of the law.

To the contrary, my remarks are directed to a special and somewhat peculiar problem arising out of its enactment. The problem did not develop unexpectedly after enactment of the law. It was fully anticipated before the law was enacted and Congress incorporated into the bill a provision suggested by the Civil Service Commission designed to solve the problem. Unfortunately, the provision did not work out as anticipated and it became necessary to amend the act in the 84th Congress in order to make workable the provision in question. However, notwithstanding that action, the results desired and anticipated by the Congress have not been realized, and it seems evident that further legislative action will be required.

Mr. President, the details of the situation to which I refer are as follows:

First. When the Federal employees' life-insurance bill was being considered,

it was brought out that its enactment would jeopardize the future of certain employee beneficial associations. The then Under Secretary of the Treasury, Marion B. Folsom, commented on this situation as follows:

> Since the Federal Government has never provided group life insurance for its employees, there has grown up over the years a number of nonprofit employee beneficial associations. * * * They exist simply for the purpose of providing Federal employees with small amounts of group life insurance. * * *
>
> Because of the advantages of the lower premiums of the proposed plan, it may thus be difficult for these beneficial plans to continue. The bill accordingly provides that in fairness to former employees not eligible to participate in the new program, but whose insurance protection might otherwise be lost because of it, their present coverage would be continued at present premium rates.

Second. Within a matter of months after passage of the act, it was found that the provision in question was at the same time both unworkable and inequitable. It was unworkable because of certain technical legal problems overlooked by the administration and the Civil Service Commission at the time the bill was drafted. It was inequitable because even had it been workable, only the policies of former Federal employees would be continued in force in accordance with the terms under which they were obtained, whereas the policies of current employees would be discontinued or the premiums raised to a prohibitive level.

Third. In recognition of both the unworkability and inequity of the provision in question, Congress amended the act on August 11, 1955, authorizing and directing the Civil Service Commission to take over all of the insurance policies held by present and former employees alike with these beneficial associations.

Fourth. Since that time the Commission has taken over some 50,000 or more policies constituting the business of 16 associations.

Fifth. There remain some 9 of the larger associations with from 90,000 to 100,000 policyholders that have not been taken over.

Mr. President, it is in connection with these 9 associations and their 90,000 policyholders that the rub occurs.

The Civil Service Commission contends that it cannot complete the job without appropriate authorization from Congress to spend $95,000 this year out of the life-insurance reserve fund.

In these circumstances one would expect the Commission to show some concern over its inability to give full effect to a law it has a responsibility to carry out. One would expect a certain feeling of distress that many elderly retired persons stand to lose their small insurance protection unless the urgency of the situation is recognized promptly. Yes, one would expect some evidence of alarm. But none of these normal reactions has occurred.

To my utter astonishment, the Commission virtually invited the House Appropriations Committee to deny it the funds to complete the job it is required by law to perform. Those testifying in this vein on behalf of the Commission were ex-Chairman Philip Young; the current Executive Director, John Macy, and the Chief of Departmental Operations, Warren B. Irons.

The Appropriations Committee accepted the invitation of the aforementioned gentlemen and eliminated the funds.

Let me make clear that I have no quarrel with the Appropriations Committee and no fault to find with the action it took. On the basis of the Commission's testimony it could hardly do otherwise. I do, however, submit that the Commission failed to present a full and complete explanation of the situation in support of the request for the funds necessary to complete the job. If that had been done, I am confident the result would have been different.

Mr. President, I introduce for appropriate reference, a bill to authorize the payment from the employees' life insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations.

I ask unanimous consent that the bill be printed in the RECORD, together with a statement of four Federal employees' group life insurance associations recently submitted by them to the Appropriations Committee.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1740) to authorize the payment from the Employees' Life Insurance Fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

> *Be it enacted, etc.*, That section 5 (c) of the Federal Employees' Group Life Insurance Act of 1954 is amended by inserting before the colon preceding the proviso therein a comma and the following: "except that such fund shall be available, without regard to any such limitations, for payment of any such expenses incurred in assuming and maintaining the assets and liabilities of associations referred to in section 10."

The statement presented by Mr. JOHNSTON of South Carolina is as follows:

STATEMENT OF FOUR FEDERAL EMPLOYEES' GROUP LIFE INSURANCE ASSOCIATIONS CONCERNING THE ALLOWANCE OF ADDITIONAL FUNDS TO THE CIVIL SERVICE COMMISSION TO PERMIT COMPLETION OF THE PROGRAM ESTABLISHED BY THE CONGRESS IN SECTION 10 OF THE FEDERAL EMPLOYEES' GROUP LIFE INSURANCE ACT OF 1954, AS AMENDED

By section 10 of the Federal Employees' Group Life Insurance Act of 1954, as amended, the Congress provided for the assumption by the Government of the insurance obligations of certain Government employee group life insurance associations, conditioned upon the continued payment of dues by the members and the transfer to the Government of the assets of the associations. Upon the adoption of the original group life insurance program 25 nonprofit associations of Federal employees were faced with extinction and the consequent loss of insurance benefits which theretofore had been voluntarily maintained by thousands of present and former Government employees, and to remedy this unfortunate predicament the Congress amended the act as stated above.

Promptly following the enactment of the amendment the Civil Service Commission proceeded to negotiate assumption agreements with the eligible associations and the transfers of 16 of these associations having a membership of approximately 54,214 persons have now been completed. These associations delivered to the Government assets worth approximately $5 million and the Government assumed life insurance agreements amounting to approximately $82 million. However, due to the lack of funds the Commission has been required to cancel assumption dates and suspend negotiations with the remaining nine associations, and has announced that it will be unable to proceed further until funds are available. The four associations which subscribe to this statement have a membership of approximately 68,687, and assets aggregating approximately $13 million, which will be delivered to the Commission upon completion of the arrangements, and the Government will assume life insurance agreements approximating $116,500,000. In the meantime, the deadline for the completion of these arrangements as fixed by section 10 of the act, namely, August 17, 1957, is fast approaching.

The importance of this matter to the associations which have not yet completed their transfers under this program cannot be overemphasized. With faith in the procedure established by the Congress they have, since the amendment to section 10, directed all of their operations toward the transfer to the Government. The liquidation of hundreds of thousands of dollars in securities and reinvestment in Government obligations at the direction of the Civil Service Commission has already cost them thousands of dollars in principal and interest.

Under the circumstances enumerated it is respectfully submitted that there is no basis for considering that the 68,687 members of these 4 associations are less deserving of insurance protection than the 54,214 persons whose insurance agreements have already been assumed by the Civil Service Commission. Should this authorization not be given it would result in denying to many employees and former employees of the Government the same insurance protection already given to others under this act.

These associations have made application for this protection the same as others who are now enjoying it, and it rests solely with the Commission to set a date for the completion of the arrangements.

It is our belief that Congress has every desire to be as fair with employees of one branch of the Government as with another, and the inequities of the situation as set forth in this memorandum is respectfully called to your attention to the end that it may be corrected by merely authorizing the Civil Service Commission to use from the employees' life insurance fund an additional amount estimated to be less than $100,000.

In conclusion it may be said that in a conference with officials of the Civil Service Commission we were advised that it is their desire to have this authorization so that they may promptly complete the arrangement with these associations for the assumption of the life-insurance agreements of these nonprofit Federal employee associations.

Respectfully submitted.

NAVY DEPARTMENT BENEFICIAL ASSOCIATION,
HUGH MCCULLOUGH, *President.*
WAR DEPARTMENT BENEFICIAL ASSOCIATION,
W. A. KENYON, *Secretary-Treasurer.*
UNITED STATES TREASURY DEPARTMENT BENEFICIAL ASSOCIATION,
OLNEY W. STRATTON, *President.*
DEPARTMENT OF INTERIOR BENEFICIAL ASSOCIATION,
GUY W. NUMBERS, *President.*

MANUFACTURE OF SYNTHETIC RUBBER FROM SURPLUS GRAIN

Mr. DOUGLAS. Mr. President, on behalf of myself and the Senator from Nebraska [Mr. CURTIS], I introduce a bill which I ask to have appropriately referred, and printed in the RECORD at this point.

There being no objection, the bill (S. 1741) to provide for an experimental program for making alcohol butadiene and for other purposes, introduced by Mr. DOUGLAS (for himself and Mr. CURTIS) was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Experimental Alcohol-Butadiene Program Act."

SEC. 2. The President is authorized and directed to conduct an experimental program for manufacturing butadiene from alcohol produced from agricultural products, for the purpose of demonstrating the commercial feasibility and ascertaining the costs of such production. The President is authorized and directed to carry on such scientific or production research as he may deem appropriate to carry out the program authorized by this act, including the development of improved processes and the development and commercial production of byproducts.

SEC. 3. (a) Notwithstanding any other provision of law, the Federal Facilities Corporation is authorized and directed to transfer to any official or agency designated by the President the alcohol-butadiene plant at Louisville, Ky., known as Plancor No. 1207, for use in the program authorized by this act.

(b) Notwithstanding any other provision of law, the Administrator of the General Services Administration is authorized and directed to transfer to any official or agency designated by the President the Government-owned alcohol-producing facility at Omaha, Nebr., known as Plancor No. 1608, for use in the program authorized by this act.

(c) Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this act is authorized to transfer such facility to any official or agency designated by the President, for use in such program, if requested to do so by such official or agency with the approval of the Director of the Bureau of the Budget.

(d) Any official or agency designated by the President to administer this program is authorized to exercise, with respect to the facilities transferred under this section, all the authority vested in the agencies which so transferred such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities shall, with the approval of the Director of the Bureau of the Budget, also be transferred to such official or agency.

SEC. 4. For the purpose of carrying out the program authorized by this act, and to the extent required for this purpose, the President, or such official or agency as may be designated by him, is further authorized to exercise the following powers:

(a) To buy, build, purchase, or lease such land or interests therein, plant facilities or equipment as he may deem appropriate in connection with the program authorized by this act, including alterations or replacements of existing facilities and new facilities needed to improve processes or to develop and produce byproducts, without regard to section 3709 of the Revised Statutes or section 302 of the Federal Property and Administrative Services Act of 1949, as amended.

(b) To enter into leases and other contracts for the operation of the plants transferred under this act, and to contract with the owners of other facilities useful in the program authorized by this act, when and to the extent and under such terms and conditions as the President may deem most advantageous, without regard to section 3709 of the Revised Statutes, or section 302 of the Federal Property and Administrative Services Acts of 1949, as amended.

(c) To acquire from any Government agency, including the Commodity Credit Corporation, materials or products needed in the production of alcohol, alcohol butadiene, or byproducts, on payment to such agency of the cost to such agency of the materials or products.

(d) To buy, sell, or lease materials, commodities, or other personal property, and to operate the facilities used by him in carrying out the program authorized under this act, without regard to section 3709 of the Revised Statutes, or section 302 or title II of the Federal Property and Administrative Services Act of 1949, as amended, to the extent deemed necessary by him to carry out the business operations involved in the program.

(e) Without regard to the civil-service laws or the Classification Act of 1949, as amended, or the Veterans Preference Act, to employ and fix the compensation of such persons as he may deem necessary to carry on production operations in the facilities operated under this act.

SEC. 5. (a) The President, or the official or agency designated hereunder, is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to him under this act, not to exceed a total of $———, outstanding at any one time. For this purpose appropriations not to exceed $——— are authorized to be made to a revolving fund in the Treasury. Advances shall be made to the President, or such official or agency, from the revolving fund when requested by the President, or such official or agency.

(b) All moneys available to the President, or such official or agency, in connection with this program may, when not otherwise employed, be deposited with the Treasury of the United States subject to check by authority of the President, or such official or agency, under this act, or such funds may be deposited in any bank in which deposits are insured by the Federal Deposit Insurance Corporation, subject to check by authority of the President, or such official or agency, under this act.

SEC. 6. This act shall terminate June 30, 1962.

Mr. DOUGLAS. Mr. President, this bill provides for an experimental program to convert surplus grain into synthetic rubber. The measure calls for experimentation in low-cost conversion of grains into alcohol for use in making alcohol butadiene, an important ingredient of synthetic rubber.

The Douglas-Curtis bill grew out of subcommittee hearings on an administration proposal to sell the government-owned alcohol-butadiene plant at Louisville, Ky., without limitation to alcohol-using purposes. Several witnesses and members of the subcommittee voiced preference for a trial grain-to-alcohol-to-synthetic-rubber program.

The subcommittee asked the President's Appointed Bipartisan Commission on Increased Industrial Use of Agricultural Products to comment on the administration bill. In reply, J. Leroy Welsh, Chairman of the Commission, has sent the committee a statement of the facts. In a letter accompanying the statement, Mr. Welsh declared that "the cost of an alcohol-butadiene program probably would be lower than some of the current grain disposal programs," but he added that "the Commission cannot anticipate the results from an experimental cost-finding operation."

Mr. Welsh added that "should Congress, by authorizing a cost-finding period of alcohol-butadiene operation, approve an effort to appraise the eventual economies involved, the matter could thus be determined." The Douglas-Curtis bill contains such authorization.

I believe that a trial program of converting grain into synthetic rubber would show new ways to make effective use of some of our farm surpluses, especially corn. I hope to hold hearings on this matter in late April.

I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks a letter from J. Leroy Welsh, Chairman of the President's Commission, to the Senator from Arkansas [Mr. FULBRIGHT], together with a memorandum which Mr. Welsh and his Commission have prepared on the question of the disposal of surplus cereal grains.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

PRESIDENT'S APPOINTED BIPARTISAN COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS,
Washington, D. C., March 19, 1957.

Hon. J. W. FULBRIGHT,
United States Senate.

DEAR SENATOR FULBRIGHT: On March 7, in reply to your letter of March 5, I wrote stating that this Commission has a potential interest in the Louisville butadiene plant whose disposition has been before you for immediate consideration.

The Commission is aware than an alcohol-butadiene operation could provide an important outlet for the disposal of grain surpluses. Among the considerations involved, besides disposal, are possible future outlets for grain, the need for cost-finding experiments, and some associated opportunities for research.

From the facts that have come to the Commission's attention the alcohol-butadiene process cannot at present compete economically with the present production from petroleum. What the long-time situation could be remains for further research and experiment to determine. The cost of an alcohol-butadiene program probably would be lower than some of the current grain disposal programs.

The Commission cannot anticipate the results from an experimental cost-finding operation.

Should Congress, by authorizing a cost-finding period of alcohol-butadiene operation, approve an effort to appraise the eventual economics involved, the matter could thus be determined. The Commission, of course, cannot foresee what decision Congress may make.

The Commission has authorized me to attach for your information a statement of the facts which we have assembled and which bear on the matter.

Sincerely,

J. LEROY WELSH,
Chairman, President's Commission.

DISPOSAL OF SURPLUS CEREAL GRAINS

Present plant facilities

As previously indicated the Commission is not prepared to recommend any program for the commercial utilization of cereal grains that would involve Government financing of the construction of new facilities for manufacturing. It is the sincere hope of the Commission that the mass utilization of surplus cereal grains through existing privately operated facilities and the research program envisaged by the Commission will develop industrial uses that will be sufficiently inviting to private enterprise to induce the investment of private capital without Government supports or subsidies.

There appears to exist in the country a large number of unused industrial facilities that could be put into operation to dispose of quantities of surplus cereal grains provided incentives were sufficient to permit sale of the industrial materials in competition with lower cost synthetics. Among them are the following:

[Million bushels]	Yearly unused capacity
Fermentation plants for conversion of cereal grains to industrial alcohol	80 to 100
Fermentation plants for the conversion of cereal grains to butyl alcohol	10 to 20
Dry corn milling industry	30
Wet corn milling industry	20 to 24
Wheat milling industry [1]	100 to 250

[1] In 1956 the Wheat Milling Industry ground 526,170,000 bushels which on a 5-day week constituted 84.4 percent of the capacity. On such a 5-day week the unused capacity would be 97½ million bushels and on a 7-day week the unused capacity could reach a theoretical optimum of 350 million bushels.

Available alcohol fermentation facilities

The rated capacity of existing idle grain fermentation plants is about 195 million gallons of 95 percent alcohol per year. The amount of grain that would be consumed for the production of this quantity of alcohol is about 78 million bushels per year. The names of location and capacity of the idle facilities are as follows:

	Gallons 95 percent alcohol per year	Bushels grain per year
Omaha, Nebr.	30,000,000	12,000,000
Muscatine, Iowa	10,756,000	4,303,000
Atchison, Kans.	6,765,000	2,706,000
Trenton, Mich.	5,254,000	2,101,000
Schenley:		
Kansas City, Mo.	10,300,000	4,300,000
Lawrenceburg, Ind.	1,250,000	500,000
Schenley, Pa.	3,750,000	1,500,000
Stamping Ground, Ky., and Cedarhurst, Md.	2,300,000	1,000,000
Publicker, Philadelphia, Pa.	133,750,000	49,500,000
Total	194,527,000	77,810,000

It is possible to increase these totals to 250 million gallons of alcohol to use 100 million bushels of grain annually since similar increases above rated capacities have been obtained in the past.

Available alcohol-butadiene facilities

There are in existence, under private ownership or operation, two synthetic rubber plants for the conversion of industrial alcohol to butadiene (located at Kobuta, Pa., and Louisville, Ky.). These two units could utilize from 178 million to 229 million gallons of industrial alcohol which would account for from 66 million to 84 million bushels of cereal grains listed in the previous table under fermentation plant capacity. The figures on the Louisville and Kobuta plants are as follows:

	Annual butadiene capacity (short tons)	Alcohol requirements (wine gallons)	Grain requirements (bushels)
Louisville	84,000	76,500,000	29,100,000
Kobuta	112,000	102,000,000	38,800,000
Total	196,000	178,500,000	67,900,000

The facility for converting alcohol to butadiene at Louisville, Ky., is still owned by the Government but is under lease to Publicker Chemical Co. The facility at Kobuta is owned by Koppers Co. under a national security clause available to the Government until 1965. The plants are of about the same capacity. The Kobuta plant has 4 lines whereas Louisville has 2, but the fourth line at Kobuta would need considerable work to put it into operation. Both plants are located on the Ohio River with facilities for barging; therefore, alcohol and butadiene can be transported by barge.

While these 2 plants could consume the equivalent of 66 million bushels of grain yearly, it is estimated that with relatively minor alterations and improvements in the processes, it would be possible to use alcohol equivalent to about 80 million bushels of grain.

With respect to the Kobuta plant, the time that would be required to take the butadiene lines out of mothballs and to train personnel to operate the lines would require from 5 to 6 months. The cost of reconditioning the units are estimated to amount to about $500,000. In the case of the Louisville plant, one line could be put in operation in a week, another in about a month, and the third in about 2 months at little additional expense.

INDUSTRIAL ALCOHOL

Alcohol has been described as the most versatile of all chemical compounds. It is a most useful material because of its unique properties as a solvent, a germicide, an antifreeze, a combustible liquid, and especially because of its versatile nature as a building block for other organic chemicals. The limitation on the use of alcohol made from grain is imposed largely by its competitive position for these uses which, in turn, is related to the cost of raw material from which it is derived, cost of transportation of raw materials and finished product and the cost of manufacture.

Conversion of cereal grains into industrial alcohol provides a method whereby at least a portion of the surplus cereal grains, particularly corn, can be disposed of. It has the advantage that lower grades of grain can be utilized than in many other products.

Most domestic industrial alcohol production in the period prior to World War II came from blackstrap molasses, principally imported molasses, although a portion of the molasses was derived from domestic sources.

During World War II the fermentation alcohol industry, including the beverage alcohol industry and the molasses alcohol industry, was required to produce alcohol for defense purposes. Much of this alcohol was made available to the alcohol-butadiene plants. The cost of producing alcohol varied from 58 cents to more than $1.25 per gallon. The main raw material used was wheat or wheat grits. At that time, wheat was still in surplus. The total amount of wheat used in the alcohol program during the period 1943–45 amounted to 225 million bushels. This wheat was made available to the industry at a price equivalent to about $1.02 a bushel.

The wartime synthetic rubber program

Most of the synthetic rubber produced during World War II stemmed from grain alcohol. Butadiene plants using petroleum as a raw material did not come into operation until the latter part of the war. The alcohol-butadiene plants were closed down during the fall of 1945. They were reopened during the Korean crisis, and again closed down in 1953, with the exception of one butadiene line which was operated at the Louisville alcohol-butadiene plant from October 1955 until September 1956. In the meantime, all butadiene plants using petroleum as a raw material have been operating at full capacity, and a large expansion of these facilities is planned within the next few years.

During World War II the Government financed construction of three alcohol-butadiene plants—at Louisville, Ky.; Kobuta, Pa.; and Institute, W. Va. The plant at Institute also had facilities for producing styrene, a raw material used in the production of synthetic rubber. The cost of the Institute facilities was $47 million. These facilities were sold to the Union Carbide & Carbon Co. in 1947 for about $9 million. The Kobuta facilities also included a plant for producing styrene. The combined alcohol-butadiene and styrene plants, including powerhouses located at Kobuta, were sold to the Koppers Co. in 1955. In the purchase agreement there was a clause that the alcohol-butadiene lines would have to be kept in standby condition for possible use in an emergency until 1965. The Louisville plant consisted only of facilities for producing alcohol butadiene. This plant has been up for sale on a number of occasions, but a sale was never consummated. The original cost of construction and the purchase of the land amounted to $31,500,000, to which the Government has added $4,750,000 in repairs and maintenance to January 1957, making a total investment of $36,250,000. The highest bid for all of these facilities was made last year by the Union Carbide & Carbon Co., and amounted to about $3,500,000. This plant was leased by the Government to the Publicker Chemicals Co. in 1955; this lease extends to April 1958.

Postwar alcohol production

Following the war the synthetic production of alcohol from petroleum gradually invaded the market, and, with the high prices recently for blackstrap molasses, petroleum alcohol, has all but taken over the market.

For the fiscal year ending June 30, 1956, a total of 255,700,000 gallons of industrial alcohol was produced in this country, 71 percent synthetic from petroleum. The petroleum industry could have supplied 95 percent if their plants had been operated at capacity. The petroleum industry at present is no doubt supplying more than the above indicated 71 percent of the market, since the price of blackstrap molasses had made its use for the manufacture of industrial alcohol noncompetitive with synthetic alcohol.

Production of industrial alcohol from blackstrap molasses until recent times was so much cheaper than from grain that, other than the alcohol-butadiene-rubber program during World War II, no great market could be developed from grain. Likewise, synthetic alcohol from petroleum is customarily produced and sold at prices making industrial alcohol from grain (at market prices for the grain) noncompetitive. Synthetic industrial alcohol made from ethylene, derived from petroleum or natural gas, is estimated to cost between 13.6 to 33.1 cents per gallon.

Thus, it follows that to channel any portion of the cereal grain surpluses into the industrial alcohol market would require that the grain from the stockpile would have to be supplied to the industrial alcohol plants at considerably under the going market for grains.

As indicated above the annual consumption of industrial alcohol, made principally synthetically from petroleum and by fermentation of blackstrap molasses is close to 260 million gallons. The grain fermentation capacity of the United States of roughly 80 to 100 million bushels is just about the equivalent of this normal market for industrial alcohol. However, it is not necessary that a program for the utilization of cereal grains for the production of alcohol displace all or even any great quantity of the present synthetic alcohol production from petroleum.

However, without any disturbance to established markets of the synthetic alcohol producers about the entire 80 to 100 million

bushels of existing grain fermentation capacity could be used to supply the following markets:

	Grain consumption, bushels
The 29 percent of the industrial alcohol market previously supplied by imported blackstrap molasses	30,000,000
The manufacture of butadiene for synthetic rubber, paints, etc.	68,000,000

It should be pointed out that the Department of Defense buys large quantities of industrial alcohol directly and through various suppliers of products. A method might be developed, if it became necessary, whereby alcohol from grain could be supplied to the Defense Department and/or its suppliers at prices competitive with the prices now being paid, and the grain be supplied from the Government stockpile to the industrial alcohol producers as indicated heretofore. Consideration might also be given to the matter of stockpiling of industrial alcohol.

The channeling of as much grain as can be processed in existing industrial alcohol plants for the above programs would provide the least dislocation to other industries.

Cost of alcohol from grain

Widely varying estimates have been received by the Commission on the cost of alcohol from variously priced corn. Following is a summary of these cost estimates:

Cost of corn per bushel	Cost of alcohol 190° proof
$1.25	$0.50–$0.75
1.00	.40– .68
.75	.35– .56
.50	.26– .47

The higher estimates in the range of values given are probably excessive in that they include amortization of a new plant in 5 years, which amounts to a figure of 10.8 cents per gallon.

Butadiene: The market

Butadiene can be made from either petroleum or alcohol. The petroleum base stock is either butane or butylene. Butadiene is used principally in the manufacture of synthetic rubber although a large market has recently developed in the paint industry. In 1954 about 18,000 tons of butadiene were used by the paint industry. Use of synthetic rubber is expanding. Even the export market has risen to nearly 100,000 tons annually. It is estimated that over the next 5 years the expanding production of synthetic rubber could consume up to 200 million bushels of grain annually. According to a survey by the Department of Commerce, the synthetic rubber market will expand to five times present capacity by the year 1975.

Competitive position of grain alcohol

For alcohol made from grain to be competitive with butane or butylene for the production of butadiene it would have to be laid down at the plants for the price ranging between 20 to 25 cents per gallon. Over long-term operations, these figures probably are on the low side. In the processes used to date, about 60 percent of the alcohol is converted to butadiene. The remaining alcohol is converted into byproducts. About 25 percent of the alcohol is converted into byproducts the nature of which is not too well known. These byproducts were burned by the Union Carbide & Carbon Co. as a fuel. Through research, more information could be obtained on the nature of these byproducts and profitable uses developed for them. By enhancing the byproduct credit of these side products, it is possible that alcohol could command a price of from 27 to 30 cents a gallon.

Cost of an alcohol-butadiene program

It is difficult to estimate precisely the cost to the Government of an alcohol-butadiene program. The return for corn has been estimated variously as from 11 cents to a figure approaching 50 cents per bushel. Because of the widely varying estimates received on the cost of producing alcohol and on the return that can be obtained from corn, it is not possible to arrive at a precise figure for estimating the overall cost of an alcohol-butadiene program. It would seem that accurate costs on an overall program can be obtained only by carrying on an experimental program for a year or two, using all of the capacity of the idle industrial fermentation alcohol plants and the alcohol-butadiene units at Louisville and Kobuta.

During the war years the alcohol fermentation industry produced alcohol for butadiene (for the synthetic rubber program) without regard to costs or study of byproducts. The Commission points out that a vigorous research program toward solving the problem of removing the starch from cereal grain prior to fermentation of industrial alcohol (or prior to removal of the starch for other industrial uses) will up-grade the protein from the grain into human food. It seems possible that by thus increasing the recovering value of the protein the production of industrial alcohol from the remaining starch would become a byproduct and the cost lowered sufficiently to compete with petroleum products in the expanding synthetic rubber, paint, and plastic markets. Manufacture of alcohol and butadiene on a full scale basis with careful study and analysis of results is necessary to determine the future economic position of grain in this industrial use.

The Commission believes that if an alcohol-butadiene program is adopted all plants, including those owned by the Government, whether for the making of alcohol or butadiene, should be operated by private industry.

Comparison of cost of an alcohol-butadiene program with present disposal programs

The Commission has been desirous of comparing costs of an alcohol-butadiene program with the cost of some of the Government's present programs for the disposal of surplus grains.

About 60 percent of all surplus grain moved during the past years has been sold by Commodity Stabilization Service of the Department of Agriculture for cash. The return to the Government has been about 70 percent of the original cost of the grain. In this case, the return to the Department has been much greater than could be expected from the conversion of surplus grain to alcohol.

Foreign Agricultural Service also has disposed of large quantities of grain. Under Public Law 480, 83d Congress, as amended, the Department has authority to dispose of surplus commodities for foreign currency, for relief purposes, and by barter. Only surplus grain sold for foreign currency (title I) need be considered for the purpose of this report.

Exports of wheat and corn under title I totaled 93 and 11 million bushels, respectively, for fiscal year 1956. The foreign currency proceeds of such sales are used for a variety of purposes, such as financing certain United States administrative expenses abroad, foreign market development and Fulbright exchange scholarships. But the bulk of proceeds in the four countries (Brazil, Egypt, Japan, and Yugoslavia) receiving over two-thirds of the title I wheat shipments, for example, is used for internal development of the countries concerned.

It is estimated also that the market value of the 93 million bushels of wheat shipped under title I was approximately $154 million ($1.65 per bushel, f. o. b. United States ports) as compared with the CCC cost (investment plus cost of financing) of $314 million—$3.38 per bushel. Similarly, the market value for 11 million bushels of corn was $16 million ($1.44 per bushel); CCC cost $27 million—$2.42 per bushel. In the case of both wheat and corn, CCC cost includes financing ocean freight and also freight differentials for quantities moved in American bottoms to meet the 50/50 shipping provisions of the program.

A comparison of the costs of the disposal of surplus grains for foreign currency and the cost of diverting grain for conversion to alcohol indicates that the latter program might be less costly.

Mr. CURTIS subsequently said: Earlier today the Senator from Illinois [Mr. DOUGLAS] introduced a bill which I joined in cosponsoring. I am very happy to have this invitation extended to me by the distinguished Senator from Illinois to join in cosponsoring the measure, because I am very much in favor of the objective of the proposed legislation. It provides for making a start, at least in an experimental way, toward the objective of turning some of our agricultural surpluses to industrial use, particularly in the form of alcohol and rubber.

Mr. President, it may develop that on further consideration of the program I may not be able to agree to certain features of the Douglas bill. The Commission appointed by the President will report at a later time, and I am eager to see what they will have to say with regard to the general field. However, I am heartily in favor of the objective of the bill, and I hope the proposal can be worked out.

I ask unanimous consent that my remarks may follow the remarks of the distinguished Senator from Illinois [Mr. DOUGLAS], which he made at the time the bill was introduced.

AUTHORIZATION FOR COOPERATIVE ASSOCIATION OF PRODUCERS TO BARGAIN WITH PURCHASERS SINGLY OR IN GROUPS.

Mr. AIKEN. Mr. President, I introduce, for appropriate reference, a bill to authorize cooperative associations of producers to bargain with purchasers singly or in groups, and for other purposes.

Cooperative associations of dairy farmers, in bargaining for the sale of milk to handlers, encounter a special problem under the antitrust laws which ought to be corrected.

The cooperative associations, representing dairy farmers, bargain for prices to be paid to farmers for milk by the handlers who process and distribute it. The problem arises particularly in metropolitan fluid milk markets where farmers associations must negotiate prices with more than one handler.

The prices charged by marketing associations must be uniform as to all handlers on the market to avoid a charge of price discrimination under the Robinson-Patman Act. In practically all fluid markets of any substantial size there are several handlers. Trying to negotiate separately with one handler at a time for a price which must be uniform as to all handlers involves endless running back and forth and is impractical and inefficient. Since the price to all handlers must be the same, the cooperative

should be permitted, if it chooses, to call all the handlers together and negotiate with them as a group for the price to be paid for the milk which the association has for sale.

The cooperatives insist that they have this right under the present law. However, it is not clearly spelled out either in the statute or by court decisions, and the Department of Justice has raised questions about it. This has created a condition of uncertainty which is hindering the marketing process. Many dealers are fearful that they will become involved in an action by the Department of Justice if they bargain in a group, and some cooperatives share this concern. This has served to slow up and impede the effective marketing of milk.

Unless Congress acts, this uncertainty will hang over the market like a cloud for many years until it is resolved eventually by expensive and time-consuming court action. Since this is a right which should be recognized, Congress can perform a valuable service to the dairy industry by clarifying it and thus freeing the market from the needless and hampering uncertainty which now exists.

The proposed legislation would permit one or more associations as sellers of milk to bargain with a group of handlers as purchasers of milk. Bargaining would be in good faith, at arm's length, between seller and buyer, and no collusion between seller and buyer would be permitted. The right of marketing associations to bargain in a group as seller and the right of handlers to bargain in a group as buyer would be limited to the milk owned and controlled by the marketing associations, and no agreement as to retail prices would be permitted. The proposed bill would not adversely affect the antitrust laws. It merely would recognize a practical application of them to the realities of present-day milk marketing.

I might add that for the purpose of the act "cooperative associations of producers," and "marketing agencies in common," mean such associations and marketing agencies as meet the requirements of the Capper-Volstead Act.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1743) to authorize cooperative associations of producers to bargain with purchasers singly or in groups and for other purposes, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF CIVIL AERONAUTICS ACT, RELATING TO CIVIL PENALTIES IN CERTAIN ADDITIONAL CASES

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes. I ask unanimous consent to have printed in the RECORD a letter from the Secretary of Commerce, requesting the introduction of this proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1749) to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, March 22, 1957.

Hon. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: It is requested that the enclosed draft of a bill be introduced in the Senate at your convenience. The purpose of the proposal is "to amend section 610 (a) of the Civil Aeronautics Act of 1938, as amended, to provide for the imposition of civil penalties in certain additional cases, and for other purposes."

A comprehensive Federal aviation safety program is provided in title VI of the Civil Aeronautics Act of 1938, involving the issuance of safety regulations by the Civil Aeronautics Board and the issuance of certificates of competency by the Secretary of Commerce. The program encompasses not only those matters directly involved in the actual operation of aircraft, but certain related ground activities as well. Thus, mechanics, repairmen, aircraft dispatchers, air traffic control tower operators, and parachute riggers, and, to some extent, aviation manufacturers, repair stations, aviation schools, and other air agencies, are federally regulated and certificated under authority derived from title VI of the act.

Because of certain language in title VI and the language of the penalty provisions in title IX of the act, many of these ground activities present special enforcement problems for the Secretary of Commerce.

Section 901 (a) provides "any person who violates any provision of * * * title(s) VI * * * of this act * * * shall be subject to a civil penalty of not to exceed $1,000 for each such violation. Any such penalty may be compromised * * *" by the Secretary of Commerce. Consequently, no civil penalty can be imposed unless there is a violation of a provision of title VI. The prohibitions of title VI, insofar as relevant to this discussion, are contained in section 610 (a) of the Civil Aeronautics Act. That section provides:

"(a) It shall be unlawful—

"(1) For any person to operate in air commerce any civil aircraft for which there is not currently in effect an airworthiness certificate, or in violation of the terms of any such certificates;

"(2) For any person to serve in any capacity as an airman in connection with any civil aircraft used in air commerce without an airman certificate authorizing him to serve in such capacity, or in violation of the terms of any such certificate;

"(3) For any person to employ for service in connection with any civil aircraft used in air commerce an airman who does not have an airman certificate authorizing him to serve in the capacity for which he is employed;

"(4) For any person to operate as an air carrier without an air carrier operating certificate, or in violation of the terms of any such certificate;

"(5) For any person to operate aircraft in air commerce in violation of any other rule, regulation, or certificate of the authority under this title; and

"(6) For any person to operate a seaplane or other aircraft of United States registry upon the high seas in contravention of the regulations proclaimed by the President pursuant to section 1 of the act entitled 'An act to authorize the President to proclaim regulations for preventing collisions at sea.'"

These prohibitions do not extend to all the matters which the Civil Aeronautics Board is authorized to regulate, nor to all the matters which are included within the certification authority of the Secretary of Commerce. There is no mention in this section of production certificates; the general prohibition against violation of regulations in subsection (a) (5) extends only to persons who operate aircraft in air commerce, and not to persons who service aircraft and aircraft equipment and who train aviation personnel on the ground.

Thus, although the Secretary may issue production certificates authorizing aircraft and aircraft component manufacturers to duplicate articles for which a type certificate has been issued, there is no provision in title VI that requires adherence to the terms of these certificates. Similarly, there are no prohibitions against violation of many of the Civil Aeronautics Board's regulations governing mechanics and repair stations (except those employed by air common carriers, sec. 605), parachute riggers, and ground aviation schools, and other air agencies.

In any case arising under title VI in which a civil penalty cannot be imposed, the only enforcement remedy which the Secretary of Commerce can pursue is a suspension or revocation proceeding before the Civil Aeronautics Board against the certificate held by the offender. Section 609 of the Civil Aeronautics Act authorizes suspension of a certificate "if the interest of the public so requires," or revocation for any reason which would justify refusal to issue it in the first instance. No technical violation of the act need be shown in these proceedings. It has been found, however, that suspension and revocation are inappropriate remedies in many cases which relate to ground activities affecting aviation.

Suspension and revocation result in the loss of the certificate holder's means of livelihood or suspension of his business, and the loss of production or service in essential industries. This result is ordinarily too severe for the usual offense. The proceedings before the Civil Aeronautics Board must follow all of the technical requirements of the procedure provisions of the Civil Aeronautics Act and of the Administrative Procedure Act. They are time-consuming, and therefore expensive to the public.

The civil penalty, on the other hand, which is the normal sanction now imposed for minor violations of other safety provisions of the Civil Aeronautics Act, is a simple, expeditious, and effective remedy, more readily adaptable to the requirements of particular cases. Under the language of section 901 (a), previously quoted, a statutory maximum penalty of $1,000 is provided, and the Secretary of Commerce is authorized to compromise for a lesser amount. Most such cases are now handled by a simple exchange of letters. If the person from whom the penalty is demanded does not wish to compromise, the matter must be adjudicated in a Federal court. There is thus an adequate safeguard against arbitrary administrative action.

The rules, regulations, and other safety requirements governing manufacturers and air agencies, and those which relate to the airman such as mechanics whose activities do not directly involve operation of aircraft, are all important to aviation safety. It has been the experience of the Department of

Commerce that safety requirements that are not enforced are not universally obeyed. Under present law the Department of Commerce is placed in the dilemma, in many cases, of either not enforcing these requirements or of using the inappropriate suspension or revocation sanction. The legislation provided in the attached draft bill would resolve that dilemma, providing a more practical, more just, more appropriate, and more efficient enforcement process in the form of civil penalties. The proposed bill would amend section 610 (a) of the Civil Aeronautics Act of 1938 to declare illegal, in addition to the present prohibitions, any violation of the safety requirements by manufacturers holding production certificates, by air agencies, and by airmen such as mechanics whose activities do not directly involve operation of aircraft. With this amendment, to which section 901 (a) of the act would automatically apply, civil penalties could be imposed in all of the additional cases described in this report. In the opinion of the Department of Commerce, the existence of this additional enforcement authority would promote compliance with necessary aviation safety requirements, and the Department therefore urges that the attached bill receive early consideration by the Congress.

The Bureau of the Budget has advised that it has no objection to the transmission of this letter and proposed legislation to the Congress.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

TENNESSEE RIVER BASIN WATER POLLUTION CONTROL COMPACT

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a bill granting the consent and approval of Congress to the Tennessee River Basin Water Pollution Control Compact, which, before it can become effective, requires the consent and approval of the Congress.

This compact arose out of a series of conferences between the States of Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia. The compact has of this date been ratified by the States of Tennessee by chapter 151 of the Public Act of 1955; and Mississippi, by H. B. No. 855 of the regular session of 1956, and requires Congressional approval to become effective as to those States.

In the Tennessee Basin, as elsewhere, the maintenance of adequate supplies of high-quality water has assumed greater importance in recent years. Continuing increased demands on the Tennessee Basin waters have focused attention on the quality of the water itself. Evidence is mounting that the quality of the water has been deteriorating rapidly. Recently, the Tennessee State Planning Commission has found that prospective industries and manufacturers are choosing to locate elsewhere as they discover that analyses of the river water fail to come up to their specifications. I am sure other States in the Tennessee River Basin will be confronted with the same sad experience.

Individually, the States in the Tennessee River Basin have taken important steps to initiate adequate pollution control and abatement programs. However, the interstate nature of the Tennessee and its tributaries necessitates coordination and cooperation by the States concerned.

The proposed legislation which I introduce today will give the authority for these interested States to cooperate and coordinate their efforts. I hope the Congress will give speedy approval to this bill so that these States can proceed with this important undertaking.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1751) granting the consent and approval of Congress to the Tennessee River Basin Water Pollution control compact, introduced by Mr. KEFAUVER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO THE LEASING OF SPACE

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference a bill transmitted to me, as chairman of Government Operations Committee, by the Administrator of General Services with a request for its introduction and consideration.

The bill is intended to improve the economy and efficiency of the Government's space leasing program by authorizing additional leasing techniques comparable to those employed in the business world.

I ask unanimous consent that the letter transmitted to the President of the Senate by the Administrator of General Services, which explains the purpose of this bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1754) to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 30 years, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., March 14, 1957.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There is transmitted herewith, for referral to the appropriate committee, a draft bill prepared by this agency, to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to lease space for Federal agencies for periods not exceeding 30 years, and for other purposes.

The bill is intended to improve economy and efficiency in the Government's space-leasing program by the authorization of additional leasing techniques comparable to those employed in the business world.

The bill authorizes the Administrator of General Services to enter into leases for periods not exceeding 30 years. Similar authority is now vested in the Postmaster General (39 U. S. C. 968). The Administrator of General Services has authority to lease space for only a maximum of 5 years (laws cited in sec. 2 of the draft bill).

As the chief leasing agency of the Federal Government, the General Services Administration should be empowered to use all the leasing techniques employed by private business to secure the most advantageous lease arrangements. The proposed 30-year leasing authority is not intended to be exercised as a substitute for any existing public-building construction program. Rather, it would be used as auxiliary to those authorities in cases where foreseeable advantage to the Government appears.

The proposed authority would provide an opportunity for the Government to obtain space in modern facilities at reduced cost because of the longer period possible for amortization of the lessor's construction or major remodeling and other costs.

We are satisfied that the authority can be exercised to the advantage of the Government because of the large volume of permanent space needs of the Government which must be met by lease arrangements and for which Federal building-construction programs, including the Public Buildings Purchase Contract Act of 1954, are not suitable or available.

Subsection (h) (2) of the bill permits the Administrator to sell or otherwise transfer to an intended lessor of the Government existing Government property and property which the Government may acquire as desirable for the proposed transaction. This freedom to work out a businesslike deal parallels authority now vested in the Postmaster General.

Should unexpected changes of circumstance occur leaving the Government with a portion of its long-term lease unused, the Administrator could, under existing authority, dispose of the leasehold as surplus property. Subsection (h) (3) of the bill would facilitate disposal action by authorizing negotiation, rather than public advertising, where this may be more advantageous. In addition, this subsection of the bill would permit the Administrator to pay out of the rentals received from the Government's tenant (who leases the unexpired portion of the term) both the cost of providing the tenant with janitorial and similar services and supplies, as well as the rentals due from the Government to its lessor under the basic lease.

Ordinarily, the rentals received by the Government from its tenant would be for deposit to miscellaneous receipts. The authorization in the bill would facilitate better management of the surplus leasehold because provision is not usually made in agency budget estimates or appropriations for such unanticipated expenses as furnishing service to a surplus leasehold tenant. This flexibility in financing will help Government disposal personnel meet the requirements of prospective tenants and it will increase the ability of this agency to upgrade and consolidate the space used by Federal agencies.

Section 2 proposes the repeal of three laws which limit our leasing authority to 5 years. The draft bill, if enacted, would authorize leases for any period not exceeding 30 years as the needs of the Government may dictate.

Information on cost or savings as a result of this proposed legislation cannot be developed by reason of the nature of the lease contracts which might be entered into. It would be highly impracticable to forecast the cost or savings except to say that, if the national economy remained at a relatively stable level, it would be reasonable to expect that cheaper rental rates would prevail because of (a) the longer period for amortization of the lessor's construction or major remodeling costs; (b) the attractiveness of the security represented by such lease as a long-term investment; and (c) the stabilizing effect of such leases over a long period notwithstanding variations in the level of the national economy. It is not expected that any increase in civilian employment or expenditures will result from the proposed legislation.

This agency urges prompt and favorable consideration of the draft bill.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

FRANKLIN G. FLOETE,
Administrator.

Be it enacted, etc., That section 210 of the Federal Property and Administrative Services Act of 1949, as amended (40 U. S. C. 490), is further amended by the addition of subsection (h), to read as follows:

"(h) (1) The Administrator is authorized to negotiate and enter into lease agreements with any person, copartnership, corporation, or other public or private entity, which do not bind the Government for periods in excess of 30 years for each such lease agreement, on such terms as he deems to be in the interest of the United States and necessary for the accommodation of Federal agencies in buildings and improvements which are in existence or to be erected by the lessor for such purposes and to assign and reassign space therein to Federal agencies.

"(2) For the purposes of paragraph (1) of this subsection, and without regard to the other provisions of this act relating to the acquisition or disposal of property, the Administrator is authorized to acquire real property by purchase, condemnation, lease, donation or otherwise, to improve (including demolition) federally owned property, and to negotiate the disposal of such acquired and federally owned property upon such terms as he may determine to be in the best interest of the United States.

"(3) If the unexpired portion of any lease of space to the Government is determined by the Administrator to be surplus property and the property is thereafter disposed of by sublease by the Administrator, the Administrator is authorized, notwithstanding section 204 (a), to deposit rental received in the Buildings Management Fund and defray from the fund any costs necessary to provide services to the Government's lessee and to pay the rent on the lease of the space to the Government."

SEC. 2. The following laws are repealed: Act of March 2, 1912, 37 Stat. 718 (paragraph on leasing storage space), as amended by section 6 of the act approved June 14, 1946, 60 Stat. 258 (40 U. S. C. 36); section 407, act of June 16, 1949, 63 Stat. 199, as amended (40 U. S. C. 37a); and the first sentence of amended section 3 of the act of August 27, 1935 (60 Stat. 257; 40 U. S. C. 304c).

NOTICE OF CONSIDERATION OF A NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Stanley C. Allyn, of Ohio, to be the representative of the United States to the Twelfth Session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

Notice is given that the nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, for the consideration of nominations on the calendar beginning with the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Stanley C. Allyn, of Ohio, to be a representative to the 12th Session of the Economic Commission for Europe of the Economic and Social Council of the United Nations, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Arnie J. Suomela, of Oregon, to be Commissioner of Fish and Wildlife, Department of the Interior.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated, beginning with the new reports.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of John Clifford Folger, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Philip Young, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Philip W. Bonsal, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE TREASURY

The Chief Clerk read the nomination of Fred C. Scribner, Jr., of Maine, to be an Assistant Secretary of the Treasury.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

CIVIL AERONAUTICS BOARD

The Chief Clerk read the nomination of Louis J. Hector, of Florida, to be a member of the Civil Aeronautics Board for a term of 6 years expiring December 31, 1962.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of Senate bill 497, the unfinished business.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that, as soon as possible, we hope to proceed to the consideration of the bills and resolutions which I shall enumerate. We may not necessarily take them up in the order in which they are mentioned, but I should like all Senators to be on notice of the possibility that they may be brought before the Senate. The list is as follows:

Order No. 11, Senate Concurrent Resolution 2, to create a joint congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President.

Order No. 69, Senate Resolution 24, to amend rule XIV of the Standing Rules of the Senate.

Order No. 119, S. 1423, a bill to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

That bill has not yet been cleared by the minority, but I am hopeful it will be.

Order No. 130, H. R. 4815, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

Order No. 160, S. 1585, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

Order No. 179, S. 78, to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland.

Order No. 180, S. 685, to extend the life of the District of Columbia Auditorium Commission.

Order No. 181, S. 1034, to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural puposes, certain real property in Callaway County, Mo.

Order No. 182, S. 812, to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton.

Order No. 183, S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Order No. 184, S. 1442, to facilitate the regulation, control, and eradication of plant pests.

Order No. 185, S. 44, to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico.

Order No. 186, H. R. 4813, to extend the life of the District of Columbia Auditorium Commission, and for other purposes.

That bill is the same as Order No. 180, S. 685.

Order No. 187, S. 1549, to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

Order No. 188, Senate Joint Resolution 39, to authorize the construction of certain water conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex., and Tex.

Order No. 189, S. 42, to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes.

Order No. 190, S. 1679, to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act.

The last four measures have not yet been cleared by the minority, but I am hopeful they will be over the weekend. I should like to have Senators on notice that when we conclude action on the pending business there is a possibility we may proceed to consider any of the measures which have been listed, and we want to feel at liberty to do so.

MOVEMENT OF HEADQUARTERS OF MISSOURI-KANSAS-TEXAS RAILROAD

Mr. SYMINGTON. Mr. President, yesterday I called the attention of the Senate to the action of the management of the Missouri-Kansas-Texas Railroad in secretly moving its headquarters from St. Louis last weekend.

The distinguished senior Senator from Washington [Mr. MAGNUSON], chairman of the Senate Interstate and Foreign Commerce Committee, has asked the Interstate Commerce Commission for a full report as to the rights of the employees, the responsibility of the railroad as a public utility, and the suggestions of the Commission.

Mr. President, I ask unanimous consent that Senator MAGNUSON's letter be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 27, 1957.

Hon. OWEN CLARKE,
Chairman, Interstate Commerce Commission.

DEAR MR. CHAIRMAN: Senator STUART SYMINGTON has called to my attention an extraordinary action wherein the management of the Missouri-Kansas-Texas Railroad abruptly moved its headquarters accounting office from St. Louis, Mo., to Denison, Tex., this past weekend without any advance notice whatever to its employees or to the public.

Attached are photostatic copies of newspaper articles from the St. Louis (Mo.) Globe-Democrat and the St. Louis (Mo.) Post-Dispatch, reporting on this move. Based on these articles, it appears that many employees of the railroad came to work Monday morning, only to read a sign pasted on the closed doors to the effect that if they wanted to work they could apply in Denison, Tex., at 10 o'clock Wednesday morning.

Based on the information now available, it appears that this railroad, a public utility, has acted in this matter in an arbitrary, high-handed manner, without regard either for its employees or the public interest.

Business and civic leaders of St. Louis, in reporting this incident to Senator SYMINGTON, have expressed their deep concern about the manner in which this move was undertaken and carried through.

At your earliest convenience I would appreciate a full report as to the rights of the employees, the responsibility of the railroad as a public utility, and the suggestions of your Commission.

Sincerely yours,
WARREN G. MAGNUSON, *Chairman.*

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Helluva Way To Run a Railroad," published in the St. Louis Globe-Democrat of March 23, 1957.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of March 23, 1957]

HELLUVA WAY TO RUN A RAILROAD

The way the Missouri-Kansas-Texas Railroad is handling its affairs in St. Louis reflects no credit on the railroad.

The Katy had a deficit of more than $500,000 for January and February. They have apparently decided to move all of their operations elsewhere. This is a management decision with which no one can quarrel. The first principle of business is survival and the second is solvency.

If the Katy had met the issue honestly and in a straightforward manner with its employees and the public, there might be cause for regret at the move, but at least those concerned would know and understand the facts. Instead of that, the policy of its new president, William N. Deramus III, is apparently to dodge all inquiries and reporters.

As a result, employees in many departments were informed on a Friday that they were out of a job as of that afternoon unless they wanted to go to Texas. The purchasing department had been moved from St. Louis and prior to that time the treasury, law and passenger traffic departments had likewise moved from the city, all cloaked in great secrecy.

St. Louis has been very kind to the Katy Railroad and considered it a good neighbor. Hundreds and even thousands of employees have given many years of faithful service. It is a poor show indeed when these years of hospitality and loyalty are apparently dumped in the discard by the Katy's financiers, and no straightforward explanation of what is happening or what is in prospect is afforded either the community or the men and women who have served the railroad so long and so well.

The Katy's recent maneuvers in St. Louis have been an object lesson on how not to handle employees or a community.

Their handling of this situation has been just as bad as the other railroads' relationship with the St. Louis community has been good, which is all the more the pity.

This newspaper has been outspoken when it felt that unions have transgressed. We would be less than honest if we did not speak similar criticism of employers when they so richly merit condemnation.

It is extremely regrettable that a fine relationship, which extends back over so long a period of time, will be completely wrecked by inept handling in a matter of a few days or weeks.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "One Hundred and Fifteen Employees of Katy Report for Work, Find Jobs Abolished," published in the St. Louis Post-Dispatch of March 25, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of March 25, 1957]

ONE HUNDRED AND FIFTEEN EMPLOYEES OF KATY REPORT FOR WORK, FIND JOBS ABOLISHED—SIGN ON OFFICE DOOR TELLS THOSE WANTING EMPLOYMENT TO BE IN DENISON, TEX., BY WEDNESDAY

About 115 accounting department employees of the Missouri-Kansas-Texas Railroad appeared for work today but found their offices locked and dark, and a sign directing job-seekers to report Wednesday at Denison, Tex.

Employees affected by the surprise move included 60 workers at the railroad's headquarters in the Railway Exchange Building, 611 Olive Street. The remainder had been employed in offices at the freight house at 1600 North Broadway.

The workers at the downtown office, some of whom arrived carrying lunches, expressed concern over the whereabouts of personal belongings they had left in their desks Friday. The items ranged from eyeglasses and small sums of cash to a $400 check left by one woman.

NO PREVIOUS NOTICE

An officer of their union said no previous official notice had been given that the work here would be eliminated. The railroad officials had denied rumors of an impending change, he said.

The Post-Dispatch reported yesterday that the railroad began moving truckloads of records from its headquarters early Sunday. Katy officials have refused to say where the records were being sent, but it was reported the files will go to Denison where consolidated accounting offices are being set up.

Approximately 40 of the employees, angry and stunned by the loss of jobs, milled in the 15th-floor corridor outside their closed office at 8:30 a. m. today, and read and reread the sign posted on a door.

A security officer, armed and wearing a western-style hat, stood beside the door and objected when a Post-Dispatch reporter and photographer wanted to copy the sign's text and make a picture.

TEXT OF SIGN

"Get your newspaper out of here," he said, in mild tones. He said the reporter was blocking the view of others who wanted to read the bulletin. When a murmur of protest began in the crowd, the officer stepped aside. The sign read:

"This office was transferred to Denison, Tex., March 23, and employees who desire to transfer will report to Denison for duties starting at 8 a. m., Wednesday, March 27, 1957.

"Pullman cars for exclusive use of all employees will be attached to the head end of the Texas Special leaving St. Louis at 5:40 p. m. Tuesday, March 26.

"You will be permitted to stay in these cars at Denison for a period of 1 week, and you will be allowed $4 a day for meals for the period you occupy the pullman cars. You are excused and will be paid your wages for March 25-26, and those who do not desire to transfer and who are entitled to vacations will be paid for their vacations on the next rolls. The railroad will reimburse those employees who move their household effects to Denison.

"Advise Mr. J. V. Hennelly if you will transfer to Denison, and if you will occupy pullman cars. J. T. Stephenson, comptroller."

The laid-off employees said that even if they could wind up personal affairs in St. Louis by tomorrow, including the disposal of their homes, making the transfer would be unwise for many.

A woman who said she had been in the voucher department 30 years stated she would not move because the railroad might cut off other people after they got to Denison.

Some workers said they had worked for the Katy Railroad for periods ranging from 12 to 40 years.

Among the clerks laid off by today's action was one woman who said her eyeglasses had been left in a desk which apparently is en route to Texas. She said her lawyer had advised her to obtain new spectacles and to send the bill to Deramus.

Another woman said a check for more than $400 payable to her was in her desk. She has the key to the locked compartment in which she had placed the check for safekeeping.

A third woman employee moaned: "Oh, all the club's records are gone."

The Railway Exchange Building office was opened later. It had been stripped of furniture. The security officer left after attempting to exchange pleasantries with the dismissed workers who aimlessly roamed the debris-littered floor.

Six men who said they had worked Saturday morning, whereas their colleagues had closed their desks Friday, said they had been given no inkling that the office was to be stripped of furnishings overnight Saturday.

One worker distributed bulletins stating that due "to the evacuation of the Katy Railroad from St. Louis on such short notice," no information had been published on the future of the M-K-T general office credit union. The credit union has been reorganized, it was stated.

"Under the circumstances," the bulletin said, shareholders would be allowed to withdraw 25 percent of their funds at this time. Further withdrawal would be allowed, it was said, when outstanding loans were paid.

P. L. Bonney, president of Katy Lodge 97, Brotherhood of Railway Clerks, said that until last July the railroad employed about 250 workers in the 15th-floor office. Some staff reductions began then, he said, but the big slash occurred January 15, 1 week after William N. Deramus III became president of the railroad.

Bonney said the employees affected by today's action included workers in the accounting department, the disbursement department, and the typing bureau.

Bonney said Katy employees remaining on 15th floor include 20 in freight traffic; 8 in the division freight office; and 1 worker in the mail room, insurance office, and pass bureau. One of the workers in the freight traffic office said he and coworkers are removing personal effects from their desks, as a precaution.

Asked what the union would do about the abolition of the jobs, Bonney said: "I hope we can do something, but personally, I don't know what we can do." He said union officials superior to him must handle negotiations.

The international president of the union, George M. Harrison, said last week that the Katy's new president, Deramus, is conducting a slaughter of jobs that may result in dismissal of between 500 and 700 Katy railroad clerks.

"Deramus is making all his moves in secrecy, because he doesn't want the public to know what he is up to," Harrison said. "He is violating our contract right and left."

Deramus, 41 years old, became the youngest railroad president of a major line when he took charge of the Chicago Great Western in 1949. His father is president of the Kansas City Southern Railway Co.

Some railroad officials here who are watching with interest Deramus' administration of the Katy, said he is reputed to believe that the general public is not interested in the internal affairs of railroad operations, and that such operations are not the concern of the public even if interest is shown.

While young Deramus is closemouthed about his plans for the Katy, his problem is obvious, railroaders report. They said he must reduce operating costs and consider how to replace some aging equipment. They believe he is seeking to consolidate the Katy with some other line to assure an interchange of freight. Rail executives point out that the Katy has competing lines paralleling many of its routes.

One railroadman estimated Deramus, since becoming president of the Katy, has cut $6 million from the annual payroll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Veteran Katy Workers Stunned by Secret Move," published in the St. Louis Globe-Democrat of March 26, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of March 26, 1957]

VETERAN KATY WORKERS STUNNED BY SECRET MOVE

Employees with 30 or more years' service were among those stunned when they reported to work yesterday at Katy offices and found a notice posted on a door stating their jobs were at an end.

One of them was W. J. Bouska, a veteran of 33 years with the railroad, who lives at 6223A Michelberger Avenue. Bouska and about 100 others who lost their St. Louis jobs had no advance notice.

NOTICE POSTED

The workers in the Katy's accounting office in the Railway Exchange Building and the auditor of revenue office at 1600 North Broadway glumly crowded around notices posted on the office door.

Standing by was a railway agent wearing a big, Texas-style hat, who tried to keep news photographers from snapping pictures of the notice.

The notice announced that "this office was transferred to Denison, Tex." as of last Saturday.

"The employees who desire to transfer will report to Denison for duty starting at 8 a. m. Wednesday, March 27," the notice read.

"Pullman cars for the exclusive use of our employees will be attached to the head end of the Texas Special leaving St. Louis 5:40 p. m., Tuesday, March 26. You will be permitted to stay in these cars at Denison for a period of 1 week and you will be allowed $4 a day for meals for the period you occupy the pullman cars."

It went on to say that displaced employees will be paid for yesterday and today and that employees will be reimbursed for moving furniture to Denison.

FIVE HUNDRED AND SEVENTY-THREE MILES AWAY

The distance from St. Louis to Denison is 573 road miles.

An employee with 29 years of Katy service commented after reading the notice that he would have no assurance of a job if he transferred to Texas because his seniority would not be recognized there.

"They could have at least given us a week's notice," another man said.

Almost all said they would remain in St. Louis and seek other jobs. They pointed out they couldn't sell homes and settle other affairs in 2 days.

Elmer Streng, chief clerk of the disbursement department, took names of those employees who wanted to transfer to Texas. He said about 10 or 12 signed up.

Office furniture and files were moved out in a hush-hush operation over the weekend. The equipment was piled into big moving vans, which quickly moved across the bridges into Illinois and south toward Texas.

Employees expressed concern over personal effects that they left in their desks Friday. The desks had been moved out. Several said they were missing eyeglasses. A woman said she had $400 in checks in her desk.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Katy Equipment Trucking on Down the Avenue," published in the St. Louis Globe-Democrat of March 26, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of March 26, 1957]

KATY EQUIPMENT TRUCKING ON DOWN THE AVENUE

The Katy Railroad loaded its office equipment on trucks early yesterday and started on its midnight ride to Texas.

Loading gangs, working under a cloak of darkness that was pierced by photo flashbulbs, carted furniture from Katy offices in the Railway Exchange Building and into a row of waiting vans.

The hush-hush operation started at 12:07 a. m., and was still in progress 12 hours later. A trucking official said at noon: "We haven't even started."

Katy—short for Missouri-Kansas-Texas—is in the process of pulling up stakes in St. Louis and shifting most of its headquarters operations to Denison and Dallas, Tex.

OFFICIALS SILENT

Railroad officials have been reluctant to talk about the shift at all, and both they and van-line spokesmen were silent about the midnight move.

Reports of the truck operation, said to involve some 300,000 pounds of office equipment, came to light Saturday, however, and newsmen were on hand to watch when loading started.

Five vans quickly lined up outside the Railway Exchange Building. Their tailgates were lowered and empty cardboard cartons were carried by elevator to Katy's 15th-floor offices.

Reporters were barred from the floor but they waited below and watched while filing cases, cabinets, and other furniture was loaded on the vans.

Drivers, reported to have been here since Tuesday under sealed orders, said only they were going to Texas.

It was learned one of the initial five vans was to ride piggyback on a train while the others proceeded over the road.

A check shortly before noon revealed the loading crews were still at work and two more vans were lined up on Locust Street outside the building.

A Globe-Democrat reporter entered the building, took a passenger elevator to the 15th floor and alighted. Workmen were scurrying around and some offices had been partially emptied.

"BETTER GET OUT"

On his way out, the reporter was accosted by a man who asked if he worked here. Identifying himself, the reporter was told:

"This office closed Saturday. That means you're trespassing. You better get out."

At 1600 North Broadway, where Katy maintains a freight station, more furniture—including desks and filing cabinets—was being loaded on vans. Four trucks were lined up at a loading dock.

A fleet of vans from two major lines was engaged for the move. It was reported that drivers working for one of the lines were not given full instructions until a 10 a. m. briefing conference Saturday.

The railroad reported a net deficit of $519,608 for January and February, a picture it is trying to change by cutting costs and streamlining operations. Its treasury, law, and purchasing departments already have shifted to Texas.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Most of Katy's 125 Locked-Out Workers Plan to Go to Texas," published in the St. Louis Post-Dispatch of March 26, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of March 26, 1957]

MOST OF KATY'S 125 LOCKED-OUT WORKERS PLAN TO GO TO TEXAS—PREPARED TO BOARD SPECIAL CARS DEPARTING TODAY—UNION CHIEF CALLS RAILROAD'S ACTION HIGH-HANDED

Most of the approximately 125 Missouri-Kansas-Texas (Katy) Railroad employees who found their offices locked and dark when they reported for work here yesterday were preparing today to accept the railroad's ultimatum to go to Denison, Tex., if they want to keep their jobs.

A few veteran workers eligible for retirement indicated they would not make the move, as did some young women stenographers, but other employees were getting ready to board the special pullman cars scheduled to leave Union Station for Texas at 5:40 p. m. today.

About 50 employees were on hand this morning, and they were confused and worried about their jobs.

These workers included 30 in the sales and service department and freight-traffic department on the 15th floor of the Railway Exchange Building and 20 in the freight house on North Broadway.

Orders were given recently to top officers and division heads of the railroad by William N. Deramus III, who took over the presidency recently, to remain away from their offices and make themselves unavailable to employees, union representatives, and the public, the Post-Dispatch was told.

HIGHHANDED, ARBITRARY

Meanwhile, George M. Harrison, president of the Brotherhood of Railway Clerks, described the Katy's action in closing its offices in the Railway Exchange Building and at 1600 North Broadway as "highhanded, arbitrary, and precipitous."

Other union officials also denounced the manner in which the railroad shut down its offices here without any previous warning to employees, who were stunned by the terse notice posted on doors yesterday, telling them to report to Denison by tomorrow.

"Why people want to handle their labor relations like this, I'll never know," Harrison, who is in Houston, Tex., for a meeting of the union's general chairmen, told the Post-Dispatch. "It's just the arrogance of some railroad officials. You can't move human beings around like that."

Referring to Deramus, Harrison said:

"He has the background of a stormy petrel. We'll have trouble with him wherever he is."

Union officials said they will insist the Katy give St. Louis employees whose jobs have been abolished similar work at the same rate of pay in Denison, and that the railroad pay all expenses for moving employees and their families, in addition to providing boarding expenses or accommodations while they seek new homes.

VIOLATION CHARGED

Harrison and James L. Dyer, his executive assistant, who has an office in Cincinnati, said the railroad violated its agreement with the union to give a 90-day notice when offices are to be transferred from one city to another.

"They didn't say a word to us about it, and we couldn't find any Katy official to talk to," Dyer stated. "It's a hell of a way to do business."

He said the railroad, which carted away its office records and furniture late Saturday night in a big caravan of moving vans, seems "to do everything under cover of darkness."

Dyer said the union will object to the Katy's proposal to let transferring employees live in pullman cars at Denison for 1 week while they seek living quarters.

"The agreement we have with the railroad does not permit a transfer of this kind unless provisions for handling the employees are worked out in advance," he asserted. "We have agreed to nothing in this case."

UNION APPEAL PLANNED

Harrison pointed out that, if a satisfactory arrangement is not made by the Katy for the St. Louis workers, the union will appeal to the Railway Adjustment Board in Chicago or the National Mediation Board in Washington, or perhaps both.

Dyer said the Brotherhood of Railway Clerks may seek "several million dollars" from the Katy as a result of grievance claims arising all over the system. He asserted the railroad has quietly changed offices and abolished jobs that caused the layoff of about 1,000 union workers.

Referring to Deramus, Dyer said: "I don't know his motive, of course, but he's just wrecked the railroad as far as the employees go."

Austin J. Pickett, general chairman of the Brotherhood of Railway Clerks for the Katy, was to confer in Denison today with A. F. Winkel, assistant general manager of the railroad, in an attempt to reach an agreement on the St. Louis workers whose jobs were abolished.

ONE HUNDRED TRANSFERS EXPECTED

Pickett said he was told that about 100 of the 125 affected employees would probably seek to continue working for the Katy in Texas.

"I believe that everyone who wants a job will have one," he said. "We will insist that everyone who was working in St. Louis Friday for the Katy shall continue on the payroll.

"We cannot stop railroads from making transfers and consolidations, but we can insist on enforcement of our agreements with them."

A Post-Dispatch reporter walked through about 10 connecting, carpeted offices on the 15th floor of the Railway Exchange Building yesterday before encountering an employee. The worker said the occupants of the offices had failed to appear for work, and that no executives or chief clerks were about, either.

"You know as much about what's going on as we do," he said.

The paneled doors to the offices of the top echelon officials, including those of Board Chairman Donald V. Fraser and the president, Deramus, were locked yesterday but open today. The furnishings were still there but the lights were out and the offices deserted.

Approximately 20 employees were found in a freight traffic office, most of them talking in small groups. The shutdown did not affect them, but they expressed concern over whether their jobs here might be terminated abruptly.

"I saw a man in his sixties, with 36 years' service, cry today," said one man soberly. "I have 40 years with the Katy."

JOBS FOR SOME UNDER 42

A chief clerk of another railroad had telephoned, it was said, to announce he might be able to hire some rate clerks under 42 years of age.

"You don't become a good rate clerk before 42," said one of the Katy men.

The employees who reported to work yesterday said they had not received any prior notice that their jobs here would be abolished. They said Katy officials had denied rumors of an impending change as recently as last Friday, when the clerks went home for the weekend.

William J. Hennelly, an assistant auditor, said this morning he had been requested by 16 employees in the disbursement and general accounting department in the Railway Exchange Building for reservations on the Texas-bound pullmans late this afternoon. He did not know the number of workers in the larger revenue department who planned to take the train.

Another railroad representative estimated there would be about 60 workers from the North Broadway office on the train.

P. L. Bonney, president of Katy Lodge 97, Brotherhood of Railway Clerks, said that until last July the railroad employed about 250 workers in the 15th floor office. Some staff reductions began then, he said, but the big slash occurred January 15, one week after Deramus became president of the railroad.

YOUNGEST RAIL PRESIDENT

Deramus, 41 years old, became the youngest railroad president of a major line when he took charge of the Chicago Great Western

in 1949. His father is president of the Kansas City Southern Railway Co.

Some railroad officials here who are watching with interest Deramus' administration of the Katy, said he is reputed to believe that the general public is not interested in the internal affairs of railroad operations, and that such operations are not the concern of the public even if interest is shown.

While young Deramus is close-mouthed about his plans for the Katy, his problem is obvious, railroaders report. They said he must reduce operating costs and consider how to replace some aging equipment. They believe he is seeking to consolidate the Katy with some other line to assure an interchange of freight. Rail executives point out that the Katy has competing lines paralleling many of its routes.

One railroad man estimated Deramus, since becoming president of the Katy, has cut $6 million from the annual payroll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "The M.-K.-T.'s Locked Door," published in the St. Louis Post-Dispatch of March 26, 1957.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of March 26, 1957]

THE K.-K.-T.'S LOCKED DOOR

At the end of their working day last Friday the 125 employees in the St. Louis accounting department of the Missouri-Kansas-Texas Railroad went home for the weekend. They expected to return to their desks on the following Monday. On Monday they found the offices cleared of furniture, locked and dark. A notice on the door advised those "who desire to transfer" to report to Denison, Tex., at 8 a. m. Wednesday.

That must indeed have been a shock to those 125 who went home Friday with no hint of any change in their normal routine as Missouri-Kansas-Texas employees. And it could not help much to be told that the employee could tear up roots and move at company expense to Denison. Sell out and hope for the best? That must have appealed to some of those who were not too stunned by the locked door to appreciate this kindness. It must have meant a good deal to some of those who had worked 20 and even 30 years for the M.-K.-T. to find they had not been completely forgotten. And what assurance of security would there be about a job in Denison? Would more callous treatment be in store?

The railroad's new 41-year-old president, William N. Deramus III of Chicago apparently is the only one who can explain why the 125 employees went to work Monday and found the rug had been pulled out from under them. And Mr. Deramus has nothing to say.

It is a long time since the 1880's, when William H. Vanderbilt, the ruthless financier and railroad mogul, commented upon a cut to service with the classic remark, "The public be damned."

Mr. SYMINGTON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Katy's Callous Conduct," published in the St. Louis Globe-Democrat of March 26, 1957.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of March 26, 1957]

KATY'S CALLOUS CONDUCT

When some one hundred office employees of the Missouri-Kansas-Texas Railroad came to work yesterday morning, they found the offices vacated, desks and equipment gone and a sign on the door saying if they wanted to keep on working for the company they would have to report in Denison, Tex., at 8 a. m. tomorrow. A union official said the workers had had no notice on Friday their work here would be terminated.

Not in St. Louis business history can one recall so ruthless a lack of simple humanity in employee relations.

Some of the workers had been on Katy payrolls from 12 to 40 years. A number lost personal belongings, locked in their desks that had been shipped in secrecy Sunday to Denison. One woman was missing a pair of eyeglasses, another employee a $400 check.

Clipping folk from jobs without notice and ordering them to report promptly in another State is a callous personnel act. Workers who wish to keep on with the company would get free transportation to Texas, but many would find it difficult to relocate, transporting family and effects, even if the Katy paid the freight. Some expressed doubt they would long have jobs even if they showed up; payroll reductions have been steady for some time.

The Katy road, as we have previously observed, has the right and obligation to make changes essential for survival and to maintain a profitable enterprise. But the way this closeout was executed is a monumental example of how not to handle public relations.

The railroad will have a rough time, indeed, hiring able, loyal workers after it gets installed in Texas, and for a long while to come.

Mr. SYMINGTON. Mr. President, as I pointed out yesterday, and as the St. Louis newspapers emphasized in their editorials, under our system of free enterprise the management of this railroad has the right to establish its office or offices anywhere it considers to the best interests of its stockholders. However, the high-handed manner in which this move was handled has seriously damaged the standing of this railroad in an important part of its service area.

JUDGE CURRAN'S ADDRESS AT NATURALIZATION CEREMONY

Mrs. SMITH of Maine. Mr. President, it was my privilege to attend and deliver an address at the naturalization ceremony of more than one hundred new American citizens on March 12, 1957, in the chambers of one of Maine's most illustrious sons, United States District Court Judge Edward M. Curran. On that occasion he gave a most inspiring address which I now ask to be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE EDWARD M. CURRAN, UNITED STATES DISTRICT JUDGE, AT THE NATURALIZATION CEREMONY IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA, TUESDAY, MARCH 12, 1957

Senator SMITH, Mrs. Paul, ladies and gentlemen, on behalf of the judges of the United States District Court, I wish to extend to you our heartiest congratulations upon becoming citizens of the United States.

Our forefathers decreed that this shall be one Nation, indivisible, with liberty and justice for all and they further proclaimed we hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

It is our task, therefore, inherited from those Founding Fathers to create on this continent a Nation of free people, strong enough to withstand tyranny and oppression, wise enough to educate our children in the ways of truth and broad enough to accept as a self-evident truth the right of every human being to worship Almighty God according to the dictates of his own conscience.

This country is unique in that it has been from the time of its discovery the haven of the unfortunate, the oppressed, and the persecuted. For years, people of every nationality, of every religion, of every race, have willingly and freely come to our shores in search of shelter and solace from the economic, political, and religious intolerances of other governments. America, the melting pot, has welcomed them with outstretched arms.

We became a great Nation because of our openhearted weclome to the outraged and oppressed, and we shall remain a great Nation only by protecting ourselves against those people who would destroy such tolerance.

We must relegate to oblivion all the destructive forces of many "isms" that are being promoted by the demagogs who seek to destroy by pulling down our democratic institutions. We must know, we must respect, and we must fight for only one "ism" and that is Americanism; and fight we did for everything contained in the term Americanism.

The American people have always been concerned with the flagrant violations of people, little nations, the cruel and bitter persecution of God-fearing men, women, and children because of their religion, race, or political opinions.

The vile and barbarous deeds which have been inflicted upon democratic peoples of the Old World represent an attack against everything we hold dear, an attack against international good faith, against religion, against political freedom, and against civilization itself.

If Americans will not voluntarily obey the discipline of morality, then immoral forces will discipline us; and if the citizens of the United States have no ideals which they would die to preserve, then despotism and darkness will come over the Western Hemisphere just as it has enveloped Europe and the rest of the world.

America is truly one Nation with many nationalities, but it is a Nation dedicated to principles for which people have been willing to sacrifice and suffer, a democracy of culture as well as a free and tolerant association of individuals, a country in which there is present the values and the ideals, the arts and the sciences, the laws and the techniques of every civilized tradition.

We must be highly critical and severely disdainful of those in our midst who would spread the doctrine of class hatred, prejudice, and bigotry, who would set one social class against another, one religion against another; we must ferret out and destroy the vicious elements which assail liberty.

The love of God and the love of this country are indeed distinguishing features of every generous mind. In these days, the duty of loyalty of all Americans stands preeminent and all Americans will continue to give to this great Nation the assistance it needs and, by doing so, we will be producing for posterity a rich heritage and the sacrifices made by our forefathers who opened up this great land will at last bear the fruits they intended, and America, far removed from the maddening hates of the Old World, will be what America deserves to be, a haven of Godliness, peace, and prosperity.

TAX RELIEF FOR SMALL BUSINESS

Mr. WILEY. Mr. President, yesterday the Senate passed H. R. 4090 to extend

present corporate income and certain excise-tax rates.

I know that a great many of my colleagues had hoped, as I did, that the circumstances might have been different, and that we might have been able to take action to revise and reform the tax system in the process. But the Senate wisely faced up to the challenge of an early deadline—March 31. We recognized that by Sunday night the President must sign the tax-extension bill or $3 billion in revenue would be lost to the Federal Government.

It was a particular source of regret to me that the imminent tax deadline made it impossible for us to act constructively in the interest of the Nation's small-business men.

I have been hoping for a long time that the substance, the principle, of the proposal made by our distinguished friend, the junior Senator from Arkansas [Mr. FULBRIGHT], might be enacted, that small business might receive tax relief.

It became clear, however, in the final hours of our consideration of H. R. 4090, that we literally faced almost no alternative but to pass the bill intact. We knew quite clearly that if the bill ran into a roadblock in relation to a Senate-House conference committee, it would be the Nation which would suffer if the March 31 deadline were passed.

This is one of those unhappy choices which now and then confronts a Member of the Senate or of the House. Almost every one of us has had the experience of having to accept the necessity of the legislative extension of some law, however imperfect it was rather than see the law expire completely.

I am hoping, therefore, that the Fulbright amendment will come up soon again, and on its own merits.

I am hoping that we will be in a position to provide genuinely effective tax relief for small business, not just for small corporations, but for proprietorships, as well.

I am hoping, basically, that the Senate and the House will approve the Wiley bill for a National Tax Commission, under which, over a long period, the entire tax structure may be effectively studied by a high-level Hoover-type group.

I ask unanimous consent to have printed at this point in the RECORD a bulletin which has just appeared on the news ticker.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS

WASHINGTON.—A Republican Senator said today he has been assured that the administration will try to send tax-relief proposals for small business to Congress this year.

Senator TEFT, senior Republican on the Senate Small Business Committee, said in an interview, he has been assured of this by the White House and Secretary of the Treasury Humphrey.

PROBLEMS OF PROVIDING FOREIGN AIRLINE SERVICE TO AMERICAN CITIES

Mr. WILEY. Mr. President, I was interested to read in yesterday's Washington Daily News of the comments made by our distinguished colleague, the senior Senator from Washington [Mr. MAGNUSON]. His statement concerns a significant review which he and his associates of the Senate Committee on Interstate and Foreign Commerce intend to make regarding current negotiations for proposed additional airline service to American cities by a foreign airline.

From time to time, this same problem has been brought to my attention, in my capacity as senior Republican member of the Senate Committee on Foreign Relations.

As a matter of fact, the current situation to which the Senator from Washington made reference was likewise brought to my attention by the President of the Air Transport Association of America, Mr. S. G. Tipton.

Simultaneously, and very rightly, Mr. Tipton brought this matter to the attention of the distinguished chairman of our committee, the senior Senator from Rhode Island [Mr. GREEN].

I believe that this whole subject of additional foreign airline service to America should indeed be studied most carefully.

Obviously a great many factors are involved:

First. As Americans, we are naturally interested in the economic strength and well-being of our own United States carriers.

Second. This is an aviation age—from both a civilian and military standpoint. In every national emergency in recent years America's air carriers have proven indispensable "backstops," so to speak, for our military aviation requirements.

Third. The question of reciprocity and quid pro quo is involved in these international airline negotiations.

Fourth. And, of course, the problem of the impact of proposed agreements on foreign economies is at stake.

Speaking very personally and frankly, I may say that I have felt that the American market—the greatest in the world—belongs primarily, and very naturally so, to American carriers.

Of course, I am fully aware how deeply our foreign friends feel on this airline issue.

At any rate, I shall personally strive to explore this matter further. And I trust that there will be effective collaboration by the State Department and the Civil Aeronautics Board with my colleagues on the Senate Interstate and Foreign Commerce Committee, in particular.

In turn, we on the Senate Foreign Relations Committee must be kept fully informed. In the past, we have not, in my judgment, been kept as fully advised by the State Department as we should have been.

We respect the necessary prerogatives of the executive branch, but obviously there are questions on which the legislative branch likewise must make careful study. Our United States air carriers—both national and international—must neither be slighted nor ignored.

I send to the desk four items:

First. The text of the communication which Mr. Tipton, president of the Air Transport Association, had addressed to the ranking members of the Senate Commerce and Foreign Relations Committees.

Second. The text of Mr. Tipton's telegram to President Eisenhower. This extremely important message has been also made available to interested committees here on the Hill.

The legislative branch is entitled to expect from the Chief Executive a thorough consideration of the deep convictions of Congress' own Members, just as it gladly gives our great President's requests its earnest review.

Third. The text of the Washington Daily News article of yesterday concerning the comments by the chairman of the Commerce Committee.

Fourth. The text of a United Press dispatch today describing additional reactions of other members of the Commerce Committee.

I ask unanimous consent that all four items be printed in the body of the RECORD.

There being no objection, the article and telegram were ordered to be printed in the RECORD, as follows:

MARCH 21, 1957.

Senator WARREN G. MAGNUSON,
Chairman, Senate Interstate and Foreign Commerce Committee, Senate Office Building, Washington, D. C.:

We should like respectfully to invite your attention to serious and far-reaching problems involved in negotiations now in progress between the United States and the Netherlands for a bilateral air transport agreement. We believe that you and your distinguished colleagues on the committee will want to inform yourselves about these negotiations so as to insure that the best interests of the United States are protected in accordance with the policy established by the Senate last year and reaffirmed recently by your committee in its report on international air agreements. The majority of the air carriers of the United States feel that they have not had an adequate opportunity to be heard. We are greatly concerned that actions may be taken which will be inimical to the best interests of the United States in their immediate effect and in the precedent which they will set. We should like respectfully to request that you ask the Department of State to make no commitments to the Dutch until a full inquiry may be made. The Air Transport Association offers its information, service, and all other assistance it can to be of help in a full consideration of this matter.

S. G. TIPTON,
President, Air Transport Association.

(Copy to Hon. THEODORE F. GREEN, chairman, Senate Foreign Relations Committee, and Hon. ALEXANDER WILEY, senior minority member.)

President DWIGHT D. EISENHOWER,
The White House:

With respect to your statement as relayed by the press on the question of an air agreement with the Netherlands, it is most urgently suggested that an opportunity be afforded to present to you the expert judgment of the American flag airlines whose responsibilities have caused them to be concerned by this grave problem.

We feel that our overall national policy should recognize that a sound American flag air transport system abroad is one of the overriding considerations of the national interest. We would urge that the precedent proposed by the State Department in this case carries the utmost ultimate damage to our national interest. The proposed precedent is also a violation of policy laid down by executive department on this question in

the past and in fact reaffirmed as recently as this month in negotiation with the British at Bermuda. We would hope also that in addition to the views of the State Department and in addition to our own views you would save the opportunity to receive the views of the Commerce Department, the United States Civil Aeronautics Board and the Senate Interstate and Foreign Commerce Committee.

Respectfully,

STUART G. TIPTON,
President, Air Transport Association.

(Copy to Secretary of State John Foster Dulles.)

[From the Washington Daily News of March 27, 1957]

PRESS DUTCH AIR ROUTE

Chairman WARREN G. MAGNUSON's Senate Commerce Committee took a look today at negotiations between the State Department and the Netherlands regarding valuable airline routes sought by a Dutch firm.

"Heretofore in such negotiations the State Department has gone ahead and done what it wanted," the Washington Democrat said, "and we came out on the short end of the stick."

Senator MAGNUSON said he does not want to give away air routes to foreign firms at the expense of the economy of domestic airlines.

The Netherlands is seeking permission for the Royal Dutch Airline KLM to operate three routes into the United States-Amsterdam-Montreal-Houston-Mexico City, Amsterdam-Montreal-Los Angeles, and Amsterdam-New York-Curacao.

Senator MAGNUSON said the State Department asked for today's hearing so the Senate committee could review the negotiations which started March 19. A year ago the State Department negotiated an air route in this country for Lufthansa, a German line. The committee severely criticized it.

"We gave the Germans too much," Senator MAGNUSON said. "In the German case domestic airlines had no chance to sit in on the agreement, and were not heard on the economic effects of such an agreement."

Backing up Senator MAGNUSON is a bill now on the Senate docket which would take away some of the present executive authority to make agreements on routes for foreign airlines without the consent of Congress.

Invited to apepar with the State Department representatives were members of the Civil Aeronautics Board and delegates of the Air Transport Association.

[United Press dispatch of March 28, 1957]

KLM ROUTE BID CALLED PERIL TO UNITED STATES AIRLINES

WASHINGTON, March 28.—Senate Commerce Committee members said today giving foreign airlines new routes into the United States could eventually destroy United States airlines or necessitate their return to full Government subsidy.

Senator GEORGE SMATHERS (Democrat, of Florida) called the State Department's current negotiations to give the Dutch KLM line three new routes into the United States another giveaway problem. He echoed the feelings of several other committee members.

The committee yesterday heard testimony from State Department, Civil Aeronautics Board, and Air Transport Association officials on the Dutch request. The lines would enter the United States at Houston, Los Angeles, and New York.

E. H. van der Beugel, Dutch Secretary of State for Foreign Affairs, conferred yesterday with Under Secretary of State Christian A. Herter on the request. He planned to meet today with Secretary of State John Foster Dulles.

Mr. van der Beugel refused to comment on chances of reaching an agreement.

Chairman WARREN G. MAGNUSON (Democrat, of Washington) said his Commerce Committee does not agree with the State Department's position in this matter. He fears domestic lines will come out on the short end of the negotiations.

Senator JOHN W. BRICKER, of Ohio, ranking committee Republican, said the proposed routes would injure our domestic lines and ought not be granted.

Senator SMATHERS told United Press that "if the State Department goes so far as to give them (KLM) all they ask or even a portion of it, a dangerous precedent will be set." Belgian, French, Italian, and Latin American countries, among others, will also want new routes into the United States, he said.

If this whittling away of passengers on United States private airlines continues, Senator SMATHERS said, it will result in their destruction or return to full Government subsidy. He said the taxpayers then would be called on once again to bear the burden of an overgenerous foreign policy.

REQUIREMENT OF 66 COPIES OF COMMUNICATIONS TO INTERSTATE COMMERCE COMMISSION

Mr. WILLIAMS. Mr. President, on Monday of this week I called the attention of the Senate to a situation which I described as the height of bureaucratic inefficiency.

A constitutent in Delaware, a small-business man, had written the Interstate Commerce Commission expressing an opinion on the proposed freight rate increase and had been advised by that agency that in order to have his opinion considered it must be submitted in 66 copies.

I complained to the Interstate Commerce Commission of the unreasonableness of this requirement and pointed out that its enforcement would have the effect of precluding the average small-business man or farmer from any opportunity of presenting his views to that agency on this question.

I have just received a most disappointing reply from the Interstate Commerce Commission. Instead of revising their procedure, they defend the 66-copy requirement.

In the same letter in commenting upon the manner in which single letters from small operators will be considered they stated:

The Commission has received a large number of letters concerning the investigation and protesting the rates proposed by the railroads. If the writers of these letters do not wish to file formal statements, their protests are noted and filed in the docket. However, the statements in the protests may not be considered as evidence in the proceeding.

I repeat the last sentence of this paragraph:

However, the statements in the protests may not be considered as evidence in the proceeding.

This is one of the most diplomatic ways of stating that a protest from small-business men and farmers will be thrown into the official scrapbasket as could possibly be prepared.

I restate my previous conclusions; namely, that it is utterly ridiculous for this agency or any other Government agency to require 66 copies of every farmer's or small-business man's recommendation before it can be considered.

The indirect threat of the Interstate Commerce Commission to place these letters in an official wastebasket unless they are accompanied by the extra 65 copies is, to put it mildly, most unfortunate and is one which they will soon see the wisdom of correcting.

I ask unanimous consent that the letter from the Interstate Commerce Commission be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, March 27, 1957.

The Honorable JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: This is in reply to your letter of March 25, 1957, enclosing a letter from Mr. X, of ——, Del. Mr. X protests the requirement that he furnish an original and 24 copies of his statement in Ex Parte No. 206 to the Commission, 25 copies to the attorney for the railroads, and one copy to each of the 13 regional offices of the Commission.

You advise that you share Mr. X's views on this point and ask that I see to it that Mr. X's letter is placed in the proper files for attention.

The procedure to which Mr. X refers was adopted for the convenience of the parties for submitting evidence in Ex Parte No. 206 without the necessity of appearing at a hearing in person. Ex Parte No. 206 is an extensive nationwide investigation into the adequacy of all freight rates and charges of all common carriers by railroad subject to the Interstate Commerce Act, and includes the proposal of the petitioning eastern and western railroads to increase their freight rates by 22 percent and the southern railroads by 15 percent. A substantial number of copies of each statement introduced in evidence is needed in order to give the large number of parties to the proceeding who are located throughout the length and breadth of the country access to the statements.

Of the 25 copies sent to the Commission, one is filed in the public docket, one copy is sent to each of the 11 Commissioners, and the remaining copies are used by the staff of the Commission assigned to assist the Commission in this proceeding.

The 25 copies sent to Mr. Edward A. Kaier, attorney for the railroads, are for the use of the approximately 700 respondent railroads in the proceeding.

The purpose of sending a copy to each of the Commission's 13 regional offices is to enable a person to go to one of these offices and examine such statements without having to come to Washington.

The Commission has received a large number of letters concerning the investigation and protesting the rates proposed by the railroads. If the writers of these letters do not wish to file formal statements, their protests are noted and filed in the docket. However, the statements in the protests may not be considered as evidence in the proceeding.

I am circulating a copy of your letter and a copy of Mr. X's letter to all members of the Commission. In addition, the original is being placed in the docket in Ex Parte No. 206 along with letters of similar nature.

If you have any further questions, please feel free to call on me.

Sincerely yours,

OWEN CLARKE, *Chairman.*

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

The Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. KERR. Mr. President, with reference to S. 497, the unfinished business, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, I shall not object, of course, because I believe this is the orderly procedure that should be followed under the circumstances, and because it is the customary procedure. As the distinguished Senator from Oklahoma has pointed out, such procedure will merely let the bill, as amended by the committee amendments, be considered de novo.

No Senator will be foreclosed from offering an amendment because of a parliamentary technicality; neither will he be foreclosed from making a motion to strike a section of the bill; and, further, the bill will be treated as though it were new text. Is that the understanding of the Senator from Oklahoma?

Mr. KERR. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? Without objection, it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 2, line 18, after "Connecticut:", to strike out "Report of the Board of Engineers for Rivers and Harbors, dated June 19, 1956" and insert "House Document No. —, 85th Congress"; in line 23, after "Maryland", to strike out "Report of the Chief of Engineers dated January 3, 1957" and insert "House Document No. 86, 85th Congress"; on page 3, line 13, after "Florida:", to strike out "Report of the Chief of Engineers dated November 1, 1956" and insert "House Document No. 75, 85th Congress"; in line 18, after "Louisiana:", to strike out "Report of the Chief of Engineers dated October 19, 1956" and insert "House Document No. 82, 85th Congress"; line 21, to strike out "$1,700,000" and insert "$1,647,000"; on page 4, after line 3, to insert:

"Port Aransas-Corpus Christi Waterway, Tex., La Quinta Channel: Report of the Chief of Engineers dated March 6, 1957, at an estimated cost of $954,000."

On page 5, line 9, after the word "Congress", to strike out the comma and "at an estimated cost of $19,893,000"; on page 6, line 2, after the word "of", to strike out $2,936,000" and insert "$2,982,000"; at the top of page 20, to insert:

"Missouri River, with a view to extending 9-foot navigation from Sioux City, Iowa, to Gavins Point Dam, S. Dak.-Nebr.

On page 22, line 16, after the word "of", to strike out "$19,000,000" and insert "24,000,000"; in line 23, after the word "the", to strike out "report" and insert "recommendations"; in line 24, after the word "Engineers", to strike out "dated September 28, 1956" and insert "in Senate Document No. 17, 85th Congress"; on page 23, line 5, after the word "the", to strike out "report" and insert "recommendations"; in line 6, after the word "Engineers", to strike out "dated September 25, 1956" and insert "in House Document No. —, 85th Congress"; in line 8, after "$5,820,000", to insert "including the necessary lands and rights-of-way"; in line 10, after the word "shall", to strike out "acquire the necessary lands and rights-of-way and"; in line 16, after the word "the", to strike out "report" and insert "recommendations"; in line 17, after the word "Engineers", to strike out "dated November 16, 1956" and insert "in House Document No. 81, 85th Congress"; at the beginning of line 20, to insert "including the necessary lands and rights-of-way"; in line 21, after the word "shall", to strike out "acquire the necessary lands and rights-of-way and"; on page 24, line 3, after the word "the" where it appears the first time, to strike out "report" and insert "recommendations"; at the beginning of line 4, to strike out "dated November 16, 1956" and insert "in House Document No. 81, 85th Congress"; at the beginning of line 6, to insert "including the necessary lands and rights-of-way"; in line 7, after the word "shall", to strike out "acquire the necessary lands and rights-of-way and"; on page 25, line 20, after the word "the", to strike out "Board" and insert "Chief"; at the beginning of line 21, to strike out "for Rivers and Harbors", and in the same line, after the word "dated", to strike out "November 30, 1956" and insert "March 18, 1957"; at the top of page 26, to strike out:

"The project for rectification of sedimentation conditions in South Fork of St. Lucie River in the vicinity of Palm City, Fla., caused by operation of the St. Lucie Canal, by removal of the entire shoal in accordance with plan A presented by the district engineer in Senate Document No. —, 85th Congress, at an estimated cost of $165,000: *Provided*, That local interests agree to maintain and operate the project upon completion."

In line 23, after the word "the", where it appears the first time, to strike out "report" and insert "recommendations"; in line 24, after the word "Engineers", to strike out "dated December 10, 1956" and insert "in House Document No. 83, 85th Congress"; on page 27, after "1956", to strike out "at an estimated cost, over that now authorized, of $219,000,000" and insert "and for partial accomplishment of the project, there is hereby authorized to be appropriated the sum of $75,000,000"; in line 10, after the word "in", to strike out "his report dated September 28, 1956" and insert "Senate Document No. 26, 85th Congress"; on page 28, line 6, after the word "with", to strike out "report" and insert "the recommendations"; in line 9, after the word "Engineers", to strike out "dated May 24, 1956" and insert "in House Document No. 100, 85th Congress"; on page 29, line 18, after the word "the", where it appears the first time, to strike out "report" and insert "recommendations"; in line 19, after the word "Engineers", to strike out "dated September 27, 1956" and insert "in House Document No. 76, 85th Congress"; on page 30, line 5, after the word "in", to strike out "his report dated October 19, 1956" and insert "House Document No. —, 85th Congress"; after line 19, to strike out:

"(3) Such seven reservoirs shall be constructed concurrently with Millwood Reservoir."

On page 32, after line 3, to insert:

"PECOS RIVER BASIN

"The project for flood protection on the Pecos River at Carlsbad, N. Mex., is hereby authorized substantially in accordance with the report of the division engineers, dated August 14, 1956, at an estimated Federal cost of $2,066,000."

After line 9, to insert:

"RIO GRANDE BASIN

"The project for flood protection on the Rio Grande at Socorro, N. Mex., is hereby authorized substantially in accordance with the report of the division engineer dated November 27, 1956, at an estimated Federal cost of $9,152,000."

On page 33 line 16 after the word "Numbered", to insert "9"; in line 18, after the word "The", where it appears the first time, to strike out "Shelbyville Reservoir", and in the same line, after the word "project", to strike out "on" and insert "for"; on page 36, after line 7, to strike out:

"That portion of title III of the act of July 2, 1956 (Public Law 641, 84th Cong., 70 Stat. 474, 480) that pertains to the purchase of lands and improvements in the Lewis and Clark Irrigation District in lieu of protecting said Lewis and Clark Irrigation District in connection with the development, construction, and operation of the Garrison Dam and Reservoir project on the Missouri River, is amended to read as follows:"

After line 15, to strike out:

"That in lieu of protecting the Lewis and Clark Irrigation District, the sum of $1,835,000 of the funds herein or hereafter appropriated for the Garrison Dam and Reservoir project on the Missouri River shall be available for the purchase of lands and improvements in the Lewis and Clark Irrigation District, and the sum of $1,196,000 shall be available for the relocation of highways and utilities therein. The substitution of land acquisition for the protection shall be made and the Secretary of the Army shall acquire such land and improvements if all of the landowners, except the State of North Dakota or any of its political subdivisions or agencies, on or before June 30, 1957, have offered to sell their property on terms agreeable to said landowners, and within the amount provided herein for such land acquisition. The Secretary of the Army is authorized to acquire lands and improvements owned by the State of North Dakota or any of its political subdivisions or agencies pursuant to the provisions of this or any other act except that no limitation of time shall apply within which property of the State of North Dakota or any of its political subdivisions or agencies shall be offered for sale if property of the State of North Dakota or any of its political subdivisions or agencies is acquired pursuant to the provisions of this act. If all of the landowners except the State of North Dakota or its political subdivisions or agencies on or before June 30, 1957, have offered to sell their property on terms agreeable to said landowners, within the amount provided for such land acquisition, and the Secretary of the Army determines that the acquisition of lands and improvements of the State of North Dakota and any of its political subdivisions or agencies is necessary, the institution of condemnation in the appropriate United States district court is authorized.' "

On page 38, line 6, after the word "exceeding", to strike out "$35,000" and insert "$42,000"; at the beginning of line 12, to strike out "Ridgeview School District, Ridgeview, S. Dak.," and insert "Chamberlain Water Co., Chamberlain, S. Dak, as reimbursement for removal expenses, not to exceed $5,000, under the provisions of Public Law 364, 82d Congress, and to the Eagle Butte Independent School District No. 3, Eagle Butte, S. Dak., the sum of"; on page 39, line 3, after the word "Oahe", to insert "and Fort Randall"; at the beginning of line 3, to strike out "project" and insert "projects"; in line 9, after the word "of", to strike out "$1,750,000" and insert "$1,750,000"; on page 41, after line 19, to insert:

"The project for flood protection on Tug Fork of Big Sandy River at Williamson, W. Va., is hereby authorized in accordance with plans to be prepared by the Chief of Engineers, at an estimated cost of $660,000."

On page 42, line 1, after the word "the", where it appears the second time, to strike out "Division Engineer" and insert "Board of Engineers for Rivers and Harbors"; in line 2, after the word "dated", to strike out "October 29, 1956" and insert "January 14, 1957"; in line 7, after the word "the", where it appears the first time, to strike out "report of the Board" and insert "recommendations of the Chief"; in line 8, after the word "Engineers", to strike out "for Rivers and Harbors dated November 30, 1956" and insert "in House Document No. —, 85th Congress"; after line 11, to insert:

"The project for flood protection on Chartiers Creek at and in the vicinity of Washington, Pa., is hereby authorized substantially in accordance with the report of the division engineer dated October 23, 1956, at an estimated cost of $1,286,000."

After line 16, to insert:

"GILA RIVER BASIN

"The plan of improvement for the Middle Gila River Basin, Ariz., is hereby authorized substantially in accordance with plans on file in the office of the Chief of Engineers, United States Army, and in the Office of the Commissioner of the Bureau of Reclamation. The sum of $2,500,000 is hereby authorized to be appropriated for the partial accomplishment of the works to be undertaken under said plans by the Secretary of the Interior; and the sum of $2,500,000 is hereby authorized to be appropriated for the partial accomplishment of the works to be undertaken under said plans by the Corps of Engineers."

On page 43, line 19, after the word "the", to strike out "report" and insert "recommendations"; in line 20, after the word "Engineers", to strike out "dated December 5, 1956" and insert "in House Document No. 80, 85th Congress"; on page 45, line 2, after the word "authorizations", to strike out "there is hereby authorized to be appropriated the sum of $28 million for the prosecution" and insert "the completion"; in line 6, after the word "Congress", to insert "is hereby authorized at an estimated cost of $28 million"; on page 46, after line 2, insert:

"In carrying out the review of House Document No. 531, 81st Congress, 2d session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood-control goals not less than those contained in said House Document No. 531."

In line 25, after the word "Idaho", to insert a colon and "*And provided further*, That no funds shall be appropriated for construction of the project until such time as the current studies on fish and wildlife are completed, and a report thereon submitted to the Congress."

On page 47, line 25, after the word "the", to strike out "Army" and insert "Army, approved by the President"; on page 48, line 21, after the word "within", to strike out "two" and insert "four"; after line 24, to strike out:

"Sec. 205. In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow."

On page 49, at the beginning of line 9, to change the section number from "206" to "205"; after line 17, to insert:

"(a) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that

time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow. Storage may likewise be included for the same purpose and under the same conditions in any reservoir constructed by the Secretary of the Interior for irrigation, hydroelectric power, municipal and industrial water supply, and allied purposes, under the Federal reclamation laws (act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto)."

On page 50, line 9, after the word "policy", to strike out "and that set forth in section 208 above,"; in line 13, after the word "Engineers", to insert "or the Bureau of Reclamation"; in line 21, after the word "Army", to insert "or the Secretary of the Interior as the case may be"; on page 51, after the word "issue", to insert a colon and "*Provided*, That the provisions of this subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 (53 Stat. 1187) relating to the same subject: *And provided further*, That the provisions of this section shall not be construed to modify the provisions of section 1 (b) of the Flood Control Act of 1944 (58 Stat. 890)"; at the beginning of line 18, to change the section number from "207" to "206"; on page 54, at the beginning of line 16, to change the section number from "208" to "207"; on page 55 after line 16, to insert "and the area of Turnbull Hammock in Volusia County"; after line 24, to insert:

"Missouri River Basin, S. Dak., with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels."

On page 56, after line 13, to insert:

"All streams flowing into Lake Saint Clair and Detroit River in Oakland, McComb, and Wayne Counties, Mich."

On page 57, at the beginning of line 13, to change the section number from "209" to "208"; after line 17, to insert "as amended and supplemented by subsequent acts of Congress"; at the beginning of line 22, to change the section number from "210" to "209"; and, on page 58, at the beginning of line 5, to change the section number from "211" to "210."

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Long
Allott	Flanders	Magnuson
Anderson	Frear	Malone
Barrett	Fulbright	Mansfield
Bible	Goldwater	Martin, Iowa
Bricker	Gore	Martin, Pa.
Bridges	Green	McCarthy
Bush	Hayden	McClellan
Byrd	Hennings	McNamara
Capehart	Hickenlooper	Monroney
Carlson	Hill	Morton
Carroll	Holland	Mundt
Case, N. J.	Hruska	Murray
Case, S. Dak.	Humphrey	Neely
Chavez	Ives	Neuberger
Church	Jackson	O'Mahoney
Clark	Jenner	Pastore
Cooper	Johnson, Tex.	Payne
Cotton	Johnston, S. C.	Potter
Curtis	Kefauver	Revercomb
Dirksen	Kennedy	Robertson
Douglas	Kerr	Russell
Dworshak	Knowland	Saltonstall
Eastland	Kuchel	Schoeppel
Ellender	Lausche	Scott
Smathers	Stennis	Watkins
Smith, Maine	Symington	Wiley
Smith, N. J.	Thurmond	Williams
Sparkman	Thye	Young

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

Mr. DIRKSEN. I announce that the Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from New York [Mr. JAVITS], and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

VISIT TO THE SENATE BY MR. WILOPO, CHAIRMAN, CONSTITUENT ASSEMBLY, REPUBLIC OF INDONESIA

Mr. SMITH of New Jersey. Mr. President, we have a distinguished guest from the Republic of Indonesia in the gallery whom I wish to introduce to the Senate. Mr. Wilopo, chairman of the recently installed constituent assembly, which is now in the process of drafting a new constitution for the Republic of Indonesia, is presently making a tour of various European countries and the United States for the purpose of studying the constitutions of these countries. Earlier he served as Prime Minister, and he has also held various ministerial posts in former cabinets. Mr. Wilopo is a prominent official of the largest political party in Indonesia, the Indonesian National Party—PNI—in which he serves as second vice chairman.

I am happy to introduce Mr. Wilopo, and I ask that he rise.

[The distinguished visitor rose in his place in the gallery and was greeted with applause.]

The PRESIDING OFFICER (Mr. CHURCH in the chair). On behalf of the Senate the Chair extends a cordial welcome to our distinguished guest.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

The Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. DOUGLAS. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 58, between lines 4 and 5, it is proposed to insert a new section as follows:

Sec. 210. The authorizations made in titles I and II of this act shall not be effective until such time as the President determines which of the projects authorized in such titles having an estimated total cost of not less than $375 million are least essential in the national interest. The authorizations

made in titles I and II of this act shall become effective as of the date of such determination by the President except that such projects determined by the President to be least essential in the national interest shall not be authorized until such later date or dates as the President determines that carrying out any such project or projects would be necessary and beneficial to the national economy. The President shall notify the Congress of any determinations made under the provisions of this section.

On page 58, line 5, in lieu of "Sec. 210," insert "Sec. 211."

Mr. DOUGLAS. Mr. President, the bill now before the Senate authorizes approximately $1,500,000,000 of additional public-works projects in the fields of river and harbor improvements, beach erosion control, and flood control. I think we can be certain that if these authorizations are approved and if appropriations follow, the ultimate cost of the projects will be greatly in excess of the $1,500,000,000 which we are asked to authorize.

In 1952 the Public Works Committee of the House of Representatives published a report in which it was pointed out that of 182 public-works projects under study which had been authorized in previous years, the cost by the time they were finished was 124 percent greater than the amount which was authorized. In other words, the final cost of those past projects was 2¼ times the amount of the original authorization. It is true that this occurred in a period of rising prices; but I think it is also true that the cost estimates of the Corps of Army Engineers tend, for various reasons, greatly to understate the final cost, because the plans are changed, and the changes in the plans lead to increases in the cost.

So I think we can be quite certain that if we authorize an additional $1,500,000,000 today, and then if appropriations follow, the total cost certainly will be more than $2 billion; and if we can believe that the events of the past will be duplicated, the amount may indeed be more than $3 billion.

When we take into account the fact that the existing backlog of authorizations in this field is very large, the seriousness of the bill, I think, becomes evident. It is not quite certain exactly how great is the existing backlog. I have been trying for some days to find out. Some persons say it is $5 billion; some say it is $10 billion. My own estimate is that it is $8 billion.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WATKINS. My own estimate is $8 billion. We arrived at that figure after we had checked through the various authorizations, including those for projects which are under construction and those which are not.

But I call the attention of the Senator to something which is not apparent on the face of the report; namely, that there is no estimate whatsoever with respect to the total future operation and maintenance costs of all these projects if they should be constructed. The best information which I can get indicates that the maintenance costs in 50 years will equal the construction costs. In other words, if $1,500,000,000 of public-works construction is authorized in this bill, there will also be incurred, at the same time, an expense of about the same amount of money for operation and maintenance, which is a burden to be borne by the Federal Government for the most part.

Mr. DOUGLAS. I thank the Senator from Utah for his remarks. I am very much interested to know that he arrived at the same estimate of the backlog of existing authorizations which have not yet been completed as I have; namely, $8 billion. I may say that we did not consult with each other in advance. So there is a certain degree of corroboration.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. With relation to the amount of backlog, yesterday and today I have been in communication with the Bureau of the Budget and with the Corps of Engineers. The figure given to me is approximately $9 billion.

Mr. DOUGLAS. That is very interesting. Corroboratory evidence seems to come in from all sides and from independent sources. There seems to be some agreement that the backlog is between $8 billion and $9 billion.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. COTTON. I merely wish to observe that the estimate I obtained from the Bureau of the Budget as to the backlog was $8 billion.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. I wish to understand correctly the figures we are talking about. When it is said that there is a backlog of $9 billion of authorized projects, does that include projects under the jurisdiction of the Corps of Army Engineers?

Mr. DOUGLAS. They are projects authorized by Congress.

Mr. NEUBERGER. Does the figure include projects under the control of the Bureau of Reclamation?

Mr. DOUGLAS. It is the total amount of rivers and harbors appropriations authorized by Congress.

Mr. WATKINS. These are projects under the supervision of the Corps of Army Engineers.

Mr. NEUBERGER. How much is included for Bureau of Reclamation projects?

Mr. DOUGLAS. I do not believe the estimate includes any of them.

Mr. NEUBERGER. The distinguished Senator from Utah [Mr. WATKINS] was one of the principal sponsors of the upper Colorado project, which provides for almost $1 billion of reclamation projects which are authorized. I object to the practice of holding with the hounds and running with the hare.

Mr. DOUGLAS. I may say to my good friend from Oregon, who is a model Senator and a dear personal friend, that the Senator from Utah and I had battles on the question of the upper Colorado project. I voted against the upper Colorado project and spoke against it. I think the junior Senator from Oregon voted for it.

Mr. NEUBERGER. That is correct.

Mr. DOUGLAS. But today we are not discussing the reclamation bill. We are discussing the rivers and harbors and flood control bill. I do not believe in carrying into a present contest, past fights on the floor of the Senate. When a bill is passed, I wipe the slate clean, and I am not always trying to find whether a Senator has been 100 percent consistent. I am not 100 percent consistent.

But I welcome the aid of the Senator from Utah [Mr. WATKINS], because I know he is an honest man. Although I believe he was mistaken in the case of his position on the upper Colorado bill, I believe him to be correct in this case.

Mr. WATKINS. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Utah?

Mr. DOUGLAS. I yield.

Mr. WATKINS. There is a vast difference between the pending bill and the upper Colorado bill. The upper Colorado bill attempted to include the commitment we were making——

Mr. KUCHEL. Mr. President, I should like to ask the Senators who are participating in the colloquy to speak louder, please.

Mr. DOUGLAS. We shall have to conquer our natural modesty.

Mr. KUCHEL. Mr. President, let natural modesty be overcome in this case, please.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. Mr. President, I thank the Chair for calling the Senate to order, for it is difficult to compete with the disorder which has been existing.

Mr. President, in the case of the upper Colorado bill, we knew what we were dealing with. But in this case there are no estimates whatever as to what the real total cost will be.

In connection with the upper Colorado bill, we knew who would pay for the operation and maintenance, and we had an idea as to what that cost would be.

But in the report on the pending bill, there is not a word about total operation and maintenance costs. So we are completely in the dark in that respect.

Mr. DOUGLAS. Personally, I think the upper Colorado bill was an atrocity. But today we are not arguing about the upper Colorado bill. Today, we are arguing about the rivers and harbors and flood-control bill.

So I hope that my good friend, the Senator from Oregon [Mr. NEUBERGER], who was a participant in the crime of the upper Colorado bill will not inject that issue, to muddy the waters in connection with the pending issue.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. I thank the Senator from Illinois for yielding.

First of all, Mr. President, let me say that I appreciate the always pleasant attitude of the distinguished Senator

from Illinois. We have not always seen alike the matters in this field, and perhaps in others, although sometimes we do. However, he is always courteous, and frequently his arguments are very hard to meet.

Mr. DOUGLAS. It is only because my cause is righteous, that this may be true; my own ability is very slight.

Mr. HOLLAND. Mr. President, I think all of us admit that one of the points of strength of the distinguished Senator from Illinois is that he always believes in the righteousness of his cause.

Mr. DOUGLAS. However, I think there is a saying that one should beware of a self-righteous man, for he has no conscience to restrain himself.

Mr. HOLLAND. Mr. President, first, I should like to comment on the danger of generalizations in connection with a question of this kind. One of the generalizations discussed by the distinguished Senator from Utah [Mr. WATKINS] is that no maintenance costs are included in the backlog figures of authorized projects. I wish to remind him and other Senators, for the record, that the only sizable Florida project included in the bill is the central and southern Florida flood-control project, which involves no maintenance cost, insofar as the United States is concerned, other than that required for maintenance of the navigation feature of the facilities, which is extremely small. The contribution of the State of Florida—which, as I recall, totals approximately 39 percent of the total cost—includes the maintenance cost of all other aspects of the project.

So the distinguished Senator from Utah would be in error in jumping to the conclusion that maintenance costs have to be figured in, to add to the cost figures which are used in this case.

Insofar as the central and southern Florida flood-control project is concerned—and there are others which fall in the same category, but not many others, I regret to say—the entire maintenance cost, except as to a few small navigation features, falls upon the State of Florida or its agency, the district set up by the State of Florida to meet the State's obligation.

The second point I should like to make is that the total referred to by my distinguished friend, the Senator from Illinois, as a total of new authorizations, again is not all new. For instance the $40 million authorization included in this bill for the central and southern Florida flood-control project is a part of the general, comprehensive plan long ago authorized, and simply provided for by specific additional chips and whetstones as we have proceeded. The $40 million item is a part of the general backlog, whatever that may be. So it should not be figured twice. It is not anything additional; it is already included in the estimated cost of the comprehensive program.

Mr. DOUGLAS. Mr. President, let me say to my good friend, the Senator from Florida, that I was simply speaking in approximate terms and was using approximate figures and total figures; I did not attempt to say that my statements applied to each and every project. I think the same position was taken by the Senator from Utah.

Mr. WATKINS. Mr. President, will the Senator from Illinois yield again to me?

Mr. DOUGLAS. I yield.

Mr. WATKINS. Mr. President, let me say that I know there are some projects which pay some of the costs of operation and maintenance. I happen to be acquainted with the project the Senator from Florida is discussing, namely, the one at Lake Okeechobee. I have been over it, and I have seen the wonderful irrigation which results from it. It is almost an irrigation project, as well as a flood-control project. I understand that the project area pays for only 39 percent of the cost. In Utah we pay up to 100 percent of the cost of our reclamation projects, although we do not pay any interest charges on the irrigation allocation.

In my first term in the Senate, I was a member of the Committee on Public Works. Lest my good friends who are in favor of the general objectives of these projects receive the wrong impression, let me say that I favor the overall program, but I do not favor many of the provisions of the bill.

One point which should be considered is that when we authorize a project, we should know what the real cost to the United States will be. We should know not only how much it will cost the United States to construct the project, and also how much it will cost the United States to operate and maintain it for 50 to 100 years.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. Mr. President, history is repeating itself. Every time I rise to criticize the rivers and harbors bill, a perfect swarm of hornets descends upon me, and the questions buzz; and before I know it, we have been shunted off on a sidetrack.

I shall be very glad to yield to the Senator from Florida for a brief inquiry, but then I should like to resume my remarks. I shall yield from time to time, in a generous spirit; but I wish to be permitted to present my argument.

Mr. HOLLAND. Mr. President, I thoroughly understand the situation of the Senator from Illinois, and I sympathize with him. I hope he will not regard me as being included among the hornets.

Mr. DOUGLAS. Mr. President, I will say that the Senator from Florida often has a very good sting.

Mr. HOLLAND. Mr. President, in this case I am not using any sting at all. I am only commenting on two generalizations which have been made: First, the generalization that in the case of the central and southern Florida flood control project, no maintenance cost is included as part of the overall cost. I have pointed out that in the case of that project, the United States pays for only the navigation part of the maintenance, which is very, very small; and I have also pointed out that a part of the contribution made by the State of Florida—which totals approximately 39 percent of the total contribution—is for maintenance.

My second point is that the $40 million mentioned by the Senator from Illinois as being an additional authorization is not really such, because it is already included in the backlog, and is simply following the course of piecemeal specific authorizations—which principle, by the way, applies in many other cases.

Mr. DOUGLAS. Mr. President, I simply used $1½ billion as an approximate figure. I think the totals will be a little larger than that; and I believe the figure I used was accurate perhaps within 3 percent, which I think is a rather low percentage for error in the case of an approximate figure in connection with a rivers and harbors bill.

Mr. HOLLAND. In connection with the Senator's figure of nearly 1½ billion, let me point out that in this case, as to this project, the bill provides for a fractional authorization of appropriations of only $40 million. In other words, in such cases we are using fractional specific money authorizations as we proceed with comprehensive programs which Congress has approved long before this time. I believe that the Senator from Illinois will find that $600 million or more, of the total of new authorizations to which he refers, is made up of items of this kind and should be subtracted from his figure covering new programs. In other words these items are already included in the total of outstanding authorizations and are portions of the cost of construction programs which are already under way.

Mr. CHAVEZ. Mr. President, the $75 million for the Mississippi River is for a continuing program from year to year.

Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. Mr. President, I am torn between a desire to protect my own rights and a desire to be generous to my colleagues. If I have erred in my conduct in this Chamber I believe it has been in the direction of supergenerosity. However, I would rather err in that way than to be thought churlish. So I am glad to yield for a question to my dear friend, the Senator from New Mexico.

Mr. CHAVEZ. I thank the Senator from Illinois for his generosity. However, let me point out that I am handling the bill on the floor of the Senate.

Mr. DOUGLAS. I realize that, but I also realize that I have the floor. However, I am glad to yield for a brief question.

Mr. CHAVEZ. In the first place, let me say that I disagree with the Senator's amendment.

Mr. DOUGLAS. I was sure the Senator from New Mexico would disagree with it. Of course, he will have a chance to oppose it.

Mr. CHAVEZ. Of course, I will. I oppose it because I do not want the President of the United States to determine what is best for the State of Illinois. I prefer the generosity of the Senator from Illinois.

Mr. DOUGLAS. I would, too, if I thought my generosity could be effective. But I do not have that belief.

Mr. CHAVEZ. Very well.

Second, if the Senator from Illinois wishes to be economical, if he desires that lock and dam No. 26 in Illinois be omitted, we are willing to accept that omission. If the Senator is willing to have omitted from the bill public works in the Great Lakes area, which includes Lake Michigan in the Senator's State, I am willing to accept his amendment.

Mr. DOUGLAS. Let me say to my good friend that this is the predicament that we all get into when we plead economy. We are immediately asked by the sponsor of the bill, "Well, are you asking that your project be cut?"

Mr. CHAVEZ. Not mine; oh, no.

Mr. DOUGLAS. Such a question generally silences all opposition. I believe that if one Senator asks other Senators to make economies, he should be willing to take economies in his State on the same terms.

Mr. CHAVEZ. I am not asking——

Mr. DOUGLAS. May I finish, please?

Mr. CHAVEZ. Certainly.

Mr. DOUGLAS. My amendment would give to the President, the power to knock out approximately a quarter of these projects, or $375 million, if he so desires, and if he finds the projects do not meet the test prescribed in the amendment. I am willing to take my medicine, and I will not criticize the President on the stump in Illinois for any action he may take. How could anyone be fairer.

Mr. CHAVEZ. I do not want to pass my responsibility as a Senator of the United States to the President of the United States.

Getting back to Illinois, there is provided for the Kaskaskia River in Illinois $23 million.

Mr. DOUGLAS. That is correct.

Mr. CHAVEZ. For the Saline River in Illinois, there is provided $5,970,000.

Mr. DOUGLAS. That is correct.

Mr. CHAVEZ. Altogether that amounts to $28,970,000.

Mr. DOUGLAS. That is correct and there is more too. The Cal-Sag project is increased for approximately $10 million more.

Mr. CHAVEZ. If the Senator from Illinois wants those items stricken from the bill, I am willing to agree.

Mr. DOUGLAS. In times past, when I was somewhat less tutored in the ways of this body, I used to make proposals to cut individual items. That permitted Senators in opposition to oppose projects in my State. I remember the Senator from Tennessee, Mr. McKellar, used to do that. All I can say is that I am willing to take the same medicine every other Senator must take. This time I have drafted my amendments not to knock out specific projects, but to give to the President power to postpone $375 million worth of the projects provided for by the bill.

If the President, after consultation with the Corps of Engineers and the Bureau of the Budget, decides not to proceed with some of these projects, he can do so; and I give my word of honor that I will not criticize him for it in the State of Illinois. I will not try to turn it to the political advantage of my party.

Mr. CHAVEZ. Mr. President——

Mr. DOUGLAS. Mr. President, I love my friend from New Mexico——

Mr. CHAVEZ. I know the Senator does.

Mr. DOUGLAS. We like each other very much, but I make an appeal to his generosity and ask him to permit me to continue.

Mr. CHAVEZ. With the Senator's indulgence, I should like to ask just one more question.

Mr. DOUGLAS. Very well.

Mr. CHAVEZ. Are the Army engineers legislating for the United States? Is the Budget Bureau legislating for the United States?

Mr. DOUGLAS. No; we are legislating, and that is my proposal—that we legislate.

Mr. CHAVEZ. Does the Senator want to have the President determine what is good for Illinois?

Mr. DOUGLAS. I shall discuss that point in the course of my speech, if the Senator from New Mexico is willing to listen to it.

Mr. LAUSCHE. Mr. President——

Mr. DOUGLAS. I love my colleagues so much that even though I take the vow that I will not yield again, when another of my colleagues rises I cannot resist him; and so I yield to the Senator from Ohio.

Mr. LAUSCHE. I thank the Senator very much. It seems to me the proposal made by the Senator from New Mexico clearly indicates the weakness of the procedure under which the rivers and harbors bill is passed. The proposal made, in effect, is, "You will take it all or you will take nothing." It is a blackmail proposition, under which we are told, "You will buy the good only if you pay extravagantly for the bad." I submit that the bill ought to be written in such form that the President of the United States would have the ability to veto item by item. In my judgment, it is not in conformity with sound practice to say, "Take it all or take nothing."

Mr. CHAVEZ. Mr. President——

Mr. DOUGLAS. May I say——

Mr. CHAVEZ. Mr. President——

Mr. DOUGLAS. I think I have the floor. I am struggling to preserve it.

I think I agree with the Senator from Ohio, although I do not go so far as he does. I am not proposing an item veto. I am saying that we should give a mandate to the President whereby he can postpone $375 million worth of these projects which the Congress will authorize if he finds that conditions justify such postponement. So I am much more conservative than my friend from Ohio. It may be that my zeal in this respect has been somewhat tempered by the hard blows I have suffered on the same question in the past 8 years.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. To my dear friend from Oregon, whom I love and whom I can refuse nothing, I do yield; but I urge he display some bowels of compassion in return, to permit me to make my speech.

Mr. NEUBERGER. I should like to point out to my beloved friend from Illinois and to my very able friend from Ohio just what they are proposing with respect to giving the President discretion in this matter.

The present occupant of the White House has taken the position that he favors nearly a billion dollars' worth of authorizations on the Colorado River, where there are the most expensive kinds of projects and 6 to 9 mill power per kilowatt-hour. Yet the present occupant of the White House is opposed to Federal authorizations on the Columbia River, where there is the cheapest power production anywhere in the United States, where the projects can pay for themselves, where more than $400 million has been collected to pay for flood-control and irrigation projects, and where, moreover, the project is more than $70 million ahead of schedule in the repayment plan prescribed by the Congress.

From the Columbia River 180 million acre-feet of water are flowing into the sea, while from the Colorado River only about 17 million acre-feet of water are discharged near tidewater. The present occupant of the White House is against new projects on the Columbia River, where there is a 180 million acre-foot flow, but he favors costly projects on the Colorado River, which has a 17 million acre-foot flow. This is an inconsistency which must be considered when we discuss the pending amendment.

The Senator from Illinois evidently desires to compound that by giving the present occupant of the White House ultimate authority. The result would be that in the case of rivers on which power companies do not want to operate there would be Federal dams to the hilt, whereas on mighty rivers like the Columbia, which has great power potentials and a 180-million-acre-foot flow of water going to the sea virtually uncontrolled, the present occupant of the White House would have no Federal projects. Is that what the Senator wants?

Mr. DOUGLAS. In reply to the eloquent series of questions propounded by my friend from Oregon may I quote a line from Shakespeare:

> Let the galled jade wince, our withers are unwrung.

It so happens that I voted against the upper Colorado project, and I have consistently voted in favor of federally constructed power dams on the Columbia. I think it is highly inconsistent of the administration to favor the first and oppose the second. The power costs on the Columbia are very low—much lower than those on the upper Colorado.

Let me point out—and if I am permitted by my colleagues to develop my argument I will point out—that Congress has broken down in its treatment of public-works projects. It has broken down because of the pressure of local interests.

Mr. NEUBERGER. Mr. President, may I ask the Senator one question?

Mr. DOUGLAS. One moment.

The only way of bringing any sense into the consideration of this problem and of curbing the appetite of local groups is to give to the President some review authority. I am merely saying that the President should have power to postpone $375 million of these works. Three-fourths of the projects could

proceed. The President would have to make a finding, if economic conditions so required, on the basis of the projects which are least desirable. I suppose they would be the ones with the lowest benefit-cost ratio. Even they could proceed if the President thought them "necessary and beneficial to the national economy." While I would not criticize him for what he might do in Illinois, I am sure the Senator from Oregon would criticize him if he eliminated any of the projects on the Columbia; and I personally might criticize him on that score, although, as I have said, I would not criticize him for what he might do in my State.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. The projects on the Columbia are among those with the highest benefit-cost ratio in the Nation. Is that not true?

Mr. DOUGLAS. That is correct.

Mr. NEUBERGER. The present occupant of the White House—pray God, and God willing—will be there for at least 3½ more years. Does the distinguished Senator from Illinois believe that under his amendment any of the high benefit-cost ratio projects in the Columbia River Basin will be allowed by the present occupant of the White House?

Mr. DOUGLAS. I am unable to read the President's mind. I differ with him on many matters of public policy, but I think it would be very difficult for him and his staff, for the second time, to go behind the benefit-cost ratio factor. As the Senator from Oregon says—and I think it is true—the Columbia River projects have a high benefit-cost ratio. Many other projects have a lower benefit-cost ratio. After the experience with the upper Colorado, I think it would be very difficult to do the same thing over again.

I wish to say, without making any cheap appeal, that I disagree with the President in many respects, but he is the only President we have, and I am ready to put some power in his hands to curb what I think has been at least a partial breakdown of the Congress.

If my colleagues will permit me, at long last, to try to carry on, I think the facts are pretty well known, even though at times we are reluctant to admit them. I think Congress has broken down in connection with this rivers and harbors bill, but I do not think it is primarily the fault of Congress. I think the responsibility goes further back. It goes back into the communities. What happens is approximately this: a local group—let us say the chamber of commerce—decides that it wants a harbor, perhaps, or that it wants a lake, or that it wants a dam. Perhaps a group along the river decides that it wants the river deepened from 3 feet to 6 feet, then to 9 feet, and then to 12 feet. There is an intoxication in the consideration of the possibility of a steamboat whistle around the bend, which at times deprives people of all sense.

There are at least two great illusions in the world. One is the sight of a palm tree and the other the sound of a steamboat whistle. The sight of a palm tree used to give the British the idea that all they had to do was to go out with a shotgun, a pith helmet, and a bottle of gin, sit under the palm tree, and make the natives work for them and then enjoy riches beyond the dreams of avarice. Our imperialists used to have much the same notion.

The prospective toot of a steamboat whistle affects men's minds in much the same way. People in the very interior of the country—even up in the northern reaches of Montana—say, "If the Missouri River could only be deepened to a depth of 12 feet, boats would come up from New Orleans, and we could ship commodities to England."

Those are illusions. In any event, the local pressures become very great. I do not wish to estrange my good friend from Utah [Mr. WATKINS], but they are very great also in connection with irrigation matters. Committees begin to agitate for certain improvements. They stir up local interest. Then they invite the local Member of Congress to come and see them. They also gun for Senators. We go out and meet them. They put the pressure on us to include their projects in the rivers and harbors bill.

I hope my Republican colleagues will forgive me if I say that since there is an intimate connection between the Republican Party and the local chambers of commerce, the Republicans usually agree with them. The Democrats also agree with them, because, while we never get the support of the chambers of commerce, we always live in hope. [Laughter.]

So, on both sides of the aisle, Republicans and Democrats alike urge these projects. If we falter in our zeal, we are reminded of it back home, and some prospective rival for the office which we hold takes the stump and says, "Representative X," or "Senator Y does not have enough local loyalty."

So we appear before committees and ask for appropriations. Everyone is doing it. Then a composite bill is framed, with a little in it for everyone, and a great deal in it for some. The bill then comes to the floor, and it becomes very difficult to oppose it, because if we try to oppose it, some Member arises, as did my friend from New Mexico, and asks, "Do you want the appropriations for Illinois eliminated?" That seems to be rather a clincher.

In times past, when I was less tutored about the affairs of the Senate, I would spend days and weeks studying such bills and singling out specific items which I thought could be eliminated. I would come forward with a list of 30 or 40 projects which I thought should be eliminated. I may say to my good friend from New Mexico that upon occasion I included in that list projects from Illinois which should have been eliminated—not big projects [laughter], but projects.

Mr. CHAVEZ. Mr. President, will the Senator yield for a moment?

Mr. DOUGLAS. I yield.

Mr. CHAVEZ. I have before me a report from the Bureau of the Budget which has not yet been submitted to the Congress.

Mr. DOUGLAS. I intend to put that in my speech. Does the Senator mind if I do that?

Mr. CHAVEZ. Will the Senator from Illinois do that?

Mr. DOUGLAS. Certainly.

Mr. CHAVEZ. At any rate, there is one project in Illinois for $23 million.

Mr. DOUGLAS. Certainly. I am quite well aware of that.

Mr. CHAVEZ. Would the Senator eliminate that project from the bill?

Mr. DOUGLAS. No. I am saying that the President should be given power to defer one-fourth of the projects in the bill. If he postpones that project or any portion of it I shall not complain.

Mr. CHAVEZ. I am sure the President would do so if he thought it was necessary; but I do not want to pass any legislative responsibility to the President. He has enough to do with the Middle East.

Mr. DOUGLAS. We all understand the position of the Senator from New Mexico.

As I have stated, in times past I would come forward with a list of 30 or 40 projects which I thought should be eliminated. I remember that there was one project in Maryland, involving a proposal to deepen the channel connecting the inner harbor and Chesapeake Bay. The justification which was advanced was that the then existing channel was not deep enough, because the propellers of passing vessels stirred up the mud and roiled the crabs. I said, in criticism that I was for the welfare state, but I did not believe it should be extended to the field of crustacean life. I thought that would be a conclusive argument, but the only vote I obtained in favor of eliminating the project was my own.

There were other projects of which I was very critical. There was another Maryland project, to build a harbor near the Naval Academy at Annapolis, because it was said that the midshipmen would go out sailing there, and that at that time there was a 13-mile gap in which there was no harbor, so that if a storm came up they would have trouble getting to port. Therefore, another harbor should be built, so that there would be no gap greater than 3 miles, and the poor midshipmen would not be caught out in a storm. I said I thought that was a reflection on the nautical skill of the prospective leaders of the United States Navy. But again the only vote against it was my own.

This has been the almost unbroken record.

What happens when these projects are considered one by one is that the critic incurs the opposition not only of the Senator whose project is being affected but the opposition of every other Senator who has a project in the bill. They all rally to the defense of the one project, because they know if there is once a breech in the wall, they may lose their project, too.

Mr. President, I made a hasty count, and I find there are 39 States which have projects in the bill. Therefore, the number of prospective hornets who will attack any given idea of cutting is very

great. For me to attack individual projects would mean to make enemies of everyone and to defeat my efforts at economy.

We have gotten ourselves into a "you scratch me, and I'll scratch you; you roll my log and I'll roll your log attitude," as a result of which it is practically impossible to amend the rivers and harbors bill on the floor in favor of the taxpayers.

Although I should like to attack the bill item by item, I recognize that it is impossible to do so. Therefore I prefer to give the President discretion. I shall not criticise individual items, although I could do so, if adequate time were available to me. There are, however, eight projects to which I should like to call attention at this time. I may say, in this connection, that I am reading from a report submitted by the Bureau of the Budget which was sent to the Senator from Nebraska [Mr. HRUSKA], which he has been kind enough to share with me. I wish to express my appreciation for his letting me use it. I hope he does not think I am taking unfair advantage, because the Bureau of the Budget wanted me to have a copy also. With his permission I shall use his copy.

Mr. HRUSKA. With the Senator's permission I shall call attention to portions of the report which I believe have a very pertinent bearing on the amendment which the Senator from Illinois is now discussing.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSTON of South Carolina. What is the purpose of holding committee hearings? What was the purpose of holding hearings on the pending bill?

Mr. DOUGLAS. I would say that the purpose of holding hearings is to get a better judgment as to what should be included in a bill.

Mr. JOHNSTON of South Carolina. If we were to carry out the Senator's purpose to the fullest extent, would it be necessary to hold any hearings in the future on any proposed legislation?

Mr. DOUGLAS. Oh, yes.

Mr. JOHNSTON of South Carolina. Why?

Mr. DOUGLAS. In the first place, a total has been built up from many individual authorizations. The bill represents a total of such authorizations. I merely propose to give the President the power to postpone a quarter of the total which the Congress itself will authorize under its constitutional authority.

Mr. JOHNSTON of South Carolina. If we are to leave it up to the President to decide that question, would it not be better to merely leave it all up to him to decide as to what should be contained in the bill? If the President can cut a project, he can in effect eliminate it.

Mr. DOUGLAS. Only within limits.

Mr. JOHNSTON of South Carolina. Only within limits? However, by limiting a project it would be possible in many instances to wreck the whole program.

Mr. DOUGLAS. By bitter experience I think we have learned the impossibility of cutting the rivers and harbors authorization or appropriation bills on the floor by an item-by-item attack. It cannot be done that way, no matter how bad a particular project may be. That is so because everyone will rally in defense of a project, since if one particular project is knocked out, every other project may be knocked out. Therefore, a vast majority of the Senators are held together by their desire to protect their own interests.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield, although I tremble when the expert harpooner appears on the floor with his sharply pointed harpoon aimed at the quivering bulk of the defenders of the people.

Mr. KERR. The Senator's modesty almost overwhelms me to the point that I should refrain from asking him any questions. If he is as weak as his suggestions indicate he regards the Senate to be, then his fear would certainly be well grounded.

The question I rose to ask him was this: Is it not the thesis of the Senator's argument that since the Senate itself is incapable of meeting the responsibilities and duties which the Constitution places upon it, the Senator feels that we should adopt an amendment which in effect would be an admission and a confession of the futility of the Senate, and call upon another coordinate branch of the Government to provide either the integrity or intelligence or strength of character which we would thereby admit we do not possess?

Mr. DOUGLAS. No; I do not believe that is an accurate statement of my views or intentions.

Mr. KERR. Did not the Senator say that bitter experience had convinced him that we were incapable of facing our responsibility in cutting individual items?

Mr. DOUGLAS. I should like to say to my good friend that what my amendment calls for is this: We authorize the projects, but we permit the President to time the execution of one-quarter of the projects. That is all that my amendment would do.

However, I will say to the Senator that the pressures of local groups tend to prevent a rational, long-range, coldly critical analysis of projects. On this issue I believe the public suffers from what psychiatrists call schizophrenia, or split personality, or, to use another big word, what is described as ambivalence or being both for and against the same thing. In other words, the public wants economy in general and is opposed to expenditures in general; but it wants expenditures for the particular projects in which it is interested. The practical pressures, however, all come in the way of expenditures for the specific projects.

This is a fine body of men; I have never met a finer body of men in my life. However, we are in a sense caught in the maelstrom of the groups back home; and the groups back home have not yet realized that if a person asks for economy from everyone else, he must be prepared to apply some economy to himself.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. KERR. Am I to understand the Senator to say that he feels that the representatives in Congress need to be protected from the petitions of their constituency?

Mr. DOUGLAS. I would merely say that it is very hard for critical and rational judgments to be expressed on these projects in the face of local pressures.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. Certainly. I enjoy the Senator's questions.

Mr. KERR. Did the Senator from Illinois attend any of the hearings on the pending bill?

Mr. DOUGLAS. No; I did not.

Mr. KERR. Has the Senator examined the reports of the Bureau of the Budget, of the Corps of Army Engineers, or of other agencies of the Government with reference to individual projects in the bill?

Mr. DOUGLAS. There are some 162 projects, I believe. The bill was submitted to us on Monday. Since then we have been quite busy with the revenue bill. The Senator from Illinois has tried very hard to study the bill, and he has worked nights on it. He has not read all the projects. However, I have studied the hearings, and I may say that I hold in my hand a report from the Bureau of the Budget, in which I notice that——

Mr. KERR. Can the Senator tell me anything about the recommendations of the Bureau of the Budget without referring to its report?

Mr. DOUGLAS. Just a moment.

Mr. KERR. Can he?

Mr. DOUGLAS. I can answer the Senator's question much better if I refer to the report.

Mr. KERR. Can the Senator from Illinois tell the Senator from Oklahoma anything about any recommendation of the Bureau of the Budget contained in the report without looking at it now?

Mr. DOUGLAS. Yes. There is the Millwood Reservoir in Arkansas and Oklahoma involving $53 million. The Bureau of the Budget recommends that it should not be put into effect.

Mr. KERR. What do they say as to their reasons, and what suggestions do they make? Can the Senator tell me, without referring to the report?

Mr. DOUGLAS. I do not think the Senator from Oklahoma has the right to demand that I memorize the entire wording by heart. Can he quote the 39 articles?

Mr. KERR. I am not demanding anything. I am requesting either that the Senator from Illinois manifest some knowledge of this matter or stand here branded with ignorance of it. That is what I am doing.

I say to the Senator from Illinois that this bill was before the Senate last year, after 2 years of study by committees of both Houses of Congress. It is now before the Senate again this year, after months of study by a committee of the Senate. The Senator rises here and says he has not had time, in these last days of excessively burdensome duties, to acquaint himself with the matter.

Mr. DOUGLAS. May I ask about the date of the filing of this material? Is it true the bill was reported on Monday?

Mr. KERR. The pending bill was reported on Monday, March 25.

Mr. DOUGLAS. When were the report and the hearings made available?

Mr. KERR. The same day.

Mr. DOUGLAS. I could not obtain copies of them until 10 o'clock the next morning. In fact when the bill was reported on Monday it was announced that it would be debated on Tuesday. I was unable to get from any source, including the committee or the document room, either the report or the hearings until Tuesday morning.

Mr. KERR. But I say to the Senator, they are practically identical with the report and hearings which came to this body last year, which have been in the Senator's possession ever since, had he desired to look at them. I remind the Senator he did not come to the committee one day to participate in the hearings.

Mr. DOUGLAS. In the first place, the bill was reported only a few days ago. Now the Senator is blaming Members of the Senate for not knowing what is in the bill. The Senator is trying to have it both ways. On the one hand the report and hearings, which include several hundred projects, are not made available until the last minute. On the other hand, Senators are then criticized for not knowing every last detail of the hundreds of items in the bill.

Mr. KERR. I am not blaming Members of the Senate for anything. The Senator was giving an alibi for his own lack of knowledge about the matter.

Will the Senator yield for another question?

Mr. DOUGLAS. Certainly.

Mr. KERR. Does the Senator wish to make the President the sole authority for determining whether or not the Congress ever provides additional waterflow from Lake Michigan for the Sanitary District of Chicago?

Mr. DOUGLAS. I certainly do not. I wish to say I deeply appreciate the help which the Senator from Oklahoma gave last year in obtaining the authorization for the additional 1,000 cubic feet per second. I wish to say that was an act of personal forgiveness on the part of the Senator from Oklahoma, because if there are two Senators who tangle with each other more on the floor of the Senate than the Senator from Oklahoma and the Senator from Illinois I do not know who they are.

I appeared before the committee with the expectation that the Senator from Oklahoma might cherish some grudges, but the Senator did not, and on the merits of the case reported the bill. I thanked the Senator personally. Now I wish to thank him publicly. I regard him as a very generous gentleman indeed—except that at times he is a little rough.

Mr. KERR. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. Certainly.

Mr. KERR. Did not the committee which has brought this bill to the floor of the Senate do so over the objections of the President, the Bureau of the Budget, and the State Department?

Mr. DOUGLAS. The Senator is correct.

Mr. KERR. I will ask the Senator now if he is desirous that the recommendations and discretion of the President be controlling with reference to the actions of the committee?

Mr. DOUGLAS. I certainly do not want that to be so in the case of diversion of water from Lake Michigan.

Mr. KERR. The Senator from Oklahoma does not desire to have it so with reference to the Millwood project, either, I will say to the Senator from Illinois.

But I shall also say to the Senator from Illinois, the Senator has made a great contribution this morning—and is about to make a further contribution—to the prestige of the Bureau of the Budget and the President and the State Department with reference to matters in the State of Illinois.

Mr. DOUGLAS. I do not know whether that is a threat or a prophecy.

Mr. KERR. It is neither. It is merely a reminder to my good friend, the Senator from Illinois, that if he desires the wishes of the President to be controlling with reference to projects recommended by the Committee on Public Works of the Senate I should like to assure him that the Committee on Public Works of the Senate will cooperate with him in regard to the matters he in the future brings before the committee.

Mr. DOUGLAS. I thank the Senator. That is what a Senator becomes involved in when he embarks on a course such as I have been following. The argument is likely to expand until sometimes his State is made the subject of attack.

Mr. President, some minutes ago in the discussion I was saying that I did not want to criticise individual projects.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly; I yield.

Mr. LONG. Inasmuch as the Millwood project has been brought up—

Mr. DOUGLAS. I did not bring it up.

Mr. LONG. The Senator mentioned the subject.

Mr. DOUGLAS. I may say I had hoped to keep that project out of the discussion, but the Senator from Oklahoma challenged me to produce one single project which I knew about which the President had not recommended, and I do not believe in running away from a fight, so I decided to meet the Senator from Oklahoma head on.

Mr. KERR. Mr. President, a point of personal privilege.

Mr. DOUGLAS. Certainly.

Mr. KERR. I did not challenge the Senator from Illinois to name a project the President had objected to. I challenged the Senator to tell the Senate what the President had said with reference to any project in the report, other than a generalization that he was against it.

Mr. DOUGLAS. The Senator is correct. I thought I should respond by mentioning this project out in Oklahoma.

I ask unanimous consent that the memorandum prepared by the Bureau of the Budget, to which we have referred, be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Omnibus rivers and harbors and flood-control legislation, comparison of terms of H. R. 12080, 84th Cong., with terms of S. 497, 85th Cong.

	Number	Cost
H. R. 12080 (as of date of enactment):		
1. Projects on which reports had not been submitted to Congress	33	$523,790,000
2. Projects on which executive branch recommendations were at variance with terms of bill	6	75,162,000
3. Projects which the executive branch recommended not be authorized	2	82,000,000
Total	40	690,942,000
S. 497 (as reported by Senate Public Works Committee):		
A. Status of 32 projects on which reports had not been submitted to Congress by date of enactment of H. R. 12080:		
1. Projects reported and on which there is no objection to terms of S. 497. (See table I; group IA)	14	98,918,000
2. Projects reported but on which there is objection or qualification to terms of S. 497. (See table I, group IB)	8	74,550,000
3. Projects on which reports have still not been submitted to Congress. (See table I, group II)	7	[1] 137,967,000
4. Projects not reported, but on which there is now no objection to the terms of S. 497. (See table I, groups III and IV)	3	78,355,000
Total	32	[1] 389,790,000
B. Projects which the executive branch recommends not be authorized or be authorized under terms different from S. 497:		
1. Projects on which reports have not been submitted to Congress:		
(a) Remainder of 32 projects in H. R. 12080 which have still not been reported to Congress. (See table I, group II)	7	[1] 137,967,000
(b) Projects added by Senate Public Works Committee. (See table II)	5	12,163,000
2. Projects on which executive-branch recommendations are at variance with terms of bill. (See table III)	10	89,627,000
3. Projects which the executive branch recommends not be authorized. (See table IV)	7	143,029,000
	29	[1] 382,776,000

[1] These figures should be increased by $144,000,000 to be comparable with H. R. 12080 to reflect reduced authorization of Mississippi River Channel improvements from $219,000,000 in H. R. 12080 to $75,000,000 in S. 497.

TABLE I.—*Status of reports on 82 projects included in H. R. 12080 but not submitted to Congress at time of passage*

I. Reports which have been submitted to Congress since Aug. 10, 1956 (32):

	Cost
A. No objection to terms of S. 497:	
1. Salem Harbor, Mass.	$1,100,000
2. St. Anthony Falls, Minn.	19,883,000
3. Calumet-Sag project, Illinois	9,954,000
4. Tequina Bay, Oreg.	10,800,000
5. Lock and dam No. 26, Missouri and Illinois	8,863,000
6. Wolf River, Tenn.	1,932,000
7. Escambia River, Fla.	61,000
8. Eel River, Calif.	707,000
9. Alabama River at Montgomery, Ala.	1,300,000
10. Littleville Dam, Mass.	5,090,000
11. Barataria Bay, La.	1,700,000
12. Baltimore Harbor, Md.	28,141,000
13. Bridgeport Harbor, Conn.	2,300,000
14. Sandy Lick Creek at Brookville, Pa.	1,188,000
	98,018,000
B. Objection or qualification to terms of S. 497:	
1. Water-hyacinth program	5,000,000
2. Hall Meadow Dam, Conn.	2,420,000
3. East Branch Dam, Conn.	2,670,000
4. Elm River, S. Dak.	1,750,000
5. Boeuf and Tensas Rivers, Ark. and La.	1,212,000
6. White River backwater, Arkansas	2,200,000
7. Millwood Reservoir and alternate reservoir, Arkansas and Oklahoma	[1] 53,235,000
8. Mad River Dam, Conn.	5,820,000
	74,559,000
Total, projects submitted to Congress	172,498,000

[1] In addition to present authorization of $49,800,000.
[2] Reduced from $219,000,000 in H. R. 12080.

II. Reports which have not yet been submitted to Congress (7):

	Cost
A. Reports which can be submitted to Congress later this session:	
1. Hendry County, Fla. (not yet received in Bureau of the Budget)	$3,172,000
2. Kaskaskia River, Ill. (not yet received in Bureau of the Budget)	23,000,000
3. West Branch, Mahoning River, Ohio (not yet received in Bureau of the Budget)	12,585,000
Total	38,757,000
B. Reports which cannot be submitted for same time:	
1. McKinney Bayou, Miss.	800,000
2. Mississippi River Channel improvements	[2] 75,000,000
Total	75,800,000
C. 1945 survey report not adequate basis for authorization:	
1. Hidden Reservoir, Calif.	12,300,000
2. Buchanan Reservoir, Calif.	10,900,000
Total	23,200,000
Total, projects not yet submitted to Congress	137,957,000
III. Project already authorized (1): 1. Old and Atchafalaya Rivers, La.	28,200,000
IV. No objection to terms of authorization in S. 497 (3):	
1. Oroville Dam, Calif.	[3] 50,000,000
2. St. Lucie Canal, Fla. (deleted)	165,000
Grand total	388,790,000

[3] Bureau of the Budget objection has been overcome by change in language of bill.
[4] Estimated.

TABLE II.—*New project authorizations added to S. 497 by Senate committee*

I. Reports which have been submitted to Congress (1):	
A. With objection	None
B. With objection or qualification: 1. La Quinta Channel, Tex. (cleared Bureau of the Budget March 30, 1957)	$954,000
II. Reports which have not yet been submitted to Congress (6):	
1. Pecos River at Carlsbad, N. Mex.	2,000,000
2. Rio Grande at Socorro, N. Mex.	$3,152,000
3. Tug Fork of Big Sandy River at Williamson, W. Va.	600,000
4. Chartiers Creek at Washington, Pa.	1,286,000
5. Middle Gila River Basin, Ariz.	[1] 5,000,000
Total, projects not yet submitted to Congress	12,038,000

[1] Partial authorization. Total cost unknown.

TABLE III.—*Projects on which reports have been submitted to the Congress with executive branch recommendations which are at variance with provisions of S. 497*

Project	Cost	Comment
1. Mississippi River at Alton, Ill. (small boat harbor).	$101,000	Federal share should be limited to 30 percent of cost of general navigation facilities.
2. Irondequoit Bay, N. Y.	1,898,000	Do.
3. Tombigbee River, Miss. and Ala.[1]	19,711,000	Local interests should share in costs as recommended by Chief of Engineers.
4. Saline River, Ill.[1]	5,970,000	Do.
5. Port Washington, Wis.	2,033,000	Federal share should be limited to 30 percent of cost since project is primarily for a single user.
6. Des Moines River, Iowa[1]	14,300,000	Local interests should bear the costs allocated to water supply as recommended by the Secretary of the Army.
7. Water Hyacinth program	5,000,000	Federal participation should be limited to 80 percent of the cost of the program.
8. Boeuf and Tensas Rivers, Ark. and La.	1,212,000	Local interests should share in the costs in accordance with standard requirements of local cooperation.
9. White River backwater, Arkansas	2,200,000	
10. Mad River Dam, Conn.[1]	5,820,000	Local interests should share in costs as recommended by Chief of Engineers.
Total	99,627,000	

[1] Bureau of the Budget recommendations are consistent with those of the Chief of Engineers or the Secretary of the Army.

TABLE IV.—*Projects included in S. 497 which the executive branch has recommended not be authorized*

Project	Cost	Comment
1. Gilbert and Lone Rock Reservoirs, Ark.[1]	$57,000,000	Not found economically justified by Chief of Engineers.
2. Elm River, S. Dak.[1]	1,750,000	Do.
3. Hall Meadow Dam, Conn.	2,420,000	Should not be authorized unless local interests or State give assurances that they will share in costs as recommended by Chief of Engineers.
4. East Branch Dam, Conn.	2,670,000	Should not be authorized until partnership arrangements are fully explored.
5. Bruces Eddy Reservoir, Idaho[2]	23,000,000	Should not be authorized unless States give assurance that they will share in costs as recommended by Chief of Engineers.
6. Millwood Reservoir and alternate reservoirs, Arkansas and Oklahoma[3]	53,235,000	Reimbursement of local interests for costs incurred prior to authorization of project is inconsistent with established policy and should not be authorized.
7. La Quinta Channel, Tex.	954,000	
Total	141,029,000	

[1] Bureau of the Budget recommendations are consistent with those of the Chief of Engineers.
[2] Partial authorization; total cost, $123,000,000.
[3] In addition to present authorization of $49,800,000.

TABLE V.—*Other provisions of S. 497 on which the Bureau of the Budget has questions*

Items	Comment
1. Missouri River Basin damage payments (pp. 35-39)	Bureau of the Budget recommended that city of Williston receive only $600,000 damages and other damage payments not be authorized. One more payment has been added.
2. Water supply provisions (pp. 49-51)	Secs. 205 and 206 have been combined and this authority is extended to Reclamation also.
3. Oroville Dam (p. 47)	Provision has been amended to require approval by President as recommended by Bureau of the Budget.
4. Columbia River flood-control goals (p. 46)	New provision added to limit Chief of Engineers to same flood control goals as 1948, 308 report for new Columbia Basin review. Effect of this provision not yet known.

Mr. KERR. The Senator did mention it; and the Senator still cannot tell the Senate what the recommendation of the budget is with reference to it.

Mr. DOUGLAS. I certainly can.

Mr. KERR. The Senator can, by reading it.

Mr. DOUGLAS. Have we outlawed reading in the United States Senate?

Mr. KERR. Not at all; but it would not hurt Senators to do so as a stimulant to rather than a substitute for thinking.

Mr. DOUGLAS. We shall have to let time and my colleagues be the judge of that.

I shall read what the comment is on the Millwood Reservoir and alternate reservoirs in Oklahoma. The comment is that they should not be authorized unless the States give assurance they will share in the cost as recommended by the Chief of Engineers.

Mr. KERR. Would the Senator be surprised to know that the States have given that assurance?

Mr. DOUGLAS. I am not surprised by anything in this body.

Mr. KERR. Then I shall say to the Senator from Illinois had the Senator apprised himself of the facts he would have found the primary objection of the Bureau of the Budget has been met, and therefore the Senator's illustration of a project to which the Bureau of the Budget is entirely opposed—referring to the Millwood project—is to that degree in error.

Mr. DOUGLAS. The Senator should understand that the reason I have proposed discretionary powers in my amendment is to meet the very point the Senator from Oklahoma is making. There is a specific recommendation also that the following projects should not be authorized: The Gilbert and Lone Rock Reservoirs, Ark., at a cost of $57 million; and the Elm River project, South Dakota, at a cost of $1,750,000. Neither one of those was found to be economically justified by the Chief of Engineers.

Mr. KERR. The Senator from Illinois is mistaken in that regard.

Mr. DOUGLAS. Well——

Mr. KERR. The Senator ought to read the hearings with regard to these projects.

Mr. DOUGLAS. This is a memorandum which I obtained from the Bureau of the Budget, dated the 27th of March.

Mr. KERR. I understand.

Mr. DOUGLAS. The Hall Meadow Dam in Connecticut at a cost of $2,420,000 is stated by the Bureau of the Budget to be one which should not be authorized unless local authorities give assurance they will further share in the cost.

The East Branch Dam, in Connecticut, $2,670,000, is also mentioned with the same objections.

Bruces Eddy is not approved, although I think the grounds of objection of the President are different from the grounds which the Senator from Oregon [Mr. NEUBERGER] and I would have.

Mr. NEUBERGER. The Senator is correct.

Mr. DOUGLAS. There is also La Quinta Channel, Tex., at a cost of $954,000.

So there is a total of $143,000,000 in projects which the executive branch has recommended should not be authorized.

Mr. KERR. Will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. KERR. Does the Senator agree with the basis upon which the Bureau of the Budget makes objection to the authorization of Bruces Eddy?

Mr. DOUGLAS. No. My objection to Bruces Eddy is not the same.

Mr. KERR. The Senator from Oklahoma does not agree with it, either.

Mr. DOUGLAS. Good. My objection to Bruces Eddy is that it would interfere with wildlife and fish on the river, and I personally regard it as a poor substitute for the high Hells Canyon Dam. At present it is a sort of sop to the Northwest. My reasons for objecting are different from those of the administration.

But when the Senator from Oregon makes his motion to strike out Bruces Eddy, as I anticipate he will, I shall vote with him.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. The Senator mentioned the Millwood Dam and Reservoir, which is a complex of dams and reservoirs to be located in the States of Arkansas and Oklahoma. I believe it would be fair to state the primary benefit of those dams is not to those States, but to property located in the State of Louisiana.

We have experienced considerable flooding in Louisiana. We had a flood in 1927 which did property damage exceeding $1 billion, and our property values today are much higher than they were at that time.

Mr. DOUGLAS. Yes.

Mr. LONG. I believe the Senator will find those dams are very well justified. The Senator from Oklahoma, far from being the one who is insisting upon construction of the Millwood Dam and Reservoir, was for many years one of those who resisted the construction of the dam and reservoir on the theory there should be such an upstream capacity rather than the flooding of a great amount of alluvial property downstream in the Little River.

As one who has tried to advocate worthy public works, rather than to prevent them from being built, and as one who is a believer in flood control, I recognize that a dam largely for the benefit of one State cannot be built in another State unless it is possible to get the other State to agree to the plan under which the dam is to be built.

It may be that the Bureau of the Budget and the Corps of Engineers were somewhat reluctant to go along with the particular plan or manner in which the project was to be constructed; but there has never been any doubt in the Bureau of the Budget or in the administrations of either President Eisenhower or President Truman that this was a worthy project, a project which it was necessary to construct.

Mr. DOUGLAS. The problem of assessing benefits from these projects as between upstream and downstream is very difficult. I quite well recognize that in many cases the chief benefits accrue downstream. It is very difficult to assess the benefits against the precise areas which will be benefited. But we should try.

Mr. LONG. The Millwood Dam could very well mean, so far as the whole Red River Valley is concerned, starting around Freeport and going south, a difference of 3 or 4 feet of floodwater going over the top of the levees. If the levees should go out, there would be nothing to stop the floodwater until it reaches the Gulf of Mexico.

Mr. DOUGLAS. Mr. President, I have tried not to become involved in the discussion of individual projects, because if once we become involved in them, there will be no end to the discussion. We can argue all day and all night, and even the entire month.

I think we all recognize, frankly, even though we may not want to admit it, that local pressures lead to the inclusion of large authorizations and large appropriations which are not really justified, and that our present system of representative government does not really operate to protect the main mass of the voters against the articulate minority. It may be that no one really can protect the voters against themselves. It may be that this schizophrenia is so deep that the real desire for economy is minor in intensity as compared with the desire for local benefits. Nevertheless, I think we should not reflect merely the desires of the communities back home, but we have another duty and that is that we should, in a sense, try to transcend these local interests if possible and to resolve these questions in the national interest.

The administration claims—and I think it is probably approximately correct—that we are still in a period of inflation. In a period of inflation we certainly should not want to increase public works. On the contrary, if there is one thing upon which liberals and conservatives alike, I think, agree, it is that in a period of prosperity public works should be dampened down and held in reserve; then, in a period of recession—and although I know "depression" is a nasty word, perhaps one can use it—in a period of recession or depression public works should be accelerated.

Mr. LONG. The Senator from Illinois certainly does not contend that the labor force of the Nation is being over-used at the present time; does he? I believe the present statistics indicate that about 4,000,000 people are unemployed.

Mr. DOUGLAS. Including part-time.

Mr. LONG. That, I believe, is the highest figure in the past 2 years. It would indicate that plenty of labor is available to build the public works, would it not?

Mr. DOUGLAS. I think there is plenty of labor in specific areas; yes. I am not certain, however, that the underemployed labor is necessarily in the areas where the proposed public works are to be launched.

Mr. LONG. I frankly do not believe there is any general inflation to contend with. There is perhaps selective inflation in certain industries; but so far as any general inflation is concerned, a great segment of American business is actually depressed at this time.

Mr. DOUGLAS. What is depressed is agriculture. The price level of farm goods has been falling; but the price level of manufactured goods, and particularly of heavy goods, has been rising. The general price level has not risen more than it has merely because of the depressive influence of farm products.

But the Senator will find that the prices of building materials—lumber, steel, cement—have increased greatly, and it is precisely for those items that the large expenditures for public works would be made. So the inflationary pressures would be increased in the various sectors of the economy where the pressures are already great.

Mr. LONG. The Senator from Illinois knows that the price of moving dirt is not on its way up, and the moving of dirt is a great segment of flood control work. The prices of moving dirt, clay, and items of that sort are not at all inflated, I think the Senator will find.

But does not the Senator from Illinois agree with me that it would be tragic if delaying the necessary flood control projects should result in a major flood in some areas, especially where a flood-control program has been subjected to serious delay? If there should be a flood which caused damage running into hundreds of millions of dollars as a result of 8 inches of rain falling in the Little River Valley, which is a tributary of the Red River, it would be tragic to have delayed the vital flood control plan proposed and authorized by Congress in 1946. Here we are in 1957 proposing further dams. Would it not be tragic to have a flood in that area, causing hundreds of millions of dollars of flood damage?

Mr. DOUGLAS. After such a flood, the people become very frightened, naturally, and they think the danger will come again the next year. This feeling increases the pressure on Congress. Nevertheless, I think if we study the cycles of rainfall over the country, it will be found that it is very seldom that two floods immediately succeed each other. There is an 8-year rainfall cycle, and apparently there is a 50-year flood cycle. The huge floods—at least, in my region, according to those who study the weather—tend to come only once every 50 years or once every hundred years.

Mr. LONG. The cycle usually is not that long.

Mr. DOUGLAS. There are cycles within cycles.

Mr. LONG. Yes; sometimes the floods occur one right after another. But the fact is that the necessity for the Millwood project—and I want the Senator from Illinois to hear this—was determined after the flood of 1945. Twelve years have now passed since that flood, and time is running out. One of these days that project had better be started.

Mr. DOUGLAS. I am not proposing to eliminate the Millwood project. I am merely saying that the President should be given the power, if economic conditions, in his opinion, require it, to postpone $375 million of the $1,500,000,000 worth of projects authorized by the bill.

Mr. LONG. I hope the Senator from Illinois will support me in what I regard as a real economy. As a member of the Committee on Finance, I am trying to do something about the high interest rates. The Senator from Illinois also is a member of the Committee on Finance, and his name has been used, I hope erroneously, by the Secretary of the Treasury, as one who advocates high interest rates. As the Senator knows, the increased cost to the Government in this respect is $1,200,000,000. It would be necessary to cut expenditures for these projects a great deal in order to make up the $1,200,000,000 which the increased interest rates are going to cost the Government.

Hearings before the Senate Committee on Finance on this subject are about to begin. I hope the Senator's efforts to reduce other expenditures will not prevent his being present to help us determine whether to reduce the interest charges.

Mr. DOUGLAS. I may say to my good friend, who feels keenly about the interest rates, that he reminds me of a character in Dickens' David Copperfield, namely, Mr. Dick. No one could get into a conversation with Mr. Dick on any question without his mentioning the fact that King Charles I lost his head. I am not accusing the Senator from Louisiana of losing his head, but I say that during the discussion of every subject, no matter what it is, the junior Senator from Louisiana brings up the question of high interest rates. I think he has become like the elder Cato, who ended every speech with the exclamation: "Delenda est Carthago"—Carthage must be destroyed.

I am no particular admirer of the Secretary of the Treasury, and we will discuss the question raised about him when we come to it; but could we, please, now discuss the rivers and harbors bill?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. All my friends are turning against me.

Mr. HUMPHREY. No; no.

Mr. DOUGLAS. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I was merely going to say, since my two beloved friends, the Senator from Illinois and the Senator from Louisiana, are closing in on the little bit of the Senate floor which is allocated to me for seating space—

First of all, I hope the Senator from Louisiana is as successful in his efforts to investigate the high interest rates as Cato was in getting rid of Carthage. If the Senator from Louisiana persists in the way that Cato did, I think the Senator from Louisiana will be successful in achieving his purpose.

Second, I should like to say to my friend, the Senator from Illinois [Mr. DOUGLAS], that although his proposal is less stringent than the previous proposals, since now the Senator from Illinois only asks that the President be given authority to withhold a certain amount of the authorizations, I suggest that many of these projects are not of the kind which should be delayed until days of less prosperity.

Mr. DOUGLAS. The President would not have to do so; my proposal is only that he be given the power to postpone one-fourth of them; and if he thinks them urgent, he can include them.

Mr. HUMPHREY. Let me be blunt about the matter, and say that I am not sure which quarter the President would postpone. [Laughter.]

In the case of the project on Ruffy Brook and Lost River, Minn.; and the Mississippi River project at Winona, Minn.; and the Minnesota River project at Mankato and North Mankato, Minn.; and the project on the Minnesota River, down to Shakopee; and the projects at St. Anthony Falls, at Minneapolis, Minn.; they are a part of a quarter that I do not want the President to touch. [Laughter.]

Mr. DOUGLAS. Let me say to my good friend, the Senator from Minnesota, that such an attitude is not fully characteristic of his general character, for the Senator always displays a high sense of national concern.

Mr. HUMPHREY. Oh, no.

Mr. DOUGLAS. I should think that the zeal of the Senator from Minnesota for public service would make him willing to have Minnesota treated in the same way that any other State is treated.

Mr. HUMPHREY. I want to have that done, and that is why I want the projects I have mentioned pushed forward. [Laughter.]

Mr. KERR. Mr. President, it might be that that is what the Senator is trying to insure.

Mr. HUMPHREY. I may add that my zeal for public service has included 15 years of work for the St. Anthony Falls projects, and I am not ready to agree that all that work on my part go for naught, so that I would grow older under those circumstances.

Mr. DOUGLAS. Mr. President, I have heard numerous statements about security from womb to tomb, but I never heard that the Senator from Minnesota had worked for the St. Anthony projects before he was born.

Mr. HUMPHREY. I said I have worked on it for 15 years.

Mr. DOUGLAS. Oh, I thought the Senator said he had worked on it for 50 years. [Laughter.]

Mr. HUMPHREY. My argument may not have been any more persuasive than that of a 15-year-old, but I assure the Senator from Illinois that that project has merits. Certainly in this instance we should not wait until the country is in trouble. There are certain things which should be done regardless of the existence of a period of prosperity or the existence of a period of nonprosperity. One of those things is to curb floods. The other is to construct such projects as the St. Anthony Falls projects, on the Mississippi River.

Mr. DOUGLAS. But all Senators cannot have at one time everything they want; we must make some selection. The Senator from Minnesota wants an innumerable number of things, and I want an innumerable number of things, and the country as a whole wants an innumerable number of things. Certainly we cannot have, at one time, everything we want; we must adopt a schedule of priorities.

Mr. HUMPHREY. I agree; and we have waited since 1937 for the St. Anthony Falls projects. We are not getting at once everything we want; we are only asking that we inch along now.

I agree that it would be wrong to get at once everything we want, and I would hope we would not do any such foolish thing.

But the St. Anthony Falls projects are reasonable.

Mr. CHAVEZ. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. CHAVEZ. I should like to call the attention of the Senator from Illinois to the fact that an ounce of prevention is worth a great deal of cure.

Mr. DOUGLAS. Yes; it is said to be worth a pound of cure.

Mr. CHAVEZ. Very well.

Pennsylvania, New York, and the New England States learned the hard way about floods. If there had been flood control in Pennsylvania, New York, and New England, 169 lives would have been saved, in addition to hundreds of millions of dollars worth of property which was destroyed. Does the Senator from Illinois want a flood to occur first, and then have a dam built?

Mr. DOUGLAS. Mr. President, I am not in favor of floods. [Laughter.]

But, Mr. President, let me say to my good friend, the Senator from New Mexico, that I am making a very simple proposal, namely, to permit the President to have the power, if economic conditions and other factors in his judgment would seem to justify it, to postpone one-fourth of these projects.

Mr. BUSH. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. BUSH. How long would the President be able to postpone the projects, under the amendment of the Senator from Illinois?

Mr. DOUGLAS. He could, although he need not, provide for an indefinite postponement.

Mr. BUSH. In other words, the President could provide for quite a long breathing spell? In short, it might be that the Congress could end one session, and the Members of Congress could return to their homes, and then they could again come to Washington and participate in a subsequent session of Congress, before anything would have been done on such projects, under the amendment of the Senator from Illinois; is that correct?

Mr. DOUGLAS. That is possible.

Mr. BUSH. Mr. President, let me say about the amendment of the Senator from Illinois——

Mr. DOUGLAS. Mr. President, I thought the Senator from Connecticut was a defender of Modern Republicanism. But in this case I find that my efforts to permit the President of the United States to take what I regard as appropriate action in this field are met with the criticism of the Senator from Connecticut, who is one of the writers of the platform of the Modern Republicans.

Mr. BUSH. Mr. President, I appreciate the comments of the Senator from Illinois; and I agree that I am a modern Republican, and I stand firmly on the platform of the Republican Party.

Mr. DOUGLAS. But in this respect the Senator from Connecticut is opposed to the President.

Mr. BUSH. No; I am not opposed to the President. I am opposed to the Senator from Illinois.

Mr. DOUGLAS. I am simply advocating that the President be given this power. I have more confidence in the President than the Senator from Connecticut seems to have.

Mr. BUSH. I should like to finish my remarks, if I may.

Mr. DOUGLAS. Certainly; I ask the Senator from Connecticut to excuse me.

Mr. BUSH. I should like to point out that what the Senator from Illinois is approaching, I assume, in connection with his amendment, is something in the nature of an item veto. Is that correct?

Mr. DOUGLAS. No.

Mr. BUSH. Very well. Under an item veto, which I would be disposed to favor——

Mr. DOUGLAS. But I would not.

Mr. BUSH. However, I think I would support an item-veto bill, but on the understanding that any vetoed item would be returned to the Congress, for further action by it.

My objection to the amendment of the Senator from Illinois is, principally—or at least this is one of my objections to it——

Mr. DOUGLAS. The Senator's objection to it is that it would cut out the two dams in Connecticut. [Laughter.]

Mr. BUSH. No; it would not.

Mr. DOUGLAS. Mr. President, I promised to yield to my good friend, the Senator from Nebraska [Mr. HRUSKA]. Again I wish to say that he was so kind as to furnish me with some material which I have used as ammunition, even though I was not able to repeat it from memory in the same fashion as the Senator from Oklahoma desired. I acknowledge my indebtedness to the Senator from Nebraska; and at this time I yield to him.

Mr. HRUSKA. Mr. President, the Senator from Illinois is very generous.

His statement with respect to his desire to have the President given the power to deal with this budget-cutting process, to the extent of $375 million, is very interesting, for the reason that the Congress already has given the President that power, and the President has exercised it. In connection with such flood-control matters, the Congress has formulated and prescribed certain rules, in the form of statutes. When we examine the Flood Control Act of 1944 and the omnibus bill of 1954, we find those rules set forth. As the Senator from Illinois knows, there has been reference not only to the Corps of Engineers, but also to the affected agencies of the respective States, and so forth. In addition, projects then are considered by the Bureau of the Budget, there to receive some scrutiny and to be submitted to the application of the rules self-imposed by the Congress.

When the Senator from Illinois refers to the information I gave him as having been received by the Bureau of the Budget—and it occupies the last one-third of the first page—I would point out that there he will find, under classification B, projects which have been either incompletely or adversely reported by the Bureau of the Budget, in the total amount of approximately $362,776,000.

Mr. DOUGLAS. That is correct.

Mr. HRUSKA. I wish to ask a question in that connection. Here we already have an evidence of the turning down by the President of certain projects, based upon rules which the Congress made years ago, and the application of those rules. It is difficult for me to understand why the Senator from Illinois now wishes to have the Senate approve an express grant of power to the President to do what the President already has done. In other words, the President has designated these projects, 29 in number, and totaling approximately $383 million, as being undesirable, and he has stated that they should be deleted from the bill.

Mr. DOUGLAS. Mr. President, the authority the Senator from Nebraska mentions was in the hands of the President last summer; and, as I recall, the President then took exception to approximately $532 million worth of items. But instead of postponing those items, the President vetoed the entire bill.

Therefore, in order to avoid a Presidential veto—and this is one of my purposes—my proposal is that we give the President discretion to postpone approximately $375 million worth of projects. An interesting coincidence is that my figure of $375 million is approximately equal to the President's figure of $383 million.

Mr. HRUSKA. Mr. President, it is often said that great minds run in the same channels.

Mr. DOUGLAS. So I would say to my good friend, the Senator from Nebraska, that really I am trying to protect both the Congress and the President. If the bill in its present form is passed and is enacted into law, I think it very likely that the President will veto it—although I hasten to state that I am not in the confidence of the President.

To avoid the danger of a veto, I propose that the President be given authority, in terms of totals, to postpone projects to the extent provided for in my amendment.

Mr. HRUSKA. In my judgment, to give the President that authority, by means of the amendment under consideration, would constitute a very objectionable delegation of legislative power.

Furthermore, I should like to say that later in the day I intend to move that the bill be recommitted to the Committee on Public Works, for the purpose of having that committee reduce by not less than $375 million, the total authorizations of the bill.

Mr. DOUGLAS. If my amendment is defeated and the motion of the Senator from Nebraska is put, I will vote for the motion.

Mr. CASE of South Dakota and several other Senators addressed the chair.

Mr. DOUGLAS. I have not yielded to the Senator from South Dakota yet, so I yield to him.

Mr. CASE of South Dakota. I think the colloquy which just took place highlights the issue involved here. If Congress or the Senate wants to exercise its legislative power to reduce the bill by $375 million, or whatever amount it may care to reduce it, that is the responsibility of Congress. But when it is proposed that we adopt the policy of including in an authorization bill only those projects which have budget approval or Corps of Engineers recommendation, and say if anything else is included we give the President authority to cut them out, we completely abdicate Congressional responsibility. If we say we will not put anything in the bill unless it was approved by the executive branch, we abdicate the legislative responsibility.

May I point out that the President does have delaying power. At least, it has been exercised in the past. Some is how the President might delay projects.

Mr. DOUGLAS. In the summer of 1946.

Mr. CASE of South Dakota. When certain projects had been authorized and appropriations had been made for them, the President impounded the funds in the Bureau of the Budget. That is how the President might delay projects.

Mr. DOUGLAS. I am perfectly aware of the statute under which the President acted. I am perfectly aware of the use of it by President Truman in 1946. Nevertheless, we face the fact that the President last year vetoed $1,560,000,000 in authorizations because he disapproved of $532 million of them. If he thought the existing power which he had then, and which he now has, was sufficient to enable him to delay approval of the $532 million worth of projects without vetoing the bill, he would have exercised that power; but obviously he did not think so. Therefore, what I am proposing to do in the bill is make the authority specific, so we will not be in the same situation we occupied last year.

Mr. CASE of South Dakota. I may say to the distinguished Senator from Illinois that at the time the Public Works Committee was considering the bill last summer I raised a question, as I think some of the Members of the committee who are now present will recall. At the time I thought there was in the bill such a large proportion of projects which had not been approved that there was the possibility of a veto. I was not surprised at the veto.

Mr. DOUGLAS. The Senator was surprised or was not surprised at the veto?

Mr. CASE of South Dakota. I was not surprised.

Mr. DOUGLAS. The Senator from South Dakota evidently did not think the President had sufficient power to postpone.

Mr. CASE of South Dakota. I raised that question later with certain persons. There was a heavy proportion of unapproved projects in the bill, which authorized approximately $1,600,000,000.

Mr. DOUGLAS. Over one-third of the bill was made up of such projects.

Mr. CASE of South Dakota. Over one-third were projects which the executive agencies had to clear.

Mr. DOUGLAS. Now it is about one-quarter.

Mr. CASE of South Dakota. Substantially $150 million worth of those projects were eliminated, and many other projects have been eliminated since. That is, they have passed both the Bureau of the Budget and the Corps of Engineers. So the bill as it comes to us at this time does not carry nearly so large a proportion of projects which had not met the approval of the executive branch.

Mr. DOUGLAS. The percentage has gone down from approximately one-third to approximately one-quarter, but that is not a tremendously large reduction.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Senator from New Mexico may be permitted to reply to the Senator from South Dakota, with the understanding that I do not lose my right to the floor.

Mr. CHAVEZ. I am not going to reply; I am going to agree with him.

Is it not correct to say that when the Public Works Committee was considering the flood-control bill last year, it practically accepted only those projects which had been approved by the Army engineers and by the Bureau of the Budget? By the time the bill cleared the House, it included several other projects. And in order to have a bill passed, the Senate took the projects which had been proposed by the House.

Mr. CASE of South Dakota. I think it is fair to say that several of the projects were those inserted in the bill by the House, rather than by the Senate. With the end of the session approaching, it was felt that if we were to have any legislation at all, it would be necessary to accept many of the projects proposed by the House.

Mr. CHAVEZ. Mr. President, I ask for another momentary indulgence by the Senator from Illinois.

Mr. DOUGLAS. It is gladly accorded.

Mr. CHAVEZ. I should like to ask the Senator from Illinois this question: Are we going to legislate, under our duty and under our oath, or are we going to be worried because a President might veto a bill? A veto is the responsibility of the President. We as legislators have a different responsibility.

Mr. DOUGLAS. Is the Senator from New Mexico going to move to recommit the bill with instructions to cut out $375 million?

Mr. CHAVEZ. I am not, because I think the Senator from Illinois is so wrong that I am not going to agree with him.

Mr. CASE of South Dakota. If the Senate should, in its wisdom, say to the Committee on Public Works that the bill should be reduced by $375 million, I for one would, in good spirit, and with an open mind, address myself to the task assigned by the Senate. But I think it is a responsibility the Senate itself should assume, rather than say it cannot undertake it, and that we will abdicate our legislative responsibility and let the executive branch dispose of projects.

Mr. DOUGLAS. Let me say—and I hope I shall not be held in contempt of the Senate for saying this—that the whole operation of present-day popular government makes it impossible now for the Members of the Senate to cut the bill on the floor or even in committee.

Mr. NEUBERGER. Mr. President, will the Senator yield so that I may make an observation on this particular issue the Senator from Illinois has brought up?

Mr. DOUGLAS. Yes.

Mr. NEUBERGER. The able Senator from Illinois has made a very effective plea, as he always does, with respect to economy. On this bill I happen to be "stuck," as the saying goes. I do not object to that. I happen to come from a seacoast State. In some areas of that seaboard, as the Senator from Illinois knows, we have 80 to 100 inches of rainfall. I seek to protect the welfare of that area. We desperately need flood-control projects. Just because God Almighty has put a great deal of water in that area, which comes down off the mountains and goes to our coasts, we should not be discriminated against.

Let me point out to the Senator from Illinois and the Senator from Nebraska, who have been making speeches on economy, that as of December 31, 1956, these were the soil-bank payments thus far made to date by the Department of Agriculture in three States:

Nebraska, $31,876,849.
Illinois, $20,858,861.
Oregon, $173,620.

In other words, as of December 31, there had been spent in Illinois for the soil bank over 100 times the amount spent in Oregon for the soil bank.

As of December 31, there had been spent in Nebraska nearly 200 times as much as had been spent in the State of Oregon for the soil bank.

The Senator from Oregon could have risen on the Senate floor at the time of the consideration of the soil-bank bill and made very fine speeches on economy, and urged that, because Oregon was getting hardly any money under the soil bank, the soil-bank provision be eliminated, or that the President be empowered to cut the soil-bank authorization by 25 percent.

That could have threatened to take away a great deal of the money which was spent for farmers in Nebraska and Illinois. But the Senator from Oregon did not deliver that kind of speech, because the Senator from Oregon realizes that the corn farmers in Illinois and Nebraska probably needed those soil-bank payments to reduce their surplus, and perhaps to bring their agricultural economy into stability. But now that the rivers and harbors bill is before us, and the Senator from Oregon happens to represent a State with a great deal of fresh water coming down the mountains and valleys—with the Pacific Ocean, the largest body of water in all the world, off the Oregon seacoast—the

Senators from Nebraska and Illinois are making economy speeches about the rivers and harbors legislation. I submit that they did not make such speeches when the soil-bank bill was before us for consideration. I think Senators will agree that the States of Illinois and Nebraska are among the leading beneficiaries of the soil-bank program.

Mr. DOUGLAS. Of course, Iowa received more than any other State. That may or may not have been for political reasons.

It so happens that in the pending bill there are authorizations of approximately $45 million for Illinois. I think I am aware of some of the political consequences which will follow because of my opposition to the bill. I am not posing as a hero. I am not a hero in any sense, but I am perfectly well aware that there are groups in Illinois that will resent the position I now take. I knew that before I rose, yet I felt it my duty to do so.

I do not think the Senator from Oregon really meant to accuse me of hypocrisy.

Mr. NEUBERGER. I am not accusing the Senator from Illinois of hypocrisy. He is one of the most courageous men I have ever known in public life or private life.

Mr. DOUGLAS. I am ready to take the same medicine, and I think the people of my State are ready to take the same medicine, that we ask the Nation as a whole to take.

I do not know the Senator from Nebraska [Mr. HRUSKA] very well. However, I think his motives are just as pure as those of anyone else.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HRUSKA. I am somewhat surprised that there was brought into this discussion the consideration of economy. I do not know that I mentioned the word. If there are any guilt complexes about economy being either too great or too small, on the part of the Senator from Oregon or any other Senator, that is all right.

Mr. DOUGLAS. I do not think the Senator from Oregon has any guilt complexes. He need not have. He is a splendid Senator and a splendid man.

Mr. HRUSKA. The objection I raise to the bill is that it contains approximately $383 million worth of authorizations which do not comply with the orderly processes which the Congress, in its wisdom, has imposed upon itself for the purpose of enabling it to reach a judgment with respect to requests for authorizations.

With reference to corn allotments and soil bank payments, if there has been any preferential treatment, or any lack of orderliness or compliance with the statutes enacted by the Congress with reference to the soil bank, which result in Nebraska receiving greater payments than any other State, I will join with the Senator from Oregon or any other Senator in an effort to try to correct the situation.

Mr. DOUGLAS. So will I.

Mr. HRUSKA. So long as the orderly procedures have been complied with, I do not see any objection to having the law, in its general application, taken advantage of by any State, including Oregon.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. One can call anything he wishes orderly procedure. It so happens that in connection with the soil-bank bill which was passed, special treatment was given to the crops raised in Nebraska, Iowa, Illinois, and a few other States. I am not now protesting that. Perhaps those crops needed special treatment, just as, perhaps, the States on the seacoast need extensive rivers and harbors projects to prevent disastrous floods.

Mr. HRUSKA. Which they have received in generous measure.

Mr. NEUBERGER. Such projects are required to protect the lives of people and to protect property.

There is not a single bill of an extensive nature that goes through the Senate with respect to which some Senator could not rise and make a speech geared to economy, whether it be an agricultural bill, or a bill dealing with social welfare in great industrial areas, a housing bill, or a rivers and harbors bill. The only point I make to the distinguished Senators from Illinois and Nebraska is that their States happen to be among the leading beneficiaries of the soil bank program, which takes a great deal of money out of the Treasury—the same kind of coin of the realm that pays for rivers and harbors projects.

The Senators from Illinois and Nebraska could just as validly have made economy speeches in connection with the soil-bank bill. Today, they are making such speeches when a rivers and harbors bill is before us, which happens to deal with States such as those represented by the Senator from Connecticut [Mr. BUSH], the Senator from Oregon, and other Senators. Any of us can rise at any time and make economy speeches in connection with almost any bill calling for the expenditure of money.

Mr. DOUGLAS. Mr. President, neither the Senator from Nebraska nor the Senator from Illinois is posing as a hero. We are not posing as the sole defenders of the Public Treasury. I know there is no self-righteousness in the Senator from Nebraska. I hope there is no self-righteousness in the Senator from Illinois. But I think we both entertain the genuine feeling that the Senate is starting something in this bill which will ultimately result in wasteful expenditures.

It is true that this authorization is not an appropriation. It is true that there are already about an $8 billion backlog in authorizations. However, an authorization is the first step toward an appropriation. First we make an authorization, and then people say, "You have made the authorization. Why not appropriate?" The fact that we have authorized a project is almost always used as an argument for an appropriation.

So if we start this process upstream today, a few years later increased appropriations will have to be made downstream. What we want to do is to try to check some of these projects which, because of popular pressure, have been included in the bill, and with which I think—though I hope I am mistaken—the Senate, in the existing state of public opinion, is largely incompetent to deal.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. The only contention I make with the distinguished Senator from Illinois, whom I honor for his courage and foresightedness in coming here today and making such an effective presentation, is that Senators may make economy speeches on almost any measure calling for appropriations.

Whenever I sit in the Chamber I marvel at the fact that the Senator from Illinois has more pertinent observations and literary quotations at his command than almost any other person I have ever heard. They make his remarks interesting and vivid.

Soon the Senate will consider corn legislation. I believe the House has debated the subject extensively. Many of us who come from States where very little corn is raised could rise and make effective speeches on economy as related to corn. They would not be as able as the speech of the Senator from Illinois—at least so far as I am concerned. I do not possess his ability or knowledge. I wish I did. But we could make speeches which, if not outstanding, at least within the limits of our ability would be speeches on the subject of economy as related to corn. I hope, however, that the speeches themselves would not be "corny."

So there is hardly any bill of major proportions which comes before the United States Senate on which an economy speech could not be made by some Member of the Senate.

Mr. DOUGLAS. I could make such speeches in connection with proposals for public power projects along the Columbia River. I do not gain any votes in Illinois by voting for such projects. I vote for them because I believe they are in the national interest, and I shall continue to do so.

Mr. NEUBERGER. That is characteristic of the Senator from Illinois.

Mr. DOUGLAS. If there is any implication that the Senator from Nebraska and the Senator from Illinois are out to protect their own interests, or the interests of their own States, to the very end, regardless of the national interest, I think our action is a complete demonstration that such is not the case.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HRUSKA. I should like to remind the Senator from Oregon that we are not without our share of public works in our area. My remarks were not based upon economy motives as such. I shall elaborate on that point a little later when I obtain the floor on my own right.

My remarks were directed to this simple proposition: So long as the Congress has prescribed certain criteria by which to judge the acceptability of requests for authorization, we should

follow those criteria. Whenever we become tired of them and wish to shoot them full of holes by way of exceptions, we should modify or repeal those criteria. I believe that until that time we should follow them.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. I think the Senator from Nebraska will agree that a Senator who comes from a State which raises a great corn crop has a particular interest in corn. A Senator who comes from a State which produces a great cotton crop has a particular interest in cotton. A Senator who comes from a seacoast State, which has vast quantities of fresh water and salt water is more particularly interested in public-works projects than are other Senators. I am sure the Senator would not deny it.

Mr. HRUSKA. No. As I pointed out, we have a tremendous amount of public works in our area. The Missouri River Basin is not a negligible item from the standpoint of the public-works program of the Nation, nor has it been in the past 15 years.

Mr. DOUGLAS. I will now stir the ire of the Senator by saying that I believe navigation on the Missouri River is largely a wild goose chase. It has cost the Public Treasury tens of millions of dollars. First it was proposed to open for navigation the part of the river between Kansas City and St. Louis. There was little navigation on that part of the river. Then it was decided to open the river for navigation to Sioux City. There was no navigation there. Now there is a proposal to extend it to South Dakota. The next proposal will be to extend navigation to Great Falls, Mont. This is the big delusion.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. COTTON. I did not intend to interrupt the Senator, because I knew he was trying to finish his speech.

Mr. DOUGLAS. Since I have had no success, it is probably just as well for the Senator from New Hampshire to interrupt me.

Mr. COTTON. As one of the members of the committee who did not vote to support the bill, I should like to make an observation to the Senator from Illinois.

Certainly I do not wish to pose as a hero. Thirty-nine States have projects in the bill, and of those 39 States, only 2 are in New England. New Hampshire and three other New England States do not have any projects in the bill. Therefore it would be quite easy for me to rant and rave about the bill. However, let me say to the Senator that I wish I could go along with his amendment. His motive is highly commendable, and he is perfectly correct in saying that the practical way of going through the bill and picking out projects has not been successful in the past, and probably would not be now.

However, I cannot go along with the Senator, first, because of the possibility of a veto of the bill in its present form. This amendment might give the President cause for signing the measure. I shall vote for the amendment of the distinguished Senator from Nebraska, even though as a practical matter I should dislike to have extensive revisions made in the bill, because in view of the comment of the President at the press conference yesterday it would seem to me that in its present form he could not possibly sign the bill. However, I shall vote to reduce it by the figure to which the Senator from Nebraska refers as not having been approved by orderly process. I must make it clear that I shall vote against this bill whether or not the amendments of the Senator from Illinois and the Senator from Nebraska are adopted.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. I desire to commend the Senator from Illinois for his very excellent presentation of the question before the Senate. I should like to suggest that my colleagues look at page 89 of the hearings. At the very bottom of that page, in table III, there are listed several items. They contemplate an expenditure of $89 million. I wish to point to the comments which are made about those proposed expenditures. The comment on the first one is: "Not found economically justified by Chief of Engineers." That refers to an item for $57 million.

Mr. DOUGLAS. That is the Gilbert and Lone Rock Reservoirs in Arkansas.

Mr. LAUSCHE. That is correct. I cannot understand how approval could be given by this august body to an item which our engineers have labeled as economically unjustified. I cannot believe that in the face of that recommendation approval of the item would be justified.

The next item is for $1,750,000. The comment is "not found economically justified by Chief of Engineers."

The third item is a small one, and I shall not mention it. There is an item here for $2,420,000, and the comment on that item is "should not be authorized unless local interests or State give assurances that they will share in costs as recommended by Chief of Engineers."

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CASE of South Dakota. Two of the projects which the Senator from Ohio has mentioned received some special attention by the Committee on Public Works. If the Senator were to peruse the hearings, he would find that both of the communities in Connecticut have on their own initiative and out of their own resources improved the channels through those towns.

I asked General Itschner, the Chief of Engineers for Civil Works, whether the projects which local communities had undertaken would have been included in the overall comprehensive plan had the communities not gone ahead on their own resources. He said that they would have been included.

Then I pointed out that had they been included, the contribution which these local communities had made in going ahead on their own initiative, and taking care of the channels, would have been a very substantial contribution to the cost of the overall project.

My recollection of both of these projects is that there are two dams proposed to be built by those towns, and that the engineers in that instance had recommended that the land for the reservoirs be provided by the towns immediately below the dam, although the primary purpose of the building of those dams was not for the protection of those two towns, but for the protection of areas downstream from the towns.

It seemed to the committee, as the result of that testimony, that we ought not to say to those towns that they should not get any credit for what they had already done, since it would have been made a part of the comprehensive project. In other words, we felt we should not require those towns to pay the cost of those reservoir sites.

That illustrates a situation where I believe the legislative responsibility of Congress can be exercised, by the development of testimony on such a project. At first I was opposed to the projects, on the basis of the comment made by the engineers. However, after I went into the matter I discovered that these communities had gone ahead on their own. Certainly I do not feel that they should be penalized for what they have done. The Senator from Connecticut is on the floor. What I have said is not necessarily in his behalf, but states what I believe to be the facts.

Mr. BUSH. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. BUSH. I thank the Senator from South Dakota for his very able explanation of this item in the bill. The building of these particular dams would have benefits far beyond the area where the dams are supposed to be built.

We feel that the Bureau of the Budget has been very inconsistent in insisting on further elements of local contribution than have already been made, particularly when the towns where the dams are to be located have already taken the terrible beating of the floods of 1955, and have already put up substantial sums of money by way of local contributions to prepare for the building of the dams.

I wish to say to the Senator from Ohio that the position of the Federal Government on this whole matter is very inconsistent. No local contributions are required for very large flood-control dams, to which, of course, the taxpayers of Connecticut make very substantial contributions. In the face of that situation, Connecticut is being asked to pay a part of the cost of the small dams which are urgently needed for flood protection. The Bureau of the Budget's position is not only inconsistent; it is unfair.

In almost every case where a flood-control dam has heretofore been built by the Corps of Engineers—in every case, I believe—the Federal Government has assumed the full cost of the dam. The position which has been taken here is very unusual, and inconsistent with the history of this type of development in the past.

I thank the Senator for his patience.

Mr. LAUSCHE. With due respect for the comments which have been made, I do not know but that an explanation of the same character could be given about the many items included in the list objected to by the Corps of Engineers. I shall not read them all.

Since I represent in part the State of Ohio and know the State must contribute its share to the building of these projects, I cannot go along with a proposal whereby projects will be built for some States in nonconformity with the program existing under the Corps of Army Engineers.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LAUSCHE. I do not have the floor, but I will ask the Senator from Illinois to permit me to finish.

Mr. DOUGLAS. Certainly. Then I wish to reclaim the floor.

Mr. LAUSCHE. I concur with the remarks of the Senator from Illinois to the effect that the Members of this honorable body, because of their interest in the separate projects, with due respect to their purpose of being impartial, are incapable of passing on these matters objectively. Each one of us has a prejudice. I have a prejudice about a project in Ohio. The project is not yet ready for approval. I should like to approve it to argue for it. I may be somewhat timorous and say I do not dare to do so, because of the unfavorable impact that would have back home.

However, I say to Senators that I shall not allow that fact to twist my judgment.

I concur with the Senator from Illinois. There is only one person who is capable of looking at this problem and program objectively, and he is the person who has been elected by 160 million people. He has no provincial obligations; his obligation is to the Nation. He can look upon the problem impartially and objectively, and rule those items in which should be in and those items out which ought not be included.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DOUGLAS. Before I yield to the Senator from South Dakota, I should like to make a few brief replies to the Senator from Connecticut [Mr. BUSH].

It had been my hope Senators would not get into a discussion of specific projects, but almost inevitably one does get into a discussion of these projects. I hold no special brief for the Bureau of the Budget, but I think it is true what the Bureau of the Budget has asked is not merely that two communities near Hall Meadow Dam and East Branch Dam make contributions, but that contributions either be made by those communities or by the State of Connecticut. A contribution by the State of Connecticut would cover the downstream benefits given, as well as the immediate benefits at the site of the dam. So I think the objection of the Bureau of the Budget is better founded than the Senator from Connecticut has implied.

Mr. BUSH. If the Senator will yield, I agree with him. I do not want to labor these two small items totaling $5 million in a $1½ billion bill.

Mr. DOUGLAS. Yes.

Mr. BUSH. But I claim that the Bureau of the Budget is inconsistent, when considering the history of these flood protection dams, which are single-purpose dams. This is almost the first time, I believe—and this fact was brought out in our hearings—the Federal Government has asked a local contribution for a dam which was designed purely for the purpose of flood protection and prevention.

I see my friend, the distinguished Senator from Oklahoma, rising. I do not know whether he intends to support me or oppose me on this bill. He has great knowledge on this subject.

Mr. DOUGLAS. Whenever the Senator from Oklahoma rises I know he is going to oppose the Senator from Illinois.

Mr. BUSH. If the Senator from Oklahoma would care to comment, I think it would be helpful for the Record to have the observations of the Senator, who is the chairman of the subcommittee.

Mr. DOUGLAS. We may not know whom the Senator from Oklahoma is supporting, but we know whom he is against.

Mr. BUSH. I should appreciate it if the Senator from Illinois would accord the Senator from Oklahoma the privilege of an observation at this point.

Mr. KERR. Will the Senator from Illinois accord me the privilege of an observation?

Mr. DOUGLAS. Certainly.

Mr. KERR. I had hoped the Senator from Ohio would remain, since the Senator attained a lofty peak of self-effacement here which I have rarely seen on the part of any man elected by the people.

I wish to say that the Ohio River and its tributaries, many of which have directly affected the State of Illinois, have thus far received for their benefit in excess of a billion dollars for flood-control projects, and are in line for that much more in the foreseeable future; yet not a single one of those projects has had imposed upon it or made a part of it the condition which the Bureau of the Budget is now seeking to force upon the people of Connecticut. The people of Connecticut have a request for $5 million in this bill, out of $1.5 billion, and the Bureau of the Budget wishes to put restrictions upon the people of Connecticut, after those people have already suffered damages in excess of that amount, and after they have already almost exhausted their available resources in efforts to help themselves. The Bureau of the Budget still objects to their project, because those people do not agree to saddle upon themselves an additional excessive amount of local participation——

Mr. DOUGLAS. Or State participation.

Mr. KERR. To pay for benefits which are general in character, just as has been the case with the great program of the Ohio River and its tributaries. For men to seek to try to cram down the throats of the people of Connecticut a principle which has been held to be repugnant from the beginning of flood-control history, in my judgment is neither commendable nor worthy.

Mr. DOUGLAS. May I say to my good friend, the Senator from Oklahoma—and we seem to be striking sparks—I have always felt that work on the inland rivers should be partially financed by toll charges or tonnage fees in order that the costs might be at least partially paid by those who benefit from the projects. So while we appreciate the flood-control work, which has helped protect Cairo, Ill., from floods, nevertheless I think the general taxpayers should not be always assessed for these internal costs.

Mr. KERR. I take it the Senator refers to toll charges on navigation projects?

Mr. DOUGLAS. The Senator is correct; tonnage charges.

Mr. KERR. Does the Senator also favor a toll charge on the people living below a flood-control project?

Mr. DOUGLAS. I would not recommend a toll charge, but I think the property which is benefited should have a special assessment levied against it.

Mr. KERR. Does the Senator wish to have us turn back and assess the property owners of Illinois and Ohio for the $1 billion which the Federal Government has spent on flood control on the Ohio River and its tributaries?

Mr. DOUGLAS. That is water over the dam. But I would be perfectly willing to have such a program adopted in the future.

Mr. KERR. With reference to others?

Mr. DOUGLAS. No; with reference just as much to my State as to any other.

Mr. KERR. How much has been spent in the State of Connecticut? The people there have helped pay for the improvement of the Ohio River. Does the Senator not think his State ought to be willing to pay its little pittance of the $5 million to help protect the people of Connecticut?

Mr. DOUGLAS. I should be perfectly willing to help pay. And my State, because of its population and resources, already carries a relatively heavier load than the majority of States.

Mr. KERR. Then what is the Senator arguing about?

Mr. DOUGLAS. I am merely proposing that the President be given discretionary power to postpone projects.

Mr. KERR. As the Senator from Nebraska [Mr. HRUSKA] so clearly pointed out, the President has already identified the projects he does not wish to have in this bill, so what the Senator from Illinois is actually attempting to do is to give the President the power to strike down specific projects. In the report it is clear which projects the President has not approved.

Mr. DOUGLAS. Some of these objections might be removed by later adjustments.

Mr. KERR. And the world might come to an end, but that is of no interest in connection with this bill.

Mr. DOUGLAS. I do not know what that has to do with the case. I am not a Seventh-day Adventist.

Mr. KERR. It might be well if the Senator were.

Mr. DOUGLAS. I should like to make a reply to my colleague from Oklahoma,

who has been threatening the end of the world. I am afraid the world will come to an end before a sensible rivers and harbors bill will be drafted unless there is a big change in public opinion.

Mr. KERR. I cannot tell whether that is an admission or an accusation.

Mr. CASE of South Dakota. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. CASE of South Dakota. The Senator from Illinois is very generous in yielding. I thought possibly this would be a good point to place in the RECORD a little personal observation about the way our flood-control legislation has been developed.

When the junior Senator from South Dakota first came to Congress, he drove to Washington in December 1936 to take his seat in the 75th Congress. Not knowing the highways in the East very well, he meandered his way through Ohio. I remember stopping for lunch one noon at a little restaurant, where a river was flowing on the other side of the street from the restaurant. In the restaurant I was shown the high-water marks of floods which had been experienced in the past.

When I came to the 75th Congress, the flood-control bill which was considered by that Congress—I think it was in 1938—became the Flood Control Act of 1938. There was considerable debate on the bill in the House of Representatives, and the debate centered on this issue: Shall the basic Flood Control Act be amended so as to make it possible for flood-control projects to be authorized in such a way that the Federal Government will pay a part of the cost of the land and the right-of-way?

Some of my Republican colleagues were opposed to liberalizing the basic flood-control legislation on that point; but a Representative from Ohio, TOM JENKINS took the floor and pointed out to our Republican colleagues that in Ohio there were many small towns which had gone bankrupt trying alone to fight the rivers; they had exhausted their resources. He said that if there were to be flood-control works which would benefit the areas downstream from the little towns, it would be necessary to authorize projects under which the Federal Government would pay a part of the cost of the right-of-way and perhaps some of the other costs, which prior to that time had been assessed upon local communities.

I remember Mr. JENKINS saying, in effect, with considerable feeling in his voice, "You can load these costs onto the local communities if you want to do so, but they are already beyond their limits of bonded indebtedness, and they cannot provide such flood control works. If protection is wanted at points downstream in Ohio, Kentucky, and Illinois, the Federal Government will have to share in the costs of providing some of the rights-of-way."

Mr. DOUGLAS. I do not disagree at all with the Senator from South Dakota; I agree with his proposal.

Mr. CASE of South Dakota. I thought that in Connecticut the situation was somewhat similar.

Mr. DOUGLAS. It is not necessarily the locality which should make a contribution, but the area benefitted should make a contribution.

As I understand, all the areas downstream from the two dams we are discussing are located in Connecticut. Therefore, either the locality or the State should make some contributions. I think such a proposal may be the ultimate key to the whole problem. If it shall become possible to get a sufficient contribution from the areas benefited, I think it will make the localities think several times before they ask for Federal money. But so long as the payments are made 100 percent with Federal money, there will always be a great temptation for the States or the localities to come to Congress and try to get the money, even for projects which are not desirable. But if the States and localities must make their own contributions, that will cause them to examine the projects more carefully, and to exercise some restraint.

On this point there are two difficulties. In the first place, I should say there are some localities which, because of poverty, should bear a smaller share of the expense than should other localities. I should say that perhaps a general average of one-half, ranging from a minimum of one-quarter to a maximum of three-quarters, would be appropriate, under a formula based on per capita income for the area and for the State.

Furthermore, there is a need to define the area of benefits much more carefully than it has been defined because, as the Senator from South Dakota has said, the area of benefit is not necessarily the point at which the improvement is placed. It can cover a much wider territory.

These are subtle matters which cannot be legislated on the floor. I understand that. But I think that if we can check the inordinate pressure for every kind of public improvement, the cost of which is now saddled on the general taxpayer, we can perhaps compel a greater degree of sense in the development of the formula.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CHAVEZ. I repeat, the Senator from Illinois is mistaken in his assumption. Very little pressure from home, from any State, has been brought, so far as what has been considered in the Committee on Public Works is concerned. Generally, it is the Army engineers who come before the committee and tell us what is needed. Before the committee acts legislatively, it asks that surveys be made by the Corps of Army Engineers.

Mr. DOUGLAS. I should like to remind the Senator from New Mexico that for the Gilbert and Lone Rock Reservoirs, the authorization totaled $57 million. These have been turned down by the Corps of Army Engineers, but they are still in the bill.

Mr. CHAVEZ. That is correct, because after the committee heard from the other persons interested, it decided the projects should remain in the bill. We do not propose to let the Army engineers or the Bureau of the Budget legislate for the Committee on Public Works.

Mr. DOUGLAS. That is correct.

Mr. CHAVEZ. If any committee of which the Senator from Illinois is a member wishes to give away its privileges or duties or obligations to some part of the executive branch of the Government, that will be well and good. But the Committee on Public Works generally authorizes funds to conduct surveys to determine whether projects are necessary or feasible, or whether they meet the requirements of the law. After that, Congress takes action. But there is very little home pressure.

There are two projects in the bill which the local Army engineers recommended for my State. I know my State, and I know the two small areas concerned. I know the projects are needed. I know that the regional engineers in Albuquerque have said that they are feasible and necessary. But because the Army engineers in Washington have not had the time or have delayed in passing judgment on what the regional engineers have recommended, we are supposed to keep the projects out of the bill.

The same is true of every State in the Union. But I wish to assure the Senator from Illinois that very little pressure has been brought from Illinois, except by those persons who will actually suffer unless flood control is provided.

I observe on the floor my good friend the senior Senator from Connecticut [Mr. BUSH]. I repeat that if the people of his State had taken advantage of the authorizations which had been made, they probably would have saved hundreds of millions of dollars, and perhaps some lives. They wanted insurance against floods. I prefer a dam any day. Let us not have insurance after the damage has been done; let us prevent the damage from occurring.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. DOUGLAS. I will yield once more; then I will complete my speech, and I hope that we may then have a quorum call.

Mr. BUSH. I wish to acknowledge the very patient and generous attitude of the Senator from Illinois on the whole subject. I think he has been most generous in enabling us to make a record which is very interesting, and which really may have some value in the future consideration of matters of this kind. But so long as the Connecticut project has come into the debate—and I did not bring it in, as the Senator knows—I feel that I should like to make as clear as possible what my position is.

At the time when the hearings on the bill were held, I introduced into the record a statement by William S. Wise, the water commissioner and director of all State flood activities in Connecticut. He made the following comment respecting the matters under discussion, to which the Senator from Ohio has called attention; namely, the two dams in the town of Torrington:

> Following the flood the city sought the assistance of the Army engineers in integrating a flood-control plan into the rehabilitation of the city.

> With the technical advice and assistance of the Army engineers, the city has already expended $800,000 of its own money in land acquisition, removal of buildings, and river-channel enlargement in an effort to reduce the flood danger in the city. At the same time the city will be required to expend an additional $150,000 as its share of the redevelopment project.

These items affect a small town which has been very heavily burdened with expense, and already has spent very generously of its own resources, which are highly strained as a result of the damage done by the flood and as a result of the expenditures it has made.

The Senator has been very helpful in yielding to me. Before I conclude, I should like to say that if the Government of the United States is going to be consistent in dealing with dams which are purely for flood-control or flood-prevention purposes, that is one thing. However, it is another thing to begin to change a policy which has been in existence for a long period of years—for instance, if, in connection with so small a matter as this one, the Congress were to say, "Now we are going to begin to ask for local contributions," although never before have the Army Engineers requested local contributions in the case of the construction of a dam for purely flood control and flood prevention. Under these circumstances, I do not think such a request for local contributions should be made.

Mr. DOUGLAS. I understand. However, I think the making of local contributions constitutes a good general principle.

Mr. BUSH. But the position taken in regard to the matter should be consistent. In other cases of dams constructed purely for flood control and flood prevention—for instance, in the case of numerous dry dams—the policy throughout has been not to require local contributions. That policy has been maintained in the case of all such projects throughout the United States. If that is to be the policy, it should be followed consistently. If local contributions are to be required, they should be required consistently.

But in requesting local contributions in only one case, I do not think the Engineers are acting reasonably, particularly when they are insisting that in that case still further local contributions be made, in addition to all the local expenditures previously made.

Mr. DOUGLAS. In reply, let me make only two comments: First, there always is a time for the Government to turn over a new leaf and to improve its procedure. The mere fact that local contributions have not been provided in the past is not necessarily a good reason for not requiring them in the future.

Second, it is difficult to ascertain the precise area which is benefited. Frequently, the downstream interests receive the major portion of the benefits, and the upstream interests have to bear the burden. I am not saying that the town of Torrington should bear the burden; and I do not think the Bureau of the Budget is saying that, either. It is merely saying that the local interests or the State should give assurance that they will share in the burden to the extent recommended by the Army engineers, who apparently want that share to be more than the 15 percent which already has been provided.

Mr. BUSH. Are the Army engineers saying that in the case of projects all across the Nation? I do not know of any other case in which such an attitude has been taken.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DOUGLAS. Does the Senator from Colorado desire to ask a question?

Mr. CARROLL. Yes, and I also wish to help the Senator from Illinois return to the theme of his speech.

Mr. DOUGLAS. I yield.

Mr. CARROLL. First, Mr. President, I should like to say that I have read very carefully the amendment of the Senator from Illinois. It seems to me that the arguments of the distinguished Senator from Nebraska [Mr. HRUSKA] who referred to the law and to the criteria and to the steps taken by the executive branch of the Government, through the Bureau of the Budget, and to the steps taken by my committee—and I say this as a new member of the committee and as one coming into a new field, insofar as I am concerned——

Mr. DOUGLAS. But the Senator from Colorado is a veteran, as a result of long service in the other House of Congress, where he made a most distinguished record.

Mr. CARROLL. I thank the distinguished Senator from Illinois. However, my knowledge is limited about this particular subject, except for recent experience.

Mr. President, I have heard the distinguished Senator from Oklahoma—a man of keen intelligence, penetrating analysis, and extensive knowledge of this subject—cross-examine many witnesses during the committee hearings. I make this statement to my good friend, the Senator from Illinois, for the reason that earlier in the debate reference was made to the possibility of back-scratching and log rolling. I refer to the proposal to delegate, certain legislative authority to the executive branch of the Govenment, and to give to the executive branch the power to control certain projects. It is proposed that the executive branch, regardless of who may be the occupant of the White House, be given authority to control and approve projects. Mr. President, let me say that, as the Senator from Illinois well knows, the President of the United States is also the leader of a political party; the other day, on the floor of this Senate, there was some evidence of Executive influence when a bill regarding small business was up for a vote. The lines began to form on both sides of the aisle, with the result that some votes were lost, and an important bill was lost.

So I wish to ask a question, in an effort to help the Senator from Illinois return to the theme of his argument: Some reference was made to a $8 billion backlog. Did that refer to authorizations?

Mr. DOUGLAS. Yes.

Mr. CARROLL. Then let me ask, Why is there such a backlog? I believe I can answer my own question.

Mr. DOUGLAS. I should like to have the Senator from Colorado do so.

Mr. CARROLL. I understand that the reason for the existence of the backlog is that another committee of this body, namely, the Appropriations Committee, also does sifting and winnowing, and that it will not recommend appropriations for all the authorizations which have been made. I understand that the Appropriations Committee holds hearings and reaches its own determinations, based on all the other criteria and standards of law, in connection with the functioning of this body and the legislative action it has previously taken. I understand that it is for that reason that there are still authorized almost $8 billion worth of appropriations which constitute a backlog which has been developed because the Appropriations Committee has not recommended the necessary appropriations of funds.

Mr. DOUGLAS. My proposal is not to increase the backlog to a total of approximately $9,500,000,000.

Mr. CARROLL. Regardless of whether it is $9.5 billion or some other amount, my point is that a large backlog exists. For instance, the Senator from Minnesota [Mr. HUMPHREY] has referred to a project for which he has been working since 1937. In that connection, let me refer to the fact that for 10 years the people of Colorado have been trying to have constructed a small, $16 million dam project, which is necessary because of a flood condition. Finally, the project has been approved by the Corps of Army Engineers, and the authorization of the project has been made. However, we do not know whether the necessary appropriation will be made.

So I understand that the backlog is made up of authorizations which have been made. I offer that suggestion for the consideration of the Senator from Illinois.

Mr. President, a short time ago the Senator from Illinois seemed to become somewhat discouraged. Let me say there is no more stimulating or more courageous Member of the Senate than the distinguished Senator from Illinois; and when he speaks, he commands the attention of the entire Senate, regardless of whether he speaks in regard to foreign affairs or taxation or small business matters or banking matters.

Personally, I desire to commend the Senator from Illinois for his stimulating debate on this important economic issue. His debate on it has been very helpful to me, as a new Member.

I offer these suggestions to the distinguished Senator from Illinois, for his consideration, and for no other purpose.

Mr. DOUGLAS. Mr. President, I thank the Senator from Colorado for his suggestions, which I appreciate very much.

Mr. President, I should like briefly to summarize my amendment, and then I

desire to suggest the absence of a quorum. After a quorum called is obtained, I shall request the yeas and nays, on the question of agreeing to my amendment. I hope a sufficient number of Senators will support the request for the yeas and nays, so that the yeas and nays will be ordered.

Mr. President, at this time I should like to summarize, for the RECORD, what my amendment provides:

WHAT THE DOUGLAS AMENDMENT DOES

First. None of the $1.5 billion in projects authorized in the bill shall become effective until the President determines which 25 percent are "least essential in the national interest." This determination could be made in a matter of a very few weeks.

Second. At that time, Congress could begin appropriations for those three-fourths of the projects, or parts of projects, which are most essential.

Third. The remaining 25 percent would be deferred or postponed until the President made a specific determination that the carrying out of each or all of them "would be beneficial to the national economy." The President is required to notify the Congress when his determination for a project or projects is made.

Fourth. Projects with the least priority would be postponed so as not to add to inflationary pressures in this period of inflation in the prices of capital goods.

Fifth. If there were signs of deflation or the onset of recession, the President could "trigger" some or all of the remaining projects to offset the deflation or recession.

Sixth. It would give the President, with the hundreds of budget and administrative officials who know the details of these projects, the responsibility of determining the priority in which they were carried out. The President is best equipped to do this. Meanwhile, of course, Congress retains the right to "authorize" projects which is our Constitutional prerogative.

Seventh. If this amendment is passed and is carried over to remaining authorization and appropriation bills on public works, it could mean an initial savings of $2 to $3 billion in fiscal 1958. Since the ultimate costs of public works projects in the past have been two and one-quarter times their estimated costs at the time of their authorization, eventual savings could run as high as $4.5 to $6.8 billion.

I may say it is my plan, when the public works appropriations bills are before the Senate, to try to reduce the total by approximately one-quarter, although I should very frankly say that, within that total, I think those which deal with human needs—such as school construction, hospitals, slum clearance, and public housing, are not postponable; but there are other activities, such as work on highways and the like, which are postponable.

Eighth. In making his determination, the President would have discretion to take into account a number of considerations, such as (a) the projects with the best cost-benefit ratios, (b) those best designed to overcome local conditions of unemployment or economic distress, (c) those designed to avoid future natural catastrophes, and (d) those best designed to aid the national defense.

I would add (e), where the local interests benefited make an adequate contribution in proportion to their resources to the cost of the projects.

Ninth. By applying the reductions to the national debt, inflationary pressures could be eased. The tight money policy and the monetary authorities would thereby not have to bear the entire burden of dampening inflationary pressures, which, at the present time, they are not entirely equipped to do.

I think we should make a contribution to price and fiscal stability in the budget, and not throw the full burden on the monetary authorities.

Tenth. The savings would allow the budget estimates for badly needed and too-long-postponed priority programs—such as schools, hospitals, slum clearance, and aid to chronically depressed industrial and farm areas—to be carried through without raising the national debt, adding to inflationary pressures, or unbalancing the budget.

Eleventh. The proposal carries out the recommendation of the 1957 Report of the Congressional Joint Economic Committee that—

> The Federal Government, in the present circumstances, can contribute toward easing the necessity for restraints by exercising the utmost economy in its own spending programs.
>
> The committee believes that the Federal Government should exercise leadership in contributing to economic stability by substantially reducing public works expenditures now. Expenditures which can be deferred economically would be better made when inflationary pressures lessen.

Mr. President, I yield the floor and suggest the absence of a quorum——

Mr. HUMPHREY. Mr. President, will the Senator permit me to make a comment, before that is done?

Mr. DOUGLAS. Yes. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wanted to say a few words in my own right and then, at the conclusion of my remarks, since the Senator from Illinois wants a quorum, if he does not mind, I shall be happy to suggest it for him at that time.

Mr. DOUGLAS. Very well.

Mr. HUMPHREY. I listened attentively to the remarks of the present Presiding Officer [Mr. CARROLL] in his colloquy with the senior Senator from Illinois. I also listened to the interchange between the Senator from Nebraska and the Senator from Illinois.

The Senator from Illinois is performing, as he always does, a service for good government in pointing up the necessity of a most careful scrutiny of Federal works projects.

In my colloquy with the Senator from Illinois, all in good humor, and, I hope, in good taste, I indicated to him I was opposed to the President's having the authority as suggested or proposed by the Senator's amendment. I said at that time that one of the reasons why I opposed the proposal was lest the President of the United States saw fit to cut out the projects in which the Senator from Minnesota was interested. To this the Senator from Illinois was most kind in his rejoinder. He said he had always felt the junior Senator from Minnesota had a higher sense of public service, or something to that effect, than his comments indicated.

Mr. DOUGLAS. I meant, if there was any degrogatory implication, it was due to the heat of the debate and did not come from the heart.

Mr. HUMPHREY. I know that. There was no derogatory implication.

I merely wish to say that the projects to which the Senator from Minnesota was referring are all projects which had been approved by the Army engineers; all projects which had been approved, not once, but several times, many of them by the Bureau of the Budget; all projects which have had the most careful scrutiny at the local level.

I commented in particular about the St. Anthony Falls project, which is a part of the navigation program in the upper Mississippi River. We have waited for years in our community for the fulfillment of that plan. There were those who opposed it at the local level once it was under way.

I recall, in my service as mayor of Minneapolis, there was almost unanimous support for that particular program on the upper locks of the upper Mississippi River, the St. Anthony Falls project. There were some railroad interests which were in opposition, which is understandable, although I believe in the long run the railroads will benefit from having other means of transportation made available.

Be that as it may, later on, in the years 1952, 1953, and 1954, there was some feeling in the community that possibly the project could not be justified on an economic basis; in other words, that the savings on the return from the construction would not equal the cost of construction. So we had a complete reexamination of the St. Anthony Falls project. We had to appear before the Board of Army Engineers. We had to go back, from the very inception of the project, every step, from the hearing at the district engineer's level, all the way to Washington, back through the governor, the State legislature, the city council, the chambers of commerce, labor organizations, and every other group. We spent months reevaluating this one project.

I may add that what we call the cost-benefit ratio, after reexamination, was decidedly better than it was at the time of the original authorization. To put it in a more commonplace manner, the project, when completed, will yield genuine dividends to the business community of the upper Midwest. The Mississippi not only serves Minnesota, but is a part of a great transportation system of the Nation.

It was in this spirit that I commented on the importance of some of these projects. If the amendment of the Senator from Illinois were adopted, I would hope that the President would see fit to continue and complete, for example, the project I have just discussed. But I have no such assurance. I have no assurance,

for example, that deepening of the Minnesota River channel for some 14.7 miles would be completed, which would yield literally hundreds of thousands of dollars of savings in transportation expenses. There are large processing mills and plants along the Minnesota River. In fact, I believe that river should be deepened all the way down to Mankato, some 70 miles from Minneapolis. That would bring about a tremendous improvement in our entire transportation network, and yield economic benefits to business, to State and local governments in terms of tax revenues, and ultimately to the national economy.

I would be somewhat apprehensive, however, if the President were permitted to make this decision alone, under the tremendous pressures which are brought to bear, when he must make the judgment and render the decision. Some of these projects might be lost.

I have a voice in the Senate. I have one vote in the Senate. I feel that that one vote can be used, possibly, to protect and advance programs in which I am interested for the welfare and benefit of the people of Minnesota. For that reason I prefer to judge such projects in the Senate and in the committees of Congress, where we have an opportunity to be heard, where we can argue our case, where we can appeal to our colleagues. The legislative branch should be permitted to make the decision as to which projects should be authorized, and which projects should be finally appropriated for.

It is only because of this feeling that I cannot bring myself to support the amendment. It is because of this feeling that I wish to see the bill passed without the amendment.

Mr. President, I ask unanimous consent that the list of projects to which I referred earlier, together with a description of each project, be printed in the RECORD at this point as a part of my remarks, because I wish the RECORD to show that these projects have been carefully examined, that they have been proved to be sound on an engineering and economic basis, and that they have the approval of all the agencies of government, National, State, and local.

There being no objection, the list and descriptions were ordered to be printed in the RECORD, as follows:

ST. ANTHONY FALLS, MINNEAPOLIS, MINN.

(H. Doc. 33, 85th Cong.)

Location: North central portion of Minneapolis on the Mississippi River.

Report authorized by House Public Works Committee resolution, August 17, 1954.

Existing project: The project as authorized by the River and Harbor Act approved August 26, 1937, provides for an extension of 4.6 miles by means of locks and dams of the 9-foot channel above St. Anthony Falls to the Soo Line Railroad bridge in North Minneapolis. The existing project has been restudied by the Chief of Engineers. He finds that the project is meritorious and recommends its completion.

Plan of recommended modification: Provides for modification of the existing project with regard to extension above the lower Northern Pacific Railway bridge in Minneapolis to delete the provision for a bridge clearance of 26 feet above the 40,000 cubic feet per second stage and to provide such vertical clearances as may be advisable.

Estimated cost: The recommended bridge modification will not result in any increased costs to the United States.

	Federal	Non-Federal	Total
Total project cost	$30,945,000	$3,120,000	$34,065,000
Remaining cost	19,893,000	1,611,000	21,504,000

Local cooperation: As stipulated in the existing project.

Remarks: The committee draws attention to the recommendation of the Chief of Engineers that the authorized project for extension of navigation above St. Anthony Falls be completed. The committee is completely in accord with this recommendation noting that no benefits will result if the project is stopped at this time. The committee therefore recommends completion of the project, and notes that this modification applies only to bridge clearances and does not increase the cost of the project; in fact it will reduce the estimated costs in excess of $1 million.

MINNESOTA RIVER, MINN.

(S. Doc. 144, 84th Cong.)

Location: The proposed improvement includes the lower 14.7 miles of the Minnesota which enters the Mississippi River at St. Paul, Minn., 844.0 miles above the mouth of the Ohio River.

Report authorized by River and Harbor Act, March 2, 1945.

Existing project: Provides for maintenance of 4-foot channel from mouth to Shakopee (mile 23.1).

Plan of recommended improvement: Provides for dredged channel 9 feet deep, 100 feet wide; maximum width, 285 feet at bends from mouth to mile 14.7.

Estimated cost:

	Federal	Non-Federal	Total
Survey report (February 1952)	$2,178,000	$125,000	$2,303,000
Current (January 1956)	2,444,000	142,000	2,586,000

Local cooperation: Furnish lands, easements, rights-of-way; hold and save the United States free from damages; make necessary changes in roads; the Chicago, Milwaukee, St. Paul & Pacific Railroad to maintain fender protection to be provided at its bridge (mile 1.8); lowering of submarine cables and pipelines by owners at their expense. At time of submission of reports to Congress, February 16, 1954, no local body had been found which would assume responsibility, however, for the above requirements. Local interests are now actively engaged in forming a watershed district which will be capable of, and willing to, assume the local cooperation requirements.

Project economics:

	Survey report	Current
Annual charges	$115,300	$129,300
Annual benefits:		
Grain-shipment savings	190,700	190,700
Petroleum-shipment savings	25,300	25,300
Coal-shipment savings	186,000	186,000
Elimination, bank erosion	900	900
Total	402,900	402,900
Benefit-cost ratio	3.49	3.12

Remarks: An unfavorable report was submitted to Congress by the Chief of Engineers because at that time local interests were unable to organize and furnish the items of local cooperation, although the project was amply justified at that time. There is a need for a modern waterway on the Minnesota River. The project cost is amply justified by the indicated benefit-cost ratio of 3.1 to 1.0. Local interests reaffirmed that the required items of local cooperation would be fulfilled. Local interests have dredged a temporary channel over which 6,500 tons of petroleum products have moved during the year, and the committee recommends extension of the channel 0.5 mile upstream beyond that recommended in the report.

ROOT RIVER, MINN., AT RUSHFORD, MINN.

(H. Doc. 481, 84th Cong.)

Location: Rushford is located in southeastern Minnesota at the confluence of Rush Creek and Root River about 38 miles above the junction of the latter stream with the Mississippi River.

Report authorized by Flood Control Act, August 28, 1937.

Existing project: None.

Plan of recommended improvement: Provides for about 2½ miles of levees along Root River and Rush Creek and about 1 mile of channel enlargement through the city, raising of 2 highway bridges and a footbridge at Rushford, and appropriate interior drainage facilities.

Estimated cost:

	Federal	Non-Federal	Total
Project report (July 1954)	$725,600	$109,700	$835,300
Current (January 1956)	798,000	113,200	911,200

Local cooperation: Furnish lands, easements, and rights-of-way; hold and save the United States free from damages; maintain and operate works after completion; make necessary changes to utilities, highways, and highway bridges; furnish two existing sewage pumps; and obtain legal control over pondage areas and prevent encroachment.

Project economics:

	Project report	Current
Annual charges	$32,810	$35,120
Annual benefits: Flood control	37,960	39,940
Benefit-cost ratio	1.16	1.11

Remarks: The plan of improvement as recommended by the Chief of Engineers will provide much needed flood protection for Rushford and is economically justified.

RUFFY BROOK AND LOST RIVER, MINN.

Location: In northwestern Minnesota on streams tributary to Clearwater River.

Report authorized by: Senate Committee on Public Works resolution, August 16, 1949.

Existing project: None.

Plan of recommended improvement: Provides for an enlarged and straightened channel in the lower 5 miles of Ruffy Brook and in the middle 23-mile reach on Lost River.

Estimated cost:

	Federal	Non-Federal	Total
Ruffy Brook:			
Survey report (July 1952)	$88,700	$54,500	$143,200
Current (January 1956)	104,900	73,400	178,300
Lost River:			
Survey report (July 1952)	807,000	410,000	917,000
Current (January 1956)	827,300	445,200	972,500

Local cooperation: Furnish lands, easements and rights-of-way; hold and save the United States free from damages; maintain the improvements; make necessary changes to utilities, highways, and highway bridges including approaches; furnish in cash or equivalent work 15.2 and 32.3 percent of the gross Federal first costs for Ruffy Brook and Lost River, respectively, estimated at $26,600 and $262,100 (January 1956 price levels).

Project economics:

	Ruffy Brook		Lost River	
	Survey report	Current	Survey report	Current
Annual charges	[illegible]	[illegible]	[illegible]	$40,720
Annual benefits:				
Flood control	5,010	4,810	31,300	50,765
Drainage	5,670	5,430	163,940	156,725
Total	10,680	10,230	195,290	187,490
Benefit-cost ratio	1.48	1.20	5.04	4.03

Remarks: The favorable economic ratio and the testimony presented at the hearing indicated the urgency and need for early authorization of this project.

MISSISSIPPI RIVER AT WINONA, MINN.

(H. Doc. 324, 84th Cong.)

Location: In southeastern Minnesota on right bank of Mississippi River 725.5 miles above mouth of Ohio River.

Report authorized by House Committee on Flood Control Resolutions, September 18, 1944.

Existing project: None.

Plan of recommended improvement: Provides for raising and strengthening about 32,700 feet of existing dike and levees; and constructing about 4,000 feet of new levee, 2 pumping stations, and related interior drainage works.

Estimated cost:

	Federal	Non-Federal	Total
Survey report (May 1953)	$1,404,800	[1] $36,800	$1,441,600
Current (January 1956)	1,630,000	[1] 39,600	1,630,000

[1] Non-Federal costs are relatively low because of prior acquisition of lands and rights-of-way for the existing dikes and levees.

Local cooperation: Furnish lands, easements, and rights-of-way; hold and save the United States free from damages; maintain and operate the improvements (except improvements to lock and dam No. 5A dike); make changes to utilities, highways, and highway bridges including approaches; obtain legal control over pondage areas and prevent encroachment; contribute in cash 0.8 percent of Federal cost ($11,600 at time of report and $13,100 based on January 1956 price levels).

Project economics:

	Survey report	Current
Annual charges	$88,780	$85,380
Annual benefits:		
Flood control	75,230	78,990
Land enhancement	1,260	1,320
Total	76,490	80,310
Benefit-cost ratio	1.35	1.33

Remarks: The committee notes that the city of Winona alone has expended $211,500 to protect the area since the severe floods of 1951 and 1952 and that a large part of this work will be incorporated in the Federal project.

MINNESOTA RIVER, MINN., AT MANKATO AND NORTH MANKATO, MINN.

(H. Doc. 437, 84th Cong.)

Location: In south central Minnesota on the Minnesota River about 105 miles above its mouth.

Report authorized by: Flood Control Act, June 22, 1936.

Existing project: None.

Plan of recommended improvement: Provides for improvement of about 2 miles of river channel; raising, strengthening, and extending existing levees in Mankato and North Mankato to obtain a flood barrier totaling about 5 miles in length; and construction of appropriate interior drainage works and certain related features.

Estimated cost: Project report (January 1956):

Federal	$1,870,000
Non-Federal	157,000
Total	2,027,000

Local cooperation: Provides lands, easements, and rights-of-way; hold and save United States free from damages; maintain and operate works after completion; make necessary changes to utilities, highway, and highway bridges; obtain legal control of ponding areas and prevent encroachment; furnish pumps from existing pumping station; and contribute in cash or equivalent work an amount equal to 1.9 percent of Federal gross first costs, presently estimated at $36,000 (January 1956); remove at their own expense the remaining portion of the concrete dam near the mouth of the Blue Earth River.

Project economics: Project report:

Annual charges	$81,000
Annual benefits:	
Flood control	121,100
Land enhancement	3,700
Total	124,800
Benefit-cost ratio	1.53

Remarks: The committee notes that the cities of Mankato and North Mankato have expended $209,000 for levees and appurtenant works since the damaging floods of 1951. This work only affords partial protection. The recommended construction is needed for adequate protection and is amply justified by the indicated benefit-cost ratio of 1.53 to 1.0.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. KERR. Does the Senator from Minnesota subscribe to and endorse the principle that a United States Senator is behaving worthily when he works for projects which are advocated by and supported by the people of his State?

Mr. HUMPHREY. I certainly do.

Mr. KERR. The Senator does not think that that of itself would brand a Senator who thus behaves as being incapable of objective thought, or as possessing so little strength as to be unable to shoulder the responsibilities of his office?

Mr. HUMPHREY. No. I am sure the Senator knows that I feel that one of the first duties of a Member of Congress is to try to meet the needs of his constituents. One of his other duties—and an overriding duty—is to balance the national need against the local need. Obviously our national responsibilities are our primary responsibilities. However, I certainly feel—and I trust that I have exemplified that feeling—that an important duty of a Member of Congress is to bring to the attention of his colleagues and the agencies of Government, in every honorable and legitimate way at his command, the needs and legitimate desires of his constituents.

Mr. KERR. I will say to the distinguished Senator from Minnesota that I know of no one who has done so more effectively than he. Knowledge of that fact was what gave me some degree of comfort in approaching him with this question.

Mr. HUMPHREY. I thank the Senator.

Mr. KERR. I appreciate the attitude of the Senator in that regard, and his stand. In my opinion he exemplifies a very basic principle in representative government, and that is that, so far as he and I are concerned, those projects, those principles, and those functions of government which are good for Minnesota and Oklahoma might also be good for the United States of America.

Mr. HUMPHREY. The whole is the sum total of its parts; and the Nation is no better off than the sum total of its 48 States, and its many localities and areas.

I take a humble pride in the fact that I have fought for the programs and projects of my State which I thought were for the benefit of the people. That does not mean that every time someone comes here with an idea I must agree that it is good for my constituency. The proposal is given a preliminary trial run. The Member of Congress talks with representatives of the Government agency concerned, with the Engineers, and with the committee staff. The proposal is subjected to the most careful scrutiny. If it is approved by the committee staff, by the Bureau of the Budget, by the Corps of Army Engineers, and others, and ultimately the committee of the House or Senate approves it, it seems to me that it is reasonable to assume that the proposal has merit.

Mr. KERR. I thank the Senator for his response.

Mr. HUMPHREY. I have always respected, and I hope I shall always continue to respect, the right of any Member of this body to propose what he thinks is right for his constituency, and also the right of any Member to propose what he believes is right in terms of the national interest. We have a right to disagree, and that is the right I am exercising.

Mr. President, I should like to enumerate briefly for the RECORD the projects to which I have referred.

The first is the St. Anthony Falls project, Minneapolis, Minn.

The next is the Minnesota River, Minn., project, involving a 4-foot channel from the mouth of the Minnesota River to Shakopee.

The next project is the Root River, at Rushford, Minn., which, by the way, has caused hundreds of thousands of dollars of damage in floods continuing over many years. This project should have been undertaken 5 or 10 years ago, at the minimum.

The next project is the Ruffy Brook and Lost River, Minn., which are streams which have been flooding and destroying hundreds of thousands of dollars worth of valuable property, not in a single year, but over a period of years—at least 8 years to my knowledge. I have been working on the project for that length of time in the Senate. I understand that my predecessors worked on the project for years before that. Each year without exception, so far as my memory and the documentation available to me reveal, there has been a flood in this area. This is some upstream work which needs to be done in order to make a very fertile area of our State again productive and economically useful.

The next project is the Minnesota River at Mankato and North Mankato, Minn. I was in North Mankato and Mankato 4 years ago, and saw a flood which devastated a great community. Water stood 7 or 8 feet deep, and the flood recurred. Until something is done in terms of flood control on the Minnesota River at Mankato and North Mankato, that entire community will be in jeopardy.

It is not as though we had heavy rainfall in only one year. The rainfall is heavy every year, because of what has taken place in our forests, which have been denuded. Water pours into the basin of the Minnesota River; and until some engineering work is accomplished in the bend which comes at Mankato and North Mankato, there will inevitably be floods. A rich community is prepared to pay its share on a cost-sharing basis, but it needs help and responsible performance by the Federal Government.

The last project is the Mississippi River at Winona, Minn. I should like to have the RECORD show that the work thus far done at Winona has already saved that community hundreds of thousands of dollars worth of property which would otherwise have been lost. There have been a number of floods at Winona, and we are now seeking to complete the work of raising and strengthening the existing dikes and levees. If anyone has been to Winona, Minn., when the mighty Mississippi poured down through that community, he will realize how important it is to afford some protection to a community of 25,000 people. In the instances of Mankato and Winona, the local communities have spent hundreds of thousands of dollars of municipal revenues to protect themselves. They have not been able to do it because it is beyond their immediate means under their bonding authority; so they have come to the Federal Government and asked for help.

I wish to thank the Senators who have made it possible for us to get help, because without it we can predict, in the light of what has happened in the past, we will again have serious floods there which will wreak great damage upon our State.

ASIAN AID FUND USED FOR PROFIT

Mr. ELLENDER. Mr. President, I should like to call the Senate's attention to an article appearing in this morning's Washington Post and Times Herald. It is written by Ernest B. Vaccaro, and is entitled "Asian Aid Fund Use For Profit Charged." It comments on a recent report made by Clement D. Johnston, chairman of the board of the United States Chamber of Commerce.

Mr. President, I made a similar report to the Senate on February 7. However, so far as I know the Washington Post did not carry so much as one word on that report.

The charge is made by Mr. Johnston that huge profits are being made by banks in Cambodia, Laos, and South Vietnam, in that we furnish the banks with dollars at the rate of 35 piasters to the dollar, which is the legal exchange rate, whereas the unofficial rate is 70 piasters, or even more, to the dollar. In Hong Kong it is possible to get as much as 120 piasters to the American dollar.

I pointed to two particular instances in my report, in Cambodia, where our administrators are paying in cash $1,000 a month rental for two buildings which would not rent in this country for more than $250 a month.

We are forced to pay that rental in cash.

What does that mean? It means that the owner of the buildings can take those dollars and go to Hong Kong and get for them more than three times the amount of piasters than he could obtain in Cambodia.

With reference to Vietnam, I reported as follows:

It is obvious, then, that because of this exchange rate concession, those phases of our Information Service which are supported by local currencies can be expanded despite the fact that the actual dollar expenditures may show a slight reduction. However, as to capital goods and other assistance generating local currencies other than the information program, the United States continues to be bound to what is obviously an artificial exchange rate pegged at less than one-half the true rate.

This factor takes on added importance when viewed in connection with the manner in which our aid dollars have been utilized in Vietnam. (Deleted.)

It is obvious then that in exchanging our aid dollars for piasters at the central bank of Vietnam, the United States was compelled to accept an artificially fixed rate of 35 piasters to $1 instead of the USIS rate of 74 piasters to the dollar. Thus it is clear that for value received (that is the local currencies purchased) the United States actually obtained less than one-half the true value of its dollars when measured by actual market standards. Thus again we are denied full credit for the aid we have extended.

This reference can be found at page 288 of my report, Senate Document No. 31, 84th Congress, 1st session.

As Mr. Johnston points out, we could cut aid in that area by 50 percent if only we recognized the realistic exchange situation in Cambodia.

At this point, Mr. President, I ask unanimous consent that the entire article be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of March 28, 1957]

ASIAN AID FUND USE FOR PROFIT CHARGED

(By Ernest B. Vaccaro)

Some Southeast Asian governments were charged last night with using United States arms to keep themselves in power while their merchants are making "windfall profits" from American support of local currency.

This double-barreled accusation was made by Clement D. Johnston, chairman of the board of the United States Chamber of Commerce, in a report released by a special Senate committee studying foreign aid. He visited Vietnam, Thailand, Cambodia, Laos, Burma, and Indonesia for the committee.

Johnston estimated at $20 million a month "the unnecessary cost to the United States taxpayer" of supporting the currencies of Vietnam, Laos, and Cambodia "at the arbitrary rate of 35 piasters or other local currency to the dollar." He said the official "free market" rate of 75 piasters is overshadowed by the local black-market rate and the Hong Kong parallel market rate of 100 to 120.

SEES TIME FOR CUTS

Johnston said "the time seems ripe for substantial reductions in troop and equipment levels" in Vietnam, Laos, Cambodia, and Thailand, even though they strongly protest reducing our arms shipments.

"More than one of these nations is using United States funds to build and equip armed forces, some of whose officers and men seem to think of their mission only in terms of ancient hostilities and rivalries," Johnston reported.

"Communism and Communist aggression obviously do not constitute the primary menace, nor provide alone a sufficient challenge to motivate current military training programs.

"As long as the Southeast Asia Treaty Organization (with its implied promise of unlimited American support) offers security against Communist aggression, it would appear that the military forces of Cambodia, Laos, Thailand, and South Vietnam are in every case larger and more heavily equipped than the needs of mere internal security would dictate."

AID REDUCTION URGED

Johnston not only recommended a reduction in arms shipment but also that the dollar volume of economic and military aid to Southeast Asia be reduced by at least half during the next 2 years.

He said that resistance to arms cuts is explained by the chauvinistic type of nationalism in the area.

"It is also 'good politics'," he said, adding that "control of the army and the police is a convenient and effective means of protecting political tenure, as well as of maintaining security."

Johnston said the great need of the people is to be "let alone militarily so as to devote maximum effort to correcting a deplorably low level of education, sanitation and economic productivity."

If military forces are lowered, he added, the temptation to "seek military adventures across ill-defined national boundaries will be correspondingly reduced."

OTHER REPORTS MADE

Johnston also reported:

The original programs of military and economic aid were necessary, and results thus far have justified the large expenditures of money, material and manpower involved.

Loans, "even though their eventual repayment may be questionable, should replace money grants."

The greatest opportunity for economic recovery and an accompanying "quick, cheap and bloodless triumph" over communism would be to give private enterprise a chance to show what it can do where it is "willing to venture."

Mr. ELLENDER. I am looking forward to reading Mr. Johnston's report. I may have further comment to make after I have read it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4890) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

The Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Chair recognizes the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise in opposition to the amendment offered by the Senator from Illinois. My position is based on at least two reasons. One of them is that it embraces a wrongful delegation of legislative power. After all, Congress is the body to which legislation is entrusted.

We in the Senate function on the basis of reports which we gather from various agencies of the executive branch of the Government. However, in the ultimate analysis, it is for us as legislators to exercise the discretion which we in our wisdom may possess in the premises.

The second reason for my opposition is that, substantially, the President has already spoken through his regular and duly constituted authorities with reference to the classification of certain of the projects embraced in the bill as being either incompletely or adversely reported.

Mr. President, I suppose that in criticizing certain portions of the pending bill, I shall be charged with being adverse to the program which the bill embraces. That is not surprising to me, because already, on the floor and in remarks heretofore during the course of the day, that suggestion has already been made.

I wish to emphasize—and I cannot do it too strongly—that the contrary is true. I am friendly to the program which the bill embraces. I am strongly and actively sympathetic toward advancing and strengthening the program.

It is to this end that I make my remarks, not only in opposition to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] but also to a motion to recommit which I propose to make later in the day.

The pending bill embraces a type of public works which has proven values and benefits which are great and far reaching. These values and benefits consist not only of immediate results in the protection of life and property—benefits and values which can be directly and tangibly measured—but are also values and benefits which have an impact that reaches into the far future by reason of the conservation of natural resources, principally in connection with land and water.

Much of the stability of the area from which I come, and the surrounding States, is attributable to projects such as those which are included in S. 497. The Missouri River Basin and its tributaries have been the recipients of funds for this purpose, and of activities which follow. Accordingly, the citizenry of that area—and I count myself among them—are very grateful for what has been done there and are highly appreciative of this type of program.

Although the benefits and values of this program are demonstrably great and farflung, Mr. President, and although the program has received solid support through the years from the Congress as well as from the public at large, yet prudence must prevail in planning and executing the projects of which it consists if such support is to be retained. It is incumbent upon those who would further its functioning to closely scrutinize each project; to subject each project to thorough study, survey, and engineering analysis; to determine economic feasibility, so as to warrant the expenditure of public funds, which are tax dollars, of course; to accord the many applications for authorization some order of priority; and, finally, to subject the entire program to the fiscal limitations which may prevail from time to time.

All of this is a part of the legislative process, and to the extent that we should delegate that to the President we would be abdicating that realm of activity which goes into the functioning of our Government as we know it.

Now, these things are necessary. They are so necessary if there is to be continued the general support of this program, to which I have referred. Congress has recognized this, and to the end that a sound program be developed Congress itself has prescribed certain procedures for the processing of these applications, for authorization of projects and, of course, that authorization is a necessary prerequisite to the appropriation of moneys, which follows at a later time.

Now, these procedures are found set out in section 202 of Public Law 780 of the 83d Congress, 2d session, the omnibus bill of that Congress, and they are set forth in greater detail, Mr. President, in section 1 of the 1944 Flood Control Act, known as Public Law 534 of the 78th Congress.

Among other things these steps and these procedures which are outlined in those basic legislative acts include the informing of and the consulting with the States which are affected by each project. There are also various clearances which must be obtained from the various governmental agencies which might be affected by any one of the projects. And there is a process whereby the Corps of Engineers moves in and makes its study, survey, and its report; and during the filing of that report, from its inception to its final clearance, the report goes to the Board of Engineers, and so on, and then is referred by Executive order to the Bureau of the Budget for analysis and recommendation.

Now, in addition to all of these things, there are certain basic requirements which are contained in the laws. They have been inherent in projects of this kind for a long, long time. For example, certain local participation is required, such as the acquisition of the necessary rights-of-way and easements, and the basic requirement, of course, of a showing of economic feasibility.

Now, although these prerequisites to which I have made this brief reference are self-imposed by Congress, so far as Congress is concerned, the so-called flood protection bill, which was approved by Congress in 1956—not the bill before us, but the bill which was passed by this Congress in 1956—failed to comply with those standards and procedures to such a degree that the failure to comply served as a basis for the veto of the measure by President Eisenhower last August, on August 10. That 1956 bill, Mr. President, was approved by Congress. It authorized 99 projects which totaled about $1.6 billion.

Forty of those projects by actual count, totaling a little over $690 million—almost one-half—failed to comply with the standards and procedures referred to above. And in his veto message the President stated in part, as follows:

> While the majority of the projects which this bill would authorize have been given adequate study and review within the executive branch and by the affected States there are still a large number which have not been reviewed in accordance with the orderly procedure set forth in the applicable laws. Therefore, it is not possible at this time for me to determine whether their authorization would be in the public interest. Still others have, after review, been found not to be in the public interest.

In that connection we find ourselves pretty much in that same situation with the present bill. It is not to the same degree, as I will point out in a little while, but nevertheless there is a substantial portion of the bill which still fails to comply with those self-imposed restrictions, limitations, and guides which we have placed upon legislation of this kind.

Mr. President, I would not contend that this Congress should make of itself a blind slave to form and precedent. Equitable considerations and discretionary powers should always be available to legislators for their judicious exercise. There may be borderline cases in which it would be in order to depart somewhat from the rigid requirements which are set forth in the law.

It certainly would be true that this Congress need not and should not at all times and without deviation abide by the conclusions of or the recommendations of the Bureau of the Budget. After all, the Bureau of the Budget, just like the Corps of Engineers, is an agency of a coordinate branch of the Government.

As legislators we not only have our prerogatives, but we have our responsibilities to discharge. We should do this with such wisdom as we may possess but with the independence which is happily characteristic and inherent in our body.

However, Mr. President, while there should not be a blind allegiance to those

standards and a rigid conformance to those standards and those guides, by and large we should take cognizance of them, because we ourselves prescribed them with a deliberateness and with some considerable study. And, after all, if the Corps of Engineers is to be our technical adviser and we pay them for the advice we get, we ought to—by and large, again, I wish to say—abide substantially by those judgments and that advice.

Likewise, as to the Bureau of the Budget, while it is only an agency of the executive branch and while its conclusions and recommendations are not legally binding upon us, we certainly should accord those recommendations earnest and sincere consideration. In the main, its analyses have been found to be meritorious, and are based upon application of statutory and other acceptable criteria which pertain.

There is serious question as to whether the pending bill reflects sufficient concern in this direction. Substantially, S. 497 was introduced in this 85th Congress in like form and substance to the measure which was vetoed last year. Some improvements resulted from the fact that in the interim many Engineers' and Bureau of the Budget reports had come through to result in a compliance with authorization procedures prescribed by Congress and to which I have already referred. For example, of the 32 projects totaling $534 million in the 1956 bill on which complete reports were lacking as of last July, we find that only 7 projects totaling $138 million are lacking such reports as of now.

The 1956 measure contained authorizations totaling $691 million which were incompletely or adversely reported by the Corps of Engineers or the Bureau of the Budget.

In the present bill, this total has been reduced by about $308 million to a total of about $383 million.

Mr. President, at my request, the Bureau of the Budget made a statistical analysis of the two bills in this regard: The 1956 measure and S. 497. I ask unanimous consent that the tables and the summary thereof be printed in the RECORD at this point.

The situation is this, Mr. President: The 1956 bill provided authorization of about 99 projects totaling about $1.6 billion. In the best judgment of the President, projects totaling $691 million were so incompletely or adversely reported as to warrant a veto.

The question now arises as to whether sufficient improvement has been made in the present bill as to warrant our approval now, in the light of our self-imposed standards and requirements. The present bill provides authorization of about 100 projects totaling about $1.5 billion. Some 29 projects totaling $383 million are still incompletely or adversely reported on the basis of the same criteria employed and referred to in the 1956 veto message.

Mr. President, it is suggested and urged that close scrutiny be accorded this bill with a view of making it more acceptable by appropriate amendment. If this is not practicable by floor action, it would be in order that the bill be recommitted to the committee after consideration of this aspect thereof together with such consideration or recommendations for amendment of other sections concerning which difference of opinion has already been indicated.

Again, I want to say, Mr. President, that there will be some who will construe the position just outlined as unfriendly to the broad program of flood protection and river and harbor development. I cannot emphasize too strongly that such is not the case. In fact, as I have already pointed out, I am grateful for the many benefits conferred by the program in the area from which I come and which I represent. I know that the citizenry in my State and in surrounding States are duly appreciative as well. The same is true in many, many areas within the United States.

Personally, I have a strong and sympathetic interest in advancing and strengthening this program. The position I take here is calculated toward that end. In my considered judgment, by moving just a little more slowly and advisedly, we will be able to retain and even increase support here in Congress as well as with the public at large for the objectives of this bill and of the entire program.

Otherwise it is possible that a potential setback will be suffered, recovery from which might prove to be difficult and lengthy. This is especially true in these days when sentiment in all of our 48 States is so clear and strong for retrenchment rather than for expansion of governmental programs.

Whatever is proposed by way of additional authorizations should be on sound bottoms and well considered. Perhaps the list might be too long in any event, but the least we can do is to apply in good faith those standards and those criteria which we ourselves as a Congress prescribe as a general policy and as a general guide by which to go in matters such as these.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. AIKEN. Will the Senator tell the Senate how many appropriations are authorized in this bill which were not recommended in the report of the Bureau of the Budget to the Congress?

Mr. HRUSKA. Yes. There are some 29 projects by actual number, totaling, according to the summary which was formulated and provided by the Bureau of the Budget, $382,776,000.

Mr. AIKEN. I notice the Senator from Illinois has presented a proposal requiring the President to at least delay the authorization of $375 million worth of projects.

Is it logical to believe that if the amendment proposed by the Senator from Illinois should be agreed to, the President could properly conclude that the projects not included in the report of the Bureau of the Budget to Congress would be the projects on which authorizations would be delayed?

Mr. HRUSKA. Yes, he could well do that, and probably would.

Mr. AIKEN. I do not know what any of them are.

Mr. HRUSKA. But there again, if the Senator from Vermont will permit, I should like to observe that the President already has spoken to Congress to that effect, and it is up to Congress to take action of its own volition in order to achieve the result.

Mr. AIKEN. What disturbed me, upon the first reading of the amendment offered by the Senator from Illinois, was that the amendment would put on the President the rather heavy burden of making the final decision. So I was wondering whether the projects which the President might decide had not received adequate study and review would be the ones to delete from the immediate authorization.

Mr. HRUSKA. I would take it to mean that that is probably what would happen.

Mr. AIKEN. There is only about $7 million difference in the amounts.

Mr. HRUSKA. That is correct.

This is what happened after the bill was vetoed last August. The selfsame bill was reintroduced in this Congress in January of this year. Some improvement was made in the meantime, because in the interim many of the projects upon which no report had been received, and on which there was insufficient clearance, had been cleared. So the number was reduced from 32 projects, totaling $533,790,000, on which no reports were received, to 7 projects totaling $131,957,000. But there are still quite a few projects in the bill which is presently before the Senate which have been either adversely reported upon by the Bureau of the Budget or which are still without a complete report. They total 29 in number, and they add up to a cost of about $383 million.

The question is whether this is a sufficient improvement as compared with the status of the bill and the condition of the bill last August, when it was vetoed.

It is my intention to move later this afternoon that the bill be recommitted to the Committee on Public Works with instructions to reduce the amount by not less than, say, $350 million, so that we may get back on the track and come within the procedures which we ourselves have established.

There are some Senators who may construe my position as being unfriendly to the particular program of flood control; but my position is not any such thing. It seems to me that unless we clean our own house and abide by the rules which we ourselves have prescribed, someone else is likely to do it for us. I think we can do a much more intelligent and selective job by ourselves than by having it done for us by someone else.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield to the Senator from New Hampshire.

Mr. COTTON. Having served with the distinguished Senator from Nebraska on the Committee on Public Works for more than 2 years, I am not polishing the apple when I say that I think the

Senator is one of the ablest Senators with whom I have ever had the privilege of serving, either in this body or in the body at the other end of the Capitol.

I think his position on the rivers and harbors bill is completely sound. I congratulate him upon it, and upon the very able, unimpassioned, calm analysis which he has given us. It is my understanding that the Senator from Nebraska intends at the proper time to move to recommit the bill and to ask to have removed from the bill the 29 projects which have not, in his words, gone through the entire legislative process. Is my understanding correct?

Mr. HRUSKA. It is correct.

Mr. COTTON. I shall vote for that motion. I merely wished, after commending the Senator from Nebraska, to make it a matter of record that he and the junior Senator from New Hampshire were the only members of the Committee on Public Works who declined to vote in favor of reporting the pending bill.

It is the position of the Senator from Nebraska that the amount provided in the bill should be reduced by that portion which had not complied with and received the approval of the Bureau of the Budget.

I merely wish to make the record clear that even though I shall vote for the Senator's motion to recommit, I shall still, if the opportunity shall be given to me, vote against the entire bill. I know, as does the Senator from Nebraska and all other Senators who have full knowledge of the situation, that the bill would authorize 109 projects, many of which are not of pressing importance. There are already 470 projects previously authorized in other rivers and harbors bills upon which starts have not been made. There are 402 projects which have been started but not finished. At the present rate of expenditures, it would take more than 17 years and more than $8 billion actually to construct the projects which have been authorized by previous Congresses in authorization bills.

There comes a time when it is necessary to call a halt. There are very meritorious projects in this bill, projects which should be authorized; but, in my opinion, each one should be considered on its own merits.

I shall not labor the question; I simply wish to make it clear that I am commending the Senator from Nebraska and shall vote for his motion to recommit the bill. But in my own case, I shall also reserve the right to vote against the entire bill.

Mr. HRUSKA. The Senator from New Hampshire is very generous, and I thank him for his comments.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. CHAVEZ. I have listened with interest to the statement by the Senator from Nebraska. I respect his statement, although I do not agree with it. The basic right of an American is to disagree.

I disagree with the Senator from Nebraska, mainly in the fact that he has said he would not approve of any project unless it had the approval of the Bureau of the Budget. So far as I am concerned, while I respect the judgment of the Bureau of the Budget, they were not named to be legislators in this body. So far as I am concerned, I do not propose to sneeze every time the Bureau of the Budget takes the snuff bag in its hands.

I shall vote against the motion to recommit the bill. A similar bill was before the Senate last year, and it passed in spite of the objections of the Senator from New Hampshire and the Senator from Nebraska. The bill was recommended by the Committee on Public Works. The President vetoed the bill. The bill which is now before the Senate was considered and adopted after judgment had been passed on it by the Committee on Public Works. A majority of that committee, including Senators of the minority, reported the bill to the Senate.

I cannot see how there can be anything except delay if the bill shall be sent back to the committee for reconsideration. What will happen to it, aside from delay?

Mr. HRUSKA. It is my hope that a bill will be reported which will be just a little more in line with the procedures and standards which were adopted a long time ago and which have been disregarded by the Senate in some instances.

Mr. CHAVEZ. Does the Senator from Nebraska think that he and the Senator from New Hampshire [Mr. COTTON] are more sincere or more loyal or are trying to do better than the other members of the Committee on Public Works?

Mr. HRUSKA. Oh, not at all; the Senator from New Mexico, I am certain, would not, upon a little reflection, want to attribute any suspicion in that regard either to the Senator from New Hampshire or to the Senator from Nebraska. But we do like to use the God-given and constitutionally given privilege of differing with our colleagues in the Senate once in a while, and this happens to be one of the times.

Mr. CHAVEZ. I believe in that principle.

Mr. HRUSKA. We are grateful that the Senator does. I am grateful, also, that the distinguished Senator from New Mexico refuses to let the Bureau of the Budget legislate for him. I think that is the principal point I wish to raise in connection with the amendment which is pending, namely, that we should refuse to let the President, or any of the departments under his jurisdiction, legislate for us. It is for that reason that I oppose the amendment which is pending.

Mr. President, I have referred to the summary of the tables which were prepared by the Bureau of the Budget with reference to the bill. I ask unanimous consent that they be printed at this point in the RECORD, so that they will be readily available for reference.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Omnibus rivers and harbors and flood-control legislation, comparison of terms of H. R. 12080, 84th Cong., with terms of S. 497, 85th Cong.

	Number	Cost
H. R. 12080 (as of date of enactment):		
1. Projects on which reports had not been submitted to Congress	22	$[illegible],790,000
2. Projects on which executive branch recommendations were at variance with terms of bill	6	75,192,000
3. Projects which the executive branch recommended not be authorized	2	82,000,000
Total	40	[illegible],912,000
S. 497 (as reported by Senate Public Works Committee):		
A. Status of 32 projects on which reports had not been submitted to Congress by date of enactment of H. R. 12080:		
1. Projects reported and on which there is no objection to terms of S. 497. (See table I, group IA.)	14	98,918,000
2. Projects reported but on which there is objection or qualification to terms of S. 497. (See table I, group IB.)	8	74,598,000
3. Projects on which reports have still not been submitted to Congress. (See table I, group II.)	7	[1] 137,957,000
4. Projects not reported, but on which there is new no objection to the terms of S. 497. (See table I, groups III and IV.)	3	76,385,000
Total	32	[2] [illegible],790,000
B. Projects which the executive branch recommends not be authorized or be authorized under terms different from S. 497:		
1. Projects on which reports have not been submitted to Congress:		
(a) Remainder of 32 projects in H. R. 12080 which have still not been reported to Congress. (See table I, group II)	7	[1] 137,957,000
(b) Projects added by Senate Public Works Committee. (See table II)	5	12,169,000
2. Projects on which executive branch recommendations are at variance with terms of bill. (See table III)	10	82,027,000
3. Projects which the executive branch recommends not be authorized. (See table IV)	7	143,029,000
	29	[2] [illegible],790,000

[2] These figures should be increased by $144,000,000 to be comparable with H. R. 12080 to reflect omitted authorization of Mississippi River Channel improvements from $219,000,000 in H. R. 12080 to $75,000,000 in S. 497.

TABLE I.—*Status of reports on 32 projects included in H. R. 12080 but not submitted to Congress at time of passage*

	Cost
I. Reports which have been submitted to Congress since Aug. 10, 1956 (22):	
A. No objection to terms of S. 497:	
1. Salem Harbor, Mass	$1,100,000
2. St. Anthony Falls, Minn	19,893,000
3. Calumet-Sag project, Illinois	9,884,000
4. Yaquina Bay, Oreg	10,808,000
5. Lock and dam No. 26, Missouri and Illinois	5,892,000
6. Wolf River, Tenn	1,922,000
7. Escambia River, Fla	61,000
8. Eel River, Calif	707,000
9. Alabama River at Montgomery, Ala	1,201,000
10. Littleville Dam, Mass	5,090,000
11. Barataria Bay, La	1,700,000
12. Baltimore Harbor, Md	28,161,000
13. Bridgeport Harbor, Conn	2,200,000
14. Sandy Lick Creek at Brookville, Pa	1,188,000
	98,918,000
B. Objection or qualification to terms of S. 497:	
1. Water-hyacinth program	5,900,000
2. Hall Meadow Dam, Conn	2,720,000
3. East Branch Dam, Conn	2,670,000
4. Elm River, S. Dak	1,750,000
5. Boeuf and Tensas Rivers, Ark. and La	1,212,000
6. White River, Backwater, Ark	2,880,000
7. Millwood Reservoir and alternate reservoirs, Arkansas and Oklahoma	[1] 53,265,000
8. Mad River Dam, Conn	5,520,000
	74,598,000
Total, projects submitted to Congress	173,468,000

[1] In addition to present authorization of $40,000,000.
[2] Reduced from $219,000,000 in H. R. 12080.

	Cost
II. Reports which have not yet been submitted to Congress (7):	
A. Reports which can be submitted to Congress later this session:	
1. Hendry County, Fla. (not yet received in Bureau of the Budget)	$9,179,000
2. Kaskaskia River, Ill. (not yet received in Bureau of the Budget)	23,000,000
3. West Branch, Mahoning River, Ohio (not yet received in Bureau of the Budget)	12,588,000
Total	36,767,000
B. Reports which cannot be submitted for some time:	
1. McKinney Bayou, Miss	800,000
2. Mississippi River channel improvements	[2] 75,000,000
Total	75,800,000
C. 1945 survey report not adequate basis for authorization:	
1. Hidden Reservoir, Calif	12,500,000
2. Buchanan Reservoir, Calif	18,800,000
Total, projects not yet submitted to Congress	137,957,000
III. Project already authorized (1): 1. Old and Atchafalaya Rivers, La	35,200,000
IV. No objection to terms of authorization in S. 497 (2):	
1. Oroville Dam, Calif	[3] 38,000,000
2. St. Lucie Canal, Fla. (deleted)	165,000
Grand total	308,790,000

[3] Bureau of the Budget objection has been overcome by change in language of bill.
[4] Estimated.

TABLE II.—*New project authorizations added to S. 497 by Senate committee*

	Cost
I. Reports which have been submitted to Congress (1):	
A. With objection	None
B. With objection or qualification: 1. La Quinta Channel, Tex. (cleared Bureau of the Budget Mar. 28, 1957)	$954,000
II. Reports which have not yet been submitted to Congress (5):	
1. Pecos River at Carlsbad, N. Mex	$3,000,000
2. Rio Grande at Socorro, N. Mex	3,102,000
3. Tug Fork of Big Sandy River at Williamson, W. Va	600,000
4. Charlotte Creek at Washington, Pa	1,285,000
5. Middle Gila River Basin, Ariz	[1] 3,000,000
Total, projects not yet submitted to Congress	12,169,000

[1] Partial authorization. Total cost unknown.

TABLE III.—*Projects on which reports have been submitted to the Congress with executive branch recommendations which are at variance with provisions of S. 497*

Project	Cost	Comment
1. Mississippi River at Alton, Ill. (small boat harbor)	$107,000	Federal share should be limited to 80 percent of cost of general navigation facilities.
2. Rondequoit Bay, N. Y	1,958,000	Do.
3. Tombigbee River, Miss. and Ala.[1]	19,711,000	Local interests should share in costs as recommended by Chief of Engineers.
4. Saline River, Ill.[1]	5,976,000	Do.
5. Fort Washington, Wis	3,873,000	Federal share should be limited to 85 percent of cost since project is primarily for a single user.
6. Des Moines River, Iowa[1]	44,300,000	Local interests should bear the costs allocated to water supply as recommended by the Secretary of the Army.
7. Water hyacinth program	5,000,000	Federal participation should be limited to 50 percent of the cost of the program.
8. Boeuf and Tensas River, Ark. and La	1,212,000	Local interests should share in the costs in accordance with standard requirements of local cooperation.
9. White River backwater, Arkansas	2,587,000	Local interests should share in costs as recommended by Chief of Engineers.
10. Mad River Dam, Conn.[2]	5,520,000	
Total	89,657,000	

[1] Bureau of the Budget recommendations are consistent with those of the Chief of Engineers or the Secretary of the Army.

TABLE IV.—*Projects included in S. 497 which the executive branch has recommended not be authorized*

Project	Cost	Comment
1. Gilbert and Lone Rock Reservoirs, Ark.[1]	$57,000,000	Not found economically justified by Chief of Engineers.
2. Elm River, S. Dak.[1]	1,750,000	Do.
3. Hall Meadow Dam, Conn	2,420,000	Should not be authorized unless local interests or State give assurances that they will share in costs as recommended by Chief of Engineers.
4. East Branch Dam, Conn	2,670,000	
5. Brazos Eddy Reservoir, Idaho[2]	22,000,000	Should not be authorized until partnership arrangements are fully explored.
6. Millwood Reservoir and alternate reservoirs, Arkansas and Oklahoma.[3]	53,265,000	Should not be authorized unless States give assurance that they will share in costs as recommended by Chief of Engineers.
7. La Quinta Channel, Tex	954,000	Reimbursement of local interests for costs incurred prior to authorization of project is inconsistent with established policy and should not be authorized.
Total	143,029,000	

[1] Bureau of the Budget recommendations are consistent with those of the Chief of Engineers.
[2] Partial authorization; total cost, $129,000,000.
[3] In addition to present authorization of $40,000,000.

TABLE V.—*Other provisions of S. 497 on which the Bureau of the Budget has questions*

Items	Comment
1. Missouri River Basin damage payments (pp. 35-36)	Bureau of the Budget recommended that city of Williston receive only $600,000 damages and other damage payments not be authorized. One more payment has been added.
2. Water supply provisions (pp. 49-51)	Sections 206 and 306 have been combined and this authority is extended to Reclamation also.
3. Oroville Dam (p. 47)	Provision has been amended to require approval by President as recommended by Bureau of the Budget.
4. Columbia River flood control goals (p. 46)	New provision added to limit Chief of Engineers to same flood control goals as 1948-308 report for new Columbia Basin review. Effect of this provision not yet known.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. WATKINS. I regret that I did not hear the speech of the distinguished Senator from Nebraska. Did he call attention to the fact that there is serious doubt about the effectiveness of section 205 of the bill?

Mr. HRUSKA. I did not touch upon section 205.

Mr. WATKINS. I have made some study of that section. It seems to me that further study should be given to it before we embark upon the principles which will seriously affect the water rights of many of the States which have already legislated on water rights, and principles which will authorize, in effect, the making larger of these projects without giving any estimate as to their costs. To do so would be to have the Army engineers embark on a new field of activity. All of that should be taken into consideration in considering the bill, before we come to the final vote on it.

I understand that the Senator from Nebraska intends to move that the bill be recommitted, with instructions to the committee to report the bill with authorizations for a smaller number of projects.

Mr. HRUSKA. That is correct.

Mr. WATKINS. The Senator from Nebraska has not yet made his speech on that subject, has he?

Mr. HRUSKA. I have about finished it.

Mr. WATKINS. I should like to ask a question in connection with the questions which have been raised in regard to section 205.

Mr. HRUSKA. I have not yet made my motion to recommit; I simply stated that I propose to make the motion later in the day.

Mr. WATKINS. I wish to present this matter before the motion is made, because it will constitute an additional reason for moving to recommit the bill.

Mr. HRUSKA. I shall be very glad to yield to the Senator from Utah, so he may make a statement in that connection.

Mr. CASE of South Dakota. First, Mr. President, will the Senator from Nebraska yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Nebraska yield to the Senator from South Dakota?

Mr. HRUSKA. I yield.

Mr. CASE of South Dakota. With respect to section 205, I may say that, at my suggestion during the committee consideration of the bill, the committee reported an amendment to protect, in the case of the application of section 205, against infringement on the water rights of the Western States. This section refers to the portion of the Flood Control Act of 1944 more popularly known as the O'Mahoney-Millikin amendment. Senators will find that language at the end of the italicized portions of subparagraph (b).

In addition, I am advised that the Senator from Wyoming [Mr. BARRETT] proposes to submit the following amendment:

On page 50, line 8, strike out the period and insert a colon and the following: "*Provided*, That such storage shall be constructed and used in compliance with applicable State laws and interstate compacts: *Provided further*, That nothing herein contained shall be construed to amend, modify, or limit the applicability of section 8 of the Reclamation Act of 1902."

The Senator from Wyoming is on the floor, and he will speak for himself on the amendment.

Mr. WATKINS. Mr. President, will the Senator from Nebraska yield, in connection with this matter?

Mr. HRUSKA. I yield.

Mr. WATKINS. I am acquainted with the amendment, but I do not think it reaches all the defects of section 205. The amendment attempts to do something about an additional matter—namely, one with respect to reclamation law and reclamation activities—which was added to the bill. Of course, if that provision is to remain in section 205, some such amendment is needed. However, I do not think the amendment goes to all the defects of section 205.

A little later I shall address the Senate on that subject. I intend to move that the entire section be stricken out. I believe it is very difficult to amend on the floor a bill which has to do with some of the major water rights of the Western States.

Mr. BARRETT. Mr. President, will the Senator yield to me?

Mr. CASE of South Dakota. First, Mr. President, let me say that I am sure there was no intent on the part of the committee to do anything which would injure the water rights of the Western States. Our concern is evidenced by the fact that we reported the language referring to the so-called O'Mahoney-Millikin amendment as a matter of perfection, and the members of the committee who have been consulted have indicated favor for the suggestion of the Senator from Wyoming.

I am sure that if the Senator from Utah—who certainly is well versed in water law and the water rights of the Western States—has a suggestion regarding the further strengthening of the section, the members of the committee will be glad to give consideration to any proposal he may wish to make for its improvement.

Mr. WATKINS. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. WATKINS. I should like to suggest that all of the section be referred to the Senate Committee on Interior and Insular Affairs, in order to have that committee give proper consideration to just what the section would do to the Western States' water rights and to what is implied and to what is attempted to be cured. I believe the cure is worse than the disease, in the case of the effective portion of the section.

Mr. HRUSKA. I understand the cure the Senator from Utah proposes is to strike out the entire section.

Mr. WATKINS. The cure I propose is to have the section referred to the Senate Committee on Interior and Insular Affairs, in order to have that committee consider it in detail.

All of us know that reclamation matters are the particular province of the Committee on Interior and Insular Affairs. However, in this public-works bill we find an attempt to legislate on reclamation matters. Those provisions of the bill have not been referred to our committee, and we have not had an opportunity to show what their effect would be.

It seems that an attempt has been made to improve the bill by saying, "We shall let reclamation projects receive the same treatment."

However, we do not know whether some sort of alternative plan would be proposed—for instance, a plan for repayment or what not. It seems to me this situation might result in a great deal of trouble in the future. I think that is an added reason why the motion of the Senator from Nebraska that the bill be recommitted should prevail, if the Senator from Nebraska so moves.

A little later I wish to address the Senate on the reasons why I believe this section of the bill is weak.

Mr. BARRETT. Mr. President, will the Senator from Nebraska yield to me?

Mr. HRUSKA. I yield.

Mr. BARRETT. I appreciate the reference made a moment ago by the distinguished Senator from Utah with reference to the Interior Committee to section 205.

I wish to say that I think this particular section of the bill should have been referred to the Committee on Interior and Insular Affairs, for its study, for the reason that that section affects water rights in the Western States—particularly the rights of those States to control their own waters—a subject which is eminently one with which our committee is concerned.

My colleague, Senator O'MAHONEY, is on the floor, and I understand from him that he will move that the provision with reference to the O'Mahoney-Millikin amendment be strengthened by striking out the reference to subsection 1 (b), so that the reference will be to all of section 1.

Mr. O'MAHONEY. Mr. President, if the Senator from Nebraska will permit me to respond now to that suggestion, I should like to state, as a matter of record, that I have consulted both the Senator from South Dakota [Mr. CASE], who was the author of the amendment to preserve the force and effect of section 1 (b) of the Flood Control Act of 1944, and the Senator from Oklahoma [Mr. KERR], who was the chairman of the subcommittee. Both of them have indicated their willingness to strike out the parentheses and the letter "b", so that all of section 1 of the Flood Control Act of 1944 will be covered.

Section 1 (a) of the act of 1944 is the one which requires both the Army engineer projects and the Bureau of Reclamation projects to be submitted to the water authorities of the States that are affected, in the case of an interstate stream. Section 1 (b) is the one which

preserves the water rights of the arid-land States, when the project constructed is one of navigation.

Mr. BARRETT. That is correct.

Mr. O'MAHONEY. I think that has been agreed to by everyone concerned.

Mr. BARRETT. That is correct, but that will not entirely cure my objection to section 205, and for that reason I believe further action on that amendment is necessary.

Consequently, we must do something more than merely see that these projects are submitted to the various States in the West, for their comments. We want this bill to include a requirement that will insure compliance with the water laws of the Western States.

Therefore, I have discussed the matter with the distinguished senior Senator from Oklahoma [Mr. KERR] and the distinguished junior Senator from South Dakota [Mr. CASE]; and they have agreed to my amendment which I believe will carry out that objective, in the event the Senator from Utah is not successful in having section 205 stricken from the bill.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I wish to say to my colleague that I appreciate the fact that I had the opportunity this morning to examine the language of the proposed amendment. It is one with which I entirely agree. I think some substantial progress has been made with respect to it. If adopted, it will go far toward saving the western water rights. I am happy to know that those in charge of the bill appear to have agreed to both of these changes.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. KERR. I should like to say the matter which has been brought up by the distinguished Senator from Montana and the distinguished Senator from Wyoming was before the committee at the suggestion of the Senator from South Dakota [Mr. CASE]. It was the thought of the committee that we had included language in the bill which would accomplish the purpose which they had in mind. In view of the fact that it was felt that it might not definitely do so, and in view of the fact that the other amendments are entirely consistent with the principle of the bill as we had intended to express it, so far as the Senator from Oklahoma is concerned, he is happy to say that the amendment is appropriate and consistent with the spirit of the bill, and makes it very definite and certain that the rights which the Senators have in mind are protected, and that the amendment should be accepted.

Mr. HRUSKA. Mr. President, I yield the floor.

Mr. JACKSON obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me? I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator yield for a parliamentary inquiry?

Mr. JACKSON. The junior Senator from Washington will yield with the understanding that he will not lose the floor.

Mr. JOHNSON of Texas. Mr. President, I wonder whether the Senator from Washington will cooperate and let us have a quorum call and then a vote on the pending amendment.

Mr. JACKSON. If the Senate is ready to vote.

Mr. JOHNSON of Texas. Senators are ready to vote after there has been a quorum call. It will take only a brief time.

Mr. JACKSON. With the stipulation that if it takes longer——

Mr. JOHNSON of Texas. As soon as there is a quorum call, the vote will be taken.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, the amendment before the Senate, as I understand, is the amendment which I have proposed, giving the President power to postpone $375 million of the pending authorizations, embracing the items which he regards as least essential in the national interest. I think this proposal will save later expenditures, result in economy, and possibly avert a veto of the bill. I therefore ask for the yeas and nays on the amendment, and I hope the request will be granted.

The yeas and nays were not ordered.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

RELATIONS BETWEEN THE SOVIET UNION AND NORWAY

Mr. JACKSON. Mr. President, I desire to speak briefly about Bulganin's arrogant note to Norway, with its threat of missile atomic retaliation. The aim of this note is perfectly clear. Moscow intends to detach Norway from NATO, if it can, and so have Norway at its mercy. As a first step, it seeks to neutralize Norway.

In Bulganin's own words: "Why cannot relations between the Soviet Union and Norway be just as good, just as friendly as those between the U. S. S. R. and Finland?"

The Soviet method is obvious, too. On February 1, 1956, just over a year ago, I spoke to the Senate about Soviet progress in ballistic missiles. On that occasion I warned that "we and our free world partners may soon face the threat of ballistic blackmail." That time has arrived. The note to Norway, with its talk of "rocket technique," is one of a series. Great Britain is receiving special treatment, too. The Kremlin is out to decimate the western alliance, if it can, by rattling its guided missiles.

Mr. President, our allies are not easily frightened. Present threats against Norway and Great Britain will not work. But this is only the start of a massive campaign. Small nations members of NATO are the chief targets. Threat will be piled upon threat. Forecast of horror will be added to forecast of horror—to break the people's will.

Mr. President, this country now has a special responsibility. We are the largest of the NATO powers. We have the strongest defense position. We should now mount a countercampaign. We should make it unmistakably plain for all to see that the free world can and will withstand Soviet blackmail.

Perhaps two things need to be said immediately.

For one, all the free world is in this together. Let us remember that in the ballistic-missile age the distance between Moscow and Oslo, Moscow and London, and Moscow and New York is virtually the same. Whatever the difference in distance is, it can be measured in minutes.

New weapons have annihilated distance. America is as vulnerable to Soviet missile attack as is Norway or Great Britain. The Soviets now have the capability of launching missiles of at least 200-mile range, with atomic warheads from submarines off our coast. And they have more than 400 submarines.

On the one hand, as we in this country recognize our own danger, we can understand better the mood of our European allies. On the other hand, as our allies see that all of us are in danger together, they can feel closer to us. So in Aesop's famous fable, when the lion and the goat saw the vultures wheeling low above them, they decided to quit their quarreling and drink at the waterhole together.

A second thing should be said. NATO is needed more than ever. A strong NATO is our antidote to Soviet blackmail. The original purpose of NATO was to band nations together in a common defense. Standing alone, they could be picked off one by one; standing together, all had to be taken on, or none.

Today Norway or Great Britain, standing alone, could scarcely withstand Soviet threats. Indeed, I doubt that our Nation could hold out for long if we were only a fortress America.

The safeguard for all NATO members is the added strength which the alliance brings to each member. Because of this common strength the will of free nations is fortified.

We should not stand in fear. We need not stand in fear. The Soviet campaign of blackmail is not an unmixed evil. We can rise to this threat. It can evoke from the NATO alliance a renewed effort. Let us capitalize on the danger by drawing the ranks of NATO closer together than ever.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. STENNIS. I congratulate the Senator from Washington on his very

timely speech today, which is not only a sound warning, but is very sound in substance as to the facts. I do not think any Member of the Senate is better prepared than is the Senator from Washington to make to the Senate a thoughtful speech on this subject, and very few are so well prepared. It is a subject which is in a very confusing and uncertain stage. However, out of the years through which we are now passing, when the Senator from Washington is making such a fine contribution to the missile program, there is bound to emerge one of the major parts of our military defense. I am very proud to see the Senator continue his very fine work.

With regard to the threat to Norway, and the need of NATO, and the support of all nations for NATO, I think the Senator's speech is very timely, and presents a new phase of this problem. I commend the Senator for his fine and thoughtful work in presenting this subject to the Senate.

Mr. JACKSON. I appreciate the Senator's very kind comments.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. HUMPHREY. First, I wish to commend the Senator from Washington for his statement. He was kind enough earlier today to give me an advance copy of what he had to say. Every word of it should be reassuring, not only to the American people, but to our allies.

I join the Senator from Mississippi in his commentary and well-deserved tribute to the Senator from Washington.

I think it should be noted that the recent letter of Marshal Bulganin to Premier Gerhardsen of Norway is but a part of a campaign of political blackmail and vilification which the Soviet Union has carried on from time to time. This was done, as Senators may recall, at the time of the German treaty, when we were seeking to bring the West German Republic into NATO.

Mr. JACKSON. It was Norway which led the fight among the small nations to join NATO. At that time the Russians engaged in their usual threats. The Norwegian people, under the leadership of Dr. Halvard Lange, spoke out in unmistakable terms to the effect that they would not be blackmailed. I am confident that the people of Norway will not be blackmailed, but I sincerely believe that it is the obligation of all of us to restate our determination to deal decisively and effectively with these threats. If the Soviet Union attempts to intimidate any of our allies, whether it be Norway, England, Turkey, or any other of the NATO nations, or any of the nations joining with us in a common alliance of defense, we should make it clear that we, too, can deal decisively with atomic and hydrogen weapons in a way the Soviets will understand.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. JACKSON. I yield.

Mr. HUMPHREY. The Senator knows that the Hungarian rebellion, and the brutal manner in which the Soviets put it down, made a profound impression upon the people of the Scandinavian countries, as it did upon all other peoples. The Communist Party suffered a serious defeat in every one of the countries—Sweden, Norway, Denmark, and Finland. The whole Soviet so-called peace offensive was discredited, and the peoples on the flanks of the Soviet Union, the Scandinavian people, made it crystal clear that they were in sympathy with the Hungarian patriots.

Marshal Bulganin got by somewhat with this kind of blackmail in the case of the Middle East when the Russians threatened rocket warfare on the British and the French and the Israelis.

However, the record is also clear that the French did not retreat. I talked with people from France while I was a delegate at the U. N. Those people were present in Paris when Marshal Bulganin's threatened rocket warfare on France was reported in Paris. It is a matter of historical fact that the people of Paris poured out of their offices and out of their shops and onto the great avenues and boulevards of Paris, bankers walking alongside of workingmen, and doctors alongside of teachers, and children alongside their parents, in a solid phalanx, and literally defied the Soviet Union, tearing up Communist literature and tearing down the Communist Party headquarters. The French people rallied in one solid force against this kind of Soviet intimidation.

I agree with the Senator from Washington that the sooner the United States of America, the leader of the free world and the leader of NATO, makes it crystal clear that NATO is a part of the common defense structure and an indivisible part of it, and that we are standing together and do not intend to be pushed around by the Soviet Union either by villification or threats, the better off we will be.

I hope the people of Norway will know that we admire their courage, and that the people of Sweden and the people of Denmark and the people of Finland will also know it, because all of them have been brought under attack.

Sweden, as we know, has been negotiating with our Government with reference to some vital defense materials. The Danes have stood firm as a partner in NATO. The Norwegians, above all, have never let the Soviets intimidate them.

I recall that when I was in Norway, instead of the Communist going around the country saying, "When the day comes, we will show you," the Norwegian underground had made up a complete list of all the Communist in the country, and had assigned two good Norwegians to move against every known Communist in Norway. In other words, instead of a Communist going to get a Norwegian, the Norwegians have assigned two good, hard, red-blooded Norwegians to get every Communist figure who happens to be in the country. The membership in the Communist Party dropped by about 50 percent when that news came out.

Mr. JACKSON. I thank the Senator for his very fine statement.

I believe that the Soviet leaders, because they are in trouble at home and in the satellites, are now playing the role of bully. They are acting in part from a position of weakness at home and inside the satellites. Their actions are in part an expression of their inferiority complex.

On the other hand, I cannot permit such arrogant statements and such attempts at blackmail of our allies to go unchallendged. A trespass on any of our allies is a trespass on all of us. That should be our firm position.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. SPARKMAN. I wish to commend the Senator from Washington for bringing up this subject in the manner in which he has brought it up. Does not the Senator feel that perhaps there may be something else in the timing of this matter? Is it not possible that Russia believes, for instance, that NATO has sustained a considerable shock as a result of the friction among the three great allies over the Suez situation?

Mr. JACKSON. There can be no doubt about that. I am pleased that the President has met with the Prime Minister of England. The Bermuda Conference has been of immeasurable help in healing the differences of opinion that grew out of the so-called Suez affair.

Mr. SPARKMAN. Does not the Senator believe that just such things as this may serve to show all of us the necessity of getting more closely together in NATO, and certainly not allowing ourselves to become weaker?

Mr. JACKSON. This kind of threat can well be a tremendous unifying force.

Mr. SPARKMAN. I agree with the Senator. The Senator has brought out the point that Russia is a great submarine power in the world today and that she has missiles which can be fired from submarines as far as 200 miles offshore. We know that she has the missiles which probably makes it possible for her to carry out that kind of threat. Does that not emphasize the fact that we must pay more and more attention to our own missile program?

Mr. JACKSON. There can be no doubt about that. The distinguished junior Senator from Alabama knows that many of us have been deeply concerned about that program. We should continue in our determination to win this terrible race, because if the Soviets get these missiles in quantity, they may be able to implement in a very effective way their program of blackmail against our allies.

Mr. SPARKMAN. I have just one more question to ask of the Senator if he will yield further.

Mr. JACKSON. I gladly yield.

Mr. SPARKMAN. We hear a great deal these days about our intermediate-range missiles, which can be fired up to a range of 1,500 miles, and our long-range missiles. We know we have missiles which may be fired up to a range of about 200 miles. Is anything being done about missiles that can be fired at ranges in between 200 and 1,500 miles?

Mr. JACKSON. I would rather not comment on that specific phase of the missile program. We are making, in my judgment—although it has been late—a real effort to get the 1,500-mile and the 5,500-mile missiles just as fast as it is humanly possible to do so.

Mr. SPARKMAN. That is at best in the future, though.

Mr. JACKSON. The Senator is correct.

Mr. SPARKMAN. As I understand, we have developed it to a 200-mile range.

Mr. JACKSON. That is known as the Redstone missile.

Mr. SPARKMAN. I have in mind a missile with a range of between 200 and 1,500 miles.

Mr. JACKSON. It is important that we have a whole family of missiles, particularly in the range from 200 miles to 1,500 miles, to provide support for ground troops. I would say that this area should not be neglected. I believe it will not be neglected.

Mr. SPARKMAN. I thank the Senator.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. GORE. The Senator from Washington has made a very able and interesting contribution by his very fine speech to the Senate today. I wonder whether the able Senator believes that the people of Norway consider the invitation of Mr. Bulganin to establish a relationship with Russia comparable to the relationship which he describes as existing between Russia and Finland, as an invitation to establish the relationship that exists between Russia and Hungary, or Russia and Rumania?

Mr. JACKSON. The distinguished Senator has made a very good point. The request is a rather ridiculous one so far as the Norwegian people are concerned, because the Norwegian people fully understand the nature of the invitation. The Norwegians are idependent-minded people, and they are not going to agree to anything under threat of blackmail.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. JACKSON. I am happy to yield.

Mr. GORE. The able Senator himself is of Scandinavian descent, of which he is justly proud. Not only are the Scandinavian people independent thinking, but they have the tradition of being independent acting. I should think they would treat with scorn the invitation of Mr. Bulganin to establish a satellite relationship with the Soviet Union.

Mr. JACKSON. I know that the people of Norway and Denmark and Sweden are joined completely with western civilization. They do not lean to the East; they lean to the West. That is their heritage for a thousand years. There is no doubt in my opinion where they are going to stand. The people of Norway realize that they cannot do this job alone. They are only 3 million people, and they have a common frontier with Russia. They want to be reassured, from time to time, and I believe the statement of the distinguished Senator will be of tremendous help to the people of Western Europe.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the distinguished junior Senator from Oregon.

Mr. NEUBERGER. I should like to commend my distinguished colleague from the Pacific Northwest for his upholding of the independence and valor of Norway in the face of this threat from the Soviet Union. I was particularly pleased that the Senator from Washington pointed out to the Senate that the North Atlantic Treaty Organization is needed more than ever, in the words:

> A strong NATO is our antidote to Soviet blackmail.

Does this whole episode not demonstrate the importance of continuing at least some major segments of foreign aid? Is it not true that a substantial portion of our foreign aid provides military assistance to the NATO countries, which are on the firing line and on the frontier against communism, and that their valor helps insulate the United States from the possibly more direct impact of Soviet aggression? Does this not illustrate the need perhaps to stand up against some of the more "meat axe" type of criticism that is made of foreign aid by those who would eliminate it entirely, including assistance to such valiant NATO countries as Norway?

Mr. JACKSON. We should always keep in mind that the military part of our foreign aid program is the larger part. I personally feel that our military aid is paying us valuable dividends in the NATO area.

Mr. NEUBERGER. And though the Senator from Washington and I might disagree with the distinguished President of the United States on certain issues, does the Senator not agree the President was acting within the scope of his great office yesterday when he finally, and at last and belatedly, defended his own budget against some of the more sweeping criticisms made of it even from within his own party?

Mr. JACKSON. I quite agree.

Mr. NEUBERGER. I thank the Senator.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Is it not a fact that the Soviet Union and the United States are the only countries with a hydrogen bomb capacity plus a missile capacity?

Mr. JACKSON. The Senator is correct.

Mr. KENNEDY. That being true, unless the United States is willing to take the action to which the Senator has today referred as our obligation under NATO, it would be possible for the Soviet Union, with this threat of missile action against a country like Norway, to separate the NATO countries one by one, since they are countries which have no counter to the Soviet Union's position in this field. Therefore, I think, though there is no doubt about the matter—and there has not been any doubt since the signing of the NATO agreement—the Senator from Washington has rendered a splendid service by bringing this matter up at this time, in view of the Soviet threat. The Senator has rendered a service by reexamining our determination to maintain a shield behind which a country like Norway can carry out an independent and nationalistic foreign policy. I wish to compliment the Senator on this occasion, as I did a year ago on his speech calling for greater action by the United States toward developing a long-range ballistic missile.

Mr. JACKSON. I appreciate the Senator's comments.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to my distinguished colleague from Montana.

Mr. MANSFIELD. Mr. President, I wish to join the Senator from Massachusetts [Mr. KENNEDY] and other Senators who have spoken relative to the speech delivered this afternoon by the Senator from Washington [Mr. JACKSON]. I have read the speech with a great deal of interest. I note several statements in the speech about which I should like to ask a few questions.

Is this the first time the Soviet Union has actually threatened the Kingdom of Norway?

Mr. JACKSON. It is not. The Soviet Union threatened Norway when Norway took the lead in joining NATO. The Norwegians, under the leadership of their then foreign minister and present foreign minister, Dr. Halvard Lange, absolutely, in unmistakable language, made it clear that they would not yield even though threatened. If anything, the threats have stiffened their determination to oppose Soviet imperialism.

Mr. MANSFIELD. If I may be permitted to so state that is an old Norwegian custom.

Is it true that within the past several months what the Senator refers to as "ballistic blackmail" has been used by the Soviet Union against Great Britain and other countries of Europe?

Mr. JACKSON. Against France, too.

Mr. MANSFIELD. Against France as well. It is getting to be quite a record. It is being played over and over again, but so far—and we hope in the future—the countries of NATO have, singly and together, stood against any threat by the Soviet Union.

I was quite interested in a statement in the Senator's speech which reads as follows:

> Let us remember that in the ballistic missile age the distance between Moscow and Oslo, Moscow and London, and Moscow and New York is virtually the same. Whatever the difference in distance is, it can be measured in minutes.

Can the Senator, without violating any secrecy, give us some idea as to how much or how little this difference in distance is, on the basis of the distances between Moscow and Oslo, Moscow and London, and Moscow and New York.

Mr. JACKSON. Certainly a 1,500-nautical mile missile, if a ballistic missile, will traverse that distance in about 10 minutes.

Mr. MANSFIELD. What distance is that?

Mr. JACKSON. A 1,500-nautical mile ballistic missile will traverse 1,500 nautical miles in about 10 minutes.

Mr. MANSFIELD. From where to where?

Mr. JACKSON. From Moscow to any part of Western Europe, including the NATO area, as far as Iceland. That is a 1,500-nautical mile missile. It could sweep through Middle East or into Asia.

A 4,500-nautical mile missile will traverse 5,500 nautical miles in about 35 minutes.

In addition, the Soviets have a ballistic missile capability from their submarines. They now have a fleet of slightly more than 400 submarines. We must concede, as I indicated in my remarks, that the Soviets have the capacity to deliver missiles from their submarines with atomic hydrogen warhead, for at least 200 miles. Thus they are able to hit the coastlines of America; the Pacific, gulf, and Atlantic. This is certainly a clear and present danger to our entire coastline area.

Mr. MANSFIELD. In the opinion of the Senator is a 200-mile range missile accurate?

Mr. JACKSON. A missile of such range does not need to be too accurate, if it has a hydrogen warhead. The circular probable error does not need to be so limited as it would have to be with a conventional-type warhead.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield.

Mr. MANSFIELD. I note the Senator mentions the fact that the Soviet Union has more than 400 submarines. This information, of course, is not classified. I believe Adm. Arleigh Burke has made the statement that the Soviets have in excess of 435 submarines, many of them of the snorkle, long-range type. This compares, I believe, with a figure for the United States of roughly 125 or 135 submarines.

The Senator is to be commended for making his speech today, and I wish to join the many other Senators who have commented on the speech in congratulating the Senator for performing this service this afternoon.

Mr. JACKSON. I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield.

Mr. HUMPHREY. As I recall the Senator's point in this speech, it is not merely an indication that the Soviet is attempting again to intimidate by the threat of arms and the threat of atomic destruction, but the theme and moral of this message, as I understand it, is the importance of strengthening NATO and the necessity for all of us to remember that the two prime objects of Soviet foreign policy and propaganda have been, first, to take NATO apart nation by nation and to separate and to destroy it, and, second, to cast doubt, and cause trouble between the United States of America and our principal allies. For a while the Soviets appeared to be making headway, and it even appeared as if we were contributing to such progress. However, the talk with Premier Mollet, the meeting with Prime Minister MacMillan, the close and cordial relationship between our Government and the Dominion of Canada, the signing of the Atomic Energy Treaty with the six European nations, and the Common Trade Area Treaty have all strengthened the economic base of NATO.

I am certain that all this activity has again put the Soviet Union on notice that their program is not succeeding. I agree that the statement directed by the Soviet Union toward Norway, Denmark, and Sweden is not a demonstration of Soviet strength. It is a demonstration, we might say, of Soviet weakness or fear.

It also proves that when the chips are down and the going is rough the Soviet Union lacks the subtlety of diplomacy which would make its statement really effective. We can always depend upon the Soviet Union, at a critical point in history, to do something which will reunite the free nations, why, by their natural independence, on occasion seem to be walking in separate paths.

I am confident that again little Norway, which, as the Senator from Washington has pointed out, was the leader among the European nations in the signing of the NATO Treaty, will be the focal point upon which free people will regroup. If nothing more comes out of this episode than that the people of Norway will know that in the heart and mind of every Member of Congress there is great faith in them and great respect for their courage and integrity, the event will have served a good purpose.

Let the Soviet Union know, once and for all, that in our minds, under the commitments we have made, any attack upon NATO or any attack upon Norway is an attack upon the United States of America; and that any derogatory comment about any ally of ours in NATO is a derogatory comment against the United States of America.

I am of the opinion that the Soviet Union will not be so free with their denunciations or in their ballistic blackmail if they know that the United States of America will not stand idly by and permit it.

I commend the President for his comments yesterday in the press conference. They were restrained, but they were strong. The Soviet Union knows that they will not get by with anything, such as they got by with last October, when they rattled the saber and left the world apparently terrified.

No one is terrified by the comment by Marshal Bulganin. We are only fortified in our determination to resist.

Mr. JACKSON. I, too, was pleased with the very excellent statement by the President of the United States yesterday in his press conference. I believe it is our responsibility to make clear in restrained language our determination not to take any blackmail at any time. I believe that the present Soviet behavior gives us the opportunity of promoting greater unity than ever before among the members of the North Atlantic Treaty Organization.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

The Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished minority leader and myself, I submit a proposed unanimous-consent agreement and ask that it be read.

The PRESIDING OFFICER. The proposed agreement will be read for the information of the Senate.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on the adoption of this order debate on the motion of Mr. HRUSKA to recommit with instructions the pending bill S. 497 shall be limited to 1½ hours, to be equally divided and controlled by Mr. HRUSKA and the majority leader; and debate on any germane amendment to said instructions shall be limited to 30 minutes, to be equally divided and controlled in the same manner.

Mr. JOHNSON of Texas. Mr. President, I have consulted with the minority leader, with the author of the motion to recommit, the chairman of the subcommittee, and the chairman of the full committee, concerning the proposed unanimous-consent agreement. If there is no Senator on the floor who has objection to the agreement, I should like to suggest the absence of a quorum, so that all Senators may be notified to appear before the question is put.

Mr. KERR. Mr. President, I should like to be certain that I understand the request correctly. Has a unanimous-consent agreement been proposed to limit debate on any amendment now before the Senate or which may be offered to the bill, and which is germane?

Mr. JOHNSON of Texas. No; the proposed agreement relates only to the Hruska motion. All I have succeeded in obtaining up to this moment is a proposed unanimous-consent agreement to limit the time on the motion to recommit or on any amendment to the motion to recommit.

Mr. KERR. I understand.

Mr. CHAVEZ. Mr. President, in order to save time, I wish to make a comment. I appreciate everything which was said by the Senator from Washington and the Senator from Minnesota. I feel as they do about the Scandinavian countries, and I agree with everything they said about Russia. But in order to be prepared to take care of Russia, I think we ought to work for the passage of the bill. We should understand how the Mississippi, the Missouri, the Delaware, and the Columbia Rivers are involved. So I should like to ask that the Senate return to the regular order as soon as possible.

Mr. JOHNSON of Texas. Mr. President, I suggest that the Senator from Nebraska now submit his motion to recommit.

Mr. HRUSKA. Mr. President, I submit a motion to recommit, which I ask to have read.

The PRESIDING OFFICER. The motion will be read for the information of the Senate.

The legislative clerk read as follows:

I move to recommit S. 497 to the Senate Committee on Public Works with instructions to reduce its total of authorizations by not less than $350 million, and to further consider sections 203 and 205.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Without objection, it is so ordered.

The question is on agreeing to the unanimous consent request propounded by the Senator from Texas. Is there objection? The Chair hears none; and the agreement is entered.

Mr. REVERCOMB. Mr. President——

Mr. JOHNSON of Texas. Mr. President does the Senator from West Virginia desire to speak on the motion to recommit?

Mr. REVERCOMB. No; I wish to obtain the floor for a few minutes, in order to make a brief statement and to request that an insertion be made in the RECORD.

Mr. JOHNSON of Texas. Mr. President, a time limitation is in effect on the motion. Of course I shall be glad to accommodate the Senator from West Virginia——

Mr. REVERCOMB. Mr. President, I am entirely willing to postpone my remarks.

Mr. JOHNSON of Texas. I thank the Senator very much.

I assume that the Senator from Nebraska desires to speak on the motion.

Mr. HRUSKA. Mr. President, on this question, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. HRUSKA. Mr. President, the pending question is on agreeing to the motion to recommit the bill to the Committee on Public Works, with instructions to reduce the total authorizations contained therein by not less than $350 million, and also to give further consideration to sections 203 and 205.

It is my understanding that section 205 will be discussed in greater detail by the Senator from Utah, and that possibly comments will be made by the Senator from Wyoming.

At the outset, I should like to limit my remarks to the total of authorizations.

The pending bill was introduced in the early part of the session in form identical to that of House bill 12080 of the preceding Congress. That bill was vetoed by President Eisenhower on August 10, 1956. It was vetoed for the reason that, of approximately 100 projects, 40 of the projects included in the bill, totaling approximately $691 million, were the subject of either incomplete reports or adverse reports from the Bureau of the Budget or the Corps of Army Engineers, respectively.

The condition of the previous bill and the items included in it was somewhat improved when it was reintroduced at this session, under the number S. 497. That improvement occurred by reason of the passage of time; in the case of the pending bill, a number of the projects on which, previously, the reports were incomplete, have been reported on, and are recommended as meritorious, and have received the approval of the Bureau of the Budget, as well as the approval of the Corps of Army Engineers.

As a result, instead of 40 projects on which the reports were incomplete or adverse, there are now only 29 projects in that category. Furthermore, the amount involved in such projects has been reduced from $690 million to $383 million, in round figures.

The purpose of the pending motion is to recommit the bill to the Committee on Public Works, with instructions to make a substantial reduction in the total amount of the authorizations contained in the bill, so as to be in conformity with the criteria and standards which the Congress itself has established in the 1944 Flood Control Act, for application to projects of this kind, prior to the time of their authorization.

Section 203, which also is covered by the pending motion, deals with the making of an exception to the so-called preference clause. That is not without precedent. Nevertheless, section 203 is one which normally and traditionally would receive the study and the attention of the Committee on Interior and Insular Affairs. It was thought well to have that section considered further by the Committee on Public Works, in order to see whether some agreement could be found with respect to the objections which have been raised regarding it.

Section 205 deals with another subject; namely, the authorization for the Corps of Army Engineers to construct additional storage facilities for the purposes of storing water in the case of installations on streams with low flow. The Senator from Utah will soon address the Senate on that subject.

Mr. President, if there was any basis at all for the veto of the other bill, last summer, I believe that at this time we have an opportunity to take action in recognition of that fact.

I have taken the position—as is understood by Senators who heard my previous remarks on this subject—that certainly the Senate would not wish blindly to follow the Bureau of the Budget or blindly to follow the Corps of Army Engineers with reference to their respective recommendations regarding various projects; but I believe we should follow them substantially if they are to be considered as being useful in any way whatever in connection with our legislative action on matters of this kind.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. SALTONSTALL. Mr. President, will the Senator from Nebraska yield for a question?

Mr. HRUSKA. I yield.

Mr. SALTONSTALL. Did I correctly understand the Senator from Nebraska to say that a certain number of the projects, approximately 40, which were in the bill passed at the last session had caused the veto because they had not received favorable reports by certain of the executive agencies, but that at this time some of them have received favorable reports, and that only 22 of the projects have not yet received favorable reports?

I thought I understood the Senator from Nebraska also to say that six new projects have been added, and that they have not received the approval of the Corps of Army Engineers. In that case, I judge that the bill continues to provide for the authorization of certain projects which have not been approved by the Army engineers; and I understand that six additional projects are in that category. Is that correct?

Mr. HRUSKA. That is correct. I did not specifically refer to the 6 new projects, but they are among the 29 reports on which are still either incomplete or adverse by the Bureau of the Budget or the Corps of Engineers.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. REVERCOMB. The Senator realizes, does he not, that it is wholly within the province and duty of the Congress to legislate upon matters of this kind, involving the subject of flood control and rivers and harbors? Does the Senator see, in the motion he has made to recommit the bill to the Committee on Public Works, such a delay in its coming back to the floor of the Senate as to materially interfere with the passage of the bill at this session? There is no question that, if the bill goes back to the committee, there will be considerable delay.

I am quite concerned with the possibility of delay in action by the Senate on this important proposed legislation. While it is proper to talk about economy and the saving of expenditures, from my point of view expenditures for purposes that add to the real and lasting benefit and advancement of the country can never be called a waste of public money. They are needed.

I should like to ask the Senator if he does not see the possibility of unduly delaying action on the proposed legislation if the bill is sent back to the committee. The bill must be dealt with by the House of Representatives, as well as by the Senate. To recommit the bill to the committee for further consideration, after consideration has already been given to it, may delay timely and needed action upon the bill. I ask that question of the Senator.

Mr. HRUSKA. I should like to say to the Senator from West Virginia that if there will be any undue delay in reporting the bill back to the Senate by the Committee on Public Works, it will be a self-invited delay. It will be more or less dilatory in character, because most of the required information is in the hands of the committee. There would be no occasion for undue delay, unless it were self-invited in character.

Mr. REVERCOMB. Does not the Senator know the committee has before it quite a number of problems, and when it starts delving into this extensive bill it will necessarily require time and cause delay in action on it?

Mr. HRUSKA. Again I say to the Senator from West Virginia that it depends on the vigilance, alertness, and diligence of the committee in its deliberations.

Mr. REVERCOMB. Then why subject the bill to that danger?

Mr. HRUSKA. For the simple reason, if the Senator from West Virginia will bear with me, that this Congress, in its wisdom, in past years has devised certain procedures under which applications for authorizations of this kind are supposed to be processed. Those procedures were prescribed not last year, but as long ago as 1944, under the Flood Control Act of 1944, which contains no less than 2 printed pages setting forth the procedures under which applications are to be processed. To the extent of 29 projects, totaling $383 million, those procedures have not been followed. It seems to me good legislative sense and procedure to back up those procedures and say to the committee, "Let us look over this bill once more and pare it down and reduce it by the approximately $380 million," which it would take to cover the items in question, less certain miscellaneous items.

The PRESIDING OFFICER. The Senator has exceeded the time allotted to him. Does he desire to yield himself more time?

Mr. HRUSKA. Not at this time.

Mr. HOLLAND. Mr. President, I should like to address a question or two to the Senator from Nebraska, if he will yield himself more time.

Mr. HRUSKA. I yield myself 2 minutes.

Mr. HOLLAND. The first question is this. Under the conditions laid down by the Flood Control Act of 1944, does there appear any requirement that the Budget Bureau shall be consulted?

Mr. HRUSKA. No. That requirement is by reason of an executive order of some years' standing. That is fixed not by statute, but by executive order.

Mr. HOLLAND. Then the Congress has not imposed that condition in any way, has it?

Mr. HRUSKA. No. Congress is not legally or in any other way bound by the action of the Bureau of the Budget. However, as the Senator well knows, we always find it helpful to respect it.

Mr. HOLLAND. Is the Senator stating to the Senate that 29 projects in the bill are really in contravention of the conditions which the Congress has laid down by laws passed by itself, or is he including in that number of 29 a large number which have not been passed on yet by the Bureau of the Budget?

Mr. HRUSKA. I am including all categories where the report has been either incomplete or adverse, either by reason of lack of a report by the Corps of Army Engineers or an adverse report by the Bureau of the Budget.

Mr. HOLLAND. How many such projects are there which are in contravention of existing law? It is a much lesser number than 29, I am advised.

Mr. HRUSKA. If I read the summary correctly, there are 12 projects, totaling approximately $150 million.

Mr. HOLLAND. I thank the Senator.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield, if the Senator will consume the time from his own allotted time or from that of the majority leader.

Mr. KERR. I yield myself 3 minutes. I will remark the Senator has not imposed that condition on anybody else, but I will accept it.

Will the Senator tell us which are the 12 projects he referred to as being in the bill in violation of existing law?

Mr. HRUSKA. They are found in group 2 of table 1 in the document which the Senator holds in his hand, and in table 2 of the same document.

Mr. KERR. Group 2 of table 1 is found on page 2?

Mr. HRUSKA. That is right.

Mr. KERR. Does the Senator refer to seven projects listed on page 2?

Mr. HRUSKA. Yes.

Mr. KERR. Where are the other five?

Mr. HRUSKA. The other five are found on table 2, which is found on page 3 of the same memorandum.

Mr. KERR. Which five, may I ask?

Mr. HRUSKA. The five which are numbered in part 2 of the table.

Mr. KERR. In part 2?

Mr. HRUSKA. Yes.

Mr. KERR. Returning to those on page 2, did the committee not have a report from the engineers on the Hendry County, Fla., project?

Mr. HRUSKA. My recollection is that an engineer's report had been completed, but had not been transmitted officially to the committee.

Mr. KERR. Did not the Chief of Engineers himself come and tell us what was needed?

Mr. HRUSKA. I have no independent recollection of that fact, if he did. I am not prepared to say that he did not.

Mr. KERR. Is the Senator prepared to say the Chief of Engineers did not testify in detail as to the findings of the Corps of Engineers with reference to each of those seven projects?

Mr. HRUSKA. Perhaps so, in some measure, but that is not the only criterion which is necessary and which is spelled out in the law or in the procedures to which I referred. There is reference to other agencies of the Government as well as reference to the States. I am going by the listing and classifications of these projects pursuant to the memorandum prepared by the Bureau of the Budget.

Mr. KERR. The memorandum of the Bureau of the Budget speaks for itself, and does not conform, in considerable detail, to the statement which the Senator has just made.

Mr. HRUSKA. In what respect?

Mr. KERR. In the respect——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. The Senator from Oklahoma yields 3 additional minutes to himself for the purpose of this examination.

In the respect that the appropriate agencies had not reported to the Congress.

Mr. HRUSKA. If that be true, the report handed me, and the analysis by the Bureau of the Budget, would be deficient to that extent, but I am relying, as I think I have a right to do, I presume, upon the accuracy of that report.

Mr. KERR. But the report to which the Senator refers does not say that reports required by law have been submitted to Congress. That is not what the report to which the Senator refers states.

I ask the Senator if he does not contemplate the possibility of the accuracy of the suggestion that the Budget Bureau refers to its own reports.

Mr. HRUSKA. That is not quite true.

Mr. KERR. Then where is the language which would put it in some other category?

Mr. HRUSKA. Certainly the West Branch, Mahoning River, item 3, on page 2, is not complete, because we have no report from the State of Ohio.

Mr. KERR. I beg to differ with my distinguished friend. If the clerk of the committee is present, I will give the Senator a copy of the report from the Governor of Ohio, which was before the committee.

Mr. HRUSKA. If it has been filed, it was filed without notice to me. It did not come to my attention.

Mr. KERR. The Senator was present when the Senator from Oklahoma asked the question, and the clerk stated that the report from the State of Ohio was there and was available to the distinguished Senator.

Mr. HRUSKA. I would not dispute the Senator's word at all.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. HRUSKA. I yield.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. HRUSKA. I yield 2 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. I am wondering whether the distinguished Senator from Nebraska really intended to say that certain items were included in the bill in violation of existing law. Does the Senator think that when one Congress adopts a declaration of policy it binds future Congresses?

Mr. HRUSKA. If I said that, I should like to say to the Senator from South Dakota that perhaps the words did not exactly express my thought. My thought was that these projects were processed in a fashion not in accordance with the procedures which had been prescribed in the Flood Control Act of 1944, which is still law. Obviously, Congress having enacted that law, it can repeal it or disregard it, I presume.

Mr. CASE of South Dakota. Just as the Senate might have a schedule of salaries, and yet, if it so desired, in the case of a clerk of a certain committee, it might provide additional funds.

Mr. HRUSKA. That is correct.

Mr. CASE of South Dakota. Or the Congress might adopt a different policy with respect to certain items in a particular bill.

Mr. HRUSKA. The Senator from South Dakota will recall that I made the statement that we should not be slaves, and should not be bound slavishly to follow these procedures. However, by and large, we should conform to them, or declare some other policy, or that these procedures no longer apply.

Mr. CASE of South Dakota. I agree that when we adopt a policy, unless it is specifically repealed, we should conform to it. However, I think it is true, as the Senator from Oklahoma pointed out, that with respect to all these projects with regard to which the procedure had not been completed, testimony was taken either by the House committee or

the Senate committee concerning such projects. So far as I know, no project was included unless testimony with reference to the particular project was taken, either by the House committee or the Senate committee.

Mr. HRUSKA. There is no lack of testimony with respect to any of the items. I have reference to other standards.

Mr. KERR. Mr. President, I ask the majority leader to yield 2 minutes to me at this time.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

Mr. KERR. I invite the attention of the distinguished Senator from Nebraska and other Senators to page 185 of the hearings on the bill, which are on the desks of Senators. On that page appears a colloquy between the Senator from Nebraska [Mr. HRUSKA], the Senator from Oklahoma [Mr. KERR], the Senator from South Dakota [Mr. CASE], and General Person, of the Engineering Corps, who was testifying before the committee on that date with respect to these matters. I read beginning near the middle of page 185:

Senator CASE. The clerk tells me that the corps has received comments from the State of Ohio but not of Pennsylvania. I would like to ask General Person: When was the report submitted to the States for comment?

General PERSON. In January.

Senator KERR. Early or late?

General PERSON. The 23d of January.

Senator CASE. What is your customary time that you allow States?

General PERSON. The statutory time is 90 days. In each instance in this case, knowing of the interest of the committee in getting the report, we asked them to furnish it in 30 days if possible. They have by law 90 days. We have asked them to submit it in 30. I have the report from the State of Ohio here if you would be interested.

Senator KERR. I would be interested in them.

General PERSON. I will read it:

"Dear GENERAL ITSCHNER: The project report on the West Branch of the Mahoning River has been examined in this office."

That is the Ohio Department of Natural Resources.

"A previous analysis and testimony at public hearings in Youngstown on the 17th of December 1956, has demonstrated the public benefit of flood control and low-flow regulation to be derived from this project. We approve of the project and recommend its early authorization.

"Very truly yours,

"HERBERT B. BAGON, *Director*."

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HRUSKA. I knew that one of the States had not as yet reported.

Frankly, I am without information or independent recollection as to whether Pennsylvania has forwarded its report or not. When I suggested the name of the State of Ohio, I thought that was the one referred to in this report as not having reported. The report may have been received in the meantime.

Mr. KERR. Reading further from the colloquy on page 185:

Senator CASE. Mr. Chairman, if the 30-day request is observed by the State of Pennsylvania, we should have comments from the State of Pennsylvania within a few days.

Senator KERR. Yes.

Senator CASE. Personally I rather respect the idea of getting comments from the States. But I have never believed that the opportunity of a State for making comment should be seized upon by a State opposed to a project as a mere means of dragging——

Senator KERR. Or of delay.

Senator CASE (continuing). Of delay or procrastination. I do believe a reasonable time should be allowed the State for comment. Since the statute contemplates a 90-day period, the 30-day period is not unreasonable.

I invite the attention of my friend from Nebraska and of other Senators to the fact that this project is not in the State of Pennsylvania, and only remotely affects the State of Pennsylvania. That great Commonwealth has on the committee one of its ablest representatives, the senior member of the committee on the Republican side of the table, and the committee had the benefit of his observations and remarks on this project before it was placed in the bill.

Mr. WATKINS. Mr. President, will the Senator from Nebraska yield me 10 minutes?

Mr. HRUSKA. I yield 10 minutes to the Senator from Utah.

Mr. WATKINS. Mr. President, section 205 of the bill provides for expanding the authority of the Corps of Engineers and the Bureau of Reclamation to build storage reservoirs to regulate the flow of streams and to provide for anticipated future demand for municipal or industrial water.

My objection is not to the basic objectives of these two proposals. I believe that both storage purposes are beneficial and that the benefits should be recognized in water resource development policy. And I would support separate legislation to meet these requirements, under the assumption that it would, therefore, be given adequate hearing and study, and that sound policies would result from Congressional action upon such separate legislation.

I oppose incorporation of this section in the omnibus bill for these reasons:

First. It should properly be a matter for separate legislation and not a feature of an omnibus project bill.

When we are establishing long-range policies, the decision should not be left to the vote of Members of this body who represent States which have a great interest in individual and specific projects. The determination should be based wholly upon the merits of the respective projects, and a Member of this body should not be placed in such a position that, if he votes for something of this kind, he may possibly lose his own project. I think it is highly improper to include such a section in a bill of this kind.

Second. The general authorization of the policy statement in subsection (a) would be an infringement upon State water rights in the 17 Western States where for a half century the Federal Government has recognized in comparable legislation that the States west of the 98th meridian have full jurisdiction over the waters within their respective borders.

Third. The Senate Public Works Committee has extended what started out as a civil-works proposal to make it apply, at least as an alternative, to the reclamation program of the Bureau of the Interior.

I commend the Public Works Committee for recognizing that such changes in policy should be uniformly applied, but this appears to be a case where the Public Works Committee is, in effect, amending legislation that normally is assigned to the Senate Interior and Insular Affairs Committee.

This is another reason for striking this section and starting it out through the legislative process as a separate bill. A bill containing such a joint authorization could easily be handled jointly by the Public Works and the Interior Committees, and that, I think, is the correct procedure, especially for policy changes of such far-reaching significance.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. BARRETT. I should like to call the Senator's attention to the fact that the Secretary of the Interior is mentioned three times in this section, and that the Bureau of Reclamation is mentioned several times. I believe the Senator is correct, therefore, that the Committee on Interior and Insular Affairs should have been consulted with respect to the proposed legislation.

Mr. WATKINS. Particularly in view of the fact that it involves western water rights, which the Corps of Engineers has never recognized as coming within compliance of any State laws.

Mr. BARRETT. The Senator is entirely correct. I may say to him that for nearly a century the law of the land has been that the Western States shall have control over the disposition of their water.

I call attention to section 205, at page 49 of the bill, which reads:

SEC. 205. It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, or multiple-purpose projects.

As a general statement of policy, that is a good statement. However, let us see how it is carried out and what it does. I read further from section 205:

(a) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized—

I ask Senators to note particularly this wording: "heretofore or hereafter authorized."

That means its application could go back to any project that has been heretofore authorized.

(a) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent

warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow.

That is something new for the Army engineers. That brings in a new situation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield at that point?

Mr. WATKINS. I should like to finish my statement first.

Mr. CASE of South Dakota. The language which the Senator has now read was contained in the bill for which the Senator from Utah voted last summer.

Mr. WATKINS. I do not believe I voted for it. I remember that it was brought in at the last minute, and we were in a great hurry. Of course it is possible that I may not have seen that provision in the bill.

Mr. CASE of South Dakota. Up to the point the Senator has reached in his reading is language which was contained in the previous bill.

Mr. WATKINS. If I overlooked it then, it is too bad, but I certainly should not overlook it now. I could be forgiven for overlooking it the first time, but not a second time. I continue to read:

Storage may likewise be included for the same purpose and under the same conditions in any reservoir constructed by the Secretary of the Interior for irrigation, hydroelectric power, municipal and industrial water supply, and allied purposes, under the Federal reclamation laws.

Let me stop there to say that "under the same conditions" means it would be nonreimbusable. Apparently we are going to establish a new rule for irrigation projects. Under existing law, and for some time, we have been requiring repayment of the costs for these various projects. I suppose inasmuch as the Army engineers are going into this business and regulate the low flow, they are also going to bring us in on the same terms.

That is very laudable, but let us consider the confusion it may bring about throughout the whole reclamation program. There are hundreds of contracts now outstanding which have never been quite complied with as authorized projects, and it would make quite a difference if we could now get nonreimbusable storage. Heretofore we have had to repay every bit of the cost of those projects, except for the flood-control feature. The flood-control features, of course, are not too frequent in the arid country. It has usually been the reclamation end of it, until recent years. That would take care of the floods which might come down the rivers.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CASE of South Dakota. The Senator from Utah should note that the purpose of that storage would only be for increasing the low flows where the benefits would be widespread and general and nonexclusive. That would not mean that we would increase the storage for purposes of use where that use would be localized to a specific user. That part would still be reimbursable.

Mr. WATKINS. Of course, there are a great many users downstream. The Bureau of the Budget is right, I believe, when it states that this particular part should have been made reimbursable, rather than nonreimbursable.

Mr. CASE of South Dakota. That may be.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. WATKINS. May I have some additional time?

Mr. HRUSKA. I yield 3 additional minutes to the Senator from Utah.

Mr. WATKINS. I have shown the proposed change in the reclamation law. It may be a good thing. Reclamationists may like it. However, we must consider the confusion that would develop in such a program.

Subsection (b) reads:

(b) In carrying out this policy, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers or the Bureau of Reclamation to impound water for present or anticipated future demand or need for municipal or industrial water and the reasonable value thereof may be taken into account in estimating the economic value of the entire project:

So far as the Army engineer program is concerned, that is something new, too. I read further:

Provided, That when the contract for the use of such impounded waters is made—

That contemplates in the future, apparently, after the addition has been made to the project. Then it is contemplated to get a contract to have it paid for.

In the report of the committee, there is nothing to indicate what kind of commitment we are getting into with respect to the anticipated storage for the low flow or for the additional flow. We do not know anything about it. There is no budget estimate and there is nothing in the testimony to show what that cost may be. It could run into literally billions of dollars, if all the projects heretofore and hereafter authorized were included. It is one of those sweeping provisions which will modify not only reclamation law from the beginning, but also the law under which flood-control projects have been authorized and constructed in the past. That does not seem to me to have been given very much consideration.

Then we move on——

The PRESIDING OFFICER. The time of the Senator from Utah has again expired.

Mr. WATKINS. I have not yet completed making the point I started to make.

Mr. HRUSKA. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twenty-one minutes remain for the proponents of the motion.

Mr. HRUSKA. Mr. President, I yield 5 additional minutes to the Senator from Utah.

Mr. WATKINS. Then I read on:

Provided, That when contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army or the Secretary of the Interior as the case may be: *Provided further*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid——

And it prescribes the method of repayment. There is a very interesting proviso at that point, which puts both reclamation and flood control and allied purposes, under multipurpose projects of the Army engineers, on the same basis. There is this proviso:

Provided, That the provisions of this subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 (53 Stat. 1187) relating to the same subject: *And provided further*, That the provisions of this section shall not be construed to modify the provisions of section 1 (b) of the Flood Control Act of 1944 (58 Stat. 890).

I shall not say much more about the Western water rights involved, but they are very much involved in this section, which would now provide that we may have an alternative program for the Bureau of Reclamation.

There are outstanding hundreds and hundreds, if not thousands, of repayment contracts and authorizations of various kinds in connection with which we have been required to pay all the cost, which are under different terms from those provided in the blackfaced type or boldfaced type previously in the section, stating terms under which they are to be repaid. So we are now throwing some more doubt into the Reclamation Act by providing language of that kind.

We have an alternative program. What will happen to the Colorado project? What will happen to some of the other projects in the Northwest and elsewhere? This may be a better deal for reclamation, and it may not be. It may throw so much doubt into the situation that construction of the projects will have to stop until the matter is cleared up, perhaps in the courts.

This provision is the type of thing which has been reported, I think, honestly, and I think with the best intentions in the world. For once I think the Committee on Public Works intended to put reclamation somewhat—just a little, but somewhat—on the same basis that the program of the Army engineers has occupied for many years. The construction expense is largely borne by the United States, and in 99 percent of the cases operation and maintenance expenses would be fully carried by the Federal Government. It would be important for reclamation to receive that kind of treatment, if it did receive the same treatment.

However, for more than 50 years we have had a reclamation program. A body of law has been built up. The passage of this one proviso would modify in a substantial way the reclamation program and the reclamation law. This matter has never been considered by the Committee on Interior and Insular Affairs, and I have never seen this provision until the last print came out. It was not in the law last year, as I understand. If I understand the rules with respect to printing, the italicized sections, or portions of sections, are absolutely new.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. KUCHEL. Is it not true that there are some dams, essentially flood control in nature, which are, however, under the administrative jurisdiction of the Bureau of Reclamation? For that reason the language in italic to which the Senator refers was inserted so that the sense of the Senate and of the Congress would be clear that the provisions of section 205 would operate with respect to flood-control projects even if they were under the jurisdiction of the Bureau of Reclamation. At any rate, I will say to the Senator that is my understanding of the reason for the provision.

Mr. WATKINS. I do not think so. I cannot interpret it in that manner. It simply provides an alternate program for reclamation.

Mr. KUCHEL. I will say to the Senator that in my judgment section 205 applies to those projects which are in this bill and which are subject to the flood-control provisions, and to that extent, in my judgment, these words do not affect reclamation law.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WATKINS. I have a reply to make, Mr. President, if I may have 1 more minute.

Mr. HRUSKA. I yield to the Senator 1 additional minute.

Mr. WATKINS. With respect to delay, I do not think it would take any great length of time to send this bill back to committee, thereby affording the Committee on Interior and Insular Affairs an opportunity to sit in with the Committee on Public Works to go over these matters, so that they can be considered carefully.

We of the West have too much at stake to permit a sort of shotgun expediency type of program to be put into legislation almost overnight. We simply cannot go along with that kind of program. It may seriously affect every one of the programs we now have, including water rights.

There is at present before the Committee on Interior and Insular Affairs a bill to protect the Western water rights. It was felt so necessary to protect those rights that both political parties inserted planks in their platforms during the last campaign to protect those rights. All those rights are threatened by this type of legislation.

An attempt is being made to work out amendments to take care of the matter. These amendments are prepared on the floor. I tell the Senators that water law is so complex it is not susceptible of being amended on the floor, without due consideration.

This bill ought to be recommitted, so that consideration can be given to taking care of this type of problem.

Mr. CHAVEZ rose.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from New Mexico 2 minutes.

Mr. CHAVEZ. I have the greatest respect for the Committee on Interior and Insular Affairs, but I shall not yield anything from the Committee on Public Works to that committee. I do not surrender anything, so far as protecting water rights are concerned, to the Senator from Utah or my colleagues on the Committee on Interior and Insular Affairs.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CHAVEZ. Not at this moment.

Mr. WATKINS. I merely wish to say that we do not care to yield to the Committee on Public Works, either.

Mr. CHAVEZ. That is all right; the Senators do not have to. I have fought for the upper Colorado, as hard or harder than the Senator from Utah has, but at this particular moment why should the Senator condemn one particular committee which has only one function, which is flood control, river, and harbors? Why condemn the chairman of the subcommittee, or condemn me as chairman of the full committee, or condemn the majority of the Republican members of that committee? They all heard the testimony. We have considered this subject before. Why should this bill be sent back to the committee, so that the Committee on Interior and Insular Affairs can take care of it?

Mr. WATKINS. If the Senator will yield, it would only be to consider section 205, where the bill goes into reclamation matters. If the Senator had stuck to his knitting I would not be making this criticism.

Mr. CHAVEZ. Of course, the Senator is making the criticism. The only thing section 205 does is to lodge in the Army engineers certain functions in engineering matters, exactly as certain functions are lodged in the engineers of the Bureau of Reclamation of the Department of the Interior. Is that not all it does?

The PRESIDING OFFICER (Mr. STENNIS in the chair). The time of the Senator has expired.

Mr. KERR. Mr. President, will the Senator yield 3 minutes to me?

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. KERR. Mr. President, I wish to say to my good friend from Utah and to every member of the Committee on Interior and Insular Affairs there was no thought on the part of our distinguished chairman or any member of the committee of usurping the prerogatives of any other committee. Section 205 came over in the bill from the House last year. The Corps of Engineers and the Bureau of the Budget were all examined with regard to it, and there was no substantial objection to it. In fact, there was substantial support for it, so it was retained in the bill last year. It was approved by the Senate last year. When it came before us this year it was retained in the bill, but it referred only to flood-control projects of the Corps of Engineers.

There were many Members from Western States on this committee. The National Bureau of Reclamation said:

The Corps of Engineers is now getting not only as much as reclamation has heretofore had, but a little more, and we do not want them to have an advantage we do not share.

We discussed the matter with the great chairman of the Committee on Interior and Insular Affairs, advising him that there was no inclination on the part of our committee to usurp any of the prerogatives or authority of that committee.

I wish to say to Senators from reclamation States that we put this provision in the bill because we thought it would be advantageous to the States in connection with reclamation projects, and if the Committee on Interior and Insular Affairs does not wish to have it, so far as that is concerned, I would ask the chairman of the committee and the other members of the committee to delete from the bill the provision that the same privilege shall be given to reclamation projects as there is herein granted to flood-control projects.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. CASE of South Dakota. Mr. President, I wish to second what the Senator from Oklahoma has said with regard to the attitude, intent, and mind of the committee. There certainly was no thought of usurping any of the functions of the Committee on Interior and Insular Affairs. On the contrary, the Committee on Public Works took particular care to make certain to apply to the reclamation projects whatever provisions of law were applicable to the Corps of Engineers.

I myself feel a concern for protecting the water rights of the Western States. That is why it was suggested that what was section 205 originally be made a subsection of section 206, and then to change the section numbers. It was then proposed that to all of the section there be made applicable the provisions of the O'Mahoney-Millikin amendment, so as to protect the water rights of the Western States.

It must be borne in mind that section 205 was in the bill as it passed the House and came to the Senate last year; and, so far as I know, there was no Bureau of the Budget objection to it at the time, and no question was raised about it in the Senate.

Mr. WATKINS. Mr. President, will the Senator permit me to ask a question at this point?

Mr. CASE of South Dakota. Certainly.

Mr. WATKINS. New matter was added to section 205 after the bill came over from the House.

Mr. CASE of South Dakota. The new matter which was added to section 205 was language that extended to the projects constructed by the Secretary of the Interior. It was the same provision

which was established for the Corps of Engineers.

Mr. WATKINS. Was section (a) not almost entirely new?

Mr. CASE of South Dakota. Oh, no. If the Senator will look at the roman type which has been stricken through in section 206, he will find that the first sentence of section 206 (a), the one to which the Senator was objecting, was in the old section 205 and was in the bill as it came from the House last summer and was in the bill as it passed the Senate. At that time, so far as I know, no objection was raised to it.

The only addition to the section was language to provide for reclamation projects the same authority to include storage for increasing low flow as was being accorded to the projects of the Corps of Engineers.

In subsection (b) we included the words "Bureau of Reclamation" and "Secretary of the Interior."

But, as the Senator from Oklahoma has said, if the provisions for reclamation projects are not wanted, they can be deleted. They were included merely in an attempt to be perfectly fair and to provide the same kind of treatment and the same opportunities for reclamation projects as the Corps of Engineers projects might have.

There is another matter to which I wish to call attention. Long before the bill was considered last year—in fact, some years ago—the Bureau of Reclamation had authority to sell water for municipal purposes. The Senator from Oklahoma and the Senator from South Dakota felt that it was only proper, if we were to include a provision for storage in a reservoir project built by the Secretary of the Interior, which would be available for sale for municipal or industrial purposes, to extend the same privilege, so to speak, to projects built by the Corps of Engineers; that it was not an economic proposal to say that if the Bureau of Reclamation built a project, there could be municipal water or industrial water in it, but that if the Corps of Engineers built the project, there could not be.

So in the 84th Congress a bill, S. 2374, was considered, and the Senate passed it. That bill established for the Corps of Engineers the authority to include the storage of municipal water or industrial water, and the language was taken from the reclamation law. The House did not act on the bill before the 84th Congress adjourned, as I recall, so subsection (b) is language establishing for the Corps of Engineers the authority to provide storage for industrial or municipal water, and corresponds to the language in the old law with respect to the Bureau of Reclamation projects.

The committee incorporated in that language, which is in the reclamation law, that when a contract for the use of such impounded waters is made, it shall be on a basis which will provide equitable reimbursement to the United States.

The committee also included the language:

Provided further, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for 15 years from date of issue.

That language providing for repayment, providing for the payment of interest, and providing for the determination of the rate of interest by the Secretary of the Treasury, was all taken from old reclamation law. The committee was simply trying to write into a law dealing with flood-control projects or river projects built by the Corps of Engineers the same right to provide for municipal or industrial waters on the same basis of repayment as was earlier provided for reclamation purposes.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. WATKINS. Mr. President, I had asked the Senator from South Dakota if he would yield for questions. Now he cannot do it.

Mr. JOHNSON of Texas. Does the Senator from Utah want to ask questions on my time?

Mr. WATKINS. There does not seem to be much time left on this side. Out of the goodness of his heart, I wonder if the distinguished majority leader would yield some time to me.

Mr. JOHNSON of Texas. First, I yield 3 minutes to the distinguished Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. Mr. President, to my mind, the pending bill is a very important measure from the standpoint of the people and Government of the United States. My State of Pennsylvania has very little in the bill. There is only one project in the bill which I have opposed all my life. But during the time I have been in the United States Senate and have been a member of the Committee on Public Works, I have begun to realize that among the most important things confronting our country are the development of rivers and harbors, the establishment of flood control, and the conservation of our natural resources. One of the great resources of our country is the soil.

I have not given as much attention to this bill, probably, as have many other members of the committee, because I have had other assignments. But the bill has had the very careful consideration of the committee during the past 2 years. It must be remembered that much in the bill was in the measure which was vetoed last year by the President. The bill is only an authorization. There is no Member of the Senate who is more opposed to extravagant spending than I am. But this is not an appropriation bill; it is only an authorization bill.

I think it is so important that we move ahead in the work of improving rivers and harbors, of soil conservation, of flood control, and things of that kind, that it would be a mistake to recommit the bill to the committee.

Mr. JOHNSON of Texas. Mr. President, does the Senator from South Dakota desire 3 minutes in which to answer the Senator from Utah?

Mr. CASE of South Dakota. Did the Senator from Utah have some questions?

Mr. WATKINS. Yes.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from South Dakota.

Mr. WATKINS. The Senator from South Dakota said that certain language was taken from the Reclamation Act. Let us take the subsection on page 49 of the bill, which begins: "In prosecuting plans and projects for navigation."

Mr. CASE of South Dakota. I did not say that was taken from the Reclamation Act.

Mr. WATKINS. I was about to call attention to the latter part of the paragraph. That language extends to the Bureau of Reclamation something the Bureau cannot now do.

Under the Reclamation Act, the Bureau of Reclamation is required to give full respect to the State water laws. The Bureau of Reclamation, as a matter of practice, makes application to the engineers of the State water bodies of the various States for the waters which will be impounded or used in connection with the reclamation projects. But that is not true in the provision to which I am referring.

Mr. CASE of South Dakota. Did the Senator wish to ask me a question?

Mr. WATKINS. I wish to ask if that is not the situation.

Mr. CASE of South Dakota. The distinguished Senator from Wyoming [Mr. BARRETT] sought to cover that point by an amendment which he suggested, and which the Senator from Oklahoma [Mr. KERR] and I both thought would be desirable. The Barrett amendment would add the proviso:

Provided, That such storage be constructed and used in compliance with the applicable State laws and interstate compacts: *Provided further*, That nothing herein shall be construed to amend, modify, or limit the applicability of section 8 of the Reclamation Act of 1902.

Mr. WATKINS. The Senator does not mean the Reclamation Act, does he. He means the Flood Control Act; does he not?

Mr. CASE of South Dakota. No; it means the Reclamation Act of 1902, the Newlands Act.

Mr. WATKINS. Then there is a contradiction, because I think the Senate will agree that the Army engineers do not now pay any respect to the State laws. In order to add this provision and in order to be sure we are not getting a gift horse—and I wish the Senate to understand that I do not accuse anyone of having any evil designs in connection with the legislation here proposed—we should have an opportunity to examine the language and to see whether it protects our States.

Mr. CASE of South Dakota. I can only point out that the language to which I object—namely, the first part of subsection (a), or the old section 205—was in the bill which came to the Senate

last year from the House of Representatives, and was in the bill which was passed, last year, by the Senate, and was in the pending bill when it was introduced on January 9, 1957. So certainly that language has not been hidden.

Mr. WATKINS. However, if the Senate made a mistake in the case of the bill of last year, should the Senate perpetuate it now, simply because that language was in the other bill?

Mr. CASE of South Dakota. No; but in the committee I brought up the question of protecting the water rights of the Western States. That is why the last part of the language in italics, on page 51, is included—namely, to require that the provisions of this section—not merely of the subsection—shall not be construed to modify the provisions of section 1 of the Flood Control Act of 1944, which requires consultation with the States.

The PRESIDING OFFICER. (Mr. STENNIS in the chair.) The time yielded to the Senator from South Dakota has expired.

Mr. HRUSKA. Mr. President, I yield 4 minutes to my colleague [Mr. CURTIS].

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 4 minutes.

Mr. CURTIS. Mr. President, I shall support the motion which has been made by my distinguished senior colleague from Nebraska, who has moved that the bill be recommitted. I believe the total amount of authorizations provided by the bill should be reduced. In the long run, I believe we shall provide better flood control if we proceed in a somewhat more orderly fashion and with a little less speed.

Furthermore, in view of the high budget and the extremely large governmental expenditures and the country's demand for retrenchment, I believe this is no time to pass a bill which contains authorizations so large in total amount as the ones this bill contains.

Mr. President, there are other reasons why the bill should be recommitted. The motion to recommit will direct the committee to reconsider section 205, in reference to western State waters. That section should not be taken lightly. Various executive agencies, courts, and other agencies have attacked the position held for many years by the Government, in regard to State control of water rights. The bill should be recommitted, for the reconsideration of that section.

The motion to recommit also directs the committee to reconsider section 203. If Senators will examine page 35 of the bill, lines 11 to 18, inclusive, they will find contained in section 203, language which in effect nullifies, if not repeals, the preference clause in regard to the sale of electricity. It could well be that a change in the preference clause, in respect to the sale of electricity, should be considered; but let that be done forthrightly, not in this manner.

The language to which I refer provides that a State in which a dam is located shall have preference for the power. The language does not even go so far as to provide for the State in which the reservoir is located—which State might have given considerable land to provide for the structure. If we include this language in the bill, as passed, it is conceivable that in the case of a dam constructed near a State line, the dam might be in one State, but another State might have given up a large amount of land for the reservoir.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. CURTIS. I should like to have an additional minute, if I may.

Mr. HRUSKA. Mr. President, I yield an additional minute to my colleague.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for an additional minute.

Mr. CURTIS. Mr. President, section 5 of the Flood Control Act of 1944 provides for priorities in the sale of electricity to public bodies, cooperatives, and then to privately owned companies. This language would modify that provision, and would state, with respect to any power from a dam, that the Secretary of the Interior shall allocate the power to the users in the State in which the dam is constructed.

The PRESIDING OFFICER. The time of the Senator from Nebraska has again expired.

Mr. CASE of South Dakota. Mr. President, will the Senator from Nebraska yield for a question?

The PRESIDING OFFICER. The Senator from Nebraska [Mr. HRUSKA], who is the author of the pending motion, is recognized.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Will the Chair state the time remaining to the two sides?

The PRESIDING OFFICER. The proponents of the motion have 9 minutes remaining. The opponents of the motion have 21 minutes remaining.

Mr. KNOWLAND. I suggest that the opponents now use some of their time.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. JOHNSON of Texas. Mr. President, I appreciate the suggestion the Senator from California has made.

I yield 5 minutes to the Senator from Oregon [Mr. NEUBERGER].

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. NEUBERGER. I thank the Senator from Texas.

Mr. HOLLAND. Mr. President——

Mr. JOHNSON of Texas. Does the Senator from Florida desire to have some time yielded to him?

Mr. HOLLAND. Yes, approximately 5 minutes.

The PRESIDING OFFICER. The Chair has recognized the Senator from Oregon [Mr. NEUBERGER].

Mr. NEUBERGER. Mr. President, I believe that some of the criticism which has been directed against the bill is rather poorly founded. Flood control certainly is a desirable objective and goal of the United States Government. Coming from the Pacific Northwest, with its vast plethora of water and the cruel and tragic floods which repeatedly have occurred in that area, it seems to me that flood control is a subject for which Federal expenditures can be fully justified.

I should like to answer briefly some specific criticism addressed against the bill earlier today by the distinguished Senator from Utah. The Senator from Utah said:

> In the case of the upper Colorado bill, we knew what we were dealing with. But in this case——

His reference was to the pending bill—

> there are no estimates whatever as to what the real total cost will be.

Mr. President, I sent to the Library of Congress, to obtain a clipping from the New York Times of February 10. I should like to read briefly from the clipping, as follows:

> As an indication of the difficulties expected by construction companies, just two bids were entered for the span that engineers of the BLM had hopefully estimated would cost $7,944,750.

The reference is to the archtype bridge necessary for the construction of the Glen Canyon Dam—the first unit in the upper Colorado project.

I read further from the dispatch published in the New York Times:

> Earlier this month, after careful study, a low bid for the job was accepted, totaling $4,139,277.

In other words, in the case of the very first unit of the upper Colorado project, the cost was found to be more than 40 percent greater than the estimate. I am not criticizing that; we are in a period of price and cost inflation. But the Senator from Utah is one of the principal sponsors of the upper Colorado project. Now he has criticized the pending bill, saying that we do not know what the costs will be, because there are no estimates. Yet in the case of the upper Colorado bill, of which the Senator from Utah is a leading sponsor, the very first phase of that project is costing more than the original estimate.

I am not criticizing the Senator from Utah because of that fact. My point is, that when criticism is made of the pending omnibus rivers and harbors and flood-control bill, and when it is said in that connection we do not know what we are dealing with or what the exact costs will be, this applies at other places, too. I have demonstrated from the New York Times dispatch that in the case of the upper Colorado project, the first bridge to be built in order to make possible the construction of the great Glen Canyon Dam, is costing over 40 percent more than the estimate.

It seems to me in this critical period in which we live we are either going ahead with irrigation, power, flood control, and harbor-dredging projects or we are not going ahead with them.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. NEUBERGER. If the Senator will charge it to his own time.

Mr. WATKINS. I do not have any time.

The PRESIDING OFFICER. The Senator has exhausted his time.

Mr. NEUBERGER. If I had some additional time, I would be happy to yield.

Mr. JOHNSON of Texas. Mr. President, I yield 4 minutes to the Senator from Florida.

Mr. HOLLAND. Mr. President, I have some sympathy with the Senator from Nebraska in his motion to recommit. I can understand why he is dissatisfied with several of the projects in the bill. But I think the remedy he suggests would make the situation vastly worse than would be the case if we pass the bill, calling attention to defects which we think are in it, and realizing that unless those defects are corrected in the House, they may, at the worst, subject the bill to veto by the President.

In the first place, the Senator from Nebraska [Mr. HRUSKA] would require that the committee be instructed to cut off $350 million. For the committee to do that would not in any way bring about the remedies and make the corrections desired by the Senator. The Senator told the Senate that he gets his $350 million figure by adding 4 items under the heading in the memorandum furnished to us by the Bureau of the Budget, "Projects which the executive branch recommends not be authorized or be authorized under terms different from S. 497."

The first of those items, to a total amount of $137 million plus, will be found under table 1, group 2, and if Senators will look at that table, they will find the sole objection to the items listed there is simply that the Bureau of the Budget has not yet cleared the items. The items have been approved by the Engineers. They were before the committee with the approval of the Engineers. The principal statement of complaint is that they have not yet been approved by the Bureau of the Budget.

Approval by the Bureau of the Budget is not a legal requirement in this regard. After all, the Executive will have the whip hand, because if we should be foolish enough to authorize a project which is not good, and the other body should leave it in the bill and then later the Congress should be foolish enough to appropriate funds for that project, which I do not believe we would do, the Executive still has the authority to stay the beginning of the work.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. GORE. But in the instances to which the Senator has referred, the committee acted upon advice of the Engineers, who find the projects to be sound. Why should the Senate wait until someone in the Bureau of the Budget, who has probably never had to run for election, makes up his mind to recommend it?

Mr. HOLLAND. The Senator has asked an appropriate question. The Senate should not wait for such an event.

The PRESIDING OFFICER. The Senator has exhausted his time.

Mr. HOLLAND. Mr. President, may I have more time?

Mr. JOHNSON of Texas. I yield 2 additional minutes to the Senator from Florida.

Mr. HOLLAND. The Senator from Tennessee [Mr. GORE] has put his finger on the real issue. We should not knock out those projects, or instruct the committee to knock them out, simply because the Bureau of the Budget has not yet approved them, when the Engineers say they are good and their approving report was before the Senate committee, which also approved them.

Likewise, the other large group in that table from which the Senator from Nebraska gets his figure includes projects which the executive branch recommends not be authorized, in the total of $143 million.

If Senators will look at table IV, on which those projects are listed, they will find that in general they have been approved by the Engineers. The principal question there is whether or not participation by the State and local agencies shall be, in the amounts recommended by the Engineers or otherwise. The Senate committee provided for such construction as they deemed just.

But this is something that can be handled later. It can be handled either in the other body—since we are the first to take up this bill—or when the appropriations come up.

I am one in the Senate who insists that local bodies shall carry out their full part of the joint responsibility. We are doing it in Florida. We think it should be done elsewhere. We are not asking to replace in the bill a project in Florida which was knocked out by the committee because it did not receive a favorable report from the Engineers.

Mr. President, there are three very important projects which will be tied up——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Will the Senator yield me 1 more minute?

Mr. JOHNSON of Texas. I yield 1 additional minute to the Senator from Florida.

Mr. HOLLAND. There are three important and long-continuing projects which will lose their place before the Appropriations Committee simply for lack of additional authorization, unless this bill is passed. One is our central and southern Florida flood-control project. Another is the Los Angeles County flood-control project in California. The third is the Kaweah and Tule River Basin project which I believe is also in California.

We should not by delaying this bill jeopardize the continuance of the work now going on in those long-continuing and highly important projects, against which no objection of any kind has been raised, simply because the committee may have done something as to other projects that we do not fully approve and which we would instruct them by this motion of recommittal to change in a way which would not at all bring about the corrections desired by the proponents of this motion.

That is the real gist of the matter. The motion to recommit could not under its terms bring about a correction of the evils complained of and would do great harm to other worthy and continuing projects.

I hope the motion to recommit will be rejected.

Mr. KNOWLAND. Mr. President, will the Senator from Nebraska yield 5 minutes to me?

Mr. HRUSKA. I yield 5 minutes to the Senator from California.

Mr. KNOWLAND. Mr. President, I rise to support the motion to recommit made by the distinguished Senator from Nebraska. In the first place, it seems to me it is a reasonable proposal. I happen to serve as the ranking Republican member of the appropriations subcommittee on public works. During the period of some 12 years I have served in the Senate I have supported public works projects in all sections of the Nation. In my opinion what builds the Nation in any one section adds to the strength of the entire country. But we must also face up to the situation that at the present time we have a backlog of already authorized public works projects of approximately $8 billion. Our present rate of spending on public works is in the neighborhood of 600 million. I refer to the civil functions flood control type of public works. So with the present backlog, to exhaust the authorizations would be about a 13-year undertaking, at the present rate of expenditure.

We have a very large budget. The distinguished Senator from Virginia [Mr. BYRD] has called attention to some of the problems involved, as have other responsible Members of the Congress, including the ranking minority member of the Appropriations Committee, Mr. BRIDGES, and others in both the House and the Senate.

It is true this is not an appropriation bill, but it is an authorization bill that would add to the present backlog of $8 billion the sum of $1,500,000,000.

If we are ever to get control of appropriations, we must have a starting point, and the starting point has to be on some of the authorization bills. I have not suggested, and I do not now suggest, we should not pass an authorization bill at all, because I have no doubt, I say to my good friend from Oklahoma, there are projects contained in the bill which are probably far more desirable than are some of those already authorized and which are in the $8 billion backlog.

We have heard a great deal of talk about the need for fiscal soundness. We have heard speeches about the high Federal budget. This is the first time, in this Congress, when the Senate of the United States has had an opportunity to make a slight contribution toward bringing our budgetary situation under control.

The Senator from Nebraska merely suggests that the bill be returned to the committee so that the committee may reduce the sum of $1,500,000,000 of authorizations by $350 million. This is not unreasonable, in the light of the facts developed on the floor. It has been shown that there are certain projects, at least, with respect to which the general policy heretofore laid down by the Congress, and the procedures which should be followed in connection with public works, have not been followed.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. KNOWLAND. I am unable to yield. I have only 5 minutes.

In addition to that fact, however, very cogent arguments have been presented here today by the Senator from Utah [Mr. WATKINS] and other Senators, to the effect that in sections 205 and 206 some cloud may have been inadvertently cast by the committee on the question of water law in certain States of the Union, with particular effect on the Western States. I do not know whether they are correct or not.

There is no reason why there should be any unnecessary delay if the bill is returned to the committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. Mr. President, I yield 2 additional minutes to the Senator from California.

Mr. KNOWLAND. When the bill goes back to the committee, if it does, it will go back to the same committee which reported the bill to the Senate—certainly not an unfriendly committee in the matter of public works, flood control, and river and harbor projects. The committee will be under a mandate from the Senate only to review the water law provision, which is certainly important, and report the bill back to the Senate with only $350 million of projects eliminated.

The bill which we previously passed was vetoed by the President of the United States. Certainly anyone who is soundly interested in public works wishes to be sure that any bill we pass at this session of Congress will be approved. I think we should have additional public works authorizations, but I believe we would be doing a better job if the committee were to take the bill back and respond to the reasonable recommendation contained in the motion of the Senator from Nebraska.

This is the first opportunity, at this session of the Congress, when Members of the Senate have had occasion to cast a slight vote for economy.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I am willing to go along with the Senator from California. If the bill goes back to the Committee on Public Works, I hope the committee will consider the Buchanan Reservoir, California, project; the Hidden Reservoir, California, project; the Kaweah and Tule River Basins Project, California; the Los Angeles River Basin, California, project; and the Santa Ana River Basin, California, project.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. KNOWLAND. All I wish to say is that the Senator from California will not be intimidated by a threat to eliminate projects in his State. I will never ask for any treatment in the Senate for my State that is not applied to every other State in the Union; and I will not be intimidated by the threat that my State will be selected for special treatment because of the motion to recommit, which I support in good conscience as a Senator of the United States.

Mr. CHAVEZ. The motion was made in good faith. This is not a threat. I assure the Senator that every one of the projects I mentioned was approved by the Army engineers.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I hope the motion to recommit will be rejected.

Coming back to the question of economy, the distinguished Senator from California referred to the fact that there is a backlog of $8 billion of authorizations, and that we now seek another $1½ billion. I remind the Senator that there is already a $6 billion carryover in connection with foreign aid, and we are requested to authorize an additional $4,400,000,000, which, if authorized, would make a greater backlog in foreign aid than the sum total of the present backlog of public works plus the authorizations contained in the bill.

The Senate committee reduced the authorization by about $150 million. It had before it the recommendations of the Bureau of the Budget, and gave consideration to the bill through weeks of hearings and deliberation, and then reported it to the Senate by a vote of 11 yeas, 2 voting "Present," and no adverse votes.

So far as the Public Works Committee is concerned, it has recognized Senators as the representatives of their people. We do not recognize the Budget Bureau as the representative of the people, to tell us what to do about Louisiana, Iowa, Utah, Wyoming, Florida, Colorado, Texas, or Oklahoma. We look to Members of the Senate.

The committee has examined these projects solely on the basis of their economic merit and their value to the people of the various States. The committee has operated without favor or discrimination. It has operated on a completely bipartisan basis. When Senators come before the committee representing their States, they are the dominant voices in determining whether a project is to be authorized, if found to be economically sound according to the criteria which the committee accepts.

If the Senate throws this bill back into the teeth of the committee, where does that place the committee? It places it in the arms of the Budget Bureau. I do not believe that Senators, in good conscience, and with a full realization of the consequences of such an act, are going to take the position that they want the committee to become the captive of the Budget Bureau. If they do, they thereby say, "Yes; we will vote for an additional authorization of $4,400,000,000 for foreign aid, when there is a carry-over of nearly $7 billion, but we will hurl you into the cold deep freeze of the Bureau of the Budget before you can approve an authorization of $1½ billion for our States."

Every one of these projects has been sponsored by Senators. We placed them in the bill after long hearings and deliberation, in which we found them to be economically justified, not for someone in the Near East—and I am not talking against appropriations for that purpose—not for someone in Asia, Africa, or somewhere else. We placed them in the bill for North Dakota, Iowa, Texas, Louisiana, Ohio, and other States. I think 46 of the 48 States are represented in the bill.

We have placed projects in the bill on the basis of presentations by Senators. Now if they throw the bill back at us, where do we go? To the Budget Bureau. I do not believe that Senators want either to embarrass the committee or make it a captive of that kind of operation. Therefore I beseech Senators to reject the motion to recommit.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, I wish to say this about the great Senator from Nebraska [Mr. HRUSKA]. He sat on this committee as much as any other Senator, and made as great a contribution as any other Senator. Everyone knows that when he appears before the Senator from Nebraska he must justify his particular project.

The Senator from Nebraska has not told the Senate that these projects are not economically justified. He has not told the Senate that the Army engineers do not think they are worthy projects, or that they would not be good investments for the States. He has told the Senate about some requirement of the Bureau of the Budget, or has suggested that some requirement of a law with a technical interpretation has not been satisfied.

I wish to say to Senators that in some instances we have anticipated some of the technical requirements of the Bureau of the Budget. Some of them we have disregarded, because we did not agree with them. I believe that Senators want that to be the course and procedure of the committee in the future. I believe Senators want to have such a situation prevail that they can come before the committee and represent their people, instead of giving blind obedience or blind subservience to someone else, who does not have to go before any group of people to get support and be elected to the Senate.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. CASE of South Dakota. Will the able Senator make clear that this is an authorization bill, not an appropriation bill? Is it not true that the Appropriations Committee will have an opportunity to control the money that may be provided for any authorization?

Mr. KERR. The Senator is eminently correct. This is the first omnibus bill in 3 years. Usually there is one passed each 2 years. If the Senate sends this bill back to committee and tells the committee to cut it, and does not tell the committee where to cut it, what is the committee to do? By whose orders are we to cut the bill? In the bill the Senators have the benefit of the thought and the ability of the members of the committee. If the bill is sent back to us in committee, what is the committee to do?

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. Some inference has been left that someone in the Bureau of the Budget has greater discernment of the national interest than the Public Works Committee of the Senate sitting for weeks and examining each project for economic justification and for its contribution to the national interest. I take it the able Senator, who has presided for so long over the deliberations of the subcommittee, would most strenuously disagree with any such inference.

Mr. KERR. I certainly do. I have worked with the members of the committee, as has every other member, and with the Senators from the various States. We have honored the position of the Senators. We have not made them the captives of the Bureau of the Budget. Why should the committee now be made the captive of the Bureau of the Budget? That is what would happen if the bill should be sent back to the committee.

The PRESIDING OFFICER. The time of the Senator has again expired. The Senator from Nebraska has 3 minutes remaining. The Senator from Texas has 1 minute remaining.

Mr. HRUSKA. I yield one-half minute to the Senator from California.

Mr. KNOWLAND. In the half minute yielded to me I should like to ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The PRESIDING OFFICER. What is the pleasure of the Senate? The Senator from Nebraska has 2½ minutes remaining. The Senator from Texas has 1 minute remaining.

Mr. HRUSKA. I have no further requests for time. Therefore, I am prepared to yield back the remainder of my time, if the Senator from Texas is prepared to do likewise.

Mr. JOHNSON of Texas. Mr. President, I yield back my time, on the condition that the Senator from Nebraska likewise yields back his time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Both sides have yielded back their remaining time for debate. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Flanders	Magnuson
Allott	Frear	Malone
Anderson	Fulbright	Mansfield
Barrett	Goldwater	Martin, Iowa
Bricker	Gore	Martin, Pa.
Bridges	Green	McClellan
Bush	Hayden	McNamara
Byrd	Hennings	Monroney
Capehart	Hickenlooper	Morton
Carlson	Hill	Mundt
Carroll	Holland	Murray
Case, N. J.	Hruska	Neuberger
Case, S. Dak.	Humphrey	O'Mahoney
Chavez	Ives	Pastore
Church	Jackson	Payne
Clark	Jenner	Potter
Cooper	Johnson, Tex.	Revercomb
Cotton	Johnston, S. C.	Robertson
Curtis	Kefauver	Russell
Dirksen	Kennedy	Saltonstall
Douglas	Kerr	Schoeppel
Dworshak	Knowland	Scott
Eastland	Kuchel	Smathers
Ellender	Lausche	Smith, Maine
Ervin	Long	Smith, N. J.
Sparkman	Thye	Williams
Stennis	Watkins	Young
Thurmond	Wiley	

The PRESIDING OFFICER. A quorum is present.

Mr. BYRD subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD immediately preceding the vote my reasons for voting in favor of the motion to recommit.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD ON PUBLIC WORKS

Consideration of S. 497, the omnibus civilian public-works bill, is a highly appropriate place to dispel the widespread and misguided impression that the military is the cause of increasing budgets.

Actually since fiscal year 1954, annual military expenditures have been reduced $2.3 billion, from $40.3 billion to $38 billion.

In fact, total expenditures for all so-called national security, foreign aid, and international affairs, since 1954, have been reduced $2.8 billion, from $48.6 billion to $45.8 billion.

In this period 1954 to 1958, Federal expenditures for the remaining strictly domestic-civilian programs have increased $9.8 billion, from $19.1 billion to $28.9 billion. This is an increase of 51 percent.

We are confronted by the highest peacetime budget of all time, and expenditures for domestic-civilian programs are continually increasing. The Director of the Budget has testified within the past few weeks that we may expect more of the same in years to come.

The administration contends its budget is balanced. But I tell you without fear of successful contradiction that the balance is precarious. It depends upon a proposed increase in postal rates, and increasing national income to which present tax rates may be applied. Neither is assured.

The Federal debt is at its statutory limit. Inflation has been restarted. The value of the dollar dropped 2 cents last year.

As chairman of the Senate Finance Committee, it was my unpleasant duty this week to advocate continuation of Korean war taxes at this late date, 4 years after the war was ended. Frankly, I don't want the necessity to exist for another continuation next year. I should much prefer to bring in a bill reducing the current terrible Federal taxes all down the line.

But taxes cannot be reduced if we do not reduce Federal expenditures. I concede this is not easy. We in Congress must start now to cut pending appropriations; and the executive branch must limit spending not only out of current appropriations, but also out of $70 billion in balances remaining in previous appropriations.

Of equal if not transcendent importance is Congressional action restricting legislation, such as this bill, which authorizes appropriations and expenditures, in huge amounts for years to come.

This omnibus bill authorizing approximately 100 new public-works projects to cost a minimum of $1.5 billion is a typical example of how and why the Federal budget for domestic-civilian activities goes up.

These projects will be in addition to other budgeted Federal civilian public works projects already under way in varying degree at a total cost of $18.2 billion. This figure is exclusive of the multi-billion-dollar highway program now being financed through a trust fund outside the budget. Neither does the total include more billions in military public works.

A score or more construction programs are included in this total, and among them are the civil-function programs under Army engineers. All of the projects in the pending omnibus bill are under Army engineers.

The budget for fiscal year 1958, beginning July 1, requests $8.9 million for further investigations of Army engineer civilian projects and $467 million to work on 350 projects which have been started.

Major projects in this group include 24 multipurpose projects, 130 flood-control projects, 87 navigation projects, along with numerous smaller projects.

The budget shows construction expenditures for these Army engineer projects were $370 million in 1956, $410 million in 1957, and the estimate for fiscal year 1958 is $471 million. This is an increase of $100 million, or more than 25 percent in 3 years.

The 1958 appropriation request for Army engineer civil public works construction is $467 million. If this appropriation is granted it would be in addition to $230 million, a quarter of a billion dollars, in unexpended balances to be carried over into 1958, making a total of $697 million available for construction on already authorized civilian projects under the Army engineers.

But this is only a small part of the story on Army engineer civilian projects. I quote directly from the 1958 budget document, page 598:

"The monetary authorization available for appropriation after 1958 for projects in the construction, general, program amounts to $4,555,600,000."

On top of all of this we now have before us a bill which would authorize 90-odd new and expanded projects, plus more than a dozen additional authorizations for river basin projects—a total of more than 100.

The committee report says its recommendations would cost another $1.5 billion, and I suspect this figure is the underestimate of the year, to date. In most instances there have been previous authorizations for the river basin projects, and it is certain that more will be requested in almost every instance.

To start this program off, there is budgeted for 1958 a million-dollar supplemental which would be submitted if and when this bill should be enacted. Its purpose would be to initiate planning on "the most urgently needed projects." I have tried and failed to get from Army engineers an estimate of the full appropriation for the first year. I can understand why there is hesitancy in making such an estimate.

It should not be overlooked that the President last year vetoed a bill similar to this. It was similar both in projects and estimated cost.

The committee report says some changes have been made and that review of the projects has been proceeding, and many of the reports have been officially transmitted to Congress.

But the committee further concedes in the report that other reports have not been completed and submitted to Congress. The report says the committee has studied these and feels that necessary action has been taken thereon by Federal and State agencies.

As a matter of fact, the Bureau of the Budget has reported that approximately 25 percent of the projects, representing approximately 25 percent of the cost authorization, do not have the approval of Army engineers and Bureau of the Budget.

For these reasons I will vote to recommit the bill to the committee. If this motion fails, I will vote against the bill.

The PRESIDING OFFICER. All time for debate on the motion to recommit with instructions has been exhausted. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the junior Senator from Nevada [Mr. BIBLE]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Texas [Mr. BLAKLEY], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I announce that on this vote the Senator from Oregon [Mr. MORSE] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from New York would vote "yea."

I announce further that if present and voting the Senator from West Virginia [Mr. NEELY] and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

Mr. DIRKSEN. I announce that the Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from New York [Mr. JAVITS], and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Wisconsin [Mr. MCCARTHY]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Wisconsin would vote "nay."

Also, on this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from New York would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 27, nays 55, as follows:

YEAS—27

Aiken	Curtis	Lausche
Barrett	Dirksen	Morton
Bricker	Douglas	Saltonstall
Bridges	Flanders	Schoeppel
Byrd	Goldwater	Smith, Maine
Carlson	Hruska	Smith, N. J.
Case, N. J.	Ives	Thurmond
Cooper	Kennedy	Watkins
Cotton	Knowland	Williams

NAYS—55

Allott	Hickenlooper	Monroney
Anderson	Hill	Mundt
Bush	Holland	Murray
Capehart	Humphrey	Neuberger
Carroll	Jackson	O'Mahoney
Case, S. Dak.	Jenner	Pastore
Chavez	Johnson, Tex.	Payne
Church	Johnston, S. C.	Potter
Clark	Kefauver	Revercomb
Dworshak	Kerr	Russell
Eastland	Kuchel	Scott
Ellender	Long	Smathers
Ervin	Magnuson	Sparkman
Frear	Malone	Stennis
Fulbright	Mansfield	Thye
Gore	Martin, Iowa	Wiley
Green	Martin, Pa.	Young
Hayden	McClellan	
Hennings	McNamara	

NOT VOTING—14

Beall	Bible	Butler
Bennett	Blakley	Javits
Langer	Neely	Symington
McCarthy	Purtell	Talmadge
Morse	Robertson	

So the motion to recommit, with instructions, was rejected.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4090) to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates, and it was signed by the President pro tempore.

RIVER AND HARBOR AND FLOOD CONTROL ACT OF 1957

The Senate resumed the consideration of the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of Texas. Mr. President, I wish to announce for the information of the Senate that it is planned to continue the consideration of the bill into the evening. It is hoped that Senators will confine their comments to the bill now pending. If they do so, perhaps it may be possible to conclude action on the bill this evening.

Mr. FULBRIGHT. Mr. President, I am very much pleased that the Senate has refused to recommit the bill.

I wish to congratulate the distinguished chairman of the Public Works Committee for his very able presentation yesterday. Members of the Public Works Committee should be commended for reporting an excellent flood control bill, substantially the same as the bill which was approved by Congress last year and vetoed by the President. As I recall, the approval of last year's bill was withheld by the President because he believed some of the projects included in the measure had not been given adequate study and review within the executive branch and by the affected States.

Since that time, the committee has held extensive hearings and has undertaken and completed an orderly review of the projects authorized by the bill, hearing testimony from the Corps of Engineers, the Bureau of the Budget, representatives of the affected States, local interests, and members of Congress; and the bill now contains those projects which the committee, after serious reflection and review, considers fully justified.

Mr. President, I should like also to compliment the chairman of the Subcommittee on Flood Control and Rivers and Harbors of the Public Works Committee, the senior Senator from Oklahoma [Mr. KERR] for the painstaking effort and long hours of labor he has undertaken and carried out in the formulation of the bill now being considered. The Senator from Oklahoma is noted for his devotion to the cause of preservation and development of the water resources of the Nation. In presiding over the Flood Control Subcommittee during the hearings on the bill, the Senator has been faced with the perhaps unenviable task of attempting to conciliate and bring into accord not only his colleagues in Congress and the agencies of the Government, but also in many instances groups representing local interests who are often in disagreement on the various projects.

The Senator from Oklahoma has shown a remarkable degree of tolerance and patience in attempting to reconcile these differences of opinion, and the Senator from Arkansas has always known him to be most courteous, cooperative, and willing to reason.

Mr. President, many of the projects authorized in this omnibus bill are vitally needed in my State and are essential to the preservation of life and the protection of property. In addition, perhaps a consideration which is equally as important is that the completion of these projects will insure the orderly development and preservation of some of the water resources potential of the great area of the Southwest which has, as my colleagues well know, been in the grip of a most severe drought for the past several years. And in that regard, I may say that the benefits which will accrue from the completion of these projects will mean not only economic benefit to the areas in which they are located, but will certainly contribute materially to the economic health of the entire Nation.

Mr. President, we have heard and read much in the past few weeks about the gigantic size of the Federal budget and the pressing need for economy in government.

The President of the United States, in his press conference yesterday, indicated that cuts in the budget could be made, or, in his words, "We can stop some of the leakage right away." The President also indicated that he felt a great number of public works are authorized by Congress without the proper engineering background and for political purposes. Mr. President, I, of course, endorse the principle of economy in government where it can be practiced, but in my opinion the failure of the President to approve the Public Works Authorization bill now under consideration by the Senate would indeed be practicing false economy.

The projects authorized in the bill call for a program of improvement which is not only wise and economically feasible, but the benefits accruing from them should, in my opinion, be considered an extremely prudent investment of Federal funds.

For these reasons, Mr. President, I again wish to thank the members of the Public Works Committee for their prompt action in reporting an excellent Flood Control bill to the Senate, and I urge its passage as reported by the committee.

Mr. NEUBERGER. Mr. President, I call up my amendment designated "2-26-57-D" to eliminate from the bill the Bruces Eddy project.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The legislative clerk read as follows:

On page 46, beginning with line 11, it is proposed to strike out all the language through line 4, page 47.

Mr. KERR. Mr. President, will the Senator from Oregon yield 1 minute to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Oregon yield to the Senator from Oklahoma?

Mr. NEUBERGER. I yield 1 minute to the Senator from Oklahoma.

Mr. KERR. Mr. President, on behalf of the entire Committee on Public Works, not only do I wish to thank the Senate most sincerely for the action it took a moment ago in rejecting the motion to recommit, but I also wish to thank the distinguished Senator from Arkansas [Mr. FULBRIGHT] for the very kind things he said about our distinguished chairman and about all the other members of the committee. In their behalf, I wish especially to thank the Senate for its refusal to recommit the bill.

Mr. CHAVEZ. Mr. President——

Mr. NEUBERGER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I thank the Senator from Oregon.

Mr. President, on behalf of the Senate Committee on Public Works, I wish to state that it is not a political committee. It is a construction committee; it deals with construction—whether in the case of highways, flood control, matters affecting navigation, or matters relative to the deepening of harbors.

I desire to thank both the Democratic and the Republican members of the committee for the excellent cooperation they have given to the people of the United States.

The ranking minority member of the committee is the distinguished senior Senator from Pennsylvania [Mr. MARTIN]. I have never received from the members on our side better cooperation than that which I have received from the members on the minority side; and I desire to thank them.

Mr. NEUBERGER. Mr. President, this particular feature of Senate bill 497 is, in my opinion, the least desirable aspect of a very extensive bill.

The project in question calls for the Bruces Eddy Dam, on the north fork of the Clearwater River, in the State of Idaho, the State represented in part by my distinguished colleague, the junior Senator from Idaho [Mr. CHURCH], who now is presiding over the Senate. I am sure that he, along with some of the rest of us, is fully appreciative of the magnificent scenic grandeur of this area and of its very great wildlife resources.

Mr. President, virtually all the conservation and wildlife organizations in the Nation are in opposition to the Bruces Eddy Dam. I have before me at this time a statement from the Wildlife Management Institute, expressing opposition to the project. The statement is agreed to and supported by the American Nature Association, the Citizens Committee on Natural Resources, the National Parks Association, the National Wildlife Federation, the International Association of Game, Fish, and Conservation Commissioners, the Sport Fishing Institute, the Izaak Walton League of America, the Western Association of State Game and Fish Commissioners, the National Fisheries Institute, and the Wilderness Society. This is an indication of how representative and widespread is the opposition to approval of the Bruces Eddy project. I ask unanimous consent that the statement by these outstanding outdoor and conservation groups be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WILDLIFE MANAGEMENT INSTITUTE,
Washington, D. C., February 5, 1957.

To All Senators:

Authorization for Bruces Eddy Dam in Idaho should be removed from omnibus bill S. 497.

The detrimental effects of this 570-foot dam should be appraised by Congress.

Congress appropriated funds for fish and wildlife study which is not completed.

President Eisenhower vetoed the omnibus bill last year because of such inadequate and incomplete project plans.

Bruces Eddy Dam would destroy invaluable fish, wildlife, and recreational resources.

The following national conservation organizations respectfully request postponement of Congressional action pending completion of study.

Sincerely,

C. R. Gutermuth, Vice President; American Nature Association, Richard W. Westwood, President; Citizens Committee on Natural Resources, Spencer M. Smith, Secretary; International Association of Game, Fish and Conservation Commissioners, Thomas L. Kimball, Chairman, Executive Committee; Izaak Walton League of America, Joseph W. Penfold, Conservation Director; National Fisheries Institute, Charles E. Jackson, General Manager; National Parks Association, Fred M. Packard, Executive Secretary; National Wildlife Federation, Charles H. Callison, Director of Conservation; Sport Fishing Institute, Richard H. Stroud, Executive Vice President; Western Association of State Game and Fish Commissioners, Ross Leonard, Vice President; The Wilderness Society, Howard Zahniser, Executive Secretary.

Mr. NEUBERGER. Mr. President, I also have received a very extensive group of messages from various parts of the country—and I wish to place particular emphasis on those received from outstanding leaders in the field of conservation in the Pacific Northwest—expressing their opposition to authorization of the Bruces Eddy project. I ask unanimous consent that their messages be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

COEUR D'ALENE, IDAHO, *March 27, 1957.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Idaho newspapers subsidized by power and lumber interests do not print the infamous misrepresentations employed to seek authorization for Bruces Eddy. Mouths and letters spread the truth among sportsmen and conservationists who repudiate the devious doubletalk of the project sponsor. They cannot violate their code of ethics as have the proponents. They have not flinched from their unanimous opposition to authorization until resource appraisals are completed. Infiltration of their ranks has attempted to confuse some groups through trickery and doubledealing.

Potlatch Forests own 400,000 acres of private timber in Clearwater area and have rapidly increased their holdings in past 3 years. Dam would mean fabulous savings in excess of half million dollars annually to this firm. This alone warrants thorough Senate investigation for attempted swindle of American people for private gain. Anadromous fish resources are in process of being reestablished after inadequate passage facilities of Lewiston Dam were corrected. Few salmon of recent years still produce enormous quantities of spawn. Over half thousand elk observed in pool area produce large annual increment of animals for Nation's best elk and deer hunting.

We live in Idaho by choice because we cherish these resources and are nauseated by those with arrogant disregard for them. Bruces Eddy is a symbol of principles that we find dear. Implore that this message from the hearts of Idaho people should spark your eloquence in pleading our case.

The Coeur D'Alene Wildlife Federation, the Avery Sportsmens Association, the Bonner County Sportsmens Association, the Boundary Sportsmens Association, the Clark Fork Rod and Gun Club, Hauser Lake Rod and Gun Club, Priest Lake Sportsmens Association, Priest River Wildlife Federation, Shoshone County Sportsmens Association, Spirit Lake Sportsmens Association, St. Joe Valley Fish and Game Association, North Idaho Junior College Conservation Council, District 1 Idaho Wildlife Federation.

LEWISTON, IDAHO.
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Idaho sportsmen are opposed to Bruces Eddy Dam. Information to contrary is false. Purpose of Bruces Eddy is log pond and substitute for Hells Canyon.

DR. E. M. WYGANT.

LEWISTON, IDAHO, *March 26, 1957.*
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

We oppose any authorization of Bruces Eddy until completion of wildlife studies.

PAUL R. MATTESON, Sr.,
President, Lewis-Clark Wildlife Club.

LEWISTON, IDAHO, *March 26, 1957.*
Hon. RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Respectfully urge you to use every effort to get Bruces Eddy appropriation deleted from omnibus bill. Dam would destroy area with tremendous economic and recreation potential at a time when tourism just beginning to develop as Idaho business. Regards.

DONALD THOMAS,
Manager, KRLC.

TROY, IDAHO, *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

The sportsmen in Clearwater area and others are still unalterably opposed to Bruces Eddy Dam.

EDWARD HOLBERG,
White Pine Sportsman Association.

LEWISTON, IDAHO, *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Sportsmen in five counties in District 2 request deletion of Bruces Eddy from omnibus bill. Have held similar position last 3 years. Lewis-Clark Wildlife Club of Lewiston voted $100 to fight against Bruces Eddy at February meeting. Funds donated for this purpose by sportsmen in this vicinity total over $1,000 during last year. Any information to contrary completely false. Dam would be free log pond for Potlatch Forest, Inc., and poor substitute for Hells Canyon Dam. Bruces Eddy Reservoir would cause more flood damage than all the floods in Clearwater Valley since 1894.

MORTON R. BRIGHAM,
Secretary District No. 2 Wildlife Federation.

LEWISTON, IDAHO, *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

I appreciate your opposition to authorization of Bruces Eddy Dam on North Fork of Clearwater until completion of wildlife studies will definitely show effect of dam on valuable deer and elk herds and fish resources.

JACK O'CONNOR.

LEWISTON, IDAHO, *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Lewiston Chapter, Idaho Outdoor Association unalterably opposed to inclusion of Bruces Eddy Dam in omnibus bill.

A. A. MOUGHLER, *President.*

PORTLAND, OREG., *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

The Oregon Division, Izaak Walton League of America, again expresses its opposition to authorization for Bruces Eddy Dam at this time pending consideration of study now in progress.

ALLAN L. HELLY, *Secretary.*

WASHINGTON, D. C., *March 26, 1957.*
Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Conservationists urge your support of amendment to delete Bruces Eddy Dam from rivers and harbors omnibus bill, S. 497, today on Senate floor. Senate authorized survey on fish and wildlife resources not completed. Committee amendment to postpone project appropriations until completion of studies fails to adequately protect wildlife resources. Conservationists of Northwest and throughout Nation oppose this untimely authorization.

Charles H. Callison, Conservation Director, National Wildlife Federation; Ira Gabrielson, President, Wildlife Management Institute; C. R. Gutermuth, Secretary, North American Wildlife Foundation; Joe Penefold, National Conservation Director, Izaak Walton League of America; Howard Zahniser, Executive Secretary, The Wilderness Society; Spencer M. Smith, Secretary, Citizens Committee on Natural Resources; David R. Brower, Executive Director, Sierra Club; Mike Hudoba; Stanley E. Little, Executive Director, National Campers & Hikers; Dick Stroud, Executive Vice President, Sport Fishing Institute; Fred M. Packard, Executive Secretary, National Parks Association; Morton Brigham, Secretary, Committee for the Preservation of the Clearwater, Idaho, Wildlife Federation; Karl Onthank, President, Federation Western Outdoors Clubs.

SAN FRANCISCO, CALIF., *March 25, 1957.*
The Honorable RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

The Sierra Club, which has been working diligently in behalf of the Nation's scenic resources for 65 years and which numbers 13,000 members throughout the country, urges that you make every effort to eliminate the proposed Bruces Eddy Dam from the omnibus bill currently being considered. We believe it fundamentally reasonable that any authorization of so controversial a project should not be premature, and should await completion of such studies of our overall needs for scenic and wildlife resources as contemplated in the proposed outdoor recreation resources review legislation now before the Congress, for which there is nationwide, bipartisan support.

DAVID R. BROWER,
Executive Director, Sierra Club.

CLARKSTON, WASH., *March 26, 1957.*
Senator NEUBERGER,
United States Senate Building,
Washington, D. C.:

Do not authorize Bruces Eddy. It is a private log pond at taxpayers' expense.

PAUL NOLF.

KALISPELL, MONT., *March 26, 1957.*
Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Our membership 800 conservationists strongly urge Bruces Eddy Dam be eliminated from omnibus bill.

ERNEST WEED,
President, Flathead Wildlife, Inc.

POLSON, MONT., *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

District 1, 27 conservation groups of western Montana strongly urge that Bruces Eddy be stricken from S. 497, the so-called omnibus bill.

DELBERT A. MALCHERS,
Secretary, District 1 Montana Wildlife Federation.

POLSON, MONT., *March 26, 1957.*
Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Polson Outdoors, Inc., consisting of 400 sportsmen and conservationists urge that Bruces Eddy appropriation be deleted from omnibus appropriation bill.

LELAND SCHOONOVER, *President.*

WHITEFISH, MONT., *March 27, 1957.*
Senator RICHARD NEUBERGER,
United States Senate Building,
Washington, D. C.:

Our 333 members vigorously urge deletion of Bruces Eddy Dam project in Idaho from omnibus bill. Present disregard of public opinion and senseless destruction of our wildlife and natural resources must be your primary objective respective to Bruces Eddy proposal.

GUY SHANK,
President, Whitefish Rod and Gun Club.

COLUMBIA FALLS, MONT., *March 27, 1957.*
RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

This organization requests deletion of Bruces Eddy Dam from omnibus bill. Your cooperation appreciated.

NORTHERN ROCKY MOUNTAINS SPORTSMENS ASSOCIATION,
R. J. REDSEER, *Secretary.*

Mr. NEUBERGER. Mr. President, I desire to call attention to the fact that the proposed authorization of the Bruces Eddy project this year differs in some degree from its proposed authorization a year ago. This year, the authorization is a provisional one, to the effect that, although the project itself shall be authorized and approved by the Congress, no funds shall be made available until current studies with respect to fish and wildlife values are completed. This qualifying amendment was submitted by the distinguished senior Senator from Idaho [Mr. DWORSHAK], when he appeared before the Public Works Committee as a witness in behalf of his own particular proposal for the Bruces Eddy project.

I desire to call attention to the fact that on March 8 of this year, Mr. Ross Leffler, Assistant Secretary of the Department of the Interior in charge of fish and wildlife matters, addressed a letter to Ernest Swift, executive director of the National Wildlife Federation. In the letter, Mr. Leffler made the following statement, which I quote exactly:

Our final report on this phase will not be completed for another 2 years.

Mr. President, that is an exact quotation from the letter of the Assistant Secretary of the Interior, Mr. Leffler, with respect to the studies being made on the effects and impact of Bruces Eddy Dam on the migratory fisheries of the Clearwater River system. I ask unanimous consent that the entire letter from Assistant Secretary of the Interior Leffler be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 8, 1957.

Mr. ERNEST SWIFT,
Executive Director,
National Wildlife Federation,
Washington, D. C.

DEAR ERNIE: Your letter of February 27 refers to efforts to authorize Bruces Eddy Dam, north fork of Clearwater River, Idaho. This is one of the projects included in the Omnibus Rivers and Harbors and Flood Control bill now being considered by the Congress. You ask when studies by this Service on the effects of the proposed project on fish and wildlife resources will be completed.

As you know work in the Clearwater Basin is part of an overall study being undertaken in the Middle Snake Watershed. With regard to big game in the Bruces Eddy area, both the State and this Service have been and still are studying the problems. You may be aware that the Idaho Fish and Game Department has completed work on mapping logged and burned areas, big game population studies, and harvest data through June 1956. The results of the work are published and can be obtained, I believe, through that department as Pittman-Robertson Job Completion Reports W-112-R-2, jobs, 1, 2, and 3. In this connection we are attaching a copy of a newspaper article which appeared in the Lewiston Morning Tribune for February 18, 1951, which summarizes some of the findings from the State's study. Incidentally, it is our understanding that the "pool area" mentioned in the P-R reports actually consists of the reservoir plus the drainage basins of all side streams flowing into it.

The work this Service has undertaken on big game is related primarily to some browse utilization studies, herd movements, and hunter expenditures in connection with the harvest. This work is still going on and we will probably not have any data on big game counts within the reservoir area for another month or so. We have four men stationed within and immediately adjacent to the impoundment area whose sole work is to make daily observations of movements of elk and deer. These men are snowbound and are supplied by parachute drops. In some respects it is fortunate that this is an extremely severe winter in order that herd movements can be observed under very critical conditions. We are informed that this is the hardest winter since 1948–49 for snow, and since 1949–50 for cold temperatures. Since March is the most critical month, we are awaiting with interest the data which can be collected during this month.

As you pointed out, curtailment of these studies before the collection of this detailed information is completed would hinder the evaluation of the impact of the dam. We do expect to be able to issue an interim report containing definite conclusions on the effects of Bruces Eddy on elk herds sometime during April 1957 with the final report to follow some 3 months later.

With regard to fishery work under the Middle Snake Study, this has been confined to date to the main Salmon River, middle and south forks of the Salmon, the Lemhi and the central and lower portion of the Pahsimerol River. We have not yet initiated a fishery study in the Clearwater River Basin under this program as yet but we plan to work there this summer. We do expect to be able to issue, sometime in April 1957, an interim report on the effects of Bruces Eddy Dam on fishery resources of the Clearwater River. Our final report on this phase will not be completed for another 2 years. The interim report will necessarily be based largely on investigation by the Idaho Fish and Game Department.

As background material on the Clearwater, I would like to bring out that this river formerly supported large runs of chinook salmon and steelhead trout, but since the construction of the diversion dam of the Washington Water Power Company in 1929, the runs have been greatly depleted. The fish ladder at this dam, as originally constructed, was ineffective for chinook salmon because of its poor location at the extreme end of the dam where there was little attraction for fish, and also because at low water stages the river channel was almost dry from the diversion dam to the powerplant tailrace approximately 1½ miles downstream. For 13 years the operation of this dam without adequate provision for the passage of fish was responsible more than any other single factor for the depletion of the salmon runs in the Clearwater River system. Since additional fish ladder facilities were constructed in 1940, there has been a gradual increase in the size of summer and fall steelhead runs. Spring steelhead trout have been able to negotiate the dam because they arrived at the site during April and May. There is still a need for improvements at the dam for passage of summer and fall-run fish. In any event, the fishways at Lewiston Dam should be reevaluated with a view to passing adult fish without delay.

For the Clearwater River, complete counts (except for a 60-day period) have been made by the Idaho Fish and Game Department since March 23, 1950. Records of upstream counts for the years 1950 through 1955 indicate that steelhead trout runs passing this dam varied during this period from 4,202 to 14,175 and the chinook salmon counts ranged from 9 to 67 fish. The salmon are probably the result of stocking by the Idaho Fish and Game Department from 1947 to 1953.

The Clearwater River has a great fish-producing potential the realization of which would be greatly speeded by a rehabilitation program. From surveys conducted by the Service in 1938 it was determined that the Clearwater River and tributaries contain more than 1¼ million square yards of suitable spawning area for salmon and steelhead.

Sincerely yours,

ROSS LEFFLER,
Assistant Secretary.

[From the Lewiston Morning Tribune of February 13, 1957]

WILDLIFE STUDY SHOWS WHITETAILS WOULD SUFFER MOST IN POOL AREA

BOISE.—A recently completed study of big game and range conditions on the north fork of the Clearwater River shows that white-tailed deer would be more directly affected than elk or mule deer by construction of the proposed Bruces Eddy Dam.

Idaho Fish and Game Commissioner Ross Leonard said Tuesday the objectives of the survey were to obtain information on new census techniques and to chart location and movement of game in the project area.

Most of the counting was done from a helicopter, Leonard said.

The fish and game director said that over the winter about 11 percent of the 5,329 elk counted in the Clearwater drainage were in the pool area of the proposed Bruces Eddy Dam. He said about a fourth of the 11 percent were below the high water line of the pool.

The department biologists counted 431 mule deer in the Clearwater drainage, he said, of which 11.3 percent were in the pool area. Twelve mule deer were found below the water line.

Nearly all of the 411 whitetail deer were counted in the pool area, Leonard said. He said of the 403 counted at the proposed Bruces Eddy site, 348 were above the high-water line. The census report financed by Federal aid funds carried no recommendations.

However, in a letter to Dr. Ira N. Gabrielson, president of the Wildlife Management Institute at Washington, D. C., Leonard pointed out that "At this time it appears that the Bruces Eddy Dam would have a less important effect on the elk than some people thought a few years back."

Though the dam would reduce the winter elk carrying capacity in the lower drainage of the Clearwater, he said, "The Penny Cliffs Dam, on the other hand, would be a much greater deterrent to the future of major elk herds than would Bruces Eddy."

The Fish and Game Department is conducting a similar study of Penny Cliffs. He said it would take at least a year to finish a fish survey which is part of the Bruces Eddy study.

The complete report of the Bruces Eddy project is available at the Boise office of the Fish and Game Department, he said.

NOTE.—The Idaho P–R report defines the "pool area" as being the reservoir and the drainage basins of all side streams flowing into it.

Mr. NEUBERGER. Mr. President, inasmuch as the Department of the Interior itself admits that these studies will not be completed for at least 2 years, it seems to me to be unnecessary to include in the pending bill an authorization for the Bruces Eddy project. Undoubtedly another omnibus bill will be before the Senate and the House of Representatives in 2 years. If ever there comes a time to authorize the Bruces Eddy project—if ever there will be a time for it, which I do not admit—it would better be 2 years hence, when these reports of the Interior Department are then submitted to the Congress.

Mr. President, today we have heard a great deal about economy. If economy is to be stressed, I believe this is a particularly valuable place to put governmental economy into effect. Here is a project of dubious value with respect to its flood control and power benefits, as equated against the damages which will be done to migratory fisheries and wildlife, such as the elk herds and the white-tail deer. On many occasions I have been with Mrs. Neuberger in the Clearwater River Basin, when we were on camping trips. I can attest personally to the great abundance of elk and deer and even the presence of an occasional moose in that marvelous wilderness realm. I believe it would be a profound mistake for us to go ahead with this authorization at a time when the value of the dam certainly is diminished by its adverse and deleterious impact on fish and wildlife.

Furthermore, Mr. President, there is great dispute, even among the sponsors of the project, as to the kind of project it would be. When the senior Senator from Idaho [Mr. DWORSHAK] appeared before our committee, he said it would be an all-Federal project. However, when the Assistant Director of the Bureau of the Budget appeared before the committee, he informed the committee that the administration wanted the project to be a so-called partnership project in collaboration with the private utility companies.

Mr. President, when, in addition to all the other dubious aspects of the project, its own promoters cannot agree whether it is fish or fowl, I submit that certainly we should delete this authorization from the bill.

If Senators will take the trouble to read the report of the committee which is presided over so ably by the Senator from New Mexico [Mr. CHAVEZ], with the assistance of the Senator from Oklahoma [Mr. KERR], as chairman of the subcommittee—and here I refer particularly to the portion of the report dealing with the Bruces Eddy project—they will be unable to reach any conclusion other than that this project is in a twilight zone, indeed.

The senior Senator from Idaho [Mr. DWORSHAK] considers the project to be an all-Federal project. The Bureau of the Budget wants it to be a partnership project with the private power companies.

The Corps of Army Engineers, which was caught in the middle of these two conflicting forces, understandably found itself almost unable to explain just what type of project it was.

It does seem to me, Mr. President, when these doubts are compounded by the fact that a great run of steelhead trout would probably be destroyed and that feeding grounds for elk and deer would be flooded out by the dam, certainly the Bruces Eddy project should be eliminated from S. 497. To that purpose I have directed my amendment.

Mr. DWORSHAK. Mr. President, the senior Senator from Idaho is very much impressed by the solicitude of the junior Senator from Oregon concerning

resource development in the State of Idaho. In the bill there is provision for $112 million worth of projects in the Columbia River Basin—but he wants nothing for Idaho. During the past decade there has been a total of more than $1 billion of projects in the State of Oregon.

Mr. President, it is amazing, as well as shocking, that the junior Senator from Oregon would say he is in favor of economy by cutting out of a public works bill the only project we have had in Idaho for many, many years. I presume he thinks it may be all right in the interests of promoting economy and in keeping Idaho isolated as the playground, not only for the people who live in Portland, but, as evidenced from some of the telegrams and letters read by the Senator from Oregon, for people in many States of the Union.

I question the logic of those conservationists who, as crusaders, are willing to sacrifice Bruces Eddy project because they think we in Idaho ought to be in a wilderness perpetually, to take care of their whims.

Mr. President, I am vigorously opposed to the amendment submitted by the Senators from Oregon to delete from S. 497 authorization for the Bruces Eddy Dam and Reservoir on the north fork of the Clearwater River in Idaho. Idaho is one of the principal States in the Columbia River Basin, and as such is entitled to equitable participation in the comprehensive development of this basin.

About 2 years ago the Army Engineer Corps submitted a report in Senate Document No. 51, 84th Congress, recommending the construction of a multiple-purpose dam at the Bruces Eddy site. The ratio of benefits is better than 2 to 1. There are 4 main watersheds in Idaho: Snake, Salmon, Clearwater, and Kootenai. Of these, the Snake River courses through southern Idaho and has the only reclamation and reservoirs of these 4 main streams.

In the devastating floods of 1948, the Clearwater River discharged as much water as the Snake and Salmon Rivers combined. There are no storage reservoirs on the Clearwater River and its 3 forks, which drain a tremendous area within the State of Idaho. There can be no effective control of the flood waters of the Snake River as a tributary of the Columbia unless storage is provided on the Clearwater River. Therefore, during the past 2 years I have endeavored to get authorization of the Bruces Eddy Dam, as recommended by the Army Engineer Corps. Because I was fully aware of the implications of the effect of this construction on the fish and wildlife in the area, I immediately sought to get funds for the Federal Fish and Wildlife Service to initiate studies in the middle Snake area, with particular emphasis upon the Clearwater drainage system.

In the fiscal year 1956, $79,000 was appropriated for this proposal; in 1957, a total of $51,800 was provided. In the bill currently before the Appropriations Committee for 1958 a request is made for $54,500, which will likely complete the 3-year study and survey of the fish and wildlife resources in that area.

In 1948 the lower Columbia River sanctuary program for fisheries was established, and since that time about $13 million have been expended to overcome the adverse effect on fisheries of dam construction on the Columbia River. Two years ago I pointed out before the appropriations subcommittee handling the public-works budget that Idaho, as a vital source of fish propagation in the basin, had not been included in this program.

I do not know where these crusading conservationists were in the years when they were primarily concerned about preserving fish and wildlife in the Columbia River Basin, but not in Idaho.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DWORSHAK. I shall yield later. I was successful in having $200,000 allocated during this fiscal year, and the budget for fiscal year 1958 requests $125,000 for continuation of biological and engineering planning by the Idaho Fish and Game Departments, in cooperation with the Federal Fish and Wildlife Service.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a letter which I received on March 11, 1957, from the Acting Director of the Bureau of Commercial Fisheries concerning Idaho's participation in this fisheries program.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Washington, D. C., March 11, 1957.

Hon. HENRY DWORSHAK,
United States Senate,
Washington, D. C.

DEAR MR. DWORSHAK: In telephone conversation of February 25 with me, and March 4 with Mr. Hagen, you requested information with regard to the Columbia River fisheries development program.

In view of the fact that Idaho was to become a full participant in the fisheries program during the current fiscal year, the word "lower" was dropped from program title. This deletion corrects the implication that the program was intended to be entirely in the lower reaches of the river.

As a result of your interest in the program, up to $200,000 of the 1957 appropriation for construction was made available for use in Idaho for biological and engineering plans. This is expected to result in plans by the Fish and Game Department for the removal of blocks to salmon passage, for fish screening, and, possibly, for hatcheries. Such facilities as the Fish and Game Department proposes will be subject to approval by the Fish and Wildlife Service.

The budget for fiscal year 1958 contains $125,000 for continuation of biological and engineering planning by the Idaho Fish and Game Department.

In addition to the foregoing, we received the sum of $25,000 in the 1957 Interior appropriation for the construction of 6 additional trout rearing ponds at our Hagerman, Idaho, station. We are pleased to advise that the engineering plans for these ponds have been completed and approved. We anticipate entering into a contract for the construction of these ponds in the near future.

We sincerely appreciate your interest in our programs and trust that the foregoing information will serve your purpose. We shall be pleased to provide any additional information desired.

Sincerely yours,

ARNIE J. SUOMELA,
Acting Director, Bureau of Commercial Fisheries.

Mr. DWORSHAK. From the foregoing it will be apparent that during the past 2 years, and including the next fiscal year, a total of $510,300 has been provided or requested, largely through my efforts, to undertake and complete extensive studies and surveys of fish and wildlife in the Middle Snake River area.

Mr. President, many conservation groups in the State of Idaho are not opposed to the authorization of Bruces Eddy. May I refer to a letter which I recently received from the president of the Bonneville Sportsmen's Association at Idaho Falls, Idaho, an organization of 9,000 members, which adopted, on March 8, 1957, a resolution, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED MARCH 8, 1957, BY BONNEVILLE SPORTSMENS ASSOCIATION, IDAHO FALLS, IDAHO

Whereas it has been claimed by certain persons that Senator HENRY DWORSHAK has been sponsoring the Bruces Eddy Dam on the Clearwater River to the detriment of fish and wildlife of that area; and

Whereas for many years Senator DWORSHAK has proved himself a friend of conservation leaders in their attempts to protect the fish, and wildlife and recreational heritage that is ours in Idaho, as demonstrated by the fact that as long ago as the 1930's he was the moving force behind the formation of the Camas Bird Refuge which has proved of great value in maintaining our waterfowl population; that later he was instrumental in effecting the clearing of the Palisades Reservoir area, making it into a potentially fine fishing and recreational area; that he pioneered in obtaining funds to conduct fish and wildlife studies in the Idaho portion of the Columbia River basin; and that very recently he was instrumental in obtaining trained men and funds to conduct biological studies in the Upper Snake River area for the purpose of finding ways to mitigate the losses suffered by our fisheries resource through the building of the Palisades Dam; and

Whereas preliminary reports of authorized studies by the Idaho State Department of Fish and Game and the Fish and Wildlife Service show clearly that the construction of the dam at Bruces Eddy will have a negligible effect on the fish and wildlife of that area; and

Whereas these above mentioned studies were brought about as a direct result of the efforts of Senator DWORSHAK to evaluate the effect of the dam on wildlife in that area: Now, therefore, be it

Resolved, That we of the Bonneville Sportsmens Association do hereby indorse the stand of Senator DWORSHAK on wildlife matters and particularly do we commend the conscientious and sincere effort which he has made to determine the effect on wildlife and fish accruing from Bruces Eddy and other dams, as well as his stand favoring the completion of present studies before actual construction can begin on Bruces Eddy Dam; and be it further

Resolved, That we urge leaders of all wildlife groups in Idaho to give Senator DWORSHAK their support in his intelligent and forthright efforts to promote the best interests of wildlife in this State.

Mr. DWORSHAK. Mr. President, I call attention only to this paragraph:

Therefore be it

Resolved, That we of the Bonneville Sportsmen's Association do hereby endorse the stand of Senator DWORSHAK on wildlife matters, and particularly do we commend the

conscientious and sincere effort which he has made to determine the effect on wildlife and fish accruing from Bruces Eddy and other dams, as well as his stand favoring the completion of present studies before actual construction can begin on Bruces Eddy Dam.

That is only one instance of action being taken by wildlife conservation groups in my State indicating they would like to have authorization for Bruces Eddy Dam. At this point, I may say, that instead of merely rendering lip service to the conservation movement, this is evidence of my sincere effort to provide essential funds so that the Federal Fish and Wildlife Service and the Idaho State Game and Fish Department may compile accurate data and information preceding the construction of reservoirs on the Middle Snake and its tributaries.

Mr. President, I have reiterated on many occasions during the past 2 years that I would not request funds to begin construction of Bruces Eddy Dam until all of these fish and wildlife studies currently in progress are completed and a report submitted to the Congress. Not withstanding this assurance, there has been persistent and unwarranted opposition generated by the National Wildlife Federation and similar groups questioning my motives.

The omnibus bill now before the Senate contains an amendment which I proposed to the Public Works Subcommittee, as follows:

And provided further, That no funds shall be appropriated for construction of the project until such time as the current studies on fish and wildlife are completed and a report thereon submitted to the Congress.

That is specific evidence that the Senator from Idaho has been interested only in the authorization of Bruces Eddy, to enable the Army Engineer Corps to get the funds with which to undertake these advanced engineering studies. Nevertheless, there have been false charges and allegations to the effect that authorization is tantamount to construction, and that once we authorize the project, Congress will forfeit its right in the future to make a reappraisal of the project when the Engineers' reports are submitted, probably within a 2-year period, and when the fish and wildlife studies are completed, within a year or 18 months.

I shall not belabor the discussion of this amendment. I could take a long time to answer the inaccuracies contained in the statement of individual views filed by the junior Senator from Oregon, in which he opposes the Bruces Eddy project. I should like to call attention to the fact that repeatedly in his minority views he refers to the Penny Cliffs Dam on the "Middle" Fork.

In all fairness, let us recognize that there is no reference to the Penny Cliffs project on the Middle Fork of the Clearwater in this bill. The Senator from Idaho wants the record to show that at no time has he advocated any consideration of the recommendation submitted 2 years ago by the Army Engineer Corps that the Penny Cliffs project be authorized.

I have never at any time had any concern whatsoever with or any interest in the Penny Cliffs Dam on the Middle Fork. I shall not go into detail and detain the Senate at this time except to call attention very briefly to the fact that in the statement of individual views filed by the junior Senator from Oregon he states:

Thousands of dollars of State and Federal money have been invested in these investigations, only to have this committee move ahead with approval for authorization before the final results are available.

I am sure the Senator from Oregon did not realize the full import of that statement, because we know that the Budget Bureau has the responsibility of requesting funds to initiate construction of public works projects, and that likewise the Congress of the United States has the responsibility of providing, through appropriations, funds with which to initiate construction.

I am sure the Senator from Oregon knows full well that nothing will be done until Congress has an opportunity to make a thorough reappraisal of all the facts in connection with this project.

In the statement of individual views the Senator from Oregon also says:

The projects authorized by it will check disastrous floods, generate needed electric power, improve both river and deep-sea navigation, and add to the wealth and prosperity of the Nation.

I maintain that the Bruces Eddy project fully complies with every one of these regulations and requirements to which the Senator from Oregon refers.

He has also called attention to the fact that some of the conservation groups in Oregon have supported his efforts to eliminate this project. In his statement of individual view he calls attention to the fact that Ross Leonard, director of the Idaho Game and Fish Department, is opposed to this project. Without wanting to consume time unnecessarily, I should like to quote briefly from a letter dated January 10, 1957, written by Mr. Leonard, director of the Idaho Game and Fish Department, to Dr. Ira N. Gabrielson, president of the Wildlife Management Institute:

Deep snow conditions were prevalent in late winter of 1956, when the surveys were made, but only about 11 percent of the elk in the North Fork of the Clearwater drainage were in or adjacent to the pool area of the proposed Bruces Eddy Dam. Actually only about a fourth of this 11 percent were below the high water line of the pool area, but probably all of this 11 percent would be below that line at times.

Elk are increasing in much of the country adjacent to the pool area while they probably reached a peak several years ago in the upper part of the North Fork drainage well above the pool area. Hence, it is probable that the country adjacent to the pool area will have a larger relative importance to the Clearwater elk herd as a whole in the future than in the past.

I should like to call attention to another very significant letter which the Senator from Oklahoma [Mr. KERR], as chairman of the subcommittee, received from Mr. William R. Walker, secretary of the Headquarters Rifle and Pistol Club, at Headquarters, Idaho. The letter is dated March 6, 1957. The letter was not written to me. The only reason it came into my possession was that the clerk of the committee, I presume at the request of the Senator from Oklahoma, turned the letter over to me. The letter reads as follows:

HEADQUARTERS RIFLE AND PISTOL CLUB, INC.,
Headquarters, Idaho, March 6, 1957.

Senator KERR,
Senate Office Building,
Washington, D. C.

DEAR SIR: This organization is in favor of the Bruces Eddy Dam. We feel that it will do no irreparable damage to either fish or wildlife. In fact we believe that a large body of water will be a boon to recreation.

We know of what we speak. We live, work, hunt, and fish in the North Fork of the Clearwater River drainage. Headquarters lies within 25 miles of the dam site, and will be within 10 miles of the flowage area.

Sincerely,

WILLIAM R. WALKER,
Secretary.

Are not the members of this rifle club, located immediately contiguous to the proposed reservoir site, as well informed about fish and wildlife conditions in that area as are the crusading conservationists on Long Island, N. Y., in California, or even in Portland? But I presume the record can speak for itself.

The committee clerk checked the number of projects in the bill, namely, 100 projects. There were 35 navigation projects, 8 beach-erosion projects, and 57 flood-control projects. The Senator from Oregon, in his statement of individual views, says they are all good projects, except one. Ninety-nine out of 100 are very fine projects, but one isolated project in Idaho should be eliminated from the bill.

I shall not refer to the remarks inserted in the RECORD near the end of the session yesterday by the senior Senator from Oregon [Mr. MORSE], who indulges in many inaccuracies. I would not accuse him of deliberate misrepresentation; but when he says that the Bruce's Eddy Dam is an alternative for Hells Canyon, Nez Perce, or any other project, I charge that he is not stating the facts.

In connection with projects on the Clearwater River, I recall attending a meeting in 1948, sponsored by the Army Engineer Corps, at Kamiah, Idaho, to consider the feasibility of the Kooskia Dam, which would impound waters on the south and middle forks of the Clearwater. That dam site was rejected because it would flood out an entire village. How can Bruces Eddy be an alternative for some other dam? How can Bruces Eddy Dam take the place of any dam site on the Middle Snake River, 100 miles away? I certainly do not know of any way to build a dam on one stream to control the floodwaters on a stream in an entirely different watershed 100 miles distant.

I shall not answer any more of these charges, because I believe the record is very clear, with the inclusion of the provision requiring that current fish studies and wildlife studies must be completed and submitted to Congress before any construction funds can be appropriated, and also in view of the fact that the Senator from Idaho time and time again has made pledges to the people of northern Idaho that construction funds would not be sought until all these reports had been fully appraised.

I should like to emphasize that in Idaho the water which would be impounded by Bruces Eddy project originates entirely within the State of Idaho.

Would it be better to eliminate this project, so that the water could flow down the Clearwater and then down the Snake and the Columbia, to generate tax-free power in the vicinity of Portland?

However, Mr. President, the Senator from Idaho is committed to see to it that in our State we utilize fully our water resources, whether it be for irrigation, navigation, or flood control. The generation of power is a byproduct for the development of industry. We intend to see to it that Idaho will receive and enjoy the benefits from its water resources, instead of sending them downstream to be utilized by the States of Oregon and Washington.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DWORSHAK. In Idaho we want to participate fully in the comprehensive development of the Columbia River Basin. On that basis, I am vigorously opposed to the elimination of this project, which has received the approval of the Corps of Army Engineers and the overwhelming approval of the Committee on Public Works.

Mr. NEUBERGER. Mr. President, I should like to reply very briefly to the distinguished senior Senator from Idaho. I never thought I would hear a leading opponent of the Hells Canyon Dam from Idaho tell the United States Senate that he was committed to the full and comprehensive development of the water resources of the State of Idaho.

Hells Canyon Dam, which the senior Senator from Idaho opposes, would generate 4 or 5 times as much hydroelectric energy for turning the wheels of industry as would the Bruces Eddy Dam. The Hells Canyon Dam, according to the president of the Wildlife Management Institute, Dr. Ira N. Gabrielson, would have no adverse effect on wildlife or anadromous fish pilgrimages. The Bruces Eddy Dam, with only a fraction of the power potential of the Hells Canyon Dam, would have a very disastrous impact on wildlife and fishery.

Mr. President, it is not my purpose to labor the point any further, or to detain the Senate for a prolonged period of time. Therefore, I should like to ask a question of the distinguished Senator from Idaho, if he will yield for that purpose, with reference to one particular issue, which he has avoided, apparently, in the discussion. I wonder whether the Senator from Idaho would allow me to ask a question of him.

Is it not correct to say that there is complete disagreement between the distinguished senior Senator from Idaho and the Eisenhower administration over what kind of project Bruces Eddy should be?

Mr. DWORSHAK. I answer the Senator by saying that in the President's recent budget message, which was considered by the Public Works Committee, a request was made that the Bruces Eddy project be authorized as a partnership project. The Senator from Oregon well knows that when the matter was before the committee the senior Senator from Idaho said that he was not in the least interested in what the Bureau of the Budget thought about Bruces Eddy as a partnership project, and that he had the responsibility to get authorization for that project as a straight Federal multipurpose development.

Mr. NEUBERGER. Was there not complete disagreement before the subcommittee between the Assistant Director of the Bureau of the Budget and the senior Senator from Idaho?

Mr. DWORSHAK. I do not believe that is correct. The senior Senator from Idaho is not a member of that committee, in the first place, and the only comment he made at the hearing was that he was not interested in the comments made by the Assistant Director of the Budget with reference to Bruces Eddy.

Mr. NEUBERGER. The senior Senator from Idaho seems to miss the point. The Senator from Idaho may not be a member of the committee, but I do remember that he was present on the day when he took one stand and the Assistant Director of the Bureau of the Budget took a diametrically opposite stand.

Mr. DWORSHAK. A little while ago we had a vote in the Senate which proved conclusively that under the Constitution the Senate has, with the House, the legislative responsibility in our Government. On that basis we have the right and responsibility to determine whether the Bruces Eddy Dam shall be authorized; and if so, on what basis it shall be authorized.

Mr. NEUBERGER. The reason I raised the point was that I shall be quite interested to note whether some of the distinguished Members of the Senate on the side of the aisle occupied by the senior Senator from Idaho, who were so concerned about the views of the Bureau of the Budget, will now apply that same concern and alarm to the Bruces Eddy project.

I should like to read just a few comments before the Senate committee.

The senior Senator from Idaho is replying to a question asked of him by me:

Senator DWORSHAK. As far as I know, the authorization would be for a straight Federal project.

Those are the words of the distinguished senior Senator from Idaho. I am sure he recognizes them. I read further from the hearings:

Senator NEUBERGER. That is all I wanted to know. That was the question I asked. I thank you for answering.

Now I would like to ask Mr. Merriam, if I can, Does the Bureau of the Budget think that Bruces Eddy should be authorized as a Federal project?

Mr. MERRIAM. No, sir, this is 1 of the 6 projects listed in table III in which we have recommended that they not be authorized at this time pending full exploration of the possibility of a partnership arrangement.

Mr. Merriam is the Assistant Director of the Bureau of the Budget. That is the end of this particular comment of the Assistant Director of the Bureau of the Budget. It seems to me that that record fully shows the total disagreement between the senior Senator from Idaho and the Eisenhower administration over what kind of project this should be.

Mr. President, it is not my purpose to delay the Senate further. The only thing I ask, before we vote on the amendment, is that I may suggest the absence of a quorum, unless some other Senator desires to speak at this time.

Mr. KERR. I should like to say a word before the absence of a quorum is suggested.

Mr. NEUBERGER. I shall not suggest the absence of a quorum at this time, if the Senator from Oklahoma desires to speak.

Mr. KERR. Mr. President, I was interested in the statement of my good friend the Senator from Oregon, for whom I have such great respect and affection, with regard to the attitude of the Bureau of the Budget. I, too, was in complete disagreement with the Bureau of the Budget on this point, and, as I recall, every member of the Public Works Committee was also. There may have been one or two members who agreed with the Bureau of the Budget. If so, I do not recall who they were, and no record vote was cast against the authorization as proposed by the committee.

I am greatly impressed by what the distinguished senior Senator from Idaho [Mr. DWORSHAK] has said. So far as I know, this is the first project that has ever been authorized for the State of Idaho.

This project was eminently justified on the basis of the economic ratio of benefit to cost. In fact, it was even considerably above the average of the ratio of benefit to cost of three-fourths of the items in the bill.

The Senator from Idaho, it seems to me, went a long way in his effort to make the authorization agreeable to the objection of the distinguished Senator from Oregon. The objection of the Senator from Oregon was based, in part at least, upon the fact that he had some very worthy concern as to the effect of the project on the fish and wildlife in the area.

The Senator from Idaho called attention to the fact that the Fish and Wildlife Service is now in the process of making an investigation as to what damage, if any, this project would cause to fish and wildlife. That Service came before the committee and made a suggestion that the authorization be amended to read that no construction should be started or appropriation made for the project until after the survey was completed and a report made to Congress, which would be available to Members of Congress.

My own view is that the economic development of the State of Idaho is not only going to be greatly served by this

project, but that it, of necessity, will be retarded in a very material manner and to a very considerable degree unless this project is authorized and constructed. I hope that the Senate will not approve this amendment, because the project, I believe, if it did not have the unanimous approval of the committee, certainly had the approval of a very substantial majority of the members of the committee on both sides of the aisle. It seems to me adoption of the amendment would be in the nature of a denial to the State of Idaho of the privilege which the other States have had extended to them—and which they are securing further in this bill—the privilege of having their resources developed. We will deny that privilege to Idaho if this project is stricken from the bill.

Much as I hold in esteem my friend, the Senator from Oregon, and much as I respect his viewpoint, I hope his proposed amendment in this regard will not prevail.

Mr. HUMPHREY subsequently said: Mr. President, conservationists from all over the country, and particularly from my own State of Minnesota, have written me in recent weeks urging me to join in the effort to delete the Bruces Eddy Dam from the rivers and harbors omnibus bill. I have assured them that I would do so. The raid on our irreplaceable natural resources has to be met when the occasion demands, and this is such an occasion. The splendor of great forests and rock-rimmed mountain ranges, of wild country rich in trout and big game, of unspoiled, clear mountain streams, of scenic gorges—these are part and parcel of our American heritage and are not to be squandered lightly.

I am convinced, Mr. President, that there are alternatives to Bruces Eddy that will meet the requirements of flood control and hydroelectric power. The case against Bruces Eddy has been eloquently and forcefully stated by the distinguished junior Senator from Idaho [Mr. CHURCH] and by that stalwart conservationist, the junior Senator from Oregon [Mr. NEUBERGER]. The case they have presented to the Senate is unanswerable, so far as I am concerned. I join them in their effort wholeheartedly.

The widespread opposition to the Bruces Eddy Dam has been clearly demonstrated, Mr. President, by the broad organizational lineup against this proposal. Distinguished names from nearly all of the well-known conservation groups in America are included in a telegram which I received on Tuesday of this week, protesting the Bruces Eddy provision in S. 497. I ask unanimous consent that the text of the telegram to which I have just referred be printed at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MARCH 26, 1957.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Conservationists urge your support of amendment to delete Bruces Eddy Dam from rivers and harbors omnibus bill (S. 497) today on Senate floor. Senate-authorized survey on fish and wildlife resources not completed. Committee amendment to postpone project appropriations until completion of studies fails to adequately protect wildlife resources. Conservationists of Northwest and throughout Nation oppose this untimely authorization.

Charles H. Callison, conservation director, National Wildlife Federation; Ira Gabrielson, president, Wildlife Management Institute; C. R. Gutermuth, secretary, North American Wildlife Foundation; Joe Penfold, national conservation director, Izaak Walton League of America; Howard Zahniser, executive secretary, the Wilderness Society; Spencer M. Smith, secretary, Citizens Committee on Natural Resources; David R. Brower, executive director, Sierra Club; Mike Hudoba; Stanley E. Little, executive director, National Campers and Hikers; Dick Stroud, executive vice president, Sport Fishing Institute; Fred M. Packard, executive secretary, National Parks Association; Morton Brigham, secretary, Committee for the Preservation of the Clearwater, Idaho Wildlife Federation; Karl Onthank, president, Federation Western Outdoors Clubs.

Mr. HUMPHREY. Mr. President, I urge the Senate to act now to stop the further spoilage of our natural resources. We may do so today on this Bruces Eddy issue.

I wish to pay a commendation to the junior Senator from Idaho [Mr. CHURCH], who is currently acting as Presiding Officer of the Senate, for his excellent testimony before the Senate committee, and also the junior Senator from Oregon [Mr. NEUBERGER] for the fine presentation which he made today in the United States Senate to eliminate the project in behalf of conservation and in the interest of preserving the scenic beauty of the area at which the project was directed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. NEUBERGER].

The amendment was rejected.

Mr. WATKINS. Mr. President, I call up my amendment numbered 3-27-57-A, and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 49, line 9, to strike all of section 205 and renumber the subsequent sections accordingly.

Mr. WATKINS. Mr. President, I oppose incorporation of this section in the omnibus bill for these reasons:

First. It should properly be a matter for separate legislation and not a feature of an omnibus project bill.

Second. The general authorization of the policy statement in subsection (a) would be an infringement upon State water rights in the 17 Western States where for a half century the Federal Government has recognized in comparable legislation that the States west of the 98th meridian have full jurisdiction over the waters within their respective borders.

Third. The Senate Public Works Committee has extended what started out as a civil-works proposal to make it apply, at least as an alternative, to the reclamation program of the Bureau of the Interior.

I commend the Public Works Committee for recognizing that such changes in policy should be uniformly applied, but this appears to be a case where the Public Works Committee is, in effect, amending legislation that normally is assigned to the Senate Interior and Insular Affairs Committee.

This is another reason for striking this section and starting it out through the legislative process as a separate bill. A bill containing such a joint authorization could easily be handled jointly by the Public Works and the Interior Committees, and that, I think, is the correct procedure, especially for policy changes of such far-reaching significance.

Fourth. The Public Works Committee has ignored the recommendations of the Bureau of the Budget that recognizable benefits for low-flow stream regulation should be reimbursable. These benefits, though recognized as benefits in the cost analysis of feasibility studies, would be nonreimbursable in the Senate bill.

Fifth. The Senate report provides no estimate of what these new authorizations will cost the taxpayers. If all Members of this body are conscientious in their concern for the size of the Federal budget, we should adequately explore the subject of future spending commitments and what steps, if any, are being taken to assure adequate participation in cost-sharing by the identifiable beneficiaries.

Of these objections, perhaps the most significant is the potential adverse effect this legislation may have on the current crusade by Western States to maintain State water rights against encroachments by the Federal Government. The Senate Interior Committee has before it right now the Barrett bill, S. 863, which seeks to spell out and bulwark those water rights which have been recognized in the West and in much Federal legislation for the last half century.

As an example, let me cite a provision in the act of July 26, 1866 (14 Stat. 253).

I ask unanimous consent that the provision be printed in the RECORD at this point in my remarks.

There being no objection, the provision was ordered to be printed in the RECORD, as follows:

Whenever, by priority of possession, rights to the use of water for mining, agricultural, manufacturing, or other purposes have vested and accrued, and the same are recognized and acknowledged by the local customs, laws, and the decisions of courts, the possessors and owners of such vested rights shall be maintained and protected in the same; and the right-of-way for the construction of ditches and canals for the purposes herein specified is acknowledged and confirmed; but whenever any person, in the construction of any ditch or canal, injures or damages the possession of any settler on the public demain, the party committing such injury or damage shall be liable to the part injured for such injury or damage (R. S. Sec. 2339).

Mr. WATKINS. Mr. President, other Federal statutes, up to 1956, incorporate similar recognition of local and State laws respecting water.

I ask unanimous consent that sections from the pertinent statutes be printed in the RECORD at this point as a part of my remarks.

There being no objection, the sections of the statutes were ordered to be printed in the RECORD, as follows:

The act of July 9, 1870 (16 Stat. 218, 43 U. S. C. sec. 661 (1952)):

"Whenever, by priority of possession, rights to the use of water for mining, agricultural, manufacturing, or other purposes, have vested and accrued, and the same are recognized and acknowledged by the local customs, laws, and the decisions of courts, the possessors and owners of such vested rights shall be maintained and protected in the same; and the right-of-way for the construction of ditches and canals for the purposes herein specified is acknowledged and confirmed; but whenever any person, in the construction of any ditch or canal, injuries or damages the possession of any settler on the public domain, the party committing such injury or damage shall be liable to the party injured for such injury or damage.

"All patents granted, or preemption or homesteads allowed, shall be subject to any vested and accrued water rights, or rights to ditches and reservoirs used in connection with such water rights, as may have been acquired under or recognized by this section. (R. S. secs. 2339, 2340.)"

The Desert Land Act of March 3, 1877 (19 Stat. 377, 43 U. S. C. § 321 (1952)):

"It shall be lawful for any citizen of the United States, or any person of requisite age 'who may be entitled to become a citizen, and who has filed his declaration to become such' and upon payment of 25 cents per acre—to file a declaration under oath with the officer designated by the Secretary of the Interior of the land district in which any desert land is situated, that he intends to reclaim a tract of desert land not exceeding one-half section, by conducting water upon the same, within the period of 3 years thereafter: *Provided, however,* That the right to the use of water by the person so conducting the same, on or to any tract of desert land of 320 acres shall depend upon bona fide prior appropriation; and such right shall not exceed the amount of water actually appropriated, and necessarily used for the purpose of irrigation and reclamation; and all surplus water over and above such actual appropriation and use, together with the water of all lakes, rivers, and other sources of water supply upon the public lands and not navigable, shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes subject to existing rights. Said declaration shall describe particularly said one-half section of land if surveyed, and, if unsurveyed, shall describe the same as nearly as possible without a survey. At any time within the period of 3 years after filing said declaration, upon making satisfactory proof to the officer designated by the Secretary of the Interior of the reclamation of said tract of land in the manner aforesaid, and upon the payment to such officer of the additional sum of $1 per acre for a tract of land not exceeding 320 acres to any one person, a patent for the same shall be issued to him: *Provided,* That no person shall be permitted to enter more than one tract of land and not to exceed 320 acres which shall be in compact form."

Section 18 of the act of March 3, 1891 (26 Stat. 1101, 43 U. S. C., sec. 946 (1952)):

"The right-of-way through the public lands and reservations of the United States is granted to any canal ditch company, irrigation or drainage district formed for the purpose of irrigation or drainage, and duly organized under the laws of any State or Territory, * * * *Provided,* That * * * the privilege herein granted shall not be construed to interfere with the control of water for irrigation and other purposes under authority of the respective States or Territories."

Act of February 26, 1897 (29 Stat. 599, 43 U. S. C., sec. 664 (1952)):

"All reservoir sites reserved or to be reserved shall be open to use and occupation under sections 946–949 of this title, and any State is authorized to improve and occupy such reservoir sites to the same extent as an individual or private corporation, under such rules and regulations as the Secretary of the Interior may prescribe: *Provided,* That the charges for water coming in whole or part from reservoir sites used or occupied under the provisions of this section shall always be subject to the control and regulation of the respective States and Territories in which such reservoirs are in whole or part situate."

Section 1 of the act of June 4, 1897 (30 Stat. 36, 16 U. S. C., sec. 481 (1952)):

"All waters within the boundaries of national forests may be used for domestic, mining, milling, or irrigation purposes, under the laws of the State wherein such national forests are situated, or under the laws of the United States and the rules and regulations established thereunder."

Section 8 of the Reclamation Act of 1902 (32 Stat. 390, 43 U. S. C., sec. 383 (1952)):

"Nothing in sections 372, 373, 381, 383, 391, 392, 411, 416, 419, 421, 431, 432, 434, 439, 461, 491, and 498 of this title shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of such sections, shall proceed in conformity with such laws, and nothing in such sections shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof."

Section 4 of the act of February 1, 1905 (33 Stat. 628, 16 U. S. C., sec. 524 (1952)):

"Rights-of-way for the construction and maintenance of dams, reservoirs, water plants, ditches, flumes, pipes, tunnels, and canals, within and across the national forests of the United States, are granted to citizens and corporations of the United States for municipal or mining purposes, and for the purposes of the milling and reduction of ores, during the period of their beneficial use, under such rules and regulations as may be prescribed by the Secretary of the Interior, and subject to the laws of the State or Territory in which said forests are respectively situated."

Section 2 of the act of February 21, 1911 (36 Stat. 926, 43 U. S. C., sec. 524 (1952)):

"In carrying out the provisions of the reclamation law, the Secretary of the Interior is authorized, upon such terms as may be agreed upon, to cooperate with irrigation districts, water-users' associations, corporations, entrymen, or water users for the construction or use of such reservoirs, canals, or ditches as may be advantageously used by the Government and irrigation districts, water-users' associations, corporations, entrymen, or water users for impounding, delivering, and carrying water for irrigation purposes: * * * *Provided,* That nothing contained in this section or section 523 of this title shall be held or construed as enlarging or attempting to enlarge the right of the United States, under existing law, to control the waters of any stream in any State."

The act of December 19, 1913 (relating to Hetch-Hetchy), granting to the city and county of San Franbisco certain rights-of-way over public lands and lands in Yosemite National Park and Stanislaus National Forest for the construction of works to bring water and power to San Francisco for domestic purposes and uses (38 Stat. 242, 250):

"SEC. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State."

Sections 9 (b) and 27 of the Federal Power Act of June 10, 1920 (41 Stat. 1077, 16 U. S. C., sec. 821 (1952)):

"(b) Satisfactory evidence that the applicant has complied with the requirements of the laws of the State or States within which the proposed project is to be located with respect to bed and banks and to the appropriation, diversion, and use of water for power purposes, and with respect to the right to engage in the business of developing, transmitting, and distributing power, and in any other business necessary to effect the purposes of a license under this chapter."

* * * * *

"SEC. 27. Nothing contained in this chapter shall be construed as affecting or intending to affect or in any way to interfere with the laws of the respective States relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired therein."

Section 18 of the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057):

"Nothing herein shall be construed as interfering with such rights as the States now have either to the waters within their borders or to adopt such policies and enact such laws as they may deem necessary with respect to the appropriation, control, and use of waters within their borders, except as modified by the Colorado River compact or other interstate agreement."

Section 3 of the Taylor Grazing Act of 1934 (48 Stat. 1269, 43 U. S. C., sec. 315b (1952)):

"*Provided, further,* That nothing in this chapter shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law validly affecting the public lands or which may be hereafter initiated or acquired and maintained in accordance with such law * * *."

The Water Conservation Act of 1939 (53 Stat. 1419, 16 U. S. C., sec. 590z-1 (b) (2) (1952):

"(2) The Secretary has found (i) that water rights adequate for the purposes of the project have been acquired with titles and at prices satisfactory to him, or that such water rights have been initiated and in his judgment can be perfected in conformity with State law and any applicable interstate agreements and in a manner satisfactory to him; and (ii) that such water rights can be utilized for the purposes of the project in conformity with State law and any applicable interstate agreements and in a manner satisfactory to him."

The Great Plains Water Conservation and Utilization Projects Act of October 14, 1940 (54 Stat. 1119, 16 U. S. C., sec. 590z-1 (b) (2) (1952):

"As a condition to extending benefits under sections 590r–590x of this title to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of said sections, require—

"(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation, and equitable utilization of waters;

"(2) Agreements or covenants in regard to the maintenance and permanent use of

such water, facilities, or lands benefited by such facilities;

"(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits."

Section 1 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 33 U. S. C., sec. 701-1 (1952)):

"(a) * * * The Chief of Engineers shall transmit a copy of his proposed report to each affected State, and, in case the plans or proposals covered by the report are concerned with the use or control of waters which rise in whole or in part west of the 97th meridian, to the Secretary of the Interior. Within 90 days from the date of receipt of said proposed report, the written views and recommendations of each affected State and of the Secretary of the Interior may be submitted to the Chief of Engineers. The Secretary of the Army shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of affected States and of the Secretary of the Interior. The Secretary of the Army may prepare and make said transmittal any time following said 90-day period. The letter of transmittal and its attachments shall be printed as a House or Senate document.

"(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the 98th meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the 98th meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

"(c) The Secretary of the Interior, in making investigations of and reports on works for irrigation and purposes incidental thereto shall, in relation to an affected State or States (as defined in paragraph (a) of this section), and to the Secretary of the Army, be subject to the same provisions regarding investigations, plans, proposals, and reports as prescribed in paragraph (a) of this section for the Chief of Engineers and the Secretary of the Army. In the event a submission of views and recommendations, made by an affected State or by the Secretary of the Army pursuant to said provisions, sets forth objections to the plans or proposals covered by the report of the Secretary of the Interior, the proposed works shall not be deemed authorized except upon approval by an Act of Congress; and section 485h of title 43 and section 590z-1 of title 16 are amended accordingly."

Reservation (c) to the Mexican Water Treaty, U. S. Treaty Ser. No. 994, 59 Stat. 1219 (1945):

"(c) That nothing contained in the treaty or protocol shall be construed as authorizing the Secretary of State of the United States, the Commissioner of the United States Section of the International Boundary and Water Commission, or the United States section of said Commission, directly or indirectly to alter or control the distribution of water to users within the territorial limits of any of the individual States." [2]

The National Parks Act of 1946 (60 Stat. 885, 16 U. S. C., sec. 17j-2 (g) (1952)):

"Investigation and establishment of water rights in accordance with local custom, laws, and decisions of courts, including the acquisition of water rights or of lands or interests in lands or rights-of-way for use and protection of water rights necessary or beneficial in the administration and public use of the national parks and monuments."

Section 208 of the Act of July 10, 1952, authorizing suits against the United States in State courts for the adjudication of water rights (66 Stat. 560, 43 U. S. C., sec. 666 (a) and (c) (1952)):

"Consent is given to join the United States as a defendant in any suit (1) for the adjudication of rights to the use of water of a river system or other source, or (2) for the administration of such rights, where it appears that the United States is the owner of or is in the process of acquiring water rights by appropriation under State law, by purchase, by exchange, or otherwise, and the United States is a necessary party to such suit. The United States, when a party to any such suit, shall (1) be deemed to have waived any right to plead that the State laws are inapplicable or that the United States is not amenable thereto by reason of its sovereignty, and (2) shall be subject to the judgments, orders, and decrees of the court having jurisdiction, and may obtain review thereof, in the same manner and to the same extent as a private individual under like circumstances: *Provided*, That no judgment for costs shall be entered against the United States in any such suit.

* * * * *

"Nothing in this section shall be construed as authorizing the joinder of the United States in any suit or controversy in the Supreme Court of the United States involving the right of States to the use of the water of any interstate stream."

Subsection 3 (e) of the Submerged Lands Act of May 22, 1953 (67 Stat. 30, 43 U. S. C., sec. 1311 (e) (1956 Supp.)):

"Nothing in this chapter shall be construed as affecting or intended to affect or in any way interfere with or modify the laws of the States which lie wholly or in part westward of the 98th meridian, relating to the ownership and control of ground and surface waters; and the control, appropriation, use, and distribution of such waters shall continue to be in accordance with the laws of such States."

Subsection 3 (c) of the act of July 28, 1954, to authorize the Secretary of the Interior to construct facilities for the Santa Margarita River projects, California (68 Stat. 577):

"For the purposes of this act the basis, measure, and limit of all rights of the United States of America pertaining to the use of water shall be the laws of the State of California: *Provided*, That nothing in this act shall be construed as a grant or a relinquishment by the United States of America of any of the rights to the use of water which it acquired according to the laws of the State of California either as a result of its acquisition of the lands comprising Camp Joseph H. Pendleton and adjoining naval installations, and the rights to the use of water as a part of said acquisition, or through actual use or prescription or both since the date of that acquisition, if any, or to create any legal obligation to store any water in De Luz Reservoir, to the use of which it has such rights, or to require the division under this act of water to which it has such rights."

Section 4 (b) of the act of July 23, 1955, providing for multiple use of the surface of tracts of public land (69 Stat. 368, 30 U. S. C., sec. 612 (b) (1956 Supp.)):

"*Provided further*, That nothing in sections 601, 603, and 611-615 of this title shall be construed as affecting or intended to affect or in any way interfere with or modify the laws of the States which lie wholly or in part westward of the 98th meridian relating to the ownership, control, appropriation, use, and distribution of ground or surface waters within any unpatented mining claim."

Section 4 of the act of July 2, 1956, relating to the administration of section 9, subsections (d) and (e) of the Reclamation Act of 1939 (70 Stat. 483):

"Nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary in carrying out the provisions of this act, shall proceed in conformity with such laws, and nothing herein shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof: *Provided*, That the right to the use of water acquired under the provisions of this act shall be appurtenant to the land irrigated and beneficial use shall be the basis, the measure, and the limit of the right."

Mr. WATKINS. Now, Mr. President, in the face of this extensive background of precedent, involving some 23 statutes between 1866 and 1956, let me read the unqualified authorization in subsection (a) of section 205, or, rather, Mr. President, I ask unanimous consent that the subsection (a) of section 205 be printed in the RECORD as a part of my remarks, since it has been discussed earlier.

There being no objection, subsection (a) of section 205 was ordered to be printed in the RECORD, as follows:

In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow.

Mr. WATKINS. Mr. President, this authorization for storage reservoir construction contains no requirements at all that the Corps of Engineers comply with the water laws of the 17 Western States. Heretofore, the Corps of Engineers has refused to apply for State permits for the construction of reservoirs on the grounds that the corps does not make beneficial use of the waters under its directives to provide for flood control and navigation. Even this claim has been questionable in the past because hydropower generation is often associated with navigation, flood control, and multiple-purpose structures, and the use of water for power has long been recognized as a beneficial use of water.

However, it may be properly assumed that in the future, under this authorization, the Corps of Engineers could take the position that it had the authority to store water for stream regulation without regard to the rights to such water established under State law in the Western States.

I feel sure that the Public Works Committee did not intend that such an interpretation apply, and I am equally certain that my good friends, Senator CHAVEZ and Senator KERR, are just as adamant in their defense of State water rights as I am, but I maintain that this general policy problem is so important to the West, and the problem of drafting acceptable language here on the floor is so difficult, that the only sound solution is to strike the entire section and study the proposals in a separate bill at our leisure.

Mr. President, I have heretofore discussed this same subsection, in the consideration of the motion to recommit the

[2] The Secretary of Interior was excepted by the Senate.

bill to the Committee on Public Works, so I shall not take more time of the Senate in this regard. I am making a record here. I think this proposed legislation is improper in this bill, when so many Senators have definite and specific projects at stake. Naturally, Senators desire to have projects authorized.

In view of the short length of time we have had to consider this proposed major change in water policy law, I think this amendment should be adopted by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. WATKINS].

Mr. KERR. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. KERR. The amendment of the Senator from Utah would strike out some of the most important legislative provisions in this measure, provisions which would provide the greatest benefit for the development of water resources in every State of the Union.

The Senator from Oklahoma and the chairman of the committee, the Senator from New Mexico [Mr. CHAVEZ], as well as the ranking minority member of the committee, the Senator from Pennsylvania [Mr. MARTIN], and the Senator from South Dakota [Mr. CASE], and other Senators on the committee have indicated their willingness to accept the amendment offered by the Senators from Wyoming [Mr. BARRETT and Mr. O'MAHONEY], which they feel will meet the objections of Senators who represent reclamation States, with reference to this provision in its applicability to reclamation projects.

As the Senator from Oklahoma stated earlier in the day, section 205 came over in the bill last year from the House. It was not objected to by the Bureau of the Budget. It was not objected to by the Corps of Engineers. The provision passed on the floor of the Senate without objection. We added certain amendments to the section, Mr. President, which provided for the recognition by the Corps of Engineers of the economic evaluation of water supply in the projects, substantially conforming to what has long been the law with reference to reclamation projects.

Then the representatives of the National Reclamation Association and representatives from many of the reclamation States came to the committee and asked that the same additional feature which was being provided for the Corps of Engineers projects be placed in the bill with reference to reclamation projects. The matter was discussed with the Chairman of the Committee on Interior and Insular Affairs, with members of the Committee on Public Works, with other Senators from reclamation States, and with representatives of the Bureau of Reclamation, and the language was added to the bill which made the same provision for reclamation projects as was made for Corps of Engineers projects.

As I said to the Senator from Utah earlier in the day—and I was joined by the chairman of the committee and the Senator from South Dakota [Mr. CASE]—if the reclamation boys do not want the provision with reference to reclamation projects to remain in the bill, we will strike it out. I told that to the Senator from Utah a little while ago. He said he did not want to strike that; he wanted to strike out sections 205 and 206. Is my understanding correct?

Mr. WATKINS. Section 205 is the only one I want to strike out. I may say to the Senator from Oklahoma that I do not think the amendment he is talking about, the proposal by the senior Senator from Wyoming [Mr. BARRETT] and some other Senators, goes far enough to take care of the situation to which I am calling attention. I realize that there is not a sufficient number of Senators now in the Chamber who are interested in western law to pay much attention to what I shall say, but I wish to make the record on this matter, so that there will be no doubt that the Senate had an opportunity to legislate in a proper manner on the proposal. I think this matter is so vital and so important that the record ought to be made.

Mr. KERR. I say to my good friend from Utah that the record was made by the committee in the House when they included the section in 1956. The record was made by the committee of the Senate in 1956, when we included it. The record was made by the committee of the Senate in 1957, when it was included in the bill now under consideration. There was not a single voice raised in opposition to this provision last year or this year.

It has been said that we are engaged in promoting haphazard, poorly considered legislation. I wonder which is poorly considered: That which the Committee on Public Works of the House has acted upon, deliberated upon, and passed once, and the committee of the Senate has acted upon twice—is that acting without due deliberation?—or an effort on the floor of the Senate by one who never even asked to be heard by the committee on the subject. Which method would be ill advised and without due deliberation?

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield so that I may address a question to the Senator from Utah?

Mr. KERR. I yield.

Mr. CASE of South Dakota. May I ask the distinguished Senator from Utah whether his amendment strikes out what would be described as section 206 in the original language of the bill?

Mr. WATKINS. I have not checked in the last few hours the section to which the Senator calls attention, but it is section 205 in the pending bill.

Mr. CASE of South Dakota. Will the Senator look at the bill and follow me as I read, so that we can ascertain what he is proposing to do?

Mr. WATKINS. I am proposing to strike out section 205 of the bill which is now before the Senate. That is exactly and specifically what I am trying to do.

Mr. CASE of South Dakota. The reason I ask the question is that section 205, on page 48 of the bill, is the language which has been stricken through.

Mr. KERR. The action sought by the Senator from Utah would strike out section 205 of this bill, but it would be the same as striking out sections 205 and 206 of the bill of last year.

Mr. WATKINS. That may be true; I am not sure.

Mr. KERR. I assure the Senator that it is true.

Mr. CASE of South Dakota. Let us approach this subject rather calmly, to see if we cannot come to some agreement. Does the Senator from Utah have any objection to the Committee on Public Works dealing with the matter so far as it relates to the Corps of Engineers projects?

Mr. WATKINS. I have served 4 years on the committee. I will go by my record. I certainly do not have any objection. I think that is the proper place for this particular matter to be considered.

Mr. CASE of South Dakota. Then suppose we simply drop from the language in the bill the portion of the amendment which refers to the Bureau of Reclamation.

Mr. WATKINS. But the Senator has apparently overlooked my principal objection to the proposed legislation, which is the failure by the committee to do certain things which ought to have been done. My objection does not refer only to the reclamation provisions.

Mr. CASE of South Dakota. Then, Mr. President, I shall not yield further. I call the attention of Senators on the floor to the situation under the existing law. I have in my hand a copy of the Flood Control Act of 1944. Section 6 refers to the duties of the Secretary of War. It will be remembered that the Department of War was the former name of the Department of the Army. I read as follows:

SEC. 6. That the Secretary of War is authorized to make contracts with States, municipalities, private concerns, or individuals, at such prices and at such terms as he may deem reasonable, for domestic and industrial uses for surplus water that may be available at any reservoir under the control of the War Department: *Provided*, That no contracts for such water shall adversely affect then existing lawful uses of such water. All moneys received from such contracts shall be deposited in the Treasury of the United States as miscellaneous receipts.

In other words, under existing law, the Secretary of War or the Secretary of the Army can make contracts for water on such terms as he alone determines. He can fix the terms and conditions.

What is sought to be done in the language of paragraph (b) of section 205 or section 206, however the Senator from Utah wishes to term it, is to make it consistent with reclamation law, which requires that the cost of the construction which is allocated to water shall be paid in full with interest, but which provides that the interest rates shall be determined by the Secretary of the Treasury.

I honestly cannot believe that the Senator from Utah wants the Secretary of the Army to have authority to make contracts for water, on terms which he may fix, without reference to the cost of construction. I do not see why he should object to our tightening up that feature of the present law by requiring

that the amount allocated to industrial or municipal water shall be repaid, and that the rate of interest shall be that which is determined by the Secretary of the Treasury rather than by the Secretary of the Army.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WATKINS. There are some good things in this section, but they are so tied together with the other parts of the section that it is very difficult to separate those which are good from the ones which are objectionable.

Mr. CASE of South Dakota. Does the Senator from Utah want to have one law for the Corps of Engineers and another law for the Bureau of Reclamation in dealing with municipal water?

Mr. WATKINS. I certainly do not.

Mr. CASE of South Dakota. The purpose of paragraph (b) was to give the Corps of Engineers the same right to sell water for industrial and municipal purposes, and to make just as stern a law for the repayment of construction costs and the payment of interest, as is applicable to reclamation projects.

Mr. WATKINS. That particular part of the bill is all right; I do not have any objection to it. But I say it is tied in with other features which are objectionable.

Mr. CASE of South Dakota. Then let us separate the Secretary of the Interior from the Corps of Engineers and proceed with the consideration of the bill.

Mr. WATKINS. The Senator from South Dakota overlooks the very strong objections I have made on other grounds.

Mr. KERR. I may say to the Senator from South Dakota that there is not any way to satisfy the Senator from Utah that his proposal is in the bill. We made our proposal. Every representative that I know of from the reclamation States who came before us and talked to us, except the Senator from Utah, thinks this provision has improved the bill. They felt that if certain provisions with reference to Corps of Engineers projects were to be included in the bill, there should be similar provisions with reference to the reclamation projects.

In view of the fact that in a few minutes we shall consider an amendment to be offered by the Senators from Wyoming [Mr. BARRETT and Mr. O'MAHONEY] to protect the rights of the States under the Millikin-O'Mahoney amendment, and to protect fully the vested interests in the water in other States, I hope the amendment of the Senator from Utah will be rejected, so that we may proceed further with the consideration of the bill.

Mr. WATKINS. Mr. President, I recognize the fact that I may appear to be somewhat stubborn. However, when I believe I am correct in my position regarding a matter in a field in which I have worked for a number of years, I wish to do all I can to see to it that what I regard as proper action is taken.

The water rights of the Western States are under attack right and left. The Senator from Nebraska [Mr. CURTIS] has already pointed out that various governmental agencies are attacking the water rights of the Western States.

Without the amendment which was referred to a moment ago—I refer to the one which is to be submitted by the Senator from Wyoming [Mr. BARRETT]—there cannot be the slightest doubt that the Army engineers' view of western water law—a view which is not very complimentary to that law, and which has not been observed in the past—would prevail. In fact, as I read this portion of the bill, I believe it would even be possible for the Bureau of Reclamation to begin to ignore the western water law although there are provisions in the Reclamation Acts of 1902 and 1939 which requare that the Bureau comply with such western laws.

Furthermore, we are faced with a willingness to permit all such projects which have been authorized in the past to be the beneficiaries of so-called water storage provided to take care of low flow in the rivers. There are absolutely no estimates as to the cost; the sky may be the limit. The reference is to all the projects which heretofore have been authorized, and the ones now being authorized, and those to be authorized in the future. By this means the Congress would commit the country to the modification of all kinds of projects already built and to the construction of new ones, under the authorizations contained in the bill. Those are some of the very important items to which I wish to refer in connection with the bill.

Before we pass such a bill, we should know, first, how large a commitment we are making. In the second place, we should be certain that in connection with the provisions of the bill, there will be a repayment of the costs of the new commitments. But subsection (a) does not take care of that situation. It says the costs will be nonreimbursable, and it extends the provision to the reclamation program. The attitude in that respect seems to be "that is all well and good; we will give ourselves a good deal, nonreimbursable; and we will let the Reclamation Bureau come in on that part of it, at least."

Mr. O'MAHONEY. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. O'MAHONEY. I desire to call the attention of the Senator from Utah to the fact that, although I agree with much he has said about the language of the bill, nevertheless the attitude of the members of the Public Works Committee has been so cooperative in dealing with those of us who represent the arid land States, that I feel that we can rely upon a continuation of their cooperation. It must be remembered that the projects authorized in the bill are not going to be built this year.

Mr. WATKINS. No; perhaps they will be built 20 years from now; in view of the way the backlog has stacked up.

Mr. O'MAHONEY. Yes. They will not be included in any budget this year.

Mr. LAUSCHE. Mr. President, I should like to ask a question, if I may.

Mr. WATKINS. Certainly.

Mr. LAUSCHE. Did the Senator read the report of the committee in which it is stated it is necessary that quick disposition be made of the pending bill, so that action can be taken on the appropriation bill which will provide the money required by the authorizations included in this bill?

Mr. O'MAHONEY. Mr. President, I am not talking about what the committee said in its report, let me say to the distinguished and able Senator from Ohio. I am being realistic, and I am talking about actual facts.

Mr. LAUSCHE. I should like to read from the committee's report.

Mr. O'MAHONEY. Let me say that it is irrelevant to do so; but, of course, so far as I am concerned, the Senator from Ohio may read the report if he wishes to.

Mr. LAUSCHE. I thought it relevant to refer to it, because the Senator expressed the judgment that during the present Congress, no such action would be taken in connection with the appropriation bill on this subject.

In the committee report we find the following language:

> The committee believes it essential that immediate action be taken by the Congress and the President on this legislation in order that funds for urgently needed projects contained in the bill may be included in the pending appropriation bill.

Mr. O'MAHONEY. Mr. President, I call the attention of the Senator from Ohio to the fact that the language he has read clearly answers his own question, because it refers only to urgently needed projects. The bill may contain authorizations of some urgently needed projects, but most of the projects authorized in the bill will not be handled in that way.

Mr. LAUSCHE. But all during today I have listened to Senators argue that every one of these projects is indispensable for the preservation of the country, and that not a single one of them can be deferred.

Mr. O'MAHONEY. I should like to continue for a moment.

Mr. WATKINS. Is the Senator from Wyoming asking me a question? I think I have the floor.

Mr. O'MAHONEY. I have asked the Senator from Utah to yield.

Mr. WATKINS. That is correct. I wish to be sure that I am not trespassing upon the time of the Senator from Wyoming.

Mr. O'MAHONEY. Oh, no. The Senator from Utah has the floor.

Mr. President, I am pointing out that—despite the language of the report—the fact is that funds for most of the projects authorized in the pending bill will not be included in any Presidential budget in the near future. When funds for them are submitted in a budget, we shall have another opportunity, before the Appropriations Committee, to include corrective language, if study reveals that such corrective language should be included.

I would be very happy to cooperate with the very able Senator from Utah in the Committee on Interior and Insular Affairs, in order to make certain that any defect he finds is corrected before the Appropriations Committee, and I am sure the members of the Appropriations Committee will also cooperate.

In view of the gains which will be made by means of the amendments to be submitted by my colleague, the senior Senator from Wyoming [Mr. BARRETT], and by the Senator from South Dakota [Mr. CASE]—which amendments already have been accepted in principle by the Senator in charge of the bill—I believe that we shall then have clarified most of the provisions and shall have taken care of most of the troubles which bother the Senator from Utah.

Mr. WATKINS. No, Mr. President; I think the Senator from Wyoming fails to understand my point that the bill involves other matters, in addition to the water rights.

Mr. O'MAHONEY. But, Mr. President, I am saying that the other matters will be handled in an appropriations bill, which may not come until next year or the following year.

Mr. WATKINS. In other words, I understand that the Senator from Wyoming wishes to leave everything to the Appropriations Committee, and wishes to rely on having the Appropriations Committee put on the brakes.

Mr. O'MAHONEY. No, that is not my position. Evidently the Senator from Utah did not understand what I was saying. I said I would cooperate with him in the Committee on Interior and Insular Affairs, of which both he and I are members, to review this entire matter.

Mr. WATKINS. After the bill is passed and becomes law, what good will be done by making a review, when the projects already have been authorized?

Mr. O'MAHONEY. I have known of instances in which—the day after the President has signed a certain bill—the Senate has passed a bill to amend the bill just signed by the President.

Mr. WATKINS. I do not propose to introduce, the day after this bill is passed or the day after it is signed, a bill amending it.

However, I recognize the good will and the graciousness of my distinguished friend, the Senator from Wyoming. In my opinion, it is most important that consideration be given to the various problems the bill involves.

Mr. O'MAHONEY. Oh, it is most important; and the Senator from Utah has made this record.

Now let us proceed to act.

Mr. WATKINS. I was ready to yield the floor, but various Senators began to question me. I am perfectly willing to stand here the rest of the night, if they wish me to continue.

Mr. O'MAHONEY. Very well, Mr. President. But for my part, I sit. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. WATKINS].

Mr. CASE of South Dakota. Mr. President, as a matter of record, I wish to state that the bill includes three projects for which such authorization is needed; otherwise, appropriations for them, under Bureau of the Budget estimates this year, would be subject to a point of order.

The budget includes $5,500,000 for the central and southern Florida project, which is $274,000 in excess of the existing monetary authorization.

The Kaweah and Tule River Basin, including Success and Terminus Reservoirs, has a budget estimate of $7,500,000, which exceed present monetary authorization by $6,882,000.

The budget includes $18,100,000 for the Los Angeles County flood control project, which is $1,885,000 in excess of existing monetary authorization.

Those three projects are the ones to which the committee report refers, in speaking of an urgent need to obtain authorizations before the appropriation bill is considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. WATKINS] to strike out section 205.

The amendment was rejected.

Mr. KERR. Mr. President, I wonder if the Senator from Michigan will call his amendment up?

Mr. POTTER. Mr. President, I call up my amendment, designated 1-30-57-A.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, between lines 3 and 4, it is proposed to insert the following new section:

> SEC. 108. The project for establishing harbors of refuge on the coasts of the Great Lakes, authorized in the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 2, 1945 (59 Stat. 10), in accordance with the recommendations of the Chief of Engineers in House Document No. 446, 78th Congress, is modified in order to authorize 27 acres of dredging for the harbor at Port Austin, Mich.

Mr. POTTER. Mr. President, the amendment is for the construction of a harbor refuge at Port Austin, Mich., which was authorized by the Rivers and Harbors Act approved March 2, 1945. The original plan for this harbor included two breakwaters. The Michigan Waterways Commission, which is a partner in this project, has an agreement with the University of Michigan whereby projects are laid out in scale at the laboratory in the University of Michigan. During the laboratory work at the University of Michigan it was found that one breakwater should be eliminated, which would result in a saving of $87,000 in the original estimate of the project. Along with that finding, it was determined that it would be necessary to increase the acreage by 27 acres, which would increase the cost by about $44,000. In essence, the saving amounts to about $45,000 of the original estimated cost of the project.

The Corps of Engineers have stated that in order to construct the project, they will have to have additional authorization.

I have discussed the amendment with the chairman of the subcommittee, the distinguished Senator from Oklahoma [Mr. KERR], the chairman of the full committee, the distinguished senior Senator from New Mexico [Mr. CHAVEZ], and the ranking Republican member of the committee, the Senator from Pennsylvania [Mr. MARTIN]. They have agreed to take this amendment to conference.

Mr. KERR. Mr. President, I think the amendment is worthy and should be accepted.

Mr. LAUSCHE. Mr. President, will the Senator from Michigan yield for a question?

Mr. POTTER. I yield.

Mr. LAUSCHE. What cost will this project entail?

Mr. POTTER. Actually, this project saves about $44,000 of the original estimated cost.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. POTTER].

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, the amendment which I discussed will be offered by the author of the amendment which we are changing.

Mr. CASE of South Dakota. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I am asking that the Senator offer the amendment.

Mr. CASE of South Dakota. On page 51, in line 14, I move to strike out the colon, insert a period, and in lieu of the remainder of the language in lines 14, 15, 16, and 17, to insert a new paragraph reading as follows:

> (c) The provisions of this section shall not be construed to modify the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 890).

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. O'MAHONEY. Mr. President, before the Senator proceeds, I should like to point out that there was an agreement that on line 15 the language should read "provisions of section 205."

Mr. CASE of South Dakota. That can be done, although the same purpose can be accomplished by making it stand as a separate subsection and using the word "This."

If the Senator from Wyoming prefers to have it used in the same section, I have no objection.

Mr. O'MAHONEY. That would be acceptable to me.

Mr. KERR. Mr. President, has the amendment been submitted at the desk?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. The Senator from South Dakota proposes, on page 51, line 14, after the colon, to strike out the language on lines 14, 15, 16, and 17, and insert in lieu thereof:

> (c) The provisions of section 205 shall not be construed to modify the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 890).

Mr. CASE of South Dakota. Mr. President, so the RECORD may be clear, the amendment strikes out (b) as it appears in the text of the language and makes the language stand as a subsection of section 205. In striking (b), it makes section 1 of the Flood Control Act of 1944, as referred to, apply in its entirety. The (a) portion of section 1 required consultation with the State agencies. The (b) portion related to protection of water west of the 98th meridian. By striking out (b), both

subsections (a) and (b) of section 1 of the Flood Control Act of 1944 will apply to all of section 205.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. BARRETT. Mr. President, I call up my amendment, which is designated 3-27-57-B. I send to the desk a modification and ask that it be stated.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The CHIEF CLERK. On page 50, line 8, it is proposed to strike out the period, and insert a colon and the following proviso:

Provided, That such storage be constructed and used in compliance with applicable State laws and interstate compacts: *Provided further*, That nothing herein shall be construed to amend, modify, or limit, the applicability of section 8 of the Reclamation Act of 1902.

Mr. BARRETT. Mr. President, I yield myself 10 minutes.

My amendment merely makes certain that any project constructed by reason of this section shall be in conformity with State law. It is a State-law provision entirely. Secondly, it provides that the section shall not in any way, shape, or form, modify section 8 of the Reclamation Act of 1902.

I have discussed this amendment with the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. KERR], and the junior Senator from South Dakota [Mr. CASE]. They very kindly agreed to the amendment.

I ask unanimous consent that an explanation of the amendment may be printed in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

In preparing the proposed modification of my amendment several considerations have been kept in mind. In the first place, I recognize the great importance of providing conservation storage space in reservoirs for the future needs of farms and cities. However, I also want it clear that providing that space should not preempt the streams for the Federal Government. As a result, the amendment which I offer proposes that the construction of conservation and storage space for future needs shall not interfere with the acquisition of water rights under applicable State laws, pending the day when the conservation storage space is needed.

I have also modified in this amendment the applicability of this section to the Secretary of the Interior to the extent that any such space built by him shall be subject to the limitations of reclamation law. I do not feel that the language of the bill has had sufficient study to warrant its acceptance as a substitute for the time-tested provisions of our reclamation laws dating back to 1902.

My amendment makes abundantly clear that works constructed under the authority of this bill and the water stored as a result thereof shall be used in compliance with applicable State laws.

Mr. KERR. Mr. President, it is the attitude of the management of the bill that the amendment is consistent with the purposes of the bill, and we hope it will be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. BARRETT].

Mr. WATKINS. Mr. President, I am acquainted with the situation which will be created by the acceptance of this amendment. I think it improves section 205.

I sincerely believe however, that it does not go far enough to correct the errors in that section, and the dangers which inhere in it with respect to the western water rights. It does, of course, take care of some of the other situations. It is an improvement on section 205. I am glad that the amendment offered by the Senator from Wyoming is acceptable. However, I do not think for a moment that it cures the defects in the bill, and particularly in section 205.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. BARRETT].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, on behalf of my colleague [Mr. JENNER] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana will be stated.

The CHIEF CLERK. On page 42, between lines 16 and 17, it is proposed to insert the following:

The general comprehensive plans for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6 on Salt Creek, White River Basin, Indiana, in accordance with the recommendations of the Board of Engineers for Rivers and Harbors and subject to such modifications as the Chief of Engineers, Department of the Army, may deem advisable, at an estimated cost of $4,359,000.

Mr. CAPEHART. Mr. President, as I have stated, I offer this amendment on behalf of my colleague [Mr. JENNER] and myself. My colleague is vitally interested in it. I have discussed the amendment with the Senator in charge of the bill.

This amendment involves a reservoir. According to the report from the Rivers and Harbors Board, which recommends it, and which report I ask to have printed in the RECORD at this point as a part of my remarks, it appears that the local people will pay 54.1 percent of the cost.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RIVER AND HARBOR BOARD RECOMMENDS RESERVOIR ON SALT CREEK, WHITE RIVER BASIN, IND.

The Board of Engineers for Rivers and Harbors at its meeting on March 26, 1957, held in Washington, D. C., considered the report of the district engineer, Louisville district, Corps of Engineers, United States Army, Louisville, Ky., and the division engineer, Ohio River Division, Corps of Engineers, United States Army, Cincinnati, Ohio, and concurred with the views and recommendations of the reporting officers that a reservoir is needed for flood control and low-flow regulation on Salt Creek, Ind. The Monroe Reservoir as proposed by the district engineer is economically justified and the degree of local participation required is equitable.

The Board recommended that the general comprehensive plan for flood control and other purposes in the Ohio River Basin be modified to provide a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Ind., generally in accordance with the plan of the reporting officers and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable; at an estimated cost to the United States of $4,359,000 for construction and $35,000 annually for maintenance and operation; provided that, prior to construction, local interests give assurances satisfactory to the Secretary of the Army that they will contribute in cash 54.1 percent of the total first cost of the project, and that such payment, totaling an estimated $5,141,000, be paid either in a lump sum prior to commencement of construction, or in installments prior to commencement of pertinent items, in accordance with construction schedules as required by the Chief of Engineers; the final allocation to be made after the actual costs have been determined.

The Board's report is being processed for submission to the Chief of Engineers. The proposed report of the Chief of Engineers thereon will be furnished to the governor of the interested State and to interested Federal agencies for their views and comments. These comments will accompany the complete report to Congress with the recommendations of the Chief of Engineers.

After the report has been transmitted to Congress further action toward construction of any projects that may be recommended therein will depend upon the authorization of those projects by Congress and the subsequent appropriation of the necessary funds for the work proposed.

Mr. KERR. Mr. President, the amendment is acceptable to the managers of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I offer an amendment which I send to the desk. I ask unanimous consent that the amendment be printed in the RECORD at this point without reading.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD at this point without reading.

The amendment of Mr. JOHNSON of Texas was, on page 58, between lines 4 and 5, to insert the following:

SEC. 210. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Benbrook Reservoir and Belton Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever (1) he shall determine that such land is not required for public purposes, including public recreational use, and (2) he shall have received an application for reconveyance as hereinafter provided.

(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of ninety days following the date of issuance of such notice, but on good

cause the Secretary may waive this requirement.

(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

(f) As used in this section the term "former owner" means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law.

(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

(h) Any proceeds from reconveyances made under this section shall be covered into the Treasury of the United States as miscellaneous receipts.

(i) This section shall terminate 3 years after the date of enactment of this act.

Mr. JOHNSON of Texas. Mr. President, I should like to explain the amendment very briefly. I have discussed it with the chairman of the subcommittee, the Senator from Oklahoma [Mr. KERR], and the ranking minority member, the Senator from Pennsylvania [Mr. MARTIN]. This is language similar to that in another bill which we passed unanimously in the last Congress. It would authorize the Secretary of the Army to reconvey certain land which is surplus to the needs of two reservoirs in Texas, Benbrook and Belton.

I am informed that there is no controversy involved in authorizing the reconveyance of the surplus lands in either of these projects. The Corps of Engineers recognizes that the original land acquisitions are excessive to the actual needs.

I am told that the language is acceptable to the chairman of the subcommittee and to the ranking minority member.

Mr. KERR. Mr. President, the amendment has been before the committee. It has been unanimously approved, and it is acceptable to the managers of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON].

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add the following new title:

TITLE III—MISCELLANEOUS

SEC. 301. The owner of any land acquired by the United States after the date of enactment of this act shall—

(a) If such land is acquired by the United States as the result of the excise of its power of eminent domain,

(b) If such land is acquired to be used for reservoir purposes, and

(c) If the owner of such land has resided thereon for not less than 5 years immediately preceding the date such land is acquired by the United States, be entitled to receive, in addition to the fair market value of such land, an amount equal to the costs of relocating and reestablishing himself on comparable land, or 25 percent of the fair market value of the land acquired by the United States, whichever is the lesser.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Colonel T. J. Hayes, District Engineer for the Corps of Engineers at Omaha.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DISTRICT ENGINEER,
Omaha, Nebr., May 7, 1956.

Hon. FRANCIS CASE,
United States Senate,
Washington, D. C.

DEAR SENATOR CASE: Reference is made to your letter of March 26 and further correspondence of April 30 regarding a tabulation of our appraisals, jury and commissioners' awards for lands in South Dakota taken by the Government in connection with civil works projects.

You are quite correct in your statements that representatives of the Corps testify at the hearings in court trials, and that payments for the land are made from funds appropriated to the Corps for the project. The difficulty in analyzing the results in contested cases arises from the fact that the appraisal is based on so many factors, including a breakdown of the land into representative parts and a decision as to the best usage of each; and then a determination of the fair appraised value for each such usage, for the improvements on the land, for the salvage value of the improvements and for the damages which will result from severance. A conclusion by the court differing from ours in any one or any combination of these factors would result in an award differing from our appraisal. This was the point I was referring to in my previous letter—the fact that we would not have the information which would indicate the basis on which the court made its determination.

Subsequent to your earlier letter, I have attempted to secure data which would be helpful to you by a study of the files on each of the 1,074 tract ownerships involved in the Fort Randall project. A tabulation covering these is attached. In summary, 54 percent of the tracts were acquired by negotiation, 17 percent were contested to clear title at no increase in appraised value, 18 percent went to condemnation but subsequent negotiation resolved the amount of the award with a net increase of less than 1 percent, 7 percent are still in the courts and judgments have not been rendered, and only 4 percent have been contested in the courts.

These contested cases total 45, of which 12 were tried by jury, resulting in awards totaling 43 percent over the appraised value; and 33 were resolved by hearings before commissioners, with awards totaling 47 percent over the appraised value. Thus, if these results can be taken as representative, commission awards are somewhat higher than jury awards. However, it is thought the percentage and the number of cases involved is too small as to be conclusive; and there is no basis for determining whether the difference in the awards resulted from the type of trial, peculiarities of the land, effectiveness of the landowner's presentation, errors by Government personnel, or a sympathetic court.

We are just now entering the phase of pretrial conferences in connection with the condemnation cases so far filed at Gavins Point, and such information as contained in this letter is not as yet available. Oahe is in the early stages of acquisition, and no trend has yet developed.

With warmest personal regards,

Sincerely yours,

T. J. HAYES,
Colonel, Corps of Engineers, District Engineer.

Analysis of land acquisition program, Fort Randall Dam and Reservoir

	Number of tracts	Acreage	Appraised value	Deposit	Award	Average acres per tract	Average appraised value per acre	Average court award per acre	Percent increase over appraised value
Uncontested, to clear title, etc.	179	10,485.31	$900,017	$901,187	$885,587.00	58.57	$87	$84	0
Stipulation, friendly negotiation	101	24,858.42	1,001,371	964,336	1,008,807.00	130.09	40	41	.0074
Trial by jury	12	3,038.22	96,025	96,025	137,397.34	253.18	32	45	43
Commissioners' hearings	33	14,240.94	733,500	608,000	1,083,616.45	431.54	52	76	47
Not completed, judgments not rendered	81	7,014.71	257,290	255,618		86.60	37		
Grand total	406	59,637.60	2,997,143	2,905,163	3,115,407.79	120.23	50		

NOTE.—Discrepancies between the approved appraisal and the deposit is due to revisions of appraisals as of date of taking, to reflect reservations by owners of buildings or agreeable minor boundary adjustments.

Mr. CASE of South Dakota. I shall read a portion of one paragraph of the letter to show the reason for the amendment. Colonel Hayes wrote me, in response to my letter, in part, as follows:

> These contested cases total 45, of which 12 were tried by jury, resulting in awards totaling 43 percent over the appraised value; and 33 were resolved by hearings before commissioners, with awards totaling 47 percent over the appraised value.

This amendment would make it possible for the Corps of Engineers, when land is being taken by condemnation for a reservoir, and when the land is owned and has been resided upon and is in the position of a homestead, to make an allowance up to 25 percent, or to pay the cost of relocating and reestablishing the owner on comparable land, whichever is the lesser amount, rather than forcing the Government to take these cases into court, where, as the record shows, awards of 43 and 47 percent over the appraised value have been made.

I think the amendment would clearly save money for the Government. It would save the difference between 25 percent and 43 or 47 percent. It would also save the cost of the attorneys which the Government employs in taking these cases to court. It would make possible a measure of justice to the landowners whose homes are being taken from them without their consent.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. BUSH. As I understand, the amendment would apply only to transactions in which the Government is forced to condemn.

Mr. CASE of South Dakota. Yes.

Mr. BUSH. It would not apply to a negotiated deal, would it? Let me ask the Senator this question: Is it not true that most acquisitions are by negotiation, and not by condemnation? The Government acquires most of the reservoir lands by negotiation, does it not?

Mr. CASE of South Dakota. I think the Senator from Connecticut has raised a good point. I should like to insert in line 4 of my amendment, on page 1, after the word "is" the words "about to be."

The PRESIDING OFFICER. The Senator has the right to modify his own amendment.

Mr. CASE of South Dakota. I think that would meet the point raised.

Mr. KERR. Mr. President, it is the opinion of the Senator from Oklahoma that the amendment would result in no added expense, and in many cases it would result in savings to the Government. It is my opinion that the amendment is equitable and just, and should be accepted.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. Has the Senator given any recognition to the dangerous precedent which might be established in inducing State after State and municipality after municipality to provide new concessions to those from whom property is being taken for public improvements? When it is said that this amendment would apply only in cases of condemnation, we are telling everyone to resort to condemnation.

Mr. CASE of South Dakota. I think perhaps we have cured that situation by the suggestion I made for modifying the amendment, following the suggestion of the Senator from Connecticut [Mr. BUSH], so as not to require condemnation.

It will be noted that the amendment is limited to land on which the owner lives, and has lived for 5 years. That is to avoid any possibility of speculation.

Let me say to the distinguished Senator from Ohio that in my State some 450,000 acres of land are in process of being taken for reservoirs. The Congress enacted special legislation to cover cases in which land was being taken from Indians, and providing for reimbursement, as the distinguished Senator from Utah will recall. But the white settler living alongside the Indian now finds that his home, where he may have lived for 25 or 50 years, is being taken from him, and the only appraised value that can be offered to him is that which is determined by going to the courthouse and looking up the records of sales by willing sellers over a period of years, estate sales, or something of that sort. The engineers are allowed to offer only an appraised value based upon sales in which there were willing sellers. The Government takes the land from homesteaders who may have lived upon it for 50 years, and offers them a price based only upon sales by willing sellers, or estate sales; and in order to protect himself the owner or the homesteader must go to court. When he has gone into court or before commissioners, under the evidence I have submitted for the RECORD, juries have given 43 percent, and the commissioners have given an average of 47 percent over the appraised values. That results in considerable inequity. The poor farmer or rancher hesitates to go to court, or is afraid to go to court, and he finally winds up with a lawyer, who takes the case on a contingent basis, with the result that the lawyer usually gets about half of the amount and the homesteader gets the other half.

The amendment places a limitation of 25 percent upon what can be received. That is consistent with the law which permits relocation costs to be paid to a man who is in business. Here we are dealing with a homesteader who in many cases in his later years finds he cannot relocate. Therefore the Government is put in the position of compelling him to give up his land and then assessing a capital gains tax on him and taking away part of the proceeds of the sale, even when he is not able to get the fair market value of his home.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. In my opinion the vivid description of the inordinate cost which is falling upon Government in building public works at this time, and in acquiring properties needed for such projects, indicates stronger than anything that has been said today that a moratorium ought to be declared at this time, and should remain in effect until such period as prices are normal and conditions are of a nature that the taxpayer gets a dollar for every dollar he pays.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. BUSH. I wonder whether the Senator means to have his amendment apply only to land acquisitions, or whether it should apply also to property acquisitions. What about the value of the property on the land? The Senator speaks about a homestead. I am thinking about a dam that is about to be constructed on land in my area, where the land, perhaps, is not the most valuable part of the property to be acquired. How does the Senator's amendment affect that kind of situation?

Mr. CASE of South Dakota. I believe that under existing law, 2 appraisals are made, 1 of the land and 1 of the improvements on the land.

Mr. KERR. And a man can go to court if he does not agree with either of them.

Mr. BUSH. The point is that the Senator's amendment applies only to land value, and does not apply to any improvements.

Mr. KERR. If it is a homestead, it applies to the improvements.

Mr. BUSH. It would seem so, but the amendment does not say so.

Mr. CASE of South Dakota. If they are fixed improvements; yes.

Mr. BUSH. That is not stated in the amendment.

Mr. KERR. That is the way I understood the amendment.

Mr. CASE of South Dakota. The amendment was intended to cover what would be a homestead of the person from whom the land is being taken.

Mr. KERR. If he occupied it as a home for at least 5 years.

Mr. CASE of South Dakota. Yes.

Mr. BUSH. The amendment does not make that point clear. I wonder if the amendment could not be modified so as to make it clear.

Mr. CHAVEZ. It could be modified to make it clearer. Nevertheless, when a person sells a piece of land, what is on the land goes with it, under the law.

Mr. CASE of South Dakota. If the Senator from Connecticut would like to have it clarified further, I would insert in line 4, page 2, after the words "of such land", the words "and improvements."

Mr. BUSH. That would be all right at that point on page 2. How about page 1, line 4 and line 7?

Mr. CASE of South Dakota. I do not believe it would be necessary on that page, because that is merely descriptive of the real estate. The appraisal factor comes in on line 4, page 2.

Mr. BUSH. I understand what the Senator has in mind. If we are to have this kind of amendment added to the bill, I do not wish to have it confined merely to reservoirs. It should have broad application.

Mr. CASE of South Dakota. It does, so far as reservoirs are concerned.

Mr. BUSH. It should be made clear that improvements are included with the land.

Mr. CASE of South Dakota. Mr. President, I modify my amendment on page 2, line 4, after the words "of such land," by inserting the words "and improvements."

Mr. BUSH. I believe that is all right. Is the Senator satisfied that by adding those words on page 2 is the effective way of doing it? Does the Senator believe it is not necessary to add those words on page 1?

Mr. CASE of South Dakota. The first part, to which the Senator refers, is merely descriptive.

Mr. LAUSCHE. Has the Senator given consideration to the deluge of demands that will come to every legislature in the country and to the Department having to do with public works in connection with highway improvements, that the newly declared principle in connection with public works shall be made applicable to every type of condemnation?

Mr. CASE of South Dakota. I have given consideration to that point. That is why I have limited the application of the amendment to reservoirs. There is a decided difference between taking land for that purpose and taking land for highway construction purposes. In connection with condemnation proceedings for highway purposes, severance damages can be paid. It is not necessary in all cases to take a complete farm. Authorization is given to take land and to pay severance damages. When land is taken for reservoir purposes, the fine bottom land, the heart of the farm is taken. I did give consideration to that point, and I specifically made the amendment apply only to reservoirs, so that it would not set a precedent for highway taking.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. WATKINS. Is it not correct to say that what the Senator is now doing is writing a new measure of damages for the taking of land for public works such as reservoirs, flood control, and—

Mr. CASE of South Dakota. Only for reservoirs.

Mr. WATKINS. Why should a new measure be written for reservoirs, and why should extra money be denied to other people who have their property taken?

Mr. CASE of South Dakota. The answer to that question is that the Government today pays more. Whenever a claimant goes to court now, he gets more than this authorization would give him. Under the amendment, the Government would pay out less money than it pays now, but the claimant would net more than he nets now.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I have a table showing what has happened when persons have had to go to court. In 12 cases where the appraised value was $32 an acre, the court awarded $45 an acre, an increase of 43 percent.

Mr. WATKINS. Perhaps it was justified.

Mr. CASE of South Dakota. Perhaps so. Some of the cases went before commissioners. Thirty-three cases went before commissioners, according to this table. I am now speaking only of the Randall Reservoir in my State. Thirty-three cases went before commissioners instead of before the Federal court. The appraisals in these cases had been $52 an acre. When the cases went before commissioners where the findings had to be confirmed by the district court, the price was increased to $76 an acre, an increase of 47 percent.

My amendment would permit the Corps of Engineers to settle the cases at 25 percent or for the cost of relocation, whichever is lesser.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KUCHEL. I should like to say to the able Senator that I am not entirely unacquainted with the problem of values placed on real property by reason of necessary condemnation on the part of Federal agencies. I can recall some instances in my State of highly valuable property being subjected to ridiculously low and unrealistic appraisal, and as a result litigation was required. As the Senator has suggested, a part of the proceeds from the judgments obviously flowed to the lawyers representing the homeowners.

However, I wish to ask the Senator, a fellow member of the Committee on Public Works, if he would consider withdrawing his amendment at this time. If he would do so, I would join with him in urging that our committee give consideration to the problems involved, not merely with reference to condemnation in connection with potential reservoir sites, but generally in the field of flood control. I make that request in good faith. If we approve the amendment, we would place another element into the flood control bill which might raise some questions. Therefore, I hope that my friend will consider the good faith recommendation I make, namely, that he withdraw the amendment, so that we can subsequently hold hearings on it before our committee.

Mr. CASE of South Dakota. Mr. President, I should be willing to limit the amendment to projects in the Missouri River Basin, but I think that is as far as I would wish to go. The reason why I say that is, this bill carries additional authorization. These 450,000 acres are being taken today. What happens is that the people have to go into court to get a fair deal, and then, if they are middle-aged people, 50 or 60 years of age, if they do not reinvest the money within a year, a part of the pittance they receive is taken away in capital gains tax.

Mr. KUCHEL. Will the Senator yield for one more question?

Mr. CASE of South Dakota. I yield.

Mr. KUCHEL. Is it not possible, I ask the Senator, for one to circumvent what the Senator is honestly trying to accomplish, by intentionally depressing the value which a given governmental agency might arrive at, so that when the 25 percent is added the justice which the Senator has in mind still might not be done?

I point that out as an off-the-cuff thought, which might need study.

Mr. CASE of South Dakota. The safeguard against that would be that persons affected are not denied the right to go to court.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I understand from the manager of the bill that this amendment will probably go to conference. I oppose its going to conference.

I should like to make a suggestion. The Senator from South Dakota is talking about reservoirs and homeowners. We all understand that situation, and have a great deal of sympathy for those who may be affected. The Federal Government, however, may come into the center of the city of Boston, as an example, in the near future.

Mr. CASE of South Dakota. To create a reservoir?

Mr. SALTONSTALL. No, to erect an office building, a new Federal building. Or the Federal Government might go to any other city.

Some businesses which for a good many years have been within the area where the office building is to be constructed, will have to relocated. They will have to go somewhere else. It will cost much more to move such businesses than they will receive as payment for fair market value of their property.

As the Senator from Utah has said, if we are to establish a new law for one special group of people, for whom we have a great deal of sympathy and regard, because homes are involved, we must also think of others who will suffer just as much from the financial point of view, if they have to reestablish their businesses.

Mr. CASE of South Dakota. Mr. President, there is some provision on that point.

Mr. SALTONSTALL. I bring that out for the consideration of the conferees, if the amendment should go to conference.

Mr. CASE of South Dakota. I would be satisfied to have the amendment taken to conference.

If the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from California [Mr. KUCHEL], and other Senators feel the amendment should be modified or that provision should be omitted, I certainly would be reasonable about the matter; but I may say to the distinguished Senator from Massachusetts that there is a provision in one of the military construction acts whereby a method is provided for paying relocation costs. I am sorry I cannot at this time give the precise reference to it, but there is a 25 percent ceiling on the provision, I believe, and that was what suggested the use of the 25 percent ceiling in this instance.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Louisiana.

Mr. LONG. The argument of the Senator makes sense to many of us. However, the thought occurs to me that there are many other situations besides those involving reservoirs, such as the one suggested by the Senator from Massachusetts.

For example, in the State of Louisiana we are from time to time confronted with the necessity of making a major levee setback, and in such cases a great deal of land which is presently under cultivation is taken in order to move back the levee to help solve a flood-control problem. We have to take land in the construction of a floodway designed to carry the flood waters of the Mississippi River into the Gulf of Mexico, rather than to have them topping the levees. The owners of such land have just as much a right to have the expenses of moving property paid to them as do the people with land taken for reservoirs.

Mr. CASE of South Dakota. I may say to the distinguished Senator if the situation he speaks of involves a home I would feel that the same treatment should be extended. I limited the proposal to reservoirs, because when we talk about reservoirs we are talking about the taking of land which has to be the bottom land, the home and heart of the farm or ranch. I think that is the most aggravated case.

Mr. LONG. I wish the Senator could visit the State of Louisiana, where we have lost the most gorgeous antebellum home on the Mississippi River because of the necessity for moving back the levee.

Mr. CASE of South Dakota. If we take care of the most aggravated cases, perhaps we can work out some modification to take care of the other cases.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota [Mr. CASE] as modified.

Mr. CASE of South Dakota. Mr. President, I ask for a division.

On a division, the amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is now open to further amendment.

Mr. KERR. There are three technical amendments to which I should like to invite the attention of the Senate.

On page 2, line 20, of the bill as it is before the Senate are the words "House Document Numbered". The number was not available when the bill was printed, and is available now. The number should be "136".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KERR. On page 23, line 7, there is a similar amendment. The words "House Document Numbered" appear, and the number should be inserted, "137".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KERR. On page 56, line 15, are the words "River in Oakland, McComb, and Wayne Counties, Michigan."

The word "Macomb" is spelled "M-c-C-o-m-b" and should be spelled "M-a-c-o-m-b."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WATKINS. Mr. President, I send to the desk my amendment numbered "3-27-57-B" and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The CHIEF CLERK. On page 2, line 10, it is proposed to add the following:

Provided further, That construction of any project authorized under this act shall not be initiated and no moneys expended on or in connection with the works or structures provided for in this act, until the States and local governments, private businesses, and public organizations benefiting therefrom shall have committed themselves, by contract, to assume a minimum of 50 percent of the total construction costs, and 50 percent of the annual operation and maintenance costs:

Mr. WATKINS. Mr. President, there has been considerable talk under this dome in recent days on the necessity of reducing the Federal budget. And, if I interpret the signs correctly, practically everyone is in agreement on the general proposition that we must reduce Federal spending.

Under the circumstances, I feel impelled to provide my friends here in the Senate and, ultimately, in the House as well, an opportunity to reduce Federal spending commitments by at least a billion dollars.

This is an unusual opportunity, because it involves a measure which affects every State and Territory. Approval of the suggestion also would provide an opportunity for Chambers of Commerce and other organizations in every section of the country to applaud us for budgeting economy, and to lend their support to a specific attempt to reduce the budget, an objective with respect to which all in general agree.

The proposal is to amend S. 497, now under consideration, to provide for a 50-50 cost sharing with the State and local beneficiaries of these projects. I hereby send this proposed amendment to the desk and ask that it be considered at the appropriate time.

Now the first question that may occur to you, who have had sufficient time to study this bill and the report, is how can we effect a savings of a billion dollars on 50-50 cost sharing of a bill that authorizes appropriations of only $1,521,554,000?

The explanation is simple, and I think that this consideration will point up something that groups like the Hoover Commission have long been stressing. The fact is that every project authorization under the civil works program carries with it an implied annual operation and maintenance cost of considerable, but unstated size.

Lacking any concrete estimate from the agency or the committee, it is my well-considered guess that if the projects authorized in this bill are constructed, they will impose upon the Federal Treasury within the next half century, operation and maintenance costs almost equal to the total authorization itself. In other words, we are not considering an authorization of $1,521,554,000, but an authorization of nearly $3 billion during the first 50 years of project operation.

My announced estimate of a saving of a billion dollars, therefore, is conservative. It properly could have been at least a billion and a half dollars, because the authorized operation and maintenance costs will be paid by Uncle Sam for the life of the respective projects, and that varies anywhere from fifty to several hundred years.

I do not know why Congress chooses to close its eyes to the commitments made in civil works bills for future operation and maintenance at Federal expense. But it is a fact that we have sought to ignore these economic realities. I believe Senators will find no mention of operation and maintenance in the committee's monetary summary of the bill on page 4 of the report on S. 497. That summary of costs includes only new construction work; no estimate is made of future operation and maintenance costs, and of who will pay for these costs when they accrue. This obviously is an area where a more complete congressional study is needed in order to implement the very careful efforts of the Bureau of the Budget to adequately budget future spending requirements.

The Hoover Commission's Task Force on Water Resources and Power went into this matter during its investigations of 1954 and 1955. At that time, the task force reported that costs for overhead planning, operation, and maintenance of the civil works program had reached the grand total of $2,209,600,000. This amount almost equalled that expended through fiscal 1954 for our entire navigation system facilities, which amounted to $2,359,600,000. The operation and maintenance costs were not far behind the total amount expended for flood control construction, which reached $2,801,300,000 by the end of fiscal 1954.

A review of the public-works appropriations requests for fiscal 1958 should convince anyone that the operation and maintenance of Federal civil-works programs is now a considerable budget item. according to a summary prepared by the Corps of Engineers, the total amount allocated for the operation and maintenance of the general navigation and flood-control program amounted to $99 million for fiscal 1958. To this amount must be added $15,520,000 for maintenance of the Mississippi River flood-control program, and an unspecified portion of the $1,650,000 appropriated annually for the St. Lawrence Board.

Hence our existing operation and maintenance costs in this field amount annually to roughly $130 million.

This, however, is not the complete picture.

In January of this year, I requested the Chief of Engineers to give me a report on the estimated total annual cost in the future for operation and maintenance of civil-works projects under construction or authorized and in an advanced planning stage with funds for their construction included in the 1958 budget. This figure was estimated at $15 million annually in a letter to me from the Assistant Chief of Engineers dated February 12, 1957.

In other words, the total committed cost merely for operating and maintaining projects completed or under construction amounts to $145 million annually. This means that in the next 50 years we should be prepared to spend roughly $8 billion merely to operate and maintain civil-works projects already authorized and under construction. This is an amount almost equal to the total cost of the entire civil-works program through 1954, including construction.

Furthermore, this operations and maintenance estimate of $8 billion does not include any cost estimate for projects which have been authorized but which have not advanced to the construction phase. If Senators are not aware that a rather tremendous program has already been authorized, let me cite some figures on the civil-works program as of September 1, 1955. At that time the Chief of Engineers informed me that the estimated total cost of the authorized civil-works program had reached the grand total of $13,818,716,000, and that Federal expenditures through fiscal 1956 amounted to only $5,398,381,000. This means that a backlog of roughtly $8 billion already exists on authorized navigation and flood-control projects.

Under these circumstances, I think we must econcede that this bill to authorize an additional $1½ billion worth of civil-works projects must be considered in the light of total appropriation commitments.

Mr. President, this bill authorizes the expenditure of a billion and a half dollars. I think it is entitled to at least 1 day's discussion. When we come to consider a bill for the expenditure of a larger amount, perhaps we can take 2 days. I say this with no reflection on the colleague who suggested that I place the rest of my statement in the RECORD.

This authorization, as I explained previously, is actually for something in the neighborhood of $2½ billion, if 50 years of operation and maintenance are added.

This means, therefore, that in addition to an authorized program for some $16 billion for construction, and operation, and maintenance, we are committing the Federal Government to spend also an additional $2½ billion, or a total Federal commitment of nearly $19 billion for this program.

It is for this reason that I have come before the Senate today with a proposal to require States and local beneficiaries to share the costs of this new program on a 50-50 basis with the Federal Government.

In view of the circumstances that we are already committed to a $16 billion program almost completely at Federal expense, it seems fair to assume that the States and local interests involved would agree to share the costs of the new program proposed.

Such local cost sharing not only would make the State and local interests more acutely aware of what these two great programs cost, but it also should contribute to needed economies in the program. If Uncle Sam is paying the whole bill, there is a regrettable but common tendency for people on the local level, where project benefits apply, to ignore excessive costs or waste that otherwise might be avoided.

This suggestion should not be construed as an attack upon the civil-works program, because it most definitely is not. I was once a member of the Public Works Committee, and I am proud of our Engineer Corps and the outstanding work it has done in building flood-control and navigation facilities. Moreover, I have long supported sound navigation and flood-control projects, and expect to do so in the future.

Actually, I believe the facts are that the Corps of Engineers has consistently favored policies calling for adequate participation in costs by all identifiable beneficiaries. It is largely by departing from the corps rather consistent recommendations that Congress has placed these two fine programs on a basis of almost complete subsidization by the Federal Government. This is not good for the corps, for the Government, or for water-resource development generally.

I, therefore, propose that the Senate take action today to stop this movement to saddle Uncle Sam with all the costs of building and maintaining flood-control and navigation works. Let us take the recommendations of the Chamber of Commerce of the United States to heart, and invite the States and local governments to join with us in paying for these services and in reducing costs and eliminating waste.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated February 25, 1957, from the president of the Chamber of Commerce of the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE UNITED STATES,
Washington, D. C., February 25, 1957.

THE PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: The Chamber of Commerce of the United States believes that a national water resources policy is imperative to the sound economic growth and security of the United States. We share this view with five other leading natural resources organizations, as follows: American Farm Bureau Federation, Engineers Joint Council, National Reclamation Association, National Rivers and Harbors Congress, National Water Conservation Conference.

These organizations agree that the job of "making the best uses of water, rapidly becoming our most precious natural resource," is a responsibility shared by all of us, including governments at Federal, State, and local levels and all other groups dedicated to sound land and water development. The orderly use and conservation of our water resources will assure the ascending standard of living that is within the reach of the material and human resources of the Nation.

A committee representing these six organizations has given careful and extended study to the report of your Cabinet Committee on Water Resources Policy. As a result of this study, the chamber of commerce individually, as well as the group collectively, supports the principles and objectives of that report and concurs in a majority of its conclusions. We especially concur in the following recommendations:

1. That the present program of basic data collection be accelerated and put on a more consistent and definite basis.

2. That planning be conducted on a cooperative basis with representatives of all Federal, State, and local agencies involved.

3. That a reorganization be adopted to include: Regional or river-basin committees, to serve in advisory rather than operating capacities; and a permanent Federal Inter-Agency Committee, to serve as the medium for coordinating the interrelated functions of Federal agencies. (Most of the six organizations, including the chamber of commerce, also concur in a recommendation for an independent board of review, established by Congress, to serve both the Congress and the President as an impartial economic-engineering consultant on the feasibility of Federal projects.)

4. That the principles which recognize water rights as property rights be accepted. (Any study of the relationships between property rights to water and the social and economic development, and of the principles and criteria to be incorporated in law regarding such rights, as proposed in the Cabinet Committee report, should be conducted by a group composed of Federal and State representatives plus local interests including private industry.)

5. That no system of relative priorities for use of water be applied uniformly to the entire country.

6. That evaluations of water projects by all agencies be on a uniform basis.

7. That each major water resource project be separately authorized by Congress.

8. That, as a general policy, all interests participate in the cost of water resources development projects in accordance with the measure of their benefits.

We therefore offer our assistance in the formation of public opinion in support of legislation to carry out these recommendations.

Finally, Mr. President, we are heartily gratified by what we understand to be your intention to throw the full weight of your office behind a program to establish a sound national water policy.

Respectfully,

JOHN S. COLEMAN,
President.

Mr. WATKINS. Mr. President, this letter announces that not only the United States Chamber of Commerce but also these other distinguished national organizations are solidly in favor of cost-sharing by project beneficiaries: The American Farm Bureau Federation, Engineers Joint Council, National Reclamation Association, National Rivers and Harbors Congress, National Water Conservation Conference.

The statement of policy supported by these groups, according to United States Chamber of Commerce President John S. Coleman, is this:

8. That, as a general policy, all interests participate in the cost of water resources development projects in accordance with the measure of their benefits.

Cost-sharing by project beneficiaries is absolutely essential to sound and consistent progress toward the solution of our water resource development needs. The Hoover Commission estimated in 1955 that the Federal initial outlay for constructing works to conserve and develop the water resources of this country could amount to $70 billion. Now, if a planning and operation and maintenance estimate could be placed alongside that awesome construction figure, we really would have an astronomical cost estimate for future, long-term water resource needs. For this reason, it

makes sense that beneficiaries on all levels should participate in the costs of this vitally needed program, and I believe the 85th Congress can take a positive step toward such a goal by requiring cost-sharing on this omnibus bill authorization.

On the question of the present cost-sharing in the civil-works program, I wish to quote the Hoover Commission Task Force on Water Resources and Power, volume 1, pages 15 and 16:

The task force ran a check on a large sample of projects representing 75 percent of costs of $1.4 billion, and listed as currently active by the Corps of Engineers. The check showed that for active projects in the categories that called for local contributions, the average of such contributions was about 12.6 percent of the total costs. For all active flood-control projects of all kinds in the sample—a total of some $3.18 billion—the local contributions totaled 6.1 percent. For navigation programs, cash contributions of local beneficiaries total about 2 percent of the total costs of projects for which the Federal Government appropriated $2.5 billion. Some contributions to operation and maintenance are made by local interests.

For navigation projects, there is a single exception to this general rule in the continental United States. The St. Lawrence Seaway is to be constructed and operated as a public corporation with charges on users of the waterway to meet operation, maintenance, allowance for payment in lieu of State and local taxes and administrative costs and to pay interest on and amortize capital outlay. Even in this case, the Federal Treasury is required to take the corporation's bonds, and hence the project is not wholly self-sufficient.

Let me say that of course there are numerous public works projects which are paying their own way; but now I am speaking in general terms of the entire program. I have checked these figures carefully, and I believe them to be accurate.

Mr. President, I submit my amendment.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS].

Mr. KERR. Mr. President, as all Members of the Senate realize, the effect of the amendment—when stated in simple language—would be to destroy the bill.

The Senator from Utah has called attention to the fact that there is a backlog of authorizations of public works projects to the extent of approximately $8 billion, and that they are projects for which funds have not been made available. However, the Senator from Utah has failed to state that this year, the year 1957, his amendment would require the States and local agencies of government to pay 50 percent of the cost of the flood-control, navigation, and other projects constructed under the authorizations contained in the bill, and then to pay 50 percent of the maintenance costs.

I cannot believe that the Senator from Utah is serious in submitting his amendment. Therefore, Mr. President, I submit the matter to the Senate on the basis of the amendment's own ridiculousness.

Mr. MALONE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. MALONE. The policy adopted by Congress approximately 75 years ago was to submit each individual project to the Army engineers, for their report; and if the engineers found, after a full investigation, that the benefits to the Nation would exceed the cost of the project, the Army engineers would recommend that the project be considered by the proper Congressional committee. Is that not correct?

Mr. KERR. Yes.

Mr. MALONE. In recent years has there been any evidence of an intention to change that 75-year-old policy?

Mr. KERR. I do not recall any such effort which has been made so abruptly and so forcibly as the one which has been made just now by the Senator from Utah.

Mr. MALONE. Then would it not be the best policy to have the proposal considered by the proper committee? In other words, if a 75-year-old policy of Congress is to be changed, should not such a proposal to change it be considered by the Public Works Committee or some other Congressional committee, in order to make sure that the proposal was in proper form?

Mr. KERR. I think so. Furthermore, rather than adopt the amendment now, the Senate would have saved a great deal of time by killing the bill before it was submitted to the committee, for its consideration over so long a time, and during so many days of hearings. In that way a very great amount of time and trouble could have been saved.

Mr. MALONE. Under a bill introduced by Senator Newlands, from the State of Nevada, in 1902, the Congress adopted a policy which at that time was designed principally to develop the arid areas, so they would be available for tax purposes. Under that policy, approximately 18 million or 20 million acres have been thus developed. That policy was to advance the money, to be repaid without interest over an amortization period of 25, 30, or 40 years; and recently some of the amortization periods have extended up to 60 or 75 years. But in that case a different agency of the Government—namely, the Department of the Interior, the Bureau of Reclamation—would pass on the individual projects; and if it considered that the cost could be repaid on such a basis, without interest, under a reasonable amortization period, it would recommend that the project be considered by the proper Congressional committee. Is that not true?

Mr. KERR. Yes.

Mr. MALONE. In the past 50 years has there been any tendency to change that policy?

Mr. KERR. I have not noticed any effort to do so.

Mr. MALONE. If it were proposed to change the policy, does the Senator from Oklahoma think the proposal should be submitted to the proper committee, in order to permit it to hold the necessary hearings and to learn the views of the people of the United States?

Mr. KERR. I certainly think so. If such a proposal were to be made, it would be appropriate for it to be made in connection with a reclamation bill.

Mr. WATKINS. Mr. President, I am not laboring under the delusion that my amendment will be approved. I realize that such public works bills have largely been at the expense of the taxpayers all over the country.

Although the community benefits have been identifiable, I can recall being in various parts of the country in which I have seen such projects with benefits which have gone almost entirely to private users. For instance, I recall seeing a long inland canal which was constructed and maintained at the cost of the United States Government, and not even tolls were charged to the private shippers who used the canal. One of the newspapers in that city published sort of a boast about how much the private operating companies were saved by being able to use the canal, which was constructed and maintained at the expense of the United States Government. That canal is an example of similar developments which have been made. I do not blame anyone in particular for them.

However, when the reclamation program was begun, Congress insisted that all of the costs should be repaid; and, in addition, it was required that interest be paid on cost allocated to power production municipal and industrial water.

My point is that if now we even go halfway in the public-works program in the direction which was taken in connection with the reclamation program, we shall be able to save the Government approximately $1 billion; and to that extent, at least, the country would be better off.

In view of the fact that the other important amendments I have offered have been rejected by the Senate, and in view of the situation now existing with respect to the budget, it will be difficult for me to vote for the bill.

Mr. President, I am not alone in taking this position for repayment of costs of public-works projects. Senators should not think that I am the only one who has this idea. It is not original with me, at all. The Hoover Commission has reported on it, and has studied it extensively. All of us have nothing but praise for the Hoover Commission. It is the suggestion of the Hoover Commission that some arrangement be made to require the payment of the local benefits. This time we have in the present bill a provision to that effect, in the case of municipal water which the public-works program will bring into use, and also in the case of the water which will be provided for industrial purposes. In a few cases of that sort we are coming up to the reclamation standards. That has been the boast of the agency concerned and sponsoring Senators, and I think such a development is a good one. I am glad to be able to state that in this respect we are beginning to proceed in the right direction. Many sections of the country, however, have virtually had a free ride on Government money for such developments, the benefits of which could easily be identified as going to those sections or communities. However, they have not been required in most instances to pay any part of the cost. The Corps of Engineers has moved

steadily in the direction of trying to get the Congress to adopt such a program, which is only fair to the country.

Mr. NEUBERGER. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. NEUBERGER. I come from a seacoast State. I should like to obtain some information from the Senator from Utah. Does he claim that the Corps of Engineers suggests that cities and counties located on harbors, in tidewater, should pay for harbor dredging, aids to navigation, and so forth?

Mr. WATKINS. The Corps of Engineers does not go quite that far; but there are many identifiable benefits which are limited to the particular communities concerned.

Mr. NEUBERGER. When a Coast Guard bill is brought before us, will the Senator from Utah suggest that the shipping companies or navigation companies be required to pay for the lighthouses, buoys, and similar aids to navigation?

Mr. WATKINS. I do not think the policy goes quite that far.

Mr. NEUBERGER. I do not understand why it should not, if the principle the Senator from Utah advocates is a correct one.

Mr. WATKINS. That is not a part of the public works bill.

Mr. NEUBERGER. The Senator from Utah referred to a canal. The pending bill is not limited to rivers; it also applies to harbors.

Mr. WATKINS. I remember reading in the reports a reference to some persons or groups who wished to keep the ocean from eroding their property, and they have spent some amounts of money for the construction of breakwaters, and so forth, to protect their private boat landings. But even they wish to have the Government refund to them moneys they have expended on such projects.

Mr. NEUBERGER. If the principle of the amendment of the Senator from Utah is put into effect, it seems to me that the entire program of navigation improvements and aids, both on the seacoast and in the interior, will be completely destroyed.

Mr. WATKINS. I do not think so. The benefits of the programs are easily identifiable. If the program I propose goes into effect, it will be easy to identify benefits which are local in nature.

As I say, this is not my original idea, but it is being submitted by some of the best economists and planners of this country.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. WATKINS].

The amendment was rejected.

Mr. BRICKER. Mr. President, I move to amend the pending bill, S. 497, by inserting, after line 4, on page 6, the following:

Cleveland Harbor, Ohio: House Document No. 107, 85th Congress, at an estimated cost of $14,927,000.

This item has been approved by the Corps of Engineers and by the Budget Bureau, and there are several hundred million dollars of projects which have not been so approved. It involves a part of the harbor improvement made necessary by the St. Lawrence Waterway development. If we are to be able to meet the deadline, this improvement will have to be authorized at this time.

I have talked to the chairman of the committee about the amendment. The chairman tells me it is satisfactory to him, because the project has been approved by both the Bureau of the Budget and the Corps of Engineers.

I have talked to my colleague, the junior Senator from Ohio [Mr. LAUSCHE], about it. He agrees that this item ought to be placed in the bill, along with the other authorizations it contains.

Mr. KERR. I will say to the distinguished Senator from Ohio that the project has been approved by the Corps of Engineers and by the Bureau of the Budget. It has a benefit-cost ratio of about 4 to 1. Certainly, it is a project which would have been included in the bill had it been presented to the committee while the bill was in the process of being formulated by the committee. The Senator from Oklahoma would certainly favor the inclusion of the amendment in the bill.

Mr. CASE of South Dakota. Mr. President, I understand the junior Senator from Ohio [Mr. LAUSCHE] is in favor of the project.

Mr. BRICKER. The junior Senator from Ohio has said he would support the amendment on the same conditions he made as to the other projects.

Mr. LAUSCHE. Mr. President, the budget includes $383 million worth of projects which have either been disapproved by the Bureau of the Budget or are not in conformity with the formula guiding the Corps of Engineers in determining the acceptability of a public works project. Since the bill was submitted to the committee, $12 million worth of new projects that have not been approved have been offered as amendments to the bill.

I reserve for myself the right to determine whether I shall vote for the bill or not, but it seems to me I would be unfair to my constituents in Ohio if I were to say to them the bill included almost $400 million worth of unacceptable projects, but I did not concur with my associate Senator from Ohio in the proposal that the project dealing with Ohio ought to be submitted. It is on that basis that I joined with the senior Senator from Ohio, reserving to myself the right to vote against the bill if I should so determine.

Mr. CASE of South Dakota. Mr. President, I wish the RECORD to show that the $383 million in the bill to which the Senator has referred includes projects amounting to $137 million on which reports may not have been fully completed, but it does not necessarily mean the Corps of Engineers and the Bureau of the Budget are opposed to them. The $380 million figure has been bandied about this afternoon, but it includes $137 million worth of projects which may still be approved, which may be in the same category as the Ohio project, and as to which reports are in process of being completed.

Mr. KERR. Mr. President, on the basis of the standard urged by the Senator from Oklahoma, this is a worthy project and is entitled to be in the bill. The statement of the junior Senator from Ohio at least is subject to an interpretation which I do not believe agrees with the facts. One of the compilations referred to concerned nearly $100 million worth of projects in connection with which there was some question on the part of the Bureau of the Budget as to local participation. So the figure of $383 million is not correct in that respect. Regardless of that fact, and regardless of the views the junior Senator from Ohio may have expressed about it, I say, on the basis of the specifications and formula which have been considered by the committee, and the worthiness and economic evaluation of the project, the Senator from Oklahoma is in favor of the amendment.

Mr. BRICKER. I thank the Senator.

Mr. LONG. Mr. President, I shall vote for the amendment, with the understanding that the ratio of 4 to 1 is a very economical ratio.

I should like to pay my compliments to the chairman of the subcommittee and also the chairman of the committee for their study of the needs of the Nation for flood control and navigation, and also their courage in proposing from time to time certain expenditures, although the Bureau of the Budget may not have recommended them.

I think I can say with good grace, in view of the fact that the largest single deletion from the bill was a reduction of $75 million for a project on the lower Mississippi River, that the committee has done a good job. It has worked very hard. I am satisfied the committee was doing the best it could to see to it that the needs of the Nation for improving navigation and flood control were being met.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by me describing the great benefits of the Yaquina Bay harbor improvement project, which has been authorized today by the Senate as an integral feature of S. 497. Yaquina Bay is a major harbor and seaport on the Oregon seacoast, near the communities of Newport and Toledo.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

Authorization of the Yaquina Bay and harbor project in the Flood Control Act of 1957 will set the stage for a new era of economic development in a timber-rich section of the Oregon seacoast. On behalf of the people of Oregon, I wish to extend to the distinguished chairman of the Senate Public Works Committee [Mr. CHAVEZ] and the distinguished chairman of the Subcommittee on Flood Control, Rivers and Harbors [Mr. KERR], their appreciation for the

assistance and cooperation given in consideration of this important project which will open the way for extensive seaborne commerce.

The Yaquina Bay and harbor project was among those included in the Rivers and Harbors Act of 1956 which was vetoed by the President. Inclusion of the project in the 1957 act, after thorough analysis and study by the Chief of the Corps of Engineers, reaffirms the desirability and need for this development. I was pleased to have had the opportunity to make the motion for inclusion of this vital Oregon project in the Flood Control Act of 1957.

The Yaquina Bay project calls for deepening the channel entrance to a depth of 40 feet, improving the inside channel to a depth of 30 feet, and enlarging the inside turning basin. Establishment of this deepwater harbor is of far-reaching importance to the adjacent territory. Adequate facilities at Yaquina Bay will provide means for unlocking the vast potential of the surrounding area—a section rich in timber and other resources.

Development of Yaquina Bay is expected to contribute to the further diversification of Oregon's industrial makeup. Construction of pulp and paper manufacturing facilities in the area is aimed at greater utilization of the region's timber resources, and in improving the opportunities for year-round employment.

The opening of Yaquina Bay to large seagoing ships will give impetus to the area's prospects for growth and development, foreshadowing a broad expansion of ocean shipping along the Oregon coast. I am proud to have been privileged to participate, with my distinguished senior colleague [Mr. MORSE] in working for the approval of Yaquina Bay and harbor project. It will open new horizons for the development of Oregon.

Mr. KNOWLAND. Mr. President, at the appropriate place, prior to the last vote, I ask unanimous consent to have printed in the RECORD a statement prepared by the distinguished Senator from New Jersey [Mr. SMITH], in opposition to the final passage of the bill. The Senator from New Jersey is necessarily absent.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY

The bill, S. 497, which we have under consideration, would authorize an additional $1,500,000,000 for navigation, flood control and beach erosion projects throughout this country. At a time when we are attempting to grapple with the ponderous task of controlling expenditures of the Federal Government within reasonable limits, I feel that every additional authorization for expenditure should receive the closest scrutiny.

However, it is extremely difficult for a Senator who is not a member of the Committee on Public Works to evaluate the over 100 different projects which are contained in this omnibus bill. For that reason I voted to recommit the bill to the Public Works Committee so that the members of that committee, who are most conversant and knowledgeable with the details of the various projects, could perform what I consider to be the necessary task of reducing the total authorization contained in the bill. I felt that they were best qualified to determine those projects which can reasonably be postponed in the light of our budgetary situation. Unfortunately, the motion to recommit failed.

As a result, I find myself forced to vote against this bill. I feel that only the most vitally necessary and crucial projects should be authorized. There are already authorizations available in the sum of some eight or nine billion dollars for which no appropriation has been made. There have been some 2,300 navigation projects authorized at an estimated cost of $4.3 billion, of which only $2.1 billion has been appropriated, leaving $2.2 billion yet to be appropriated to complete these authorized projects.

There have been some 760 projects authorized for flood control with a total estimated cost of $6.3 billion, of which only $2.6 billion has been appropriated, leaving $3.7 billion yet to be appropriated to complete these authorized projects.

If you include multipurpose projects which serve navigation purposes, there is a total of $3.3 billion yet to be appropriated to complete already authorized navigation projects, instead of $2.2 billion. Similarly including multipurpose projects which serve flood control purposes, there is a total of $5.5 billion yet to be appropriated to complete already authorized flood control projects, instead of $3.7 billion.

In the light of these facts, and the fact that the Senate has refused to recommit the bill to enable the committee to reduce the total of authorized projects, I cannot feel that we are endangering the progress of navigation and flood control work by voting against this bill. If there are specific, individual projects for which the defeat of this bill will mean immediate, critical and unavoidable damage, I believe such critical projects should be presented to the Senate on their individual merits and should be separately considered.

For these and other reasons, I oppose the omnibus bill and will vote against it.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on that question.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Texas [Mr. BLAKLEY], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I announce further that on this vote the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Massachusetts would vote "nay."

I announce also that on this vote the Senator from Oregon [Mr. MORSE] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from New York would vote "nay."

I announce further that on this vote the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Missouri would vote "yea," and the Senator from Virginia would vote "nay."

I announce further that if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senators from New York [Mr. IVES and Mr. JAVITS], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Connecticut [Mr. PURTELL], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Colorado [Mr. ALLOTT], the Senator from Wyoming [Mr. BARRETT], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Arizona [Mr. GOLDWATER], and the Senators from Iowa [Mr. HICKENLOOPER and Mr. MARTIN] are detained on official business.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from New Jersey would vote "nay."

Also, on this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from New York would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 42, nays 22, as follows:

YEAS—42

Aiken	Ellender	Johnson, Tex.
Anderson	Ervin	Kerr
Bush	Fulbright	Kuchel
Carroll	Gore	Long
Case, S. Dak.	Green	Magnuson
Chavez	Hayden	Malone
Church	Holland	Mansfield
Clark	Humphrey	Martin, Pa.
Dworshak	Jackson	McClellan
Eastland	Jenner	McNamara
Monroney	Potter	Stennis
Mundt	Revercomb	Thye
Neuberger	Scott	Wiley
Pastore	Sparkman	Young

NAYS—22

Bricker	Douglas	Saltonstall
Bridges	Flanders	Schoeppel
Byrd	Frear	Smith, Maine
Case, N. J.	Hruska	Thurmond
Cooper	Knowland	Watkins
Cotton	Lausche	Williams
Curtis	Morton	
Dirksen	Payne	

NOT VOTING—32

Allott	Hickenlooper	Murray
Barrett	Hill	Neely
Beall	Ives	O'Mahoney
Bennett	Javits	Purtell
Bible	Johnston, S. C.	Robertson
Blakley	Kefauver	Russell
Butler	Kennedy	Smathers
Capehart	Langer	Smith, N. J.
Carlson	Martin, Iowa	Symington
Goldwater	McCarthy	Talmadge
Hennings	Morse	

So the bill (S. 497) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which Senate bill 497 was passed.

Mr. MCNAMARA. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan [Mr. MCNAMARA] to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

CONVEYANCE OF CERTAIN PROPERTY TO THE UNIVERSITY OF MISSOURI

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of order No. 181, S. 1034.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1034) to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural purposes, certain real property in Callaway County, Mo.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

THE CABARET AND OTHER WARTIME EXCISE TAXES

Mr. MALONE. Mr. President, during my service in the United States Senate, I have repeatedly introduced measures designed to repeal the wartime emergency taxes. The most recent of these measures, S. 29, introduced January 7 of this year, is like its predecessors, designed to preserve the good faith of Congress by correcting a number of wrongs as exemplified by many hidden excise taxes which contribute little if anything to net Treasury revenues while denying employment and legitimate business expansion.

Mr. President, during wartime emergencies generally the war and excise taxes are invoked to pay the cost of war, and no one particularly objects, because everyone knows the money has to be secured to pay the freight. The people are willing to stand the taxes during that period of time.

However, I address myself at this time to one of the most glaring of these tax inequalities, namely, the excise on live entertainment, particularly music, which is assessed under the misnomer of the cabaret tax. This completely uneconomic tax—I term it uneconomic because in its present surreptitious form—it is unquestionably costing the Treasury more than any legitimate tax should cost—continues at its wholly unrealistic rate of 20 percent. It was established, like other taxes which I seek to repeal, as a wartime emergency tax and continues as the only one on which the Congress has not exercised even a tempting act of good faith by reducing it to the level of other obnoxious excise taxes.

Whether or not these exceptions are justified is of no consequence because we are not keeping faith with the American taxpayer when we sell them a temporary tax on an emergency basis and then extend and amend it until the temporary measure becomes a permanent policy.

Mr. President, I need go no further than the so-called reciprocal trade agreements act of 1934, which was passed under the guise of an emergency measure supposedly to rescue this country from the economic depression. In reality it was, and still is, a sinister plan to divide the markets of this country with the rest of the world and to bring about the destruction of the American standard of living by reducing the financial status of the American public to that of a common world level. Every time that act has come up for extension an emergency has been created or magnified in order to gain such an extension.

Now the cabaret tax is particularly oppressive in my State of Nevada where tourism bulks very large in overall State income.

The entertainment industry, the hotel industry and particularly the musicians, who depend for their livelihood on the well-being of the entertainment industry, have made a wholly convincing case before the excise tax subcommittee of the Ways and Means Committee for relief from this particularly oppressive tax.

Indeed, these sorely oppressed industries and employee groups made an equally convincing case to the pertinent committees and to the membership of both houses of the preceding 84th Congress. But they still wait for relief and, so far, without any plain indication that it will come without additional delay. This despite the fact, I am reliably informed, that far more than a majority of the Members of the 84th Congress and the present Congress have pledged some form of substantial relief.

I repeat, Mr. President, that these archaic tax policies should be corrected at this session of Congress and at the earliest possible moment. Action is demanded on two grounds:

First. They were enacted under the valid promise that these so-called emergency levies would not be permitted to survive the war emergency and, therefore, the good faith of the Congress is pledged to their correction.

Second. They are, for the most part, and particularly with respect to the cabaret tax, nuisance taxes of questionable revenue potential the repeal of which would generate other and greater legitimate revenues through resultant increased business and income taxes.

It is extremely unfortunate that American tax dollars are being generously spent to rebuild the opera houses of our "star boarders" abroad and to rehabilitate the Government-supported symphonies of the Old World while American musicians are faced with unemployment hastened through inequitable taxation.

ORDER FOR ADJOURNMENT UNTIL 12 O'CLOCK TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I should like to have this announcement brought to the attention of the Digest clerk and the majority and minority aides, so that all Senators may be informed. I expect tomorrow to ask the Senate to consider some of the following bills:

Order No. 11, Senate Concurrent Resolution 2, concurrent resolution to create a joint Congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President.

Order No. 69, Senate Resolution 24, resolution to amend rule XIV of the Standing Rules of the Senate.

Order No. 130, H. R. 4815, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes.

Order No. 160, S. 1585, to amend the Legislative Reorganizaton Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

Order No. 179, S. 78, to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland.

Order No. 180, S. 685, to extend the life of the District of Columbia Auditorium Commission.

Order No. 181, S. 1034, to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural purposes, certain real property in Callaway County, Mo.

Order No. 182, S. 812, to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton.

Order No. 183, S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Order No. 184, S. 1442, to facilitate the regulation, control, and eradication of plant pests.

Order No. 185, S. 44, to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico.

Order No. 187, S. 1549, to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

Order No. 188, Senate Joint Resolution 39, to authorize the construction of certain water conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, New Mexico and Texas.

Order No. 189, S. 42, to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes.

Order No. 190, S. 1679, to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act.

I believe all those bills have been cleared by the minority leader, and we have given previous notice that we wished to be in a position to proceed to their consideration. I hope we shall not have any great controversies, and a long session tomorrow is not anticipated.

Now, Mr. President, pursuant to the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 46 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, March 29, 1957, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 28, 1957:

UNITED NATIONS

Stanley C. Allyn, of Ohio, to be the representative of the United States of America to the 12th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 28, 1957:

DIPLOMATIC AND FOREIGN SERVICE

TO BE AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COUNTRIES INDICATED

John Clifford Folger, of the District of Columbia, to Belgium.

Philip Young, of New York, to the Netherlands.

Philip W. Bonsal, of the District of Columbia, to Bolivia.

DEPARTMENT OF THE TREASURY

Fred C. Scribner, Jr., of Maine, to be an Assistant Secretary of the Treasury.

CIVIL AERONAUTICS BOARD

Louis J. Hector, of Florida, to be a member of the Civil Aeronautics Board for a term of 6 years, expiring December 31, 1962.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 28, 1957

The House met at 12 o'clock noon.

Rev. Demetrios G. Kalaris, Sts. Constantine and Helen Greek Orthodox Church, Washington, D. C., offered the following prayer:

O Heavenly Father, who in Thy mercy and heavenly kindness dost regard the prayers of all who call upon Thee with their whole heart, incline Thine heart and hear our prayer now humbly offered unto Thee.

Be mindful, O Lord, of these, Thy servants. Grant them Thy grace so that they may lead a godly and righteous life, blameless and peaceful ever serving Thee. Grant them the wisdom, devotion, and dedication needed in this hour when grave decisions must be made to strengthen our Nation, to increase and keep our people and every nation of the world in peace so that they may enjoy the many liberties which, O Heavenly Creator, Thou hast bestowed upon us.

Whereas Christ hath made us all free, we, as freedom-loving people, on the 136th anniversary of Greek independence, reaffirm our conviction that all men are created equal, and we petition our Heavenly Creator to bestow His eternal loving kindness upon us so that we may promote brotherhood under the fatherhood of God.

May the spirit of the Lord which guided the founders of this great Republic lead all people to the appreciation of the many liberties we enjoy and may it abide in our hearts, for where the spirit of the Lord is there is everlasting liberty.

For every good gift and every perfect gift which is from above and cometh from Thee, Father of Light, we give glory, worship, and thanks unto Thee, the Father, the Son, and the Holy Spirit, now and forever and world without end. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 27, 1957, the President approved and signed a joint resolution of the House of the following title:

H. J. Res. 209. Joint resolution to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4090. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

EXECUTIVE COMMUNICATION NO. 231

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that executive communication No. 231, from the Secretary of the Army, which was referred to the Committee on Education and Labor, be rereferred to the Committee on the Judiciary.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXECUTIVE COMMUNICATION NO. 431 AND H. R. 5021

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the bill, H. R. 5021, together with the accompanying executive communication No. 431, which was referred to the Committee on Education and Labor, be rereferred to the Committee on the District of Columbia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the Select Committee on Small Business may sit next week during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REPORT OF RAILROAD RETIREMENT BOARD, 1956—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 28, 1957.*

MAJOR DISASTERS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 142)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Appropriations and the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

I have the honor to transmit herewith a report of activity under authority of Public Law 875, 81st Congress, as

amended, and required by section 8 of such law.

Funds which have been appropriated to accomplish the Federal assistance determined eligible under this authority are specifically appropriated to the President for purposes of disaster relief.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 28, 1957.*

TAX RATE EXTENSION ACT OF 1957

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4090) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "1-year" and insert "15-month."

Page 2, line 2, strike out "April" and insert "July."

Page 2, line 4, strike out "April" and insert "July."

Page 2, line 6, strike out "March 31" and insert "June 30."

Page 2, line 9, strike out "March 31" and insert "June 30."

Page 2, line 11, strike out "1-year" and insert "15-month."

Page 2, line 16, strike out "April" and insert "July."

Page 3, line 8, strike out "April" and insert "July."

Page 3, line 10, strike out "May" and insert "August."

Page 3, line 14, strike out "March 31" and insert "June 30."

Page 3, line 18, strike out "April" and insert "July."

Page 3, line 20, strike out "July" and insert "October."

Page 3, line 24, strike out "April" and insert "July."

Page 3, line 25, strike out "July" and insert "October."

Page 4, line 2, strike out "August" and insert "November."

Page 4, line 6, strike out "April" and insert "July."

Amend the title so as to read: "An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 4090, as it passed the House, would have extended for 1 year the existing corporate normal-tax rate and certain excise-tax rates. The extensions provided by the House bill covered the period April 1, 1957, through March 31, 1958.

The Senate amendments would extend the existing corporate normal-tax rate and the excise-tax rates applicable to distilled spirits, cigarettes, automobiles and automobile parts and accessories for 15 months rather than for the 12-month period covered by the House bill. Thus, under the Senate amendment, expiration of the extended rates will coincide with the close of the Government's fiscal year and would parallel the appropriation acts. It was stated in the Senate report that as a result of the amendments "the Congress will be in a better position to review these tax rates concurrently with the appropriation bills next year."

For the fiscal year 1958, the Senate amendments will increase the revenues derived from extension of these taxes by $237 million. Of this amount $65 million is attributable to the corporate normal tax; $64 million, alcoholic beverages; $50 million, cigarettes; $51 million, passenger automobiles; and $7 million, automobile parts and accessories.

The 12 months' extension under the House would have produced $2,075,000,000 from corporate income taxes and $900,000,000 from excise taxes, making a total of $2,975,000,000. The 15 months' extension under the Senate amendment will produce $2,600,000,000 from corporate taxes and $1,100,000,000 from excise taxes, making a total of $3,700,000,000, or an additional $700,000,000 in revenue compared to the House-passed bill.

I urge the House to concur in the Senate amendments.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection?

Mr. REED. Mr. Speaker, I concur in the action of the distinguished chairman of the Committee on Ways and Means in asking the House to agree to the Senate amendments to H. R. 4090. It will be recalled that this legislation was passed by the House of Representatives to provide for a 1-year extension of the present 52-percent tax rate applicable to corporate income and to continue the existing excise tax rates applicable to alcoholic beverages, tobacco products, automobiles, and automobile parts and accessories. The Senate in its consideration of this legislation made the period of extension 15 months instead of 1 year so as to coincide with the termination of the fiscal year. The House-passed version of H. R. 4090 had a full year revenue effect of $3 billion. As modified by the Senate amendments, H. R. 4090 would have a revenue effect of $3.7 billion. These Senate amendments have the concurrence of the Department of the Treasury.

THE KOKOMO TRIBUNE

Mr. BEAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BEAMER. Mr. Speaker, I feel that tribute should be paid to the press of this country. There are many times when those of us in public life may wonder whether or not the press has been representing events as we see them. It is true that even in the membership in the House there is a division of opinion, and, thus, it can be expected when reporters, as newsmen, write their findings and observations in their respective newspapers.

The progress of certain newspapers has been an encouragement because they have helped to disseminate news as a public service.

I would like to pay tribute to all of the newspapers in the Fifth Congressional District, and I feel that I do so in extending greetings and congratulations to the Kokomo (Ind.) Tribune. They have a new addition to their building and have installed new equipment. On March 28 an open house was held in order that the citizens of that community could view the progress of this very important portion of their community. I join the many citizens of Kokomo and friends of the Kokomo Tribune in wishing them continued success.

CALL OF THE HOUSE

Mr. SELDEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Anderson, Mont.	Eberharter	Jones, Mo.
Andresen, August H.	Frelinghuysen	Kearney
Aspinall	Fulton	Keeney
Ayres	Gregory	Moulder, Mo.
Bass, N. H.	Gubser	Powell
Bowler	Gwinn	Prouty
Boykin	Henderson	Reece, Tenn.
Celler	Hill	Roberts
Davis, Tenn.	Hillings	Rogers, Tex.
Dies	Holifield	Scherer
Diggs	Holtzman	Williams, N. Y.
	Ikard	
	Jackson	

The SPEAKER. On this rollcall 399 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVILEGE OF THE HOUSE

Mr. CANNON. Mr. Speaker, I rise to a question of the privilege of the House; but in order to conserve the time of the House, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I received last night and this morning six long-distance telephone calls from my district and the city of St. Louis. All of them were from men of high standing, and my friends. Each of them said about the same thing.

They explained: There will be an appropriations bill before you today or tomorrow. It was evident that they had

been advised by someone thoroughly familiar with the situation here in the House.

They said: "The bill carries an appropriation for arthritis and we want to ask you as a personal favor to vote against cutting any part of the budget estimate."

I said: "I am very much interested in your suggestion. But I would like to be certain that I understand just what you have in mind. You favor the largest appropriation for the purpose? Are you also in favor of the highest taxes? Or do you think taxes ought to be cut? Do you think we ought to continue to levy war taxes in time of peace? Do you favor the continued increase in the cost of living reported by the Government? Or do you favor lower taxes and stabilization of the purchasing power of the dollar?"

They said they had not thought about that part of it. But here is the payoff: I asked: "Are you troubled with arthritis?"

They said: "No, of course not."

I asked: "Is any member of your family troubled with arthritis?"

"Oh, no."

"Well, why are you interested in this?"

"Someone asked me to telephone you about it."

I asked: "Are the people who asked you to telephone me troubled with arthritis?"

"I hardly think so."

Mr. Speaker, every Member of the House is receiving these pressure messages. But they do not represent the sentiment of your constituents or your district. And especially they do not represent the views of your taxpayers. They do not come from those who are suffering from arthritis.

They are organized propaganda, pure and simple. If you could follow them up and learn where they came from you would find that they come directly from Washington. They could be traced right back to people who have a professional and personal interest, people who want jobs and higher salaries. Let us make no mistake about that.

Are we so naive as to be taken by such transparent deception? That is what it is. They are trying to leave the impression that the sentiment back home favors big increases and continued high taxes and higher cost of living.

"Vainly is the snare spread in sight of the bird."

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on Tuesday next may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, several Members have come to me this morning asking about the progress on this bill. I have told them that there will be no chance of finishing it today. We will try to finish it tomorrow; whether we can or not is unknown at this time. But I do want to reiterate that if these crippling amendments that have been agreed to are continued, you can expect to have 12 or 15 rollcalls when the day arrives to vote for final passage.

You know as well as I know that in order to get a rollcall a sufficient number of Members have to stand. I am sure that those Members who have been supporting the committee's position on my side will stand up and ask for a rollcall. I hope when the time comes that you Members on the Republican side who have just applauded my announcement can be counted on to stand up at the same time and ask to be counted too.

In answer to the distinguished chairman of the full Committee on Appropriations [Mr. CANNON] that he has been besieged with 6 or 8 telegrams or phone calls from the city of St. Louis on behalf of people who are afflicted with arthritis in this country, let me say that I have known for several years how these voluntary organizations all over the country are operated. In the American Cancer Society, the American Heart Association, the Arthritis and Rheumatism Foundation, Mental Hygiene and many others, I want you to know, Mr. Chairman, that we have some of the most dedicated people in this country serving on these committees. I know that is so in connection with the Foundation on Arthritis and Rheumatism. They have some of the most dedicated people—Americans—both Republicans and Democrats, serving at no cost to the organization at all. So, it is not as the gentleman has informed the House that these telegrams have been inspired by hired personnel on these voluntary committees. That just is not the case and I want that straightened out.

However, if it were the case, they are American citizens, they have the right to appeal to you and to me and to every other Member of the Congress for what they believe is right. I happen to believe they are doing the right thing. If you believe that the amounts in this bill are too large for research on arthritis and rheumatism, with 10 million people of our country afflicted with that disease—many of them bedridden—if you think that they are getting enough support now and that further research is not going to do any good, I hope you will have the courage to get up in this committee and offer an amendment to cut this appropriation. I do not believe that the Institute for Arthritis and Metabolic Diseases is given enough money this year because there are more good, sound applications for research grants in the field of arthritis and rheumatism and in gastroenterology during the past year than we appropriated money for in the last session of the Congress.

There are 10 million people in the United States afflicted with arthritis and rheumatism. I don't believe these 10 million people should be ignored and allowed to continue to suffer the painful and crippling effects of arthritis in their declining years. Instead I believe that we should increase the funds for research in this area and we should vote a sufficient increase over last year's figure to put every competent medical investigator in the arthritic field to work on the cause and cure of the disease.

It was this committee in 1947 or 1948, that was told by Dr. Hench, of the Mayo Clinic, of the discovery of the new wonder drugs, cortisone and ACTH, that had been used on men and women bedridden for several years. With the injection of cortisone and ACTH these men and women were up and around for the first time in 10 or 15 years. As a result of this kind of testimony, not from a Federal bureaucrat but from one of the most eminent medical scientists in the world, from one of the oustanding medical institutions in the world, this committee, without any advice from the administration, appropriated, and you approved, $3 million more than the President asked for at that time to do further research in the field of cortisone and ACTH.

As the result of that action of this committee and the House, thousands of people afflicted with arthritis, the leading crippler of mankind at this time, have been alleviated; they have gotten out of bed and they have returned to work. To me that is good, sound financing. It is using good judgment.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. BUDGE. Mr. Chairman, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may be given permission to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. FOGARTY. I will yield to the gentleman in just a moment.

When a new drug like that comes on the market, the cost is prohibitive. I cannot give you exact figures how much it cost per gram at that time to manufacture that particular kind of drug, but in round figures it was about $200 a gram, which made it impossible for the average person in this country to take advantage of its use. But, because of the action of this committee approving $3 million for research, we found a synthetic way of producing the drug, and within 2 years it was down to a price where the average person could afford to buy it. As the result of that action, that drug has been made available to

millions of people who otherwise would not have been able to avail themselves of it. When it was first given to these people by injection there were many side effects. Through further research those side effects have been eliminated or reduced and today it is taken orally. It is now truly one of the wonder drugs of this generation. It has saved millions of lives all over this country, not only alleviating rheumatism and arthritis but affecting the death-dealing diseases as well, such as rheumatic fever in children.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Idaho.

Mr. BUDGE. Of course, the gentleman from Rhode Island knows there are none of us here taking the position of not wishing to do everything we can to be of assistance to those who are afflicted with the ailments which befall the human body. The question is just how adequately can the funds be utilized. I would ask the gentleman if it is not a fact—take the National Institutes of Health—that they themselves estimate that they will have an unexpended balance at the end of this fiscal year of over $10 million.

Mr. FOGARTY. That is correct.

Mr. BUDGE. Mr. Chairman, would the gentleman yield for another question?

Mr. FOGARTY. Yes.

Mr. BUDGE. We assume, in these programs, that the people who prepare the budget for them know approximately how much they can intelligently spend. In the bill which the gentleman brings to the floor, how do the figures for the National Institutes of Health compare with the budget estimates?

Mr. FOGARTY. The one we have brought to the floor?

Mr. BUDGE. Yes, sir.

Mr. FOGARTY. We have allowed the full amount that they asked this year. That was not to my liking, of course, because I wanted to allow more funds than the Bureau of the Budget approved for programs such as heart and cancer and mental health. In the bill before us we have allowed the exact amount the Bureau of the Budget has requested with this one change; they did make a request to raise the overhead item on these grants to the institutes for research from 15 percent to 25 percent. In the Institutes alone that amounted to some $6,800,000. We did not approve that increase from 15 percent to 25 percent for overhead on the basis that we had allowed them an increase from 8 percent to 15 percent only 2 years ago for the same purpose. When we disallowed that increase we said in effect that we were still going to keep the same amount of money and the additional money would be used for research instead of for the other purpose. That was the significant change.

Mr. BUDGE. In effect then, what the gentleman's subcommittee did was to reduce the overhead item, which is the identical thing to which he has been objecting in his opposition to the amendments with which we have been dealing here during the last 2 days, but after reducing the overhead the committee diverted the extra 10 percent, which came to better than $6 million, for research over and above the budget figures?

Mr. FOGARTY. That is not so. What we did was to keep the figure requested by the Budget Bureau and channel into research what was requested for overhead. We earmarked $620,000, which would have been that portion of the 10 percent of overhead in the Institute for Neurology for a new program of research on the problem of the hard of hearing and speech defects in children. In cancer we earmarked $1,616,000 for the same purpose; that is, for a start in entering into contracts with pharmaceutical houses to do research on compounds and antibiotics that they have on their shelves which might have some anticancer effects. We did that in addition to earmarking the other 10 percent.

Mr. BUDGE. The net result was that even with an unexpended balance as of the end of this fiscal year in excess of $10 million, we have in this bill some $6 or $7 million above the budget figure.

Mr. FOGARTY. That is right. And it is about $5 or $6 million less than I think it should be. On the other hand, the $10 million the gentleman speaks of had nothing whatsoever to do with the Institute of Arthritis and Metabolic Diseases nor did it have anything to do with the Institute of Allergy and Infectious Diseases. Those two Institutes expended all their funds. They had more applications for new grants than we gave them money for, and as a result they were not able to take care of the good, approved applications for research in those two Institutes. But in heart, in cancer, and in mental health they did have unexpended funds. I think that is a good sign, too, because when we gave them this additional money a year ago, $50 million over and above the budget, I made the statement on the floor that this was a huge increase above the previous year and we expected that the National Institutes of Health would continue on the fine programs and establish standards, which they did establish, for granting applications for research; that they would continue on that same basis, not loosen up. As a result, they have kept their word given to Congress and they are returning about $10 million to the Treasury of the United States.

Mr. BUDGE. The gentleman agrees, then, that the situation is that you have an unexpended balance for this fiscal year of over $10 million and yet you go over the budget $6 million or $7 million for the next year. Would the gentleman agree it would be proper to lump all of these items into one so that they could be used as the officials of the National Institutes feel they should be used?

Mr. FOGARTY. No, I do not. I do not believe in lumping it all in one part. The gentleman and I disagreed on that 3 or 4 years ago. I think we ought to keep these Institutes as they are. We ought to know what we are spending for cancer, we ought to know what we are spending for heart research, we ought to know what we are spending for mental health research. That is the reason we put them in a categorical column.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MILLER of Nebraska. I agree with the gentleman on the importance of research in this program. I think it ought to go forward. I would differ in one respect, that we should be careful not to give the Government all the credit for the advance in research because 75 percent of the prescriptions now being filled over the drugstore counters were not known 12 or 15 years ago. The great progress in research has been made by private industry, drug houses, and scientists outside the Government in developing cortisone and the other drugs. It is not entirely with the Government. The Government has been a big help, I agree with the gentleman. We ought to proceed along that line, but do not give the Government all the credit.

Mr. FOGARTY. I hope I was not misunderstood. I did not say the Federal Government was solely responsible for the advances that have been made in the past 10 years, but it has been largely responsible for it. The Government certainly has moved ahead side by side with industry and the voluntary agencies. There has not been a program in the Federal Government that has worked with less confusion than this one, because we have had complete agreement among the voluntary agencies and the Federal Government, on all these applications for grants. The statement I did make was that if this Congress had not appropriated $3 million more than the Budget requested in 1948 for research in cortisone we would not have had penicillin as we have today, that particular wonder drug as soon as we did. Further, if we were not in a war, the last World War, we would not have had penicillin, as we have today, without Government funds. How many millions of dollars were expended on research for developing penicillin, that has saved so many thousands of lives in the last 15 years, I have no estimate, but I do know, and I think every doctor in the land will agree, that if it had not been for the participation of the Federal Government in the field of developing penicillin during the last World War thousands of lives would have been lost in the last 15 years.

Mr. MILLER of Nebraska. I have to disagree with the gentleman on that because it was a private citizen, an individual, that developed penicillin. It was not what the Government did. The Government might have given a little stimulus, but cortisone, penicillin, and streptomycin were all developed outside the Government help and would have been here whether the Government had been in the field or not.

Mr. FOGARTY. The gentleman is a doctor and I do not like to disagree with him but he is completely wrong on the history and the facts. I am quoting some of the finest research doctors in the world who have appeared before our committee, who did not agree with the

gentleman's statement. I am not a doctor as I have said but I have had experience with some of these leading doctors of the world who appear before our committee every year. I can hardly believe that the gentleman presumes to supersede with his judgment the conclusions and convictions of the Nobel prizewinners whose testimony I am referring to now. It was Government funds appropriated by the Congress that worked on the cultures making penicillin available in the form that it could be used in the battlefields of World War II. If it were not for the research done with these Federal funds, thousands of men wounded in the Army, Navy, and Air Force who are alive today would have died.

So I am afraid the gentleman is mistaken.

Mr. CANNON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Ah, Mr. Chairman, if we could be sure—that we could eradicate disease—any disease—with the money which we are asked to appropriate here, no amount of money would be too great for us to appropriate for these highly desirable purposes.

But, Mr. Chairman, appropriating money for research does not mean success in finding remedies—too often does not mean that we are to get anything at all.

Listening to this debate you get the impression that it was Government research and Government funds that discovered penicillin and cortisone. Nothing could be further from the facts. Both were discovered and developed privately and without any Government cooperation whatever.

Penicillin was discovered entirely by accident by an obscure doctor working on his own time and means. All of these notable reagents were originated by individual private scientists and practicing physicians working by themselves and without Government millions.

And the saving in the cost of manufacture of drugs cannot be credited solely to Federal research. There is not a great foundation in the country today that is not committing large staffs and laboratories in this work. There is not a pharmaceutical house or a drug manufacturer in the country that does not maintain its private research unassisted on all these problem formulas. The situation would not be greatly changed today if no appropriations carried by this bill had ever been passed.

The truth is that there is no assurance that a single dollar being provided here in this or any other appropriation bill will develop anything worthwhile.

We ought to invest something in these items but we should not delude ourselves into believing that results are assured.

The point at issue in this proposed appropriation for the cure of arthritis is that we are asked to appropriate $2 million more than was appropriated last year, when we were not able to spend all that was appropriated last year. So much money was appropriated for this item last year that we could not spend it and they had to turn a large part of it back. If that is true, why go ahead and vote $2 million more, when we already had too much.

Mr. Chairman, as I listened to my distinguished friend, the gentleman from Rhode Island, I recalled that a year ago when this bill was on the floor, he stood here in the well of the House and told us with vibrant voice about pitiful cases of cancer of the cervix in women, and when he talked about cancer of the cervix in women, this House fell in windrows.

Do you know that up to that time, and up to this time no cure has been found for cancer of the cervix in women except the surgeon's knife? We have made no progress whatever on cancer. We do not know what causes it. We have discovered no method of curing it except surgery when taken in time, and we knew that before the Government spent a dollar on research. And all this talk of what has been accomplished in curing cancer of the cervix is without foundation. Any doctor in Washington will tell you that.

Mr. Chairman, I am in favor of making a reasonable appropriation—even though chances of getting out of it are small, but why increase the amount over last year? The appropriation last year was more than they could spend, and money had to be turned back.

The one thing to be remembered here is that an organized lobby is pressuring Members of Congress and trying to make them believe there is a widespread demand for these increased appropriations back home. All these messages originate right here in Washington and are sent out to your district to give the impression that the demand is local and voluntary when they were systematically planted there to mislead the Congressman.

These lobbyists could get immediate and legitimate results if they would bring patients here who have been cured by Government research. Or affidavits from physicians who have used remedies developed by Government research. Why do they not bring in cancer cases that have been cured? Because there are no such cases. We know nothing more about the cause and cure of cancer today than we knew before a dollar of Government money had been spent in cancer research.

Now if someone would just send word out there to the taxpayers and get them to express their views on the subject of excess, you would get evidence that would really throw some light on this question of large appropriations and taxes to pay larger appropriations.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the fact that I have taken very little time to talk on this bill, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. FOGARTY. Mr. Chairman, I hate to get up again, but I feel I have to in response to the remarks of the gentleman from Missouri because they show that he has not kept pace with research in the field of medicine. I have never made the claim that the Federal Government discovered penicillin, streptomycin, chloromycetin, cortisone or ACTH. The claim I did make was that after cortisone and ACTH were discovered, you had the problem of manufacturing it and getting it to the people at a price they could afford to pay. That is where the Federal Government came in. That is where we appropriated funds which saved many, many lives. There is one more answer I must make to the gentleman's statement. He claimed that last year I said we had found a new technique to discover cancer of the cervix in women at an early enough stage to cure it. That statement was correct and still is correct, contrary to what the gentleman from Missouri said.

Contrary to what the gentleman from Missouri has said, the new smear technique that is now being carried on in about 12 cities throughout the country has been effective. In Memphis, Tenn., where the first demonstration clinic was opened they examined 100,000 women. Through this technique it was discovered that 400 of them had cancer of the uterus, and it was discovered in time so that they have been cured, in the opinion of the best cancer doctors in the world.

If the gentleman from Missouri is going to refute that statement I ask him to get up on his feet and say so.

Mr. CANNON. I say again emphatically there is no cure for cancer, notwithstanding the millions that have been carried by this bill in past years. The gentleman is entirely mistaken about that. It is a cruel hoax to make the statement here when thousands are waiting for the cure the gentleman says has been discovered.

Mr. FOGARTY. Mr. Chairman, the point I made last year, and I make the point again today, is that through this method of diagnosis they have been able to diagnose cancer of the cervix in women early enough to cure it. The fact is that these women are going to live who would not have lived if it had not been for the establishment of this clinic with Federal funds.

Mr. CANNON. The only cure is surgery, and our physicians and surgeons knew that before the gentleman was born.

Mr. BROOKS of Louisiana. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BROOKS of Louisiana. The gentleman has lost most of his time yielding to others. I ask unanimous consent——

The CHAIRMAN. The gentleman is not stating a point of order.

Does the gentleman from Georgia yield to the gentleman from Louisiana?

Mr. LANHAM. I yield.

Mr. BROOKS of Louisiana. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LANHAM. Mr. Chairman, I am not excited or mad at anybody, I would just like to have a little heart-to-heart talk with my colleagues here today.

I am a member of this subcommittee and deeply interested in these appropriations. I am not going to charge anybody with fiscal irresponsibility or with being fatuous or fat-headed—I think that is what fatuous means, fat-headed. Now, I am not going to charge anybody with that. You know I am one of you. I want to cut this budget. I was so staggered when it first came up here that I adapted a little nursery rhyme about it. It went something like this—and I sent it back home to my newspapers:

Hush, little budget, don't you cry;
You'll be a trillion by and by.

Mr. Bob Allbright, the able correspondent from the Washington Post and Times Herald, picked it up and published it in the Washington Post. And do you know what he said about me? He dubbed me as one of the "disillusioned leaders of the economy bloc." Now, I did my best to keep that from getting back home, but it did get back to my newspapers and radio stations in spite of all I could do. So I am just one of you and want to help you cut the budget.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Certainly.

Mr. CANNON. My distinguished colleague, and my friend, because I am very fond of him, was dubbed in last Sunday's paper as the leader of the economy bloc.

Mr. LANHAM. One of the leaders.

Mr. CANNON. I would like to ask him if the only item in this bill that is over the budget estimate was not put there at the gentleman's insistence?

Mr. LANHAM. Yes; and I am proud of it. For it supplies the money for our rural-library program.

Mr. CANNON. That is the sort of economy the gentleman practices. The leader of the economy bloc put in this bill the only item above the budget estimate. It was not for disease. It was for books—novels, comics, detectives—anything that might be requested at a public library. Economy with a vengeance.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. No; I cannot yield. I want to discuss ways and means by which we can cut some money out of this appropriation bill.

I think I got the reputation of being a leader of the economy bloc because of the fight I led on the floor of the House a few weeks ago to cut $2 million in the supplemental appropriation bill. You folks over here on the left helped me and you folks over on the right helped me, but we have had an awful time holding that cut in another body as I told you the other day. However, I think eventually we are going to keep the cut in the bill. I have been doing everything I could to help cut this bill.

You know, the President made a statement yesterday and there are parts of it I think we ought to listen to. I am glad to see that the President is coming back now to champion his budget. I think he got frightened at all of the letters and telegrams that were coming in about the size of the budget so he abandoned the baby and went off to Bermuda. He has come back and he sees the baby is in hot water, he has come to his senses and he is trying now to justify his budget. In a way he does that. He said that this budget was carefully, intelligently prepared. He said that there may be cuts made in it here and there but that we are kidding ourselves and are fatuous or fatheads if we think by the sort of cutting that has been going on on this bill we are going to really reduce the budget.

I think we ought to think about this fact. Most of the work of this body is done in committees.

Mr. Chairman, when I was a member of the Committee on Public Works, Mr. Will Whittington was chairman of that committee and I used to marvel at the man's knowledge of every little dam in this country, every river and creek. He knew exactly what the engineers were doing in every State in the Union. I marveled that one brain could hold all he knew. JOHN FOGARTY is like that on this committee. I have never seen a man with so much knowledge in the field of labor, health, education, and welfare. JOHN FOGARTY is as anxious as any of you to cut the budget where it can be done, as the President said, sensibly. Do you know that your committee spent weeks in hearings? We tried to determine as best we could how we could carry on the work in this most important field of human welfare at the lowest possible cost.

Over the years we have all voted for these programs. Think about this: Your Appropriations Committee has a sense of responsibility to the House. You voted for these programs and the Appropriations Committee feels that it should make these programs work at the lowest possible cost. In making up this budget that is exactly what your subcommittee did. Of course, we are not infallible, neither is any other committee. But it does seem to me that as far as possible in our effort to cut the budget we ought to be very careful in what we do and put some confidence in your committee. And we ought to listen to this man who above all others knows what he is talking about in this most important field.

I am sorry that this concentrated effort to cut these little amounts out of the budget had to fall on this committee or in this field where the welfare of not only our children but the adults of our country who are suffering from disease, who are suffering from privation and want, are involved. I am sorry that we picked this field to make these cuts. They are not huge. They cannot be cut much, but, Mr. Chairman, I hope that as we go ahead with this appropriation bill today we will do so intelligently. If we are going to cut at all, let us cut down the number of employees, if it has to be done.

On that point, let me say this. By our indiscriminate cutting, where we, by our own legislation and by our own action have piled additional burdens upon them, we are hardly fair to our loyal Federal employees. Now, I know that we have too many in some instances. We tried to pare their number down, as we heard the testimony on this bill, in these fields. We have done our best, but are we not somewhat unfair to the employees who are trying to do a good job? Some of them, I know, may not be all they should, but by and large our Federal employees are loyal. They work hard. They do their jobs well, and I think we ought to think about them and we ought to be fair to our Federal employees and not cut them to the point that we ask those left to do an impossible job.

Now, I hope that as we go along we are going to do as the President says. I know every one of you wants to do what is right. I am sure you are not politically inspired, because the election does not come until next year, and the people are going to forget what you did this year, of course. I know it is not politically inspired at all, and I just hope that we are going to use our intelligence and that we are not going to use the "meat ax" approach. After all, the only cuts that can be very substantial and by which we can really hope to reduce the budget are in our foreign aid and our military expenditures. The President does not want to cut that, but he says even there we can cut to some extent.

Let me tell you, my friends, I am also on that subcommittee, and I think our distinguished chairman, the gentleman from Louisiana, will tell you that we have done a good job of pruning. You know, he wields a wicked pruning knife, and when we come to that appropriation we will save you some money. You cannot save much here, but we will save you some money there, and I know that the gentleman from Texas [Mr. MAHON], my distinguished friend and chairman of the Committee on Armed Services, is going to be able to save a large amount in the military budget—up into the billions of dollars. But, let us not try to pile up these little savings here at the expense of this department and at the expense of the folks back home who are the beneficiaries of these splendid programs. We used to call them new deal; we used to call them fair deal, but now some call them modern Republicanism; whatever you call them, the programs have been established by this Congress, and they have been continued by this Congress.

Now, let us try to be reasonable and sensible as we go ahead with the consideration of this bill, and I will guarantee you that we are going to cut a nice slice out of the foreign-aid bill.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The remarks of the gentleman from Georgia indicate that there were some cuts that could be made here on the floor as far as disease control is concerned. I do not believe we have come to that section of the bill yet, and I do not believe there will be any substantial cuts made in the facilities of the National Institutes of Health. I believe the amendments so far have been almost entirely to personnel services and not any of the activities of the National Institutes of Health, because we have not reached that part of the bill as yet.

Mr. LANHAM. I agree with the gentleman, and I hope we will be more careful than we have been in the Department of Labor. I do not know that these cuts we have made are going to hurt too much, but I think maybe some of them were unwise. But, as we go into this most important field, please let us be careful.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has been talking about personnel. Now, then, when the health services for Indians were transferred from the Department of the Interior to the Public Health Service, they transferred over some 3,750 employees from the Department of the Interior. The transfer was supposed to have been made in the interest of efficiency and economy, bringing the Indians under the United States Public Health Service. Lo and behold, we find that they have added 800 employees.

Mr. LANHAM. I am not too familiar with the Indian situation since I do not have even a cigar store Indian in my district. But I am sure that this health function was transferred to the Public Health Service because it was felt that the Public Health Service was the proper Service to handle it and would do the job that had to be done.

Mr. GROSS. Yes; but we were supposed to get efficiency and economy; and instead they got 800 more employees.

Mr. LANHAM. The gentleman is thinking about the Hoover Commission reports now and not about that transfer.

Mr. GROSS. I am thinking about those 800 more employees.

Mr. JUDD. Mr. Chairman, would the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Minnesota.

Mr. JUDD. As the author of the bill providing for the transfer of the health service for the Indians to the Public Health Service, no promise or claim was ever made that it would save us money net. This was an attempt to clean up an utterly disgraceful situation, in which the medical care of our own Indians, for whom we have a peculiar responsibility, had become almost indescribable. We said at that time that it would cost more money. Our purpose was to get all of the health activities in the United States under one head so that the same agency that takes care of our health would take care of the Indians, and vice versa. We recognized that it would take more money. But we felt that it would be good economy, because these Indian reservations were becoming almost foci of infection which was spreading throughout the population.

Mr. LANHAM. I thank the gentleman for his contribution. This subcommittee agrees with your thinking and has tried to give the Public Health Service the money to do a good job.

Mr. BAILEY. Mr. Chairman, would the gentleman yield?

Mr. LANHAM. I am glad to yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Chairman, I want to thank the gentleman from Georgia. He is far more courteous than the distinguished chairman of the general Committee on Appropriations.

Mr. LANHAM. He was just excited; I am not.

Mr. BAILEY. I cannot help but note the gentleman's [Mr. CANNON] comment that to eliminate a small amount like this for cancer control would reduce the cost of living. In my estimation, that kind of talk is pure hysteria and has no basis of sense.

Mr. DENTON. Mr. Chairman, would the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Indiana.

Mr. DENTON. Is it not a fact that when the Public Health Service took control of the health of the Indians, there were practically no health regulations for the Indians. They were dying like flies from tuberculosis. Since the Public Health Service has taken control, the death rate from tuberculosis among the Indians has almost reached the level of that of the other people of the United States. We have established hospitals and other facilities so that something is now being done for the health of the Indians.

Mr. LANHAM. I am sure that is correct. I appreciate the gentleman's contribution.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, much has been said on the subject of the Public Health Service research program. I am very much interested in that subject. Our subcommittee heard 185 witnesses. We took 1,700 pages of testimony. We were in session for practically a month from 10:00 a. m. until about 6 p. m. We heard some extremely important witnesses on this question.

Dr. Paul White, who was the specialist attending President Eisenhower following his heart attack, was one of the witnesses for the Heart Institute. Dr. Farber of the Massachusetts General Hospital testified concerning cancer research. The dean of the Johns Hopkins University medical school appeared before our committee. Leading authorities on mental health, arthritis, and so forth, appeared before us; and they presented the argument, supported by figures, that the amount of money provided for these research programs should be considerably greater than it is at the present time.

It is not fair to say to the medical researchers that we will spend a certain sum of money for cancer research only if you find a cure. Of course, no one can guarantee finding a cure in any kind of medical research. When Dr. Salk was given a prize for discovery of a polio vaccine, he said that he could not accept that reward for himself, but that it should be considered as a reward to all science; because what he achieved was built on the work of other men. I can assure you that the National Health Institutes work with every private society that raises funds for medical research. They work with other public authorities in their research effort. The representatives of the Cancer Society, the Heart Society, and the Mental Health Society, as I said before, all appeared before our committee.

Now about medical research by private industry: There is some talk about the fact that several million dollars of unused research funds are going to revert to the Treasury. What the Health Institutes had planned to do was to make contracts with the pharmaceutical companies to conduct research on chemotherapy for cancer. Many thousands of drugs were to be considered with the purpose of finding out which of these drugs might provide a cure or a deterrent in any way to cancer.

The Health Institutes found they were unable to place these contracts except on a cost-plus-a-fixed-fee basis, and for that reason they could not get the contracts approved by other Government authority. That is the reason this money is reverting to the Treasury.

So far as our research programs in connection with infectious diseases are concerned, they have made great headway. Tuberculosis is only about seventh the menace as it was when it once ranked as the leading killer. I heard one of the doctors concerned with this research says that they could not find a case of smallpox to exhibit to the medical students so they would know what it was. One of them told me he had not seen a new case of locomotor ataxia in 3 years. So the research in infectious diseases has gone a long way.

But more Americans will die of cancer this year than were killed in World War II. More men will die of heart trouble in the United States this year than have died in all the wars our country has fought.

I think any nation that can spend $38 billion a year for defense and armaments—any nation that can carry on a research program whereby we can split the atom—can spend a comparatively small sum of money for medical research. I think it is a great and worthwhile field. Like the gentleman from Rhode Island [Mr. FOGARTY], I am only sorry more money has not been expended in this cause. I think we are seeing great progress on one of the finest programs the Government has.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman a few minutes ago in connection with a colloquy over the transfer of the Indian Health Service said something about the drop in the rate of tuberculosis among the Indians. Will the gentleman restate the figures?

Mr. DENTON. I do not have the figures here, but the percentage of reduction is sharp. They showed that when the Public Health Service took over this work the death rate of the Indians was very high from tuberculosis. That has been cut down now until it very nearly approaches the death rate of other people with tuberculosis.

Mr. GROSS. That transfer was made effective not more than 2 years ago.

Mr. DENTON. Then it was within 2 years' time.

Mr. GROSS. It was less than 2 years ago that the transfer was made.

Mr. DENTON. It was not much over 2 years ago.

Mr. GROSS. Can you drop the rate of tuberculosis in 2 years?

Mr. FOGARTY. It was just 2 years ago that these responsibilities were transferred to the Public Health Service from the Department of the Interior. At that time we found these conditions exactly as the gentleman from Minnesota, Dr. JUDD, has explained, in such a bad way that we said to the Public Health Service, "You are going to have the responsibility. We want you to go in there and do a good job." As a result we did give them additional personnel because of the conditions we found out there. In this year's budget we have not given them any more than we did in 1957. We did give them a jump last year because of the necessity to do something in this field.

(By unanimous consent, at the request of Mr. CANNON, Mr. DENTON was given permission to proceed for 5 additional minutes.)

Mr. DENTON. Mr. Chairman, I have just made some computation of what has been done as to reducing this appropriation in 2 days' time here, and we are going on a third. The actual amount of money that has been cut out of this appropriation is $657,100. There have been "phony" cuts of a little over $14 million in programs where existing law does not permit any real cuts by way of an appropriation bill. Probably most of this $14-million cut will be restored when the bill gets to the Senate. When you get through, I doubt if you will have accomplished a great deal of real reduction, beyond what our committee recommended, on this whole appropriation bill. I wish we could get along with it.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Florida.

Mr. HALEY. Is the gentleman aware of the fact that the man who now heads the Indian Health and Welfare Service in the present department was also head of that same service when he was with the Interior Department on loan?

Mr. DENTON. No; I do not know that; but I do know that the Public Health Service now has charge of it, and you will find it is a commissioner service. It is a service with a very high esprit de corps. They have accomplished a great deal in the way of public health for all Americans. I think that so long as the Indians are wards of the Federal Government—and, after all, we did take their land away from them—we owe them decent care. We should treat them fairly, and they should have as good health facilities as the rest of the people of the United States have. All that was done was to give the Indians the same public health service that the rest of the people of the United States have.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I am glad to yield to the gentleman.

Mr. HALEY. Of course, the gentleman is well aware of the fact that Dr. Shaw who previously headed this department in the Department of the Interior, appeared before the committee and he was very critical of his own work that he had been doing for years.

Mr. DENTON. I think there were about 185 witnesses before the committee, and I cannot remember them all.

Mr. HALEY. I think if it is as bad as he says it is, we ought to get somebody else to head up this work in the Department of Health, Education, and Welfare.

Mr. DENTON. I am sure that I do not have anything to do with selecting their officials.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I am glad to yield to the gentleman.

Mr. TABER. I wonder if there is any reason why we are discussing items in the bill that will not come up until tomorrow, and I wonder why we should not face the music as we go along here.

Mr. DENTON. Of course, the Public Health Service has been mentioned by the chairman of the committee in his discussion, and my remarks refer to some of the things he said.

Mr. TABER. It seems to me that we ought to get to work.

Mr. MASON. Mr. Chairman, I move to strike out the last 150 words.

Mr. Chairman, we have had our hearts stirred now for about an hour and twenty minutes. We have had them stirred by general talk about the bill and particularly about the items that have not come up as yet. I am wondering if this is a filibuster. But, I am going to take just 5 minutes to try to stir your minds on a specific item found in this bill. The item is found on page 25, at the top of the page, and it is an appropriation of $50 million to help municipalities to build sewage disposal plants—sewage disposal plants. That is the subject and the amount is $50 million. I have a motion at the Clerk's desk to strike out that $50 million, but I have been told that the gentleman from Texas [Mr. BURLESON] has the same motion. So, I am going to withdraw mine and let him have the credit for it. But I do want to argue a little bit for his motion.

Mr. Chairman, Oglesby, Ill., my hometown, has voted to issue $500,000 worth of bonds to build a new school building, and $350,000 worth of bonds to build a sewage-disposal plant. The people of Oglesby believe in standing upon their own feet and taking care of their own needs.

Mr. Chairman, the city of Oglesby has an efficient city government and a rather unusual city clerk. He hands out along with his monthly bills some of his economic and financial views. The following is an excellent sample—well worth citing:

> Many American citizens justifiably alarmed and angered by high Federal taxes and a swollen Federal budget wonder what one citizen can do about it. The easy way would be to accept this bloated Washington business and do nothing about it. If you feel that your efforts would be puny, you are not a worthy descendant of the men who founded this Nation * * *.
>
> It makes no sense for citizens or newspapers to talk out of both sides of the mouth about high Federal taxes. Some of us who were in city business 25 years ago—when the welfare state began during the depression—may have moments when we regret any requests that we made for Federal aid, but we at least had a depression. When WPA ended we put it behind us. It ill becomes some of our neighbor cities to be asking for Federal help to abate sewage pollution when their resources are equal or superior to those of Oglesby. We are at least paying our own way.
>
> An ideal Congress would be one that would cease posing as world savers and shapers, operate as inexpensively as possible, spend time repealing legislation, go fishing frequently, and let the States and cities help themselves.

More city clerks should follow the example of Edward Hand, the city clerk of Oglesby, and more cities should be encouraged to stand upon their own feet, hoe their own row, and look after their own needs. If charity begins at home, so should municipal responsibility begin at home.

In order to help place municipal responsibility where it belongs we should cut out of this bill the $50 million carried in it for municipal sewage disposal plants.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when one goes to the bedside of a desperately ill child there is no counting of pennies or figuring of how to balance the household budget. Over every home in our country is hanging the fear of visitation upon the loved ones in that home of one of the dread diseases for which there now is no cure. Medical research will find the cures and through medical research will come the lifting of the tormenting fears that plague us daily as we are shocked by the sudden taking of dear friends, victims of cancer, of heart and other fatal ailments.

I credit every Member in this House with the sincere desire to practice economy, and I think that desire comes from the honest intent to cut down the spending by this Government and thus to strengthen our country and to benefit our taxpayers.

I had hoped that in the field of medical research there would be a forgetting of the urge to cut. That urge to cut and cut into appropriations as deeply as is humanly possible, where the cutting is not at the sacrifice of our security or of our welfare, is a proper and highly commendable urge. But any cut in an appropriation for medical research, even to the extent of 1 cent, if such as well it might would halt our approach to the complete conquering of dreaded killer diseases, is no more to be considered than the counting of pennies at the bedside of a gravely ill loved one. This is a field in which there must be no diminution of our effort.

I have said many times in reporting to my constituents that the outstanding achievement of the 84th Congress was the medical-research program to which the people of this country and of the world will forever be indebted to the distinguished gentleman from Rhode Island [Mr. FOGARTY]. It was the greatest health-research program ever embarked upon by any nation in all the long history of the world. It was a program that looked forward to the conquering of all the frightful human ailments that are striking tragically into

the homes of our country. It was a program that in its development meant to me that my life would be lengthened, and to every person now living the same assurance of a lengthened span of life. It was a program that, extended into the field of international relations, would give assurance of peace a thousandfold greater than that of any other effort.

The Department of Defense of our country spends in excess of $1 billion a year exclusively for research in weapons to kill and to protect against being killed. This billion dollars a year and more is exclusively for research. We have been spending that amount every year for quite a period and when the Secretary of Defense appeared before a committee of which I was a member and I asked him how long this expenditure of a billion dollars a year and more in research would continue, he answered it would continue as far into the future as was foreseeable.

Our program of health research has for its purpose, not the destruction of life, but the protection of human lives against ailments for which there are now no known cures but for which cures will come as certainly as day follows the night if the health-research program is not destroyed. The new medicines that we discover, the cures and the treatments, are made available not only to our own people but to the peoples of all the world. This is the sure way of reaching into the hearts and the minds of peoples in other lands. They have their loved ones and they have the same dread of killer diseases that strike into their homes as have we. When from the United States there comes into any land a medicine or a treatment that puts an end to the reign of tormenting diseases, the friendship for us of the peoples of that land will be measured by the rule of the good Samaritan.

The men and women of the district in Chicago that I have the honor to represent, I am sure, do not wish me to vote for reducing by as much as one red cent the money that our Federal Government is putting into the health-research program. We are very proud in my district of the great contribution that the outstanding scientists and the renowned medical men at the University of Chicago are making to the program. It is in Chicago that one of our great merchant princes, his beloved brother having in his prime fallen a victim of cancer, is devoting his fortune and his driving genius to the fight to find the medical treatment that is bound, before many years have passed, to end the plague of cancer. Maurice Goldblatt, this merchant prince of Chicago, who is devoting his fortune and his time in this fight to end the plague that took his brother's life, is supported by an organization the headquarters of which are located in the Second District of Illinois.

Yes, Mr. Chairman, I too have reason for a personal interest. That is in the emotion and the grief of a long-ago yesterday. I was the father of a little girl, my only daughter. One day going to school in play she fell and her head hit on the hard sidewalk. At that time medical science had no known cure. For 6 weeks I was at the bedside of the daughter of my pride and of my deep love, watching a beautiful flower fade. Nothing in the then knowledge of medicine could be done; and yet I knew that, in the years to come, with research, medicine would have found the cure. I do not want the grief and the loss that I experienced in that long-ago yesterday to come to any other parent when the cure that might have come from research did not arrive in time because I had voted to curtail a health-research program that would have found the cure.

There is no greater work in which this Government could be engaged than that of medical research to find the cures for dread killer diseases. Every penny we spend in such a program is a penny well spent. There is not a home in America today where the mother and the father sit with their children in the family circle, and always with the fear that one of the dread killer diseases might strike at that happy family circle, where there is any desire that we should practice economy at the price of taking from them the protection of that which in life is most precious to them.

Mr. Chairman, I am speaking with emotion. I am certain it is an emotion no different from that that must be felt by every Member of this body on both sides of the aisle. It was only a few days ago that one of our former colleagues, the beloved Harold Hagan, only 55 years of age and apparently in the pink of condition, dropped dead with a heart ailment. It was not long ago that our colleague, Frank Keefe, was standing at the table where now stands the gentleman from Rhode Island, fighting every inch of the way as now JOHN FOGARTY is dong, for an enlargement of our health research program. His last speech in this Chamber was for a larger appropriation, and I can see him in my memory now throwing into his speech every particle of his virile personality. Not many months afterward Frank Keefe, crossing the street in his home city in Wisconsin, dropped dead. Many in this Chamber were the warm personal friends of the distinguished son of Ohio who was affectionately known as "Mr. Republican." None realized when he was last a candidate for the presidency of the United States in the Republican Convention, that cancer already had seeded itself in him and that very shortly after the inauguration of President Eisenhower he was to pass to the life eternal, victim of a dread disease that can be conquered if we do not halt and drag our feet in the health research program upon which we have engaged.

Mr. Chairman, when the day comes, as soon it will if we are not faint of heart, that the reign of these dread killer diseases has ended, the name of JOHN FOGARTY will be blessed in every home in this and other lands. There is no Member of this body who is held by his colleagues in higher esteem or in warmer affection. In the 84th Congress, when we embarked upon the greatest health research program in all history, this Chamber rang with the loudest applause that I remember in tribute to the great American responsible for that program, the gentleman from Rhode Island [Mr. FOGARTY]. The present debate has been long, motivated, I am sure, by a sincere desire on the part of everyone on both sides of the aisle to effect economy in Federal expenditures, but when the vote is taken on any amendment to weaken the health research program, if such amendment there should be, I am confident that the gentleman from Rhode Island will have proof that his labors to save mankind from the physical ills that plague it have the appreciation and the approval of his colleagues in this body.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Mr. Chairman, is not the regular order the reading of the bill?

The CHAIRMAN. Paragraph by paragraph, yes.

Mr. HOFFMAN. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUREAU OF LABOR STATISTICS

Salaries and expenses: For expenses necessary for the work of the Bureau of Labor Statistics, including advances or reimbursement to State, Federal, and local agencies and their employees for services rendered, and not to exceed $15,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $7,470,000.

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr MURRAY: On page 11, line 7, strike out "$7,470,000" and insert "$7,124,000."

Mr. MURRAY. Mr. Chairman, my amendment would bring about a reduction of $250,000 in the appropriation for the Bureau of Labor Statistics. My amendment would give this Bureau the entire amount it had in its budget for the present fiscal year, 1957, and in addition it would also add $327,000 which is the mandatory contribution that this bureau must make to the retirement fund.

This reduction of $256,000 is certainly justifiable because the increase of $256,000 represents an expansion of present studies and programs with new or additional employees. This agency is concerned with the gathering of statistics, preparation of consumer price indexes and making various studies of employment, hours, earnings and labor turnover. I am quite familiar with the head of this bureau, Mr. Ewan Clague, who is a very capable, efficient, competent official. He has appeared before the House committee of which I am chairman on different occasions.

Now, I am sure that he can get along with the present number of employees. If my amendment is not approved, this Bureau will hire about 60 or 70 new employees for making expansion of certain studies on automation, consumers price index, and so forth. I cannot see why expansion of these various studies is justified by the employment of additional personnel. Certainly this Bureau can practice a little more economy and

tighten its belt and get along on the same appropriation for the next fiscal year that it has for the present fiscal year. I appeal to you to support the amendment.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, the people of this country want expense reduction. I do not think there is any Member of this House who questions that. Certainly we have heard from the grassroots. We may have heard from some pressure groups, but by and large it is the grassroots we have been hearing from.

I happen to have had a questionnaire but without a specific question about reduction of expense. However, this great pile of hundreds of letters have come in on their own, specifically and emphatically demanding expense reduction, many of them enclosing clippings and documents.

I would like to suggest to this body that we are the voice of the people; that it is time we express the words of the people and the words of the various memorials of our State legislatures and city governments. Yes, I know the Congress voted many of these projects, but the projects and the bureaus are mushrooming, and they have been doing so. May I suggest that authorization of all of them does not necessarily mean automatic appropriation. Authorization does not mean automatic appropriation. History is full of these exceptions where we have voted to approve something, but we have heard from the people and we have refused to appropriate the money. Now, that can be done again and again. Capital expenses do not have to be repeated. Nonrecurring expenses do not have to be repeated. Projects can be deferred. Much payroll can be saved by way of attrition. The people want reductions. This bill as a whole can result in greater expenditures than the administration requested, because there are in the bill, as you know, about 5 headings which have by law to be requisitioned, and the $118 million suggested cut from the requested budget by the committee, can easily be eaten up. There is $90 million that has been called a phony reduction. Maybe it is a reduction—and we hope it is—but it could be an increase-plus item. In that case we shall, if we vote the committee's bill, even vote an increase instead of decrease.

So, we have got to hold the line to last year, and that is what the maker of this amendment suggests.

I suggest no reflection on the very able head of the Bureau of Labor Statistics, Mr. Clague. He is an able and conscientious public servant. There is no denying that. But, in 1956 they spent $6,407,000. We increased it $485,000 for 1957. Now we are asked to increase it $583,000 more. But when we add back the provision for the retirement fund, it can be adjusted to the amendment as it is.

May I suggest, also, that we might do some improving in what we are spending the money for. I have here two very well gotten up, thorough volumes of the directory of labor organizations of Europe. I asked for a directory of the independent labor unions of the United States. We must realize that the spokesmen for some members of our Government are speaking in behalf of the CIO and the AFL. They ignore the vast number of independent unions, which have more than 5 million members I am told, and the 45 million unorganized workers. And yet we do not have enough money in the budget, I am told, for the Bureau of Labor Statistics to get out a small directory of our own independent unions; but we can put out these publications on European labor unions.

There are special studies, and there are continuing studies, but some can be adjusted. It is provided here that there will be a number of more employees in this expansion. Let me reiterate. I have the most wholesome respect for the head of that Bureau, but I am sure in this case, just as in a number of other cases, that we can take up this slack, and convince the people of this country that we are endeavoring to hold the line. This still gives them an increase, but they can make these exceptions and substitute some programs which do not have to be continuing. I support the gentleman's amendment to reduce the budget back at least to last year's expenditures plus the retirement fund adjustment.

The CHAIRMAN (Mr. BOGGS). The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY] to close the debate on this amendment.

Mr. FOGARTY. Mr. Chairman, when the Bureau of Employees Compensation got by without any suggested cuts from my friends on my left, I thought maybe the press conference of the President on yesterday had had some effect on the piecemeal budget cuts you have been operating on here for the last couple of days. But now I see that you have passed that one over and we have come to the Bureau of Labor Statistics; and I notice that you are back at it again.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. JONAS. I thought this amendment was offered by a Member on the gentleman's side of the aisle.

Mr. FOGARTY. It was, but the majority of the votes for it are going to come from your side of the aisle.

Mr. JONAS. That remains to be seen.

Mr. FOGARTY. I hope the gentleman is right, because then I will be sure that the President had some effect on you and your leadership in the chastisement that he gave you yesterday in the papers. From the New York Times article apparently the Eisenhower Republicans were beginning to believe that the President had deserted them and they were very pleased to find that he had come out and taken a definite stand on the budget now. But the orthodox Republicans were kind of glum and grumpy, as I read the New York Times this morning, at the relevation of the President's standing by his guns and accusing the leaders of this economy bloc of "fatuous and foolish" cuts in a budget that was arrived at intelligently by him and all his people in the administration.

Mr. TABER. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield to the gentleman.

Mr. TABER. I am wondering if the gentleman really thinks that this cut would impair the operations of the Department. I gathered from the fact that he has proceeded thus far on generalities that he does not feel that that would be the result.

Mr. FOGARTY. I happen to be in a good mood today, knowing that the President had said yesterday at his press conference what we Democrats have been saying for 2 days. I do not know whether or not he has been following the Committee's recommendations here or the debate that has been doing on. But the statements that were made by those of us who have been supporting the Committee's stand for the past 2 days were practically reiterated by your President and my President at his press conference yesterday. And I assume he is still your leader as he is the President of the United States, and is of your political faith.

Mr. GROSS. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GROSS. I have not been able to figure out whether the gentleman from Rhode Island or the President is indulging in wishful hoping.

Mr. FOGARTY. We both are at this time, and as the gentleman from North Carolina [Mr. JONAS] said, we will see. There will be a division and we will see who stands up in support of the President's programs.

Mr. BUDGE. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I was trying to get to the effect that this cut will have.

Mr. BUDGE. I simply wanted to comment, in regard to the gentleman's remarks concerning the statements of the President of the United States, that there is another subcommittee on which the gentleman and I serve, and he will recall that when the budget was presented on yesterday, the first announcement, in connection with the Civil Functions Budget was that it was cut $13½ million by order of the Bureau of the Budget.

Mr. FOGARTY. By the President.

Mr. BUDGE. I think that would show the attitude of the President perhaps more than a statement which was not directed at the action of this House.

Mr. FOGARTY. He seemed to imply yesterday that those of you who voted for that huge public-works authorization last year, to authorize public-works projects without having detailed plans and specifications, were doing it for political purposes. If I remember correctly, that vote was substantially high on both sides of the aisle. I suppose he was accusing those who voted for that pork barrel bill a year ago of doing it only for political purposes.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Massachusetts.

Mr. BOLAND. May I ask the gentleman from Idaho, is it not a fact that the $13,500,000 recommendation to cut the public works civil functions bill comes from the President in this instance? Is that not so?

Mr. BUDGE. That is so.

Mr. BOLAND. Is it not so that you are doing the cutting on the floor here? The cuts here are not recommended by the President.

Mr. FOGARTY. Let me tell you what this amendment will do. It will cut out $100,000 for the initiation of a continuing program of consumer expenditure surveys to assist in insuring that the Consumer Price Index is valid. That is one of the most important things we have today. It is something that business, labor, and management, are dependent upon. The wages of 4 million workers are dependent upon the accuracy and the availability of this consumers' price index. Today a rise of one-half a point in the cost of living means an annual wage increase to 4 million people of $80 million. That is only one thing you are cutting out by this amendment. It would also cut out funds for the initiation of a 3-year program to shift the employment, hours, earnings, and labor turnover data to the new standard industrial classification system in order that these statistics may be comparable with statistics which are published elsewhere in the Government; $50,000 for statistical analysis of some of the problems affecting older workers; and $120,000 for the analysis of the effects of tariff changes on United States employment.

The Appropriations Committee has recommended a modest program increase for this Bureau, which provides the facts and figures on which the people of this country have come to rely. I wonder if the Members of the House really understand how much the figures of the Bureau of Labor Statistics mean to the working people and to the business concerns of this country. For example, right now the wages of millions of workers in this country are tied automatically to the Consumer Price Index. A single point change in this index can mean a rise or fall of $160 million in annual payrolls. Think how important it is, both for working people and for their employers, to be confident that this index is as sound and is accurate as it can be made. Management and labor have shown their confidence in the Bureau by negotiating long-term contracts based on its figures. Such contracts couldn't be written without this index. Can you imagine the chaos which might result if people's confidence in these figures is shaken? What about the industrial disputes that might result? Might not the stability we have had in labor-management relations during recent years be upset?

The CHAIRMAN. The time of the gentleman from Rhode Island has expired. All time has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken; and the Chairman being in doubt, the Committee divided and there were—ayes 92, noes 63.

So the amendment was agreed to.

Mr. WIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have sat here now for a couple of days. While I have been reluctant to say anything in connection with this bill, noting the trend and the fact that this is an administration bill, I am disturbed at some of the comment regarding the influx of mail and the great demands that are being made on every Member of this House. Particularly was I struck with the statement of the chairman of the Appropriations Committee a short time ago when he announced that he had five telephone calls or wires this morning.

May I say to the House that I represent a fairly large district. It ranks up among the 12 largest in the Congress. I think my Minnesota colleagues will agree that I represent a very diversified district. I have a large number of the wealthiest people in the State of Minnesota in my district. I represent several labor wards, and in between those two groups is, of course, the so-called unorganized white collar wage earners, or perhaps we might call them the great mass of middle-class people.

To be honest with you, this may invite some challenge or it may invite some mail, but I want to be very frank and honest to tell you, I have been here in Congress long enough now so that most of the people in my district know who represents them in the House of Representatives. I have received not over 12 letters and telegrams requesting or demanding that I vote on this budget. Those, let us say 12 telegrams, do not come from the great mass of people in my district. Therefore, I sit here quite convinced that I am on safe ground in voting as I have on most of the appropriations in this particular bill, because this is the particular bill that affects more people in my district than any other appropriation bill. But, there is nothing much that can be said to resist the temper of the House. This is not new to me. I have seen this trend in this direction before, and I will be very happy, indeed, when election time rolls around to meet this situation that some of you term as a very necessary position to take. I do not stand here and describe this bill as not being out of line insofar as the size of it is concerned. I think it is exorbitant. But, the cuts and the meat ax are used in places in this bill where I think they are less necessary. I am waiting patiently for a couple of other bills to come out. I want to see the agricultural bill come out and see what the Committee on Appropriations does to that as well as some other appropriation bills here. I have voted up until this bill for most of the economies in the five previous appropriation bills, but this bill hits the American people. So maybe tomorrow I will get a few more asked-for letters, but I want to say that at present in my files I have not over 12 demands or requests for me to participate in the cutting of provisions in this bill that so seriously affect the lives, the health, and welfare of 75 percent of the good folks in my district.

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, I am in an entirely different position to the previous speaker. I will be very happy to pass some of my mail along to him. I find it quite arduous to answer all of the mail I have received with reference to this budget. My people are definitely of the middle class and represent small business. They want this budget cut. Today I received a letter from one of my good constituents enclosing a letter from the Surgeon General. In this letter he says:

> A short time ago I wrote asking your cooperation in a study of the effect of tobacco on health now being conducted by the Public Health Service. A questionnaire concerning the use of tobacco was enclosed with my letter. Most of the persons to whom I wrote have returned a completed questionnaire. Your reply, however, has not been received.

Mr. Chairman, this questionnaire consists of four closely typewritten pages. It asks you about your mother and your father and whether she had shingles and whether he had hives. It goes on to ask you how much tobacco you use and why you use it, and when you stopped using it, and so forth. My constituent is indignant, as each one of these questionnaires is sent out in a postage-free envelope. My constituent says in his note to me, and I think he is justified, Mr. Chairman:

> It is time to put the ax to this sort of thing—and not a rubber ax like was used in connection with the budget for this department.

And my constituent signs his name. Mr. Chairman, that is typical of a great many letters I am receiving. I think the questionnaire is also typical of a great deal of the money that is being spent at the present time.

Mr. HALEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. HALEY. I wonder if the questionnaire inquires as to the color of your hair and the color of your eyes.

Mrs. ST. GEORGE. I think the gentleman will find questions here covering everything that could possibly be said about any individual—a question about the color of his or her eyes and hair as well as a description of his ancestors.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. GROSS. Apparently, this points up one of the things that is growing up in the Government and that is making more work for more jobholders.

Mrs. ST. GEORGE. I can imagine that this necessitates a great many hours of time to file these questionnaires and keep track of those who have not answered.

Mr. Chairman, I yield back the balance of my time.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just listened with great interest to the letter read by the gentlewoman from New York. I am not a doctor, neither am I a medical scientist. I do not know whether the questions asked were pertinent or not. I presume they must have been pertinent to the rising incidence of lung cancer which is growing at an alarming rate, especially in men in this country because of the increase in smoking.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mrs. ST. GEORGE. May I tell the gentleman that some of the questions are impertinent ?

Mr. FOGARTY. I was just going to give the gentlewoman an example of medical questioning. About 4 years ago I had one of those attacks that the President had, your President and my President, a coronary thrombosis. I was fortunate enough to have the advice at that time of a man who is one of the best heart specialists in the world, Dr. Paul Dudley White, of Boston. He dropped in to see me at the naval hospital the first week I was there, which is the most critical time in any heart case, as it was in the President's. Some of the questions he asked me I thought were impertinent; but coming from a man with the medical reputation of Dr. White, who was I to challenge the type of questions he asked? He asked me whether I ever had a broken leg, or a disjointed finger, and things of that nature and there were other questions the doctor put to me that I could have thought were impertinent. But I thought that if he was a man qualified enough to take care of the President why should I resent the questions he asked me?

Mrs. ST. GEORGE. I presume the gentleman had asked for Dr. White's advice, that the doctor did not come gratuitously to the gentleman and ask a lot of questions.

Mr. FOGARTY. It just so happens that he came gratuitously to me but I felt that I was very fortunate to have him there and accepted his examination, both verbal and physical, without question.

Mrs. ST. GEORGE. The gentleman is very fortunate indeed.

Mr. FOGARTY. He was attending a Heart Association meeting in Washington. I was under the care of the naval hospital. He came out there, having heard I was there, and asked me these questions. It was not at my invitation that he arrived. But since he was good enough to interest himself in my problem, I thought I owed him the courtesy of answering his questions.

Mrs. ST. GEORGE. I am glad the gentleman did not have a fatal illness.

Mr. FOGARTY. I thank the gentlewoman for her kind concern and I assure her that I am in excellent shape and expect to be around for many years to come.

The Clerk read as follows:

WOMEN'S BUREAU

Salaries and expenses: For expenses necessary for the work of the Women's Bureau, as authorized by the act of June 5, 1920 (29 U. S. C. 11-16), including purchase of reports and material for informational exhibits, $462,000.

Mrs. BLITCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. BLITCH: On page 11, line 12, strike out "$462,000" and insert "$403,000."

Mrs. BLITCH. Mr. Chairman, my amendment would hold appropriations for the Women's Bureau to the same amount they had this year. In other words, it eliminates the increase of $59,000 provided in the bill reported from the committee.

I think it rather interesting that this increase is to be used for the creation of four $7,570 per year positions plus two clerks. At a time when the Secretary of Defense is cutting employment, the House subcommittee is putting the heat on all departments to reduce their payroll, and the general feeling exists that we must economize, we should take a close look at any requests for additional Federal employees.

These six employees requested by the Department of Labor are to be used for field work. Just what is this field work going to consist of? According to the Director of the Women's Bureau, they will "coordinate, expand, and develop the women's affairs program of the department."

That is found at page 244 of the hearings.

Now, what expansion is contemplated for next year? Listen to this:

> There is an increasing need—

And these are the words of the Director—

> There is an increasing need for adequate counseling and guidance materials for young people who are about to choose a career, and a need for liberalizing the State minimum wage laws and orders affecting women workers.

That is the testimony of the Director. These four field workers are apparently going to be lobbyists in the several States because she goes further and states flatly:

> They will work in the minimum wage field, they will work for equal pay in the States.

They will work for equal pay in the States.

Mr. Chairman, regardless of what our feeling is about equal pay for equal work, it seems to me this is a ridiculous situation when the Federal Government hires people to lobby for State laws. It is foolish for us to put more employees on the payrolls so that they can meddle in the internal affairs of a State.

By adopting this amendment we have an opportunity to run up a warning signal to the Executive agencies to curtail some of their questionable activities. Again, I emphasize that my amendment does not cut the appropriation for this bureau below the current year's figure and, if adopted, the money available next year would be the same as they are operating on this year.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from Georgia [Mrs. BLITCH].

Mr. Chairman, you are going to have a chance to have your vote recorded in the permanent record on this one, too, if it carries. There are 22 million women working in the labor force today. By 1965 they expect there will be another 5 million or about 27 million workingwomen in the labor force in our country.

When we were in the last war we appealed to the women of this country to go into the shipyards, the airplane factories and other industries. The only agency in the Government that they could turn to was the Women's Bureau in the Department of Labor. There is not any agency in the entire Government just interested in working conditions, hours, or anything else, as far as the women of this country are concerned, with the exception of this Bureau right here.

What does the amendment offered by the gentlewoman from Georgia do? She says this cuts it back to what they had in 1957. That is not so. We are getting that same statement time after time after time. Because of the increase in mandatory costs that they are required to pay in 1958, the gentlewoman by her amendment is going to cut them by over $20,000 below what they had in 1957 which means that they will have to discharge at least 4 employees they have at the present time.

Mrs. BLITCH. In the hearings, in the gentleman's own words, he asked the Director if this is for new employees and she said "Yes."

Mr. FOGARTY. Not the entire amount she asked for. There is over $20,000 of mandatory increases that will have to be appropriated to keep the same level of employment that we have now. The adoption of this amendment will mean that the Women's Bureau will have to decrease its employment by at least 4, and probably more than that. The bill provides for 4 more positions plus the mandatory increases which the gentlewoman did not take into consideration when she offered the amendment.

You can do what you want with this amendment, but they are doing, I think, fine work. For instance in our practical nurses' program, in attempting to get more girls to go into the field of nursing where there exists the greatest shortage we have in the medical field. If anyone is suffering from an acute illness that needs a nurse around the clock, 3 nurses a day, 24 hours, it is almost impossible to hire nurses. This is one of the jobs they are doing.

I think the gentlewoman from Georgia is just mistaken in offering this amendment because of the facts I am giving her. This is one agency where the women of this country can go for help or information.

The gentlewoman has offered an amendment to cut out the increase and cut out at least four persons that they have on the payroll. That is what the amendment amounts to. So, if you want to do that, that is what you are going to vote for, and you are decreasing the department by that much. They are also doing a good job in connection with the problem of the mature woman worker. That is one of the biggest problems that

we have today, of mature women finding jobs. There are some executives that say that a stenographer over the age of 32 or 33 should not be hired. Well, this Women's Bureau is proving that that is a fallacy; that women aged 35, 40, 45, or 55 can still turn out a good day's work, and they are going to do a good job to help the mature women of this country to gain employment, but they need more people instead of less.

The Women's Bureau is requesting only $462,000—the smallest appropriation item in the bill. This amount will enable them to add 4 field representatives and to bring their total staff to 61. The staff of this Bureau today is the same size that it was in the thirties, but women in the labor force have increased over 50 percent. This is the only bureau in the Federal Government to serve the 22 million women who are in the labor force today, and to give them the services which will help them find suitable jobs and prepare themselves for them.

The cost of living today, the increased demand for extended education of children, and the increase in the numbers of older dependents have made it a necessity more than a choice, for women to work.

The vast majority of them work to support themselves and others who are at least partially dependent upon them. In addition, the special skills which women possess are absolutely necessary to the maintenance and continued expansion of the United States economy, and its high standard of living; we could not as a country serve our people without the women who are teachers, nurses, librarians, social workers, stenographers, clerks, waitresses, and who are in a host of other kinds of work which women have shown themselves most capable of performing.

Now the Labor Department estimates that more than 5 million women will be added to the working force by 1965. This increase will come largely from the older and younger age groups. This increase will be necessary to meet the growing manpower shortage. If these women are to prepare to enter the occupations where they are most needed, and be ready for this change, they have to know the facts about job opportunities, and they have to know about the training and skills that are required. Employers, too, must have the information which this Bureau can give them, about the types of jobs women can fill and how best to use their services, so they can solve their problems to keep their businesses sound and successful.

The Women's Bureau is the agency with the widest range of contacts with women in all fields. They have the facilities to gather and coordinate information on women's employment, but must be able to make it available to those who need the data. They must be able to visit the widely separated areas of the country to a much greater extent than they can now.

With the four new field representatives the Bureau could work closely with the regional and field staffs of the other bureaus of the Department and with local agencies in coordinating, expanding, and developing a broad but unified program for the women workers of the country. They would emphasize programs for older workers and for minimum wage and equal pay for women workers, and would look into job opportunities. In their contacts with local groups they would be able to assist in overcoming certain occupational shortages.

The increase is $59,000, which provides for mandatory increases of $31,362 and a net program increase of only $27,638. The returns to the working women of the country would justify this amount in view of the future needs in the field of womanpower.

I feel very strongly that this amendment should be defeated.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. TABER. This particular agency was pretty good in getting people on its payroll. They had 57 in the budget and now they have 60. They did pretty good at that.

Mr. FOGARTY. I do not know for certain, but I expect they have 3 or 4 that are paid from other funds to do special work for some other Government agency. But this amendment would set them back to fewer than they had in 1951.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN as a substitute for the amendment offered by Mrs. BLITCH: Strike out "$462,000" and insert "$431,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, this takes care of the objection entertained by the chairman of the subcommittee, the gentleman from Rhode Island [Mr. FOGARTY] and this substitute will do exactly what the gentlewoman from Georgia has in mind, and that is to put the level of this particular agency down to the level of the 1957 fiscal year. That is all it accomplishes.

Mrs. BLITCH. I accept the substitute, Mr. Chairman.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the substitute does not meet my objections. Let us keep the record straight. I object to any cut at all on this item. I am in favor of protecting the rights of these women and giving them the services they deserve and will be denied by this amendment. I am going to stick by them and defend them, because I think there should be some place in the Government where they can go to get help when they need it. Here is an item amounting to $400,000 out of an overall total of $71 billion. Here we are trying to decrease one of the smallest agencies in the Government and the only agency that deals just with the problems of the women of this country, especially the workingwoman.

Mr. H. CARL ANDERSEN. Does not the gentleman feel that it is the responsibility of the Congress to appropriate funds and not the responsibility of the President?

Mr. FOGARTY. Certainly it is.

Mr. H. CARL ANDERSEN. Surely it is.

Mr. FOGARTY. But it is also up to the President to assume some leadership.

Mr. H. CARL ANDERSEN. Yet it is fundamentally the responsibility of the Congress to decide as to the amount of appropriations. This Congress should stand upon its own feet.

Mr. FOGARTY. I remember last fall there were not many of you over there denying his support. You all wanted your pictures taken with him so that you could show them in the campaign. You Republicans on the other side of the aisle were not disclaiming his leadership like that prior to the last election.

Mr. HOFFMAN. Mr. Chairman, I make a point or order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. The gentleman violates the rules of the House when he refers to Members on this side as "you."

The CHAIRMAN. The gentleman will proceed in order.

Mr. FOGARTY. I do not understand what the change is now. Why are you different now than you were last October or September? It is hard to comprehend.

Mr. H. CARL ANDERSEN. Mr. Chairman, the gentleman is entirely mistaken in that matter. I did not have my picture taken with the President at any time. I ran 7,000 votes ahead of the President in my Congressional district. I am standing on my own feet.

Mr. FOGARTY. You are an outstanding example, then, in this country.

Mr. H. CARL ANDERSEN. I thank the gentleman. He himself is a splendid Congressman.

Mr. FOGARTY. You are one of the very few who ran ahead of the President on your side of the aisle. I think that is a fair statement. But those of you who did have your picture taken with him must have thought that he was going to do you some good. You were out telling the people last year that you were part of his team because you knew there were votes to be had by associating yourselves with the President.

Mr. HOFFMAN. Mr. Chairman, I again make the point of order that the gentleman is violating the rules of debate in the House. The gentleman must refer to other Members in the third person.

Mr. FOGARTY. How should I refer to the other gentlemen?

Mr. HOFFMAN. As Members of the House or distinguished gentlemen.

The CHAIRMAN. The Chair will rule on the point of order and say that the rules of the House provide that one Member refer to another Member in the third person.

Mr. FOGARTY. Mr. Chairman, if I may, I certainly would refer to the gentleman from Minnesota [Mr. H. CARL ANDERSEN] as distinguished. Certainly he is distinguished, as he ran 7,000 votes ahead of the President in his district.

Mr. H. CARL ANDERSEN. Mr. Chairman, I might say that the gentleman has never referred to me other than in the most kindly fashion.

Mr. FOGARTY. That is right; and as he has always been most considerate of me. I hope we shall always continue

on those terms. I hope that the President's remarks of yesterday will have some effect as we go through this bill. It seems to me it had some little effect when you agreed to modify an amendment that I was not in favor of in any way, shape, or form. It perhaps had some effect, even though you did run ahead of the President 7,000 votes in your district.

Mr. Chairman, I renew my request that the amendment to the amendment be defeated and that the amendment itself be defeated. With such a huge budget as we have before us, this is a very small item but very important, because it effects 22 million women who are working in industry.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] to the amendment offered by the gentlewoman from Georgia [Mrs. BLITCH].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 107, noes 77.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended by the substitute.

The amendment was agreed to.

The Clerk read as follows:

WAGE AND HOUR DIVISION

Salaries and expenses: For expenses necessary for performing the duties imposed by the Fair Labor Standards Act of 1938, as amended, and the act to provide conditions for the purchase of supplies and the making of contracts by the United States, approved June 30, 1936, as amended (41 U. S. C. 35–45), including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, and not to exceed $3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division, $10,888,000.

Mr. HÉBERT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HÉBERT: On page 11, line 23, after "Division," strike out "$10,888,000" and insert "$10,600,000".

Mr. HÉBERT. Mr. Chairman, it is only on rare occasions that my voice is raised in the well of this House. If you will indulge me for a minute I think it would be proper for me to say why I do rise here today.

We have heard a great deal of philosophical discussion this morning. At times I was of the opinion a little politics was being indulged in. But I want to tell you the reason I am here now to offer this particular amendment, and I shall have another amendment during the course of the consideration of this bill.

I am now in my 17th year as a Member of this body, and this is the first time in those 17 years that I have come to the well of this House and offered an amendment to an appropriation bill. The reason I am impelled to do what I am doing now is because of an action I took only recently in this House when I was 1 of 3 Members on my side of the aisle who voted against the resolution to ask the the President to tell us where the budget could be cut. I think it also significant that on that same occasion I voted against the resolution offered from the other side of the aisle, because it is my deep feeling that it is our responsibility to provide the appropriations for the operation of Government agencies in this country. Having voted that way, I could do no less than discharge the responsibility which I publicly accepted by that vote.

Since coming to this body, I have pursued a course for independence which defies partisan conformity. I do not say that in a spirit of bravado but only with a humble appreciation of the most fortunate position in which I find myself. The fickle god of politics whose whims direct the destiny of most of us, has been kinder to me, perhaps, than to some of you, so I do not impugn your motives or challenge your actions at any time.

After all, we are the keepers of our own conscience. We are beholden to nobody but ourselves. So, I do not dangle in front of you such loose words as "votes" or charge any of you with irresponsibility. Each of you have a problem and each of you must resolve that problem. I am not impressed with statements made from both sides of the aisle about elections. I would rather approach this subject in a cold, logical fashion. I respect the President of the United States—your President and my President. But, I accept his recommendations merely as recommendations. He discharges his responsibility in coming to us with a budget. I accept his recommendations in the same spirit that I accept the recommendations of the Committee on Appropriations when they come to the House of Representatives as a whole with their recommendations, and particularly with reference to this subcommittee. If I did not pause at this moment to say something about the distinguished gentleman from Rhode Island [Mr. FOGARTY], I would feel there would be a vacuum in my remarks. We both came to the House of Representatives 17 years ago. We were, as you recall, two freshmen in the same class. Only 10 of us remain of that class. I am heartened by the words which have been uttered in his praise. As I told him only yesterday, I do not envy the position in which he finds himself. But, he is doing a job as he sees his duty to do it and he should receive the compliments of this body from both sides. He demonstrated yesterday his complete impartiality when he frankly told you that he did not agree with a certain provision of this bill, but since it was the law it was his duty to provide funds.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. LONG. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HÉBERT. So, Mr. Chairman, I pause to pay tribute to the gentleman from Rhode Island and to compliment him. He probably is one of the best informed Members of the House on the subject of appropriations.

Mr. Chairman, may I indicate the exact approach to this amendment and the amendment which I shall offer at a later time. This is no meat-ax approach. This is no wild wielding of the knife of economy. I subscribe to what the illustrious gentleman from Virginia [Mr. SMITH] said on the opening day of debate on this bill. I subscribe to his philosophy and accept his formula. In offering this amendment, all I am doing is asking you to hold the line—nothing more and nothing less. As we respect the opinion of the President of the United States, we respect the opinion of the Subcommittee on Appropriations. But, in the final analysis, it is our duty to either accept or to reject what they offer us. If it is not our responsibility and not our duty, why then should they come here? Why would not the authority be delegated to them and let the matter end there. It is because we are charged with the responsibility to review what they recommend that we are debating this issue today. In offering this particular amendment, I am only asking that the department involved do what every Member of this House is going to have to do—except those of us who have outside income—we are going to have to exist next year and the year after that on our salaries even though the labor index shows that prices are going up and the prices of goods and commodities and what-have-you are all going up. But, we will have to tighten our belts and pull our belts in one more notch and get along this year with what we got along on last year. That is all I am asking in this particular amendment. I am merely asking that the Wage and Hour Division get along this year not only on what they got along with last year, but I am putting a little sugar in the kitty for them—last year they received an appropriation of $10 million and spent some $586,000 more. This year they are asking for $10,888,000 and all I am doing is cutting it back to what they spent last year, and adding $16,000 in case they spend a few extra dollars.

That is all it is. Certainly, Mr. Chairman, that is not a meat-ax approach; that is a sensible, sound, logical approach to a perplexing and complex problem. Your wives have to get along on the same budget this year that they got along on last year. I am asking you to apply the same yardstick to this Wage and Hour Division.

These programs are fine programs. Perhaps they need some expansion, but this is not the time. Perhaps you need a new kitchen in your home, but this is not the time. You have to wait. We have to determine to economize somewhere along the line and halt this excessive spending which is destroying the economic stability of this country.

So I ask you to adopt this amendment which, as I say, merely cuts the Wage and Hour Division back to exactly the figure it operated on last year with the addition of a few extra dollars.

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me first say that I certainly respect the opinion and motives of the distinguished gentleman from Louisiana, but I think he has not made it quite clear that his amendment is directed specifically to 321 people.

His amendment would mean that 321 people who were hired last year with the understanding that if they completed a full year of satisfactory service they would get the moderate increase from $4,525 a year to $5,440 a year. These are people who are charged with the responsibility of going out in the field and talking to individual employers and to management. Certainly you want to get the best kind of people for that very personal and very important work.

If this cut is made it will undoubtedly mean that these people will resign and the Department will have to hire brand-new people without the experience and without the caliber of these people who were induced to work with the understanding that they would have this most moderate increase.

I agree that this is not a meat-ax cut; this is a very thin, but a very sharp knife, and I do not believe that anybody in this House wants to deny to these people this moderate and well-earned increase, because they do not get it if they have not earned it. I certainly hope that, in the words of the President, this very small amount will not be passed in the name of economy when it would not be economy but merely bad management for the Government to have to undergo that kind of cut.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman.

Mr. HÉBERT. I direct the gentleman's attention to the reason given for the increase. It was not because of an increase of salary but for an expansion of existing programs.

Mr. ROOSEVELT. No, sir. If the gentleman will refer to page 314 of the hearings, he will find a total increase of $880,000. Two hundred and thirty-two thousand dollars is applied to the increase that is necessary to pay this increased wage, and the gentleman will find that no new people are being put on.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. I am happy to yield to the gentleman.

Mr. HÉBERT. I will say to the gentleman there that he is very clever and very adroit in singling out this particular item. He could run through the entire hearings and single out any amount and apply it to that particular item. If I made the cut apply to the $880,000 item, the gentleman would probably apply it to some other thing.

Mr. ROOSEVELT. No. The gentleman will find there is no expansion of the program provided for.

Mr. HÉBERT. It says specifically that this is for an expansion of the program.

Mr. ROOSEVELT. No; it says for carrying out the program as it had been expanded and adopted in the field of minimum wages. There is not one single expanded piece of program that is undertaken, and the gentleman cannot find where it says there is.

Mr. HÉBERT. If the gentleman will read the testimony——

Mr. ROOSEVELT. I have read it. Point it out to me.

Mr. HÉBERT. I, too, have read it; and I say it provides for an expanded program.

Mr. ROOSEVELT. I wish the gentleman would point it out to me, and I say flatly no one can find any such statement in the record.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. TABER. I find that, in the tables of employment, only 1,452 out of 1,535 are on the rolls as of the 28th day of February and that in all probability the same lag will occur there as would occur in other places. I am wondering why it is, with that lag in funds that would be provided, they could not take care of their people? Frankly, it seems to me they could.

Mr. FOGARTY. In answer to the gentleman from New York, this is just the average figure that all Government agencies take into account. It is the 5-percent figure and if you multiply 5 by 1,500 you will come out about even. They are up to just about the amount they ought to be, taking into consideration that 5-percent figure.

Mr. ROOSEVELT. I thank the most able chairman of the subcommittee.

Mr. DENTON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there has been much talk about cutting down the hiring of new Government employees. But the program to which this amendment relates does not contemplate adding any new Government employees at all.

The increase is made up of the mandatory figures, of course, under the new accounting system now being used and, as you will understand, this will come up time and time again in appropriations for each of the agencies. Formerly the Government contribution to the civil-service retirement fund was provided for all agencies in a single appropriation in the independent offices appropriation bill. Now each agency must pay into this fund a certain sum of money just as private employers do under the social-security program. That sum here is $516,000. There is an extra day's pay involved which calls for $33,000.

The proposed amendment would decrease the appropriation below what was approved last year; it would decrease the appropriation by $261,000. This increase in the present bill is allowed because of the regulations that give employees extra pay for a longer length of service. That is the $232,000. This increase that you have here is for retirement pay, the extra day's pay, and $232,000 for their length-of-service benefits. This amendment proposes to cut that sum.

Here is an agency that collects more money on behalf of our citizens than it spends. They have been finding $11 million or $12 million a year in back wages due people from employers who have not been giving full pay to employees who are covered by the wage-and-hour law. This is the agency that makes the investigations to enforce the wage-and-hour law. I want to point out that that wage-and-hour law passed by a tremendous majority in this House, but it is of very little value to have such a law on the statute books unless you have adequate machinery to enforce it.

The proposed amendment would destroy the morale in this agency. These enforcement officers have contemplated that they were entitled to a raise because of length of service. With this amendment, either the Department is going to have to lay off men in this division when they need them more than at any other time, or else the employees will not get their due pay benefit. It may seem a small thing, but it would destroy the morale of a very important agency which in effect makes money for the public in its operations. This amendment would cause the agency to cut back its collection work and thus cause loss of money to the public.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I would like to ask the gentleman, is it not true that the Wage and Hour Division hired 321 new people after we raised the minimum wage from 75 cents to a dollar?

Mr. DENTON. I do not have that figure, but I think they did. That was last year, of course.

Mr. RHODES of Arizona. That was last year.

Mr. DENTON. That was last year when a new minimum-wage law went into effect and the agency found more violations, of course, than they had before. The percentage of establishments which they investigate is still very small.

Mr. RHODES of Arizona. For the first year after the minimum wage increase there will probably be more policing necessary and more violations which will be prosecuted. Does not the gentleman agree with me that after a year or a year and a half of an increase in the minimum wage being in effect, there should be some drop in this Department?

Mr. DENTON. It would depend upon the economic condition of the country. If there is a great deal of unemployment, then, of course, you would need more men to enforce the minimum-wage law. If times are good you would not need so many. During wartimes, when there is a scarcity of manpower, of course, we do not need nearly so many investigators in the Wage and Hour Division. But, a good many of us come from districts where there are depressed areas. These areas of unemployment are spreading now, and in those circumstances we need effective enforcement of this law.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from California.

Mr. ROOSEVELT. In relation to the question put by the gentleman from Arizona, may I point out that no fewer than 18,461 out of a total of 33,148 establishments that were visited in 1956 by these investigators were found to be in violation, and they did not even begin

to scratch the surface of the job that has to be done, so that it will take a considerably longer period before they really catch up with their work.

Mr. DENTON. I thank the gentleman from California. That points up this problem.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, not knowing too much about this particular situation, I must be guided to some extent by what our colleague, the gentleman from Louisiana [Mr. HÉBERT], has to say. Since he came here 17 years ago it has been my privilege to know him and his record, and if there is in the House a more independent, sound thinking Member, one more conscientious in the performance of his duty, I hope to meet him tomorrow or before the day is over. It will be difficult to find such a one. Always he has expressed his opinion. Always it has been based upon his convictions. I have never seen any indication—and usually I know something about what is going on while I am on the floor—I have never seen any indication, not the remotest indirect hint, that any of his votes were influenced by any political consideration. He is an ideal legislator.

Now, having said that, and with apologies, permit me to refer to what was said by some of those who oppose this amendment. I know one rotten apples does not spoil the whole full barrel. True enough. The gentleman who just left the floor was talking about investigations. Sure, the Department of Labor was created to look after the interests of the people who work, especially in industry, and that is, of course, as it should be. But, one thing you can say about some of their investigators—that is, you could at least 3 or 4 years ago—often they were formerly officers in some union and they are very, very enthusiastic in making their investigations, which again is all right. But again some of these investigators go a little too far, at least in my judgment. Fairness and justice should not be blotted out by enthusiasm or bias. They are not violating the law, but some sure used it as a cloak for stirring up strife. Let me tell you what happened. They do not always violate the law. They go along with its words, but they insert themselves in situations where neither labor nor management wants them or asks their interference. I refer to two specific cases. The files are in my office and are subject to anybody's investigation. These are the two cases, and both occurred in Benton Harbor, Berrien County, Mich.

An employee left one job and went on another. One of the investigators came along and quizzed this employee. The same situation applied to both cases as a matter of fact. One was a woman and one was a man. And, investigators learned that the employee on the first job, where he had a supervisory job, and who had no complaint, mind you—the investigator went over the payroll and questioned the employee as to the duties and the work he had performed. The investigator said, "You are entitled to overtime." "Why?" "Because you worked beyond the number of hours prescribed by the law." Now, the service was voluntary; the employee was satisfied. He had not even by inference been asked to work overtime. I had the affidavit to that effect. But, the investigator from the Labor Department said: "Well, we must uphold the law, and whether you want it, whether you are satisfied, is beyond your prerogative to decide." So, Mr. investigator insisted that a claim be filed for the overtime. It was filed and payment for voluntary overtime work was made.

Well, was enforcement of the law all right, and if the employer and the employee—and I am not talking about mass-production industry where hundreds and thousands of people are working and where they need protection all the time; I am talking about those little concerns out in the sticks, family affairs in some cases, with a few employees, where the boss and the workers are getting along all right and both are satisfied, both are working for a profit and a continuing job—keeping the business going. Is there any good reason why the investigator should butt in, unless, of course, his main purpose is to make work for himself—keep himself busy?

All too often along comes one of these busy investigators and inserts himself into the situation where everyone is satisfied and creates discord. According to what the gentleman from Louisiana [Mr. HÉBERT] said, I believe this amendment should be agreed to. The representatives of the Department should stick to the job of investigating in situations where some worker is dissatisfied where there is a real violation and stay out of other situations where the employer and employee are getting along, where there never was the slightest intent to violate the letter or spirit of the law. They should not go in and try to create discord and disrupt an operation just so the Federal agent could make a showing—a little commonsense never harms. If the Department knows it is being scrutinized it will be more careful.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been in this House long enough to recognize the temper of the House and what we may expect will be done with these cuts.

My Subcommittee on Military Operations has been studying methods of procurement under Government contracts. At this time we have a group of corporations owned or controlled by practically the same individuals who are making contracts with the Government to manufacture clothing articles for the armed services. Over the past few years they have had something like $50 million worth of contracts. They have been cited for unfair labor practices, not once, but dozens of times. They have been cited by the inspectors who work in this particular division. In most instances they have had to pay the workers the wages which were due them under our national laws, and in some instances they have had to pay fines which, of course, went into the Treasury.

Mr. Chairman, you might say, why are we interested in the Fair Labor Standards Act of 1938 as amended. It becomes a matter of fairness, I think, to all bidders. If a bidder on a Government contract to manufacture clothing is a legitimate bidder, he expects to pay at least a dollar an hour to his employees and he bids a certain price. If someone else only has to pay 60 cents or 70 cents an hour, he can take the contract away from the legitimate bidder who is trying to comply with the laws of the United States, equitably and honestly and uprightly and honorably fulfilling the terms of his contract.

It narrows itself down to this: Do you want to give to the unfair bidder, one who will deliberately undercut wages in violation of the national standards, the advantage? Members who are in areas where the wage standards are upheld are letting themselves in for this, when they vote for this amendment. They will be voting to allow Government contracts to go from their area, where their legitimate manufacturers are operating, whether it be in the field of textiles or any other item which they are manufacturing for the Government, and in effect voting for the scab contractor who is going deliberately to defraud his laborers, of the pay to which they are entitled under the Fair Labor Standards Act. It comes down exactly to that. We are investigating only about one-tenth of the cases that should be investigated. This means nine-tenths of them should be at least checked to see that they are complying with the law. But due to the lack of personnel we can check only 1 out of 10. In those 1 out of 10 we are finding many, many violators of this act. When they are found they have to pay the worker back the wages of which they have defrauded him, and in some instances pay fines for not obeying the law.

So in cutting this item you are taking away the raises these people in around the $4,100-a-year capacity are supposed to get. You are weakening further the morale of these people who are trying to enforce fair labor standards throughout the United States, and you are voting in favor of the scab bidder in the low-cost, low-wage areas of our country. You are voting to perpetuate a low standard of living and therefore a low purchasing power among those people who receive below-standard wages. That is the proposition. That is why I rise to speak for the first time today, on this bill, in the hope that this amendment will not be agreed to.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is another example of voting for legislation and then turning around and trying to prevent the enforcement of the legislation we have voted for. That is the whole thing in a nutshell. We voted to increase not long ago the minimum wages of this country from 40 to 75 cents an hour, and we had a real fight on that. Then 2 years ago we voted to raise the minimum wages from 75 cents to a dollar an hour. I do not know who can quibble about paying a dollar an hour in minimum wages at this time.

If you want this law enforced, these people have to have the personnel. Is

there any evidence that this agency is running wild or is operated loosely, or is there any evidence that the administrator of this program is not competent? Do you know who he is? He is a former secretary to the former Governor of New Hampshire, a man named Mr. Adams. Mr. Adams now is working in the White House, and as I understand it, he was his protege. If you know Mr. Adams as I know him, he had good help surrounding him all the time he was Governor, and I am sure he would not have suggested the administrator of this program unless he was an outstanding administrator. I have met the gentleman. I know he has been all over the country visiting all the field offices. I think he is doing a good job with the help he has now.

The amendment offered by my friend from Louisiana cutting off this two-hundred-some-odd-thousand dollars is breaking a commitment we have made to these employees who were hired on the basis that they would serve an apprenticeship of 1 year and then be jumped in grade provided the Administrator was satisfied with the 1-year apprenticeship as investigators for the Wage and Hour Division. That is the whole sum and substance of this amendment you are voting for now.

Do you want to break faith with those men that have been hired as investigators on the basis that they would be hired at grade 7 and, if they completed an apprenticeship of 1 year successfully and were deemed by the Administrator to be good men, were promised to be raised to grade 9? That is exactly what you are doing; or else by this amendment you are going to ask them to decrease the number of personnel they have in their office by 60 at this time.

Even though there are 800,000 establishments covered under the law, they are going to be able to investigate only in the neighborhood of 50,000 of the 800,000. The majority of those 50,000 are going to be investigated not in any wild-goose chase or anything like that but on complaint of the workers involved or where experience has shown a number of violations in particular industries. There is not a legitimate business concern in this country, not one good legitimate business concern, that would want you to cut this expenditure for the enforcement of the wage and hour law. It is only the cheats and those who are paying under the minimum wages that do not want this law enforced. Let us make no mistake about that. Ninety-nine percent of the employers want it enforced. They want more investigators hired. They want more investigations made, because reputable employers are paying at least the minimum wages and they want their competitor who is paying sweatshop wages, under some conditions, at least be forced to meet the same standards.

I have it in my own State in the jewelry industry. The same situation of subminimum wages is rampant in New York City also, where we have men, women, and children today working in homes on jewelry for 10, 15, and 25 cents an hour. That is going on in New York City, in Rhode Island and in Massachusetts in the jewelry industry. That is what we are trying to stamp out, but we cannot stamp out that kind of competition, if you are going to come here today and ask that this appropriation be decreased and not allowed. You are hogtieing this young man who is trying to do such a good job in the administration of this program in the Wage and Hour Administration, and then you are finding fault with him because he has not made sufficient investigations. On top of that, do you know how much was found to be due in back wages in the past year? I think about $10 million was collected by the Government for those individuals who were not paid the minimum wages. But, in 1958, they anticipate on the basis of the record of 1957, that they are going to find due employees about $18 million in back wages that are due to people who are working for less than the minimum wage or not being paid overtime today. Do you want to deny these people who are not getting the minimum wage that protection that they now have? That is what you are going to do if you vote to adopt this amendment.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. HÉBERT. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HÉBERT. The reason I have asked for the gentleman's time to be extended is because I am very intrigued at the gentleman's statement that these men were promised a raise. I am reading from page 314 of the hearings where there appears a colloquy between the gentleman from Rhode Island and representatives of the department. Nowhere in this record do I read any suggestion that a raise is promised. As a matter of fact, if I may quote, this is the record:

> Mr. FOGARTY. Then $232,000 is for regulated investigator promotions. Is that for raising some of these investigators up to a supervisory capacity?
>
> Mr. FRASER. No.
>
> Mr. FOGARTY. What is this $232,000 for?
>
> Mr. BROWN. That is primarily the new investigators normally hired at GS-7—a few at 5, but mostly 7. They move up to grade 9.
>
> Mr. FOGARTY. Are those automatic increases?
>
> Mr. BROWN. They are not automatic, but the journeyman grade is a grade 9 basically and a man with a year's training and 4 weeks of intensive classroom work is ready normally at the end of a year for the journeyman grade.

Then there is another instance of such testimony but no place is there an indication of any such promise.

Mr. FOGARTY. I can answer the gentleman. When he said, "No, they are not automatic"—they are not automatic increases for every person that he hires. After a year's apprenticeship, he then selects those who have successfully passed the year's apprenticeship. That is why the raises are not automatic. But, it is selective. They are hired on the basis that they will be given an increase in-grade, if they successfully pass a 1 year's apprenticeship. So it is not automatic but selective because he selects those whom he thinks are doing the best job after a 1 year's apprenticeship and those who he believes will make the best investigators.

Mr. HÉBERT. But there is still no promise.

Mr. FOGARTY. Oh, yes, there is. When the man is hired that is the understanding. That word "automatic" has no significance.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. FOGARTY. I yield.

Mr. HOFFMAN. If I understood correctly, you said these people were promised a raise. Who promised them?

Mr. FOGARTY. It has been the practice.

Mr. HOFFMAN. No, no. Who promised them?

Mr. FOGARTY. The Administrator.

Mr. HOFFMAN. Who? Name the gentleman.

Mr. FOGARTY. Mr. Brown.

Mr. HOFFMAN. What authority has he to tell them that they will get an increase?

Mr. FOGARTY. He is the Administrator of the wage and hour law. It has been departmental practice and we have found that is the best way to efficiently run this operation. As I understand it, the terms of employment offered to a new inspector is that he will serve a 1-year period of apprenticeship. If he finishes that efficiently and capably he can expect to be promoted to the grade of a journeyman inspector at the higher rating. Some of the Members of Congress have been complaining about the type of investigators we have had doing this work. This is a method by which the Department is able to secure well-qualified men who will be able to eliminate some of the complaints to which you refer.

Mr. HOFFMAN. That is right. I am one of them.

Mr. FOGARTY. This is the way to correct it. You can correct that situation by voting down this amendment.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. RHODES of Arizona. Mr. Chairman, I know how the gentleman from Rhode Island legislates, and believe me, I am one of his greatest admirers as far as his work in the House of Representatives is concerned. But it strikes me as coincidental that when we raise the minimum wage from 75 cents to $1, immediately we have to have 321 more employees. I would like to ask the gentleman if he recalls how that particular figure was justified before his committee.

Mr. FOGARTY. Because of the number of violations that have been found on

investigations. When the minimum wage was raised from 40 cents to 75 cents an hour, the ratio of violations to complaints was 1 to 8. When they raised the minimum wage from 75 cents an hour to $1 an hour, it jumped from 1 to 8 to 1 to 5. So the violations have increased by that amount. In addition to that, the worst violators of all are the 50,000 new businesses a year that are established and the 50,000 businesses which go out of existence each year, and that is where most of the violations occur. Those are the places where we do not have a chance to investigate at all. In addition, the legislation required an annual review of all wage order established in Puerto Rico. It required added staff to perform this work.

So they are getting away with murder, and we cannot do anything about it, because we do not have sufficient personnel.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. HÉBERT].

The question was taken, and on a division (demanded by Mr. WILLIAMS of Mississippi) there were—ayes 93, noes 69.

So the amendment was agreed to.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 102. Appropriations under this title available for salaries and expenses shall be available for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and for expenses of attendance at meetings concerned with the function or activity for which any such appropriation is made.

This title may be cited as the "Department of Labor Appropriation Act, 1958."

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, it would appear, I might say, that this House has become economy minded, evidently hearing from the folks back home. I wish the same atmosphere had prevailed during the last 10 years; but the fact remains that at the present moment we are in a very cutting frame of mind, everything cut, every particular item that comes up an amendment to cut is offered; trying to make an impression on the people that we have at long last become economy minded.

The country has grown to 170 million people, an amazing increase, a tremendous population. To make an extremely simple comparison it is like asking a man with a wife and 5 children to live today on the income he received 10 years ago when he had but 1 child and prices were much lower. We are growing. Some of these cuts offered may be justified, but certainly some are not. Not only has the cost of goods and services gone up in the past 10 years, but also in the instance of the man with the family, the family has grown. So the population of our country has grown. Admitted that we want economy in the conduct and operation of Government, let us not go hog wild on everything.

I am for economy as much as anybody in this House, and you know it.

I want to call to the attention of the House the help we have given Great Britain over the past years. In 1917 we gave the British as a World War I loan $8 billion. In 1941, RFC loan, $390 million; 1941 to 1945, lend lease, $22 billion; 1946, postwar loan, $3,750,000,000. And there are a lot of economy-minded people here today who voted for that British loan and the debt is not being paid, nor is the interest. But when it comes to our own backyard, we want to cut them down.

In 1948 to 1950, Marshall plan grants amounted to $2,400,000,000. In 1948 to 1950, Marshall plan loans amounted to $337 million. In 1951 to 1956, defense-aid grants of $851 million, and defense-aid loans, $48 million. Or total aid from the United States of $37,776,000,000. The figures are from the U. S. News & World Report of March 22, 1957.

Now, get what the British are doing in reference to their health and welfare program. I might ask the chairman of the subcommittee, for the sake of argument, what is the total overall of this bill?

Mr. FOGARTY. Less than $3 billion.

Mr. GAVIN. For health, education, and welfare, what is the total?

Mr. FOGARTY. Two billion dollars.

Mr. GAVIN. All right. Now, here is what the British are doing; here is their budget. The British are spending for welfare: $1,534,000,000 for national health services, $1,876,000,000 for national insurance benefits, or a total of $3,410,000,000. The British are also spending $1,120,000,000 for educational expenditures. This is a total of $4,530,000,000 for a population of 51 million people, while our overall program is less than $3 billion for 170 million people. Now the irony of it is, as far as I am concerned, that while we are spending money on foreign aid to help the British, we have been doing it for years to carry out their various health, education, and welfare programs—without too much protest—as usually the foreign-aid appropriation bill goes through the House in a couple of hours, we sit here for days trying to see how we can cut back on similar programs for our people who have been paying the taxes to carry on all these foreign-aid programs.

If you want to do some sizable cutting, you will get a chance on the foreign-aid bill.

The British population has only grown by 6 percent. The population of the United States is growing 4 times faster than the British. Our population is up 22 percent in the last 11 years. It is true some of these organizations in this appropriation bill being considered today, have expanded their operational facilities. If you are going to practice discipline, why do you not practice discipline upon the pressure groups from back home that demand these things? All of the programs have been authorized. Now they ask for the appropriations and you are cutting them back. It should have stopped with the authorizations, but no, you wanted them authorized. You wanted these expanded facilities. The folks back home, the various groups, pressure you into that, but when it comes to appropriating the funds, all of a sudden cuts are demanded, you become economy minded. I am economy minded, too. Now you are out to slash promiscuously whether cuts are justified or not. Where the cuts are justified, certainly I want to support them, but remember this, you voted to authorize everything that is in this bill.

Here is another angle I want to bring into the picture. This is an article by a man named Don Robinson which appeared in the American Press. He said:

> Ever since President Eisenhower announced that $71.8 billion budget, I have been trying to find a happy note in it. I finally found one.
>
> The $71.8 billion budget is only 16 percent of anticipated total national production for next year, whereas the 1953 budget, the President's first one, was 20.7 percent of total national production in that year.
>
> Furthermore, whereas the new budget is only 10 percent higher than the 1953 budget, total national income has increased almost 16 percent since 1953, hourly earnings of factory workers have risen 18 percent, and the population to be served by the Federal Government has increased by 10 million.
>
> Although I am as opposed as anyone to the huge cost of Federal Government, I am pleased to find a slight silver lining by thinking in terms of percentage of income instead of just dollars.
>
> Twenty-five years ago we could buy an automobile for one-third of the cost today. But during that period our total earnings have more than tripled, so that a new car costs, today, a smaller percentage of Mr. Average Man's earnings than it did in 1932.
>
> Mounting Government costs seem a little less frightening when compared with the rapid rise in income plus the huge rise in the number of people our Government must serve. Even the national debt and our personal taxes are lower—as a percentage of our earnings—than they were 4 years ago.
>
> Let's work to cut the budget and to cut the debt. But while doing so we may become a little less panicky when we realize that, although the trend, dollarwise, is upward, the trend percentagewise is downward.

Now, the way we are going here on this particular appropriation bill indicates to me that we are just not trying to think anything out. We are not taking a position on whether the cut is justified or is not justified. You are just determined to cut. Now you are going to get a chance to cut. As I pointed out, you paid over to Britain, one nation alone, $37,776,000,000. I think there are some places where this budget can be cut. But, what I am getting at, with the great growth of our people in this great Nation of ours, we hear talk about peace, progress, and prosperity, and now we want to cut back—cut back, and cut down. If you did it wisely and carefully, I would have no objection. Incidentally, may I say to the gentleman from Rhode Island [Mr. FOGARTY], it would appear from the evidence on the floor here today that your committee has not considered carefully these items in this appriation bill. My question is, Have you? I do not know. I presume you spent hours and days and weeks, but with the amendments offered for promiscuous cutting I just wondered. What has your committee done?

Mr. FOGARTY. As I figure it up mentally, we spent 3 days now on the Department of Labor. It is the longest time we have spent on the Department

of Labor in the 11 years I know something about. The House has cut about $15.5 million, but of that $15.5 million, $14-million-odd are no cuts at all, because they do not come out of the Treasury. When you take off $12 million for unemployment, for grants to States, that is nothing out of the Treasury at all, so after 3 days, you might say, if you stretched it a bit, you have shaved off about a million three or four hundred thousand dollars out of the entire bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I would just like to ask the gentleman if he does not think, even though it does come down to what the gentleman from Rhode Island says, that maybe that is all we did, cut it $1 million, that that certainly is not to be sneezed at? That is real progress; is it not?

Mr. GAVIN. Yes. I say that if the cuts are justified, that is one thing. But there seems to be a different attitude here today. Nobody seems to be listening. People come in on the floor and vote yes or no without even knowing what they are voting on.

I know the gentleman from Wisconsin is a conscientious, hard-working, practical, realistic, clear-thinking American. When the gentleman presents a case before the House I always listen intently to what he has to say. I have a great respect for him. But the attitude that has been shown here today is entirely different.

We are a big Nation of 170 million people. I do not like to see the trend that this debate has taken on these appropriations. I shall have more to say on the subject, if I have the opportunity, on other amendments to the bills in which I am interested.

Mr. BYRNES of Wisconsin. Mr. Chairman, would the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I am very much interested in what the gentleman is saying. But I should like to know, what are the items that the gentleman feels we have cut in the last two days that we should not have cut?

Mr. GAVIN. I wish I had the time to reply to the gentleman, but it seems that nobody is paying any particular attention to any particular item. They are just trying to cut all of them. That is what I am objecting to. Some of the cuts are justified and some are not.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I have tried to make a tabulation of what has happened in the last 3 days as it affected the Department of Labor. That will appear in the RECORD. It will be my intention, as far as the bill for the Department of Labor is concerned, to ask for separate votes on amendments carrying cuts in the Solicitor's Office, the Veterans' Reemployment Rights Division, salaries and expenses of the Bureau of Employment Security, Bureau of Labor Statistics, the Women's Bureau, and the Wage and Hour Division.

Mr. H. CARL ANDERSEN. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield.

Mr. H. CARL ANDERSEN. May I say to the gentleman that it is my intention to ask for a rollcall on all the others which the gentleman has not mentioned.

Mr. FOGARTY. I am glad to hear that. I hope the gentleman will get some of his people to stand up for them.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. FOGARTY. Yes.

Mr. HOFFMAN. The gentleman has done such a wonderful job; will he tell us which amendments have been adopted and what they do so that when we get to the rollcalls we will know what we are doing?

Mr. FOGARTY. When we have finished reading the bill, I will list the amendments that were adopted and how much they cut from the bill.

Mr. HOFFMAN. And what they would do.

Mr. FOGARTY. So that everybody will know what they are voting on.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman.

Mr. HOLIFIELD. Mr. Chairman, I asked the gentleman to yield for the purpose of stating publicly on this floor that the speech the gentleman from Pennsylvania [Mr. GAVIN] made put this appropriation bill and the amendments thereto in a proper perspective. He pointed out that this is a growing, dynamic nation. We have 10 million more people in this country than we had in 1953. Necessarily, those people are going to require additional services.

Here is one Member of the House who has not come to the floor and condemned the Eisenhower budget. And I do not intend to condemn it because I do not as yet know enough about it to condemn it. But I will say this. Here is a case where we are faced with a rapidly increasing population, with laws providing mandatory increases in salaries to certain Federal employees. Most of the cuts that were made were made in funds which, as the gentleman from Rhode Island [Mr. FOGARTY] has pointed out, do not represent cuts in the budget at all but are rather denials of funds which were contributed by both employers and employees. As an employer of labor myself I participate in that and personally I do not think that these funds which were placed in the hands of the Government in a trust capacity should be denied to the people who contributed them.

Mr. DORN of South Carolina. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DORN of South Carolina. I wonder if the gentleman could tell us what his intentions are with respect to the bill.

Mr. FOGARTY. It is the intention to go today until 5 o'clock and then continue on tomorrow. I do not know whether or not we can finish the bill but we are going to go as far as we can.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HAYS of Ohio. Did I correctly understand the gentleman to say that the total cut for 3 days of work here amounted to about $1,300,000?

Mr. FOGARTY. The real cut is $1,345,000.

Mr. HAYS of Ohio. At that rate, in 30 days we could cut it $10 million, or if we stayed here a year or 300 days we could cut it $100 million, which would be about one-seventh of 1 percent of the total amount of the budget.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Connecticut.

Mr. MORANO. Does the gentleman intend to finish the bill tomorrow?

Mr. FOGARTY. We are about one-third of the way through the bill, in 3 days. If we can finish the other two-thirds tomorrow, we will finish it. I may say it is going to take a good day of rollcalls, or maybe two, I do not know. At the rate it is going, we may have 2 days of rollcalls.

Mr. MORANO. Does that mean all these rollcalls will come tomorrow night?

Mr. FOGARTY. I do not know. That will depend on the Members, how late they want to stay.

Now I would like to summarize what has been done to the Department of Labor. The following table shows the statistics:

United States Department of Labor

	Committee recommendation	Floor action	Reduction
Office of the Secretary	$1,510,000	$1,480,000	$30,000
Office of the Solicitor	2,225,000	2,021,000	204,000
Bureau of Labor Standards	1,031,300	985,000	46,300
Bureau of Veterans' Reemployment Rights	542,000	406,000	136,000
Bureau of Apprenticeship and Training	3,000,000	3,000,000	
Bureau of Employment Security	6,000,000	5,558,000	442,000
Grants to States	252,000,000	240,814,000	11,186,000
Unemployment compensation for veterans	36,800,000	36,800,000	
Unemployment compensation for Federal employees	26,500,000	25,000,000	1,500,000
Mexican farm labor program	2,500,000	2,236,200	263,800
Bureau of Employees' Compensation	2,828,000	2,828,000	
Bureau of Labor Statistics	7,470,000	7,124,000	346,000

United States Department of Labor—Continued

	Committee recommendation	Floor action	Reduction
Women's Bureau	972,000	931,000	41,000
Wage and Hour Division	$10,888,000	$10,600,000	$288,000
Total	344,303,300	345,875,300	15,473,100
Less:			
Regular bill items	268,000,000	255,372,000	12,628,000
Unemployment compensation for veterans	36,800,000	36,800,000	
Unemployment compensation for Federal employees	26,500,000	25,000,000	1,500,000
Total deductions	331,300,000	317,172,000	14,128,000
Total salaries and expenses	33,003,300	31,723,300	1,345,100

As a final statement to you, I want to reiterate emphatically what I have said a number of times during the presentation of the Labor Department items in the bill and summarize the results of the last 3 days' action. First point I want to reiterate is that you pass laws and then you fail to carry out your responsibility of seeing that necessary appropriations are made to administer them. I personally do not subscribe to such action.

The amendments offered during the past 3 days have been without constructive evaluation of what damage they will do. All of a sudden you make 1957 fiscal year something magic. It becomes the maximum program level for all legislation regardless of content. You want all appropriations cut to the amount appropriated for fiscal year 1957. But in your hysteria you do not stop there. You proceed in instances to reduce appropriations below the 1957 base. You fail to recognize legislation which you passed only last year which places a responsibility on each of these departments to pay their fair share into the retirement accounts for their employees. In some instances you have allowed it or part of it. You have also failed to recognize fiscal year 1958 has 1 more day than fiscal year 1957. These two items are sizable and will make further cuts in program necessary if funds are not appropriated for these purposes. One more overall statement before telling you in some detail just what you have done. My friends on the other side of the aisle have been notably conspicuous by the anemic support they have given their leader, the President of the United States, and the Secretary of Labor.

Now just what has happened here during the past 3 days?

The press has been carrying stories of tens of millions of dollars of savings which have been made. Now, ladies and gentlemen, let us set the record straight. Let us not fool the public and let us not fool ourselves. The greatest part of the so-called savings will not save the United States Treasury a single cent.

Total reduction made on this floor during the last 3 days came to $15,473,100. Of this, however, only $1,345,100 can be considered actual savings.

I want to make this just as clear as can be—the only real savings which constitute a definite and permanent gain to the United States Treasury came to just a little over $1.3 million. I am cognizant of the $1.5 million reduction in the veterans unemployment compensation request but that is for payments that must be made to veterans in accordance with law and regardless of the amount needed we will have to provide it. Now to sum up the toil and stress of the last 3 days we come up with a $1.3 million reduction—small indeed to the total budget—but gigantic to the Department of Labor, a department of Government having the smallest staff of the Cabinet departments. Every item which the committee allowed had the most careful evaluation and I believe it a serious mistake to pick on the smallest Cabinet agency to attack for reductions. You ladies and gentlemen are jeopardizing such activities as the Consumer Price Index; the establishment of prevailing wages for Government construction contracts; the placing of older workers in jobs; helping physically handicapped to obtain employment; depriving workers of the wages they are entitled to by handicapping the enforcement of the Fair Labor Standards Act; the reduction of industrial accidents, the increase here directed to work in the atomic-energy field; the problems of ever-increasing numbers of women workers, many of whom must work from economic necessity and many who industry find have talent that are best suited for the job to be done; and you have also eliminated funds to study the effect of imports and exports on American labor together with funds for much needed labor market information for areas of labor surplus.

Now a few detailed remarks about your actions of the past 3 days.

OFFICE OF SECRETARY

Your action eliminated the increase for the Office of International Labor Affairs amounting to $30,000—a small sum to insure adequacy of the knowledge of the Department in the movement of workers and worker organizations in various parts of the world. It has been said many times that labor organizations are the first target point for Communists to try and make inroads. It is important that the Secretary in recommending labor policy both here and abroad have close to him staff advisory assistance. Again I say $30,000 is a small amount of money for this purpose.

OFFICE OF THE SOLICITOR

Here is where you become very ambitious. You not only cut this office back to 1957 but you did not allow money for the mandatory increases for retirement and transfer of funds previously approved in another appropriation. In the committee's recommendation for an appropriation of $2,225,000 there was only $20,000 for program increases. The balance was for mandatory items. If your action stands, this means a reduction of some 35 positions—this reduction coming at a time when the workload of the Solicitor's Office shows increasing activity. The Solicitor's Office is beginning to feel in greater numbers the impact of litigation as a result of the recent amendments to the Fair Labor Standards Act. The legislative requirement that the wage orders in Puerto Rico be reviewed annually has added a new burden to this Office. I cannot take the time here to go into all the details but I assure you that evidence was supplied in committee which was definitely convincing that the staff requested was needed. If the Solicitor's Office cannot carry out his litigation responsibilities there will be complaints not only from labor but there will be complaints from employers that unfair employers are taking advantage of them. Likewise workers will not receive the wages to which they are entitled by law. The Government will be the loser because third party suits under the Federal Employees Compensation Act will have to be passed by because of insufficient staff. Thousands and thousands of dollars have been recovered by the Government through this legal technique.

MEXICAN FARM LABOR PROGRAM

We had quite a debate on this item yesterday and I will not burden you with much detail. What you have done is quite simple. The program will be 15 percent larger in 1958 than in 1957. For this increased workload, the committee proposed a mere 4 percent increase in appropriations. You wiped out this small increase—the result of which means a deterioration of the program. More specifically you endanger an international agreement between this country and Mexico by making it impossible to carry out certain guaranties the Mexican Government requires for its nationals coming to this country to work in agriculture. Does not the figure of over 400,000 importations during the current fiscal year indicate the need for this program? As long as we enjoy a high level of employment we will need this program and to jeopardize it for a few thousands of savings is just a mistake.

BUREAU OF LABOR STANDARDS

In the Bureau of Labor Standards the committee reduced the request here by $135,700. It allowed $119,800 increase over 1957, of which $52,200 was for program increases. Program increases related to aiding in the employment of the physically handicapped, extension of safety service in the use of atomic energy, and improving conditions of domestic migrant workers. The balance of $67,600 was for mandatory items. The action on the floor eliminated the program increases for enabling the Bureau to keep abreast of accident hazards in the atomic energy field and institute such action in their safety program necessary

to promote safety for the workers involved.

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Perhaps the most shocking thing of all has happened here. By shaving off $136,000 from the committee recommendation, you are making necessary an actual reduction in level of operations for this most crucial activity.

As I stated on Tuesday, curtailment of other benefits for servicemen entering on duty after January 31, 1955 makes the reemployment program the only major readjustment device available to veterans.

The workload of this bureau will be substantially increased because of the buildup in the Ready Reserves. The number of reservists and National Guard men who must perform training duty in 1958 will be about 40 percent over 1956 and 25 percent over 1957. This increase is due to the fact that all military releases after August 1957 must accept duty in the Active Reserve.

Because of your action this week, this Bureau will not be able to render adequate service to the veterans.

BUREAU OF EMPLOYMENT SECURITY

Let us see what damage you have done in reducing the committee recommendation for the Bureau of Employment Security by $442,000. The committee had allowed only $89,560 for program increases including a transfer of $53,300 from the office of the Secretary. Cutting it back to the 1957 level without making allowances for mandatory items will make necessary the reduction of 60 positions. Let us take a look at the history. We have increased programs through legislation, increased the funds for State employment agencies, but we have done nothing to allow the national office to keep up with its expanding responsibilities. Specifically, it is responsible for supervision directly or indirectly of the handling of $1½ billion in unemployment insurance tax collection; $1¼ billion in unemployment insurance benefits; and one-fourth billion dollars in administrative funds. It is the one operating arm of Government that actually aids in the placement of the older worker into a job. Likewise it occupies the same role in placing physically handicapped workers into jobs they can perform. I believe you have made a terrible mistake in the action you took on Wednesday in reducing the appropriation request.

BUREAU OF LABOR STATISTICS

Cutting the program increases out of the Bureau of Labor Statistics request will be disastrous. This Bureau in the field of research and statistics is considered the best in its field. Its work is used by all of us as well as by management and labor and the public. As an example, again I remind you of the danger of cutting funds needed to insure accuracy of the Consumer Price Index. Four million workers' wages go up or down as this index moves. It must be accurate. It has become the biggest tool for settling management and labor differences on wage questions. Imagine what will happen if the accuracy of the index is questioned.

Time will not permit detail presentation of all this Bureau's programs, but I assure the Members of this body that its work in the field of wages, employment, productivity, wholesale and retail prices, are all important to our economy and they are used extensively. I think you all know that. It should not be allowed to deteriorate, but if your action stands that will be the result.

WAGE AND HOUR DIVISION

You have sliced $888,000 from the Wage and Hour Division, with the result that there will have to be an actual reduction in level of operations. This at a time when the rate of back wages found due is at the highest level ever—about $20 million a year.

Two years ago, this body, by an overwhelming vote, increased the minimum wage from 75 cents to $1. Are we now saying that we do not want to enforce that minimum? Wage-hour investigations show that 1 out of every 5 firms are violating the dollar minimum.

The committee's recommendation for an appropriation of $10,888,000 would not add a single employee to the Division. By cutting this item, you have reduced the staff and consequently reduced the level of enforcement of the Fair Labor Standards Act and the Public Contracts Act.

You will cause a reduction in the already too small sample inspection check which at this time is only 7 percent of 800,000 covered establishments.

You will handicap the Division carrying out its legislative responsibility of reviewing each wage order in Puerto Rico annually. If this work lags you will hear plenty from employers in the mainland.

The following telegram was received from George Meany, president of AFL-CIO, supporting the request for Wage and Hour and the Solicitor's Office.

WASHINGTON, D. C., *March 27, 1957.*

Hon. JOHN E. FOGARTY,
House Office Building,
Washington, D. C.:

Initial actions of House in slashing vital programs of Labor Department most disturbing. Enforcement of labor standards will be crippled by cut in Solicitor's Office. Trust this cut will be restored on rollcall and that cuts for Wage-Hour Division will be resisted. Present hysteria over budget must not blind Congress to needs of American people in labor and welfare field. On behalf of 15 million workers, I call upon the Congress to support recommendations of Appropriations Committee.

GEORGE MEANY,
President, AFL-CIO.

CONCLUSION

Now, ladies and gentleman, you do have a chance to correct the mistakes which you have made. I expect to ask for a number of rollcalls. I trust that Members on both sides of the aisle will join in supporting this request for a record vote. I expect to ask for a rollcall on practically every appropriation request.

I am hopeful that during these rollcalls, you will give some consideration to the significance of each of the cuts made. If you do, I believe you will agree that these cuts were the kind the President had in mind when he talked about foolish and fatuous cutting. These are cuts which the Republican Secretary of Labor asks be restored and as a further reminder for my friends on the other side of the aisle of the President's budget policy.

I quote an editorial from this morning's Washington Post and Times Herald entitled "President and Budget."

PRESIDENT AND BUDGET

It was high time for Mr. Eisenhower to stand up for his budget. The Chief Executive's unwise intimation earlier that it was Congress' job to cut the budget had started a prairie fire. Demands from constituents had put legislators in a mood to cut foreign aid, school construction funds and other vital items. The implication, though not necessarily the fact, was that Mr. Eisenhower was encouraging them.

Yesterday Mr. Eisenhower forthrightly asserted the Executive responsibility for the budget. In a dissertation that sometimes was eloquent, he reminded Congress that no dollars today * * * are being spent more wisely for the future of American peace and prosperity than the dollars we put in foreign aid. We are not going to cut projects in the security field severely, he said, "or we are going to suffer." Without school aid the classroom deficit will grow more serious. Talk of a $5 billion budget reduction and a tax cut is absurd in light of the essential national interest in veterans' care, agriculture, public education and the like; "it is just fatuous to get up and say we are just going to save all this money, and then not do something about Federal responsibilities already given us." There are plenty of areas for legitimate economies by Congress in eliminating the postal deficit, in adjusting Federal service fees and below-cost loan rates and in pruning the perennial rivers and harbors projects that seem to flow on forever.

Whether this impressive defense comes too late to prevent damage remains to be seen; the fire may unhappily be out of control. In any event, it is heartening to have evidence that Mr. Eisenhower intends to fight for what he believes in. His words yesterday were befitting the President of the United States.

The Clerk read as follows:

FOOD AND DRUG ADMINISTRATION

Salaries and expenses: For necessary expenses for carrying out the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 301–392); the Tea Importation Act, as amended (21 U. S. C. 41–50); the Import Milk Act (21 U. S. C. 141–149); the Federal Caustic Poison Act (15 U. S. C. 401–411); and the Filled Milk Act, as amended (21 U. S. C. 61–64); reporting and illustrating the results of investigations; purchase of chemicals, apparatus, and scientific equipment; payment in advance for special tests and analyses by contract; and payment of fees, travel, and per diem in connection with studies of new developments pertinent to food and drug enforcement operations; $9,300,000.

Mr. JONAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONAS: Page 13, line 7, strike out "$9,300,000" and insert "$7,973,000."

Mr. JONAS. Mr. Chairman, this amendment deals with a sensitive agency because it deals with activities affecting all of the people of the United States. It is not a meat-ax cut. It does not go back of the figures of 1957. There is sufficient money left in the bill to carry on activities at the level they were carried on throughout 1957; to provide for the civil-service contribution and for the extra day's pay; to provide funds necessary

to replace old and obsolete equipment; and funds to establish a new office which the agency wishes to establish to bring up the list of offices throughout the country to 17.

The amendment would eliminate money requested to increase personnel 16 percent above 1957 or to add 162 persons to the rolls.

I am aware of the fact that a Citizens' Advisory Committee recently advocated an expansion of the food-and-drug activity, but I think we should expand gradually. With my amendment adopted, the Food and Drug Administration will have over $1 million more than it had in 1957, and that will be a sizable increase in just 1 year.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from South Carolina.

Mr. RIVERS. I was afraid the gentleman was not going to mention the agency. It is the Food and Drug Administration?

Mr. JONAS. Yes.

Mr. RIVERS. What are the personnel the gentleman refers to in his amendment?

Mr. JONAS. I cite the gentleman to page 111 of the hearings, and I read the following:

Thus there remains $1,327,000 of the increase requested for an expansion of current operations, which represents about a 19-percent increase over the appropriations for the current fiscal year. The latter amount will allow a 16-percent increase in personnel or 162 new positions in fiscal year 1958 (45 departmental, 117 field).

Mr. RIVERS. Inspectors?

Mr. JONAS. Forty-five departmental and 117 for the field.

I call the committee's attention to the fact that in addition to these appropriated funds the agency has some money which it receives as a result of fees collected in operations.

These are estimated at $1,254,000 for 1958; and the amount of those fees would be added to the amount left in the bill if the amendment is adopted. This would provide $9,227,000 for next year.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. McCORMACK. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentlewoman from Missouri may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include a statement.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

MINIMUM PROGRESS ON AN URGENT PROGRAM TO REBUILD STRENGTH OF THE FOOD AND DRUG ADMINISTRATION

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to take this opportunity to express my personal gratitude to one of the finest Members of the Congress of the United States, Congressman JOHN FOGARTY of Rhode Island, and to the Members of his subcommittee, for their work on this appropriation bill now before us.

They have looked behind the dollar mark. They have seen a vision of a better America and a better world. They have translated the dull and dreary figures of their assigned part of a $72 billion Federal budget into terms of better health, better living, the pursuit of happiness, for the 170 million people of this country.

There has been some criticisms here of the so-called extravagances involved in this appropriation bill for the Department of Labor and the Department of Health, Education, and Welfare. We are told that we are handing out nearly three billions of dollars, as if, perhaps, we were throwing money around loosely.

If a President—or a laborer in the steel mills—or a housewife—or a child can avoid a heart attack as a result of research provided for in this bill; or if a way is found to ease the agony of cancer, let alone cure or prevent cancer; or if people otherwise doomed to the crippling misery of arthritis can be guided to a pain-free life—if any of these things can be done through the money we appropriate to the National Institutes of Health, who is there among us who will say it is money wasted—thrown away—frittered away?

Going through the many items in this appropriation bill, it is obvious that these are generally the most constructive appropriations we make all year. We use this money to learn not how to kill, but how to help our people to live in health, to live better, happier, more productive lives.

This appropriation bill did not take shape in a vacuum. It was not put together in a catch-as-catch-can, haphazard manner. It did not suddenly materialize out of thin air. It was put together item by item by the subcommittee under Mr. FOGARTY with devotion and care and full awareness of the meaning and need represented in every single item.

I say that not only each of us in the House of Representatives but every American—and everyone who loves humanity—owes Chairman FOGARTY and his subcommittee, and the members of the full Committee on Appropriations, our thanks for a wonderful job of conscientious legislating in the public interest on this bill.

THE FOOD AND DRUG APPROPRIATION

I happen to be most familiar out of all of the many items in this bill with the one dealing with the Food and Drug Administration. Ever since coming to Congress in 1953, I have made the work of the Food and Drug Administration one of my prime interests as a Member of the House, as one who attempts to look at legislation primarily from the consumer standpoint.

In several previous years, I was heartsick over the treatment given to the Food and Drug Administration by the President and his former Secretary of Health, Education, and Welfare. Mrs. Hobby was never really convinced, it seems, that this agency was important or did a worthwhile job.

In 1954, in addition to resisting efforts made by some of us to increase appropriations for this agency, Mrs. Hobby asked instead that we provide funds for an objective study of the Food and Drug Administration to see if the agency was being unfair to business or overly zealous for the consumer, or was really performing an important function. The funds for such a study were provided, and the report which eventually came to us as a result—made by a group appointed by Mrs. Hobby—proved beyond doubt that the Food and Drug Administration was horribly understaffed, underequipped, and unable to do the things it should do for the consumer and the American public, as well as for legitimate business operating against unscrupulous competition from fly-by-night outfits.

ADVISORY COMMITTEE URGED HUGE EXPANSION

The advisory committee urged an immediate start on a complete overhaul of the agency's facilities and a threefold to fourfold increase in funds. It suggested that this tremendous expansion should occur within 5 to 10 years.

Many of the Members are familiar with the attempt which I made in 1955, right after this advisory committee report was made public, to begin immediately to provide added funds for the proposed rebuilding program. But it was not until last year, when the current fiscal year budget was under consideration, that the President first included in his budget and first supported any funds for an expansion of the Food and Drug Administration. So we were a full year late in getting started.

A modest expansion is now under way. The budget for the coming fiscal year would continue that expansion program, at a somewhat stepped-up pace. Last year, we added roughly $1 million to the $5½ million appropriation for Food and Drug; in this bill now before us we would add $2½ million more, making a total of $9,300,000 for the regular activities of the Food and Drug Administration.

Looking at the comparative figures, on a percentage basis, this might appear to some to be a vast increase—another instance, perhaps, of extravagance. But let me call several things to the attention of the Members:

First, this is an item of $9,300,000 out of a nearly $3 billion appropriation bill—a mere pittance in a $71.8 billion budget—less than 6 cents per person for 170 million Americans to protect them from filthy or dangerous or adulterated or fraudulent foods, drugs, or cosmetics.

Second, let me remind the Members what the Appropriations Committee report written by the gentleman from Rhode Island, Representative FOGARTY, says about this item:

The citizens committee (that is, the advisory committee I referred to earlier) recommended that personnel and facilities (for the Food and Drug Administration) be increased threefold to fourfold within 5 to 10 years. At the rate provided for in the bill it will take a minimum of 10 years to somewhat less than treble the personnel and facilities.

In other words, Mr. Chairman, this is the very least, the very least, the minimum, that the advisory committee recommended be done to protect the American people through the Food and Drug Administration.

PROCEEDING AT MINIMUM PACE IN REBUILDING FDA

This is the very minimum. If this item were to be reduced, it would slow up this urgent rebuilding program below a level considered safe by a citizens' advisory committee appointed by a critical, doubting, Secretary of Health, Education, and Welfare to study the operations of an agency in her Department she seemed to fear might be spending too much money. You can be sure Mrs. Hobby did not appoint to the advisory committee persons whom she felt would be spenders and wasters of Federal funds for unnecessary functions.

By rights, we should be rebuilding the Food and Drug Administration at the higher level recommended by the advisory committee—so that within 5 years it would be four times as effective as it was at the time the study was made. Instead, we provide in this bill an amount which permits expansion to three times previous size by 1966.

I certainly am not going to criticize the Appropriations Committee for not going faster on this. I think the Fogarty subcommittee did the very best anyone could reasonably expect in this regard, as it did on so many other items in this bill.

I only hope that none of the Members of the House become so carried away by the delightful prospect of cutting President Eisenhower's budget anywhere and everywhere, without regard for particular items or particular needs, as to join in seeking to reduce this long-overdue increase in the funds of the one agency set up to protect us from impure drugs, foods, and cosmetics, all 170 million of us. I urge the Members to use sound judgment and not vote for this amendment.

Mr. Chairman, as part of my remarks, I include the testimony which I submitted to Chairman FOGARTY's subcommittee at hearings last month on this bill, as follows:

ADEQUATE FUNDS FOR FOOD AND DRUG ADMINISTRATION

(Testimony by Representative LEONOR K. SULLIVAN, of Missouri, before House Appropriations Subcommittee for Department of Labor and for Department of Health, Education, and Welfare, February 28, 1957)

There are many items in the budgets of both Departments involved in this appropriation bill that I would like to take up today, because these deal with functions of Government directly affecting the average family and the individual citizen—more so, I would say, than any appropriation bill applying to the other departments. This subcommittee, in my experience in the Congress, has always recognized the vital importance of these functions of Government, and I want you to know how much I admire and respect the chairman and the other members for the great good they have accomplished in behalf of the health and safety and well-being of the American people.

Knowing how much testimony you have had to listen to and how much detailed investigation you have had to make into these various appropriation requests, I do not intend to burden you with a long discussion of all the items in the Labor Department and in the Health, Education, and Welfare Department in which I am interested. I do hope that you will see your way clear to recommend the full budget amount for most of the items in the two Departments. I think they are vital to the health and welfare of the whole country.

I refer to such things as the activities of the Department of Labor in enforcing the wage and hour laws, in promoting industrial safety through the Bureau of Labor Standards, in the activities of the Employment Service and the Bureau of Veterans' Reemployment Rights, and the Veterans' Placement Service, the unemployment compensation program, the Bureau of Labor Statistics, which makes such important studies in living costs and housing, and so on, and the Women's Bureau and the work they are trying to do there to improve employment opportunities particularly for older women. They are just some of the things in the Labor Department budget I wanted to mention which are so important to so many people in urban districts like mine, and for that matter in the whole country.

HEALTH, EDUCATION, AND WELFARE

When we get over into the Department of Health, Education, and Welfare there is a tremendous area of additional activity affecting and involving people—families. Here you have all the social security activity, not only the programs for retired workers and the survivors of workers, but also the aid to dependent children, the aid to the blind, the aid to the disabled, the aid to the elderly—in other words, the public-assistance programs in which the States participate along with the Federal Government; there is the invaluable, priceless work of the Public Health Service, including the research work they are doing through the National Institutes of Health for research into the crippling and killing diseases; there is the vocational rehabilitation program, the hospital-construction program; there is all the work centered in the Office of Education, and I want to mention particularly in that connection the important work they are doing in behalf of mentally retarded children where so much research is still needed and where we are going to need operating funds, too.

As I said, I would like to go into these items in some detail, but for one thing I don't want to burden you with so much additional material; and for a second thing—and more important—I think this subcommittee is already thoroughly familiar with all of these needs and has done an outstanding job in providing funds for them. I will always remember the way the House of Representatives, on the strength of assurances from Chairman FOGARTY, has frequently appropriated a great deal more than the budget for some of these items, and particularly for the research programs in cancer, heart disease, arthritis, and so on. I will be more than glad to back up this subcommittee any time on additional funds over and above the budget requests for these items, whenever the chairman and the other members of this subcommittee tell us the additional funds can be used efficiently and effectively.

THE FOOD AND DRUG ADMINISTRATION

That brings me, now, to the needs of the Food and Drug Administration. As all of you know, this agency of Government has been particularly close to my heart ever since I came to Congress. I have always supported and fought for more adequate appropriations for this agency. As you know, I was extremely critical of Mrs. Hobby when she was Secretary of Health, Education, and Welfare for what I considered her stepchild treatment of this agency—cutting its budget, or at least acquiescing to White House cuts in this budget, at a time when increases were in order rather than decreases.

I was critical several years ago when funds were requested for an advisory committee study of the Food and Drug Administration. I said there wasn't anything such a committee study would show about deficiencies in the Administration—the Food and Drug Administration—that could not be corrected merely by providing adequate funds for this agency.

Nevertheless, the study was authorized and the citizens who conducted it turned in a report which was not a bit startling or surprising to any of us who followed the work in pure food and drug and cosmetic enforcement. The citizens committee suggested a threefold to fourfold increase in the work and facilities of the Food and Drug Administration in order to build it up to the point where it could adequately protect the public not only from fraud but from dangerous foods, drugs, and cosmetics.

As you know, the President and Mrs. Hobby made no effort to implement this recommendation in 1955, after the citizens committee filed their report, and so a full year went by before Congress was even asked to start increasing appropriations for the Food and Drug Administration. So in this present fiscal year, we have seen the first real advance in food and drug activities, thanks to the substantial increase we put through in 1956—an increase of nearly $1 million—which has allowed a 15-percent increase in staff and which has really started the wheels moving in the improvement of enforcement activities.

BUDGET PROVIDES 16 PERCENT STAFF INCREASE

I am pleased by the data in the budget which shows that about 15 percent more plant inspections are being made this year than were made in fiscal year 1956, but it is still an inadequate program of inspection. Out of nearly 100,000 establishments, the current budget allows inspections of only a little more than 14,000 a year.

The budget for next year, calling for an increase of $2,521,000 in enforcement activities, would raise the total for this purpose from $6,779,000 to $9,300,000. This will cover two very important needs—one a 16-percent increase in staff, and particularly in scientific staff and inspectors, and the other a substantial program of capital investment to replace, improve, and modernize equipment and facilities now obsolete. I understand that some of the equipment is so old, so obsolete, so quaint and unusual in this atomic era that the Smithsonian Institution has its eye on this equipment and wants it for some of its historic displays. I think it is rather significant that an agency of Government responsible for protecting our health from adulterated or contaminated or filthy or dangerous products we consume internally or use on our skin must get along with such outdated equipment.

The total carried in the budget for the Food and Drug Administration is $10,554,500. However, part of that, $1,254,500, is for certification and inspection work paid for by industry in connection with new drugs or new items, and only $9,300,000 is for regular activities of the agency.

I am sponsoring legislation this year, along with Congressman DELANEY, of New York, to close some of the loopholes in the Food, Drug, and Cosmetic Act, dealing with the increasing use of chemicals and chemical additives which we do not know for a fact are safe for human consumption. If that bill goes through I will certainly be back here for more money to make sure the Food and Drug Administration can carry out the increased powers the proposed legislation would give them.

THE CHEMICAL-ADDITIVE PROBLEM

By rights, in the absence of this legislation to close the loopholes in the present law, the Food and Drug Administration should have that extra money now. Untold numbers of

chemicals are now being used in foods, including coloring materials, preservatives, and so on, which we cannot be sure are completely safe. Some coal tar colors previously in use have been withdrawn as a result of the Food and Drug Administration's studies. Other chemicals are suspect. This is indeed serious. Some of our great cancer experts are very much concerned over the possible danger through mishandling or misuse, or even through authorized use, of some of these chemicals.

We have the assurance of the Food and Drug Administration that no chemicals are now being used in food which are known to cause cancer. Naturally, they would not stand for that.

But there is this no-man's-land of chemicals, hormones, additives, colorings, and so on, which cries for much more study, much more analysis, tougher controls, more research.

The Food and Drug Administration has done a fine job with the limited resources it has had at its command. The budget this year as proposed will enable a substantial increase in their activities. But this is only a start—a long overdue recognition by the President of the vital importance of the work of this agency in protecting your health and mine and that of everyone we know—everyone who buys and uses any of the fantastic variety of new products in the food, drug, and cosmetic line.

Mr. RIVERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in these days of concern about economy in Government it is important that we keep our sense of values. There are activities in our Government which need to be expanded, rather than reduced. Their importance to the American people is not measured by their small cost. Therefore it is most gratifying to see that the Appropriations Committee recommended the full amount of the budget increase proposed for the Food and Drug Administration in the Department of Health, Education, and Welfare. This shows they have carefully considered the problems dealt with by this small but important agency.

One could hardly find a better example for the point I wish to make. The Food and Drug Administration is the organization we depend on to carry out the purpose of Congress to insure that foods, drugs, medical devices, and cosmetics are pure and wholesome, safe to use, and properly labeled.

The importance of these thousands of products is obvious. What we may forget is that these foods which sustain our lives and these drugs we rely upon when we are sick are all subject to deterioration and spoilage, as well as to the possibilities of careless handling and fraudulent misrepresentation. Always there is the human element and therefore the risks of errors and dishonesty. Fortunately these weaknesses are not typical, but we must remember that American industry is very large, and even this small fringe group is a big group for an organization the size of the Food and Drug Administration.

I have here their latest monthly report. During the month of February, 271,000 pounds of contaminated food products were taken off the market. Another 239,000 pounds were destroyed by the owners under the supervision of the inspectors. Six drug products were seized because they were improperly labeled or otherwise dangerous to the user. One of them was digitalis, a drug used by heart patients, which did not have the proper strength. Another was a drug represented to be one of the new tranquilizers but which in fact was merely a sedative containing ingredients that have been available for many years. Another was one of those oldtime Indian herb tonics, some of which still occasionally show up on the market. In addition to these cases, there were seven criminal prosecutions for selling dangerous drugs such as sleeping pills without a doctor's prescription. A bakery was prosecuted because the plant was insanitary and the pies and cakes were contaminated with insect and rodent filth. And finally there is a report here that the Supreme Court upheld the conviction of a man who was selling a phony treatment device for the cure of cancer and other serious diseases. He is now in Federal prison.

As Federal agencies go, the Food and Drug Administration is quite small. It has an enforcement staff of 1,000 employees, including around 300 inspectors and 200 chemists who test the samples of products that are brought in by the inspectors. Then there are the research scientists who are constantly confronted with new products and ingredients, for which they must find new methods of detection and measurement. For the fact is that the technological progress of our food and drug industries is constantly creating new problems of public protection.

New medicines like these tranquilizing drugs we have been hearing about and the hundreds of chemical materials that are being used in the growing and processing of foods must be carefully studied and regulated to make sure they are properly labeled and used in safe amounts.

At the same time the volume of all these foods, drugs, and cosmetics has been growing in proportion to the needs of our expanding population. The 300 FDA inspectors are responsible for checking over $62 billion worth of products. They are supposed to check the operations of around 100,000 manufacturing and distributing establishments. Thus the job of the Food and Drug Administration has been growing in both size and complexity.

Notwithstanding these growing needs the Food and Drug Administration has today only a handful of employees more than it had in 1941. The inadequacy of the organization to deal with its vast responsibilities was recognized in a study made 2 years ago by a distinguished citizens advisory committee. This committee was composed of leading people from business, education, labor, and the legal profession. Included on it were representatives of industries regulated under the food and drug laws. This committee reported that while there was approximately 1 enforcement person for each 160,000 population in 1941, there was only 1 for each 200,000 in 1955. They found that some of the laboratory facilities, including some equipment dating back to 1914, had not been replaced to keep up with modern technological developments. They found that the administration was operating on the equivalent of a prewar budget while the unit volume of goods which it must control has approximately doubled. At the same time they found that due to amendments of the law the responsibilities of enforcement were at least twice as great as those existing 10 years ago. They concluded it was unreasonable to expect any group to handle a quadruple task with tools originally designed for one.

The committee said that the scope and complexity of the present enforcement and regulatory problems, if dealt with inadequately, constitute a threat to the health and welfare of our citizens. They said the resources of the FDA are woefully inadequate to discharge its present responsibilities.

The committee recommended that there should be a threefold to fourfold expansion in the facilities and staff of the Food and Drug Administration, to be accomplished in a period of 5 to 10 years.

A beginning has been made in this greatly needed expansion program. Last year an increase of $995,000 was voted, and the House Appropriations Committee report said this was the "first step in carrying out a program of strengthening food and drug inspection along the general lines that were recommended unanimously by a citizens advisory committee established for the specific purpose of reviewing this activity which is so important to the health of the American people."

This increase, amounting to about 15 percent, actually enabled the FDA to increase the total enforcement staff to 939, just 1 more than they had in 1951, the previous high point. But it enabled them to get started with their expansion plans. This year a further increase has been recommended amounting to approximately 26 percent. I am glad to say that the Appropriations Committee has recommended that we provide the full amount of the suggested increase. It is the second step in the much needed expansion. The citizens committee said that personnel and facilities should be increased threefold to fourfold within 5 to 10 years. At the rate provided for in the bill it will take a minimum of 10 years to somewhat less than triple the personnel and facilities.

It is interesting to see how the Food and Drug Administration proposes to use the increased funds for 1958. The major emphasis in their proposed program is on research into the new problems of food and drug protection. For example, they want to work on new methods for detecting and measuring the residues of chemicals in food—the poison sprays and dusts which we must depend upon to protect our crops, but which may also be harmful if they are not controlled. They want also to develop methods for testing the chemicals that are added directly to food and to study effects of these materials on laboratory animals to find out if they are harmful.

Another project is bacterial studies on frozen foods and precooked foods which so many people are now using. What happens when some of these products

are allowed to thaw out before they are sold, as may sometimes happen? Then they plan to investigate some of these new cosmetic ingredients to see if they really produce the beautifying effects that women are paying for. They also plan to do more work in developing and enforcing food standards which regulate the quality of foods and help to protect the consumer's pocketbook.

These are some but by no means all of the important scientific problems which are included in the expansion program for 1958 which the Appropriations Committee has approved. This program will make possible an increase of about 15 percent in personnel. It also provides for new scientific equipment and for a much needed district office and laboratory to serve the Detroit area.

There is nothing political about this program. It is vitally needed and long overdue. If the program is to be made effective it will require a series of substantial annual increases over a period of years. This is only the second step. With the changes that are taking place in the food, drug, and cosmetic industries we cannot protect the public by standing still. Last year, speaking at the 50th anniversary of the pure food and drug law, Mr. Folsom, the Secretary of Health, Education, and Welfare, made this interesting statement. He said it is a "strange paradox that a program so essential to the health and safety of the public was so difficult to establish and now has been permitted to fall behind the needs of the times." He pointed out that it took a 23-year crusade by Dr. Harvey W. Wiley to get the original law enacted. Since then it has been a problem to obtain adequate enforcement.

Mr. Folsom came to this conclusion:

> Food and drug protection must now advance, and continue to advance, in order to meet the challenge of scientific developments and growth in our food, drug and cosmetic industries. The Food and Drug Administration must be given what it needs to catch up—and keep up—with its job.

To reach this goal will require the continued interest of all of us—the public, the regulated industries, and Congress.

RELEASE OF THE UNITED STATES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, FOOD AND DRUG ADMINISTRATION, WASHINGTON, D. C., MARCH 25, 1957

Forty-two Federal court seizures and 9 criminal actions in February for alleged violations of the Food, Drug, and Cosmetic Act were reported today by the Food and Drug Administration.

Food seizures removed 271,600 pounds of contaminated products from the market. An additional 239,000 pounds of unfit foods were voluntarily destroyed by owners under the observation of FDA inspectors.

Six of the seizures involved drugs. One product, represented to be one of the recently developed "tranquilizing" drugs available without prescription, actually is a sedative containing ingredients that have been available for many years, FDA officials said. True "tranquilizer" drugs, recently developed, are restricted to prescription sales, as a protection to the public.

Another seizure involved a compound similar to the Indian bark mixtures of the past. Labeled only as a "general tonic," it was sold for whatever ills the purchasers thought it would benefit. The Government charged that it failed to bear adequate directions for use, and would not accomplish any useful purpose.

A second product seized because of inadequate directions for use was a "royal jelly" mixture falsely recommended by mail to be used for delaying old age, as a rejuvenator, for the elimination of chronic tiredness, and as a "fountain-of-youth" cocktail.

Other drug seizures involved a new drug marketed without FDA safety clearance, a laxative failing to bear adequate warnings against misuse, and substandard digitalis tablets.

The FDA noted final results of the appeal of a 1956 injunction contempt case involved "Orgone Energy Accumulator." The defendants, the Wilhelm Reich Foundation, Wilhelm Reich, M. D., and Michael Silvert, M. D., having lost their appeals, filed a motion to have the jail sentences and fine set aside. The trial court heard their argument, denied their request, and committed the individuals to prison on March 11, and recommended psychiatric treatment.

FEBRUARY 1957 CRIMINAL CASES CHARGING VIOLATION OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

UNFIT FOODS

Defendant, product, principal violation charged, and sentence

Case-Moody Pie Corp., and James Henderson, manager, Chicago, Ill.: Pie and cake was prepared in an insanitary plant and contained insect and rodent filth. Firm fined $1,000, plus costs of $39.60. Henderson fined $100.

Frank L. Worley, trading as Frank L. Worley Flour Mill, Rainsboro, Ohio: Flour was prepared in an insanitary plant and contained filth and less than the amount of enriched ingredients required by the standard for enriched flour. Fined $200.

Over-the-Counter Sales of Prescription Drugs

Wayne Reel, trading as Dixie Cabins, and Jack Stillwell, Vincennes, Ind.: Selling amphetamine without physicians' prescriptions. Reel fined $250; Stillwell fined $100; both sentenced to 6 months in jail; suspended, and placed on probation for 6 months.

John L. Schulte, trading as Schulte Drug Store, Sioux City, Iowa: Selling and refilling amphetamine prescriptions while on 30-month probation in illegal drug sales case terminated in February 1956. Probation continued and extended 30 months on condition that defendant discontinue the drug business.

Phillips Drug Co., Inc., Charles C. Spagnolo, president and store manager, and Joseph Greenblatt, pharmacist, Boston, Mass.: Refilling barbiturates, penicillin, and Butasolidin prescriptions without physicians' authorizations. Firm fined $500; Spagnolo fined $300; Greenblatt fined $200.

Joseph Fried, trading as Fried's Pharmacy, and Benjamin Wolin, pharmacist, Brooklyn, N. Y.: Selling and refilling antibiotics, sulfonamides, hormones, and amphetamine prescriptions without physicians' authorizations. Fried fined $400; Wolin fined $100; both placed on probation for 1 year.

Weylin Chemists, Inc., Charles Rogers, president and pharmacist, Milton Weinstein, vice president, treasurer, and pharmacist, Irving Sherman, pharmacist, New York, N. Y.: Selling and refilling amphetamine, sulfonamides, and hormone prescriptions without physicians' authorizations. Firm fined $100; individual defendants fined $1 each with payment remitted.

Rothschild's Pharmacy, Gustave Rothschild, partner and pharmacist, Phillip Kaiser, pharmacist, Syracuse, N. Y.: Selling and refilling amphetamine, sulfonamides, and barbiturates prescriptions without physicians' authorizations. Firm fined $1,000; Rothschild fined $600; Kaiser fined $200.

Jack Aaron Bloom, trading as Dorchester House Pharmacy, Dallas, Tex.: Selling and refilling barbiturates prescriptions without physicians' authorizations. Fined $500, plus $500 to be probated for 1 year. (Terminated in January but not previously reported.)

Dr. Thomas Guy Brown, Dumas, Tex.: Dispensing of amphetamine not in the course of professional practice. Sentenced to jail for 8 months, fined $500, and placed on probation for 4 years.

Injunction Contempt Appeal

Wilhelm Reich Foundation, Wilhelm Reich, M. D., Rangeley, Maine, and Michael Silvert, M. D., New York, N. Y.: Sentences of Reich to 2 years in jail and Silvert to 1 year, and fine of $10,000 against the foundation, for criminal contempt of Orgone injunction were reported in June 23, 1956, release. Conviction upheld by United States Court of Appeals for First Circuit, December 11, 1956, and certiorari denied by Supreme Court February 25, 1957. Original sentences reinstated by trial court March 11, 1957.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from North Carolina.

Mr. JONAS. I just hope my friend understands that I am not trying to damage, emasculate, or adversely affect the Food and Drug Administration. My amendment provides for more than a $1 million increase over funds available in 1957.

Mr. RIVERS. But you do not permit them to put on one single solitary inspector, and now they are short-handed. Listen, nobody gave me this. This is RIVERS talking. I have been looking at this thing for at least 6 weeks.

Mr. JONAS. I wanted the gentleman to be sure he understood the situation.

Mr. RIVERS. I want to say to my distinguished friend I would not impute anything to him, because if there is anybody for whom I have a loftier esteem than the gentleman, I have not met him, and if I have reflected on his integrity, I hereby and herewith withdraw it. So, I say, we might be making a big mistake, but I know you would not do it intentionally.

Mr. JONAS. My theory is that we cannot pick and choose. We have to make cuts all the way along the line if we expect to get anywhere in our efforts to reduce the budget.

Mr. RIVERS. There is no question about that. But, I say this organization is going on on the 1941 level now. They have no spokesman. They have not had anybody to carry the ball for them. They are protecting us. This organization has been overlooked over the years.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. LONG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there are only a few subjects that I know very much about, and therefore I do not get to talk often, but this happens to be a matter that I do know something about.

There is one item that I want to mention for fear I might forget. If for just this one reason, it justifies this organization. I have watched quacks and quack-produced medicines all my life. We have an organization now in Dallas, Tex., known as the Hoxie Clinic. That is the greatest bunch of humbuggers that the world has ever known. There is only one organization that has done anything about it, and that is the Pure Food and Drug Administration. If they spent every dime in this bill to get rid of that bunch of fakers, they would be doing a good job.

Let us not be foolish about this thing. Let us talk about these humbuggers just a bit. Somebody will say, "I went out there and I had cancer and they cured me." "Who said you had cancer?" "Dr. Hoxie did." I have a bunch of those little moles on me. If I went out there, they would say I had cancer and that "you are just about ready to fall down and break apart." But, if a man goes to them with cancer, I will assure you they do not help him. The only one that can do any good is the scientist and the medicines produced by the medical profession and the surgeons all over this country who have given their lifetimes in study.

Now, I have voted for cuts here, and I talked for them, but this, of all places on earth, is not the place to cut it. Where would we be today, with hundreds of people seeking cures and being taken advantage of by these quacks. There have been thousands of vaccines produced that the Pure Food and Drug Administration have not approved. They could not be sold to our good people until the Salk vaccine came along. Let us put more money in here if we are going to do anything. Let us not cut it. They have to take care of everything from medicine to fruits, as you have been told by the gentleman from South Carolina. This is a busy bunch. This thing is growing. Unless you have been in the business a little bit yourself, as I have, you would have no idea how many different kinds of new patents there are on medicines and the quantity of work that those people have to do. There are literally hundreds of thousands of small concerns that want to manufacture a little vitamin. For example, there would be a concern that wants to manufacture a little of this or a little of that, and a lot of it is no good. A concern must submit its samples and state what it does, and what is in it, and if you put a label on there that has anything other than what the label reveals, I will guarantee you that they will confiscate every bottle and put a concern out of business and send another inspector out and see that it is corrected.

I am not going to take any more time. I may have talked too long and it probably will not do any good. However, I felt that inasmuch as I have been in the study and practice of dentistry, and in scientific research of this kind for a long time, and since I have had my eyes glued on my microscope for many, many hours trying to find some kind of bug that might have caused pyorrhea or other diseases that destroy the teeth and the health of the people, that I knew something of the subject and can speak with some degree of authority. I say to you, Mr. Chairman, that if we cut anything out of this program for the health and welfare of the people it will be the most foolish thing we have ever done. My plea is to let the program continue.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is one of the times when we ought to be thinking about doing what was the right thing to do. The increase that is provided in this amendment of up to practically $8 million is about half of the increase submitted by the budget.

The trouble with these people not being able to keep up with their work has been that over the years they have been trying to do so many things that they should not do and have wasted their money right down to the current fiscal year on such things instead of doing what they are supposed to do.

Just this last year they blossomed into a project of spending about $60,000 in an effort to convict a mountain spring water outfit down in Arkansas of some kind of a violation. There was nothing the matter with the water and nothing the matter with the labels. They sent people up into my district and canvassed the district to find people who used this mountain water. We are away off, 2,500 miles from where the stuff came. No misrepresentation was involved in the sale, or anything of that kind.

A little while ago they got after a young fellow who invented a new kind of way of cutting up beets and putting them in cans. There was nothing out of the way about it, but they pestered that fellow to death until they drove him out of business and into bankruptcy. Last year, instead of going down into places where complaints were prevalent and inspecting the eggs that were in the market illegally, they spent time on such a performance as that mountain water deal.

This is not the only matter I could talk about; I could talk for half an hour on some of the things that I have run into from day to day that they have done that they ought not to be doing. I am not going to tell you any more, but if they would just tend to their own business and do the things they ought to do and not try to reach out and mess everything up for a lot of people, they would have plenty of money.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. BEAMER. Is it not true that none of the 162 new positions will be abolished if the amendment offered by the gentleman from North Carolina is adopted? If I read correctly the hearings on page 114, $1,327,000 will be required to have sufficient funds for the 162 positions. As I understand it, that cut is still inadequate. I do not believe it will abolish one of the inspectors.

Mr. TABER. I doubt if it would. I do not know what their picture is today, but as of the 1st of March they had 973 people. They had an appropriation available for 1,017, indicating they were 24 behind their quota. Now they want to run it up to 1,179; that is, they want the money for it. It would seem to me they would do a great deal better if they would proceed in a little bit more stable way. If the amendment the gentleman from North Carolina has offered were adopted, they would not only have plenty of money but it would be a warning to them to stop doing the things they are doing and wasting the money that is given to them.

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time in order to make abundantly clear that the statement made by the distinguished gentleman from Indiana [Mr. BEAMER], and to which he received an affirmative answer, is not in accord with the amendment offered by the gentleman from North Carolina, as I understand it. My understanding is that the gentleman proposes to permit an increase of $1,194,000 which, according to the language of the hearings on page 111, would provide for replacement primarily of scientific equipment, but that the entire number of additional positions, 162, would be eliminated through the gentleman's amendment eliminating $1,327,000.

It seems to me that we must recognize that this Nation for a number of years has been going through a rapid evolutionary process in the foods and drugs consumed by the American people. There are new techniques of preparation. You buy complete meals from the freezer at the grocery store today. There are new methods of preparing and preserving. The greater portion of the medicines that are being prescribed today are of very recent development. If ever there was a time when we needed to pay the most diligent attention to the character and caliber of the foods and drugs consumed it is during this period of rapid development of new processes and techniques.

We see it all about us in all things connected with science and industry. We are a dynamic Nation and a dynamic people. We have learned over the period of a great many years that you cannot leave it to the judgment of men who must seek profit to police or regulate themselves properly. You must provide expert enforcement, expert examination of these projects if protection is to be afforded the American people.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from North Carolina.

Mr. JONAS. I wonder if the gentleman understands that this agency now has authority for over 1,000 positions, but up through February 28, 1957, it was able to employ only 973 people. One reason I offered my amendment is that I do not think that by simply giving them the money they will be able to fill the new positions. They did not fill them when they had the money. They are not up to the authorization for 1957. Moreover, 45 of the positions are not inspectors to be used in the field, anyway, but are departmental.

Mr. MOSS. Does the gentleman mean to say that because they cannot recruit these people we should adopt the negative attitude of not providing the funds to seek them out?

I recognize in this field of technical personnel that our Federal Government is lagging dangerously today not only

in this instance but throughout the Defense Department and throughout those areas where we have responsibility for research and development of new technology. We are lagging because we refuse to face reality and pay the price which is being offered by competitive forces in private industry. We are not saving money when we try to economize through that avenue.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I am very happy to yield to the gentleman.

Mr. FOGARTY. In answer to the inquiry of the gentleman from North Carolina, they are up and above the allowed 5 percent lapse in authorized positions. They are authorized for this fiscal year 1,017 and they had on the payrolls as of the end of February 973. So 5 percent of 1,000 would be 50. They are only 2½ percent off when they are allowed a leeway of 5 percent. So they are doing much better than most Federal operations are now as far as filling positions is concerned. They should be commended for it.

Mr. MOSS. Even if the gentleman from North Carolina is correct as to the difficulty in recruiting, it seems to me that we should intensify our efforts to recruit rather than cut out funds to provide the manpower needed to do this job.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the arguments seem to have drifted off from a consideration of the amendment. So far as I know, no one would do away with the Food and Drug Department. It has done a very fine job in many ways. But it is by no means free from fault nor are all of its decisions free from error or its employees considerate of the people's interests. Some have swelled heads for which even the agency has not found a remedy. That is not the issue here today. What I think we are trying to do on our side of the aisle is to get a little more efficiency, a little more commonsense into its practices. This last statement was: "They have more money than they used"—and the only answer you make—I refer to the gentleman from California, my very dear friend [Mr. MOSS]—the only answer he makes is that they should try to hire some more men—speed up their employment program. My point is that we should keep a little closer watch on what this agency is doing. Weed out the officious and arbitrary as well as the inefficient. Let me give you two illustrations and that with full knowledge that probably the Department is just as clean and just as efficient as any group can be. But they are still not careful enough. In my hometown we happen to have a chemical manufacturing company that manufactures drugs. Some years ago they accused the firm of mislabeling their product. So they said. I was in the picture myself—know whereof I speak. The firm said to the Drug Department—and I passed on the request—"You tell us where these labels we are using are wrong and what should be printed on them. We will give you an analysis of what is in the package." You tell us what label will meet your requirements. Do you know what the Department's answer was? It said: "You go ahead and print your labels, put them on your products, and then we will check to see when your merchandise gets in intrastate commerce." That does not sound sensible and it was not sensible. This firm was and is in Michigan. It is 75 miles from the Indiana line. We said, "You go into our warehouse and into our factory and take samples—every item is on the shelf." They said, "No; it was not in interstate commerce yet" and, of course, it was not. So we said, "We will ship these down to South Bend, Elkhart, Mishawaka, any place across the State line, and you seize it and examine it." They would not do that. They said, "No. We will seize it wherever we can find it." They said, "We will go all over the United States and we will take our samples wherever we find your merchandise and analyze them." And they did. We all know what effect that had on the business. You know what that meant, do you not? Did it cut into their business? Why, of course, it did. And it destroyed their business in some small communities. Let me give you another example. It took us months to get this one straightened out with the State and never completely with the Department. Any of you people who have ever canned fruit or eaten canned fruit in the old days know that practically every can had mold on top of it. Did it not? Sure, it did. Was it harmful? Mother used to skim it off. Sure, that is the way we fixed that. But what did the Department do? It just happens in Michigan one of our important crops was and is black raspberries. They are canned under the most sanitary conditions. But in the raspberries as they are picked if there is any moisture at all in the air, and of course over next to Lake Michigan there is always some, there is a little mold. Mold as the berries grow.

There is no claim that the mold was harmful. It could not be seen. It could not be tasted. It could not be detected by smell. No claim was made that it was harmful. It could be detected only by an expert aided with a powerful microscope. But the Department seized thousands of dollars worth of the canned berries.

Did you ever go into one of these high-priced places in Washington and order a high-priced steak? It was not any good was it until there had been a little mold in it someplace? Did you ever see any good cheese that did not have mold in it somewhere?

And yet they said to our people: "Listen. We will not inspect those berries as they come into the plant. We will not inspect them as they go into the can." We asked them to. They said: "No, we are going out on the market and buy a can," and they did. Then they took the whole shipment and destroyed it or permitted it to be used in some institution.

That does not sound like commonsense, but if you wish and will drop me a letter I will refer you to the page reference of the record where you will find all this set out.

This particular agency should make a little more effort in policing, try for a little better service from some of its agents.

Let me repeat, no doubt that agency is just as efficient as the average organization, and does some good, but the harm those agents do to innocent people in their services cannot be calculated, is seldom understood. So if we give them a little advice and criticism now—and they still have money—as the gentleman from North Coralina [Mr. JONAS] said, they still have money, perhaps they will be a little more careful in their selection of agents. For some strange and unknown reason put a star, a badge on or give a Federal employee a card with his picture and name on it, and forthwith he becomes in his own mind at least, a very superior person.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I did not believe that the Republicans would be offering to cut this particular appropriation. It reminds me of the comments made by the President in his press conference yesterday regarding their long-established domestic programs that people expect to be maintained. Let me tell you why. I read from the front page of this morning's New York Times quoting the President:

> A good deal of futile and fatuous talk is going on about reduction in spending that could be made only if Congress were prepared to follow through or to crippple long-etsablished domestic programs that people expected to be maintained.

This is the program for which we agreed a year ago to provide the first installment for an orderly increase, spread over a period of several years because we had received so many complaints that this organization was not keeping pace with the number of new drugs that were coming on to the market every year during the past 10 years. This agency was actually cut a few years ago as far as personnel was concerned. So when Mrs. Hobby was Secretary of Health, Education, and Welfare she got so concerned, because of the interest of the people throughout the country, that she appointed a committee in 1955 to study this and make recommendations as to what should be done. The list of the members appears on page 62 of last years' hearings. You find on that committee men like Mr. G. Cullen Thomas, vice president of General Mills, Inc.; Mr. Frank W. Abrams, former chairman of the board of the Standard Oil Company of New Jersey; Dr. Harry Dowling, professor of medicine of the University of Illinois; Mr. Charles Wesley Dunn, president of the Food Institute, Inc.; Mr. Robert A. Hart, vice president of Hoffman-La Roche Co., Inc.; Dr. Charles Franklin Poe, dean of the College of Pharmacy of the University of Colorado; Mr. Walter F. Silbersack, president of the American Home Products Co.; Judge Patrick T. Stone, United States judge of the United States district court for Wisconsin; and Mr. H. Gregory Thomas, president of Channel, Inc.

I do not know if there is a Democrat in that group appointed by Mrs. Hobby, but I presume by the positions they hold that most are Republicans. They came up with a unanimous report that this agency was completely understaffed because of the increase in the number of drugs that have been developed in the last 10 years, and because of the increased use of chemicals to foodstuffs to keep them longer and other developments that add to this agency's work. Some of these products had actually killed a few people. Because of this they recommended a threefold to fourfold increase in a 5- to 10-year period.

All your committee is recommending today is to follow out the recommendations of that private citizens committee appointed 3 years ago which came up with an unanimous report. As a matter of fact, the amount carried in the bill falls a little short of even doing that.

The amendment that the gentleman from North Carolina has offered disrupts that going program that, as the President says, the people expected to be maintained. It disrupts a program that we started last year. Last year was the first increase we gave them under these recommendations. We allowed them, not more, but slightly less than what the special committee has recommended because of the increase in population, the increase in the sale of dangerous drugs on the market, and because of the increase in the number of these quacks that the gentleman from Louisiana [Mr. LONG] so eloquently spoke about a short time ago.

When it comes to spending money, this involves only $9 million. But do you know what you are spending for just the inspection of meat in this country? Do you know what you are taking out of the Federal Treasury to inspect one food article—meat? You are going to be asked this year to spend $18 million out of the Federal Treasury to inspect meat in this country and I am not saying that is too much, I am in favor of proper meat inspection, but if you are going to spend $18 million to inspect meat, is it not fair to assume that $9 million that we have recommended to you, that will save lives and save people from making the fruitless expenditures that the gentleman from Louisiana [Mr. LONG] has spoken about today, is reasonable? That to me makes commonsense.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

(By unanimous consent (at the request of Mr. FOGARTY) he was allowed to proceed for 5 additional minutes.)

Mr. FOGARTY. Is it not fair to assume that we ought to spend at least half as much for the entire field of inspection of foodstuffs, drugs and cosmetics that are being used by 170 million people at this time? It is the only agency in Government today that has jurisdiction and inspection services covering these foods and drugs. They examine these drugs before they come on the market. Every once in a while during the last several years because of the lack of staff, a certain drug has gotten on the shelves at the market place and they have killed people. Then it was the Food and Drug Administration that went in. They went in immediately and secured those drugs from the drugstores, destroyed them, and thereby saved thousands of lives.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Permit me to thank the gentleman for taking some of our fear away from us. No one is criticising the overall operation of this department. The gentleman, when he read the names of those able and distinguished gentlemen who had endorsed some report, said they were Republicans. Does the gentleman think that is any reason why we on this side should vote for it?

Mr. FOGARTY. I just wanted to remind the distinguished gentlemen that this committee consisted of members of his own party. I thought perhaps the gentleman had some friends among them.

Mr. HOFFMAN. The President had some friends among them?

Mr. FOGARTY. No—you.

Mr. HOFFMAN. I might have on that side?

Mr. FOGARTY. On this committee.

Mr. HOFFMAN. I just do not get it. Let me ask this question. Several times our attention has been called to what the President said yesterday about cutting the budget and what we were doing. I do not know what the purpose was. As for myself I can only say that I will go along with him whenever I can and the only place we disagree, so far as I know, is as to where the cuts are to be made. I am not going along with him on this foreign aid business, for instance. He may think I am endangering the national security when I refuse to go along with him. I will not go along with Federal aid to education, but, at the same time, I do not charge the President with being ignorant.

Mr. FOGARTY. One of the other things they have accomplished is to stop some of these quacks. For instance, one is the Hoxie Clinic that has been operating in Dallas, Tex., for some years, but finally moved to the State of Pennsylvania. They were able to convict them because he had a fake cure for cancer.

He was using a chemical they called potassium iodide that in many instances incited cancer or irritated an early case of cancer. As a result of their persistent efforts over a period of several years and going to court, they finally have almost put this man out of business. He charged an average of about $500 a case, and thousands and thousands of Americans have been fleeced because of that type of operation.

Now, a few years ago, you remember, a medicine called Hadacol was the rage all over the country. It was manufactured by a fellow from Louisiana. I saw him on television one night, and he was asked "What will Hadacol do for me?" And his answer was, "I don't know what it will do for you, but it made $5 million for me." We asked the Food and Drug people what was in Hadacol, because everybody was buying it, and the only thing that was in it was 12 percent alcohol that made you feel a little good if you drank enough of it.

Now, this Mountain Valley Water that my friend from New York [Mr. TABER] talks about that was bottled out in the Midwest, there is nothing wrong with that; it will not kill you, but they inferred that it would cure everything from arthritis to gall bladder trouble; that it would cure almost anything but cancer. And, they were selling it on that basis. That is the reason the Food and Drug Administration did spend $50,000 to $60,000 in an attempt to show the public that this was not so; that this Mountain Valley Water would not cure arthritis; it would not cure kidney trouble; it would not cure bladder trouble. That is the reason that they went into that field.

Now, to summarize this I would like to tell you what this cut will mean.

To reduce the appropriation recommended by the committee would disavow the findings and recommendations of a group of distinguished Americans who emphatically urge the expansion of the Food and Drug Administration for the safety and health of all our citizens.

The Food and Drug Administration would be unable to cope with many quack cancer cures so widely publicized which continue to victimize the public every day.

Any curtailment in checking the safety of the flood of new drugs produced and needed by the sick will be disastrous to young and old alike. This includes the use of tranquilizers—happy pills—of which 34 million prescriptions were processed last year.

Would you take the responsibility for stopping seizure of fraudulent devices claimed to cure heart disease, arthritis, etc.? Cutting personnel required to protect you, your families and friends from this menace is unconscionable.

Food poisoning is an ever-present threat to all of us whether by spray on crops, rat infestation, or the addition of chemicals to precooked or frozen foods. You cannot reduce the personnel required to inspect the plants, facilities, and scientifically examine products consumed by our rapidly growing population.

The public demands and the regulated industries support the Food and Drug Administration in safeguarding the American people against contaminated or misrepresented foods and drugs.

To deny the Food and Drug Administration the personnel and facilities recommended by the Committee is false economy, and a potential risk to the lives of every family in the United States.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I don't relish the idea of opposing my good friend from North Carolina, but this is a matter of life and death we are dealing with in this amendment. For more than 30 years I was a practicing pharmacist. I spent many years in the business before we developed any inspection that would give protection to the public at large. My years go back to the days when you could dispense across the counter drugs such as morphine and many other dangerous drugs. The druggists of this country, the drug manufacturers, and the Federal Government have cooperated in building

the food and drug inspection to a point where today every American citizen should deeply appreciate this service.

With the fast development of the industry, many changes have come about. Products today sold over the counter in drugstores come from the manufacturers here in America at an estimated rate of some 10,000 or more a day. These products supposedly should be tested and approved before the public spends its money for them, based on some enticing advertisement. Shampoos, cold creams, and drugs by the thousands are packaged as new products daily.

The fact is that the agency has never had enough inspectors to meet this growing increase in products for the protection of the public. Some States, including my own, have some inspection, but it is not broad enough nor does the average drugstore have the equipment to satisfy the druggist that a product is safe to sell to the public.

Not only has this agency protected the public at large, but it has caused the druggist and the dispenser of products to feel safer in serving his customers.

I wish every Member of this House could take a short visit through the laboratories down here in the old Agriculture Building. Only one trip would convince you that this is one of the finest acts ever placed on the statute books of any country for the public health and safety of its citizens. Shampoos and cold creams and many other items which are not for internal consumption but only for application externally are tested on animals in the laboratories. You can see with your own eyes there animals with all their fur completely gone, eyes out, and big splotches of sores which have been created by the application of some product, which can be a liquid or a creamy substance or some other type. Certainly, we have what I believe to be one of the most reputable and high-type group of manufacturers in the world today, but there are still hundreds and thousands of greedy people who desire to and do get rich quickly by putting out a dangerous product that is not safe for use internally as well as externally.

The agency has never had the personnel to completely inspect all items, but it has done an outstanding job with what Congress has given it. Comparatively speaking, it is a small agency of our Government, but it has a fine record of accomplishment.

Dispensing drugs is a serious responsibility, and the citizen at large expects the dispenser to advise him safely and soundly. The determination of purity of a product can only be handled by the Federal Government, in my opinion.

I know that every Member of this House depends on his druggist to advise him as safely as his doctor would as to the medicine he requires when ill. It is one of the greatest and safest things we can do for the public to provide this inspection. I could go into hundreds and even thousands of cases I have seen with my own eyes. Drugs today are more potent and are really dangerous if not properly inspected and properly administered. It is impossible to go into all the details in such a short period of time as I have. Members of the House, we have a solemn obligation to protect the public which today in general has a limited knowledge as to the science of chemistry. Two chemicals placed in a potion or in a solid can create an entirely different substance which can remove all the hair from your head or create burns on a small infant whose mother has purchased in good faith the article used.

There are many packaged articles today on the shelves of the average grocery store where no knowledge whatever exists as to the chemical property of the items. Shampoos and many other articles are sold across the counter of the grocery store today. There is no way to protect the public under present conditions except to have full and proper inspection of such products.

The druggists of this country have been and are wholeheartedly behind the Food and Drug Inspection Department, so far as I know. If it did not exist, in my opinion, the greedy individuals of this country would jeopardize the public health seriously and tragically. We have an obligation to every person in America to insure that the product he purchases should be safe for human consumption and use.

Mr. FOGARTY has gone into and pointed out many of the things that have happened in regard to these dangers. Tranquilizing drugs have come into the market recently, as well as antibiotics, histamines, and synthetic drugs of all descriptions. Useful they are in many ways, but they should be given strict inspection. I could name many more, but I will not trespass upon the time of the House.

One other point I would like to mention, with the indulgence of the Members. We are entering into an entirely new field which today is not very well known. We are dispensing radioisotopes in the hospitals and at many other points. We are even using Cobalt-90, which at the present time is being used to treat carcinoma and many other types of growing cancer cells. As far as I know, there is no other agency of the Government which can protect the safety of the treatment of diseases that stem from the splitting of the atom. Certainly we can commend those for the development of these new products that can alleviate human suffering. And this small group in the Food and Drug Administration will necessarily have to take on this problem for the safety of the American public. Many of these products have already appeared in places for the treatment of disease—hospitals, drugstores, laboratories throughout the entire country. I believe you will agree with me that we should provide the public with safe information as to the use and administration of these products, and to do so we must provide this agency of the Government with qualified personnel, adequate to insure safety to the public.

Certainly, this agency does not deal with drugs alone, but must also give to the public advice as to the safety of foods and many other items that are necessary to sustain human life as well as safety.

One last word and I will conclude. This bill carries $9,300,000 for the Food and Drug Administration. The request is $2,520,000 over the amount appropriated for 1957. With the fast-growing duties placed on this agency, I am of the definite opinion that this is a reasonable request, and I am convinced that the recommendation by the committee is justified, and I personally would like to see this inspection by the agency carried on to a point where no product, edible or for the treatment of disease, would not be fully inspected at the time it is placed on the shelves for sale for human consumption or use.

Gentlemen, I ask you to defeat this amendment for the sake of the health and safety of our American people, as well as those in other countries to which we export drugs and related products.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the 83d Congress I was chairman of the Subcommittee on Health of the Committee on Interstate and Foreign Commerce. This bill on pesticides was before that subcommittee. The distinguished gentleman from North Carolina was interested in it and the distinguished gentlewoman from Missouri [Mrs. SULLIVAN] was interested in it. We had quite a bit of testimony. A couple of gentlemen that were named by the gentleman from Rhode Island [Mr. FOGARTY] testified before our committee with reference to this bill.

Now I think we are getting to the position again, as we did yesterday, that we are creating agencies without planning out in the beginning exactly how much personnel it is going to take to get this job done. During that time that I was chairman of the subcommittee I asked the Department if it was going to take any increase in personnel, because they were already in the pesticide field. The Department said they would have to have some more personnel. We provided in the bill for certain charges which are placed in a revolving fund. Those employees are paid for with those funds at no expense to the taxpayer—that is, in the pesticide field. Beyond this, it was my understanding that this job would not take any more personnel.

Now I turn to page 10 of the report which accompanies this bill and I find these words:

> The citizens committee recommended that personnel and facilities be increased threefold to fourfold within 5 to 10 years. At the rate provided for in the bill it will take a minimum of 10 years to somewhat less than treble the personnel and facilities.

This is a different story when we come to an appropriations bill and find that this is the trend. There was no evidence before our committee that more personnel was needed in this Department in order to handle what was set out in the bill that was before us, other than that in the revolving fund charges.

Mr. FOGARTY. Mr. Chairman, would the gentleman yield?

Mr. SPRINGER. I yield.

Mr. FOGARTY. Mr. Chairman, the gentleman is not quite correct. When you get into the pesticide field, most of that work is paid for out of a revolving fund that has been a going thing for

some years. The expanded program that we are talking about has nothing to do with the field of pesticides at all. It is on the overall program that we are talking about.

Mr. SPRINGER. Mr. Chairman, I should like to ask the gentleman from North Carolina [Mr. JONAS] just where these reductions are going to come that he proposes in his amendment.

Mr. JONAS. Mr. Chairman, it does not make any difference where they come. There are four programs. If my amendment is agreed to, there will still be enough money in the bill to maintain operations at or above the 1957 level, to pay for the civil-service retirement contribution and all mandatory increases. And there will be additional money in the amount of $775,000 over and above that.

Now they propose to put on 162 new persons. They also propose to open a new office in Detroit and to replace what they say is old and obsolete equipment. They can use the extra money for new inspectors, if they want to, or they can use it to replace equipment. My amendment does not tell them where to spend the money. My idea was to eliminate the funds for the new positions but that is not mandatory or in any way required by the amendment. They can use the funds for new inspectors if the need is greater there than for the new equipment. Remember that the amendment increases by funds available in 1957 by $1,194,000 and only $419,000 is required to discharge mandatory increases, leaving $775,000 for use in obtaining new inspectors or restoring obsolete equipment.

Mr. SPRINGER. If they apply this increase which the gentleman has left in the bill to personnel, how many personnel would it provide, out of the 162?

Mr. JONAS. It would depend on how many people they could hire for the difference between $1,194,000 and $419,000.

Mr. SPRINGER. In other words, the gentleman's proposal would provide roughly about one-third of 162 or something over 50?

Mr. JONAS. If they wanted to use the money to hire more personnel, they could do so, or they could buy equipment.

Mr. BEAMER. Mr. Chairman, would the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Indiana.

Mr. BEAMER. That brings us to the point that was raised a few minutes ago when the gentleman from New York [Mr. TABER] was on the floor. The gentleman from North Carolina [Mr. JONAS] has not specified that personnel shall be cut. The personnel would not have to be cut. They could still employ the total number, 162, if the Department thought that was wise and necessary.

Mr. YATES. Mr. Chairman, would the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman from North Carolina [Mr. JONAS] stated that we are maintaining the level of this appropriation at that which they had for the fiscal year 1957. What assurance can the gentleman from North Carolina give us that the industries of this country which manufacture foods and drugs will not increase their output above what it was in 1957 and that therefore no more people would be needed?

Mr. JONAS. Mr. Chairman, would the gentleman yield to me to answer that?

Mr. SPRINGER. Yes.

Mr. JONAS. When I said we were maintaining the level of last year I meant, and should have said, no cuts are being contemplated below the 1957 level.

Mr. YATES. Are any cuts being contemplated in the industries that are being surveyed by this administration?

Mr. JONAS. I am anxious for the gentleman to understand that the amendment does not contemplate any cutback whatsoever below 1957 levels and, in fact, will permit an increase.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. In connection with the inquiry of the gentleman from Indiana [Mr. BEAMER], there is a lot of confusion because the gentleman from North Carolina when he offered the amendment stated specifically that this amendment would not allow them to hire 1 additional person of the 162 they had asked for. When the gentleman from California [Mr. MOSS] made the same inquiry of the gentleman from North Carolina he said, "That is right; not one additional person will be hired under my amendment."

Mr. SPRINGER. May I say this in reply to what has been said: It certainly will be my position if I am ever the chairman of the subcommittee involving a thing like this again to be sure I know where we were going to go with personnel when we created additional legislation calling for new Government responsibilities. That is the fundamental question involved here if you are going to keep your expenditures under control.

Mrs. GRIFFITHS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. May I point out that in Detroit at the present time there are two inspectors for the lower peninsula of Michigan. The food-packaging plants are inspected once every 10 years and the drug-packaging plants once every 5 years. I am not for any cut that is going to cut out anybody there, but I want some increases so that we can inspect in Detroit and in Michigan to an extent that protects the health of our people.

Mr. SPRINGER. I think everybody in this House agrees with the gentlewoman on that. It is a question, of course, how much can be done by these people who are on the rolls.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Iowa.

Mr. GROSS. I would assume the State of Michigan as well as other States has certain food inspectors.

Mr. SPRINGER. I am not familiar with that. They do in the State of Illinois; not on drugs, but they do have them on food. I cannot say as far as the State of Michigan is concerned.

Mrs. GRIFFITHS. A citizens' report pointed out in 1954 that there was an inspection of food packing plants in this country once every 60 years and of drug packaging plants something like once every 10 years. Michigan is a little better off than the general average of the country, but it is still not good enough.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, this amendment is one of vital importance to every American in connection with our health and the protection of our health. The mere fact that they are trying to reduce the appropriation a little over $300,000 is not the question involved, it is the effect on the protection of the health of Americans that is involved.

This amendment will be followed later on, today or tomorrow or Monday or Tuesday or Wednesday or Thursday of next week, whenever this bill is disposed of, by other amendments in relation to appropriations for medical research, all connected with the future wellbeing of our people. The remarks I make on this occasion in connection with this amendment would be applicable to the other amendments that will follow, all of which I hope, with this amendment, will be defeated.

There is a very interesting and fundamental question confronting the Members of the House in relation to this appropriation bill. We saw the cuts made in the Department of Labor, of vital importance to countless millions of people throughout the country who toil with their hands or use their brains in connection with their employment. We find the cuts made with a great majority of the Republican Members voting for them. We find the cuts made in the Department where the man who is the head of it, Secretary Mitchell, is the most effective Republican in the executive branch of the Government, outside of President Eisenhower himself, in campaigning for the Republican Party.

We now come to another important aspect of this appropriation bill—the protection of health and also later appropriations relating to the health of all of our people because none of us know when we are going to get sick. None of us know when a serious illness might be visited upon us. We all know there are many, many millions of Americans handicapped as the result of serious illnesses whether it be a heart ailment, rheumatism, cancer or anything else. Everyone knows that the appropriations we have made in past years have made a powerful contribution in the field of medical research for the benefit and advancement of human beings not only

for the people of America, but for people all over the world.

Here we have an unusual situation where it is most outstanding and noticeable. In fact, it is historic. The President held a press conference on Wednesday last. As I interpret the President's remarks, he certainly must have been very embarrassed because he was forced to defend his own budget which he had sent to the Congress. This is his budget. This is not merely a recommendation. He was forced to defend his own budget because of the rebellion against him by the majority of his own Members in this body. The President said that his budget had been drawn up, and I quote: "Carefully, intelligently." How historic it is that a President feels that he is on trial and must defend himself to the point of having to say that his budget has been drawn up "carefully, intelligently." The President also used in his press conference the word "futile," and I quote that in connection with cutting the budget as he said, "severely"; that too big a cut in foreign aid, for example, would endanger the country's national interest. I called that to the attention of the country some weeks ago when I was on the television program conducted by our good friend, the gentleman from New York [Mr. KEATING]. I projected my mind ahead. Drawing on my years of experience in Government, I said, "Where can the sharp cut come?" It must come along the lines of least resistance. My mind focused on foreign assistance—not that I approve of that method but I saw that that was the easiest way. When Secretary Humphrey started the revolt, when the executive budget was sent up, that was the time the President should have acted. Humphrey's revolt became contagious and it is now a revolution among the great majority of the Republican Members. President Eisenhower said he took the responsibility for his budget. Well, we got that out of him anyway. He has his responsibility to try and stop cuts being made that will affect our national interests. He will have to do something more than make statements in a press conference. He will have to go to work and he will have to go to work among his own Republican Members and Republican leadership.

The President ought to know that in the committees and in the House of Representatives practically all the members of his own party are the ones who are attacking his budget and by their votes they are showing that they do not believe his budget was drawn up, and I quote again "carefully, intelligently." The President leads one way and his army in the House of Representatives goes the other way. What a picture. And who do they think they are fooling? It is not my responsibility to give President Eisenhower advice—I, the Democratic leader, as to how he should meet the situation.

One thing is certain, when a Democrat was President he at least had the majority of his own party supporting him, not by words "I like so and so," but by votes.

What is happening on this bill? Sniping to date is only minor and the forerunner of what will happen later on in relation to other appropriation bills. The President had better evaluate what is going on now in terms of what might happen later when bills come up containing appropriations necessary to carry out his foreign policy. This is the time for him to assert leadership among his own party and try to get a part of his own party to support him. This will require action on his part, getting his own leadership to take the floor and fight against the revolution that might well lead to serious consequences. The President must talk personally or over the telephone with all the members of his own party or the leadership to try to have them see that his budget that was drawn up, and I quote, "Carefully, intelligently."

This amendment that is pending we all know is a vital amendment, as I said, in connection with the health of the people of our country. It will be followed by other amendments to reduce medical research.

I hope enough of my Republican friends will cooperate with some of us on the Democratic side so that we will give to the President the consideration to which he is entitled when he said that his budget was drawn up—and I quote again—"carefully, intelligently."

How mortifying it must have been to him to find it necessary to make that statement when he knows in his own heart, if he will admit it, that the cause of it is Secretary Humphrey, because he started into operation a chain of events that has led up to the situation that exists. Each and every one of us knows it. Weeks ago, on the program to which I have referred, conducted by the gentleman from New York [Mr. KEATING], I also said that if that does happen "the President can either thank or blame as he sees fit Secretary Humphrey."

The time is now for the President to assert his leadership on this particular bill. Later on it may be too late.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been thinking for the last few days, especially when I have heard speeches like the one we have just listened to, from the gentleman from Massachusetts [Mr. MCCORMACK] that too much emphasis is being said by the opposition about the President's budget. This, in fact, is Congress' budget.

Some of you were diligently adding every expense to our Government just as soon as you got control by a majority back in 1955 and in 1956 for the past 2 years.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I do not yield now. I will yield later if I can.

I have been led to believe from the speeches of the majority leader over the past 3 or 4 years that the cardinal policy of the Democratic Party, was to add so much expense to the Government that when we came into the 1956 campaign that we would not be able to keep our promise to the people not only to give them a tax reduction, but at the same time to balance the Federal budget when it had not been balanced more than once in twenty-some years under the leadership of his party with him on the floor of the House most of the time as the majority leader. You were too busy for the last two decades with your tax-and-spend policy building up bureaucratic government and loading down the people with additional taxes and increasing the national debt.

You do not have to go back farther than the last 2 years to count up probably, if you would get the figures, the $3 billion that a good many on the floor of the House would like to reduce from this present budget.

This is not President Eisenhower's budget. He was not responsible for advocating legislation that would increase this budget, in my judgment, by many billions of dollars. It was because of the authorizations, because of your passing new laws and amending the law here and there which would add millions of dollars to the budget in the hope of making the people happier back home. You remember the social security law that was passed last year, which is adding about $300 million a year to the budget and will continue for years to come. I remember the money that you forced the Department of Defense to take, some $990 million last year, and I remember when you increased the wages of everybody who wanted an increase in wages, and you readily voted for them, but when it came time to vote to increase the postal rates to tak care of the increased wages you placed upon the Government, not many of you had the courage to stand up and vote for an incrase in the postal rates to help pay for the burden you had put on the Government.

You continue to talk about President Eisenhower's budget. We on the Republican side of the House for a good many years have been voting just like we are voting now, to reduce Government spending. With the support of a number of great Democrats on your side of the House, even when we were in the minority, we were able to cut President Truman's budget year after year. We have not changed our policy and we are standing firm in trying to see if we cannot tighten up this budget now in the interest of the people.

May I say that a few weeks ago the gentleman from Massachusetts who leads the party on your side of the House was the one who was crying for a reduction in the President's budget.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent (at the request of Mr. VURSELL) he was allowed to proceed for 2 additional minutes.)

Mr. VURSELL. Mr. Chairman, I want to say that, in my judgment, one of the best things that ever happened to this country in the 14 years I have been privileged to sit in this House was the election of President Eisenhower. We took the budget then $9.6 billion dollars in the red and with the help of some good Democrats, many of them react to good legislation and disregard politics, we, the Republicans, were able to reduce that budget by $10 billion. We were able to give the people a tax reduction and, yes, we were able to balance the budget twice over the opposition, I

would say, of the majority leader who has just been speaking on the subject from this same rostrum. We have established honesty, integrity, and efficiency in Government. What we all ought to do is to cooperate with the President. I am sure he wants this budget reduced where it can justifiably be done and I am sure he is willing to trust our judgment if we will do it in a selective, workmanlike manner, and that is what we are trying to do. It is not the meat-ax approach so far as we on this side of the aisle are concerned. We want to protect the interests of 160 million people who are crying out because for the past 20 years there has been so much legislation put on the statute books that has driven up the cost of government so high that we are having to take an undue amount of money in taxes out of the economy of this country. That cannot always go on. And, that is about the only thing that the Secretary of the Treasury, Mr. Humphrey, one of the greatest Secretaries that this country has ever had, had to say about this budget. I am glad that the Secretary spoke up, and I think we are getting cooperation along that line and will continue to get cooperation from those in high places in the present administration.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, surely the gentleman from Illinois [Mr. VURSELL] is not only a kindly but an intelligent man and surely he realizes that, under the Constitution of the United States, President Eisenhower signed and approved each and every law in the past 4 years. The Constitution of the United States provides that—

> Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States. If he approves he shall sign it, but if not he shall return it, with his objections to that House in which it shall have originated, who shall enter the objections at large on their Journal, and proceed to reconsider it.

Now, I do not recall any moneysaving veto messages in the past 4 years from President Eisenhower, so I think the American public should know that he approved each and every one of these costly laws the gentleman referred to, during the past 4 years, and the most costly ones were those proposed by him and his administration.

The gentleman from Illinois also stated that this was not President Eisenhower's budget. How can he make such a statement? The law provides—title 31, United States Code, section 11—that the President of the United States shall transmit to the Congress the budget which shall set forth the "estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government." I repeat the words "necessary in his judgment." The highest peacetime budget in history is here with President Eisenhower's certification that it is all necessary in his judgment. In effect, he has certified that he does not know how to cut it.

It might be interesting if I called the attention of our friends on that side of the aisle, almost all of whom have been voting for the adoption of all of the amendments throughout the Labor Department part of this bill, to what their great friend and fellow Republican, Secretary of Labor Mitchell, has to say about their actions. I am reading from an Associated Press report which came over the wire just a short while ago this afternoon. I urge all my dear friends to listen carefully:

> WASHINGTON.—Secretary Mitchell said today he will use "every means in my power" to get a reversal of House votes to cut $34 million from the Labor Department's budget.
>
> Mitchell told a news conference his Department's requests were "conservative," adding:
>
> "I propose to defend them to the bitter end."
>
> The administration sought about $385 million to run the Labor Department in the fiscal year beginning July 1. The House Appropriations Committee trimmed that by $20 million and the House in the last 2 days has voted cuts of $14 million more.
>
> The appropriation is still pending before the House as part of a bill carrying funds also for the Welfare Department.
>
> Mitchell said it was one thing for the Appropriations Committee, after full hearings, to make a cut but another thing for the House to overrule the committee's judgment and make a deeper slash.
>
> "In my opinion it's a perversion of the budget process," he said.
>
> Mitchell was asked whether Secretary of the Treasury Humphrey's invitation, to Congress to cut President Eisenhower's budget requests had made it "tougher" to clear them through Congress.
>
> He replied:
>
> "I don't know what's made it tougher, I know it is tougher."

Now, when you shortly come to vote on this pending amendment which affects the life and health of the people of America, funds for the activities of the Pure Food and Drug Administration, I suggest that more than five of you, which has been about the average on the adopted amendments to the Labor Department part of this bill, stand up and be so reckless as to support President Eisenhower and your Secretary of Health, Education, and Welfare.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been interesting at least to hear the gentleman from New York [Mr. ROONEY] and the gentleman from Massachusetts accuse the Republicans of failing to legislate as they think they should. It is my understanding that the Democrats have control of the House. They have a majority of somewhere around 30, do they not, I will ask the gentleman from New York?

Mr. ROONEY. It is either 32 or 33.

Mr. HOFFMAN. Then how is it that you can critize the Republicans for putting through the amendments when the Democrats have a majority of 32? What is the matter with your party discipline? You charge us with deserting the President—when you have full control of the House.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. ROONEY. Does not the gentleman realize that the gentleman from Illinois [Mr. VURSELL] was talking about laws which were passed in the 83d Congress? Was that not a Republican Congress?

Mr. HOFFMAN. Of course it was. But he was talking about the laws passed in the last 20 years.

Mr. ROONEY. It was in the 83d Congress that Vice President Nixon went down to Central America, came back and demanded a crash program of $75 million for the Inter-American Highway.

Mr. HOFFMAN. What has that to do with the reductions which have been made during the last 2 days and which could not have been made if the Democrats had all voted against them? Mr. Chairman, I do not yield further. When President Eisenhower came into office it is my recollection that they, the Democrats time and again, pledged support to the President. Now they say that they support his budget. But they have a majority of the votes; why do they not cast them in support of all the items carried in the budget? Why cry about what the House is doing when they have a clear majority of more than 30?

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONAS].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 85, noes 96.

Mr. SMITH of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JONAS and Mr. FOGARTY.

The Committee again divided, and the tellers reported that there were—ayes 83, noes 82.

So the amendment was agreed to.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 216, Rept. No. 286), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4136) to extend the period within which Export-Import Bank of Washington may make loans. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee

shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PUBLIC LANDS OF THE UNITED STATES

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 217, Rept. No. 287), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5538) to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING AGRICULTURAL ACT OF 1949

Mr. COAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. COAD. Mr. Speaker, I had intended today to introduce a bill which would call for an amendment of the Agricultural Act of 1949. My bill would have required the Commodity Credit Corporation to replenish its stocks of commodities sold on the open market, because of deterioration or spoilage. My belief was that if this bill were enacted, it would raise the price of farm commodities almost overnight.

At the present time, I am convinced through reliable sources of information that the Commodity Credit Corporation is selling grains on the open market in voluminous amounts, and that this policy is depressing market prices. This operation is one which the Commodity Credit Corporation is continuing by right of what is believed to be an escape clause in the Agricultural Act of 1949, which permits the Commodity Credit Corporation to sell these commodities on the open market when they have "substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage"—Reference 407, Agricultural Act, 1949 as amended. I am certain that we are well aware of the fact that this has been and is now the means by which the Commodity Credit Corporation has been selling large amounts of corn on the open markets.

Upon an investigation of this matter, I learned that on Monday of this week, of a total of 600 carloads of corn received on the Chicago market, 480 of these cars came from Commodity Credit stocks. On the following day, Tuesday, March 26, a total of 130 carloads of corn were received on the Chicago market, of which 98 came from Commodity Credit Corporation stocks.

I have received information directly from the Department of Agriculture wherein it is reported that domestic dollar sales of corn on the market have been in excess of 24 million bushels during the 6-month period beginning July 1, 1956 and ending December 31, 1956. The complete breakdown of commodity sales is as follows:

U. S. DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

Proceeds from export and domestic dispositions of basic price-support commodities, fiscal year 1957 through Dec. 31, 1956

[In thousands]

	Corn		Cotton		Peanuts		Rice		Wheat [1]		Total proceeds
	Quantity	Proceeds	Quantity	Proceeds	Quantity	Proceeds	Quantity	Proceeds	Quantity	Proceeds	
	Bushels	*Dollars*	*Bales*	*Dollars*	*Pounds*	*Dollars*	*Hundredweight*	*Dollars*	*Bushels*	*Dollars*	
Export:											
Dollar sales	5,611	$7,271	5,497	$684,352	13,000	$1,006	672	[illegible]	37,490	$118,543	$814,192
Barter	7,368	10,818	459	56,364			420	1,123	33,524	88,501	156,806
Public Law 480, title I	4,985	11,519	175	34,711			6,111	69,675	[illegible]	72,241	188,146
Public Law 480, title II	1,422	[illegible]					15	171	4,832	15,404	19,401
Sec. 402, ICA	249	372							1,022	1,956	2,328
Donations	326						1,906		1,579		
Subtotal	19,361	[illegible]	6,131	775,427	13,000	1,006	9,124	73,989	123,073	296,645	1,180,873
Domestic:											
Dollar sales	24,491	31,713	45	12,694	51,272	2,265	15,789	86,538	7,685	16,277	149,477
Sec. 32							380	4,340			4,340
Donations	3,885						34		1,064		
Subtotal	28,376	31,713	45	12,694	51,272	2,265	16,203	[illegible]	8,749	16,277	153,817
Total dispositions	47,737	65,619	6,176	788,091	64,272	3,271	25,327	164,787	131,822	312,922	1,334,690

[1] Includes bushel equivalent of wheat flour.

The entire idea and principle involved here is to get the Government out of the grain business for whenever the Government simply dumps commodities on the market, the only thing that happens is that prices go down. If, however, the Government had to replenish its stocks when a given quantity of a commodity was sold, it would not depress prices. Therefore, in this manner, if the Government replenished its stocks, it would keep the prices of our commodities up, and it would keep the Government out of the grain business in such manner that it is a detriment to the price structure. This plan would in no way affect the export program, and it would not affect any program of the Government for the using of farm commodities for direct relief aid, whether at home or overseas.

I know that the CCC has been selling grains for a long time, and at least during recent months, has been excessive.

I have further information which reveals the fact that an announcement was made on or about November 30, 1956, which was made by officials of the Commodity Credit Corporation, stating that a large quantity of corn was in danger of going out of condition, and that it would have to be sold on the open market. Certainly, the date of this announcement belies the conditions which obviously existed. Why should corn be in danger of going out of condition on the date of November 30, when the season of high temperatures and high humidity had passed? Another fact which is directly related to this situation is revealed by the knowledge that a big percentage of the corn which is actually received in the Chicago market, which comes from the Commodity Credit Corporation stocks grades No. 1, No. 2, and No. 3. This certainly cannot be presumed to be corn which is in the immediate danger of spoilage or deterioration. These are the highest grades by which we are able to grade corn. It is the best corn that we have available on any market, and it

takes a great stretch of the imagination to attempt to say that this is corn in immediate danger of spoilage.

Now as I said in the beginning, it was my thought to introduce a bill to amend the Agricultural Act of 1949, to require the Commodity Credit Corporation to replenish its stocks of commodities sold because of deterioration and spoilage. My plan would have permitted the Government to continue to sell its commodities in danger of going out of condition, but also would not have affected the market price, because an equal amount would have been withdrawn from the market.

However, today, upon a more complete investigation, I find that in title 7, section 1427, of the United States Code Annotated, that:

> Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location, or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. (7 U. S. C. A., sec. 1427, as amended.)

Thus I find that my plan is already a matter of law.

Therefore, Mr. Speaker, I feel that the Banking and Currency Committee, the committee which originally wrote the charter for the Commodity Credit Corporation, should make a thorough and complete investigation of the procedures of the Commodity Credit Corporation, to determine whether or not the CCC, in the sales of commodities, as outlined above, has been in violation of the law. I am today introducing a resolution which, if adopted, will give authority to the Banking and Currency Committee to make this investigation and study.

CUTTING THE BUDGET

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, I was pleased to hear the gentleman from Rhode Island [Mr. FOGARTY], chairman of the subcommittee handling the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, and related agencies, now before the House, say on Tuesday and yesterday and again today that we will have rollcalls on the amendments adopted to the bill which reduce the appropriation as approved by the Appropriations Committee. As one who has consistently tried to vote for economy ever since I have been a Member of this body, I am not only willing to go on record on each amendment adopted but wish the rules of the House would permit a rollcall on the amendments that are defeated.

We have heard a lot of talk by many Members contending that they are for economy. I trust that we are not merely giving lipservice to the effort to achieve real economy in the Federal Government. I feel that without exception every department and agency can take a reasonable cut without in any way impairing the necessary and needed function of the particular agency provided there is a real and actual effort made by the individual departments and agencies to effect economy and efficiency.

A number of us have been on the floor of the House during the entire time this bill has been under consideration. I say here and now to the Members of this body who desire to reduce the appropriations contained in this bill that the only way a reduction can be achieved is for you to stay here during the entire time the bill is under consideration. If you do not stay and we fail to carry an amendment, there is no way that under the present rules of the House to have a rollcall vote on the amendments that are not adopted.

We were successful Tuesday and Wednesday in passing every amendment that was offered to reduce the amount appropriated in the bill but one. The alarming fact, however, is that when the votes were taken yesterday the largest number of Members on the floor at any one time was around 230. I desire to remind the membership and to put them on notice that it is necessary, if we are to achieve any success in cutting this bill, that they be on the floor of this House at all times when this measure is under consideration.

I want to say to the chairman of the subcommittee that he has been most patient and cooperative in handling the bill on the floor of this House but I also want to say that a number of us welcome the opportunity of rollcalls on the amendments adopted which reduced the appropriations in the bill. I am convinced that these amendments will be a step in the right direction in trying to make the departments involved operate in an efficient manner so that the taxpayers of this country might have some relief in the years that lie ahead. Unless somewhere along the line we call a halt on all of the new programs and extensions of the present ones we will soon have the Federal Government taking over all the functions of the States, localities as well as the people.

Mr. Speaker, I think now is the time to face this issue head-on. That I am glad to do and I hope that there are sufficient Members of this House that will join me so we can stop the octopus-like growth of the Federal Government.

THE RECORD OF INACTION ON FARM LEGISLATION

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, it has been several days now since the House debated and acted upon a bill that would have been of great benefit to the corn farmers of the Midwest. Since that time I have had the opportunity to hear from a number of farm leaders and distinguished citizens of my district and from the general tone of their letters it is quite evident that there is much misunderstanding about what happened to the farm legislation. Almost unanimously these people were disappointed and discouraged because they saw in several of the proposals some real answers to the problems of surpluses that plague the farm economy that now, because of what seems to them is pure politics, they will have to wait at least another year for the consideration of some commonsense solution. For that reason, Mr. Speaker, I have decided to place in the RECORD the facts about this controversy as I see them. A famous Democrat once said, "Let us look at the record." So I propose to point to the RECORD.

The RECORD shows that 156 Democrats joined with 61 city Republicans to defeat a corn measure that would help farmers in 1957 balance supply with demand. The Democratic forces against the corn bill were led by the chairman of the Agriculture Committee, Mr. COOLEY, Democrat, of North Carolina, and the ranking member of this committee, Mr. POAGE, Democrat, of Texas. This performance of this leadership of the House Agriculture Committee against corn legislation this year is most interesting when it is realized that the same program they offered farmers and were most responsible for in 1956 has been in effect withdrawn by the same Democratic leadership of the House this year.

This Indian giving is hard to understand. The bill that was before the House which the chairman and the ranking member of the Agriculture Committee supported in 1956 and opposed in 1957 did not increase the cost in 1957 of the price support and soil-bank programs over the options which were offered to corn farmers by the Agricultural Act of 1956. Why did the Democratic leadership of the great Agriculture Committee refuse to help the corn farmers is the paramount question in the minds of the Midwest farmer.

Time and time again, the chairman of the Agriculture Committee and other Democrats referred to the fact that $179 million of soil-bank payments were made in 1956 to corn farmers to reduce production but corn production in 1956 exceeded 1955 by 220 million bushels.

On the opening day of the debate, the chairman of the committee said:

> Let us consider what happened last year. Last year Mr. Benson administered the corn program and he gave away $179 million in soil-bank payments to the commercial corn producers of the Nation. Instead of reducing production we had perhaps the greatest production of feed grains in the history of the Nation. (P. 3190 of the CONGRESSIONAL RECORD.)

Mr. ABERNETHY, Democrat, of Mississippi, and member of the committee, the next day said:

> Now we find ourselves with a doubly aggravated situation, even though the Secretary expended $179 million of soil-bank money in an effort to head it off. The

situation is his own handiwork. Undoubtedly his eye was on the November elections when he upped corn supports last year.

It was obvious from the debate that the amount of money going into the corn area in an election year was particularly disturbing to the chairman and the other members of this party. Yet it was the chairman and the members of his party who forced a soil-bank payment program to be put into effect in 1956 after corn-planting time when he and everyone else must have known that such a program would not contribute to an orderly reduction in production.

The record indicates that after the Congress loaded up the Agricultural Act of 1956 with many obnoxious, costly measures, it was vetoed by the President and that the veto was sustained by most farmers in the Midwest. By that time most authorities believed it was too late to have an effective soil-bank program for 1956. Yet, when the final Soil Bank Act was passed in 1956 the chairman of the Agriculture Committee and the political leaders of his party forced through a payment program for that year against the advice of many authorities on the subject, including the Farm Bureau leaders. It was the Democratic chairman of the Agriculture Committee who had the following to say in urging an amendment to the Agricultural Act of 1956, when it was being considered by the House in 1956:

> It might appear that this is a very slight change but it occurs to me that this is a very important change. I believe that we are now actually faced with this situation: Are we going to have a soil-bank program in 1956 or not? I did want to offer this amendment to make it perfectly clear that the House wanted the Secretary to put it into operation in 1956. My amendment is perfectly harmless but it will make it clear that we want him to do it if he can and if he does we want the farmers to receive their payments in 1956.

The ranking member of the Agriculture Committee went on to say:

> The Cooley amendment relates to section (b) on page 11 and specifically says in positive words that the Secretary shall make payment in 1956 for compliance with the soil-bank provisions this year, and that this payment shall be made as soon as compliance is determined. Compliance is ordinarily determined along in July and August.

He further explained that the way the law was drafted the farmer had to carry out the program before payments could be made.

Mr. EDMONDSON, Democrat, from Oklahoma, raised the following question:

> Can you not boil down the difference between the Hope amendment and the Cooley amendment, considering the provisions of this bill as a whole, to this simple fact? If you are for an effective and operating soil bank that will put 100 percent payments into the pockets of the farmers in 1956 you will be for the Cooley amendment and against the Hope substitute.
>
> Mr. POAGE. Exactly.

The Democrats in 1956, who then, it seemed to many, were seeking political advantage, were extremely anxious to get money paid out in 1956. Now in 1957 they use the payments that were made by the Secretary, which he was forced to do by law, and which they put into the law as an excuse for withdrawing from the corn farmers an opportunity to have an effective corn program in 1957. The unfairness of this situation is much greater than most people in the Corn Belt can appreciate at this time, but it will become clearer to them as the surplus continues to pile up in all of the price-supported crops. It was the chairman of the Agriculture Committee and Democrats from the South who refused year after year to pass legislation calling for a sound program which would have avoided the feed-grain surplus which is helping to undermine corn and livestock economy of the country. The Representatives from the areas producing the basic crops of wheat, cotton, rice, and tobacco have almost without exception received what they asked for in the way of price supports and legislation that affected their economy. It is hard for the corn farmer to understand why he is singled out in this manner, so to speak, by inaction—his problems, through inaction, are being ignored by Members of this Congress.

For 2 years in succession now, his problems have been relegated to second or third place, and for 2 years the Representatives from the Midwest, the greatest food-producing area in the world, have had their basic problem postponed until it was too late.

As evidence of this, I cite the following record:

> It is a fact that the corn legislation came after the legislation dealing with the drought area and all of us joined in that move because we all, of course, recognized it as an emergency. Then, finally after several weeks, the House of Representatives got to the corn bill and on March 13, 1957, by record vote of 188 yeas to 217 nays, defeated a simple bill designed to permit corn farmers to participate in the kind of program they prefer. This preference, Mr. Speaker, was supported by 61.5 percent of approximately 440,000 farmers voting in the referendum, and in my district, the percent was 65.6 percent. The record shows that most of the majority Members insisted that the acreage reserve program of the soil bank must also be opened up to grain sorghums, barley, rye, oats, soybeans, flax seed and noncommercial area corn, and the House refused to pass any of those proposals. The reason, I think, was quite obvious—it would have cost the taxpayers, by conservative figures, at least $1 billion more than the proposal that was offered by a very large percent of the Representatives from the commercial corn areas, with no real assurance of bringing relief.

One of the tragedies of this experience in Congress is the fact that for the first time almost in all the history of our Congress since we have had a farm block, it was divided. Mr. Speaker, with the farmers today producing all the foods and fibers and representing only at most, 14 percent of the total population—14 makes this situation tragic.

This experience, Mr. Speaker, in my opinion, points up more vividly than ever the great challenge and need for taking the farm problem completely out of partisan politics. While I recognize, and all who have ever had anything to do with the farm question recognize the farm problem as one of the most complex and difficult of all our domestic problems, I sincerely feel that the gravity of this situation makes it necessary for us to call upon the best talent available in Congress and out of Congress, Democrats and Republicans, farmers, farm organizations, producers, and consumers, to sit down and work out some kind of a program for the best interest of the farm economy. Ample food, good food from good land use affords high quality food and therefore better health for all our people. Conservation of our natural resources and the conservation of our soil for the production of foods and fibers is the most important business in the preservation and prosperity of the American people and the preservation of the American philosophy.

FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED FORCES

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6304) to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes.

The bill was reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand there is a $50 limitation?

Mr. McCORMACK. The gentleman is correct; that is the same as we have done before.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of December 5, 1942, entitled "An act to accord free entry to bona fide gifts from members of the Armed Forces of the United States on duty abroad," as amended (U. S. C., title 50 App., secs. 846 and 847), is amended to read as follows: "That under such regulations as the Secretary of the Treasury shall prescribe so much of any shipment as does not exceed $50 in value, with such further limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe, shall be admitted into the United States or its Territories or possessions or the Commonwealth of Puerto Rico free of all customs duties, charges, or exactions, or internal-revenue taxes imposed upon or by reason of importation, if there is filed in connection with the entry satisfactory evidence that the articles for which free entry is claimed were purchased in or through authorized agencies of the Armed Forces of the United States or in accordance with regulations prescribed by the major geographical commands of the United States Armed Forces, and are bona fide gifts from a member of the Armed Forces of the United States on duty outside the continental limits of the United States."

SEC. 2. The amendment made by the first section of this act shall be effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after July 1, 1957.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 6304 would make permanent the temporary privilege which has been provided continuously since 1942 through periodic renewals of allowing for the entry of so much of any shipment of bona fide gifts as does not exceed $50 in value without the payment of customs duties and import taxes when such gifts are sent by members of the Armed Forces on duty abroad.

I introduced this bill at the request of the Department of Defense. The gentleman from New York [Mr. REED], has introduced an identical bill, H. R. 6305.

In making permanent the privilege of free entry alcoholic beverages and tobacco, in addition to the $50 limitation, would be subject to such further limitation as the Secretary of the Treasury may prescribe.

The Department of Defense, in urging the enactment of this legislation, stated that it would be a very definite morale factor for members of the Armed Forces stationed abroad, and it would relieve the Department and the Congress of the necessity for enacting the periodic extensions.

This bill was reported unanimously by the Committee on Ways and Means. I urge that it be enacted.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, I join in urging favorable House consideration of H. R. 6304. This legislation would make permanent the temporary privilege extended to members of the Armed Forces on duty abroad to make duty free shipments of bona fide gifts not exceeding $50 in value into the United States. This legislation would grant permanency to this privilege which has been continuously available since 1942 as the result of legislative action making temporary extensions of the authority.

The Department of Defense has described the enactment of this legislation as constituting a very definite morale factor on the part of the Armed Forces personnel. The legislation is safeguarded from abuse by the provisions of the law and by regulations issued by the Departments of Treasury and Defense. For these reasons, Mr. Speaker, I recommend the enactment of H. R. 6304.

CONTINUANCE OF SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4686) to continue until the close of June 30, 1958, the suspension of duties and import taxes on metal scrap, and for other purposes.

This bill was unanimously reported favorably by the committee.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 of the act of September 30, 1950 (Public Law 860, 81st Congress), is hereby amended by striking out "June 30, 1957" and inserting in lieu thereof "June 30, 1958": *Provided*, That this act shall not apply to lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap, or zinc alloy scrap, or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap; or to articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy, or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting.

SEC. 2. The amendment made by the first section of this act shall not be construed to affect in any way the application of Public Law 38, 82d Congress, to copper scrap.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, the purpose of H. R. 4686 is to continue the existing exemption of metal scrap from import duties and taxes for another year, until June 30, 1958. The bill contains the existing proviso that the suspension shall not apply to lead scrap, to zinc scrap, or to tungsten scrap. In addition, H. R. 4686 makes it clear that the suspension is not to apply to lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc alloy scrap, tungsten carbide scrap, tungsten allow scrap, articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy, or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting.

Your committee's bill would merely continue through June 30, 1958, the temporary suspension of the duties and import taxes on imports of scrap metal which under present law would expire on June 30, 1957. Section 2 of the bill provides that the amendment made by the first section shall not be construed to affect in any way the application of Public Law 38, 82d Congress, to copper scrap.

Despite the fact that imports of scrap metals have not in the past few years constituted important components of the total supplies of the various metals, the imports in some cases have represented important sources of the metals for limited numbers of consumers of such metals in some sections of the country. The Department of Commerce, in reporting favorably on H. R. 4686, informed your committee that the types of scrap metal affected by the bill are in short supply. Your committee also received favorable reports on the bill from the Department of the Treasury, State, and Interior.

The Committee on Ways and Means unanimously reported the bill, and I urge its adoption by the House of Representatives.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, I join the distinguished chairman of the House Committee on Ways and Means in support of favorable House consideration of H. R. 4686 which would continue until June 30, 1958, the suspension of duties and import taxes on certain scrap metal. The present suspension is scheduled to terminate on June 30, 1957.

In the consideration of this legislation the Committee on Ways and Means received favorable reports from the Departments of Treasury, State, and Commerce, and Interior.

Mr. Speaker, this legislation should receive favorable consideration in the House of Representatives.

TEMPORARY EXTENSION OF CERTAIN AID TO THE BLIND

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3035) to provide a temporary extension of certain provisions relating to State plans for aid to the blind.

The bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 344 (b) of the Social Security Act Amendments of 1950 (Public Law 734, 81st Cong.), as amended by section 302 of the Social Security Amendments of 1954 (Public Law 761, 83d Cong.), is amended by striking out "June 30, 1957" and inserting in lieu thereof "June 30, 1962."

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 8, strike out "1962" and insert "1959."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, the purpose of H. R. 3035, as amended by your committee, is to extend from June 30, 1957, to June 30, 1959, the provisions of section 344 of the Social Security Act amendments of 1950, as amended. Section 344 relates to approval by the Secretary of Health, Education, and Welfare of certain State plans for aid to the blind. This provision was effective from October 1, 1950, to June 30, 1955, and was extended to June 30, 1957, by the social security amendments of 1954. Your committee's bill would extend this period for an additional 2 years to June 30, 1959.

Information received by your committee from the Department of Health, Education, and Welfare indicates that only two States, Missouri and Pennsylvania, are now affected by the provision. These States in effect have a type of dual program for aid to the blind, one part of which is financed wholly by State funds and the other part of which complies with Federal requirements and is financed by State and Federal funds. This bill, as amended, will enable these States to continue these programs until June 30, 1959. It will thus give additional time for the Department of Health, Education, and Welfare and the States concerned to study the dual system of aid to the blind.

The Committee on Ways and Means reported this bill unanimously, and I urge its immediate adoption by the House.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, I urge the favorable consideration of H. R. 3035 which as amended by your committee would extend the provisions of the Social Security Act relating to certain State plans for aid to the blind. The effect of this bill would exempt State plans from the requirement that they meet certain Federal criteria relating to consideration of income and resources in determining need if the plan meets all other requirements of Federal law. The period of extension of this waiver of Federal criteria would be from its present expiration date of June 30, 1957, to its new proposed expiration date of June 30, 1959.

Mr. Speaker, this legislation has a humanitarian purpose that is designed to meet the needs of deserving American citizens. I urge my colleagues to support its enactment.

APPLICATION FOR SOCIAL SECURITY ACT DISABILITY DETERMINATION

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6191) to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes.

The bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (4) of section 216 (i) of the Social Security Act is amended by striking out "July 1957" and inserting in lieu thereof "July 1958," and by striking out "July 1956" and inserting in lieu thereof "July 1957."

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, after line 6, insert the following:

"SEC. 2. (a) Section 224 (e) of the Social Security Act is amended by adding at the end thereof the following new sentence: 'For purposes of this section, the term "periodic benefit" does not include compensation paid to any individual under laws administered by the Veterans' Administration on account of such individual's service-connected disability.'

"(b) The amendment made by subsection (a) shall apply only with respect to monthly benefits under title II of the Social Security Act for months after June 1957."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, H. R. 6191 would amend title II of the Social Security Act, as amended in 1956, to, first, extend for 1 year—through June 30, 1958—the period within which an application may be filed to establish a period of disability without being subject to the limitation that a period of disability cannot begin more than a year before the application is filed; and, second, make the present offset provision—under which disability-insurance benefits must be reduced by the amount of any periodic disability payments received under another Federal program or State workmen's compensation law—inapplicable to disability compensation received by any veteran on account of his service-connected disability.

The gentleman from New York [Mr. REED] introduced an identical bill, H. R. 6192.

Enactment of this bill will permit additional time for persons to become acquainted with the disability-freeze provisions of the social-security laws and file applications for a freeze, without losing any of their rights. The effect of the extension of the time for filing such applications from July 1, 1957, to July 1, 1958, will be that eligible persons who became disabled as long ago as October 1941 may have their wage records frozen back to that time. Without the extension provided for in this bill, persons filing on or after July 1, 1957, can have their wage records frozen only for 1 year prior to their filing.

This bill was unanimously reported by the Committee on Ways and Means. I urge that it be enacted.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, H. R. 6191 extends for 1 year the period during which an application for disability determination is granted full retroactivity under the old-age and survivors' insurance program of the Social Security Act. Such an extension is necessary to safeguard the interests of individuals who have not been sufficiently informed as to their rights under this program of the social-security system.

It will be recalled that in the social-security amendments of 1954 a disability freeze was included in the Social Security Act to preserve the retirement rights of an individual who had the misfortune of sustaining an extended disability. Under the 1954 amendments an individual who had been continuously disabled for a number of years could preserve his OASI rights if he filed application for a disability freeze before July 1, 1957. The provisions would have permitted an individual to have made application for a retroactive wage freeze even though the individual became disabled as long ago as October 1941.

This legislation would enable the Department of Health, Education, and Welfare to undertake an extensive program of publicity to make certain that all interested persons are made aware of this provision.

An important amendment to H. R. 6191 was adopted by the committee and relates to the payment of disability benefits under the old-age and survivors' insurance program. It will be recalled that the social-security amendments of 1956 required that monthly disability insurance benefits payable under the program would be reduced by the amount of any disability payments that an individual received under another Federal program or under a State workmen's compensation law. This provision requiring the reduction in OASI benefits imposes a severe hardship on veterans who are entitled to veterans compensation. To remove this hardship my committee colleague, the distinguished gentleman from Wisconsin [Mr. BYRNES], offered an amendment in committee which would permit the receipt of disability compensation under laws administered by the Veterans' Administration without requiring the reduction in OASI disability benefits. I would like to commend Mr. BYRNES for sponsoring this meritorious amendment that will remedy an unjustifiable discrimination against our American veterans who have served their Nation so well in time of danger and peril.

Mr. Speaker, I urge my colleagues in the House to give favorable consideration to H. R. 6191 as amended.

CHICAGOLAND COMMERCE AND INDUSTRY EXPOSITION

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 4803, a bill to permit articles imported from foreign countries for the purpose of exhibition at the Chicagoland Commerce and Industry Exposition, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any article which is imported from a foreign country for the purpose of exhibition at the Chicagoland Commerce and Industry Exposition (hereinafter in this act referred to as the "exposition") to be held at Navy Pier, Chicago, Ill., from June 28, 1957, to July 14, 1957, inclusive, by the Chicagoland Commerce and Industry Exposition, Inc., a corporation, or for the use in constructing, installing, or maintaining foreign exhibits at the exposition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe.

SEC. 2. It shall be lawful at any time during or within 3 months after the close of the exposition to sell within the area of the exposition any articles provided for in this act, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe. All such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry under this act for consumption or entry under the general tariff law.

SEC. 3. Imported articles provided for in this act shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States.

SEC. 4. At any time during or within 3 months after the close of the exposition, any article entered under this act may be abandoned to the United States or destroyed under customs supervision, whereupon any duties on such articles shall be remitted.

SEC. 5. Articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the exposition, under such regulations as the Secretary of the Treasury shall prescribe.

SEC. 6. The Chicagoland Commerce and Industry Exposition, Inc., shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under this act. The salaries of customs officers engaged in the custody of such merchandise, together with the actual expenses (not including the compensation of customs officers, except as otherwise provided by law) in connection with the entry, examination, appraisement, release, and accounting for, such merchandise, shall be reimbursed by the Chicagoland Commerce and Industry Exposition, Inc., to the United States, under regulations to be prescribed by the Secretary of the Treasury. Receipts from such reimbursement shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U. S. C. 1524).

With the following committee amendment:

On page 3, strike out line 19 and all that follows down through line 5 on page 4 and insert "under this act. The actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under this act, shall be reimbursed by the Chicagoland Commerce and Industry Exposition, Inc., to the United States under regulations to be prescribed by the Secretary of the Treasury. Receipts from such reimbursement shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U. S. C. sec. 1524)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, the purpose of H. R. 4803 is to permit the free entry of articles for exhibition at the Chicagoland Commerce and Industry Exposition to be held at Chicago, Ill., from June 28, 1957, to July 14, 1957. This bill follows the pattern of previous legislation enacted by the Congress in connection with various international exhibitions, expositions, and fairs held in the United States. It has long been the policy of the Congress to facilitate participation of foreign countries in international expositions held in the United States by permitting articles intended for display to be entered free of import duties. There is provision, of course, for safeguarding regulations by the Secretary of the Treasury.

The Committee on Ways and Means was unanimous in reporting this bill and I urge its passage by the House of Representatives.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, I join the distinguished chairman of the Committee on Ways and Means in urging my colleagues to give favorable consideration to H. R. 4803. This legislation would permit articles for exhibition at the Chicagoland Commerce and Industry Exposition to be entered free of duty.

My distinguished committee colleague, the Honorable NOAH M. MASON, of Illinois, was the able sponsor of this legislation in committee. I would like to commend the gentleman from Illinois for the constructive statesmanship he displays on issues of national and international interest and also commend him for the energetic and able work he does in behalf of the citizens of his beloved State of Illinois. I am sure that the Chicagoland Commerce and Industry Exposition will be a greater success because of Mr. MASON'S endeavors in its behalf.

The exposition is to be held from June 28, 1957, to July 14, 1957. Treasury representatives have advised the committee that the Treasury Department anticipates no administrative problems resulting from the enactment of this legislation. Therefore, I join in urging that H. R. 4803 be favorably considered in the House of Representatives.

WASHINGTON STATE SIXTH INTERNATIONAL TRADE FAIR

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 126, a bill to permit the free entry of articles for exhibition at the Washington State Sixth International Trade Fair.

The clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the Washington State Sixth International Trade Fair, to be held at Seattle, Washington, from May 17 to May 26, 1957, by the International Trade Fair, Incorporated, a corporation, or for use in constructing, installing, or maintaining foreign exhibits at the said trade fair, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said trade fair to sell within the area of the trade fair any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or

entry upon the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the trade fair, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said trade fair under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the International Trade Fair, Incorporated, a corporation, shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this joint resolution, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this joint resolution, shall be reimbursed by the International Trade Fair, Incorporated, a corporation, to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930, as amended (U. S. C. 1946 edition, title 19, sec. 1524).

With the following committee amendment:

Strike out all that follows the resolving clause and insert the following: "That any article which is imported from a foreign country for the purpose of exhibition at the Washington State Sixth International Trade Fair (hereinafter in this joint resolution referred to as the 'exposition') to be held at Seattle, Wash., from May 17 to May 26, 1957, inclusive, by the International Trade Fair, Inc., a corporation, or for the use in constructing, installing, or maintaining foreign exhibits at the exposition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe.

"Sec. 2. It shall be lawful at any time during or within 3 months after the close of the exposition to sell within the area of the exposition any articles provided for in this joint resolution, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe. All such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry under this joint resolution for consumption or entry under the general tariff law.

"Sec. 3. Imported articles provided for in this joint resolution shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States.

"Sec. 4. At any time during or within 3 months after the close of the exposition, any article entered under this joint resolution may be abandoned to the United States or destroyed under customs supervision, whereupon any duties on such articles shall be remitted.

"Sec. 5. Articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the exposition, under such regulations as the Secretary of the Treasury shall prescribe.

"Sec. 6. The International Trade Fair, Inc., shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under this joint resolution. The actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under this joint resolution, shall be reimbursed by the International Trade Fair, Inc., to the United States under regulations to be prescribed by the Secretary of the Treasury. Receipts from such reimbursement shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U. S. C. sec. 1524)."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, the purpose of House Joint Resolution 126 is to permit the free entry of articles for exhibition at the Washington State Sixth International Trade Fair to be held at Seattle, Wash., from May 17, 1957, to May 26, 1957. This joint resolution as amended by the Committee on Ways and Means follows the pattern of previous legislation enacted by the Congress in connection with various international exhibitions, expositions and fairs held in the United States. As may be recalled, a similar bill was enacted in the 84th Congress to provide for the free entry of articles for exhibition at the Fifth International Trade Fair held in Seattle, Wash. It has long been the policy of the Congress to facilitate participation of foreign countries in international expositions held in the United States by permitting articles intended for display to be entered free of import duties. There is provision, of course, for safeguarding regulations by the Secretary of the Treasury.

The Committee on Ways and Means was unanimous in reporting this bill and I urge its passage by the House of Representatives.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, legislation having a similar purpose of permitting the free entry of articles for exhibition at the Washington State International Trade Fair has been approved by the Congress on previous occasions. The sixth such international trade fair is to be held at Seattle, Wash., from May 17 to May 26 of this year, and H. J. Res. 126 would authorize the free entry of articles for exhibition at the fair.

The Treasury Department has informed the Committee on Ways and Means that it anticipates no administrative difficulty if this legislation becomes public law. Accordingly, it is my view that this resolution should receive favorable consideration from the House of Representatives.

THE PUBLIC DEBT

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the national debt is roughly $275 billion. I am sure this figure is beyond the grasp of most of us. However, if at the second Christ was born someone started giving you $4.50 every second that the clock ticked, you would now have something like $275 billion dollars. If you owed that much money yourself, and started working 50 weeks a year, 40 hours a week, at $1 an hour to pay it back, it would take you 137,500,000 years to do it. If a group of you decided to pay back the national debt, and worked for 70 years at $1 an hour, working 50 weeks and 40 hours a week, there would have to be 1,902,857 members of your group.

If I sense the feeling of the American people correctly, they are worried about this debt. They are not pleased that the activities of their generation have brought this debt to such a magnitude that it will be a bequest in reverse to many future generations of Americans. In the various questionnaires I have sent to the people of Arizona, I have included questions as to whether the debt should be reduced before taxes were cut. An overwhelming majority of my constituents want to cut the debt.

A debt of such magnitude is also a factor to be reckoned with in our economy. Unless refunding of the debt occurs in an orderly manner, and unless new money is borrowed when the money market can stand the shock, the effects on the economy can be disastrous. Servicing the national debt is a task which requires the employment of several hundred people, and which in importance ranks very high among the Government services.

I believe that no one doubts the wisdom of paying debts when times are good. And yet, in this period of business boom, we have done very little toward retiring any portion of the debt. I recognize as well as anyone that the international situation, the entrance to the atomic age, and other factors have caused Government expenditures to remain at a high level. However, I feel that the economy of the country, as well as our own self-respect, demands that we give some priority to retiring a part of the public debt each year. There is not an item in the budget for retirement of the principal of the public debt. Debt retirement is a catch-as-catch-can, when-and-if-possible proposition. We have treated the debt as a drunk would treat a hangover, too horrible to contemplate. Now it is time that we took the aspirin which will alleviate the headache.

I have introduced a bill in the 85th Congress amending the Budget Act, and requiring the President to submit in his budget a figure to be used to pay on the public debt. This figure must not be less than $2 billion in any given year. In other words, I feel that if we treat debt retirement the same as we treat other fixed expenses of the Government, that we will make a start on reducing this mountainous obligation. If we continue to give it the Scarlett O'Hara treatment, "I'll think about that tomorrow," then our children and grandchildren will inherit this debt unreduced. This is one legacy for which they will not be grateful to their ancestors.

HAWAII

The SPEAKER. Under previous order of the House, the gentleman from Hawaii [Mr. BURNS] is recognized for 60 minutes.

Mr. BURNS of Hawaii. Mr. Speaker, I am conscious of a feeling of high honor and privilege and a great sense of humility as I make my maiden speech in the House of Representatives. I am greatly honored to represent the people of Hawaii in the Congress of the United States and, though the people of Hawaii have a voice in the Congress and no vote, I am indeed highly honored and privileged to be able to stand here in the well of the House. Three years ago I would not have imagined I would be here and certainly 40 years ago as a barefoot boy in Hawaii this was the farthest point from my dreams.

Mr. Speaker, on the opening day of the 85th Congress, I introduced two bills. One, H. R. 49, was a bill to admit Hawaii as a State of the Union. The other, H. R. 577, was a bill for the benefit of the people of native Hawaiian ancestry. Both of these bills are very close to my heart and to my mind. Of H. R. 49 I sincerely hope we shall hear more within the near future. Today, I want to talk about the background and the reasons for H. R. 577.

When on July 9, 1921, the President of the United States signed the Hawaiian Homes Commission Act into law, the legislative and executive branches of our Government proclaimed, in effect, what has always been basic in the life of our Nation, that the people of the United States would never knowingly be a party to injustice. By this law the Congress acknowledged clearly and forthrightly that its people, though unawares, had in fact been a party to injustice and had therefore the responsibility to rectify this injustice insofar as they were able.

The native Hawaiian people had long been deprived of their birthright—the land upon which they, and their ancestors before them, lived. In the words of Representative Dowell, a member of the House Committee on Territories in 1921, and I quote, "The primary purpose of this bill is to permit people of Hawaiian blood to again get possession of land in Hawaii." This, fundamentally, was the purpose of the bill. Today—36 years later—this purpose has not been achieved.

To achieve this purpose, four things, in the opinion of the House committee considering the bill, were required: First, the Hawaiian must be placed upon the land in order to insure his rehabilitation; second, alienation of such land must, not only in the immediate future but also for many years to come, be made impossible; third, accessible water in adequate amounts must be provided for all tracts; and fourth, the Hawaiian must be financially aided until his farming operations are well under way.

To secure these aims the original bill, in main outline, first, set aside about 194,000 acres of agricultural and pastoral lands to be leased to native Hawaiians; second, established the Hawaiian Homes Commission—composed originally of 5 members, the Governor of Hawaii and 4 other appointed members, 2 of whom must be native Hawaiians—to control these lands; third, provided for the leasing of these lands, under certain specified conditions, to native Hawaiians; fourth, established for necessary loans to the native Hawaiians the Hawaiian home-loan fund, a revolving fund whose main source of revenue was to come from the leasing of cultivated sugar-cane lands and from water licenses; fifth, authorized the Commission to employ agricultural experts to instruct the Hawaiians; sixth, provided means to secure an adequate water supply.

According to the House committee considering the bill, two main factors demanded its passage. First, the Hawaiians were a dying race. From the missionary estimate in 1826 to the official Hawaiian census in 1919, the number of full-blooded Hawaiians had decreased from 142,650 to 22,500, while their death rate had correspondingly increased until it exceeded considerably the death rate of any other race inhabiting the islands at that time. More than this, all the previous systems of land distribution, when judged practically by the benefits native Hawaiians acquired from their operation, had proven drastically ineffective. I should like to quote at some length from the testimony of the then Secretary of the Interior, the Honorable K. Franklin Lane, before the House Committee on Territories:

> One thing that impressed me there was the fact that the natives of the islands, who are our wards, I should say, and for whom in a sense we are trustees, are falling off rapidly in numbers and many of them are in poverty.
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> In my judgment, from the limited knowledge I have of the history of the islands, those people, the natives, were not treated fairly in the division of lands that was made in 1848. At any rate, they are a problem now and they ought to be cared for by being provided with homes out of the public lands; but homes that they could not mortgage and could not sell. They are a most lovable people, a kindly people, and a generous people. They have arts of their own which endear them to the people who visit the islands. It is not altogether the beauty of the islands that attracts people there. It is the spirit that they see and the old civilization that they meet. There is a thriftlessness among those people that is characteristic among peoples that are raised under a communistic or feudal system. They do not look forward. They cannot see tomorrow. Therefore, they should be given as close identification with their country as is possible and yet be protected against their own thriftlessness and against the predatory nature of those who wish to take the land from them, and who have in the past.

This was the situation of the Hawaiian in 1920, a most shriveled resemblance of the nobility he had once known.

Before the advent of the foreigner, the Hawaiians had succeeded in developing a culture which, under the circumstances, can only be called remarkable. The original settlers had little more to start with than the resources of the islands themselves. There were no usable metals; there were none of the larger domesticated animals. From the first they got their living directly from the soil and from the sea. Their culture, their daily lives, their very metabolism beat with the rhythms of nature. In contrast with other peoples in similar situations, their culture reflected surprisingly little of the harshness and cruelty which are often as evident in nature as is her beneficence. They were therefore a primitive people, but they were in no sense savage or barbaric. They were, in the words of R. S. Kuykendall, one of the most thorough of the historians of Hawaii, "a healthy, robust, intelligent, and good-tempered folk," a folk who, if they had few of our conveniences, had even fewer of our anxieties, a folk who lived religiously, arduously, and intelligently.

The pre-Captain Cook Hawaiians were great sailors, traveling long distances in nothing but canoes. They were great navigators, with an almost mystic knowledge of the stars. They were great fishermen. They were great farmers and engineers. In the raising of taro—to give only one instance—they perfected a technique of building irrigation ditches, a feat requiring no little industry and ingenuity, which has never been improved on. They were great doctors, skilled in the use of herbs. They

were great poets, and had developed a nature poetry which, in the opinion of one authority, "It would be hard to find surpassed in any literature." I could go on indefinitely. They were simply a great people.

The land system before the coming of the foreigner was inseparably a part of religion and of government. To destroy one was at the same time to destroy the others. Their religion was a nature worship, which, though its basis was much more profound, expressed itself politically and economically in a system of rules—kapus—regulating the daily life of the different classes in such a way as to insure the subordination of the lower to the higher. The islands were divided into petty kingdoms, each ruled by a king. In land matters, as in many others, the king was supreme. A part of the land he reserved for his own private use; the rest he portioned out to his subordinates, who in turn portioned it out to their subordinates, and so on down to the commoner who did most of the actual work on the land. The commoner held his land on condition of personal service and payment of part of the produce. He had, under these conditions, the right to use the land, but he did not own it, and his right of use itself was revocable at the will of the king. When he lost the land, his personal possessions generally went with it, being little distinguished from the land itself. Still, though from one point of view the chief's authority over the commoner was extraordinary, there were a considerable number of customary rights which, if they were sometimes administered arbitrarily and with favoritism, nevertheless existed and gave the commoner a pretty stable buttress against too tottering an insecurity. Especially the feeling operated in his favor that it was improper to eject the direct cultivator of the soil. The chiefs, after all, needed laborers, and it did not pay to treat them so badly as to drive them off.

More fundamentally, there was something sacred about the soil. "It was often the case," says one authority, "that all the different ranks of chiefs were dispossessed, while the last dependents, the cultivators of the soil, were continued in their tenures." If then from one point of view the essential feature of the system was insecurity, still we must remember that for the commoner, as for all concerned, it was his source of value, it was his way of life, it was the foundation of his pride and his sense of accomplishment as a human being. The Hawaiian, though a serf, was not one in the sense of the European feudal system. He could change his location and his chief, and he did.

Produce generally was perishable; nature was abundant. In the life the Hawaiians lived, in the life he saw around him—the elements, the things that grew—there was inherent no concept of thrift or need for personal providence. The gods were immediate—to the commoners, so were the kings; they gave directly, they took away directly. Tomorrow was only a succession of todays. This was, thought the Hawaiian, as it should be; it was all he knew. He knew duty and obedience; his joys, his sorrows, like those of nature, were profound, but, like those of nature, they were seasonal and even momentary.

This sense of identification, of participation, through his religion, his government, his work, his play, in the perennial rhythms of nature gave him the self-respect he needed and what individuality he knew. He could as little have understood Franklin or Thoreau as he could have understood Emerson; Puritan and Yankee were utterly foreign to him. If you took away his religion, his government, if you took him away from the land, from the economy he knew, you destroyed him. And the foreigner took these things away.

With the first real influx of the foreign invader near the end of the 18th century, the change from the Hawaiian subsistence economy—and with it the whole cultural structure—to an exchange economy began at an astonishingly accelerated rate of speed. By 1820, when the missionaries arrived, the destruction of the old system had, in its main features, been accomplished. Already in 1819—before the missionaries had arrived—Kamehameha II had formally abolished the kapu system, thus knocking the props from under the old system of religion. The fur trade, the sandalwood trade, the whaling trade, and their accompanying influences, had already infected the native culture and had neglected, conveniently enough, to provide any healing power.

The new ideas and practices, incomprehensible to the Hawaiians yet powered irresistibly by the superior prestige and force of the invaders, broke the force of the old kapu, weakened the tie between the commoners and the chiefs who had been their leaders from time immemorial, in effect took the Hawaiian from the land—and subsequently even the land from him—and in general set the Hawaiian adrift on a competitive sea whose winds and currents were to buffet him for years to come. The Hawaiian was a great sailor, there have been few greater. But these were waters like none he had ever seen before. And there were no familiar constellations.

By 1840, according to Prof. Theodore Morgan in his excellent study of Hawaiian economic change, native morale had been all but destroyed. Outwardly, the destruction had seemed peaceful enough—the Hawaiian was a good-natured person—but inwardly it had been violent. Foreign diseases, physical and moral, had ravaged the native population. The social ties which had been the very core of Hawaiian individual and group respect were broken; the old religion was gone, the kapus were gone, the austere inviolability of the chiefs was obsolete, the functional basis of the feudal order was undermined, and strange new codes of behavior and of social values were being urged upon the Hawaiian by an assured stranger.

The new ways may have been superior, but this was, to the Hawaiian, little compensation for the disruption of the old and the familiar. This was especially little compensation because however superior the new ways may have been, they made little provision for the Hawaiian. He had to look out for himself, and adapt himself as best he could. These were ideas, and methods, and values which it had taken Europe centuries to achieve, and yet the Hawaiian was expected to adapt to them almost overnight. When he did not, people were surprised and said: "Well, we have tried—he has got no one to blame but himself." In these days, the prophecy of an old Hawaiian priest was often repeated: "The hibiscus shall grow, the coral shall spread and stretch forth its branches, but man shall cease."

Let there be no mistake about this. From 1778 to 1810—and Professor Morgan makes this very clear in his study—praise is unanimous for the energy and the productive aptness of the native Hawaiian. Archibald Menzies, who took part in Vancouver's expedition of 1790–94, states:

> They possess ingenuity, industry, and abilities to an eminent degree, and the only thing wanting is mildly to guide these into a proper channel.

It would seem, in view of what happened later, that these were very little guided, mildly or otherwise. In 1810, Archibald Campbell, who lived on Oahu more than a year in 1809–10, calls the Hawaiians "certainly the most industrious people I ever saw."

Yet, by the twenties and early thirties, people began to complain of Hawaiian laziness and lack of incentive. By the forties, opinion was nearly unanimous that the Hawaiian was indifferent, lazy, simply refusing to do any work at all. And this condition was in no way due to any ineptitude on the part of the Hawaiians themselves. Had they been given the opportunity and a little guidance in a reasonably familiar context they would have proven more than worthy of the great praise that John Turnbull, in his book, Voyage Round the World, first published in 1805, had given them:

> Such is the astonishing assiduity of these people, and such their eagerness to improve their condition by imitating the sailings of the Europeans that it is not unusual to see some of them exercising the trade of a country blacksmith, having for an anvil a pig of iron kentledge, obtained from some ship; a pair of goatskin bellows, made by himself or some of his countrymen; and his charcoal wood fire; making articles suited to the wants of his countrymen, or repairing and mending such as stand in need of it, with an ingenuity surpassing what might be expected under such circumstances.

These virtues which had so astonished the early observers were the very same virtues which later observers complained that the Hawaiian totally lacked.

When the missionaries arrived in 1820 and heard that the old religious system had been destroyed, they gave praise to the Lord for having, at the very start of their mission, given them such an assurance of divine favor. They came from New England, and they were, in their very marrow, both Puritan and Yankee, what Parrington has called "the two halves of the New England whole." If the Hawaiian could make any sense of either of these persuasions, it was the Puritan rather than the Yankee. Commandments, prohibitions, rules, religious

fervor, and the like, these he could at least in part understand. These were at least in some ways similar to what he had known before. But the competitiveness, the tough individualism, and self-reliance, nearly the entire scale of values that the Yankee bore in his very bones were, to the Hawaiian, a strange, and—deep inside him—even a frightening intrusion.

But the missionaries hardly seemed aware that this was so. They had come with the express purpose of redeeming the Hawaiian—and I use their own terms—not only from paganism, but from barbarism as well. They had come, they said, to civilize as well as to evangelize. Their method was to work through the existing noble class, to convert them first, and when they were converted, to use their influence to convert the lower classes more easily.

At this point I should like to make it very clear that, in speaking of the missionaries, it is not my intention to evaluate their whole achievement. I am concerned with them only as they are relevant to the matter at hand. They were the great influence in the land revolution which is responsible for the condition of the Hawaiian today and even, in many important respects, for our economy in Hawaii today. I am concerned, therefore, in speaking of the missionaries, solely to analyze their effect upon the Hawaiian in relation to the land revolution and the reasons for that effect.

Their influence on Kamehameha III and his chiefs led in 1839 to a Declaraton of Rights in which there were, among others, these statements:

> God hath made of one blood all nations of men, to dwell on the face of the earth in unity and blessedness. God hath also bestowed certain rights alike on all men, and all chiefs, and all people of all lands * * * in making laws * * * it is by no means proper to enact laws for the protection of rulers only, without also providing protection for their subjects; neither is it proper to enact laws to enrich the chiefs only, without regard to the enriching of their subjects also. * * * Protection is hereby secured to the persons of all the people, together with their lands, their building lots and all their property, and nothing whatever shall be taken from any individual, except by express provision of the laws.

In the constitution of 1840 is this statement, the first admission by the King and the chiefs that the common people had an inherent ownership interest in the land:

> Kamehameha I was the founder of the kingdom, and to him belonged all the land from one end of the islands to the other, though it was not his own private property. It belonged to the chiefs and people in common, of whom Kamehameha I was the head, and had the management of the landed property.

The missionaries, who associated thrift, sobriety, and industry—virtues still scarce among their converts—with the small farms that the God-fearing held in fee simple in New England, became convinced that the new religion and the new civilization could never genuinely become a part of the native way of life unless the people owned their own homes and their own land. Entrepreneurs and Catholic missionaries who had lately come to the island agreed with them. The King and chiefs—to their great credit—also agreed. The Hawaiian commoner was to have title to lands that he had been cultivating as tenant.

Kamehameha III, whose expression "Ua Mau Ke Ea O Ka Aina Ika Pono"—"The Life of the Land Is Preserved by Righteousness"—has become the motto of Hawaii, finally approved a program which had for its purpose the division of the land of the Territory into three equal shares: one-third to the government; one-third to the alii; and one-third to the makaainana; with the King retaining his personal lands as an individual. Though Bishop Maigret and one or two others strongly suggested that the title of the commoner to his lands be made easy to secure and that alienation of this title be restricted, this did not happen. Thus was set in motion one of the many conspicuous, untoward consequences that have had in the past and still have a way of happening in the islands.

In 1845—the same year in which, significantly enough, on Independence Day, a New Englander named Henry David Thoreau began living at Walden Pond—the King established a Board of Commissioners to Quiet Land Titles whose business it was to investigate and to decide upon the claims of private individuals to landed property to which possessory use had been previously acquired. The next year the Commission drew up a declaration of rules or principles which were subsequently approved by the King and chiefs in privy council and which were, therefore, to be strictly observed in deciding upon claims. This was—let there be no mistake—a statement of rule, of principle, which was to be strictly observed in practice; it was not merely a statement of intent. In it the Commission decided that there were—and I quote—"but three classes of persons having a vested interest in the lands—first, the government—here treated as synonymous with the King; second, the landlord; and third, the tenant," and it is entirely clear in other sections of the statement that "these three classes of interest were about equal in extent."

This was principle, this was rule, and it was fair enough. Practice was another matter. When the lands—in what was called the Great Mahele, or Great Division—were finally divided, this is how things stood: The government got 1,495,000 acres of land, the Crown got 984,000 acres, the chiefs got 1,619,000 acres, and the commoners got 28,600 acres. This is what is known, in charitable language, as giving with the one hand and taking back with the other. Although both the chiefs and the commoners had to present their claims before the Commission in order to obtain title to the land, and both in considerable numbers failed to do so, the chiefs' claims were protected by the legislature while those of the commoners were not.

The commoner did not understand, indeed he thoroughly mistrusted, the rigmarole he had to go through to get title to his land. He had, not long before, under the Constitution of 1840, been told that things were changed, that now there were new laws, that now his interest in the land was secure, only, in many instances, to find that he was in fact worse off than before, that the laws, however fine in principle, seemed in practice to benefit the chiefs and the foreigners much more than they did him. Rumors were plenty enough that the whole thing would be overthrown, and how was he to know, who depended entirely, in these strange matters, on what he was told, what was true and what was false?

It was in any case often obvious to him, even when he thought of applying, that the titles were not worth what it cost to get them, or that his land, as foreigners who knew nothing of his needs had surveyed it, was too small to support his family. Even when he did get the land, he could not believe he had it, and it passed rapidly into the hands of the rising sugar and rice plantation operators, or to land speculators. Private property, if it were something Thoreau, the missionaries, in fact, any Yankee, could easily understand, was nevertheless a concept entirely alien to the ordinary Hawaiian.

The missionaries had proposed to redeem the Hawaiian, but they forgot, or did not know, that there is no redemption without there first being an incarnation. This is always the redemptive economy, it must work from the inside out; the alternative is destruction, a relentless outside pressure that cuts a man off from his life-sources and gives him nothing to take its place. There is every indication that the missionaries were sincere, or at least that they thought they were. But when the direction, the attitude taken is twisted at its very core, sincerity adds only ambiguity, and increases the fear that must always arise in face of something so sudden and so totally different from the ways one has always accepted as fundamental and as true.

The missionaries never really understood the Hawaiian, they never really accepted him as a human being in his own right, they never—and they would have had to were they really going to succeed—became Hawaiian in order that the Hawaiian could become Christian and could become, as they put it, civilized. Their attitude toward the Hawaiian—and this is evident throughout their writings—was remarkably like that to which reference is made on several occasions in the Bible, an attitude that one writer, commenting on a missionary statement, has aptly termed "compassionate contempt." It was always strongly tainted with self-righteousness; it very seldom displayed anything that one could rightly call humility, or even understanding.

In their annual report for the period from June 1837 to June 1838—after they had been in Hawaii for about 18 years—the missionaries said this:

> It is not easy to see how the Hawaiian nation can speedily be put in possession of the substantial blessings of Christianity and civilization, without in effect colonizing the islands with a foreign people, and so in the end rooting out the natives themselves.

And this is an official pronouncement. Their personal writings—which I have

not time to go into—are even more revealing.

The missionary dream had turned into a nightmare for the ordinary Hawaiian. He was worse off now than he ever was under the old system, when he at least had the right to possessory use of the land, when he at least lived and worked on land which, if it was not his by law, was his by love. The foreigner had destroyed the old system which had given the ordinary Hawaiian his self-respect and his sense of personal value, and now he had cut him off from any genuine participation in the new one.

However laudable the missionaries' intentions may have been, it is not a little ironic that their scheme should finally have benefited themselves more than it did the ordinary Hawaiian for whom it was intended. The missionaries eventually received a total of some 41,000 acres of land, shared by 33 families, some of whom had only small portions, while the ordinary Hawaiians received only 28,000 acres to be shared by some 3,000 families of some 25,000 eligible families—and much of this land soon passed into other hands.

And when one recalls that before their departure the missionaries had taken an oath to own no land and to take no part in politics, and that they had eventually to be absolved on request from this oath, one may perhaps be excused if he begins to taste some vinegar along with the gall. Mr. J. C. Furnas, in his Anatomy of Paradise, has said—and he has said well—that "the principal mark that the mission left on the islands, in fact, is economic."

At the ordination ceremony given before the missionaries left for Hawaii, the Reverend Heman Humphrey preached a sermon entitled "The Promised Land," and for his text he selected a verse from Joshua xiii, 1: "And there remaineth yet very much land to be possessed." He was a veritable Daniel.

The lands which, under the Mahele, should have gone to the tenants, had gone instead to the Crown. They were not the King's personal property—he had this besides; they attached to the Crown itself, to the office, not to the wearer. The tenants, the ordinary Hawaiians, under the influence of their old habits of generations, assumed that these lands which the Crown had were being held in trust for them. The King, they felt, would take care of them, and they were in fact allowed on the crown lands in the same way they had lived on the land previously. The Crown acknowledged its responsibility for the people and recognized their right to use its lands. But eventually the people lost even this refuge.

On January 17, 1893, less than 50 men stood at the foot of the stairs of the Government Building in Honolulu and listened to a member of a committee of safety read a proclamation which deposed Queen Liliuokalani and established itself as the government.

Bloodles enough. Yet a Queen was deposed, the legitimate government overthrown, and a people deprived of their birthright. The deposed Queen had in her service in Honolulu at that time, under the command of her marshal, some 500 armed men, yet she issued no instructions for them to interfere.

Hers was the established government, hers was the support of the people, and hers too were the 500 armed men who stood ready, awaiting only her word—all this was in her favor. Yet she was powerless because a short distance away from those stairs where the "revolutionists" proclaimed the deposition of the Queen and established themselves as the government, there was stationed, with full battle equipment, a contingent of United States Marines. It was this force, representing the might and majesty of the United States of America, which dissuaded the Queen from following the course of action she should normally have followed.

Recorded history as seen by the Beards and Nevins clearly shows the truth of the words of that distinguished American President, Grover Cleveland, who said in a message to the Senate of the United States on December 18, 1893:

> By an act of war, committed with the participation of a diplomatic representative of the United States, and without the authority of Congress, the Government of a feeble but friendly and confiding people has been overthrown.

We cannot dispute the facts of recorded history. If we would be just, if we would esteem our national character as it deserves, we have no choice, on objective examination of the records of that day, but to say with the same Grover Cleveland the words he wrote in 1898 after annexation:

> Hawaii is ours. As I look back upon the first steps in this miserable business, and as I contemplate the means used to complete the outrage, I am ashamed of the whole affair.

We cannot turn back the pages of history nor can we undo what has already been done. And we would not want to, even if we could. It is not possible for any people to be prouder of being American than are the people of Hawaii. It is not possible for any people to be more loyal. It has been the privilege of more than 60,000 of Hawaii's citizens to have served with distinction and credit in the Armed Forces of our United States. It has been the privilege of all of Hawaii's citizens to preserve, to defend, and to promote, at every opportunity and with all their strength, the ideals and the welfare of their country—the United States of America. But we, all of us, would be less than loyal were we not jealous of our country's good name and zealous in our effort to maintain our Nation's honor by removing any blemish upon that honor.

As a result of the revolution and the annexation, the Crown lands, which belonged in justice and in moral equity to the Hawaiian people, were ceded to the United States in absolute fee. The Hawaiian placed full trust in the United States and in its people, that people to whom he now, and had so long in spirit, belonged, and of whom he has since been so loyal and vital a member. He believed, and his belief was not misplaced, that this people would not long tolerate an injustice which it was in their power to rectify, especially an injustice in which they had played so unfortunate a part. The Hawaiian Homes Commission Act was a clear effort to make amends for the harm we had done to a noble race. We could not but be responsible for our part in the revolution, and we could, in conscience, be no less responsible for the restoration of a people whose culture, during the long year previous, we had been instrumental in destroying. That this was the attitude of the legislators who passed the act is strikingly evidenced on almost any page in the record of the hearings at that time. I quote—as just one instance—the words of Representative James G. Strong, of Kansas:

> The appealing fact to me in this whole matter is this: Before other races went to Hawaii this race of Hawaiians prospered among themselves, owning all the land of the islands of Hawaii, and were a great race of people. Now, that we have gone there with our Christianity and our civilization they have become demoralized; we have taken possession of the islands and are profiting by it, and it seems to me that if we have any land left that they once owned and which [by] this annexation came to us without cost to us or compensation to them, we should use that land to try to give those people an opportunity to build their race up again. Now, that is the thing that appeals to me in this whole proposition.

This was the conscience which originally demanded the passage of the bill, and it is this same conscience, as it sees all the more clearly the inadequacies of the program against the great background and value of its success, which demands presently that something further be done. In the 36 years since the enactment of this bill, some 1,600 families have been placed on some 40,000 acres of land. The rehabilitation of the Hawaiian, if defined as a restoration to a former right as well as a real opportunity in a proper climate to adjust to our culture by his own choice and on his own effort, is an outstanding success in the instance of these families who are so fortunate as to have been placed on Hawaiian Homes Commission land.

In other respects the record is not so encouraging. In 1949 the Hawaiian Homes Commission ceased taking applications because it had more than 4,000 requests on file with little or no prospect of their placement within a reasonable length of time. There are, today, some 7,000 or 8,000 eligible families in the islands and some 160,000 acres of land on which they may be placed. The original bill contained a 20,000 acres per 5-year period limitation. This has not even been approximated, since the 40,000 acres settled would be the limit for only two 5-year periods.

And what is the most shameful fact of all, who can imagine the effect of all this on those 8,000 families—some 90,000 people—who have little reason to hope that they will ever be placed on their land? How must they feel who hear, and who have long heard, people talk continually about principles and democracy and the ideals of Christian civilization, and who yet continue to be deprived of that birthright which these very people have promised to restore? And what of those—and here the damage is irreparable—whose faith and trust in justice and morality were revived by the passage of the act and who have since died with their hopes brutally dashed? We cannot in conscience ignore these questions. The answer is ours, and the responsibility lies heavily on our shoulders.

An objector to passage of the Hawaiian Homes Commission Act said:

> The only object of this rehabilitation bill—the real reason for this rehabilitation bill—is in order that the present leases of highly cultivated lands may be renewed for another 15 years.

This appears in the hearings on H. R. 13500—Hawaiian Homes Commission Act, 1920—Senate Committee on Territories, 66th Congress, 3d session, 1920, page 38. Although I am sure that the Congress had no such intention, the objector has been somewhat of a prophet.

We are now a world power, and we are, even more importantly, the leaders of the free world, and we are these things because in all our affairs, domestic as well as international, we have abided by a moral code in which fairness and justice have been paramount. In 1922, for example—the year after the Hawaiian Homes Commission Act was approved—we gave Colombia $25,000,000 to compensate for her loss of Panama. We had then, as we had in the Hawaiian revolution, been materially involved in the revolution which shook Panama loose from Colombia. And we must, with similar forthrightness, remit our debt to the Hawaiian.

The Hawaiians, I have said, were once a noble race. They are still a noble race. They are great Americans.

My concern for the Hawaiian, I must confess, is not impersonal. I have grown up with him, and I am deeply aware that he has given me—and given freely—more than I can ever return. I know his charity and his generosity; I know his expansiveness whether in work or in feast. I know—and I should be stone if I didn't—his singular concern for the inner and permanent human values rather than the outer and more ephemeral ones. From him I have learned, and from him the knowledge has come alive, that my brother is every man.

It is the Hawaiian more than anyone else who is responsible for that unique intermingling, and in the intermingling the transformation into a new, free breed of men, of the races in Hawaii. If Hawaii is a melting pot, it is a melting pot of the heart, and it is the Hawaiian's heart that has been most generous. When the plantation began their importations of cheap labor from the Orient, from Portugal, from wherever they could get it, it was the Hawaiian—and he did this in the very teeth of the fact that their influx hurt him economically—who embraced these people and accepted them as fellow human beings. Certainly it was not their employers. The Hawaiian did not care whether a man's name was Ching, or Kobayashi, or Gomez, or Wilson or whatever else; whether a man's skin was different or whether a man talked funny. The Hawaiian would have no commerce with that poverty of soul and mind that could only, on such slim pretext, buoy itself up by pushing others down. The Hawaiian is, and he always has been, a genuine aristocrat of the spirit, a member of that very aristocracy which it was Thomas Jefferson's greatness—and the greatness of Americans before and since—to have seen and to have nurtured.

And this is not something I have dreamed up about the Hawaiian. It is attested by ethnologists and sociologists who have studied the matter; it is attested by all who know the Hawaiian.

I should like to quote the statement of Daniel K. Inouye, majority leader in the Hawaiian House of Representatives, a retired captain of the United States Army, holder of the Distinguished Service Cross, the Bronze Star, and the Purple Heart with clusters:

> I was raised in the islands. * * * It has been my privilege to know many Hawaiian people—and I am grateful to them for their genuine brotherhood; for the fact that they do not raise and have never raised the barrier of race, color of skin, or religion between themselves and their fellow man * * *. I have known him, the native Hawaiian, as a peaceful, trusting, good-natured friend of his fellow man, the true Samaritan, and I am a better man for having known him.

It is—and all who know him know this—it is the Hawaiian, more than anyonce else, who is responsible for that Hawaii that stands before the peoples of Asia, the peoples of Europe, the peoples of the world, as a living symbol of America, a tabernacle of flesh and bone housing our sacred lifeblood of freedom. He, more than anyone else, is responsible for that Hawaii which is the land our Founding Fathers promised and which the nations have awaited.

And yet to say, as I do say, that the history of the Hawaiian since the coming of the foreigner is essentially the history of him giving and everybody else taking away, is to be only too accurate. He has given us so much humanly, we cannot fail him economically. He has been a leader in the creation of that democracy in which, in a manner uniquely Hawaiian and uniquely American, east meets west, of that democracy in which the peoples of the world are united. But he is prevented economically from the full contribution which it is in him to give if he had the opportunity, and it is in our power, it is in fact our obligation, to give him that opportunity. We cannot, and still retain that honor that has earned us the respect of the free world, renege upon that responsibility. To fail him is to fail ourselves.

When, out of a total of some 15,000 family units eligible at the time the act was passed, only 1,600 families have actually been placed on the land in the 36 years since its enactment, when only 40,000 acres out of 194,000 available acres have actually been used for the purposes of the act, when there are now some 7,000 family units eligible for placement on the land with little or no prospect of being placed and more than 100,000 acres still available, we cannot say that the injustice the Congress sought to rectify has in fact been rectified.

Mr. Speaker, the purpose of H. R. 577 is to make the Hawaiian Homes Commission Act a reality and to obtain justice for a friendly, confiding, and trusting people who have demonstrated their dedication and devotion to American principles and ideals in word and deed, and in circumstances where lesser people would long since have abandoned all faith and trust. I am sure the Congress will pass a bill to make the Hawaiian Homes Commission Act a reality for those for whom it was enacted. Thank you.

SEWARD'S DAY—THE CESSION OF ALASKA

The SPEAKER pro tempore. (Mr. EDMONDSON). Under previous order of the House, the gentleman from Alaska [Mr. BARTLETT] is recognized for 30 minutes.

Mr. BARTLETT. Mr. Speaker, Saturday next—March 30—will be a significant day in the history of Alaska. Then it will be just one decade short of a full century ago since the treaty providing for the purchase of Alaska from Czarist Russia was signed. On March 29, 1867, Secretary of State William H. Seward and Baron Edouard Stoeckel, Russian Minister to the United States, completed the draft of the Treaty of Cession of Russian America—Alaska—to the United States. For many years March 30 has been a legal holiday in Alaska. It was designated by the Territorial Legislature as Seward's Day in honor of the great Secretary of State whose wisdom and vision placed the American flag over Alaska.

It was the day following the completion of the treaty draft—March 30—at 4 o'clock in the morning, that the treaty was signed. It might perhaps seem odd that the negotiations leading to the purchase of Alaska were completed at 4 o'clock in the morning. However, the first session of the 40th Congress was then at its end, and Secretary Seward desired to seek Senate approval of the treaty before Congress adjourned. The House did indeed adjourn on March 30, but the Senate remained in special session, in conformity with Presidential proclamation, until April 20, during which time it ratified the treaty.

As the purchase of Alaska is inevitably associated in our history with the name of William H. Seward, Secretary of State in the Cabinets of Presidents Abraham Lincoln and Andrew Johnson, it is fitting that some attention be devoted to him. Seward was a former New York Whig who had been Lincoln's principal opponent for the presidential nomination in 1860. During the Civil War years he capably conducted the efforts of the Lincoln administration to prevent European powers from intervening on the side of the South. Following the war, he succeeded in obtaining the withdrawal of French troops from Mexico, which helped bring about the downfall of the French puppet regime there.

Seward himself "was a very conspicuous prophet of territorial expansion," wrote Frederic Bancroft in his life of the Secretary of State. His lively imagination and enthusiasm, his belief in vast national enterprises, his fondness for optimistic speculation, and his understanding of certain currents and traits of civilization in this hemisphere—all tended to lead him into predictions of the

future influence and extent of the United States.

The question of territorial expansion had been foremost in American politics during Seward's early political career. He had entered the Senate, for instance, in 1849, immediately after the Mexican War. It was the period in which there was much popular talk regarding the manifest destiny of the United States to expand over the entire American Continent. Texas had been annexed in 1845, title to Oregon had been settled by treaty in 1846, and the United States had acquired California and the Southwest in 1848.

It was rumored that as early as the British-American discussions of the 1840's over the Oregon boundary the Russian Government offered to give Alaska to the United States. Its cession, according to remarks attributed to Robert J. Walker, former United States Senator from Mississippi and Secretary of the Treasury under James K. Polk, would have been dependent upon the United States maintaining the Oregon boundary at 54°40'. This latter latitude was the southermost limit of Russian Alaska. The boundary, however, was set at 49°.

As early as 1860, Seward had predicted that the United States would one day acquire Alaska. Speaking at St. Paul in that year, he said:

> Standing here and looking far off into the northwest, I see the Russian as he busily occupies himself in establishing seaports and towns and fortifications, on the verge of this continent, as the outposts of St. Petersburg, and I can say, "Go on and build up your outposts all along the coast, up even to the Arctic Ocean—they will yet become the outposts of my own country—monuments of the civilization of the United States in the northwest."

Seward from time to time made various other proposals regarding peaceful expansion of the Nation's boundaries. On June 3, 1861, for instance, he wrote Thomas Corwin, our Minister to Mexico, saying that the United States would purchase Lower California rather than let any part of it fall, either by purchase or conquest, into the hands of the Confederates. At another time during the Civil War, in January 1865, Seward suggested to the Danish Minister at Washington that the United States purchase the Danish West Indies, and the question was taken up again in January 1866. In July 1866 Seward officially offered the Danish Government $5 million for the islands, but the projected annexation did not take place until 1917. Again, in January 1869, Seward attempted to get a joint resolution passed through Congress approving the annexation of Santo Domingo. The scheme was quickly laid upon the table. In 1867 he also privately favored the annexation of Hawaii, which, as we know, was not annexed until 1898.

What motives did the United States have for acquiring Alaska? Above all else, it should not be forgotten that by purchasing Alaska the United States Government was furthering in a more or less direct fashion the purposes of the Monroe Doctrine. Had we not shown an interest in acquiring Alaska, it is possible and even probable that Great Britain would have done so. The Monroe Doctrine, as enunciated by President James Monroe on December 2, 1823, declared that—

> The American Continents, by the free and independent condition which they have assumed and maintained, are henceforth not to be considered as subjects for future colonization by European powers.

While such areas as Alaska, which were already occupied by European powers, were specifically excluded from the provisions of the doctrine, it would not have been in accord with the spirit of that declaration for the United States to witness with approval any extension of British control over the North American Continent.

Incidentally, while most Americans think that the Monroe Doctrine was meant to apply to the attempt of the reactionary powers of Europe to help restore the Spanish Empire in America following the Napoleonic wars, many authorities assert that the immediate occasion for its issuance was Russian activities in Alaska.

The pretensions of the Russian Government, during the Monroe administration, to exclude all but Russian vessels from the northwest coast of America north of 51 degrees precipitated the original diplomatic controversy out of which the Monroe Doctrine developed. Had this attempt to extend Russian territory southward succeeded, the Russians would have controlled the entire northwestern coast down to the northern tip of Vancouver Island.

However, by the time of the Alaska purchase, the danger no longer existed that the Russians would expand southward toward California and the Oregon Territory, which areas by 1848 were firmly in American possession.

What motives did the Russians have for selling Alaska? The answer is, in part, that they sold it to the United States for somewhat the same reason that Napoleon sold the Louisiana Territory—to avoid the possibility that it might fall into the hands of Great Britain.

The Russians did not possess a navy that could have competed on equal terms in case of war with the British Navy. At the same time, Alaska bordered on the British dominions in Canada. The British Hudson's Bay Co. was becoming increasingly active in the northwest fur trade, and was already attempting to penetrate Alaska.

Alaska would probably have been claimed for Great Britain by Capt. James Cook during one of his 18th century Pacific voyages had the Russians not already been in occupation of it.

Despite the Russian occupation, the British Hudson's Bay Co. at the time of the American purchase of Alaska was already widely established all up and down the southeastern coast. Under an 1825 treaty between Russia and Great Britain, the British were to have the right of free navigation of Canadian streams that crossed Russian territory. In 1839, under this provision, the British obtained a 10-year lease to the mainland of southeastern Alaska. Prior to the lease, the Hudson's Bay Co. had attempted to establish a trading post in Russian territory without Russian permission. A Hudson's Bay Co. vessel had been fired upon and driven away by the Russian Navy.

This British lease on southeastern Alaska was renewed three times, and only expired in June 1867, the year of the transfer of Alaska to the United States. The British, in fact, did not get out until 1869, 2 years after Alaska came into our possession.

Farther north, meantime, the Hudson's Bay Co. had also been sending traders down the Yukon River into Russian territory, where they competed with the Russian American Co. In 1847, the British had even established a trading post, Fort Yukon, nearly 100 miles inside Russian Alaska. British missionaries had also penetrated the area, in 1851.

The first intimation of a possible transfer of the territory was made in 1854 at the time of the Crimean War—a war in which Great Britain and Russia found themselves on opposing sides. The Russian American Co., then in control of Alaska, proposed that a "make believe" sale of the territory be made to a San Francisco concern known as the American Russian Commercial Co.

"The contract," states Frank A. Golder, in the American Historical Review, April 1920, "with blank spaces for the insertion of the date of the sale and the purchase price, was sent from California on January 18/30, 1854, for approval to the Russian Legation at Washington. In due time it reached the minister, Stoeckel, who consulted with Marcy, Secretary of State, and Gwin, United States Senator from California, as to the wisdom of making the transaction public. They were of the opinion that England could see through it and would not respect it, and left him to draw his own conclusions."

Meantime, the Russian American Co. at Petrograd had arranged with the governor of the Hudson's Bay Co. for mutual recognition by the two companies of the neutrality of each other's possession in northwestern America. On March 23, 1854, the Hudson's Bay Co., on advice of the British Foreign Office, accepted the proposal, reserving only the right of the British fleet to seize Russian ships. The Russian company's project of making a token sale of Alaska was dropped.

It had begun to be bruited about that the Russians really were interested in selling, but the Russian Ambassador quickly "scotched" the rumor.

The real promoter of the sale of Alaska appears to have been the Grand Duke Constantine, brother of Czar Alexander II. In 1857, some 10 years before the sale actually took place, he wrote a letter to Gorchakov, the Russian Foreign Minister, urging the transfer of the Russian-American possessions to the United States on the grounds that the colonies were of small value to Russia and that the Russian Government needed the money which might be obtained by the sale of Alaska and the contiguous area. Incidentally, had the Grand Duke's proposal been brought to fruition, the United States would also have acquired the Kurile Islands. Russia, pointed out the Grand Duke, had a more legitimate interest in penetrating the Amur River area, to the north and east of Manchuria, than in Alaska.

During the previous years, Americans in increasing numbers had been settling in the Oregon Territory, where they displayed a growing disinclination to abide by the terms of an 1824 treaty between the United States and Russia whereby Americans and Russians would not enter each other's territory without permission. Whereas Russia enforced this article of the treaty, shutting Americans out of Alaska, the United States Government allowed the Russian American Co.'s ships to enter San Francisco and allowed its agents to open offices and stores there. American citizens in the Oregon area objected to such generosity, and demanded that the Russians be kept out of American territory if Americans were not allowed equal rights in Alaska.

Another immediate factor in the Russian sale of Alaska was Russian apprehension that a number of Mormons, who had settled in Utah, might move on to the territory of the Hudson's Bay Co. or into that of the Russ n-American Co. The Russian Minister to the United States reported that if the Mormons should come, Russia would be obliged either to fight them or to give up territory to them.

The first positive American offer for Alaska was made by Senator William M. Gwin, of California, on behalf of President Buchanan, toward the end of 1859.

> In the course of the conversation—
>
> Says Golder—
>
> Gwin incidentally mentioned that the United States would be willing to pay as high as $5 million.

To the Russian minister, "this seemed a large sum, more than the colonies were then worth or would ever be worth from the point of view of revenue, and probably as much as the United States would ever be willing to give."

Without directly recommending the sale, Minister Stoeckel in his official report indicated a few arguments in its favor. He mentioned the decline in importance of the fur trade, the disadvantages to the Russian Government should it be forced to take over the affairs of the company, the danger that Alaska might be seized by any strong naval power during a war, and the fact that by selling Alaska to the United States the British could be prevented from assuming a dominant position on the Pacific.

Among the documents in the Russian archives is one from an unknown writer, probably the Russian Admiral Popov, dated February 7, 1860. The writer pointed out that it was easy enough for Europeans to scoff at the Monroe Doctrine and "Manifest Destiny," but if they were better acquainted with the Americans they would know how seriously these ideas were taken in the United States. The Americans, it was reported, were all filled with the idea that America was only for Americans. They had taken California and Oregon, and sooner or later they would acquire Alaska. It could not be prevented, and it would be better to yield with good grace and cede the territory to them.

Such was the status of the question on the eve of the Civil War. The growing national crisis following the election of Abraham Lincoln to the Presidency put an end to further discussions. Senator Gwin, who had been the principal representative of President Buchanan in the negotiations, was a Confederate sympathizer. Buchanan and his policies had been repudiated at the polls. Throughout the Civil War years the United States understandably became too engrossed in its own domestic problems to be interested in the Alaska question.

Even during the Civil War era, Alaska was the scene of spectacular events in our national history. A Confederate raider, the *Shenandoah*, sank no less than 38 Yankee whaling vessels in Alaska waters. In the incident revealed nothing else, it proved that the American people had a strong interest in the whale fisheries of the area.

Another spectacular incident was the attempt immediately following the war, to survey an overland telegraph route via Alaska and Siberia to link together America and the Old World. The projected cable line, as envisaged by the Western Union Telegraph Co., was to run from California through British Columbia to Alaska and then across Bering Straits into Siberia. It would then be connected with a Russian telegraph line which ran from the mouth of the Amur River to St. Petersburg. In 1864, President Lincoln mentioned the plan with approval in his annual message to Congress, and Seward himself was a wholehearted supporter of the idea.

During the years 1865–67, a large number of Russians, Chinese, and Americans worked on the proposed line. One of these was George Kennan, a relative of the recent American Ambassador to Russia, who was engaged on the Siberian end of the project. In 1865, one American party, starting from the west coast of Alaska, ascended the Yukon River as far as Selkirk, in the present Yukon territory of Canada. In 1867, another party went up the river to Fort Yukon and returned. In late August 1866, however, news of the successful laying of the transatlantic cable brought an end to these efforts.

Thus, even during the middle of the 19th century it was apparent to many that Alaska could be of more immediate concern to the United States than might have been supposed.

Meantime, the Russian-American Co. was in financial difficulties. The fur trade was declining, and the company had failed to recoup its losses by exploiting the coal, ice, and lumber resources of the area. The company was drifting into bankruptcy and appealed to the Government for help. The Government did not wish to take over the territory. Nor did it wish to turn the area over to another trading company and share in the unpopularity aroused by the methods of Russian traders.

The company's charter had expired on January 1, 1862, and it had continued its activities under a temporary extension of the charter.

By 1866 the Russian Government was finally determined to sell Alaska, and the American Government was once more interested in buying it. In December 1866, the Czar, following a meeting with the Grand Duke and other governmetal leaders, authorized Baron Edouard Stoeckel, the Russian Ambassador, to offer the Russian colonies in America to the United States. Stoeckel was instructed not to take less than $5 million. He was given a map upon which the frontiers were traced. Beyond that, everything else was left up to him.

Stoeckel arrived in Washington in March 1867 and called on Secretary of State Seward, as was customary. Seward requested that the citizens of Washington Territory be granted permission to fish in Alaska waters. Stoeckel replied that his government could not possibly grant it.

> After these preliminaries had been gone through—
>
> Says Golder—
>
> Seward came to the point and inquired whether Russia would sell Alaska to the United States. Stoeckel had gained his object; America had taken the first step in the transaction.

Seward discussed the question with Andrew Johnson, then President, and the Cabinet, and several days later reported that he was authorized to negotiate. During March 1867 Stoeckel and Seward met several times. Stoeckel refused to consider anything less than $7 million, to which Seward finally agreed. However, the United States would not accede to several Russian stipulations regarding the manner of payment and obligations of the Russian-American Co. The Russians settled for the payment of an additional $200,000. During the night of March 29–30, just 90 years ago this week, the treaty was signed.

One interesting article of the treaty gave the Russian inhabitants of Alaska the right, should they remain in the Territory 3 years after the cession, to become American citizens. As in the Louisiana Purchase, the United States had not only bought territory, it had also acquired, by purchase, a foreign population, however negligible in numbers, along with the territory. Trying to square this fact with our officially enunciated belief in the right of all people to choose their own government has created a few puzzling problems in our history, not only in regard to Louisiana and Alaska, but also in regard to other territories this Nation has acquired.

The fact that a large part of the population thus acquired consisted of Indians also added to the Indian problems of the United States, which already had plenty before, and still does. This latter fact subsequently created difficulties for the non-Indian population of Alaska, for the United States Congress persisted for many years in regarding the Territory as being populated exclusively by Indians, the rights and immunities of United States citizens not being extended to them.

As Congress was about to adjourn, Seward was in a great hurry to obtain Senate approval. So secretly had the negotiations been carried out that few Members of Congress were aware of them.

One of the principal difficulties in obtaining senatorial approval lay in the fact that the Alaska purchase had been negotiated by the Johnson administration. Although Johnson had not taken much personal interest in the question, it was naturally associated with his name. Congress was then engaged in repudiating Johnson's measures for Southern reconstruction, following the Civil War; and about a year later actually impeached the President. Seward as a member of the Johnson administration was unpopular with Congress.

It is an interesting fact that what made possible the American acceptance of the Alaska cession was not the popularity of the administration which negotiated it, for the Johnson administration enjoyed no popularity among the dominant element in Congress, but the desire not to insult the Russians by refusing to ratify the treaty.

The United States and Russia at that time were on exceptionally good terms. Despite the fact that Russia was then, as now, ruled by a despotic government, the Russians during the Civil War had taken a friendly attitude toward the United States Government. The fact that a large part of the Russian Navy had sailed into United States ports during the Civil War with the evident intention of preparing for a possible conflict with the British fleet, Britain then being apparently more favorable to the Confederacy than to the North, had helped to create a friendly feeling in the North for the Russian Government. The Russians had, in fact, undertaken this maneuver in their own interests, but that fact was obscured by the general desire of the Russians to cultivate friendly relations with this country. Their evident desire to sell Alaska to the United States as a means, in part, of getting rid of a potential source of argument over fishing and fur hunting rights, reinforced the impression of Russian friendship.

The numerous friends of Russia, in and out of Congress

States Golder—

became active among the Senators and pointed out to them the disgrace to the United States and the insult to Russia in failing to ratify the treaty after having drawn Russia into it. This idea gradually took hold and one by one the Senators became more friendly, and on the final vote on April 9 (1867), 37 voted in favor of ratification of the treaty and 2 against it.

A leading role in obtaining Senate approval was taken by Charles Sumner, chairman of the Senate Foreign Relations Committee. In order to gain time, Sumner successfully moved that the treaty be referred to his committee for consideration. What was said is uncertain, for Seward was able to persuade the Senate that an executive session was necessary. Only Sumner's speech, which he wrote out afterward, on the basis of brief notes, was made public. This speech is widely regarded as being a masterful contemporary exposition of the value of the Alaska purchase. It occupies 165 pages in Sumner's printed works.

Among the advantages to the United States involved, Senator Sumner mentioned the fishing possibilities now opened up to west coast citizens, the consolidation of American power in the Pacific, the extension of republican institutions into new territory, the prevention of British expansion, and confirmation of the existing good relations with Russia.

Discussing the range of temperature found in Alaska, Sumner correctly pointed out that warm ocean currents provide much of the area with a pleasantly moderate climate. He pointed out the possible commercial value of the fisheries, the seal herds, the minerals, and the forests of Alaska.

It was Sumner who suggested, in the course of this speech, that the name of the new territory be Alaska, the Indian term for the area.

Sumner concluded his speech with a summary of the advantages of the cession. "But your best work and most important endowment," he stated, "will be the Republican Government, which, looking to a long future, you will organize, with schools free to all, and with equal laws, before which every citizen will stand erect in the consciousness of manhood. Here will be a motive power without which coal itself is insufficient. Here will be a source of wealth more inexhaustible than any fisheries. Bestow such a government, and you will give what is better than all you can receive, whether quintals of fish, sands of gold, choicest fur, or most beautiful ivory."

These sentiments might aptly be quoted today, when Alaska once more comes before the Congress with its petition for statehood.

The Russian and American Governments having formally ratified the treaty, On October 18, 1867, the Russian officials formally transferred Alaska to Gen. L. H. Rousseau, who had been sent to Sitka by the President as his representative. Thus, when Congress resumed its work in November, 1867, only one essential part of the transaction remained unfulfilled.

The treaty, of course, required payment of $7,200,000, which meant that the Congress would have to implement it by a special appropriation. It was understood that when the 40th Congress reconvened later in the year it would appropriate immediately the necessary funds. The question, however, became further entangled in the rapidly declining prestige of the Johnson administration. A complicating factor was the fact that the heirs of an American citizen who had been attempting for years to collect a large sum of money from the Russian Government, which they claimed had been owing to them, attempted to get Congress to pay the claim out of the Alaska purchase appropriation.

The heirs of the deceased claimant, one Benjamin Perkins, were demanding $800,000 in settlement of an alleged agreement to supply the Russian Government in 1855 with certain munitions. According to Stoeckel, three-fourths of the claim, if paid, would have gone to various individuals backing it, and only one-fourth to the Perkins heirs.

Thaddeus Stevens, leader of the House faction of radical Republicans which was attempting, in February 1868, to bring about the impeachment and conviction of the President for his opposition to congressional reconstruction policies, had originally supported the Perkins claims. However, after talking with Seward and Stoeckel—the embittered Andrew Johnson later noted his belief that Stevens was bribed with Russian money—Stevens had changed sides. For several months, the Perkins faction had sufficient strength to delay action on the measure in the House. However, Seward and former Senator Robert J. Walker of Mississippi, then in the practice of the law in Washington, assiduously went to work lining up congressional support. On July 14, 1868, the bill carrying the appropriation was finally passed.

OUR FOREIGN POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 60 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, one of the major interests in my service in the House of Representatives has been our relations with foreign governments.

I made a speech on the floor of this House on April 23, 1951, that dealt with our foreign economic policy. At that time I urged the adoption of a bill I had introduced to create a commission to study the impediments to investment of private capital abroad, with a view to helping underdeveloped areas of the world through the traditional American free enterprise system.

I have appeared before the Foreign Affairs Committee of the House in support of legislation along this line, and have offered amendments on the floor of the House when we have had mutual security legislation before us.

At this point I insert a list of references to remarks I have made on this subject:

FOREIGN AID

MEADER BILLS INTRODUCED

H. R. 3798, 82d Congress: For the establishment of a Commission on Aid to Underdeveloped Foreign Areas.

H. R. 4199, 83d Congress: To establish a Commission on Overseas Investment and Trade.

MEADER AMENDMENTS, SPEECHES, DEBATE, INSERTIONS (IN CONGRESSIONAL RECORD)

April 23, 1951: Speech introducing H. R. 3798, volume 97, part 3, pages 4209–4214.

July 3, 1951: Speech, Let's Export Independence, volume 97, part 6, pages 7608–7609.

July 10, 1951: Letter from Nelson A. Rockefeller, volume 97, part 13, page A4247.

July 12, 1951: Correspondence with Paul H. Appleby, volume 97, part 14, pages A4318–A4319.

July 18, 1951: Correspondence with Spruille Braden, volume 97, part 14, page A4494.

July 19, 1951: Miscellaneous letters, volume 97, part 14, pages A4502–A4505.

August 13, 1951: Statement of Howard S. Piquet, volume 97, part 14, pages A5071–A5072.

August 16, 1951: Amendment to Mutual Security Act of 1951, volume 97, part 8, pages 10179–10180.

August 17, 1951: Amendment to Mutual Security Act of 1951, volume 97, part 8, pages 10289–10290.

May 21, 1952: Debate on Mutual Security Act, volume 98, part 5, pages 5669–5673.

May 23, 1952: Amendment to Mutual Security Act of 1952, volume 98, part 5, pages 5912–5913.

June 9, 1952: Letter from Mrs. H. Richard Blackwell, volume 98, part 10, page A3519.

March 26, 1953: Introduction of H. R. 4199, volume 99, part 2, pages 2339–2344.

May 5, 1953: Speech on President's recommendation for a Commission on Foreign Economic Policy, volume 99, part 4, pages 4556–4558.

July 23, 1953: Debate on Trade Agreements Extension Act, volume 99, part 7, page 9707.

May 26, 1954: Speech by H. C. McClellan, president, NAM, daily CONGRESSIONAL RECORD, page A4014.

May 26, 1955: Asia Town Hall Mission, volume 101, part 6, pages 7159–7160.

June 30, 1955: Amendment to Mutual Security Act of 1955, volume 101, part 7, pages 9633–9636.

March 29, 1956: Speech on Report of Subcommittee on International Operations entitled "Technical Assistance in Latin America" (H. Rept. 1985, 84th Cong.), volume 102, part 5, pages 5863–5867.

May 22, 1956: Fortune editorial, The American Game, volume 102, part 7, pages 8753–8754.

June 6, 1956: Amendments to the Mutual Security Act of 1956, volume 102, part 7, pages 8733–8735.

June 8, 1956: Debate on Mutual Security Act of 1956, volume 102, part 7, page 9884.

January 28, 1957: Remarks on House Joint Resolution 117 to approve military and economic assistance to nations in the Middle East area and insertion of conclusions and recommendations of House Report 10, 85th Congress, United States Aid Operations in Iran, pages 1030–1034.

TESTIMONY

July 20, 1951: Testimony before House Foreign Affairs Committee hearings on mutual security program, 82d Congress, 1st session, pages 778–819.

April 28, 1952: Testimony before House Foreign Affairs Committee hearings on mutual security program, 82d Congress, 2d session, pages 869–882.

It has been my view that because of the importance in this modern world of the conduct of our relations with other governments, upon which the very existence and the prosperity of our own people depends, we should strengthen and improve the Department of State, the agency through which we conduct our relations with other governments.

Secondly, it has seemed to me that it is important in our combat with the totalitarian philosophy of communistic Russia and her allies that we should encourage the investment of private capital as a means of developing the economic resources of friendly countries in the world and to enlist them on the side of freedom, economic and political, rather than on the side of slavery, represented by communism.

It has been my privilege, Mr. Speaker, during my service in the House of Representatives to be a member of one of the most important committees of the House, the Committee on Government Operations, previously called the Committee on Expenditures in the executive departments.

In my first term in the 82d Congress, I offered a resolution in that committee to constitute a special subcommittee to study the Department of State, its practices and procedures, its personnel and its performance with a view to strengthening the instrument through which the American people conduct their relations with other peoples of the world. Unfortunately, no action was taken in the 82d Congress.

In the 83d Congress, however, under Republican control of the House of Representatives, there was created a Subcommittee on International Operations under the chairmanship of Hon. CHARLES B. BROWNSON, of Indianapolis.

Many worthwhile investigations of the operation of our aid program, the activities of the information agency and the Department of State were conducted by that subcommittee in the 83d Congress. Reports were made to the House of Representatives, and I am confident that the committee's work resulted in some improvement in the administration of many of our foreign programs.

Particularly do I recall the committee's investigation of the Korean rehabilitation program. Also, various investigations of specific items such as the procurement of tungsten in Thailand, the procurement of hexylresorcinol in Southeast Asia and the end-use check program of the Foreign Operations Administration among many other inquiries.

In the 84th Congress, under the chairmanship of the Honorable PORTER HARDY of Virginia, the good work of the International Operations Subcommittee was continued. That committee, among other things, reported upon the technical assistance program in Latin America, a report which I felt was a great contribution to the administration of our economic aid programs in our neighboring Latin American republics.

Last year, the committee conducted extensive hearings on the program in Iran. The report could not be filed in the 84th Congress, but was filed on January 28 of this year in the 85th Congress, and has been widely quoted in the press and by Members of this body.

Mr. Speaker, I am the author of an article which appears in the April issue of Reader's Digest. The title of the article is "Our Foreign Aid Program—A Bureaucratic Nightmare." The subtitle is "Millions of Our Tax Dollars Are Being Wasted on Projects That Are a Far Cry From Point 4's Original Intention."

Mr. Speaker, I ask unanimous consent at this point in my remarks to insert the text of that article.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The article referred to is as follows:

OUR FOREIGN-AID PROGRAM—A BUREAUCRATIC NIGHTMARE

(By GEORGE MEADER, United States Representative from Michigan)

(An experienced Congressional investigator, Representative GEORGE MEADER, Republican, was chief counsel of the Senate War Investigating Committee combating fraud during World War II. He also conducted the Senate investigation that unearthed the Reconstruction Finance Corporation scandals. Elected to Congress in 1950, he is a member of the House International Operations Subcommittee.)

Most of us in Congress have consistently voted for foreign aid to strengthen the underdeveloped countries so they can resist Communist aggression. We will be asked within a few weeks to appropriate additional huge sums. Investigation shows, however, that the program we are being asked to support has in the main degenerated into a bureaucratic nightmare, in which millions of dollars are wasted. Admittedly, some of the money spent has yielded good results. But too often we have forced projects upon countries not ready for them, with the result that we build up, not friendship, but ill will and resentment. In other instances we have scattered our money abroad with such abandon that it is hard to discern what, if any, results we have achieved.

Only a few weeks ago we 13 Republicans and 17 Democrats who make up the House Committee on Government Operations unanimously approved a 59-page report detailing the "loose, slipshod, and unbusinesslike" spending of more than a quarter billion dollars in Iran with so little regard for 'basic requirements of prudent management * * * that it is now impossible with any accuracy to tell what became of the funds.[1]

Yet this case is typical of hundreds uncovered throughout the world, not just by our committee but also by other investigators, including those of the House, Senate, and General Accounting Office. Here are some samples that have been brought to my attention.

In the name of foreign aid, our Government has built a $128,000 cow barn in Lebanon to demonstrate to average farmers living on $100 or less a year the equipment they should provide themselves with in order to get ahead.

In Ethiopia we spend hundreds of thousands of dollars a year to found an agricultural college, conduct experiments looking to better crops, and train veterinarians, all of which may be good. But at last report everyone was too busy to put to use 2,000 plows and a store of tractors rusting away since UNRRA days.

And consider Afghanistan. The 12 million inhabitants live as they did a thousand years ago. Some are nomads, but most of them are simple farmers. Ninety-six percent cannot read or write, nor can they cope with the complexities of mechanized civilization. There are virtually no roads; the usual transport is over trails by camelback and packhorse. The Afghans need to be introduced to the age of the wheel and axle, and to simple hand tools, if they are to begin ascending the economic ladder. Missionaries years ago learned that there is no other way up than step by slow step. Instead, we are trying to shortcut years of such essential development.

[1] See "How Not To Handle Foreign Aid," the Reader's Digest, February 1957. Copies of H. Rept. 10 (dated January 28, 1957) are available on application to the Committee on Government Operations, House of Representatives, Washington, D. C.

To illustrate, the United States advanced $39,500,000 of loans to complete two dams in the most isolated part of Afghanistan. The idea was to produce industrial hydroelectricity and to pour out water to reclaim a million acres of desert on which to resettle the nomads. Today, 2 to 5 years after completion of these dams, there still is little power equipment installed, and no electricity has been generated. The nomads have refused to settle down on the irrigated acres; the soil is so alkaline that some of it won't grow crops 2 years in succession. Nevertheless, every year we give further large sums to maintain the irrigation canal with our own technicians, while others strive feverishly to solve the soil problem.

The Afghans blame the United States, for haven't we led them on to expect great things? Therefore, from International Cooperation Administration headquarters in Washington, a demand goes out for "projects which will show immediate results and encourage the people." Courtney Kimler, an experienced engineer, was sent to find some of these.

"Help the Afghans to make better use of the good land they have," he advised. "Show them how to make a $5 weaving rack so the rugmakers can bring their work inside during the winter months in which they now sit idle. Above all, show them how to build carts in their own villages, and how to grade a system of farm-to-market wagon roads such as the United States had at the turn of the century. This can all be done for $10 million—and then Afghans can begin to get ahead, just as Americans did."

No one would listen. Instead of starting with wheel and axle, ICA gave $14,500,000 last year to start five airports and provide electronic equipment for a sixth which Russia is constructing.

"After all, this is the air age," says an ICA man. "We'll give the Afghans an airline and an agency like our Civil Aeronautics Administration to regulate air traffic. American technicians will have to stay there to run the show, of course; we'll have to teach the nation to read and write before it can begin to produce technicians to replace ours."

This isn't foreign aid as Congress conceived it, and it isn't doing the good that it should. This is bureaucracy bent on building a permanent empire. The ever-growing corps of technicians and experts which it would fasten onto a simple people will be resented by the underdeveloped countries as violently as the colonial overlords whom they have fought for years to shake off.

This is only one of the things wrong with foreign aid as it is administered. The present and previous administrations have depended on our professional foreign-aid planners in ICA and the State Department for guidance. Unfortunately for United States taxpayers, too many of these men, holdovers from an earlier share-the-wealth political era, measure the success of their programs not so much in terms of accomplishment as in cash spent.

India is an example. That country's best project is its community-development program. Started years ago by missionaries and later given impetus by the Ford Foundation, it sends small teams into the steaming mud villages to instruct the almost 300 million impoverished and ignorant rural people in reading and writing, sanitation and health care; to show them how to increase their crops; to start cottage industries; and to teach village leaders to carry on the process after the teams leave.

A House Foreign Affairs subcommittee visited some of these villages recently. The inhabitants proudly showed what they had done, as a result of their training, to lift themselves: A road cut through the jungle to reach the outside world; a school built of concrete blocks; sanitary facilities; increased crops that meant the difference between hunger and hope. In these simple things, and in the villages rising spirit of pride and self-respect, was proof that men can and will help themselves when the goals are within their comprehension.

Nevertheless, ICA spent little on these community-development projects last year. Congressmen had to prod our officials to get them to show these villages.

The trouble is that our foreign-aid planners are trying to spend $80 million a year on India. A United States mission of more than 400 works hard at the task. But it is difficult to get rid of this much cash on the principle of showing people how to help themselves. So, the mission concentrates on buying things that have nothing to do with point 4.

In 1954, after telling Congress that it intended to spend but $639,000 on all transportation and communications in the country, the mission made India an outright gift of $20,500,000 worth of new railroad equipment alone. India didn't need this as a gift; it could have borrowed any cash it needed for its railroads because its system, the fourth largest in the world, is one of the nation's strongest assets.

In June 1954, 2 weeks before their unexpended balances for the fiscal year would expire if not obligated, our foreign-aid officials in India decided to donate $1,539,000 worth of prefabricated steel for 53 easy-to-erect grain silos and warehouses to demonstrate what United States storage techniques could accomplish. Last fall ICA officials admitted that the bulk of the material was still sitting in Calcutta, untouched. Meanwhile, ICA approved a request from its office in India for an additional $4 million of United States taxpayers' money for 600 more warehouses—in spite of the fact that in 2 years the Indians hadn't got around to putting up the buildings we had already sent.

The fact is that India cannot assimilate aid as fast as we want to pass it out. Already a backlog of $135 million has piled up from past appropriations. Nevertheless, officials have proposed that we now increase our Indian assistance from $80 million to $100 million a year.

Every year all but a minor portion of our Indian-aid funds is spent in ways having little to do with inspiring self-help. Last year alone at least $68,500,000 was allocated to buy items which included industrial steel and iron, machinery, machine tools, and raw materials for manufacture. Nearly 4 million dollars' worth of motor vehicles was given away. Most of these gifts are not connected with any project or program but are just handed over to the Indian Government which merges them into the state-owned enterprises of its 5-year plan. Official proposals for the future merely look to enlarging such gifts by $20 million a year.

G. Corson Ellis, vice president of the Association of Consulting Management Engineers, took a team to India under an ICA contract to set up a management-development program that would help new industries to operate more efficiently. He later told the House Foreign Affairs Committee that he was not permitted to serve private businesses—just Government undertakings; that he had to wait 7 months before the Indian Government would let him have any people to train; that his job was impossible because of resistance to criticism and to the idea of a free economy.

"We make a mistake preaching that what these countries need is capital," he says. "Their principal need is trained men. We must teach, not simply act as experts. Unless our program is predicated upon leaving something behind, we are going to be stuck there for 50 years."

These examples of waste of American personnel and resources could be multiplied. In Greece, Marshall plan tractors rusted on the docks 2 years after arrival because the country couldn't absorb all the aid we insisted upon giving. Yet no lesson is learned from such waste. Recently, in Laos, a country of 1½ million inhabitants, Congressmen saw a depot crammed with enough expensive drugs, hypodermic needles, and other medical supplies to care for much of southeast Asia.

Expensive pieces of electrical equipment, including electronic microscopes, were purchased for the Philippines when no power or personnel to operate them was available. Distilled water was ordered from the United States to be shipped to Manila, despite the fact that stills to produce such water on the scene had already been supplied.

Still, each year since 1948, the people who run foreign aid have come up with a conveniently timed emergency which has called for enlarging the scope of our operations. In the current fiscal year $1,749,000,000 was appropriated for nonmilitary assistance—an increase of $68 million over 1956, even though ICA ended the year with a backlog of nearly two billions it had been unable to spend.

By 1953 the foreign-aid bureaucracy had become so swollen and tophevy that Congress ordered a 10-percent cut in its 7,000 personnel. Yet today it has more employees than ever—more than 8,000. This bureaucracy has become so powerful, so cocksure, that it has defied Congress and done whatever it has wanted.

Under the law, requests for aid are supposed to originate with the host country. The United States mission is then supposed to try to find American cash for the worthiest point 4 proposals—if the benefiting nation will pay a substantial portion of the costs to show its interest. In practice, some of our missions start out with an allocation of funds, then try to prevail upon the host country to accept cash for projects drummed up by ICA. Sometimes the missions even find ways of getting around the stipulation that the host country put up earnest money. In one instance recently our committee found that a host country's contribution included the country's estimated loss of import duties on items which the United States gives to it.

Everywhere we are bestowing the accoutrements of advancement upon people while giving insufficient heed to fundamental needs. Jordan, a poor, arid country with 1,500,000 population, has an overwhelming problem: a half million Arab refugees from Palestine. Our major cure has been to construct throughways, for the country's fewer than 9,000 automobiles.

In Thailand a 200-mile asphalt road was undertaken as a 1-year, $8½ million "dramatic demonstration of United States efficiency in peaceful pursuits," but after 2½ years the estimated cost has skyrocketed to $18 million for just the first 100-mile stretch, with completion not due before 1958. Meantime, ICA has expanded this demonstration into a series of Thai highway projects which by June will have cost us $43 million, and no end in sight.

This project was tackled without sufficient advance planning. The American contractors' 150 employees have to be paid during the 6-month rainy season, when they can only sit. Congressional investigators have found that the boss of 1 team collects $27,750 a year; that 14 other engineers get $17,400 each; that machine operators make $700 to $800 a month, plus 15 percent for being overseas, plus $300 a month living expenses, plus overtime. None pays an income tax. And now 75 additional high-priced men are being sent to Thailand to join those already there. Such aid cannot be justified even as a means of insuring international cooperation.

Officials have admitted to our committee that some programs could well be taken

over and paid for by the host countries—except that the latter don't think they're worth their own cash and would drop them. Meanwhile, Burma, 4 years ago, rejected further wholesale gifts from the United States. A Congressional investigator was told in Burma: "By being so aggressively friendly and insistent that we accept your money and superior knowledge in working out our destinies, you Americans insult us without meaning to." This reaction is spreading.

Is it not time to call a halt to this senseless, arrogant spending? Let's stop measuring the success of our aid by the amount of cash we can give away. Let's concentrate instead on helping people to help themselves with fundamental programs, meanwhile encouraging them to accept development by private enterprise so that their economies may grow and they may eventually stand alone instead of as dependents on an annual handout from the United States taxpayers.

What is needed is a clearer statement of Congressional policy and a Congressional committee equipped with funds and authority to investigate and combat waste in foreign-aid spending before, not after, the cash has gone down the drain. Such a Senate committee, of which I was chief counsel during the war, was able to save billions of dollars by keeping watch on the departments that spend our defense dollars. I know from experience that the same type of investigation can cut down waste in foreign aid and begin saving additional billions for the taxpayer right now.

Most Members of Congress know what I have set forth here. Most feel as I do. However, the bureaucracy has become so powerful that Congress will not act without knowing it has the support of the public. Until public opinion becomes so aroused that the people begin to insist on action by their Senators and Congressmen, the waste will continue, with little hope for better results than have been achieved thus far.

Mr. MEADER. Mr. Speaker, the article apparently struck a responsive note among the citizenry of the United States. My office has been flooded with letters coming from all parts of the country.

I might say that the reaction of the people of the United States, at least those who have written me, is almost unanimous.

Let me just read the beginning of one letter which happens to come from Atlanta, Ga.:

I have just finished reading your article in April Reader's Digest entitled "Our Foreign-Aid Program—A Bureaucratic Nightmare." The more I read the madder I become.

The writer says at the end of his letter:

I just read your last paragraph a second time and this taxpayer's blood pressure went up again. Why should Congress be afraid of bureaucrats. They don't elect you.

Mr. Speaker, I ask unanimous consent to insert at this point in my remarks a sampling of the correspondence I have received concerning the article which has just been inserted in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(The matter referred to follows:)

ATLANTA, GA., *March 19, 1957.*

Hon. GEORGE MEADER.

DEAR SIR: I have just finished reading your article in April's Reader's Digest entitled "Our Foreign-Aid Program—a Bureaucratic Nightmare." The more I read the madder I became.

And just why don't these high-salaried executives of point 4 programs pay income taxes? They are Americans—I hope? Even the President pays income tax, why not foreign-aid workers? Even my small Air Force pension is taxed.

Since you admit that Congress knows of all this silly and wasteful spending of taxpayers' money, it seems incomprehensible that they continue to increase foreign aid each year. Any sensible man must be soft in the head to vote in such a manner.

Frankly, it's this taxpayer's opinion that point 4 and all foreign-aid programs are unconstitutional. Governor Lee, of Utah, tried to make a test court case in this issue by refusing to pay income tax, but the bureaucrats refused to let it come into court—just garnisheed his bank account. And we still brag about this being a free country.

Socialism is bad enough here at home, but we see no excuse for using taxpayers' money for global socialism. This meddling in foreign affairs should be left to missionary societies and the Ford Foundation.

And if you are waiting for aroused public opinion, consider the theme of Agnes Scott (Georgia) and Oxford (England) college debating teams: "Resolved that America is the mother-in-law of the whole world," and surely you heard the taxpayers' screams clear from Michigan at the $72 billion budget—$5 billion of which was for foreign aid.

Perhaps the average age of Congressmen and Senators is too high and younger blood is needed. Consider Senator GREEN—91; Senator GEORGE—78; who dutifully voted for foreign aid each year till Senator TALMADGE replaced him. Only when this young Senator sounded off against foreign aid did Senator RUSSELL rush to his side. I was retired from airline flying at 60; why shouldn't Congressmen be retired at, say 70?

Whatta you mean—wait for aroused public opinion? The people did not want point 4 in the first place. Congress wanted it. In fact, 8 out of 10 people never heard of the program and do not know its purpose. Ask 'em and see. I have. You gentlemen created this monster—now kill it. And the military part of foreign aid is just about as unnecessary, although probably not as blatantly wasteful. These airports encircling the U. S. S. R. are useless in the light of missile and nuclear development. In case of surprise attack (and no other kind will be used) not a plane would get off the ground. One hydrogen bomb and/or rain of missiles would ensure that. I was an airplane pilot in both World Wars, so I know whereof I speak.

I just read your last paragraph a second time and this taxpayer's blood pressure went up again. Why should Congress be afraid of bureaucrats. They don't elect you.

With this Nation bankrupt with a $270 billion debt; the dollar worth 40 cents; highest taxes in world history; and you gentlemen sit on your hands and wait for aroused public opinion. Everything's taxed but the cat.

Brother, the roof's about to fall in.

Aroused and irately yours,

WALTER J. SHAFFER,
Major USAF (retired).

BINGEN, WASH., *March 20, 1957.*

GEORGE MEADER,
United States Representative,
Lansing, Mich.

DEAR SIR: I have just finished reading your article, Our Foreign-Aid Program, A Bureaucratic Nightmare, in the Reader's Digest and find it very commendable. These facts and figures should be known by every citizen of the United States and some action should be taken to stop all this waste of the taxpayers' money.

I hope your article will arouse enough people to write and let Congress know it has their support in cutting expenses.

Sincerely,

BEN DRIESE.

COAST FEDERAL SAVINGS
AND LOAN ASSOCIATION,
Los Angeles, Calif., March 23, 1957.

Hon. GEORGE MEADER,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MEADER: I was interested, but not pleased, to read your article in the April Reader's Digest. Quite frankly, it makes me hot under the collar to see the way our hard-earned money is thrown away. I would be only too pleased to see all Bureaus of the Federal Government done away with. There are nothing but blood-sucking leeches running them, unfit for anything but menial labor in the business world.

I am 50 years of age and have 2 daughters. I served 39 months in the Army in World War II, and, I was told, to provide a better world. Where that better world is I would like to know. I am really ashamed that enough of our so-called Representatives haven't the guts or the desire, 1 of the 2, to vote such bureaus as you mentioned, out of business by voting no funds. If we don't start soon I'll be truly ashamed of what I leave my daughters.

In 1958 before I vote or work for any candidate, I am going to have a definite promise from him, to work for a definite budget cut, particularly where such activities as your article mentioned are concerned. This is not my feeling alone. I noticed in one of our local papers this week, that in 6 local elections this week on bond issues in surrounding towns, all 6 propositions were defeated.

I hope our Republican Congressmen and Senators will take note.

I feel your article will make people think and act. I am glad it is getting the circulation which the Digest provides.

Cordially yours,

GEORGE E. ROSS.

ARGYLE, N. Y.

The Honorable GEORGE MEADER,
Representative from Michigan,
Washington, D. C.

DEAR SIR: After reading your article in the Reader's Digest about our foreign-aid program, I feel compelled to thank you for this enlightening piece of information. For a long time we felt too much American money was unwisely used in foreign-aid affairs; but we never got a clearer picture of this bureaucratic's nightmare as the one you so ably outlined for us.

As a voter and taxpayer we feel it our duty to back men like you to the utmost in anything you can undertake to stop this mismanagement which tends to undermine our financial structure at home and our prestige abroad.

Sincerely yours,

KARL DOBBERKINER.
LENA DOBBERKINER.

ARCADIA, CALIF., *March 18, 1957.*

Hon. GEORGE MEADER,
United States House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MEADER: I read with interest your recent article in the April Reader's Digest and might say a rising blood pressure accompanied the reading.

If most Congressmen know these things as you do, surely they do not fool themselves into thinking that most of us taxpayers wish to have our money squandered.

Also, if our bureaucrats have so entrenched themselves in our public life that they can and do operate independently from our Congress then we better wake up.

Perhaps a Member of Congress could become a hero and espouse good, honest, clear thinking regarding what can and should be done with our tax money.

If you read the newspapers, I believe you will find we have an aroused public.

Please read the enclosed clippings.

Personally I think Congressmen should lead as well as follow their constituents. I am for you, so keep up the battle.

Very truly yours,

L. K. CAMPBELL.

KLAMATH FALLS, OREG., *March 21, 1957.*

Hon. GEORGE MEADER,
House Office Building,
Washington, D. C.

DEAR SIR: I have read, and studied, your article "Our Foreign-Aid Program—A Bureaucratic Nightmare," published in Reader's Digest, 1957, with mounting horror. My first suggestion—to you, to Congress, and to the administration—is: The most practical way to terminate a nightmare is to wake up.

When everyone is wide awake again, I suggest Congress take direct action and repeal the law which created ICD in the first place. Then, if absolutely necessary, start over with a reasonable plan, to be administered by a group who understand at least the fundamental principles of economics, and assisted by an adequate staff—not just a mob.

If private enterprises were run in such a manner, the country would be in shambles in a short time, and many of our industrial and business leaders would be in Federal penitentiaries. With the Government operating in such a manner, it shouldn't take much longer to achieve the same results.

As for your plaintive wail for an aroused public opinion and our "insistence upon action by our Senators and Congressmen so that you will know you have public backing"—well, all I can say is, the fact that you are duly elected Members of Congress indicates that the public backed you, elected you to positions of responsibility, ones in which your duties are clearly set forth. Must we also, in addition to earning the money to make this impossible program a reality, also maintain constant vigilance over the entire Government—flood your many offices with letters of encouragement whenever action is clearly indicated?

You say, "Most Members of Congress know what I have set forth here. Most feel as I do." One can only wonder if perhaps we should not recall "Most Members of Congress" and try to find some Americans who are not so afraid of a bureaucracy that they are incapable of acting as Congressmen, in the best interests of this country and of all the other countries of the world.

An aroused citizen.

ELIZABETH A. SISSMORE.
Mrs. L. O. Sissmore.

P. S. I do really appreciate the fact that you have had the courage to bring these facts before the public—in a well-written article—thus taking some decisive steps toward correcting a bad situation.

HEBER CITY, UTAH, *March 25, 1957.*

Mr. GEORGE MEADER,
United States Representative from Michigan, House of Representatives, Washington, D. C.

DEAR MR. MEADER: I have just finished reading your article "Our Foreign-Aid Program—A Bureaucratic Nightmare" in the current April issue of Reader's Digest.

I have been following each of the articles published recently by the Reader's Digest on our deplorable handling of foreign aid. Those articles send my blood pressure soaring.

Congratulations to you for having had the courage and integrity to speak out as you have done.

Always, of course, one's natural reaction, aside from being furious is "but I am just one individual. What could I possibly do"? So, I'm asking you. What can I do? Please tell me what I, as one lone individual can do and I shall do it, if what you suggest is within my power to do. It is unthinkable that we should allow this awful graft, dishonesty and stupid bungling to go on. What shall I do?

Thanks kindly for an answer. There must be enough of us who are vitally interested to do what must be done to stop it.

Sincerely,

MRS. ESTHER SMART, *A housewife.*

COTUIT, MASS., *March 23, 1957.*

Hon. GEORGE MEADER,
House of Representatives,
Washington, D. C.

DEAR MR. MEADER: Your article in the Reader's Digest was very timely and though I usually vote the Republican ticket, I am taking my hat off to you. I am quite sure that the taxpayers of our country are going to reward those who fight for economy in our Government, and party label will not mean a thing. Bureaucratic spending and inflation have got this country by the throat. The folks back home are looking to Congress to use the knife on the Budget so that we can hear the wails of anguish from the bureaucrats once more and the louder the wails, the better we will like it. Time does not permit a searching investigation, so why not cut about 10 percent across the board. Senator BYRD's idea of cutting a minimum of $6,500,000,000 from the budget is a good start. A 10-percent cut probably would not be enough for some departments and too much for others but the country will go along just the same. We have survived greater crises than a little budget cutting.

The Government is overstocked with employees so how about declaring a moratorium on hiring for a year or two, except in very special cases. Business hires the competent and the Government keeps the deadheads who clog the wheels of progress. Fewer employees and better pay might be the answer.

Millions of taxpayers, like myself, are on fixed incomes, the purchasing power of which is rapidly shrinking because of inflation. High taxes hit us retired people who have no one to look out for them except the Government, and I do not mean by increasing the dole. Cut spending and reduce taxes together with some control of inflation will help a lot. The labor unions are, of course, responsible for wage hikes and inflation. The unions have gone hog wild on wage increases, shorter hours, fringe benefits, etc. These are justified when earned by greater efficiency and savings in costs.

Keep up the good work in Washington and I hope you can enlist the help of others. As you point out, the time has come to put on the brakes and stop playing Santa Claus. What difference does it make if the African savage does not get his Cadillac this year—he can wait a year or two, at least until we can build some roads for him to drive on.

Sincerely yours,

WM. G. BALL.

CORNELL COLLEGE,
MOUNT VERNON, IOWA, *March 21, 1957.*

Congressman GEORGE MEADER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN MEADER: I have been tremendously interested in your article, Our Foreign-Aid Program—A Bureaucrat's Nightmare, appearing in the April issue of the Reader's Digest. What you say concerning the bureaucrats running wild with their irrelevant schemes is all too true. The time is overdue for a good hard look at the purposes and operation of our foreign-aid program.

In the solution of any social problem, we need to have three specific sets of facts: (1) Scientific facts relating to the situation, (2) facts relating to policy, (3) facts relating to the efficiency of administration. It has appeared to all thoughtful observers that the administrative part of our foreign-aid program has got out of hand. I have been wondering whether an entirely new approach may not be in order.

That underdeveloped countries stand in need of American technical and financial aid is a fact which cannot be disputed. Nor can there be any quarrel with the American people's value system which impels our citizens to share with others our know-how and our material goods. Thus it would appear that nobody could dispute the first two sets of facts, facts relating to the situation and facts relating to American policy with reference to that situation. As for the third part, you and others have been doing yeoman's service in pointing out the topheavy structure of the administrative aspect of the program, which is neither efficient nor calculated to realize the goals of American policy.

It occurs to me that the high salaries paid to these experts and foreign-aid operators abroad may be one of the reasons for the mess we are in. These high-salaried officials have developed a vested interest in their jobs and have forgotten the purposes of the foreign-aid program. One of the maxims that guides the American Friends Service Committee in its operation at home and abroad is that the success of a project is to be judged by the span of time during which the operator of the program works himself out of the job. That is to say, the program must be so operated that the people on whose behalf it is undertaken will be able in the shortest possible time to carry it forward without outside help. Another point in connection with the AFSC operation is that the worker should have a sense of dedication and not expect to be paid salaries comparable to those obtaining in the marketplace. Such a philosophy insures that the worker is engaged in the particular project because of his dedication to the service of his fellowman.

I am not sure whether the Government should not insist upon recruiting for the foreign-aid program people with such a sense of dedication and with a similar salary scale as the AFSC and other church service organizations maintain. The sense of dedication could easily make up for the lack of training in a given field.

Such a group of committed workers could be reinforced by a cadre of professional people who would serve as consultants on an ad hoc basis, i. e., in terms of the specific job or project on which their professional judgment may be required.

Such an arrangement, it seems to me, would save the taxpayers millions of dollars in salaries paid to the present personnel handling foreign-aid programs, and it would save our Nation billions of dollars that are being wasted on grandiose and irrelevant schemes. I am not sure whether the Congress can do anything to reorganize the whole basis of our foreign-aid program.

More power to you. With best wishes.

Sincerely yours,

HARIDAS T. MUKUMDAR,
Professor of Sociology.

SHERIDAN, WYO., *March 21, 1957.*

United States Representative GEORGE MEADER,
Washington, D. C.

DEAR MR. MEADER: I wish to thank you for your excellent article, "Our Foreign-Aid Program," in the April Reader's Digest. I am amazed to know that such senseless waste is going on.

I hope that you and others like you will continue to inform the voting public of these expenditures and lead the way to a sane economy.

Very sincerely,

(MRS.) MINNIE M. MOORE.

BEVERLY HILLS HOTEL AND BUNGALOWS,
Beverly Hills, Calif., March 23, 1957.

Representative GEORGE MEADER of Michigan,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE MEADER: Many, many thanks for your informative article in April's Reader's Digest re our foreign-aid program.

The facts were shocking. It makes me sad to see what is happening to our economy as well as the morale of the people.

Every newspaper in America should reprint your message.

Very sincerely yours,

(Miss) NANCY DEBUOSI.

SEATTLE, WASH., *March 12, 1957.*

Mr. GEORGE MEADER,
United States Representative from Michigan, House of Representatives Office Building, Washington, D. C.

DEAR MR. MEADER: Your article in the April issue of Reader's Digest is the most convincing and clarifying description of our foreign-aid program that I have read anywhere.

You have brought out facts and conditions that should be broadcast to every voter in the United States.

The waste in our foreign-aid program is tied closely to the $72 billion national budget which is now before Congress. I hope that you and other Members of Congress realize to what extent people are becoming aroused about high taxes and the vast spending program of the Government.

Very truly yours,

FREDA PELZ.

LAS CRUCES, N. MEX., *March 21, 1957.*

Hon. GEORGE MEADER,
United States Representative,
Washington, D. C.

DEAR SIR: Your article entitled "Our Foreign-Aid Program—A Bureaucratic Nightmare," now appearing in the April issue of Reader's Digest is, I believe, an open invitation to the American public to investigate the actual dollar-and-cents operation of our Federal Government. You are to be commended for the information publicly presented in this article and for your personal attack on such wasteful conditions existing in our governmental bureaus.

Other average American citizens, similar to myself, are deeply concerned with the item "Our tax money, and how it is distributed by the various agencies of the Government." We, however, do not or have not been educated or informed as to the exact methods employed in this distribution. As in your article, apparently the amount of Federal foreign aid appropriated is extended directly to the International Cooperation Administration for allotment or distribution to the foreign countries, in amounts and by decision of this Administration, without any further control or direction from either the legislative or executive branch of our Government. Why is this Federal-aid program an administration function of the ICA and not under control or the origin creating the funds? This, I believe, is a question this public asks. We do not know if our money is being spent wisely if we do not know all the actual mechanics and "whyfors" of the spendings.

Speaking generally, when we, the average citizens, see the national budget we are momentarily stultified with the enormity of the figure. A few odd millions here and there to this and that project have no meaning as we see the billion total. We are blinded by the total mass and unable to see the individual counterparts.

But I know we all would like to remedy the situation and eliminate this waste of our capital. You have shown what has happened and our opinion and interest can prevent it from continuing or spreading if we raise a concerted voice. We need a sound accounting and check-balance system on the expenditures both for intent and purpose.

As an average citizen, I do not know how I can help remedy this situation of wasteful spending. We, all citizens, are indebted to you and others like you who have our interests at heart and are attempting to protect us from this type of bureaucracy. You have exposed a policy or action detrimental to our common good and will, no doubt, incur censure for your public statements on this senseless spending of one of our many bureaus. Please educate us further along these lines by articles and talks on this subject. Eventually a sufficient number of people will become alarmed and group themselves in a bloc sufficiently large to demand such wasteful governmental agencies be curtailed or removed from administering the wealth of the finest Government of the world.

Sincerely,

ROY E. HARMON.

JAMAICA, N. Y., *March 22, 1957.*

Hon. GEORGE MEADER,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN MEADER: Your article, Our Foreign Aid Program—a Bureaucratic Nightmare, appearing in the April issue of the Reader's Digest, is likely to stir up public demand for a Congressional investigation into our so-called foreign-aid program.

The alleged purpose of such program is to enable underdeveloped countries to resist communism. Has experience shown that the peoples of those countries are ready, able, and willing to accept such development as we have proposed for them? Also, by what right do we assume that we are thoroughly prepared to resist communism? It serves no good purpose to provide underdeveloped peoples with things they either cannot or will not utilize. The situation is all the more aggravated when we consider that our ever-increasing taxes are pauperizing Americans for the purpose, among others, of enabling parasitical bureaucrats to multiply toward the end that they may gut and weaken our economy in their purposeless quest to help those who either cannot or will not be helped.

Congressman, I believe that the people will support Congress, if only Congress will find a way to enlighten the voters of the bureaucratic rottenness which exists in America. We allegedly have a free press, but I have not noted that it has printed such news as you have made public through the Reader's Digest. In this land of the free press, I find it necessary to subscribe at great personal expense to me, to many newsletters, etc. I suggest that each Congressman come back to his district with weekly newsletters. Give us the facts * * * we will make the decisions. This will minimize the threat so often used by FDR * * * the fireside chats, etc. We can talk with our Congressman, but few of us can talk with the President. Consequently, a newsletter will be more effective than a few presidential TV or radio programs. I have always opposed the idea of "must" legislation eminating from the White House. It is un-American. The White House did not create us. We created it and I hope that it shall never become our master.

Evil forces will not conquer us from without until we have been gutted and weakened from within. We are dangerously close to being thoroughly gutted and weakened from within. Conquering in this fashion was accomplished in Greece, in Rome, and in parts of Europe. These facts of history should have taught us the folly of deficit financing, of a planned economy, and of abandoning basic moral and spiritual values, but have we learned? I shall be glad to hear from you.

Sincerely yours.

E. F. W. WILDERMUTH.

BURBANK, CALIF., *March 19, 1957.*

DEAR MR. MEADER: I have just read your article, Our Foreign Aid Program—A Bureaucratic Nightmare, in the April issue of Reader's Digest. Thank you for bringing this matter to public attention.

Why can't we have men like you in charge of our foreign-aid program? Men who will be conservative about spending the American tax dollar.

I'm not opposed to foreign aid. However, I approve it only in a very moderate form. If a foreign country is in real need and they want help from the United States they should request it. Then, only after thorough investigation, should the request be granted or denied. And no request should be granted unless it will help a foreign country help itself. Or are we going to have a foreign aid program forever?

The American people are long overdue for a very substantial cut in income tax. Anything you can do to make it possible will certainly be appreciated by my husband and myself.

MRS. JAMES VALONE.

RIVERTON, IOWA, *March 21, 1957.*

Representative GEORGE MEADER,
House Office Building,
Washington, D. C.

DEAR SIR: I am not from Michigan but read your article Our Foreign-Aid Program—A Bureaucratic Nightmare in the April Reader's Digest. I wish every American citizen might read it. It is a very enlightening and alarming article. The last paragraph was most alarming.

I was always led to believe that the Congress was elected by the people to carry out Government business with integrity and honesty. How can Congress allow this sort of thing to go on, swindling the people who are paying them to do a job? It is a sorry state when Congress admits the bureaucrats are more powerful than they. If the request for spending cuts haven't been heard, someone needs a hearing aid.

Foreign aid has hindered many people from standing on their own feet, here and abroad.

It gives the ego a big lift to do for oneself, so why not cut out foreign aid and a lot of do-good troublemakers here at home?

A tired taxpayer.

MRS. LLOYD BEIMDES.

MARCH 20, 1957.

The Honorable GEORGE MEADER,
House of Representatives,
Washington, D. C.

SIR: I congratulate you for your well-written article "Our Foreign Aid Program" in the April Reader's Digest. You, and all the members of your committee, have done a good job.

It seems useless to expect a "balanced" budget, or a cut in taxes, so long as such waste is allowed to continue. Let us hope your report will serve to awaken the public to the need for more stringent guarding of the public funds.

As one taxpayer-voter (and as an Air Force wife, struggling to get by on an inadequate income) such waste makes me very bitter.

It seems to me that Government spending should be done in the same manner as individual income—an expenditure is wise and worthwhile, or it isn't.

Foreign aid, yes. Waste, no.

Very truly yours,

MRS. MERLYN S. SCOTT.

ALBUQUERQUE, N. MEX.

JAMAICA PLAIN, MASS.,
March 16, 1957.

Hon. GEORGE MEADER,
Representative from Michigan,
United States Congress,
Washington, D. C.

MY DEAR REPRESENTATIVE MEADER: Your article, Our Foreign-Aid Program, in the

April issue of Reader's Digest is most interesting, and a very tragic situation for the little people of this country, who more often than not are busy trying to get enough take-home pay to support their family.

Foreign-aid and foreign-policy are areas of activity that are so complex and outside the experience of the ordinary citizen it is very difficult to give expression to any intelligent evaluation of the situation.

If the major roadblock to eliminating this waste is the power of bureaucracy as you indicate at the end of your article, —and Congress: "waits only to know that it has the support of the public" before waging the battle on the floor of the House, against this waste, how long do we wait?

Is bureaucracy stronger than the citizens? Or our Representatives? Congress holds the pen. Why cannot Congress write into the laws that which will eliminate these pet projects of self-seeking bureaucrats in foreign aid?

I would be glad to write my Representative and Senator every day in the week about the burden of taxation, foreign-aid, or any other major issue if I had some intelligent, constructive ideas about those things.

As a responsible citizen I think about these things, and my wife and I talk about them continually, and I hope with some degree of understanding, but we look hopefully to Congress and wonder when or if they can and will do something about it.

Public sentiment is perhaps not delivered every morning with the milk, but I am sure that if Congress had the time or machinery to find out what the people he represents thinks, he would feel enheartened to take action in regaining control over the vast foreign-aid funds.

I feel that your articles in the Reader's Digest will help greatly in arousing public opinion to a need for action in this matter.

Most respectfully yours,

CLIFFORD G. BOND.

SAN FRANCISCO, CALIF., *March 16, 1957.*

Congressman GEORGE MEADER,
Washington, D. C.

MY DEAR MR. MEADER: May I take the liberty of thanking you for your article in the April issue of the Reader's Digest.

It confirms so much that I have heard from other sources and I hope that Congress can act on the foreign-aid situation with full support of the public.

Yours very truly,

IDA R. PRICE.

CONCEPTION JUNCTION, MO.,
March 21, 1957.

Mr. GEORGE MEADER,
United States Representative from Michigan, House Office Building, Washington, D. C.

DEAR MR. MEADER: In the April issue of Reader's Digest I read your very interesting article concerning our foreign aid program. Naturally I was disgusted with the manner in which this portion of our tax dollar is spent.

To this reader who has a wife and five children to support the first thought is why should I pay any of my hard-earned money to a Government who is going to spend it in such a stupid manner? I can't find any answer to that question; therefore, we are grateful to men like you for bringing such waste to the attention of the reading public.

But my dear Mr. MEADER, no one but no one, is going to agree with you when you write that Congress can't act in removing this waste without first gaining approval through public pressure. Sir, you must know that the average taxpayer has no idea his money is being spent in this manner. Furthermore, the public elects those who, they consider, are honest and honorable men. Now, honest and honorable men don't have to wait for public pressure before they decide to eliminate dishonesty and waste; therefore, we beg of you to use your influence and gain the support of both houses in order to make this aid program function properly. Perhaps you will have to go so far in the other direction as to eliminate all foreign aid programs. At least such action would be more fair to the average American citizen than the present giveaway program.

We appreciate the good work that you are doing and we trust that you will not rest until this aid program is put on a more sound basis.

Respectfully yours,

RAYMOND J. SCHUSTER.

Mr. MEADER. Mr. Speaker, the article is critical of the administration of the foreign-aid program and calls attention to instance after instance of unsound, unwise expenditure of United States tax dollars.

I recognize in the article that much good has been done through the point 4 and other economic-aid programs. I want to emphasize again that foreign aid is not all bad. I myself have supported the foreign-aid program which, of course, was already in existence before I entered the House of Representatives, but, consistently, I have sought to cut the program down and have generally voted for any intelligent amendment to reduce the size of the program.

It is not enough simply to criticize. Along with criticism should go suggestions for improvements. I have prepared in outline form a summary of my views on the reforms that I believe should be incorporated in the foreign-aid program in order that it may accomplish its legitimate purpose, namely, to strengthen free nations so they may resist Communist aggression.

Mr. Speaker, I ask unanimous consent to insert at this point in my remarks the outline I refer to.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

(The outline referred to follows:)

FOREIGN AID REFORMS

I. POLICY AND PHILOSOPHY

The object of foreign aid should be to encourage and assist the establishment of sound, self-sufficient economies and stable democratic governments in friendly foreign nations.

To accomplish this objective foreign aid should have these characteristics:

A. It should be temporary, not permanent.

B. It should be smaller—not larger—tapering off to a definite termination.

C. It should encourage free enterprise, discourage socialism.

D. It should eliminate or minimize weaknesses and deficiencies, not strengthen and perpetuate them.

E. Public funds should be used only where private capital is unavailable.

F. Grants should be used only where it is impossible to achieve goals through loans.

II. ORGANIZATION AND ADMINISTRATION

A. Integrate International Cooperation Administration in Department of State—at home and abroad.

B. Reduce size of program and organization administering it.

C. Improve staff by weeding out theorists and do-gooders, supplanting them with administrators with practical experience.

D. Tighten controls and establish more explicit criteria for approval of expenditures.

1. Abolish illustrative presentations.

2. Require planning and justification of projects before authorization and appropriation.

3. Maintain accurate and complete records.

4. Make effective audits and end-use checks.

5. Prohibit general cash grants and budgetary support, except in rare emergencies, and in such cases require detailed and accurate accounting.

6. Operate in goldfish bowl with complete accessibility of information to the Congress and its committees.

7. Recommend only projects which originate from a sincere desire of the recipient government free from stimulation, suggestion, or encouragement by United States personnel.

8. Require recipient government to bear the cost of projects to the maximum extent of its ability.

III. ACTION BY THE CONGRESS

A. Scrutinize more closely authorization and appropriation requests.

B. Demand adequate showing of need and usefulness of proposed projects and proof that undertaking them will further specific legitimate interests of the United States and its foreign policy.

C. Continually maintain a current penetrating examination of the manner in which authority is being exercised and funds are being committed, with the objective of preventing waste and unwise expenditures as contrasted to exposing them ex post facto.

IV. FORESEEABLE RESULTS OF THE ABOVE REFORMS

1. Promotion of economic and political stability as a foundation for a free and peaceful world community.

2. Relief to American taxpayers.

3. Greater progress in achieving stability and self-sufficiency of friendly nations.

4. Enhanced pride and self-respect arising from knowledge that progress is being achieved by recipient countries mainly through their own efforts, not a continuous object of charity dependent for existence on United States largesse.

5. Advancement of the cause of free enterprise in our cold war with totalitarian socialism.

Mr. MEADER. Mr. Speaker, as you will notice, the outline consists of four parts.

First, policy and philosophy of foreign aid.

Second, the organization and administration of the foreign aid program.

Third, action which ought to be taken by the Congress.

Fourth, the results that I foresee from the adoption of these reforms.

I emphasize that our foreign policy is to encourage free enterprise and discourage socialism.

In my experience in foreign countries looking into the administration of the foreign aid program and looking into the activity of our Embassy personnel I have been quite favorably impressed with the attitude of the people on the economic side of our Embassies. They are free enterprise minded, by and large.

I wish I could say the same for the people who are handing out our tax dollars through the foreign aid program. Very seldom do I recall ever having heard an administrator of the aid program in foreign countries extolling the virtues of the free-enterprise system. Very frequently I have heard remarks by them favoring a planned society. In fact, in many of their activities, that is precisely what they are attempting to do.

With respect to the organization and administration of the program, I have

a number of suggestions and recommendations. I want to mention especially the suggestion that the International Cooperation Administration should be integrated into the Department of State at home and abroad.

Mr. Speaker, I happen to have been one of two members of the Government Operations Committee in the 83d Congress who opposed Reorganization Plans 7 and 8 of 1953.

Reorganization plan No. 7 created the Foreign Operations Administration under Mr. Harold Stassen and gave it complete autonomy, removing all aid programs from the State Department and placing them in the Foreign Operations Administration. That seemed unwise to me because it was a diffusion of responsibility for the conduct of foreign programs and activities.

A year or so ago, when the Foreign Operations Administration expired, a new foreign-aid agency, which like the phoenix bird always seems to rise from the ashes of the old, the International Cooperation Administration was born. It was placed as some have aptly said at, not in, the Department of State. The result of this semiautonomy is that our aid funds, which, perhaps, are far more important to foreign countries than speeches or messages of a diplomatic nature, are not under the direct control of the Ambassador nor the Department of State, which is responsible for the conduct of our relations with foreign countries. I do not know how much damage has been done because of this diffusion of authority, but it does exist.

When we were in South America and talked with the Ambassadors there after the International Cooperation Administration had been stationed at the Deportment of State, we discovered that no instructions had been sent to the Ambassadors that they should take any greater interest in the administration of our aid programs than they had during the time that foreign aid was under a wholly autonomous agency.

Let me illustrate just what that can mean. We took testimony in Rio de Janeiro from the head of the operations mission there, a Mr. William Warne. Mr. Warne, many of you may recall, had previously been for 4 years administrator of the aid program in Iran. Our International Operations Subcommittee in a report filed in January of this year criticized the Iranian aid program in extremely strong language as having been "administered in a loose, slipshod, and unbusinesslike manner."

Mr. Warne testified on page 79 of the hearings of our subcommittee entitled "United States Technical Assistance and Related Activities in Latin America":

Now, it is a matter of my judgment whether I have sent to him—

Meaning the Ambassador—

all of the things he would like to see. I don't think he can be both Ambassador and director of a mission and have every little thing pass through his hands. I don't believe he would get his work done. So, the judgment has been mine as to the matters I have called to his attention.

In other words, the operators of these aid programs in foreign countries consult the Ambassador when they feel like it. If there is something that they think he would disapprove, human nature is such that they would be very likely not to take it up with the Ambassador.

I might also say that during our hearings in Brazil I asked Mr. Warne to produce for the committee the documents showing new projects which had been approved for Brazil and some which had not been approved. At our next hearing he produced several copies of mimeographed project documents.

One of the projects was a housing project. It would run from $75,000 to $85,000 a year. Now, what was this housing project? It was to teach the Brazilian farmers how to build better houses.

Another project was a social welfare project of about the same amount of money. That involved working with various welfare agencies and I suppose imparting to them social welfare techniques developed in the United States. Both of those projects had been approved by the aid mission.

The third project involved some $140,000 a year and was to pay the salaries of a number of aeronautical engineering professors.

I said to Mr. Warne, "How do you decide which project is worth while, so worth while and so important to the interests of the United States that you spend United States taxpayers' money on it?"

He did not have any very good answers for that, so I asked him why he had turned down the aeronautical engineering project.

It struck me that Brazil, with its vast area, its poorly developed highways, and lack of other means of transportation, could be developed more rapidly by air transportation. It seemed sensible to me to build up an aeronautical industry in Brazil through the teaching of aeronautical sciences and the development of trained experts in aviation and aeronautical engineering. This might be the most advantageous thing for strengthening and developing Brazil, which is the purpose of our point 4 program.

Mr. Warne hastened to say that the project had not been rejected; in fact, there was some testimony that no project had ever been rejected, but that the aeronautical engineering project was not in a form in which it could be approved as requested.

When our committee left Rio, the Ambassador, Mr. Dunn, accompanied us to the airport and observed to the gentleman from Virginia [Mr. HARDY] and myself, who were riding with him, "You know, until the committee asked for those project forms, I had never seen one." Here were new programs which might become embroiled in political currents in Brazil. Here were expenditures of United States tax dollars for the purpose of promoting United States interests in Brazil. And yet the American Ambassador in Brazil was not consulted.

Mr. Warne volunteered a very interesting observation in those same hearings on page 57. I quote:

Let me give you a picture of Brazil as a recipient of technical assistance and cooperation. I spent nearly 4 years in Iran where we had to scratch to find anyone who could receive technical assistance. That is not true here in Brazil.

When our administrators of foreign-aid programs, spending United States tax dollars, have to scratch to find somebody to take them, I say we have gone too far. This program should be cut down in size. We should begin to taper off. We should soon see results of strengthening these underdeveloped countries so they can stand on their own feet. If we continue to carry them on our back, they will be no asset to us in any contest with Communist aggression.

If we use United States taxpayers' money to underwrite extravagant and unsound programs, if we use our tax dollars to perpetuate weaknesses and inefficiencies in these governments which the force of circumstances would compel them to correct except for our help, then we are not really aiding these countries, we are hurting them, we are weakening them. We are not accomplishing the announced objective of strengthening the free world so it can resist Communist aggression.

You cannot help but come to the conclusion, from any familiarity with the administration of our foreign aid program, that the character of that program and the type of expenditures we have made is due to the kind of people who are running it.

And let me hasten to say that through administration after administration, whether Democratic or Republican, and through the successive metamorphoses through which this Agency has gone, from ECA, to MSA, to FOA, to ICA, essentially the same group of bureaucrats have been administering this program. And who are they? By and large they are professional do-gooders, professional bureaucrats who have not had the experience of running a business, making business decisions, making investments and making them intelligently. In fact, one of my friends who recently became a member of the staff of the International Cooperation Administration aptly said:

The International Cooperation Administration today, although under a Republican, Mr. Hollister, is actually run by three ghosts, Hoffman, Harriman, and Stassen.

I have recommended that the administration of this program be reformed by improving the staff, by weeding out theorists, planners, and do-gooders, and supplanting them with administrators with practical business experience.

With respect to my eight recommendations for tightening controls and establishing more explicit criteria for approval of expenditures, I refer Members of the House to pages 5 and 6 of House Report No. 10 of the 85th Congress, 1st session, filed with the House on January 28, 1957, which is the subcommittee's report on the Iranian aid program.

I want to mention one specific recommendation contained among those eight. I refer to No. 7:

7. Recommend only projects which originate from a sincere desire of the recipient government, free from stimulation, suggestion, or encouragement by United States personnel.

We found a very interesting development in our hearings in Mexico City. On page 649 of the hearings to which I have referred, on technical assistance in Latin America, there is explained the history of the industrial productivity program in Mexico. Essentially what happened was this:

The labor attaché, Mr. Stephanski, happened to be reading a Mexican newspaper and he saw an advertisement by the Mexican Confederation of Industrial Chambers, which is something like our chamber of commerce except that it is a semipublic body. The advertisement said that it would be beneficial to Mexico if the productivity of Mexican industry could be improved.

That gave Mr. Stephanski an idea, and he went to the aid people and said, "Well, now, maybe we could do something for Mexico like we have done for countries in Europe and start an industrial productivity project in Mexico."

Accordingly, our United States aid representatives took the initiative and contacted the representatives of this industrial chamber of Mexico and said, "Wouldn't you like to have some of our United States money to start an industrial productivity program?" That is exactly how that project was started. It was not initiated by a request by the Mexican Government for our help; it was initiated by our representatives seeking new ways to spend United States dollars and selling the program to the Mexican Government and to Mexican industrialists.

That activity ought to cease immediately. We have so often sold these programs to governments who have not been particularly interested in them, not sufficiently interested, at least, to spend their own money on them. The moment we stop pouring the money in, the projects cease, and we have accomplished absolutely nothing but to throw American tax dollars down the drain.

Much as I think the Committee on International Operations has accomplished there is much more it can accomplish. We should not wait until these dollars have been wasted. We should be looking over the shoulders of these administrators while they are in the process of approving these projects, to stop the waste before it starts. That will not be so easy but it can be done.

If our committee will acquire a sizable and able staff and insist upon being given access to the facts and the reasoning in the decisions of these administrators, while these programs are being formulated, I am sure we can stop some of the foolishness. I am confident, also, that the very existence of that staff and its inquiries will discourage free spenders from making foolish decisions and spending American money on foolish projects.

There are some quotations in the report on Iran which I think are gems.

You have heard me mention Mr. Warne. Mr. Warne wrote a book about his activities in Iran entitled "Mission for Peace." In that book he quoted a conversation with the Prime Minister of Iran, Dr. Mossadegh, in Washington, when Mr. Warne had just become director of the aid mission to Iran.

Mr. Warne talked about turning money over to Iranian officials.

"Oh, but, Mr. Warne," Dr. Mossadegh said, near the end of this first meeting. "You must control every penny of this money. None of it must be let out of your hands. You must not let the crooks get this money."

We have just approved a new program for the Middle East to meet the crisis there. We have relaxed safeguards and restrictions on the expenditure of $200 million.

I have discussed with colleagues in the House, some of them members of our subcommittee, the manner in which that money can be committed before the end of this fiscal year. We cannot see how the $200 million can be spent by June 30, unless we just write checks to governments in the Middle East. That is called budgetary support.

We have developed some very fancy names for the foreign-aid program—defense support, economic assistance, technical assistance, and budgetary support. But budgetary support is just a euphemism for giving cash to a foreign government.

With the warning of Dr. Mossadegh about his own officials in our minds, how can we justify spending $200 million in budgetary support where we will have a minimum opportunity of watching the way in which the money is spent.

I hope the International Operations Subcommittee, of which I am a member, and its staff, will watch the administration of the Middle East program under the resolution recently adopted, and do all that it can to see that our tax dollars are used honestly and intelligently for the purpose for which they were appropriated.

There is another curious quotation in the Iranian report, on page 46, from Dr. Fitzgerald. Dr. Fitzgerald has been deputy director of the International Cooperation Administration and its predecessor agencies for years. On June 29, 1954, when the Agency was called the Foreign Operations Administration, Dr. Fitzgerald said, in a memorandum on the Iranian aid program, and I quote:

Embassy USOM (that means United States operations mission) must think we are Fort Knox. Something must be done to get them out of the clouds.

United States is eventually going to get tired of underwriting the Iranian external and internal economy. What is Iran doing to increase its exports and foreign exchange earnings? I think it is extremely difficult to justify United States funds to finance internal purchases of grain and tobacco.

That was not the criticism of one who was opposed to foreign aid; that was a comment of one who has been perhaps the focal point of the administration of this aid program over the years, one who is not noted for his niggardliness in the spending of United States tax dollars on foreign-aid programs.

Mr. Speaker, I want to say, in closing, that the Reader's Digest article which I have inserted in the RECORD is well documented. I have a marked copy with complete references to support the factual statements made. By and large, the sources are the hearings of congressional committees or reports of the Agency itself.

I hope that when the mutual-security bill comes before the Foreign Affairs Committee of the House, and the House of Representatives itself, the representations made by the administrators of the foreign-aid program and the representatives of the Department of State will be very closely scrutinized. I hope the Committee and the House of Representatives will take those steps which are necessary to keep this program from getting out of bounds and to reshape it and reform it so that it will be directed toward its original purpose and not just become a permanent boondoggle and waste of United States tax funds.

I am convinced that our legitimate objectives can be far more effectively advanced with fewer dollars; that when the money is hard to get, the countries who want our aid will strain themselves more, and in straining themselves will strengthen themselves and more surely and more quickly become stable and self-sufficient.

I am hopeful that when we consider the appropriations for the foreign-aid program we will be able to make sizable and intelligent reductions in its size and afford some relief to the American people.

With the $72 billion budget and the spontaneous protests which have come to every Member of this body from the people of the United States, I say it is incumbent upon all of us, but especially upon the Foreign Affairs Committee and the Appropriations Committee of the House, to make cuts in this program which I am certain will improve it.

Mr. Speaker, I yield back the balance of my time.

TAX REDUCTION AND FEDERAL SPENDING

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Connecticut [Mr. SADLAK] is recognized for 20 minutes.

Mr. SADLAK. Mr. Speaker, I believe the time has come when the Congress, in response to the urgent needs of the country and the ever-growing concern of our constituents, must seriously review the problem of high taxes which are being used to support more and more Federal spending. The time has come to enact a realistic program of forward scheduling of tax reductions for all income-tax payers, individual and corporate. I am convinced that achievement of a moderate schedule of income tax rates is necessary to the continued vitality and growth of our Nation's economy, and to the maximum advances in the standard of living of all our citizens.

Accordingly, Mr. Speaker, I direct the attention of my colleagues to the bill I have introduced today, H. R. 6452, which schedules annual reductions of individual income-tax rates in each bracket, and of the corporate income tax over a period of 5 years, beginning January 1, 1958. These reductions can be granted to our citizens out of the increased revenues resulting from normal economic growth without increasing any other taxes. However, this can only be done if Government spending is brought under control. I believe that my bill would serve to restrain ever-increasing Government spending so that Americans can look forward to regularly scheduled tax reductions. H. R. 6452 further provides adequate safeguards, in the form of postponement procedures, to assure that none of the scheduled tax reductions will result in a return to deficit financing. In fact, if the economy continues to grow over the period when the reductions are scheduled as it has in recent years, there should also be sufficient growth in total revenue to provide for regular retirement of a portion of the national debt.

The legislation provides for coordinated reductions in all the progressive rates of individual tax, with the first bracket rate being reduced from 20 to 15 percent. The top rates of tax would be brought down to 42 percent, the individual tax from its present top of 91 percent, and the corporate tax from its present top of 52 percent. Specific examples of individual tax rate reductions, over the 5 years, follow: $4,000–$6,000 bracket, from 26 to 17 percent; $8,000–$10,000 bracket, from 34 to 19 percent; $12,000–$14,000 bracket, from 43 to 21 percent; $16,000–$18,000 bracket, from 50 to 23 percent; and $20,000–$22,000 bracket, from 56 to 25 percent. Appendix A shows the new individual rates for each year as proposed under my bill. Appendix B provides a means by which individual taxpayers can compute their tax liability at the end of the rate reduction period, as compared to their current tax liability. Appendix C illustrates for corporate taxpayers how the present normal tax would be reduced from 30 percent to 22 percent, and the surtax from 22 to 20 percent.

This legislation is primarily designed to moderate the tax impact on individuals and on small and growing business, and to eliminate the tax barrier to starting new businesses. The problem is entirely a matter of rates. Both as regards unincorporated businesses, which approximate 84 percent of the over 4 million business units in the country, and the owners of incorporated small business, the major tax impediment is the system of steeply graduated rates of individual tax—the rates which begin with 22 percent on taxable income between $2,000 and $4,000, increase rapidly to a rate of 50 percent on taxable income between $16,000 and $18,000 and go on up to a top rate of 91 percent. The incorporated firms have the additional problem of the corporate tax, especially the combined top rate of 52 percent which applies to income over $25,000. None of the special devices previously suggested for aiding small business effectively deal with the real source of the problem. Any and all of them would set up new inequities and discriminations within the tax laws. Many of them would add greatly to the complexity of the laws. By contrast, a moderate scale of individual and corporate rates would solve the problem with fairness and equity for all. Especially, the one percentage-point difference between each rate bracket from 15 percent at the bottom to 34 percent at the $80,000–$90,000 bracket, and two percentage points thereafter would insure a minimum tax impediment to the beginning of small business and growth of all business.

Estimated individual tax savings under my bill, based on 1956 income levels, would be $10.6 billion, as shown in Appendix D. Nearly 60 percent of the total savings would fall in the taxable income brackets up to $6,000. Seventy-nine percent of the savings would come in the taxable brackets up through $16,000 to $18,000, where the 50 percent rate applies. Only 6.3 percent of the savings would accrue to the brackets above $50,000. Thus, the benefits of this legislation are heavily centered in the first bracket and the lower progressive brackets of the individual income tax.

The relatively small savings total in the brackets above $50,000 makes clear that revenue considerations are no barrier to the scheduled reductions in the higher rates. I have proceeded on the dual premise that, first, under a reformed rate structure there is no reason why an unincorporated business or other individual taxpayer should pay a higher top rate of tax than a corporate taxpayer and, second, the lower the top rate of individual tax the greater will be the protection for all middle bracket taxpayers. Proof of the latter point is found in other proposals for reducing the progressive rates which always link higher rates at the top with higher rates in the middle brackets. I cannot too strongly stress the point that concern for small-business and other middle-bracket taxpayers cannot be fully translated into a reasonable rate structure without a consistent contraction of the rates all up and down the line.

As to corporations, it is estimated that the total corporate-tax savings, based on 1956 income levels, would be about $4.2 billion.

Assuming continuance of prosperity and economic growth, it is reasonable to expect that the scheduled reductions would be fully realized without net revenue loss to the Federal Government, probably with some net gain. For example, under existing tax rates, budget revenues of the Federal Government have grown from $59.4 billion in fiscal year 1955 to an estimated $70.6 billion in fiscal year 1957, or a net gain of more than $11 billion. Some of this gain reflects the impact of inflation on revenues, but the major part of it has resulted from economic growth itself.

Based on 1956 income levels, it would take annual revenue growth of only about $3.0 billion a year to accomplish the schedled rate reductions without net revenue loss to the Treasury. If the economy grows in step with the recent historic average, the revenue growth should average up to $4.0 billion a year without inflation. Moreover, less than one-half of the annual revenue effect of the individual tax cuts and none of the revenue effect of the corporate tax cut would be reflected in fiscal year 1958.

Mr. Speaker, my decision to introduce this bill at this time comes from study of two conflicting trends. On the one hand, there are strong pressures within and without the Government for spending the revenue increase resulting from economic growth instead of applying it to tax reduction. On the other hand, there is among our citizens and businesses a dangerous and growing dissatisfaction with the income tax rate structure as it now stands, most evident as regards the tax impact on new and small business, self-employed professional people, and the whole range of middle income families.

COUNTERING THE SPENDING TREND

By the nature of basic policy legislation, and of spending authorizations, commitments for Federal spending on many programs extend a number of years ahead. Thus, the introduction of new spending programs, and the enactment of new spending authorizations for old programs, have the effect of usurping tax reduction opportunities which otherwise would occur out of revenue growth over a period of years.

The primary purpose of forward scheduling of income-tax reduction is to set up competition for tax reduction in a potential amount which has significance for all income taxpayers, as against using revenue growth to expand old and undertake new Government spending programs.

Existing procedures result in a one-sided budget operation. Each year, there is thorough inquiry into Government expenditures, first by the Budget Bureau, then by the House Appropriations Committee, and finally by the Senate Appropriations Committee. There has been no such annual inquiry as regards the tax or revenue side of the budget.

In fact, there has been no general inquiry specifically directed to the excessiveness of income-tax rates by either the Ways and Means Committee or the Senate Finance Committee, since 1948, 9 years ago. Because of circumstances, beyond their control, these tax-writing committees have not been able to provide a continuing forum in which taxpayers, individually or through their representatives and voluntary organizations, could reflect their views or choices as to the advantages to be derived from a moderate and reasonable scale of rates, as compared to increased Federal spending on any and all programs.

Mr. Speaker, as a member of the Committee on Ways and Means I find this situation increasingly uncomfortable. During periods of war and readjustment, it was understandable that the committee should be looked upon essentially as the initiating body for tax collection. However, in my view it is now time for the committee to become the motivating force for tax saving.

Accordingly, the effect of my bill is to call upon the Ways and Means Committee to adopt a related role in budget making, that of a jealous guardian of taxpayer rights and interests. It is my conviction that this role can be best performed by the forward scheduling of tax reductions. Only in this way can there be equal competition as against the forward commitments for Federal spending.

Should essential needs arise for programs of increased spending, then tax reduction over 5 years of the amount scheduled could result in a return to

deficit financing, except for the effective safeguards in the legislation.

POSTPONEMENT PROCEDURES

These legislative safeguards are in the form of postponement procedures whereby the scheduled rate reductions could be spread out to a maximum of 9 years without change in the basic law. The legislation places the initiative for postponement in the hands of the President, but a balance has been struck in the burden and exercise of postponement authority for final decision as between the Congress and the executive branch.

While the postponement procedures may be applied separately as between corporate and individual reductions every postponement of an individual tax rate cut must be accompanied by a postponement of a corporate tax cut. The only limitation on this "linkage" is where the result would be to postpone a corporate reduction for more than 1 year.

The bill further provides that each scheduled reduction in either the individual or corporate tax may be postponed for only 1 year with the schedule of subsequent reductions also being moved ahead 1 year. Thus, it is possible to phase these reductions over a maximum period of 9 years without new enabling legislation, should budget conditions require full resort to the postponement procedures.

Specifically, the President is empowered to make, by November 15, a postponement from January 1 to July 1 of an individual tax cut which, if permitted to go into effect as scheduled, would cause an imbalance in the Federal budget for the current fiscal year. This postponement would be accompanied by a postponement of the scheduled corporate tax cut from January 1 to July 1. However, if the President has not, by November 15, postponed a corporate tax cut because he did not postpone a cut in the individual tax, he would be empowered to review the scheduled corporate tax cut in relation to the prospective budget situation for the following fiscal year. If such review indicates that the scheduled reduction would cause an unbalanced budget in such following fiscal year, then he would postpone the scheduled corporate reduction from January 1 to July 1.

The legislation also provides that the President would in his annual budget message recommend to the Congress whether any postponed rate reduction should become effective on July 1, or whether such reduction should be further postponed to January 1 next. This procedure is designed to provide the Ways and Means Committee, the Senate Finance Committee, and the Congress as a whole, the opportunity to review the revenue needs in light of the budget situation, whenever the President recommends postponement of a scheduled January 1 reduction.

Acting on the basis of such review, the Congress may, by means of a joint resolution which has become law before May 15, make finally effective, as of July 1, any scheduled reduction in individual and corporate tax cuts which had by Presidential action first been postponed from January 1 to July 1, or further postpone such cuts until January 1. This action may include a further postponement of a corporate tax cut to January 1, while making an individual tax cut finally effective as of July 1. In the event the Congress has not so acted under these alternatives then the President may again act. By May 15 he may further postpone a corporate reduction or corporate and individual reductions until January 1, but this authority is limited to previously deferred reductions and may be invoked only if the July 1 scheduled cuts would cause budget imbalance in the coming fiscal year.

In the event of postponement until January 1, either by joint resolution or in its absence by action of the President, the schedule of subsequent reductions is moved ahead 1 year, but with the limitation that each reduction may be put off only 1 year by use of the postponement procedures. This means that the first scheduled reductions could not be put off more than 1 year and that subsequent reductions must come within 2 years of each other.

The Presidential postponement authority may be questioned as a delegation of the tax-levying responsibility to the executive branch of the Government. Such, however, would not be the result, as the President would have no authority to increase taxes, or to change any scheduled reduction after the effective dates set forth.

In fact, the present procedure—or lack of it—actually makes available to the executive branch increased taxation—the revenue growth—without having to recommend increased levies. Under the procedures in my bill, in the event of a postponement of a scheduled tax cut, the Executive would only be reimposing for a 6-month period that which, in the absence of the legislation, would exist for an indefinite period. Thereafter, the Congress would have adequate opportunity to decide whether the reduction should be postponed a further 6 months. If the Congress did not act, the presumption would be that it intended at that time to let the President make the next decision, based on the statutory factors.

THE CASE FOR INCOME TAX RATE REFORM

The growing dissatisfaction with the income tax rate structure goes much deeper than normal taxpayer irritation with a heavy tax load. It reflects a growing recognition that there is something fundamentally wrong with a tax structure which penalizes hard work, risk taking and achievement.

The basic source of the complaint is the steeply graduated rates, which start after only $2,000 of taxable income, reach 30 percent at the $6,000 to $8,000 bracket, 50 percent at the $16,000 to $18,000 bracket, and go on up to a top rate of 91 percent.

Mr. Speaker, I would like to emphasize to my colleagues in the House that the present rates increase with particular severity over the range of income received by such important elements of our society as small-business men, professional people, and farmers, salesmen, technicians, supervisors, and skilled craftsmen. If such individuals by their own enterprise and hard work advance their income, they find that the Government lets them keep only a rapidly declining proportion of it.

There can be no doubt that both the present high combined corporate-tax rate and the steeply progressive individual rates are serving to prevent an adequate flow of investment funds, and especially venture capital, into new and expanding business. In fact, it may be stated flatly that this Nation has a severe shortage of new capital, and especially venture capital, because the tax laws are designed to produce such a shortage. The extremely severe rates in the middle and higher income brackets are an especially limiting factor on the accumulation of new capital for investment in new and growing enterprises.

When this situation is considered in relation to the needs of a rapidly growing population, and millions of new workers coming into the labor force, it becomes clear that the time has come to begin an orderly plan for reducing the rates which discourage individual effort, prohibit adequate savings, and threaten the industrial vitality and supremacy of our Nation. Even under a fair and moderate rate structure, our economy may be hard-pressed to generate all the savings needed to meet all opportunities to advance production and living standards without inflation.

To narrow the range of rate graduation, it is necessary that relatively more relief, percentagewise, be given to the graduated part of the rates than to the basic rate. The rates above the basic rate of 20 percent are the graduated part. These range from 2 percent in the $2,000 to $4,000 taxable income bracket, to 71 percent at the top, all on top of the basic rate of 20 percent. Note, however, this graduated part is of least importance from a revenue-producing standpoint. The graduated part of the rate structure actually provides only about 17 percent of the revenue derived from the individual tax, or about $5.5 billion out of about $33 billion. The remainder, or 83 percent, comes from the basic rate of 20 percent paid on all taxable income. Thus, the higher percentage reductions in the rate ranges above 20 percent will have considerably less revenue effect than the smaller percentage reduction applying to the first bracket rate.

My bill provides a focal point for the expression of taxpayer interest in using revenue growth to reduce excessive income tax rates instead of to support increased government spending. I feel certain that many taxpayers, both individually and through various groups to which they belong, will express their views on this legislation to their representatives in government. I will urge the Ways and Means Committee to schedule hearings at the earliest possible moment. It is my hope that this legislation will be enacted well before the end of the current session of the Congress.

As a final point, I urge taxpayers to relate the advantages to themselves and to their businesses of achieving the moderate scale of tax rates at the end of 5 years, as set out in appendices B and C, as against postponing or perhaps even foregoing ultimate achievement of such rates to accommodate higher Federal spending on any and all programs. We cannot have both the tax reductions and the spending. It is up to the taxpayers to make a choice and, Mr. Speaker, I believe that as elected representatives of the people we already know with certainty what that choice will be—tax reduction.

APPENDIX A

Individual tax rates

Taxable income bracket [1]	Present rates	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1962
$0 to $2,000	20	19.0	18.0	17.0	16.0	15
$2,000 to $4,000	22	20.5	19.5	18.5	17.5	16
$4,000 to $6,000	26	24.5	23.0	21.5	20.0	17
$6,000 to $8,000	30	28.0	26.0	24.0	21.0	18
$8,000 to $10,000	34	31.0	28.0	25.0	22.0	19
$10,000 to $12,000	38	35.0	32.0	28.0	24.0	20
$12,000 to $14,000	43	39.0	35.0	31.0	26.0	21
$14,000 to $16,000	47	42.0	37.0	32.0	27.0	22
$16,000 to $18,000	50	45.0	40.0	35.0	29.0	23
$18,000 to $20,000	53	48.0	42.0	36.0	30.0	24
$20,000 to $22,000	56	50.0	44.0	38.0	32.0	25
$22,000 to $26,000	60	53.0	47.0	40.0	33.0	26
$26,000 to $32,000	62	55.0	48.0	41.0	34.0	27
$32,000 to $38,000	65	58.0	51.0	43.0	35.0	28
$38,000 to $44,000	69	61.0	53.0	45.0	37.0	29
$44,000 to $50,000	72	64.0	55.0	47.0	38.0	30
$50,000 to $60,000	75	66.0	57.0	48.0	39.0	31
$60,000 to $70,000	78	69.0	60.0	51.0	40.0	32
$70,000 to $80,000	81	71.0	62.0	52.0	41.0	33
$80,000 to $90,000	84	74.0	64.0	54.0	44.0	34
$90,000 to $100,000	87	76.0	66.0	56.0	46.0	35
$100,000 to $150,000	89	78.0	68.0	58.0	48.0	36
$150,000 to $200,000	90	80.0	70.0	60.0	50.0	40
$200,000 and over	91	82.0	72.0	62.0	52.0	42

[1] After deductions and exemptions. Applies to single persons, married persons filing separate returns, and "split incomes" of husbands and wives filing joint returns.

APPENDIX B

Tax computation tables, individuals

If the taxable income [1] is—	The tax	
	Is: Present law	Will be: Year 1962
Not over $2,000	20 percent of the taxable income	15 percent of the taxable income.
Over $2,000 but not over $4,000	$400, plus 22 percent of excess over $2,000	$300, plus 16 percent of excess over $2,000.
Over $4,000 but not over $6,000	$840, plus 26 percent of excess over $4,000	$620, plus 17 percent of excess over $4,000.
Over $6,000 but not over $8,000	$1,360, plus 30 percent of excess over $6,000	$960, plus 18 percent of excess over $6,000.
Over $8,000 but not over $10,000	$1,960, plus 34 percent of excess over $8,000	$1,320, plus 19 percent of excess over $8,000.
Over $10,000 but not over $12,000	$2,640, plus 38 percent of excess over $10,000	$1,700, plus 20 percent of excess over $10,000.
Over $12,000 but not over $14,000	$3,400, plus 43 percent of excess over $12,000	$2,100, plus 21 percent of excess over $12,000.
Over $14,000 but not over $16,000	$4,260, plus 47 percent of excess over $14,000	$2,520, plus 22 percent of excess over $14,000.
Over $16,000 but not over $18,000	$5,200, plus 50 percent of excess over $16,000	$2,960, plus 23 percent of excess over $16,000.
Over $18,000 but not over $20,000	$6,200, plus 53 percent of excess over $18,000	$3,420, plus 24 percent of excess over $18,000.
Over $20,000 but not over $22,000	$7,298, plus 56 percent of excess over $20,000	$3,900, plus 25 percent of excess over $20,000.
Over $22,000 but not over $26,000	$8,386, plus 59 percent of excess over $22,000	$4,400, plus 26 percent of excess over $22,000.
Over $26,000 but not over $32,000	$10,740, plus 62 percent of excess over $26,000	$5,440, plus 27 percent of excess over $26,000.
Over $32,000 but not over $38,000	$14,460, plus 65 percent of excess over $32,000	$7,060, plus 28 percent of excess over $32,000.
Over $38,000 but not over $44,000	$18,360, plus 69 percent of excess over $38,000	$8,740, plus 29 percent of excess over $38,000.
Over $44,000 but not over $50,000	$22,500, plus 72 percent of excess over $44,000	$10,480, plus 30 percent of excess over $44,000.
Over $50,000 but not over $60,000	$26,820, plus 75 percent of excess over $50,000	$12,280, plus 31 percent of excess over $50,000.
Over $60,000 but not over $70,000	$34,320, plus 78 percent of excess over $60,000	$15,380, plus 32 percent of excess over $60,000.
Over $70,000 but not over $80,000	$42,120, plus 81 percent of excess over $70,000	$18,580, plus 33 percent of excess over $70,000.
Over $80,000 but not over $90,000	$50,220, plus 84 percent of excess over $80,000	$21,880, plus 34 percent of excess over $80,000.
Over $90,000 but not over $100,000	$58,620, plus 87 percent of excess over $90,000	$25,280, plus 35 percent of excess over $90,000.
Over $100,000 but not over $150,000	$67,320, plus 89 percent of excess over $100,000	$28,880, plus 38 percent of excess over $100,000.
Over $150,000 but not over $200,000	$111,820, plus 90 percent of excess over $150,000	$47,880, plus 40 percent of excess over $150,000.
Over $200,000	$156,820, plus 91 percent of excess over $200,000	$67,880, plus 42 percent of excess over $200,000.

[1] After deductions and exemptions.

APPENDIX C

Corporate tax rates

	Present	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1962
Normal tax [1]	30	28	26	24	23	22
Surtax [2]	22	22	22	22	21	20
Combined tax rate [2]	52	50	48	46	44	42

[1] On all net income.
[2] On net income exceeding $25,000.

APPENDIX D

Tax savings by taxable income [1] brackets, based on 1956 income levels

Taxable income [1] bracket	Taxable income	Present rates	New rates—end of 5 years	Tax savings
	Millions			*Millions*
$0 to $2,000	$595,121	20	15	$4,756
$2,000 to $4,000	15,967	22	16	957
$4,000 to $6,000	6,590	26	17	593
$6,000 to $8,000	4,060	30	18	491
$8,000 to $10,000	3,526	34	19	424
$10,000 to $12,000	1,984	38	20	357
$12,000 to $14,000	1,563	43	21	343
$14,000 to $16,000	1,074	47	22	269
$16,000 to $18,000	843	50	23	227
$18,000 to $20,000	739	53	24	209
$20,000 to $22,000	671	56	26	177

[1] After deductions and exemptions.

APPENDIX D—Continued

Tax savings by taxable income brackets, based on 1956 income levels—Continued

Taxable income bracket	Taxable income	Present rates	New rates—end of 5 years	Tax savings
	Millions			*Millions*
$22,000 to $26,000	$974	59	26	$306
$26,000 to $32,000	916	62	27	318
$32,000 to $38,000	594	65	28	215
$38,000 to $44,000	421	69	29	166
$44,000 to $50,000	312	72	30	130
$50,000 to $60,000	299	75	31	131
$60,000 to $70,000	203	78	32	94
$70,000 to $80,000	149	81	33	72
$80,000 to $90,000	109	84	34	55
$90,000 to $100,000	82	87	36	41
$100,000 to $150,000	217	90	38	111
$150,000 to $200,000	85	90	40	45
$200,000 and over	231	91	42	113
Total	155,997			10,607

Tax savings by net income bracket groups

Bracket	Tax savings	Percent of total
	Millions	
$0 to $6,000	$8,306	79.5
$0 to $18,000	8,419	79.4
$50,000 and over	655	6.4

REDUCTION OF THE BUDGET

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 30 minutes.

Mr. FASCELL. Mr. Speaker, never before have the people of the United States been so forcibly aware of the tremendous expenditures made by the United States Government.

President Eisenhower started a gigantic wave of national protest in submitting to the Congress the largest peacetime budget in the history of the world.

It must be remembered for all time that the presentation of this budget by the Chief Executive was accompanied by the most peculiar and unusual reaction within the administration itself. The Secretary of the Treasury was openly opposed to the budget as presented, and the President was only lukewarm in his justification of it. No wonder that serious doubts were raised as to the validity of the budget.

Congress reacted to this and adopted a resolution (H. Res. 190) which would have given the President an opportunity to review and cut his own budget, prior to the time that Congress was called

upon to act on it. The President refused to do this.

Let one fact forever remain clear on the record. Subsequent to the presentation of the President's budget, tremendous opposing reaction was felt throughout the country. Congress recognized this immediately. Prior to taking any formal action on any part of the budget, it sought to give the President an opportunity to correct or to amend a budget of which he was obviously not too proud. This opportunity he failed to take.

What the President could not or would not do, two enterprising reporters undertook to do. David Kraslow and Edwin A. Lahey of the Knight newspapers, Washington bureau, have done an outstanding article entitled "A Look at the Fine Print in United States Budget." This article—not intended to be a technical analysis of the budget—certainly convincingly dramatizes what could have been done by the executive branch of the Government with its own budget requests, which admittedly were too big at the time they were presented to the Congress.

This article should and undoubtedly will receive national attention.

Every Congressman will receive even more letters and telegrams from citizens in the vein of the following letter from Mr. Jack Mabley:

LETTER TO CONGRESSMEN—LET'S CUT DOWN THIS SPENDING

YOUR CONGRESSMAN AND MINE,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: This is the first time I have ever written my Congressman.

I hope you get thousands of letters starting with those words.

I have never been angry enough to write. I am now.

You must be as horrified as I was at the incredible waste in Government documented by Ed Lahey and David Kraslow in their analysis of the new budget in the Miami Herald and the Chicago Daily News.

You must work to stop it.

I am a professional writer, and I find I can do little more than sputter in rage in trying to record my feelings.

We are fools. What kind of suckers are we to pay $3,100,000 for artistic and athletic presentations abroad, to support $16,500 doormen who don't work, to pay $434,812 for the permanent committee for the Oliver Wendell Holmes device?

If two newspaper men spending a week going over the printed budget can uncover millions and millions in boondoggling, how much more waste must be concealed in the bazaar figures that make up a $72 billion budget?

THESE OUTLAYS ARE RIDICULOUS

Let us be specific. Is there any reason why items such as these should not be reduced or cut out of the budget:

Woodrow Wilson Centennial Commission, $100,000. Trade fairs in foreign countries, $29,900,000. Ammunition, medals, badges for civilian rifle practice on Sunday mornings, $300,000.

Getting Mexican seasonal workers to United States farmers, $2,883,000. National Monument Commission, $25,000.

And take a long, hard look at the $1 million increase in miscellaneous items for your own House of Representatives.

From $1,165,000 to $2,165,000 for miscellaneous items.

What in the world does $1 million worth of additional miscellaneous items constitute? Do you know, or does anyone know?

Multiply these expenditures by the hundreds that have been unearthed by Lahey and Kraslow, and you can approach the budget cut of $6,500 million that Senator HARRY BYRD, of Virginia, says is possible.

That is the highest cut suggested by any responsible Washington lawmaker. When first offered it seemed out of reach.

GOVERNMENT SHOWS INCOMPETENCE

After reading the breakdown on the budget, I believe you should make it your goal.

I believe that when the head of the Government says the budget cannot be reduced, and two newspapermen can unearth the asinine expenditures that Lahey and Kraslow uncovered, the head of the Government is displaying gross incompetence.

In a private business he would be fired.

Our hopes lie with you and other Representatives and Senators.

I am writing in this manner because I hope every person who read the budget analysis, and is as outraged as I am, will write his Congressman. I have this opportunity to show I am writing mine.

Sincerely yours,

JACK MABLEY,
Miami Herald-Chicago Daily News Writer.

This outstanding analysis by David Kraslow and Edwin Lahey points out something the American people should remember for a long time, the making of the Federal budget and its presentation in the first instance is the responsibility of the President of the United States. When the American people are presented with a budget for the Federal Government, as was done for the fiscal year 1958, it is no wonder that many of them will be prompted to feel as Jack Mabley did when he wrote:

I believe that when the head of the Government says the budget cannot be reduced, and two newspapermen can unearth the asinine expenditures that Lahey and Kraslow uncovered, the head of the Government is displaying gross incompetence. In private business he would be fired.

People have a right to know that their only hope in this situation lies with the Congress of the United States. The Congress is fully aware of its duty and responsibility. The House of Representatives has to this date acted on only 5 of the 15 or so appropriations bills covering the fiscal 1958 budget. These are H. R. 4897, Post Office and Treasury; H. R. 5189, Interior and related agencies; H. R. 5788, General Government; H. R. 6070, Independent offices; and H. R. 6287, Health, Education, and Welfare, and Labor Departments.

The House of Representatives, in acting on these appropriations bills embodying only 20 percent of the funds requested by the President has made reductions totaling over $800 million. There are many more appropriations bills yet to be considered. It is without any question in my mind that the Congress of the United States will continue to exercise the will of the people in making further reductions in the President's budget requests.

Our thanks should be extended to two outstanding reporters, David Kraslow and Edwin Lahey, and the Knight newspaper organization for dramatizing and publicizing the situation to the benefit of all Americans. Here is what they said and found:

HERE'S YOUR ITEMIZED STATEMENT, MR. TAXPAYER—A LOOK AT THE FINE PRINT IN THE UNITED STATES BUDGET

(By David Kraslow and Edwin A. Lahey)

WASHINGTON.—Come browse with us through the 1,249 pages of the Federal budget.

To borrow some language from the movie ads this reveals the stark secret in the heart of the bureaucrat, which he dared not face.

It is a brutal upsurge of emotions. It is an experience that will leave a lump in your throat and make your spine tingle.

Put all those feelings together, and you wind up in pretty bad shape.

As an individual taxpayer, distinct from the corporate and the excise taxpayer, you have more than a passing interest in the Federal budget for 1958.

It so happens that the increase in this budget, including the fatty tissue, is almost precisely parallel to the estimated increase in individual income tax payments for the coming year.

If we may burden you now with the first of many figures that enter into this discussion, the Eisenhower budget has gone up from $68,900,000,000 in 1957 to $71,800,000,000, and increase of $2,900,000,000, in estimated expenditures.

The estimated income from tax receipts has been increased from $70,600,000,000 to $73,600,000,000, a gain of $3 billion.

And the estimated increase in individual income tax payments goes up from $38,500,000,000 to $41 billion.

In other words, individual taxpayers, like that man on the bus next to you, will put up $2,500,000,000 of the $3 billion increase in estimated expenditures.

President Eisenhower wants us to approach this budget in a wholesome frame of mind. You must think big, as becomes a citizen of a great nation. A government must provide the services it people need.

It should actually make you proud to learn that you are participating in a program for air-conditioning Federal buildings at a cost of $328 million.

They are giving it to you easy in this program. It will be stretched out over 7 years, and the cost for air conditioning in 1958 won't be more than $41,850,000.

And you must be manly about it when you learn that the United States Army spends $300,000 a year to finance pleasant and wholesome Sunday morning recreation for the civilian members of several thousand private rifle clubs.

Mr. Eisenhower's words of cheer should also sustain you when you ponder with us why the miscellaneous items in the contingent expenses of the House of Representatives should be increased from $1,165,000 this year to $2,165,000 in 1958.

Or why it should cost $70,000 annually for a hearing board that held 23 days of hearings in 1 year.

There are dozens of little items in the 1958 budget to give the uninitiated pause, or even irritate them. But you'll have to take the solemn word of your temporal rules that this is a tight budget, a spending program that a rich and proud nation can well afford.

And you will have to grit your teeth and hang on to your faith when you read the innocent report of a bureaucrat to Congress that he seems to lose money when he sells stockpile material at less than he paid for it.

Optimistic as the White House is about our future, somebody over there must think that a lot more of us are going bankrupt next year. They've asked Congress to increase the salaries of referees in the United States courts from $1,233,500 in 1957 to $1,699,000 in 1958.

SEVENTY-FIVE DOLLARS A DAY TO INVESTIGATE SPENDING

The hopeful type of taxpayer might get a lift out of one item in the 1958 budget.

There is a sum of $335,000 left over from $400,000 appropriated in 1957 to pay experts $75 per day to assist the President in the establishment of more efficient business methods in Government operation.

Mr. E can turn a lot of experts into production at $75 per day with this, and they could find a lot to intrigue their fancy.

They might discover that Federal payrolls expand sometimes at a more rapid rate than the expansion of duties assigned to the payrollers.

In the rivers and harbors and flood-control division of the Army Corps of Engineers, for example, there is indicated a need for some flood-control work at the hiring hall.

The budget for this branch of Government (which carries out the provisions of the annual pork barrel bill) has increased from $172,645,137 in 1956 to $196,385,000 in 1958.

The increase in money is about 13 percent.

But the jobs in this agency have been increased 23 percent, from 16,507 in 1956 to 20,257 in fiscal 1958.

SMALL AGENCIES—BIG MONEY

The Public Housing Administration could attract attention, for the same reason.

The Public Housing Administration wants to add $6 million in 1958 to its annual contributions to public housing agencies. They have asked Congress to increase this item in the budget from $93 million in 1957 to $99 million in 1958.

And for the arduous task of giving away $6 million more than they are giving away this year, the Public Housing Administration needs a boost in its administrative budget, the man says, from $10,700,000 to $13,300,000

The President's $75-per-day efficiency experts might take more than a second glance at a small agency with 5 employees in the Department of the Interior.

This agency is known as the Federal Coal Mine Safety Board of Review, and its budget need for 1958 is $70,000.

Coal mine operators who object to orders issued by Federal safety inspectors may appeal to this board for review, revision, or relief from these orders.

In 1956 this agency determined four appeals which required a total of 23 days of hearings, the book says.

Then there is an item in the Census Bureau's estimate calling for $212,189 to collect certain agricultural statistics. The official description of the work for which this $212,189 is requested is as follows:

"Information is compiled on cotton ginned at 11 dates during the ginning season."

The gathering of information is a big operation over at the Department of Agriculture.

The Agricultural Research Service in this department has increased its budget from $94,416,000 in 1957 to $102,580,000 in 1958.

The home economics branch of this Service reports this year that it needs some extra money to expand its inquiries into the problems of fat in human nutrition.

The cost of making crop and livestock estimates has also shot upward. This branch at Agriculture had $4,626,854 in 1956. It went to $5,229,900 in 1957, and wants $5,737,100 in 1958.

CASH NEEDED TO KILL INFORMATION

There's a different twist to an information item in the budget request of the Department of Commerce.

They have a little branch over there that wants money to kill information, rather than to collect it.

The book says this bureau is "for development of national policy on and evaluation of the flow of unclassified information to minimize access to such information by unfriendly nations."

A committee of Congress has recommended that this bureau be abolished. But it keeps coming back for more and more money. It had $49,710 in 1956 and wants $105,000 in 1958.

Another note for the attention of the $75-per-day efficiency experts is detected in a passage of the voluminous budget estimates of the Veterans' Administration.

The VA reports that it needs an extra $67,780,000 now "to cover uncontrollable education and training costs which are exceeding the original estimates."

You had a $4,000 taxi bill.

We invest heavily in culture these days to win the love of people in other lands.

The President has a special international program in this connection. It had a $9,900,000 budget for 1957. Mr. Eisenhower wants $20 million in 1958, most of it for trade fairs in foreign countries.

Some $3,100,000 of this Presidential fund would be spent for artistic and athletic presentations abroad, under the direction of the Department of State. The Department conducted 30 such invasions in 1956 and 47 in the current fiscal year. Secretary John Foster Dulles wants 59 of these artistic and athletic presentations to go to foreign lands next year.

The Department of State has still another cultural device for buying love, through educational exchange activities.

The purpose of this project is to promote the foreign policy of the United States through exchange of key persons, selected for their capacity to build up a receptive climate of public opinion overseas.

This pursuit of love cost us only $18 million in 1956. In the current year the bill will be $20 million.

But for fiscal 1958, Dulles wants to spend $30 million out of the Treasury in the creation of a receptive climate of public opinion overseas. On top of this $30 million, the program would benefit from $3,575,000 in foreign currencies, generated by the sale of surplus commodities.

MEMBERSHIP DUES ARE ON THE RISE

The Department of the Interior is also very culture conscious. One of its permanent projects is the Commission of Fine Arts.

"The commission advises the President, Congress, and the department heads on matters of architecture, sculpture, painting, and other fine arts," the prospectus says.

Cost to the taxpayer:

In 1956, $22,200; in 1957, $31,000; in 1958, $35,000.

There are four payroll jobs on this commission.

United States membership in a large crop of international organizations might be included under the head of culture, or as a phase of our political maturity.

Membership dues are on the rise. We paid $33,859,285 in the current fiscal year to belong to international agencies. The Department of State is asking $37,475,552 for this purpose in 1958.

The United Nations is our most expensive club. Membership here for 1958 will cost $29,603,337.

The cost of belonging even to the teensy-weensy little organizations is going up.

Our dues in the International Bureau for the Publication of Customs Tariffs are increasing from $2,233 in 1957 to $8,658 in 1958.

THREE HUNDRED THOUSAND DOLLARS EARMARKED FOR RIFLE PRACTICE

Our Government thinks of recreation, as well as culture, in its budget.

The National Board for the Promotion of Rifle Practice, a bureau in the Army, will spend $300,000 in the coming year for recreation for the civilian members of 3,300 rifle clubs in the United States.

The rather tenuous justification for this project seems to be that a citizen who is good with a rifle can prove mighty handy if we're invaded, provided some other government agency doesn't evacuate him.

The $300,000 is for ammunition for issue to members of rifle clubs and to competitors at authorized matches. Also, for the issuance of trophies, medals, and badges for marksmanship to civilian members of rifle clubs.

A lot of traveling goes with this rifle club gambit. The travel budget for this activity in 1956 was only $4,407. In 1957 it jumped to $30,000. And in 1958 the National Board for the Promotion of Rifle Practice wants to spend $80,000 on travel.

The National Park Service of the Department of the Interior, a great source of recreation for the public, looks onward and upward in its annual budget estimates.

For 1956 the Service had $10,443,000. It is asking for $14,523,000 for 1958.

The park and recreation program of the Service has a separate budget that is almost triple what it was in 1956 ($1,988,746, as compared with $702,000).

This program provides technical services essential to public use in the fields of biology, geology, history, and archeology. Also, "archeological investigations and salvage on Federal water control projects, and surveys of historic American buildings and sites."

When a taxpayer grows weary of feeding gumdrops to the tame bears under the jurisdiction of the Department of the Interior, he can drift off to a forest which will be well kept for him by the Department of Agriculture.

The Forest Service in Agriculture wants $11,500,000 from Congress next year for a new program of recreational facilities in the national forests. This agency wants an additional $4 million to give to the States for tree planting.

FISH WE GOT IN 1958 BUDGET

Recreation to many people means fish, and fish we got in this budget for 1958.

The Fish and Wildlife Service of the Department of the Interior, which had a budget of $6,539,317 in 1946, is asking Congress to come up with $11,500,000 in 1958.

Some of the big items of expense for this Service are the "management of fishery resources, administration of wildlife resources, and the control of predatory animals and injurious rodents."

There is also a Bureau of Commercial Fisheries, down for $5,985,000 in 1958.

Its purposes are "scientific and economic studies, conservations, management, investigation, protection, and utilization of commercial fishery resources, including whales, sea lions, and related aquatic plants and products."

The United States also belongs to an International Fisheries Commission, which seems to get more expensive every year.

In 1956 our participation in this Commission cost us a modest $455,000. In 1957 the budget is $1,265,587. And for 1958 the Department of State, which has a man in charge of fish, says it needs $1,654,000 to keep up appearances in this organization.

TAKE YOUR PICK OF COMMISSIONS

Did we say commissions?

You name it, we've got it.

One of the most intriguing is the Alexander Hamilton Bicentennial Commission, which had $200,000 from Congress to commemorate the 200th anniversary of the birth of that eminent hard money man.

The birthday was celebrated on Jan. 11, 1957.

But they will probably be cleaning up the field until June 30, 1958, the end of the next fiscal year. The 1958 budget has $150,000 in it to wind up the labors of this Commission.

Then there is a grant of $225,000 to the Booker T. Washington Centennial Commission, "to promote interracial good will."

This Federal grant actually is a grant to the State of Virginia, whose legislature created the Booker T. Washington Centennial Commission between innings of their debates on "interposition."

The Boston National Historical Sites Commission had $40,000 for the purpose of "preparing an inventory of historic sites and buildings in Boston and vicinity, together with an analysis of their condition."

There is also the Franklin D. Roosevelt Memorial Commission which got $10,000 from Congress to formulate plans for "location, design, and construction of a permanent memorial to Franklin D. Roosevelt in Washington or its immediate environs."

The challenging feature of this FDR commission is that of the $10,000, the commission is spending $6,710 in travel in 1957 just to locate a place "in Washington or its immediate environs," where we have the cheapest taxicab rates in the United States.

The Jamestown-Williamsburg-Yorktown Centennial Commission had $115,000 appropriated in 1957 and is down for $88,000 in 1958. This commission is authorized to pay experts $50 a day to plan a celebration commemorating the 350th anniversary of the founding of Jamestown in 1607 and the winning of independence at Yorktown in 1781.

Soo Locks Centennial Celebration Commission * * * minor league operation * * * only $15,000 authorized, two budgets ago.

Theodore Roosevelt Centennial Commission, $144,000 appropriated in 1957. It will spend about $55,000 in 1958 "to prepare plans and program commemorating the 100th anniversary of Theodore Roosevelt's birth.

Travel expenses for the six payrollers on the Theodore Roosevelt commission increased from $1,200 in 1957 to a planned $3,000 in 1958.

The Woodrow Wilson Centennial Commission, $51,500 in 1956 and $48,500 in 1957.

What did this commission do with $100,000?

The budget book says it "cooperated with other organizations in commemorating in 1956 the centennial of Woodrow Wilson's birth." That's all it says.

There is also the "Permanent Committee for the Oliver Wendell Holmes Devise." The book says the committee had $434,812 in 1956, $14,700 in 1957, and should have $14,000 in 1958.

The purposes of this committee are to prepare a history of the Supreme Court of the United States, to set up an annual lecture or series of lectures, and to publish a memorial volume of the late Justice Holmes' writings.

There's a brand new one in the 1958 budget.

It's the National Monument Commission, for which Congress is expected to provide $35,000 in the coming year. The two members of this Commission would be permitted to spend $6,000 of this on travel.

This commission will be "responsible for securing plans and designs for a monument to the Nation symbolizing the ideals of democracy as embodied in the freedoms of speech, religion, press, assembly, and petition."

Finally, there is the National Security Training Commission. It had $50,000 in 1957 and wants $75,000 in 1958 for its 6 payrollers.

And who would argue with its purpose?

This commission is "concerned with the development of policies and standards governing the welfare, health, morals, and safety of reservists undergoing 6 months of training."

PACIFIC ISLES COST TAXPAYERS

A few paragraphs of the budget carry a note of sadness for those who believe that man is essentially good.

The 58,000 natives on the 2,141 Pacific islands that became our trust territory after the defeat of Japan are about the gentlest souls you could find outside an old people's home.

But they could be dead-end kids the way the cost of a judiciary for these islands increases.

The judiciary for the Trust Territory of the Pacific Islands cost the United States taxpayers $44,310 in 1956. This year they want $53,000.

The cost of the High Commissioner's Office for these sleepy islands has also increased from $34,766 in 1956 to $61,500 in 1958.

Our whole civilian administration of these Pacific islands—including grants—costs us about $85 per native.

In the Bureau of Employment Security of the Department of Labor, there is another item that casts doubt upon the basic goodness of man.

This Bureau supplies United States farmers with seasonal workers from Mexico, under terms negotiated with the Mexican Government.

This program, devised solely for the convenience of American farmers, cost the taxpayers $1,957,000 in 1956. They want $2,683,000 for 1958.

And part of that increase is for the rising cost of investigation of contract violations. This is going up from $331,536 in 1956 to $634,700 in 1958.

In other words, in spending $2,683,000 of tax money to get seasonal workers for United States farmers in their hour of need, the Government must use $643,700 of this to see that the farmers are not cheating these workers.

STOCKPILE LOSSES HITTING RECORD

In its concern for the welfare of all branches of society, our Government has not forgotten the private industrialist and businessman.

Programs connected with defense production, particularly the stockpiling of strategic materials that western mining interests find slow moving articles, offer surprising bits of information in the big budget book.

One program for the expansion of machine-tool producing capacity provides for installing under lease Government-owned machine tools in the plants of private producers.

Another paragraph on defense production reveals a program to round out capacity to produce steam turbines and turbine gears by installing machinery and equipment in plants of private contractors.

The biggest part of this defense program, of course, is the acquisition of strategic minerals. The budget for 1957 provided $21 million for the minerals program.

For 1958 Congress is asked to provide $40 million for the purchase of domestic tungsten, asbestos, fluorspar, and columbium-tantalum.

It will come as no shock to the taxpayer that these programs are conducted at a loss out of the revolving fund used to build up stockpiles and to keep manufacturing facilities of private industry up to par.

In 1956 these losses to the Government (meaning the taxpayer) totaled $19,700,000. In 1957 the loss will be $38,500,000.

In 1958 the Government expects to set a peacetime track record, with a loss of $42 million in conducting the programs of all the defense production agencies.

The reasons for this loss belong in the history of economics as a science.

"These losses primarily result from the resale of high-cost material at market prices," the Budget Bureau reports to Congress.

(They probably didn't know it, but this line is an indirect steal from an old recording called Two Black Crows. One of the characters tells how he raised goofer feathers at a cost of $4 and then sold them for $4. "You can't make money that way," said the second Black Crow. "We found that out," the first man replied.)

Our natural concern for mineral stockpiles calls for a lot of surveys.

The Department of the Interior has one survey going for "coordination and advice to the Federal Government on all phases of metals, minerals, and solid fuels, including mobilization planning."

This survey had $225,000 in the 1956 budget. For the coming year, the Department is asking $313,000 for the project.

In the Bureau of Mines at the same Department, there are bigger and more expensive surveys under way for research and investigation of ferrous and nonferrous metals, and nonmetallic minerals.

This survey wesseled along on only $14,743,000 in 1956, but the Department wants $19,575,000 in 1958.

The geologic survey of the Department, another separate project, is working along the same general line, to get an "accurate appraisal of the Nation's mineral resources."

This survey had $5,718,441 in 1956. It wants $8,400,000 in 1958.

There is one more survey in the Department of the Interior that we'll bet you never heard about.

It's the Cadastral Survey Division of the Bureau of Land Management. This survey will cost $500,000 in 1958 to "locate and identify legal boundaries of lands under application for lease and disposal, including submerged lands on the outer Continental Shelf."

CIVIL SERVANTS LIKE TO TRAVEL

A trip is good for what ails you, the travel ads say.

Your servants in the Federal Government like to travel, too.

The Civil Aeronautics Administration got $3,852,160 in 1956 for travel expenses. Business must have increased considerably in 1957 because the CAA was given $5,910,188 for travel.

And the President has asked Congress to jump the agency's allowance for travel to $9,522,534 for 1958.

There is a 600 percent jump in travel expenses for the Bureau of Foreign Commerce—from $10,998 in 1956 to $82,500 in 1957 and 1958.

The Foreign Agricultural Service wants its travel allowance virtually doubled—from $240,000 in 1957 to $474,100 in 1958.

The office of the administrator of the Housing and Home Finance Agency spent $492,676 for travel in 1956. The budget makers felt like rounding off the figure for 1958—at $1 million.

The Interstate Commerce Commission did $659,815 worth of traveling in 1956. For 1958, the request is just about double—$1,247,700.

There are many more examples attesting to the boom in Government travel, such as the Civil Service Commission (up from $464,700 to $609,000), the Federal Trade Commission (up from $163,861 to $272,500), and the Atomic Energy Commission (up from $2,800,000 in 1956 to an even $4 million for 1958).

In fact, there are few instances where agencies asked for less travel money than they have been getting.

Business is so good.

RENT GOING UP WITH BUILDINGS

When you moved out of the rented apartment into the home you bought, there were no more worries about paying rent to a landlord.

That's the way it was with you. But not with our Department of State.

The Department has been spending—at an increasing rate—a lot of money buying buildings overseas to house our diplomats and their staffs.

So does the figure in the budget for the rental of buildings abroad go down? It does not. It goes up.

The Department purchased $8,500,000 worth of buildings overseas in 1956, $19 million in 1957 and the request for 1958 is $20 million.

At the same time, the overseas rental and utility costs for the Department went from $1,755,701 in 1956 to $1,866,895 in 1957 to a requested $2,230,802 for 1958.

Uncle Sam's Government is a big and growing operation and his hunger for bigger and better office buildings seems to be unquenchable.

The supersecret Central Intelligence Agency, about which only a few select officials know anything, is going to get a new home in Washington. Cost: $40 million.

The money was appropriated in this year's budget, but the bulk of it is to be spent in 1958 or later. Not even the plans will be completed until late this calendar year.

The Smithsonian Institution is going to get a new Museum of History and Technology. Cost: $33,712,000.

This money also was provided in the 1957 budget, but less than $2 million has been spent and the plans are still in the works. Construction cannot be started until temporary buildings are removed from the site selected for the museum.

Even the Federal flowers are headed for a new home. There's a new appropriation request of $587,000 in the 1958 budget so that the greenhouses of the Botanic Garden can be relocated.

FULL DISCUSSION WOULD FILL SHELF

This has admittedly been a sketchy review of this magnificent volume entitled "The Budget of the United States Government for the Fiscal Year Ending June 30, 1958."

A truly adequate discussion would fill a library shelf. A simple taxpayer could not even understand the necessity for spending hundreds of millions on a bomber that might be outmoded before it flies.

But we hope we've given you a general idea. After reading through this budget, we feel as though we've finally achieved the life ambition of every literate adult and read War and Peace.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VORYS of Ohio (at the request of Mr. BAUMHART) for the remainder of the week on account of official business.

To Mr. ROBERTS of Alabama (at the request of Mr. RAINS) for the rest of the week on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SADLAK for 20 minutes today and to extend his remarks.

Mr. HOFFMAN for 10 minutes today on the subject of Dave Beck's determination to have a fair hearing.

Mr. FASCELL (at the request of Mr. ALBERT) for 30 minutes today and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. SULLIVAN to revise and extend remarks made in Committee of the Whole today and include some of her own testimony.

Mr. RHODES of Pennsylvania and to include extraneous matter.

Mr. MACDONALD.

Mr. ZABLOCKI and to include some observations.

Mr. GRIFFIN and to include extraneous matter.

Mr. VORYS (at the request of Mr. McCULLOCH).

Mr. FOGARTY to revise and extend remarks he made today in Committee of the Whole and to include extraneous matter.

Mr. DINGELL (at the request of Mr. ALBERT.

Mr. WEAVER.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4090. An act to provide a 15-month extension of the existing corporate normal tax rate and of certain excise tax rates.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock 41 minutes p. m.), the House adjourned until tomorrow, Friday, March 29, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

672. A letter from the Vice Chief of Naval Material, Department of the Navy, transmitting the ninth semiannual report of contracts in excess of $50,000 for research, development, and experimental purposes awarded by the Department of the Navy, for the period July 1 through December 31, 1956, pursuant to Public Law 557, 82d Congress; to the Committee on Armed Services.

673. A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract procurement actions with small and large concerns for work in the United States for the first 7 months of fiscal year 1957, pursuant to Public Law 268, 84th Congress; to the Committee on Banking and Currency.

674. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

675. A letter from the chief scout executive, National Council of Boy Scouts of America, transmitting the 47th Annual Report of the Boy Scouts of America for the year 1956, pursuant to the act of June 15, 1916 (H. Doc. 141); to the Committee on Education and Labor and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 68. A bill to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration; with amendment (Rept. No. 279). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 71. A bill to prohibit the payment of pensions to persons confined in penal institutions for periods longer than 60 days; without amendment (Rept. No. 280). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 76. A bill to amend the Veterans' Regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb; with amendment (Rept. No. 281). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 358. A bill to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection; without amendment (Rept. No. 282). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1264. A bill to provide that certain veterans suffering from active pulmonary tuberculosis shall be deemed to be permanently and totally disabled for pension purposes while they are hospitalized; without amendment (Rept. No. 283). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 3658. A bill to liberalize certain criteria for determining eligibility of widows for benefits; without amendment (Rept. No. 284). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 72. A bill to amend section 21 of the World War Veterans' Act, 1924, to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary; with amendment (Rept. No. 285). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 216. Resolution for consideration of H. R. 4136, a bill to extend the period within which Export-Import Bank of Washington may make loans; without amendment (Rept. No. 286). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 217. Resolution for consideration of H. R. 5538, a bill to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes; without amendment (Rept. No. 287). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SADLAK:

H. R. 6452. A bill to amend the Internal Revenue Code of 1954 so as to provide for

scheduled personal and corporate income tax reductions and for other purposes; to the Committee on Ways and Means.

By Mr. SHEEHAN:

H. R. 6453. A bill to provide cost of living increases in the compensation of postal employees in localities of 500,000 population or more; to the Committee on Post Office and Civil Service.

By Mr. ABERNETHY:

H. R. 6454. A bill to amend the act for the retirement of public-school teachers in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BROYHILL:

H. R. 6455. A bill to amend the act for the retirement of public-school teachers in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DOLLINGER:

H. R. 6456. A bill to amend section 304 (d) of the Federal Food, Drug, and Cosmetic Act, with respect to the disposition of certain imported articles which have been seized and condemned; to the Committee on Interstate and Foreign Commerce.

By Mr. KING:

H. R. 6457. A bill to amend the Internal Revenue Code of 1954 to provide for the gradual elimination of the taxes on the transportation of property; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 6458. A bill to appropriate $800,000 for the construction of the Hopkinton-Everett Reservoir project in the Merrimack River Basin; to the Committee on Appropriations.

By Mr. McDONOUGH:

H. R. 6459. A bill to allow a deduction for income tax purposes of certain expenses incurred by the taxpayer for the education of a dependent; to the Committee on Ways and Means.

By Mr. McFALL:

H. R. 6460. A bill to amend the act entitled "An act to provide uniform longevity grades for the postal field service" approved May 3, 1950; to the Committee on Post Office and Civil Service.

By Mr. MACK of Illinois:

H. R. 6461. A bill authorizing the construction of projects for flood control, water conservation, and other purposes in the Kaskaskia River Basin, Ill.; to the Committee on Public Works.

By Mr. MAY:

H. R. 6462. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. MERROW:

H. R. 6463. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 6464. A bill to amend the Internal Revenue Code of 1954 to reduce and eventually repeal the taxes on the transportation of property; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:

H. R. 6465. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

H. R. 6466. A bill to provide that the President shall include in the budget submitted to the Congress under section 201 of the Budget and Accounting Act, 1921, an item for not less than $2 billion to be applied toward reduction of the national debt; to the Committee on Government Operations.

By Mr. ROOSEVELT:

H. R. 6467. A bill to reorganize the civil-defense functions of the Federal Government, to establish a Federal Department of Civil Defense, and for other purposes; to the Committee on Government Operations.

H. R. 6468. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. SMITH of Wisconsin:

H. R. 6469. A bill to provide for payments in lieu of taxes to State tax authorities with respect to certain real property subject at the time of its acquisition by the United States to real property tax committed to the discharge of bonded indebtedness for any public improvement; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas (by request):

H. R. 6470. A bill to amend and clarify the Congressional intent of section 300 (c) Public Law 346, 78th Congress, as amended (693 f, title 38, U. S. C.), to include the provision of necessary space for full-time accredited representatives of veteran organizations on Government buses for transportation between Veterans' Administration offices located within one State or Federal district; to the Committee on Veterans' Affairs.

By Mr. VANIK:

H. R. 6471. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to procedures on applications for facility licenses, and for other purposes; to the Joint Committee on Atomic Energy.

By Mrs. BLITCH:

H. R. 6472. A bill to provide for the acquisition and addition of certain lands to Fort Frederica National Monument, in the State of Georgia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOFFMAN:

H. R. 6473. A bill to amend the Labor Management Relations Act, 1947, to prohibit labor organizations from paying, without authority from the members, the legal fees of officers accused of illegal acts allegedly committed otherwise than in the performance of their duties; to the Committee on Education and Labor.

By Mr. REES of Kansas:

H. R. 6474. A bill to establish a Veterans Preference Employees Appeals Office, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 6475. A bill to provide that certain compensation payable to certain officers and employees reinstated or restored to duty by administrative or court action shall be paid out of current appropriations for the department or agency concerned; to the Committee on Post Office and Civil Service.

H. R. 6476. A bill to establish penalties for failing to comply with certain recommendations of the Civil Service Commission and for defeating, deceiving, or obstructing any person with respect to any preference granted him by the Veterans' Preference Act of 1944; to the Committee on Post Office and Civil Service.

By Mr. SAYLOR:

H. R. 6477. A bill to amend Veterans' Regulation No. 10 to provide that the widow of a peacetime veteran who married the veteran within 15 years after his last discharge or release from the service may be entitled to death compensation in case of the service-connected death of the veteran; to the Committee on Veterans' Affairs.

By Mr. ALGER:

H. R. 6478. A bill to amend the Natural Gas Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. COAD:

H. Res. 218. Resolution to authorize the Committee on Banking and Currency to investigate and study the manner in which the Commodity Credit Corporation exercises its authority to sell certain farm commodities; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Tennessee, memorializing the President and the Congress of the United States relative to deploring the arrangements now existing which make service in our Armed Forces abroad a hazard by depriving our servicemen, their civilian components, and dependents of each, of the rights and guaranties of our Constitution when they are stationed in other lands, etc.; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H. R. 6479. A bill for the relief of Spiridoula G. Amarantos; to the Committee on the Judiciary.

By Mr. CARRIGG:

H. R. 6480. A bill for the relief of Mrs. Shirley Davis; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 6481. A bill for the relief of Lt. Wilfred N. More; to the Committee on Armed Services.

H. R. 6482. A bill for the relief of Clare F. Young; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 6483. A bill for the relief of Mrs. Nancy A. Lynn; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 6484. A bill for the relief of Salvatore D'Angelo; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 6485. A bill for the relief of Moy Ngok Ngor; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 6486. A bill for the relief of Nathan Schreiber; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 6487. A bill for the relief of Brando Corrado; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 6488. A bill for the relief of Mrs. Anna De Angelis Guignino and her daughter, Rosalba Guignino; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 6489. A bill for the relief of Thomas A. Howe; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 6490. A bill for the relief of Zoran Lamble; to the Committee on the Judiciary.

H. R. 6491. A bill for the relief of Ferdinando Scappaticci; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 6492. A bill for the relief of Maj. Harold J. O'Connell; to the Committee on the Judiciary.

By Mr. SAUND (by request):

H. R. 6493. A bill for the relief of Severino Pasai Gateb; to the Committee on the Judiciary.

H. R. 6494. A bill for the relief of Mrs. Patricia Bunch; to the Committee on the Judiciary.

By Mr. SAYLOR (by request):

H. R. 6495. A bill for the relief of Max Haiock; to the Committee on the Judiciary.

By Mr. SMITH of California:

H. R. 6496. A bill for the relief of Mrs. Maria Teresa Milesi Scoman; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 6497. A bill for the relief of Victor Abad Ribera, his wife Angeles Badell Ribera, and their daughter, Angeles Badell Ribera; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. R. 6498. A bill for the relief of Alexander Ehrmann; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 6499. A bill for the relief of Miss Sybil Thompson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

177. By Mr. BEAMER: Resolution adopted by the Grant County Bar Association composed of the members of the legal profession in Grant County, Ind., on March 22, 1957, endorsing H. R. 9 and H. R. 10 to provide equal tax rights for the self-employed; to the Committee on Ways and Means.

178. By Mr. BUSH: Petition of West Branch Manufacturers' Association of Williamsport, Pa., urging the Congress of the United States to accomplish corrective measures which will reduce the discriminatory progression in surtax rates, and that consideration be given to statutory limitation of maximum surtax rates to avoid any further abuse of Government power to levy taxes on personal and corporate income; to the Committee on Ways and Means.

179. By Mr. HARVEY: Petition of 36 residents of the 10th Congressional District of Indiana asking Congress to enact legislation to prohibit the transportation of alcoholic beverages in interstate commerce and to prohibit radio and television advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

180. By Mr. HAYS of Arkansas: Petition of Edward B. Madden, Little Rock, Ark., and others expressing approval of H. R. 2803 and H. R. 2804, which would establish a system for the classification and compensation of scientific and professional positions in the Federal Government; to the Committee on Post Office and Civil Service.

181. By Mr. McINTOSH: Petition of the City Commission of City of Port Huron, Mich., opposing further diversion of water from the Great Lakes; to the Committee on Public Works.

182. By Mr. MORGAN: Petition of Mrs. Ethel Clark Lewis and 126 other residents of West Alexander, Pa., favoring the enactment of legislation which would prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Commissioner John J. Allen of the Salvation Army

EXTENSION OF REMARKS

OF

HON. JOHN M. VORYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. VORYS. Mr. Speaker, on March 29, Commissioner John J. Allen, of the Salvation Army, retires after 50 years of distinguished service. Although he served all over the United States and in countries around the world, we feel that he belongs especially to us in Columbus, Ohio, where he served the Salvation Army and the community for many years. Here are some facts about Commissioner Allen's life and achievements:

Born in Hazleton, Pa., in 1887.

Commissioned Salvation Army officer over 50 years, rendering distinguished service.

Held the position of chief of staff of the Salvation Army for 7 years in London. This is the highest appointive position in the Salvation Army.

During the First World War, he was senior chaplain of the 77th Division. His organizing genius was recognized by military authorities and he was transferred to General Headquarters, Chaumont, where in addition to administrative work, was appointed senior chaplain of advance section service of supply.

As a chaplain in the United States Army, Commissioner Allen was decorated for bravery with the Croix de Guerre at Vesle River.

During the Second World War, Commissioner Allen was called to be a member of staff of Chief of Chaplains in Washington, D. C.

In October 1940, the commissioner suggested and effectively organized the heads of welfare organizations that had served in World War I and formed what later became the United Service Organizations.

For the past 3½ years he has traveled around the world as special representative of the general of the Salvation Army, holding conferences with top world leaders in government, church, and educational fields with a view to seeing how the Salvation Army can better serve, especially in the underdeveloped countries.

Commissioner Allen has been a great servant of the Lord, and richly deserves to live long to enjoy the retirement to which his long record of splendid service to his country and to the Salvation Army entitles him.

Anniversary of Byelorussian Independence

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. DINGELL. Mr. Speaker, the geographic location of Byelorussia has determined the history of the country. This innocent nation, situated between Western and Eastern Europe, has been throughout most of her history under the domination of foreign powers. For over 3½ centuries the Byelorussian people had to endure enslavement by her predatory neighbors. It was not until the First World War, when the advancing German armies forced the Bolsheviks to leave the subjugated country, that the Byelorussian people, on March 25, 1918, proclaimed their independence.

With the establishment of the republic, the Byelorussians zealously set to work to expand activities in every aspect of national life. Although their period of independence was short, the Byelorussian people made concrete progress in the social, economic and cultural fields. In the international field, this infant nation demonstrated its ability to take its place among the community of nations.

Unfortunately, however, this tiny nation could not resist for long the encroachments of Soviet imperialism. When the German armies withdrew in November of 1918, once again the Red forces advanced into Byelorussia. The independence for which the Byelorussians struggled so valiantly was again lost. At first, while they were consolidating their hold on the country, the Soviets were relatively tolerant to the people; but by 1928 they instituted a policy of Sovietization aiming at the elimination of all vestiges of Byelorussian nationalism.

The extent of Soviet genocide was incredible. It has been estimated that over 4½ million Byelorussians have been liquidated since the Soviet occupation. The Kremlin was well aware that although the Byelorussian people had been enslaved for centuries they had managed to retain their national identity. Consequently, to make sure that these brave people would be subservient, the Communists set out to completely eradicate Byelorussian national feeling and to substitute for it a Soviet culture.

For the last 39 years the Byelorussian people have suffered under this inhumane Soviet brutality. However, they have never voluntarily accepted communism. By constant passive resistance and acts of sabotage these brave people have shown their reaction to Red rule. Their desire for freedom has never been obliterated. As long as there is any hope, this spirit of liberty will remain in their hearts.

Accordingly, it is appropriate on this anniversary of Byelorussian independence that the free world bolster this hope by assuring these enslaved people that their unquenchable desire for freedom will eventually triumph over alien rule. It is also appropriate on this occasion that the American people promise the captive Byelorussian people that we have not forgotten them; and that our minds will not be at ease until they, once again, are free.

United States Army Command Management School, Fort Belvoir, Va.

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. ZABLOCKI. Mr. Speaker, I am pleased to insert some observations by the distinguished chairman of the Committee on Foreign Affairs, Hon. THOMAS S. GORDON, as a result of his recent visit to the United States Army Command Management School at Fort Belvoir, Va. As the guest of the post commander, Maj. Gen. David H. Tulley, and the commandant of the school, Col. Frank Kowalski, Jr., Congressman GORDON was accorded a 17-gun salute, 4 ruffles and flourishes, and the playing of a march by the 356th United States Army Band, during which he inspected the honor guard. I think Members of the House will find his remarks on the mission, the methods, and the accomplishments of this important training institution most informative:

Last week it was my distinct pleasure to participate in a program at the United States Army Command Management School at Fort Belvoir, Va. I would like to share with you some of the impressions that I gained from this gratifying experience.

The primary mission of our Army is the defense of the Nation's security, but in recent years the Army has realized that it has become in peacetime a complex business as well as a fighting force. The present precarious world situation dictates that we maintain poised and powerful military forces at all times. However, even a Nation as abundantly endowed with resources as ours does not possess an inexhaustible supply of money, material, and manpower. Therefore, it is most important that in this nuclear age, we match technological preeminence with administrative and managerial proficiency. The integration of advanced business techniques and procedures into our Army will do much to increase our combat power. In extension of this progressive program, the Command Management School was established to assist our senior commanders and key staff officers to prepare themselves for the important tasks of managing our worldwide Military Establishment.

The school is located at the fringe of metropolitan Washington in Fort Belvoir, Va., the engineer center. This fort is held in high esteem throughout the military world for its efficient operation, high level of military decorum, and single mindedness of purpose of its troops. A great deal of this well-deserved reputation is directly attributable to the inspiring leadership of Maj. Gen. David H. Tulley, the post commander.

While the school is located physically at Fort Belvoir, it is under the direct command supervision of Gen. W. G. Wyman, Commanding General of the United States Continental Army Command. This distinguished military leader, who directs all our land combat forces in the United States, voiced the central theme of the school's program when he said, "The science of management must be taught here in its perspective as a tool for the successful building of thought and action which will result in Armed Forces prepared to win a war of any dimension."

The school offers its participants an intensive 3-week executive development program. It is concerned with practical problems of command and is designed to give the commander a better understanding of the management tools which are available to him in his operations. If one single thought of the school could be raised above the others, I believe that it would be the essentiality of cost consciousness, cost consciousness not only in the sense of dollars but also the cost of the resources of money and material. As you well know, before steps can be taken to effect economies in the vast complex of Government, a point of view must first be established. The establishment of a permissive intellectual climate at this school in which the participants are encouraged to explore the entire field of management, military and civilian, is a fundamental requirement in the Army efforts to place the peacetime operation of its forces on a sound economical basis.

You will be interested to know that the school has found the case method of instruction particularly effective in its program. This method avoids academic generalizations and encourages the participants to develop their own practical solutions to daily operating problems. The cases which are studied here are uniquely Army cases reflecting actual management situations encountered in daily operations. These serve the dual purposes of providing a vehicle for broad management discussions and a means of introducing the class participants to the new business tools and techniques now being integrated into the established Army structure. There are no approved or school solutions. Each participant is urged to express his views and to test his thinking against the views of his classmates. We can be assured that in this dynamic climate, there can be no dogmatism or stagnation.

An extensive guest speaker program supplements the case method, bringing to the school outstanding executives and educators from many diversified fields. The list of speakers includes such men as Secretary of the Army Wilber M. Brucker; Gens. Matthew B. Ridgway and Maxwell D. Taylor; Harold Smiddy, of General Electric; Don Mitchell, of Sylvania; and John Kusik, of the Chesapeake & Ohio; along with Peter Drucker, of New York University; Dean Stanley Teele, of the Graduate School of Business Administration at Harvard; and Dean Arthur Upgren, of Dartmouth. These lecturers bring to the classes the latest thinking, innovations, and techniques in military and civilian management. The spokesmen from private industry and educational institutions make a significant contribution to the solidification of the bond of understanding and friendship between leaders of private industry and education and their military counterparts. The speakers from the Department of the Army, after facing the critical scrutiny of the Command Management School participants, return to the Pentagon with a new insight into problems which the commanders have grappled with on a day-to-day basis in the field.

This school for executives is more than a classroom. It is, in effect, a meeting place where the participating officers live, sleep, and breathe management on a 24-hour basis. Long after the formal classroom discussions have ended, the participants who are organized into small discussion groups, continue their pursuit of solutions to the thought-provoking management problems confronting them. The assemblage of 50 officers and civilians, each with 20 or so years of service, represents a vast pool of experience that can be utilized by colleagues and is shared among all. The key to the school's success is the discussion of down-to-earth problems and the exchange of ideas of how best to solve them.

The Army realizes that no school can be any better than the men who administer it. Its reputation in military and academic circles along with the unbounded praise of its 1,200 alumni is testament enough to what the commandant, Col. Frank Kowalski, Jr., and his astute staff have accomplished in just 3 short years.

In conclusion, I should like to point out that the complexities of logistics and the magnitude of our Military Establishment make it necessary for alert military leaders to balance their skills in tactics and logistics with proficiency in day-to-day management. I am happy to say that this challenge is being met at Fort Belvoir. Among the graduates of the school are commanders of our largest installations and activities. More than 50 general officers, 1 admiral of the United States Navy, and 1 out of every 7 or 8 colonels on active duty in the Army have attended the school.

We, the Congress of the United States, are the great board of directors of the United States Army; we make the allocations, we periodically examine its functions, and we check its balance sheets. The Command Management School is important to us because it shapes the thinking of those who manage the day-to-day operations of our Army.

I am sure that every Member of this body would be impressed with the school if they availed themselves of the opportunity of visiting Fort Belvoir and observed this prime example of our Army's forward thinking. You will find a visit a most interesting and thought-provoking experience and you will derive a clearer perspective of some of the problems that our Army is faced with today. I think we might do well to remember the motto of this outstanding school: "From knowledge the power of decision."

Excessive Secrecy by Government Agencies

EXTENSION OF REMARKS

OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. MACDONALD. Mr. Speaker, for some time there has been a growing inclination toward secrecy on the part of the Department of Defense and other Government agencies. With all this secrecy they have been trying to find a way to stop leaks of classified material. In fact, last August, Defense Secretary Charles E. Wilson appointed Charles A. Coolidge, former Assistant Secretary of Defense, as head of a committee to study and draft recommendations to help protect classified material by stopping leaks to the public.

The Coolidge Committee recommended penalties for persons who violate confidences and menace national security by disclosing classified information. Industry violators, they said, should be threatened with loss of their clearance and diversion of future business. For guilty members of the Defense Department, the Committee urged stern disciplinary action. Also news reporters, they said, should be subject to summons before a grand jury to testify on the source of their information.

Mr. Speaker, I feel strongly that the trend toward excessive secrecy by our Government agencies should be brought to a halt. I have always felt that the

inherent right of people to control their Government rests solidly on the foundation of information. The freedom of the press clause in the first amendment of our Constitution does more than grant newspapers a right to print stories. It is a specific right held by the people to find out the facts about their Government and to disseminate and discuss those facts. Therefore, I am sure that the Members of the House agree with me when I say that the Coolidge Committee was in error when they recommended that a solution is to force reporters to reveal the sources of their information. It is axiomatic that a reporter is entitled to protect his sources as a part of his job and the relationship has much in common with that of lawyer-client.

The Special Government Information Subcommittee is presently studying this whole problem of executive restrictions on information. It seems to me that Congress should establish a uniform and universal rule on information practices. This rule should authorize and require full disclosure of information by Government agencies, except for specific exceptions defined by statute for security reasons.

Knowing the interest of my colleagues in this important matter, I am including in these remarks an excellent and very timely editorial entitled "Jail Is No Punishment?" This editorial appeared in the Melrose Free Press, one of the leading newspapers in my Eighth Congressional District, on March 28, 1957, and was written by the managing editor, one of the ablest women editors in our country, Dorothy M. Raymond. The editorial deserves the thoughtful attention of every Member of Congress.

The editorial follows:

JAIL IS NO PUNISHMENT?

The Pentagon, which is secrecy-happy to begin with, is trying to find a way to stop leaks of classified material. It has been unsuccessful in putting a thumb in its own censorship dike. It has been unable to discover the person or persons within its own ranks who occasionally have deliberately revealed classified information, or perhaps inadvertently let it slip out in the wrong places. So now the Pentagon thinks the only way to solve the problem is make reporters reveal their sources and break their confidences.

The Coolidge Committee is working on the subject but their reasoning is about as confused as it could be. In essence it goes like this: Grand jury actions to force newsmen to reveal news sources would not involve punishment for reporters except that they would face jail for contempt if they refuse. In other words, the only way in which no punishment is guaranteed is for reporters to comply.

It is correct, as Representative CLARE HOFFMAN says, that there is no law which extends privilege to a reporter's communications. But by practice and precedent it has been generally accepted that a reporter is entitled to protect his sources as a necessary part of his job. There should be laws guaranteeing this privilege.

If the Pentagon succeeds in establishing the precedent that reporters can be forced through grand jury action and the threat of penalties to tell all they know about whom they talk to in their work, then the veil of secrecy will become almost opaque over official Washington and probably in every other important news center.

Needs of Schools of Public Health

EXTENSION OF REMARKS

OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. RHODES of Pennsylvania. Mr. Speaker, recently Congressman NEAL and I had an opportunity to participate on behalf of the Committee on Interstate and Foreign Commerce in the annual meeting of the Association of Schools of Public Health held in San Juan, Puerto Rico. At this meeting were represented the deans of all of the schools of public health in the United States. As a result of the discussions which Congressman NEAL and I had during this meeting, we told the deans of the schools of public health that we would be glad to give sympathetic consideration to sponsoring legislation to support the operations of the schools of public health if the schools will submit an appropriate plan for operational assistance.

Congressman NEAL and I have summarized our views in the following letter to Congressman OREN HARRIS, chairman of the Interstate and Foreign Commerce Committee, and also to Congressman JOHN BELL WILLIAMS, chairman of the Subcommittee on Health and Science of the Committee on Interstate and Foreign Commerce:

MARCH 6, 1957.

Hon. OREN HARRIS,
Chairman, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D. C.

DEAR CHAIRMAN HARRIS: Congressman NEAL and I greatly appreciated the opportunity to participate, on behalf of the Committee on Interstate and Foreign Commerce, in the meeting of the Association of Schools of Public Health in San Juan, P. R., on February 20 and 21. At this meeting were represented the deans or directors of all of the schools of public health in the United States, including Puerto Rico. There were also present representatives of schools of public health from several South American countries.

We would like to report to you briefly on our meeting with the deans of the 11 schools of public health.

Of the 11 schools, 5 are publicly owned and supported (University of California, Berkeley; University of Michigan; University of Minnesota; University of North Carolina; and University of Puerto Rico). Six of the schools are private nonprofit institutions (Columbia, Harvard, Johns Hopkins, Pittsburgh, Tulane, and Yale Universities).

Together, they have this year 1,152 graduate students and 536 undergraduate students. The largest single group among the graduate group consists of physicians. The undergraduate students are mostly public-health nurses.

It should be noted that of the 1,152 graduate students, almost 300 came from 65 foreign countries. It should further be noted that in the State-supported schools of public health, more than two-thirds of the graduate students attending these schools came from other States or from foreign countries.

The fact that a large percentage of the student body of schools of public health consists of out-of-State and foreign students makes it difficult for the publicly owned schools of public health to secure larger operating funds from their State legislatures. There is a natural resistance to spending tax money for the benefit of students coming from other States or from foreign countries.

Another factor which plays an important part in the financial structure of public-health schools is the fact that almost the entire student body upon graduation finds employment in public service, and for that reason schools of public health can count only on relatively slim financial support from alumni.

In discharging its responsibilities in the field of public health, the Federal Government relies to a considerable extent on the teaching and research activities of the schools of public health, and it, therefore, has a direct interest in the adequate functioning of these schools. Finally, the large numbers of foreign students who attend schools of public health in the United States make these schools important centers for our international health programs which are an integral part of our foreign policy.

The legislation which was pending before this committee during the 84th Congress provided for matching grants for the construction of facilities for medical and dental schools and schools of public health. The schools of public health have pointed out that beyond their needs for additional facilities, they are also in need of funds for the operation of their schools.

Congressman NEAL and I told the deans of the schools of public health that we would be glad to give sympathetic consideration to sponsoring legislation to support the operation of schools of public health if the schools will submit an appropriate plan for operational assistance.

May I express again on behalf of Congressman NEAL and myself our appreciation for the opportunity to learn at first hand about the problems of schools of public health. We believe these schools are playing an important role in promoting the health and welfare of our people and of foreign nations, and that, therefore, their problems are worthy of careful study by this committee and its Subcommittee on Health and Science.

Sincerely yours,

GEORGE M. RHODES,
Member of Congress.

Water Diversion and the Seaway

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. GRIFFIN. Mr. Speaker, H. R. 2 and companion bills, if enacted, would permit diversion of great amounts of additional water from the Great Lakes at Chicago. Recently I registered with the Public Works Committee of the House my vigorous objection to such proposed legislation.

While I am concerned with the protection of valuable and vested property rights belonging to thousands of Lake Michigan real-estate owners in my district, I would like also to focus the attention of Congress upon the tremendous stake and interest which the Federal Government, as a whole, and all the taxpayers of the Nation have in this matter. The protection of a huge Federal investment should certainly be important in these days when the Members, as well as

their constituents, are economy conscious.

To date, Congress has already authorized $105 million toward this country's share of developing the St. Lawrence Seaway.

A bill has been introduced in the House in this session seeking authorization of an additional $35 million, which will make the total cost of this vast project $140 million.

The purpose of the St. Lawrence Seaway development, of course, is to enable deeper draft oceangoing vessels to use the Great Lake ports.

The legislation proposed to divert Great Lakes water is working directly contrary to, and at cross-purposes with, the seaway project.

Cargo ships presently are operating within an inch of the bottom of the Great Lakes in some areas. The evidence is clear that even a so-called temporary diversion of additional water through the Chicago waterway will cut that navigation tolerance to less than one-half inch.

It is clear that the diversion of additional water will affect not only Lake Michigan, but most of the other Great Lakes as well.

If the diversion proposal should become law, the cost of the entire St. Lawrence Seaway development project must be reevaluated. The expense for deeper and deeper dredging would inevitably add vast sums to the overall cost of the project.

Accordingly, it should be clear that part of the cost of providing sewage disposal for the Chicago area, which should be financed locally by that municipality, would be borne not only by Lake Michigan property owners, but also by all taxpayers of the United States who are underwriting the St. Lawrence Seaway.

The background and issues involved in the diversion proposal were well presented in an editorial by Don Gordon writing in the Leelanau Enterprise-Tribune, recognized as one of the outstanding weekly newspapers in the Nation. The editorial follows:

[From the Leelanau (Mich.) Enterprise-Tribune of February 7, 1957]

FUTURE OF THE GREAT LAKES IS AT STAKE

We of Leelanau County, surrounded as we are on three sides by the waters of Lake Michigan, should be particularly alert to efforts of Illinois to extend large volumes of emergency diversion of water from Lake Michigan to relieve low-water conditions in the Mississippi River.

Fourteen bills already have been introduced in the House of Representatives to allow the Chicago Sanitary District to draw additional water from Lake Michigan for sewage disposal purposes. Other water diversion proposals are rumored. Decisions reached will affect 2 nations (United States and Canada), 8 States, plans for the St. Lawrence Seaway, power stations along the Great Lakes and St. Lawrence River, and Great Lakes shipping. Looking at the problem from a selfish standpoint, every inch of Lake Michigan frontage around our shores is threatened.

The water diversion controversy arose from 1892 to 1900 when Chicago carried out a plan to dispose of sewage by cutting a canal across the low Continental Divide about 10 miles west of Lake Michigan, and discharging sewage of the entire metropolitan area into the Mississippi watershed by way of the Chicago sanitary canal, Des Plaines and Illinois Rivers. To achieve this purpose, it was necessary to reverse the flow of the Chicago River, and to take water from Lake Michigan and divert it into the Illinois and Mississippi River drainage basins.

For nearly 40 years, until, at the insistence of our Senator Vandenberg, the Supreme Court in 1930 relieved the situation, enormous quantities of water were drawn out of Lake Michigan * * * as much as 14,000 cubic feet of water per second. Many local persons still remember what a disastrous effect this drainage had on our shorelines.

The Supreme Court held that the Chicago water diversion had caused a lowering of 6 inches in the levels of the Great Lakes. It held that the lowering of lake levels by approximately 6 inches caused a substantial and injurious effect upon the carrying capacity of vessels, and deprived navigation and commercial interests of facilities which otherwise they would have enjoyed in commerce on the Great Lakes. The Court held too that the 6 inch lowering of the Great Lakes had caused substantial injury in connection with fishing and hunting grounds, beaches, summer resorts, and public parks.

The Court ordered Chicago to provide other means of disposing of the sewage of the sanitary district. It also ordered diversion of water from the lakes to be reduced permanently to 1,500 feet per second.

The sanitary district since then has argued that more water is needed from Lake Michigan for navigation, public health, recreation, community use, agriculture, restoration of fisheries, and atomic power. Each of these claims has been disproved.

The Supreme Court did, however, just 2 months ago, modify its 1930 decree to allow temporary diversion of 8,500 feet per second from the date of that decree (December 17) until January 31, 1957. Illinois has petitioned the Court to extend this emergency diversion until the end of February.

The Great Lakes Basin now is confronted with a bold demand that waters of the Great Lakes be used to restore water levels in the Mississippi River system and to maintain navigation at normal levels in the Mississippi and its tributaries, despite a prolonged drought in the Mississippi Valley. If the precedent is established that the Great Lakes are to become a storage basin for the Mississippi Valley and other great river systems, what of the future of our Great Lakes?

These new and unprecedented demands for water come as the Great Lakes themselves move rapidly toward a low water cycle. Levels of the Great Lakes dropped 3.5 inches during November, reflecting reduced precipitation for many months over the Great Lakes Basin, exactly the same natural phenomenon which has impaired water levels in the Mississippi and its tributaries. Lake levels have dropped more than 3 feet since the high levels of 1952. If you find that hard to believe, check the Lake Michigan beaches and harbors anywhere around Leelanau County.

The Great Lakes Harbors Association, port cities, the Lake Carriers' Association, and the governments of the States bordering the Great Lakes have been united in opposition to the demands of Chicago that the waters of Lake Michigan be exploited for the political or financial benefit of the Chicago Sanitary District. The Canadian Government repeatedly has protested the attempts to take water from an international basin for the benefit of a single community.

It has been the longstanding position of many interests on the Great Lakes that if Chicago has a legitimate basis for adjustment of the 1930 decree, it should go back to the Supreme Court and make its petition, which will become the subject of reasonable and thorough investigation. This important issue, affecting a great watershed, 2 nations and 8 States, should be decided by the judicial processes and not by political methods.

H. R. 4602

EXTENSION OF REMARKS

OF

HON. PHIL WEAVER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1957

Mr. WEAVER. Mr. Speaker, during the recent debate on H. R. 4602, there was considerable discussion about discount practices and their relation to the 4½-percent interest rate on Veterans' Administration guaranteed and direct loans. I want to further discuss this matter in some detail to call to your attention the many complexities of this somewhat technical question. The discount practice is a device where the lender enlarges his net interest yield by obtaining a bonus in excess of the interest rate established by law. The practice has been prevalent throughout the United States for several years.

The amount of the discount or bonus which the lender demands depends on the geographical area in which the loan is made. During most of the 10 years in which the veterans' loan program has operated, money has been loaned at par—no discount—on the east coast. Discounts in the South and Midwest have varied from 2 to 5 points during the last few years and they have varied from 4 to 8 points in the Southwest and on the west coast. The law prohibits the veteran from paying the discount, or bonus, to the lender for the loan; therefore, it is paid by the builder, if the real estate in question is a new house, or by the seller of the property if it is an old house. The simplest form of the discount transaction is as follows:

A builder, planning to build a new subdivision of 100 houses with a sales price of $15,000 and a downpayment of $1,000, goes to a savings and loan bank or life insurance company and asks for an advance commitment of mortgage financing from that company. The company will guarantee that financing will be available for a loan for a veteran when the houses are complete and a veteran purchaser who is otherwise qualified contracts for the house. At that time the lender and the builder agree as to the amount of the discount. The houses are constructed by the builder, usually on a short-term construction loan which he obtains from a local bank, and the veteran and builder, after approval by VA, go to closing. The veteran pays his $1,000 downpayment and makes a note to the lender for $14,000; however, the lender pays the builder only $13,300—5 percent less than the face value of the note—for the $14,000 note. This means that the builder has sold a $15,000 house and has actually only realized $14,300 cash from the sale. On the other hand, the lender owns a $14,000 note signed by the veteran and guaranteed by the Veterans' Administration bearing 4½ percent interest, for which he paid only $13,300. In its simplest form, this means that the builder has paid a bonus to the lender of $700 per

house to induce the lender to make money available to veterans who purchase his houses. On the project being described of 100 houses, this means that the builder has paid the lender a bonus of $70,000. The lender will realize, with interest of 4½ percent per annum paid him by the veteran on the note, and the discount, or bonus, paid by the builder, a net interest yield of 5.01 percent through a maturity period of 25 years. If the loan is paid off in 12 years, the net interest yield will be 5.15 percent.

A discount transaction involving old, or existing, property is slightly different. An owner of an old house applies to VA for an appraisal. If the appraisal of VA is suitable to him, he finds a veteran purchaser who is willing to pay the price asked for the property, so long as it is not more than the appraised price by VA. The veteran and the seller of the property are then confronted with the problem of obtaining a source of permanent financing for the loan. Application is made to a lender for permanent financing and the lender advises the seller of the property that he will require a discount of five points. If the loan being requested by the veteran is $14,000, the lender takes the veteran's note for $14,000 at 4½ percent, but actually only pays the seller of the property $13,300. This means that the lender has the veteran's $14,000 note for $700 less than its face value. In this instance, the net interest yield to the lender would be 5.01 percent on a 25-year loan, even though the maximum interest permitted by law is 4½ percent. The veteran is prohibited by law from paying the discount.

Where a builder enters into a commitment to pay a discount on his new houses, there is a very good chance that the quality of the houses will suffer as the builder attempts to cut corners and preserve his profit margin despite the discount he is paying. In these cases, the veteran pays the discount indirectly, since he is getting an inferior product for his housing dollar.

The discount practice has proved an impediment to the veterans' direct loan program. Before Veterans' Administration will make a loan to a veteran, they refer his application to the Voluntary Home Mortgage Credit Program—VHMCP—in order that that organization may attempt to find a private lender. If a private lender is found, the lender is permitted to require the seller of the property to pay a discount of up to 2 points. If the seller of the property refuses to pay the discount, the veteran is not permitted to renew his application with the Veterans' Administration for a direct loan, since the VA has approved the 2-point discount requirement as being reasonable.

Even though the discount practice is used to enlarge net interest yield and is, in effect, an interest charge, lenders resorting to this practice are not affected by the State usury laws, since technically and legally the discount has not been held to be an interest charge.

A demand has been made for an increase in interest rate on VA loans from 4½ to 5 percent. With the discount practice being followed, lenders are now obtaining net interest yields of 5 percent or more in some instances on Veterans' Administration loans. The proposal before the Congress was that the interest rate be raised from 4½ to 5 percent; however, there was no prohibition against discounts in the amendment. Had the amendment been adopted, the veteran would be required to pay the higher rate of 5 percent and the lender would be permitted to obtain all the discount points from the builder or seller that he could obtain. The interest rate was raised in December of 1956 on FHA loans from 4½ to 5 percent. Even with this increase, the discount practice has not disappeared from that class of loans. FHA loans are being made today in many parts of the United States at discounts varying from 3 to 5 points.

SENATE

FRIDAY, MARCH 29, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou to whom we owe the gift of this day's life, give to us also, we pray Thee, the spirit to use it as we ought. By Thy restraining grace, forbid that any one of us should stain the brightness of this day or darken the noontide with any deed or decision unworthy of our best. Undergird with Thy wisdom and strength all servants of the state who in these tense times are faced with grave and tangled problems. Upon all who are molding public opinion by what they say or write, upon all who are holding aloft the lamp of freedom in a world of dense ignorance and sinister evil, may Thy benediction rest. We ask it in the name of the Redeemer, whose truth shall at last make all men free. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 29, 1957.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. OLIN D. JOHNSTON, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. JOHNSTON of South Carolina thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, March 28, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills and joint resolution in which it requested the concurrence of the Senate:

H. R. 3035. An act to provide a temporary extension of certain special provisions relating to State plans for aid to the blind;

H. R. 4686. An act to continue until the close of June 30, 1958, the suspension of duties and import taxes on metal scrap, and for other purposes;

H. R. 4803. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicagoland Commerce and Industry Exposition, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes;

H. R. 6191. An act to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes;

H. R. 6304. An act to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes; and

H. J. Res. 136. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Sixth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred to the Committee on Finance:

H. R. 3035. An act to provide a temporary extension of certain special provisions relating to State plans for aid to the blind;

H. R. 4686. An act to continue until the close of June 30, 1958, the suspension of duties and import taxes on metal scrap, and for other purposes;

H. R. 4803. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicagoland Commerce and Industry Exposition, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes;

H. R. 6191. An act to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes;

H. R. 6304. An act to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes; and

H. J. Res. 126. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Sixth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Constitutional Rights of the Committee on the Judiciary and the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary were authorized to meet during the session of the Senate today.

THE SUEZ NEGOTIATION WITH EGYPT

Mr. JOHNSON of Texas. Mr. President, the New York Times this morning has partially lifted the curtain of secrecy that has shrouded the negotiations with Egypt. What is revealed as standing behind that curtain is far from reassuring to those seeking peace and stability in the Middle East.

Apparently there are to be no concessions by President Nasser—either to the realities of the situation or to reason. According to the distinguished correspondent, James Reston, the terms proposed by President Nasser are terms of absolute control.

Mr. President, it is to be hoped that further exploration will produce a more realistic attitude. There can be no peace or stability in the Middle East so long as one side insists that the other be held with its back against a wall.

I ask unanimous consent that Mr. Reston's article and the lead editorial from the New York Times be printed at this point in the RECORD, as part of my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 29, 1957]

NASSER'S TERMS ON CANAL BARED; FULL RULE ASKED—UNITED STATES VIEW OPPOSED—STATE DEPARTMENT ASKS SHIPPERS TO AVOID USE OF SUEZ NOW

(By James Reston)

WASHINGTON, March 28.—The memorandum sent by Egypt to the United States on operation of the Suez Canal proposes that it "be operated and managed by the autonomous Suez Canal Authority established by the Egyptian Government" July 26.

The communication, which came into the possession of the New York Times today, runs directly counter to Washington's insistence that the canal should be insulated from the national politics of any one country.

It indicates, however, that the Egyptian Government might be willing to let the International Court of Justice arbitrate Israel's demand for passage through the canal.

OTHERS OPPOSE NASSER PLAN

The United States transmitted the Nasser memorandum to several governments yesterday and asked for their observations. The first responses to this request indicated widespread opposition to the Nasser plan. One Western European government, however, has indicated that the Nasser plan and the six principles favored by the United States, Britain, and France should be accepted as a basis for negotiations on the subject.

Meanwhile the State Department cautioned United States shipowners against immediate use of the canal. This was done in a meeting between G. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs, and representatives of the United States shipping industry.

The memorandum sent by Gamal Abdel Nasser, President of Egypt, defined Egypt's policy for the canal as follows:

Egypt will respect the terms and the spirit of the Constantinople Convention of 1888. This guarantees free navigation to all nations, but Egypt has maintained that she is in a state of war with Israel and thus has the right to deny Israeli ships the right of passage. Israel was not mentioned, however, in the memorandum.

Disputes arising between the parties to the Constantinople Convention shall be settled in accordance with the Charter of the United Nations or referred to the International Court of Justice under article 36 of its statute, or, by agreement, to an appropriate organ of the United Nations.

Tolls shall be levied in accordance with the agreement of April 28, 1936, and any increase in the current toll rate within 12 months shall be limited to 1 percent.

"The canal will be operated and managed by the autonomous Suez Canal Authority established by the Government of Egypt on July 26, 1956." The memorandum adds after this point "The Government of Egypt is looking forward with confidence to continued cooperation with the nations of the world in advancing the usefulness of the canal."

Tolls shall be payable in advance to the account of the Suez Canal Authority at any bank authorized by it. President Nasser said that his Suez Canal Authority already had authorized the National Bank of Egypt and the Bank for International Settlements in Switzerland to accept payment of the canal tolls.

Egypt has decided to establish a Suez Canal Capital Land Development Fund to meet the needs of development of the canal. The memorandum stated that 25 percent of all gross receipts would be paid into this fund.

In addition to this, "the Suez Canal Authority shall pay to the Government of Egypt 5 percent of all gross receipts as royalty."

The memorandum made no reference whatsoever to the six principles previously defined by the major Western powers, including the United States, as the basis of their policy for the future operation of the canal.

President Nasser's government, in an exchange of messages between Dr. Mahmoud Fawzi, the Foreign Minister and Dag Hammarskjold, United Nations Secretary General, had previously accepted these six principles as the basis of a settlement.

The third of these six principles stated:

"The operation of the canal shall be insulated from the politics of any country."

The Nasser memorandum not only made no reference to the six principles but outlined a policy that would give the organization set up by President Nasser sole control over the management and operation of the canal.

In support of the interpretation that Israel's claims to the right of unmolested navigation through the canal might be submitted to the world court, it was noted that President Nasser had proposed that any dispute between the parties to the 1888 Constantinople Convention could be submitted to that court. Under this provision, it was presumed here that Britain or France, parties to the 1888 convention, could submit Israel's claims.

President Nasser combined his claims with expressions of gratitude to those who had helped open the canal and confidence that his plan would be accepted.

"The Government of Egypt are pleased to announce that the Suez Canal will be open for normal traffic by mid-April, and will thus once again serve as a link between the nations of the world in the cause of peace and prosperity," the memorandum said.

"The Government of Egypt acknowledge with appreciation and gratitude the efforts of the states and peoples of the world who contributed to the restoration of the canal for normal traffic and of the United Nations whose exertions enabled the clearance of the canal to be accomplished peacefully and in a short time."

EGYPT URGES COOPERATION

"The Government of Egypt make this declaration as an expression of their desire and determination to enable the Suez Canal to be an efficient and adequate waterway," the memorandum went on. "They do so in full confidence that it will meet with the good will and cooperation of the nations of the world."

There was no evidence here that the United States or the other major maritime powers were reacting to the Nasser proposals with any enthusiasm, and Israeli officials, who were not shown the memorandum, were furious. But at the same time, it was recognized that President Nasser held most of the trump cards, that ships of all nations already were lining up to go through, and that shipowners were less concerned about the politics of the controversy than they were in getting through the canal.

After Mr. Dillon's meeting with some of the United States shipowners, Lincoln White, State Department spokesman, issued the following statement:

"The Department advised them that its information was that the danger from hazards in the immediate approaches to the canal, notably the Gulf of Suez, may not have been fully eliminated.

"Also that discussions were still in progress between the United Nations Secretary General and the Government of Egypt with regard to future operation of the canal.

"Under the circumstances the Department counseled prudence in the immediate use of the canal, although it did not desire to prescribe any prohibition on such use."

One of those attending said later that Mr. Dillon had expressed hope that some "interim" arrangement could be worked out by mid-April.

NASSER SETS HIS TERMS

After 6 days of "informal and exploratory" talks with President Nasser, Secretary General Hammarskjold has returned to United Nations headquarters with Nasser's terms for a settlement of the Middle Eastern problems. Some of the terms are published in this newspaper today. Others are still secret. But if all the terms are as interpreted by Egyptian official and unofficial sources they amount to a victor's terms which "Nasser the Conqueror" proposes to impose on those who routed him until stopped by the United Nations.

They certainly do not eliminate the danger of new hostilities. In Secretary Dulles' view that danger continues to exist, and it is not eased by the latest Soviet intervention in support of Nasser by means of new threats against Israel, France, and inferentially the United States.

According to Mr. Hammarskjold, his talks have been "helpful." But the most that Nasser appears to have conceded is a temporary "gentlemen's" standstill agreement on Gaza and the Aqaba Gulf, which means little. On the decisive issue of his "state of war" with Israel, from which he derives belligerent rights, and on the Suez Canal problem, which affects the whole world, he apparently makes no concessions at all in the expectation that the United Nations and Soviet Russia will protect him in doing as he pleases.

Of the immediate problems involved, the most urgent is that of the Suez Canal, which will be open to all ships by mid-April. On that question Nasser continues to repudiate the 1888 convention providing for a definitive system of international control, though paying lip service to it.

He likewise continues to reject all Western interim proposals based on division of the tolls. He even rejects Security Council decisions denying him belligerent rights and calling for insulating the canal from Egyptian politics and for tolls based on agreement between Egypt and the canal users. A suggestion in Cairo that might provide at least an approach to an acceptable solution—namely, the formation of a kind of corporation made up of major shippers and oil companies to operate the canal—remains unconfirmed.

In any case, thus far at least Nasser continues to insist on his absolute control of the canal for his own purposes. He rejects any foreign supervision whatsoever, refuses even to recognize the Canal Users' Association formed at Secretary Dulles' suggestion, and insists that all tolls must be paid to Egypt in advance. The only thing he appears ready to promise is that he will set aside 25 percent of the tolls for maintenance of the canal, for which he will accept United Nations technical aid subject to his veto, and 5 percent for compensation to the stockholders of the old canal company.

As regards Gaza and Aqaba, he appears willing to permit United Nations forces to stay at these points for the time being as "guests of Egypt," pending more formal arrangements; to refrain in the meantime from sending troops into Gaza, already under his civil administration, and to postpone resumption of his Aqaba blockade against Israeli shipping. But he rejects thus far any renunciation of his belligerency against Israel, threatens to reimpose the blockade against Israel in the Suez Canal and enlists other Arab states in proclaiming the Aqaba Gulf to be Arab territorial waters barred to Israel.

Should Nasser continue to insist on such terms, the Western Powers will face the question what to do about them. Israel has declared that it will prefer war to slow strangulation by terror and blockade. The United States is pledged not to let the Suez Canal "be operated for the political purposes of any one single country," to pay tolls in escrow until a settlement is reached, to defend its own shipping rights in the Aqaba Gulf, which would give Israel the same rights, and to insist on the presence of United Nations troops in the danger area until there is assurance that neither hostilities nor belligerency will recur. It can do no less than keep these pledges in the interest of both Middle Eastern and world peace.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business, for the purpose of considering the nominations on the Executive Calendar, beginning with the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

INTERIM CONVENTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive J, 85th Congress, 1st session, an interim convention on conservation of North Pacific fur seals, signed at Washington on February 9, 1957, and that the convention, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of an interim convention on conservation of North Pacific fur seals, signed at Washington on February 9, 1957, in behalf of the Governments of Canada, Japan, the Union of Soviet Socialist Republics, and the United States of America.

The provisions of the convention were formulated by the North Pacific Fur Seal Conference held at Washington from November 28, 1955, to February 9, 1957.

I transmit also, for the information of the Senate, the report by the Acting Secretary of State with respect to the convention, a copy of a resolution passed by the Conference and a statement made by the Conference.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 29, 1957.*

(Enclosures: 1. Report of the Acting Secretary of State. 2. Certified copy of an interim convention on conservation of North Pacific fur seals, signed at Washington February 9, 1957. 3. Copy of resolution. 4. Copy of statement.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the calendar will be called, beginning with "New Reports."

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Arnie J. Suomela, of Oregon, to be Commissioner of Fish and Wildlife, Department of the Interior.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

CONSIDERATION ON MONDAY, APRIL 1, OF NOMINATION OF BRIG. GEN. RALPH WISE ZWICKER

Mr. JOHNSON of Texas. Mr. President, I should like to call attention to a nomination reported to the Senate on March 22, namely, that of Brig. Gen. Ralph Wise Zwicker. The nomination has been held on the Executive Calendar for several days—longer than usual—because we wished to have the committee hearings printed, and we wished Senators who are interested to have the hearings available to them, before the nomination was taken up on the floor.

I expect to have the Executive Calendar called on Monday of next week, and I desire to serve notice that at that time I expect to ask the Senate to consider the nomination of General Zwicker.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. I wish to thank the distinguished Senator from Texas, the majority leader. He has held up action on the nomination, at the request of one of the Senators on this side of the aisle. As the Senator from Texas has pointed out, the hearings have now been printed for several days, and are available to any Senator who wishes to have them. I am glad the majority leader has scheduled action on the nomination for Monday.

Mr. JOHNSON of Texas. I thank the minority leader. The action I have outlined has been proposed only with his full knowledge and approval.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. In that connection I ask unanimous consent that statements be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A substitute senate joint resolution of the State of Washington; to the Committee on Appropriations:

"Substitute Senate Joint Memorial 12

"To the Honorable Senate and the House of Representatives of the United States in Congress Assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the continued welfare and proper economic growth and development of the State of Washington depends on the unimpeded movement of water-borne commerce along the Columbia River, and particularly upon a ship channel and navigation locks which are adequate for the movement of loaded deep-draft vessels; and

"Whereas the Federal Government recognizes that the benefits of trade, commerce and industry to all of its citizens and the

vital national defense features inherent in a system of adequately developed waterways throughout the United States requires it to maintain through the Corps of Engineers of the Department of the Army a channel 35 feet deep and 500 feet wide from Vancouver, Wash., to The Dalles, Oreg., as evidenced by prior congressional authorization and approval of such channel; and

"Whereas the present ship channel has been permitted to silt in and has not been properly maintained at the depth previously authorized and previously maintained and is at present of insufficient width and depth to allow safe, proper or unimpeded navigation by deep-draft vessels; and

"Whereas the present inadequacy of the said channel limits the movement and size of vessels and cargo and is a continuous threat to the safety of navigation and results in an adverse effect upon the welfare of all Columbia River ports: Now, therefore, be it

"*Resolved by the Senate of the State of Washington (the House of Representatives jointly concurring therein)*, That the Congress of the United States be, and it hereby is, urged to take immediate action to improve and implement the present channel from Vancouver, Wash., to The Dalles, Oreg., by appropriating funds with which said channel can be immediately dredged to the authorized depth and width to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon trade, commerce, industry and the general welfare; and be it further

"*Resolved*, That the Congress of the United States be, and it hereby is, urged to authorize immediate modification of the navigation locks at Bonneville Dam to increase the width to 86 feet and length to 650 feet and to remove existing channel obstructions above said navigation locks before the restricting and hazardous nature of the existing channel effects an even greater and more disastrous effect upon the welfare of the citizens of the Columbia River, the residents of Oregon and Washington, and of the Pacific Northwest and the citizens of the United States; and be it further

"*Resolved*, That copies of this memorial be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Secretary of Defense, the Secretary of the Army, the Chief of the Corps of Engineers of the Department of the Army and to all members of the Washington congressional delegation.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of substitute Senate Joint Memorial 12 passed on February 28, 1957.

"WARD BOWDEN,
"*Secretary of the Senate.*"

A concurrent resolution of the Legislature of the State of North Dakota; to the Committee on Public Works:

"Senate Concurrent Resolution 8

"A concurrent resolution memorializing the Congress to provide sufficient funds to complete the unconstructed portion of the Lewis and Clark Highway

"Whereas the State of Idaho is approximately 550 miles in length from north and south and there are only 2 interstate highways across the State in an east and west direction, namely, No. 10 in the north and United States Highway No. 30 in the south, the 2 highways mentioned being at least 400 miles apart at the points where they cross the mountainous easterly borders of the State of Idaho; and

"Whereas in the event of hostilities involving the Pacific Northwest, highway facilities through the State of Idaho in an easterly direction would be of vital and paramount importance both from the standpoint of military defense and for the evacuation of civilians; and

"Whereas the Lewis and Clark Highway, when completed will connect Lewiston, Idaho, and Missoula, Mont., by a direct watergrade route, and thus provide another means of east-west travel between the Pacific Northwest and the Middle West; and

"Whereas the unconstructed portion of the Lewis and Clark Highway is only 25 miles in length and lies entirely within the State of Idaho; and

"Whereas the Lewis and Clark Highway when completed will traverse or closely parallel the route of the Lewis and Clark expedition which opened up the Pacific Northwest over 150 years ago and would be a fitting memorial to those explorers: Now, therefore, be it

"*Resolved by the Senate of the 35th Legislative assembly of the State of Idaho (the House of Representatives concurring therein)*, That we do respectfully and earnestly request the Congress of the United States to authorize and appropriate sufficient moneys to provide for the construction and completion of said unfinished link in said Lewis and Clark Highway at the earliest practicable date; and be it further

"*Resolved*, That the secretary of state of the State of North Dakota be authorized and he is directed hereby to forward certified copies of this memorial to the President of the United States, the Senate and House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"CLYDE DUFFY,
"*President of the Senate.*
"VIC GILBREATH,
"*Secretary of the Senate.*
"B. M. WOLF,
"*Speaker of the House.*
"GERALD L. STAIR,
"*Chief Clerk of the House.*

"I hereby certify that the above is a true and correct copy of Senate Concurrent Resolution 8, as adopted by the 35th Legislative Assembly of North Dakota, and filed in this office on March 7, 1957.

"[SEAL] BEN MEIER,
"*Secretary of State.*"

Three concurrent resolutions of the Legislature of the State of Utah; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 5

"A concurrent resolution memorializing the Congress of the United States to favorably consider what is known as the Western Water Rights Settlement Act of 1957

"*Be it resolved by the Legislature of the State of Utah (the Governor concurring therein)*:

"Whereas the security of rights to the use of water for beneficial purposes is essential in an orderly process of water resource development; and

"Whereas the Federal Government, in its proprietorship functions derived from the ownership of the public lands, and in the exercising of its powers relating to interstate commerce and the general welfare, should not interfere with the security of water rights under State law; and

"Whereas for more than 90 years this policy has been recognized by the Congress and the acquisition of water rights under State law has been encouraged and repeatedly protected by Federal legislation: Now, therefore, be it

"*Resolved by the 32d Legislature of the State of Utah (the Governor concurring therein)*, That the 85th Congress of the United States of America be and it is hereby memorialized to promptly, thoroughly, and fairly consider and favorably act upon legislation known as the Western Water Rights Settlement Act of 1957, providing for the future acquisition of water rights in compliance with State laws and to remove any uncertainties with respect to water rights introduced by previous acts of Congress, in order that vital development of water resources can be realized without conflict with established State laws; and be it further

"*Resolved*, That certified copies of the above be transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, United States Senator ARTHUR V. WATKINS, United States Senator WALLACE F. BENNETT, Representative WILLIAM A. DAWSON, and Representative HENRY ALDOUS DIXON, and the Governors and Legislatures of the following States: Arizona, Colorado, New Mexico, and Wyoming."

"Senate Concurrent Resolution 6

"A concurrent resolution memorializing the Congress of the United States to provide an effective long-range mineral policy

"*Be it resolved by the Legislature of the State of Utah (the Governor concurring therein)*:

"Whereas the mining industry is of basic importance to Utah in its present economy and in its expectation of future growth; and

"Whereas the short range, expedient policies and programs of the Federal Government have failed to sustain and to promote a healthy domestic mining industry; and

"Whereas those policies and programs are affecting adversely an increasing number of minerals and metals vital to Utah and to her sister States; and

"Whereas such expedient policies and programs have been adopted as temporary relief measures, in lieu of responsible tariff and import control measures; and

"Whereas the Secretary of the Department of the Interior has been charged by the administration with the responsibility of preparing a long-range mineral policy to sustain and to develop the domestic mining industry; and

"Whereas that policy has not been prepared and as a result the domestic mining industry is being increasingly restricted and threatened under the existing expedient policies and programs which control relationship of domestic mining to markets in international trade: Now, therefore, be it

"*Resolved by the 32d Legislature of the State of Utah (the Governor concurring therein)*, That the 85th Congress of the United States of America be and it is hereby memorialized to insist that the promised long-range mineral policy be promptly presented for its consideration and that in the consideration of that policy the Congress assure to the domestic mining industry the right to fair competition in the domestic market for the sale of its products, considering production costs in our domestic economy as compared with production costs in the economies of the competing foreign areas; and be it further

"*Resolved*, That the Congress further provide that the domestic producers of minerals be assured treatment by our Government no less favorable in all respects than is being accorded the foreign producers of minerals and metals; and be it further

"*Resolved*, That the control of tariffs and duties be returned to the jurisdiction of the Congress as is constitutionally provided; be it also

"*Resolved*, That certified copies of the above be promptly transmitted to the President and Vice President of the United States,

the Speaker of the House of Representatives of the Congress, United States Senator ARTHUR V. WATKINS, United States Senator WALLACE F. BENNETT, Representative WILLIAM A. DAWSON and Representative HENRY ALDOUS DIXON, and the Honorable Secretary of the Interior of the United States."

"Senate Concurrent Resolution 8

"A concurrent resolution memorializing the Congress of the United States to assert its constitutional authority in the conservation and development of land and water resources

"*Be it resolved by the Legislature of the State of Utah (the Governor concurring therein)*:

"Whereas the conservation and wise use of water is of foremost importance to the future agricultural and economic development and the general welfare of the Western United States and to the United States; and

"Whereas the stabilization of the national economy and the effectuation of the wisest, most orderly, and most economic utilization of the land and water resources of the Nation for the greatest possible public benefit, require that the Federal Government continue to exercise all of its constitutional powers, not only to encourage but to participate in the conservation and development of such resources for all purposes; and

"Whereas the continued nullification by the executive agencies of this fundamental and long established national policy would constitute a usurpation of legislative power; and

"Whereas the land and water resources development should be planned on a comprehensive basis with an ultimate integrated operation to achieve the maximum beneficial use; and

"Whereas the number of Federal agencies, offices, and organizations having to do with the planning and review of projects for the conservation and development of land and water resources should be reduced; and

"Whereas the technical and administrative routing and review procedures should be simplified and shortened in order to facilitate and accelerate the submittal of reports to the Congress in support of requests for the authorization of projects; and

"Whereas new population and the economic development of this great Nation will make ever-increasing demands on our limited water supply, necessitating that we look beyond the readily accessible supplies which have been developed, and establish a sound, comprehensive procedure to assure the wisest, most orderly development of our land and water resources: Now, therefore be it

"*Resolved by the 32d Legislature of the State of Utah (the Governor concurring therein)*, That the 85th Congress of the United States of America be and it is hereby memorialized to continue to exercise all of its constitutional powers to encourage the conservation and development of resources on a comprehensive basis with reduced and simplified review and routing procedures and that corrective legislation be enacted if necessary to carry out the sense of Senate Resolution 281 of the 84th Congress; and be it further

"*Resolved*, That certified copies of the above be promptly submitted to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, United States Senator ARTHUR V. WATKINS, United States Senator WALLACE F. BENNETT, Representative WILLIAM A. DAWSON, and Representative HENRY ALDOUS DIXON, and to the governors and legislatures of the following States: Arizona, Colorado, New Mexico, and Wyoming."

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Appropriations:

"Senate Concurrent Resolution 7

"A concurrent resolution memorializing the Congress of the United States to make adequate appropriations for project planning and construction of the Colorado River storage project and participating projects

"*Be it resolved by the Legislature of the State of Utah (the governor concurring therein)*:

"Whereas it is an indisputable fact that water is the lifeblood of municipal and agricultural existence; and

"Whereas the conservation and wise use of water can only be made possible by the construction of strategic facilities; and

"Whereas Federal participation in water and land resource development has proved to be a most attractive investment, and is in the best interest of the people; and

"Whereas the completion of reports and the construction of units of the Colorado River storage project on an adequate basis is most desirable from the standpoint of the State and the Nation: Now, therefore, be it

"*Resolved by the 32d Legislature of the State of Utah (the Governor concurring therein)*, That the 85th Congress of the United States of America be, and it is hereby, memorialized to appropriate adequate funds to permit the preparation of reports and provide for the construction of units of the Colorado River storage project on a realistic scale, consistent with the economic growth of the country and the ever-increasing need for water; and be it further

"*Resolved*, That certified copies of the above be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of the Congress, United States Sentor ARTHUR V. WATKINS, United States Senator WALLACE F. BENNETT, Representative WILLIAM A. DAWSON and Representative HENRY ALDOUS DIXON, and to the governors and legislatures of the following States: Arizona, Colorado, New Mexico, and Wyoming."

A resolution adopted by the Council of the City of Pittsburgh, Pa., relating to the Federal urban renewal program; to the Committee on Banking and Currency.

JOINT RESOLUTION OF ILLINOIS LEGISLATURE

Mr. DIRKSEN. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, House Joint Resolution 13 of the Illinois State Legislature, requesting the Congress of the United States to authorize the Corps of Engineers, Department of the Army, to undertake such surveys and investigations as may be necessary and appropriate to determine the feasibility of a commercial barge channel in the Wabash River, Ill. and Ind., from its junction with the Ohio River to such upstream terminus as may be found advisable.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Resolution 13

Whereas new industries totaling billions of dollars in value are being established along the Ohio River in the States of Illinois, Indiana, Kentucky, Ohio, Pennsylvania, and West Virginia; and

Whereas commercial barge traffic on the Ohio River has shown tremendous increases in the last several years, the 1955 traffic volume of 15 billion ton-miles and the tonnage of 71.5 million tons exceeding any previous year by about 14 and 27 percent respectively; and

Whereas mineral, petroleum, agricultural, manufacturing, and other commercial activities in the Ohio River Valley, including Illinois, will expand greatly in the next half century; and

Whereas extension of Ohio River commercial barge traffic into the Wabash River region would benefit the entire economy of Illinois and Indiana, as well as that of the midcontinent area, through inland waterway connections to the Mississippi, Ohio, Cumberland, Tennessee, and Missouri Rivers and to the Great Lakes and the St. Lawrence seaway by way of the Illinois Waterway: Now, therefore, be it

Resolved by the House of Representatives of the 70th General Assembly of the State of Illinois (the Senate concurring therein), That the Congress of the United States be, and it hereby is requested to—

(a) Authorize the Corps of Engineers, Department of the Army, to undertake such surveys and investigations as may be necessary and appropriate to determine the feasibility of a commercial barge channel in the Wabash River, Ill. and Ind., from its junction with the Ohio River to such upstream terminus as may be found advisable; and

(b) Appropriate sufficient funds to the Corps of Engineers to enable early and expeditious prosecution of the investigations and studies; and be it further

Resolved, That State water resources and flood control board, with the consent of the Governor, shall have full power to call on assistance from any other agency, unit, or department of this State for advancing studies by the Corps of Engineers of the United States Army and shall offer such assistance to such Corps as may be of value in speeding these investigations and surveys; that the State water resources and flood control board shall prepare a progress report in cooperation with the Corps of Engineers and the State of Indiana for submission to the 71st general assembly of this State; that the State water resources and flood control board be directed to work with Illinois Members of the House of Representatives and Senate of the United States in obtaining funds for the project; and be it further

Resolved, That a committee consisting of 5 members of the Illinois House of Representatives, appointed by the speaker thereof, and 5 members of the senate, appointed by the president pro tempore thereof, is directed to work with the State water resources and flood control board on any phase of this endeavor. The expenses of such committee shall, upon approval of the senate committee on contingent expenses and the speaker of the house of representatives, to be paid from the appropriation for the expense of joint committees of the 70th General Assembly; and, be it further

Resolved, That copies of this resolution and its preamble be forwarded by the secretary of state to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the chairman and minority leader of the Senate Committee on Public Works, the chairman and minority leader of the Senate Appropriations Committee, the chairman and minority leader of the House Committee on Public Works, the chairman and minority leader of the House Appropriations Committee, and to the Senators and

Congressmen representing the State of Illinois in the Congress of the United States.

Adopted by the house, March 5, 1957.

WARREN L. WOOD,
Speaker, House of Representatives.
FRED W. SUTTON,
Clerk, House of Representatives.

Concurred in by the senate, March 20, 1957.

JOHN WM. CHAPMAN,
President of the Senate.
EDWARD E. FERNANDES,
Secretary of the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Illinois, identical with the foregoing, which was referred to the Committee on Public Works.

JOINT RESOLUTION OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial 8, memorializing the congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of a flood-control and irrigation dam on the Gila River at the proposed Conner Dam site at Red Rock, N. Mex.

The joint memorial was passed by the New Mexico State Legislature.

I ask unanimous consent that the memorial be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 8

Joint memorial memorializing the congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of a flood-control and irrigation dam on the Gila River at the proposed Conner Dam site at Red Rock, N. Mex.

Whereas the establishment and construction of a flood-control and irrigation dam at the Conner Dam site on the Gila River, southwestern New Mexico, would serve a multifold purpose; and

Whereas the establishment and construction of the proposed dam would prevent the reoccurrence of floods such as those of 1941 and 1949 that seriously damaged areas of Red Rock, N. Mex., Virden, N. Mex., Duncan, Ariz., and many acres of valuable farmland along the banks of the Gila River; and

Whereas the controlled irrigation of such areas would be of untold benefit as the Gila River in such areas, practically dries up during the late summer months when the water is needed the most; and

Whereas if the dam is constructed at the proposed site on the Gila River, known as the Conner Dam site, the costs would be relatively small due to the height of the rock walls bounding the river and the narrowness of the river canyon at this point; and

Whereas if the dam is constructed at the proposed site, the people of the State of Arizona will cooperate with and welcome such construction as it will be of untold value to many of their citizens: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the congressional delegation of New Mexico and Arizona be hereby memorialized earnestly to exert their efforts on behalf of the establishment and construction of a flood-control dam at the Conner Dam site on the Gila River at Red Rock, N. Mex.; and be it further

Resolved, That copies of this memorial be transmitted to each member of the congressional delegation of New Mexico and Arizona.

DONALD D. HALLAM,
Speaker, House of Representatives.
FLOYD CROSS,
Chief Clerk, House of Representatives.
JOE M. MONTOYA,
President, Senate.
GRACE MCAFEE,
Chief Clerk, Senate.
EDWIN L. MECHEM,
Governor, State of New Mexico.

RESOLUTION OF SENATE OF KANSAS

Mr. CARLSON. Mr. President, the Senate of the Kansas Legislature has just approved Senate Concurrent Resolution 18, memorializing Congress to act promptly and favorably on additional authorizing legislation, in order that construction of the Optima Reservoir project on the Canadian River may be started immediately.

While this project is located in the State of Oklahoma, many of our Kansas citizens are greatly interested and would be benefitted by its construction.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 18

Concurrent resolution memorializing the 85th Congress of the United States to act promptly and favorably and enact any additional authorizing legislation necessary or required to immediately begin construction of the Optima flood-control reservoir (Hardesty site) on the North Canadian river located in western Oklahoma, and to provide the necessary funds to begin construction on said project

Whereas the Congress of the United States did authorize the construction of the Optima Reservoir for flood control and other purposes under H. R. 308, 74th Congress, 1st session, 1935; and

Whereas the Congress did reaffirm its prior authority for construction of the Optima project by enactment under H. R. 5472, Public Law 516, 81st Congress, 2d session in 1950; and

Whereas the State of Oklahoma, through its Oklahoma planning and resources board, on July 1, 1942, did adopt a comprehensive plan for the control and development of the water resources of the North Canadian River which includes the Optima project; and

Whereas the present severe drought has demonstrated without question the urgent need for the additional regulation and control of the water resources of the Canadian River that would be provided by the Optima Reservoir; and

Whereas the President of the United States recently made a personal inspection of this area of Kansas and Oklahoma to determine ways and means of relieving the economic stress in southwest Kansas and northwest Oklahoma and to find a solution to prevent, as nearly as possible, a recurrence of the present situation; and

Whereas the construction of the Optima project at this time would greatly arrest the economic stress of this area, and at the same time provide a sound long-range investment in the general welfare of this area, the State of Kansas and Oklahoma and the Nation: Now, therefore, be it

Resolved by the Senate of the State of Kansas (the House of Representatives concurring therein), That we respectfully request the 85th Congress of the United States, now assembled, to act promptly to provide ways and means and the necessary funds to initiate construction of the Optima Dam and Reservoir at the earliest possible date; be it further

Resolved, That the secretary of State be instructed to transmit enrolled copies of this resolution to the President of the United States, and to each member of the Kansas delegation in Congress.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS:

S. 1756. A bill to authorize the Secretary of Agriculture to impose quarantines under certain circumstances in order to protect the public from communicable poultry diseases, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILLIAMS when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1757. A bill to provide for equality of treatment in the restoration to tribal ownership of surplus lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY (for himself and Mr. MANSFIELD) (by request):

S. 1758. A bill to provide that certain lands shall be held in trust for Indian tribes on the Fort Peck, Fort Belknap, and Blackfeet Reservations, and to provide that such lands shall become part of such reservations; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (by request):

S. 1759. A bill to amend section 307 (d) of the Communications Act of 1934 (47 U. S. C. 307 (d)) to increase from 3 to 5 years the maximum period for which a broadcast license may be granted; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN (by request):

S. 1760. A bill to further amend the act of August 7, 1946 (60 Stat. 896), as amended by the act of October 25, 1951 (65 Stat. 657), to provide for the exchange of lands of the United States as a site for the new Sibley Memorial Hospital; to provide for the transfer of the property of the Hahneman Hospital of the District of Columbia (formerly the National Homeopathic Association), a corporation organized under the laws of the District of Columbia, to the Lucy Webb Hayes National Training School for Deaconesses and Missionaries, including Sibley Memorial Hospital, a corporation organized under the laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 1761. A bill to provide for the conveyance of certain lands to the city of Tacoma, State of Washington, in connection with its municipal water system; to the Committee on Public Works.

By Mr. SPARKMAN:

S. 1762. A bill to further amend the Small Business Act of 1953, as amended; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. STENNIS:

S. 1763. A bill to provide for research with respect to soil-water-plant relationships; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. STENNIS when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 1764. A bill to amend the District of Columbia Public School Food Services Act; to the Committee on the District of Columbia.

By Mr. FLANDERS:

S. 1765. A bill for the relief of Giulio Gildo Spessot; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. JOHNSTON of South Carolina):

S. 1766. A bill for the relief of Yaeko (Irene) Cho; to the Committee on the Judiciary.

PROTECTION OF PUBLIC FROM COMMUNICABLE POULTRY DISEASES

Mr. WILLIAMS. Mr. President, I introduce, for appropriate reference, a bill to authorize the Secretary of Agriculture to impose quarantines under certain circumstances in order to protect the public from communicable poultry diseases, and for other purposes.

Ornithosis of poultry, including turkeys, has been found communicable to handlers of infected birds. This bill, if enacted, will not only help control this disease, but will prevent placing of infected birds on the market. The bill provides that when an outbreak occurs the Secretary of Agriculture shall quarantine the establishment where the outbreak occurs, together with others within the area as he shall deem necessary to make control effective. Within the quarantined area, birds may only be sold after an ante mortem inspection has been made to determine if any diseased birds are found on the premises. No birds may be sold for human consumption from flocks where any diseased birds are found.

The bill also provides for indemnifying the owner for birds that must be destroyed in order to stamp out the disease.

I ask unanimous consent that the bill may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred and, without objection, the bill will be printed in the RECORD.

The bill (S. 1756) to authorize the Secretary of Agriculture to impose quarantines under certain circumstances in order to protect the public from communicable poultry diseases, and for other purposes, introduced by Mr. WILLIAMS, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Congress finds the prevalence of certain communicable diseases in live poultry is detrimental to the health and welfare of the Nation and that epidemics of such diseases adversely affect the marketing of healthy poultry in interstate commerce. The controls provided for in this act are to prevent the communication of poultry diseases to human beings by regulating the movement of diseased poultry in interstate commerce and to provide for the destruction of such diseased poultry at the origin.

SEC. 2. The Secretary of Agriculture (hereinafter referred to as the "Secretary"), is authorized to quarantine any State or any part of any State when he shall determine that any live poultry in such State or part of such State are affected with psittacosis or ornithosis or any other disease which may be transmitted to or communicated to human beings.

SEC. 3. It shall be unlawful to knowingly remove, transport, or convey poultry from any State or part of any State which has been placed under quarantine by the Secretary pursuant to section 2 of this act, except when the public safety will permit and under such regulations governing the inspection, disinfection, certification, treatment, handling, and method and manner of delivery and shipment as the Secretary shall prescribe.

SEC. 4. In any case in which the Secretary invokes the provisions of section 2 of this act, he shall purchase and destroy any live poultry found to be infected with or exposed to psittacosis or ornithosis or any other poultry disease which may be transmitted to or communicated to human beings, and may purchase and destroy any materials contaminated by or exposed to any such disease. No payments shall be made under this section to any person who fails to comply with all quarantine regulations issued by the Secretary.

SEC. 5. Whenever any State or any part of any State is placed under quarantine pursuant to section 2 of this act, the Secretary shall give public notice of such quarantine by publication in such newspapers as he may select or in such other manner as he may prescribe.

SEC. 6. The Secretary may carry out the program provided for in this act either independently or in cooperation with States or political subdivisions thereof, farmers' and poultry raisers' associations and similar organizations, and individuals.

SEC. 7. Any person who knowingly violates the provisions of this act shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not less than $100 nor more than $5,000 or by imprisonment for not more than 1 year, or by such fine and imprisonment.

SEC. 8. As used in this act—

(1) The term "live poultry" means chickens, turkeys, or any other domesticated birds which serve as a source of human food.

(2) The term "State" means State, Territory, or the District of Columbia.

SEC. 9. The Secretary is authorized to utilize such funds of the Commodity Credit Corporation as may be necessary to carry out the provisions of this act.

EXTENSION OF PERIOD FOR WHICH BROADCAST LICENSES MAY BE GRANTED

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 307 (d) of the Communications Act of 1934 (47 U. S. C. 307 (d)) to increase from 3 to 5 years the maximum period for which a broadcast license may be granted. I ask unanimous consent to have printed in the RECORD two letters from the chairman of the Federal Communications Commission relating to the bill.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 1759) to amend section 307 (d) of the Communications Act of 1934 (47 U. S. C. 307 (d)) to increase from 3 to 5 years the maximum period for which a broadcast license may be granted, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letters presented by Mr. MAGNUSON are as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., February 13, 1957.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: This Commission has determined (Commissioners Bartley and Lee dissenting) that it wishes authority to permit it to grant licenses for broadcasting stations on the same basis as its other licensing authority, namely for a maximum period of 5 years instead of only 3 years. Attached is a draft of an amendment to section 307 (d) of the Communications Act of 1934 to achieve this end and a justification for it. (47 U. S. C. 307 (d).)

We shall be happy to supplement this material to the extent desired and of course assist in the consideration of this proposal by the Senate.

By direction of the Commission:

GEORGE C. MCCONNAUGHEY, *Chairman.*

JUSTIFICATION FOR PROPOSED AMENDMENT TO SECTION 307 (D) OF THE COMMUNICATIONS ACT OF 1934, PERMITTING BROADCAST LICENSES TO BE FOR A 5-YEAR PERIOD INSTEAD OF ONLY 3

The Communications Act of 1934, as amended, authorizes the Federal Communications Commission to grant licenses for a period of 3 years for broadcasting stations and 5 years for other stations (47 USCA 307 (d)). The FCC recommends that it be granted authority to issue licenses for all classes of stations for a period of up to 5 years.

In the early days of radio the Secretary of Commerce granted licenses for such time as he approved. When Congress was considering the bill which became the Radio Act of 1927, the House proposed that the licensing period be 5 years and the Senate 2 years. In the conference between the 2 Houses the period was fixed at 3 years for broadcasting stations and 5 years for others. The law was so enacted and the 3-year limitation on broadcast licenses was incorporated into the Communications Act of 1934 and is the presently existing limitation. Since 1927 the statute has been expressed in terms of a limitation. The present wording is that the license shall not be granted for a longer term than a certain number of years. In practice the Radio and Federal Communications Commissions were very deliberate in authorizing licenses for progressively longer periods of time until they felt that conditions justified finally the statutory maximum. The following shows the progress of terms for standard radio broadcasting: 60 days in 1927; 3 months in 1928; 6 months in 1931; 1 year in 1939; 2 years in 1941; 3 years in 1943.

Likewise television licenses were initially issued for a period of 1 year and the license period was not extended to 3 years until November 1953. Therefore, history shows that the Commissions have been circumspect in the periods for which they issued licenses.

There are sound business reasons for permitting a license for a 5-year period. The construction and operation of a commercial radio broadcasting station are expensive and television costs are more expensive. Businesses can receive more favorable terms with longer licensing periods in which to plan leases, contracts, financing, etc. Also the Commission believes that the radio and television industries have "come of age" and

should be encouraged to become well established. The well-established broadcaster, either radio or television, is in a position to render the public good service and stability of operation should be beneficial to the industry as well as the public it serves.

As the television and radio industry has come of age it should be able to obtain financing on a responsible business basis and not on a speculative basis. Obviously, long-term business loans cannot be negotiated, except on a speculative basis, if by the very conditions the profits for repayment are to be obtained from operations beyond the current licenses. Sound business financing looks for legal protection, and this is not obtainable where there is no assurance that the borrower will be permitted to continue his activities during the entire period required for repayment of the loan.

The Commission is of the opinion that overall the best interests of the public will be served by permitting the Federal Communications Commission the option to make licenses to television and radio broadcasters for a maximum period of 5 years as they now may do for others. The Commission recommends that section 307 (d) be so amended. The attached is a draft of language which will achieve this change.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., March 21, 1957.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: My letter of February 13, 1957 transmitted to you a proposal to amend section 307 (d) of the Communications Act of 1934 (47 U. S. C. 307 (d)), to permit this Commission to issue licenses for broadcasting for 5 years instead of 3 years. As noted in both my letter and the justification which was attached two of our Commissioners dissented from this position—Commissioner Robert T. Bartley and Commissioner Robert E. Lee. Commissioner Bartley has prepared a dissent setting forth his views a copy of which is attached. Commissioner Lee has not prepared a statement of his views.

Will you please attach Commissioner Bartley's dissent to the other papers so there will be available to Congress the full expression of the views of this Commission.

Sincerely yours,

GEORGE C. MCCONNAUGHEY,
Chairman.

DISSENTING STATEMENT OF COMMISSIONER ROBERT T. BARTLEY REGARDING FEDERAL COMMUNICATIONS COMMISSION'S JUSTIFICATION FOR PROPOSED AMENDMENT TO SECTION 307 (D) OF THE COMMUNICATIONS ACT OF 1934, PERMITTING BROADCAST LICENSES TO BE FOR A 5-YEAR PERIOD INSTEAD OF ONLY 3 YEARS

For the Commission to advocate a change in the act involving a 2-year extension of the license term, would be no more than a mere token gesture toward a solution of the problem. The fundamental question, to my mind, is whether or not there should be any fixed term in the licensing of radio facilities.

I assume, to begin with, that there is no present intention on the part of the Commission to recommend a departure from the fundamental philosophy of the Communications Act, as expressed in section 304, that the radio spectrum is part of the public domain.

The problem of adjusting the statutory scheme of licensing to the present day needs of the art should, in my opinion, be approached on a broader and more encompassing basis than is suggested by the instant proposal. In the words of the late Justice Vinson, "The Commission is an administrative agency set up by Congress to determine under statutory direction the rights of the people of the United States to have the best possible radio service. The interest, convenience, and necessity of the public is an essential test for the privilege of operating a radio station. This determination is, by the act of 1934, lodged in the Commission" (*Black River Valley) Broadcasts* v. *McNinch et al.* (101 F. 2d 235 (1938)).

A need for remedial legislation regarding the license term ought not to be determined solely on the basis of the "private business requirements" of licensees for more stable financing or any other similar grounds founded on what would appear to be a policy of private rights and privileges where these interfere with the overall public interest requirements. In any event, the history of the almost amazing expansion of the broadcast and other radio communications fields, even while operating under the alleged "handicap" of a short fixed license term, would seem to belie any complaint as to its restrictive nature.

I think that if the Commission is seeking a solution to problems which may exist because of the present statutory limitations on the term for which licenses may be granted, it should give serious consideration to requesting Congress to delete any reference to a fixed license term. Instead, Congress should be asked to give the Commission additional broad authority and discretion to deal more effectively with the regulatory problems that have increased in recent years as a result of the rapid and varied expansion of the communications industry and the consequent demands and pressures for reallocations of spectrum usage.

Experience has shown that the Commission needs more flexibility if it is to carry out with dispatch its functions in assuring the people the best possible radio service. In this dynamic field, the Commission must be in a position to move with expedition to meet the needs of the public, to make changes in allocations, assignments, and facilities which are required by revisions in our treaty obligations, advanced technical developments, economic factors, or other advances in the competitive structure of our communications system.

When approaching possible solutions to the above-mentioned problems which it feels would better serve the overall public interest, convenience, and necessity, the Commission finds itself at present hemmed in by time-consuming, procedural restrictions which are allegedly designed to protect the rights of individuals who may be affected by such changes.

These restrictions, in my opinion, stem in part from the concept of a fixed license term, with all the attendant rights and privileges which have been tacked on by the courts.

The Congress should be asked to amend the Communications Act so as to provide for an indefinite license term, with expanded powers in the Commission to make necessary changes in spectrum usage, after appropriate inquiry to determine the facts and policy, and the Commission having determined it to be necessary in the public interest. The licensee's rights to be protected in his investments in physical property could be assured by appropriate legislation to extend tax benefits, where required, in the event his license were modified prior to the full amortization of the equipment which he used in operating under his original license. The Commission has, on numerous occasions, provided for an amortization period before requiring licensees to conform to new assignments. To the extent that such a policy has delayed better utilization of the spectrum, it has been the public which is the loser. It would appear to be more appropriate to afford tax relief than to impede progress.

Internally, the Commission's rules could be amended so as to provide for appropriate periodic accounting by the licensee of his stewardship of the frequency he was licensed to operate in the public interest, in place of our present procedures for formal renewal of license applications every 3 years. Likewise, procedures could be devised retaining the principle whereby new applicants have the right to file competing applications for use of the frequency, at an appropriate time, as they now are permitted to do upon expiration of the fixed license term.

SMALL BUSINESS ACT OF 1957

Mr. SPARKMAN. Mr. President, I am about to introduce a bill and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Alabama may proceed.

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to continue and expand the authority of the Small Business Administration, and ask that it be referred to the appropriate committee.

Within a few months, the life of the Small Business Administration will end, unless the Congress votes to continue this independent agency established to serve the more than 4 million small businesses in the United States.

My proposal provides for six major amendments to the present Small Business Act. In summary these are:

First. The agency would be made permanent.

Second. The Loan Policy Board would be abolished.

Third. The agency's procurement powers would be strengthened.

Fourth. Certain authority, now confined to wartime, would be extended to periods of peace.

Fifth. The maximum loan limit would be raised from $250,000 to $500,000.

Sixth. An insured loan plan, to be administered by the Small Business Administration, is included as a separate title of this bill.

I should like to discuss each of these important changes briefly at this time. In the first place, I believe strongly that the Small Business Administration will be able to fulfill its crucial role in the Nation's economy more adequately if it is not required to come to Congress every 2 years for an extension of its life. I feel that the agency has served its apprenticeship and should now be made permanent.

It is obvious that the biennial hiatus in its normal operations occasioned by the question of whether it is to be continued or not is detrimental to long-range planning and programing, to the recruitment of qualified personnel, and to the efficient utilization of resources. The Small Business Administration, in common with all Government agencies, will come before Congress every year to obtain appropriations, and we shall have an opportunity at that time to assess its record and its needs. Furthermore, the Banking and Currency Committees and the Small Business Committees of both Houses of Congress will keep a close watch over its operations. Finally, such action on our part will spell out the clear congressional intent of maintaining an independent small-business agency and

disabuse other executive agencies of any notions they might have of the possibility of absorbing the SBA. Therefore, I strongly urge action to make the Small Business Administration permanent.

My second major amendment is an essential adjunct to the first, in that it is also designed to stress the fact that the SBA is to be an independent agency of the Federal Government, serving the public interest through its efforts on behalf of small business. Certainly, it is proper that all executive agencies coordinate their activities in such a way that they do no present the spectacle of different departments simultaneously running off in all directions of the compass. Such coordination, however, does not require a loan policy board constituted by law as the final arbiter in disputes over the role of the SBA. If such discussions should arise, it is apparent that the Administrator of the SBA can always be outvoted by the Secretaries of Treasury and Commerce, despite the fact that we, by law, have made the Administrator responsible for the welfare of small business. In the interests of logic and good administration, we should eliminate this board from its statutory role in determining the policies of the SBA.

The third amendment to the present act is designed to strengthen the power of the SBA to meet one of the most serious small-business problems. Despite the operations of the SBA and explicit legislative mandates aimed at guaranteeing that a fair share of Government procurement go to smaller firms, we have witnessed a distressing decrease in the percentage of military-procurement dollars for these independent businesses. Therefore, I feel it is incumbent upon the Congress to provide additional weapons for attacking this situation. I propose to empower the Small Business Administration to earmark Government contracts, in whole or in part, for small business. For the past 4 years, the SBA has engaged in similar activities in conjunction with Government procurement officers in a program known as joint determination. Obviously, that program was not in itself sufficient, so new procedures must be devised. My bill makes the SBA solely responsible for these determinations, but it does allow an appeal from the contracting officer to the secretary of his department, or to the top official of his agency, who may overrule the SBA by stating his reasons in writing for disapproving the questioned set-aside. Furthermore, to cover those purchasing activities where the SBA has not stationed its own personnel, the power to earmark contracts for small business is conferred upon the contracting officer, thus providing a more complete coverage of all Government purchases through this program.

Certain of the grants of authority to the Small Business Administration are presently limited to war or defense production programs. As an example, the SBA is authorized to make studies of the effect of price, credit, and other controls imposed under war or defense programs. At the current time, Federal restraints on credit are alleged to be seriously hampering small business, but since these actions have not been taken pursuant to war or defense programs, the SBA is technically unable to study them. By eliminating references to war and defense in certain sections of the act, we would remove patent inconsistencies and guarantee that the SBA will be able to carry out its mandate fully.

My fifth amendment calls for a rise in the maximum Government participation in any SBA loan from the present $250,000 to $500,000. I realize that there are likely to be relatively few loans made at figures above the current limitation, but I believe that there are many truly small businesses, particularly in the manufacturing field, who are dependent on the SBA for funds and who will require this higher limit. As I have said before, small businesses are extremely limited in their sources of financing and the SBA should be enabled to meet all legitimate applications for financial assistance from proven and worthy small businesses who may thereby be enabled to compete better with much larger corporations in the same industry. After all, we use "small business" as a relative term and I do not feel we should confine it to the smallest retailer, but should make it clear that we are also trying to help the small and independent manufacturer whose innovations and whose competition have guaranteed free enterprise and distributed the fruits of the capitalistic system to the Nation.

As title II, I have incorporated the final major change in the Small Business Act, by calling for the authorization of an insured loan plan designed to plug one of the most serious problems faced by small business, the credit gap. Surveys conducted by the Department of Commerce and other private and public agencies have indicated the scope of the problem. The files of the Senate Small Business Committee also reflect the extent to which the inability to secure financing on reasonable terms has hampered independent businesses. Many of the concentration-increasing mergers about which we are all so concerned can, I believe, be attributed to inadequate credit sources available for smaller firms, no matter how worthy. I hasten to point out that this has been a continuing problem and has only been compounded by today's tight-money program. We should not delay considering this proposal—or any other plan—for meeting such a critical problem, and for that reason, I have incorporated the features of an insured-loan program as title II of the Small Business Act. This operation, distantly related to the insured-loan provisions of the Federal Housing Act, would be administered by the Small Business Administration. At this point in my remarks, I ask unanimous consent to insert a brief summary of the insured-loan plan in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

The purpose of this bill [S. 720] is to make more credit available to small business by insuring private financial institutions against loss resulting from loans made to small-business enterprises.

The Small Business Administrator is authorized to administer this insurance program. The Administrator of SBA determines those private lending institutions eligible for insurance coverage and he also determines what borrowers are considered in the category of small business for purposes of this legislation.

Insured loans to any one borrower cannot exceed $250,000 outstanding and maturity cannot be more than 5 years, 32 days. The amount of this insurance premium paid by borrowers is set by the SBA Administrator, but it cannot exceed 1½ percent a year. In the case of losses suffered by lenders on insured loans, such lenders are reimbursed 90 percent of the unpaid balance, including accrued interest, but in no case more than the insurance reserve of the insured lender which is 10 percent of the total amount of loans on which such lender has paid premiums.

Insurance premiums received by the Administrator of SBA are deposited in a revolving fund in the Treasury of the United States. This fund is to be used to defray the costs of the insurance program and to pay claims on unpaid insured loans.

Mr. SPARKMAN. Mr. President, several other less important changes are included in the bill, but they are designed largely to assist the SBA in procedural ways to meet its obligations. I shall deal with them in some detail in testimony before the Banking and Currency Committee when it considers legislation extending the life of the Small Business Administration.

In conclusion, let me urge again that prompt action be taken on extending the life of the Small Business Administration and thereby fulfill the pledges in the platforms of both national political parties. While many of us have some reservations about the past record of the SBA, and may feel that it should have been more aggressive in meeting the urgent needs of small business, these complaints would not be met by eliminating the agency completely from the Washington scene. What we must do is to strengthen the Administration by law, grant it the funds to operate effectively, and keep a continuous watch on its operations to guarantee that it meets its responsibilities.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1762) to further amend the Small Business Act of 1953, as amended, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

REVESTMENT OF CERTAIN LANDS AND RECONVEYANCE OF SAME TO FORMER OWNERS—AMENDMENTS

Mr. THURMOND (for himself and Mr. TALMADGE) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1246) to provide for the revestment of certain lands or interests therein acquired for the Clark Hill Reservoir, Ga., by the reconveyance of such lands or interests therein to the former owners thereof, which were referred to the Committee on Public Works and ordered to be printed.

J. CHESTER WILFONG

Mr. JOHNSON of Texas. Mr. President, Mr. J. Chester Wilfong, one of the

Official Reporters of Debates of the Senate, is retiring at the end of this month.

Mr. Wilfong has had a long career as a reporter. He entered the field about the time when Woodrow Wilson became President; and besides the reporting of cases in court, he reported the hearings before many of the important committees of the House and Senate, as well as executive agencies. He thus has had a broad experience in reporting the three coordinate branches of the Government.

About 10 years ago he became a member of the corps of the Senate Official Reporters of Debates, and has rendered fine service in that capacity. No matter how stormy the debates, he has distinguished himself as well poised and calm, and has contributed to the excellence of the debates as they have appeared in the CONGRESSIONAL RECORD.

Mr. President, I never cease to marvel at the outstandingly fine job done by those who have the responsibility of producing the CONGRESSIONAL RECORD. I simply cannot understand how they can perform under such exacting circumstances and still have an accurate RECORD available to us each morning before we get out of bed.

I am sure that every Member of the Senate will wish for Mr. Wilfong and his fine family many years of enjoyment of the rest he has so well earned.

Mr. KNOWLAND. Mr. President, I wish to join the distinguished majority leader in the expressions he has just made.

Mr. J. Chester Wilfong, one of the corps of Official Reporters of Debates of the Senate, is to retire at the end of this month, as has just been pointed out.

After a long career as a reporter, both in court and in the committees of the Senate, he became a member of the corps of Senate Official Reporters of Debates, and has made an enviable record for efficiency, poise, and hard work. He has been self-effacing; and no matter how exciting or stormy the proceedings—and at times there are some stormy proceedings, even in the Senate of the United States—he has maintained a calm which has enabled him to weather the tumult and turn out copy which has excellently portrayed the proceedings in the CONGRESSIONAL RECORD.

Mr. and Mrs. Wilfong have raised a fine family; and his friends, both in the Senate and out of the Senate, extend their best wishes for a well-earned rest.

Mr. President, I also wish to join the majority leader, in addition to expressing our high regard for Mr. Wilfong, in extending it to the other members of the corps of Official Reporters of Debates, who day in and day out, many times under trying circumstances and during long hours, so well and faithfully serve the Senate of the United States.

Mr. BYRD. Mr. President, Mr. J. Chester Wilfong, one of the Official Reporters of Debates of the Senate, will retire at the end of this month.

Mr. Wilfong, I am happy to say, is a very highly respected resident of Virginia. He had a long and distinguished career as a reporter before he became one of the Official Reporters on the floor of the Senate. Soon after he opened his office, about the time when Woodrow Wilson became President, he reported hearings before the Senate Committee on Finance, and during the years had reported investigations conducted by many important Senate committees.

During this time, and throughout the long years he has been one of the Official Reporters on the Senate floor, he has rendered outstanding service, characterized by devotion to duty and the intelligent discharge of the obligations he and his associates felt they owed the Senate.

We all wish Mr. and Mrs. Wilfong long years to enjoy the rest they have so well earned.

In addition, Mr. President, I wish to pay tribute to all those who report the proceedings of the Senate. They are men of great ability and great industry. It is marvelous to me to observe how they can report the debates when one Senator interrupts another Senator, and record them as accurately as they do. As a Member of the Senate, I wish to pay my tribute to them as a whole, and express my appreciation for their service.

NECESSITY FOR A POSTAL RATE BILL

Mr. DIRKSEN. Mr. President, as indicated in the Senate one day this week, I submitted all the provisions of the postal rate bill as an amendment to another bill which was germane to the Post Office Department. I think this matter is of great urgency. That is one reason for my sustained interest in it.

I thought when the hearings were terminated on July 26 last year there would be a speedy resumption of the hearings in the next Congress and that there would be early action. The 85th Congress has been in session since January 3, 1957, 73 working days, and thus far no action has been taken.

I cite as a reason for my idea about the urgency for such a bill the fact that failure to enact revenue legislation for the Post Office Department is, in the judgment of the Postmaster General, costing the country about $1½ million a day. So we can in truth say the delay has caused the country $110 million or more since the first day of the present session.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KNOWLAND. My attention was temporarily diverted. Did the Senator from Illinois say the delay in adjusting postal rates was costing $1½ million a week or a day?

Mr. DIRKSEN. A day. I shall give the language of the Postmaster General, who said that "Since the Post Office Department is losing at least $1½ million every working day, this 73-day delay has already cost the taxpayers nearly $110 million—and this figure will continue to increase by $1½ million tomorrow and every day thereafter until legislation is enacted producing needed revenues from adjusted postal rates."

I feel very deeply about this question, and I earnestly hope the Committee on Civil Service and Post Office will give it expeditious attention, so that before too much time elapses in the present session, we shall have a bill before the Senate for action.

I understand that during the first week in April the House Committee on Post Office and Civil Service will start their hearings. There is reason to believe a bill will be reported after sustained hearings. I trust the Senate will follow that action at an early date.

The ACTING PRESIDENT pro tempore. Speaking as a Senator, and also as chairman of the Committee on Post Office and Civil Service, and not as the Presiding Officer, the Chair must remind the Senator that when he speaks of losing revenue, that money is paid out of another pocket. When it is put on the basis of an increasing expense, the money is merely paid by the people in a different manner. That is all there is to it.

TOUGHEST JOB IN THE STATE DEPARTMENT

Mr. MANSFIELD. Mr. President, many people in this country and throughout the world look upon the presidency of the United States as the most important and difficult job on the face of the globe. I agree. The other day the President said that, in his opinion, the job of being Secretary of State was the most important in the world. That may be true, but I think that one of the most difficult jobs in the nation is that held at the present time by the Honorable Robert C. Hill, Assistant Secretary of State for Congressional Affairs.

Secretary Hill has been on the job for many months now and has ably upheld the fine traditions and high standards set by his predecessors, Ernest Gross, Jack McFall, and our colleague, now the distinguished and able Senator from Kentucky [Mr. MORTON]. Mr. Hill has had to maintain close liaison and cooperation between the State Department on the one hand and the House and the Senate on the other. He has performed his job remarkably well, and he is to be commended for the outstanding service he has performed, not only in behalf of the Department of State, which he so ably represents, but because of the job he has done in behalf of the Congress as well.

Secretary Hill is a stanch Republican, but he is a man of great wisdom, understanding, tolerance, and know-how and I think the Secretary of State has been extremely fortunate to have a man of Secretary Hill's caliber acting as a "go-between," so to speak, between the Department of State and the Congress of the United States. The country is better off because of men like Bob Hill.

An excellent article appeared in the New York Herald Tribune of March 15, 1957, under the byline of Rowland Evans, Jr. I ask unanimous consent that the article by Mr. Evans may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOUGHEST JOB IN THE STATE DEPARTMENT

(By Rowland Evans, Jr.)

WASHINGTON.—The job of American Secretary of State was described the other day as "the greatest and most important job in the world" by President Eisenhower, the man who really holds the most important job in the world.

The President also said, at that news conference 6 weeks ago, that both he and John Foster Dulles have made mistakes, just as all human beings must. He did not list these alleged errors, but if he had, he might easily have overlooked one of the most important of all, in an area that is not diplomatic in the traditional sense but, nevertheless, requires the most skillful kind of diplomacy.

That area, of course, is the relationship between the Executive and Congress, particularly the Senate. The mistake that Mr. Dulles seemed to make, and that the President now knows he himself made in the early weeks of this year, was a tendency to take the Senate for granted.

In 1948, the Hoover Commission took a long look at relations between the State Department and the Congress, then recommended that a new Assistant Secretary of State be appointed solely to deal with Congress. The job was created in February 1949. Experience since then has shown that, if the Secretary himself has the most difficult job in the world, his Assistant Secretary for Congressional Liaison probably holds the most difficult job in the State Department.

Oversimplified, the highest duty of the occupant of that office is to keep the Secretary in tune with the most sensitive vibrations from the Capitol on all important matters of policy, and conversely to keep the leaders in Congress, especially the Senate, wholly abreast of developing American policies in all parts of the world. He can be a most useful instrument in obtaining congressional, and hence general public acceptance, for foreign policies.

The Assistant Secretary has total access to the Secretary and, as an agent of the Secretary, has the same access to the leaders in Congress. His loyalty to the Secretary and his policies must be absolute. Conversely, he must command the respect and confidence of the men who wield the power in Congress, the men who often may be working at precisely cross-purposes to the administration.

But he has no power at all of decision, either on policy matters or on high-level questions as to how far he may go in detailing tentative policy outlines to the leaders, or whether the influence of the President himself should be used to rescue a policy request in trouble on the Hill and similar matters.

On the latter point, for example, the Assistant Secretary might be convinced that, to avoid a legislative impasse in the Senate such as the threatened stalemate on the Middle East resolution, the President should call in the leaders to the White House—or take his case to the country.

But the Assistant Secretary can only warn. The White House will not use the President's great prestige except on rare occasions. Gen. Wilton B. Persons, the President's own legislative liaison officer, is fond of pointing out: "If you fire the big gun too often, all you have left is a smooth bore."

Mr. Dulles' present deputy to Congress is Assistant Secretary Robert C. Hill, only the fourth man to hold the job. His predecessors were Ernest Gross, Jack McFall and Thruston B. Morton, now a Republican Senator from Kentucky. A few aspects of Mr. Hill's 7-day-a-week job follow:

He telephones or makes a personal contact with Members of Congress an average of 40 times a day; his office receives in a year some 10,000 telephone calls and 30,000 letters; during the session, he is in the Capitol at 10 a. m. 4 days a week; he lunches on the Hill with 1 of the top men in Congress 3 times a week; he briefs the Secretary and the area Assistant Secretaries on all important developments in Congress; he maintains strict nonpartisanship as between the 2 political parties and the 2 Houses of Congress.

Letters from Congress are supposed to be acknowledged within 48 hours; but, in the kind of frenzied warfare between the Senate and the State Department of the last 2 months, sometimes there is a slip along the line. Congressional vanity is easily piqued, and these slips can be costly. Whether responsible or not, the Assistant Secretary usually takes the rap.

The great contribution of Mr. Hill during the turbulent weeks of January and February was that he never lost the confidence either of Mr. Dulles or of the most influential men in Congress. Although often caught in the web of charge and countercharge between the Senate and the State Department, Mr. Hill kept the trust of both. His influence unquestionably eased the crisis at its peak. The Senate will not be taken for granted for some time to come.

More attention should be paid to this extraordinarily important aspect of the relations between the executive and legislative branches. If the Senate will not accept a new policy, it is a safe assumption that neither will the Nation. And then, no matter how acceptable the new policy might be to the nations abroad, it might as well be tossed in a wastebasket.

Mr. KNOWLAND. Mr. President, I wish to join in the statement just made by the distinguished Senator from Montana, who is a member of the Foreign Relations Committee, relative to the capabilities of Mr. Robert Hill, the Assistant Secretary in charge of congressional liaison work. In my opinion he has done an outstanding job. His is very difficult and very trying work in many respects, but I believe he has performed his tasks diligently, efficiently, with fairness, and without partisanship. General comment I have heard on both sides of the aisle indicates appreciation of the work which he as a person holding a difficult position has done, and of the general efficiency which has characterized his services.

Mr. DIRKSEN. Mr. President, I think the measure of a man's capacity can be discerned from the type of work he does. Effecting a liaison between the executive and the legislative branches requires a very special talent, in my judgment, first, to maintain fidelity to the Department with which he is identified, and then to bring to his task good nature, capacity and understanding so that, more and more, there is a development of good will between the two branches in the Government.

I think Bob Hill has rendered excellent service in that field. I have known him a long time. He is a man of splendid personality, and he does not shun long hours in order to accomplish his task. He has served the State Department and the executive branch well, and in doing so I think he also has served the legislative branch well. I salute him as a loyal, trusted, and able public servant.

THE CIVIL RIGHTS BILL AND TRIAL BY JURY

Mr. ERVIN. Mr. President, I have charged, and I renew the charge here, that the civil rights bill now pending before Congress is a device to rob Americans of the sacred right of trial by jury in civil-rights cases. I ask unanimous consent to have printed in the RECORD as a part of my remarks an excellent editorial on this subject, entitled "Device for Evading Trial by Jury," which appeared in the Times-Picayune, of New Orleans, on March 24, 1957.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEVICE FOR EVADING TRIAL BY JURY

Southern Members of Congress and other informed people who charge the liberals and the Department of Justice with seeking to circumvent the right of trial by jury through the proposed civil-rights bill, have a real issue. It is not a phony as some liberals would have people believe.

A reading of the bill leaves no doubt that jury trials could be omitted in injunctions cases—and would be omitted if current court practice were followed. That is so even though it would be a contradiction of the plain reading of the Bill of Rights and still another article of the Constitution.

Attorney General Brownell's own testimony shows how the skipping could be done, and one of the fervent civil-rights Senators told the Senate committee he favored dropping jury trials in these cases.

Isn't it a bit odd that hot-under-the-collar liberals who so frequently shout about constitutional rights should be so willing to have the plain, unobscured provisions of the Constitution circumvented? One might thing they agreed sometimes with Professor Myrdal, the Swedish sociologist who the Supreme Court cited in its segregation decision, that the Constitution is practically a plot against the people.

Here is the setup for bypassing the constitutionally prescribed jury trials: The Federal Code says that in contempt cases, the defendant, on demand, shall be entitled to "trial by jury" but "this section shall not apply in any suit or action brought in the name of, or in behalf of, the United States." Mr. Brownell's proposed bill says that injunction proceedings shall be instituted, not in the name of the real plaintiff who thinks he has been prevented from voting or exercising some other right, but in the name of the United States. The Department of Justice says the substitution of names in these suits "is accepted practice in criminal contempt cases."

The jury-skipping provision in the code is frequently explained, we believe, as a device to enable judges to take summary action to preserve courtroom order, protect threatened damage to United States property, etc. But what is the urgency in so-called civil-rights injunctions and contempt cases? Yet it is sure that if the Brownell bill passes, making the United States the complainant, Federal judges will have the option of denying jury trials.

The Constitution makes no exceptions to jury trials on criminal charges except impeachment. Article III, section 3, says: "The trial of all crimes, except in cases of impeachment, shall be by jury, and such trial shall be held in the State where the said crimes shall have been committed * * *." As if this was not plain enough, it was added in the Bill of Rights that "in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury in the State or district wherein the crime shall have been committed."

This civil-rights bill, like all the Federal force bills proposed in recent years, is political in that it is intended to benefit politically its backers in their particular districts. It is not needed, because civil rights, including voting rights, are better protected and observed than they ever have been in the history of the country. The people and the States are sovereign, and the Central Government infringement on their rights is repugnant to the Constitution. It is not surprising, therefore, when Congress or the Government undertake something so repugnant that they should be willing to cut corners with the Constitution in other respects.

CRISIS IN MATHEMATICS

Mr. CLARK. Mr. President, there is currently meeting, in the city of Philadelphia, the 35th annual convention of the National Council of Teachers of Mathematics. At that meeting there has been presented a paper prepared by the educational testing service of Princeton, which states that the testing service, "in a study of classrooms in 5 States, found that only 10 out of the 60 teachers reached were competent in the field, that the mathematics curriculum was dull, outmoded, and inadequate, and that both students and teachers often disliked what they were doing."

There was published in this morning's Philadelphia Inquirer an editorial entitled "Crisis in Mathematics," which points out that such conditions are truly alarming, and calls for some urgent soul searching on the part of educators.

The distinguished Senator from Oregon [Mr. MORSE] and I have introduced two bills which would remedy this deplorable situation by appropriating Federal funds to States both in support of scholarships for students who would go to institutions of higher learning for the purpose of becoming scientists and engineers, and thus assisting in the competition in that field with Soviet Russia, and also by making available to the States, unrestricted by Federal controls, money which would enable the States to obtain the trained mathematics teachers who are so urgently needed in this field.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CRISIS IN MATHEMATICS

Arrival in Philadelphia of hundreds of mathematics teachers for the 35th annual meeting of the National Council of Teachers of Mathematics has particular significance this year for two reasons.

First, from the local viewpoint, because Philadelphia is one of the few cities in which an effort has been made in recent years to bring the teaching of mathematics up to date. Second, from the national viewpoint, because there has been a sudden awakening in the last year to a serious countrywide lag in the teaching of mathematics which could quickly undermine the national security.

Mathematics is a subject basic to competence in science if there ever was one. Yet the educational testing service of Princeton, in a study of classrooms in 5 States, found that only 10 out of the 60 teachers reached were competent in the field, that the mathematics curriculum was dull, outmoded, and inadequate and that both students and teachers often disliked what they were doing. Such conditions are truly alarming and call for some urgent soul searching on the part of educators.

The teachers in session here are the ones especially who must take the initiative in meeting the problem. Philadelphia's schools can offer some help, but while they are ahead we cannot pretend that they have all the answers. The reorganization and revitalization of mathematics study is a task for the teachers of the whole Nation backed by school officials, parents, and good citizens everywhere.

KEEPING GOVERNMENT SCIENTISTS ON THE JOB—AFFORDING ADEQUATE AID

Mr. WILEY. Mr. President, in this morning's Washington Post, in the column, the Federal Diary, by Jerry Kluttz, there is a brief but most significant writeup of an important development affecting not only the civil service but our Nation as a whole.

The article refers to the fact that apparently the logjam is breaking up so that the Federal Government will be in a stronger position to attract and retain scientists and engineers.

Mr. Kluttz reports that the green light may soon be flashed for the submittal to the Congress of legislation to permit civil-service salaries to scientists and engineers to approximate more closely the salaries paid to these hard-to-hire people by private industry.

In my judgment, Mr. President, such legislation should be cleared for congressional action at the earliest feasible date.

As I have frequently pointed out, the very survival of this Nation may well depend upon the technical brains available to us in the laboratories, the workshops—yes, the offices of United States Government agencies, notably in the Armed Forces and the Atomic Energy Commission.

We dare not be penny-wise and pound-foolish.

Obviously, we cannot hope to have Uncle Sam pay salaries at all levels as high as what private industry can afford. Fortunately, a very considerable number of dedicated scientists and engineers are more than willing to work for the Federal Government, in view of the public service they can render, and the natural prestige to which a devoted civil servant is entitled. But at least we ought to give to these scientists and engineers something more closely resembling what they might earn on the outside.

While scientists and engineers represent one of our foremost assets, I do not make these comments without due consideration to other top-level civil servants of whom we should also remember that the laborer is worthy of his hire.

I ask unanimous consent that this brief article be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FEDERAL DIARY

(By Jerry Kluttz)

UNITED STATES APPROVAL IN SIGHT FOR SCIENTIST PAY RAISE

A plan to permit Federal agencies to pay competitive salaries to scientists and engineers is slated to get the approval of the administration's top personnel policymakers. A final meeting on it will be held in a few days.

If all goes as expected, the proposal will be considered soon by the President and his Cabinet. If that hurdle is cleared, it will be recommended to Congress.

No specific new salaries or grades are recommended in the plan. Briefly, the proposal would have Congress amend the Classification Act to give the Civil Service Commission the authority to set salaries for the scientists and engineers to meet competitive conditions. It would be an extension of CSC's present authority to fix the starting salaries of hard-to-hire people at any step within the grade.

The new plan would permit CSC, for example, to set the starting salary at the top step in a grade and to superimpose step increases on top of it. The present maximum rates of the grades would be waived for the short-category employees. The starting salary for some scientists is $5,335, the maximum salary of grade 7. As a result, all similar scientists are paid the same frozen and dead-end rate.

Officials have testified that the salaries the Government can offer to college graduate scientists and engineers are from $1,000 to $2,000 below the going rates in private industry.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, last evening I made an announcement with respect to certain bills, at least some of which we expected to consider today. I do not think any of them are very controversial. I do not know of any which will require a yea-and-nay vote, but I desire to have Senators on notice with respect to the list of bills, which will be found on pages 4663 and 4664 of yesterday's RECORD.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Arkansas [Mr. MCCLELLAN] has suggested that Calendar No. 160, S. 1585, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, not be called today, but next week.

I should like to give notice to the minority leader and to all Senators interested in Calendar No. 160, S. 1585, that that measure will not be called for consideration today.

The same situation applies with reference to Calendar No. 69, Senate Resolution 24, to amend rule 14 of the Standing Rules of the Senate. I expect to have further discussion concerning the scheduling of that resolution, and I shall inform the Senate as soon as we are able to reach any conclusions thereon.

The ACTING PRESIDENT pro tempore. What is the pleasure of the Senate?

CONVEYANCE OF CERTAIN PROPERTY TO THE UNIVERSITY OF MISSOURI

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1034) to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural purposes certain real property in Callaway County, Mo.

The ACTING PRESIDENT pro tempore. The bill is before the Senate and is open to amendment.

Mr. ELLENDER. Mr. President, the pending bill provides for the transfer of the Midwest Claypan Experiment Station to the curators of the University of Missouri, without cost, conditioned upon use for the purposes of the College of Agriculture. The station is now being operated and maintained by the university under an agreement which relieved the Department of Agriculture of considerable costs.

This property was purchased in 1937 for $13,107.48. No recent appraisal has been made, so that the current value is not known. Since the property will continue to be used for its present purpose, saving the Government possible future maintenance and operating costs, the Department of Agriculture and the committee felt that the cost of an appraisal might well be saved. Passage of the bill would result in no additional cost to the Government, and might avoid some expense in the future. At present the costs of operation and maintenance are being borne by the university, but if the property should remain in Government ownership, these costs might again be borne by the Government.

Mr. President, there is also a provision in the bill under which if the property is not used for the purposes intended, it shall revert to the Government.

I ask for the passage of the bill, which was recommended by the Department of Agriculture.

Mr. MORSE. Mr. President, I wish to discuss this bill, because it gives me no little concern. I do not see how Senators can escape the conclusion that in the last analysis this is a Federal aid bill for the benefit of the University of Missouri. I am in favor of Federal aid bills for education, but I desire to have them uniform and not discriminatory. In my judgment, this bill discriminates in favor of one university, and is a special grant to the University of Missouri. It provides for the donation of Federal money to the University of Missouri.

There is no Federal benefit shown either in the report of the Department of Agriculture or the report of the Senate Committee on Agriculture and Forestry. I invite the attention of Senators to the language of the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] in explanation of the bill, as follows:

> This property was purchased in 1937 for $13,107.48. No recent appraisal has been made so that the current value is not known. Since the property will continue to be used for its present purpose, saving the Government possible future maintenance and operating costs, the Department of Agriculture and the committee felt that the cost of an appraisal might well be saved. Passage of the bill would result in no additional cost to the Government and might avoid some expense in the future. At present the costs of operation and maintenance are being borne by the university, but if the property should remain in Government ownership, these costs might again be borne by the Government.

There are a couple of questions of policy as to which the Senate should have answers. If I am correct in the assumption that the Federal Government has decided there is no real need for continuing the type of experiment which has been conducted at the station, then the Government should sell the station. Why give it away? The station belongs to all the taxpayers of the United States, and the taxpayers of Missouri have only a partial interest in it.

I wish to say most respectfully that, in my opinion, the transfer of this property would be another dangerous example of government by special favor. If this experiment has sufficient Federal interest connected with it, the Federal Government should continue it, and we should not ask the taxpayers of Missouri to continue it. If this experiment is not an experiment of importance to the Nation as a whole, we should discontinue it and sell the property.

The chairman of the Committee on Agriculture and Forestry has used this language:

> Passage of the bill would result in no additional cost to the Government and might avoid some expense in the future.

I am able to inform the Senate how to avoid the expense. Sell the property and put the returns from the sale into the Treasury. If anybody thinks this property is not worth something, put the property on the auction block and see what is offered for it.

I cannot escape consideration of such facts as that, Mr. President, if we are going to protect the interests of all the taxpayers then the Congress of the United States should not grant special favors to one State university or another on a purely discriminatory basis.

If a Federal interest is involved here—if there is a program in which the Federal Government has a stake—then I am perfectly willing to help work out a cooperative arrangement with the University of Missouri. But I see nothing in any of these reports to indicate such a situation. Not only that, Mr. President, but there is an unstated assumption that this particular kind of experiment the Federal Government has been conducting is to be continued. My understanding is that is not the fact at all. The report from the Acting Secretary of Agriculture does not so state. The report from the Acting Secretary of Agriculture simply specifies the requirement that this property should be used for agricultural research purposes—any such purposes. A chicken farm could be established, or experiments in cattle breeding, or other agricultural experiments, could be carried on. This recommendation does not require that the University of Missouri continue the kind of Federal research which has been conducted on this property at all. The new owners could use it for any agricultural research of local interest or national interest.

What this bill proposes to do is provide a very nice little research center for the university, for which all the taxpayers of the United States have paid a little more than $13,000, on which property there have been some experiments. But there is no appraised value of the improvements given, because it was decided that if we are going to give this property to the University of Missouri, anyway, we ought to save the taxpayers as a whole the cost of an appraisal. So we do not even know how much we are giving away when we transfer this research station.

This is not the first time, Mr. President, I have raised these points. I am sorry they have to be raised again, but I wish to point out that some years ago we had a very similar case involving what was known as the California Grape Experimental Station. I spoke about that case on the floor of the Senate on June 20, 1952. I wish to read a few of the remarks I made at that time, to make clear the analogy between the cases. I said:

> Now, Mr. President, I come to the consideration of the California bill, House bill 5314, a bill which was reported from the Senate Committee on Agriculture and Forestry. There was a considerable amount of discussion of this bill; and it is the view of the junior Senator from Oregon that in such discussion his position with regard to this general problem was not accurately stated by some of his colleagues.
>
> The California bill is a bill in which the Secretary of Agriculture is authorized and directed to transfer and convey to the regents of the University of California certain real property.

Then I cited the bill, and said:

> The Senator from Kansas [Mr. SCHOEPPEL], cochairman of the calendar committee, objected in my behalf on the basis of his knowledge of my position with respect to such bills, and on the basis of the standing instruction which I have given to my office that any and all such bills should be objected to in my name.

I further said:

> To return to a discussion of the California bill. Of course it is an out-and-out transfer of a piece of Federal property. It is, it is true, for a specific use by the State of California, but once transferred, no strings are attached, except that if the State of California ever ceases to use it for agricultural purposes it will then revert to the Federal Government.

That is the provision in this bill. The property does not have to be continued in use for any specific research program, but simply for agricultural use in general.

I continued:

> I can think of no clearer case for the application of the Morse formula than one like that. I know of no reason why the Federal Government should turn over to the

State of California a grape experiment station previously operated by the Federal Government, but henceforth to be used by the State of California for agricultural purposes, and not expect the State of California to pay something for the station. I imagine we have a great deal of Federal property scattered throughout the United States which various agricultural colleges would like very much to acquire without payment. We can well imagine that the State budgets of a good many States would be greatly helped if they could get the Federal Government to make available to them experiment stations free of charge. I do not question the desirability of this kind of research, although I assume that there must be some good reason why the United States Department of Agriculture does not think it necessary for it to continue such experiments. I assume, subject to correction, that there are good economic reasons why the State of California should wish to continue the experiments. But I do not know why they should ask the taxpayers of the country to turn over to them the experiment station for nothing.

I think they ought to pay something for it. I think they ought to pay half of the appraised fair market value of the property, unless—and I stress this point because I think it is a point which my good friends overlooked in their criticism of me on June 2 with respect to the transfer of another piece of property—a cooperative program is worked out between the State of California and the Federal Department of Agriculture by which the Federal Government gets the equivalent in service out of the program for the value of the property which it is turning over to the State of California.

That statement refers to the so-called dryland experiment station, about which I shall have something to say in a moment.

I continue to read from my speech in 1952:

Mr. President, there are many instances other than the particular instance which my friends misinterpreted on June 2, concerning the transfer of certain property in the State of Oregon, where the junior Senator from Oregon has not asked to have applied the Morse formula because it was not applicable, in that the transfer of Federal property to a State agency was a contribution of the Federal Government to a joint enterprise which was going to be carried on both by the Federal Government and by the State government as a result of the transfer.

That is why I am taking the time of the Senate this evening to discuss the bill, because there would not be time under the limitation of debate tomorrow, under the 5-minute rule on the call of the calendar, to set out my reasons why objection was filed to the California bill, and will be filed again tomorrow to the California bill. In my judgment, in connection with the California bill, valuable property is being turned over to the State for a State purpose and function, and the Federal Government ceases to be a party in any way to the program. If we have any doubt about the property being valuable let us announce that this particular station will be put on the market at auction. Let us see how many bidders will bid on it. Let us see how much money we will get for it. Of course, that is my answer to the argument which we so frequently hear on the floor of the Senate: "You know, this property is not worth very much, after all." There is a method of finding out, and that is by putting the station up for sale at auction. If it is not worth very much I assume that the State can get it pretty cheaply.

But, as in so many instances, the property is very valuable property, and we would discover that it would sell for a very good price, thus rebutting the almost stereotyped argument which is heard on the floor of the Senate with regard to this kind of legislation: "After all, it is not worth very much."

I then discussed the bill at greater length. I refer to it again here today because I know it is not pleasant to refuse to approve the bill now before the Senate, but I cannot approve it unless someone can show me the distinction between this bill and the California grape experiment station bill which was considered in 1952.

Here again, particularly in the light of all the talk about economy, I think we would be exceedingly fair to the University of Missouri if we said, "We will make the property available to you for half its appraised fair market value."

Mr. President, in my opinion, we are running the danger of establishing a bad precedent, because as I read the committee report and report of the Department of Agriculture, I do not see a word in either of them which would give the taxpayers of the country any assurance whatsoever that the Federal Government has the slightest interest or will get the slightest benefit, from the standpoint of the Federal interest, from what the University of Missouri will do with the property. There is nothing in the bill which limits the university in any sense, other than to using the property for agricultural purposes.

I think this is a giveaway bill for the benefit of the University of Missouri, a giving away of the property of all the taxpayers of the country, for which the taxpayers ought to get something, as the Morse formula would give it to them—50 percent of the appraised fair market value.

I know that since the bill was taken up by motion, I may be talking to the walls; but a record will be made. Unless the chairman of the committee can show me what Federal interest there is in the transaction, and how the Government will save money and will not spend more money on the property if it be given to the University of Missouri, I cannot possibly vote for the bill, because I answer the argument of the proponents of the bill by saying, "Sell it; do not give it away."

Mr. President, I have a further comment which I wish to make on the pending bill, by way of correcting the report of the Department of Agriculture. I desire to refer to the bottom of page 1 of its report. I wish the Senate to keep in mind the fact that the proposed transfer would be made on the condition that the property be used "for the purposes of the College of Agriculture." That is the condition; that is the grant; and it is the only condition contained in the entire bill. The bill contains no condition based upon what the Department of Agriculture alleges on page 2 of the report. Its allegation on page 2 of the report simply is false, on the record. Let me read that allegation:

This proposed legislation follows closely the pattern established by Public Law 825, 81st Congress, approved September 23, 1950, which provided for transfer of title, without cost, of certain agricultural dry land and irrigation field stations to the States in which such stations were located. It authorized the Secretary of Agriculture or, when the lands concerned were public domain, the Secretary of the Interior to convey the interest of the United States in the lands including water rights, buildings, and improvements at certain specified field stations of the Department of Agriculture to the States concerned. Transfers were not mandatory but were subject to arrangements mutually agreeable to the States and the Department.

Such arrangements have to be cooperative arrangements for the operation of the stations in line with a Federal agricultural program. Today, the Acting Secretary of Agriculture, Mr. True D. Morse, is trying to give the Senate the impression that the pending bill is identical with the dryland station transfer bill. But that is not true, because the dryland station transfer bill affected my State, and I know what the cooperative arrangements were. They were not that some institution could obtain the particular station and use it for any agricultural purpose, with no strings attached—such as the pending bill would permit.

If the Department of Agriculture wishes to tie down the proposed grant to cooperative arrangements between the Federal Government and the University of Missouri, that is a different matter. But I say most respectfully that that is not set forth in the bill. So the pending bill and Public Law 825 are not analogous at all.

Mr. ELLENDER. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Yes, I yield the floor to the Senator from Louisiana. I am waiting for him to reply to my argument.

Mr. ELLENDER. Let me ask whether it is not a fact that the land is now being used under an agreement which exists between the University of Missouri and the Department of Agriculture; and under the agreement or memorandum of understanding, a cooperative research program in soil and water conservation and management studies, including work on terrace layout and design, erosion control, irrigation, and water-supply development, and effects of deep placement of fertilizers on the utilization of claypan soils, is carried out.

Mr. MORSE. But that agreement automatically comes to an end when the transfer is made. The agreement will not be continued at all, whereas in the case of the dryland station transfers, the agreement was continued.

I ask the Senator from Louisiana and other Senators to read the report on the pending bill. From reading it they will find if the proposed transfer is made, the University of Missouri will, following the transfer, be able to use the land for any agricultural purpose.

Mr. ELLENDER. I understand that. But the program I have just stated is the one for which the land is now being used, and the result has been to save the Government a great deal of money.

Mr. President, I ask unanimous consent to have printed, at the conclusion of the remarks I have just made, the letter addressed to me by the Acting Secretary of Agriculture, under date of January 24, 1957. I wish to have the

letter made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 24, 1957.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is enclosed a draft of proposed legislation to authorize and direct the Secretary of Agriculture to convey to the University of Missouri, for agricultural purposes, certain real property in Callaway County, Mo.

The purpose of this proposed legislation is to authorize the Secretary of Agriculture to convey to the curators of the University of Missouri, without cost, the United States Department of Agriculture Midwest Claypan Experiment Station, at McCredie, Mo. In addition to the land, the conveyance would include buildings and improvements at the station. The transfer would be made on the condition that the property be used for the purposes of the College of Agriculture. In the event that the property ceased to be used for such purposes, all right, title, and interest in the said property would automatically revert to the Federal Government.

The land on which the Midwest Claypan Experiment Station is located was acquired by the Soil Conservation Service of this Department in 1937 by purchase from the Northwestern Mutual Life Insurance Co. The purchase price was $13,107.48. The property acquired at purchase consisted of 300 acres of land including buildings estimated to be valued at $3,975. This station was transferred from the Soil Conservation Service to the Agricultural Research Service under Secretary's Memorandum No. 1318, dated October 14, 1952.

Under the provisions of a memorandum of understanding entered into on September 20, 1954, by this Department and the curators of the University of Missouri, a cooperative research program in soil and water conservation and management studies, including work on terrace layout and design, erosion control, irrigation, and water-supply development, and effects of deep placement of fertilizers on the utilization of claypan soils, is being carried on. This agreement also transferred the title and possession of the personal property and operating equipment to be used and disposed of in carrying out the terms of the agreement. Under the agreement the university assumed the responsibility for the operation and maintenance of the station.

The aforementioned memorandum was to serve as a document of cooperation pending consideration that the facilities would be transferred to the university through normal legislative channels.

When the University of Missouri assumed responsibility for the operation and maintenance of the station, the Department was relieved of considerable costs. The Missouri Agricultural Experiment Station has materially increased its financial support for the operation of the station. The increased contribution by the State makes it possible for the Department to cooperate in other research programs of high priority.

This proposed legislation follows closely the pattern established by Public Law 825, 81st Congress, approved September 23, 1950, which provided for transfer of title, without cost, of certain agricultural dryland and irrigation field stations to the States in which such stations were located. It authorized the Secretary of Agriculture or, when the lands concerned were public domain, the Secretary of the Interior to convey the interest of the United States in the lands including water rights, buildings, and improvements at certain specified field stations of the Department of Agriculture to the States concerned. Transfers were not mandatory but were subject to arrangements mutually agreeable to the States and the Department.

Conveyance of this property would result in no additional cost to the Government.

We have discussed this proposal with Missouri State authorities and it is satisfactory to them.

A copy of the proposed legislation and a similar letter have also been sent to the Speaker of the House of Representatives.

The Bureau of the Budget advises that there is no objection to the submission of this proposal.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. MORSE. Mr. President, will the Senator from Louisiana tell me which letter that is? I should like to ask him whether I have a copy of the letter. Is it the letter to which I have referred, namely, the letter from True D. Morse, Acting Secretary of Agriculture?

Mr. ELLENDER. It is a copy of the letter included in the report.

Mr. MORSE. Very well.

But, Mr. President, what about the future? What is to be the program in the future? The proposed transfer would be a giveaway to the University of Missouri, and would permit the university to use the land in any way it wishes, and to put the land to any use to which it wishes to put it in the future. On the other hand, that was not true in the case of the dry land stations transfer, because the transfer in the case of the dry land stations contained a continuing agreement for the use of the dry land stations for a specific type of agricultural research. But under the provisions of the pending bill, the existing agreement would be canceled. Yet the Acting Secretary of Agriculture has told us that the proposed transfer is in the same pattern as that used in the case of the transfer of the dry land stations. Mr. President, I do not like to have the Acting Secretary of Agriculture misrepresent the facts to me.

The pattern in the case of the pending bill is not the same as the pattern in the case of the dry land stations transfer. In the case of the pending bill, the transfer is an out-and-out transfer in fee simple, with no conditions attached, other than a reversionary clause to the effect that if the University of Missouri wishes to sell the land to private persons—for instance, for private use as a gasoline filling station—at some time in the future, title to the land will revert to the Federal Government.

Mr. ELLENDER. Mr. President, the Senator from Oregon knows that the people generally will benefit by the proposed transfer; the land is not to be sold to private persons. The transfer is proposed for the purpose of having the experiments now being carried on by the university continued.

Mr. MORSE. Mr. President, now the Senator from Louisiana is laying down a new premise for the proposed transfer. Let us consider that premise. If the Senator from Louisiana seeks to imply that each one of us who favors the continued application of the Morse formula, takes that position because of a desire to have the land in question, now in the ownership of the Federal Government, turned over to certain institutions of higher learning under an arrangement which will permit such institutions to use the land for any purpose for which they wish to use it at any time in the future—for instance, in the case of land which might be transferred to the Oregon State Agricultural College—I ask the Senator from Louisiana to consider the problem which would thus be created. In that event, Federal land would be turned into a grab bag.

The purpose of the Morse formula is to stop the grab bag situation in the handling of Federal land.

But a grab bag is all that the pending bill calls for; it does not contain a single condition, save and except one to the effect that the land must be used for agricultural purposes in the State of Missouri.

There is in my State a great deal of Federal land which I should like to have transferred to the Oregon State Agricultural College; and if the Senator from Louisiana will endorse such a proposal—although if such a proposal were agreed to here, today, on the floor of the Senate, the Morse formula would be destroyed—then let us agree to turn all the federally owned land into a grab bag. However, I would not go along with such a proposal even then, because it would not be right.

The transfer proposed in the pending measure simply is not a proper procedure for the handling of Federal property.

Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTRUCTION OF CERTAIN WATER-CONSERVATION PROJECTS IN THE PECOS RIVER BASIN

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the Senator from New Mexico [Mr. ANDERSON], I desire to make a motion.

Mr. President, I move that the Senate proceed to the consideration of Calendar No. 138, Senate Joint Resolution 39, relating to the Pecos River Basin, in New Mexico and Texas. I have agreed with the Senator from New Mexico that I would try to have his bill reached during the luncheon period. He has waited for an hour. At a later time we shall return to the bill which has been under consideration during the past few minutes, namely, Senate bill 1034, which deals with the proposed conveyance to the University of Missouri, for agricultural purposes, of certain land in Callaway County, Mo.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 39) to authorize the construction of certain water conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex. and Tex., which had been reported from the Committee on Interior and Insular Affairs with amendments.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Mexico give a brief explanation of the joint resolution?

Mr. ANDERSON. Certainly, Mr. President.

The joint resolution was introduced by my distinguished colleague, the senior Senator from New Mexico [Mr. CHAVEZ], and by the two Senators from Texas [Mr. JOHNSON and Mr. BLAKLEY].

In the situation to which the joint resolution relates, the two States of Texas and New Mexico have been worried about the amount of water in the Pecos River. They have agreed upon a program for the construction of a floodway which will eliminate the depletion of water storage capacity because of deposits of sediment. In that connection, I may say that as the capacity of Lake McMillan began to be depleted by sedimentation, salt cedars came into the area and began to take root in the delta being formed at the head of the reservoir. The cedars have spread rapidly, and have performed a useful function for the Carlsbad Irrigation District by holding back sediment and thereby preventing the deposit of that sediment in the reservoir. However, in performing this useful function for man, the salt cedars are taking a heavy toll in terms of consumption of water.

Mr. President, the purpose of the joint resolution is to permit the salvage of irrigation water from the Pecos River. It is desired to authorize the Department of the Interior to construct—for purposes of water salvage and salinity control, in cooperation with the States of New Mexico and Texas—a channel to convey the flows of the Pecos River through the delta at the head of McMillan Reservoir of the Carlsbad reclamation project, a levee and cleared floodway through the delta, and spur drains leading from the delta; and works for the alleviation of salinity in the Malaga Bend area of the Pecos River Basin, in New Mexico, and also to permit the Department, in cooperation with the State of New Mexico, through authorization of the expenditure of funds for rights-of-way, to make highway changes, to engage in bridge construction, and to build an access road.

Mr. President, I ask unanimous consent that a statement prepared by me on the joint resolution be printed in full at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ANDERSON ON SENATE JOINT RESOLUTION 39

I desire to make a brief statement in connection with Senate Joint Resolution 39 which the Senate Committee on Interior and Insular Affairs reported favorably with amendments and the recommendation that the joint resolution, as amended, do pass.

The resolution was sponsored by myself, the distinguished senior Senator from New Mexico [Mr. CHAVEZ], and the able Senators from Texas [Mr. JOHNSON and Mr. BLAKLEY]. The measure had the unanimous support of the Pecos River Commission, composed of the States of New Mexico and Texas.

I am happy to report that the legislature of the State of New Mexico has authorized appropriation of $290,000 to meet our State's share of the construction costs of the works. The purpose of the project, as Report No. 192 explains in detail, is to salvage greatly needed irrigation-water supplies in the Pecos River for the existing reclamation project at Carlsbad, and the Red Bluffs project in Texas, as well as other irrigated lands in both States. In addition, an important feature of the project is to alleviate salinity conditions in the Malaga Bend area in New Mexico, and thus make available for irrigation purposes additional supplies of water in that section. The principal works of the project are:

1. A channel to convey flows of the Pecos River (an interstate stream) below Alamogordo Dam in New Mexico through the delta at the head of McMillan Reservoir of the Carlsbad reclamation project, a levee and cleared floodway through the delta, and spur drains leading from the delta.

2. Works for the alleviation of salinity in the Malaga Bend area of the Pecos River Basin in New Mexico.

It was the unanimous feeling of the Senate Committee on Interior and Insular Affairs that the salvaging of irrigation-water supplies in the Pecos Basin is essential to the maintenance of the economy of that area which has been and continues to be threatened by continuing drought, salt cedar infestations, and other factors which require effective physical works to combat.

The benefit-cost ratio of the project is 1.6 to 1, but the widespread indirect benefits will be even greater.

Mr. JOHNSON of Texas. Mr. President, I wish to take this opportunity to commend the distinguished Senator from New Mexico and the entire Committee on Interior and Insular Affairs, over which he presides, for the efficiency with which they have handled this measure. It is an important bill which would authorize the construction of water conservation projects to provide a more adequate supply of water for irrigation purposes in the Pecos River Basin, in New Mexico and Texas. In that river basin there are dams and there are irrigation systems. However, the flow of water through the irrigation systems is threatened with serious depletion as the result of the development of certain barriers and large deposits of sediment. Certain large deposits of salt have also constituted a complicating factor. The purpose of the pending measure is to reduce to a minimum these interferences with the irrigation systems.

I am glad the committee has acted so promptly and unanimously, and it will mean much to the people in the area if favorable action is taken on this measure.

Mr. ANDERSON obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. KNOWLAND. Of course I have no objection to having the joint resolution considered. The majority leader has spoken to me about it, and about the importance of the project to which it relates. I have just sent for a copy of the report.

I wish to ask whether the report shows the estimated cost of the project, and I should like to ask whether the Senator from New Mexico can state it for the RECORD.

Mr. ANDERSON. Approximately $2½ million, I will say to the Senator, and I will also say to him that the State of New Mexico has already authorized $290,000 for acquisition of rights-of-way essential for the project.

The PRESIDING OFFICER. The committee amendments will be stated.

The amendments of the Committee on Interior and Insular Affairs were, on page 3, line 13, after the word "this", to strike out "Act" and insert "joint resolution"; on page 5, line 7, after the word "this", to strike out "Act" and insert "joint resolution"; in line 18, after the word "this", to strike out "Act" and insert "joint resolution"; in line 23, after the word "this", to strike out "Act" and insert "joint resolution"; and on page 6, line 4, after the word "this", to strike out "Act" and insert "joint resolution"; so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior is authorized to construct, upon a nonreimbursable basis, a 1,500-cubic-foot-per-second water-salvage channel, levee, cleared floodway, and spur drains sufficient to drain McMillan Delta in the Pecos Basin in New Mexico substantially in accordance with the plans described in the report of the Secretary of the Interior entitled "McMillan Delta Project, Pecos River Basin, New Mexico," House Document No. 429, 84th Congress, but with such modifications of, additions to, and deletions from said plans as the Secretary may find appropriate to accomplish the purposes of this joint resolution: *Provided, however*, That no money shall be appropriated for, and no work commenced on the clearing of the floodway called for in said report unless provisions shall have been made to replace any Carlsbad irrigation district terminal storage which might be lost by the clearing of the floodway: *Provided further*, That prior to construction of the water-salvage channel the Secretary shall, unless clearance of the floodway is then assured, analyze the adequacy of the designed floodway levee and make such new designs therefor as will assure substantially the same standards of flood protection as would be achieved by the presently contemplated levee with a cleared floodway. The Secretary shall not proceed with the construction of such channel until (1) he has adequate assurance from the State of New Mexico that it will, as its share of the costs of construction of such channel, acquire such rights-of-way, complete such highway changes, and construct such bridges as may be necessitated by the construction of such channel and that it will build an access road to such channel, and (2) he has adequate assurance from the Pecos River Commission or other State and local agencies in New Mexico and Texas that such commission or agencies in New Mexico and Texas will operate and maintain such channel and other works authorized in this section.

SEC. 2. The Secretary of the Interior is authorized to construct upon a nonreimbursable basis, works for the alleviation of salinity in the Pecos River Basin, New Mexico, substantially in accordance with the report entitled "Possible Improvement of Quality of Water of the Pecos River by Diversion of Brine, Malaga Bend, Eddy County, N. Mex.," prepared by the Water Resources Division, Geological Survey, and dated December 1954, but with such modifications of, additions to, and deletions from said plans as the Secretary may find appropriate to accomplish the purposes of this joint resolution. The Secretary shall not proceed with the construction of such works until (1) he has adequate assurance from the State of New Mexico that it will, as its share of the costs of construction of such works, acquire such rights-of-way for wells, pipelines, and disposal areas as may be necessitated by the construction of such works, and (2) he has adequate assurance from the Pecos River Commission or other State and local agencies in Texas that Texas or local agencies therein will operate and maintain such works.

SEC. 3. The projects constructed under the authority of this joint resolution shall, except as otherwise provided herein, be governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), to which laws this act shall be a supplement.

SEC. 4. Nothing contained in this joint resolution shall be construed to abrogate, amend, modify, or be in conflict with any provisions of the Pecos River compact.

SEC. 5. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purpose of this joint resolution.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was amended so as to read:

Whereas there has been an inadequate supply of water for beneficial consumptive uses in the Pecos River Basin, New Mexico and Texas, for a number of years; and

Whereas in recent years the shortage of water for beneficial consumptive uses in such basin has been aggravated by reason of the nonbeneficial consumptive use of water by salt cedars in such basin and by reason of the infiltration of brine into such river; and

Whereas the States of New Mexico and Texas, with the consent of Congress, entered into a compact in 1948 with respect to the Pecos River and one of the principal purposes of such compact was to provide for cooperation between the Federal Government and the States of New Mexico and Texas in studies and projects designed to make available a greater supply of water for beneficial consumptive uses in such basin; and

Whereas the Bureau of Reclamation and the Geological Survey, after investigation of certain conditions causing the shortage of water in the Pecos River Basin, have made reports in which they have respectively considered, for the purpose of alleviating such shortage, engineering and other aspects of the construction of a water salvage channel in such basin and the construction of works for the alleviation of salinity in such basin; and

Whereas the construction of such channel and works are estimated to cost $2,600,000 and $150,000, respectively, and the annual operation and maintenance costs for such channel and such works are estimated to be $55,300 and $4,300 a year, respectively; and

Whereas the States of New Mexico and Texas are ready and willing to make substantial contributions to the cost of construction of such channel and works if the United States will join with them in bearing such costs; and

Whereas State and local agencies in New Mexico and Texas are ready and willing to undertake equitably the financial burden of operating and maintaining such channel and works, and State and local agencies of Texas are ready and willing to undertake the financial burden of operating and maintaining the works for the alleviation of salinity in the Pecos River; and

Whereas the Legislature of the State of New Mexico has authorized the appropriation of $290,000 to meet that State's share of the construction costs of the works; and

Whereas the value of benefits which will accrue to the United States from the construction of such channel and works, including restoration of the ability of water users in such basin to pay their contractual obligation of approximately $3,500,000 to the United States, are substantially in excess of the share of the costs of construction of such channel and works to be borne by the United States: Now, therefore, be it

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CONSTRUCTION OF THE SAN ANGELO FEDERAL RECLAMATION PROJECT, TEX.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 189, Senate bill 42.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 42) to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment.

Mr. WILLIAMS. Mr. President, I ask for an explanation of this bill. If I understand correctly, the bill proposes to authorize the Secretary of the Interior to provide funds to construct and operate a reclamation project for the purpose of bringing into production approximately 10,000 acres of new land. Is that correct?

Mr. JOHNSON of Texas. That is correct except that instead of bringing unused land into production, it will provide supplemental water for the irrigation of about 10,000 acres which have been served by wells that are going dry as a result of the continuing drought.

Mr. WILLIAMS. I recognize that over the long range a part of this amount would be reimbursable to the Government. Under normal circumstances, and if we needed more agriculture production I could see a lot of merit to the bill. But why spend money to bring 10,000 acres into production when we have another agency of the Government operating a farm soil bank under which they are paying farmers to take land out of production. Our warehouses are full of surplus crops, and it does not make sense to authorize a project which will bring 10,000 additional acres under cultivation. After this land has been brought into production at a substantial cost, then I suppose the Agriculture Department will pay them to put this same acreage in the soil bank.

This represents a bureaucrat's theory of perpetual motion at the taxpayers' expense.

Mr. ANDERSON. I may say to the Senator from Delaware that the same argument could be made in connection with the upper Colorado storage project. Language was written into that bill which would prevent, for a period of 10 years, production on newly irrigated land of crops which were already in surplus production. Last year the Senate passed a bill similar to this without such a restriction. We have the restriction this year. For a period of 10 years no crop which is in surplus production can be cultivated on this type of land.

I may say to the Senator the entire 10,000 acres are now being cultivated, but it is a drought area, and the Government is paying drought benefits, whereas if the water could be provided from surface sources, the land could be regularly used. The bill is not designed to bring new acres under cultivation, but to provide supplemental water.

Mr. JOHNSON of Texas. A very important part of the project is flood control. I will say to the distinguished Senator from Delaware—and I assume he was present, because he is very diligent—that we acted on a similar bill last year without objection. The committee had hearings both this year and last and reported the bill unanimously, without objection.

The bill is favored by the minority as well as by the majority.

Mr. WILLIAMS. That may be, but it has not been cleared so far as the merits of the project are concerned.

I note in the committee report the Bureau of the Budget has written a letter to the Committee on Interior and Insular Affairs, in which letter it is stated:

The Department of the Interior has not submitted its final report on the proposed San Angelo project under procedures prescribed in Executive Order 9384. Until such a report is received, we have no basis for appraising the merits of the proposal.

I may be the only Member of the Senate that objects, but I am not in favor of authorizing $30 million for one agency to bring new land into production and then tomorrow vote more millions to take this same acreage out of production. These contradictory policies have got to be stopped or the taxpayers and farmers will all be broke.

The Bureau of the Budget asks that the bill be held up until its merits can be established. Under the circumstances, would it be agreeable to the majority leader to let this measure go over until at least next week so we can study it further?

Mr. ANDERSON. Let me say to the Senator from Delaware that the Department of the Interior reported fully upon the bill last year. I think that was one of the reasons why the Department did not report too promptly this year.

Furthermore, the committee added a provision, which is on the very first page of the report, that would prevent use of

project water on new land for crops for 10 years.

I may say to the Senator that the great bulk of the authorization goes for a flood-control project. Three streams drop water near San Angelo. At the present time one of them is dammed, but if the other two streams could be controlled at their confluence, it would make possible a municipal water supply. That makes the project really feasible. More than one-third of the entire project is charged to flood control alone.

The bill came to us with strong recommendations. The representatives of the Bureau of Reclamation were favorable to it. They had no objection to the project at all and supported it. As a matter of fact, the project has one of the highest cost-benefit ratios of any project before the Committee on Interior and Insular Affairs in years.

Mr. WILLIAMS. I appreciate that. I was quoting the Bureau of the Budget, not the Department of the Interior, at the time I read from the letter. I am not making objection to all the features of the bill, but I think a serious question is raised when it is proposed to bring into production 10,000 acres of new land at a time when we have an oversupply of practically all agricultural commodities.

If I read it correctly, the prohibition referred to is only against production of basic agricultural commodities. Line 6, on page 4 of the bill, relates to the production "of any basic agricultural commodity, as defined in the Agricultural Act of 1949."

There are many nonbasic commodities which can be used in direct competition with basic commodities. In view of the inventory record of the Department that all agricultural commodities at the moment are in overproduction; why not let the bill go over until we can clarify this question.

Certainly there is no rush for this bill. If it is found to be meritorious, it can be passed later, or this provision can be deleted.

Mr. ANDERSON. I can only say this happens to be an area in which there has been and in which there continues to be substantial oil production. It is in the vicinity of San Angelo, Midland, and Odessa. The principal crop which will be grown on this particular land will be, very largely, alfalfa. The other crops will be used in the dairying business, in supplying fresh milk for this particular locality.

I can only say this bill does not involve the ordinary agricultural problems.

I see my able friend from North Dakota [Mr. YOUNG] on his feet.

The land has not produced cotton, wheat, or peanuts. Cotton may have been grown on it at one time, but I do not think that is its principal crop at all. It certainly does not produce rice, or tobacco, or corn.

Mr. WILLIAMS. But there could be produced on the land many other crops of which we have an oversupply, and which are bulging the storage elevators of the Department of Agriculture. Let us consider the American taxpayers for a change.

Mr. ANDERSON. I have great respect for the distinguished Senator from Delaware, and we have served together on the committee. I am not sure as to grain sorghums, but I can say the alfalfa situation is not one which could cause the slightest difficulty, because I happen to produce alfalfa, and the trucks from Texas come up to this area all the time searching for alfalfa because it is in demand.

Mr. YOUNG. We are shipping alfalfa as far south as Texas, although large freight rates are involved and a considerable Government subsidy. It certainly would be far more economical to provide for some production in the locality, so as to be sure of a hay supply in that area.

Mr. ANDERSON. I appreciate the Senator's statement, but this project is not primarily for cattle production. It is primarily for dairying and to supply fresh milk to the areas around it.

I am sure that what the Senator from North Dakota has just said about the shipment of hay, with respect to which the Government has contributed a portion of the cost, is correct, because several hundred tons of hay moved from my own farm into this Texas area last year.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. This land would not produce rice, would it?

Mr. ANDERSON. No; it would not. Rice is grown where there is an abundant supply of water. The condition of this land is quite the reverse. It is a dry area.

Mr. AIKEN. Is it likely that it would be devoted to the production of long staple cotton?

Mr. ANDERSON. No; but it might produce cotton, if cotton acreage could be obtained in that area. However, it is an area which has never produced cotton. As the Senator knows, several thousand acres of cotton land must be accumulated before a gin becomes available, and production becomes desirable. This land is used primarily for the production of wild hay, native hay, and alfalfa. I think those are the only crops which can be produced there now.

Mr. AIKEN. Suppose the cotton supply of the country were to drop to normal in another year, which would make this land eligible for the production of cotton. Then suppose the supply of cotton should increase. Would it then become ineligible?

Mr. ANDERSON. It certainly would become ineligible, because it would not live long enough to get a history.

Let me say also to the Senator from Vermont that I do not believe this land would be used for the production of cotton. I have not only flown over it, but I have been engaged in operations which required me to travel over the land. I do not think this area has the type of soil which is desirable for the production of cotton.

Mr. AIKEN. It is in the heart of the sheep-raising country, is it not?

Mr. ANDERSON. Yes. There is a great deal of cattle grazing around it. The use of the cultivated land is to provide alfalfa, primarily for dairying purposes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MORSE. I should like to say a word in support of the bill from another standpoint. I should like to have the attention of the distinguished Senator from Delaware [Mr. WILLIAMS], for whom I have the highest esteem.

We have been discussing the bill from the standpoint of the crops which might be produced in the future. We have such production under our legislative control. If it is necessary, we can amend the pertinent agricultural legislation to control any undesirable practices which may develop.

However, I plead for this bill and other bills like it which I hope will be forthcoming, because of the water conservation aspects. I heard the Senator from Oklahoma [Mr. KERR] make one of the most able arguments late the other afternoon, when only 3 Senators were present, at the close of the day, in connection with the so-called omnibus bill. The Senator from Oklahoma raised his voice to forewarn the American people as to what they must wake up to quickly. I refer to the conserving of water resources. The Senator from Oklahoma pointed out in his brilliant speech what is happening to the water table of America in many places in our country. Again I stress the point which the Senator from Delaware has heard me make so often, that civilizations go down when water tables go down.

Senate bill 42 is a sound water conservation measure. That is one of the things we must keep in mind when we are dealing with so-called reclamation projects. We are spreading out the water, much of which would otherwise be wasted and flow into the ocean. The land would not get the benefit of it. But as we spread out the water we help to preserve the water tables of the country. I would vote for the bill if it did not have a single irrigation feature in it, so far as products are concerned, because I think it is a sound water-conservation measure, and I urge its passage on that ground.

Mr. ANDERSON. Mr. President, I appreciate the contribution of the Senator from Oregon. We are greatly concerned, in the Committee on Interior and Insular Affairs, over the fact that water consumption has moved up to an average figure of 1,470 gallons a day per person.

The San Angelo project has a very interesting significance to many of us. When the President of the United States started on his drought survey tour, he took with him the Secretary of Agriculture, and I believe also the Secretary of the Interior. They stopped at San Angelo. They went into this very area to see for themselves the drought conditions.

We need to take remedial action in connection with drought spots. I have lived with the drought problem for quite a while. The capital of the Dust Bowl was very close to my home at one time. I know something concerning the efforts which have been made to restore such

areas. San Angelo is in the drought area. As the Senator from Oregon has pointed out, the conservation of water is our first great concern. This project appealed to me in the beginning because it was said that we must save the water which exists, and not let it flow away from the drought section of Texas. The Secretary of the Interior is enthusiastically supporting the bill. I believe that it represents a worthwhile project.

Mr. WILLIAMS. Mr. President, I certainly agree with both the Senator from New Mexico and the Senator from Oregon as to the importance of the water conservation. I fully recognize that water conservation is one of the problems not only in Texas and Arizona but throughout the country, but that is not the point at issue.

The point which gives me concern is the proposal that the water be used at this time to bring into cultivation 10,000 acres of land to produce crops which are already in oversupply. This is not water conservation and certainly not taxpayer dollar conservation. I can go along with the water conservation projects, so that at a later date water will be available for irrigation purposes wherever it is needed. But I do not understand why we should spend $30 million now to bring into production 10,000 acres of land, and then send another Government agency out to the owners of the land to offer them $40 or $50 an acre to put the same acreage in the soil bank and not use it. I think we must make up our minds whether or not we need this increased production at this time.

This is land which is not now in production, nor is in semiproduction, but it can be brought into production later. The land is there. If we conserve our water resources, we can use the land in years to come if it becomes necessary. But this bill proposes bringing 10,000 acres of land into production now. If we continue this revolving process, the taxpayers will become dizzy.

Mr. JOHNSON of Texas. Mr. President, I appreciate the concern of the Senator from Delaware, and I have sympathy with it. I wonder if the Senator is fully aware of the serious drought conditions of this particular section of the country.

In view of the very thorough explanation given by the distinguished Senator from New Mexico [Mr. ANDERSON], chairman of the subcommittee, and a former distinguished Secretary of Agriculture, I do not think the situation feared by the Senator from Delaware would ever develop.

The irrigation feature is a somewhat incidental part of the project, but it is an important part. The situation has been such that it has been necessary for the State to agree to this project before we could develop the plan which the Department of the Interior wanted us to evolve in order to meet its approval. The Lower Colorado River Authority, a State agency, has waived its rights in the matter, and we have worked out a plan with the local water districts for obtaining from them payments of considerable size for municipal water. These payments, together with the irrigation payments, make this a very desirable project, and one which the people themselves can support, and on which they can make repayments.

At the present time there is high unemployment in the particular area. We have had 10 dry years. The President, the Secretary of Agriculture, and other members of his Cabinet attempted to dramatize the situation by going there and spending a day or two in this very area.

This is not a question of bringing new acreage into production. It is a question of salvaging land now inhabited by families who have watched their livelihood dwindle away with drought and falling water tables.

We cannot make rain, but when the rain comes we can take steps to conserve the water which falls. I believe it was in the fall of 1952 that we had 22 inches of rain in 24 hours. It did the people no good, because the water ran into the sea. If we had had dams and reservoirs there, with which to conserve the water, we could certainly have made use of it for municipal purposes and for irrigation purposes, and we would have had protection provided against floods.

This project would return benefits at a rate of 2.44 to 1. It would bring the security of a firm water supply to the progressive city of San Angelo.

I believe this is one of the better projects that has been reported. The committee held hearings last year. The distinguished members of the minority who served on the committee asked that witnesses be called. The witnesses were called. The Department of the Interior under the present administration stated last year that the project was recommended.

I will say to the Senator from Delaware that this is a matter which is highly important to my State, but I ask only that it receive the same consideration worth while projects in other States have received. I know of no project reported by the committee which has received more careful attention than the one now before the Senate.

The Senator from New Mexico [Mr. ANDERSON] has held hearings on it, both last year and this year. It must be remembered that last year a similar bill was fully debated and discussed by the Senate and passed by unanimous vote. However, it was too late in the session last year to have the bill passed by the House. It was considered too late, principally because the project report was delayed.

I finally urged the Secretary of the Interior to take steps to expedite the matter, and he did. However, we could not proceed in time for action in the House. I hope we will not get into the same situation this year.

Mr. WILLIAMS. Perhaps I have been misinformed, but, if so, then the report is in error. I thought I understood the Senator to say that the Department of the Interior had submitted its report and had recommended the project. That is not in accord with my understanding.

On page 14 of the committee report there appears a letter from the Bureau of the Budget, signed by Mr. Merriam, Assistant Director. The letter is addressed to the chairman of the Committee on Interior and Insular Affairs. In the letter Mr. Merriam states:

> The Department of the Interior has not submitted its final report on the proposed San Angelo project under procedures prescribed by Executive Order 9384. Until such a report is received we have no basis for appraising the merits of the proposal.

If the report to which the Senator refers has been received since this time, and it is available, perhaps it would clear up some questions I have.

Mr. JOHNSON of Texas. Perhaps we are talking about two different types of reports. The report I have in mind is on page 11 of the committee report. It is dated July 16, 1956.

Mr. WILLIAMS. That is correct, but the second letter referred to also deals with a section of this same bill.

Mr. JOHNSON of Texas. It goes into some detail on the project. It concludes with the statement:

> The Bureau of the Budget has advised that there would be no objection to the submission of this report.

Prior to the submission of that report, I talked with the Secretary of the Interior. I was of the opinion that the Department and the Bureau of the Budget felt this was a worthy project, and the Secretary cooperated in making this report to the committee. The Senate felt it was worthy enough to justify its passage by a unanimous vote.

Mr. WILLIAMS. I might say that there are many features about the bill with which I would be in complete agreement. Even as to the section to which I am raising question, it may be possible to resolve that question if I could get some further information as to the production that would be involved, but I do not want to agree to authorizing $30 million to bring more acreage into production of crops now in surplus.

Mr. ANDERSON. I would say to the Senator from Delaware that in the report we have made reference to the fact that this project is a 5-year departmental program. This land will not be brought into cultivation tomorrow. It will take considerable time. First of all, it will take several years to construct the dam and several years to get the water on the land. Then, following that, it will take some years before the supplemental water can be brought into use on the land. I would not worry in the slightest that the type of crop that will be produced on the land as being in competition with the agricultural surplus. I do not think that will happen at all.

Mr. WILLIAMS. What is the approximate cost per acre of bringing this land into production?

Mr. ANDERSON. The amount chargeable to irrigation is $9 million, of which a portion would be repayable from irrigation. The remainder would be repayable from other uses. I would judge that the average charge per acre would be about $86 per acre-foot, or from $125 to $135 per acre for 2 feet of water.

Mr. WILLIAMS. Mr. President, I do not wish to delay action on the bill. Personally, I shall vote against the bill, because it just does not make sense to me

to authorize one Government agency to spend $125 an acre to bring into production 10,000 acres of land, while at a time we are authorizing the Department of Agriculture to pay out money under a soil-bank plan to take a similar number of acres out of production. The bill should be held over until such time as more information would be available. We will never balance our Federal budget unless we stop these contradicting policies. I shall vote against the bill.

Mr. ANDERSON. I merely wish to add that I have just now checked again, and I find that a representative of the Department of the Interior was at the hearing, and a representative from the Bureau of Reclamation spoke in behalf of the project. A representative of the Bureau of Reclamation was also present, and he spoke in behalf of the project.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The clerk will state the amendment of the Committee on Interior and Insular Affairs.

The amendment was on page 4, line 2, after the word "pay", to insert a colon and *"Provided*, That for a period of 10 years from the date of enactment of this act, no water from any participating project authorized by this act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized to construct, operate, and maintain the San Angelo Federal reclamation project, Texas, for the principal purposes of furnishing water for the irrigation of approximately 10,000 acres of land in Tom Green County and municipal, domestic, and industrial use, controlling floods, providing recreation and fish and wildlife benefits, and controlling silt. The principal engineering features of said project shall be a dam and reservoir at or near the Twin Buttes site, outlet works at the existing Nasworthy Dam, and necessary canals, drains, and related works.

Sec. 2. (a) In constructing, operating, and maintaining the San Angelo project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), except as is otherwise provided in this act.

(b) Actual construction of the project shall not be commenced, and no construction contract therefor shall be awarded, until a contract or contracts complying with the provisions of this act have been entered into for payment of those portions of the construction cost of the project which are allocated to irrigation and to municipal, domestic, and industrial water.

(c) In furnishing water for irrigation and for municipal, domestic, and industrial uses from the project, the Secretary shall charge rates with the object of returning to the United States over a period of not more than 40 years, exclusive of any development period for irrigation, all of the costs incurred by it in constructing, operating, and maintaining the project which the Secretary finds to be properly allocable to the purposes aforesaid and of interest on the unamortized balance of the portion of the construction cost which is allocated to municipal, domestic, and industrial water. Said interest shall be at the average rate, which rate shall be certified by the Secretary of the Treasury, paid by the United States on its marketable long-term securities outstanding on the date of this act. When all of the said costs allocable to said purpose incurred by the United States in constructing, operating, and maintaining the project, together with the said interest on the said unamortized balance, have been returned to the United States, the contracting organization or organizations which have thus reimbursed the United States shall have a permanent right to use that portion of the storage space and the project thus allocable to said uses.

(d) Any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193, 43 U. S. C. 485h (d)) for payment of those portions of the costs of constructing, operating, and maintaining the project which are allocated to irrigation and assigned to be paid by the contracting organization may provide for repayment of the portion of the construction cost of the project assigned to any project contract unit or, if the contract unit be divided into two or more irrigation blocks, to any such block over the period specified in said section 9, subsection (d), or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the irrigators to pay: *Provided*, That for a period of 10 years from the date of enactment of this Act, no water from any participating project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

(e) Contracts relating to municipal, domestic, and industrial water supply may be entered into without regard to the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939, and such contracts may recognize the relative priorities of domestic, municipal, industrial, and irrigational uses.

(f) Upon request of a contracting organization, the Secretary may at any time and shall after payment of the reimbursable costs of the project has been completed transfer to the requesting organization, or to another organization designated by it and satisfactory to him, the care, operation, and maintenance of any project works which serve the requesting organization and do not serve any other contracting organization. The care, operation, and maintenance of project works which serve two or more contracting organizations may or shall, as the case may be, be transferred in like circumstances to an organization satisfactory to all of said organizations and to the Secretary. Any transfer made pursuant to the authority of this section shall be upon terms and conditions satisfactory to the Secretary, and the works transferred shall be operated and maintained without further expense to the United States. If the transferred works serve a flood control or fish and wildlife function, they shall be operated and maintained in accordance with regulations with respect thereto prescribed by the Secretary of the Army and the Secretary of the Interior, respectively, and upon failure so to operate or maintain them they shall, upon demand, be returned immediately to the Secretary of the Interior.

Sec. 3. The Secretary is authorized to construct minimum basic recreational facilities at the Twin Buttes Reservoir and to operate and maintain or arrange for the operation and maintenance of the same. The costs of constructing, operating, and maintaining such facilities and like costs of the San Angelo project allocated to flood control and to the preservation and propagation of fish and wildlife shall, except as is otherwise provided in this Act, be nonreimbursable and nonreturnable under the reclamation laws. The Secretary shall, upon conclusion of a suitable agreement with a qualified agency and subject to such conditions as may be set forth in the repayment contracts, permit said agency to construct, operate, and maintain additional public recreational facilities and parks in connection with the project to the extent determined by the Secretary to be consistent with its primary purposes and subject to terms and conditions satisfactory to him.

Sec. 4. There are hereby authorized to be appropriated for construction of the works authorized by this Act $30 million plus such additional amounts, if any, as may be required by reason of changes in the costs of construction of the types involved in the San Angelo project as shown by engineering indices. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 187, S. 1549.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1549) to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. MORSE. Mr. President, I should like to ask the majority leader if, before the Senate concludes its business this afternoon, he would be disposed to do a little council work for the Committee on

the District of Columbia by bringing up for consideration Calendar No. 180, Senate bill 685, to extend the life of the District of Columbia Auditorium Commission. The bill has been reported with some amendments.

If any debate develops, I shall withdraw the bill immediately after it is taken up. I am sure it is merely a pro forma matter, but it is of considerable procedural importance.

Mr. JOHNSON of Texas. I appreciate very much the interest of the Senator from Oregon in the District of Columbia, particularly the District of Columbia Auditorium Commission. I have taken great pride in the work the Commission has done. We authorized its creation, and I have closely followed the work of the Commission. We have already announced that we would take up the bill today. If it will accommodate the Senator from Oregon, I shall be glad to have the Senate consider Calendar 186, H. R. 4813, a companion House bill to the Senate auditorium bill, as soon as we complete action on the pending measure. I agreed with the Senator from New Mexico to take up his bill first.

Mr. MORSE. That is agreeable to me. I merely wished to inquire whether we could take up the auditorium bill today. At the proper time I shall move to substitute the House bill for the Senate bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] that the Senate proceed to the consideration of Senate bill 1549.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ANDERSON. Mr. President, I would have liked to make my statement on the bill even shorter than it will be, but this is an important bill, and I shall make my remarks reasonably short.

S. 1549 would authorize the Atomic Energy Commission to enter into agreements for cooperation with West Germany so that a reactor can be built in West Berlin. An amendment to the Atomic Energy Act of 1954 is necessary to accomplish this purpose since agreements for cooperation under the Atomic Energy Act can only be entered into with a nation. Under the peculiarities of the West Berlin situation, while the agreement would be made with West Germany, the agreement would have to be approved by the three commandants of the British, French, and American sectors in Berlin. Only they can give the guaranties which are required for all agreements for cooperation by section 123 of the Atomic Energy Act of 1954; namely, that any material to be transferred will not be used for atomic weapons, or for research or development of atomic weapons, or for any other military purpose, and that any material transferred will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party.

The State Department is most anxious to have a swimming pool research reactor built in West Berlin, since West Berlin is considered the showcase of the Western World in the heart of Communist Germany. It is expected that the Russians will be building a research reactor in Dresden.

The reactor will be built in the American zone and will be subject to the control of the commandant of the American zone at all times.

H. R. 5866, which is identical with S. 1549, has been passed by the House, transmitted to the Senate, and referred to the Joint Committee on Atomic Energy. I now ask unanimous consent to discharge the joint committee from further consideration of H. R. 5866 in order to pass H. R. 5866 in lieu of S. 1549, and to postpone indefinitely any further action on S. 1549.

Mr. AIKEN. Mr. President, I should like to ask the Senator from New Mexico how long it will be before we will have reactors constructed in some parts of the United States where the people are completely at the mercy of those who charge exorbitantly high rates for power.

Mr. ANDERSON. I am happy to say to my able and distinguished friend from Vermont, with whom I have discussed this problem, I believe substantial progress is now being made in the development of reactors which will be appealing to the people of the area represented by the Senator from Vermont. This, however, is a wholly different type of reactor. This is the swimming-pool type of reactor, almost identical with the one which the United States Government had on display at the Geneva Atoms-for-Peace Conference. It is small, used only to demonstrate how the reactor will work.

Mr. AIKEN. Am I correctly informed that one of the members of the Atomic Energy Commission testified the other day to the effect it would be advisable to put a demonstration reactor in those areas of the country where excessively high rates prevail for electric energy at present, and where fuels such as coal and gas are not readily available?

Mr. ANDERSON. I am happy to say to the Senator that there was testimony by the member of the Commission that naturally reactors built for power would first be economically feasible in those sections of the country where power rates are rather high.

Mr. AIKEN. I represent in part a State where rates for electric energy are reported to be higher than those of any other State in the Union. Our people certainly would welcome any move by the Federal Government to reduce power rates in that area.

Mr. ANDERSON. I will say again to the distinguished Senator, I have discussed this matter with him——

Mr. AIKEN. I hereby speak for one of the first reactors constructed under the Government program.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. At whose expense would this reactor be erected in Germany, and what would the cost be?

Mr. ANDERSON. The United States Government will construct it, but the West Berlin government will pay the United States Government for the cost thereof. I do not know that I should attempt to give the Senator an answer as to the cost, except to say I believe the reactor we sold to Switzerland cost somewhere in the neighborhood of $500,000, and my guess is this one will cost between $500,000 and $600,000.

Mr. ELLENDER. Would the entire expense be borne by the West Berlin government?

Mr. ANDERSON. It would be borne by the West Berlin government.

Mr. President, I move that the Joint Committee on Atomic Energy be discharged from the further consideration of House bill 5866, and that the Senate proceed to its consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes which was ordered to a third reading, was read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1549 is indefinitely postponed.

EXTENSION OF LIFE OF DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 186, House bill 4813, to extend the life of the District of Columbia Auditorium Commission, and for other purposes. I understand that later a motion will be made to substitute the language of Senate bill 685, to extend the life of the District of Columbia Auditorium Commission, as proposed to be amended, for the provisions of the House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes.

Mr. MORSE. Mr. President, the purpose of this bill—and I speak temporarily of S. 685, the companion bill to H. R. 4813—is to extend the life of the District of Columbia Auditorium Commission, and to change the name of that Commission. The act of July 1, 1955, created a Federal commission to formulate plans for the construction in the District of Columbia of a civic auditorium, including an Inaugural Hall of Presidents and a music, fine arts, and mass communications center. Enactment of the pending bill would accomplish the following:

First. Change the name of the Commission from District of Columbia Auditorium Commission to Commission for a National Cultural Center, and likewise, the designation would be changed from national civic auditorium to national cultural center.

Second. Authorize the Commission to select and acquire, by purchase, condemnation, gift, transfer from any Federal agency, or otherwise, a suitable site in the District of Columbia for the national cultural center.

Third. Continue the Commission in existence until the construction of the center has been completed.

Fourth. Authorize the Commission to sell copies of reports, recommendations, and any other publications which it might prepare in carrying out its duties.

So, Mr. President, on behalf of the committee I move to strike out all after the enacting clause of H. R. 4813, and insert in lieu thereof the text of S. 685 as proposed to be amended by the Committee on the District of Columbia.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

That the act entitled "An act creating a Federal commission to formulate plans for the construction in the District of Columbia of a civic auditorium, including an Inaugural Hall of Presidents and a music, fine arts, and mass communications center", approved July 1, 1955, as amended, is amended—

(1) by striking out subsection (a) of the first section of such act "District of Columbia Auditorium Commission" and inserting in lieu thereof the following: "Commission for a National Cultural Center";

(2) by striking out in subsection (a) of the first section of such act "national civic auditorium" and inserting in lieu thereof: "national cultural center";

(3) by striking out subsection (c) (1) of the first section of such act and inserting in lieu thereof the following:

"(1) select and acquire, by purchase, condemnation, gift, transfer from any Federal agency, or otherwise, a suitable site in the District of Columbia for the national cultural center referred to in subsection (a);";

(4) by adding at the end of the first section of such act the following new subsections:

"(f) The Commission shall continue in existence until the construction of the national cultural center referred to in subsection (a) of this section has been completed.

"(g) The Commission is authorized to sell (1) copies of the report and recommendations which it made to the President and to the Congress pursuant to the provisions of subsection (c) (4) of this section, and (2) any other publications which it might prepare in carrying out its duties under this act. Any receipts from the sale of any copies of such report, recommendations, and other publications by the Commission shall be deposited in the Treasury of the United States and credited to the current appropriation available for salaries and expenses of the Commission."

Mr. ELLENDER. Mr. President, will the Senator from Oregon tell me how much money is provided to pay for expenses of this Commission?

Mr. MORSE. The Commission has had appropriated $150,000 up to this time to pay expenses until June 30 of this year.

Mr. ELLENDER. Is there a request for more money?

Mr. MORSE. Not at this time. The request is only for the authorization.

Mr. ELLENDER. As I understand, the funds for this purpose are not to be taken from the District funds but from the United States Treasury.

Mr. MORSE. That is correct.

Mr. ELLENDER. There is no request for funds at this time?

Mr. MORSE. Not at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to extend the life of the District of Columbia Auditorium Commission, to change the name of such Commission, and for other purposes."

The PRESIDING OFFICER. Without objection, Senate bill 685 is indefinitely postponed.

PRICE SUPPORT FOR EXTRA-LONG-STAPLE COTTON

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 182, Senate bill 812.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 812) to amend the Agricultural Act of 1949 with respect to price support for extra-long-staple cotton.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 812) to amend the Agricultural Act of 1949 with respect to price support for extra-long-staple cotton.

Mr. ELLENDER. Mr. President, this bill would freeze price support for extra-long-staple cotton at 75 percent of parity, the lowest support level now provided for.

In 1954, at the request of the extra-long-staple cotton producers, Congress provided that the support level for extra-long-staple cotton should be the minimum level provided by the Agricultural Act of 1949—fixed on the basis of the supply percentage at a level between 75 and 90 percent of parity. Under this provision the price-support level for 1955 and 1956 was fixed at 75 percent of parity. The supply situation has now changed so that the level for 1957 would be required to be fixed at above 75 percent of parity. Producers have requested Congress to keep the price-support level at 75 percent of parity on the ground that more domestic extra-long-staple cotton will move into the market at this price.

This bill would not increase the cost of the price-support program for extra-long-staple cotton, and therefore would not require the expenditure of any funds. Since it provides for a lower support price and its purpose is to prevent the movement of extra-long-staple cotton to the Government, it should result in less expenditures under the program.

I think the farmers who grow long-staple cotton, Mr. President, ought to be commended for asking Congress to freeze the support price at 75 percent of parity when, as a matter of fact, they might be able to get a little more than that. In order to have this cotton sold on the market they are requesting Congress to freeze the support price at 75 percent of parity.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. BARRETT. I take it that under the proposed legislation, cotton will move into the market and will not go into the support program. So the bill will result in a saving to the Government of the amount which would be necessary to be paid under the support program.

Mr. ELLENDER. The Senator is correct.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. I do not wish to detain the Senate longer than to say that this is a most interesting agricultural experiment. The growers of long-staple cotton will assess themselves $3 a bale. They have very elaborate sales agencies throughout the country for the moving of the cotton into commercial channels. Not a bale of this cotton will move under the loan program, but the producers will have increased the consumption of this type of cotton tremendously.

I congratulate the Senator from Louisiana for having given us so prompt a report on the bill.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the letter addressed to me by the Department of Agriculture under date of March 15, 1957, be printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 15, 1957.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of January 24, 1957, for a report on S. 812, a bill to amend the Agricultural Act of 1949, with respect to price support for extra-long-staple cotton.

The Department favors enactment of the bill.

The bill amends section 101 (f) of the Agricultural Act of 1949, as amended, to provide that the level of price support for the 1957 and succeeding crops of extra-long-staple cotton shall be the same percent of the parity price as for the 1956 crop. The price support level for the 1956 crop was 75 percent of parity; therefore, the bill would have the effect of freezing price support for this cotton at 75 percent of the parity price.

Existing law provides price support for extra-long-staple cotton at from 75 to 90 percent of parity, depending on the supply percentage. However, the law requires that the level of support be at the minimum level for the supply percentage. Operating under 75 percent for the 1955 and 1956 crops, the growers have found increased markets both at home and abroad for this cotton. In fact, the supply situation has changed so that unless the present law is amended the supply percentage may be such as to require a price-support level for the 1957 crop substantially higher than 75 percent, notwithstanding the fact that the 1957 national acreage allotment is nearly twice as large as the 1956 allotment.

The bill would not increase the cost of the price-support program for extra-long-staple cotton.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. JOHNSON of Texas. Mr. President, I am under the impression that the minority leader, the distinguished Senator from California, told me he had cleared Calendar No. 182, S. 812, but I am not positive. I am attempting to communicate with him at the moment. I think it will be satisfactory to proceed to pass the bill. If it develops that the minority leader had not cleared the bill, I shall move to reconsider the vote whereby it was passed.

Mr. ANDERSON. Mr. President, I wish to tell the distinguished majority leader that the Senator from Arizona has joined with me in promoting this development for a long time. I believe all the long-staple cotton is produced in the States of Arizona and New Mexico and the western portion of Texas. If there should be any question about the clearing of the bill by the minority leader, we naturally would want the passage of the bill rescinded later.

Mr. AIKEN. As one of the acting leaders on this side of the aisle, I have been asked if I knew of any objection to the bill. I said I had heard none. I assume if there had been objection, it would have been made known to the leadership. I know of no objection. The committee reported the bill unanimously. If we have a bill which will make everyone happy, I want to see it passed.

Mr. JOHNSON of Texas. I think the distinguished minority leader told me before he left that the bill had been cleared. I am going to let it pass. But if for any reason I am mistaken, I will move to reconsider the action by which it was passed.

Mr. BARRETT. I am quite certain the distinguished majority leader is correct. The Senator from California, the minority leader, asked me to have Calendar No. 183, S. 1314, held up temporarily until he could return. That is the only bill he mentioned to me.

Mr. JOHNSON of Texas. With that understanding, the Senate can act on this bill. But in the event the Senator from California asks to have its passage rescinded, I will move to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of section 101 (f) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"The provisions of this act relating to price support for cotton shall apply severally to (1) American upland cotton and (2) extra-long-staple cotton described in subsection (a) and ginned as required by subsection (e) of section 347 of the Agricultural Adjustment Act of 1938, as amended, except that, notwithstanding any of the foregoing provisions of section 101 of this act, the level of support to cooperators for the 1957 and each subsequent crop of extra-long-staple cotton, if producers have not disapproved marketing quotas therefor, shall be the same percent of the parity price as for the 1956 crop."

CONSTRUCTION OF WOODROW WILSON MEMORIAL BRIDGE OVER POTOMAC RIVER

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 179, S. 78, the Potomac River bridge maintenance and operation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 78) to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, Public Law 534, 84th Congress, amended Public Law 704 of the 83d Congress so as to authorize and direct the Secretary of Commerce to construct a six-lane bridge over the Potomac River from a point at or near Jones Point, Va., to a point in Maryland.

This act also provided that the bridge would be maintained and operated by the States of Virginia and Maryland.

The purpose of this bill, S. 78, is to provide that the bridge authorized to be constructed over the Potomac River from Jones Point, Va., to Maryland, shall be maintained and operated by and at the expense of the States of Maryland and Virginia, and the District of Columbia, in accordance with such arrangements as are agreed to by such States and the District of Columbia.

The Department of Highways of the District of Columbia has estimated that the cost of operation and maintenance of the Jones Point Bridge—the Woodrow Wilson Memorial Bridge—after construction will be approximately $60,000 annually. This is the total cost that would be split among the jurisdictions involved.

The Committee on the District of Columbia makes a unanimous report in support of the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the bridge authorized to be constructed by title II of the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 20, 1954, shall be maintained and operated by and at the expense of the States of Maryland and Virginia and the District of Columbia in accordance with such arrangements as shall be agreed upon by such States and the District of Columbia.

REGULATION, CONTROL, AND ERADICATION OF PLANT PESTS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 184, Senate bill 1442.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ELLENDER. Mr. President, the bill would amend subsection (a) of section 102 of the Department of Agriculture Organic Act of 1944, as amended, to include "insect pests, plant diseases, and nematodes, such as imported fire ant, soybean cyst nematode, witchweed."

S. 1442 is enabling legislation and does not of itself create the need for additional funds as the result of extending coverage of the Agricultural Organic Act of 1944 to include all "insect pests, plant diseases, and nematodes." These programs will be funded to the extent possible through the existing contingency funds for emergency outbreaks. In the past when an insect pest or plant disease has reached epidemic proportion, it has often been necessary for the Department of Agriculture to request additional funds on an individual pest or disease basis. With the passage of this bill, the Department would be authorized, in the case of such pests as the imported fire ant, to sit down with responsible State officials, representatives of farm organizations, livestock associations, and other interested groups to determine just what course of action should be taken and the extent of Federal assistance that would be needed in order to insure the success of the program.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement, incorporated in the committee report, which was made before the committee by Dr. M. R. Clarkson, Deputy Administrator, Plant Pest Control Division, of the Agricultural Research Service.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 1442 would broaden the Department's authority to cooperate with the States and localities in the control, eradication, and prevention of spread of insect pests, plant diseases, and nematodes. The bill names the imported fire ant, soybean cyst nematode, and witchweed as examples of the kinds of pests intended to be covered by the legislation. These are in addition to a long list of plant diseases and pests already listed in the Department of Agriculture Organic Act which this legislation would amend.

The imported fire ant is an ant which came into this country from South America about 30 years ago at the port of Mobile, Ala. It was recognized as a destructive insect, but the means were not at hand for prevention of spread and eradication. Accordingly, State and Federal effort was directed toward research to determine ways of controlling the pest, and the resources of the State and Federal extension services were

enlisted to distribute the information obtained from this research to the farmers and other landowners so that they might keep down the infestations on their properties. The research has been successful, and the field experience with the measures used to eradicate the white-fringed beetle in some of the Southern States have shown that the same measures, using granulated dieldrin, chlordane, or heptachlor, are effective to eradicate the imported fire ant. However, the measures are expensive, costing about $5 per acre, and it is necessary to treat rather large blocks of infested land to get adequate protection. If only small spotted areas are treated, the ants soon return from surrounding areas that were left untreated.

During the intervening years since the pests came into this country, it has gradually spread until it now extends from eastern Texas to North Carolina, with the heaviest infestations in Alabama, Mississippi, and Louisiana. Because of the high cost of the treatment and the lack of area controls, especially in low-value lands, the efforts of individual landowners have not been sufficient to hold the ant in check. The past 2 years have brought a great increase of the ants in the infested areas. It is feared that this enormous population buildup will accelerate the rate of spread into new areas if something is not done to prevent it.

From what is known about the important fire ant, it seems likely that its spread into areas of the country where colder winter weather prevails will be slower than it has been in the South, but that is no reason to believe that the ant will not survive in any of the farming regions of the United States if the infestation becomes established there during the warm months of the year. The large mounds constructed by the ants, often 1 to 3 feet above ground and as much as 4 to 5 feet below ground, provide protection against the elements even in areas where winters are quite severe. The shorter growing season and the consequent reduction in the number of generations produced per year in colder areas of the country would undoubtedly reduce the damage done by the ant in such areas, but would not eliminate them.

The problem of dealing with these ants is one that has to be worked out very carefully with the State departments of agriculture and State plant boards, the county and parish governments, municipal governments, and local groups of landowners, with a view to enlisting the support and assistance in both services and finances from all such groups. The Department would endeavor to coordinate such work, to contribute to the efforts to prevent further spread, to eliminate outlying infestations, and to assist in the gradual suppression of the pests in the heavily infested areas with a view to final eradication of the imported fire ant in this country.

The witchweed is an introduced parasitic plant which infests corn and related plants, doing its damage below ground by penetrating the roots of the host plant and stealing from the host its nutrients and water. It is a harmless-looking weed when seen in the field, but it dwarfs the grain plants and greatly reduces the yield, making the crop uneconomic.

The witchweed is now known to exist only in 4 counties of North Carolina and 4 adjacent counties in South Carolina. Federal quarantines to prevent further spread are under consideration.

The soybean cyst nematode exists in limited areas in North Carolina, northwestern Tennessee, southeastern Missouri, and northeastern Arkansas. Federal quarantine to protect against the spread of this pest is also under consideration. As far as is known, the soybean cyst nematode is a menace to soybeans wherever they may be grown in this country, and, in like manner, the witchweed is a menace to corn wherever corn is grown.

Mr. BARRETT. Mr. President, will the Senator from Louisiana state what additional expenditures will be required under the bill?

Mr. ELLENDER. None. There is an existing contingency fund to take care of emergency outbreaks. No additional funds will be required.

Mr. MORSE. Mr. President, I may say that it is a great pleasure to me that my friend from Louisiana and I find ourselves in agreement on this bill. We are back in agreement on this one. It is a very important bill, and I commend the Senator from Louisiana for his leadership in bringing about action on it.

Mr. ELLENDER. The Senator from Oregon and I are seldom in disagreement.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (a) of section 102 of the Department of Agriculture Organic Act of 1944, as amended (7 U. S. C. 147a), is hereby further amended by adding after the phrase "or to prevent or retard the spread of" the words "insect pests, plant diseases, and nematodes, such as imported fire ant, soybean cyst nematode, witchweed."

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCHANGE OF CERTAIN LANDS IN THE STATE OF NEW MEXICO

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 185, Senate bill 44.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 5, after the word "containing", to strike out "79.24" and insert "79.24", and on page 3, line 3, after the word "interest", to strike out the comma and "but the Secretary of Agriculture shall consider and give full effect to all of the equities of the said Floyd McMahan and Annie Locket McMahan in such federally owned property.", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to Floyd McMahan and Annie Locket McMahan all right, title, and interest of the United States in and to the following-described tract of land (together with any improvements thereon), located within the Apache National Forest, New Mexico: South half of the north half of the southwest quarter of the southwest quarter, and the south half of the southwest quarter of the southwest quarter of section 34, township 5 south, range 18 west, New Mexico principal meridian; and the west half of lot 18, east half of lot 19, east half of the east half of lot 22, west half of the west half of lot 23, all in section 4, township 6 south, range 18, west, New Mexico principal meridian; containing 79.25 acres more or less; and to accept in exchange therefor a conveyance in fee simple to the United States by Floyd McMahan and Annie Locket McMahan of the following described tract of land (together with any improvements thereon) located in the State of New Mexico: Northeast quarter of the southwest quarter of section 33, township 5 south, range 18 west, New Mexico principal meridian, containing 40 acres.

SEC. 2. (a) Prior to the consummation of the exchange authorized by the first section of this act the Secretary of Agriculture shall have an appraisal made of the parcels to be exchanged, and in the event that the property to be conveyed to the United States is of less value than the federally owned property to be conveyed under this act, the grantors of the property to be conveyed to the United States shall, as a condition to such exchange, pay to the Secretary, to be covered into the Treasury as miscellaneous receipts, an amount equal to the difference in the appraised value of the respective properties.

(b) The appraised value of the federally owned property to be conveyed under this act shall not include any increased value resulting from the development or improvement of such property by the said Floyd McMahan and Annie Locket McMahan, or their predecessors in interest.

Mr. ELLENDER. Mr. President, I feel certain that the bill probably will not be objected to by the distinguished Senator from Oregon, because I am sure it meets his formula.

The bill provides for the exchange of 79.34 acres of public lands for 40 acres of private lands, any excess in the value of the public lands to be paid for in cash. This would correct an error in conveyancing resulting from an irregular survey and is fully described in a letter directed to me by the Department of Agriculture.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 14, 1957.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your letter of January 10, 1957, requesting a report on S. 44, a bill to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico.

We recommend enactment of S. 44 if amended in line 5, page 2 of the bill to change "79.24 acres" to "79.34 acres." It is also suggested that certain language of the bill hereinafter referred to either be clarified or stricken.

This bill would authorize and direct the Secretary of Agriculture to convey by quitclaim deed to the persons named therein all right, title, and interest of the United States in and to a described 79.34-acre tract of land and to accept in exchange a conveyance of a described 40-acre tract. Both of these tracts are within the Apache National Forest in New Mexico. The bill also would

provide that the Secretary shall have the two parcels of land appraised and that if the lands granted by the United States are of greater value than the lands conveyed to the United States, the grantees of the Government shall pay the difference in value, the money so received to be deposited into the Treasury as miscellaneous receipts. The appraisal of the federally owned property is to be exclusive of any increased value resulting from development or improvement of the tract by the present occupants or their predecessors and shall give full effect to the equities of these people in the tract.

The intent of the following language which begins on line 3, page 3 of the bill is not clear:

"* * * but the Secretary of Agriculture shall consider and give full effect to all of the equities of the said Floyd McMahan and Annie Locket McMahan in such federally owned property."

We are not aware of any equities which should be taken into consideration in appraising the federally owned property described in the bill, other than those resulting from the development or improvement of the property by the McMahans or their predecessors in interest, which equities, according to the bill shall not be included in the appraisal. For this reason it is suggested that the language quoted above either be clarified or stricken.

Enactment of this bill will permit adjustment of a confused landownership problem of long standing.

In 1891 patent was issued to John Starkweather covering the E½SW¼ of section 33, T. 5 S., R. 18 W. and E½NW¼ of section 4, T. 6 S., R. 18 W. Had the surveys of these townships been regular, the patented tracts would have formed a single 160-acre tract about one-fourth mile east and west by 1 mile north and south. However, section 33, of T. 5 S., R. 18 W. was at the time unsurveyed. Also, T. 6 S., R. 18 W. as surveyed is approximately three-fourths mile easterly of the normal position in relation to the township to the north, so that section 4 of T. 6 S., instead of being directly south of section 33, T. 5 S., is offset to the east and lies south of section 34. The patented subdivisions properly located according to surveys in place therefore would not have formed a contiguous tract.

Subsequent to the patent, all of the land except the NE¼SW¼ of section 33 was reconveyed to the United States under the provisions of the lieu selection act of June 4, 1897. The NE¼SW¼ of section 33, T. 5 S., was presumed to be the location of the homestead improvements and subsequently has passed through many ownerships. It is now known as the Cross V Ranch.

More accurate surveys reveal that the structures, cultivated land, fences, orchards, and other improvements which constitute the Cross V Ranch at present lie east of the patent description and are located on national forest land. The house and other improvements are situated in the SW¼ of section 34, T. 5 S., R. 18 W., and the fields and fenced areas extend southeasterly into lots 18, 19, 22 and 23 of section 4, T. 6 S., R. 18 W. Thus, the description to which holders of this property have record title does not cover the area developed, improved and used by successive owners since 1891. It is apparent that the homestead was erroneously described in the patent.

In view of the long history of use, and purchase and sale as the Cross V Ranch of the tract first described in S. 44, and of the fact that various occupants of the ranch have held record title to the second described tract in the bill, which is of value chiefly for national-forest purposes, the provisions of S. 44 appear equitable and a practical means of correcting the mislocation of the described properties and clarification of the titles thereto.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. Mr. President, the bill would result in the receipt, rather than expenditure, of funds by the Government, since the amount by which the value of the land conveyed by the Government—exclusive of the value resulting from development and improvement by the grantees—exceeds that of the land received in exchange by the Government and would be paid in cash by the other party to the transaction.

Mr. MORSE. Mr. President, I heartily endorse the bill. Not only does it follow the Morse formula, but it represents sound public policy. It illustrates again how easy it is for the Senator from Louisiana and the Senator from Oregon to get along with each other.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN REAL PROPERTY IN CALLAWAY COUNTY, MO., TO THE UNIVERSITY OF MISSOURI

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1034) to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural purposes certain real property in Callaway County, Mo.

PURCHASE OF INSURED MORTGAGES UNDER THE NATIONAL HOUSING ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 190, S. 1679. This will displace the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1679) to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment.

Mr. JOHNSON of Texas. Mr. President, I call the attention of the Senator from Alabama to the motion which has just been agreed to.

Mr. SPARKMAN. Mr. President, this bill, as amended, would increase by $50 million the present special assistance authorization of $200 million available to the Federal National Mortgage Association for the purchase of military housing mortgages.

A total of $200 million is presently available for military housing, of which all but $4 million has been used for advance commitments and purchases.

The Committee on Banking and Currency received testimony to the effect that FNMA financing is needed immediately, and that if FNMA funds are not made available, there might be substantial delays.

The bill as introduced proposed an increase of $100 million in FNMA authorization. As amended by the committee, the bill proposes a $50 million increase, which will permit necessary military housing projects to go forward and, at the same time, will permit the committee, which now is conducting hearings on proposed general housing legislation, to consider the desirability of making further FNMA authorization at a later date.

Mr. STENNIS. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I am glad to yield.

Mr. STENNIS. Mr. President, I shall not oppose passage of the bill. Under the present plan of operations for the construction of military family housing, I think enactment of the bill is necessary.

However, I think this occasion presents an opportunity to point out that, in my opinion—an opinion which is shared by others who have gone into the matter—the present plan for the construction of family housing for the military services is running at a rather expensive rate, and really is more expensive than if the Congress appropriated the funds directly to the military, and let the military construct the houses.

For instance, the Air Force has present plans, for this fiscal year, for the construction of military housing which will involve a total cost of $1,866,500,000; that will be the actual cost. In addition, if the amortization be figured over a period of 25 years at 4½ percent interest—made up of 4 percent interest and one-half of 1 percent to be added for other incidental costs—we find that the total Government liability will be $1,647,600,000. Furthermore, that sum is not reflected in the budget. We speak of a budget of $71 billion-plus; but in this case we have an item of Government liability amounting to more than $1,500,000,000, and it has not been included in the budget figures.

I merely wish to point out that in my humble opinion we should return to the direct method of appropriating funds for the building of the houses, and we should have the load carried in that way.

I shall be glad if the Senator from Alabama will express his views on that subject.

Mr. SPARKMAN. Mr. President, I believe the distinguished Senator from

enlisted to distribute the information obtained from this research to the farmers and other landowners so that they might keep down the infestations on their properties. The research has been successful, and the field experience with the measures used to eradicate the white-fringed beetle in some of the Southern States have shown that the same measures, using granulated dieldrin, chlordane, or heptachlor, are effective to eradicate the imported fire ant. However, the measures are expensive, costing about $5 per acre, and it is necessary to treat rather large blocks of infested land to get adequate protection. If only small spotted areas are treated, the ants soon return from surrounding areas that were left untreated.

During the intervening years since the pests came into this country, it has gradually spread until it now extends from eastern Texas to North Carolina, with the heaviest infestations in Alabama, Mississippi, and Louisiana. Because of the high cost of the treatment and the lack of area controls, especially in low-value lands, the efforts of individual landowners have not been sufficient to hold the ant in check. The past 2 years have brought a great increase of the ants in the infested areas. It is feared that this enormous population buildup will accelerate the rate of spread into new areas if something is not done to prevent it.

From what is known about the important fire ant, it seems likely that its spread into areas of the country where colder winter weather prevails will be slower than it has been in the South, but that is no reason to believe that the ant will not survive in any of the farming regions of the United States if the infestation becomes established there during the warm months of the year. The large mounds constructed by the ants, often 1 to 3 feet above ground and as much as 4 to 5 feet below ground, provide protection against the elements even in areas where winters are quite severe. The shorter growing season and the consequent reduction in the number of generations produced per year in colder areas of the country would undoubtedly reduce the damage done by the ant in such areas, but would not eliminate them.

The problem of dealing with these ants is one that has to be worked out very carefully with the State departments of agriculture and State plant boards, the county and parish governments, municipal governments, and local groups of landowners, with a view to enlisting the support and assistance in both services and finances from all such groups. The Department would endeavor to coordinate such work, to contribute to the efforts to prevent further spread, to eliminate outlying infestations, and to assist in the gradual suppression of the pests in the heavily infested areas with a view to final eradication of the imported fire ant in this country.

The witchweed is an introduced parasitic plant which infests corn and related plants, doing its damage below ground by penetrating the roots of the host plant and stealing from the host its nutrients and water. It is a harmless-looking weed when seen in the field, but it dwarfs the grain plants and greatly reduces the yield, making the crop uneconomic.

The witchweed is now known to exist only in 4 counties of North Carolina and 4 adjacent counties in South Carolina. Federal quarantines to prevent further spread are under consideration.

The soybean cyst nematode exists in limited areas in North Carolina, northwestern Tennessee, southeastern Missouri, and northeastern Arkansas. Federal quarantine to protect against the spread of this pest is also under consideration. As far as is known, the soybean cyst nematode is a menace to soybeans wherever they may be grown in this country, and, in like manner, the witchweed is a menace to corn wherever corn is grown.

Mr. BARRETT. Mr. President, will the Senator from Louisiana state what additional expenditures will be required under the bill?

Mr. ELLENDER. None. There is an existing contingency fund to take care of emergency outbreaks. No additional funds will be required.

Mr. MORSE. Mr. President, I may say that it is a great pleasure to me that my friend from Louisiana and I find ourselves in agreement on this bill. We are back in agreement on this one. It is a very important bill, and I commend the Senator from Louisiana for his leadership in bringing about action on it.

Mr. ELLENDER. The Senator from Oregon and I are seldom in disagreement.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (a) of section 102 of the Department of Agriculture Organic Act of 1944, as amended (7 U. S. C. 147a), is hereby further amended by adding after the phrase "or to prevent or retard the spread of" the words "insect pests, plant diseases, and nematodes, such as imported fire ant, soybean cyst nematode, witchweed."

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCHANGE OF CERTAIN LANDS IN THE STATE OF NEW MEXICO

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 185, Senate bill 44.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 5, after the word "containing", to strike out "79.24" and insert "79.24", and on page 3, line 3, after the word "interest", to strike out the comma and "but the Secretary of Agriculture shall consider and give full effect to all of the equities of the said Floyd McMahan and Annie Locket McMahan in such federally owned property.", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to Floyd McMahan and Annie Locket McMahan all right, title, and interest of the United States in and to the following-described tract of land (together with any improvements thereon), located within the Apache National Forest, New Mexico: South half of the north half of the southwest quarter of the southwest quarter, and the south half of the southwest quarter of the southwest quarter of section 34, township 5 south, range 18 west, New Mexico principal meridian; and the west half of lot 18, east half of lot 19, east half of the east half of lot 22, west half of the west half of lot 23, all in section 4, township 6 south, range 18, west, New Mexico principal meridian; containing 79.25 acres more or less; and to accept in exchange therefor a conveyance in fee simple to the United States by Floyd McMahan and Annie Locket McMahan of the following described tract of land (together with any improvements thereon) located in the State of New Mexico: Northeast quarter of the southwest quarter of section 33, township 5 south, range 18 west, New Mexico principal meridian, containing 40 acres.

SEC. 2. (a) Prior to the consummation of the exchange authorized by the first section of this act the Secretary of Agriculture shall have an appraisal made of the parcels to be exchanged, and in the event that the property to be conveyed to the United States is of less value than the federally owned property to be conveyed under this act, the grantors of the property to be conveyed to the United States shall, as a condition to such exchange, pay to the Secretary, to be covered into the Treasury as miscellaneous receipts, an amount equal to the difference in the appraised value of the respective properties.

(b) The appraised value of the federally owned property to be conveyed under this act shall not include any increased value resulting from the development or improvement of such property by the said Floyd McMahan and Annie Locket McMahan, or their predecessors in interest.

Mr. ELLENDER. Mr. President, I feel certain that the bill probably will not be objected to by the distinguished Senator from Oregon, because I am sure it meets his formula.

The bill provides for the exchange of 79.34 acres of public lands for 40 acres of private lands, any excess in the value of the public lands to be paid for in cash. This would correct an error in conveyancing resulting from an irregular survey and is fully described in a letter directed to me by the Department of Agriculture.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 14, 1957.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your letter of January 10, 1957, requesting a report on S. 44, a bill to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico.

We recommend enactment of S. 44 if amended in line 5, page 2 of the bill to change "79.24 acres" to "79.34 acres." It is also suggested that certain language of the bill hereinafter referred to either be clarified or stricken.

This bill would authorize and direct the Secretary of Agriculture to convey by quitclaim deed to the persons named therein all right, title, and interest of the United States in and to a described 79.34-acre tract of land and to accept in exchange a conveyance of a described 40-acre tract. Both of these tracts are within the Apache National Forest in New Mexico. The bill also would

provide that the Secretary shall have the two parcels of land appraised and that if the lands granted by the United States are of greater value than the lands conveyed to the United States, the grantees of the Government shall pay the difference in value, the money so received to be deposited into the Treasury as miscellaneous receipts. The appraisal of the federally owned property is to be exclusive of any increased value resulting from development or improvement of the tract by the present occupants or their predecessors and shall give full effect to the equities of these people in the tract.

The intent of the following language which begins on line 3, page 3 of the bill is not clear:

"* * * but the Secretary of Agriculture shall consider and give full effect to all of the equities of the said Floyd McMahan and Annie Locket McMahan in such federally owned property."

We are not aware of any equities which should be taken into consideration in appraising the federally owned property described in the bill, other than those resulting from the development or improvement of the property by the McMahans or their predecessors in interest, which equities, according to the bill shall not be included in the appraisal. For this reason it is suggested that the language quoted above either be clarified or stricken.

Enactment of this bill will permit adjustment of a confused landownership problem of long standing.

In 1891 patent was issued to John Starkweather covering the E½SW¼ of section 33, T. 5 S., R. 18 W. and E½NW¼ of section 4, T. 6 S., R. 18 W. Had the surveys of these townships been regular, the patented tracts would have formed a single 160-acre tract about one-fourth mile east and west by 1 mile north and south. However, section 33, of T. 5 S., R. 18 W. was at the time unsurveyed. Also, T. 6 S., R. 18 W. as surveyed is approximately three-fourths mile easterly of the normal position in relation to the township to the north, so that section 4 of T. 6 S., instead of being directly south of section 33, T. 5 S., is offset to the east and lies south of section 34. The patented subdivisions properly located according to surveys in place therefore would not have formed a contiguous tract.

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More accurate surveys reveal that the structures, cultivated land, fences, orchards, and other improvements which constitute the Cross V Ranch at present lie east of the patent description and are located on national forest land. The house and other improvements are situated in the SW¼ of section 34, T. 5 S., R. 18 W., and the fields and fenced areas extend southeasterly into lots 18, 19, 22 and 23 of section 4, T. 6 S., R. 18 W. Thus, the description to which holders of this property have record title does not cover the area developed, improved and used by successive owners since 1891. It is apparent that the homestead was erroneously described in the patent.

In view of the long history of use, and purchase and sale as the Cross V Ranch of the tract first described in S. 44, and of the fact that various occupants of the ranch have held record title to the second described tract in the bill, which is of value chiefly for national-forest purposes, the provisions of S. 44 appear equitable and a practical means of correcting the mislocation of the described properties and clarification of the titles thereto.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. Mr. President, the bill would result in the receipt, rather than expenditure, of funds by the Government, since the amount by which the value of the land conveyed by the Government—exclusive of the value resulting from development and improvement by the grantees—exceeds that of the land received in exchange by the Government and would be paid in cash by the other party to the transaction.

Mr. MORSE. Mr. President, I heartily endorse the bill. Not only does it follow the Morse formula, but it represents sound public policy. It illustrates again how easy it is for the Senator from Louisiana and the Senator from Oregon to get along with each other.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN REAL PROPERTY IN CALLAWAY COUNTY, MO., TO THE UNIVERSITY OF MISSOURI

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1034) to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural purposes certain real property in Callaway County, Mo.

PURCHASE OF INSURED MORTGAGES UNDER THE NATIONAL HOUSING ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 190, S. 1679. This will displace the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1679) to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act.

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The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment.

Mr. JOHNSON of Texas. Mr. President, I call the attention of the Senator from Alabama to the motion which has just been agreed to.

Mr. SPARKMAN. Mr. President, this bill, as amended, would increase by $50 million the present special assistance authorization of $200 million available to the Federal National Mortgage Association for the purchase of military housing mortgages.

A total of $200 million is presently available for military housing, of which all but $4 million has been used for advance commitments and purchases.

The Committee on Banking and Currency received testimony to the effect that FNMA financing is needed immediately, and that if FNMA funds are not made available, there might be substantial delays.

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Mr. STENNIS. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I am glad to yield.

Mr. STENNIS. Mr. President, I shall not oppose passage of the bill. Under the present plan of operations for the construction of military family housing, I think enactment of the bill is necessary.

However, I think this occasion presents an opportunity to point out that, in my opinion—an opinion which is shared by others who have gone into the matter—the present plan for the construction of family housing for the military services is running at a rather expensive rate, and really is more expensive than if the Congress appropriated the funds directly to the military, and let the military construct the houses.

For instance, the Air Force has present plans, for this fiscal year, for the construction of military housing which will involve a total cost of $1,006,500,000; that will be the actual cost. In addition, if the amortization be figured over a period of 25 years at 4½ percent interest—made up of 4 percent interest and one-half of 1 percent to be added for other incidental costs—we find that the total Government liability will be $1,647,000,000. Furthermore, that sum is not reflected in the budget. We speak of a budget of $71 billion-plus; but in this case we have an item of Government liability amounting to more than $1,500,000,000, and it has not been included in the budget figures.

I merely wish to point out that in my humble opinion we should return to the direct method of appropriating funds for the building of the houses, and we should have the load carried in that way.

I shall be glad if the Senator from Alabama will express his views on that subject.

Mr. SPARKMAN. Mr. President, I believe the distinguished Senator from

Mississippi knows that all along I have felt that a more practical and more realistic method of handling the construction of military housing would be through direct appropriations. Such a method would be absolutely aboveboard, because the necessary expenditures would be reflected in the budget, and the expenditures also would have their impact upon the national debt. So that would be a better method, instead of using this indirect method to accomplish the purpose.

However, we have to be practical and realistic. Let me remind the Senator from Mississippi that, despite the fact that all these things were considered in the Banking and Currency Committee, which has jurisdiction over housing generally, the committee decided to pursue the present plan, even though I was in favor of the other plan.

Mr. STENNIS. Yes.

Mr. SPARKMAN. However, the situation was made very clear to us by the Air Force, which has Strategic Air Command bases in various parts of the country where the need for housing is acute and where the military housing has to be within 3 minutes' travel time from the bases. That situation is not like the one existing in some of the Army installations, where the bases could be 30 or 40 minutes of travel time away from the housing for the military personnel.

The Senator from Mississippi knows that the Congress is not going to make a direct appropriation of $1,700,000,000 in one year for military housing, even though both he and I are in agreement that that would be a better and more practical way of proceeding. However, instead, the Congress is resorting to a means which I do not like; but the Congress is resorting to it as a realistic necessity.

If the distinguished Senator from Mississippi can induce the military departments of the Government to request the direct appropriation of sufficient funds for the construction of adequate housing for the military personnel, he certainly will find me in his corner, supporting such a program.

Mr. STENNIS. Mr. President, I appreciate the remarks of the Senator from Alabama.

Will the Senator from Alabama yield, in order to permit me to make a further observation?

Mr. SPARKMAN. I am very glad to yield, Mr. President.

Mr. STENNIS. Even though a great number of such houses are needed, and even though we recognize that in some instances the houses constructed must be close to the bases, nevertheless, as one who comes in ultimate contact with the problem every week, I believe we are rapidly reaching the point where we shall have an oversupply of housing. Furthermore, if even a slight recession should develop, we would then find a great number of houses available in the cities near the bases; if such a situation should develop, many houses in those areas would be vacant. But, under the present program, by that time a great number of houses will have been built on or close to the bases, and it will be necessary for the military to use those houses. Therefore, I hope we will make haste slowly. It was for that reason that we included in the military construction bill of last year a provision to the effect that these matters would have to be reviewed by the appropriate committees of Congress. That provision was the reason for the President's veto of the bill, which later was repassed without the inclusion of the entire section, as the Senator from Alabama will recall.

Mr. President, I thank the Senator from Alabama for yielding to me.

Mr. SPARKMAN. Mr. President, I should like to add a further word: Even though I am in substantial agreement with the Senator from Mississippi, and even though I recognize the danger of the overconstruction of houses at some military bases, that situation is difficult to avoid, as a matter of fact. The urgency for enactment of the pending measure at this time illustrates the point I wish to make, which has to do with the reactivation of Fort Polk, La. The major portion of the funds authorized in this measure will be used at Fort Polk—in short, approximately $34 million of the additional $50 million authorized.

As the Senator from Mississippi knows, during the Second World War, Camp Polk was deactivated; and the housing there was sold, cut up, and moved away. But at the present time that installation has been made a permanent one—a fort and an armored post. Troops are stationed there, and they include noncommissioned officers and other military personnel who simply cannot find places in which to live.

At the present time the military is trying to have 2,000 units built at Fort Polk, in order to provide relief for the very acute housing shortage. That is the principal purpose of the pending measure, in addition to the Federal National Mortgage Association authorization.

Mr. STENNIS. I thank the Senator from Alabama.

Mr. CARLSON. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. CARLSON. I wish to commend the Senator from Alabama for having the Senate take up this measure at the present time.

In Kansas there are a number of military posts for both the Army, the Navy, and the Air Force. I think the pending measure probably does not include any authorization of funds for the posts in Kansas. I realize the importance of the construction of sufficient housing at such places. Certainly it is necessary that the military personnel be treated fairly.

As the Senator from Mississippi very properly mentioned, I think we must be careful in connection with the construction of such military housing, because a condition of oversupply, to which he has referred, can easily develop.

Fortunately, we who live in Kansas have been able to work out with the local communities and the military bases the problem regarding the number of houses to be built.

I was interested in the point the Senator made in regard to the necessity for the construction of houses in locations within 3 minutes' travel time from the bases. Is there a ruling to that effect?

Mr. SPARKMAN. I was speaking particularly of the Strategic Air Command bases. That is a rule of thumb which has been laid down by General LeMay. When he testified before our committee last year, he called our attention to the fact that in the case of a branch of the service which must defend against atomic attack, the planes must be ready to take off the ground within a very few minutes' time; and he has set a time limit of 3 minutes. Therefore, any man who is to fly in one of those planes must live not more than 3 minutes travel time away from the plane at any time.

Mr. CARLSON. Mr. President, will the Senator from Alabama yield further to me?

Mr. SPARKMAN. I yield.

Mr. CARLSON. I appreciate the Senator's comment, because I have some familiarity with the problem, in connection with a naval air station in Kansas. A housing project is to be constructed there in the near future. As a matter of fact, I think the plans have already been made and the contracts have been let. But that development has created some problems in connection with the military requirements. So I was interested to learn that the Air Corps has a rule of thumb to the effect that such housing must be constructed on sites within 3 minutes' travel time of the bases.

Mr. SPARKMAN. I would not say that was in connection with the Air Force generally, but with the Strategic Air Command part of the Air Force.

Mr. CARLSON. I thank the Senator.

Mr. SPARKMAN. If the distinguished Senator from Kansas will look on page 3 of the report, he will see that Fort Leavenworth and Fort Riley are listed, Fort Leavenworth with 200 units and Fort Riley with 433 units. Those are not of the same urgency as Fort Polk, but they are among those scheduled.

Mr. CARLSON. I again commend the Senator for including the posts at Fort Leavenworth and Fort Riley. They are posts of long standing in our Nation's history. I think it is essential that there be good housing at those and other posts.

Mr. SPARKMAN. There are also other posts in Kansas where such housing is either in process or scheduled. The Naval Air Station at Hutchinson is one.

Mr. CARLSON. That is the one I just mentioned, where we have been having a little difficulty in finding where the houses could be built.

Mr. SPARKMAN. Forbes Air Force Base is another.

Mr. CARLSON. I wish to say again that we are very proud of our bases in Kansas. We are very proud of the housing being constructed on the bases, because it stabilizes the bases and helps the morale of the personnel, troops, and others stationed there.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. STENNIS. I feel compelled to point out that, in spite of all the fine things about the housing program and the necessity for it, Congress has to exer-

cise surveillance over it, because I have reports from reliable sources that commanding officers of certain military installations are being requested and urged to make requests for additional housing when those officers, in their individual judgment, do not think the housing is needed.

I insist we must pursue a policy of utilizing available private housing units near military installations. A great many such housing units, for reasonable rent, are available; and, as taxpayers, citizens owning those houses are entitled to a policy which will bring about cooperation with them and utilization of their property.

Mr. SPARKMAN. The distinguished Senator from Mississippi may recall that last year we wrote into the Housing Act a requirement along that line, because we recognized the danger of overbuilding, particularly with this type of housing. So we placed upon the military authorities the responsibility of making certain that they were not duplicating unused housing.

Mr. STENNIS. I thank the Senator.

The PRESIDING OFFICER. The committee amendment will be stated.

The amendment of the Committee on Banking and Currency was, on line 5, to strike out "$300,000,000" and insert "$250,000,000", so as to make the bill read:

Be it enacted, etc., That section 305 (f) of the National Housing Act is amended by striking out "$200,000,000" and inserting in lieu thereof "$250,000,000."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE UNIVERSITY OF MISSOURI

Mr. MORSE. Mr. President, I send to the desk an amendment to S. 1034, the bill which was discussed earlier this afternoon, and which was laid aside. The bill proposes to convey certain Federal property in Missouri to the University of Missouri.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MORSE. Mr. President, the amendment calls for the application of the usual Morse formula, providing for the payment of 50 percent of the fair market value as determined by the Secretary of Agriculture, after a survey of the market.

I call this to the attention of the two Senators from Missouri, who are not present, because, for very good reason they are involved in business of the Senate off the floor; but I hope between now and the time the bill comes up for further consideration the two Senators will get in touch with the president of the University of Missouri. I have had much experience with such matters, and I have a hunch the two Senators will be surprised to discover that the president of the University of Missouri is not familiar with the details of the bill. I venture to guess that the president of the University of Missouri will agree with the principle for which the Senator from Oregon has been fighting in the Senate for many years and will realize that this bill cannot be reconciled with the Morse formula and in my judgment it cannot be reconciled with sound public policy. It is a giveaway of valuable Federal property, belonging to all the taxpayers of the United States to the University of Missouri, and such a proposal does not make sense in the basis of sound principles of public policy. If such a policy is started in the case of the University of Missouri, let me tell my colleagues that in fairness, we will soon be making grants to every other agricultural college.

Before the bill is pressed forward any further it seems to me the two Senators from Missouri owed it to us to find out what the President and the Board of Regents or Board of Trustees of the University of Missouri think about it.

Let me say the report of the Department of Agriculture on this bill is not accurate. I want to have the attention of the Senator from Minnesota [Mr. HUMPHREY] for a moment on this point. The Senate committee ought to be able to get Brother True Morse before it and find out why we have not had a true report on this bill, because the Secretary says it is of the pattern of every such bill we have passed, and that simply is not true.

As one Senator I resent the Department of Agriculture's coming to the Senate with a falsified report on a bill, because I know the history of the legislation to which the report refers. It has nothing to do with the kind of grant involved in this bill.

I believe the Senators from Missouri owe it to us to find out whether or not, after they get all the facts in the RECORD, they will want to press for the enactment of a bill which will establish a precedent in violation of the Morse formula, which, during the past few years, has saved the taxpayers several hundred million dollars.

When there are in the Congress and in the country and by this administration these days many false arguments about economy, as one Senator I do not want to see us sacrifice a sound, fair, and equitable principle of economy which I have tried to apply in the Senate for many years, without discrimination or favoritism.

I say respectfully to the two Senators from Missouri that I think they had better take a long look at this bill and ascertain from the University of Missouri whether it would break that great institution if it should be required to pay half of the appraised fair market value of the property, in conformity with a very just principle we have repeatedly applied on the floor of the Senate.

If anyone thinks it is pleasant for the Senator from Oregon, several times a year, to rise in his place and run counter to the desires of some of his colleagues in regard to a particular bill, they are sadly mistaken. I do not like to do it, but I have to do it in fairness to all my colleagues.

Not a word was uttered in support of the bill from the standpoint of the Morse formula. It was not uttered because no word can be offered reconciling it with the Morse formula. It is irreconcilable.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I will yield to the Senator from Minnesota.

Mr. HUMPHREY. I merely wanted to say that the analysis that the Senator from Oregon has made of the report of the Department of Agriculture will be given most careful scrutiny by the Committee on Agriculture and Forestry, and those of us who are members of the committee will ask the Acting Secretary of Agriculture, Mr. Morse—Mr. True Morse, not Senator WAYNE MORSE—that he study most carefully the RECORD of today, because if we are getting from the Department information which is not accurate—which, I may say, has happened before and could in this instance happen—then it ought very well to be called to the Senate's attention, and the Department should be reprimanded and be reminded that we do not want such a thing to happen in the future.

Mr. MORSE. Let me warn my friend from Minnesota to watch his semantics, because in his report the Under Secretary refers to legislation "of the pattern" of other legislation. Those are interesting words, because the Under Secretary can say, "I only said 'of the pattern.'" He attempted to leave the impression that we were voting on the same principle. The principle is absolutely different. The words "of the pattern" should not be allowed to save him if he tries to weasel out.

Mr. HUMPHREY. The junior Senator from Minnesota is always impressed by any report signed by the name "Morse."

Mr. MORSE. Or by the name "Humphrey"? [Laughter.]

Mr. HUMPHREY. When I saw the name "True Morse," I was of the opinion that most likely the statement was true. Now I understand Senator WAYNE MORSE to indicate that there may be some doubt as to its veracity.

Mr. MORSE. There may be some relationship back in the trees somewhere, but I do not know of any direct relationship.

Mr. HUMPHREY. I thank the Senator.

THE BRIDGE PROBLEM IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Park Road Bridge Opening Subject of Northwest District of Columbia," published in the Northwest Shopper of March 21, 1957. This article deals with the Park Road bridge opening in Northwest District of Columbia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PARK ROAD BRIDGE OPENING SUBJECT OF NORTHWEST DISTRICT OF COLUMBIA

The closing of the Park Road bridge last August and no answer from the District of Columbia Commissioners as to when it will reopen is causing plenty of talk and loss of

questions from citizens and automobile drivers of upper northwest and suburban Maryland. Rightfully these people are complaining that the bridge which has served as a crosstown artery of traffic since 1880, is today bottlenecking Connecticut Avenue, Porter and 16th Streets. Not to be extravagant in a declaration, more than one person is complaining that the time of travel from Military Road to downtown has more than doubled since the bridge has been closed. Others who live farther north complain of the same. They ask the question, if the bridge was needed in the early 1940's when the number of automobiles was 50 percent of today, and the population thousands less, why not now?

COMING EVENTS CASTS SHADOWS

The bridge which not only connects Tilden Street and Park Road traffic, but takes much out of the park and feeds it into Klingle, Adams Mill, Columbia Road and 18th Street, was condemned as unsafe August 1956. However, for some 3 years the bridge has carried a sign which reads "No trucks or buses, load limit 3 tons." Recently before the condemnation, the bridge was painted and repairs made. The engineers must have known that one day soon there would have to be a detour sign while major alterations were made.

In November 1947 when the Porter Street bridge was opened, the late Harry C. Grove made the remark that the next bridge to be built should be Park Road. Mr. Grove made some trips to the District Building concerning the project. He never informed us to the answer he was given.

FOREST HILLS CITIZENS

At a meeting of the Forest Hills Citizens Association, February 4, Col. H. Hunter, Assistant to Engineering Commissioner, Brig. Gen. Thomas A. Lane, was present, and according to the citizens group offered little encouragement that the bridge would be reopened. From the results of the meeting a Park Road bridge committee was appointed by Mrs. Leslie Wright, president of the association, namely, Messrs. Charles Burmeister, Joseph A. Kaufman, Joseph Saunders, Maurice Friedman, and Arthur Hahn. Rolland G. Lamensdorf, a young attorney, was named chairman.

At a meeting of the Kiwanis Club of Northwest Washington, February 27, Mr. Conrad L. Wirth, Director of National Park Service, spoke on Future Highway Plans of Rock Creek Park and Their Relationship, If Any, to the Park Road Bridge. Some four citizen associations representatives (Chevy Chase, 16th Street, Highlands, and Kalorama) attended.

On Thursday night, March 14, a meeting at the Broadmoor Hotel, 16 Northwest citizens business and service groups were represented. Joseph A. Kaufman, popular attorney and past president of the Federation of Citizens Associations, acted as chairman in the absence of Lamensdorf. From the discussions and data gathered from previous meetings, information was that the District Commissioners, by their statistical count, admitted that the increased vehicular traffic load on Porter Street is 7,000 cars per day. Information also was that an estimated cost to repair the bridge would be $500,000 and that the bridge has been closed permanently. However, it was stated that the District Commissioners, by their own admission, have the sole obligation of maintenance and repair of the Park Road Bridge. The representative groups at this meeting endorsed the Rock Creek Park Road bridge committee. Five were appointed as a steering committee to sit in on the meetings of the Commissioners concerning the bridge and find out just what plans the officials have in mind: "Getting into District inner sanctums."

With the traffic problems in this city as they are, and the rate increase of automobiles on the streets, the question facing the District of Columbia officials is, Should we have more bridges or allow present ones to be closed? Were these new roads to be built in order to repair or replace this particular bridge there could be a question, but the road is there and plenty of space in which to work—so, Mr. and Mrs. Tax Payer are asking questions.

Mr. MORSE. I read only the first sentence of the article, which makes the point:

The closing of the Park Road Bridge last August and no answer from the District of Columbia Commissioners as to when it will reopen is causing plenty of talk and lots of questions from citizens and automobile drivers of upper northwest and suburban Maryland. Rightfully these people are complaining that the bridge which has served as a crosstown artery of traffic since 1880, is today bottlenecking Connecticut Avenue, Porter, and 16th Streets.

The article goes on to point out the traffic problem. As a member of the District of Columbia Committee, let me say that in addition to having the entire article printed in the RECORD as a part of my remarks, I intend to have it sent to the District Commissioners, because we are entitled to find out from them immediately what the situation is, and because the traffic problem in the District of Columbia is becoming steadily worse. I am fortunately situated, because I live in a place where I can get to and from the Capitol without suffering too much from traffic congestion. However, I have sympathy for my fellow citizens in the District of Columbia and in Maryland and Virginia.

I make a plea again today, as a member of the Committee on the District of Columbia. I do not care very much what the form of the bridge or bridges is to be. We ought to stop talking about "a bridge." We ought to start talking about "bridges." They could be drawbridges or stationary bridges. In fact, I am almost ready to accept a swinging bridge, if it would get people out of the traffic jams. I say that facetiously, of course.

I will accept a drawbridge, a stationary bridge, a tunnel, or anything that will bring to an end the annual hassle in the Congress as to what should be done to relieve the traffic jam every morning, which is costing the taxpayers thousands of dollars annually because of the irritations and the bad psychological attitudes in which it places Government workers, if nothing else.

There is no sense in further kicking around the bridge issue. If there are Senators and Representatives who wish to enter into a hassle over the question, I suggest an arbitration procedure. Get them all in one rom and let us have an arbitration procedure—or, for that matter, I would accept the operation of the law of chance in deciding as between a drawbridge and a stationary bridge.

Speaking in dead seriousness, the nonvoting, high taxpaying residents of the District of Columbia are entitled to a couple of bridges to relieve the traffic jam morning and night across the Potomac. I make this plea today as I insert in the RECORD this comment about a bridge problem within the District of Columbia. Let us get on with the business of building some bridges, and stop the kind of argument which, if it occurred in cities in our home States, would cause the people to rise up in righteous wrath and say, "We are going to have a bridge." In such a situation we would not last long.

Mr. President, I now turn to a lighter subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

"PONY" CATTLE

Mr. MORSE. When I arrived at my desk today I discovered a photographic exhibit which had been fastened to the top of my desk with scotch tape. The fingerprints point directly to the junior Senator from Tennessee [Mr. GORE]. I judge that this is his attempt at visual rebuttal of some comments which I made in the Senate the other day, when he was presiding in the Senate, concerning a report which I made following a trip into Tennessee. I pointed out that I had told his constituents about his great record of legislative statesmanship, but his exceedingly poor judgment when it comes to beef cattle. I believe he thinks these pictures are a satisfactory answer to my remarks.

The pictures show one thing, and that is that we must correct the old saying that "beauty is only skin deep." These are beautiful pictures, and they go beyond the skin. I thought they were pictures of day-old calves when I first looked at them, only to find, as I studied the descriptions of the pictures, that they are mature animals, which bears out exactly what I said on the floor of the Senate the other day; namely, that my good friend from Tennessee raises "pony" cattle. They are beautiful, but there is not much on them to eat. [Laughter.]

Mr. President, I now desire to refer to another subject.

The PRESIDING OFFICER. The Senator from Oregon may proceed.

HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I now turn from the ridiculous to the sublime and the sacred. I am about to leave the floor of the Senate to reconvene hearings of the District of Columbia Committee on the problem of hungry children in the District of Columbia. I know that we do not obtain action in the Senate immediately upon an issue if the Senate has not been informed in advance of a problem when we are dealing with an emergency.

We are dealing with an emergency; and it is my prediction that within the next few days—within 10 days at the most—the District of Columbia Committee of the Senate will come forth with some emergency legislative proposals to meet what the hearings have already satisfied me is a most shocking and serious condition in the District of Columbia.

In the District of Columbia there are an unknown number of children who, to all intents and purposes, are getting a great deal of their food out of garbage cans. They can best be described, so far as scavenging for food is concerned, as

living the life of alley dogs and cats. It is pretty shocking, Mr. President.

Next week, after we complete the hearings and get the written testimony, we are going on an inspection tour. Seeing is believing; and the Members of this body are entitled to know that members of the District of Columbia Committee, or representative members of the District of Columbia Committee, acting as observers for the committee, are going forth to see for themselves whether the testimony we have heard is true.

I am sure it is true. However, we owe it to Senators to be able to stand on the floor and testify as eyewitnesses when we ask for the funds within the next few days.

As Christian men and women, we cannot justify a continuation of this condition. It is unnecessary to say to me, "Don't you suppose, Senator, that conditions like this exist elsewhere in the country?" Undoubtedly so, but we have a responsibility for them here. That is the difference.

As directors of the municipal affairs of the District of Columbia, we have responsibilities. I am not ready to predict today what our recommendations will be. But, as a Christian, and in this Eastertide, I close my remarks today on this subject, knowing of no more unanswerable plea that I could make to my colleagues in the Senate, with the plea of the Scriptures themselves. I want Senators to know that when we come forward in the next few days asking for funds to help meet this emergency situation, so far as I am concerned, my request will be based on the moral teachings set forth in two places in Scriptures.

The first one I quote is from St. Matthew, chapter 19, verse 14:

> But Jesus said, Suffer little children, and forbid them not, to come unto me: for of such is the kingdom of heaven.

The other is from St. Matthew, chapter 18, verses 5 and 6:

> And whoso shall receive one such little child in my name receiveth me.
>
> But whoso shall offend one of these little ones which believe in me, it were better for him that a millstone were hanged about his neck, and that he were drowned in the depth of the sea.

I have been heard to say before, Mr. President, that the primary obligation of a legislature in the United States is to seek to translate into legislation great moral principles, and teachings, and values. I wish to say in advance that when the Committee on the District of Columbia comes forward and requests that relief be given to the hungry children of the District of Columbia, we will be carrying out the divine mandate I have just read.

I do not know how serious the problem is, but it is serious enough when a representative of a settlement house this morning testified that in her experience, and on the basis of her observations, about 50 percent of the children in the neighborhood of her house are in need of food.

As we close the Senate for a weekend, and as most of us on Sunday go back to our pews, I hope that at this Eastertide the teachings I have just quoted will at least prepare us for what I think is a great humanitarian obligation that will be ours in the next few days in meeting the problem.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield.

Mr. ELLENDER. Did the Senator say that an investigation would be made shortly as to this condition?

Mr. MORSE. We have been holding hearings for several days.

Mr. ELLENDER. Did the Senator find out what is causing the situation? Has he found why so many children should be without food in the District of Columbia?

Mr. MORSE. The record shows that there are many causes. One of the causes is that there are too many fathers unemployed and unable to get work. The record shows a great many broken families and many slum families. The record shows alcoholism and all the rest. We had an example cited to us this morning—and it was a rather pitiful one—of a mother with 7 children and another 1 on the way, with the father ill, and apparently a technicality which makes this family at least for the time being not eligible to receive relief.

In the letter the mother said, "Food for my children; nothing for myself."

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. ELLENDER. I wonder whether the Senator could shed any light on this point. I recall that a few years ago when the question came up, it was stated that there was a large migration of Negroes from the South and from other parts of the country to the District of Columbia. Is not the problem primarily due to the fact that so many Negroes are coming to Washington? Is not that factor primarily causing the problem?

Mr. MORSE. The Senator from New Jersey [Mr. CASE] asked that question of several witnesses from the settlement houses. Except for one witness, the answer has been "No," that that is not one of the causes, and that the influx has not been a great influx. There is one section of the city, the so-called Precinct No. 2, in connection with which the head of the settlement house in that area this morning testified that they did have in the area many transients. However, it was not a case of their coming and staying there, but a case of their being in movement; that when they came from outside the District, from the South and elsewhere, they had a tendency, she said, to go to the center of the city, where they do not have to pay carfare, as they do if they go to another part of the city. However, they are transients, and they are not a part of any influx into the city.

Mr. ELLENDER. Would the Senator be able to tell us what percentage of the children who are in need are Negroes?

Mr. MORSE. Oh, a very large percentage, but not exclusively. I will have figures when I make my presentation later, because the Senate is entitled to know the facts. However, if the Senator wishes me to make a guess, I should guess that it would be at least 85 percent.

Mr. ELLENDER. Eighty-five percent of the children who are in need are Negroes?

That is a large percentage. I think that the background of this situation if thoroughly investigated will demonstrate the vast majority of parents of these children are recent migrants to the District of Columbia. Many of these children are probably illegitimate, if recent District of Columbia birth figures are any barometer. At any rate, I feel that the situation outlined in the press in recent days is going to get worse before it gets better unless the migration of Negro and other families to the District ends. I would advise families who are considering a migration to the District and other cities to think twice before doing so. Children should be reared under conditions where they can better grow and develop, where they can get fresh air.

I am distressed to learn that 85 percent of the children who are found to be hungry are Negroes.

Mr. MORSE. That would be my guess; but nevertheless, they are hungry. I am about to yield the floor, and I should like to say that we will welcome to our hearings any Senator who would like to come and participate in the hearings. As chairman, I wish to say that Senators are welcome to participate and to ask questions. That opportunity will be afforded to any Senator who appears. The Senator from Minnesota [Mr. HUMPHREY] who first referred to this problem publicly in the Senate, the other day, has attended the hearings and has participated in them, and we were the beneficiaries of his participation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. I wish to commend the Senator from Oregon for his diligence in this effort. I wish that every Member of the Senate could spend at least 5 or 10 or 15 minutes at these hearings. It is pathetic indeed when such conditions exist in the Nation's Capital. It is unpardonable. I am delighted and pleased that the Senator from Oregon should bring this matter to the attention of the Senate. He and his colleagues are giving this matter their personal attention. It is a heart-rending situation, and it should be cleaned up. I shall be very glad to support the Senator in the report he will bring to the Senate.

VISIT TO SENATE OF RESIDENTS OF ANDERSON AND FROM THE ABNEY MILLS, SOUTH CAROLINA

Mr. JOHNSTON of South Carolina. Mr. President, I wish to invite the Senate's attention to the fact that 36 good-looking ladies are visiting the Senate today. They are in the gallery. These ladies come from Anderson, S. C., in my native county, and from the Abney Mills. I should like to have them stand so that Senators may greet them.

(The ladies rose in their places in the gallery and were greeted with applause.)

AGRICULTURAL RESEARCH AND EDUCATION

Mr. STENNIS. Mr. President, our agricultural research and education programs are among the finest and soundest programs conducted by the Federal Government. Our farmers are learning new and better methods of farming. Improved livestock, fertilizer, seed, insecticides, weed control, and utilization of land are greatly assisting them in reducing production costs while improving the quality of their commodities. The rapid changes taking place in agriculture today, combined with the pressing cost-price squeeze, make an expanded program more essential than ever before in history. These programs can increase farm income. My primary purpose today is to call for continued and increased support for expanded long-range agricultural research for the benefit of both farmers and consumers. They have almost unanimous support of the major farm groups and should have the support of consumers.

APPROPRIATIONS

Last year I expressed great satisfaction with the increase of almost $18 million for agricultural research over the previous year. The increase recommended in the Budget for Agricultural Research for fiscal year 1958 is for $11.7 million. I fully support this increase, but believe it does not meet the pressing needs of agriculture. Farming becomes more technical each year. I strongly feel that an increase of at least $18 million for agricultural research should be made for fiscal year 1958.

During my annual tours of Mississippi I view firsthand the fine work that is being done at the farm level by our experiment stations and Extension Service. Progress has been steady, but more modern techniques are needed.

LIVESTOCK RESEARCH

Livestock research, for example, is producing gratifying results. We are finding new ways to produce high-quality livestock much more economically. Thus, we are moving forward in the development of cattle, sheep, and hogs for more rapid weight gain on less feed. Through research, it has been shown that the ability to make effective use of feed is inherited. There are steers under study that will put on 3 pounds a day on the same ration that gives only 2 pounds of gain in ordinary steers. The next step is to get this method of increased production through selective breeding widely adopted on individual livestock farms, in small herds as well as large herds.

Control of parasites and other animal diseases affords another opportunity to reduce livestock production costs. Parasites and diseases account for at least 10 cents of every sales dollar for meat, milk, and other products. New techniques must be developed to reduce this loss.

Our research on new grasses and legumes for pastures and feed needs encouragement. The outlook for finding more effective chemicals for killing wild onions and noxious weeds in our pastures is favorable. These research studies will eventually lead to low-cost, year-round pastures that has always been the dream of farmers.

FORESTRY RESEARCH

As a result of tree-improvement research, we can already visualize a super-tree which will grow twice as fast, will produce more valuable wood per tree, and will be more resistant to insects and diseases. Such a tree will greatly benefit forest landowners, wood-using industries, and the consuming public. It is taking years to develop such a tree, but such a new species is now foreseeable. This highly important work should be expanded at the Southern Institute of Forestry Genetics which is conducting a splendid program.

IRRIGATION RESEARCH

Irrigation will play a big part in food and fiber production for future decades. A greatly increased population, the mushrooming of cities, and industrial expansion have greatly stepped up the demand for water. Water is being used at an unparalleled rate, and the prospect is that this use will greatly increase in the future. Over much of the country—and particularly in the Southeast, farmers by the thousands are turning to irrigation to protect their crops from drought and to assure return of the money they have spent for fertilizer and seeds.

Irrigation is an answer to this problem, but present methods make it one of the most expensive farming practices. The farmers of this country are spending more than $100 million a year on new irrigation systems. An additional $200 million is spent to pay the farm water bill. Even when water is available, it costs $40 to $100 per acre to install a new irrigation system. This cost is multiplied when wells have to be dug. Much more information is required on cheaper ways to distribute water and on the effects of irrigation on the soil, fertilizer, insects, and the crop itself. We need better cost-production data to help the individual farmer decide whether irrigation will pay profits on his operations.

I know of no other single project in agricultural research that needs expanding more rapidly than basic research which will give us better guides as to the proper use of water and its effect on plants, fertilizer, and soil.

Mr. President, I believe that the major overall problem for agricultural research in supplying the needs and demands of the Nation's future rapidly growing population is tied up with the question of the proper soil-water-plant relationships. I feel certain that the Nation needs at least four full-scale regional research laboratories to conduct basic research in this problem. I ask unanimous consent to introduce, out of order, a bill providing for these laboratories. I also ask unanimous consent that the contents of the bill be printed in the body of the RECORD at this point in my remarks.

There being no objection, the bill (S. 1763) to provide for research with respect to soil-water-plant relationships, introduced by Mr. STENNIS, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the purposes of this act are—

(1) through fundamental studies in soil physics, to determine soil properties which influence intake, storage, and loss of soil moisture;

(2) to develop methods for accurately measuring soil moisture and to associate plant condition or appearance with soil moisture levels;

(3) to determine the influence of cropping systems and cultural practices on intake, storage, and loss of water from different soils;

(4) to determine the water requirements of various crops at different stages of plant development on different soils;

(5) to determine the influence of different moisture levels on fruiting characteristics of various crops;

(6) to determine the interrelationship between irrigation and crop management practices such as variety, spacing, weed control, fertility, insect control, diseases, and harvesting;

(7) to determine the influence of weather factors on the water requirements of various crops;

(8) to evaluate methods and equipment now being used to apply water to crops and to develop new equipment and methods for applying water under different soil and topographic conditions; and

(9) to evaluate the economics of irrigation of various crops.

SEC. 2. In order to carry out the purposes specified in section 1, the Secretary of Agriculture is authorized and directed to establish, equip, and maintain 4 regional research laboratories (1 to be located in the southeastern area, 1 in the north central area, 1 in the Great Plains area, and 1 in the western irrigated area, of the United States) and, at such laboratories, to conduct basic researches into problems relating to soil-water-plant relationships.

SEC. 3. For the purposes of this act, the Secretary is authorized to acquire land and interests therein, and to accept in the name of the United States donations of any property, real or personal, to any laboratory established pursuant to this act, and to utilize voluntary or uncompensated services at such laboratories. Donations to any one of such laboratories shall not be available for use by any other of such laboratories.

SEC. 4. In carrying out the purposes of this act, the Secretary is authorized and directed to cooperate with other departments or agencies of the Federal Government, States, State agricultural experiment stations, and other State agencies and institutions, counties, municipalities, business or other organizations, corporations, associations, universities, scientific societies, and individuals, upon such terms and conditions as he may prescribe.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary for the purpose of carrying out this act, the amount appropriated for the original construction and equipment of any one laboratory to be limited to $2,500,000.

Mr. STENNIS. Mr. President, I think I should note especially that this bill is somewhat along the line of, but also somewhat different from, a bill heretofore introduced by the senior Senator from Minnesota [Mr. THYE] who is familiar with this problem and now, along with many other Senators, has special interest in it.

I believe these laboratories are needed now, and that no time should be lost in conducting hearings as to the need. The best method by which to proceed is to authorize those who are in authority and those who have the know-how, if I may use that term, with reference to these special problems, to proceed at once. As I say, I am satisfied that the future of agriculture is tied up with the question of the new relation—if I may use the term "new relation"—among water and soils and plants. The future of agriculture is tied up more with that subject than any other single thing. That is the very aspect upon which much of our research must be developed.

INDUSTRIAL RESEARCH

If agriculture is to keep abreast of the times, our research program must continue to be revised and redirected to take account of new developments in other parts of our economy.

A dominant feature in America today is the tremendous emphasis being placed on industrial research and development. One of the results of this development is the introduction of industrial products that have moved very quickly into markets traditionally held by farm products. Those of us in the cotton belt have been keenly aware of the impact of this development on the markets for cotton. Since synthetic fibers came on the scene, cotton's share in the total market has dropped from 81 percent in 1940 to 66 percent today.

Those of my colleagues from States where flax is grown for linseed oil know that synthetic products, based largely on petroleum, have replaced vegetable oil in these products. If the comparative demand for vegetable oil were the same now as it was 20 years ago, this market would take one-half billion more pounds each year.

Agriculture must meet the challenge by developing new markets and new industrial uses. Research is the key which will enable us to capture a greater share of today's market, and it is extremely important that our program be redirected toward the utilization of more agricultural products in our expanding industrial program.

It is not my purpose to give a detailed list of research needs here. I have mentioned only a few as examples, but there are many other fronts in which agricultural research is critically needed. I call these needs to the attention of the Congress today, and urge the utmost consideration of every Member to the need of an expanded program. The relatively small amount of the additional cost is not only a sound investment, but is one of the very best possible investments that the Nation could make in its own future, and is a necessary investment for the survival of many segments of our agricultural economy.

I have recommended that, instead of the budget proposal of an increase of $11.7 million for the next fiscal year, the sum be increased by $18 million. That may seem at first blush to be a considerable increase, or a considerable sum of money, but, Mr. President, Senators may be surprised, in reviewing the figures, to find that the maximum appropriations for all agricultural research, even though it has been increased considerably in the past few years, is now only $124,919,000, with an additional sum of about $49 million to the cooperative program in the States. I remind Senators we are now appropriating annually almost $5 billion for military research and development. Real survival is going to hinge, in the final analysis, on food and fiber, so I say that relatively speaking the appropriation of this sum of money for this important measure is a mere pittance.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. First I wish to commend the Senator from Mississippi for his farsightedness.

Mr. STENNIS. I thank the Senator.

Mr. JOHNSTON of South Carolina. I am one who feels that by legislation such as this, we can save many, many millions of dollars here in the United States, and we must provide for the future. We may have agricultural surpluses at the present time, but I predict today that in the not far distant future we may not have surpluses in the agricultural field.

At the same time, we must remember that we have given billions and billions of dollars to other countries, millions and millions of which have been used for the development of irrigation in other countries. It has been found in America, where irrigation has been used, that various commodities can be grown much more cheaply than they can be grown without irrigation, once irrigation has been developed. That being so, the United States may have to meet foreign competition from irrigated crops in the future. Certainly we shall have to grow our crops more cheaply, in order to make them salable upon the market.

I commend the Senator from Mississippi for what he has said today.

Mr. STENNIS. I thank the Senator from South Carolina most sincerely for his complimentary remarks. I know the part he has taken as a member of the Committee on Agriculture and Forestry in connection with this and related problems. I agree with him about the increased production. I point out also that agricultural research is far from being confined to increased production. It has to do also with production of crops at a lower cost per unit. It has to do with new uses for the products and a host of other matters which are necessary if we are to compete with the new order.

KLM—ROYAL DUTCH AIRLINES ROUTES

Mr. BRIDGES. Mr. President, I was shocked to hear from my distinguished colleagues who are members of the Committee on Interstate and Foreign Commerce of a report made at a meeting of the committee yesterday concerning negotiations which are being conducted between the United States and the Netherlands relative to new airline routes. I understand that members of the committee were shocked as well, and I wish to speak on the subject at this time.

A little more than 2 years from now jet airlines will be flying to the four corners of the world. Distance will be cut in half. The fact that the United States-flag carriers have pioneered the jet development, not only in research, but also in tangible equipment orders with American manufacturers, is apparently of little consequence to the Department of State.

At this moment the State Department is negotiating with the Government of the Netherlands with respect to adding new routes to the already substantial routes now enjoyed in this country by KLM—the Royal Dutch Airlines. Others are to come. Sebena, the Belgian-owned airline, is due here momentarily to negotiate with the United States for bilateral routes; and, after the Belgians, will come the British and the Australians in rapid succession.

There is a strange disposition on the part of the State Department to give the Dutch all they seek—or nearly all—in the way of routes.

I suggest, Mr. President, that an unfortunate precedent will have been established should these concessions be made.

In the first place, there is very little the Dutch can give United States carriers in the way of reciprocal agreements. In the air-transport field, the United States has been very helpful and very generous to the Dutch. KLM has long operated from Amsterdam to New York and Curacao to Miami. KLM secures from these operations more than $15 million a year in revenue. This compares with something more than $1 million a year which is secured by the United States from operations to Dutch territories.

Additionally, since World War II, the United States has made grants-in-aid of $792 million to the Netherlands, and the net amount of loans during that same period is $233 million.

KLM advertises that it serves 115 cities in 72 countries around the world. From that company's transatlantic operations to New York alone, however, KLM derives approximately 21 percent of the revenue passenger miles generated on its worldwide services.

It is clear that the United States in its air transport policy has made a contribution of large proportions to KLM and the Dutch economy. Certainly no other country has given nearly so much. The British, for example, do not permit KLM to stop at London enroute to New York, nor do the French permit KLM to stop at Paris en route to New York. Those countries protect the vital and legitimate interests of their airlines. There is no reason at all why the United States should always be the country which is called upon constantly to give.

As to national interest, it is important to the United States and to the rest of the free world that American air carriers be strong. It is, of course, of concern to the taxpayers of the United States that they be free of subsidy.

The Nation is now talking economy. Congress is trying to reduce expenditures. But in this instance, we have a program which will drive the American airlines back to subsidies. Subsidies will certainly come as a result of favors granted to foreign competitors.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I certainly will.

Mr. POTTER. It happens to be my privilege to serve on the Committee on Interstate and Foreign Commerce. Day before yesterday the committee heard representatives from the State Department who appeared before our committee. It was the unanimous agreement of the committee that it was not in our national interest to establish such a precedent by allowing KLM to add to its present routes. As a matter of fact, KLM requested 3 additional extensions of routes, 1 to Los Angeles, 1 to Houston, and a direct-line flight from New York to South America.

There are other nations which are quietly waiting at the door. If this concession shall be granted to the Netherlands, certainly we shall have to make similar concessions to Belgium. Otherwise Belgium could say to the United States that she was being discriminated against because favored treatment was given to the Netherlands. There are also Australian, British, and Italian airlines. To grant concessions to them will mean that American-flag ships will be leaving the skies, so far as international travel is concerned, or otherwise there will be a completely Government-subsidized type of flying.

In our own national interest, as it may affect our foreign policy, I say it is much better to be resolute in the case of the Netherlands, rather than to have to say to the Italians, the British, and the others, "Although we have made a concession to the Netherlands, we are sorry we cannot do the same for you."

Mr. BRIDGES. I think the Senator from Michigan has made a very sound statement. In view of the fact that he serves on the Committee on Interstate and Foreign Commerce in a distinguished capacity, I know he is a thorough student of this and similar problems. I will ask him if it is not a fact that the United States has had experience comparable to this in the maritime field. I am fearful that in the air age, which is now developing rapidly—and I hope it will continue to develop—the United States may suffer in much the same way as has been our experience with the maritime problem.

Mr. POTTER. The Senator from New Hampshire is absolutely correct. The only way in which the United States can have American-flag ships on the high seas today is through the subsidy program of sustaining the ships. This is not a matter of free competition. Most of the maritime nations, and likewise the nations which support international airlines are not supplying those services through private industry or private investment. The private investment in KLM is less than 20 percent; the rest of the support is by Government subsidy. So the American-international airlines are competing with a foreign government-owned airline system.

The United States is making concessions in favor of foreign airlines over and above its concessions to American-owned airlines which are supported by private investment.

The Senator is absolutely correct when he says that the same thing will happen to our international airlines as has happened to our merchant marine unless we take a resolute step at this time and make certain that our airlines are able to compete with the foreign airlines.

Mr. BRIDGES. I thank the distinguished Senator from Michigan. I agree with him completely.

The grant of routes to the Dutch, which would result in great pressure from the Belgians, the French, the Italians, and many others for additional route extensions, can only result in the development of highly uneconomic air-transport services to the United States and the return of the United States air carriers to a subsidy status. In addition to the fact that this would be unfair to stockholders of our free enterprise air carriers, it would impose another burden upon the American taxpayer.

The development of a sound international air transportation system involving the operation of both the United States and foreign air carriers to and from the United States is a problem which requires the greatest care in the exercise of route grants in order to insure that by sensible, regulated competition the United States air carriers may be able to operate subsidy-free and profitably, and that a sound economic system is permanently maintained.

I again want to emphasize that there is now developing throughout the country a great demand for economy in Government. I favor economy and I take every opportunity to urge the adoption of economic practices in Government. Insofar as commercial air operations are concerned, we have made progress, as the years have gone by, in the gradual removal of the airlines from dependence upon subsidies. It should be remembered that whenever subsidies are paid by the Government, the money comes out of the pockets of the taxpayers, and in my opinion, the taxpayers are supplying enough today. Therefore, the position I advocate is not only fair to our own carriers, but also is economical from the point of view of the Nation as a whole.

In the United States, routes are granted internationally to United States carriers only after the most careful consideration of the pattern of international air operations. For example, two carriers applied in the spring of 1955 for routes from the west coast of the United States to Europe. Extensive hearings were held before an examiner of the Board. Briefs were submitted to the examiner and to the Board. The Board itself heard oral argument. The decision in the case has not yet been announced. Despite the care exercised here, the Department of State proposes giving a route between either Houston or Los Angeles to Europe, and probably other concessions to the Dutch, in disregard of the economics of the situation and the serious effect which such grants would have upon United States interests.

These intentions on the part of the Department of State are in complete contravention of every expression of air transport policy ever issued by the executive departments of the Government. Similarly they are contrary to every expression of policy set forth in the Senate Committee report on "International Air Agreements." The action taken behind the scenes in the Department of State can only be viewed as an action in defiance of the policy endorsed by the Senate Committee.

This precedent would be certain to open the floodgates to an endless stream of giveaways which could only be destructive of the strength of the United States international air transportation and lead to a swift decline which would parallel what the Senate committee termed in its report on international air agreements, "the deplorable downward path of the United States flag maritime industry." It is difficult to believe that such a policy, with such an inevitable result, can be the product of well-informed responsible officers. Certainly any intended change of United States policy in this direction should be the subject of extensive review by the Congress as well as the executive departments of the Government.

I hope the State Department will stop, look, and listen.

THE AREA ASSISTANCE ACT OF 1957

Mr. REVERCOMB. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, I sincerely thank the Senator from New Hampshire for permitting me to make a few remarks at this time and to make an insertion in the RECORD.

At the present time there is pending a bill known as the Area Assistance Act of 1957, designated as Senate bill 1433. The purpose of the bill is to provide by law relief for the areas of the country in which there are more persons who seek employment than there are opportunities for employment. My own State contains several areas of that sort. Other States are in the same situation.

The whole purpose of the bill is to give encouragement to new industry so as to afford in the various areas where men and women are seeking permanent work opportunities for them to find permanent employment.

The bill is designed for a longtime, long-range effect. The purpose is to assist the communities themselves to proceed with the development of their labor resources and to enable them to increase employment opportunities for those who live in the areas.

So, Mr. President, I am very anxious to see the bill enacted into law. It is now pending before the Subcommittee on Production and Stabilization of the Senate Committee on Banking and Currency. I have submitted to the committee a statement in support of the bill, which I hope the committee will report favorably. Later, I shall take part in the proceedings on the floor of the Senate in seeking to have the bill passed by the Senate, after it has been reported by the committee.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD, as a part of my remarks, the

statement I submitted to the subcommittee, during its hearings on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR REVERCOMB ON THE AREA-ASSISTANCE BILL BEFORE THE SUBCOMMITTEE ON PRODUCTION AND STABILIZATION OF THE SENATE BANKING AND CURRENCY COMMITTEE

I am grateful to you for the opportunity to make a statement before you in support of Senate bill 1433, known as the Area-Assistance Act of 1957 on which I am a cosponsor. I feel there is a general need for Federal assistance of the kind provided under this proposal to aid those areas where a considerable surplus of workers has existed over a long period of time.

Despite the high level of prosperity the country as a whole has been enjoying, there are certain areas, some within my own State of West Virginia, where unemployment persists. In my State, this has been caused, in some areas, by mechanization in the coal-mining industry. Although coal production today is above what it was 3 or 4 years ago, there are fewer men employed in this industry, so basic to the economy of my State, than were employed a few years ago before mechanization of the mines became so general. And this will always be the case, regardless of the increase in coal production and consumption.

Many of the miners of my State have been forced to go into other States to obtain jobs. Many of them have large families; they have put their life savings into homes of their own; they have close community ties. When hundreds of families are forced to uproot themselves and move into other States, it not only creates a serious economic problem, it creates a major sociological problem as well.

In recent years, the Department of Labor has designated several areas of my State as surplus-labor areas, including Beckley, Fairmont, Logan, Point Pleasant, Ronceverte-White Sulphur Springs, and Welch. Most of these areas, I might point out, are in the heart of the bituminous coal-mining region and, as stated a moment ago, have a considerable labor surplus as a result of mechanization of the coal mines.

Then there are other areas where those seeking work exceed in number the opportunities for permanent employment. In my own State, which is still one of the greatest producers among the States of hardwood lumber, factories for manufacturing finished products of wood, such as furniture, could be sources of helpful employment to solve the problem of surplus labor.

These are but instances, and they doubtless exist throughout the country in various sections, pointing up the need for a well-coordinated program to create permanent jobs in such areas as I have mentioned.

The legislation proposed here should be an important step toward achieving that end. We have been spending vast sums to aid stricken areas abroad, and I think the time has come to give some aid and encouragement to our own communities in need of assistance.

The President has asked the Congress to enact legislation to provide Federal assistance to such areas. It is the view of the President—and I share the same viewpoint—that while the primary responsibility of solving this problem rests with local communities and the people, the Federal Government could provide valuable assistance.

What should be the aim of the Federal Government in helping these communities? There should be establishment or expansion of productive industries which will provide lasting improvement. Temporary employment, of course, is only a palliative and often worsens the problem in the end. Also, the money of the taxpayers should not be used to entice an industry or service from one community to another.

The program outlined by the President, and under consideration by this committee as S. 1433, to provide assistance to these communities would seem to meet their needs by a series of local, effective steps.

Under this proposal there would be made available funds for grants to local organizations, such as State universities, to study and assess the potentialities of a particular area, including the amounts and kinds of natural resources available, as well as characteristics and skills of human resources or the labor supply. Deficiencies of the area in question as to natural resources and skills would also be canvassed.

A modest program for providing technical assistance to such areas at this time exists in the Department of Commerce. This program would be extended under the present proposal. These people know what has been helpful to communities under similar circumstances, and are in a position to provide invaluable counsel and guidance.

The Secretary of Commerce, to whom primary responsibility for Federal action would be assigned by the proposal, would coordinate his program with other Federal programs which have been and would be created to assist these and related areas. The Federal Housing Administrator would be authorized to work in cooperation with the Secretary of Commerce and to modify certain programs in the housing and urban renewal field to provide special benefits to these surplus labor areas.

The Secretary of Labor, in addition to defining areas of substantial and persistent unemployment entitled to special benefits under the act, would also be authorized to undertake or assist in studies of labor forces in such areas and to provide advice and technical assistance in developing and carrying out our program to increase employment opportunities and improve utilization of the local labor force.

The Secretary of Commerce would also be authorized to make direct loans for the development of industrial sites and the construction and rehabilitation of factory buildings. The Federal loan could cover up to 35 percent of the total cost of the industrial project. Fifteen percent of such cost would have to be provided locally to reflect local interest in the project, with the remaining 50 percent to be provided by private sources.

To safeguard the taxpayers' money, other conditions would be provided by the proposed law. The loan would not be made for working capital, nor for the purchase of machinery or equipment. To prevent Federal control to the exclusion of local interests, loans will be made only to applicants approved by a State or agency thereof concerned with problems of economic development. There must also be in existence an overall program for economic development of the area and local determination that the proposed project for which financial assistance is sought would be compatible with that overall program. Reservation of this local control must be maintained to assure that the Federal program continues to conform to the principle of helping the areas help themselves and does not provide an opportunity for those in Federal bureaus to go forward with plans for betterment of communities without regard to views and desires of the people of the community.

In addition to S. 1433, to which my previous remarks are addressed, this committee also has under consideration S. 964. This latter bill, although differing in several aspects, is proposed to accomplish the same ends as S. 1433.

The important end to be accomplished by your committee and the Congress is to draft and enact into law a practical program of Federal assistance to surplus labor areas that will enable such communities to diversify and stabilize their economies, and provide permanent jobs. The fundamental purpose, as I see it, is to help these communities help themselves, and to that end, I hope this committee reports out favorably such a bill.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. HUMPHREY obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER (Mr. MORTON in the chair). The Senator from Texas will state it.

Mr. JOHNSON of Texas. What is the pending business?

The PRESIDING OFFICER. No business is pending before the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Minnesota yield to me for the purpose of permitting me to move that the Senate proceed to the consideration of Senate bill 1314?

Mr. HUMPHREY. Certainly.

Mr. JOHNSON of Texas. Then, Mr. President, I move that the Senate proceed to the consideration of Calendar 183, Senate bill 1314.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that—pursuant to an order previously entered—when the Senate concludes its business today, it will stand in adjournment until Monday next, at noon. At that time the Senate will consider Calendar No. 119, Senate bill 1423, to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended; or Calendar No. 160, Senate bill 1585, to amend the Legislative Reorganization Act of 1946, to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, or both—either of them or both.

I wish to ask the distinguished acting majority leader [Mr. HUMPHREY] a question: If action on the unfinished business, Senate bill 1314, extending the Agricultural Trade Development and Assistance Act of 1954, is completed today, will he make either Senate bill 1423 or Senate bill 1585 the unfinished business?

Mr. HUMPHREY. Yes, indeed; if the Senate takes final action on Calendar No.

183, Senate bill 1314, providing for extension of the Agricultural Trade Development and Assistance Act of 1954, I shall certainly move that the Senate proceed to consider one or the other of the two bills the Senator from Texas has just mentioned.

Mr. JOHNSON of Texas. I thank the Senator from Minnesota.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. HUMPHREY. Mr. President, I rise to urge quick passage of Calendar No. 183, Senate bill 1314, which provides for the extension of Public Law 480. I hope it will be possible for the Senate to pass the bill today. But if not, I hope the Senate will pass the bill very early next week.

Mr. President, Public Law 480 has proven itself a constructive way of dealing with our agricultural abundance—showing what a blessing an abundance of food and fiber can be.

I am convinced this relatively new program has had far greater beneficial impact on our domestic economy and on our international policy of strengthening freedom in the world than most persons realize. In the years to come, we shall hear much more about Public Law 480 and the concept it embraces. So it is well for all of us to understand it.

It is highly significant that this is one major program which has the united support of all our general farm organizations. The American Farm Bureau Federation has been one of the active promoters and supporters of Public Law 480. The National Farmers Union urges its extension and expansion. The Grange has likewise supported this wiser use of our abundance.

Farm people want to see our abundance used wisely, and they are learning Public Law 480 offers an opportunity for that to be done.

On July 28, 1953, when Senate bill 2475, which was finally to culminate a year later in the Agricultural Trade and Development Act of 1954—Public Law 480—was under consideration, I stated on the floor of the Senate as follows:

> I feel that the United States is now entering upon an era of international trade that may yield great dividends for us. I see in this measure a sincere, and, I believe, a very worthy attempt to reestablish the balance of trade, or, I should say, the normal avenues of trade which the United States should have. The bill gives to the United States Government and to traders and exporters within our country an opportunity, as the Senator from New Mexico [Mr. ANDERSON] has said, to meet a variety of currencies, to deal in those currencies, and, at the same time, by careful trading, to convert them finally into dollars, which is our form of currency. We are constantly confronted with problems of hard currency and soft currency. As a hard currency country, and as an exporting country, it is necessary for us to be ingenious. In this legislation, I see an opportunity afforded to our Government to be as ingenious in the field of trade as we have been in the field of science and technology. I hope the means provided in the bill will be utilized with the thought in mind not simply of disposing of surpluses, but of reestablishing the highest type and the finest kind of trade operations throughout the world. I think we have this chance. I strongly support the measure, and I commend the committee for reporting it promptly to the Senate.

Let us examine the situation in which we found ourselves prior to the passage of Public Law 480. During World War II, and in the years immediately following the war, American farmers had been called on to produce at ever higher levels. Agricultural output shot up by 40 percent over prewar levels. The productive capacity of our farms was soon running far in excess of domestic and export-market effective demand. Surpluses built up in Government hands. A major factor causing the surpluses was the sharp reduction in exports from the postwar peaks.

Many other countries were developing, both for their own domestic use and for export, increased supplies of commodities formerly obtained from the United States. A whole host of impediments to trade were placed upon United States exports. These included foreign exchange controls, bilateral trade and payment agreements, quotas, embargoes, licenses, special tariff and import fees, mixing regulations, State trading and monopolies, and a whole host of other control paraphernalia. These served as effective throttles on the exports of American farm products. Congress set as its goal the reversal of this trend toward restrictive exports, by expanding world outlets by means of the enactment of Public Law 480.

For the year 1953, the value index of agricultural exports dropped to 93, as compared with 123 in 1951. This loss of export business was of great significance to our farmers. While the percentage of harvested acreage devoted to producing export crops and products has varied from year to year, currently about 1 acre out of every 9 acres harvested is devoted to producing agricultural exports. Similarly, about 10 cents out of every dollar of cash farm income came from the crops exported. For some crops the percentage is much higher. For wheat and cotton this runs as high as 40 cents; for rice, 33 cents; for soybeans, including the oil, about 25 cents.

As these losses of export markets affected farm income sharply, it became essential that the Congress do something to reverse this trend.

The 83d Congress gave expression of its determination to deal with our abundant agriculture and the loss of export markets in a constructive way by the passage of Public Law 480. This legislation technically known as the Agricultural Trade Development and Assistance Act is the result of long congressional consideration of many bills designed to help solve the problems of agricultural surpluses through expanding the export of such commodities.

In its passage and the subsequent appropriations to implement it, this legislation received strong bipartisan support. It is making a great contribution in many aspects of both our domestic and foreign economic policies. Its multimillion dollar appropriations are bringing untold benefits to American agriculture and to consumers all over the world.

Now, what is Public Law 480 and what is it accomplishing? The major objectives of this law are spelled out in the policy provisions of the law. They are as follows:

First. To expand international trade between the United States and friendly nations.

Second. To promote the economic stability of American agriculture.

Third. To make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States.

Fourth. To facilitate the expansion of foreign trade by providing a means whereby United States surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels and foreign currencies accepted in payment.

Contrary to many misconceptions, the Public Law 480 program is not a gigantic giveaway. Congress spelled out the policy on the use of foreign currencies accruing from the sales, as follows:

First. To expand international trade.

Second. To encourage economic development.

Third. To purchase strategic materials.

Fourth. To pay United States obligations abroad.

Fifth. To foster in other ways the foreign policy of the United States.

Title I of this legislation authorizes the use of not in excess of $3 billion of CCC funds or assets to finance the export sale of surplus agricultural commodities to friendly countries for foreign currencies.

The present bill, extending the entire law for another year, adds an additional billion to that authorization.

Title II of the law provides for famine relief and other emergency assistance, providing a means by which we can help friendly foreign people in time of urgent need. It is under this title that humanitarian programs have been conducted by many of our church groups and other voluntary agencies to build goodwill and alleviate suffering in the world.

The bill before us would increase the title II authorization by $300 million, in effect restoring the authorization to the present $500 million.

I wish to note, Mr. President, that our voluntary agencies and our church groups have accomplished excellent results under title II of the law. It has been one of the most effective programs of cooperation between the Government and the voluntary agencies America has ever known, and I pay tribute to the voluntary agencies and to our fine religious organizations that have done such a remarkable job in utilizing this food for humanitarian purposes.

Title III of the law provides a mandate to the Secretary of Agriculture to

seek to protect the assets of Commodity Credit Corporation by bartering surplus food and fiber for strategic materials with less risk of deterioration and less cost of storage.

I would note, Mr. President, that title III does place a responsibility upon the Secretary of Agriculture to exchange commodities held by the Commodity Credit Corporation for strategic and critical commodities or materials which are probably less subject to deterioration than are agricultural products.

It is my purpose, later in this session, to discuss at some length each of these titles, and what has transpired under them, as well as what opportunities are offered us under these programs.

The public has never been given a full understanding of the vital importance of this legislation and its role in our foreign policy. It is far more than just a surplus disposal program. It is a comprehensive foreign economic policy.

I add it is possibly the one considered, well designed foreign economic policy that we have. It is a humanitarian policy. It speaks the soul and the heart of the American people. It is a solid basis for an improved farm policy.

For the present, however, I want to discuss title I of the law, under which the major parts of the program have been conducted to date. Later, I shall discuss the contribution made by our voluntary agencies to our foreign policy under this law, and also discuss the opportunities that are being unfortunately ignored, or at least neglected, under the barter provisions of title III.

Let us examine how title I of Public Law 480 operates. Commodity agreements are entered into with governments of importing countries. These agreements provide for the payment of commodities imported from the United States in local currency. Such local currency must be expended as specified in the act. After such government-to-government agreements are made, the importing country applies to the Foreign Agricultural Service of the United States Department of Agriculture for purchase authorizations, which provide for dollar financing of the commodity sales and specify the conditions under which such financing will be made available. At this point, private United States exporters sell to importers authorized by the importing country. There is always a public announcement made when the agreements are signed and purchase authorizations are issued. This is done so that all segments of the private trade can be familiar with the entire operation.

In view of the fact that United States Government funds are used to finance title I sales, certain controls are established, such as the banks involved, normal commercial letters of credit, exchange rates, and so on. Under this procedure, the United States exporter can be sure that the transaction, if otherwise in compliance with the program, will be financed by insisting that his contract be covered by an irrevocable letter of credit. In every way possible the sale is made as closely as possible in line with normal United States commercial practice.

In order to be sure that we are developing new sales through sales of local currencies, the legislation sets rigid standards, including the requirement that the President shall take:

One, reasonable precautions to safeguard against displacement of usual marketings of the United States or friendly nations, and to assure insofar as practicable that sales will not disrupt world prices, and

Two, take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the CCC, as far as practicable.

Thus far agreements have been signed with 30 countries for the sale of commodities valued at $2.8 billion. Through sales of foreign currencies under title I, we are moving surpluses to countries which are short of dollars. The prices are not lower than those for export dollar sales.

As of the end of 1956, the following surplus commodities and quantities had been programed since the beginning of the program:

		Million
Wheat and flour	bushels	432.0
Feed grains	do	66.0
Rice	hundredweight	19.0
Cotton	bales	2.6
Tobacco	pounds	143.0
Dairy products	do	130.0
Fats and oils	do	1,598.0
Poultry	do	3.0
Fruits and vegetables	do	81.0
Meat	do	149.0

CURRENCY USES

Through the end of 1956 the following were the planned uses of foreign currencies to be generated from sales under title I, Public Law 480:

PLANNED USES OF FOREIGN CURRENCY GENERATED UNDER TITLE I, PUBLIC LAW 480

(Through Dec. 31, 1956)

	Percent
Loans for multilateral trade and economic development	56.8
Payment of United States obligations	24.8
Military procurement	11.5
Others [1]	5.2
Market development	1.6

[1] This includes: (a) Purchases of strategic materials (0.4 percent), (b) purchases of goods for other countries (1.2 percent), (c) grants for economic development (3.2 percent), (d) international educational exchange (0.8 percent), (e) translation and publication (0.1 percent), (f) information and education (0.2 percent).

Let us examine some of these uses in detail in order to visualize the wide scope of the constructive utilization of these funds.

AGRICULTURAL MARKET DEVELOPMENT

Market development projects are being carried out in close cooperation between United States and foreign-trade groups so as to provide benefits to both. Generally, the United States provides part of the foreign currencies required for the project and gives general supervision to the activities. United States private trade groups carry out the project and provide for the necessary dollar costs. The cooperating foreign-trade group meets part of the local costs. Thus we develop new opportunities for working together on the problems of expanding old and developing new commercial markets for United States agricultural products. I submit that this program has worked to the benefit of the American agricultural producer, processor, and exporter.

Some of the United States farm commodities being promoted abroad under these projects are cotton, wheat, flour, beef cattle, dairy cattle, soybeans, tobacco, fruit tallow, dairy products, poultry, and eggs.

An example of the types of projects is as follows:

In order to provide a basis for admitting more United States processed agricultural products into Germany, a team of German food-inspection experts were brought to the United States. It was believed that by acquainting them with accepted American pure-food standards and methods of food preservation that some of the barriers to acceptance would be eliminated. That project worked to our advantage, and it was successful.

Another type of market development is through participation in international trade and food fairs. During 1956, United States agricultural exhibits under Public Law 480 were visited by 7½ million people in many countries including the United Kingdom, Austria, Greece, Yugoslavia, Thailand, and Colombia. Thus large numbers of people were acquainted with the quality and availability of United States agricultural products. For the first time many prospective customers are seeing, tasting and feeling our products. Out of this will come new customers.

DEFENSE NEEDS

Through the end of 1956, $221 million of local currency proceeds of sales were earmarked to procure military equipment, materials, facilities, and services for the common defense. These quantities cover agreements signed with countries in many areas of the world, including Brazil, Iran, Korea, Pakistan, Yugoslavia, and the Republic of China (Taiwan).

For example, in Pakistan the funds will meet military construction and troop support costs. In Korea the military position of the Republic of Korea is being bolstered. In countries such as Turkey and Spain, the foreign currency is being used in meeting the costs of military base construction.

MILITARY FAMILY HOUSING

The Congress has authorized the Department of Defense to use $100 million worth of foreign currencies developed out of title I sales for United States military family housing in foreign countries. The Department of Defense will reimburse CCC from appropriations available for the payment of quarters allowances. Thus CCC receives dollars back from the Department of Defense on a deferred basis. Thus far about $98 million of military family housing has been allocated for Austria, Japan, Italy, Spain, and the United Kingdom. For example, in Japan the United States

Army plans to construct 1,700 units for the 3 United States services in Japan. In Italy, Italian lire are being allocated for the construction of 616 units. Thus, American military personnel are better housed during their stint abroad by reason of a program for the sale of American agricultural products.

PAYMENTS OF UNITED STATES OBLIGATIONS

The Treasury Department sells the foreign currencies to Government agencies for appropriated dollars at the same rate of exchange at which they would otherwise obtain the currencies. Very heavy purchases are made by such agencies as the United States Information Agency and the Department of State, which need funds to meet administrative and operating expenses.

EDUCATIONAL USES

Foreign currencies generated from the sale of agricultural commodities are being used to help promote mutual understanding between people of the United States and those of other countries. Most of the title I agreements have provided for the use of some of the local currency proceeds to finance international educational exchange programs. Under this program, provision is made to pay for student-exchange programs. This can only result in good will and expansion of knowledge of the United States in foreign countries.

Mr. President, I suggest that those who administer Public Law 480 and those who cooperate with it in the State Department and in the United States Information Agency could do more in developing the educational use of those currencies. There are literally thousands of American teachers who would profit by taking a 3-month or 2-month refresher course in education in some European or Asian university, where these currencies are in abundance. I have in mind such countries as India, Indonesia, Thailand, the Philippines, Greece, Turkey, Spain, and others.

I see no reason why the Government should not expand its educational exchange program so that those currencies could be utilized in the further education and development of the teaching staffs of our great teaching force and our whole educational structure.

About $5 million has been set aside thus far to help American-sponsored schools abroad and organizations which promote public relations between the United States and other countries.

I was discussing that subject today with Dr. Malcolm Willey, of the University of Minnesota. He is the administrative vice president of the University of Minnesota. I discussed with him his trip during the past year to several countries of Asia and Africa and in particular the Middle East.

I was rather pleasantly surprised to hear of the tremendous upsurge in education in every one of the countries, and of the fine new buildings which are being constructed for universities in Burma, India, Indonesia, Thailand, the Philippines, and in other areas of the world.

I was informed, for example, that in the University of Seoul, in Korea, more than 20,000 students were presently enrolled. I was informed that more than 80,000 students who are graduating from high school were taking college entrance examinations last year for fewer than 20,000 vacancies in all the universities of Korea. The young people of those countries are eager to go to school. I was also informed that wherever this distinguished educator visited, he was greeted at the airport by many graduates from our great University of Minnesota. They were literally ambassadors of good will.

Mr. President, every dollar we spend on education abroad or at home will yield dividends for peace and understanding and, as Wendell Willkie put it, will create a reservoir of good will for America.

It always surprises me to note the lack of imagination on the part of those who administer these programs. There is so much that could be done. Instead of complaining about our surpluses, until every American from one end of the country to the other feels that one of our great problems today is the agricultural surplus production—instead of complaining about this blessing—and I repeat it is a blessing—why we do not convert this abundance of wheat and cotton and corn into education and into schools and into programs of international understanding?

I can well imagine what the Soviet Union would be doing if it had one-half of the food supply we have. I can well imagine what those two traveling Fuller Brush salesmen of the Kremlin, Bulganin and Khrushchev, would be doing if they could go to one country after another with 500 million bushels of wheat in excess supply. They would be parading before the world as great humanitarians and great benefactors. They would not be complaining that they had too much. I can imagine how long a Secretary of Agriculture would last in the Soviet Union if he complained that his major problem was that farmers worked too hard and produced too much.

It is amazing to me that a country which is blessed with untold resources, such as ours is, finds that its major problem on the economic front is abundance. I repeat what I have said so many times on the floor of the Senate, perhaps 101 times, that a government which does not know how to deal with abundance will never know how to deal with the great problems of the world. If we cannot find out what to do with excess cotton and wheat, how will we ever find out how to handle the shifty characters in the Kremlin?

Here is a program that provides the means for the proper and constructive and sensible utilization of our food and fiber supply. If there ever was one area where we could use it, it is in building international understanding.

Last year the President of the United States announced a program which, at least according to the newspaper columns, was to be a program for building vocational schools abroad.

My colleagues will recall that the President was in Texas making a speech, and that while there he announced a program of building trade schools and vocational schools abroad in lands where the people were trying to help themselves in building up their countries.

That announcement made good newspaper headlines. However, not one thing has been done since then to carry out the program.

I say on the floor of the Senate today that we can convert wheat into bricks and corn into steel and mortar, and we can take soybeans and cotton and rice and change them into education. We can do that if we have any imagination and any will.

Apparently an article in Reader's Digest condemning the abundance of our agriculture seems to be more pleasing than the realization of trade schools and vocational schools in foreign countries, paid for out of the soil.

Apparently we think it is more important to put our gold in a hole in the ground at Fort Knox and store our agricultural commodities in bins above ground all the way from Kentucky to Seattle and to Tallahassee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. It seems to me this country would do well to appoint some individual as an expediter under the Public Law 480 program. I visited Portugal last year. I discovered the United States did not have an agricultural attaché there, but the representatives of the State Department were endeavoring to handle the responsibilities under Public Law 480 as best they could. They did have an opportunity to sell quite a bit of cotton to Portugal, but there was so much redtape involved and so much demand for additional information that finally they were about ready to throw up their hands—as were the Portuguese—and give up. If someone were appointed who could look after the program, to see where a deal could be made for the benefit of the United States, and to see that the deal went through, rather than to allow the whole thing to be tied up because of redtape, we could sell many more commodities.

Mr. HUMPHREY. The Senator is correct. And I add to what he has said that if we would turn over the job of the export of commodities to private traders, rather than to have it handled by the Government, thereby permitting the private traders to make arrangements within what could be established as standards of performance, or criteria for arrangements under the law, we would save ourselves a good deal of money and personnel. In addition, we would get a better deal, because the private exporters really know how to trade. Besides that, the private exporters would have an opportunity to make a living themselves, and make a profit.

I have said on this floor again and again that I do not want the activities of the Department of Agriculture to supplant—I repeat, to supplant—the normal private trade operations. The duty of the Department of Agriculture is to supplement—to aid and assist private trade

operations from the private producer to the private processor to the private exporter.

We do not desire to have a program which drives American business out of business. We should have a program to keep American business in business, so that it can compete.

I am happy to observe that our grain trade—and I refer especially to wheat—is now following this procedure. I have some reason to believe that an address I made in the Senate about a year ago helped initiate the program. The Department was worried, lest it be criticized for permitting the private trade to make export arrangements.

I wish to say I think the same thing should be done in the interest of the cotton trade. We should permit our cotton exchanges to sell the surplus cotton. They would do a better job than almost anyone we could find.

Reverting now to the discussion of the matter of education, about $5 million has been set aside in agreements thus far to help American-sponsored schools abroad and bilateral organizations which promote better relationships between the United States and other countries. Funds will be used to help these schools purchase land, buildings, and equipment to provide more classrooms, laboratories, and dormitories. Also, scholarships will be offered, teacher salaries will be added to and efforts made to improve the curriculum. For example, funds from this source will be used to support such educational facilities as the Institute of American Studies in Rome, an excellent institution of education.

I repeat, American-sponsored schools abroad or schools in other lands assisted through the sale of surplus commodities under Public Law 480, will pay genuine, long-term dividends in every possible relationship; the economic relationships, the political relationships, and the social relationships between countries that are aided and the United States of America.

Let me next discuss a most important aspect of Public Law 480, the loans for multilateral trade and economic development.

By far the largest portion of the local currencies are being utilized in the form of loans by the United States to promote economic development and international trade. Over $1 billion is involved in this tremendous undertaking. It is essential that these loan funds be used productively by the foreign governments in cooperation with the United States. In the development of these plans special emphasis is being placed upon coordination of the use of these currencies with the overall economic development of the country.

Loan funds may be used to augment governmental expenditures for roads, port and storage facilities, and other public improvements. As these plans are gradually developed, they will make an important constructive contribution to the economic growth of friendly countries.

For example, Peruvian sales will be used in the development of an irrigation project and for the construction of farm-to-market roads. In Brazil, cruzieros will be used to improve rail and river transport facilities, construction of storage space, expansion of electric power and for other industrial purposes. The Japanese have agreed to use the yen for electric power development, reclamation of industrial land sites and of agricultural land, forestry, food processing, irrigation, and drainage projects.

However, as a general policy, we believe it unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in surplus.

After 2½ years of experience with this legislation, I am really proud to have associated myself with the sponsors of this measure.

I may add that I have myself introduced similar proposed legislation, which was a part of the general hearings and study of the Committee on Agriculture and Forestry.

It has indeed enabled us to open new doors for America's surplus agricultural commodities. It has resulted in improved levels of income for many farmers.

I say, Mr. President, if this program is pursued with imaginative leadership it can do much not only to strengthen our foreign policy but to relieve us from domestic agricultural problems which seem to plague us.

Millions of man-hours of work have been added for American labor. Shipping has prospered.

United States agricultural exports have been recovering. When figured at constant prices—1952–54 average—to eliminate trends due to changes in the value of the dollar, agricultural exports are at about the same level as in the boom years of the late twenties and in the post-World War II years, when much of the exports were financed by foreign aid.

Our exports in 1956 practically equaled those of the peak years of 1927 and 1952. It should be noted that the 1952 peak was due to scare buying during the Korean war. Another significant feature of our export trade—and I speak of our private export trade—in 1956 was that, exclusive of cotton, exports were far ahead of previous periods.

The part that Public Law 480 played in the expansion of exports can be seen from the fact that agricultural commodities under United States export programs accounted for about 25 percent of exports in 1954, rose to 30 percent in 1955, and 41 percent in 1956. Sales outside of the programs have remained fairly steady. The largest increase in program activity has been in sales for foreign currencies. Thus we have developed export programs based on the ability of foreign countries to pay for their purchases, although these payments have to be made in part in their own currency.

Present Government export programs are designed essentially to assure that neither lack of financing nor higher domestic price levels shall hinder exports. The effects of all these approaches are seen in the increased exports. It reveals what human ingenuity and persistent effort can accomplish.

The Congress set forth its intention in the law that it should operate to expand world trade on a sound basis and not be a disrupting force. The experience gained in the operation of it revealed that this act is being administered so that the United States is not engaging in unfair competition or disturbing world markets. As a member of the great family of nations, we are reflecting our responsibilities and following our own broad interests. Our food stocks are being used for constructive purposes and through good administration we are mobilizing the total resources of the Government and private trade in this direction.

United States agriculture, as well as other segments of the economy, is gaining from this expanding world trade. Certainly, it is in the long run interest of the American farmer as well as all other Americans for this country to work with other countries in a combined effort for expanding international trade.

Mr. President, I did not comment today on title III of this particular act. I did not, in the main, because at a later date I wish to discuss the full implications of title III and what I consider to be the failure properly to administer it. Actually, title III makes possible the exchange of American foodstuffs for strategic materials; metals, for example.

Since Public Law 480 was enacted, the value of strategic imports for stockpiling under the proper procurement has risen from $61,500,000 in fiscal 1955 to the rate of nearly $189 million in the first half of fiscal 1957. This is but scratching the surface.

I have gathered together information which indicates that our Government has rejected opportunities to exchange perishable food supplies for commodities as valuable as platinum. I repeat: As valuable as platinum. The chance to exchange cereal grains for platinum was offered to us, and we did not take the deal? Why? Because the Department of Agriculture was living by or exercising its authority under the general terminology of the Office of Defense Mobilization list of critical and strategic materials. Because the Department was being governed by that kind of man-made list of another administrator, this Nation has missed many opportunities for barter.

The whole subject of how we could use our agricultural commodities in international trade, on the basis of a proper exchange of wheat for manganese, of wheat for nickel, or feed grains for platinum, is a subject which I intend to discuss throughout the year in great detail.

I wish to announce that I, as chairman of a subcommittee of the Committee on Agriculture and Forestry, intend to hold hearings upon the entire subject of Public Law 480. I intend to call upon exporters and upon volunteer agencies, upon educators and upon interested citizens, to come before the committee and state their experiences under the program. Most of the experiences will be good. In the main, the program has been well administered. But I think we

have just begun to realize what could be done if we used a little more imagination and applied a little more leadership to the direction of the program.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an exchange of correspondence between myself and the Department of State and between myself and the Department of Agriculture relating to charges, or, at least, complaints, which I received from the Ambassador from Thailand while I was a delegate to the United Nations.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JANUARY 17, 1957.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Washington.

DEAR MR. SECRETARY: On January 11, while I was at the United Nations presenting the United States position on the establishment of a World Food Reserve, the Ambassador from Thailand to the United Nations, Mr. Khoman, presented to me his view of the impact which our Public Law 480 program is having on normal Thai exports of rice. Ambassador Khoman was very outspoken in presenting his case. He said that Thailand was losing its rice markets. He argued that Thailand could not afford to wait until improving economic conditions among neighboring countries created new markets by raising levels of consumption. Furthermore, he felt that countries in the area were so poor they could not afford an expansion in their total rice consumption. Therefore, any additions to their supplies meant a displacement of previous market arrangements.

With great feeling, Ambassador Khoman stressed that Thailand does not want to be supported by United States aid, on the one hand, and prevented from earning its way by being driven out of its markets, on the other hand. Since I was not conversant in detail with our policy on rice disposals and with figures concerning Thailand's sales during recent years, I could give very little specific response to Ambassador Khoman. I told Ambassador Khoman that I hoped to have him come to Washington in the near future and discuss with myself and a small group of interested Congressmen and Senators the problems Thailand is facing selling its rice.

In preparation for these talks, I should like to have any information you would consider relevant on our relations with Thailand; for example, what efforts do we make to consult with Thailand in order to avoid displacing Thai rice markets?

Considering that the Thais are one of our best allies in Asia, we must make every effort to avoid the dire future for Thailand which Ambassador Khoman predicts if our present programs continue.

Respectfully,

HUBERT H. HUMPHREY.

DEPARTMENT OF STATE,
Washington, January 30, 1957.

The Honorable HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: I refer to your letter of January 17, 1957, regarding your recent conversation with Ambassador Khoman of Thailand at the United Nations when he expressed his grave concern about the effect on Thailand's economy of United States surplus rice sales in normal Thai markets. The Department agrees wholeheartedly with your comment that the United States must avoid measures which might seriously injure the economy of our SEATO ally, Thailand. As you are aware, the problem of United States surplus commodities is one of the most difficult the United States faces today because of the effects upon both foreign and domestic producers.

When the sale of United States surplus rice in Asia was first considered, the Department was concerned about the effects of such sales, not only upon the economies of the Asian rice-exporting countries but also upon United States relations with those countries. As a direct result of this concern, certain provisions were recommended by the Department and were adopted by the Council on Foreign Economic Policy (Dodge Council) in April 1955 when the present United States policy covering sales of surplus United States rice in Asia was established. In brief this policy is as follows: The United States will sell rice to Asian countries at competitive prices but will not make sales to an extent or at prices which would result in material injury to friendly countries by interfering with their normal exports, preventing them from obtaining an equitable share of an expanded total market, or progressively driving down prices. Moreover, it was decided that prior to the implementation of concessional sales, the United States would consult with the representatives of the Governments of Thailand, Burma, and Vietnam.

After the adoption of this policy, a United States mission visited the Asian rice-exporting countries in May and June 1955 to discuss the rice surplus problem and to inform these countries of the United States desire to dispose of up to 230,000 metric tons of United States surplus rice during that current United States rice marketing year. After this original rice surplus had been disposed of, additional rice sales under title I of Public Law 480 were made in Asia. The complete record of surplus rice sales under title I, Public Law 480 is as follows: Japan, 101,000; Indonesia, 250,000; Pakistan, 280,000; India, 200,000; Korea, 75,000.

With the exception of the first surplus rice sale in Asia—to Japan in 1954—the Governments of Thailand and Burma were consulted prior to the implementation of each sale. Neither country opposed the specific sales about which they were consulted. When appropriate, the United States has also insisted upon the inclusion of a "usual marketings" clause in the Public Law 480 rice sales agreements to insure that the recipient country would take its normal rice imports from its usual suppliers. By so doing, we hoped not only to prevent any breach in our good relations with the Thai and the Burmese, but also that no ill will would arise between these two countries and the Asian rice-recipient country. Because of these precautions, we believe we have been fairly successful in disposing of Public Law 480 rice in Asia with a minimum of friction. Furthermore, Thailand has been able to market its own rice surplus stocks during the past year. Burma has reduced its surplus rice to satisfactory levels, but unfortunately felt impelled to enter into barter agreements with the Communist bloc to accomplish this.

Notwithstanding the favorable aspects of our rice disposal program, and the fact that Thailand and Burma have disposed of their own rice crops, certain Thai and Burmese officials have consistently shown concern about the effect on their markets of the United States rice programs in Asia. They point out the great importance of large rice production and exports for their economies and contrast the comparatively minor importance of rice production and exports for the United States economy. The Thai and Burmese also regard the United States export of rice as an unfair trade practice, because the United States can grant concessional terms which they cannot meet; i. e., the United States accepts payment in local currencies and then extends long-term developmental loans. The Asian rice producers and exporters contend that United States rice sales are made possible by indirect subsidization, because although sales are made at world prices, this price is below the United States support price for rice.

Ambassador Khoman's firm presentation of his views undoubtedly reflects the fears of Asian rice-exporting countries that the United States disposal of rice under Public Law 480 may not be, as we have said, a temporary program but will become a permanent program. Thai and Burmese officials cannot have overlooked the fact that although the Commodity Credit Corporation was originally authorized to finance title I, Public Law 480 sales totaling $700 million, the limit was raised to $1.5 billion the next year and then recently to $3 billion. These countries realize that it would be impossible for them to adopt such measures to further their own export programs. The Thai and Burmese also believe that because prospective Asian rice purchasers know that the United States also has rice to offer under concessional Public Law 480 terms, their bargaining position is considerably weakened.

The Department's latest information from Embassy, Bangkok indicates that the Thai Government is optimistic about prospects for exports of its 1957 rice crop, which is now being harvested; Luang Thawil, Under Secretary of the Ministry of Economic Affairs informed Embassy, Bangkok, in December that as a result of information obtained in FAO meetings in Rome and on his tour of Europe, as well as during his trip to Japan, he was very optimistic regarding the rice export outlook. Current reports indicate that Thailand has achieved its 1956 rice-export goal of 1,200,000 metric tons.

It is quite possible that at the time of his conversation with you, Ambassador Khoman was not aware of the current outlook for Thai rice exports, nor apparently cognisant of the United States policy to consult with the Thai Government before disposing of United States surplus rice in Asia. Because of this possibility, the Department informally gave the financial counselor of the Thai Embassy the gist of Ambassador Khoman's discussion with you. The financial counselor said that the Embassy would see that Ambassador Khoman received the latest information on the current Thai rice position. He would also be informed of the fact that the United States had consulted with Thailand prior to implementing Public Law 480 rice sales. The financial counselor expressed the opinion that Ambassador Khoman was discussing a condition that may have existed in 1954–55, but which no longer prevails.

If you continue your discussions with Ambassador Khoman in Washington, you may find the enclosed pamphlet useful. It contains statements on our Asian rice-disposal policy and statements on United States surplus commodity programs. These statements were made by Mr. Howard P. Jones, Deputy Assistant Secretary for Far Eastern Economic Affairs and Mr. Walter M. Kotschnig, Director, Office of International Economic and Social Affairs when they were the United States representatives at the ECAFE meeting at Bangalore, India, in February 1956. This pamphlet also points out how the recipient countries of the Far East (including Burma and Thailand) have benefited from our Public Law 480 programs.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 5, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: This will acknowledge your letter of January 17 requesting information on exports of rice by Thailand over the past few years and a comparison by areas of destination of United States rice sold for foreign currencies under title I of Public Law 480.

The Foreign Agricultural Service of the Department has prepared the enclosed tabulation of exports, together with some appropriate information on other points raised in your letter.

While Ambassador Khoman quite naturally is vitally interested in extending in every way possible the sale of Thai rice because of the great importance of the export of rice to the overall economy of the country, it does not appear that he is quite correct in his statements that the United States has driven his country out of their traditional rice markets. Our relationships with the Thais have been most cordial on all matters relating to rice extending back for a decade.

As an integral part of the development of programs which have included rice, we have followed our customary practice of consultations, and in the case of Thailand, these have been very satisfactory to us and, we have reason to believe, to the Thais. The Thai Government has indicated to us on many occasions that they are aware of the various steps the United States has taken to reduce rice production, to utilize surplus rice in every possible way, and to endeavor to dispose of rice through Public Law 480 in a manner which will not create undesirable instability in the world rice markets or unduly impinge on traditional market arrangements.

It is believed that the enclosed data will indicate that our rice sales for foreign currencies have not been to the disadvantage of Thailand. We shall be glad to supply anything further that you need upon request.

Sincerely yours,

EARL L. BUTZ,
Assistant Secretary.

[From Foreign Agricultural Service of January 28, 1957]

THAILAND RICE EXPORTS, 1951–56

Thailand is the only Asian exporter of rice that, following World War II, regained and in some years has exceeded average 1936–40 exports. In 1955 when other world exporters were carrying large stocks of surplus rice, Thai sales exhausted all export availability before the end of the year and practically no stocks were carried over in 1956.

Thai sales of rice in 1956 have equaled the target set by the Government at the beginning of the year and such stocks as have been carried over into 1957 have been considered normal working stocks. With the volume of sales in 1955 and again in 1956 maintained by the Thai Government, and taking into account the carryout stock position at the end of each year, it is obvious that additional rice could not have been sold or exported by Thailand to offset the amounts of United States sales for foreign currencies (Public Law 480) to Japan in 1955 and to Indonesia and Pakistan in 1956.

The sales of rice from Thailand also have been for cash or on open account with their traditional markets. The Thais have not found it necessary to enter into barter arrangements or to trade their rice with Communist-controlled areas.

The only program entered into by the United States other than those for Indonesia, Pakistan, and Japan is for India. Rice under this program will be largely shipped in 1957. The India program, however, cannot be considered as one which involves interference with a traditional market of Thailand. Thailand prewar was never a major supplier of India and in 1952 all existing trade in rice between the two countries came to an end and for the last 4 years, no rice has gone from Thailand to India and none is foreseen in the immediate future.

In the case of Pakistan, no rice has moved in the postwar period from Thailand to Pakistan except in 1956. So Pakistan must be considered a new (but temporary) market for Thailand and one in which it has participated largely as a result of Public Law 480 operations on the part of the United States.

The foregoing United States programs were the subject of consultations between the Thais and the United States and in no case has Thailand failed to concur. Moreover, the Thais are fully aware that the prices under which United States rice has been sold to these areas have been consistently above prices prevalent in Asia for comparable rice, so that the existing world rice market was not precipitated into a period of declining prices. The marketing of United States rice under these programs to the extent that it has occurred within the Asian area has had a somewhat beneficial effect in assuring stability in the world rice market. In our efforts to maintain and protect normal trade, and through consultations and frank discussions as to policy, a great deal of the uncertainties of what use was to be made of United States surplus rice has been removed. Moreover, much of the rice has been used in such a manner as to promote additional consumption of rice which otherwise might not have occurred and such encouragement to world consumption has been to the betterment of all major exporters of rice. World trade in rice in 1956 has been at the highest level of the past 10 years, but this is not occasioned entirely by the volume of rice sold for foreign currencies under Public Law 480. The amounts exported from all principal rice-exporting areas show an increase in volume of sales over 1955.

Recent conversations between our people and prominent Thai officials indicate that they are confident that their export sales for 1957 will be slightly higher than those of 1956.

Exports of milled rice from Thailand for the calendar years 1951 through 1956 with a comparison of United States exports to the same areas for foreign currencies under Public Law 480

[Thousands of 100-pound bags]

Destination	1951	1952	1953	1954	1955	1956
Japan	7,620	6,870	10,530	7,330	7,670	[3] 2,900
Indonesia	4,110	4,230	640	1,280	[1] (2,242) 1,460	3,600
Pakistan	0	0	0	0	0	[1] [2] (4,086) 622
Other areas	22,360	20,680	18,300	17,450	17,950	[1] [2] (4,441) 19,278
Total exports	34,290	31,480	29,460	26,060	27,080	26,400

[1] Amounts given in brackets represent United States sales for foreign currencies under Public Law 480 for the corresponding period.
[2] United States shipments January–November 1956.
[3] Reduction in Thai shipments occurred because of Japanese record domestic production of rice.

Mr. HUMPHREY. Mr. President, the correspondence relates to a discussion I had with Ambassador Khoman, of Thailand, concerning the sale of American-produced rice; the effect of the sale upon the Thailand economy; and upon the normal trade relations with some of its neighbors. I hope to be able to report, after an examination of the documents which I have received from the Department of State and the Department of Agriculture, that we did not displace the normal markets; that there was advance consultation with the countries in the area where the rice was to be shipped and sold, including the Government of Thailand. I believe my colleagues will find the exchange of correspondence and the material therein to be very reassuring. Many times we have been told that Public Law 480 was a dumping program—that it depressed markets and upset the world trade pattern. There is always that danger in such a program as this. I believe it is to the credit of those who have administered the program that there has been so little complaint as there has been to date; and furthermore, that there has been so little disruption of the normal markets as has so far been indicated.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I genuinely appreciate the opportunity of listening to the discussion in which the Senator from Minnesota has been engaged concerning this most important subject. I am delighted, of course, that I had some small part to play in the introduction of the measure which was discussed by the Senator from Minnesota.

Mr. HUMPHREY. The Senator from Kansas played a great part in it, and we are all deeply indebted to him.

Mr. SCHOEPPEL. As one who first favored the legislation in the Senate, and later in collaboration with many other Senators, I may say that the Senator from Minnesota has put his finger on a very important matter when he draws to the attention of the Senate the shortcomings of the executive departments in the administration of the act concerning the refusal by our Government to take valuable material in return for some of our surplus commodities. The Senator is so right about that.

The Senator has mentioned platinum. There were instances when we were offered diamonds and nickel, and commodities of that kind, which are valuable and easily storable.

Mr. HUMPHREY. Yes, indeed.

Mr. SCHOEPPEL. I commend the Senator from Minnesota for elaborating upon that phase of the program, as well as upon the other phases, as he has done so magnificently this afternoon.

Mr. HUMPHREY. I thank the Senator from Kansas. I know that he will be, as I am, very much interested in the subsequent public hearings which will be held. The hearings will not be for the purpose of investigating anyone, but will be for the purpose of securing additional information. I think an extension of

the act needs to be passed, and passed now.

I am certain the Senator from Kansas will agree with me that the program has been in the main very constructive. Basically it is constructive, but, as he so well knows, improvements can be made, once we have a proper interpretation of the law and of how the promoters or the writers of the law intended it to function. No one knows that better than does the Senator from Kansas. The Senator from Kansas can claim fatherhood of the bill.

Mr. President, everything I have said about the importance of S. 1314 and the operation of the whole of Public Law 480 program is of immediate importance. One of the provisions in the extension is the repeal of section 304. The repeal of section 304 is related directly to certain negotiations which have been taking place between the United States Government and the Government of Poland. The Gomulka regime constitutes one of the most precarious, yet hopeful, breaches in the Iron Curtain. Reports from Poland since the October revolution have been almost unanimous in concluding that it is in the best interests of the United States that the advances under Gomulka, precarious as they are, limited as they are, be preserved.

I am not unmindful that the regime in Poland is a Communist regime. But also I am not unmindful of the election which took place, in which the people had something to say about what happened in their country.

Similarly, I am not unmindful of the fact that the great religious institutions are again alive in Poland. The Catholic church has again forged to the front in terms of its school and religious program. Polish nationalism is reasserting itself.

One astute observer who has just been to Poland is the Honorable Chester Bowles, our former Ambassador to India. An article entitled "Poland Edges Slowly Toward Liberty," written by Mr. Bowles, was published in the Washington Post and Times Herald of March 18, 1957. I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLAND EDGES SLOWLY TOWARD LIBERTY

(By Chester Bowles)

WARSAW.—The young Polish student spoke with passionate earnestness. "Poland is now on the road to full freedom," he said. "Nothing can stop us."

Last fall he had helped rally factory workers, students, and peasants to demand the end of Soviet control.

The older man across the table looked at him sadly. "I am afraid it won't work out that way," he said. "The support the people gave Gomulka was magnificent. Now the Russians know that any sudden move to seize the Government will lead to an uprising, with not only the students and workers but the Polish Army against them.

"So Moscow will move step by step. No single move will be sufficient to set off the explosion. But added together they will spell Soviet control again. In Hungary the Russians proved that they will not retreat."

MIDDLE VIEW

Midway between these extremes of optimism and pessimism is another, and, I believe, more likely view. Gomulka is dedicated to Polish independence. Although still a Communist, his 5-year jail experience under the Soviets has modified his views considerably and he would like to give an increasing measure of individual and economic freedom to the Polish people.

But he is restrained by two factors. First, he knows that his Communist Party is a minority in an anti-Communist Polish sea. Second, he knows that Poland is at the mercy of the Red army.

So he will move cautiously. The final outcome of this drive for Polish independence will depend partly on his skill, but even more on developments between the Soviet Union and the United States, particularly in regard to German unification.

On one point everyone is in full agreement. The Polish people are openly, vigorously, and almost unanimously opposed to Russian domination. This testifies to the total failure of Soviet efforts not only in Poland but in Eastern Europe.

THIRTEEN-YEAR RULE

Thirteen years ago the Red army liberated Poland from the Nazis. For 13 years a Soviet-dominated government ran the country. Soviet planners directed the economy. Soviet educators shaped the educational system. Soviet-led censors decided what news the Polish people should hear and read. Yet Moscow's effort to tie Poland to the Soviet Union failed utterly.

To return to Warsaw after 9 years is an emotional experience. In 1948 when I came here on a United Nations mission the city was a ruin—the most damaged of all cities in World War II.

Now the city has been largely rebuilt on the same model as the old. The ancient city square—the Stare Miasto—has even been restored in all its beautiful 17th century detail.

But despite such great achievements in construction Poland stands today as bitter evidence of the course forced upon Eastern Europe by Stalin.

WEST THRIVING

Western Europe, thanks to its free system and the substantial aid from us, is thriving.

"When you look at Italy or Belgium," I said to a group of Polish economists, "you can say, 'There, but for the grace of Stalin, goes Poland.' "

They agreed that Stalin's refusal in 1947 to let them participate in the Marshall Plan was one of the most costly byproducts of the Soviet occupation. Instead, the Russians forced Poland to create a topheavy economy designed to serve Soviet interests by concentrating on heavy industry and armaments.

With few consumer goods to reward the people for hard work, production in shops, mines, and on farms slumped lower and lower.

In June this economic failure touched off the heroic uprising of the factory workers at Poznan which was followed last October by the reaction of the whole Polish people against Soviet domination.

RELIGIOUS UNITY

The Polish people never did succumb to communism. They are not only deeply religious, but unified in one faith. In the century-long darkness of German-Russian-Austrian occupation, the church was the rallying point for Polish patriotism. The individualist Polish peasant resisted Soviet collectivization so stubbornly that despite all kinds of tax and other pressures 80 percent remained individual farmers.

Now the Gomulka government has moved to satisfy the people on two important counts. First, there has been a drastic relaxation of economic controls, and incentives are being increased sharply. Peasants are now permitted to leave the collectives, and most are leaving.

Second, the government has come to a working agreement with the church. In the upheaval of last October, Stefan Cardinal Wyszynski played a central role. The previous month he had been released from prison 3 years after his arrest.

I had looked forward to meeting the Cardinal and hearing his views on recent developments. But he was away from Warsaw this week.

I did have a 2-hour talk with Dr. Jerzy Stachelski, minister without portfolio for church-state relations, who I am told played a major role in working out the present basis of cooperation.

Dr. Stachelski told me that before the war religious teaching in the schools had been compulsory. In 1949 it was abolished by the Soviet-dominated government. Now it is available again to each child whose parents request it. Nearly 90 percent have done so.

LONG WAY TO GO

Poland is a long, long way from being out of the Soviet woods. On her eastern border are 100 Red army divisions. Twenty more are to the west in Germany. The government in power, although in no mood to accept direct Soviet domination, is a Communist government.

Moreover, to a large extent Poland's future is tied to that of Europe. As long as Germany remains divided, Soviet divisions will remain there. Because its military communication lines run across Polish territory Moscow will allow Poland only limited independence.

PEACE NEEDED

Only through an agreement between America and her allies on the one hand and the Soviet Union on the other to pull back their troops from the explosive heart of Europe can Poland and the other Eastern European countries hope to become really free.

This will involve difficult negotiations, the establishment of many safeguards, and a more relaxed political climate. This is what the Cardinal meant when he said on his release from confinement that the condition for Polish freedom is peace.

Mr. HUMPHREY. Mr. President, during the past few weeks, a Polish mission has been in Washington seeking surplus food and other economic assistance. Two articles have struck me as being particularly noteworthy in describing the factors involved in the Polish negotiations. The first is an article written by William H. Stringer and published in the Christian Science Monitor of March 9, 1957. The second is an article written by Ernest K. Lindley, the prominent and noted columnist. It was published in Newsweek for March 18, 1957. I ask unanimous consent that the two articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of March 9, 1957]

(By William H. Stringer)

WASHINGTON.—The latest—and in some ways the most significant—of the recent flood of foreign visitors to Washington are now engaged in vitally important talks with American officials.

For it seems likely now that Poland will get some of the American aid it is seeking in secret talks here, but by no means the whole $300 million worth it has asked for.

Whether this American aid will be sufficient so the Gomulka government can show that Poland need no longer lean as heavily as before on Moscow remains to be determined.

It is generally agreed that Poland's economic plight needs to display some signs of genuine improvement by this fall, if the precarious Polish balance between East and West is to be preserved. If that balance is not preserved, then the alternatives are either a return to strict Stalinism in Poland or a break for the West which Moscow might seek to repress with Hungarian-type brutality.

The Polish delegation which began negotiations here February 26 has asked for considerably more than it expected to get from the United States. One American official has described it as a Marshall plan shopping list 10 years late.

NEGOTIATIONS PRESSED

Back in 1947 Poland was ready to join the newly launched Marshall plan, only to be pulled back, along with Czechoslovakia, on Stalin's orders.

Here is what the Poles are asking for:

1. Some $200 million worth of surplus farm products, including cotton for Poland's faltering textile factories, wheat, other grains, fats, and oils. The Poles want to pay for this in zlotys.

2. About $100 million in an Export-Import Bank loan, to buy coal-mining and farm machinery and fertilizers. This loan would be repaid in dollars over a long period, perhaps 20 years.

3. A short-term loan of some $30 million from New York banks, for purchase of farm machinery and fertilizers.

GOMULKA TAKES RISK

When negotiations began, American officials warned that an agreement, if reached, would not run to anywhere near the $300 million figure set by the Poles.

Obviously, the government of Wladyslaw Gomulka took a major risk in asking for such large-scale aid. In the first place, to engage in negotiations for such a sizable slice of Western assistance was to brave the strong displeasure of Moscow.

On the other hand, if the American negotiations don't go well, the Polish Stalinists who oppose Mr. Gomulka can argue that ties with the West are useless.

Washington would like to be responsive to the Polish requests. President Eisenhower, Secretary of State John Foster Dulles, and the National Security Council have all taken the position that aid to Poland is in the interests of the United States.

The Poles were encouraged to come to Washington with a list of needs. The United States has hoped to instill in the Soviet satellites a realization that an independent attitude toward the Soviet Union will not mean economic disaster.

Also, there has been much less resistance throughout the United States to economic aid for Poland than, for instance, to the proposed visit of President Tito of Yugoslavia.

But the problem confronting the negotiators has been that the restrictions of the Battle Act and other legal obstacles make it virtually impossible to grant the full sweep of Polish requests.

The Battle Act basically prohibits aid to Communist regimes. To avoid this restriction, Secretary Dulles has made a legal finding that the Gomulka government is not under Moscow's domination and control. So surplus farm products can be sold to Poland under Public Law 480, which provides for disposal of such surpluses.

The trouble is, there is not enough money left in the Public Law 480 account this fiscal year to finance the sale of farm surpluses in the amount Poland wants. Congress has been asked to replenish the fund by another $1 billion. This will be done, but it will take some weeks.

There also is a complication in the sale of surpluses for local currencies, such as Polish zlotys. The Battle Act, which seems to get in the way all around on the Polish deal, frowns on turning back the local currencies to the local government for economic development programs.

ROADBLOCK TO LOANS

Finally, the Battle Act bars loans by private banks. New York banks would be willing to lend to Poland, but not without a Government guaranty.

One source of funds is that part of the annual foreign-aid appropriation set aside for use at the President's own discretion. The President can use $30 million of this for any one country. Some of this unrestricted money certainly will be used in the Polish deal, although it already has been drawn upon heavily for Hungarian refugee assistance.

The Polish delegates undoubtedly will take back with them a deal for surplus farm crops, including cotton imports, spread out over a year or so, and some machinery. But if the aid runs to as low as 10 percent of the Polish requests, as some official comment has indicated, the disappointment in Poland (and the satisfaction in Moscow) could have a serious impact on the Gomulka regime.

[From Newsweek of March 18, 1957]

WASHINGTON TIDES

(By Ernest K. Lindley)

FOOT IN THE DOOR?

Barring unexpected developments, the United States will soon extend some financial assistance to Poland. The Polish mission now in Washington is seeking $200 million in surplus farm products to be paid for in Polish currency and $130 million in loans to buy farm and mining machinery and fertilizer. To grant this aid would be the intelligent course. It is in the interest of the United States and of the cause of freedom to help to stabilize the present regime in Poland.

The present Polish regime is not only Communist-controlled but allied, at least nominally, with the Soviet Union. Otherwise, Moscow would not permit it to exist. Soviet troops remain in Poland, by agreement with the Polish Government, ostensibly to protect Soviet communications with East Germany. More could be sent in quickly. The degree of freedom which Poland enjoys is sharply limited. And to expect Poland to win even more freedom from Moscow in the visible future would be wishful—probably dangerously wishful—thinking. It probably has already achieved the approximate maximum of autonomy that Moscow will yield under present circumstances. But this is more than Moscow wished to concede and considerably more than the Poles could reasonably have hoped for 6 months ago.

Threat of force

We must suppose that Moscow would like to retighten its grip on Poland and that it will try to do so, with the aid of pro-Moscow elements among the Polish Communists. But we must suppose also that Moscow does not want to employ naked military force to subdue Poland. The Poles outnumber the Hungarians and many believe that the Polish army would put up determined resistance. The repercussions of military action in Poland might be acute in East Germany and would spread over a wide area. Conceivably they would invoke the possibility of a world war. Yet is is certainly well within the capacity of the Soviets to subdue Poland by military force, and it is prudent to assume that the Soviets would resort to force if necessary to prevent Poland, and so East Germany, from leaving the Socialist camp.

Unquestionably, the Polish people are overwhelmingly anti-Communist as well as anti-Russian. Unquestionably, if they were completely free, they would resume in full their historic ties with the West. But, as the recent elections indicated, they think the wise course for them is to support the regime headed by the Nationalist-Communist Gomulka. We must infer that that is what they would like their friends in the free world to do.

Hope in contacts

As to how far Gomulka can go without inviting a Soviet clamp-down, he and the men around him are the best judges. We should not even ask them for political concessions. As President Eisenhower has repeatedly emphasized, we want no military allies in Eastern Europe. What we should seek is the widest possible contact between Poland and the West through trade and cultural relations and through personal contacts. This effort should include economic aid. Poland needs it. And if some of it does not come from the West, the Polish regime will become completely dependent on Moscow.

It may be said that whatever economic aid we extend to Poland relieves the burden on Moscow. Moreover, we cannot be sure that Gomulka, under pressure, will not become more subservient to Moscow or give way to Communists who are. Once before, in the years immediately after the war, we gave Poland economic aid in the hope of saving it from complete domination by the Kremlin. Of course, we cannot be sure that the gains Poland has now won will not be lost. But the best hope of saving them lies at this time in helping the Gomulka regime.

When Moscow excommunicated Tito in 1948, the United States and other Western nations came to his aid. That was intelligent and has proved fruitful. Without Western support Yugoslavia today probably would be a Moscow satellite, instead of an independent nation not even nominally allied with Moscow. The Polish case is different in important respects. But, coolly examined, it leads inexorably to the conclusion that we should extend economic aid.

Mr. HUMPHREY. Mr. President, not only do I want these articles printed in the RECORD, but I hope that as Senators study the RECORD, they will pay particular attention to the articles.

Mr. President, as the New York Times said in a recent editorial:

> Here is the first real chance we have had in respect to Poland in several years. * * * The Eisenhower administration will have lost a major opportunity of its own making if it allows the present negotiations over American economic aid to Poland to peter out in a morass of doubts, indecision, and timidity.

Mr. President, I believe that the editorial which was published in the New York Times is of such importance and is so cogent and persuasive, that it should be made a part of this RECORD. Therefore I ask unanimous consent that the editorial of March 22, 1957, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A HELPING HAND FOR POLAND

The Eisenhower administration will have lost a major opportunity of its own making if it allows the present negotiations over American economic aid to Poland to peter out in a morass of doubts, indecision, and

timidity. While obviously there is no necessity to grant the Poles the entire huge sum of $300 million in agricultural products and machinery for which they are asking, it nevertheless is vitally in the interests of the United States to offer them substantial help at this crucial moment in their relations with Soviet Russia.

It is only to be expected that with their usual myopia some Members of Congress would object to anything that smacks of aid to a Communist state, even to one that has been showing signs in recent months of some independence from Russian imperialism. But the administration should be willing to face a hot political fight, even with members of its own party, so long as it knows that under the peculiar circumstances of the present situation American loans to Poland might help drive the wedge a little deeper between Gomulka's government and its imperial Russian "protectors." Here is the first real chance we have had in respect to Poland in several years; it is a chance—which our own Government wisely encouraged—to offer Warsaw some alternative to complete and hopeless dependence on the East.

Naturally, the grant of a few score million dollars' worth of American aid is not going to change the situation overnight; deep-dyed Polish Communists insist, of course, that it won't change it at all. But it is a thin opening of the door. For effective aid congressional action will probably be needed, but before Congressional action can be expected there must be Executive decision. A study of foreign aid made last December by former Representative James P. Richards, now the President's emissary in the Middle East stated: "One of our primary objectives is to help nations such as Poland disengage themselves from Soviet domination, and it is essential that we be able to provide them assistance." Senator KENNEDY has wisely pointed out that the Poles "ability and willingness to turn to this Nation for assistance for the first time should be encouraged." Many bitterly anti-Communist Polish-Americans say the same. And President Eisenhower himself, talking last fall in the specific context of the Polish upheaval, spoke of America's mission to help peoples "who need and want and can profitably use our aid," so that they can advance toward self-support and, by implication, to ultimate political independence.

Mr. HUMPHREY. Mr. President, today I wish to add my voice to the call for forthright action to bolster the Polish people's recent progress toward freedom and independence. By sharing our blessings of food abundance with the peoples who seek to break away from the Soviet tyranny, we can make American food the yeast of freedom which can expand and strengthen the movement toward freedom and independence. American food is indeed yeast which can add to the ferment of liberation. We should understand clearly that we are taking a calculated risk by such measures, but it is only the risk that the yeast will not rise. American food cannot be hurled back at us. All we have to lose is the food itself; all that we can suffer is disappointment. There is no guaranty whatever that we can help any country behind the Iron Curtain actually to gain the economic and moral and social strength to lift that curtain. In fact, when we enter the negotiations we must recognize that perhaps the odds are against us. But we should be willing to accept that risk. We are taking a calculated risk; but, as I have said, it is only the risk that the yeast will not rise. American food cannot be hurled back at us; food is not like guns, airplanes, tanks, or ammunition.

Mr. President, I think it would be well for the lovers of democracy to think about that point for a moment. The father of Marxism said that all that the people have to lose is their chains. To those of us who are dedicated to freedom, I wish to say that by means of the program to which I am addressing my remarks, all we have to lose is the food itself. The only pain and suffering we can have in that connection is just the possibility of disappointment.

Mr. President, the Polish American Congress, the emigre Polish Council of National Unity, and most Polish-American newspapers, all vigorously anti-Communist, have urged that aid be extended to the Polish people at this time. No one who is familiar with these groups would accuse them of pro-communism. All of them have been militantly, vigorously anti-Communist. It is time that the Congress joined them and all other friends of Poland in assuming the risk that this assistance involves. Under the circumstances we can do no less.

Mr. President, we have been making some promises to help in their liberation. I shall not discuss the political pros and cons which so often are involved in the discussion of the term "liberation." My point is that we have said we wish to help these people. The President has made it clear that we wish to help them all we possibly can. We have made it clear that we are not going to help them in terms of violence or force.

Therefore, I suggest that we use the weapons of peace and humanitarianism at our command. The arsenal of American democracy is, in part, food and fiber. In addition, the arsenal of American democracy is also composed of our generosity, our sense of compassion, our love of freedom. Every bit of this we can extend to the freedom-loving peoples of Poland; and we can do so with little risk to ourselves. We can assure the people of Poland—the vast majority of whom are anti-Communist, and on the side of freedom—that they are not forgotten. One way to do that is by means of the expressions made by the Members of Congress. Another way is by deeds, by action. One action we can take and can fulfill, with little risk to our own national security, is to see to it that children have sufficient food and that elderly persons have sufficient sustenance, and that workers have a diet which is worthy of humankind, and that food be used so that people can live a little better.

Mr. President, this morning's Washington Post contains a lead editorial on the subject I have just been discussing. The editorial is entitled "The Price of Too Little." I ask unanimous consent that the editorial be printed at this point in the RECORD, as a part of my remarks, because the editorial states precisely what I have to say.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 29, 1957]

THE PRICE OF TOO LITTLE

Precious time is running out on the chance to strengthen Polish independence. The administration has talked in general terms of aiding Poland, but no decision has been made on Poland's request for surplus agricultural commodities, machinery, and loans aggregating some $300 million. Negotiations have been at a standstill pending a determination in the State Department and further soundings in Congress. Meanwhile there are indications that predominant official thinking is in terms of only a small fraction of what the Poles have asked.

This line of thinking, if it prevails, will come perilously near to foreclosing the limited freedom Poland has won. The Poles have run great risk in taking up what amounted to a Presidential invitation to ask for American help. Their economic situation is desperate, and every day's delay in alleviating it means more danger that they will be forced to turn to Russia in disillusionment with the United States and the West. The consequence of inadequate help would be almost as bad. It would give an enormous handle to the Stalinist faction which would then be in a position to cry "we told you so" to the Gomulka government.

Very probably the Poles do not expect to get all they have asked; and perhaps their shopping list is inflated. It is proper for this country to consider how much it wants to risk for a regime that has not yet proved itself. But certainly wheat for Polish stomachs and cotton for Polish textile factories—both of which commodities are needed urgently—involve little risk. Coal-mining machinery to enable the Government to open new mines also would involve little risk. Both are within present capabilities. The authority to sell $3 billion worth of surplus commodities to friendly nations is almost exhausted, but the Senate Agriculture Committee has approved a new general bill augmenting the authority, and a start can be made under existing authority. Coal-mining machinery can be supplied on a loan basis out of emergency funds available to the President.

Beyond this, with respect to larger loans, it will be necessary to ask Congress to amend the Battle Act so as to take account of the new situation on the fringe of the Iron Curtain. But what is needed most of all is a determination in the administration to act. The administration seems paralyzed by fear of offending Congress. As usual, this fear seems overrated. There is substantial support in Congress for help to nations emerging from satellitism, and if the administration will make its case forthrightly and courageously there is every reason to think that Congress will agree. Indeed, the administration, and particularly the State Department, has encouraged the few strident voices by its timidity.

This administration did a lot of talking in the past about liberation. There are two kinds of liberation: that which comes gradually and by peaceful means, as in Poland, and that which comes violently at tremendous human cost and at the risk of a major war, as in the unsuccessful Hungarian revolt. What the Poles have won is not complete independence, nor is their economic system wholly to American liking; but they have established a large measure of domestic autonomy in a framework of enlarged individual freedom. President Eisenhower said last October, by way of encouragement to independence in the satellites, that the United States would help "freedom-loving peoples

who need and want and can profitably use our aid." Surely it is cheaper to give this sort of aid generously when cracks open in the Iron Curtain than to risk a bloody war. A turndown or a niggardly response to the Polish request would amount to a confession that our words are just finely phrased enticements that evaporate when the test comes.

Mr. HUMPHREY. Mr. President, the editorial I have just had printed in the RECORD is a very moving one. I think it will touch not only the mind but also the heart of each Member of Congress.

Mr. President, in connection with the editorial I wish to point out that our President did extend an offer of help to Poland. The United States has offered to help peoples who seek freedom. In this instance, the offer was explicitly made to Poland.

Mr. President, the editorial concludes with the following sentence:

> A turndown or a niggardly response to the Polish request would amount to a confession that our words are just finely phrased enticements that evaporate when the test comes.

I know that will not be the result of the negotiations, because we cannot afford such a failure.

During the delivery of Mr. HUMPHREY's speech.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. I agree with the Senator's argument. I think he is making a fine statement. However, I believe he will agree with me that when we spend our money overseas in terms of local currencies, we should insist on an honest exchange of currencies, and not take their currencies at an artificial rate, and exchange our currency in such a way as to lose perhaps a third, 60 percent, or perhaps 90 percent of the purchasing value of our currency in exchange for theirs.

I regret that the Senator was not before the committee today when Mr. Johnson, who is an executive of the United States Chamber of Commerce, testified about the situation in Vietnam. He told us that we spent $240 million to support that Government and the economy of that country. We did it in terms of commodities, because we did not want to increase the inflationary aspects of their economy. But we did it on a pegged basis, under which we would accept the piaster at the rate of 30 piasters to the dollar. Actually, on the international market, a dollar was worth 100 piasters.

We sent them bicycles and various other commodities needed in their economy. They had 20,000 dealers who wanted to handle our goods, but the Government would license only 2,000, and those 2,000 individuals got all the import licenses. They would take our commodities on the basis of 30 piasters to the dollar and sell them on the basis of 100 piasters to the dollar. So from our $240 million we got about $75 million worth of benefit through to the people of Vietnam, and 2,000 dealers picked up all the profits, and all the benefits from the other $165 million.

I know the Senator is against that sort of thing. He is in favor of our foreign-aid money benefiting the people, and not benefiting 2,000 profiteers. That is what happened in Vietnam.

Mr. HUMPHREY. I certainly am in favor of our foreign-aid program benefiting the people. The kind of administration to which the Senator refers is inexcusable. It must be brought to public light. It must be condemned, and it must be corrected.

However, I believe that the program which I am discussing, under Public Law 480, for the use of our agricultural surpluses, can be administered, and, in the main, has been administered, in such a manner as to be a credit to our country.

Through confidential reports which we have received in our committee I had heard earlier about the foreign-aid program in Vietnam. It seems to me that that is an area in which the ICA and the State Department deserve to be chastised.

Mr. LONG. I regret to interrupt the Senator with something that is somewhat irrelevant to his speech, but I know that the Senator, who has supported the foreign-aid program, would not propose, any more than I would, to support a program under which we would send $240 million overseas and allow leeches to tap our pipelines, so that only $1 out of $3 would ever hit the target.

Out of our hard-earned tax money, 2,000 profiteers each made an average of $70,000 profit. The people of that area look on and say it is a crooked proposition, a rotten deal, and there must be something dishonest about the whole outfit, because a very few people get rich at the expense of the American foreign program.

Mr. HUMPHREY. The leeches should be removed from the pipeline summarily, and those who are responsible for letting the leeches get on the pipeline should certainly be removed summarily.

Mr. LONG. I would not advocate the Russian system. However, I would say that under the Communist system, if the men in the Kremlin found themselves with an administrator of a system or someone in charge of a program who had caused their nation an expense of $140 million, with no result whatever, and those administrators had been paying off graft, and making it possible for some profiteers to make money out of the program, the bosses in the Kremlin would shoot that man.

So far as I am concerned, the least we can do is to fire the man who is responsible for that decision, whoever he may be in Washington.

Mr. HUMPHREY. I concur in that statement. I should like to ask unanimous conseint, Mr. President, to have the colloquy between the Senator and myself relating to the foreign-aid program come at the end of my prepared statement on Public Law 480. I hope the Senator from Louisiana will remain in the Chamber, because his help is always timely. He is always exceedingly helpful and dedicated to the public good.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANALYSIS OF THE REPORT OF THE SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION RELATING TO CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. SCHOEPPEL. Mr. President, the Subcommittee on Privileges and Elections of the Committee on Rules and Administration released its report on the 1956 general election campaigns to the press on Sunday, February 3. This voluminous document contains 928 pages and weighs 4 pounds. Yet, only 24 pages are devoted to the conclusions and observations of the majority members, and 4 pages to a vigorous dissent by the minority member, the distinguished junior Senator from Nebraska [Mr. CURTIS]. The remainder of the report is devoted to a presentation of the statistics which form the basis for the conclusions and recommendations of the subcommittee. The press featured the data released in the report as front-page news in the Sunday editions across the Nation.

Senators will always differ as to the interpretation of facts and on the appropriate legislative measures to meet situations disclosed by the studies of our committees. In the course of my remarks today, I intend to discuss the findings and conclusions presented by the majority members of the subcommittee.

However, before doing so, I must advise the Senate that these findings are based on inaccurate statistics. The data compiled by the subcommittee contains double counting, inconsistent reporting of the same data on different tables, and such gross errors as the inclusion of individuals as members of groups to which they do not belong and, similarly, the exclusion of others. I have found significant errors in every table, which, in my judgment, render them of very doubtful value.

Every Senate committee has an obligation to the Senate and to the public to insure that any statistics upon which majority and minority views are based are accurately set forth and may be accepted as facts by the Senate, the press, and the public.

The U. S. News & World Report, published by David Lawrence, a journal which many of us read, assumed that this was the case. In its issue of February 15, 1957, this publication, on page 90, said:

> Here's the official story of 33 millions—where it came from and where it went.
>
> A new book tells the story of spending in the campaign.
>
> The volume, written by a Senate committee, is filled with big names. It reports what people in business and in unions gave for the parties and candidates.
>
> An oversized book of 928 pages, crowded with thousands of names and long columns of figures, is turning out to be one of the most-talked-about publications of the present season in Washington.
>
> This big book, bound in green paper and somewhat resembling the national budget, tells who gave how much to whom in the

1956 campaign for President and in the 1956 races for the United States Senate and House of Representatives.

The publishers of the U. S. News & World Report had every reason to assume that the statistical work of the subcommittee could be accurately relied upon.

Mr. President, at this point I would like to commend Mr. Raymond Moley for having taken the time and trouble to delve behind the figures and allude to some of the gross errors. He first attacked the report in a syndicated newspaper article on February 22, and again in his column which appeared in the magazine Newsweek in its issues of March 4 and 11, 1957.

I commend them to those who will read this statement.

Mr. President, page 1 of the subcommittee's report stated that:

> The subcommittee was fortunate to obtain the services of Mr. John P. Moore, attorney of Washington, D. C., as special counsel. Mr. Moore assembled a competent staff composed of experienced attorneys, investigators, accountants, and statisticians, including Dr. E. Wayles Browne, Jr., statistician and economist. In addition to the regular staff, the subcommittee was fortunate to obtain the services of Dr. Alexander Heard, professor of political science at the University of North Carolina, in the capacity of consultant and adviser.
>
> It was early determined that the statistical information on campaign expenditures and contributions involved in a national election, and senatorial and congressional elections, would be voluminous. In order to subject this voluminous information to ready analysis, and interpretation, it was reduced to an IBM punch-card system through cooperation with the technical staff of the Library of Congress, under the direction of Mr. John I. Meehan.

Many Senators, and, I am sure, representatives of the press, believe that the data must be accurate, in view of the fact that the report contained IBM listings. IBM machines are a wonderful invention, but I must point out that the reports produced by these machines cannot exceed the accuracy of the data which is supplied to them by human beings—in other words, fed into the machines. They are an exceedingly useful device in the hands of a competent staff. The machines cannot be expected to correct the carelessness or biases of the subcommittee's staff. Mr. President, I am convinced that the majority members of the subcommittee relied upon their staff and apparently did little checking of the figures. Hence, they have produced a statistical monstrosity and inaccuracy.

I am particularly concerned with the contribution of Dr. Alexander Heard, who has acted as consultant and adviser. The subcommittee in its public hearings conducted during September and October of 1956 received testimony from Dr. Heard. He had apparently made his own private analysis of the 1952 campaign expenditures, which he described in his appearance before the subcommittee. The present report follows Dr. Heard's approach, as revealed by this testimony, so closely that it is quite obvious that many of the concepts contained therein were stimulated by his past work.

Even the most casual examination of the report shows that it was not designed to provide accurate statistical data. It was prepared to support the thesis voiced by many New Dealers throughout the past campaign that the Republican Party was the party of big business, and that the Democrats were the party concerned with labor and the so-called little man.

The report contains tabulations of contributions by individuals associated with the 225 largest corporations, the 100 largest military prime contractors, and the 68 corporations participating in the atomic energy program. It is quite obvious that the same names would appear in all of these lists by their very nature. Twelve families were also singled out for special study. This was a technique used by Dr. Heard in connection with the 1952 campaign.

If the statistics had been accurately prepared, this might have furnished good campaign material for the Democrats in 1958. However, I can see no reason why the taxpayers of the Nation should be asked to pay for the preparation of Democrat campaign material. Because the staff was so intent on proving their preconceptions, some of their statistical work suffered. Hence, it will have little value even as a campaign document.

Mr. President, the strength of our country lies in the fact that our two great political parties have always drawn their support from people in all walks of life and in all income groups. No one can perform a greater disservice to our country than to foster class divisions and attempt to drive the people of one supposed class into one of our great political parties, and those of other classes into the other. If we ever reach this sorry state of affairs, we will be in serious jeopardy. This concept has been advanced repeatedly by a few demagogs and some labor leaders who hope to take over the Democratic Party so as to advance their own lust for power. All Americans must condemn class warfare, regardless of their party affiliations.

The Congress will perhaps enact new election laws during the current Congress which will meet many, if not some, of the legitimate criticisms which have been raised in the public hearings and by both the majority and minority members of the subcommittee. Any legislation we adopt will of necessity require the reporting of contributions and expenditures. If our efforts are to be meaningful, we must make sure that the Congress is adequately staffed with responsible people to analyze the reports which it will receive from political committees and individuals.

The gross errors, which I shall now discuss, in the report of the subcommittee clearly indicate that Congress is not so equipped at this time. Unfortunately, in spite of the expenditures by the subcommittee to print this report, it will be necessary for us to largely disregard it in our consideration of whatever remedial legislation might be appropriate to deal with any problems involving campaign contributions and expenditures.

Mr. President, I am addressing the Senate today as I have a special responsibility as the chairman of the National Republican Senatorial Committee. I refrained from discussing this important document before as I needed sufficient time to really know what was supposed to be in this book.

In the preparation of these remarks, I have not examined any of the reports which were filed with the Clerk of the House, nor have I seen any of the special questionnaires which were sent by the subcommittee to those individuals who were shown in the reports on file with the Clerk of the House as having contributed $5,000 or more. I have merely spot-checked the report itself, and have confined my supplemental reference to Who's Who and financial manuals such a Moody's and the Directory of Directors. I have made no attempt to correct the report. That would be impossible without redoing the entire study based on an examination of the reports and questionnaires. I am merely showing that the subcommittee's report, as published, is not only inaccurate, but also highly misleading.

Mr. President, at a later point I intend to comment at some length on the overall campaign expenditures revealed in exhibit 1, the activities of labor as set forth in exhibit 5, and the receipts and expenditures of Senatorial candidates and committees as set forth in exhibit 6. Before doing so, however, I shall discuss a few of the statistical errors in the remaining exhibits of the report as they provide the data upon which all the conclusions and recommendations are based.

Let me start with exhibit 10, page 64, entitled "Illustrative List of Loans to Candidates and Campaign Committees by Individuals and Banks." The text reads: "Included here are loans by all banks and individuals as shown by subcommittee records." The report shows total loans by individuals to Republicans of $10,500, and to the Democrats of $56,400.

An inspection of exhibit 26, entitled "1956 Political Contributions of $500 and Over—Alphabetical List of Contributors Arranged by Party—January 1–November 30" shows some glaring omissions. Page 26–12 indicates a loan to the Democrats of $25,000 by David Dubinsky of 201 West 16th Street, New York. Who's Who indicates that this is the address of David Dubinsky, the president of the International Ladies' Garment Workers Union. This is a very significant error, and I wonder whether a similar loan by the head of a large corporation would have been omitted in this fashion. The significance of this error in the total loans to the Democrats becomes clearer when an examination is made of the other names listed in exhibit 10. For example, a loan of $25,000 is shown as having been made by Mr. Thomas Lowery, Jr., of Syracuse. Page 26–28 reveals a different figure for Mr. Lowery—namely, $2,500. If the $2,500

figure is correct, then the Democrat total is reduced by $22,500 to a total of $35,900, without reference to Mr. Dubinsky's loan of $25,000.

The loans by individuals in exhibit 10 do not make any sense.

I have prepared a compilation of the loans, as reported in exhibit 26, to both Democrat and Republican political committees. A comparison with exhibit 10 indicates the character of the work performed by the subcommittee's staff. The difference between the two lists for the Republicans totals $11,500, or 110 percent of the total shown in exhibit 10, and $12,888 for the Democrats, or 22 percent of the total listed in exhibit 10.

Mr. President, I ask unanimous consent that the table I have prepared comparing exhibits 10 and 26 may be printed in the RECORD as my exhibit 1.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT 1.—*Comparison of committee exhibits 10 and 26 showing loans to candidates and campaign committees by individuals*

REPUBLICANS

Exhibit 10, p. 64		Exhibit 26		
Name	Amount	Name	Amount	Page No.
Abarca, Angel	$4,000	Abarca, Angel	$4,000	26–51
Not shown		Adams, Earl C, et al	10,000	26–81
Hagg, Gary	500	Hogg, Gory	500	26–109
Not shown		Preston, John Basil	1,000	26–151
Do		Rose, H. Chapman	1,500	26–158
Scott, John	5,000	Not shown		
Strong, L. C	1,000	Strong, L. Corrin	1,000	26–172
Not shown		Tuckwiler, F. W	3,000	26–176
Do		Wenrick, H. P	1,000	26–185
Total	10,500	Total	22,000	

DEMOCRATS

Not shown		Behre, C. Edward	$700	26–4
Do		Burke, Thomas A	500	26–7
Corso, G. A	$500	Corso, G. A	500	26–10
Cummings, Milton K	6,000	Cummings, Milton K	5,000	26–11
Not shown		Dubinsky, David	25,000	26–12
Dunnigan, James P	2,000	Dunnigan, James P	2,000	26–13
Not shown		Forteanu, Gilbert J	1,575	26–15
Harland, C. Allen	5,000	Harlan, C. Allen	5,000	26–19
Hart, Jane	5,000	Hart, Jane	5,000	26–19
Not shown		Horwitz, Samuel	500	26–21
Kimbell, Fuller	1,000	Kimbrell, Fuller	1,000	26–24
Lowery, Thomas, Jr	25,000	Lowery, Thomas, Jr	2,500	26–28
Mahoney, Abigal C	900	Mahoney, Abigal C	937	26–29
Maremont, Arnold H	4,000	Maremont, Arnold H	4,000	26–29
Osnos, Max	2,500	Osnos, Max	2,500	26–34
Priest, H. Sam	500	Priest, H. Sam	500	26.37
Not shown		Riddle, John	2,500	26–38
Do		Roada, Albert S., Jr	810	26–39
Sanford, Arthur	500	Sanford, Arthur	500	26–40
Not shown		Saund, D. S	3,706	26–41
Silber, J. S	500	Silber, J. S	500	26–42
Smukler, Bert L	1,000	Smukler, Bert L	1,000	26.43
Van Wagoner, Murray D	2,500	Van Wagoner, Murray D	2,500	26.47
White, Ray W	1,500	White, Ray M	1,500	26.49
Total	56,400	Total	71,288	

Mr. SCHOEPPEL. Mr. President, now let me turn to Exhibit 11, page 65, entitled "1956 Contributions of 12 Selected Families." The intended purpose of such an exhibit is quite apparent; namely, to create the impression that a group of wealthy families have some special interest in the Republican Party.

Each of us came to the Senate through political activity. Each of us believes that we are here to serve all of the people, that we are honorable men and women striving for the right as each of us sees it.

The sums contributed by these 12 families aggregate large amounts of money. However, these sums must be related to other public benefactions of these groups if the figures are to have any meaning. I am unwilling to assume that these people are any less dedicated to the public service and that their contributions to political parties are any less noble than the political activities of any Senator.

It is impossible for me in the time available to enumerate the many contributions these families have made to our culture. That is not my responsibility or purpose. A few examples will suffice.

The Ford family established the Ford Foundation which only a year ago made grants totaling more than $500 million to raise teachers' salaries. The Harriman family, as listed in the report, shows two individuals. The first, the distinguished Democratic Governor of New York, donated Arden House to Columbia University. The other member of the family, E. Roland Harriman, has devoted the best years of his life to the management of the American Red Cross. The Mellon family has given us our great National Art Gallery in Washington, the Mellon Institute, and other benefactions to the city of Pittsburgh. The work of the Rockefeller Institute, a monument to the Rockefeller family, in the fields of public health and education, requires no explanation. The Whitney family donated the Museum of Modern Art in New York. These are but a few of the many obvious public-spirited contributions by members of these selected families. They regard their fortunes as a public trust. It is quite consistent with their other activities that they would feel an obligation to contribute to the political party of their choice. They believe like each of us that the President, whoever he may be, and each of the Members of Congress are working to advance the best interests of America as each of us sees it. Political contributions are an obligation of citizenship, and no one would argue that these people are not outstanding citizens.

Mr. President, now let me get into the exhibit itself. Page 65 says:

> The exhibit does not necessarily include the contributions of all members of the families listed. The subcommittee has simply included the contributions it knows about that were made by persons who, it understands, belong to the families in question.

This obviously must be the case. For example, if a girl by the name of Smith living in New York has a large fortune and marries a man by the name of Jones in Texas, she then becomes Mrs. Jones of Texas. The subcommittee could not associate the contribution of Mrs. Jones of Texas with the Smith family of New York in every instance without employing an army of experts and clerks. Hence, any such list becomes meaningless.

However, the subcommittee made a special investigation of the Du Pont family. They say on page 65:

> In the case of the Du Pont family, the names of over 900 members of the family were checked against the list of contributors.

Only 73 contributors are listed. This is a mere 8 percent of the names subjected to this check. This would not support the charge of unusual family political activity.

Mr. President, let me read you a few of the names of Wilmington, Del., citizens shown on exhibits 12 or 26 as having contributed to the Democrats, and whose contributions were not included in the table on page 65 as members of the Du Pont family. First let us take page 26–4: Alexis I. du Pont Bayard, $500; Elizabeth du Pont Bayard, $2,500. Then let me turn to exhibit 12, page 69, of the report, and we find Mr. J. H. Tyler McConnell who contributed $7,250.

The list on page 65 includes in-laws as well as direct descendants. Crawford H. Greenewalt is included in the family as he married a Du Pont girl. If we are to follow this definition, then the Du Pont family also includes Mr. J. H. Tyler McConnell, who married the daughter of William du Pont. J. H. Tyler McConnell not only made a contribution of $7,250 to the Democratic Party, but he was their candidate for the Governor of Delaware in the last election. Mr. President, the list showing the contributions by the Du Pont family is obviously incorrect, when we find these glaring errors.

If we use the subcommittee's definition of what constitutes family relationships, the Democratic Party nominated a member of this illustrious family, who is also an officer of the Hercules Powder Co., for high political office.

I do not claim to be an authority on genealogy, but again the Rockefeller family is shown as having made no contribution to the Democrats. Pages 26–39 shows a contribution to the Democrats in the amount of $1,025 by Barbara Rockefeller, of 13 East 67th Street, New York. I assume she is a member of the family.

Mr. President, in attempting to check the consistency of the subcommittee's work, I have compared amounts shown as contributions for the names listed under the 12 families against exhibit 12, a list of "1956 political contributors of $5,000 or over," and against exhibit 26, a list of "1956 political contributions of $500 and over—alphabetical list of contributors arranged by party—January 1 to November 30." I have assumed where there was a difference between exhibits 12 and 26, that exhibit 12, based on the special questionnaire sent by the subcommittee in the event it shows a larger amount than exhibit 26, should be taken as the correct amount for the individual in question. Mr. President, I ask unanimous consent that my exhibit 2, which shows the discrepancies in the contributions shown in exhibit 11 with those shown in exhibit 12 and exhibit 26, be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXHIBIT 2.—*Comparison of committee exhibit 11 showing contributions of 12 selected families with exhibits 12 and 26*

	Exhibit 11	Exhibit 12	Exhibit 26
Du Pont family:			
Carpenter, W. K. (Republican)	$500		(1)
Du Pont, Irenee, Jr. (Republican)	2,500		2,500
Greenewalt, Crawford H. (Republican)	4,200	$8,200	5,000
Peyton, Bernard (Republican)	2,500		4,000
Lehman Family: Lehman, Robert (Republican)	11,000	11,000	13,000
Mellon family: Hitchcock, Mrs. Thomas (Republican)	3,000		3,000
Olin family:			
Olin, S. Truman, Jr. (Republican)	1,500		2,500
Pritzlaff, John C., Jr. (Republican)	(1)		1,400
Pew family:			
Pew, Walter G. (Republican)	3,000		(1)
Pew, Walter C. (Republican)	1,500		4,500
Pew, George T. (Republican)	(1)		2,500
Reynolds family:			
Reynolds, David P. (Democrat)	6,000	6,000	7,000
Reynolds, J. Louis (Democrat)	5,000	6,000	5,000
Reynolds, Mrs. R. S., Sr. (Democrat)	5,000	(1)	5,000
Reynolds, Richard J. (Democrat)	21,619	21,619	24,285
Reynolds, Richard J. III (Democrat)	(1)		5,000
Rockefeller family:			
Rockefeller, David (Republican)	16,000	16,056	21,000
Rockefeller, Mrs. John D., Jr. (Republican)	6,450	6,450	6,000
Rockefeller, John D., Jr. (Republican)	6,450	6,450	11,000
Rockefeller, John D. III (Republican)	13,000	13,000	13,500
Mazze, Mrs. Abby R. (Republican)	15,000	15,000	15,500
Vanderbilt family: Vanderbilt, Alfred G. (Republican)	3,800		4,500

[1] Not shown.

Mr. SCHOEPPEL. Mr. President, let us examine exhibit 12, page 67, entitled "1956 Political Contributors of $5,000 or Over." As I have just pointed out, the subcommittee obtained detailed information directly from individuals contributing $5,000 or more, so I have accepted the figures in exhibit 12 as correct, where they differed with exhibit 26. However, I have made a listing of contributors shown in exhibit 26, who gave $5,000 or more, who were not included in exhibit 12.

It is significant that a number of our colleagues in the Congress are included in this omitted group. At first I thought that perhaps all Members of the Congress were excluded. However, the text did not indicate that this was the case. Then I saw that our former colleague, Senator Herbert H. Lehman, of New York, is included with a contribution of $14,500, which includes $2,500 from Mrs. Lehman. I can see no reason for such omissions. Let me read the contributions by Members of the Congress of $5,000 or more to either party, which are included in exhibit 26 but excluded from exhibit 12. Among our colleagues in the Senate, I find that the distinguished senior Senator from Rhode Island, THEODORE FRANCIS GREEN, a great Senator, and the junior Senator from New York, JACOB JAVITS, each contributed $6,000. The senior Senator from Connecticut, PRESCOTT BUSH, contributed $5,000, including a contribution of $2,500 by Mrs. Bush. The senior Senator from Iowa, BOURKE B. HICKENLOOPER, contributed $6,055. On the other side of the Capitol, we find that the gracious Representative from Ohio, Mrs. FRANCES P. BOLTON, contributed $15,000. Thurmond Chatham, a former Congressman from North Carolina, contributed $5,500, including $500 from Mrs. Chatham, and Representative KIRWAN, of Ohio, contributed $5,000, of which $3,000 was credited to Mrs. Kirwan.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I would prefer to finish my statement first. I shall be glad to yield to the Senator later.

Mr. HUMPHREY. That is agreeable. I merely wished to clarify a point. I shall ask my question later.

Mr. SCHOEPPEL. Mr. President, as I have said before, IBM machines are a wonderful device, but they will not correct clerical errors on the data punched into the IBM cards. The name of Adlai E. Stevenson does not appear on the list of those contributing $5,000 or over. Yet on page 26–45 he is listed once as Adlai E. Stevenson of 231 South La Salle Street, Chicago, for a contribution of $3,000, and a second listing appears for another $3,000, a total of $6,000, but this listing is shown as Hon. Adlai E. Stevenson of 231 South La Salle Street, Chicago. The word "honorable" prevented the identification of these two entries as coming from the same distinguished individual.

At this point I would like to point out that the largest contribution from any individual was made by Lansdell K. Christie of 70 Pine Street, New York, who contributed $73,164, of which $70,564 was paid directly to Democratic organizations. I was obviously curious as to who Mr. Christie was, and I have obtained a report from Dun & Bradstreet. It shows that Mr. Christie is the president of the Liberia Mining Co. This is a subsidiary of the Prospect Corp., which, in turn, is a wholly owned subsidiary of the Republic Steel Corp. There is nothing in the listing by the subcommittee in exhibit 26 under Republic Steel to show that the largest contributor to the Democratic Party was at least indirectly associated with the Republic Steel Co. Perhaps the staff will attempt to explain this omission on the basis that they only included officers and directors of parent corporations. I would accept this as a reasonable position if it had been followed consistently. However, in exhibit 19, on page 82, Alvin Thalheimer is shown as an officer or director of the Standard Oil Company of Indiana. I failed to find his name listed in their annual report and later learned that he was connected with the American Oil Co., a subsidiary company. This indicates that the subcommittee has used flexible ground rules.

The second largest contributor to the Democratic Party, and the third largest contributor on the list, was Mrs. Albert D. Lasker. She contributed $64,400 to the Democratic Party. Mrs. Lasker is the widow of Albert D. Lasker, who made his fortune in the advertising business.

I find no fault with these individuals for having contributed to the Democratic Party. However, I am concerned that the subcommittee usually associates Republican contributors with their business affiliations, but is apparently unconcerned how money contributed to the Democrats was earned.

Mr. President, at this point I ask unanimous consent to include my exhibit 3. It shows the individuals who gave $5,000 as listed in exhibit 26, "1956 Political Contributions of $500 and Over—Alphabetical List of Contributors Arranged by Party—January 1 to November 30," but who were not included in exhibit 12.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXHIBIT 3.—*Comparison of subcommittee exhibit 12 showing contributions of $5,000 and over with exhibit 26*

REPUBLICAN CONTRIBUTIONS

	Exhibit 12	Exhibit 26
Bolton, Frances P	(1)	$15,000
Budinger, Mr. and Mrs. John M. (Mary Alice)	(1)	5,200 (500 W)
Burden, William A. M. (Margaret)	(1)	7,500
Bush, Prescott S	(1)	5,000 (2,500 W)
Clapp, Norton	(1)	5,400
Clark, Ivor D	(1)	5,000
Clark, Mr. and Mrs. Stephen C. (Susan)	(1)	5,000 (1,000 W)
Cullen, Mr. and Mrs. Roy H	(1)	5,000
Cuthbertson, Ralph	(1)	5,000
Davison, Mr. and Mrs. Henry P	(1)	8,500 (5,500 W)
De Coppet and Doremus	(1)	6,000
Draper, W. P	(1)	10,000
Fleming, Mr. and Mrs. Lamar	(1)	5,000
Foerderer, Percival E	(1)	5,100 (1,500 W)
Gardner, Hon. and Mrs. Arthur (Suzanne)	(1)	6,000 (5,500 W)
Gilroy, Wallace	(1)	5,000
Hackmeister, Albert W	(1)	10,527
Hallanan, W. S	(1)	6,500 (1,000 W)
Hertz, Mr. and Mrs. John (Fannie)	(1)	5,000 (2,500 W)
Hickenlooper, Senator B. B	(1)	6,055
Holmes, Jay	$6,250	8,000 (2,000 W)
Hunt, H. L	7,500	(1) 6,000 (2,000 W)
Ingalls, Mr. and Mrs. Roscoe C. (Marjorie)	(1)	10,700
Ittleson, Henry, Jr	10,700	13,500
Javits, Jacob	(1)	5,000
Kline, C. Mahlon	(1)	6,000
Krannert, Herman C	(1)	5,000
Letter, Harry	(1)	$7,500
Lehman, Mr. and Mrs. Robert	$12,000	14,000
Loeb, Mr. and Mrs. John	(1,000 W) (1)	(1,000 W) 10,000 (4,500 W)
Macomber, Mrs. Myrtle H	5,000	10,000
Marx, Mr. and Mrs. F. E. (Audrey Meyer)	5,000	7,000
Moore, Mrs. Joseph A	(1)	T3,T00
Moorman, Lewis J., Jr. (Betty Slick)	(1)	5,500 ($2,500 W)
Moreland, Mr. and Mrs. Raymond F	(1)	5,000
Morton, Lindley C. (Ruth C.)	(1)	5,000 (1,000 W)
Noble, Mr. and Mrs. Edward J. (Ethel T.)	18,000	23,000
Phipps, Mr. and Mrs. L. C. (Margaret)	(9,000 W)	(6,000 W)
Rockefeller, Mr. and Mrs. David (Margaret M.)	11,000	13,000 (2,000 W)
Rockefeller, Mr. and Mrs. John D., Jr. (Martha B.)	17,500	22,000
Scranton, Mrs. Worthington	(1,450 W)	(1,000 W)
Stone, Dewey	12,400	19,000
Tucker, Mr. and Mrs. Carl L. (Marcia B.)	(9,450 W)	(8,000 W)
Vanalen, Mr. and Mrs. William L	(1)	5,000
Wallace, DeWitt (Lila)	6,600	8,000 (5,500 W)
Watson, Mrs. Thomas J., Sr. (Jeanette K.)	(1)	5,258 (2,625 W)
Williams, Mr. and Mrs. Langbourne (Elizabeth S.)	(1)	7,250 (2,000 W)
Windfohr, Mr. and Mrs. R. F. (Anne)	5,000	8,000 (4,000 W)
Zellerbach, Mr. and Mrs. Harold (Jennie)	(1)	8,000 (2,000 W)
Ziegler, William, Jr	7,350	5,500 (4,500 W)

DEMOCRATIC CONTRIBUTIONS

	Exhibit 12	Exhibit 26
Amsterdam, Mr. and Mrs. Gustave G	(1)	$5,000
Bay, Mrs. Charles U	(1)	(2,000 W) 7,000
Chatham, Thurmond (Patricia)	(1)	5,500 (500 W)
Clayton, Mr. and Mrs. Will	(1)	5,000 (2,500 W)
Coffin, H. Errol	(1)	5,000
DeBartolo, Edward	(1)	6,000 (3,000 W)
Dilworth, Paxson et al	$5,000	6,000
Draper, W. F	(1)	5,000
Engelhard, Charles W	(1)	20,000
Field, Mr. and Mrs. Marshall (Ruth)	20,000 (9,500 W)	31,000 (12,000 W)
Finely, Leon	(1)	7,000
Fischgrund, James	(1)	5,500
Goldwater, Monroe	(1)	5,000
Green, Theodore Francis	(1)	5,000
Hart, Mr. and Mrs. Philip A. (Jane B.)	(1)	5,000
Hirshon, Mr. and Mrs. Joseph	(1)	9,500
Ives, Mr. and Mrs. Ernest L	5,240	6,992 (2,952 W)
Kirwan, Michael J	(1)	5,000 (3,000 W)
Lehman, Mr. and Mrs. Herbert	$14,500	$19,000
Mahoney, George P	(2,500 W)	(3,500 W)
McCormack, Emmet J	(1)	10,000
McDougal, Dr. and Mrs. Edward D., Jr. (Katherine B.)	(1)	6,500
Redding, Mr. and Mrs. John M	(1)	5,700 (3,000 W)
Reynolds David P	(1)	5,000
Reynolds, J. Louis	5,000	(3,000 W) 7,000
Reynolds, Mr. and Mrs. R. J. (Muriel)	6,000	9,000
Reynolds, Mrs. R. S. Sr	24,609	27,285
Segal, Martin	(2,000 W)	(2,000 W)
Simpson, Mr. and Mrs. John	(1)	5,000
Stengel, Richard	5,000	6,000
Stern, Philip M	(1)	5,000
Stevens, Mr. and Mrs. Roger L. (Christine)	(1)	5,000
Stevenson, Adlai E	(1)	15,000 (8,000 W)
Stone, Dewey	(1)	5,000
Weller, J. D. (Doris)	13,400 R	13,000
Wilson, H	(1)	5,500 (2,500 W)
	(1)	5,000

[1] Not shown.

Mr. SCHOEPPEL. Mr. President, it is amazing that so many individuals who are shown as having contributed $5,000 or more in exhibit 26, were not picked up by the subcommittee's staff in compiling exhibit 12.

Exhibit 26 shows total Republican contributions of $8,064,907. The IBM listing includes a contribution by Mrs. Jos. A. Moore, of San Francisco, Calif., shown as T3, T00. This appears to be a 5-digit contribution. I do not know how one adds the letters of the alphabet and numerical characters to obtain the total of $8,064,907 shown on page 26–192. In my exhibit 3 I have shown that Mrs. Moore must have made a contribution of more than $5,000 with this 5-digit listing, and she, of course, was not picked up in exhibit 12. How much she gave I do not know.

Mr. President, now let us examine exhibit 13, which appears on page 71. This exhibit is entitled "1956 Political Contributions of $500 and Over by Officials of Labor Organizations." I wonder whether Mr. Dubinsky's loan of $25,000 has been repaid, or whether this is in effect a contribution and should have been included in exhibit 3.

Let us now turn to exhibit 4, which appears on page 71. This list, showing "1956 Political Contributions of $500 and Over by Officials of the 10 Leading Radio and Television Station Licensees," was probably prepared to support an implication that these licensees were seeking favors from the Federal Communications Commission through political contributions. At least, that is the way it looks to me, Mr. President. I do not have the names of the officers of the licensees and, hence, have been unable to check them against the list of contributors in exhibits 12 and 26. However, I have again found significant inconsistencies in the report concerning the individuals listed by the subcommittee on page 72.

Dr. Robert L. Johnson is shown under the Crosley Broadcasting Corp., as having contributed $1,000 to the Republicans. Exhibit 21, which lists individuals who contributed more than $500 to both parties, includes Dr. Johnson as having made a $1,000 contribution to each party. Exhibit 26, page 26–23, confirms the contribution of $1,000 to the Democrats, and page 26–114 the $1,000 to the Republicans. Again the subcommittee conveniently drops Democratic contributions from those in prominent positions in the business community.

Mr. President, now let me review exhibit 15, which appears on page 72 and is entitled "1956 Political Contributions of $500 and Over by Officials of 17 Leading Certificated Airline Companies." Once again the incorporation of such a list in this report is designed to give an impression that the 17 leading certificated airline companies probably expected favors in return for political contributions by their officials. No one has raised any charges that any of the companies whose names appear in this report were participating in political activities. Individuals, as citizens, have exercised their right to support the political party of their choice.

It is an amazing fact that Democratic contributions by well-known airline officials are not shown. I cite particularly Col. J. Carroll Cone, a vice president of Pan-American World Airways, who is shown on page 26–10 as having contributed $3,500 to the Democratic Party. Mr. W. L. Pierson, the chairman of the board of the Trans World Airlines, is shown as having made a contribution of $500 to the Democratic Party on page 26–36 and is not listed on page 73. Mr. C. R. Smith, the president of American Airlines, is shown on page 26–43 as having contributed $500 to the Democratic Party, but is not shown as having made a contribution to the Democrats on page 72. The contributions of these three individuals total $4,500. This is more than 14 percent of all the contributions shown by the committee as having been given to the Democrats by the officials of these airlines.

Mr. President, I now submit exhibit 4 which shows the inconsistencies I have found by comparing the contributions for the names listed by the subcommittee in exhibit 15 with exhibits 12 and 26, and also with exhibit 25. The latter exhibit supposedly lists contributions by officials of some of these same companies. Let me reiterate that I have not checked a directory showing the officers of these 17 airline companies against the list of contributors. I am sure that if I had done so I would have picked up additional names not listed by the subcommittee as having contributed to either party. I have confined my search to the names listed by the subcommittee, and the errors I have discovered are an index of the accuracy of this exhibit. Mr. President, I ask unanimous consent that my exhibit 4 be printed in the RECORD at this point.

There being no objection, exhibit 4 was ordered to be printed in the RECORD, as follows:

EXHIBIT 4.—*Comparison of subcommittee exhibit 15 showing "1956 political contributions of $500 and over by officials of 17 leading certificated airline companies" with amounts listed in subcommittee exhibits 12, 25, and 26*

	Exhibit 15		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
American Airlines:								
Fisher, Charles T	$1,300				(2)		$1,300	
Kayser, Paul W	(1)				$1,300		1,300	
Smith, C. R	1,000				1,000		1,000	
Continental Air Lines, Inc.: Ehrman, Frederick L	9,300 (3,500 W)		$7,300					$500
Pan American World Airways:								
Company totals [3]	24,300				27,000 (300 W)			
Gledhill, Franklin [3]	(1)							
Lehman, Robert [4]	12,000		12,000 (1,000 W)		14,000 (1,000 W)		(300 W)	
Cone, J. Carroll	(1)				(1)			
Slick Airways, Inc.: Moorman, Lewis J., Jr	3,000		(1)				3,300	
Trans World Airline: Pierson, Warren L	(1)				(1)		5,300 (2,500 W)	
United Air Lines:								
Company totals	15,300				14,000			500
Dart, Justin W	3,000				2,000			
Hoffman, Paul G	(1)				500		3,000 (1,000 W)	
Johnston, Eric A	5,700		5,700		5,500		500	

[1] Not shown.
[2] Shown in exhibit 19, p. 81, as $25,000 (Republican).
[3] Shown in exhibit 19, p. 81, as $300 (Republican).
[4] Shown in exhibit 19, p. 81, as $12,000 (Republican) ($1,000 W).

Mr. SCHOEPPEL. Mr. President, let me invite attention of the Senate to exhibit 16. It appears on page 73 and is entitled "1956 Political Contributions of $500 and Over by Officials of the 47 Leading Underwriters of Investment Bonds."

The subcommittee leaves the impression that officials allegedly affiliated with these companies contributed $237,800 to the Republicans, and that the Democrats only received a mere $2,000 from these people. This listing further reinforces the attempt to characterize everyone in the investment banking business probably as a Republican. This is a tactic which has no place in a Senate document—at least, that is the way I feel—particularly if the facts in the report itself refute the subcommittee's statement.

In examining this exhibit I noted that A. M. Kidder & Co. of New York is listed, and the statement is made that there had been no contributors. I am sure that many Senators will remember the stories which appeared in the newspapers last fall announcing that Mrs. Charles U. Bay had been made president of Kidder & Co. This was a noteworthy event, as Mrs. Bay is the first woman to head a leading underwriting firm. She has just been named the chairman of the executive committee of the American Export Lines, and her picture appeared on the cover of the magazine Business Week in a recent issue. Mrs. Bay is shown in the subcommittee's exhibit 26–4 as having made contributions to the Democrats totaling $7,000. This contribution by Mrs. Bay, an important and sizeable contribution, was omitted from the subcommittee's exhibit 12. Mrs. Bay is an able and very distinguished woman. I would think that my colleagues on the other side of the aisle would appreciate her. She has a long Democratic background, her late husband having served as the American ambassador to Norway from June 1946, until June 1953.

I have noted other omissions. Benjamin J. Buttenweiser is shown on page 26–7 as having contributed $1,000 to the Democrats, but he is not included in the total for Kuhn, Loeb & Co. Mr. Gordon Dean, the former head of the Atomic Energy Commission is shown on page 26–11 as having contributed $1,000 to the Democrats, but his name is not included on page 75 as an officer of Lehman Bros.

The few errors which I have just discussed total $9,000. This is four and one-half times the amount the subcommittee shows as having been contributed to the Democratic Party by members of investment firms. In other words, Mr. President, this figure is off by at least 450 percent.

Mr. President, I must again repeat that I have not checked a list showing all of the names of the members of these firms against either exhibits 12 or 26. The omissions I have found indicate that many others would show up if such a check were made. This is precisely what the subcommittee staff was supposed to have done.

However, I took the names shown on pages 74 and 75 in the report of the subcommittee as being associated with these firms and compared the amounts shown on these pages with exhibits 12 and 26. Again many errors are indicated. Mr. President, I ask unanimous consent that a compilation of these errors be inserted in the RECORD at this point as my exhibit 5.

There being no objection, exhibit 5 was ordered to be printed in the RECORD, as follows:

EXHIBIT 5.—*Comparison of subcommittee exhibit 16 showing 1956 political contributions of $500 and over by officials of the 47 leading underwriters of investment bonds with amounts listed in subcommittee exhibits 12 and 26*

	Exhibit 16		Exhibit 12		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat
Allen & Co.:						
Blair, Frank H	$4,000				$2,000	
Stern, Herbert L	2,000				1,000	
Bear, Sterns & Co.: Mayer, Harold C	5,500		(1)		1,500	
Central National Corp.: Wallach, Ira D	1,000				500	
H. Hentz & Co.: Lewine, Jerome	1,000				500	
A. M. Kidder & Co.: Bay, Mrs. Charles U	(1)		(1)			$7,000
Kuhn, Loeb & Co.: Buttenweiser, Benj. J	(1)					1,000
Lehman Bros.:						
Ehrman, Frederick L.[2]						
Lehman, Robert	7,300		$7,300			
	12,000		12,000 (1,000 W)		14,000 (1,000 W)	
Dean, Gordon	(1)					
Reynolds & Co.: Willard, Frank A	3,000					1,000
Wertheim & Co.: Bernhard, Richard J	500				3,500	
					500	(3,500 W)

[1] Not shown.
[2] Shown in exhibit 15 (Continental Air Lines) as $9,800 (Republican)(($2,500 W).

Mr. SCHOEPPEL. Mr. President, the subcommittee's Exhibit 17, appears on page 75. It is entitled "1956 Political Contributions of $500 and Over by Officials of the 37 Leading Advertising Agencies." The subcommittee found that no officer or official of these agencies made any contribution to the Democrats, and that contributions to the Republicans by these individuals totaled $51,600.

A casual inspection of the list shows that the largest single contribution of $11,350 was made by an individual by the name of Charles M. White of Washington, an alleged officer of the Campbell-Ewald Agency. Examination of Exhibit 12 shows a Charles M. White, the president of the Republic Steel Co. of Cleveland, Ohio, as having made a contribution in the amount of $11,350. An examination of Exhibit 26, page 185, shows a C. M. White of Washington, D. C. as having made a contribution of $1,000. The address shown is 1625 K Street NW. This happens to be the Washington address of the Republic Steel Co., and this is obviously the same C. M. White who is responsible for the other listings on page 26–185.

The magazine Printers' Ink apparently checked with the Campbell-Ewald Co. and learned that they had no official by the name of C. M. White. My own investigation reveals that the only Charles M. White in the Campbell-Ewald Agency was a young man about 20 who had been employed in their Washington, D. C. office. I hardly think he qualifies for this contribution, although he might. I merely wish to point this out.

Accordingly, we can start correcting this tabulation by subtracting from the $51,600, the $11,350 for Mr. White. This one individual accounts for an error in this total of 22 percent. Eliminating Mr. White, the total contributions to the Republicans as shown by the subcommittee from these 37 advertising agencies totals $40,250. This should be compared with Mrs. Albert D. Lasker's contributions of $64,400 to the Democrats. As I have already indicated, Mrs. Lasker is the widow of Albert D. Lasker, who was the owner of the Lord and Thomas Agency, so her income was derived from the advertising business.

Once again I have examined the names listed and have found errors by comparing the contributions shown in exhibit 17 with exhibits 12 and 26. Again I have not attempted to secure the names of the officers of these agencies in order to check them against the list of contributors. The errors I detected by checking the names listed on page 76 against the subcommittee's exhibits 12 and 26 constitute my next exhibit. Mr. President, I ask unanimous consent that my exhibit 6 may be printed in the RECORD at this point.

There being no objection, exhibit 6 was ordered to be printed in the RECORD, as follows:

EXHIBIT 6.—*Comparison of subcommittee exhibit 17 showing 1956 political contributions of $500 and over by officials of the 37 leading advertising agencies with amounts listed in subcommittee exhibits 12 and 26*

	Exhibit 17		Exhibit 12		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat
Campbell-Ewald Co.: White Charles M.[1]	$11,350					
Leo Burnett Co.: Burnett, Leo	700				$1,000	
Sullivan, Stauffer, Colwell & Bayles: Sullivan, Raymond F	500				500	
Young & Rubicam: Larmon, Sigurd S	1,500				3,400 (1,400 W)	$500

[1] An individual with this name did contribute the amount shown. He has no connection whatsoever with the Campbell-Ewald Co. He is president of the Republic Steel Co.

Mr. SCHOEPPEL. Mr. President, I shall discuss the next three subcommittee exhibits, 18, 19, and 20, jointly with exhibit 25. Exhibit 18 purports to show 1956 political contributions of $500 and over by officials of the 29 largest oil companies. Exhibit 19 covers similar contributions by the 100 largest military prime contractors, and exhibit 20 covers similar contributions by officials of 88 corporations participating in the atomic energy program.

Such groupings must necessarily include the same corporations in many instances. I can see little purpose in these groupings except to attempt again to place some sort of a question mark on big business and those associated with it. Many of the companies on these three lists are automatically included in the subcommittee's exhibit 25 entitled "1956 Political Contributions of $500 and Over by Officials of the 225 Largest Corporations, January 1–November 30."

In the subcommittee's table on pages 25–39, which summarizes the data for the 225 largest corporations, there are these significant sets of figures: "Gross Totals," "Deductions for Duplication," and then a listing of "Net Grand Totals." In other words, Mr. President, the subcommittee's staff—those who worked up the data—were well aware that many individuals whose contributions they had listed were associated with numerous companies included in the list of the 225 largest corporations, and that a deduction for duplication must be made. One would have expected a similar procedure in dealing with exhibits 18, 19, and 20. That was not done.

The least the Senate could expect from any staff would be a consistent listing of individuals and companies where the same individual and the same company appear over and over again, as well as consistent statistical procedures. Unfortunately, this was too much to expect. The errors I shall cite make these listings meaningless and, in my judgment, valueless.

First, let me show by a spot check the accuracy of the subcommittee's work. Examine with me page 81, a part of ex-

hibit 19 listing the 100 largest military prime contractors. The Standard Oil Company of California is listed. There are 4 contributions, 1 for $5,000—including $1,500 for the wife; 1 for $2,000; 1 for $500; and 1 for $1,000. These 4 figures, as I learned arithmetic, add to $8,500, not $9,000. The last company shown on this page is Standard Oil Company of Indiana, which is continued at the top of page 82. However, the caption above the officials of the Standard Oil Company of Indiana on page 82 reads "Chrysler Corp.—Continued."

The quality of the editorial work performed by someone in the preparation of this report is evidenced by the table which appears at the end of exhibit 20 showing a number of trade associations, starting with the American Petroleum Institute and ending with the National Coal Association. This table has no relation to Exhibit 20. It apparently was supposed to have something to do with Exhibit 22. Since no contributions were shown for either party, it is just another one of the many mistakes I have detected.

The text of exhibit 18, in referring to the 29 largest oil companies, states:

> Total contributions to Republicans were in the amount of $344,997 and to Democrats in the sum of $14,650.

Again, in exhibit 19, the subcommittee states, in referring to the 100 largest military prime contractors:

> A total of $1,139,882 was contributed to the Republicans. The Democrats received $40,975, and $12,400 was contributed to miscellaneous political committees.

In exhibit 20, which refers to the 88 corporations participating in the atomic energy program, the subcommittee said:

> Accounted for here are contributions in the total amount of $387,342 to Republicans and $34,700 to Democrats.

All of these statements give the impression that these contributions are in some way related to the listed companies. This is, of course, not the case. They are contributions by individual citizens.

It would be an impossible task for me, without IBM machines, to attempt to show all the many multiple listings of the same contributions which appear in these exhibits. Let me cite but a few examples.

Exhibit 18, showing contributions by officers of the 29 largest oil companies, shows a duplicate listing of $2,000 by Percy Spencer under the Richfield Oil Co. and under the Sinclair Oil Co. A duplicate listing of $1,000 for Mr. M. L. Gosney is also shown under these two companies. A $3,000 contribution by Mrs. W. Alton Jones appears under the Richfield Oil Co., and again under the Cities Service Co. These three duplicate listings inflate the Republican contributions in the subcommittee's totals in exhibit 18 by $6,000.

In exhibit 19, the list showing the 100 largest military prime contractors, a contribution of $21,000 for Mr. A. P. Sloan, Jr., appears under Du Pont (E. I.) de Nemours & Co., and again under General Motors Corp. A contribution of $33,000 by Mr. Richard K. Mellon was included in the total for General Motors Corp. and again in the total for Gulf Oil Corp. A contribution by Mr. Donaldson Brown of $19,750 was counted three times, once under Du Pont, once under General Motors Corp., and again under Gulf Oil Corp. A contribution by Mr. Henry Ford II of $18,899 was counted twice, once under the Ford Motor Co., and again under the General Electric Co. The multiple counting of just these four individual contributions distorts the dollar total for the Republicans shown in exhibit 19 by $112,399, an error of 10 percent. There are many similar errors.

One does not have to be a skilled statistician to detect that there is something radically wrong with exhibit 19, showing total contributions to all parties by officials of the 100 largest military prime contractors, totaling more than 61 percent of the similar contributions by the officials associated with all the 225 largest corporations in the United States, after the duplicate listings had been eliminated.

In exhibit 20, there is a further glaring example of multiple counting. This exhibit shows the officials of the 88 corporations participating in the atomic energy program. A single $500 contribution by Mr. Walker L. Cisler contributed $2,000 to the Republican total, as it was shown under Burroughs Corp., Detroit Edison Co., Fruehauf Trailer Co., and the Holley Carburetor Co.

Such multiple counting is completely indefensible and deceptive. The text written by the subcommittee which refers to these tabulations has no meaning whatsoever.

I have commented before, in connection with other subcommittee exhibits, concerning the omission of many names from the list of corporate officials. These comments apply to these lists, as well. As an example, let us look at page 81. It is a part of exhibit 19, showing the 100 largest military prime contractors. The name of Pan American World Airways appears, but the name of Col. J. Carroll Cone is once again omitted from the list of officers. He contributed $3,500 to the Democratic Party. There is no doubt in my mind that if these companies were listed correctly, so as to include all officers and directors, and if the duplications were eliminated, the totals would be very different from those shown in the subcommittee's report.

Mr. President, these particular tables are of questionable value. I have not attempted to analyze the contributions of the individuals connected with these firms, other than the few I mentioned, based on a spot check of the report. I have prepared tables, however, which show that the subcommittee's staff made no effort even to reconcile their figures for the companies which appear on more than one exhibit. My exhibit 7 lists the discrepancies which appear between subcommittee exhibit 18, entitled "1956 Political Contributions of $500 and Over by Officials of the 29 Largest Oil Companies," and subcommittee exhibit 25, entitled "1956 Political Contributions of $500 and Over by Officials of the 225 Largest Corporations, January 1–November 30." Mr. President, I ask unanimous consent that my exhibit 7 be printed at this point in the RECORD.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 7.—*Comparison of subcommittee exhibit 18 showing 1956 political contributions of $500 and over by officials of the 29 largest oil companies with amounts listed in subcommittee exhibits 12, 25, and 26*

	Exhibit 18		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
Ashland Oil & Refining Co.: Breuil, James F.	$1,000							
Atlantic Refining Co.:								
Company total					$2,000			
Colley, Robert H.	1,000	$500						
Supplee, Henderson, Jr.	500							
Continental Oil: Whitney, George [3]	500							
	9,500		$10,050					
Gulf Oil: Brown, Donaldson [3]			(3,500 W)					
	19,750		19,750					
Plymouth Oil: Hallanan, W. S.	(8,750 W)		(8,750 W)					
	9,500		(2)	(2)				
Pure Oil:								
Company total							5,300	
Armour, Lester	5,250						(1,000 W)	
	750				10,250			
Dixon, Wesley M.					2,250			
	1,500				(500 W)		5,000	
					2,000		(500 W)	
Richfield Oil Corp.:					(500 W)		2,000	
Gosney, M. L.	1,000						(500 W)	
Jones, Charles S.[4]	2,500							
Sinclair Oil:							1,500	
Company total							3,000	
Clarkson, R. L.	5,000				6,100			
	2,000				3,000			
Gosney, M. L.					(1,000 W)		3,000	
	1,000				1,500		(1,000 W)	
							1,500	

See footnotes at end of table.

EXHIBIT 7.—*Comparison of subcommittee exhibit 18 showing 1956 political contributions of $500 and over by officials of the 29 largest oil companies with amounts listed in subcommittee exhibits 12, 25, and 26*—Continued

	Exhibit 18		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
Socony Mobil Oil: Jennings, B. Brewster	$3,000							
Standard Oil of California:					$3,500		$3,500	
Company totals [5]					(500 W)		(500 W)	
Call, Asa V.[6]	8,000							
	5,500		$5,500		5,750			
	(1,500 W)		(1,500 W)		3,250			
Standard Oil of Indiana:								
Company totals [7]								
Brown, Bruce K.[8]	2,000	$14,150			2,000	$14,150		
Thalheimer, Alvin [9]	(2)	(2)			(2)	(2)		
Standard Oil of New Jersey:	(2)	(2)			(2)	(2)	500	
Company totals								($3,000 W)
Holman, Eugene	7,500							
Rathbone, M. J.	3,500				6,500			
Sun Oil Co.:	1,000				3,500		3,000	
Company totals					(2)	(2)	1,000	
Dunlop, Robert G.	104,650							
Pew, Arthur E., Jr.	(2)	(2)			113,050			
	(2)	(2)	10,000		1,000		1,000	
Pew, Walter C.			(1,000 W)		3,000			
Texas Co.:	(2)	(2)						
Company totals					1,300		4,500	
Harris, Henry U.	5,397							
	4,550				4,847			
Tidewater Associated Oil:					(2)	(2)	4,550	
Company totals							(500 W)	
Bayer, L. F.	27,550							
Wellborn, Olin III	750				27,300			
	500				(2)		750	
Union Oil Co.:					1,000	(2)	4,000	
Company totals								
Kingman, K. E.	5,500				15,000			
Rubel, A. C.	(2)	(2)			1,000		1,000	
Stewart, A. C.	1,000				3,000		3,000	
Stewart, W. L., Jr.[10]	(2)	(2)			1,000		1,000	
	(1,000 W)				3,000		3,000	
					(1,000 W)		(1,000 W)	
Taylor, Reese H.	750				2,500		2,500	
Whiting, Dwight	(2)	(2)			500		500	

[1] Shown in exhibit 19, p. 79, as $9,500 (Republican) ($3,500 W).
[2] Shown in exhibit 11, p. 65, (Du Pont family) as $19,500 (Republican) ($6,500 W).
[3] Not shown.
[4] Shown on p. 25-6 (Douglas Aircraft) as $500 (Republican).
[5] Shown in exhibit 19, p. 81, as $9,000 (Republican), should read $8,500 (Republican).
[6] Shown in exhibit 19, p. 81, as $5,000 (Republican) ($1,500 W).
[7] Shown in exhibit 19, p. 82, as $2,500 (Republican) ($17,150 D).
[8] Shown in exhibit 19, p. 81, as $300 (Republican).
[9] Shown in exhibit 19, p. 82, as $3,000 (Democrat).
[10] Shown in exhibit 19, p. 82, as $1,000 (Republican).

Mr. SCHOEPPEL. Mr. President, my exhibit 8 lists the discrepancies which appear between the subcommittee's exhibit 19, entitled "1956 Political Contributions of $500 and Over by Officials of the 100 Largest Military Prime Contractors," and subcommittee exhibit 25 entitled "1956 Political Contributions of $500 and Over by Officials of the 225 Largest Corporations." I ask unanimous consent that my exhibit 8 be printed at this point in the RECORD.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 8.—*Comparison of subcommittee exhibit 19 showing 1956 political contributions of $500 and over by officials of the 100 largest military prime contractors with amounts listed in subcommittee exhibits 12, 25, and 26*

	Exhibit 19		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
Allis Chalmer Manufacturing Co.:								
Company totals [1]	$2,000				$4,000			
Mahler, Ernest [2]	1,000				2,000		$2,000	
					(500 W)		(500 W)	
Cincinnati Milling Machine Co.:								
Flynt, Henry N.	1,000						2,000	
							(1,000 W)	
Geier, Frederick V.	2,500						3,500	
Continental Oil Co.: Whitney, George [3]	9,500		$10,050		9,500			
	(3,500 W)		(3,500 W)		(3,500)			
Curtiss-Wright:								
Company totals	18,100				18,100			
Beinecke, Edwin J.	3,000				3,000		3,250	
Hill, George R.	500				500		500	$500
Hurley, Roy T.	500				500		500	500
Miccio, Joseph V.	500				500		500	500
Douglas Aircraft:								
Company totals	3,000				3,300			
Jones, Charles S.	2,500				500		3,000	
McLaughlin, Edward H.	(4)				1,000		1,000	
Paschall, Nat	(4)				1,000		1,000	
Whiting, Dwight	(4)				500		500	
Du Pont, E. I. de Nemours:								
Company totals	138,745				135,645			
Brown, Donaldson [5]	19,750		19,750		19,750			
	(8,750 W)		(8,750 W)		(8,750 W)			
Carpenter, W. S., Jr.	11,800		11,800		12,300		12,400	
					(500 W)		(500 W)	
Dodge, M. Hartley	1,500				(4)		1,300	
Du Pont, Henry B.	6,100		6,100		5,600			
	(2,100 W)		(2,100 W)		(1,000 W)			
Greenewalt, Crawford H.	8,300		6,300		6,200		7,000	
	(2,000 W)		(2,000 W)		(3,000 W)		(2,000 W)	
Peyton, Bernard	2,500				4,500		4,500	
Sharp, Hugh R., Jr.[6]	6,250				6,250		600	

See footnotes at end of table.

EXHIBIT 8.—*Comparison of subcommittee exhibit 19 showing 1956 political contributions of $500 and over by officials of the 100 largest military prime contractors with amounts listed in subcommittee exhibits 12, 25, and 26*—Continued

	Exhibit 19		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
Firestone Tire & Rubber Co.:								
Company totals	$16,800				$16,800			
Firestone, Roger S.	5,500		$11,150		6,500			
Taylor, Harold M.	(1,000 W)		(1,000 W)		(1,000 W)			
Ford Motor Co.:	(4)				750		$750	
Company totals	36,300				35,000			
David, Donald K.	1,000				(4)			
Ford, Henry, II [7]	18,899		18,899		18,899		1,000	
	(2,500 W)		(2,500 W)		(2,500 W)			
Ford, William C.	6,000		9,000		6,000			
Wright, J. O.	(4)				1,000			
Fuller (George A.) Co.: Beinecke, Edwin J.	5,000						1,000	
General Dynamics Corp.:							5,250	
Company totals	8,500	$22,500			10,000	$5,000		
Dean, Gordon		500				1,000		
Hinsee, Joseph H.	500				1,000			$1,000
Winchester, R. F.	5,000		5,000		6,000		1,000	
					(2,000 W)		6,000	
							(2,000 W)	
General Electric Corp.:								
Company totals [8]	68,349				81,950			
David, Donald K.	1,000				(4)		1,000	
Ford, Henry, II [7]	18,899		18,899		(4)			
	(2,500 W)		(2,500 W)					
Humphrey, Gilbert W. [9]	500				500		1,000	
Reed, Philip D.	2,000		(4)		6,500		2,000	
Stringham, Wardo B.	1,000				(4)		1,000	
General Motors Corp.:								
Company totals	165,295				162,095			
Anderson, Harry W. [10]	500				500			
Brown, Donaldson [4]	19,750		19,750		19,750		1,500	
	(8,750 W)		(8,750 W)		(8,750 W)			
Carpenter, W. S.	11,600		11,600		12,400			
					(500 W)		12,400	
Clay, Lucius D.	5,100		5,100		4,500		(500 W)	
	(3,000 W)		(3,000 W)		(3,000 W)			
Du Pont, Henry B.	8,100		6,100		8,000			
	(2,100 W)		(2,100 W)		(1,000 W)			
Fisher, Charles T.	(4)				(4)			
Whitney, George	9,500		10,050		8,500		1,500	
	(3,500 W)		(3,500 W)		(3,500 W)			
General Precision Equipment Co.: Clarkson, R. L.	2,000						2,000	
							(1,000 W)	
Goodyear Tire & Rubber Co.:								
Company totals	19,400				18,850			
Spencer, Leland E.	550				(4)			
Gulf Oil: Brown, Donaldson [4]	19,750		19,750		19,750		550	
	(8,750 W)		(8,750 W)		(8,750 W)			
International Business Machines:								
Company totals	33,900				27,350			
Watson, Thomas J. [11]	6,000		(4)		(4)		(4)	
International Harvester:								
Company totals	21,400	100 (Misc.)			22,900			
McCormick, Fowler	7,300	100 (Misc.)	15,100	$100 (Misc.)	7,300			
Ryerson, Edward L.	2,000				2,500			
					(500 W)		2,000	
Stuart, John	(4)				1,000		(500 W)	
International Telephone & Telegraph Corp.:							1,000	
Company totals	19,962				20,462			
Dunlap, Charles E.	(4)				500		500	
Lockheed Aircraft Corp.:								
Company totals [12]	3,300				9,250			
Dulin, F. S. [13]	(4)				7,500		1,500	
Gross, Courtland S. [14]	500				1,125		1,125	
Gross, Robert E. [15]		500			625	500	625	500
Olin Mathiesen Chemical Co.:								
Company totals	100,250				100,750			
Quesada, E. R.	(4)				500		500	
Rockefeller, Laurance S.	25,550		25,550		25,550		26,500	
	(2,200 W)		(2,200 W)		(2,200 W)		(2,000 W)	
Pan American World Airways:								
Company totals [16]	28,000				27,000			
Cone, J. Carroll	(4)				(4)			
Gledhill, Franklin [17]	500							3,500
Lehman, Robert [18]	12,000		12,000		14,000		(500 W)	
	(1,000 W)		(1,000 W)		(1,000 W)		14,000	
Philco Corp.:							(1,000 W)	
Company totals	7,300				8,300			
Gubb, Larry E.	500				1,000		1,000	
Wilson, William R.	(4)				500		500	
Piasecki Helicopter Co.: Du Pont, A. Felix, Jr.	500						1,000	
Republic Aviation Corp.: Clarkson, R. L.	2,000				2,000		3,000	
					(1,000 W)		(1,000 W)	
Richfield Oil Corp.:								
Gosney, M. L.	1,000						1,500	
Jones, Charles S. [19]	2,500						3,000	
Sinclair Oil:								
Company totals	5,600				6,100			
Clarkson, R. L.	2,000				2,000			
					(1,000 W)		3,000	
Gosney, M. L.	1,000				1,500		(1,000 W)	
Socony Mobil Oil: Jennings, B. Brewster	3,000				3,500		1,500	
					(500 W)		3,500	
Standard Oil of California:							(500 W)	
Company totals [20]	5,000				5,750			
Call, Asa V. [21]	5,000		5,500		3,250			
	(1,500 W)		(1,500 W)					

See footnotes at end of table.

EXHIBIT 8.—*Comparison of subcommittee exhibit 19 showing 1956 political contributions of $500 and over by officials of the 100 largest military prime contractors with amounts listed in subcommittee exhibits 12, 25, and 26*—Continued

	Exhibit 19		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
Standard Oil of Indiana:								
Company totals [22]	$32,000	$17,150			$32,000	$14,150		
Brown, Bruce K. [23]	600				(4)		$600	
Thalheimer, Alvin [24]		3,000			(4)			($3,000 W)
Standard Oil of New Jersey:								
Company totals	7,500				8,500			
Holman, Eugene	3,500				3,500		3,000	
Rathbone, M. J.	1,000				(4)		1,000	
Sun Oil Co.:								
Company totals	104,050				113,050			
Dunlop, Robert G.	(4)				1,000		1,000	
Pew, Arthur E.	(4)		$10,000		5,900			
			(1,000 W)					
Pew, Walter C.	(4)				1,500		4,500	
Texas Co.:								
Company totals	9,397				4,847			
Harris, Henry U.	4,500				(4)		4,500	
							(500 W)	
Tidewater Associated Oil:								
Company totals	27,550				27,300			
Bayer, L. F.	750				(4)		750	
Wellborn, Olin, III	500				1,000		4,000	
Union Oil Co.:								
Company totals	8,500				15,000			
Kingman, K. E.	(4)				1,000		1,000	
Rubel, A. C.	1,000				2,000		2,000	
Stewart, A. C.	(4)				1,000		1,000	
Stewart, W. L., Jr. [25]	1,000				3,000		2,000	
					(1,000 W)		(1,000 W)	
Taylor, Reese H.	500				2,500		2,500	
Whiting, Dwight	(4)				500		500	
United Aircraft Corp.:								
Company totals	3,100				3,000			
Shepard, Howard C.	500				(4)		500	
Stoddard, Harry G.	1,000				2,000		2,000	
Westinghouse Electric Corp.:								
Company totals [26]	41,750				40,750			
Patterson, William A. [27]	1,000				1,500		1,500	
Weaver, C. H.	1,000				(4)		1,000	

[1] Shown in exhibit 20, p. 83, as $4,000 (Republican).
[2] Shown in exhibit 20, p. 83, as $2,000 (Republican) ($500 W).
[3] Shown in exhibit 18, p. 77, as $9,500 (Republican).
[4] Not shown.
[5] Shown in exhibit 11, p. 65 (Du Pont family) as $19,500 (Republican) ($8,800 W).
[6] Contribution of Hugh Rodney Sharp, Sr., picked up in exhibits 19 and 25; Hugh Rodney Sharp, Jr., appears in exhibit 11, p. 65 (Du Pont family) as $500 (Republican).
[7] Shown in exhibit 11, p. 66 (Ford family) as $18,699 (Republican) ($3,699 W).
[8] Shown in exhibit 20, p. 83, as $68,849 (Republican).
[9] Shown in exhibit 20, p. 83, as $1,000 (Republican).
[10] Exhibit 26 includes $1,000 Republican contribution of H. W. Anderson and Lou Seaton.
[11] No contribution is shown for Thomas J. Watson in exhibit 26; however, $6,000 (Republican) is shown for Mrs. Thomas J. Watson.
[12] Shown in exhibit 20, p. 84, as $8,250 (Republican).
[13] Shown in exhibit 20, p. 84, as $1,500 (Republican).
[14] Shown in exhibit 20, p. 84, as $1,125 (Republican).
[15] Shown in exhibit 20, p. 84, as $625 (Republican)–$500 (Democrat); not shown in exhibit 21.
[16] Shown in exhibit 15, p. 73, as $24,500 (Republican).
[17] Not shown in exhibit 15, p. 73.
[18] Shown in exhibit 15, p. 73, as $12,000 (Republican).
[19] Shown on pp. 25–26 (Douglas Aircraft) as $500 (Republican).
[20] Total should read $8,500 (Republican).
[21] Shown in exhibit 18, p. 78, as $5,500 (Republican) ($1,500 W).
[22] Shown in exhibit 18, p. 78, as $2,000 (Republican)–$14,150 (Democrat).
[23] Not shown in exhibit 18, p. 78.
[24] Not shown in exhibit 18, p. 78.
[25] Shown in exhibit 18, p. 78, as $1,000 (Republican) (W).
[26] Shown in exhibit 20, p. 85, as $42,250 (Republican).
[27] Shown in exhibit 20, p. 85, as $1,500 (Republican).

Mr. SCHOEPPEL. Mr. President, I have also compared in a similar fashion the subcommittee's exhibit 20 entitled "1956 Political Contributions of $500 and Over by Officials of 88 Corporations Participating in the Atomic Energy Program," and subcommittee exhibit 25, entitled "1956 Political Contributions of $500 and Over by Officials of the 225 Largest Corporations." Mr. President, I ask unanimous consent that my exhibit 9 to be printed at this point in the RECORD.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 9.—*Comparison of subcommittee exhibit 20 showing 1956 political contributions of $500 and over by officials of 88 corporations participating in the atomic energy program with amounts listed in subcommittee exhibits 12, 25, and 26*

	Exhibit 20		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
Allis Chalmers Manufacturing Co.:								
Company totals [1]	$4,000				$4,000			
Mahler, Ernest [2]	2,000				2,000		$2,000	
	(500 W)				(500 W)		(500 W)	
Climax Uranium Molybdenum Co.: Hochschild, Walter	3,000						1,000	$3,000
Consolidated Edison of New York:								
Company totals	11,700				11,500			
Bauer, Harry J.	(4)	(4)			1,000		1,000	
Keker, Frederick H.	1,200				500		500	
Shepard, Howard C.	500				(4)		500	
Whitney, George	9,500		$10,050		9,500			
	(3,500 W)		(3,500 W)		(3,500 W)			
Detroit Edison Co.:								
Company totals	2,500				1,500			
Cisler, Walker L.	500				(4)		500	
Fisher, Charles T.	1,500				(4)		1,500	
General Electric Corp.:								
Company totals [5]	66,949				81,950			
David, Donald K.	1,000				(4)		1,000	
Ford, Henry, II [6]	18,899		18,899		(4)			
	(2,500 W)		(2,500 W)					
Humphrey, Gilbert W. [6]	1,000				500		1,000	
Reed, Philip D.	2,000		(4)		6,500		2,000	
Stringham, Wardo B.	1,000				(4)		1,000	

See footnotes at end of table.

EXHIBIT 9.—*Comparison of subcommittee exhibit 20 showing 1956 political contributions of $500 and over by officials of 88 corporations participating in the atomic energy program with amounts listed in subcommittee exhibits 12, 25, and 26*—Continued

	Exhibit 20		Exhibit 12		Exhibit 25		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat	Republican	Democrat
International Minerals & Chemical Corp.:								
McDougal, Edward D., Jr.		$6,700 (3,000 W)	(7)					$6,700 (3,000 W)
Wood, Robert E.	$2,000		(7)				$2,500	[7] 2,725
International Nickel Co., Inc.: Rockefeller, Laurance S.	25,550 (2,200 W)		$25,550 (2,200 W)				28,500 (2,200 W)	
Lockheed Aircraft Corp.:								
Company totals [8]	8,200				$8,200			
Dulin, E. S. [9]	1,500				1,500		1,500	
Gross, Courtland S. [10]	1,125				1,125		1,125	
Gross, Robert E. [11]	625	500			625	$500	625	500
Westinghouse Electric Corp.:								
Company totals [12]	$3,250				$6,750			
Patterson, William A. [13]	1,500				1,500		1,000	
Weaver, C. H.	1,000				(2)		1,000	

[6] Shown in exhibit 19, p. 79, as $3,000 (Republican).
[7] Shown in exhibit 19, p. 79, as $1,000 (Republican).
[8] Not shown.
[9] Shown in exhibit 19, p. 80, as $88,340 (Republican).
[10] Shown in exhibit 11 (Ford family), p. 66, as $18,000 (Republican), ($2,000 W).
[11] Shown in exhibit 18, p. 80, as $500 (Republican).
[12] Miscellaneous.
[13] Shown in exhibit 19, p. 81, as $5,500 (Republican).
[14] Not shown in exhibit 19, p. 81.
[15] Shown in exhibit 19, p. 81, as $700 (Republican).
[16] Shown in exhibit 19, p. 81, as $300 (Republican).
[17] Shown in exhibit 19, p. 81, as $300 (Democrat).
[18] Shown in exhibit 19, p. 82, as $4,750 (Republican).
[19] Shown in exhibit 19, p. 82, as $1,000 (Republican).

Mr. SCHOEPPEL. Mr. President, the subcommittee's next exhibit, their exhibit 21, lists those "Individuals Who Contributed $500 and Over in 1956 to Candidates or Committees in Both Parties." This is shown on page 85 of the report.

The text includes this statement:

A master list showing all such contributions known to the subcommittee appears in exhibit 26.

Of course, exhibit 26 has been modified and supplemented by the questionnaire sent to those who are shown as having contributed more than $5,000, and these revised contributions were shown by the subcommittee in exhibit 12.

If the staff had had any competence whatsoever, it would have been a very simple task to have produced an accurate compilation of individuals who contributed $500 and more to candidates or committees in both parties.

My next exhibit shows the individuals who did, in fact, contribute to both parties, and who were not correctly listed in exhibit 21. Mr. President, I ask unanimous consent that my exhibit 10 be printed at this point in the RECORD.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 10.—*Individuals shown either in exhibit 12 or 26 as having contributed $500 or more to candidates or committees in both parties, who were not correctly listed in subcommittee's exhibit 21*

	Exhibit 21		Exhibit 12		Exhibit 26	
	Republican	Democrat	Republican	Democrat	Republican	Democrat
Bernhard, Mr. and Mrs. Richard J.	(1)				$500	($5,500 W)
Brown, Mr. and Mrs. E. W. (Gladys)	(1)		$25,000 (6,500 W)	$1,300	$1,300 (3,000 W)	(1)
Coffin, Mr. and Mrs. H. Erol (Alice)	($2,300 W)	$5,000	(2,500 W)	(1)	(2,500 W)	
Draper, Col. W. F.	(1)		(1)		10,000	5,000
Field, Mr. and Mrs. Marshall, Jr. (Katherine W.)	(1)		4,500 (500 W)	500	4,500 (500 W)	500
Fischgrund, James	300	2,125	(1)		300	5,500
Gimbel, Mr. and Mrs. Bernard F. (Alva)	(1)		5,000 (2,200 W)	4,000	5,000 (2,200 W)	5,000
Gross, Robert E.	(1)				625	500
Hill, George R.	(1)				500	500
Hubbard, Mrs. Elisha Dyer	3,000	3,000	(1)		5,000	5,000
Hurley, Roy T.	(1)				500	500
Lasker, Mrs. Albert D. (Mary Woodward)	(1)		1,000	64,400	1,000	27,000
Laviers, Harry	(1)				500	500
Leidesdorf, Samuel D.	(1)		5,000	100	5,500	(1)
Merson, David A.	(1)				2,000	1,000
Miccio, Joseph V.	3,000	500			500	500
Schaefer, R. J.	(1)		(1)		5,000	2,000
Smith, C. R.	3,000	1,500			1,000	500
Sullivan, Raymond F.	(1)				500	500
Weiler, Mr. and Mrs. J. D. (Doris)	(2)		(1)		500	5,500 (2,500 W)
	500	3,250				

[1] Not shown.
[2] Less than $500.

Mr. SCHOEPPEL. Mr. President, the subcommittee's exhibit 22, which starts on page 86, is entitled "1956 Political Contributions of $500 and Over by Persons Belonging to Selected Special Groups."

In the first place, I question the propriety of selecting for this type of treatment any 13 special groups out of our entire community. I am sure the same names could have been assembled if other groups had been chosen. The names of these citizens would undoubtedly appear among the members of the Community Chest, the trustees of our leading universities, art museums, symphony orchestras, charitable foundations, scientific societies, and other cultural organizations.

As an illustration, I have checked the names of the members of the boards of trustees of six of our great universities against the contributions listed in the subcommittee's report in exhibit 26 entitled "1956 Political Contributions of $500 and Over—Alphabetical List of Contributors Arranged by Party," and in exhibit 12 entitled "1956 Political Contributors of $5,000 or Over."

The universities I selected are Harvard, Yale, Princeton, Columbia, Massachusetts Institute of Technology, and the University of Chicago. The total political contributions by those constituting the governing bodies of these six institutions of learning, as revealed in the subcommittee's report, are $292,672. This compares with $275,224 for the active and graduate members of the Business Advisory Council for the Department of Commerce, 1 of the 13 groups selected by the subcommittee. This sum is 39 percent of the figure shown by the subcommittee for the 13 groups. Are we to assume that big business dominates these institutions, too? Does this indicate that our colleges are subject to political influence?

Mr. President, I ask unanimous consent that the tabulation I have prepared, showing the contributions of the trustees of these universities, as revealed in the subcommittee's exhibits, be included as exhibit 11 in my remarks.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 11.—*Contributions of members of the governing bodies of 6 universities*

Name	Exhibit 12		Exhibit 26	
	Republican	Democrat	Republican	Democrat
University of Chicago, board of trustees (officers, appointive officers, members, honorary members, classes 1, 2, and 3):				
Avery, Sewell	$6,000			
Bell, Laird			$2,000 (2,000 W)	[1] $500
Benton, William		$23,257 (1,000 W) [2] 250		
Cone, Fairfax M.			1,000	
Donnelley, Gaylord			500	
Douglas, James H., Jr.			2,000	
Field, Marshall		10,000 (9,500 W) [3] 3,000		31,000 [4] (12,000 W)
Field, Marshall, Jr.	4,500 (500 W)	500		
Goodman, Howard [5]			1,132 (500 W)	
Graham, Philip L.			1,000 (2,500 W)	
Kirkpatrick, John I.				4,000
Lloyd, Glen A.			22,000 (1,600 W)	
Nuveen, John			2,000 (500 W)	
Rockefeller, David	17,500 (1,480 W)		1,000	
Ryerson, Edward L.			1,000	
Stuart, John				
Wilson, John P.				
Subtotal [6] (Republican, Democratic, and miscellaneous contributions)		$93,930		
Columbia University, board of trustees:				
Black, Douglas M.			1,000	
Burden, William A.	(4)		7,500	
Dodge, M. Hartley			2,500 (1,000 W)	
Ingalls, Roscoe C.			4,000	
Maass, Adrian M.			500	
Moore, Maurice T.			3,300	
Paley, William S.	12,000 (3,100 W)			
Warren, George E.			750	
Subtotal [6] (Republican, Democratic, and miscellaneous contributions)		$2,150		
Harvard University, board of trustees (corporation fellows and board of overseers):				
Cabot, Paul C.			3,000	
Clark, Joseph Sill, Jr.				5,000
Dillon, Clarence D.	95,500			
Gund, George			2,000	
Houghton, Amory Jr.			2,800	
Lamont, Thomas S.	7,250			
Larsen, Roy Edward	14,250			
Pam, Arthur W.			1,000	
Rockefeller, David	17,500 (1,450 W)		22,000 (1,000 W)	
Subtotal [6] (Republican, Democratic, and miscellaneous contributions)		$6,332		
Massachusetts Institute of Technology, board of trustees (life members, life members emeriti, special term members, alumni term members):				
Beadle, Walter Jay			500	
Brophy, Thomas D'Arcy			750	
Cates, Louis Shattuck			3,000	
Coolidge, William Appleton			2,000	
Greenwalt, Crawford Hallock			7,000	
Hanley, Edward James	6,250 (2,000 W)		(2,000 W)	
Loomis, Alfred Lee			2,000	
Merck, George Wilhelm			1,000	
Potter, William Chapman			2,000	
Price, Gwilym Alexander			2,500	
Proctor, Redfield			1,500	
Sloan, Alfred Pritchard, Jr.			1,000	
Sprague, Robert Chapman	21,000			
Stewart, William Lyman, Jr.			1,000	
Wilson, Irving White			2,000 (1,000 W)	
Subtotal [6] (Republican, Democratic, and miscellaneous contributions)		$9,450	1,000	
Princeton University, board of trustees (trustees emeriti, charter trustees, and alumni trustees):				
Danforth, Donald			1,000	
Love, George H.	5,200			
Rockefeller, John D., Jr.	12,900 (6,450 W)		19,000 (3,000 W)	
Stuart, John			1,000	
Supplee, Henderson, Jr.			1,100	
Voorhees, Stephen F.			500	
Subtotal [6] (Republican, Democratic and miscellaneous contributions)		$1,700		
Yale University, board of trustees (corporation members, permanent members, officers of the university, alumni fellows):				
Bush, Prescott Sheldon	(4)		5,000 (2,500 W)	
Dickey, Charles Denston			2,000	
Hadley, Morris			1,600 (500 W)	
Ribicoff, A. A. (ex officio)				500
Subtotal [6] (Republican, Democratic, and miscellaneous contributions)		$9,100		
Total, 6 universities, Republican, Democratic, and miscellaneous contributions		$92,672		

[1] Miscellaneous.
[2] Exhibit 26-66 shows Goodman, Howard & Wm., $1,132 (Republican).
[3] Subtotal is arrived at by adding figures in exhibit 12, where they are shown, and exhibit 26 figures in all other cases.
[4] Not shown.

Mr. SCHOEPPEL. Mr. President, this sample shows that public-spirited citizens will constitute any special group. The selection of the particular special groups included in the subcommittee's report is an obvious attempt to place successful members of the business community in a bad light.

This attempt by the subcommittee to associate the names of individuals with business organizations represents demagoguery at its worst. However, let me point out the errors in the tabulation. The subcommittee is again guilty of double-counting the same contributors, so as to produce meaningless totals. It also omitted some contributions, and understated others. That attempt should be completely discounted. If the statistics are correct—and I believe them to be correct—they constitute an incredibly bad piece of statistical work.

Exhibit 22 on page 86 lists 2 tables. The first names the 13 selected groups, and shows the names of those constituting the officers of each group.

I note that the American Medical Association is included. Six officers are shown and approximately 150 committee members and trustees. I am at a loss to know how one can check the names of an "approximate" list against a list of contributors. Apparently the subcommittee could make no such check as no officer or trustee of the American Medical Association is shown as having contributed $500 to either political party. I just do not believe that this can be so.

The officers of these 13 groups, including the 150 committee members and trustees of the American Medical Association, represent 1,325 listing, without regard to duplication. The number giving totals 194, only 15 percent of the total number of names. In view of the small percentage who participated in the last campaign by making contributions of $500 or over, it is hard to justify the inclusion of such a list in this report. Why not stress that 85 percent of the names constituting the governing bodies of these groups did not contribute $500 or more to either party?

Mr. President, let me emphasize that I do not know the names of all the officers of these groups and, hence, have been unable to check them against the list of contributions of $500 and over, shown in table 26, and against the list of $5,000 and over, shown in exhibit 12. However, I have checked each of the individual names listed by the subcommittee as a member of one of these groups who was supposed to have made such a contribution. In view of the startling number of errors I have found in this small sample, I am sure that there must have been many more errors and omissions.

The second table on page 86 shows the contributions of each of the 13 groups, and then totals these contributions to arrive at a grand total of $751,914. The totals for each of the groups are shown. Pages 87 through 89 list the names of the individuals constituting each group and their contributions.

Even the most casual inspection reveals duplicate counting. A contribution of $51,125 by Mr. J. Howard Pew was included twice, once in the total of $171,750 for the American Petroleum Institute, and again in the total of $81,475 for the National Association of Manufacturers. Mr. B. J. Fairless made a contribution of $4,500, which was included in the total of $45,100 for the American Iron and Steel Institute, and again in the total of $275,224 for the Business Advisory Council for the Department of Commerce. Mr. Winthrop Aldrich made a contribution of $2,000, which was included in the total for the Business Advisory Council, and again in the group consisting of the chiefs of United States diplomatic missions abroad.

There is no defense for such misleading figures. The fact that the subtotals are shown, and a grand total is included in the report, makes it quite apparent that someone on the staff either deliberately wished to deceive the Senate, or was grossly incompetent.

Mr. President, when the duplications are eliminated, the total of $751,914 drops by $102,825, an overstatement of 16 percent. I have prepared a table which lists the most obvious errors and inconsistencies, which only casual inspection has revealed in exhibit 22. I now ask unanimous consent that this table appear in the RECORD as my exhibit 12.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT 12.—*Analysis of subcommittee's exhibit 22*

DUPLICATE LISTINGS

Name	Group	and Group	Amount of Republican contribution
Aldrich, Winthrop W	No. 6	No. 7	$2,000 (1,000 W)
Bohen, Fred	No. 6	No. 10	1,000
du Pont, Pierre S. III	No. 10	No. 12	9,200 (2,000 W)
Fairless, B. F	No. 2	No. 6	4,500
Holman, Eugene	No. 4	No. 6	3,500
Love, George H	No. 6	No. 12	5,200
McKee, Paul B	No. 6	No. 9	2,000
Priessen, T. S	No. 4	No. 6	1,000
Pew, J. Howard	No. 4	No. 10	$51,125 (3,000 W)
Rodgers, W. S. S	No. 4	No. 6	1,000
Salvati, R. E	No. 10	No. 12	1,000
Spaud, Joseph P., Jr	No. 6	No. 10	1,500
Spencer, Kenneth A	No. 6	No. 12	10,500
Taylor, Reese H	No. 4 ($2,500)	No. 6 ($500)	3,000
Teagle, Walter C	No. 4	No. 6	6,200
Total			162,825

Discrepancies

Name	Amount of contribution	Exhibit No.
GROUP 2. AMERICAN IRON & STEEL INSTITUTE		
Snyder, William P., Jr	$2,750 R 3,500 R	Exhibit 22 (AISI). Exhibit 26.
GROUP 4. AMERICAN PETROLEUM INSTITUTE		
Hallanan, Walter S	(1)	Exhibit 12.
	6,500 R (1,000 W)	Exhibit 22 (API). Exhibit 26.
Jennings, B. Brewster	3,000 R (500 W)	Exhibit 18, Socony Mobil. Exhibit 19, Socony Mobil.
	3,500 R (500 W)	Exhibit 22, (API). Exhibit 25, Socony Mobil.
Rieber, T	1,000 R	Exhibit 26.
	3,000 R	Exhibit 22 (API).
Taylor, Reese H	500 R	Exhibit 26.
		Exhibit 18, Union Oil.
		Exhibit 19, Union Oil.
		Exhibit 22, (BAC).
	2,500 R	Exhibit 22, (API).
		Exhibit 25, Union Oil.
		Exhibit 26.
GROUP 2. AMERICAN IRON & STEEL INSTITUTE—con.		
Windfohr, Robert F	$5,000 R	Exhibit 12.
		Exhibit 19 (General Dynamics).
	6,000 R (2,000 W)	Exhibit 22 (API).
		Exhibit 25 (General Dynamics).
		Exhibit 26.
GROUP 6. BUSINESS ADVISORY COUNCIL		
Avildsen, Clarence	1,000 D	Exhibit 22 (BAC).
	1,500 D	Exhibit 26.
Clay, Lucius D	5,100 R (3,000 W)	Exhibit 12.
		Exhibit 19 (General Motors);
	5,000 R (3,000 W)	Exhibit 22 (BAC).
	4,500 R (3,000 W)	Exhibit 25 (General Motors);
Ford, Henry, II	18,000 R (2,500 W)	Exhibit 11 (Ford Family);
	14,000 R	Exhibit 19.

See footnotes at end of table.

Discrepancies—Continued

Name	Amount of contribution	Exhibit No.
GROUP 2. AMERICAN IRON & STEEL INSTITUTE—continued		
Ford, Henry II	(2,500 W)	Exhibit 19 (Ford Motor Co.);
		Exhibit 22 (BAC).
	18,500 R (2,500 W)	Exhibit 25 (Ford Motor Co.).
Geier, Frederick V	7,500 R	Exhibit 19 (Cincinnati Milling Machine Co.).
	3,500 R	Exhibit 22 (BAC);
		Exhibit 26.
Greenewalt, Crawford H	6,200 R (2,000 W)	Exhibit 11 (Du Pont family);
		Exhibit 12.
		Exhibit 19 (du Pont (E. I.) de Nemours & Co.).
		Exhibit 22 (BAC).
		Exhibit 25 (du Pont (E. I.) de Nemours & Co.).
	7,000 R (2,000 W)	Exhibit 26.
Harriman, W. A	4,500 D	Exhibit 11 (Harriman family).
		Exhibit 26.
	1,500 D	Exhibit 22 (BAC).
Holman, Eugene	3,500 R	Exhibit 18 (Standard Oil, Ne Jersey).
		Exhibit 19 (Standard Oil, New Jersey).
		Exhibit 22 (BAC).
		Exhibit 25 (Standard Oil, New Jersey).
Noyes, Nicholas H	3,000 R	Exhibit 26.
	500 R	Exhibit 22 (BAC).
	2,500 R (2,000 W)	Exhibit 26.
GROUP 2. AMERICAN IRON & STEEL INSTITUTE—continued		
Reed, Philip D	(1)	Exhibit 12.
	2,000 R	Exhibit 19 (General Electric);
		Exhibit 20 (General Electric).
		Exhibit 22 (BAC).
		Exhibit 26.
Smith, C. R	6,500 R	Exhibit 25 (General Electric).
	1,000 R	Exhibit 15 (American Airlines).
		Exhibit 22 (BAC).
		Exhibit 25 (American Airlines).
	1,000 R	Exhibit 26.
Wilson, Charles E	500 D	
	4,500 R	Exhibit 22 (BAC).
	1,500 R	Exhibit 25 (Guarantee Trust of New York).
		Exhibit 26.
GROUP 7. CHIEFS OF UNITED STATES DIPLOMATIC MISSIONS ABROAD EXCLUSIVE OF CAREER FOREIGN SERVICE OFFICERS		
Gardner, Hon. Arthur	500 R	Exhibit 22 (group 7).
	(1)	Exhibit 12.
	6,000 R (4,500 W)	Exhibit 26.
GROUP 13. NATIONAL COAL ASSOCIATION		
Laviers, Harry	(1)	Exhibit 21.
	500 R	Exhibit 22 (National Coal Association)
	500 R	Exhibit 26.
	500 D	

[1] Not shown.

EXHIBIT 12. ANALYSIS OF SUBCOMMITTEE EXHIBIT 23

Mr. SCHOEPPEL. Before leaving the subcommittees' exhibit 22, may I comment on the inclusion of one of the selected groups of individuals, chiefs of United States diplomatic missions abroad exclusive of career Foreign Service officers. One of the largest contributors to this list is our former Ambassador to Italy, Mrs. Clare Luce. Only last December, before her retirement, Mrs. Luce urged upon the Congress that we increase the emoluments of the career Foreign Service officers, so that such officers could be named to the more important diplomatic posts. It is a well-known fact that these posts now can only be accepted by persons of great wealth, as we expect them to use their private funds to pay necessary expenses of representing our Government in the more important capitals of the world. Since that is the case, is it so unusual that such individuals would wish to support the political party of their choice, whichever one it might be? Why should we not expect these people to contribute to the election of a President whose foreign policies they will implement with their own personal funds?

Mr. President, up to this point I have not noted any instances where the report of the subcommittee indicated a violation of existing law. The subcommittee is strangely silent with respect to exhibit 23, entitled "Illustrative List of Political Contributions of $500 and Over Made in 1956 by Partnerships, Estates, and Others."

The Corrupt Practices Act specifically forbids political contributions by corporations. Yet on page 89 I find the following contributions shown by organizations which I believe are incorporated. It would seem that the subcommittee would have made some explanation concerning these specific contributions, if they had had it at their command.

At this point, Mr. President, I shall list the names of those corporations shown by the subcommittee in exhibit 23 as having made political contributions during the last campaign:

Contributor:	*Amount of contribution*
Emile M. Babst & Co., Inc., New Orleans, La	$500
J. Ray McDermott & Co., Harvey, La	500
Walther Bros. Co., Inc., New Orleans, La	500
E. J. Bleier Equipment Co., Needham Heights, Mass	1,000
Long, Quinn & Boyland Co., New York, N. Y	500
Beach Haven Management Co., New York, N. Y	1,000
Shore Haven Management Co., New York, N. Y	1,000
Schaffer Brewing Co., Brooklyn, N. Y	500
Truns, Inc., Brooklyn, N. Y	500
Willys Motors, Toledo, Ohio	500
Callan Construction Co., Bristol, R. I	500
Courtois Sand & Gravel Co., Pawtucket, R. I	500
Universal Construction Co., Pawtucket, R. I	600
L. & L. Investment Co., Seattle, Wash	500

Mr. President, the report of the subcommittee, in its conclusions and observations, said:

> A geographical concentration of political contributions is also disclosed (exhibit 27). (P. 3.)

Exhibit 27 contains the IBM card listings as exhibit 26, arranged by States. Let me first read the description of exhibit 26, and then the description of exhibit 27. Exhibit 26 is entitled "1956 Political Contributions of $500 and Over—Alphabetical List of Contributors Arranged by Party—January 1–November 30." Exhibit 27 is entitled "1956 Political Contributions of $500 and Over—Alphabetical List of Contributors Arranged by Parties and by States—January 1–November 30."

The subcommittee, in its explanatory remarks relating to exhibit 27, said:

> Names, addresses, and amounts are almost invariably listed as reported. Where obvious errors in spelling or addresses were reported, the subcommittee staff attempted to make corrections. In a number of cases, however, variant spellings were noted in standard references, in city directories, and in telephone books, and it has not been feasible to make all desirable corrections.

One again I will show the Senate that the geographical listing, so elaborately portrayed in exhibit 27, is valueless.

Let us begin by examining the alphabetical listing in exhibit 26. On page 26–2 the name Eva Adams appears, address not given. Every Senator, I am sure, respects and admires the able administrative assistant of the junior Senator from Nevada, whose work is so well known that it was discussed in a featured article in a national magazine. On page 26–5 we find the name of Alan Bible with the address 9421 Crosby Road, Silver Spring, Md. The staff of the subcommittee may have checked telephone books and city directories, but they certainly did not consult the Congressional Directory in order to determine the correct political address for these individuals. Page 27–21 lists the Democratic contributions for the State of Nevada. The two contributions I have just mentioned, which total $1,800, or 14 percent of the $13,000 shown by the subcommittee for the State of Nevada, are conspicuously absent. Page 27–15 shows the contribution by the distinguished junior Senator from Nevada under the Maryland listing. An examination of the statistics for the State of Nevada documents my criticism of exhibit 27.

Lest I be accused of partisanship in commenting on the contributions from my good friend, the junior Senator from Nevada, whom I greatly respect and admire, may I mention that the subcommittee was unable to identify other prominent personages. These unidentified individuals are listed on pages 27–196 through 27–198. Their contributions to the Republicans total $79,625. I find among them names we all know—Irma V. Capehart, the wife of our colleague, the senior Senator from Indiana; Henry Luce; and Morris Cafritz.

It is difficult for me to understand the presentation of such statistics. If the subcommittee had even made an attempt to do what it claimed to have done by checking city directories and telephone books, these unidentified individuals could have been correctly allocated to the States where they belonged. Even without using these directories, corrections could be made. Page 27–197 shows three contributions from Henry Maxwell Gluck. They obviously were made by the individual listed on page 26–97, who made a number of other contributions, all of which show the address, "630 Fifth Avenue, New York."

One further deficiency in the geographical listing arises from the fact that in many instances the same individual made contributions from different addresses, and the money was accordingly allocated to a number of States. Such a procedure is meaningless and somewhat ridiculous. Let me cite just one example. Page 26–73 lists three contributions by Robert Coe, a member of the diplomatic corps; $1,500 was allocated to Copenhagen, Denmark, and $3,440 to Cody, Wyo. Page 27–194 shows the $3,440 contributed Mr. Coe in the Wyoming listing. The remaining $1,500 is shown on page 27–196 as a contribution from Copenhagen, Denmark.

The subcommittee was not interested in determining facts. They were more concerned with attempting to show that large contributors in New York and in other Eastern States were dominating the political scene. It is only natural that there should be more large contributors from those States having the largest proportion of individuals with high incomes. I would suspect any figures which showed anything else to be the case.

The subcommittee is again guilty of demagogery, when it states on page 4:

> In the State of Delaware, the residence of many of the members of the Du Pont family where according to the 1950 census the total population is only 318,000, Republican contributions in the amount of $500 and over aggregated $232,589. This exceeds the amount of such contributions received by the Democrats from 30 States whose combined population is in excess of 54 million.

If we wish to indulge in such nonsense, I might point out that Mr. Christie, a single individual, made a contribution to the Democrats which exceeds the receipts credited to the Republicans in exhibit 27 from 10 States. My next exhibit shows the contributions reported by the subcommittee in exhibit 27 for these 10 States together with the population shown in the 1950 census.

I ask unanimous consent that this exhibit be printed in the RECORD at this point as a part of my remarks.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 13.—*Comparison of receipts to the Democratic Party by its largest contributor with Republican contributions shown in subcommittee's exhibit 27 from 10 States*

State	Population	Republican contributions
Alabama	3,061,743	$8,750
Idaho	588,637	2,000
Kentucky	2,944,806	11,100
Mississippi	2,178,914	4,500
Montana	591,024	4,250
Nevada	160,083	11,300
New Hampshire	533,242	10,000
South Carolina	2,117,027	4,000
South Dakota	652,740	10,800
Vermont	377,747	2,500
Total	13,205,963	70,200

Mr. SCHOEPPEL. Mr. President, earlier this afternoon I advised the Senate that I would conclude my remarks with a discussion of overall campaign expenditures revealed in exhibit 1, the activities of labor as set forth in exhibit 5, and the receipts and expenditures of senatorial candidates and committees set forth in exhibit 6. Since we have just reviewed the geographical distribution of campaign contributions, I shall now discuss the subcommittee's comments on the receipts and expenditures of senatorial candidates and committees. On page 8 the subcommittee states:

> Interstate campaign contributions in senatorial elections should, in all events, be sharply curbed. The subcommittee is concerned with the extent to which contributions have been made to candidates and committees of one State by citizens and groups from other States. We feel that it is the prerogative of the citizens of a given State to elect Senators and Representatives of their own choosing without undue interference from without. * * * Some indication of the volume of interstate movement of campaign funds can be ascertained from an examination of exhibit 6 and the exhibits listing campaign contributions of $500 and more. This will become even more apparent by an examination of the contributions listed by States in exhibit 27.

The subcommittee was again primarily concerned with large contributions by individuals, and relied upon the inadequate geographical data supplied in exhibit 27 for its findings.

In my capacity as chairman of the national Republican senatorial committee, I have carefully reviewed subcommittee exhibit 6, which starts on page 48 of the report. This exhibit lists the contributions from out of State of $500 and over for each senatorial candidate. I find that the total out-of-State contributions in senatorial contests during the 1956 campaign, as reported by the subcommittee, were $443,609 for the Democrats, and $373,098 for the Republicans. There is nothing in the text to suggest that the Democrats received more out-of-State money than did the Republicans.

Now let us turn to the contributions and expenditures of national labor committees. These are set forth in exhibit 5. Page 46 shows the "transfers of funds from 17 national labor campaign groups to Democratic candidates or committees, United States Senate." I find that of the total transfers by the 17 national labor committees to Democratic Senate candidates or committees, 88 percent went to candidates in 13 States. The amount of money reported by these labor organizations as transfers to the Democratic Senate committees in these States represented 71.6 percent of the amount reported by the senatorial candidates in these same 13 States as out-of-State funds.

Mr. President, I have prepared a comparison of the out-of-State transfers reported in senatorial contests in exhibit 6 with those shown in exhibit 5. I think it is quite apparent that the transfers of funds by national labor committees to Senate campaign committees have accounted for the largest out-of-State transfers reported by Democratic candidates.

Mr. President, I ask unanimous consent that my exhibit 14, which compares the subcommittees' exhibits 5 and 6 may be printed at this point in my remarks.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT 14.—*Comparison of contributions to senatorial candidates and committees from out-of-State, subcommittee exhibit 6, with transfers from 17 national labor campaign groups to Democratic candidates or committees United States Senate, subcommittee exhibit 5*

State	Transfers from 17 national labor campaign groups to Democratic Senate candidates and committees	Contributions from out-of-State, $500 and over, to Democratic Senate candidates and committees
California	$16,800	$38,450
Colorado [1]	20,000	19,600
Connecticut	27,500	34,000
Idaho	13,650	29,300
Illinois	29,000	51,600
Indiana	20,727	40,600
Iowa	5,500	10,070
Maryland	27,000	43,250
Missouri	9,500	9,600
New York	12,983	29,200
Oregon	37,300	46,550
Pennsylvania	28,400	36,500
Washington [1]	26,750	23,200
Total	267,820	401,820

[1] Transfers from 17 national labor committees exceed total out-of-State $500-and-over contributions.

Mr. SCHOEPPEL. The report, on page 2, shows total net expenditures by labor of $941,271. Yet, on page 8 of this same report, the subcommittee states contributions and expenditures of national labor committees were approximately $2,157,000, of which almost 75 percent was disbursed by transfer to other campaign groups.

Furthermore, the report on page 47 shows expenditures by State and local labor organizations during the brief 3-month period of the subcommittee's study totaling approximately $830,344, of which again more than half, or $429,808, is shown to have been transferred to other campaign groups. There can be no question from the subcommittee's own figures that the expenditures by labor in the last campaign must have exceeded $3 million, rather than the $941,271 set

forth on page 2 of the subcommittee's report.

The contributions and expenditures included in the subcommittee's report cover only so-called voluntary contributions by union members to union political committees. I do not object to voluntary contributions for political activity by any person or group if I am sure that the contributions are, in fact, truly voluntary. The largest expenditures by national and local labor groups in the 1956 campaign are omitted from the report. These are the expenditures for so-called education which are financed by union treasuries from union dues. They pay for television programs and the publication of political books and pamphlets bearing the label education. These expenditures continue throughout the year, not merely during the 3 months of a campaign. Their cost is unknown. In addition, paid union personnel have participated actively in political campaigns and their salaries and expenses have been paid by union members who have no choice but to support these activities if they wish to hold their jobs if they are employed in establishments which have signed union-shop agreements.

For some time labor organizations have been allowed to make their own definition of what constituted a political expenditure. On page 24 the subcommittee said:

> The representatives of labor cited the following examples of activity in which they, under their constitutional right, are permitted to engage, with the use of general union funds:
>
> (1) Systematically organize drives for registration of voters.
>
> (2) Carry out a systematic program of political education, including organization of schools where political questions are discussed, and the compilation and distribution of voting records; and
>
> (3) Exercise the right of free speech by expressing their views on political questions in print and by means of television and radio and otherwise.

I am familiar with the voting records compiled and distributed during the last campaign. I understand that 16 million copies of a booklet prepared by COPE, the AFL–CIO Committee on Political Education, were distributed. This booklet was supposed to portray the voting records of Senators and Representatives. I found that in the case of the Senate, only 20 rollcalls had been selected from a 10-year period. They represented only 1.3 percent of all such rollcalls. Since many incumbent Senators who were candidates in the last election were not Members of the Senate when some of these rollcalls were taken, it provided a most inaccurate political education to the membership of the AFL–CIO. The preparation and distribution of these voting records was not included in the expenditures listed by the subcommittee on either page 2 or page 8 of its report, which I have previously referred to.

The subcommittee on page 24 said:

> In the near future, a decision is expected in the case of *United States* v. *International Union, United Automobile, etc., Workers*, now pending before the Supreme Court of the United States, on appeal by the Department of Justice from a decision of Judge Picard of the Federal District Court of the Eastern District of Michigan. In that decision, it was held that expenditures made by a labor union from its general treasury for television broadcasts endorsing political candidates were not expenditures prohibited by section 610 of the Corrupt Practice Act.

On Monday, March 11, the Supreme Court in a 5 to 3 decision, delivered by Justice Frankfurter, reversed the district court's dismissal of the indictment against the UAW in this case. The Justices in the majority opinion said:

> Our reversal of the district judge's erroneous construction clears the way for the prosecution to proceed.
>
> To deny that such activity as the UAW is charged with did not constitute an expenditure under the law would be to deny the long series of congressional efforts calculated to avoid the deleterious influences on Federal elections resulting from the use of money by those who exercise control over large aggregations of capital.

The case will now be tried on the facts. As a sort of guide for lower court action, the Justices posed a series of questions to indicate the covert issues that may be involved in this case.

> For example, was the broadcast paid for out of the general dues of the union membership, or may the fund be fairly said to have been obtained on a voluntary basis?
>
> Did the broadcast reach the public at large, or only those affiliated with the appellee?
>
> Did it constitute active electioneering, or simply state the record of particular candidates on economic issues?
>
> Did the union sponsor the broadcast with the intent to affect the results of the election?

Perhaps we will have a judicial definition of what constitutes political activity by labor organizations to guide us in our own legislative endeavors dealing with campaign contributions and expenditures.

I am convinced that the power of certain labor leaders to transfer the funds contributed by their membership at will is a power which vastly exceeds that of any single contributor or group of wealthy contributors. I need only point out that Mr. Walter Reuther in his testimony before the subcommittee proposed a limitation on campaign contributions of $5 per voter. He would permit a maximum contribution of $20 in a Presidential election year with $5 for the Presidential candidate, $5 for the senatorial candidate, $5 for the Congressional candidate, and $5 for the political party. It would not be difficult to foresee where all political power would ultimately lie, if any such proposal were seriously considered without at the same time curbing the use of union funds for so-called political education.

I believe in the right of free speech, assembly, and petition which the first amendment of our Constitution guarantees to everyone in this great country. I will never propose enacting any measure which would curb that right. However, we expect leaders who speak for a group to voice the opinions of the individuals constituting that group rather than their own political views. The results of the last election clearly show that many union members whose dues financed so-called political education to advance the Democratic cause actually voted Republican. Those union members, in effect, were forced to contribute dues under a union-shop agreement to pay for a political campaign in opposition to their own political beliefs. At least that is what I believe.

The Labor Management Relations Act of 1947 provides that a union which is certified as a bargaining agent for a majority of the employees in any establishment shall represent all the employees in collective bargaining negotiations and in handling of all grievances with the employer. The Congress provided that union-shop agreements not prohibited by State or territorial law could be executed by unions and employers. This seems reasonable as the unions claim they want all members of the bargaining unit to contribute toward the benefits all the employees receive from the activities of the union working as their agent.

The Congress certainly did not propose authorizing compulsory membership in a political party. Under many of our present agreements, such as those which prevail in the steel and automobile industries, this is exactly what we have done.

I believe that any group has the right of free political expression under the first amendment if it only includes members who are free to leave the group at any time without loss of their livelihood. I would never curb that right. However, unions who have executed union-shop agreements, and hence have captive members, are not in this position.

Mr. President, I believe we must amend the Labor Management Relations Act so that ever union will have the choice of whether it wishes to operate as a political party or as a trade union. If it chooses to act as a political party it will enjoy the immunities of the first amendment, but lose the right to negotiate union-shop agreements. If it wishes to confine itself to acting as a bargaining agent for its members and not as a political party, it should be permitted to ask for union-shop agreements similar to those now in effect. I know we cannot continue our present course of fostering compulsory membership in political parties. This was the technique used by Mussolini and Hitler. It is fascism and not Americanism.

I am sure that the Congress can write more realistic election laws than those we now have. But we will receive no help or guidance from the report filed by the subcommittee covering the past campaign. We must approach our task with open minds and no preconceived notions other than to assure that the will of the American people prevails in each and every election contest, and that adequate funds may be contributed and spent to properly present the programs of the parties and candidates to the people of the United States.

In closing, I do not expect the majority members of the subcommittee to reply to any of my criticisms of their report without first examining the tables I have inserted in the RECORD, and which will be available to them tomorrow in the RECORD. However, in view of the publicity the report received at the time

it was issued and the great public expense involved in its preparation, the majority members of the subcommittee have an obligation to the Senate to explain how these errors occurred.

Mr. CURTIS. Mr. President, will the distinguished Senator from Kansas yield?

Mr. SCHOEPPEL. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I wish to commend the distinguished Senator from Kansas [Mr. SCHOEPPEL] for a painstaking job, accurately and fairly and thoroughly done. It is indeed an excellent job.

I am aware the work the Senator has put into his analysis of the report of the Subcommittee on Privileges and Elections has taken many, many weeks. It is regrettable that the Senator's remarks and exhibits cannot be placed in the hands of every citizen who received the so-called Gore report.

As a member of the so-called Gore committee who dissented from every finding in the report, I have been aware of the need for an analysis such as the Senator from Kansas has made. I regret that I did not have time to make such an analysis.

I received the so-called Gore report late on Friday, and had to meet a deadline on the following Tuesday for certain minority views. It so happened that particular weekend was the weekend of the Presidential inauguration. Like other Senators, I had many people from my State visiting in town during that time, and I wished to attend the inaugural functions myself.

I know something about how much time the Senator from Kansas has devoted to his analysis, and I know it represents weeks and weeks of effort.

The Senator from Kansas has given the American people a glimpse of the truth, pointing out the gross errors, misstatements, and misleading conclusions of the report which was circulated around the Senate. Incidentally, the report has never been submitted to the Committee on Rules and Administration or to the Subcommittee on Privileges and Elections, although it has appeared throughout the land as a committee print.

I am also aware of the fact that no longer can a person secure a copy of that report. The supply has been exhausted. I believe the report should not be reprinted until all the errors, misstatements, inaccuracies, and misleading conclusions have been removed or corrected.

Mr. President if the distinguished Senator will yield further?

Mr. SCHOEPPEL. I yield.

Mr. CURTIS. I wish to point out that I have received a letter from the president of the American Bar Association commenting not only upon this report but upon the releases which were published with reference to it. One of the groups singled out was the American Bar Association, and the statement was made that certain individual members of the bar association had made political contributions. I shall not read all of the letter of President David F. Maxwell of the American Bar Association, but I wish to read to the Senate for the information of all citizens a few words from the letter. President Maxwell says:

> Under this heading the name of the American Bar Association appeared, followed by figures indicating contributions of $5,000 to the Republican and $2,500 to the Democratic national committees.
>
> Actually, these were purely individual gifts of six men who happen to be members of the American Bar Association. But many of our members and others who read this article concluded the American Bar Association had made these contributions as evidenced by the number of letters of protest I received.

The injustices which have followed in the wake of this subcommittee report are legion in number. Again I wish to quote from President Maxwell's letter:

> But we do respectfully submit that the practice of linking purely personal contributions of individual donors to an association to which they happen to belong, and lumping these individual gifts together in such a way as to identify them with the association, leads inevitably to misinterpretations, and is unjustified.

Later on in the letter President Maxwell says:

> The American Bar Association membership of 90,000 includes men and women of both political parties. You can therefore understand why there was such widespread protest from members of both parties.

That is merely one instance which points out the great public service the distinguished Senator from Kansas has performed by exposing some of the errors, inaccuracies and fallacies of the report of the Subcommittee on Privileges and Elections.

Mr. SCHOEPPEL. I thank the Senator from Nebraska.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, first I wish to compliment the distinguished Senator from Kansas on the excellent rebuttal of what I consider to be the worst Senate document printed since I have been in the Senate. I think the Senator has done the Senate a favor. He has done both political parties a favor. He has certainly done the people of the United States who are interested in politics a favor.

As a citizen—not as a Senator—I wish to thank the Senator from Kansas for the work he has done.

In commenting upon the report, I shall not take the time of the Senate to go into detail as to the mistakes made in the report. I merely wish to point out a great field which was omitted, either purposely or by accident—and I like to think it was the latter.

I believe had the committee followed out the recommendations made by the distinguished Senator from Nebraska [Mr. CURTIS] and by me, it would have presented a report which would have done justice to the expectations of the Senate which would have been a valuable document for the American people. But that was not the case.

Will the Senator from Kansas indulge me for a few moments more?

Mr. SCHOEPPEL. I am glad to yield further.

Mr. GOLDWATER. I should like to fill in a great void that exists in this document.

Mr. President, back in October when the Subcommittee on Privileges and Elections of the Committee on Rules and Administration was holding hearings, I asked permission to appear before the subcommittee for the purpose of interrogating Mr. McDevitt, who was present that day representing COPE, and later on Mr. Reuther, who was representing the AFL-CIO. During the course of my presentation there I asked specific questions of these gentlemen, and later submitted questions in writing to the subcommittee, so that the subcommittee might be guided as to what lines I thought it should follow in an effort to make a complete and accurate report to the American people.

I wish to quote a few—not all—of the questions submitted in the hearings before the Subcommittee on Privileges and Elections.

I said, on page 308:

> Thank you, Mr. Chairman.
>
> I have a list of questions here that I hope we can either get the answers to today or alert these gentlemen so that the answers can be forthcoming in time for future meetings of the committee.

I continued further, Mr. President, on page 313, and I quote again:

> Now, I did not get the correct name of this particular account, but I understand there is an account in the union bookkeeping that comes under what I would call lost time, a fund of money to provide payments to people who are not working, who have been laid off.

The record shows Senator GOLDWATER was speaking.

Then I am again recorded on the same page 313 as saying:

> Mr. Chairman, may I ask, then, that the staff ascertain whether or not there is such a fund in these unions; if so, the size of it. I do not care how the staff gets it.

Then I should like to quote from page 314, where Senator GOLDWATER is recorded as speaking again:

> I would like to ask the chairman if it would be within the bounds of the rights and purposes of this committee to ask COPE to give us complete data on how many persons are working on political activities of any kind in COPE the day before the general election, November 5, and on election day, November 6.
>
> I want to extend that, if it is proper, from November 1 to November 6, and I make this request at this time so that they might be fully warned of this desire, and will be able to give those figures. I do not think it would be fair to come up on November 7 and ask them for it; but inasmuch as they are now engaged in political activity and performing the functions and duties of a political party, I think those figures can be gotten.

Then, at page 315, the Senator from Tennessee [Mr. GORE] was speaking:

> Senator GORE. You did not. This organization and other organizations will be asked to identify the expenditures for people who are employed by the organization for political activity before the election and then report a breakdown after the election.

If the Senator from Kansas will indulge me a little longer, I wish to explain why these particular questions

were asked. I will quote what I said that day in trying to make my explanation. Again, I read from page 315 of the report:

> Senator GOLDWATER. Mr. Chairman, I think this is a very important part. Let me tell you my reasoning on this and my thinking on this.
>
> These gentlemen, representing COPE, are actually at this time engaged in political activities that have heretofore been confined pretty much to the two major parties. If a corporation were to undertake this kind of political activity, I feel certain that their auditors and their lawyers would require them to keep an exact amount and exact account of the amount of money involved, and even the number of persons whom the corporation allowed to work in political fields before election day.
>
> If this were just an ordinary run-of-the-mill political effort, it would be one thing. But we have here an organization which represents 16 million to 18 million people. I think it is perfectly proper, as we try to legislate here in the field of campaign expenditures, that we know all of the sources of money and how that money is spent.
>
> Now, we used to be concerned with the monopoly of business, and we were only concerned there with the monopoly of money, and there is no question that big business has historically, and probably today, supplied big sums of money for political campaigns, but they have never supplied the people.
>
> We have got a new factor here; and people, I think, more than money, win elections. I think it is perfectly proper that we ask these gentlemen to supply us with the number of people that work on political activities. If you want to extend it to October 20, fine. I was only trying to get the last week where you have a speed-up in activity, to see just how many people they have out helping in the various activities that politics require.

The distinguished Senator from Tennessee [Mr. GORE] asked me to submit these specific questions in writing, which I did. I ask unanimous consent that the text of the letter which I wrote to him be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 10, 1956.

Hon. ALBERT GORE,
Chairman, Senate Subcommittee on Privileges and Elections, United States Senate, Washington, D. C.

DEAR AL: In further explanation of the line of questioning which I used in yesterday's hearings before your Subcommittee, I wanted to write you this letter, which also outlines the data which I hope the subcommittee will request from various unions on lost-time accounts.

You will remember my questions regarding the so-called lost-time or layoff-pay accounts. You asked if I would clarify this and be more specific.

The account to which I refer is listed as Lost Time Reimbursements in the financial statement of at least one union, the United Auto Workers. It is my feeling that funds from this account have been, are being, and will continue to be used in the future for political purposes, such as organizational work, distribution of political literature and other purely political activities.

Therefore, I sincerely hope that your subcommittee will ask for a complete accounting of this account by the UAW and any other unions which have such a fund and the account entitled "Transfers to PAC," which also appears in some UAW-CIO financial statements, with the purpose of determining any political use of this money, such as paying salaries and/or expenses of men working on politics.

I also hope you will reconsider my question asking for complete figures on how many persons are working on political activities for COPE and the amount of money being spent on every day for 1 week before election day and including election day. This would cover the period October 31 through November 6, 1956. I believe the same information should be secured from the political arm of the UAW. Just what constitutes political activities should be left to the judgment of the subcommittee, and any activities having an effect or dealing with the 1956 election campaigns should be included.

While this is a detailed accounting, I ask for it for this period because of reports which I have seen about COPE activities around the United States. I refer to an article in the September 22, 1956, issue of the AFL-CIO News, entitled "Oregon Labor Forces Swing Into Action."

This article refers to a special blitz campaign to be carried out in Multnomah County, Oreg., of which Portland is the county seat. According to this article, COPE plans to blitz the entire county with 200 cars, 7 persons in each car, for a total of 1,400 persons. These people will pass out campaign literature from Democrat Senator MORSE, Democrat Congressman CARDER, and other COPE-supported candidates in the 1956 election, plus sample ballots marked to show labor-supported candidates. In addition, the article says that local union secretaries in Oregon will help mailing out campaign material.

I believe your subcommittee will be interested in investigating where the funds came from to pay these 1,400 workers and for the 200 cars. This could come from the lost-time account, at least in part, or in a transfer of funds from the general fund of a union to COPE. Also, if political activities of this scope are taking place in one county in Oregon, certainly similar political moves are being made elsewhere around the Nation, all of which should be examined if your subcommittee is to get a true bipartisan picture of the 1956 elections.

Thank you for your kindness and courtesy in allowing me to sit with the subcommittee yesterday and ask questions of some of the witnesses. I will be very interested in the reaction of yourself and your subcommittee to these questions and to their answers by the appropriate parties.

Sincerely,

BARRY GOLDWATER.

Mr. GOLDWATER. Mr. President, at the insistence of the Senator from Nebraska [Mr. CURTIS] the staff of the subcommittee did make an effort in this direction. By referring to page 18 of the report of the subcommittee, it will be seen what they learned. This raises a big and serious question in my mind. I should like to read this, if the Senator from Kansas will give me the time.

Mr. SCHOEPPEL. Certainly.

Mr. GOLDWATER. I quote from paragraph D, "Activity of Labor Organizations," page 18:

> D. ACTIVITY BY LABOR ORGANIZATIONS
>
> As a result of a request by Senator Curtis on November 1, 1956, the subcommittee sent an investigator to Flint, Mich., to determine the facts in reports that the Greater Flint Industrial Union Council and, specifically, local 599 of the United Auto Workers, were engaging in political activities and using union funds therefor, in violation of the Federal election laws. This investigation was somewhat hampered by the facts that the investigation was then at its height, and that an investigation was in progress was known to the press. The union leaders, objecting to the publicity, and feeling that the investigation was being used for campaign purposes, were reluctant to lend their full cooperation. However, information was obtained from which certain conclusions can be reached.

Mr. President, I want to depart from the reading and to comment that this is a very strange thing to have happened, when a subcommittee is charged with the full disclosure of campaign expenditures during a campaign year. I think the Senator from Kansas will agree with me, after he has heard me read the next paragraph. I read again from the report:

> Thus, it appears, the Greater Flint Industrial Union Council requested its locals to furnish to the council the sum of 47½ cents per member for use in the election campaign and to call out from their plants their political action committees and political candidates from October 8 to November 5, 1956.

That was 1 month in 1956.

> The executive board of local 599, at a meeting held September 7, 1956, voted to concur in the request of the council, and to recommend to the local that anyone called out of the shop be paid $20 per day, but not more than $100 per week. At the regular membership meeting of local 599 held, pursuant to the usual notice, on September 9, 1956, it was voted to concur in the request of the council and to adopt the recommendation of the executive board. It was not possible to establish in the course of the investigation whether this request was for a voluntary contribution from the members or whether an assessment was actually made.

That was a very strange admission for the subcommittee to make, after a fellow Member of the Senate had appeared before that subcommittee, testified before the subcommittee, interrogated important witnesses before the subcommittee, and had submitted in writing detailed questions which, if the investigation had been followed out, would have given information to the Senate of inestimable value as we started to consider writing election laws.

But after making the discovery, and admitting that the practice goes on, in at least one instance, that was the end of the matter; it was completely dropped.

I am a member of another committee which is interested in campaign expenses.

Mr. CURTIS. Mr. President, will the Senator yield at that point, before he leaves the Flint incident?

Mr. GOLDWATER. I am happy to yield.

Mr. CURTIS. I was in the city of Flint, and this information came to me through channels. It had been delivered by dissatisfied members of the union, whose money derived from their toil and paid into a labor union in order to enable them to hold their jobs, was being used to elect candidates in whom they did not believe and to support political parties in which they did not believe.

I obtained certain photostats of the minutes of the meetings of the union executive committees, and it was upon that basis that I made this request of the subcommittee. That was only one union in one State. The information came to me very easily. I do not think it would

have been difficult—it would have been somewhat time consuming, but I do not think it would have been difficult—to have made greater effort to get a much larger picture of the activities in the industrial centers in a great many of the States.

Mr. GOLDWATER. I recall when the distinguished Senator from Nebraska visited Flint, Mich., and I remember his calling a meeting concerning that particular incident.

The other select committee of which I am a member, the Select Committee To Investigate Lobbying and Campaign Expenditures, has a staff which was not afraid to go into this question; and without too much urging they dispatched a team of investigators to Detroit in February to investigate one local, one council, the Greater Detroit and Wayne County Industrial Union Council, Detroit, Mich., which is the big political activity group in that area. That is only one segment of one State among the 48 States of the Union.

Let me read from the report what the staff found, because the report contains some very interesting material, and it is not contained in the report of the other committee. I will read a description of the organization.

> The political arm of labor on a county and city level in the Greater Detroit area is the captioned organization located at 3426 East Jefferson Avenue, Detroit, Mich. Directing and coordinating the operations of this organization are the president, Mike Novak, the secretary-treasurer, Al Barbour, and the vice president, Alex Fuller. It was explained that in other major cities in Michigan and in the other counties there are similar organizations.

I shall now read what the purpose of the organization is.

> The primary activity of this city and county organization is political action with regard to Federal, State, and local offices with the major emphasis being placed upon offices which fall within the geographical area covered by this council. In addition, such other areas as legislative activities, public relations and educational programs are also covered.

To go a bit further into this interesting organization, which the Subcommittee on Privileges and Elections obviously could not find, or was not interested in finding, I read from the report concerning their election-day activities:

> With regard to specific activities conducted by this council on November 5 and 6, 1956, Barbour indicated the following programs were carried out:
>
> 1. Approximately 18 to 20 sound trucks, which were owned by certain of the local unions within the council, operated throughout the city at the gates of various plants and in the neighborhoods.
>
> 2. Members of the affiliated local unions were assigned to the plant gates and to certain designated areas in the neighborhoods to distribute literature in connection with the election and candidates.
>
> 3. Precinct halls were set up on a temporary basis in rented stores where the local union offices were not adequate to meet the needs of such political activities.
>
> 4. Street assignments in the various neighborhoods were given to the election-day workers who canvassed the neighborhoods and, where necessary, contacted the tenants and occupants in all dwellings in their assigned areas.
>
> 5. Poll watchers and challengers were posted at the polling places to insure that all activities were proper.

This is a far cry from the original intention of the Clayton Act, passed in 1914, which recognized, as we recognize today, the right of labor to build an organization for the purpose of collective bargaining so as to get better pay and better working conditions. This is the operation of a political party. I suggest that it is not the operation of a union or a labor organization, but is the operation of a political party.

Mr. President, it is interesting to note what the investigators turned up. If they could turn it up in this case, it could be turned up all over the United States; and I believe it important that we know it, if we are to ascertain how much elections in the United States cost. They found that 1,549 persons were working there on election day and the day before in this particular case. They were unable to ascertain how many persons were working for the entire month or 2 months preceding. Those persons were paid from the lay-off fund, or whatever title one may care to use for the fund.

If it is true that they were paid $20 a day—I do not know what the amount may have been; I have heard it stated that it was $5; but let us say that it was $20—simple arithmetic discloses that the total comes to approximately $31,000 a day, in 1 county in 1 State in the United States—$31,000 a day in that one county, for political activity which the subcommittee either was afraid to disclose or could not find. That is most amazing.

I suggest to the Senator from Kansas that the disclosure of this material should inspire other committees working in this field to go into the matter a little further, because, as all of us who are engaged in politics know, the money contributed to our campaigns is not what helps so greatly; what helps so greatly is the manpower that is contributed—in this instance, 1,549 persons working on election day.

I know some of those persons will say, "The Senator is just barking up the wrong tree, because we were not interested in Federal elections." But, Mr. President, who can divide the effect of such activities into the portion properly assignable to Federal elections and the portion properly assignable to local elections—for instance, the effect had when a sound truck drives up a street, and the broadcast from the truck is, "Vote Democrat?"

I do not know how much of that noise should be charged to Stevenson and how much of it should be charged to the local candidates. But certainly some of the $31,000 a day in that one county can properly be charged to Federal elections.

Disregarding the legal aspects of this matter, I say it is morally wrong to take money from Republicans to help defeat Republican candidates.

Only the other day I read in a newspaper a little squib to the effect that some man in Michigan who was running for public office—I forget the name of the office—complained because the union of which he was an official was using his money to try to defeat him. That is the gist of my argument against all use of union money in politics. I think sooner or later we shall be faced with the necessity of having the Congress seriously curb union activities in this field. I think the suggestion made by the Senator from Kansas—namely, that such a group should either be a political party or be a union organization—is an excellent one, because under compulsory unionism, when the leaders of the union do not have to worry about the conduct of their union or the collection of their dues, because Uncle Sam provides that for them, under the provisions of the Taft-Hartley Act, and when they do not have to worry about obtaining their members, because Uncle Sam also does that for them, under the Taft-Hartley Act, they can devote their full time to the organization in the United States of a political power which, if allowed to continue, will become stronger than both the Democratic Party and the Republican Party put together.

Mr. President, I do not wish to go further into the matter this evening. I have some figures which I was considering placing in the RECORD at this time. However, I shall use them on another occasion.

I desire to conclude my remarks by saying again that I think the Senator from Kansas [Mr. SCHOEPPEL] has done an outstandingly important job for the Nation. He had performed a very great service in assembling the information he has presented. He has given his colleagues in the Senate a little glimpse into how wrong a report can be when the writers of the report are determined to use it for political purposes, not for the purposes for which the subcommittee was created.

I thank the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I desire to thank the Senator from Arizona.

I merely wished to submit to the Senate what I regarded as the discrepancies and other matters which I thought should be harmonized and explained in the case of this voluminous document, which has received such a tremendous amount of publicity.

Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, as has properly been noted, I am sure that adequate and appropriate reply will be made to the presentation which has been made this afternoon. I am sure such reply will be made by one of the Senators on this side of the aisle who is more intimately acquainted with the details of this very splendid report on the 1956 general election campaigns. I can imagine that the Senator from Tennessee [Mr. GORE] will have something to say in his usual modest manner, but with his customary incisive mind and persuasive tongue.

Mr. President, I also wish to commend the Senator from Kansas [Mr. SCHOEPPEL]; I wish to commend him for making a reasonably good argument in behalf of an impossibly weak case. I share with him his desire to make a record in this instance. He has done a fine job as

chairman of the Republican senatorial campaign committee.

Mr. President, the Republicans raised so much more money than the Democratic senatorial campaign committee was able to raise that I regard the Senator from Kansas with admiration and respect, and almost with awe. [Laughter.]

Mr. President, I cannot help but note that in the analysis which was made—and, by the way, it was carefully made on the basis of a great deal of study, and the presentation was a fine one——

Mr. SCHOEPPEL. I thank the Senator from Minnesota.

Mr. HUMPHREY. As I have indicated, Mr. President, it was, however, a little short on the facts. But it was strong on some of the embellishments, and I commend the Senator from Kansas for the job he did.

However, I noted that when he spoke of the fact that the report states that—

> The representatives of labor cited the following examples of activity in which they, under their constitutional right, are permitted to engage, with the use of general union funds—

He seemed to prefer to consider only the question of the use of union funds; and after referring to that part of page 24 of the report, apparently in making his presentation, he skipped a considerable portion of that page of the report, because right below that, in the report, is the statement that:

> With respect to corporations, the testimony presented to the subcommittee discloses that corporations have been advised in broadly disseminated publications of the United States Chamber of Commerce and legal opinions that they may engage in the following political activities—

And so forth.

Mr. President, I ask unanimous consent that the list of political activities, as set forth on page 24 of the report, down to the words "in the near future," be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

> With respect to corporations, the testimony presented to the subcommittee discloses that corporations have been advised in broadly disseminated publications of the United States Chamber of Commerce and legal opinions that they may engage in the following political activities:
>
> 1. Pay salaries and wages of officers and regular employees while engaged in political activities;
>
> 2. Publish opinions and arguments of a political nature, expressed as the views of the corporation, in any house organ or other printed document circulated at the expense of the corporation;
>
> 3. Purchase radio and television time or newspaper space for the presentation of the corporation's political views;
>
> 4. Use any other means of expressing the political views of the corporate management, publicly or privately.
>
> 5. Encourage people to register and vote, and disseminate information and opinions concerning public issues without regard to parties and candidates.
>
> Comparable to the allegations that union treasury funds are improperly diverted directly to candidates or political committees rather than for the direct expression by the union organizations of their own political philosophies or ideas, is the testimony of Dr. Heard and Mr. Duncan Norton-Taylor with respect to evasions of the law by corporate organizations. It was testified that such organizations—
>
> 1. Make use of the advertising or entertainment funds of trade associations for political contributions;
>
> 2. Place advertisements in political publications through public relations firms or advertising agencies;
>
> 3. Make contributions in kind to political candidates (make available to them without pay the use of offices, airplanes, etc.);
>
> 4. Permit the padding of expense accounts with the understanding that political contributions should be made out of the padded amounts; and
>
> 5. Pay or prepay bonuses with the explicit or tacit understanding that part of such remuneration shall be spent in campaign contributions.

Mr. HUMPHREY. Mr. President, I also noticed that again and again today the distinguished Senator from Kansas called the attention of the Senate to the fact that the report lists the names of prominent Americans who have been making political contributions. Of course, that is a fact. The Senator from Kansas seemed to be disturbed about that. I would imagine, Mr. President, that those who made the contributions were quite proud of the fact that they made them. I hope they are not ashamed that they contributed to the Republican Party. I hope they do not feel that fact will hurt either their social or their economic or their political standing—to have made a contribution to the Republican National Committee or to any of the Republican Party's other campaign committees. Actually, Mr. President, the report does not condemn anyone for having contributed; it merely lists the names of the contributors.

I am happy to know that there are certain businessmen who contributed rather generously to the Democratic Party. That is a good sign. It shows that in the American business community there are men who not only have keen economic judgment, but also have good, sound political judgment. [Laughter.] Mr. President, that is an encouraging sign, particularly in terms of the future.

I say to my friends on the other side of the aisle that we shall not condemn those who have seen fit to contribute to the party which has done so much for free enterprise; namely, the Democratic Party. As a matter of fact, we look forward to the day when more and more of our friends in the business community will see the error of their former ways—their error in making contributions to a party which gave them little or nothing except trouble and publicity. We hope that in the future they will contribute to the Democratic Party, which has given them aid by contributing to their growth. That is what we have done, and that is what we shall continue to do, because we want the American business community to grow.

I was interested in the comments made by the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Arizona [Mr. GOLDWATER] in regard to the unions' educational funds. I suppose it is true that the unions contribute to both Democrats and Republicans. In the recent committee hearings I was interested to note that it was indicated that some of the union officials were in favor of Eisenhower and some of them were in favor of Stevenson. I think Mr. Beck was in favor of the election of Mr. Eisenhower, and Mr. Brewster was in favor of the election of Mr. Stevenson. In short, they made it a sort of bipartisan affair.

The union educational funds have been commented upon. I note particularly in this instance the Greater Flint Union Council. This report notes that the information and material obtained by the investigator—and that goes to the Greater Flint Union Council case—was transmitted to the Department of Justice for such action as it should deem indicated.

The Senator from Nebraska indicated the Justice Department did not do anything about it. I am perfectly willing to call up Mr. Brownell and indicate to him that 2 or 3 Senators think something ought to be done with this case. I will join with the Senator. If it will help to make this a bipartisan request, we can sign a joint letter saying something should be done about it. I know the Department of Justice will be busy; they may not want to do anything about it; but we will encourage them.

I want to add that the Senator from Arizona is always charming and persuasive, and I delight in his presentation. I notice he was concerned over union expense and manpower. I agree with him on the manpower situation. It is the votes that count. We Democrats, if we had to depend on money, would never win an election. We have to depend on votes. Our Republican friends "outgun" us when it comes to money. We merely outvote them when it comes to people. We will take that as our battleground in the future.

The Senator from Arizona was very much concerned over union funds from manpower, the way money was used from members of unions who had not given approval. He talked about the union shop. He pointed out there were members in unions who were literally being compelled to have their funds used for the Democratic Party. I suppose that is not very good. I can see his point of view.

I want it clear that I do not believe anyone should be compelled to have his funds used for any purpose other than he deems best. I think that is a sound principle. Therefore, I suggest that we should look into how union funds are spent; and then we should look into how all advertising has been used. We would have a piperoo of an investigation, a real sweet one. Let us look into all these institutional advertisements, all the advertisements by utilities with which I do not agree. I buy the products of the utilities. I have to use electricity. Why should I have to help pay for an advertisement in a newspaper or a magazine that has nothing to do with electricity, telling me about vicious public electric power projects? Millions of users of electricity are having their money used day after day after day for advertising of which they do not approve. This is a business expense item; it goes into the rate structure.

I noticed large aircraft companies running full-page color advertisements in the Saturday Evening Post, showing big airplanes. How many people who read the Saturday Evening Post are going to buy airplanes, particularly B-47's or B-52's? The cost for advertising is charged as a business expense. As a taxpayer, I help pay for that advertisement. I do not want advertisements; I want airplanes for the defense of my country. We are not going to get any more airplanes because of advertisements in Colliers, when it was in publication, or in the Saturday Evening Post at this time.

So long as we are going to talk about how union funds are expended, we on the Democratic side might be interested in learning something about the household advertising methods of large corporations and companies. Sometimes I wonder if we could not make a switch. How nice it would be if we Democrats could have the editorial columns of all the newspapers that the Republicans are able to command and muster almost at will. It must be very reassuring to get editorial space in a newspaper that has a half million or a million circulation. I wonder if that is charged up as part of the cost of advertising?

How about the radio and TV programs? I will say one thing—the people who support the Republicans are more subtle. The people who support us are more clumsy. We see radio and television advertisements that get the message over, day after day and week after week, almost with a tube of toothpaste, or a bar of soap, or a delectable consumer item which everybody wants. They get over the message, "You ought to like Ike. You ought to vote GOP. You want to be on the social list. You want to be on the better lists in the community. Here is the way to do it." They do not act directly; they are subtle. They move in quietly, entertainingly. I commend them. I wish some of the folk trying to help us would do as good a job, but they do not. Our people are more direct.

I think there is one trouble with the Democratic Party and those affiliated with us and who are trying to help us. They do too much in the last 30 or 60 days. I want to say to my good friend from Nebraska the Republicans have their helpers work for them 12 months a year, and 365 days a year, on television advertisements and in newspapers, almost every day and night, by way of advertisements and editorials that are good. By the time persons have had 300 days of immersion in propaganda, which comes upon them like the process of osmosis, they simply absorb it, and the last 60 days they cannot shake it off; they are caught. Once in a while we Democrats are able to bring the truth home, within the last 60 days, to extract some people from the web that has been spun around them.

Mr. President, I shall go further into this matter some time later. It is now a late hour. I could not help but admire the presentation which was made. I can hardly wait until Monday or Tuesday. This will be an interesting discussion. I have sitting beside me a member of the staff that drafted the report. The staff took the reports which were presented to them. I think we would be better off if we told the American people these reports are obviously inadequate.

If the Senator really wants to find out how much is spent, why does he not get a report on every television program and every newspaper advertisement—taking just two items—and find out how much money is expended for a candidate in any one State? What this country needs is a better system of recording contributions.

Some of the suggestions made are very good. I am not prepared to endorse all of them. I notice this has been a very popular document. I can plainly see why my friends on the other side of the aisle do not want any reprints, because it really carries quite a message. I understand 1,200 copies were printed, and they are practically all gone. The Senator from Nebraska said he was unable to get one. I want to say to him that I have one, which I will share with him.

The report revealed that the Republican Party gets all the money. That is about as new as last year's almanac. Of course, in the last election they got most of the votes for the President, and we got most of the votes for Congress.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this moment.

There is not anything very new in the report. There is some interesting material.

There were some other observations I had desired to make regarding some of the statistical errors the Senator from Kansas pointed out. I suppose in any document of this size there would be some statistical mistakes. It should be noted exhibits 26 and 27 are the matters presented by the political committees. The exhibits the Senator referred to, on pages 64 and 65, and the other exhibits relating to individuals and what they spent or contributed, and some of the organizations, and what they contributed, are the result of taking the names off the committee lists and writing directly to the individuals, and in that way getting more accurate reports. So the figures do not always jibe. The committee report may show a very small amount of contributions, but when we obtain the names of those who contributed to the committee and write to the individuals, they give us an accurate report. Therefore, we frequently find some difference in the statistical evidence, the difference being that committees are prone not to report fully, and individuals, when asked, usually report honorably. That is the difference. We are not grade-school children. We know the score in politics. If we do not, we can have a little private talk on the subject. I think everyone knows how inadequately these committees report.

That reminds me of something else. I wish the Secretary of Agriculture would report on the corn bill.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this time. I wish to "take off" a little on the Secretary of Agriculture. I hold in my hand some press reports relating to the corn legislation before the Committee on Agriculture and Forestry. That bill was reported favorably from the committee on Monday of this week, and we have been waiting ever since Monday for the Secretary of Agriculture to send us the material for which we asked in that report.

I hope the Secretary of Agriculture will furnish us with the material which we asked him to prepare, so that the bill may be considered by the Senate. It was my responsibility to report it, but the material does not come from the Department.

Yet I see that Senators are saying that perhaps we should not have any corn bill because it is too late. The Department of Agriculture has indicated that it may be too late. The Farm Bureau Federation has indicated that it may be too late. When the Secretary of Agriculture drags his feet down the corn row, it does not become any earlier.

Furthermore, I assure the Secretary and others that most of the corn has not yet been planted. If we can act upon the bill we can get a good corn bill.

I also hope the Department will support our bill. If it does not, I wish to read the record. The bill which we reported from the Committee on Agriculture and Forestry is a bill which was endorsed in the House by the Department. I am told that it may take a little different point of view over here. The Department would like to be on both sides—if not of the fence, of the Capitol. In this instance I trust that the Department will stay with its original commitments. I hope the great farm organizations will stay with their commitments.

Before the Committee on Agriculture and Forestry the American Farm Bureau Federation supported a price-support bill on corn, from 75 to 90 percent of parity, with a base acreage of 51 million acres. Yet I have in my possession a telegram indicating that they will not support a bill with the same provisions, now that it has been reported from the Committee on Agriculture and Forestry. I think the American Farm Bureau Federation has some explaining to do to its membership.

Our bill provides for a complete survey of the feed-grain situation. It asks the Secretary of Agriculture to report back to the Senate by June 1, so that we can legislate, and not be caught up in the mess in which we now are.

Last year I predicted what would happen. I predicted that when the Secretary paid off at $1.50 a bushel for corn in the commercial areas, to those who complied with the soil bank, and $1.25 for those who did not comply, we would have excess supplies of corn, a surplus of corn, and that we would aggravate the feed-grain supply situation, producing chaos in the market.

Look at the record. I stood on this floor and begged my colleagues not to adopt that kind of corn program, but I regret to say that that was what the Department of Agriculture supported. That is what came out of the Congress; and the corn-producing States of Indiana, Illinois, Ohio, Iowa, and Minnesota were the beneficiaries, in the main, of that kind of corn-support program.

I have always believed that if we support a commodity with price supports, we should impose restrictions on production. Yet last year the Secretary of Agriculture, for the first time in the history of the country, told corn farmers, "Plant all the corn you want to plant; fertilize it all you want to fertilize it, and you can get $1.25 a bushel for corn." Now he says we have a big surplus of corn this year. One would have to be no wiser than "Mortimer Snerd" to know that that would happen. We cannot tell people that we are going to give them a guaranteed price of $1.25 anywhere in the commercial corn area, and tell them to plant unlimited amounts, and that we will pay $1.50 a bushel if they get in the soil bank, without getting an unlimited production of corn. That is what we got.

The Secretary tries to place the responsibility on someone else. The Farm Bureau Federation, which supported the program, wants to place the responsibility on someone else's shoulders. They want to say that the House of Representatives was responsible. They want to say that the majority party in the Committee on Agriculture and Forestry was responsible. They will not get away with it. They made their mess in a political year. Now they are trying to place the blame on someone else in a nonpolitical year. I ask the Secretary of Agriculture, "If you could pay $1.50 a bushel for corn in 1956, when your party was up for election, why can you not pay $1.50 in 1957, when your party is not up for election? If you could pay $1.25 a bushel for corn in 1956 in the commercial corn area—including the States I mentioned a moment ago, plus some others—where Republican Senators and Representatives were up for election, why can you not pay $1.25 now?"

It is interesting that the same Secretary says that in the same area, the maximum that can be paid in 1957 is $1.31, even for those who are in compliance in the corn program; and he gives no guaranteed price for noncompliance corn produced in the commercial area.

I wish the record to be clear. I am waiting for the report from the Department of Agriculture. I hope that report will be forthcoming, and I hope that the minute it reaches us we shall act on the bill. We can act upon it if we can get some help. If the Department of Agriculture will give us 50 percent as much encouragement this year as it did last year in connection with the corn program, we can pass the bill. Last year the Department had two of its representatives sitting at the desk in the reception room outside this Chamber to call out every doubting Senator, every wondering soul, every Senator who seemed to be unconvinced, to bolster him up in order to pass the corn bill.

They will not have to spend any time on me. There is nothing wrong with my spirit or determination to get good legislation for our American farmers. I am willing to go to bat for them at any time. The Department does not need to waste one moment or one ounce of energy talking to Senator HUMPHREY. The Department representatives can talk to Senators who are not so sure that we ought to pay $1.31, when last year they were willing to pay $1.50. I am not even asking for $1.50. I will settle for less.

Interestingly enough, the Department rejected a bill which provided for compulsory compliance with the soil bank. That was my bill. I said, "If you are to have price support on corn, you should take 15 percent of the corn acreage out of production—not 15 percent of hay land or 15 percent of any other land, but 15 percent of corn acreage. If you have 100 base acres, or 100 allotted acres, take 15 acres out, leaving 85 acres of corn for production, and let the 15 acres stand idle. They should not be planted in feed grain."

That is what we call cross compliance; and the soil-bank program needs cross compliance, if it is to be truly effective.

I now yield to my good friend from Nebraska [Mr. CURTIS], who has been most patient.

Mr. CURTIS. I thank the distinguished Senator from Minnesota.

I wish to make the position of the junior Senator from Nebraska very clear in reference to a reprint of the committee report. If the errors in the report are corrected, and if all the expenditures on both sides are shown, to elect both Democrats and Republicans, I shall be delighted to have it reprinted.

Mr. HUMPHREY. I think that will be reassuring to the Senator from Tennessee [Mr. GORE].

Mr. CURTIS. After the very careful and accurate statement made by the distinguished Senator from Kansas [Mr. SCHOEPPEL] concerning the Gore report, the only reply thereto could be nothing but corn.

Mr. HUMPHREY. I thank the Senator. I only hope that it is worth $1.50 a bushel. I am a little surprised that the Senator from Nebraska, who was a member of the subcommittee, did not give such an accurate and elaborate reply in his minority views. I gather the Senator had an opportunity to file minority views. I find that the minority views are very short. Apparently the Senator did not find too much wrong with the report, particularly with the statistics, until after the report had aged a little bit. As is true with so many things, apparently, this has improved with age.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CURTIS. Perhaps I could have written a much better minority view.

Mr. HUMPHREY. They are excellent. I believe they are adequate.

Mr. CURTIS. As I said a minute ago, the report of the subcommittee was delivered at my office late on Friday afternoon, and I had to meet a deadline the next Tuesday. It happened to be the weekend of the inauguration.

Mr. HUMPHREY. I understand.

Mr. CURTIS. I did not get a chance to analyze or even read the tables appearing at the end of the report until after it was printed.

Mr. HUMPHREY. Is the Senator telling the Senate that he was not given an opportunity to share in the information which was brought to the subcommittee's attention?

Mr. CURTIS. I merely wished to direct attention to the time element.

Mr. HUMPHREY. Does the Senator mean to say that all the information was gathered immediately before the inauguration?

Mr. CURTIS. It came to my attention only on Friday before the inauguration.

Mr. HUMPHREY. The information must have been gathered all through the election. Is that not correct? The subcommittee worked all during the election, did it not?

Mr. CURTIS. Not in gathering the compilations and tables which appear in the report. The staff did that.

Mr. HUMPHREY. Is the Senator saying that none of this material was compiled in the months of October, November, and December?

Mr. CURTIS. I do not know when it was compiled.

Mr. HUMPHREY. What was the Senator doing as a member of the subcommittee?

Mr. CURTIS. I attended the public hearings and interrogated all the witnesses who appeared, and I wrote the minority views.

Mr. HUMPHREY. Did the Senator have a minority staff to assist him?

Mr. CURTIS. I had 1 member of the staff, out of about 30. However, the point I wish to make is that the arrangement of the figures and names was a staff operation. The grouping, whether it happened to be oil companies or the American Bar Association, or any other organization, was not the work of the subcommittee members, but, rather, a staff operation, which we did not have an opportunity to read until the report was printed.

Mr. HUMPHREY. I notice the Senator referred to the American Bar Association. I hope the Senator is not saying that the American Bar Association is interested in political matters.

Mr. CURTIS. Oh, no.

Mr. HUMPHREY. We Democrats want the RECORD to be absolutely clear. We are proud to have any officer or member of the American Bar Association affiliated with our party and to make contributions to our party and to work for our candidates. In fact, we would like to have some of them to be candidates.

Mr. CURTIS. The complaint of the American Bar Association was that the report seemed to imply that the bar association was in politics.

Mr. HUMPHREY. I must confess that I read that part of the report, and I note that on page 87 it lists the house of delegates of the American Bar Association. I presume people read the report, and not merely surmise as to what is in it. It lists the American Bar Association, house of delegates, and gives the names and addresses of the members who have contributed. Interestingly enough, the man who made the largest contribution contributed to the Democratic Party.

I am proud to have members of the American Bar Association contribute to

my party. I want to say to all the wonderful groups who have shown their interest in the political life of America that we welcome their participation. We hope that the laws relating to election-campaign contributions may be revised somewhat along the lines of these recommendations and that we will get some cooperation.

PROPOSED CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO KLAMATH COUNTY, OREG.

During the delivery of Mr. SCHOEPPEL's remarks,

Mr. MORSE. Mr. President, will the Senator from Kansas yield briefly to me, in order to permit me to make a brief statement, with the understanding that my remarks will be printed following the printing of his remarks in the RECORD?

Mr. SCHOEPPEL. I am glad to yield.

Mr. MORSE. I particularly appreciate the courtesy of the Senator from Kansas in yielding to me, because I am already late to a meeting at which I should have arrived some 30 minutes ago.

Mr. President, my attention has been called to Senate bill 1529, which has been introduced by my colleague [Mr. NEUBERGER], for himself and me. Frankly, I did not check the bill before it was introduced, and I now understand it may violate the Morse formula. The bill is to provide for the conveyance of certain real property of the United States to Klamath County, Oreg.

I have been advised by my office that a clearance was made by my colleague, to ascertain whether the provisions of the bill conform to the Morse formula. I have also been advised that the belief at the time of the introduction of the bill was that the bill did not violate the Morse formula. I am not sure, Mr. President, that the bill meets the Morse formula. If it does not, it must be corrected before I shall vote for it.

In other cases I have consistently applied the Morse formula—both to cases arising in my own State and to cases arising in other States.

I have not been able to reach my colleague this afternoon, to check with him about this matter; but I do not wish to have today's session of the Senate close without stating for the RECORD that if further investigation shows that the bill does not comply with the Morse formula, the Morse formula will be submitted as an amendment to the bill, and I will be the one who will submit that amendment to the bill.

Apparently in this case we are dealing—as best I have been able to ascertain during the last 30 minutes—with some desert land—upon which the Klamath Experimental Area is located. My understanding is that the experimental program on this land has been a cooperative project between Oregon State College, Klamath County, and the Federal Government. The property has been occupied since 1939 under a contract with the Bureau of Reclamation, and the contract is a renewable one which is to run until 1963. At the time of the initiation of the lease, so I understand, the soil of this land was placed in class V by the Bureau of Reclamation, inasmuch as the land was considered unfit for agricultural purposes. The early program of the station was for the purpose of determining what, if anything, could be done to recover such land, so that this desert land could be used for agricultural purposes; and the endeavor was to ascertain whether any agricultural commodities could be produced on it.

I further understand that during the past 18 years, Klamath County has done extensive developmental work on the property; that buildings valued in excess of $75,000 have been constructed there; and that extensive land-leveling and soil-improvement work has been done, in addition to considerable tree plantings and the initiation of numerous experimental long-term projects.

Mr. President, Senate bill 1529 provides that the property shall be conveyed to Klamath County, Oreg., without compensation to the United States. Let me say here and now, Mr. President, that I shall submit to the bill an amendment calling for the payment in accordance with the Morse formula of 50 percent of the appraised fair market value of the property, if the facts show that the Morse formula is applicable to this bill.

I shall never be a party to trying to obtain for my own State any Federal property in violation of the Morse formula. However, it was my understanding that the Federal Government had, in fact, over the years received from Klamath County financial returns from the use of this property far in excess of any Federal interest in it. However, it now looks to me as though such is not the fact, and that the Federal Government has a valuable property interest in this land, for which it is entitled to some compensation, subject to deductions for the improvements and investments of Klamath County in the property.

I think all Members of the Senate know that obviously I was not aware of the existence of any such problem in connection with the bill, because if I had been aware of its existence, I would have insisted upon the inclusion of the Morse formula amendment in the first instance.

After further study has been made of the bill, it may very well be that it will be found that the Federal Government has, in fact, no interest of value in the property. In any event, Mr. President, let the record be perfectly clear that if it is found that the Federal Government has an interest of value in the property, the Morse formula amendment will be submitted for addition to the bill.

Mr. President, I thank the Senator from Kansas very much for yielding to me for this purpose.

ADJOURNMENT TO MONDAY

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 35 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Monday, April 1, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 29, 1957:

DEPARTMENT OF THE NAVY

William B. Franke, of New York, to be Under Secretary of the Navy, vice Thomas Sovereign Gates, Jr.

UNITED STATES ATTORNEY

John B. Stoddart, Jr., of Illinois, to be United States attorney for the southern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 30, 1957.

COAST AND GEODETIC SURVEY

The following-named persons for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

TO BE CAPTAIN

Henry O. Fortin, effective April 1, 1957.
Lawrence W. Swanson.
Gilbert R. Fish.

CONFIRMATION

Executive nomination confirmed by the Senate, March 29, 1957:

DEPARTMENT OF THE INTERIOR

Arnie J. Suomela, of Oregon, to be Commissioner of Fish and Wildlife, Department of the Interior.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 29, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of all grace and wisdom, as we again assemble in this Chamber and face the duties and decisions of a new day, may we seek and sense the presence and the power of Thy spirit.

Grant that our Speaker and the Members of the Congress, who have been entrusted with difficult tasks and heavy responsibilities, may be guided into the ways of truth and righteousness.

May the legislation which they are proposing and enacting contribute to the growth and goodness, the health and happiness, the material and spiritual welfare of our Nation and all mankind.

We humbly and earnestly beseech Thee that all who serve in the affairs of government and the business of statecraft may always be willing to accept the Master's overtures of counsel and companionship.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 497. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and other purposes.

HON. JAMES M. COX

The SPEAKER. The chair recognizes the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, on Sunday, March 31, one of our outstanding Americans, and one of the great elder statesmen of this country, a former Governor of Ohio, James M. Cox, will celebrate his 87th anniversary. Governor Cox from poor farm boy came to the position where, in 1920, he became the Democratic nominee for President. He served with distinction in this House of Representatives as a Member for some time, and was three times elected Governor of Ohio.

It was my privilege, and indeed it was a privilege, to serve as Lieutenant Governor of Ohio from January 1919 to January 1921 while James M. Cox occupied the governorship. Despite the difference in our political philosophies, no man could have been more kind or more helpful to a youngster in public office than Governor Cox was to me. Our friendship has extended throughout the years, not only because of our close association in public office, but because both of us have been engaged in the newspaper business in southern Ohio for many long years.

He is recognized as one of the great publishers of America, owning newspapers in Dayton, Ohio, in Atlanta, Ga., in Miami, Fla., and in Springfield, Ohio. He owns and operates a number of large television and radio stations. He is considered one of the most able businessmen, as well as one of the most civic-minded citizens in our great State of Ohio, and as a man of the highest honor and integrity.

Mr. Speaker, I am sure that the membership of this House will join with me and others in sending to James M. Cox our felicitations on his 87th birthday Sunday, and our sincere wishes that he may live in good health and happiness for many years to come.

Mr. RAYBURN. Mr. Speaker, would the gentleman yield?

Mr. BROWN of Ohio. I yield to our distinguished Speaker.

Mr. RAYBURN. Mr. Speaker, I endorse everything concerning the life and character of James M. Cox that has been expressed by the gentleman from Ohio [Mr. BROWN]. It has been my privilege to know Jim Cox for many, many years. I consider him one of the best political and personal friends that I have had in many years.

He is an outstanding citizen. He has served his day and generation in business, in politics, and as an outstanding citizen. My best wishes go to him for many years of a pleasant life, that he may carry on the great work as a citizen of the United States that he has done for so many years in the past.

Mr. BROWN of Ohio. I thank the Speaker very much.

I yield to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Speaker, March 31 marks the 87th anniversary of the birth of the Honorable James M. Cox, one of the most illustrious and distinguished citizens of our very important Third District of Ohio. It is my happy privilege to extend to him my warmest personal regards and all good wishes on this happy occasion.

The Honorable James M. Cox was born near Jacksonburg, in Butler County, Ohio. He graduated from the high school at Amanda and then taught school, worked on the farm, and worked in the mechanical and editorial departments of a daily newspaper. Very early in his life he gave evidence of those abilities and interests which have characterized his career, and in 1898 he became owner and publisher of the Dayton Daily News. In 1903 he became the owner and publisher of the Springfield (Ohio) Daily News and acquired the Miami (Fla.) Metropolis in 1923 and the Atlanta Journal in 1939. A few years ago he became the owner of another great Dayton paper, the Journal Herald. In addition to these very fine papers, he also owns and operates a number of radio and television stations.

In spite of his great personal and financial responsibilities in his business enterprises, Mr. Cox has always been deeply interested in public services and has been devoted to the needs of our great district, State, and Nation.

Mr. Cox was elected to the 61st and 62d Congresses and served with distinction from March 1909 to January 1913, when he became Governor of Ohio. Governor Cox served our great State for three terms, and during his tenure of office a great deal of model legislation was enacted. In view of the present hue and cry to reduce the Federal budget, I feel that I must mention one such action in particular, although I have called attention to it before.

In March 1913 a devastating flood struck the Miami Valley, causing millions of dollars of property loss and taking the lives of hundreds of people. The famous do-it-yourself spirit of our area and State soon asserted itself. The people through voluntary contributions raised the necessary money to develop a flood-prevention program. The State legislature, under the very capable leadership of Governor Cox, passed the Ohio conservancy law, which has since become a model for many other States. The Miami Conservancy District was formed—dams were built, streams were deepened and straightened, and this entire area protected from future floods—all of it being done at the expense of the area itself, with no help either being requested or received from the Federal Government. The Ohio conservancy laws and the Miami Conservancy District are living monuments today of Governor Cox and the many distinguished citizens of our area who are devoted to the principle of local responsibility and self-help.

Governor Cox has been a national figure for many years and was a candidate for the office of President of the United States in 1920. He served with distinction as vice chairman of the United States delegation to the World Economic Conference in 1933, and was president of its Monetary Commission. In 1946 he was offered the appointment as United States Senator but preferred to retire from active political life.

In all his years of service he has maintained his interest in the public welfare, and he continues to encourage his associates and employees through his example. The columns of his great newspapers constantly reflect an alert and constructive awareness of the problems which face our communities and our Nation.

This year Governor Cox has celebrated another great accomplishment. Two of his great newspapers, the Dayton Daily News and the Dayton Journal Herald, have moved into their new modern building. Although this consolidation of the mechanical aspects of printing two newspapers allows certain economies of operation, the editorial and news departments are completely separate and in direct competition.

Mr. Speaker, Governor Cox is a great American, who has served our district and our Nation with honor and distinction. Each day of his life adds to his contribution to the welfare of our community. On behalf of our district and our Nation I heartily congratulate Governor Cox on his birthday and express our sincere hope that he will enjoy many more happy, healthful, and fruitful years of active life.

Mr. LANHAM. Mr. Speaker, would the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Georgia.

Mr. LANHAM. Mr. Speaker, I want to join the distinguished gentleman from Ohio [Mr. BROWN] and our beloved Speaker in offering my felicitations to Governor Cox. While I have never had the privilege of knowing him personally, he is certainly a business citizen at least of the State of Georgia. He operates both the Atlanta Journal and the Atlanta Constitution and is doing a wonderful job. Those newspapers are recognized throughout the country as leaders in that profession. I am personally happy to join the gentlemen in wishing him well on this, his 87th birthday.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore [Mr. McCORMACK]. Without objection, it is so ordered.

There was no objection.

FOREIGN AID PROGRAM

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, on Wednesday, March 27, I introduced H. R. 6436 proposing that the United States take a $200 million gamble; but it is a gamble well worth taking for the prize is peace in the world. I believe the American people will be willing to take this gamble for they will eventually be repaid—repaid concretely. With peace in the world, it will not be necessary for

this country to spend huge sums for defense and foreign aid; consequently, Americans will be given relief from the heavy burdens of taxation to support those programs. The gamble might also eventually result I believe in the breaking up of the Soviet Union.

We in America want to help the satellite nations regain their freedom, but we do not want to precipitate world war III by taking military action to free them. Our alternative is a program of economic aid. I am, therefore, today introducing a bill to establish a program of economic aid for those Iron Curtain countries who through their gallant efforts manage to shake off the bonds of Soviet enslavement. My bill will set aside $200 million a year to be distributed among the satellite nations seeking to establish independent governments subsequent to liberating themselves from Communist Russia.

There are in the Soviet-dominated nations anti-Communist elements that are anxiously watching developments in Poland. It is true that Poland today is still communistic-controlled; but its Government is anti-Soviet and, to a degree, independent. The strength of the Polish Government is the result of cooperation between two patriots, Wladyslaw Gomulka and Cardinal Wyszynski—men of opposing philosophies. They do, however, have a common bond—love of their country. Gomulka, an ardent Communist, is an anti-Stalinist who desires independence of his nation at all costs; Cardinal Wyszynski, Roman Catholic primate of Poland, believes that with self-control and patience complete independence will be won. To that end, the Polish Government is seeking economic aid from the United States.

If the Gomulka government with the assistance of an economic aid program, such as I am suggesting, is successful, it is entirely possible that the other freedom loving peoples of the satellite nations will follow the same route. The Soviet Union will not then have the advantage it has had from its raids on satellite economies and might, as a consequence, be weakened to the extent that it will no longer pose as a threat to world peace.

I believe that world peace and relief for the American taxpayer can be achieved through this proposal. The odds appear to be in our favor. The gamble shows great potential of paying off.

DURUM WHEAT

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, the Congress has recently passed Senate bill 323 which provides that wheat farmers in certain counties of the States of South Dakota, North Dakota, Montana, Minnesota, and California shall be permitted to seed up to 60 acres of durum wheat beyond their allotted wheat acreage providing that they match such extra acreage with durum wheat planting within the allotted acreage. For example, if a wheat producer has been allotted 100 acres under the allotment program, and he plants 60 acres of this land to durum wheat, he is then eligible to plant an additional 60 acres of land to durum wheat above the 100 acre allotment. He would thus have a total wheat acreage of 160 acres.

This is a program that will benefit not only the wheat farmers, but the taxpayers and consumers of the Nation as a whole. That is why I publicly urge the President to sign this Congressional measure in spite of reports that the Department of Agriculture is opposed to the bill.

Durum wheat is in short supply. If this measure is vetoed, the Nation may be faced with a costly shortage of this type of wheat that is used in the production of macaroni and several breakfast foods, including puffed wheat.

Furthermore, if the President should veto the durum bill, he would be inviting greater production of bread wheat, flax and barley which are already being produced either in surplus or at least in plentiful quantities.

Because of the cost to farmers of seeding the new rust-resistant varieties of durum, some incentive will be necessary to increase production of this grain. By the same token, we should take reasonable steps to discourage increased production of grains such as bread wheat, flax and barley that are in adequate supply or in surplus.

If the President signs this bill, we can be reasonably assured that farmers will plant a significant share of their wheat allotments to durum wheat, thus decreasing the bread wheat production which would otherwise glut the bins of the Commodity Credit program at the expense of the taxpayer. Under this bill, farmers would be using a portion if not all of their diverted acres up to a maximum of 60 acres for durum wheat instead of for barley and flax that would doubtless find its way into the bins of the Commodity Credit Corporation.

I strongly urge in the interest of a more stable agriculture and in the interest of economy, that the administration sign this measure that has won the approval of both the House and the Senate.

ECONOMIC AID TO POLAND

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, I am seriously concerned over the delay in reaching some conclusive understanding on Poland's request for economic aid.

Negotiations between the representatives of Poland and our State Department have apparently bogged down almost to a standstill at a time when Poland desperately pleads for help. She needs medicines. She needs food. She needs immediate financial assistance if she is to succeed in keeping the costly gains that she has made in her fight for freedom.

There is no doubt in my mind that if Poland is to be helped at all, she should receive the help when it is most needed and when it could be used to best advantage.

I read with great interest the editorial which appeared today in the Washington Post, commenting on the seriousness of the situation, and it was my intention to insert the article entitled "The Price of Too Little," with these remarks. However, my colleague and friend, the distinguished chairman of the Foreign Affairs Committee, Mr. GORDON of Illinois, had been recognized by the Speaker while I sought recognition for the same purpose at the same time, and I therefore agree with the insertion of the article and urge its reading by all Members of the House.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1958

Mr. RABAUT, from the Committee on Appropriations, reported the bill (H. R. 6500) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues against said District for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 288), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. LAIRD reserved all points of order on the bill.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. BOYLE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Alger	Fountain	Magnuson
Anderson, Mont.	Frelinghuysen	Mahon
Andresen, August H.	Fulton	May
Anfuso	Green, Pa.	Morano
Aspinall	Gregory	Morrison
Baas, N. H.	Gwinn	Philbin
Bentley	Hays, Ohio	Poage
Bowler	Healey	Powell
Boykin	Henderson	Prouty
Bray	Hill	Reece, Tenn.
Burleson	Hillings	Rhodes, Ariz.
Byrne, Pa.	Holifield	Richlman
Carrigg	Holtzman	Rivers
Chudoff	Ikard	Roberts
Coad	Jackson	Rogers, Tex.
Collier	James	St. George
Davis, Tenn.	Johnson, Wis.	Scherer
Dawson, Ill.	Jones, Mo.	Seely-Brown
Dies	Kelly, N. Y.	Sieminski
Diggs	Kitchin	Vorys
Dollinger	Kluczynski	Williams, Miss.
Fascell	Lennon	Williams, N. Y.
Fino	McCarthy	Wright
	McConnell	Zelenko
	Machrowicz	

The SPEAKER. On this rollcall 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read down to and including line 7, page 13, of the bill. If there are no further amendments at this point, the Clerk will read.

Mr. BOGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as chairman of the Subcommittee on Ways and Means which had the responsibility for writing the fiscal provisions of the Highway Act of last year I think I would be neglecting my duty to the Members of this great body if I did not call their attention to a provision in this bill which has now come to my attention. I rise to challenge that part of the pending bill which would provide funds for salaries and expenses for the Office of the Solicitor of the Department of Labor. Specifically, I refer to lines 9, 10, 11, and 12 on page 3 of the pending bill, which would provide $365,000 or one-sixth of the total funds covered by the bill for salaries and expenses in the Office of the Solicitor of the Department of Labor.

If you will refer to page 3 of the bill now before us you will find under the heading "Salaries and expenses" the following:

For expenses necessary for the Office of the Solicitor, $2,225,000, together with not to exceed $365,000 to be derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956.

Mr. Chairman, I submit that this completely and totally violates every concept of the highway trust fund. The highway trust fund was created by this body in order to assure the motoring public of our country that the billions of dollars collected from highway users would be devoted to the purpose of constructing highways.

As a matter of fact, we had heard for many years, particularly those of us who serve on the Committee on Ways and Means, complaint after complaint after complaint about the diversion of funds collected from highway users, to other purposes. So in order to assure the taxpaying motoring public that we would build highways out of the funds derived from the taxes that they paid to use those highways, we created a trust fund. We set it up with a group of trustees. We specifically dedicated a certain group of taxes for that fund. The law creating that trust fund is very specific and, if I may take a minute, I should like to read from the basic act creating the highway trust fund.

Section 209 of the Highway Revenue Act of 1956 established and provides for the highway trust fund. Section 209 (f) provides for the expenditures which can be made from the trust fund in the following language here pertinent:

(f) Expenditures from trust fund:

(1) Federal-aid highway program: Amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July 11, 1916, as amended, and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations).

The Ways and Means Committee and the Senate Finance Committee report:

Both the report of the Committee on Ways and Means and the Senate Finance Committee contain the following language under subsection (f):

"SUBSEC. (f). Subsection (f) relates to expenditures which may be made from the trust fund. Paragraph (1) provides that amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures during the period July 1, 1956, to June 30, 1972, inclusive, to meet those obligations of the United States incurred, either before or after the effective date of the bill, under the Federal-Aid Road Act which are attributable to Federal-aid highways. The expenditures referred to are those which normally have been paid out of the appropriation entitled 'Federal-Aid Highways, Bureau of Public Roads, Department of Commerce.'"

The only agency in the entire Federal system which is mentioned specifically for administrative purposes in connection with the trust fund is the Bureau of Public Roads, and properly so; but in order that there might not be any conceivable mistake about this language we went further. We spelled out in the report that the Bureau of Public Roads was the only agency eligible for the use of these trust funds.

I was chairman of the subcommittee of the Committee on Ways and Means which was charged with the duty of reporting to the Committee on Ways and Means recommendations for the implementation of the President's highway program. I know that the members of the Committee on Ways and Means and of the Senate Finance Committee thought that we were providing for the levying of taxes for the construction of roads and not to provide funds for the general administrative expenses of every agency of the Federal Government. This is made plain by the language contained in the committee reports of both the Ways and Means Committee and the Senate Finance Committee, wherein we stated the expenditures referred to are those which normally have been paid out of the appropriations entitled "Federal-Aid Highways, Bureau of Public Roads, Commerce." By this language I think we of the committees involved and of the Congress defined specifically what type of expenditures we thought should be appropriated for out of the Federal highway trust fund.

I can only suppose that the $365,000 in issue is intended to be used for the purpose of implementing the Davis-Bacon Act as it applies to the Federal highway program. But let me remind you that the Davis-Bacon Act was enacted into law in the early 1930's. Since that time we in this Congress have provided that its provisions were to apply to many projects, yet never have we provided that the funds necessary for administering this Davis-Bacon Act with respect to specific projects were to be provided out of any other fund than the appropriation of the Department of Labor itself. Why now can it be thought that the Congress intended to make taxes levied for the purpose of building roads available to the Department of Labor for the administration of the Davis-Bacon Act?

I tell the Members of the House that we have here a precedent which, if we are not careful, will open up the highway trust fund to every agency of the Government which can conservedly make the assertion that it has some function to perform incidental to the construction of roads. If we are not careful we will place ourselves in a position where the bulk of the trust fund will be utilized for other purposes than for the construction of roads.

Let me make this point. Amounts appropriated from the highway trust fund do not appear in the President's budget. They are amounts set aside, apart from the usual departmental appropriations and requests. By permitting the fund to be utilized for purposes such as contemplated in the pending bill, are we not letting control over the Federal budget slip further and further away from us? I submit that we in the Congress have a duty to the American people to see that the trust fund remains intact—that the taxes which we levied for the purpose of constructing roads will remain available for that purpose. The taxes which we in the Congress provided should be paid into the trust fund are benefit taxes that are levied upon products directly connected with the use of the Federal highways. They should be spent for the purpose of constructing roads.

Let us see what we are doing here. The Department of Labor says they need $365,000 out of the trust fund to administer the Davis-Bacon provisions in the Highway Act. The Solicitor for the Department of Labor submitted a memorandum to the Committee on Appropriations, a memorandum of law a copy of which I will make a part of the RECORD. That memorandum of law makes no reference whatsoever to the basic legislation, namely, the Highway Act of 1956. It notes the fact that the only specific agency of the Government authorized to receive these appropriations is the Bureau of Public Roads. It says that the power is implied; as a matter of fact, from the report which I have read and from the law which I have read the power is not only not implied but it is

specifically prohibited to this Department or any other department of the Government.

Let us see what happens if we do this. I have no complaint about the fact that the Department of Labor may conceivably need more funds to administer these provisions. I have no complaint about the provisions. But if the Department of Labor is able to come in and take $365,000 out of this fund, then by the same token the Treasury Department ought to be able to come in and take seven or eight or nine or ten million dollars for the cost of collecting these taxes. The Department of Defense, which has worked in close collaboration with the Bureau of Public Roads, should have some authority for its out-of-pocket expenditures. The Department of Justice in the event of lawsuits could very well say, "Well, now, we are entitled to compensation out of the highway trust fund." And so you would go on ad infinitum into every agency of this Government, and sooner or later you would ultimately destroy the concept of the highway trust fund and you would be doing something which is completely and entirely contrary to what this Congress intended when it passed that act last year.

Referring to this item of $365,000, I would like to point out beginning with the start of the Federal highway program. The Department of Labor has made 439 undupliicated determinations under section 115 of the Federal Aid Highway Act of 1956. This is a small percentage of the total number of determinations made by the Department in carrying out its functioning under all Davis-Bacon provisions for the comparable period. The Department made 164 modifications of existing determinations in connection with the highway program. Compare the appropriation of $300,000 out of the trust fund made in the Supplemental Appropriation bill of last summer for the Department of Labor, Office of the Solicitor, with the $184,500 appropriation for all legal expenses for the Department of Public Roads, the agency charged primarily with planning, letting contracts, constructing and supervising the Federal highway system. Approximately 14,500 determinations were made by the Labor Department from the beginning of the fiscal year 1957 to date in connection with the Davis-Bacon Act. Thus, the Federal highway determinations under Davis-Bacon constituted only about 5 percent of the total determinations made. Nevertheless, the $365,000 which would be provided by this bill constitutes more than 17 percent of the total funds provided by the bill for the Office of the Solicitor of the Department of Labor.

Incidentally this one phase of the Davis-Bacon operation amounts to about one-sixth of the entire appropriation for the solicitor's office in the Department of Labor. I would like to ask the chairman of the subcommittee a question about this item. Is that $365,000 charged to the budget estimates submitted by the President?

Mr. FOGARTY. No; it is not included in the total since it is out of a trust fund.

Mr. BOGGS. Well, now, do you see the significance of that, my colleagues. You can come in and by this sort of action obtain funds out of the highway trust fund. They are not even accountable on the estimates submitted by the President and by the Bureau of the Budget because this is a separate item just as the social-security trust fund is a separate item. If the Department of Labor can come in and get $365,000 from this fund and other departments can come in and make the same kind of case, and I firmly believe that some of them can make a much stronger case than the Department of Labor can, for instance, the Treasury Department which collects all these taxes, then they have a very convenient device not only for obtaining funds where they should not be obtaining them, but also circumventing the budget estimates submitted to the Congress. I see my colleague, the gentleman from Maryland [Mr. FALLON], on his feet. The gentleman wrote the fundamental provisions of this act. Does the gentleman want me to yield?

Mr. FALLON. Yes. I was going to ask for time to propound a question of the gentleman, but I will ask it now. Do you know of any other construction fund such as the hospital construction fund and the airport construction fund?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. HALEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FALLON. Does the gentleman know of any other construction fund where any bills are paid out of the funds of two other agencies for the work that they might do, that is connected with construction, such as the building of hospitals and the civil works programs as contracted for by the Army engineers, or Federal aid to airports, and all of them come within the Davis-Bacon Act. As I say, does the gentleman know whether any money was taken out of the construction fund to pay for the enforcement of the Davis-Bacon Act?

Mr. BOGGS. No, quite the contrary. There is no such provision. In addition to that, with reference to all these other items of which the gentleman speaks, you do not have the rather sacred situation that these funds are in, because these funds are separated into a trust fund, and it was done that way specifically so that this very thing could not happen. So far as I know there is positively no precedent for it.

Mr. FALLON. Did we not in all of our hearings before your committee and our committee promise the people who are the users of these highways and who are going to pay these taxes that every dollar would be used for construction?

Mr. BOGGS. Yes, we did. That was one of the principal arguments for the enactment of this legislation.

Mr. FALLON. And did we not hit the States at the same time in the hearings for diverting money that was collected from the highway users and using the money in other departments of the State, and do we not have in the law now a provision that we can penalize any State that might divert money which was collected for highway construction purposes?

Mr. BOGGS. We certainly have. You wrote a specific penalty in the law. You wrote a specific prohibition against the diversion of these funds.

Mr. FALLON. And that is to the effect that we would penalize a State that had diverted funds.

Mr. BOGGS. Exactly.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. HALEY. I realize that the gentleman has answered this question, but I would like to get a clearer answer. With reference to this $365,000 does that go into the total amount of the requested budget or is it outside of that?

Mr. BOGGS. It is outside of it. It is $2,225,000 plus $365,000 in question.

Mr. HALEY. So by this device, if the Congress lets it stand, any department that is in existence could come in here and divert that fund without even putting it into the total amount of the budget.

Mr. BOGGS. Let me give you an example in dollars and cents. Let us just say that a department comes in and submits a budget request for $10 million. They can get the $10 million plus X number of dollars from the highway trust fund which would never show in the $10 million.

Mr. HALEY. And there is no way the Congress can make them accountable to the Congress for that money. Is that right?

Mr. BOGGS. That is correct.

Mr. BROOKS of Louisiana. If the gentleman will yield, I was listening when the gentleman asked the chairman of the subcommittee whether or not this was included in the budget estimate. I did not get the chairman's answer, and I do not know whether the RECORD will disclose his answer. What does the gentleman understand his answer to be?

Mr. BOGGS. My recollection is that the chairman said no, it was not included.

Mr. BROOKS of Louisiana. Is that the answer of the subcommittee?

Mr. BOGGS. That is my recollection of his answer. Is that correct?

Mr. BROOKS of Louisiana. I wonder if the chairman of the subcommittee will make it clear?

Mr. FOGARTY. What is that?

Mr. BROOKS of Louisiana. Was this within the budget estimate?

Mr. FOGARTY. When I was asked that question I said "No." If I can be any clearer than that I do not know how.

Mr. BROOKS of Louisiana. It is clear now. I would like to ask the gentleman another question. Would the gentleman have any objection to going back and having this stricken out of the bill?

Mr. BOGGS. That is what I hope we can do, and I would hope that the chairman of the subcommittee would give his consent.

Mr. FOGARTY. I can answer the gentleman now: You are hoping in vain.

Mr. BOGGS. I am not surprised. I can say to the gentleman that it is my

intention to alert the other body as to what is going on here, and I think this will come out of this bill.

Mr. TABER. If the gentleman will yield, is it not a fact that this requirement of $365,000 would not exist except for the highway-construction program?

Mr. BOGGS. In the first place I doubt seriously if $365,000 should be required to publish wage scales that are known to everybody.

In the second place, the same argument can be made toward every other department of Government. That is no reason to violate the law.

I would like to insert in the RECORD at this point the memorandum relied upon by the subcommittee to support the item in question:

MEMORANDUM OF LAW

A question has been raised as to whether appropriations for carrying out the Secretary of Labor's functions under section 115 of the Federal-Aid Highway Act of 1956 may be charged to the Highway Trust Fund created pursuant to section 209 of the act.

A study and analysis of the legal problems raised by this question indicate that appropriations for carrying out the Secretary's functions can be charged to the trust fund. This conclusion is based on the following considerations:

1. Section 209 (f) (1) of the act provides that amounts in the fund shall be available for making expenditures to meet those obligations incurred under the Federal-Aid Road Act, as amended and supplemented, "which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations)."

Clearly, the expense of issuing prevailing wage determinations under the Davis-Bacon Act for work performed on the Interstate System is attributable to Federal-aid highway. The Comptroller General has held (29 Comp. Gen. 507) that where an appropriation is made for a particular object, "by implication it confers authority to incur expenses necessary or incident to proper execution of object." To the same effect, see volume 30, Decisions of the Comptroller General, page 305.[1]

2. The act specifically refers to general administrative expenses of the Bureau of Public Roads payable from such [Federal-Aid Road Act] appropriations, as being included in those expenses which may be chargeable to the fund. The Department of Commerce Appropriation Act for fiscal 1956 contains little information with respect to this matter. It merely refers to general administrative expenses as necessary expenses of administration. Likewise, neither the House nor Senate Appropriation Subcommittee report goes into this question in any detail. However, the hearings of the House subcommittee contains a breakdown on the estimated administrative expenses of the Bureau of Public Roads for fiscal 1956 showing that it covers personal services (1,925 positions), travel, transportation, communication, rents, printing and reproduction, supplies and materials, equipment, grants, and taxes. All of these estimated expenses dealt with the Federal-aid highway program.

It is thus apparent that when Congress, in enacting the Federal Aid Highway Act of 1956 referred to general administrative expenses of the Bureau of Public Roads which might be chargeable to the trust fund it was aware of the fact that these expenses were numerous and varied. It can be reasonably and logically assumed that it intended a broad use of the fund for other purposes, including those relating to the determination of prevailing wages under the Davis-Bacon Act. This conclusion is further supported by the language in section 209 (g) regarding expenditures which will be required "as a result of" the apportionment to the States of the amounts authorized to be appropriated for the construction of highways.

3. Other sections of the act expressly authorizing the appropriation of funds for specific purposes to carry out the provisions of the act do not in terms refer to appropriations for the purpose of predetermining prevailing wage rates under the Davis-Bacon Act. It would appear, therefore, that Congress intended that appropriations for this function were impliedly authorized from the Highway Trust Fund.

With respect to the general authority to charge appropriations to special funds, it should be noted that the second supplemental appropriation bill of the Department for the present year appropriates from the Unemployment Compensation Fund for Veterans funds for the payment of salaries and expenses of every bureau in the Department.

[1] In conducting research in connection with the preparation of this memorandum, the decisions of the Comptroller General from 1926 to the present date were searched. In addition, the Office of the Comptroller General was contacted to obtain information with respect to any pertinent unpublished decisions. Due to time limitations, however, the decisions of the Comptroller General prior to 1926 were not checked.

Mr. FALLON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that we return to page 3, lines 9 to 12, for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. FOGARTY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the gentleman from Louisiana just made a very fine speech and I think he deserves a lot of credit for getting the highway construction bill enacted into law. I remember his remarks on the bill and his leadership in getting that bill enacted into law.

We had no reason to think there was any question of the basic authorization for this appropriation. We had a ruling from the Solicitor's Office that it was part and parcel of the highway construction program and that there was authority to appropriate from the fund. This is the first time anyone has questioned that.

This is not anything new as far as paying administrative costs out of trust funds is concerned. All the way through our bill we have done so for years. If you will look at our report in the last pages you will see where we have allowed the Social Security Administrator $240,000 out of the OASI trust fund for the salaries and expenses of his office. In the Office of the Secretary we have allowed $260,000 in salaries and expenses out of the OASI trust fund. In the Office of Field Administration we have allowed $700,000 out of OASI trust fund. In the Office of the General Counsel we have allowed $425,000 out of the OASI trust fund for the administration of this program.

Then, getting back to the statement made by the gentleman from Louisiana regarding the payment of administrative expenses out of the highway trust fund, you will have following this bill in the next week or two in the Department of Commerce appropriation bill an item of about $16 million out of this same trust fund for administrative expenses of that Department. To me that is just about the same. You have to use about the same reasoning. You have $18 million for the Department of Commerce that you are taking out of the trust fund for the administration of this program. When you wrote in by a majority vote on the floor of this House that the Davis-Bacon provisions would apply to the highway program, I think that makes it part and parcel of the overall program. I think that we had a perfect right to expect that that would be enforced and, since it is part and parcel of the overall program, I do not see why it should not be financed like the rest of the administrative expenses.

May I give one more example of construction? The gentleman from Maryland asked the question if this type of financing appeared in any other construction program. It does in the school-construction program for federally impacted areas. We took out of that fund $800,000 plus this year for the Housing and Home Finance Agency for supervision of the construction of these school buildings. That is a pretty good example. Now, if I can give you 1 or 2 other examples. The Solicitor's Office of the Department of Health, Education, and Welfare gets an annual authorization to use funds from the food and drug trust fund and has for many years. The whole administrative expense of the Bureau of Employment Security, and even the cost of collection of this tax is taken from the unemployment compensation fund. The gentleman said the Treasury Department could make an excellent case with regard to the highway trust fund. It may be a better case to get the administrative costs of collecting these taxes out of the trust fund than out of the general funds of the Treasury. I think maybe they should. It would save the Federal Government some money because the whole administrative expense of the Bureau of Employment Security, and even the collection costs of the Treasury Department, are paid out of that special unemployment compensation fund which is put up by the employers of the country.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Louisiana.

Mr. BOGGS. The gentleman referred to the Social Security Board which by law is authorized to administer the Social Security Act. The gentleman referred to the Bureau of Public Roads when that appropriation will come before us. The Bureau of Public Roads is specifically authorized in the act to receive funds for administering this law out of the trust fund. The very terms of the act prohibit any other agency from getting these funds. The memorandums submitted by the Solicitor of the Department of Labor, I submit, is weak and it makes no valid case for this appropriation. It ignores the basic act, the Highway Revenue Act of 1956, and

the legislative history of H. R. 10660 in the 84th Congress.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

(By unanimous consent, Mr. FOGARTY was allowed to proceed for 5 additional minutes.)

Mr. FOGARTY. That still does not answer the question. I am not here as a lawyer. I am not a good judge as far as points of order or anything of that kind are concerned. The only thing I am trying to do is to clear up a little bit the situation, if I can. Maybe I cannot. I am just giving you the advice that was given to us in these hearings when we discussed this part of the bill.

Let me say further to the gentleman from Louisiana this is not the first time that this has appeared in an appropriation bill. I think in a supplemental appropriation bill last year, immediately after the passage of this highway bill, there was an item of $300,000 for the same purpose. It passed both Houses and there were not any objections raised at that time. So, as a consequence, we did not again raise the question of legality because we had every reason to think it had been settled to everyone's satisfaction. The memorandums of law that we received from the Solicitor last year seemed pretty definite. May I read the No. 1 section that he gave to us?

He said:

> Section 209 (f) (1) of the act provides that amounts in the fund shall be available for making expenditures to meet those obligations incurred under the Federal-Aid Road Act as amended and supplemented which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable by such appropriations).

With that kind of wording in the memorandum given to us by the Solicitor we thought, of course, they could be taken out of the trust fund.

Mr. BOGGS. The gentleman read a moment ago the very language that is in the bill which limits these items to the Bureau of Public Roads. I have no complaint about the Davis-Bacon provision. I realize that they are entitled to funds for their administration, but they are not entitled to come in here and get them. This was a trust fund, and by the same token, the Treasury Department, which has the responsibility of collecting all these taxes—and it is a grave responsibility—would be entitled to millions of dollars.

Mr. FOGARTY. Maybe they should get it. Maybe the expenses of collecting those taxes should come out of this highway fund.

Mr. BOGGS. But this is still a government of laws.

Mr. FOGARTY. Certainly.

Mr. BOGGS. I hope it is. And this circumvents the law pure and simple.

Mr. FOGARTY. It is your word against the solicitor's. I do not know who is right. I presume the gentleman is a lawyer.

Mr. BOGGS. I am, sir.

Mr. FOGARTY. Well, it is one lawyer against another. I am not. I am in the middle here.

Mr. BOGGS. We of the Committee on Ways and Means would have been glad to supply assistance. They were looking for an easy touch here and found it.

Mr. FOGARTY. I am in the middle here. The Solicitor of the Department of Labor says clearly that the expense under the Davis-Bacon work performed on the Interstate System is "attributable to Federal-aid highways."

Mr. BOGGS. As a matter of fact, the solicitor asked for it last year when it got over to the Senate. That is how this business got in there. He asked for $1 million; can you believe it, he said he needed $1 million to administer this provision, and the committee gave him $500,000. Then it came back over here in conference, and you gentlemen cut it down to $300,000.

It should not be the responsibility of those who have to write the basic laws to check on the Committee on Appropriations. We expect you to follow the law.

Mr. FOGARTY. In the first place, they requested $500,000 in the supplemental last year which went to the other body where it was cut to $300,000 and we agreed to that figure in conference.

Now, with regard to following the law, we are following the law as interpreted by those who are supposed to know what is in the law.

Mr. BOGGS. If you want to, we will give you a chance to correct it here.

Mr. HOFFMAN. Mr. Chairman, a point of order. I demand the regular order. The Committee is not in order.

The CHAIRMAN. What was the gentleman's point of order?

Mr. HOFFMAN. The point of order is that we are not discussing the bill. There is a unanimous-consent request pending, and the regular order is, as I understand, that we proceed to read the bill.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that as soon as this bill becomes law, the one that we have before us, that that supersedes any provision that might be in the other bill? It supersedes the highway construction law. The last law is the one that governs.

Mr. BOGGS. If that is true, the gentleman is admitting that you are legislating in an appropriation bill, which is in direct violation of the rules of the House.

Mr. TABER. If the gentleman is correct in his opinion as against the Solicitor's.

Mr. BOGGS. The gentleman knows that it is against the rule to legislate in the Committee on Appropriations, but you do it all the time. I agree with that.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. HOFFMAN. I object, Mr. Chairman. I demand the regular order.

The Clerk read as follows:

FREEDMEN'S HOSPITAL

Salaries and expenses: For expenses necessary for operation and maintenance, including repairs; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Salaries and expenses, Howard University" for salaries of technical and professional personnel detailed to the hospital; payments to the appropriation of Howard University for actual cost of heat, light, and power furnished by such university; $8 million: *Provided*, That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title: *Provided further*, That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further*, That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso.

Mr. BUDGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time very briefly to give a report to the membership as to House action to date on the budget which was submitted to us by the President of the United States.

In the last few days we have had a number of comments on the floor that we should follow our leader; that we should support the budget for these two departments in its entirety; that we should not cut any items in this bill. Now, this is what has happened to date with the President's budget requests.

The Treasury and Post Office bill went through the House, and it was reduced under the budget $80,364,000, a reduction of 2 percent. The Department of Interior bill went through the House—and all of these bills passed without objection from either side—and was reduced $60,794,000, a reduction of 11.6 percent.

General governmental matters bill went through with a reduction of $4,900,500, or 23.4 percent under the budget estimate.

The independent offices bill was reduced by the House $537,993,300 under the budget estimate, a reduction of 9 percent.

The bill we now have before us reduced the budget estimate $118,774,700, a reduction of 4 percent, as reported to the House by the committee.

If we take all those figures and do not add any of the cuts which have been made in this bill now pending before us, as of this date we have reduced in the House of Representatives of the Congress of the United States the President's budget for the fiscal year 1958 by $802,826,500, or an overall reduction

of 6 percent. And we have not gotten into the big spending bills yet.

I think that the House of Representatives is making a very splendid record. I hope that we can continue that record. This bill before us has been cut far less than most of the bills which have gone through the House of Representatives.

Personally I see nothing sacred in the President's budget. I think it is up to him only to suggest to the Congress of the United States how we should spend the people's money. I am happy to accept the responsibility which I feel is mine, a responsibility which is on each Member, to act on this budget as we see fit. I do not think there should be anything sacred about this bill or any other bill. It is our responsibility as representatives of the people of the United States to determine how their money should be spent. I think we have made a very excellent record to date in cutting the budget by $802,826,500 and I hope that we shall continue cutting so that we may restore a little bit of sanity to the fiscal policy of the United States Government.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Two hundred and seven million dollars was cut from the Veterans' Administration insurance and compensation payments; $76 million was cut from old-age assistance grants. Does the gentleman believe that they were real or paper cuts? That is a total of $276 million out of the $802 million the gentleman has mentioned.

Mr. BUDGE. I think there are a number of paper cuts, and they are frequently referred to here on the floor as phony cuts. In this particular bill as reported to the House, there is $99 million of a claimed $118 million saving that is also in that category. But I do know that the action which the House has taken here in the last 3 days in most instances was aimed at making actual and not phony reductions.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am not going to disagree with the amounts mentioned by my friend from Idaho [Mr. BUDGE] but once again I wish you would listen to this. As far as this committee is concerned we cut this budget overall by about 4 percent, from a total of over $2,900,000,000.

Mr. BUDGE. Mr. Chairman, would the gentleman yield to me on that specific point?

Mr. FOGARTY. I yield.

Mr. BUDGE. Is it not true that $99 million of the $118 million reduction the gentleman claims in this bill is in the category mentioned by the gentleman from New Jersey [Mr. CANFIELD]?

Mr. FOGARTY. Yes. But we think that that reduction will stand up. For instance, we made the reduction of $79 million in public assistance, because the President asked for $2,500,000 to train personnel in the public-assistance field and he requested in this budget $2,080,000 for a cooperative research program in the field of public assistance, both of which we thought would tend to reduce the public-assistance load. And we had reason to believe the amendments to the Social Security Act that most of us voted for a year ago, the liberalization of that act, we had reason to believe that would reduce the number of people on public assistance. As I said before, if we get into a recession or a depression in the next year, then we will have to come back with a supplemental appropriation. If more men and women are on public-assistance rolls, we will have to come back and match those grants the States have because that is on a strictly matching basis laid down by law and there is nothing we can do about it.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. TABER. A year ago we made a similar cut in the public-assistance program. I cannot remember the figures, but that would have carried them if it had not been for the additional legislation which raised the rate.

Mr. FOGARTY. That is correct. When the Social Security Act was liberalized back in 1948 or 1949, I have forgotten which year, we reduced the public-assistance grants at that time by $50 million. We thought we might have been going too far. The Senate at that time reduced it an additional $100 million, which made the total reduction $150 million, and it turned out that that was all they needed. So we have every reason in the world to believe it may stand; but maybe it will not, under the conditions I have given you.

The thing that makes these departments difficult to cut, and the President himself has used these figures, is that 91 percent of this appropriation for the Department of Labor is in the area of grant-in-aid programs, like grants to States for unemployment compensation, which is not anything out of the Federal Treasury at all. So when you cut that appropriation by $12 million-some-odd-thousand the other day you were not decreasing the Federal outlay in this program one dime, not a nickel. And when you passed the amendment taking away $1,500,000 for unemployment compensation for Federal employees, you were not cutting a dime that would come from the general funds of the Treasury.

So, as I said yesterday, after 3 days on the Department of Labor appropriation, you say that you cut $15 million. You actually, as far as the Treasury is concerned, cut only about $1,300,000, and let us make no mistake about it.

The point I did want to make is that in the Department of Labor 91 percent of these appropriations are State-aid programs, and the majority of it is unemployment compensation, that fund which has been paid into by the employers of this country.

The other big one is unemployment compensation for veterans and unemployment compensation for Federal employees, and the employees' compensation fund.

So we had an area of only 9 percent to operate in in the Department of Labor.

In the Health, Education, and Welfare field, where we are now, 91 percent of this $2½-billion figure is tied down by legislation, by commitments we have made to the people. $1,600 million is for public assistance, and I do not believe anybody is going to cut that any further than we have. We cannot do anything about that. In addition, 7.5 percent is for expenditures in the field of public health. I do not think you want to cut public health. So that leaves us in this $2-billion field an area of 1.5 percent to cut. Does the gentleman disagree with me on those figures?

Mr. BUDGE. I disagree with the gentleman. I think the figures show that approximately 64 percent of this bill would be in the category to which the gentleman refers.

Mr. FOGARTY. No; it is 91 percent.

Mr. BUDGE. That is the figure given to me by the committee staff.

Mr. FOGARTY. Well, we are talking about two different things. You are including only those items where there is a legal requirement that we appropriate funds. I was including the total of the grant items, all of which are set up by basic legislation passed by Congress and, to my way of thinking, we certainly have a moral obligation to carry out the programs as we told the people we were going to when we passed the legislation.

Mr. BUDGE. The gentleman keeps making a distinction which I cannot quite understand. He keeps saying that we are not saving anything because these are funds that belong in a trust fund and they are funds paid in by an employer or an employee or a combination of both. But, we are saving the money—what difference does it make if somebody paid it, into what fund it went? They are all taxpayers and the amounts are in the budget.

Mr. FOGARTY. It does not come out of the Federal Treasury at all. When we speak about reducing the budget we are talking about reducing the budget so far as it affects the Federal Treasury.

Mr. BUDGE. Suppose it is coming out of the Treasury and then going into a different category than what you are talking about.

Mr. FOGARTY. Not any more. The Reed Act changed that a couple of years ago. That is not the same system that we were under at all. Anything that is paid in now over $200 million, I believe the figure is, goes back to the States, because it does not belong to you and it does not belong to me. It belongs to the people who have paid it in to provide unemployment compensation for these people who are out of work. We only administer the fund. That is the only control we have over it. It is not a drain on the Federal Treasury at all. That is the point I make.

Mr. BUDGE. Let us consider my own State of Idaho as a specific example. The gentleman is talking about the unemployment compensation fund. My State, when I checked some time back, had enough in that fund to operate in depression times for a period of about 19 years, but my State of Idaho cannot get a nickel of the excess it paid in for years.

Mr. FOGARTY. They are getting it now under the Reed Act which you passed a year or two ago. When you arrive at this balance of $200 million—and that balance has been reached, then all these payments go back to the States and your State too is now receiving payments. The gentleman knows I am right in making that statement.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. BUDGE. Mr. Chairman, I ask unanimous consent that the gentleman from Rhode Island may proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FOGARTY. The Federal Treasury was making about $60 million a year on this fund. That $60 million is, from now on, going to be distributed back to the States under the provisions of the Reed bill.

Mr. BUDGE. Of course, it will be disposed of to the States in the event that sufficient savings are built up to reach the provisions called for in the Reed bill.

Mr. FOGARTY. It has already been built up that far.

Mr. BUDGE. But, regardless of that, I still do not follow the gentleman when he says that these funds do not amount to anything because they are in some special category. The people pay it into the Treasury—the employers and the employees. Why should we be more reckless with their expenditures than we are with other money? I do not see the distinction.

Mr. FOGARTY. When you voted to cut down this fund, the other day for grants to States for unemployment compensation, you are penalizing those States and at the same time you are not allowing them to do a good job of administration. We found fault with the administration of the program in one of the States a few years ago because of a bad situation regarding fraudulent claims. We gave them more money a couple of years ago to straighten that situation out. When you cut back this amount the day before yesterday, you are inviting the same condition to prevail in other States. I see some Members shaking their heads. But you are doing exactly that. That is what you did when you cut back on this fund. These States want these funds and it belongs to them. It does not belong to you. You did not pay into it and neither did I. I am not contributing to that fund and neither are you. It is the employers of these people who are paying into the fund. The State certainly ought to be given the privilege of administering this fund in a fair and honest manner. That is what you should allow them to do if you want to help the employees.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman. I would like the attention of the gentleman from Rhode Island. When the two gentlemen who are on the subcommittee disagree so drastically as they just have, I wonder if the gentlemen—this bill will not come up as I understand it for final vote on the amendments until Tuesday—would it be possible to give us some kind of a memorandum telling just why when an amendment is offered to cut an item in the bill and adopted and the gentleman opposes the amendment on the ground, he says, that it does not make any real reduction, its adoption does not cut the budget? Why does the gentleman take that position, make that argument? It was may thought that reducing an item in the bill brought about a reduction in the budget.

Mr. FOGARTY. In the first place, I do not know whether we are going to get to vote on this on Tuesday, Wednesday, Thursday, or Friday.

Mr. HOFFMAN. Well, the information is sought for tomorrow or before Monday.

Mr. FOGARTY. At the rate we are going now it may be a week from Monday.

Mr. HOFFMAN. Where the expenditure comes out of a trust fund I can understand that a reduction in an amount carried in the bill does not necessarily reduce a tax, it does nevertheless, reduce the amount carried in the bill.

That is all beside the issue raised now by me.

Mr. FOGARTY. And we may have a week of rollcalls by the time we arrive at that point.

Mr. HOFFMAN. I understand that; I have heard that 4 or 5 times. I have no objection. Care not at all how many rollcalls are demanded.

Mr. FOGARTY. Then everybody will be on notice that we are going to have it.

Mr. HOFFMAN. I am not seeking that information; I am just completely lost as to the gentleman's reasons for posing these amendments, the ones to which the gentleman referred, when adopted—as not reducing the budget.

Mr. FOGARTY. As I said yesterday, I hope to be able just prior to the Committee's rising just after it has finished the bill under the 5-minute rule, to put in a statement with reference to the amendments that have been adopted, what they will do, and also announce to the membership the number of amendments on which we are going to ask a rollcall vote. My friend the gentleman from Minnesota [Mr. H. CARL ANDERSEN] yesterday said he was going to insist on a rollcall on every amendment that was adopted, and I agreed that I would cooperate with him on that, because that would be all right with me. Have I answered the gentleman's question?

Mr. HOFFMAN. The distinguished gentleman has used many words, but I find no answer to my question in them. My question was this: Several times amendments have been adopted, but the gentleman opposed the adoption of them, and the gentleman—the distinguished gentleman, I will get it right after a while—made the statement that the adoption of a particular amendment did not amount to any reduction in the budget. What I would like to have by Monday morning, if it would not be too much work, is a statement to show why adopting an amendment which strikes a specified amount from the bill does not amount to a reduction in the budget. I am completely confused by the gentleman's assertion. That is said in all sincerity.

Mr. FOGARTY. I will say to the most distinguished gentleman from Michigan——

Mr. HOFFMAN. Thanks for the "most."

Mr. FOGARTY. That on yesterday I did put an analysis into the RECORD of what the cuts in the Labor Department amounted to, what the amendments were, and what it would do to the operations. We have adopted only one other amendment. At the rate we are going today I do not have to do much more than that by Monday to let the gentleman know what else has transpired in the Committee of the Whole.

Mr. HOFFMAN. Apparently I have not made my question clear. This is my question: "Will the gentleman, the distinguished gentleman from Rhode Island, tell us why when we adopt an amendment which cuts something from the bill, a deferred specified amount, tell us the reason the gentleman has for saying that it does not cut anything from the budget? That is what I am trying to get at.

Mr. FOGARTY. There is a pretty good summary appearing at page 4683 of today's RECORD. I hope I have answered the gentleman's question.

Mr. HOFFMAN. With apologies permit me to express the opinion the gentleman has made no answer at all.

Mr. MASON. Mr. Chairman, will the gentleman yield a moment?

Mr. HOFFMAN. I am sorry. My time has expired.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

Mr. MASON. Mr. Chairman, will the gentleman yield me a minute for information?

Mr. COLMER. I yield to the gentleman. I do not know whether I can furnish him information he seeks or not.

Mr. MASON. Every item in this bill is an item contained in the budget. No matter what fund the item comes from or anything, it is part of the budget. Then when we cut an item out of this bill we certainly are reducing the budget as it was presented to us, because every single item in this bill, whether it refers to a trust fund or an unemployment fund, or some other kind of fund is a part of the budget.

Mr. COLMER. I have been voting along with the gentleman on that theory.

Mr. Chairman, there are times when I am sure that the old adage of remaining quiet and unseen is the best advise. I would like to have your attention here, though, on a matter, and then I want somebody to follow it up, because, frankly, I am not going to do anything about it.

We are now approaching in this economy-minded Committee of the Whole House 2 items of appropriation. On page 14, Freedmen's Hospital calling for an appropriation of some $3 million, and on page 16, Howard University, calling for an appropriation of $3,800,000. I repeat, I am not going to do anything about it except just to point it up, but I do want

to point it up to those who subscribe to the Supreme Court opinion doing away with segregation in our schools and our school systems and those who are such strong advocates of the civil-rights program.

No. 1: If the opinion of the Supreme Court voiding segregation is sound and you believe in that, then you ought to move to strike these two items. These items are not subject to a point of order and if they were I would not make that point of order and I hope nobody from my section of the country will because those institutions throughout the years since they were established by basic law have served a great purpose in giving physical care to the colored people of this country and in giving them an educational system of higher learning.

I understand that now Howard University is no longer a segregated school. It is an integrated school. If it is, it ought to stand on its own feet and upon its own merit. How many schools and colleges in your States are supported by the Federal Government, whether they be integrated or segregated? The answer, of course, is not one. I am talking now to those who are economy minded, both those of a previous day and those who have gotten economy minded recently in this economy drive.

Does it make sense? I happen to belong to the school of thought that not only believes that these institutions have served their purpose in the past but that there is necessity for them still; therefore, I am not going to offer an amendment to strike them. But those of you who are so busy on the other school of thought, who say that these people have now arrived, who contend that in just a few generations they have become socially and otherwise equal, that they do not need any Federal assistance, then, it seems to me, particularly those of you who are on the economy drive, should move to strike these appropriations. Frankly, if you move to strike them, I am going to vote against you, because, I repeat, I belong to the other school, the one that believes there is still a necessity for this type of assistance.

Now, Mr. Chairman, I just wanted to take this opportunity to be a little bit realistic and to call the attention of the membership to what the situation really is. This fact should be remembered when some of these liberal sponsored bills come up shortly for consideration on the floor.

The Clerk read as follows:

OFFICE OF EDUCATION

Promotion and further development of vocational education: For carrying out the provisions of section 3 of the Vocational Education Act of 1946, as amended (20 U. S. C., ch. 2), and section 202 of said act (70 Stat. 925), section 4 of the act of March 10, 1924 (20 U. S. C. 29), section 1 of the act of March 3, 1931 (20 U. S. C. 30), the act of March 18, 1950 (20 U. S. C. 31), including $4 million for extension and improvement of practical nurse training, $33,442,081: *Provided*, That the apportionment to the States under section 3 (a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed $29,267,081 for the current fiscal year: *Provided further*, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned.

Mr. HIESTAND. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HIESTAND. I wish to raise the point of order against the proviso on line 14, page 17, on the ground that it is legislation on an appropriation bill. Coming as it does, it would make a change, you might say, in the formula that has been adopted in the basic act; the formula for the distribution of funds.

The CHAIRMAN. Does the gentleman from Rhode Island desire to be heard on the point of order?

Mr. FOGARTY. Mr. Chairman, I have no other recourse but to agree that it is subject to a point of order. But, when you do strike this out, you are going to penalize those States who have the best programs for vocational training.

The CHAIRMAN. The gentleman concedes the point of order, and the Chair sustains the point of order.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was on my feet to make the same point of order against that provision of the bill. I doubt if many Members of the House caught the language of that provision, so I want to, if I may, correct the statement made by the chairman of the subcommittee who said it was penalizing some of the States.

Now, what that provision did, as I am afraid many provisions of this bill do, it wanted to make sure that every dollar was appropriated and every dollar was spent, so that if there was anything left over, it was going to be thrown to the birds somewhere or other, and what that provision amounted to was that if in the distribution of those funds there were some States in the Union that did not use up their portion of the funds, other States should be able to get them and spend them so they would be sure there would be nothing left to revert to the Treasury.

The Clerk read as follows:

Grants for library services: For grants to the States pursuant to the act of June 19, 1956, as amended (70 Stat. 293–296, 911), $5,000,000.

Mr. HIESTAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HIESTAND: Page 18, line 3, strike out "$5,000,000" and insert "$3,000,000."

Mr. HIESTAND. Mr. Chairman, we have discussed the obligation over the last few days of appropriating whatever has been authorized. I would say the theme of my remarks is that authorizations that we made over the years do not automatically make appropriations; that it is the job of the Committee on Appropriations to look over these authorizations and grant only those funds which can be well spent and should be well spent. History is replete with cases where the Committee on Appropriations has deemed fit, after a period of hearing from the constituency, shall we say, not to appropriate. That is the basis on which I think we are justified in giving this amendment consideration. This is not a large item. It has many friends. It has to do with the libraries.

We voted an authorization a couple of years ago of $7,500,000. There was appropriated about $2 million. It could not all be spent. The Department this year asked for $3 million. There are matching funds, it is true. Actually, they have spent quite a lot less because you cannot get a program of this kind started immediately.

We have received wires, pressure wires from our districts, some sent from central headquarters, although they were supposed to be from various other places.

Mr. Chairman, we can rationalize any one of these measures. We can talk ourselves into them. But we must realize that, although there was only a shade over $2 million appropriated last year, the Department asked for $3 million. That is all the Department asked for. We, in our committee, automatically and spontaneously raised it to $5 million. I do not know whether it can be used.

I might say this: that on discussing this with several Members on my side of the aisle and perhaps one from the other side—I am not too sure—there was a feeling that this represented Federal aid, Federal grants, and was not justified in the first place, and they would like to strike it entirely. They urged me to change my amendment and to strike it out entirely instead of leaving it at $3 million. So this figure of $3 million, in a sense, is a compromise. It is all the Department asked for, and I do not believe we are justified in asking to raise it automatically to $5 million.

We must remember that on this bill as a whole, with the so-called phony cuts—and we are sincere about this—they may all be filled back in, and they may even be exceeded so that we may be authorizing an expenditure under this bill in excess of the budget authorization. That does not sound much like cutting. What we are trying to do is to get back to the level of last year, to reason. I urge the adoption of the amendment.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Illinois.

Mr. MASON. The basis of the gentleman's argument is simply this, is it not: that one Congress cannot bind another. If one Congress in the past authorized certain things, it does not mean that a following Congress must appropriate money to carry them out. Is that it?

Mr. HIESTAND. The gentleman has expressed it very well. That is the basis for opening a subject. The basis of this amendment is that it gives the Department all they asked for. It is a compromise between those who wish to cut it out entirely and those who are for the amount recommended by the committee. I urge the approval of the amendment.

Mr. LANHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I trust the Committee is not going to adopt this amendment. On yesterday the distinguished chairman of the Committee on

Appropriations made the statement that this was the only item in the bill that was above the budget estimate. I told him it was true that I had sponsored it in the committee, and I was proud of it, and I was proud of it because of the fact it does affect the library-services item.

Mr. Chairman, there is nothing sacred about the budget either in the maximum or the minimum. As I said to you on yesterday, I think we ought to approach these things on a reasonable basis. If the budget is wrong at one end it may be wrong at the other. We ought not hesitate to add to it where we think it wise any more than we hesitate to cut it.

You know what this program does. It takes the light of literature and learning to those who sit in darkness in many of our rural areas. I think we ought for a moment to go back and realize that it was only last year that this House passed this bill under the leadership of the gentlewoman from Oregon [Mrs. GREEN] and my colleague, the gentleman from Georgia [Mr. LANDRUM].

This is what happened. That was one of the last bills passed during the session. At the suggestion of many of us, the committee asked the Budget Bureau to send up a request for an appropriation. The Budget Bureau requested $7,500,000, the full amount authorized for the operation of the program the first year. The last supplemental appropriation bill had already left the House, so this request went to the Senate. The Senate allowed the full $7,500,000. When it came back, the House conference committee, realizing it was late in the session and that probably the full $7,500,000 could not be used, gave $2,050,000 for the program for the first year.

This year the Office of Education asked the Budget Bureau for $5 million, the amount that is included in this bill. The Budget Bureau cut that back to $3 million. Mr. Folsom when we asked him why he finally accepted that amount instead of the amount he had requested for the second year of this service said, "Well, you folks wouldn't give us but $2 million last year. I thought you might give us $3 million this year." Apparently he was a little irked because of the fact that we did not give them all they asked for the first year.

About whether or not there is any need for this money, whether the amount should be increased or be left as it was, I called the Department just yesterday or the day before and asked them to give me the facts about the number of States that had qualified or were expected to qualify for this money during the next fiscal year. First of all, in fiscal 1957, 38 States have already submitted satisfactory plans to the Office of Education for the improvement and extension of the rural library service. State plans from at least two other States are expected before the end of fiscal 1957. This makes a total of 40 of the 43 States which will have taken advantage of the plan in the first year of its operation. To date 29 State plans have been approved by the Office of Education and payments have been made to 28 States. It is expected that at least 38 State plans will be approved before the end of fiscal 1957. Payments to these States based on the minimum appropriation of $2,050,000 for fiscal 1957 will total $1,520,000.

With reference to fiscal 1958, the information from the States on their library service plans for fiscal 1958 indicates that 46 States and 2 Territories would submit plans, and based on the maximum authorization of $7,500,000 could match for $6,931,445.

I will say that those of us who favor this service and think it ought to be continued and who think that this program which was unanimously—I will not say unanimously but overwhelmingly endorsed last year by the Congress, thought that $6 million should be the appropriation for this year, but we agreed on $5 million as a compromise. As you see, that will not quite cover the payments that the States are expecting. Many of the States have only this year passed legislation that makes it possible for them to go into this service. It was provided that these services should be extended to the Territories also.

Based on a $5 million appropriation in 1958, the States could match for $4,689,741.

In view of the need for this program, and the fact that the States are so anxious to match it and to get into this program, one Member on your side told me that his legislature had never taken any action although they had been urged to do it until the Federal Government promised its help and then the State passed its legislation at this year's session. So the States are ready and anxious to supply their part of the funds. I trust that you will defeat the amendment which would reduce it to $3 million.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe my record on economy stacks up as good as anybody's record that I know of in the House. I believe I have a fair record for voting against those things where a "no" vote was normally expected to be political dynamite. I want to say to you I am making these statements in the interest of this money with no fear and expecting no favor, but because I think it is right. If you will just stop and think of the millions and millions of dollars in this bill that relate directly to the urban people, the people in the towns and in the cities and, of course, I have them, and you have them. I want the services, and you want the services. But here is a little bookmobile that goes out into every rural district, the country roads, the highways, and the byways—these bookmobiles carry books to kids and grownups who would never see those books if they were not brought out there to them, as some live 30 miles and more from any kind of library. I am one who views the problems of juvenile delinquency very seriously. But there is no need for us to try to avoid the fact that children today are the same as we were when we were children. We had to be doing something, good or bad. We certainly were not going to just sit around and do nothing. If we can interest these children in books, that, in my opinion, would be a fine thing. I have passed these bookmobiles on the road. Yes, many are worn out, and a lot of them shake and rattle. The books are very, very worn, and many times the supply too low.

This law was passed last year. The States have been doing a fairly good job in this field in a limited way; they have been taking from their own funds, and the counties have contributed, individuals have contributed, and each year it becomes more popular in the States and with the schoolkids in the rural communities. Why, you can go to the city library and get almost any book that you want. In the high schools, in the towns and cities, the teachers can say to a child: "I want you to read such and such reference book." All right, if she did not think that was good for that child she would not recommend it.

A student 30 or 40 miles in the country has difficulty obtaining reference material; and those available through bookmobiles and county libraries are getting to a point now that many of the books are out of date, tattered and worn out. So last year we adopted this bill. It went into operation only last fall. I think there is enough fair play in this world for everybody, and I think this is a fine thing for the rural people of this country. Some of those boys and girls in rural communities will move into town, and if agricultural conditions do not get better they will be coming down into the breadlines by the thousands.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. I yield.

Mr. HOFFMAN. If they do move to town they cannot get jobs unless they pay fees to join a union.

Mr. BARDEN. I did not say anything about a job. I said they would be in the breadlines. I do not know about that. This money does not go down to a department to be juggled around and half of it spent for personnel. There are three people, as I understand, in the Department that have been handling this, and I do not expect them to employ anyone else.

Let this money go where it is needed. I do not want so many supervisors supervising the supervisors, and then a superintendent superintending the supervisors. I do not care for that. I want these books to go through the country and I would like them to go to the children. I would like to have them become interested enough in books that they will sit down and read and read; and when somebody comes along and wants to play this or that, they will still be interested in that book; or, if somebody wants them to go somewhere they are still interested in the book; it is new and interesting to them.

I am satisfied with my record on economy and I think it will be all right on the appropriations this year. I do not think there is any other way to stop a raise in taxation or bring about a reduction in expenses except by cautious appropriations or cutting them down. Along with that I think some sound good reasoning should be applied. When we get to an item of this kind let it be appraised: Is it valuable? Is it contributing? Is it putting any information into the hands of people who can use it? Is

it putting in motion a program that is going to be worth a lot to this country? Is it a good investment? Is it wise?

I think the past history of this country shows that the rural people have been a pretty substantial people; and, loyal. There is not a group of people on the face of this earth more loyal to this Nation and more patriotic than the rural people; Commies and pinks do not dwell among them, and that the records will disclose through all time. Jefferson was not so far wrong when he said that so long as the balance of power remains in the hands of the rural people democracy will be safe. But I am not so sure that they will be able to defend themselves against the isms and so forth, if one segment of our population is permitted to rise, while the rural people stand stationary intellectually or otherwise.

I hope the amendment will be defeated.

Mr. MASON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not like to disagree with some of my very good friends who have spoken against the pending amendment, but we ought to look the facts definitely in the face. The question on this amendment and on this provision is, Who is responsible for the education of the youth of this land, for the information of the youth of this land? Is it the Federal Government or is it the States? You cannot have your cake and eat it too. You just cannot do that. If it is the States, then let the States do it. The Federal Government has no right to interfere with the States, and there is no stronger advocate of States rights in this House than I am. But here we have it. The States are doing this, but the Federal Government has got to put its nose into it and come along and say: "We want to encourage you States to do these things." After the Federal Government gets its nose into it, under present law the States have to submit a plan for the libraries to be approved by the Federal Government before they can get some of these moneys from the Federal Government. It is either the States responsibility or it is not. If it is the responsibility of the States I do not see how any person in this House who believed in States rights could have voted to put this thing in the bill last year in the first place and how he can vote against striking the whole thing now.

Mrs. GREEN of Oregon. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Chairman, I rise in opposition to this amendment. I recognize that this appropriation has been raised by the subcommittee beyond the amount called for in the President's budget. However, it has been pointed out convincingly by Members on both sides of the aisle that the President's budget need be no guide to our action today. I feel that we must examine this item on its own merits, which are manifold.

The rural library service program has been in effect less than a year. It was approved last May by a substantial majority in this House. As I remember it, it was a voice vote, no division was asked and there was little opposition to it. Shortly thereafter it was approved by the Senate and it was signed by the President.

The States have been taking action under this enabling legislation ever since it became law. Last year the appropriation was $2,050,000. It was small. It was actually less than one-third of the authorized item because of the lateness of the passage of the bill. However, $1,120,000 has already been paid out by the States and by the end of this fiscal year most of the balance will be used.

I wish to emphasize and repeat what the distinguished gentleman from Georgia has said, that in fiscal 1958 and in the remaining years of the 5-year period—fixed by the original legislation—the full authorized amount will be needed and it will be used. The most recent figures indicate that 38 States and Territories have submitted plans to the Department, that 30 of these plans have been approved, and that fiscal approval has been given and payment already started to 28 of the 30. Further information from the Department indicates that 46 States and Territories will be participating in this program by the end of fiscal year 1958. In fact, the needs of the program for 1958, for fiscal 1958, are even in excess of the amount that was reported by the committee. The Department estimates that the States will be prepared to match grants totaling $6,931,445, while the committee has recommended only $5 million.

I wish at this point to commend the committee for its foresight and for its vote of confidence in the willingness and the ability of the States to carry out this vital program. The word "distinguished" is perhaps overused in the House, but I do wish to congratulate the truly distinguished gentleman from Rhode Island [Mr. FOGARTY] for his understanding and his contribution to this program and the very magnificent job I think he has been doing with this appropriation bill dealing with people's lives, their health, their education, their welfare: the things that in the last analysis either make or break a nation.

Let me describe this library program very briefly. The legislation does not envisage the construction of library buildings, or the purchase of land for such buildings. It does not visualize adding to the already ample library facilities of our great cities, where library services are already available to the people. As the distinguished chairman of the Education and Labor Committee has stated, the appropriation before us is a rural library services appropriation, to make available to the people who live on the farms and in the villages and small towns, their fair share of the library resources of the Nation. The original legislation grew out of the realization that millions of Americans—27 million was the figure brought before the committee—are denied access to local public library services. The money we ask for here will go for bookmobiles, for library personnel, for the other library services that must be made available to these 27 million Americans.

I expect to hear, Mr. Chairman, that this is no time for luxuries, for frills. We are not talking here about luxuries or frills. Books, Mr. Chairman, are the building blocks of the future. I think most of the Members here have children. I am sure that most have had the deeply satisfying experience of seeing a child read a book, of watching the sense of wonder grow in that child's eyes, at the new worlds taking shape before him. I am sure there is not a Member on this floor who has not treasured the moment when his or her child first awakens to the understanding and the appreciation of the treasures that lie within the covers of a book. When the authorizing legislation was being debated in this House, some Member remarked that it was not a case of voting for or against books or children.

Mr. Chairman, I must sincerely disagree. The appropriation is an investment in the spiritual and mental and moral well-being of our children. Without access to the real wealth of a library, too many of our children will fall prey to the gaudy tinsel of the comic book, the lurid pulp magazine. But given this access, the children of this generation can be led to the wisdom, the insight, the truth, that has survived the ages.

Let me say, too, Mr. Chairman, that this is truly a defense appropriation as if it were allocated for guided missiles or battleships. An educated citizens is a Federal responsibility. We cannot hope to maintain the technological ability upon which the Nation's security depends, unless we encourage and enable our children to read, and to read deeply. A library, Mr. Chairman, pays for itself many times. The Russians are proud of their literacy campaigns, and their rural libraries. Surely we, who have at our disposal, the free libraries of a free people can do as much to make those libraries available to those people as do the tyrants who seek only to spoon-feed chained minds with their doctored propaganda.

One final word, Mr. Chairman. Over the entrance to many libraries are graven words from the greatest of all books. These words are, Ye Shall Know the Truth, and the Truth Shall Make You Free. The cost, Mr. Chairman, of giving 27 million Americans access to the truth is $5 million. Our decision is not as to the cost, but as to the value.

Mrs. KNUTSON. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentlewoman from Minnesota.

Mrs. KNUTSON. I wish to associate myself with the remarks made by this wonderful lady in regard to the fight for our rural libraries.

Mr. Chairman, as the Congresswoman from Minnesota, I am proud to say that Minnesota was among the first 4 States to develop its plan for the use of funds under the Library Services Act of the

84th Congress, 2d session, Public Law 597, and the first State to receive a check for development of the plan—in our case the maximum possible allocation of $40,000. The rapidity with which my State worked out and presented its plan for approval is significant in that it is an indication of the great desire and the great need for participation in this extremely valuable program.

It is unthinkable to me that the full amount of the authorization, $7,500,000 should not be appropriated for this valuable service. The maximum amount as authorized is certainly not excessive. In fact, it could almost be called a pittance in view of the need and value of the program. I cannot understand the President's proposal for an appropriation of a mere $3 million to cover expenses of this educational assistance program, in view of the administration's avowed espousal of the cause of better educational facilities and collateral educational aids.

May I read to you a few communications from organizations and individuals in my area who are most aware of the great needs this service, adequately financed, will satisfy. These include a telegram from the Minnesota Library Association, one of a number of letters from constituent agencies, and a letter from the Moorhead Public Library, Moorhead, Minn. I would also like to read excerpts from my statement to Chairman CANNON on the rural library services appropriation.

Because the Minnesota plan for the development of rural library services under the Library Services Act is a fine and thoughtful work, I ask permission to place the memorandum outlining the plan in the RECORD under Extension of Remarks.

In conclusion, may I say that unless the House wishes to go along with the administration in the negation of its own action of the last Congress in the passage of the excellent yet inexpensive Library Services Act, by its failure to appropriate adequate funds for its fulfillment, it will approve the full authorized amount of $7,500,000. I strongly urge this independent action and the approval of the full appropriation of $7,500,000.

MINNEAPOLIS, MINN., *January 23.*

Representative COYA KNUTSON,
House Office Building,
Washington, D. C.:

Minnesota has completed plans for use of its full share of funds under the Library Services Act. Entire membership of Minnesota Library Association urges your support for $7,500,000 appropriation requested. Action now assures better rural library service in Minnesota.

JOYCE DAVENPORT,
Secretary, Minnesota Library Association.

LETTER FROM MOORHEAD PUBLIC LIBRARY

Knowing your interest in public library service for rural areas, prompts me to write to you concerning the appropriation recommendation of $3 million for the Library Services Act by President Eisenhower instead of the full $7,500,000 authorized. Here in Minnesota we feel quite sure of a State aid bill to be passed this session of the legislature to augment and supplement the Federal funds. The total amount authorized is a small amount when divided among the States as it is and a cutback would not permit the public library development program to succeed in doing what it aims to do. This Library Services Act was designed to stimulate greater effort by the States and localities in providing good local public library services. I am aware too of the need to balance the budget and economize but "one cannot live by bread alone." Books and library materials are needed to bring a fuller life to many of our people who live away from our cities which have library services of a greater or lesser degree.

I know that I need not say more than to remind you that we were sorry to see the appropriation cut back and wish it restored. Since this is a 5 year terminal program, it may be that a sufficient amount of funds will be forthcoming later. But we need a good impetus to start it off right.

STATEMENT ON THE RURAL LIBRARY SERVICES APPROPRIATION

The rural library services appropriations are of great concern to me. I am enclosing a copy of steps proposed by the Minnesota Library Service. This memorandum contains a list of counties in my district that have no service outside of a possible bookmobile service. They are Kittson, Roseau, Marshall, Pennington, Red Lake, and Polk Counties.

I hope this short statement of the Minnesota Library Service (and, as I understand it, Minnesota is ahead in development of rural library service) will be of help to you in consideration of appropriations.

The full $7,500,000 appropriation is very necessary in this project. The administration's proposal of half—less than half—that amount would not begin to cover the needs. I wish to be on record as supporting the full amount of $7,500,000 in appropriations.

Mrs. KNUTSON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I certainly hope that the Committee will vote down this amendment. A year ago the House of Representatives voted to expend the sum of $7½ million a year for a period of 5 years to match the States' expenditures in extending and improving library service in the rural areas. I do not think now it is a question of whether that was good or bad legislation. Personally I think it was excellent legislation, and that it was long overdue. But the question before us is, What is the Committee on Appropriations and what is the Committee of the Whole acting on an appropriation bill going to do about the request for funds to carry out the purpose of the legislation?

The bill which authorized the rural-library program was passed in June 1956, too late for the program to be considered in our committee hearings on the Department budget last year. When the appropriation bill was later taken up in the other body, they approved an appropriation of $7½ million. When it went to conference the sum was fixed at $2,050,000. That lesser sum was agreed on at that time because the program had not yet been put into effect, and it took time to work out the program. It takes several months to put one of these programs into effect. The Department was consulting with the States and conferring with various agencies in order to get the program started on a sound footing.

The Department makes up the budget some eight to ten months before we vote on it. Last fall, when the Department took up this request with the Bureau of the Budget, there were not many States that had reached the point of deciding to take part in the library program at that time. It was still in the conference stage, where details of the program were being explained to the States, and the Department had difficulty at that time justifying more than $3 million to the Budget Bureau.

But by the time Department officials came before our committee in February to testify on the program, the picture was entirely different. At that time 27 States had plans for joining the program that were approved; 12 more States had submitted plans and 2 more States were preparing plans. At that time the Department either had approved or was considering State plans which it estimated then would call for Federal matching of $6½ million.

I am rather interested in the statement that the Committee on Appropriations is not compelled to appropriate money to carry out a program. Yet many objections are made from time to time about legislation on an appropriation bill. Certainly, if we refuse to appropriate money to carry out this library program based on the authorization, we would be legislating by way of an appropriation bill.

I am interested in that question further because there is one law now being carried out of which I do not approve in any way. That is the so-called wetback law, under the provisions of which you and I and all the other people in the United States are taxed so that the Government may go down and recruit labor in Mexico to come up and compete with and displace American labor. I do not like that legislation; I never voted for it. But once the legislation had become the law of the land, I felt appropriations had to be voted to carry it out. There was an item in this bill for $2½ million for that purpose. Just the other day someone suggested we strike it out. But then it was agreed and we should not do that; that was not our function in making appropriations.

Mr. Chairman, let us remember this: We have enacted a library program and held it out to the States. They have gone ahead. There is a table in the RECORD showing that the States have pledged more library money than this appropriation item calls for in Federal funds. The amount of money the States have authorized exceeds considerably that which Congress is going to put up. I think this bill should have provided at least $6½ million.

Mr. Chairman, you know, I am a little old fashioned. I still believe that when you make a contract, you ought to keep it. In authorizing the rural library program last year, we in effect made a contract with the States. They have gone ahead and acted on it and if we did not carry it out we would be reneging on

our promise. I certainly hope the amendment will be voted down.

Mr. HIESTAND. Mr. Chairman, would the gentleman yield?

Mr. DENTON. I yield to the gentleman.

Mr. HIESTAND. Will the gentleman be frank to admit that the Department asked for an increase of 50 percent over their previous appropriation?

Mr. DENTON. I just explained the reason for that apparent increase. Perhaps I did not make my point clear. The reason they did not receive the authorized amount last year was that the program was new, it took time to put it into effect and the amount of $2,050,000 was all that could be used for the program at that stage. Even when the second-year request came before the Budget Bureau last fall, still only about $3 million could be justified. But when this agency came before us again this year they could well have asked for a supplemental appropriation, because of what had happened since the previous appropriation, and it would have gone through or should have with the library program in existing law, and with the commitments the States have made under it, there is a Federal obligation to grant $6,500,000 so that even with the $5-million item in the bill, we are reneging by $1,500,000.

Mr. HIESTAND. Is it not a fact that the committee raised even that request by 66 percent?

Mr. DENTON. I have tried to explain why we did it. If there had been a supplemental appropriation request for this program and the agency had come in and said we had made this agreement with the States, and therefore it asked for supplemental money, do you not think it should have been granted?

Mr. BROWN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, I rise in opposition to this crippling amendment on the grounds that this is the wrong place, the wrong time, and the wrong way to cut Government expenditures.

After all the total amount involved in this amendment is 1 cent per person in the United States. Surely, when we can help so many for so little, should we not carefully weigh any attempts to cripple an entire program?

And make no mistake about this: The people of Missouri have never expected the Federal Government to provide its education or library facilities. We have always done it ourselves.

For generations, we have made every possible sacrifice to provide facilities for education and improvement. We have bonded and taxed ourselves almost to the limit for schools and libraries. It has been a long and never-ending struggle; but our persistence has not gone unnoticed. People in richer areas have generously come to our aid through allocations from the State government.

Provisions for State aid to libraries are a noteworthy part of the Missouri constitution adopted in 1945. But in these times of national inflation and localized rural deflation, keeping librarians and maintaining libraries have become a serious problem in many of our rural communities.

We have the same ambitions for our children that we have always had, but we are constantly pressing against a "stone wall" of economic impossibility.

We want our children to read books. But books are more expensive than ever these days. It takes more money to pay librarians. How can we maintain library service when our incomes have not kept pace with rising costs? Some of our people are so worried about saving farms and paying off bank loans that they are forced to shove everything aside except the essential problems of daily living.

Yet, is this fair to the children? Each child "passes this way but once." And the books he does not read in the formative years will, perhaps, never be read. We might explain to him later that his education and that his development were neglected because of economic conditions, but the reasons or excuses will never really fill the void.

And, actually, the economic problems are not nationwide. They exist largely in certain rural areas. The Nation as a whole is enjoying the luxuries of record-breaking prosperity. There is ample evidence that the great majority of the American people can be a good neighbor to these rural children if they so desire. I believe the people of America demonstrated that desire when they, through their Representatives and Senators in the 84th Congress, authorized a new 5-year program of Federal aid for library service to rural areas.

In committee hearings and on the floor of both the House and the Senate, ample evidence must have been presented to establish the need for the aid and the $7½ million appropriation stipulated, because the Congress voted the authorization. The action came as welcome news to the people of south Missouri; and with the cooperation of State officials, our people proceeded to put their household in order to qualify for Federal funds.

Missouri has been counting on the $40,000 allocated to Missouri in the original authorization. Missouri is prepared to provide the matching funds. All plans have been made on this basis.

But the President's budget recommendations would cut this figure to less than half the original amount authorized by Congress in this, the first year of the 5-year program.

So, where do we stand? Is this not a questionable beginning? Will there be proportionate cuts next year and the next? What can we really count on from this 5-year program that originally seemed so worth while and so promising?

We recognize the Government's problem. We are just as interested as anyone in saving the taxpayer's dollar. I, personally, already have cast more than one vote with the Appropriations Committee to cut Government expenditures wherever possible.

But is this a wise economy? Education facilities are about as time-honored and fundamental a responsibility of Government as police and fire protection.

If this Government has so many commitments in newer and more questionable fields of endeavor that it cannot fulfill its basic commitments for library facilities in sorely pressed areas that desperately need the temporary help, then I submit that this Government has gone too far afield and should closely scrutinize some of its other commitments.

This $5 million is small, indeed, in the overall Federal Government picture. But we do not seek to justify it on that basis. If it were not needed, it would be wise to save the money, even if it were only 5 cents.

But this money is sorely needed in rural areas to provide education for children during these times when the parents are in no economic position to provide it themselves.

It is not easy for rural people to ask for help. Farm people are among the Nation's finest and proudest. But having asked for help and having received authorization for it, we now find it doubly disturbing to find ourselves asking Congress not to make it too little or too late.

We have been counting on it. We have made all our plans accordingly. We hope you will not let us down.

We urge this House to hold its ground and appropriate the original amount recommended by the committee.

Mr. VURSELL. Mr. Chairman, I rise in support of the amendment, and ask unanimous consent to revise and extend my remarks and to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Chairman, I hope we can get down a little closer to earth than this emotional appeal we have been treated to and look at the facts as they really are. We have not entered into any contracts with the States, so if we reduce these appropriations we shall be acting in the interest of real economy.

I wish it were possible to wipe out the entire matter because it is simply a matter of the camel getting his nose under the tent. The facts are that if you go along with this for $3 million now, the people in the States are subject to this same political pressure the Congress is subject to, and they can justify their action by saying, "We are going to lose some Federal money if we do not go ahead and take it up, with the result, as was said just a few minutes ago, that there is planning now to take up $6 million or more.

If you give them this $5 million on this 5-year program, the next Congress will be requested to give $7 million, the next $10 million, and the next $15 million on this program that never should have been authorized by the Federal Government. This thing should never have gotten started, because it will mushroom and mushroom and mushroom, and waste more millions each year.

We talk about getting this library service back into the country, to the people that ordinarily do not have access

to libraries. What would it amount to for each State? About $40,000 to a State, to set this bad example that we will increase, increase, and increase year after year.

I have the highest respect for the gentleman from Georgia. I seldom find myself differing with him on legislation. I know of his great interest in education, and I knew when he rose that he was going to speak for this bill. But in the great State of Georgia, part of which he so well represents, what would $40,000 do, anyhow, or in any other State? And whose obligation is it to get education to these people?

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. MASON. The State of Illinois has been carrying on these traveling libraries for at least 20 years. The State is covered with these traveling libraries, and we do not ask Uncle Sam to do our work for us.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. Not at this point; a little later.

Mr. BAILEY. I wanted the gentleman to yield on the point raised by the gentleman from Illinois.

Mr. VURSELL. I want to comment on it first.

Not only that, Congressman MASON, we are carrying on educational activities for the deaf and hard of hearing, for the blind and those partially able to see, for the physically handicapped, the socially maladjusted, and the speech defectives, and we are carrying on training for the mentally handicapped. Many States are doing the same thing, and they may eventually all do it in the same degree in time if the Federal Government will not impose upon them and offer them something for nothing and bring about an atmosphere of lethargy that will probably do more harm in the rural areas than good. Here is the thought I had in listening to one of the speeches. You are going to take these library services out to the people in the country. In my part of the State, you cannot tell a country boy and more on Saturday evening from the town boy.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. Mr. Chairman, I yield briefly.

Mr. HOFFMAN. Well, if you look at his hands you can tell. The country boy's hands are calloused.

Mr. VURSELL. That is exactly right. Mr. Chairman, here is the situation. What are we already doing for the school children? Why the Department of Agriculture alone is spending $293 million in this next bill to help feed the children. We haul the children to school. We take them home. If the library service went to search for the schoolchild, as was referred to by a former speaker, they will not find him unless school is not in session because the State government has taken him to the centers of learning, mostly to the towns. Nearly all of the boys and girls in the country have approximately the same opportunities to get these books if they want them. Then we follow the schoolchildren right on up and when they go to the university, we build with our Federal money dormitories for them. And so on all the way through, one thing after the other. Now we want to do a lot of other things. There are a lot of other things that will be suggested later on. A lot of people want to get the Federal Government into the field of dealing with juvenile delinquency. The same thought is behind that. You want to take over the job that belongs to the State. You want to take over the job that belongs to the fathers and mothers in the homes. You want to take over the job that belongs to the schools in the various communities of the States. This thing ought never to have been started. One of the things that is driving this budget up is the constant thinking up of this and that and the other thing that the Federal Government can get into to please a few pressure groups of people with the result that you weight the Government down with millions of dollars of unnecessary expense. That only causes interference by the Federal Government attempting to do better for the people in the communities and in the States than they can do for themselves. So I would suggest that the thing to do is to reduce this and save this much money at this time.

I just want to close by saying again that we are under no contract to the States. We cannot do any good, in my judgment, by passing this legislation and ultimately we might do harm. Most States—all States—every community is more able financially to take care of this problem than the Federal Government is with its debt of $278 billion. Here is an opportunity for those who want to economize to save about $2 million at this time.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. ELLIOTT. Mr. Chairman, I am completely opposed to the amendment that seeks to cut $2 million from the $5 million of grants to the States under the Rural Library Services Act of June 19, 1956, which this bill provides.

The Members who are opposed to $5 million for these grants to the States, and who seek to reduce the amount from $5 million to $3 million, argue, generally, that they are opposed to the rural library services bill, and, secondly, that the President's budget for this item was $3 million and that, therefore, it should not be raised above $3 million.

However, as one of the original sponsors of the rural-library-services bill and as one who fought continuously for this program from about 1950 until it was enacted into law in 1956, I desire to call attention to the fact that it was well understood last year when we passed the bill that it would require $7½ million to carry on the program each year for a period of 5 years.

Now what happened: Well, the first year, that is in the fiscal year 1957, we only provided a little over $2 million for this program. Instead of $7½ million we provided a little over $2 million.

Now, if we approve the $5 million provided by this bill, we will still be $1½ million below the amount authorized for the next fiscal year.

Some of the Members today have said that this program most assuredly will not be over at the end of 5 years. Certainly those who insist on cutting the amounts allowed for these grants year after year are paving the way for the continuance of the program, because it has been understood all the way along that it will take at least $7½ million per year for 5 years to get the program under way in such a manner as to give it the momentum necessary to carry it on after the 5-year period.

I would like to say again something which I said on this floor last year when the bill was before us: However great we consider ourselves to be, we build no structure on earth that outlasts a book.

We are a country of great natural resources. But we have no resource equal to the potentialities of the minds of the 27 million people in America without library service, and the 53 million who do not have an adequate library service.

Amid what we call the prosperity of these times, there seems to be a willingness to neglect the things of the mind. We give billions of dollars through favored tax treatment to stimulate our industrial development. We appear to be willing to give practically nothing to stimulate the development of the minds of the boys and girls of this Nation.

Five million dollars is little enough for this program. Actually, it is too little by at least a million and a half dollars. I urge the Committee of the Whole House on the State of the Union to reject the amendment which would cut the amount to $3 million.

Mr. BAILEY. Mr. Chairman, next to the house-to-house mail delivery man and rural mail carrier, the library service bill, approved by this Congress unanimously last year, comes nearer to the homes and nearer to the lives of the American people than any other legislation approved by the Congress.

The distinguished gentleman from North Carolina, chairman of the Committee on Education and Labor [Mr. BARDEN] was speaking my language when he took the floor earlier in this debate in defense of this legislation. It came out of the Committee on Education and Labor despite the fact that we are very much in turmoil in that committee over other basic legislation.

Here is one piece of legislation that the committee could report out unanimously. It came to be the law by reason of the unanimous vote on the floor of the House.

Mr. BYRNES of Wisconsin. The gentleman is wrong there. Will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Kentucky. If I have time I will get around to the gentleman.

Mr. PERKINS. If I remember correctly we undertook to pass this legislation first in 1950 but lost in the House by either 3 or 4 votes. Is not that correct?

Mr. BAILEY. I very well remember that. I was chairman of the subcommittee that offered the first library bill.

The one that passed was reported out by a committee of which the gentleman from Georgia [Mr. LANHAM] was chairman.

Mr. PERKINS. It has been brought out here this afternoon in debate that notwithstanding the fact that this bill was enacted last year and the plans only reached the States after January 1 of this year, in the 1947 budget, 29 States now have taken advantage of the appropriation. Is that correct?

Mr. BAILEY. That is correct.

Mr. PERKINS. All the States with the exception of 2 next year, at least 46 States during the fiscal year 1958, will share in this appropriation. Is that correct?

Mr. BAILEY. That is the estimate supplied by the Library Commission.

Mr. PERKINS. And with 46 States sharing in this appropriation next year, if the appropriation had been the full amount of the authorization of $7,500,000, there would be at least $7 million required for the fiscal year 1958 to put this program effectively into operation.

The Library Services Act was intended to assist and encourage the States in their efforts to give more adequate library services to rural areas. As a result of this encouragement, 46 States have completed plans to enlarge their rural library services. These plans were developed and are now in the process of being put into operation, depending on the good faith of Congress in making the authorized appropriations for use by the States.

The fact that the States were unable to bear the entire burden of the cost of a program for which there was such a crying need in our rural areas, was the basic reason for the enactment of the Library Services law.

Now, are we to show lack of good faith by failing to appropriate the full amount authorized and force the States to drastically curtail their expansion program? I for one feel that I have incurred an obligation to support the full amount of $7,500,000 per year, authorized for this program. Anything less than the $5 million appropriation will destroy the effectiveness of the program. With the effectiveness of the program destroyed, the Congress could be confronted with appropriations long after the 5 years. If we intend to save the Government money and vote for real economy, let us vote down this amendment.

Mr. BAILEY. I want to compliment the gentleman from Kentucky who has been an ardent supporter of this program. His efforts are deeply appreciated.

Now, Mr. Chairman, before I yield further, I would like to comment on the statement made by the distinguished gentleman from Illinois.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for 2 minutes.

The CHAIRMAN. Does the gentleman from West Virginia yield for that purpose?

Mr. BAILEY. For the purpose of submitting a request that my time be extended? Yes, Mr. Chairman, I yield.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Would the gentleman at his discretion yield to me?

Mr. BAILEY. Now I will recognize the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield for a correction?

Mr. BAILEY. I yield.

Mr. BYRNES of Wisconsin. I believe the gentleman stated that the bill passed the House by a unanimous vote. I do not think he wants that to stand, for I know that was not the situation.

Mr. BAILEY. I asked someone over here at the committee desk and I am giving the gentleman the answer I got. I may be in error. If the vote was not unanimous, there was only a smattering of votes against it, and there was no roll call.

Mr. BYRNES of Wisconsin. That is right.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I have to yield to the gentleman who got me the 2 minutes extra time, but I would like to have an opportunity to say something myself.

Mr. H. CARL ANDERSEN. It is my personal opinion that this amendment goes too deep. I cannot support an amendment which takes $2 million out of this item. This is one of the very few times I have opposed a cut in appropriations, but I cannot support the amendment offered by the gentleman from California. This is a very good program and we should provide the funds to make it operative. I hope the amendment will be rejected.

Mr. BAILEY. I would like to agree with the gentleman from Minnesota. I think it was wrong that the amendment was ever offered.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Illinois.

Mr. PRICE. I think the statement was made a few minutes ago that the State of Illinois did not seek any of these funds. As a matter of fact the State of Illinois has approved a plan under this program and is presently seeking matching funds up to $230,000.

Mr. BAILEY. I will answer the gentleman by saying that the State Legislature of Illinois has made moneys available by an appropriation of $230,178. They have filed their State plan and are asking to have an equal amount of Federal matching money.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. How many States had bookmobiles before the Federal Government stepped into the picture?

Mr. BAILEY. As I recall, about nine when we first started this proposal some years ago.

Mr. NICHOLSON. The States had been carrying on for some time before the Federal Government came in?

Mr. BAILEY. Let me say to the gentleman from Massachusetts that this legislation only implements what those States were doing. Illinois had a program at that time and they found it was good. When they found out they could get some Federal funds they enlarged their programs and have made funds available. I do not think the gentleman from Illinois speaks the same language as the State Legislature of Illinois is speaking. They made the money available.

Mr. MASON. I was in the State legislature when this thing was started.

Mr. BAILEY. Then the gentleman ought to know what he is talking about.

Mr. MASON. Of course, every single State that has qualified so far had a setup of this kind before the Federal Government went in.

Mr. BAILEY. I think the gentleman is wrong there. There were 9 States some 4 or 5 years ago when we first started the proposal to make Federal grants in that particular field.

Mr. LAIRD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, in view of the statements that have been made regarding this particular appropriation item, I think it is well if Members of the House realize that this particular program is in a very early stage of development and that it is impossible to tell at this time exactly what amount of money will be made available by the various State legislatures for this program in fiscal year 1958.

If you will turn to page 255 of the hearings conducted by this committee, you will find that at the time the testimony was taken there were some 14 States where State plans had been approved. Since that time there have been a number of States that have secured approval for their State plans here in the Office of Education. The mere approval of the State plan does not necessarily mean that each of the States have made a State appropriation for this rural library service work. Our committee placed $5 million in this bill as an estimate as to what would be used in fiscal 1958. This amount could be all used or only a part of it used depending on the actions of State and local communities on their 1958 budgets.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Kentucky.

Mr. PERKINS. The gentleman says that at the time the testimony was given there were only 14 plans of the various States approved. Is he able to tell the committee whether exactly 100 percent more plans have been approved since that testimony was given before the committee?

Mr. LAIRD. I believe there are some 27 that have been approved up to this time. However, the approval of the Office of Education does not necessarily mean that the State legislatures in those 27 States have appropriated the funds. This fact cannot be determined with

certainty until the end of April or early May.

Mr. PERKINS. I want to say to the gentleman it is my information, and I think my information is correct, that 38 States will participate this year in this $2,050,000 1957 appropriation.

Mr. LAIRD. That may be approximately correct, but you cannot tell how much money will actually be made available by the State legislatures and local communities at this time for fiscal year 1958. The 15th or 16th State to receive approval for its State library plan was my own State of Wisconsin. In order for me to find out what position Wisconsin would be in as far as this program was concerned for 1958, I contacted the chairman of the Wisconsin Legislature's Joint Finance Committee. I wanted to ascertain whether or not Wisconsin was depending on this Federal money. I received a wire, which I have before me, that the finance committee was divided 6 to 6, on matching any new Federal money. Such a vote means that new State money for this program would not be approved. This same situation may exist in other States. For that reason the statements made by some on the floor of the House today that the amount in this bill or the amendment are not enough to match State appropriations could be in error. Certainly by the time this bill is considered by the other body our estimates as to the matching funds by the States will be much more of a certainty.

The mere approval of a State plan here in Washington does not necessarily mean that the State legislatures or local units of government will follow through and make appropriations available for the program called for in the State plan in fiscal year 1958.

I would like to further state that the State plans which the gentleman from West Virginia referred to do not require the approval of the State legislature in each of the 48 States but are merely a plan submitted to the Office of Education by the executive agencies of the several States. The State legislature acts through its various finance committees in each of our States, and it may be that this program is running into the same sort of difficulties in other States as seems to be indicated by the joint finance committee of the Wisconsin legislature in our State.

Sometimes here in Washington we get out of tune with the feelings of local units of government.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Kentucky.

Mr. PERKINS. The gentleman does not intend to tell the committee that 38 States will not submit plans and be able to match Federal money?

Mr. LAIRD. My statement was that it is impossible at this time to tell whether the State legislatures and local units of government in those 38 States will make available the funds called for in the State plans in fiscal year 1958. That was the only statement I made.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Indiana.

Mr. DENTON. The gentleman is aware that the estimate of the Department was that it would take $6,581,000 for this program.

Mr. LAIRD. Based on the State plans not on actual appropriations.

Mr. DENTON. Yes.

Mr. LAIRD. The Department could give no estimate as to the exact amount of funds which would be made available by the States for this particular work. Of course, it must be pointed out, too, that as this plan was brought before the Congress in the last session, by the Committee on Education and Labor, on the basis that it would increase State and local activities. These particular Federal funds would be matched by both the State and local governments through increased local appropriations. I believe the gentleman from Indiana agrees with me that at this time we cannot exactly estimate the amount of these new funds.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment. I am sorry that my good friend, the distinguished gentleman from California, offered this particular amendment. I do not know how his mail is running, but certainly I have been getting some rather extensive mail from the State of California, all very much opposed to any reduction in this particular appropriation; in fact, in most cases it has indicated a feeling that it should have been a larger appropriation. I, too, am concerned with every reduction that we can possibly make, but this seems again to me to be a case of overzealousness. I also just had an opportunity to look over the RECORD on the passage, on May 7 last year, of the Library Services Act. The gentleman from Illinois [Mr. VURSELL] was down here today and made a very strong plea against this, and I appreciate the statement of the gentleman from Illinois, but at the time this bill was under consideration—and I have just surveyed the record in the last half-hour—apparently the gentleman did not feel called upon at that time to oppose the legislation. I will say this for another gentleman from Illinois [Mr. MASON], he very vigorously opposed this legislation at the time, and certainly I admire the gentleman for being completely consistent today. But it seems to me that last year on May 7 would have been the time to have made sure that we would not have been faced with this particular appropriation simply by having killed the proposed legislation at the time. I do not find—and I may be wrong; I may have overlooked it—I do not find the name of my friend the gentleman from California [Mr. HIESTAND] in opposition on that day, either.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Illinois.

Mr. VURSELL. Does the gentleman have any idea from the past record of this Congress that this program, if it is given the funds that it asked for, has any possibility of being terminated at the end of 5 years?

Mr. SISK. Well, I realize, of course, I will say to the gentleman, that no Congress can bind a future Congress, and it may be that Congress at the end of this program or a Congress sometime in the future might feel called upon to continue the program. I just do not know. I know that it is a very popular program.

Mr. METCALF. Mr. Chairman, would the gentleman yield?

Mr. SISK. I yield to the gentleman from Montana.

Mr. METCALF. I served with the gentleman from Georgia [Mr. LANDRUM] and the gentlewoman from Oregon [Mrs. GREEN] on this subcommittee that studied this program. We felt that if we could build a fire for 5 years, and have $7½ million to do it, we would be able to end the program forever.

Mrs. Gray, of the National Parents and Teachers Association, came before the committee and she reminded us of the great work that Carnegie had done, going out into the local communities and providing libraries, turning them over to the local communities for their support.

This subcommittee, of which I was a member, came before this Congress and said, "If you will give us the $7½ million for the 5-year program, the program will be over and we will not come back and ask you for any more money. But if you deprive us of that, and starve this young program of the necessary money, the $7½ million, then who knows how long it will take to build the fire that we hope to build in the local communities."

Mr. SISK. I thank the gentleman from Montana. I should like to conclude my statement by saying that I hope we will vote down this particular amendment, because I think this is a vital program, it is a good program, and certainly the Congress as recently as only a year ago endorsed this program. It would be my hope that we would keep the program going and do everything we possibly can to improve the educational and the library facilities of our country.

Mr. HOFFMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this argument has brought up several questions which are of interest. While sitting here with my colleague from Michigan [Mr. KNOX], and he called my attention to the fact that throughout the debate on the bill we have many times been told that the Congress had authorized a program and therefore we would have to go along with whatever was in the budget, or approximately that. Told that because there was an authorized project by that action we became obligated to make appropriations sufficient to carry it on indefinitely, and also, from time to time expand it.

These programs grow. They put Topsy to shame when it comes to growing. Nor is referring to the tendency of the snowball to increase an apt illustration. An avalanche started by the passage of a bird is more accurate. This program was just recently adopted. We should keep in mind the statement that so often is made when there is an authorization before us. We are then told, we have

been told time and time again, when asked to support an authorization, that it is not an appropriation and does not in any way bind us. That passing an authorization does not mean we are committed to agree to an appropriation. Then when the appropriation bill comes to us we are confronted with the fact that we authorized the project. We are then told that we have by the authorization, made a promise, we must keep our word, not violate what we are told is a contract with the States. It makes the whole procedure a little confusing.

The Member of the House from the Fourth District of Michigan listened very carefully to the gentleman from North Carolina, the chairman of our Committee on Education and Labor [Mr. BARDEN]. I had no difficulty whatever in going along with everything the gentleman said except his conclusions. Throughout the years he has many times stated that he was in favor of the States exercising their rights as reserved to them by the Constitution. The gentleman does not wish control of State policies or acts by the Federal Government, that has been the position of many of us. But here today the gentleman is in support of this Federal Library program contribution by the Federal Government. I wonder if the distinguished gentleman, the chairman of the Committee on Education and Labor, who is doing such a remarkably fine job, holding the line for the States rights people, for constitutional government realizes what this item in this bill would do to that doctrine. The Federal Government puts its money into the program. Beyond question the Federal Government will exercise some control over the books and publications that will be circulated through that library, unless the gentleman goes along with those States which are now in effect saying and announcing publicly that they will not follow the recent Supreme Court decision on segregation.

If the Federal Government participates in this program, does anyone have any idea, can anyone say with any degree of assurance, what kind of books will be in that circulating library? No, no. The children in the South in those backwoods 30 miles from the city, way, way back down and along the country road, they will not be reading Uncle Tom's Cabin, they will be reading Huckleberry Finn or Tom Sawyer or Penrod or Seventeen, they will be reading those books rather than the publications put out by the leftwingers, by those writers who find it profitable to stir up discord and strife, if Washington has something to say about it and official Washington will have much to say. The gentleman's constituents, big and little, old and young, will be reading trouble-making trash. They will be reading something which preaches desegregation, which may be all right and which may be all wrong. But I just wonder if the distinguished chairman thought of that when he advocated the extension of this program.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Will you get me a half a minute, or 1 minute?

Mr. BARDEN. Yes, I will.

Mr. MASON. I will get you some time.

Mr. HOFFMAN. Well, I do not want to yield to the gentleman. I want to yield to the gentleman to whom I just referred. All right, now I will yield.

Mr. BARDEN. I just wanted to reply to the gentleman. You asked me if I had given thought to this bill.

Mr. HOFFMAN. Yes.

Mr. BARDEN. I certainly have given a lot of thought to this bill. If I thought for one moment that the Federal Government would have one thing in this world to do with the selection of the books, or that this program would be controlled by any other than where it is now being controlled, then I expect I would be in the same corner as the gentleman. I am States rights through and through, and I think the gentleman is fast joining me.

Mr. HOFFMAN. Joining you? I am with the gentleman on this issue. He has been a consistent and aggressive advocate of sound government and policy. Many things of value have I learned from the gentleman both in committee and in the House. It has been a pleasure and profitable in a legislative way to follow him on occasion.

Mr. MASON. Now will the gentleman yield? I want to ask unanimous consent to get the gentleman more time.

Mr. HOFFMAN. I cannot yield for that.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. I would like to ask unanimous consent that I may have about 3 minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair must admonish the gentleman that yesterday he made a point of order about Members referring to other Members in the second person. He has violated that rule today.

Mr. HOFFMAN. Wait a minute. I do not know whether the transcript will show that or not. It probably will. I tried each time to say "the distinguished gentleman from North Carolina," or "the distinguished chairman of the Committee on Education and Labor." If I ever say "you," I will welcome the suggestion of the Chair that I come to order. The rule has been violated at least 50 times today without any suggestion from the Chairman that I have heard that the rule be observed. Permit me to commend the Chairman for his vigilance and diligence on this occasion.

The CHAIRMAN. The gentleman will proceed in order.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield back the balance of my time.

Mr. Chairman, under permission previously granted to revise and extend my remarks, permit me to attempt to conclude at least a part of the argument which was in my mind when I arose to address the Committee.

As to other Members of the House, to me have come many letters, some requesting, some demanding, that I vote for the increased appropriation to carry on the library program. Usually, these letters have commended me for my economy record and have urgently requested, sometimes demanded, that the Congress reduce the budget.

Often the letters call attention to the huge public debt; to what the writers consider not only an exorbitant but a wasteful foreign-aid program; to the grievous tax burden which we have placed upon them.

It is obvious, as the President so well said at his last news conference, that there can be neither a reduction of the public debt nor a substantial cut in the budget nor a lessening of the tax burden if we are to continue many of the helpful and desirable programs which have been suggested either by the administration or by individual Members of Congress, but which are not necessary and which we cannot afford.

Listening to the debate on this bill during the last few days causes me to wonder how Washington, Franklin, and all the others who lived and distinguished themselves in those days were able to exist without the aid of the Departments of Labor, and Health, Education, and Welfare, and related agencies.

Yes, the Member from Michigan remembers that history tells us that, when Washington lost his teeth, all he was able to get to replace them were wooden substitutes. We recall that it is reported that, when he fell ill, the top physicians of those days bled him to death.

No one is suggesting that we, as a people or as individuals, make no effort to improve our situation, increase our advantages. On the other hand, in view of the record which has been made, it seems absurd to assume that we now cannot live, prosper, be happy, and contented, except as we grievously tax one segment of the population to support another.

Especially is this true when we know that, by so doing we actually hinder progress by taking away the incentive to work, practice thrift, so that the dollars we save can be used for expansion, new industries, the creation of more jobs.

To mind comes the example of Lincoln, who, we are told, at times lived miles from a school; who had but a half dozen books during his youth. He certainly had no electric light to aid him with his studies.

No one contends that we all are or can be Lincolns. But each of us can, if he so desires, get a worthwhile and sufficient education without any aid from the Federal Government.

Another angle of this program, one to which reference was previously made and called to the attention of the gentleman from North CAROLINA [Mr. BARDEN], was the kind and the quality of the books which it is almost certain will get into these libraries which, as he said, will be carried, through Federal aid, to the children who live on the back or side roads.

One of the very helpful acts of the good wife, with whom I have lived for more than 57 years, is to go to the Federal library each week, where she gets for me what are called "westerns."

Tired after a day's work on the floor and in the House; not enjoying golf,

cocktail parties, or social events, my recreation is in part at least the reading of the westerns. They replace to some extent Jay Fenimore Cooper's Last of the Mohicans, The Prairie, Oak Openings, The Spy—yes, several others.

Zane Grey's novels long provided me with pleasure and a drowsiness which let me drift off for a peaceful rest and recuperation.

Recently, however, on several occasions, when the good wife was asked as to which of the westerns she had obtained from the library I should first read, she has suggested that I skip certain books because, as she said, "You won't care to read them." Without asking, I know to what she refers—this for the reason that, over the last few years, many of these otherwise worthwhile westerns, on page after page, have carried obscene, profane, and suggestive words, sentences, and paragraphs.

As to the suggestive passages, there might be a difference of opinion, but for the dirty, obscene, vulgar and profane language, there is no excuse.

Yet these books are in the public library. They are available to the young, those in formative state of mind, as well as to the older people who have sense enough to lay them aside or to disregard their content.

Public-spirited citizens of Michigan, parents and others, who were alarmed at the spread of youthful delinquency, through the action of thoughtful legislators, obtained the enactment of a State statute barring what was considered to be profane or obscene publications.

Just recently, the United States Supreme Court declared our Michigan statute unconstitutional because it violated the first amendment guaranteeing a free press and free speech.

My memory is that one of the reasons was that, even though the publications might be unsuitable or even unfit for youth to read, because free speech was a constitutional guaranty, the rights of adults under the first amendment could not be infringed, even though the purpose was to protect the youth of the land.

On the same theory it might be said that some of our criminal statutes might restrain youth but could not restrict the freedom of the adult.

The Court which rendered the decision referred to is the same Court which held that a slight beating on the picket line was excusable because, in the words of one of the Justices:

> The right of free speech cannot be denied by drawing from a trivial rough incident or a moment of animal exuberance the conclusion that otherwise peaceful picketing has the taint of force. (*Milk Wagon Drivers Union* v. *Meadowmoor Dairies* (312 U. S. 299).)

It is the same Court, some may recall, which a few years ago held that an act passed by the Congress to outlaw racketeering applied only to racketeering by the Dillinger type of criminal—not to extortion which was an established union practice.

True, as some may argue, we should first consider the interests of our own people before extending aid aggregating billions to other nations. But the argument that we should leave the attempt to reduce Federal expenditures until after consideration of the bill extending foreign aid is beside the point.

We should cut the budget all along the line, until the total is within our ability to pay. In my judgment, the fact, if it be a fact, that foreign aid will be drastically cut is no reason for leaving larger than necessary amounts in our domestic programs or for going along with new programs, however desirable, while the tax burden is so grievous, the interest-bearing debt so large.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. DIXON. I yield.

Mr. FOGARTY. Mr. Chairman, in view of the agreement we entered into that the Committee would rise between 3 and 3:30, when we finish this amendment it will be our intention to do that. I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 5 minutes past 3, the last 2 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. DIXON. Mr. Chairman, we have been asked to think this library appropriation through very carefully. That is what I have been doing. I would like to offer my thinking briefly—and I will be brief.

In the First Utah Congressional District, there are 25 counties. That is the district I represent. Nineteen of those counties are in the drought area and rural people are in distress. The great State of Utah is owned to the extent of 72 percent by the Federal Government. Most of the Federal land is in these 25 counties. The people in these rural areas and throughout our whole State are making a greater effort than any State in the Union except two for education and for the enlightenment of their children. They have been trying for 4 or 5 terms of the State legislature to get help for their libraries, but the legislation has failed every time until now. The authorization bill we passed last year was just the help they needed. This month our legislature passed a measure providing $100,000 out of property taxes, which they can ill afford, to match Federal library funds which shows that they love their children more than they love things. The legislature appropriated that money and passed an act which enabled our State to benefit by this authorization bill of Congress.

I hope after they made this sacrifice we are not going to break faith with them by turning our backs on them. This bill has already been cut from $7,500,000 to $5 million and this amendment, which I oppose, would take it down to $3 million. It is too severe a cut. It is uneconomical economy.

Mr. Chairman, once in a while a story does not hurt so I will just tell a short story and then I will sit down.

I was raised in the adobe yard district where people are poor. During the depression, we had a neighbor who was very sick. We told him to go to a doctor. He told us he could not afford it. We raised a little money and demanded that he go to the doctor. The doctor put barium in his stomach and took X-ray pictures of his stomach. He called my neighbor in after a couple of days and said, "I have to restrict your diet." This neighbor of mine said, "No, Doctor, don't, please." "Yes," the doctor said, "you will die unless I restrict your diet." Well, this neighbor said, "O. K. All I get to eat now is suckers and watercress. Which are you going to take away from me?" Mr. Chairman, that is about the case with these children's book funds. I am not a bit afraid of enlightenment. There are all too many of our boys being rejected from the Army and from the military services because they have not had educational privileges. I think this cut of $2 million is uneconomical economy. I am against the amendment, and I am all for the recommendation of the committee.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. HIESTAND. May we interpret the gentleman's remarks to mean that he is in favor of the general principle of Federal aid to education?

Mr. DIXON. Absolutely. That is for school construction for the next 3 or 4 years.

Mr. HIESTAND. I just wanted to get the gentleman on record.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I just want to call the attention of the House to the fact that we have spent about as much time on this minor amendment—several million—as we spent on the entire foreign-aid bill last year carrying about $4 billion, or $4 thousand million. If we gave a like consideration to the foreign-aid bill when it comes before the House, you might effect considerable saving that would really reduce the budget.

I also want to remind you that a million dollars is a thousand thousand dollars; and a billion dollars is a thousand million dollars. If you want to effect a real dent in the budget when the foreign-aid bill comes on the floor carrying $4 billion, just cut it $2 thousand million and you will be making a real contribution. I hope you will spend as much time in the careful consideration of that bill as you are spending on this school-library program here.

A great many of my friends on my side of the aisle have voted consistently against foreign aid, but last year when President Eisenhower was running on a program of peace, progress, and prosperity, some of these same gentlemen who are now economy minded gave the program real support and voted for foreign aid programs they had never supported before. When we reach debate on the foreign-aid bill where you can do some real cutting, I am going to be watching the voting, and you are going to have that opportunity to be recorded. I am going to watch the position they take this time on the cuts in the foreign-

aid bill where real economies can be made.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. THOMPSON of New Jersey yielded his time to Mr. GAVIN.)

Mr. GAVIN. I want to call the attention of the House to these foreign-aid programs that I consistently opposed for 10 or more years unsuccessfully that I have made several official trips to Europe as a member of the Armed Services Committee, and I want to say, after observing conditions in Europe, that I can take you to places in some parts of my district the like of which I did not see anywhere in Europe. There economic recovery is about complete. When it comes to the rehabilitation of opera houses, the building of railroad stations, the building of highway projects, waterway projects, flood-control projects, and every conceivable project in other countries, many seem to go all out; in fact, foreign aid has now become a part of our annual budget so let us not get too wrought up over this library project.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Not at this point, as I have but a minute and a half.

Foreign aid, it would appear, is now part of our regular budget and is just as much considered as the Post Office Department, judiciary or agriculture or public works or any department of Government. It has become accepted as part of our budget. You accept it; not me. In fact, there is talk now about 10-year foreign-aid programs. Two billion off foreign aid would make a nice tax reduction for the American taxpayer.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. Does some generous Member want to yield me his time? No offers, so I can go no further.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield for a consent request?

Mr. GAVIN. I yield.

Mr. THOMPSON of New Jersey. Mr. Chairman, I ask unanimous consent to extend my remarks following those of the gentleman from Pennsylvania.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Chairman, as a sponsor of the Library Services Act, I was pleased to see that the House Appropriations Committee increased the appropriation for the Library Services Act by $2 million over the amount recommended in the budget. This important program, which came into being in 1956, has progressed splendidly in this first year of operation. I urge the membership to vote the $5 million, which was recommended by the committee for the Library Services Act grants to the States for rural library services.

The legislation became law last June 19 when the President affixed his signature to it. The fall was devoted to getting the program underway. Two people from each of the State library agencies attended 1 of 4 regional conferences held to acquaint these persons with the administration of the program, the legal interpretations of the new law, and the methods of submitting their State plan. The State agency personnel had an opportunity to see and discuss the tentative regulations. It was the early part of December before the regulations were published in the Federal Register, and it was almost the end of December before the States received the forms necessary in submitting their plan. In spite of this, there are already 38 State plans on file, including 2 territorial plans. Twenty-six of these have been approved and already have their State plan in operation. My own State was one of the first to have its plan approved.

You will recall that last year only $2,050,000 was appropriated for this program in the closing days of the session. This allowed each State only the basic amount of $40,000 for the current year. This year the President's budget recommended only $3 million, very little more than that appropriated last year. We all know that this recommended amount was made up last fall, before a single State plan had been approved. We know now that the States are ready for this program and should be given sufficient funds to do the job authorized by this law. I really feel the full amount of the authorization, $7,500,000, should be appropriated. However, in view of the economy drive, I will support the $5 million recommended in this bill.

The CHAIRMAN. The gentleman from South Dakota [Mr. MCGOVERN] is recognized.

Mrs. PFOST. Mr. Chairman, will the gentleman yield?

Mr. MCGOVERN. I yield.

Mrs. PFOST. I rise in opposition to the amendment, and I ask unanimous consent to revise and extend my remarks immediately following those of the gentleman from South Dakota.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mr. MCGOVERN. Mr. Chairman, I have been listening for the last 4 days to these attacks that have been made on what I regard as programs essential in the interest of human welfare, and I was about to conclude that economy is now the chief end of man. So it came as something of a surprise to me last night when I took a look at the Scriptures and discovered that neither in the Old Testament nor in the New Testament is the word "economy" mentioned a single time.

What I did find is that the chief virtues are summarized by the Apostle Paul as "faith, hope, and charity," and "the greatest of these," he said, is charity.

I know that the Members of Congress want to keep their politics consistent with their religion. Since there seems to be little chance of convincing some gentlemen that charity is still a virtue worth preserving, I am wondering if we should not revise the Scriptures to read: "Faith, hope, and economy, and the greatest of these is economy"?

Mrs. PFOST. Mr. Chairman, I rise in opposition to the amendment to cut $2 million from the appropriation to implement the Library Services Act.

I know what pressures have been applied to the committee to reduce the President's budget requests. I deeply appreciate the fact that in response to the pleas of many Members—including myself—the committee increased library funds from $3 million to $5 million. This was fine and courageous action. I hope the House will not nullify it by cutting the Library funds back to the low and inadequate figure in the budget request.

Mr. Chairman, we need the great benefits from the Library Services Act in Idaho—and we need them now. More than half of the population of my State has no library service at all.

Our State legislature, which has just adjourned, increased the budget of our State library board by 150 percent in anticipation of Federal assistance. Local organizations, such as the Jaycees and the State Federation of Women's Clubs, are standing by to conduct statewide drives to collect additional funds if they are needed.

Remarks of other Members today indicate that there is similar support for the program throughout the country. We must make the most of the people's enthusiasm and will to work by appropriating enough money to make the library services program a going concern.

A strong, robust library system is just as important as a strong highway system. Books are a vital force in molding the character of our young, and in giving mind-stretching opportunities to our adults. In this progressive and prosperous country of ours all people should have access to libraries—all people should know the joys and educational values of borrowing and reading good books.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I rise in support of the pending amendment. First of all I want to say, in response to the gentleman who has just spoken, that economy is charity on the part of the Government toward the taxpayers. That is the kind of charity I favor.

It seems to me that some of my good people back home have an impression—at least I am afraid they have—that in the last 3 or 4 days we have been cutting Government spending. Of course, that is a completely mistaken impression. The fact of the matter is that about all we have been doing is cutting some of the increases in the expenditures that are proposed in the budget. The best that we have done, with possibly 1 or 2 exceptions, is to hold the line back to the 1957 fiscal year budget. So we are not doing very much in the way of cutting actual expenditures.

Mr. Chairman, if we do not adopt the amendment that has been offered, so far as this particular instance is concerned, we will be increasing the current year's appropriation by 2½ times. If we adopt the amendment we will be cutting it back to $3 million which will still be a 50-percent increase over the current year's

budget. So we are still not doing any real saving.

What we have here is a perfect example of a good cause and a good program that is being brought under Federal subsidy and Federal expenditures where it does not belong, in my judgment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I want to call the attention of the Members of the House to the fact that on the floor of the House today we have been warned that this program is a program to apply force to the States, to build a fire under the States, to make the States do what Uncle Sam thinks they ought to do.

Let me also call attention to the fact that no one questions the essentiality of this library work. We are all agreed it is essential and we want it. The question simply is, Whose duty and whose responsibility is it to provide these essential services?

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I enjoyed the lecture on consistency given to us by the gentleman from South Dakota. I rise only to call his attention and the attention of some of my friends on the Democrat side that it was just a little over 2 weeks ago, on March 12 to be exact, that they put on a great battle and we heard many lectures about economy and the necessity of reducing the President's budget. They went on record specifically, and let me quote the very beginning of the resolution that was sponsored and promoted by the other side of the aisle:

> The House of Representatives must in the public ifterest make substantial reductions in the President's budget for the fiscal year 1958.

Please note the use of the word "must."

Now, may I remind my friends that all the amendment before the House attempts to do is to bring the amount to be appropriated for this function down to the amount recommended in the President's budget. The committee increased the budget amount by $2 million.

How are you going to reduce the budget by increasing items in it? Let us have some consistency. If we are going to say that the budget must be reduced, we better not be promoting and voting for increases in that budget.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, we have here, as I see it, a question of basic principle. I am very appreciative of the very fine and well expressed sentiments of the chairman of the Committee on Education and others who have espoused the cause of education, rural education. It is a wonderful idea, and all of the good work that is being done should be commended. But, the question is not for or against rural education; the question is Federal Government aid. If we wish to debate that issue, that is a big one and it is a very dangerous one. This, as I see it, is clearly a State responsibility. When it comes to Federal aid, we can make a record or two about the delusion of Federal aid. Is there anything sound about it, in any way, shape, or manner to tax everybody and then redistribute equally, as this provision does, $40,000 per State? Does that make sense? Is Federal aid fudamentally sound? There is your question. Now, as has been well said, this is a compromise. It allows a 50 percent increase from last year's appropriation and is all the Department asked for. I hope the amendment will carry.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, to me this is just one more Federal agency set up in a most ridiculous manner. What State in the United States is so bad off that it has to have a handout from the Federal Government of $40,000 or $50,000 or $60,000? The more times we create additional agencies—and they snowball and snowball and snowball—the more times we hurt education and make it worse and worse and worse and harder and harder and harder for the folks back home to do a job. Now, the situation that this creates, you are going to see if you go along with this thing, will snowball year after year. On top of that, it will encourage idealists to try to create another agency and set up another Federal department. It is about time that we began to show some sense and integrity in our approach to this problem.

Mr. Chairman, I hope that this amendment will be adopted and that we will save what we can in this picture.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, what we are trying to do in going $2 million over the Bureau of the Budget figure is to enlighten the minds of about 27 million people in this country living in rural areas who have no libraries at all and another 53 million that have inadequate services all over this country.

Now, where the local community or the State does not do anything about starting programs like this, I think it is reasonable to assume that the Federal Government should stimulate these projects. But, as the gentleman from New York just mentioned, this is not going to blossom out into any big program at all. The legislation calls for a 5-year program of $7.5 million a year, and that is all. It cannot go to $10 million or $15 million or $25 milion as it has been inferred here today by Members on the Republican side, unless you change the basic law.

In the closing days of the last session this authorization passed this House with a practically unanimous vote. There were not enough noes to ask for a division vote. That is how unanimous it was. And, you authorized the expenditure of $7.5 million and the Bureau of the Budget allowed $7.5 million for this fiscal year. When we went to conferences we cut it down to $2,050,000 on the basis that the legislation had just been enacted, and we gave the minimum amount to every State, which is a grant of $40,000, to stimulate these programs in the rural areas.

Now, what happened this year? After they asked for $7.5 million for 1957, the Department of Health, Education, and Welfare cut that down to $5 million for 1958, and the Bureau of the Budget then cut it down to $3 million. When we came to mark up this bill, after we were told of the plans already adopted by the States, that they could use about $6.5 million in 1958, we tried in subcommittee to get $6 million appropriated for this program, not 5. As a result of a compromise we have come to you today asking for $5 million when $6½ million can be spent efficiently and economically in 1958.

This is a program that will vastly benefit every State in the Nation, not just the large agricultural States. For instance, I have received a wire from my own State of Rhode Island that I include in the RECORD now.

> PROVIDENCE, R. I., *March 25, 1957.*
>
> Hon. JOHN E. FOGARTY,
> *United States Representatives, Congress, Washington, D. C.:*
>
> Your support of the Library Services Act most appreciated by librarians of Rhode Island. We hope that floor vote of the House will support recommendations of your committee.
>
> RHODE ISLAND LIBRARY ASSOCIATION,
> WALTER CURLEY.

I hope that this amendment is defeated.

Mr. BEAMER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BEAMER. Mr. Chairman, the consideration of H. R. 6287, the bill making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, presents a situation which should be called to the attention of the American public. The same situation will exist in all of the other agencies in the Federal Government and, as you know, there are many, many such agencies, commissions, and bureaus. In fact, the enormous size of the Federal bureaucracy is astounding to the folks back home and I believe that all of us find it very difficult to explain or even justify the size of some of these agencies.

Very recently one of the Washington newspapers carried a story indicating that if the proposed personnel increases provided in the present budget were approved then there would be an increase in the Federal civilian employment totalling 22,359 more people than are employed at the present time. Even at an average minimum salary of $5,000 per year, this is going to cost the taxpayers more than $100 million extra per year. The taxpayers rightfully ask the question—will we be getting our money's worth out of this added investment?

The civilian personnel changes by departments were listed as follows in this news article:

Personnel changes—civilian

Department	Increase	Decrease
Army	2,000	
Navy		1,848
Air Force		4,262
Justice	106	
Labor	846	
Post Office (4,886 field)	124	
Agriculture (1,844 field)	440	
Commerce (5,102 field)	928	
Health, Education, and Welfare (2,405 field)	1,293	
Interior (1,582 field)	278	
State (320 field)	998	
Treasury (1606 field)	1,329	
Veterans' Administration (2,120 field)		237
General Services Administration (1,113 field)	853	
Housing and Home Finance (−188 field)	27	
Library of Congress	65	
Total (increase in field 20,800)	+7,906	−6,347

In this list there are several interesting questions that can be raised. For example, if the Navy and Air Force can reduce their civilian personnel, why is it necessary for the Army to increase theirs by 2,000? Even with a large decrease in civilian personnel employment in December 1956, the total number of civilian employees at the end of the last calendar year came to a total of 2,389,792. All of this has happened in the face of the fact that many people have been expressing concern about an ever-growing Federal bureaucracy.

These remarks are not in any sense to be construed that the agencies for which they work are not doing good work. On the contrary, all of these agencies have much of merit and the public is proud of some of their accomplishments. However, the question must be raised and is being raised in the minds of the public, and I hope in the minds of the legislators, How much of this can we afford? The second question that is equally important is whether or not the Federal bureaucracy has grown so large that it is assuming the authority that rightfully belongs to the Congress. It seems very much like the tail is wagging the dog. Is it not time that the Congress assert its authority and designate to the various agencies the limits in which they may operate due to financial limitations within their own Government and their own people?

I say financial limitations advisedly because too often too many people think the United States is a wealthy Nation. God has been good to us but we should not dissipate all of His gratuities in wasteful spending.

For example, the March 1 Economic Council letter lists the United States indebtedness as $280,800,000,000. It also lists 26 other great nations of the world and their total indebtedness is estimated at $152,580,000,000. Thus, the Federal debt of the United States is nearly twice as great as the debt of the other 26 countries combined.

This same newsletter also offers additional interesting research. For example, the present proposed budget of the United States is $71,800,000,000. For 32 other countries of the world, from which information is available, the total budgets or expenditures approved total $59,802,000,000. Thus, the proposed United States budget is 17 percent greater than the combined spending of the other 32 countries. No figure is given or is available for the spending of Soviet Russia. An estimate is said to be in the neighborhood of $42 billion per year.

This raises the often repeated question: "How big is your Government?"

If the Members will look carefully at the committee report that accompanies H. R. 6287, on practically every page and in nearly every section, there is a recommended increase in personnel. It is very true that some of this was authorized by previous legislation and that should be a warning to the Members of Congress that they should take a hard look at any legislation that would increase costs to the taxpayers in any manner. Many of these increases are justified and should be passed, but is it not equally true that the present staffs can function adequately in the performance of the necessary duties and the necessary functions of Government.

I serve on a House committee which is charged with the responsibility and jurisdiction of legislation pertaining to many of these Federal agencies. Frankly, we are confronted consistently with the problem, or apparent necessity, of legislating specific instructions in order that these agencies will not overstep their authority. If a system continues wherein agencies tell the Congress what to do, then do you not think it is time that the Congress assume its prerogatives and contain this ever-increasing bureaucracy in order that it will function for the good of the people throughout the country rather than for the members of that bureaucracy? Let us approve a sound budget instead of a luxury budget.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. HIESTAND].

(The question was taken; and on a division (demanded by Mr. HIESTAND) there were—ayes 71, noes 94.

So the amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all Members have permission to extend their remarks on the amendment just voted on at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. EVINS. Mr. Chairman, we are all interested in economy—sound and proper economy—but in this instance, I feel that our friend, in proposing this cut, is going too far in requesting cuts against the children of this Nation.

As we all know, the Congress has authorized the sum of $7½ million annually to carry forward the rural library program. Last year only $40,000 was provided for each of the 48 States for use on a matching fund basis for this purpose. The committee felt that an amendment to cut this program was unwise and in the long run would represent false economy so, therefore, the committee very wisely, in my judgment, approved $5 million for this program for the next year. This is a reduction of $2½ million for the full amount authorized.

I looked into the matter of the amount of funds provided for library programs for other agencies and other purposes. The United States Information Agency received an appropriation of $3 million last year to operate and supply library services overseas. This year this Agency is asking $3,800,000 for library programs maintained overseas by the United States Information Agency—an increase of $800,000 for this purpose.

In this same category, the Atomic Energy Commission is providing grants of atomic information and technical libraries to 40 nations. I was somewhat startled by the statement of Chairman Strauss of the AEC. He indicated that this Commission had granted, given and provided libraries of atomic information to 40 nations. The Congress appropriated $77,500 for the AEC budget for last year. Fiscal 1958 calls for $97,000 for overseas library programs.

My point is this, Mr. Chairman, if we can appropriate millions of dollars to finance the overseas library programs of the United States Information Agency and the Atomic Energy Commission—if we can afford to make grants of complete libraries to other nations then most certainly we should be able to provide assistance to the States on a matching fund basis for libraries of the children in areas where educational aids are greatly needed. The public library services program is designed to bring books and libraries to children in our rural families where citizens are without library facilities enjoyed by our citizens in cities and metropolitan areas.

One further word on this amendment, Mr. Chairman, I have noted with interest the Department of Agriculture during last year expended $24 million on the Bang's disease problem to protect livestock and cattle in this Nation. The budget for the Department for 1958 calls for the expenditure of the same amount. Are we neglecting the children of this Nation while looking after the cattle?

I believe the amendment of the gentleman from California should be voted down. This item will not upset the budget or materially affect the continuing economy program.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment. I rise in defense of the rural library services program. Coming from one of the largest rural districts in the United States, I know what this program means to the people of the little towns, the crossroads, and the farms of this country.

This is essentially a program for children, for underprivileged children, those who have been deprived of the sustenance of the minds—books.

Last year Congress in its wisdom passed the bill making it possible to bring mobile library services to those vast sections of

the rural population that had heretofore not had access to library books. This is a program in which the various States participate. It is carried out on the local level. It is meeting with an enthusiastic response among the people of the country. We have promised this help. We have a real obligation to uphold our part of the bargain by providing the funds in this bill to cover our share of the costs.

It has been my observation that the children of the rural areas, with less distractions and less social pressures, are in the greatest need of books. What new worlds will be opened up to the thousands of children in my own district by the books that this program will bring to them? How can we measure in dollars the insight, the inspiration, the ideals that one good book will bring to a knowledge-hungry child? What better cure for juvenile delinquency? What better antidote to mental disease than a diet of good books?

This program is sound. It is practical. It will bring books to those who want and need them.

Mr. Chairman, I urge the overwhelming defeat of this amendment which would so seriously cripple the rural library program.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. On Monday we have the Consent Calendar.

Then there are four suspensions.

H. R. 3819, to provide representation on the Judicial Conference of the United States.

H. R. 76, increased compensation to veterans for service-connected disabilities.

H. R. 71, pension payments banned to certain prisoners.

H. R. 53, the Veterans' Benefits Act of 1957.

Mr. MARTIN. Do I correctly understand that all four of these bills passed the last Congress?

Mr. McCORMACK. That is my understanding. The gentleman refers to the veterans' bills?

Mr. MARTIN. Yes.

Mr. McCORMACK. I am confident two of them did. I think 3 of them did, but I am pretty sure that 2 of them did.

Thereafter there will be the continuation under the 5-minute rule of the consideration of the appropriation bill relating to the Labor and Health, Education, and Welfare Departments. It is understood that if there are any rollcalls on Monday they will go over until Tuesday. The leadership on both sides has made an agreement to this effect.

If the consideration of the Labor, and Health, Education, and Welfare Departments appropriation bill under the 5-minute rule is not completed on Monday, it will continue on Tuesday.

On Tuesday and for the remainder of the week, after the disposition of that appropriation bill, the next order of business will be the District of Columbia appropriation bill for the next fiscal year, H. R. 6500, and also the following bills:

H. R. 2146, the Small Reclamation Projects Act of 1956.

H. R. 4136, the extension of the Export-Import Bank Act.

H. R. 5538, relating to withdrawals of certain military public lands.

I make the usual reservation that conference reports may be brought up at any time. Any further program will be announced later.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mrs. ROGERS of Massachusetts. Did the gentleman say he did not recall whether or not the increase in compensation for veterans with service-connected disabilities was passed last year?

Mr. McCORMACK. The gentleman from Massachusetts [Mr. MARTIN] asked me if the bills out of the Committee on Veterans' Affairs had not passed the House last year. I said I thought so, and I was sure at least 2 of them, maybe 3 of them, had passed. Can the gentlewoman give us any information as to that?

Mrs. ROGERS of Massachusetts. Yes. The compensation bill passed but the other body failed to act, unfortunately. I am glad the compensation bill will be considered on Monday, because it will go through without a dissenting voice, I know. I hope this year everybody will try to persuade the other body to act.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO EXTEND REMARKS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill under consideration today in Committee of the Whole be permitted to revise and extend their remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

"IF I WERE IKE" CONTEST

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, several days ago the Indianapolis Times, the Scripps-Howard newspaper in my district, instituted an "If I Were Ike" contest in which readers were urged to send in their ideas as to how they would cut the Federal budget were they in the White House.

The results of the contest were printed in the Indianapolis Times of Wednesday, March 27. Under unanimous consent previously granted, I am including the article announcing the winners in today's RECORD.

According to the editors, there are five major suggestions in which many of the entrants are in substantial agreement. The first is that the Government follow the recommendations of the Hoover Commission. The second is that foreign aid be cut. The third is that Government be taken out of competition with private enterprise. The fourth is that Federal grants to States be eliminated. The fifth is that postal rates be raised.

The editors noted, interestingly enough, that half of the hundreds of entries came from readers in the smaller towns of Marion County, outside Indianapolis. The editorial board which chose the winners noted that many of them were written with considerable attention to the necessity of impressing the Congress as well as the Eisenhower administration with the grassroots movement to stop waste, plug leaks, and demand improved performance from Federal employees. Some suggested removal of the farm subsidy, elimination of social security, the sale of TVA and a Federal freeze on wages and taxes. A percentage cut across the board in all agencies was also suggested.

The first-prize winner of the contest was Mr. Donald J. Bugbee, of 6449 West Jackson Street, Indianapolis, Ind., who was awarded $50. Because I have just checked my card files and find that Mr. Bugbee has never written my office in the 6 years I have been in Washington, I would like to take a few minutes to present his letter of suggestions as being somewhat typical of the mail I am receiving from many of my constituents who are writing me for the first time as they become disturbed with the growth of the budget this year.

If I were Ike—

Mr. Bugbee writes—

to reduce the Federal budget, I would recommend appropriations for only essential governmental functions which cannot be performed by the individual States.

This position is essentially a restatement of President Eisenhower's position in 1952 when he said:

To bring government closer to the people we will set up these principles and adhere to them: That no Federal project, large or small, will be undertaken which the people can effectively do or be helped to do for themselves; that no Federal project will be undertaken which private enterprise can effectively undertake; that no project and no program will be started on the Federal level which can be undertaken and effectively carried through on the State or local level.

I assume that Mr. Bugbee would agree that national defense, foreign trade, immigration, the coinage of money, the establishment and operation of the postal system, and the system of Federal Courts are obviously essential Government functions which cannot be performed by the individual States. There are other equally obvious functions performed by State, county, township, or municipal governments which no one has ever advocated that the Federal Government take over. The problem area lies between the two extremes. It would certainly have been much easier for those of us in Congress if the budgets submitted to us in the 6 years I have been in the House had been made up of only items which enabled the Federal Government to perform essential functions which other echelons of government could not effectively undertake.

Mr. Bugbee's second point is to eliminate the unsound, costly matching aid programs. This would eliminate Federal grants for agricultural research, cooperative agricultural extension work, agricultural marketing services, donations of surplus agricultural commodities, resident instruction at land-grant colleges, airport construction, highways, civil defense equipment and supplies, natural disaster relief, school lunches, school construction in federally affected areas, school operation and maintenance in federally affected areas, vocational education, public health services, construction of health facilities, crippled children's services, maternal and child health services; public assistance, child welfare services, vocational rehabilitation, employment security, low-rent public housing, slum clearance and urban renewal, fish and wildlife restoration and management, and State and private forestry cooperation.

Mr. Bugbee's third point reiterates to a certain extent the point he has made in connection with certain grants in aid when he says, eliminate Federal participation in school and housing programs. It would, however, go further to eliminate the Federal Housing Agency, the Office of Education, and so forth.

Mr. Bugbee's fourth point is to curtail Federal health and welfare programs to those essential to aid States in case of emergency. Besides the matching aid program above, this would reduce expenditures for the Public Health Service, the Foreign Quarantine Service, Indian health activities and the National Institute of Health including the National Cancer Institute, mental health activities, the National Heart Institute, and the Gorgas Memorial Laboratory, among many others.

Mr. Bugbee's fifth point is to curtail foreign aid to that necessary for humanitarian reasons. I assume that this would result in our stressing point 4 technical assistance and eliminating all economic aid except in disaster areas. Military aid would not qualify under this provision.

Mr. Bugbee's sixth point is to consolidate Government department and bureau functions to avoid duplication and waste. Certainly the Hoover Commission and the Kestnbaum Commission reports point out step by step the way to economy in this direction—the easiest economy of all, it seems to me.

Mr. Bugbee's seventh and last point is to "sell Government installations that are in direct competition with private business." I am mailing Mr. Bugbee a copy of the bill I have introduced as a result of research carried on by the Citizen's Committee for the Hoover Report which spells out a Federal policy of eliminating Government competition with private enterprise to the greatest practicable extent. Certainly this area offers great opportunity to reclaim billions of the taxpayers' dollars now invested unnecessarily in plants, installations, and equipment which perform services and supply goods in direct competition with our vital civil economy.

Mr. Bugbee has given President Eisenhower and the Congress a large order. At a time when scarcely a day passes that some new activity is not proposed for the Federal Government, it is stimulating to hear from a man who is willing to eliminate whole areas of Federal help to depend on the government of his State and his city to take care of these problems. I wish our city officials always shared his concern, for just today, an offer of the Federal Government to turn a large housing project over to the city was refused on the basis that the Federal Government, under existing law, had no alternative but to continue to operate the facility.

I congratulate Mr. Walter Leckrone and Mr. Boyd Stephens of the Indianapolis Times on this contest. I congratulate Donald J. Bugbee on his victory and on the directness of his approach to Federal economy.

To date I have received over 600 thoughtful letters on the budget and in the interest of economy. These writers have been patient, constructive, and thoughtful. When an informed citizenry is aroused, it is the obligation of the Congress to listen.

RELIEF OF THE PLYWOOD INDUSTRY

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a bill for relief of the plywood industry.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Speaker, today I am introducing a bill designed to give a minimum measure of relief to an American industry which is in serious trouble. Its present plight results from tariff concessions and agreements introduced by, promoted by, and secured with the connivance of our Department of State. The industry is confronted with problems not of their own making, but which have been created by the do-gooders mishandling our foreign policy. Their primary concern evidently is not the welfare of our beloved country, but that of foreign nations—and the latest sacrifice to foreign industries is the American plywood manufacturer.

Many industries in this country have suffered drastically under their free-trade policies over the past several years. I realize this is but another in a long line, which includes the watch industry, the hat industry, the pottery industry, textiles, bicycles, and many others.

Mr. Speaker, how much longer can we, the Members of the Congress, stand idly by and watch the destruction of one American industry after another? This can only lead to the breakdown of our whole economic system. The bill I am introducing is similar to others already introduced. I realize the difficulties of legislating on a subject such as this, but it is high time the Congress assume its duty and responsibility so clearly spelled out in the Constitution "to regulate commerce and to fix tariffs."

The Members of this body are no doubt familiar with what is happening in the plywood industry, but I am not sure that they fully realize how bad the situation is in this industry. Japanese imports have increased 412 percent in 5 years. We now import from that country almost one-half of what our entire production was 6 years ago. At the same time, while Japanese production has increased over 400 percent, American production is the same as it was in 1951.

The keystone of the American economy is the farmer and the small-business man. Big industry can take care of itself. If big steel, oil, or automobiles were confronted with the same trade situation as confronts the plywood industry, legislation would be enacted speedily. But here we are presented with a creeping paralysis of the small producer—the very foundation of the American economy. Approximately one-fifth of all the producers of hardwood plywood have either gone out of business or drastically cut down. There are several producers in my own district. During the last year 1 of them, employing more than 200, shut down indefinitely. All the others have drastically cut back production.

The effect on the farmer is serious and direct. Farmers in my State as well as in the rest of the country are desperately trying to hold their heads above water. Farmers have found it possible to market their timber through these plywood manufacturers. They have found productive work there during their normal off season. The plywood industry is closely related to the farmer throughout the country. Situations similar to the one in North Carolina are to be found in the Far West and in the Midwest.

But now let me tell you another way this free-trading business is being used

to whipsaw and harass American producers. Several days ago I received a notice from the Department of State announcing a hearing to consider a list of articles imported into the United States on which compensatory tariff reductions might be made so as to offset a slight correction of a bad situation confronting the linen toweling industry. The industries listed are innocent bystanders. They are about to be sacrificed to correct an error in judgment made at the time the tariffs on linen toweling were set. All of this is brought about by tariff agreements entered into by this country and results from the invoking of the escape clauses. So now we find ourselves in the ridiculous situation of sacrificing possibly half a dozen or more unrelated industries in order to attempt to save one industry which has already been sacrificed.

We are just going around and around in circles. The American businessman is being bargained away over an international poker table by ivory-towered, striped-pants do-gooders, so-called diplomats. It is amazing to me that this Congress continues to allow such a situation. This cannot go on much longer before we will be called upon by our constituents for a full accounting.

Mr. Speaker, with all the sincerity I possess, I beg the Congress to stand up and resume its responsibility under the Constitution for regulating tariffs and trade. If we do not, I fear the worst.

THE LATE HAROLD HAGEN

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I join with my colleagues in their eulogies towards our former colleague, the Honorable Harold Hagen of the State of Minnesota.

It has been my privilege to know Harold, as he is affectionately known to us, for many years. We had adjoining offices and for the last few years we have been in adjoining apartments. Harold Hagen was a hard worker. He gave his life to the principles which he believed to be right. He championed the causes of the average man and I am sure that he will hear the words from the Great Architect of the universe, "Well done."

Mrs. McGregor joins with me in extending our sincere sympathy to Mrs. Hagen, their son and their daughter. They are a fine American family.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a resolution by the California State Bar Association.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I have recently received a resolution of the California State Bar Association condemning the tactics of a subcommittee of the Committee on Un-American Activities at a recent public hearing held in Los Angeles, Calif., to investigate opposition to the McCarran-Walter Immigration Act.

The character of these charges, which relate to the mistreatment and ridiculing of the attorneys for witnesses present, is so grave that I am sincerely considering introducing a resolution to amend the rules of the House to transfer the functions of the Committee on Un-American Activities to the Committee on the Judiciary.

It is essential that Congressional committees be in the forefront of those who would preserve all those guaranties of individual liberty and guards against Government tyranny that are written in the Constitution. The right to counsel is one of the most important of these rights.

Mr. Speaker, at this point I include the resolution of the State bar of California, adopted by its board of governors on March 15, 1957:

Through press reports and communications from several members of the bar the attention of the board of governors of the State Bar of California has been called to incidents occurring at a recent public hearing in Los Angeles, Calif., of a subcommittee of the Committee on Un-American Activities, the House of Representatives, United States Congress. The board has reviewed a reporter's transcript of that hearing and has heard a tape recording of the proceedings. The announced purpose of the hearing was to investigate opposition to the McCarran-Walter Immigration Act.

From the transcript and recording, the following facts appear:

1. Several witnesses were interrogated by the committee's counsel as to whether they were or ever had been members of the Communist Party.

2. Each of the witnesses was represented by counsel.

3. Counsel appearing for the witnesses were not permitted to address the committee or to make objections to the manner in which the proceeding was being conducted; but counsel were repeatedly told that "their solo and exclusive right was to advise their clients."

4. Several witnesses were asked if they knew as a Communist one of the lawyers appearing. That lawyer, apparently, was not one of the witnesses whom the committee intended to call and interrogate.

5. The interrogation of one witness was interrupted so as to permit the hearing of the testimony of an undercover member of the Communist Party. This undercover member, in response to a question put by the committee's counsel calling for such an answer, testified that she knew one of the attorneys appearing for another witness as a Communist. Thereafter the attorney so identified was referred by the committee's counsel as "comrade."

6. Counsel who insisted on making an objection for the record were ejected from the hearing room.

7. Counsel appearing for the witnesses were insistent upon their position and upon their right to make appropriate objections. They were not, however, disrespectful, unruly or boisterous.

This board has heretofore affirmed that the right of a person to counsel requires public acceptance of the correlative right of a lawyer to represent and defend, in accordance with the standards of ethics of the bar, any client without having imputed to him his client's reputation, views or character. A similar affirmation has been made by the American Bar Association.

The right to be represented by counsel necessarily involves freedom of choice on the part of the client. Conduct on the part of any tribunal before whom a lawyer is entitled or permitted to appear, which attacks a lawyer's reputation or otherwise subjects him to obnoxious personal consequences, inevitably deters lawyers from accepting employment to appear before such tribunals. Thus the right to independent counsel of the client's own choice is seriously impaired.

It is the duty of every lawyer, to the faithful discharge of which he takes an oath, to abstain from all offensive personality.

In the opinion of the board of governors the proceedings of the committee and the conduct of the committee's counsel, to which reference is made above, were improper and lacking in the dignity and impartiality which should govern the conduct of agencies of the United States; they resulted in grossly offensive personality directed at counsel for witnesses; and they were of such a character as to pose a threat to the right to appear by counsel and to the proper independence of the bar: It is, therefore,

Resolved, That copies of this statement be transmitted to the Speaker of the House of Representatives of the United States; to the chairman and the counsel of the House Committee on Un-American Activities; and to each Congressman and Senator from the State of California; it is further

Resolved, That a copy of this statement be transmitted to the president of the American Bar Association with the request that the matter be appropriately considered by that association with the end in view of formulating proposals to the Congress for a system of committee procedure which will adequately protect the rights of witnesses and of counsel appearing for witnesses.

I hereby certify that the foregoing is a full, true, and correct copy of statement unanimously adopted by the board of governors of the State bar of California, 13 members then being present, on March 15, 1957.

JACK A. HAYES,
Secretary, State Bar of California.

Mr. WALTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, April 1, 1957.

Mr. JACK A. HAYES,
Secretary, the State Bar of California,
San Francisco, Calif.

DEAR MR. HAYES: I have your letter of March 25, 1957, concerning a hearing conducted by a subcommittee of the Committee on Un-American Activities at Los Angeles.

In stating your criticism of the manner in which the hearing was conducted, you overlook the fact that the hearing was not a trial. Every witness and his counsel are familiar with the rules of the committee. These rules are the rules governing the conduct of Congressional committees.

In view of the fact that you have seen fit to go into the subject of the conduct of Congressional investigations, I respectfully suggest that you give consideration to the advisability of disqualifying members of the bar who are also Communists from appearing as counsel for witnesses. Frequently these Communist lawyers prevail upon witnesses, who otherwise cooperate with our committee, to invoke the fifth amendment.

Incidentally, it is difficult for me to understand how you could have made an objective study of the hearings in Los Angeles without observing the insolent, contemptuous and reprehensible conduct of counsel, both while their clients were testifying and while waiting to be called. It is unfortunate that you did not get a full picture of what occurred before making your statement criticizing the subcommittee.

Very truly yours,
FRANCIS E. WALTER, *Chairman.*

MONOPOLY IN THE AUTO INDUSTRY

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, the rumors that the American Motors Corp., as a result of a business reorganization program, may either sell or discontinue the production of its three lines of automobiles have aroused considerable amount of concern in the city of Milwaukee and in the State of Wisconsin.

The implications of such a change in the auto industry are very serious, and I hope that nothing of the sort will occur. The production of Nash, Hudson, and Rambler automobiles is vitally important to thousands of wage earners in Wisconsin. In addition, it is perhaps equally important to the American buyers of automobiles as a whole.

The discontinuance—or the taking over by other concerns—of these lines, if it were allowed to occur, would certainly reduce the degree of competition prevailing currently in the auto industry. This could seriously affect future prices, styles, quantity and quality of automobiles on the market.

I am hopeful that the production of Nash, Hudson, and Rambler automobiles will be continued, and that these operations of the American Motors Corp. will expand and enjoy increasing success.

At the same time, I want to express my hope that the able and distinguished chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER], will take immediate action if we should receive any definite indication that the production of these automobiles may be terminated or taken over by one of the three big automobile manufacturers.

Such a change, if it were to come about, would certainly appear to violate the spirit and the letter of our antitrust laws. It would lead to a further reduction of competition in an industry in which, according to last year's Congressional study, the entrance is virtually closed to new firms and the continued existence of independents is rather precarious. It could, in short, create a strongly monopolistic situation which would be contrary to the best interests of our people.

AMENDMENT OF LABOR-MANAGEMENT RELATIONS ACT OF 1947

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a bill and a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, yesterday's United Press wire service carried the statement that Mr. David Beck, on his way home, stated that the Senate committee hearings in which he had just appeared as a witness were "strictly a one-way street, with members asking all the questions and no chance for rebuttal or cross-examination."

Mr. Beck was called to explain the meaning of the records of the organization of which he was president, and of which he was presumed to have knowledge. Almost invariably when asked for his version of a transaction appearing in his own records, Mr. Beck replied that any answer he made might show he was guilty of a criminal offense. The record fails to show that at any point he was refused an opportunity to make any explanation or statement that he might desire.

Mr. Beck had an opportunity—nationwide—and without cost to him or the union—to give his side of the story.

The record does disclose a one-way street, but it was made such by Beck's refusal to travel it. Beck was at liberty at any time, when asked for what purpose a sum of money was withdrawn from the union treasury, to give a full and complete explanation. He voluntarily decided he did not want to give his explanation of what had happened and was called to his attention by refusing to talk.

Beck further is quoted as stating that "if the public is interested" in his side of the matter, "it will get it." And he announced that the union would appropriate $1 million to open a publicity and public-relations bureau in Washington to "tell the true story to our members and to the Nation."

Such a use of union funds could not possibly be in the sole interests of the union. It would be but an attempt to use the dues and assessments of union members to protect Mr. Beck from public criticism, which he might have met and refuted at the committee hearings—if refutation were possible—where he had the advantage of a nationwide radio and television audience.

Whatever may be the truth of the charges, direct or indirect, made against Mr. Beck when he appeared before the committee or at any time carried in the press, without expense to him or his union, he had an opportunity to give to his union members and to the people of the Nation a full and complete answer. It would be not only unauthorized but a waste of union funds which, in fact and in truth, belong to the members of the union, to spend them now for Mr. Beck's personal vindication—if that be what he thinks he needs.

To prevent that misuse of funds, that is, to close the door before the horse is stolen, a bill was introduced yesterday to make it an offense to use such funds in defense of a union official who is personally charged with wrongdoing until a majority of the members have authorized such expenditure, or the act complained of was one falling within the scope of the official's duty.

Whatever may be said of the charges which have been made against Mr. Beck, yesterday's answer to the press is a confession that he is playing the baby act, crying for sympathy. If he was any part of the man he claims to be—a rough and tough, courageous fighter—he would have made his explanation before the committee, where no restrictions whatever were placed upon his use of the first amendment, which guarantees him the right of free speech, nor, for that matter, his appeal to protection under the fifth amendment, which gave him the privilege of refusing to give testimony which might show he was guilty of criminal misconduct.

The bill introduced yesterday is as follows:

H. R. 6475

A bill to amend the Labor Management Relations Act, 1947, to prohibit labor organizations from paying, without authority from the members, the legal fees of officers accused of illegal acts allegedly committed otherwise than in the performance of their duties

Be it enacted, etc., That subsection (f) of section 302 of the Labor Management Relations Act, 1947 (29 U. S. C. 186), is amended to read as follows:

"(f) It shall be unlawful for any labor organization which represents employees in an industry affecting commerce as defined in this act to pay, or to assume the obligation to pay, all or any part of the legal fees or charges incurred by an officer or member of such labor organization in defending himself against an accusation that he has violated a law of the United States, of State, or of a political subdivision of a State, except where—

"(1) the accusation involves actions taken in the performance, and within the scope, of his duties as an officer or member of the labor organization, or

"(2) the labor organization is authorized by the majority vote of its members to pay, or to assume the obligation to pay, such fees or charges."

The newspaper statement is as follows:

CHICAGO.—Dave Beck said his teamsters union will open a million-dollar press-agent bureau at Washington to tell "the true story."

Beck, en route to Seattle from Washington where he spent 2 days testifying before the Senate Rackets Committee, was interviewed by newsmen at Midway Airport.

The belligerent boss of the million-member teamsters union said the committee hearing was "strictly a one-way street, with members asking all the questions and no chance for rebuttal or cross-examination.

"The union will appropriate $1 million to open a publicity and public relations bureau at Washington," Beck said, "to tell the true story to our members and to the Nation."

"If the public is interested" in Beck's side of the matter, he said, "they'll get it."

Asked whether he would resign as president of the teamsters, in view of his testimony before the committee, Beck demanded, "Why should I?"

He said he has received about 50,000 letters and telegrams from various individuals, "All on my side."

Beck declined to comment on tomorrow's meeting of the AFL–CIO executive committee, called to consider what action to take against him. The comment, the usually

voluble Beck said, would be made after the meeting.

Questioned about the money which went to him from the teamsters treasury, Beck insisted that all "loans" had been authorized by the organization. He modified this later to say the loans were authorized by "individuals in the union—those in charge."

At any rate, he said, "I made a fine profit on my investments and paid back all loans, always."

"Without a question, I'll come out of this with a clean slate," he said.

SEVENTY-FIFTH ANNIVERSARY OF THE FOUNDING OF THE KNIGHTS OF COLUMBUS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, on Sunday morning, March 31, in my neighboring State of Connecticut, tribute will be paid to the founder of that great order of Catholic men, the Knights of Columbus.

Seventy-five years ago next Sunday, an humble priest, Rev. Father Michael J. McGivney, with a small group of his fellow parishioners in New Haven, Conn., laid the groundwork for a society which has grown into a charitable and civic organization numbering over a million and spreading its influence throughout the United States, Canada, Mexico, Cuba, Puerto Rico, and the Philippines.

Dedicated in its original expressed purposes to charity and civic betterment, the Knights of Columbus today presents a militant front against the insidious and encircling forces of communism. The title "Knight" has taken on a singular propriety and timeliness in this era when the members upon whom it has been conferred are fighting valiantly against the encroachment of totalitarian and atheistic doctrines aimed to destroy democratic ideals, godliness, and the very morality and ethical structure upon which our civilization is based. The Knights of Columbus stand among the forward guards of our liberties to resist and defeat the attempted pressures of Communist philosophy which, with false though plausible arguments, would attempt to deprive free men of soul, faith, conscience, and liberty.

In the practical implementation of its stand against communism, the Knights of Columbus have engaged in a large number and wide variety of useful activities. It maintains a corps of lecturers and has prepared and presented more than 20 transcribed radio programs from more than 700 radio stations explaining the foundation and ideals of our democratic Nation.

Father McGivney, 75 years ago, did not conceive of the vast possibilities and the future growth of the institution which he founded. Like so many innovators, he was motivated by immediate necessities—his own poverty, the humble station of his parishioners and the gloomy economic outlook which they faced. He wanted to do something which would relieve the grinding necessities of family life, and to provide for mutual assistance and particularly insurance for the future.

However, as is the case of so many who have been nobly and unselfishly inspired, the good seed which he planted has flowered beyond his most optimistic expectations.

The Knights of Columbus, now celebrating its diamond jubilee, has not only attracted a vast membership of religious and high-minded men but maintains more than $650 million worth of insurance for its members and has paid much more than $100 million to them and their beneficiaries. Every local council of the Knights of Columbus participates in a helpful way in civic activities, social welfare, education, and patriotic endeavors.

The Knights of Columbus maintains a chair of American history and a number of graduate scholarships at Catholic University here in Washington. It has established a million-dollar fund for the education of sons and daughters of members who were killed or disabled in the military service of their country.

And the record of the Knights of Columbus in times of war has been one of outstanding contribution to the betterment of the condition of our soldiers.

As far back as our action on the Mexican border in 1916, the Knights of Columbus set up 16 clubhouses from the Gulf of Mexico to the Gulf of California where clean amusement and healthful recreation were provided under the direction of secretaries for men of all faiths. This work brought to the organization great praise from civil and military leaders of all races and denominations.

In World War I, as many of us well remember, the K. of C. huts greeted many a weary soldier with its slogan, "Everybody welcome, everything free." No fighter in the cause of freedom regardless of race, religion, and station in life was denied a warm welcome and a protecting arm by the workers of the Knights of Columbus.

In the Second World War, the Knights of Columbus in Canada offered their services to the Government. From humble beginnings, the work developed into a service extending from Victoria to Hong Kong, from the Aleutians to Tripoli and Egypt. Huts were established wherever Canadian servicemen were assembled and hotels were maintained at ports of embarkation. Again all of the facilities of the organization were open to servicemen of all races and creeds and this fact was known to and accepted by all.

In peacetimes the Knights of Columbus has devoted itself to humanitarian activities such as the blood-donor program and the organization of groups of young people in the effort to stem the tide of rising juvenile delinquency.

In a land of free institutions unswerving in its purpose to keep them free against all hazards, we necessarily rely on voluntary organizations like the Knights of Columbus to carry out our mission on the level of the individual members of our society. The Knights of Columbus is one of the leaders among such organizations.

The anniversary observation of the diamond jubilee of the founding of this great organization, not confined to any particular group or locality, is consistent with the broad purposes and unrestricted contributions of the organization. Nonetheless, we of New England, where the organization was founded, in justifiable pride are celebrating the anniversary with enthusiasm and appropriate programs. Although the principal ceremony will be held in Waterbury, Conn., it will be presided over by my neighbor, Judge John E. Swift of Boston, a former supreme knight of the organization and chairman of the supreme council which arranged for a statue to be executed and erected. Another Bostonian, the outstanding sculptor, Joseph A. Coletti, carved the statue. Next month the Massachusetts State council will celebrate the anniversary at a banquet during which the Honorable J. Edgar Hoover, Director of the FBI, will be presented the Lamp of Freedom award, and His Eminence, Archbishop Richard J. Cushing of Boston, will be the principal speaker.

The most significant ceremony, of course, will be the unveiling of the statue in bronze in heroic size of Father McGivney, in Waterbury, Conn., where he was born on August 12, 1852. This memorial will stand forever as a reminder not only of the great work of the organizer of the Knights of Columbus but of the fact that our destiny is in the hands of simple, courageous, God-fearing men such as he, who are born and prosper in the benign atmosphere of the wonderful country which is the United States of America. What might seem a small matter but still highly symbolic of the accomplishments of the Knights of Columbus is the movement to which it gave impetus and which resulted in adding to our pledge of allegiance to the flag, recited and repeated in our schoolrooms throughout the country and on occasions when our country is honored, the words "under God." Unlike countries dominated by Communists, glorifying and deifying a soulless state or heartless dictator, we recognize the spiritual sources of our strength and power when we acknowledge that we owe "allegiance to the flag of the United States of America and to the Republic for which it stands; one nation under God indivisible, with liberty and justice for all."

Mr. PRICE. Mr. Speaker, March 29, 1882, stands as a shining landmark in the history of American Catholicism, and of Catholic Americanism. The granting of the original charter of the Knights of Columbus to Father Michael J. McGivney and his little group of companions, which was the formal beginning of the organization, was like the planting of a seed whose beneficent suggestive crops were to spread, through the years and over the land, until today we have over a million members, in 3,900 councils, covering the entire continent of North America. From that day to this, the guiding principles of the Knights of Columbus have been charity, unity, fraternity, and patriotism.

It is an old and very true saying that "charity begins at home," and even the commandment, "Thou shalt love thy

neighbor as thyself," would lose its meaning if we did not maintain a reasonable self-love. The Knights of Columbus was founded primarily as a fraternal benefit society, to meet the needs of the members themselves, and this remains the basic nature of the order. Charity, unity, and fraternity are three aspects of this one nature. It seeks to live up to the motto of the Three Musketeers, "All for one, one for all." Each brother Knight may have his own personal and particular reasons for joining, but I think it is fair to say, in general, that the first reason leading any member to join the Knights of Columbus is, and always has been, that self-application of charity, the self-preservation that is the first law of nature, and the preservation of family that is derived from nature's second law, the preservation of the species. To put it in a less abstract way, a man joins to secure aid in case he should be injured, sick, or needy, and for insurance to help his family in case of his death. In an extension of this charity to his neighbor, I know each member is glad that his payment of dues provides the same assurance to his brother Knights, and to their families. K. of C. unity is like that described in the Proverbs of Solomon, chapter 18, verse 19: "A brother that is helped by his brother, is like a strong city." The fraternity is a strong bond of mutual respect and affection, blessed by the church and hallowed by participation in numberless masses, communions and communion breakfasts, processions and public ceremonials. In dinners and picnics, parties and smokers, members get together and learn to know one another in cordial friendship.

The expression of patriotic feeling by the Knights of Columbus, as an organization, and the fostering of patriotism in each individual Knight, have from the beginning been among our principal aims. Each, as a new Columbus, strives to discover and know America, and to plant the Cross of Christ on this new and glorious land. It has always been a major concern of the order to demonstrate, publicly and with all appropriate pomp and ceremony, that the Catholic church in this country not only is not in any way opposed to American patriotism, but is an active and vigorous champion of all that is best in and for America. Typical of the attitude and service in this respect is the instigation and hearty support of the movement that culminated, in the spring of 1954, in the amendment that added the words "under God" to the Pledge of Allegiance. And it is not by accident, nor in any way incidental to their work and character, that uniformed Fourth Degree Knights, sword-bearing and colorful, take a conspicuous part in public patriotic ceremonies throughout the year, and all over the Nation.

The charitable activities of the Knights, apart from the helping hand extended to distressed members and their families, are numerous and widely varied. Many, if not most, of the 3,900 councils engage in their own local charities, large or small, and join wholeheartedly in the charitable efforts of local groups, Catholic or nonsectarian. State councils engage in and further more ambitious and widespread projects, and in disasters and other emergencies the entire order, nationwide and continent-deep, goes into action. No man who was in Europe in World War I will forget the warm feeling he got on first encountering the United States Knights of Columbus Hut, or the Catholic Army Hut operated by the Canadian Knights of Columbus. "Everybody Welcome, Everything Free," was a well-loved slogan, and it, and the spirit it stood for, will be long remembered. In the same spirit, in World War II and since, the Knights of Columbus have joined in and supported the work of the USO, willingly foregoing any organizational credit, or even any credit due the Catholic church, for the sake of furthering the unified effort to provide some comfort, recreation, and assistance to the members of the armed services.

For many years, a characteristic of most Knights of Columbus councils has been a concern with the positive approach to the problem of juvenile delinquency. More than 3,000 councils have youth activity committees, and organizations of Columbian Squires, sponsored by the Knights for Catholic boys of high-school age, are active in many cities throughout the country. We believe in the beneficial effects upon youth of wholesome recreational projects, carried on in a spirit of prayer and fair play; and we believe that the best way to develop leadership and responsibility in your youth is to give the young people responsibility, and an opportunity of leadership, with the necessary minimum of guidance, in an atmosphere of friendliness and trust. An outstanding example of Knights of Columbus youth work is the establishment of youth centers in Rome, began more than 30 years ago at the request of Pope Benedict XV, and now expanded to a 7-center program, for which His Holiness, Pope Pius XII, recently sent his personal thanks and appreciation to the order.

The opposition of the Knights of Columbus to communism has been expressed most effectively in this positive form, by the support of both religion and patriotism, communism's most vigorous enemies. But Knights are proud to be serving this continuing campaign against an intellectual and spiritual poison by the publication of articles and pamphlets, exposing the evils and lies of communism, as well as by long-established positive campaigns of education in Christian and democratic principles. Preaching and teaching truth, in print and by word of mouth, Knights of Columbus members are alert to identify and nail the Communist lie wherever and whenever it appears.

All honor, on this joyful anniversary, to the vision, the wisdom, and the devotion of the founders of this great organization and especially of the one to whom most of all under God the order owes its existence and accomplishments, the dearly loved Father Michael J. McGivney.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. UDALL for 20 minutes on Monday next.

Mr. HOFFMAN for 10 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FLOOD and to include extraneous matter.

Mr. SHEEHAN.

Mr. BURDICK.

Mr. ZABLOCKI.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 497. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and other purposes; to the Committee on Public Works.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 18 minutes p. m.), under its previous order, the House adjourned until Monday, April 1, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

676. Under clause 2 of rule XXIV, a letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to amend the Universal Military Training and Service Act, as amended," was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RABAUT: Committee on Appropriations. H. R. 6500. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 268). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RABAUT:

H. R. 6500. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes.

By Mr. ANDERSON of Montana:

H. R. 6501. A bill to amend the Internal Revenue Code of 1954 to reduce and eventually repeal the taxes on the transportation of property; to the Committee on Ways and Means.

By Mr. BOYLE:

H. R. 6502. A bill to provide that abandoned deposits in certain banks shall escheat to the respective States in which such banks are located; to the Committee on Banking and Currency.

By Mr. BURNS of Hawaii:

H. R. 6503. A bill to amend the Federal Flood Insurance Act of 1956 to provide insurance against volcanic eruption damage; to the Committee on Banking and Currency.

By Mr. BYRNE of Illinois:

H. R. 6504. A bill to provide cost of living increases in the compensation of postal employees in localities of 500,000 population or more; to the Committee on Post Office and Civil Service.

By Mr. COFFIN:

H. R. 6505. A bill to provide certain assistance to State and Territorial maritime academies or colleges; to the Committee on Merchant Marine and Fisheries.

By Mr. HARRIS:

H. R. 6506. A bill to encourage the extension and improvement of voluntary health prepayment plans or policies; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLVERTON:

H. R. 6507. A bill to encourage the extension and improvement of voluntary health prepayment plans or policies; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE:

H. R. 6508. A bill to modify the Code of Law for the District of Columbia to provide for a uniform succession of real and personal property in case of intestacy, to abolish dower and curtesy, and to grant unto a surviving spouse a statutory share in the other's real estate owned at time of death, and for other purposes; to the Committee on the District of Columbia.

By Mr. HYDE (by request):

H. R. 6509. A bill to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes; to the Committee on Agriculture.

By Mr. KEATING:

H. R. 6510. A bill to establish a commission to determine the inability of a President or one acting as President to discharge the powers and duties of the office of President; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 6511. A bill to transfer to the government of the District of Columbia the Public Employment Service for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mrs. PFOST:

H. R. 6512. A bill to permit the Secretary of Agriculture to prohibit the exportation of national-forest timber, and for other purposes; to the Committee on Agriculture.

By Mr. REUSS:

H. R. 6513. A bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

By Mr. SANTANGELO:

H. R. 6514. A bill to amend title II of the Social Security Act to provide full benefits (based upon attainment of retirement age) for men at age 60 and women at age 55, and to eliminate the requirement that an individual must have attained age 50 to receive disability insurance benefits; to the Committee on Ways and Means.

By Mr. SMITH of Kansas:

H. R. 6515. A bill to provide that labor organizations shall be subject to the anti-trust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H. R. 6516. A bill to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.); to the Committee on Foreign Affairs.

By Mr. DAVIS of Georgia:

H. R. 6517. A bill to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes; to the Committee on the District of Columbia.

By Mr. BARDEN:

H. R. 6518. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to the Committee on Ways and Means.

By Mr. BARING:

H. R. 6519. A bill to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to the State of Nevada, involving certain portions of right-of-way in the city of Reno, county of Washoe, State of Nevada, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356); to the Committee on Interior and Insular Affairs.

By Mr. BOW:

H. R. 6520. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal employees; to the Committee on Post Office and Civil Service.

By Mr. BERRY:

H. R. 6521. A bill to repeal section 3 of the act of June 30, 1946 (59 Stat. 265); to the Committee on Interior and Insular Affairs.

By Mr. BROWNSON (by request):

H. R. 6522. A bill to incorporate the United Mexican Border Veterans; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 6523. A bill to amend the Federal Employees' Compensation Act to provide compensation for employees of the United States suffering injuries from war-risk hazards or during detention by a hostile force or person; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 6524. A bill to protect consumers and others against failure to identify, misbranding, and false advertising of the fiber content of textile fiber products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6525. A bill to amend section 37 of the Internal Revenue Code of 1954 to permit individuals aged 65 or over to earn an additional $300 a year without diminishing their retirement income credit; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 6526. A bill to provide for the conveyance of certain lands to the city of Tacoma, State of Washington, in connection with its municipal water system; to the Committee on Public Works.

By Mr. LANDRUM:

H. J. Res. 291. Joint resolution to establish a commission to commemorate the 100th anniversary of the Civil War, and for other purposes; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H. Res. 219. Resolution authorizing the employment of one additional mail clerk, Office of the Postmaster of the House; to the Committee on House Administration.

By Mr. WALTER:

H. Res. 230. Resolution authorizing the printing of additional copies of House Report No. 53, current session; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to authorize the Corps of Engineers, Department of the Army, to undertake such surveys and investigations as may be necessary and appropriate to determine the feasibility of a commercial barge channel in the Wabash River, Ill., and Ind., from its junction with the Ohio River to such upstream terminus as may be found advisable; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to assert its constitutional authority in the conservation and development of land and water resources; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to initiate and successfully complete such action as may be necessary to bring about a fair, reasonable, and equitable solution of the economic problems of postal employees generally; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to take whatever steps that may be necessary to designate Washington State Highway No. 5, being United States Route No. 410, as an alternate to United States Route No. 10 and to incorporate State Highway No. 5, being United States Route No. 410, into the National Interstate and Defense Highway System; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Ohio:

H. R. 6527. A bill for the relief of Horace Collier; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 6528. A bill for the relief of Mrs. Lyman C. Murphey; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 6529. A bill for the relief of Mrs. Susan Wong Quan, her husband, Har Quan, and their two minor children, Wing Yee Quan and Wing Yem Quan; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 6530. A bill for the relief of Arthur L. Bornstein; to the Committee on the Judiciary.

By Mr. McFALL:

H. R. 6531. A bill for the relief of Henry Brambila; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 6532. A bill for the relief of George P. Lisset; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H. R. 6533. A bill for the relief of Mrs. Francis Hilda Cummings; to the Committee on the Judiciary.

By Mr. BYRNE of Illinois:

H. J. Res. 392. Joint resolution to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Ohio Bell for retirement from the Army of the United States due to a service-connected disability; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

183. By Mr. BEAMER: Petition of the Hartford City (Ind.) Kiwanis Club and their resolution in support of Congressional consideration of the report of the Second Hoover Commission; to the Committee on Government Operations.

184. By Mr. KILDAY: Petition of Emmett B. Cocke, attorney, of San Antonio, Tex., petitioning that the Congress enact a law to prevent or cure depressions; and to create a Department of Finance of Cabinet rank; to the Committee on Banking and Currency.

185. By Mr. MORGAN: Petition of Mrs. R. T. McMinn and 44 other residents of Connellsville, Pa., favoring the enacting of legislation which would prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

186. By the SPEAKER: Petition of Emmett B. Cocke, San Antonio, Tex., transmitting certain recommendations relating to the general welfare of the Nation; to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

Delays May Prove Costly

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 29, 1957

Mr. ZABLOCKI. Mr. Speaker, in our struggle with international communism, we have repeatedly pledged our friendship and cooperation to the peoples of central and eastern Europe in their efforts to shed the bonds of Communist domination, and to regain national independence.

We made those pledges knowing that by increasing the ranks of the free nations we would simultaneously reduce the comparative strength of the Communist block, and enhance the security of our own Nation and of the free world.

I am certain that I need not recall the emotional pitch which these promises reached during the Republican campaign of 1952. GOP candidates for national and local offices extravagantly pledged to liberate the nations of Eastern Europe—to free them from Communist chains, and to bring them back into the family of free nations. While many persons realized that some of these promises were only empty gestures, intended solely to assure political gains, others took them more seriously. I am certain that the promises of liberation, as well as the less extravagant pledges of assistance, have encouraged the people of eastern and central Europe to hope for United States assistance at the time when they would make their break from the Communists.

Several months ago, the Polish nation made a courageous and daring attempt to shed the shackles of Soviet bondage. They have gambled much in the hope that, with Western help, they would succeed in enlarging the area of their independence, and cut off many of their ties with the Kremlin. They have, it seems to me, counted on us to live up to our words.

Now there are two facts that we must consider at this point: The one is the fact that Poland today faces a desperate economic situation as a result of the war and of a decade of Soviet exploitation and colonial rule. The Polish nation needs assistance to get on its own feet. If it does not secure such aid from the West, it will have but one place to turn to: Gomulka's regime will probably fall, the new experiment in national limited independence will fail, and Poland will probably return—much against the wishes of her people, and possibly not without great bloodshed—into the closed orbit of Soviet domination.

The second fact which we should consider is this: In spite of the fine-sounding pledges to assist those who try to assert their national independence, the present administration has made no apparent move to date to aid the Polish nation in its grave predicament. Representatives of the Gomulka regime have been seeking help for a number of weeks, but apparently without much success.

Now, I am not suggesting that we grant the request for assistance submitted by the Polish Government. That request is quite considerable, and a decision on this matter should be arrived at carefully. The issues as to how much aid—and as to what kind of aid we should extend to Poland or to any other nation, should be decided, first, on the basis of our ability to aid others; and, second, on the basis of the relationship of such assistance to our own security and our best interests.

The fact remains that while the executive branch probably has good reasons for not granting the request of the Polish Government in its entirety, our executive officials should quit stalling and indicate to the people of Poland, and to the peoples of other nations, whether or not we intend to abide by our pledges; whether or not we aim to assist them in extending and strengthening their independence from Soviet Russia.

Such a decision, and such an announcement, are long overdue. The details can be worked out gradually, with much care. But the decision to live up to our word—or to go back on our promise—should be made now.

Mr. Speaker, I am skeptical about the Gomulka regime, because I realize that, in spite of the recent election, it is a Communist regime. In that respect, it does not fulfill the hopes of the free world or, for that matter, the hopes of the Polish nation. We must recognize it for what it is, however—it is a national Communist regime which is trying to sever its ties with international, militant, totalitarian communism of Soviet Russia.

To the extent that the Gomulka regime will succeed in severing its relations with the Kremlin, and its dependence upon Soviet Russia, to that extent, it seems to me, its success will detract from the strength of the Soviet Union and from the threat which faces our Nation and the free world.

In other words, by strengthening the independence of Poland—and eventually, we hope, the independence of the other Communist-dominated nations—we are in effect strengthening our own cause. For whatever detracts from the strength of the Soviet Union, simultaneously adds to the relative strength of the free world. This, then, is one of the ways in which we can try to advance our cause; not by bearing arms, not by sending liberating armies to penetrate the Iron Curtain, but by aiding those nations which have gained some measure of independence from the Kremlin in their own ways, and are now trying to extend that area of freedom with our help.

Mr. Speaker, I, for one, feel that the administration has delayed long enough on this issue. I earnestly hope that they will reach a decision in our national interest without further delay.

Under leave to extend my remarks in the RECORD, I wish to call to the attention of the membership of this body an article by Columnist Joseph Alsop, entitled "Gomulka Catches It on All Sides," which appeared in the March 31 edition of the Washington Post and Times-Herald, as well as a copy of a telegram sent by the American Order of General Pulaski, Inc., to the President and to the Secretary of State:

[From the Washington Post and Times Herald of March 31, 1957]

GOMULKA CATCHES IT ON ALL SIDES

(By Joseph Alsop)

PARIS.—Reliable reports from Warsaw suggest that American policymakers will be most unwise to take the new anti-Stalinist Polish Government too much for granted as a permanent feature of the central European scene.

From the very beginning of the Polish uprising against Soviet colonial rule, the task of the Polish National Communist leader, Wladyslaw Gomulka, has been very like the task of Eliza crossing the ice.

For example, it can now be revealed that when Nikita Khrushchev and his party made their famous surprise visit to Warsaw last November, their minds were nine-tenths made up to crush the Poles like flies—as Marshal Zhukov subsequently said in a tone of evident regret. The price that had to be paid to avert a Hungarian tragedy was Gomulka's promise of continuing Polish adherence to the Warsaw Pact, which meant continued stationing of Red army [illegible] in Poland.

Gomulka's situation today is less immediately critical, but it is almost equally precarious for the long run. He would probably be in very deep trouble at this moment if he had not done so well in Poland's recent, curious, semifree election. The so-called Natolin group, the far from unimportant Stalinist faction in the Polish Communist Party, actually hoped the election would show a strongly anti-Communist result.

The Polish Stalinists correctly thought that such a result would eventually lead to the forcible reestablishment of full Soviet colonial rule in Poland. But Poland's wise and farsighted Cardinal Wyszynyski understood the danger. He quietly threw the immense power of the Polish Catholic Church into the balance on Gomulka's side. And thus the Polish Nationalist leader won a triumph at the polls.

All the same, Gomulka's present problem looks very grim indeed. To the right of him, he has the restive Polish anti-Communists, which means the vast majority of the Polish people, who admire Gomulka but hate his party. To the left of him, he has the Stalinist faction in the Polish Communist Party, whose designs are strongly supported by the masters of the Kremlin.

Finally, squarely in front of him, Gomulka has the desperate economic situation to which Poland has been reduced by long years of Soviet colonial rule. Here lies his great chance and his great period. According to one highly authoritative estimate, Gomulka has no more than a year to give his people a sense of greatly increased well-being.

If he fails, he will go down to defeat in a conflict between the Stalinists and the anti-Communists. But this will mean, in fact, that Soviet colonial rule will be reestablished in Poland. For the Kremlin will surely seize the opportunity of a Polish time of trouble to help its Warsaw friends with the naked force of the Red army.

On the other hand, if Gomulka succeeds on the economic front, his leadership will cease to be challenged, either from right or left. He will at last gain the elbow room to deal with the Polish Stalinists. And the evolution of Poland can then proceed peacefully, not toward our kind of democracy, but at least in a direction that will be bearable for the Polish people and highly distasteful to the Kremlin.

At present, Gomulka is both being kept on leading strings and openly threatened by the Kremlin. With the economic problem overriding all other, the Soviet economic aid promised to Poland is being given in trickles, on a day-to-day basis. For instance, wheat deliveries, according to the same authority quoted above, have to be rushed to the flour mills and the flour has to be rushed to the bakeries, to prevent a bread shortage.

By pulling on the leading strings in this manner, the Kremlin has encouraged Gomulka's recent concessions to the Polish Stalinists, which alarmed the West. Washington, of course, has the opportunity to cut the Kremlin's leading strings. But judging from this distance, Washington seems to be disinclined to grant Gomulka the generous American economic aid he so badly needs.

Yet surely, a government that is good enough for Cardinal Wyszynski ought to be good enough for Senator KNOWLAND. And surely, after all the grandiose talk about liberation, it is a bit odd to throw away the remaining chance offered by the deep unrest in central Europe. For if Gomulka really succeeds in Poland, the position of the Stalinist regime in Czechoslovakia must finally become untenable. And even in the other central European countries where Red army troops are stationed, Gomulka's success will create a permanently and explosively unstable situation.

The question, really, is whether Senator KNOWLAND and the administration policy-makers he so often intimidates prefer making cheap and empty anti-Communist gestures against Gomulka or gaining a major point in the world struggle against the Kremlin's power.

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.:

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles our gallant but almost forgotten allies whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post-World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital manner, let us be mindful of Poland's tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism, would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,

AMERICAN ORDER OF GENERAL PULASKI,
K. STEFAN POMIERSKI,
President Emeritus.

GLEN COVE, N. Y.

CORNELIUS H. TURZYNSKI,
President.

JOSEPH P. POLONSKI,
Counsel and General Secretary.

Postal Pay Increase for Postal Employees Living in Localities of Over 500,000 Population

EXTENSION OF REMARKS
OF
HON. TIMOTHY P. SHEEHAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 29, 1957

Mr. SHEEHAN. Mr. Speaker, I have introduced H. R. 6453, a bill to provide cost of living increases in the compensation of postal employees living in localities of 500,000 population or more.

This bill would provide a salary adjustment for postal employees living in metropolitan urban areas, which areas have much higher living costs than rural areas. In the bill, postal employees of any incorporated area and its surrounding suburbs whose population exceeds 500,000 or more, as disclosed by the 1950 census, shall receive an increase in their existing rate of basic compensation of 20 percent per annum, and employees paid on an hourly or part-time basis shall receive additional compensation at an equivalent additional hourly rate.

The Hoover Commission has made extensive studies in the matter of postal wages, has clearly seen the need to increase postal remuneration, and has so advised Congress. Since the Commission submitted its report the financial plight of the postal worker has been aggravated, and thus, a more realistic solution to his problem has become more urgent.

The need for a raise by the city postal employees in metropolitan areas—and especially in the Chicago area—is most forcefully brought out by the cost-of-living statistics. According to the United States Department of Labor Bureau of Labor Statistics, living costs hit an alltime high in Chicago in February of this year. The February living costs were 2.7 percent above a year ago and the index for the same month was 121.5—the 1947–49 averages equaling 100. According to Mr. Adolph Berger, of Chicago, the regional BLS Director, all major groups and services were up over February 1956.

A great number of the employees of the postal service working in the Chicago area are at a disadvantage in their average workers' income when compared with the average for the city as a whole. According to the U. S. News & World Report, February 15 issue, the average worker's income in Chicago was $4,816, which was an increase of 3.7 percent over a year ago. The difficulty of recruiting new postal employees in the Chicago area and practically all other metropolitan areas has been tremendously magnified due to the low starting rate of salaries as compared with the average salary.

Faced with the spiraling cost of living and the unfulfilled promises made on their behalf for a living wage increase in keeping with the inflationary times, many trained postal employees are leaving the postal service. This failure to retain a trained force compounds the cost of processing and expediting the mails. This is especially true in the large metropolitan cities with populations of 500,000 or more. Former President Hoover pointed out recently the high cost of Government turnover when he said of Government service that "with inadequate pay for top executive skills and the uncertainties of promotion, our best employees become the easy recruits of private business."

I do not think it is necessary to go into a detailed analysis of the many items which increase the cost of living for city and urban postal employees. In my own city of Chicago the greatest majority of postal employees have a cost for transportation to and from work of anywhere from $8 to $30 per month, and this includes only public transportation systems. The cost of housing in Chicago is tremendous. Just the other day the Congress passed a bill for rural housing benefits for veterans. In the House the limit on mortgages was raised from $12,000 to $13,500, and this is supposed to represent from 80 to 90 percent from

the value of the House. Where in the city of Chicago can one even begin to build a 5- or 6-room house for $15,000? Rental units for new houses in urban areas like Chicago run from $90 to $150 per month. I could go on endlessly stating the much higher costs a postal employee faces in metropolitan areas over and above the rural areas.

Today, in Chicago, the Post Office Department is begging for employees and a regular distribution clerk is offered $3,660 per year as a starting salary, which is approximately $70 per week. Realistically, the fact must be faced—in areas like Chicago—that high-school graduates coming out of school, in a great many positions, command the same salary with no experience and no family obligations to take care of.

The foregoing are pertinent and commanding reasons why the general public should give its full support to the legislation I propose. The expansion of service and facilities necessary to cope with the increasing population has overburdened our postal worker. While it is true that automation has alleviated the daily work in the form of mechanized output, the need for better remuneration remains. If the postal service of our great country is to properly serve all segments of our working society, a more realistic approach must be taken to better the situation of the postal employee.

H. R. 6453 is as follows:

Be it enacted, etc., That as a salary adjustment for postal employees in those localities having high costs of living, each employee in the postal-field service resident or working in any incorporated or unincorporated city, town, or other metropolitan area or locality, having a population of 500,000 or more as disclosed by the 1950 decennial census shall receive an increase in his existing rate of basic compensation of 20 percent per annum; except that employees paid on an hourly or part-time basis shall receive additional compensation at an equivalent additional hourly rate.

SEC. 2. (a) No rate of basic compensation shall be reduced by reason of the operation of this act.

(b) No postmaster, officer, or employee shall receive compensation at a rate in excess of $19,000 per annum by reason of this act.

SEC. 3. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act.

National Press Club Banquet

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 29, 1957

Mr. BURDICK. Mr. Speaker, well, I attended another evening affair. Just did not want to miss it as the occasion was the annual meeting and banquet given by the National Press Association for the members and a few of their friends. Each member had the privilege of selecting one Member of Congress, and being that I was a close friend of John Baer, former Member of Congress, a cartoonist, and member of the Press Club, I was invited. The result was that the meeting was overstocked with Congressmen, and I guess the Press Club soon saw the mistake of allowing its members to select the company.

There was, of course, the usual get-acquainted hour from 7 to 8, and there seemed to be plenty of refreshments. I think this was the first big affair I have attended in Washington where hard liquor was not served, but the facts are that I did not try to find any. I heard no loud arguments, or any argument other than a friendly conversation in progress, so I concluded that the foundation of loud arguments was not present. My conclusion may have been in error, as I am sometimes wrong, but I want to faithfully describe the situation, and I saw no evidence of the work of John Barleycorn at this great banquet.

From this slant I was greatly surprised, as I had always thought that newspaper writers, columnists, cartoonists, and newspaper owners would, on occasions like this, forget their decorous attitude and relax and enjoy themselves, and that a reasonable amount of spiritus frumenti would greatly assist in limbering up the stiffness so noticeable among a gathering of the Nation's great writers. But no, this feature was evidently not necessary, and everybody had a natural and enjoyable time.

The dinner itself was plain, but most excellent food, with as little of adulterated products as it is possible for any catering organization to obtain. None of the nationally advertised soft drinks were in evidence, and I do not think the Press Association will procure any until we determine that they contain no harmful chemicals.

The outstanding feature of the occasion—one that was received with uproarious applause—was that there would be no speeches. I can imagine a great dinner without liquor, but a great dinner without speeches is an innovation that can hardly be imagined, especially where so many trigger-happy orators were in attendance. I looked around at the battery of oratorical giants and noted Vice President NIXON, Majority Leader JOHNSON, Minority Leader KNOWLAND, Speaker SAM RAYBURN, Minority Leader JOE MARTIN. The audience seemed to feel perfectly at ease, but I could notice a few signs of disappointment on the faces of these usual speakers. SAM RAYBURN scowled noticeably. He was probably loaded for bear and had to withhold his fire. Vice President NIXON probably wanted to tell about his setting up a brandnew nation in the jungles of Africa, and took the no speeches announcement with a faint hospital-bed-like smile. JOHNSON and KNOWLAND were both more at ease, as both are candidates for the Presidency, and I presume preferred to be seen and not heard. JOE MARTIN seemed absolutely pleased that he would not have to talk—and so were many others.

I congratulate the National Press Club members for putting on such a nice dinner and in breaking my social precedents. If Brother REES of Kansas, a great temperance advocate, had known that this gathering was going to be one that Carrie Nation could approve, he would have contrived in some way to be there. I know I left with a new feeling concerning newspapermen. I know how diligent they are and greatly admire them, but to know that this organization is made up of hard working, intelligent and sober men who can set the brakes on the conventions of society as easily as they can put a Congressman in his place by writing him up, truthfully or otherwise, in the public interest, was an innovation to me.

Today Marks 75th Anniversary of the Knights of Columbus

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 29, 1957

Mr. FLOOD. Mr. Speaker, today marks a great milestone in the outstanding history of the Knights of Columbus. Today, March 29, 1957, is the 75th anniversary of the granting of a charter by the General Assembly of the State of Connecticut officially starting the Knights of Columbus along the road to formidable accomplishments and a position of the highest respect and admiration based on its humanitarian philosophy and teachings.

I, personally, have been closely associated with the Knights of Columbus for a number of years in my capacity as a former district deputy of the 14th Pennsylvania district as well as master of the fourth degree Calvert province.

I, therefore, Mr. Speaker, speak from a position of experience when I state that the outstanding programs undertaken by the Knights of Columbus stem from a love of God and the love for the human being. At this point, Mr. Speaker, I would like to review the past history of the Knights of Columbus, which I am sure you will agree is an impressive one.

Throughout the 3,900 councils located in the United States, Canada, Cuba, Mexico, Panama, Puerto Rico and the Philippines, the more than 1 million members of the Knights of Columbus are now engaged in special programs in commemoration of the 75th anniversary of the Knights of Columbus.

On March 29, 1882, the General Assembly of the State of Connecticut granted a charter to a new organization—the Knights of Columbus. This charter represented the results of efforts initiated by the Rev. Michael J. McGivney, a young curate at St. Mary's Church in New Haven, Conn., and a small group of men associated with him who were concerned with the plight of the families of Catholic men who had died in the community leaving little or no protection for their widows or children. Thus came into being a fraternal benefit society for Catholic men which from that small beginning soon spread

throughout the State of Connecticut and then into Rhode Island, New York, Massachusetts and shortly thereafter into all of the Eastern States. The growth continued until the organization reached its record membership of over 1 million members during the past year. Today, the Knights of Columbus has in force $650 million insurance, has paid insurance benefits of $120 million, and during the calendar year 1956 showed a net increase of insurance in force of $88 million, a new annual record.

Shortly after the institution of the organization its primary purpose of providing insurance protection for Catholic families was expanded by activities sponsored by local, State and supreme councils in the fields of social welfare, aid to religion, patriotic endeavor, civic activities, aid to education and similar projects.

While the original founders did not envision or contemplate the tremendous expansion of the program of the order, it is interesting to note that in the charter granted by the State of Connecticut that after the first principle of "rendering pecuniary aid to its members and beneficiaries of members" there was included the provision of promoting social and intellectual intercourse among its members and of promoting and conducting educational, charitable, religious, social welfare, war relief, and welfare and public relief work.

As a result of those provisions the Knights of Columbus has been able over the years to conduct such major projects as the establishment of graduate scholarships at the Catholic University of America, led the fight in the various Oregon and Michigan school cases resulting in Supreme Court decisions protecting the right of Catholic parents to educate their children in parochial schools, its outstanding work for the allied soldiers in World War I, the establishment of graduate courses for the training of professional boys' workers at the University of Notre Dame, the organization of youth-activity programs including a leisure-time program for Catholic boys of high-school age known as the Columbian Squires. These and hundreds of similar projects at the supreme-council level were supplemented by outstanding program work by State councils.

In more recent years the order established in 1944 a $1 million trust fund to provide a Catholic college education for sons and daughters of Knights of Columbus killed or permanently disabled in World War II. The benefits of this fund were further extended to the children of veterans killed or permanently disabled in the Korean war. It is interesting to note that long before the GI bill was ever dreamed of that the Knights of Columbus, following World War I, made available college scholarships to veterans of that war regardless of creed. Probably no single activity has attracted so much attention as has the Catholic advertising program organized on an orderwide level in 1948. Over 2,500,000 persons have written to the Knights of Columbus Religious Information Bureau asking for pamphlets explaining various points of Catholic teachings and over 250,000 persons have enrolled in religious instructions as a result of the advertisements published by the Knights of Columbus in magazines with a circulation of over 56 million persons and in hundreds of local newspapers where the advertisements have been sponsored by State and local councils. This program has drawn enthusiastic endorsement from members of the hierarchy, clergy, and from interested persons of many beliefs. In 1954 the basic program of the order was expanded to provide for youth-activity committees at the State and local council level. Presently, there are over 3,300 such committees in operation providing leadership, facilities, and services to youth on a positive basis, emphasizing the promotion of juvenile decency rather than the prevention of juvenile delinquency.

For centuries the scholars of Europe have had great depositories of manuscripts relatively close at hand but such facilities were not readily available to American researchers and scholars. The Knights of Columbus in 1951 established the Knights of Columbus Foundation for the preservation of historic documents at the Vatican Library and the Pius XII Memorial Library is being erected at St. Louis University to house the microfilms of these documents. Already some 800,000 feet of film containing nearly 10 million handwritten pages of these historic documents have been prepared and are available to American scholars through the depository at St. Louis. The printed books at the Vatican Library are also being microfilmed.

At the request of Pope Benedict XV and extended under Pope Pius XI and Pope Pius XII the Knights of Columbus have provided and operated playgrounds in Rome serving the youth of that city for more than 30 years.

The tremendous accomplishments for country, church, community, and fellowman throughout these 75 years is due to the unselfish service of the volunteer leaders, committee workers, and members in the 3,900 councils of the order. Such service goes on year in and year out, in unspectacular fashion, and the total of the benefits rendered is beyond computation.

Demonstrations of the order's devotion to the welfare of the country are reflected in such projects as the sponsorship of the adding of the words "under God" to the pledge of allegiance, its record of militant opposition to atheistic communism long before such opposition was popular, its present organized campaign on behalf of the Hungarian refugees and against the invitation to Marshal Tito of Yugoslavia to visit the United States.

Operating under the principles of charity, unity, fraternity, and patriotism, the Knights of Columbus has achieved a most commendable record during the 75 years of its existence. Every Knight of Columbus everywhere is dedicated to the objective that these accomplishments will be but the cornerstone of a much expanded program for the future. Pleasant as it may be to reflect on the record of these 75 years the leaders and members of the Knights of Columbus are working forward and upward to new peaks of achievement.

SENATE

MONDAY, APRIL 1, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou with whom one day is as a thousand years and a thousand years as one day, in Thy sight may we hallow this new gift of sunny hours in which to love and labor. Save us from giving to the tasks that await us anything less than our truest and best. Save us from allowing our minds to harbor defiling thoughts. Save us from any failure of self-control and from words spoken in haste or in passion.

With clear eyes may we see Thee as our Father, our fellows near and far away as our neighbors, and ourselves as our brothers' keepers. In that vision splendid of divine fatherhood and of human brotherhood may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world, until this shadowed earth which is our home rolls out of the darkness into the light, and it is daybreak everywhere. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Friday, March 29, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

PROPOSED EXTENSION OF PERIOD FOR TRANSMITTING REORGANIZATION PLANS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 145)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Government Operations:

To the Congress of the United States:

The Reorganization Act of 1949, as amended, under which the President is authorized to prepare and transmit to the Congress plans for the reorganization of executive agencies, states that no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1957.

I recommend that the Congress enact legislation to extend the period for

transmitting reorganization plans for 4 years.

The reorganization plan procedure authorized by the Reorganization Act is an essential means by which the President and the Congress can cooperate to assure the timely promotion of better organization and sound management of the executive branch of the Government. Under the act, the President may transmit to the Congress reorganization plans which become effective after 60 days of Congressional session unless disapproved by a majority of the membership of one of the Houses of the Congress. This method enables the President, who has direct responsibility for effective administration, to initiate improvements in organization, subject to review by the Congress.

Extensive accomplishments have been achieved under the Reorganization Acts of 1939 and 1945 and under the present statute, the Reorganization Act of 1949. The time for transmitting plans under the latter has been twice extended by the Congress: in 1953 and 1955.

The current act was adopted following the strong endorsement of the first Commission on Organization of the Executive Branch of the Government in 1949, which stated: "This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government." In December 1954, the second Commission on Organization of the Executive Branch of the Government unanimously recommended further extension of the act.

Accordingly, I urge the Congress to continue the practical arrangements contained in the Reorganization Act by which the Congress and the President can carry forward their cooperative endeavors to provide the best possible management of the public business.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1957.*

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5866) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and it was signed by the Vice President.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, under rule VIII, the calendar is to be called. I ask unanimous consent that the call be dispensed with.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the transaction of bills and the submission of petitions and memorials. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATION OF APPROPRIATIONS

A letter from the Administrator, Veterans' Administration, Washington, D. C., reporting, pursuant to law, on the overobligation of two appropriations in that Administration; to the Committee on Appropriations.

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the National Industrial Reserve, dated April 1, 1957 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend the Universal Military Training and Service Act, as amended (with an accompanying paper); to the Committee on Armed Services.

STATISTICAL SUPPLEMENTAL STOCKPILE REPORT

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a confidential statistical supplemental stockpile report, for the period January–June 1956 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF SMALL BUSINESS ACT OF 1953

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting a draft of proposed legislation to amend the Small Business Act of 1953 (with an accompanying paper); to the Committee on Banking and Currency.

COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

A letter from the Attorney General, transmitting a draft of proposed legislation to establish a Commission and Advisory Committee on International Rules of Judicial Procedure (with accompanying papers); to the Committee on the Judiciary.

REPORT ON AWARD OF CERTAIN MEDALS

A letter from the Attorney General, reporting, pursuant to law, that awards had been made of the Young American Medal for Bravery and the Young American Medal for Service, for the calendar year 1955; to the Committee on the Judiciary.

REPORT OF PROCEEDINGS OF JUDICIAL CONFERENCE OF THE UNITED STATES

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, a report of the proceedings of the Judicial Conference of the United States, for the fiscal year 1956 (with an accompanying report); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Michael Angelo Valentine from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on May 15, 1956 (with an accompanying paper); to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Maria Dimitrius Vlaviancs nee Spyliotopoulos and Fee Pun Chan or Wing Chan or Chan Fee Ping, from reports transmitted to the Senate on January 16, 1956, and January 15, 1957, respectively, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Oregon; to the Committee on Appropriations:

"House Joint Memorial 1

"To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and the House of Representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the Federal Government, through its construction of multiple-purpose projects, has become a major supplier of electric power to the Pacific Northwest; and

"Whereas the present and continued growth of the region, including Oregon, requires the further and immediate development of its low-cost power potential in order to provide the energy base for industries, job opportunities, and the needs of its people; and

"Whereas the John Day project on the Columbia River between Oregon and Washington is one of the major integral units in the overall plan of comprehensive development of the Columbia River and has already been authorized and approved as such by the Congress of the United States (81st Cong., 2d sess., H. Doc. No. 531); and

"Whereas its construction will complete slack water navigation from the mouth of the Columbia River to Pasco, Wash., a distance of some 328 miles; and

"Whereas it will provide approximately 500,000 acre-feet of storage for flood-control purposes and will also provide irrigation and recreational benefits; and

"Whereas such project will produce in excess of 1,100,000 kilowatts of low-cost power, fully integrated with the Federal grid and the Northwest power pool and close to Oregon loan centers; and

"Whereas the growth of the region requires over 500,000 kilowatts of new power capacity annually and such multipurpose projects as John Day must be started immediately in order to be completed and to avoid a serious power shortage by the early 1960's: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the Congress of the United States be and it hereby is memorialized to appropriate immediately the funds necessary so that, upon completion of the preliminary planning, construction of the John Day project by the Federal Government can be initiated immediately; and be it further

"Resolved, That the secretary of state of the State of Oregon be and hereby is directed to send a copy of this memorial to the President of the United States, to the Honorable Fred A. Seaton, Secretary of the Interior of the United States, to the President and

Chief Clerk of the United States Senate, to the Speaker and the Chief Clerk of the House of Representatives of the United States, and to all members of the Oregon Congressional delegation in the Congress of the United States.

"Adopted by house February 1, 1957.

"Adopted by senate March 18, 1957.

"EDITH BYNON LOW,
"*Chief Clerk.*

"PAT DOOLEY,
"*Speaker of House.*

"BOYD R. OVERHULSE,
"*President of Senate.*"

A joint resolution of the Legislature of the State of Washington; to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 16

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas for the purpose of meeting wartime emergency necessity, the Congress of the United States enacted as excise taxes a levy upon the transportation of persons and property; and

"Whereas one of the principal purposes of levying such tax upon the transportation of persons was to discourage unnecessary wartime travel; and

"Whereas today, 12 years after the cessation of hostilities, there continues a 10 percent levy on the transportation of persons and a 3 percent levy on the transportation of property; and

"Whereas it is the opinion of the legislature of the State of Washington that excise taxes should not impose an unfair burden on the long distance shipper and the long distance traveler as does the present tax on the transportation of property and persons; and

"Whereas it should be a principle of Federal taxation to levy taxes in such a manner as to prevent them from falling as an unequal burden on citizens residing in different areas of the country; and

"Whereas the distances to, from and within the West impose an unfair burden on the western traveler and shipper; and

"Whereas the present transportation tax on property is unfairly burdensome upon the State of Washington as it adds what is in effect an additional tariff on the goods shipped from Washington to the eastern market; and

"Whereas the development and preservation of open markets leads to the efficient development and stimulation of the agricultural resources of the Nation; and

"Whereas the State of Washington is particularly interested in preserving the eastern market as an open market in which the agricultural products of Washington may compete freely without the hindrance of artificial barriers such as the present transportation tax; and

"Whereas the State of Washington is particularly interested in protecting and developing its vacation and tourist travel on an equal basis with other vacation travel areas; and

"Whereas the transportation of both persons and property plays such a vital role in the economic life of this country to the extent that the costs of transportation should always be kept at the lowest possible level; and

"Whereas transportation is in no sense a luxury, but is a vital necessity, and there is, therefore, sound reason for distinguishing between the transportation taxes and other excise taxes that are imposed upon luxury items; and

"Whereas it is the opinion of the Legislature of the State of Washington that the best interest of the country, and, particularly, the Western States, who are now discriminated against by the present transportation taxes, would be served by a repeal of those taxes; and

"Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of property and which would repeal the tax on transportation of persons: Now, therefore, be it

"*Resolved*, That the Legislature of the State of Washington respectfully memorializes the Congress of the United States to enact into law such legislation, or any other bill or bills, which would accomplish the same purpose; and be it further

"*Resolved*, That the secretary of the senate be hereby directed to transmit copies of this memorial to the President and Vice President of the United States and to each Senator and Representative from Washington in the Congress of the United States.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of memorial passed on February 23, 1957.

"WARD BOWDEN,
"*Secretary of the Senate.*"

A joint resolution of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"Senate Joint Memorial 24

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress assembled:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent as follows:

"Whereas the need for a substantial salary increase for the rank and file of post office personnel has in recent years been generally recognized; and

"Whereas recent studies, such as set forth in the August 3, 1956, issue of U. S. News & World Report, indicate that in the past decade or more such personnel have made comparatively the lowest buying power-income gains notwithstanding that consumer price indexes have steadily risen in the same period; and

"Whereas the honorable the President of the United States, in a recent budget message indicated that the volume of post office business has increased 11 percent during the fiscal years of 1954 through 1957, and in his last state of the Union message stated that wage increases 'must be reasonably related to improvements in productivity'; and

"Whereas Post Office Department records show that the volume of mail handled from 1950 to 1955 increased 22 percent while personnel increased approximately only 10 percent; and

"Whereas in order to maintain a decent and respectable standard of living the great bulk of postal employees have been obliged to supplement their regular income for full-time work by additional employment, thereby extending their per-hour, per-week labor beyond what the times call for in virtually every other line of employment; and

"Whereas the general imbalance between services rendered and income earnable has caused most undesirable resignations from the service and has precluded the recruitment of desirable additions to the service:

"Now, therefore, your memorialists respectfully pray that the Congress and the President of the United States initiate and successfully complete such action as may be necessary to bring about a fair, reasonable, and equitable solution of the economic problem of postal employees generally; be it

"*Resolved*, That copies of this memorial be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States, and to each member of the Congressional delegation from the State of Washington.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of Senate Joint Memorial 24, passed on March 8, 1957.

"WARD BOWDEN,
"*Secretary of the Senate.*"

Two joint resolutions of the Legislature of the State of Washington; to the Committee on Public Works:

"Senate Joint Memorial 14

"*To the Honorable Senate and House of Representatives of the United States in Congress assembled:*

"We, your memorialists, the members of the Senate and House of Representatives of the State of Washington, in legislative session assembled, do respectfully represent and petition as follows:

"Whereas the State of Idaho, adjoining the easterly border of the State of Washington, is approximately 550 miles in length from north to south and there are only 3 highways across the State of Idaho in an easterly and westerly direction; namely, United States Highways No. 2 and No. 10 in the north and United States Highway No. 30 in the south, the 3 highways last mentioned being at least 400 miles apart at the points where they cross the mountainous easterly borders of the State of Idaho; and

"Whereas in the event of hostilities involving the Pacific Northwest, highway facilities from the State of Washington in an easterly direction toward the Middle West would be of paramount and vital importance both from the standpoint of military defense and for the evacuation of civilians; and

"Whereas the Lewis and Clark Highway, when completed, will join the State of Washington, Idaho, and Montana, by a direct, water-grade route, and thus provide a fourth means of east-west travel between the Pacific Northwest and the Middle West; and

"Whereas the unconstructed portion of the Lewis and Clark Highway is only 25 miles in length and lies entirely within the State of Idaho; and

"Whereas the Lewis and Clark Highway when completed will traverse or closely parallel the route of the Lewis and Clark expedition, which opened up the Pacific Northwest over 150 years ago and would be a fitting memorial to those explorers: Now, therefore, be it

"*Resolved*, That we, the Senate and House of Representatives of the Legislature of the State of Washington, now in its 35th session, do respectfully and earnestly request the Congress of the United States to authorize and appropriate sufficient moneys to provide for the construction and completion of said unfinished link in said Lewis and Clark Highway at the earliest practicable date; and be it further

"*Resolved*, That the secretary of state of the State of Washington be authorized, and he is hereby directed to forward certified copies of this memorial to the President of the United States, the Senate and the House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"Passed the senate February 27, 1957.

"JOHN A. CHERBERG,
"*President of the Senate.*

"Passed the house March 11, 1957.

"JOHN L. O'BRIEN,
"*Speaker of the House.*"

"Senate Joint Memorial 9

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled, and to the Secretary of Commerce of the United States:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in order to facilitate the flow of traffic across the State of Washington from centers of population south of the city of Seattle to the central and southwestern parts of the State, and to the States of Idaho and Oregon it is urgently necessary that a second highway be improved; and

"Whereas Washington State Highway No. 5, being United States Route No. 410, known as the National Park Highway is ideal for this purpose: Now, therefore, be it

"*Resolved by the Senate and House of Representatives of the State of Washington in legislative session assembled*, That we respectfully memorialize and petition the President of the United States and the Secretary of Commerce of the United States to take whatever steps that may be necessary to designate Washington State Highway No. 5, being United States Route No. 410, as an alternate to United States Route No. 10 and to incorporate State highway No. 5, being United States Route No. 410, into the National Interstate and Defense Highway System; and be it further

"*Resolved*, That copies of this memorial be transmitted to the President of the United States, the Secretary of Commerce of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"I, Ward Bowden, secretary of the senate, do hereby certify that this is a true and correct copy of Senate Joint Memorial 9 passed February 19, 1957.

"WARD BOWDEN,
"*Secretary of the Senate.*"

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 9

"Joint memorial memorializing the Department of the Interior and the Department of Agriculture to complete soil classification, thereby permitting immediate construction of the Paonia project, Colorado

"Whereas construction of the Paonia project in Colorado has been authorized for nearly 20 years, and more recently has been reauthorized as a participating project of the Colorado River storage project; and

"Whereas although said Paonia project has been designed and a contract for the construction thereof was entered into in 1948 by the North Fork Water Conservancy District and the United States, the Colorado River Storage Project Act requires that a new soil classification of lands within the said district be made; and

"Whereas said required soil classification has not been made, and there appears to be delay sufficient to jeopardize the beginning of construction on the Paonia project during the 1957–58 fiscal year, even though all other qualifications have been met for participation under the Colorado River Storage Project Act: Now, therefore, be it

"*Resolved by the Senate of the 41st General Assembly of the State of Colorado (the House of Representatives concurring herein)*, That it respectfully memorializes the Department of the Interior and the Department of Agriculture of the United States to rush to completion formal soil classification reports so that the Paonia project, long authorized in the center of arid lands requiring additional and supplemental water for irrigation, may be constructed during 1957 and 1958 as an initial phase of the development of the Colorado River watershed; be it further

"*Resolved*, That copies of this memorial be transmitted to the Secretary of Agriculture, the Secretary of the Interior, the Commissioner of Reclamation, and to the President of the Senate and the Speaker of the House of Representatives of the United States, and to the Members of the Congress from the State of Colorado.

"FRANK L. HAYS,
"*President of the Senate.*

"MILDRED H. CRESSWELL,
"*Secretary of the Senate.*

"CHARLES H. CONKLIN,
"*Speaker of the House of Representatives.*

"LEE MATTHES,
"*Chief Clerk of the House of Representatives.*"

A concurrent resolution of the Legislature of the State of Idaho; to the Committee on the Judiciary:

"House Concurrent Resolution 6

"Concurrent resolution making an application to the Congress of the United States pursuant to article V of the Constitution of the United States for a convention for proposing an amendment to the Constitution of the United States

"*Resolved by the house of representatives (the senate concurring)*, That the Legislature of the State of Idaho, pursuant to article V of the Constitution of the United States, hereby makes application to the Congress of the United States to call a convention for proposing the following article as an amendment to the Constitution of the United States in lieu of article V:

"'ARTICLE —

"'SECTION 1. The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States shall call a convention for proposing amendments; or the legislature of any State, whenever two-thirds of each House shall deem it necessary, may propose amendments to this Constitution by transmitting to the Secretary of State of the United States and to the secretary of state of each of the several States a certified copy of the resolution proposing the amendment, which shall be deemed submitted to the several States for ratification when certified copies of resolutions of the legislatures of any 12 of the several States by two-thirds of each House shall have been so transmitted concurring in the proposal of such amendment; which, in any case, shall be valid to all intents and purposes as part of this Constitution when ratified by the legislatures of three-fourths of the several States: *Provided*, That no State, without its consent, shall be deprived of its equal suffrage in the Senate.

"'SEC. 2. The act of proposal, concurrence in a proposal, or ratification of an amendment, shall not be revocable.

"'SEC. 3. A proposal of an amendment by a State shall be inoperative unless it shall have been so concurred in within 7 years from the date of this proposal. A proposed amendment shall be inoperative unless it shall have been so ratified within 15 years from the date of its submission, or shorter period as may be prescribed in the resolution proposing the amendment.

"'SEC. 4. Controversies respecting the validity of an amendment shall be justiciable and shall be determined by the exercise of the judicial power of the United States'; and be it further

"*Resolved*, That such amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States; and be it further

"*Resolved*, That as the power of the sovereign States to propose amendments to the Constitution of the United States by convention under article V has never been exercised and no precedent exists for the calling or holding of such convention, the State of Idaho hereby declares the following basic principles with respect thereto: That the power of the sovereign States to amend the Constitution of the United States under article V is absolute; that the power of the sovereign States to propose amendments to the Constitution by convention under article V is absolute; that the power of the sovereign States extends over such convention and the scope and control thereof and that it is within their sovereign power to prescribe whether such convention shall be general or shall be limited to the proposal of a specified amendment or of amendments in a specified field; that the exercise by the sovereign States of their power to require the calling of such convention contemplates that the applications of the several States for such convention shall prescribe the scope thereof and the essential provisions for holding the same; that the scope of such convention and the provisions for holding the same are established in and by the applications therefor by the legislatures of the two-thirds majority of the several States required by article V to call the same, and that it is the duty of the Congress to call such convention in conformity therewith; that such convention is without power to transcend, and the delegates to such convention are without power to act except within the limitations and provisions so prescribed; and be it further

"*Resolved*, That such convention shall be called and held in conformity with the following limitations and provisions, and that the Congress, in the call for such convention, hereby is requested to and shall prescribe:

"(1) That such convention shall be held in the city of Philadelphia, in the State of Pennsylvania on the first Monday of the first December following transmission to the Senate and the House of Representatives of the Congress of the United States of application for such convention by the legislatures of two-thirds of the several States and, in honor of the Nation's founders and for invocation, shall convene at Constitution Hall, at Independence Square, at the hour of 10 o'clock in the morning of such day, and thereupon adjourn to more commodious quarters within said city for session as the convention shall determine;

"(2) That the several States shall have equal suffrage at such convention; that each of the several States shall be entitled to 3 delegates thereat and that each of such delegates shall be entitled to 1 vote; that the delegates to such convention from the several States shall be the highest officer of the senate and the highest officer of the house of representatives of their respective legislatures at the time of such convention, except that in States where the lieutenant governor is president of the senate, the president of the senate pro tempore or other highest officer from the membership of the senate shall be such delegate from the senate and in States having a unicameral legislature the 2 highest officers of its legislature shall be such delegates, which 2 delegates in each of the several States shall jointly designate a citizen of such State at large who shall be the third delegate from such State to such convention; that in case of a vacancy in the office of any delegate during such convention, not otherwise filled pursuant to law or by legislative act or as herein provided, such vacancy shall be filled by the governor of such State from the senate or house of its legislature or the State at large, respectively, as the case may be; that during

such vacancy and during the absence of a delegate from the floor of the convention the delegates present from such State shall be empowered to exercise the vote of the absent delegate or delegates from such State; that the legislature of any State may choose its delegates to such convention, other than hereinabove designated, in which case the delegates so chosen shall be certified to the convention by the secretary of state of such State and shall constitute the delegates of such State at such convention in lieu of the delegates otherwise hereinabove designated;

"(3) That such convention shall be limited and restricted specifically to the consideration and proposal of such amendment to article V, the choosing of officers and adoption of rules of procedure for the conduct of such convention and the maintenance of order thereat, the determination of any issue respecting the seating of delegates, adjournment from day to day and to a day certain and from place to place within said city as may be convenient, and adjournment sine die; and such convention shall not be held for any other purpose nor have any other power, and the delegates thereto shall have no power other than within the limitations herein prescribed;

"(4) That a permanent record shall be made of the proceedings of such convention, which shall be certified by the secretary of the convention, the original of which shall be placed in the Library of Congress and printed copies of which shall be transmitted to the Senate and the House of Representatives of the Congress, to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States;

"(5) That the powers of such convention shall be exercisable by the States, represented at such convention by duly constituted delegates thereat, by majority vote of the States present and voting on such proposal, and not otherwise; and be it further

"*Resolved*, That this application shall constitute a continuing application for such convention under article V of the Constitution of the United States until the legislatures of two-thirds of the several States shall have made like applications and such convention shall have been called and held in conformity therewith, unless the Congress itself propose such amendment within the time and the manner herein provided; and be it further

"*Resolved*, That proposal of such amendment by the Congress and its submission for ratification to the legislatures of the several States in the form of the article hereinabove specifically set forth, at any time prior to 60 days after the legislatures of two-thirds of the several States shall have made application for such convention, shall render such convention unnecessary and the same shall not be held; otherwise such convention shall be called and held in conformity with such applications; and be it further

"*Resolved*, That as this application under article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign States under the Constitution of the United States, it is requested that receipt of this application by the Senate and House of Representatives of the Congress of the United States be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and House of Representatives of the Congress; and be it further

"*Resolved*, That the Secretary of State of the State of Idaho prepare and certify copies of this resolution and transmit copies of this resolution forthwith to the Senate and House of Representatives of the Congress of the United States, to each Senator and Representative in the Congress from this State, and to the Secretary of State of the United States, and to each house of the legislature and to the secretary of state of each of the several States, attesting the adoption of this resolution by the legislature of this State."

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"House Memorial 11

"*To the Honorable Dwight D. Eisenhower, President of the United States; the Congress of the United States; the Secretary of the Interior; the Attorney General of the United States; and the Delegate to Congress from Alaska:*

"Your memorialist, the House of Representatives of the Territory of Alaska, in 23d session assembled, respectively represents that—

"Whereas approximately $350,000 per year in fines and forfeitures is collected in the United States commissioner's courts and United States district courts in Alaska, from Alaska citizens, for violations of Territorial laws and regulations; and

"Whereas these fines are presently paid into the Federal Treasury; and

"Whereas the Territory of Alaska has assumed the obligation and responsibility for providing law-enforcement protection in the rural areas of the Territory of Alaska by the organization and financial support of a Territorial police organization; and

"Whereas, the majority of the fines and forfeitures collected in the United States commissioner's court and the United States district courts in Alaska are for violations of Territorial laws for which prosecution was brought by officer of the Territory:

"Now, therefore, your memorialist, the House of Representatives of the Territory of Alaska, respectively prays that the 85th Congress of the United States adopt legislation permitting part of these funds to be covered into the general fund of the Territorial treasury for the purpose of meeting the expenses of the Territory in providing for the administration of justice in Alaska.

"And your memorialist will ever pray.

"Passed by the house March 22, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Certified true, full and correct.

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"I certify that the above is a true, full and correct copy of House Memorial 11.

"WALDO E. HENDRICKSON,
"*Secretary of Alaska.*"

A resolution adopted at a meeting of American Patriots, at Boston, Mass., relating to the censure of Senator MCCARTHY; to the Committee on the Judiciary.

A paper in the nature of a petition from Emmett B. Cocke, of San Antonio, Tex., relating to the general welfare; to the Committee on Labor and Public Welfare.

A resolution adopted by postal employees of Wood River, Ill., favoring the enactment of legislation to increase the salaries of postal employees; to the Committee on Post Office and Civil Service.

JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial 3, memorializing the United States Congress to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests, and lands utilized for national defense and for the promotion of aviation and agriculture.

The joint memorial was passed by the New Mexico Legislature and signed by the Governor.

I ask unanimous consent that the joint memorial be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 3

Joint memorial memorializing the United States Congress to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests, and lands utilized for national defense and for the promotion of aviation and agriculture.

Whereas the people of New Mexico recognize that the United States of America owns over 45 percent of all the lands within the borders of New Mexico; and

Whereas the people of New Mexico recognize that the United States of America owns a large proportion of the Western States as tabulated below:

	Percent
Arizona	69
California	45
Colorado	37
Idaho	64
Montana	26
Nevada	84
New Mexico	45
North Dakota	6
Oklahoma	8
Oregon	52
South Dakota	17
Utah	71
Washington	35
Wyoming	51

Whereas the people of New Mexico have long been aware of the inequitable lack of sovereignty and loss of revenue from the lands aforesaid and minerals contained therein; and

Whereas the Taylor Grazing Act of 1934 in its preamble states that its purpose is "to promote the highest use of the public lands pending its final disposal"; and

Whereas by the several acts of admission of the Western States enumerated above each State was admitted into the Union on an equal footing with the original States in all respects whatever, which is not the case in fact when the Federal Government owns the majority of the lands within the said Western States and the minerals contained therein; and

Whereas the Government of the United States has from time to time taken and continues to take more of the lands and minerals in addition to those already owned by it within the Western States, and thus deprives New Mexico and its citizens, and deprives the other Western States and their citizens further from the benefits of such lands and minerals: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the Congress of the United States of America be and it is hereby memorialized to promptly, diligently, and fairly consider and act upon at this session, legislation designed to grant to New Mexico and its citizens, and to the other Western States and their citizens, title to all of the lands and minerals presently owned by the Government of the United States within the borders of New Mexico and of the other Western States, with the exception of lands in use, or needed in the immediate future for use, in the discharge of governmental functions, and of lands and minerals in national parks, national monuments, national forests, and of lands for national defense and for promotion of aviation and agriculture; and be it further

Resolved, That copies of this memorial be transmitted to the President and to the Vice President of the United States, to the Speaker of the House of Representatives of said Congress, and to each Senator and Representative from New Mexico in the Congress of the United States.

DONALD D. HALLAM,
Speaker, House of Representatives.
FLOYD CROSS,
Chief Clerk, House of Representatives.
JOE M. MONTOYA,
President, Senate.
GRACE MCAFEE,
Chief Clerk, Senate.

Approved by me this 22d day of March 1957.

EDWIN L. MECHEM,
Governor, State of New Mexico.

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

Mr. ANDERSON. Mr. President, I have just received from the New Mexico House of Representatives, House Joint Memorial No. 17, memorializing the Congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of a flood-control and irrigation dam on the San Francisco River at the proposed Frisco Dam site, Reserve, N. Mex.

The joint memorial was passed by the New Mexico State Legislature.

I ask unanimous consent that the joint memorial be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 17

Joint memorial memorializing the Congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of flood-control and irrigation dam on the San Francisco River at the proposed Frisco Dam site, Reserve, N. Mex.

Whereas the establishment and construction of a flood-control and irrigation dam at the Frisco Dam site on the San Francisco River in southwestern New Mexico would serve a multifold purpose; and

Whereas the establishment and construction of the proposed dam would prevent the recurrence of floods such as those of 1941 and 1949 that seriously damaged areas of Reserve, Alma, Glenwood, and Pleasonton in New Mexico and Clifton in Arizona, and many acres of valuable farmland along the banks of the Frisco and Gila Rivers; and

Whereas the controlled irrigation of such areas would be of untold benefit as the Frisco River in such areas practically dries up during the late summer months when the water is needed the most; and

Whereas if the dam is constructed at the proposed site on the Frisco River, known as the Frisco Dam site, the costs would be relatively small due to the height of the rock walls bounding the river and the narrowness of the river canyon at this point; and

Whereas if the dam is constructed at the proposed site, the people of the State of Arizona will cooperate with and welcome such construction as it will be of untold value to many of their citizens: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the congressional delegation of New Mexico and Arizona be hereby memorialized earnestly to exert their efforts on behalf of the establishment and construction of a flood-control dam at the Frisco Dam site on the San Francisco River at Reserve, N. Mex.; and be it further

Resolved, That copies of this memorial be transmitted to each member of the congressional delegation of New Mexico and Arizona.

DONALD D. HALLAM,
Speaker, House of Representatives.
FLOYD CROSS,
Chief Clerk, House of Representatives.
JOE M. MONTOYA,
President, Senate.
GRACE MCAFEE,
Chief Clerk, Senate.

Approved by me this — day of — 1957.

EDWIN L. MECHEM,
Governor, State of New Mexico.

STATEHOOD FOR ALASKA AND HAWAII—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the New York State Junior Chamber of Commerce, favoring the enactment of legislation to admit Alaska and Hawaii into the Union.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

NEW YORK STATE
JUNIOR CHAMBER OF COMMERCE,
March 18, 1957.

To: Senator JAVITS.

From: Thomas D. Milligan, executive secretary.

Subject: Alaska and Hawaii—statehood.

The New York State Junior Chamber of Commerce convened in its quarterly board of directors' meeting at Syracuse, March 15–17, adopted the resolution presented below; 275 delegates representing 6,500 Jaycees attended:

"Whereas our national heritage has developed upon the principle of the people having a duly elected voice in the affairs of government; and

"Whereas administration of Alaska and Hawaiian Territorial affairs from the Nation's Capital is less than adequate for the needs of the citizens in the upbuilding of the Territories; and

"Whereas Alaskans and Hawaiians share the same standard of living to which we in the States are accustomed; and

"Whereas the methods and forms of governments for villages, municipalities, and the Territories are already functioning and are comparable to ours in the States; and

"Whereas the people of Alaska and Hawaii are United States citizens paying Federal taxes, subject to military service, and generally subject to the same Federal statutes as the citizens in the 48 States, but do not have representation in Congress: Now be it hereby

"*Resolved*, That the New York State Junior Chamber of Commerce, Inc., urge that our Representatives to Congress from New York State vote for pending House and Senate bills endowing statehood upon the Territory of Alaska and the Territory of Hawaii."

AMENDMENT OF THE CONSTITUTION RELATING TO THE TREATY-MAKING POWER—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, of Brooklyn, N. Y., favoring the enactment of the so-called Bricker amendment, relating to the treaty-making power. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

The following resolution was unanimously adopted by the members of the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Kings County, Brooklyn, N. Y., at their meeting on February 23, 1957:

"*Resolved*, That the Long Island General Assembly, Fourth Degree (Patriotic), Knights of Columbus, Brooklyn, N. Y., reaffirms its 1955 and 1956 support of the principles of the proposed Bricker amendment to our Federal Constitution, the objective of which is to further secure the individual American citizen's God-given rights and to prevent the undermining of our domestic law by treaty or other international agreement; therefore again petition the Congress of the United States to submit such an amendment to the States for ratification during the present session."

Sincerely yours,

JAMES F. MORGAN,
Faithful Navigator.

FEDERAL AID TO EDUCATION—RESOLUTION

Mr. THURMOND. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the chamber of commerce, of Spartanburg, S. C., protesting against the enactment of any legislation providing Federal aid to education. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

Whereas in the first session of the 85th Congress at least two bills have been introduced (H. R. 1 and H. R. 3986) which would seek to establish a broad program of Federal aid to education; and

Whereas the American public school system is traditionally and distinctively a community affair in which the States and local school districts are charged with the responsibility for the financing and direction of their public schools, according to their respective needs; and

Whereas the discharge of these responsibilities is being ably and effectively carried out by the States and local school districts: Be is now, therefore,

Resolved by the board of directors of the Spartanburg Chamber of Commerce, That this organization be unalterably opposed to the passage of any Federal legislation which would permit the encroachment upon the rights of the States and local school districts through Federal aid to education; and be it further

Resolved, That the Spartanburg Chamber of Commerce give its wholehearted endorsement to the policy expressed by the Chamber of Commerce of the United States opposing Federal aid to education.

RESOLUTION OF BOARD OF DIRECTORS, WEST CENTRAL TELEPHONE ASSOCIATION, WADENA, MINN.

Mr. HUMPHREY. Mr. President, I present, for appropriate reference, a resolution adopted by the board of directors of the West Central Telephone Association, at Wadena, Minn., relating to the delivery of central office equipment scheduled for the towns of Sebeka, Menahga, Wolf Lake, and Verndale, Minn. The resolution calls upon Congress to investigate the delay in the matter of the Rural Electrification Administration in granting approval of certain loans for the improvement of telephone service. This resolution comes from a telephone association which serves a large area of western Minnesota. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas on November 15, 1955, West Central Telephone Association accepted bids on central office equipment for the villages of Verndale, Sebeka, Menahga, and Wolf Lake, in the presence of an REA field representative; and

Whereas Kellogg Switchboard & Supply Co. was the low bidder resulting in a contract for the central office equipment for the above-named towns; and

Whereas this contract was approved by the Administrator of the Rural Electrification Administration on February 2, 1956; and

Whereas the contract between West Central Telephone Association and Kellogg Switchboard & Supply Co. specifies that delivery of this equipment would be made within 240 days from the date of approval; and

Whereas representatives of Kellogg Switchboard & Supply Co. and representatives of the Federal Radio & Telephone Corporation, of Clifton, N. J., the manufacturers of the equipment sold by Kellogg Switchboard & Supply Co., have repeatedly, by letters, telegrams, and telephone conversations, as well as in personal conferences with representatives of West Central Telephone Association, assured the telephone association that delivery would be made within the specified time, and also after the specified time had elapsed, that delivery would be made in March 1957; and

Whereas delivery of the equipment has not been made in accordance with promises given by both the supplier and the manufacturer: Now, therefore, be it

Resolved, That the Administrator of the Rural Electrification Administration be requested to investigate this matter to determine the cause of the delay and also to do everything possible to expedite at the earliest possible date the delivery of the central office equipment covered by this contract; be it further

Resolved, That if satisfactory delivery is not forthcoming that the Administrator of the Rural Electrification Administration be requested to withhold approval of any and all contracts which may be written in the future between REA financed systems and Kellogg Switchboard & Supply Co. and/or Federal Radio & Telephone Co.; be it further

Resolved, That copies of this resolution be sent to the Administrator, and to Senators HUMPHREY and THYE, Congresswoman KNUTSON, and Representative FRED MARSHALL.

CERTIFICATE OF SECRETARY

I, Paul Richter, do hereby certify that: I am the secretary of the West Central Telephone Association (hereinafter called the "Cooperative"), that the attached is a correct copy of the original resolution adopted by the board of directors of said association at the special meeting held in the village of Wadena, March 25, 1957. A quorum of the board was present and acted throughout; the attached resolution has not been rescinded or modified.

In witness whereof I have hereunto set my hand and affixed the seal of the Cooperative this 25th day of March 1957.

[SEAL] PAUL RICHTER,
Secretary.

EXTENSION OF FAIR LABOR STANDARDS ACT—COMPULSORY INSPECTION OF POULTRY—LETTERS AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received two letters from the St. Paul Trades and Labor Assembly.

The first of these endorses an extension of coverage under the Fair Labor Standards Act.

The second supports S. 1128, my poultry inspection bill.

I ask unanimous consent that the communications and the attached resolution on S. 1128 be printed in the RECORD and appropriately referred.

There being no objection, the letters and resolution were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

ST. PAUL TRADES AND LABOR ASSEMBLY,
St. Paul, Minn., March 26, 1957.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The St. Paul Trades and Labor Assembly has been advised that there is legislation pending before Congress that would provide extension of coverage of the Fair Labor Standards Act. I believe this legislation is known as the Morse-Kelley bills S. 1267 and H. R. 4575.

The assembly is in favor of extending coverage to all wage earners under the Fair Labor Standards Act and the assembly has requested me to write and urge your support of this measure.

Very truly yours,
E. D. MCKINNON,
Secretary, St. Paul Trades and Labor Assembly.

To the Committee on Agriculture and Forestry:

ST. PAUL TRADES AND LABOR ASSEMBLY,
St. Paul, Minn., March 26, 1957.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The St. Paul Trades and Labor Assembly went on record at their meeting on March 22, in favor of S. 1128 which we understand has for its purpose the improving of conditions in the processing of poultry.

A copy of the resolution adopted by the assembly is attached hereto.

Very truly yours,
E. D. MCKINNON,
Secretary, St. Paul Trades and Labor Assembly.

Whereas because of the deplorable conditions existing in some poultry plants throughout the country, the Amalgamated Meat Cutters has for some time been endeavoring to have proper inspection in the poultry industry by the passage of legislation requiring this industry to correct existing conditions; and

Whereas in many plants diseased and sick poultry is being processed and sold to the consumers with parts missing, and in cut-up form even though these parts have been exposed to disease, and in most cases this poultry has not been inspected; and

Whereas there is now pending in Congress, legislation which will provide proper inspection in the poultry industry and such legislation is being opposed by large poultry growers and associations without regard to the consumers; and

Whereas the Amalgamated Meat Cutters is keenly interested in providing clean, wholesome products to the public: Therefore be it

Resolved, That the St. Paul Trades and Labor Assembly lend its support to the passage of this legislation known as S. 1128 and to Senator HUMPHREY who, as a member of the subcommittee handling this bill, is doing an outstanding job in an effort to have the bill passed, even though being pressed by large groups in the industry to withdraw same; and further

That a copy of this resolution be sent to Senators THYE and HUMPHREY.

CITIZENS COMMITTEE TO STUDY FEDERAL AID TO EDUCATION—LETTER AND REPORT

Mr. HUMPHREY. Mr. President, I present, and ask unanimous consent to have printed in the RECORD, a letter I have received from Rufus A. Putnam, superintendent of schools of Minneapolis, Minn., and a report of the special committee to study Federal aid to education, which Mr. Putnam enclosed with his letter. I ask that the letter and report be appropriately referred.

There being no objection, the letter and report were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS PUBLIC SCHOOLS,
Minneapolis, Minn., March 29, 1957.

The Honorable HUBERT H. HUMPHREY,
The United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: On January 15, 1957, the board of education authorized the president of the board to appoint a citizens' committee to study Federal aid to education and to submit findings and recommendations to the board of education to be forwarded to the Congress of the United States for action.

At the meeting of the board of education which was held on March 26, 1957, the board voted to endorse and support the report which the citizens' committee presented to the board and to send copies of the report to the Minneapolis delegation in the Congress of the United States.

A copy of the report of the citizens' committee is enclosed.

Yours very truly,
RUFUS A. PUTNAM,
Superintendent of Schools.

REPORT OF THE SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION, APPOINTED BY MINNEAPOLIS BOARD OF EDUCATION, MARCH 26, 1957

To the Members of the Board of Education:

The members of your committee, appointed in accordance with your resolution of January 15, 1957, have considered the many facets of the problem of Federal support for the public schools.

This committee realizes and believes in the necessity and inevitability of Federal aid for publicly controlled and tax supported schools, and recommends:

1. Federal support for the public schools should be distributed solely on the basis of the number of children of school age within each State.

2. Control of the public schools should remain the complete responsibility of the States and local school districts; and any funds derived from Federal sources should be channeled to the several States through the United States Office of Education and the respective State departments of education.

3. The basic responsibility for the financial support of the public schools should remain with the States and local communities; but it is in the national interest and entirely appropriate for the Federal Government to give continuing and extended partial support.

4. In addition to providing partial current support of education, and filling other educational needs, Federal funds should be used to construct and equip public school buildings.

5. The offshore oil and gas resources beyond the limits of State jurisdictions belong to all the people; and the proceeds from such resources should be dedicated to the use of publicly controlled and tax supported schools.

Respectfully submitted.

SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION,
JAMES B. LUND, *Chairman.*
MRS. HOWARD S. KAHN, *Secretary.*

The recommendations of this committee have been established upon certain basic considerations which may be summarized as follows:

Proposals for Federal aid to schools now being considered by the Congress generally emphasize aid for school construction. These proposals are based on the premise that many school districts are unable to meet the classroom shortage through their own resources; consequently, these districts should be helped through Federal grants. Even though some of the proposals would distribute Federal funds among the States on the basis of the number of school children, each State would determine how the funds would be apportioned among the school districts. In most States, need and the ability to pay would be major factors in determining the amount allotted to each district.

Because Minneapolis has more taxable wealth per pupil than the average community in Minnesota or in the Nation, the Minneapolis schools would probably not benefit directly from any plan of Federal aid which was based upon equalization of need. The proposals now before Congress would be of indirect benefit perhaps, by providing some aid to other Minnesota communities whose needs might otherwise have to be financed from State taxes, a substantial part of which are paid by Minneapolis citizens.

In America, schools have been kept close to the people and there is general agreement that it is in the interest of democracy to keep them thus. Financial support is closely related to control over expenditures. There is general concern that Federal support should not by synonymous with Federal control. In a Federal program based on need, or equalization, there is a danger of Federal control. In order to preserve the fundamental principle of local control of public schools, therefore, any program of Federal support should be distributed on a purely objective, pupil population basis.

The Federal Government creates no wealth. It has no resources which are not available to States and local communities. However, with the growth of nationwide industries whose wealth-generating powers stretch across State lines, and with the corresponding growth of tax collecting powers and the increasing concentration of tax collections at the Federal level, greater equity is secured by assessing a part of the cost of education through taxing powers at the Federal level. There is also real justification for using the income from certain natural resources which belong to all the people, such as the offshore oil lands, for the benefit of all the people by using such income to improve the quality of schools throughout the Nation.

Because in a democracy all have equal votes in determining the affairs of government; because education is the foundation of high living standards; and because of the mobility of population within and between the States, it is in the interest of all communities and of all citizens that there should be no educational slums. Because good education for children in all parts of the country is a national concern, the Federal Government may properly be called upon to provide some support for the educational program. Because local control of schools is also important, the control and expenditure of such funds should be determined by the local district.

MEMBERSHIP, SPECIAL COMMITTEE TO STUDY FEDERAL AID TO EDUCATION

Lund, James B., chairman, 4854 Russell Avenue South; Kahn, Mrs. Howard S., secretary, 5133 Oliver Avenue South; Adams, Frank, 200 Court House; Drake, Benjamin, 543 Plymouth Building; Dunshee, Mrs. Donald, 5800 Bloomington Avenue; Granger, Shelton, 510 Northwestern Federal Building; Heggerston, A. L., 807 Northeast Broadway; Hill, Dr. Frederick W., 807 Northeast Broadway; Huebner, John, 3515 Fifth Street NE.; Langton, York, 7500 Excelsior Boulevard; McNulty, Kenneth F., 119 Fourth Avenue NE.; Mansfield, Mrs. M. L., 408 East 33d Street; Smaby, Mrs. A. J., 1531 East River Road; Watson, Dr. Wm. E., 704 Physicians and Surgeons Building, Wishart, Robert, CIO Hall, 724 Fourth Avenue South.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, without amendment:

S. 1771. A bill to provide for a 1957 corn base acreage of 51 million acres, and for other purposes (Rept. No. 198).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 253. A bill for the relief of Josef Michael Adolf (Rept. No. 200).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 249. A bill for the relief of Theodora Hegeman (Rept. No. 201);

S. 257. A bill for the relief of Petronella Elisabeth Deimbeck Major (Rept. No. 202);

S. 368. A bill for the relief of Jose Medina-Chaves (Joe Medina) (Rept. No. 203); and

S. 570. A bill for the relief of Jeannine Therriaud Grantham (Rept. No. 204).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 126. A bill for the relief of Ljubischa Nikolich (Rept. No. 205).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S. 560. A bill for the relief of Alec Ernest Sales (Rept. No. 199).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 1767. A bill for the relief of Eileen Sheila Dhanda; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 1768. A bill to incorporate the National Association of Colored Women's Clubs; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas (for Mr. SMATHERS):

S. 1769. A bill to require common carriers to give passenger service information in daylight-saving time; to the Committee on Interstate and Foreign Commerce.

By Mr. BIBLE (for himself, Mr. BEALL, Mr. FERGUSON, Mr. MANSFIELD, Mr. NEELY, and Mr. MCCARTHY):

S. 1770. A bill to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself, Mr. HICKENLOOPER, Mr. MUNDT, Mr. SYMINGTON, and Mr. THYE):

S. 1771. A bill to provide for a 1957 corn-base acreage of 51 million acres, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. IVES:

S. 1772. A bill to amend the Labor Management Relations Act, 1947, as amended, so as to clarify the authority of the States and Territories with respect to certain cases within the purview of such act; to the Committee on Labor and Public Welfare.

By Mr. BIBLE:

S. 1773. A bill to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to the State of Nevada, involving certain portions of right-of-way in the city of Reno, county of Washoe, State of Nevada, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356); to the Committee on Interior and Insular Affairs.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 1774. A bill for the relief of Yee Suey Nong; to the Committee on the Judiciary.

By Mr. MALONE:

S. 1775. A bill to authorize private transactions involving the sale, acquisition, or holding of gold within the United States; to the Committee on Banking and Currency.

(See the remarks of Mr. MALONE when he introduced the above bill, which appear under a separate heading.)

By Mr. STENNIS (for himself and Mr. O'MAHONEY):

S. J. Res. 79. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Heart Mountain division, Shoshone Federal reclamation project, Wyoming; to the Committee on Interior and Insular Affairs.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT 139, ENTITLED "TECHNICAL ASSISTANCE"

Mr. GREEN submitted the following concurrent resolution (S. Con. Res. 24), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Foreign Relations 2,500 additional copies of Senate Report 139, current Congress, entitled "Technical Assistance."

RETIREMENT OF CERTAIN DISTRICT OF COLUMBIA POLICEMEN AND FIREMEN

Mr. BIBLE. Mr. President, on behalf of myself, the Senator from Maryland

[Mr. BEALL], the Senator from Delaware [Mr. FREAR], the Senator from Montana [Mr. MANSFIELD], and the Senator from West Virginia [Mr. NEELY], I introduce, for appropriate reference, a bill to provide for the retirement of officers and members of the Metropolitan Police Force, Fire Department, and District of Columbia United States Park Police, White House Police, and certain officers and members of the United States Secret Service.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1770) to provide for the retirement of officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and of certain officers and members of the United States Secret Service, and for other purposes, introduced by Mr. BIBLE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. BIBLE. The bill contemplates a complete overhaul of the Police and Fire Pension system, which has long been overdue. The present retirement system was enacted and is still predicated upon 1916 legislation. Since that time revolutionary changes in thinking relative to retirement systems are evident throughout both private industry and Government. However, police and fire pensions have remained constant, and this has resulted in their being surpassed in many factors. From a position once held—that of the leader in this field—police and fire pensions now compare unfavorably with the liberalized features of the Civil Service Retirement Act. This has resulted in a police and fire career no longer being attractive to many young men of the caliber desired for recruitment. For example, of the men now seeking positions in the police and fire departments, only 1 in 7 possesses the qualifications necessary to pass the elementary entrance examination. Resignations have been numerous, and recruitment is difficult. The proposed legislation would be a long step toward correcting the condition existent today.

The proposed legislation offers as an attraction to the younger man a 20-year retirement option with a reduced annuity. That is followed by the offer of an incentive to the experienced man to remain with his department after he is qualified to retire—thereby giving his respective department the advantage of his knowledge and years of experience. It also gives them the privilege of computing previous military and Government service toward retirement provided civil service employees. Furthermore, it extends to the men on the forces the similar disability provisions enjoyed under civil service retirement. Due to the increase in deductions from 5 percent to 6½ percent there will be no immediate cost. In fact, the first 5 years of operation will result in a saving to the Government. There is a cost thereafter.

Because of the hazardous nature of their occupations it has long been held that police and fire pensions should be among the best. The enactment of the proposed legislation will accomplish this and at no immediate cost to the Government.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BIBLE. I am happy to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. I am delighted to join as a cosponsor of this proposed legislation. I wish to assure the Senator from Nevada that I hope under his leadership we shall be able to do something for the policemen and firemen of this city.

As the Senator so ably pointed out, the value of a career as a firemen or a policeman is receding more and more into the background, as compared with the many benefits which are the attributes of civil service employment. All of us are aware of the magnificent work done by the Police Department during the bus strike a year or so ago. We know some action was taken then to rectify the situation.

I sincerely hope this retirement and disability bill, introduced by the Senator from Nevada, will pass, and I hope it will not be too long before we will be able to introduce and consider seriously legislation seeking to raise the salary schedules for policemen and firemen in the District of Columbia. I think it is a shame that in this, of all cities, the policemen are being treated so shabbily as they are at the present time.

Mr. BIBLE. I thank the Senator from Montana. I appreciate his interest in the bill, and I share his views.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I ask the Senator to yield for this purpose: While I normally do not add my name to a bill as a cosponsor, I heartily approve of the bill introduced by the Senator from Nevada. I think it should go further. I should like to be listed as a cosponsor of the bill.

Mr. BIBLE. I am very happy to have the cosponsorship of the Senator from Wisconsin.

PRIVATE TRANSACTION RELATING TO SALE OF GOLD

Mr. MALONE. Mr. President, in the years 1933 and 1934 two momentous occurrences took place in the United States Congress which opened the door to international socialism and an everspiraling inflation.

In 1933 we followed England off of the hard-money standard and in the following year Congress passed the 1934 Trade Agreements Act. Either one of these two events would have been enough singly to shake the very foundation of our economy which had been so carefully and wisely planned by the framers of the American Constitution in article I, section 8. We in Congress should from time to time reorientate our thinking around the basic tenets of our representative form of government by restudying this document.

RECEIPTS FROM ARTICLE I, SECTION 8, OF THE UNITED STATES CONSTITUTION

Mr. President, I should like to take a moment of the time of the Senate to read a brief portion of this document to my colleagues. Article I, section 8, of the Constitution states:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the departments and provide for the common defense and general welfare of the United States; * * *
>
> To regulate commerce with foreign nations, and among the several States, and with the Indian tribes; * * *
>
> To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

THE NEVADA STATE REPUBLICAN CENTRAL COMMITTEE TAKES STAND FOR HARD MONEY

Senators on both sides of the aisle are familiar with my long and impassioned fight to return to the Congress of the United States its authority and responsibility on the hard money and free-trade issues. The citizens of the United States are demanding that we again resume this responsibility.

On December 15, 1956, the Republican State Central Committee met in Fallon, Nev., and passed the following resolution reaffirming the three basic principles of government embodied in the Constitution of the United States:

> The Republican Party of the State of Nevada strongly advocates the return to constitutional government by adopting the following principles which have been the basic tenets of the Republican Party since its inception more than 100 years ago.
>
> We believe the Republican Party must advocate a free market for gold, with removal of all restrictions upon its purchase, sale, and ownership, and a return to the traditional hard-money standard using gold and silver certificates redeemable in the respective metals.
>
> We believe the Republican Party must urge the Congress of the United States to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imports, and excises, through its agent, the Tariff Commission, and allow the so-called Reciprocal Trade Act, which transferred such responsibility to the President, to expire in 1958.
>
> We believe the Republican Party should urge Congress to respect the rights of the individual States in all those matters which have been historically matters of State concern.

Mr. President, gold is a commodity and, like any other commodity, the owners of it should have the right to possess and sell it as do owners of any other industry or economic group that produces commodities.

NOT THE CASE WITH GOLD

This is certainly not the case. Gold is the only commodity the marketing of which has been completely and totally taken over by the Government as a monopoly. The gold producers in the United States can only sell their gold to the Government or to parties licensed by the Government. They must sell their product at a fixed price established by the Government. This price is $35 per fine ounce, and it has remained unchanged since 1934.

Mr. President, in accordance with these beliefs and statements I introduce for appropriate reference, a bill to authorize private transactions involving the sale, acquisition, or holding of gold within the United States. It is in accordance with the resolution passed by the Nevada State Republican Central Committee for the protection of our American economy. I ask that a copy of the bill be printed in the RECORD.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. CASE of South Dakota. Does the Senator's bill establish a free market for gold in this country?

Mr. MALONE. It does.

Mr. CASE of South Dakota. I want to commend the Senator for the introduction of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, will be printed in the RECORD.

The bill (S. 1775) to authorize private transactions involving the sale, acquisition, or holding of gold within the United States, introduced by Mr. MALONE, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

> *Be it enacted, etc.*, That notwithstanding any other provision of law gold in any form, mined subsequent to the enactment of this act, within the United States, its Territories, and possessions may be melted, smelted, concentrated, or otherwise treated so as to prepare it to be sold, or held and stored as is, or has been customary with gold and it may be bought, held, sold, or traded upon the open market within the United States, its Territories and possessions for any purpose whatsoever without the requirement of licenses and it may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever.
>
> SEC. 2. Gold imported into the United States after the date of enactment of this act may be held, bought, sold, or traded upon the open market within the United States, its Territories, and possessions, for any purpose whatsoever and may be exported without the imposition of duties, excise taxes, the requirement of licenses, permits, or any restrictions whatsoever.
>
> SEC. 3. All gold held or bought by the United States Treasury, or mints, or assay offices, or by the Federal Reserve banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and such gold shall not hereafter be sold by the Treasury or by the Federal Reserve banks (or for the account of either), directly or indirectly, in any free gold market in the United States, its Territories or possessions, for the purpose of depressing such market and thereby lessening the price and value of gold: *Provided*, That the United States Treasury shall purchase as monetary gold any gold mined after the date of enactment of this act in the United States, its Territories or possessions, which is offered to it for sale at the rate of $35 an ounce.

HUMANE SLAUGHTER OF LIVESTOCK AND POULTRY—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the Senator from Maine [Mrs. SMITH] be added as a cosponsor of the bill (S. 1497) to require the use of humane methods in the slaughter of livestock and poultry in interstate and foreign commerce, and for other purposes. I wish the RECORD to note that it was an error on my part that her name was not included as one of the cosponsors at the time I introduced the bill on March 5, 1957. I deeply regret the mistake I made, and I ask that the RECORD indicate that the Senator from Maine [Mrs. SMITH] is a cosponsor and one of the vigorous supporters of the proposed legislation.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BUTLER:

Statement prepared by him on the 12th anniversary of the Soviet enslavement of Rumania.

By Mr. KUCHEL:

Statement by the Secretary of the Interior on statehood for Alaska.

By Mr. HUMPHREY:

Address delivered by him to a group of New Jersey gasoline dealers, at Haddon Heights, N. J., on December 13, 1956.

THE MILITARY BUDGET, WASTE, AND THE LACK OF AN ADEQUATE STRATEGIC DOCTRINE

Mr. SYMINGTON. Mr. President, in a short time the Congress will be asked to approve force levels in the military services, along with the money necessary to implement them, as recommended by the executive branch of the Government. To this end, if one includes foreign military aid, atomic developments and strategic stockpiling, more than $43 billion of new obligational authority and more than $43 billion in expenditures, are being requested of the Congress.

The theory of Field Marshal Montgomery that the free world will go broke unless it starts building its defenses on the basis of progress, instead of tradition, was never more clearly illustrated than by these new budget requests; because in them are requests for vast sums of money which involve unnecessary duplication, and even triplication, always at the taxpayers' expense. In fact, Mr. President, we are now being requested to approve sums, substantial portions of which are predetermined as waste.

The primary reason for this sad condition is the continuing failure on the part of the excutive branch to decide how best to defend this country in case it is ever attacked.

As a brilliant article said recently:

> An adequate strategic doctrine is therefore the basic requirement of American security.

More and more of our people are beginning to realize the basic fact that we have no such strategic doctrine.

In this connection, Mr. President, I ask unanimous consent that a part of a recent, brilliant article entitled "Strategy and Organization," written by Mr. Henry Kissinger, and published in Foreign Affairs for April 1957, be inserted at this point in the body of the RECORD. Never has the problem some of us have been presenting for years been so well and clearly presented.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

STRATEGY AND ORGANIZATION

(By Henry A. Kissinger)

Whatever the problem, whether it concerns our military strategy, our system of alliances, or our relations with the Soviet bloc, the nuclear age demands above all a clarification of doctrine.

At a moment when technology has put within our grasp a command of nature never before imagined, we are driven to realize that everything depends on our ability to use power with subtlety and discrimination.

In the absence of concepts that define the nature of power, its purpose, and its relation to policy, the possession of it may serve merely to paralyze the will. All the difficult choices of the nuclear period, the nature of its weapons systems, the risks diplomacy can run, the issues for which to contend, presuppose a doctrinal answer before they can find a technical one.

This is particularly true of military strategy. Because we have won two world wars by outproducing our opponent, we have tended to equate military superiority with superiority in resources and technology. Yet history demonstrates that superiority in strategic doctrine has, at least as often, been the cause of victory as has superiority in resources.

Superior doctrine enabled the Germans in 1940 to defeat an allied army superior in numbers and, at least, equal in equipment but wedded to an outmoded concept of warfare. Superior mobility and the use of artillery, a better relationship between fire and movement, furnished the basis of Napoleon's victories. Similar examples were the victories of the Roman legions over the Macedonian phalanx, of the English archers against the medieval knights. All these were victories not of resources but of strategic doctrine: The ability to break the framework which had come to be taken for granted and to present the antagonist with contingencies which he had never even considered.

Strategic doctrine translates power into policy. Whether the goals of a state are offensive or defensive, whether it seeks to achieve or prevent a change, its strategic doctrine must be able to define what objectives are worth contending for and to develop the appropriate force for achieving them.

By establishing a pattern of response in advance of crisis situations, strategic doctrine permits a power to act purposefully in the face of challenges. In its absence a power will constantly be surprised by events. An adequate strategic doctrine is therefore the basic requirement of American security.

It may be argued, of course, that we do possess a strategic doctrine expressed in the decisions of the Joint Chiefs of Staff and of the National Security Council on the basis of which the force levels of our Armed Forces are determined by Congress. But the decisions of the Joint Chiefs and of the National Security Council give a misleading impression of unity of purpose.

The officials comprising these bodies are either service chiefs in the case of the Joint Chiefs of Staff or heads of executive departments in the case of the National Security Council. As administrators of complicated organizations, they must give most of their attention to reducing the friction of the administrative machine both within their department and in the relation of their department to other agencies.

The heads of departments do not stand above the battle of the bureaucracy; they are spokesmen for it. In fact, the departmental

viewpoint is sometimes purposely exaggerated in order to facilitate compromise.

As a result, the conclusions of both the Joint Chiefs of Staff and the National Security Council reflect more the attainable consensus among sovereign departments than a sense of direction.

Because agreement is frequently unattainable except by framing conclusions in very general language, decisions by the Joint Chiefs of Staff or the National Security Council do not end interdepartmental disputes. Instead they shift them to an interpretation of the meaning of directives. And departments or services whose disagreements prevented the development of doctrine in the first place will choose the exegesis closest to their original point of view.

The seeming unanimity of our policy-making bodies only defers the doctrinal dilemma until some crisis or the budgetary process forces a reconsideration under the pressure of events.

Mr. SYMINGTON. Mr. President, I plan at another time to insert in the RECORD additional parts of this article, so that, prior to this year's decision by the Senate with respect to the military budget, everyone will realize just how, and where, and to what degree, we shall be voting for waste.

Some people now believe that those who are formulating the policies of this country are, in effect, taxing us out of the free-enterprise system.

That may or may not be true; but every citizen will agree that the high cost of our Military Establishment, in the face of the growing strength of communism, demands maximum defense for each dollar spent.

From the standpoint of a sound economy, therefore, as well as from the standpoint of the Nation's security, it is increasingly necessary for America to have an "adequate strategic doctrine."

Inasmuch as more than 4 million citizens of the United States are now in the Defense Establishment, and inasmuch as several hundred thousand more foreign nationals are being paid by the American taxpayer through the Pentagon, I hope every Member of Congress who plans to vote on the new defense budget will first read the article by Mr. Kissinger.

Mr. President, I turn now to another subject.

The VICE PRESIDENT. The Senator from Missouri has the floor.

QUESTION OF SUPPLY OF SUPERSONIC BALLISTIC MISSILES

Mr. SYMINGTON. Mr. President, as a result of a colloquy on a recent telecast between the distinguished junior Senator from Florida [Mr. SMATHERS] and myself, a news story yesterday quoted me as saying, "this country now has a limited supply of supersonic missiles in operational use but not enough to give away." This quotation, without the entire context of the broadcast, might be misleading.

Mr. President, there are four main categories of missiles, namely, air-to air, air-to-ground, ground-to-air, and ground-to-ground.

In yesterday's New York Times, in an article entitled "Missiles for Britain: Where United States Program Stands Now," Mr. Hanson Baldwin said in part:

> The Russians are known to have test-fired about 50 rockets at a range of about 800 miles. Nothing is known about the accuracy of this weapon, but the number of test firings would indicate that Moscow may soon be ready to standardize and start production of an intermediate-range ballistic missile.

Mr. President, I ask unanimous consent to have certain additional portions of the article by Mr. Baldwin printed at this point in the RECORD.

There being no objection, these portions of the article were ordered to be printed in the RECORD, as follows:

> The Russians are known to have test-fired about 50 rockets at a range of about 800 miles. Nothing is known about the accuracy of this weapon, but the number of test firings would indicate that Moscow may soon be ready to standardize and start production of an intermediate-range ballistic missile.
>
> * * * * *
>
> Because these missiles and their larger brother—the intercontinental ballistic missile, with a range of 5,500 miles—are the world's least stoppable weapons and because they can carry hydrogen warheads capable of devastating any city on earth, they are viewed as the ultimate in rocketry.
>
> * * * * *
>
> The Russians seem, therefore, to have a development lead in the IRBM category. Even though the range of the weapon they are testing is only 800 miles this is sufficient to put virtually all of the allied bases and positions in Europe, including Britain, within range of positions now occupied by Soviet troops.
>
> These facts and the threat of rocket bombardment of Great Britain and France voiced by Moscow at the height of the Suez crisis last fall explain the reasoning behind the Bermuda decision. The British want a counterdeterrent to rocket bombardment in the form of rockets capable of reaching Moscow from British bases. This country's IRBM when perfected will have the range to do this.

Mr. SYMINGTON. To the threats against Britain and France can now be added the more recent threat against Norway, and the even more recent threat against Denmark.

Presumably in the minds of the British—just as primarily in our own minds—is a ground-to-ground ballistic missile, one which flies faster than modern planes, and has a range in excess of the Nazi V-2, originally fired in 1942—15 years ago. If that is the missile under consideration, Mr. President, at this time we not only do not have any such missile for the British or French, but we have not any for ourselves; and we shall not have any in operational quantities for a long time.

The fact that, as Mr. Baldwin points out, the Communists appear well ahead of us in at least a part of this field, is a major reason why we must be sure of the strength of the planes, the personnel, and the bases of our Strategic Air Command. As the head of that command, General LeMay, said recently:

> Peace in these times cannot be successfully waged unless this Nation continues to maintain an effective deterrent force—and that means a force in being everlastingly combat ready and clearly capable of winning the air battle.

To the extent Bulganin knows this to be true, to that extent also he will tend to refrain from carrying out his recent threats against such countries as Britain, France, Norway, and Denmark.

Mr. President, we compromised our wishes when we agreed to the Korean armistice, the terms of which we know the Communists are now violating every day. Later on, at least to some extent, we compromised our position in Formosa; and also we compromised it heavily in Indochina.

Now that the United States is apparently bowing to the wishes of Nasser in the Suez controversy, it would appear more important than ever to maintain our deterrent capacity, not only in case we decide to live up to our foreign commitments, but also in order to defend this country in case we are attacked.

J. CHESTER WILFONG

Mr. MANSFIELD. Mr. President, I should like to join the distinguished majority leader and the distinguished minority leader, as well as my other colleagues, in expressing regret at the retirement of Chester Wilfong, one of the Official Reporters of Debates of the Senate, and in wishing him the best of luck in the years ahead.

In the Washington Star of March 29 appeared an article, under the heading "The Rambler," in which a statement was made and a story was told relative to the value and the worth of Chester Wilfong. One of his favorite quotations seems to be that from Gray's Elegy, "The short and simple annals of the poor."

Mr. President, I think the last paragraph of this worthwhile story is worth repeating, and I now repeat it:

> Poor? Reporting word for word on the issues of guilt or acquittal, death or life, war or peace, a long life, a 50th wedding anniversary (2 years ago), 5 children and 7 grandchildren—this reporter thinks Mr. Wilfong has had it pretty rich.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WASHINGTON STAR RAMBLER—FOR 53 YEARS HE GOT IT ALL

Visitors in the Senate gallery often are as impressed by the shorthand reporters as by the Senators. Sightseers watch the reporter, notebook in hand, walk behind a Senator as he strides about the Chamber loosing a torrent of words.

One of the reporters is putting in his last day today, 53 years after he started to work for Uncle Sam.

He is Chester Wilfong. He will be 74 in May. He can catch it as fast as they can pitch, but he is getting to be a little hard of hearing and he thinks it's about time to retire.

The way he learned his reporting skill sounds Lincolnesque—doing the Pitman exercises under an oil lamp at his father's truck farm near Tuxedo, Md.

As to his life and work, he quoted Gray's elegy, "Just 'the short and simple annals of the poor.'"

> Like most Maryland farm boys of his generation, he did not go beyond seventh grade, but he has never stopped reading.
>
> He started at Interstate Commerce Commission during Teddy Roosevelt's first administration. His early big workout was on hearings on the Terra Cotta wreck, when 44 persons were killed on the B. & O. on December 30, 1906.
>
> He became a court reporter and did the trial of Edward L. Doheny which followed the Teapot Dome investigation. In the summer of 1942 he was called to the Justice Department and sworn to maintain lifelong secrecy on the trial he was about to report. It was the courtmartial of the eight Nazi saboteurs landed by submarine. He has never talked about it to this day.
>
> Back in the twenties he did the hearings held in cities across Canada to the Pacific coast on the proposed St. Lawrence Seaway. Near the end of the war he reported the hearings of the Senate Foreign Relations Committee that led to formation of the United Nations.
>
> A lifelong Republican, he did not realize that there were many good Democrats until he became a floor reporter in the Senate 10 years ago. Among those he admires on the left side of the aisle is Senator FULBRIGHT, of Arkansas, although "he does talk very fast."
>
> "Just the short and simple annals of the poor," he said again.
>
> Poor? Reporting word for word on the issues of guilt or acquittal, death or life, war or peace, a long life, a 50th wedding anniversary (2 years ago), 5 children and 7 grandchildren—this reporter thinks Mr. Wilfong has had it pretty rich.

Mr. NEUBERGER subsequently said: Mr. President, I came to the Senate floor today likewise prepared to request the printing in the RECORD of the excellent article from the Washington Evening Star about the outstanding career of Chester Wilfong.

It is a pleasure to join the distinguished Senator from Montana in congratulating Mr. Wilfong upon his deserved retirement, and in wishing him much success, happiness, and good fortune in the years ahead.

HISTORY OF UNITED STATES-CROW TRIBE TREATIES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following my remarks, a newspaper article entitled "History, United States-Crow Tribe Treaties Just Sorry Tale of Expediency, Bad Faith." This article appeared in the Park County News, published in Livingston, Mont., by Fred Martin. He is a former executive secretary to the Honorable Hugo Aronson, Governor of Montana, who has joined my colleague, the junior Senator from Montana [Mr. MANSFIELD], Representative METCALF, and myself in advocating a $5 million payment to the Crow Tribe for land and right-of-way which would permit construction of the long-delayed Yellowtail Dam and Reservoir on the Big Horn River in Montana.

The article is based upon a report entitled "The Laws and Treaties Affecting the Crow Indians," by Howard M. Gullickson, one-time Montana attorney general and later district counsel for the Indian Bureau at Billings, and Fred B. Woodard, assistant attorney. Additional research was done by Joe Montgomery, of Lewistown, a student of Montana history.

The Park County News reports that "an examination of the facts" concerning the history of relations between the Crow Tribe and the Federal Government "turns one down paths of subterfuge, expediency, doubletalk, and broken promises—just the opposite of the original policy outlined for Indians west of the Mississippi by Gen. William Clark of the Lewis and Clark expedition, later Superintendent of Indian Affairs."

The Treaty of Fort Laramie was negotiated in 1851. It was considered by officers of the United States at that time not to have been ratified. Subsequently discovered memoranda and court cases showed that the treaty was ratified, and held to be binding.

However, in 1868 another treaty was signed at Fort Laramie with the Crows, who were forced to relinquish "more than three-fourths of the land granted them by the treaty of 1851." Consideration to the Crows for this vast expanse of land "was apparently not thought of by the officers of the Government; there is no suggestion of any consideration to be paid."

In 1875 a 20-mile strip of land adjoining the reservation was set over by executive order to the Crows. The language of the order would seem to convey a vested right. Yet, reports the Park County News:

> On the same page is an Executive order of March 8, 1876, which revokes the above order and restores the land to the public domain. If an Indian tribe had a vested right under an Executive order; then it is beyond the power of the President to revoke such an order and restore the land to public domain without proper compensation to the Indians.

The Park County News, quoting from the Indian Bureau report, states that in 1882 the Crows agreed to sell to the United States a portion of land for which—

> The Crows were to receive $30,000 a year for 25 years ($750,000). The title of the Crows to this land was not better than that * * * granted by the treaty of 1851.

There followed another sale by the Crows, in 1882, for railroad right-of-way, "for which they were to be paid the sum of $25,000." In 1891 an agreement with the Crows was enacted by Congress and the Crows were to get $946,000. And what happened to this money?

According to the Indian Bureau report, "whether it was subsequently paid or whether it was held on deposit in the Treasury Department" was apparently undetermined.

Mr. President, on February 27, 1956, the Secretary of the Interior gave me his views on the resolution of my colleague and myself to provide for the $5 million payment to the Crows in connection with the Yellowtail Dam site. Concerning the factors to be taken into consideration in establishing a fair and just price for the Crows, the Secretary wrote, as follows:

> In considering a matter of this kind, each case is, to a very considerable degree, sui generis. No single measure of what is reasonable, applicable to all cases, can be devised. The objective in all cases should be to strike a balance between the rights and interests of the general public in the achievement of the purposes of the project and the acquisition of land necessary therefor at a reasonable cost, on the one hand, and the rights and interests of the Indian tribe on the other. * * * Whatever method of valuation is utilized, it, in itself, can be no more than an aid in reaching a conclusion as to reasonable compensation which is premised largely on broad concepts of fairness and equity in dealing with the Nation's Indian wards.

Mr. President, the Senate has already approved the resolution which would give the Crows $5 million in payment. That is a modest enough sum. If the total amount were distributed as a per capita payment among the approximately 3,500 Crow Indians each would receive approximately $1,400. I would hope that all the $5 million would not be distributed as a per capita payment, but that at least a portion would be set aside by the tribe for education and community purposes.

I should like to emphasize to my colleagues in the Senate, and most particularly the Members of the other House, which has not yet considered this resolution, that the history of relations between the Crow Tribe and the Federal Government is indeed a history on the part of the Federal Government of expediency, bad faith, subterfuge, doubletalk, and broken promises. Certainly, by those "broad concepts of fairness and equity in dealing with the Nation's Indian wards," which the Secretary of the Interior mentioned, the $5 million payment is more than justified.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HISTORY UNITED STATES-CROW TRIBE TREATIES JUST SORRY TALE OF EXPEDIENCY, BAD FAITH

> News dispatches today and in recent weeks make this review of Crow treaty history timely in view of the discussion regarding the Crow demand for $5 million for permitting construction of Yellowtail Dam on the reservation.
>
> History has been written for the ruler, not the people.
>
> The legend of The Great White Father in Washington, the kind, understanding, fatherly, old gentleman who is the friend of Indians everywhere has come to be taken for granted, but an examination of the fact turns one down paths of subterfuge, expediency, doubletalk, and broken promises—just the opposite of the original policy outlined for Indians west of the Mississippi by Gen. William Clark of the Lewis and Clark expedition, later Superintendent of Indian Affairs. (See Clark's story this issue.)
>
> Since Park County once was a part of Indian territory this will be limited to Crow treaties with the basic information quoted taken primarily from a report, The Laws and Treaties Affecting the Crow Indians, by Howard M. Gullickson, onetime Montana attorney general and later district counsel for the Indian Bureau at Billings, and Fred B. Woodard, assistant attorney. This report was graciously loaned the News by M. A. Johnson, acting area director. Other basic preliminary research can be credited to Joe Montgomery of Lewistown.
>
> The first treaty entered into between the Crow Tribe and the United States of America

was dated August 4, 1825, at the Mandan village with Brig. Gen. Henry Atkinson and Maj. Benjamin O'Fallon, aides of General Clark, as United States negotiators. "The treaty is declared to be for the purpose of perpetuating the friendship which has heretofore existed between the Crow Tribe of Indians and the United States. This treaty makes no reservation of any lands and there is no mention of lands except that the Crows admit that they live within the territory of the limits of the United States and acknowledge their (the United States) supremacy and claim their protection (7 Stat. 266; II Kappler 244)."

Then apparently came the start of subterfuge, expediency, doubletalk, as indicated by the Treaty of Fort Laramie, Indian Territory, negotiated by D. D. Mitchell and Thomas Fitzpatrick, September 17, 1851, which, "though never proclaimed," just about split up the area west of the Mississippi, certainly west of the Missouri. "The treaty of 1851 was considered by officers of the United States at that time not to have been ratified and was not believed to be binding either on the Indians or the Government. Consideration, therefore, to the Indians for this relinquishment (in the next treaty on May 7, 1868, at Fort Laramie, then in Dakota Territory and signed by Lt. Gen. William T. Sherman, the same general who marched to the sea in the South during the Civil War) "of more than three-fourths of the land granted them by the treaty of 1851, was apparently not thought of by the officers of the Government * * * there is no suggestion of any consideration to be paid."

However, "in IV Kappler, 1867, there is a copy of an Indian Office memorandum relative to the treaty of September 17, 1851, at Fort Laramie, by the chief law clerk of the Indian Bureau, William R. Layne, and shows the full proceedings of the ratification of this treaty, which had been considered an unratified treaty and not binding on either party. The questions concerning this treaty were considered by the Court of Claims in the case of the *Fort Berthold Indians v. The United States* and was in that case held to be binding on all parties."

But General Sherman's treaty of 1868 put hobbles on the white folks, just as it defined the borders of the Indian reservationists, because it included the clause that this (Crow) territory:

"Shall be, and the same is, set apart for the absolute and undisturbed use and occupation of the Indians herein named, and for such other friendly tribes or individual Indians as from time to time they may be willing, with the consent of the United States, to admit amongst them; and the United States now solemnly agrees that no persons, except those designated and authorized so to do, and except such officers, agents, and employees of the Government as may be authorized to enter upon Indian reservations in discharge of duties enjoined by law, shall ever be permitted to pass over, settle upon, or reside in the territory described in this article for the use of said Indians, and henceforth they will, and do hereby relinquish all title, claim, or rights in and to any portion of the territory of the United States, except such as is embraced within the limits aforesaid."—Quoted from History of the Yellowstone Valley.

This was adopted after the discovery of gold in Emigrant Gulch, after many families had settled in the area, the discovery of minerals in the Cooke City area, and the area included in the reservation was bisected by the Jim Bridger and John Boseman Trails—it actually was a roadblock to the east to settlement.

Then, to add to the ridiculousness of the situation was this: On October 20, 1875, a 20-mile strip of land adjoining the reservation on the north (of the Yellowstone River extending perhaps from Shields River on the west to the present eastern boundary of the Crow Reservation) was set over by Executive order to the Crows * * *. The language of this order would seem to convey a vested right. On the same page is an Executive order of March 8, 1876, which revokes the above order and restores the land to the public domain. If an Indian tribe had a vested right under an Executive order, then it is beyond the power of the President to revoke such an order and restore the land to public domain without proper consideration to the Indians (I Kappler 857).

But (and this is not included in the Indian Bureau's report) on January 31, 1874, President Grant issued an order establishing the Crow Reserve, setting off the territory, roughly the area south and east of Fort Benton and extending beyond Lewistown, drained by the Judith, Arrow, and Dog Rivers and extending to the Missouri River, the northern boundary. This set off the Montana Legislature, but to no avail from 1874 to 1882. Leeson's (1885) History of Montana declares:

"Such opinions, however, had no weight with the general government, when a course opposed to the interests of the people, and even the Indians, might tend to enrich a clique, and the reservations were allowed to stand an obstruction to peace and progress until 1883, when the Mountain Crows were removed to a new reserve. General Sheridan, in his report in 1882, pointed out the absurdity of holding 6 million acres of valuable land for a whole Crow Nation of 3,470 souls and recommended its sale.

"During this year (1882) Congressman Maginnis (Montana) placed the matter before Congress in such practical form as to gain attention from that body. * * * In May 1883, the Secretary of the Interior directed a recognition of mining claims of settlers upon the public lands in Montana ceded by the Crow Indians under agreement made June 12, 1880, and ratified by Congress April 12, 1882."—End Leeson quote.

"By the act of Congress on April 1, 1882," the Indian Bureau report states, "the Crows agreed to sell to the United States the tract of land (all that portion of Park County east and south of the Yellowstone River). * * * For this tract, the Crows were to receive $30,000 per year for 25 years ($750,000). The title of the Crows to this land was not better than that * * * granted by the treaty of 1851.

"The next act affecting the Crows is that of July 10, 1882, by which the Crows agreed to the sale of 4,384 acres for railroad right-of-way for which they were to be paid the sum of $25,000.

"On March 3, 1891, an agreement with the Crows was enacted by Congress in which the Crows ceded the tract of land (extending from the Stillwater River to the present western boundaries of the Crow Reservations—portions of Stillwater, Carbon, and Yellowstone Counties south of the Yellowstone River) for which they were to receive the consideration of $946,000. Whether it was subsequently paid or whether it was held on deposit in the Treasury Department after the 20 years time is not disclosed either by the act of Congress or any subsequent legislation. It will be noted that the payment of $12 a year to each member of the Crow Tribe would amount to approximately the interest at 4 percent on the $522,000.

"The act of April 27, 1904, ratified an agreement formerly made with the Crow Indians. The lands ceded * * * (the area of Huntley project between the present northern boundary of the reservation and the Yellowstone River) * * *. Article 2 of this act provides for the payment to the Indians of $1,150,000 * * * to bear interest at the rate of 4 percent per annum; and interest to be added annually to the principal, and an annual payment of $12 per capita shall be paid in cash to every man, woman, and child, having rights upon the reservation * * *. From a computation of the various sums, it would appear that there was in the neighborhood of $400,000 to be set up as an annuity fund as above set forth."

Then, there is the act of April 15, 1930, which "provides compensation to the Crow Indians for the Custer Battlefield National Cemetery."

With the amounts still due on the principal, the piling up of back interest, the claims on the entire territory which might be valid, there may be something to that saying: "Let's give the country back to the Indians," not because of the Indians but because of the bungling and the failure to heed the policy of William Clark.

(EDITOR'S NOTE.—Authorities, helpers, and prodders on this story include Joe Montgomery, of Lewistown; Wallis Huidekoper, of Big Timber; Dudley White, of Columbus; Sam Strickland, of Wilsall, the editor's wife, and her pioneer relatives and heritage, lots of other folks and just plain curiosity.)

USE OF FIFTH AMENDMENT BY LABOR LEADERS

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which I sent to Walter Reuther. I sent a copy of it to the vice president of the AFL-CIO, to presidents of the various unions, and also to Mr. Meany, president of the AFL-CIO. By some unfortunate oversight, Western Union omitted the first line of the message, which makes it a rather insulting telegram to those who received it. Western Union has very kindly consented to correct the message and send the true copy, but, in the meantime, so that there can be no doubt in the minds of those who received the telegram, I shall insert it in the RECORD in its entirety.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MARCH 29, 1957.

Following is copy of wire this day sent to Walter Reuther:

"Having listened to hundreds of witnesses before Congressional committees investigating communism who have had something to hide I can say that your wire of March 29 reflects a debating technique all too familiar to me. You have attempted to conceal in a torrent of personal abuse leveled against me the factual issue I have raised with you—namely, the obvious discrepancy in your attitude toward use of the fifth amendment by a labor leader whom you would like to destroy, and the use of the fifth amendment by persons suspected of Communist activities.

"I have two comments in connection with your wire. First, your statement that my candidacy for the United States Senate was supported by Communists is a falsification of facts that are of course well known to you. This charge is completely fabricated, and has been disproved hundreds of times; but this has not prevented its being used, over and over again, by those who want to discredit attempts to expose the Communist conspiracy. You mention one name, Mr. Christoffel. The fact, which I assume you must know, is that Mr. Christoffel vigorously opposed my candidacy for the Senate.

"Second, would you kindly enumerate the instances in which you have publicly criticized reliance on the fifth amendment by persons who are under suspicion of Communist activities. I will be glad to pay for your stenographic expenses in preparing the list since I assume you will have nothing to prepare. The record is clear that you and your ideological colleagues have strongly sympathized with attempts via the fifth amendment technique to frustrate Congressional investigations of communism and treason.

"While I strongly disapprove of Dave Beck's use of the fifth amendment, I think the country is entitled to an explanation as to why you trumpet, with righteous indignation, your horror at Beck invoking the fifth amendment when you have never before given the slightest hint of a similar revulsion to fifth amendment-Communists. I repeat that this double standard of morality is something you must have picked up during your school days in Moscow. In my opinion, you have long been a disgrace to the workingmen whom you claim to represent. Your conduct in this matter only confirms that judgment.

"JOE MCCARTHY,
"United States Senator."

CANDIDATES FOR OFFICE SHOULD BE RELIEVED OF NEED TO RAISE LARGE CAMPAIGN FUNDS

Mr. NEUBERGER. Mr. President, at the end of the last meeting of the Senate, on last Friday afternoon, the senior Senator from Kansas [Mr. SCHOEPPEL] presented a lengthy analysis of the recent report on 1956 election expenses prepared by the Subcommittee on Privileges and Elections. The Senator's analysis was designed to show various inaccuracies in the statistical compilations which form the basis for this report, so as to throw doubt upon the overall conclusions and implications which inevitably arose from the facts shown by the subcommittee's report. The distinguished Senator from Kansas, who is also the chairman of the Senate Republican Campaign Committee, was joined in his discussion of the allegedly misleading nature of the so-called Gore report by the junior Senator from Nebraska [Mr. CURTIS] and the junior Senator from Arizona [Mr. GOLDWATER].

I read with care the speech of the Senator from Kansas, and his discussion with the other Senators, as they appeared in the CONGRESSIONAL RECORD last Saturday morning. I very much regret that I was not on the floor to hear this discussion in person and to participate in it. I might say that, insofar as any slight element of partisanship might be said to have entered into the presentation of the issues in that discussion, the interests of Senators on this side of the aisle were well protected by the presence of the eloquent junior Senator from Minnesota [Mr. HUMPHREY], who also participated in the discussion; and any such possible implications of partisanship have no bearing on my purpose in speaking briefly on this subject today.

That purpose is only to remind the Senators, who last Friday showed such concern about the important problem of reform in election financing, that there is available to us one method of reform which I believe to be the only one that will reach the fundamental cause of the present unsatisfactory, undemocratic, and sometimes scandalous state of political financing. That fundamental reform which alone goes to the root of the problem is to eliminate any excuse for the present reliance of campaigns on large funds collected from private contributions, by substituting some public funds for private funds in meeting the heaviest expenses of modern political campaigns.

Mr. President, the Senator from Kansas and the Senator from Nebraska and the Senator from Arizona have all expressed particular horror and indignation at the participation of trade-union organizations in political campaigns. Not only do they claim union dues have been illegally channeled into election campaigns for Federal office in large amounts, but they are even more dismayed at the specter of hundreds of union members devoting their time and energy to active participation in election drives on behalf of candidates for office whose views on issues and policies they share. They point out that the man-hours of organized effort thus devoted to political action in their own self interest by working people may be far more valuable to the candidate in whose behalf they are used than any calculable amount in campaign funds, and yet this sort of contribution has not been included in the report of the elections subcommittee.

Mr. President, any number of answers may be offered to this concern over the election activities of trade union political committees. For example, the fact indisputably remains that the election campaigns of those who are so critical of union political activities nevertheless are uniformly far more heavily financed than are campaigns of their opponents. Or, as the junior Senator from Minnesota ably pointed out, that these activities are the actual, political actions of American men and women—not the donations of money—and that it now appears that one party in this country is not satisfied to have the overwhelming bulk of all the election financing, they now begrudge the rest of us the fact that we might have the majority of the people. Finally, I doubt that the election-time activities of many executives and other personnel of industrial, financial, and business corporations will stand equally close analysis, as far as strict and rigid adherence to the rules against the use of corporate funds in political campaigns is concerned. The report of the elections subcommittee describes a revealing example of one such situation from my own State of Oregon last year.

DEPENDENCE ON LARGE CAMPAIGN FUNDS IS BASIC EVIL

It is not my intention today to debate the detailed conclusions of the Gore report and the question of the participation in our democratic process of working people who belong to trade unions or of the executives and managers of business corporations. Whatever their own proper role in that democratic process may be, I have consistently argued that the fundamental evil in our political campaigns is the dependence of the candidates' campaign itself on having to collect large campaign funds from private sources to be able to reach the electorate at all.

Mr. President, I believe that dependence on campaign funds raised from labor organizations is bad. I believe that dependence on campaign funds raised from wealthy owners of business and industry and corporations is bad. I believe that, in our democracy, the public is entitled to access to the views, record, and personality of any candidate for public office, on terms of at least a minimum of equality, without that candidate's first having to find a group or organization of backers who are willing to raise the very substantial funds necessary for even the most modest election campaign in our modern day.

I brought specific proposals for reform before the Senate last year. I have presented them this year to the Special Committee To Investigate Political Activities, Lobbying, and Campaign Contributions, on which the Senator from Arizona serves. I intend to introduce them again in the 85th Congress.

Mr. President, I renew my invitation to the Senators who last Friday expressed their concern over flaws in our present campaign spending methods and laws to join me in sponsoring this legislation, which alone can furnish the essential basis for a thoroughgoing reform of our entire method of financing our elections. I think the public will be interested to see whether those people who have consistently enjoyed the advantages of vast financial superiority, in carrying on their campaigns for election to public office, are really interested in any measure which will tend toward more nearly equalizing the funds available to the opposing candidates in our political campaigns; and which will thus give the public a fairer chance of judging, on more nearly equal terms, the merits of the candidates, their views and the issues at stake in our democratic elections.

CAPITOL CLOAKROOM RADIO PROGRAM

Mr. SALTONSTALL. Mr. President, I am informed that the radio program Capitol Cloakroom is in its 10th year as a public service presentation of important news and questions of the day. As one who has been on this program once or twice, and who has seen how it is conducted and the fairness and the thoroughness of the questions that are asked, I feel the program has rendered a fine service to the public by its contribution to the effort to keep the American people better informed.

ANTITRUST LEGISLATION

Mr. DIRKSEN. Mr. President, for several weeks the Senate Antitrust and Monopoly Subcommittee, under the able chairmanship of the Senator from Tennessee [Mr. KEFAUVER], has been conducting hearings on Senate bill 11 and Senate bill 1211. During the course of these hearings we have heard testimony from many witnesses, both for and against these two bills. At the appropriate time excerpts from the testimony of witnesses for and against these bills will be inserted in the CONGRESSIONAL RECORD for the information of the Members of the Congress.

At this time I wish to ask permission to have printed in the RECORD prepared statements by representatives of the executive branch of the Government who have appeared as witnesses before the subcommittee on these bills. I should like to point out that the Commissioners of the Federal Trade Commission, in a letter to the subcommittee, asked for the approval of Senate bill 11. However, when appearing before the subcommittee, Commissioner Sigurd Anderson stated that there is both good and bad in Senate bill 11.

Commissioner William Kern, when submitting his remarks to the subcommittee, stated that this bill may lead to price rigidity.

Commissioner Edward Tait abstained from voting, and Chairman John W. Gwynne submitted a vigorous statement in opposition to Senate bill 11. Assistant Attorney General Victor Hansen submitted a paper against Senate bill 11. Mr. Frederick C. Nash, General Counsel, Department of Commerce, submitted a statement in opposition to Senate bill 11.

Mr. President, I ask unanimous consent that the statements of the views of the majority and the minority from the Federal Trade Commission; the statement of Mr. Frederick C. Nash, general counsel of the Department of Commerce; and the statement of Mr. Victor Hansen, Assistant Attorney General, Department of Justice, be printed in full at this point in the RECORD.

There being no objection, the letter and statements were ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington.

Hon. ESTES KEFAUVER,
Chairman, Antitrust and Monopoly Subcommittee, Committee on the Judiciary, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your letter of March 2, 1957, requesting the Commission's views regarding S. 11, 85th Congress, 1st session.

Section 2 (a) of the Clayton Act, as amended by the Robinson-Patman Act, in part, declares certain price discriminations to be unlawful "where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. Sections 2 (d) and (e) of the act make it unlawful to discriminate in the payment for services or facilities furnished by customers or in the furnishing of services or facilities to customers.

Section 2 (b) of that act, as construed by the Supreme Court in *Standard Oil Company v. Federal Trade Commission* (340 U. S. 231 (1951)), provides as an absolute defense to a price discrimination otherwise violative of section 2 (a), the showing that the lower price was made in good faith to meet an equally low price of a competitor.

The subject bill would amend section 2 (b) of the Clayton Act so as to deny to a seller the defense of a good faith meeting of an equally low price of a competitor (or the services or facilities furnished by a competitor) to a charge of discrimination made under that act, when the effect of the discrimination "may be substantially to lessen competition or tend to create a monopoly in any line of commerce." The defense would be retained, however, with respect to discriminations which may have only the other effects prescribed in section 2 (a). In addition, a proviso would be added to section 2 (b) to the effect that nothing contained in that section should be construed to alter the law applicable to freight absorption.

Aside from the question of whether the Supreme Court's Standard Oil decision correctly reflects the intention of Congress in enacting section 2 (b), it would appear that the current construction of that section is inconsistent with the basic principles of the Clayton Act, as amended, and the Sherman Act. The underscored portion of the provision of section 2 (a) quoted in the second paragraph of this letter appeared in the original Clayton Act and reflects the basic purpose of the antitrust laws—to prevent monopoly and substantial lessening of competition, which is tantamount to bringing about monopoly. Whereas the Sherman Act outlaws monopoly without regard to the practices whereby that situation has been effected, the Clayton Act supplements the Sherman Act and prohibits discriminations in price as the prohibition of a particular practice where that practice may bring about monopoly.

Section 2 (b), construed as a complete defense to all discriminations otherwise violative of section 2 (a), places the interest of an individual seller of meeting the price of a competitor by discriminating in price without cost justification, over the obviously more important public interest that such a discrimination which may have the effect of substantially lessening competition or tending to create a monopoly should not be allowed. The proposed amendment does no more than to make it clear that where the effect of the price discrimination may be so serious as to substantially lessen competition or tend to create a monopoly, the right of the public not to suffer such consequences shall prevail over the business interests of the individual seller. On the other hand, where the price discrimination would have only the less serious effect of injuring competition with the grantor or recipient of such discrimination or with customers of either of them, the right of the seller to meet the equally low price of a competitor is clearly stated.

The Supreme Court's decision in the Standard Oil case, followed by the opinions of the Court of Appeals (7th circuit) in the same matter, 233 F. 2d 649 (1956), and the courts of appeals in *Balian Ice Cream Co. v. Arden Farms* (231 F. 2d 356 (C. A. 9, 1955)) and *Brown v. Standard Oil Co.* (238 F. 2d 54 (C. A. 5, 1956)), make it clear that section 2 (b) provides an absolute defense to all price discriminations regardless of the seriousness of the probable effect. The Commission is of the opinion that the objectives of H. R. 11 and H. R. 290 are of sufficient importance to the effective operation of the Clayton Act that such legislation should be enacted without awaiting further case by case development under section 2 (b) as presently worded.

The Commission does not view the proposed change in the "meeting an equally low price" defense of section 2 (b) as altering the law applicable to freight absorption. At the same time, no objection is interposed to the inclusion of the additional proviso appearing at page 3, lines 3–5, of the bill in order to preclude the possibility of a contrary interpretation.

Chairman Gwynne does not join in this statement and will submit separate views.

Commissioner Tait did not participate herein for the reason that he has not been a member of the Commission for a sufficient length of time to have an informed judgment on the merits of the proposed bill.

This report has not been cleared with the Bureau of the Budget.

By direction of the Commission:

ROBERT M. PARRISH,
Secretary.

STATEMENT OF THE INDIVIDUAL VIEWS OF JOHN W. GWYNNE, CHAIRMAN, FEDERAL TRADE COMMISSION, ON S. 11, ANTIMONOPOLY SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, MARCH 11, 1957

I am unable to agree with the views of the majority of the Commission on S. 11 and hereby submit my individual views.

In summary, section 2 (a) of the Clayton Act relating to discriminations now provides:

"It shall be unlawful * * * to discriminate in price between different purchasers * * * where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them."

Then follows a list of matters which a respondent may show by way of justification, the burden being on a respondent to so prove. The last sentence of 2 (b) is:

"*Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

It is to the modification of this sentence that S. 11 is directed. In substance it establishes the right to prove meeting of competition in good faith as a defense, unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce in any section of the country.

There is still dispute as to what Congress intended when it originally adopted amended section 2 of the Clayton Act. To me the legislative history on that point is inconclusive. In any event, that is not particularly important, because there have developed two conflicting views on what the law should be and we are faced with the necessity of choosing between them.

In *Standard Oil Company v. FTC* ((1951) 340 U. S. 231), the Commission held that the matter of good faith was not material and did not "constitute a defense in the face of affirmative proof that the effect of the discrimination was to injure, destroy, and prevent competition with the retail stations operated by the said named dealers and with stations operated by their retailer-customers." On appeal the Supreme Court reversed the Commission and asserted that the fact of meeting competition in good faith in the existing situation was a complete defense. Other cases have been decided by various courts. While there still exist some questions as to the proper interpretation and application of the meeting competition defense provided in section 2 (b), nevertheless certain propositions have been reasonably well established.

(1) The defense covers only situations where the prima facie proof of a discrimination as defined in 2 (a) has already been met. It is the second chapter in a lawsuit, the first chapter of which has to deal with the all-important feature of establishing a discrimination in the first place. It is not concerned with a situation where a seller, in order to meet a lower price, reduces his price to all competing customers. Nor is it concerned with price differences which may be cost justified, or which are permissible under other provisions of 2 (a).

(2) The defense is an affirmative one and the burden of establishing it is upon the person claiming it. See *Corn Products Refining Company v. FTC* (324 U. S. 726).

(3) The defense is good only where the reduction in price is to meet the lower price of a competitor. It cannot be used to justify a price below that of a competitor. The defense does not permit predatory price reductions to destroy an individual competitor or the competition in a limited area. See *Moore v. Mead's Fine Bread Company* ((1954) 348 U. S. 115).

(4) The defense is good only in meeting individual competitive situations. It cannot be used to justify discriminatory pricing systems based on some vague theory of meeting competition generally.

In *FTC v. Staley Manufacturing Co.* (324 U. S. 746, 752 (1945)), the Supreme Court stated:

"Prior to the Robinson-Patman amendments, section 2 of the Clayton Act provided that nothing contained in it 'shall prevent' discriminations in price made in good faith to meet competition.' The change in language of this exception was for the purpose of making the defense a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination."

In *FTC v. Cement Institute* (333 U. S. 683 (1948)), the Supreme Court held:

"Section 2 (b) permits a single company to sell one customer at a lower price than it sells to another if the price is 'made in good faith to meet an equally low price of a competitor.' * * *

"This does not mean that section 2 (b) permits a seller to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others. * * *

"We held to the contrary in the Staley case. There we said that the act 'speaks only of the seller's "lower price"' and of that only to the extent that it is made 'in good faith to meet an equally low price of a competitor.' The act thus places emphasis on individual competitive situations, rather than upon a general system of competition."

Again, this was recently stated by the Court of Appeals for the Seventh Circuit in the case of *C. E. Niehoff & Co. v. FTC*, decided on January 9, 1957, when it said:

"The Commission found that Niehoff did not establish any price or prices as a response to a particular competitor, and that, once the base price structure was established with reference to general competitive conditions, Niehoff did not deviate to meet the prices of particular competitors. It also found that the net prices accorded by Niehoff were a reflection of its nationwide pricing system formulated to meet competition generally and not designed to meet any particular competitor's prices. On the basis of this finding the Commission rejected the claim that Niehoff's price discriminations were justified under the good faith (meeting of an equally low price of a competitor) proviso of section 2 (b)."

The Court upheld this finding.

(5) The defense can be used only in defensive situations, that is, to retain a customer and not to gain a new one. While there is an area of disagreement surrounding this premise, I believe that careful examination of the statutory intent plus adjudication will bear this out.

Before the Clayton Act, a seller could seek to attract new customers by offering a lower price than a competitor. He could do this even if it resulted in discriminations against some of his own customers. The Clayton Act, then the Robinson-Patman Act, sought to put an end to discrimination. Thus, the absolute right to discriminate was taken away. It must be interpreted to mean that he can reduce the price to new customers only if he does not violate section 2 (a). The only way section 2 (b) can have any meaning is to limit this right to self-defense; otherwise, you have entirely nullified section 2 of the Robinson-Patman Act.

The Standard Oil case, while confronted only with the situation of retaining customers, apparently limited the proviso to defensive competition, that is, to retain an old customer rather than to obtain a new one. It is stated at page 242: "* * * the actual core of the defense * * * still consists of the provision that wherever a lawful lower price of a competitor threatens to deprive a seller of a customer, the seller, to retain that customer, may in good faith meet that lower price. Actual competition, at least in this elemental form, is thus preserved."

In a footnote on page 247, the Court quoted a statement by a former assistant chief counsel of the Commission, Walter B. Wooden: "* * * the right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack."

On page 249, the Supreme Court stated: "* * * Congress did not seek by the Robinson-Patman Act either to abolish competition or so radically to curtail it that a seller would have no substantial right of self-defense against a price raid by a competitor. For example, if a large customer requests a seller to meet a tempting lower price offered to him by one of his sellers' competitors, the seller may well find it essential, as a matter of business survival, to meet that price rather than to lose the customer."

Finally, on page 250, the Court stated: "There is,* * * plain language and established practice which permits a seller, through section 2 (b), to retain a customer by realistically meeting in good faith the price offered to that customer, without necessarily changing the seller's price to its other customers."

Some student of the subject has pointed out that this thought "is spread out 17 times in this decision."

(6) The competitor's price which the respondent was meeting must be a lawful price—or at least the seller as a reasonable and prudent man must believe it to be lawful.

Here, there is a real area of disagreement, with cases pointing in two directions. In *FTC v. Staley Manufacturing Co.* (324 U. S. 746), the word "lawful" is not used. The holding of the court seems to be that "where the seller sought to justify using an illegal basing point pricing system because its competitors did this, there was ample factual basis for the Federal Trade Commission finding that this was not a lower price 'made in good faith' to meet an equally low price of a competitor."

In Standard Oil, the word "lawful" is used part of the time and omitted part of the time. The court there apparently concluded that the prices being met were lawful. Therefore, it is difficult to say whether the word "lawful" was used as a mere descriptive term to describe the situation in that case, or as a positive requirement which must appear in all cases before the defense becomes available.

In the recent opinion of the seventh circuit in the Standard Oil case, the court commented on the Supreme Court's decision in the following language:

"It is interesting and highly significant that the statute employs the language, 'made in good faith to meet an equally low price of a competitor,' but that the Supreme Court in the instant case adds the word 'lawful,' so that it reads, 'made in good faith to meet a lawful and equally low price of competitor' (pgs. 238 and 246). We do not know, of course, why the Supreme Court added the word 'lawful,' but we strongly suspect that it was for the purpose of giving emphasis to its previous decisions that a 'good faith' defense was not available to a seller who had met an unlawful price."

In *Enterprise Industries v. Texas Co.* (136 Fed. Supp. 420), the court evidently concluded that the price being met must be a lawful one.

There are, however, court opinions indicating a contrary view. For example, in *Balian Ice Cream Co. v. Arden Farms Co.* (1955) (231 F. 2 (d) 356), the circuit court held in substance as follows:

"In an action based on price discrimination under the Robinson-Patman Act, the defendant, who claimed it had cut prices in the Los Angeles area to meet competition, was not required under the circumstances to establish the lawfulness of the prices it claimed to meet."

I doubt, however, if that statement is anything more than dictum because the final conclusion of the circuit court seems to be indicated by the following:

"There is absolutely no evidence in the record that the differentials as to sales in commerce or in any other areas had any relation to any injury or damages which plaintiff may have sustained."

In like manner, I think the seventh circuit court in the recent Standard Oil decision was passing on a purely factual matter and neither added to nor subtracted from the law laid down by the Supreme Court in 340 U. S. 231. In that case, the Supreme Court disagreed with the views of the Commission as to the meaning of section 2 (b) and remanded the case with instructions to make findings with conformity to the opinion of the Court. The Commission did not direct the taking of additional evidence but, instead, made new findings and issued a modified order to cease and desist, based on the old record. On a second appeal, the circuit court of appeals set aside the order of the Commission and held that "petitioner's good faith defense was firmly established, and the Commission's ruling by which it reached a contrary conclusion was untenable and must be rejected."

In *Standard Oil Co. v. Brown* (1956) (238 F. 2d 54 at p. 58), the court, speaking of 2 (b), said:

"There is nowhere a suggestion that the seller must carry the burden of proving the actual legality of the sales of its competitors in order to come within the protection of the proviso."

The court's view was expressed as follows:

"If the seller discriminates in price to meet prices that he knows to be illegal or that are of such a nature as are inherently illegal, as was the basing-point pricing system in the Staley case, supra, there is a failure to prove the 'good faith' requirement in section 2 (b)."

(7) The defense is good only when the lower price is given in good faith to attain the limited objective prescribed by law. The defense does not permit predatory price reductions to destroy an individual competitor or the competition in a limited area. This, in effect, is the holding of the Supreme Court in *Moore v. Mead's Fine Bread Co.* (348 U. S. 115).

Turning now to S. 11, it appears that bill would permit the good-faith defense as a complete defense, "unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country." This language differs from that in section 2 (a) where two competitive situations are described as follows:

(1) Lessening of competition or tending to create a monopoly in any line of commerce, or

(2) Injury, destruction, or prevention of competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

Concerning S. 11, I have several questions and suggestions.

(1) What does it mean?

A prima facie case under section 2 (a) is made by proof of either (1) or (2) above. The defense, however, is limited to situations where (1) does not exist. Although (1) and (2) describe different competitive

effects, the decisions of the Commission and the courts have not spelled out the dividing line between them. In fact, we can almost conclude that each shades into the other to such an extent that such a line cannot for practical purposes be drawn. The net result then is that a businessman (be he small or large), before meeting a price to retain a customer, must determine at his peril a question that often baffles the experts.

It has been pointed out that the use of the defense is conditioned on the same test laid down in other sections of the Clayton Act. For examples, sections 3 and 7 prohibit, respectively, exclusive dealing contracts and acquisitions of other corporations, where the effect may be substantially to lessen competition or to tend to create a monopoly.

While this statement is true, it overlooks the realities of the market place. Both under sections 3 and 7, the problems involved are ones of company policy—actions which are taken only after a considerable amount of time and thought have been devoted to them. Time is not necessarily of the essence. Possibilities are explored. Attorneys may be consulted. Market studies can be made. It is only after these considerations are made that a company decision is made and policy announced. But these considerations are not possible in the course of the average sale of commodities. There must be immediate action or the sale would be lost.

A seller confronted with the offer to his customer of a lower price by a competitor, may do 1 of 3 things: (1) he may give up the customer, (2) he may reduce his price to all competing customers, or (3) he may reduce his price to the customer being tempted. If he follows the latter course, he must, under the present law, make some factual determinations, such as the lawfulness or apparent lawfulness of the competitor's price. I submit, however, that those factual determinations are easier to make than one involving the probability of a substantial lessening of competition or tendency to creating monopoly, which, after all, involves considerations of both fact and law.

(2) What would be the effect of S. 11 on the limitations now placed on the defense by the courts and which have been previously enumerated? In other words, would the making of the availability of the defense dependent on a single condition, to wit, the absence of the defined competitive results, be taken by the courts as a congressional intention to rule out all other limitations except those expressed in the bill?

(3) Who has the burden of proof as to the various elements involved?

A prima facie case under section 2 (a) is made out by showing that the probable effect of the price differences is to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. That proof alone would not authorize the meeting of competition as a complete defense. If the respondent asserts such a defense, who has the burden of proving the fact of probable lessening of competition or tending to create monopoly? Is it upon the respondent or the prosecutor?

No doubt many of these matters could be clarified in the committee report. Nevertheless, the bill would introduce many uncertainties which could only be resolved after years of litigation. The thought I have in mind was well expressed by Secretary of Commerce Sawyer, who, when testifying before a Senate committee in 1949, stated:

"I do not favor any regulation of business practices which is not necessary, but I find even more disturbing a regulation which is so uncertain that businessmen do not know how to comply with it. We recognize that the antitrust and unfair competition laws by their very nature must be general in wording and that it is difficult to anticipate by precise language all arrangements which must be avoided by the businessman. I do believe, however, that uncertainty should be kept to a minimum."

(4) Would the proposed amendment aid in the enforcement of the law against discriminatory practices?

The subparagraph we are now discussing is not a weapon in the arsenal for the attack on illegal discrimination. On the contrary, it is concerned with a possible defense to that attack. Therefore, it becomes important to know whether in actual practice, this defense has often prevented the issuance of an order in cases where the necessary preliminary proof had already been made.

The record on that in Federal Trade Commission cases is as follows: Since the Standard Oil decision in 1951, the meeting competition defense has been raised in 27 contested cases. In six of these cases, cease and desist orders have been issued, and in each of these cases, the defense was rejected. In two cases, the defense was raised by the defendant in his answer, who later elected not to contest the charges, and a consent order to cease and desist was entered. In another case, the hearing examiner dismissed the complaint as to the section 2 (a) count, for failure of proof, on motion of counsel supporting the complaint. In six other cases, complaints were dismissed on the ground there was no showing of injury to competition in the first instance. There are 12 formal cases now pending before the Commission in which the good faith defense is involved.

In other words, with the possible exception of the Standard Oil case, not yet finally decided, the meeting competition defense has not been successful in any Commission case.

(5) Turning now from consideration of abstract problems of law or economics, what would be the actual effect of this amendment on small business? Some segments of small business insist that it would be beneficial to them. Others are equally convinced that to them it would be injurious. For my part, however, I know of no evidence on which a satisfactory conclusion can be based.

After all, why should a law be passed that might be unduly beneficial to one group or unduly harmful to another. Our objective is the preservation of competition for everyone. How better can we preserve competition than by the preservation of competitors—or rather by giving them the opportunity to preserve themselves.

Much as our economy and even our liberty depends upon competition, we have long since passed the point where we thought competition should be unregulated. Our laws regulating wages and conditions of employment, dangerous products, advertising, and so forth, are, in a sense, limitations on competition. The same may be said of our antitrust laws. These laws are to business what the Marquis of Queensbury rules are to boxing and what modern football rules are to football. But they approach the problem from the standpoint of regulating the methods of competing rather than discouraging or making difficult, actual competition itself.

I feel that the uncertainties and risks of this amendment are so great that many businessmen, even though desiring in good faith to retain a customer by reducing the price, might be tempted to throw in the towel. Thus the number of individual and independent competitors might be reduced, with the inevitable result that we take a step nearer to what I regard as undesirable in our individualistic economy, to wit, uniformity of pricing.

(6) I would like to make the following suggestions for your consideration.

First, that S. 11 in its present form be not adopted. Second, I have already pointed out that the courts have placed certain definite and practical limitations on the good faith defense. It is true there still remain some areas of disagreement. If further legislation be thought necessary, it might be well to consider an amendment which would positively resolve these disagreements. Consideration might also be given to adding further limitations designed to eliminate predatory practices from the protection of the meeting of competition defense.

STATEMENT OF HON. FREDERICK C. NASH, GENERAL COUNSEL, DEPARTMENT OF COMMERCE, BEFORE THE ANTITRUST SUBCOMMITTEE OF SENATE JUDICIARY COMMITTEE, TUESDAY, MARCH 26, 1957

I appreciate the opportunity of appearing before this committee to discuss the question of the good-faith defense to a charge of price discrimination under the Robinson-Patman Act.

The bills to amend the Robinson-Patman Act now under consideration by this committee deal with a situation when a seller of a commodity—let's call it the Jones Co.—learns that a competitor of his, the Smith Co., has offered to sell the same commodity to one of Jones Co.'s customers, at a lesser price than Jones Co. has been getting.

To eliminate questions in this situation which might be involved under the Robinson-Patman Act but which are not involved in this immediate discussion, I assume that both companies are engaged in interstate commerce, that the Smith Co.'s lower price is a lawful one, and that it was genuinely made so that the merchandise would be sold to the customer if the customer accepted the offer.

The question involved here is: under what circumstances, if at all, can the Jones Co. in good faith lower its price to this customer to meet the price of the Smith Co. without lowering its prices across the board?

As we all know, the Standard Oil—or so-called Detroit—case has held that the lowering of the price in good faith to meet the competitor's price is a complete defense to a charge of unlawful price discrimination.

Let us suppose that the customer in our Jones Co. case is engaged in reselling the commodities in question and is in competition in these resales with other customers of the Jones Co. who have not received any similar offer of a price reduction from either the Jones Co. or the Smith Co. If the Jones Co. meets the price offered by the Smith Co. without likewise reducing its price to all its customers in competition with each other, the customer receiving the price reduction will have a competitive advantage over the other customers. This is what happened in the Standard Oil case.

S. 11, one of the bills before this committee, would try to prevent this situation by limiting the defense of the good faith meeting of an equally low price of a competitor to situations where the effect of meeting the price may not be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country.

To understand the effect of this proposal, it is necessary to consider the definition of unlawful price discrimination in section 2 (a) of the Robinson-Patman Act.

Section 2 (a) defines unlawful price discrimination as discrimination which has the effect of substantially lessening competition or tending to create a monopoly in any line of commerce or injuring, destroying, or preventing competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them. If we lay the definition of price discrimination alongside the statement of when the defense may be used, it is seen that with one exception, the defense may be used only when there has been no price discrimination. To put it another way, with the one exception, the defense need not be pleaded to win the suit.

Now, as to that exception—the circumstances when the defense will succeed—this

occurs when meeting a lower price will injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them.

The difference between the situations where the defense will be complete and where it will be no defense at all lies in the word "substantial." For it seems quite clear that if meeting the lower price will substantially injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with customers of either of them its effect "may be substantially to lessen competition" as that phrase is used in S. 11.

This would confront the Jones Co. with a major problem in deciding whether or not to meet the Smith Co. price: would the injury it inflicts on the other customers of Jones Co. be substantial?

This is a decision which the Jones Co. would have to make at its peril for if it erred it might be liable in a triple damage suit. Since the word "substantial" is not capable of exact definition, the Jones Co. would be running a considerable risk if in any case it decided to meet its competitor's equally low price. It might also be very true that the larger the customer's business the more dangerous it would be for the Jones Co. to meet the price. At the same time, if the Jones Co. does not meet the price and as a result it loses the customer's trade, the Jones Co. itself may be substantially injured. It, therefore, would be on the horns of a dilemma.

If the Jones Co. decides not to meet the competitive price it has lost the business to its competitor and its other customers in the area have suffered exactly the same competitive injury they would have suffered had it met the price. The only difference is that Jones Co. has lost the business.

In the Standard Oil case, "Ned's," a large store on a key corner, then served by Standard, was offered gasoline at a lower price. Halfway down the block was a smaller Standard Oil station which was not the beneficiary of a similar decrease. This situation is typical of others involved in that case. Whether Standard sold to Ned's at the lower price or complacently allowed the competitor to do so, the station down the block would have to meet the same price competition from Ned's and would lose the same customers.

There may be some sympathy with the position of the smaller Standard station which suffered as a result of this transaction. However, I do not believe that S. 11 would be of much assistance in solving that station's problems. The most that it would do would be to deter Standard from selling to Ned's and permit Standard's competitor to take over, leaving the small Standard station to face the same competition from another make of gasoline.

We cannot see much point in legislation which would injure Standard's or the Jones Co.'s ability to compete without any corresponding benefit to competition in the market occupied by its customers.

Also, we do not believe that S. 11 should be considered solely on the basis that all sellers are as large as Standard and that all customers are of the same relative size as Ned's and the neighboring gasoline stations. There might be an inclination not to have too much sympathy for a company the size of Standard. However, this proposed bill if enacted would create a similar dilemma for many smaller struggling companies who were trying to stay in the market. The dilemma they might face might be between having the danger of a ruinous triple damage action or losing an important customer necessary to their very existence.

We think that in the great majority of cases S. 11 would greatly handicap competition at the sellers' level without any corresponding benefit to competition at the customers' level. For this reason, we urge against favorable action on this measure.

STATEMENT BY VICTOR R. HANSEN, ASSISTANT ATTORNEY GENERAL IN CHARGE OF THE ANTITRUST DIVISION, BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE SENATE JUDICIARY COMMITTEE RE S. 11, MARCH 28, 1957

I appear this morning, at your chairman's request, to present Justice Department views on S. 11. That bill would amend Robinson-Patman section 2 (b) to provide that a businessman may in good faith meet the equally low price of his competitor unless—and this qualifying clause is crucial—"the effect * * * may be substantially to lessen competition or tend to create a monopoly in any line of commerce in any section of the country." By so qualifying Robinson-Patman's good-faith defense, the bill would modify the Supreme Court decision in *Standard Oil Co. v. Federal Trade Commission*.[1]

We oppose this modification. To explain why, my plan is, first, to explain what Standard of Indiana holds; second, to explain why this holding best promotes antitrust's traditional goal of free competition; and, thirdly, I shall attempt to dispel certain misapprehensions that exist about that case and its effects.

I

First, what did the Supreme Court hold in Standard of Indiana? The Federal Trade Commission had contended that meeting a competitor's equally low price only rebutted a prima facie case made by a showing of sales at different prices, but was nullified by any affirmative proof of competitive injury caused by the challenged differential. A divided Supreme Court, however, rejected this contention, and construed the meeting-competition proviso as affording an absolute defense, incidental injury notwithstanding. In the Court's view, Congress had in 1936 contracted the scope of the original proviso by confining it to price differentials occurring in actual competition, and by excluding reductions which undercut the lower price of a competitor.[2] But these revisions had not cut into the actual core of the defense. Actual competition, at least in this elemental form [was] thus preserved.[3]

From this it seems clear that the Court did no more than to hold that a seller can reduce his price in good faith to meet a lower price in an individual competitive context. As the Court put it in *Staley*, and relied upon in *Standard Oil*, "2 (b) does not concern itself with pricing systems or even with all the seller's discriminatory prices to buyers. It speaks only of the seller's lower price and of that only to the extent that it is made in good faith to meet an equally low price of a competitor. The act thus places emphasis on individual competitive situations, rather than upon a general system of competition."[4] And *Standard Oil* made clear that the burden of showing good faith—that is, proof that the seller as a reasonable and prudent man believed that he was in fact meeting a competitor's price—was on the seller, and not on the Commission.

II

Second, *Standard Oil* seems consonant with the Nation's antitrust policy. A seller's right to meet a competitor's prices by granting price differentials to some customers without reducing his prices to all must remain an essential qualification to any anti-price discrimination law. For a seller constrained by law to reduce prices to some only at the cost of reducing prices to all may well end by reducing them to none. As the Federal Trade Commission in 1953 recommended to Congress, "the right to meet a lower price which a competitor is offering to a customer, when this is done in good faith, is the essence of competition and must be permitted in a free competitive economy."

Anything less, I think, would move the price discrimination statute into irreconcilable conflict with the Sherman Act. As the late Mr. Justice Jackson, a former Attorney General and a former head of the antitrust division, observed during the oral argument of that case:

"The whole philosophy of the Sherman Act is go out and compete, get business, fight for it. Now the whole philosophy we are asked to enforce here is that you really must not; you should let this business go and not meet the competition. I have difficulty in knowing where we are with this."

Thus, Standard Oil goes far to harmonize the Robinson-Patman Act with the basic tenor of antitrust policy. As one witness before your committee recently explained the 2 (b) defense (Tr. p. 688):

"It is purely a defensive procedure to retain the business that we have on our books.

"It has also been our experience that where such a situation does take place and we or others meet a competitor's lower price, and at that point there might be some disadvantage to other buyers who do not have that price, that somehow that is a very temporary situation, and if the forces of free and open competition, at least in our industry, are allowed to operate, that that gets straightened out, and that this disadvantage soon disappears."

III

Finally, it may be helpful to clear up possible misunderstandings about the effect of Standard of Indiana. A good beginning point is the testimony of numerous small

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[1] *Standard Oil Co. (Indiana) v. Federal Trade Commission* (340 U. S. 231, 246, 247 (1951)). In point of fact, S. 11 would practically nullify the 2 (b) defense. Section 2 (a) of the Clayton Act declares illegal a discrimination in price between different purchasers of commodities of like grade and quality where the effect of such discrimination "may be (1) substantially to lessen competition or (2) tend to create a monopoly in any line of commerce, or (3) to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them." Since the proposed amendment to 2 (b) would provide that the defense is not available where either of the first two effects is probable, it would seem that the defense would be made practically meaningless unless there is a difference between the first two and the third effect clauses.

We have been unable to find any case or Federal Trade Commission decision wherein the third test has been considered separate or distinct from the other two effect tests of section 2 (a) of the Clayton Act. (In the proceeding against C. E. Niehoff & Co., docket 5768, May 17, 1955, the Commission apparentaly affirmed a hearing examiner's decision on the basis of the third effect clause. However, it appears that the hearing examiner found a violation of the first and third clauses and that the court of appeals affirmed on the basis of both clauses.) Neither the courts nor the Federal Trade Commission appears to have made any distinction between the various types of competitive injury. In the cases decided, whenever there has been a finding of an injury to competition within the meaning of the third clause, there has been also a finding of a substantial lessening of competition within the meaning of the first clause.

[2] Ibid., p. 242.

[3] Ibid., p. 242.

[4] *Federal Trade Commission v. A. E. Staley Manufacturing Co.* (324 U. S. 746, 753 (1945)).

gasoline dealers before your committee last week. They spoke of gasoline price wars throughout the country and the effect of these wars on small independent gas dealers. According to their testimony, some of these price wars were initiated by the major oil companies in order to obtain a larger share of the market. They said that an oil company would grant lower prices provided its dealers would meet the cut prices of dealers of other oil companies. The dealers testified that the major oil companies would claim the section 2 (b) good faith defense as a justification for their granting these lower prices to dealers who would agree to cut their prices, while at the same time not granting such lower prices to other dealers.

Initially, an agreement to grant a price cut to a dealer who, in turn, would cut his price to a specified level, we believe, violates the Sherman Act. We have indicted oil companies for that very thing.[5]

Beyond the Sherman Act, neither Standard of Indiana nor present 2 (b) condones such conduct under Robinson-Patman. A case involving this very problem has recently been decided by the courts.[6] There, because of a "price war" at the dealer level, the Texas Company granted price allowances on the condition that its dealers lower their retail prices to a level competitive with nearby rivals. The Texas Company sought to justify these allowances to dealers who agreed to lower their prices on the basis of a § 2 (b) good faith defense. Rejecting this defense, the District Court reasoned:[7]

"Texas could justify discrimination only by a showing that it dropped its prices to the other stations to meet an equally low price made available to those other stations by a competing oil company. * * * That is the competitive level at which the justification is provided for defendant in the act. * * * The act does not go so far as to allow discriminatory price cutting to enable a buyer to meet price competition, but only to enable the seller to meet a lawful price of the seller's competitor.

The position of the court in the Texas case that the good faith meeting of competition is limited to meeting a competitor's lower price is consistent with my understanding of the law. This same view, incidentally, was apparently adopted before this committee by counsel for some of the very dealers who complained.[8]

Beyond this dealer testimony, fears have been engendered by the Seventh Circuit's recent reversal of the Commission's holding that Standard of Indiana had failed to make out its "good-faith" defense. That Seventh Circuit reversal this Department has petitioned the Supreme Court to review. To our view, the Seventh Circuit has misconstrued the "good-faith" defense. As our position in support of certiorari put it:[9]

"The court below sought to distinguish Staley and Cement by comparison of the pricing system involved in those cases—the so-called basing point system—with Standard's pricing formula. This attempted distinction is without basis in principle. Standard's pricing policy represented a general method of competition used not only by Standard but also by major competitors (R. 8368). Standard's "tank-car" prices were granted pursuant to, and were not variations from, Standard's established pricing policy. Whether prices are determined by a basing point system, or by a system of classifying customers for pricing purposes, is immaterial; for, as this court emphasized in Staley and Cement, section 2 (b) "does not concern itself with pricing systems" (Staley, p. 753; Cement, p. 725), does not permit a seller "to use a sales system which constantly results in his getting more money for like goods from some customers than he does from others" (Cement, p. 725), and relates only to "individual competitive situations" (Staley, p. 753; Cement, p. 725). This rationale is equally applicable here.

Summing up our position, as the Supreme Court reiterated by way of dictum only last month in National Lead (CCH Tr. Cases Par. 68, 629 (1957)):

"This is not to say that a seller may plead this section in defense of the use of an entire pricing system. This section is designed to protect competitors in individual transactions."

Finally, Standard has not, as its critics predicted, adversely affected enforcement of section 2 (a). Since standard, the "good faith meeting competition defense has been raised in 28 contested cases. In six of these, cease-and-desist orders have been issued.[10] In each of these six cases the defense was rejected. In another two cases, respondent raised the defense in his answer, later elected not to contest the charges, and a consent order to cease and desist was entred.[11] In another case, the hearing examiner dismissed the complaint's section 2 (a) count for complete failure of proof on motion of counsel supporting the complaint.[12] In six other cases, complaints were dismissed on the ground that there was no showing of substantial injury to competition.[13] There are 13 formal cases now pending within or before the Commission in which the good faith defense is involved.[14] In two more cases, complaints have been issued, but answers have not been filed.[15] The Standard Oil case itself is of course, still pending in the courts.

In sum, then, Standard of Indiana merely restated what most people thought the law already was. Thus, as early as 1941, the staff of the Federal Trade Commission wrote in a TNEC Monograph (No. 42):

"While certainly no prejudgment of the issues is indicated, it is perhaps significant that the Commission on April 19, 1955, issued a complaint against Anheuser-Busch, Inc., alleging that this firm has violated section 2 (a) of the Robinson-Patman Act by reducing its established premium price on Budweiser beer to match exactly the lower established price charged for beer by its local competitors in the St. Louis area. It is further alleged that in "all other areas of the United States Anheuser-Busch, in accordance with its customer practice, maintained the so-called differential in price between premium-priced Budweiser and the normally lower priced regional or local beers." (Dkt. 6331.) The hearing examiner in his initial decision, issued October 23, 1956, rejected the good faith meeting-competition defense in this case for lack of "good faith" where the discrimination was for "aggressive rather than defensive purposes."

"The amended (Robinson-Patman) act now safeguards the right of a seller to discriminate in price in good faith to meet an equally low price of a competitor, but he has the burden of proof on that question. This right is guaranteed by statute and could not be curtailed by any mandate or order of the Commission. * * * The right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack."

And the Department of Justice wrote the chairman of the House Judiciary Committee on July 10, 1951, that "* * * the Department has always interpreted subsection 2 (b) as permitting a seller to defend conclusively against a charge of price discrimination by affirmatively showing that such discrimination was made in good faith to meet the equally low price of a competitor" (Rept. No. 2436, 82d Cong., p. 6).

Against this background, I urge that Standard of Indiana's holding (that proof of "good faith" meeting of a competitor's lawful price constitutes an absolute defense to a 2 (a) charge) should stand. And hence S. 11, I believe, should not be enacted.

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[5] *United States* v. *Shell Oil Company*, CCH Tr. Reg. Rep. Par. 68, 230; Cf. *United States* v. *Socony-Mobil Oil Co., Inc.* (five cases), CCH Tr. Reg. Rep. Par. 68, 224, (see Opinion of Sweeney, Chief Judge, dated March 20, 1957).

[6] *Enterprise Industries, Inc.* v. *Texas Company*), 136 F. Supp. 420 (D. Conn. (1955)), reversed on other grounds, 240 F. 2d 457 (C. A. 2, 1957).

[7] Ibid., p. 421.

[8] Verbatim hearings before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, March 14, 1957, pp. 554, 556.

[9] *Federal Trade Commission* v. *Standard Oil Co.*, O. T. 1956, No. 465, petition for certiorari, pp. 12–13.

[10] E. Edelmann & Co., 3 CCH Trade Reg. Rep., par. 25, 445 (FTC 1955); Moog Industries, Inc., 3 CCH Trade Reg. Rep., par. 25, 444 (FTC 1955); C. E. Niehoff & Co., 3 CCH Trade Reg. Rep., par. 25, 467 (FTC 1955); Whitaker Cable Corp., 3 CCH Trade Reg. Rep., par. 25, 443 (FTC 1955); Champion Sparkplug Co. docket 3977; and General Motors Corp., docket 5620.

[11] Frank F. Taylor Co., 3 CCH Trade Reg. Rep., par. 25, 116 (FTC 1954); Whitman Candy Co., docket 6560.

[12] Warren Petroleum Corp., docket 6227.

[13] Yale and Towne Manufacturing Co., docket 6232; Elwell Park Electric Co., docket 6329; Hyster Co., docket 6330; Lewis-Shepard Co., docket 6340; Clark Equipment Co., docket 6347; Otis Elevator Co., docket 6350.

[14] Standard Motor Products, docket 5721; Anheuser-Busch, Inc., docket 6331; American Motor Specialties, Inc., docket 5724; Borden-Aicklen Auto Supply, Inc., docket 5766; D. & N. Auto Parts Co., Inc., docket 5767; Federal Mogul Corp., docket 5769; Thompson Products, Inc., docket 5872, Arkansas City Cooperative Milk Association, Inc., docket 6639; Pure Oil Co., docket 6640; Sun Oil Co., docket 6641; Sealed Power Corp., docket 6654; Shell Oil Co., docket 6666; and Black Manufacturing Co., docket 6710.

[15] Libby-Owens-Ford Glass Co., docket 6700; and Sperry Rand Corp., docket 6701.

HISTORY OF THE GRAND LODGE OF MASONS OF DELAWARE—POEM BY CHARLES E. GREEN

Mr. FREAR. Mr. President, the year 1956 marked the besquicentennial of the formation of the Grand Lodge of Masons of Delaware.

The grand lodge celebrated its achievements of the past 150 years, which was a glorious record and worthy of solemnization.

Delaware Masonry is fortunate in having among its members Charles E. Green, who has devoted many years in research into both Delaware and Masonic history.

By official decree, Mr. Green was appointed historian and assigned the task of putting into printed form the history of the Grand Lodge of Delaware, as a permanent memorial.

In reading this fine book of Delaware Masonic history, I was impressed with Mr. Green's great humility, as expressed in a prayer found in a foreword to the book.

Mr. President, I ask unanimous consent that this prayer be printed in the RECORD.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

A PRAYER

Grand Architect, to Thee I bring
This ashlar as an offering.
The imperfections, I'm aware,
Will show upon Thy faultless square.
Thou knowest well the joys I've found
In brilliant hours with thoughts profound.
So bless this work and may it be
Of use to them who worship Thee.

I've dreamed in many ancient lands
And dwelt on Egypt's burning sands.
With pyramid and sphinx I've sought
To learn the secrets that they taught.
From Mount Moriah to the sea,
Across to Greece and Italy,
Through France and Spain to English shores,
I've sought for truth in mystic lores.

Thy guiding light has steered my mind
Through time, through space and lore to find
The Mason's word shall always be
The mystery of mystery.
O Master, may Thy loving hand
Reach out across our glorious land,
To touch our sacred soil so fair
And bless the craft of Delaware.

—CHARLES E. GREEN.

MAY 7, 1956.

LEGISLATIVE PROGRAM—EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, it had been my intention to ask the Senate to proceed to consider Calendar No. 160, Senate bill 1585, the Budget Joint Committee bill. I am informed that some of my colleagues who are very much interested in that measure will not be available to discuss it today. Therefore I give notice the bill will be brought up at a later date.

The same situation is true with respect to Calendar No. 119, Senate 1423, the bill to amend the Civil Aeronautics Act. Interested Senators are not available to discuss that bill today, so it will not be brought up.

Mr. President, it is our plan to proceed to consideration of Calendar No. 183, S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, following the executive session.

Mr. President, I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BIBLE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. HENNINGS, from the Committee on the Judiciary:

Scovel Richardson, of Missouri, to be judge of the United States Customs Court, vice William A. Ekwall, deceased.

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary:

Clement F. Haynsworth, Jr., of South Carolina, to be United States circuit judge, fourth circuit, vice Armistead M. Dobie, retired.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Frear	Monroney
Allott	Fulbright	Morton
Anderson	Green	Mundt
Barrett	Hayden	Murray
Beall	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Bricker	Hill	Pastore
Bush	Holland	Payne
Butler	Hruska	Potter
Byrd	Humphrey	Purtell
Capehart	Ives	Revercomb
Carlson	Jackson	Robertson
Carroll	Javits	Russell
Case, N. J.	Jenner	Saltonstall
Case, S. Dak.	Johnson, Tex.	Schoeppel
Chavez	Johnston, S. C.	Smith, Maine
Church	Kefauver	Sparkman
Clark	Knowland	Stennis
Cooper	Kuchel	Symington
Cotton	Magnuson	Thurmond
Curtis	Malone	Thye
Dirksen	Mansfield	Watkins
Douglas	Martin, Iowa	Wiley
Dworshak	Martin, Pa.	Williams
Eastland	McCarthy	Young
Ellender	McClellan	
Ervin	McNamara	

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The PRESIDING OFFICER (Mr. CARROLL in the chair). A quorum is present.

The clerk will state the nomination on the Executive Calendar.

IN THE ARMY

The legislative clerk read the nomination of Brig. Gen. Ralph Wise Zwicker to be a brigadier general in the Regular Army of the United States; and the nomination of Brig. Gen. Ralph Wise Zwicker to be a major general for temporary appointment in the Army of the United States.

The PRESIDING OFFICER. Without objection, the two nominations will be considered together.

Mr. McCARTHY. By the two nominations, I understand the Chair to mean the permanent and the temporary commissions of the same general. Is that correct?

The PRESIDING OFFICER. The Chair is advised that there is before the Senate a permanent nomination for brigadier general and a temporary nomination for major general of the same general officer.

Mr. McCARTHY. Mr. President, I ask for the yeas and nays on the Zwicker nomination.

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays were not ordered.

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from Wisconsin will withhold his request. I ask Senators to join in seconding the Senator's request, so as to save some time.

The PRESIDING OFFICER. The Chair will put the question again. Is the demand for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. McCARTHY. I very much thank the Senator from Texas.

Mr. President, it has been a little more than 3 years now since public controversy swirled around the head of Brig. Gen. Ralph Zwicker. In February of 1954 the name of General Zwicker came into the news in connection with efforts by the Senate Investigations Subcommittee to expose Communists and security risks in the Army. General Zwicker was then the commanding officer of one such Communist suspect, Maj. Irving Peress, a name well known to all of us. In this capacity, he was instrumental in getting Peress honorably discharged from the Army before court-martial proceedings could be brought against him.

I do not propose today to discuss General Zwicker's role in that affair, or his appearance, several days later, before the investigations subcommittee which gave rise to a rather considerable public furor. Suffice it to say that the general consensus of those connected with the incident was that General Zwicker failed to cooperate with a committee of the United States Senate in its efforts to expose the Communist conspiracy. I believe it is a fair comment that very few Members of this body who have read the transcript of General Zwicker's testimony before the investigations subcommittee in February of 1954 hold any brief for the General's conduct on that occasion. In fact, all the Democrats and all the Republicans on the investigations committee voted to send Zwicker's testimony to the Justice Department for perjury action.

Now, 3 years later, it is proposed by the administration that Zwicker be promoted to the permanent rank of brigadier general and the temporary rank of major general. What has Zwicker done during those 3 years? The only thing worthy of note that I have been able to discover is that in March 1955 he perjured himself. I repeat, he perjured himself.

The single question I am asking today is whether it is entirely fitting and proper that we should reward an Army officer who has lied under oath before a congressional committee by granting him a promotion in rank.

I shall not try to conceal the deep sense of outrage I feel in this matter, Mr. President. Many nominations have come before the Senate which have caused me to wonder whether those in control of the executive branch are in full possession of their wits. But none, I think, has so clearly flouted the minimum standards of justice or propriety as this one. I had hoped, after the Peress incident, that General Zwicker would be quietly retired. When he subsequently committed perjury, I was sure we had seen the last of him as an Army officer—that his next appearance would probably be in a criminal court. Little did I dream that he would, in effect, be honored for the crime by being promoted to major general.

Let me briefly describe the occasion on which General Zwicker lied to a Congressional committee. In March, 1955, Zwicker was called before the Investigations Subcommittee, then presided over by the senior Senator from Arkansas [Mr. MCCLELLAN] as chairman, to explain his role in the Peress case. During the course of the interrogation, Zwicker was asked about a telephone conversation he had had with Mr. George Anastos on January 22, 1954. Mr. Anastos, at the time of the phone conversation, was employed as counsel for the subcommittee.

General Zwicker admitted that he had talked to Mr. Anastos by phone. He said that Anastos had called him at Camp Kilmer, N. J., to inquire as to whether he had information concerning a card-carrying Communist in the Medical Corps at Camp Kilmer. Wishing to confirm the fact that Anastos was connected with the subcommittee, Zwicker told Anastos he would return the call at the subcommittee offices in the Senate Office Building. He did so within the hour. During that second conversation, according to Zwicker, he informed Anastos that he knew about the man Anastos had referred to, that he was in the Dental Corps rather than the Medical Corps, and that his name was Irving Peress. Zwicker maintained, however, that that was the extent of the security information which he passed on to Anastos either then or at any other time. In this connection, Zwicker was asked the following specific questions, and I now quote from the transcript of the subcommittee hearing.

Mr. President, I interrupt myself at this point to suggest that the Senator from South Dakota [Mr. CASE] and the Senator from Maine [Mrs. SMITH]—I observe that the Senator from Connecticut [Mr. BUSH] is on the floor—be present during the discussion, because they took rather a major part in the case. I ask also that the Senator from North Carolina [Mr. ERVIN], whom I consider to be a good friend of mine now, although we were not always thus, be present.

I ask that the pages call those three Senators and tell them that their names will come up during the discussion, in case they wish to be present. Will the pages please call the Senator from South Dakota [Mr. CASE], the Senator from Maine [Mrs. SMITH], and the Senator from North Carolina [Mr. ERVIN]?

I now quote from the hearing:

Mr. KENNEDY. You did not give him any information regarding any Communist affiliations that Irving Peress might have?

General ZWICKER. I did not.

Mr. KENNEDY. You did not tell him that Irving Peress' wife, Elaine, was a Communist Party member?

General ZWICKER. I did not.

Mr. KENNEDY. Did you tell him that Irving Peress was a card-carrying Communist member from 1948 to 1952?

General ZWICKER. I did not.

Mr. KENNEDY. That in 1951 he was a Communist Party organizer?

General ZWICKER. I did not.

Mr. KENNEDY. And that from 1943 through 1952 he was registered in New York City with the American Labor Party and had been an official of the American Labor Party?

I digress to say that that was after the American Labor Party attempted to clean house, and this was the group which was kicked out of the American Labor Party because of Communist activities. I continue to read:

General ZWICKER. I did not.

Mr. KENNEDY. That from 1949 to 1951 he subscribed to the Daily Worker?

General ZWICKER. I did not.

Mr. KENNEDY. And he attended a fund-raising party for the 11 Communists who were being tried?

General ZWICKER. I did not.

Mr. KENNEDY. And his mother, Sarah, registered with the American Labor Party from 1942 to 1949?

General ZWICKER. I did not.

Mr. KENNEDY. And his wife, Elaine, was a member of the Communist Party in 1944?

General ZWICKER. I did not.

Mr. KENNEDY. And in 1951-52 his wife, Elaine, attended Communist Party meetings and held Communist Party meetings in her home?

General ZWICKER. I did not.

Mr. President, this testimony by General Zwicker was completely contrary to evidence then in the subcommittee files concerning the content of the phone conversation between Mr. Anastos and General Zwicker. Knowing that to be the case, the McClellan committee called Mr. Anastos—who, I am sure, all members of the subcommittee will agree is a highly estimable young man—and interrogated Anastos concerning the telephone conversation. With reference to his second telephone conversation with General Zwicker, Mr. Anastos was asked the following questions, and I now quote, once again, from the transcript of the committee hearings. There is nothing secret about this, Mr. President. It is all a matter of record, and it is about a man whom the Senate is asked to promote as of today.

Mr. KENNEDY. At that time did General Zwicker go into the background of Irving Peress?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Did he first tell you that the person whom you were looking for was Irving Peress?

Mr. ANASTOS. He did.

Mr. KENNEDY. Did he say he was in the Dental Corps rather than in the Medical Corps?

Mr. ANASTOS. He indicated he was in the Dental Corps.

Mr. KENNEDY. Then did he go on to give you information as to his background?

Mr. ANASTOS. He did.

Mr. KENNEDY. I am going to ask you about that information in just a minute, but I want to find out what you did after the conversation was over. You hung up the phone, and then did you tell Mary Morrill to write up her notes?

Mr. ANASTOS. I did.

If I may interject here, Mr. President, Miss Morrill was one of the employees of the subcommittee at that time and had been asked by Mr. Anastos to monitor the telephone call with General Zwicker and to take notes on the conversation. Continuing now with the testimony of Mr. Anastos:

Mr. KENNEDY. Then she furnished them to you?

Mr. ANASTOS. She did.

Mr. KENNEDY. Then did you dictate a memorandum to her incorporating the notes that you had made as well as the notes she had made?

Mr. ANASTOS. That is right.

Mr. KENNEDY. That was on the same day?

Mr. ANASTOS. That is right.

Mr. KENNEDY. Then did you take the memorandum in to Frank Carr who was the staff director at that time?

Mr. ANASTOS. That is right.

Mr. KENNEDY. Would you identify this document, please?

Mr. ANASTOS. Yes. This is a memorandum which I dictated and which Miss Morrill typed up.

The CHAIRMAN. Is this the original memorandum?

Mr. ANASTOS. Yes, sir.

Mr. President, let me say that I was shocked beyond words when I found that the Armed Services Committee did not call either Mr. Anastos or Miss Morrill, to get their testimony. My good friend, the Senator from North Carolina [Mr. ERVIN], was quoted as saying, "This would be plowing over old ground." Well, Mr. President, if trying to determine whether or not there was perjury on the part of an Army general, when testifying before a Congressional committee which was seeking to dig out and expose the Communists in the Army, is plowing over old ground, that should be plowed over again and again and again.

I read further from the hearing:

Mr. KENNEDY. All the information contained in this memorandum was given to you by General Zwicker in that second telephone call?

Mr. ANASTOS. Absolutely.

Mr. KENNEDY. Did he give you the serial number of Irving Peress—O1893643? Do you remember if he gave you the serial number?

Mr. ANASTOS. I distinctly remember his giving me Peress' serial number.

Mr. KENNEDY. And that Peress was a student officer at the medical school at Fort Sam Houston, Tex.?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Do you remember that?

Mr. ANASTOS. I do.

Mr. KENNEDY. Do you remember that he also gave the information that in August 1953 Peress refused to answer interrogatories, claiming his Federal constitutional privilege?

Mr. ANASTOS. Yes; he gave me that information.

In that connection, Mr. President, let me say that when a man gives false information on a military interrogatory, he can be court-martialed and receive a sentence up to 5 years. About January 24, Zwicker called the committee and

advised that he had received orders directing that Peress be given an honorable discharge at a date not to exceed 90 days from the date of the order—roughly the end of March. Peress elected to be discharged in 60 days. On January 30, Peress was called before the committee, at which time he was a major still on active duty at Camp Kilmer. To all questions he took the fifth amendment. On February 1, I wrote a letter to the Secretary of the Army requesting that his discharge not be granted and that court-martial proceedings be conducted against him. This letter was received by the Secretary of the Army on the same day and Zwicker admitted that he knew I had made this request. On February 2, 1 day after my request, Peress was given an honorable discharge by Zwicker. This made impossible any court-martial proceedings.

Mr. KENNEDY. And that Irving Peress had attended CCNY from 1933 to 1936?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And attended NYU from 1936 to 1940?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And was a card-carrying Communist member from 1948 to 1952?

Mr. ANASTOS. Of course, I can't remember the exact dates as I sit here now——

Mr. KENNEDY. But you can remember that he mentioned——

Mr. ANASTOS. I remember he gave me information concerning everything that you have mentioned.

Mr. KENNEDY. Something about his being a Communist Party member?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And information that he was a Communist Party organizer?

Mr. ANASTOS. Yes.

Mr. KENNEDY. And he was registered in New York City from 1943 to 1952 with the American Labor Party and had been an official in the American Labor Party?

Mr. ANASTOS. Yes, sir.

Mr. KENNEDY. And that for a couple of years he had subscribed to the Daily Worker?

Mr. ANASTOS. Yes.

Mr. KENNEDY. Do you remember his mentioning the fact that he subscribed to the Daily Worker?

Mr. ANASTOS. Yes; I do.

Mr. KENNEDY. And that he attended a fund-raising party for the 11 Communists who were being tried?

Mr. ANASTOS. Yes.

Mr. KENNEDY. And the information regarding his mother, Sarah, and the fact she was registered in the Labor Party from 1942 to 1949?

Mr. ANASTOS. Yes.

Mr. KENNEDY. You remember his giving information regarding his mother, Sarah?

Mr. ANASTOS. That is right.

Mr. KENNEDY. And his wife, Elaine; do you remember him mentioning his wife, Elaine?

Mr. ANASTOS. I distinctly remember that General Zwicker gave me information that his wife, Elaine——

That is to say, not Zwicker's wife, Elaine, but Peress' wife, Elaine—

was a member of the Communist Party and that she held Communist Party meetings at her home.

Mr. KENNEDY. Did he also give you certain home addresses of Irving Peress?

Mr. ANASTOS. Yes; he did. I remember that.

Mr. KENNEDY. Now you testified before the Watkins committee; is that true?

Mr. ANASTOS. That is true.

Mr. KENNEDY. The information you gave that committee is accurate and the truth?

Mr. ANASTOS. It is absolutely accurate, and I want to stand on it.

Later on, Mr. President, the McClellan committee called Miss Mary Morrill, a young lady of extremely high repute, and asked her about her role in the incident. Miss Morrill confirmed that she had been asked to monitor the call by Mr. Anastos; that Mr. Anastos had dictated a memorandum of the conversation with General Zwicker, on the basis of his notes and hers; and that nothing appeared in the memorandum contrary to her recollection of the telephone conversation. The memorandum of that telephone conversation, dictated by Mr. Anastos with the aid of Miss Morrill, was immediately put into the committee's files. It is there today, as part of the committee's records.

If I may recapitulate this testimony, it shows that in the files of the investigations subcommittee is a memorandum to the effect that General Zwicker gave to Mr. Anastos, over the telephone, detailed security information concerning Major Peress. Mr. Anastos, who had participated in that telephone conversation; and Miss Morrill, who had monitored it, both testified under oath as to the accuracy of that memorandum. I may add that prior to the time of this telephone conversation, the subcommittee had no specific information whatsoever concerning Major Peress; it did not even know his name—although we knew there was a Communist at that base.

There was no other way for the committee to have obtained this information except by consulting Peress' security file, which was in the custody of General Zwicker, at Camp Kilmer. Notwithstanding those facts, General Zwicker denied under oath before the McClellan committee that he had given to Mr. Anastos the security information in question.

On the basis of this testimony, on April 12, 1955, the Senator from Arkansas [Mr. MCCLELLAN], as chairman of the subcommittee, wrote the Justice Department—with the approval of the entire committee—and suggested an inquiry as to whether General Zwicker's testimony involved a violation of the perjury statute. For more than 19 months, Mr. President, the Justice Department sat on the case, and refused, despite numerous proddings by the McClellan committee, to indicate how it was going to dispose of the matter. Finally, on December 11, 1956, the Justice Department sent to Chairman MCCLELLAN a letter which I shall now read. Mr. President, I hope that you and all Members of the Senate will listen to this gobbledygook:

DECEMBER 11, 1956.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Permanent Subcommittee on Investigations, Committee on Government Operations, United States Senate, Washington, D. C.

DEAR SENATOR: This is to advise you concerning the disposition of the case involving Brig. Gen. Ralph W. Zwicker of the United States Army.

The complex legal and factual problems involved in this matter have been carefully considered and all the evidence developed has been examined in the light of the technical requirements necessary to establish an offense under the existing law. As a result of this study, it has been concluded that a criminal prosecution will not be undertaken. The case is being closed in the Criminal Division.

The Secretary of the Army is also being advised of this decision.

Sincerely,

WARREN OLNEY III,
Assistant Attorney General.

Mr. President, while two colonels worked full time for a year in checking the case of Zwicker, they never once contacted either Miss Morrill or Mr. Anastos. I wish to say to the able members of the Armed Services Committee that I cannot conceive—I simply cannot get it through my mind—why, when they were asked to conduct an investigation of this matter, the case of a man accused of perjury, whom we are apparently about to promote today, they did not call Olney and ask him why he sat on this case for 19 months and what the technical difficulties were that prevented a prosecution for perjury after he had 2 witnesses—and 2 are all that are needed in a perjury case. I should very much like to get an answer from one of the members of the Armed Services Committee as to why those witnesses were not called.

Thus, after 19 months of doing nothing, the Justice Department decided that for technical reasons General Zwicker should not be prosecuted for perjury. As I read it, the clear implication of this letter is that even the Justice Department felt that General Zwicker had lied, and that only technical difficulties stood in the way of a successful perjury action against him.

In spite of these events, the administration had the temerity to send Zwicker's name to the Senate for promotion.

Let me add that during the past 2 years, Army investigators have been hard at work, attempting to vindicate General Zwicker. Two colonels, I understand, have been on the job full time or almost full time. However, Secretary of the Army Brucker admitted to the Armed Services Committee that the Army investigators, whatever else they have been doing, never once approached either Mr. Anastos or Miss Morrill in order to obtain their version of the affair.

All of these facts were brought to the attention of the Armed Services Committee, which held hearings on the Zwicker nomination last month.

I am very happy there are so many members of the Armed Services Committee present here today. It indicates a healthy interest in this case. I am extremely disappointed, however, to see so few of the other Senators, who must vote upon the promotion of a man guilty of perjury.

All these facts were brought to the attention of the Armed Services Committee, which held hearings on the Zwicker nomination last month. It was the general consensus of that committee, I believe, and if I am wrong I hope I will be corrected, that General Zwicker had lied to the McClellan committee. I cite one passage from the transcript that I think

is illustrative of the sentiments of the committee members:

Senator SALTONSTALL. Mr. Chairman, one more question. Mr. Kennedy, boiled right down, what you have said in answer to my inquiry, boiled right down, it is your opinion that Zwicker answered these questions: "I did not," to protect himself from having violated a Government security regulation the year before; isn't that about it?

Do the Senators understand the unusual character of that question, which is to the effect that a man perjured himself so as to protect himself from a violation of a security regulation? If he wanted to protect himself from a violation of security regulations, all he had to do was cite the regulations and refuse to answer, and not perjure himself.

Mr. Kennedy's answer was:

Mr. KENNEDY. And putting himself in great personal difficulty with the Department of the Army.

Senator SALTONSTALL. Yes. That was his motive in answering those questions that way.

I ask the Senator from Massachusetts [Mr. SALTONSTALL] if he appreciates upon hindsight, the unusual character of that question? He was saying to Mr. Kennedy the reason General Zwicker perjured himself was to protect himself from a violation of security regulations, when all he had to do was say, "I cannot answer because of security regulations."

Mr. Kennedy said:

That is what I believe, Senator SALTONSTALL.

Senator BRIDGES. Certainly the testimony read by Senator CASE confirms the telephone conversation without any question of doubt.

The Senator from New Hampshire [Mr. BRIDGES] was referring to the telephone conversation with Anastos.

Senator CASE. I think that General Zwicker after he was assured he was talking with Anastos too, he just opened up.

Senator BRIDGES. I think a general conclusion can be drawn from that all right.

After the hearing, the Armed Services Committee ordered a special investigation of the case to be conducted by two of the outstanding Senators on the committee, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD]. What happened during the course of that investigation, I do not know. If I am wrong I hope I will be corrected, but there was a bobtail investigation by the Armed Services Committee as a whole, at which it was decided not to call Mr. Anastos, Miss Morrill, or Mr. Olney. What happened during the course of that investigation? Again, I do not know.

Why the committee voted, ultimately, to confirm, I do not know. I do know that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD] both refused to recommend that the Senate confirm the promotion. I do know that the White House, and the Pentagon, brought tremendous pressure to bear on the members of the committee, urging them to support the nomination. I do know that two of the Senators on the committee, other than the Senator from New Hampshire and the Senator from Virginia, said in executive session that while they realized Zwicker had lied, they did not feel that this affected his bravery, and that therefore he should be promoted. I know also that one of the Senators—a third Senator—received word from the White House that a failure to confirm Zwicker would mean dishonoring West Point, if you please, and therefore that Zwicker should be promoted. I will not name the Senators who voiced these sentiments. They know who they are, and can identify themselves if they choose.

Let me digress here, Mr. President, to say that I know, as is usual when I oppose a nomination of the President, or when I oppose him on some issue, the story goes forth that "McCARTHY is fighting President Eisenhower." I never have indulged in any personalities with Eisenhower, nor will I ever be provoked to do so. Regardless of who may be in the White House, I shall stand up and fight the issues as I see them.

As the Chair knows, as a Senator he stands up, raises his right hand, as I do, and takes practically the same oath of office the President takes.

I believe the Chair will recall that I fought my great and good friend, Robert Taft, on issues. One very important issue had to do with housing. I redrafted the entire housing bill in the session of 1948. It was against Bob Taft's wishes originally. He finally voted for it and supported it wholeheartedly. There never was any feeling that there was a fight between Bob Taft and me. We remained good friends right down to the date of his death.

I merely emphasize this to show that my opposition to Zwicker has nothing to do whatsoever with my feeling toward President Eisenhower, any respect which I might have for him, or any lack of respect which I might entertain for the palace guard.

I have no wish to impugn the motives or the competence of the Armed Services Committee in general. For many members of that committee I have a great deal of respect. I hope that today they will be able to give the Senate some plausible reason for having supported this nomination.

You will recall, Mr. President, the slogan that swept the country a couple of years ago. That slogan was "Who promoted Peress?" If the present nomination should be confirmed, the people of the United States will be entitled to raise the cry with equal vigor, "Who promoted Zwicker?" I sincerely hope that the Senate will forestall that development by refusing to confirm.

I know there are those who feel that Senators who are members of a committee should not be criticized, but I frankly think that if the Senate confirms the promotion of Zwicker it will not only be a disgrace to the Senate, it will be a disgrace to the entire Army.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is, Will the Senate advise and consent to these two nominations en bloc? The yeas and nays have been ordered.

Mr. STENNIS. Mr. President, the yeas and nays have been ordered, as the Chair states. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the nomination of Brig. Gen. Ralph Wise Zwicker to be a brigadier general in the Regular Army of the United States, and also the nomination of the same officer to be a major general in the Army of the United States, be confirmed? Under a previous order these nominations are being considered en bloc.

Mr. STENNIS. Mr. President, as chairman of the subcommittee of the Committee on Armed Services which considers nominations for promotion, I filed a report in this case recommending confirmation by the Senate of the promotion of General Zwicker.

These nominations came to the Senate with a group of other nominations, and were referred to our subcommittee. Objection was filed by the junior Senator from Wisconsin to the approval of the nominations. They were therefore taken off the regular list and placed before the full committee. The full Committee on Armed Services heard testimony in the case.

We had before the committee the sworn testimony of the witnesses to whom reference has been made, Mr. Anastos and Miss Morrill, given under oath in previous proceedings. That testimony was presented to the committee at the beginning of the hearings. It was furnished in special excerpt form by the Committee on Government Operations. I remember being furnished with a copy, which I took to my office and read.

There was a recess until some time later, and further testimony was taken. We had before us the testimony which was given by Miss Morrill and Mr. Anastos. We had the testimony of General Zwicker, as given in prior hearings before Senate committees. We had before us at this hearing also General Zwicker himself. After a most thorough examination of the General in connection with all the allegations, in the light of the sworn testimony which we had in the RECORD I reached the conclusion that he was not guilty of perjury, and that his record as an officer was outstanding. Therefore it was my position that the nominations should be recommended for approval.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. STENNIS. I shall be glad to yield in a moment.

I would not undertake to speak for any other Senator. However, as has already been brought out, every vote that was recorded was in favor of the promotion of General Zwicker. At that time the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Virginia [Mr. BYRD] withheld their votes.

In answer to the suggestion about calling other witnesses, I was fully convinced that all the facts had been covered in the sworn testimony. We had the testimony before us in printed form for our study. I did study it.

There was one point that had some bearing on the charges and countercharges, and that was that all the way through it was shown that General Zwicker from the beginning took a lead in trying to find out and expose Peress.

However, to go back to the very merits of the case, the sworn testimony not only failed to convince me that General Zwicker was guilty of any perjury, but I was convinced that he was not guilty of any perjury, and that therefore he was certainly entitled to have that charge dismissed and to stand on his military record.

I am glad now to yield to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, may I ask the Senator this question? Would the fact that the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES], two of the outstanding Members of the Senate, were appointed to investigate this matter, and refused to vote for confirmation have any significance in the Senator's mind? Can he explain that? Can he also explain why that investigation was never conducted, and why the Senator from New Hampshire and the Senator from Virginia were called off?

Mr. STENNIS. The Senator from Mississippi can speak only for himself, although he will agree with the Senator from Wisconsin that the Senator from New Hampshire and the Senator from Virginia are outstanding Senators. I do not believe that either one of them was called off, so far as that was concerned, but I know nothing about it, of course. So far as the question of bringing any other witnesses before the subcommittee is concerned, I did not hear any recommendation that any witnesses be brought before it or not be brought before it. I do remember that the Senator from Virginia wanted to abstain from voting at that time because he had not read all the testimony, or had not heard all the testimony, I believe he said, that had been given.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. STENNIS. As I recall, he reserved his right to vote as he might see fit later. I am not attempting to answer for anyone except myself. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I believe the Senator said he did not hear the suggestion that any other witnesses be brought before the subcommittee or not be brought before it. During the hearings before the subcommittee, unless I am badly misinformed, the suggestion was made that certain witnesses be called. I do not like to bandy the name of any Senator in the Chamber, but one of the Senators who is present on the floor objected to such a course being followed, and made the remark that it would be going over an old field again, or something like that.

Mr. STENNIS. I do not remember anything like that happening. If it did happen, it was not in my hearing.

Mr. McCARTHY. Can the Senator tell me this? I was present when the able Senator from Georgia [Mr. RUSSELL]—I believe I was present, and if I was not present, I read it in the newspaper immediately afterward—appointed the Senator from Virginia [Mr. BYRD] and the Senator from New Hampshire [Mr. BRIDGES] to investigate the matter and report to the committee. I am wondering why that was not done. It is significant to me that neither of those Senators would vote to confirm the nomination of Zwicker. I wonder if I am correct when I say that both Senators were appointed to conduct an investigation. The Senator from Georgia is present.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. RUSSELL. I did not understand that the Senator from Virginia or the Senator from New Hampshire were appointed to conduct any particular kind of investigation. The Chair did, as is often done in such cases, appoint those Senators to determine the names of any additional witnesses the committee should hear with respect to this matter. Prior to the time when that appointment was made, the full committee had voted to call General Zwicker before it. Those two Senators were appointed, as is often done in such cases, so that a smaller group could suggest to the committee the names of additional witnesses who should be heard, if those Senators felt that additional witnesses should be heard. Neither Senator insisted on the committee hearing any other witnesses, and did not suggest the names of any additional witnesses that the committee should hear.

Although I hesitate to speak for the Senator from Virginia, I did hear him say that he had been engaged daily in the hearings on the tax bill, and had been unable to attend any of the hearings. He said he desired to withhold his vote, without prejudice, until he had had an opportunity to read the record. I have no information as to the conclusion the Senator reached. He will be able to speak for himself.

Mr. McCARTHY. Mr. President, will the Senator from Mississippi yield so that I may ask a question of the Senator from Georgia?

Mr. STENNIS. I am glad to yield.

Mr. McCARTHY. I am extremely curious to know why only witnesses favorable to Zwicker were called, and why no other witnesses were called. The committee called Zwicker, but it did not call Olney, Anastos, or Miss Morrill. I simply cannot follow that reasoning at all. I assume there must be a good explanation for it.

Mr. RUSSELL. I can understand how the Senator from Wisconsin might have conducted the inquiry had it been in his hands. Some witnesses might have been examined and others not. However, the only witness the committee summoned was the man involved, General Zwicker. Here was a man who had given 30 years of his life to the Army and had had a distinguished career. Without regard to any precedent that may have been set in any other hearing before any other committee, we felt as a simple matter of decency and propriety we should hear him. The committee voted unanimously to call him before it. He was accompanied by the Secretary of the Army, who made a statement at the conclusion of General Zwicker's testimony.

The committee did not summon the Secretary of the Army, although we are always glad to have the Secretary of the Army appear before the committee on any important matter that relates to the Department of the Army. There is certainly nothing unusual to have him show some interest in a case which affects the Department of the Army. We heard the Senator from Wisconsin and we permitted him to bring before the committee Mr. Kennedy, who, as I recall, was not on the staff of the committee at the time of the original hearings. We permitted the very fullest of expression on the part of those witnesses, regardless of whether they expressed views or opinions or conclusions which were not predicated upon any first-hand knowledge of the instances involved. The committee feels—certainly the chairman of the committee feels, and no other member of the committee desired to hear any other witnesses—that after we had devoted 3 days to the hearing we had discharged our responsibility and we are perfectly willing to stand on it now on the floor of the Senate.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. McCARTHY. The Senator did have before him the fact that there was a telephone conversation which had been monitored and written down immediately after the monitoring, which showed perjury, and he had the testimony of Zwicker before the Watkins committee, in which he admitted the perjury. I wonder by what wild stretch of the imagination——

Mr. RUSSELL. The Senator from Wisconsin may have concluded that it showed perjury. The committee went into it as thoroughly as it knew how, and the committee voted 12 to 0 to report the nomination. So there was a slight difference of opinion on the part of the majority of the committee and the Senator from Wisconsin. We had before us testimony on this matter which had been gone over on at least 3 other occasions—I am not sure whether it was 4, but certainly at least 3 occasions—and we permitted the Senator from Wisconsin to bring Mr. Kennedy before the committee, to read into the record the testimony of Mr. Anastos, to whom he refers, and of the young lady, to whom he refers. They had testified on this matter at least twice before. We had all that testimony before us. I, as one member of the committee, read all that testimony. The other members of the committee read it and concluded that there was not sufficient substance in the matter to warrant a charge of perjury against General Zwicker. This was a

very confused picture, I may say to the Senator.

A number of investigations were then in progress. The committee presided over by the Senator from Wisconsin was investigating, and it was a very active committee. It had a number of staff members. There was ample room for a mistake to have been made in this matter on the part of Mr. Anastos, Miss Morrill, or, indeed, of General Zwicker, without attributing any willful perjury to anyone. In my judgment, there is absolutely nothing in the record which would have justified the conclusion that General Zwicker was guilty of perjury, or which would warrant the Senate in destroying the life and reputation of a man who has contributed immeasurably to the Armed Forces of the United States in the wars in which this country has been engaged.

Mr. McCARTHY. Mr. President, before the Senator yields the floor, I wonder if I may ask him one more question.

Mr. RUSSELL. Certainly.

Mr. McCARTHY. As I understood the Senator from Georgia, he stated that the vote in the committee was 12 to 0 that Zwicker did not commit perjury. Am I correct in my understanding—if I am not, I should certainly like to be corrected—that two of the Senators present and voting, while they voted to confirm the nomination, expressed the opinion that Zwicker was guilty of lying before the committee, but that they felt other facts outweighed that consideration?

Mr. RUSSELL. The Senator from Wisconsin will have to ask questions of those Senators themselves. I shall not undertake to stand upon the floor of the Senate and explain their statements made in the committee.

I will say for myself that if I had been convinced that Zwicker had been guilty of perjury in this matter, and if I thought pressures might have been put on him, I would have voted against the confirmation of his nomination.

I was deeply concerned about the matter when it first arose. I went into it and came to the inescapable conclusion that there was nothing in the record which would have stood for 2 minutes in a court of law to indicate that there was evidence of perjury on the part of Zwicker. Indeed, the committee would have been subject to very severe criticism if it had taken any action other than that which it did take.

Mr. McCARTHY. Mr. President, will the Senator from Georgia yield once more?

Mr. RUSSELL. Yes, although the Senator from Mississippi [Mr. STENNIS] has the floor.

Mr. McCARTHY. I think this matter is extremely important. The Senator from Georgia is the chairman of the committee. He has told the Senate that the vote was 12 to 0 that Zwicker was not guilty of perjury. I think the Senator from Georgia owes it to the Senate to state whether or not it is true that at least 2, and I am informed perhaps 3, Senators who voted for the confirmation of Zwicker's nomination said that Zwicker was guilty of perjury.

If I may ask two questions, I shall ask the Senator why Olney, in the Criminal Division, held the matter for 19 months, and then did not write to say that Zwicker was guilty of perjury, but said that for technical reasons it was felt the Government could not prosecute. Could the Senator state why Olney was not called before the committee to state what the technical reasons were?

I myself think it is a tremendous reflection upon the Army, when there was a clear-cut case of perjury. It could not be anything else. There was the monitored telephone conversation. There was a United States attorney, who sat on the case for 19 months, and then said, "I am giving it up only for technical reasons."

Here we have Senators who have voted in committee to confirm the nomination but who have said they thought Zwicker was lying. I believe it is in the nature of a reflection upon the Senate. I think the able Senator from Georgia might comment on that.

Mr. RUSSELL. No; I have no desire whatever to comment on the remarks of the Senator from Wisconsin, Mr. President. The committee went into the matter with the idea and hope of being able to establish some general facts, and not with the idea of either creating or confirming mere suspicion.

Mr. ERVIN. Mr. President, as the Senator from Wisconsin has said, I did make a statement when the matter was heard before the Committee on Armed Services that, so far as I was concerned, we were plowing old ground.

I had heard the evidence before, because I sat with the Senator from Wisconsin on the Permanent Subcommittee on Investigation when it investigated the Peress matter. Indeed, I have heard General Zwicker testify three times, counting the hearing before the Armed Services Committee.

The Senator from Wisconsin stated very accurately and very forcefully the testimony which was given at the hearing before the Permanent Subcommittee on Investigations and also before the Committee on Armed Services.

I have spent much time listening to witnesses. I have learned that there is often great inaccuracy in the recollection of witnesses. As the Senator from Wisconsin has made plain, there was a direct conflict between the testimony given by Mr. Anastos and Miss Morrill, and that given by General Zwicker. If I had drawn the inference which the Senator from Wisconsin drew from that conflict of testimony, I would have voted against the promotion of General Zwicker. However, I made an appraisal of the evidence, and reached the abiding conviction that the testimony of General Zwicker in denial of the testimony of the other two witnesses is true. In saying that, I do not reflect in any way upon the other two witnesses.

I think this is, in all probability, a case of honest mistake arising out of the fallible recollections of witnesses. The testimony showed beyond all doubt that before Mr. Anastos called General Zwicker, he had received information concerning Major Peress, although he did not know Major Peress' name. Mr. Anastos called General Zwicker and stated to General Zwicker, so General Zwicker testified, certain of the information he, Anastos, had received. The information was so accurate that it enabled General Zwicker to identify the person to whom Mr. Anastos was referring as Major Peress.

I think that in all probability when Mr. Anastos dictated the memorandum to Miss Morrill, he inserted in the memorandum both the information he had acquired before he called General Zwicker and the information he received from General Zwicker. General Zwicker, as I recall, testified that in that conversation he did give information from the personnel file to Mr. Anastos.

As I say, there was a conflict in evidence. Several conclusions can be drawn from the testimony. One can draw the inference that one witness or another had testified untruthfully. One could also draw the inference from the testimony that the discrepancy in the testimony of the witnesses was due to the fallibility of human recollection. There are many good persons who disagree in their testimony.

I call attention to the substantial disagreements among the writers of the Four Gospels. I wish to read from the King James version of the Bible the accounts which the writers of the Synoptic Gospels gave concerning the legend which was written over the cross on which the Savior was crucified. If Senators will follow my reading, they will see that each one of the four Evangelists gave different testimony on that point.

I read first from the 27th chapter of St. Matthew's Gospel, the 37th verse:

> And set up over His and His accusation written, This is Jesus the King of the Jews.

In the Gospel according to St. Mark, chapter 15, the 26th verse reads as follows:

> And the superscription of His accusation was written over, The King of the Jews.

I now turn to the Gospel according to St. Luke, and find these words in chapter 23, the 38th verse:

> And a superscription also was written over Him in letters of Greek, and Latin, and Hebrew, This is the King of the Jews.

The Gospel according to St. John, chapter 19, verse 19, contains this account relating to the same fact:

> And Pilate wrote a title, and put it on the cross. And the writing was, Jesus of Nazareth the King of the Jews.

Mr. President, we observe that all four accounts on that point, as contained in the four Gospels, differ. If such great and good men as the writers of the Gospels can honestly disagree in their testimony concerning the same fact, then it is quite possible that Mr. Anastos, Miss Morrill, and General Zwicker could quite honestly disagree. That is the conclusion I reached.

As I have said, I was convinced that General Zwicker was telling the truth about the matter; and that the testimony of the other witnesses was in error, due to a confusion of the information which Mr. Anastos already had with

the information he got from General Zwicker. That being true, I came to the conclusion that no perjury was committed by anyone; and that in view of the distinguished career General Zwicker had had in the service of his country, he was entitled to this promotion.

Mr. McCARTHY. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. Yes, Mr. President; I am delighted to yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator from North Carolina is a very able lawyer. After the committee voted unanimously to send that record to the Department of Justice, because of perjury, and after the criminal division—after constant, week after week, urging by the Senator from Arkansas [Mr. McCLELLAN] that they do something about it, one way or the other—had sat on it for 19 months, and when they did not say Zwicker was guilty of perjury, but said, "Because of technical difficulties, we feel it not wise to prosecute," does not the Senator from North Carolina, as a lawyer, believe that before this body is asked to act one way or the other on the nominations, it should know what the technical difficulties are, and whether those in the Department felt Zwicker was guilty of perjury? They had 2 Army colonels working for approximately 2 years on the case. They must have had some information.

Does not the Senator from North Carolina believe that we should call him before the committee, and have him give an accounting, before we vote on these nominations?

Mr. ERVIN. Mr. President, I reply to the distinguished Senator from Wisconsin by stating that I do not think so, because the responsibility for passing on this matter rested upon the members of the Senate Armed Services Committee, rather than upon Mr. Olney. I had to pass on it according to my own judgment as to what the testimony showed. On that point, I do not believe the opinion of the Assistant Attorney General, Mr. Olney, would have been of any assistance to me.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent en bloc to these nominations?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Douglas	Malone
Allott	Ervin	Mansfield
Anderson	Frear	Martin, Iowa
Barrett	Green	Martin, Pa.
Beall	Hayden	McCarthy
Bible	Hennings	McNamara
Bush	Hickenlooper	Monroney
Butler	Hill	Morton
Capehart	Holland	Mundt
Carlson	Hruska	Murray
Carroll	Humphrey	Neuberger
Case, N. J.	Ives	O'Mahoney
Case, S. Dak.	Jackson	Pastore
Chavez	Javits	Payne
Church	Johnson, Tex.	Potter
Clark	Johnston, S. C.	Purtell
Cooper	Kefauver	Robertson
Cotton	Knowland	Russell
Curtis	Kuchel	Saltonstall
Dirksen	Magnuson	Smith, Maine
Sparkman	Thurmond	Wiley
Stennis	Thye	Williams
Symington	Watkins	Young

The PRESIDING OFFICER. A quorum is present.

Under the previous order, the pending nominations are to be voted on en bloc.

The question is, Will the Senate advise and consent to the nominations?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida, [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that if present and voting the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] would each vote "Yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. JENNER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "Yea."

The result was announced—yeas 70, nays 2, as follows:

YEAS—70

Aiken	Cooper	Hruska
Allott	Cotton	Humphrey
Anderson	Curtis	Ives
Barrett	Dirksen	Jackson
Beall	Douglas	Javits
Bible	Dworshak	Johnson, Tex.
Bush	Eastland	Johnston, S. C.
Butler	Ellender	Kefauver
Capehart	Ervin	Knowland
Carlson	Frear	Kuchel
Carroll	Green	Magnuson
Case, N. J.	Hayden	Mansfield
Case, S. Dak.	Hennings	Martin, Iowa
Chavez	Hickenlooper	Martin, Pa.
Church	Hill	McNamara
Clark	Holland	Monroney
Morton	Purtell	Thurmond
Mundt	Robertson	Thye
Murray	Russell	Watkins
Neuberger	Saltonstall	Wiley
O'Mahoney	Smith, Maine	Williams
Pastore	Sparkman	Young
Payne	Stennis	
Potter	Symington	

NAYS—2

Malone McCarthy

NOT VOTING—24

Bennett	Gore	Morse
Blakley	Jenner	Neely
Bricker	Kennedy	Revercomb
Bridges	Kerr	Schoeppel
Byrd	Langer	Scott
Flanders	Lausche	Smathers
Fulbright	Long	Smith, N. J.
Goldwater	McClellan	Talmadge

So the nominations were confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, I offer the amendment which I have sent to the desk and ask that it be made the pending amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, strike out all of line 4.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Senator from California.

Mr. KNOWLAND. Mr. President, the only controversy, so far as I know, on the bill will be this amendment which I am offering, to strike out the last line in the bill, which line would delete section 304 of the act.

On this amendment I ask for the yeas and nays, so that all Senators will be on notice.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, I should like to ask for the yeas and nays on this amendment again.

The PRESIDING OFFICER. The yeas and nays have been asked for again. There is a sufficient second, and the yeas and nays are ordered.

Mr. KNOWLAND. Mr. President, this amendment merely strikes out line 4, on page 2, of Senate bill 1314, which reads:

(4) Section 304 of such act is deleted.

From a simple statement of its language, the amendment perhaps would not appear to be particularly important. I realize there is an honest difference of opinion as to the public policy involved, but I wish to invite attention to the fact that section 304, which it is proposed to delete but which would remain in the law if my amendment should be agreed to, reads as follows:

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of these or like commodities to unfriendly nations.

That is the language which it is proposed to delete. I shall debate the amendment at a later date, but I wished to put all Senators on notice concerning the purport of the amendment.

ANALYSIS OF REPORT OF SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION RELATING TO CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. MANSFIELD. Mr. President, in the daily CONGRESSIONAL RECORD for Thursday, March 28, 1957, on pages A2533–A2534 of the Appendix, there appears under the extension of remarks of the Honorable RICHARD M. SIMPSON, of Pennsylvania, reference to three articles written by Raymond Moley. These articles were published by the Waterbury Republican, February 22, 1957, and by Newsweek magazine on March 4 and again on March 11, 1957.

In the CONGRESSIONAL RECORD of March 29, 1957, appearing on pages 4773–4796, are alleged analyses of the report of the Subcommittee on Privileges and Elections relating to campaign contributions and expenditures in the 1956 general election, and remarks pertaining thereto by the distinguished senior Senator from KANSAS [Mr. SCHOEPPEL], the distinguished junior Senator from Nebraska [Mr. CURTIS], the distinguished junior Senator from Arizona [Mr. GOLDWATER] and the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Mr. President, I might add at this time that the offices of all these Senators have been notified of my intention to make these remarks this afternoon.

The article which appeared in the Waterbury Republican and Newsweek magazine by Mr. Moley and the statement in the CONGRESSIONAL RECORD, by Senator SCHOEPPEL, chairman of the National Republican Senatorial Campaign Committee, and which fills some 16 pages of the CONGRESSIONAL RECORD, all relate to the subcommittee's report on campaign contributions and expenditures during the 1956 general election campaigns, and purport to point out glaring flaws, omissions, misrepresentations, and other errors, tending, according to the authors of these writings and statements, to mislead the American public concerning the source of campaign contributions and the manner in which expenditures were made, and to bring discredit upon the Republican Party.

The distinguished senior Senator from Kansas has submitted a statement after weeks of study of the subcommittee report, and he has charged that errors which appear in the report render it of very doubtful value. Mr. Moley, likewise, prepared his articles after a private study of the subcommittee report.

In neither case was information obtained to refute the findings of the subcommittee from any source except the report itself.

Shortly after the March 4 edition of the Newsweek magazine was distributed, I received a letter from Mr. and Mrs. F. W. Laverty of Fort Worth, Tex., who referred to the article by Mr. Moley, and asked for my views concerning Mr. Moley's criticism. The text of that letter is as follows:

FORT WORTH, TEX., *March 4, 1957.*

Hon. MIKE MANSFIELD,
Washington, D. C.

DEAR SENATOR: My husband and I have long been an admirer of yours; we felt that you were honest and courageous. Enclosed is an article from Newsweek written by Raymond Moley, who, I understand, is an authority in his field. In this article, he questions your judgment, as well as your integrity.

We would be interested in your views on this article.

Yours very truly,
Mr. and Mrs. F. W. LAVERTY.

On March 12, 1957, I mailed an answering letter to the Lavertys and answered not only the article which appeared in the Newsweek magazine of March 4, 1957, but also a subsequent one which appeared on March 11, 1957. The text of my letter is as follows:

MARCH 12, 1957.

Mr. and Mrs. F. W. LAVERTY,
Fort Worth, Tex.

DEAR MR. AND MRS. LAVERTY: I have read the article by Mr. Raymond Moley which appeared in the March 4 edition of Newsweek magazine and which you enclosed with your letter of the same date. A subsequent article by the same author appears in Newsweek magazine of March 11, dealing with the same subject—the report of the Subcommittee on Privileges and Elections on the 1956 general election.

I will not comment on the editorial policy of Mr. Moley, but a thorough review of the activities of the subcommittee during the 1956 campaign, and a study of its report should reveal to any interested and impartial observer that the work of the subcommittee was completely bipartisan and objective in all of its functions. Further, all of the actions of the subcommittee were performed with the unanimous consent of its members. Not until the report was finally published was there a dissenting opinion voiced.

Toward the end of August 1956, the subcommittee unanimously agreed to conduct a thorough investigation into campaign finances on the Federal level, and, as far as practicable, on the State level. Subcommittee questionnaires were prepared and after approval by the committee, were mailed to all senatorial candidates, political committees, labor unions, and other political organizations whose names and addresses were capable of being ascertained through all possible sources. The subcommittee requested all of these individuals and groups to report concerning cash on hand, contributions received, expenditures made, of whatever nature, during the 1956 campaign. Reports received from national committees and other national organizations covered the entire year. Reports from State and local organizations were for a lesser period of time because it was not possible to canvass the entire field during the limited time available to the subcommittee.

The reports which were received from all sources were signed and duly sworn to, or affirmed by the candidates themselves or by responsible officers of the committees or other organizations. From these sworn reports which were received by the subcommittee and from the sworn reports received by the Clerk of the House of Representatives and by the Secretary of the United States Senate, the subcommittee obtained the information which is disclosed in its report on the 1956 general election.

There are no allegations or insinuations anywhere in the report of the subcommittee to the effect that any person, corporation, labor union, or other organization or association gave contributions or made expenditures or attempted in any way to influence the result of an election or elections, unless the person, corporation, labor union, or other organization did in fact do so as reported in the sworn statements so filed.

The report selected certain groups and disclosed contributions and expenditures by persons associated with such groups, and where persons were known to be associated with more than one group or corporation or labor union, such persons were named and their contributions or expenditures listed. In almost every case, the total of contributions or expenditures was properly noted, so that the overall total of contributions and/or expenditures does not include duplications or repetitions in any manner. Because of the mass of material and figures gathered during this initial inquiry, it was not possible to avoid some errors, but these were inadvertent, and not due to any willful or deliberate attempt to mislead.

Contributions and expenditures to or by the Democratic Party, the Republican Party, and other miscellaneous parties are all faithfully reproduced in the report with the sole intent of disclosing the picture of campaign financing accurately and objectively without intent to focus improper attention on any party, person, or other organization.

The study which was conducted by the subcommittee during the 1956 campaign was the first effort of any Senate body to obtain as fully as possible information on the activities and finances of all candidates, all committees, and all other organizations or associations during a general election. Because of the magnitude of this undertaking and the limited time during which the investigation was conducted, as well as the fact that it was the first of its kind, the subcommittee readily admits that its report is not infallible. The report states that not every person, committee, or other organization or association which was active during the 1956 campaign was contacted by the subcommittee, or filed a report, and the total figures for contributions and expenditures, as reported, are not necessarily the complete totals for the year 1956.

However, within the power and jurisdiction of the subcommittee, the very best job possible was accomplished, and it is the sincere wish of the subcommittee that its efforts will lead to improvements in existing legislation, and a more complete and detailed disclosure of campaign finances in the future.

Thank you for your interest in this matter and for calling my attention to the article which you forwarded. I hope that I have been able to answer your questions to your satisfaction.

Sincerely yours,
MIKE MANSFIELD,
Chairman, Subcommittee on Privileges and Elections.

On page 4790 of the CONGRESSIONAL RECORD of Friday, March 29, 1957, the distinguished junior Senator from Nebraska [Mr. CURTIS] pointed out that he had received a letter from the president of the American Bar Association commenting on the listing in the subcommittee report of contributions by individuals belonging to selected special groups, including the American Bar Association.

Mr. President, the president of the American Bar Association, Mr. David F. Maxwell, on March 19, 1957, wrote to me as chairman of the Subcommittee on Privileges and Elections with respect to the listing of individuals identified with business and professional groups who contributed $5,000 or more during the 1956 campaigns. A copy of Mr. Maxwell's letter was sent to the Senator from Nebraska [Mr. CURTIS], and I assume it was this letter to which the Senator referred in his remarks.

I ask unanimous consent that the text of the letter received from Mr. Maxwell be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
March 19, 1957.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on Privileges and Elections, United States Senate, Washington, D. C.

DEAR SENATOR MANSFIELD: In the February 15, 1957, issue of the news magazine U. S. News & World Report there appeared an article on 1956 election-campaign contributions based upon information in the report of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration.

One of the categories of contributions was headed in large type "Contributions to the two political parties by business and professional people" and in smaller type "Individuals identified with business and professional groups who contributed $500 or more each in the 1956 campaign are listed in the Senate Elections Subcommittee report. The contributions." Under this heading the name of the American Bar Association appeared followed by figures indicating contributions of $5000 to the Republican and $2500 to the Democratic National Committees.

Actually these were purely individual gifts of six men who happen to be members of the American Bar Association. But many of our members and others who read this article concluded the American Bar Association had made these contributions as evidenced by the number of letters of protest I received. This misunderstanding is unfortunate because the American Bar Association is of course a voluntary service organization of the legal profession which not only is strictly nonpartisan in all its operations but makes no political contributions whatever.

Our board of governors was naturally distressed by the implications contained in the report, and directed me to write you with respect to it. We realize there was no intent, on the part of the subcommittee or of the U. S. News & World Report, to cause embarrassment to this association or any other. But we do respectfully submit that the practice of linking purely personal contributions of individual donors to an association to which they happen to belong, and lumping these individual gifts together in such a way to identify them with the association, leads inevitably to misinterpretations and is unjustified.

That the particular contributions referred to were personal and completely unrelated to the American Bar Association is attested by the individuals who made them. Since all of these gentlemen have various other organizational affiliations, we are at a loss to understand why this association was singled out as the organization with which their personal gifts should be identified in the subcommittee's report, rather than any one of the other organizations to which they belong. For instance, Joseph W. Henderson, of Philadelphia, one of the individuals listed as an American Bar Association contributor, happens to be president of the Union League of Philadelphia which, as you know, is a Republican club, and I am certain that his contribution was intended to be credited to that source, rather than to the American Bar Association. On the other side of the aisle, Richard Bentley, of Chicago, is a member of Governor Stevenson's former law firm. His contribution to the Stevenson campaign was sent on his law-firm stationery and was intended to be credited to the Volunteers for Stevenson. Neither of these gentlemen had the slightest idea that their contribution would be attributed to their membership in the American Bar Association, nor did they wish it to be.

The American Bar Association membership of 90,000 includes men and women of both political parties. You can, therefore, understand why there was such widespread protest from members of both parties following the publication of the article in the U. S. News & World Report. Our association has existed to serve the legal profession and the public for 80 years. Its activities are conducted on a strictly nonpartisan basis; the legislative questions on which it takes positions are those affecting the administration of justice and the public interest within the scope of the association's objectives.

It is our hope that your subcommitte will take whatever steps are necessary to prevent a recurrence of similar incidents in the future. We hope that you will particularly give consideration to the manner of listing the contributions of individuals in such manner that it will be clearly indicated that they are personal contributions without connecting them up in any way with organizations having no part in political activities. In order that I may make a report to the board of governors of this association, I will appreciate hearing from you with respect to this matter at your earliest convenience.

Thanking you and your colleagues for your consideration of this request, I am,

Sincerely yours,
DAVID F. MAXWELL,
President.

Mr. MANSFIELD. On March 25, 1957, I sent a reply to Mr. Maxwell, and I ask unanimous consent that the text of that letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 25, 1957.

Hon. DAVID F. MAXWELL,
President, American Bar Association, Philadelphia, Pa.

DEAR MR. MAXWELL: This will acknowledge receipt of your letter of March 19, pertaining to the report of the Subcommittee on Privileges and Elections, entitled "1956 General Election Campaigns."

When the broad investigation into campaign finances was conducted by the subcommittee during 1956, it was the announced intention of the subcommittee to inquire into all sources from which contributions were received and the manner in which expenditures were made. Majority and minority representation on the subcommittee were in accord that the investigation should be as complete and objective as time and resources would permit. Not only were candidates and political committees requested to report to the subcommittee concerning contributions and expenditures, but also an attempt was made to determine what impact, if any, was made on Federal elections by certain other groups or associations throughout the United States.

The reports which were received by the subcommittee were sworn to or affirmed by candidates or by officers of committees, groups, or associations, and in no case did the subcommittee report a contribution or expenditure by a person, committee, or other group which was not substantiated by reports filed with the subcommittee. And, in no case did the subcommittee report a contribution or expenditure by a group, organization, or other association, if in fact the contribution or expenditure was given or made by an individual.

In many instances, the name of an individual contributor appears in more than one place in the report, i. e., as a director, delegate, or other official of a group or association, as a contributor to a Democratic and Republican National Committee, as a contributor to a State Democratic or Republican committee, or for other purposes listed in the report.

You have referred in your letter to Joseph W. Henderson of Philadelphia and to Richard Bentley of Chicago, who are both members of the House of Delegates of the American Bar Association. Each of those men is listed as having contributed to the Republican or Democratic parties. They have also been listed by the subcommittee in other portions of the report, as follows:

1. Exhibit No. 26: "Consolidated alphabetical list of contributors of $500 or over to Democratic and Republican committees and candidates for the period January 1, 1956–November 30, 1956:

"Richard Bentley, $2,500 (Democrats)" (page 26–5).

"Joseph W. Henderson, $1,500 (Republicans)" (page 26–106).

2. Exhibit No. 27: "Contributors of $500 and over to political committees and candidates for the period January 1, 1956–November 30, 1956, by States:

"Richard Bentley, Illinois, $2,500 (Democrats)" (page 27–11).

"Joseph W. Henderson, Pennsylvania, $1,500 (Republicans)" (page 27–171).

3. Exhibit No. 28: "Alphabetical list of contributors of $500 and over, arranged by party and by recipient committee or candidate for period January 1, 1956–November 30, 1956:

"Richard Bentley, National Volunteers for Stevenson, $2,500 (Democratic)" (page 28–12).

"Joseph W. Henderson, Republican National Committee, $500 (Republican)" (page 28–71).

"Joseph W. Henderson, Pennsylvania Republican Finance Committee, $1,000" (page 28–195).

Therefore, it may readily be ascertained by a reading of the full report of the Subcommittee that Messrs. Bentley and Henderson are listed as contributors to the Democratic and Republican Parties respectively, as individuals. And further, that they are listed not only as contributors of $500 or more or as contributors to National committees, but also that their contributions were further broken down to State committees.

In like manner, Messrs. Herbert Brownell, Jr., Arthur H. Dean, W. T. Gossett, and

Whitney North Seymour are shown as individual contributors to Republican organizations in exhibits 26, 27 and 28.

The subcommittee had no intention to intimate that an individual contribution or expenditure was actually made by a particular group, organization or other association per se.

Exhibit 22 specifically states that the contributions listed were "1956 political contributions of $500 and over by persons belonging to selected special groups," and you have been frank to admit this fact in your letter. The subcommittee regrets any misinterpretation which has been drawn by readers of the report. And, of course, the subcommittee cannot be responsible for any material allegedly reproduced in either the U. S. News & World Report or any other magazine or newspaper.

I hope that this information will prove of value to you in preparing your report to the board of governors of the American Bar Association, but if there should be any additional facts desired, please let me hear from you again.

Sincerely,

MIKE MANSFIELD,
Chairman, Subcommittee on Privileges and Elections.

Mr. MANSFIELD. On August 31, 1956, the Subcommittee on Privileges and Elections, which at that time was under the chairmanship of the distinguished junior Senator from Tennessee [Mr. GORE], and on which I had the pleasure of serving together with the distinguished junior Senator from Nebraska [Mr. CURTIS], met in executive session, and unanimously agreed to conduct a thorough, impartial, and objective study of campaign contributions and expenditures during the 1956 general-election campaign on the broadest scale possible, in consideration of time and resources available to the subcommittee.

Acting under the jurisdiction conferred upon it by the United States Senate, the Subcommittee on Privileges and Elections increased its staff and began the immediate preparation of questionnaires and reporting forms which were to be sent out to as many candidates for Federal office, political committees, labor unions, radio and television stations, other media of written or oral communication, and other individuals, organizations, or associations, whose names and addresses the subcommittee was capable of ascertaining. Hearings were conducted by the subcommittee on September 10 and 11, and again on October 8, 9, and 10, 1956, during which time testimony was received from political scientists, members of political committees, officers of various branches of the Government, labor-union representatives, corporation officials, and many others who personally requested or were asked by the subcommittee to appear and testify. Notices were sent to each Member of the Senate announcing the dates of the hearings and inviting all those interested to attend and participate in the hearings.

On Tuesday, October 9, 1956, the distinguished junior Senator from Arizona [Mr. GOLDWATER] availed himself of the opportunity to participate in the hearings of that day, and he examined Messrs. Joseph McDevitt and Jack Kroll, co-directors of the AFL-CIO Committee on Political Education, and Mr. Walter P. Reuther, president of the international union, UAW-CIO, and at that time he stated that he would submit a letter to the chairman, the distinguished junior Senator from Tennessee [Mr. GORE], requesting that the subcommittee obtain certain information from various unions. The text of the letter of the Senator from Arizona [Mr. GOLDWATER] appears on page 456 of part II of the hearings which were published in 1956.

Every opportunity was afforded to representatives of both major political parties to present facts and request action on all matters pending before the subcommittee relating in any manner to campaign finances and political activities. No action was taken at any time by any of the members of the subcommittee to forestall, delay, or camouflage inquiry into any field of political activity or financing upon which attention was focused.

Following recommendations by the Senator from Nebraska and the Senator from Arizona, an investigation was conducted in Flint, Mich., concerning alleged violations of Federal election laws by the Greater Flint Industrial Union Council, and, specifically, local No. 599 of the United Auto Workers. As the subcommittee report states, that investigation was somewhat hampered by the facts that the campaign was then at its height, and that an investigation in progress was known to the press. The subcommittee investigator reported back to the subcommittee that he was unable to obtain all of the information for which he was sent, and that his conclusions were necessarily incomplete.

The subcommittee, meeting in executive session, all members being present, unanimously agreed not to pursue the investigation further at that time, but to refer the matter to the Department of Justice for such action as should be deemed necessary.

The statement by the distinguished chairman of the National Republican Senatorial Campaign Committee omits any reference to the fact that the case above-described was transmitted to the Department of Justice. The remarks, by Senators GOLDWATER and CURTIS, which appear in the RECORD of March 29, 1957, likewise fail to acknowledge that such action was taken.

Section 610 of the Federal Corrupt Practices Act—title 18, United States Code, section 610—prohibits contributions or expenditures by national banks or federally organized corporations, and also contributions or expenditures by any corporation or labor union in connection with Federal elections. Members of both major political parties have long complained that direct contributions and/or expenditures and other means calculated to influence the result of elections have been employed by corporations and labor unions. Some charges of this nature have resulted in court action to enforce the provisions of Federal election laws.

The subcommittee received testimony from Warren Olney, III, Assistant Attorney General in charge of the Criminal Division of the Department of Justice, with reference to the enforcement of section 610, title 18, United States Code. In a statistical report of complaints received by the Department of Justice concerning alleged violations of this section from 1950–56, Mr. Olney pointed out that during that period there had been received 54 complaints, of which 49 were considered by the Department to be worthy of investigation. Of these complaints and investigations, 14 cases were presented to the grand jury. Only 2 indictments were obtained, and only 1 case was brought to trial, which resulted in an acquital. One further case, the United States against International Union, United Automobile, and so forth, Workers, was heard in the Federal District Court for the Eastern District of Michigan. An appeal from a decision of that court adverse to the complainant, was taken to the Supreme Court of the United States. That august body remanded the case to the district court for the eastern district of Michigan for trial. Thus, there is no clear decision concerning political activities by labor unions, corporations, or national banks.

The subcommittee sent no questionnaires or other forms to corporations, but relied solely for information on such legal entities upon reports filed by candidates and political committees with the Clerk of the House of Representatives and the Secretary of the Senate.

Every phase of the enormous task of compiling statistics of campaign contributions and expenditures, both on the Federal and State levels, was done only after conference with all members of the subcommittee, and, in every instance, with the concurrence of both majority and minority members. Time and time again was the maxim reiterated that the intent of the subcommittee was to disclose to the best of its ability, time and resources permitting, as much of the financing for all campaigns throughout the United States as was humanly possible, and that the aim of the subcommittee was to produce a statistical report free from bias or political partisanship.

An interim report, compiled by the subcommittee, was submitted to each of the Members, and an opportunity was given for the submission of corrections and any criticisms which might be brought to the attention of the subcommittee. No objection to the printing of the subcommittee's interim report was officially voiced by any member of the subcommittee at any of its meetings, with the exception that the distinguished Junior Senator from Nebraska [Mr. CURTIS] expressed his opinion that donors who made contributions within the letter of the law ought not to be subjected to embarrassment or humiliation.

Mr. President, if any embarrassment or humiliation was suffered by individuals who made political contributions, then such embarrassment or humiliation is due, not to the efforts of the subcommittee, but to the provisions of the Federal election laws which require that contributions and expenditures be reported to the Clerk of the House or the Secretary of the Senate.

Except for this one objection, the functioning of the subcommittee was absolutely without discord. Not until the subcommittee report was printed in final form did the minority member, Senator CURTIS, provide his minority views.

Indeed, Mr. President, a reading of the minority views, which appear on pages 25 to 28 of the subcommittee report, reveals that the distinguished junior Senator from Nebraska [Mr. CURTIS] appreciated the very difficult and complex problems which confronted the subcommittee in its attempt to perform its duty on such an enormous scale.

On page 26 of the report, the junior Senator from Nebraska stated:

> It must be stated without reflection on the staff of the committee or necessarily on the witnesses, that no full disclosure of the conduct of the campaign has been made. The difficulties appear to be in some degree procedural. There has been lacking an adequate definition of terms as to what constitutes a political expenditure and adequate accounting procedures which would make mandatory the full reporting of all such expenditures. The present hearings have again demonstrated that neither through legislation nor through committee action has the Congress made adequate specifications.

The Subcommittee on Privileges and Elections fully recognizes that there are areas in the law which permit campaign contributions and expenditures and other activities which tend to influence the result of elections to go undisclosed and unreported. Reporting techniques and the attendant responsibilities of political committees, candidates, labor unions, corporations, and other organizations or associations have not yet been defined in detail by law, or interpretations of pertinent sections of the law have lost their meaning through accepted construction, so that political finances are either unreported or the reports are incomplete, ambiguous, or otherwise vague and uncertain.

Some contributions and expenditures, faithfully reported by the original source, have lost their meaning through transfers of funds, subsequent reports by other committees which have picked up the same information, and errors in names, addresses, and amounts.

Taking all of these problems into consideration, as well as the limitation of time and resources, the subcommittee under the distinguished and very capable Senator from Tennessee [Mr. GORE] did its very best, objectively and honestly, to inform the Senate and the people of the United States concerning campaign finances during 1956. Its information was obtained only from reports filed with the subcommittee or with the Clerk of the House of Representatives or the secretary of the Senate. Every effort was made to discover and correct duplications in reporting, errors in names, addresses and amounts, and other defects which members of the staff were capable of discerning. The subcommittee readily admits that its report is not infallible. The subcommittee wishes to thank the senior Senator from the State of Kansas [Mr. SCHOEPPEL] for calling to the attention of the subcommittee any errors or omissions which exist in the report. In the event there should be a reprint of the subcommittee's report, every effort will be made to correct such errors or omissions and to make the reprint as nearly perfect as possible.

A substantial portion of the criticism in the statement by the distinguished senior Senator from Kansas, is concerned with the absence from some exhibits of the names of some individual contributors who gave more than $500 or more than $5,000.

The subcommittee report specifically recites at the beginning of exhibit 26 that "Lists of contributions from several hundred people totaling approximately one-half million dollars were received in time to be included in exhibits 26, 27, and 28, but too late to be included in other exhibits which show individual contributions."

Exhibits 26, 27, and 28 were the last to be run through the IBM machines and time permitted more detailed and last-minute corrections and additions to those exhibits.

Mr. President, I wish to reiterate that the task of the subcommittee was very difficult and very complex; that no prior study of such magnitude had ever been undertaken on this subject by any Senate committee, and the subcommittee has every reason to be proud of its accomplishment without embarrassment because some errors may appear in its work. The overall picture of campaign contributions and expenditures would still remain the same if the errors referred to by the distinguished senior Senator from Kansas were taken into account and the subcommittee stands ready and willing to defend its report on the floor of the Senate, or elsewhere.

I conclude, Mr. President, by stating that the Senate and the Nation owes a debt of gratitude and appreciation to the chairman of the subcommittee, the Senator from Tennessee [Mr. GORE]. He performed a difficult task ably, vigorously and impartially.

TRIBUTE TO DEMOCRATIC PAGES

Mr. ELLENDER. Mr. President, before proceeding with a discussion of the pending measure and the amendment offered by the Senator from California, I wish to take occasion to thank my fine young friends, the Democratic pages. These boys serve us very faithfully and they are very observant. Some time ago they noticed that I had occasion to borrow a nail file from Bobby Baker and others of the staff, and they proceeded to purchase one for me. To the box was attached a card with these words:

> Now when you are on the floor
> You'll have to borrow nevermore.
> (Signed) THE DEMOCRATIC PAGES.

Democratic pages of the Senate, I appreciate your thoughtfulness very much.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. ELLENDER. Mr. President, the bill has been discussed at length by the distinguished junior Senator from Minnesota [Mr. HUMPHREY]. He has given to the Senate and to the people of the country a very clear-cut picture of the effectiveness of Public Law 480 in disposing of some of our surplus commodities.

The bill now under consideration simply extends the present law for another year. It would extend title I until June 30, 1958, and would increase the authorization of title I by $1 billion, so as to make the authorization $4 billion.

If Senators will look at page 1 of the report, they will note how the surplus commodities are disposed of under title I of Public Law 480.

The President, under that title, is authorized to enter into agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies, to be used for foreign assistance, payment of United States obligations abroad, and for certain other purposes. Under existing legislation, new agreements cannot be entered into after June 30, 1957. Agreements are negotiated through diplomatic channels.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter-of-credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

The foreign currencies so deposited are then used in furtherance of the foreign aid program, United States foreign policy interests, and other purposes.

Only 1.6 percent of the purposes for which such foreign currencies can be used can be considered agricultural purposes. A table showing the planned uses of foreign currency, other than agricultural uses, is shown on page 3 of the report.

Mr. President, I ask unanimous consent that that table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Millions of dollars	Percent
Purchase of strategic material	7.2	.4
Military procurement	241.0	12.1
Purchase of goods for other countries	23.5	1.2
Grants for multilateral trade and economic development	61.5	3.1
Payment of United States obligations abroad	478.38	24.1
Loans for multilateral trade and economic development	1,114.9	56.2
International education exchange	17.15	.9
Translation and publication	1.75	.1
Information and education	7.4	.1

Mr. ELLENDER. Mr. President, the table shows that for the purchase of strategic material, $7.2 million, or 0.4 percent of the entire amount, was used.

For military procurement, $241 million, or 12.1 percent of the entire amount, was used.

For the purchase of goods for other countries, $23.5 million, or 1.2 percent of the entire amount, was used.

For grants for multilateral trade and emonomic development, $61.5 million, or 3.1 percent of the entire amount, was used.

For the payment of United States obligations abroad, $478.38 million, or 24.1 percent of the entire amount, was used.

For loans for multilateral trade and economic development, $1,114.9 million, or 56.2 percent of the entire amount, was used.

For international education exchange, $17.15 million, or 0.9 percent of the entire amount, was used.

For translation and publication, $1.75 million, or 0.1 percent of the entire amount, was used.

For information and education, $7.4 million, or 0.1 percent of the entire amount, was used.

The greatest portion of these currencies, derived from surplus sales, is used almost in the same manner as economic aid funds are used.

I shall show in a few moments with greater particularity how these currencies are being used to benefit the recipient countries. As I said, they are used to rehabilitate these countries and are really or virtually used in lieu of foreign aid.

It is my sincere hope that when the Committee on Foreign Relations supports the foreign aid authorization bill this year, the Senate will take this program into consideration.

Up to the present, Congress has authorized an expenditure of $3 billion for the sale of surplus commodities to foreign countries. The export market value of all the surplus products sold under title I of the act aggregates $1,900,000,000, in round figures, although the Commodity Credit Corporation's investment in, and costs in connection with, those commodities was almost $3 billion.

Mr. President, we have remaining approximately $100 million, which has not yet been obligated. We were informed by the Department that if the Senate provides the additional $1 billion, now being requested, it will be possible to continue the program at the same rate as it has been conducted during the past 2 years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement regarding the various uses to which the money is being put. For instance, the first category listed is agricultural market development; the next is purchase of strategic materials; the next is common defense; and so forth.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FROM FIFTH SEMIANNUAL REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, 83D CONGRESS, AS AMENDED (DOC. NO. 50, 85TH CONG., 1ST SESS.)

Agricultural market development: Section 104 (a): A part of the foreign currencies accruing from title I sales is being used to assist the development and expansion of foreign markets for United States agricultural products.

Market development projects are initiated and carried out in close cooperation with United States and foreign-trade groups in a manner designed to be beneficial to both groups. In most cases the United States Government furnishes part of the foreign currencies required for the projects and supervises the activities. The United States trade group carries out the project and provides for the necessary dollar costs. The cooperating foreign-trade group meets part of the local costs.

This procedure gives private traders in the United States and abroad the opportunity to work together on the problems of expanding old and developing new commercial markets for United States agricultural commodities on a continuing basis. It insures that projects are beneficial to both the United States and the foreign country.

During the period July–December 1956 over 20 projects were approved providing for commitment of about $2 million equivalent in foreign currencies. This brings total commitments to about $4.1 million equivalent as of December 31, 1956. The United States farm commodities to be promoted abroad under these projects are cotton, wheat, and flour, beef cattle, dairy cattle, soybeans, tobacco, fruit, tallow, dairy products, poultry, and eggs.

Types of activities included in these projects are visits by foreign-trade representatives, consumer preference surveys, advertising and public-relations programs, market surveys, exhibitions, and demonstrations, merchandising, and other specialized training in marketing. Arrangements were made for these activities to take place in 20 countries.

Three new types of projects undertaken during the reporting period follow:

1. A team of German food-inspection experts was brought to the United States to acquaint them with accepted American pure-food standards and methods of food preservation. A basis for a better understanding was sought so that more United States processed agricultural products may be admitted into Germany.

2. A worldwide survey of prices of agricultural commodities at producer, wholesale, and retail levels was started. The study should permit simultaneous price comparisons of specific commodities at particular stages of marketing. It is expected to show where there are price advantages to the United States in international trade for particular commodities and to indicate the countries in which market development activities would be most fruitful. A private research firm with worldwide branches has been employed to make the study.

3. Arrangements were made whereby the United States fruit export trade contributed pictorial material for an illustrated catalog to be printed in Austria for distribution there and in other countries. The 48-page booklet in color should serve to introduce various United States fruit items to foreign importers.

Trade fairs: Market-development projects are also conducted through participation in international trade and food fairs. During calendar year 1956 United States agricultural exhibits under Public Law 480 were shown at trade and food fairs, with a total attendance of nearly 7,500,000. Exhibits in prospect for the early part of 1957 include Verona, Italy; Barcelona, Spain; and Tokyo, Japan.

United States exhibits in these fairs are organized cooperatively with private agricultural trade groups. In general, exhibit ideas, technical personnel, and display materials for the agricultural exhibits are provided by the trade groups. The Government organizes and manages the exhibits; rents the space; provides for the design, construction, and operation of the exhibits; ships necessary materials and commodities; and provides travel and per diem for industrial technicians and commodity specialists participating in the joint effort.

Trade fairs serve to acquaint large numbers of people with the quality and availability of United States agricultural products. It permits many prospective customers to see, taste, and feel these products for the first time.

The largest agricultural exhibit during the July–December 1956 period was at the British Food Fair in London, August 28–September 15. At this major fair, with a total attendance of more than 500,000, the United States featured meat, lard, frozen poultry, dairy products, grain products, rice, and frozen foods. Samples distributed included frankfurters, cheese, milk solids, doughnuts, and orange juice made from frozen concentrate. Five representatives of United States agricultural trade associations assisted with the exhibit and used the occasion to establish contacts with British trade leaders.

Smaller agricultural displays held during the period were in connection with Department of Commerce exhibits at Vienna, Austria; Salonica, Greece; Zagreb, Yugoslavia; Bangkok, Thailand; and, for the second successive year, Bogotá, Colombia. The Bogotá exhibit of wheat and flour and the Bangkok exhibit of recombined milk were arranged in direct support of the work of United States market development teams operating in those countries.

Purchase of strategic materials: Section 104 (b): No local currency was earmarked for this purpose under title I agreements entered into during the reporting period. The total amount of local currency earmarked to date for the purchase of strategic materials is $7.2 million.

Common defense: Section 104 (c): This section of the act provides that local currency proceeds of sales may be used to procure military equipment, materials, facilities, and services for the common defense. During the reporting period, $55.3 million equivalent was earmarked for this purpose. This brings the total amount planned for common defense to $221.3 million for agreements signed with Brazil, the Republic of China (Taiwan), Iran, Korea, Pakistan, and Yugoslavia. The use of $20.5 million equivalent has been authorized so far, including about $14.5 million worth of rupees to Pakistan and $6 million worth of won to Korea. In Pakistan the funds provided are being used primarily to meet military construction and Pakistani troop support costs. Currency available in Korea is being used to bolster the military position of the Republic of Korea.

Purchases of goods for other friendly countries: Section 104 (d): This section provides that the United States may use local currency proceeds of surplus commodity sales to purchase goods and services for other friendly countries. Sales agreements may earmark specific amounts or may provide that unspecified portions of sales proceeds which will be set aside for United States uses may be used

for this purpose. The act provides that, unless the requirement is waived, dollar reimbursement must be made to CCC if local currency is used to procure goods or services which will be furnished on a grant basis.

There is usually no advance commitment by the United States to use these funds either to procure specific goods or services or to authorize purchases for a particular country. Certain standards conforming closely with commercial practices have been established for the use of these funds. These are designed to avoid undue disruption of normal trade patterns and to assure that purchases are made at competitive prices.

Use of about $12 million equivalent of these funds has been authorized, including $3.3 million worth of yen during the last 6 months. The equivalent of $1.3 million of yen will be used to buy Japanese cement needed in Taiwan. In addition, $2 million of yen were used to furnish some of the immediate needs for civilian relief in the Ryukyu Islands following Typhoon Emma.

Grants for economic development: Section 104 (e): About $60 million of local currency has been earmarked for grants for economic development. These are made only in special circumstances and comprise about 3 percent of the total sales proceeds expected to accrue.

Payment of United States obligations: Section 104 (f): Agreements signed during the period July–December 1956 tentatively earmarked $182.1 million, or 20.5 percent of sales proceeds, for the payment of United States obligations. Not all of these funds will be used for the payment of United States obligations because a number of agreements signed during the period of this report include a combined total for several United States purposes, such as market development, purchases of goods for other countries, and international education exchange, as well as for the payment of United States obligations. Since dollar reimbursement is required for nearly all of the funds used under section 104 (f), eventual dollar recovery may be considerably more than the 10 percent minimum stipulated in the act.

All dollar payments for these foreign currencies are credited to the Commodity Credit Corporation. Reimbursement to CCC will be spread over a number of years and is likely to be considerably less than the total earmarked under this section. This is because (1) repayments for military family housing will extend over many years; (2) currencies available for Treasury sale accumulate in some countries where United States agency expenditures are low; and (3) losses are sustained in some cases due to exchange rate differentials.

The Treasury Department sells foreign currencies to the Government for appropriated dollars at the rate of exchange at which they could otherwise obtain the currencies. This is not necessarily the same exchange rate as is applicable to the commodity sales. The dollar return to CCC consequently is often less than the dollar market value of the commodities sold.

In countries such as Turkey and Spain most sales are to defense agencies for use in meeting the costs of military-base construction. Substantial purchases are also made by such agencies as the Department of State and the United States Information Agency, which have continuing needs for funds to meet administrative and operating expenses.

A small portion of these currencies has been made available for Congressional travel expenses, a use exempted from the requirement for dollar disbursement by section 502 (b) of Public Law 665, 83d Congress.

Military family housing: Public Law 765, 83d Congress, Public Law 161, and Public Law 968, 84th Congress, authorize the use of up to $250 million worth of foreign currencies generated by title I sales for construction, rent, or procurement of United States military family housing and related community facilities in foreign countries. This legislation further provides that CCC shall be reimbursed from appropriations available for the payment of quarters allowances to the extent the housing is occupied.

Tentative allocation of local currency for purchase or construction of military family housing amounted to a total of $98.4 million equivalent in agreements with the following countries:

	Million dollar equivalent
Austria	6.4
Finland	7.0
Greece	2.0
Italy	13.0
Japan	25.1
Portugal	1.5
Spain	16.0
United Kingdom	27.4
Total	98.4

During the reporting period, Greece and Portugal were added to the list of countries in which military family housing programs were being developed.

The amount allocated in Italy was raised from $3.5 million in Italian lire to $13 million. The program now provides for a total of 616 units, including 45 units for the Air Force, 415 for the Army, and 156 for the Navy.

In the United Kingdom, a substantial number of units for the Air Force and the Navy has been completed under the 1955 agreement ($15.2 million). Approximately 1,000 additional units, together with related community facilities, will be constructed with the $12.2 million equivalent available from the second sales agreement signed in June 1956.

Loans for multilateral trade and economic development: Section 104 (g): Over $1 billion of local currencies—just over half of the total proceeds expected from sales made to date—will be lent by the United States to purchasing countries to promote economic development and international trade. Over half of these loan funds will be available to countries in the Near East and Asia. This includes the large loan components of the multiyear programs for Indonesia and India; funds which will accrue for loan purposes as a result of sales to Japan; and substantial amounts earmarked for seven other countries in this area. Almost $300 million equivalent will be set aside for loans to five Western European countries, including Italy, Spain, and Yugoslavia. About $225 million in local currencies will be available for loans to Brazil, Chile, and five other Latin American countries to which United States surplus farm products have been sold under this program.

Plans for the productive use of these funds are gradually being developed by the foreign governments in cooperation with the United States. Special emphasis is being placed upon appropriate coordination of plans for the use of these substantial local currency resources with the overall development programs of the countries. Foreign governments are being encouraged to use some of these funds for relending to private enterprise. Loans will be made through established banking facilities of the country concerned to locally owned companies, as well as to those financed by United States investors and by investors from other friendly foreign countries. Some of the funds may also be used to cover a portion of the local costs of development projects for which foreign-exchange financing is being furnished by the International Bank for Reconstruction and Development and the Export-Import Bank. Loan funds may also be used to supplement planned governmental expenditures for roads, port and storage facilities, and other public improvements. Thus over the next several years these funds are expected to make an important contribution to the economic growth of many friendly foreign countries.

The agreements specify terms and conditions of repayment which have been developed in cooperation with the National Advisory Council on International Monetary and Financial Problems. Strategic materials, services, foreign currencies, or dollars may be accepted in payment of the loans.

During the last 6 months, loan agreements have been concluded with six countries providing for local currency loans of $131 million equivalent. Since the beginning of the program, the equivalent of $236 million in loans has been negotiated with 11 countries. This includes (in million-dollar equivalents): Austria, $16.0; Brazil, $31.32; Chile, $4.0; Colombia, $10.0; Ecuador, $3.1; Greece, $4.2; Israel, $31.29; Japan, $108.85; Peru, $7.75; Spain, $10.5; and Yugoslavia, $9.0. A further acceleration in the rate at which loan agreements are concluded is expected. Negotiations are progressing and some of the problems which have occasioned delays in the past are nearing solution. In addition, it is anticipated that a much shorter time should be required to negotiate successive loan agreements with those countries with which more than one sales agreement has been entered into.

Most of the loan agreements concluded so far provide only that the funds will be used for economic development, without reference to specific projects. Countries may then formulate their plans for the use of these funds over a period of time. In some instances, however, virtual agreement on fund utilization is reached at the same time that the loan is negotiated. Actual disbursement of funds is authorized as local currency deposits become available and as funds are needed for the projects.

By December 31, 1956, economic development projects involving expenditures of up to $181 million equivalent have been approved for eight countries, including (in million-dollar equivalents): Austria, $1.5; Brazil, $31.32; Chile, $4.0; Ecuador, $3.1; Israel, $15.4; Japan, $108.85; Peru, $7.75; and Spain, $9.0. Of these amounts, expenditures of up to $34 million equivalent were approved during the last 6 months, including (in million-dollar equivalents): Peru, $3.35; Brazil, $31.32, and Japan, $49.35. Most of the Peruvian soles will be used in connection with the irrigation project approved some time ago. About $1.5 million equivalent may be used in the drought area in the southern part of the country for construction of farm-to-market roads, agricultural credit, and similar projects. Present plans contemplate the use of a substantial portion of the Brazilian cruzeiros for improvement of rail- and river-transport facilities. Funds will also be used to finance storage construction, expansion of electric power, and for other industrial purposes. Japanese yen will also be used for electric-power development, as well as for reclamation of industrial land sites, forestry, food processing, and similar projects. About $13 million of these funds will be used to finance irrigation, drainage, and reclamation of agricultural land.

In general, the United States considers that it is unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in world surplus. However, in countries like Japan, which even at their present population levels must import a very large percentage of their food requirements, any small increases in production will readily be consumed at home and will not enter into world markets.

International educational exchange: Section 104 (h): The educational exchange program is authorized by Congress to help promote mutual understanding between the people of the United States and those of other countries.

Based upon the planned uses of foreign currency under agreements signed from the

beginning of the program through December 31, 1956, seven educational exchange programs are expected to be reactivated or extended (Public Law 584, 79th Cong., the Fulbright Act) for which the original sources of foreign currency have been exhausted.

In addition, the planned use for the foreign currency is providing a base for initiating 11 educational exchange programs under the Fulbright Act, including 7 in Latin America.

Negotiations for new or extended agreements to support educational exchange programs are under way as follows (values in dollar equivalent): Argentina, $600,000; Brazil, $980,000; Chile, $500,000; Colombia, $500,000; Ecuador, $300,000; Finland, $250,000; Japan, $750,000; Korea, $900,000; Pakistan, $1,050,000; Paraguay, $150,000; Peru, $500,000; Portugal, $300,000; Spain, $600,000; Thailand, $400,000; and Turkey, $750,000.

Additional programs in active preparation include Indonesia, $600,000; Iran, $750,000; Republic of China (Taiwan), $750,000; and India, $1,800,000.

Translation, publication, and distribution of books and periodicals: Section 104 (i): As indicated previously, subsection (i) was added to section 104 of the act by the Mutual Security Act of 1954. Not more than $3 million may be allocated for this purpose during any fiscal year.

It is planned that American textbook exhibits will be furnished to educators abroad for ultimate use in schools of their countries.

To facilitate the program, local currencies will be used to acquire rights to books, procure paper, translate textbook material, and furnish printing equipment.

Assistance to American-sponsored schools, libraries, and community centers: Section 104 (j): This subsection was added to section 104 of the act by Public Law 962, 84th Congress. Through December 31, 1956, the equivalent of $4.6 million was planned for this currency use. The currency will be used to aid American-sponsored schools abroad and binational organizations which promote United States interests and mutual understanding. Agreements entered into with Brazil, Italy, Pakistan, Spain, and Turkey provide for section 104 (j) uses.

American-sponsored schools will be aided through the purchase of land, buildings, and equipment. Buildings acquired will not only make more classrooms available but will result in more laboratories and dormitories. For example, it is planned that the American school in Rome will acquire a small tract of land for playground and other school purposes; it is further planned that the villa now used for classrooms will be remodeled to provide dormitory space not now available. Local currencies will also be used to offer scholarships (for children of the foreign country), to augment teachers' salaries, and for curriculum improvement.

Binational organizations will be aided through the purchase and lease of buildings and through furnishing books and other educational materials. In addition to binational center projects, this authority will be used to support such educational facilities as the Institute of American Studies in Rome.

Mr. ELLENDER. Mr. President, since the inception of the program, 87 agreements or supplements to agreements have been entered into with 30 countries. They cover commodities involving a total cost to the Commodity Credit Corporation, as I have just indicated, of approximately $2,900,000,000 and with a total export market value of nearly $2 billion. The $2,900,000,000 of Commodity Credit Corporation cost includes approximately $225 million in ocean transportation costs financed by the Commodity Credit Corporation, as well as processing, handling, and other costs. These agreements, covering the $2,900,000,000, have practically exhausted the Commodity Credit Corporation's cost limitation of $3 billion. At the time the Department witnesses appeared before the committee, approximately $1 billion worth of commodities had been exported, and the Department expected shipments to total approximately $1,200,000,000 by June 30. Of course there is a lag between the dates when agreements are entered into and the time when the commodities are shipped. So the $3 billion authorization is practically exhausted, even though only approximately $1 billion worth of commodities has been shipped.

The market value, expressed in dollars, and the quantities, of the various commodities shipped to various countries under the program are set forth in tables I and II, on pages 9 and 10 of the report. A complete statement of the planned uses of foreign currencies under title I is set forth in table III, on page 11 of the report.

I ask unanimous consent to have the tables printed at this point in the RECORD, as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957*

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton [1]	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation [2]	Estimated CCC cost including ocean transportation [3]
Argentina							30.4		30.4	6.7	31.1	34.0
Austria	3.4	10.6		6.1	3.5		2.4	[9] .3	26.3	2.3	28.6	41.8
Brazil	[4] 146.7	.9			.2	2.2	8.3		158.3	32.9	190.2	240.3
Burma				17.5	1.1	2.0		[9] .2	20.8	.9	21.7	31.3
Chile	12.1			5.3	.2	1.0	18.0	[9] 2.5	37.1	3.0	40.1	56.0
China (Taiwan)				8.0	1.7	1.5	1.0		9.2	.4	9.6	12.5
Colombia	5.0			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador	2.2	.3		.5	.7		2.5		7.5	.6	8.1	10.3
Egypt	17.1								17.1	2.5	19.6	39.7
Finland	6.3	2.3		5.8	0.0	.5		[9] 1.2	22.1	1.9	24.0	34.3
France					2.1				2.1		2.1	2.1
Germany								[9] 1.2	1.2		1.2	1.2
Greece	14.7	5.4				3.0	14.3		38.0	4.0	42.0	57.3
India [5]	200.0		20.4	70.0	6.0	3.3			305.8	[9] 50.2	356.1	523.4
Indonesia	5.0		85.8	30.0	15.0				91.8	6.0	97.8	154.0
Iran	9.3					.8			10.2	2.5	12.8	21.2
Israel	15.8	10.1	.1	2.0	.4	4.1	2.0	[9] 10.3	46.4	5.2	51.6	76.6
Italy	1.6	10.0		65.3	8.3		30.0		115.8	4.6	120.4	163.1
Japan	48.6	15.4	14.4	32.8	7.7				118.9	13.6	132.5	208.1
Korea	6.3	15.3	22.3	9.8	8.6	1.0	1.5	[10] 8.0	72.2	8.4	80.6	96.8
Netherlands				.27					.27	.01	.28	.4
Pakistan	28.6		41.9	29.0	4.8	2.5	3.3		108.1	18.6	126.7	195.7
Paraguay	1.7					.4	.5		2.6	.4	3.0	4.3
Peru	8.9					.3	3.0		12.1	1.4	13.5	20.2
Portugal	6.3								6.3	.8	7.1	18.7
Spain [11]	4.6	9.1		[1] 32.9	6.2		98.5	[10] 19.3	161.7	15.0	176.7	199.2
Thailand					1.9	.46			2.36	.14	2.5	2.8
Turkey	92.8	13.0	1.4			.5	16.2	[10] 4.9	94.6	16.2	110.8	163.7
United Kingdom					27.0				27.0	.4	27.4	27.4
Yugoslavia	132.2			30.9			25.0		188.1	33.2	221.3	344.8
Total agreements	727.8	97.4	185.4	377.67	100.9	15.86	251.6	47.8	1,799.73	221.15	1,990.88	2,867.1

[1] Spanish program includes $0.3 million cotton linters.
[2] Includes only ocean transportation to be financed by CCC except as noted in footnote 6.
[3] Fruit.
[4] Includes $111.0 million under fiscal year 1957 agreement to be shipped over a 3-year period.
[5] Hay and pasture seeds, $2.5 million.
[6] Poultry.
[7] 3-year program except rice, which is a 1-year program.
[8] Includes $6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, $54.2 million, only, is reflected in the currency use table III.
[9] Dry edible beans, $0.3 million; chilled or frozen beef, $10 million.
[10] Canned pork.
[11] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
[12] Hams, $1.6 million; salt pork, $0.8 million; potatoes, $1.4 million; frozen beef, $15.5 million.
[13] Canned and frozen beef.

TABLE II.—*Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957*

Country	Wheat and flour	Feed grains [1]	Rice	Cotton [2]	Tobacco	Dairy products [3]	Fats and oils [4]	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
	Thousand bushels	Thousand bushels	Thousand hundredweight	Thousand bales	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds	Thousand hundredweight	Thousand pounds	Thousand pounds	Thousand hundredweight
Argentina							230,000					
Austria	2,025	7,091		42.5	5,900		[6] 10,552					
Brazil	[7] 84,974				125	10,190	[6] 55,092			[8] 1,974		
Burma				125.2	1,457	9,682						
Chile	7,816			37.6	300	9,900	94,019			[8] 1,579		
China (Taiwan)				85.6	2,000	5,062	10,811					55
Colombia	2,612			48.3		3,307	14,141					
Ecuador	1,148	189		5.0	923		27,939					
Egypt	10,329											
Finland	3,724	1,351		36.1	9,990	1,168						
France					3,216					[8] 10,720		
Germany												
Greece	8,571	5,073				28,456	[6] 83,288	3,000				
India [5]	128,600		4,409	500.0	6,000	14,770						
Indonesia	2,604		5,629	248.7	93,000							
Iran	2,130					11,708	5,773					
Israel	8,251	3,462	7	15.5	550	14,197	19,450		37		[8] 40,000	
Italy	948	6,410		453.8	11,798		196,815					
Japan	21,639	12,425	2,111	205.0	9,462							
Korea	5,408	13,115	3,214	30.0	12,667	2,751	9,677				[8] 19,842	
Netherlands				1.8								
Pakistan	16,019		6,636	199.5	4,317	5,168	21,159					
Paraguay	994					993	[3] 3,126					
Peru	5,014					621	22,000					
Portugal	3,751											
Spain	[10] 2,446	6,369		[1] 221.9	11,388		515,001			[8] 66,667	[8] 74,767	
Thailand					2,700	1,957						
Turkey	30,547	14,424	220			2,042	113,723				[8] 17,155	
United Kingdom					38,625							
Yugoslavia	70,866			199.7			[6] 193,916					
Total	436,267	75,828	22,226	2,517.2	145,428	122,844	1,622,502	3,000	37	80,940	151,764	55

[1] See the following:

	Thousand bushels
Feed wheat	1,813
Corn	29,442
Oats	5,843
Barley	32,935
Grain sorghums	5,795
Total	75,828

[2] Includes 15,400 bales cotton linters for Spain.

[3] See the following:

	Thousand pounds
Condensed milk	7,054
Dry whole milk	3,328
Nonfat dry milk	42,561
Evaporated milk	31,321
Butter	12,686
Cheese	11,521
Butter oil	2,835
Butter oil and/or ghee	15,276
Ghee	4,249
Whey	2,001
Total	122,844

[4] See the following:

Cottonseed oil	121,590
Cottonseed oil and/or soybean oil	773,119
Cottonseed oil, soybean oil and/or lard	230,151
Linseed oil	11,945
Lard	230,595
Tallow and/or grease	165,103
Total	1,622,502

[6] Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia which includes lard as follows:

	Thousand pounds
Brazil	44,069
Chile	3,241
Greece	3,571
Paraguay	1,300
Yugoslavia	161,862

[8] See the following:

Austria:	
Canned fruit and fruit juices	47
Dried fruit	1,927
Burma:	
Canned fruit and fruit juices	760
Dried fruit	810
Finland:	
Dried fruit	9,800
Fresh pears	920
Spain, potatoes.	

[7] Includes 65,055,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.
[9] 3-year program except rice which is a 1-year program.
[10] Israel, frozen beef; Korea, canned pork; Spain, canned hams 2,571, salt pork 4,267, frozen beef 67,929; Turkey.
[11] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

TABLE III.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957* [1]

[In millions of dollars]

Country	Total amount programed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries [2] (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations [3] (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Argentina	31.1	0.6			(7)		9.8	20.0	0.7		
Austria	28.6	.7			2.0		0.9	16.0			
Brazil	190.2	2.7	3.2	2.0			19.6	149.2	2.1	0.5	0.9
Burma	21.7	.5			(7)		3.0	17.3			
Chile	40.1	.8					7.0	31.7	.6		
China (Taiwan)	9.8	.7		4.9			3.4		.8		
Colombia	16.9	.8			(7)		5.3	10.0	.6		
Ecuador	8.1	.4					.8	6.3	.4		.2
Egypt	19.6	.5					4.7	13.6	.8		
Finland	24.0	.5			(7)		23.2		.3	.05	
France	2.1	1.2			.6		.3				
Germany	1.2	1.1					.1				
Greece	42.0	1.3				7.5	8.2	23.5			.5
India, 3-year program	[4] 360.1	4.0			(7)	54.0	66.2	234.1	1.8		

See footnotes at end of table.

TABLE III.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957* [1]—Continued

[In millions of dollars]

Country	Total amount programed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries [2] (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations [3] (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Indonesia	87.8	1.0	2.0				17.1	77.4	.3		
Iran	12.8	.2		5.9			3.3	2.3	.7		.2
Israel	51.6	.4			(5)		14.4	36.8			
Italy	120.4	2.7	1.0		[5] 10.0		23.3	82.4			1.0
Japan	151.5	2.3		(5)	10.9		[5] 28.3	108.9	2.1		
Korea	81.6	.5		65.1			14.5		.9		.6
Netherlands	.28						.03				
Pakistan	120.7	1.7		74.3			18.8	23.6	1.0	.3	1.0
Paraguay	5.0	.2					.5	2.2	.1		
Peru	13.3	.7					2.6	9.7	.5		
Portugal	7.1	.3					3.1	3.4	.3		
Spain	176.7	2.0	1.0				62.2	107.7	1.1	.5	.5
Thailand	2.3	.4					.65	1.0	.45		
Turkey	116.2	.7					56.4	54.8	1.6	.1	2.5
United Kingdom	27.4			(5)			[5] 27.4				
Yugoslavia	222.3	1.0		88.8			49.5	82.7		.3	
Total agreements	[4] [6] 1,984.88	22.15	7.2	241.0	22.5	81.5	475.28	1,114.9	17.15	1.75	7.4
Uses as percent of total	100.0	1.6	.4	12.1	1.2	4.1	24.1	56.2	.9	.1	.3

[1] Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

[2] Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for 3d countries. A footnote and an amount indicate more than 1 agreement including both specified and unspecified amounts.

[3] In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

[4] Total market value in table III differs from total in table I by the $6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

[5] The Japanese agreement for the July–June year 1955–56 provides for the use of $6.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (e). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

[6] In some instances column totals do not add to total amount programed because of slight differences in rounding.

Mr. ELLENDER. Mr. President, the tables show that, percentagewise, 56.2 percent was used for loans. In other words, we sold the commodities to the various countries, and we accepted from them their own currencies. Aside from the amounts we used for the purchase of goods from other countries, for military procurement, and for similar things, we loaned to the various countries 56.2 percent of the entire amount of the proceeds of the sales made to these countries; and those countries, in turn, proceeded to utilize the funds in the same manner as that in which they used funds obtained from us through our economic-aid programs.

Mr. President, I am very much disappointed that so little of these commodities has been used for barter purposes. It seems to me that greater efforts should be made and greater stress should be laid by the Commodity Credit Corporation upon obtaining something of value for these goods. Certainly, I would much prefer to have in our own backyard large quantities of either iron ore or other strategic materials than to have the agricultural commodities stored in our bins all over the country, or to have debts due us from purchasing countries.

Some of the proceeds derived from Public Law 480 sales are used for assistance in financing International Educational Exchange. That program is a good one; but it seems to me we are simply trying to do too much in that field—that is to say, in the field of education abroad. It will be recalled that when the so-called Fulbright program was first placed on the statute books, we intended to use for the purpose of that program the proceeds from the sale of surplus goods we had abroad, such as material of war. We intended to make good use of the proceeds of those sales in the countries which owed the money to us. Our intention was to use the greater portion of the money to help educate the people of the countries which had purchased the goods from us. But now we are using the proceeds from the sale of surplus commodities in order to assist colleges abroad, which have been both built and supported by means of private funds furnished by philanthropists from all over the United States.

Mr. THYE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator from Louisiana has referred to the Fulbright student exchange program. Will not the Senator from Louisiana agree with me that that program has been an excellent one?

Mr. ELLENDER. Oh, yes; I do not doubt it. I merely intended to show that this program developed from the fact that we had abroad large amounts of funds which could be used for the purpose of educating students abroad. But, as in the case of all such programs, this one mushroomed. Today, in addition to the amount of money we are spending on the so-called Fulbright program, we are spending large amounts under the Smith-Mundt program, and it is continuing to increase.

As I have stated, we have added a second program to the first one; we have done so in order to assist private constructed colleges abroad. There is no telling the extent to which this program will mushroom, unless we watch it very carefully.

Mr. THYE. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. THYE. Under the Fulbright student exchange program, by means of the funds devoted to that program I believe the United States has gained greater acceptance in foreign countries—both as a result of having students from those countries come to the United States and learn about our country and about our free enterprise system of government and about the economy and way of life of the United States and the opportunities in the United States, which far excel anything existing in the other countries of the world. I believe the money going into that program will accomplish more than the money we have spent on other programs, in terms of winning us friends and better understanding and greater acceptance by the other countries of the world. Therefore, I believe that any part of the funds which is used for the student exchange program will result in a greater return and in greater security to our country, by way of increasing the understanding of the United States by foreign countries, than could be obtained by means of any expenditures we could make on national defense or by any other means we might undertake, through the expenditure of funds, to secure a better understanding of the United States among the other nations of the world.

Mr. ELLENDER. Mr. President, I am in general agreement with what my friend, the Senator from Minnesota, has said.

I am merely trying to demonstrate how these programs grow and mushroom. If

it had not been for the existence of this United States program abroad, I do not think anyone would have thought of giving any of the funds of our country to a privately endowed college in a foreign land. However, since such programs have begun, after we exhaust the funds resulting from the sale of our surplus commodities abroad—and I hope that our surplus stores will be sold soon—such countries will desire to have the programs continued. In short, Mr. President, once a man puts his foot in the door, he cannot remove it; his foot is stuck there. That is what I am complaining about.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. THYE. In the column that is itemized, there is a provision for international educational exchange, $17.15 million.

Mr. ELLENDER. That is the one I am talking about.

Mr. THYE. That is for student exchange or educational opportunities for youth in foreign countries. Of all of the items listed, I believe that one will buy as much understanding of, and as much friendship for this country, as will any dollar we have spent. The greatest portion of the huge amount of $71 billion-plus in the budget is for military expenditures, or for paying interest on the national debt incurred as a result of previous military actions, or for veterans' care. If we are confronted with such huge appropriations because of the fact that there were wars and misunderstandings between nations, would it not be better for us today to endeavor to bring about understanding between the other nations of the world and the United States? Through such general understandings as may be brought about through student exchange, we may be able to spare future generations the sacrifices that generations in the past, both in World War I and World War II, were obliged to make, in addition to which the United States incurred obligations on which we are paying more than $7 billion a year in interest alone.

Therefore, Mr. President, I think there is some wisdom in the use of our blessed surpluses in this way. I use the word "blessed" advisedly, for we are blessed as a nation when we have such surpluses, although the greatest problem with which we are confronted is control of the production of the Nation so as not to have further surpluses. When we are so blessed, is it not better to take a part of the surpluses and use them so as to make it possible for other nations to understand what makes free enterprise work so successfully and produce so abundantly. Only through student exchange will we be able to bring about such knowledge, or a reinterpretation of it, since many persons do not understand what it is that makes our free enterprise "click" in the manner it does. So I think we are doing a pretty good job when we use surpluses in this manner.

Mr. ELLENDER. I am not arguing with that statement, but suppose 2 years from now we have no commodities to ship under this program. We have been spending in those countries 17 or 18 million dollars. Does the Senator not think they will expect us to continue it? That is what I am talking about. If a father today does not have sufficient funds to send his boy to college, the boy does not go to college. What will happen when our surplus is disposed of? We are spending so much abroad for various endeavors. If we had the money to spare, I would say, "Good. Let us go to it." But what I am thinking about is the near future. I am for the Fulbright program. I am for the Smith-Mundt program. I voted for them. But it seems that when we start programs of that kind, there is no end to them.

As I pointed out in my recent report on overseas operations, Finland is an example of what so frequently happens. Finland owed us quite a bit of money as the result of loans made during World War I. Finland was paying us every year in dollars, but some Members of the House of Representatives introduced and Congress enacted a bill whereby, instead of letting Finland continue to pay its debt off as she had in the past, we now spend the proceeds of that debt to educate the Finns. That is all right. But, in addition to and over and above that amount, we are spending money from the Fulbright program money from the Smith-Mundt program, and money from this program of selling surpluses for foreign currency. We have in one country at least 4 or 5 different programs. I happen to think we are overdoing it. That is all I am complaining about. I agree that these programs may be good. They are all good, but I am thinking of the taxpayers of the United States and our ability to continue to support all these programs.

Today these programs are taking root in various countries. When these surplus commodity sales come to an end, my guess is that some effort will be made to continue such programs and take the money from the Treasury. That is what I am complaining about.

Mr. President, as I pointed out a while ago, this $17.15 million for international education exchange may be money well spent, but in addition to that, we have the information and education service, on which we spend $7.4 million, or 0.1 percent of the entire amount of sales of these commodities. What is that money used for? It is used to make contributions for the upkeep of colleges built abroad by contributions from philanthropists in the United States. Start expanding that program and see how much money we shall have to spend in that line.

I do not mind spending something for that program. I know the good that comes from it. But once we start a program of that kind, our "do-gooders" do not know when to stop. It keeps on snowballing until we are spending a good deal more than we expected to.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I gather from what the Senator from Louisiana is saying he is not against the Fulbright program, but what he is in favor of is trying to cut just a little bit off the giveaway programs. We will probably have to pay for them later on, and now is the time to start cutting them.

Mr. ELLENDER. Yes. I am going to cover that point in a few minutes.

All the commodities disposed of under title I, I consider more or less a giveaway, except we do get some funds to be used for payments for United States obligations, and that amounts to about 24.1 percent. But let us consider the loans we are making to these various countries, which account for about 56.2 percent of the amount of money received for sales under title I. All those funds are loaned to various governments. I hope they will repay those loans, but I doubt that they will. They will find some way to use the funds, and continue to use them as they have been using foreign aid.

I repeat, it is my hope that the Committee on Foreign Relations, when it reports a bill authorizing the expenditure of more funds for foreign aid in any form, whether it be military or economic, in any part of the world, will take into consideration the expenditures we make as a result of lending back to purchasing countries funds derived from sales of surplus commodities.

These moneys are used as an additional source of economic aid, and the Congress should certainly be able to reduce our dollar appropriations for so-called mutual security by viewing that program in connection with Public Law 480. In other words, if our planners have determined that, say, $30 million is needed for country A under the mutual security program and country A is receiving $10 million in local currency loans under Public Law 480, then we should certainly be able to reduce the original $30 million requested for country A by some amount. As now operated, the economic assistance loans under Public Law 480, coupled with dollar grants or loans under the mutual security program enable our planners to maintain a vastly greater aid effort than we in Congress sometimes realize.

In Korea, for example, we have used dollar assistance provided under defense support to build flour mills; we are using technical assistance funds to train personnel to operate those mills. In addition, Public Law 480 makes it possible for us to "sell" wheat to Korea to be ground into flour in those mills—because Korea produces no wheat—and then turn right around and lend back much of the local currency paid to us for that wheat to the Korean Government for a number of purposes. It strikes me that in too many cases this is nothing more than a heads-we-lose, tails-we-lose proposition.

I remind Senators that much of the money derived from sales under title I of Public Law 480 are used for such things as economic development and military assistance. Therefore, surely we should take these amounts into consideration when voting dollars for foreign aid.

Second, the bill would extend title II for 1 year, to June 30, 1958, and increase the authorizations under title II by $300 million, to a total of $800 million.

Title II provides for the use of surplus agricultural commodities owned by the

United States in furnishing emergency assistance to friendly peoples in meeting famine or other urgent or extraordinary relief requirements. About $300 million worth of commodities have been used in this program, so that the bill would restore the original authorization. This authority has been used to help feed Hungarian refugees in Austria, alleviate distress caused by floods in Afghanistan and Iran, and furnish relief to Bolivia and Tunisia.

Third, the bill would repeal section 304 of Public Law 480.

As I understand, the distinguished Senator from California [Mr. KNOWLAND] has offered an amendment to strike from the bill the language which would repeal section 304 of Public Law 480.

Section 304 requires the President to exercise his authority under the act so as to assist friendly nations to be independent of trade with Iron Curtain countries, and so as not to increase the availability of commodities to unfriendly nations. Repeal of this section has been requested by the President so as to permit barter with, and donations under section 416 of the Agricultural Act of 1949 to satellite countries.

These donations, under section 416 of the Agricultural Act, are of such commodities as are apt to deteriorate before they can be disposed of in normal channels, and they are used for relief purposes.

Title I transactions are restricted to friendly countries, so that section 304 has no effect upon them.

I wish to repeat that, Mr. President. The repeal of section 304 would not affect any part of the law except the barter provision and the section 416 donation provision. In other words, this provision permits the President, if he desires, to obtain strategic materials from satellite countries, on terms that he himself proposes—if he can obtain them—and other goods of value, in return for the surplus commodities. Mr. President, it is my contention that by such procedure we would be at least getting something for these surplus commodities, and we would at the same time be assisting people who, I think, are friendly toward us.

Mr. President, I have, in the past 3 or 4 years made as many as 3 trips to some of these satellite countries. I have mingled with many people in Rumania, Hungary, Czechoslovakia, and Poland. If I were in the position of the Russians, I would hate to get into a war and have to depend upon the people of Poland, or the people of Czechoslovakia or Hungary or Rumania for assistance. I say without fear of contradiction that the majority of those people are friendly to the United States. They like us.

I do not believe that the Congress ought to do anything to prevent the President from bartering or donating some of these surplus goods in order to relieve famine and in order to relieve the distress of those people in those countries. And that is all the authority would be used for. We would, in other words, receive strategic materials from the peoples of those countries in exchange for some of our surplus goods, and we could help them with section 416 donations. As I have stated, this authority would not apply to title I or title II of the bill, but solely to title III, which deals with barter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Is it not the fact that the imports from satellite countries today are paid for in dollars?

Mr. ELLENDER. It is.

Mr. AIKEN. Poland and the other countries sell to the United States, and for those imports we pay dollars?

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. There has been a prohibition on bartering and paying by the exchange of goods which are in surplus in the United States.

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. However, those countries are able to use the dollars they receive to buy the same goods on the world market.

Mr. ELLENDER. That is correct.

Mr. AIKEN. I realize this prohibition was originally put into the law with the thought that its administration would hurt the U. S. S. R. Communist Government and help us, but it has worked out to be exactly the reverse; it has hurt our position in the world and played directly into the hands of the Soviet Government.

Mr. ELLENDER. Mr. President, as the Senator from Vermont has stated, if we are to deal with those countries, it ought to be through a barter arrangement. This is a grand opportunity for us to receive value in exchange for these commodities.

Mr. AIKEN. Mr. President, will the Senator yield again?

Mr. ELLENDER. I wish to say that after the committee considered this particular section of the bill, the committee was unanimous in voting to report this bill.

I wish also to invite attention of Senators to the fact that last year we passed a bill with a similar provision. The bill was not far different from what is proposed now. The bill of last year, which the Senate passed by a voice vote, would have permitted barter with satellite countries for surplus commodities.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the satellite countries possess items the United States needs?

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. By using the barter system we could exchange goods which the United States now has in surplus.

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. Is it not also true that the United States is selling some of the same items to some countries, which are, in turn, selling them to countries with which we desire to do business at the present time?

Mr. ELLENDER. I do not know that of my own knowledge, but I have heard it said, as has the Senator from South Carolina. I have no direct knowledge of it, but I do know that some of our friends across the seas are bartering and selling not only food but many other commodities as well.

Mr. JOHNSTON of South Carolina. The English, for instance.

Mr. ELLENDER. I so understand.

Mr. JOHNSTON of South Carolina. They claim to be doing business now with those countries.

Mr. ELLENDER. One of the committees of the Senate, under the chairmanship of the able Senator from Arkansas [Mr. MCCLELLAN] learned that a good deal of copper had been so sold.

Mr. JOHNSTON of South Carolina. The English make no apology for the fact that at the present time they are doing business with those countries, through a bartering arrangement.

Mr. ELLENDER. As a matter of fact, when the President met the Prime Minister of England in Bermuda some time ago I understand there was quite a discussion as to whether or not trade with China and other countries should be resumed. I would not be at all surprised if that were to come to pass.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Does the Senator not recall that in 1955 Czechoslovakia and possibly other satellite countries needed cotton, of which the United States had a surplus? We could not barter with them, to see that they obtained cotton. The upshot of the matter was that Czechoslovakia made a deal with Egypt for the Egyptian cotton crop, and paid for it with arms, which resulted in Egypt's being fairly well armed.

After making the deal on the cotton, it appeared that Czechoslovakia did not require the entire Egyptian crop, although the deal had been made for all of it, or practically all of it, so they sold that cotton they did not need to the users in Western Europe, including Great Britain, at a price which was lower than the United States selling price for cotton. The result of that procedure was that the United States exports of cotton for the year August 1, 1955, to August 1, 1956, were nearly the lowest in history.

We simply bit off our nose to spite our face. We strengthened the relations between Egypt and the Communist Nations. We practically forced them into the arrangement. We would neither sell the cotton to Czechoslovakia nor the arms to Egypt. I think we have to assume much of the responsibility for what has occurred over there as the result. We did not hurt the Soviet Union at all; we strengthened them by that maneuvering and by that prohibition.

Mr. ELLENDER. In connection with the statement of the Senator, I distinctly remember having received quite a few letters from the cotton interests of New Orleans, indicating that cotton was sold in England at a price just a little under our own price here.

Mr. AIKEN. And it was Egyptian cotton, which we forced them to buy.

Mr. ELLENDER. We lost that market; there is no question about that.

Mr. AIKEN. And on the other hand the Communists could sell that cotton

for whatever price they wished to ask, inside the satellite countries, because they were sure we could not enter that market.

Mr. ELLENDER. Mr. President, in connection with what I have been saying, and following my remarks, I should like to place in the RECORD a letter from Mr. E. L. Butz, who is Assistant Secretary, dated March 26, 1957, on this same subject, in which he urges that section 304 be repealed.

There being no objection, the letter was ordered to be printed in the RECORD. (See exhibit 1.)

Mr. ELLENDER. Title II specifically provides for donations to friendly populations without regard to the friendliness of the governments, so section 304 has no effect on title II donations. I repeat, it refers only to title III, which is the barter provision. The administration has found, however, that some barter transactions with satellite countries, which would assist them in becoming free of reliance on the Soviet Union, have been impeded by section 304.

Also some section 416 donations which could have been made to the Hungarian people and others have been impeded by this provision. The donations under section 416 of the Agricultural Act of 1949 consists of certain commodities which might go sour on us, or spoil before they can be sold through the regular channels of trade. There is a little trouble in that connection, and that is why the administration feels the repeal of section 304 would be of assistance. The Department of Agriculture advises that repeal of this provision would be helpful in reaching our foreign policy objectives.

We have asked the Department of Agriculture for an estimate of any additional expenditure required by the bill, but such an estimate is very difficult to prepare. I think the Republican Policy Committee has requested that the Senate be notified of the cost of all bills. It is pretty difficult to estimate the cost of this bill, and what will be recovered from the various countries to which we lend back the sales proceeds, but there is involved as much as $1 billion. How much of that we will get back is problematical. Insofar as the increase of the amount under title II is concerned, of course, that is more or less in the nature of donations. If we make all of that amount available, we shall be short that much. As I stated a while ago, we started by providing $500 million, and what we are now doing is restoring the amount to what it was when we first enacted the bill, 3 or 4 years ago.

Many of the commodities which will be sold or donated under the bill are already in the hands of the Government, so the expenditure has already been made. A substantial part of the foreign currency acquired under the bill will be used to pay United States obligations incurred under other laws, so in effect we shall be using commodities we already own in lieu of appropriated funds.

Due to the urgency of this legislation, its passage should not be delayed until this information has been compiled.

Mr. President, I have nothing to add to what I have said, but I shall be glad to answer further questions, if there are any.

EXHIBIT No. 1

MARCH 26, 1957.

Hon. ALLEN JOSEPH ELLENDER, Sr.,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your request concerning our recommendation to repeal section 304 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations. The section thus precludes barter transactions involving such countries as well as distribution of commodities therein under the section 416 voluntary agency program.

Repeal of this section would permit us to offer commodities on a barter basis to Eastern European countries when clearly in our interest to do so. Although our opportunities here would not result in substantial dispositions of surplus agricultural commodities, our willingness to enter into such transactions could be especially advantageous from a political standpoint. If entered into, such transactions would be beneficial because they would assist satellites in becoming more independent of the U. S. S. R.; they would also, to a great extent, displace sales of like commodities that the U. S. S. R. would have made.

Repeal of section 304 would not affect the provisions of title I of Public Law 480. Sales for foreign currencies would continue to be restricted to friendly nations. A "friendly nation" is defined in section 107 of the act as any country other than the U. S. S. R., or any nation or area dominated by the foreign government or foreign organization controlling the world Communist movement.

The deletion of section 304 would enable us to use section 416 authority (section 302 of Public Law 480) to furnish commodities quickly to distressed peoples in satellite countries under circumstances such as those existing during the recent Hungarian revolt.

Sincerely yours,

E. L. BUTZ.

Mr. KNOWLAND. Mr. President, I rise to speak on the pending bill. My remarks are directed primarily to the amendment which I have offered.

I heartily agree with much of what the Senator from Louisiana has said regarding the merits of Public Law 480. I supported that legislation from its very inception, urged action on it, and helped to expedite it when it was first reported to the Senate.

Subsections (1), (2), and (3) of the pending bill would both extend the date for 1 year and also increase the amount, so that there would be additional authority. I concur in the objectives of those subsections, and shall support them, so they are not at issue.

The issue hinges on subsection (4), which appears on page 2 of the bill as reported from the committee. My amendment would merely strike out line 4, which reads as follows:

(4) Section 304 of such act is deleted.

The Senator from Louisiana and other Senators who have spoken have pointed out that this has been a rather effective act. It has been effective with section 304 intact. I submit that what we are doing is meeting for the first time, in a preliminary skirmish, a basic question of foreign policy which will confront the Senate again and again at this session of Congress, and perhaps in the future. Regardless of what we may do, I believe this issue will also be confronted in the House of Representatives, and perhaps in a solemn referendum of the American people themselves in 1958 or 1960.

The basic issue involved is whether or not the Government and the people of the United States, bearing the very heavy burdens they are required to bear, will not only continue but will expand the foreign-aid program. We have been very generous with foreign aid since the close of World War II, to the extent of $50 billion. The issue is whether or not we shall not only continue a program with those associated with us in an effort to maintain a free world of free men, but also try to maintain those countries which are not associated with us among the so-called neutral nations of the world. I agree that we must continue to help the neutral nations for some time to come.

However, the basic issue involved, though it may not be so clear today, is whether we are now to embark upon a program of supporting the political and economic system of international communism in the countries which are behind the Iron Curtain today.

That is the basic issue which I think we confront. For example, consider the case of Poland at the present time. It is behind the Iron Curtain. It is under Soviet occupation, with the government of Mr. Gomulko. It is true that Mr. Gomulko is a nationalist Communist of Poland, and there are some who make the argument that because he has made slight deviations from Soviet control, therefore we would be justified in giving him not only some surplus agricultural commodities, but some economic assistance as well, from the American taxpayers. That question will be argued at the proper time. It is not specifically involved in connection with that one country.

What do we do if we follow the recommendations of the committee and strike out section 304 of the act? We open up economic support by surplus agricultural commodities to all the satellite governments, including the government of Mr. Kadar, in Hungary, which has so ruthlessly suppressed the freedom of the Hungarian people.

In the case of Poland the figures which I have, which I believe to be reliable, indicate that during the past few years the Soviet Union has drawn out of Poland agricultural resources of the value of approximately 16 billion rubles. At the current rate of exchange—and I realize, of course, that the ruble is overvalued by any legitimate standard—that means about $4 billion. In other words, the Soviet Union, as is customary, is stripping its satellite states of their resources. What we are proposing to do is to bolster the Soviet economy and enable it not only to undermine our friends abroad but also neutral nations, because we would replenish the stocks of countries behind the Iron Curtain which the Soviet Union is stripping of resources.

I admit that others may have a different point of view. However, I say this is the opening skirmish in a great debate on public policy, particularly as to whether the money of the American taxpayers, which we have very generously given to our allies, and which we have also very generously given to neutral countries, should now be used on a program of sustaining the economic systems of Communist countries behind the Iron Curtain.

It is true that we have given economic support to Yugoslavia. However, there is a distinction to be noted. Yugoslavia, of course, has a Communist government. However, Yugoslavia, at least, is not under the occupation of the Soviet military forces. Once we set the precedent of extending aid to countries which are under Soviet military occupation, we will be asked to do in Hungary and in Rumania and in Czechoslovakia and in Albania and in other countries what we are doing in Poland.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. KNOWLAND. I shall be glad to yield in a moment. First, I should like to make this point. I know the committee has had considerable concern with this question.

Only a short time ago, while I was serving as a delegate at the United Nations, the Soviet Union introduced a resolution in that body. It came before the political committee of which I happened to be a member at the time. The resolution, which was offered by the Soviet Union on behalf of itself and certain other countries, reads, in part, as follows:

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations Charter and incompatible with the principles on which relations between states should be based.

I ask unanimous consent that the entire resolution be printed in the RECORD at this point.

There being no objection the resolution was ordered to be printed in the RECORD, as follows:

COMPLAINT BY THE UNION OF SOVIET SOCIALIST REPUBLICS OF INTERVENTION BY THE UNITED STATES OF AMERICA IN THE DOMESTIC AFFAIRS OF ALBANIA, BULGARIA, CZECHOSLOVAKIA, HUNGARY, POLAND, RUMANIA, AND THE UNION OF SOVIET SOCIALIST REPUBLICS, AND ITS SUBVERSIVE ACTIVITY AGAINST THOSE STATES

UNION OF SOVIET SOCIALIST REPUBLICS: DRAFT

RESOLUTION

The General Assembly,

Noting with anxiety the recent aggravation of the international situation and the deterioration of relations between states;

Noting that this situation has been caused, among other things, by the subversive activities of the United States of America and its intervention in the domestic affairs of the people's democracy;

Considering that the states members of the United Nations are bound under the charter "to practice tolerance and live together in peace and with one another as good neighbors";

Recalling that in its resolution 110 of November 3, 1947 the General Assembly condemns "all forms of propaganda, in whatsoever country conducted, which is either designed or likely to provoke or encourage any threat to the peace, breach of the peace, or acts of aggression";

Taking also into consideration the fact that the General Assembly on December 17, 1954, recommended to member states the international convention on the use of broadcasting in the interests of peace of 1936 in which the contracting parties "mutually undertake to prohibit and, if necessary, to bring to an immediate stop in their respective territories any transmission which could, to the detriment of proper international understanding, instigate the inhabitants of any territory to acts contrary to the internal order or security of the territory of one of the high contracting parties";

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations charter and incompatible with the principles on which relations between states should be based;

2. Calls upon the United States Government to cease its subversive activity and its intervention in the domestic affairs of other states on any pretext and to develop its relations with these states in accordance with the principles of the United Nations charter.

Mr. KNOWLAND. The resolution came to a vote before the political committee on the 27th day of February of this year. Voting in favor of the resolution were Albania, Bulgaria, Byelorussia—Union of Soviet Socialistic Republics—Czechoslovakia, Poland, Rumania, the Ukraine—Union of Soviet Socialist Republics—and the Union of Soviet Socialist Republics.

All these countries, with the exception of the Soviet Union, would be eligible for assistance if section 304 of the law were repealed. I question very much whether it is advisable for us to bolster the economic systems of the countries behind the Iron Curtain as long as they are under Soviet occupation.

It seems to me that by doing so we would lose one of our great bargaining powers ultimately to get the Soviet army to withdraw from the satellite nations. The greatest hope of freedom of the people of the captive nations is that one day the Soviet Union will withdraw its military forces. If the Soviet Union ever gets the idea that it can keep its forces in those countries, and that at the same time we will relieve the Soviet Union of the burdens and the disturbances behind the Iron Curtain, by picking up the check, so to speak, for the inefficiency of the Soviet Communist economic system, we will have to kiss goodby any hope of ever getting the captive nations from behind the Iron Curtain.

If, as some persons contend, the Soviet Union is forced to send foodstuffs into the captive nations to prevent their populations from becoming too restless, we would be relieving the Soviet Union of that obligation if we were to repeal section 304.

If, on the other hand, the Soviet Union is withdrawing foodstuffs from the captive nations, then, in effect, we would be letting the Soviet Union drain off foodstuffs on the one hand, while, on the other, we would replenish the food stocks in the countries involved.

That does not seem to be a logical performance. As I say, this is merely the opening skirmish, because we will have other proposals made for economic aid when the foreign aid bill comes before the Senate, and those proposals will be not only with reference to agricultural commodities, but also with reference to funds from the American taxpayers, which, in effect, would be used to bolster the economies of the political systems of those countries.

One of the great crises which exists in the Soviet Union itself is the failure of its agriculture, because its agriculture has been collectivized. The farmers have had taken from them their incentive. They have been driven into slave labor to work the farms, without any hope of reward. As a result, production has fallen off.

That is one of the great worries of Mr. Khrushchev. In order to help feed the population within the Soviet Union, and to prevent restlessness in Hungary and in Poland and in East Germany, it has been necessary for the Kremlin to withdraw foodstuffs from the captive nations for consumption within the Soviet Union. It is impossible to earmark or identify a ton of wheat or ton of corn or anything else. The commodities are withdrawn from Poland and from Hungary and from Czechoslovakia, and put into the granaries of the Soviet Union. Then Mr. Khrushchev says, "Our latest 5-year plan on agriculture has been a great success."

Under this program, we would replenish those stocks in the satellite countries. If we did so, there is no assurance that the Soviets would not withdraw what we send in there. There is no assurance that the Soviets would not draw such American stocks for use in the Soviet Union.

I think that is a very material weakness so far as this situation is concerned. The subject is of sufficient importance that the Senate should at least be advised of it. This is merely the opening skirmish, as I said, because the issue itself will have to be discussed time and time again at this session of Congress. This is the first time we have been asked to open the door to the question of giving relief to the captive nations which are still under occupation by the Soviet Union.

I hope for that reason that we will reenact Public Law 480, which has done an excellent job, and that we will reenact it with the sections in it which have worked so successfully in the past.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. COTTON. A hasty study of the bill seems to indicate that perhaps there is a possibility, indeed, it may be a fact, that the section toward which the Senator's amendment is directed would not have any impact on title I and title II of the bill. In other words, it is my understanding—and I hope the Senator will correct me if I am in error—that title I of the bill, which has to do with sales for foreign currencies, is now restricted to friendly nations as defined in section 107 and that under that definition, with or without section 304, Yugoslavia and perhaps even Poland, would be entitled to receive commodities under title I. Furthermore title II, having to do with famine relief, applies to friendly populations without regard to the friendliness of their governments.

Is it a fact, or is my understanding incorrect, that section 304, to which the

amendment of the Senator from California applies, deals only with title III, and still leaves the possibility of having those countries receive benefits under title I and title II of the bill?

Mr. KNOWLAND. So far as the famine-relief section is concerned, the Senator from New Hampshire is correct. I have no objection to that, because the American people, over a long period of years, by reason of their humanitarian instincts, have been prepared to feed hungry people wherever they might be. As a matter of fact, as the able Senator from New Hampshire will recall, during the 1920's the United States sent food even into the Soviet Union itself in order the feed the hungry people of Russia because there had been a failure of the collectivization of the farms.

Our action at that time was under the leadership of Mr. Herbert Hoover, who established a relief mission. But we made sure at that time, by having the program properly supervised, that the food for hungry people went to all the Russians who were hungry, and not merely to members of the Communist Party.

I think on any future occasion, whether such a program be under the sponsorship of something like the old Hoover Commission, or under the International Red Cross, or under the associated Catholic agencies or associated Protestant agencies or the Friends' Service committees—however the program might be conducted—the American people and Congress would respond to any plea to assist hungry people so long as we were certain that all hungry people were being fed, and that the food was not to be used as a political weapon to punish non-Communists, while members of the Communist Party were being cared for. So that problem is not involved, in any event.

So far as the other section is concerned, I think there is a grave doubt as to whether the finding that Poland has a friendly government can be sustained. Since the date of the Secretary of State's letter on that subject, Poland itself has done several things. First, through its representative in the United Nations, Poland has voted for a resolution condemning the United States of America. Second, the Gomulka government has gone on record as approving the use of Soviet force in Hungary and of the repression of the freedom of the Hungarian people. With that record having been made, I have some doubt in my own mind, if the matter were again put before the Secretary of State, whether he could make the same finding now as he did in December, when the issue was before him.

Mr. COTTON. I appreciate the Senator's statement; it clarifies my thinking greatly.

I note that section 107, as used in the act, states that—

"Friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by a foreign government or a foreign organization controlling the world Communist movement.

If that section means what I assume it to mean, a decision by those charged with making a decision in this country, regardless of the very important facts which the Senator from California has just emphasized, that Poland's Government was not dominated by the U. S. S. R., or a decision that a certain regime in Hungary or some other country was not dominated by the U. S. S. R. would make that country eligible for this program regardless of whether the Senator's amendment was agreed to or not.

Does the Senator's amendment do the whole job, or is there a loophole left in section 1?

Mr. KNOWLAND. No. I agree with the Senator that there might very well be a loophole in dealing with section 107, to which the Senator has referred. I think that when the matter was under debate in Congress, no one surmised that a situation would arise such as has arisen under the Gomulka government, in which elections were held which admittedly were not free elections. Only one choice of a ticket was given to the people, and that was a Communist ticket. The people were told that if they did not vote for that ticket, the Soviet Union might be more repressive toward them. So the people of Poland were voting with a gun at their heads.

Furthermore, the present government, as I have pointed out, has endorsed the Soviet repression of freedom in Hungary, and subsequent to the time when the letter was written by the Secretary of State, the Polish Government instructed its representative at the United Nations to condemn the United States.

It seems to me that if there was any case upon which to hang the hat of belief that they were following an independent course, that case has been exploded.

Mr. COTTON. Then I take it from the Senator's very full and illuminating answer, for which I am very grateful, that the amendment of the Senator from California, in his opinion, fully takes care of title III, and is not intended by him to affect title II, and perhaps does not apply to title I.

Mr. KNOWLAND. The Senator is absolutely correct. I do not want to foreclose the American people from helping hungry people anywhere in the world, so long as we can be certain that there is a famine, and so long as we can be certain that the relief will go to all the people, and that no non-Communist will be discriminated against because of his not being a Communist.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from North Dakota.

Mr. YOUNG. It is not very often that I disagree with the senior Senator from California on international matters, but I must disagree with him in this case. Under the present law, we can give to Poland or any other Communist dominated country, but we cannot barter with or sell to them.

Mr. KNOWLAND. Will the Senator permit me to make one interjection?

Mr. YOUNG. Yes.

Mr. KNOWLAND. I doubt very much whether, under the law as passed by Congress, the debate in Congress, and the statement of congressional intent, the United States can give to any Communist countries under the present law.

Mr. YOUNG. But some 2 or 3 years ago we did give food to East Berlin, which was Communist-dominated.

Mr. KNOWLAND. That is correct; but that, again, involved a famine-relief type of situation.

Mr. YOUNG. I would agree completely with the Senator from California if we were embarking upon a foreign-aid program, with respect to Communist-dominated countries, but I do not think we are. I hope we will leave entirely to the discretion of the President of the United States whether or not we shall enter into agreements.

But this is the situation which confronts us now: Some 2 years ago the United States imported $15 million worth of hams from Poland. Poland received United States dollars in return, but then went to Canada to buy their food. Would it not have been far better to trade our surplus agricultural commodities in exchange for hams rather than to give to Poland dollars which Poland could turn over to Russia? It seems to me that if the Department of Agriculture were permitted to barter our surplus commodities with Communist countries, we would benefit a great deal.

Mr. KNOWLAND. As is the case with many other public questions, there is certainly room for an honest difference of opinion in this instance. But certainly this is a basic question. The success of any government, whether it be a free government or a Communist government, depends somewhat on the economic stability of its people. I think the Senator from North Dakota will agree with that statement.

What causes a maladjustment of the economic situation? It can be either a falling off of industrial production, or a falling off of agricultural production. It can be the overproduction of agricultural commodities, for that matter.

I believe the Soviet Union is confronted with the problem of the failure of agriculture in that country. If it is correct, as I believe it is, that Soviet Russia has stripped a good many of the captive nations of their commodities, in order to bolster the Soviet Union, then it seems to me that what we are doing, in effect, is building a platform under the Communist economic system, which, in turn, will strengthen the Communist political system, so that the Communist leadership, whether it be in the Soviet Union or in Poland, in Czechoslovakia, Bulgaria, Rumania, or Hungary, can say to the people—because the Soviet Union will not have the goods earmarked as to where they came from—"We are now a success. We have entered into our second 5-year plan, and communism is working."

There is one additional factor I wish to point out to the very able Senator from North Dakota. I have said that this is the first time we have embarked upon such a program behind the Iron Curtain, in a country where the Soviet Union is now in military occupation.

It is true that the United States has given economic aid to Yugoslavia. I have heretofore said that there is a clear,

understandable, and, I think, considerable logical differential, namely, that Yugoslavia is not under Soviet military occupation, and, therefore, we have some assurance that what we send to Yugoslavia will not go to the Soviet Union.

But once we send materials behind the Iron Curtain, and once we start bolstering and supporting the economic system which supports the political system of communism, then at the time, let us say, of the next Italian election, what argument will the Communist Party of Italy make? The members of that party will say, "Why not vote Communist? After all, the United States is embarking not only on a program of shipping foodstuffs to various countries, regardless of whether they are Communist; but even in the case of a country under Communist control the United States is sending it foodstuffs. So why not vote Communist?" I think that would be a potent weapon in the hands of forces attempting to put other countries under the control of the Communists.

Mr. YOUNG. I agree; and I think we must use great discretion, if we permit our foodstuffs to be sent into Communist-dominated countries. But if we administer the program wisely, I think we can make many friends abroad, and can make such countries more dependent upon us, by utilizing this program.

Mr. KNOWLAND. If this is done—and today the Senate may well vote to do it—I hope the Senator from North Dakota is correct and I am incorrect. However, I have lived long enough to see what happens when the camel gets his nose under the tent. I do not claim to have a crystal ball or to have any ability to foretell the future. However, I predict here and now that the step now proposed will, if taken, be only the opening operation leading later to the giving of economic aid to Poland, not in the form of surplus commodities, but in the form of dollars added to the foreign-aid program, or subtracted from the aid which otherwise would go to some of the countries friendly to us. If once we extend such a program to Poland, I predict that within 1 or 2 years thereafter we shall not have a valid reason for denying aid to Hungary, Czechoslovakia, Romania, and Bulgaria, because once they see that Poland has been successful in this endeavor, they will say, "Well, we are a little independent, too. Consequently, we want to come in under a plan"—consequent Marshall-type plan, let us say, to support the Communist regimes of those countries. I may be mistaken about it, but I think this is only the opening wedge of a program which, if undertaken, will plague us in the future.

Mr. YOUNG. It is a program about which we must exercise great discretion. But I think the program is worth trying.

Mr. KNOWLAND. If the Senator from Louisiana has had a chance to examine the situation, I believe he knows that the countries which are non-Communist and are outside the Iron Curtain, and today either are uncommitted or are actually associated with us in the North Atlantic Treaty Organization or in some of the other pacts, have made applications to receive some of our surplus agricultural commodities; and, as the Senator has said, under the program, with the restrictions presently imposed, we are very close to the end of the authorization. If we comply with the requests of those who are our friends or who at least are not behind the Iron Curtain, we probably could use during the next year the entire additional $1 billion, as provided in the proposed authorization. Frankly, I am not willing to have us penalize our friends or penalize the neutrals, in order to help support Communist regimes in countries under Soviet occupation.

Mr. THYE. Mr. President, will the Senator from California yield to me.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. Mr. President——

Mr. KNOWLAND. Mr. President, previously I promised that I would yield to the Senator from Minnesota. After I have yielded to him, I will yield to the Senator from Louisiana.

Mr. THYE. Mr. President, I find it very, very embarrassing to differ in the slightest with the distinguished minority leader. However, I wish to state that I hold in my hand the report on Senate bill 1314, and the report contains a letter signed by E. T. Benson, Secretary of Agriculture. If the Senator from California will permit me to do so at this time, I should like to read into the RECORD an extract from the letter, because the letter goes to the very heart of the question we are discussing.

In the letter the Secretary of Agriculture wrote as follows:

> It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage, in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.
>
> The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.
>
> Sincerely yours,
>
> E. T. BENSON,
> *Secretary.*

If the Senator from California will permit me a further word, I wish to say that basically he is correct in stating that we should not take from our own economy or our agricultural production to bolster countries which are directly under the domination of the military authority of the Soviets or under the domination of the Soviet Union itself.

But if the proposed program were selectively handled—as the Secretary of Agriculture has proposed—and if it were under very careful scrutiny by the administration, it seems to me we might be able to have the people of such countries as Poland, Eastern Germany, and Hungary incline toward us. We know that Hungary endeavored to strike off the shackles of the Soviets. It is believed that the Polish people and also the people of Eastern Germany would do likewise. If they know that we wish to be friendly to them, I believe that over the years experience will finally show that there will be a breaking away by those people from the Soviets.

By proceeding on a selective basis of barter, I believe we might be able to aid them more and encourage them more than if we were simply to say, "Nothing doing"—in which case the result would be, as the Senator from Vermont [Mr. AIKEN] has so ably described, similar to the result in Egypt. We recall that the Russians have obtained cotton from Egypt, in exchange for Soviet ammunition and military equipment; and there was a resultant interchange between 2 or 3 countries. The upshot was that our efforts were thwarted. That was caused by imposing such a restriction. In the final analysis, Egypt turned to the Soviets, because from them she was able to obtain what she wanted. She did so by exchanging her cotton for Russian implements of war—the articles for which she had attempted to barter.

Therefore, Mr. President, I think we would do better by opening the door, by means of proceeding in a cautious, selective manner, through the Department of Agriculture and the Commodity Credit Corporation, rather than by closing the door tightly, as it is now, with the lock of public opinion, under the definite statement, "You must not, because the law says you cannot."

Mr. KNOWLAND. Mr. President, in reply, I desire to state, as I did to the Senator from North Dakota, that I hope and pray that in this instance the Senator from Minnesota is correct and that I am wrong. However, not long ago some very farsighted persons pointed out that it was impossible to do business with Hitler. Similarly, I think we cannot do business with the Communist monolithic structure of either the Soviet Union itself, or its satellite captive nations, without in fact strengthening those governments and ultimately delaying the freedom of the captive peoples, because the stronger we make the Communist economy, the stronger we make the Communist government. I know of no one possessing any considerable knowledge of the facts who will say today that any of the governments behind the Iron Curtain are anything but part and parcel of the international Communist conspiracy, which has as its ultimate objective the destruction of both the economy and the political system of the United States of America.

As the Senator has said, perhaps we could open the door a little bit and experiment in the way now proposed. The Senator from North Dakota [Mr. YOUNG] said we could do so by means of using the agricultural surpluses; but he said perhaps we should be more careful in the case of extending economic aid which would add to the $4,400,000,000 now proposed, for, if the Congress in its judgment decided to make a reduction, and if the aid were extended from the amount remaining after the reduction, that would mean that our friends and the neutrals would be forced to accept a further reduction, which would have to be made in order to enable us to take care

of our attempts to bolster the Communist regimes.

I desire to make it clear that in what I am saying I am speaking only for myself. I am not speaking for the administration on this question here today, as the Senator has pointed out. If I had not been interrupted, I would have pointed out that the Secretary of Agriculture has asked for what is now proposed. The Department of State, I believe, would be for it, because it is in favor of going beyond what is proposed, and giving economic aid to Poland. However, I wanted to serve notice that, at least so far as I was concerned, I was not in favor of taking $1 out of the till of the American taxpayer and bolstering any Communist regime behind the Iron Curtain.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. KNOWLAND. Yes.

Mr. THYE. I would ordinarily agree with the Senator. I have such a great admiration for the minority leader, the distinguished Senator from California, that it disturbs me ever to differ with him. I want the RECORD to show that I am positive in that statement. Secondly, I admire the stand, the very courageous stand, which the Senator from California has taken on many international questions. However, in this particular instance, we are using what is a surplus commodity which we wish to barter with countries throughout the world, and to obtain from them in return products which we can well use in our economy. So it is not any more economic assistance for those countries than it is economic assistance for this country, because it is the overabundance of surpluses that is weighing down our national agricultural produce and commodity market.

Mr. KNOWLAND. Will the Senator yield at that point?

Mr. THYE. Yes; I am delighted to yield.

Mr. KNOWLAND. I think there are at least two possible fallacies in the Senator's argument. One is that it is true that if Poland wants to buy products in this country for dollars, if Poland has the dollars, or if she can get dollars from the Soviet Union, she can buy certain nonstrategic materials which are not on our proscribed list, as strategic materials are. But when such products are bought from us, the Communist world then has fewer dollars to spend in this country for subversion or espionage. We know that when the Communist world accumulates dollars, it uses them to undermine the United States and the free world. That is one point.

Secondly, again I do not know whether the Secretary of State would now write the same kind of letter he wrote originally—which I intend to put into the RECORD in a few minutes, because today it was declassified as being no longer confidential, and I was given permission to put it into the RECORD—after the Polish representative voted as he did, and after Gomulka said he approved of the Soviet's repression against the people of Hungary in their seeking freedom. But if we can go so far as to say that Poland is a friendly country, then I do not know why it could not be said that Polish hams are strategic materials. How advisable such an argument would be in the light of a surplus of pork in this country, I do not know. The Senator from Minnesota is an expert in agriculture, and is one of the leading members of the Committee on Agriculture and Forestry, and he can perhaps better determine that question than can I. If the law could be stretched to the extent of saying Poland is a friendly country, then it certainly could be said that Polish hams were strategic materials.

Mr. THYE. It was on that point that I desired to discuss further my thoughts on the question raised. The Senator has just mentioned Polish hams. When Polish hams are imported from Poland into the United States our dollars go into the treasury of Poland. American dollars are then siphoned into the economy of the Soviet just as effectively as if our produce which is in long supply went to Poland in settlement for the Polish hams which we know come into this country, and that have come into this country in past years, in spite of our surpluses.

Mr. KNOWLAND. I will say to my good friend from Minnesota—and perhaps I may be considered a little old fashioned for saying it—perhaps if the agricultural industry of the country needed some protection from Polish hams, which in fact may be produced by slave labor, there are ways of protecting the American economy by means of old-fashioned methods, so that Poland would not get the dollars to which the Senator has referred.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. Yes; I yield to the Senator from Vermont, who is the ranking minority member of the Committee on Agriculture and Forestry.

Mr. AIKEN. With regard to the importation of Polish hams, I think the reason why they find their way into this country is that the American people like the manner in which Polish hams are prepared, and they are willing to pay dollars for them. Poland is, of course, delighted to sell the hams, for which the Americans pay with dollars, so that Poland can use the dollars to buy Canadian wheat.

Mr. KNOWLAND. I can understand some of the problems involved.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the distinguished minority leader a question. I may say that I accept the statement which the Senator from California has made with respect to the possible difficulties that the amendment to the act might bring about. However, considering the fact that in this past year we have seen evidences of restlessness in the satellite countries, does the Senator not think this proposal might offer the possibility of some intercourse between the people of our country and the satellite countries, which might further the movement we have seen in the last year toward independence in the satellite countries?

Mr. KNOWLAND. I would say, candidly, no one could dogmatically stand here and say it did not offer that possibility; but I would also, with the same candor, ask the Senator if he does not also admit there is a possibility—regardless of which possibility is the stronger—that such a move might bolster the Communist regime and make it less possible for the people to gain their freedom.

Mr. COOPER. I regret in this instance that I must oppose the amendment that the distinguished minority leader has offered. I will agree with other Senators who have stated that there is no one in this body who has fought more consistently for the cause of freedom and against totalitarianism than has the Senator from California. However, I think we have reached a very dangerous juncture in world affairs. I think the recent threat of war, the very rigid position Russia is now taking, and the ominous threat which Russia is now making toward this country have brought us to this very difficult juncture. It seems to me the only hopeful signs we have seen for many, many months are the efforts in Poland toward some measure of independence, at least from domination by international communism, and the courageous uprising in Hungary. With the rather rigid military position which we now face, I think we have to take some risks and we have to seek, perhaps, more imaginative means of reaching the people of other countries. I think it would be impossible to engage in a program such as is proposed without the people of Poland and other satellite countries knowing such a program was in effect. Also, I think food, more than any other commodity that could be made available, goes to the heart of every individual. It seems to me this proposal does offer an opportunity to encourage that restlessness which has been demonstrated in certain satellite countries this past year. Unless, somehow, we can find more imaginative methods, unless we can find some means to associate with the people of those countries, it seems to me this impasse will continue indefinitely. I accept without question what the Senator from California has said, that the net result of this program might be simply to strengthen the economy of those countries.

It might be worse than that. It could mean that an equal amount of food would go to the Soviet Union. However, I believe that what we are doing will be known by the people. They could not fail to know of it. And we would benefit accordingly.

I would say that at a time like this—when, I believe, we have a dangerous situation in the world—we should be willing to risk a trial of these new methods. I point out we did take such a risk with our program of aid to Yugoslavia. Yugoslavia may not be what all the people of the world desire, but at least the people are independent of international communism at this date.

I respectfully suggest to the distinguished minority leader, for whom I have the greatest respect, that this affords an opportunity to embark on a new course which might produce effective results. And I should like at this time

to compliment the distinguished Senator from Louisiana and the distinguished Senator from Vermont, who, as chairman and ranking minority member, respectively, of the Committee on Agriculture, have shown such outstanding leadership with this legislation.

Mr. KNOWLAND. Mr. President, will the Senator yield for one brief comment?

Mr. COOPER. I yield.

Mr. KNOWLAND. I merely wish to say to the distinguished Senator that I think it is helpful to have the discussion, regardless of the action taken. I hope in the other body the discussion will be prolonged. Perhaps we should have a national debate on the subject, for I think it is a matter of basic policy.

I remind the distinguished Senator from Kentucky, who has had great experience in foreign affairs, that not too many years ago Hitler in effect told the German people "It is a question of guns or butter", meaning that they would have to tighten up their belts in order to produce weapons of war. If we should now make the mistake of taking care of the agricultural needs of the Communist nations, in effect it could mean that the Communist governments would then draft the farmers off the soil and put them into production plants to manufacture guns, tanks, Mig planes, and potential warmaking items.

The Soviet leopard has not yet changed his spots. I invite the attention of the distinguished Senator from Kentucky to the fact that within the past 10 days the Soviet Union has threatened both Denmark and Norway with dire consequences should they take certain action which is within their sovereign rights.

I submit to the Senator that by doing something which we think will be helpful to the people of captive nations, while they are still under Soviet occupation, we may lessen our bargaining position in the attempt ultimately to free the people. We may very well be permitting the Communist rulers to draft the farmers of Poland.

The Poles are wonderful people. I have been through that country, on a thousand-mile trip from Warsaw through Posnan and Stettin. It is a rich agricultural country. If the Communist rulers should do what I have mentioned, the situation could be quite difficult. They might draft those people into slave labor camps, or at least into arms factories, and then the Soviet Union, with troops still in the captive nations, could use the manufactured material to bolster its warmaking potential.

Mr. BUTLER. Mr. President, will the Senator from Mississippi yield for a question?

Mr. STENNIS. I yield for a question.

Mr. BUTLER. I should like to make an observation in the form of a question, because I am not too well advised on conditions in the countries about which we are talking.

Is it the thought of the Senator from Kentucky [Mr. COOPER] that we must hold out some aid to the people of the captive nations in order to induce them to support our side? Does the Senator not believe they are straining at every point in their effort to get from under the heel of the Russian Soviets? We do not have to do anything for those people. They are fighting for freedom. They are fighting tanks with their bare hands. We do not have to give them wheat to influence them. They want freedom and they will do everything they can to get it.

I have listened to this debate very carefully. I agree with the Senator from California that we cannot strengthen the inclination of those people for freedom. That is the one thing they desire above everything else. When we give them agricultural commodities we are not strengthening them, but we are strengthening their oppressors.

Mr. COOPER. Will the Senator yield to me so that I may make a brief response?

Mr. STENNIS. I yield.

Mr. COOPER. I think we have to consider that in the last 4 months we have not devised many methods by which to deal with the satellite countries. When the revolution took place in Hungary the United Nations could do nothing much more than pass resolutions. Certainly the distinguished minority leader is aware of that.

Secondly, this Nation has declared—and I think the administration has even recently declared—that it is not our policy to use force to bring about the liberation of those nations. What are the means, then? What are our means for helping this revolutionary movement for independence which we have seen stirring in these countries? We have said we will not use force. That is the problem. Why is it not worth while to try the peaceful means of using food?

I invite the attention of the Senate to the situation at the time the Marshall plan was proposed. The plan was first proposed in the United States by such great leaders as Senator Vandenberg and others, who believed that the satellite countries should be brought into the Marshall plan. Perhaps that was not wise, in view of what has happened. But who really knows?

Today, in the consideration of this amendment, we should recognize that we might be able to place some small instrument in the hands of our Government to encourage that revolutionary movement toward independence, which we know is stirring in those countries. I do not think it would stop this movement if we refused this help, but I do not think such action would provide much encouragement from a great country such as our own.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senator from Mississippi has the floor. Does the Senator from Mississippi yield?

Mr. STENNIS. May I say to the Senator from New York there must be an end to yielding some time? I shall detain the Senate only a very few minutes, on another phase of the bill.

Mr. President, the surplus agricultural commodities continue to have a depressing effect on farm prices and acreage allotments. It now appears that the Commodity Credit Corporation will have on hand August 1, 1957, about 11.8 million bales of cotton, 1½ billion bushels of corn, 988 million bushels of wheat, 17 million hundredweight of rice, and possibly 3 to 4 years' supply of tobacco. These surpluses certainly emphasize the need for at least a 1-year extension of Public Law 480, and the need to increase the authorized ceiling under title I. The Trade Development and Assistance Act of 1954—Public Law 480—has operated on sound trade principles with less emphasis on aid.

I have also been interested in the program from the standpoint of military housing construction in foreign countries. At the present time estimates indicate a need for about 69,000 units, at a total of about $675 million. The major part of this need can and should be met through the use of surplus agricultural commodities. The logical approach which this program offered prompted me to sponsor proposed legislation in the Military Construction Subcommittee—and the entire committee sponsored this proposed legislation—which would expand the use of surplus agricultural commodities in the foreign military construction program. This authorization was increased over a period of years from $25 million to $100 million, and to $250 million last year. I believe this program is sound and desirable from the standpoint of reducing our surplus agricultural commodities in a businesslike way at the least possible cost and at the same time implementing needed housing in foreign countries.

During calendar year 1956 some $102 million in currencies of 7 foreign countries were earmarked for military-family housing. These countries included: United Kingdom, $33.4 million; Japan, $26.1 million; Spain, $16 million; Italy, $12.7 million; Finland, $7 million; Austria, $6.4 million; Portugal, $1.5 million.

Our Military Construction Subcommittee has also broadened the authority for use of currencies acquired through the transactions of the Commodity Credit Corporation. This has made possible transactions under the CCC Charter Act, which contains broad authorizations for the barter-type operations.

This barter program has enabled countries who have not heretofore been interested in surplus commodities to negotiate for use of CCC stocks in construction of military housing. For example, a $50 million contract with France for the construction of 2,800 housing units is expected to be completed and signed within the next 2 weeks.

The Defense Department is also negotiating for barter contracts with three additional countries. These contracts include $25 million for the Philippines, $12 million for Bermuda, and $15 million for Libya. This phase of the program appears to be the most promising and flexible for the construction of military housing.

Mr. President, I should also like to express my special interest in and support for expanded use of foreign currencies in marketing development projects. This phase of the program is a move in

the right direction and will have lasting beneficial effects in building strong markets for United States agricultural commodities for years to come. Marketing development projects are already under way in 20 countries involving the equivalent of about $5 million, and about $32 million is earmarked for this purpose under existing agreements.

I have been very much impressed with contracts which various enterprises have with the United States Department of Agriculture to develop and supervise programs in behalf of cotton. These projects are financed 50–50 by local private industries and funds provided by Public Law 480. They are operated by the local industrial organizations and are aimed at increasing consumption of cotton in these countries. The total budget for cotton promotion outside the United States this year is more than $3 million or roughly 10 times the total of 2 years ago. About one-third of this budget is Public Law 480 money with foreign industry raising the balance. It is encouraging to note that although some of these countries' budgets are small by United States standards, yet seven of them are putting into promotion their own money, sums which represent higher per capita expenditures than that of the United States raw cotton industries.

Marketing studies which will illustrate the full potential for United States commodities in foreign countries are basic to a sound, long-range export program. Advertising and sales promotion are also important in expanding our exports, and I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

Since the passage of the Trade Development and Assistance Act, 2.6 million bales of cotton, 19 million hundredweight of rice, 432 million bushels of wheat and flour, 143 million pounds of tobacco, 130 million pounds of dairy products, 1.6 billion pounds of fats and oils, and 149 million pounds of meat had been programed as of the end of 1956.

Mr. President, title I of Public Law 480 has moved sizable quantities of surplus agricultural commodities in an orderly and businesslike way, and I hope that the 1-year extension of this act will receive the full support of the Senate.

This is another illustration of the growth of this fine program, which provides us with necessities which we would otherwise have to buy with hard dollars. We sell agricultural commodities to those countries for their currencies, and then spend the currencies of those countries for items which we would otherwise have to construct. That is another reason for the extension of the law, and, really, for expansion of the program. We have been feeling our way. We have before us a concrete illustration, in dollars and cents, in terms of housing units which are necessary. It shows the progress we are making, and the soundness of the law.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. RUSSELL. I am very glad the Senator has made the statement which he has made. In my judgment the Senator from Mississippi and other Senators associated with him in the subcommittee have rendered a real service in devising this program. Last year I had occasion to see some of these projects. They have been of exceedingly great assistance to our Armed Forces stationed overseas.

With respect to some of the countries involved—and I will make no invidious comparisons and give no names—about the only thing we have ever gotten out of them was the result of this program.

Mr. STENNIS. I appreciate the Senator's remarks.

The Senator from South Dakota [Mr. CASE] has been detained on another official errand. He has been very active in connection with this program. He helped to write the legislation. He has followed it up, and has made a valuable contribution toward the effective results which have been attained.

Mr. JAVITS. Mr. President, will the Senator from Mississippi yield to me in order that I may ask the minority leader one or two questions?

Mr. STENNIS. I yield.

Mr. JAVITS. I doubt if there is any Member of this body who more earnestly desires to breach the Iron Curtain, or who would sacrifice more to see it done.

I should like to ask the Senator from California one or two questions based upon my own experience in the House Committee on Foreign Affairs. I served there when the European recovery program was approved. I served there when Congress first approved aid to Yugoslavia. Upon each occasion—without divulging anything more than what is history—the fulcrum of decision was this point: The Soviet Union having constantly opposed any of its satellites obtaining economic aid from the West, and, as a matter of fact, having made the standard of judgment as to the heresy of Tito the fact that he sought economic aid from the West, what we were always looking for was another satellite which would seek economic aid, that being to us among the prime indicia of the fact that it was ready to break away, or break away sufficiently for our purpose. What is the significance of such action? I ask the distinguished minority leader if he will be good enough to comment on that point. Being a new Member, I do not like to rise to speak unless I can make a definite contribution.

I heard the discussion with respect to the looting of Poland, which is standard Soviet technique. We are dealing with a situation, in essence, which existed before Gomulka. Today the real point of difference between Yugoslavia and Poland, as the distinguished Senator has pointed out, is some element of military control.

Is that not answered by the fact that Gomulka is ready to commit the greatest Soviet heresy in history, up to date, which is to ask aid from the West? Therefore does my friend from Kentucky [Mr. COOPER] not have a great deal to his point that, if that be the case, if Poland is ready to commit that heresy, we would be unwise to relinquish the weapon which we have by turning down a request for such aid?

Mr. KNOWLAND. I will say to the distinguished Senator from New York, who has had long experience in the House, and who served on the Foreign Affairs Committee of that body, that it seems to me the basic point of difference, as I pointed out earlier, was the fact that at the time we entered into the program with respect to Yugoslavia, Yugoslavia was not under Soviet military occupation. A plausible argument can be based on the fact that Mr. Gomulka is showing a little independence. From some study of the situation, and out of a deep conviction, I will say that I believe we could make just as strong a case to prove that this show of independence is, in fact, with the concurrence and connivance of the men in the Kremlin.

The reason I say that is that after the Hungarian rebellion I think the men in the Kremlin were shaken to the foundations. They saw what the repercussions were in the Asian and African countries, and around the whole world, as a result of their repressive tactics.

I think the last thing in the world they wanted, or would have permitted, was the same type of situation in Poland. Over the years Poland has been very restless under the domination of either Germany, Imperial Russia, or Communist Russia. I believe that in order to hold down the unrest in Poland the men in the Kremlin were perfectly willing to go through with an act, a Potemkin village sort of demonstration, to deceive a great many people, by letting Mr. Gomulka and his government show some independence by making his application for aid from the West, which would relieve the Soviets of the obligation to send in foodstuffs, and possibly might enable them to take out more from Poland's production.

I admit that that is only a personal point of view, and that it is not the official judgment of the Department of State. But I have a very strong feeling that all we are doing in this case is fastening the hold of the Communist government more firmly upon the people of Poland, and not only sustaining and strengthening the Communist government's hold on Poland, but, if the same process should be followed in the other captive nations, actually increasing the strength of the whole monolithic Soviet empire.

Mr. JAVITS. The authority contained in the act is permissive, is it not?

Mr. KNOWLAND. Yes.

Mr. JAVITS. If we pass the bill, the President may or may not extend aid.

Mr. KNOWLAND. That is correct.

Mr. JAVITS. So it does not necessarily follow that we are to extend to all the other satellites the type of aid for which Mr. Gomulka has asked. He is the only one who has asked for it.

Mr. KNOWLAND. He has been invited to ask for it.

Mr. JAVITS. With respect to Kadar, I understand that he would like economic aid, but that we have no intention of giving him any such aid.

Mr. KNOWLAND. That is the record to date.

Mr. JAVITS. All we are doing is giving permission to the President to use the program as a weapon of foreign policy.

Mr. KNOWLAND. Let me ask the distinguished Senator a question. Leaving Mr. Kadar out of consideration for

the moment, because of the peculiar circumstances in which he came into power, just what argument is to be made to the Governments of Rumania, Bulgaria, and Czechoslovakia if they, seeing the success Mr. Gomulka has had, say, "We want to show a little independence of the Kremlin. Therefore, we not only came in under the surplus-food program, but we have had our agents negotiating for a $300 million American loan for not only agricultural products, but mining machinery, and so forth"? What argument is to be made if they say, "We will show a little independence, too, and ask for the same treatment"? Once we have gone behind the Iron Curtain in a country under Soviet occupation, on what basis can we discriminate against the poor non-Communist people of Rumania, Bulgaria, and Czechoslovakia?

Mr. JAVITS. I think there are two answers to that question.

I do not wish to debate it, because I have a very deep regard for the distinguished minority leader. I compliment him highly for the courage and frankness which are so typical of him, in starting what should be a great debate. The question deserves that type of approach, and the country deserves it.

Now, to answer the question. I believe that in the case of Poland there is a difference, because there the people have bared their breasts to the danger of force. They brought about a change in the regime by their own determination. They have met the test. The leaders and supporters of the Government are making representations to the West. The people themselves have made representations to the West. That is a very fundamental difference.

Secondly, and very importantly, we come to the question of discretion. What we are doing is giving the President discretion, and we ought to have confidence in ourselves as deep and as profound as the suspicion which we may have of the other side. I believe those would be the two ways in which I would answer the real doubt which the Senator raises.

Mr. KNOWLAND. I quite agree with the Senator. Again, this is a basic matter of policy. Regardless of how the vote goes on this amendment, we shall have to discuss the whole subject when the foreign-aid bill comes before the Senate. As I understand from a reading of the newspapers, and from discussions I have had, the Polish delegates came to this country to negotiate for $300 million and up. We indicated that that was more than we would give them. An article published in the Washington Post on last Saturday or last Sunday indicated that we might be prepared to offer them $50 million. I do not know whether that was a surmise on the part of the newspaperman who wrote the story, or whether it was a planted story which perhaps reflects the attitude of our Government.

At any rate, that issue will be before us on the occasion when we will have to determine the economic aid we will extend to countries. It is a matter in relation to which Congress has some responsibility. For that reason it ought to be discussed now, as I know it will be discussed in the future. With all due respect to the Senator from New York, I say again that this is merely an attempt of the camel to get its nose under the tent flap.

We will see this program extended if we grant this aid to Poland. If all the captive nations come under the foreign-aid program, we will see that program raised by at least a billion or two billion dollars a year, in order to meet the effort to stabilize the Communist regimes behind the Iron Curtain.

Mr. JAVITS. Fortunately, those countries will have to come here to make their requests.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter which was written by the State Department to the former chairman of the Committee on Foreign Relations under date of December 28, 1956. It is signed by Robert C. Hill, Assistant Secretary of State. It was classified confidential until today. The letter discusses the Secretary's findings with regard to proposed aid to Poland.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 28, 1956.

The Honorable WALTER F. GEORGE,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR MR. CHAIRMAN: As you know, following the developments in Poland last October, the President stated that, to help freedom-loving people, such as the Polish people, would add strength to the security and peace of the free world. The executive branch is considering various measures, within the framework of existing legislation, which would contribute to the achievement of these objectives.

Poland has indicated a desire to purchase a number of items, including certain agricultural products, a number of which are in surplus. Following a reexamination of executive branch policy, it has been decided to allow surplus agricultural commodities to be exported for dollars at world-market prices to Eastern European countries (except the Soviet Union) on a selective basis in the national interest. Accordingly, it has been determined that surplus agricultural commodities may be sold to Poland for dollars at world-market prices.

The Secretary has also determined on the basis of a careful examination of the Polish situation since October 1956, that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong., 2d sess.). He intends to inform the Secretary of Agriculture that Poland is eligible for title I and title III, Public Law 480 transactions. The Secretary has taken his decision on the basis of the current situation and all the evidence available to him. He recognizes, of course, that important new developments are taking place in Eastern Europe and that the future course of events may alter this situation.

Accordingly, these events will be followed closely and the validity of the current appraisal will be kept constantly under review.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. AIKEN. Mr. President, I think almost everyone is agreed that Public Law 480 has been a very effective instrument which has been used for many purposes to satisfy many people. We can point to the fact that it has raised the standard of living for many of the underprivileged nations of the world. We can point to the fact that it has stabilized political conditions and the economies of many nations. It has meant more business for the world as a whole, and it has meant more business for the United States. It has not injured private trade, because as Public Law 480 has been availed of, private trade also has increased materially.

Public Law 480 has been effective in starting the reduction of our domestic agricultural surpluses, particularly of cotton and wheat, so I think there is no real objection to extending it for these purposes for another year.

The difference of opinion which exists seems to be whether section 304 of the act shall be repealed. This section prohibits bartering with satellite countries, and is a question on which there can be an honest disagreement. I believe the bill should be left as it is, and that the amendment offered by the Senator from California should not be adopted.

I believe this provision has worked, in some ways, exactly the opposite from the way it was expected to work. We thought it would help us and hurt the Soviet Union.

Earlier today I pointed out as an example how Egypt and Czechoslovakia were forced to get together to make a trade which has worked definitely to our disadvantage. It has been emphasized by some persons that Poland appears to be a country which might be a candidate for some bartering. I am not certain about that; she might be. It has been said that the situation in Poland is analogous to that which has existed in Yugoslavia since 1948. I do not know whether or not this is an accurate analogy.

At that time Yugoslavia had been stripped clean by the Soviets and was in a destitute condition. The people of Yugoslavia were hungry. We gave them $38 million worth of grain to enable them to live through the winter. I do not think we ever made a better investment, even though we have had to help them ever since. We have given them several million dollars' worth of military equipment, but Yugoslavia has not gone back into the Soviet orbit. Instead, Yugoslavia has remained a nationalist Communist nation up to this time and has not gone back within the orbit of international communism. I suppose it will be necessary to help Yugoslavia for some time to come, because if we do not she could still be forced back into the Soviet group. If that were to happen, we do not know how Greece could remain independent. If the United States had not gone to the rescue of Yugoslavia, undoubtedly it would not have been possible to hold Greece as a member of the

Western nations because Greece would not have been strong enough to remain independent.

I realize that by bartering with any country behind the Iron Curtain is permissive only; it is not required. I hope that our Government will use extreme discretion. I would not expect our Government to barter with a nation which was occupied by Soviet troops or Soviet tanks, for instance. I point out, however, that we should be in a position to step in should one of the satellite countries need economic help either in the form of contributions or by way of bartering.

I also want to emphasize that the bill extends the law for only 1 more year. If there is some part of the bill that does not work well, it can be discontinued in another year.

It has also been said that if the United States steps in and helps Poland, and if our action works well, all the other satellite countries will be seeking our help. If we do help Poland, and if Poland does free herself from Soviet domination, I think it would be wise for us to help the other satellites to free themselves from Soviet domination also.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. RUSSELL. The Senator is referring to the bill solely in terms of assisting other nations. I was of the opinion that the Senate was considering language of the bill to provide that the United States should get something in return.

Mr. AIKEN. It provides for bartering.

Mr. RUSSELL. The Senator is referring to transactions of which I would not approve. I was disposed to vote for this particular provision because it was one under which we were to get something in return for the hundreds of millions of dollars we are spending overseas. I understood the purpose of repealing section 304 was to enable the United States to get strategic materials which were hard to get.

Mr. AIKEN. If my remarks made it appear that the provision to repeal section 304 would permit us to step in and assist the people abroad under title I, that was an inadvertence on my part. Repeal of section 304 would provide only for bartering. The Senator is entirely correct in that respect. I was speaking hastily prior to the vote and probably did not make myself clear; but the Senator from Georgia has made the subject entirely clear.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. HOLLAND. Mr. President, I strongly support the position already taken by the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and by the ranking minority member of the committee, the Senator from Vermont [Mr. AIKEN].

I think it is very greatly to the interest of the United States to follow the recommendation of the Secretary of Agriculture, the wisdom of which was so well borne out by the testimony of the Assistant Secretary of Agriculture, Dr. Butz, to allow bartering with satellite nations. I think they are taking a wise position, and that we can give them their heads safely, because they have made a strong case. I wish to read briefly into the RECORD a statement made by Dr. Butz before our committee, because his statements sounds to me like good commonsense. I have found Dr. Butz to be particularly helpful to fruit producers in the matter of foreign trade and in having straightened out some very real difficulties in the case of the United Kingdom and in the case of West Germany. This is what Dr. Butz said on the subject now under debate:

> With respect to our recommendations for repeal of section 304, that will, in effect, remove the prohibition in the act against bartering with the satellite nations. We feel that the Government should have the discretionary authority to conduct barter deals with satellite nations in those cases where it is clearly to our advantage to do so.
>
> This does not mean there is any disposition on the part of anybody in the executive branch of the Government to barter willy-nilly, but many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations. And there have been opportunities to conduct barter deals of that kind in the last couple of years, that under the act we could not do.
>
> Therefore, we ask for a repeal of that provision so we can have the discretion to do it when it is clearly in the interest of the United States to do so.

Dr. Butz called the attention of our committee to the fact that there were occasions in the past when we could have traded some of our surplus food materials, which are so badly needed by the satellite nations, for hard goods like manganese, or other metals, which we need, if only we had been able to do so.

I cannot too strongly support the position taken by the distinguished Senator from Georgia [Mr. RUSSELL], indicating that in this instance, instead of trading our hard money for soft money, as in the case of dealing under title I—and I have strongly supported title I and shall continue to support it, because I think it really belongs in the picture—in this case, and in this case alone, we would get a full measure of return from our investment by permitting a setup which would allow us to trade our surplus agricultural products for valuable strategic materials which are hard to get.

I agree with Dr. Butz in his statement that—

> Many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. I merely wish to underscore what the Senator is saying. I have just read through Dr. Butz's testimony. Not only has he testified in this manner this year, as the Senator well knows, but he testified in similar vein last year.

As I recall, the Senate last year approved the very same provision we are asked to approve now, but it was lost in the other body.

I should like to emphasize that the necessity for some flexibility on the part of the Department of Agriculture and the Department of State concerning our foreign policy relating to satellite countries has become increasingly evident. I think that what we are really seeking to do here is to give a little vote of confidence to those who administer these programs that they will not sell out the best interests of our country?

I for one would not believe that the Government of the United States and those responsible for the policies of our Government are going to do business with those countries to the detriment of our national security.

As the Senator from Florida has correctly stated, this provision deals only with bartering, not with sales from counterpart funds or from foreign currencies. It does not deal with credits. Therefore, we shall be gaining something, rather than losing something, under any deal we may consummate.

If the Senator from Florida will permit me to do so—for I do not wish to take any more of his time—I now ask unanimous consent to have printed at this point in the RECORD a statement on my analysis of Public Law 480 and the importance of its extension, as provided in the pending bill (S. 1314).

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY PROPOSES GREATER USE OF AMERICAN FOOD AS "YEAST OF FREEDOM"

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today called for extension by 1 year and expansion of Public Law 480, the Agricultural Trade and Development Act of 1954, and termed food a tremendous and versatile weapon in the arsenal of peace.

In an address today on the Senate floor supporting passage of S. 1314, Senator HUMPHREY also called for an end to "administration timidity and indecision" in negotiations with Poland on surplus agricultural commodities, and for "forthright action on the proposal to bolster, the Polish people's recent progress toward an independent existence."

"By sharing our blessings of food abundance with the peoples who seek to break away from the Soviet tyranny, we can make American food the 'yeast of freedom' which can expand and strengthen the movement toward freedom and independence," Senator HUMPHREY declared.

"We are taking a calculated risk by such measures," he said, "but it is only the risk that the yeast will not rise. American food cannot be hurled back at us. All that we have to lose is the food itself, all that we can suffer is disappointment."

"Public Law 480 is not to be looked upon as merely a disposal program for surplus commodities," Senator HUMPHREY pointed out. "It has become a fundamental arm of our foreign policy. It has demonstrated the tremendous power of food and fiber in building stronger friendly nations, and at the same time it has developed new markets for the regular production of American agriculture."

The Minnesota Democrat stressed five distinct accomplishments of the Public Law 480 programs. They have, he said:

1. Increased the normal export markets. "Public Law 480 has enabled us to open new doors for America's surplus agricultural commodities," he said. "It has resulted in improved levels of income for many farmers.

Millions of man-hours of work have been added for American labor. Shipping has prospered."

Senator HUMPHREY pointed out that agricultural commodities under United States export programs accounted for about 25 percent of all exports in 1954, rose to 30 percent in 1955, and 41 percent in 1956. "Yet," he said, "sales outside of the program have remained fairly steady."

2. Provided economic development funds for needy countries. "The largest increase in program activity has been in sales for foreign currencies," Senator HUMPHREY said. "Thus, we have developed export programs based on the ability of foreign countries to pay for their purchases, although these payments have to be made in part in their own currency."

"By far the largest portion of the local currencies are being utilized in the form of loans by the United States to promote economic development and international trade," he reported.

3. Made possible the exchange of American food for strategic materials. "Since Public Law 480 was enacted, the value of strategic imports for stockpiling through the barter program has risen from $61.5 million in fiscal year 1955 to the rate of nearly $189 million annually in the first half of fiscal year 1957," Senator HUMPHREY said.

4. Strengthened our military security. "Through the end of 1956, $221 million of local currency proceeds of sales were earmarked to procure military equipment, materials, facilities, and services for the common defense," Senator HUMPHREY reported. "These quantities cover agreements signed with countries in many areas of the world, including Brazil, Iran, Korea, Pakistan, Yugoslavia, and the Republic of China."

5. Broadened our cultural and educational contacts with the free world. "Most of title I agreements," Senator HUMPHREY said, "have provided for the use of some of the local currency proceeds to finance international educational exchange programs. About $5 million has been set aside in agreements thus far to help American-sponsored schools abroad and bilateral organizations which promote better relationships between the United States and other countries."

Citing the opportunity in Poland to bolster an anti-Soviet regime and an anti-Soviet people with food and fiber as an example of the use to which Public Law 480, as amended by Senate bill 1314, can be used, Senator HUMPHREY charged the administration with "timidity and indecision at a crucial moment in the relations between Soviet Russia and the new Polish Government attempting to disengage itself from Soviet domination."

Mr. HUMPHREY. Mr. President, I have just received a copy of a telegram sent to President Eisenhower and Secretary Dulles from the American Order of General Pulaski. In the telegram, a loan is proposed to the Polish people, in the form of foodstuffs, raw material, and machinery for the textile industries.

Mr. President, I ask unanimous consent that the telegram be printed in the RECORD, and also be appropriately referred.

There being no objection, the telegram was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.:

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles our gallant but almost forgotten allies whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital matter, let us be mindful of Poland's tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, Primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,

AMERICAN ORDER OF GENERAL PULASKI.
K. STEFAN POMIERSKI,
President Emeritus,
GLEN COVE, N. Y.
CORNELIUS H. TURZYNSKI, *President.*
JOSEPH P. PLONSKI,
Counsel and General Secretary.

Mr. HUMPHREY. Mr. President, I have just received a letter from the chairman and the secretary general of the Polish Christian Labor Party in New York.

The letter reviews the measured advances which have been achieved under the Gomulka regime, and encourages the administration to grant economic assistance to Poland.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

POLISH CHRISTIAN LABOR PARTY,
New York, N. Y., March 27, 1957.

DEAR SIR: The executive committee in exile of the Polish Christian Labor Party at its meeting held in New York on March 27, 1957, reviewed the development of the present situation in Poland and resolved to make an appeal to the administration and Congress of the United States to provide substantial economic assistance to Poland.

The peaceful evolution in Poland, which especially from October 1956 until the time of the general elections in January 1957 followed a rapid course, showed the decisive will of the Polish nation to regain true freedom and brought our prudence and calm as characteristic of the Poles in time of trial.

In those 4 months Poland gained several great advantages through the unity and determination of its people:

The limitation of colonial exploitation by the Soviet Union;

The ability to make commercial agreements with non-Communist states;

The end of the system of terror and the relaxation of restrictions on civil liberties; and

Freedom of religious practice and instruction.

The progress of Poland toward liberty has been and may continue to be hindered by delay and deviation. Reactionary Stalinist forces, especially those acting from outside the country, have taken advantage of every weakness of Polish society, which is debilitated through the destructive practices of the former Communist regime and the economic crisis which logically and naturally resulted.

The Polish people are confident that the West, of which they are an integral cultural part, will help in gaining economic relief. The faith of the Poles in the good will of the West, severely tried on many occasions since 1939, now depends on economic aid quickly and generously granted. If such aid is denied or proves insufficient, the Poles will feel completely abandoned and isolated, which will have a regrettable political result.

The system of state capitalism imposed on Poland against the will of the nation and for which it cannot be held responsible makes it necessary that economic aid be administered by the state. However, this will not enhance the prestige of the United Workers (Communist) Party. On the contrary, the Poles will fully recognize the source of this assistance and the reason why it is granted. This will heighten the prestige of the West and demonstrate the impotence of the Communist system, which in a time of economic crisis is forced to look for help to countries which have a system of free economy.

In addition to economic aid, the Polish Christian Labor Party appeals for the development of economic exchange between the free world and Poland, thus strengthening the economic independence of Poland which forms the foundation of political independence.

The Polish Christian Labor Party expresses its confidence in the administration and Congress of the United States to find the necessary legal bases which will make possible the granting of economic assistance to Poland, even though the present system of government there does not entirely correspond with the democratic convictions of its people. Economic assistance will be considered an expression of confidence on the part of the West in the strong resolve of the Polish Nation to attain full democracy, and will prove a vital stimulus to the realization of this goal.

Very truly yours,

KONRAD SIENIEWICZ,
Secretary General.
KAROL POPIEL, *Chairman.*

Mr. HUMPHREY. Mr. President, the New York Times magazine for March 24, 1957, carried an article entitled "Poland's Gomulka Walks a Tightrope," written by Flora Lewis.

In a speech on the Senate floor on last Friday, I discussed many of the points raised in the article. I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLAND'S GOMULKA WALKS A TIGHTROPE

(By Flora Lewis)

WARSAW.—Although Wladyslaw Gomulka became No. 1 man in Poland through a display of stubborn independence that made his name a symbol, there is no such word as Gomulkaism and most probably there never will be. The reasons are rooted in the worried but firm-minded country that he leads and in the character of the man. Poland today is an uneasy country, filled with vague yearnings and simple hopes, exhausted and yet lively with the jerky energy of a man shaking off a nightmare, uncertain about everything but the one desperate wish never to slip backward. Gomulka embodies both the hopes and the fears of the country.

His warning that a failure to support his Communist Party in the recent elections

meant "to cross Poland off the map of European states" was an extravagance of campaign oratory, but he knows, and Poles know that he knows, the dangerous truth within his words. He has proved, to Poland's satisfaction, that he has no hypnotic illusions about relations with the Soviet Union and that while he cares for communism he cares at least as much for Poland. That is one reason why his cause does not bear his name.

Nor did the man who stands unchallenged at the hub of a huge wheel of inchoate and often opposite desires launch the cause or set the wheel in motion. On the contrary, the cause assembled itself from a dozen corners—from the hatred and misery that exploded in the Polish riots last June, from the shame and shock released by the Soviet Communist Party's 20th Congress in February 1956, from the long mendacious years. It centered itself on Gomulka and created his program. Without Gomulka there would have been no place for the spokes of discontent to meet. But without the driving bitterness that sought a spokesman Gomulka would not have mattered.

As things are now Gomulka does matter. The aims and judgments of what one close associate called "the curious, impersonal man" are decisive. He alone of all the men who govern with him has the confidence and the ear of his country. It is a tentative confidence. He could lose it as quickly as he gained it if he failed to keep faith. Aware of this, Gomulka's test for making decisions is his own conception of how to find a place in the sun for the 28 million people of Poland.

It is not precisely everyone's conception, for points of view sprout lushly in Poland nowadays, but in its large outline it is shared by his countrymen who express their acceptance by calling it realistic. To be realistic in Poland means to acknowledge two facts which darken the land with their shadows. One is the nearness and the power of the Soviet Union. The other is the intolerable unhappiness the country has known. Very little more can be done to push back the Russian shadows. Much must be done to relieve the blackness of misery. The confidence given Gomulka is based on the belief that he sincerely wants to do what can be done.

The people who listen to him know surprisingly little about the man they trust. Gomulka's is a closed personality and no one claims to know his mind. His reserve separates him even from his most intimate acquaintances. He speaks calmly and plainly, but often irritability conquers him and he shouts with anger. He listens thoughtfully, a faint smile on his thin lips, a grave intensity in his deep-set gray eyes. And yet, what is inside him never quite breaks out.

His face and his slight, halting figure offer no clues to the fierce will they cloak. Nearly bald, with a rim of white hair around his wizened head, cheeks pink from Warsaw's sharp winter, he can peer through steel-rimmed glasses that slide a little down his sharp nose, as though he were looking at the world through the bemused eyes of a country grandfather.

The bones of his face are hard and square but the pale skin hangs loosely and softens the lines that once looked like chipped granite. A Western ambassador, newly arrived in Warsaw, watched him at an official reception where he stood shyly in the background, clearly ill at ease, and said, "Gomulka looks so gentle and benign, such a kindly little old man. I wonder if he can stand up to the sharks around him and impose his discipline?"

It was a gross misconception on several counts. To begin with, he is not old, only 51. His 3½ years in prison and his 8 years of enforced exile from the politics that are his whole life have aged him prematurely. Certainly he can and sometimes does impose discipline with a sharp impatience that leaves no room for retorts. And he defied Nikita Khrushchev last October and so earned his right to the place that had been made for him in Poland.

Gomulka's is a tough spirit and unyielding on points he has made his own. In that he has not changed from the period of his first reign as first secretary of the party from 1943 to 1948.

His aim then was to make Poland Communist. He pursued the aim with a combination of ruthless will and skilled if scarcely principled maneuver that reflected acceptance of the Communist adage, "You can't make an omelette without breaking eggs." Until shortly before his downfall under the charge of Titoism Gomulka played his part in administering Moscow's crushing tactics.

His experience as a "broken egg" did not undo the training of the long years before but in some ways it drastically modified their meaning. It bred in him a sort of tolerance that dwells oddly with the fierce strength of his will. His hand is often firmer in restraining headstrong supporters than in warding off the devious attacks of proved enemies. Associates call it his "complex on persecution."

This new complex buttresses Gomulka's resistance to temptations to use force. No one can say beforehand where a dire crisis will push a man. But Gomulka's Communist self-righteousness is tempered now by a revulsion for what might seem injustice or revenge. No one in Poland has been arrested for opposing Gomulka or for criticizing what he does. The punishment has been purely political—ouster from a seat at the table of power.

This does not mean that Gomulka sits at the table with relish. He wields power willingly but he does not seem to love it. He appears to have little or no personal vanity. There are no photographs or busts of Gomulka on Polish walls; he seethed with fury when students took to chanting his name, and the practice was stopped.

He lives with his wife and a dog in a small apartment in Prague, a Warsaw suburb. When he got his first monthly paycheck of 14,000 zlotys as the new first secretary he sent back 11,000, saying he did not need so much.

Speaking of the power he held under Stalin, clothed then "in the robes of the cult of the individual," Gomulka told the Polish Central Committee how he felt about it. He referred to himself in the third person, saying he "did not feel well in this attire. One can say that he was ashamed of it and did not want to wear it, although he could not completely take it off."

What then does Gomulka want? There is no clear, sure picture, probably not even in his own mind, for he is no philosopher or ideologist. The speech to the Central Committee is as close as he has ever come to setting forth his credo, and its 45 pages are filled with details about the situation in the mines, what is to be done for the peasants, how to revive cottage industry, what to do about hooliganism.

Since he was 16, Gomulka has worked as a Communist—sometimes as an agitator, sometimes as an administrator, but never as a theoretician. His jobs were practical ones, from distributing clandestine leaflets to running a Communist state. Now he is the leader of an important reformation, but he approaches his problems as practical ones.

This is his great strength. His pragmatic mind slips undisturbed from the fetters of doctrine and dogma whenever a concrete question demands an answer and a deed. He is an ardent and devoted Communist. But his conception of what constitutes communism has changed tremendously since the old days of struggle to impose a regime. And it is still open at one end.

Gomulka agrees with a small but vocal group of Polish Communists on what his concept is not. It is not a police state, it is not the willful spread of poverty, it is not a blinding, belligerent uniformity. These are profound changes in Communist thought and they could lead to staggering conclusions. Gomulka does not seek conclusions; he seeks to make life tolerable in Poland by repairing damage done and preventing new distress.

He gave the Central Committee his definition of communism, or socialism, as a Communist always calls it. "What is constant in socialism boils down to the abolition of the exploitation of man by man," he said. All else, associates explained later, Gomulka is willing to leave open to discussion.

All else is being discussed in Poland, sometimes by Gomulka, more often by others, and in startling terms. The vice chairman of the new State Economic Council, E. Lipinski, has written in the Polish Communist newspaper Trybunu Ludu: "The Council is necessary because so far there has been no economic thought in our economic policy."

With his disregard for doctrine when hard facts demand attention Gomulka has challenged what were long considered basic tenets of Communist faith. He has made peace with the church and has permitted the teaching of religion in the schools. He has restored full rights of ownership to peasants and has promised them, in a year or two when the problem of feeding the cities has eased, a free market with no compulsory deliveries to the state.

He has granted a role for private enterprise, small in scale, but meaningful. He has accepted the liberation of cultural life from politics. Above all, by abolishing the secret police, he has sought a way to govern by consent instead of force.

The need for consent now necessarily shoves off into the misty and improbable future the notion of creating "Socialist man." This dark utopianism results from the conceit that change can be imposed not only upon the society man lives in but upon man himself. It is the profound Communist arrogance.

Gomulka does not consciously repudiate it, but he has acquired a certain humility through his personal experience of human fallibility. There is every evidence that he believes Marxism to be a basically sound science of human society. But he has learned through suffering, his own and that of others, to consider it an experimental and not a revealed science.

So far as he has disclosed it, Gomulka's aim now is to remake Poland, not to rewrite the theories of communism. Not only does he disdain the wracking analysis and strained probing into which a new and brighter era has shoved many of his comrades—he has also made clear that he considers ideological challenge a positive menace to Poland's delicate equilibrium.

That, his closest associates say, is behind his recent orders to clamp down on the press where a grand debate on all but the innermost tenets of Marxism was building up. The current line, much stricter than that of a few weeks ago, forbids publication of anything even faintly perfumed with criticism of the Soviet Union or criticism of Communist doctrine.

"Gomulka feels that if we can succeed, it has to be first by improving the economic situation," a close coworker said recently. "We have to realize that we are not going to have any influence with our ideological haggling."

Russia is extremely tense about relations within her empire, seemingly more nervous now about words than about deeds. Gomulka has refused to explain himself, but carefully choosing their words, his associates say that his present purpose is to reassure Moscow that Poland will not break out of the Communist fold.

That is not only tactics. Gomulka is convinced that in the world as it is only a Communist Poland can survive. But the effort of reassuring Moscow has begun to worry some of Gomulka's supporters who fear that Poland may unwittingly be forging new chains for herself. They consider Gomulka's pragmatic problem-by-problem approach to be a weakness as well as a strength. Watching his feet as he takes steps for security and economic improvement, Gomulka could lose the way to independence and freedom of thought.

The return to the Government of pro-Soviet Stalinist Communists who had fought Gomulka is a part of this dilemma. The explanation given is that since he must get along with the Russians Gomulka dare not rid his party of the Eastern point of view.

Gomulka's backing is in the country. Within the upper ranks of the Polish Communist Party only a minority really supports the program he announced last October, although none dares attack him. Yet he is convinced that his regime can only be based on the party. The danger is that in his efforts to strengthen his party position by compromise with neo-Stalinists, he may weaken his national position.

It is an involved and precarious game. But the stakes are high and there are yet many hands to be dealt. For the time being Gomulka has chosen cautiously to consolidate his gains and to curb high-spirited comrades who want to plunge ahead too fast.

The solid backstop of Gomulka's program, regardless of any possible change of heart in the leadership, is the eager impatience of the Polish people for a decent life. Nothing but colossal injections of foreign aid could perform the kind of quick miracle that would make salvation easy. But Poland is a Cinderella without a fairy godmother. Current prospects for American aid indicate that it will not be large enough to work wonders.

Nevertheless, if Poland can manage to make its way back toward prosperity and freedom, the effect on the whole Communist world will be tremendous.

As long as Poland is an island of relatively free thought surrounded by a sea of Communist orthodoxy, no more than limited success for Gomulka's experiment is possible. But even a limited success in Poland would stimulate new hope among the drowning satellites. Eventually—and this is Gomulka's prime importance to the rest of the world—it might stimulate enough new thought in Russia to change the nature of the sea itself.

This is an ultimate goal, perhaps not so much Gomulka's as of the people who support him. Poland as a Communist state might have an influence on the internal life of Russia that nothing from the West could bring to bear. It is not entirely wishful thinking to hope that a breeze from a more healthy Poland could stir the fetid Moscow air.

Gomulka's success would fan that breeze. If Gomulka's Poland can discover how Communist-ruled countries might work their way toward more freedom without violence, not only the peoples of the East but those of the West as well might at last have a chance to breathe more easily.

Mr. HUMPHREY. Mr. President, on Friday I spoke at length on this matter. My views appear in the CONGRESSIONAL RECORD. I urge the Senate to support the position taken by the Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the supporting remarks very ably made by the distinguished Senator from Minnesota.

I do not think it is necessary to take further time on this subject, except to comment that in his official letter to the President of the Senate, the Secretary of Agriculture, Mr. Benson, very strongly urged this same action for this same reason.

So far as I am concerned, I found the Secretary of Agriculture and his Assistant Secretary and their experts in this field, able men of conscience and intelligence; and I am perfectly willing to give them authority to make deals which they believe to be in the interest of our country, in bartering soft, expendable goods for hard goods which we need and which we can store away against a time of greater need.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVES], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from New York [Mr. IVES]. If present and voting the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea," and the Senator from New York [Mr. IVES] would vote "nay."

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

Allott	Bridges	Cotton
Barrett	Butler	Curtis
Bricker	Byrd	Dirksen
Dworshak	Malone	Schoeppel
Hruska	Martin, Pa.	Smith, Maine
Jenner	Mundt	Watkins
Knowland	Revercomb	Williams
Kuchel	Robertson	

NAYS—54

Aiken	Fulbright	Monroney
Anderson	Green	Morse
Beall	Hayden	Morton
Bible	Hennings	Neuberger
Bush	Hickenlooper	O'Mahoney
Capehart	Hill	Pastore
Carlson	Holland	Payne
Carroll	Humphrey	Potter
Case, N. J.	Jackson	Purtell
Case, S. Dak.	Javits	Russell
Church	Johnson, Tex.	Saltonstall
Clark	Johnston, S. C.	Sparkman
Cooper	Kefauver	Stennis
Douglas	Magnuson	Symington
Eastland	Mansfield	Thurmond
Ellender	Martin, Iowa	Thye
Ervin	McClellan	Wiley
Frear	McNamara	Young

NOT VOTING—19

Bennett	Kennedy	Neely
Blakley	Kerr	Scott
Chaves	Langer	Smathers
Flanders	Lausche	Smith, N. J.
Goldwater	Long	Talmadge
Gore	McCarthy	
Ives	Murray	

So Mr. KNOWLAND's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1314) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "$3,000,000,000" and inserting in lieu thereof "$4,000,000,000."

(3) Section 303 of such act is amended by striking out "$500,000,000" and inserting in lieu thereof "$800,000,000."

(4) Section 304 of such act is deleted.

ORDER FOR ADJOURNMENT TO THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, when the Senate concludes its business today it is our plan to go over to Thursday, so committees which desire to do so may meet in the morning and in the afternoon, too.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon on Thursday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

JOINT COMMITTEE ON THE BUDGET

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 160, Senate bill 1585.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more

effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce that, so far as I am aware, there will be no other votes tonight, but the Senate will remain in session for as long as my colleagues may desire to address the Senate.

MENTAL HEALTH ACTIVITIES

Mr. KEFAUVER. Mr. President, we all know that the House presently is considering appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies.

I desire to call the attention of my colleagues to one item in the bill, which I understand is in danger of a cut in the present drive for economy, and which I think by all means should not be cut.

It is an appropriation of only $35,217,000 for mental-health activities. It would be a tragic thing, I think, to apply a straight percentage cut to this item.

The dollars reduction would make little difference in our $72 billion budget, but it would seriously impede the progress that is being made in research and treatment toward controlling mental illness, which is still one of our most serious problems.

More than 1 million patients are treated annually in our mental hospitals, and an additional large number are cared for in outpatient clinics and by private psychiatrists.

In my State of Tennessee, where we have during recent years made great strides in improving the treatment at our institutions, there is great support and interest in continuing the research and program, which is underway on both a national and State level, at its greatest efficiency.

To try to save on this program, when we know that about half of our hospital beds are occupied by mental patients and the annual costs of mental illness continue to mount and are over the billion dollar mark, is shortsighted economy.

For we are just beginning, through the research and treatment and psychiatric programs now being discovered, to make some headway against this once hopeless disease.

The new tranquilizer drugs have permitted a new attack on mental illness. The immediate future, if we do not curtail the work, will probably see the development of other drugs and treatments.

Mr. President, we cannot—we dare not—through shortsighted economy take the grave risk of turning man back in his long effort to control mental illnesses.

Mr. President, now I wish to speak on another subject.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

FINANCIAL AND BUSINESS ACTIVITIES OF SECRETARY OF THE TREASURY GEORGE HUMPHREY

Mr. KEFAUVER. Mr. President, I wish to call the attention of the Senate to a portion of the column by Mr. Drew Pearson, which appeared in the Washington Post and Times Herald today.

The portion of the column to which I have reference refers to the activities of Secretary of the Treasury George Humphrey. It quotes Mr. Cyrus Eaton, of the Chesapeake & Ohio Railroad and of Otis & Co., on the financial and business activities of the Secretary, who continues to hold his stock in M. A. Hanna Co., and in his other farflung investments.

I ask unanimous consent that the portion of Mr. Pearson's column referring to Secretary Humphrey be printed at this point in my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of April 1, 1957]

CLEVELAND TYCOONS

Cyrus Eaton, of the Chesapeake & Ohio Railroad and the Cleveland investment firm, Otis & Co., had a recent private huddle with top Democratic leaders regarding another well-known Clevelander, Secretary of the Treasury George Humphrey.

Eaton urged a full Senate investigation of Humphrey, pointed out that the Secretary of the Treasury has not sold his stock in his farflung M. A. Hanna Co., said the stock had appreciated some $800 million while Humphrey was in the Treasury, and that almost everything the Treasury handled affected Humphrey's private interests in some way or other.

Foreign business firms, he pointed out, had in some cases purchased coal from Humphrey's Pittsburgh Consolidation Coal Co., largest coal company in the world, because their countries had to do important business with the Secretary of the Treasury. Humphrey is a member of the board which controls the Export-Import Bank from which many countries have to borrow money.

Later, Eaton wrote a private letter to the Senators, dated March 9, which follows:

SIXTY-BILLION-DOLLAR DEBIT

"A further illustration of the manner in which George Humphrey continually uses his high public post to buttress his private business interests is provided by the recent preemption of top offices of the Federal Reserve Bank of Cleveland by Humphrey henchmen.

"First, Arthur VanBuskirk, a director of Humphrey's Pittsburgh Consolidation Coal Co., was made chairman of the bank. This was swiftly followed by the naming of J. H. Thompson, president of Humphrey's M. A. Hanna Co., as vice chairman of the bank. With these adroit moves, another powerful financial institution boasting assets of $4,755,000,000 was added to the Humphrey orbit, to bring to the incredible total of $60,755,000,000 the combined assets of the corporations interlocked by officers and directors in the Humphrey-Hanna-Pittsburgh consolidated group.

"This does not tell the whole story, however, for there are other companies in which Humphrey exercises great influence without representation among officers and directors.

"Since the Secretary of the Treasury holds office by virtue of Senate approval, does the Senate not have a continuing moral obligation to take corrective action when the Secretary constantly uses his official public position to further his private business fortunes?"

Mr. KEFAUVER. Mr. President, it occurs to me that the business activities of a man of the undisputed influence on Government policy, both domestic and international, of Secretary Humphrey should be under the continuing scrutiny of the appropriate Senate committee.

A different standard was applied to Mr. Humphrey from that applied to other Cabinet members at the time of his confirmation. He, unlike Charles Wilson, who was then president of General Motors, was allowed to keep his stock. Perhaps that was not considered important at the time, but Mr. Humphrey is a strong-minded man and the imprint of the Secretary of the Treasury for better or worse, is indelible in all Government policy today. And furthermore it appears that the activities of the companies in which the Secretary is interested have expanded during the years since he was confirmed originally. The desirablity for reconsideration is indicated. Such vast power requires continuing surveillance.

I hope the appropriate committee will look into the matters discussed by Mr. Eaton.

Mr. Eaton is a man who is worthy of consideration; a man who has many business interests himself. He is a man of good repute. I hope the appropriate committee will look into the statement set forth in Mr. Pearson's article, which refers to certain letters Mr. Eaton has written to Members of the United States Senate, and that there will be some scrutiny of this matter, and an investigation of it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have permission to supplement what the Senator has said.

Mr. KEFAUVER. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I am very glad that my very good friend, the Senator from Tennessee, has brought up the matter concerning the Secretary of the Treasury and his obvious conflict of interests.

A column in today's Washington Post and Times Herald, written by Drew Pearson, offers another good reason why the Senate should investigate the conflict of interests of the Secretary of the Treasury.

Some days ago the Senator from West Virginia [Mr. NEELY] did the Senate a service by bringing to the attention of the Senate the fact that among Secretary Humphrey's holdings were investments in the Standard Oil Company of New Jersey, a co-owner and operator of Middle Eastern oil properties.

Now we learn that the Secretary's business associates have taken over control of the Federal Reserve Bank of Cleveland.

I again request, Mr. President, that an appropriate committee of the Senate investigate the obvious conflict of interests between George M. Humphrey, Secretary of the Treasury, and George M.

Humphrey, the power behind the scenes of the giant M. A. Hanna empire, in which he and his family are major investors. I am inclined to believe that an impartial and thorough investigation of Mr. Humphrey's activities will show he is so involved in a conflict of interests that he is disqualified to serve further as Secretary of the Treasury of the United States.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KEFAUVER. Has it not been pointed out that the Secretary of the Treasury is a member, ex officio, of the Export-Import Bank, and has very great influence sitting on the board of that bank; and that the M. A. Hanna Co. and other companies in which Mr. Humphrey has investments have considerable business in Brazil and other nations, which business undoubtedly has some connection with the Export-Import Bank?

Mr. MORSE. Yes. It illustrates the point the Senator from Tennessee and I have made; namely, we had better find out where this man's financial holdings will lead us, so far as the determination of the foreign policy of this Government is concerned, because it is generally taken for granted that he exercises terrific influence on both the President of the United States and the Secretary of State in the field of foreign policy.

I think when there is a thorough investigation of the foreign policy of this country in the Middle East we will find such policy is determined more by oil than by any other factor.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. MORSE. I yield with the understanding I shall not lose my right to the floor.

Mr. HENNINGS. Is not the problem of oil in the Middle East a very complex and difficult one?

Mr. MORSE. It is a very complex problem.

Mr. HENNINGS. I speak not for any one individual. Is it not a matter to be determined by the State Department of the United States, in conjunction with other agencies of the United States?

Mr. MORSE. There is no question as to that.

Mr. HENNINGS. It requires considerable elucidation.

Mr. MORSE. It requires not only considerable elucidation, but in my opinion it requires considerable investigation at the present time on the part of the Congress of the United States.

I wish to pay a deserved tribute to a great fighting liberal here in the Senate, a man by the name of JOE O'MAHONEY, of Wyoming, and to his associates on his committee, who have been conducting an investigation in recent weeks which, in my opinion, is of tremendous importance to the welfare of the country. What the O'Mahoney committee has already brought out with regard to Aramco, in my judgment, tells us more about American foreign policy in the Middle East than any other one thing.

When we take note, as the O'Mahoney committee brought out, of the manipulations of Aramco, and the steps they have taken even to effect changes in the tax laws in Saudi Arabia, so that they can get by with a kind of juggling of losses, permitting them to pay very little into the Treasury of the United States, but still collect the 27½-percent depletion allowance, we gain some insight into the influence oil has on American foreign policy.

My judgment is that if we really should conduct a thorough investigation of the oil policies of Aramco, it would make Teapot Dome look like petty larceny.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Missouri.

Mr. HENNINGS. Mr. President, again I should like to make a comment, at the risk of oversimplification. At one time, some 5 years ago, I believe, I made quite a study and submitted a little report, in my own way——

Mr. MORSE. It is too bad the Senate did not support the Senator from Missouri in his earlier investigation of this matter, because the Senator paved the way.

Mr. HENNINGS. I thank the Senator for his generous comment.

Mr. MORSE. Few Senators supported the Senator from Missouri then, as he will recall.

Mr. HENNINGS. Nobody supported me, because it was a matter of little or no interest.

Mr. MORSE. There was considerable support for the position the Senator took, particularly with respect to the depletion allowance.

Mr. HENNINGS. I may say to my distinguished friend from Oregon that I suspected a great deal then, but since then even more has been developed.

Over and beyond that, is it not true that when we go into the economics of this situation and of the matters about which the Senator from Tennessee and the Senator from Oregon are now inquiring—as have other Senators who serve upon the committee, who are unfortunately engaged sometimes on other matters—we find there is some of what might be called, in general parlance, "hocus-pocus" going on, and good fellowship where good fellowship obtains. If one is not a good fellow and does not get along, he just does not go along. I do not know the right and the wrong of it at the present, but I certainly think it should be looked into and examined into most thoroughly and meticulously. I commend my two friends, the Senator from Tennessee and the Senator from Oregon, for having investigated as far as they have gone. I hope they will not be deterred in their efforts.

Mr. MORSE. I wish to say to my friend from Missouri I always enjoy the delicacy and judiciousness of his language when he is dealing with a problem which he and I know is one that smells to high heaven. The linguistic restraint of the Senator from Missouri is something about which I marvel.

Mr. HENNINGS. "Hocus-pocus" is not very restrained

Mr. MORSE. I wish to say I think the Senator from Missouri was exceedingly kind when he used the words "hocus-pocus." There are other descriptive terms he could have used which I think would have been more appropriate.

I am glad to see the Senator from Wyoming [Mr. O'MAHONEY] entering the Chamber, since we were just discussing the great job the Senator and his committee colleagues have been doing with respect to investigating the policies of Aramco. I had a few things to say on this subject.

Mr. HENNINGS. I might have said "prestidigitation," which is a more polite word than "hocus-pocus."

Mr. MORSE. I am glad the Senator from Missouri is on that committee, because I know that his penetrating analytical power will bring to light, before the O'Mahoney committee is through, what I implied when I said that when we really get all the facts about what oil is doing with regard to foreign policy, it will make Teapot Dome look like petty larceny, although all the stealing will be done by way of legerdemain.

Mr. HENNINGS. "Sleight-of-hand" is another synonym for legerdemain. We could find a number of synonyms. I pretend to no expertness, except that I know there is a cabal, and we all know that there exists an agreement. There exists what we might even call——

Mr. MORSE. A cartel.

Mr. HENNINGS. "Cartel" is a very ugly word. It would be called a trust in this country, but it is an international cartel.

Mr. MORSE. It is an active one.

Mr. HENNINGS. The American people pay for it, and they do not know that they are paying for it; do they?

Mr. MORSE. We have only to look at the taxes paid by Aramco, or the taxes Aramco did not pay last year, to know how much the American people pay. They pay through the nose.

Mr. HENNINGS. Certainly, the Senator's statement appears to be correct.

EXPLANATION OF ABSENCES OF SENATOR MORSE FROM YEA-AND-NAY VOTES

Mr. MORSE. Mr. President, I move to another subject. Some 2 or 3 weeks ago I announced that whenever I was absent from the Senate and missed a yea-and-nay vote I intended to make a statement for the RECORD as to the reason for my absence.

In the last campaign I had a very delightful time setting my opposition straight as to my absences from the Senate after they had made gross misrepresentations about them.

I had already pointed out that on February 18 I was not present for a yea-and-nay vote on the deficiency appropriation bill, because while that vote was being taken—and I had been led to believe that in all probability a vote would not be taken—I was downtown at a conference in behalf of the port commission of Coos Bay, Oreg., in regard to the Port Chicago project. We were seeking favorable consideration for the heart of the Port Chicago project if it is transferred from its present location to Coos Bay, Oreg.

On February 28 the O'Mahoney amendment to the Middle East resolution was adopted by a vote of 82 to 0, with 14 Senators not voting. The Senator from Oregon was one of the absentees. I was recorded in favor of the resolution. The only reason I was not present in the Senate was that I was up in the air—and when I say I was up in the air, I mean I was literally up in the air. I was circling the skies above Washington, D. C., unable to get down because of weather conditions. I succeeded some time later in landing, but not in time for the yea-and-nay vote. Let the RECORD show.

On March 28 there was a yea-and-nay vote on the motion to recommit Senate bill 497, the omnibus public works bill. The motion was defeated by a vote of 55 to 27, with 14 Senators not voting.

On the same day there was a yea-and-nay vote on Senate bill 497, which passed by a vote of 42 to 22, with 32 Senators not voting. I was not present for either of those yea-and-nay votes. As the CONGRESSIONAL RECORD will show, I spoke on the floor of the Senate late the night before in regard to my position on the bill. I was, of course, opposed to the motion to recommit, and I was in favor of the bill, as the RECORD shows.

The reason for my absence on this particular occasion was that many weeks before I had accepted an invitation to return to my alma mater, the University of Wisconsin, and deliver a speech at a testimonial luncheon in behalf of one of the great educators of America, the incomparable Dr. Edwin Whitty, of the University of Wisconsin, who is retiring from the University of Wisconsin at the end of this academic year, at the age of 70.

In order to be of assistance to any political opponent who wishes to make anything of that absence, let me say that it was a mission of life and affection. No fee was involved in connection with this speech. I considered it a great honor to be invited to deliver an address, as scholars, public officials, and leaders throughout the country gathered at Madison, Wis., on that day to pay homage and tribute to this great economist. That was the reason for my absence from that vote.

The other vote I have mentioned was one which was held earlier this afternoon, in connection with the Zwicker nomination. Had I been present, of course, I would have voted to confirm the Zwicker nomination; and the CONGRESSIONAL RECORD will show that that position was taken on that issue.

The reason for missing that vote was that as recently at 12:30 p. m. today I spoke at Raleigh, N. C., where I went on another mission of public service. I spoke before the Southern Municipal and Industrial Waste Conference of the Southern States, sponsored by Duke University, the University of North Carolina, and North Carolina State College.

I believe, on the basis of the public service involved, that not only was it an invitation which I should have accepted, but I am highly honored that it was extended to me. I now ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the address which I delivered at that conference this noon—the keynote speech of the conference.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS OF SENATOR WAYNE L. MORSE TO SOUTHERN MUNICIPAL AND INDUSTRIAL WASTE CONFERENCE, RALEIGH, N. C., APRIL 1, 1957

Ladies and gentlemen, when I accepted the invitation from your chairman, Mr. Nemerow, to keynote this conference, I was impressed by the fact that this is your sixth annual conference on Southern Municipal and Industrial Waste. From the programs of the previous meetings Mr. Nemerow sent to me, I find that you have been meeting for some time in an effort to make some progress toward cleaning up river pollution in the South. The titles of your sessions are indicative of the study already given to the South's pollution problem; I commend you for showing the way. I particularly commend the leaders of industry for the active role they are playing in the region's pollution abatement, because without the cooperation and in fact, without the action of industry, we can expect little progress to be made.

It is important to point out first, I think, in a discussion of water pollution, that the interest in the great natural resource of water on the part of the Federal Government is wide and comprehensive. It begins with navigation, with the use of water in commerce as a carrier, as the cheapest form of transportation we have yet found despite all technological progress. It extends to the use of water for irrigation, and for cheap power, the control of water as a means of flood control, and the control of water for human and industrial uses. Certainly all of these are important. The first law passed by the first Congress was a bill relating to canal transportation. Since then, the Federal interest in water for navigation has expanded to include power, irrigation, and flood control. The Tennessee Valley development is still the world's prime example of what can be accomplished by a national community in a multipurpose program for water.

But the importance of water for these uses must be reevaluated to include water supply. The vast expansion in our need for water as a result of America's population growth and industrial development has occurred without much attention having been given to the problem it has posed for every section of the country.

Although this conference and its participants are familiar with the full extent of the increased need for water, I want to review a few of the figures. In 1956, when the House Committee on Public Works was holding hearings on the proposed bill which became the Water Pollution Control Act, the testimony showed that from 1900 to 1955, our water needs for domestic use only rose from 5 billion gallons a day to 22 billion gallons a day. The use of water by industry from its own sources of supply exclusive of what it took from the public supply increased from 15 billion gallons a day to 120 billion. The use of water for irrigation has risen in that time from 20 billion gallons a day to 120 billion. This means we are using over six times as much water now as we did in 1900, although our population has only doubled, rising from 76 million to 165 million. Per capita, we use about three times as much water. Part of the answer lies in increased personal use, but undoubtedly the real answer lies in the growth of our industrial production, which is over 700 percent of what it was in 1900.

Clearly, industry has played a major role in the increased use of water, and has a major interest in working out the problems that increased use has brought us.

But in addition to the demand for water that comes through pipes, every section of the country is finding that water for recreation is an industry in itself. More leisure time and more travel by auto has acquainted more Americans than ever before with the pleasures of fishing, boating, swimming and other uses of water in its natural surroundings as a major form of recreation. I need not point further for an example than to the Tennessee Valley, where a new industry has sprung up out of the storage lakes created by the TVA dams. In fact, States are competing for the tourist dollar by advertising and promoting what lakes and rivers are still suitable for recreation, or the new ones created for storage purposes. The importance of aquatic sports for recreation has become one of the prime considerations in storage plans. In some States, it is the largest source of income, or at least a principal one, as in my own State of Oregon.

Another important use we have for water is for waste disposal. As the population shifts to urban areas, streams, lakes, and coastal waters become the ultimate sewers of cities and suburban areas. There is no better example of that than in my wintertime residence of Washington, D. C. One of the Nation's most beautiful rivers is the Potomac. Its scenic route through from the Appalachians, down the foothills past the indescribably beautiful old town of Harpers Ferry, and the weathered hills of Maryland and Virginia is deservedly recognized as one of the loveliest of the eastern seaboard.

But by the time it reaches the District of Columbia, it is little more than a flowing sewer, too contaminated to permit bathing and threatening even the health of boaters and fishermen who breathe its spray or just wet their hands in it.

I am a member of the District of Columbia Committee of the Senate. Pollution control in the Potomac is one of the worst problems we have. Control of pollution must involve Maryland, Virginia, West Virginia, and Pennsylvania in addition to South Carolina; yet its greatest degree of pollution is in the District of Columbia area.

The estimates provided to our committee show that on the average throughout the year, 1 gallon of water out of 30 flowing through the District area of the Potomac is sewage. In the last summer, when rainfall is less, the proportion has frequently been as high as 1 gallon of sewage out of 6 gallons of river. As a result of the extreme degree of pollution, the Potomac is unfit for most recreational uses, excepting at risk of health. We have been told that every contributing factor to an epidemic of major proportions is present right now in the Potomac, threatening a population of 1½ million.

The Nation has now reached such a critical point in water supply that attention is turning to it as a matter of necessity. The prospect for the future is that consumption will increase at an even greater rate—that is, it will if we keep pace with the demand for it. The population outlook for 1975 is 210 million, or 45 million more than in 1955. The projected figures of water use by 1975 must include the large arid regions which must be irrigated if that many more Americans are to be fed. Irrigation alone will require 170 billion gallons, while industrial use is expected to take 246 billion gallons, exclusive of what it gets from public supplies. In total, the House Public Works Committee was advised that by 1975 we will consume water at the rate of 453 billion gallons a day. That is 1.7 times what we currently use.

The other side of this coin of increasing water use is supply, and on the supply side we have a constant, not a variable, figure. Excluding the future use of sea water made usable for domestic and industrial purposes—a development that is closer to realization than was thought possible a few years ago—we must draw upon a static supply of water. Rainfall—or precipitation in one form or

another—is our sole source of water, as it always has been. Precipitation varies from year to year in each region around the country, but our national average rainfall stays at about 30 inches a year. All this added demand for an expanding industrial, urban society must be met from the same given supply.

Up to now, we have barely begun to face the situation, and to take the steps that must be taken to cope with it. But they must be taken, for history teaches the sad and ugly lesson that as the water table of a nation goes down, its civilization withers and dies. Where does pollution abatement, for example, stand on the list of local and State outlays, relative to outlays for other State and local functions? The answer is just about at the bottom. Pollution control is a relatively recent addition to the more historic State and municipal functions like schools, hospitals, fire, police, and health protection, with all their accompanying expenses. Municipal water treatment facilities are notably lacking in glamor and in ability to attract civic interest and support when competing with a new school, a new hospital, or firehouse. The latter financial needs are also growing, and they have a traditional prior claim by virtue of having been there first. Pollution abatement is a johnny-come-lately to most local governments and is treated accordingly when budget time comes along.

We cannot overlook, either, the vulnerability of local governments to pressure against effective antipollution measures. Industry has poured waste into the Nation's water at an alarming rate, and it has been slow to clean up after itself. Although this is not universally true, it is true that objections on the ground of expense or inconvenience have been a prime obstacle to abatement in many cities and States. The awakening on the part of industry—and I hope it is a true awakening—has come as the industrial users of water have begun to appreciate that water is not an inexhaustible resource.

Society's lag in dealing with water waste and pollution has brought us to a point where many areas of the country are suffering from water shortages. In 1955, there were some 66 water shortage areas, affecting about 18 million people. Commercial and industrial activities are correspondingly curtailed. Power "brown-outs" in the Pacific Northwest are one of the examples of economic loss through an inadequate supply of water, or at least a supply of water inadequately managed for human use.

Industry, irrigation, and increased domestic consumption, together with drought conditions in several States produced the shortage. But pollution of even an ample supply can cause a shortage, too, and it is pollution that is responsible for many of our current water use restrictions in the populous, industrial East. Around Washington, D. C., as many of you know, home use of water is curtailed on certain days of the week in the summer, while the filthy Potomac and its filthy tributaries flow nearby.

Water can be conserved and pollution abated in a number of ways. Land management, transpiration and evaporation control measures, stream regulation, storage reservoirs, diversion from surplus to shortage areas, reuse and conservation practices, and pollution control are the primary ones.

Near the head of the list is multipurpose development of our river basins, embracing as it does flood control, irrigation, power, and water use, all through the mechanism of stream regulation.

If I were to select one single water conservation measure I regard as the most significant of all, it would be the full, comprehensive development of our river basins. This is conservation of a great natural resource in its essential meaning—the prevention of unnecessary and wasteful use, and the controlled use of water so that its greatest utility to man may be realized.

I frankly feel that this is one of the most important domestic issues before the country. I would have you think of our natural resources not in terms of the imagery of streams and dams and forests and irrigation, which are the materials of natural resource conservation, but look at the problem through the imagery of millions of faces of American boys and girls 25, 50, or 100 years in the future. The Federal Government in the middle of the 20th century can do no greater disservice to those future generations of Americans than to underdevelop our river basins. A sellout of the people's heritage now will result in the cheating of future Americans out of full enjoyment of the maximum potential of our river basins, and by "enjoyment" I do not mean recreational use only, but the enjoyment of the economic and social blessings of an ample water supply.

And I think the figures I have already cited prove the urgency of full, multipurpose river basin development if we are to have a normal population growth and its accompanying industrial expansion. We will find, I predict, that the adequacy bf our water systems will be the ultimate limitation upon our capacity to grow.

There is no greater abuse of the water conservation principle than floods. Flood control is the foundation of water management for irrigation, power, and industrial and domestic use. And flood control cannot be and is not a function that can be undertaken by a private utility or by private enterprise. On our great river basins it must be a Federal undertaking. And a great basin undertaking on a scale that will embrace all these uses of water is not economically possible without electric power revenues. The electric power generated at multipurpose dams is vitally needed itself for farm, factory, and home. Unless its development is integrated with water storage for multiple use, all elements of development are retarded.

As we progress with pollution control, it will probably be found to have a major part to play in achieving that purpose as well.

Recognizing the central role of river basin development on a comprehensive basis—for power, flood control, irrigation, navigation, recreation, and pollution abatement for reuse of water, we must decide our future course. On great interstate streams like the Columbia and the Missouri, it is clear that the Federal Government has a responsibility and alone can provide the unifying factor, as it has for the Tennessee Valley. This doesn't mean doing the whole job, but it does mean the main job of coordination and of executing adequate plans. This means, as in TVA and the Columbia River systems, the operating control of the key multipurpose dams in the systems. Such a plan is quite compatible with small private or local projects which do not affect the basic system.

Where a State cannot undertake a comprehensive plan for full development of a navigable stream or system within its borders, the Federal Government has a major role, as well.

But it is not fair or right to expect that the Federal Government should bear the burden of nonreimbursable costs for flood control, for irrigation, for navigation, and for water reuse measures—and I emphasize the latter to this conference because that is what you are specifically concerned with—and surrender, give away, the power facilities which provide the revenue for the entire project. This is just what the so-called partnership policy is all about, and it is why I have fought so vigorously in every corner of my State and in most sections of the country against it. It means simply that the Federal Government—the taxpayer—makes the investment in the dams, and a private utility is allowed to reap the dividend by constructing and operating the power facilities. Even the label "partnership" is a phony one because partnership in its plain meaning implies sharing of sacrifice and reward. The partnership policy should more aptly be called a "heads I win, tails you lose" policy, because that is what it means to the American people and their water resource heritage.

I ask you to consider for a moment whether the water conservation enjoyed in the Tennessee Valley could have been accomplished even to its present degree without the power revenues from the TVA dams. Of course, the answer is that it could not. Give up the power revenues from these projects and you have given up the possibility of flood control, irrigation, and the future development of water pollution control as a part of multipurpose development. Power pays the bill for the other aspects of multipurpose basin development which are just as important—or you would not be meeting here—but which are nonreimbursable.

The project that best dramatizes the water-resource issue that I am discussing is the great Hells Canyon Dam issue. I am sure that no one came to this meeting expecting to go home without hearing me mention this issue. The Hells Canyon Dam issue symbolizes the great difference between a private-utility controlled river for private profit and a river controlled for all the purposes of water conservation. The Nation's farmers need the new low-cost phosphate fertilizer which low-cost Hells Canyon power alone can make possible to the fullest extent. The power to be generated at site and which Hells Canyon would make possible downstream will make possible new private enterprise with new plants and the businesses which spring up to serve new industrial communities. Water for irrigation and reclamation will be stored by a high Hells Canyon Dam. These water uses in addition to power would not be possible with private-utility development.

True conservation of water, in my judgment, therefore, begins with multipurpose river-basin development. Watershed improvement through soil conservation and reforestation is a concomitant of full river basin development which is not present once the decision is made to permit the cream of power revenues to be skimmed by private utilities. The addition of pollution abatement to multipurpose river development is still in its early stages, but I have little doubt that it will progress much faster where the public has already determined that a watershed is to be harnessed for all its uses.

I have been talking about conservation of water in terms of its utilization for many purposes and in terms of prevention of waste. In the future, we will have to give more attention to pollution abatement as an important form of water reuse. Conservation of water in its broad sense must therefore include pollution abatement. It does not require a comprehensive, multipurpose river-basin program to institute pollution control, and of course, if it did, many communities would never get started with it at all. Pollution control alone will not make up for the lack of comprehensive water conservation measures in our river basins; but it can be undertaken wherever the problem exists if there is sufficient interest in doing something about it.

The initial impetus for pollution abatement undoubtedly came more from the American sportsman than from any other single party interested in clean streams and lakes. I expect that the founding of the Izaak Walton League in 1922 for the purpose of defending the purity of public waters was the start of the antipollution movement. Other national conservation organizations came on the scene later and lent their support to the movement. As domestic and industrial demands for water skyrocketed,

public health agencies and industrial users have joined in the movement for control of pollution.

The Federal Water Pollution Control Act, Public Law 660 of the 84th Congress, marks the greatest forward step yet taken, in my judgment, in a concerted attack on pollution of public waters. It goes hand in hand with the responsibility of the Federal Government for unified river-basin development. But in this case, Congress has recognized—rightly so, I think—that its role must be to undertake the activities needed to complement the programs of State and interstate agencies, municipalities, and industries so that a cooperative, well-balanced, national pollution control program can be carried out.

The earlier Water Pollution Control Act of 1948, the first comprehensive Federal legislation in this field, declared it to be the policy of the Congress to recognize, preserve, and protect the primary responsibilities and rights of the States in controlling water pollution. That policy was not only repeated in Public Law 660 last year but it was stated further that "Nothing in this act shall be construed as impairing or in any manner affecting any right or jurisdiction of the States with respect to the waters (including boundary waters) of such States." In brief, the law is designed to encourage and aid the States in cleaning up river and lake pollution, not to put the Federal Government in that business itself. The States and local subdivisions have the basic responsibility to act under this new law, but they can now obtain technical and financial aid from the Public Health Service, the lack of which has retarded abatement measures so frequently. The act declares it to be the policy "to support and aid technical research relating to the prevention and control of water pollution, and to provide Federal technical services and financial aid to State and interstate agencies and to municipalities in connection with the prevention and control of water pollution."

Its main provisions are worth outlining here, I think. They authorize a broadened research program by both the Public Health Service itself and through grants to the States for research; authorize increased technical assistance to the States and financial grants to the States and to interstate agencies to extend and improve all aspects of their water-pollution-control programs; provide modified and simplified procedures governing Federal abatement actions to control interstate pollution; and authorize Federal grants of $50 million a year up to an aggregate of $500 million for the construction of municipal sewage-treatment works.

I think that the work of Congressman JOHN BLATNIK, of Minnesota, in formulating the bill that became Public Law 660, and guiding it through the Congress of the United States, deserves the highest praise and gratitude, because through this legislation, pollution abatement has been added to the governmental practices involved in comprehensive water conservation and utilization. I followed closely the progress of his bill through the Congress. The key provision of it, which aroused considerable dispute, was section 6, authorizing direct financial grants to municipalities for construction of waste-treatment works. Of this provision, Congressman BLATNIK has said that without direct grants to municipalities for construction purposes, the entire act would be like an automobile without a motor, because the crux of the national water-pollution problem has been the lag in construction of waste-treatment works.

The response to the proposal was initially hostile on the part of many who believed this was Federal interference in a State and local matter. Yet Congressman BLATNIK stuck to his guns and insisted that the provision be retained in the final version of his bill.

In discussing the early stages of the operation of the new law, the chief of the water-supply and water-pollution control program in the Public Health Service, Gordon McCallum, had this to say last month about section 6: "Within 4 months from the time appropriations were made available, forms were developed and printed, regulations and manuals of procedure were prepared and issued, conferences held with all State agencies, and the first projects approved for Higginsville, Miss., and Meridian, Miss. To our knowledge, no other program of this nature has gotten under way so quickly."

The interest to the South of Public Law 660 is apparent from the speedy action these communities took in securing help—financial help—under it. It demonstrates that Federal participation is needed and wanted to complete the industry-local-State-and-interstate teamwork. The adequacy of the amount of Federal aid made available under Public Law 660 and of the Federal activity authorized by the act itself will be known only through experience. After 2 or 3 years of operation it will be possible to assess more completely the extent of the grant program that is needed and other possible changes in the law.

But the basic decision to include pollution control among the activities of the Federal Government in its role as ultimate protector of America's water resource has been made. It is an important addition to the flood control, irrigation, navigation, and power activities already undertaken in many areas.

All are aimed at getting as much use out of a drop of water as possible. It is appropriate for us to bear in mind that since the creation, nature has been reusing the same water through the simple process of evaporation and condensation. It's about time that man learned the reuse of water. To the extent that we fail to learn it, and fail to apply what we learn, we will stunt the growth of our people and our Nation.

DENIAL OF CERTIORARI BY UNITED STATES SUPREME COURT IN THE HELLS CANYON CASE

Mr. MORSE. Mr. President, the last thing I wish to say this afternoon is by way of a comment upon the denial of certiorari by the United States Supreme Court in the Hells Canyon case.

The denial of certiorari by the United States Supreme Court in the Hells Canyon case has no bearing whatsoever on the public policy question involved. The petition for certiorari involves a very limited grounds for appeal and did not and could not raise the public policy issue as to whether or not it was in the best public interest to build a high dam at Hells Canyon. The Circuit Court of Appeals had ruled that the Federal Power Commission acted within its jurisdictional power to grant a license to the Idaho Power Co. to build three low head dams which, when built, will wash out for all time the high Hells Canyon Dam site.

The only basis for attacking the decision of the Circuit Court of Appeals was to try to get the Supreme Court to consider a legal question as to whether or not the Federal Power Commission had abused its discretion. All the denial of certiorari by the Supreme Court means in this case is that the Circuit Court of Appeals' decision concerning the exercise of discretion by the Federal Power Commission should stand.

It had been my hope that we could obtain a review of the Federal Power Commission's action, because I have been a consistent critic of the policy President Eisenhower followed in regard to his new appointments to the Federal Power Commission. As the present presiding officer of the Senate well knows, the President selected as chairman of the Committee Mr. Jerome K. Kuykendall, who has been one of the most outstanding public foes of Hells Canyon Dam. He was taken from Governor Langlie's entourage in the State of Washington and made Chairman of the Federal Power Commission. The President then had the audacity to take the position that the Hells Canyon Dam issue should be considered by the quasi-judicial Federal Power Commission after he, as President of the United States, had rigged the Commission.

That is exactly what he did. He put on the Commission men who had prejudged the issue, and who were not in a position to give judicial consideration to the matter. We were not in the position of a lawyer who, when he takes his client before a court knowing that the judge has prejudged the case, has the privilege of filing an affidavit of prejudice. There is no procedure for filing an affidavit of prejudice before the Federal Power Commission.

Of course if this situation had occurred in any of the courts of the country, those of us representing the Hells Canyon Dam Association would have automatically filed an affidavit of prejudice. However, we were in the position where we had to try the case before the Federal Trade Commission, which had been rigged by the President of the United States when he stacked it with men who had already prejudged the Hells Canyon issue.

It is on that point that I believe a question of abuse of discretion might possibly be considered if we could get it before a court. Of course, it is impossible to bring that out in a petition for certiorari. Therefore, the decision of the Court in denying the petition for certiorari was necessarily limited to the very limited legal question whether the Circuit Court of Appeals' findings should stand in regard to the discretionary power of the Federal Power Commission.

It has always been my position that the Congress of the United States should protect the American people against the shocking giveaway of the Hells Canyon Dam site by the Eisenhower administration. The record of the Eisenhower administration on the Hells Canyon issue is an unconscionable political steal which cheats future generations of American boys and girls out of their priceless heritage in a full development of the Columbia and Snake River Basins. The Supreme Court's denial of certiorari now puts the issue squarely up to the Congress in what will be a last-ditch fight in this Congress to save Hells Canyon.

Americans who believe in conserving and protecting the water resources of America and in keeping faith with our obligations of trusteeship over the natural resources of our country should make clear to their representatives in Congress that the sellout by the Eisenhower administration to exploiting big-business private-utility interests must be stopped by the passage of the Hells Canyon bill now before Congress.

PROGRAM FOR WEEK—ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that, pursuant to the order previously entered, the Senate will adjourn from today until Thursday. We expect to have a session on Thursday, and then go over until Monday. There is an Army demonstration to be held on Friday and Saturday which a number of Senators desire to attend.

I hope that during the week we may be able to make some progress with the Senate's committee work. The calendar is in reasonably good shape, but there are a number of bills being considered in committee. It would be well to afford the committees ample time to pass upon them.

I am hopeful that inasmuch as we will not have a session on Tuesday and Wednesday and Friday of this week, we will be able to make some real progress in committee work.

Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Thursday, April 4, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1, 1957:

NATIONAL SCIENCE FOUNDATION

Alan T. Waterman, of Connecticut, to be Director of the National Science Foundation for a term of 6 years (reappointment).

UNITED STATES ATTORNEYS

Clifford M. Raemer, of Illinois, to be United States attorney for the eastern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

George E. MacKinnon, of Minnesota, to be United States attorney for the district of Minnesota for a term of 4 years. He is now serving in this office under an appointment which expires March 24, 1957.

UNITED STATES MARSHAL

William J. Littell, of Illinois, to be United States marshal for the southern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1, 1957:

IN THE ARMY

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3284, 3306, and 3307:

To be brigadier general

Brig. Gen. Ralph Wise Zwicker, O16878.

The following-named officer for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, U. S. C., secs. 3442 and 3447:

To be major general

Brig. Gen. Ralph Wise Zwicker, O16878.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 1, 1957

The House met at 12 o'clock noon.

Rev. Richard M. Thompson, pastor, Indian Creek Baptist Church, Stone Mountain, Ga., offered the following prayer:

Our eternal God and loving Father, we thank Thee that Thou hast challenged Thy people to offer prayer and make intercession for all men, "for kings, and for all that are in authority; that we may lead a quiet and peaceable life in all godliness and honesty."

We thank Thee for these ordained ministers of righteousness "for rulers who are not a terror to good works but to the evil." Lead the people of our land to obediently pay tribute to them also; "for they are God's ministers, attending continually upon this very thing." Thou art mindful that every decision made here today will have historical and eternal significance, so, fulfill Thy promise and grant Thy wisdom to all men liberally.

We thank Thee for the exalted position Thou hast given our Nation among the nations of the world. Daily remind us that, "righteousness exalteth a nation: but sin is a reproach to any people." Cause us to walk in paths of righteousness so that our place of leadership might be maintained until Thy kingdom is established in the world. We pray in the name of Thy Son who laid down His life for the cause of righteousness and peace. Amen.

The Journal of the proceedings of Friday, March 29, 1957, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 28, 1957:

H. R. 4039. An act to authorize and direct the Secretary of the Interior to convey certain property of the United States located in Juneau, Alaska, known as the Juneau Subport of Embarkation, to the Territory of Alaska.

On March 29, 1957:

H. R. 4090. An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, without amendment, a bill of the House of the following title:

H. R. 5366. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4813. An act to extend the life of the District of Columbia Auditorium Commission, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 42. An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes;

S. 44. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico;

S. 78. An act to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland;

S. 812. An act to amend the Agricultural Act of 1949 with respect to price support for extra-long-staple cotton;

S. 1442. An act to facilitate the regulation, control, and eradication of plant pests;

S. 1679. An act to increase the special-assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; and

S. J. Res. 39. Joint resolution to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex., and Tex.

H. R. 6127

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file majority and minority reports on H. R. 6127 as of March 19, 1957.

The SPEAKER. Is there objection?

There was no objection.

SEVENTY-FIFTH ANNIVERSARY OF KNIGHTS OF COLUMBUS

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, yesterday, Sunday, March 31, more than 1 million members of the Knights of Columbus celebrated their diamond jubilee.

This outstanding fraternity of which I am proud to be a member was chartered back in 1882 by the Connecticut General Assembly, and comprises a large segment of our Catholic population who in act and deed serve God and their country in lending a helping hand to others.

Since its inception 75 years ago the Knights of Columbus have kept alive the sense of responsibility that animates everyone dedicated to the duties of good citizenship.

In the cause of religion it fights atheism and the godless philosophies prevalent in the world today. It renders also constructive services in the field of education and social welfare in support of those freedoms upon which our Nation was established.

The people of Connecticut yesterday paid special honor to Father Michael J. McGivney, the founder of this organization. Memorial ceremonies were held in Waterbury—the place of his birth—where thousands of friends and followers came to witness the unveiling of a bronze statue to his memory—a fitting tribute to a great priest who nobly and devotedly inspired so many to participate in this worthy program of charitable and moral betterment.

The anniversary affords me this opportunity to pay tribute to all those valiant knights whose swords are drawn in defense of faith in God and country. The seed which Father McGivney planted has flowered and spread, but the fruits are still ripening. Better and greater accomplishments are yet to be realized as the organization projects its expanded programs into the future.

To the organization, and to its members, I want to extend my hearty congratulations.

RACKETEERING IN LABOR UNIONS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I hope a wave of emotional antiunionism will not result from the congressional investigation into labor by the other body. My fear is not that the investigation will become a "witch hunt." Rather it is that antiunion forces will exploit the popular wave of public sentiment against racketeering and try to use it to hurt the labor movement itself.

I opposed, for example, a right-to-work initiative in the State of Washington. It was beaten 3 to 1 in the election last November. My argument, as an ex-employer, was that this initiative would not protect members of the public from racketeering of unions—a proper law to accomplish that purpose I said I would fully support.

Now I am fearful the public will be misled and fail to understand that no right-to-work law in my or any other State would cure any alleged misconduct charged or implied to union officials in the current Senate investigation. Let us be vigilant to see that labor unions do not suffer because of a few leaders who are under a cloud.

REORGANIZATION PLAN PROCEDURE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 145)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Government Operations, and ordered to be printed:

To the Congress of the United States:

The Reorganization Act of 1949, as amended, under which the President is authorized to prepare and transmit to the Congress plans for the reorganization of executive agencies, states that no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1957.

I recommend that the Congress enact legislation to extend the period for transmitting reorganization plans for 4 years.

The reorganization plan procedure authorized by the Reorganization Act is an essential means by which the President and the Congress can cooperate to assure the timely promotion of better organization and sound management of the executive branch of the Government. Under the act, the President may transmit to the Congress reorganization plans which become effective after 60 days of congressional session unless disapproved by a majority of the membership of one of the Houses of the Congress. This method enables the President, who has direct responsibility for effective administration, to initiate improvements in organization, subject to review by the Congress.

Extensive accomplishments have been achieved under the Reorganization Acts of 1939 and 1945 and under the present statute, the Reorganization Act of 1949. The time for transmitting plans under the latter has been twice extended by the Congress: in 1953 and 1955.

The current act was adopted following the strong endorsement of the first Commission on Organization of the Executive Branch of the Government in 1949, which stated: "This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government." In December 1954, the second Commission on Organization of the Executive Branch of the Government unanimously recommended further extension of the act.

Accordingly, I urge the Congress to continue the practical arrangements contained in the Reorganization Act by which the Congress and the President can carry forward their cooperative endeavors to provide the best possible management of the public business.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1957.*

WITHDRAWAL OF CERTAIN PAPERS FROM THE FILES OF THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to withdraw from the files of the House papers accompanying the petition numbered 279 of the 84th Congress filed by Mr. George J. Koontz, no adverse report having been made thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is the day for the calling of the Consent Calendar. The Clerk will call the first bill on the calendar.

AMENDMENT OF SMALL RECLAMATION PROJECTS ACT OF 1956

The Clerk called the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I understand a rule has been reported on this bill. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SETTLEMENT FOR LOSSES IN PAY BY OFFICERS OF SERVICES

The Clerk called the bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

INVENTIVE CONTRIBUTIONS AWARDS

The Clerk called the bill (H. R. 103) to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCHENCK, Mr. CUNNINGHAM of Iowa, and Mr. WRIGHT objected.

Mr. SCHENCK. Mr. Speaker, on March 19, 1957, when H. R. 103 was included on the Consent Calendar, I objected in behalf of and at the request of the Dayton Patent Law Association and by unanimous consent included a letter dated March 12, 1957, signed by Herman O. Bauermeister, secretary, the Dayton Patent Law Association setting forth their views on H. R. 103. At that time I suggested that the Committee on the Judiciary seek a rule so that this proposed legislation could be debated and considered in the usual manner instead of under the Consent Calendar procedure.

It now appears that through an inadvertent error in Mr. Bauermeister's letter of March 12, 1957, he referred to the National Inventors Council. In response to a further request from Mr. Bauermeister, I ask consent that his letter to me dated March 27, 1957, in which he explains the error of transcription in his letter of March 12, 1957, be included at this point in the RECORD.

MARCH 27, 1957.

Mr. PAUL F. SCHENCK,
House of Representatives,
Washington, D. C.

DEAR MR. SCHENCK: The Dayton Patent Law Association appreciates the interest which you have taken in H. R. 103 and your prompt action in acting on this bill in the Consent Calendar.

If further action is taken on this matter, we should correct an error of transcription. The group which H. R. 103 refers to as being authorized to make awards is the National Inventors Council, and not the National Patent Council, which latter organization is a private group interested in the administration of the United States Patent System.

You have requested whether additional information can be provided for use in possible debate on H. R. 103. It is our belief that this bill authorizes the expenditure of large sums of money on a vague basis, and with no check on such expenditures. Furthermore, the National Inventors Council which is thus authorized to make the expenditures, is not even spending its own money but is actually authorized to spend the money of other Government agencies.

Section 8 (b) states:

"Awards so made shall be paid from funds appropriated to the defense agency principally interested in the contribution for which such award is made, as determined by the Council, and may be paid from any funds appropriated to such agency which are available for the procurement of equipment or supplies incorporating such contributions or resulting from the practice of such contributions. If such funds are not available to such agency for the payment of the award, the head of the agency shall so certify and shall include in his budget estimate for the next fiscal year an appropriate item for the payment of such award."

This preceding section is thought to be an utterly unwarranted grant of authority in giving one agency the power to spend the money of another agency.

We also maintain opposition to the bill on the grounds previously stated. The United States Patent System does give an inventor a basis for capitalizing for a limited time on his idea, and thereafter gives it free to all our citizens. In contrast H. R. 103 would draw in a vast stream of ideas of which only a few would be taken up, and the vast majority would be buried in the files thus being lost forever and never being taught to anyone.

Yours truly,

HERMAN O. BAUERMEISTER,
Secretary.

MONEYS RECEIVED FROM MINERAL LANDS IN ALASKA

The Clerk called the bill (H. R. 3477) relating to moneys received from mineral lands in Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 9 of the act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," approved October 20, 1914 (48 U. S. C. 439), is hereby amended to read as follows: "All net profits from operation of Government mines, and all bonuses, royalties, and rentals under leases as herein provided and all other payments received under this act shall be distributed as follows as soon as practicable after December 31 and June 30 of each year: (1) 90 percent thereof shall be paid by the Secretary of the Treasury to the Territory of Alaska for disposition by the legislature of the Territory of Alaska; and (2) 10 percent shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts."

SEC. 2. Section 35 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 26, 1920, as amended (30 U. S. C. 191), is hereby amended by inserting immediately before the colon preceding the first proviso thereof the following: ", and of those from Alaska 52½ percent thereof shall be paid to the Territory of Alaska for disposition by the Legislature of the Territory of Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

REPRESENTATION OF DISTRICT JUDGES ON THE JUDICIAL CONFERENCE

The Clerk called the bill (H. R. 3819) to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first two paragraphs of section 331 of title 28, United States Code, are amended so as to constitute three paragraphs reading as follows:

"§ 331. Judicial Conference of the United States

"The Chief Justice of the United States shall summon annually the chief judge of each judicial circuit, the chief judge of the Court of Claims, and a district judge from each judicial circuit to a conference at such time and place in the United States as he may designate. He shall preside at such conference which shall be known as the Judicial Conference of the United States. Special sessions of the conference may be called by the Chief Justice at such times and places as he may designate.

"The district judge to be summoned from each judicial circuit shall be chosen by the circuit and district judges of the circuit at the annual judicial conference of the circuit held pursuant to section 333 of this title and shall serve as a member of the conference for 3 successive years, except that in the year following the enactment of this amended section the judges in the 1st, 4th, 7th, and 10th circuit shall choose a district judge to serve for 1 year; the judges in the 2d, 5th, and 8th circuits shall choose a district judge to serve for 2 years; and the judges in the 3d, 6th, 9th, and District of Columbia circuits shall choose a district judge to serve for 3 years.

"If the chief judge of any circuit or the district judge chosen by the judges of the circuit is unable to attend, the Chief Justice may summon any other circuit or district judge from such circuit. If the chief judge of the Court of Claims is unable to attend, the Chief Justice may summon an associate judge of such court. Every judge summoned shall attend and, unless excused by the Chief Justice, shall remain throughout the sessions of the conference and advise as to the needs of his circuit or court and as to any matters in respect of which the administration of justice in the courts of the United States may be improved."

With the following committee amendment:

Page 1, line 3, strike out the word "two" and insert the word "three."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

INCREASING PRESCRIBED FEES OF UNITED STATES COMMISSIONERS

The Clerk called the bill (H. R. 4191) to amend section 633 of title 28, United States Code, prescribing fees of United States commissioners.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, on the last call of the calendar I asked that this bill be passed over until we could get a report from the Bureau of the Budget. It is my understanding that the report has been received, although I have not seen it. I ask the chairman to state the substance of the report from the Bureau of the Budget.

Mr. CELLER. The Bureau of the Budget said they had no objection to the passage of the bill, none whatsoever. I shall be very glad to supply the gentleman with a copy of the letter.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 633 of title 28 of the United States Code is amended to read as follows:

"United States commissioners in each judicial district, except national park commissioners, shall receive the following fees only for all services rendered, not to exceed $10,500 for any 1 calendar year:

"(1) For attending to any reference by order of court of a litigated matter in a civil case or in admiralty, $8 a day.

"(2) For taking and certifying depositions, 30 cents for each folio and for each copy thereof furnished on request, 20 cents per folio.

"(3) A fee graduated according to the aggregate number of cases in each quarterly accounting period, in the sum of $14 for each of the first 25 cases, $9 for each of the next 25 cases, $5 for each of the next 50 cases, and $2 for each additional case, of the following kinds:

"Issuance of an attachment and subsequent hearings in internal revenue matters pursuant to section 7604 (b) of title 26;

"Settling or certifying the nonpayment of a seaman's wage pursuant to sections 603 and 604 of title 46;

"Preliminary proceedings to hold an accused person to answer in district court, payable to the commissioner who disposes of the case by discharge or binding over, for all services rendered after presentation of the accused;

"Each accused person brought before the commissioner for holding to answer in district court shall be considered a case for the purpose of computation of fees.

"(4) For all services rendered for each accused person presented before him for purposes of bail only and not for holding to answer in district court, whether or not bail is taken or commitment ordered, $4.

"(5) Upon the filing of a sworn, written complaint, for all services rendered prior to presentation of the accused before the commissioner, $4 for each person accused.

"(6) For all services in connection with each formal, written application for a search warrant, whether granted or denied, $6.

"(7) For each proceeding for the discharge of an indigent prisoner, $6.

"(8) For each defendant tried or sentenced by him for a petty offense, in lieu of all other fees provided in this section, a fee graduated according to the aggregate number of cases in each quarterly accounting period, in the sum of $16 for each of the first 25 cases and $12 for each additional case."

SEC. 2. Subsection 633 (b) of title 28, United States Code, is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLINT INDEPENDENT SCHOOL DISTRICT AND THE FABENS INDEPENDENT SCHOOL DISTRICT (TEXAS)

The Clerk called the bill (H. R. 1983) to provide for the conveyance of the reversionary interest of the United States in certain lands to the Clint Independent School District and the Fabens Independent School District in the State of Texas, or to either of them, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I note there are no departmental reports on this bill. I wonder if some member of the committee or the chairman of the committee can advise us to why that is true, or anybody else who can advise what the departmental situation is?

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

BANKHEAD-JONES REFINANCING LOANS

The Clerk called the bill (H. R. 3988) to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e)), as amended by Public Law 878, 84th Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN PROPERTY UNDER JURISDICTION OF HOUSING AND HOME FINANCE ADMINISTRATOR TO THE STATE OF LOUISIANA

The Clerk called the bill (H. R. 5603) to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administration to the State of Louisiana.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I notice that here again there is no report on this legislation from the Bureau of the Budget. I wonder if the gentleman can advise us as to why no report was received from the Bureau?

Mr. LONG. Mr. Speaker, I desire to explain that this legislation is a bill to transfer to the State of Louisiana certain buildings that the United States Government built on leased land belonging to the State of Louisiana, for the consideration of $300,000 of which $100,000 has been paid and the other $200,000 to be paid within the next 3 years.

Mr. BYRNES of Wisconsin. I understand that aspect of it, but it does involve the disposition of Government property. I am wondering, therefore, why the views of the Bureau of the Budget, as far as the terms and conditions of the transfer are concerned, should not have been received and why the House should not have the advantage of any views they might have. Also, I might ask the gentlemen this: I understand that the enabling legislation which must be enacted by the State of Louisiana was vetoed for some reason last year? Can the gentleman advise the position of the governor in vetoing the enabling legislation?

Mr. LONG. If the gentleman will permit me, I will explain this. I introduced a bill for this purpose last year. The State of Louisiana at that particular time passed a bill to appropriate $100,000. The ex-governor, Honorable Robert Kennon and the State Legislature. That left $200,000 to be appropriated. The present legislature passed a bill to appropriate this $200,000 and the present governor, Honorable Earl K. Long vetoed it. Now, the present governor is desirous of purchasing this property for the State, is the reason for this bill. If the Government should wish to retain this property and sell it to someone else they would first have to condemn the land and pay the State for it, which in my humble opinion, would cost them in the neighborhood of $180,000. Then I doubt if they would be able to sell the property for more than the $300,000 now offered by the State.

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. LONG. I yield to the gentleman from New York.

Mr. KILBURN. Is it not true that the Banking and Currency Committee went into this very thoroughly and reported it unanimously?

Mr. LONG. Yes.

Mr. BYRNES of Wisconsin. It was a unanimous report?

Mr. KILBURN. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, the Housing and Home Finance Administrator shall convey to the State of Louisiana all right, title, and interest of the United States in and to the projects identified as LA 16011 and LA 16012, constructed under the provisions of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1521, and the following), on real property constituting a part of the grounds of the Central Louisiana Hospital for the Insane leased from the State of Louisiana. Such conveyance is to be made in consideration of the payment of $300,000 by the State of Louisiana in three equal annual installments.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, notwithstanding the provisions of sections 607 and 614 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1521, and the following), or any other law, the Housing and Home Finance Administrator shall convey to the State of Louisiana all right, title, and interest of the United States in and to the projects identified as LA-16011 and LA-16012, constructed under the provisions of said act on real property constituting a part of the grounds of the Central Louisiana Hospital for the Insane leased from the State of Louisiana. Such conveyance is to be made in consideration of the payment of $300,000 by the State of Louisiana in three equal annual installments.

SEC. 2. Payments in lieu of taxes, pursuant to section 306 of the said act of October 14, 1940, as amended, shall be made only for the pro rata period of the tax year preceding the date of delivery of possession of said projects to the State of Louisiana.

SEC. 3. The provisions of this act shall be effective only if the first installment is paid within 60 days after the date of enactment of this act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LOANS TO HOMESTEADERS AND DESERT-LAND ENTRYMEN

The Clerk called the bill (H. R. 3753) to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SETTLEMENT OF CLAIMS OF PERSONNEL OF THE COAST GUARD

The Clerk called the bill (H. R. 3820) to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BAILEY. Mr. Speaker, reserving the right to object, will the chairman of the committee explain the difference between the following proposal and the one now under consideration? What is proposed in the remaining legislation affecting claims of civilians in the Coast Guard?

Mr. FORRESTER. Mr. Speaker, I will say to the gentleman from West Virginia that the difference in these two bills

is that one refers to civilians and one to employees. Now, both of these bills come up by reason of executive requests which came down to us. These amendments are for the purpose of giving the Coast Guard the same rights possessed by the Secretaries of the other military departments. It seems probably they were left out.

Mr. BAILEY. The gentleman means they are not eligible for the filing of claims before the Court of Claims?

Mr. FORRESTER. That is what this is trying to do, to correct that; yes.

Mr. BAILEY. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 490 of title 14 of the United States Code is amended as follows:

(1) By amending subsection (a) thereof by inserting there in the words "not in excess of $6,500" after the words "pay any claim."

(2) By redesignating subsections (b), (c), and (d) thereof as (c), (d), and (e) respectively, and by inserting after subsection (a) thereof the following new subsection:

"(b) In the event of the death of any person among the military personnel or civilian employees enumerated in subsection (a), the Secretary may consider, ascertain, adjust, determine, settle, and pay any claim, otherwise cognizable under this section, presented by the survivor of such person for damage to or loss, destruction, capture, or abandonment of the personal property of such person, regardless of whether such damage, loss, destruction, capture, or abandonment occurred concurrently with or subsequent to such death. For the purposes of this section, the term 'survivor' means surviving spouse, child or children, parent or parents, or brothers or sisters or both, of the decedent, and claims by survivors shall be settled and paid in that order of precedence."

(3) By amending redesignated subsection (c) thereof to read as follows:

"(c) No claim shall be settled under this section unless presented in writing within 2 years after the accident or incident out of which such claim arises has occurred; if such accident or incident occurs in time of war or in time of armed conflict in which the Armed Forces of the United States are engaged, or if war or such armed conflict intervenes within 2 years after its occurrence, any claim may, on good cause shown, be presented within 2 years after such good cause ceases to exist, but not later than 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purpose of this subsection shall be as established by concurrent resolution of the Congress or by determination of the President."

Sec. 2. Notwithstanding the provisions of section 490 of title 14, United States Code, as amended by this act, any claim cognizable under that section which has not heretofore been presented for consideration, or has been presented for consideration and disapproved for the reason that the claimant did not file such claim within the time authorized by law, or any claim cognizable thereunder of any survivor which has not heretofore been presented for consideration, or has been presented for consideration and disapproved for the reason that heretofore such survivor acquired no right of recovery under that section may, at the written request of the claimant made within 1 year from the date of the enactment of this act, be considered or reconsidered and settled in accordance with the provisions thereof.

Sec. 3. The limitation of $6,500 inserted in section 490 of title 14, United States Code, by this act is effective only with respect to claims accruing after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS INCIDENT TO ACTIVITIES OF COAST GUARD

The Clerk called the bill (H. R. 4370) to amend section 645 of title 14, United States Code, relative to the settlement of claims incident to activities of the Coast Guard, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth sentence of section 645 (a) of title 14, United States Code, be amended by deleting therefrom the words "The amount allowed on account of personal injury or death shall be limited to reasonable medical, hospital, and burial expenses actually incurred, except that", and by capitalizing the next following word "no."

Sec. 2. That section 645 (b) of title 14, United States Code, be amended to read as follows:

"(b) No claim shall be settled under this section unless presented in writing within 2 years after the occurrence of the accident or incident out of which such claim arises unless it occurs in time of war or armed conflict, or war or armed conflict intervenes within 2 years after its occurrence, in which event any claim may on good cause shown be presented within 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purpose of this section shall be established by concurrent resolution of the Congress or by determination of the President."

Sec. 3. That the amendment made by section 1 of this act shall be effective only with respect to claims accruing after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND TITLE 10, UNITED STATES CODE

The Clerk called the bill (H. R. 896) to provide for the performance of heraldic services for the United States by the Quartermaster General.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Quartermaster General of the Army shall design and procure all flags, colors, standards, insignia, badges, medals, seals, decorations, guidons, streamers, finial pieces for flagstaffs, decorative buttons and buckles, awards, trophies, marks, emblems, rosettes, distinctive markings, scrolls, braids, ribbons, knots, tabs, cords, and similar items used or required by any department, agency, or office of the United States. The Quartermaster General shall issue such regulations as may be necessary to carry out the provisions of this act.

Sec. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

Sec. 3. This act shall take effect on the first day of the first calendar month following the calendar month in which it is enacted.

With the following committee amendment:

Strike out all after the enacting clause and insert "That chapter 437 of title 10, United States Code, is amended—

"(1) by adding the following new section at the end thereof:

"'§ 4594. Furnishing of heraldic services

"'(a) Under regulations to be prescribed by the Secretary of the Army, an authority designated by him may, upon the request of, and subject to approval by, the Secretary of another military department, design flags, insignia, badges, medals, seals, decorations, guidons, streamers, finial pieces for flagstaffs, buttons, buckles, awards, trophies, marks, emblems, rosettes, scrolls, braids, ribbons, knots, tabs, cords and similar items for the requesting department.

"'(b) Upon request the Secretary of the Army may advise other departments and agencies of the United States on matters of heraldry.

"'(c) The Secretary of the Army may prescribe regulations providing for reimbursement for services furnished under this section.'; and

"(2) by adding the following new item at the end of the analysis:

"'4595. Furnishing of heraldic services'

"Sec. 2. This act takes effect on the first day of the first month after the month in which it is enacted."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 10, United States Code, to authorize the Secretary of the Army to furnish heraldic services."

A motion to reconsider was laid on the table.

INCREASED COMPENSATION FOR DISABLED VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 76) to amend the Veterans Regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb, as amended.

The Clerk read as follows:

Be it enacted etc., That subparagraph (k) of paragraph II, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended to read as follows:

"(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, the rate of compensation therefor shall be $47 per month for each such loss or loss of use independent of any other compensation provided in part I, paragraph II, subparagraphs (a) to (j); and in the event of anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to the requirement for any of the rates specified in subparagraphs (l) to (n), inclusive, of part I, paragraph II, the rate of compensation shall be increased by $47 per month for each such loss or loss of use, but in no event to exceed $420 per month."

Sec. 2. Any increased compensation because of a combination of blindness of one eye with another disability, as herein authorized, shall be effective as of the first day of the first month, following this enactment.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill pertains only to service-connected veterans. It is a bill identical to one passed last year as well as in the 83d Congress. It affects about 400 veterans who have lost an eye in addition to having lost a leg or an arm. Its first-year cost is estimated at $227,000. The bill was reported unanimously. So far as I know, there is no objection to the bill.

Existing law authorizes basic rates of compensation which is paid according to degree of disability. For example, in wartime cases basic rates range from $17 for a 10-percent disability to $181 monthly for total disability. In addition, certain statutory awards are authorized for specific disabilities. Among such awards is the payment of an allowance of $47 per month—in wartime cases—in addition to the basic rate applicable, where the veteran has lost the use of a hand, a foot, both buttocks, an eye, or creative organ. However, unless the veteran has a combination of disabilities for which a specific award of $279—or higher but not exceeding $420—is payable, he may receive only one additional allowance of $47 for the mentioned specific losses even though he may have more than one such loss. This bill would authorize the payment of the additional allowance for each such loss, in addition to the basic rate of compensation. For example, a veteran with the loss of an eye, a hand, and a creative organ may now receive only one allowance of $47 in addition to the basic rate of compensation based on the combined degree of disability. Enactment of the bill will authorize in such a case an allowance of $141—three times $47—in addition to the basic rate. In peacetime cases the rates are 80 percent of the above-mentioned rates.

The Veterans' Administration does not have available data on which to base an estimate of the cost of the bill if enacted.

The amendments correct an error in the introduction of the bill but do not broaden the class of beneficiaries and conform to existing law.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, I know of no objection to this bill. It has been carefully considered by the Committee on Veterans' Affairs. As the chairman has pointed out, this legislation was passed by the House last year, and I believe it should be supported at this time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this bill, H. R. 76, is identical with a bill which I introduced in the 83d Congress, and is identical with one introduced by the chairman, Mr. TEAGUE, in the 84th Congress. In each instance the bill passed the House but failed of passage in the Senate. I pray the Senate will pass this bill this time. It is most meritorious.

At present under the veterans' compensation laws a service-connected disability is given a percentage rating and basic compensation is payable according to that percentage rating. If, however, a veteran has suffered the loss or loss of use of a creative organ, 1 foot, 1 hand, both buttocks, or blindness of 1 eye having only light perception an allowance of $47 per month is payable in addition to the basic compensation. Under the present law only one additional allowance of $47 is payable in the case even though the veteran may have suffered the loss of two or more of the different disabilities noted above. H. R. 76 would amend the law to authorize $47 for each such disability. In other words, if a veteran has lost the use of an eye and also the loss of use of a foot and a creative organ, his additional allowance would be three times $47 or $141, in addition to the basic rate of compensation in his case.

Under the VA rating schedule the percentage ratings for these disabilities vary according to the severity of the particular loss. Basically the rating for loss of a foot is 40 percent and the loss of a right hand 70 percent—60 percent for left hand. Of course, higher ratings are authorized if the loss involves the leg, thigh, arm, and so forth. The loss or loss of use of an eye varies according to the extent of the vision in the other eye and ranges generally from 30 to 100 percent in rating. Ratings for the loss of a creative organ may range from 0 to 30 percent in the nondisease cases.

Most people do not realize that apart from the crippling handicap of these disabilities that the disabled veterans are in constant pain. We cannot compensate for their loss but we can make life a little easier for them.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CODIFICATION OF LAWS ADMINISTERED BY VETERANS' ADMINISTRATION

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 53) to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration, with the committee amendments in the reported bill.

The Clerk read as follows:

Be it enacted, etc., That this act, divided into titles and sections according to the following Table of Contents, may be cited as the "Veterans' Benefits Act of 1957."

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TITLE I—GENERAL

Definitions

SEC. 101. For the purposes of this act—

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(3) The term "widow" means a woman who, according to the law of the place where the parties resided when the marital relationship began or ended, was the lawful wife of a veteran at the time of his death, and who lived with him continuously from the date of marriage to the date of his death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the wife) and who has not remarried (unless the purported remarriage is void).

(4) The term "child" means a person who is unmarried and—

(A) who is under the age of 18 years;

(B) who, before attaining the age of 18 years, became permanently incapable of self-support; or

(C) who, after attaining the age of 18 years and until completion of education or training (but not after attaining the age of 21 years), is pursuing a course of instruction at an approved educational institution;

and who is a legitimate child, a legally adopted child, a stepchild who is a member of a veteran's household, or an illegitimate child but, as to the alleged father, only if acknowledged in writing signed by him, or if he has been judicially ordered to contribute to the child's support or has been, before his death, judicially decreed to be the father of such child, or if he is otherwise shown by evidence satisfactory to the Administrator to be the father of such child.

(5) The term "parent" means a father, a mother, a father through adoption, a mother through adoption, or an individual who for a period of not less than 1 year stood in the relationship of a parent to a veteran at any time before his entry into active military, naval, or air service or, if two persons stood in relationship of a father or a mother for 1 year or more, the person who last stood in the relationship of father or mother before the veteran's last entry into active military naval, or air service.

(6) The term "Spanish-American War" (A) means the period beginning on April 21, 1898, and ending on July 4, 1902, (B) includes the Philippine Insurrection and the Boxer Rebellion, and (C) in the case of a veteran who served with the United States military forces engaged in hostilities in the Moro Province, means the period beginning on April 21, 1898, and ending on July 15, 1903.

(7) The term "World War I" (A) means the period beginning on April 6, 1917, and ending on November 11, 1918, and (B) in the case of a veteran who served with the United States military forces in Russia, means the period beginning on April 6, 1917, and ending on April 1, 1920.

(8) The term "World War II" means the period beginning on December 7, 1941, and ending on December 31, 1946.

(9) The term "Korean conflict" means the period beginning on June 27, 1950, and ending on January 31, 1955.

(10) The term "Indian Wars" means the campaigns, engagements, and expeditions of the United States military forces against Indian tribes or nations, service in which has been recognized heretofore as pensionable service.

(11) The term "military, naval, or air service" means service in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, including the Reserve components thereof.

(12) The term "period of war" means the Spanish-American War, World War I, World War II, the Korean conflict, and the period beginning on the date of any future declaration of war by the Congress and ending on a date prescribed by Presidential proclamation or concurrent resolution of the Congress.

(13) The term "veteran of any war" means any veteran who served in the active military, naval, or air service during a period of war.

(14) The term "compensation" means a monthly payment made by the Administrator to a veteran because of service-connected disability, or to a widow, child, or parent of a veteran because of the service-connected death of the veteran occurring before January 1, 1957.

(15) The term "dependency and indemnity compensation" means a monthly payment made by the Administrator to a widow, child, or parent (A) because of a service-connected death occurring after December 31, 1956, or (B) pursuant to the election of a widow, child, or parent, in the case of such a death occurring before January 1, 1957.

(16) The term "pension" means a monthly payment made by the Administrator to a veteran because of service, age, or non-service-connected disability, or to a widow or child of a veteran because of the non-service-connected death of the veteran.

(17) The term "service-connected" means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

(18) The term "non-service-connected" means, with respect to disability or death, that such disability was not incurred or aggravated, or that the death did not result from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

Dependent parents

SEC. 102. (a) Dependency of a parent, which may arise before or after the death of a veteran, shall be determined in accordance with regulations prescribed by the Administrator.

(b) Dependency of a parent shall not be denied (1) solely because of remarriage, or (2) in any case in the United States, its Territories, Commonwealths, and possessions, where the monthly income for a mother or father, not living together, does not exceed $105, or where the monthly income for a mother and father living together, does not exceed $175, plus, in either case, $45, for each additional member of the family whom the father or mother is under a moral or legal obligation to support, as determined by the Administrator.

(c) For the purposes of this section in determining monthly income the Administrator shall not consider any payments made by the United States because of disability or death under laws administered by the Veterans' Administration.

Determination of date of marriage

SEC. 103. Where a widow has been legally married to a veteran more than once, the date of original marriage will be used in determining whether the statutory requirement as to marriage has been met.

Approval of educational institutions

SEC. 104. (a) For the purpose of determining whether or not benefits are payable under this act and title II of the Servicemen's and Veterans' Survivor Benefits Act for a child over the age of 18 years and under the age of 21 years who is attending a school, college, academy, seminary, technical institute, university, or other educational institution, the Administrator may approve or disapprove such educational institutions.

(b) The Administrator may not approve an educational institution under this section unless such institution has agreed to report to him the termination of attendance

of any child. If any educational institution fails to report any such termination promptly, the approval of the Administrator shall be withdrawn.

Line of duty and misconduct

SEC. 105. An injury or disease incurred during military, naval, or air service will be deemed to have been incurred in line of duty and not the result of the veteran's own misconduct when the person on whose account benefits are claimed was, at the time the injury was suffered or disease contracted, in active military, naval, or air service, whether on active duty or on authorized leave, unless such injury or disease was the result of his own willful misconduct: *Provided*, That venereal disease shall not be presumed to be due to willful misconduct if the person in service complies with the regulations of the appropriate service department requiring him to report and receive treatment for such disease: *Provided further*, That the requirement for line of duty will not be met if it appears that at the time the injury was suffered or disease contracted the person on whose account benefits are claimed (1) was avoiding duty by deserting the service, or by absenting himself without leave materially interfering with the performance of military duties; or (2) was confined under sentence of court-martial or civil court: *Provided, however*, That disease, injury, or death incurred without willful misconduct on the part of the service person shall be deemed to have been incurred in line of duty if the sentence of the court-martial did not involve an unremitted dishonorable discharge or if the offense for which convicted by civil court did not involve a felony as defined under the laws of the jurisdiction where the service person was convicted by such civil court.

Discharge or release includes retirement

SEC. 106. For the purposes of all laws administered by the Veterans' Administration, retirement of an individual from the military, naval, or air service shall be considered to be a discharge or release from such service.

TITLE II—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

Part A—Veterans' Administration

Veterans' Administration an independent agency

SEC. 201. The Veterans' Administration is an independent establishment in the executive branch of the Government, especially created for or concerned in the administration of laws relating to the relief and other benefits provided by law for veterans, their dependents, and their beneficiaries.

Seal of the Veterans' Administration

SEC. 202. The seal of the Veterans' Administration shall be judicially noticed. Copies of any public documents, records, or papers belonging to or in the files of the Veterans' Administration, when authenticated by the seal and certified by the Administrator or by any employee of the Veterans' Administration to whom proper authority shall have been delegated in writing by the Administrator, shall be evidence equal with the originals thereof.

Part B—Administrator of Veterans' Affairs

Appointment and generdl authority of Administrator

SEC. 210. (a) The Administrator of Veterans' Affairs is the head of the Veterans' Administration. He is appointed by the President, by and with the advice and consent of the Senate. He shall receive a salary of $21,000 a year, payable monthly.

(b) The Administrator, under the direction of the President, is responsible for the proper execution and administration of all laws administered by the Veterans' Administration and for the control, direction, and management of the Veterans' Administration. Except to the extent inconsistent with law, he may consolidate, eliminate, abolish, or redistribute the functions of the bureaus, agencies, offices, or activities in the Veterans' Administration, create new bureaus, agencies, offices, or activities therein, and fix the functions thereof and the duties and powers of their respective executive heads.

(c) The Administrator has authority to make all rules and regulations which are necessary or appropriate to carry out the laws administered by the Veterans' Administration and are consistent therewith, including regulations with respect to the nature and extent of proofs and evidence and the method of taking and furnishing them in order to establish the right to benefits under such laws, the forms of application by claimants under such laws, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards.

Decisions by Administrator; opinions of Attorney General

SEC. 211. (a) Except as provided in section 1 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 455), section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817), section 281 (a) of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 971 (a)), and section 501 (a) of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1033 (a)), the decisions of the Administrator on any question of law or fact concerning a claim for benefits or payments under any law administered by the Veterans' Administration shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decision.

(b) The Administrator may require the opinion of the Attorney General on any question of law arising in the administration of the Veterans' Administration.

Delegation of authority and assignment of duties

SEC. 212. (a) The Administrator may assign duties, and delegate authority to render decisions, with respect to all laws administered by the Veterans' Administration, to such officers and employees as he may find necessary. Within the limitations of such delegations or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.

(b) There shall be included on the technical and administrative staff of the Administrator such staff officers, experts, inspectors, and assistants (including legal assistants), as the Administrator may prescribe.

Reports to the Congress

SEC. 213. The Administrator shall make annually, at the close of each fiscal year, a report in writing to the Congress, giving an account of all moneys received and disbursed by the Veterans' Administration, describing the work done, and stating the activities of the Veterans' Administration for such fiscal year.

Publication of laws relating to veterans

SEC. 214. The Administrator may compile and publish all Federal laws relating to veterans' relief, including such laws as are administered by the Veterans' Administration as well as by other agencies of the Government in such form as he deems advisable for the purpose of making currently available in convenient form for the use of the Veterans' Administration and full-time representatives of the several service organizations an annotated, indexed, and cross referenced statement of the laws providing veterans' relief. The Administrator may maintain such compilation on a current basis either by the publication, from time to time, of supplementary documents or by complete revision of the compilation. The distribution of the compilation to the representatives of the several service organizations shall be as determined by the Administrator.

Research by Administrator

SEC. 215. (a) The Administrator shall conduct research in the field of prosthesis, prosthetic appliances, orthopedic appliances, and sensory devices.

(b) In order that the unique investigative materials and research data in the possession of the Government may result in improved prosthetic appliances for all disabled persons, the Administrator may make available to any person the results of his research.

(c) There is authorized to be appropriated annually $1 million, to remain available until expended, to carry out this section.

Transcript of trial records

SEC. 216. The Administrator may purchase transcripts of the record, including all evidence, of trial of litigated cases.

Part C—Veterans' Administration regional offices; employees

Central and regional offices

SEC. 230. (a) The Central Office of the Veterans' Administration shall be in the District of Columbia. The Administrator may establish such regional offices and such other field offices within the United States, its Territories, Commonwealths, and possessions, as he deems necessary.

(b) The Administrator may exercise authority under this section in territory of the Republic of the Philippines until June 30, 1960.

Placement of employees in military installations

SEC. 231. The Administrator may place officers and employees of the Veterans' Administration in such Army, Navy, and Air Force installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Armed Forces who are about to be discharged or released from active military, naval, or air service.

Employment of translators

SEC. 232. The Administrator may contract for the services of translators without regard to the act of August 5, 1882 (5 U. S. C., secs. 39, 46, and 50) and the Classification Act of 1949.

Employees' apparel; school transportation; recreational equipment; visual exhibits

SEC. 233. The Administrator, subject to such limitations as he may prescribe, may—

(1) furnish and launder such wearing apparel as may be prescribed for employees in the performance of their official duties;

(2) transport children of Veterans' Administration employees located at isolated stations to and from school in available Government-owned automotive equipment;

(3) provide recreational facilities, supplies, and equipment for the use of patients in hospitals, and employees in isolated installations; and

(4) provide for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures and other visual educational information and descriptive material.

For the purposes of subparagraph (4), the Administrator may purchase or rent equipment.

Telephone service for medical officers

SEC. 234. The Administrator may pay for official telephone service and rental in the field whenever incurred in case of official telephones for medical officers of the Veterans' Administration where such telephones are installed in private residences or private apartments or quarters, when authorized under regulations established by the Administrator.

Courses of instruction for professional personnel

SEC. 235. (a) The Administrator may provide courses of instruction for the professional personnel of the Veterans' Administration, and may detail employees to attend such courses.

(b) The Administrator may detail not more than 2 percent of the professional personnel of the Veterans' Administration to attend professional courses conducted by agencies other than the Veterans' Administration.

(c) Employees detailed to attend courses under this section shall in addition to their salaries be paid their expenses incident to such detail, including transportation.

(d) This section does not authorize travel or instruction outside the 48 States and the District of Columbia.

TITLE III—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

Part A—General

Definitions

SEC. 301. For the purposes of this title—

(1) The term "veteran" includes a person who died in the active military, naval, or air service.

(2) The term "period of war" includes, in the case of any veteran—

(A) any period of service performed by him after November 11, 1918, and before July 2, 1921, if such veteran served in the active military, naval, or air service after April 5, 1917, and before November 12, 1918; and

(B) any period of continuous service performed by him after December 31, 1946, and before July 26, 1947, if such period began before January 1, 1947.

(3) The term "chronic disease" includes—

Anemia, primary
Arteriosclerosis
Arthritis
Atrophy, progressive muscular
Brain hemorrhage
Brain thrombosis
Bronchiectasis
Calculi of the kidney, bladder, or gallbladder
Cardiovascular-renal disease, including hypertension
Cirrhosis of the liver
Coccidioidomycosis
Diabetes mellitus
Encephalitis lethargica residuals
Endocarditis
Endocrinopathies
Epilepsies
Hodgkin's disease
Leprosy
Leukemia
Myasthenia gravis
Myelitis
Myocarditis
Nephritis
Other organic diseases of the nervous system
Osteitis deformans (Paget's disease)
Osteomalacia
Palsy, bulbar
Paralysis agitans
Psychoses
Purpura idiopathic, hemorrhagic
Raynaud's disease
Sarcoidosis
Scleroderma
Sclerosis, amyotrophic lateral
Sclerosis, multiple
Syringomyelia
Thromboanglitis obliterans, Buerger's disease)
Tuberculosis, active
Tumors, malignant, or of the brain or spinal cord or peripheral nerves
Ulcers, peptic (gastric or duodenal)

and such other chronic diseases as the Administrator may add to this list;

(4) The term "tropical disease" includes—

Amebiasis
Blackwater fever
Cholera
Dracontiasis
Dysentery
Filariasis
Leishmaniasis, including kala-azar
Leprosy
Loiasis
Malaria
Onchocerciasis
Oroya fever
Pinta
Plague
Schistosomiasis
Yaws
Yellow fever

and such other tropical diseases as the Administrator may add to this list.

Special provisions relating to widows

SEC. 302. No compensation shall be paid to the widow of a veteran under this title unless she was married to him—

(1) before the expiration of 10 years after the termination of the period of service in which the injury or disease causing the death of the veteran was incurred or aggravated; or

(2) for 10 or more years.

Part B—Wartime disability compensation

Basic entitlement

SEC. 310. For disability resulting from personal injury suffered or disease contracted in line of duty, or for aggravation of a preexisting injury suffered or disease contracted in line of duty, in the active military, naval, or air service, during a period of war, the United States will pay to any veteran thus disabled and who was discharged under conditions other than dishonorable from the period of service in which said injury or disease was incurred, or preexisting injury or disease was aggravated, compensation as hereinafter provided in this part, but no compensation shall be paid if the disability is the result of the veteran's own willful misconduct.

Provisional acceptance

SEC. 311. Any person who after April 5, 1917, and before November 12, 1918, (1) applied for enlistment or enrollment in the active military, naval, or air service and was provisionally accepted and directed or ordered to report to a place for final acceptance into such service, or (2) was drafted for military, naval, or air service and after reporting pursuant to the call of his local draft board and prior to rejection, or (3) after being called into the Federal service as a member of the National Guard but before being enrolled for the Federal service, suffered an injury or contracted a disease in line of duty and not the result of his own misconduct, will be considered to have incurred such disability in the active military, naval, or air service. Such person and the survivors of any such person who dies from such disability before January 1, 1957, will be entitled to compensation provided by this title for veterans of World War I and their dependents.

Presumption of sound condition

SEC. 312. For the purposes of section 310, every veteran shall be taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, infirmities, or disorders noted at the time of the examination, acceptance, and enrollment, or where clear and unmistakable evidence demonstrates that the injury or disease existed before acceptance and enrollment and was not aggravated by such service.

Presumptions relating to certain diseases

SEC. 313. For the purposes of section 310, and subject to the provisions of section 314, in the case of any veteran who served for 90 days or more during a period of war—

(1) a chronic disease becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from such service;

(2) a tropical disease, and the resultant disorders or disease originating because of therapy, administered in connection with such diseases, or as a preventative thereof, becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from such service, or at a time when standard or accepted treatises indicate that the incubation period thereof commenced during such service;

(3) active tuberculosis disease developing a 10 percent degree of disability or more within 3 years from the date of separation from such service;

(4) multiple sclerosis developing a 10 percent degree of disability or more within 2 years from the date of separation from such service;

shall be considered to have been incurred in or aggravated by such service, notwithstanding there is no record or evidence of such disease during the period of service.

Presumptions rebuttable

SEC. 314. (a) Where there is affirmative evidence to the contrary, or evidence to establish that an intercurrent injury or disease which is a recognized cause of any of the diseases within the purview of section 313, has been suffered between the date of separation from service and the onset of any of such diseases, or the disability is due to the veteran's own misconduct, service connection pursuant to section 313 will not be in order.

(b) Nothing in section 313 or subsection (a) of this section shall be construed to prevent the granting of service connection for any disease or disorder otherwise shown by sound judgment to have been incurred in or aggravated by active military, naval, or air service.

Rates of wartime disability compensation

SEC. 315. For the purposes of section 310—

(a) if and while the disability is rated 10 percent the monthly compensation shall be $17;

(b) if and while the disability is rated 20 percent the monthly compensation shall be $33;

(c) if and while the disability is rated 30 percent the monthly compensation shall be $50;

(d) if and while the disability is rated 40 percent the monthly compensation shall be $66;

(e) if and while the disability is rated 50 percent the monthly compensation shall be $91;

(f) if and while the disability is rated 60 percent the monthly compensation shall be $109;

(g) if and while the disability is rated 70 percent the monthly compensation shall be $127;

(h) if and while the disability is rated 80 percent the monthly compensation shall be $145;

(i) if and while the disability is rated 90 percent the monthly compensation shall be $163;

(j) if and while the disability is rated as total the monthly compensation shall be $181;

(k) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, the rate of compensation therefor shall be $47 per month independent of any other compensation provided in subsections (a) through (j) of this section; and in the event of anatomical loss or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by

$47 per month for each such loss or loss of use, but in no event to exceed $420 per month;

(l) If the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands, or both feet, or of 1 hand and 1 foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be $279;

(m) If the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, the monthly compensation shall be $329;

(n) If the veteran, as the result of service-incurred disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or has suffered the anatomical loss of both eyes, the monthly compensation shall be $371;

(o) If the veteran, as the result of service-incurred disability, has suffered disability under conditions which would entitle him to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or has suffered total deafness in combination with total blindness with 5/200 visual acuity or less, the monthly compensation shall be $430;

(p) In the event the veteran's service-incurred disabilities exceed the requirements for any of the rates prescribed in this section, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate, but in no event in excess of $420; and

(q) If the veteran is shown to have had a service-incurred disability resulting from an active tuberculous disease, which disease in the judgment of the Administrator has reached a condition of complete arrest, the monthly compensation shall be not less than $67.

Additional compensation for dependents

SEC. 316. (a) Any veteran entitled to compensation at the rates provided in section 315, and whose disability is rated not less than 50 per centum, shall be entitled to additional compensation for dependents in the following monthly amounts:

(1) If and while rated totally disabled and—

(A) has a wife but no child living, $21;

(B) has a wife and 1 child living, $35;

(C) has a wife and 2 children living, $43.50;

(D) has a wife and 3 or more children living, $50;

(E) has no wife but 1 child living, $14;

(F) has no wife but 2 children living, $24.50;

(G) has no wife but 3 or more children living, $35; and

(H) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, $17.50 for each parent so dependent.

(2) If and while rated partially disabled, but not less than 50 percent, in an amount having the same ratio to the amount specified in paragraph (1) as the degree of his disability bears to total disability.

(b) The additional compensation for a dependent or dependents provided by this section shall not be payable to any veteran during any period he is in receipt of an increased rate of subsistence allowance or education and training allowance on account of a dependent or dependents under any other law administered by the Veterans' Administration.

The veteran may elect to receive whichever is the greater.

Part C—Wartime death compensation

Basic entitlement

SEC. 321. The surviving widow, child or children, and dependent parent or parents of any veteran who died before January 1, 1957 (or after April 30, 1957, under the circumstances described in sec. 501 (a) (3) (B) of the Servicemen's and Veterans' Survivor Benefits Act) as the result of injury or disease incurred in or aggravated by active military, naval, or air service, in line of duty, during a period of war, shall be entitled to receive compensation at the monthly rates specified in section 322.

Rates of wartime death compensation

SEC. 322. The monthly rates of death compensation shall be as follows:

(1) Widow but no child, $87;

(2) Widow with 1 child, $121 (with $29 for each additional child);

(3) No widow but 1 child, $67;

(4) No widow but 2 children, $94 (equally divided);

(5) No widow but 3 children, $122 (equally divided) (with $23 for each additional child total amount to be equally divided);

(6) Dependent mother or father, $75;

(7) Dependent mother and father, $40 each.

Part D—Peacetime disability compensation

Basic entitlement

SEC. 331. For disability resulting from personal injury suffered or disease contracted in line of duty, or for aggravation of a preexisting injury suffered or disease contracted in line of duty, in the active military, naval, or air service, during other than a period of war, the United States will pay to any veteran thus disabled and who was discharged under conditions other than dishonorable from the period of service in which said injury or disease was incurred, or preexisting injury or disease was aggravated, compensation as hereinafter provided in this part, but no compensation shall be paid if the disability is the result of the veteran's own willful misconduct.

Provisional acceptance

SEC. 332. Any person, who, after August 26, 1940, and before January 1, 1947, or during the Korean conflict (1) applied for enlistment or enrollment in the active military, naval, or air service and was provisionally accepted and directed or ordered to report to a place for final acceptance into such service, (2) was selected for military, naval, or air service and after reporting pursuant to the call of his local draft board and prior to rejection, or (3) after being called into the Federal service as a member of the National Guard but before being enrolled for the Federal service, suffered an injury or contracted a disease in line of duty and not the result of his own misconduct, will be considered to have incurred such disability in the active military, naval, or air service. Such person and the survivors of any such person who died from such disability before January 1, 1957, will be entitled to compensation provided by this title for veterans of service during other than a period of war and their dependents. If the disability was incurred during World War II or the Korean conflict, the applicable rates of compensation provided by parts B and C shall be payable.

Presumption of sound condition

SEC. 333. For the purposes of section 331, every person employed in the active military, naval, or air service for 6 months or more shall be taken to have been in sound condition when examined, accepted and enrolled for service, except as to defects, infirmities, or disorders noted at the time of the examination, acceptance, and enrollment, or where evidence or medical judgment is such as to warrant a finding that the disease or injury existed before acceptance and enrollment.

Presumptions relating to certain diseases

SEC. 334. (a) For the purposes of section 331, and subject to the provisions of subsections (b) and (c) of this section, any veteran who served for 6 months or more and contracts a tropical disease or a resultant disorder or disease originating because of therapy administered in connection with a tropical disease, or as a preventative thereof, shall be deemed to have incurred such disability in the active military, naval, or air service when it is shown to exist within 1 year after separation from active service, or at a time when standard and accepted treatises indicate that the incubation period thereof commenced during active service.

(b) Service connection shall not be granted pursuant to subsection (a), in any case where the disease or disorder is shown by clear and unmistakable evidence to have had its inception before or after active service.

(c) Nothing in this section shall be construed to prevent the granting of service connection for any disease or disorder otherwise shown by sound judgment to have been incurred in or aggravated by active service.

Rates of peacetime disability compensation

SEC. 335. For the purposes of section 331 of this act, the compensation payable for the disability shall be equal to 80 percent of the compensation payable for such disability under section 315 of this act, adjusted upward or downward to the nearest dollar.

Additional compensation for dependents

SEC. 336. Any veteran entitled to compensation at the rates provided in section 335, and whose disability is rated not less than 50 percent, shall be entitled to additional monthly compensation for dependents equal to 80 percent of the additional compensation for dependents provided in section 316, and subject to the limitations thereof.

Conditions under which wartime rates payable

SEC. 337. Any veteran otherwise entitled to compensation under the provisions of this part shall be entitled to receive the rate of compensation provided in sections 315 and 316 of this act, if the disability of such veteran resulted from an injury or disease received in line of duty (1) as a direct result of armed conflict, (2) while engaged in extrahazardous service, including such service under conditions simulating war, or (3) after December 31, 1946, and before July 26, 1947.

Part E—Peacetime death compensation

Basic entitlement

SEC. 341. The surviving widow, child or children, and dependent parent or parents of any veteran who died before January 1, 1957 (or after April 30, 1957, under the circumstances described in sec. 501 (a) (3) (B) of the Servicemen's and Veterans' Survivor Benefits Act) as the result of injury or disease incurred in or aggravated by active military, naval, or air service, in line of duty, during other than a period of war, shall be entitled to receive compensation as hereinafter provided in this part.

Rates of peacetime death compensation

SEC. 342. For the purposes of section 341, the monthly rates of death compensation payable shall be equal to 80 percent of the rates prescribed by section 322.

Conditions under which wartime rates payable

SEC. 343. The dependents of any deceased veteran otherwise entitled to compensation under the provisions of this part shall be entitled to receive the rate of compensation provided in section 322 of this act, if the death of such veteran resulted from an injury or disease received in line of duty (1) as a direct result of armed conflict, (2) while

engaged in extrahazardous service, including such service under conditions simulating war, or (3) after December 31, 1946, and before July 26, 1947, or (4) while the United States was engaged in any war before April 21, 1898.

Part F—General compensation provisions

Benefits for persons disabled by treatment

SEC. 351. Where any veteran shall have suffered an injury, or an aggravation of an injury, as the result of vocational rehabilitation training, hospitalization, or medical or surgical treatment, awarded him under any of the laws administered by the Veterans' Administration, or as a result of having submitted to an examination under any such law and not the result of his misconduct, and such injury or aggravation results in additional disability to or the death of such veteran, disability compensation under this title and dependency and indemnity compensation under the Servicemen's and Veterans' Survivors Benefits Act shall be awarded in the same manner as if such disability, aggravation, or death were service connected; except that no benefits shall be awarded unless application be made therefor within 2 years after such injury or aggravation was suffered, or such death occurred.

Persons heretofore having a compensable status

SEC. 352. The death and disability benefits of parts D and E shall, notwithstanding the service requirements of such parts, be granted to persons heretofore recognized by law as having a compensable status, including persons whose claims are based on war or peacetime service rendered before April 21, 1898.

Aggravation

SEC. 353. A preexisting injury or disease will be considered to have been aggravated by active military, naval, or air service, where there is an increase in disability during active service, unless there is a specific finding that the increase in disability is due to the natural progress of the disease.

Consideration to be accorded time, place, and circumstances of service

SEC. 354. (a) The Administrator is authorized and directed to include in the regulations pertaining to service connection of disabilities, additional provisions in effect requiring that in each case where a veteran is seeking service connection for any disability due consideration shall be given to the places, types, and circumstances of his service as shown by his service record, the official history of each organization in which he served, his medical records, and all pertinent medical and lay evidence.

(b) In the case of any veteran who engaged in combat with the enemy in active service with a military, naval, or air organization of the United States during a period of war, campaign, or expedition, the Administrator is authorized and directed to accept as sufficient proof of service connection of any disease or injury alleged to have been incurred in or aggravated by such service satisfactory lay or other evidence of service incurrence or aggravation of such injury or disease, if consistent with the circumstances, conditions, or hardships of such service, notwithstanding the fact that there is no official record of such incurrence or aggravation in such service, and, to that end, shall resolve every reasonable doubt in favor of the veteran. Service connection of such injury or disease may be rebutted by clear and convincing evidence to the contrary. The reasons for granting or denying service connection in each case shall be recorded in full.

Authority for schedule for rating disabilities

SEC. 355. The Administrator is authorized and directed to adopt and apply a schedule of ratings of reductions in earning capacity from specific injuries or combination of injuries. The ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. The schedule shall be constructed so as to provide 10 grades of disability and no more, upon which payments of compensation shall be based, namely, 10 percent, 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, 80 percent, 90 percent, and total, 100 percent. The Administrator shall from time to time readjust this schedule of ratings in accordance with experience.

Minimum rating for arrested tuberculosis

SEC. 356. Any veteran shown to have active tuberculosis which is compensable under this title, who in the judgment of the Administrator has reached a condition of complete arrest, shall be rated as totally disabled for a period of 2 years following such date of arrest, as 50 percent disabled for an additional period of 4 years, and 30 percent for a further 5 years. Following far advanced active lesions the permanent rating shall be 30 percent, and following moderately advanced lesions, the permanent rating, after 11 years, shall be 20 percent, provided there is continued disability, dyspnea on exertion, impairment of health, and so forth; otherwise the rating shall be zero percent. The total disability rating herein provided for the 2 years following a complete arrest may be reduced to 50 percent for failure to follow prescribed treatment or to submit to examination when requested. This section shall not be construed as requiring a reduction of compensation authorized under any other provision of this title.

Combination of certain ratings

SEC. 357. The Administrator is authorized and directed to provide for the combination of ratings and to pay compensation at the rates prescribed in part B to those veterans who served during a period of war and during any other time, who have suffered disability in line of duty in each period of service.

Disappearance

SEC. 358. Where an incompetent veteran receiving compensation under this title disappears, the Administrator, in his discretion, may pay the compensation otherwise payable to the veteran to his wife, children, and parents. Payments made to a wife, child, or parent under the preceding sentence shall not exceed the amounts payable to each if the veteran had died from service-connected disability.

TITLE IV—PENSION FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH, OR FOR SERVICE

Part A—General

Definition

SEC. 401. For the purposes of this title the term "World War I" includes, in the case of any veteran, any period of service performed by him after November 11, 1918, and before July 2, 1921, if such veteran served in the active military, naval, or air service after April 5, 1917, and before November 12, 1918.

Determinations with respect to disability

SEC. 402. (a) For the purposes of this title, a person shall be considered to be permanently and totally disabled if he is suffering from—

(1) any disability which is sufficient to render it impossible for the average person to follow a substantially gainful occupation, but only if it is reasonably certain that such disability will continue throughout the life of the disabled person; or

(2) any disease or disorder determined by the Administrator to be of such a nature or extent as to justify a determination that persons suffering therefrom are permanently and totally disabled.

(b) For the purposes of this title, a person shall be considered to be in need of regular aid and attendance if he is helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

Items not considered in determining income

SEC. 403. For the purposes of this title, in determining annual income, the Administrator shall not consider—

(1) payments under laws administered by the Veterans' Administration because of disability or death;

(2) payments of mustering-out pay;

(3) payments of the 6 months' death gratuity;

(4) annuities under chapter 73 of title 10 of the United States Code; and

(5) payments of adjusted compensation.

Persons heretofore having a pensionable status

SEC. 404. The pension benefits of parts B and C of this title shall, notwithstanding the service requirements of such parts, be granted to persons heretofore recognized by law as having a pensionable status.

Part B—Veterans' pensions

Subpart I—Service Pension

Indian war veterans

SEC. 411. (a) The Administrator shall pay to each veteran of the Indian Wars who meets the service requirements of this section a pension at the following monthly rate:

(1) $101.50; or

(2) $135.45 if the veteran is in need of regular aid and attendance.

(b) A veteran meets the service requirements of this section if he served in one of the Indian Wars—

(1) for thirty days or more; or

(2) for the duration of such Indian War; in any military organization, whether or not such service was the result of regular muster into the service of the United States, if such service was under the authority or by the approval of the United States or any State or Territory.

Spanish-American war veterans

SEC. 412. (a) (1) The Administrator shall pay to each veteran of the Spanish-American War who meets the service requirements of this subsection a pension at the following monthly rate:

(A) $101.50; or

(B) $135.45 if the veteran is in need of regular aid and attendance.

(2) A veteran meets the service requirements of this subsection if he served in the active military or naval service—

(A) for ninety days or more during the Spanish-American War;

(B) during the Spanish-American War and was discharged or released from such service for a service-connected disability; or

(C) for a period of ninety consecutive days or more and such period began or ended during the Spanish-American War.

(b) (1) The Administrator shall pay to each veteran of the Spanish-American War who does not meet the service requirements of subsection (a), but who meets the service requirements of this subsection, a pension at the following monthly rate:

(A) $67.73; or

(B) $88.04 if the veteran is in need of regular aid and attendance.

(2) A veteran meets the service requirements of this subsection if he served in the active military or naval service—

(A) for seventy days or more during the Spanish-American War; or

(B) for a period of seventy consecutive days or more and such period began or ended during the Spanish-American War.

Subpart II—Non-Service-Connected Disability Pension

Veterans of World War I, World War II, or the Korean conflict

SEC. 421. (a) The Administrator shall pay to each veteran of World War I, World War

II, or the Korean conflict, who meets the service requirements of this section, and who is permanently and totally disabled from non-service-connected disability not the result of the veteran's willful misconduct or vicious habits, a pension at the following monthly rate:

(1) $66.15; or

(2) $78.75 if (A) the veteran is sixty-five years of age or older, or (B) the veteran has been rated as permanently and totally disabled for a continuous period of ten years and he has been in receipt of Pension throughout such period; or

(3) $135.45 if the veteran is in need of regular aid and attendance.

(b) A veteran meets the service requirements of this section if he served in the active military, naval, or air service—

(1) for 90 days or more during either World War I, World War II, or the Korean conflict;

(2) during World War I, World War II, or the Korean conflict, and was discharged or released from such service for a service-connected disability; or

(3) for a period of 90 consecutive days or more and such period ended during World War I, or began or ended during World War II or the Korean conflict.

Income limitations

SEC. 422. (a) No pension shall be paid under this subpart to any unmarried veteran whose annual income exceeds $1,400, or to any married veteran or any veteran with children whose annual income exceeds $2,700.

(b) As a condition of granting or continuing pension under this subpart, the Administrator may require from any veteran applying for, or in receipt of, pension under this subpart such information, proofs, or evidence as he desires in order to determine the annual income of such veteran.

Combination of ratings

SEC. 423. (a) The Administrator shall provide that, for the purpose of determining whether or not a veteran is permanently and totally disabled, ratings for service-connected disabilities may be combined with ratings for non-service-connected disabilities.

(b) Where a veteran, by virtue of subsection (a), is found to be entitled to a pension under this subpart, and is entitled to compensation for a service-connected disability, the Administrator shall pay him the greater benefit.

Part C—Pensions to widows and children

Subpart I—Wars Before World War I

Widows of Mexican War veterans

SEC. 431. The Administrator shall pay to the widow of each veteran of the Mexican War a pension at the monthly rate of $52.50.

Widows of Civil War veterans

SEC. 433. (a) The Administrator shall pay to the widow of each Civil War veteran who met the service requirements of this section a pension at the following monthly rate:

(1) $40.64 if she is below 70 years of age; or

(2) $54.18 if she is 70 years of age or older; unless she was the wife of the veteran during his service in the Civil War, in which case the monthly rate shall be $67.73.

(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

(c) A veteran met the service requirements of this section if he served for 90 days or more in the active military or naval service during the Civil War, or if he was discharged or released from such service upon a surgeon's certificate of disability.

(d) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) before June 27, 1905; or

(2) for 10 or more years.

Children of Civil War veterans

SEC. 434. Whenever there is no widow entitled to pension under section 432, the Administrator shall pay to the children of each Civil War veteran who met the service requirements of section 432 a pension at the monthly rate of $48.77 for 1 child, plus $8.13 for each additional child, with the total amount equally divided.

Widows of Indian War veterans

SEC. 434. (a) The Administrator shall pay to the widow of each Indian War veteran who met the service requirements of section 411 a pension at the following monthly rate:

(1) $40.64 if she is below 70 years of age; or

(2) $54.18 if she is 70 years of age or older; unless she was the wife of the veteran during his service in one of the Indian Wars, in which case the monthly rate shall be $67.73.

(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

(c) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) before March 4, 1917; or

(2) for 10 or more years.

Children of Indian War veterans

SEC. 435. Whenever there is no widow entitled to pension under section 434, the Administrator shall pay to the children of each Indian War veteran who met the service requirements of section 411 a pension at the monthly rate of $48.77 for one child, plus $8.13 for each additional child, with the total amount equally divided.

Widows of Spanish-American War veterans

SEC. 436. (a) The Administrator shall pay to the widow of each Spanish-American War veteran who met the service requirements of section 412 (a) a pension at the monthly rate of $54.18, unless she was the wife of the veteran during his service in the Spanish-American War, in which case the monthly rate shall be $67.73.

(b) If there is a child of the veteran, the rate of pension paid to the widow under subsection (a) shall be increased by $8.13 per month for each such child.

(c) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) Before January 1, 1938; or

(2) for 10 or more years.

Children of Spanish-American War veterans

SEC. 437. Whenever there is no widow entitled to pension under section 436, the Administrator shall pay to the children of each Spanish-American War veteran who met the service requirements of section 412 (a) a pension at the monthly rate of $52.31 for 1 child, plus $8.13 for each additional child, with the total amount equally divided.

Subpart II—World War I, World War II, and the Korean Conflict

Widows of World War I veterans

SEC. 441. (a) The Administrator shall pay to the widow of each veteran of World War I who met the service requirements of section 421, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability, a pension at the following monthly rate:

(1) Widow, no child, $50.40;

(2) Widow, 1 child, $63; with $7.56 for each additional child.

(b) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

(1) before December 14, 1944; or

(2) for 10 or more years.

Children of World War I veterans

SEC. 442. (a) Whenever there is no widow entitled to pension under section 441, the Administrator shall pay to the children of each veteran of World War I who met the service requirements of section 421, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability, a pension at the following monthly rate:

(1) One child, $27.30;

(2) Two children, $40.95; and

(3) Three children, $54.60, with $7.56 for each additional child.

(b) Pension prescribed by this section shall be paid to eligible children in equal shares.

Widows of World War II or Korean conflict veterans

SEC. 443. (a) The Administrator shall pay to the widow of each veteran of World War II or of the Korean conflict—

(1) who met the service requirements of section 421, and at the time of his death had a service-connected disability for which compensation would have been payable if 10 percent or more in degree disabling; or

(2) who, at the time of his death, was receiving (or entitled to receive) compensation or retirement pay based upon a service-connected disability;

a pension at the rate prescribed by section 441 for the widow of a veteran of World War I.

(b) (1) No pension shall be paid to a widow of a veteran of World War II under this section unless she was married to him before January 1, 1957.

(2) No pension shall be paid to a widow of a veteran of the Korean conflict under this section unless she was married to him before February 1, 1965.

Children of World War II or Korean conflict veterans

SEC. 444. Whenever there is no widow entitled to pension under section 443, the Administrator shall pay to the children of each veteran of World War II or of the Korean conflict described in paragraph (1) or (2) of section 443 (a) a pension at the rate prescribed by section 442 for the children of a veteran of World War I.

Income limitations

SEC. 445. (a) No pension shall be paid under this subpart to any widow without child, or to or on account of any child, whose annual income exceeds $1,400, or to a widow (with a child) whose annual income exceeds $2,700.

(b) Where pension is not payable to a widow because of this section, payments to children shall be made as though there were no widow.

Part D—Army, Navy, and Air Force Medal of Honor Roll

Medal of Honor Roll: persons eligible

SEC. 460. (a) There shall be in the Department of the Army, the Department of the Navy, and the Department of the Air Force, respectively, a roll designated as the "Army, Navy, and Air Force Medal of Honor Roll".

(b) Upon written application to the Secretary concerned, the Secretary shall enter and record on such roll the name of each surviving person who has served in the active military, naval, or air service of the United States in any war, who has attained the age of 65 years, and who has been awarded a medal of honor for having in action involving actual conflict with an enemy distinguished himself conspicuously by gallantry or intrepidity, at the risk of his life, above and beyond the call of duty, and who was honorably discharged from service by muster out, resignation, or otherwise.

(c) Applications for entry on such roll shall be made in the form and under regulations prescribed by the Department concerned. Proper blanks and instructions shall be furnished by the Secretary concerned, without charge upon the request of any person claiming the benefits of this part.

Certificate entitling holder to pension

SEC. 461. (a) The Secretary concerned shall determine whether or not each applicant is entitled to the benefits of this part. If the official award of the medal of honor to the applicant, or the official notice to him thereof, shows that the medal of honor was awarded to the applicant for an act described in section 460, such award or notice shall be sufficient to entitle the applicant to special pension under this part without further investigation; otherwise all official correspondence, orders, reports, recommendations, requests, and other evidence on file in any public office or department shall be considered.

(b) Each person whose name is entered on the Army, Navy, and Air Force Medal of Honor Roll shall be furnished a certificate of service and of the act of heroism, gallantry, bravery, or intrepidity for which the medal of honor was awarded, of enrollment on such roll, and of his right to special pension.

(c) The Secretary concerned shall deliver to the Administrator a certified copy of each certificate which he issues under this part. Such copy shall authorize the Administrator to pay to the person named in the certificate the special pension provided for in this part.

Special provisions relating to pension

SEC. 462. (a) The Administrator shall pay monthly to each person whose name has been entered on the Army, Navy, and Air Force Medal of Honor Roll a special pension at the rate of $10, beginning as of the date of application therefor under section 460.

(b) The receipt of special pension shall not deprive any person of any other pension or other benefit, right, or privilege to which he is or may hereafter be entitled under any existing or subsequent law. Special pension shall be paid in addition to all other payments under laws of the United States.

(c) Special pension shall not be subject to any attachment, execution, levy, tax lien, or detention under any process whatever.

(d) If any person has been awarded more than 1 medal of honor, he shall not receive more than 1 special pension.

TITLE V—HOSPITAL, DOMICILIARY, AND MEDICAL CARE

Part A—Definitions

Definitions

SEC. 501. For the purposes of this title—

(1) The term "disability" means a disease, injury, or other physical or mental defect.

(2) The term "veteran of any war" includes any veteran of the Indian Wars, and the term "period of war" includes each of the Indian Wars.

(3) The term "Veterans' Administration facilities" means—

(A) facilities over which the Administrator has direct and exclusive jurisdiction;

(B) Government facilities for which the Administrator contracts; and

(C) private facilities for which the Administrator contracts in order to provide hospital care (i) in emergency cases for persons suffering from service-connected disabilities or from disabilities for which such persons were discharged or released from the active military, naval, or air service; (ii) for women veterans of any war; or (iii) for veterans of any war in a Territory, Commonwealth, or possession of the United States.

(4) The term "hospital care" includes medical services rendered in the course of hospitalization and transportation and incidental expenses for veterans who are in need of treatment for a service-connected disability or are unable to defray the expense of transportation.

(5) The term "medical services" includes, in addition to medical examination and treatment, dental and surgical services, and dental appliances, wheelchairs, artificial limbs, trusses, and similar appliances, special clothing made necessary by the wearing of prosthetic appliances, and such other supplies as the Administrator determines to be reasonable and necessary.

(6) The term "domiciliary care" includes transportation and incidental expenses for veterans who are unable to defray the expense of transportation.

Presumption relating to psychosis

SEC. 502. For the purposes of this title, any veteran of World War II or of the Korean conflict who develops an active psychosis (1) within 2 years after his discharge or release from the active military, naval, or air service, and (2) before July 26, 1949, in the case of a veteran of World War II, or February 1, 1957, in the case of a veteran of the Korean conflict, shall be deemed to have incurred such disability in the active military, naval, or air service.

Part B—Hospital or domiciliary care and medical treatment

Eligibility for hospital and domiciliary care

SEC. 510. (a) The Administrator, within the limits of Veterans' Administration facilities, may furnish hospital care which he determines is needed to—

(1) a veteran of any war for a service-connected disability incurred or aggravated during a period of war, or for any other disability if such veteran is unable to defray the expenses of necessary hospital care;

(2) a veteran whose discharge or release from the active military, naval, or air service was for a disability incurred or aggravated in line of duty; and

(3) a person who is in receipt of disability compensation.

(b) The Administrator, within the limits of Veterans' Administration facilities, may furnish domiciliary care to—

(1) a veteran who was discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or a person who is in receipt of disability compensation, when he is suffering from a permanent disability or tuberculosis or neuropsychiatric ailment and is incapacitated from earning a living and has no adequate means of support; and

(2) a veteran of any war who is in need of domiciliary care, if he is unable to defray the expenses of necessary domiciliary care.

Hospitalization during examination and in emergencies

SEC. 511. (a) The Administrator may furnish hospital care incident to physical examinations where such examinations are necessary in carrying out the provisions of other laws administered by him.

(b) The Administrator may furnish hospital care as a humanitarian service in emergency cases, but he shall charge for such care at rates prescribed by him.

Eligibility for medical treatment

SEC. 512. (a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services for a service-connected disability as he finds to be reasonably necessary to a veteran of any war, to a veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or to a person in receipt of disability compensation. Veterans eligible under this subsection by reason of discharge or release for disability incurred or aggravated in line of duty may also be furnished medical services for that disability, even though it is not a service-connected disability for the purpose of this title.

(b) Outpatient dental services and treatment, and related dental appliances, shall be furnished under this section only for a dental condition or disability—

(1) which is service connected and compensable in degree;

(2) which is service connected, but not compensable in degree, but only (A) if it is shown to have been in existence at time of discharge or release from active military, naval, or air service and (B) if application for treatment is made within 1 year after such discharge or release;

(3) which is a service-conected dental condition or disability due to combat wounds or other service trauma, or of a former prisoner of war;

(4) which is associated with and is aggravating a disability resulting from some other disease or injury which was incurred in or aggravated by active military, naval, or air service; or

(5) from which a veteran of the Spanish-American War is suffering.

(c) Dental services and related appliances for a dental condition or disability described in clause (2) of subsection (b) of this section shall be furnished on a one-time completion basis, unless the services rendered on a onetime completion basis are found unacceptable within the limitations of good professional standards, in which event such additional services may be afforded as are required to complete professionally acceptable treatment.

(d) Dental appliances, wheelchairs, artificial limbs, trusses, special clothing, and similar appliances to be furnished by the Administrator under this section may be procured by him either by purchase or by manufacture, whichever he determines may be advantageous and reasonably necessary.

(e) Any disability of a veteran of the Spanish-American War shall be considered, for the purposes of this section and outpatient medical services under section 524, to be a service-connected disability incurred or aggravated during a period of war.

Fitting and training in use of prosthetic appliances

SEC. 513. Any veteran who is entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility or other training institution, or by outpatient treatment, including such service under contract, and including necessary travel expenses to and from his home to such hospital or training institution.

Seeing-eye dogs

SEC. 514. The Administrator may provide seeing-eye or guide dogs trained for the aid of the blind to veterans who are entitled to disability compensation, and he may pay all necessary travel expenses to and from their homes and incurred in becoming adjusted to such seeing-eye or guide dogs. The Administrator may also provide such veterans with mechanical-electronic equipment for aiding them in overcoming the handicap of blindness.

Tobacco for hospitalized veterans

SEC. 515. The Administrator may furnish tobacco to veterans receiving hospital or domiciliary care.

Part C—Miscellaneous provisions relating to hospital care and medical treatment of veterans

Power to make rules and regulations

SEC. 521. The Administrator shall prescribed—

(1) such rules and procedure governing the furnishing of hospital and domiciliary care as he may deem proper and necessary;

(2) limitations in connection with the furnishing of hospital and domiciliary care; and

(3) such rules and regulations as he deems necessary in order to promote good conduct on the part of persons who are receiving hospital or domiciliary care in Veterans' Administration facilities.

Statement under oath

SEC. 522. For the purposes of section 510 (a) (1) and section 510 (b) (2), the statement under oath of an applicant on such form as may be prescribed by the Administrator shall be accepted as sufficient evidence of inability to defray necessary expenses.

Furnishing of clothing

SEC. 523. The Administrator shall not furnish clothing to persons who are in Veteran's Administration facilities, except (1) where the furnishing of such clothing to indigent persons is necessary to protect health or sanitation, and (2) where he furnishes veterans with special clothing made necessary by the wearing of prosthetic appliances.

Hospital care and medical services abroad

SEC. 524. The Administrator shall not furnish hospital or domiciliary care or medical services outside the continental limits of the United States, or a Territory, Commonwealth, or possession of the United States, except that he may furnish necessary hospital care and medical services for service-connected disabilities incurred during a period of war to veterans who are citizens of the United States temporarily sojourning or residing abroad.

Arrests for crimes in hospital and domiciliary reservations

SEC. 525. For the purpose of maintaining law and order and of protecting persons and property at hospitals and domiciliaries of the Veterans' Administration, the Administrator may designate at such hospitals and domiciliaries persons who shall have authority to make arrests for any crime or offense against the United States committed on the reservation of the hospital or domiciliary. Any person so arrested shall be taken forthwith before the nearest United States commissioner within whose jurisdiction the hospital is located.

Reimbursement for loss of personal effects by fire

SEC. 526. The Administrator shall, under regulations which he shall prescribe, reimburse veterans in Veterans' Administration hospitals and domiciliaries for any loss of personal effects sustained by fire while such effects were stored in designated locations in Veterans' Administration hospitals or domiciliaries.

Persons eligible under prior law

SEC. 527. Persons who have a status which would, under the laws in effect on the day before the effective date of this act, entitle them to the medical services, hospital and domiciliary care, and other benefits provided for in this title, but who do not meet the service requirements contained in this title, shall be entitled to such benefits notwithstanding failure to meet such service requirements.

TITLE VI—SPECIALLY ADAPTED HOUSING FOR DISABLED VETERANS

Veterans eligible for assistance

SEC. 601. The Administrator is authorized, under such regulations as he may prescribe, to assist any veteran who is entitled to compensation under title III of this act, based on service after April 20, 1898, for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheel chair, in acquiring a suitable housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, and necessary land therefor. The regulations of the Administrator shall include, but not be limited to, provisions requiring findings that (1) it is medically feasible for such veteran to reside in the proposed housing unit and in the proposed locality; (2) the proposed housing unit bears a proper relation to the veteran's present and anticipated income and expenses; and (3) the nature and condition of the proposed housing unit are such as to be suitable to the veteran's needs for dwelling purposes.

Limitations on assistance furnished

SEC. 602. The assistance authorized by section 601 shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran, but shall not exceed $10,000 in any one case—

(1) where the veteran elects to construct a housing unit on land to be acquired by him, the Administrator shall pay not to exceed 50 percent of the total cost to the veteran of (A) the housing unit and (B) the necessary land upon which it is to be situated;

(2) where the veteran elects to construct a housing unit on land acquired by him prior to application for assistance under this title, the Administrator shall pay not to exceed the smaller of the following sums: (A) 50 percent of the total cost to the veteran of the housing unit and the land necessary for such housing unit, or (B) 50 percent of the cost to the veteran of the housing unit plus the full amount of the unpaid balance, if any, of the cost to the veteran of the land necessary for such housing unit;

(3) where the veteran elects to remodel a dwelling, which is not adapted to the requirements of his disability, acquired by him prior to application for assistance under this title, the Administrator shall pay not to exceed the total of (A) 50 percent of the cost to the veteran of such remodeling, plus (B) the smaller of the following sums: (i) 50 percent of the cost to the veteran of such dwelling and the necessary land upon which it is situated, or (ii) the full amount of the unpaid balance, if any, of the cost to the veteran of such dwelling and the necessary land upon which it is situated; and

(4) where the veteran has acquired a suitable housing unit, the Administrator shall pay not to exceed the smaller of the following sums: (A) 50 percent of the cost to the veteran of such housing unit and the necessary land upon which it is situated, or (B) the full amount of the unpaid balance, if any, of the cost to the veteran of such housing unit and the necessary land upon which it is situated.

Furnishing of plans and specifications

SEC. 603. The Administrator is authorized to furnish to veterans eligible for assistance under this title, without cost to the veterans, model plans and specifications of suitable housing units.

Benefits additional to benefits under other laws

SEC. 604. Any veteran who accepts the benefits of this title shall not by reason thereof be denied the benefits of title III of the Servicemen's Readjustment Act of 1944; however, the assistance authorized by this title shall not be available to any veteran who has received financial assistance under part IX of Veterans Regulation No. 1 (a).

Nonliability of United States

SEC. 605. The Government of the United States shall have no liability in connection with any housing unit, or necessary land therefor, acquired under the provisions of this title.

TITLE VII—AUTOMOBILES FOR DISABLED VETERANS

Veterans eligible for assistance

SEC. 701. (a) The Administrator, under such regulations as he may prescribe, shall provide or assist in providing an automobile or other conveyance by paying not to exceed $1,600 on the purchase price, including equipment with such special attachments and devices as the Administrator may deem necessary, for each veteran who is entitled to compensation under title III of this act for any of the following due to disability incurred in or aggravated by active military, naval, or air service during World War II or the Korean conflict:

(1) Loss or permanent loss of use of one or both feet;

(2) Loss or permanent loss of use of one or both hands;

(3) Permanent impairment of vision of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees in the better eye.

(b) For the purposes of this section, the term "World War II" includes, in the case of any veteran, any period of continuous service performed by him after December 31, 1946, and before July 26, 1947, if such period began before January 1, 1947.

Limitation on types of assistance furnished and veterans otherwise entitled

SEC. 702. No payment shall be made under this title for the repair, maintenance, or replacement of any such automobile or other conveyance and no veteran shall be given an automobile or other conveyance until it is established to the satisfaction of the Administrator that such veteran will be able to operate such automobile or other conveyance in a manner consistent with his own safety and the safety of others and will be licensed to operate such automobile or other conveyance by the State of his residence or other proper licensing authority; however, a veteran who cannot qualify to operate a vehicle shall nevertheless be entitled to the payment of not to exceed $1,600 on the purchase price of an automobile or other conveyance, as provided in section 701, to be operated for him by another person, but only if such veteran meets the other eligibility requirements of this title.

Limitation on amounts paid by United States

SEC. 703. The furnishing of such automobile or other conveyance, or the assisting therein, shall be accomplished by the Administrator paying the total purchase price, if not in excess of $1,600, or the amount of $1,600, if the total purchase price is in excess of $1,600, to the seller from whom the veteran is purchasing under sales agreement between the seller and the veteran.

Prohibition against duplication of benefits

SEC. 704. (a) No veteran shall be entitled to receive more than one automobile or other conveyance under the provisions of this title.

(b) No veteran who has received or who hereafter receives an automobile or other conveyance under (1) the provisions of the paragraph under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947, (2) the act of September 21, 1950 (64 Stat. 894), or (3) the act of October 20, 1951 (65 Stat. 574; 38 U. S. C., secs. 252a–252e), shall be entitled to receive an automobile or other conveyance under the provisions of this title.

Applications

SEC. 705. The benefits provided in this title shall not be available to any veteran who has not made application for such benefits to the Administrator within 5 years after the date of the veteran's discharge or release from active service; except that in the case of any veteran whose loss or permanent loss of use of 1 or both feet, or 1 or both hands, or permanent impairment of vision, as specified in section 701, shall have occurred after his discharge or release from active service, application may be made within 3 years after the occurrence of such disability. Notwithstanding the foregoing time limits, no otherwise eligible veteran shall be denied the benefits of this title who makes application within 1 year from the date on which his entitlement to compensation for loss or permanent loss of use of 1 or both feet, or 1 or both hands, or permanent impairment of vision, as specified in section 701, shall have been determined.

TITLE VIII—BURIAL BENEFITS

Flags

SEC. 801. (a) The Administrator shall furnish a flag to drape the casket of each deceased veteran who—

(1) was a veteran of any war;

(2 had served at least one enlistment; or

(3) had been discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty.

(b) After the burial of the veteran the flag so furnished shall be given to his next of kin. If no claim is made for the flag by the next of kin, it may be given, upon request, to a close friend or associate of the deceased veteran. If a flag is given to a close friend or associate of the deceased veteran, no flag shall be given to any other person on account of the death of such veteran.

Funeral expenses

SEC. 802. (a) Where a veteran dies who—

(1) was a veteran of any war;

(2) had been discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty; or

(3) was in receipt of disability compensation;

the Administrator, in his discretion having due regard to the circumstances in each case, may pay a sum not exceeding $150 to such person as he prescribes to cover the burial and funeral expenses of the deceased veteran and the expense of preparing the body and transporting it to the place of burial.

(b) Except as hereafter provided in this subsection, no deduction shall be made from the burial allowance because of the veteran's net assets at the time of his death, or because of any contribution from any source toward the burial and funeral expenses (including transportation) unless the amount of expenses incurred is covered by the amount actually paid therefor by the United States, a State, any agency or political subdivision of the United States or of a State, the employer of the deceased veteran, or a burial association. No claim shall be allowed for more than the difference between the entire amount of the expenses incurred, and the amount paid by any or all of the foregoing. The Administrator shall not deny or reduce the amount of the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services. The burial allowance or any part thereof shall not be paid in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other act.

Death in Veterans' Administration facility

SEC. 803. (a) Where death occurs in a Veterans' Administration facility to which the deceased was properly admitted for hospital or domiciliary care under authority of section 510 or 511 (a) of this act, the Administrator shall pay the actual cost (not to exceed $150) of the burial and funeral.

(b) In addition to the foregoing, when such a death occurs in the continental United States, the Administrator shall transport the body to the place of burial in the United States, or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care. Where such a death occurs in a Territory, a Commonwealth, or a possession of the United States, the Administrator shall transport the body to the place of burial within such Territory, Commonwealth, or possession.

(c) Within the limits prescribed in subsection (a), the Administrator may make contracts for burial and funeral services without regard to the laws requiring advertisement for proposals for supplies and services for the Veterans' Administration.

Claims for reimbursement

SEC. 804. Applications for payments under section 802 must be filed within 2 years after the burial of the veteran. If a claimant's application is incomplete at the time it is originally submitted, the Administrator shall notify the applicant of the evidence necessary to complete the application. If such evidence is not received within 1 year from the date of such notification, no allowance may be paid.

Persons eligible under prior law

SEC. 805. The death of any person who had a status which would, under the laws in effect on the day before the effective date of this act, afford entitlement to the burial benefits and other benefits provided for in this title, but who did not meet the service requirements contained in this title, shall afford entitlement to such benefits, notwithstanding the failure of such person to meet such service requirements.

TITLE IX—APPLICATIONS, EFFECTIVE DATES, AND PAYMENTS

Part A—Applications

Claims and forms

SEC. 901. (a) A specific claim in the form prescribed by the Administrator (or jointly with the Secretary of Health, Education, and Welfare under section 601 of the Servicemen's and Veterans' Survivor Benefits Act) must be filed in order for benefits to be paid or furnished to any individual under the laws administered by the Veterans' Administration.

(b) (1) A claim by a widow or child for compensation or dependency and indemnity compensation shall also be considered to be a claim for death pension and accrued benefits under section 921, and a claim by a widow or child for death pension shall be considered to be a claim for death compensation (or dependency and indemnity compensation) and accrued benefits under section 921.

(2) A claim by a parent for compensation or dependency and indemnity compensation shall also be considered to be a claim for accrual benefits under section 921.

Application forms furnished upon request

SEC. 902. Upon request made in person or in writing by any person claiming or applying for benefits under the laws administered by the Veterans' Administration, the Administrator shall furnish such person, free of all expense, all such printed instructions and forms as may be necessary in establishing such claim.

Incomplete applications

SEC. 903. (a) If a claimant's application for benefits under the laws administered by the Veterans' Administration is incomplete, the Administrator shall notify the claimant of the evidence necessary to complete the application. If such evidence is not received within 1 year from the date of such notification, no benefits may be paid or furnished by reason of such application.

(b) This section shall not apply to any application or claim for Government life insurance benefits.

Disallowed claims

SEC. 904. (a) Where a claim has been finally disallowed, a later claim on the same factual basis, if supported by new and material evidence, shall have the attributes of a new claim, except that whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military records of the proper service department under section 1552 of title 10 of the United States Code, the effective date of commencement of the benefits so awarded shall be the date on which an application was filed for correction of the military record.

(b) This section shall not apply to any application or claim for Government life insurance benefits.

Part B—Effective dates

Effective dates of awards

SEC. 910. (a) Unless specifically provided otherwise in this title, the effective date of an award of compensation, dependency and indemnity compensation, or pension, shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application therefor.

(b) The effective date of an award of disability compensation to a veteran shall be the date of his discharge or release if application therefor is received within 1 year from such date of discharge or release.

(c) The effective date of an award of death compensation, dependency and indemnity compensation, or death pension shall be the day after the date of death if application thereof is received within 1 year from such date of death.

(d) The effective date of an award of dependency and indemnity compensation to a child shall be the date the child's entitlement arose if application therefor is received within 1 year from such date the entitlement arose.

(e) Where a report or a finding of death of any person in the active military, naval, or air service has been made by the Secretary concerned, the effective date of an award of death compensation, dependency and indemnity compensation, or death pension, as applicable, shall be the day after the date fixed by Secretary as the date of death in such report or finding, if application therefor is received within 1 year from the date such report or finding has been made; however, such benefits shall not be payable to any person for any period for which such person has received, or was entitled to receive, an allowance, allotment, or service pay of the deceased.

Effective dates of increases

SEC. 911. The effective date of an award of increased compensation, dependency and indemnity compensation, or pension (amending, reopening, or supplementing a previous award, authorizing any payments not previously authorized to the individual involved) shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of evidence showing entitlement thereto.

Effective dates of reductions and discontinuances

SEC. 912. (a) Except as otherwise specified in this section, the effective date of reduction or discontinuance of compensation, dependency and indemnity compensation, or pension shall be fixed in accordance with the facts found.

(b) Where compensation, dependency and indemnity compensation, or pension has been awarded and a reduction or discontinuance is thereafter effected as to rates, such reduction or discontinuance shall be effective the last day of the month in which the reduction or discontinuance is approved.

(c) The effective date of a reduction or discontinuance of compensation, dependency, and indemnity compensation, or pension—

(1) by reason of death, shall be the date of death;

(2) by reason of marriage or remarriage, shall be the day before the date of marriage or remarriage;

(3) by reason of attaining age 18 (or 21, as applicable), shall be the day before the 18th (or 21st) birthday;

(4) by reason of fraud on the part of the beneficiary, or with his knowledge, shall be the effective date of the award; and

(5) by reason of receipt of active service pay or retirement pay, shall be the day before the date such pay began.

Part C—Payment of benefits

Payment of benefits by check; delivery

SEC. 920. (a) Monetary benefits under laws administered by the Veterans' Administration shall be paid by checks drawn, pursuant to certification by the Administrator, by the Secretary of the Treasury in such form as to protect the United States against loss, and payable by the Secretary of the Treasury. Such checks shall be payable without separate vouchers or receipts except in any case in which the Administrator may consider a voucher necessary for the protection of the Government. Such checks shall be transmitted by mail to the payee thereof at his last-known address, and the envelope or cover thereof may bear an appropriate notice of the prohibition set forth in subsection (b).

(b) Postmasters, delivery clerks, letter carriers, and all other postal employees are prohibited from delivering any mail addressed by the United States and containing any such check to any person whomsoever, if he has died or moved, or in the case of a widow, if the postal employee believes that she has remarried (unless the mail is addressed to her in the name she has acquired by her remarriage). The preceding sentence shall apply in the case of checks in payment of benefits other than pension, compensation, dependency and indemnity compensation, and insurance, only insofar as the Administrator deems it necessary to protect the United States against loss.

(c) Whenever mail is not delivered because of the prohibition of subsection (b), such mail shall be returned forthwith by the postmaster with a statement of the reason for so doing, and if because of death or remarriage, the date thereof, if known. Checks returned under this subsection because of death or remarriage shall be canceled.

Payment of accrued benefits upon death of a beneficiary

SEC. 921. (a) Pension, compensation, dependency and indemnity compensation, retirement pay, subsistence allowance, education and training allowance, special training allowance, and educational assistance allowance to which an individual was entitled at his death under existing ratings or decisions, or those based on evidence in the file at date of death (hereafter in this section and section 922 referred to as "accrued benefits") and due and unpaid for a period not to exceed 1 year, shall, upon the death of such individual be paid as follows:

(1) Upon the death of a person receiving an apportioned share of benefits payable to a veteran, all or any part of such benefits to the veteran or to any other dependent or dependents of the veteran, as may be determined by the Administrator;

(2) Upon the death of a veteran, to the living person first listed below:

(A) His spouse;

(B) His children (in equal shares);

(C) His dependent parents (in equal shares);

(3) Upon the death of a widow or remarried widow, to the children of the deceased veteran;

(4) Upon the death of a child, to the surviving children of the veteran who are entitled to death compensation, dependency and indemnity compensation, or death pension; and

(5) In all other cases, only so much of the accrued benefits may be paid as may be necessary to reimburse the person who bore the expense of last sickness and burial.

(b) No part of any accrued benefits shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of any beneficiary.

(c) Applications for accrued benefits must be filed within 1 year after the date of death. If a claimant's application is incomplete at the time it is originally submitted, the Administrator shall notify the claimant of the evidence necessary to complete the application. If such evidence is not received within 1 year from the date of such notification, no accrued benefits may be paid.

Cancellation of checks mailed to deceased payees

SEC. 922. A check received by a payee in payment of accrued benefits shall, if the payee died on or after the last day of the period covered by the check, be returned to the Veterans' Administration and canceled, unless negotiated by the payee or the duly appointed representative of his estate. The amount represented by such check, or any amount recovered by reason of improper negotiation of any such check, shall be payable in the manner provided in section 921, without regard to section 921 (c). Any amount not paid in the manner provided in section 921 shall be paid upon settlement by the General Accounting Office to the estate of the deceased payee unless the estate will escheat.

TITLE X—SPECIAL PROVISIONS RELATING TO BENEFITS

Nonassignability and exempt status of benefits

SEC. 1001. (a) Payments of benefits due or to become due under any law administered by the Veterans' Administration shall not be assignable except to the extent specifically authorized by law, and such payments made to, or on account of, a beneficiary shall be exempt from taxation, shall be exempt from the claim of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to claims of the United States arising under such laws nor shall the exemption therein contained as to taxation extend to any property purchased in part or wholly out of such payments. The provisions of this section shall not be construed to prohibit the assignment by any person to whom converted insurance shall be payable under title III of the World War Veterans' Act of 1924 of his interest in such insurance to any other member of the permitted class of beneficiaries or the assignment, otherwise authorized, of insurance under the National Service Life Insurance Act of 1940, or of indemnity under the Servicemen's Indemnity Act of 1951.

(b) This section shall prohibit the collection by setoff or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (1) any person other than the indebted beneficiary or his estate; or (2) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws to such beneficiary or his estate or to his dependents as such. If the benefits referred to in the preceding sentence are insurance payable by reason of yearly renewable term or of United States Government life (converted) insurance or of National Service Life Insurance, issued by the United States, the exemption provided in this section shall not apply to indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness is in the form of liens to secure unpaid premiums or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits.

(c) Notwithstanding subsection (a), payments of benefits under laws administered by the Veterans' Administration shall not be exempt from levy under subchapter D of chapter 64 of the Internal Revenue Code of 1954 (relating to seizure of property for collection of taxes).

Waiver of recovery of overpayments

SEC. 1002. (a) There shall be no recovery of overpayments of any benefits (except servicemen's indemnity) under any of the laws administered by the Veterans' Administration from any person who, in the judgment of the Administrator, is without fault on his part, and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience.

(b) No certifying or disbursing officer shall be liable for any amount paid to any person where the recovery of such amount is waived under subsection (a).

Certain bars to benefits

SEC. 1003. (a) The discharge or dismissal by reason of the sentence of a general court-martial of any person from the Armed Forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, or (except as provided in subsection (c)) the discharge of any individual during a period of hostilities as an alien, shall bar all rights of such person under laws administered by the Veterans' Administration based upon the period of service from which discharged or dismissed.

(b) Notwithstanding subsection (a), if it is established to the satisfaction of the Administrator that, at the time of the commission of an offense leading to his court-martial, discharge, or resignation, any person was insane, such person shall not be precluded from benefits under laws administered by the Veterans' Administration based upon the period of service from which he was separated.

(c) Subsection (a) shall not apply to any alien whose service was honest and faithful, and who was not discharged on his own application or solicitation as an alien.

(d) This section shall not apply to any war-risk insurance, Government (converted) or national service life insurance policy.

Prohibition against duplication of benefits

SEC. 1004. (a) Except to the extent that retirement pay is waived under other laws, not more than one award of pension, compensation, emergency officers', regular, or reserve retirement pay, or initial award of naval pension granted after July 13, 1943, shall be made concurrently to any person based on his own service.

(b) The receipt of pension, compensation, or dependency and indemnity compensation by a widow, child, or parent on account of the death of any person, or receipt by any person of pension or compensation on account of his own service, shall not bar the payment of pension, compensation, or dependency and indemnity compensation on account of the death or disability of any other person.

(c) Pension, compensation, or retirement pay on account of his own service shall not be paid to any person for any period for which he receives active service pay.

Waiver of retired pay

SEC. 1005. Any person who is receiving pay pursuant to any provision of law relating to the retirement of persons in the regular military, naval, or air service, or relating to retirement from any reserve component of the military, naval, or air service for disability, and who would be eligible to receive pension or compensation under the laws administered by the Veterans' Administration if he were not receiving such retired pay, shall be entitled to receive such pension or compensation upon the filing by such person with the department by which such retired pay is paid of a waiver of so much of his retired pay as is equal in amount to such pension or compensation. To prevent duplication of payments, the department with which any such waiver is filed shall notify the Veterans' Administration of the receipt of such waiver, the amount waived, and the effective date of the reduction in retired pay.

Renouncement of right to benefits

SEC. 1006. (a) Any person entitled to pension, compensation, or dependency and indemnity compensation under any of the laws administered by the Veterans' Administration may renounce his right thereto. The application renouncing the right shall be in writing over the person's signature. Upon the filing of such an application, payment of such benefits and the right thereto shall be terminated, and such person shall be denied any and all rights thereto from such filing.

(b) Renunciation of rights under subsection (a) or under prior law on this subject shall not preclude any person from filing a new application for pension, compensation, or dependency and indemnity compensation at a later date, but such new application shall be treated as an original application, and no payments shall be made for any period before the date such new application is filed.

Apportionment of benefits

SEC. 1007. (a) All or any part of the compensation, pension, or emergency officers retirement pay payable on account of any veteran may—

(1) if the veteran is being furnished hospital treatment, institutional, or domiciliary care by the United States, or any political subdivision thereof, be apportioned on behalf of his wife, children, or dependent parents; and

(2) if the veteran is not living with his wife, or if his children are not in his custody, be apportioned as may be prescribed by the Administrator.

(b) Where any of the children of a deceased veteran are not in the custody of the veteran's widow, the pension, compensation, or dependency and indemnity compensation otherwise payable to the widow may be apportioned as prescribed by the Administrator.

Withholding benefits of persons in territory of the enemy

SEC. 1008. (a) When any alien entitled to gratuitous benefits under laws administered by the Veterans' Administration is located in territory of, or under military control of, an enemy of the United States or of any of its allies, any award of such benefits in favor of such alien shall be terminated forthwith.

(b) Any alien whose award is terminated under subsection (a) shall not thereafter be entitled to any such gratuitous benefits except upon the filing of a new claim, accompanied by evidence satisfactory to the Administrator showing that such alien was not guilty of mutiny, treason, sabotage, or rendering assistance to such enemy. Except as provided in section 2106, such gratuitous benefits shall not be paid for any period before the date the new claim is filed.

(c) While such alien is located in territory of, or under military control of, an enemy of the United States or any of its allies, the Administrator, in his discretion, may apportion and pay any part of such benefits to the dependents of such alien. No dependent of such alien shall receive benefits by reason of this subsection in excess of the amount to which he would be entitled if such alien were dead.

TITLE XI—PENAL AND FORFEITURE PROVISIONS

Misappropriation by fiduciaries

SEC. 1101. (a) Whoever, being a guardian, curator, conservator, committee, or person legally vested with the responsibility or care of a claimant or his estate, or any other person having charge and custody in a fiduciary capacity of money heretofore or hereafter paid under any of the laws administered by the Veterans' Administration for the benefit of any minor, incompetent, or other beneficiary, shall lend, borrow, pledge, hypothecate, use, or exchange for other funds or property, except as authorized by law, or embezzle or in any manner misappropriate any such money or property derived therefrom in whole or in part and coming into his control in any manner whatever in the execution of his trust, or under color of his office or service as such fiduciary, shall be fined not more than $2,000 or imprisoned not more than 5 years, or both.

(b) Any willful neglect or refusal to make and file proper accountings or reports concerning such money or property as required by law shall be taken to be sufficient evidence prima facie of such embezzlement or misappropriation.

Fraudulent acceptance of payments

SEC. 1102. (a) Any person entitled to monetary benefits under any of the laws administered by the Veterans' Administration whose right to payment thereof ceases upon the happening of any contingency, who thereafter fraudulently accepts any such payment, shall be fined not more than $2,000, or imprisoned not more than 1 year, or both.

(b) Whoever obtains or receives any money or check under any of the laws administered by the Veterans' Administration without being entitled to it, and with intent to defraud the United States or any beneficiary of the United States, shall be fined not more than $2,000, or imprisoned not more than 1 year, or both.

Forfeiture for fraud

SEC. 1103. (a) Whoever knowingly makes or causes to be made or conspires, combines, aids, or assists in, agrees to, arranges for, or in any way procures the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, concerning any claim for benefits under any of the laws administered by the Veterans' Administration (except laws pertaining to insurance benefits) shall forfeit all rights, claims, and benefits under all laws administered by the Veterans' Administration (except laws pertaining to insurance benefits).

(b) Whenever a veteran entitled to disability compensation has forfeited his right to such compensation under section 504 of the World War Veterans' Act, 1924, section 15 of Public, No. 2, 73d Congress, or this section, the compensation payable but for the forfeiture shall thereafter be paid to his wife, children, and parents. Payments made to a wife, children, and parents under the preceding sentence shall not exceed the amounts payable to each if the veteran had died from service-connected disability. No wife, child, or parent who participated in the fraud for which forfeiture was imposed shall receive any payment by reason of this subsection.

(c) Forfeiture of benefits by a veteran under this section or prior law on such subject shall not prohibit payment of the burial allowance, death compensation, dependency and indemnity compensation, or death pension in the event of his death.

Forfeiture for treason

SEC. 1104. (a) Any person shown by evidence satisfactory to the Administrator to be guilty of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or of its allies shall forfeit all accrued or future gratuitous benefits under laws administered by the Veterans' Administration.

(b) The Administrator, in his discretion, may apportion and pay any part of benefits forfeited under subsection (a) to the dependents of the person forfeiting such benefits. No dependent of any person shall receive benefits by reason of this subsection in excess of the amount to which he would be entitled if such person were dead.

TITLE XII—DISCLOSURE OF INFORMATION AND FURNISHING COPIES OF RECORDS; INVESTIGATIONS

Part A—Disclosure of information

Confidential nature of claims

SEC. 1201. All files, records, reports, and other papers and documents pertaining to any claim under any of the laws administered by the Veterans' Administration shall be confidential and privileged, and no disclosure thereof shall be made except as follows:

(1) To a claimant or his duly authorized agent or representative as to matters concerning himself alone when, in the judgment of the Administrator, such disclosure would not be injurious to the physical or mental health of the claimant;

(2) When required by process of a United States court to be produced in any suit or proceeding therein pending or when such production is deemed by the Administrator to be necessary in any suit or proceeding brought under the World War Veterans' Act, 1924, or the National Service Life Insurance Act of 1940;

(3) When required by any department or other agency of the United States Government;

(4) In all proceedings in the nature of an inquest into the mental competency of a claimant;

(5) In any judicial proceeding when in the judgment of the Administrator of Veterans' Affairs such disclosure is deemed necessary and proper;

(6) The amount of pension, compensation, or dependency and indemnity compensation of any beneficiary shall be made known to any person who applies for such information, and the Administrator, with the approval of the President, upon determination that the public interest warrants or requires, may, at any time and in any manner, publish any or all information of record pertaining to any claim;

(7) The Administrator in his discretion may authorize an inspection of Veterans' Administration records by duly authorized representatives of recognized organizations;

(8) The Administrator may release information, statistics, or reports to individuals or organizations when in his judgment such release would serve a useful purpose.

Furnishing of records

SEC. 1202. (a) Any person desiring a copy of any record, paper, and so forth, in the custody of the Veterans' Administration, which may be disclosed under section 1201, must make written application therefor to the Veterans' Administration, stating specifically:

(1) The particular record, paper, and so forth, a copy of which is desired and whether certified or uncertified; and

(2) The purpose for which such copy is desired to be used.

(b) The Administrator is authorized to fix a schedule of fees for copies and certification of such records.

Part B—Investigations

Authority to issue subpenas

SEC. 1211. For the purposes of the laws administered by the Veterans' Administration, the Administrator, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpenas for and compel the attendance of witnesses within a radius of 100 miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and

to make investigations and examine witnesses upon any matter within the jurisdiction of the Veterans' Administration. Any person required by such subpena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

Validity of affidavits

SEC. 1312. Any such oath, affirmation, affidavit, or examination, when certified under the hand of any such employee by whom it was administered or taken and authenticated by the seal of the Veterans' Administration, may be offered or used in any court of the United States and without further proof of the identity or authority of such employee shall have like force and effect as if administered or taken before a clerk of such court.

Disobedience to subpena

SEC. 1313. In case of disobedience to any such subpena, the aid of any district court of the United States may be invoked in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which the inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any officer, agent, or employee of any corporation or to any other person, issue an order requiring such corporation or other person to appear or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

TITLE XIII—BOARD OF VETERANS' APPEALS

Composition of Board of Veterans' Appeals

SEC. 1301. (a) There shall be in the Veterans' Administration a Board of Veterans' Appeals (hereafter in this title referred to as the "Board") under the administrative control and supervision of a Chairman directly responsible to the Administrator. The Board shall consist of a Chairman, a Vice Chairman, such number (not more than 50) of associate members as may be found necessary, and such other professional, administrative, clerical, and stenographic personnel as are necessary in conducting hearings and considering and disposing of appeals properly before the Board.

(b) Members of the Board (including the Chairman and Vice Chairman) shall be appointed by the Administrator with the approval of the President.

Assignment of members of Board

SEC. 1302. The Chairman may from time to time divide the Board into sections of three members, assign the members of the Board thereto, and designate the Chief thereof. If a section as a result of a vacancy or absence or inability of a member assigned thereto to serve thereon is composed of a number of members less than designated for the section, the Chairman may assign other members to the section or direct the section to proceed with the transaction of business without awaiting any additional assignment of members thereto. A hearing docket shall be maintained and formal recorded hearings shall be held by such associate member or members as the Chairman may designate, the associate member or members being of the section which will make final determination in the claim. A section of the Board shall make a determination on any proceeding instituted before the Board and on any motion in connection therewith assigned to such section by the Chairman and shall make a report of any such determination, which report shall constitute its final disposition of the proceeding.

Determinations by the Board

SEC. 1303. (a) The determination of the section, when unanimously concurred in by the members of the section, shall be the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned reach a contrary conclusion.

(b) When there is a disagreement among the members of the section the concurrence of the chairman with the majority of members of such section shall constitute the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned reach a contrary conclusion.

Jurisdiction of the Board

SEC. 1304. (a) All questions on claims involving benefits under the laws administered by the Veterans' Administration shall be subject to one review on appeal to the Administrator. Final decisions on such appeals shall be made by the Board.

(b) When a claim is disallowed by the Board, it may not thereafter be reopened and allowed, and no claim based upon the same factual basis shall be considered; however, where subsequent to disallowance of a claim, new and material evidence in the form of official reports from the proper service department is secured, the Board may authorize the reopening of the claim and review of the former decision.

(c) The Board shall be bound in its decisions by the regulations of the Veterans' Administration, instructions of the Administrator, and the precedent opinions of the chief law officer.

Applications for review on appeal

SEC. 1305. (a) Except in the case of simultaneously contested claims, applications for review on appeal shall be filed within 1 year from the date of mailing of notice of the result of initial review or determination. Such applications must be filed with the activity which entered the denial. If such an application is timely filed, a reasonable time thereafter will be allowed, if requested, for the perfection of the appeal and the presentation of additional evidence before final determination or decision is made. Applications postmarked before the expiration of the 1-year period will be accepted as timely filed.

(b) If no application for review on appeal is filed in accordance with this title within the 1-year period, the action taken on initial review or determination shall become final and the claim will not thereafter be reopened or allowed, except that where subsequent to such disallowance new and material evidence in the form of official reports from the proper service department is secured the Administrator may authorize the reopening of the claim and review of the former decision.

(c) (1) Application for review on appeal may be made in writing by the claimant, his legal guardian, or such accredited representative, or authorized agent, as may be selected by him. Not more than one recognized organization or authorized agent will be recognized at any one time in the prosecution of a claim.

(2) Application for review on appeal may be made within the 1-year period prescribed by this section by such officials of the Veterans' Administration as may be designated by the Administrator. An application entered under this paragraph shall not operate to deprive the claimant of the right of review on appeal as provided in this title.

(d) In each application for review on appeal the name and service of the veteran on account of whose service the claim is based must be stated, together with the number of the claim and the date of the action from which the appeal is taken. The application must clearly identify the benefit sought.

(e) Each application for review on appeal should contain specific assignments of the alleged mistake of fact or error of law in the adjudication of the claim. Any application which is insufficient may be dismissed.

Docketing of appeals

SEC. 1306. All cases received pursuant to application for review on appeal shall be considered and decided in regular order according to their places upon the docket; however, for cause shown a case may be advanced on motion for earlier consideration and determination. Every such motion shall set forth succinctly the grounds upon which it is based. No such motion shall be granted except in cases involving interpretation of law of general application affecting other claims, or for other sufficient cause shown.

Simultaneously contested claims

SEC. 1307. (a) In simultaneously contested claims where one is allowed and one rejected, the time allowed for the filing of an application for review on appeal shall be 60 days from the date notice is mailed of the original action to the claimant to whom the action is adverse. In such cases the activity concerned shall promptly notify all parties in interest of the original action taken, expressly inviting attention to the fact that an application for review on appeal will not be entertained unless filed within the 60-day period prescribed by this subsection. Such notices shall be forwarded to the parties in interest to the last known address of record.

(b) Upon the filing of an application for review on appeal in simultaneously contested claims, all parties other than the applicant for review on appeal whose interests may be adversely affected by the decision, shall be notified of the substance thereof and allowed 30 days from the date of mailing of such notice within which to file brief or argument in answer thereto before the record is forwarded on application for review of appeal. Such notice shall be forwarded to the last known address of record of the parties whose interests may be adversely affected, and such action shall constitute sufficient evidence of notice.

Rejection of applications

SEC. 1308. An application for review on appeal shall not be entertained unless it is in conformity with this title.

TITLE XIV—DEPARTMENT OF MEDICINE AND SURGERY

Functions of department

SEC. 1401. There shall be in the Veterans' Administration a Department of Medicine and Surgery under a Chief Medical Director. The functions of the Department of Medicine and Surgery shall be those necessary for a complete medical and hospital service, as prescribed by the Administrator pursuant to this part and other statutory authority, for the medical care and treatment of veterans.

Divisions of department

SEC. 1402. The Department of Medicine and Surgery shall include the following: Office of the Chief Medical Director, Medical Service, Dental Service, Nursing Service, and Auxiliary Service.

Appointments and compensation

SEC. 1403. (a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed 3 Assistant Chief Medical Directors, and such other personnel and employees as may be authorized by this part.

(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid a salary of $17,800 a year.

(c) The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of $16,800 a year.

(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $15,800. One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed twenty directors of service or chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise prescribed in this title, be paid a salary of $13,225 minimum to $14,300 maximum.

(e) The Director and Deputy Director of Nursing Service shall be qualified registered nurses, appointed by the Administrator and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of her service as such, the Director of Nursing Service shall be paid a salary of $11,610 a year and the Deputy Director shall be paid a salary of $10,320 a year.

(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, each chief shall be paid a salary of $10,320 a year.

(g) Any appointment hereinabove provided shall be for a period of 4 years subject to removal by the Administrator for cause.

(h) Reappointments may be made for successive like periods.

Additional appointments

SEC. 1404. There shall be appointed by the Administrator additional personnel as he may find necessary for the medical care of veterans, as follows:

(1) Physicians, dentists, and nurses;

(2) Managers, pharmacists, physical therapists, occupational therapists, dietitians, scientific personnel, such as pathologists, bacteriologists, chemists, biostatisticians, and other medical and dental technologists.

Qualifications of appointees

SEC. 1405. (a) Any person to be eligible for appointment in the Department of Medicine and Surgery must—

(1) be a citizen of the United States;

(2) in the Medical Service—

hold the degree of doctor of medicine or of doctor of osteopathy from a college or university approved by the Administrator, have completed an internship satisfactory to the Administrator, and be licensed to practice medicine, surgery, or osteopathy in one of the States or Territories of the United States or in the District of Columbia;

(3) in the Dental Service—

hold the degree of doctor of dental surgery or dental medicine from a college or university approved by the Administrator, and be licensed to practice dentistry in one of the States or Territories of the United States or in the District of Columbia;

(4) in the Nursing Service—

have successfully completed a full course of nursing in a recognized school of nursing, approved by the Administrator, and be registered as a graduate nurse in one of the States, Territories, or Commonwealths of the United States or in the District of Columbia;

(5) in the Auxiliary Service—

(A) manager of hospital, home, or center—

have such business and administrative experience and qualifications as the Administrator shall prescribe;

(B) pharmacist—

hold the degree of bachelor of science in pharmacy, or its equivalent, from a school of pharmacy approved by the Administrator, and be registered as a pharmacist in one of the States, Territories, or Commonwealths of the United States or in the District of Columbia;

(C) physical therapists, occupational therapists, dietitians, and other auxiliary employees shall have such scientific or technical qualifications as the Administrator shall prescribe.

(b) Persons may be appointed under this title while on terminal leave from the Armed Forces and may be paid for their services rendered under such appointment notwithstanding any law or regulation to the contrary.

Period of appointments; promotions

SEC. 1406. (a) Appointments of physicians, dentists, and nurses shall be made only after qualifications have been satisfactorily established in accordance with regulations prescribed by the Administrator, without regard to civil-service requirements.

(b) Such appointments as described in subsection (a) of this section shall be for a probationary period of 3 years and the record of each person serving under such appointment in the Medical, Dental, and Nursing Services shall be reviewed from time to time by a board, appointed in accordance with regulations of the Administrator, and if said board shall find him not fully qualified and satisfactory he shall be separated from the service.

(c) Promotions of physicians, dentists, and nurses shall be made only after examination given in accordance with regulations prescribed by the Administrator. Automatic promotions within grade may be made in increments of the minimum pay of the grade in accordance with regulations prescribed by the Administrator.

(d) In determining eligibility for reinstatement in Federal civil service of persons appointed to positions in the Department of Medicine and Surgery, who at the time of appointment shall have a civil-service status, and whose employment in the Department of Medicine and Surgery is terminated, the period of service performed in the Department of Medicine and Surgery shall be included in computing the period of service under applicable Civil Service rules and regulations.

Grades and pay scales

SEC. 1407. (a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 1404 shall be as follows:

Medical service

Chief grade, $11,610 minimum to $12,685 maximum.

Senior grade, $10,320 minimum to $11,395 maximum.

Intermediate grade, $8,990 minimum to $10,065 maximum.

Full grade, $7,570 minimum to $8,645 maximum.

Associate grade, $6,390 minimum to $7,465 maximum.

Junior grade, $5,915 minimum to $6,720 maximum.

Dental service

Chief grade, $11,610 minimum to $12,685 maximum.

Senior grade, $10,320 minimum to $11,395 maximum.

Intermediate grade, $8,990 minimum to $10,065 maximum.

Full grade, $7,570 minimum to $8,645 maximum.

Associate grade, $6,390 minimum to $7,465 maximum.

Junior grade, $5,915 minimum to $6,720 maximum.

Nursing service

Assistant Director, $7,570 minimum to $8,645 maximum.

Senior grade, $6,390 minimum to $7,465 maximum.

Full grade, $5,440 minimum to $6,250 maximum.

Associate grade, $4,730 minimum to $5,590 maximum.

Junior grade, $4,025 minimum to $4,885 maximum.

Administration

(b) Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.

Specialist ratings

SEC. 1408. (a) Within the restrictions herein imposed, the Chief Medical Director may rate any physician appointed under paragraph (1) of section 1404 as a medical or surgical specialist, and, upon the recommendation of the Assistant Chief Medical Director for Dentistry, may rate any doctor of dental surgery or dental medicine, appointed under paragraph (1) of section 1404 as a dental specialist; however, no person shall at any one time hold more than one such rating.

(b) No person may be rated as a medical, surgical, or dental specialist unless he is certified as a specialist by an American specialty board, recognized by the Administrator where such boards exist; or if no such boards exist, he has been examined and found qualified by a board appointed by the Chief Medical Director from specialists of the Department of Medicine and Surgery holding ratings in the specialty to which the candidate aspires. Whenever there are insufficient specialists, rated in the proper specialty, who are readily available to constitute such a board, the Chief Medical Director may substitute consultants with comparable qualifications employed under section 1414.

(c) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section shall retain such rating until it shall be withdrawn by the Chief Medical Director. The Chief Medical Director shall not withdraw any such rating until it shall have been determined by a board of specialists that the person holding such rating is no longer qualified in his specialty.

(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section or prior corresponding provisions of law, shall receive, in addition to his basic pay, an allowance equal to 25 percent of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $13,760 per annum.

Retirement rights

SEC. 1409. Persons appointed to the Department of Medicine and Surgery shall be subject to the provisions of and entitled to benefits under the Civil Service Retirement Act.

Disciplinary boards

SEC. 1410. (a) The Chief Medical Director, under regulations prescribed by the Administrator shall from time to time appoint boards to be known as disciplinary boards, each such board to consist of not less than 3 nor more than 5 employees, senior in grade, of the Department of Medicine and Surgery, to determine, upon notice and fair hearing, charges of inaptitude, inefficiency, or misconduct of any person employed in a position provided in paragraph (1) of section 1404. When such charges concern a dentist, the majority of employees on the disciplinary board shall be dentists.

(b) The Administrator shall appoint the chairman and secretary of the board, each of whom shall have authority to administer oaths.

(c) The Chief Medical Director may designate or appoint one or more investigators, to assist each disciplinary board in the collection and presentation of evidence. Any person answering to charges before a disciplinary board may be represented by counsel of his own choosing.

(d) A disciplinary board, when in its judgment charges are sustained, shall recommend to the Administrator suitable disciplinary action, within limitation prescribed by the Administrator, which shall include reprimand, suspension without pay, reduction in grade, and discharge from the Department of Medicine and Surgery of such person. The Administrator shall either approve the recommendation of the board, approve such recommendation with modification or exception, approve such recommendation and suspend further action at the time, or disapprove such recommendation. He shall cause to be executed such action as he approves. The decision of the Administrator shall be final.

Appointment of additional employees

SEC. 1411. There shall be appointed by the Administrator under civil-service laws, rules, and regulations, such additional employees, other than those provided in section 1408, paragraph (1) of section 1404, and those specified in section 1414, as may be necessary to carry out the provisions of this title.

Medical advisory group

SEC. 1412. The Administrator shall establish a special medical advisory group composed of members of the medical, dental, and allied scientific professions, nominated by the Chief Medical Director, whose duties shall be to advise the Administrator, through the Chief Medical Director, and the Chief Medical Director direct, relative to the care and treatment of disabled veterans, and other matters pertinent to the Department of Medicine and Surgery. The special medical advisory group shall conduct regular calendar quarterly meetings. The number, terms of service, compensation, and allowances to members of such advisory group shall be in accord with existing law and regulations.

Travel expenses of employees

SEC. 1413. (a) The Administrator may pay the expenses, except membership fees, of employees described in section 1403 and paragraph (1) of section 1404 detailed by the Chief Medical Director to attend meetings of associations for the promotion of medical and related science.

(b) (1) The Administrator may place in schools of the Army, Navy, Air Force, and Public Health Service, and in civil institutions of learning, with the consent of the authorities concerned, full-time professional, technical, and medical administrative employees of outstanding ability employed in the Department of Medicine and Surgery, other than temporary employees appointed under section 1414 (a), on duty for a period not to exceed 260 days in a year, for the purpose of increasing their professional knowledge or technical training in fields of medical education, research, and related sciences and occupations, or their proficiency in medical administrative techniques and which will materially contribute to the medical care and treatment of veterans and the more effective functioning of the Department of Medicine and Surgery; however, the number of any one class of employees placed upon such duty at any one time shall not exceed 5 percent of full-time personnel of such class employed in the Department, and no full-time employee with less than 2 years of experience in the service of the Veterans' Administration shall be placed upon such duty for a full academic year or the equivalent thereof.

(2) The Administrator is authorized, subject to available appropriations, to pay for tuition, transportation, and educational fees of personnel placed on duty under the provisions of paragraph (1) of this subsection.

(c) Any person authorized to attend a course of training shall be required to reimburse the Veterans' Administration the expenses thereof if he voluntarily leaves the service within 2 years after completion of such course.

Temporary and part-time appointments

SEC. 1414. (a) The Administrator, upon the recommendation of the Chief Medical Director, may employ, without regard to the Classification Act of 1949, physicians, dentists, and nurses, on a temporary full-time, part-time, or fee basis; and dietitians, social workers, librarians, and such other professional, clerical, technical, and unskilled personnel, in addition to personnel described in section 1403, paragraph (1) of section 1404, and section 1411, on a temporary full-time or part-time basis at such rates of pay as he may prescribe. No temporary full-time appointment shall be for a period of more than 90 days.

(b) The Administrator shall have authority to establish residencies and internships; to appoint qualified persons to such positions without regard to civil-service or classification laws, rules, or regulations; and to prescribe the conditions of such employment, including necessary training and the customary amount and terms of pay during the period of such employment and training.

Regulations

SEC. 1415. The Chief Medical Director with the approval of the Administrator, unless specifically otherwise provided, shall promulgate all regulations necessary to the administration of the Department of Medicine and Surgery and consistent with existing law, including regulations relating to travel, transportation of household goods and effects, and deductions from pay for quarters and subsistence; and to the custody, use, and preservation of the records, papers, and property of the Department of Medicine and Surgery.

TITLE XV—MINORS, INCOMPETENTS, AND OTHER WARDS

Commitment actions

SEC. 1501. The Administrator may incur necessary court costs and other expenses incident to proceedings for the commitment of mentally incompetent veterans to a Veterans' Administration hospital or domiciliary when necessary for treatment or domiciliary purposes.

Payments to and supervision of guardians

SEC. 1502. (a) Where any payment of benefits under any law administered by the Veterans' Administration is to be made to a minor, other than a person in the active military, naval, or air service, or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State of residence of the claimant, or who is otherwise legally vested with the care of the claimant or his estate. Where in the opinion of the Administrator any guardian, curator, conservator, or other person is acting as fiduciary in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the wards, the Administrator may refuse to make future payments in such cases as he may deem proper. Before receipt of notice by the Veterans' Administration that any such person is under such other legal disability adjudged by some court of competent jurisdiction, payment may be made to such person direct. Where no guardian, curator, or conservator of the person under a legal disability has been appointed under the laws of the State of residence of the claimant, the Administrator shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

(b) Whenever it appears that any guardian, curator, conservator, or other person, in the opinion of the Administrator, is not properly executing or has not properly executed the duties of his trust or has collected or paid, or is attempting to collect or pay, fees, commissions, or allowances that are inequitable or in excess of those allowed by law for the duties performed or expenses incurred, or has failed to make such payments as may be necessary for the benefit of the ward or the dependents of the ward, then the Administrator may appear, by his duly authorized attorney, in the court which has appointed such fiduciary, or in any court having original, concurrent, or appellate jurisdiction over said cause, and make proper presentation of such matters. The Administrator, in his discretion, may suspend payments to any such guardian, curator, conservator, or other person who shall neglect or refuse, after reasonable notice, to render an account to the Administrator from time to time showing the application of such payments for the benefit of such incompetent or minor beneficiary, or who shall neglect or refuse to administer the estate according to law. The Administrator may appear or intervene by his duly authorized attorney in any court as an interested party in any litigation instituted by himself or otherwise, directly affecting money paid to such fiduciary under this section.

(c) Authority is hereby granted for the payment of any court or other expenses incident to any investigation or court proceeding for the appointment of any guardian, curator, conservator, or other person legally vested with the care of the claimant or his estate or the removal of such fiduciary and appointment of another, and of expenses in connection with the administration of such estates by such fiduciaries, or in connection with any other court proceeding hereby authorized, when such payment is authorized by the Administrator.

(d) All or any part of any benefit the payment of which is suspended or withheld under this section may, in the discretion of the Administrator, be paid temporarily to the person having custody and control of the incompetent or minor beneficiary, to be used solely for the benefit of such beneficiary, or, in the case of an incompetent veteran, may be apportioned to the dependent or dependents, if any, of such veteran. Any part not so paid and any funds of a mentally incompetent or insane veteran not paid to the chief officer of the institution in which such veteran is an inmate nor apportioned to his dependent or dependents may be ordered held in the Treasury to the credit of such beneficiary. All funds so held shall be disbursed under the order and in the discretion of the Administrator for the benefit of such beneficiary or his dependents. Any balance remaining in such fund to the credit of any beneficiary may be paid to him if he recovers and is found competent, or, if a minor, attains majority, or otherwise to his guardian, curator, or conservator, or, in the event of his death, to his personal representative, except as otherwise provided by law; however, payment will not be made to his personal representative if, under the law of his last legal residence, his estate would escheat to the State. Any funds in the hands of a guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, derived from benefits payable under laws administered by the Veterans' Administration, which under the law of the State wherein the beneficiary had his last legal residence would escheat to the State, shall escheat to the United States and shall be returned by such guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, or by the personal representative of the deceased beneficiary, less legal expenses of any administration necessary to determine that an escheat is in order, to the Veterans' Administration, and shall be deposited to the credit of the applicable current appropriation.

(e) In the case of any incompetent veteran having no guardian, payment of compensation, pension, or retirement pay may be made in the discretion of the Administrator to the wife of such veteran for the use of the veteran and his dependents.

(f) Payment of death benefits to a widow for herself and child or children, if any, may be made directly to such widow, notwithstanding she may be a minor.

Hospitalized veterans and estates of incompetent institutionalized veterans

SEC. 1503. (a) (1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration any pension, compensation, or retirement pay otherwise payable shall continue without reduction until the first day of the seventh calendar month following the month of admission of such veteran for treatment or care. If treatment or care extends beyond that period the pension, compensation, or retirement pay, if $30 per month or less, shall continue without reduction, but if greater than $30 per month, the pension, compensation, or retirement pay shall not exceed 50 percent of the amount otherwise payable or $30 per month, whichever is the greater. If such veteran is discharged from such treatment or care upon certification by the officer in charge of the hospital, institution, or home, that maximum benefits have been received or that release is approved, he shall be paid in a lump sum such additional amount as would equal the total sum by which his pension, compensation, or retirement pay has been reduced under this section. If treatment or care is terminated by the veteran against medical advice or as the result of disciplinary action the amount by which any pension, compensation, or retirement pay is reduced hereunder, shall be paid to him at the expiration of 6 months after such termination or, in the event of his prior death, as provided in paragraph (2) of this subsection; and the pension, compensation, or retirement pay of any veteran leaving against medical advice or as the result of disciplinary action shall, upon a succeeding readmission for treatment or care, be subject to reduction, as herein provided, from the date of such readmission, but if such subsequent treatment or care is continued until discharge therefrom upon certification, by the officer in charge of the hospital, institution, or home in which treatment or care was furnished, that maximum benefits have been received or that release is approved, the veteran shall be paid in a lump sum such additional amount as would equal the total sum by which his pension, compensation, or retirement pay has been reduced under this section after such readmission.

(2) (A) In the event of the death of any veteran subject to the provisions of this section, while receiving hospital treatment, institutional or domiciliary care, or before payment of any lump sum authorized herein, such lump sum shall be paid in the following order of precedence: First, to the spouse; second, if the decedent left no spouse, or if the spouse is dead at time of settlement, then to the children (without regard to their age or marital status) in equal parts; third if no spouse or child, then to the father and mother in equal parts; fourth, if either the father or mother is dead, then to the one surviving; fifth, if there is no spouse, child, father, or mother at the time of settlement, then to the brothers and sisters in equal parts. If there are no persons in the classes named to whom payment may be made under this paragraph, no payment shall be made, except there may be paid only so much of the lump sum as may be necessary to reimburse a person who bore the expenses of last sickness or burial, but no part of the lump sum shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of such veteran.

(B) No payment shall be made under this paragraph (2) unless claim therefor is filed with the Veterans' Administration within 5 years after the death of the veteran, except that if any person so entitled under this paragraph is under legal disability at the time of death of the veteran, such 5-year period of limitation shall run from the termination or removal of the legal disability.

(b) (1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration, and is rated by the Veterans' Administration in accordance with regulations as being incompetent by reason of mental illness, the pension, compensation, or retirement pay of such veteran shall be subject to the provisions of subsection (a) of this section; however, no payment of a lump sum herein authorized shall be made until after the expiration of 6 months following a finding of competency.

(2) In any case where the estate of such incompetent veteran derived from any source (except retired pay, but including emergency officers' retirement pay) equals or exceeds $1,500, further payments of such benefits shall not be made until the estate is reduced to $500; however, the amount which would be payable but for this subsection shall be paid to the veteran as provided for the lump sum in paragraph (1) of this subsection but in the event of the veteran's death no part thereof shall be payable.

(3) All or any part of the pension, compensation, or retirement pay payable on account of any incompetent veteran who is being furnished hospital treatment, institutional or domiciliary care may, in the discretion of the Administrator, be paid to the chief officer of the institution wherein the veteran is being furnished such treatment or care, to be properly accounted for by such chief officer and to be used for the benefit of the veteran.

(c) Any veteran subject to the provisions of subsection (a) or (b) shall be deemed to be single and without dependents in the absence of satisfactory evidence to the contrary. In no event shall increased compensation, pension, or retirement pay of such veteran be granted for any period more than 1 year before receipt of satisfactory evidence showing such veteran has a wife, child, or dependent parent.

(d) Notwithstanding any other provision of this section or any other provision of law, no reduction shall be made in the pension, compensation, or retirement pay of any veteran for any part of the period during which he is furnished hospital treatment, or institutional or domiciliary care, for Hansen's disease, by the United States or any political subdivision thereof.

Administration of trust funds

SEC. 1504. All cash balances in the personal funds of patients and the funds due incompetent beneficiaries trust funds administered by the Veterans' Administration, and all moneys received which are properly for deposit into these funds, may be deposited, respectively, into special deposit accounts with the Treasurer of the United States for credit to the several disbursing officers of the Division of Disbursement, Treasury Department, and such balances and deposits shall thereupon be available for disbursement for properly authorized purposes without covering into the Treasury of the United States and withdrawal on money requisitions. When any balances have been on deposit with the Treasurer of the United States for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, they shall be transferred and disposed of as directed in the last proviso of subsection (a) of section 20 of the Permanent Appropriation Repeal Act, 1934 (31 U. S. C., sec. 725s).

TITLE XVI—AGENTS AND ATTORNEYS

Prohibition against acting as claims agent or attorney

SEC. 1601. No individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Veterans' Administration unless he has been recognized for such purposes by the Administrator.

Recognition of representatives of organizations

SEC. 1602. (a) (1) The Administrator may recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as he may approve, in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

(2) The Administrator may, in his discretion, furnish, if available, space and office facilities for the use of paid full-time representatives of national organizations so recognized.

(b) No individual shall be recognized under this section—

(1) unless he has certified to the Administrator that no fee or compensation of any nature will be charged any individual for services rendered in connection with any claim; and

(2) unless, with respect to each claim, such individual has filed with the Administrator a power of attorney, executed in such manner and form as the Administrator may prescribe.

(c) Service rendered in connection with any such claim, while not on active duty, by any retired officer, warrant officer, or enlisted man of the Armed Forces recognized under this section shall not be a violation of section 281 or 283 of title 18 of the United States Code, or a violation of section 190 of the Revised Statutes of the United States (5 U. S. C., sec. 99).

Recognition with respect to particular claims

SEC. 1603. The Administrator may recognize any individual for the preparation, presentation, and prosecution of any particular claim for benefits under any of the laws administered by the Veterans' Administration if—

(1) such individual has certified to the Administrator that no fee or compensation of any nature will be charged any individual for services rendered in connection with such claim; and

(2) such individual has filed with the Administrator a power of attorney, executed in such manner and in such form as the Administrator may prescribe.

Recognition of agents and attorneys generally

SEC. 1604. (a) The Administrator may recognize any individual as an agent or attorney for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration. The Administrator may require that individuals, before being recognized under this section, show that they are of good moral character and in good repute, are qualified to render claimants valuable service, and otherwise are competent to assist claimants in presenting claims.

(b) The Administrator, after notice and opportunity for a hearing, may suspend or exclude from further practice before the Veterans' Administration any agent or attorney recognized under this section if he finds that such agent or attorney—

(1) has engaged in any unlawful, unprofessional, or dishonest practice;

(2) has been guilty of disreputable conduct;

(3) is incompetent;

(4) has violated or refused to comply with any of the laws administered by the Veterans' Administration, or with any of the regulations or instructions governing practice before the Veterans' Administration; or

(5) has in any manner deceived, misled, or threatened any actual or prospective claimant.

(c) The Administrator shall determine and pay fees to agents or attorneys recognized under this section in allowed claims for monetary benefits under laws administered by the Veterans' Administration. Such fees—

(1) shall be determined and paid as prescribed by the Administrator;

(2) shall not exceed $10 with respect to any one claim; and

(3) shall be deducted from monetary benefits claimed and allowed.

Penalty for certain acts

SEC. 1608. Whoever (1) directly or indirectly solicits contracts for, charges, or receives, or attempts to solicit, contract for, charge, or receive, any fee or compensation except as provided in section 1604 of this title, section 19 of the World War Veterans' Act, 1924, or section 617 of the National Service Life Insurance Act of 1940, or (2) wrongfully withholds from any claimant or beneficiary any part of a benefit or claim allowed and due him, shall be fined not more than $500 or imprisoned at hard labor for not more than 2 years, or both.

TITLE XVII—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

Part A—Provisions relating to hospitals and homes

Hospital and domiciliary facilities

SEC. 1701. (a) The Administrator, subject to the approval of the President, shall provide hospitals, domiciliaries, and out-patient dispensary facilities for veterans entitled under this act to hospital or domiciliary care or medical services. Such hospitals, domiciliaries, and other facilities may be provided by (1) purchase, replacement, or remodeling or extension of existing plants, or (2) construction of such facilities on sites already owned by the United States or on sites acquired by purchase, condemnation, gift, or otherwise.

(b) Hospital and domiciliaries provided by the Administrator under subsection (a) shall be of fireproof construction. Where an existing plant is purchased it shall be remodeled to be fireproof.

(c) The location of each hospital or domiciliary and its nature (whether for domiciliary care or the treatment of tuberculosis, neuropsychiatric cases, or general medical and surgical cases) shall be within the discretion of the Administrator, subject to the approval of the President.

(d) The Administrator may accept gifts or donations for any of the purposes of this section.

(e) The Administrator, subject to the approval of the President, may use as hospitals, domiciliaries, or outpatient dispensary facilities such suitable buildings, structures, and grounds owned by the United States on March 3, 1925, as may be available for such purposes, and the President may by Executive order transfer any such buildings, structures, and grounds to the control and jurisdiction of the Veterans' Administration upon the request of the Administrator.

(f) As used in this section and in sections 1702 and 1703, the term "hospitals, domiciliaries, or outpatient dispensary facilities" includes necessary buildings and auxiliary structures, mechanical equipment, approach work, roads, and trackage facilities leading thereto, sidewalks abutting hospital reservations, vehicles, livestock, furniture, equipment, accessories, accommodations for officers, nurses, and attending personnel, and proper and suitable recreational facilities.

Construction and repair of buildings

SEC. 1702. The construction of new hospitals, domiciliaries, and outpatient dispensary facilities, or the replacement, extension, alteration, remodeling, or repair of all such facilities shall be done in such manner as the President may determine. The President may require the architectural, engineering, constructing, or other forces of any of the departments of the Government to do or assist in such work, and he may employ individuals and agencies not connected with the Government, if in his opinion desirable, at such compensation as he may consider reasonable.

Use of Armed Forces facilities

SEC. 1703. The Administrator and the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy may enter into agreements and contracts for the mutual use or exchange of use of hospitals and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate such facilities properly, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number established or approved on June 22, 1944, plus the estimated number required to meet the load of eligibles under this act, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

Garages on hospital and domiciliary reservations

SEC. 1704. The Administrator may construct and maintain on reservations of Veterans' Administration hospitals and domiciliaries, garages for the accommodation of privately owned automobiles of employees at such hospitals and domiciliaries. Employees using such garages shall make such reimbursement therefor as the Administrator may deem reasonable. Money received from the use of such garages shall be covered into the Treasury of the United States as miscellaneous receipts.

Acceptance of certain property

SEC. 1705. The President may accept from any State or other political subdivision, or from any person, any building, structure, equipment, or grounds suitable for the care of the disabled, with due regard to fire or other hazards, state of repair, and all other pertinent considerations. He may designate which agency of the Federal Government shall have the control and management of any property so accepted.

Part B—Procurement and supply

Revolving supply fund

SEC. 1711. (a) The revolving supply fund established for the operation and maintenance of a supply system for the Veterans' Administration (including procurement of supplies and equipment and personal service) shall be—

(1) available without fiscal year limitations for all expenses necessary for the operation and maintenance of such supply system;

(2) reimbursed from appropriations for the cost of all services, equipment, and supplies furnished, at rates determined by the Administrator on the basis of estimated or actual direct and indirect cost; and

(3) credited with advances from appropriations for activities to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund, including the proceeds of disposal of scrap, excess or surplus personal property of the fund, and receipts from carriers and others for loss of or damage to personal property.

At the end of each fiscal year, any net income of the fund, after making provision for prior losses, shall be covered into the Treasury of the United States as miscellaneous receipts.

(b) An adequate system of accounts for the fund shall be maintained on the accrual method, and financial reports prepared on the basis of such accounts. An annual business type budget shall be prepared for operations under the fund.

(c) The Administrator is authorized to capitalize, at fair and reasonable values as determined by him, all supplies and materials and depot stocks of equipment on hand or on order.

Authority to procure and dispose of property

SEC. 1712. (a) The Administrator may lease for a term not exceeding 3 years lands or building, or parts or parcels thereof, belonging to the United States and under his control. The proceeds from such leases, less expenses for maintenance, operation, and repair of buildings leased for living quarters, shall be covered into the Treasury of the United States as miscellaneous receipts.

(b) The Administrator may, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, procure the necessary space for administrative, clinical, medical, and outpatient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to law.

Procurement of prosthetic appliances

SEC. 1713. The Administrator may procure prosthetic appliances and necessary services required in the fitting, supplying, and training and use of prosthetic appliances by purchase, manufacture, contract, or in such other manner as he may determine to be proper, without regard to any other provision of law.

Property formerly owned by National Home for Disabled Volunteer Soldiers

SEC. 1714. If by reason of any defeasance or conditional clause or clauses contained in any deed of conveyance of property to the National Home for Disabled Volunteer Soldiers, which property is owned by the United States, the full and complete enjoyment and use of such property is threatened, the Attorney General, upon request of the President, shall institute in the United States district court for the district in which the propery is located such proceedings as may be proper to extinguish all outstanding adverse interests. The Attorney General may procure and accept on behalf of the United States by gift, purchase, cession, or otherwise absolute title to and complete jurisdiction over all such property.

Grant of easements in Government-owned lands

SEC. 1715. The Administrator, whenever he deems it advantageous to the Government and upon such terms and conditions as he deems advisable, may grant on behalf of the United States to any State, or any agency or political subdivision thereof, or to any public-service company, easements in and rights-of-way over lands belonging to the United States which are under his supervision and control. Such grant may include the use of such easements or rights-of-way by public utilities to the extent authorized and under the conditions imposed by the laws of such State relating to use of public highways. Such partial, concurrent, or exclusive jurisdiction over the areas covered by such easements or rights-of-way, as the Administrator deems necessary or desirable, is hereby ceded to the State in which the land is located. The Administrator may accept or secure on behalf of the United States from

the State in which is situated any land conveyed in exchange for any such easement or right-of-way, such jurisdiction as he may deem necessary or desirable over the land so acquired. Any such easement or right-of-way shall be terminated upon abandonment or nonuse of the same and all right, title, and interest in the land covered thereby shall thereupon revert to the United States or its assignee.

Contracts and personal services

SEC. 1716. The Administrator may, for purposes of all laws administered by the Veterans' Administration, accept uncompensated services, and enter into contracts or agreements with private or public agencies or persons, for such necessary services (including personal services) as he may deem practicable.

TITLE XVIII—ACCEPTANCE OF GIFTS AND BEQUESTS

Authority to accept gifts, devises, and bequests

SEC. 1801. The Administrator may accept devises, bequests, and gifts, made in any manner, with respect to which the testator or donor shall have indicated his intention that such property shall be for the benefit of groups of persons formerly in the active military, naval, or air service who by virtue of such service alone, or disability suffered therein or therefrom, are or shall be patients or members of any one or more hospitals or homes operated by the United States Government, or has indicated his intention that such property shall be for the benefit of any such hospital or home, or shall be paid or delivered to any official, as such, or any agency in administrative control thereof.

Legal proceedings

SEC. 1802. For the purpose of acquiring title to and possession of any property which he is by this title authorized to accept, the Administrator may initiate and appear in any appropriate legal proceedings, and take such steps therein or in connection therewith as in his discretion may be desirable and appropriate to reduce said property to possession. He may incur such expenses incident to such proceedings as he deems necessary or appropriate, which shall be paid as are other administrative expenses of the Veterans' Administration. All funds received by devise, bequest, gift, or otherwise, for the purposes contemplated in this title, including net proceeds of sales authorized by this title, shall be deposited with the Treasurer of the United States to the credit of the General Post Fund.

Restricted gifts

SEC. 1803. Disbursements from the General Post Fund shall be made on orders by and within the discretion of the Administrator and in the manner prescribed in section 1923; except that (1) if the testator or donor has directed or shall direct that his devise, bequest, or gift be devoted to a particular use authorized by this title, the same, less expenses incurred, or the net proceeds thereof, shall be used or disbursed as directed, except that a precatory direction shall be fulfilled only insofar as may be proper or practicable; and (2) if the testator or donor shall have indicated his desire that his devise, bequest, or gift shall be for the benefit of persons in hospitals or homes, or other institutions operated by the United States but under the jurisdiction of an official other than the Administrator, the same, less expenses incurred, or the net proceeds thereof which may come into possession of the Administrator shall be disbursed by transfer to the governing authorities of such institution, or otherwise, in such manner as the Administrator may determine, for the benefit of the persons in the institution indicated by the testator or donor, for proper purposes, as nearly as practicable in conformity with such desire of the testator or donor.

Disposition of property

SEC. 1804. If the Administrator receives any property other than moneys as contemplated by this title, he is authorized in his discretion to sell, assign, transfer, and convey the same, or any interest therein claimed by virtue of such devise, bequest, or gift, for such price and upon such terms as he deems advantageous (including consent to partition of realty and compromise of contested claim of title), and his assignment, deed, or other conveyance of any such property, executed in the name and on behalf of the United States, shall be valid to pass to the purchaser thereof such title to said property as the United States, beneficially or as trustee of the general post fund, may have by virtue of any such devise, bequest, or gift, and the proceedings incident thereto, subject to the conditions, limitations, and provisions of the instruments so executed by the Administrator.

Saving provision

SEC. 1805. (a) Nothing contained in this title shall be construed to repeal or modify section 4831 of the Revised Statutes of the United States, or any other statute authorizing the acceptance of devises, bequests, or gifts to the United States for their own use and benefit or for any particular purpose specified by the donors or testators.

(b) Whenever the United States receives property and it appears that it is, or shall have been, the intention of the testator or donor that such devise, bequest, or gift be for the benefit of those persons described in section 1801, or any particular hospital or other institution operated primarily for their benefit, such property or the proceeds thereof shall be credited to the general post fund, and shall be used or disbursed in accordance with the provisions of this title.

TITLE XIX—DISPOSITION OF DECEASED VETERANS' PERSONAL PROPERTY

Part A—Property left on Veterans' Administration facility

Vesting of property left by decedents

SEC. 1901. (a) Personal property left by any decedent upon premises used as a Veterans' Administration facility, which premises are subject to the exclusive legislative jurisdiction of the United States and are within the exterior boundaries of any State, Territory, Commonwealth, insular possession, or dependency of the United States, shall vest and be disposed of as provided in this part, except that—

(1) if such person died leaving a last will and testament probated under the laws of the place of his domicile or under the laws of the State, Territory, Commonwealth, insular possession, or dependency of the United States within the exterior boundaries of which such premises or a part thereof may be, the personal property of such decedent situated upon such premises shall vest in the person or persons entitled thereto under the provisions of such last will and testament; and

(2) if such person died leaving any such property not disposed of by a last will and testament probated in accord with the provisions of paragraph (1) such property shall vest in the persons entitled to take such property by inheritance under and upon the conditions provided by the law of the decedent's domicile. This paragraph shall not apply to property to which the United States is entitled except where such title is divested out of the United States.

(b) Any officer or employee of the United States in possession of any such property may deliver same to the executor (or the administrator with will annexed) who shall have qualified in either jurisdiction as provided in subsection (a) (1); or if none such then to the domiciliary administrator or to any other qualified administrator who shall demand such property. When delivery shall have been made to any such executor or administrator in accordance with this subsection, neither the United States nor any officer or employee thereof shall be liable therefor.

Disposition of unclaimed personal property

SEC. 1902. (a) Notwithstanding the provisions of section 1901, the Administrator may dispose of the personal property of such decedent left or found upon such premises as hereafter provided in this part.

(b) If any veteran (admitted as a veteran), upon his last admission to, or during his last period of maintenance in, a Veterans' Administration facility, shall have designated in writing a person (natural or corporate) to whom he desires his personal property situated upon such facility to be delivered, upon the death of such veteran the Administrator or employee of the Veterans' Administration authorized by him so to act, may transfer possession of such personal property to the person so designated. If there exists no person so designated by the veteran or if the one so designated declines to receive such property, or if he has failed to request such property within 90 days after the Veterans' Administration mails to such designate a notice of death and of the fact of such designation, a description of the property, and an estimate of transportation cost, which shall be paid by such designate if required under the regulations hereinafter mentioned, or if the Administrator declines to transfer possession to such designate, possession of such property may in the discretion of the Administrator of Veterans' Affairs, or his designated subordinate, be transferred to the following persons in the order and manner herein specified unless the parties otherwise agree as provided in this part, namely, executor or administrator, or if no notice of appointment received, to the spouse, child, grandchild, mother, father, grandmother, grandfather, brother, or sister of the veteran. In case two or more of those named above request the property, only one shall be entitled to possession thereof and in the order hereinbefore set forth, unless they otherwise agree in writing delivered to the Veterans' Administration. If claim is made by two or more such relatives having equal priorities, as hereinabove prescribed, or if there are conflicting claims the Administrator or his designee may in such case select the one to receive such possession, or may make delivery as may be agreed upon by those entitled, or may in his discretion withhold delivery from them and require the qualification of an administrator or executor of the veterans' estate and thereupon make delivery to such.

(c) If the property of any decedent is not so delivered or claimed and accepted the Administrator or his designee may dispose of such property by public or private sale in accordance with the provisions of this part and regulations prescribed by the Administrator.

(d) All sales authorized by this part shall be for cash upon delivery at the premises where sold and without warranty, express or implied. The proceeds of such sales after payment of any expenses incident thereto as may be prescribed by regulations, together with any other moneys left or found on a facility, not disposed of in accordance with this part, shall be credited to the General Post Fund, National Homes, Veterans' Administration, a trust fund provided for in section 20 (45) of the Permanent Appropriation Repeal Act, 1934 (31 U. S. C., sec. 725s). In addition to the purposes for which such fund may be used under the existing law, disbursements may be made therefrom as authorized by the Administrator by regulation or otherwise for the purpose of satisfying any legal liability incurred by any employee in administering the provisions of this part, including any expense incurred in connection therewith. Legal liability shall

not exist when delivery or sale shall have been made in accordance with this part.

(e) If, notwithstanding such sale, a claim is filed with the Administrator within 5 years after notice of sale as herein required, by or on behalf of any person or persons who if known would have been entitled to the property under section 1901 or to possession thereof under this section, the Administrator shall determine the person or persons entitled under the provisions of this part and may pay to such person or persons so entitled the proceeds of sale of such property, less expenses. Such payment shall be made out of the said trust fund, and in accord with the provisions of this section or section 1901. Persons under legal disability to sue in their own name may make claim for the proceeds of sale of such property at any time within 5 years after termination of such legal disability.

(f) Any such property, the sale of which is authorized under this part and which remains unsold, may be used, destroyed, or otherwise disposed of in accordance with regulations promulgated by the Administrator.

Notice of provisions of this part

SEC. 1903. All persons having or bringing personal property on the premises of a Veterans' Administration facility shall be given reasonable notice of the provisions of this part. In case of a mentally incompetent person, notice hereof shall be given the guardian or other person having custody or control of such person or, if none, to his nearest relative if known. The admission to or continued maintenance in such facility after reasonable notice of the provisions of this part shall constitute consent to the provisions hereof. The death of any person on any such facility or the leaving of property thereon shall be prima facie evidence of a valid agreement for the disposition of such property in accordance with the provisions of this part.

Disposition of other unclaimed property

SEC. 1904. Any other unclaimed property found on the premises under the control of the Veterans' Administration shall be stored by the officer in charge of such premises and may be sold, used, destroyed, or otherwise disposed of in accordance with regulations promulgated by the Administrator if the owner thereof fails to claim same within 90 days. If undisposed of, the same may be reclaimed by the owner, his personal representative or next of kin, upon payment of reasonable storage charges prescribed by regulations. If sold, the net proceeds thereof shall be credited to said post fund to be expended as other assets of such funds. The person who was entitled to such property, or his legal representative, or assignee shall be paid the proceeds of sale thereof, less expenses if claim therefor be made within 5 years from the date of finding. If the owner shall have died intestate without creditors or next of kin surviving, such proceeds shall not be paid to his legal representative.

Sale or other disposition of property

SEC. 1905. Any unclaimed personal property as described in section 1902 of veterans who have heretofore died or who may hereafter die while maintained as such in a Veterans' Administration facility, and also any unclaimed property heretofore or hereafter found or situated in such facility, may be sold, used, destroyed, or otherwise disposed of in accordance with this part, and subject to regulations promulgated by the Administrator pursuant hereto; and the net proceeds of sale thereof shall be credited and be subject to disbursement as provided in this part.

Notice of sale

SEC. 1906. At least 90 days before any sale pursuant to this part, written or printed notice thereof describing the property to be sold shall be mailed to the owner of the property or, if deceased, to his executor or administrator, or to the nearest kin, if any such appear by the records of the Veterans' Administration. If none such appears from said records, similar notice shall be posted at the facility where the death occurred or property shall have been found (if in existence) and at the place where such property is situated at the time of such notice, and also at the place where probate notices are posted in the county wherein the sale is to be had. The person posting such notice shall make an affidavit setting forth the time and place of such posting and attaching thereto a copy of such notice, and such affidavit shall be prima facie evidence of such posting and admissible in evidence as proof of the same.

Payment of small shipping charges

SEC. 1907. Upon receipt of a proper claim for such property under the provisions of this part the Administrator is hereby authorized, in his discretion and in accordance with regulations by him promulgated, to pay mailing or shipping charges not to exceed $10 in the case of each deceased veteran as hereinabove defined.

Relinquishment of Federal jurisdiction

SEC. 1908. Subject to the provisions of this part and to the extent necessary to effectuate the purposes of this part, there is hereby relinquished to the respective State, Territory, Commonwealth, insular possession, or dependency of the United States such jurisdiction pertaining to the administration of estates of decedents as may have been ceded to the United States by said State, Territory, Commonwealth, insular possession, or dependency of the United States respecting the Federal reservation on which is situated any Veterans' Administration facility while such facility is operated by the Veterans' Administration; such jurisdiction with respect to any such property on any such reservation to be to the same extent as if such premises had not been ceded to the United States. Nothing in this section shall be construed to deprive any said State, Territory, Commonwealth, insular possession, or dependency of the United States of any jurisdiction which it now has nor to give any State, Territory, Commonwealth, insular possession, or dependency of the United States authority over any Federal official as such on such premises or otherwise.

Definitions

SEC. 1909. The term "facility" or "Veterans' Administration facility" as used in this part means those facilities over which the Veterans' Administration has direct and exclusive administrative jurisdiction, including hospitals or other facilities on property owned or leased by the United States while operated by the Veterans' Administration.

Finality of decisions

SEC. 1910. Decisions by the Administrator under this part shall not be reviewable administratively by any other officer of the United States.

Part B—Death while inmate of Veterans' Administration facility

Vesting of property left by decedents

SEC. 1920. (a) Whenever any veteran (admitted as a veteran) shall die while a member or patient in any facility, or any hospital while being furnished care or treatment therein by the Veterans' Administration, and shall not leave surviving him any spouse, next of kin, or heirs entitled, under the laws of his domicile, to his personal property as to which he dies intestate, all such property, including money and choses in action, owned by him at the time of death and not disposed of by will or otherwise, shall immediately vest in and become the property of the United States as trustee for the sole use and benefit of the General Post Fund (hereafter in this part referred to as the "Fund"), a trust fund prescribed by section 20 (45) of the Permanent Appropriation Repeal Act, 1934 (31 U. S. C., sec. 725s (45)).

(b) The provisions of subsection (a) are conditions precedent to the initial, and also to the further furnishing of care or treatment by the Veterans' Administration in a facility or hospital. The acceptance and the continued acceptance of care or treatment by any veteran (admitted as a veteran to a Veterans' Administration facility or hospital) shall constitute an acceptance of the provisions and conditions of this part and have the effect of an assignment, effective at his death, of such assets in accordance with and subject to the provisions of this part and regulations issued in accordance with this part and former provisions of law on this subject.

Presumption of contract for disposition of personalty

SEC. 1921. The fact of death of a veteran (admitted as such) in a facility or hospital, while being furnished care or treatment therein by the Veterans' Administration, leaving no spouse, next of kin, or heirs, shall give rise to a conclusive presumption of a valid contract for the disposition in accordance with this part, but subject to its conditions, of all property described in section 1920 owned by said decedent at death and as to which he dies intestate.

Sale of assets accruing to the fund

SEC. 1922. Any assets heretofore or hereafter accruing to the benefit of the fund, other than money, but including jewelry and other personal effects, may be sold at the times and places and in the manner prescribed by regulations issued by the Administrator. Upon receipt of the purchase price he is authorized to deliver at the place of sale, said property sold, and upon request to execute and deliver appropriate assignments or other conveyances thereof in the name of the United States, which shall pass to the purchaser such title as decedent had at date of death. The net proceeds after paying any proper sales expenses as determined by the Administrator shall forthwith be paid to the Treasurer of the United States to the credit of the fund; and may be disbursed as are other moneys in the fund by the Division of Disbursements, Treasury Department, upon order of said Administrator. Articles of personal adornment which are obviously of sentimental value shall be retained and not sold or otherwise disposed of until the expiration of 5 years from the date of death of the veteran, without a claim therefor, unless for sanitary or other proper reasons it is deemed unsafe to retain same, in which event they may be destroyed forthwith. Any other articles coming into possession of the Administrator or his representatives by virtue of this part which, under regulations promulgated by the Administrator, are determined to be unsalable may be destroyed forthwith or at the time prescribed by regulations, or may be used for the purposes for which disbursements might properly be made from the fund or, if not usable, otherwise disposed of in accordance with regulations.

Disbursements from the fund

SEC. 1923. Disbursements from the fund shall be made by the Division of Disbursements, Treasury Department, upon the order and within the discretion of the Administrator for the benefit of members and patients while being supplied care or treatment by the Veterans' Administration in any facility or hospital. The authority contained in the preceding sentence is not limited to facilities or hospitals under direct administrative control of the Veterans' Administration. There shall be paid out of the assets of the decedent so far as may be the valid claims of creditors against his estate that would be legally payable therefrom in the absence

of this part and without the benefit of any exemption statute, and which may be presented to the Veterans' Administration within 1 year from the date of death, or within the time, to the person, and in the manner required or permitted by the law of the State wherein administration, if any, is had upon the estate of the deceased veteran; and also the proper expenses and costs of administration, if any. If the decedent's estate is insolvent the distribution to creditors shall be in accordance with the laws of his domicile, and the preferences and priorities prescribed thereby shall govern, subject to any applicable law of the United States.

Disposal of remaining assets

SEC. 1924. The remainder of such assets or their proceeds shall become assets of the United States as trustee for the fund and disposed of in accordance with this part. If there is administration upon the decedent's estate such assets, other than money, upon claim therefor within the time required by law, shall be delivered by the administrator of the estate to the Administrator or his authorized representative, as upon final distribution; and upon the same claim there shall be paid to the Treasurer of the United States for credit to the fund any such money, available for final distribution. In the absence of administration, any money, chose in action, or other property of the deceased veteran held by any person shall be paid or transferred to the Administrator upon demand by him or his duly authorized representative, who shall deliver itemized receipt therefor. Such payment or transfer shall constitute a complete acquittance of the transferor with respect to any claims by any administrator, creditor, or next of kin of such decedent.

Court actions

SEC. 1925. If necessary to obtain such assets the Administrator, through his authorized attorneys, may bring and prosecute appropriate actions at law or other legal proceedings, the costs and expenses thereof to be paid as are other administrative expenses of the Veterans' Administration.

Filing of claims for assets

SEC. 1926. Notwithstanding the crediting to said fund of the assets, or proceeds thereof, of any decedent, whether upon determination by a court or the Veterans' Administration pursuant to the provisions of section 1920, any person claiming a right to such assets may within 5 years after the death of the decedent file a claim on behalf of himself and any others claiming with the Administrator. Upon receipt of due proof that any person was at date of death of the veteran entitled to his personal property, or a part thereof, under the laws of the State of domicile of the decedent, the Administrator may pay out of the fund, but not to exceed the net amount credited thereto from said decedent's estate less any necessary expenses, the amount to which such person, or persons, was or were so entitled, and upon similar claim any assets of the decedent which shall not have been disposed of shall be delivered in kind to the parties legally entitled thereto. If any person so entitled is under legal disability at the date of death of such decedent, such 5-year period of limitation shall run from the termination or removal of legal disability. In the event of doubt as to entitlement, the Administrator may cause administration or other appropriate proceedings to be instituted in any court having jurisdiction. In determining questions of fact or law involved in the adjudication of claims made under this section, no judgment, decree, or order entered in any action at law, suit in equity, or other legal proceeding of any character purporting to determine entitlement to said assets or any part thereof, shall be binding upon the United States or the Administrator or determinative of any fact or question involving entitlement to any such property or the proceeds thereof, or any part of the fund, unless the Administrator has been reasonably served with notice and permitted to become a party to such suit or proceeding if he makes a request therefor within 30 days after such notice. Notice may be served in person or by registered mail upon the Administrator, or upon his authorized attorney in the State wherein the action or proceedings may be pending. Notice may be waived by the Administrator or by his authorized attorney, in which event the finding, judgment, or decree shall have the same effect as if the Administrator were a party and served with notice. Any necessary court costs or expenses if authorized by the Administrator may be paid as are other administrative expenses of the Veterans' Administration.

Notice of provisions of part

SEC. 1927. The Administrator shall prescribe a form of application for hospital treatment and domiciliary care which shall include notice of the provisions of this part.

Investment of the fund

SEC. 1928. Money in the fund not required for current disbursements may be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

TITLE XX—VETERANS' CANTEEN SERVICE

Purpose of Veterans' Canteen Service

SEC. 2001. The Veterans' Canteen Service (hereafter in this title referred to as the "Service") in the Veterans' Administration is an instrumentality of the United States, created for the primary purpose of making available to veterans of the Armed Forces who are hospitalized or domiciled in hospitals and homes of the Veterans' Administration, at reasonable prices, articles of merchandise and services essential to their comfort and well-being.

Duties of Administrator with respect to service

SEC. 2002. The Administrator shall—

(1) establish, maintain, and operate canteens where deemed necessary and practicable at hospitals and homes of the Veterans' Administration and at other Veterans' Administration establishments where similar essential facilities are not reasonably available from outside commercial sources;

(2) establish, maintain, and operate such warehouses and storage depots as may be necessary in operating the canteens;

(3) furnish the Service, without charge, rental, or reimbursement, for its use in connection with the establishment, maintenance, and operation thereof, such space, buildings, and structures under control of the Veterans' Administration as he may consider necessary, including normal maintenance and repair service thereon;

(4) transfer to the Service without charge, rental, or reimbursement such necessary equipment as may not be needed for other purposes, and furnish the Service such services and utilities, including light, water, and heat, as may be available and necessary for its use. Reasonable charges, to be determined by the Administrator, shall be paid annually by the Service for the utilities so furnished;

(5) employ such persons as are necessary for the establishment, maintenance, and operation of the Service, and to pay the salaries, wages, and expenses of all such employees from the funds of the Service. Personnel necessary for the transaction of the business of the Service canteens, warehouses, and storage depots shall be appointed, compensated from funds of the Service, and removed by the Administrator without regard to civil-service laws and the Classification Act of 1949. Such employees shall be subject to the Veterans' Preference Act of 1944, the Civil Service Retirement Act, and laws administered by the Bureau of Employees Compensation applicable to civilian employees of the United States;

(6) make all necessary contracts or agreements to purchase or sell merchandise, fixtures, equipment, supplies, and services, without regard to section 3709 of the Revised Statutes of the United States (41 U. S. C., sec. 5), and to do all things necessary to carry out such contracts or agreements, including the making of necessary adjustments and compromising of claims in connection therewith;

(7) fix the prices of merchandise and services in canteens so as to carry out the purposes of this title;

(8) accept gifts and donations of merchandise, fixtures, equipment, and supplies for the use and benefit of the Service;

(9) make such rules and regulations, not inconsistent with the provisions of this title, as he considers necessary or appropriate to effectuate its purposes;

(10) delegate such duties and powers to employees as he considers necessary or appropriate, whose official acts performed within the scope of the delegated authority shall have the same force and effect as though performed by the Administrator;

(11) authorize the use of funds of the Service when available, subject to such regulations as he may deem appropriate, and without regard to the provisions of sections 3639 and 3651, Revised Statutes of the United States (31 U. S. C., secs. 521, 543), for the purpose of cashing checks, money orders, and similar instruments in nominal amounts for the payment of money presented by veterans hospitalized or domiciled at hospitals and homes of the Veterans' Administration, and by other persons authorized by section 2003 to make purchases at canteens. Such checks, money orders, and other similar instruments may be cashed outright or may be accepted, subject to strict administrative controls in payment for merchandise or services, and the difference between the amount of the purchase and the amount of the tendered instrument refunded in cash.

Operation of Service

SEC. 2003. (a) The canteens at hospitals and homes of the Veterans' Administration shall be primarily for the use and benefit of veterans hospitalized or domiciled at such hospitals and homes. Service at such canteens may also be furnished to personnel of the Veterans' Administration and recognized veterans' organizations employed at such hospitals and homes and to other persons so employed, to the families of all the foregoing persons who reside at the hospital or home concerned, and to relatives and other persons while visiting any of the persons named in this subsection; however, service to any person not hospitalized, domiciled, or residing at the hospital or home shall be limited to the sale of merchandise or services for consumption or use on the premises.

(b) Service at canteens other than those established at hospitals and homes shall be limited to sales of merchandise and services for consumption or use on the premises, to personnel employed at such establishments, their visitors, and other persons at such establishments on official business.

Financing of Service

SEC. 2004. To finance the establishment, maintenance, and operation of the Service there is hereby authorized to be appropriated, from time to time, such amounts as are necessary to provide for (1) the acquisition of necessary furniture, furnishings, fixtures, and equipment for the establishment, maintenance, and operation of canteens, warehouses, and storage depots; (2) stocks of merchandise and supplies for canteens and reserve stocks of same in warehouses and

storage depots; (3) salaries, wages, and expenses of all employees; (4) administrative and operation expenses and premiums on fidelity bonds of employees; and (5) adequate working capital for each canteen and for the Service as a whole. Amounts appropriated under the authority contained in this title, amounts heretofore appropriated under Public Law 636, 79th Congress, and all income from canteen operations become and will be administered as a revolving fund to effectuate the provisions of this title.

Revolving fund

SEC. 2006. The revolving fund shall be deposited in a checking account with the Treasury of the United States. Such amounts thereof as the Administrator may determine to be necessary to establish and maintain operating accounts for the various canteens may be deposited in checking accounts in other depositories selected by the Administrator.

Budget of Service

SEC. 2006. The Service shall prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act which shall contain an estimate of the needs of the Service for the ensuing fiscal year including an estimate of the amount required to restore any impairment of the revolving fund resulting from operations of the current fiscal year. Any balance in the revolving fund at the close of the fiscal year in excess of the estimated requirements for the ensuing fiscal year shall be covered into the Treasury as miscellaneous receipts.

Audit of accounts

SEC. 2007. The Service shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act. No other audit shall be required.

Service to be independent unit

SEC. 2008. It is the purpose of this title that, under control and supervision of the Administrator, the Service shall function as an independent unit in the Veterans' Administration and shall have exclusive control over all its activities including sales, procurement and supply, finance, including disbursements, and personnel management, except as otherwise herein provided.

TITLE XXI—MISCELLANEOUS

Travel expenses

SEC. 2101. (a) Under regulations prescribed by the President, the Administrator may pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, of any person to or from a Veterans' Administration facility or other place in connection with vocational rehabilitation, or for the purpose of examination, treatment, or care.

(b) Mileage may be paid under this section in connection with vocational rehabilitation, or upon termination of examination, treatment, or care, before the completion of travel.

(c) When any person entitled to mileage under this section requires an attendant (other than an employee of the Veterans' Administration) in order to perform such travel, the attendant may be allowed expenses of travel upon the same basis as such person.

(d) The Administrator may provide for the purchase of printed reduced-fare requests for use by veterans and their authorized attendants when traveling at their own expense to or from any Veterans' Administration facility.

Seven-year absence presumption of death

SEC. 2102. (a) No State law providing for presumption of death shall be applicable to claims for benefits under laws administered by the Veterans' Administration.

(b) If evidence satisfactory to the Administrator is submitted establishing the continued and unexplained absence of any individual from his home and family for 7 or more years, and establishing that after diligent search no evidence of his existence after the date of disappearance has been found or received, the death of such individual as of the date of the expiration of such period shall be considered as sufficiently proved.

(c) Except in a suit brought pursuant to section 19 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 445) of section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817), the finding of death made by the Administrator shall be final and conclusive.

Certification of records of District of Columbia

SEC. 2103. When a copy of any public record of the District of Columbia is required by the Veterans' Administration to be used in determining the eligibility of any person for benefits under laws administered by the Veterans' Administration, the official custodian of such public record shall without charge provide the applicant for such benefits of any person (including any veterans' organization) acting on his behalf or the authorized representative of the Veterans' Administration with a certified copy of such record.

Certain service deemed to be active service

SEC. 2104. (a) Service as a cadet at the United States Military Academy or United States Coast Guard Academy, or as a midshipman at the United States Naval Academy, after December 6, 1941, and before January 1, 1947, shall be considered active military or naval service for the purposes of all laws administered by the Veterans' Administration.

(b) (1) Service as a member of the Women's Army Auxiliary Corps for 90 days or more by any woman who before October 1, 1943, was honorably discharged for service-connected disability which rendered her physically unfit to perform further service in the Women's Army Auxiliary Corps or the Women's Army Corps shall be considered active military service for the purposes of all laws administered by the Veterans' Administration.

(2) Any person entitled to compensation or pension by reason of this subsection and to compensation based upon the same service under the Federal Employees' Compensation Act must elect which benefit she will receive.

Certain service deemed not to be active service

SEC. 2105. (a) Service before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces pursuant to the military order of the President dated July 26, 1941, shall not be deemed to have been active military, naval, or air service for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military, naval, or air service of the United States, except benefits under—

(1) the National Service Life Insurance Act of 1940, with respect to contracts of insurance entered into before February 18, 1946;

(2) the Missing Persons Act; and

(3) titles III and VIII of this act and title II of the Servicemen's and Veterans' Survivor Benefits Act.

Payments under such titles III, VIII, and II, shall be made at the rate of one peso for each dollar otherwise authorized, and where annual income is a factor in entitlement to benefits, the dollar limitations in the law specifying such annual income shall apply at the rate of one Philippine peso for each dollar. Any payments made before February 18, 1946, to any such member under such laws conferring rights, benefits, or privileges, shall not be deemed to have been invalid by reason of the circumstance that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of any such law.

(b) Service in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945 shall not be deemed to be active military, naval, or air service for the purposes of any of the laws administered by the Veterans' Administration except—

(1) the National Service Life Insurance Act of 1940, with respect to contracts of insurance entered into (A) before May 27, 1946, or (B) under section 620 or 621 thereof;

(2) the Servicemen's Indemnity Act of 1951; and

(3) title III of this act and title II of the Servicemen's and Veterans' Survivor Benefits Act.

Payments under such titles III and II shall be made at the rate of 1 peso for each dollar otherwise authorized, and where annual income is a factor in entitlement to benefits, the dollar limitations in the law specifying such annual income shall apply at the rate of 1 Philippine peso for each dollar.

Payment of certain withheld benefits

SEC. 2106. (a) Any person who, but for section 5 of Public Law 144, 76th Congress, or section 1008 of this act, was entitled to benefits under any of the laws administered by the Veterans' Administration, whose award of benefits was terminated under such section, or whose benefits were not paid pursuant to Public Law 828, 76th Congress, and who was not guilty of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or its allies, shall be paid the full amount of any benefits not paid because of such section 5 or 1008, or withheld (including the amount of any checks covered on his account into the Treasury as miscellaneous receipts together with any amount to his credit in the special-deposit account) pursuant to such Public Law 828. The Administrator shall certify to the Secretary of the Treasury the amounts of payments which, but for this section, would have been made from the special deposit account, and the Secretary of the Treasury, as directed by the Administrator, shall reimburse the appropriations of the Veterans' Administration from such special deposit account, or cover into the Treasury as miscellaneous receipts the amounts so certified.

(b) No payment shall be made for any period before the date claim therefor is filed under this section to any person whose award was terminated, or whose benefits were not paid, because he was a citizen or subject of Germany or Japan residing in Germany or Japan.

Benefits for discharged members of allied forces

SEC. 2107. (a) In consideration of reciprocal services extended to the United States, the Administrator, upon request of the proper officials of the government of any nation allied or associated with the United States in World War I (except any nation which was an enemy of the United States during World War II), or in World War II, may furnish to discharged members of the military, naval, or air forces of such government, under agreements requiring reimbursement in cash of expenses so incurred, at such rates and under such regulations as the Administrator may prescribe, medical, surgical, and dental treatment, hospital care, transportation and traveling expenses, prosthetic appliances, education, training, or similar benefits authorized by the laws of such nation for its veterans, and services required in extending such benefits. Hospitalization in a Veterans' Administration facility shall not be afforded under this section, except in emergencies, unless there are available beds surplus to the needs of veterans of this country. The Administrator may also pay the court costs and other expenses incident to the proceedings taken for the commitment of such discharged members who are mentally incompetent to institutions for the care or treatment of the insane.

(b) The Administrator, in carrying out the provisions of this section, may contract for necessary services in public or private hospitals.

(c) All amounts received by the Veterans' Administration as reimbursement for such services shall be credited to the current appropriation of the Veterans' Administration from which expenditures were made under this section.

Preservation of certain disability ratings

SEC. 2108. A rating of total disability or permanent total disability which has been made for compensation, pension, or insurance purposes under laws administered by the Veterans' Administration, and which has been continuously in force for 20 or more years shall not be reduced thereafter, except upon a showing that such rating was based on fraud.

TITLE XXII—AMENDMENTS AND REPEALS

Amendments

SEC. 2201. The following provisions of law are amended as follows:

(1) Section 441 of the Revised Statutes of the United States (5 U. S. C., sec. 485), is amended by striking out "Pensions and bounty-lands" and inserting "Bounty-lands."

(2) Clause (2) of subsection (b) of section 3 of the Civil Service Retirement Act is amended by striking out "during an enlistment or employment as provided in Veterans Regulation No. 1 (a), part I, paragraph I" and inserting in lieu thereof "during a period of war (as that term is used in title III of the Veterans' Benefits Act of 1957."

(3) Section 3 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 424), is amended by striking out "Titles II, III, and IC of."

(4) Section 19 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 445), is amended by adding at the end thereof the following new paragraph:

"Whenever a judgment or decree shall be rendered in an action brought pursuant to this section or section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817), the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same if proper, said fees not to exceed 10 percent of the amount recovered and to be paid by the Veterans' Administration out of the payments to be made under the judgment or decree at a rate not exceeding one-tenth of each of such payments until paid; except that in a suit brought by or on behalf of an insured during his lifetime, for waiver of premiums on account of total disability, the court, as part of its judgment or decree, shall determine and allow a reasonable fee to be paid by the insured to his attorney."

(5) Section 23 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 447), is amended (A) by striking out all beginning with "The" through "no compensation or insurance" and inserting "No insurance", and (B) by striking out ": *Provided, further*, That the discharge of a person for having concealed the fact that he was a minor at the time of his enlistment shall not bar him from the benefits of this act if his service was otherwise honorable."

(6) Section 24 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 448), is amended by striking out "he or those entitled thereto shall receive the benefits of compensation payable under title II; and."

(7) Section 25 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 452), is amended by striking out "titles II and" and inserting "title."

(8) Section 26 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 451), is amended by striking out "of compensation, yearly renewable term insurance, or accrued maintenance and support allowance which has become payable under the provisions of titles II, III, or IV hereof" and inserting "of yearly renewable term insurance which has become payable under the provisions of this act."

(9) Section 27 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 452) is amended by striking out "compensation and."

(10) Section 28 of the World War Veterans' Act, 1924 (38 U. S. C., sec. 453) is amended by inserting immediately after "recovery of payments" the following: "of insurance under this act."

(11) Subsection (b) of section 212 of the act of June 30, 1932 (47 Stat. 406; 5 U. S. C., sec. 59a) is amended by striking out "an enlistment or employment as provided in Veterans Regulation No. 1 (a), part I, paragraph I" and inserting in lieu thereof "a period of war (as that term is used in title III of the Veterans' Benefits Act of 1957)."

(12) Part VIII of Veterans Regulation No. 1 (a) is amended (1) by striking out "honorably discharged therefrom" in paragraph 1, thereof and inserting "discharged or released therefrom under conditions other than dishonorable"; (2) by striking out "section 1503 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 697c)" in subparagraph (b) of such paragraph and inserting "this paragraph"; (3) by striking out "207 of the Legislative Reorganization Act of 1946, as amended (5 U. S. C. 191a)" and inserting "1552 of title 10 of the United States Code" and (4) by adding at the end of such part the following:

"10. If a veteran is not living with his wife, or if any of his children are not in his custody, any subsistence allowance payable to the veteran under this part or part VIII may be apportioned as may be prescribed by the Administrator.

"11. Terms used in this part and part VIII shall have the meanings assigned to them by section 101 of the Veterans' Benefits Act of 1957. Effective dates relating to awards under this part and part VIII shall correspond to the effective dates relating to awards of disability compensation under title IX of such act."

(13) Section 616 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 816) is amended by striking out "The" and all that follows down through "That assignments" and inserting in lieu thereof "Assignments."

(14) Section 617 of the National Service Life Insurance Act of 1940 (38 U. S. C., sec. 817) is amended by striking out "sections 19 and 500" and inserting "section 19."

(15) The first proviso in section 301 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 693h) is amended by striking out "section 200 of the act of June 29, 1936 (Public Law No. 844, 74th Cong.)" and inserting "title XVI of the Veterans' Benefits Act of 1957."

(16) Section 1503 of the Servicemen's Readjustment Act of 1944 (38 U. S. C., sec. 697c) is amended by striking out "or Public Law No. 2, 73d Congress as amended."

(17) Section 608 of the Federal Employees' Pay Act of 1945 (5 U. S. C., sec. 948) is amended by striking out "paragraph II (a) of part III of Veterans Regulation No. 1 (a), as amended" and inserting "section 432 of the Veterans' Benefits Act of 1957."

(18) The paragraph beginning "Finance Service, Army" under title II of the act of May 27, 1946 (60 Stat. 223) is amended by striking out the semicolon at the end of paragraph (4) and inserting a period, and by striking out paragraphs (5) and (6) and the provisos immediately following such paragraph (6).

(19) Section 8 of the act of August 4, 1947 (61 Stat. 728; 5 U. S. C., sec. 1057), is amended by striking out "the act of January 3, 1946 (Public Law 293, 79th Cong.)" and inserting in lieu thereof "title XIV of the Veterans' Benefits Act of 1957."

(20) Paragraph (3) of section 202 of the Classification Act of 1949 (63 Stat. 955; 5 U. S. C., sec. 1082) is amended by striking out "Public Law 293, 79th Congress, approved January 3, 1946" and inserting "title XIV of the Veterans' Benefits Act of 1957."

(21) Paragraph 3 of subsection (b) of section 2 of the Performance Rating Act of 1950 (64 Stat. 1098; 5 U. S. C., sec. 2001) is amended by striking out "Public Law 293, 79th Congress, approved January 3, 1946" and inserting in lieu thereof "title XIV of the Veterans' Benefits Act of 1957."

(22) The act of December 28, 1950 (64 Stat. 1121; 38 U. S. C., sec. 701a), is amended (1) by striking out "part I, Veterans Regulation No. 1 (a), as amended" and inserting in lieu thereof "part B of title III of the Veterans' Benefits Act of 1957"; (2) by striking out "section 1503 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 697c)" and inserting "paragraph 1 of part VII of Veterans Regulation No. 1 (a)"; and (3) by striking out "207 of the Legislative Reorganization Act of 1946, as amended (5 U. S. C. 191a)" and inserting in lieu thereof "1552 of title 10 of the United States Code."

(23) Paragraph (5) of section 201 of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 911) is amended by striking out "paragraph VI of Veterans Regulation No. 10, as amended" and "paragraph VII of Veterans Regulation No. 10, as amended" and inserting in lieu of each "section 101 of the Veterans' Benefits Act of 1957."

(24) Subsection (a) of section 261 of the Veterans' Readjustment Assistance Act of 1952 (38 U. S. C., sec. 971) is amended by striking out all beginning with "The Administrator" through "payments" and inserting "Payments."

(25) Paragraph (18) of section 121 (a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(18) Benefits under laws administered by the Veterans' Administration, see section 1001 of the Veterans' Benefits Act of 1957."

(26) Paragraph (8) of section 102 of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1032) is amended by striking out "section 21 of the World War Veterans Act, 1924, as amended (38 U. S. C., sec. 450)," and inserting in lieu thereof "section 1502 of the Veterans' Benefits Act of 1957."

(27) Subsection (a) of section 501 of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1033), is amended by striking out all beginning with "The Administrator" through "payments" and inserting "Payments."

(28) Subsection (a) of section 503 of the War Orphans' Educational Assistance Act of 1956 (38 U. S. C., sec. 1034), is amended by inserting immediately after "compensation" each time it occurs the following: ", dependency and indemnity compensation."

(29) Paragraph (7) of section 102 of the Servicemen's and Veterans' Survivor Benefits Act (38 U. S. C., sec. 1101) is amended to read as follows:

"(7) Except for purposes of title IV, the terms 'child' and 'parent' have the meanings assigned to them by section 101 of the Veterans' Benefits Act of 1957."

(30) (A) Subsection (a) of section 209 of the Servicemen's and Veterans' Survivor

Benefits Act (38 U. S. C., sec. 1112) is amended by striking out the second and third sentences.

(B) Such section is further amended by striking out subsections (b) and (f).

(31) (A) Chapter 61 of title 10 of the United States Code is amended by inserting at the end thereof the following:

"§ 1218. Explanation of rights before discharge

"(a) No person may be discharged or released from active duty in the Armed Forces until his certificate of discharge or release from active duty and his final pay (or a substantial portion of his final pay) are ready for delivery to him or to his next of kin or legal representative.

"(b) No person may be discharged or released from active duty in the Armed Forces on account of disability until he has executed (or refused to execute) a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration, or has signed (or refused to sign) a statement that he has had explained to him his right to file such claim. Refusal or failure to file such a claim shall not prejudice any right such person may thereafter assert.

"(c) This section does not preclude the immediate transfer of any person to a Veterans' Administration facility for necessary hospital care.

"§ 1219. Statement against interest void

"No person in the Armed Forces may be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have. Any such statement against his own interest, whenever signed, is of no force and effect.

"§ 1220. Location of accredited representatives at military installations

"(a) Upon certification to the Secretary concerned by the Administrator of Veterans' Affairs of paid full-time accredited representatives of organizations specified in section 1602 of the Veterans' Benefits Act of 1957 and other national organizations recognized by the Administrator under laws administered by the Veterans' Administration, the Secretary concerned shall permit the functioning, in accordance with regulations prescribed to carry out the purposes of this section, of such accredited representatives in military installations on shore from which persons are discharged or released from active duty.

"(b) Regulations necessary to carry out the purposes of this section in effect on January 1, 1958, shall remain in effect until changed by the Secretary concerned, acting jointly with the Administrator.

"(c) The commanding officer of each military installation shall cooperate fully with representatives authorized under this section in providing available space and equipment for such representatives.

"(d) Nothing in this section affects measures of military security."

(B) The analysis of such chapter 61 is amended by inserting immediately below

"1217. Cadets, midshipmen, and aviation cadets: chapter does not apply to."

the following:

"1218. Explanation of rights before discharge.
"1219. Statement against interest void.
"1220. Location of accredited representatives at military reservations."

(C) Chapter 561 of title 10 of the United States Code is amended by adding at the end thereof the following:

"§ 6159. Half rating to disabled naval enlisted personnel serving 20 years

"(a) There shall be paid to every person who, from age or infirmity, is disabled from sea service, but who has served as an enlisted man or petty officer, or both, in the Navy or Marine Corps for 20 or more years, and has not been discharged for misconduct, at his election, in lieu of being provided with a home in the Naval Home, Philadelphia, a pension equal to one-half the pay of his rating at the time of his discharge, payable monthly.

"(b) Applications for pension under this part shall be made to the Secretary of the Navy. If he is satisfied that the applicant is entitled to pension, he shall so certify to the Administrator, who shall pay naval pension to the applicant.

"§ 6160. Pension to persons serving 10 years

"(a) Every disabled person who has served in the Navy or Marine Corps as an enlisted man or petty officer, or both, for 10 or more years, and has not been discharged for misconduct, may apply to the Secretary of the Navy for aid.

"(b) Upon receipt of an application under subsection (a), the Secretary of the Navy may convene a board of not less than three naval officers (one of whom shall be a surgeon) to examine into the condition of the applicant, and to recommend a suitable amount for his relief, and for a specified time. If the Secretary of the Navy approves the recommendation, he shall so certify to the Administrator of Veterans' Affairs, who shall pay a pension in such amount monthly to the applicant.

"(c) No naval pension under this section shall be paid at a rate in excess of the rate payable to a veteran of World War I for permanent and total non-service-connected disability, unless the applicant's disability is service-connected, in which case the naval pension payable to him shall not exceed the rate of disability compensation payable for total disability to a veteran of any war, or of peacetime service, as the case may be."

(D) The analysis of such chapter 561 is amended by inserting immediately below

"6158. Exemption from arrest for debt; enlisted members of Marine Corps.

the following:

"6159. Half rating to disabled naval enlisted personnel serving 20 years.
"6160. Pension to persons serving 10 years."

Repeals

Sec. 2202. The following provisions of law are repealed:

(1) In the revised statutes of the United States, sections 470 (38 U. S. C., sec. 1); 471 (38 U. S. C., sec. 2; 43 U. S. C., sec. 784); 472 (38 U. S. C., sec 3); 4592 (38 U S. C., sec. 151); 4593 (38 U. S. C., sec. 152); 4604 (38 U. S. C., sec. 155); 4605 (38 U. S. C., sec. 153); 4606 (38 U. S. C., sec. 154); 4607 (38 U. S. C., sec. 155a); 4608 (38 U. S. C., sec. 156); 4608½ (38 U. S. C., sec. 58); 4699 (38 U. S. C., sec. 177); 4700 (38 U. S. C., sec. 30); 4701 (38 U. S. C., sec. 31); 4702 (38 U. S. C., sec. 191); 4703 (38 U. S. C., sec. 193); 4704 (38 U. S. C., sec. 202); 4705 (38 U. S. C., sec. 198); 4706 (38 U. S. C., sec. 200); 4707 (38 U. S. C., secs. 203, 204); 4708 (38 U. S. C., sec. 205); 4711 (38 U. S. C., sec. 116); 4712 (38 U. S. C., sec. 21); 4713 (38 U. S. C., sec. 95); 4719 (38 U. S. C., sec. 53); 4720 (38 U. S. C., sec. 28); 4721; 4722 (38 U. S. C., sec. 33); 4724 (38 U. S. C., sec. 26a); 4728 (38 U. S. C., sec. 221); 4729 (38 U. S. C., sec. 223); 4734 (38 U. S. C., sec. 55); 4735 (38 U. S. C., sec. 201); 4742 (38 U. S. C., sec. 329); 4745 (38 U. S. C., sec. 129); 4748 (38 U. S. C., sec. 41); 4756 (38 U. S. C., sec. 229); 4757 (38 U. S. C., sec. 230); 4766 and 4776 (38 U. S. C., secs. 44–47, 49, 74, 75, 192); 4785 (38 U. S. C., sec. 111); 4786 (38 U. S. C., sec. 114); and 5485 (38 U. S. C., sec. 112).

(2) The act of June 6, 1874 (18 Stat. 61; 38 U. S. C., sec. 26 note).

(3) The act of June 18, 1874 (ch. 298, 18 Stat. 78; 38 U. S. C., sec. 157).

(4) The act of June 18, 1874 (ch. 299, 18 Stat. 78; 38 U. S. C., secs. 156, 157).

(5) The paragraph which begins "That the additional compensation" under the heading "Miscellaneous," in the act of March 3, 1875 (18 Stat. 374; 38 U. S. C., sec. 123).

(6) The act of March 3, 1875 (ch. 253, 18 Stat. 671).

(7) The portion of the act of January 19, 1877, which reads "; which shall be stated in the annual report of the Commissioner of Pensions; and hereafter he shall report the total annual amount paid for additions also reductions on the annual pension rolls" (19 Stat. 223–224; 38 U. S. C., sec. 11e).

(8) The act of February 28, 1877 (19 Stat. 264; 38 U. S. C., secs. 153, 155a, 164).

(9) The act of March 3, 1877 (ch. 120, 19 Stat. 403; 38 U. S. C., secs. 151, 152).

(10) The act of March 3, 1877 (ch. 121, 19 Stat. 403; 38 U. S. C., sec. 222).

(11) The act of June 17, 1878 (20 Stat. 144; 38 U. S. C., sec. 159).

(12) The act of June 18, 1878 (20 Stat. 166; 38 U. S. C., sec. 153).

(13) The act of January 25, 1879 (20 Stat. 265; 38 U. S. C., secs. 91, 116).

(14) Section 2, and the last two paragraphs of the first section, of the act of March 3, 1879 (20 Stat. 470; 38 U. S. C., secs. 91–93).

(15) The act of March 3, 1879 (ch. 198, 20 Stat. 483).

(16) The act of March 3, 1879 (20 Stat. 484; 38 U. S. C., sec. 159).

(17) The proviso in the first sentence in section 3 of the act of June 21, 1879 (21 Stat. 30; 38 U. S. C., sec. 57).

(18) The act of June 16, 1880 (21 Stat. 281; 38 U. S. C., sec. 158).

(19) Section 2 of the act of March 3, 1891 (ch. 162, 21 Stat. 641).

(20) Sections 4 and 5 of the act of July 25, 1882 (22 Stat. 175–176; 38 U. S. C., secs. 29, 71, 72).

(21) Section 2 of the act of August 7, 1882 (22 Stat. 345; 38 U. S. C., sec. 199).

(22) The act of March 3, 1883 (22 Stat. 453; 38 U. S. C., secs. 165, 169, 170).

(23) The Joint Resolution of February 1, 1884 (No. 4, 23 Stat. 266; 38 U. S. C., sec. 8).

(24) In the act of July 4, 1884 (23 Stat. 99–101), the proviso in the paragraph which begins "For pay"; section 2; and section 6 (38 U. S. C., sec. 115).

(25) The second sentence in the paragraph which begins "For fees and expenses" in the act of March 3, 1885 (23 Stat. 362; 38 U. S. C., sec. 24).

(26) The act of March 3, 1885 (23 Stat. 437).

(27) The act of March 19, 1886 (24 Stat. 5; 38 U. S. C., secs. 195, 196).

(28) The act of August 4, 1886 (24 Stat. 230; 38 U. S. C., sec. 166).

(29) The act of January 29, 1887 (24 Stat. 371–372; 38 U. S. C., secs. 261–262).

(30) In the act of June 7, 1888 (25 Stat. 173), the second and fourth provisos in the paragraph which begins "For Army and Navy pensions as follows:" (38 U. S. C., sec. 94), and the second sentence of the paragraph which begins "For fees and expenses."

(31) The act of August 27, 1888 (25 Stat. 449; 38 U. S. C., secs. 171, 173).

(32) The act of February 12, 1889 (25 Stat. 659; 38 U. S. C., sec. 163).

(33) In the act of March 1, 1889 (25 Stat. 782), the third, fourth, and fifth provisos in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 59), and the second sentence in the paragraph which begins "For fees and expenses."

(34) The act of March 4, 1890 (26 Stat. 16; 38 U. S. C., sec. 174).

(35) The third proviso in the paragraph which begins "For Army and Navy pensions" in the act of April 4, 1890 (26 Stat. 40; 38 U. S. C., sec. 11e).

(36) The act of June 27, 1890 (26 Stat. 182–183; 38 U. S. C., secs. 203, 205, 266, 281, 324, 328).

(37) In the act of June 30, 1890 (26 Stat. 187–189), the third and fourth provisos in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 06 note); all of the paragraph which begins "For fees and

expenses" except the first sentence therein; all of the paragraph which begins "For the salaries" except the first sentence therein; the proviso in the paragraph which begins "For clerk-hire"; and all that follows "dollars" down through "respectively" in the paragraph which begins "For rents."

(38) The act of July 1, 1890 (26 Stat. 209; 38 U. S. C., sec. 42 note).

(39) Section 2 of the act of August 29, 1890 (ch. 820, 26 Stat. 371).

(40) The Joint Resolution of September 1, 1890 (26 Stat. 679; 38 U. S. C., sec. 42 note).

(41) In the act of March 3, 1891 (26 Stat. 1081–1083), all that follows "accounted for separately." In the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 114); the second sentence in the paragraph which begins "For fees and expenses"; and section 2 of such act.

(42) The act of March 3, 1891 (26 Stat. 1416; 38 U. S. C., sec. 289).

(43) The act of July 14, 1892 (27 Stat. 149; 38 U. S. C., sec. 175).

(44) The act of July 26, 1892 (27 Stat. 272; 38 U. S. C., secs. 42, 43).

(45) The act of July 27, 1892 (27 Stat. 261–262; 38 U. S. C., secs. 371, 376, 379).

(46) The act of August 5, 1892 (27 Stat. 348–349; 38 U. S. C., secs. 311, 311a).

(47) The act of January 5, 1893 (27 Stat. 413; 38 U. S. C., sec. 264).

(48) The act of February 3, 1893 (27 Stat. 429; 38 U. S. C., sec. 377).

(49) The proviso, and the sentence which begins "Such notice", in the paragraph headed "PENSION OFFICE" in the act of December 21, 1893 (28 Stat. 18; 38 U. S. C., sec. 56).

(50) The second sentence in the paragraph which begins "For fees and expenses" in the act of July 18, 1894 (28 Stat. 113; 38 U. S. C., sec. 73).

(51) The act of August 23, 1894 (28 Stat. 429; 38 U. S. C., sec. 60).

(52) The joint resolution of February 15, 1895 (No. 13, 28 Stat. 970; 38 U. S. C., sec. 290).

(53) The second sentence in the paragraph which begins "For fees and expenses" in the act of March 2, 1895 (28 Stat. 703–704; 38 U. S. C., sec. 176).

(54) The act of March 2, 1895 (28 Stat. 904–905; 38 U. S. C., sec. 96).

(55) In the act of March 6, 1896 (29 Stat. 45), all of the paragraph which begins "That whenever" (38 U. S. C., sec. 323); and all of the paragraph which begins "For fees and expenses" except the first sentence therein.

(56) The act of March 13, 1896 (29 Stat. 57; 38 U. S. C., sec. 32).

(57) The act of February 17, 1897 (29 Stat. 605; 38 U. S. C., sec. 289).

(58) The portion of the act of July 19, 1897, which reads "That the provisions of the act entitled 'An act to authorize condemnation of land for sites of public buildings, and for other purposes,' approved August 1, 1888, shall be construed to apply to the Board of Managers of the National Home for Disabled Volunteer Soldiers" (30 Stat. 121; 33 U. S. C., sec. 11d–1).

(59) In the act of March 14, 1898 (30 Stat. 276), the last proviso in the paragraph which begins "For army and navy pensions"; all of the paragraph which begins "For fees and expenses" except the first sentence therein; and the proviso in the paragraph which begins "For clerk hire".

(60) The act of March 3, 1899 (30 Stat. 1379–1380; 38 U. S. C., sec. 192).

(61) The act of April 18, 1900 (ch. 244, 31 Stat. 136).

(62) The act of April 23, 1900 (31 Stat. 137–138; 38 U. S. C., sec. 264).

(63) Section 2 of the act of March 3, 1901 (31 Stat. 1446; 38 U. S. C., sec. 206 note).

(64) All of the paragraph which begins "For fees and expenses" in the act of March 10, 1902 (32 Stat. 62; 38 U. S. C., sec. 113 note) except the first sentence therein.

(65) The act of June 27, 1902 (32 Stat. 399–400; 38 U. S. C., sec. 372).

(66) The paragraph which begins "Hereafter the officers" in the act of June 28, 1902 (32 Stat. 472; 38 U. S. C., sec. 11c–1).

(67) The Joint Resolution of July 1, 1902 (32 Stat. 750; 38 U. S. C., secs. 272, 322).

(68) All of the paragraph which begins "For fees and expenses" in the act of December 23, 1902 (32 Stat. 761; 38 U. S. C., sec. 113 note), except the first sentence therein.

(69) The act of January 15, 1903 (32 Stat. 773; 38 U. S. C., sec. 172).

(70) Sections 2 and 3 of the act of February 28, 1903 (32 Stat. 920–921; 38 U. S. C., secs. 205 note, 206).

(71) The act of March 2, 1903 (32 Stat. 944; 38 U. S. C., secs. 162, 167).

(72) The act of March 3, 1903 (32 Stat. 1228; 38 U. S. C., sec. 265).

(73) The act of April 8, 1904 (33 Stat. 163; 38 U. S. C., sec. 160).

(74) All of the paragraph which begins "For fees and expenses" in the act of April 27, 1904 (33 Stat. 315–316; 38 U. S. C., sec. 113 note), except the first sentence therein.

(75) All of the paragraph which begins "For fees and expenses" in the act of March 3, 1905 (33 Stat. 849; 38 U. S. C., sec. 113 note), except the first sentence therein.

(76) The last proviso in the paragraph which begins "SUPPRESSING COUNTERFEITING AND OTHER CRIMES:" in the act of March 3, 1905 (33 Stat. 1169; 38 U. S. C., sec. 97).

(77) In the act of April 24, 1906 (34 Stat. 133), the last proviso in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 178 note), and all of the paragraph which begins "For fees and expenses" (38 U. S. C., sec. 113 note), except the first sentence therein.

(78) The act of February 6, 1907 (34 Stat. 879; 38 U. S. C., secs. 267, 328).

(79) In the act of March 4, 1907 (34 Stat. 1406, 1407), the third and fourth provisos in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 178); all of the paragraph which begins "For fees and expenses" (38 U. S. C., sec. 113 note) except the first sentence therein; and the paragraph which begins "*Provided.*"

(80) The act of April 19, 1908 (35 Stat. 64; 38 U. S. C., secs. 197, 282, 324a).

(81) The proviso in the paragraph which begins "For additional amount" under the center heading "Revenue Cutter Service" in the act of May 27, 1908 (35 Stat. 322; 38 U. S. C., sec. 27).

(82) In the act of May 28, 1908 (35 Stat. 418–420), the third proviso in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 48); all of the paragraph which begins "For fees and expenses" (38 U. S. C., secs. 72 note, 113, and 125) except the first sentence therein; and the proviso in the paragraph which begins "For stationery."

(83) The act of May 30, 1908 (35 Stat. 553; 38 U. S. C., sec. 373).

(84) In the act of March 4, 1909 (35 Stat. 1057–1058), the last proviso in the paragraph which begins "For Army and Navy pensions" (38 U. S. C., sec. 194); and both provisos in the paragraph which begins "For stationery" (38 U. S. C., sec. 97).

(85) (A) The amendment made to the act of June 25, 1910 (36 Stat. 703–774), by the act of December 26, 1941 (55 Stat. 868–871), which amendment is hereby declared to have been solely an amendment to the paragraph beginning "Hereafter" on page 736 of volume 36 of the United States Statutes at Large (38 U. S. C., secs. 17–17j).

(B) The paragraph referred to in subparagraph (A).

(86) Section 2 of the act of June 25, 1910 (36 Stat. 843; 38 U. S. C., sec. 61).

(87) The act of May 11, 1912 (37 Stat. 112–114; 38 U. S. C., secs. 268, 269, 325, 328).

(88) In the act of August 17, 1912 (37 Stat. 311–313), sections 2 through 6 (38 U. S. C., secs. 6, 7, 50, 52, 96, 128); and in the first section, (A) all of the paragraph which begins "For salary" that follows "cents" down through "said date" (38 U. S. C., sec. 5), and (B) the proviso in the paragraph which begins "For clerk hire."

(89) The act of February 19, 1913 (37 Stat. 679; 38 U. S. C., sec. 374).

(90) The portion of the act of March 3, 1915, which reads "In all cases where an officer or enlisted man of the Army, Navy, or Marine Corps dies, or where an enlisted man of the Army, Navy, or Marine Corps is disabled by reason of any injury received or disease contracted in line of duty, the result of an aviation accident, received while employed in actual flying in or in handling aircraft, the amount of pension allowed shall be double that authorized to be paid should death or the disability have occurred by reason of an injury received or disease contracted in line of duty, not the result of an aviation accident." (38 Stat. 940; 38 U. S. C., sec. 179).

(91) The act of April 27, 1916 (39 Stat. 53; 38 U. S. C., secs. 391–394).

(92) The last proviso in the paragraph which begins "For Army and Navy pensions" in the act of June 30, 1916 (39 Stat. 242; 38 U. S. C., sec. 393).

(93) The act of September 8, 1916 (39 Stat. 844–846; 38 U. S. C., secs. 283–286, 325a).

(94) In the act of March 3, 1917 (39 Stat. 1132), the proviso in the paragraph which begins "For fees and expenses" (38 U. S. C., sec. 72 note).

(95) The act of March 4, 1917 (39 Stat. 1199–1201; 38 U. S. C., secs. 375–376).

(96) In the act of October 6, 1917 (40 Stat. 398–411), sections 210 (38 U. S. C., sec. 575 note); 313 (38 U. S. C., sec. 502); and 314 (38 U. S. C., secs. 287, 357).

(97) Chapter VIII of the act of July 9, 1918 (40 Stat 851; 38 U. S. C., sec. 576).

(98) The act of July 16, 1918 (40 Stat. 903–904; 38 U. S. C., secs. 355, 363 note).

(99) The act of May 1, 1920 (41 Stat. 585–588; 38 U. S. C., secs. 168, 270, 271, 288, 312, 314, 321, 326, 327).

(100) The paragraph which begins "To increase the comfort" in the act of June 5, 1920 (41 Stat. 905; 38 U. S. C., sec. 706c).

(101) The act of June 5, 1920 (41 Stat. 982; 38 U. S. C., secs. 161, 168, 351, 352, 358, 361, 362).

(102) The act of May 3, 1922 (42 Stat. 505; 38 U. S. C., sec. 51).

(103) The act of September 1, 1922 (42 Stat. 834; 38 U. S. C., secs. 354, 356, 358–360, 363 note).

(104) The act of September 22, 1922 (42 Stat. 1030; 38 U. S. C., secs. 71, 72).

(105) In the World War Veterans' Act, 1924, sections 2 (38 U. S. C., sec. 423); 4 (38 U. S. C., sec. 425); 5 (38 U. S. C., sec. 426); 6 (38 U. S. C., sec. 429); 7 (38 U. S. C., sec. 430); 9 (38 U. S. C., sec. 433); 10 (38 U. S. C., sec. 434); 11 (38 U. S. C., sec. 439); 12 (38 U. S. C., sec. 440); 13 (38 U. S. C., sec. 441); 14 (38 U. S. C., sec. 428); 15 (43 Stat. 611); 18 (38 U. S. C., sec. 444); 20 (38 U. S. C., sec. 446); 21 (38 U. S. C., sec. 450); 29 through 35 (38 U. S. C., secs. 455–459b); 37 through 39 (38 U. S. C., secs. 459d–459f); Title II (38 U. S. C., secs. 422, 471, 472, 473, 474–483, 484, 486–488, 489–501, 501b); Title IV (38 U. S. C., secs. 531–539); Title V (38 U. S. C., secs. 551–555, 557); and 602 through 604 (38 U. S. C., secs. 571–573).

(106) The act of February 24, 1925 (43 Stat. 964; 38 U. S. C., sec. 575).

(107) The proviso in the paragraph which begins "For carrying out" under the center heading "United States Veterans' Bureau" in the Act of March 3, 1925 (43 Stat. 1210; 38 U. S. C., sec. 427).

(108) The act of March 3, 1925 (43 Stat. 1212; 38 U. S. C., secs. 435–437).

(109) The provisos in the paragraph which begins "For carrying out" under the center heading "United States Veterans' Bureau" in the act of April 22, 1926 (44 Stat. 319; 38 U. S. C., secs. 427, 450).

(110) The act of May 1, 1926 (44 Stat. 362; 38 U. S. C., secs. 364–364g, 364h).

(111) The act of May 5, 1926 (44 Stat. 366; 38 U. S. C., sec. 165b).

(112) The act of July 3, 1926 (44 Stat. 806; 38 U. S. C., secs. 273, 291, 291 note, 292, 313, 321a, 326a).

(113) The act of February 11, 1927 (44 Stat. 1085; 38 U. S. C., sec. 165a).

(114) The act of March 3, 1927 (44 Stat. 1361; 38 U. S. C., secs. 381, 381a–381f).

(115) The act of April 27, 1928 (45 Stat. 466; 38 U. S. C., sec. 232).

(116) The act of May 23, 1928 (45 Stat. 714; 38 U. S. C., secs. 291a, 291a note, 321b, 326b).

(117) The act of May 28, 1928 (45 Stat. 718; 38 U. S. C., secs. 438a–438e).

(118) The act of May 24, 1928 (45 Stat. 1016; 38 U. S. C., secs. 581–582).

(119) The provisos in the paragraph which begins "For fees and mileage" under the center heading "Special Investigations and Examinations" in the act of March 4, 1929 (45 Stat. 1588; 38 U. S. C., secs. 71, 72, 72a).

(120) Section 4 of the Legislative Pay Act of 1929 (38 U. S. C., sec. 9).

(121) The act of December 23, 1929 (46 Stat. 53; 38 U. S. C., secs. 438f–438l).

(122) The act of June 2, 1930 (46 Stat. 492; 38 U. S. C., secs. 365–365b, 365c–365h).

(123) The act of June 9, 1930 (46 Stat. 529; 38 U. S. C., secs. 33, 274, 274 note, 275, 291b, 291b note, 321c, 326c).

(124) The act of July 3, 1930 (46 Stat. 847; 38 U. S. C., secs. 238–238b).

(125) The act of July 8, 1930 (46 Stat. 1016; 38 U. S. C., secs. 11–11e, 11 note).

(126) The act of March 4, 1931 (46 Stat. 1551; 38 U. S. C., secs. 438j–438m).

(127) The act of January 26, 1933 (47 Stat. 776; 38 U. S. C., sec. 583).

(128) Title I of the act of March 20, 1933 (48 Stat. 8; 38 U. S. C., secs. 701, 702, 703, 704, 705, 706, 707–715, 717–721).

(129) In the Veterans Regulations, Veterans Regulations No. 1 (a) (except parts VII and VIII), 2 (a), 3 (a), 4, 5, 6 (a), 7 (a), 9 (a), 10, 11, and 12.

(130) In the Independent Offices Appropriation Act, 1934, the eighth proviso in the paragraph which begins "Administration" under the center heading "Military services" (38 U. S. C., sec. 445a); in the fourth proviso in such paragraph, the portion which begins "and notwithstanding" and ends "prescribe;" (38 U. S. C., sec. 11a–3 note); and section 20 thereof (38 U. S. C., sec. 722).

(131) Section 4 of the act of March 27, 1934 (48 Stat. 506).

(132) In the Independent Offices Appropriation Act, 1935 (48 Stat. 508–527), sections 26 (38 U. S. C., sec. 473a); 27 (38 U. S. C., sec. 471a); 30 (38 U. S. C., secs. 366, 367); 31 (38 U. S. C., sec. 501a); 34 (38 U. S. C., sec. 723); 35 (38 U. S. C., sec. 511a); and in the paragraph which begins "Administration" under the center heading "Veterans' Administration", the portion which begins "and notwithstanding" and ends "prescribe;" (38 U. S. C., sec. 11a–3 note).

(133) The act of June 26, 1934 (48 Stat. 1281; 38 U. S. C., secs. 503–505, 506–507a).

(134) The portion of each of the following acts which reads "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe;" (38 U. S. C., sec. 11a–3, 11a–3 note)—

(A) the Independent Offices Appropriation Act, 1936 (48 Stat. 17);

(B) the Independent Offices Appropriation Act, 1937 (49 Stat. 1181);

(C) the Independent Offices Appropriation Act 1938 (50 Stat. 346);

(D) the Independent Offices Appropriation Act, 1939 (52 Stat. 429);

(E) the Independent Offices Appropriation Act, 1940 (53 Stat. 544);

(F) the Independent Offices Appropriation Act, 1941 (54 Stat. 139);

(G) the Independent Offices Appropriation Act, 1942 (55 Stat. 120);

(H) the Independent Offices Appropriation Act, 1943 (56 Stat. 420);

(I) the Independent Offices Appropriation Act, 1944 (57 Stat. 192);

(J) the Independent Offices Appropriation Act, 1945 (58 Stat. 381);

(K) the Independent Offices Appropriation Act, 1947 (60 Stat. 75).

(135) The act of August 12, 1935 (49 Stat. 607; 38 U. S. C., secs. 454a, 556a, 556a note).

(136) The Act of August 13, 1935 (49 Stat. 614; 38 U. S. C., secs 368, 369).

(137) The act of August 23, 1935 (49 Stat. 724; 38 U. S. C., sec. 483a).

(138) The act of August 26, 1935 (49 Stat. 869; 38 U. S. C., secs. 704a, 724).

(139) The act of January 31, 1936(49 Stat. 1105; 38 U. S. C., sec. 113).

(140) The act of June 20, 1936 (49 Stat. 1569–1570; 38 U. S. C., sec. 10).

(141) The act of June 24, 1936 (49 Stat. 1910; 38 U. S. C., secs. 703a).

(142) In the act of June 20, 1936 (49 Stat. 2031–2035), title I (38 U. S. C., sec 508); title II (38 U. S. C., secs. 101–104); title III (38 U. S. C., secs. 131–134); title IV, except section 404 (38 U. S. C., secs. 472a, 34, ch. 12A); and section 600.

(143) In the act of August 16, 1937 (50 Stat. 660–662), sections 2 (38 U. S. C., sec. 472b); 5 (38 U. S. C., sec. 424a); 6 (38 U. S. C., sec. 572d); 8 (38 U. S. C., secs. 427c); and 9 (38 U. S. C., sec. 510).

(144) The act of August 25, 1937 (50 Stat. 786; 38 U. S. C., sec. 381–1).

(145) The first section and section 3 of the act of May 13, 1938 (52 Stat. 352–358; 38 U. S. C., secs. 409a, 505a).

(146) The act of May 24, 1938 (52 Stat. 440; 38 U. S. C., secs. 370–370d).

(147) The act of June 25, 1938 (52 Stat. 1189; 38 U. S. C., secs. 16–16j).

(148) The act of June 28, 1938 (52 Stat. 1214; 38 U. S. C., sec. 35).

(149) The act of May 3, 1939 (53 Stat. 652; 38 U. S. C., sec. 706a).

(150) The act of July 19, 1939 (53 Stat. 1067; 38 U. S. C., secs. 703b, 703c).

(151) In the act of July 19, 1939 (53 Stat. 1068), sections 4 (38 U. S. C., sec. 706b); and 5 (38 U. S. C., sec. 472b).

(152) The act of August 5, 1939 (53 Stat. 1209; 38 U. S. C., sec. 357a).

(153) The act of August 7, 1939 (53 Stat. 1252; 38 U. S. C., sec. 36, 36 note).

(154) The act of March 14, 1940 (54 Stat. 49; 38 U. S. C., secs. 76, 77).

(155) The portion of each of the following acts which reads "*Provided further*, That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the Classification Act of 1923, as amended:" (38 U. S. C., sec. 11a–1 note)—

(A) the Independent Offices appropriation Act, 1941 (54 Stat. 140);

(B) the Independent Offices Appropriation Act, 1942 (55 Stat. 120);

(C) the Independent Offices Appropriation Act, 1943 (56 Stat. 420);

(D) the Independent Offices Appropriation Act, 1944 (57 Stat. 192).

(156) The act of June 6, 1940 (54 Stat. 237).

(157) The act of June 11, 1940 (54 Stat. 301; 38 U. S. C., sec. 351a).

(158) The act of July 15, 1940 (54 Stat. 751; 38 U. S. C., secs. 582a–582b).

(159) The act of July 18, 1940 (54 Stat. 762; 38 U. S. C., sec. 582c).

(160) In the act of October 17, 1940 (54 Stat. 1193–1197), sections 3 (38 U. S. C., sec. 49a. 49a note); 6 (38 U. S. C., sec. 473); 8 (38 U. S. C., sec. 703b note); 9 (38 U. S. C., secs. 555a, 715a); 11 (38 U. S. C., sec. 11a–2); and 12 (38 U. S. C., sec. 501a–1).

(161) Section 4 of the act of June 30, 1941 (55 Stat. 398; 38 U. S. C., sec. 261j).

(162) The act of July 16, 1941 (55 Stat. 596; 38 U. S. C., secs. 238c–238e).

(163) The act of July 30, 1941 (55 Stat. 608; 38 U. S. C., sec. 725, 725 note).

(164) The first section of the act of August 21, 1941 (55 Stat. 655; 38 U. S. C., sec. 357b).

(165) Sections 2 and 3 of the act of December 19, 1941 (55 Stat. 844).

(166) The act of December 20, 1941 (55 Stat. 847; 38 U. S. C., sec. 726).

(167) The act of June 5, 1942 (56 Stat. 325; 38 U. S. C., sec. 32a).

(168) Section 10 of the act of July 11, 1942 (56 Stat. 659; 38 U. S. C., sec. 471b–1).

(169) The act of July 30, 1942 (56 Stat. 731).

(170) In the act of July 13, 1943 (57 Stat. 554–560), the first section (38 U. S. C., sec. 727); and sections 4 (38 U. S. C., sec. 726); 5 (38 U. S. C., sec. 729); 10 (38 U. S. C., sec. 730); 14 (38 U. S. C., sec. 731); 16 (38 U. S. C., sec. 731 note); and 17 (38 U. S. C., sec. 732).

(171) The first section of the act of March 1, 1944 (58 Stat. 107; 38 U. S. C., sec. 370).

(172) The act of April 1, 1944 (58 Stat. 186; 38 U. S. C., sec. 37).

(173) The act of May 24, 1944 (58 Stat. 226; 38 U. S. C., sec. 251).

(174) In the act of May 27, 1944 (58 Stat. 229–230), the first section (38 U. S. C., sec. 471a–1); and sections 2 (38 U. S. C., sec. 504); 3 (38 U. S. C., sec. 504 note); and 4 (38 U. S. C., sec. 507b).

(175) The act of May 27, 1944 (58 Stat. 230–231; 38 U. S. C., sec. 26c).

(176) In the Servicemen's Readjustment Act of 1944, chapters I and II of title I (38 U. S. C., secs. 693–693f); section 300 (38 U. S. C., sec. 693g); subsection (a) of section 1500 (38 U. S. C., sec. 697); and section 1504 (38 U. S. C., sec. 697d).

(177) The portion of the Independent Offices Appropriation Act, 1945, which reads "*Provided further*, That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the civil service and classification laws:" (58 Stat. 382; 38 U. S. C., sec. 11a–1).

(178) The act of September 7, 1944 (58 Stat. 728; 38 U. S. C., sec. 733).

(179) The act of December 7, 1944 (58 Stat. 797; 38 U. S. C., sec. 471a–2).

(180) The act of December 8, 1944 (58 Stat. 797–798; 38 U. S. C., secs. 293–294).

(181) In the act of December 14, 1944 (58 Stat. 803–804), sections 4 (38 U. S. C., sec. 508 note); 5 (38 U. S. C., sec. 734); and 6 (38 U. S. C., sec. 735).

(182) The portion of the Independent Offices Appropriation Act, 1946, which reads "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe;" (59 Stat. 126; 38 U. S. C., sec. 11a–3 note), and the portion which reads "*Provided further*, That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the civil service and classification laws:" (38 U. S. C., sec. 11a–1).

(183) The act of December 3, 1945 (59 Stat. 591; 38 U. S. C., sec. 11h).

(184) The act of January 3, 1946 (59 Stat. 675–679; 38 U. S. C., sec. 15–15n, 15 note).

(185) In the act of February 15, 1946, the provisos in the paragraph under the heading "Transfer of Appropriations" which begins "Army of the Philippines" (60 Stat. 14; 38 U. S. C., sec. 38).

(186) The portion of the Independent Offices Appropriation Act, 1947, which reads "*Provided further*, That the Administrator is hereby authorized to employ medical consultants for duty on such terms as he may deem advisable and without regard to the civil service and classification laws;" (60 Stat. 60; 38 U. S. C., sec. 11a–1).

(187) The act of June 27, 1946 (60 Stat. 319; 38 U. S. C., secs. 736–738).

(188) The act of July 9, 1946 (60 Stat. 524; 38 U. S. C., sec. 700, 700 note).

(189) The act of July 11, 1946 (60 Stat. 526; 38 U. S. C., secs. 488, note, 488a).

(190) The act of July 16, 1946 (60 Stat. 537–539; 38 U. S. C., sec. 14–14e).

(191) The act of August 7, 1946 (60 Stat. 863–864; 38 U. S. C., secs. 365b, 365b–1, 364g–1, 370e, 370e note).

(192) The act of August 7, 1946 (60 Stat. 874; 38 U. S. C., sec. 729a).

(193) The act of August 7, 1946 (60 Stat. 887–889; 38 U. S. C., secs. 13–13g).

(194) The act of August 8, 1946 (60 Stat. 908–910); 38 U. S. C., secs. 739, 471a–3).

(195) The paragraph under the center heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947 (60 Stat. 915; 38 U. S. C., sec. 252).

(196) The act of May 31, 1947 (61 Stat. 124; 38 U. S. C., sec. 111).

(197) The act of June 14, 1947 (61 Stat. 132, 38 U. S. C., sec. 693a note).

(198) The act of July 30, 1947 (61 Stat. 610; 38 U. S. C., secs. 276, 370f).

(199) The act of January 19, 1948 (62 Stat. 4; 38 U. S. C., sec. 374a, 374a note).

(200) In the act of April 3, 1948 (62 Stat. 160), the first section (38 U. S. C., sec. 11j); and section 4 (38 U. S. C., sec. 11k).

(201) The act of June 19, 1948 (62 Stat. 566; 38 U. S. C., secs. 253, 254).

(202) The act of June 24, 1948 (62 Stat. 645; 38 U. S. C., secs. 364i, 364j).

(203) The second paragraph under the center heading "Veterans' Administration" in the Second Deficiency Appropriation Act, 1948 (62 Stat. 1035; 38 U. S. C., sec. 252 note).

(204) The act of July 2, 1948 (62 Stat. 1219–1220; 38 U. S. C., secs. 740–743, 740 note).

(205) The act of August 1, 1949 (63 Stat. 484; 38 U. S. C., sec. 744).

(206) In the act of October 10, 1949 (63 Stat. 731–733), the first section (38 U. S. C., sec. 722); and sections 4 (38 U. S. C., secs. 740, 741); and 6 (38 U. S. C., sec. 740 note).

(207) The paragraph immediately preceding the center heading "War Claims Commission" in the Third Deficiency Appropriation Act, 1949 (63 Stat. 744; 38 U. S. C., sec. 252 note).

(208) The act of October 29, 1949 (63 Stat. 1026; 38 U. S. C., sec. 471a–4, 471a–4 note).

(209) The act of July 15, 1950 (64 Stat. 342; 38 U. S. C., sec. 111).

(210) The act of September 21, 1950 (64 Stat. 894–895; 38 U. S. C., sec. 252).

(211) The act of April 25, 1951 (65 Stat. 33).

(212) The Joint resolution of May 11, 1951 (65 Stat. 40; 38 U. S. C., sec. 745).

(213) The act of August 4, 1951 (65 Stat. 174–175; 38 U. S. C., secs. 370g–370k, 370g note).

(214) The act of October 20, 1951 (65 Stat. 574–575; 38 U. S. C., secs. 252a–252e, 252a note).

(215) The act of October 30, 1951 (65 Stat. 694; 38 U. S. C., ch. 12A).

(216) In the act of May 29, 1952 (66 Stat. 90–91), the first section (38 U. S. C., sec. 471a–5); subsection (b) of section 2 (38 U. S. C., ch. 12 note); and sections 5 (38 U. S. C., secs. 277, 370l); 6 (38 U. S. C., sec. 381–2); and 7 (38 U. S. C., sec. 277 note).

(217) In the act of June 30, 1952 (66 Stat. 295–296), subsections (B) through (E) of the first section (38 U. S. C., ch. 12); and sections 3 (38 U. S. C., sec. 473); 4 (38 U. S. C., sec. 480); 5 (38 U. S. C., sec. 473); 6 (38 U. S. C., sec. 478); and 7 (38 U. S. C., sec. 473 note).

(218) In the Veterans' Readjustment Assistance Act of 1952, sections 270 (38 U. S. C., sec. 980) and 271 (38 U. S. C., sec. 981).

(219) The paragraph which begins "Supply fund" under the center heading "Veterans' Administration" in the Second Independent Offices Appropriation Act, 1954 (67 Stat. 193; 38 U. S. C., sec. 12a).

(220) The act of March 17, 1954 (68 Stat. 29; 38 U. S. C., sec. 746).

(221) Section 2 of the act of June 30, 1954 (68 Stat. 360).

(222) The act of July 1, 1954 (68 Stat. 377; 38 U. S. C., sec. 729b).

(223) The act of August 44, 1954 (68 Stat. 789; 38 U. S. C., sec. 747).

(224) The act of August 28, 1954 (68 Stat. 915; 38 U. S. C., secs. 748–750, 748 note).

(225) In the War Orphans' Educational Assistance Act of 1956, sections 510 (38 U. S. C., sec. 1042); and 511 (38 U. S. C., sec. 1043).

(226) Section 210 of the Servicemen's and Veterans' Survivor Benefits Act (38 U. S. C., sec. 1120), and the portion of the table of contents of such act which reads "Sec. 210. Exemption from taxation and claims of creditors.".

TITLE XXIII—EFFECTIVE DATE AND SAVINGS PROVISIONS

Part A—Miscellaneous

Effective date

SEC. 2301. This act shall take effect on January 1, 1958.

Offenses committed under repealed laws

SEC. 2302. (a) All offenses committed and all penalties and forfeitures incurred under any of the provisions of law amended or repealed by this act may be prosecuted and punished in the same manner and with the same effect as if such repeal or amendment had not occurred.

(b) Forfeitures of benefits under laws administered by the Veterans' Administration occurring before the effective date of this act shall continue to be effective.

Effect on contracts entered into before effective date

SEC. 2303. Nothing in this act, or any amendment or repeal made by it, shall affect any right of any person based on a contract entered into before the effective date of this act, or affect the manner in which such right could have been enforced or obtained but for this act, or such amendment or repeal.

Continuation of authority under act of July 3, 1930

SEC. 2304. All functions, powers, and duties conferred upon and vested in the President and the Administrator by the act of July 3, 1930 (46 Stat. 1016) and which are in effect on the day before the effective date of this act are continued in effect.

Cross references in other laws

SEC. 2305. References in other laws to any provision of law repealed by this act shall be deemed to refer to the corresponding provisions of this act.

Continuing availability of appropriations

SEC. 2306. Amounts heretofore appropriated to carry out the purposes of any provision of law repealed by this act, and available on the day before the effective date of this act, shall be available to carry out the purposes of the corresponding provisions of this act.

Outstanding rules, regulations, and orders

SEC. 2307. All rules, regulations, orders, permits, and other privileges issued or granted by the Administrator before the effective date of this act, and in effect on such effective date (or scheduled to take effect after such effective date) shall remain in full force and effect until modified, suspended, overruled, or otherwise changed by the Administrator.

Part B—Provisions relating to claimants

Pending claims

SEC. 2311. (a) A claim for pension or compensation which is pending in the Veterans' Administration on the effective date of this act shall be adjudicated under the laws in effect on the day before the effective date of this act with respect to the period before that date and, except as provided in sections 2312 (b), 2313, and 2316, under this act thereafter. If a disallowance is required under such laws but entitlement is shown under this act, the pending claim shall be considered a claim under this act.

(b) A claim for assistance in acquiring specially adapted housing or an automobile or other conveyance which is pending in the Veterans' Administration on the effective date of this act shall be considered a claim for such assistance under this act.

Persons on the pension rolls

SEC. 2312. (a) Any person who is receiving, or entitled to receive, pension under public laws administered by the Veterans' Administration on the day before the effective date of this act at a rate equal to or less than that to which he would be entitled under the provisions of this act shall, except where there was fraud, clear and unmistakable error as to conclusions of fact or law, or misrepresentation of material facts, be paid pension under this act beginning with the effective date of this act.

(b) Any person who is receiving, or entitled to receive, pension on the day before the effective date of this act under the laws in effect on that day and who is not entitled to pension under this act, or who is entitled to pension at a higher rate under such laws than that to which he would be entitled under this act, shall, except where there was fraud, clear and unmistakable error of fact or law, or misrepresentation of material facts, continue to be paid the rate of pension payable on the day before the effective date of this act, so long as the conditions warranting such payment under those laws continue. In the event there is a change in such conditions, the entitlement thereafter of such person to pension will be determined under this act. The provisions of this subsection shall apply to those claims to which section 2311 applies in which it is determined on or after the effective date of this act that pension is payable for the day before the effective date of this act.

Claims for pension by newly eligible widows where children are on the rolls

SEC. 2313. Where any woman is eligible for pension under this act as a "widow", but under the laws in effect on the day before the effective date of this act, was not so eligible for pension, and a child is eligible for pension on the day before the effective date of this act by reason of the death giving rise to eligibility of the widow, any pension payable to the widow under this act shall be reduced by the amount of pension payable to all children by reason of such death, unless all such children are in the custody of the widow, in which case the pension otherwise payable to the children shall cease.

Claims for pension filed within 1 year of death

SEC. 2314. A claim for death pension filed on or after the effective date of this act and within 1 year from the date of the death of the veteran occurring before the effective date of this act shall be adjudicated under this act and the laws in effect on the day before such effective date. If entitlement is established, pension will be paid under such laws for the appropriate period before the effective date of this act and under this act thereafter.

Persons entitled to emergency officers' retirement pay

SEC. 2315. Any person who is receiving, or entitled to receive, emergency officers' retirement pay, or other privileges or benefits as a retired emergency officer of World War I, on the day before the effective date of this act under the laws in effect on that day, shall, except where there was fraud, clear and unmistakable error as to conclusion of fact or law, or misrepresentation of material facts, continue to receive, or be entitled to receive, emergency officers' retirement pay at the rate otherwise payable on the day before the effective date of this act, and such other privileges and benefits, so long as the conditions warranting such pay, privileges, and benefits under those laws continue.

Persons on the compensation rolls

SEC. 2316. (a) Any person who is receiving compensation under public laws administered by the Veterans' Administration on the day before the effective date of this act at a rate equal to or less than that to which he would be entitled under the provisions of this act, shall, except where there was fraud, clear and unmistakeable error as to conclusions of fact or law, or misrepresentation of material facts, be paid compensation under this act beginning with the effective date of this act.

(b) Any person who is receiving compensation on the day before the effective date of this act under the laws in effect on that day and who is not entitled to compensation under this act or who is entitled to compensation at a higher rate under such laws than that to which he would be entitled under this act, shall, except where there was fraud, clear and unmistakable error as to conclusion of fact or law, or misrepresentation of material facts, continue to be paid the rate of compensation payable on the day before the effective date of this act, so long as the conditions warranting such payment under those laws continue. In the event there is a change in such conditions, the entitlement thereafter of such person to compensation will be determined, except as to service-connection, without regard to the laws repealed by this act. The provisions of this subsection shall apply to those claims within the purview of section 2311 in which it is determined on or after the effective date of this act that compensation is payable for the day before the effective date of this act.

Claims filed within 1 year of discharge or death

SEC. 2317. (a) A claim for disability compensation filed on or after the effective date of this act and within 1 year from the date of the veteran's separation during the year immediately before such effective date from active military, naval, or air service, or a claim for death compensation filed on or after the effective date of this act and within 1 year from the date of the veteran's death occurring in the year immediately before such effective date will be adjudicated under title III of this act and the laws in effect on the day before such effective date. If entitlement is established, compensation will be paid under such laws for the appropriate period before the effective date of this act and under this act thereafter.

(b) A claim for compensation based on the disability or death of a World War I veteran occurring before the effective date of this act, if filed on or after the effective date of this act and within 1 year following the date of enactment of this act, may be adjudicated, as to service-connection only, under the laws in effect on the day before the effective date of this act.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this is consolidation of all veterans' laws in the fields of compensation, pension, administration, hospitalization, and burial benefits. A similar bill limited to compensation was considered by the committee last year. This year it was considered by a subcommittee consisting of the gentleman from North Carolina [Mr. SHUFORD] the gentleman from California [Mr. SISK], the gentleman from North Carolina [Mr. WHITENER], the gentleman from Indiana [Mr. ADAIR], and the gentleman from Nebraska [Mr. WEAVER].

The bill was reported unanimously by the committee.

The committee has long been aware of the numerous and various laws pertaining to disability and death compensation for veterans and their dependents, as well as those laws relating to pension, hospitalization and burial benefits, and the myriad of laws involving the administration of benefits administered by the Veterans' Administration. To consolidate into one act, and to simplify and make more uniform the laws on these subjects, H. R. 53 has been introduced and designated as the Veterans' Benefits Act of 1957.

This bill is the result of a project conducted by the staff of the Veterans' Affairs Committee which involved extensive research, study, and technical work in the Office of the House Legislative Counsel, together with representatives of the Legislative Services of the General Counsel's Office in the Veterans' Administration. The study and research extended over a period of months after the adjournment of the 2d session of the 84th Congress. The general objective and approach of the bill is similar, though on a much broader scale, to H. R. 10046, 84th Congress—a bill which had as its principal purpose the simplification of, and making more uniform, laws pertaining to compensation. The benefit provisions of this latter bill are substantially embodied in titles III, VI, and VII of H. R. 53. H. R. 10046 was unanimously reported by the Committee on Veterans' Affairs and passed the House of Representatives on call of the Consent Calendar. Unfortunately, however, it was not possible for the Senate to consider the bill prior to adjournment of the 84th Congress.

H. R. 53 incorporates into a single act the subject matter of the extensive body of existing legislation authorizing and governing the payment of compensation for service-connected disability or death to persons who served in the military, naval, or air force of the United States during a period of war, armed conflict, or peacetime service, and to their widows, children, and dependent parents. It would provide the same sort of consolidation of the laws relating to pension, hospitalization, medical and domiciliary care, and burial benefits. Further, it would consolidate into one act all the administrative provisions relating to these benefits, as well as those common to all benefits administered by the Veterans' Administration. It would also incorporate the provisions of existing law relating to the ancillary benefits of financial assistance for specially adopted housing and automobiles for certain disabled veterans. Finally, it would repeal those provisions of law relating to such benefits which are obsolete, executed, or restated in substance in the bill. The bill does not encompass the subject matter of the Servicemen's and Veterans' Survivor Benefits Act which Congress recently enacted and which integrates the current survivor-benefit programs.

The bill, which would be effective on the 1st day of January 1958, does not adversely affect the basic entitlement of any veteran or dependent presently on the compensation or pension rolls, nor does it liberalize, except in very minor areas, the provisions of law which govern the eligibility of veterans and their dependents for such benefits. The established rates of pension or compensation are maintained. Although the World War Veterans Act, 1924, is repealed, except as to insurance provisions the bill contains protective language as to service connection which is of special significance in the case of World War I veterans who are on the rolls by the virtue of the liberal presumption of service connection contained in section 200 of that act. This section authorizes a rebuttable presumption of service connection for neuropsychiatric disease, spinal meningitis, active tuberculous disease, paralysis agitans, encephalitis lethargica, and amebic dysentery, developing a 10 percent degree of disability or more prior to January 1, 1925. The service connection heretofore established in World War I cases, by virtue of this provision, would not be disturbed in any case by the enactment of the proposal. Further, this liberal presumption would be applicable to new World War I claims filed within 1 year after the date of the act, but not thereafter.

The bill, as reported, contains the following substantive changes in existing law, generally minor liberalizations:

First. The discharge requirement of "under conditions other than dishonorable" is made uniform for all veterans for the purpose of the benefits authorized by the bill. For pension purposes, existing law requires that Indian war veterans be honorably discharged from the service.

Second. For compensation purposes under the bill, a widow would uniformly be required to have married the veteran before the expiration of 10 years after the veteran's separation from service or to have been married for 10 or more years. Under existing law there are differing requirements, depending on the period of service, ranging from marriage at any time to marriage prior to specific arbitrary dates. Where a widow is on the rolls on the effective date of the bill, the savings provisions in the bill protect her rights; therefore this new test operates as a slight liberalization in the cases to which it applies.

Third. Under the bill, remarriage of any widow terminates her eligibility. Under certain conditions present law allows remarried widows of veterans of the Civil War, Indian wars, or Spanish-American War to be restored to the rolls.

Fourth. The uniform definition of "child" in the bill—generally under age 18—would effect a liberalization as to the definition of a child of a Civil or Indian war veteran—generally under age 16), and also result in an increase in the rates of pension payable to certain children of veterans of the Spanish-American War.

Fifth. Under existing law, a widow of a veteran of the Civil War, Indian wars, or the Spanish-American War who may be barred from the receipt of pension because of her date of marriage may nevertheless qualify under certain conditions, i. e., marriage for 10 or more years, a showing of dependency, and attainment of age 60. The bill would liberalize the requirements in such cases by removing the conditions of dependency and age 60.

Sixth. Under existing law retired persons who served during a war period are eligible for hospital and domiciliary care from the Veterans' Administration in the same manner as veterans of a war; however, in order to receive medical treatment for service-incurred disabilities they must have elected to receive disability compensation or, if peacetime retired persons, must be in receipt of compensation in lieu of retirement pay. The bill would obviate this circuitous route to eligibility by providing such benefits on the same basis as provided to discharged veterans.

Seventh. As the definition of "period of war" would include the period of any future war declared by the Congress, it would be an extension of existing law which generally limits such defined period to past wars. Its principal effect would be to make certain wartime eligibility criteria for compensation and hospitalization automatically available to veterans of future wars.

All of these provisions, except item 7, are changes which were necessary to avoid reenacting numerous deviations from the general rule in various areas of existing law, thereby providing greater uniformity and better administration.

Item 7 refers to that provision of the bill under which wartime benefits—except pensions—would be available to veterans who served during the period of any future war declared by the Congress. From the standpoint of the committee, it seems unlikely that any future war veterans would be granted lesser compensation or medical benefits than are authorized for veterans of past wars, and in a period of stress and emergency, it would be desirable and in fact essential that some overall law providing entitlement be in force immediately. It is for that reason that the bill has been made applicable to conditions which may regretfully exist in the future.

The Veterans' Administration has stated that any cost involved in the few minor liberalizations in existing law would be relatively small. The provision which makes uniform the definition of "child" a person under the age of 18 years rather than 16 years as prevails in the case of children of Civil and Indian War veterans today—is the only one susceptible of a specific cost estimate. This cost, to the extent that it would increase the rates for Spanish War children, would be in the neighborhood of $200,000 a year. Obviously because of the class involved, it would be of a declining nature.

Hearings were held on this legislation by a special subcommittee. Reports of Veterans' Administration, the General Accounting Office, and the Bureau of the Budget were carefully considered by the subcommittee prior to recommending favorable action to the full committee.

The Administrator of Veterans' Affairs stated:

> I am in full accord with the objective of a bill such as H. R. 53. If amended in accordance with the accompanying recommendations and suggestions I believe it should receive favorable consideration by your committee.

The General Accounting Office in reporting on the bill, stated:

> A simple and intelligible restatement of the laws pertaining to veterans' benefits and to their administration, such as these bills contemplate, is long overdue and highly desirable. It should contribute toward efficient administration by clarifying the body of law on that subject. We urge that these bills be given favorable consideration. In our view, however, the enactment of a single bill embracing all the areas involved would result in greater uniformity and clarity and, hence, the enactment of H. R. 53 appears somewhat preferable to the alternative of covering the subject matter in three separate bills.

The Comptroller General was referring to other bills which were prepared to consider this problem on a single subject basis.

The Bureau of the Budget stated in endorsing the objective of this bill:

> Consolidation of the many laws relating to veterans' benefits should serve to expedite the adjudication of claims and render the system more comprehensible to veterans and the public. Codification was also recommended by the President's Commission on Veterans' Pension, which noted the direct personal impact of these statutes on veterans and their dependents who, because of the complexities of existing statutes, are often uncertain about the benefits to which they may be entitled. The Veterans' Administration's concurrent efforts to index, codify, and simplify precedents and regulatory material would also undoubtedly be facilitated by the enactment of this bill.

The amendments which the committee has made to the bill reflect all of the changes recommended by the Veterans' Administration, with one exception. The Veterans' Administration suggested that the provisions relating to the payment of pension to Medal of Honor holders should be incorporated in title 10 of the United States Code—the Army and Air Force title. The Committee on Veterans' Affairs in recent years has reported bills seeking to provide a new pension or a higher pension for holders of the highest medal awarded by the Government of the United States. The most recent codification of title 10 omits the provisions relating to holders of the Congressional Medal of Honor. It therefore seems appropriate that this section should be retained in title 38 of the United States Code which relates to the Veterans' Administration.

The other amendments which are noted throughout the bill fall into the general categories of clerical, typographical, and clarification amendments. There is no intent on the part of the committee to incorporate changes other than on the basis indicated.

The committee strongly believes that the enactment of this bill by the Congress will do much to aid in the administration of veterans' laws. It should be much easier to adjudicate claims, to answer correspondence, to perform all of the day-to-day administrative functions which the Veterans' Administration must perform, by having this great body of law in one act. The veterans' organizations' service officers, claims' officials, and legislative representatives should find this bill to be of the greatest assistance in their work. Members of Congress, too, will find that this bill will greatly aid them in locating provisions of law which are now scattered throughout numerous enactments. Enactment of this proposal will make easier the codification of VA laws on which work has already started in the Veterans' Administration.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from North Carolina [Mr. SHUFORD].

Mr. SHUFORD. Mr. Speaker, this bill seeks to consolidate into one act all of the Veterans' Administration laws relating to compensation for service-connected disabilities, pension for non-service-connected disabilities, administration, hospitalization, and burial benefits.

The bill represents several months of work during the recess of the 2d session of the 84th Congress on the part of the staff of the committee, the Office of the Legislative Counsel of the House of Representatives, and the Office of Legislation of the General Counsel of the Veterans' Administration. Its objective is to make uniform and more intelligible the various laws in the fields indicated above.

Basically, it does not seek to enlarge the field of benefits; nor to restrict it. Saving provisions are included to fully protect individuals already on the pension or compensation rolls.

The bill is endorsed in principle by the Veterans' Administration, the Bureau of the Budget, and the General Accounting Office.

All of the amendments of substance suggested by the Veterans' Administration have been adopted. The other amendments are of a clarifying, typographical, or clerical nature and do not change the substance or intent of the bill.

The bill would be effective from January 1, 1958.

The bill was reported unanimously by the committee and I think that it will be a major step forward in this field if it can be enacted into law.

As to the cost of the bill, I will quote from the report of the Administrator of Veterans' Affairs:

> To the extent that the bill conforms substantially with present law, no additional cost

would be involved in its enactment. With respect to the mentioned proposed changes in law dealing with discharge and marriage date requirements, and definitions of "widow" and "child," it is believed that the cost would be relatively small. It is not possible to submit an accurate estimate of such cost, except in one area, due to the indeterminate factors involved. It is estimated that the liberalized rates of pension applicable to certain orphan children of Spanish-American War veterans would approximate $200,000 for the first year. This annual cost would remain basically the same for each of the ensuing 4 years. The proposed change in the law with respect to liberalizing the eligibility criteria of certain retired officers for hospitalization and medical treatment in service-connected cases might result in some additional benefit cost, but it is believed that it would be small. On the other hand, the elimination of the existing requirements that they must first establish eligibility for, or be in receipt of, compensation, would bring about administrative simplicity and some economy.

I insert at this point a brief explanation of the substantive changes made by this bill:

1. The discharge requirement of "under conditions other than dishonorable" is made uniform for all veterans for the purpose of the benefits authorized by the bill. For pension purposes, existing law requires that Indian war veterans be honorably discharged from the service.

2. For compensation purposes under the bill, a widow would uniformly be required to have married the veteran before the expiration of 10 years after the veteran's separation from service or to have been married 10 or more years. Under existing law there are differing requirements, depending on the period of service, ranging from marriage at any time to marriage prior to specific arbitrary dates.

3. Under the bill, remarriage of any widow terminates her eligibility. Under certain conditions present law allows remarried widows of veterans of the Civil War, Indian wars, or Spanish-American War to be restored to the rolls.

4. The uniform definition of "child" in the bill (generally under age 18) would effect a liberalization as to the definition of a child of a Civil or Indian war veteran (generally under age 16), and also result in an increase in the rates of pension payable to certain children of veterans of the Spanish-American War.

5. Under existing law, a widow of a veteran of the Civil War, Indian wars, or the Spanish-American War who may be barred from the receipt of pension because of her date of marriage may nevertheless qualify under certain conditions, i. e., marriage for 10 or more years, a showing of dependency, and attainment of age 60. The bill would liberalize the requirements in such cases by removing the conditions of dependency and age 60.

6. Under existing law retired persons who served during a war period are eligible for hospital and domiciliary care from the Veterans' Administration in the same manner as veterans of a war; however, in order to receive medical treatment for service-incurred disabilities they must have elected to receive disability compensation or, if peacetime retired persons, must be in receipt of compensation in lieu of retirement pay. The bill would obviate this circuitous route to eligibility by providing such benefits on the same basis as provided to discharged veterans.

7. As the definition of "period of war" would include the period of any future war declared by the Congress, it would be an extension of existing law which generally limits such defined periods to past wars. Its principal effect would be to make certain wartime eligibility criteria for compensation and hospitalization automatically available to veterans of future wars.

Mr. ADAIR. Mr. Speaker, as the gentleman from North Carolina [Mr. SHUFORD] has stated, this proposed legislation would simply make more uniform and more available for use the laws which are largely already in existence. It is not designed particularly to change the substance of these laws but merely to put them in better form.

Mr. WHITENER. Mr. Speaker, it was my good fortune to serve as a member of the special subcommittee which considered the bill, H. R. 53, which is now before the House. I desire to congratulate my colleague from North Carolina [Mr. SHUFORD], as well as the chairman of the full committee who introduced this bill.

As a newcomer to Congress, this legislation makes great sense to me. In the short time I have been here, I have been amazed by the number of laws and regulations with which the Committee on Veterans' Affairs must deal. This bill, at the very least, would make the many laws in this subject much more understandable to the individual Member of the House or the Senate who must pass upon the merits of veterans' legislation.

Having the subject matter of compensation, pension, hopitalization, and other benefits in one single act, and arranged in logical fashion, will certainly improve administration and enable the Congress to approach subjects with more clarity than has been possible in the past.

There is another feature of the bill which appeals to me in this economy-minded Congress and that is that it will not involve additional funds. If there are any additional costs, they will be so small as to be infinitesimal in comparsion with other programs in the budget.

All veterans' organizations appearing before the Committee on Veterans' Affairs expressed their approval of this bringing together of the many statutes in a manner which eliminates a great amount of confusion. This should serve as plenary evidence of the merit of the legislation.

It has been a great privilege for me to have had the opportunity to serve on the special subcommittee studying H. R. 53. And, I think that my pride in mentioning this will be fully understood by those who have occasion in the future to deal with the various statutes which are now so conveniently located by reason of this bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds have voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROHIBITING PAYMENT OF PENSIONS TO PERSONS CONFINED IN PENAL INSTITUTIONS LONGER THAN 60 DAYS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 71) to prohibit the payment of pensions to persons confined in penal institutions for periods longer than 60 days.

The Clerk read as follows:

Be it enacted, etc., That no pension under public or private laws administered by the Veterans' Administration shall be paid to or for an individual who has been imprisoned in a Federal, State, or local penal institution as the result of conviction of a felony or misdemeanor for any part of the period beginning 61 days after his imprisonment begins and ending when his imprisonment ends.

SEC. 2. (a) Where any veteran is disqualified for pension for any period solely by reason of the first section of this act, the Administrator may apportion and pay to his wife or children the pension which such veteran would receive for that period but for this act.

(b) Where any widow or child of a veteran is disqualified for pension for any period solely by reason of the first section of this act, the Administrator may (1) if the widow is disqualified, pay to the child, or children, the pension which would be payable if there were no such widow or (2) if a child is disqualified, pay to the widow the pension which would be payable if there were no such child.

SEC. 3. This act shall take effect on the first day of the second calendar month which begins after the date of its enactment.

The SPEAKER. Is a second demanded?

Mr. ADAIR. Mr. Speaker, I demand a second.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill is identical to H. R. 10477 that passed the House last year but failed to pass the other body. It was reported by the same subcommittee. It was reported out of the House Committee on Veterans' Affairs this year with one dissenting vote. It is supported by all the veterans' groups. I hope the House will pass the bill.

Pension is a gratuity payable solely to otherwise eligible veterans who served during a war or comparable period. Payment of pension for veterans of the Civil War, Spanish-American, and Indian wars has been based on age or non-service-connected disability. However, in the case of veterans of World War I, II, and Korea, the requirement is essentially non-service-connected disability coupled with need, as set forth below:

Under existing law—Veterans Regulation No. 1 (a), part III, as amended—veterans of World War I, World War II, the Spanish-American War, Philippine Insurrection, and Boxer Rebellion are eligible for pension based on permanent and total non-service-connected disability. Pension is payable to any such veteran who served in the active military or naval service for a period of 90 days or more during such wars and who was discharged therefrom under conditions other than dishonorable, or who, having served less than 90 days, was discharged for disability incurred in service in line of duty. The veteran must have been in active service before the cessation of hostilities and be suffering from non-service-connected permanent and total

disability not incurred as a result of his own willful misconduct or vicious habits. The rate of $66.15 per month, except that where the veteran shall have been rated permanent and total and has been in receipt of pension for a continuous period of 10 years or reaches the age of 65 years and is permanently and totally disabled, the rate is $78.75 per month. A rate of $135.45 per month is authorized in the case of an otherwise eligible veteran who is, on account of age or physical or mental disability, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person. Such pension is not payable to any unmarried person whose annual income exceeds $1,400 or to any married person or any person with minor children whose annual income exceeds $2,700. Any person who served in the active service in the Armed Forces of the United States on or after June 27, 1950, and prior to February 1, 1955, is also eligible for pension under part III as provided in the act of May 11, 1951—Public Law 28, 82d Congress.

In the administration of the aforementioned provisions the determination of permanent total disability is made on a very liberal basis. Such a rating is granted (where the requirement of permanence is met) when there is a single disability of 60 percent or 2 or more disabilities, 1 of which is 40 percent in degree, combined with other disability or disabilities to a total of 70 percent, and unemployability attributed thereto. Although age alone is not considered as a basis for entitlement to such pension, it is considered in association with disability and unemployability in determining permanent and total disability. The aforementioned percentage requirements are reduced on the attainment of age 55 to a 60-percent rating for 1 or more disabilities, with no percentage requirement for any 1 disability; at age 60 to a 50-percent rating for 1 or more disabilities; and at age 65 to 1 disability ratable at 10 percent or more. When these reduced percentage requirements are met and the disability or disabilities involved are of a permanent nature, a permanent and total disability rating will be assigned, if the veteran is determined to be unable to secure and follow substantially gainful employment by reason of such disability.

Widows are entitled to non-service-connected death pension based on their husband's war or comparable service, with various marriage and other requirements specified in the laws.

It has come to the attention of the committee, based on a survey—in the 84th Congress—made of 10 States—Tennessee, Ohio, Colorado, California, New Mexico, Oregon, Pennsylvania, New York, Illinois, and Georgia—as well as the Federal penal institutions, that there are a number of veterans, and some widows, now incarcerated in penal institutions who are drawing pension, compensation, or retirement pay.

The committee is of the opinion that there is no valid basis why a man should receive a pension for non-service-connected disability or age while he is incarcerated in a penal institution for a crime of which he has been convicted. In the case of compensation for a service-connected disability the committee is of the opinion that that is an entirely different benefit, based on disability, and to deprive a man of his service-connected compensation would be imposing an additional penalty. The same is true of retirement pay which is paid on an entirely different basis from pension.

Section 2 of the bill provides that the Administrator may apportion and pay to the wife and children of a veteran the pension which such veteran would be eligible to receive if he had not been incarcerated in a penal institution. Provision is also made for paying to a child or children, where the widow is disqualified by imprisonment, the pension which would be payable if there were no widow. Similarly, in the case of a disqualified child, the widow would receive a reduced pension.

The period of 60 days was set as it is believed that most sentences for minor offenses would be below this length of imprisonment.

While there would be some additional administrative burden placed upon the Veterans' Administration as a result of the enactment of this legislation, it does appear that there will be savings rather than any additional cost and in any event the committee is of the opinion that sound public policy requires no pension for a non-service-connected disability or age be paid to a person who is serving a sentence for the conviction of a felony or misdemeanor.

The committee's investigation revealed that veterans in Federal and 10 States penal institutions had been convicted of various felonies and misdemeanors, including automobile theft, impersonating Federal employee, narcotic sale, forgery, bank robbery, rape, false claims, altering Government check, murder, counterfeiting, white slavery, tax evasion, firearms, unlawful possession, liquor-law violation, false statement, burglary, larceny, fraud, assault, obscene literature, malling, conspiracy, distilling—illegal, probation violation, drunk and disorderly conduct, manslaughter, sodomy, arson, carnal abuse of child, incest, bigamy, abandonment of children, abortion, check, worthless passing, kidnaping, rioting, adultery, driving while drunk, vagrancy, stolen property receiving, confidence game, nonsupport of dependents.

Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina, the chairman of the subcommittee [Mr. SHUFORD].

Mr. SHUFORD. Mr. Speaker, this bill is identical to H. R. 10477 which passed the House of Representatives in the 2d session of the 84th Congress, but failed of enactment in the Senate.

It provides that any veteran incarcerated for longer than 60 days, upon the conviction of either a felony or misdemeanor, shall not be entitled, for the period beginning on the 61st day of imprisonment, to a pension for non-service-connected disability. During such period, if the veteran has a wife or children, the pension for which he would otherwise be eligible may be apportioned among them. Upon his release from prison, assuming he meets other qualifications, he could have his pension reinstated.

This legislation is based on a survey conducted by the committee in the 84th Congress which involved 10 States and the entire Federal penal system. It showed rather conclusively that a large number of veterans were incarcerated who were receiving pensions during their terms of imprisonment.

One of the most striking cases occurred in the State of New Mexico where a widow of one veteran was receiving pension based upon the service of her first husband, while she was serving a period of imprisonment for the murder of her second.

Another case called to the attention of the committee recently was of an individual who was guilty of assault and sentenced to several years imprisonment who had never received a pension, but who applied for a pension at the time he entered the prison and was granted it.

In the judgment of the committee, this sort of practice should be stopped and the enactment of this legislation would accomplish that purpose. It would result in a net saving to the taxpayers, while admittedly there would be some additional cost of administration.

It is approved by the Veterans' Administration, the Bureau of the Budget, and the General Accounting Office. The four major veteran organizations have indicated their support of the proposal.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I inquire of the gentleman if this would affect American servicemen who have been convicted by civil courts abroad? I know of a few instances where soldiers from West Virginia are serving as much as 5 years under sentences by Japanese courts. Would this deprive them of pensions?

Mr. SHUFORD. No, it would not apply in such cases.

Mr. BAILEY. Would not those gentlemen be entitled to pensions?

Mr. SHUFORD. Under this legislation they would not be deprived of any pension to which they were entitled.

Mr. BAILEY. There is no bar when they are released from the Japanese prisons?

Mr. SHUFORD. That is correct. Let me read from the bill:

> That no pension under public or private laws administered by the Veterans' Administration shall be paid to or for an individual who has been imprisoned in a Federal, State, or local penal institution as the result of conviction of a felony or misdemeanor for any part of the period beginning 61 days after his imprisonment begins and ending when his imprisonment ends.

The pension begins again when his imprisonment ends. The bill provides that the widow or children would be entitled to the pension as provided in the bill while he is in prison if his incarceration is over 60 days. We think this is a good thing, and the Veterans' Administration also thinks so.

If the gentleman will permit me to read it, I have here a statement from the American Legion:

Yet another Teague bill (H. R. 71) proposes to suspend benefit payments to vets who are incarcerated for a misdemeanor or felony, payment to cease after 60 days imprisonment, and remain suspended until release. . . . Provisions are written in to protect wives and children. . . . The bill would dignify the vets' benefit program, and the 60-day clause prevents hardship on persons convicted for short terms for deeds that are more infractious and criminal in nature.

Mr. BAILEY. I thank the gentleman from North Carolina.

Mr. ADAIR. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I voted against the bill in the committee last year and against the bill in committee this year. I think I was the only one who voted against it. I was very much in the minority. I dislike intensely to take away from veterans benefits arising from services they have performed and which they have earned.

Mr. ADAIR. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I concur in the views expressed by the chairman of the subcommittee, the gentleman from North Carolina. This legislation would provide that when persons who are drawing pensions are incarcerated for periods of more than 60 days after conviction of a misdemeanor or a felony, they lose their pension until they are given their freedom again. It does not apply to compensation payments. In addition to that there are other provisions in the bill which permit their pensions to go to the wives and children, if such exist. I think, therefore, this law is a step in the direction of protecting these dependents of veterans and, perhaps, assuring them of a more reliable income than they would have under the present law. I see no reason why one who is in prison and is already a charge upon the State should receive further benefits. To that extent, the legislation will effect an economy. For those reasons, therefore, Mr. Speaker, I urge the enactment of this legislation.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Addonizio	Fino	Morgan
Alexander	Ford	Multer, N. Y.
Alger	Frazier	Norrell
Anderson, Mont.	Frelinghuysen	Osmers
Anfuso	Fulton	Pfost
Aspinall	Garmatz	Philbin
Barrett	Gary	Powell
Bass, N. H.	Green, Pa.	Preston
Bowler	Gregory	Prouty
Breeding	Griffiths	Reece, Tenn.
Burleson	Hardy	Robeson, Va.
Cheif	Haskell	Rodino
Chenoweth	Hays, Ohio	Rogers, Tex.
Chudoff	Healey	Santangelo
Collier	Hillings	Seely-Brown
Coudert	Holifield	Sheehan
Davis, Tenn.	Holland	Simpson, Pa.
Delay	Holtzman	Stauffer
Dies	Jackson	Teller
Diggs	Kearney	Ullman
Dollinger	Kelley, Pa.	Vanik
Durham	Kelly, N. Y.	Vorys
Eberharter	Lennon	Vursell
Elliott	McConnell	Westland
Evins	Macdonald	Willis
Fallon	Mack, Wash.	Wilson, Calif.
Farbstein	Metcalf	Yates
	Morano	

The SPEAKER pro tempore [Mr. COOPER]. On this rollcall 347 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, the Clerk had read down to and including line 3, page 18, of the bill.

If there are no further amendments at this point, the Clerk will read.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we had 4 days of debate on this bill last week. In that time we finished the Department of Labor and just got started on the Department of Health, Education, and Welfare, where one amendment was adopted by just one vote and the other amendment was defeated by a substantial margin.

I just wanted to remind the House again that on last Tuesday or Wednesday your President and mine warned this House that the kind of cuts we have been making for the past week in this budget are fatuous and foolish. Then the Secretary of Labor, who is your Secretary of Labor and mine, issued, I thought, a very strong press release condemning the way that these cuts are being made. These have been piecemeal cuts and across the board cuts with really no justification behind them. Their only purpose appears to be to permit you to be able to say or brag in the next election that you were able to cut the President's budget.

Now I see the other part of the team working on this appropriation bill that we now have before us has commented on our action. There seem to be only 3 spokes in this wheel, the President, the Secretary of Labor and the Secretary of Health, Education, and Welfare. I notice this morning that the Secretary of Health, Education, and Welfare is following in the same footsteps of the President and the Secretary of Labor. He, too, is warning the Congress about the kind of cuts that you have been offering and have been voting for the Department of Labor.

If I may, I shall quote from today's paper. The Secretary of Health, Education, and Welfare said:

Still further major reductions simply would retard the progress of the American people toward better health, improved education and greater economic security.

In other words, some of the amendments that you are going to offer this afternoon and tomorrow and maybe the next day are going to impair the health of our people, they are going to deny proper educational facilities for our children; and they are putting in jeopardy the economic security of our country. The Secretary went on further to say that—

To neglect health, education, or economic security only piles up greater cost in the long run. It would be false economy, for example, to cut funds for public health and medical research when these activities held bright promise of greatly reducing the toll of disease and disability.

He maintained that the Department's programs over the years will yield far more than the cost, in preventing human suffering, caring for human needs, and fostering economic growth.

He went on to condemn the amendment that you people offered and adopted last Thursday cutting the appropriation for the Food and Drug Administration. And he was just as right as he could be when he condemned that cut, as we tried to point out on the floor. He also warned about further cuts in vocational rehabilitation and in education and in public health.

I hope that the membership of this committee and of this House will pay some attention to your President, to your Secretary of Health, Education, and Welfare, and to the Secretary of Labor. Certainly they have never been charged by anybody on this side or your side of the aisle to be leftwingers or ultraliberals. Neither have they been accused of wanting to spend every dime that they could lay their hands on. They have the name of being conservative and yet in this instance they want to do what is best for the people of our country. When you continue to offer amendments

and to vote for the type of cuts that you made last week in this bill, you are certainly taking away some of the rights and privileges of these people. And as was expressed in an article yesterday by one of the President's economic advisers, Mr. Hauge, if you really want to cut this bill, why do you not do it the right way? Why do you not come in and propose legislation that will repeal existing laws that have our hands tied now as far as appropriating funds and matching grants to States and educational and medical research facilities are concerned. I personally believe they are doing some good for the people of our country but if you do not agree with me why do you not stand and honestly propose the repeal of those laws?

I do not believe it is right to get up and speak for and vote for all of these changes in law that you have made in the last 3 or 4 years and then come in today and cut, as I have said before on 2 or 3 occasions, the guts out of these appropriation bills. In that way you make it impossible to operate them efficiently and you are in effect saying, "Well, I do not want to approach it through the front door, but this is the best I can do. Maybe if we can embarrass the Department and not give them sufficient money they will not be able to operate."

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with a great deal of interest to the statement of the chairman. He is relying for sustaining his position on this bill, as he did all last week, not on the merits of the amounts contained in the bill but upon politics and what effect it was going to have on this Member or that Member for the way he voted. Maybe that is the thing to do, but for my own part I have discussed nothing but what was the right thing to do. I have discussed nothing but what I believe would help these different agencies by preventing them from building up such an enormous load of personnel that they would not be able to do a good job.

Now, here it is. From this point on in the bill, just as I have in the past all the way through, I shall vote for that figure which I believe best will serve the interests of the people of the United States, and not vote a certain way because somebody else says that should be done. Frankly, I think the judgment of the Members of the House on this bill, their own deliberate judgment, is the best key to what these people need in the departmental agencies. I think this House must realize that we have to keep down the number of personnel to a point where these people can work efficiently and effectively and in the interests of the people of the United States. I hope the Congress will go on through to the end with that thought in mind.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise to support the policy and the statement made by the gentleman from Rhode Island, Congressman JOHN FOGARTY, the able chairman of the subcommittee, and to commend him on the able, effective way in which he has carried forward this battle for the people, and the forward-looking way in which he is calling the attention of this House to the problems of our people.

It has been said that perhaps we should not listen to what the President or the Secretary of Labor or the Secretary of Health, Education, and Welfare, or any other high-level governmental official may say. I say we cannot avoid looking at the realities as portrayed by the facts of the situation. Merely to talk about a budget and say it is a big budget or to try to prove it is too big or too small, either is meaningless unless you look at it in relation to two factors, and only then does it have any significance or meaning. Those two factors are merely these: No. 1, the population growth picture of the country, what it has been, is, and will be in the near future, and No. 2, the economic productivity as measured in terms of the gross national product, which is a measure of our ability.

The increases in the various categories of our population, the young, the middle-aged, and the old, will indicate the needs of the people for services which they demand and to which they are entitled, as the President said. The gross national product is the measure of the ability to pay for a reasonable amount of those services.

The question of the size of the Federal budget has certainly generated more heat than light. While the argument centers around the question whether or not it is too big, the question whether it is big enough is lost sight of. Yes, I said whether it is big enough. Seventy-one billion eight hundred million dollars is a lot of money. But do you know that it represents only 17 percent of our gross national product? That this budget actually provides less per capita than the 1954 budget which was $4 billion less? That this budget would place no greater burden on the economy than any budget in the last 6 years? This is true simply because of our explosive population. We are literally growing by leaps and bounds.

Let us go quickly into the population picture. A fact that I think is too far either overlooked or underestimated is that in 1940, 17 years ago, we had 131 million people in America. It took 320 years of slow, steady growth to reach 131 million, from 1620, the time of the landing of the Pilgrims, until 1940. What did that census clock in the Department of Commerce Building tick off last month? One hundred and seventy million, an increase of 39 million people in the last 17 years since 1940.

They can project those figures with reasonable accuracy and within a reasonable margin. By 1975 we shall have anywhere from 222 million to 228 million people, an increase of 52 million in the next 17 years. We have already seen 17 of those 35 years, or half of that time pass since 1940. We stand today at the midmark. There are 17 years ahead of us until 1975. Let us look ahead for at least 10 years or 5 years, if not for 17 years, and let us not merely look backward toward last year's budget. Let us abandon this constant reference to a year ago, comparing this budget to what was appropriated a year ago. I will say there has been some progress made, as far as many of our conservative colleagues are concerned. Our friends on the other side of the aisle not long ago were looking back 20 or 30 years ago, trying to keep Government participation at that level. Let us go ahead, however, now on the basis of these 35 years from 1940 to 1975. In this period we will have an increase in our population which is 70 percent of the total increase of our population that took 320 years to achieve. What does that mean? Where is this increase taking place? Over 97 percent of this increase has taken place in our metropolitan areas and only 3 percent has taken place in the nonmetropolitan areas. It means congestion. It means more housing. It means more demands for vocational training. It means more hospitalization and more disease and more illness in children and more problems with reference to the aged. It means more traffic facilities. Even now it is beginning to affect such a simple thing as water, which I shall touch on just briefly in a moment. Fifty-seven percent of all people are now living in 173 metropolitan areas, which is only 7 percent of our total land area. That means problems brought about by this explosive increase in our population growth. What are the implications of this rapid growth? Let me give you a few examples. Number one—water. That is a simple thing. We never thought we would run out of water.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLATNIK. Mr. Chairman, I ask unanimous consent that I may proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BLATNIK. I thank the Chairman and I thank my colleagues for their indulgence.

So far as water is concerned, today with twice the population that we had in 1900, we are using four times as much water per capita. Not only are more people using water, but we are using more water per capita. We are using four times as much water per capita. Industry is using 10 times the water that it used in 1900. Most of that increase has taken place in the last 17 years since 1940, and they are going to double their use of water in the next 17 years. Within 10 years, water will become a national problem and perhaps a crisis.

Consider the question of education. Already our educational plant is completely inadequate. The classroom shortage deprives 1 million boys and girls each year of full-time schooling and adequate educational opportunities. Millions more attend classes of 40 or more. As Secretary Folsom says, and I may say to my economy-minded friends across the aisle, "He is your Secretary, you put him in a position of importance."

These children are not imaginary. They are in school today and they can be counted with reasonable accuracy.

Over 2 million of these real children the Secretary was talking about exceed normal school capacity. The problem of inadequate educational facilities will not disappear by pretending that it is

last year. As a matter of fact, it will continue to worsen. We have 12 million children under 3 years of age and there are going to be 5½ million babies born each year 10 years from now. The present classroom shortage will seem minor a few years from now unless we begin doing something about it, and doing it now.

College enrollments will double in the next 10 years. We will have 6 million to 10 million students between the ages of 18 and 25 in our colleges and universities. That means we will have to double the facilities or build an amount equal to that built in the last 300 years. This will all have to be done in the next 10 to 15 years.

For years we have watched while the number of the Nation's older folks increased yet today we find ourselves totally unprepared to cope with the problem. About 8½ percent of our population—14 million people—are over 65 years of age. By 1960 the number is expected to be almost 16 million. Our senior citizens must have satisfactory incomes and living standards. Simple justice dictates that. Yet while the Nation's population aged 65 and older increased 17 percent from 1947 to 1952, for instance, their share of total personal income did not increase at all. Today the average person over 65 has an income of less than $1,000 and one of four of them has no income at all. We simply have not kept faith with the Nation's senior citizens on our present budget. Are they too to be sacrificed on the altar of economy for the sake of economy? Or will we face up to our responsibilities and modernize our old age security programs to meet today's problems?

The health of the Nation, while improving, is still inadequate. Research of all sorts into these problems is critically needed yet there are those on this floor who would cut the funds required to carry out such research. In mental health for instance, much research is needed if we are to begin to solve this tragic problem which afflicts so many people. Over 50 percent of all the hospital beds in the Nation are taken up by individuals suffering from some sort of mental illness. Does anyone think that this problem of mental illness will subside in the near future? Do you think there is going to be less disease of all types?

If some of the Members on the other side of the aisle are really interested in saving money maybe these figures would be of interest to them: Because of ill health we lose between 4 and 5 million man-years of work and more than $38 billion of national wealth each year. Expanded research programs into some of the more serious of these killer diseases such as heart trouble, cancer, arthritis, mental health, and others would, in the long run, save us money. But this takes money—not how much we spent last year but enough to take care of the problem as it exists this year and as it will grow in the years to come because of increased population.

Look at what happened in the field of automobile transportation and traffic. We are killing more men, women, and children—civilians—on our highways, roads, and streets of America in the last 12 months than were killed in 30 months of the tragic war in Korea a few years ago. Forty thousand three hundred people were killed on the highways and streets of America in the last 12 months. We need modern highways to stop this killing. So I urge you to look at this appropriation with tomorrow, not yesterday, in mind. We are not going to be able to hold the line, as has been said, because the demands and needs of an ever-increasing population will be too great. We have to be more realistic about it. We have to look ahead to see what the times are going to be and act accordingly. These are the realities of the situation and they must be considered in a realistic budget.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. BLATNIK] has expired.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know we are all very, very conscious of the effect of statistics. If we study them we can interpret them in various ways. We have just had a very able argument by the distinguished gentleman from Minnesota [Mr. BLATNIK]: I do not have any desire to refute the statements he made, when they are based upon statistics. However, I suggest that they might be interpreted in a very different way. The hard facts of the matter are that in 1940 we had a population of 131 million. In 1958, at the time this budget becomes effective, we will probably have a population of 171 million, 40 million increase. That figures 31 percent increase in population.

Now, what about the budget of 1940? Nine billion dollars. What about the requested budget for 1958? Seventy-two billion dollars; an increase of nearly 800 percent in requested appropriations.

Now, it would not be fair not to put that back in terms of the purchasing power of the dollar in 1940. Let us say we can cut 50 percent in purchasing power of the dollar. It is still a 400-percent increase. A 31-percent increase in population and a 400-percent increase in requested budget. Those figures are hard to argue against, even with this tremendous defense effort. Even with the tremendous defense effort can you justify that increase? I doubt it. I believe we should look these facts in the face and analyze some of these statements that are made, and get down to brass tacks.

We know very well the most effective factor in inflation is Federal spending. If we can cut this Federal spending to reasonable, but still very great size, say to this current year or last year, we can save six or seven thousand million dollars. If we can apply that on the Federal debt, your so-called tight money situation vanishes into thin air.

Mr. Chairman, I yield back the remainder of my time.

Mr. CANNON. Mr. Chairman, today's issue of the Washington Star, just off the press, carried the headline in boxcar letters: "United States payroll hits a billion dollars monthly." Under it is the statement that "the Federal payroll in January hit an alltime peak of $1 billion a month."

And supplementing that is the announcement that "This was the highest monthly Federal civilian payroll of all times" and

"This total was reported despite a decrease in employment which occurred during the same month."

When the bill passes, if it passes in its present form, this statement will be obsolete because the bill carries for HEW alone 1,086 additional employees. The entire bill increases the number of civilian employees something like 1,300 and the total budget this year if enacted as submitted would add additional Federal employees in the number of 29,472 over June 1957, and 75,945 over June 1956.

The January payroll is not only the highest in history but under the pending budget and the pending bill it is increasing at an astonishing rate, and of course taxes must keep pace with the increase.

I was much intrigued by the preliminary remarks of the distinguished gentleman from Rhode Island. The editorial on which he based his remarks stated that expenditures provided in this bill were a bright promise. That is the trouble, we have been regaled with such promises too often unfulfilled.

The one thing we should keep in mind is the fact that these appropriation bills affect the cost of living of every man, woman, and child in the United States.

Due to excessive appropriations, the breakfast served this morning on the table of every family in America cost twice as much as it cost a comparatively short time ago. Because we have been spending money we did not have for things we could get along without, the cost of living has climbed steadily. And because we continue to pile up the national debt and maintain wartime taxes the statistical bureaus of the departments of the Government report that the cost of living has continued to increase over the years and has increased over the previous month for the last eight successive months. The cost of food and clothing and shelter and family maintenance was higher last month than the month before; it is higher this month than it was last, and it will be higher next month than it is this month. Yet we keep on spending money and more money for things we could get along without. Unless we stop buying the things we can get along without we can expect to have to pay more and more for the things we can not get along without.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we listened last week and this morning, and I have read in the newspapers, the agonizing cries about cutting this bill. I want to remind the House that you have not cut $1 below what they are living on now. All we are asking them to do is to buckle their belts just one notch tighter and live this year within the same budget they lived on last year. We are asking, in response to the

demand of the American people, that this budget be cut. If you cut this budget back to what it was last year you will have accomplished a great object. I do not think you will succeed in doing it on this bill because you are not cutting everything back to what it was last year.

There is a lot of talk about cuts, but we have not been cutting. I would like to remind you of a few figures about employment. In this particular bill, do you realize this Department is asking for an increase of 5,548 new employees for the coming year? The argument is made, "well, you are going to hurt some poor person who will not get this piece of charity that we have proclaimed in some bill for an authorization." But 5,548 new employees means a lot of money and that is what this bill calls for. And does not help one poor person or one sick person.

You might as well be reminded of the previous rate of increased employment in this ever-growing bureau. The figures for 1956 were 54,341, in 1957 there were 58,153 and this year the present bill provides money for an increase to 63,701 employees.

It has been said that this bill has been cut by $114 million. Do you know where that cut is? Sixty-six million, eight hundred thousand dollars of that cut is a reduction in school construction in impacted areas. It was reduced because, apparently, they did not have a call for it, they have constructed the schools. That is $66 million they did not ask for this year. Then there is veterans' unemployment compensation in which the demands have been declining constantly. The budget cut that $33 million. So $100 million of that $114 million as shown in the report involves cuts in things that were not needed any more.

I hope that the Members of the House in voting on these things will remember that we are not seeking to cut below last year. We are asking them only to live within their present budget.

Mrs. BLITCH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. Is it not true that if we do not cut down the administrative expenses of these programs we are going to be forced to deprive the people for which these programs were established in the first place of the full benefit of them?

Mr. SMITH of Virginia. I think so and I thank the gentlewoman for her contribution.

Mr. Chairman, we have been confronted with a lot of threats here in the last few days, that we are going to have a rollcall on all of these amendments. I hope you will have a rollcall on all of them. Personally, I think I have voted for all the cuts and I would welcome the opportunity to put myself on record for what the American people are demanding and that is that we reduce expenditures so that they may get some relief from the present terrific burden of taxes.

Mr. JONAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the thing that worries me about the discussion of the bill thus far is that whenever any of us undertake to show some interest in economical administration and offer amendments to cut down on the growing bureaucracy, other Members of this Committee accuse us of being opposed to better health, better education and better living conditions for the American people.

The other day one Member of the Committee compared those of us who are trying to make reductions in this bill to people who would take money out of a cup held by a blind man. Another Member last Friday delivered a speech here in the well in which he quoted St. Paul's statement that charity is the greatest virtue. Now, I do not profess to be a great Bible student, but I do not believe the gentleman can find any place in the Bible where St. Paul or anybody else encouraged a trustee to be charitable with somebody else's money.

It is very well to be charitable with our own money, and I try to be as liberal as possible with my own, but we are trustees of the tax money we extract from the American people, and it is our responsibility, in my judgment, to see that that money is wisely expended.

Now, let me give you a little illustration of what I have in mind. We have a very fine program called assistance to States, general. It is administered by the Public Health Service. I invite your attention to pages 429 and 430 of the hearings. There is an interesting table on page 430. Now, if an amendment is offered to cut some of the approximately $19 million that the Committee allowed to run this particular program next year, the charge will be made, as it has already been made, that the people who offer and support the amendment are not willing for the American people to have good health; that they are so coldhearted that they have no sympathy with people who are unfortunate enough not to have good health. But, I call your attention to this fact. The table on page 430 shows that requests were made this year for $24,609,000 to operate that program, but I also call your attention to the fact that only $18.5 million of that money was to go for health assistance to the States. In other words, they were asking for $6 million to pay the overhead costs to distribute $18 million to the States. To put this another way, we take from the States in the first place the entire $24 million and then we are asked to spend $6 million on salaries and overhead expenses in order to give $18 million back to the very people from whom we extracted the $24 million in the first place.

Now, let me call your attention to some of the increases they requested. Last year they had $3.5 million for personnel. They wanted to increase that by half a million dollars to $4.1 million. Last year they spent $282,550 in this program for travel. They wanted to increase that to $364,450 for travel; not for health, not for better health, but for travel. They wanted to increase their communications budget from $173,100 to $178,900. They wanted to increase their printing bill. They wanted to increase their bill for supplies and equipment. And, of course, they had the mandatory increase of $200,000 for civil service retirement.

Now, I do not criticize the Committee for its action in this case because the committee reduced those requests by $5 million. They increased some of the grants by $2 million. Those of us who are trying to bring about some economy are trying generally to reduce spending to 1957 levels and not, as has been implied, to cripple, emasculate or destroy programs providing health benefits. We think economies can be practiced in many areas, and we believe it is the duty of this Committee to point out the way. But these efforts do not deserve to be called attempts to scuttle the health programs. I for one reject that charge as wholly unfounded.

Following is the table to which I referred. It is taken from page 430 of the hearings:

Assistance to States, general, obligations by objects

		1956 actual	1957 estimate	1959 estimate
	Total number of permanent positions	574	612	793
	Full-time equivalent of all other positions	12	6	8
	Average number of all employees	521	574	669
	Number of employees at end of year	548	601	709
	Average salaries and grades:			
	General schedule grades:			
	Average salary	$4,656	$5,049	$5,148
	Average grade	GS-6.2	GS-6.4	GS-6.7
01	Personal services:			
	Permanent positions	3,022,663	3,490,780	4,108,900
	Positions other than permanent	67,395	30,100	48,500
	Regular pay above 52-week base	9,787		16,100
	Payment above basic rates	34,349	11,900	12,400
	Total personal services	3,134,214	3,532,880	4,181,900
02	Travel	253,861	282,550	364,450
03	Transportation of things	20,993	20,700	47,700
04	Communication services	177,160	173,100	178,900
05	Rents and utility services	57,597	71,200	71,200
06	Printing and reproduction	90,469	84,000	104,700
07	Other contractual services	123,288	178,470	592,450
	Services performed by other agencies	14,657	12,900	12,900
	Purchase of vital records transcripts	105,000	103,000	103,000
08	Supplies and materials	53,985	55,700	96,200
09	Equipment	41,892	45,700	72,100
11	Grants, subsidies, and contributions	13,322,038	13,000,000	18,500,000
	Contribution to retirement fund			200,000
13	Refunds, awards, and indemnities	2,490	2,800	3,200
15	Taxes and assessments	3,183	10,400	10,200
	Total obligations	17,496,735	17,642,000	24,609,000

Mr. BAILEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. FOGARTY. Mr. Chairman, would the gentleman yield to me for just a moment to correct statements made by the gentleman who just left the floor?

Mr. BAILEY. I am glad to yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Chairman, as I remember it, the gentleman from North Carolina [Mr. JONAS] said that about six or eight million dollars of these grants to States was for administrative purposes. That is not so. Referring to the table the gentleman quoted from, you will see on the preceding page that in order to administer this $20 million it is going to cost $108,000 for administration, not six or eight million dollars as the gentleman said. There are items in there for technical assistance to States, almost $2 million. There is another item for collecting and compiling vital statistics that amounts to $1½ million and other assistance that the States have been asking for and which we have been supplying to them, and which certainly have helped these backward States no end in the last 7 or 8 years. It is these programs that make up way over 90 percent of the six or eight million dollars.

Mr. BAILEY. Mr. Chairman, in the somewhat vociferous arguments that we have listened to for the past week on this appropriation bill covering the Departments of Labor and Health, Education, and Welfare, I cannot help but question the consistency of some of the gentlemen who have been leading the fight to make reductions. Some of them as small as $10,000 or $20,000 in some items.

I refer particularly to the distinguished gentleman from Virginia, the chairman of the Committee on Rules [Mr. SMITH] and the ranking Democrat on that committee, the gentleman from Mississippi [Mr. COLMER]. I should like to remind those gentlemen that some of the headaches with which we are met here today came about because of the action of the Committee on Rules in bringing legislation to the floor of the House under a gag rule, under which the House was not able to work its will. It has resulted in unnecessary and burdensome appropriation items to carry the legislation into effect.

The latest one of those was the Mideast program of President Eisenhower, involving $400 million. That was brought to the floor under a gag rule, so that the House could not work its will on it. I would like to remind the gentleman that that bill was modified somewhat in the other body and came back here with a provision that they had to come to Congress before they could use $200 million of the $400 million. But those are the things that are costly and those are the things that we want to get at. I think it is time we stopped bringing legislation involving appropriations to the floor of this House under gag rules.

Mr. GAVIN. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, I want to call the attention of the committee to an item on page 25 of the bill:

> Grants for waste treatment works construction: For payments under section 8 of the Water Pollution Control Act, as amended, $50 million, to remain available only until June 30, 1959.

So that everybody understands my position, I intend to oppose any amendment that is offered to delete this item from the bill. For the benefit of my Republican colleagues who ran on the program of peace, progress, and prosperity, I should like to quote what the President stated in his state of the Union message. I am rather hesitant to bring this up at this time, but at the time the amendment will be presented to delete this appropriation I might not have the opportunity to call attention to this particular statement made by the President in his state of the Union message:

> Our soil, water, mineral, forest, fish, and wildlife resources are being conserved and improved more effectively. Their conservation and development are vital to the present and future strength of the Nation. But they must not be the concern of the Federal Government alone. State and local entities, and private enterprise should be encouraged to participate in such projects.
>
> I would like to make special mention of programs for making the best uses of water, rapidly becoming our most valuable natural resource, just as it can be, when neglected, a destroyer of both life and wealth. There has been prepared and published a comprehensive water report developed by a Cabinet committee and relating to the various phases of this particular problem.
>
> In the light of this report, there are two things I believe we should keep constantly in mind. The first is that each of our great river valleys should be considered as a whole. Piecemeal operations within each lesser drainage area can be self-defeating or, at the very least, needlessly expensive. The second is that the domestic and industrial demands for water grow far more rapidly than does our population.
>
> The whole matter of making the best use of each drop of water from the moment it touches our soil until it reaches the oceans, for such purposes as irrigation, flood control, power production, and domestic and industrial uses clearly demands the closest kind of cooperation and partnership between municipalities, States, and the Federal Government. Through cooperation of Federal, State, and local authorities in these vast projects we can obtain the economy and efficiency of development and operation that springs from a lively sense of local responsibility.
>
> And until such partnership is established on a proper and logical basis of sharing authority, responsibility, and costs, our country will never have both the fully productive use of water that it so obviously needs and protection against disastrous flood.
>
> If we fail in establishing and sustaining this partnership, all the many tasks that need to be done in America could be accomplished only at an excessive cost, by the growth of a stifling bureaucracy, and eventually with a dangerous degree of centralized control over our national life.
>
> In all domestic matters, I believe that the people of the United States will expect of us effective action to remedy past failure in meeting critical needs.

When this amendment is offered to strike out this $50 million, it would mean the finish of this whole program of cooperation between the Federal Government, the States, and the municipalities in an attempt to clean up the pollution that exists in our streams and waters throughout the Nation.

We are blessed with great natural resources, a God-given supply of water. The evidences of the devastation of pollutive conditions that exist on our streams throughout the Nation are on every hand. With the increased growth of our population, unless we in the Congress and the States and the municipalities manifest interest for the protection and conservation of our water so that we can build for the future, the pollution of our streams will continue. The existing conditions throughout the Nation must be corrected.

The attempt that will be made to strike out this $50 million appropriation that is in this bill in my estimation is not good judgment. To me, clean streams, clean water, the health and sanitation of our people, particularly the great metropolitan areas, need our most careful attention and consideration. I sincerely hope the Members of the House will be alerted at the time this amendment is offered to take such action as in their judgment they see fit to take for the health welfare of the people of the Nation. As for me, I am an advocate of clean streams and the elimination of pollution and filth from our waters. This is a program that should be continued and should have been undertaken many years ago in order that we may conserve and protect our waters for the growth and development of the Nation and be helpful to protect and conserve our waters for the generations that will follow.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say a few words about this "economy drive" which we have seen in operation here in the House during the last few days.

When we received this $73.6-billion budget from the President, which was the highest peacetime budget in the history of the United States, and when the Secretary of the Treasury made his well-publicized statement that this budget should be cut, I am sure we all know there was a great wave of feeling throughout the country that it was incumbent upon the Congress to make a cut in this budget.

I am a member of the subcommittee which dealt with this particular bill to provide funds for the Labor Department and the Department of Health, Education, and Welfare. We approached their budgets on the theory and with the thought uppermost in our minds that we should cut them down in every case where it was possible to cut with genuine economy. We heard the evidence on this bill, and we took the testimony of official witnesses. I think that our Committee on Appropriations did an excellent job. We cut the appropriation $119 million below the Department's requests,

and $19 million below the appropriation made last year.

Some people have said here that certain expenditure items were taken out of the bill only because certain programs had expired. But let me call your attention to the fact that certain items for additional expenditures had to go into the bill. There was the item providing for the extra day's pay to be paid during the next fiscal year. And there was another item added because of the new system of accounting by which the Government contribution for employees' retirement pay, instead of being handled as a single, separate appropriation, is to be paid from the appropriation for each individual Department into a general fund.

Then a very large increase in the appropriation now before us came about because of a mandatory increase in grants to States for public-assistance or welfare payments as a result of the action of Congress last year. I say that we cut this bill a very large sum, considering the limited leeway we had. I think our committee did an excellent job.

But, when this bill came to the floor, there were more amendments offered to this bill than to any bill that I have seen since I have been a Member of the Congress. And I imagine some of the Members who have been here for many, many years have never seen a drive against any bill such as the drive that has taken place against this one, with amendment after amendment being offered to cut the appropriation recommended by the Appropriations Committee. We have been working here for 5 days on it and looks as if we are going to be here with it for a few days more.

We hear so much about the "economy" resulting from some of these cuts made on the House floor. I think our committee cut this bill to the bone. But I think the nature of the cuts our committee made will not impair the essential functions of our Government. When Congress passes a law setting up a program, you have to appropriate new money, if the program calls for it, to carry out that law. We who serve on the Committee on Appropriations have operated within those requirements and those limits, as is only proper.

I want to call your attention to the fact that the President of the United States said that the actions of the House of Representatives on this bill were "fatuous and futile." I turned on my television yesterday evening, and I heard the statement made by Mr. Mitchell, the Secretary of Labor, when he was asked about the cuts made in this appropriation bill. He said he did not agree with the cuts that the House Committee on Appropriations made, but he said the committee did act intelligently. He said they acted constructively. He said the committee acted in a way demonstrating that they knew what they were doing.

For instance, Secretary Mitchell said the Committee on Appropriations allowed money to permit the Department of Labor to try to help in finding jobs for persons over 45 years of age. He said the Committee on Appropriations allowed money so that veterans discharged from the military service would have someone to help them to find a civilian job. He said that the action here in the House took that help away from them. He said the action of the House took that money away from the Department so that they cannot carry on that program.

Then, in this morning's paper, the Washington Post, I read this statement made by a third member of the Eisenhower "team," the Secretary of Health, Education, and Welfare.

Secretary Folsom is quoted as saying:

> While I did not agree with the actions of the House Committee on Appropriations with respect to this budget, I know those actions were based on a thorough knowledge and a constructive approach to the problems in those fields and were taken only after weeks of hearings and careful deliberations.

He said, and I repeat:

> I know these actions were based on a thorough knowledge and a constructive approach to the problems in those fields.

Thus he was saying in an implied way that that was not the case with the action by the House of Representatives.

This bill deals with matters affecting labor, health, education, and welfare. It is something in which everyone in the country is interested. The extreme nature of this drive that is being made now is apt to cause the pendulum of public sentiment to swing the other way, if my mail is any criterion.

For a good while after the President submitted his budget, I received mail day after day saying that we should cut the appropriations. But since this bill has come before the House, and met the treatment that it has here, I have received piles of letters and telegrams protesting against the proposed cuts and the cuts that have been made by the House.

I think we are going to an extreme. I think the Committee on Appropriations went down the middle of the road and offered the House a sound approach to economy. I am afraid the action the House is taking is not going to bring real economy in the long run and those who are pushing this "economy drive" here are just going to defeat the purposes of economy and their own object and their own ends.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is important that the two points of this economy drive be emphasized. One, of course, runs through most of these proposed cuts. That is the concern that many of us have, of how much money we can take out of the economy each year in a safe manner. That is the traditional base for economy moves. But there is also a very important second line of reasoning that is based upon another consideration. I am contemplating offering a series of amendments that will be based primarily upon this second basic reason. It is the question of what happens when we have the Federal Government come into these programs; whether or not that is the best way to accomplish results. That is not a question of how much money we are spending. It is a question of how we are spending the money. It is a question of whether we are spending that money wisely.

Now, I am taking on a burden that is really difficult to try to discuss objectively these Health Institute programs. To try to discuss what is the best way to go about combating cancer and heart disease, et cetera, which all of us are opposed to. We want to do everything we can to try to further those programs. It is a question of balance. Everyone knows that private industry is the main source of our advancement in those areas. It is true of education as well as of health. The Federal Government has a part to play, in my judgment, but it is a question of what part it is to play and how large a part. On these health programs, these are open-end authorizations. There is only one way in which we can decide how far the Government will go, and that is right here when these appropriation bills come up.

Here is an example of the damage that can be caused if we create an imbalance between private, Federal and local enterprises. For example, we dry up clinical material. In cancer research, through this centralization of research, which is essentially what we have in this Federal program, we are drying up clinical material that is available upon which to conduct research. Right now we have a situation where in cancer research most clinical material is available only through some Federal program. There are many people in this research field who are deeply concerned about that aspect. Furthermore, too much centralization of research activity can be most damaging, because most new ideas come from heaven knows where, but they do not come from a centralized research program. Surely the Federal Government can afford assistance, but how far should that assistance go? There is an evil in passing out money to unqualified persons or unqualified ideas; when you have a lot of extra money—and we have got it—in these Federal programs, a lot of unqualified ideas and unqualified people can come in, to receive some of those funds. That does not help the program. It hurts it.

I might emphasize another point. Those who are concerned about our community chest drives know that we have not been able to get heart and cancer and certain other national health groups into our unified community chest drives. One reason I suggest is—it has not become dangerous yet but it may become dangerous—that if the heart and cancer drives, for example, do not meet their quotas in the local community, their directors can come to Washington and get Federal funds and make up the difference. That has already started. That can destroy the very base of our local and private programs in the health and welfare area.

So what I am pleading for is to talk about these things objectively. We are all trying to do our best to beat cancer and these dread diseases and remove them from our society. The issue is how far do we think it is reasonable for the Federal Government to go in the matter of assistance to get the best results? How far do we think the Federal program should be projected? There is a basic limit of trained research personnel in all these programs and in the

thousand programs which the Federal Government has not yet touched.

I regret to say that the hearings before the Committee on Appropriations did not even touch these problems. There is no testimony on them; in fact from the hearings there seems to be a great ignorance on the part of the committee about these problems; but anybody who discusses the situation with the researchers and the persons involved in these overall struggles realize these are real and fundamental problems which must be studied and honestly discussed.

I would conclude by saying that those who consistently try to take the discussion off of an objective plane and place it in the area of emotionalism by doing so are hurting the cause of the health, education, and welfare of our people.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, following along the lines of the statement just made by our colleague from Missouri [Mr. CURTIS] the House is to be commended for the sincere, nonpartisan way in which we have discussed this bill. Last week it was when our attention was called to a statement in a press release by the gentleman from Massachusetts [Mr. MCCORMACK]. At that time the report was that the President said something about an attempt to cut the budget being fatuous. Look that up. It means silly, stupid, foolish, inane, demented, imbecile, idiotic, illusionary, and several things more.

Mr. ROONEY. Mr. Chairman, will the gentleman yield and please tell us who said that?

Mr. HOFFMAN. Naturally the gentleman well knows. The gentleman is just trying to kid me. If I may have 3 additional minutes, Mr. Chairman.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Now will the gentleman tell the House who used the word "fatuous"?

Mr. HOFFMAN. It is my understanding from the press that the President of the United States, your President and mine, used it with reference to those Members of the House who were attempting to cut the items in the pending bill. Am I correct?

Mr. ROONEY. I most certainly think the gentleman is correct. Must we be reminded of the fact that there were five on the gentleman's side of the aisle who were so reckless as to stand up and be counted with the President?

Mr. HOFFMAN. I think there were five, maybe more. We are rather independent over here. And the gentleman may recall that the President said he did not want rubber-stamp Congressmen. It was two Democratic Presidents—Wilson and Roosevelt—who made that request which, by the way, the people denied. If the gentleman from New York will watch the vote when it comes on the foreign aid he will find there will be more Republicans in favor of cutting that item which some characterize as silly and useless than there will be on the gentleman's side. That is just my guess.

We over here on the Republican side prefer, if we are to waste money to do the wasting here in the United States rather than waste it abroad.

Now let me quote the statement of the majority leader:

> I find no fault with what the President said. That is his right.

Under the fifth amendment—is that not right, the fifth amendment? And in fairness we on this side should exercise the same degree of independence, whatever may be said of our intelligence, just claim the same right to vote our convictions.

Let me read what the majority leader said:

> One thing is certain, when a Democrat was President he at least had the majority of his own party supporting him, not by words "I like so and so."

My point is this, you know who opposed the Taft-Hartley law. It was the Democrats who furnished the votes to override Mr. Truman's veto of that bill.

Nonpolitical? Sure.

Let me quote a statement by the gentleman from Rhode Island [Mr. FOGARTY]:

> I want to congratulate you now—
>
> Talking about Republicans—
>
> because the same combination that was working in that 80th Congress in 1947 and 1948 is again in effect yesterday and today and tomorrow. The same leaders are leading the same fight and I hope and pray that your success in cutting these appropriations will guarantee that a Democrat will be elected to the White House 4 years from now.

The gentleman, apparently, does not care about the appropriation. He does not say anything about the welfare of the country or the prosperity of the people. He does not say anything about peace. The hope of the gentleman from Rhode Island [Mr. FOGARTY] as he expressed it—CONGRESSIONAL RECORD, page 4559—is that the result of our action in cutting the budget now will be the election of a Democratic President, a worthy and desirable thing from their standpoint. But hardly the objective when an appropriation bill is being considered.

Some gentlemen on the Democratic side are very solicitous about the President. About his health. Permit me to speak as an expert. I have had some experience with speed laws in Hagerstown. It cost me $10 to complete my education up there on that subject. That was on April first—all fools day—4 or 5 years ago. Four times recently on the front page of the Washington papers has been reference to the fact that the President when he went to Gettysburg was driven at a rate which exceeded the speed limit. The President was not driving. It is doubtful if he paid the slightest attention to the speed. As chief law enforcing officer of the United States, the President, of course, should obey all laws. But my interpretation of those articles is that the newspaper boys being caught back of a red light when the President's car went through on the green were a little sore because their car was just a little late at the intersection. And the officer just warned their lordships that there was a speed limit. It is my hope that the President will not let his driver do that any more. It is just too wearing on the reporters. The reporters are lucky to get to Gettysburg at all.

There is another gentleman on the other side who is also solicitous of the President's health. On March 12 he said:

> If this resolution—
>
> It was one to send the budget back to the President—
>
> passes does the gentleman think that the President would make any recommendation to cut out the 2 helicopters it is proposed to park at the White House to carry the President and his friends out to Burning Tree Golf Course.

There has been no evidence before the House or its committee that I have read that such was the purpose. But what if that was the purpose.

We only have one President at this time. Some have been greatly worried about the health of the President—when he had the heart attack and when he had that abdominal operation. Some were crying all over the place, cried enough to irrigate the whole Northwest. Some cried about the operation. Some worried about the President's cough. Then some come along with this little petty criticism about the speed of the car in which the President was riding, about anything the President may do. It is my hope the President is careful and does not wear a straw hat before the first day of official summer.

I can find as much fault with the President's legislative program as anyone on this floor. That is my privilege. But I do not intend to complain about anything that will contribute to his regaining his health. Nothing of that kind is coming from me. Nor is it my purpose to advise him to eat 1 or 2 eggs for breakfast, nor how to run his job. If the opposition thinks it important, let it go ahead and stick its political nose in the President's private life. We remember that gentleman who came from the great Northwest—the chairman will, I am sure—the gentleman who was honored to represent his State, who talked about the squirrels on the White House golf grounds? He came here and was fussing about the squirrels on the White House lawn.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I want to assure the gentleman that we are going to do everything we can to help defend the President's budget here today and the budget of his appointees from the Cabinet in the Department of Health, Education, and Welfare, and we hope by so doing we may extend and add a few years to his life because we are hoping and praying that nothing will happen to him in the near future. I might also say he may help us a little more if he would give us a little in excess of 30 miles an hour support here on this appropriation bill. I think we would have better results. We are not asking for 40 or 50 miles an hour in support but just 30 miles an hour.

Mr. HOFFMAN. Was that what the Democrats were doing when they tried to block consideration of this bill by passing House Resolution 190 and House Resolution 192 on rollcalls 17, 18, and 19? The Democrats who have a majority of at least 31 asked the President to tell them how to cut the bill. The President replied by telling the House it was our responsibility and that is just what some of us are trying to do. Mr. Chairman, listen to this:

> Now, my good friend the gentleman from Rhode Island, Mr. FOGARTY, moves that we yield to the Senate and put in the full amount of the Senate increase aggregating $3 million above the President's request.
>
> And let me say, my friends, I am going along with him. You know in a superheated, hysterically pressured atmosphere like this, nobody is going to vote against home and mother and free beer—nobody is going to vote in favor of cancer and heart disease. The answer to that is a foregone conclusion.

Those were the words that came from the chairman of the Committee on Appropriations. After we cut an appropriation bill it went over to the other body. It came back after conference where the Senate added $3 million to it. Then when the bill was before us with the $3 million added the gentleman who has charge of this bill went along. The chairman of the committee, the gentleman from Missouri [Mr. CANNON] said: "Nobody is going to vote against home and mother and free beer—nobody is going to vote in favor of cancer and heart disease." The whole trend of the debate on this bill seems to show an effort to brand those who favor a reduction which will hold appropriations carried in this bill to last year's appropriation as favoring cancer and heart disease as an attempt to oppress the worker. The result desired seems to be to place the party which has control here as the champion of economy while at the same time it poses as the champion spender. And with expressed hope it will win the next two elections by its doubletalk.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word and to say that that statement is correct. That statement was made by the chairman of our Committee on Appropriations. But, I was very happy when the vote came, I will say to the distinguished gentleman from Michigan, that I did not hear 3 voices raised in opposition to that motion to agree to the Senate amendments at the time it passed the House a year ago when we agreed not to go $3 million above but $50 million above the President's budget for research in cancer, heart, and mental health.

Mr. BASS of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BASS of Tennessee. I wonder if the Chair could advise the House what amendment we are considering now.

The CHAIRMAN. The Chair will advise the gentleman from Tennessee that we are now discussing a pro forma amendment, and asking for the regular order will call for the Clerk to read.

Mr. BASS of Tennessee. I ask for the regular order, then, Mr. Chairman.

Mr. JENSEN. Mr. Chairman, will the gentleman withhold that, please?

The CHAIRMAN. Does the gentleman from Tennessee insist on the regular order?

Mr. BASS of Tennessee. If the gentleman wants the floor, I will withdraw my request.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to discuss the pro forma amendment a few minutes. I rise in opposition to the pro forma amendment.

Mr. Chairman, I have been greatly interested in the discussion and the debate on this bill. As the Members know, I served on the HEW Committee on Appropriations for 2 years with the able and distinguished gentleman—and I say that in all sincerity—JOHN FOGARTY, of Rhode Island, chairman of the committee.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I just wanted to say that the gentleman has served with great distinction on the committee. The advice and counsel that he rendered to those of us who were new at the time we were on the committee will never be forgotten, and I want to say that the gentleman was one of the greatest supporters of this program we ever had.

Mr. JENSEN. I thank the gentleman. I was about to pay a compliment to the gentleman. I was about to say that no one holds the gentleman from Rhode Island [Mr. FOGARTY], chairman of this subcommittee, in higher regard than do I, because I know that his heart is in the important job that he has to do for humanity. And, he has done a great service to suffering humanity.

Mr. Chairman, I have been greatly interested in the amendments that have been offered to this program, and I have voted for them. And, why did I do that? Because none of them applied to research into the cause and cure of dread diseases. I certainly would be the last one in America to do anything to act in any manner that would in any way, shape, or form deter the great progress that has been made in finding the cause and cure for these terrible diseases such as heart disease, cancer, mental illness, and so forth.

I am glad that no one has offered an amendment to reduce the amount requested by the committee for those items. A few days ago when the resolution was offered in the House asking the President to tell the Congress where appropriation items could be reduced below the budget, I said, speaking from this floor, that the acid test would come one of these days and then we would see whether or not the Members who supported that resolution were sincere. This is really the acid test. If a Member can vote for these amendments which have been offered to reduce this bill even though they do not apply to the dread human diseases in any way, shape, or form, then he has the intestinal fortitude to vote for almost any amendment to cut the budget that may be offered henceforth to any appropriation bills.

The gentleman from Missouri, our very able Chairman [Mr. CANNON], just talked about the number of civilians employed by the Government. He said there were more people employed in civilian positions today than ever before in the history of our country.

I just called the Byrd committee and talked to Haywood Bell, the executive clerk of that committee, and he gave me these figures.

In 1952 the high month was in June. There were 2,596,764 people employed. That year the 1953 fiscal year budget request was in the neighborhood of 2,700,000 people, which was at least 100,000 more than were on the payroll in that fiscal year, the fiscal year 1952.

The so-called Jensen rider was then adopted to five appropriation bills and the number of civilian personnel began to drop. On February 1 this year we had a total civilian personnel in the Government of 2,390,507. I think where the gentleman from Missouri [Mr. CANNON] got his figures was for the month of December of last year when there were over 340,000 temporary employees hired for a short time by the Post Office Department to handle the Christmas rush, which brought the figure up to a high of 2,741,000. The gentleman's figures, however, on dollars are correct. Never before in the history of this country has the cost for civilian employees amounted to a billion dollars a month. That is due to the fact that today the average employee receives higher wages.

This is the fifth appropriation bill on which the House has acted during this session, and in each bill the total personnel has been held very closely to the 1957 fiscal year figure. Had that not been the case I would have offered the so-called Jensen rider to those bills as I did in 1951 and 1952, just as I promised I would do if personnel requests in the bills were not held down. I will take a good look at the bills yet to be acted on.

Mr. Chairman, it is noteworthy that there are right now 1,172,214 civilians employed in the Department of Defense.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. JENSEN. I do not want that much time. I was supposed to be at a committee meeting on Public Works at 2 o'clock and here it is 10 minutes after 2. I tried to get the floor before 2 o'clock.

The CHAIRMAN. Without objection, the gentleman may proceed for 1 additional minute.

There was no objection.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa be permitted to proceed for 5 additional minutes.

The CHAIRMAN. The gentleman has refused additional time.

Mr. JENSEN. Well, I will take it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENSEN. I thank the gentleman from New York.

The chairman of the Committee on Appropriations had just made the same request and I had refused, but since both of you insist I will take it.

Mr. ROONEY. I want the gentleman to understand we did not hear what was going on down there.

Mr. JENSEN. You did not hear?

Mr. CANNON. I regret that the gentleman is more generous to the gentleman from New York than to me, but we get the same result.

Mr. JENSEN. I am sorry, Mr. Chairman, but since there is so much insistence I thought I would have to yield.

Mr. CANNON. The gentleman will understand I got my statistics from the same source he cites.

Mr. JENSEN. I want to say you are right, dollarwise and the amount is staggering to say the least. I will say and agree with the chairman. I simply want to keep the numbers straight too.

Mr. CANNON. The gentleman says I am right.

Mr. JENSEN. Dollarwise. This is because in 1952 the pay of Federal employees was approximately $1,000 less per year on an average than it is today, so in that respect the gentleman was right; but as far as numbers are concerned, the gentleman's figures were not right.

Mr. CANNON. The figures are not mine. They are supplied by the source originally quoted by the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

Payments to school districts: For payments to local educational agencies for the maintenance and operation of schools as authorized by the act of September 30, 1950, as amended (20 U. S. C. ch. 13; 70 Stat. 909, 970-972), $127 million: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such act.

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOW: On page 18, line 8, strike out "$127 million" and insert "$113,050,000."

Mr. BOW. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, the item to which this amendment is offered is perhaps one of the most sacred of all the sacred cows we have to meet from time to time. The amendment I have offered reduces the amount for payments to school districts, impacted areas, from $127 million to $113,050,000. This is really not a reduction, it simply restores the figure of the 1957 budget.

The budget increase this year is $13,950,000. In 1956 this appropriation amounted to $85,523,000, in 1957, $113,050,000, and the estimate for this year is $127 million.

This relates to the impacted-area contribution, which I believe in continuing until we can find some way in which payments can be made in lieu of taxes to these impacted areas. Unfortunately, the need formula is not used. I think if we had a need formula it certainly would be legislation that would have merit and which I would support. But it seems to me that when we increase this amount by $13,950,000 above what we had in 1957, we are simply opening the door for bigger and greater grants-in-aid.

May I say, Mr. Chairman, to my colleagues here in the committee, I believe one of the things this Congress should look into and give consideration to in the future is the great expansion and great growth of the grants-in-aid programs. I wonder if the Members of the House realize that today our grants-in-aid programs amount to over $5 billion. Administration costs are very high. Most of these items are things which the States themselves could handle. If we would reduce the cost of government to the point where we could give some tax relief and turn these opportunities back to the States, we would have better government than we are having with these huge appropriations and large administrative costs against all the taxpayers.

It has been said here that we are not interested in this because of the great increase in population. That these budgets should continue to follow the increase in population. May I point out to you that we now have a $273 billion debt in this country. Along with health, education, and the other things provided for in this bill, we owe to those who are coming after us, to our children and our children's children something else. We owe them fiscal responsibility in government. We owe it to them to pass on to them a sound government and not a bankrupt government. So the mere fact that we are increasing in population is not an excuse to continue the increase of great budgetary expenses. It seems to me, our responsibility is to pass on a sound fiscal policy.

This amendment, as I say, will simply take us back to the 1957 level. This is not aimed at any particular school district or any particular area. I think you will recall that in the past few weeks there has been some very interesting controversy about certain school budgets, and we have been told by a very distinguished Member of this House that we should keep our nose out of the school affairs of other areas. At that time, I said if they would keep their hands out of the Federal Treasury we, perhaps, would not pay too much attention to their local school administration. I repeat that today. But, my colleagues, today is the day when nobody can raise any question about you putting your nose into the affairs of school districts. Today it is your responsibility and there is no infringement upon anybody's rights. This is, perhaps, the last time that you will have a chance to look at $127 million. That is a lot of money. Let us put it back to the $113 million figure. As I have said, I believe in helping in the impacted areas. I do not have any in my district, but I believe we must help those areas where there is an emergency and there is a need. But I do not believe the record has proven that there is a need. This is the best guess. Let me leave you with just this one thought: In this bill, we are talking of taking out 5,548 employees.

In other bills coming along, we are going to continue to try to take them out. This increase is based upon this budget. If we reduce substantially the number of Federal employees, then we reduce the need of this amount in this budget. When the chairman of the committee, the gentleman from Missouri [Mr. CANNON], speaks about the billion-dollar-payroll—that is not all, I say to my colleague. It is not just what we pay in salaries. But, there is another $127 million brought about because of the large employment of Federal employees throughout the country. If we are going to reduce this budget, and if we mean to do what we say we are going to do and cut down the personnel, then we will not need this large amount which has been estimated by this Department, and we can get along with what was provided in 1957. If it is not enough, we will be here. They have never hesitated to come back to us in the past and tell us when they needed additional funds.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am at a complete loss to understand the purpose of the gentleman from Ohio who obviously does not understand the objectives of the law which he is seeking to cut. Public Law 874 is for the maintenance and operation of school districts in areas under impact because of the employment of people on defense contracts and because of the proximity to military establishments.

The gentleman uses very loosely the term "grants-in-aid," when in fact this is not a grant-in-aid at all. It is simply an attempt by the Federal Government to make restitution to the school districts for the impact which the Government itself causes, and which would not exist if it were not for the fact that the Government has installations nearby.

This headlong rush that some of us seem to be in to economize is peculiar at this late date. As a member of the Committee on Education and Labor, and as a member of the subcommittee which worked on the extension of Public Laws 815 and 874 last year, I know that no Member of Congress came in in opposition to it. The legislation involving this $120 million this year was nearly as large last year. The reason it is larger is purely and simply because there are more impacts. It is because of the shift in military personnel to match the impact in any particular district at any particular time. The only Members that came before that subcommittee last year were those with particular problems in their districts. They documented their problems; they outlined them carefully, and they were taken care of as the case arose by remedial amendments to the legislation. This is in no sense a grant-in-aid to the States. It is purely and simply for the maintenance and operation of the

schools required to educate the children of our defense workers and our military personnel. If you are going to start cutting things like this you will really get into trouble with the educational system of the United States. A bill involving this tremendous amount of money is passed by a voice vote, without rollcall. The gentleman from Ohio [Mr. BOW], when he says he would cut it, has been silent on the votes for it. He did not vote against it last year. He did not make any move to have a thorough airing of the need for it. He takes the well of the House and in the interest of pure figures, which mean nothing except that they are dollars, he would ignore the education of the children of his constituents who are stationed, because they are in the service, in my district, in northern Virginia, at Fort Benning, Ga., California, and all the States of the Union. This is irresponsible and arbitrary action.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. BOW. The gentleman has said that my only interest in this was interest in dollars. May I add, education of children as well.

Mr. THOMPSON of New Jersey. I am glad you stated that, that your only interest was in the dollars and not in the children, because I also said that the children from your congressional district who were in the districts of other Members, because they are children of people in the armed services, need education, whether you think they are worth the millions of dollars that you are trying to cut.

Mr. BOW. Will the gentleman yield further?

Mr. THOMPSON of New Jersey. No, I do not yield.

I yield back the remainder of my time, Mr. Chairman.

Mr. BROYHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with a great deal of reluctance that I rise today to object to any part of these efforts to reduce this budget and to economize. On the contrary, I support this overall objective to reduce expenditures.

I realize as has been mentioned several times before that it is a lot easier to support an economy drive when it does not affect your own Congressional district. And I confess that this proposed cut does hurt my Congressional district, and that it is probably one of the reasons which inspired me to take the floor today to oppose the amendment.

I would like to point out, however, that every one of these cuts in this appropriation bill affects my Congressional district. You cannot cut these requests for appropriations without causing some personnel problems within the various agencies and threatening a possible reduction in force, and as I probably spend 50 percent of my time dealing with personnel problems it is not easy for me to support any effort which might cause these problems to be aggravated. However, I have talked to hundreds and even thousands of Federal employees, and they have assured me that cuts could be made. They are the first to attest to the fact that efficiencies can be effected in these agencies, that there is waste and that there is duplication.

So I will take the risk of being charged in the future, possibly for political purposes, of injuring Federal employees by voting to cut these appropriations because I believe we can effect economies in these agencies without an indiscriminate reduction in force. I do not think we can effect these economies and reduce expenditures by reneging on our moral and legal obligations. If we did that we could have a field day, because there are many other places we can economize by reneging on our obligations.

We can reduce this budget and economize by eliminating various services we have enjoyed in the past; we can abandon some proposed projects, we can bring about greater efficiency in operation.

But we cannot properly economize by cutting appropriations under Public Law 874 where the Federal Government has moved into these areas and impacted these areas and the land which they use have been taken off the tax rolls. Employment in these areas has increased, the communities have been required to provide various community services as a result, and yet the property taken by the Federal Government does not yield taxes to the various communities. We, the Congress agreed a few years ago that we would merely pay a portion of the cost to those communities of educating the children of the Federal employees who live or work on that property, since the community would receive no taxes from the use of Federal property.

Arlington County has been mentioned. We have tremendous Government operations in the county and we do receive a great deal of money under Public Law 874, but that is not the answer to it. The Federal agencies in that county now have the most valuable property in the county. If that property were on the tax rolls as ordinary business property it would return something like $11 million or $12 million in revenue to the county. As it was, last year Arlington County received approximately $1 million under Public Law 874. Furthermore, the parents of more than 55 percent of the children in the county schools either live or work on the Federal property from which the county is receiving no tax benefits. The county officials have testified that if the Federal Government would pay what it should we would not need these Federal funds under the Federal impact program.

If we are going to follow a policy of reneging on our obligations let us strike all funds from the bill and not do it piecemeal. The Federal Government created these problems; I think the Federal Government should assume its responsibility in the matter. I, therefore, hope this amendment is defeated.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I, too, have several of these Federal-impact areas in the district which I have the honor to represent. One of these communities is a beautiful little town near the Ohio River. It is one of the oldest towns in the State. For many years it was quiet and serene. It could meet all its local needs. During World War II the Federal Government moved in and built a powder plant and a powder bag loading plant. It is the largest powder plant and the largest bag loading plant in the world.

Immediately the school population increased from 400 to 1,400. If it could have taxed this Government property this school district would have been in very good shape, but 40 percent of the taxable property in the school district was taken off the local tax rolls because it now belonged to the United States.

I do not know the exact value of this Government property, but I have heard it was worth $200 million. But, even if it were worth only $50 million, if it were taxed at the normal rate that local community would have been able to build a fine school building there and maintain it.

In Indiana we have a limitation on the amount of bonds that can be issued, based on the assessed value of taxable property within a school district. So, with 40 percent of its taxable property gone, this school district was unable to issue bonds in order to build a larger school, and yet the community found themselves with a population increase of from 300 to 400 percent. Their children were going to school in the administration building of the powder plant, in the recreation hall of a housing project, in the school-building basement and other such places.

About that time a subcommittee of the Committee on Education and Labor of the House began work on this problem. I think this subcommittee was under the leadership of the gentleman from West Virginia [Mr. BAILEY]. He did an excellent job. The gentleman from Pennsylvania [Mr. MCCONNELL] was on that subcommittee, as was the gentleman from Kentucky [Mr. PERKINS], and the gentleman from Minnesota [Mr. WERL]. They did yeoman service on that subcommittee.

They evolved this plan of aid to Federal-impact areas where the Government would do nothing but be a good citizen and do its part in helping build and support the schools needed for the people it had brought to these communities. A school was built in that community, I spoke of. But it is not sufficient to build a school. It must be operated and maintained. And so the Government makes grants to these districts for school operation and maintenance.

This appropriation we are now considering provides for Government contribution toward support of these Federal-impact schools and our committee recommended a larger sum for that purpose in the bill this year. Here is the reason why: Naturally in passing any law there are some defects left in it. Last year the Committee on Education and Labor brought a bill before the House which undertook to correct some of the defects in this Federal-impact school program and that bill became law. It made several changes in the original law.

First, it eliminated the so-called "absorption clause." This clause had provided that the Government would not take into account all of the federally connected schoolchildren in granting aid to a school district. Instead the clause had required that the district must absorb a number of federally connected children equal to 3 percent of the number of pupils in the district who had no Federal connection. The absorption clause proved to result in an injustice, and it was repealed by act of the last Congress.

Under the old Federal-impact law, aid to these school districts was governed by two limits. The grants made per federally connected pupil had to equal the average amount per school child which was being spent by the local district. Or, it had to equal the statewide average sum spent per pupils, if that sum was larger. The law was changed last year so that the payment per federally connected pupil must be at least equal to the national average of sums spent by local school districts for each pupils. This new formula increased the amount of money required for the program substantially.

There were other, smaller changes made in the act. One very important reason why this increase in the appropriation came about is that the number of children in the Federal-impact areas is continuing to increase. There is a rising population in Government housing projects on military reservations. That may be a cost of defense, but it is a cost that is met in this appropriation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from West Virginia.

Mr. BAILEY. A good bit of the expense involved here would be brought about by having to take care of districts due to the fact that they have no tax base, due to the fact that the Capehart bill would build housing facilities on bases where there is no tax base at all. It is a little bit different from the ordinary operations.

Mr. DENTON. I thank the gentleman for his contribution. Of course, under the old law, before the 1956 act was passed, the Government would have paid for the schooling of those children if they went to schools off the military reservation but lived on it. The Government made a contribution to the local government for those children's education.

This program simply requires the Government to be a good citizen. Congress passed the 1956 act increasing the amount of Federal-impact money that should be paid and I do not think you have any alternative but to carry it out. All we are asking today is that the Government be a good citizen and do what it should do for the affected school districts just the same as if it were a private citizen.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Ohio.

Mr. BOW. Does the gentleman not feel that $113 million is being a pretty good citizen?

Mr. DENTON. It depends on how many children have to be provided for. If this Government property were taxed by the local districts at the same rate that private property is taxed, this sum we are appropriating would be only an infinitesimal part of what the Government would pay in taxes to support schools in Federal-impact areas.

This is asking the Government to pay a small part of what is required by good citizenship, in the light of the problems the Government has created.

Mr. BOW. The gentleman from New Jersey, I believe it was, also discussed this bill not from the standpoint of why we need this increase of $13 million, but I would like to know whether we really need it. If we need it, that is a different proposition.

Mr. DENTON. I tried to point that out; but we passed a law last year making some changes in the program. I pointed out a minute ago that Congress abolished the 3-percent absorption clause, and the amount of payments is now set by a different formula. Those are two things. Then a third factor is the Capehart program, where housing was built on the Federal reservations, but the property on the reservation cannot be taxed, and more people are living on the reservations now than before.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since we have gotten into a discussion of the merits of this particular program rather than the appropriation item, I would just like to make a few observations which occurred to me during the hearings on this particular item of the appropriation bill which is now before us.

There is a great deal of interest by chambers of commerce and other civic-minded organizations to bring this Federal defense activity or that activity to our home congressional districts. It seems that the first thing that happens after a new Federal activity is brought into one of our districts is that it becomes an impacted area and immediately the school board in the area runs to Washington for some loose Federal tax dollars. It seems that every one welcomes a defense activity up until it is actually established but as soon as it is the area claims great distress and immediately wants impacted Federal school aid.

Under this program since 1951 we have had a continuing increase of impacted school districts, and I believe that the definition of an "impacted school district" has come to mean very little or nothing. In 1951 the total appropriation for this particular work was $28.7 million for 1,172 school districts. This has gone up until in 1956 there was $90 million made available for 2,864 school districts. The school districts which qualify under this particular act were more than doubled in a period of 5 years. Last year $113,050,000 was appropriated for 3,000 school districts.

Now, I think the committee was very wise in drafting this legislation. They did not make any set payments to the particular school districts involved. There is no open end formula that is used in granting aid to these impact school districts under section 3 of this particular law. Section 3 of the act is where most of the money is made available. As a matter of fact, the Education and Labor Committee wrote into that legislation a provision that the aid to those districts would be geared to the amount of money that was made available each year by the Congress.

If you turn to page 272 of the hearings, you will see that that specific question was asked by me, and the answer was in the affirmative. I think that certainly a program such as this should be gone over very carefully by the Education and Labor Committee, the legislative committee of this House, because we are getting into a position in this particular program where there are going to be hundreds and hundreds of school districts that are going to be running to Washington and using this program to qualify for Federal aid. You certainly can't blame them when the door is wide open. I think there should be a complete revision of the formula with the insertion of a need test in the aid formula.

Mr. Chairman I would like to read from page 271 of the committee hearings:

Mr. LAIRD. The vast majority of payments are made under section 3?

Mr. GRIGSBY. Vast majority of payments are made under section 3, where there is no need test. That is on the assumption that you are making a payment which is in the nature of an in-lieu-of-tax payment by reason of the tax-exempt Federal property. You calculate that payment not on the basis of an assessed valuation of the Federal property times the locally effective tax rate, but you calculate the payment on the basis of the local share of the cost of providing education for the children of parents who either reside or are employed on tax-exempt Federal property, or both.

Mr. LAIRD. How do you explain the difference, taking a metropolitan area such as Milwaukee, where large industrial plants are located? Many of the workers in these particular plants are living outside the city limits of Milwaukee, and they pay their income tax and their property taxes in the suburban community. Compare that with a situation here in the District of Columbia, where the people work inside the District but they are paying their income taxes out in Virginia and their property taxes in Virginia. They receive Federal aid in Virginia. Is that right?

Mr. GRIGSBY. Yes; largely upon the basis of the tax-exempt place of employment of the parent, Government workers who commute daily to the District of Columbia.

Mr. LAIRD. But their need might not be as great as some suburban area where there is no plant property located.

Mr. GRIGSBY. That is true. There is a fine line which is hard to draw. If you put this thing wholly on the basis of the needs test, there may be some of these school districts, 3,000 school districts, which on the basis of need never would qualify for Federal payment.

Mr. Chairman, the Office of Education admits that on the basis of need many of these school districts would never

qualify for Federal payment. This administration insists on a need test on Federal construction aid for education. I am sure their position is consistent as far as this program for impacted school-district aid is concerned.

Mr. BAILEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had hoped that it would not be necessary for me to ever be called upon on the floor of the House to come to the defense of this legislation. It is generally conceded by Members of the Congress and by people who are not in the Congress as being the most equitable and beneficial legislation approved by the Congress in the past decade.

You will recall that I was the original sponsor of Public Law 815 and Public Law 874. The amendment affects Public Law 874. I conducted hearings over the entire country. I think we took testimony from six-hundred-and-some witnesses in 42 States. The legislation was approved unanimously by the subcommittee of the Committee on Education and Labor. It came out of the committee with a unanimous vote, came to the floor of the House and was approved without a rollcall vote. In fact, on one occasion, in 1954, I personally wrote in on the floor of this House an item of $55 million, in a deficiency appropriation bill, to support this program. I am surprised that anyone would have the temerity today to offer an amendment to cut the funds in this particular type of legislation.

The gentleman's intentions may be perfectly all right. But why would we argue about a few million dollars? When this legislation was being written one of the greatest handicaps we had to overcome was the fact that the late Senator Wherry had offered legislation to permit the building of residential property on military bases. Today the program is complicated by what is known as the Capehart Act, which was touched on just a minute ago, under which the Federal Government builds on property where there is no tax base at all; where all the property is owned by the Federal Government.

How can the Government comply with its responsibility under the act—and that is what the gentleman agreed the Government was trying to do, take care of its responsibility for having impacted an area. The gentleman from Wisconsin [Mr. LAIRD] also said that the definition of an impacted area had lost its meaning.

Mr. LAIRD. Mr. Chairman, would the gentleman yield?

Mr. BAILEY. I yield.

Mr. LAIRD. Could the gentleman tell me just how much of the total appropriation items deals with Capehart-Wherry housing? I think the gentleman would be surprised at how small the amount is.

Mr. BAILEY. I do not know that I can quote the exact figure, but I am talking about the intent of legislation such as the Wherry Act and the Capehart Act that took care of the grading of the streets, the building of sidewalks, the installation of a sewer system, of a water system, and of everything else except providing for schools. That is what this increased amount of money is for, to provide largely those very things for the operation of the school system in those districts.

Let me say to the gentleman that the Government has assisted a total of 128 school districts in which Government activities were carried on. Let us go a little bit further. In the last 6 years under that program we have built $1,200 million of school classrooms. I would like to ask the gentleman what the classroom situation over the Nation in general would be today if it were not for that. We are claiming a shortage of 149,000; $1,200 million would build approximately 45,000 classrooms. So, if they had not expended that money under this program today we would have a shortage of over 200,000 classrooms in the Nation.

We are not talking about construction now. We are talking about maintenance. I have in mind certain districts. I remember Camp Hood, in the State of Texas. The entire camp had been set up as an independent school district. There is not a single dollar of taxable property in it.

You are building housing facilities there, you are going to take people in there, there is going to have to be money to maintain those school districts, and there is not a dollar of tax base at all. It is just simply out of the question to talk about not providing money under those circumstances.

Let me say to the gentleman that not one single school district in my district, the Third Congressional District of West Virginia, has qualified or even asked to qualify; and let me go further and say that only one district in the entire State of West Virginia is asking to receive any money under this program.

As a former school man I considered it my business to try to do something for the boys and girls, not particularly for the school districts because I do not care where they are imported. I did not want to see a situation like that exist. I went into the district myself as chairman of the subcommittee. That was before some of the gentlemen who are sniping at this program even came to Congress. I happen to know the situation. Of all the legislation now pending in this category of appropriations for administration of welfare programs, this is one item you cannot afford to cut because the people you are cutting are unable to supply it because they have no tax base to supply it.

I sincerely hope we will get away from this idea of looking at an item and saying, "So many million dollars have to come off that," whether we can justify the reasons for taking it off or not. I know the gentleman from Ohio, who is the author of this amendment, does not like the idea, but a lot of that money is going into the State of Ohio. A lot of the reason why that item is as large as it is is that much of it is going down around Waverly, Ohio, where they are building an atomic installation. So I think people ought to be consistent.

Mr. McCONNELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think the question as to the obligation of the Government to impacted school districts has been well established so I shall not labor the point. Of all the programs we have observed in our committee in connection with education, we consider that this has been one of the best run and best managed programs. We feel that the general estimates and the activities of the administrators of it have been generally sound. I do not want to see us spend any more money than is necessary but in this particular case these estimates and requests are based on formulas established by Congress.

We have not observed a pattern which you often hear about in Government departments. We have observed rather an effort to actually do a job that is required in this type of program.

I will grant the argument of some of those who would claim there ought to be a different method of payment. We do owe an obligation. We either ought to pay rent or we ought to pay taxes or something for the use of the land. But we are looking into the future as to a different type of approach when we say that we ought to pay taxes or we should pay rent. I am quite willing to consider that type of approach. I think there is a great deal of merit in it. But we are dealing with something now which is already the law of the land. Certain formulas have been set up and the administrators of this program are endeavoring to ask for the amounts necessary under the formula.

For example, I noticed an item here, that struck me as being very indicative of the type of people making these estimates. If you will look at page 11 of the report from the Committee on Appropriations, you will notice that we are speaking of payments to school districts and that that has been upped thirteen-million-and-some dollars, which has to do with the amendment offered by the gentleman from Ohio. But, if you will look right underneath that item—assistance for school construction, that also has to do with the impacted school districts. That is Public Law 815. There were two laws in connection with this program—Public Law 874 has to do with the present amendment; that is, for maintenance and operation. The other is Public Law 815, having to do with school construction. It says here the bill includes $41,700,000 for school construction in these impacted districts, a reduction of $100,000 from the request and a reduction of $66,800,000 from the appropriation for 1957. It has been stated in arguing for this particular amendment that we should leave it at the same figure as fiscal 1957. To show the good faith and the good thinking of the administrators of this particular program, this represents for school construction a reduction of sixty-six-million-and-a-fraction dollars, showing their willingness to face the realities of the situation. We have heard a great deal about the expenditures of certain districts on various frills and extra lovely types of deluxe equipment and so on. The amount given by the Federal Government to a district does not depend on the expenditures of

any particular district for deluxe items, but rather is based on the general average of maintenance and operation costs in the State for comparable school districts. When the average for comparable school districts is obtained, allotments are set for each district, including that particular district, which may be using deluxe methods. But that will not increase their appropriation no matter what they happen to spend on something extra. It is fixed for that particular district based on similar comparable districts in the State. I hope you will vote down this particular amendment in the interest of the continuation of a good program.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. MASON. Are there more of these impacted areas now or are they getting larger, and is it because of that they need this extra $13 million for administrative purposes and maintenance purposes?

Mr. McCONNELL. I think you will find a large part of the increase in fiscal 1957 is due to a change in the allotment amount in the formula; an increase in school population; and an easing of the absorption requirements under certain conditions, rather than a big expansion in the program itself. No, I would say we are gradually correcting the serious impacted school situations.

Mr. MASON. On the construction end, you have cut that.

Mr. McCONNELL. That is exactly right.

Mr. MASON. But on carrying on the ordinary expenses, you have increased the amount.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. KNOX. My interest in this legislation is to see that every child has an opportunity to receive an education. One of the Members spoke relative to the Wherry housing. It is true that the Congress has provided for Wherry housing. In some of the towns, the Wherry housing is just coming into being where people who are connected with the armed services are now being directed to go to the reservation where there is no tax derived in any form as far as the individual is concerned. Those young men who are in the armed services certainly have a responsibility to be filled because of the obligation that we placed upon them. They are not there because they want to be there. They are there because we have passed legislation that made it mandatory upon them to be a part of the armed services. If we are going to make it mandatory, then we have a responsibility to fulfill.

Mr. McCONNELL. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Is it not a fact that last year the Committee on Education and Labor, in extending the act also liberalized it to the extent that a child whose parent is stationed outside of the continental United States or outside of the school district but who remains at the original station is now still carried on the books of that school district under Public Law 874, and would this not in some measure account for the relatively modest increase?

Mr. McCONNELL. I believe the gentleman is correct.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. O'KONSKI. I think there is one thing overlooked in this proposition, and that is that in these impacted areas the wages and income of the people is higher than that of the average in the United States. Take the case of Arlington, Va., for instance. The average wage in Arlington, Va., is in excess of $6,000 per capita. In some of my school districts it is less than $500 per person. You are asking the taxpayers in my district to help support Arlington, Va. I think that is wrong. If I had a tax income in my district such as they have in Arlington, Va., I would apologize to every Member if they came here and asked for help.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. McCONNELL] has expired.

Mr. DEMPSEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to say anything on this bill, but we have reached the point in the bill where I am extremely interested because of the various extensive Federal impacts in the State that I represent, New Mexico. The Federal Government several years ago believed it should own a little private school in New Mexico called Los Alamos. It moved the school out very quickly and took over this mountainous school location. On that site was developed the first atomic bomb known throughout the world.

We now have the "County of Los Alamos." No people remain there overnight unless they are employees of the Federal Government and children of those employees. We have more than 15,000 people at Los Alamos. That is one impact. Certainly a little county could not build schools, because it was largely a farming area, with a sparse local population and modest property values.

Then we have White Sands, at Alamogordo. That is where you have your guided missile proving area. One area comprises a range 38 miles wide by 140 miles long. There are a great many people who have moved in there. The community of Alamogordo, which was just a town, is now about 10 times more populous than the entire county was previously. The people who were there certainly could not provide schools for this Federal impact. We welcome these Federal installations, but recently we objected to withdrawal and acquisition of more land. I made a trip back home to protest this extension of some 800,000 additional acres near Fort Bliss and White Sands. The people who lived there were largely ranchers, owning or leasing those lands. About 132,000 acres belonged to the State of New Mexico. That was recently condemned and taken over.

There was one old rancher, John Prather, a great American, down there who was 82 years of age. He did not desire to sell his place, and he put everybody on notice, including the Federal Government, that if they condemned his place he was going to live there until he died anyway.

They condemned the place, and just a few weeks ago he was notified that he could not live there until he died, because that property was going to be needed. Later the Army agreed to let him live in the home where he had resided for a half century, but he must give up his land and dispose of his livestock.

These areas are chosen for the Federal Government by specialists who know what they need in this critical era through which we are passing. They selected White Sands because it was the only place in the United States that would meet their needs.

We are using a great deal of uranium. About 10 days ago I was asked by the gentleman in charge of raw materials at the Atomic Energy Commission to prepare the people of Grants, N. Mex., for the fact that in 20 months they would have 10,000 more people in that area. In that particular area around Grants there are two counties, McKinley County and San Juan County. Sixty-eight percent of the known uranium in the United States lies in those two counties. Who do you think owns that uranium? We all do, the Federal Government. It owns more than half of it. You cannot take an ounce of uranium out of the United States or sell it to anybody but the Federal Government.

In Albuquerque we have the enormous Sandia Base as part of the atomic energy and armed services setup, as well as Kirtland Field, an Air Force base. They contributed in the past few years to making Albuquerque the fastest growing city in the United States. The school population was swelled enormously.

Near Roswell, we have Walker Air Force Base. Near Alamogordo is Holloman Air Force Base and at Clovis, the rapidly expanding Clovis Air Force Base. Every one of these communities has experienced a sudden impact from inmigration of Federal employees and their families. In every case this inmigration has resulted in demands upon schools and other public facilities costing so heavily that the communities and local populations could not possibly finance the required expansions. Because of the developments inspired by the Federal Government's need for uranium and development in the natural gas and oil industries, the city of Farmington in San Juan County is doubling and redoubling in population. The bulk of this growth is due to Federal impact alone. Part of it, of course, is brought about through developments on the Navaho Indian Reservation, another Federal activity from which no tax income is derived. If Federal assistance is not provided, this community cannot

possibly meet the demands for expanded schools and other public facilities.

We are happy to have this terrific increase in population, but we will be very regretful in not being able to take care of the children or find room for them to go to school. We are not asking the Federal Government to come into New Mexico to select these places; the Government wants and demands those locations because they serve an essential purpose. That is the story.

Now, I want to talk to the gentleman from Ohio, Mr. BOW, who introduced this amendment to cut off $13 million. If uranium had not been found in New Mexico and it had been necessary to buy it in Canada or Africa the price would be much higher than it is today.

Mr. KNOX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the committee report undoubtedly has been based on recommendations of the Department of Education. The report states that the Department of Education estimates of funds required have been relatively accurate during the past few years and the committee saw no reason to doubt that the estimate presented is the most accurate that can be made at this time.

I know that my colleague the gentleman from Ohio [Mr. BOW], who introduced the amendment, must have had some justification or basis of determination in offering the amendment. What I would like to ask of the committee is how many additional installations have we today than we had 1 year ago that would be subject to this cut?

Mr. FOGARTY. The reason that the costs have gone up is because of the changes we made in the law last year.

The main change was the introduction of an alternative minimum-rate provision. That is largely responsible for the increase, because they tell us it has increased the entitlements about 32 percent over what it had previously been. But we made that change last year by an almost unanimous vote of this House. Everybody was for it. Now, of course, we have to pay the bill.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. LAIRD. Regarding the numbers involved I would like to refer the gentleman to the testimony of Mr. Dethrick to the effect that some 3,000 school districts have participated in the program in the fiscal year 1957 and the fiscal year 1958. You will have an attendance of 1,125,000 federally impacted pupils in 1957 and 1,230,000 in 1958.

Mr. KNOX. It is my opinion that over the past 4 years I have been a Member of this House, the House has consistently made appropriations to take care of the expanded need caused by new installations of the Federal Government. Through these new installations there has undoubtedly been brought about considerable impact of schoolchildren upon the school districts. What I am really interested in is the basis of the Department of Education in asking for this additional $13 million. Is it based upon the additional responsibilities that have been placed upon the Department of Education for new installations or by legislation enacted by the Congress?

I spoke a moment ago about the Wherry Housing Act. It is true that within my district the personnel of the installations have been housed in the city in private dwellings. The Wherry Housing Act is in effect and they have started to construct new housing facilities on two installations which will take the people from the downtown area that were making some contribution in rental payments toward the welfare of their child and possibly the welfare or education of all their children and now Federal housing is putting them on military reservations. In my State no one gains residence or loses residence by the fact that they are housed on a military installation. I am wondering as to what it will do as far as enrollment is concerned, whether or not the schools would be obligated to educate these children who are in this particular area because of the installation.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not know whether this will answer the question of the gentleman or not, but on the hearing a member of the committee asked Mr. Grigsby the following question:

"What causes the increase in the estimate for the coming year beyond what will be used in 1957?"

Mr. Grigsby answered:

> Increases in 1958 over 1957 are attributable, one, to a normal rate of increase, or the rate of increase in the number of federally connected children which we estimate to be about 8 percent in 1958 over 1957.

Then another reason advanced by him:

> The other is the increase in the rate of payment per child in 1958 over 1957. I think we used for purposes of estimate about 5-percent increase by reason of greater attendance and 5 percent by reason of increase in rate.

Mr. KNOX. I thank the gentleman from North Carolina for his contribution.

Mr. Chairman, I am opposed to the present amendment.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when this bill was passed in 1950, it carried with it an appropriation of $25 million to get it into operation. We were meeting then in the new House Office Building in the Ways and Means Committee room. I opposed the bill at that time and the $25 million appropriation that went with it. Since then I have seen the light and I have found out that this is one of the best programs we have in the educational field.

From the time in 1950 when we authorized the original expenditure of $25 million to go along with the bill every time that we did not appropriate the full amount requested, amendments were offered on the floor of the House and they were carried by overwhelming majorities of 6, 7, 8, and 10 to 1. On every amendment that has been offered since 1950 to increase or to bring it up to the estimate that the educational people thought they needed, there was overwhelming support.

How good is the estimate? We think the estimate is good and that is why we say so in our report. In the 8 years of operation of these 2 laws, 815 and 874, for the maintenance and operation of these schools and school construction, their estimates have been on the conservative side. In many years they had to come in and ask for a deficiency appropriation in order to meet 100 percent of their entitlement.

What will the amendment offered by the gentleman from Ohio do to these school districts? It will not affect just Arlington or any one school district. There are 3,400 school districts that are in this category of federally impacted areas that will get a portion of these funds, based on the number of schoolchildren attending school in that area, under the formula laid down by the Congress of the United States. This is what it will do. It means that each school district will have to suffer a 12-percent cut. In other words, we will not be keeping our word to the school districts as we told them we would a year ago, because when we enacted into law this formula that they are operating under now, we certainly lead them to believe they would receive 100 percent of what they are entitled to, not 88 percent of what their entitlement will be under the provisions of the amendment that we have before us now.

Now, this amendment means that every school district, every one of these 3,400, will be cut down by 12 percent. It will not come out of 1 district in Georgia or 1 in Texas or 1 in Michigan, but every one of them. Instead of getting 100 percent of what they are entitled to, they would get only 88 percent of what they are entitled to.

This question has been asked many times: Why has this figure been raised? If you will look on page 262 of the hearings, I asked this question:

> Mr. FOGARTY. What are the new liberalized provisions of the bill? How does this affect the cost?
>
> Mr. GRIGSBY. One of the major changes was to introduce a new alternative minimum-rate provision. Heretofore the payments to the local educational agency were based upon the number of children in average daily attendance in the preceding fiscal year, school year, times the local contribution rate. The local contribution rate was the local share of the cost per child of providing education from local sources, local revenue sources.
>
> There was an alternative minimum rate which said that the rate of payments should not be less than one-half of the State average per pupil cost.
>
> The last Congress added a second, or alternative, minimum rate which stated that the rate of payment shall not be less than the national average of the local contributions rates paid in the second preceding year; so you have in effect three possible rates. You pay the highest of three rates—either the amount per child from local revenue sources, or one-half of the State average per pupil cost, or the national average local contribution rate.
>
> It was the introduction of that last minimum-rate provision that is largely responsible for the increased cost both in 1957 and in fiscal 1958, because it increased the rate of payment in both years.

As I recall the figure, it increased it by about 31 or 32 percent over what it had previously been.

One other change made by the last Congress in Public Law 949 was to move the base for counting the number of federally connected children from the preceding school year to the current school year. That was to take care of the situation in many of these federally affected districts in which there had been a rapid increase in the number of federally connected children, and when you dropped back a year you got no reflection of that rapid increase in federally connected children except as it might have been reflected in another section of the act, section 4 (a) in which the eligibility requirements were higher than in section 3. So they moved the base year of payment from the preceding school year to the current fiscal year, so we had in effect here a reflection of a 2-year increase in the base in terms of the number of federally connected children.

That increased the cost substantially.

There were other minor amendments which increased the cost somewhat, too. One of these was the provision by which children of parents who had moved into a community when their parent came in under military orders for employment on a base, these parents living in taxable homes off base and being employed on base, a provision by which those children might continue to be counted as federally connected by the local educational agency after the parent was ordered overseas or to another station and the children remained in the community. That would increase the number of federally connected children somewhat.

A second minor change was to permit the counting of the children of employees on certain airports, I think there were about seven of them, which were owned by municipalities, airports owned by municipalities but under contract with the Air Force for air cadet training.

A third was to permit counting as federally connected those children of parents who were living in public-housing projects which were disposed of and transferred to private or municipal agencies, permit the counting of those children as federally connected for 1 fiscal year beyond the year in which the sale or transfer of that public housing took place.

Those three minor amendments all increased the cost somewhat but not very materially.

The major reason for the increase is pointed out in the general statement. It is the continued increase in the number of federally connected children and the continuing increase in the rates of payment per child.

When this law was enacted in 1950, we thought at that time that it was a fair responsibility of the Federal Government, because the children going to these schools do not have any choice where their parents move or where their parents are working. If you want to cut down the appropriation that we are requesting in this bill this year, you are denying a good, decent education to those children in these federally impacted areas, because their parents have decided to go to work in a Government-operated factory or are serving in the Armed Forces of this country.

Another thing that is contributing to the increased cost is that in the last 4 years the birthrate has been going up, not only among those people who are working in impacted areas, but the statistics that I have read show that the overall population is increasing every year. Now, if you want to put a ceiling on the number of children that can be born each year in these federally-impacted areas, that is one way of cutting down this budget, but I certainly would not offer such a suggestion as that. But, because the population in these federally impacted areas has been going up and up, and when we lay down the formula by the laws that you voted for and I voted for, then under this formula we come up with an increase in these entitlements. That is more than a formula commitment to these federally impacted areas. I think it is a real moral commitment on the Government. It is one we ought to keep. It is the word of the Government that we have given to these local communities that if they met the formula as laid down by Congress, we would put up X number of dollars. I think we ought to keep our word and by keeping our word we will vote down this amendment.

Mr. DIXON. Mr. Chairman, would the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DIXON. Mr. Chairman, I am very much in favor of what the gentleman has said, especially about the new formula. It is fair, it is mathematically accurate and is a big improvement. This formula is the cause of much of this increase. I might say, too, that I associate myself with the gentleman from New Mexico [Mr. DEMPSEY] in pointing out to you that in the uranium area we have whole new settlements just coming in that will require additional funds.

Mr. FOGARTY. Mr. Chairman, I just want to close by reading a telegram that I received this morning. I think we may assume that many local communities are in the same condition as this one which is in my congressional district. May I say that another reason this bill was passed I think was mentioned by the gentleman from West Virginia [Mr. BAILEY] or the gentleman from Pennsylvania [Mr. McCONNELL] today, that in many of these smaller communities where defense factories have been located, they did not have the property to tax in order to pay the full cost of these educational facilities. I received this telegram this morning:

> Disturbed to learn that attempt is being made today to cut fiscal 1957–58 entitlement Public Law 847 by 13 percent. This means 30,000 loss already in North Kingston budget adopted March 26, 1957. Financial town meeting. We urge your opposition to any cut in these funds—regards.

That has happened in community after community. The budgets have already been arrived at. If this $14 million cut is voted today, it would mean a $30,000 deficit in the school finances of a small town, that is an awful lot of money to a small town. It is $30,000 less than our word or the Government's word of what the contribution would be for the education of these children.

Mr. JONAS. Mr. Chairman, would the gentleman yield for a question?

Mr. FOGARTY. I yield.

Mr. JONAS. As I read the hearings, I got the impression that we were pretty liberal in counting the number of children eligible. Do we not permit them to count the children, say, of a commuter who commutes 50 miles to a Government installation? I should like the gentleman to clear up the record on that point, because there is a great deal of interest in it.

Mr. FOGARTY. I asked that very question and it appears at page 264. I asked:

> Suppose a person is living 50 miles away from an airbase? Is the town in which he lives 50 miles away eligible for Federal funds for his children going to school there?
>
> Mr. GRIGSBY. If the parent commutes daily, even though it may be 50 miles away, they are eligible to count children of that parent if there are 10 or more such children, and if the number of such children is equal to 3 percent of their total average daily attendance.

That is not some decision that was made by the Office of Education. That is in the formula that was adopted by Congress last year, which I voted for and for which 95 percent of the Members of this House voted. They are only following the dictates of this Congress when they count such children. It is not a question of being liberal in their count. It is just a part of the law that you and I voted for a year ago.

Now in just a minute I would like to summarize what this amendment would mean if it passes.

The effect of the amendment to reduce the appropriation for "Payments to school districts" in fiscal year 1958 to the amount appropriated in fiscal year 1957 will seriously hamper the school programs of many school districts. In effect, such action, if sustained by a denial of supplemental funds later in the year would represent Federal action to shortchange the school districts on the full amount of their entitlements as specified in Public Law 874.

All 3,400 districts which participate in this program would have their Federal payments reduced to about 88 percent of the amount the law specifically entitles them to receive. In many districts which receive a substantial part of their school revenues from this Federal program this action would necessitate a curtailment of school programs through the shortening of school terms or the dismissal of teachers in order to get along on a reduced budget. A number of school districts which are heavily dependent on these Federal funds are in remote unpopulated areas where there is little local wealth to be taxed and where State funds to supplement local resources are unavailable or inadequate. The school budgets of most districts receiving these funds have already been prepared for the next fiscal year and in many cases they have been approved by local boards of education on the expectation of receiving the full amounts of their Federal entitlements. The Federal Government ought not at this or at any time to renege on the implementation on its promises to these school districts as set forth in the statute.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the chairman of this subcommittee has pointed out a situation that should be corrected by the proper legislative committee. The theory behind the impacted area was the impact of war installations as a part of the cost of national defense. But what are we

running into today? We are running into a situation right here around Washington where long-time House employees, staff members who have lived in these communities for years and years, who own property there, who pay taxes there, have received a questionnaire asking, "How many children do you have in school?" Then Uncle Sam kicks into that school a contribution as an impacted school. The presence of these employees' children had nothing to do with defense. While the Department may construe the law to include all Federal employees, I for one, certainly did not think that was our intention.

Just to show what I mean, here is a copy of the questionnaire and the accompanying list of Federal offices. This was received by a constituent who has lived in his community all his life. He is not there as a result of any defense activities and is not employed in one. The questionnaire refers to all Government contracts, not just defense contracts.

FEBRUARY 1, 1957.

To Parents in the Prairie District Schools (Prairie, Porter, Highlands, Belinder):

Public Law 874 entitles schools to Federal funds if the parents are employed on Federal property or by companies holding Federal contracts. The teacher will keep track of the days in attendance and funds will be allocated on this basis.

Will you please complete the information on the attached sheet and return it to your child's teacher.

A list of properties we may claim as federally connected is given below:

Air Force Plant No. 2 (commingled) Fairfax Plant, Kansas City, Kans.:
- *General Motors Corp., B. O. P. division (all but transportation dock).

711 Armstrong Property, Kansas City, Kans.:
- *Social Security.
- *United States Army.

Fairfax Field, Kansas City, Kans.:
- *Civil Aeronautics Administration.

Federal Office Building 911, Walnut, Kansas City, Mo.:
- *Bureau of Internal Revenue (Treasury).
- *Bureau of Public Assistance.
- *Bureau of Public Roads.
- *Civil Aeronautics Administration.
- *Corps of Engineers.
- *Federal Bureau of Investigation.
- *Immigration and Naturalization Service.
- *Social Security.
- *United States Agriculture.
- *United States Air Force Recruiting Office.
- *United States Children's Bureau.
- *United States General Accounting Office.
- *United States Weather Bureau.
- *United States Department of Labor.

Fort Leavenworth, Leavenworth, Kans.:
- * United States Army.

General Services Administration, 2306 East Bannister, Kansas City, Mo.

Grandview Air Force Base, Grandview, Mo.:
- *United States Air Force.

Kansas City ORC Armory Site, 1628 Central:
- *Kansas City Armory.

Kansas City Records Center, Independence and Hardesty:
- *Army Map Service.
- *Army Home Town News Center.
- *Army Veterinary Corps.
- *Kansas City Records Center Office.
- *United States Army.

Knob Noster, Mo.:
- *Sedalia Air Force Base.

Lake City Arsenal, Independence, Mo.:
- *United States Army.

Municipal Airport, Kansas City, Mo.:
- *Civil Aeronautics Administration.

Naval Air Station, Olathe, Kans.:
- *United States Navy.

Naval Industrial Reserve Aircraft Plant, 95th and Troost, Kansas City, Mo.:
- *Bendix Aviation (Atomic Energy Commission).
- *Bureau of Internal Revenue.
- *Westinghouse Electric (Includes TWA test cell).

Post Office building, Kansas City, Mo.:
- *United States Postal Service (regional).

Sunflower Ordnance Works, DeSoto, Kans.:
- *United States Army.

United States Army Training Center, 345 Minnesota, Kansas City, Kans.

United States Courthouse, 811 Grand, Kansas City, Mo.:
- *United States Post Office (regional).
- *Federal Bureau of Investigation.
- *United States Marines.
- *United States Navy.
- *United States Department of Agriculture.
- *Treasury Department (Internal Revenue).

United States Federal Penitentiary, Leavenworth, Kans.:
- *United States Army.

United States Public Health Service (Kansas City field station) 3900 Eaton, Kansas City, Kans.:
- *United States Public Health.

Veterans' Administration Hospital, 4801 Linwood, Kansas City, Mo.

Veterans' Administration Center, Wadsworth, Kans.:
- *Veterans' Administration.

HAROLD C. DENT,
Superintendent.

PRAIRIE DISTRICT SCHOOLS, 19——19——

This information will be used to establish eligibility for Federal aid under sections 3 and 4, Public Laws 874 and 815:

Telephone: Residence _____
Business _____
Name of family _____
(last) (first) (middle)
Addresses during year _____
Child's name _____
(last) (first) middle)
Date of birth _____ School _____
Grade _____ Teacher _____
Date parents became residents of this school district:
Father _____ 19___ Mother _____ 19___
Name and address of property on which father works _____
Employer _____
Name and address of property on which mother works _____
Employer _____
Employed across State line? _____
If so, do you commute daily? _____
Date father began employment on property _____
Date father left employment on property [1] _____
Date mother began employment on property _____
Date mother left employment on property [1] _____
In military service _____
Date began _____
Date terminated _____
Name and address of Federal property living on _____
_____
_____
Signature of parent or representative
Date child entered school in this district _____
Date child enrolled this year _____
Date child dropped school in this district _____
Days attended while Federally connected for each reporting period: (Keep current)
1 ☐ 2 ☐ 3 ☐ 4 ☐ Total _____
_____
Signature, Teacher, Principal, Supt.

[1] If employed at end of school year, indicate same (for example, still employed February 1, 1957).

From this list you can see how far this goes. All of those things were never intended as an impacted area. I have a great many friends out home who were born and raised in the community. When war came they went into a defense plant. Later on they took some other Federal job there. They have lived there, they have raised their children there. The impact of the war plant did not bring these people there, yet these people get the questionnaire just the same. Employees of the Veterans' Administration who have lived in my community all their lives and who have children in school get the questionnaire, and their children are counted in. The whole thing shows how unrealistic the interpretation has been. Of course, if we said it in so many words, the Department cannot help it. They may be following the formula, but they are sure the formula is wrong.

In my own area we have defense plants, but many of the people working there have lived in that community ever since they were born. They did not cause any impact on that area. They own property, they are paying taxes on that property. They are there just the same as all the rest of us.

As a matter of fact, I understand that a Member of Congress living over in Virginia is included as one of those who makes an impact on the school area. He received a questionnaire as to how many children he had in school. He is buying property there and paying taxes on it, including school taxes. Congress certainly predates any defense impact.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. This amendment is not going to correct any inequities under the present law. The gentleman claims some are being paid 100 percent. This amendment will take 12 percent off the appropriation.

Mr. SCRIVNER. Perhaps if there is a decrease made it may cause the legislative committee to take another look at this situation and then count those that are really defense impacted. An example is the situation as the gentleman mentioned here, about some new uranium area that is going to be a new community and there will be people coming in there who will be under the defense program. You can understand that. But where you are counting people that have lived in a place ever since they were born and have been raising children there, they should not count as any impact, and it just is not called for.

Mr. FOGARTY. I think the gentleman will agree with me that the point was raised further that sometimes appropriations committees try to legislate. This is just that in reverse. By attempting to cut this $12 million now we are attempting to legislate, to add legislation to an appropriation bill.

Mr. SCRIVNER. The Appropriations Committee and the House can always put limitations in any appropriation bill.

Mr. FOGARTY. The right way is to correct the basic law; is that not right?

Mr. SCRIVNER. Maybe we cannot wait that long.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from West Virginia.

Mr. BAILEY. I happen to be chairman of the subcommittee handling school construction legislation, and this angle of it has been assigned to my subcommittee. If the gentleman has some legislation to correct that problem, we would be glad to take it into consideration.

Mr. SCRIVNER. I am just pointing some of the things that are wrong. These people have lived there all their lives. They are not impacting any area. In many of these cases a defense plant may have come in, but the people would have been there anyway, so the defense plant did not make any difference as far as they and their children are concerned.

Mr. BAILEY. If the gentleman will bring in legislation to correct it, we will have a hearing and correct that situation.

Mr. SCRIVNER. The gentleman from West Virginia has always been courteous, considerate, and kind to me. If I can just get a little time from the Appropriations Committee work, I shall be glad to make some suggestions.

Mr. BAILEY. May I say to the gentleman that cutting this appropriation will not do anything that will remedy the problem in the future.

Mr. SCRIVNER. It could be made to apply to this year and of course could save quite a few hundreds of millions of dollars in the future.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from New York.

Mr. KEATING. I think the gentleman has made a great contribution to our thinking on this subject in bringing out the point he has. May I ask him, a member of the Appropriations Committee, this question, whether or not if this reduction were made it would be possible to get the administration of the law not to spread it as a percentage reduction to each of these areas but rather to take under consideration some of the things the gentleman has mentioned and resurvey this question of what the proper distribution of these funds should be?

Mr. SCRIVNER. I do not know whether it would have that effect. But, certainly, this calls for a certain amount, and you do not have to appropriate for every authorization. Any authorization is just that and no more. If the authorization was going to be all that there was to it, there would be no reason for having a Committee on Appropriations.

Mr. BALDWIN. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. FOGARTY. With reference to the question asked by the gentleman from New York [Mr. KEATING], the answer is absolutely no, the Office of Education cannot use any discretion in deciding where this reduction would be made, because you fixed in the basic law the way that these funds would be apportioned. There is no way they can change it. They have no leeway whatsoever. If you are going to cut it back by passing this amendment then there would be a cut of 12 percent for every one of those 3,400 school districts. There is no other way around it.

Mr. KEATING. Mr. Chairman, will the gentleman yield for a moment?

Mr. BALDWIN. Mr. Chairman, I would like to make a couple of points, and if I have time, I will be glad to yield to the gentleman.

Mr. Chairman, one of the problems that have developed this year is the problem of authorization of construction of Capehart housing. Last year in the housing act of 1956, the bill provided that on any base that Capehart housing was constructed, the Department of Defense had to take steps to acquire by purchase the Wherry housing that existed on that base. I would like to give you a specific example of the situation at the Travis Air Force Base in California. Over 900 units of Wherry housing were built under the Wherry law. That housing under the Supreme Court decision has been paying local taxes to the counties and school districts. In the housing act of 1956, that Wherry housing is going to have to be purchased by the Federal Government and it is going to go off the tax rolls, and the school districts will not receive a dime from those 900 units. In the meantime, the Air Force has advertised and the bids are out right now for the construction of 500 additional units of Capehart housing at that same base. That means there is going to be a combination of 900 units that up to this year were paying taxes to the local school districts and that are now going off the rolls plus an additional 500 units that are going to be built that will not be contributing a dime. This legislation is the only salvation and the only possible solution for the school districts in a problem area like that. These school districts are completely depending on the bill that we passed last year in good faith in this House of Representatives and in the other body.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. BAILEY. I should like to commend the gentleman, for he is the first Member of Congress to get up on the floor today who has really put his finger on the necessity for leaving these funds the way they are in this bill, and that is because it has to do with the operation of Capehart housing. If there were no other reason, that alone would justify the appropriation.

Mr. BALDWIN. The only possible solution that the school district in areas such as this has is the legislation that we passed last year, legislation upon which they are entitled to rely and legislation upon which they have based their budgets. If we take action at this time to cut 12 percent off that bill, we are losing faith with every school district in the United States which is completely dependent on the honesty and sincerity of this Congress and on the action that we look last year.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, in view of the fact that I have not spoken on this legislation that has been on the floor for a week, and in view of the fact that I shall not seek any more time to speak on this legislation, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. HOFFMAN. Reserving the right to object, will the gentleman tell us what he is going to talk about?

Mr. CHRISTOPHER. Mr. Chairman, I rose in opposition to the amendment. The gentleman from Michigan can make his own inference.

Mr. HOFFMAN. I thank you. That is all I wanted to know. I wanted to hear that.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, I am in opposition to this amendment. I may be accused of having selfish reasons for objecting to this amendment. If representing the people of my district, the Fourth District of the State of Missouri, to the best of my ability, makes me selfish, then I stand convicted. Lake City Arsenal is in my district. Grand View Air Force Base is in my district. Knob Noster Air Force Base is in my district. Also Bendix and Westinghouse that are presently engaged in the manufacture of products for national defense. Schools in those areas are impacted by the influx of workers in that arsenal, those air bases, and those defense plants. Therefore, I am in opposition to any cut in funds in this bill for aid to schools in impacted areas.

This bill has been on the floor for almost a week. What are the things for which the money is being appropriated in this bill? I will list most of them. Bureau of Labor Standards, veterans' employment rights, Bureau of Apprenticeship, employment security, employees' compensation, Bureau of Labor Statistics, Women's Bureau, Wage and Hour Division, retarded children, problems of the aging, printing for the blind, Food and Drug Administration, Freedmen's Hospital, vocational rehabilitation, control of venereal diseases, tuberculosis, sewage treatment, hospital construction, Indian health activities, medical research, Cancer Institute, Heart Institute, Dental Institute, St. Elizabeths Hospital, where I have ideas of going some day of my own volition, after hours and hours on the floor of this House, Social Security Administration, old-age and survivors insurance. That is what this bill is for.

This bill has been considered by the Committee on Appropriations of this House, whose chairman is the dean of our Missouri delegation, Hon. CLARENCE CANNON, who happens to be sitting in front of me right at this time. The ranking member of that committee is Hon. JOHN TABER, than which there is no more conservative Republican on the floor of this House. They have had

that bill before them for weeks and weeks and weeks. It has been read in that committee paragraph by paragraph. That committee has worked its will on that bill and reported it to the floor of this House. I am forced to say that because of the things that these dollars are being appropriated for, this House has cut and haggled and seesawed for a week. Who does this bill benefit? The people that pay the taxes that run this Government, the greatest Government and the greatest business on the face of this earth at the present time. Let me say to you that 80 percent of the income-taxpayers of this Nation earn less than $6,000 a year. Do not get me wrong. I did not say that 80 percent of the income tax was paid into the United States Treasury was paid by people who earn less than $6,000 a year, but 80 percent of the number of income-tax payers are people who earn $6,000 or less.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. MASON. Eighty percent of the amount of dollars that come in come from the bracket below $6,000.

Mr. CHRISTOPHER. I thank the gentleman. My figures vary from his a little, but that makes my case still stronger. I thank the gentleman.

I do not know why we are haggling so much over this bill. Someone has said that we will have a rollcall on these cuts. I hope we do.

If this House really wants to save the taxpayer some money it can easily be done by loping at least a billion dollars off foreign aid when it comes to the floor of this House. I am reliably informed there will be an unexpended balance of five to six billion dollars at the end of this fiscal year, June 30, 1957, so there is the place to save money and not take it away from our aged, our children, and sick and our vet's programs.

I am ready to vote against every cut made in this good bill right straight down the line and accept the bill as it was reported out to the floor of the House. What have we got an Appropriations Committee for anyway? I did not sit in the hearings; neither did the majority of you Members. You do not know what the testimony was and will not unless you read the testimony that was given before the committee, and I will bet that not 20 percent of the Members of this House have read even the report in its entirety. I trust that committee, and I am willing to accept the bill as it was brought to the floor of this House.

Maybe some of you think you can curry a little political favor by voting for these cuts. Do not kid yourselves. My Democratic friends on the right hand side of this aisle, let me say to you that when you vote to cut out money that is needed in your district and my district for the people who pay the taxes, and when we have another congressional election and that barrage of Republican propaganda descends on your head and some of those programs like aid for the blind and the aged and schools and health in your district have been crippled by the cuts you vote for, your opponents will say: "President Eisenhower said how much money he needed out here, but the Appropriations Committee cut that out, a committee having more Democrats on it than Republicans—cut over a hundred million dollars out of this bill. The House not satisfied with that took out other millions and the House was Democratic, and if you have not got enough money to carry on the operations in your district, blame the Democrats for it." The fact that 95 percent of the Republican Members of this House may have voted for these cuts will not help you one whit.

Time after time I have shown up Republican legislation and proved that it was wrong and not in the best interest of the people of my district, and Republican propagandists came back to me with this. They said, "We could not help it; it is the result of things the Democrats did in the 20 years before we came into control of the office." Remember, my Democrat friends, we and we alone will be responsible for cuts in this bill even though the cuts receive almost solid Republican support. If you think you can curry any favor by cutting down these appropriations, you are just as wrong as you ever were in your life.

I am ready to vote to restore every cut this House has made in this bill and take it exactly as it came from the committee.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. CARNAHAN. I want to compliment the gentleman on the contribution he has made. I just want to express my opposition to the pending amendment and to urge the members of the Committee to vote it down.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my entire congressional district is an impacted area, and I think it is probably one of those prime examples of how this kind of appropriation can be of beneficial effect. Despite the fact that the district has on every occasion overwhelmingly passed bonds for new schools, and has accepted again and again raises in the tax rates to operate those schools, had it not been for the grants under these Federal laws, the Long Beach unified school system which not only covers my district but extends and expands into that of my colleague, the gentleman from California [Mr. DOYLE], could not have met its load.

There is a definite problem that has been brought up by the heat of the debate here today, and that is: If you have read the report you will notice that the purpose for which the money is being used is gradually shifting over from the construction of buildings to the operational maintenance of schools, with more emphasis on the latter than on the former as time goes on.

There also are changes with respect to the communities which have been impacted; they are gradually increasing the tax base by reason of the fact that the new activities are becoming fairly permanent, so permanent as distinguished from temporary enlargements of the communities are occurring. This enlarges the tax bases of the communities.

What I am afraid of is that the debate we have had today indicates that at some point along the line we are going to be asked for appropriations under the program at which Congress will suddenly rebel and end the program suddenly and entirely without prior notice by refusing any appropriation. In that event, that one $30,000 difficulty of one single school district mentioned earlier in the debate would be multiplied by millions and millions of dollars in thousands of school districts throughout the country. I think the gentleman from Ohio in offering his amendment had something of that kind in mind. I do not believe he was irresponsible or arbitrary at all in offering the amendment. I do believe he voiced a warning that at some point Congress must decide where we are going and whether this program is to be a permanent program or not. The size of the appropriation has a definite influence on when the question is faced. The larger the proposed appropriation, the sooner it will come up. As a matter of fact, the program started out as a temporary affair with absorption features that would require a less amount every year and eventually bring itself to an end. I do not think from today's debate that elimination of the absorption feature definitely gave the program premanence.

Now, is it or is it not going to be a permanent program? That is something in excess of 3,000 school districts must know for purposes of their financial planning. Are we coming to some year in this Congress where the whole thing will be wiped out in one fell swoop? Or, if the program is not to be permanent, are we going to adopt a deceleration procedure which will permit the local districts to make an orderly adjustment? There will be distress in all these districts if we do not do some long-range thinking on this problem. I ask that you have these facts and questions in mind, and that perhaps as time goes on the appropriate committees, including both the Education and Labor and the Appropriations Committees, can bring to the Congress something of a more express nature as to whether it is a permanent program or a policy of eliminating the program. I believe all concerned would benefit by such an expression.

Mr. TABER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, a considerable interest was shown a little while ago in some facts that the gentleman from Kansas [Mr. SCRIVNER] brought out. That seemed to me to be quite an important thing.

Mr. Chairman, in my opinion, the present amendment should be adopted. I believe there will be plenty of money to take care of all of these school districts where there is a legitimate claim upon the United States to provide for the schoolchildren, if we were to adopt an amendment immediately after the amendment offered by the gentleman from Ohio [Mr. BOW] was adopted, which stated:

Insert on page 18, line 9: "*Provided*, That none of the funds herein appropriated shall be paid to any school district on account of children whose parents have heretofore lived

in the district or paid taxes in the school district or who pay rent to taxpayers for real property where they reside in such school district."

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Mr. Chairman, it seems to me that is a constructive approach to this problem and I commend the gentleman for working it out. The situation to which the gentleman from Kansas called attention presents an almost ridiculous case. It is possible under this present law for an adjoining district to Washington to get aid simply because there is a Congressman living there. If that is true, we certainly should provide against such an eventuality as that by a limitation on this appropriation. It seems to me it is sound. If the reduced figure is accepted, as I am inclined to believe it should be, we should then add on such provision as the gentleman from New York has suggested which would take care of the situation that is troubling so many of us.

Mr. TABER. I thank the gentleman. It seems to me it is perfectly clear that is the way to handle the situation. I believe—and I have listened to the hearings on this item—that there is no question but what they will have plenty of money and more too if we adopt this kind of a limitation on the paragraph.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. SCRIVNER. There was never any thought, so far as I know, that we would consider staff members of Congress who lived here all these years and the employees of the Veterans' Administration, the Post Office Department, the Internal Revenue Bureau, and all of those as being people who caused impacting, when those people are taxpayers and lived here all their lives. They were not called in by any of these activities; they were already there, and the demand for them would be there whether they were Government employees or not. This has gotten to the point where it is all inclusive or counting almost every Government employee, no matter what his activity is, or any employee in a defense plant no matter whether he lived with his parents or grandparents. It just is not a realistic approach, and I do not think it is what the Congress had in mind.

Mr. TABER. I think the gentleman is right.

Mr. CANNON. Mr. Chairman, let us not be dragged away from the question before the House.

You know, when the tribe first consented to sit down in a circle and listen to one man at a time talk about one thing at a time, orderly parliamentary procedure was established. Here this afternoon we ought to invoke again the old tribal law under which the tribe gathered about the campfire to decide what should be the policy of the tribe in those ancient days and they talked about the one question that was under debate.

The question before us here today is whether or not we will retain the amounts appropriated for this purpose for the current year or whether we will increase them.

It might be said by way of preface that the law under which we made special contributions to impacted districts was a wartime measure. We are no longer at war. Normal conditions have been resumed. Certainly, because during the war we found it necessary to meet these sudden shifts of population to the war plants for the manufacture of war munitions and war weapons does not mean that it should be in force today. But, the effort has been made to lead us away from the point that is before us.

Trying to get away from the question before us some have tried to make this a labor bill. They have insisted that because you were opposed to increasing amounts appropriated for the current year, you are against labor In the same way they have tried to make this an education bill and to leave the impression you were against education. But the one issue before us is economy. This is an appropriation bill and the question of labor, or education or all these other issues are not before us at all.

No man can stand on this floor and say that I have not supported labor during my entire service in the House. I have been on the floor longer than any Member here today. At the desk I saw SAM RAYBURN and CARL HAYDEN come to the House. And, in all that time I have supported every one of the fundamental laws establishing the rights of labor. My district was at that time an agricultural district with practically no labor organization. Most of you men so vociferous in your support of labor came from labor districts. You had to be for labor. But I was for labor in a farm district because I thought agriculture and labor had a common cause and were preyed on by the same predatory interests. I was for labor legislation because I thought it was right and not because it was the politically expedient course to follow. I was for the Norris bill, the Wagner bill, the Walsh bill, the Wage and Hour and Portal to Portal bill and no one can stand on this floor and tell me that because I am for reasonable appropriations and against excessive appropriations and excessive taxes in these critical times, I am anti-labor. And I have in season and out of season supported education and every bill for education and vocational education through which the children of America have been benefitted.

So don't try to make me out as opposed to education. The children of the Nation will suffer more from lack of food and clothing when we pass excessive bills and increase the cost of living and hammer down the purchasing power of the hard-earned dollar their father received for his daily toil than they will lose—if at all—from the passage of this highly salutary amendment.

So, Mr. Chairman, we should not allow ourselves to be drawn off into collateral issues. Let us follow the old tribal custom of talking about 1 thing at 1 time. The thing before us today is whether or not we should increase the appropriation for this purpose. It is not a question whether it is good legislation or bad legislation, whether it is a good purpose or a bad purpose. It is a question whether $113 million is sufficient instead of $127 million.

Mr. HYDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the debate on this measure today points up the necessity for a serious congressional study to be made of payments in lieu of taxes by the Federal Government in those areas where they have large Federal installations. I think some of the arguments that have been made here today, both for and against this amendment, show some of the inequities in the present program with respect to the distribution of these moneys for aid to impacted areas.

For example, there was the point made by the gentleman from Kansas [Mr. SCRIVNER] and endorsed by the gentleman from New York [Mr. TABER], which is a very important point in connection with a program such as this. And it is important to my own congressional district because there are many, many people in that particular category in my congressional district. But this whole matter of Federal payments in these areas not only for schools—because there are other things, other services that these Government installations and the employees there require; there is police protection, fire protection, and all the other various services that a community affords which must be paid for by the people living in those communities, which are aggravated when more and more people suddenly are brought into the community. It is no answer to this problem today to say, "Well, my district would like to have some of these new Federal installations, whether they pay taxes or not, because they bring in new payrolls." If you follow that argument to its logical conclusion then I would ask whether the same gentleman would say that all of the private enterprises in his district should be made tax free because they bring in payrolls. That argument does not make any sense.

No, this whole problem of Federal payments to local areas where they are affected by Federal installations, in lieu of taxes, should be seriously studied by this Congress. That question has not been. I understand there has been some staff work done on it in some committees, but the study has not been seriously undertaken by any committee of this Congress.

Mr. KEATING. Mr. Chairman, would the gentleman yield?

Mr. HYDE. I yield to the gentleman from New York.

Mr. KEATING. The gentleman is so right in what he is saying. I apprehend that perhaps he and I differ on this particular amendment before us; I do not know about that. But this Congress should do something about this problem of Federal installations coming into these communities tax free. In my district there is only a relatively small number of them. In the gentleman's district there are undoubtedly many more. But this is something that should be grappled with by this Congress in the appropriate committee. I have had a bill in for years on this subject, as many other Members have. No one of us probably has the

exactly right answer, but we should do something to provide for payments in lieu of taxes by the Federal Government to these various areas where they are now using the facilities of sewer and water and, as the gentleman said, police and everything else, way beyond what is involved in this bill. The gentleman has put his finger on something very important for this Congress to tackle.

Mr. HYDE. I thank the gentleman for his contribution.

As far as this particular bill is concerned, I will vote against this reduction. I will vote against any further tinkering with this particular program until we do solve the matter and solve it conclusively and intelligently by a restudy of this whole program.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Is it not true that because of the more liberalized formula that has been adopted the net result of following this amendment would be that we would be reducing payments to the impacted school districts by 12 percent?

Mr. HYDE. That is as I understand it; yes.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, I have been waiting here very patiently to say a few words about this amendment. Perhaps the delay was worthwhile, because the issue seems to be getting bigger by the minute. We have just heard from the chairman of the committee and from the ranking minority member in support thereof and in opposition to their committee proposal.

I may say with respect to the suggestion of the gentleman from New York [Mr. TABER] that quite probably his proposal would be subject to a point of order because he would be attempting to legislate in an appropriation bill.

Mr. TABER. The gentleman is not correct on that, in my opinion. It is a clear limitation.

Mr. HAGEN. Let us say possibly it would be subject to a point of order. In any event, it is legislation which would alter the program in a fashion which, if it should be accomplished, should be done by the basic committee concerned with this legislation, the Committee on Education and Labor.

Actually what we are doing here in appropriating for this program is deciding what is a reasonable estimate of the needs of the program as established by the Congress. The Department and the committee have said that $127 million is a reasonable estimate. I for one am inclined to accept their estimate.

What happens if we overestimate what is necessary to carry out a clear statutory formula? If we overestimate, the money is not spent, it still remains in the Treasury. We have not lost a thing.

If we underestimate, what happens? If we underestimate we create a real problem for all of these some 3,400 school districts, because they plan their budgets, a great many of them, on the basis of the availability of this Federal entitlement. If you say to them "You can have only 88 percent of a budget instead of 100 percent of a budget, and they need schoolteachers, they need janitors, they need school supplies, and they have to really struggle with the problem of educating those children. Either they have to water down the quality of the educational service they give or they have to resort to various expedients which cost the program more in the long run.

I know of one school district in my congressional district that has only one substantial source of operating funds, and that source is this Federal program. What happens if they get 88 percent of their necessary budget? In the past this has happened, and they have had to borrow money to pay their teachers and the janitors and to pay for their school supplies. Borrowing the money calls for paying interest, and the money comes from a source which is of dubious legality as far as legal ability to lend is concerned, so that they have had a very difficult problem.

Actually when we have underestimated in the past the Department has come in later and asked for more money by defining appropriation to complete the program and the Congress has acceded to such request, so if you make a wrong underestimate here you are not saving any money because the deficiency will be provided next year. In the meantime, however, you have seriously inconvenienced a large percentage of these 3,400 school districts and these million plus schoolchildren around the country, so that you have not accomplished anything except to harass the beneficiaries of this program. In effect you are indulging in an idle act as far as saving money is concerned, and I am certain you do not want to do that.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I have 2 or 3 observations to offer. One of them, for whatever pertinence it has to this discussion, is that we are constantly told that employees in the federally impacted areas contribute nothing to the schools, and that in many instances there is no tax base provided. I would just like to observe, and this is not by way of negating the principle of aid for impacted areas, that in the State of Michigan 2 cents of every 3 cents sales tax on the dollar goes to school aid at the State level. That is paid by employees and by persons connected with the Government in the federally impacted area. The second observation I want to make is with reference to the remark made, I believe, by the gentleman from New Jersey [Mr. THOMPSON] that one reason for this increase this year in the proposed budget is the fact that there has been an increase in impacts. I am not going to argue that explanation or that point. But, certainly, insofar as there are increases in the bureaucracy, apparently there are increases in impacts. And insofar as there are increases in impacts, there are increases for need or for alleged need for aid. It seems to me there is a moral to be drawn from that. If we do happen to curtail the bureaucracy a little bit, we curtail the impacts and we curtail the subsidiary addition to aid because that addition results from the increased size of the bureaucracy. One final thought. Some of these days we are going to be talking about proposals to put the Government into some new activity in competition with private enterprise. It may be in the field of atomic energy. Some day we are going to be talking about some new type of Government activity which private enterprise ought to carry out. May I respectfully remind the House that insofar as this House votes to do that and insofar as that becomes policy, we create more impacts and by competing with private enterprise take fields of activity out of areas where they can yield tax support for the Nation and for the community and for the State.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT] to close debate on the pending amendment.

Mr. BENNETT of Florida. Mr. Chairman, I take this time to point out an illustration in my own district which I think may throw a little light on the workings of this bill. I represent two counties here—Duval and Clay. Clay County is a small rural county which has been a small rural county for 100 years or thereabouts. In that county, 50,000 acres or thereabouts are taken away from the tax rolls and from the turpentine and timber developments for the purpose of having a standby infantry camp which is nonproductive as far as taxes are concerned. Secondly, in that county there is a mothball fleet of the Navy. The Navy selected it because it has fresh water and these ships are well taken care of there. I am old enough to remember World War I and the mothball fleet following World War I. After a while they were a pretty sorry spectacle and you began to wonder where you were going to get the money to get rid of that fleet which was cluttering up the streams, now that they had become outmoded. Certainly, there is nothing very permanent about that kind of military installation. With respect to the personnel that were brought to this small rural community, are they people who went there voluntarily? No, they are there involuntarily because they are all Navy personnel. They have brought their children there. Their children do not have any choice about going there, but neither do the parents have any choice about going there. So we have a small rural county which was getting along pretty good before they had this military installation put there, and which now has a terrific burden upon its taxes and upon its opportunities to educate the people who have been brought there.

There might be other counties where the need is not so great, but in approaching this matter we should bear in mind the thought that, after all, this is not the place to write legislation. If there are some improvements or changes you want to make in this legislation to improve it here and there, there is a legislative committee. Your ideas should be brought to that committee. They should be ironed out and considered there in the proper manner, so that everybody has an opportunity to study it, so that the proper staff work can be done upon it, so that we do the proper thing. It seems to me this amendment would be unfair to a small county which was getting along pretty well before this military installation came, which has no great benefit as a result of the military installation, and where this military installation may sometime go and leave in that river a tremendous fleet of boats which will have to be destroyed.

So I urge that this particular amendment be not adopted, that we allow the full funds and take care of this much needed educational work.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. KEATING. Would not the gentleman's problem be solved by the adoption of this amendment, plus the adoption of the amendment offered by the gentleman from New York, Mr. TABER? I think the gentleman has put his finger on a case where there is a real impact, and where this law is sound and should take care of an unusual situation such as the gentleman has mentioned, but there are other areas, like for instance Washington, where a Congressman's child is counted in the area. I am sure the gentleman would agree that is not sound. But if the figure is still sound but it is properly allocated so as not to include such areas as the gentleman mentioned, you would have the answer to the problem.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. FOGARTY. There is not much sense to the argument made by the gentleman from New York [Mr. KEATING] because the basic law has been the basic law since the first time this was passed in 1950. If sufficient funds are not appropriated by the Congress to match the formula that they lay down, then the available funds will be prorated among the 3,400 school districts. There is no other way about it.

Mr. KEATING. But there will be sufficient funds——

Mr. BENNETT of Florida. I refuse to yield further.

I am not in favor of the amendment before us now and after all I was supposed to make some final remarks in this debate. Personally, I feel this is no way to write legislation on the floor of the House. I did not even hear the amendment offered by the gentleman from New York [Mr. TABER] and I don't think many others did. I do not think that is any way to tamper with an important program of this type.

The CHAIRMAN. The time of the gentleman from Florida [Mr. BENNETT] has expired.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from Ohio [Mr. BOW].

The question was taken; and on a division (demanded by Mr. BOW), there were ayes 49, noes 62.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 18, line 10, after the period insert the following: "*Provided*, That none of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have heretofore for 5 years or more lived in the district and paid taxes for school purposes or who pay rent to taxpayers for real property where they reside in such school district."

Mr. TABER. Mr. Chairman, I have offered this amendment to correct what seems to me to be an abuse in the distribution of the funds under this act. It seems to me that we should try our best to correct it and that the correction will result in saving the money that would have been saved had the Bow amendment been adopted.

I believe the situation is quite serious. They tell me that children of Members of Congress who own houses in the suburbs of Washington are used as a credit by the school district in fixing taxes. I expect that the children of anyone who carries mail or who does anything else for the Government, who is an employee of the Veterans' Administration, are counted toward this sort of gratuity.

It would seem to me that in this particular situation the Committee on Education and Labor needed to go to work and try to bring in an amendment that would correct this bill so that cases of this kind could not happen.

It does not seem to me that anyone should oppose this amendment but that everybody should be for it, because the only way we can ever get credit in this world is by doing the thing that seems to be right; and that we should do this seems to me to be perfectly clear.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEATING. It seems to me in the light of the defeat of the Bow amendment that the amendment offered by the gentleman from New York is even more necessary now that we are retaining the larger figure in the bill, to insure that the money be not squandered, as I would put it, in the method outlined, and that it be used only in those areas where the impact has been real and not under such fantastic conditions as the gentleman has been describing.

Mr. TABER. The gentleman is correct.

I hope the amendment will be adopted.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIER. Let me ask the gentleman this question: After listening to the gentleman's amendment as it was read, and to the statement he made, I think the gentleman is trying to solve a problem that the Committee on Education and Labor had before it in the early days, a problem that dealt with the larger cities of the Nation where there is plenty of taxable property and plenty of room for increased millage for school purposes.

I have been trying to think of the major cities of the United States that have been participating in this program. I think the gentleman has some reference to the fringe of Washington; at least he put his finger on Maryland and Virginia. Would this go beyond that?

Mr. TABER. It would go all over the country. They tell me that in one city in Missouri they count employees of the Veterans' Administration; they tell me they have done the same thing in New York and in many of the communities. I think the children in this situation that I have described in the amendment have not the slightest claim to a Federal subsidy. That is the reason I have offered the amendment.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

Mr. Chairman, the substance of what my friend, the gentleman from New York [Mr. TABER] offers might have some merit but it certainly should be presented to the appropriate legislative committee of the House to determine in a more deliberate manner, if it has. This amendment that is offered now, although it is not subject, as I see it, to a point of order, because it is in the form of a limitation, to me is legislating on an appropriation bill. I do not believe that we today in 7 or 8 minutes should attempt on an appropriation bill to change the intent of Congress and change the basic law. How far this amendment will go I do not know, and neither does anybody else here in the House. An amendment like this deserves a hearing before the appropriate legislative committee. I do not think we as members of the Appropriations Committee should assume the responsibility of the legislative committees of the House. As chairman of this committee I have never gone to the Rules Committee for a rule waiving points of order on any of these appropriation bills that I have had anything to do with and I do not intend to as long as I am on this committee. I do not like legislation on an appropriation bill, especially when it goes to basic matters as this one does. That is exactly what we would do by adopting this amendment. I was pretty sure the Bow amendment would be defeated because it was a blow against education. This should be, too, under these circumstances because I do not know how far it will go and feel certain no one else here does. I hope the membership of the committee will follow the vote on the last amendment and vote down this amendment.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from California.

Mr. HOSMER. Are there any statistics available at all so that the amendment could intelligently be acted upon?

Mr. FOGARTY. No.

Mr. HOSMER. This would stop the whole program until a lengthy process of an entire census was taken?

Mr. FOGARTY. The gentleman is absolutely right. When this particular appropriation was being considered, this matter was not gone into at all. We have no justification in our appropriations hearings for the adoption of such an amendment. The justification for the formula that we have in the basic law was adopted after long hearings by the Committee on Education and Labor and after this bill was extended 2 or 3 times in the past 6 or 7 years by the Congress of the United States. This is not the right way to do business. There may be something in the gentleman's argument but I think it should be presented to the proper legislative committee, a hearing should be held, they should take action, then come back and make their recommendation to the House.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. TABER. I do not see how it is possible to correct this situation unless we go about doing it. Now that we have the chance, let us do it.

Mr. FOGARTY. I am trying to reason with my friend. It is a responsibility of the proper legislative committee to change the basic law. I do not think that we as members of the Appropriations Committee ought to assume the prerogatives of the standing committees of this House. I am not for it, I never was for it and I hope I never will be.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman will agree with me that certain legislative language has already been stricken from this bill on a point of order?

Mr. FOGARTY. That is right.

Mr. GROSS. So the gentleman has indulged in legislation in an appropriation bill.

Mr. FOGARTY. Most of that was put in years ago and has been carried year after year because it has never met with objection from a single Member. We have never attempted to defend any points of order that have been raised on such legislation and we have never gone to the Rules Committee to ask for a rule waiving points of order in connection with this particular appropriation bill. I do not expect we ever will. And I might say further that the legislation we have included is largely to straighten out small procedural matters rather than to change the basic concepts of legislative enactments as the pending amendment does.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Indiana.

Mr. DENTON. As I understand the amendment, it excludes children if the parents have been in the community 5 years or own a home?

Mr. FOGARTY. I cannot tell the gentleman for certain. I could not be certain that it may not go far beyond what the intent may be without spending much more time on it than we can now.

Mr. DENTON. The point is that it does not hit the problem. The real problem that we have is that the Government owns a very large part of the property in many of these areas, it is not subject to taxation, the local community cannot tax the property or raise money through taxation. This amendment would kill the whole program.

Mr. FOGARTY. When the old 3-percent absorption clause was eliminated it was stated that an area either is federally impacted or it is not. That is the question that was raised then. It either is or is not. We are changing the basic law if we adopt the amendment. There might be some merit to it but if there is a hearing should be held by the proper legislative committee, then a report made to the House.

Mr. BROYHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment. I believe that the gentleman from Rhode Island hit the nail on the head when he said the main objection to this amendment is that it is something that should be worked out in the proper legislative committee. This formula under which this law is administered is a very complicated and confusing formula. The formula is not satisfactory to me, and I would like to have it amended by the proper legislative committee. At the present time the communities have to absorb 3 percent of the children of federally connected employees attending the local school. The formula now provides for 50 percent of the cost to the local community for educating the children of Federal employees who live or work on Federal property. Regardless of how long the people have lived there—and the term "impacted" has been used quite often here—the basic purpose of the legislation, as I see it, is recognizing that the Federal Government, owning the property in these various communities which are taken off the tax rolls, should provide some means of reimbursing the communities for the education of these children. We have to provide some form of payment in lieu of taxes. Again with reference to the employee who works or lives on Federal property, the Government under this legislation only provides for 50 percent of the cost for educating that child, with 50 percent contributed by the local community, and that again is based on what it costs a comparable school district in the various States. It costs the citizens of Arlington County $320 a year for each child. Under this legislation we only receive $96 a year from the Government for children of Federal employees who live or work on Federal property. It is not a bonanza to any of these communities. We would all be much better off if the Federal Government paid its just share of taxes. But, if they want to change the formula, let them take it before the proper legislative committee and not do it on an appropriation bill.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. PILLION. A year or two ago a survey indicated that the per family income of Arlington County was somewhere in the neighborhood of $8,500 per year, which was the highest per family income of any county in the whole United States. Does the gentleman claim that Arlington County has any need for these federally impacted school funds and that they should be paid for by areas of the country where the per family income is, say, less than $4,000 per year?

Mr. BROYHILL. I would say that the average income per family in Arlington County is one of the highest in the Nation, and it is one of the finest communities in the Nation, but that does not relieve the Federal Government from its responsibility and requiring that community to render service as the result of their operations.

Mr. PILLION. The county of Arlington has very little industry and the primary cause of the high per family income is mainly because of the Federal Government payroll; is that not true?

Mr. BROYHILL. That is true, but that does not mean the Federal Government should receive tax exemption on all the property that it owns.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on March 28, in the CONGRESSIONAL RECORD, at page 4694, the majority leader, Mr. MCCORMACK, speaking of the President, said:

> This is his budget. This is not merely a recommendation. He was forced to defend his own budget because of the rebellion against him by the majority of his own Members in this body. The President said that his budget had been drawn up, and I quote: "Carefully, intelligently." How historic it is that a President feels that he is on trial and must defend himself to the point of having to say that his budget has been drawn up "carefully, intelligently." The President also used in his press conference the word "futile," and I quote that in connection with cutting the budget, as he said, "severely," that too big a cut in foreign aid, for example, would endanger the country's national interest. I called that to the attention of the country some weeks ago when I was on the television program conducted by our good friend, the gentleman from New York [Mr. KEATING]. I projected my mind ahead. Drawing on my years of experience in Government, I said, "Where can the sharp cut come?" It must come along the lines of least resistance. My mind focused on foreign assistance—not that I approve of that method but I saw that that was the easiest way. When Secretary Humphrey started the revolt, when the executive budget was sent up, that was the time the President should have acted. Humphrey's revolt became contagious and it is now a revolution among the great majority of the Republican Members. President Eisenhower said he took the responsibility for his budget. Well, we got that out of him anyway. He has his responsibility to try and stop cuts being made that will affect our national interests. He will have to do something more than make

statements in a press conference. He will have to go to work and he will have to go to work among his own Republican Members and Republican leadership.

The President ought to know that in the committees and in the House of Representatives practically all the members of his own party are the ones who are attacking his budget and by their votes they are showing that they do not believe his budget was drawn up, and I quote again, "carefully, intelligently." The President leads one way and his army in the House of Representatives goes the other way. What a picture. And who do they think they are fooling? It is not my responsibility to give President Eisenhower advice—I, the Democratic leader—as to how he should meet the situation.

One thing is certain, when a Democrat was President he at least had the majority of his own party supporting him, not by words "I like so and so," but by votes.

Oh yeah? Remember when at least twice when President Truman vetoed a bill the Democrats, then under their present leaders, furnished the votes to override President Truman? Was it not just last week when by some 57 majority they refused to follow the party line? They have just as many on that side who vote their convictions as do we.

Now, do not the Republican Members remember what they did over on the Democratic side when this bill first came before us? That budget, that they now cite the President as saying was a model, carefully and intelligently drawn up. Permit me to say to the gentleman from New York [Mr. ROONEY], who is at the moment sitting over on our side, and I am glad to welcome him in behalf of all the membership on our side—does the gentleman remember what the opposition said to the President about the budget, to the cutting of which they now so strenuously object? On rollcalls 17, 18, and 19, the majority leader [Mr. MCCORMACK] and the gentleman in charge of the bill, the gentleman from Rhode Island [Mr. FOGARTY], voted to send it back to the President. Three times on March 12 the majority leader and the gentleman in charge of this bill [Mr. FOGARTY] voted to send it back to the President with a request he tell us where to cut it. Did the gentlemen want it cut or were they just passing the buck? And now that it is back—do they want it cut? If they do not, just why did they ask the President to tell them where to cut? Just how inconsistent can the gentlemen on the other side be?

It would be a pleasure to have our good friend from New York [Mr. ROONEY] tell us what is wrong. On the 28th they told us the President said the administration had drawn up the budget carefully; a fine budget. But it was the same budget they had sent back to him on the 12th. Now on April 1—is it because it is All Fools' Day—they say that any cuts which the President said we should make if we found it possible to make them, should be voted down. Do the Democrats want the budget cut or don't they?

Is there anything we can do—and if there is, I would like to have the gentleman in charge of the bill [Mr. FOGARTY] and the gentleman from New York [Mr. ROONEY] and the majority leader [Mr. MCCORMACK] tell us what it is—just where the cuts can be made—that will please them? That is, if it will reelect a Republican Congress, or elect a Democrat Congress in 1958 and elect a Democratic President in 1960—just those things.

Mr. FOGARTY. You remember 1947–1948, do you not?

Mr. HOFFMAN. Yes.

Mr. FOGARTY. You were doing the same kind of a job then with the same kind of combination you have here today.

Mr. HOFFMAN. I quoted that earlier in the day.

Mr. FOGARTY. You remember how sure you were you were going to elect a President in 1948.

Mr. HOFFMAN. I never was; some were. I am never sure of an election until after the votes are counted and a certificate of election is in my hand.

Mr. FOGARTY. I thought Mr. Dewey was from the State of Michigan and you were one of his prime supporters in the election of 1948.

Mr. HOFFMAN. He was from Michigan. He was, I thought, the better of the nominees, but I never fell in love with him. My choice was Bricker and later Bob Taft. I quoted your statement earlier today. Permit me to quote it again—and to save a few cents I will strike it from my previous remarks:

> You remember the election of 1946 when the Republicans swept the country, elected a Republican House and a Republican Senate. You also remember that in the campaign in 1946, they were going up and down and across the country promising the working people of our country, that if they were elected, the friends of the workers and the workers of our country would be fairly treated. Yet you must recall that the first thing you did was to enact the Taft-Hartley Act in 1947. And then when this appropriation bill came before you, you cut it 25 percent in 1947. We Democrats made a pretty good record in 1947 on the floor of this House in fighting those amendments. And then in 1948 you helped to cut it another 20 percent over 1947. So, you made a splendid record in that 80th Congress in cutting appropriations for the Department of Labor. But, what happened in the election of 1948? Because of your help in cutting these appropriations to such an extent, especially in the Department of Labor, and taking away the rights and privileges that the Department extended to the working people of this country by denying them the enforcement of these laws, the people reacted in the fall of 1948 and you woke on the day after election the most amazed persons on this earth, because nobody believed at that time that a Democrat could win the Presidency of the United States as Harry Truman did in 1948.
>
> I want to congratulate you now, because the same combination that was working in that 80th Congress in 1947 and 1948 is again in effect yesterday and today and tomorrow. The same leaders are leading the same fight, and I hope that you have the same success and I hope and pray that your success in cutting these appropriations will guarantee that a Democrat will be elected to the White House 4 years from now.

The gentleman from Rhode Island said that resulted in the election of a Democratic Congress.

The gentleman said that, did he not?

Mr. FOGARTY. Yes.

Mr. HOFFMAN. And the gentleman said he hoped that our cutting of these items in the budget would result in the election of a Democratic President next time; am I correct?

Mr. FOGARTY. Yes.

Mr. HOFFMAN. So we see there is nothing political about this Democrat opposition to any economy cuts—any cuts—even though they told the President to tell them where it could be cut—oh, no.

Mr. FOGARTY. I thought you would have more sense than to go along with all these cuts and bring the same result on all over again in the next Presidential election. I thought that you had learned your lesson.

Mr. HOFFMAN. No; I am still thinking that our people do not want inflation, they do not want additional billions given for foreign aid. I still want to protect and promote the welfare of our people. I am not so much concerned about the politics of the gentleman in the White House as I am about the future of our country, the record of the party itself, and my own record. In my opinion there is not a Member of the House who does not believe that we cannot continue the present rate of spending without overburdening our taxpayers.

Mr. FOGARTY. We are just trying to help your President.

Mr. HOFFMAN. Help the President? Will the gentleman pardon me if I say that that is just as sincere as some other argument?

Mr. FOGARTY. Or vice versa.

Mr. HOFFMAN. I just quoted the gentleman as saying—daily CONGRESSIONAL RECORD, page 4036—"I hope and pray your success in cutting these appropriations will guarantee a Democrat will be elected to the White House 4 years from now." Mr. Chairman, if the RECORD does not show beyond any question that the gentleman has said that he hoped that our cutting of the budget, an end which the people say they want, would result in the election of a Democratic Congress and a Democratic President, then I do not understand the English language.

Mr. FOGARTY. I did say that. It is in the RECORD.

Mr. HOFFMAN. Surely; then the first objective is the election of Democrats.

Mr. FOGARTY. I just thought you would have more sense than to do again what you did 10 years ago. I did not think you would want to do the same thing all over again.

Mr. HOFFMAN. I shall, if it is the right thing to do. It is not my purpose now—it never has been—to buy my way into office either by the making of promises which cannot be kept or by imposing unconscionable burdens upon one group of citizens to gain the votes of a majority. Oh, I know that method has in some places on occasion been successful. In the end if continued it will ruin this Nation—great and rich as it is.

Tax and spend—and so elect—was the political philosophy of Harry Hopkins—but it brought no permanent good to our people.

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me any proposal to change the formulas under which payments are made under Public Law 874 should at least be given the courtesy of a hearing so that the 3,400 school districts that are affected by this would have notice of the hearing and have an opportunity to express themselves as to how this affects their particular situation. It seems to me that is the least courtesy we can pay to those school districts. They have read the law we passed right at the close of the session last year. They have gone ahead and prepared their budgets on the basis of that law. I think we owe them a fair hearing through our normal legislative committee channels.

In one particular area in California where the Mare Island Naval Yard is located there is the community of Vallejo. There is no other industry in that community. The primary source of employment is the Mare Island Naval Yard. The school district in that community receives funds under the law which we passed last year. There are about 10,500 people working at the naval yard, and many of them would be eliminated from the provisions of this bill under the amendment that has now been offered.

Instead of our suddenly making a major, fundamental modification in the basic computation that we use in our whole formula under Public Law 874, and doing it in 5 minutes, it certainly seems to me we should give this problem the same study and the same consideration we gave when we passed Public Law 874 originally and that we have given to every amendment to it. Certainly that is the fair and proper thing from the standpoint of the school districts.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I inform the distinguished gentleman that my subcommittee has at least three amendments to Public Law 874 pending now. As soon as I have disposed of the matters presently undertaken by the committee I will open hearings on the amendments to Public Law 874. If there is an amendment offered to modify and correct this, let me assure the author of the proposal and the entire membership of this House that it will have the same careful consideration the original Public Law 874 had in 1950. That will mean that there will be no bugs in it.

Mr. UTT. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. UTT. The phrase in the amendment, "or pays taxes for school purposes," would cut California out of every nickel of this appropriation, because everybody in California pays sales taxes for school purposes. That phrase would cut California out of every nickel because we have a sales tax for school purposes.

Mr. BALDWIN. I thank the gentleman. I emphasize the point the gentleman from California has just made, that every district in the State of California under this amendment would be barred from getting a dime, because the State of California has a sales tax that applies directly to school purposes. Therefore, everybody under this amendment would be barred, and not a single district in California would get a cent from this appropriation. That just proves that anything affecting a fundamental formula in the detail that this amendment does should not be handled in 5 minutes on the House floor, it should be considered by the legislative committee in the usual way.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. HOSMER. I congratulate the gentleman on his statement on this matter and associate myself with him on it. Not only would this act be scuttled insofar as the expenses of the children in the impacted areas are concerned but, with all due respect to the author of the amendment, the amendment is illogical in itself. A Government employee comes in and buys a house in an impacted area and his children are covered, but if he rents a house his children are counted out immediately.

Something like that just is not logical. As the gentleman pointed out, you simply cannot legislate on an important and technical matter such as this in a few minutes on the floor of the House of Representatives during debate on an appropriation bill.

Mr. BALDWIN. I thank the gentleman.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to clear up the points raised by the gentleman from California. I believe the gentleman may have misinterpreted this amendment, or perhaps I have. As I understand the amendment—and I would be glad to be corrected by the author—it would only eliminate from consideration, in counting the number of pupils involved, those whose parents had been there over 5 years holding a Federal job of some kind. It would not have the effect of eliminating, as was suggested here, all of the children in California because they have a sales tax. As I read the amendment, or rather as I listened to it being read, it does not have anything to do with the tax method of the particular State or municipality involved. But I would like to have the author of the amendment clear that up for me, if I am mistaken about it.

Mr. TABER. The children involved are children of parents who have lived in the district 5 years or more. They would not be eligible for counting toward this gratuity.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. ROGERS of Colorado. As I read the amendment, it says that for a period of 5 years the parent may be employed and may pay a school tax on real estate or he may rent property on which a real-estate tax is paid for school purposes. Is it limited to real-estate taxes alone?

Mr. TABER. It does not say real-estate taxes alone.

Mr. ROGERS of Colorado. May I propound this question. The State of Colorado has an income tax, a certain percentage of which is devoted to school purposes. Would the fact that any employee of the Federal Government had paid income taxes for a period of 5 years make his children ineligible to be counted to receive this money under Public Law 874? I wonder whether or not an individual in the State of Colorado who would pay an income tax which is partly used for school purposes and if they should pay that tax for a period of 5 years, would it then make the children of the income-tax payer ineligible to be counted to receive money under Public Law 874?

Mr. KEATING. I am not an expert and I rose for information myself. I would like to refer that question to the gentleman from New York.

Mr. TABER. It would probably make them ineligible. Yes. But, maybe they should be made ineligible. It looks to me as if they should.

Mr. ROGERS of Colorado. Let us go one step further. As the gentleman from California pointed out about the employees at a naval base in an impacted area, would the fact that they may have worked there for 5 years then make their children ineligible to be counted although they have contributed to the impacted area.

Mr. TABER. Does the gentleman mean if they lived on Government grounds?

Mr. ROGERS of Colorado. No, if they live on Government grounds you have one formula, but if they live outside of Government grounds or if they are employed by the Federal Government and meet certain requirements, they are eligible. In my own district, we absorb 3 percent.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

In my own district we already absorb 3 percent, and that is the highest amount that can be absorbed under the setup, and yet we are eligible. The Federal Government owns in excess of $25 million worth of property in the district alone. Surrounding my district, represented by the gentleman from Colorado [Mr. HILL], there is a terrifically impacted area that will apply to this formula. The chances are 9 out of 10 it will ruin some of those school districts. As I read the amendment—and I have read it twice, so that at least I have some conception of what the gentleman is trying to do by the amendment—he says that for a period of 5 years any person employed by the Federal Government who may have children who were eligible to receive a part of this money, should no longer receive it if, first, he has paid taxes on real estate, and second, he has paid rent to a real estate owner who, in turn, has paid taxes, then that individual should not be counted in the census in determining the amount of money that that particular school district would

have. Then the additional question might arise, if you are going to limit it to taxes that have been paid for the use of a school district, then you have a lot of sales taxes and you have income taxes and you have many other taxes paid by the parent that would make the district ineligible. As heretofore pointed out, this is a complicated formula. It requires the secretary of a school district to make this ascertainment. How can they go about doing it? First, they would have to ascertain, does the individual own a piece of property, and, second, has he paid taxes on the same for the last 5 years, and, third, if he is a renter, then you must ascertain whether or not the person from whom he rented has paid taxes on that property. It puts an indeterminable burden on the school district and those who are trying to operate the schools to ascertain the facts, that would take them longer than is necessary for the district to receive the money.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. KEATING. I think the gentleman has some merit in his argument. I was not aware of the last part of this amendment when I rose to ask a question about the payment of taxes. I had understood that the amendment was limited to the elimination of those children whose parents had been living in the district for 5 years, regardless of what taxes were paid there. I propose to offer an amendment to the amendment at the proper time to strike out this part about taxes. It seems to me it is sound to limit it to the elimination of children whose parents had been living there for a period of 5 years.

Mr. ROGERS of Colorado. In other words, as I understand, you are hopeful that the gentleman from New York [Mr. TABER] would recognize the impossibility of adequately carrying out Public Law 874, and you would then amend it to say that if an individual who is the parent of children in question who are counted to determine the amount that would be received, if that parent lived in the district for a period of at least 5 years, then that child should not be counted in the census. Is that what you had in mind?

Mr. KEATING. That is what I had in mind.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ROGERS] has expired.

Mr. NICHOLSON. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. NICHOLSON. Mr. Chairman, after listening to two lawyers, pretty smart ones, too, I think, talk about this bill, I rose only to ask unanimous consent that the amendment be read again so that some of the rest of us might form some opinion of it.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 18, line 10, after the period insert the following: "*Provided*, That none of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have heretofore for 5 years or more lived in the district and paid taxes for school purposes or who pay rent to taxpayers for real property where they reside in such school district."

Mr. KEATING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING as an amendment to the amendment offered by the gentleman from New York, Mr. TABER: Strike out all the words after the words "lived in the district."

Mr. KEATING. Mr. Chairman, I do not want to prolong this debate.

The purpose of this amendment is to eliminate from consideration such a situation as has been referred to by various gentlemen from California and others and to confine this strictly to those cases where the parents have lived in the so-called impacted areas more than 5 years. Certainly it seems to me when we enacted this law we never intended that the children of Members of Congress in these adjoining districts should be counted in the impact which is made on that district for school purposes.

It is a simple amendment. I hope it will clear up some of the doubt expressed by a number of Members.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Do I understand that under the gentleman's amendment if an employee of the Federal Government has lived in the impacted area for 5 years his children should not be counted in the census to determine whether or not the area should receive money under Public Law 874?

Mr. KEATING. That is the purpose.

Mr. ROGERS of Colorado. The gentleman makes residence the only requirement. His amendment does not require that the parent pay taxes or that he pay rent to a real estate owner who in turn pays taxes as contemplated by the gentleman from New York?

Mr. KEATING. No; it does not cover the taxation question at all; it is based upon living in the district.

Mr. ROGERS of Colorado. Is it consecutive or cumulative?

Mr. KEATING. It is for a period of 5 or more years.

Mr. ROGERS of Colorado. Suppose a family lived there 3 years, moved away, and after a lapse of time returned; would they have to live there 2 years or 5 years to fulfill the requirements of the amendment?

Mr. KEATING. In my judgment it would be 5 years of total residence in the district.

Mr. ROGERS of Colorado. Then the gentleman's answer is that 2 years after their return they would be ineligible to be counted; is that right?

Mr. KEATING. I would so interpret the amendment; it is worded in that way.

Mr. ROGERS of Colorado. One other question: Does the gentleman mean 1 or 2 parents of the children?

Mr. KEATING. The amendment is worded in the plural, "parents."

Mr. ROGERS of Colorado. Then both parents would have to live in the district?

Mr. KEATING. That is right.

Mr. HOSMER. I wonder if the gentleman will ask the Clerk to read the amendment as it would be amended with the gentleman's wording.

Mr. KEATING. I have it right in front of me. Mr. TABER's would read, as amended:

None of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have for 5 or more years heretofore lived in the district.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the requisite number of words and I ask unanimous consent that the amendment, as amended, be now read to the House.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Page 18, line 10, after the period insert: "*Provided*, That none of the funds herein in this paragraph appropriated shall be paid to any school district on account of children whose parents have heretofore for 5 years or more lived in the district."

Mr. HOLIFIELD. Mr. Chairman, is that the total amendment as now amended?

The CHAIRMAN. As amended.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I was going to try to get from the sponsor of the amendment an answer in response to the question of the gentleman from Colorado. He said he would interpret it to mean both parents would have to be there, presumably consecutively. We sometimes are faced with the problem with servicemen that move into an impacted area, a husband, wife, and one child, we will say; they are there for 3 years, then the man is ordered overseas for 2 years. I presume that would suspend the running of the gentleman's amendment?

Mr. HOLIFIELD. I would not interpret it that way. I would interpret the amendment to mean that if at any time, regardless of the period of time heretofore the parents had lived in that district, they would come under this ban. It would not necessarily mean a consecutive 5 years. They could have lived there 20 years ago for 5 years, then moved back into the district and have gone to work in a defense plant.

Mr. THOMPSON of New Jersey. The gentleman said it would not mean consecutive. A good analogy would be the act of acquisition of property by adverse possession.

Mr. HOLIFIELD. Mr. Chairman, the Committee has an example before it of an attempt to legislate on an appropriation bill, even though it comes within the provision of limitation on an appropriation bill. Some of the possibilities that have been brought up in regard to these amendments and amendments as

amended indicate the lack of wisdom in proceeding along this course. I think the illustration is apparent enough to the House that no further debate is needed that the amendment should be defeated.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. BALDWIN. Is it not true, for example, that if there are two school districts adjoining a base, the people would move from one to the other. If they lived in one district for a time, they would move over to the other. It proves very clearly what the gentleman has been pointing out that this is no place to legislate on a basic piece of legislation.

Mr. HOLIFIELD. On a very complicated bill that needs the attention of the legislative committee in order that all of these probabilities and possibilities might be explored and in order that the House might be able to work its will. I agree with the gentleman from California a vote in favor of this amendment would be the endorsement of a provision which is ambiguous and which is not clear to the House at this time.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. MILLER of California. I would like to direct a question to the author of the amendment. Will this amendment apply to children whose parents live in Public Housing Administration projects, old Lanham Act projects within a school district which are owned by the Government and for which no taxes are paid? In the city of Alameda we are still using some of these old Lanham Act projects for this type of housing, where the people are already living in houses owned by the Federal Government and pay no local taxes to the local communities. Will they be exempted, or will you accept an amendment exempting those people from being counted in this?

Mr. HOLIFIELD. The gentleman points out another possibility. I think the amendment should be defeated.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING] to the amendment offered by Mr. TABER.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

IF ATTEMPTING TO COMPLY WITH THE CONSTITUTION AND CONTINUING TO GUARANTEE TRIAL BY JURY IS "HAM," I AM FOR MORE OF IT

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, on Friday, Drew Pearson's column carried a story about a "hamstringing" amendment, as he calls it, to the civil rights bill that was defeated in the Judiciary Committee of the House of which I am a member, by a vote of 15 to 17—so he says—but he purposely does not state what the amendment was. It was an amendment to guarantee trial by jury under title 18, civil rights statutes now in existence and those proposed by this bill.

The amendment, which I would like to read, provides for the right of trial by jury and says:

Notwithstanding any other provision of law or of the rules of procedure of the United States district courts, in all cases of contempt arising in any proceeding under this act, the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed.

This section shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice.

Under title 18 of the United States Code, persons are entitled to a jury trial when tried in criminal contempt cases except where the United States is a party to the action. It is the admitted purpose of the bill voted by the committee to provide that the Attorney General shall bring actions against individuals in the name of the United States, and under title 18 procedures people would be denied the right of trial by jury. The amendment, which I supported, would have retained the right of trial by jury which is a basic right three times spelled out in the Constitution. It would have provided for the same procedure of trial by jury guaranteed everyone on matters criminal in nature, whether by contempt or other judicial process.

Congress has recognized in the past, and has provided as with labor legislation, the Norris-LaGuardia Act as an example, that even though the United States was a party to an action, the defendant in any given labor dispute would be guaranteed his constitutional and basic right of trial by jury. Thus, Congress showed in this instance, where labor was involved, a clear grasp of the results of providing for contempt proceedings and, in recognizing that without a specific provision providing for trial by jury where the United States is a party such a trial would be denied the accused, has made specific provision for trial by jury. Can it be said that Congress would not be equally vigilant and jealous of this basic right in the instant at hand than where labor was involved? Should we deny to municipal and State officials, school officials, public servants the basic right we have taken cognizance of in labor legislation?

I believe it essential that, as a member of the Judiciary Committee of the House, as a Member of Congress who has sworn to uphold the Constitution and the laws of the land, I continue to fight for this basic right of trial by jury and I intend to do so. And if, as it has been suggested, this is "ham," then I am for more of it.

CAN WE IN AMERICA AFFORD NOT TO SPEND THIS MUCH MONEY?

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SHELLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. SHELLEY. Mr. Speaker, I have been listening to this debate over the last 3 days with a great deal of interest because of my personal knowledge during the years I served the labor movement in California of the many worthwhile activities of the Department of Labor and in later years the programs administered by the Department of Health, Education and Welfare. It has been going through my mind that in analyzing this bill as reported by the Appropriations Committee, we should all consider just what we are getting for the taxpayers' dollar and what we might lose should some of the amendments as offered be finally passed by the House. First of all, let me pay my respects and offer my commendation to the distinguished chairman of the subcommittee and respected Representative from Rhode Island [Mr. FOGARTY]. This subcommittee has labored long hours over this measure, as we on the Appropriations Committee know so well, and they have brought forth a measure designed to perform the services obligated to the Department by action of this body and I am sure we all realize here today the immense amount of humanitarian services contained in the responsibility of these Departments.

Now, as to the benefits of this particular operation of our Government. And during this review, I believe we should all think to ourselves "Can we in America afford not to spend this much money?"

First, there is the matter of public assistance grants to the States distributed by the Social Security Administration. This amounts to $1,700,000,000.

There is in this budget about $550 million for the Public Health Service or about $3 for every man, woman, and child in the United States. This has built thousands of hospitals, conducted medical research, has provided grants

to States to fight tuberculosis and venereal diseases and communicable diseases, and has worked on health problems of the American Indian.

Let us not forget in particular the great work the National Institutes of Health is doing in the fields of cancer and heart research. Federal money has helped support the work which led to the discovery of the Salk vaccine. Today, we know much more about heart diseases, more about mental health, more about cancer and its terrifying ramifications. I personally know of some of the great work being done in research on heart disease. I pray that some of the budget-cutters at work these days with their nibbling away at this particular measure will never be struck by crippling and disabling diseases that maybe some few dollars for added research might help in changing the pattern of these diseases as the discovery of Salk vaccine has done to polio.

The rest of the programs of spending tax dollars under the labor and welfare budget are: Apprenticeship and training programs, study of problems affecting the aged, grants for school construction, vocational rehabilitation, the school-lunch program for 12 million children and maternal and child health services and aid to crippled children. Sure, all of these programs cost money but just what is this amount in the whole picture. It is 5 percent of the total national budget and just 1 percent of our national income. To me this is a small price to pay for a happy, contented, and healthy American nation.

Of course a lot of us are disturbed about the size of this huge budget. But, let us not forget our responsibilities are huge today and also our capabilities are huge in this great and active economy of ours. For just a minute let us just take a look at what makes up our budget, as I know you all are so well aware:

	Billion
National defense (includes atomic energy)	$41.3
Mutual security (military and economic)	4.0
Interest on debt	7.4
Veterans' benefits	5.0
Agriculture	5.0
Labor and welfare	3.5
Commerce and housing	1.8
Natural resources	1.5
General government	1.5

So what does this list of figures mean? It means that 65 cents of every tax dollar is going to build up our own defenses and those of our allies in order to deter international communism. I for one have been thinking long and hard just where we are to cut this budget for 1958 that the President tells us we must cut, but does not tell us where to cut. The budget that the Secretary of the Treasury says could bring such a depression that it would "curl your hair." Well, for the information of the Secretary, there are many soft spots right now in the economy of our land: Just recently, General Motors announced that they have ordered an indefinite suspension of their program to build a mammoth new assembly plant hiring more than 4,000 people down in Sunnyvale, south of San Francisco.

Yes, indeed, Mr. Speaker; we may be unhappily surprised at the end of this fiscal year when the revenue is stacked against the outgo. But the important question here in my mind remains, Where can we cut this budget?

It seems to me that this Congress must take a long look into the expenditures for our national defense and those moneys that are being asked to support programs of mutual security and foreign aid. Let us stop now giving and approving programs for these neutralist nations that have been playing footsie with the Communist bloc for so long. This to me does not look like an investment likely to pay off in big dividends, but maybe in big bombs. We are asked to aid King Saud, Tito, Gomulka, maybe even Nasser, and more to Nehru. Lord knows where this money is going and how it is being used by our generosity and humanitarian actions in offering aid to these particular foreign countries. And in the field of national defense we are met by cries of "national security, classified and not for public information." I cannot here pass expert judgment on the budget for the Defense Department, and its proper use of the Military Establishment. But certainly we stack 5 percent up against 65 percent, is it any wonder that, as some of us feel, we are being foolish in chipping away in amounts of 30 and 20 thousand dollars?

Mr. Speaker, I would like to also commend the gentleman from Mississippi [Mr. COLMER] on his remarks regarding adequate staff assistance for the Appropriations Committee.

The members of the Appropriations Committee are served today by very able and devoted assistants, but how can these few staff people compete in analysis and information gathering against the gargantuan staff of the Bureau of the Budget, numbering some 400 people. It has long been my hope that we could create in this House an expanded staff of professional investigators working on a year-round basis constantly available for special assignment and direction by the committee to go into the multitude of fiscal problems and operations of the departments downtown. Only in this way will the House receive complete and adequate information from sources reporting to the House and not to the executive branch.

My remarks, Mr. Speaker, have attempted to point up some of the vast amounts of possibilities we are faced with in trying to trim this massive budget presented to us for 1958. Let us face up to the fact that the services the departments we are appropriating for today offer to the American taxpayer real benefits and that reduction of the budget will only occur through reducing those items of such amounts that really make up this budget—the military and foreign-aid items. And in closing, do not let us forget that many of those who are screaming the loudest for cuts have been those who have furthered the high-interest policies of this Government which have added almost a half billion dollars to the interest costs of the Federal Government.

THE GERRY MURPHY CASE

Mr. LONG. Mr Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG. Mr. Speaker, I feel that I would be remiss in my duty if I did not take this occasion to bring about an explanation of what I believe to be a misapprehension of fact on the part of my distinguished friend and colleague, Representative PORTER, that scholarly freshman Congressman from the great State of Oregon, a gentleman for whom I, and I am sure my distinguished colleagues as well, have the greatest respect, admiration, and affection.

Some days ago this distinguished Representative from Oregon took the floor of this House to castigate the President and chief of the armed forces of the Caribbean Republic of Santo Domingo. Since the matter involved a young man from his own State of Oregon, a pilot of the ships of the air, Gerry Murphy by name, it is quite understandable that our distinguished colleague spoke in righteous wrath and anger.

However, Mr. Speaker, the State of Oregon lies some three thousand miles from the Dominican Republic, while that island Republic lies only a few hundred miles from my own State of Louisiana. In the absence of a personal visit to that island nation, our distinguished colleague spoke, of necessity, upon facts gained only by hearsay. The Dominican Republic means much more to us of Louisiana than it does to those of other great States of our Union. While I do not represent the congressional districts in which the great city of New Orleans is located, I do have access in that great city to a group of experts who are always qualified to advise me of everything of importance in those great free and independent nations, our next door neighbors, so to speak, which border on the legendary Caribbean Sea. My brother, Earl K. Long, is now the Governor of Louisiana, and is often called upon officially to meet and entertain the heads of state and representatives of our proud and independent neighbors of the Caribbean. My brother, Huey P. Long, Governor of Louisiana and United States Senator, who died at the hands of a cowardly assassin, and whose wife once served in that other august legislative body, and whose son, even now, is a Senator of these United States, also knew, loved and respected our proud Latin American neighbors. And so it is not without some knowledge and background that I rise in this House to speak about our Caribbean good neighbor, the island where the great Christopher Columbus first established a community on the soil of our hemisphere, the island Republic of Santo Domingo.

Now, Mr. Speaker, let me make one point quite clear. It has been widely and loosely said that the Dominican Republic is a dictatorship. I am under no obligation whatever to the Dominican Republic, directly or indirectly. I do not rise to speak in defense of dictatorships

in general or of any dictatorship in particular. Of my own knowledge, I do not know that the Dominican Republic is a dictatorship. Only too well do I remember when my martyred brother, Huey P. Long, a man whom I, with justifiable pride, consider one of the greatest leaders and statesmen that our Nation has produced, was Governor of Louisiana and a Member of the other legislative body, that he was accused all over our Nation of being a dictator and my native State of Louisiana was erroneously termed a dictatorship all over the land. Those charges were absolutely false. Governor-Senator Huey P. Long wielded great power in the State of Louisiana. But he wielded that power as its temporary custodian. It was freely bestowed upon him by that source of all power in our Nation, by the sovereign electors of the State of Louisiana. In those years there was always a noisy and, as later proven, dangerous, anti-Long faction in Louisiana. But I defy any man to prove that Huey P. Long ever came to power by any means other than the free ballots of the people, and I defy any man to prove that any man or any woman or any child was ever injured by Huey P. Long because that person opposed Huey P. Long politically, or for any other reason. There was never a time when any person could not stand anywhere in Louisiana and blast Huey P. Long to high heaven without any fear of personal injury, punishment, or reprisal.

And so, Mr. Speaker, I have learned by experience not to be taken in by this word "dictator." Too often it is used by our Communist enemies to smear or destroy the character and reputation of those righteous men and women who will not do their bidding. Of course, I hate dictators and I despise dictatorships. But, Mr. Speaker, I determine the aptness of that term by the facts. I am not afraid of the word itself. My own brother was smeared as a "dictator." That completely untrue and unjustified characterization brought him to a martyr's death, and after 20 years and more he is still referred to as a "dictator" by wicked or unthinking men.

Now, Mr. Speaker, I have made the foregoing preliminary remarks in order that my distinguished colleague from the great Pacific Ocean State of Oregon will understand that what I am saying here today is in no way intended as any criticism of him or his speech to this House. On the contrary, I am motivated by a desire to be of aid and assistance to him. Should the occasion arise when I had reasonable cause to speak about any matter concerning, say, the great Canadian Commonwealth Province of British Columbia, which is a close and honored neighbor of the State of Oregon, I am sure that my esteemed friend from the State of Oregon would make available to me that intimate knowledge which he must have of British Columbia, and which I, living some 3,000 miles distant from that great Province, would not possess.

And, of course, Mr. Speaker, I have other motivations in addressing this House, all of which I hope are good and worthy as befits a Christian citizen of the greatest nation on earth, and particularly a duly elected Member of the greatest legislative body on earth. First among these motives is the welfare of our own beloved Nation. We live in a time of great crisis, a time in which our continued existence as a free and independent nation, adhering to Judeo-Christian religion, hangs in the balance. Every one of us on all occasions and under all circumstances must keep that important fact in mind. This House may be assured that I have that all-important matter of national survival as the uppermost matter in my own mind at this moment.

And now again, Mr. Speaker, I believe we must keep in mind certain things which we of our own great Nation consider as fundamental and sacred. First, we must clothe the duly constituted officials of the Dominican Republic with that presumption of innocence which all true Americans consider to be their undoubted right. If, indeed, the Dominican Republic is a dictatorship, we have no proof of that fact which would stand up in a court of law of our Nation. Secondly, we must remember that the island Republic of Santo Domingo is a sovereign nation. We must remember that it, like all of the nations of the Western Hemisphere, is an American nation. Certainly the type of government which the people of that sovereign nation choose to live under is of no concern to us, except and until the safety and welfare of our own Nation be threatened by any such government. As a Representative from a sovereign State of our American Union which is a close neighbor, I feel sure that I would know if the tiny island Republic posed any threat to our Nation. I know of no such threat.

By no stretch of the imagination could I, Mr. Speaker, be considered an "isolationist" in the sense that we have come to accept that term. While it is true that I cannot personally approve all of the vast expenditures abroad of the present administration, many on projects which seem unnecessary and even fantastic, yet I am happy to live in a nation that not only has the amazing ability, but the unselfish willingness to lend its aid and assistance to its less fortunate fellow human beings over the world. But, and this I have emphasized many times before, I firmly believe that our first concern in this respect should always be our fellow Americans in the other nations of our hemisphere. There are now nearly 200 million Spanish- and Portuguese-speaking Americans living on the continents of our hemisphere and the islands adjacent thereto. They are our neighbors and our friends. In time of great world crisis, all of the peoples of all of the Americas must, of necessity, stand together and present a united front to the world.

The nearly 200 million people of what we term "Latin" America speak the same, or nearly the same, language. Consequently, they are bound together by one of the strongest bonds which serve to hold peoples of different nations together. Our own bonds with Her Britannic Majesty's government is proof enough of this. And, for this reason, our own national interest demands that we refrain from any unjustifiable action, either by word or deed, that may be offensive to any of our Spanish-speaking neighbors. Any offense against any one of them may be an offense against all of them. Many of us now living have seen our own great Nation go twice into the supreme sacrifice of a foreign war. In the last analysis, we went into both of these wars in defense of our gallant friend and ally, Great Britain—an island nation whose people speak our own language.

Mr. Speaker, I have been able to gain certain information about the Dominican Republic which should be of interest to all of us. At this particular moment in our history, when our Nation is greatly alarmed by a national budget so huge as to dwarf all previous expenditures, I was astonished to learn that the Dominican Republic is the only government on earth which has no debt of any kind, foreign or domestic. I was also able to learn that this nation has a living standard second only to our own in the Western Hemisphere. Such a state of affairs can only be the result of the most honest and expert handling of the affairs of the Government of that nation. I am informed that the Government of the Dominican Republic has, for some 20 years, been largely in the hands of one family, the family headed by the soldier who is now the chief of the armed forces of that nation, and known to us as Generalissimo Rafael Trujillo. His brother, His Excellency, Hector B. Trujillo, is the President of the Republic. If the fact that these two men have so long occupied prominent places in the Government of their native land is the basis for the charges so often and loosely made against them and the Dominican Republic, then I cannot agree with their critics. We know men by their works. In this case, we know that these two men have achieved a modern-day miracle in paying all debts, internal and external. Just as many Members of this House are returned year after year in free elections by voters who are satisfied with their work, so too can I understand how the voters of the Dominican Republic would keep in office as long as possible those men who have achieved for them such a high standard of living and such political and financial stability.

Now, Mr. Speaker, on the specific question with which my esteemed friend from Oregon was concerned, I have likewise had occasion to make some inquiries, and I find that the representatives of our own Government in the island Republic of Santo Domingo are completely satisfied with the cooperation which they received from the officials of that nation in the case involved. And, when it comes to relations with other nations, we must of necessity rely upon our own representatives. After all, we have the power to hold them responsible for their actions. We have no such power over the heads of state of neighboring nations. We do have, so I am informed, a treaty of extradition with the Dominican Republic, and should our duly constituted representatives there find any cause for bringing to our country any person who has committed a crime here and is now in that Republic,

such person may be returned to our country to face trial with all necessary speed and with the full cooperation of the authorities of that Republic.

In conclusion, Mr. Speaker, let me emphasize again the vital interest which our Nation of necessity has in the other nations of our hemisphere. Those nations are essential to our national safety, and even to our national survival. And, let us never forget, it was the inability of the great Emperor of France, Napoleon I, to subjugate the brave, proud, and courageous people of the island of Hispaniola, two-thirds of which is now known as the Dominican Republic, which made the famous Louisiana Purchase possible and thus enabled us to become the strongest and most fabulous nation on earth. I cannot believe that these proud people would ever submit to a ruthless dictator. I can and do believe that they would proudly honor good and efficient public servants, even as they are so honored in our own land, by returning them to public office again and again for the glory and honor of their country and their God.

Even in the midst of the perilous times through which we are now moving, and while the outcome in the worldwide battle for domination of the human mind by the forces of godless, atheistic, and evil communism and those of Christian decency remains in doubt, at least by those who lack the faith that only the Christianity of our Lord and Saviour Jesus Christ can provide, already the record discloses clearly that the Christian Republic of Santo Domingo and the militant Christian political leader who has for so long guided the destinies of his country has never for one moment hesitated. The Dominican Republic and its chief of the armed forces, Generalissimo Rafael Trujillo Molina, and its President, His Excellency, Hector B. Trujillo Molina, have always and unequivocably been on the side of God and Christianity. They have been to us a vital and necessary bulwark against the encroachment of atheistic communism in its diabolical attempt to infiltrate and destroy our Nation through our eastern seaboard. Our country, whether under a Democratic or a Republican administration, has maintained the most cordial relations with the Dominican Republic. At this moment we maintain in Santo Domingo military and electronic installations that are vital to our national defense. Only in the past few days, as announced by the press, we have entered into yet another treaty with the Government at Ciudad Trujillo for the construction there of a loran station, which is to be a part of that chain of defense which we consider necessary for our national welfare.

Mr. Speaker, cooperation among friends and Christians is not a one-way process. For the hand of Christian fellowship extended to us by the proud Republic of Santo Domingo honor demands that we reciprocate at least to the extent of making an acknowledgment of gratitude and appreciation. For this reason, therefore, I am respectfully using my own meager talents to explain the characteristics of my own next-door neighbor to my distinguished colleague from the great State of Oregon, likewise a good neighbor, but one who is so far removed geographically that he is, of necessity, unable to know and understand the Government and people of the proud island Republic of Santo Domingo as do we who live so much closer and hence are aware of their true nature.

In conclusion, Mr. Speaker, I most respectfully suggest that my learned and esteemed colleague from Oregon visit the island Republic of Santo Domingo and see for himself what goes on there. I have every confidence that he will be received as an honored guest, and that he will personally be assisted in every way in making any type of reasonable investigation which he may desire into the unfortunate incident about which he lately addressed this House. When he has done this, when he is able to speak from knowledge gained at firsthand, then, Mr. Speaker, I believe that we, his colleagues who hold him in high esteem, will be inclined to listen to him with great respect and to give to his words the consideration and gravity to which they would then be entitled.

ANNUAL SPRING CONFERENCE OF REPUBLICAN WOMEN

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, this is the beginning of the 1957 visitors season in our great and beautiful Capital City of our United States. Thousands and thousands of visitors will be here and a very high percentage of them will visit the Capitol to see their Congress in action.

Some 1,500 women delegates will be here today, tomorrow and Wednesday from all over the United States to attend the annual Spring Conference of Republican Women. Nearly 200 of this number will come from the State of Ohio. I want to pay my personal respect, appreciation and commendation to our distinguished colleague, the gentleman from Ohio, the Honorable CLARENCE J. BROWN, who is national committeeman from Ohio and who is also vice chairman of the National Republican Committee, also to Mrs. Katherine Kennedy Brown, our national committeewoman from Ohio and a resident of our important Third District of Ohio which district I have the great honor and high privilege to represent here in the Congress of the United States, also to Ray Bliss, chairman of the Ohio Republican executive committee who is our third national committeeman from Ohio.

Of the nearly 200 Republican women from Ohio, which is the largest delegation from any State, 65 ladies are here from the Seventh and Third Districts. Of this number 6 are from the Seventh and 59 are from the Third District of Ohio. Thus, the 65 Republican ladies from our 2 districts represent the largest delegation of ladies from any one area of the United States. We are understandably proud of not only the number but also of the quality of our delegation and I want to sincerely thank Mrs. Robert Kline, chairwoman of Montgomery County, and Mrs. James Path, chairwoman of Butler County, which two counties comprise the Third Congressional District of Ohio, for their untiring efforts and for their leadership in bringing these ladies to Washington.

Our distinguished colleague, the gentleman from Ohio, the Honorable CLARENCE J. BROWN, and Mrs. Katherine Kennedy Brown are not related, but they are an unbeatable team in Ohio who have worked together very effectively for many years in behalf of our Republican Party in Ohio.

Mr. Speaker, it has long been my firm conviction that we will continue to have good Government at all levels of Government just so long as our citizens maintain an active interest in the affairs of Government. This active interest is always improved and strengthened, Mr. Speaker, when people are kept well informed.

Visiting our National Capital and watching the Congress and its committees in action is one of the very best ways to encourage this very necessary interest and participation in the affairs of Government.

It is my sincere hope, Mr. Speaker, that every citizen will be encouraged to visit the Capital and the Congress so that this ground swell of an informed opinion will encourage people of all walks of life and all political persuasions to maintain an active interest which will keep our great Nation the most wonderful place in the world in which to live.

BURDEN OF PROOF IN A PRICE-DISCRIMINATION CASE UNDER THE ROBINSON-PATMAN ACT—NO ONE MUST PROVE HIS INNOCENCE—BURDEN OF PROOF NOT SHIFTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

Mr. PATMAN. Mr. Speaker, the general common-law rule regarding the burden of proof in a case in litigation applies in price-discrimination cases arising under the Robinson-Patman Act. In general, that rule is to the following effect: The burden of proof in any proceeding lies at first on that party against whom the judgment of the court would be given if no evidence at all were produced on either side—regard, of course, being had to any presumption which may appear upon the pleadings.

Let us analyze how that rule applies in a price-discrimination case arising under the Robinson-Patman Act. First of all, pleadings by the plaintiff or the Government in order to state a cause of action in a price-discrimination case under the Robinson-Patman Act must, among other things, allege that:

First. The party charged with a violation of the law is engaged in commerce—meaning, of course, interstate commerce.

Second. In the course of such commerce the party charged has discriminated in price between different purchasers of commodities of like grade and quality and that some of those purchases involved in such discrimination were in interstate commerce.

Third. The sale of the commodities involved in the discrimination were sold for use, consumption, or resale within the United States or some other place under the jurisdiction of the United States.

Fourth. The effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with the customers of either of them.

Pleadings by the plaintiff or the Government in such litigation not containing allegations to the effect indicated above would fail as not having stated a cause of action.

What about the burden of proof in such proceeding? First let us assume that a simple answer had been filed by the defendant who merely denied the allegations made by the plaintiff. Assume further that no evidence was offered by either party. Then under the general rule regarding the burden of proof the plaintiff would fail. He had alleged a good cause of action but he had failed to prove his case. The burden of proving the case is upon the plaintiff and that means proving each of the necessary allegations as above indicated. The defendant need not prove any of those allegations. In his pleadings it is sufficient for him to merely deny them. Of course, once the plaintiff has put forward his proof in support of his allegations the defendant is then privileged to come forward with evidence in an effort to contradict or otherwise rebut the evidence upon which the plaintiff relies.

For the plaintiff to allege a good cause of action and then to proceed to produce evidence which would tend to prove his allegations would establish for him a prima facie case. Under such circumstances if the defendant at that stage offered no evidence to contradict, otherwise rebut, or to excuse himself with proof of some affirmative defense then the judgment would be rendered against the defendant on the basis of the plaintiff's prima facie case. It is common to describe that stage as one where the burden of proof has shifted.

The defendant at common law as well as in the litigation of price-discrimination cases arising under the Robinson-Patman Act has imposed upon him a burden of proof whenever the plaintiff has established a prime facie case. Likewise the defendant at common law as in cases arising under the Robinson-Patman Act has imposed upon him the burden of proof when he seeks to take advantage of any affirmative defense. For example, in a price-discrimination case under the Robinson-Patman Act the defendant has available to him the opportunity of utilizing as affirmative defenses the showing that the alleged differences in prices made only due allowance for differences in costs or of showing that the lower price of the alleged discriminatory price was made in good faith to meet an equally low price of a competitor. Of course, as already noted, the burden of proof establishing either of those affirmative defenses is upon the defendant. At common law in a bodily injury case based upon negligence and where the element of contributory negligence is allowed as an affirmative defense to overcome a prima facie case of the plaintiff, the burden of proving the element of contributory negligence is upon the defendant. The same rule applies in cases of bailment at common law. For example, where the bailee returns the goods in a damaged condition and with no explanation as to their injury, it has been held that the burden is upon him to show that he had used due care in the use of the goods as provided for in the bailment. Even in criminal cases both at common law and under criminal codes where homicide is excused as a matter of self-defense, mistake of fact, or otherwise, the burden of proving the basis for the excuse is upon the defendant.

Nothing in H. R. 11 or S. 11 would operate to shift the burden of proof from the plaintiff to the defendant. There would remain upon the plaintiff in price-discrimination cases arising under the Robinson-Patman Act the burden of proving either a prima facie or a conclusive case. One thing that would be required if H. R. 11 or S. 11 should be passed would be the imposition upon the plaintiff of a higher degree of proof respecting effects in the event the defendant should raise the affirmative defense of good faith. That is to say that if the defendant should put forth proof of the affirmative defense of good faith, then it would be encumbent upon the plaintiff to prove that the effect of the alleged discrimination would be to substantially lessen competition or tend to create monopoly in any line of commerce. Previously it was thought that the only thing that the plaintiff need do in order to overcome any such defense would be to show that the effect of the alleged discrimination would be to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination or with the customers of either of them. Of course, one further effect of the passage of H. R. 11 or S. 11 would be to deny to the defendant the benefit of the good faith defense when the plaintiff showed that the effect of the alleged discrimination would be to substantially lessen the competition or tend to create a monopoly. As the law stands now, when the defendant has carried his burden of proof and shown good faith, he is absolutely excused from the application of the law even though the effect of his discrimination in prices would be to substantially lessen competition or tend to create a monopoly.

In view of the foregoing it is difficult to understand why some lawyers who oppose H. R. 11 and S. 11 are so unlawyerlike and reckless as to charge that the effect of the passage of H. R. 11 or of S. 11 would be to require the defendant in a price-discrimination case under the Robinson-Patman Act to prove his innocence. They argue that the effect of this proposed legislation would be to shift the burden of proof in Robinson-Patman Act cases to the defendants. That is utter nonsense. Lawyers with ability have argued such nonsense. Therefore, one must believe that they know their argument is nonsense.

H. R. 11 IS NEEDED TO PROTECT SMALL AND INDEPENDENT MANUFACTURERS FROM DESTRUCTIVE PRICE DISCRIMINATION, OTHERWISE THEIR DAYS ARE NUMBERED. OPPONENTS' WEAPON IS ATTEMPT TO CONFUSE, ALTHOUGH ISSUE SIMPLE

Mr. Speaker, during the 84th Congress when representatives of hundreds of thousands of small and independent businessmen were pleading for the passage of H. R. 11, the equality-of-opportunity bill, opponents argued that those who wished the bill passed included only retailers and distributors. It was argued that small and independent manufacturers would not benefit from the passage of the legislation. It was argued that small and independent manufacturers were not interested in the passage of the legislation. Those arguments disregard and ignore the facts. Small and independent manufacturers are now complaining and have complained over a period of years about how giant corporations discriminate in price and thereby destroy competition and create monopolies.

On March 19, 1956, I pointed out—CONGRESSIONAL RECORD, volume 102, part 4, pages 5096 and 5097—how a few giant corporations engaged in the distribution of bakery products on a nationwide basis were using the practice of price discrimination to destroy local manufacturing bakers and thereby eliminate competition and create monopolistic conditions. I inquired then how many Members knew that small manufacturing bakers in their districts were being destroyed as a result of price discrimination.

The House Small Business Committee had heard sworn testimony from a number of independent manufacturing bakers who had been doing business in various parts of the Middle West. They all described a desperate situation in their areas resulting from the discriminatory tactics of a few nationwide corporations. Likewise, the House Small Business Committee had received a petition signed by 48 wholesale manufacturing bakers located in Pennsylvania, West Virginia, Ohio, and a number of other nearby States—praying for relief from discriminatory practices which were being carried on by giant corporations in their areas.

On March 8, 1956—CONGRESSIONAL RECORD, volume 102, part 4, page 4346—and on March 13, 1956—CONGRESSIONAL RECORD, volume 102, part 4, page 4635—I explained how the Supreme Court in deciding the Standard Oil case in 1951, Three Hundred and Fortieth United States Reports, page 231, had so interpreted the Robinson-Patman Act as to permit these destructive price discrimination practices and how that loophole would be plugged by H. R. 11. It appears that the Members took those matters into account when they were called upon to consider and vote on H. R.

11 on June 11, 1956, because it was on that date that the House voted its approval of H. R. 11 by a vote of 393 to 3.

Currently, representatives of giant corporations who are opposing H. R. 11 again are arguing that H. R. 11 will not help the small and independent manufacturers and the small manufacturers are not interested in its passage. Again we refute those arguments by reference to the facts.

SMALL FOOD PROCESSORS AND CANNERS WANT AND NEED H. R. 11

On February 4, 1957, I placed in the RECORD at page 1516 a copy of a letter a food processor and canner wrote me under date of January 23, 1957. In that letter the president of that small and independent firm pointed out that in 1954 there were 1,911 canning firms listed in the directory of the National Canners Association. By the close of 1955, 581 of those, or 30 percent, had gone out of business. That represented not merely canning plants but canning firms. That high rate of mortality of small-business firms was attributed to the practices and conditions we are attempting to remedy through the passage of H. R. 11.

Incidentally, since I have made reference to the canning industry, I would like to call attention to a statement which was made in a letter which was addressed to one of the Members on March 15, 1957, by one of his small-business constituents. In that series of correspondence the Member had stated that he was confused because of the arguments which were being made by representatives of giant corporations that H. R. 11 would not help small manufacturers. In the letter on March 15, 1957, the constituent wrote:

> I can well understand that you and other Congressmen are confused. I lived with the Robinson-Patman Act for 7 years. I played a role in litigation involving this act. I went to work for a citrus canner in Florida in 1936 starting out as a bookkeeper at $20 per week. In 3 years, by virtue of endless hours of work and wholehearted application to my work I wound up second high man in the company, who at that time was the fourth largest canner of citrus juices in Florida. I had a brilliant future in front of me. Then we were discriminated against by American Can Co. We fought them tooth and nail and litigation involving the Robinson-Patman Act went to the Supreme Court of the United States twice, the first time getting one of those famous 4 to 4 decisions. My company won their suit against American Can and I believe that I am right when I say it is the only time that damages have been awarded under this act. However, that company is now bankrupt, going to the wall in 1952 and with it went the future I had worked so hard to carve out for myself. The cost of fighting American Can Co. was too much and contributed in a large measure to destruction of this company.
>
> Now I am in business for myself and I am faced with the same danger of having the ground cut out from under me. Believe me, sir, I know what these big companies can do if they have a mind to. I do not contend that all big companies do act that way or that bigness in itself is an evil.

SMALL AND INDEPENDENT PROCESSORS IN THE DAIRY INDUSTRY WANT AND NEED H. R. 11

Under date of March 8, 1957, the Armstrong Creamery Co. of Wichita, Kans., wrote a letter to Members of Congress and to Members of the Senate in which price discrimination practices of the National Dairy Products Corp. were outlined. That up-to-date instance of price discrimination was described by the Armstrong Creamery Co. as follows:

> Recently the National Dairies Division (Sealtest) at Kansas City lowered the price of ice cream 25 cents per gallon throughout this area. Discounts and all other factors considered, this new price is lower than 97 percent of the sales volume in the area before Sealtest lowered the price. This low price makes it impossible for any dairy to sell ice cream at a profit, and if continued very long will force a number of independent plants out of business. At the same time Sealtest has been raising prices in other areas where competitive situations are as bad, or worse, than they are here.
>
> The plain fact is that through ineptness and mismanagement, Sealtest has lost a lot of volume in the past few years and has taken this method of regaining their position. Right now they can use the excuse that they are meeting the price of the 3 percent of the volume which was sold at a cutthroat figure (and which will always be sold that way).
>
> Of course Sealtest's profits in other areas will more than carry the losses they will take in this one.

The letter of the Armstrong Creamery Co. concluded as have many others I have received from small and independent business concerns in a plea for the passage of H. R. 11. The closing words of that letter were:

> It is the only salvation for a great number of independent businesses.

Since H. R. 11 is designed to eliminate destructive price discriminations which substantially lessen the competition and tend to create monopoly, who are those opposing it and why?

Most big business concerns such as National Dairy Products Corp. and the giant major oil companies are opposed to the passage of H. R. 11. Need we discuss the details of why when we have before us examples of the practice of price discrimination such as the one outlined by the Armstrong Creamery Company of Wichita, Kans.

REPRESENTATIVES OF GIANT CORPORATIONS PROPAGANDIZE AGAINST H. R. 11 BUT DO NOT CONVINCE ALL SMALL MANUFACTURERS THAT H. R. 11 IS NOT NEEDED

A few days ago a small and independent fountain pen manufacturer sent me a copy of a letter in which it was stated:

> I wish to submit the following statement for the consideration of your committee in regard to Senate bill No. 11 which is designed (I understand) to eliminate the good faith defense under the Robinson-Patman Anti-Price Discrimination Act.
>
> I have received several bulletins from our association, Fountain Pen & Mechanical Pencil Manufacturers Association, Inc. which have presented several arguments against Senate bill No. 11.
>
> I have also received a memo prepared by the NAM law department arguing against this legislation.
>
> So far I have not yet received, or at least read any arguments in favor of this legislation; however, after studying the arguments against it, I wish, as a small manufacturer, to go on record as favoring some such bill as Senate bill No. 11.
>
> As I understand it, according to the Supreme Court's Indiana Standard decision, a seller can now lower his price to one or more customers without necessarily having to make comparable reductions to all customers where this is done in so-called good faith to meet a lower price offered to such customers by a competitor.
>
> Regardless of the reason, I feel that it is unfair discrimination for a manufacturer or distributor to make price discriminations between his customers providing those customers are performing the same basic function for him as a manufacturer or distributor. To allow this so-called good faith defense to stand, in effect, nullifies the purpose of the Robinson-Patman Antiprice Discrimination Act and would not only allow definite price discrimination by the manufacturer, but would tend to foster monopoly, and in time curtail competition between manufacturers.
>
> To illustrate my point, let me cite a hypothetical case. Suppose that the ballpoint pen refill market is dominated by one large manufacturer who produces and sells practically all of the ballpoint pen refills on the market (this is strictly a hypothetical case). Now suppose that some new small manufacturer is interested in entering this field. The new small company sets up to produce a superior product in very limited quantities. Let us presume that all he needs is one large customer to take care of his immediate market needs, and so he goes to a large chain and offers them his refill at a price below cost of the refills of the large manufacturer. If the large manufacturer is allowed to make price concessions to the large chain which it is not required to make to other customers, it can freeze the new and smaller company out of the market without ever greatly disturbing its overall profit picture. On the other hand, if by law, the large manufacturer is required to make the same reduction to its other customers, he may decide that profitwise, it is better to allow the new and smaller company a small piece of the market.
>
> Such a step, I believe, would help create competition in the manufacturing field of ballpoint refills and thereby leave this section of our economy in a healthier condition.

H. R. 11 PROTECTS HOMETOWN INDUSTRIES AND HOMETOWN MERCHANTS

I have called your attention to only a few of the many instances in which price discrimination is being used to destroy small and independent manufacturers. Corporations doing a nationwide business are using the evil practice of price discrimination to destroy the local hometown industries. Therefore, as I have pointed out on many occasion, H. R. 11 is intended to protect not only the hometown merchants but also the hometown industries. Our local hometown industries are entitled to protection from unfair and predatory trade practices, just as our hometown merchants should be protected in their rights to buy their goods, wares, and merchandise from General Motors, General Mills, General Electric, or General Foods, under the same terms and conditions that the chainstore across the street is permitted to buy its goods, wares, and merchandise from the same seller.

THE ADMINISTRATION'S PROPOSED BUDGET

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BYRD. Mr. Speaker, although the size of the administration's proposed budget is repugnant to all of us, it at least served one useful purpose: The general public, which heretofore has never shown particular concern about the fiscal orgies created by a budget department which speaks only in astronomical figures, is at last bestirring itself to action against what is finally recognized as a literal Frankenstein.

Previous budgets presented to this legislative body have, so far as I can recall, never been quite so far out of line as to provide such a resounding jolt to the most apathetic of our taxpayers. The multi-billion-dollar monster here before us is, on its own recognizance, as menacing as an enemy lurking on the outside. Our taxpayers immediately sense the invidious characteristics, and they rise in protest.

It has been my experience over the past several weeks, and I find in talking with a number of my colleagues that parallel circumstances are prevailing in their offices, to receive scores of letters from constituents who never before have been inspired—or at least have not given expression to such impulse—to get in touch with my office on any major issues. I believe that I can speak for most Members of Congress in observing here that we deeply appreciate correspondence which reflects the constructive views of those citizens whom we represent. I would be less than frank to admit that in my 5 years in Washington I have been confronted with a number of proposals which, after the deepest study, have been decided by only the most delicate shade of evidence or conviction. In these instances a Congressman must weigh every factor and he must pray for divine guidance. It is at such times that Congressmen, who, being human, are not equipped with the extrasensory powers that preclude error, rely heavily upon the opinions of their constituents.

The letters I have been receiving in respect to the unreasonable budget now before us have come from unselfish citizens seeking only to protect this Nation from the potential economic catastrophe inherent in this unwieldly and repelling fiscal mostrosity. While my innate sense of economy and my ordinary business experience prompted automatic resistance the moment the budget was sent down from the White House, I have, nevertheless, been greatly encouraged by the deluge of mail that has come from all walks of life confirming my analysis of the projected Federal expenditures for fiscal 1957–58. I am also happy to note that similar opposition is being raised by patriotic, civic, business, and labor organizations whose memberships are equally alarmed over the extravagance and growing deficit that are in the making.

Recently, the Charlestown Rotary had the pleasure, on March 1, of hearing an address by Mr. Robert Witschey, a resident of Charleston and immediate past vice president of the American Institute of Accountants. Mr. Witschey spoke on the subject of taxes, and his remarks were so enlightening that I am sure my colleagues would enjoy perusing them. I therefore ask to have printed in the CONGRESSIONAL RECORD the remarks made by Mr. Witschey.

GOVERNMENT ON CREDIT

(Address by Robert E. Witchey Before the Charleston Rotary, March 1, 1957)

Gentlemen, on the occasion of my first appearance before this club about a year ago, I tried, by illustration, to point up something of the nature and the magnitude of our present tax load. Today I am back at the same old stand because I am just as concerned, perhaps more so, about the fiscal policies of Government than I was a year ago.

Just a few weeks back one of our most responsible Cabinet members—a man who has sacrificed much to serve in a difficult position in Government—made the comment to the effect that if we could not in peacetime find ways of reducing the budget, then we were in for serious trouble ahead. Immediately the charge of irresponsibility was thrown at him from every direction. Now I am beginning to wonder if my own outlook on the present budget and my alarm over the tax load necessary to underwrite it, is not old fashioned and obsolete. Perhaps I have not kept pace with the rapidly changing times and conditions of our generation. But gentlemen when I realize that a quarter of our productive capacity is required to govern us, and when responsible men intimate that there is little hope of retrenchment in the near future, and hardly a chance that we can pay something on our debts, then I begin to wonder how it happened that in our lifetime we got into this situation.

Much of the change over this span is obvious. Each time I travel up along the Ohio River I can see evidence of those changes. I have seen the tremendous industrial complex developed in the Ohio and Kanawha Valleys. However, the real changes that have taken place in our lifetime are much deeper and of much greater significance. This is the change in the thinking and the attitudes of people.

If I were to try to symbolize our half-century with 1 or 2 words I think I would use the term "nuclear fission." This term seems to signify to me the peak of our scientific achievement up to this time. Ours has been a half century of putting together sometimes seemingly unrelated bits of knowledge to provide something new for the benefit of mankind.

A little knowledge of a force called electricity and how it is transported has made the candle forever obsolete except as a centerpiece on the dining table.

A little knowledge of electrical impulses sends our voices winging throughout the world without need for wires. To that knowledge we coupled an almost forgotten bit of information about a scanning disc, and now we send images of people and events along with their voices and sounds.

We have unhitched the horse from the wagon and in his place have set an engine. To a knowledge of aerodynamics we have added motors that men might mount on wings as the eagle. We lengthened a day's journey from 25 miles to 3,000 miles.

We took a little knowledge of bacteria and viruses, added some knowledge of chemistry and produced sulfa drugs and penicillin and other antibiotics which one day may play a major role in wiping disease from the face of the earth. We learned to transfer blood from one individual to another—we lengthened the lifespan 50 percent.

We have discarded completely a way of life that had seemed entirely adequate since the first recollection of man.

Now we talk of strange new wonders to come—unlimited sources of solar and nuclear energy—unlimited supplies of raw materials synthesized from the sea and from the air—islands launched into outer space to serve as rest stops on our trips to the moon.

Political democracy now undertakes to provide full employment, equality of opportunity, rising standards of living and a fair distribution of the fruits of production to all those who contribute to their creation.

In our half century world wars have been fought and more are yet to be fought, unless we recognize quickly that masses of people who now see the possibility of freedom from poverty and pain will not let anything or anyone stand in their way of achieving it—nor can they be bought off with dollars.

Instead of the term nuclear fission to describe our changing times, perhaps a better world is revolution. We are beginning to realize now that we are living in a revolution—a revolution that properly managed could, perhaps, provide a high standard of living for every person in the world—feed those who have known only hunger—cure those who have known only disease—free those who have know peonage.

We are also beginning to realize that living in a revolution is a difficult business. Only those governments will survive who show the greatest resourcefulness—the greatest capacity to adapt quickly to rapidly changing conditions—who have best planned to meet change—who have been least willing to accept blindly all of the illusory promises that revolution holds out.

The manifestations of great change in our time are nowhere more apparent than in the fiscal policies of our Government and in our conception of its place in our economy. At the turn of the century, the total expenditures of Federal, State, and local governments combined were about $1½ billion. In the fiscal year 1956 all governmental units in the United States spent more than $100 billion.

The significance of this increase can be better understood if we compare Government spending with the total amount of all spending in the economy. Fifty years ago, the Federal, State, and local governments spent about $1 out of every $15 that was spent in the United States. Now all Government expenditures account for $1 out of every $4 spent.

Much of the increase is of course the result of international struggle and distrust. National defense expenditures are now running at the rate of about $40 billion a year, and we are told that they are likely to increase in the future. But Government spending on other things have also increased at the State and local levels as well as the Federal level.

The States and municipalities have concentrated mainly on their traditional service—education, roads, police and fire protection, sewerage and water, health and welfare—services that have to be expanded as the population and economy grow.

The Federal Government, on the other hand, has entered into many new fields. Social insurance, social welfare programs, assistance to farmers and small-business men, veterans' services and benefits, aid to foreign countries, highway construction, public power, urban renewal and redevelopment, disaster relief—all of these and many other Federal programs were either nonexistent 50 years ago or were minute as compared to today's activities.

What few people realize is that in recent years, none of the rise in Government expenditures is attributable to defense activities. Between fiscal years 1952 and 1956, total cash expenditures of the Federal Government increased from $68 billion to $72.6 billion. Expenditures for national security programs declined $3.5 billion during this period, while other expenditures rose $8.1

billion. State and local expenditures increased almost $9 billion at the same time—from $20.9 billion to about $30 billion.

Thus we find expenditures for nondefense programs at all levels of government increased more than $17 billion in the last 4 fiscal years—an average increase of $4.25 billion a year.

I would not quarrel with the thesis that some of these programs are desirable under present-day conditions, but I insist that many others are debatable. But whether or not you and I think each program is necessary or essential, it seems to me that it is extremely important that everybody recognize that their cost is great.

Now we are faced with the largest Federal budget in our history, some $71 billion. I take some comfort in the fact that Congress has already found ways of reducing expenditures that are said to amount to somewhere between 2 and 3 percent of this budget. But I offer this unqualified opinion—if we cannot, in our present economy, when incomes are at an altitude high, find ways of curtailing our national debt—find ways of reducing our tax burden, then eventually ways will be found that will be otherwise disastrous to our economy.

No matter how good or how desirable the programs for social benefits may be, we must consider that government already is costing a man with a family of three, earning $4,500 a year, about $1,830 in taxes. As his income increases, the percentage of that income required to finance his government increases correspondingly or perhaps in greater amount. We are then living up our substance to the last penny without thought of paying our debts. I submit that we are enjoying luxuries which we cannot afford, and yet, the trend is to expand governmental service rather than curtail it.

It seems to me that American industry is dropping rapidly most of the appendages of old world capitalism. It has discarded the notion that labor, like materials, was just another commodity in the production process. American industry has in the main now recognized its social obligations. However, I keep wondering if, over the past quarter of a century, government has not become infiltrated more and more with old world notions of social justice? Has the mass of our people come to believe, without realizing that they believe, that nothing belongs to anybody—or, to put it another way, everything belongs to everybody? Have we come, little by little, to accept a philosophy that each man is entitled to a share of the total production, replacing the old-fashioned idea that he was only entitled to the fruits of his own production?

Absurd as it sounds, our present tax law is based on exactly that premise. It is built on the concept that every man should pay according to his ability and every man should share according to his need. The ultimate result of an extension of such a philosophy is, of course, a complete communal sharing of all the wealth. In such an atmosphere, our system of government cannot exist. If the idea seems a wild one, just bear in mind that government now employs 10 million of our employables—that's 15 percent. Government now spends 25 percent of our income.

Surely, I must have failed to keep pace with changing times because I still accept as wisdom the almost forgotten words "the power to tax is the power to destroy."

And for some reason I still cling to the old-fashioned notion that the four basic maxims or principles of a sound tax structure have not changed since Adam Smith first enumerated them:

1. Ability to pay—That is in proportion to the protection each enjoys from government.

2. Certainty—The tax should be certain and not arbitrary and the time and manner of payment must be clear to the contributor and to every other person.

3. Convenience of payment—The tax should be levied at the time and in the manner in which it is most likely to be convenient for the contributor to pay it.

4. Minimum cost of collection—The tax should take out and keep out of the pockets of the people as little as possible over and above what it brings into the Public Treasury.

In our present tax rules I see these principles but dimly. Ability to pay? A tax-load of 30 percent of the income of a low income taxpayer is far beyond ability to pay. A tax that takes 90 percent, or, in certain instances, more of high bracket income is no longer ability to pay but confiscation. More and more we read or hear that such high rates are breeding dishonesty in the American taxpayer. We read that some are coming around to the notion that the only way to get an even break with the collector is to cut corners on the tax return.

Certainty—not arbitrary? For many taxpayers, who have income sources other than salaries, achieving certainty of income-tax liability is impossible until the 3-year statute of limitations has passed or until the return has been examined some 3 years or more after it has been filed. In case of dispute, where the taxpayer feels that he is right, final determination of his tax might not be made for years. Certainty? You and I have no sure way of knowing all of the hundreds of taxes we pay—nor whether we pay too little or too much.

Complex as the revenue laws are, no businessman can feel assured that his tax has been fairly determined, that legitimate deductions will always be allowed. In such a situation he is of necessity going to be faced, at times, with an arbitrary decision of the collection agency. Just as excessively high rates may breed dishonesty so does complexity breed a kind of dishonesty in collection procedures—blackjack collection of a tax that is supposed to be self-assessed. This is no criticism of collection agents, who, by and large, do an excellent job under difficult conditions. It is to say that collection procedures will grow progressively more arbitrary. Deficiencies will be assessed without reason, except that most taxpayers will settle for something rather than go to court. If that does happen—and it could—then tax collection becomes extortion.

Convenience of payment? Here I must admit that a great deal has been done to assist the taxpayer in getting his taxes paid—particularly his income taxes.

Minimum cost of collection? Here too a good job has been done especially of the income tax.

Gentlemen, everyone seems to believe that taxes are too high. All thinking men are alarmed that governmental budgets that take 25 percent of all income make no provision to curtail a debt that has reached its legal limit. There is growing concern that our Government exists from day to day without thought that there could be an economic disaster as well as a military one.

If I am not completely behind the times—if there is validity to my concern over the current spiralling of Government expenditures—what is the solution to these problems? Any answers I might give certainly carry little weight of knowledgeable authority but these things I believe:

1. That we must rid ourselves of the long-held idea that it necessarily costs more to administer governmental operations than to administer like operations in business.

2. That we must somehow realize that desirable as many social programs may be, there are definite limits to how much we can afford to pay for them.

3. That we should reaffirm the principle that the traditional services of government are still its primary functions and that responsibility even for these should be largely with the State or smaller governmental units.

4. That we should recognize promptly that if we cannot find ways to curtail the public debt, then we must accept it as a permanent obligation until the time it is repudiated.

5. That we must discard the notion that waste, inefficiency, and duplication are unavoidable facts of government.

6. That we should discontinue the policy of finding more and more ways to find tax dollars. These become the hidden taxes—The most insidious and the most dangerous—that drive the total tax load beyond safe limits without forewarning to the taxpayer.

7. That we must somehow make clear to every taxpayer the actual taxload he bears—not only to the high tax-bracket taxpayer but to the man who makes $4,500 and out of it pays $375 of Federal income tax and $500 or $960 in other taxes—that each taxpayer works the first 3 to 4 months each year of his life for Government.

8. And last that we need to take drastic action even—risking the danger of some economic disruption. It sounds good to say that a budget should be reviewed item by item to relate it to the value received. But studied in this manner each item seems important and needed and the end result is little or no correction.

The only effective way yet found to substantially curtail governmental expenditures is to cut back the source of available revenues. If that sounds like an irresponsible conclusion, then I ask you you, Has there ever been any other way devised to do the job? The practical effect of revenue cuts is the elimination of the waste and of the least efficient.

Many thinking men believe that a sharp slash in revenues—say 5 or 10 percent—would have a serious impact on our economy. Of course it would. But gentlemen, there isn't an easy way out. For a quarter of a century we have been racing as rapidly as we could back to the very things that the drafters of our Constitution were trying to guard against. I suspect that the road back to Government we can afford may be considerably rougher.

Gentlemen, if you have accepted my remarks as a critique of one administration or another you have missed the point. I have been talking about careless citizenship—greedy citizenship. I have been talking about you and me who have permitted—who have often demanded that Government take over in our lifetime powers and functions that should have remained the responsibility of individual enterprise and initiative.

Let us face the situation honestly—if we are unwilling to reassume those responsibilities quickly, at whatever cost, then we have no alternative but to continue drifting with the trend of our times until the term democracy is just a word to remember.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBESON of Virginia (at the request of Mr. HARRISON of Virginia), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY for 20 minutes on Thursday next.

Mr. BENTLEY for 10 minutes on Thursday, April 4.

Mr. BYRD for 10 minutes on today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE.

Mr. REED and include extraneous matter.

Mr. MILLER of New York.

Mr. HILLINGS (at the request of Mr. TABER) and to include extraneous matter.

Mr. PATMAN.

Mr. JONES of Missouri and to include a speech by Senator STUART SYMINGTON.

Mr. JONAS, his remarks in Committee of the Whole today and to include a table.

Mr. EDMONDSON and to include a speech.

Mr. DINGELL (at the request of Mr. MCCORMACK) in two instances and to include extraneous matter.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 42. An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 44. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of New Mexico; to the Committee on Agriculture.

S. 78. An act to provide for the maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va. to Maryland; to the Committee on the District of Columbia.

S. 812. An act to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton; to the Committee on Agriculture.

S. 1442. An act to facilitate the regulation, control, and eradication of plant pests; to the Committee on Agriculture.

S. 1679. An act to increase the special assistance authorization available to the Federal National Mortgage Association for the purchase of mortgages insured under title VIII of the National Housing Act; to the Committee on Banking and Currency.

S. J. Res. 39. Joint resolution to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, New Mexico and Texas; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5866. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on March 29, 1957, present to the President, for his approval, a bill of the House of the following title:

H. R. 4090. An act to provide a 15-month extension of the existing corporate normal-tax rate and of certain excise-tax rates.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.), the House adjourned until tomorrow, Tuesday, April 2, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

677. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1957 in the amount of $38,000 for the legislative branch and $7,500 for the judiciary (H. Doc. No. 144); to the Committee on Appropriations and ordered to be printed.

678. A letter from the Attorney General, transmitting the annual report relating to the awards for a Young American Medal for Bravery, and a Young American Medal for Service, pursuant to the act of August 3, 1950 (64 Stat. 397-398); to the Committee on the Judiciary.

679. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Michael Angelo Valentine, A-4456271, involving suspension of deportation under the provisions of the Immigration and Nationality Act of 1952, and requesting that it be returned to the jurisdiction of this Service; to the Committee on the Judiciary.

680. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to certain cases involving suspension of deportation under the provisions of the Immigration and Nationality Act of 1952, and requesting that they be returned to the jurisdiction of this Service; to the Committee on the Judiciary.

681. A letter from the Administrator, Veterans' Administration, transmitting a report of two violations of overobligations of funds, pursuant to section 3679 of the Revised Statutes, as amended, subsection (1) (2); to the Committee on Appropriations.

682. A letter from the Secretary of Defense, transmitting the Ninth Annual Report on the National Industrial Reserve, pursuant to section 12 of the National Industrial Reserve Act of 1948, Public Law 883, 80th Congress; to the Committee on Armed Services.

683. A letter from the Administrator, Small Business Administration, transmitting a proposed amendment to the Small Business Act of 1953, which would establish the Small Business Administration as a permanent agency; to the Committee on Banking and Currency.

684. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting the Annual Report of the Director of the Administrative Office of the United States Courts for 1956, and the Annual Report of the Judicial Proceedings of the United States for 1956, pursuant to section 604 (a) (4) of Title 28 of the United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 3476. A bill to facilitate the regulation, control, and eradication of plant pests; with amendment (Rept. No. 289). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 290. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. RODINO: Committee on the Judiciary. H. R. 6127. A bill to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States; without amendment (Rept. No. 291). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 6534. A bill to authorize the Secretary of the Navy to take possession of the naval oil-shale reserves and to experiment in the extraction of synthetic liquid fuels from oil shale in the interest of national security; to the Committee on Armed Services.

By Mr. BAILEY:

H. R. 6535. A bill to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways, and for other purposes"; to the Committee on Public Works.

By Mr. FARBSTEIN:

H. R. 6536. A bill to amend the Immigration and Nationality Act so as to provide for the admission into the United States of certain escapees and expellees who, because of persecution, have fled from any Communist country or country within the general area of the Middle East; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 6537. A bill to authorize the disposition of certain obsolete and excess property to the United States Volunteer Lifesaving Corps; to the Committee on Government Operations.

By Mr. HAYS of Arkansas:

H. R. 6538. A bill to amend the Watershed Protection and Flood Prevention Act with respect to the determination of the cost-benefit ratio of works of improvement; to the Committee on Agriculture.

By Mr. KING:

H. R. 6539. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. MCMILLAN (by request):

H. R. 6540. A bill to amend the Strategic and Critical Materials Stock Piling Act to permit the exchange of gem diamonds for industrial diamonds; to the Committee on Armed Services.

By Mr. ROOSEVELT:

H. R. 6541. A bill to provide that the Secretary of Commerce shall be authorized to

furnish weather reports to certain air-pollution-control agencies, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wyoming:

H. R. 6542. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the town of Dayton, Wyo.; to the Committee on Agriculture.

By Mr. WALTER:

H. R. 6543. A bill to amend chapter 87 of title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 6544. A bill to provide preference in staff reductions for those persons who have been awarded the Congressional Medal of Honor, Distinguished Service Cross, or Navy Cross; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H. R. 6545. A bill to provide for the suspension of the vesting of alien property, and the liquidation of vested property, under the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. JENKINS:

H. R. 6546. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

By Mr. METCALF:

H. R. 6547. A bill to amend title 4 of the United States Code to provide that the permission thereby granted to States to impose sales and use taxes in Federal areas shall not apply in the case of certain national parks; to the Committee on Interior and Insular Affairs.

By Mr. VINSON:

H. R. 6548. A bill to amend the Universal Military Training and Service Act, as amended, as regards persons in the medical, dental, and allied specialist categories; to the Committee on Armed Services.

By Mr. BEAMER:

H. R. 6549. A bill to authorize the Postmaster General to provide mail delivery service to rural patrons by the most efficient and economical means possible, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CHRISTOPHER:

H. R. 6550. A bill to amend section 104 of the Servicemen's Readjustment Act of 1944 with reference to certain former members of the Armed Forces and their survivors; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H. R. 6551. A bill to amend section 201 of the Social Security Act to provide that moneys in the social-security trust funds may be invested in State and local obligations issued to finance urban-renewal projects, and for other purposes; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 6552. A bill to amend the Veterans' Preference Act of 1944 to authorize the noncompetitive acquisition of a competitive status, upon completion of a probationary period of service of 1 year or more, by any employee entitled to veteran preference with compensable service-connected disability of 10 percent or more, and his wife or widow, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H. J. Res. 293. Joint resolution relating to the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. KEATING:

H. J. Res. 294. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 295. Joint resolution proposing an amendment to the Constitution of the United States relating to the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. Con. Res. 158. Concurrent resolution expressing the sense of the Congress with respect to the treatment of Jews in Egypt; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. PRICE: Memorial of the 70th General Assembly of the State of Illinois memorializing the Congress of the United States to authorize the Corps of Engineers, Department of the Army, to undertake such surveys and investigations as may be necessary and appropriate to determine the feasibility of a commercial-barge channel in the Wabash River, Ill. and Ind., from its junction with the Ohio River to such upstream terminus as may be found advisable; and appropriate sufficient funds to the Corps of Engineers to enable early and expeditious prosecution of the investigation and studies; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States relative to requesting the Department of the Interior and the Department of Agriculture to complete soil classification thereby permitting immediate construction of the Paonia project, Colorado; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States pursuant to article V of the Constitution of the United States for a convention for proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to pass legislation granting to the State of New Mexico and the other Western States all of the lands and minerals within their respective borders with the exception of lands within national parks, national monuments, national forests and lands utilized for national defense and for the promotion of aviation and agriculture; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to propose an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to appropriate immediately the funds necessary so that, upon completion of the preliminary planning, construction of the John Day project by the Federal Government can be initiated immediately; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to take immediate action to improve and implement the present channel from Vancouver, Wash., to The Dalles, Oreg., by appropriating funds with which said channel can be immediately dredged to the authorized depth and width to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon trade, commerce, industry, and the general welfare; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States relative to the fines and forefeitures collected in the United States commissioner's courts and United States district courts in Alaska, and requesting legislation permitting part of these funds to be covered into the general fund of the Territorial treasury for the purpose of meeting the expenses of the Territory in providing for the administration of justice in Alaska; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOW:

H. R. 6553. A bill for the relief of Fernando Melendez; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 6554. A bill for the relief of Eleanor Mary Hinder; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 6555. A bill for the relief of Dr. Cheung Nung Huang; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 6556. A bill for the relief of Viviana Petronio Hindy and Giuliana (Julianne) Petronio Hindy; to the Committee on the Judiciary.

H. R. 6557. A bill for the relief of Marga Messaros; to the Committee on the Judiciary.

By Mr. KILGORE:

H. R. 6558. A bill for the relief of Mrs. Esther Valasques de Limon; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:

H. R. 6559. A bill for the relief of Mrs. Emma (Fiedler) Mahoney; to the Committee on the Judiciary.

By Mr. THOMPSON of Texas:

H. R. 6560. A bill for the relief of Koa Lim; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

167. By the SPEAKER: Petition of P. P. Morgan and others, Auburn, Wash., urging support of the bills H. R. 3974 and H. R. 4677 respectively, pertaining to railroad retirement annuities; to the Committee on Interstate and Foreign Commerce.

168. Also, petition of the secretary, the State Bar of California, San Francisco, Calif., petitioning consideration of their resolution relative to making an additional statement relating to a letter dated March 25, 1957, petition No. 176, CONGRESSIONAL RECORD of March 27, 1957; to the Committee on Un-American Activities.

EXTENSIONS OF REMARKS

Statement by Hon. John Marshall Butler, of Maryland, on 12th Anniversary of Soviet Enslavement of Rumania

EXTENSION OF REMARKS

OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, April 1, 1957

Mr. BUTLER. Mr. President, on March 6 last, 12 years had elapsed since the Soviet enslavement of the Rumanian Nation in 1945. Through overwhelming Soviet military and political pressure, Rumania is still occupied by Russian troops and is subjected to the suppression of all political and human rights, as well as to savage economic exploitation. In honor of the courageous people of Rumania, I ask unanimous consent to have a statement I have prepared printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

This sad day for 20 million souls, the 12th anniversary of Rumania's enslavement by the Soviets on the 6th of March 1945, should bring to our minds more vividly the tragedy of modern slavery.

Victim's of Moscow's aggressive expansionism and of international failures which abandoned the eastern part of Europe to the absolute rule of the Soviets, the Rumanians have proceeded far on the road to calvary.

The starting point for this Rumanian drama was one of the most flagrant and brutal examples of interference and seizure of a free nation by the Soviets. The two important witnesses reporting the circumstances of the seizure, presented in the first documents forwarded by the Rumanian leaders to the United States authorities—the late General Radescu, former Prime Minister at the time of the seizure, and Mihail Farcasanu, head of the anti-Communist movement of the national liberal youth of Rumania—gave us a clear picture of what happened. In their declarations delivered respectively in Lisbon, August 26, 1947, and in Rome, August 10, 1947, they record the series of Soviet overt acts, ranging from press-censorship to terror and assassination, aimed at bringing the country under the heel of the Communist agents.

"During the extremely trying period in which I held the premiership," noted General Radescu, "Soviet troops have been indulging in looting and were killing people at random. Every morning I used to receive reports showing the robberies and assassinations perpetrated during the preceding 24 hours."

Together with such conditions a Communist armed force was built up, while massive reductions in the Rumanian Army and police were arbitrarily imposed. According to the order received by the Communist leader Gheorghiu-Dej in Moscow in January 1945, a direct action for seizing the government was undertaken by the Communists on February 24. They tried to assassinate the Prime Minister and take over the administration. This Communist coup not succeeding, Moscow sent Vishinsky with full powers to forcibly install a Soviet stooge government. So, 2 weeks after the Yalta Declaration one of the signatories, Soviet Russia, was ruthlessly crushing the independence of a country with a brazen display of brute force. This is in fact what happened on February 27, when Vishinsky delivered his ultimatum to King Michael.

It is to the honor of the Rumanian people that, after 12 years of Communist terrorism, deportations, slave labor camps, religious persecution, and economic bleeding, their spirit of resistance is still strongly alive. I think it is proper for the Congress to salute the fight for freedom of a friendly nation and not forget her people's ordeal.

Six Billionth Ton of West Virginia Coal Will Be Mined During April 1957

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mrs. KEE. Mr. Speaker, the sixth billionth ton of West Virginia coal will be mined during this month of April 1957, a significant moment in the economic progress of the beautiful State of West Virginia.

Coal is one of America's most versatile and precious minerals. It made possible the tremendous industrial revolution of our country in the past half century. Without this most basic fuel—the United States would still be the agrarian Nation of Thomas Jefferson's time—a nation of small farmers and a limited national economy. Our tremendous production and consumption of electric power—the network of rails transversing the country from ocean to ocean—the development of our great manufacturing centers—our industrial might—came about because of the availability and production of coal. Without this miracle mineral America could not have successfully defended our way of life through our recent World Wars.

Coal is West Virginia's principal industry and the keystone of our State's economy.

Especially is the mining of the sixth billionth ton of West Virginia coal significant when we realize that West Virginia still has recoverable deposits of over 52 billion tons.

Coal was first found in the West Virginia section of the Appalachian Basin in 1750. Just 50 years later, in 1800, a few commercial mines commenced production in Brooke and Monongalia Counties in northern West Virginia.

In 1863, the historic year in which West Virginia became the 35th State of the Union, West Virginia for the first time produced one-quarter million tons of bituminous coal annually. With the closing of the Civil War, West Virginia's coal production rose rapidly, and by 1869 our annual production first exceeded 1 million tons. Following World War I, in the year 1923, West Virginia's annual production exceeded 100 million tons.

There are workable seams of coal found in 49 of West Virginia's 55 counties which include 37 counties with mines that are currently in production. In 1931, West Virginia became the Nation's chief producer of bituminous coal and has retained this distinction ever since. With our remaining recoverable deposits exceeding 52 billion tons—West Virginia will retain this leadership.

It is interesting to note that West Virginia will produce approximately 30 percent of the 516 million tons estimated to be produced in United States coal mines this year.

It is with a feeling of pardonable pride that I have the honor to represent the Fifth District of West Virginia, the Nation's second largest coal-producing Congressional district, which is currently mining nearly one-third of West Virginia's total annual output.

Mr. Speaker, I feel it is entirely fitting to pause these few moments—to pay tribute and give justly due credit to the coal operator and the coal miner, who join together—each dependent upon the other—to accomplish this remarkable feat. Appropriate recognition goes also to the investor, the railroads, railroad labor, and our shipping industry, who make it possible to deliver this miracle mineral to its worldwide markets. I am proud, too, to recognize the manufacturers and distributors of modern mining machinery who are bringing this important medium of automation to the mining communities. It is a source of gratification that so many in this important industry are centering their activities in my home city of Bluefield.

I am pleased also to have this opportunity to salute the electric utilities, coking coal, steel and rolling mills, railroads, cement mills, and other industrial consumers of coal.

In this atomic age our Nation's demands will be for more and more electric power, more steel, aluminum, chemical products, and cement. This can only mean a demand for more and more coal. In addition, more and more people daily demand greater quantities of coal's essential byproducts such as: aspirin, vitamins, ammonia, sulphur drugs, baking powder, perfume, lipstick, nylons, dye, detergents, phonograph records, film, plastics of all kinds, linoleum, synthetic rubber, synthetic gasoline, TNT, and many others. Those responsible for these byproducts are to be justly recognized.

I feel it my duty to highly commend the members and the staff of the Coal Research Committee of the House of Representatives for the dedicated manner in which they have been engaged in

their extremely important work. I have full confidence that the final result of their labor will be of substantial benefit to the coal industry, as well as to every American citizen. Every American every day is dependent upon coal.

I am grateful for the opportunity to work with all of those engaged in this basic industry.

Yes, Mr. Speaker, April 1957 is an important month in the life of every American citizen as we look to the future with full confidence.

Report of President and Secretary of American Group of the Interparliamentary Union for 1957

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. REED. Mr. Speaker, as president of the American group of the Interparliamentary Union, I respectfully submit to the Congress of the United States my annual report for 1957, together with the report of Hon. HENRY O. TALLE, secretary of the American group of the Interparliamentary Union:

REPORT OF THE PRESIDENT, AMERICAN GROUP, INTERPARLIAMENTARY UNION, 1957

Although no formal meeting for the election of officers has been held since 1955, the group met informally on many occasions since March of that year. In 1952, the bylaws were amended to elect officers to serve for each Congress rather on a yearly basis and this meeting today is to review the work of the past 2 years, as well as to elect officers for the duration of the 85th Congress.

There have been four formal meetings of the Interparliamentary Union since our last official meeting. First, the council meeting in Rome; second, the 44th conference in Helsinki; third, the council meeting in Dubrovnik; and last the conference—the 45th for the Interparliamentary Union—in Bangkok.

We have had briefings at the Department of State or here on the Hill before each council meeting and conference. Because of the campaign in 1956, these briefings were only with those who could be in Washington but we provided for it by a special report of the executive secretary, who for 2 weeks previous to leaving for Bangkok represented us in meetings abroad with the British, French, Swiss, and Italian groups, as well as a meeting with DeBlonay at bureau headquarters in Geneva.

We have been represented, as well, by Congressman COOLEY, serving on the Union executive committee, for these last 4 years but since his term has now expired, we can have no representative on that committee elected until 1958. The place on that committee is an extremely important one in relation to our position in the union and though the 1958 conference will not be obliged to elect a United States delegate, it is a position we have held almost continuously in the Union since its inception.

The theme of the conferences in 1955 and 1956, as well of course of the council meetings, has veered from peaceful coexistence to the major subject of disarmament. We are required to report the actions of our Congress on the resolutions made at these conferences and I am happy to say that over the 2 years and over the 9 years preceding them since we met in Cairo after World War II, we have always been able to report that we either already had the recommendations of the conference in force in our country before they were passed or that action was taken during the ensuing year to bring them into being.

Unfortunately, I was not able to lead the delegation at Helsinki or Bangkok, but I have followed with intense interest the work of each conference as well as the Dubrovnik council meeting at which we were ably represented by Senator ROBERTSON and our beloved former president, Senator Alben Barkley. I should like to express here also my grateful thanks to Congressman TALLE, who took over the burden of acting as chairman at Helsinki and Bangkok. I should like to express my thanks, too, to Senator FURTELL, who acted for Congressman COOLEY at the postconference session of the executive committee in Helsinki, where a further attempt was made to violate the expressed wishes of the council and the conference in the proposed admission of Communist China to the Union.

The action of the executive committee meeting in Delhi in 1955, taking advantage of a bare quorum in which the presiding officer, Lord Stanagate, cast a vote for such recommendation, is a symptom in my opinion, of a far greater problem and conspiracy, in fact, to take over the Interparliamentary Union by Communist forces, representing the Soviet and her satellites.

It was significant that at the Praesidium of the Soviet Republics in February 1955, that the word "Parliament" was first applied to the single-party assemblies of the Soviet and that shortly before and during that time, the offending ex-members of the Union, once independent governments, returned one by one to the fold of the Union, preparatory to the admission of the Soviet as a member at Helsinki in 1955. It is true that Spain and Liberia were admitted at the same time but the Soviet and its satellite, Albania, came in to complete the Soviet bloc, already returned to membership.

The Union now stands at 51 member nations. It must include over 30 more nations to, in any way, balance the membership of the U. N., of which it is a part. In the admission of Brazil and now Peru to the small Latin American group, we have a greater world representation as well, as in the admission of Australia, New Zealand, and little countries like Laos and Cambodia and our neighbor, Canada, which has already taken steps to resume membership after almost 20 years of absence from our conferences. In the words of our secretary general, membership has become more realistic but realism brings with it many new problems.

My own view is that the Union, even with the menacing force of the Soviet bloc, is becoming a more powerful voice in world affairs and so long as it remains a free body, presents many opportunities for the free world. It is an excellent place to make tests of world opinion and an excellent meeting ground for representative members of our Congress to gain an intimate knowledge of other points of view and to resolutely state our own positions clearly and unequivocally to members of other parliaments.

For these reasons, I believe that the upcoming council meeting in Nice and the London conference in September are particularly important to us. Our Department of State was deeply concerned with the outcome of the conference at Bangkok and will be equally concerned with that of London, where an opportunity will be provided to not only adjust our differences with European powers but also to strengthen our relations with our friends in the Near and Middle East. The subject of colonialism has been debated for over 50 years in the Interparliamentary Union and steady growth has been obtained in a much more enlightened attitude on the part of the governing and nonself-governing powers in that time.

It is imperative that right leadership be provided the Union in the election of the new President of the Council who is actually the guiding spirit of the Union this year, and it is imperative that every advantage be taken of the 1958 conference in Rio de Janeiro to get our Latin American neighbors into the Union, with a subsequent meeting of the new executive committee, 1958, which is proposed to occur in Washington, following the conference.

In 1957 Thai and Swiss representatives leave the executive committee, 1 voting with us, 1 against us on the Communist China matter. It is likely that a new Far Eastern representative will be elected and another European representative. It is in the interest of the future democratic development of the Union that these new members both represent the free world.

These few matters I have discussed with you in this report which bear upon our continued influence in the Union. Another abortive attempt will be made at Nice to recommend Communist China, still unrepentant and still unrecognised by the U. N., to membership, in contradiction to the past vote of the Council. We should see that this action, antagonistic to world peace, based on justice, shall not take place.

DANIEL A. REED,
President of the American Group, Interparliamentary Union.

MINUTES OF THE ANNUAL MEETING, INTERPARLIAMENTARY UNION, 1956

The regular annual meeting of the American group, Interparliamentary Union, recessed from the third Monday in January, was opened at 10:15 a. m., March 15, 1955, in the old Supreme Court chambers at the Capitol. There were approximately 30 Members of the House and Senate present. Congressman DANIEL A. REED, vice president of the group, presided.

The short minutes of the meeting of January 17, 1955, were unanimously approved.

The minutes of the annual meeting of the group held on January 18, 1954, were distributed and, reading being dispensed with, were unanimously approved.

The report of the executive secretary was read and approved. The former president, Senator Homer Ferguson, being now United States Ambassador to the Philippines, sent greetings from Manila and allowed his previous report covering the Washington Conference of the Interparliamentary Union to speak for his administration of group affairs.

It was moved by Senator ROBERTSON and seconded by Senator WILEY and Senator SPARKMAN that Congressman DANIEL A. REED, of New York, be elected to the office of president of the American group to serve for the period of the 84th Congress. The vote being unanimous, Congressman REED took the chair and called for resumption of the regular business of the meeting.

Nominations and elections of other officers for this period of the 84th Congress were then in order. Congressman COOLEY nominated HENRY O. TALLE, of Lowa, for the office of secretary. Being duly seconded, Congressman TALLE was declared elected. Congressman POAGE nominated for the three offices of vice president, Congressman COOLEY, of North Carolina; Senator ROBERTSON, of Virginia; and Senator WILEY, of Wisconsin. Being duly seconded, the vice presidents were declared elected. Congressman KEATING nominated Congressman POAGE, of Texas, for the office of treasurer. Being duly seconded, Congressman POAGE was declared elected.

The following Members of Congress were elected to serve on the executive committee: Senator Albert Gore, of Tennessee; Congressman Clifford R. Hope, of Kansas; Congressman John M. Vorys, of Ohio; Congressman Antoni A. Sadlak, of Connecticut; Senator Thomas C. Hennings, Jr., of Missouri; Senator John J. Sparkman, of Alabama; Senator Paul H. Douglas, of Illinois; and Congressman W. Robert Poage, of Texas. Dr. Franklin Dunham was continued as permanent executive secretary. Congressman HAROLD D. COOLEY, of North Carolina, and Congressman DANIEL A. REED, of New York, were elected as members of the Interparliamentary Council, Congressman COOLEY being already a member of the executive committee of the Interparliamentary Union.

On nomination by Congressman Poage, seconded by Congressman Hope, Ambassador Ferguson and former Congressman Lucas, of Texas, were elected as honorary members of the American group.

A discussion was then entered into as to the size of the delegation to be appointed to the 44th conference to be held in Helsinki in September 1955.

Senator ROBERTSON spoke to the point, advising that the group be of sufficient size to adequately present the United States in relation to the size of other delegations of leading world powers. On motion by Congressman COOLEY, seconded by Congressman POAGE, the president was authorized to appoint the delegation, not to exceed 15 Members of Congress.

Senator HENNINGS spoke of the necessity of assembling the members of the delegation at a time well in advance of the conference, so that the delegation could properly organize to discuss its position on questions offered for debate and resolution.

President REED spoke from the chair, advising that the British were always well organized for the conferences, having a permanent secretariat located in the House of Commons, with a full-time secretary, secretarial help and budget to cover adequately many meetings and the reception of foreign visitors during the year. Congressman COOLEY also spoke of the regular IPU committee assignments which should be made early in order to make the delegates chosen familiar with their respective roles in the conference. Senator SPARKMAN noted that the conference agenda are set up after the April council meeting and that such assignments could be made after that meeting.

The original motion regarding the delegation was thereupon amended to include as well 15 alternates who could be used as a priority list from which to draw names of delegates in case of vacancies occurring in original designations.

Congressman COOLEY introduced the question of raising the prescribed contribution of the United States to the Interparliamentary Bureau to the newly assessed charge of $18,000.

On motion, it was agreed that Senator ROBERTSON in the Senate and Congressman REED in the House would handle the matter of such increase which is, at present, $3,000 above the usual amount recommended in the Department of State budget.

Senator ROBERTSON was also asked by the group to handle the matter of air transportation facilities to and from Helsinki, in late August.

There being no further matters for immediate discussion, the meeting was declared adjourned at 11 a. m.

Respectfully submitted,

HENRY O. TALLE,
Parliamentary Secretary.

Countersigned:

FRANKLIN DUNHAM,
Permanent Executive Secretary.

Read and approved by United States group, IPU, at business meeting, February 19, 1957.

MINUTES OF INTERPARLIAMENTARY UNION LUNCHEON MEETING, APRIL 23, 1956

The officers of the United States group held a luncheon meeting in the Vandenberg room of the Capitol on April 23 for the purpose of hearing reports on the meetings of the IPU Council held in Dubrovnik, Yugoslavia, from April 3 through April 8. The United States group was represented at the meeting by Senators Alben W. Barkley and A. WILLIS ROBERTSON.

Senator A. WILLIS ROBERTSON provided those attending this meeting with copies of a mimeographed report.

Senator Alben W. Barkley gave an oral account. In his report Senator Barkley emphasized that the most difficult problem dealt with at the meeting was the persistent demand by Russian delegates that Red China be admitted to membership in the IPU.

It was made clear that, although the attempt to seat Red China failed at this meeting of the Council, another attempt would undoubtedly be made at the forthcoming conference scheduled to be held in Bangkok, Thailand, in November.

Following a period of discussion in which members reviewed earlier attempts by the Russian delegates to get Red China seated in the IPU, and after considering steps that might be taken to defeat this purpose, the meeting was adjourned.

Respectfully submitted.

HENRY O. TALLE,
Secretary, United States Group, Interparliamentary Union.

Read and approved by United States group, IPU, at business meeting, February 19, 1957.

MINUTES OF INTERPARLIAMENTARY UNION LUNCHEON MEETING, JULY 27, 1956

A luncheon meeting of the delegates appointed to attend the Interparliamentary Union Conference in Bangkok, Thailand, November 15 through November 22, was held in the Vandenberg room, Senate wing of the Capitol, on Friday, July 27, at 12:30 p. m.

In addition to the delegates the following persons from the State Department attended the luncheon meeting:

Mr. Walter S. Robertson, Assistant Secretary of State in charge of Far Eastern Affairs,

Mr. Robert Hill, Assistant Secretary of State in charge of congressional liaison,

Mr. Jack Leahy, Department of State, congressional liaison staff member.

President DANIEL A. REED introduced the guests from the Department of State and after briefly explaining the importance of the Bangkok Conference, he asked Mr. Robertson, of the Department, to brief the delegates on the Department's point of view relative to the matter of Red China being admitted to membership in the Union. He was also invited to suggest what he believed should be done by the United States group to prevent such action.

Mr. Walter S. Robertson gave a good explanation which, concisely stated, was that the IPU is yearly becoming increasingly important as an international organization; that the Soviet are most anxious to control it by adding as many satellites as possible and that the United States group must be a strong leader of the free-nation members to prevent the seating of Red China.

At the conclusion of Mr. Walter S. Robertson's briefing a general discussion took place relative to the action of the United States group in preventing the seating of Red China.

The meeting adjourned at approximately 2 p. m.

Respectfully submitted.

HENRY O. TALLE,
Secretary, United States Group, Interparliamentary Union.

Read and approved by United States group, IPU, at business meeting, February 19, 1957.

Reply to Drew Pearson's Washington Merry-Go-Round Published Friday, March 29, 1957

EXTENSION OF REMARKS

OF

HON. WILLIAM E. MILLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. MILLER of New York. Mr. Speaker, under leave granted I wish to call to the attention of the Congress, particularly the House of Representatives, my reply to the column entitled "The Washington Merry-Go-Round" written by Drew Pearson as it appeared in many newspapers Friday, March 29, 1957.

My reply follows:

I have read with some interest and great astonishment today's column entitled "The Washington Merry-Go-Round" written by Drew Pearson, in which he once again by inference, innuendo, and distortion attempts to prove that my motives, in attempting to correct what I deem to be objectionable features in the civil-rights bills introduced this year in the House of Representatives and recently considered by the House Committee on the Judiciary, are prompted by an unholy alliance which I have with Representatives SMITH and COLMER, of the House Committee on Rules. According to Mr. Pearson, the alleged purpose of this alliance is mutual help in defeating civil-rights legislation and promoting the redevelopment of the Niagara hydroelectric project by private enterprise.

The fact and indisputable truth of the matter is that on the 9th day of July 1952 Congressman SMITH, of Virginia, and Congressman COLMER, of Mississippi, voted in favor of the bill which I had introduced providing for the development of the additional hydroelectric power in the Niagara River by private enterprise. I think that vote is consistent with their entire public record in the House of Representatives and occurred long before I had met either of the gentlemen personally and years before there was any civil-rights legislation before the House of Representatives for consideration. All who are familiar with the governmental philosophy of Messrs. SMITH and COLMER would know that I did not have to compromise a single principle in which I believe in order to enlist their aid in support of my position concerning the Niagara redevelopment project. However, the Pearson story becomes more ridiculous when, because of the Schoellkopf disaster of last year and because of the critical emergency of the present power situation in the Niagara frontier, I am no longer promoting my private enterprise position but have this year introduced a compromise measure providing for the development to be made by the Power Authority of the State of New York and I could almost state, without fear of opposition, that neither Mr. SMITH nor Mr. COLMER are aware of this change of circumstances and of the introduction by me of an entirely new bill incorporating an entirely new concept for the development of the Niagara project. As a matter of fact, with but very slight differences there is no longer any conflict existing concerning the Niagara power project which has to be resolved by the House of Representatives.

It is true that I introduced and originally supported a year ago a civil-rights bill. It is also true that after further study and further examination of the Constitution and laws pertaining thereto and a further probing of my conscience, I moved to recommit

the bill when it was up for consideration before the House of Representatives. But contrary to Mr. Pearson's statement, I did not succeed in blocking the bill. I made that motion on July 19, 1956, and my reasons therefore were fully set forth by me and are still fully set forth in the CONGRESSIONAL RECORD of that day. I based my objections on the Constitution and statutory laws as I know and understand them. What has been the history of this legislation since my remarks of July 19, 1956?

1. My first objection was that the legislation created a commission with the authority to subpena anyone in this country to any place within the country no matter how far distant from their home and hold them interminably at their own expense.

The Subcommittee of the Committee on the Judiciary by unanimous action, including the votes of the present authors of the civil-rights legislation, Representatives CELLER and KEATING, of New York, voted to amend the bill to provide that a person could be subpenaed to a place only within the judicial district in which he resides and that he must be paid a witness fee and a mileage allowance at the time he is served with a subpena.

2. I charged that a person could be subpenaed for interrogation on some loose allegation that he was exerting unwarranted economic pressure on somebody.

The subcommittee again by unanimous action amended the bill to provide that all allegations against someone must now be in writing and sworn to and the provision of the bill relating to unwarranted economic pressure and social and economic problems were stricken from the bill upon an amendment offered by me in full committee on the grounds that this was an authorization to a presidential commission to make investigations into the fair-employment practices field which the Congress has repeatedly refused to authorize and because it was an encroachment into a field in which the Federal Government has no constitutional jurisdiction.

3. I charged again on July 19, 1956, that the bill permitted the utilization of the services of an unlimited number of volunteers to work for this commission and to be paid a per diem allowance. I charged that this was a highly emotional issue and that no one would volunteer for work in this field who was not biased and prejudiced on one side or the other of the issue and that there were already at work in this country many volunteer organizations crusading on both sides of the issue.

As a result of this charge, the full committee unanimously, including the authors of the legislation, accepted the amendment restricting the number of volunteers assisting in the work of the Commission to 15 and the report will include a statement that no more than 8 shall be from any 1 particular organization.

4. On July 19, 1956, I charged that the provision of the bill authorizing the Attorney General to institute an action in the name of an individual against an individual defendant without the Attorney General even having the permission of the person in whose name the action was to be instituted constituted barratry in its worse form and was something if done by any other lawyer would subject him to disbarment proceedings.

As a result of this charge, the committee considering the bill, not upon my motion, voted to provide that the Attorney General could institute an action for protection of civil rights for the United States or in the name of the United States, but could not act as an attorney for one individual in a litigation involving another individual.

On July 19, 1956, I set forth two other objections to the bill in its then present form. I attempted to correct one of these objections by an amendment which Mr. Pearson referred to as a "hamstringing" civil-rights amendment and which did lose by a vote of 15 to 17 in the full Committee on the Judiciary and not in the Rules Committee as reported by Mr. Pearson. It is highly significant to me and I think it should be to the reading public of America that although Mr. Pearson professes to know the full details of all that occurred in this executive session of the Judiciary Committee, he does not attempt to describe or explain the amendment which I offered and which lost by a close vote, but simply prefers to refer to it as a "hamstringing" civil-rights amendment.

The amendment which I offered reads as follows:

"Notwithstanding any other provision of law or of the rules of procedure of the United States district courts, in all cases of contempt arising in any proceeding under this act, the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed.

"This section shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice."

Under title 18 of the United States Code, all persons tried in criminal contempt cases are entitled to a jury trial except where the United States is a party to the action. This civil-rights legislation provides for actions to be brought by the Attorney General against individuals in the name of the United States, so without the amendment which I offered, people would not be entitled to a jury trial. It is most noteworthy that when the Congress has passed labor legislation such as the Norris-LaGuardia Act, it always contained provisions that even though the United States was a party to an action, the defendant in a labor dispute would be entitled to a jury trial. Should we not extend the same protection of the law to local police officers, school board members, and others as we extend to leaders and members of labor unions? I am in favor of the protection accorded to leaders and members of labor unions and so I am in favor of the same treatment being accorded to all segments of our people. What Mr. Pearson fails to report is that this identical amendment, when offered in the subcommittee of the Senate Committee on the Judiciary, was supported by Senator JOSEPH O'MAHONEY, Democrat of Wyoming, who has and is proud of his record as a liberal and is reputed to be as his record would indicate, a staunch supporter of public power and an arch foe of the public utilities industry from whom I am accused by Mr. Pearson of having an abnormal loyalty.

In my House floor speech of July 19, 1956, I also objected to the provisions of the bill which authorizes the Attorney General in instituting civil-rights actions to circumvent the State courts and State administrative machinery which I believed then and now believe to be a fundamental rock upon which our system of States rights rests.

An attempt was made in the full Committee on the Judiciary to correct that section which effort I supported, although I did not inaugurate it. But that effort was defeated in committee. What Mr. Pearson fails to disclose concerning the executive session of the Judiciary Committee on which he reports is that I voted against several amendments offered by the so-called southern bloc which were aimed at crippling or defeating the legislation. I am not now in the position nor have I ever been in the position of opposing a civil-rights bill in any form and under any circumstances.

In closing, I wish to repeat what I stated on July 19, 1956. I believe now and have believed all my life in the fundamental proposition of civil rights. It is a fundamental precept of the creed and religion in which I believe. In the emotion and hysteria surrounding this legislation, it must be remembered that in this country, thank God, we still have a Government of laws and not of men. It is generally believed that this bill is designed and has for its purpose the promotion of the interests and equality of the colored race. But no where in this bill does the word "colored" appear. It refers only to minorities and all of us whether because of our race, our color, our creed, our religion or our national origin, are—standing alone—a minority. This legislation, in the hands of the wrong type of commissioners or law-enforcement officers, could be a vehicle for the persecution of any or of all of us, unless the bill includes proper constitutional safeguards. If the day ever comes when it is felt expediency is more important than constitutional law, we will come very close to the total destruction of the principles which have made our country the greatest and strongest in all the world. Since the beginning of our country, all minorities, within and because of our constitutional framework, have risen to the highest standards of living of any groups anywhere in the world. This is and will be increasingly true of the colored race, but if we disregard our constitutions and our laws in an effort to help them now, someone else at another time may also disregard the constitution and laws of the land to destroy them.

So that there will be no misunderstanding, may I therefore repeat that if the objectionable provisions of the former bill which have been deleted by committee action are not restored by floor action, and if the amendments which I have referred to relating to jury trials and States rights are enacted, I will gladly and enthusiastically speak for, support and vote for the legislation. Otherwise, I would once again vote against the measure not because of any alleged unholy alliance but because of my profound devotion to the constitutional system of government which I have taken an oath to protect and preserve.

Around the World in 80 Days

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. HILLINGS. Mr. Speaker, Washington is host today to the famous Hollywood producer, Mr. Mike Todd. He is here for the Washington premiere of the award-winning motion picture Around the World in 80 Days. I am sure my colleagues join with me in welcoming him to Washington on this occasion.

Around the World in 80 Days, which Mr. Todd produced, has received the academy award as the best picture of the year, and similar awards from the New York film critics, Associated Press, Good Housekeeping magazine, Cosmopolitan magazine, Parents' Magazine, and a host of other honors. The picture also received academy awards for best film editing, best musical score, best screen play and best color cinematography.

This outstanding motion picture will bring entertainment to millions of people in our country and abroad, and is an example of the outstanding quality of pictures produced by our motion picture industry. Mr. Todd's production will not only provide entertainment, but

will help to bring American good will to people all over the world.

I congratulate Mr. Todd for this splendid film which I hope all of my colleagues will have an opportunity to see.

Hon. Stuart Symington, of Missouri, Addresses Missouri Cotton Producers

EXTENSION OF REMARKS

OF

HON. PAUL C. JONES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. JONES of Missouri. Mr. Speaker, it was my privilege and pleasure to attend the annual meeting of the Missouri Cotton Producers Association, held at Sikeston, Mo., on Thursday of last week. As usual, an outstanding program had been prepared. Participating on this program was one of my colleagues on the House Committee on Agriculture, the Honorable WILLIAM S. HILL, Representative from the Second Colorado District, who was visiting southeast Missouri for the first time. Since he was speaking extemporaneously, I am unable to report in detail the text of his address, which was well received by my constituents.

At the banquet held on Thursday night, the principal speaker was the Honorable STUART SYMINGTON, the junior Senator from Missouri. Since his address does include much information in which I believe most of my colleagues are interested, particularly those who are interested in the agricultural problem, under permission to extend by remarks I include the text of Senator SYMINGTON's address, which follows:

As always, it is a privilege to be in Sikeston, one of the great towns of our State; and it is also a special privilege to be honored as a guest of this great association of cotton growers.

During the last year I have worked with one of the leading citizens of Missouri, who, as you know, is president of the American Cotton Producers Association, one who has been working hard in Washington in the interest of both the cotton producers of Missouri and of the Nation—A. L. Story.

I could not let the opportunity pass to express my appreciation to Abby for all the help he has given me in learning about cotton as a relatively new member of the Senate Agriculture Committee; and I also thank the executive vice president of the Missouri Cotton Producers Association, Hilton Bracey, for his guidance.

I also want to thank my senior Agriculture colleague, your great Congressman, PAUL JONES, for his consistent aid, not only on the problems of cotton but also on all problems of Missouri.

As a member of the House Agriculture Committee, Congressman JONES has done at least as much as any other Missourian in his efforts to promote the welfare of the farmer.

Now let's talk about the primary reason we are all here.

Cotton is, by far, the world's leading textile fiber.

It is our principal source of clothing.

It is a major fiber in the furnishing of our homes.

It is the outstanding material used wherever yarn or cloth is needed in our industrial civilization.

Approximately 1 million farmers in the United States grow cotton. It is the principal source of income for these producers in States across the country, reaching from the Atlantic to the Pacific, and from the Mexican border north to this great cotton country I have the honor of visiting today.

But cotton is also important to many other segments of our economy. For every 100 citizens who work in manufacturing industries in the United States, 15 work in textiles and apparel, where cotton is predominant.

The United States has the largest area of land adaptable to the production of cotton of any nation in the world, and the productivity of cotton in the United States is about 50 percent higher than the average productivity of all the rest of the world combined. Historically, American cotton farmers have shown a willingness, desire, and ability to engage in successful cotton production.

In the past 5 years, cotton production has averaged approximately 14 million bales, but production efficiency has increased almost 100 percent in 20 years, from slightly over 200 pounds per acre to an average in 1956 of over 403 pounds per acre.

It was only natural that continually increasing efficiency brought on an ever larger production of cotton.

Surpluses began to appear. Prices fell. Farm income declined.

Cotton farmers, along with most other farmers, then realized that production should be reduced. They agreed to acreage control.

Restrictions have become severe, however, and price supports lowered. As Mr. Hilton Bracey stated before the Cotton Subcommittee of the House Agriculture Committee:

"We feel, gentlemen, that we are being 'nibbled.' Acreage cuts, price reduction, the soil bank, one thing after another tightens the squeeze on the cotton farmer and the cotton economy. We cannot long survive the application of a policy which takes away, in turn, our acreage and our prices."

This statement about cotton applies generally to the rest of the agriculture economy.

In 1952 net farm income was $15.1 billion.

Then came Mr. Benson, with his new experts, to express his own incredibly theoretical ideas.

Farm income has declined ever since.

In 1956, even after some extraordinary efforts to put money out where it would get votes, farm income declined another $100 million, to $11.6 billion; a drop of some $3.5 billion in 4 years.

This is the lowest figure for any peacetime year since 1940.

Was the farmer, under the extraordinary theories of Mr. Benson, taking his licking along with the rest of the economy?

He was not. Let's look at the record.

In 1956 as against 1952, wages increased 22 percent.

During the same period, corporate profits after taxes increased 33 percent.

And the average increase of common stocks was 77 percent.

At the same time farm income declined 30 percent, with the parity ratio down in these 4 years from 100 in 1952 to 83 in 1956.

What right has this administration to force the farmers of America to undergo such economic pressures, when at the same time it establishes policies which bring unprecedented prosperity to the other segments of our economy?

This question is vital to our State, because agriculture is Missouri's most important industry. Cash receipts from farming in Missouri last year were slightly over $1 billion—9th highest State in the United States.

On January 29 last, Secretary Benson testified before the Senate Agriculture Committee. Despite the fact that net farm income had reached lowest level in 14 years, with the index of prices down from 288 in 1952 to 236 in 1956; despite all these indications that the American farmer was and is in trouble, the man in this administration who is supposed to represent the farmers, the Secretary of Agriculture, had this to say to our committee:

"Mr. Chairman, and members of the committee, this is the first time in many years that a Secretary of Agriculture has been able to come before your committee and report such favorable developments as these."

The first of these favorable developments he said was that "prices received by farmers have been running 7 percent above a year ago."

It is true prices in December 1956 were 7 percent higher than in December 1955. But why did not Mr. Benson give the complete picture?

That is his duty as a public servant. If he had, he would have said that prices for the year 1956 averaged exactly the same as in 1955, according to figures from his own Department. Those figures show the index of prices received was 235 in 1955 and 236 in 1956.

Another favorable development Mr. Benson reported was that "realized net farm income in 1956 was 5 percent above 1955."

What he failed to mention was that the 5 percent increase applied to net farm income before inventory adjustments. After adjustments for inventories, that income was less in 1956 than in 1955.

Anyone with any banking or business experience knows that under the sound accounting principles of good business practice no businessman would dare to submit to his stockholders a balance sheet and earning statement without giving a true picture of the inventory expressed as part of his current assets.

If he did on a listed stock, he would be in trouble with the SEC.

And while the Secretary of Agriculture has been touring the country recently, continuing to talk about this favorable overall agriculture picture, the situation has become worse.

The index of prices received dropped 4 points in February as against January—and the parity index shows that during the same period prices paid by farmers went up 2 points, from 292 to 294.

And listen to this: The parity ratio as of February 15 is now 80, 2 points lower than the previous month, and lower than any annual average since 1939.

Yes, my friends, Mr. Benson's own figures disprove Mr. Benson's own statements.

But there is a bright light in an otherwise gloomy picture.

That is the cotton export program.

As many of you know, exports of cotton from the United States in 1955–56 were the lowest for any peacetime year in 85 years, since 1872, with the exception of 1947–48.

For the year ending July 31, 1956, we exported only 2,321,000 bales of cotton. The August 1, 1956, carryover was 14,540,000 bales—the largest on record.

But, because of advice from organizations such as yours, the Congress handed Mr. Benson a mandate which required his Department to take positive steps to regain our historic export market by means of the competitive pricing of our own cotton in the world market.

This was done despite objections, and predictions of failure, from high officials in the Department of Agriculture.

The result has been remarkable. Latest figures show that 1956–57 exports are expected to be about 6.5 million bales, the largest annual export since 1934.

These favorable results have been brought about under the various export financing programs that Congress insisted Mr. Benson use. They included Public Law 480, International Cooperation Administration programs, and Export-Import Bank loans.

In the February 5 issue of the Cotton Situation, the Department of Agriculture estimates that cotton disappearance will be

about 15.5 million bales this year; and as a result of this outstanding success of the export programs, the carryover at the end of the season will probably be about 2.2 million bales smaller than the record high of 14.5 last August 1.

Although the success of the present program exceeded our hopes, Secretary Benson announced to the Senate Agriculture Committee on January 29 that the administration was considering converting the new cotton export program into a program of direct subsidies. He said that, although some of the major farm organizations are against such a change—I might add that the Missouri Cotton Producers Association, and your very able A. L. Story, were part of the opposition—the cotton exchanges were for a plan whereby they would handle the sales and get a direct subsidy from the Government.

We were glad to see the announcement that the present cotton export program would be continued in the 1957–58 marketing year.

Such gains do not come easily. A subcommittee of the Senate Agriculture Committee held exhaustive hearings in the spring of 1955. These hearings disclosed that cotton was being treated like a political football in our international relations.

Let me give you an example.

It was the consensus of the cotton trade that because of our various aid-to-other-countries programs, the United States might, in 1953, export up to 6½ billion bales of cotton.

In 1951 Brazil had an unrealistic support-price program. It fixed the support price at 50 cents per pound. This price was above the world price and the entire Brazilian crop was taken over under loan.

In 1952 Brazil's support price was 40 cents a pound. The entire crop was again placed under loan.

The National Bank of Brazil financed the cotton support-price program. It took over both these crops; and thereupon these two cotton operations rendered the bank insolvent.

In 1953 Brazil fixed her cotton-export price first at $10 per bale under the American price; then at $20 per bale under that price.

We of course advocated that the Commodity Credit Corporation meet this price, on a competitive basis, from our own cotton stock.

But the State Department refused; and as a result our exports fell to 3¼ billion bales.

Three hundred million bales were added to our surplus.

This administration thereupon listened to the pleas of the Brazilian bank that had gone broke because of supporting these two cotton crops. It bailed the bank out; and as a result, in 1953, it permitted Brazil to take over most of the export market of the American cotton farmers.

The final result was that the additional surplus caused reduced acreage allotments for United States cotton farmers.

Time does not permit my presenting you with other illustrations of how, in this agriculture field, one Department works against the other.

If recent gains through our export program are to continue, however, world consumption of cotton must increase. The greatest opportunity to that end lies in expanding per capita consumption.

At present average per capita world consumption is about 6.8 pounds—about one-fourth the United States average.

If the world average could be raised to only half of the current United States level, cotton would be in deficit supply unless production was greatly expanded.

For some 20 years Congress has encouraged direct farmer participation in administration of the farm program, through democratically elected community and county farmer committees.

During the depression years of the thirties and the war years of the forties, these farmer committees proved their effectiveness, as they placed national policies into action in rural America.

In recent years, however, some of us have been disturbed by what appears to be unjustified interference with the work of these duly elected committees.

As example, in many of our Midwestern States the county committee has been relegated to the position of an advisory group.

The steadily declining participation of farmers in governmental farm programs may be a direct result of this single action, because one of the outstanding features of the committee system, prior to this administrative change, was the direct personal contact between farmers and their elected committeeman.

In the past 4 years many Missouri farmers have written, complaining about this and other changes in the administration of the Missouri agricultural stabilization and conservation program.

These complaints were called to the attention of the Department of Agriculture, by letter, by telegram, by speeches on the floor, and in complaints to committees in both Houses of Congress.

No satisfactory action was taken.

On July 29, 1955, therefore, we asked that a Senate committee conduct an investigation of this matter.

This request was necessary because, in our State, at least, many county committeemen elected by their farmer neighbors were being removed from office, often as the result of improper and unsubstantiated charges.

During a 3-year period some 55 committeemen were removed from office in Missouri—at one time 29 percent of all such removals in the entire country.

As a result of our request, a subcommittee of the Senate Committee on Agriculture and Forestry held extensive hearings, and thereupon made a report on the operation and administration of the farmer committee system.

Last month Senator HUMPHREY, of Minnesota, chairman of the subcommittee, introduced a bill which was the outgrowth of those hearings. A few days later your able Congressman, PAUL JONES, introduced a companion bill in the House.

I was pleased to cosponsor the Senate bill because it is an honest and able attempt to provide safeguards which will insure the continued operation of our farmer committee system—the backbone of our entire farm program.

Some of the important provisions of the bill are as follows:

1. The right of county committees to decide by States whether they wish to follow an office manager system.

2. Clear-cut establishment of the authority of the county committee to hire, discharge, and supervise the work of their employees.

3. The right of county committees to elect one member of the State committee.

4. A limitation on the authority of the State committee in removal proceedings against county committeemen, by specifically requiring a fair hearing before removal action may be taken.

5. Elimination of the present regulation which requires a removed committeeman's appeal be made to the State committee.

While the Department of Agriculture has not yet sent its report on the bill, it should be noted that this measure is in no sense a reprisal for past actions. It seeks only to prevent the recurrence of such abuses in the future.

When read together with the hearings and report of the subcommittee, it is clear that this bill points the way toward a better and more representative farm program.

Therefore, we are hopeful of its passage during this session of Congress.

The greatest problem of the free world today is the gathering cloud of the growing strength of the Communist conspiracy.

We must also recognize our domestic problems, however, because in our way of life our defense strength can only come from our military strength.

In a totalitarian state the coin of the realm is the order of the dictator. In our system of free enterprise, however, nothing could be further from the truth. Economic strength and military strength go hand in hand.

That is why the position of the farmer should be raised at least to a reasonable level of equality with the rest of the component parts of our economy. If history repeats itself, and farm income continues to fall, it can only drag down the rest of us.

That would be grave in its implications, because we must maintain a strong economy if in turn we are to remain a free people.

Address by Hon. Hubert Humphrey, of Minnesota, to New Jersey Gasoline Dealers

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, April 1, 1957

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an address which I delivered before a group of New Jersey gasoline dealers on December 13, 1956, at Haddon Heights, N. J., be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY SENATOR HUBERT H. HUMPHREY BEFORE A GROUP OF NEW JERSEY GASOLINE DEALERS, HADDON HEIGHTS, N. J., DECEMBER 13, 1956

It is certainly a pleasure to be here with you tonight in the famous Cherry Hill Inn, enjoying your hospitality and being warmed by your kind words of friendship. While speaking with many of you individually this evening, it occurred to me that as a group you seem more relaxed and happier than when we last met. Perhaps one reason for this change is because most, if not all, of you are aware of the progress you have made as businessmen in the past year. And that real progress has been made, no one can deny.

Because the past often illuminates the present, please bear with me if I stir some unpleasant memories by saying that I found gasoline retailers during the war to be generally dispirited and quite apprehensive of their future. It seemed as though an atmosphere of gloom and doom had pervaded their ranks. And small reason why. I remember dealer witnesses testifying how they had been drawn unwillingly into the horrors of the price conflict and how, once involved, they were powerless to free themselves. I recall their describing how the war was denying them a livelihood, was draining away their savings, and, in too many instances, was costing them their businesses. I remember, too, the moving testimony of dealers' wives, like Mrs. Helen Beehler and Mrs. Marie Hoffman, who told of the hardship and privation that the war had brought to their families.

In looking back to the price war period, I am convinced that it was the unhappiness so prevalent among dealers that most influenced

my determination to search out a solution. I know that only a situation of near-catastrophic proportions could reduce the usually effervescent small-business man to such a depressed state. All of my life, I have known and associated with small-business men. As you know, my father was a druggist in a small South Dakota town and I worked closely with him for many years. I have learned that the key to the success of the small-business man everywhere is his indomitable will, his hope and confidence in himself, and his rare talent for finding happiness under even the most trying of circumstances. When these qualities cannot be found in small-business men, help is needed in the worst way. And I am the kind of fellow who will see that help is given, even if it means investigating a gasoline price war.

While the investigation of the New Jersey gasoline price war was designed primarily to relieve your particular competitive problems, it also had a secondary purpose which must not be overlooked. This was that the principles by which competitive problems were to be resolved in New Jersey should serve as well to relieve distress among dealers in other marketing areas. After all, it was argued, only a variance in degree distinguished the severity of problems confronting New Jersey dealers from those experienced by your fellow workers in other parts of the country. Surely, a study of a market where dealers' problems were most pronounced would produce salutary effects in other areas as well.

The extensive public hearings which were held demonstrated to my satisfaction that the major oil companies operating in New Jersey could bring the predatory and ruinous price war to an abrupt halt if they wanted to hard enough. Shortly after the close of the hearings, the price war was ended, seemingly because the major suppliers wanted to hard enough. Whatever the reason, with the advent of fair trade competition, the ruthless and irresponsible price war that had prevailed in the market waned and soon was no more than a dreadful memory for those thousands of dealers who had endured its hardships.

As you know, my keen interest in the well-being of gasoline dealers in New Jersey has not faded away with the adoption of fair trade competition. It has become my habit, to keep abreast of developments in this market by reading your letters and by occasionally talking with some of you by long-distance telephone. Only a month ago, I sent the counsel of my subcommittee up here to conduct an on-the-spot survey of post-price-war conditions.

At the present time, my information is that fair trade competition is working successfully in your State. It appears that dealers are working hard and making modest profits, that unethical practices have largely been eliminated, and that the motoring public is generally pleased with the rare combination which it is receiving of quality products, excellent service, and reasonable prices. Incidentally, gasoline prices in New Jersey are the lowest on the eastern seaboard.

I have also learned that fair trade is being practiced in a number of other Eastern States. The system is now found in Massachusetts, Connecticut, Rhode Island, and Pennsylvania. Except for one major supplier fair trading in California, the system is not being used in any other part of the United States, although in several Midwestern States, another form of resale price maintenance called suggested pricing has been adopted. It should be mentioned that suggested pricing is not expressly protected by Federal legislation and, therefore, involves serious antitrust problems, including price-fixing. In the spread of fair trade competition and even in the use of suggested pricing, there is a strong suggestion that at long last the major suppliers are definitely concerned over dealers' problems and are trying to resolve them in their fashion.

Now that fair trade is well-established in New Jersey, it may be that you would like to hear my views on the system. In my judgment, fair trade is a specialized competitive system offering great practical benefits to qualified manufacturers, wholesalers and retailers, and the consuming public alike. The system assures the manufacturer of a stable market for his product. But it does not give him an unfair advantage or a monopoly because, even with the protection of fair trade legislation, he is obliged to compete successfully with other manufacturers of the same or similar products. Should he fail to maintain the quality of his product or if he sets the price too high, he loses out to competitors, fair trade notwithstanding. However, fair trade does protect his product from possible destruction as a result of loss-leader selling and irresponsible price-cutting.

Fair trade benefits the retailer by placing him on an equal footing with all other retailers of the same branded or trade-marked products, whether such competitors are large or small. Most importantly, his margin of profit is fixed to yield him a fair return and he is protected against destructive competition from others who might be disposed toward the vice of predatory price cutting.

The benefits of fair trade to wholesalers are remarkably similar to those received by retailers.

The consumer, too, benefits from fair trade in a number of ways. He knows that the fair traded product may be purchased at a standard price wherever he goes to buy it. Fair trade eliminates the necessity for shopping around. He knows that the price is reasonable. By the very nature of fair trade laws, a price-fixed product cannot survive in the market place unless it competes successfully with similar items produced by other manufacturers. Fair trade also assures a consumer that an outstanding product will remain on the market. It will not be lost to the consumer through destructive price tactics.

That fair trade competition is basically sound in policy and purpose is evidenced by its 25 years of successful operation in the Nation's market places. In this, the Silver Jubilee Anniversary year of fair trade, the system remains strong and vigorous despite the disquieting setbacks it has received recently in a few State courts. The important fact is that the majority of State courts have consistently upheld the legal basis of fair trade. Moreover, it is heartening to note the record of the Supreme Court and the lower Federal courts in generally striking down attempts to destroy fair trade. And certainly not to be disregarded in this connection is the high favor in which fair trade is held in both Houses of Congress. As a matter of fact, so respected is this attitude of Congress that no move has been made to repeal the so-called Federal fair trade laws in the year and a half which has elapsed since such action was recommended by the Attorney General's National Committee To Study the Antitrust Laws. Nor do I see any likelihood that Congress would ever take such ill-advised action.

As you may be aware, it has become fashionable in certain circles nowadays to disparage fair-trade competition. I do not refer to those opponents of fair trade who are honestly and sincerely motivated by their own estimates of the system. Though disagreeing with such critics, I still respect their opinions and feel that debate with them can be constructive. My targets here are the professional critics of fair trade and those who think fair-trade criticism is some sort of parlor game. I am outraged by the actions of the former group and amused by those of the latter.

It is my opinion that the arguments of a person who is paid to hold a certain position are worthless. That person says what he does because it is financially remunerative for him to do so and not because he has studied the problem and arrived at a judgment on the merits. As a practical matter, such a person probably does more of a disservice to himself than to the cause of fair trade. At any rate, he is a man of slight influence on the future of fair trade, despite his noise and windmilling tactics.

For those who think that ridicule of fair trade is a parlor game, I have a suggestion or two to make. First, they could set up a small business and get first hand experience of the injurious effects of loss-leader selling and other predatory pricing practices. Another suggestion would be for them to seek out the views of small-business men on the advantages of fair-trade competition. They will find that the small-business men who are in the best position to know the merits of fair trade and the hazards of unrestricted price competition enthusiastically endorse fair trade. But even if the parlor game crowd remains unconvinced after following such suggestions, their voices like those of the professional opponents, will not constitute a threat to the continuation of fair trade.

This is not to suggest, however, that the future of fair-trade competition in gasoline marketing will be uneventful. As a matter of fact, there are unmistakeable signs that such will not be the case. You have heard or read of what is happening to fair trade in the Boston Federal courts. There 2 antitrust suits are involved, 1 a criminal proceeding by the Department of Justice against Socony Mobil, the other a suit by Esso Standard seeking injunctive relief against a price-cutting marketer named Secatore's Inc. Both cases raise substantial fair trade questions. Briefly, I will examine what I feel are the significant aspects of each case.

In the Socony Mobil case, it was alleged by the Department of Justice that the major supplier had fixed the gasoline prices charged by some of its dealers. At first blush, therefore, the case would seem to be a routine action under the Sherman Act. What distinguishes the case, however, is the defense raised by Socony Mobil to the indictment. On a motion to dismiss, the oil company argued that its price-fixing agreements with dealers were, in effect, fair-trade contracts and, therefore, immune from Sherman Act prosecution. Most interesting in this respect is that the Socony Mobil Co. apparently had no written fair-trade contract with any of its dealers at the time the alleged offense was committed, nor had it made any public announcement of its adoption of fair trade. Thus, it would appear that Socony Mobil is advancing a most novel theory—that a fair-trade contract may be oral in character and need not be publicly announced or in fact even made known to the dealers who would be bound by it.

As this case is now pending in Court, I feel obliged to limit my remarks on its issues. All I will say is that a fair-trading seller should be proud to have the fact publicized and should be prepared to show documentary evidence of his fair-trade program.

Another important feature of this case is that the fair-trade argument of Socony Mobil has afforded the Department of Justice an opportunity to reveal its traditional bias toward fair-trade competition in the brief which it filed with the Court. Not only has the Department in its brief joined issue with Socony Mobil on the subject of oral fair-trade contracts but it has also availed itself of a chance to argue that gasoline is not a product which can be lawfully fair traded.

Whether or not these fundamental issues concerning fair trade will be fully resolved

in the Socony Mobil case remains to be seen. But since they have been raised, it is to be hoped that Socony Mobil's defense of fair-trade principles will be spirited and vigorous. Regarding the price-fixing charges, however, the oil company is on its own.

The injunctive proceeding by Esso Standard against Secatore's is equally of interest to gasoline dealers. In that case, Secatore's a large Boston gasoline retailer, successfully defended against Esso's enforcement action by arguing that Esso could not lawfully fair trade its products so long as it was competing directly with its dealers. The theory underlying this defense is that the fair-trade law of Massachusetts prohibits the use of fair-trade contracts between competing sellers. In its decisions, the Court held that Esso was competing directly with Secatore's for consumer accounts and, therefore, could not lawfully make or enforce fair-trade contracts in Massachusetts. Accordingly, the Court dismissed Esso's application for injunction.

This case should not be especially disturbing to you dealers dependent upon fair trade. After all, the rule in the case merely follows the precedent established by the Supreme Court in the McKesson and Robbins case. There, the court held that, where direct competition exists between two sellers, even though one may also be a customer of the other, it is unlawful for them to enter into a fair-trade contract. In other words, the Supreme Court said that you cannot run with the hare and hold with the hounds. Either fair trade properly or abandon it! Surely no one can reasonably disagree with the soundness of such a position.

Henceforth in the case of every fair trading major oil company, there will be an important issue of fact presented: Is or is not the seller competing directly at any marketing level with his dealers? Should it be found that he is, the supplier must then address himself to choosing between fair trade and competition with his dealers. In his answer to that question will be considerable evidence concerning the major supplier's true feeling toward his dealers.

At this point, I feel it appropriate to remind you that the Senate Small Business Committee cautioned in its report on the New Jersey price war that fair trade was not a panacea for all of the competitive problems besetting gasoline dealers. "Fair trade competition in New Jersey it was emphasized, is ending only the price war; it is not eliminating the competitive conditions which produced it nor the marketing practices which prolonged it. Basic competitive problems stemming from the tremendous disparity in economic power existing between the major suppliers and gasoline retailers remain unresolved and are as threatening now as before the introduction of fair-trade competition."

In the light of these considerations, I strongly urge you to support the resolution which I have introduced in the Senate calling for a comprehensive investigation of competitive conditions in the oil industry. It seems to me that only through such an intensive study will Congress ever gain the information necessary for an informed judgment concerning the desirability of divorcement legislation. You may be assured that I intend to press in the next session of Congress for early action on this resolution. Already, strong backing for the measure has been received from many dealers' associations. To insure success, however, the united support of dealers' organizations throughout the country is needed.

Another legislative matter that warrants speedy action next year is the "Equality of Opportunity" bill. That measure, as you know, is designed to prevent the use of discriminatory pricing practices that tend to create monopoly. Enactment of the bill will be of especial help to gasoline retailers who are so often the victim of serious price discriminations. In view of the opposition which is now being organized against this measure by the major suppliers, your support of it is indeed vital.

Now for a few words of advice in conclusion. Be sure to ask your supplier for a fair-trade contract if you have not already signed one. Active participants in and not passive supporters of fair trade are needed to make the system truly effective. Then, become informed and articulate spokesmen for the advantages of fair-trade competition. Discuss these benefits with your fellow dealers and with your friends whenever an opportunity is presented. In particular, talk to your labor-union friends about how fair trade means quality products at reasonable prices, enabling manufacturer and marketer to pay fair wages. And, do not forget to let your views on fair trade be made known to your elected representatives at local, State, and Federal levels.

Remember always that you have great responsibilities under fair-trade competition. You must insure that the consumer patronizing your service station receives full value for every dollar spent. Service and courtesy must not be neglected. Most importantly, your business must be operated efficiently and with integrity.

Live up to your responsibilities and fair trade will long serve you well. I can assure you that Congress and the antitrust agencies will not allow the major oil companies to use the system selfishly. We must, however, be on guard against unwarranted price increases by the major oil companies, under the guise of pressures from the international situation. The Suez Canal crisis must not be used to justify profiteering or price gouging. A fair price and fair profit are always, in the long run, jeopardized by selfish exploitation in times of crisis.

Repeal the 3-Cents-Per-Pound Processing Tax on Coconut Oil

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. DINGELL. Mr. Speaker, under date of March 11, I introduced a bill, H. R. 5818, the purpose of which is to eliminate the 3-cents-per-pound tax collected on the first domestic processing of coconut oil as provided in section 4511 (a) of the Internal Revenue Code of 1954, leaving in effect the additional rate of 2 cents per pound provided for in section 4511 (b) and also leaving in effect the tariff duty of 1 cent per pound applicable to coconut oil in paragraph 54 of the Tariff Act of 1930. I desire at this time to submit certain statistical data relating to H. R. 5818.

Table 1 shows the United States exports and imports of oils and fats and the import or export balance as the case may be for the 9-year pre-World War II period 1930 to 1938. Table I also provides the same data for a 9-year postwar period beginning with the year 1948.

The 3-cents- and 2-cents-per-pound processing taxes on coconut oil were levied on coconut oil on May 10, 1934. It will be noted in table 1 that during the year 1934 and the remaining years in the 9-year pre-World War II period that the United States oils and fats economy was on a deficit basis, i. e., there was an excess of imports over exports. During the 9-year postwar period shown in table 1 the United States has enjoyed a surplus of exports over imports of oils and fats. In the year 1956 it will be noted that the surplus of exports over imports reached the amazing total of 3,890 million pounds.

The purpose of these comparisons is to show that the entire fats and oils economy of the United States changed during World War II and subsequently thereto. From a net importer we have become the world's greatest exporter of fats and oils. Under these circumstances the price level of fats and oils is no longer the world market price plus import duties and processing taxes as was the case in 1934. The domestic price level is the world market price less freight and insurance costs in moving American oils and fats into the world market. Hence it cannot be argued that the removal of the 3-cents-per-pound processing tax on coconut oil will result in the depreciation of the market price of our American oils and fats in the domestic market. The price level of our domestic oils and fats is established in world markets rather than the American market.

TABLE 1.—*United States imports and exports of fats and oils*

[In million pounds]

Year	Exports	Imports	Excess exports over imports
1930	923	1,660	−737
1931	831	1,506	−675
1932	798	1,391	−593
1933	816	1,678	−862
1934	614	1,362	−748
1935	191	2,135	−1,944
1936	217	2,009	−1,792
1937	223	2,399	−2,376
1938	297	1,746	−1,450
1948	924	1,175	−251
1949	2,357	1,031	1,326
1950	2,036	1,237	799
1951	2,433	1,094	1,341
1952	2,274	869	1,405
1953	2,593	913	1,680
1954	2,874	914	2,960
1955	4,514	512	4,002
1956	4,909	1,019	3,890

Source: Agricultural Marketing Service, U. S. Department of Agriculture.

Table No. 2 shows the world exports of fats and oils and the United States exports as percent of world exports. It will be noted from table 2 that beginning with the year 1954 the United States exports of fats and oils represented more than one-fourth of the total world exports. In 1956 the proportion of exports originating in the United States was one-third of the total.

The purpose of table 2 is to further establish that the prices of domestic fats and oils are established in world markets. It also shows that the hindrance of the entry of coconut oil into the domestic market by means of the 3-cent processing tax does not mean that domestic oils and fats avoid competitive impact with coconut oil. If coconut oil has the ability to compete with American oils and fats such competition is all the more pronounced in world markets because of the tendency of the processing tax on coconut oil to depreciate the price of Philippine coconut oil in world markets, a circumstance which is discussed in more detail below:

TABLE 2.—*United States exports as percent of world fats and oils exports* [1]

Calendar year	World exports (billion pounds)	United States as percent of world
1935-39 average	13.1	2.2
1945-49 average	8.1	14.8
1950	12.3	15.5
1951	12.8	18.0
1952	11.7	17.9
1953	12.7	19.3
1954	14.5	20.2
1955	14.5	27.6
1956 [2]	15.5	33.5

[1] Includes the oil equivalent of oilseeds exported.
[2] Partly estimated.

Source: Agricultural Marketing Service, U. S. Department of Agriculture.

Table 3 lists the principal oils and fats exported from the United States in the calendar year 1956. Domestic production, exports and percent of production represented by exports are shown. Table 3 shows that while inedible tallow and grease is the largest single item of export, viz 1,486,000,000 pounds, the aggregate of lard, cottonseed oil and soybean oil exports is 1,963,300,000 pounds which exceeds by almost 500 million pounds the volume of inedible tallow and grease exports. Since the total export of all oils and fats from the United States in 1956 was 4,909,000,000 pounds, exports of these 2 edible oils and lard constituted 40 percent of the total.

Coconut oil is used principally in Europe in edible products. Bureau of the Census records show that its principal usage in the United States is by industries which produce inedible products such as the soap, fatty acid, and protective-coatings industries. The confectionery and baking industries account for the only important edible usage of coconut oil in the United States. It is used in these industries for purposes where it cannot be replaced by domestic oils and fats as evidenced by the fact that prices paid for coconut oil exceed by several cents per pound the prices of domestic fats and oils. Coconut oil imparts far longer shelf life, that is, resistance to rancidity, to confections and crackers than can be secured without its use.

In Europe coconut oil is a major ingredient of margarine whereas the Bureau of the Census records show that it has not been so employed in the United States since the year 1950. Lack of mechanical refrigeration in private homes accounts for much of the preference of European margarine manufacturers for coconut oil as a margarine ingredient.

Table 3 shows that the American lard and soybean oil producers must encounter the competition of Philippine coconut oil in edible products in world markets on approximately one-fourth of their production. Cottonseed oil producers must encounter its competition, in world markets, on approximately one-third of their production. It would seem to be to the advantage of these producers to permit the consumption of larger quantities of Philippine coconut oil through repeal of the 3-cent processing tax in the United States in noncompetitive outlets, for example, inedible products such as soap and fatty acids and the types of edible usage in specialty products wherein our confectioners and bakers employ it solely for purposes for which domestic oils and fats are not suitable. Under present conditions our exports of lard, cottonseed and soybean oils encounter the competition of Philippine coconut oil in world markets at price levels depreciated by the 3-cent processing tax which the United States, the largest single consumer of Philippine coconut oil levies upon that product. H. R. 5818 seeks to rectify that situation.

TABLE 3.—*United States production and exports of principal fats and oils, year 1956*

[In million pounds]

Commodity	Production	Exports	Percent exported
Lard	3,466	611	17.6
Tallow and grease, inedible	3,118	1,486	47.7
Cottonseed oil	1,826	[1] 628	34.4
Soybean oil	3,200	[1] 724	22.6
Fish oils	197	141	71.5

[1] Crude basis.

Source: Bureau of the Census.

I now wish to show that passage of H. R. 5818 would be to the best interests of the domestic producers of inedible tallow and grease. Table 4 shows that the domestic factory consumption of inedible tallow and grease is principally accounted for by its consumption in soap manufacture. However table 4 shows that this domestic outlet for inedible tallow and grease has been steadily declining since 1948, the first year in which synthetic detergents reached important proportions in the United States. Synthetic substitutes for soap obtained a distribution of 1 pound per capita in World War II years when the supplies of coconut oil were limited. In 1946 the consumption reached 2 pounds per capita and in 1948 the consumption was at the rate of 4 pounds per capita. Table 4 shows that in 1948 the consumption of inedible tallow and grease in soap accounted for 81.5 percent of the United States factory consumption of these products. Table 4 registers from 1948 to 1956 a steady decline in the percentage of inedible tallow and grease in soap as relates to total factory consumption of these two items. A decline of 30 percent use in domestic soapmaking is registered in the 9-year period shown.

During the 9-year period covered by table 4 the domestic tallow rendering industry has been confronted, due to competition of synthetic detergents, with the necessity of exporting an increasingly larger proportion of its production. It is obvious that it would be desirable to sell a larger proportion of this tallow for domestic consumption as the exports must bear the costs of transportation, insurance, and other incidental costs encountered in reaching the foreign market. The passage of H. R. 5818 will help the tallow renderers regain a substantial part of the domestic market which they have lost.

Domestic soap is made from tallow and coconut oil. Tallow, which is the main increment, supplies the body or the lasting quality of the soap and the coconut oil furnishes the lathering quality. The two products obviously supplement one another in the making of a satisfactory soap as, despite the fact that the price of coconut oil plus the 3-cents-per-pound processing tax is commonly twice the domestic price of tallow, the soapmaker must include coconut oil in his formula. No domestic oil or fat will supply the free-lathering qualities resident in coconut oil. This is due to the low molecular weight of its component fatty acids—chiefly lauric acid—and their high saponification value.

The current price of "extra" tallow is 7⅞ cents per pound delivered, New York. The cost of coconut oil, excise tax paid, in the New York area is in the vicinity of 15 cents per pound. The ratio of tallow to coconut oil in good free lathering soap should be at least 4 parts of tallow to 1 of coconut oil. Synthetic detergents are made chiefly from benzene—largely a product of the coke oven—and sulfuric acid. Both of these chemicals are cheaper than tallow and coconut oil but some headway could be made by the soap maker in competing with synthetics if he was relieved of the burden of processing tax.

Processing tax-free coconut oil is the best antidote for the surplus of tallow and grease position. Wash water in most areas of the United States possesses a considerable degree of hardness. It is the opinion of the Western States Meat Packers Association and the Pacific Coast Renderers Association that if soap makers have the opportunity to make a freer lathering soap through employing more coconut oil, as a result of the elimination of the 3-cent processing tax, more inedible tallow and grease will be carried into domestic consumption in the soap kettle.

In a press release issued on March 30, 1953, the Department of Agriculture stated that the new role of inedible tallow and greases in the export market, as a result of the development of synthetic detergents, must be taken into account in appraising export demand for edible vegetable oils. The release pointed out that tallow and grease exports from the United States have released other materials from soapmaking in Europe. These materials such as palm oil are therefore more freely available for the manufacturers of margarine and cooking fats. In the light of this observation by the Department of Agriculture it seems evident that a larger consumption of inedible tallow and grease in soapmaking in the United States would be of assistance in enlarging the European export market for lard and edible vegetable oils for United States producers.

TABLE 4.—*Factory consumption of inedible tallow and grease in soap*

[In thousand pounds]

Year	Total factory consumption	Used in soap	Percent of total used in soap
1948	1,781,942	1,451,454	81.5
1949	1,766,634	1,343,597	76.0
1950	1,630,053	1,274,845	78.1
1951	1,719,372	1,194,815	69.5
1952	1,596,970	1,084,235	68.2
1953	1,565,290	1,025,545	65.5
1954	1,576,360	907,143	57.5
1955	1,502,622	854,821	56.9
1956	1,580,603	812,730	51.4

Source: Bureau of the Census, facts for industry.

Table 5 shows the consumption of oils and fats in margarine from 1930 to 1934. It will be noted that the percentage of coconut oil used in margarine manufacture in this period varied from 62 to 75 percent of total oils used. This circumstance was the principal reason for the levying of the 3-cent processing tax on coconut oil on May 10, 1934. Margarine manufacturers continued to use coconut oil until World War II when the War Food Administration prohibited the use of coconut oil in the manufacture of margarine in order to conserve the available supply for strategic uses similar to those for which coconut oil is currently stockpiled by the Office of Defense Mobilization. During this period margarine manufacturers in the United States developed new manufacturing techniques whereby the use of coconut oil could be dispensed with in favor of cottonseed and soybean oils. The latter half of table 5 shows that since the year 1950 no coconut oil has been employed in the manufacture of margarine. Coconut oil is therefore entirely eliminated from the only field of usage in which it offered any material competition to oils and fats produced from American crops.

TABLE 5.—*Fats and oils used in manufacture of margarine, 1930–34 and 1950–56*

[In thousand pounds]

Year	Total oils and fats used in margarine	Coconut oil used	Percent of total oils used
1930	237,909	155,696	62
1931	234,366	155,964	67
1932	178,116	127,997	72
1933	178,755	134,430	75
1934	191,028	146,082	70
1950	765,177	None	None
1951	830,750	None	None
1952	1,045,010	None	None
1953	1,048,617	None	None
1954	1,105,915	None	None
1955	1,074,938	None	None
1956	1,107,908	None	None

Source: Bureau of the Census, Facts for Industry.

COMMERCE BETWEEN THE UNITED STATES AND THE PHILIPPINES

In the year 1955 the Philippines imported from the United States merchandise valued at 703,853,000 pesos—$351,926,500. Of this total 221,344,000 pesos—$110,672,000—represented items of agricultural origin or products thereof as follows: Cotton and manufactures, 119,981,000 pesos—$59,990,500—grains and preparations, 24,986,000 pesos—$12,493,000—dairy products, 37,231,000 pesos—$18,615,000—tobacco and manufactures, 28,646,000 pesos—$14,323,000—inedible animal products, tallow, et cetera, 10,500,000 pesos—$5,250,000.

The Philippines exported to the United States in the year 1955 merchandise valued at 506,490,000 pesos—$253,245,000. Thus the balance of trade favored the United States to the extent of about $99 million.

Copra imports into the United States from the Philippines in 1955 amounted to 297,000 long tons, valued at $45,167,555. Coconut oil imports amounted to 145 million pounds, valued at $16,296,878. Copra is the chief cash crop which the Philippines must sell to the United States to acquire dollars with which to pay for imports purchased from this country. The Philippines are the most important export customer of the United States in southeast Asia. This important market can be enlarged if the adverse trade balance with the United States can be reduced.

The processing tax of 3 cents per pound collected on the first domestic processing of coconut oil when expressed in terms of a long ton of copra amounts to a tariff duty of $42, which is equivalent to over 30 percent ad valorem. Such a duty would, under ordinary circumstances, be considered cruelly unjust to a friendly country, particularly on a commodity not produced in the United States. The long overdue rectification of this injustice can be accomplished by the passage of H. R. 5818.

Exports of copra and coconut oil, expressed in terms of copra, from the Philippines in the 5-year period ending with 1956 averaged 878,180 long tons per annum. In the 5-year period average importations by the United States, in terms of copra, were 403,927 long tons, or 46 percent of the total. The balance was sold in world markets, chiefly Europe.

The total factory consumption of all oils and fats in the United States in 1955, according to the Bureau of the Census, was 17.3 billion pounds. Factory consumption of coconut oil was 557 million pounds, or 3.2 percent of the total.

Alaska Statehood

EXTENSION OF REMARKS

OF

HON. THOMAS H. KUCHEL

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, April 1, 1957

Mr. KUCHEL. Mr. President, the Subcommittee on Territories and Insular Affairs of the Senate Committee on Interior and Insular Affairs is now holding hearings on the question of Alaskan statehood. Statehood for Alaska has the endorsement both of the party to which the distinguished Presiding Officer [Mr. DOUGLAS] belongs, and of the Republican Party.

I ask unanimous consent that an excellent statement by the Secretary of the Interior in favor of Alaskan statehood be made a part of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is indeed a pleasure to appear here today to present this statement, which Secretary Seaton has approved, on the subject of statehood for Alaska. As many of you know, Secretary Seaton has for a number of years been a stanch advocate of immediate statehood for Alaska and Hawaii.

Secretary Seaton is still confined to Walter Reed Hospital for treatment for a back injury which flared up during his recent inspection trip to Hawaii. He asked me to inform you that he volunteers to meet, if you should so wish, with your committee or representatives of it, at Walter Reed to discuss further at your convenience the statement I am presenting here today for him.

Before we proceed any further, let me make this clear: The administration's position is that all of the Territory of Alaska should become the State of Alaska. Because of the unique position of Alaska, however, we ask the Congress and the people of Alaska to grant to the President, the Commander in Chief of our Armed Forces, special powers with respect to defense in this area.

Alaska became a part of this country 90 years ago. Its institutions and its economy are characteristically American. The people of Alaska have a vigor and self-reliance such as we ascribe to the men and women of our western frontier a few decades back.

Alaskans have courageously attacked the natural obstacles of their Territory's climate and terrain; they have built houses with modern conveniences, cities with modern facilities. To many thousands of Americans Alaska is home. It is for them a place to live, not a place to exploit and leave.

In 1867, when the United States purchased this vast area for $7,200,000, some called the purchase Seward's folly. The wisdom of this acquisition has now become clear to everybody. For evidence, one needs only to consider Alaska's strategic value to the people of the free world.

For a prolonged period Alaska developed slowly but steadily. In recent years its population and economy have grown rapidly. From 1950 to 1956 Alaska's civilian population increased from 108,000 to 161,000—48.6 percent. This Territory, with an area more than twice the size of Texas, is now reported by C. W. Snedden, publisher of America's farthest north newspaper, to be inhabited by about 212,500 people, including approximately 50,000 military personnel.

For many years fishing has been by far the Territory's greatest industry. Even in 1955, a relatively poor year, the aggregate wholesale value of this industry's output amounted to almost $70 million; 24,619 persons were at work in the Territory's commercial fisheries; of these, 6,745 were Indians, Eskimos and Aleuts. In 1955 employment in these commercial fisheries increased by 1,540 persons over 1954, an increase of 7 percent. The 1956 preliminary figures indicate that the salmon catch has increased about 25 percent.

Even more significant is the fact that new industries, based on such Alaskan products as pulp and timber, are being established. In all of these new operations, Alaska's timber will be managed on a sustained yield basis, with adequate provision for replenishment of the forest reserve during the cutting cycle. The first major pulp plant in Alaska, the Ketchikan Pulp Co., which began operations in 1954, is one of the most modern in the United States.

Representing an investment of more than $56 million, the plant was built as a joint enterprise of the American Viscose Corp. and the Pudget Sound Pulp & Timber Co. The plant uses modern methods which provide efficient production of pulp and, incidentally, do not cause pollution damage.

Other significant pulp and timber developments are expected at Sitka and Juneau. At Sitka the Forest Service of the United States Department of Agriculture has contracted with the Alaska Lumber & Pulp Co. for the sale of 5.25 billion board-feet of timber. This company proposes the construction of a pulp plant with a capacity of approximately 300 tons per day.

In the Juneau area the Georgia-Pacific-Alaska Co. proposes another large pulp plant based on 7.5 billion board-feet of timber from the Tongass National Forest. At Wrangell a preliminary award of 3 billion board-feet has also been made to the Pacific Northern Timber Co.

These developments are being made by large, substantial investors. The facilities will be permanent. They represent faith in the future of Alaska, its resources, and the American way of life. Such economic development will, I am confident, be accelerated at even a greater pace when Alaska becomes a State.

The outlook is similarly encouraging when we consider Alaskan mining.

Although most of it is now being done for gold, coal and sand and gravel, other minerals are receiving attention.

Investigations of the Klukwan iron-ore deposits in the vicinity of Haines in southeastern Alaska are being made. The Klukwan site contains several billion tons of rock with about 13 percent magnetite iron.

Other iron deposits in southeastern Alaska have been studied by Government agencies and private concerns. The Utah Company of America is leasing deposits on Prince of Wales Island.

The past few years have witnessed renewed interest in copper deposits in the Cordova and Valdez areas on the Gulf of Alaska. Another promising copper prospect is located on the Kobuk River in the second judicial division.

Work is also being done on nickel deposits. The mercury occurrences in the Kuskokwim-Bristol Bay area are described as among the most promising in the country.

The widespread interest in oil and gas is well known. About 5 million acres of Alaska are now under oil and gas leases.

These facts, and many others, are evidence that, as America's last frontier, Alaska is a land of opportunity. Her great forests, her tremendous and as yet barely tapped natural resources will, I believe, continue to assure her economic growth for generations to come.

Alaska, as Hawaii, bears its full share of the burden of Federal taxation. In fiscal 1955 Federal internal revenue collections from Hawaii amounted to $126 million; from Alaska, they were $44.5 million. The per capita income-tax collections in Alaska for 1955 were higher than the per capita collections in 6 States. Tax collections do not, however, adequately reflect Alaska's current industrial activity; many large taxpayers doing business in Alaska file their Federal tax returns elsewhere.

In January of this year, I visited the major population centers of Alaska, discussing statehood with many people. Although some sincerely opposed Alaska's admission as a State, I became firmly convinced that the majority of Alaskan residents favor statehood. This was demonstrated in 1946, when by referendum the residents of Alaska favored statehood by a vote of 9,630 to 6,822, approximately 3 to 2.

The arguments against admitting Alaska are not new. When statehood was sought for my home State of Nebraska in 1867, the same year that Alaska became a Territory, objections were made that the population was not sufficient and that the burden of State government was being forced upon the residents of the Territory against their will. The great Daniel Webster thought even California should not be let into the Union. Objections such as we hear today about Alaska have been heard many times before in our history—objections to the admission of States that now hold up their share of the national effort and contribute actively to the well-being and strength of the entire Union.

These objections have brought forth forceful and cogent replies. One of the most forceful and cogent was made by Senator William H. Seward, of New York (who later, as Secretary of State, arranged for the purchase of Alaska), when he urged, in 1858, the admission of Oregon as a State. While a Member of the United States Senate, speaking in favor of statehood for Alaska, I quoted from one of Senator Seward's speeches in support of the admission of Oregon. Senator Seward's words, pertinent today, are these:

"In coming to this conclusion (to support the admission of Oregon as a State), I am determined by the fact that, geographically and politically, the region of country which is occupied by the present Territory of Oregon is indispensable to the completion and rounding off of this Republic. Every man sees it, and every man knows it. • • • There is no Member of the Senate or of the House of Representatives, and, probably, no man in the United States who would be willing to see it lopped off, fall into the Pacific or into the possession of Russia or under the control of any other power; but every man, woman, and child knows that it is just as essential to the completion of this Republic as is the State of New York, or is the State of Louisiana, on the Mississippi. It cost us too much to get it, we have nursed and cherished it too long, not to know and feel that it is an essential part. • • •

"Well, then, she is to be admitted at some time, and inasmuch as she is to be admitted at all events, and is to be admitted at some time, it is only a question of time whether you will admit her today, or admit her 6 months hence, or admit her a year or 7 years hence. What objection is there to her being admitted now? You say she has not 100,000 people. What of that? She will have 100,000 people in a very short time. • • •

"For one, sir, I think that the sooner a Territory emerges from its provincial condition the better; the sooner the people are left to manage their own affairs, and are admitted to participation in the responsibilities of this Government, the stronger and the more vigorous the States which those people form will be."

With this background in mind, I should like to consider the legislation now before you. As you remember, the President, in his budget message of 1957, said:

"I also recommend the enactment of legislation admitting Hawaii into the Union as a State, and that, subject to area limitations and other safeguards for the conduct of defense activities so vitally necessary to our national security, statehood also be conferred upon Alaska."

Our report to this committee contains amendments which have been prepared to implement the President's statement. These amendments will permit the President to create special national-defense withdrawals over which the Federal Government may exercise exclusive jurisdiction in the area north and west of the geographic line described in our proposed section. However, even within these areas, when withdrawals are established, residents will continue to have the right to vote in all Federal, State, and local elections; the functions of the few municipalities and school districts will continue to be performed by those subdivisions. The right to serve civil or criminal processes within such areas will also be reserved to the State.

Upon the issuance of an Executive order or proclamation exclusive jurisdiction will be established in the United States. This will vest in the Federal Government all legislative, executive, and judicial powers over the area within the special national-defense withdrawal. The laws of the State of Alaska would be adopted and enforced as Federal laws. The State would retain all powers necessary to prescribe voting requirements and procedures and the right to enforce its voting laws within the special withdrawals. Our intent in this regard is to assure that the State and local elections be entirely free from any Federal interference.

The exclusive Federal jurisdiction, until Congress provides otherwise, will be exercised in accordance with the provisions of our proposed section 10 (d). Briefly, this section is intended to accomplish the following: (1) General laws applicable in the area when a special withdrawal is made will be adopted as Federal laws, and during the period of special withdrawal the President will designate who will administer these laws; (2) laws pertaining to local political subdivisions will remain in effect and, by virtue of our amendments, the municipalities and school districts will continue to be administered by local authorities. Again our intent is to make certain that local political subdivisions will function under local laws despite any withdrawal that may be made, subject only to the requirement that any law or ordinance of, or pertaining to, such local political subdivision which is inconsistent with the full use and operation of any special national-defense withdrawal shall be inoperative during the period of such withdrawal.

The Federal district court for Alaska will be given exclusive jurisdiction over all civil and criminal actions arising within any withdrawal made pursuant to section 10.

We think it is significant that the chamber of commerce of the city of Nome, the largest city north of the section 10 line, has publicly announced that the proposal outlined here today is endorsed by Nome residents.

With the consent of the people of Alaska, as provided in section 8 of the bills before you, these amendments will give to the President authority similar to that now available to the Federal Government in 25 States, pursuant to either the Constitutions or statutes of those States. In effect, the people of the new State will agree to exclusive Federal jurisdiction over the designated areas, if such withdrawals are made. Renumbered section 11 provides protection for defense areas established heretofore.

One of the questions I have often been asked concerning our suggested amendments is: What will be the status of Alaska's natural resources, including commercial fisheries, if this proposal is adopted by Congress? Alaska's jurisdiction, prior to any withdrawal, will extend not only to the whole of Alaska, but also to the three-mile limit in the tidal areas. If a withdrawal encompassing tidal areas is made, the laws of the State applicable thereto will be adopted and enforced as Federal laws.

We assume that these amendments will, therefore, give Alaska full opportunity to assert such State control as Alaskans deem necessary over this segment of their economy. Should a withdrawal be made prior to formal admission of Alaska as a State, Congress will have the power to adjust existing laws within such withdrawal to those of the State, if such action is necessary. In any event, after statehood Alaskan laws will govern. Only the enforcement of such laws will be the responsibility of the Federal Government in areas within a special national defense withdrawal when made.

The portion of Alaska subject to possible future Federal withdrawals contains approximately 376,000 square miles. It has a present population of about 24,000 people. About 5,000 of these are in military service, or are in the civilian employ of the Department of Defense; approximately 15,000 are Indians, Eskimos, and Aleuts. The Bureau of Indian Affairs of the Department of the Interior will continue its trusteeship for these natives after statehood. Because of the relative isolation of this part of Alaska, we feel that this remote area may be dependent upon the Federal Government for many services for some time to come. For instance, two-thirds of the schools in this area are now maintained by the Alaska Native Service. Even in the Territorial schools there, the ANS supports over 1,100 native schoolchildren—almost one-third of the total enrollment.

There are vast mineral resources in this area which are necessary for the full development of the population centers already established in Alaska. The Gubic gas field, located east of Naval Petroleum Reserve No. 4, and within Public Land Order 82, is a good example. Estimated to contain 300 billion cubic feet of gas, the portion of this structure outside Naval Petroleum Reserve No. 4 covers about 20,000 acres. The Department

of the Interior has been informed that plans are being considered which would provide private financing (about $45 million) to develop this field and transport the gas by pipeline to the nearest market center in the rail belt area, encompassing the major cities of Fairbanks and Anchorage as well as four major military installations.

Members of the Senate and the House of Representatives deserve unqualified commendation for the long hours, the energy, and the careful thought which they devote to the problems of the Nation's Territories and island possessions. I have been particularly impressed by the attention given legislation affecting these areas, because I recognize that the peculiar problems of the Territories are somewhat remote from the everyday interests of most Senators and Congressmen and of their constituents.

To confirm my own impression of that point, I had a check made as to the volume of Territorial legislation considered by Congress recently. No less than 50 separate bills handled by this Territories Subcommittee were enacted into law during the last Congress; 30 of those laws (just over half) related solely to Alaska. Among them were very important legislative items. For example, the Alaska Mental Health Act, a long-overdue reform which enables Alaska to care for her mentally ill in the Territory, was enacted in the face of widespread public misunderstanding of its purposes.

Other legislation permitted Alaska to incur bonded indebtedness, dealt with the Alaska constitutional convention, provided for a system of public recreation facilities in Alaska, authorized a survey program on water resources, gave Alaska the same share of receipts from her national forests that States receive, permitted advances to the Territory under the Federal Unemployment Act, and cleared up several troublesome land problems. Each and all of these bills had the approval of the Department of the Interior. The record of action on Alaskan matters in recent years has been fruitful.

We believe, however, that statehood will for the first time not only give Alaskans a full opportunity to their rightful heritage as full-fledged citizens of the United States but also will enable them to develop Alaska's natural riches and thereby enlarge their contribution to the economic good of all America. The transition period and the early years of statehood may, of course, pose serious problems for the new State. For that reason we have recommended adoption of the relatively generous provisions of recent statehood bills for land grants and financial assistance.

The Bureau of the Budget has cleared S. 49, provided that the safeguards discussed in the budget message are included; and the Bureau has added the following recommendations:

"Alaska was recently brought under the Federal-Aid Road Act by section 107 of the Federal-Aid Highway Act of 1956 (Public Law 627, 84th Cong.). It is recommended, therefore, that section 20 of S. 49 be eliminated, and that any special provisions needed for Alaska to participate as a State in highway apportionments be determined when the Congress considers future highway acts."

The Department of the Interior will expedite the presentation of an appropriate highway program for Alaska in order that Congress may consider whether the formula for Alaskan participation in the highway program should be revised. This program will include recommendations concerning transfer of title to public roads and trails to Alaska, and concerning financial assistance to Alaska for road maintenance during the transition period. Of course, this proposal will have to be cleared with the Bureau of the Budget.

My statement does not attempt to analyze in detail every individual item in the various statehood bills before you. As this committee well knows, final drafting of statehood legislation requires careful study of a multitude of details relating to land, to financial relationships, to procedures required for the change of status, and the like.

The officials of the Department of the Interior are, of course, at the disposal of this committee for any information you may desire or any other service you may want.

Speech of Hon. Winfield K. Denton, of Indiana, United States Representative, Eighth District, at the Thomas Riley Marshall Democratic Dinner, Honeywell Memorial Building, Wabash, Ind., Fifth Indiana Congressional District, Thursday, March 21, 1957

EXTENSION OF REMARKS

OF

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. EDMONDSON. Mr. Speaker, under leave to extend my remarks, I am pleased to place in the RECORD a speech by our distinguished colleague from Indiana, the Honorable WINFIELD K. DENTON, which was delivered at the Thomas Riley Marshall Democratic dinner at Wabash, Ind., on March 21, 1957.

This highly interesting speech was called to my attention by the Honorable Paul Hillsamer, a good friend in Marion, Ind., who shares my high regard for the splendid service in this House by WINFIELD DENTON.

The address is an eloquent tribute to a former Vice President, who fought hard for the principles which made America great—the same principles for which WINFIELD DENTON is today fighting. His speech follows:

We meet tonight to honor a great American and a great Democrat: Thomas Riley Marshall.

Tom Marshall was truly a distinguished son of Indiana—the Governor of our State for a very memorable 4 years, and for two terms Vice President of the United States. He was a typical Hoosier, and Wabash County can feel highly honored that he was born here, 109 years ago this month.

He was the son of Dr. Daniel Marshall, who was practicing in North Manchester during the 1850's, and whose family had settled in Indiana the year after statehood. His mother was a descendant of the famous Charles Carroll, of Maryland, who was a signer of the Declaration of Independence and a leader in the American Revolution. His paternal ancestors came from Virginia, and he is reputed to have been related to the great Chief Justice, John Marshall. But it was in true Tom Marshall style that he said, "So far as I know I am the only man of my name who does not trace his origin * * * to the great Chief Justice * * * with the utter recklessness of a Hoosier, I do not care."

Because of the delicate health of his mother, Marshall's family left Indiana when he was 2 years old and traveled and lived in the West for a time, but they returned to the State when he was 6 years of age. Tom Marshall was educated in the Indiana schools, and graduated from Wabash College. He began the practice of law as a typical country lawyer at Columbia City, in neighboring Whitley County, where he became a leader in the community, in his church, and in his fraternal order.

Tom Marshall was an active Democrat at the age of 18; after more than 20 years' faithful work in our party, he became 12th District chairman, and thus a member of the Democratic State central committee, in 1896. But he was a candidate for public office on only one occasion before he ran for governor in 1908; he was defeated in an election for county prosecutor in 1880.

When he was elected Governor of Indiana in 1908, our party had been out of power in the State for 12 years. Not only did he bring new life to the party, but his administration was refreshing to the whole State. Tom Marshall brought to the statehouse a rugged honesty, a lively sense of humor, a thorough fairness, and discretion, a strong spirit of economy—and he was a liberal, as he said, "a liberal with the brakes on."

Marshall did not place much importance on family history; but he did have good reason in his family for being a Democrat. His father and grandfather were stanch supporters of the Union cause during the Civil War, but they were also partisan Democrats, and remained so, when, with the Union Army in the field and soldiers dying, feeling ran strong against the Democrats.

At that time, the two elder Marshalls were notified by the minister of their church that he would have to strike their names off the church roll if they continued to vote the Democratic ticket. Marshall's grandfather announced that he was willing to take his chances on hell, but never on the Republican Party. His father withdrew from that church and joined a church of another denomination. You wouldn't think such prejudice as the Marshalls suffered then would show up at the present day; but I must mention that the man who now holds the second highest office in the land has accused all Democrats in effect of being traitors and disloyal to their country.

We Democrats can take pride in what Tom Marshall did as our Governor nearly 50 years ago. During his term in the statehouse, he advocated the direct election of United States Senators; a uniform primary election law; laws to prevent the watering of stock in corporations; better regulation of insurance companies; the creation of a State board of accounts; and labor legislation that included the employers' liability law (which paved the way for workmen's compensation), a mine-safety program, railroad-labor safety, a weekly wage law, and a child-labor law.

Marshall asked for a new State constitution; a State inheritance tax; a corrupt practices act; a voters' registration law; protection for bank depositors; and the power to break up business trusts and monopolies.

Such a program as that seems commonplace to us today (for most of it is now an accepted fact), but in Tom Marshall's time it was considered a very progressive program—some of it so progressive that he was unable to get it all enacted. In those days, Indiana ranked as one of the most progressive States of the Union.

What a far cry that is from what we have today—a State that now has enacted a misnamed right-to-work law.

Maybe those who pushed the right-to-work law get a kind of savage satisfaction out of punishing other people; but the passing of a law which would tend to destroy labor unions and deprive a working man of his hard-won right to organize and bargain collectively is not a laughing matter. It was a deadly serious business.

But doesn't it reflect the real spirit of the Republican Party in Indiana—clear to the highest office in the State? The new Governor, who was elected last fall with certain labor support, did not lift even a finger to prevent the passing of this nefarious bill,

but permitted it to become a law without his signature. (I understand he has already had more visitors at the statehouse since he took office than any other Governor has had in the history of Indiana.) Why didn't he either sign or veto the so-called right-to-work bill?

There has been another change at the statehouse since Tom Marshall served there. When Marshall was Governor, the State's expenditures were reduced, the sinking fund to pay the State debt was built up, and State taxes were lowered. Oh, if we could only have another State administration like that, after these years of Republican spending and waste in Indiana.

First, we had Governor Craig, who by his extravagance depleted the $75 million surplus which Governor Schricker had left in the State treasury when he retired from office. And now there is Governor Handley, whose regime in just 9 weeks has handed us an amazing list of tax increases and a State budget he has himself called fantastic.

This Republican budget ended up totaling nearly $800 million, even larger than the 1955 Craig budget, and it is the highest budget in the history of the State.

In spite of an early delay with some faulty arithmetic on tax rates, the Governor finally obtained a 50 percent increase in the gross-income tax. Also, he got a 50 percent increase in the gasoline tax. He got a payroll withholding tax on gross income. He got the taxes or fees raised on barbershop licenses, beautyshop licenses, birth certificates, marriage licenses, and death certificates. And he got the fees increased for fishing licenses and hunting licenses.

All of us have worried a lot about the cost of living. But, under Governor Handley, it is going to cost you more to be born, or to get married, or to die. Don't think you can get away from these taxes. You can't even relax and forget about them by going fishing or taking time out for a haircut.

With these new taxes popping up all around, one of my Republican colleagues in Washington received a letter the other day from a very angry Hoosier. He said, "If an election were held in Indiana today, the Republican ticket would draw only 3 votes; those 3 votes would be from Senator Jenner, Governor Handley, and Congressman Halleck."

I am going to let you in on a good one: Our Governor had been planning to make a trip to Washington last Thursday and give a talk to the United States Chamber of Commerce. Now the subject of his lecture to them was going to be, of all things, Economy in Government. (I heard he wanted to ask the Federal Government to move over a little and leave open more things on which he could levy taxes.)

But, as it happened, the Governor had to cancel the trip and remain in Indianapolis, because the legislature stayed in session 50 hours longer than he had thought they would. And, so long as that was the case, he might just possibly have a chance to put through a few more taxes here.

But let me get back to a more pleasing subject: Tom Marshall. After serving a very successful term as Indiana's Governor, he was nominated for Vice President on the ticket with Woodrow Wilson and was elected in the year 1912. He was reelected in 1916 and served in that office for a total of 8 years.

He raised quite a stir among the financiers when he got back East. Marshall was afraid of the power of great wealth, for he had already seen its manipulations here in Indiana. He feared that, unless the growth of wealthy interests was somehow controlled, free enterprise and democracy would be destroyed.

So, when Marshall became Vice President, he made a number of speeches dwelling on this danger in very plain-spoken terms. The eastern Republicans thought he was a reckless radical trying to pull down their temples. And the New York newspapers for years were incensed that Indiana had sent such a man to Washington. By 1920, these papers admitted he was a highly sensible Vice President.

That was no temporary problem about which Marshall gave warning. It is still with us. When we see a national administration today controlled by a Cabinet of 10 millionaires, and where the real power of Government is not in Washington but in Wall Street, we can realize all over again how sound was the advice he gave us then.

Woodrow Wilson's administration was a very progressive era, which saw the enactment of many long-needed reforms, and, while Marshall's private views differed with these in some respects, he gave them his loyal support as Vice President. Probably his greatest contribution to Wilson, however, was his patient and long-continued effort to obtain ratification of the League of Nations Covenant by the Senate, at the close of World War I.

Having worked so long and hard to build the idea of the League, only to fall critically ill at the peak of the struggle, Wilson saw his cherished plan at the mercy of the Republican Senate. Marshall, as the Presiding Officer there, sought by every possible means to steer the League Covenant through. Confronted on the one hand by Wilson's desperation, and thwarted at every turn by Senator Henry Cabot Lodge and his band of Republican followers, Marshall cast about in every direction to find agreement on joining the League, but at last it was defeated after seven votes that were needed could not be found. There, the United States lost a great chance to take world leadership which might have avoided the tragedy of World War II.

In that fateful struggle in the Senate, Tom Marshall saw before his eyes the costly result of bitter Republican partisanship on a grave question of foreign policy. Before Wilson had negotiated in Paris to form the League of Nations, Senator Lodge and other leading Republicans had endorsed the idea. But when Wilson came back to get their formal approval, this cynical group took the opportunity to humiliate and discredit him as a public figure in order to better the political chances for the Republican Party.

For the moment, the Republicans won a victory; but no one can guess how great was the cost to America in the long run. Possibly we as a people did not fully realize our strength at that time. But we had world leadership thrust at us, and for 12 years under the Republican rule that followed we failed to grasp hold of it.

The United States has gone a long way since that time. Even our Republican Secretary of State today believes we should play a great part in world affairs—although he can never quite decide just what part it should be.

John Foster Dulles is a great world traveler, but it seems that every place he goes he stirs up discord and strife. Someone said Secretary Dulles has been to every place but the moon, and it is only with the moon that we are still enjoying friendly relations.

And, now, Dulles' zeal for travel seems to have spread to the rest of the team. A few days ago, Dulles was in Australia; NIXON was in Africa; and the President was cruising on the high seas. It seems that the whole Eisenhower team was on the road last week. But all our foreign policy seems to be is travel and conference, without aim or direction.

Why, our foreign policy is so poor that other countries are practically forcing us back into isolationism. The other nations won't even have anything to do with us and we may be reaching the point soon where they won't even take our money.

We have no foreign policy today. What we need now is a foreign policy like we had under Woodrow Wilson, Franklin D. Roosevelt, and Harry Truman.

That Senate struggle in Tom Marshall's day when the League of Nations was beaten was not by any means the last time the Republicans have played politics with our foreign policy. We have seen plenty of that in recent years, no matter how much the Republicans like to make a show of bipartisanship. The Middle East situation is a prime example.

As all of us here remember very well, the Republicans unfortunately sought to make "war versus peace" an issue in the election campaign last year. They told the American people that our party was the party of war, but that the Republican Party was the party of peace. With good reason, the public was anxious about the possibility of a crisis developing around the Suez Canal. But the President and the Secretary of State went on playing the peace theme heavily and kept assuring everyone there was no danger of the United States becoming involved in the Middle East.

The fact is, though, that the United States has a very important interest in the Middle East—to keep the great oil resources there available to ourselves and our allies in case of war and to keep this oil away from the control of our enemies. And, too, this Republican administration is very sensitive to what happens in the Middle East, because of the holdings of some large American oil companies in that area.

But, with the Republican peace cry being repeated day after day, apparently both our enemies and our allies took the Eisenhower administration at its word and felt they had a free hand to make their moves in the Middle East. Then the Suez Canal situation exploded and fighting broke out in late October.

Having pressed the peace issue so widely here at home, the Eisenhower administration found itself almost totally without influence among the troublemakers in the Arab world. As soon as the election was over, the administration began to try to shake off the peace label; but the Republican officials felt they had to get something besides their own word to back them in dealing with the Middle East situation.

So, the President and Secretary Dulles hurried to Capitol Hill early this year to ask that Congress reassure them of power already granted in the Constitution for the President to use American troops to protect our interests in the Middle East. The President also asked much greater freedom in spending $200 million of foreign-aid funds in that area. But the administration had first drawn up the proposal without consulting any Democrats in Congress, and got it publicized all over the world as American policy. Then they dropped it in the lap of Congress and staged a great plea for bipartisanship.

At that point, a refusal to support the Middle East proposal might have given the impression to the world that there was a division between the Republican President and the Democratic Congress on a matter so vital as preventing Communist aggression. Congress had no sensible alternative then but to approve the measure in some form, but we did modify the Middle East resolution, to make it clear that the President still has the constitutional duty of carrying out foreign policy, and also to make sure Congress keeps some control over spending for foreign aid.

Here we saw a Republican administration in severe difficulty, because of their reckless campaign statements, now calling upon a Democratic Congress to save them from the predicament in which their folly had placed them. The Democrats in Congress had a tempting opportunity to take partisan advantage of this Republican administration, who had blundered into this Middle East

crisis and then reaped political profit from it last November.

Instead, the Democrats in Congress rose above party and showed once again their refusal to play politics with the national interest in the face of danger. How different things might have been if the Republican Party had shown such bipartisanship with the League of Nations when Tom Marshall was Vice President.

The Republican Party did not have much of a program in Tom Marshall's day. Mainly, it consisted of blind, bitter opposition to every move of the Democrats, such as we saw in the League of Nations debate. And the Republicans have never developed any program since then.

Oh, for 20 years they cried and yelled about Government spending and financial insolvency. They said that Franklin Roosevelt and Harry Truman were taking the Government to wrack and ruin. I wonder how the Republicans feel about that today?

When their General was a candidate in 1952, he went up and down the country making pious statements about economy, and ridiculing the Democrats for what he called crazy spending. General Eisenhower promised he would cut the budget down to $60 billion, reduce the national debt, and cut taxes. But, even with an administration loaded with the tycoons of industry and business, what has happened?

The Eisenhower budget this year is $73.6 billion—the highest in peacetime history. Whereas the Truman administration showed a net surplus of $4 billion in the 6 fiscal years after World War II, under Eisenhower the Government has gone in the red nearly $5 billion.

In 4 years with Eisenhower the national debt has gone up $9 billion, while the Truman administration had reduced the debt $12 billion below its World War II peak. By the end of June, the Eisenhower administration will have spent $81 billion more than the expenditures under Harry Truman in a comparable 4½ years. I wonder if the economy General Eisenhower promised is still somewhere just around the corner?

As to the tax cut he promised, that came to pass—not for you and me, of course, but for the corporations, who got 73 cents out of every dollar of benefit.

So long as we have known our party, the Democrats have always moved forward with a positive program. We have seen such programs as the new freedom in Tom Marshall's time, and, in more recent times, the New Deal and the Fair Deal.

Now when President Eisenhower looked over the election returns last fall, and saw the Republicans were unable to elect a Congress, no matter how popular their candidate for President was, he decided maybe they had better bring out something new.

So, the President announced he was going to remake the Republican Party (and for that statement he deserves a medal for bravery)—he was going to remake it along the lines of a New Republicanism. Now let's see what this New Republicanism is, if we can.

From the President or various officials in his administration have come statements saying we should repeal the union-busting provisions of the Taft-Hartley law; that we should extend the minimum-wage law to more people; that we should enact a law giving women equal pay for equal work; that we should extend the public-housing program; and that we should provide Federal aid for school construction.

Also, they are urging that the States improve their workmen's-compensation and unemployment-insurance laws; that employers give more job opportunities to people over 45; and that Congress provide increased appropriations for medical and educational research, reduction of juvenile delinquency, and assistance for retarded children.

All of this sounds very much like New Deal and Fair Deal programs, which the old-line Republicans denounced so bitterly for 20 years. I am afraid it is going to be a bitter pill for them to swallow such proposals now, and I predict they won't.

But the real test of whether the Eisenhower administration is sincere about this New Republicanism and liberal welfare programs is going to come when we see if the administration asserts itself and exercises the leadership necessary for these programs to get the support of Republicans in Congress.

There have been a few occasions when the President did exert leadership to get certain bills through Congress. He used White House pressure to get the tidelands oil bill passed without amendment; to kill a bill to preserve the waterpower resources in Hells Canyon for the benefit of all the people; and to prevent any change in Ezra Taft Benson's program of sliding-scale farm prices.

Do any of us really think the President will use the same influence of his office to put across the New-Deal-type measures he claims to favor, as he did when the interests of the big oil companies and utilities syndicates were at stake? I have my doubts.

When President Eisenhower submitted this year's budget that broke all peacetime records, his closest friend in the Cabinet, Secretary of the Treasury George Humphrey, immediately called a press conference—obviously with the approval of the administration. At this press conference, Humphrey said the budget should be cut, and that, if it were not cut, there would be a depression that will curl your hair.

We called Secretary Humphrey before the House Appropriations Committee, and asked him for suggestions about where the budget could be cut. But he was unable to give any particulars. Since then, other administration officials have kept the publicity going about wanting a budget cut, but they never name any items they want cut.

Thus, we find the administration trying to play both sides of the street. They propose liberal programs to please the liberals, and are willing to let the reactionary Republicans kill the legislation in Congress. They propose a recordbreaking budget, with large expenditures for all liberal programs; and then they have Secretary Humphrey, the darling of the conservatives, proclaim that the administration wants Congress to cut the budget.

There you have the New Republicanism. This plan of talking out of both sides of the mouth has worked very well under General Eisenhower, who is regarded by many people more as a constitutional monarch than as a President. But when the Republicans have to select another candidate for President, from among less popular men, I don't believe they will find a man who will have such a chameleonlike disposition that he can be all things to all people.

Signs are on the horizon that a bitter storm is brewing in the Republican Party over the question of how far to push the New Republicanism. But, in the meantime, if anyone asks you what a new Republican is, you can tell him: A New Republican is one who talks like Franklin Delano Roosevelt—and then votes like Herbert Hoover.

When Tom Marshall was nominated and elected Governor of Indiana, the Democratic Party had been out of power for 12 years. The party here in the State was disorganized, and it was broke.

I have heard the elder Judge Spencer, a former State supreme court justice who lived in my home county of Vanderburgh, tell of the condition of the party's finances when he served with Tom Marshall on the Democratic State Central Committee. There was no money in the party treasury; there was not even money for postage. So, each of the 13 members of the State committee contributed $5 to buy stamps. That made $65, and it was all the money the Democratic State Central Committee had.

In 1908, the Indiana Republicans were split, as they are now. But there was also bitter dissension in the Democratic Party. There were six candidates for Governor in the Democratic convention of 1908. There were the organization candidate, and the antiorganization candidates; then there were Tom Marshall and three other candidates.

Marshall was nominated on the fifth ballot, as a dark horse. His own district, the 12th, supported him solidly, but he was largely unknown over the State of Indiana.

When he made his acceptance speech, he stated, in effect, that when a new emperor was crowned in ancient Rome, the soldier legions marched in review before him. The head of each legion lifted his hand to heaven and swore to be loyal to the emperor and to Rome, and then every common soldier, raising his right hand, cried out, "This for me."

Marshall noted there were then a number of hyphenated Democrats in Indiana, of one faction or another, but that, like the Apostle Paul who had determined to know none among the Corinthians save Jesus Christ, he was determined to know none among his party save just plain Democrats.

Tom Marshall concluded that speech by saying that he would not accept the nomination unless every man in the convention rose to his feet, lifted his hand to heaven, and pledged that from that time forward he would be a Democrat and nothing else.

He immediately undertook the task of solidifying the Democratic Party in the State. Marshall was elected in 1908, in spite of the fact that the Republican candidate for President carried Indiana that year, and that all the State offices went Republican but two.

Marshall was so successful in unifying the party that a Democratic Senator was nominated and elected 2 years later without serious opposition. And, 4 years later, Samuel Ralston was nominated for Governor unanimously and the Democrats of Indiana rallied behind Tom Marshall in a solid body when he was nominated for Vice President.

Today, we have a Democratic majority in both Houses of Congress, in spite of the fact there is a Republican President. There are 29 Democratic governors to the Republicans' 19.

Here in Indiana, we have our share of county and township offices over the State. Today, 73 out of Indiana's 106 mayors are Democrats—the highest percentage in the history of the State. Why, I have heard it said that the Republican Party was founded here in Wabash County, but the city of Wabash now has a Democratic mayor.

But there are two Republican Senators from Indiana, a Republican Governor, and a Republican in every office in the statehouse. It is true we have discord and dissension in our party. But conditions are too serious in the State and the Nation, and Republican mismanagement is too great, for us to enjoy the luxury of party strife.

Let us follow the example of Tom Marshall and serve notice that there will be no hyphenated Democrats, and that we are determined to know just plain Democrats.

In Tom Marshall's figure of speech, let each Democrat lift his hand to heaven and pledge to be just a plain Democrat and nothing else.

If we can but go forward as a united party, the Democrats will be returned to power in the State of Indiana. Indiana is ripe for a Democratic victory.

Urban Renewal Programs

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1957

Mr. DINGELL. Mr. Speaker, the urban renewal programs of many of our cities are threatened by a financial crisis. Local public agencies are finding it difficult if not impossible to obtain the money to pay their share of the costs of these programs. In today's tight money market, funds, if available at all, can be borrowed only at prohibitively high interest rates. At the same time, we are accumulating billions of dollars of reserves in our social-security trust funds. These reserves should be put to work for the benefit of our people.

To make this possible, I have introduced a bill to authorize the managing trustee of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund to invest up to $1 billion in bonds or other obligations issued by local public agencies for urban renewal projects. Not only bonds issued for projects being assisted by the Federal Government, or for local grants-in-aid for such projects, but also for any project found by the Housing and Home Finance Administration to be substantially within the definition of urban renewal projects in the Federal law would be eligible for investment of social-security funds. Such bonds would be guaranteed by the Housing and Home Finance Administrator as to both principal and interest. Local agencies would pay premiums for this insurance which would be deposited in a guaranty fund to be used as a revolving fund for paying defaulted obligations. An appropriation of $20 million would be authorized for the establishment of the guaranty fund.

Thus insured, these obligations would be gilt-edged investments for the social-security trust funds. In addition to the interest earned for the trust funds, they would yield large social dividends in the rebuilding of blighted areas in our cities. I shall press for enactment of this bill as a measure of constructive financial management.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 2, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in the hours of this new day, may we achieve a nobler goodness of character for ourselves and accomplish a larger measure of blessedness and good for others.

We penitently confess that we are often so selfish and determined on personal safety and security, rather than dedicating our life in service and sacrifice for needy humanity.

Show us how we may give courage and consolation, help and hope, unto all who are staggering under the heavy burdens of fear and foreboding.

May we give ourselves unreservedly to the guidance of Thy spirit and seek to do Thy will more perfectly for in the doing of Thy will is our peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1314. An act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

THE GREATER LAWRENCE STORY

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, Lawrence, Mass., is being honored today by the Advertising Club of Boston, which is presenting the Greater Lawrence Story at its luncheon meeting as an example of a community's courage and resourcefulness when confronted with economic collapse.

Lawrence was built up around the textile industry.

At one time it could say that it had the largest woolen-worsted manufacturing plant in the world.

This concentration on one industry, however, made the whole community dependent upon the success or failure of textiles.

When that industry collapsed a few years ago, and more than 20,000 people lost their jobs, every business and profession and person in the area reeled under the blow.

In spite of the disaster facing them the people of Lawrence fought back.

Groups of enterprising citizens bought the empty mills, staking their dollars and their faith in the ability of Lawrencians to come up off the floor and stage a great comeback that would turn defeat into victory.

This they did and in record-breaking time.

The campaign waged by public-spirited citizens and groups accomplished the impossible.

Lawrence has guts and it has ability. Both are admirable assets that inspire confidence in others.

Lawrence went out to get business, and it succeeded. Far and wide it spread the facts of Greater Lawrence; its skilled labor force; its sound government; its strategic location; and, above all, the indomitable spirit of its people.

Other industries became sold on Lawrence. They started to move in.

As a result, Lawrence is prospering today.

People are working again, and the once-empty mills are humming with activity as Lawrence begins a new life, because its economy is stronger through diversification.

How Greater Lawrence did this is a thrilling story that will serve as a model for other communities, showing them the pioneering methods developed by a community that was hit harder than any other area in the United States but refused to quit.

I shall bring you more details of the Greater Lawrence Story as it is presented by the Advertising Club of Boston within a few days.

NEW YORK CITY HOUSING AUTHORITY

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, I have this day forwarded to the chairman of the House Committee on Banking and Currency a series of newspaper articles which reveal a near scandalous situation in the New York City Housing Authority.

The New York Daily News which ran these articles on the housing authority showed shocking evidence of Communist infiltration, mismanagement, and crimes in many of the city's housing projects. It gave proof of increased crimes, inadequate police protection, and widespread violence in these public houses.

What did the city administration do to correct this disgraceful condition? It asked its investigation commissioner to conduct a probe. This he did, but the administration, instead of giving the people a complete report on these findings, gave it only interpretations of the report.

Mr. Speaker, do you know who helped in the interpretation of this report? Some of the officials of the city housing authority whose management is under attack. The 7-page report which the commissioner of investigation had prepared, and which the taxpayers were entitled to see, was reduced to a 2-page report of interpretations of the original report. Even the hushed interpretation admits to mismanagement and cites evidence of increased crimes in the 82 city projects, many of which are federally subsidized.

Mr. Speaker, interpretations of investigation reports are not enough. The people who pay the taxes that subsidize these housing projects are entitled to a true and complete story. Not half or part of the story but the full and complete story.

It is obvious that from the juggling and maneuvering that is going on in New York City the taxpayers will not learn of the actual shameful conditions that exist in the New York City Housing Authority. As a matter of fact, city hall's

refusal to publish the full report is an indication that this serious matter is headed for a whitewash.

If there is any truth to these articles, and I have no reason to question their authenticity, then nothing short of a complete and thorough investigation must be conducted.

In submitting these articles to the House Committee on Banking and Currency, I am asking that its Subcommittee on Housing start a full-scale investigation of the New York City Housing Authority so that the American taxpayers may be fully apprised of conditions as they actually exist and to bring about an immediate correction of this disgraceful situation.

BIG GOVERNMENT AND CENTRALIZATION

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, as offsetting the heavy pressures toward big government and centralization, apparent on all sides, I would like to direct attention to my bill, H. R. 679, to reinforce and reimplement the 10th amendment of the Constitution of the United States.

Those who are students of government must be conscious of the increased concentration of power in our centralized Government in Washington. This centralizing of power has resulted in the weakening of State governments, narrowing their scope of operation, and depleting their sources of revenue. As a result, these weakened States have been prone increasingly to look to the Federal Government for financial aid, which has been willingly supplied, but, of course, Federal strings of control were attached.

Students of government also know that the Founding Fathers of this Nation, when drafting the Constitution, were vitally concerned with limiting the powers of the Federal Government. They know the then existing States were even more fearful of a great centralized power. These States demanded the adoption of amendments 9 and 10 of the Constitution before they were willing to ratify the document.

Despite these safeguards, we have witnessed the convergence of Government functions in Washington with fewer and fewer responsibilities left to the States.

The current President of the United States recognized this trend and expressed his concern in an address in Des Moines, Iowa, during the 1952 campaign when he said:

> I want to see maintained the constitutional relationships between the Federal and State governments * * * For, if the States lose their meaning, our entire system of government loses its meaning. And the next step is the rise of the centralized, national state in which the seeds of autocracy can take root and grow. * * * We will see that the legitimate rights of the States and local communities are respected. * * * We will not reach into the States and take from them their powers and responsibilities to serve their citizens.

During the intervening 4 years he apparently did not change his mind and neither was he satisfied with accomplishments in that direction, for he said in San Francisco on August 23, 1956:

> If you take the centralization shortcut every time something is to be done, you will perhaps sometimes get quick action. But there is no perhaps about the price you will pay for your impatience: The growth of a swollen, bureaucratic, monster Government in Washington, in whose shadow our State and local governments will ultimately wither and die.

Had the 84th Congress enacted H. R. 3—H. R. 11413, S. 373, or S. 3143—this trend toward concentration of power in Washington would have been materially retarded, or at least an instrument would have been provided through which such a curtailment could have been accomplished. The 84th Congress did not see fit to enact that law.

It is our view that H. R. 3, H. R. 679, and S. 337, now pending, would serve as an instrument through which this important phase of President Eisenhower's philosophy, as above expressed, could be advanced. It is the only piece of comprehensive legislation before the 85th Congress that would further the President's announced aim: to restore the functions of States; protect the prerogatives of State legislatures; and safeguard the liberty of people against an excessively big government. We therefore urge all Senators and all Representatives to join with us in enacting this vital legislation.

TIME TO CLAMP DOWN ON NASSER

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, this Nation, under the guidance of President Eisenhower and the State Department, has long carried on a policy of patient compliance with Colonel Nasser and his intractable decisions aimed at building himself into the overlord of the Middle East.

Time after time we have appeased, encouraged, closed our eyes, and even winked a time or two at the antics and demands of Colonel Nasser. Though many of us did not approve, we too decided that patience and friendliness might direct the energies and efforts of Nasser and other leaders of the Middle East into channels conducive to world peace and easing of international tension.

I regret that the opposite results seem to have been our reward.

President Nasser's recent memorandum on the Suez Canal seems to me to indicate that the time has arrived for the United States to make a new approach to the Suez problem and to take a firm stand in our further dealings with President Nasser.

All attempts by the United States to be fair and just in the most conciliatory manner have failed. President Nasser's memorandum, rather than indicating any progress toward the relaxation of tensions in the Middle East, seems to increase the danger of the outbreak of hostilities in that area.

Since the seizure of the Suez Canal by Egypt on last July 26, the United States, the United Nations, the countries whose vessels are the primary users of the canal, and those Asiatic nations who are most dependent on the canal have all made efforts to work out some sort of compromise which would be acceptable to Egypt. President Nasser has rejected all such proposals. The world cannot ignore Mr. Nasser's record.

Nasser has rejected the principle previously accepted by his government that "the operation of the canal shall be insulated from the politics of any country" as well as the other points in the six-point declaration.

Nasser has rejected any arrangement for supervision of the canal which includes participation by governments other than that of Egypt.

Nasser has rejected the principle of free passage through the canal by the vessels of all nations.

Nasser has rejected all efforts to bring about a permanent settlement of the right of free passage through the Gulf of Aqaba.

Nasser has rejected an arrangement for the administration of the Gaza Strip by the United Nations.

Nasser has rejected every proposal or arrangement which might involve an acknowledgment on his part of the existence of the State of Israel.

The United States and the United Nations have leaned over backward in their efforts to avoid any action which would infringe the rights of Egypt. The United States cannot permit the United Nations to sanction any arrangement which would infringe the rights of Israel.

Gamal Abdel Nasser apparently believes that he can rely upon the United Nations to support him in any action which he takes. He is doing a good job of playing Russia's game. The United Nations cannot afford to give him its continued support.

The time has come when the United States must make its position absolutely clear. We have identified ourselves with the United Nations to such an extent that we must maintain the prestige and influence of the United Nations in the Middle East. If Nasser is permitted to pursue his course further, the status of the United Nations will be irreparably damaged. The time has come for us to act.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Anderson, Mont.	Diggs	Holtzman
Aspinall	Durham	Lipscomb
Barrett	Eberharter	Magnuson
Bowler	Evins	Norrell
Collier	Frelinghuysen	Powell
Davis, Tenn.	Gray	Prouty
Dies	Green, Penn.	Reece, Tenn.
	Gregory	Schwengel

The SPEAKER. On this rollcall 408 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1958

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read down to and including line 10 on page 18. If there are no amendments, the Clerk will read.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to bring to the attention of the members of the Committee an article that appeared in one of the newspapers written by the well-known columnist, Mr. Walter Lippmann, in regard to the President's budget.

As you know, we have been trying to keep the record straight. We reminded the Committee last Wednesday of what the President had to say in his press conference about his budget. Then last Friday the Secretary of Labor reminded you that we were going too far and making foolish cuts. Again, on yesterday, we quoted from a press release of the man who heads the Department of Health, Education, and Welfare, Mr. Folsom. He objected to the cuts that you made in the last week, especially to the Food and Drug Administration, and warned you against attempts to make further cuts in Public Health and in the Office of Vocational Rehabilitation.

Then I noticed in the New York Times this morning that some of our friends on the Republican side have now apparently seen the light. I quote from one section of the New York Times, where it says:

> Meanwhile, in the House a Republican leader of the drive to cut funds from the Department of Health, Education, and Welfare showed signs of wavering today under administration pressure for the House to approve the full amount for the Food and Drug Administration. He said he was not going to fight a Democratic move to restore $1,300,000 cut from the Food and Drug Administration by the amendment that he offered last week.

I hope that the New York Times has quoted my friend from North Carolina correctly and I hope when the roll is called on this amendment that many others will see the light and follow his leadership and admit that they had made a mistake.

But today in the Post we have an article by one whom I think you will all agree is a very conservative newspaper man, Walter Lippmann. He says:

> In talking about the budget at his press conference last Wednesday, the President extricated himself from the untenable position he had taken before. Then he was saying, so Congress and the rest of us had supposed, that the budget was too high, that he would like to see it reduced but that since only Congress could reduce it, it was their responsibility, not his, to revise the budget. This general understanding of what he believed was, of course, heavily influenced by the famous press conference in which Secretary Humphrey had spoken so harshly of the President's budget.
>
> After several weeks of confusion, the President has changed his position, and he has now made himself the defender and the advocate of his own budget. Whatever one may think of the budget, this is a sounder attitude, both legally and morally, than his earlier one.
>
> Under existing law the President is obligated to present a budget which he believes in and is prepared to justify and defend. The law (title I, ch. 31 of the United States Code) says that "the President shall transmit * * * to the Congress the budget which sets forth * * * estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government." Until last week's press conference, what we had instead was a budget which the Secretary of the Treasury said was too high, which the President said could be reduced if the Congress would repeal or would amend some of the great spending programs which Congress—and apparently Congress alone—had enacted.
>
> In order to justify this alarming abdication of the Executive authority, the President pictured himself as a humble servant of Congress whose orders he is carrying out. "We have worked many months on the development of the budget," he said on March 13, "and each item in there has been developed with the idea of performing to the very best of our ability the responsibilities laid on the executive department by Congress for carrying out its mandates." Congress, he asserted, has ordered a number of great programs which cost money, and there cannot be any great cuts in the budget until and unless Congress votes for the cutting out or the elimination or slowing up, at least, of some of these great programs.
>
> This was a strange picture of how the Government happens to be engaged in the great programs that cost so much money. Are they really the work of Congress alone, initiated in Congress, developed in Congress, with the President waiting hat in hand at the door of Congress for his orders? Anyone who thought this was a true and candid picture of the origin and character of the great spending programs has only to recall the President's messages to Congress, the platform on which he ran for President, the proud campaign speeches he made about the record of his administration.
>
> The President's first position on the budget was untenable, as the reaction in Congress and in the country made quite evident. Last week, in a not-very-happy mood, he made himself the champion of his own budget.
>
> The country, or at least a large and vocal part of it, is startled by the size of the budget. Is the size of it really startling? It is startling, but only when it is measured by the campaign promises of 1952, especially the promises made by General Eisenhower after his famous covenant on Morningside Heights with Senator Taft. But measured by the campaign promises of 1956, when the President adopted the philosophy of the New Republicanism, the President is entitled to say, as he is now saying, that the budget proposes to carry out conservatively what the voters have been promised.
>
> The crux of the matter is that between 1952 and 1956 the President committed himself to the "great programs" which cost so much. At the same time he was compelled because of the state of the cold war to have a great program of military defense.
>
> When General Eisenhower ran for office in 1952, he felt able to offer big promises of reduced expenditures because he made two assumptions. One assumption was that he could end the war in Korea, and that this would be followed by a peace which permitted important reductions in the military spending. His other assumption was that he could stop the expansion of, and even cut back considerably, the grants and subsidies of the welfare programs.
>
> The basic difference between the orthodox Republicans and the Eisenhower or New Republicans is over these two assumptions. The orthodox Republicans still believe in these two assumptions whereas the President does not.
>
> Thus the orthodox believe that much money can be saved, especially out of what now goes to foreign aid, by a more isolationist foreign policy. The President, on the other hand, believes in collective security, which cannot be made to work without subsidies to foreign countries.
>
> The orthodox believe also that the welfare measures can be reduced, and that a lot of money can thus be saved. The President and the New Republicans have become convinced that the party cannot win elections unless it is able to attract those large blocs of voters who had become an invincible coalition under Franklin Roosevelt.
>
> The President's budget is not a series of great programs commanded by Congress. The budget is the New Republicanism, in this time of unabated cold war, when translated into dollars. It is what it is because of decisions made deliberately by President Eisenhower himself, and the Congress has been well justified in insisting that he take the responsibility, be it to defend the budget or to say where it should be reduced.

Mr. JONAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time in order to respond to the comment made by the chairman of the subcommittee. Although he did not refer to me by name, he did refer to an amendment adopted in the Committee of the Whole last Thursday, I believe, by a margin of one vote.

I do not know what the New York Times said. The gentleman from Rhode Island quotes from various newspapers of the country every day as he opens the discussion of the bill. He also frequently quotes various individuals in Government, as if we should make up our minds how we should vote on amendments by what somebody else says outside of this

body. I do not know what course the gentleman from Rhode Island follows, and I do not have any right to question how he votes or why he votes as he does; but I would like to say that in my own case I vote according to the dictates of my own conscience.

Some reference was made in the quotation the gentleman read from the New York paper about administration pressure. Let me say publicly that I have not been subjected to any pressure from the administration or from any executive department of the Government or from any source whatsoever concerning this bill. No one has been in touch with me about the amendment. I have not had any communications about it by word, letter, telegram, or otherwise before or since it was adopted.

I was called on the telephone by a newspaper reporter last Saturday and he advised me that the Secretary of Health, Education, and Welfare had issued a statement for publication Monday morning in which some comments were made about the amendment which had been adopted in the Committee of the Whole dealing with appropriations for the Food and Drug Administration, the burden of which comment was that the cut the Committee had made would destroy the effectiveness of the Food and Drug Administration. He asked me if I wished to comment on the Secretary's statement and, as I recall, whether I intended putting up a fight against restoration of the funds. I replied that I did not intend to fight over that amendment; that it was just one of a score of amendments that have been adopted and will be offered.

The amendment reduced the budget request by $1,327,000 to $7,973,000, which is $1,194,000 more than they had for 1957. I do not see how an increase of more than a million dollars above funds available in 1957 could cripple or hamstring the operations. Indeed, such an increase would permit an expansion of activities. Remember they only had $6,779,000 in 1957 and will have $7,973,000 if the amendment stands up.

I said also, and would like to repeat, that I do not have any desire to cripple the activities of the Food and Drug Administration. I think it serves a very important function and am in favor of providing adequate funds. As I see it, the question simply is whether we should increase the funds over 1957 by $2½ million, as the bill originally did, or whether an increase of $1,194,000 over 1957 should be sufficient for 1958.

As to how the Members vote when the Committee rises and we go back into the House, that is a matter for each Member to decide for himself. I do not intend to put up any fight for the amendment and will not undertake to persuade any Member. If the House sustains the amendment, I believe the funds available will be sufficient. But if the House reverses the action of the Committee of the Whole, I will be satisfied with that decision. It is simply a matter of judgment which each Member should decide for himself without pressure from any source. I repeat that no pressure has been directed at me from any source.

I would have been content if the Committee had rejected the amendment and did not appeal from the voice vote when the Chairman announced the amendment had been defeated; and it was not I who asked for the teller vote which reversed the voice vote.

Mr. BYRNE of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is my first voyage to the well of the House. So, if I make any mistakes, I hope you will bear with me, and I have been listening patiently to the chairman of this Committee on Appropriations for the Department of Health, Education, and Welfare. I have never missed a caucus call and I have always been here at the kickoff time, and I have listened attentively every minute and every hour of the time that the chairman of this committee has been on the floor. I want to commend him for his diligence. I want to commend him for his industry. Although he has been talking for some 5 days and doing a job of it along the lines, it seems much longer to me. Maybe that is my imagination. Until I came to the House of Representatives, I was a trial lawyer. I work hard. I never get an opportunity to sit back there on the jury. So I have been one of a group of some 425 Congressmen, sitting back there in those comfortable seats, on those cushions, and I have been listening to the gentleman from Rhode Island [Mr. FOGARTY]—if I say "Rock Island," try to be patient. I want to talk about the gentleman from that wonderful State of Rhode Island. Time after time he has been talking, and every time he points to the Republican side, I would assume, that by word, innuendo, and veiled threats, telling us, "Don't you do this. If you try to do this you will do the wrong thing. You authorized this appropriation in the 81st Congress, the 82d Congress, and the 83d Congress and you appropriated the money in that Congress. The amount of money that we are appropriating here is only about the same amount of money you appropriated in the 84th Congress, and if you do this, this service will die." That is the inference, is it not? My worthy colleague, is that it? You do not have to reply now. I have not given you the time. I am only asking you a question and you can get time to reply later. You are chairman of the committee. I have some other things I want to tell you before I sit down.

I sat back there and listened to you and I was trying to analyze what you were. I was trying to figure out whether you were a lawyer. For a while I thought you were. Then I listened to you talk a little longer and then I said, "Maybe he is a businessman." "No," I said, "he is not a businessman." All this time I was talking to myself. Then I went back there and I asked him, and I found out you are a bricklayer. You are a leader in the bricklayers union. Do not think I am criticizing bricklayers, because you belong to an honorable profession. Some of my best friends back in Chicago are bricklayers. You point over to this side of the House and you would think the only working men in the United States of America were over on your side. You talk as though the only spokesmen in the United States are on the Democratic side of this House. What do you think my father was? He was a member of organized labor. For 30 years an electrical worker. You do not have a chance to answer me yet.

Mr. DINGELL. Mr. Chairman, a point of order. I think the Chair should instruct the gentleman that when he refers to another Member he should refer to him in the third person.

Mr. BYRNE of Illinois. I thank the gentleman.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that that rule be suspended for the remainder of the debate on this bill.

The CHAIRMAN. The Chair must state that he is here to enforce the rules.

Mr. HOFFMAN. I ask unanimous consent that that be done.

The CHAIRMAN. The gentleman from Illinois [Mr. BYRNE] has the floor and he has not yielded.

Mr. BYRNE of Illinois. Mr. Chairman, may I have a little order? May the aisles be cleared?

As a trial lawyer, my worthy colleague from Rhode Island—did I do it right?—Well, while I am on my feet I want to enter a plea of "not guilty" to anything that you did or any of my worthy colleagues did, or any of the colleagues who have passed away, or any who were not elected in the last election, because I have got a defense to anything that my colleagues—I almost said "you"—that my colleagues did in the 84th Congress or in the Congress preceding it, because I just got here. I do not expect to roll down the thunder from the skies and do something that you did not do—pardon me—my worthy colleagues did not do. I do not expect to do that, but I say to you, you said it was a precedent—I beg your pardon—I beg your pardon. I thank you for the admonition. My worthy colleagues, or some of them, said all of the President's appropriations to this time—and when you talk here in the well of the House about children, it seems to me that the worthy gentleman from Rhode Island should be reminded that I raised eight children without any help from the Government and through the years encountered all of the problems encountered in raising a large family.

In previous sessions of Congress programs have been started that they claim are for our welfare but which are actually destroying our financial independence and security. These social planners are milking us dry. I will vote economy cuts wherever possible.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. BOGGS. Mr. Chairman, I object.

Mr. MORANO. Mr. Chairman, I ask unanimous consent that he may proceed for 2 additional minutes.

Mr. BOGGS. I object, Mr. Chairman.

Mr. GROSS. Mr. Chairman, I demand the regular order.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield.

Mr. FOGARTY. My distinguished friend, the gentleman from Illinois [Mr. BYRNE], refused to yield to me when he had the floor. I have never refused to yield to him or anybody else on that side during this debate, and I will keep this up during the rest of the debate, no matter how long the debate goes on.

Mr. BYRNE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I do not have the floor right now. I would yield if I had the floor.

Mr. Chairman, I want to answer the gentleman's questions. The answer to the first question he raised is this: The only thing I am trying to do is to have you and your colleagues live up to the promises that were made by you and your party in the last campaign and not renege on the promises you made in the last campaign by following the Republican leadership in this House and cutting these appropriations as you have been doing during the past week. That is all I am trying to do, to have you live up to the promises that you and your party made to the voters of the country and your district when you agreed to go out and support President Eisenhower and his program.

And another thing I was trying to do was to find out who are the orthodox Republicans and who are the Eisenhower Republicans on your side of the aisle. Are you with the President or against him?

Now as for the second question the gentleman raised, it did not take me long to ascertain what profession my distinguished friend from Illinois represented. It has often been said that we have too many lawyers in politics, but I would never make that statement myself. I have, however, always wanted to let everybody know, I may say to my distinguished friend from Illinois, that it does not make any difference to me what a person's station in life might be. When they ask me what mine was I have always been proud to say I was a bricklayer. I was a bricklayer for 10 years and I will always be proud of it no matter how you seek to belittle bricklayers or anyone else who earns his bread by the sweat of his brow.

There is one trait in my nature which the record will show ran through my career as a bricklayer and my career as a Member of Congress as well. That trait is being honest with my fellow workers and employers when I was a bricklayer and being honest with my colleagues and constituents as a Member of this body. I did not whistle one tune during my campaign for office and another on the floor here today, as a great many are doing on the other side of the aisle. And it is entirely possible that the consistent positions I have taken in regard to legislation like this is due to my association with bricklayers and others who work with their hands.

Mr. GROSS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Iowa rise?

Mr. GROSS. To demand the regular order.

The CHAIRMAN. The regular order is, the Clerk will read the bill.

The Clerk read as follows:

Assistance for school construction: For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by title III and title IV of the act of September 23, 1950, as amended (20 U. S. C., ch. 14; 70 Stat. 909, 968–969), including not to exceed $700,000 for necessary expenses of technical services rendered by other agencies and not to exceed $5 million for title IV, $41,700,000, to remain available until June 30, 1959: *Provided*, That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare.

By unanimous consent, the pro forma amendments were withdrawn.

Mr. SHEEHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I share the feelings of my colleague, the gentleman from Illinois [Mr. BYRNE], for the simple reason that the chairman of the subcommittee has been continually telling the Republicans about the promises we have failed to live up to. If we are going to talk about promises, let us look at the record, let us note just a few things that the Democrats have promised, and what they have not lived up to in the many years they have been in control of the Congress.

The gentleman from Rhode Island and his Democrat Party in 1948 promised the people in every election since then, in every Congressional election and every presidential election that they would repeal the Taft-Hartley Act.

If you are going to point the finger of accusation, let me remind you that you have controlled the Congress 8 out of the past 10 years. Where are your actions to repeal the Taft-Hartley Act?

In like manner you have promised up and down this land that you were going to do something for small business. In every Congressional election your party has promised tax relief for the small-business man. Despite your control of the Congress for so many years relief for small business is conspicuous by its absence. Where is your relief for small business? You have made many, many promises but there have been very, very few performances.

Since I cast my first vote in 1932 I have continuously heard the Democrats talk about civil rights. In 21 out of the last 25 years the Democrats have controlled the Congress. Where are the civil-rights laws? Where are the performances on the civil-rights promises? The basic division within the Democrat Party prevents any performance on the above promises and many other promises.

The gentleman and many of his colleagues keep telling us on this side of the aisle about the division within the Republican Party. How about your own division? How about separating the northern Democrats from the southern Democrats and showing us who runs the Democrat Party? How about showing us the division involving some 80 Members of this House who signed the so-called liberal manifesto and I understand that this group has not consulted with their official leader in the House, Speaker RAYBURN?

What are the so-called liberals in the Democrat Party proposing to do? Look at your spending program. Why, this $72 billion budget will be peanuts if you tried to do what the liberal program outlines. We would not alone have Federal aid to education, but you would have everybody working for the Government and on the Government payroll, we would have socialization, we would have nothing but big labor and big Government.

You Democrats talk about the separation we have over here in our party, but look at your own party since 1932 and the promises that you made. So I say this with all due deference to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY, I feel that in a discussion of this kind you should not always refer to the division over here unless in good Christian charity and in good conscience you point out the division on your side. I am sure the gentleman from Rhode Island [Mr. FOGARTY] would get a lot more votes if he would not continuously point out our particular division over here, when, in my estimation, he had a much deeper division within his own party in the division between the Democrat liberals and conservatives, between northern and southern Democrats, between CIO followers and opponents of Walter Reuther.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I am pleased to note that the gentleman from Rhode Island is giving the Republicans credit for the effort being made to get some economy into our Government; but I wonder whether he is not forgetting which party is in majority control of the House of Representatives?

Mr. SHEEHAN. The gentleman is so right. The Democrats control every committee, they can do what they want. They can tell the people what they want to do and they can do it.

We may have Modern Republicans over here, but I want little part of this newly coined concept. I am a constitutional conservative and I am proud of that fact.

Your Democrat Party has many good stanch conservatives who want to protect the Constitution that was given to us by our forefathers and who want to protect the country that has been handed down to us through the years.

Therefore, if any member of the Democrat Party wants to castigate the divisions in the Republican Party let him in all fairness just point out the deeper and more basic divisions within the Democrat Party.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am not given to criticizing my brethren here on the floor, but I regard this bill as a very important matter. Yesterday I had some rather important engagements and, of course,

I had a pretty tough time trying to get to them and get back here because it was about 2 hours before we ever started any business on the floor of the House.

It is now 1 o'clock and we have been in session for an hour. I believe the average Member on the floor would greatly appreciate our trying to put aside the type of debate that is going on and let us get down to the bill itself. I enjoy a little sideplay once in a while, but I am afraid we have been on this bill now long enough and with a little cooperation we can save some time and get down to business. I am not being critical of my distinguished friend from Rhode Island. I think maybe all of us have contributed a little to this sideplay. I do hope this slight suggestion will help us move along a little bit.

The Clerk read as follows:

Salaries and expenses: For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; fostering coordination of public and school library service; coordination of library service on the national level with other forms of adult education; developing library participation in Federal projects; fostering nationwide coordination of research materials among libraries, interstate library coordination and the development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloging of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and cooperative research, surveys, and demonstrations in education as authorized by the act of July 26, 1954 (20 U. S. C. 331–332); $7 million, of which not less than $550,000 shall be available for the Division of Vocational Education as authorized: *Provided*, That all receipts from non-Federal agencies representing reimbursement for expenses of travel of employees of the Office of Education performing advisory functions to the said agencies shall be deposited in the Treasury of the United States to the credit of this appropriation.

Mr. HIESTAND. Mr. Chairman, I make a point of order against the language beginning in line 17, page 19, down through line 22.

The CHAIRMAN. Beginning where?

Mr. HIESTAND. This language:

Provided, That all receipts from non-Federal agencies representing reimbursement for expenses of travel of employees of the Office of Education performing advisory functions to the said agencies shall be deposited in the Treasury of the United States to the credit of this appropriation.

We would redistribute the money, and I suggest, Mr. Chairman, that that is definitely legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Rhode Island desire to be heard on the point of order?

Mr. FOGARTY. This was only an attempt to have the States reimburse the Federal Government for the technical assistance that the States call on the Department of Education to give. Now, if you want it all to come out of the Federal Treasury and not have the States make this reimbursement, this is the way to do it. It is clearly subject to a point of order, and I concede the point of order.

The CHAIRMAN. The Chair has examined the language in the bill and sustains the point of order.

Mr. DORN of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORN of South Carolina: On page 19, line 15, strike out "$7,000,000" and insert "$5,518,000."

Mr. DORN of South Carolina. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Chairman, we have heard a lot of talk the last few days about the march of time, about the clock moving around, and about progress. I have listened very intently to the debate, particularly about our growth and our increase in population. The argument is that we should increase Government spending solely because of a growing population.

Over the last few hours I have done some research on the population phase of this debate. Several people have contacted me from back home about our growth in population and offered that as a reason why we should not curtail some of these appropriations in this particular bill.

Mr. Chairman, in 1937 there were in America 128 million people. Today there are approximately 168 million people. Twenty years from now, in the year 1977, there will be in this country 224 million people. The national income of the American people in 1936 was $65 billion. Our national income as of last year was $342 billion. In 1976, 20 years from last year, our total national income will be $1.4 trillion.

But, oh, yes, my colleagues, here is the story the population argument has failed to tell. The total cost of the Federal budget in 1938 was $6,150,000,000. Today, as proposed in this budget, it is $72 billion, an increase of 1,050 percent over the budget of 1938, whereas the population increase of the country has only been 31 percent. And, if we project that into the future another 20 years, the total national budget of this country will be $753 billion, an increase of 1,050 percent over that of today, whereas your population figure of 224 million will only be an increase of 33 percent. The national budget in 1938 was only 9 percent of the national income of the American people. Today it is near 20 percent. If the Federal budget increases by the same proportion in the next 20 years then the budget for 1978 will be 51 percent of our national income. Mr. Chairman, this is a conservative estimate. And if you project that still further you will find that high school boys and girls in America today will live to see the day when the expenditures of the Federal Government—and I want some of my good friends over here to listen to this—the boys and girls in high school today will live to see the expenditures of the Federal Government equal the entire gross national income of the people of this country. Long before these two meet, freedom will have passed from this land.

You may call us reactionary, if you please, but I stand here today as a liberal, a man believing in the working people of America, believing in the small-salaried men and women of America who are crying today from the grassroots of this country for a sound dollar. We have before this session of the 85th Congress the opportunity to give the small-business people of this country, to give the teachers, to give the workingmen two raises: One, a sound dollar, which will give him more purchasing power, which will give him the power to buy more goods and stimulate business; and then on the other hand, if we continue to hold down this budget, we can give him another raise in the not too distant future, a tax reduction. Then you will have put this country on a sound basis. We will have saved the people from Federal despotism and exploitation.

Mr. Chairman, let me say to you today that it was the ordinary people who paid the taxes in France who rose up during the French Revolution against the ever-increasing expenditures of an autocratic Federal bureaucracy under Louis XVI. At that time 50 percent of the people's income in France was being taken by the Government. And the same kind of revolution, not violent, but peaceful, is brewing in America today, among the taxpayers out at the grassroots, among the little businesses, the small farmers, the laboring people, against this ever-increasing, ever more powerful Federal hierarchy.

The day has come when the Members of this Congress should stand up and be counted, to give the American people a sound dollar, to give them more purchasing power. Can you point to me, my friends over here in this section of the House, one single instance in the history of the world when a government became more centralized, when it grew too topheavy, but that the ordinary people in their prosaic walks of life did not suffer a loss of liberty, a loss of income from that ever growing, ever more powerful centralized authority? The history of the world will prove that to be true. And those of us here today who are trying to hold the line are the true liberals, believing with Thomas Jefferson, the founder of our great Democratic Party, that the least governed are the best governed.

The very foundation stones of this country were laid down by our forefathers in the interest of all the people and not for the benefit of an ever growing, more powerful Federal autocracy seeking more money—from whom? From the citizens of this country who make up our body politic, and who are the source of our strength and the end of our responsibility. My responsibility here today is not to the ever growing, ever more powerful Federal autocracy, but to the people of this country who are paying the bill. Let us stand up today and give them two raises, a sound dollar and eventually a decrease in taxes.

This amendment which I have offered here today cuts back this item for salaries and expenses to the level of the

appropriation for the fiscal year 1957 plus $248,000.

What does this particular part of this bill do? It creates investigations, jobs and boards. Here are some of the things they do: These boards will coordinate libraries and conduct surveys. They will travel abroad and exchange educational information. They will prepare studies on education in underdeveloped countries in the Slavic countries and of higher education in the Far East. They want to investigate vandalism in high schools, and to prepare models of school buildings to exchange with foreign countries.

As the son of a superintendent of education, and as the son of a mother who taught school for 32 years, at the same time raising 10 children, my observation is that the architects in the local communities and the local school boards are the ones to handle the school affairs of this country. I see in this particular phase of this bill a great danger to the educational system of this country. They are going out and investigating vandalism in the high schools. Investigations? It has an "s" after "investigation." How many investigations we do not know. Exchanging information with foreign countries. The architects of this country know how to draw school buildings. I know of no case in this country where they do not have the brains locally to draw the models of their schools. But here we are appropriating money to go out and investigate, and exchange information with foreign nations and between the States.

"Coordination" is another term they use to cover up vast expenditures of your money and the money of the taxpayers of this country.

We must draw the line somewhere, because some day, some time, somewhere, the argument of my so-called liberal friends notwithstanding, you will find the taxpayers of this country working for the Federal Government, and I might say to my good friends here, when that day comes, call it what you will, you will have complete and tee total national socialism in this country if not complete communism. Let us today start with this appropriation and continue through the entire budget until we save the American people from future slavery to an all-consuming arrogant, stupendous Federal autocracy.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment will do just a little bit more than my friend from South Carolina says it will do. It will cut the appropriation back further than the amount they had available in 1957. The Department of Education here in Washington for some reason or other has been neglected for some years now. Two years ago in the report we issued in the 84th Congress, related to fiscal 1956, we had this to say:

The Office of Education always enjoyed a degree of autonomy within the Federal Security Agency, and when the Federal Security Agency was given departmental status as the Department of Health, Education, and Welfare, the Congress was assured that it would not result in any change in the status of the Office of Education.

We have attempted to keep that autonomy for the Office of Education and the Public Health Service.

We said in our report at that time:

The committee feels very strongly that we ought to have an Office of Education that is effective and one that the education authorities all over the country would have pride in and would look to for leadership and for assistance in their problems.

In practically every State of the Union the educational leaders are looking to Washington for some sort of assistance as far as education is concerned.

As a result of that promise to the Office of Education, this committee invited the Office of Education a year ago to come in with a proposal for a substantial raise in their funds for education; and they did. This year they followed out our request again and came in for another increase. Let me tell you some of the things this is going to disturb, and I know the gentleman does not intend to do so, but it is going to have that effect. It cannot have any other effect. If you remember, 2 years ago I brought to the attention of this House the problem of the mentally retarded child in this country, the problem of mental retardation. I told you at that time there were about 4 million to 5 million people who are mentally retarded in this country, and no one was paying any attention to them. So without consulting the Bureau of the Budget or the President this committee put $750,000 into the Institute on Neurology to start a research program in this field. We asked the Office of Education to come up the following year with a program in education that would see to it that the educable child who has some form or some degree of mental retardation or cerebral palsy could be given an education. We did this because we knew that in 9 out of 10 public schools today a mentally retarded child who is educable has no chance for an education at this time. As a result of our action, last year, for the first time, they had that chance. They requested $675,000 for this one program in mental retardation. To annualize the program they have already started, we allowed them more money this year; and the cut offered by the gentleman from South Carolina is going to affect those grants that have been made to educational institutions for research on how to train teachers and how to educate those mentally retarded children who are educable. That is one of the effects that this amendment has. It also has this effect: It has the effect that when you do not allow two-hundred-and-some-odd-thousand dollars for the annualization of these programs that are already going on it means you are going to force the Office of Education to discharge about 40 people who are now working in that Department.

So, instead of building it up, you are tearing it down because little by little these piecemeal amendments asking them to discharge 40 people on the programs that are already going on are going to eventually destroy the programs completely. Why are we so concerned about this form of mental retardation? May I take 2 minutes to tell you how I happened to get interested in it? I believe some of you remember when I told you once before. I was asked to address a group of parents of these mentally retarded children in Rhode Island a couple of years ago. I told them of the great work that the Federal Government was doing in medical research and the advances being made in medical research. At the conclusion of the meeting, I stood around for a question period. The mothers and fathers of these unfortunate children started asking me what the Federal Government was doing in the field of research in mental retardation and cerebral palsy. I had to admit I did not know, but I told them that I would find out when I came back to Washington. In the committee the following year, we asked that question. I asked the question of Mrs. Hobby, who was then the Secretary of the Department of Health, Education, and Welfare, and I asked Dr. Scheele, of the Public Health Service, and the other people who run our public-health institutes, and the answer was, "We are not doing anything in this field." As a result, we, on the committee, did something. We appropriated $750,000. But, let me tell you another story. Coming down on the train that January, I threw the magazine, Columbia, into my bag. On my way down in picking it up to read, the place I happened to turn to was an article on mental retardation and cerebral palsy. It told of the dedication of a school for these children in nearby Massachusetts. The article quoted one of the great humanitarians of our country, Archbishop Richard Cushing, of Boston. I remember his words as if it were yesterday. He said in his dedication speech:

I do not like to refer to these children as mentally retarded children. I like to refer to them as exceptional children because in my mind they are closer to God than the well child because they have not had the opportunity.

He said:

I think so much of the plight of these children who are mentally retarded or have cerebral palsy that my last wish on this earth is going to be that when I die I want to be buried here at this school in the State of Massachusetts among these mentally retarded children who are so close to God.

When a man of the stature and character of Archbishop Cushing thinks as much of a problem as that, I think it indicates its importance. I do not think you want to cut back on a program now that has been going for only 1 year and is now entering its second year of operation. I do not think you want to cut any grant to these schools which are trying to alleviate such human suffering and are attempting to find solutions to such a problem. If you adopt this amendment, that is exactly what you are going to do.

As far as I am concerned, this is one of the most important and one of the most worthy areas in which the Federal Government has ever taken action. As a result of our efforts in the last Congress, we extended to the parents of these exceptional children for the first time, a ray of hope that, at long last, some form of help could be expected.

Adoption of the pending amendment would mean that we were reneging on our offer of assistance and that the economy bloc here in the Congress was more interested in the dollar sign than in the plight of an unfortunate child. I earnestly hope that the amendment is defeated.

(By unanimous consent (at the request of Mr. MORANO), Mr. FOGARTY was granted 1 additional minute.)

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MORANO. The gentleman has made a fine statement and I completely agree with him. I am interested in this problem of mentally retarded children. I think the gentleman will agree with me that every American child is born with the right to be given a chance to become a good mental as well as a good physical specimen in order to aid in the building of a better America. I think the gentleman from South Carolina would not have offered the amendment if he knew that its effect would be to deprive these young Americans of a chance of becoming mentally sound children. I am opposed to the amendment. It should be voted down.

Mr. FOGARTY. I thank the gentleman.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MASON. The sole question in my mind and of every Member of this House should be whose duty is it. The Federal Government, the State government, or the local government. I assure you as a teacher of 35 years' experience that that type of mentally defective children is being taken care of in all of our modern schools today, without any help from Uncle Sam.

Mr. FOGARTY. May I disagree with the gentleman and say that that is not the case at all. Nothing was done in this field until the Federal Government got into it, and the gentleman knows it as well as I do.

Mr. MASON. Oh, years ago we did it in my time.

Mr. FOGARTY. It was not very effective then.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BARDEN. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Chairman, I do not rise in support of this amendment to oppose mentally retarded children. I do rise in support of the amendment for probably a different reason than has been expressed. I do not intend to be unduly critical of the chairman of this committee. I admire him greatly. He is a hard worker. He has a big heart. I enjoy working with him in the House. We have had conferences on the very things we are now discussing. I do not mean to attack the Appropriations Committee. They have their troubles, too. But I want to attack broadside a policy that has grown up in this Government by departments that must be halted. The language in this appropriation bill, putting it mildly, is definitely misleading, whether objectively so, I am not in a position to say, but I do say it would not be like my distinguished friend from Rhode Island to be a party to it.

I want to read to you the language that forms the basis for $7 million:

Salaries and expenses: For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; fostering coordination of public and school library service; coordination of library service on the national level with other forms of adult education; developing library participation in Federal projects; fostering nationwide coordination of research materials among libraries, interstate library coordination and the development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloging of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and cooperative research, surveys, and demonstrations in education as authorized by the act of July 26, 1954 (20 U. S. C. 331–332).

There is not a human being within the sound of my voice who would not, on reading that paragraph, say it authorizes $7 million principally for libraries. The word "libraries" appears in the third line and the word "library" is mentioned twice in the fourth line. It is mentioned again in the sixth line, in the eighth line, and in the ninth line.

But when you come to the budget there is not a single word about libraries.

That I do not like.

We have the library appropriations in this bill up the other day. Libraries are very popular in this country, particularly rual libraries, but I cannot for the life of me see why this language should appear in this bill. The same language has been carried in the budget and in appropriation bills for 3 solid years.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. HIESTAND. Except for the last two lines which the gentleman read has he been able to find anything in the authorizing act suggesting any of these other lines?

Mr. BARDEN. I am going to get around to that now.

I am chairman of the House Committee on Education and Labor. I am thoroughly fed up with these departments coming down with a little harmless bill containing some innocent looking language, and the first thing you know—boom. You have a million-dollar department.

I have here in my hand the little bill that started this particular trouble the only one they refer to, the act of July 26, 1954. I have read it until I am dizzy; and, to save my life, I cannot expand my imagination to cover what they have got in the pending bill to justify this $7 million.

Let me go just a little further. Here is a list of these projects:

Program and financing

	1956 actual	1957 estimate	1958 estimate
Program by activities:			
1. Administration of school assistance in federally affected areas	[illegible]	[illegible]	$1,075,100
2. Educational services:			
(a) Planning		25,000	[illegible]
(b) Vocational education	499,963	595,000	649,500
(c) State and local school systems	690,818	1,023,700	1,264,300
(d) Higher educational institutions	185,928	263,600	420,000
(e) International education	124,252	136,400	149,270
(f) Publications	118,795	220,800	273,000
(g) Legislative reference	41,737	57,500	75,870
3. Research services:			
(a) Planning	14,160	68,430	150,300
(b) Research and statistical services	187,927	513,515	[illegible]
(c) Projects	[illegible]	1,020,190	2,300,000
4. Program direction and management	303,613	333,465	376,000
Total obligations	3,224,778	5,270,000	7,500,000
Financing:			
Unobligated balance no longer available	15,222		
Appropriations (adjusted)	3,240,000	5,270,000	7,500,000

(Reference, p. 647, 1958 budget.)

And I was confused a minute ago when the distinguished chairman handling the bill referred to the amount of money being used for the mentally retarded, because that authorization legislation is before my committee now and the gentleman has discussed it with me quite a bit.

Mr. FOGARTY. That is not what I was talking about.

Mr. BARDEN. What was the gentleman talking about?

Mr. FOGARTY. I was not talking about training teachers; I was talking about educational research in the field of mental retardation. The bill for training teachers is before the gentleman's committee and I hope it will be enacted this year, but it is something else than what we have in the bill now being considered. It authorizes $500,000 for the training of teachers. There is nothing in this bill that would allow any funds for the training of teachers. That is in the bill pending before the gentleman's committee now.

Mr. BARDEN. I want to say this to the gentleman, and I think I know him quite well: Why has somebody not mentioned the fact that we were passing authorization legislation for that work?

Mr. FOGARTY. What work?

Mr. BARDEN. For this $600,000 expense the gentleman is talking about.

Mr. FOGARTY. The $675,000?

Mr. BARDEN. Yes.

Mr. FOGARTY. We had that in our report 2 years ago and we appropriated the first amount last year. In this bill now before us there is over a million dollars for that same purpose, to carry on what we started in this program, which is authorized by law, in connection with research on these particular problems in the field of education.

Mr. BARDEN. We might just as well be frank about this.

Mr. FOGARTY. That is what I want to be.

Mr. BARDEN. That Department knows the Committee on Education and Labor has not had these matters before it. The Department knows as well as I know I am standing here that it would take a terrifically large amount of explanation and justification for me to put them into the business of, and I quote from this bill, "purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloging of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same."

Mr. FOGARTY. Mr. Chairman, will the gentleman yield further?

Mr. BARDEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. That has nothing to do with what I was talking about. I would have no objection personally if we disallowed everything except "for necessary expenses of the Office of Education as authorized by law."

And leaving the rest out.

Mr. BARDEN. Let me say to the committee chairman it ought to be knocked out.

Mr. FOGARTY. It does not mean hardly anything. They are so little that is not authorized by basic law that it is insignificant.

Mr. BARDEN. What I am saying is that the whole paragraph does not serve any purpose except to mislead this House. That is all it does.

Mr. FOGARTY. It has been in there for years, although it means almost nothing from a dollars and cents point of view.

Mr. BARDEN. The whole picture has been changing every year. In 1956 the appropriation was $3,240,000, in 1957 $5,270,000, and in 1958 $7,500,000, and you have been using the same language for at least 3 years.

Mr. FOGARTY. No. We had it changed last year. The cooperative research program was enacted by the gentleman's committee and that gave them additional responsibilities, calling on us to appropriate two or three million dollars.

Mr. BARDEN. The only authorization I can find under that at all is the one the gentleman referred to. Heaven knows, I never thought I was opening up any such Pandora's box.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent, Mr. BARDEN was allowed to proceed for 3 additional minutes.)

Mr. BARDEN. Mr. Chairman, I want to go along a little further. The Department—and this is not the only department that we legislate for or that the committee does—does not care about the legislative committee knowing about their business. That is the truth of the matter. They do not want us to know.

Here is a report, the 1955 report of the Department of Health, Education, and Welfare. I want to give you a little history of how much they rush down here to give us information. This report is for the fiscal year 1955. It was sent to the President on December 1, 1955, it was sent to the Speaker on December 13, 1956, and sent to my committee in 1957. I certainly could not say that a 1955 report would do me or my committee much good when the expenditures have gone off on an entirely different tangent.

Now, I want to go a little further into this appropriation. They have some projects in here. Here is one item, just borrowing one. By unanimous consent a bill went through this House, and the only reason in the world it went through the House was because the President had already appointed his committee and we felt we did not want to embarrass the President by stopping the committee after it had been appointed by the President and given the green light. That is a little bit further on in the bill, the next item, I think.

So, I reluctantly brought it to the floor of the House, and I think the gentleman from Ohio [Mr. BOW] raised some questions about it. I told him very frankly, "I do not care if the bill does not pass. I am not interested in the bill passing." Then he suggested cutting it down some. I said, "Sure, I will send up an amendment to cut it down." That little unanimous-consent bill now shows up with an ultimate request, I think, of $3.2 million.

Mr. FOGARTY. I do not believe that is the one.

Mr. BARDEN. The President's committee?

Mr. FOGARTY. On the study of education beyond high school?

Mr. BARDEN. That is right.

Mr. FOGARTY. We have $200,000 for that. They asked for $300,000, and we gave them $200,000 and told them to end their activities at the end of this calendar year.

Mr. BARDEN. You know they will not end up their activities this calendar year, and they have already told you how much they expect to get for next year.

Mr. FOGARTY. We have a limitation in the bill regarding their activities.

Mr. BARDEN. They will not wind up their activities, and I think what they have spent and what the budget says they will ask for amounts to $3½ million.

Mr. FOGARTY. I think that is a different bill.

Mr. BARDEN. Well, let us go a little further, and I will clear that up.

Mr. FOGARTY. On page 20 of the bill it explains it pretty thoroughly.

Mr. BARDEN. No. This bill does not explain anything to me.

Mr. FOGARTY. Will the gentleman permit me to just read two sentences?

Mr. BARDEN. What is the gentleman reading from?

Mr. FOGARTY. On page 20 of the bill, regarding the item we are talking about now. We allow $200,000 and we say:

Provided, That none of these funds shall be available after December 31, 1957, except for liquidation purposes.

Mr. BARDEN. Well, now, let me see.

Mr. FOGARTY. You could not have it any plainer than that. That winds it up.

Mr. BARDEN. Is that the one under which it is justified?

Mr. FOGARTY. This is the one that they were trying to get into operation without authorization, as the gentleman will remember.

Mr. BARDEN. Oh, yes. I remember it. And, they have really gotten into it, and they are going to stay in it if they can.

Let me say this to the gentleman. I am partly responsible for this situation the House is in. I have heard a lot of talk here about "this is no way to cut a bill." I would just turn that around and say "This is no way to bring appropriations before this House," because I say in all sincerity that the bill is definitely misleading. The items in this bill should be thoroughly gone into before a legislative committee. And they know they are expanding both the language and intent of not only the legislative committee but Congress.

Let me go a little further now. When I say I am a little responsible, I should have gotten all bothered about this thing some time ago and done some investigating. I am now preparing some rather searching questions that I am either going to have the Department present the answers to me, or they will come before that committee and we will have a thorough going over with these programs and ideas.

Mr. FOGARTY. I agree with the gentleman. I think that is your prerogative, and I think it would be a good thing. But, I say the money we have in this bill has been justified in the hearings, and the language that he refers to on page 19 of the bill, as far as I am concerned, if he would just leave in there the salaries and expenses for the Office of Education, including surveys, studies, personnel, and reports authorized by law and cut out the rest, that would be perfectly all right with me. I would be agreeable to it, because as far as I am concerned it does not mean a thing.

Mr. BARDEN. Now let me see. The gentleman made some very beautiful and fine remarks and some that I heartily subscribe to about the mentally retarded. That department is not in a position to spend as much money as they are calling for, because the gentleman knows there are just a handful of experts in this country that claim to know anything about it. They do not have the teachers, and the reason they want the bill from my committee is to train enough teachers to do some work. Now, that is the practical situation. The cutting out of this money now is not going to slow down or inconvenience or hurt a single mentally retarded child.

What they are doing is using a handful of experts to develop a program which is not now developed and they plan to utilize what few experts there are available for the teaching of teachers to do the job that you and I want done. That is exactly what it is.

Mr. FOGARTY. I cannot agree with the gentleman. That is not the fact.

Mr. BARDEN. This money does not go to teach children.

Mr. DORN of South Carolina. Mr. Chairman, would the gentleman yield?

Mr. BARDEN. I yield to the gentleman.

Mr. DORN of South Carolina. Mr. Chairman, I think the gentleman from North Carolina is absolutely correct. Any serious study of the hearings will substantiate the argument of the gentleman from North Carolina. Many of these things in here are absolutely fallacious. Some of the words I cannot even pronounce: A sociopsychological study of acts of vandalism in schools.

This is one of the star witnesses to show what some of the money is being spent for.

An investigation of factors related to educational discontinuance of college ability high-school seniors.

The hearings state:

In fiscal 1957 services are being extended in the teaching of foreign languages, education of exceptional children—

That does not sound like mentally retarded children—

adult education, and education of the aging, guidance and student personnel, school financing, educational records and reports.

And so on.

Mr. BARDEN. Here is what I am talking about. When the gentleman was talking about this money, I requested the Clerk to show me where it came from, and I have it here. It happens to be under subsection (c) listed as "Projects," for which the amount in the bill is $2,300,000.

Mr. Chairman, I do not want to cut a single useful, valuable, helpful, justifiable project in that department too much. But the Office of the Commissioner of Education is getting too ambitious. It is having too much to do with the schools. It is spreading too much. I think it is doing things that you and I do not know anything about.

Mr. Chairman, I am going to promise this House that if I am a party to cutting out any helpful, needed, necessary, and wise program, you will see my committee coming in here with an authorization that will take care of it. But we do not like this kind of appropriation of tax money.

Mr. FOGARTY. This is what the gentleman's committee authorized 2 years ago under the cooperative research program.

Mr. BARDEN. I am so hurt, so embarrassed over that—to be frank about it, I am just ashamed of it, and this little one-half-page bill which I hold in my hand is the little trick that did it—right here. I did not know any more than a monkey how they would interpret the language and expand the language, but I think I will from here on.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BARDEN] has expired.

Mr. GAVIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, this debate has become very interesting. I wonder if the gentleman, my good friend from North Carolina, will be just as intensely interested when we get to the Department of Agriculture appropriation bill.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman.

Mr. FOGARTY. This is very similar to the amendment that we defeated yesterday to cut by 12 percent the amount for maintenance and operation of schools in federally impacted areas. When that bill was passed in 1950 or 1951 many people did not realize how it was going to grow. But it has been revised and extended on 2 or 3 occasions by unanimous votes of both Houses of Congress. It has grown because of authorizations that were voted on in this House. If there are any changes or any disagreements as to what should be authorized for these programs, the proper legislative committee should hold hearings and submit those recommended changes to the House, and we ought to have a chance to vote on them.

Mr. GAVIN. I am pleased to note the Members of the House are carefully considering every particular item and examining and screening everything so very carefully. I hope that you will continue to do so on all appropriation bills. I recall what my friend Bob Rich used to say, "Where are you going to get the money?" At long last this House is economy-minded and considering carefully these items in the budget. It pleases me and I am greatly encouraged.

But what I want to talk about is the agricultural appropriation bill. I just took a few minutes to go over to the Appropriations Committee. Shortly you are going to be presented with the agricultural appropriation bill. I am concerned as to whether you are going to be just as careful in your minute screening of the agricultural appropriation bill as you are in this health, education, and welfare appropriation program.

When the agricultural bill is before the House you will have an opportunity to do some careful examining and cutting, because the total agricultural estimates for 1958 are $4,953,121,617. A lot of money. The regular activities for agriculture are $2,136,256,708; loan authorizations, $474,500,000; corporations, $1,239,788,671; special activities, $843,401,238—a total of $4,693,946,617. Then the permanent authorizations are $259,175,000. This makes a total of $4,953,121,617. So you are going to get a chance now to screen these appropriations and I trust that the Members will give their careful attention to screening and examining all parts of this program.

Let me point out Kansas is wheat, Iowa is corn, Wisconsin and Minnesota, butter, eggs and cheese; Nebraska, wool; California citrus fruits and wool; Texas, Alabama, Mississippi and Louisiana, cotton; Georgia, soybeans, peanuts, and cotton; South Carolina and North Carolina and Virginia, tobacco. A perfect agricultural coalition. It will be interesting to see how vociferous the Members will become to cut agricultural appropriations.

You know, my Republican friends, up to 15 years ago, did not pay much attention to various agricultural programs; however, along came the various subsidy programs and then to get their nose in the trough along with the Democrats, and the coalition between the two parties has been merely carrying on these agricultural programs for years. It is a perfect setup; however, you will have a great opportunity to see where you can cut down on this agricultural appropriation bill when it comes before the House. My guess is it will not be cut very much.

I have been here day after day and listened to the debates, listened to the corn debate several weeks ago; very interesting. One side said it would cost $250 million. Nobody here was greatly excited about it. The other side said it would cost $900 million. It was just an argument among themselves. They evidently fell out, some misunderstanding between both sides, rather unusual, as generally they are in full agreement. Therefore, they did not get together before they brought the corn legislation to the House. But if they had gotten together, there is no question but that the bill would have passed to give relief to the corn farmer even though it would have cost from two hundred and fifty to nine hundred million dollars. I do not know which figure would have been correct; anyway it would have cost plenty. There was great confusion and misunderstanding. Both sides agreed on the principle of the proposal, except that one side felt it would appear that the other side was getting a little bit more advantage and should have included other items and not an exclusive corn program. The debate was fast and furious. The consumer, the American taxpayer, who pays the bill, was not even thought about.

No thought about economy such has been exhibited in the health and welfare program. It would appear to me that since the Members could not agree on the corn program, maybe it will help the economy of the average American who pays the bill.

The corn legislation I concluded was bypassed because the Members thought that one segment of agriculture was going to get a more advantageous position over other segments. They therefore would not concede to each other and nothing was done about corn. I think the farmers will get along just the same. My friends, when this agricultural appropriations bill comes along making appropriations for agriculture, I hope you are going down the line item by item and screen carefully every particular item, because I think the American people are rebelling and are fed up on taxes and want some relief and want the budget cut. They want tax relief. They have been patient and have been carrying this load for many years. Let me also remind the House when the bill making appropriations for foreign aid is brought out, I hope that it, too, will be screened as carefully as the health and welfare. I do not see any of the foreign aid thinking group on the floor today. It would appear they are not too interested in this particular bill for health and welfare; maybe they are, I do not know, but there are not many around. But they will be out in strength when this $4,400,000,000 foreign-aid bill comes out.

I trust that every item in that bill is screened as carefully as this health and welfare bill. We took all last week and we are taking this week on this bill. Last year I do not think it took but a couple of hours to pass the foreign-aid bill of several billions of dollars. Nobody got too wrought up about it. The American taxpayers objected but those of us who did voice our objections appeared as though we were out of step. However, now the American taxpayers are being heard from, entering their protests, and you have been hearing from them, so everybody is getting economy minded, cutting indiscriminately whether justified or not. I wonder, when we come to this agricultural program which you have enjoyed and supped at generously for many years, and I refer to both sides—I hold no briefs for either side or section whether it is tobacco, wool, wheat, corn, cotton, butter, eggs, cheese, or whatever it is in the way of subsidies programs—we will see what action will be taken. Now, my friends, we did not build America on the kind of agricultural program we have been having. We built America under a system of free enterprise where anybody with the ambition, the energy, resourcefulness, and the thrift could go out and be successful. But for political expediency these programs for agriculture that have been developed may wreck the economy of the country including the farmer. I wonder how many items in this agricultural bill which will appropriate, it is estimated, some $4,953,121,617, are going to be screened as you are screening every little item here in the health and welfare program. It is interesting to hear the agricultural debate, the bleeding for the little farmer and agriculture. In fact, some have bled so much that they do not have any blood left. Many of them are becoming anemic and we may have to give them a transfusion one of these days. So the point I am trying to make is this: When you come to foreign aid, the American people are demanding that something be done about it. When you come to these subsidy programs in agriculture and you get the chance to screen all items very carefully and minutely as you are now doing, I am going to be watching, listening, and checking to see who is going to be just as much interested in making these cuts in the agricultural appropriation and foreign aid as you are in making cuts in this program for the Department of Health, Education, and Welfare. So there is plenty of work ahead. I am merely calling in a kindly manner, to the attention of the House the need for economy, the need for a balanced budget, the need for reducing the taxes. But do not indiscriminately pick out one particular appropriation bill and go after it in minute detail and indiscriminately cut it down to make an impression with the folks back home. In the agriculture appropriations bill there will be one particular appropriation alone for the soil-bank program and estimated to cost $1,254,000,000. You know that that program for farm relief is a very worthy item. Whether it will do what it is intended to, we will have to wait and see. I do not know and I do not believe anybody else does.

Mr. TABER. Mr. Chairman, I hate to do this, but I feel that this bill must be disposed of so I must make a point of order that the gentleman is not discussing the amendment which is before us.

The CHAIRMAN. The gentleman will proceed in order.

Mr. GAVIN. Mr. Chairman, the amendment that is before us is one of many amendments that have been offered and which is being very carefully considered. The only point I want to make to my very distinguished friend, the gentleman from New York whom I greatly admire, a conscientious hard-working American, who has devoted himself to his duties as a Representative on behalf of the American people, deserves our hearty commendations—is that we should consider all of these appropriation bills very carefully.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HAYS of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for 2 additional minutes.

Mr. TABER. Mr. Chairman, I must object.

Mr. VURSELL. Mr. Chairman, I rise in support of the amendment.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I cannot yield at this time.

Mr. Chairman, I am inclined to believe that if the membership of this House had taken the time to read page by page the hearings, and then applied that to the bill as it came before the House and they understood how they are ballooning this organization of Health, Education, and Welfare, and how the facts are secluded and beclouded, that a motion to return the bill to the committee would have the approval of this House.

There is waste in this bill from one end of it to the other. Anyone who will read it must come to the same conclusion. I notice in one place: "Adequacy of funds for medical research." And I am reading from the hearings. Mr. FOGARTY said:

Mr. FOGARTY. I notice in the press there has been some discussion regarding your 1958 budget as to whether or not you are maintaining the level that Congress would like to see maintained as far as medical research is concerned.

Secretary FOLSOM. Well, the question——

Mr. FOGARTY. I noticed that some people think that this looks like the 1954 budget.

Secretary FOLSOM. I think there is a misunderstanding there. As you know, Congress gave us $56 million more last year than we asked for, $184 million altogether, and we declared in a statement that we would maintain the same high standards we maintained before.

Mr. FOGARTY. I want to congratulate you on that.

Then Mr. Folsom says:

As indicated in my statement, the estimated expenditures were $172½ million—and this is where some of the people in the Senate have misunderstood our action. At that time the NIH gave me an estimate——

Mr. LANHAM. Mr. Chairman, a point of order. I make the point of order that the gentleman is discussing a portion of the bill that we have not yet reached. He is not discussing the amendment before us.

Mr. VURSELL. I can understand why the gentleman does not want to hear it read.

The CHAIRMAN. The gentleman will proceed in order.

Mr. VURSELL. Now we come to medical expense.

Mr. LANHAM. Mr. Chairman, I call attention to the fact that the gentleman is not proceeding in order. The gentleman should confine his remarks to the amendment before the Committee.

Mr. VURSELL. I am trying to draw a parallel to show that this amendment beclouds the issue and it would seem to me that the testimony before the committee should be given to the House before they vote on this amendment.

I find further in reading, and if I am not in order the Chair may call me to order. At another place, discussing this legislation the gentleman from Rhode Island [Mr. FOGARTY] said:

I am all for that too, but I do not think your proposal will come anywhere near fulfilling the need. It is just a drop in the bucket to what is needed.

Then in another place——

Mr. LANHAM. Mr. Chairman, I call attention to the fact that the gentleman is not proceeding in order and is not discussing this amendment. If we are ever to finish this bill we must speak to the amendment.

The CHAIRMAN. The gentleman must proceed in order or take his seat.

Mr. VURSELL. I think if one had listened attentively to what I believe to be the greatest speech that has been made on this floor since this bill has been brought before the House, made by the gentleman from South Carolina [Mr. DORN], they would certainly feel that the reduction he is asking for in this particular amendment should have the approval of this House. It is amazing to me that in a bill of this magnitude and expense, when there is a real opportunity to make a reduction in the cost of government with reference to this bill, that this House does not support this amendment and make this reduction. Now is the time for you who have been talking economy to show you mean it by voting for this amendment. It ought to make other reductions which are justified, and it would seem to me that this

is justified. If you need further evidence I refer you to the speech made by the gentleman from North Carolina [Mr. BARDEN], certainly a man dedicated to the support and advancement of education throughout this land. Certainly with that information before you it is time to vote. I regret that I have imposed thus long upon you and I hope you will vote to support this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. DORN].

The question was taken, and on a division (demanded by Mr. DORN of South Carolina) there were—ayes 94, noes 53.

So the amendment was agreed to.

The Clerk read as follows:

President's Committee on Education Beyond the High School: For salaries and expenses for the President's Committee on Education Beyond the High School, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and expenses of attendance at meetings, $200,000: *Provided*, That none of these funds shall be available after December 31, 1957, except for liquidation purposes.

Mr. SHUFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUFORD: Page 19, line 23, strike out the paragraph down to and including line 6 on page 20.

Mr. SHUFORD. Mr. Chairman, my amendment would strike out from line 23 on page 19 to and including line 6 on page 20. I would like to read the section which would be deleted by this amendment:

President's Committee on Education Beyond the High School: For salaries and expenses for the President's Committee on Education Beyond the High School, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and expenses of attendance at meetings, $200,000: *Provided*, That none of these funds shall be available after December 31, 1957, except for liquidation purposes.

It is provided, Mr. Chairman, that none of these funds shall be available after December 31, 1957, except for liquidation purposes.

I would like to call the Committee's attention to the fact that as stated by my colleague from North Carolina, this authorizing legislation came to the House and was passed by consent by reason of the fact that the Committee had already been appointed by the President.

Here are some of the objects and purposes of the legislation for which this appropriation is asked: To encourage and assist each State to provide for a State committee on education beyond the high school, composed of educators and other interested citizens; to consider educational problems beyond the high school and to make recommendations for appropriate action to be taken by public and private agencies at local, State, regional, and Federal levels.

Those are some of the duties imposed upon this Committee on Education Beyond the High School.

To start with and to get its work going, there was appropriated last year the sum of $150,000.

To complete the work and liquidate, they have provided $200,000 just to wind it up, and this my amendment would take out.

There is something peculiar about this bill. That is, there is provision for a supplemental bill or appropriation to come in for $650,000 which will be submitted to the House at some later date this year. Next year they propose for the use of this educational committee the sum of $2,500,000.

This is a good example of how a program gets a foothold with the Congress, and then suddenly mushrooms into something never intended by the Congress.

The purpose of my amendment is to stop the program immediately and to discontinue it entirely. According to the testimony which I have recently read, the educational committee is to make a report to the President by January 1, next year. By questions of the chairman of the subcommittee, we learn that it will take the educational committee 6 months more to write up its findings. The additional sum appropriated in this act is for the purpose of acquiring 20 additional employees to help write the final report. Some of them will get a salary up to $10,000 a year.

Mr. Chairman, I do not think it is necessary, I do not think we want to carry on this kind of a program. I hope that my amendment will be adopted.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina [Mr. SHUFORD].

Mr. Chairman, the history of this appropriation is that a year ago the Office of Education appeared before the Appropriations Committee asking for $1,100,000 for this program. We questioned the authority for the program at that time and they told us they did not have authority. So the Committee on Appropriations denied them the request for $1,100,000, and chastised them in the report that we filed last year for starting this program without going through the regular legislative channels.

They went to the Committee on Education and Labor. They got that committee to favorably report a bill giving them authorization. The Committee on Education and Labor came out on the floor of the House with that bill and it was unanimously passed by the House last year. That was to set up this President's Committee on Education Beyond the High School.

This year they requested $300,000 to complete their work. The committee cut that $100,000, allowing them $200,000, and wrote a provision in the bill that is before us now that will wind up their affairs by December 31 of the present calendar year.

This is a project of your President, it is the President's Committee on Higher Education. Now let us see how many Republicans will stand up and support the President of the United States.

Mr. BARDEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I take this time simply to give you the history of this project. This was started originally April 19, 1956, when the President allocated $50,000 from his emergency fund. Shortly thereafter the administration requested statutory authority for $800,000 to be used as grants to the States to study the problem in this area.

During the course of the hearings the subcommittee was informed that the original request would have to be amended so as to provide an authorization for funds for the President's committee inasmuch as the Committee on Appropriations had refused to allow the emergency fund of the President to be used for the purpose during fiscal 1956–57. The President had already appointed his committee. The committee was set up. On this basis the Committee on Education and Labor reported the bill H. R. 12237, including authority for $800,000 for State grants and open-ended it as to the President' committee. The $650,000 figure was substituted for the $800,000 on the floor of the House to meet the demands of the official objectors. It was brought out that the Department had asked for $300,000 for the President's committee; nothing for the State grants. That was Public Law 813 of the 83d Congress, and it was a unanimous-consent bill brought to the floor of this House; $150,000 was appropriated for the President's committee for fiscal 1956–57. Nothing was appropriated for the State grants because no request was forthcoming.

Now here is the current situation. The appropriation bill now being considered contains an item of $200,000 for the President's Committee on Education Beyond the High School Level. There is nothing in the bill for the State activity, which is why the enabling legislation was enacted in the first instance.

Now here is the part that begins to give you a little warning. The budget also notes that $650,000 will be asked for later for the State programs. See page 700. In this connection it should be noted that the final report of the President's committee is due on December 31, 1957. The budget also notes that a new program—pay attention for this is getting serious now—to cost $2.5 million will also be sent to Congress later to assist the States. That, I believe, is on page 701. Is that not right? Now, just note how a little unanimous-consent bill will grow.

Now, should the Congress approve the present request and the future proposals in this area, the total cost would be about $3,350,000. I think the gentleman from Rhode Island will agree that is an accurate statement. Now here they are going to recommend—and it will go if this amendment fails; that is the tip-off for the program—they are going to recommend $2.5 million for States to study the problem in that area between high school and college. Mr. Chairman, this $200,000 is not going to do a thing in the world that will do this country any good, and when they finish filing their report on December 31 they will not know any more about it than they do now, after having spent $2,500,000. I sincerely hope the amendment offered by the gentlemen from North Carolina [Mr. SHUFORD] will be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BARDEN] has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. SHUFORD].

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 85, noes 47.

So the amendment was agreed to.

The Clerk read as follows:

Assistance to State, general: To carry out the purposes not otherwise specifically provided for, of section 314 (c) of the act; to provide consultative services to States pursuant to section 311 of the act; to make field investigations and demonstrations pursuant to section 301 of the act; to provide for collecting and compiling mortality, morbidity, and vital statistics; to provide traineeships pursuant to section 306 of the act; and not to exceed $1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General; $19,592,000.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: On page 22, line 21, strike out "$19,592,000" and insert "$17,744,600."

Mr. DAVIS of Georgia. Mr. Chairman, this amendment will cut from this item $1,847,000. It will leave the amount what it is in the current year plus $153,600, which will approximately take care of the mandatory Civil Service increases. If it does not exactly take care of that, what little may remain can very well be absorbed.

This is not an item concerning which it can be said that we are cutting off any of the very necessary functions under the principal money item in this program.

The Agency asked for an increase of $3 million in the grants to the States for general health. We are all acquainted with what that means. The committee did not grant that $3 million increase which was asked but left that item where it is in the current year, at $12 million; so that no one can come before the committee today and say that we are wrecking the principal part of this program. What it will do is cut back the amounts increased in this item on eight other activities in this program to the level where they were for the 1957 fiscal year.

This does not affect the program for cancer, for research in heart trouble or tuberculosis or arthritis, or for any of those things. You can take your bill here and look over on pages 28, 29, and 30 and you will see that that is where these items are carried. You can look on page 429 of the hearings and observe there the pattern under which all of these programs and activities expand year by year. If you turn to page 429 you will see that in the 1956 fiscal year they had seven activities. In the 1957 fiscal year they asked for an increase in every one of the existing activities except one, and they asked for another activity. In this 1958 fiscal year they are following the pattern; they ask for an increase in eight activities plus another new activity. So the pattern is, and it is followed year after year, to ask for an increase in every existing activity and then add a new activity. That is the way these programs and activities expand and mushroom year after year.

The activities where the increases are granted are such things as this: For public health training. That was the new activity in the current fiscal year. They asked $1 million and got it in this 1957 fiscal year. One of these increases in this bill is to double that activity, raise it from $1 million to $2 million.

Other increases are for technical assistance to the States, vital statistics, international health activities, health of the aged, chronic diseases, occupational health, accident prevention, and then an increase in administration.

We are not hurting any program by holding these things down to the figure they got in the 1957 fiscal year, and that is what I am asking you to do in this. As I said, the subcommittee did not grant any increase in the $12 million which they had this year in grants to the States for general health. They did not need any increase there. The committee recognized it and did not give it to them. They did not give them the new activity they asked for, which was for special projects in health of the aged and chronic diseases. They did not give them that. In those two things they held them down. But they gave them increases in these others which are not needed particularly at this time when the paramount objective ought to be to give the people of this country essential governmental services but no frills.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the first attempt to cut public health. I am amazed at the gentleman from Georgia offering this amendment because if there is any State in the Union that has made great gains with Federal help and Federal technical assistance in the field of public health, it is the State of Georgia.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DAVIS of Georgia. Is it not a fact that the State of Georgia has made this remarkable progress through our own efforts?

Mr. FOGARTY. Absolutely not. Georgia has received millions of dollars of Federal funds for public health through grants-in-aid and your people in Georgia are regularly asking and demanding services of the United States Public Health Service that are financed by this particular appropriation.

Mr. DAVIS of Georgia. The people of the State of Georgia have spent their own funds for this work.

Mr. FOGARTY. Of course, they have spent some of their own funds but they have certainly spent plenty of Federal funds, too. Just take the Federal grants for venereal-disease control as one instance. Georgia got the lion's share of that public-health appropriation last year—more than any other State, but 1 out of the entire 48. Those who have charge of your public-health work in the State of Georgia still demand this service and they want it. They are not in favor of this cut.

What is the record of the committee? The committee has already made a cut of over $5 million in this 1 item. We cut out $1,500,000 of grant funds for a study on chronic diseases and the aging because it was not authorized by law. We made other cuts where we made a careful study. Now the gentleman from Georgia has said that this will have no effect on the control of tuberculosis. That is not so at all because some of these grants to States for general public-health services are being used for the control of tuberculosis, cancer, mental health, heart disease, and many others. I expect that is true in your State, and if there is any State that needs control of tuberculosis, it is your State of Georgia. Now that is one area that you are cutting out.

Let me tell you other areas that you are cutting out by your amendment. We allowed a $1-million increase for public health training. Certainly that is one of the greatest needs in the health field today. That is the training of public health personnel. Here you are getting up on the floor of the House and advocating a cut in the most-needed area of public health service in the country, that is the training of public health personnel, which all the States are asking for now.

Everyone is concerned about the health of the aging and chronic diseases. I am sure the gentleman wants to do what he can for the aged of our country and to help alleviate the suffering of aged people who have chronic diseases. The gentleman's amendment is going to cripple that program because it would cut out an increase allowed by the committee for that purpose.

Another item of increase they asked for this year was in the field of accident prevention. They asked for $300,000 increase for accident prevention work. The gentleman's amendment cuts that out. The gentleman does not want the Public Health Service to work with the States in preventing accidents which is one of the leading causes of death in the country at the present time. These are the things that the gentleman's amendment would cut out of this bill. This appropriation that the gentleman is trying to cut is the very backbone of the Federal public health service of this country. It has been successful because of the cooperation between the public health service personnel in the States and the people on the Federal level. I think the cooperation is excellent. The $12 million grant item goes to States like Georgia and they can use it for almost anything they want to so long as it is for public health services. We do not demand that they use it for specific diseases, because some States have more acute problems with one disease and other States with another disease.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DAVIS of Georgia. The gentleman has said that my amendment would cut out money in the bill for special projects on health of the aged and chronic diseases. Does the gentleman mean to tell the House that you put a nickel in the bill for that item?

Mr. FOGARTY. Under the direct operation for health of the aged and chronic diseases, they asked for $1,200,000, an increase of $650,000, and the committee allowed the major part of the increase but your amendment cuts out that increase.

Mr. DAVIS of Georgia. Did you not cut out the item for special projects of help for the aged?

Mr. FOGARTY. As I said, at the beginning of my remarks, we cut that item out because it was not authorized by law and we said so in our report. As far as I am concerned, we would have allowed it if it had been authorized by law, I may say to the gentleman from Georgia.

Mr. DAVIS of Georgia. You also said that I had cut out accident prevention.

Mr. FOGARTY. The increase. The increase that was asked for, and most of which is included in the bill.

Mr. DAVIS of Georgia. All I have cut out is the increase.

Mr. FOGARTY. But the increase is practically the whole program. They have $51,000 this year and asked for $351,000 for 1958. Accidents are on the increase. If you want to let deaths occurring because of accidents keep on going up as they have been, that is the kind of thing you are inviting by adopting this amendment.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

(By unanimous consent (at the request of Mr. BAILEY), Mr. FOGARTY was granted 5 additional minutes.)

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. LAIRD. Is it not true that there is a reduction already made by our subcommittee of $5,017,000 in this particular item?

Mr. FOGARTY. The gentleman is correct. I thought the committee had done a pretty good job in reducing this item. I was amazed when we had an amendment further cutting the Public Health Service by another $2 million, and to make these cuts in the ways I have mentioned.

The statistics we have on accidents are that accidents are the No. 1 killer between the ages of 1 and 34. Almost a hundred thousand people were killed because of accidents in 1955. That increase in deaths by accident is the reason the Public Health Service has asked for an increase in this program. That is exactly why the committee allowed most of the increase. I cannot conceive of this Congress cutting back a program like this that will save lives in the future.

As far as chronic diseases in our aging people is concerned, there are now 28 million suffering from chronic diseases. The annual cost is $3 billion in public expenditures and a loss of three-quarters of a billion man-days production. The elimination of this increase means that the program aimed at the prevention and control of those conditions will have to be cut. I do not think you want to take this service away from the aging people in our country by passing such an amendment as the gentleman has offered. But that is exactly what you are doing in this amendment.

We have been attempting to get this administration to do something about the problem of the aging, and this is one of the steps they are suggesting in this appropriation. We were attempting to give the Public Health Service additional funds to try to find out what causes these chronic conditions in aging people and what can be done to alleviate them.

If you have a child 10 years old today and you have another child born tomorrow, that child born tomorrow is expected to live 10 years longer than the 10-year-old child today. That is how fast we have progressed in medical research in the past 10 years. I do not want to see that progress stopped, but that progress will be stopped by this kind of amendment.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. CURTIS of Missouri. Does the gentleman want us to believe that the Federal Government is responsible for that progress?

Mr. FOGARTY. No; not entirely. But it certainly has contributed. When your time comes I am ready for your amendments too. I will discuss, in connection with each of them what part the Federal Government has played in research, and how this Congress has, for 10 or 11 years to my knowledge, taken the lead in appropriating funds for medical research, and as a result we can claim some credit in the extension of life expectancy of our citizens.

Mr. CURTIS of Missouri. Does the gentleman not think that is the issue, and what we should be talking about? There has been nothing said on what this program is and what it has done.

Mr. FOGARTY. I understood from your remarks yesterday that you will offer amendments when we reach that part of the bill, and I am ready to discuss those amendments when they are offered.

Mr. CURTIS of Missouri. But I am talking about this amendment.

Mr. FOGARTY. I have just given some statistics and facts to show that the Federal Government should be trying to do something in this field of accident prevention, for one thing.

Mr. CURTIS of Missouri. What are they doing?

Mr. FOGARTY. And in the Bureau of Labor Standards, of the Department of Labor, which I presume you helped to cut the other day, they have one of the best records in the field of accident prevention that I know of. They have been especially effective in training personnel in the States. They have been a really big factor in preventing accidents in industry in the entire country.

In this part of the bill we have a companion program in the Public Health Service. We have in the Public Health Service grants to some institutions for research in this field, for instance, for neurological studies on drivers who are repeaters in accidents.

You know, of course, the interest that has been aroused in the last few months over the increase in automobile accidents. Your President and my President has taken a great deal of interest in this and I feel sure he would not want this cut. We have grants in the Public Health Service for that purpose, and we have funds for that purpose in this particular item unless this amendment passes and they are cut out. As long as this program helps in any way, even if it only reduces the deaths by 1 percent, even if it saves only that many lives, in my opinion it is worth all the millions we have spent. If you want to put a dollar sign upon the life of any person in the country you can do it but I am not going to.

Mr. WOLVERTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have reached what I consider the most important part of this very important bill. I confess to you I am deeply concerned. I have seen Members vote on questions that I considered vital, yet they did not seem to fully appreciate the importance of the matter they were voting upon. I have been concerned as I have frequently seen what has appeared to me to be an absolute ignoring of the basic facts in the case.

I have been in this body a good many years; I have been here long enough to have formed some very definite opinions based upon my experience. On the basis of what I have observed over a period of nearly 31 years, I want to say to you with all the sincerity of which I am capable, that I have never seen a chairman of any Appropriations Subcommittee come before this House so well prepared, so able to answer the questions that have been raised, or give more sufficient reasons and justification for the acts of his committee than the gentleman from Rhode Island [Mr. FOGARTY]. We have been informed that in his early days he was trained as a bricklayer. As a result of the fine work he has done as chairman of this subcommittee I say to you, let us get more bricklayers in the House.

The manner in which he has put this bill together, the basic justification for every act of his committee, indicates that he knows how to build and build well. When he speaks, as he has done so fervently without undue emotion but with deep sincerity in behalf of these matters with which he is so familiar after a period of 11 years on the committee and 7 years as its chairman, it seems to me the least this House can do is to follow his leadership in the matter of these important appropriations and particularly the subject of health, the discussion of which we are now about to enter upon. A very distinguished Member on my side of the House a few days ago rose and stated that there have been speeches that stirred our emotions, and, then he said, "I want you now to stir your minds."

Can it be that in the House of Representatives of the people of this Nation of ours there is to be no place for emotion? I do not appeal to you to cast all other considerations aside and think only in the terms of emotion, nor do I want you to cast aside all thoughts of emotion and vote and think merely in terms of the mind. I want you to use both. If you will let the inner feelings of your hearts stir your emotions in these matters that so shortly will come before us under this title "Public Health," and then use your mind, it will be as fine a combination in

support of the people of this Nation and their welfare as there could be.

As a member of the Committee on Interstate and Foreign Commerce, permit me to remind you our committee has legislative jurisdiction of these questions of health from the authorizing standpoint in most of the instances that will come before you in the provisions of this bill. I confess to you that in all the time I have served in this House there has never been any work or service that I have been called upon to perform that has touched me so deeply nor in which I have been more greatly interested than that of our committee in its work for the health of the people of this Nation of ours.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. MORANO. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. GROSS. Mr. Chairman, reserving the right to object, and I shall not object, I hope the gentleman will address himself to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, during the time I have been a member of the Committee on Interstate and Foreign Commerce we have studied and discussed public health from every angle. The motion at the present time is to amend the provision to carry on the program of public health by cutting the appropriation. Everything I have said and everything I expect to say or do by vote or otherwise will be in support of the appropriations the committee has reported to this House to promote, maintain, and support the Federal health program and research into the cause and cure of the crippling diseases that confront our people today.

During the time that I have been a member of the Committee on Interstate and Foreign Commerce, I have seen the activity of this Government in these matters of public health increase from year to year. It has been slow progress that has been made. It has not been nearly as fast as I would like to have seen it and it has not been nearly as thorough in meeting the need that has been revealed to our committee in its many hearings over a period of years.

The Committee on Interstate and Foreign Commerce a few years ago—I was chairman of the committee at that time—conducted a series of studies. We had before us 95 of the most outstanding leaders of every type of crippling disease that this bill refers to or that will be referred to at any time in the debate on this bill. They were not ordinary men, they were the best in the Nation as heart specialists, they were the best in the Nation as cancer specialists, they were the best in this Nation in the field of neurology, they were the best in this Nation in the field of mental diseases, and the same was true of all the other diseases of a crippling character that are experienced by our people, young and old. These men were outstanding and they gave freely of their advice to us in this matter.

Here are the hearings conducted by this Appropriation Subcommittee in support of this bill. Have those who voted against its provisions read them? I will venture to say there is many a one who voted for amendments to cut appropriations who would not have done so if he had read the contents of these three books of hearings covering over 1,700 printed pages. These hearings were conducted in a most dignified way, in a most searching manner, of the most outstanding physicians, surgeons, social welfare workers, and laymen with benevolent inclinations in this land of ours. Their names are known not merely as leaders, but they are known and recognized as outstanding leaders in the several fields of health covered by this bill. It is they who have testified in behalf of the provisions in this bill.

Mr. Chairman, I realize that my time is too short to say all I would like to say.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I would like to say that it is a source of great pride to hear this distinguished Member, the dean of the New Jersey delegation, make such a magnificent speech. He has always been an advocate of this cause, and on both sides of the aisle we are extremely proud of him for it.

Mr. WOLVERTON. I thank the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. From the Republican side from Pennsylvania I would like to compliment the gentleman and say that I would like to join with the statement made by the gentleman from New Jersey and that many of us who have not spoken yet thoroughly agree with you.

Mr. WOLVERTON. I thank the gentleman.

Mr. Chairman, I am certain of the fact that there are on my side of the aisle individuals who, on the rollcalls on these amendments, will be willing, as somebody said here today, to stand up and be counted, and it will be against the crippling amendments that are being made to this most worthwhile bill. It will not be a case of just five of us standing up, as it happened to be on one occasion. There will be more than that, in my opinion, and if not, I will be surprised and disappointed. I wish I could speak individually to the membership on our side of the aisle, and I wish I could speak individually from a party standpoint and impress them with the fact that the reason our great President, Dwight D. Eisenhower, made such a marvelous run through every section of this land of ours was because of the fact that the people recognized in him a man whose heart was in tune with the people of this Nation of ours and whose welfare he sought to provide. This was the reason they voted for him.

Mr. Chairman, we have under consideration, as I have already stated, that portion of the pending appropriation bill that provides funds for the operation of the various health agencies of our Government.

During the last few days there has been manifest a bipartisan effort to cut the appropriations that the subcommittee of the Committee on Appropriations has made for the operation of certain labor functions of the Department of Labor. In my opinion not all of the cuts that have been made by motions from the floor of the House were justified. However, in each of these instances it has seemed to me that such cuts made from the floor and that were in addition to what the committee had already made were ill advised and not justified.

The committee that prepared this bill under the careful supervision and consideration of its chairman, the gentleman from Rhode Island [Mr. FOGARTY], and brought it to the floor of the House, has made a successful effort to cut budget requests whenever the facts presented and the studies made justified such a course. The result is a splendid job of sensible and carefully considered pruning. The result of the committee's action has been the saving of many millions of dollars to the taxpayer. However and notwithstanding the substantial cuts already made by the committee, we have seen the bipartisan group, to which I have referred, is not content with the considered judgment of the committee, and this group from outside the committee has sponsored further cuts that cannot do otherwise than handicap the work of the Department of Labor in the performance of duties previously placed upon it by the Congress.

I am certain that our people, anxious though they are for a reduction in the budget, do not expect unreasonable, unwise, and unjustified cuts to be made. I am anxious to see cuts that can be justified but not those which do not have solid reasons to support them.

In view of what seems to me to have been a tendency to make cuts, whether or no, in other provisions of the bill, I am concerned that similar attempts may likewise be made as to the appropriations for this all-important part of the bill. I cannot emphasize too strongly that such should not be the case.

The need for an overall health program and the several research programs and other activities now being carried on by our Government to prevent and find curative means for many of the diseases that have stricken down so many thousands of our people is a matter of major importance. These diseases result not only in great physical distress but in many instances distress of a kind that results in excruciating pain and suffering, involving great financial burdens upon the families of these sufferers, and finally, only relieved by death itself.

I wish to repeat and emphasize that it has been a great privilege for me to serve these many years on the Committee on Interstate and Foreign Commerce of the House as the committee which has jurisdiction, among its many other activities, of considering and reporting to the House programs designed to promote the health of our people. And I again repeat there has been no service

that I have rendered during the upward of 31 years I have served in this House, that has come so close to my heart's desire or given me greater pleasure than the work of our committee in this matter of health of which I have been privileged to have had a part.

During these years I have seen the programs grow year after year. The accomplishments have steadily increased. At times it has seemed slow in view of the great need that existed. However, we can be thankful that at least some progress has been made each year. To know the need as I do as a result of my many years of contact with this subject is to bring a large amount of happiness for any forward steps that are taken. I must confess there have also been moments of unhappiness and dismay that the progress made was so slow.

And, now I come to a point where I am greatly concerned for fear that the desire to cut, and cut, and cut in an effort to reduce the overall cost of Government, as has been manifest in the past few days, may find expression also in this most humane and intensely necessary field of Government activity, namely the health of our people and with particular reference to the research programs that have been set up to study and find ways and means of preventing and curing those many diseases that in some instances are considered to be the greatest killers of mankind and in all instances the most crippling.

During the time that I served on the Committee on Interstate and Foreign Commerce my interest became so great that when I became chairman of the committee a few years back I requested the committee to inaugurate a study of the whole subject of health.

I now wish to set forth in as brief a manner as I can the extent and purpose of the committee in making this study of the health needs of the Nation and the resultant legislation that was proposed.

In the first place, I want to emphasize the underlying factor that impelled us to make the study, namely, a recognition of the fact that a long-term illness today represents a financial catastrophe to the average family. Heart disease, cancer, tuberculosis, arthritis, rheumatism, polio, blindness, diabetes, cerebral palsy, epilepsy, multiple sclerosis, muscular dystrophy, and like diseases represent a crippling burden even where the best in medical care is available.

With this problem, one of the most serious and important facing our people today, the Committee on Interstate and Foreign Commerce was, and continues to be, properly concerned. We set for ourselves the task of trying to see what might be done about it. Thus, we initiated a series of hearings to study what can and should be done to provide additional protection for our people against the recognized crippling diseases and the heavy burden—and all too frequent financial catastrophe—that arises from the major long-term illnesses.

The hearings sought to ascertain what is known today about the causes, control, and treatment of the principal diseases. We were concerned specifically with finding out just what has been accomplished, how it has been accomplished, what the problems are, what the future holds, and what additional steps might be taken by way of research or other measures to hasten relief from these dreadful diseases, mitigate human suffering, and curtail the losses which disease inflicts upon our national economy.

During the hearings the committee received extensive testimony on the present state of research into causes and control of some of these principal scourges of mankind. The committee had the unstinted and cordial cooperation of some 95 outstanding and distinguished physicians, scientists, and laymen who had devoted their lives to research in the fields of these major diseases. They advised us on the current status of knowledge in their respective fields of endeavor as to what the causes might be and as to what were the means of preventing or curing these diseases, in mitigating their effects, and what further might be done to bring successful culmination by means of research. Through these witnesses we also learned in great detail the extent of public and private efforts to find the causes of and possible methods to control diseases of a crippling character. Their testimony presented a dismal catalog of the magnitude of the disease problem.

Disease by disease, the witnesses enumerated the number of people afflicted, the number of premature deaths, the number of people crippled, the cost of illness to the individual and has family, and the cost of the disease to the Nation in terms of lost production, lost manpower, and the tax burden for medical care.

We were told that heart disease is the leading cause of death in the United States, causing more than 1 out of every 2 deaths each year. It is the leading cause of death among children, and exacts a toll from every age group.

At the rate at which we are acquiring cancer, 50 million of the present population of the United States will acquire cancer, and about 25 million of them will die from that disease.

The number of mentally ill patients in the United States exceeds the number of patients suffering from any other type of disease—approximately half or 662,500 out of 1,425,000 hospital beds in the United States were needed and used at that time for this group of illnesses.

Cerebral vascular disease, while causing some 160,000 deaths yearly, is more serious as a permanent crippler, leaving 1,800,000 now alive and crippled, paralyzing the body, or seriously limiting the powers of movement, speech, and vision. The other neurological and sensory disorders, similarly affecting the brain or spinal cord, are responsible for the disablement of another 8,200,000 persons.

There are 300,000 men, women, and children in the United States who are totaly blind, and 300,000 more have visual defects so serious as to create partial or almost total disability.

Arthritis, with a total of 10 million victims as of that day and with over 1 million permanently disabled, afflicts more people, cripples and disables more people, and brings more pain to more people than any other chronic disease.

There were at least 1 million known diabetics in the country at that time.

At that time more than 250,000 Americans of working age alone were unable to work because of active tuberculosis.

During the years 1938–52, 302,677 cases of poliomyelitis were reported in the United States and its Territories. During the same years 20,916 deaths were caused by this disease. The estimate for 1953 was 35,000 cases. We may thank God that as a result of research a remedy has been found that will greatly reduce this annual toll.

However, the testimony of these witnesses was not all gloom.

They also outlined for us the tremendous progress which has been made in reducing the illness and death rate from certain diseases, particularly those of infectious nature. Infecticus diseases have diminished as a national problem, for with the identification of the causes of these diseases it has been possible to develop means of prevention, control, and, when the diseases occur, their prompt and curative treatment. All of this has been greatly aided by the research programs that have been carried on.

In the case of noninfectious diseases, improvement has not been so marked. There has been an actual increase in the incidence of and death rate from these diseases, especially those classed as chronic. One of the principal difficulties is lack of knowledge, knowledge about the causes of these principal diseases from which mankind suffers today. Without such knowledge, the prevention, control, or cure of any disease is impossible.

From the testimony these distinguished witnesses gave before our committee it did not seem that adequate treatment was available for such afflictions as heart disease, cancer, arthritis, and rheumatic disorders, cerebral palsy, and muscular dystrophy. For example, the physician knows that after an attack of coronary thrombosis or a cerebral hemorrhage he can aid the patient by treating symptoms, but he cannot prevent or cure the disorder. If he does not fully understand the underlying causes of these ailments he is not able to eliminate them. Similarly, he may completely remove a malignant growth by surgery or slow its growth by X-ray treatment. But if these treatments are not completely successful, as is too frequently the case, the physician is unable to do much more than to provide palliative treatment. He does not know the causes of tumor growth and he is thus unable truly to conquer it.

While it is obvious that in some of these fields we do not yet know how we may provide a complete cure, nor in others do we know just what we are fighting, research activities already have produced marvelous results in the prevention and treatment of some of them. And we may be well along the road to a solution in some of them.

However, it is all too evident that at the present time these diseases continue to be, and probably will continue to be for some time, a tremendous burden upon the families of our Nation as they attempt to meet the costs of providing

the medical care which long-continued illness places upon them. Indeed, the very fact that we are now able in some degree to treat many of these diseases and prolong human lives but increases the problems of an economic nature. Extended hospitalization and medical attention prove exceedingly costly, and such costs are mounting.

What families today—with one of their number suddenly stricken—can afford from their own resources to pay $4,380—the amount given to us as the possible cost involved in the hospitalization of a chronic heart patient for 1 year; or the monthly cost at a cerebral palsy center offering the full range of medical, psychological, and social services, averaging as much as $750 per child; or the heavy cost per year in keeping a seriously involved polio case in an iron lung?

Or, if from their own resources, and those of relatives, they can meet the costs of such illness, at what cost to them in financial readjustment, lowered standard of living, interrupted schooling, uprooted children, loss of layaway for old age, or assumption of the breadwinner's role by someone else?

Does not all this encourage and inspire us to greater efforts in the field of research? Does it not impel us to greater activity? Does it not cause the red blood in our veins to course stronger and more irresistibly to provide every possible means to find ways and means of dealing with these crippling conditions? The answer is "Yes." The way to do it is support the appropriations now before us; all of them; and as fully as recommended by this illustrious committee. The work that has been done by JOHN FOGARTY and his committee deserves our full-hearted support.

Let us start to show our appreciation of their work by defeating this amendment offered by the gentleman from Georgia which is the opening wedge for others to follow. The purpose of all of which is to cut down, curtail and hamper the work of the Federal Government in the great field of promoting the health of our people.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Chairman, reserving the right to object, it seems to me that when we take more than 10 minutes at this stage of the proceedings in the consideration of this bill by one Member, that it is asking just a little bit too much, and I must object.

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Georgia.

Mr. Chairman, I first want to commend the gentleman from New Jersey [Mr. WOLVERTON] and also the gentleman from Rhode Island [Mr. FOGARTY] for the defense of this public-health appropriation. Following debate on this bill for the past few days, it makes me wonder if we are not losing all sense of values. I cannot think of anything more important to our country than the health, education, and welfare of our people. To cripple programs like this, programs which are so essential to the national welfare, in my opinion, is the worst kind of false economy.

I have had the opportunity in recent weeks to meet with the deans and directors of the schools of public-health groups of our country. They are people who are doing a tremendous public service. They are devoted servants to the cause of public health. Every one of them could get a much better income or salary in private practice. They are concerned over the lack of adequate training facilities in the public-health field. We ought to be talking about improving the service. The challenge to us certainly calls for nothing less than the money asked for in this bill for public-health service. I consider the public-health training program an essential part of the fight against crippling diseases.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentlman.

Mr. CORBETT. I would like to ask if it is not the gentleman's opinion that instead of condemning these agencies for adding new functions and new activities that we should say, in view of the fact that people are dying and suffering, that they are not advancing them with a rapidity that would be good for the country.

Mr. RHODES of Pennsylvania. I think the gentleman, my friend and colleague from Pennsylvania is exactly right. We have heard a lot of talk today about the big, bad Federal bureaucracy. It is not time we start watching the financial bureaucracy and the oil bureaucracy. Only last week financial interests were very effective in killing the Patman resolution calling for a probe of fiscal and credit policies. For the last few days selfish interests have been pressing the fight to cripple these essential welfare programs.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman, my colleague from Pennsylvania.

Mr. FULTON. I want to join the gentlemen in recommending the approval of these appropriations for our health and welfare services. I should like to point out that under these amendments there would be $12 million cut from Pennsylvania for people who need advice on employment, people who are over 40, who cannot get jobs. Certainly we should continue to maintain services of that kind. I want to compliment the gentleman on his statement.

Mr. RHODES of Pennsylvania. I thank the gentleman. We in Pennsylvania are very much concerned and we want these services to continue. I think it is about time that we think of human values.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 62, noes 79.

Mr. DAVIS of Georgia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DAVIS of Georgia and Mr. FOGARTY.

The Committee again divided, and the tellers reported that there were—ayes 77, noes 80.

So the amendment was rejected.

The Clerk read as follows:

Grants and special studies, Territory of Alaska: To enable the Surgeon General to conduct, in the Service, and to cooperate with and assist the Territory of Alaska in the conduct of, activities necessary in the investigation, prevention, treatment, and control of diseases, and the establishment and maintenance of health and sanitation services pursuant to and for the purposes specified in sections 301, 311, 314 (without regard to the provisions of subsections (d), (f), (h), and (j) and the limitations set forth in subsection (c) of such section), 361, 363, and 371 of the act, including the hire, operation, and maintenance of aircraft, and the purchase, erection, and maintenance of portable buildings, $2,165,000.

Mr. MASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to serve notice on the House that there will be no more extensions of time today.

The Clerk read as follows:

Grants for waste treatment works construction: For payments under section 6 of the Water Pollution Control Act, as amended, $50 million, to remain available only until June 30, 1959.

Mr. FISHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISHER: On page 25, strike out lines 1 through 4.

Mr. FISHER. Mr. Chairman, I do not know how we will fare on this amendment. From the standpoint of the amount of money involved, it, of course, is the most important one that has been offered because it will strike out $50 million, a very substantial amount. I know I have been approached by telephone and otherwise several times today asking me not to offer it. I know if it is adopted, the district I represent will receive considerably less money in Federal grants in the next year than would otherwise be the case. I know the same is probably true of every Member here. So I am quite aware of the situation. I think it is important that we understand the issue and that each of us vote as we see fit. As I say, this amendment would save $50 million in 1 year. It is a saving that can be achieved without having an adverse effect on public welfare or on our national defense. Therefore, it meets the President's criteria in respect to reducing the budget and it responds to the public's demand that we here now take bold steps toward reducing Federal spending. If this amendment is adopted, it means that Federal grants to towns and cities over the Nation to pay for their sewer systems will not be made next year except out of the committed funds or the obligated funds included in the current appropriation. That means less, as I

say, in Federal grants to each congressional district. Let me talk for just a moment because I think it is most important that we understand the issue and the background of it. Section 6 of the Water Pollution Control Act authorizes outright grants to cities and towns in accordance with a Federal formula.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield briefly to the gentleman.

Mr. MORANO. What is the maximum population that a city or town must have in order to be eligible to get a grant?

Mr. FISHER. There is no limitation. There is a formula which provides that at least 50 percent of the $50 million annually must go to those of 125,000 or under. There are other provisions which I will go into, but I am afraid the 5-minute rule is going to stop me before I get started. I was going to ask for another 5 minutes to try to explain this more thoroughly.

Mr. MORANO. I thank the gentleman.

Mr. FISHER. Anyway, section 6 which we adopted 2 years ago, and which some voted for and some voted against, and I was one who voted against it—but it was enacted. I think Members were generally under the impression at that time that section 6 was associated rather directly and closely with the prevention of stream pollution. Many thought it was a stream-pollution bill. But, in actual practice, as can be determined if a study of the grants were made, and I am familiar with a limited number of them, that those that have been eligible, at least some of them, are located away from running streams. Two towns in my district qualified and have been given grants and I am sure there are at least 20 and possibly 30 others in my district that can qualify. Some are on streams and some are not. So being located on a stream is not necessarily an essential in order to qualify for a grant. So in actual practice, this is a Federal grant to localities to help them pay for one phase of maintaining local utilities and services. It could just as logically in practice be used to help pay for street improvements, for city park improvements or for school construction or any other utility or any other service that an organized municipality functions for. In other words, every town has a sewerage system—they either have one or are planning one. It is just as essential a function as building streets or providing courts and so on.

Probably 10 or 15 percent of the bonds sold are used to pay for sewage systems. Of course, if Uncle Sam comes in and makes a donation to help on these services, they will be able to devote more money to streets and schools and so forth. It is one of many essential parts of the public service that is provided by various municipalities.

Mr. Chairman, it is only proper that any municipality which can qualify apply for aid under section 6. The Congress appropriated $50 million to be spent this year. Every city and town must pay its pro rata part of the taxes to provide that money—whether they get any of it back or not. It is being spent some place, and it is certainly proper that any eligible city make application if it so desires.

But my amendment deals with the broad principle involved in having the Federal Government hand out grants, not loans, all over the country to help people pay for one of their local services. And I am talking about a Federal Government that is in dept to the tune of $278 billion. And I am talking about a Federal Government that is faced with a $71.2 billion budget this coming fiscal year—the highest in the peacetime history of this country.

Is it any wonder that people all over this country have become gravely concerned about the magnitude of Federal spending? Is it any wonder that they are calling on the Congress to reduce, reduce, reduce? Is it any wonder that in my own State of Texas the State legislature recently memorialized the Congress to take drastic steps in reducing the spending?

Now the only way to reduce is to reduce. Do we really and honestly mean to do something about it, or do we just want to talk about it?

Actually, practically any town or city in the country can qualify for this type of Federal grant. It does not necessarily deal with emergency or unusual problems. It has general application, under the formula with respect to amounts that will be given.

This program penalizes communities which take care of their own. It is an example of the kind of thing the Federal Government should not be doing.

As absurd as it may sound, this program requires the President of the United States to approve criteria under which Federal grants may be made to localities for construction of necessary sewer treatment works.

If there is one remaining thing which localities should do for themselves, it should be to provide for necessary sewage disposal.

But, here is a Federal appropriation for $50 million to be passed out in grants—not loans—for this purpose.

It is another program encouraging State and local governments to come to Washington with their hands out.

It results as a penalty on citizens of communities who pay their taxes, sell their bonds, and take care of their own local needs.

The program was started this year under section 6 of the Water Pollution Control Act. The original appropriation, for fiscal year 1957, was also $50 million. The budget estimates actual expenditures this year of $7 million. It estimates also remaining $43 million will be carried over into fiscal year 1958 as an obligated balance.

Of the new $50 million appropriation requested for 1958, and provided in this bill, it is estimated that $26,500,000 will be spent in the coming year, with the remainder to be carried forward for expenditure in fiscal year 1959 or some subsequent year.

Elimination of this new appropriation will not affect any obligations made against the original $50 million up to June 30; it would simply prohibit further obligations against the new appropriation.

Funds appropriated for these grants are allocated to States and Territories on the basis of population and economic need. Within these allocations grants for specific projects may be made up to 30 percent of the cost of the project, or up to $250,000, whichever is the smaller. At least 50 percent of funds appropriated go to communities of 125,000 population or less.

Approval and priority of construction projects is established by a State agency on the basis of financial and water pollution control needs. Projects are supposed to conform to the "State Comprehensive Water Pollution Control Plan."

In approving projects, "the Surgeon General of the United States considers the propriety of Federal aid in accordance with criteria approved by the President, the public benefits to be derived by the construction, the relation of the cost of the project to the public interest and necessity, and the adequacy of provision by the applicant for proper and efficient operation and maintenance of the treatment works after completion of the construction."

This detail is cited as the kind of red-tape in which localities become involved when they take money from taxpayers in other communities, through the Federal Government, to provide for their own "necessary" sewage disposal.

It would seem this is one thing they could do for themselves, without bothering the President of the United States to fix the criteria. It is no wonder taxpayers all over the country are rising up against this budget.

Mr. Chairman, this is $50 million which can and should be saved. The country will go along just as well without this. The cities and towns, once they learn they cannot go with hat in hand to Washington for some funds to contribute to their local responsibilities, will arrange to solve and pay for their own sewage problems, just as they do with respect to their streets, parks, schools, and the other local services which municipalities are obligated to furnish to the local people.

Let us act instead of just talk about economy. Let us do something about nonessential spending. The American people want to know if we really mean business about reduced spending. Here is a chance to give them the answer.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FISHER] has expired.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman spoke about Federal loans for highways and waterways agricultural grants and every other sort of grants—a grant is a grant. Even if we did make a grant to clean our polluted streams and purify and clean up our waters, I cannot see that there is much difference. It is just as important to clean up our polluted streams as it is to build highways, and highways I agree are important.

But let us not deprecate this particular project and its purposes. This very amendment offers an opportunity to clean up our waters for the use of the

people of our Nation. This amendment to reduce the funds for this program is one that the House should carefully consider, as it concerns one of our great resources, water. The water-pollution control and water-supply program of the Public Health Service is a natural-resource program. It is one of the most important resource programs in the whole Federal Government. I understand it takes nothing away from the agencies and programs of the Department of Interior or the Department of Agriculture.

I might say that we are fortunately blessed with great water resources. They must be conserved and protected. It is not economy to permit the waste and destruction of vital natural resources. Too long we have permitted the waste and destruction of our natural waters to go unchecked. Too long we have neglected pollution control at the expense of the national economy and the public welfare.

Now, what is the cost of pollution? The cost is to be measured in lost business and industrial opportunities. How many communities have had to turn away new industries because of inadequate supplies of clean water? The cost is to be measured in damages to farmers because they cannot use the waters of riparian streams for livestock water or irrigation.

The cost is to be found in destroyed wildlife, in lost recreational opportunities, and declining public morale. All of these factors can be as depressing to the economy as the direct loss of industrial and agricultural production through short water supplies.

The market for real estate collapses along the banks of a polluted, sewage-laden stream. The cost is to be counted in declining real-estate values.

Then we must consider the health values along streams, particularly in metropolitan areas of the United States. People today are demanding that they have clean streams and pure water in their areas.

Mr. Chairman, there is no economy in destroying natural resources. The only outcome, when we do neglect our resources, is depression, distress, and the decline of our natural wealth and welfare.

I might say to the Members of the House that it costs money to clean up pollution. We must pay the bill now, and future generations must pay the bill, because we have refused in the past to make the outlays necessary to keep our waters clean.

We have been blessed with great water resources in this great Nation of ours. With the great increase of millions in our population, the demands and pressure for more and clean water become greater. I am sincere when I say to the House today that in my opinion it is a wise investment of the taxpayer's dollar. We must pay the bill. Our children and grandchildren will pay the bill or perish. The Nation cannot survive without water. We have evidence of this all over the world, where water resources have been neglected. We must protect our available water resources today.

The Nation, I want to say, cannot prosper without natural resources, especially water; and, certainly, we want to clean up these dirty, polluted, unhealthy, unsanitary waters and streams and give the American people the benefit of that great natural resource that we have neglected so long—pure water.

Vote carefully on this. This is a conservation issue. The people of America are aroused that something be done to clean up these dirty streams and give them the pure water to which they are entitled.

It is entirely up to you. I shall vote against this amendment.

Mr. PRICE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to this amendment, or to any other amendment to cripple the long overdue water pollution control program. I yield to no Member of this body in my opposition to waste and to unnecessary cost in Government. But there is another kind of waste that is even more deadly.

I refer to the waste of our natural resources.

In the long run this kind of waste can spell the ruination of our national strength and prosperity.

We are dealing here with the most vital and most basic of all our natural resources—water. I need not remind this body that the water supply situation in this Nation has indeed become critical.

We are proud of our growth and industrial development in America. We look forward to continued progress. But water shortages can well bring our progress to a rude halt. All our spectacular growth and the spectacular new demands of cities, of industry and agriculture for more water have to be considered against the cold fact that we have no increase in overall water supply.

As a matter of alarming fact, our water reserves are dwindling. Underground water tables are falling in many States. Wells and springs are failing. Watersheds are yielding mud and floods instead of steady supplies of clean water—due to land misuse.

Our cities and industries have been building waste-treatment works—but the trouble is, they haven't been building them fast enough. We are still losing vital water supplies to pollution faster than we are reclaiming them.

From 1920 to 1955 the amount of human sewage escaping untreated into the streams and watercourses of America increased by 30 percent. Today the amount of raw city sewage escaping into public waters is equal to the wastes from 55 million people.

The lag in industry is even greater. In 1920 the industrial wastes being dumped untreated into our streams was equal—in damaging effect—to the sewage from 49 million people. Today it amounts to the sewage from 110 millions.

Pollution makes water unusable. It kills fish and wildlife. It destroys recreational opportunities. It causes new industry to look elsewhere for plant sites. It depresses real estate values. It endangers public health. In short, it cripples America.

Last year, Mr. Chairman, Congress first took realistic action in facing up to this critical problem. We passed Public Law 660. The Natural Resources Council of America, and the National Wildlife Federation, in their reporting services, ranked Public Law 660 among the 2 or 3 most important conservation achievements of the 84th Congress. In the field of water resources, according to the federation, it was the most important action of the last Congress.

The first abatement action under the new law was recently completed. A public hearing was held in the case of oil-well drainage polluting the interstate waters of the Corney Creek system in Arkansas and Louisiana. The offending oil-well operators were ordered to clean up their pollution. They have agreed to comply.

Many polluting industries watched the Corney Creek case as a test of the teeth in the new law. I wonder if the outcome of that case has anything to do with attempts being made now to cripple the program.

I understand the head of the natural resources department of the United States Chamber of Commerce has been working against this appropriation. I wonder if that fact has anything to do with the attitude of some of my colleagues who are supporting this amendment.

Mr. Chairman, Public Law 660 was passed by this body in the 84th Congress by a record vote of 338 yeas to 31 nays. Some of my colleagues have been quick to claim credit for getting it passed. They were good conservationists during the campaign last fall. I wonder if they are as strong for conservation now, when it comes time to vote the money to make the pollution-control program work?

Mr. Chairman, this is a conservation program. We cannot afford continued waste of a vital natural resource. This amendment should be defeated.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Texas.

Mr. FISHER. I would like to advise the gentleman that is the first information I have had about that. The chamber may have contacted the gentleman from Illinois, but it did not contact me.

Mr. PRICE. The chamber has contacted many Members. I am not saying that the gentleman is anything but sincere in his presentation of the amendment. I do say, however, I am unalterably opposed to it.

Mr. LONG. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Louisiana.

Mr. LONG. I may say that I have been contacted by the chamber of commerce to support this amendment.

Mr. PRICE. I think many Members have been.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Indiana.

Mr. DENTON. The letter from the chamber of commerce and the report shows their opinion on this matter.

Mr. PRICE. It is a known fact that there have been many contacts made with numerous Members of Congress in opposition to this very worthwhile, essential, and necessary program for the preservation of our water resources in this country. I urge my colleagues to vote down the amendment offered by the gentleman from Texas.

Mr. ARENDS. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, it is refreshing and very encouraging to observe the professed interest on the part of many of our colleagues on the other side of the aisle in reducing Government expenditures. For years and years, when their party was in complete control of both the executive branch and the Congress, we operated under unbalanced budgets, we constantly added to the national debt, and periodically increased taxes to meet the rising cost of Government.

Admittedly, the budget submitted by the President is a sizable one, but it must be noted that it is a balanced budget, with an estimated surplus to apply on the national debt. Suddenly, and notwithstanding, we find the spenders of yesteryears protesting most vigorously against the proposed expenditures required on programs they themselves initiated, which many of us on my side of the aisle opposed.

The provision now under consideration provides for an appropriation of another $50 million of Federal grants to municipalities to erect sewage-disposal plants. Why is this item in the budget, and why is this item in this bill? It is because the Congress itself, over the opposition of the administration and over the opposition of my side of the aisle, wrote into a bill to extend the Water Pollution Control Act an entirely new program as provided by section 6.

There is no question as to the value and the need for the water pollution control program as a whole. That is not in issue. The sole matter in issue is with respect to section 6 of the act pertaining to Federal aid to States and municipalities for water-treatment plans.

When we had the bill to extend the Water Pollution Control Act before us, on June 13, 1956, our side of the aisle made a vigorous effort to have section 6 eliminated. It was pointed out at that time that it represented an entirely new grant-in-aid program, that it would be costly, and that it constituted something that municipalities could and should do for themselves without Federal financial assistance.

The gentleman from Ohio [Mr. McGREGOR] led the fight to strike section 6 from the authorization bill. Failing to accomplish this in the Committee of the Whole when the bill was read for amendment, the gentleman from Ohio [Mr. McGREGOR] offered a motion to recommit with instructions to eliminate the section. There was a record vote. It will be found in the CONGRESSIONAL RECORD, volume 102, part 8, page 10277.

I voted for a motion to recommit and eliminate section 6. Most of those supporting the motion, 165 of us, were from my side of the aisle. Most of those opposing the motion, 213, were from the other side of the aisle.

I am for economy in government. I have always been for economy, and I have always voted for economy. I believe the budget submitted to us can and should be reduced, and I have been consistently voting for cuts. If you are for economy, you do not simply talk it and then vote otherwise.

If the expenditures of the Federal Government are to be reduced, we in the Congress must, first of all, stop initiating new projects and programs, such as was done in the Water Pollution Control Act. Secondly, we must postpone projects or programs, however meritorious, that are not of an urgent necessity. Thirdly, we must examine every item, evaluate its relative merits in relation to other items and the overall budgetary situation, with a view to reducing expenditures to the extent possible, and with a view to eliminating completely the proposed expenditures not necessary.

Now, here is an opportunity to eliminate a $50 million expenditure that is not necessary. It should never have been authorized last year. There is no reason whatever why the Federal Government should be providing funds to States and municipalities to erect waste-disposal plants. For the most part, the States and municipalities are better able financially than the Federal Government to meet this local need.

Here is a chance to vote for economy. If we strike this section from the bill we will save $50 million for the next fiscal year and many, many millions more in the years ahead.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sorry that this amendment has been offered. I thought it was agreed last year when we passed Public Law 660 that we engaged in a contract with the States of the Union to the effect that we would participate in a program of providing $50 million annually for a period of 10 years and that the States would match that $50 million by some $150 million annually and construct projects to abate the pollution of their streams.

Now, Mr. Chairman, let us look for one moment, if you will, at the total investments that the United States has made in its various water-resource programs. Up to the present time the Congress of the United States has voted and appropriated over $14 billion to utilize one of the greatest natural resources that we have in this country, water. So often, Mr. Chairman, I have noticed that in times of low waterflow we here in the Congress express fear and apprehension of what will happen to the economic situation of our communities if we do not establish a wise and prudent program concerning the use of our water.

Now, we have made a contract with the various States of the Union. The enthusiasm by which the States have accepted this program is indicated by the number of applications that have been received by the Public Health Service. The author of the amendment, the gentleman from Texas [Mr. FISHER] must have been unmindful of the fact that from his State of Texas alone there have been probably more applicants to become beneficiaries of this program than from any other State in the Union. There are some 37 applications from the State of Texas, and the total cost of those programs is in excess of $10 million. I cannot think of any State where the necessity is greater than in the State of Texas for the wise use of water to preserve and protect the quality as well as the quantity of the water.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. FISHER. The gentleman from Alabama has pointed out that in the State of Texas applications have been filed which would result in a total cost of programs of some $10 million.

Mr. JONES of Alabama. I said approximately $10 million. At the rate of $10 million, if approved, that would mean in excess of $30 million expended in joint enterprises of various communities in the State of Texas and the Federal Government to improve the quality of their water. That is in a State where water users are already having difficulties and where the Federal expense is very great in the building of dams for the impounding of water for the purpose of conserving the water that is now going to waste.

Mr. FISHER. If the gentleman will yield further, I would like to suggest to him that I do not speak for the State of Texas. I am only one who is from that State. But speaking for myself, I think we are willing to forego that $10 million in an effort to reduce Federal spending. And if the State of Alabama and other States will join with Texas in this effort, then we will be able to do something about cutting this budget.

Mr. JONES of Alabama. Mr. Chairman, I appreciate the generosity of the gentleman from Texas in being willing to forego great water resources, but I recall that very recently the gentleman from Texas was intensely earnest and zealous concerning appropriations for the purpose of drought relief in the State of Texas. I assume that this drought relief was made necessary because of the fact that we did not have sufficient water supplies to be able to make proper utilization of the water by the farmers in the State of Texas.

Mr. FISHER. Mr. Chairman, does the gentleman yield further?

Mr. JONES of Alabama. I yield.

Mr. FISHER. Then I take it the gentleman associates this kind of legislation and this kind of Federal aid with that having to do with emergencies such as disasters?

Mr. JONES of Alabama. Of course I do, for I find there is no distinction between the quantity and the quality of water. I think it is of paramount importance not only to the Federal Government in its expressed policy of conserving our natural resources, but also to the States in helping to implement this program of water conservation.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. JONES] has expired.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. MASON. Mr. Chairman, I object.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am very sincere in my opposition to this amendment and I want particularly to take issue with my distinguished friend, the gentleman from Illinois [Mr. ARENDS], who contended that this is a problem primarily for the cities and municipalities. I would remind the gentleman that water does not stay within one municipality. We in Pittsburgh and western Pennsylvania are presently spending many millions of dollars for sewage-disposal plants. If the rivers above us are not controlled in the same way our efforts are valuable only to the people downstream from us.

Also, I would remind the gentleman that rivers do not stay within any given State. They cross into other States. It seems to me that if there is one place where the Federal Government properly should encourage the municipalities and the States to do a job for the general welfare of all the people of the United States it is in this program.

Further, I would like to point out in regard to the argument which the previous gentleman was making and the distinction he was making between an emergency program and a continuing program, that the University of Pittsburgh has issued studies proving that the loss from disease and death, as well as the resulting economic loss because of low water and polluted water, is greater than the loss from floods. You have, therefore, a continuing emergency in the condition where we are polluting our streams either with industrial wastes or human wastes. It does not make any difference. This is a proper program. It is a program we need. We should have had it long ago.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Illinois.

Mr. ARENDS. I would certainly have no disagreement with the gentleman as to water pollution. I do not think anyone in the House does. The question I raise is that this does not affect the Water Pollution Act. What I am talking about, based on the information they gave me downtown, is that the amount provided here is to help in the construction of sewage plants, which the cities themselves could do and have been doing in years past.

Mr. CORBETT. No, I would take issue with the gentleman. Our rivers have become, particularly in summer, simply open sewers. There is no other word to describe them. Industrial pollution is not nearly as detrimental as that is. So what would happen if Wheeling, W. Va., proceeded with a fine program of waste disposal and the city of Pittsburgh did not? You would be polluting that city, just the same as up in Oil City they would be polluting Pittsburgh.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I would say there are about 25 or 30 small communities of from 10,000 to 25,000 population above the city of Pittsburgh, all emptying their sewage into the Allegheny River and going on down to Pittsburgh for your water supply.

Mr. CORBETT. It costs us millions of dollars to clean up that water before we can use it.

Mr. GAVIN. If the gentleman will permit me to call attention to what the President said, since he mentioned the President's program, this is what he said in his state of the Union message:

> The whole matter of making the best use of each drop of water from the moment it touches our soil until it reaches the oceans, for such purposes as irrigation, flood control, power production, and domestic and industrial uses clearly demands the closest kind of cooperation and partnership between municipalities, States, and the Federal Government. Through cooperation of Federal, State, and local authorities in these vast projects we can obtain the economy and efficiency of development and operation that spring from a lively sense of local responsibility.

Mr. CORBETT. I appreciate the gentleman's contribution. I am sure he agrees with me that this is a proper Federal expenditure.

Mr. GAVIN. Certainly it is a prize investment of the taxpayers' money.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from West Virginia.

Mr. NEAL. The gentleman's area is in the 7 or 8 States which have an interstate compact, Pennsylvania, New York, and so forth. Does the Housing and Home Finance Agency not enable these small areas to borrow as much as a quarter of a million dollars to make plans to build these sewage plants?

Mr. CORBETT. I am sure it does. I am sure this program is to stimulate activity along that line, because many of these communities simply cannot afford to borrow. They need some Federal help and assistance in order to help those that are not able to help themselves.

Mr. HOLLAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Chairman, I was very much surprised to find objections to appropriating $50 million to be used in grants to municipalities to assist them in building waste-treatment works.

I do not know of any moneys which could be spent more wisely to clean out the pollution which is poured into our streams through human waste, than this amount of money.

Mr. Chairman, the objections to cleaning up our streams are nothing new to me. I fought this battle for many years in the house of representatives and in the senate of the Commonwealth of Pennsylvania. I was the original sponsor in 1937 of legislation that made possible the existing Ohio River Valley Pure Stream Compact that is now a law and working successfully throughout the entire Ohio River Valley.

When this legislation was introduced, the same arguments which are used today were used then. Industry had their stooges to fight this compact and point out the exorbitant expense it would entail, although what we were doing was trying to clean out the pollution that many of these industries had poured into the river over the years.

Cities and local municipalities are the creation of the State legislators of the 48 States. They are limited to their taxation and their expenditures. In many cases, no new taxes can be levied or charges made for service unless it is through special legislation by their State legislature. For this reason, many local municipalities have been backward in building disposal plants and still permit their sewers to pour forth pollution and disease, and even death, into the very waters that we drink.

I differ with those who say this is a local expense because rivers do not stop at the boundary of the local municipality or the boundaries of the State. The lower municipalities on the rivers may build costly disposal plants, but this will not correct the pollution of their waters for if municipalities upstream do not do the same thing, the lower municipalities will still receive the same filth they spent so much money to eradicate.

This is a job that the Federal Government should encourage. This is a job in which the Federal Government should share the cost.

All of us are for economy. We are also for progress. And all of us, I am sure, do not want to practice economy at the expense of the very people's health we have the honor to protect.

There is another side to this problem and that is a moral obligation of a contract entered into between the Federal Government and the local municipality.

Nineteen hundred and fifty-six was an election year and every Member who was in this House had an eye on votes. We passed this bill which created the contract between the Federal Government and the local municipality for the erection of the disposal plants. We made a definite promise that the Federal Government would match the local municipalities with dollars to pay for them.

Many municipalities took our word and made great plans and spent considerable money in surveys, engineering expense, and have drawn up proposals for the building of the actual plants. Now, we say to them that our word was merely the word of a politician before election. We have no intention to carry out our part of the contract.

Water is one of our greatest resources. With the increase in population and the increase of industry, the supply of water is going to be one of our big problems. We are being warned day after day we should conserve water as well as to stop its pollution. Are we, the Members of the 85th Congress, going to go down in the history of this country as not only breaking our word with our constituents in our municipalities but of contributing to stopping the progress which is being made in cleaning up our streams? Your vote will decide that answer.

Mr. DINGELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, during the last session of Congress I had the pleasure, honor, and privilege of serving on the Public Works Committee of this House. In the course of my service on that committee I think one of the most vitally important pieces of legislation brought out by that committee and by this Congress was the Water Pollution Act of last year.

We have heard a good many people rise on the floor of this House and tell us that this program of making Federal grants to the States is not important. Let me tell you how important it is.

During the early 1930's, there was a period when pollution-control programs and the construction of facilities for the control of pollution and the elimination of waste from our streams kept pace with the growth of our population and actually exceeded it. To that extent, at least, we were able to clean up the streams of our country, which had become filthy, open, stinking cesspools. From that time until passage of the water-pollution bill, because of the war, and because of the difficulties of municipalities in securing credit, we had reached the point where we no longer kept pace with our population and with our programs for cleaning up our streams. What is pollution? Pollution is death. It is disease. It is filth. It affects the fisherman. It affects the hunter. It affects the conservationist. It affects the picnicker. But, more than that, it affects the people in the cities, in the towns, in the farms, and in the villages. When you vote against this proposal, you are breaking faith with what the Congress did during the last session and you are breaking faith with the people and with the municipalities who are going ahead in this field and who are attempting to clean up these streams by establishing and creating these pollution-control facilities to eliminate the foul, filthy waste from our streams. It has been said that this money can and might be used for other purposes. It cannot be used for other purposes. The law says it must be used for the construction of facilities. The Surgeon General is watching this. The program is working well. Recently I had the privilege of questioning the Surgeon General as to how this program was working when he appeared before the Interstate and Foreign Commerce Committee. He said it was working wonderfully well, and that admission was made in spite of the fact that the Surgeon General opposed this program during the last session of the Congress.

Municipalities which had never done a thing, even though under court order, are now cleaning up their pollution. This bill works. Streams rise in one State and flow to the sea. A stream goes through many other States and each of the States and the people along its banks use that water. Everyone is hurt by pollution in a river. When you pay to clean up that water with Federal funds, you pay not necessarily for your own waste but for the waste upstream. Each payment you make is buying for yourself and for your neighbors and for your friends and for your children good, clear water. This program has resulted in over a 25 percent increase in starts in municipal sewage control plants.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. GAVIN. The President also stated in his state of the Union message, may I point out for the benefit of my colleagues:

> Until such a partnership is established on a proper and logical basis of sharing authority, responsibility and costs, our country will never have the full productive use of water that it so obviously needs and protection against disastrous floods.

So the President is in accordance with this program.

Mr. DINGELL. I agree with my colleague and compliment him for a good statement. What does this program do? We spend $50 million a year. The streams of this country are so bad today that they are corroding bridges, boats, canal locks. They are eating away the concrete. People spend millions to get pure water or to purify polluted water.

Drive along the rivers. Drive along the Potomac and smell the dirty, filthy sewage that flows through our Nation's Capital—the beautiful Potomac River. Only 22 percent of the cost of these structures is Federal money. The balance is State money. Less than a quarter of the money which goes into any municipal plant on the overall average is Federal money and the balance is State money. What we are doing is greasing the wheels. The municipalities for the first time in many years are finally beginning to go out and finally beginning to construct the municipal sewage-disposal plants which we need so badly. Let me call your attention to one thing. In 1948, the late Senator Taft—and I am sure my colleagues on the Republican side of the aisle honor his name as I do—was the author of a sewage-control bill. Money was authorized in that sewage-control bill for grants to States. That bill and those provisions never worked. The reason was that Congress never appropriated the money.

The effect of that failure by Congress was to hold up and cause real delay by States and municipalities. Here the amendment before us seeks to create the same situation. Yes, it seeks to have the States wait for funds, which Congress is too niggardly to supply. In that will be the failure of the water-pollution bill, and in that will be the failure of this Congress.

A program which is working well is being attacked by an unwise and improvident amendment. It is up to the Congress to keep this money in the bill and to strike down this amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. MASON. Mr. Chairman, I object.

Mr. CEDERBERG. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I believe the spending of $50 million in Federal funds in this area would accomplish nothing that will not be accomplished without the funds. In other words, I am personally convinced there will not be a single sewage disposal plant built in the United States today that would not be built if we did not appropriate the funds. I had the opportunity of signing $6 million worth of sewage disposal bonds in my own community a year or so before I came to the Congress. We are paying the whole bill. If you want to make it retroactive, then we would like to get a little bit of this money, too.

I have some communities in my own district who are at the present time in line for receiving money from Federal aid for their sewage disposal plants. I say that this $50 million and that we appropriated last year has done more to deter the solving of the stream pollution problems than anything else. Why do I say that? Simply for this reason: that communities are waiting and waiting to see how many Federal dollars they can get. They will have to float bonds to pay the difference. Just a fraction of the difference in the interest bond rate and a slight rise in construction costs will wipe out every benefit they could possibly receive from Federal money, as far as these sewage disposal plants are concerned.

I find nothing here that cannot be taken care of on the local level or the State level. Our Michigan Water Resources Commission has the law by which they can require local communities to do the job themselves. There is no reason why we should spend $50 million to do the job. We are all for cleaning up our streams. I do not know of anyone who is not in favor of having adequate laws to force local communities to do the job. But to give them money from the Federal Government is not the solution. You will not solve the problem that way at all.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. GROSS. The gentleman from Michigan [Mr. DINGELL] spoke of greasing the wheels. When we grease the wheels in this instance, where does the Federal Government get the money to grease the wheels?

Mr. CEDERBERG. We have to take it from the same people we are going to give it back to.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. SCHERER. Irrespective of what the gentleman from Pennsylvania [Mr. GAVIN] says about the President's message, is it not a fact that the administration vigorously opposed this program?

Mr. CEDERBERG. That is exactly right. I do not think he was talking about this subject at all. He was talking about the large flood-control and multipurpose projects.

Mr. SCHERER. As a matter of fact, the administration came before the committee on two occasions and said they were not in favor of it?

Mr. CEDERBERG. That is correct. I made it clear in my district that I did not vote for the authorization of the $50 million, because I thought it was not in their best interests. Even though they

are in line for some of the money, I think they have agreed with me.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. FISHER. The gentleman has made a magnificent statement, and I hope everybody has gotten the full impression that I have from his statement.

In my own district there are two towns that have received Federal grants. I know that both of them were in a position to sell bonds without increasing the tax burden on the people to pay for these things themselves.

Mr. CEDERBERG. I agree with the gentleman. I say to you that I believe in some of these areas that they have inflicted upon those local communities a delay in the construction of their sewage-disposal plants that will cost them as much as the Federal money they are going to get out of it.

Mr. SCHERER. Will the gentleman yield again?

Mr. CEDERBERG. I yield.

Mr. SCHERER. Is it not a fact that if we continue this program, instead of costing $50 million now a year, it is going to be a billion dollars a year in a few years? One example, for instance, Cincinnati, one city, spent in the last few years $50 million alone to clean up its own sewage. Why should we be taxed through Federal funds to pay for other cities to clean up their sewage? It will cost a billion dollars a year in a short time.

Mr. CEDERBERG. I do not believe this program is any good unless you go into it for a full billion dollars a year. Unless you can do that you ought to stay out of it altogether.

Mr. GAVIN. Will the gentleman yield? How did the gentleman vote on the school-construction program?

Mr. CEDERBERG. I voted for the Eisenhower proposal.

Mr. GAVIN. What did you do last year?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CEDERBERG] has expired.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we can talk about economy, but indiscriminate cutting of appropriations is not always economy.

I represent a district in Kentucky that borders on the Ohio River for 200 miles. That river has been locked and dammed for the purpose of maintaining a 9-foot stage for navigation. When the water is low, the pools are stagnant. One of the pools extends from Fern Bank below Cincinnati, to Coney Island, above Cincinnati, a distance of about 12 miles. Into that pool goes the domestic sewage of a million people. Into that pool goes the industrial waste of the great industrial area sometimes called the Ruhr of America. Much of that waste is poisonous. Out of the pool comes the water used for drinking and domestic purposes.

The city of Cincinnati has filtration plants built at great cost; however, with all the treatment they can give the water, it is difficult to make it potable or palatable.

The cities on the Kentucky side of the river are unable to establish great filtration and chlorination plants. They are limited as to their indebtedness, as to their tax rate and as to their expenditures by the constitution of the State.

These cities will need assistance. A chain is only as strong as its weakest link. Unless we have complete control of pollution, we will have practically no control. If any of these cities fail to construct interceptor sewers, which will mean rearrangement of the whole sewer system, and disposal plants the whole program fails.

Thomas Jefferson said of the Ohio River that it was the most beautiful river in the world, abounding in fish and aquatic life. Today, however, it is a series of polluted pools. The fish and aquatic life have gone. The recreational value of the river has almost been destroyed. The law upon the statute books pledges us to attempt to restore the river to its previous condition. It authorizes this appropriation.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HAYS of Ohio. I merely wish to say to the gentleman that not only in the State of Kentucky but also in my State, Ohio, upriver, there are plenty of communities who cannot afford sewage plants unless they get Federal help in the planning and building.

Mr. SPENCE. I agree with the gentleman. Eight States—New York, Pennsylvania, Virginia, West Virginia, Kentucky, Ohio, Indiana, and Illinois have entered into a compact to cooperate and coordinate their efforts to control the pollution of the Ohio River and its tributaries. This is an important compact, but it alone cannot do the work. The States collectively or individually cannot control pollution. All the municipalities must construct interceptor sewers and disposal plants which will prevent the raw sewage from entering the river. If this is not done there will be no adequate control and the river will remain polluted.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. Not now. The Government of the United States has constructed in the city of Cincinnati a great laboratory at the cost of approximately $5 million. They are doing a great work in ascertaining the causes of the pollution of the water and of the air. This is a recognition that this problem is a national problem.

I hope and trust the amendment will be defeated.

Mr. JONAS. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I want to relate a true story. There is in my district a community populated almost entirely by a first generation of Americans. They came to this continent seeking religious liberty and economic opportunity just before the turn of the century. Many people in that community still speak with a decided accent. But they have built up a very thriving community. They have some manufacturing plants, a wonderful community building, and fine, modern schools and churches. They are a fine, law-abiding group of American citizens, interested in our welfare and contributing greatly to the development of the community and to our State and Nation.

In the 1954 Housing Act, provisions were included authorizing Federal grants to municipalities for public works planning and authorizing low-interest loans. I knew this municipality was interested in building a filter plant because I had read about the plans in the newspaper published in the community. So I sent copies of the new bill to city officials as information. I heard nothing more about the subject until the Congress was in recess in 1955.

When I was visiting the various communities in my district that fall, I came to this one and met with the mayor and the town council. I said, "What happened to your filter plant?" He said, "We have the finest filter plant in this section of the country. People come from all over North Carolina and from elsewhere to look at our filter plant. We want to take you out to see it."

We went out and inspected it. I said, "How much did this filter plant cost?" The mayor said, "$650,000." I said, "You remember I sent you some literature describing available aid from Uncle Sam but never heard from you and just wonder whether you pursued that matter yourself. Did you get any Federal funds to help build this plant?" The mayor smiled and said, "No, we talked it over and decided that we were going to drink this water ourselves; we could build our own filter plant. So we issued bonds and built it without asking for any help from Uncle Sam."

If that community of first generation Americans can do that for itself, I do not believe there is a community in the United States that cannot build its own filter plant and its own sewage system. I commend the example of this fine North Carolina community to other communities faced with the same problems.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment before us would not reduce funds that the author of the amendment feels are too large in relation to the overall program. Instead, it would wipe out a particular program that was authorized by the Congress less than a year ago. It would wipe out programing which has begun among many communities toward establishing sewage-disposal plants which would not have been established otherwise. Despite what may be the experience of others and the observations of others, it has been my experience as one member of the committee which authorized this legislation that there are many hundreds of communities throughout the country that would not have established these sewage-disposal plants without the incentive involved in this aid program.

In fact, as one of the direct results of this aid program that has been put into effect there has been more experimentation and more development in different types of disposal plants that are much cheaper than those that have been considered in the past. As the result, many small communities throughout the country that would never have considered the idea of sewage disposal plants

before are in the process of applying and developing programs of this type.

This program is essential for a type of water purification that is more than a local problem. If this were a purely local problem, perhaps we would not have to be concerned about it here. But the pollution involved here consists of water being dumped into the streams that flow not only through our individual States but from State to State, without any respect to any State border, and the water involved is part of our national heritage, part of our natural resources.

As has been mentioned before, we have spent something like $14 billion in the relatively few years past working to improve our water resources. We are going to spend in the future, at the rate we did last year and will probably in the years ahead, something like two-thirds of a billion dollars a year, at least, to preserve these water resources. It seems to me that to wipe out this program here would be to lessen our chances of getting the fullest results from this water resource investment that we are involved in and have been involved in and will continue to be involved in in the future. The $50 million a year proposed here is the limit of the authorization. As has been mentioned by my friend from Ohio, there will not be any increase to a billion dollars a year in this program, and there cannot be unless our committee changes the law. If the committee changes the law, that will be our responsibility. There cannot be any increase in this 10-year program. In fact, the program now will expire after 9 years unless it is extended at that time, and as far as cost, we are up to the limit of it now. Now, if there appeared to have been some evidence that the entire $50 million could not have been properly used, I think it would have been proper to offer some amendment to reduce the sum. But, as for wiping out the program, I think the way to do that would have been to come up here and repeal the law. To stop now will interfere with all sorts of local programs that have been instituted.

Mr. TABER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have heard a lot of talk about programs that were crowded onto us by departments. I want to read a little bit about this one. This is testimony of Secretary Folsom when he was before the Committee on Appropriations holding hearings on this bill, on the opening day of the hearings, February 11. At page 15 he said this:

> Some of these programs, of course, were enacted last year without our specific recommendations and some of them went in over our objections. For example, on the water-pollution waste-treatment projects, we did not recommend an appropriation authorization to Congress and that is a $50 million item.

If we are going to set up programs continuously that call for $50 million apiece to be allocated to local authorities for the construction of sewers and for other activities, several of them each year, we are going to bankrupt the Treasury of the United States and we are going to make impossible tax reduction. I do not know how you feel about it, but the people of the United States want tax reduction.

I am not opposed to sewer systems. I have been in favor of them in my own community right along. I have helped to put them through. I would help to put any such activity through in my district. But I do not believe that we ought to further embark upon this activity. I think we ought to stop it, and now is the time to stop it, by adopting this amendment.

Mr. GUBSER. Mr. Chairman, would the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. GUBSER. When I was a member of the California Legislature I distinctly remember that we participated in the activities of a group called the Committee on Interstate Cooperation. California, in cooperation with our neighboring States, handled this problem on a local level. In the opinion of the gentleman is there any reason why this could not be done nationwide?

Mr. TABER. It can. There is not any reason why the States could not go ahead and take care of their needs along this line. They are in a lot better shape financially than the Federal Government.

Mr. JOHANSEN. Mr. Chairman, would the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. JOHANSEN. Am I correct in my recollection that the President opposed this provision last year?

Mr. TABER. That is correct.

Mr. JOHANSEN. I wonder where the gentlemen were then who are lecturing us now for not following the President.

Mr. TABER. They are on the other side of the fence just now.

Mr. JENSEN. Mr. Chairman, would the gentleman yield?

Mr. TABER. I yield.

Mr. JENSEN. Is it not a fact that there is not a municipality in America that is in as poor fiscal condition as is the United States of America?

Mr. TABER. There is not any question about that; that is true. Unless we adopt this amendment, we shall make that condition worse. I want to see the United States Treasury get in a better position.

Mr. SCHERER. Mr. Chairman, would the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. SCHERER. Is it not a fact that while for this coming year the program would cost only $50 million, if we continue this program to cover the entire United States $50 million will only be a drop in the bucket, and this program could reach the proportions of almost a billion dollars a year; and in that connection I pointed out the fact that it cost one city $50 million to clean up its sewage-disposal problem.

Mr. TABER. There is no question about that at all.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN (Mr. MILLS). Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I object.

Mr. WRIGHT. Mr. Chairman, it is with some trepidation that I come before you on this amendment offered by my esteemed colleague and valued friend from Texas. In the first place, I am reluctant to do it because I am just as sensitive as any of you to the desire throughout the country for reducing the expenditures of Government and cutting the budget.

I think I have voted for most of the reductions that have been offered on the floor of the House. In addition, I have introduced four separate bills to put into effect some of the major recommendations of the Hoover Commission and thus to bring about substantial reductions in the cost of Government. Yet I do feel constrained, in spite of that trepidation, to come before you and tell you the result of my own thinking about this particular matter. Because it deals with the Nation's water supply, I think it is terribly important.

Prior to coming to Congress, I had the privilege of serving for some 4½ years as mayor of a small municipality, and during part of that time it was my privilege to be president of the League of Texas Municipalities, which comprises some 670 such city governments. As the result of that experience, I have come to the inescapable conclusion that the one single most important item for the future of America is this commodity that you see here in this glass—water; clear, usable water.

Everybody has heard the old adage that a politician thinks about the next election while the statesman thinks of the next generation. For just a minute, let us think about that next generation.

At the rate at which our population is growing and at the rate at which our per capita consumption of water is growing we may well become a have-not Nation in water, this most vital of all resources, in some 25 or 30 years. Texas, a dry State, is only 20 percent larger in population than it was 10 years ago, but it is using today 2½ times as much water as it was 10 years ago. This is true in only slightly varying degree throughout the Nation.

Mr. Chairman, I am convinced that this cut would be false economy. If it were a question of reducing the proposed expenditure by $10 million or $12 million, I think I would look with favor upon such an amendment, but to eliminate this entire program which less than a year ago this House authorized after lengthy debate would, I think, be to take a big step backward in our determination to clean up the streams of this country.

Let me point out that this program is not a boondoggle nor an indiscriminate giveaway. In order to qualify for one of these matching grants, a city must prove to the satisfaction of both the State health department and the Federal Public Health Service that its proposed facility will contribute effectively to the control of pollution now infesting and infecting our streams. In addition, the experience to date shows that the cities applying for these grants have been raising about $4.50 locally for every $1 pledged by the Federal Government.

It has been asked, Why is it that the cities cannot do this job themselves? I think that is a fair question and one which deserves a fair answer. The answer is that the cities of America, the municipalities, the local governments, are in a terribly persistent financial squeeze between rising costs of doing business and serving their people and limited sources of revenue. The cities legally are the creatures of the State. They have been properly called the orphan children of American government. Unlike the Federal Government or a State government, municipal governments cannot simply invent a new tax to pay for these services. They are limited by State law as to the sources of the revenue they may derive to serve the needs of their people.

More and more and more cities throughout the country have been having to defer such necessary things as sewage treatment plants for the burgeoning growth of their cities because of the fact that in many areas the State law, for one thing, has limited the amount of the bonds they may sell to 10 percent of the overall appraised valuation of their properties. Practically all cities are growing. They have had to bond themselves to the hilt for bigger schools, more pavement, new water lines, more adequate parks, police, and fire protection. They have been among the chief victims of the hard money policy. Most of them desperately want to clean up their streams, but many simply cannot without some measure of assistance.

A year ago we came in with this pollution-control program. It is like a family saying to its children, "You are growing, you need clothes that will fit you today. Here is what we will do. You go get a job and you bring in $4 and we will match it with a dollar, and you can buy yourself something that will fit you for Easter." The cities have responded beyond our expectations.

For us now perfunctorily to do away with the program after there has been such spontaneous enthusiasm on the part of the cities would be like the parents in that same family saying, "Look, this program has worked too well. There is too much interest. You kids have raised too much money. Therefore, we are going to discontinue it and you cannot have that suit of clothes this year."

They cannot all have adequate sewage disposal facilities in the immediate future under this bill, but some can. I am convinced that it is important for the future of this country that we do what we can to stop the pollution, which has so far reduced streams which once ran pure and fresh and clear to corrupted cesspools which are endangering the health and harming the future and serving as roadblocks across the path of progress for much of our Nation.

I urge that you vote against this amendment.

Mr. FULTON. Mr. Chairman, I move to strike out the last word, and rise in opposition to the amendment by the gentleman from Texas to cut out completely the $50 million appropriation under the new national policy Congress adopted last year of helping local communities fight the water pollution problem through allocations of grant-in-aid funds for waste treatment works and sewage-disposal plant construction.

Mr. Chairman, the question here is not whether we are amending the water-pollution-control program, but whether we completely repeal the $50 million a year under section 6 of the Water Pollution Control Act which this House passed on June 13, 1956, after turning down a motion to recommit or kill the bill prior to final passage, by a vote of 213 to 165. A majority of this House said firmly to the executive department and to the local governments, "We adopt as a national policy the enlargement and extension of the water-pollution-control program by enacting Public Law 660 of 1956, whereby in section 6 there is authorized $50 million a year to a total authorization of $500 million in 10 years."

Mark D. Hollis, Chief of the Division of Sanitary Engineering of the Department, came up before the House Appropriations Subcommittee and on February 15, 1957, said this:

> We have been in operation about 3 months, and now have 771 projects that are in our regional offices or at the State level. Of these, 83 have been approved. This figure is changing daily. As of today we have committed $5.5 million; that will support a $23 million construction program.

That means that under this fine and progressive water-pollution-control program we have already 771 projects on the drafting board or that are completely planned, that the local communities are spending their money upon, relying and expecting you men and you ladies in Congress to live up to your word that you are for this program, as just authorized in 1956, with such improvements as appear necessary from time to time, and that you will not reverse your decision and knock the program on the head within about 9 months of passing the legislation.

When the United States Congress authorizes such a longtime program after full debate, we must make a provision that the States and the localities and communities can depend on.

Mr. LAIRD. Mr. Chairman, will the gentleman yield for a correction?

Mr. FULTON. I yield to the gentleman to hear his view.

Mr. LAIRD. I just want to state to the gentleman that for any of these projects that have been approved and that are on the drawing boards, the money will be paid for out of the fiscal 1957 appropriation and are not affected by this appropriation.

Mr. FULTON. That is correct for the very few approved, but as the gentleman well knows, when only 83 have been approved as of February 15, 1957, out of 771 projects, and many local communities are putting up the tax money and these programs are already on the drafting boards and have much time, effort, planning, and money expended on such proposed programs, all depending on the legislation passed by this Congress in 1956, to encourage just such local community participation and action and expansion of the pure-streams program. Who will pay these preliminary expenses of local communities, and what is the loss to the Federal Government if this program is suddenly cut completely? Also think of the tremendous loss in health through polluted water, and industrial losses through filtering costs in congested areas in all industrial regions. Pure streams and good clear drinking water are blessings to the United States people that should not be postponed by Congress.

Another point is this—we must realize that not since 1900 has this country even kept up treatment correction to equal the increasing pollution rate because every year since 1900 the pollution of water and streams has gotten worse in the United States. What a dismal record which strong Congressional support in both parties pleads for Congress to return to. God gave you these wonderful hills, these plains, these rivers, these clean, pure streams. Why should Congress not continue the fine pollution-control program that in cooperation with local municipalities and State governments will give them back to our citizens?

Theodore Roosevelt was a great conservationist Republican, and I belong in that conservationist and pure-streams wing of the Republican Party.

We in Pennsylvania are proud of the accomplishments in conservation of our national resources, preservation of our national parks, and pure-stream program and support of many Pennsylvanians, including Senator Edward Martin, Gifford Pinchot, that other great conservationist from Pennsylvania, my friend, John M. Phillips, of Pittsburgh, Pa.

We want these clear, pure, fine streams. I do not want children and families living alongside open sewers such as many stretches of the Ohio River and other industrial rivers.

Here is some indirect news for the gentleman from Ohio as to Cincinnati. There is the Congressman from Youngstown, Ohio, who is strongly urging a new dam for the west branch of the Mahoning River, Ohio, above Cincinnati. This Youngstown Congressman maintains that the rivers around the Youngstown area are nothing but filthy, open sewers because there is no water to move the sewage away. Therefore the proponents believe one of the benefits of the new proposed dam will be that in the Youngstown area they will have low-flow control which means that in the summer months when water is short, the sewage and industrial wastes of the Youngstown area will simply move on down to Cincinnati, Kentucky, West Virginia, Illinois, and Indiana and not be treated under this program in the Youngstown area. The horrid joke is that Cincinnati is already treating her own sewage and wastes with its own plant, and the Congressmen from the Cincinnati area are here blocking us from Pennsylvania in helping the Youngstown, Ohio, area clear up its streams under this program, so that they will continue to pollute the downstream Ohio area around Cincinnati. At the same time, these Ohio Congressmen favor the proposed dam for the west branch of the Mahoning River in Ohio upstream from them which will

admittedly bring down the sewage from Youngstown at Federal expense to repollute the Ohio River that the good taxpayers of Cincinnati have just cleaned up. We in Pennsylvania are proceeding ourselves to clean up our sewage, industrial and mining wastes and sewage is just one kind of waste.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I am sorry but I cannot yield at this time as I have so little time.

Sewage is one kind of pollution. Another kind of waste is industrial waste from manufacturing and chemical plants that pollute the streams. Also there are mine wastes. We have many mines around Pittsburgh and we are trying to make them clean up and stop dumping their sulfur-laden chemicals into the streams. Another kind of pollution is the algae. These are the microscopic plants that combined with bacteria and phenols from industrial production get into the rivers and make the water taste so bad, in Ohio, as well as other States.

Mr. Hollis said in this particular on February 15, 1957, that the Federal Government has worked on the problem quite a bit in a plant the Department has in Cincinnati to remove the bitter taste in the Ohio River water that comes in summertime, in order, of course, to try to make the water supply in Cincinnati as well as other cities to taste better. So maybe the citizens of Cincinnati and Ohio River towns would want to ask some people here why they do not want good tasting water for drinking purposes for family and home use.

Another kind of pollution is the atomic energy production which causes pollution by radioactive and fissionable materials. Let me explain that this is an unknown danger to you gentlemen in these lower river States, below Shippingport, in Pennsylvania, where we have the first commercial atomic reactor plant now going in there. In Congressman TOM JENKINS' district in Ohio, there is building a tremendous new plant for atomic and fissionable materials using tremendous amounts of river water and discharging it again into the streams. Such new type plants and dangerous wastes are going to be erected all around the country.

Why should not the United States continue its fine program for pure streams and clear water in the face of the tremendously increasing problems of pollution from all such kinds of waste and foreign materials? I hope every sportsman and wildlife association and conservationist group in the United States will awaken to these real challenges and join with their fellow conservationists in this House to meet the growing threat to the greatest of our natural resources in this United States; our water, our streams, our rivers, our forests, fields, and watersheds.

We must have Federal research to show how these waste materials in our streams will affect the various towns and cities, and also the natural watersheds, forests and farms. We in Pittsburgh and in all of Pennsylvania have ourselves been cleaning up the rivers and streams in our industrial and mining areas where before, if a person touched his hand or body into the water it turned a greenish brown. Now a person can actually fish along the downtown waterfronts in Pittsburgh, but our rivers are still polluted with sewage of our own, and many river towns above us.

I ask every one of you Congressmen who is interested in good conservation and pure streams not to knock this water pollution control program on the head and repeal it by this unfortunate amendment, but to give the program the money requested to carry it on as authorized by this House and the Congress only last year. Water and stream pollution must go.

Mr. DOWDY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in the debate on this amendment, as in so many other matters that have come up since I have been a Member of Congress, I have noticed time and again until it has become obvious whenever we have an authorization bill of any sort before the House the debate and argument is always made that it is not an appropriation; that it is just an authorization, and it will have to go before the Appropriations Committee and before the House to determine how much money can be spent. Then, when the appropriation bill comes before the House the argument is advanced that by the authorization bill we have made a contract, and we have to appropriate the money to carry it out. We always have that conflict, blaming the appropriation upon the authorization; it is a vicious circle, and we are confronted with the same thing today.

I have observed statements made here about the difficulty of the cities raising money to build sewage plants. Down in our part of the country our cities vote revenue bonds and get the money and build them. All of us who use the sewage plant pay every month in sewage fees to the city, and in that way discharge the bonds. It is done without this 20 cents on the dollar support from the Federal Government.

Most of the debate I have heard on this particular amendment has not been directed to city sewage at all. It has been talking about the water pollution of all sorts. Everybody is against water pollution. In my State we have State laws against pollution. I am opposed to paying anybody a bribe to do something that they ought to do anyway. I might go along if you propose a law to prohibit and make it a penalty for anybody to put pollution, whether cities or otherwise, into an interstate stream. I think you would be getting somewhere that way instead of bribing somebody to do something that they should do anyway.

I know that the gentleman from Texas [Mr. FISHER] who offered the amendment had more that he wanted to say and I want to yield to him.

Mr. FISHER. It should be emphasized that whereas there has been a lot of talk about this particular section 6, apparently being the whole pollution program, it should be pointed out that under Public Law 660, section 6, represents probably 1 page out of 10, and I should like to commend the gentleman, and I think he is absolutely correct, that most of the towns I am familiar with, where the gentleman and I come from, either already have a sewage system or are quite capable of financing payments for their own.

Mr. DOWDY. Through revenue bonds.

Mr. FISHER. We have authority in our State to do it. Under Texas laws the cities have ample authority to raise the necessary money to pay for their sewage systems.

Mr. DOWDY. Am I correct in this: It appears to me that the gentlemen who have been opposing the gentleman's amendment have been talking about an entirely different part of the Water Pollution Control Act?

Mr. FISHER. I think that is true. Certainly I think most of us would subscribe 100 percent to most of the things that have been said about the evils of pollution. But this section 6 is one phase of the public law which deals with this subject in general. Certainly the individual States and communities have in the past; they can in the future, they can now certainly finance the problem so far as enlarging or expanding their sewer systems is concerned.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. BLATNIK. The gentleman from Texas states that section 6 authorization for grants is just a small part of the whole bill. It is just about as small as the heart is to the body, but it is the heart of the whole program. Without section 6 the whole program is as ineffective as the entire Federal water pollution control program has been for the last 9 years.

Mr. DOWDY. But you must admit it is a fundamental duty of each industry, municipality, or person, to obey the law, and avoid pollution of our streams. They should not have to be bribed to perform that obligation.

Mr. FISHER. There are 14 sections in the Pollution Control Act. Section 6 is just 1 of the 14. Certainly stream pollution control is not dependent on section 6.

Mr. SCUDDER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the reason we have this bill before us today and the amendment calling for an appropriation of $50 million is that the pollution law passed some 8 or 9 years ago had to be reenacted. Last year we were called upon to renew the pollution control law of the United States to protect downstream water users. That was the only reason this bill was before the Congress.

But an idea was injected when this bill came up for reenactment, that it would be a nice thing for Uncle Sam to start building the sewage disposal systems for the various cities throughout the United States.

It is my contention that the cities are responsible for their water systems, their streets, and their lighting systems, and so forth; and by every reason in the world they should be responsible for seeing that the water that flows from their cities goes on downstream as pure as it came into their cities; and that can be done by the

construction of proper disposal and purification systems.

In the embarking on this program covered in this bill we have done many things besides putting up $50 million a year for a job the cities are well able to take care of themselves.

However, we have provided for research and assistance to the cities and counties throughout the country an amount of $100,000 a year to establish fellowships in universities for the purpose of exploring the better planning and development of the program.

We have also provided in section 5 as follows:

> There is hereby authorized to be appropriated for the fiscal year ending June 30, 1957, and for each succeeding fiscal year to and including the fiscal year ending June 30, 1961, $3 million for grants to States and to interstate agencies to assist them in meeting costs of establishing and maintaining adequate measures for the prevention and control of water pollution.

This bill was introduced for the very purpose of extending the law to force the people upstream to take care of the sewage they dump on their neighbors downstream.

I think this is a program we got into by mistake. I was very much opposed to this appropriation in the committee; I opposed it in the Committee of the Whole, and I opposed it before the House when the bill was up for consideration.

The gentleman from Pennsylvania, I think, was not quite fair in quoting the rollcall figures on this bill. On passage we voted for it because it had some very good objectives. But the important rollcall in the House was on the motion to recommit, where the yeas were 165 and the nays were 213. So the vote was not anywhere near unanimous on this $500 million that is set up for this program.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from West Virginia.

Mr. BAILEY. Did the gentleman ever hear at all about any reclamation projects and water-conservation projects in California I have been voting for to help you boys out since I have been a Member of Congress?

Mr. SCUDDER. Yes. This has a different aspect.

Mr. BAILEY. There was the Central Valley, for instance.

Mr. SCUDDER. If you will allow the State to buy it back you would make a lot of us very happy; as far as I am concerned, I would vote to return the Central Valley project to the State of California. The biggest mistake California ever made was when the State engineers got panicky during the giveaway days and made a deal with the Federal Government to take over the Central Valley project. There has been discussion and turmoil during most of the time since the turnover.

Mr. MILLER of California. The gentleman will have to admit he is in the minority in that respect in California.

Mr. SCUDDER. I doubt it.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I do not know how other Members of the House recall the debate in the last session on the Water Pollution Control Act, but to my way of thinking, it was one of the most constructive, one of the most illuminating, and one of the best presented to this House which I have had the pleasure of listening to. The gentleman from Minnesota and other members of the committee who brought that bill to the floor had a complete documentation for their case that this program was absolutely essential and necessary in the industrial areas of our country. To me the ever-growing menace and problem of water pollution they very well supported and substantiated. I think they made it clear that it was just as important to reclaim the water resources of the industrial sections of our country as it was to carry forward the great reclamation projects of the West, which I have been happy to support and which I will continue to support in the future. I think we were convinced on the basis of the case presented to the 84th Congress that it was a good, sound program and that in order to have it an efficacious program it was not only necessary that we put the law on the books but that we provide the money for it and the enforcement provisions for it that were also an integral part of that law. On each test vote on the floor of this House, the efforts to cut out the heart of this bill were decisively defeated by the House. I have not heard today in support of this amendment any evidence to indicate that the water-pollution problem is less serious than it was a year ago. I have not heard any indication or evidence that the municipalities are better able today or the cities are better able today to meet this problem than they were in 1956. I think the evidence is all the other way.

The problem is becoming more serious day by day. In my own section of Oklahoma the industrialization problem and the problem of water pollution are daily becoming more serious. It is becoming more and more important that we have this program and have it in full effect at the earliest possible date. Why back up now? Why tell these communities that have gone ahead on the strength of this legislation with plans, with engineering studies, and with the investment of tax money to get ready for this program, that we did not mean what we said in 1956, that that was something for us to run on in November 1956. We went out, Democrats and Republicans alike, on the campaign front and we said that among the solid achievements of the 84th Congress was the Water Pollution Control Act. Men in districts all over the United States campained on that principle. We told the people of the West, of the East, and of the Midwest: We are proud of this achievement, this is something that was done that is sound, good, and constructive for the country. And we ask you to send us back to Congress because of this legislation and other legislation like it. Now we come here in the 85th Congress, with the election a few months behind us, and once again we have people saying "Let us strike the heart out of this program." I do not believe this Congress is ready to take the funding out of this proposition. I do not believe the Congress is ready to cut the heart out of the Water Pollution Control Act, and I think the House of Representatives today in its wisdom will say we meant what we said in 1956; we meant what we said when we told the communities to go ahead and make plans for these programs and you will have our support and the money to carry on the Federal part of the load, and we mean it today as we meant it in 1956; we will continue this program and we will keep this program operating and fund it with Federal financing.

Mr. MASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call attention to the fact that thirty-odd years ago I lived by the side of the greatest open sewer in the world. That was the Illinois River at that time. Today that river is practically clean. Chicago today has the reputation and the name of having the finest sanitary district sewage disposal plant in the world, 98.5 percent perfect. Chicago paid out probably between $100 million and $200 million to build that sanitary district sewage disposal plant. They taxed their people for it. Now the State of Illinois says to the cities all along the river, "You must build sanitary sewage disposal plants," and they are doing it, and my little city of 5,000 voted $350,000 of bonds to build its sewage disposal plant, and it is three-fourths built without any aid from the Federal Government.

Now, then, you are asking in this bill that the people of Chicago, who taxed themselves, and the people of other cities who have taxed themselves, and have built their sewage disposal plants to help pay for the cities that have not done so so far. That is the problem that is before this Congress today.

Mr. BURLESON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I trust you will indulge me to speak a word of commendation about the gentleman from Rhode Island [Mr. FOGARTY] on the manner and conduct in handling this measure. I want to commend him in the highest possible terms as a Member of this House of Representatives who is so thoroughly devoted and conscientious in what he does. It is unexcelled by anyone in this body. In his defense of this bill he has been so very gracious and, I know, thoroughly and wholly conscientious in his every effort and those efforts are extremely able. He is rendering a great service not only to his people but to the Nation as well. The gentleman from Rhode Island spoke a fundamental truth a few days ago when he said, we, the Congress, have bought many services and projects in past years and now the bill is due—they must be paid for. His statement is true and we cannot escape it. We have bought a lot of these things over the years and we are still buying them, and this was one of them last year. This is the grant-in-aid to States that we are all getting. We are for economy for some other place, but not in our own area. Now, Mr. Chairman, many things are desirable but not always necessary.

This is one of many. The authorization is on the books but I see no reason why we could not cut this item out and at least wait until the Federal Government can afford it. True, I have been opposed to it in principle and voted against the authorization last year, but even if you are for it, agree that these expenses of Government must be cut now and wait for a better time than the present to hand out this kind of money to cities and towns.

Mr. Chairman, I want to say to my good friend from Oklahoma [Mr. EDMONDSON] that he, of course, spoke the truth when he said that towns and municipalities, counties, and State government are no more able this year to bear the burden of the expense of cleaning up their water systems and their sewage-disposal plants that they were last year. I am sure that is true. But surely he would not contend that the Federal Government is any more able now, or was any more able last year, to do the same thing. If the Federal debt means a thing in the world—and I know some people will argue that it does not mean anything—there is not a municipality in anyone's district, including my own, which is not more able to take care of their problems in this respect than is the Federal Government.

Mr. Chairman, just over across the river in Alexandria, Va., is a case in point of a city meeting its responsibility. They had suits threatened against them, and then they did something. They tell me a very bad situation existed over there. Their board of commissioners—I believe that is what they call them—was threatened with some very drastic action unless they did something about polluting the streams below their city. They did do something about it. If I owned property in one of these towns, and they did not do something about dumping sewage, I would get me a lawyer.

Here is something else that I know has happened. This situation was not in my area, and not even in my State, but I happen to know about it. I visit there sometimes. I shall not call the name of the place, it might reflect on it, but it is a good example. There is an industrial plant located there. You cannot drive down a beautiful stream into which this plant dumps its untreated waste without almost having to hold your nose. As the gentleman from Kentucky said, what happened here is what happened to a large part of his country. The town's people seemingly do not want to do anything about it, because this plant means a great deal to the town, and they are not going to complain about it. So it continues to exist. I have an idea this is the case in many places, so they are willing for it to become the responsibility of the Federal Government.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BURLESON] has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. FOGARTY. Mr. Chairman, would the gentleman yield for a unanimous-consent request?

Mr. HALLECK. I yield to the gentleman.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close at 5:15 p. m.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. SAYLOR. Mr. Chairman, I object.

Mr. DINGELL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HALLECK. Mr. Chairman, I should like to add my voice to others who have spoken before me to the effect that in the consideration of this bill Members by and large have been gracious to one another and have been trying as best they could to resolve some of these differences. I think it is obvious to all of us that there is in the country a real concern about the size of the Federal budget, a desire that that budget be reduced, if such can be accomplished having regard to the best interests of the country. On the other hand, and certainly in connection with this particular bill, I am sure we all realize that we are dealing with many sensitive areas with a great humanitarian appeal. The things that are sought to be done with the items of appropriation in this bill do have a great appeal. I am sure every one of us is conscious of that fact.

However, I think also we are coming face to face with a clear realization that all of these various services and projects which people would like to have cost money, and when funds for them are put into the appropriation bill, then of necessity the appropriation is larger than it would otherwise be.

Let me ask you this question: Are we not at this juncture put to the necessity of determining which of these things we might forego for another day, not holding that they are not good, that we would not like to have them, but that as of today we just do not see how we can afford them?

There was great controversy about section 6 of this extension. It was added in the House committee. It provided for the direct grants. It provided for the $50 million that is here found in the bill. And may I say parenthetically, there have been charges and countercharges about who has been responsible for the enactment of the authorization measures that bring about these appropriation items.

Let me point out to you again, as it has already been pointed out, that this is one item you cannot charge to the administration because the administration held that section 6 should be properly deleted from the bill, and there was a substantial volume of opinion here in support of that position. The teller vote on the Dondero amendment to strike out section 6 was 112 for and 118 against. That certainly was no decisive vote.

So here we are. As far as I am concerned, I have looked this over. I went back and read as best I could the debates that went before. I know every one of us wants our streams to be pure. No one realizes any more than I that water is one of our greatest resources and one day we may have water shortages in places where today we are more concerned about floods. But even realizing that I have come to the conclusion that here is a program, no matter how much it has to recommend it, that should be terminated for the present. In a better day, when the country may be in a little better shape financially, when the demands for national defense at home and abroad are not so great, then we can again turn our minds to this. But here is an item, may I say to you, that involves the potential of a lot of money. It is not just a flyspecking operation. Certainly, to delete this item interferes with a program that a lot of people think is good. I think it is good, though I still believe it is primarily a matter of local and State concern and responsibility, as was held by those who debated this measure a year ago.

As far as I am concerned, I am going to support this amendment as one place where we can call to the attention of the people of this country, if nothing else, that these programs do cost money, that we cannot have them all without paying for them, and if the people want economy in Federal expenditures the only way to cut is to cut. This is a place where I think we can and should make a cut.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close at 5:30 o'clock.

Mr. TAYLOR. Mr. Chairman, I object.

Mr. BLATNIK. Mr. Chairman, I move to strike out the last word.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. JONES of Alabama. Mr. Chairman, the gentleman from Minnesota is chairman of the subcommittee that conducted the hearings and reported out this bill. He has probably done more work in this legislative field than any other man in the history of the Congress. I, for one, appreciate the great efforts he has made in espousing this legislation which has meant so much to the health and general prosperity of this country. I think the gentleman is to be commended for his outstanding and splendid work in this important legislative field.

Mr. BLATNIK. I most sincerely appreciate the kind and generous remarks of the gentleman. I must acknowledge for the record that if it were not for the splendid support from many colleagues from both sides of the aisle and from all sections of the country passage of this first important piece of Federal legislation on water-pollution control would not have been possible.

Mr. Chairman, my friend, the gentleman from Pennsylvania [Mr. FULTON], pointed out that not since the year 1900 have we had any effective water-pollution control either Federal, State, or local. The problem has been getting worse day by day and year by year and month by month. It is worse today than it was yesterday and it was worse yesterday than it was last June or July, as the gentleman from Oklahoma so ably expressed it. At no time in the past 57 years has construction of sewage-control facilities kept up with the demand except for one brief period of years in 1932, 1933, and 1934, a quarter of a century ago. This was the first start on a problem that is already a national problem in 1 out of 8 major cities in over 66 areas of the country involving over 18 million people. Yes, in your State of Texas in all but 6 of the 254 counties, it is an emergency, a disaster, a crisis. I say that the pollution of water is a waste of water.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. FISHER. I would just like to point this out to the gentleman. While this section 6 is associated, I think, by most of the Members with stream pollution, many of these 254 counties are not even on running streams. Some of these grants that I know have been made to cities that are far away even from a running stream. I do not see how you can associate that legislation and that problem with all of this talk that has been going on here this afternoon.

Mr. BLATNIK. It is associated in this way. Pollution is a waste of water. Water is fixed. It is constant. We have as much water today as we had in 1900 or as we had in 1620, and we have more people using more water per person as well as more industries using more water. The industrial growth has been tremendous. Ten times the water is used today by industry than was used 25 years ago. It will be doubled in the next 15 years, you see. So, as we use more water from a fixed source, we pollute more of the water because there is less to use. And so it goes around and around in a chain of reaction that eventually in a short period of time will make water not only a national problem but a crisis—which I must say exists already.

Mr. Chairman, any attempt to cut the appropriation for water pollution control activities and sewage treatment work construction, if successful, will have serious and costly effects in the not too distant future.

Last year, when the Committee on Public Works took up consideration of the bill to extend and strengthen the Water Pollution Control Act of 1948, I consulted with many experts in the field of water resources conservation and development. We found, after considerable study and public hearing, that of all the phases of the problem of water conservation most neglected, the control of pollution topped the list. In essense we created an overall spectrum band to discover what the overall water problem entailed and where pollution and its control fit in.

Along with many others, we found two very disturbing facts. One is, as a recent New York Times survey has indicated, that the United States is confronted with a water supply problem that poses serious questions for the future growth of the Nation. There is the imminent danger that the Nation's future growth will be limited due to a water shortage. The second fact was that while considerable attention was being paid to most aspects of the water resources conservation and development problem one area seemed to be almost totally ignored—and that was the problem of pollution. We have spent billions storing water, damming it, conserving it while at the same time allowing the pollution problem to steadily worsen. For that reason we enacted Public Law 660 last year. It, in effect, puts the pollution problem on equal footing with other serious water resource problems and for the first time we have the machinery to begin to cope with the problem.

The demand for water, Mr. Chairman, has increased immensely while the supply has remained relatively constant. Stated simply, that is the water resources problem in a nutshell—relatively constant supply and an ever increasing demand.

The increased demand for water comes about because of increased population, population shifts, expanded industrial production, increased irrigation and recreational uses, and increases in waste transportation.

In 1900 our population was 76 million people. They used 5 billion gallons of water a day. In 1955 our population was 165 million. They used 22 billion gallons of water a day. In other words, a little over twice as many people required four times as much water. By 1975 our population will be in the range of 225 million persons who will use 37 billion gallons of water each and every day of the year. In the meantime, our water supply remains constant while our population figures explode upward.

Consider for a moment the increased demand on water resources due to increased industrialization. In 1900 some 15 billion gallons of water were used each day—and that is self-supplied, not including water obtained from public supplies. Since then, our industrial production has increased over 900 percent, more than half of which has been since 1940, and today American industry consumes 120 billion gallons of self-supplied water each day and by 1975 our industrial machine will require 246 billion gallons each day. By 1975 our industrial capacity will be double the 1950 levels. Yet the supply of water is constant.

Take the increased use of water for irrigation purposes. In 1900 we were irrigating 7.7 million acres which required 20 billion gallons of water each day. In 1955 we were irrigating almost 4 times as much land—29.5 million acres. Yet we used 6 times more water on those acres—120 billion gallons each day. By 1975 we will be irrigating 37.4 million acres requiring 170 billion gallons of water a day.

Add to this the increased recreational use of water and the increase in waste transportation and you arrive at the startling conclusion that by 1975 this country will require an increase in the current water supply of 145 percent—equal to the additional supply of 145 New York City's, requiring the flow of about 11 Colorado Rivers.

How then can we permit the waste of water? Yet that is exactly what pollution is: Polluted water is wasted water and we do not have a drop to waste.

I am sure the people living in the increasing number of areas suffering water shortages will bear me out. And today there are some 66 such areas affecting over 18 million people. Think of it: 18 million people living in water shortage areas and yet there are those here this afternoon who would eliminate a program designed to conserve and increase our water supply.

Mr. Chairman, unless we tackle this water pollution problem, and tackle it hard, we are going to be in very serious trouble in a few short years. Pollution is one of the largest contributors to our present and future water resources problem and we must recognize that its control is one of the most effective and economical water conservations measures.

The pollution problem has gone from bad to worse, even under the original Pollution Control Act of 1948. Both municipal and industrial pollution has greatly increased.

In 1920, 48 million people were served by sewers and wastes had a population equivalent of 42 million persons. Today 95 million are served by sewers and wastes have a population equivalent of 55 million persons. By 1935 an estimated 160 million persons will be served by sewers with wastes having a population equivalent depending on what we do about pollution in the interim. And what has been our progress in supplying facilities for the treatment of these wastes? Right now, as this debate goes on, there is a need for 9,255 municipal treatment projects.

The picture is even darker regarding industrial waste. In 1,920 organic wastes discharged by industry had a population equivalent of 50 million persons. Today that is more than doubled. Organic wastes discharged by industry has a population equivalent today of 110 million persons. By 1975 we know that our present industrial capacity will be doubled. The amount of pollution, Mr. Chairman, will again depend largely on what we do today and in the years to come in the field of pollution control. A 1955 survey by the Public Health Service shows a total of 5,700 treatment projects needed by industry.

To combat especially the municipal pollution problem, Mr. Chairman, section 6 of what is now Public Law 660 was included in the bill. We had a tough fight to hold that section in the bill, and it would appear that our opponents have not given up for the very people who opposed section 6 last year for one reason or another now have as their battlecry, "Cut the budget."

The appropriation bill before us appropriates $50 million for the next fiscal year for the construction of municipal sewage-treatment plants. The need for such Federal aid cannot be denied. Excepting the period 1933–1939, when Federal public works moneys were available, in no year has the construction of sewage treatment works kept pace with the growth in population. By 1956 the backlog of needed municipal sewage construction had risen to 9,255 projects. That is just the backlog. To keep the Nation merely from falling further behind, Federal aid is needed.

Federal aid to communities for sewage treatment work construction has

been in effect only since last July. And already we hear that the program is a failure and that it should be eliminated. The logic of those proposing the elimination escapes me. Time and again I have heard the argument that "$50 million isn't enough so do not give them anything." The argument is that some communities are holding back waiting for Federal funds and this is hampering progress in treatment work construction. All will agree that in the less-populated States sewage-treatment construction has been vastly increased by the grants made available under the new act. However, in some of the more populated States there has not been enough money to satisfy all communities which applied for it. This has led to the contention in some quarters that such communities would have begun construction if the grants were not available, or are holding back construction until they can receive the grants. It should be pointed out that the only reason applications were received from all these communities in the more populated States is the fact that construction grants were made available. Many of the communities would have shown no inclination to move ahead at the present time without the stimulus of the Federal act. Thus, instead of slowing construction it has stimulated planning and thinking and shown that there is a need and desire to build treatment works. Further, with the relatively poor status of the municipal bond market, it is remarkable that sewage treatment works construction has been continuing, at its present high level. The Bond Buyer—the bible of the bond market—in its published index shows that the current municipal bond rate is 3.12 percent, while 1 year ago the rate was 2.58 percent. This is caused by a general nationwide rise in costs.

This I think can only be attributed to the impetus given such construction by the new grant program.

Since we have all these applications for grants and not sufficient funds in many of the States to meet the demand, is the solution to cut the grants off completely or to consider raising the appropriation to meet this demand? I think this request is modest indeed to continue the great stimulation in sewage treatment construction started under the Federal act. Cutting these funds when this program has just barely had time to get started would be catastrophic and would completely thwart the efforts of the Congress to meet the critical national problem of protecting and improving the quality of our water resources.

From all over the country are coming reports of applications for grants far exceeding the State allocation. In my own State of Minnesota, the Minnesota Department of Health in its quarterly report states:

> A total of 44 applications for grants requesting $2,727,866 were received during the quarter. These requests represent a total construction cost for sewage treatment facilities of $9,082,000. Minnesota's allocation of funds for this fiscal year is $929,000 or approximately 34 percent of the amount requested in the applications.

Out of 44 applications, Minnesota only had enough for the first 9 on the priority list of eligible projects. Most other States are experiencing a similar influx of requests which can only partly be met. Is this cause to eliminate the program? That is thinking backward. Rather it is cause to increase it as is usually the solution when what you have is not enough.

Actually, excellent progress has been made in the construction grants program even with the limited amounts available.

As of March 25, 1957, projects have been approved and grant offers made to 237 municipalities or other applicants in 40 States. Involved are $84.5 million estimated construction costs and $19.9 million in Federal grant funds.

Many States have a backlog of applications involving grant funds considerably in excess of their 1957 fiscal-year allotments. Twelve of these States have reported applications involving requests for grants from 2 to 5 times their 1957 fiscal-year allotments. In all, applications have been submitted to States for projects estimated to cost in excess of $416 million. An additional number of applications are reported to be in preparation involving about $45 million in estimated construction costs.

Can anyone still argue there is not a need for a Federal sewage-treatment construction grant program? We are trying to put out a conflagration here with an eyedropper. I cannot urge too strongly, Mr. Chairman, that the items in this bill for sewage-treatment work construction and water-pollution control programs be approved in their entirety.

An item of special importance, Mr. Chairman, is the need for research. This appropriation bill will enable us to make a start in obtaining knowledge which is needed to enable State and Federal Governments to plan and maintain control of wastes in water. Only new knowledge can enable us to conserve, cleanse and reuse waters in the shortage areas. Only new methods can enable us to reduce the costs of waste treatment to reasonable levels.

On this last point, for example, it has been estimated that continued expansion of municipal waste treatment at present per capita cost figures, would not reduce the alarming pollution of our streams at all. With present methods and prices, per capita expenditures for municipal waste treatment would have to be increased by 86 percent, to reach the desired level of control in 10 years.

When you get into industrial wastes, with the discharges from plants producing our wonder chemicals, our thousands of tons of paper and our new metals, the cost and control problems grow even greater than those of municipal sewage.

The plain fact is we must have new knowledge—sure knowledge of the effects of wastes on the usefulness of water, and ways to cut the costs of their control. There is no other way to assure the supplies of water that are needed, now and for the future.

Under the original Pollution Control Act the enforcement provision was unworkable. For that reason enforcement items were disallowed in previous appropriation bills because, in the words of the Appropriations Committee, "the act, Public Law 845, 80th Congress, is in the final analysis almost unenforcible."

Now, however, under Public Law 660, for the first time we have a workable enforcement provision which already has produced results.

Under the new workable enforcement provisions of the act, dockets on 110 actual and potential interstate pollution problems are being prepared with State cooperation. The purpose of this evaluation is to identify those areas in which control may not be adequate and where remedial measures are needed. Priorities will be established on problems not yet solved by the States and research, technical, and other assistance to the States will be provided on the basis of such priorities.

Under the revitalized act, a hearing was held concerning interstate pollution of the Corney drainage system from oil wells in Arkansas making waters in Louisiana unfit for sport and commercial fishing, recreation, stock watering, irrigation, and other agricultural uses, for municipal use, most industrial uses and use by valuable species of wild animals inhabiting the area. Field information reveals that of the 75 oil wells cited in this case, 59 have already ceased contributing to the pollution and the operators of the other 16 wells are taking positive action to cease pollution.

Further, the State of Delaware in its annual report has announced that the interstate pollution of Buntings Branch creating serious nuisance conditions at Bishopville, Md., has been corrected. The Delaware Water Pollution Control Authority announced that a poultry process plant—the major cause of this pollution—has installed an adequate waste treatment system. This action was taken by the State of Delaware after a survey made by the Public Health Service. The State of Delaware requested an opportunity to remedy this situation under its own procedures, so the Public Health Service did not institute formal enforcement proceedings.

These examples illustrate the type of action the Public Health Service will take. Interstate waters, such as the Potomac River and the Missouri River, seem to have critical pollution problems which need to be corrected. If these and other of the 110 areas being evaluated by the Public Health Service are considered to have a high priority for Federal enforcement action, it is expected that formal legal proceedings to abate pollution will be started. In such cases, investigations will have to be undertaken to provide evidence that can withstand legal scrutiny. This will involve the use of trailer laboratories, the procuring of affidavits and other evidence of damages.

In 1957 an excellent start was made in the interstate pollution abatement program on a modest budget of $250,000. As the program develops with increasing emphasis on conferences, hearings, and technical investigations of pollution in enforcement operations the results will more than justify the appropriation. It is believed the $350,000 requested is modest indeed to achieve such important results.

Mr. Chairman, for more than 60 years bills have been before this Congress to provide for an effective pollution control program. For the first time we have one. However, this program is just getting started and it needs cold hard cash to be successful. The Nation's future growth depends upon the preservation of the quality of its water resources. We cannot afford to be tightfisted with our Nation's future. I cannot urge too strongly, Mr. Chairman, that this appropriation be approved in full.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAYLOR. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. SAYLOR. Mr. Chairman, it is interesting, and I would urge that when the Members return to their offices they get out the CONGRESSIONAL RECORD of June 13, 1956, and read the debate which occurred on the floor of the House on that day when the new Federal Water Pollution Control Act was up for discussion. At that time every argument that has been made today was carefully considered, and this House rejected those arguments that water and water pollution were not matters of national concern and were not matters that should be taken care of at once, and by an overwhelming vote passed the House and was signed by the President on July 9, 1956.

In that bill, which was handled on the floor by the gentleman from Minnesota [Mr. BLATNIK] and our colleague from Michigan who retired, Mr. Dondero, this House said that Congress in recognition of a national problem authorized the expenditure of $500 million at the rate of $50 million a year for the next 10 years in an effort to accomplish something toward combating a menace which has been growing in the United States for over 50 years.

Is pollution gaining on us? It is. For construction of sewage treatment works alone, our yearly average from 1915 to 1950 in terms of 1950 dollars, was $141 million. In spite of these large outlays, construction has steadily fallen behind needs.

This was especially true during World War II—the very time when a considerable increase in waste production took place. As a result, a large backlog of urgently needed construction has accumulated.

As we stand now, to bring treatment-works construction up to the level necessary, simply to keep even with the growing pollution problems would call for an estimated annual spending of from four hundred and fifty to five hundred million dollars for the next 10 years.

How many treatment plants are we short?

As reported at the beginning of 1955 the figures were:

Municipal treatment plants needed, 6,686. The figure includes: 3,618 new plants; 738 replacements; 1,567 enlargements, additions, and so forth; and 763 of a type not reported.

Industrial treatment plants needed, 5,728, the figure including: 2,508 new plants; 183 replacements; 943 enlargements, additions, and so forth; 644 connections to municipal sewers; and 1,450 to meet a type of need not determined.

Such is the size of the backlog. And stepped-up construction of waste-treatment works is only one of the needs to be met if we are going to catch up with pollution, crack the problem of regional shortages, and safeguard a growing nation's diminishing water supply.

Today about 100 million of our 170 million people are living in sewered municipalities. Into their watercourses their municipal sewer systems are pouring their toilet flushings, bath and wash water, kitchen-sink garbage, restaurant and laundry washings, hospital and mortuary refuse—in fact the whole gamut of things mentionable and unmentionable that can be got rid of by dumping them down the drainpipe.

Recent figures released by the United States Public Health Service show the construction grants program under the new Federal Water Pollution Control Act really rolling. The act was signed by the President last July 9. It was designed to help the cities and towns of our country to build sewage-treatment plants. By March 26 of this year $21,061,879 had been awarded in grants to 255 municipalities to help them in the construction of sewage-treatment works. The cities and towns, ranging in population from 280 to 353,000 had added $68,871,689 of their own funds, bringing the total to be spent on sewage-treatment facilities to $89,933,569.

The construction-grants program is only one of several authorizations of the new Federal legislation designed to broaden and strengthen the Water Pollution Control Act of 1948.

With programs in the course of development in the various areas designated by Congress, the provision for Federal grants to assist in the construction of sewage-treatment works marks the first time in the history of water resources management in the United States that a program of Federal grants to municipalities, designed exclusively to stimulate the construction of sewage-treatment works, has been authorized by Congress.

Construction of municipal and industrial waste-treatment works is far from keeping pace with the Nation's growing pollution problem, according to estimates of needs as made by the Public Health Service. In spite of large outlays, the installation of treatment works has been steadily falling behind needs. As a result, a large backlog has piled up. As we stand today, using 1955 figures as a basis of estimate, the needs as seen by the Public Health Service is for at least 6,700 municipal and 5,750 industrial waste-treatment plants, the figures including new plants, replacements, enlargements, additions, and so forth.

The record so far, as the construction grant program under the new Water Pollution Control Act has been gathering way since its launching late last summer, indicates that it is functioning as Congress intended—as a stimulus to construction of badly needed sewage-treatment works.

It is imperative that we continue this national effort to clean up our country's rivers and streams.

The Federal Water Pollution Control Act of 1956 also contained provisions with regard to grants to States.

A total of $2 million in Federal grants by the Public Health Service has enabled States to budget $6,417,356 to help them administer expanded State water pollution control programs during the current fiscal year.

Despite shortage of scientists and technicians, the first response to the general-aid program is encouraging.

Reports on the program from the States indicate that the Federal money is being spent by the State to obtain better water quality data, determine the degree of antipollution treatment needed, and where necessary, to prosecute water pollution control violations on intrastate streams.

Some of the State agencies are spending a part of their funds for automatic sewage and industrial waste sampling equipment. Several plan to purchase special equipment to monitor radioactivity in waters; 10 States are planning special radiological surveys.

Nearly all of the reporting States plan to expand existing laboratory facilities. Four plan decentralized branch offices. Eight expressed the desire to modify existing water pollution control laws in the direction of stronger enforcement.

This Federal aid is given under section 5 (a) of the new Water Pollution Control Act. It is in addition to the act's authorization of $50 million annually—up to an aggregate of $500 million—to help communities build sewage treatment facilities.

In this kind of a program the States have the basic responsibility and the Federal Government shares in the financial burden of helping to provide much needed assistance in this new and important program of cleaning up the Nation's rivers and streams.

Broader and more intensive research is an urgent need in fighting the pollution of our streams and rivers. Establishment by the Public Health Service of the Robert A. Taft Sanitary Engineering Center, at Cincinnati, Ohio, marked an important step to meet this need, but more money than has so far been made available is needed to provide research there and elsewhere.

Some of the studies being carried on at the Robert A. Taft Engineering Center are:

Significance of viruses in water supplies.

Role of fungi in water sanitation and in waste treatment.

Improvement of methods for rapid identification of bacterial indicators of sewage contamination.

Identification and control of algae, actinomycetes, and other water-supply interference organisms.

Determination of the environmental requirements of fish as a basis for establishing water quality requirements.

Determination of the persistence characteristics of organic compounds in water solution.

Development of procedures for routine stream monitoring for radioactivity.

Evaluation of water-treatment plants in removing heavy loadings of coliform organisms in raw water.

Treatment requirements of individually owned and operated water-supply systems.

The funds sought for research in water-pollution-control program is modest enough, in all conscience. Study of the pollution of our streams and rivers by the new petrochemical and other industries demands the best scientific and technical skills and techniques. To get them more money is needed than is being sought here today.

If there is any other item in the Departments of Labor and Health, Education, and Welfare and related agencies appropriation bill of 1958 which more vitally affects the life, health, and general welfare of the 170 million people now living in this country, and our obligation to provide those who come after us with an adequate supply of pure water, I do not know what it is.

I urge, therefore, that this amendment be overwhelmingly defeated and that the House of Representatives again reiterate what we said so forcibly on June 13, 1956.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. BLATNIK. I want to commend the gentleman for the illuminating and up-to-date figures he has given showing that there has been a great spurt of activity on the part of municipalities and State legislatures most of which are now in session considering this legislation greater than ever before.

In addition to the moneys which the localities put in for the sewage-disposal facilities there then comes also additional expense in terms of sewers and for collecting systems and for all these other facilities that do not come under a sewage-disposal facility. So the ratio, instead of being 1 to 3 or 1 to 5, I believe, will hit 1 to 8.

I thank the gentleman for his support.

Mr. KARSTEN. Mr. Chairman, I rise in opposition to the amendment.

Every 4 years, the two major political parties gather in convention to select candidates, make promises, and write platforms. Last year, the Democrats met at Chicago and the Republicans at San Francisco. Both parties had something to say on water pollution and water resources. The Democrats and Republicans recognized that water is one of our most valuable natural resources, one that we must protect and conserve.

The Democrats at the Chicago convention adopted this language as a part of their platform:

> The Democratic 84th Congress has taken a long step toward reducing the pollution of our rivers and streams. We pledge continuation and expansion of this program, vital to every citizen.

The Republicans at San Francisco went a little further than the Democrats. Of course, they held their convention a little later. The Republicans had this to say:

> Water resource development legislation enacted under the Eisenhower administration already has ushered in one of the greatest water resource development programs this Nation has ever seen, a soundly conceived construction program that will continue throughout this century and beyond.

Those platforms were adopted in 1956 and the act has not yet been in effect for a year.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Illinois.

Mr. PRICE. Would the gentleman take that statement to mean an endorsement of section 6 of this Water Pollution Act?

Mr. KARSTEN. As I see it, the Republicans want to take credit for the benefits but they want to place the blame for passing it on the Democrats. Of course, the Democrats are willing to assume that responsibility.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was chairman of the Democratic platform committee and that was unanimously adopted by the subcommittee which drafted the Democratic platform and by the full committee. I may also say it is amusing to me to listen to the arguments of those who favor the elimination of this $50 million from this appropriation bill on the basis that water pollution legislation is something of recent origin. This Congress has been considering it as far back as I can remember being a Member of this Congress. In the early thirties a great man in Connecticut, Gus Lonergan, who served in this body and in the Senate, was fighting for water pollution legislation in an effort to awaken the people of the country to the necessity of it. This is a meritorious item, one that is vitally necessary, and I join with those who opposed the amendment and I hope it will be defeated.

Mr. KARSTEN. The Republicans are committed for the remainder of the current century and the people would like to have some action.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to call the attention of my Republican colleagues to this fact: I think the President in his state of the Union message made the most forceful statement on water and natural resources that has ever been stated by anybody. May I just quote this:

> I would like to make special mention of programs for making the best uses of water, rapidly becoming our most precious natural resources, just as it can be, when neglected, a destroyer of both life and wealth.

He goes on to recommend programs of cooperation between the Federal, the States, and local authorities to prepare a technique whereby we can clean up these polluted waterways all over the country.

Mr. KARSTEN. That language is practically identical with the remainder of the language in the Republican platform. Evidently the President is making a genuine effort to try to carry out the platform, but he needs a little help from the Republican side of the aisle in order to do it.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Illinois.

Mr. PRICE. Much has been made of the point here that this is a congressional program that was not endorsed by the administration. Is there anything in the Constitution that prohibits the Congress itself from enacting a program that is beneficial to the people of the country?

Mr. KARSTEN. I know of nothing in the Constitution to that effect.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Indiana.

Mr. DENTON. Did the President not sign this bill?

Mr. KARSTEN. Yes. The President could have vetoed it. The Republicans took every possible bit of credit for it in the last year's elections.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. As I listened to the gentleman from Pennsylvania quoting the President, he talked about water resources, which is a very broad subject, and would include your Colorado River project, and others. I do not think anything was said about pollution.

Mr. KARSTEN. I might say to the gentleman from Missouri that the language in the Republican platform is so broad it encompasses everything in the way of water resources. Certainly pollution of our streams is seriously damaging our water resources which the President spoke of in his message. These are the same water resources that the Republicans seek to protect in their platform. The people have the right to expect the Republicans to carry out their programs.

The Democrats also have a responsibility because the program was inaugurated during the Democratic 84th Congress. We, too, have pledged continuation and expansion of the program. I hope the amendment will be defeated.

Mr. MILLER of California. Mr. Chairman, I move to strike out the requisite number of words.

Mr. MILLER of California. Mr. Chairman, this debate has gotten far afield from some of the reasons why we should seriously oppose the present amendment to strike this amount of money from the budget. The other day I came across the word "metropolis" in a newspaper. I wondered what it meant and found out they were talking about huge cities that are rapidly taking form in this country. These new areas extending on the eastern coast from Washington to Boston present new problems in pollution. As a matter of fact, the most serious problem they have to contend with is pollution. On the west coast the great area, for instance, in southern California has the problem of air pollution and sewage and water pollution to take care of. It is the thing that hampers the growth of these areas.

In this week's U. S. News & World Report they sketch the stripped cities that become the metropolises of this country throughout the future. They tell you of the decentralization of people, the decentralization of industry along the new

projected highways, and in parts of the country where these highways have been built we have seen this decentralization, and with that decentralization comes the problem of pollution.

Pollution is the enemy of modern civilization, and I am sure that those of you who have traveled in Europe or the Orient are immediately struck by the difference in the cities that you see and the approaches to the cities that you see. But particularly in the Orient and Africa your nose knows the difference when you get into the cities where pollution is rife with accompanying diseases and the disorders that follow that sort of thing.

Now, there is no time to wait. We are behind in this program. Trying to rationalize the situation, our friends who support this amendment tell us that we can wait; we can put this off until another day; we can wait for the pie in the sky. But, there is no time to wait. The problem is here now, and we have been delaying and delinquent in trying to find its solution. I am certain that when this House rejected the amendment to strike this from the bill last year by a vote of 165 to 213, it spoke the will of this body, and the will of the other body, apparently, evidenced itself or the bill would never have become law.

So, let us not haggle about how this became law. It became law because there was a demand and a necessity for it for the health of this country and its orderly development.

I remember just yesterday taking a look at a page in the Washington Post that speaks of 30 years of pollution, and I think that anyone who reads that or those of you who read and remember recognize why this problem must be solved now if we are to develop our country and its resources to the fullness that will be necessary to meet the populations to come in the years ahead.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Rhode Island.

The question was taken; and on a division (demanded by Mr. HOFFMAN) there were—ayes 115, noes 55.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agenies, for the fiscal year ending June 30, 1958, and for other purposes, had come to no resolution thereon.

COLORADO RIVER STORAGE PROJECT

Mr. UTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. UTT. Mr. Speaker, I have this day introduced a measure to repeal the Colorado River storage project. I take this action now because the Bureau of Reclamation has called for bids on the construction of the dam at Glen Canyon. These bids are supposed to be opened this month and there are specifications in the request for bids which violate the terms of the Colorado River Compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act and the water and power contracts thereunder.

Item 5 of paragraph 52 on page 43 of the printed specifications provide:

> During closure operations the contractor will be required to pass a minimum of 1,000 cubic feet per second through the right tunnel intake closure structure until sufficient head is available to pass 1,000 cubic feet per second through the high-pressure slide gates of the left diversion tunnel with all gates fully open. As soon as 1,000 cubic feet per second is flowing through the left diversion tunnel, the contractor shall make closure of the right diversion tunnel. The flow of 1,000 cubic feet per second through the left diversion tunnel shall be increased to 3,000 cubic feet per second and then maintained at 3,000 cubic feet per second until the reservoir water surface is at elevation 3,400. When the reservoir water surface is at elevation 3,400, the high-pressure slide gates shall be closed and minimum downstream requirements shall be met by passing water through the river outlets. The discharge through the river outlet shall at all times thereafter be as directed by the contracting officer.

The Colorado River Board is concerned with the procedure specified in the foregoing in regard to the effect thereof on the water supply available to the Lower basin and on the power output at Hoover Dam especially, and also at Davis and Parker Dams. Releases on the order of 1,000 to 3,000 second feet over a considerable period of time would result in a very substantial curtailment in water supply at Hoover Dam and possible reduction in power output capability at Hoover and other powerplants.

This means that there would be a withholding of 3 million acre-feet of water during the first phase of construction. The water at Lake Mead behind the Hoover Dam is already at a dangerously low point resulting in inefficient operation of the generating plants. The amount of water to be released under the proposed construction contract is far less than the contractual requirements below the Hoover Dam. In fact, it takes over 2,000 second-feet to supply the Mexican Water Treaty and it takes an additional 1,500 second-feet to supply the metropolitan water district of southern California. It takes a thousand second-feet to take care of the evaporation on Lake Mead. It takes 4,000 second-feet to fulfill the contract with the State of Arizona and over 5,000 second-feet to supply the All-American Canal in Imperial and Coachella Valleys. This totals more than 12,500 second-feet which must be released from the Hoover Dam and with a controlled inflow ranging from one to three thousand second-feet would develop a disastrous overdraft on Lake Mead and threaten the valid contracts for power developed at the Hoover Dam.

I am amazed to find that the Secretary of the Interior and the General Counsel for the Bureau of Reclamation were unaware of the provisions of the proposed contract even though the opening of the bids is but a few days away. The inclusion of item 5, paragraph 52, into the contract presents serious legal questions as section 7 of the Colorado River Storage Project Act requires that the Secretary of the Interior exercise his authority granted in section 7, as follows:

> He shall not affect or interfere with the operation of the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, and any contract lawfully entered into under said compacts and acts. Subject to the provisions of the Colorado River Compact, neither the impounding nor the use of water for the generation of power and energy at the plants of the Colorado River storage project shall preclude or impair the appropriation of water for domestic or agricultural purposes pursuant to applicable State law.

Section 14 of the same act directs compliance with the compact and statutes and the Mexican Water Treaty, and authorizes suits to enforce such compliance. So, here we have a proposed contract which invites litigation immediately.

During the hearings on the Colorado River storage project considerable testimony was recorded challenging the sufficiency of the foundation upon which the dam was to be built and yet the design of the dam indicates that it is about half as thick at the base as is the Hoover Dam, which is founded upon a much sounder base even though both dams are the same height.

Apparently the Reclamation Bureau became alarmed at the sufficiency of their specifications and appointed a commission of independent engineers to pass upon them, but not before they had been submitted for bids. If their report is adverse, new specifications will have to be drawn and new bids secured at an undue expense to the bidding contractors.

The project is not feasible in that its repayment schedule is based on the sale of power at 6 mills, while at the same time it is indicated that thermoelectric plants can be built nearer the load center using the great deposits of coal in that area to generate power at 4½ mills per kilowatt-hour.

The repayment schedule was based on an estimated cost of $760 million. The Bureau of Reclamation estimates the cost at $933 million and under the 1956 cost indexes it would indicate that the authorized units in the bill will cost over $1 billion.

At this point I call your attention to the fact that the Trinity River project which was estimated by the Bureau at a cost of $225 million will exceed that cost by eighty or ninety million dollars. In fact, it is hard to find any project that has not run from 30 to 50 percent higher than the estimated costs.

Congress and the Nation are demanding substantial cuts in the budget. There is a current budget request of $25 million to start construction of the Glen Canyon Dam. Contracts have already been let for nearly $9 million for access highways and the Glen Canyon Bridge. These

items would not be wholly lost by the deauthorization of the project as most of it is for highways and a bridge. Now is the time to stop this unnecessary project until full justification can be made for it.

Two months before the passage of the Colorado River storage project there were enough votes in Congress opposed to its passage to defeat it by as large a majority as was given its final passage. The White House secretaries spent several weeks lobbying among the Republican Members. On the day of the debate the President devoted a great portion of his news conference to the importance of this measure and at the same press conference announced his willingness to run for reelection. I am certain that this announcement alone caused at least 50 Members who expected to run on the record of the administration to fall into line with the President's request.

After its final passage, I listened to many Members who voted for the project explaining that it was one of the worst votes they had ever made in Congress, but what else could they do under the circumstances.

I urge my colleagues to give this project a new look and to reconsider the enactment of this infeasible, unnecessary, and costly legislation.

CIVIL RIGHTS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I am introducing today a resolution which will be referred to the Rules Committee which calls upon the House to resolve itself into a Committee of the Whole House on the State of the Union for the consideration of H. R. 6127, a bill to protect the civil rights of our citizens. The resolution also provides for 2 days of debate on H. R. 6127, equally divided, and makes provision for such amendments as Members may wish to propose. This is not a discharge petition. Under the rules of the House, this resolution must remain in the Rules Committee 7 days before the procedure to discharge the resolution can be initiated. It is my earnest hope that there will be no unwarranted delay by the Committee on Rules in reporting a rule on H. R. 6127 so that this vitally needed legislation can come before the House at an early date.

Mr. Speaker, both parties are on record that the protection of civil rights requires legislative action on the part of the Congress. To do less would constitute a lack of faith not only toward those of our citizens who are today being denied their just rights, but will also do us great harm in the eyes of the whole world. Therefore, I trust that all committee action will be concluded shortly. Should an unusual situation arise, however, I am ready to place into motion the machinery to discharge the Rules Committee from consideration of the bill.

H. R. 6127 is a good beginning to right the wrongs under which many of our fellow citizens are suffering. This bill enacts a national policy to protect the right of the individual to be free from discrimination on account of race, color, religion, or national origin. This would be implemented by the establishment of a six-man Commission on Civil Rights with a full-time staff director appointed by the President with the consent of the Senate, which would gather information and make reports. It provides for a larger staff in the Attorney General's office headed by an Assistant Attorney General for Civil Rights. Most importantly, H. R. 6127 authorizes the Attorney General to institute civil proceedings to obtain injunctive relief in cases involving the right to vote. The Attorney General can also file civil suits against persons who attempt to harm a citizen's right to vote.

It is an unfortunate fact that in some localities the enforcement of law and order has broken down and individuals have been intimidated for exercising their rights. The constitutional guaranties of equal protection under the law clearly place upon the Federal Government a duty to act when local authorities fail to protect constitutional rights.

Because of my own lifelong efforts in support of equal opportunity for all races and creeds, I intend to take every step to insure congressional action to guarantee all of the rights of all our citizens. As long as discrimination exists in this country, we shall be morally vulnerable in the fight against world communism and aggressive dictatorships abroad. We cannot assume the leadership of the free world if we remain tainted by inequality in our own land.

Federal courts must be granted clear jurisdiction over civil-rights violations and our Federal law-enforcement agencies must be strengthened in order to establish a proper framework for the eradication of these injustices. H. R. 6127, while not as comprehensive a civil-rights act as the one which I introduced earlier in this session, is a good step in that direction. It cannot be allowed to be pigenholed in the Rules Committee. I intend to take every action for prompt consideration by the whole House so that every Member can stand up and be counted in this crucial fight.

SUPPORT PRICE ON CORN DURING CROP YEAR OF 1957

Mr. COAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. COAD. Mr. Speaker, on the 21st day of March I sent a petition to the Secretary of Agriculture asking that corn raised during the crop year of 1957 be supported at $1.60 per bushel for those farmers who comply with acreage allotments.

The petition which was sent the Secretary was signed by myself and 30 of my colleagues. This was a serious and honest effort to get the Secretary to do that which he can do as set out by the authority of already existing law.

However, to this date I have not even received so much as an acknowledgement of the receipt of the petition let alone any indication whether or not the Secretary of Agriculture intends to do anything about raising the support price on corn.

I trust that this is not to be taken as an indication of the true feeling which the Secretary may hold for this segment of agriculture. However, through recent press reports it seems that the Secretary is now not even interested in getting a corn bill through the other body because of the many administrative problems involved. Mr. Benson is quoted in the press further as saying:

> Farmers generally have made their 1957 plans on the assumption that there will be no new corn legislation.

And with this I will agree and the plans are that there will be many many farmers who will raise corn considerably over and above their allotments on the supposition that there will be some kind of supports available. The quickest and simplest and most fair manner to curb this tendency toward overproduction is for the Secretary to announce immediately that corn will be supported in the commercial corn area at $1.60 per bushel for those complying with their acreage restrictions.

LICENSES FOR THE OPERATION OF RADIO AND TELEVISION STATIONS

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DINGELL] is recognized for 15 minutes.

Mr. DINGELL. Mr. Speaker, for some time Congress has been deeply concerned by the rash of corporate mergers of recent years, and the specter of giantism as a peril to America's free competitive enterprise system. In some instances, such consolidations are desirable, if not necessary. But in other instances they have spelled death for small and independent business.

On both sides of the aisle many of us have manifested anxiety about such developments. We have increased appropriations for the enforcement of antimonopoly laws. Many bills are pending to stimulate and nourish small business by going to the root of its major problems.

More recently, Mr. Speaker, we have found it necessary to focus attention on Government-regulated businesses, industries in interstate commerce subject to the authority of powerful, independent, quasijudicial boards and commissions. These agencies were created by the Congress. They are charged with responsibility for administering laws regulating such industries, in the public interest.

Unfortunately, the people being regulated seem to wind up in command of the agencies supposed to do the regulating. As the Speaker of the House pointed out in this Chamber 2 months ago, there are grave questions as to whether the laws of the land are being repealed by these agencies via resort to highly questionable, if not improper, administrative actions.

It is not my purpose today to discuss the judicial functions of these agencies. I address myself to the Speaker's misgivings concerning the extent to which the intent and will of the Congress and the expressed public-interest policies of these agencies are contravened in behind-the-scenes maneuvers. It is becoming increasingly obvious that agencies supposed to be free of pressures, feel the hot breath of interference from individuals in the executive departments and from outside interests. Involved are matters of precious public rights worth millions and scores of millions of dollars.

Mr. Speaker, let me refer in this connection to the pattern of behavior of a majority in the Federal Communications Commission. Let me also refer to published reports circulated as recently as 2 days ago concerning a pending proceeding. This latest example of what alarms me concerns a television license in Boston, Mass., conservatively estimated to be valued at $15 million and perhaps as high as $20 million. I have no interest in any applicant among the four involved in this case. I have no connection whatever with Boston, which I am told is one of the biggest TV-radio markets in the Nation, and now has only 2 commercial stations, with total earnings in excess of $3,500,000 annually.

According to this week's issue of an authoritative television industry publication, the Commission is about to finalize a decision awarding the third TV commercial station in Boston to the Boston Herald-Traveler, a newspaper company controlled by an ownership with a notorious and long-time record of antitrust convictions.

This newspaper company applicant, according to Associated Press dispatches, is under investigation now by the Justice Department's Antitrust Division.

In addition, this applicant, is charged in affidavits on file with the Federal Communications Commission, of illegal efforts to monopolize newspaper publishing in Boston Among other things, the Herald-Traveler is accused of trying to block a $16 million loan by the John Hancock Life Insurance Co. of Boston and the Second Bank-State Street Trust Co., to the competing Globe, which is building a new plant. The Globe has been subject to a persistent campaign by the Herald-Traveler to accept a merger proposal. The Globe's lawyers advised that such a consolidation would be in violation of the antitrust laws.

As we all know, the Federal Communications Commission is supposedly committed to a policy of wide diversification of ownership of communications media. Chairman McConnaughey said as much before our committee during the last minutes of a recent hearing. Asked what the Commission would do about an applicant which publishes two daily newspapers in a community and operates the only clear-channel 50,000-watt broadcasting station, and is tainted with a long record of monopoly, the reply was clear: there would be a red flag on such an applicant's petition, our committee was told.

The Herald-Traveler situation fits this pattern. In addition, according to published reports the Herald-Traveler has in its camp such high-voltage pressure appliers as Secretary of Commerce Sinclair Weeks. This is the same gentleman who for 4 years has been trying to take over command of the Labor Department and some of the antitrust responsibilities of the Attorney General. Mr. Weeks has been associated in the First National Bank of Boston with the elements controlling the Herald-Traveler. He has reportedly been most accommodating to his friends in promoting their cause as would-be telecasters, to the detriment of three other applicants lacking the stigma of a history replete in practices contrary to the public interest.

I believe it incumbent on the Federal Communications Commission to follow a policy of maximum diversification of ownership in granting licenses for the operation of radio and television stations. The Chief Examiner of the Commission after extensive hearings rated the Boston Herald-Traveler as tied for a poor third in accordance with their principles. Now, instead of greasing the skids for a handout to adjudicate monopolists, the Commission should consider the record of all applicants in terms of their past performance in communications mediums and their record with respect to the antitrust laws.

Consider, for example, the manner in which the Herald-Traveler has misused its radio station, the license of which, incidentally, is now up for renewal.

The publisher of the Herald-Traveler has openly admitted that the primary purpose of the station—if his company is awarded the license—would be to promote the Herald and Traveler newspapers. The way in which this objective, which certainly is not basically in the public interest, would be accomplished is suggested by the management practices of the company. The newspapers discriminate against competing independent stations by not publishing their program schedules. The newspapers, in conjunction with the radio station, offer secret combination rates for space in the newspapers and time on the air.

In short, the 50,000-watt Herald-Traveler station WHDH and its FM affiliate are used as adjuncts to the newspapers. It is clear that a TV station under the same ownership would also be an adjunct of the newspapers. Recent revelations demonstrate that the prospective combination of morning, afternoon, and Sunday newspapers and radio and television stations, under the ownership of the one group that has been adjudged as violators of the Sherman Act, would lead to the demise of an independent newspaper, the Globe, which does not seek any franchise, license, or permit from the Federal Communications Commission. It seeks only to survive. The ownership of this newspaper is prominently identified with civic and community leadership in Boston and regarded by people in all walks of life as eminently fair and decent in the responsibilities of publishing a highly respected and trustworthy metropolitan daily.

Another Boston newspaper, the Post, has already died. I might add, Mr. Speaker, that the Herald-Traveler made overt and covert moves last fall to insure the demise of the Post by methods that are known to be under the scrutiny of the Justice Department. In addition, the Herald is the daily which in September of last year, during the Maine gubernatorial and congressional elections, published a doctored or cropped photograph with misleading captions, in an attempt to discredit the incumbent governor. This gambit backfired when the people of Maine recognized the hoax. The Maine press editorially accused the Herald of outrageous and unethical conduct in attempts to interfere in the Maine elections. Subsequently, the New England Society of Newspaper Editors made an inquiry into the incident, on the basis of a resolution by its committee on journalistic ethics.

As is well known in Washington and Wall Street, Sidney Winslow, who controls the Herald-Traveler properties is not unaccustomed to involvement in the sort of antitrust issues which are so compellingly vital in this matter. The same gentleman, Sidney Winslow, controls the United Shoe Machinery Corp., which for many years was repeatedly under attack for the most predatory monopolistic methods. As recently as last February, long after the defendant had been convicted of violation of the Sherman Act, United Shoe settled out of court for $750,000 a suit brought by a competitor, Compo Shoe Machinery Corp. Compo cited a long list of strong-arm, discriminatory practices in its suit.

By a most interesting coincidence, the Justice Department disclosed a few days later that it was starting an investigation in Boston of the situation with regard to the TV station license contest, in order to get all the facts, from the antitrust standpoint. What conclusions the investigators have reached, if any, are not yet clear. There is no information to the effect that the investigation has been completed.

The record is clear, however, that the Herald-Traveler publisher has admitted intensive efforts on his part and those of his associates to bring about a merger with the Globe, in spite of an opinion that such a merger would violate the law. The Herald-Traveler publisher also admits that he personally tried to persuade an insurance company and banks not to grant a loan to the Globe. The evidence includes data on Herald-Traveler methods in offering concealed joint rates, discrimination against other Boston stations in publishing program information, and the cynicism with which the Herald's publisher regarded the fate of the old Boston Post. In his discussions with an executive of the Globe, the Herald publisher is quoted as follows:

> Oh to hell with the Post. Let it die on the vine.

When told by the Globe that a merger of the two newspapers would be in violation of the antitrust laws, according to the views of a responsible attorney, the Herald publisher remarked:

> Of course if I get channel 5, I may drive you out of business.

According to the latest published reports in the trade press, the Commission may make a final decision shortly. It is

not within the province of the Congress to seek to intervene in such deliberations, any more than the Secretary of Commerce is entitled to throw his weight around. But it is the responsibility of the Congress to guard the public interest and to make clear to the appropriate administrative agencies that the public policies raised in such cases, particularly the rewarding of convicted monopolists with licenses and franchises in the mass communications industry, demand the full attention of the Congress.

In the event that the will of Congress is defied in this instance, Mr. Speaker, I shall, as a member of the House Committee on Interstate and Foreign Commerce, demand the most exhaustive investigation to ascertain the extent of this defiance and to pin responsibility on the persons involved in such shocking disregard of the public interest.

HOUR OF MEETING TOMORROW

Mr. WEAVER. Mr. Speaker, on behalf of the gentleman from Massachusetts [Mr. MARTIN], may I inquire of the majority leader the hour of meeting tomorrow?

Mr. McCORMACK. Twelve o'clock.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DINGELL (at the request of Mr. LOSER), for 15 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER (at the request of Mr. KEOGH) and to include extraneous matter.

Mr. SAYLOR in two instances.

Mr. MORANO and to include extraneous matter.

Mr. CANNON and to include extraneous matter.

Mr. BLATNIK.

Mr. TOLLEFSON and to include extraneous matter.

Mr. FOGARTY to revise and extend his remarks in Committee of the Whole today and include extraneous matter.

Mr. CRAMER (at the request of Mr. WEAVER) and to include related material.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1314. An act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes; to the Committee on Agriculture.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5866. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 24 minutes p. m.), the House adjourned until tomorrow, Wednesday, April 3, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

685. A letter from the Chairman, Civil Aeronautics Board, transmitting a draft of proposed legislation entitled "A bill to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

686. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation entitled "A bill to amend title 28, entitled 'Judiciary and Judicial Procedure,' of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes"; to the Committee on the Judiciary.

687. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers, on a letter report on Back River, Md., authorized by the River and Harbor Act approved May 17, 1950; to the Committee on Public Works.

688. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 26, 1957, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Greenwich Cove, Conn., authorized by the River and Harbor Act approved July 24, 1946; to the Committee on Public Works.

689. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers, on a letter report on South Canadian River, N. Mex., Tex., and Okla., vicinity of Sanford, Tex., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted January 21, 1944; to the Committee on Public Works.

690. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 26, 1957, submitting a report, together with accompanying papers and an illustration, on a letter report on Bastrop-Fayette Soil Conservation District, Texas, authorized by the Flood Control Act approved May 17, 1950; to the Committee on Public Works.

691. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and an illustration, on a letter report on Big Tarkio River, Little Tarkio and Squaw Creeks, Mo., requested by resolutions of the Committee on Flood Control, House of Representatives, adopted October 6, 1945, and March 22, 1946; to the Committee on Public Works.

692. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and illustrations, on a letter report on Kalepolepo Small Boat Harbor, Maui, T. H., authorized by the River and Harbor Act approved March 2, 1945; to the Committee on Public Works.

693. A letter from the Deputy Secretary of Defense, transmitting 38 reports covering 41 violations of section 3679, Revised Statutes and Department of Defense Directive 7200.1, pursuant to section 3679 (i) (2), Revised Statutes; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 4504. A bill to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; with amendment (Rept. No. 292). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS of Arkansas: Committee on Foreign Affairs. Senate Joint Resolution 72 Joint resolution to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945; without amendment (Rept. No. 293). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H. R. 6561. A bill to amend title 4 of the United States Code to provide that the permission thereby granted to States to impose sales and use taxes in Federal areas shall not apply in the case of certain national parks; to the Committee on Interior and Insular Affairs.

By Mr. BARTLETT:

H. R. 6562. A bill relating to the north half of section 33, township 28 south, range 56 east, Copper River meridian, Alaska; to the Committee on Interior and Insular Affairs.

By Mr. BURNS of Hawaii:

H. R. 6563. A bill to amend title 10 of the United States Code to provide that certain service with the Hawaiian Territorial Guard during World War II shall be counted in determining eligibility of any member of an armed force for retirement; to the Committee on Armed Services.

By Mr. CEDERBERG:

H. R. 6564. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. CRAMER:

H. R. 6565. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. CURTIS of Missouri:

H. R. 6566. A bill relating to withholding for purposes of the income tax imposed by certain cities, on the compensation of Federal employees; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 6567. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 6568. A bill establishing a general policy with respect to payments to State and local governments on account of Federal real property and tangible personal property by providing for the taxation of certain Federal property and for payments in connection with certain other Federal property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McGOVERN:

H. R. 6569. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Randall Dam on the Missouri River and for rehabilitation of the Indians of the Lower Brule Sioux Reservation, S. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MATTHEWS:

H. R. 6570. A bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. PATTERSON:

H. R. 6571. A bill to provide for the establishment of a Federal Nuclear Science Academy; to the Joint Committee on Atomic Energy.

By Mr. REUSS:

H. R. 6572. A bill to regulate the importation of the piranha fish; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 6573. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the State of California; to the Committee on the Judiciary.

By Mr. SISK (by request):

H. R. 6574. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to permit a veteran pursuing education and training thereunder to make a change of program, not otherwise authorized, if he is unable to continue the pursuit of his current program because of physical or mental disability or other compelling personal reason; to the Committee on Veterans' Affairs.

By Mr. UTT:

H. R. 6575. A bill to repeal the act entitled "An act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes"; to the Committee on Interior and Insular Affairs.

By Mr. WESTLAND:

H. R. 6576. A bill to amend section 301 of the World War Veterans' Act, 1924, to provide that certain term insurance held by World War I veterans shall be considered as fully paid when the insured reaches the age of 63; to the Committee on Veterans' Affairs.

By Mr. WILSON of Indiana:

H. R. 6577. A bill creating the city of Lawrenceburg Bridge Commission, defining the authority, power, and duties of said commission; and authorizing the commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Lawrenceburg, Ind., and Boone County, Ky., to purchase and operate a ferry at such location, and for other purposes; to the Committee on Public Works.

By Mr. JUDD:

H. R. 6578. A bill to amend section 203 of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits, and to liberalize the provisions under which such earnings are charged for purposes of such deductions; to the Committee on Ways and Means.

By Mr. RIVERS:

H. R. 6579. A bill to require that all agreements and understandings respecting the importation of foreign goods, entered into with foreign countries or their citizens, shall be reduced to writing and made public; to the Committee on Ways and Means.

By Mr. WALTER:

H. R. 6580. A bill to prohibit certain persons from appearing as counsel in proceedings before departments of the executive branch of the United States Government or before congressional committees; to the Committee on the Judiciary.

H. R. 6581. A bill to authorize the United States Court of Claims by its rules to create and to prescribe the functions and duties of trial and appellate divisions; to the Committee on the Judiciary.

By Mr. BARING:

H. R. 6582. A bill to amend section 10 of the Federal Airport Act of 1946 to provide for increased Federal participation in the acquisition of runway clear zones, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BERRY:

H. R. 6583. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181) relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mrs. GRIFFITHS:

H. R. 6584. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in operation affecting commerce, and to provide procedure for the collection of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

H. R. 6585. A bill to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act; to the Committee on Post Office and Civil Service.

By Mr. McFALL:

H. R. 6586. A bill providing that certain employees of the Panama Railroad Company may file claims for overtime compensation; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 6587. A bill to amend the Sockeye Salmon Fishery Act of 1947; to the Committee on Merchant Marine and Fisheries.

By Mr. WAINWRIGHT:

H. R. 6588. A bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any Territory, or for the District of Columbia, and for other purposes; to the Committee on Education and Labor.

By Mr. ROOSEVELT:

H. Res. 221. Resolution providing for the consideration of the bill, H. R. 6127; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada memorializing the President and the Congress of the United States to allow the 1934 Trade Agreements Act to expire on June 30, 1958, so that the regulation of foreign trade and the laying of tariffs and import fees will immediately vest in Congress as the Constitution requires and thereby stop the lowering of the American standard of living by the importation of foreign-made goods; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to requesting the authorization and appropriation of sufficient moneys to provide for the construction and completion of the unfinished link in the Lewis and Clark Highway at the earliest practicable date; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H. R. 6589. A bill for the relief of Elizabeth C. Garner and Charles P. Garner; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 6590. A bill for the relief of Anakaleto Maria de Oliveira or Joseph Oliveira or Anacleto Oliver; to the Committee on the Judiciary.

By Mr. LANKFORD:

H. R. 6591. A bill to provide for the issuance of a license to practice pharmacy in the District of Columbia to Paul L. Miller; to the Committee on the District of Columbia.

By Mr. RILEY:

H. R. 6592. A bill for the relief of Yaeko (Irene) Cho; to the Committee on the Judiciary.

By Mr. ROBESON of Virginia:

H. R. 6593. A bill for the relief of Mrs. Juanita Burns; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 6594. A bill for the relief of Michael Antoniou Tastaaronis; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 6595. A bill for the relief of Markus H. Teitel; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 6596. A bill for the relief of Vincenza Bonacci; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

189. By Mr. BROWNSON: Petition of James S. Coulter and 29 other members of We, the People, expressing their opposition to the Federal aid to schools bill; to the Committee on Education and Labor.

190. By Mr. BUSH: Petition of 71 citizens of Lycoming County, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

191. By the SPEAKER: Petition of the city clerk, Chicago, Ill., requesting long-term low-interest mortgages in connection with the construction of housing projects; to the Committee on Banking and Currency.

EXTENSIONS OF REMARKS

National Wildlife Week and Wilderness Wildlife

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1957

Mr. SAYLOR. Mr. Speaker, the first week of spring, March 17 through 23, is celebrated again this year as National Wildlife Week. It is a time when hundreds of leaders in our conservation, sportsmen, civic, and educational organizations carry out a campaign to focus public attention on the critical need for conservation of our natural resources.

Throughout the Nation, people in our schools, churches, and civic clubs took time to appraise our progress in learning to care for our soils, waters, forests, and wildlife.

The 1957 homes-for-wildlife theme of National Wildlife Week calls our attention to the requirement of wildlife for proper living places where food, cover, and protection from weather and enemies are provided in proper combinations. Without these our birds, fish, and mammals will perish.

In many instances, but especially with the more than 40 animals in the United States that are near extinction, man's destruction of these natural living places has left our wildlife in critical straits. This is particularly true in the case of those species which require wilderness conditions for their survival—grizzly bear, whooping crane, the California condor, and many others. These cannot survive intrusions of our modern civilization. The roads, commercial developments, and ordinary uses which man makes of their wilderness environments exceeds their abilities to adjust to change. Thus, in order to preserve them, we must provide primitive and natural living areas, undisturbed by man's activities.

The wilderness preservation system, proposed for establishment through the enactment of H. R. 500 and companion measures which have been introduced by me and others in this Congress, provides for the protection of key ranges of several of the endangered species within the national forests, national wildlife refuges, national parks, and Indian reservations. By inclusion of these vital ranges of animals which are making a last desperate fight for survival in this wilderness system, we are insuring them against further intrusions. This can be accomplished under this legislation without interfering with the present administration of these lands by the agencies who are now responsible for them. But it will give protection against pressures to open these wild areas to development that would destroy their wilderness character and thus jeopardize these endangered forms.

Wilderness wildlife must be preserved so that it can be enjoyed by the thousands of people who seek the experience of being where man has not disturbed the pattern of nature. In order to save it, we must buttress our existing wilderness areas against future encroachments. This is the only way we can be assured that a place will be made for our animals that require wilderness in order to survive.

I join President Eisenhower in extending my congratulations to the Pennsylvania Federation of Sportsmen's Clubs, the sponsors of National Wildlife Week in Pennsylvania, and the members of the National Wildlife Federation's affiliates in other States who have taken the opportunity during National Wildlife Week to show the American people of the great need for the homes of our wildlife.

Alaskan Statehood

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1957

Mr. SAYLOR. Mr. Speaker, on March 30, 1867, a farsighted Republican Secretary of State concluded negotiations for the purchase of a territory one-fifth the size of the United States. The price was $7,200,000, a fantastically low price in terms of the actual value of lands and resources acquired.

During the past 90 years Alaska has returned to the economy of the United States more than $1 billion worth of fish, minerals, furs, and other products. This production is but a fraction of Alaska's potential. Recent years have witnessed a phenomenal growth in the Territory's population, renewed interest in its natural resources, and a realization of its strategic value.

Writing to Secretary of State Seward in April 1867, the famed Gen. M. C. Meigs stated:

> I trust that no effort needed to secure this great acquisition will be omitted. The execution of the treaty will crown our generation with the praises and thanks of future ages.

The passage of time has confirmed the views of General Meigs. Although virtually forgotten until the gold discoveries around the turn of the century, Alaska occupies an important place in our Nation. At long last the development of her vast timber resources has begun. Work is being done on her basic mineral resources. Agriculture is expanding. Production from Alaska's natural resources during the last year totaled $130 million, almost 20 times in 1 year the price of Alaska's purchase. Her civilian population in the past 6 years has increased 48.6 percent.

Alaska is peopled by Americans from every walk of life from all of the United States. They have brought with them our characteristic energy and institutions. Alaska is thoroughly American. Her cities and towns are the counterpart of almost any town in the United States. Her citizens demonstrate the same interest in Government and politics as Americans throughout the length and breadth of the continent.

Alaskan's today are petitioning the Congress to admit this vast and great Territory to the Union as a State. If we take this step and make of Alaska the 49th State, we shall, in the words of General Meigs, "crown our generation with the praises and thanks of future ages."

Postal Rates

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1957

Mr. MULTER. Mr. Speaker, my statement today before the Subcommittee on Postal Policy of the Senate Committee on Post Office and Civil Service, which is presently conducting hearings on postal policy, is as follows:

STATEMENT OF REPRESENTATIVE ABRAHAM J. MULTER, DEMOCRAT, NEW YORK, BEFORE THE SUBCOMMITTEE ON POSTAL POLICY OF THE SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, TUESDAY, APRIL 2, 1957

Mr. Chairman and distinguished members of the committee, I appreciate this opportunity you have given me to present my views to you.

I am strongly opposed to increasing postal rates. The Post Office is a public service. It is not a business enterprise.

In the early days of our history the post office was operated by private enterprise for private profit. It was taken away from private business and made a Government monopoly solely on the theory that it was a governmental function to guarantee to our citizens a speedy and efficient means of communication.

If every department of Government, legislative judicial, and executive, were charged for the cost of carrying their mail and the Post Office Department credited with that cost (solely as a bookkeeping item) the Post Office Department's deficit would disappear, in large part if not completely.

The postal system has contributed to the public welfare immeasurably, far beyond the aggregate total deficit of the Department.

The postal service must be continuously improved and the postal workers employed and promoted on a basis of merit, and their compensation fixed in accordance with the value of their services and prevailing economic conditions. At no time should wage scales be tied to revenues in the post office.

The only possible exception to what I have said is that portion of the Post Office Department which renders a business service to private enterprise. In that area we might properly consider increasing the postal rate, but not otherwise.

Thank you, Mr. Chairman.

Mexico Wants Fair Treatment for all Foreign Investors

EXTENSION OF REMARKS
OF
HON. JOHN A. BLATNIK
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1957

Mr. BLATNIK. Mr. Speaker, as a member of the Subcommittee on International Operations of the House Committee on Government Operations, I am extremely interested in and concerned about the state of our relations with other nations. Although news from the Middle East has dominated our thinking and newspaper headlines of late, there recently occurred a little publicized but very significant development in Mexico—our friend and neighbor to the south of us.

Investors of capital in Mexican enterprises, as well as American tourists, have been much heartened by the recent action of a Mexican court in returning to Jerome A. Utley, of Detroit, full possession of the Hotel Riviera Pacifico at Ensenada, some 60 miles south of the border from San Diego, Calif. This once famous hotel has run through what might almost be called musical comedy vicissitudes since it was built in 1929 by Jack Dempsey, former heavyweight champion, with the financial backing of Mr. Utley.

It was not until the tangled history of the resort hotel was brought to the attention of Ruiz Cortines, President of Mexico, that seeming injustices were investigated. Franco Sodi, as Attorney General of Mexico, was instructed by President Cortines to conduct a thorough inquiry into the facts of the situation, a situation which involved fantastic juggling with property rights of American investors.

Both the President and Mr. Sodi, who since has been elevated to the Presidency of the Supreme Court of Mexico—a position comparable to that of Chief Justice of the United States—had become impatient with occasional practices of fast and loose playing with foreign investors' affairs. They evinced every determination to follow the matter through until complete justice had been done.

It will be recalled that not long ago President Cortines had a meeting with President Eisenhower in the interests of Mexican-American relations and it has been obviously to the interest of both nations to establish the business affairs of their citizens on a foundation of just dealing.

Mr. Utley is a contractor who has large real estate interests. For the purpose of constructing the hotel at Ensenada, he created a Mexican corporation and, of course, operated under Mexican law.

For 5 years, under the Dempsey management, the hotel operated successfully, attracting especially large numbers of celebrities from the California motion picture colonies. Taking advantage of intricacies of Mexican law, efforts were made to deprive the absentee American owner, Mr. Utley, of his rights. Agreements and counteragreements were signed, following a pattern that would make a movie scenario in itself.

Mr. Utley's difficulties were not brought into the open until, through the instrumentality of Cardenas & Gomez Mont, the leading law firm of Mexico City, an action was brought in the Supreme Court of Lower California.

Both President Cortines and Attorney General Franco Sodi followed the case with the utmost interest, feeling that the reputation of Mexico for fair dealing toward foreign investors was at stake. The court, after hearing all sides, ruled that "deceitful means" had been employed in the challenge to Mr. Utley's property rights and Judge Celestino Perz y Perez now has signed the order which finally restores the property to Mr. Utley.

The 200-room hotel, beautifully located on the beach plaza at Ensenada, will resume operation under the name of the Riviera Pacifico. Ensenada was selected as one of the especially desirable sites on the Lower California coast about 400 years ago when a mission was established there. This was part of the chain of missions extending from San Jose del Cabo at the very toe of the long peninsula of Lower California all the way northward along El Camino Rial. San Diego, San Bernardino, San Capistrano and other long famous missions were part of the chain, the northernmost being San Francisco.

For the property of an American citizen at so desirable and famous a place to become involved in what appeared to be unfair legalistic practices, was displeasing to President Cortines and the Mexican administration. The outcome is regarded as a guaranty of continuing fair treatment of all foreign investors.

A Bill To Amend the Peanut Marketing Quota Provisions of the Agricultural Adjustment Act of 1938, as Amended, for the Purpose of Eliminating Green Peanuts Therefrom, and for Other Purposes

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1957

Mr. CRAMER. Mr. Speaker, I have today introduced into the House a bill to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, for the purpose of eliminating green peanuts therefrom, and for other purposes.

This bill, if approved by this Congress, will mean the salvation of what is almost exclusively a southern agricultural occupation and a traditional food pleasure in that land. The green peanut—entirely different from the familiar roasted peanut the distinguished gentlemen all know—is considered a delicacy in the South and is boiled to be eaten between meals or is served as a vegetable with meals. This product, which does not compete with the regularly harvested and roasted peanut, is produced on small plots by individual farmers and reaped by hand. It is not a highly profitable crop and generally produced by family farm groups because of the labor involved.

In Hillsborough, Pasco, and Hernando Counties, main producers in the First District, under present regulations restricting all peanut acreage it is not possible to raise enough of the green peanuts to supply the local markets, and they suffer unjust restrictions and penalties under present law. To offer relief to this situation and to permit growing of a salable and desired product my bill would eliminate these restrictions. My constituents ask no subsidy in any way.

Since evidence has been presented to the Department of Agriculture that the operation of the present act was restrictive and unjustly placed a penalty on these farmers producing green peanuts, my bill would also provide for return of penalties assessed against them during the years 1954, 1955, and 1956. This will amount to a return of only a small sum of money assessed as fines and wholly due to the presently recognized inequity.

I hope that the Members of Congress will agree with my efforts to offer relief to a small but important segment of the economy of my district. I further ask that this action be taken in order that we may preserve a traditional pleasure in the South. My bill is presented after full study at my request by the Department of Agriculture. It is proper and worthy legislation by which this Congress can be of service to the people of a great State.

Results of Poll Taken in Sixth Congressional District of Washington

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1957

Mr. TOLLEFSON. Mr. Speaker, I recently mailed about 20,000 questionnaires to a list of residents in my Congressional district whose names were selected at random. They represented a good cross section of the people in my area.

The returns have exceeded my expectations. There has been a 15-percent return to date, and the completed questionnaires are still pouring in.

I am sure that Members of Congress will be interested in the views of my constituents and for that reason am inserting the percentages of the current tabulation of the answers in the CONGRESSIONAL RECORD. When all the questionnaires are returned I shall tabulate the complete results. The current tabulation follows:

	Percent		
	Yes	No	Undecided
1. Do you approve the emergency use of military force in the Middle East by the United States as proposed by President Eisenhower?	49	45	6
2. Do you approve the expenditure of large sums of money by the United States for use in developing Middle East countries?	17	77	6
3. Do you think the Middle East problem is one for the United Nations only?	49	44	7
4. Do you believe we should continue our foreign-aid program which calls for the expenditure of $4,300,000,000 in military and economic aid to our allies and free countries during the next fiscal year?	26	66	8
5. Do you favor balancing of the Federal budget?	86	9	5
6. Do you favor balancing the budget before Congress votes a tax cut?	68	27	5
7. Do you favor an increase in postal rates to meet postal deficits?	65	31	4
8. Do you approve direct Federal grants to States to help build schools?	58	32	8
9. Do you approve an increase in the minimum wage?	61	31	8
10. Should labor union welfare funds be regulated by law?	84	12	4
11. Do you favor amending the Taft-Hartley Labor Act?	44	45	11
12. Do you think the Federal Government should continue its support programs for agricultural products?	42	50	8
13. Do you favor the Bricker amendment limiting the effect of international treaties?	46	19	35
14. Do you favor a protective tariff or quotas on imports of foreign products which compete with our own products, such as plywood, fish, and bulbs?	77	19	4
15. Do you believe that overnight facilities should be maintained within the boundaries of Rainier National Park at or about the present altitude?	82	12	6
16. Do you believe that the National Park Service should permit the construction of some sort of ski lift or aerial tramway in Rainier National Park?	71	22	7

Lives or Dollars

EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1957

Mr. CANNON. Mr. Speaker, are we building our new highways for the safety and enjoyment of the public or for exploitation by private greed? Shall we make them safe and give the people an opportunity to see America first? Or shall we erect billboard canyons and ribbon slums, hemmed in with blatant advertisements of pink pills for pale people and 57 kinds of beer, interspersed with pinboard carnivals and hotdog stands?

The question involves not only the safety of the individual but the safety of the Nation. Rear Adm. Neill Phillips testified before a Congressional committee that the restriction of billboards along our superhighways is necessary for national defense. He testified that restriction of billboards along the superhighways is necessary for national defense.

He said billboards would impede movement of troops and refugees in emergencies and interfere with directional signs vitally important in civil defense operations. He contended that billboards would distract drivers and present fire and splinter hazards to civil defense.

Referring to arguments that billboards would stimulate business, he said:

I just don't believe that the voters of America can be made to believe that it is good for the national economy to squander millions of dollars to deface our country with a hideous rash of billboards along the network of our new superhighways.

The St. Louis Post-Dispatch said editorially in its issue of March 29, 1957:

BEAUTY, NOT SAFETY, THE ISSUE

A great many people must respond favorably to the idea that the new interstate highways should be protected against the commercial exploitation that has turned many existing highways into rural slums.

We reach that conclusion because the outdoor advertising industry has begun to fight back. It sponsored a study at Iowa State College which concluded that billboards along highways have some slightly beneficial effects in that they keep drivers from succumbing to highway hypnosis. Another paper based on research in Iowa and Michigan concludes that there is no significant relationship between outdoor advertising signs and highway accidents, and that the evidence, if any, is slightly in favor of signs as a safety measure.

These conclusions are tenuous enough to warrant being ignored, but we do not expect the billboard people to ignore them.

Actually the safety issue is not the basic one. The new highways should be protected from commercial exploitation because the motorist is entitled to see some natural beauty just for the fun of it—or the good of his soul. And there are other ways of combating highway hypnosis than obscuring the view with signs.

And the Washington Star on March 30, 1957, said:

ROADSIDE EYESORES

The movement to safeguard the proposed 41,000-mile Interstate Highway System from roadside eyesores of the type so familiar to travelers on United States Route 1 is worthy of public support—although the movement is a bit belated. It would have been better if some statement of policy, at the least, had been included in the 1956 Federal Highway Act which authorized the network. For it is evident that a strong fight will be waged by commercial signboard and other interests to make the most of the new roadside locations opened up by the huge highway program.

The law's deficiency was brought to public attention last December by Robert Moses, New York's park chief, in a Harper's article. He wrote that the new expressways would be "all left exposed to an indiscriminate mushroom growth of ugly filling stations, hotdog stands, and all the other familar roadside eyesores." He warned that "if the billions of public investment * * * are to be protected and the value of our scenery and natural assets is to be preserved, steps to prevent the onslaught of commercial advertising must be taken before construction gets under way." Since then several bills have been introduced calling for varying degress of Federal control of roadside defacement—either by the setting of standards voluntarily to be enforced by the States or by the withholding of Federal funds for noncompliance with the standards. Hearings on some of these proposals are being held this week.

We hope that some reasonable method of control can be worked out, so that the new vistas of natural scenery through which the new highways will run will not be desecrated as some of our older highways have been.

We have at the gates of Washington one of the most convincing demonstrations that could be made. Driving out of the city on Highway No. 1 we find an arterial highway so blinded by obscuring billboards—although it has not yet reached its ultimate nuisance potential—such a discordant riot of gaudy billboard excesses as to completely hide one of the most beautiful countrysides to be found in historic Virginia.

On the other hand, entering the city from the same direction is the famed Shirley Highway from which the reckless dollar-crazed exploiters have been excluded and which is a delight to the eye of the tired city dweller who enjoys a Virginia landscape of surpassing beauty, uncontaminated and unspoiled by the blare and glare of vandal billboards.

Drive over these two highways and take your choice.

At Least There Is Some Hope in the Cyprus Problem

EXTENSION OF REMARKS

OF

HON. ALBERT P. MORANO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1957

Mr. MORANO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the text of a statement which I issued on March 29 upon learning of arrangements for the release of Archbishop Makarios who had been imprisoned in the Seychelles Islands:

MARCH 29, 1957.—It is very gratifying to note that arrangements have been made for the release of Archbishop Makarios from his confinement in the Seychelles Islands and that the Government of the United Kingdom is prepared to adopt a more liberal and conciliatory policy toward the unfortunate people of Cyprus.

More than 2 years ago I introduced House Concurrent Resolution 26 in the House of Representatives which called for vigorous and expeditious action to insure the applicability of the policy of self-determination of peoples in the case of the Island of Cyprus and urged that the United Nations take the lead in dealing with the Cyprus problem. Had action along the lines called for by this resolution been taken by the United Nations at that time, I am sure that much bloodshed and suffering might have been avoided.

I am well aware that the release of Archbishop Makarios from confinement does not solve the Cyprus problem. The hatreds and bitterness which have been engendered during recent years will make any satisfactory solution difficult. Nevertheless, I am hopeful that a turning point has been reached, and I am sure that the United States stands ready to use its good offices and render assistance whenever an opportunity arises.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 3, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal and ever-blessed God, may we now be of one mind with all who seek Thee; of one heart with all who love Thee; of one fellowship with all who worship Thee in spirit and in truth; of one purpose with all who serve Thee in faithfulness and joy.

Help us to believe and feel that Thou art our light in times of darkness; our strength in days of struggle and weakness; our companion and consolation in hours of bitter loneliness and deepest sorrow.

Grant that in these days of confusion and tension, the hard facts and harsh experiences of life may not break our hearts and blast our faith.

Hear us in the name of Him who, being Lord of all, was willing for our sakes to become the servant of all. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

AMENDING CONSTITUTION SO AS TO LIMIT FEDERAL TAXING POWER

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, about 2 weeks ago, the last of the required two-thirds of the States ratified a resolution calling on Congress to order a constitutional convention for the purpose of amending our Constitution so as to limit our Federal taxing power.

This request for a constitutional convention cannot be treated too lightly. In view of the present rebellious temper of the American taxpayers, I am certain that a strong demand will be made insisting on a tax-ceiling amendment. And I assure the Members of this Congress that once such an amendment is proposed, speedy ratification by the required three-fourths of the States will follow.

Therefore, this recent legislative action by the 32d State raises a very serious and important question which requires an immediate answer.

If Congress considers itself legally bound to call such a convention, which I believe it is under article V of the Constitution, and such an amendment should be adopted by three-fourths of the States, which I also believe will happen, then, how will the Government make up its revenue losses?

The solution to this problem lies within reach of the Members of this Congress. The immediate consideration and enactment of my bill, H. R. 3520, will help solve this disturbing problem. My bill will not only establish a national lottery, regulated, supervised, and controlled by our Federal Government, but it will bring into our Treasury $10 billion. This tremendous new revenue which is waiting to be legally tapped will replenish most of the losses that will be sustained by reason of a limitation on our taxing powers.

The Members of this Congress cannot afford to wait until we are compelled to accept this mandate from the American taxpayers. Failure to act now can only place us in a precarious position. I implore the Members of this Congress not to ignore this situation. Delay can only result in placing this Government in a sad state of affairs.

Now is the time for us to exercise wise judgment by giving serious and immediate attention to my proposal for a national lottery. I urge this Congress to act now before it is too late.

REDUCE THE BUDGET

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I am highly pleased to be getting so many letters from folks back home asking me to do everything possible to reduce the budget. I really appreciated these letters, Mr. Speaker, for I, too, am concerned and I quote from my remarks in the CONGRESSIONAL RECORD made on the floor of Congress on January 22, 1957:

This enormous budget worries all of us. I feel when our income is at its highest, that is the time to pay on our debt.

May I repeat what I have often said:

We will continue to have good government at all levels just so long as citizens maintain an active interest in all the affairs of government.

I recognize it is difficult to cut expenses when we get so many letters from our people requesting Federal funds for better schools, better roads, better hospitals, more and greater benefits from social security and other departments of assistance. Possibly they are right in their requests, Mr. Speaker, but when we have a budget that costs at the rate of $416 for every man, woman, and child in the United States, it is time for us to stop, look, and listen.

There are many places where the budget can be cut. I believe it is time, and in my opinion, long past due to greatly reduce, even completely cut out, the giveaway program in the field of foreign aid. As of this date we have reduced various items of expenditures in an amount equal to approximately three-quarters of a billion dollars. I have talked to many department heads who have had their respective budgets cut and they have assured me that every effort will be made to give efficiency of operation. However, there are a great many people who do not seem to realize there is no such thing as free money. We must remember that every dollar we spend must be taken from the pockets of the taxpayer. In my opinion, Mr. Speaker, it is time we clean house, put a stop to these new bureaus; yes, even some of the new committees that have been established in the House of Representatives and the Senate of the United States. We cannot ask other bureaus to cut expenses unless we are willing to do likewise. The philosophy of tax and tax, and spend and spend, if carried on, will mean the downfall of this great Republic.

Higher taxes mean less take-home pay.

ORGANIZATION FOR TRADE COOPERATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 146)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

The Secretary of Commerce is submitting for consideration by the Congress legislation to authorize United States membership in the Organization for Trade Cooperation.

I urge its favorable consideration.

The advantages to the United States of membership in the Organization for Trade Cooperation are compelling. It would open the way to major benefits for American trade by providing day-to-day review and consultation on administration of our trade agreements. It would provide machinery for closer supervision and protection of the assurances contained in those agreements against discriminatory treatment of American exports, and thus increase the benefits we receive from those agreements. It would enable us more effectively to encourage the opening of new opportunities for our exports to compete in the world market on their commercial merit.

Foreign trade is a major economic activity in the United States. In 1956 our merchandise exports, excluding

goods shipped under military assistance programs, amounted to over $17 billion. They constituted a greater proportion of our gross national product than the value of all nonfarm residential construction last year. In the field of agriculture alone exports provide the market for the product of about 40 million acres of land.

Because exports take only part of the production of most of our industries and farms, and because they move through so many stages of processing and handling on their way to foreign markets, we frequently overlook their importance. But they are vital to the welfare of our agriculture, labor, and industry.

America's foreign trade has grown rapidly under our reciprocal trade agreements program. This program has been in effect for more than 20 years, but since 1946 its principal vehicle has been a multilateral agreement known as the General Agreement on Tariffs and Trade, signed by all the major trading nations of the world.

That agreement gives to the United States important tariff and other concessions, but some of the benefits of these concessions to our export trade have been offset by such measures as quotas, licenses, and exchange restrictions. These measures have under various circumstances had the effect of discriminating against United States exports, and limiting the benefits of tariff concessions which we received under the general agreement.

The general agreement provides for the orderly elimination of this discrimination against our trade, but, because of inadequate machinery for administration, these provisions have not been fully effective.

The Organization for Trade Cooperation, by making possible more business-like administration of those provisions of the general agreement, will help to make our trade agreements more fully effective and assist us in expanding our markets abroad for United States products. At the present time, administration of the general agreement is limited by the fact that the signatories meet only intermittently.

In my message of April 14, 1955, I reviewed the evolution of the general agreement and the developments which led to the proposal for an organization for trade cooperation. That message was followed by exhaustive hearings before the Committee on Ways and Means of the House of Representatives and in April 1956 that committee approved a bill to authorize United States membership in the proposed organization.

In reporting last year's bill the Committee on Ways and Means inserted a number of constructive amendments to assure that participation by the United States in the Organization for Trade Cooperation would relate solely to matters pertaining to international trade and that safeguards for domestic producers contained in our present trade legislation would be maintained unimpaired. These amendments have been strengthened and included in this year's bill.

The proposal being submitted by the Secretary of Commerce contains two new features not found in the bill approved by the Committee on Ways and Means last year. These are designed to provide further safeguards to insure that United States participation in the proposed Organization will be responsive to the problems and needs of American agriculture, labor, and industry. The first is a provision to create an advisory committee consisting of representatives of American labor, industry, agriculture, and the public to advise and consult with the United States chief representative on matters coming before the Organization. The second is a provision under which the United States chief representative would make an annual report to the President for transmittal to the Congress concerning the effect of the activities of the Organization for Trade Cooperation on American labor, industry, and agriculture.

In addition, the proposal contains provisions further clarifying the substantive safeguards already endorsed by the Committee on Ways and Means by explicitly stating that its enactment will not authorize, directly or indirectly, any further tariff reduction or other tariff concession by the United States not elsewhere authorized by the Congress.

The recent development of proposals for a common market and free-trade area place Western Europe on the threshold of a great new movement toward economic integration. The OTC will help to assure that this movement will develop in ways beneficial to our trade and that of other free countries, avoiding the danger that regional trade arrangement will lead to new barriers and discriminations against our exports.

To achieve our objectives, it is essential that the United States chief representative to the Organization for Trade Cooperation be a person of wide experience in practical business matters, and that the members of the advisory committee likewise have had practical experience in their respective fields. I intend to appoint the Secretary of Commerce as chairman of the advisory committee.

The foreign-trade policies of the United States are based upon our reciprocal-trade legislation and the agreements that have been negotiated under it. Until we establish the best possible machinery for administration of these agreements, we are needlessly failing to obtain their maximum possible benefits for American labor, industry, and agriculture. With membership in the proposed OTC we will be in the strongest possible position to achieve the full benefits that these agreements afford.

I recommend the early enactment of this proposal.

DWIGHT D. EISENHOWER.

The WHITE HOUSE, *April 3, 1957.*

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

Anderson, Mont.	Cretella	Gregory
Andresen, August H.	Davis, Tenn.	Holtzman
Aspinall	Dawson, Ill.	Kelley, Pa.
Blatnik	Dies	Norrell
Bowler	Eberharter	Powell
Celler	Engle	Prouty
	Fallon	Reece, Tenn.
	Green, Pa.	Thomson, Wyo.

The SPEAKER. On this rollcall 411 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, APPROPRIATION BILL, 1958

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6287, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, there was pending the amendment offered by the gentleman from Texas [Mr. FISHER]. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

On page 25, strike out line 1 through line 4.

Mr. YOUNG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with regret that I must rise in opposition to this amendment that has been introduced by my friend and colleague, the gentleman from Texas [Mr. FISHER]. First, I want to commend the subcommittee on the fine work that it has done in the preparation of this bill, and also the fine work that is being done by so many of the Members who, just as I am, are interested in showing and practicing some economy in our Government. But always there is the recurring and ever-present problem of where we are to economize; how much and where shall we make these cuts.

Now, I wonder if it would not be well to look briefly at this program of water-pollution control and see if this is really a wise area to affect economies. Let us see just how this program works and what it does.

So many of us are apt to think of the program as being just another Federal giveaway; as a program where some officials of the Federal Government decide it would be a nice thing to build a sewage-disposal plant out at Timbuktu or somewhere, and then they go out there and they build a fine new sewage-disposal plant. That is not the program we have under consideration here today.

This program is a participation program in which the Federal Government, afer careful scrutiny on the part of local and State authorities, will come in under proper conditions and participate financially up to 30 percent or $250,000, whichever is less, in effectuating needed water-pollution controls. The appropriation is allocated to the individual States, and the local authorities decide upon the merit of the projects.

Now, what does this amount to? It is simply that the health authorities at State level must approve these projects. The projects under this program must meet certain criteria, an important one of which is the Federal impaction problem caused by our national defense installations in particular areas.

Now, I heard the distinguished gentleman from Indiana yesterday in his very able presentation in support of this amendment say that "This is indeed a meritorious program, but like so many of these programs we are going to have to postpone it to another day, when the burdens of national defense are not so great upon us." I, of course, can appreciate this viewpoint, but I feel that it is not applicable in this particular instance because, first, this program directly affects national defense in many instances; and, secondly, because this program cannot be postponed until another day.

Let me give you a brief example of a situation that happened to exist right in my congressional district. We have one of the largest naval air-training stations in the world located on a peninsula surrounded by Corpus Christi Bay on one side, Laguna Madre on another, and a little shallow backbay called Oso on the other side. Now on the opposite side of the Oso from this great naval station is a sewage-disposal plant called the Oso Bay Sewage Disposal Plant of the city of Corpus Christi. This plant has become overburdened because of the impaction of the area, partly caused by the naval air station. As a result there has been pumped hundreds of thousands of gallons of raw sewage into this Oso Bay, which in part includes the naval air station, causing a great threat to the health of all who lived and worked nearby. The Water Pollution Control Act is designed to help eliminate situations like this. The problem is just as simple and serious as this. The solution to this type of problem cannot wait until tomorrow. When we have a sewage plant and it becomes overburdened, the sewage must go in a raw state into the bay or river into which it drains, and when the sewage mains become overburdened, they simply will not carry any more and the commodes back up. And thus we have a situation that causes an extremely serious health problem not only to civilians, but to the military personnel in the adjacent areas.

It is well enough to talk of putting off a solution to this problem until a future date, but the problem is with us today. It was with us yesterday and it will be with us tomorrow and the days following. This problem cannot be put off until tomorrow, unless this distinguished body feels that it can legislate such a radical alteration of human phenomena that we will no longer have a need for sewage disposal plants. The menacing situation which I have described existing in the area near the Naval Air Station in Corpus Christi is repeated in many other areas throughout the 14th Congressional District of Texas and is directly traceable to the unusual impaction caused by the location of military installations in the area.

It is indeed unreasonable for this Congress or for the Federal Government to expect our cities and our towns to be able to handle the added burden of sewage disposal and other matters that are caused by the presence of our military personnel and their dependents in ever-increasing numbers. The 30-percent Federal participation in the solution of this problem is certainly little enough for the Federal Government to pay as its part of the share of protecting the health and the well-being of the military personnel and the civilians who live in these polluted areas. We have many fine cities in the 14th Congressional District of Texas and many other places in the United States who are indeed proud to have in their community the military personnel of this country, but who, nonetheless, are in vital need of the 30-percent Federal assistance in matters of water pollution control in order that they can assure the health of the people in their communities and in their vicinities.

I have in my district the city of New Braunfels, whose application for $75,000 was approved on March 28. I have within my district the city of Mathis whose application for $31,500 was approved March 27. I have on application the city of Corpus Christi for $250,000; the city of Beeville for $84,300; and the city of Poteet for $21,150.

Mr. Chairman, I would like to bring to the attention of this distinguished body that these good, hard-working people are not asking the Federal Government to come down and build these public facilities for them, but are actually asking the Federal Government merely to participate to the extent of its obligation to the people who are in this area.

Bear in mind that these cities are putting up more than 70 percent of the total cost of these projects, and the Federal Government's participation is not, and cannot under the law, exceed 30 percent. If there ever was an area where the Federal Government not only has a right, but a direct responsibility to participate in assisting in the protection of the health of the people of a community, it is in those areas where there is intense Federal impaction that makes it impossible for the local interests to carry the burden without assistance.

In conclusion then, Mr. Chairman, I would like to say that the Water Pollution Control Act is one of the most important matters affecting public health that will come before this body; that it has an extremely important and direct defense aspect; and that it is designed to correct problems which exist today, the solution of which cannot be put off to a future day.

I therefore respectfully submit, Mr. Chairman, that this distinguished body should give careful consideration to this most serious problem confronting the public health of this Nation, and as long as this Government is sending billions of dollars overseas to protect the health and welfare of foreigners on foreign soil, that we do not practice the unwise and foolish economy of depriving our own people at home of this public-health protection. It would indeed be a disgrace for us to strike from the appropriations bill this sum of money which is used for the Federal Government to pay its share of the responsibility to its people, when, at the same time, in the President's budget is contained more than $4 billion designated to go overseas for the use of the people on foreign shores.

Again, I desire to commend those Members who, like myself, are interested in economizing in our governmental operations, but I would caution that we be wise in our economies, just as we should be wise in our expenditures, and let us do nothing that is going to endanger the public health of this Nation.

The CHAIRMAN. The time of the gentleman from Texas [Mr. YOUNG] has expired.

Mr. YOUNG. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I object.

Mr. MORANO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to see if I can find out from the chairman of the subcommittee how many rollcalls he expects to ask for and on which amendments.

Mr. FOGARTY. Up to this time we expect to have eight rollcalls on amendments that have been adopted.

Mr. MORANO. Does the gentleman expect to ask for those rollcalls?

Mr. FOGARTY. Those amendments have already been adopted. The number of additional rollcalls will depend upon the additional amendments that are adopted while we are in the Committee of the Whole. The pending one is an example. If this amendment is adopted, we will have a rollcall on that.

Mr. MORANO. Would the gentleman tell us what the amendments are, what the issues are?

Mr. FOGARTY. The first amendment on which we will have a rollcall would be the Smith amendment, which cut the amount for the Solicitor's Office in the Department of Labor.

The second is the Budge amendment which cut the Bureau of Veterans' Reemployment Rights Division.

The third would be the Smith amendment cutting the Bureau of Employment Security, Salaries and Expenses, which money does not come out of the Federal Treasury.

The fourth would be the so-called Murray amendment which cut the Bureau of Labor Statistics.

The fifth would be the Andersen amendment which cut the Women's Bureau.

The sixth would be the Hébert amendment which cut the Wage and Hour Division.

The seventh would be the so-called Jonas amendment which cut the appropriation for the Food and Drug Administration.

The eighth is the so-called Dorn amendment that was adopted on yesterday, cutting salaries for the Office of Education.

Mr. MORANO. The gentleman does not intend to ask for a rollcall on the amendment which struck out the $200,000 for the President's Committee?

Mr. FOGARTY. No; because of the lack of interest shown yesterday. If anyone else desires to ask for a rollcall, that is perfectly satisfactory to me. I would be glad to help the gentleman get a rollcall on any of them.

Mr. MORANO. I thank the gentleman.

Mr. FOGARTY. Would the gentleman yield to me for a unanimous-consent request?

Mr. MORANO. I yield.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes, the last 3 minutes to be reserved to the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, by a strenuous effort yesterday I restrained myself all day long, and I would like to have 5 minutes today.

Mr. FOGARTY. Mr. Chairman, I withdraw the unanimous-consent request.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret to find myself in opposition to the distinguished gentleman from Texas [Mr. FISHER] who offered this amendment. But certainly I think this represents, if approved, the death of a very fine program, one in which the Members of this House were very much interested as recently as some 9 months ago. Yesterday, during the debate, a number of times I thought it would have been appropriate had the Sons of the Pioneers been available here to give us a rendition of the song, Cool, Clear Water, because we heard a lot of talk yesterday about cool, clear water. I think all of us are in agreement that it is the most vital and essential natural resource we possess.

One of the principal reasons for my asking for this time, though, was to clarify the position of some of us in California with reference to the construction of Federal projects. My friend and colleague from California [Mr. SCUDDER] in answer to a question by the gentleman from West Virginia [Mr. BAILEY] yesterday afternoon seemed to feel that we in California would have been better off had we not had the advantages of a number of those projects. I for one must vigorously disagree with my colleague from California.

At this time I want to express my deep appreciation and my thanks to all the Members of this House who from time to time have supported the construction, the authorization, and the appropriation of moneys for the development of those great projects which we enjoy in California. It has contributed to the development of that great State and has made it possible today for us to pay in an amount of some 10 percent of the total Federal taxes collected in this country. They have paid for themselves tenfold. They are outstanding projects. I and the people I represent in the central part of California, in the San Joaquin Valley and in the Sacramento Valley, up and down that great State, are deeply appreciative of the fact that they were able under Federal legislation to enjoy the benefits we are so proud of there.

Further, I should like to comment with reference to the idea of permitting the purchase by the State of California of those projects. It is my firm conviction that 80 to 90 percent of the people in that State would oppose such a program and certainly it would be my hope that no such proposal would ever come before this House.

In the moment or two that remains to me I should like to call your attention to what I believe to be some reasons for the need for this $50 million appropriation called for in this appropriation bill. There has been a great shifting of the tax base. The municipalities today are squeezed for a tax base. We have school districts and we have other districts which are taxing the present base. Also, the shift of the tax to the Federal level has squeezed many of our States and the municipal groups to a position where they just no longer have a tax base sufficient to grant them the money necessary to do a lot of this work.

Certainly I am in agreement that if and when the time ever comes that we at the Federal level can adjust our thinking and begin to reduce in substantial measure a lot of these Federal taxes and return to the States and to the municipalities and to the counties some of that tax base, then I think we shall be in a position to do a little better job at the local level than we are doing at present. But as long as the Federal Government is taking such a big bite out of the tax base, it becomes an impossibility for these municipalities to do the jobs they should do.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

The Member from the Fourth District of Michigan should know something about pollution having lived for many years on the St. Joe River which originates in Michigan and flows down through a part of northwestern Indiana, then back up into Michigan and on into Lake Michigan at St. Joe and Benton Harbor. Also on the Kalamazoo where, if you will look at the October 1953 issue of Life, you will see acres and tons of dead fish, killed by pollution.

The remarks of the chairman remind me of the statement in the Scriptures. This is the seventh day of debate. The Scriptures say that in 6 days the Lord made heaven and earth and all therein but on the seventh day the Lord rested. He evidently found the result of his labor to be good. It is just possible that if we strike the enacting clause of this bill and send it back to committee with recommendations, we may find our 6 days labor better than what we now have before us.

Going back to the Kalamazoo River. It happens that a creek that empties into the Kalamazoo flows through a farm which it is my privilege to own. Down at the mouth of the creek—Dumont Creek, if you look at the October 1953 issue of Life you will see where there is at least an acre and perhaps several acres of dead fish killed by pollution of the river. The city and the State will take care of that situation with any money for sewers. But this bill which is before us here, if I get it correct, is not one about pollution, it is about building sewers and who shall pay the cost thereof—indirectly, of course, it relates to pollution because all sewage tends in that direction. The people along the rivers have a remedy, a legal remedy, and it is adequate if enforced against the people who cause pollution. The people who live along the upper stretches of a river have no more right to pollute that water than I have to go to your home and throw a bucket, let us say, of swill—those who know about feeding pigs years ago know what swill is—and throw it through the back or even through the front door of your home. So that remedy is available. Another thing. We all recall that the Founding Fathers thought it was a good thing for this to be a government by the people. To reserve to the people and to the States all the authority not granted by the Constitution to the Federal Government. Here the Congress day after day and year after year surrenders, bit by bit, that sovereign power of the people and the State to the Federal Government.

It is surprising and startling when the total result is considered that so many who profess allegiance, their whole allegiance, to the provisions of the Constitution vote away the rights of the State, and ask the Federal Government to do something for them which they or the State should do. As the gentleman who just preceded me said, we heard a lot about pure water yesterday, especially from our Pennsylvania folks. When it was settled, the streams of Pennsylvania were some of the finest in the whole world—pure and cold water which we know is necessary to good health. How did the rivers get dirty and polluted? Only because the people who live along the banks of the river or use the river are themselves guilty of dirty practices. That seems to be a raw statement, but it is true; is it not? It is just the same as the case of our streets and our parks being dirty because the folks are careless and throw their waste out and walk or drive along or away and leave it there. Or the cause is the greed of industry which dumps its waste into a clean stream. In Michigan, in my hometown, we built our own sewers. We had to issue long-term bonds. But we did it and never have we cried about it. Allegan is a small town with a population of about 5,000. In Grand Rapids, a large city just 40 miles away, they voted a bond issue. They sold the bonds. They had the money. But along came this legislation by the Federal Government. What did they do? They had the money. They put in a disposal plant—and then took the Federal money—and they put their own money

back in their pockets. Legislation of this kind tends to make the people surrender their independence and become dependent upon the Federal Government. It makes weaklings of the people. As has been said so many, many times, Uncle Sam does not have a single dollar except as he gets it from the people. I see the gentleman from Virginia [Mr. BAILEY] shaking his head from side to side. But what has just been said is true. What we are doing is to redistribute tax dollars. Taking from those who are paying in the most, giving a part to those States and those communities which pay in less or plead poverty. That is what we are doing here in almost every session. I cannot quite understand why, if we believe the States should retain their power and if we want independence in our local communities, we should not take care of our own sewerage problems, keep our own supply of water pure—if that is what we want, and apparently we do. Why should we not invoke the laws that are already on the books in every State against those who cause our rivers to be polluted?

The only possible answer I can see is that the communities think they do not have the money or are so limited in independence, in thrift, in willingness to earn their own money and spend it their own way—that they want someone else to carry them along—not willing to walk on their own feet.

Now I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman think that the residents of Radford, Va., and Harrisburg, Va., which are large communities and have big industries, have the right to pollute 120 miles of the New River?

Mr. HOFFMAN. Of course they have not, and there is a remedy for it, of course there is. There is nothing in the record to show they cannot clean up their own rivers. Surely they are not dependent upon, do not want other States to carry their burden. The people of the Virginias are a proud, independent people. I doubt they want the dollars of Michigan people to pay for the disposal of their waste and garbage.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 10 minutes past 1, the last 3 minutes to be reserved to the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair will read the names of those gentlemen who are standing indicating they wish to speak on the amendment: Messrs. FOGARTY, BYRNES of Wisconsin, DENTON, GAVIN, BAILEY, HIESTAND, and DURHAM.

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Is it not against the rules of the House for a Member to speak more than once on an amendment?

The CHAIRMAN. If the gentleman wishes to challenge any Member the Chair will rule at the time the question is raised.

Mr. BROWN of Ohio. I was wondering if the Chair had any responsibility in the matter.

The CHAIRMAN. The Chair will rule on any point of order at the time it is made.

Mr. GAVIN. Mr. Chairman, evidently the gentleman was referring to me. I do not want to cause him any concern. He has been very patient in listening to what I have had to say. My position on this matter is well known. I will withdraw my name if that will make the gentleman a little easier.

Mr. TABER. Mr. Chairman, I ask unanimous consent to transfer my time to the gentleman from Wisconsin [Mr. BYRNES].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BYRNES] is recognized for 3 minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, I think it would aid every Member of this House if he will get a copy of Public Law 660, the Water Pollution and Control Act. He will find that the general objectives and general operations of the Federal Government in the field of stream pollution are covered by that act.

This amendment does not repeal that law, it simply relates to but one section of it, section 6.

We have heard a lot of talk about the need to clean up our streams. With that objective I am in full agreement, but this amendment, Mr. Chairman, does not in and of itself clean up one single stream; there is no control aspect in this particular section 6 of the Water Pollution Act which is affected by this amendment.

From the speeches we have heard, one would think the Federal Government was not doing anything in the field of research, development, promotion, or control of pollution. The fact is, however, we are, if you will just read at the bottom of page 24 of the appropriation bill that is before us you will find that we are appropriating over $12,500,000 for these particular purposes.

Mr. Chairman, the provision we are here discussing does not control pollution. Simply stated all it does is to get the Federal Government involved in a purely municipal function.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I am sorry, I have just 3 minutes. It does not say that any particular community will get money. Some Members feel that we have made a commitment. Read the public law. We make no commitment to any specific community. We do not say that every community that wants to build a sewer treatment plant or sewage disposal plant shall get money out of this bill. There are conditions and requirements. Even if a community can meet all those conditions and requirements there is no definite promise it will receive any part of this $50 million. It is interesting to hear the gentleman from California contend that the municipalities are in need. I suppose no community has all the funds it would like, but if they are in need in connection with this matter I suppose they are in need so far as all other municipal facilities are concerned. What justification have we at this time to provide aid for this particular municipal function? If he is going to rest his case on the question of need, I think the gentleman better go and do a little studying on what the financial situation of the Federal Government is and compare that with the situation in the States and the municipalities. He will certainly find that from the standpoint of need, the greatest need is to reduce the expenditures of the Federal Government and provide some relief from Federal taxes.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the retention of this item in the pending appropriation bill is vital to my State of West Virginia where we have spent a tremendous amount of money in correcting pollution coming from the operation of mines. We have legislation preventing the building of any new industrial plants. We are forcing the plants that are there and that have been there for years to comply with our State laws requiring the installation of sewage treatment facilities.

The worst problem we have comes from the unrestricted flow of sewage from municipalities into streams that flow into the State of West Virginia. Let me ask: Why should West Virginia be imposed upon by the sister State of Virginia? They have sewage along the New River, they have cities, they have industrial plants that pollute over a hundred miles of the New River before it ever reaches the State of West Virginia.

You heard a gentleman say that we already have all the law that is necessary. I was in Congress when that river compact legislation was passed. I opposed it. Little has been accomplished toward taking care of the national pollution of our streams through that law. No better illustration need be given than reference to the Potomac River compact. You have seen the statements in the newspapers that they have not accomplished anything so far as that situation is concerned.

I sincerely hope that the pending amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, in the last few years we here in the United States have reached the point where water in some sections is one of the most critical items in supply. For the development of our industries, water is a must. We could never have developed our great industrial empire if this country had not inherited, so to speak, a great supply of pure water.

As the population has grown throughout our fast-developing country, the needs have shifted from one section to the other. In some sections there is a

lack of supply of water and in others there has been an oversupply. Also, we have built great hydroelectric dams for producing power, thus creating great wealth for the Nation. Federal funds have been expended rather freely in the Northwest and in the Tennessee Valley which have provided for those sections great economic growth and strength. On the east coast, from Maine to Florida, where the population is the densest and where the great industries of the country still remain to a large extent, and where the population has increased so rapidly, a great burden has been placed on our rivers and streams for the transportation of sewage and industrial waste out to the sea. The load has become almost unbearable, resulting in a great loss of pure water. This section must depend on these rivers flowing to the Atlantic for its supply of drinking water and for all other purposes where water is needed. The beaches from Maine to Florida are also being damaged.

All the States today have some body of law on the books against pollution of streams, and industry has been cooperating and trying to meet the required public health standards. But in my own particular section, of which I speak primarily, a small river flows through a highly industrialized section of three of my counties. Some of the communities there are one-mill village communities, several of them unincorporated. This stream supports or carries all the burden from the sewage plants for about 300,000 people or more. This is for a distance of only about 30 miles. The mill people are able to build and to provide equipment to take care of their own problem, but the village people cannot support the type of sewage disposal that is required by the public health standards unless they can secure help from some other source.

Further down this river, people are dependent on it for drinking water. This means not just one community affected, but miles and miles downstream people are deprived of the use of this water for drinking purposes. This is the only river of any size, with any supply of water, which flows throughout this section. It has become a critical situation for us, and I think the same thing applies to many other communities.

The Federal Government has authority over navigable streams. These little communities which have no authority to issue bonds are placed in a very bad position. I have enjoyed this stream as a boy and young man down through the years, but now it is almost impossible for a catfish to live in this river, which is known as Haw River. This is an Indian-name river, as the early settlers discovered who came in around 1720.

I have supported funds for water drought in the Southwest; I have supported funds for water supply for the California desert; and I voted to build dams out of Federal funds to control the Mississippi, the Ohio, and other rivers from flooding people out; and I believe at one time we went so far as to spend Federal funds to dig wells in the West. I can see that this is no different problem; it is just another problem of the same type created by water and the necessary use of it by man.

Mr. Chairman, I hope that the Committee votes down this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, let us be clear in our minds just what this amendment does. All this amendment does is take out Government subsidies and grants for sewer installations and waste treatment works. That is all. It does not affect the purity of the water of our country. It does not even affect the curing of industrial wastes; not a bit. It just simply grants to the communities this money for waste treatment, for works construction.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Illinois.

Mr. ARENDS. I just want to say that I heartily endorse what the gentleman has said, because this morning again on two different occasions I made a check, and there is nothing to this story, in which some believe, that it has anything to do with water pollution. Those funds are still available. Water pollution will have its fair share of consideration. They will be cooperating with the States, but this has nothing to do with water pollution, which many in this House feel it does.

Mr. HIESTAND. I thank the gentleman. It is important to realize that we have a $50 million possibility of saving funds. The grassroots is calling for savings. Here is a chance to do it. Many of you will be questioned, What did you do when it came to cutting the budget? Well, it may be truthfully said that some tried to cut, and probably you might claim some of the amendments were claimed to be penny wise and pound foolish, but here is a chance where you can tell your constituents you voted to make real savings.

Mr. Chairman, I hope the amendment carries.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, I certainly hope that this amendment is defeated. The House decided very clearly a year ago that they wanted this law put into effect. This amendment simply repeals the law that you passed last year.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I merely want to say to my friend from Illinois, when he talks about it having nothing to do with pollution, Do you mean to tell me when you build a sewage-disposal plant that it is not affecting pollution emptying into the streams? The pollution is now going into the rivers and streams. This legislation will encourage the people to build these sewage-disposal plants to eliminate the sewage being pumped into the streams. Certainly it has everything to do with stream pollution and clean waters. We have for years been polluting our streams. All this refuse and debris is going into the rivers, but when we build a sewage-disposal plant it no longer goes into the rivers and it clears up waters. So do not say that this legislation has nothing to do with water pollution, because it does.

Mr. DENTON. I just want to say in conclusion that we have a bill offered by the gentleman from California that would provide Government assistance in preventing air pollution. Why cannot we have a bill aimed at water pollution of our streams?

Mr. Chairman, I hope the amendment will be defeated.

Mr. THOMSON of Wyoming. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Chairman, that water is one of our most important natural resources, I have long maintained. I agree that maintaining quality is just as important as providing quantity. That we have a water-pollution problem stands uncontroverted.

The question is, Do we solve that problem by providing Federal aid at the rate of $50 million per year for 10 years?

This appropriation cannot be justified on the basis of the inability of the local governments to finance the construction themselves. There is no showing that a single community cannot handle its own. Therefore, under the guiding principle that in what the States and local governments can do for themselves, the Federal Government ought not to interfere. This is not justified.

Recognizing this, the proponents argue that this is required to provide the incentive to cause the local governments to meet the problem. As I recall the debate last year, the committee contended that an immediate investment of $7 billion was required to meet the present problem. Increased usage of water will almost double that figure in the next 10 years, the period of the authorization, as shown by the Hoover Commission figures on water usage and, as I recall, found by the legislative committee.

Our first year's experience, according to the committee hearings and this debate, indicates that the Federal Government under the formula supplies about 22 percent of the total cost. This would require a Federal contribution of $1,400 million to provide the Federal share of the construction needed now and that much more to meet future requirements over the next 10 years. That would call for an annual appropriation of $280 million per year for the next 10 years. This program and this appropriation calls for $50 million per year. Such a program will aggravate the problem, not solve it. We are saying to municipalities, sewer districts, and the States, Wait for a Federal grant, rather than saying to them, This is an urgent problem, face it, do it now. Other features of the Water Pollution Act are well conceived and, given a chance, in my opinion, will help to really solve the problem. For these reasons I voted for the motion to recommit last year and for passage of the bill. For the same reasons I urge that this amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, so many Members have just said what I was going to say. My very good friend, the gentleman from Indiana [Mr. DENTON], mentioned the fact that you and I or most of us voted for this legislation 1 year ago in June of last year by a majority of some 50 votes. This House passed the legislation that you are asking us to repeal now.

Now, some Members of Congress find fault with the Committee on Appropriations for bringing in legislation on appropriation bills. That is something that I cannot justify and I never have. But you who are supporting this amendment are doing exactly that thing today; you are doing it in reverse. You are offering an amendment to strike out this entire amount of $50 million, and you are in effect repealing legislation that you voted for and that the President of the United States signed into law last July.

Someone said that the administration is not for this. Well, this item is in the budget. The budget that we have before us is the administration budget. It came from the White House. It has the approval of the Bureau of the Budget. It must have had the approval of the President of the United States, or it would not be before us at this time. And, when my friend from California makes the statement, and the gentleman from Illinois who is on his feet now states that the construction of these plants has nothing to do with the cleaning up of the polluted waters of this country, they are just as wrong as wrong can be. The principal thing that this program does is to stimulate the communities in building these sewage-disposal plants. As a result, when these sewage-disposal plants are in operation, it makes the streams clearer; it cleans up the waters. And beyond that there is the benefit that goes to the communities downstream even more than it does to the communities which are building these particular sewage plants.

Now, another statement was made about redtape here yesterday by the author of this amendment. This law was not passed until July 9 of last year. We have had only 9 months of operation up to this time. Nine hundred and ten applications have been received from every State in the Union and from each of the congressional districts that you and I represent. Two hundred and eighty-eight of those applications have already been processed. Twenty-five million dollars has been approved. And if we approve all the 910 applications it will mean $88 million, which is $38 million more than we have authorized under this law. If we vote for this amendment we will be making one of the saddest mistakes we have made on this appropriation bill because this is something that is going to help every individual in our country.

Those who appeared before our committee in support of this appropriation were representatives of the Isaak Walton League, the Federation of Sewage and Industrial Waste Associations, the National Wildlife Federation, the Wildlife Management Institute, and so forth. Every one of these organizations is 100 percent behind this bill. I think it should be enacted into law and not repealed as this amendment will do.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FOGARTY] has expired. All time has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. FISHER].

Mr. FOGARTY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FISHER and Mr. FOGARTY.

The Committee divided, and the tellers reported that there were—ayes 162, noes 140.

So the amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise, report the bill back to the House with the recommendation that the enacting clause be stricken, and that the bill be recommitted to the Committee on Appropriations with instructions that it be reported back to the House within 5 days with amendments which will indicate the places and amounts in the budget where the committee believes, in view of the statements made in the Committee of the Whole House on the State of the Union, that substantial reductions may best be made and will meet the views of the House with the least curtailment of efficient administration by the Departments affected.

Mr. FOGARTY. Mr. Chairman, I reserve a point of order on the motion.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN. In the interest of saving time, I am perfectly willing that the point of order should be ruled on now. Why wait 5 minutes or 10 minutes if it is out of order?

The CHAIRMAN. Does the gentleman from Rhode Island care to be heard on the point of order? The Chair is ready to rule.

Mr. FOGARTY. Mr. Chairman, as I remember the reading of the motion, there is matter of wording contained therein that is not permissible under the rules governing procedure in Committee of the Whole, but would be allowed under the rules of procedure in the House.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard?

Mr. HOFFMAN. Yes, Mr. Chairman. I want to point out that there is a precedent for the motion and the rules cite a precedent where that motion has been held to be proper in the Committee.

The CHAIRMAN. The Chair is not familiar with that precedent, but the rules of the House provide that certain language contained in the motion made by the gentleman from Michigan could be entertained in Committee of the Whole, but the balance of the motion would only be appropriate in the House. For that reason, the Chair sustains the point of order.

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the resolution back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN. Mr. Chairman, the motion that was offered is based upon a precedent found in Cannon's Procedures, page 103, note 6, and Hind's Precedents, page 117, section 2329, where Mr. Currier, chairman, said:

The gentleman may move that the Committee rise and report this bill to the House with the recommendation that it be recommitted to the Committee on Interstate and Foreign Commerce. A motion to recommit is in order in the House. It is in order in Committee of the Whole House to move that when the Committee rises it recommends to the House a recommitment of the bill.

However, as a safeguard this second motion to rise and report the bill back to the House with a recommendation that the enacting clause be stricken is now offered. If the motion to strike the enacting clause is adopted by the Committee, the Committee will go back into the House and the same motion which the Chair has just ruled out of order in Committee will be in order in the House but it cannot there be offered until the disposal of any rollcall that has been demanded on any amendment has been had. One of the President's first and most enthusiastic supporters under date of March 31 printed an editorial in the Detroit, Mich., Free Press, the Chicago Daily News, and the Miami, Fla., and Akron, Ohio, papers and there wrote:

I had hoped this week to get off the President's back. There is no satisfaction in disagreeing with a man for whom you have tremendous respect and affection.

But when Ike derided attempts to cut his overstuffed budget as fatuous and foolish economy, it seemed that a few more words should be said on the subject.

Mr. Chairman, the editorial will later be read. But this is the point. This is the seventh day of debate on this bill. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] and the gentleman from Rhode Island [Mr. FOGARTY] announced there would be rollcalls on at least eight amendments.

Mr. FOGARTY. There will be a rollcall on one more amendment now.

Mr. HOFFMAN. That makes nine. Now, how many more rollcalls will be asked by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] I do not know. It is very evident from the way the debate has gone on in Committee that we will be here at least another day on the rollcall votes.

Here we are now with the budget that the President sent up to us, cut by the Committee on Appropriations and then by this committee. After the budget was sent to us it is my understanding the President said that cuts could be made; that if desirable we should make them. Then the House, in its wisdom, or lack of it, sent that budget back to the President with suggestions that he tell us where the cuts could be made with the least harm.

The President very properly sent it back to us saying it was our business to make cuts where we thought they should be made.

The committee has made its suggestions as to where and in what amounts the reductions should be made.

The gentleman in charge of the bill [Mr. FOGARTY], throughout the debate—perhaps it may be said every day on every amendment—has charged that we are just walking up the hill only to walk down again. It was also said that by making certain reductions we were endangering the health and lives of our people. An appeal to passion and prejudice.

This motion to recommit which will be offered in the House if adopted does this: Instead of sending the bill back to the President we send it back to the Committee on Appropriations for reconsideration, which is just exactly what the majority did when it was sent back to the President. Why should not the committee take another look, come back with what the committee, having in mind the desire of the Members, has to suggest—not just the gentleman from Rhode Island [Mr. FOGARTY]—oh, no, not his suggestions alone, but those of the full committee meeting again and having in mind the fact that practically everyone, including the President, by inference at least, says the budget should be cut.

Why not come back with what might be termed a clean bill, perhaps the result of compromise, certainly the result of more adequate, careful, comprehensive consideration. Then perhaps we could agree on what should be done in the interests of economy which is what the people want—what we say we want.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. ARENDS. Just to pinpoint what the gentleman has said in view of the fact so many Members have suggested that the President should tell us where cuts in the budget should be made I want to call attention to the statement the gentleman from New York [Mr. TABER] put in the RECORD yesterday coming from Secretary Folsom:

> Some of these programs, of course, were enacted last year without our specific recommendations and some of them went in over our objections. For example, on the water-pollution waste-treatment projects, we did not recommend an appropriation authorization to Congress and that is a $50 million item.

Mr. HOFFMAN. I thank the gentleman but I cannot yield further. The only purpose of asking that the bill be sent back to the committee is that we may have a better bill, a bill on which those who advocate economy can reach agreement; make the more sensible cuts do the least harm to each phase of the program.

THE EDITOR'S NOTEBOOK—IKE FORSAKES CONVICTIONS FOR THE PERILOUSLY UNSOUND

(By John S. Knight)

I had hoped this week to get off the President's back. There's no satisfaction in disagreeing with a man for whom you have tremendous respect and affection, particularly if he happens to be the President of the United States.

Better to tell how the incredible Dave Beck lived it up with union funds, or discuss Bold Ruler's chances against Calumet's triple entry in the Kentucky Derby.

But when Ike derided attempts to cut his overstuffed budget as fatuous and foolish economy, it seemed that a few more words should be said on the subject.

The President made three points at last Wednesday's press conference:

1. Piecemeal cuts of $25 million here, $50 million there and $150 million anywhere are "meaningless * * * just kidding yourselves."

2. That "significant cuts" could come only from security items such as defense and foreign aid.

3. That Congress, while talking about economy had voted "a great number of public works * * * without proper engineering studies to back them up," so the action "must be for political purposes."

In the first place, I was surprised and disappointed to have the President speak of budget cuts ranging from $25 million to $150 million as foolish, piecemeal economy.

And to brand such efforts by Congress as imbecilic.

This is the same President Eisenhower who vowed four years ago to exercise a prudent control over Government expenses.

When the Chief Executive now shows no interest in eliminating items that run into hundreds of millions, we should all be worried.

WHAT ABOUT WASTE IN THE MILITARY?

The President's second point is that cuts in defense and foreign economic assistance can be made only at a risk to our security.

Here again, many informed people will disagree.

Our defenses must not be reduced, but there is a lot of waste in the Military Establishment as everybody knows.

And why should foreign aid be stepped up an additional $500 million?

When the Marshall plan began, President Truman said: "I guarantee to you that we'll not spend it for more than 4 years—15 billions of dollars."

HARRY F. BYRD, the consistent Senator from Virginia, says his investigation of foreign aid in Europe disclosed that we have given Denmark $100 million to pay on their public debt.

So we just added that much to our national debt.

Great Britain was presented with $200 million to reduce taxes.

Ours didn't go down.

PUBLIC'S LOUD CRY REACHES CONGRESS

The President is right when he maintains that Congress plays politics with public money.

But Congress is hearing from the people, and if the people make enough noise, Congress pays attention.

That was shown Wednesday when the House of Representatives made a $442 million piecemeal reduction in the $2.5 billion appropriation the administration had asked for the Departments of Labor and of Health, Education, and Welfare.

The Eisenhower administration is insisting that the Government must provide aid to the States in the field of education.

In demanding this aid, it is disregarding its own Kestnbaum Commission on Intergovernmental Relations which reported that: "We have not been able to find a State which cannot afford to make more money available to its schools or is unable to support an adequate school program."

The educators quite naturally will welcome this help. It will give them the buildings, schoolrooms, auditoriums, and gymnasiums they think they need.

As Raymond Moley says: "Asking a professional educator if he needs a new building is like asking Johnny if he wants a new bicycle."

Certainly, many of these things are desirable, but are they absolutely essential when the Federal debt is at its statutory limit?

EISENHOWER SCRAPS CAUTION ON GRANTS

The new budget contains 14 new Federal grants-to-States programs, bringing the total to 67.

The President used to say that the Federal Government should not do those things for the States which they are able to do for themselves.

This sound doctrine, like the prudent expenditure of the people's money, has long since been scrapped.

Here is an example, taken from Senator BYRD's recent address to the Senate:

> There is in the budget an item entitled: "Salaries and expenses, President's Committee on Education Beyond High School, Department of Health, Education and Welfare." It is shown as an "old" program.
>
> The committee was given a 1957 appropriation of $150,000 to make a report by December 31, 1957. The original appropriation provided no funds for grants or subsidies.
>
> The pending budget proposes an additional 1957 supplemental sum of $650,000 in the current year for grants and subsidies. Then it goes further and proposes one 1958 appropriation of $300,000 to enable the committee to complete its report, and another $2,500,000 "further to assist in developing programs * * * to implement recommendations of the committee."
>
> Here we have, says Senator BYRD, a $150,000 appropriation for a committee report, which in two years, grows to a $3 million appropriation for a grants-and-subsidy program—before the report is made.
>
> This is a small example of how these programs grow.

FIND BUDGET FILLED WITH BOONDOGGLES

Edwin A. Lahey and David Krasiow of our Washington bureau read the 1,249 pages of the new budget submitted by the administration.

They found it to be loaded with frills and boondoggles. Is this good government?

We have 2,389,792 Federal employees. The new budget proposes to add 40,000 more.

In addition, we have 273,674 civilian employees in foreign countries, 26,000 in France, 98,000 in Germany, and 129,000 in Japan.

There are 37,817,000 citizens receiving direct checks from the Federal Government every month. Including their dependents, claims Senator BYRD, it is possible that the majority of the population get checks from Washington.

And the number will rise under the Eisenhower philosophy that "these are the services which people demand, and in my opinion deserve."

IKE'S PRESENT DEAL TO TOP THEM ALL

The Senator from Virginia, says that he has survived the New Deal, the Fair Deal and the Present Deal. He says with regret that the Present Deal will land somewhere midway between the New Deal and the Fair Deal.

I would respectfully disagree with that conclusion.

In my opinion, the Present Deal will go far beyond anything ever contemplated by Presidents Roosevelt and Truman.

This is not what the majority of the American people voted for in the elections of 1952 and 1956.

Prior to Franklin D. Roosevelt, our Government followed a pay-as-you-go philosophy. Andrew Jackson, one of the patron saints of the Democratic Party, boasted that he had paid off the public debt in full.

We practiced frugality and thrift in the first 150 years of our Republic, laying the foundations for our future prosperity.

Today, we are endangering the fiscal integrity of our country by reckless spending both at home and abroad.

It is tragic indeed that a man like Eisenhower, a self-proclaimed economic conservative, has forsaken his earlier convictions for a philosophy of government that is unsound and fraught with peril.

Mr. HOFFMAN. The above editorial comes from the pen of John S. Knight, the publisher of several dailies and one of the President's first and most ardent supporters. In fact, Mr. Knight, on several occasions, was editorially quite impatient with conservatives and Taft supporters who did not fall down and worship at Ike's feet.

If memory serves, Mr. Knight was something of an internationalist, a staunch advocate of foreign aid, and through his newspapers, which had and have a wide circulation in several of our States, did much in support of Ike and his views.

It would seem to be unfortunate that some who so enthusiastically urged Ike to become a candidate, did so much toward his election, should now be short on patience with a President who has had so little experience with our civilian activities and who has been recently so seriously ill.

Ike has been reported to have said some pretty harsh things about conservative Republicans in praise of "Modern Republicanism." It is more than probable that some of his personal friends and advisers, like Paul Hoffman and Stassen, may have whispered too much nonsense into his ear.

Ike is not the first President who has lost support because of listening to his personal friends and advisers.

While voting my own convictions on legislation which comes up with the apparent endorsement of the President, I, for one, intend to show a little degree of consideration for his views and wherever possible support him. He does not deserve the petty criticism which has been tossed at him.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I cannot understand why the gentleman from Michigan is getting so concerned over these rollcall votes that are coming up. I thought that he would be happy to stand up and be counted when the roll was called. If you want to avoid it, one way is to adopt the motion the gentleman has just offered.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HOFFMAN. Was the gentleman asking me if I would stand up and be counted?

Mr. FOGARTY. I did not say that.

Mr. HOFFMAN. What did you say?

Mr. FOGARTY. I said that if you were interested in standing up and being counted when these rollcalls are asked for you would not have offered such a motion as you just offered.

Mr. HOFFMAN. The gentleman does not believe that, does he?

Mr. FOGARTY. Oh, you are just avoiding the issue.

Mr. HOFFMAN. You think I am ducking and running out? I am just giving the gentleman a chance, and you have them on your side. I am just giving them a chance to send this bill back to committee, having the committee make reductions in the light of what has happened that will not hurt the bill. We do not want to hurt anyone.

Mr. FOGARTY. But the motion that you have just made is in effect ducking the votes if this committee adopts your method.

Mr. HOFFMAN. Ducking nothing.

Mr. FOGARTY. That is all there is to it. If not, when we get back into the House why does not the gentleman offer a motion to recommit with certain instructions as to where he thinks the committee ought to make specific changes and report the bill back? There might be some logic to that.

Mr. HOFFMAN. If the gentleman will yield, I would be glad to do that if I were so conceited as to think I had the wisdom and enlightenment to cut wisely. I just cannot. I am trusting the gentleman's committee to come in and do the best it can. As to the nine amendments the gentleman wants a roll on, I am willing personally to vote on every one of them, but I thought perhaps after consideration again having in mind the votes in the House that we could make some headway by this method.

Mr. FOGARTY. The best way I know of doing it is to give the gentleman and the other Members a chance to answers these rollcalls.

Now, as far as giving this bill some consideration is concerned, may I say that we have really worked hard and long on this particular appropriation bill. The committee worked for about 6 or 7 weeks on it. We went into our hearings at 10 o'clock in the morning until 12:30 every day and then from 1:30 until nearly 5 o'clock. This in addition to our regular congressional activities. That is a long day. We listened to 180 witnesses and we took nearly 2,000 pages of testimony. I would like to point out that there was not one word of evidence in all our exhaustive committee hearings that you have before you today that will justify any cut you have voted for up to this time. On the last amendment you just voted for, we had the advice of four civic organizations representing millions of people in our country who are interested in clean water systems all over the country. They took the time to come from all sections of the country to appeal to this committee to give and to allow the amount authorized by the President of the United States. That is exactly what we have done.

After we completed our hearings, we then went through the requests, item by item by item, and cut where we thought we could intelligently cut. I think we did a pretty good job because this bill deals with human beings, with the bodies and minds of people now living or who are yet unborn in this country. If you honestly believe in a bill that affects the lives of American citizens, their life expectancy, and the life expectancy of those who are not yet born, a bill that makes this country a better place to live in and a healthier place to live in, then I cannot understand how you can support the efforts being made to cut it as it has been cut. I just cannot understand the logic behind the amendments that you have offered so far in this bill.

I would like to refer to some rather outstanding people in our Nation and to their opinions on this portion of President Eisenhower's budget that we have been discussing for over a week and which most of the Members on the gentleman's side want to reduce still further than the committee has already reduced it. First, many of you will remember the press release issued by the Secretary of the Department of Health, Education, and Welfare on February 14, regarding the 1958 budget. To refresh everyone's mind I will place that press release in the RECORD. It is as follows:

STATEMENT BY MARION B. FOLSOM, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

> The President's budget for the Department of Health, Education, and Welfare represents a sound, constructive, and prudent approach to problems in this field.
>
> It is not too large in itself, in the light of national needs in these areas. Nor is it too large in proportion to the size of the total budget, or the national ability to support these programs.
>
> Expenditures recommended by the President for this Department in fiscal 1958 amount to $2.8 billion, or about 4 percent of the budget total.
>
> These proposed programs are investments in human resources—in the health of the American people, in their education and training for living in an increasingly complex world, in their protection against economic want. These are the resources upon which, ultimately, our continuing prosperity and our national security depend.
>
> Neglect of health, education, or economic security will prove very costly in the long run. For problems in these fields, unless resolved, will be compounded by the passage of time. Related problems develop, and the ultimate cost of solutions becomes far greater.
>
> It is important to bear in mind that 64 percent of the Department's budget, or $1.8 billion, would be required for public assistance grants to the needy, aged, blind, disabled, and dependent children.
>
> We are most anxious to develop constructive programs which will reduce human need in the future. Such programs have received increased emphasis in the 1958 budget.
>
> Most of the recommended increase for the Department would go to help eliminate a critical shortage of classrooms in financially needy communities across the country. I know of no better investment the country could make than to remove a serious deficiency in facilities for education which, if permitted to continue, could only serve to retard our national progress.
>
> The other increases are relatively small in terms of dollars but I believe they will yield important long-range benefits.
>
> Increases of $7.3 million for vocational rehabilitation, for example, will help restore more handicapped persons to productive employment and will return, in both humanitarian and economic rewards, far more than the cost. A requested investment of $2.1 million for research in the causes of dependency, and ways of overcoming them, should help reduce the human and economic toll of dependency in our society. Similarly, we are proposing $2.5 million to assist in training more professional workers to help solve the complex human problems involved in dependency. We are asking for an increase of $1.3 million for research to help solve long-standing problems which have handicapped education for many years.
>
> The proposed record level of medical research expenditures offers bright promise for reducing the tragic toll of disease and disability among the American people. The proposed aid in building medical teaching

facilities and other increases for health programs are also important in accomplishing this objective. We are requesting $3 million to help States and communities attack the growing problem of juvenile delinquency. A proposed increase of $2.5 million will help assure safety to consumers in the use of foods and drugs which are rapidly increasing in both volume and complexity.

These are sound, practical investments which, over many years ahead, will yield far more than their cost in preventing human need, fostering economic growth, and strengthening national security.

The administration is proposing these advances in health, education, and economic security within the framework of a balanced overall budget. The budget, in fact, provides for a surplus for the third successive year. This is no small achievement at a time when circumstances beyond our control compel very large defense expenditures.

If we are to be realistic in our approach, we should consider expenditures for health, education, and welfare and for certain other programs not only in terms of total dollar amounts but also in relation to our population and our whole economy. It is only natural that some budget figures should tend to increase as the population grows rapidly and the economy expands to record peaks.

By 1958, it is estimated the national income will have increased 37 percent over 1950. The recommended 1958 nondefense Federal expenditures[1] amount to an increase of only 14 percent over 1950. The recommended level of nondefense spending would be 4.3 percent of the estimated national income, approximately the same proportion as for the previous 3 years. This is down substantially from the ratio of 7.2 percent in 1940 and 5.9 percent in 1950. Thus, in relation to our means, the 1958 budget for nondefense needs is less than it has been in the past.

The proposed total Federal spending for 1958 would be 19 percent of estimated national income, compared with 22.7 percent in 1954, the first full fiscal year of this administration.

The administration's continuing goal with respect to the budget is clear. It is to restrain Federal spending and cut taxes when this can be done consistent with the national interest. The President and his budget advisers, I know, were guided by a deep sense of fiscal prudence in carefully developing the 1958 budget recommendations in the light of our needs for national protection and for continuing progress in domestic affairs.

Then I would like to read some excerpts from an article entitled "Trends in State Government—1957 as Indicated by the Governor's Message" in the March 1957 issue of State Government the official publication of the Council of State Governments. This article states:

Dealing with States services, the governors called for expansion and advance, above all, in education, in highway construction, and in highway safety. But emphasis was strong in other areas as well—mental health, problems of the aging, and management of natural resources prominent among them. * * * But behind most of the governors' proposals lay such realities as rapid growth of the population; the relative increase of the younger and older segments of the population; the soaring enrollments in schools; the shortages of trained teachers and school buildings; the record traffic on an inadequate highway network; and the Federal program, with its State matching provisions, for bringing the network up to date.

[1] Nondefense expenditures include all functions except those listed in the budget as "major national security," "veterans services and benefits," and "interest."

* * * As one of the governors summarized, most of the problems that confront his State are "products of our growing population and our expanding economy."

* * * "If grass were growing in our streets," he said, "and if smoke were not pouring from the stacks of our factories, we would not have to face * * * the problems of progress."

So you can see our Governors seem to be concerned about keeping up with our growing population, expanding economy, and problems in the fields dealt with in this bill, and certainly do not appear to want us to start going backward.

There have also been many, many comments in very respectable newspapers that I could include in the RECORD to support my contention that those who seek to cut the bill still further, or seek to recommit it to the committee for further cuts, do not represent the feeling of many highly respected Americans and, in my opinion, the majority of the American people. I shall not burden the RECORD with all of those newspaper articles that have come to my attention but I will include three of them in the RECORD, the first two from the New York Times of March 29 and April 3 and the third from the Washington Post of April 3. These articles are as follows:

[From the New York Times of March 30, 1957]

IN THE NATION—SWIM, BUT DON'T GO NEAR THE WATER

(By Arthur Krock)

WASHINGTON, March 28.—It is the "poorest kind of economy," said the President, defending his $72 billion budget yesterday, "to say you [Congress] are going to save a few millions here and a few millions there." Maybe so, replied Representative TABER, of New York, "but when you don't have any other kind of economizing available, you have to take what you can get."

This was a pretty good riposte in the circumstances because, in further comment on the budget, the President stoutly opposed large reductions on the basis of an orderly formula. This, he said, would cripple continuing programs for which Congress itself had made the Government responsible, and the new programs (schoolroom construction, for example) which he had proposed because he considered them essential to the popular need and the duty of the Federal Government to provide.

By that statement the President took direct issue with Senator BYRD, of Virginia, as well as Representative TABER among the congressional leaders who differ with him about the potentialities of cutting the budget. BYRD contends that an orderly economizing formula is also available to Congress and can be followed without damage to the popular need or the national security. The difference between the President's attitude and the Virginia Senator's has been expressed by the latter in several statements on and off the Senate floor.

"INDEFENSIBLE INCREASES"

"Proposals [by the President] establishing new functions, expanding old ones, and for indefensible increases in current authorizations," BYRD told the Senate, "requested in the Federal budget for fiscal 1958 * * * will force continuing increases in future budgets." And he specified:

"I am convinced that requested appropriations can be reduced by $6.5 billion: national security, $1.5 billion; foreign aid and international affairs, $2 billion; domestic-civilian activities, $3 billion * * * reducing the budget to $66.8 billion."

Of the continuing and new programs for civilian-domestic activities, which the President yesterday classified as either imposed by Congress or by the popular need, the Senator said:

"These appropriations are up 36 percent since 1954. The budget contains 37 proposals for new and expanded activities, with 1958 requests totaling $2 billion. These include 14 new Federal grants to State programs, bringing the total to 67, and among these is the Federal school construction program with a first year appropriation of $451 million. Among the hundreds of old current accounts the budget proposes increases in 3 out of every 4. * * * Yet the domestic-civilian programs, even after the cut [of $3 billion urged by BYRD], exclusive of high ways, will have $23.8 billion in new authorizations, plus $24 billion in unexpended balances in prior appropriations, for a total of nearly $46 billion."

The Eisenhower budget for fiscal 1958, the Senator said to his colleagues, "is a complete reversal of the retrenchment policy to which this administration pledged itself." After reducing the last Truman budget by $10 billion and cutting spending another $3 billion for fiscal 1955, the President's budgets "have been rising steadily, with huge increases in the domestic-civilian area. This is the worst yet. It begins another spending spree which will continue inflation and raise the cost of living. And let us not forget that the distinguished Secretary of the Treasury * * * denounced this budget presented by his own administration as authorizing expenditures which, if continued, would lead to a depression that would 'curl your hair.'"

HUMPHREY'S PLIGHT

That reference was to the unhappy situation of a man in the middle, George M. Humphrey, who obviously would like to take a public stand much closer to BYRD's position. But to do that, especially after what the President said yesterday, Humphrey would be in open conflict with his chief, to whom he is intensely loyal. And since Humphrey has made plain his belief that in the national interest the President's leadership should be maintained at its highest possible degree, the Secretary's resignation—which this open conflict would impose on a man of such high principle—would undoubtedly be a heavy blow to that leadership.

Another point of difference between the President and BYRD is that the Senator does not agree that the budget and its expanded social-economic programs are responsive to public opinion. The total tax collections by all forms of American Government is now $110 billion annually out of an annual income of $325 billion. And the growing public protest against the ever-rising Federal budget has much of its source in the level of taxation, as Congress is acutely aware.

The President's remarks yesterday complete the anomaly of his position and deepen Humphrey's plight. Both urged Congress to cut the budget. Yet the President now contends it cannot be done either substantially or piecemeal.

[From the New York Times of April 3, 1957]

BUDGET CUTS QUESTIONED—DECLINE IN WELFARE OUTLAYS NOTED, WITH BURDEN ON LOCALITIES

To the EDITOR OF THE NEW YORK TIMES:

Is the budget too large? First, let me admit that on the basis of the experience of the last few years actual expenditures will exceed budgeted ones (estimates of January 1957 for fiscal year 1958) by a few billion dollars. Second, let me agree also that the budget is not in as sound shape as the administration suggests.

For example, in 2 years roadbuilding in the budget is cut from $783 million to $43 million. But $1.7 billion of outlays has now

been taken out of the budget and tucked away in a trust fund. But even with all that I am not worried about the size of the budget.

First, the size of the budget should be put against the size of the economy. In the last 4 years the budget has fallen from 20 percent of the gross national product (GNP) to 16 percent of the GNP, or a relative decline of 20 percent. In the last 10 years the size of the national debt has declined by about one-half in relation to the GNP.

Second, the more germane criticism is that the Eisenhower administration has gone in too much for economy and not enough for needed Government services.

VIEWED AGAINST ECONOMY

Welfare outlays have dropped in a period (1952 to 1956) when gross national product rose by $65 billion and military outlays were cut by $10 billion or more and reductions of taxes, costing about $9 billion a year today, were made.

Even as our peril grew and our international position deteriorated, the Eisenhower administration increased the danger to our trillion-dollar economy and our security generally by serious cuts in our military budget and by a reduction of foreign economic aid of one-half as compared with the last Truman administration and two-thirds vis-a-vis the GNP. Some estimates of cuts are much higher. At least there is now a disposition to reconsider the economy program for national security. For this we are grateful.

The budget upsets Secretary Humphrey especially because of promises made but not kept. The rise of $3 billion ($4.7 billion on a cash basis) in 1 year haunts the administration because, with the cash budget up by $23 billion above the 1952 Taft-Eisenhower commitment, they are embarrassed. They even had asked for cuts in the 1952 campaign of $40 billion, $25 billion, and $10 billion.

But let us note even the $72-billion 1958 budget is more than 20 percent less in relation to GNP than the 1953 Truman budget, which was under examination in the 1952 campaign. I say this is too great a cut, considering our peril, our shortage of several hundred thousand schoolrooms, our slums, the inadequacies of our social-security program, the unavailability of comprehensive health insurance, etc.

In the welfare area housing costs in the new budget are down and outlays on labor and welfare (health, education, and public assistance especially) up by $506 million.

WELFARE PROGRAMS

Surely this is no New Deal program when allowance is made for the slashes in 1952–56 and the rise of prices and income. At the very most, the rise in welfare programs in the budget cost about 5 percent of the average annual rise of GNP expected over the next 10 years. Is this excessive, especially in view of the history of 1952–56?

Those who are vexed by the size of the Federal budget would have much more reason to be concerned over the trends of State and local finance. The Federal Government tends to pass its responsibilities on to these governments. For example, new construction by the Federal Government declined from $4.8 billion in 1952 to $3.6 billion in 1956, or a drop of 25 percent; and by State and local rose from $6.1 billion to $9.8 billion, or a rise of more than 60 percent. Hence, the latter became twice as important relative to Federal outlays in 4 years.

Total expenditures of State and local governments are up from $12 billion in 1946 to $28 billion in 1952 and $40 billion in 1956. On trends of recent years, State and local governments will be spending $60 billion in 10 years. Is it fair for the Federal Government to tap the richest sources of revenues and put increased responsibilities on State and local governments?

In short, the size of the budget is not so serious as it seems to many, even if allowance is made for peculiar accounting. The administration is to be criticized rather for promises not kept, for dubious accounting, for unwarranted slashes of security and welfare outlays, and for putting excessive burdens on State and local governments.

SEYMOUR E. HARRIS.

CAMBRIDGE, MASS., *March 29, 1957.*

[From the Washington Post of April 3, 1957]

IKE DEFENDS BUDGET, ASKS BUSINESSMEN TO ALERT PUBLIC TO FEDERAL AID NEEDS

President Eisenhower threw his full weight behind his $71.8 billion Federal budget again yesterday.

He challenged 300 business leaders to educate Americans to the need for Federal aid to domestic, school, welfare, and health programs.

In the foreign field, the President said the overriding objective to achieve peace is far more important than a tax cut.

"Much as we hate taxes, it (world peace) is an objective that overrides our aversion to high taxes," he told the 13th Washington conference of the Advertising Council, a nonprofit organization which marshals the forces of advertising for public-service campaigns.

The President's remarks were in line with his press conference promise last week to defend his spending requests against current attacks in Congress.

He spoke as the House debated cuts in his health, education, and welfare money bill, the fifth to reach the floor. So far, economy-minded Congressmen have lopped $800 million from Eisenhower requests of $13.8 billion.

"I am struck so often by the simplest functions of government that are misunderstood," the President said. "For example, the school program. * * *

"We have a situation today throughout the country of schools running two sessions a day, with teachers overburdened—often teachers having to be employed who are not really qualified. The school situation is suffering very, very badly for lack of facilities."

He stressed Federal aid was essential to inspire the States to improve education, absolutely necessary to the continuation of vital democracy.

"The Federal Government might well help on a one-time basis to get these schools built, to catch up and get out," Mr. Eisenhower said.

The Chief Executive acknowledged that "many people have thought the Federal Government should not take any part in the welfare funds in our country—old age security, unemployment insurance, and health processes."

But to the President such Federal help equalizes services in the several States.

"We would have migrations in this country, with dislocations in industry and in labor force, merely because in one State people would say we can get better help when misfortune, old age, or something of that kind strikes by moving to such a State," he warned.

Afterwards, conferees heard news commentators Roscoe Drummond, Marquis Childs, Edward R. Murrow, and James B. Reston on a panel presided over by Philip L. Graham, publisher of the Washington Post, at a Mayflower Hotel luncheon.

Drummond said the character of the Republican Presidential ticket in the next election hinged on the outcome of the fight over the President's budget.

Cutting it is the touchstone of the faith of right-wing Republicans, Drummond commented, and preserving the budget, the hope of Eisenhower Republicans.

Childs characterized efforts to unify Europe as enormously hopeful despite three handicaps: Foot-dragging in England, a strong sentiment to go it alone in the Rhineland, and an insistence of France to bring North African colonies into the alliance.

Reston sketched problems of leaders today in regearing their training and thinking to meet new enormous, even terrifying responsibilities of this age.

Murrow warned against overestimating the reasonableness of Israelites and underestimating Egypt's Nasser, "the calmest, coolest, gambling man I have ever met."

In addition to all this top-level opinion I have received hundreds of letters, telegrams, telephone calls, and personal visits from the people at the ground level who are meeting these problems every day and who, in my opinion, are in the best position to know what these proposed cuts really mean to the American people. It is hard for me to keep from really burdening the RECORD in this instance because I would like all Members to see what has been pouring in to me from these folks. However, I will include just three telegrams that I especially wish to call attention to. These are as follows:

PROVIDENCE, R. I., *March 28, 1957.*

Hon. JOHN E. FOGARTY,
House Office Building,
Washington, D. C.:

To help meet critical nurse shortage and insure adequate health care for our people additional graduate nurses must be prepared for teaching and administrative positions which essential and expanding health programs demand. Because of your own and our deep concern and responsibility in this vital situation members of the Rhode Island State Nurses Association urge your support for increased appropriations for public health and graduate-nurse traineeships and extension of practical nurse programs provided for by Public Law 911.

MARTHA O. SAYLES,
President.

WASHINGTON, D. C., *March 27, 1957.*

Hon. JOHN E. FOGARTY,
House Office Building,
Washington, D. C.:

The Disabled American Veterans is greatly concerned regarding proposal in House of Representatives to reduce appropriations recommended by your committee for the Veterans' Employment Service of the Department of Labor. Further reduction will seriously impair the service, in placement of disabled veterans into employment. Respectfully urge you to strongly support your recommendation.

OMER W. CLARK,
Director of Legislation, Disabled American Veterans.

WASHINGTON, D. C., *March 28, 1957.*

Hon. JOHN E. FOGARTY,
House Office Building,
Washington, D. C.:

Veterans of Foreign Wars disturbed over tentative House reductions in appropriations for Veterans' Employment Service, Bureau of Veterans Reemployment Rights and Bureau of Employment Security. Strongly urge your support of the amount recommended by Appropriations Committee for these three agencies. Efforts should be made to bring these appropriation items up for rollcall vote to maintain recommendations made by Appropriations Committee.

OMAR B. KETCHUM,
VFW National Legislative Director.

I hope the motion offered by the gentleman from Michigan is defeated.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

The Clerk read as follows:

Grants for hospital construction: For payments under parts C and G, title VI, of the act, as amended, $121,200,000, of which $99,000,000 shall be for payments for hospitals and related facilities pursuant to part C, $1,200,000 shall be for the purposes authorized in section 636 of the act, and $21,000,000 shall be for payments for facilities pursuant to part G, as follows: $6,500,000 for diagnostic or treatment centers, $6,500,000 for hospitals for the chronically ill and impaired, $4,000,000 for rehabilitation facilities, and $4,000,000 for nursing homes: *Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein.

Mr. HÉBERT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HÉBERT: Page 25, line 6, after "as amended", strike out "$121,200,000" and insert "$100,000,000"; line 7, after "which", strike out "$99,000,000" and insert "$77,800,000"; line 20, after the words "as amended", strike out "$1,450,000" and substitute "$1,381,000."

Mr. HÉBERT. Mr. Chairman, in view of the remarks that have been made on the floor during the last 7 days of debate and the arguments advanced against the cutting of these sums and amounts, I am now able to offer an amendment which meets the objections of both sides and I am sure can well be supported because it does not destroy any program; it does not reduce any salaries; it does not reduce or increase any personnel.

As a matter of fact, it will be noted in this amendment that I do not touch at all the $6,500,000 for diagnostic or treatment centers, $6,500,000 for hospitals for the chronically ill and impaired, $4 million for rehabilitation facilities, and $4 million for nursing homes.

What I do propose is to reduce at the top of the heap some $21 million for hospital construction, popularly known as the Hill-Burton Act. There is no finer program in existence than the Hill-Burton program. It is a magnificent program; it is one that should be continued and a program which should be given all the money it can use. But the testimony of the budget officer of the Department indicates that in 1956 the fiscal year was ended with an unobligated balance of $79 million.

In 1957 the unobligated balance was some $91 million and it is estimated by that same budget officer in testimony before the committee on page 587, in answer to a question by the gentleman from Wisconsin [Mr. LAIRD], that the anticipated unobligated funds at the end of fiscal 1958 will be $86 million.

Now, I do not think it takes an intellectual giant but just a common, ordinary garden variety individual like myself to ask the question, and properly so, What does an agency want to ask $121 million for when it admits that at the end of fiscal 1958, for which it is asking this sum, there will be an unobligated amount of some $86 million? I think I have been very generous in only striking some 20 percent and then allowing everything else in the program to remain, of course, with the exception of the expansion of the administration of the program at the top, which would not be needed if they had that much less money. I see no objection to it, and I hope that the House in its wisdom will understand that this is merely a demonstration of drawing in the belt, as I suggested in my opening remarks the other day, of tightening up a little bit and not harming this program one iota.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. I wonder if the gentleman knows whether, in computing the number of hospitals to be built under the Hill-Burton Act, any consideration has been given to the staffing of those hospitals. What relationship does the building program have to the shortage of personnel?

Mr. HÉBERT. I have found no indication of what the shortage of personnel has to do with the construction of the hospital itself. I am talking about the stone and the mortar.

Mrs. BOLTON. Yes; but if we have stone and mortar, we want to put the patients in the hospitals and have them cared for.

Mr. HÉBERT. I suggest to the gentlelady that I am allowing the sum to remain for the nursing homes, and next year, after they are graduated and trained, they may be sufficiently trained to increase that amount.

Mrs. BOLTON. But, there is no relationship established between the plans for building and the plans for more nurses.

Mr. HÉBERT. There is no relationship as far as I know, because this is on a State formula and, in effect, you just cannot spend all the money now to do it.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Texas.

Mr. BURLESON. Does the gentleman have in mind how this sum compares with what they had in the last fiscal year?

Mr. HÉBERT. It was less than this amount. I do not recall the exact amount, and I am unable to find it immediately. Perhaps the gentleman can aid me.

Mr. BURLESON. But this is a greater sum than the same service had appropriated last year?

Mr. HÉBERT. Yes. This is in addition, and that is what I am pointing out, and I think it is very important, that we are not cutting down any of their services. We are taking off $21 million and applying it only to the construction program.

Mr. PELLY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PELLY. I did not understand that the Clerk had read beyond line 17. May I inquire if this amendment includes the figure on line 20?

The CHAIRMAN. The amendment that the gentleman from Louisiana offered was addressed to the language beginning on line 5 but does touch on a sum included in the next paragraph beginning on line 18.

Mr. PELLY. Mr. Chairman, I have an amendment at the desk which would apply to line 17. If this amendment were acted on, would that prevent my amendment from being offered at the end of the paragraph which begins on line 5 and ends on line 17?

The CHAIRMAN. The amendment of the gentleman applies to that portion between line 5 and line 17?

Mr. PELLY. That is correct.

The CHAIRMAN. It would be in order, because the Clerk has not read the next 3 lines, 18, 19, and 20.

Mr. FOGARTY. May I be heard, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. FOGARTY. It was my understanding that the amendment offered by the gentleman from Louisiana went down to and included the language at the end of line 20 on page 25.

The CHAIRMAN. The amendment does go down that far, but the Clerk has not read those last three lines.

Mr. FOGARTY. Mr. Chairman, I make the point of order that further amendments cannot be offered to the language before line 20 on page 25, because the amendment offered by the gentleman from Louisiana [Mr. HÉBERT] takes in 3 places in the bill and goes down to and including the paragraph "Salaries and expenses" where his amendment offers to cut the amount in line 20.

The CHAIRMAN. The statement the gentleman makes is correct, but the fact remains no point of order was made when the amendment was read.

Mr. FOGARTY. Mr. Chairman, the point I was trying to make is that there were no objections raised when the amendment was offered and considered down through line 20.

The CHAIRMAN. The portion of the gentleman's amendment having to do with those three lines, lines 18, 19, and 20, can have no effect until those lines are read and then considered.

Mr. FOGARTY. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOGARTY. Is the gentleman's amendment in order when he has, in one amendment, sought to cut three places in the bill, from lines 5 to 20?

The CHAIRMAN. No point of order was raised against it.

Mr. FOGARTY. I thought that would be a concession that those lines had been read, the lines down to and including line 20.

The CHAIRMAN. It is no concession until such time as that portion of the bill is read.

Mr. PELLY. Mr. Chairman, reserving the right to object, if no objection were made, would that preclude the consideration of my amendment which begins on line 17, following the action on the amendment of the gentleman from Louisiana [Mr. HÉBERT]?

The CHAIRMAN. No.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to say at the outset, as has been said by other Members, that I am just as interested in economy in government as anyone, as my better judgment will allow.

We have been considering this bill for several days. I want to commend and applaud the committee in charge of this appropriation bill; as well as the patience and indulgence of the membership of this House, including the leadership, for taking the time in discussing so thoroughly these matters of so much importance to the people of America.

In my experience, Mr. Chairman, this is I believe the first time, recently anyway, that the House has taken time thoroughly to debate and discuss these matters of so much importance to the American people.

I am not one of those, however, who believe that the way to economize is to deliberately use the meat ax. We have a program here under consideration that has been in effect since 1945. It is generally known as the Hill-Burton Act.

Our Committee on Interstate and Foreign Commerce under the leadership of the late beloved Percy Priest, working with Jim Dolliver, of Iowa, who was in this House for a long time, reported the first bill of this kind, which later became the Hill-Burton program.

I would say, Mr. Chairman, during these 12 years there has been no program that has been received with more popular acclaim, that has provided for a greater need, that has contributed more to the health and welfare of our people, than this program for hospitals. It was a sad record that we had revealing insufficient hospital facilities throughout this great Nation of ours to give some relief to human suffering.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. No; not just now, if the gentleman will permit me.

Mr. HÉBERT. I just want to subscribe to what the gentleman is saying and agree with him.

Mr. HARRIS. The gentleman subscribes and agrees, yet he reduces the program by about $21 million. That would reduce the long-range program established by a survey in every State in the Union.

Mr. HÉBERT. If the gentleman can tell me where one single hospital will not be built, then I should agree with him that this amendment should not be offered. Name just one hospital.

Mr. HARRIS. I can cite the gentleman hospitals in his own State that will not be built.

Mr. HÉBERT. Name one.

Mr. HARRIS. If the gentleman will permit me, I will cite the record.

Since this program was established with the first appropriation in the fiscal year 1948, the great State of Louisiana, ably represented by him and other distinguished Members of this House, has had a total allocation of over $24 million. More than $23 million of Federal funds have been expended in his State for this program. More than 10,000 beds of a general hospital program have been realized from this program. There are many projects pending. Applications before the Department are pending to meet the needs of general hospital beds. Of your own State, 3,444 are needed.

This is from a survey made by his own State organization. To reduce this appropriation by some 20 percent would reduce the number of projects that could be approved in the next fiscal year by that amount.

Now, with reference to this so-called or alleged unobligated balance, the appropriation under the authorization for this program is available for obligation for 2 years. It then reverts to the Treasury.

Let me say here, that since this program was inaugurated $800 million of Federal funds has been provided. Local sponsors of projects throughout the country have in addition provided $1,600,000,000, a tremendous program. Included with these projects are 37 university medical school hospitals. This is where they turn out doctors to administer to the sick and afflicted.

Back to the so-called unobligated funds. It takes time for a community to initiate a program and to develop it. Now let me explain the practical problem. These programs are developed in four parts: Part 1 is the initial approval; that takes time. Part 2 is the finance plan; that requires more time. Part 3 is the site acquisition. This always requires some time to work out. Part 4 is for the drawing of plans, the architectural work, and it is at this stage when the money is obligated. This always requires 1 to 2 years. Generally, 18 to 20 months.

Now that should explain to anyone the simplicity of the program and that these so-called unexpended balances actually do not exist. This is so because during the course of the year in following the procedure as to the four-part stages, most of the money is in the process of obligation.

To show that this is true beyond any doubt, whatsoever, is that out of the $800 million of Federal funds for this program, in the last 12 years, only about $1 million has actually reverted to the Treasury.

Therefore, the so-called unobligated balances which my colleagues have referred to, have apparently been promised to communities. The money has been allocated to the States for this purpose.

Furthermore, make no mistake about this, the law does not permit any funds allocated to one State to be transferred and expended in another State. This was to insure each State that it would have its full allocation under the formula.

Furthermore, there is a total annual authorization of $150 million a year for this program, but the Congress has established an annual appropriation of around $90 million and $100 million for the last several years.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. Just a minute, now. I do not have much time and I cannot get an extension of time.

Mr. HÉBERT. I just want the gentleman to be correct, that is all.

Mr. HARRIS. I think I know something about this program and if I am wrong on any statement I stand corrected, but I get the impression that the gentleman offered his amendment to reduce the appropriation simply for the reason of economizing, without taking into consideration the need for the program in the vital interest of sick people.

That is what we are faced with here today. Last year we reduced the appropriation. Again this year we are reducing it.

Every State has a program worked out, and it is worked out under a hospital survey program within the State. The States which operate this program are depending upon the Congress meeting its share so the bond structure can be made effective.

Mr. Chairman, I sincerely appeal to my colleagues to vote against this reduction in this vital and essential program. Human suffering is of much greater concern to me than what I believe to be false economy.

Mrs. BOLTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise at this point in the bill to make it very clear that although I have supported some of the cuts and will support others I am considering each one on its own merits.

Mr. HARRIS. Mr. Chairman, will the gentlewoman yield for just one very brief statement?

Mrs. BOLTON. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that there are many sponsors of this program throughout the United States which have voted bond issues? Their local people are for this program. To reduce it as is sought to be done here would further nullify the action by the voters for those projects.

Mrs. BOLTON. I think the gentleman is correct.

In making decisions on the amendment I am basing my judgment on the implications of every amendment. These paragraphs in the bill touch upon matters which have been my deep concern over a long period of years. At the moment we are considering among other things the building of additional hospitals.

Can this be done intelligently when no one seems to have an answer to the problem of how they are to be staffed? We do need hospitals, but we also need the nursing and medical staff for these hospitals and clinics and rehabilitation facilities and nursing homes which are so needed throughout the country.

Mr. HÉBERT. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield.

Mr. HÉBERT. I would direct your attention to what I said in my opening statement that none of these facilities are cut at all by this amendment.

I did not want there to be any confusion about that.

Mrs. BOLTON. There is none, I am sure, but I am speaking generally.

Wards in all too many hospitals have been closed because of a lack of nurses to care for patients who should be in those beds. Even whole sections of certain hospitals cannot function because of the lack of personnel. Beginning with line 21, on page 25, which has not yet been read, there is set aside money for various public health needs. Among these are additional funds for traineeships for graduate nurses to prepare them for teaching posts. The shortage of teachers of nursing has created a very real bottleneck in the process of increasing the number of professional nurses so dramatically needed by our sick.

I am delighted to find there are adequate funds in this bill to continue that program. If you will read the testimony given by Miss Arnstein on page 613, you will see that she says:

> As I said, there are signs the situation is improving somewhat. In 1948 there were 33 nurses per 100 patients in our general hospitals. In 1955 there were 38. An increase of 4 per 100 patients. * * *
>
> While the professional nurses—what we call the R. N.—have been increasing slightly, the auxiliaries have been increasing tremendously, so that we had 57 nursing personnel per 100 patients in 1948 and we have 84 nursing personnel per 100 patients in our hospitals in 1955.

But that does not mean that we have an adequate number of trained nurses. Most of the increases in bedside nursing personnel has been in auxiliaries. We need them. We need every one of them, but we also need trained nurses and trained administrators and trained supervisors. The hospitals which are said to have benefited by this increase in personnel are largely the general hospitals, not the hospitals for maternity, tuberculosis, and psychiatry, and so on. While the situation with respect to general hospitals may have improved slightly, and I certainly hope it has, we still very much need an increase of technically trained nurses. Because I know the continuing problems created by nurse shortage, I am in favor of the grants for nurse traineeships, which will help open the bottleneck caused by a dearth of teacher nurses. And because I am in favor of all the hospitals we feel we can build, I am particularly regretful that during the discussions on this bill that concerns itself with the hearts of the people of this country, that has to do with the vital heart of the life of this country, that there has been intruded into it so much partisan politics. It has no place in this bill, Mr. Chairman. We should not permit ourselves to appeal to the baser elements in men and women; we should keep this discussion on a very high plane. Because such intrusions militate very seriously not only against the prestige of the committee, but also against the best interests of the people of this country, I cannot but protest the nature of some of the debate on this bill. We have a heavy responsibility, Mr. Chairman, one to which we should be giving the best that is in us.

The work of this subcommittee is so outstanding that it should have no shadow cast upon it.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would first like to compliment the gentlewoman from Ohio [Mrs. BOLTON] on her remarks on this amendment. It may be that some of you do not know that she has had long experience in this field, and I think we would do well to listen to what she has said.

I am no expert on hospitals, but in the past week I have had occasion to visit one several times where my father was a patient. Every time I went through I had to walk around three corridors, thread my way through a narrow passage to get to the end of the corridor where he was lying ill. And why did I have to thread my way? Because the hallways of that hospital had beds end to end, and they were not empty beds, they were beds with patients in them.

If this amendment is going to do anything to slow down the hospital building program now, next year, or the year after, then I say we should proceed very cautiously in doing it. I talked to some of the nurses in that hospital and they said: "We could do a better job for more patients if we had the necessary number of rooms to put them in and could get them out of the hallways where it is almost impossible to give them the kind of treatment that they need."

We defeated an amendment here a little while ago for the treatment of stream pollution. I heard people say yesterday that some cities have built their own treatment plants; why does not everyone do it?

Mr. MORANO. Mr. Chairman, will the gentleman yield for a correction?

Mr. HAYS of Ohio. Yes.

Mr. MORANO. The amendment was carried. It was not defeated.

Mr. HAYS of Ohio. I meant the money was stricken out of the bill. The amendment carried.

Some of these cities do have their own sewage treatment plants. Cincinnati on the Ohio River was mentioned as using the water out of the Ohio into which smaller cities up the river are dumping untreated sewage. I pointed out in a private conversation on the floor that it costs almost as much for a city of 5,000 to build a sewage treatment plant as it does for a city of 100,000. The only difference is, the small city cannot bond its people for the expenditure of that money. I realize it costs more for a larger city, but the basic elements, the architect's plans and all of that are just the same almost regardless of the size of the city. Some of the people in the larger cities are not doing themselves any service when they prohibit the smaller towns and cities from building sewage disposal plants and allowing them to continue to pollute the river.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Louisiana.

Mr. HÉBERT. I want to say to the gentleman that if I thought that my amendment would deprive this Nation's sick of one single hospital bed I would not have offered the amendment. I am strictly in accord with the Hill-Burton program. I believe it is a magnificent program. This amendment of mine merely puts in order certain necessary economies.

Mr. HAYS of Ohio. The gentleman, I am sure, is sincere and I hesitate to oppose him, but it seems to me the logic of his argument boils down to this: The Hill-Burton program is a fine program, let us cut it.

Mr. HÉBERT. Oh, no; I am not cutting the program.

Mr. HAYS of Ohio. I do not know how the cutting of $21 million would affect the program. I am not a mathematician. If the gentleman wants to talk about the garden variety mathematician, I think I can qualify. I know one thing, the cutting of $21 million out of a construction program is not going to get more hospitals built.

Mr. HÉBERT. They would still have $86 million of unobligated funds.

Mr. PRICE. I would like to point out to the gentleman from Louisiana that this does not cut the amount he sets forth in his amendment, but 3 times that amount because this is a matching fund, one-third by the Federal Government, one-third by the States, and one-third by the local hospitals.

Mr. HÉBERT. These funds have not been matched yet.

Mr. HAYS of Ohio. I realize that.

Mr. BASS of Tennessee. If it does not stop the building of any hospital rooms, how is it going to save money?

Mr. HÉBERT. It is going to save the money which we appropriate this year and which is being utilized.

Mr. BASS of Tennessee. If it is not being spent it would not be saving anything.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not think anyone wants to cripple the hospital program, but this problem of unexpended balances carried over year by year is rather silly bookkeeping. Here is a situation where you have $80 million appropriated for this purpose and unexpended because they have not been able to get enough calls to consume the total. That $80 million will go on to next year. In connection with the armed services we have I do not know how many hundreds of millions of dollars of unexpended balances. In foreign aid you have the same situation of hundreds of millions of dollars of unexpended balances. Why do we not use the unexpended balances and help balance the budget for 1958? That is what I cannot understand.

Now, we have had so much sobbing and weeping and wailing about this bill. Every time anybody has undertaken to cut out anything in this bill somebody has gotten up and said, "If you do this thing you will cut the heart out of this bill." I never saw an animal with as many hearts as this bill appears to have, because there has not been a single thing that you cut out of here that you did not take out one heart at least.

Now I think it is about time we got down to business on this bill. We have had everything from holding out the tin cup and taking pennies away from a blind man when somebody wanted to cut out some unnecessary expenditure. Then we have had the hospital thing. They said somebody is going to be deprived of some bed, when they have some $80 million laying around waiting.

Now, is it not about time for us to dry our tears, wipe away our tears and do what we are supposed to do here, sit down and look at this thing from a commonsense standpoint and stop appropriating unnecessary funds?

For instance, I had a questionnaire this morning sent me by a disgusted Republican from Ohio. It was 4 pages and contained at least 100 questions, which asked the fellow how many cigarettes he smoked a day, whether he smoked cigarettes, did he smoke cigars or a pipe, did he chew tobacco, or did he take snuff. And all through that were questions, how old were you when you started smoking? How old were you when you stopped smoking? How many cigarettes do you smoke a day? Now, that sounds like a little old thing to talk about, but after all, when you add up all the time it took to make those questionnaires out or the time it took to send them out, all the postage it took and all the postage it took to get them back, and then all the time of this billion dollars a month worth of Federal employees it took and whatever use is going to be made of those questionnaires, it adds up to a lot of money.

Now, we have been accused—what was that word the President used the other day when we cut little amounts out of this program—that we were being fatuous. Well, I did not look that up in the dictionary, but I do not think it was meant to be complimentary to the House of Representatives. Now, if we make a broadside cut of 10 percent, as somebody has suggested, then we are using the meat ax, of course; if we try to do it the only way we can, the common sense way, in connection with unobligated appropriations, we are accused of being fatuous. Now, you can pay your money and take your choice, but just let us use a little common sense and not pile up this money in these bureaus and invite them to spend more than they need and more than the country can afford.

If you have tears to shed, save a few of them for the American taxpayer—the forgotten man.

Mr. LONG. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hesitate to rise and speak on this amendment, but I have some knowledge of hospitals and the health of this country, and I have a vital interest in it.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I tried to get the gentleman from Virginia to yield, because I have a genuine desire to do what he suggested, and that is to do something about this military budget. But I wonder if the gentleman from Virginia or anybody else thinks that if we offer some amendments to cut the military budget—and remember, that is where two-thirds of this spending is—we will have very little of a chance of getting anybody to walk through the aisles on a teller vote to cut where the real cut can be effected.

I walked out of this building the other day when the temperature was 70, and there was a Chevrolet car out there, an Army car, with a sergeant sitting in it, with the motor running. And I assumed it was not to keep warm. And I just said to him, "What is the motor running for?" He said, "Well, I want to be ready to go when the general comes." Now, if you have 20 of them sitting around with the motor running, I do not know how many gallons of gas they will burn an hour, but it will amount to a considerable sum at the end of the year. But I wonder if anybody is going to help us cut that budget.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Because my name has been mentioned by my good friend from Ohio, I want to say that when the time comes to cut the military budget, wherever there is a dollar proposed that I think is unnecessary to the defense of this country, I will vote for it, and I will vote for it on any other bill.

Mr. LONG. Mr. Chairman, what I rose to say is this: In my State they have been appropriating money for the last few years to survey a dry canal. They say they are going to improve navigation. They are going to make a canal 200 miles long right alongside a river. They are going to pump the water out of the river in order to make the canal navigable. And it is going to cost this Government and local interests in the neighborhood of $200 million before they are through with it. I am going to oppose that. When the time comes to vote on that bill—and you vote it up every time; you gave them $250,000 the year before last and $150,000 last year—I am just wondering how many of you will vote to cut that out. And if you will, it will help to balance the budget so that we may go ahead and build some hospitals, which we need and quit fooling around with the health of our people.

We have plenty of places where we can cut, if we want to. We can cut out the entire foreign aid appropriation and it will not hurt a soul in the entire United States of America. There is enough money in their pipeline to operate for 3 years without any additional appropriation. Think that over. I will be here when the time comes, when both those bills come to the floor.

To think of the number of useless appropriations that this Congress votes for like the one I just mentioned and the thousands of people on the payroll that are useless to our Government, it is frightening to me to see the Congress go on a cutting spree and cut the heart out of a program which means so much to the health and welfare of all our people. There are those who wish to cut the entire pollution program out—a thing that endangers the health of hundreds of thousands of people in this great land of ours and renders many of our beautiful streams useless for water for domestic purposes or for recreational purposes. Right here in Washington, the beautiful Potomac River is so polluted that our experts tell us that it will require many years of study and hard work before we can relieve it in any appreciable measure.

In my home State and in my district, we have some beautiful streams; one of them at one time was voted the most beautiful river in the world, Ouchita River. Today these streams are so badly polluted that the fish have died. The water has become so salty that the saltwater fish have come in and taken over and the thousands of fine fresh-water fish are almost extinct. Let us stop, look, and listen before we start cutting the health and welfare program. As I said before and I now repeat, we can cut off billions of dollars that will not affect any program in this great land of ours and I expect to watch for some of these bills and when they come to the floor of the House, I am going to call Congress' attention to them and see how many of you economy minded Members will join me in making cuts where they should be made.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I should like to direct the attention of the Committee, and particularly that of my good friend, the distinguished chairman of the Manpower Utilization Subcommittee of the Post Office and Civil Service Committee, to a statement appearing on the news ticker, quoting the President as saying, in his press conference this morning, in response to a question, that it would be possible to cut Federal personnel a great deal without the operation of the Government suffering unduly.

Since that is one of the purposes of many of these amendments, and has been the constant purpose of the Manpower Utilization Subcommittee under the able chairmanship of the gentleman from Georgia [Mr. DAVIS], I suggest that we on the subcommittee proceed to the task of cooperating with the President on that score.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Chairman, despite protestations to the contrary the amendment offered by the gentleman from Louisiana substantially reducing the appropriations for grants for hospital construction will result in a reduction of the number of hospital beds to be provided in the United States in the next 2 years.

The shortage of hospital beds is already a national scandal. There is not a State in the Union where this shortage is not a serious problem.

The Hill-Burton Act is one of Congress' finest contributions to our national welfare. At the time of its consideration in Congress it had almost unanimous approval. Yet Congress has never fully implemented the act by the original programed appropriations deemed necessary to cope with the problem the legislation seeks to solve. The amendment offered by the gentleman from Louisiana would further reduce the good effect of this important program.

Each Member of Congress can speak best for the needs in his own area. I can attest to serious shortage of hospital beds in the St. Clair-Madison County area of Illinois. An addition to facilities at St. Elizabeth's Hospital in Granite City will help partially solve the local problem, but without Hill-Burton aid this progress will not be possible.

St. Elizabeth's has patiently waited several years for a Federal allocation to assist in financing its construction program. St. Elizabeth's will expand from a 100-bed hospital to 200 beds to service an industrial area of 75,000. It is the only hospital in the community.

The Federal program will provide $650,000 toward a total building cost of $2,750,000. Let us not endanger the success of this hospital-construction program by reducing appropriation to implement the Hill-Burton Act. This program is worthy of our support. I urge my colleagues to defeat the Hébert amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, it does not make any difference how good a program is, it is not good judgment, nor is it good financing to appropriate more money than can be intelligently and effectively used, and just have it kicking around on the books. I have heard three different stories, and I do not know which one is the latest, of the amount of the unobligated balance here. One is $86 million; another $90 million; another $96 million. That is the amount that will be unobligated at the end of the year. If you add any one of those amounts to the $100 million that would be carried if this amendment is agreed to, they will have much more money than they can possibly use. Why should we be so profligate that we would set up money that could not possibly be used and that is not necessary at this time? I do not think it is good business or good policy, either.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all Members who may desire to do so may extend their remarks at this point in the RECORD on the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. McGOVERN. Mr. Chairman, last Friday I reminded the House that in spite of current indications that economy has become "the chief end of man," Biblical teaching holds that charity, not economy, is considered the greatest virtue.

On Monday one of the able gentlemen of the Committee took issue with this interpretation and suggested that nowhere in the Scriptures can we find evidence that a trustee should be charitable with other people's money. Now, I make no claim to Biblical scholarship, but I must remind the gentleman that in one of the great parables the slothful servant is rebuked because he buried his talent in the ground rather than investing the talent entrusted to him in a constructive enterprise.

It seems to me that the men and women who elect us to high office do so with the expectation that we will not bury their tax funds in the ground, but will invest those funds in enterprises that bring the greatest possible benefit to the greatest number of people.

I have a very simple political philosophy which holds that life, liberty, and the pursuit of happiness continue to be the great goals of the American people. It is because of this conviction that I object to some of the economy proposals that have been made in recent days.

Every good citizen is in favor of economy. What disturbs me is that some gentlemen seek economy by crippling vital public programs essential to the health and the well-being of the American people. I object to the kind of economy moves that the President of the United States has described as fatuous and foolish.

I join with the President and the courageous gentleman from Rhode Island [Mr. FOGARTY] in deploring shortsighted moves that save a few dollars now, but result eventually in tragic losses—both financial and human. I only wish that the President would fight as hard to save Modern Republicanism as has the gentleman from Rhode Island.

There is no true economy in the kind of action which the House took last week to curtail the Pure Food and Drug Administration efforts to safeguard the American people against harmful drugs or foodstuffs.

There is no true economy in the action we have just taken to curtail efforts to save our streams from contamination.

There is no true economy in the proposal now before us to curtail hospital construction and desperately needed hospital and nursing personnel.

There is no economy in curtailing the modest requests for research involving such tragic diseases as cancer, arthritis, heart disease, and mental illness.

As things now stand 1 out of 7 Americans will suffer and die from this terrible scourge. If the Members of Congress were a typical cross section of America, 62 of the 435 Members of the House who now sit in this body would die from cancer. The annual hospital bill alone of those suffering from cancer totals $300,000. Yet, gentlemen talk about saving money by cutting efforts of our Government to bring this relentless killer under control.

Believing firmly in Federal economy, I would, nevertheless, rather go down to political defeat than cut one dollar from a medical-research program that might someday save the life of one of my children, or the life of any one of the thousands of Americans who are destined to fall victims to cancer.

With 10 million Americans afflicted with heart disease, with another 10 million suffering from arthritis, with 1 out of 7 of us marked as cancer victims, with one out of each dozen children born this year needing institutional care for mental illness at some time during his life, how can we honestly begrudge the meager Federal investment in medical research.

It is significant that the Department of Agriculture spent in 1955 for research on plant and animal diseases $10 million more than the United States Public Health Service devoted to research for all four of the deadly human diseases I have just mentioned.

I am completely in favor of research in the field of plant and animal diseases. I only ask that we do not reverse the action of the last Congress which demonstrated at least as much concern for the afflictions of men, women, and children as for the afflictions of the potato and the pig.

Modest as it has been, there is no denying the fact that research stimulated by World War II has already paid rich dividends in terms of a healthier America.

Between 1944 and 1952, we cut in half deaths from pneumonia, kidney diseases, TB, and syphilis; influenza fatalities were cut three-fourths; deaths from appendicitis and rheumatic fever were reduced by two-thirds. All in all, during this 8-year period, we added another 5 years to the life span of the American citizen.

When we talk about slashing the budget, we must never forget that the major portion of our budget is devoted, not to welfare measures, but to military defense and the cost of past wars. It is in this area primarily that any substantial cuts in Federal spending will have to be made.

Programs that fall within the classification of "health, education, and welfare" are, indeed, a comparatively minor part of our total budget.

In their book, Ethics in a Business Society, Marquis Childs and Douglass Cater cite the following facts:

> In 1950 the richest nation of the world spent less than 5 cents of each Federal tax dollar for public assistance for widows, orphans, the aged, and the blind, to help educate the Nation's youth, rehabilitate the handicapped, eradicate slums, erect low-rent public housing, improve the people's health, meet the cost of all national parks, museums and libraries, and support the national school-lunch program. * * * To pay for them Uncle Sam collected less than 1 percent of the national income in fiscal 1950. For the Nation as a whole, our use of public funds—local, State, and Federal—for health, education, and assistance to the needy amounts to two-thirds of our spending on liquor and tobacco.

We need, once in awhile, to take a look at our scale of values, both as individuals and as a nation. This is particularly true when it comes to our Federal budget. Some of the same gentlemen who have attacked medical research programs have attacked the Rural Library Services Act on the twin grounds that it would cost too much money or is a function that should be provided by the States.

Permit me to say that the people of my great State of South Dakota are as economy minded as those of any of the 48 States and they do not favor unnecessary extension of Federal power. But when I asked my fellow South Dakotans to give me the high privilege of representing them in the Congress, I stated very clearly my firm conviction that this Government has a continuous responsibility to assist programs that are in the interest of a better America. Such a program is the Rural Library Services Act.

Thomas Jefferson, the author of the Declaration of Independence, talked with deep conviction about the necessity of "the diffusion of knowledge" among the citizens of a democracy. How better can we promote "the diffusion of knowledge" than through the rural, traveling library service? I know that South Dakotans expect the Congress to use its powers to stabilize farm prices at a fair level. I am equally confident that the people of my State want the Congress to move on a modest scale to bring the blessings of good books to farm boys and girls. The minds of our children are certainly as vital to us as the very important matter of fair farm prices. I am not afraid to go on record in favor of a low-cost, modest program that has for its purpose "the diffusion of knowledge."

Economy in government? Yes, I favor that, and I will work tirelessly for it.

But what are we to say of ceremonious slashes in the budget now that later on may blight the health, the happiness, and the dignity of many thousands of Americans? No, Mr. Speaker. I will never go along with that false kind of economy. To do so would be to betray my conscience as a citizen, as a parent, and as a public servant.

Mr. ROOSEVELT. Mr. Chairman, I was quite disturbed yesterday by the remarks of the gentleman from Indiana [Mr. HALLECK] to the effect that a program, no matter how much it has to recommend it, should be terminated for the present since the country has such great national defense demands.

I am fully aware of the economic reasons to cut the Federal budget, particularly when there is waste involved. I am a firm believer in having Congress review most carefully the budget estimates which the Executive brings before us, and in this connection desire to commend the Committee on Appropriations and the distinguished gentleman from Rhode Island [Mr. FOGARTY] for a very fine job.

But I most strongly deplore a philosophy which totally disregards human values for the sake of Government economy. We have long recognized that there are certain programs which our local governments cannot carry on without Federal assistance. And when it comes to programs dealing with health or education, we cannot afford to sit back and wait. Children are children for only a certain period of time, and disease can easily lead to a national catastrophe. I find it hard to believe that anyone would place States rights ahead of human rights.

I believe in the most careful analysis of appropriations bills, particularly in the military defense field. But I am not willing to make indiscriminate cuts, particularly when this deprives our people of services that mean so much to them. It is my hope that when items are considered in the budget, that we consider the value of the program first before we apply the general principle of economy. We should think long and hard before we sweep aside the studied recommendations of the Committee on Appropriations.

Finally, I believe all of the people are well aware that these programs cost money. And yet they also know many of these problems have been getting worse from year to year and that we have been wasting both our natural and our human resources. Unless we tackle some of these problems, and tackle them hard, this country will be in serious trouble in a few years. Money spent today in many of these areas is an investment that will pay us back manyfold in the future. Too many Members of this House want to sit on States rights rather than do something with them. Federal grants-in-aid help activate States rights and spur localities to action. And action is needed if we are to meet the needs of the people and avoid costly effects on the future. This amendment is certainly a glaring example of pure folly. I hope it will be defeated and if not when we meet the issue again in the House.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, the history of this legislation is that the authorizing bill was passed in 1946 under the leadership of Senator HILL and former Senator Burton, who is now a Justice of the Supreme Court. This is called the Hill-Burton Act. The first appropriation was made in 1948. The full authorization, for which we voted unanimously here in the House, without one vote against it, is $150,000,000 for the original features of the act. We voted unanimously here to extend this act on two or three occasions, and by unanimous vote we expanded the act and increased the authorization to $210 million, not the $121 million we have before you now. The $121 million we have in the bill is $3,800,000 less than we had last year.

The gentleman from Louisiana has consistently said that this will not cut out one hospital bed. Someone gave him the answer a moment ago. If you are going to cut $21 million from this bill you are certainly going to cut out hospital beds because the money cannot be expended for any other purpose.

What is the story about the unobligated balances? There is $80 million unobligated now out of $250 million, because when this act was passed in 1946 they allowed the obligation of these funds to run for 2 years because it takes time for the communities to plan these buildings.

What is the history of these unobligated balances? We have appropriated since 1948 over $900 million for this program and only $1 million, only $1 million out of almost a billion dollars, has been turned back into the Federal Treasury, because it was not obligated by the end of the 2-year period provided in the basic law. Is that cause for us to get alarmed by an unobligated balance of $80 million now, when the record shows despite anything that has been said on this amendment that out of over $900 million we have appropriated, only $1 million has not been used?

I will say to my distinguished friend from Louisiana that Louisiana is one of the States that has taken advantage of this program 100 percent. What are the needs down there now? Are you taking care of the needs? You still have a 25-percent deficit in the needed bed capacity in the State of Louisiana. When the gentleman offers this amendment to cut $21 million from this bill, he is hurting his own State.

Let me tell you what the record shows: You have already received, under this program, $25 million of Federal funds to help build needed beds in the State of Louisiana. In Louisiana now you have a deficit of 3,500 general hospital beds. That is what you need in the State of Louisiana in order to meet decent standards for the care of your people.

As far as unobligated balances are concerned, you have $400,000 of unobligated balances in Louisiana, but over the period of 10 years not one single dollar has been turned back by the State of Louisiana.

You are not only hurting your own State, you are hurting the entire program. I do not care what you say or anybody else says, when you cut $21 million out of this program you are denying the building of beds that are needed now.

What is the overall need? It is estimated that there is a deficit of 850,000 beds in this country. Do you know how many beds this appropriation will build in 1958? Fifteen thousand. Private interests will build maybe 30,000. That is 45,000. But we need because of the increase in population and obsolescence a minimum of hospital facilities for 55,000 more beds this year just to keep from falling further behind. So with all that is being done with the full amount that we have allowed plus all the private money that will be put into the building of hospitals, we are still going to have an increase in the deficit because of population and obsolescence of 10,000 beds in 1958. You are trying to make the situation worse by this amendment. If there is any section of the country that has benefited most as a result of this program, it is the South, especially the rural areas, because most of these buildings and facilities have been built in rural areas and towns with less than 5,000 population.

Mr. Chairman, I hope this amendment is defeated.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Louisiana [Mr. HÉBERT].

The question was taken; and on a division (demanded by Mr. HÉBERT) there were—ayes 85, noes 107.

Mr. HÉBERT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HÉBERT and Mr. FOGARTY.

The Committee again divided and the tellers reported that there were—ayes 106, noes 126.

So the amendment was rejected.

Mr. PELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PELLY: Page 25, before the period at the end of line 17, insert the following: "*Provided further*, That no project shall be constructed in whole or in part with funds appropriated by this paragraph unless the application filed under section 625 or section 654 of the Public Health Service Act with respect to the project includes assurances that upon its completion its services and facilities will be made available without distinction on the basis of race."

Mr. PELLY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, the funds provided in this bill, H. R. 6287, for grants to States for hospitals and related facilities are administered, as I understand, under the laws of the respective States where the projects are to be constructed. I have no quarrel with keeping the Federal Government out of local affairs, but I do not approve of Federal money going into projects which will not be used in conformity with the law of the land.

A few days ago when the appropriation for the Housing and Home Finance Agency was under consideration here in this Chamber I asked a Member of the Committee if the Federal Government was lending funds for construction of college buildings to educational institutions where there is discrimination on account of race. I was unsuccessful in getting the information, but I believe the answer in that case is that the policy can be controlled by the Agency itself and Executive action. I am pursuing that matter further.

Meanwhile, however, in the so-called Hill-Burton program to help meet the shortage of hospital beds, the only method of controlling the discriminatory aspects of matching grant projects such as are contemplated under H. R. 6287, at least at the moment would seem to be by limiting by law the use of the funds appropriated.

My amendment does not compel integration. It simply provides that these Federal funds will only go toward financing construction of hospitals, diagnostic centers, rehabilitation facilities, and nursing homes where prior assurance has been given that services and facilities will be available without distinction on account of race.

I strongly urge adoption of this amendment.

Mr. FOGARTY. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Washington [Mr. PELLY].

In Cannon's Precedents in the House of Representatives, under the heading "Construed as Legislation and Not Limitations, Therefore Not Admitted on Appropriation Bills," I would like to call the attention of the Chair that this amendment goes farther than a limitation. It contains an affirmative direction that applications must contain certain assurances. This would obviously place additional duties on the Secretary of the Department and officials of the United States Public Health Service to determine that the directives were carried out.

Then I refer to page 67, Cannon's Precedents, under the heading "Executive Discretion and Limitation Coupled With Affirmative Direction," and the following page, at the top, to the provision that no part of an appropriation should be used except in a certain way, thereby restricting Executive discretion to the extent of imposing new duties.

The CHAIRMAN. Does the gentleman from Washington desire to be heard?

Mr. PELLY. Mr. Chairman, I submit this is a limitation on the use of the funds. I do not believe it would entail any additional duties.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Washington [Mr. PELLY] offers an amendment to which the gentleman from Rhode Island [Mr. FOGARTY] raises a point of order, and suggests that the language of the amendment includes additional duties that would be imposed upon someone to determine the assurance to be given as well as the purposes at the time the application is made and under what sections of the Public Health Service Act.

The question has been raised a number of times previously. Volume 7, page 696, section 1706 of Cannon's Precedents deals with the problem very clearly and reads:

To be admissible on an appropriation bill a limitation may not include affirmative directions imposing additional duties on executives.

A limitation may not give affirmative directions, impose new duties, or be accompanied by language not directly limiting the appropriation.

The Chair, therefore, holds that the point of order is well taken and sustains the point of order.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 25, line 17, before the period insert "*Provided*, That no part of any appropriation contained in this section shall be used for any of the purposes therein mentioned by any agency or facility which segregates citizens in facilities offered, services performed, and granted on account of race, color, ancestry or religion."

Mr. FOGARTY. Mr. Chairman, I reserve a point of order.

Mr. BASS of Tennessee. Mr. Chairman, I make a point of order that the amendment is not germane for the same reason that the other amendment was not germane.

The CHAIRMAN. Is that the sum and substance of the gentleman's argument?

Mr. BASS of Tennessee. It is, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I would like to say this amendment in exact language as submitted has been held to be germane for the 13 years I have been a Member of the House of Representatives and I submit the following pages in the RECORD: For instance, in the 83d Congress, 1st session, volume 99, part 5, page 5921, where the Parliamentarian upheld my views.

The CHAIRMAN. The Chair is ready to rule, having ruled on a quite similar motion back in 1946 when the District of Columbia appropriation bill was up for consideration. The Chair held then that it was a limitation on the use of the money and so holds now, and therefore overrules the point of order.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Washington.

Mr. PELLY. In ancient Rome a senator—I think his name was Cato—once said that he would rather the people would ask why there was no statue of him than why there was one. As I have listened today to the distinguished chairman of the subcommittee, I feel he belongs in the former class, as do many who will argue both pro and con on this amendment. This is just a question of doing what one thinks is right, as far as I am concerned. I have been in this Congress for a number of sessions, and often it has to be a member of a race other than mine who offers such an amendment to protect his race. I, as a member of my race, wanted this time to get ahead of such a gentleman and offer this particular amendment. I am sorry my amendment was not germane, but I shall support the gentleman. It is time we ceased putting Federal funds into projects not in accord with the law of the land.

Mr. HARRIS. Mr. Chairman, will the gentleman yield so I can ask the gentleman from Washington a question?

Mr. POWELL. I yield.

Mr. HARRIS. This program, as the gentleman from Washington knows, has been in effect since 1945. That is when the first authorization was granted. It has been a very effective program throughout the United States during all this time. Can the gentleman tell the committee if there has been any complaint whatsoever in regard to the subject matter that the gentleman brings up now in any given area, in any hospital anywhere?

Mr. POWELL. I am sorry I cannot yield any more time, but I will answer that question.

Mr. HARRIS. I wanted the gentleman from Washington to answer.

Mr. POWELL. First, I would like to say this amendment comes from the gentleman from Washington without my foreknowledge until he informed me a couple of days ago. I thought his amendment might not be germane, so

that is why I prepared this, and I would like the authorship to be considered as that of the gentleman from Washington.

Yes; I do have a complaint before me from New Orleans, La., concerning a hospital in St. Charles, La. The letter comes to me from a white attorney, Maurice P. Gatlin, 1607 Claibourne Tower, New Orleans, La., in which he sent me a copy he addressed to the HEW asking the HEW to tell him whether or not the new hospital to be built was going to be built in accordance with the law of the land or would it be built in accordance with the illegal practices as outlawed by the Supreme Court decision. The HEW replied to him that lacking a directive from the Congress they would have to build the new hospital in St. Charles, La., under the old law prior to the Supreme Court decision of 1954. I submit it is proper to bring the practice of Congress up to the level of the Supreme Court. This amendment is nonracial; it is bipartisan; it is based on sound moral grounds; it is based on legal grounds, and if you are interested in placing economy on the highest level rather than on the basis of subterfuge and hypocrisy, this is it. I offer this only because my colleague from Washington did not have his amendment sustained.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 8 minutes, the last 5 minutes to be reserved to the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, the argument can and has been made that this hospital program, since its inception, has operated with few or no complaints without the necessity of such an amendment as has been offered by the gentleman from New York. Mr. POWELL, however, has pointed out a specific incident and a ruling by the Department of Health, Education, and Welfare which calls for new Congressional guidance to the Department.

This is again an opportunity to stress the fact that there can be no compromise on the fundamental rights of all our citizens. Either there is true equality, recognized as the law by all who must administer it, or we have such a situation as has been described by the gentleman from New York [Mr. POWELL]. Since such situations are allowed to continue in existence, we offer to our powerful enemies a readymade argument that we do not truly intend to give more than lip service to the basic constitutional rights of all our citizens. I am afraid there are still many that for the sake of expediency are not going to face issues squarely. There are many who fear that this amendment will endanger the hospital program in the other body. If their fears are justified, it only reemphasizes the need to meet them that the American position may be removed from doubt, and our stand firm and clear.

I join my colleagues in paying tribute to the gentleman from Washington [Mr. PELLY], whose intent was perfectly clear and whose amendment could not be considered because of the rules of the Committee. If the cause of complete justice does not win today, I hope its backers will return to the battle over and over again until victory is assured.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I rise in opposition to this amendment. On several other occasions, during the debate on this bill, I have opposed what I thought was legislation on an appropriation bill. If there have been any complaints about the administration of this program, I have not heard any in the 11 years I have been on this subcommittee appropriating funds for the program.

If there are specific complaints, I think they should be directed to the committee in charge of the legislation, and there should not be an attempt to take care of them in an appropriation bill in the form of a limitation such as has been suggested here today.

This program has been working well since 1948, since the first appropriation was made. I am afraid if we get into proposals such as this we are only going to get into a lot more redtape and create confusion. I submit the best way is to go before the proper legislative committee and, if there are any complaints, get them straightened out in that way.

I hope the amendment is rejected.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from North Dakota.

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Chairman, I believe the budget could be drastically cut but this week's debate shows that many do not carefully consider what can be cut. Much time and oratory has been consumed in cutting appropriations for public health, postal service, anti-water pollution, and many other items completely in the public interest. Those who are in the lead today in this debate to cut these essential public activities will soon be confronted by a bill appropriating billions for foreign aid. I will not miss the mark much when I say now that on these foreign appropriations, those who now are so concerned about economizing will vote "yes" on every possible occasion that will tend to make this foreign-aid money available.

When we consider that we have appropriated for foreign aid $130 billion since 1940 we can well ask if this money has been wisely spent. The tables of foreign expenditures for foreign aid found in the CONGRESSIONAL RECORD of Monday last presented by Hon. LAWRENCE SMITH, of Wisconsin, are almost unbelievable. I am certain that another huge appropriation will be made this year for the same purpose supported by those who want to curtail and greatly handicap the Public Health Service, needed money for elimination of pollution in our navigable rivers, deny any attempt to make the farmers' dollars as valuable as dollars of any other business enterprise. That is all any support program aims doing, but I am afraid the public will find that the Members of Congress who are proclaiming necessary cuts in the budget will limit their activities to small but essential things that this country demands. They have an opportunity to track down an elephant—huge foreign aid—but when the showdown comes they will prefer to track down a rabbit instead; they prefer to get rid of potato bugs by pulling up the potato plants; they prefer to hoe up the cornstalks and let the weeds grow.

I have always voted for appropriations to further the economy of our own people, and with very few exceptions the budget does not contain unnecessary domestic demands. We can save 20 percent of this huge expenditure by limiting foreign aid, and gradually come to a point where it will be cut out altogether.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division, demanded by Mr. POWELL, there were—ayes 70, noes 123.

So the amendment was rejected.

The Clerk read as follows:

Construction of Indian health facilities: For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings; and purchase of trailers; $3,096,000, to remain available until June 30, 1959: *Provided*, That such expenditures may be made through the Department of the Interior.

Mr. PILLION. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PILLION: On page 27, strike out lines 13 to 20, inclusive.

Mr. PILLION. Mr. Chairman, this amendment proposes to eliminate an appropriation item of $3,096,000 for the construction of Indian health facilities.

On page 17 of the committee report, the committee states that this amount is allowed only for "alterations" and "other plant facilities." The report specifically rejects funds for "hospitals, clinics, and personnel quarters."

The intent of the committee as expressed in the report is completely at variance with the language of this bill.

The language of the bill states the purpose of this appropriation to be:

First. The construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel.

This language clearly includes hospitals, clinics, and personnel quarters.

Now, by every rule of statutory construction, the unambiguous language of a bill prevails over a mere observation in a committee report.

In effect, the plain language of this bill appropriates $3,096,000 for exactly the purposes which the committee, in its report, wishes to disallow, that is, hospitals, clinics, and personnel quarters.

The second objection to this item is the one made by the committee itself in its report. On page 17, the committee states that no allowance is made for these purposes because "such a large unobligated balance exists."

This Bureau had $5,535,000 available in fiscal 1956. An additional $8,762,000 was appropriated for fiscal 1957. Of the total, $13,297,000, only $2,304,000 was obligated as of January 1, 1957.

On page 631 of the President's budget, it is estimated that 1958 expenditures will be $3,476,000.

The Bureau now has more than $10 million on hand that is unobligated. At the present rate of obligation, the Bureau has sufficient funds to continue its program until beyond January 1, 1960, without any part of the $3,096,000 asked for in this item.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. PILLION. I yield to the gentleman from Florida.

Mr. HALEY. I have here some figures that I have just obtained. They show unexpended and unallocated funds as of March 28, 1957, of $10,203,000, so the effect of the gentleman's amendment would just be to keep from piling up on top of these unexpended funds another $3 million; is that not correct?

Mr. PILLION. That is exactly correct. One of the great errors we are making in this House is in permitting these bureaus to have funds for more than 1 year, for 5 or 10 years.

Mr. Chairman, I would like to make a brief comment upon this debate.

After listening to the charges and countercharges made by some of our distinguished Members, it would appear that we may be losing sight of the ultimate goal of this drive for a reduction in appropriations.

I dare say every Member of this House is in favor of a balanced budget, some reduction in taxes, and some reduction in our public debt.

Before this session ends, and certainly during the next session, both political parties will be competing to take credit for tax-reduction proposals.

The distinguished chairman of this committee has repeatedly emphasized the relationship between a vote for an authorization and a vote for an appropriation. Actually, the relationship is only a slight one.

There is, however, an inevitable cause and effect relationship between appropriations and taxes.

Today's reductions in appropriations are tomorrow's tax cuts.

My votes for reductions in appropriations are motivated by a personal goal for tax reductions.

I would vote for an increase in personal exemptions from $600 to $700. This would cost about $2.3 billion per year.

I would vote for a corresponding reduction in business and excise taxes of about $1.5 billion per year.

I would like to see a minimum surplus of $2 billion applied to a reduction of our national debt.

I expect to vote for a minimum of $5 billion in appropriation reductions. This action will, in my own mind, justify my anticipated votes for tax reductions.

If each Member could work out his own personal tax reduction program and vote to reduce appropriations by the same approximate figure, this House could produce some astounding and constructive results.

The CHAIRMAN. The time of the gentleman from New York [Mr. PILLION] has expired.

Mr. HIESTAND. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional minute.

Mr. MASON. Mr. Chairman, I am sorry I must object, especially since this is an excellent statement and one that the House badly needs to hear.

The CHAIRMAN. Does the gentleman from Illinois object?

Mr. MASON. Mr. Chairman, I object.

Mr. METCALF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to remind the House that in August of 1954 the 83d Congress transferred all the Indian health services from the Bureau of Indian Affairs to the Public Health Service. That was just 2½ years ago. That was a bill which was introduced by the gentleman from Minnesota [Mr. JUDD] and it was reported out by Republican committees on both sides of the Congress. When the gentleman from Minnesota [Mr. JUDD] testified about this bill before the Committee on the Interior, he said:

> I recognize perfectly that the Public Health Service cannot perform miracles in this field and nobody is suggesting that right away they will be able to solve all the difficulties at hand. We recognize that there will be some difficulties and some administrative problems in such a transfer.

And there have been difficulties and there have been administrative problems. It has taken a long time to work out the details of such a transfer, but right now the Public Health Service is prepared and ready to go ahead and really to begin to build these Indian hospitals and do the job that is necessary.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I am glad to yield to the chairman of the Subcommittee on Indian Affairs.

Mr. HALEY. I want to call the gentleman's attention to the fact that this proposed appropriation will not add one thing to the construction of your hospitals because you now have $7,851,400. So this will not do what the gentleman hopes it will do in building a hospital. Let me say to the gentleman from Montana, I think we should make progress with respect to Indian facilities for health, but I do not think this is the way to do it. I will go along with the gentleman in working on Indian health problems if the Department will come in here with a program that will move forward and make some progress on it. I cannot see where adding $3 million on top of an unexpended, unobligated $10 million will do anything that the gentleman and I want to do.

Mr. METCALF. Mr. Chairman, I will say to the gentleman from Florida that I have a bill before the Committee on Interstate and Foreign Commerce which will enable Indians and the surrounding communities to take advantage of some of this unobligated money. I will say to the gentleman that I have an amendment at the desk which I believe will facilitate the building of Indian hospitals by the Public Health Service.

But I want to point out that in the State of Montana there was at one time a tuberculosis death rate of 165 per hundred thousand Indians as against a death rate of 27.3 for non-Indians. As the result of an appropriation from Congress several years ago which built a 100-bed Indian tuberculosis hospital, that Indian death rate dropped from 165 per hundred thousand to 65.2 per hundred thousand, merely as the result of having adequate tuberculosis hospitalization for the Indians in the State of Montana.

I could read you statistics about the Indian health throughout the country that would alarm you. Ten times as many Indian babies die of gastritis and enteritis as white babies. The death rate from tuberculosis is more than 10 times the white death rate.

For pneumonia, in the State of Montana we have 1,543 cases per hundred thousand amongst Indians. The non-Indian death rate for the United States is 11.4. In other words the Indian death rate is more than 100 times greater.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. METCALF. Mr. Chairman, I ask unanimous consent to extend my remarks, and that the gentleman from South Dakota [Mr. MCGOVERN] may extend his remarks at this point in the RECORD.

Mr. MCGOVERN. Mr. Chairman, I rise in opposition to the move to cut funds for Indian health facilities. I know from personal observation and investigation that the health difficulties of the American Indian constitute a critical national problem.

The incidence of disease and death among our Indian citizens is so much higher than the average among whites that it constitutes a national disgrace. We cannot in good conscience deny to our Indian friends this modest request for medical facilities that can save the lives of thousands of Indian boys and girls, men and women.

When the first white settlers came to this country 300 years ago the Indian was already established here in a culture many hundreds of years old. What followed was the gradual deterioration of the Indian's society and his way of life. The red man was driven before the advancing white settlements and eventually confined to a few reservation areas.

Having disrupted Indian society and having assured the Indian that in exchange for his land we would help meet his basic human needs, we cannot now curtail a program vital to the health of these depressed people. Our first citizens are entitled to at least as adequate a point 4 program as we are providing for people in other lands. The blunt fact is that the Indian families of America and especially the Sioux Tribes of my State constitute the most tragically neglected group in our Nation today.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HALEY. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended.

Mr. MASON. Mr. Chairman, I object.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The gentleman from Rhode Island is recognized to close the debate.

Mr. FOGARTY. Mr. Chairman, I will say to the gentleman from New York who offered this amendment, that we stated specifically in our report that we did not allow any funds for the things he mentioned in his presentation before us; and I will say to the gentleman from Florida exactly the same thing.

This $3,096,000 is a reduction of $2,704,000 from the request that the administration made, and a reduction of $5,666,000 below what we appropriated in 1957.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. PILLION. Does the gentleman agree that the language of the bill is in accord with what the House is concerned with, what the Senate is concerned with, and what the administration is concerned with?

Mr. FOGARTY. No; I do not agree to that at all. The language of the report will supersede the language of the bill because it is under specific instructions that we have not allowed funds for these purposes.

We have allowed funds for only those two items on page 689 of the hearings. The first item that we changed was $650,000 for hospital and clinics. We denied that; we did not give that to them.

The next item was personnel quarters, $2,054,000. We denied that.

We did allow for alterations $2,596,000 and $500,000 for other plant facilities, because of the need that exists in the 56 hospitals they have at the present time.

If you could go through some of these hospitals on these reservations and see the condition, you would not try to stop this program of altering the hospitals so as to make them accredited hospitals. Those hospitals for which we now provide funds for alterations comprise just half of the program that has already been started and is already underway at a cost of some $6 million.

All this $3 million amounts to is that they will be given this two-million-five-hundred-thousand-some-odd dollars to continue the plan of alteration that will make them accredited hospitals under the standards of the Hill-Burton Act.

If you do not want to do that you should vote for the amendment.

The $500,000 we have allowed is to provide sewage disposal plants and power facilities that are connected with existing facilities in these areas now.

There is not one dime in here for anything other than the things we have set forth in our report. They cannot, and I am sure they will not, go beyond the wording of the report in which we said specifically that none of these funds can be used for the purpose the gentleman speaks of.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. RHODES of Arizona. I gather from the statement of the distinguished gentleman from Rhode Island that the money carried over from previous years is money which cannot be used for the purposes which the gentleman is attempting to correct.

Mr. FOGARTY. The gentleman is positively right. The unobligated balances are committed to specific projects approved by the Congress in prior years and they are not available for new requirements.

Mr. RHODES of Arizona. The gentleman figures that if this program is to go on, the new money called for in this bill is required.

Mr. FOGARTY. All of this new money that we have in here is for alterations and improvement of plant facilities, some of which are inadequate. That is all and nothing else. We found fault with the administration of this program for not proceeding at a faster rate. It took them much more time to draw the plans and specifications for some of the housing for the Public Health personnel that we are trying to get, out in the field where the Indians are. If you vote for this amendment you are voting for substandard hospital facilities for these Indians. In that way you are making them second-class citizens. If you want to do that you will vote for this amendment.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to join the gentleman in his expression of opposition to this amendment. We have a tuberculosis death rate among Indians 10 times as high as that which exists among the non-Indian population. We have an infant mortality rate far above that of the non-Indian population. This is an effort to catch up and do something in a long-neglected field and I certainly hope the amendment will be defeated.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Minnesota.

Mr. JUDD. There has been a lot of discussion during this debate about whether the Congress and the Federal Government are responsible for helping build various facilities in the cities and States. But responsibility for the American Indian is a field about which there can be no question. It is strictly a Federal responsibility.

Mr. FOGARTY. Yes.

Mr. JUDD. We have our GI programs to help our soldiers who have been away from home 2 or 3 years become readjusted when they come back. We have point 4 programs all over the world to help other peoples achieve better health and gain skills. Would it not be an incredible proposition for us to cut down on these programs to help the Indians right here in America achieve health standards that will approach the levels of decency that we want for peoples abroad and which we have for ourselves?

Mr. FOGARTY. This amendment would have the effect of stopping in its tracks alterations that are going on, that have not been completed, which are in the process of being completed today. That is what this amendment would do and nothing else.

Mr. JUDD. I was the author of the bill which only 2 years ago transferred the Indian medical service to the Public Health Service. Of course, it takes time and extra funds to get the problem surveyed and suitable programs put into operation. There are 250 Indian tribes scattered all over the country, some in very inaccessible places, in our country and Alaska. The Public Health Service has made a fine start. I think we ought to reject this amendment and give them a chance to go ahead.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PILLION].

The question was taken; and on a division (demanded by Mr. PILLION) there were—ayes 49, noes 74.

So the amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. METCALF: On page 27, line 19, after "June 30, 1959:", strike out the remainder of line 19 and all of line 20 and change the semicolon to a period.

Mr. METCALF. Mr. Chairman, I have been disturbed, as the gentleman from Florida is disturbed, and the committee was evidently disturbed, by the failure to show more progress in the construction of Indian health facilities. When the bill offered by the gentleman from Minnesota [Mr. JUDD] was passed to transfer the Indian health facilities from the Bureau of Indian Affairs to the Public Health Service it was contemplated and intended that it was to be a complete and outright transfer.

The first appropriation bill, it is true, contained the language I am seeking to strike out, namely, "*Provided*, That such expenditures may be made through the Department of the Interior."

I think there was a good and just cause to have that language in the appropriation bill at that time because it was necessary then to use the facilities, the knowledge and the experience of the Department of the Interior.

But, I am told now that that language, which is permissive, which says "may," which permits the Public Health Service to take advantage and to use the experience and the knowledge and the background of the Department of the Interior, has been construed as mandatory, so that instead of 1 agency, the Public Health Service, operating in this field, we still have 2 agencies, the Department of

the Interior and the Public Health Service. So, I submit this amendment to make it abundantly clear that the only agency that is supposed to be in charge of the construction of Indian hospitals and these other facilities that are enumerated in this section of the act is the Public Health Service. The Department of the Interior is not to have anything to do with it; not permitted to drag its feet. We are not going to be permitted to go back to the old days when the Bureau of Indian Affairs had control over the Indian health service, and we are going to remedy the situation just as we tried to do under the Judd bill. That is the only purpose of the amendment. And, I still believe that if the Public Health Service does need advice and consultation with the Department of the Interior, without such language they would have that opportunity.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. This proviso was put in for the specific purpose of allowing this work to continue in the most expeditious manner, and we were convinced by the administration that as long as this office in the Department of the Interior had their own group set up there, it might be well for them to administer it. And, we considered it as permissive when we said "may." Now, it is the Budget Bureau, as I understand, that has said no, the Department of the Interior should perform this work, because they have the personnel and they have the know-how and they are the ones that have been handling this type of work. And, certainly if there is any evidence at all that the Department of the Interior is to blame for the holding up of the construction that has been authorized in this field and there is some evidence that the Public Health Service might do it more efficiently and cheaper, why, we would have no objection to striking this proviso.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. It is my understanding that one of the purposes of including the language which is provided as a proviso is that certain types of construction, such as quarters for personnel, can be handled more economically and more expeditiously on reservation areas if it is handled through the Department of the Interior. Now, insofar as the actual hospital facilities are concerned, I share the gentleman's view that the responsibility should be isolated and centralized in the Public Health Service.

Mr. METCALF. I will say to the gentleman from Oklahoma that it was my belief that it would have been well to have the Department of the Interior consulted all along the line and that there was good reason for including this amendment, but when it is construed as mandatory language and when the Public Health Service is required, as I am told they are required, to operate the construction through the Department of the Interior—and the Department of the Interior has many other construction facilities in addition to the construction of Indian facilities—then I believe it is time to eliminate this language and make it clear that the Public Health Service is the responsible agency and the Department of the Interior is to have nothing to do with it.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

I take this time just to question the author of this amendment a moment or two further concerning this particular legislation. I am in complete agreement with the gentleman that the responsibility should be localized. You will recall that when the fight took place on the floor in connection with the bill of the gentleman from Minnesota in the first place, that one of the reasons we who opposed that legislation were doubtful about it was the division of responsibility as to the care of our Indian people.

Now that that responsibility has been definitely placed in the hands of the Public Health Service, insofar as all health matters are concerned, I certainly would not want to water down that responsibility; but if in the interest of efficiency and getting a job done, a permissive proviso within this bill would make it possible to do the job better and more quickly through certain construction activities in the Department of the Interior, then would not the gentleman agree, rather than to strike this language, it should be made clear on its face as being permissive in character?

Mr. METCALF. I do not see how it could be made any clearer. The word "may" is permissive. It is construed as being permissive. It may be that as a result of this colloquy on the floor we have made it sufficiently plain that the legislative intent is that the Public Health Service shall be in charge of the construction and the Department of the Interior consulted only when such consultation is requested.

Mr. JUDD. Mr. Chairman, would the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, I would hope that if the proviso is kept in the bill, we make it absolutely clear in the RECORD that the Public Health Service should have the authority to decide whether it shall expend these funds through its own agencies or through the Department of the Interior. I imagine that the present language would be interpreted in this way, since the language is permissive, that some people in the Department of the Interior would insist that certain funds must be handled through the Department of the Interior; and there would be a big hassle back and forth between the two Departments as to which should spend the funds. I think the decision as to which should spend them should be made by the Public Health Service. But whereever and whenever the Public Health Service can get health facilities for the Indians built more efficiently through the Department of the Interior, then the Public Health Service should have permission to spend them through the other Department. But the decision should be in the hands of the Public Health Service.

Mr. EDMONDSON. Mr. Chairman, I think the gentleman is exactly correct on that and if the gentleman would offer a substitute amendment to the amendment of the gentleman from Montana [Mr. METCALF] adding language after the phrase "That such expenditures may be made through the Department of the Interior," "on the decision of the Public Health Service" I think we would have that taken care of and would be in a position where the Public Health Service had the responsibility but for reasons of efficiency the actual job could in some instances be done better by the Department of Interior officials.

Mr. JUDD. Mr. Chairman, it is a little difficult to do this on the floor. May I ask the gentleman if he would accept as a substitute to his amendment, the insertion on line 20 before the period these words "subject to the discretion of the Secretary of Health, Education, and Welfare"? I do not have the amendment written out.

Mr. METCALF. Mr. Chairman, I am in complete accord with both the gentleman from Minnesota [Mr. JUDD] and the gentleman from Oklahoma [Mr. EDMONDSON]. I would accept that or any other language which would do the same thing.

Mr. BAILEY. Mr. Chairman, would the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from West Virginia.

Mr. BAILEY. Why not handle it the same way we handled the construction program under Public Law 815? In that case we did not want the Department of Education to set up an Engineer Inspection Service, so we required that that work be done by General Services Administration. Why not let the Public Health Service have the administration of it but require that the engineering and inspection work be done by the General Services Administration? It worked fine in the case of Public Law 815.

Mr. JUDD. With reference to the question of how and by whom the expenditures are to be made, I think if we make that subject to the discretion of the Secretary of Health, Education, and Welfare, there will be no question of where the jurisdiction lies.

Mr. METCALF. Mr. Chairman, would the gentleman yield to me further?

Mr. EDMONDSON. I yield to the gentleman from Montana.

Mr. METCALF. I would suggest to the gentleman from Minnesota [Mr. JUDD] that my amendment is to strike that language. I would suggest that perhaps he could add a perfecting amendment to the paragraph, rather than offering a substitute to my amendment.

Mr. JUDD. My substitute would leave the proviso in the bill and add to it "at the discretion of the Secretary of Health, Education, and Welfare." If it is better to offer a perfecting amendment, we will do that.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. EDMONDSON] has expired.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been said that lawyers are individuals who do not render any worthwhile service in the House. I have heard that argued at times. But look at page 27, lines 19 and 20 of the bill and then see if you can remember what this amendment is. It is to strike out *"Provided,* That such expenditures may be made through the Department of the Interior." See that word "may"? Do Members know what it means? May I ask the gentleman who has charge of the bill, Does he accept this amendment? Did I correctly understand that he did?

Mr. FOGARTY. I did not say we accepted or rejected it. I said that as far as I was concerned if it was determined to be the more efficient way of operating this program it would be O. K. with us, because we were not responsible for this being pushed into the bill.

Mr. HOFFMAN. Is not this the situation, that at some time in the past the Congress thought that Interior might be helpful to Public Health?

Mr. FOGARTY. In the construction of these works? Yes.

Mr. HOFFMAN. That is my understanding.

Mr. FOGARTY. We allowed it. We thought this language to be permissive, but the Bureau of the Budget has said it is not permissive. They have determined that the Department of the Interior should do this work.

Mr. HOFFMAN. If the budget says "may" means "shall," then the individual who so decided is overeducated or should be sent back to the little red schoolhouse. But the responsibility for this program now under discussion rests with Public Health?

Mr. FOGARTY. Yes.

Mr. HOFFMAN. All the language in the bill does is say that if Health wants to use Interior because Health thinks Interior may do a better job, it may?

Mr. FOGARTY. Interior already has the job to do this construction work where they have the personnel set up. I understand that was the reason behind the Bureau of the Budget's thinking it could be done more efficiently, because they had the setup to do it.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Montana.

Mr. METCALF. That is exactly the point I was making, that I thought, as the rest of the Members of the Congress thought, that it would be well to use the facilities of the Department of the Interior; but if this is mandatory and it is necessary to use the facilities, then our attempt to transfer the Indian Health Service to the Public Health Service has just resulted in the creation of two bureaus.

Mr. HOFFMAN. If the amendment the gentleman offered is adopted, then Health cannot use Interior, can it?

Mr. METCALF. That is right.

Mr. HOFFMAN. You see where you are getting? You force Health to do the work even though Interior can do it better and at less cost.

Mr. METCALF. I understand that the gentleman from Minnesota has a substitute amendment that would do the same thing. Will the gentleman yield for a unanimous-consent request?

Mr. HOFFMAN. To put that other one in?

Mr. METCALF. To withdraw my amendment.

Mr. HOFFMAN. And take the amendment of the gentleman from Minnesota [Mr. JUDD].

Mr. METCALF. Yes.

Mr. HOFFMAN. No; I cannot yield for that. That would not help us. What is the idea, may I ask the gentleman from Minnesota?

Mr. JUDD. Yes; it does help.

Mr. HOFFMAN. The very distinguished gentleman from Minnesota, Dr. JUDD, knows what "may" means, does he not? The word is permissive, is it not?

Mr. JUDD. Yes.

Mr. HOFFMAN. Then the gentleman believes that Health should have something to say about it, does he not?

Mr. JUDD. That is right.

Mr. HOFFMAN. The gentleman from Minnesota wants construction to be under the direction of Public Health Service?

Mr. JUDD. That is right.

Mr. HOFFMAN. And the gentleman from Minnesota is in favor of permitting Interior when requested by Health to help out?

Mr. JUDD. That is exactly right.

Mr. HOFFMAN. That is what this language does now in the bill says and does. How silly can we get?

Mr. JUDD. The gentleman is perfectly right that this language in the bill does not do what we want. That is why I offered a suggestion that would correct it. The gentleman from Wisconsin will now offer it formally in writing.

Mr. HOFFMAN. I do not yield any more. Just how many words does it take to make "may" permissive? "You may."

Mr. JUDD. But who is to determine that he may?

Mr. HOFFMAN. Beyond any doubt or question Health does.

When an amendment is necessary to define the three letter word "may" as meaning permissive I give up. One would think we were being paid by the word.

Mr. LAIRD. Mr. Chairman, I offer a substitute amendment.

The CHAIRMAN. A substitute is not in order to a motion to strike out. The gentleman can offer a perfecting amendmend to the paragraph.

Mr. LAIRD. That is what I should offer, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment to the paragraph offered by Mr. LAIRD: On page 27, line 20, after "Interior", insert "at the option of the Secretary of the Department of Health, Education, and Welfare."

Mr. GROSS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. LAIRD. Mr. Chairman, all this amendment does is clarify what the committee thought the language meant in this bill. This same language was carried in this appropriation bill last year and the word "may" was not intended to be mandatory language.

The Bureau of the Budget's ruling is hard to understand. I cannot understand how the sentence referred to by the gentleman from Montana, can be construed as mandatory language.

I think we all agree that the responsibility for this program should rest squarely on the shoulders of the Secretary of Health, Education, and Welfare. For that reason, I believe this amendment will clearly place the responsibility with the Secretary of Health, Education, and Welfare, but will give the authority to the Secretary to use services of certain personnel, if necessary, in the Department of the Interior. That is what our committee was trying to do in carrying this language forward in this appropriation bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. GROSS. Does that mean an expansion of the personnel?

Mr. LAIRD. It does not mean any expansion. This language was carried in the bill last year. The word "may" was interpreted by our committee to give permissive authority. Certainly, we had always assumed, and I am sure the gentleman would assume, that the word "may" would give permissive authority.

Mr. GROSS. The gentleman does not think that due to this authority there will be any expansion?

Mr. LAIRD. No. I would not offer this amendment if it meant any expansion of personnel. This places the authority in the Secretary of Health, Education, and Welfare where it should be.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am happy to yield to the gentleman from Minnesota.

Mr. JUDD. What the gentleman's amendment does is end the existing division of authority; is that not correct?

Mr. LAIRD. That is correct.

Mr. JUDD. The purpose of it is to make clear that the Secretary of Health, Education, and Welfare is the one who will be making the permissive decisions.

Mr. LAIRD. The Secretary will have the responsibility.

Mr. JUDD. That is right. He can permit, whenever it is to his advantage and the advantage of the Indians to do it through the Department of the Interior.

Mr. Chairman, I hope the amendment will be adopted.

The CHAIRMAN. Does the gentleman from Iowa insist upon the point of order?

Mr. GROSS. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the amendment be read again; was that an amendment to the amendment?

The CHAIRMAN. It is a perfecting amendment to the paragraph.

Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment to the paragraph offered by Mr. LAIRD: On page 27, line 20, after the word "Interior", insert "at the option of the Secretary of the Department of Health, Education, and Welfare."

Mr. FOGARTY. Mr. Chairman, the committee is willing to accept the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

National Institutes of Health, general research and services: For the activities of the National Institutes of Health, not otherwise provided for, including research fellowships and grants for research projects pursuant to section 301 of the act; regulation and preparation of biologic products, and conduct of research related thereto; not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; erection of temporary structures; and grants of therapeutic and chemical substances for demonstrations and research; $14,026,000: *Provided*, That the Surgeon general is authorized to advance to this appropriation from other appropriations to the Public Health Service such amounts as are determined to be necessary for the foregoing purposes and for activities performed on a centralized basis: *Provided further*, That the Surgeon General is authorized to operate the facilities at the National Institutes of Health for the sale of meals to employees and others at rates determined by him to be sufficient to recover the cost of such operation and the proceeds thereof shall be credited to this appropriation.

Mr. HOFFMAN. Mr. Chairman, I make a point of order against the language beginning on page 28. No, Mr. Chairman, I think we are on page 21 now.

The CHAIRMAN. For what purpose does the gentleman from Missouri rise?

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Permit the Chair to state that if the gentleman from Michigan [Mr. HOFFMAN] is referring to page 28, the Clerk has read page 28 down to and including line 15.

Mr. HOFFMAN. Mr. Chairman, the point of order I wish to make is against the language beginning on line 6 down to and including line 10 except the word "Provided." I make the point of order against the language on the ground that it is legislation on an appropriation bill in that it requires additional services to be rendered by the Surgeon General.

The CHAIRMAN. Does the gentleman from Rhode Island care to be heard on the point of order?

Mr. FOGARTY. Mr. Chairman, would the gentleman withhold his point of order until we see what this amendment does?

Mr. HOFFMAN. I have no objection, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan reserves the point of order.

The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, the reason for this being in the bill is that all of the categorical institutes that we have such as cancer, mental health, heart, arthritis, allergy, neurology and so on, get their appropriations by virtue of this language, and if this language is stricken out, it is going to make it more inefficient in the operation of the institutes. The only reason the language was put in there in the first place is to have a more efficient operation.

The CHAIRMAN. The Chair is ready to rule. Does the gentleman from Michigan want to be heard on the point of order?

Mr. HOFFMAN. No.

The CHAIRMAN. The gentleman from Michigan makes a point of order against the language contained on page 28 of the bill begipning in line 6 and continuing through line 10. The Chair has examined the language and finds that this is purely legislation on an appropriation bill and, therefore, must sustain the point of order.

The point of order is sustained.

Mr. HOFFMAN. Mr. Chairman, I make the same point of order against the language on page 28 of the bill beginning in line 10 and continuing through the balance of the paragraph, and reading as follows:

Provided further, That the Surgeon General is authorized to operate facilities at the National Institutes of Health for the sale of meals to employees and others at rates determined by him to be sufficient to recover the cost of such operation and the proceeds thereof shall be credited to this appropriation.

The argument is the same, that the Surgeon General is required to enter into other and additional activities. He is required by that language to operate a cafeteria or restaurant.

The CHAIRMAN. Does the gentleman from Rhode Island care to be heard on the point of order?

Mr. FOGARTY. The only reason I can give in respect to this language is the same as that already given, that this permits the Institutes of Health to run a cafeteria and to be reimbursed for the cost of running it.

Striking out this amendment will only increase the cost. The gentleman by making his point of order is going in reverse.

The CHAIRMAN. The Chair is ready to rule.

The Chair must hold that the same reasoning that applied to the previous proviso applies to this one.

The Chair sustains the point of order.

The gentleman from Missouri is recognized.

Mr. CURTIS of Missouri. Mr. Chairman, I take this time because we have now reached in the bill the National Institutes of Health about which I have made previous remarks stating that when we came to that point I was going to offer some amendments. The atmosphere of the discussion which I had requested be kept on an objective plane, has been emotional rather than objective. It is very obvious that a sensitive matter like this cannot be discussed objectively on the floor of the House at this time. I, therefore, will not offer these amendments. I wish, however, to state for the consideration of the House that the true issue was very well stated by Dr. Gerard who supported the mental health program. I refer my colleagues to page 41 of the hearings, the volume that includes the statements of Members of Congress and organizations and interested individuals. I read the following:

Dr. GERARD. What magnitude of funds could be used effectively from year to year for such a developing program is largely a guess at the present. Forced draft could result in more damage than speed; if too much money were suddenly expended, the few competent workers would be lured here and there and effective work disrupted, and many incompetent workers would enter the field and trivial investigations would clutter up space and other resources and muddy the literature. On the other hand, inadequate, uncertain, or ephemeral funds would prevent the sound buildup of personnel, program, and facilities, especially for the longer range goals indicated earlier. I am sure the Congress has reason, from past performance, to trust the National Institute of Mental Health and the Psychopharmacology Service Center and their advisers to handle with responsibility funds made available to them.

That states the issue. The gentleman from New Jersey [Mr. WOLVERTON] asked us to read the testimony. I have read the testimony, and what alarms me is that the basic issue that ought to be considered objectively was not discussed by the witnesses in the hearings. This is not a question of who is for or against cancer, heart disease, or any of these other crippling diseases. It should be unnecessary to say that, of course, we are all against these social evils. It is a question of how we should go about combating these diseases. What is to be the relationship and balance between private enterprise, the State and local programs, and the Federal program? What are the Federal programs to be? Indeed, we can damage this program if we go about it in a blind way and on an appeal solely to emotion. As a matter of fact, last year it was very obvious that we went too fast. We doubled the amount available in these programs in 1957 over 1956. This was $50 million more than the administration recommended. The planning was considerably behind the appropriation. Ten million dollars of the appropriation will be turned back as unobligated and unexpended this June 30. That is the kind of procedure that can damage these programs we say we are for. If we really wish to further these programs we must consider them carefully.

My hope is that in the ensuing months we will start thinking about these matters objectively. Members should be able to come down here on the floor of the House to discuss the details and get into the meat of these programs without being accused of trying to wreck the program or of not being interested in it. The hearings should go into the details of the programs instead of merely setting forth generalities, which may or may not be well founded.

Finally, let me say that every one of these are open-end programs. They are authorized and there is no limit to where they can go except by appropriations. We see an example on page 44 of how far we have gone:

Mr. FOGARTY. Doctor, what about the advisability of a rabbi, a minister, or a priest receiving some psychiatric training? Are we doing more of that than we used to?

Dr. BRACELAND. Very much. There is an academy now dealing in psychiatry. It has a full-time secretary in the office and men from all denominations are in there. They have received funds.

It could be argued that might be a meritorious program, but that should not be decided by the Appropriations Committee. Those matters are all matters to be decided by legislative committees to see where and how far we are going with these programs and how we can keep our Federal programs in proper balance with private enterprise and local governments. If we do not start thinking along these lines pretty soon, we will badly damage these overall programs.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I disagree thoroughly with the gentleman from Missouri. My only regret is we do not have more money in the National Institutes of Health than we have this year. I think if we did have we could spend it wisely and expeditiously and we could do a much better job with it and save many lives.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Why then in the hearings did not the gentleman and his committee go into these details so that a person reading the hearings could find out what was being done in private work compared with the Government, what the ratio is, for example, what is being done here and what is being done there? You can read all of the testimony and all there is to it is a lot of fine generalities which we all agree with but none of the details of the programs are set forth, for instance as to what the Federal Government is doing and what is being done locally in the schools, and so forth.

Mr. FOGARTY. Maybe there is not as much detail as the gentleman would like, but if he would go back 10 years and read the history of these appropriations, he would have every detail he wanted.

We did not arrive at these figures on the basis of testimony of just so-called bureaucrats in Government. We brought in some of the best doctors in the world. If the gentleman can bring in any doctor who will refute anything that has been said, or quote some doctor friend of his that has more knowledge on these subjects than we have, I welcome the gentleman to appear before our committee.

Mr. CURTIS of Missouri. I can assure the gentleman I will be before the committee next year. Let me say this: The doctors are very fine men, but the statements of those doctors deal only in what we might term as glittering generalities.

Mr. FOGARTY. I disagree with the gentleman.

Mr. CURTIS of Missouri. That is my conclusion. Of course, the gentleman can disagree. I want to say that this is a field in which I am not completely inexperienced. It is a field with which I am deeply concerned. My information does not rest on what is in the hearings. But there is only one way we are going to have these programs. I know the gentleman is sincerely interested in them, but we have to go into them objectively and remove the emotional talk that goes with this and grant to those who disagree with the gentleman a hearing. They are also interested.

Mr. FOGARTY. I do not think the gentleman can charge any of us with emotionalism. We are out trying to provide funds for research that will save lives and help persons who are afflicted with physical problems. As an example, I should like to take a few minutes to discuss one of the most serious public-health problems facing America today. I refer specifically to the problem of hearing disorders and to the lack of adequate research efforts to cope with it.

Today there are an estimated 15 million Americans—men, women, and children—with some sort of hearing defect. Of this number, about 4 million are seriously handicapped and about 170,000 are totally deaf. In short, there are more Americans with hearing defects than there are with virtually any other type of disorder to which man is exposed.

What are we doing about this terrible problem? Very, very little. We have, in fact, barely begun to develop the knowledge and techniques we must have if we are to understand the nature and causes of deafness and if we are to develop truly effective preventive measures and treatments.

Granted, a good deal is being accomplished through the nationwide rehabilitation program. Progress is being made to restore many of those with hearing disabilities to productive lives and I think there will be even greater progress as the rehabilitation effort gains momentum.

But this does not begin to take the measure of the hearing problem in America. It does not begin to reduce the social and economic strain focused upon the hundreds of thousands of people with severe hearing loss. It does not make jobs for many who could hold them if some way could be found to compensate for deafness—some way which was consistent with their skills as well as with the needs of the prospective employer.

And, most certainly, the rehabilitation effort—as fine as it is—is not the answer to the hearing problems which will confront the generations of the future.

No, the basic, long-range answer to the hearing problem lies in better understanding of the nature and causes of deafness and in the development of means of effectively treating or preventing hearing defects. And this is a matter for medical research.

Most of us here are well aware that the National Institute of Neurological Diseases and Blindness in Bethesda, Md., is conducting a broad-based research attack against the neurological and sensory diseases. The Institute's program has been in full operation for only 3 years and many advances have been made against the major neurological maimers and killers in that time. But 3 years is not a very long time and there are some disorders of the senses in which research efforts are just getting under way.

Hearing research is one of these areas in which very little has been done. This applies not only to the Institute but to research organizations throughout the country. The Institute has made some modest beginnings during the current fiscal year. Something in excess of $400,000 has been awarded for hearing research grants and, as of February, three grants had been made for the training of hearing researchers.

But, as I have said, this is only a beginning. In light of the tremendous problem posed by hearing defects, the time has come to develop a full-fledged, coordinated program in hearing research. The time has come to devote enough money to meet and solve a problem whose cost cannot begin to be measured in human, social and economic terms.

Consider, if you will, some of the many gaps in hearing research—the research areas in which little or nothing has been done. There is a vital need to study and understand the nerve system that connects the hearing organ and the brain. We do not, in fact, know what the specific function of the brain is in the hearing process and—only in the past year—research at the National Institute of Neurological Diseases and Blindness has shown that the brain's role in that process is very different from what most of us had been led to believe over the past 20 years.

Another area of hearing research which had been greatly neglected had to do with the development of new electronic techniques for analysis of the hearing system. Still other neglected areas involve the relationship between deafness and psychological factors, the neurological aspects of deafness, the effect of noise upon the hearing process and the evaluation of surgery as a means of coping with hearing disorders.

There are many other gap areas as well but these, I think, illustrate all too clearly the scope of the hearing problem and of the research required to meet it. Clearly, however, we cannot separate the research effort from the skilled manpower needed to carry it forward. There is a pressing need for both investigators and for teachers in the hearing field.

There is a need to develop and support well-rounded graduate teaching programs. There is a need to further pursue our evaluation of training resources in this country and to encourage their development and expansion. There is a vital need for more fellowships and traineeships at the graduate level—for funds which would give us more research specialists in hearing as rapidly as possible.

Are we to stand idly by amidst 15 million Americans with hearing defects, amidst 4 million with severe hearing handicaps? Can we afford to be penny wise and dollar foolish? Are we to be

satisfied with cutting costs even if it means relegating the productive capacity of millions of our fellow citizens to the occupational dust heap? Are we, then, at the point where we can justify a failure to appropriate adequate funds with no reference to what the failure will cost in human and social terms?

I say the answer is "No." I say that, both as legislators devoted to our country and as human beings devoted to the welfare of our people, we have no recourse but to do something about this hearing problem and to do it now.

Today, the facilities stand ready in many parts of the country to do the research demanded by the hearing problem. Given the kind of support which only the Congress can give, these facilities will do this research, and many others will shortly join them.

Today, the National Institute of Neurological Diseases and Blindness has the basic facilities to take on the kind of expanded hearing research program which both conscience and necessity demand of us. Given the proper support, the Institute, I am sure, will not only develop the kind of program we need but will also serve—through its grants-in-aid program—as a coordinating influence which will bring research organizations throughout the country into the hearing research fold. And, I might add, that this would be done in a manner fully consistent with the freedom of investigation of both the cooperating institutions and of the individual researchers.

Today, there are a half dozen educational institutions equipped to take on the full-time training of research investigators and teachers in the hearing field. I think it is safe to say that the list would double in a matter of months given the necessary grant-in-aid support.

I think the case for a well-rounded hearing research program speaks for itself. I know that we owe it to ourselves, to our country, and to our fellow Americans with and without hearing handicaps to make that program a reality at the earliest possible time. That is why I have taken steps this year to start some form of action to assist these people who are in need of our help. With the cooperation of the committee we have appropriated $620,000 this year to make a start on such a program.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. The most encouraging thing that I have heard here during these days of debate is the statement that was just made by the gentleman from Missouri when he addressed the House in which he said that although he had previously indicated that he would introduce amendments with respect to these important research activities of the Department of Health, upon further consideration he had come to the conclusion that he would not do so. This will enable the appropriations in the bill to stand as they are. Now, I do not wish to get into any argument with him for fear that he may change his mind. I am perfectly satisfied to let it stay right where it is. I think he has shown unusually good judgment in the statement that he has made to the committee, and I am inclined to think that when the roll call is held in the House on some of the amendments adopted in the Committee of the Whole House there will be others like him who will feel that it is best for them to change their minds and vote against the amendments. Now, I do commend him for the statement that he has made not only in not moving the amendments but that he will give the matter further study, and I certainly hope that those who have been voting in a way that has indicated to me that they had not given very great study to this matter will follow his leadership and give the matter the further study that the importance of it entitles it to have.

Mr. HOFFMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. On page 28, lines 2 and 3, "not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General."

The CHAIRMAN. The point of order comes too late. There has been a great deal of debate on the rest of the paragraph.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, like a good many of my colleagues, I have listened patiently throughout this debate which has created far more heat than logic, which I regret very much. Most of the talk has appealed to the emotions and the excitement of the Members.

Yesterday we heard this from the distinguished chairman of the subcomittee. He said:

> If you have a child 10 years old today and you have another child born tomorrow, that child born tomorrow is expected to live 10 years longer than the 10-year-old child today.

Now, surely he did not mean that because the son was born 10 years later that he was expected to live 10 years longer. He wanted us to believe that in the last 10 years we had added to the expectancy of life 10 years.

So, I called up the actuary at the social security to find out the facts, and here are the facts. In 1929 the expectancy was 57.1 years; in 1944 it was 65.2; in 1954 it was 69.6 years. In other words, in 25 years we have added 12.5 years to the life expectancy. In the last 10 years we have added a little over 4 years in life expectancy.

Again the other day in the debate on one of these items the distinguished chairman, in regard to the category allergy, said that these two Institutes expended all of their funds. I called the Bureau of the Budget to find out about that case. In 1956 they spent $7,575,000. In 1957, the current fiscal year, the appropriation was $13,299,000. The Bureau of the Budget informed me that there is $400,000 in that account which cannot be expended this year. The new appropriation is $17,400,000 and of that amount $1,400,000 cannot be used. They do not need the $1,400,000 and the Bureau of the Budget informs me that they could not use it. I was going to offer an amendment to this item on allergy, but there is no use of doing so, because all one receives when he tries to suggest anything here is a threat of a rollcall. Mr. Chairman, let me say this: I would not ask any bureau or any agency of this Government to tighten its belt any more than I would be willing to tighten my own as a Congressman. And I hope that when the legislative appropriation bill comes before us we will have the good judgment to cut the fat out of that bill. I would also like to see a rollcall on the question of our new office building, on which I personally never had an opportunity to vote.

Mr. FOGARTY. Mr. Chairman, would the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I do not know where the gentleman got his information, but he, or someone he is quoting, certainly misrepresented the facts. As far as the National Institute for Allergy and Infectious Diseases is concerned, if he got them from the Bureau of the Budget, they did not give him the correct figures, because by the end of this year that Institute will have no unobligated balances. They already have more applications for research grants than they have money to cover. Furthermore, I am amazed that the Bureau of the Budget now states that $1,400,000 of the amount approved by them and sent to the Congress cannot be used. How can they know at this time what applications will be received or approved in 1958?

Mr. YOUNGER. I got these figures from the assistant in Mr. Merriam's office.

Mr. FOGARTY. I do not care where the gentleman got them. The fact is that in that particular Institute they have more applications approved for research this year than they have money for. That is one of the Institutes that ran out of money as far as applications are concerned.

Mr. YOUNGER. I shall have these figures confirmed and bring them back here tomorrow.

Mr. FOGARTY. The gentleman may quote me and tell his informant that I say that he does not know what he is talking about as far as unobligated balances are concerned at the end of this fiscal year.

The Clerk read as follows:

> National Cancer Institute: To enable the Surgeon General, upon the recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing constructive services, demonstrations, and grants-in-aid; and to contract for supplies and services by negotiation, without regard to section 3709 of the revised statutes, in connection with the chemotherapy program; and to otherwise carry out the provisions of title IV, part A, of the act; $46,902,000.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. GAVIN. Mr. Chairman, I listened very intently to the gentleman's discussion here a moment ago about examining everything closely, screening carefully all items in this health welfare bill. However, let me call to the attention of the committee that just a few weeks ago in this House almost everybody voted for $200 million for the Middle East. Nobody even questioned it to any extent. Nobody knew what it was for or where or how it was going to be spent, other than just it was for $200 million. But what concerns me is the fact that the Members are getting a bit extreme about every little item here which concerns the national health and welfare of our own people, our own folks, right here in our own backyards.

There was no hesitancy at all in voting $200 million for the Middle East, and I doubt if there will be any prolonged debate on the $4,400,000 for foreign aid. I sincerely hope that the $4 billion foreign-aid bill will be as carefully scrutinized as this bill we have before us today.

The Clerk read as follows:

> Neurology and blindness activities: For expenses necessary to carry out the purposes of the act relating to neurology and blindness, $18,887,000.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, there are more than 4 million Americans—men, women, and children—who are mentally retarded. An estimated million and a half of our countrymen are afflicted by epilepsy. More than 2 million are the victims of crippling cerebral palsy.

It is true that many of those so afflicted have been helped to become productive human beings through modern rehabilitation methods. It is true that rehabilitation has opened the way to a decent life for many of our handicapped people even as it has added to the economic and social potential of the Nation as a whole. I think that all of us here would agree that the progress in this respect has been most heartening.

But, Mr. Speaker, we are well advised to remember that the ultimate answer to the problem posed by cerebral palsy, multiple sclerosis, mental retardation, epilepsy, and similar conditions lies in medical research. The answer lies in better understanding of the nature and causes of these disorders and in the development of fully effective preventives and cures.

We owe it to those afflicted, to the Nation, and—yes, to ourselves—to foster the finding of that answer at the earliest possible time. For the tragedy of these diseases is beyond measurement in social and human terms if, indeed, it can be measured at all. And the cost in terms of wasted resources and productive potential is tremendous.

Fortunately, there is a program now underway which may well bring the prevention or more effective treatment of mental retardation, cerebral palsy, and allied diseases a generation closer to realization if we but give it our support. I refer to the nationwide collaborative investigation being carried on under the auspices of the National Institute of Neurological Diseases and Blindness of the National Institutes of Health.

There are now some nine medical institutions cooperating with the institute in this great research effort which—when in full swing—will bring about 150,000 women and babies under study. The investigation is designed to find out everything possible about what goes on in that crucial period from roughly 1 month after a baby is conceived to about 1 month after it is born. The doctors have a term for this span of time. They call it the perinatal period.

Today we know that diseases like cerebral palsy and mental retardation generally have their beginnings in the perinatal period. We know that a wide variety of deadly factors—factors like lack of oxygen, injury at birth, diseases in the mother—play a role in causing these crippling diseases.

But we do not know exactly what this role is. We do not know exactly how and why these influences bring on any given neurological disorder. We do not know their relative importance as causative agents. And we cannot hope for prevention or cure until we know these things.

Mr. Chairman, if we are to find the basic answers we seek, if we are to wipe out these terrible blights upon humanity, we must support the medical-research program dedicated to these ends. We must support broad-scale collaborative investigations like that directed to the perinatal period. These men of science deserve our every consideration so their great work can go forward.

Mr. Chairman, we must pay a reasonable price for the health and welfare of the American people. The funds requested for medical research in the bill now before this committee are well within the rule of reason.

The Clerk read as follows:

> Retired pay of commissioned officers: For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, such amount as may be required during the current fiscal year.

Mr. HOFFMAN. Mr. Chairman, I make the point of order against that paragraph beginning at line 9 and running down to line 13. The paragraph does not carry any amount at all. I would have no objection to the paragraph if it did, but it states "such amount as may be required during the current fiscal year." It stops there, so it requires someone in the Government somewhere along the line to make an investigation and determine what amount is necessary.

The CHAIRMAN. Does the gentleman from Rhode Island care to be heard on the point of order?

Mr. FOGARTY. These funds are authorized in the basic law to be appropriated.

The CHAIRMAN. The Chair would like to have the gentleman from Rhode Island clear up the meaning of that line 12, beginning with the words "such amount as may be required during the current fiscal year." Just what does that mean?

Mr. FOGARTY. As far as the retirement pay of commissioned officers is concerned, the retirement pay is fixed by law. When they reach the retirement age we are obligated to pay them retirement at that age, and it is an indefinite appropriation for that purpose. The basic law spells out how old an officer has to be, and with how many years of service. When he reaches that age and has the required number of years of service we are obligated to pay that amount. It does not make any difference how many men there are who reach the retirement age in one certain year, we have to pay that amount whatever it may be.

The CHAIRMAN. The Chair is ready to rule.

In the opinion of the Chair, no fixed amount being set out in the bill, this is purely legislative language calling upon someone to do something before this money is paid. The Chair therefore must sustain the point of order.

The Clerk read as follows:

> Salaries and expenses: For the divisions and offices of the Office of the Surgeon General and for miscellaneous expenses of the Public Health Service not appropriated for elsewhere, including preparing information, articles, and publications related to public health; and conducting studies and demonstrations in public health methods; $5,100,000.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this simply for the purpose of placing in the RECORD at this point an explanation of the cut that was made in the appropriation for the Bureau of Employment Security in the Department of Labor Wednesday March 27, page 6, line 5 of the bill. Many of the Members have asked that an explanation of what that cut amounted to be placed in the RECORD so that they could read it. Being a member of the Committee on Ways and Means, from which this particular legislation came, I am placing this explanation in the RECORD at this point for anyone to read.

Mr. Chairman, for the record and in the interest of making the truth available to the American people I feel constrained to factually refer to an action taken by this distinguished committee on March 27, 1957, during its deliberations on H. R. 6287, the appropriation bill for the Department of Labor and the Department of Health, Education, and Welfare. I will make specific reference to the portion of the bill beginning on page 5 providing funds for the Bureau of Employment Security in the Department of Labor.

Before beginning my discussion of the committee action it might be well to briefly recall how the unemployment compensation program operates. The Federal unemployment tax is a 3 percent tax levied upon payrolls of employers of 4 or more workers during 20 weeks in a year in all but certain specified categories of employment. The tax is applicable to the first $3,000 of annual income of workers. The employer is permitted to offset up to 90 percent of the Federal tax—2.7 percent of taxable payrolls—with State unemployment insurance taxes and is also permitted to

include in the offset any State tax savings that are allowed him under the law of his State. Generally speaking this means that the proceeds of the Federal Government amount to 10 percent of the 3 percent unemployment tax or 0.3 percent of taxable payrolls. The Federal collections from this tax are used to defray Federal and State administrative expenses, and to maintain a $200 million revolving fund used as a loan fund to assist States having insufficient funds for maintaining the State unemployment-compensation program. Excess collections not necessary for the operation of these Federal functions are returned on a pro rata basis to the States.

Against that background let us examine the effect of an amendment adopted by this committee on March 27, 1957, to H. R. 6287 whereby an amount of $262 million that was set forth on page 6, line 5 of the bill, was reduced to $249,814,000. This amount provided grants to States for unemployment compensation and employment service administration. It should be stressed that these funds relate only to administrative costs of the program and do not affect the funds available for benefit purposes.

The administration had requested $370 million for this function and the House Appropriation Committee had reduced that amount to $262 million as indicated in the bill as reported by that committee. The action taken in this body on March 27 to reduce the appropriation to an amount slightly under $250 million would have the effect of making available to the Bureau of Employment Security approximately the same amount of funds that was available with respect to fiscal year 1957.

It should be realized that the money appropriated for this purpose comes from the Federal unemployment account and that all the money paid into the Federal unemployment account from the Federal 3-percent tax is used exclusively for the unemployment-insurance program. As I have previously explained, excess collections under this tax are returned to the States and the States use such refunds either for the payment of unemployment insurance benefits, for the strengthening of the State unemployment insurance fund, or for State expenses in administering the program. Therefore, it is apparent that charges made to the effect that the action by this body in reducing the funds available for grants to the States to slightly under $250 million will jeopardize the payment of unemployment compensation benefits cannot be sustained by an examination of the true facts.

Instead of weakening the program, Mr. Chairman, I suggest this action will actually strengthen the State operation of the respective State unemployment insurance programs. The States will receive larger pro rata refunds and the States will have the authority to determine whether such refunds shall be used for benefit purposes or for administration purposes rather than have the Federal Government impose on the States an obligation to spend more solely for administration.

Mr. Chairman, I am proud of the record the Congress has made in strengthening the Federal unemployment insurance laws since I have been privileged to serve in the House of Representatives. That record may be summarized to include, first, improved fiscal management of unemployment insurance funds; second, extension of unemployment insurance coverage to an approximate 4 million additional workers; third, improvement in the coverage accorded maritime workers; and fourth, Federal action to strengthen the operation of State unemployment insurance programs. Much of this legislation was enacted during the 83d Congress and bears the name of a distinguished Member of this body as author and principal sponsor. I refer to my distinguished committee colleague, the gentleman from New York, the Honorable DANIEL A. REED. Support for this legislation was bipartisan just as support for the amendment adopted by this body on March 27 was also bipartisan. Mr. Chairman, I apologize for taking the time of this Committee in this manner, but I thought it important that the facts be made a matter of record without distortion and without bias.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word, in order to remind the Members that on last Thursday I did place in the RECORD just exactly what this cut in the Bureau of Employment Security can mean. I also explained then that when you voted to cut these expenses you were not taking anything out of the Federal Treasury at all. You were not at all affecting the rate of taxes paid as far as Federal taxes were concerned. This money all comes out of the three-tenths of 1 percent that is paid into the fund by the employers of this country.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. CURTIS of Missouri. I think when the gentleman reads my statement he will find that it accurately explains what the cut is. The gentleman can make his remarks at that time. That is why I put this explanation in the RECORD.

Mr. FOGARTY. I think we spelled out in the report what these expenditures were for. They were for that specific purpose and no other purpose, regardless of what the gentleman's explanation may be.

Mr. CURTIS of Missouri. Anyone can read the material for himself.

The Clerk read as follows:

ST. ELIZABETHS HOSPITAL

Salaries and expenses: For expenses necessary for the maintenance and operation of the hospital, including clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention and treatment of mental illness, $3 million.

Major repairs and preservation of buildings and grounds: For miscellaneous construction, alterations, repairs, and equipment, on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction $55,000, to remain available until June 30, 1959: *Provided*, That any part of this amount may be transferred to the General Services Administration.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 31, line 8, after "1959" strike the remainder of line 8 and line 9.

Mr. HOFFMAN. Mr. Chairman, permit me to ask the chairman of the committee who has charge of the bill: What that last sentence, "*Provided*, That any part of this amount may be transferred to the General Services Administration" means. What was the purpose of that please?

Mr. FOGARTY. This is the same proviso that is in other sections of the bill where the General Services Administration is charged with the responsibility of the construction of Federal buildings. We just transfer to them money out of these funds to reimburse them for the architects and for the work of inspection and other work that goes into the building of these buildings. It is just a reimbursement of these funds to the General Services Administration for the work they perform for this particular agency.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

The Clerk will read.

The Clerk read as follows:

Grants to States for public assistance: For grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as authorized in titles I, IV, X, and XIV of the Social Security Act, as amended (42 U. S. C., ch. 7, subchs. I, IV, X, and XIV), $1,600,000,000, of which such amount as may be necessary shall be available for grants for any period in the prior fiscal year subsequent to March 31 of that year: *Provided*, That not more than $104,000,000 of the amount herein appropriated shall be used for expenses of State and local administration: *Provided further*, That none of the amount herein appropriated shall be used to cover any costs of State and local administration incurred prior to July 1, 1957.

The CHAIRMAN. For what purpose does the gentleman from North Carolina rise?

Mr. COOLEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

Mr. BUDGE. Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from Idaho rise?

Mr. BUDGE. Mr. Chairman, I have an amendment.

The CHAIRMAN. The gentleman from North Carolina has just been recognized to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 32, after line 21, insert the following paragraph: "Grants to States for training public-welfare personnel: For grants to States for increasing the number of adequately trained public-welfare personnel available for work in the public-assistance programs as authorized by section 705 of the Social Security Act, as amended, $2,500,000."

Mr. MORANO. Mr. Chairman, I make a point of order. I believe that section was passed, but I will reserve the point of order.

Mr. COOLEY. It was not passed. My amendment was at the Clerk's desk, but the Clerk was reading so rapidly that he passed that section inadvertently.

Mr. MORANO. The Clerk had already read the item of salaries and expenses, Bureau of Public Assistance, $2 million.

Mr. COOLEY. Mr. Chairman, it would be very unfortunate if this amendment were defeated because of some technicality or because of a point of order.

Mr. MORANO. Mr. Chairman, I reserved the point of order.

Mr. COOLEY. I understand the gentleman has reserved the point of order. Actually, this Congress authorized this program. This program came from the Committee on Ways and Means. I feel quite certain that that great committee gave careful consideration to the program before it was approved. This House has authorized $5 million to carry on the work. The administration has been very modest and reasonable in its request. The request was for only $2,500,000. Unfortunately, the Committee on Appropriations struck out the item and the only explanation that is given is as follows:

Grants to States for training public welfare personnel: The request for $2,500,000 to start this proposed new program has been disallowed.

There is no explanation as to why the Committee on Appropriations has taken upon itself the right and the authority to veto an act of Congress.

This was an act of both Houses of Congress, and I maintain that however much you might want to curtail the budget and however much you might be in favor of economy, that to eliminate this item would be false economy.

I do not believe that we should permit the Appropriations Committee to veto the action of the Ways and Means Committee and, likewise, the act of Congress through which we sought to start this training program.

The program contemplates a Federal payment of 80 percent of the training program with the other 20 percent being paid by the several States. My State of North Carolina happens to be prepared to go forward with the training program, and I am making an effort to have this item inserted in the bill knowing full well, of course, that it will increase by $2,500,000 the amount provided in the overall measure.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; I will yield.

Mr. FOGARTY. This would not increase the original budget estimates.

Mr. COOLEY. No, no.

Mr. FOGARTY. Because we as a subcommittee would like to have had this $2,500,000. It was cut out in the full committee.

Mr. COOLEY. I do not mean to say that it would be an increase.

Mr. FOGARTY. I, as chairman, believed that this was necessary, and also the item for cooperative research; and it was on that basis that we cut public assistance down to some extent because we thought that this $2,500,000 would provide for sufficient operation of these programs.

Mr. COOLEY. I thank the gentleman for his observations. Actually the amount I am trying to put into this bill now is only half the amount authorized.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MORANO. Is the gentleman sure this authorization bill was passed by the House Ways and Means Committee or was it tacked onto some measure passed by the other body?

Mr. COOLEY. I am assuming that it came from the Ways and Means Committee. Actually my recollection is, and I checked it with the clerk of the committee, the item was probably inserted in the Senate, was taken to conference, brought back to the House and approved by both the House and the Senate. Now the Appropriations Committee because of this urgent need to cut the budget has eliminated it entirely without any explanation.

Mr. MORANO. The gentleman will agree that it did not originate with the House Ways and Means Committee but was tacked on by the other body.

Mr. COOLEY. I am perfectly willing to admit that it did not, but, after all, it was the function of the Ways and Means Committee and it was approved by the Members of this House; and I do not recall that the gentleman who is now interrogating me objected to it at that time. I knew what I was doing at the time when I voted for it; and I know what I am doing now in trying to reinstate it. Because administrative costs have mounted unduly. Some States that have operated with thrift and economy are being penalized, and unless we change the situation my own State of North Carolina in the months of May and June will suffer a reduction in administrative costs of about 36 percent.

Under the Social Security Act amendment of 1956, an annual appropriation for grants to States for training public welfare personnel was authorized for a period of 5 years, effective as of July 1, 1957. The administration recommended an appropriation of only $2,500,000 for the initial year of operation indicating that a substantial start toward increasing the number of adequately trained personnel could be made with the expenditure of this amount of money.

The law authorizes grants-in-aid to be made to each State under an allotment formula based on population; financial need; and the relative need for trained public welfare personnel, particularly for personnel to provide self-support and self-care services. The extent to which funds would be used by the agencies of the several States would, of course, depend upon the need for trained personnel in the States and subdivisions. The purpose of the whole program, as I understand it, is to provide the skilled workers and the help needed to enable recipients to make the greatest possible use of his own capabilities and capacities, and to achieve independent living, personal pride, and respectability. Public assistance personnel are responsible for dealing with approximately 5 million needy persons, many of whom have serious individual and family problems. The Federal Government would provide 80 percent; the States and local subdivisions would provide the additional 20 percent of the cost, for traineeships and fellowships to persons employed or preparing for employment, with public assistance agencies; for special courses of study or seminars of short duration; or for teaching grants to public or other nonprofit institutions of higher learning.

The administration indicated in the recommendation the great need for trained welfare personnel. The request was reasonable and modest, but for some unexplained reason the committee disallowed the item.

I desire to reiterate the statements I have heretofore made. I am definitely in favor of eliminating unnecessary Federal expenditures. I am in favor of reducing the gigantic budget. I am in favor of economy, but I am not in favor of false economy. I believe that this $2,500,000 could be and indeed will be, if provided, a real investment in the welfare of people and ultimately a wise investment of Federal funds, an investment which will return great human and economic profits. Mr. Chairman, I want to congratulate and commend the distinguished and honorable gentleman from Rhode Island, our colleague, JOHN FOGARTY, for the splendid manner in which he has handled this rather complex and controversial measure. He has done a magnificent job. Although he has met with formidable and stubborn opposition, he has not weakened nor has he once lowered his arm in his great fight in behalf of the very worthwhile programs which are provided for in this appropriation bill. He is worthy of his chairmanship, and he deserves the gratitude of every Member of this House.

Frankly, I have not been encouraged to believe that the amendment which I have offered would escape the formidable opposition and the zealous efforts which are being made to cut indiscriminately appropriations for Health, Education, and Welfare, and related agencies. I urge you, however, to consider seriously the amendment which I have offered, and I hope that it will be approved and accepted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. MASON. Mr. Chairman, I object.

Mr. COOLEY. I urge the adoption of the amendment, the objection notwithstanding.

Mr. TARER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not in order at this point in the bill, the Clerk having read down to line 2 on page 32; and, furthermore, that it is not authorized by law.

Mr. COOLEY. May I be heard on the point of order, Mr. Chairman?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. COOLEY. Do I understand the gentleman to base his point of order upon the ground that this amount was not authorized by law?

Mr. TABER. Upon the ground that the amendment is not in order at the point where the Clerk had finished reading.

The CHAIRMAN. The Chair is ready to rule on that point. The gentleman from North Carolina was on his feet while the Clerk was reading. The Clerk continued to read before the gentleman had a chance to offer his amendment.

The gentleman was entitled to recognition.

The Chair overrules the point of order.

The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 21, noes 88.

So the amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I would like to announce for the benefit of the members of the committee that it is our intention, now that we have reached this point in the bill and there are only 2 or 3 more amendments to be offered, to finish reading the bill tonight, then I understand there will be an attempt made to meet early tomorrow and complete all rollcalls tomorrow.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On line 23, line 2, strike out "$2,000,000" and insert in lieu thereof "$1,900,000."

Mr. BUDGE. Mr. Chairman, the gentleman from Rhode Island and I have disagreed at various points throughout this bill but I hope that he will be in agreement with me on this amendment which relates to additional salaries to carry out the program on which the Committee of the Whole House just voted. As near as I can determine, there are about $100,000 in salaries carried for the Bureau of Public Assistance to carry out this program of training welfare personnel. That program was just defeated on a division vote. I would hope that the gentleman from Rhode Island will accept this amendment. It certainly should be adopted in view of the fact that the program for which the expenditure was to be made and for which the salaries were to be paid is not carried in the appropriation bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. It is my understanding only $99 million have been made available and that they need $105 million. Unless we provide the money we will not be keeping faith with the several States; is that not true?

Mr. BUDGE. That, of course, would not apply to the amendment which I have offered, I may say to the gentleman from North Carolina.

Mr. COOLEY. I thought the gentleman's amendment was to put in this bill the amount that is short in the other bill?

Mr. BUDGE. No, that is not correct. The amendment offered by the gentleman from North Carolina would have restored $2½ million for the training of personnel.

Mr. COOLEY. I know that.

Mr. BUDGE. There is now in the amendment which I have offered $100,000 which is carried in the bill and should not be in the bill because it is to pay the salaries of the people who were to set up this training program to which the gentleman referred.

Mr. COOLEY. One hundred thousand dollars?

Mr. BUDGE. One hundred thousand dollars and the bill should be reduced by that amount because the purpose for which the $100,000 is in there was eliminated by the Appropriations Committee and that action has been sustained by the vote just a few minutes ago.

Mr. COOLEY. May I say for the benefit of the gentleman who made the inquiry that I have been advised by a member of the Committee on Ways and Means that the item I just introduced and which my amendment relates to did originate in the Committee on Ways and Means.

Mr. BUDGE. Be that as it may, in view of the fact that the $2½ million for this purpose is not carried in the bill, then $100,000 should not be carried to pay the salaries of the people who were to set the program in operation.

Mr. COOLEY. I thought that the whole $2½ million was to pay the salaries or scholarships or provide a program for the training of personnel?

Mr. BUDGE. I may say to the gentleman that the amendment which he offered would have done that, but since the amendment was not adopted and since there are no funds in the bill for that program, we should eliminate $100,000 to pay the Federal salaries to put the program in operation.

Mr. COOLEY. The gentleman is probably right.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not like to be in opposition to my good friend from Idaho all the time, but the committee did make a cut in this item. We cut it $216,000. One of the main reasons I cannot go along with this amendment is because of the amendment we voted on last year, the change in social security, where we added to it aid to the totally and permanently disabled. That has required a bigger workload on the people who administer this program, because every month there are new States taking advantage of the act. There are only a small number now.

Another reason is that under this $2 million we require them to make administrative reviews of the workings in the States doing work in this field. Now, I think it would have some effect on those reviews, and that is something I do not think anybody wants to interfere with.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Idaho.

Mr. BUDGE. It is correct, is it not, that approximately $100,000 in this item is for the purpose of training welfare personnel? Is that not correct?

Mr. FOGARTY. That is right, but we have already in the committee eliminated $216,000 from what they requested. So it is $116,000 less than they would have had if they had the $2.5 million that was offered by the gentleman from North Carolina for administration.

Mr. BUDGE. The committee print which came to the full committee says this: The increase will provide for increases in monetary costs of approximately $100,000 and about $152,000 for personnel and related expenses necessary in administering the new training program. Now, that means the program we have just been discussing of training welfare personnel. Is it not correct that there is still about $100,000 in this bill to set up that program that has just been defeated by a division vote?

Mr. FOGARTY. Well, I think the gentleman has a point. You can look at it that way if you want to in relation to what is in the report, but I still maintain that when we, the committee, cut the requests by $216,000, we gave it a good slice, and at the same time we did not want to prohibit or relax the administrative reviews of our State agencies from year to year. Now, that is something that all Members of Congress have worked for many years to keep up, and that is the only way we can keep efficient operation, and that is to allow these administrative reviews.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. It is true, however, that we did allow in the subcommittee markup $100,000 for this work, and then the full committee knocked this particular program out. In accordance with our subcommittee report this would be a correction to do away with the $100,000 that we did allow in the subcommittee to handle the program.

Mr. FOGARTY. The whole effect of this would be to cut $316,000 out of the administration of one of the hugest programs in the Federal Government. Now, if you want to do that and take chances and let the States go wild in the administration of their programs and cost more money in the end, this is the way to do it, by reducing administrative expenses.

Mr. LAIRD. Would not this money be tied up in terms of the committee report with this particular new program which has just been disallowed?

Mr. FOGARTY. No. I still maintain it is a $216,000 cut in the overall budget, in the entire amount.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Am I correct in my information to the effect that we need $105 million and in the supplemental bill we only provide $99 million, and therefore we are $6 million short in administrative costs for this program?

Mr. FOGARTY. That is State and local administration that the gentleman is talking about.

Mr. COOLEY. I know.

Mr. FOGARTY. This is Federal administration of the program that we are talking about now.

Mr. COOLEY. But we are short $6 million.

Mr. FOGARTY. That supplemental bill is still in conference. We do not know what is going to come out of it.

Mr. COOLEY. But unless it is restored to $105 million, we will be short $6 million.

Mr. FOGARTY. Those are not the figures given to the committee in the first place by the administration.

Mr. COOLEY. They were not the figures?

Mr. FOGARTY. No; they were not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

So the amendment was agreed to.

The Clerk read as follows:

OFFICE OF THE SECRETARY

Salaries and expenses, Office of the Secretary: For expenses necessary for the Office of the Secretary, $1,800,000, together with not to exceed $260,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Mr. HEMPHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 35, line 17, strike out "$1,800,000" and insert "$1,588,000."

Mr. HEMPHILL. Mr. Chairman, this amendment merely cuts back the appropriation for the Office of the Secretary to what they were given last year. In an effort to determine the justification for the appropriation for the next year, I went back not only to the hearings themselves but to the report of the subcommittee and its chairman, whose work here has been magnificent. I find in the report which that subcommittee made on this particular item the following language:

The committee was not convinced that conditions have changed sufficiently during the last year to warrant another increase as substantial as was requested. The amount included in the bill is sufficient to cover all increases in mandatory costs and will provide about $100,000 for increases in staff and related expenses.

I then turned back to the hearings on pages 82, 83, 84, and 85, and I found this. The Secretary who was testifying at the time said:

Since my experience clearly indicates the need for greater top level assistance, I plan to recommend a change in law which will authorize a third Assistant Secretary.

He went on to say:

I do not wish to develop a centralization of operating responsibilities.

Finally the distinguished gentleman of the subcommittee was forced to ask him:

Why should you ask for double the increase you received last year?

Mr. Chairman, my position is very simple. Where I come from a public office is a public trust and every dime I am giving to appropriate or pass on is a public trust, whether it is so small an amount as $5 or $100,000, or whether it is in the millions or billions with which you gentlemen have been accustomed to deal. But if it is only $5 it is important.

Only yesterday I talked over the telephone to one of my constituents. I asked him how things were down home and he said:

We are in trouble down here. You know, it is tax time. We are having to postpone the payment on the television and the payment to the insurance man and the payment on other obligations which we consider necessary to our living. What are you people up there in the Congress going to do about it? You have promised us some economy. What are you going to say now? I understand you are voting on some bill now. You are my Congressman. What do you have to say?

I am telling him here on the floor of this House that I am for economy. And I want to tell you something else. I looked at page 243 of the budget report. I admit I am not so familiar with this because I have not had the privilege of being here very long. But I find this in the budget, that we are paying one man $25,000 and he has two under secretaries or assistants at $17,500; and so on.

Maybe the people where I come from are wrong. But when we pay a man a big salary, they want him to do the job, and the people of my district and the people of this great United States have told me as a Congressman, "to tighten your belt and do your job."

I want this House to tell this Secretary and these people in that office that, "It is time to tighten your belt and do a job for America. We are paying you a big salary. We are imposing in you a great trust. We want you to give us the economy we are paying you for. We are not only hiring your services, we are hiring your brains and your abilities." That is what the American people are paying for, insofar as I am concerned.

I realize there are certain mandatory costs in this particular legislation. The thought occurred to me there, are we not going to have mandatory costs every year? Are we not going to have increases every year? If we are going to submit each year some requests for increased funds, are we not going to have trouble?

How can we ever turn to the people and say, "Well, we have cut the budget on one hand and we can give you some economy on the other"? After all, if I am correct in my understanding of the representative form of government, what I do here is for the people back home. The taxpayer is the man I have heard so little about here. Here is the Office of the Secretary. If he is a big-capacity man, and I assume he is to earn that salary, and if he has two assistants drawing $17,500 a year, and they are, then they have sense enough to tighten the budget and do the job.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. HEMPHILL. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. MASON. I am very sorry; I am in full accord, but I must object.

Mr. HEMPHILL. I understand.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think the author of this amendment was here in the last Congress, and I stand corrected on that if he was; but I will say to you who were in the last Congress that you voted for the social-security amendments which Mr. Folsom has to administer; you voted for a new Water Pollution Control Act; you voted for the Health Survey Act; you voted for the Library Services Act; you voted for the National Library of Medicine Act, and for the Health Research Facilities Act, and for Public Law 911, involving graduate training of professional public health personnel, advanced training of professional nurses, vocational education for practical nurses, and authorization for special project grants in the field of mental health; and you also voted for the Air Pollution Control Act. These are just small pieces of legislation that you voted for in the last 2 years. Now, after you have added these additional responsibilities, which are going to tax the Department tremendously, this amendment is offered to cut them $100,000 below what they had in 1957.

When you come down here and say, "This is just a little old amendment; it ain't going to hurt them any; it's just going to cut them back to 1957," that is just not so. The amendment that has been offered by my friend will cut them $100,000 below what they had to operate with in 1957, even though we have by our own votes given them these additional responsibilities.

You talk about the people back home. Did they not want the Library Services Act; did they not want this Water Pollution Control Act? Yes. They did not want any of these cut out. But if you want good administration you have to give these agencies the tools to work with. You cannot come down here in the well like this and make a speech such as you just delivered expecting them to tighten their belts and administer a program that is too large for them now to administer well.

We operated on this budget before you took a look at it. We allowed the Department only one-third of the increase in personnel they asked for because we wanted to be a little bit conservative too. But when you come in here now and ask them to operate on a budget that is $100,000 less than they had in 1957, with all these new programs you voted for in the past 2 years, it just does not make good commonsense.

They are understaffed now, and you are going to understaff them further. You are going to make them lay off about 20 people, and you would be the first one to find fault when something came up in the administration of these projects where they were loosely administered, and then blame the people downtown for not doing a good job because you did not give them the tools to work with.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Who fixed the salaries the gentleman mentioned a moment ago?

Mr. FOGARTY. Congress fixed them in a pay act. We voted for it. I am

surprised that good men continue to accept these responsible positions for $17,500 when they could earn much more outside the Government. They come down to Washington and do their best for their agencies and for their country, and then they are subjected to the abuse that they get on the floor of this House by remarks that have been made to the effect that they can tighten their belts and do a better job, particularly when many of them are working overtime up to 7 or 8 o'clock each night. I do not think it is fair to the Federal personnel. I do not think it is fair to the Secretary of Health, Education, and Welfare. I think he is trying to do a good job with what he has. I think we ought to help him to do a good job and not hurt him and cut him off as this amendment would do.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. LAIRD. I concur in the remarks made by the gentleman. This amendment does drastically reduce the employment level in the Office of the Secretary, if it is adopted in the form in which it is now presented. I repeat, I concur in the remarks made by the gentleman from Rhode Island.

Mr. FOGARTY. I thank the gentleman for his contribution. There is no other way that it can work and it can only work one way. If you want to prevent him from doing a good job in administering these programs that we have passed legislation for, if you want him to administer these programs in a slipshod way, then that is the kind of administration you are asking for by voting for a cut like this. As I said before, we only gave him one-third of the personnel he asked for to administer this program. I thought that we were pretty drastic in the cut that we made. I thought we were being very conservative. But, when you come in here and ask to cut out 20 positions below what they had in 1957, in my opinion, that is going too far.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 51, noes 76.

So the amendment was rejected.

The Clerk read as follows:

Salaries and expenses, Office of Field Administration: For expenses necessary for the Office of Field Administration, $2,300,000, together with not to exceed $700,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Mr. HEMPHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 35, line 22, strike out "$2,300,000" and insert "$1,985,000."

Mr. HEMPHILL. Mr. Chairman, I told the distinguished gentleman from Rhode Island that he made a good speech a while ago. I think he did. I have listened here day after day with a great deal of patience, and I have listened to him time after time because he has done a good job. But, I still say it is necessary to economize. The only things I have to guide me are the reports of the committee and of the subcommittee. The reports I find in the budget and the demand from the people back home. If these be not worthy of consideration, then I stand to be corrected. I read from the report of the committee a short time ago, and I want to read again from it with reference to this particular amendment by which I seek only to take us back to the fiscal year 1957.

If you believe it does just read pages 246 and 248 and 249 of the budget, if you have not already done so.

On this particular amendment I find that the committee reported as follows:

Most of the increase was requested for grant-in-aid auditors necessary because of the increases in the grant-in-aid programs and for additional personnel to handle such work as voucher review, payrolling, etc., for the additional personnel in the field to administer the new and expanded programs authorized by the last session of Congress.

Then the committee goes on to say:

During the last few years the committee has also attempted, without success, to secure a logical explanation of why this office feels that it can perform, in the regional offices, such common services as voucher review, payrolling, processing personnel actions, etc., for other field offices of the Department more efficiently than the bureaus can perform these services themselves.

Perhaps I am wrong in raising my voice in this regard, but I want to know, Mr. Chairman, whether the Members of Congress, this Congress—and I was not in the last Congress—whether we are taking orders from the administrative office or from a bureaucrat? Or whether this Congress has the right to say to some bureau or department of the Government to run their organization more efficiently. Do we not have the right in keeping with the philosophy of government to say that they should use these auditing facilities of some other department of the Government rather than set up expensive personnel to duplicate the work?

I have not criticized the Secretary of Health, Education, and Welfare; I have not said he or she did a bad job. I have said this, I have said that the American people have a right to demand of me and you and of every person in the employ of the Government, whether it be a bureaucrat, a public servant, or whatnot, that he dedicate to his work the best he can give. And I say we have a right to demand this same thing of him or of her as of any other person we hire, because in private business today when you hire someone you expect the best of him, and that is what we ought to insist on in Government.

I believe if we were to tell these people that we have sought economy, we have voted for economy, we know that our people want economy, that it is up to them to do something about it, they would do something about it.

I do not want to see one single person dropped off the payroll, but I do not know that it is a crime to fire anybody in the interest of good government; I do not know that it is a crime to cut down personnel if you can save the taxpayers millions of dollars; and if I am wrong I can be corrected at the polls.

I do not think it is wrong to demand efficiency, and I do not think it is wrong to demand economy. I did not have the privilege of being here during the last Congress or any of the preceding Congresses, but I have had the privilege of being an American taxpayer and an American citizen. Finally, I came to be a Member of this distinguished body of great people, and I have found them to be great people. I have found that we have the same obligations of man to man, of Congressmen to constituents, of legislators to taxpayers.

If we just gave the taxpayer perhaps some support and encouragement he would believe in this Government like I have always believed in it as a Government based on high levels from legislators down to the man down at the grassroots, who is paying the taxes.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the same argument can be used against the pending amendment that was used a while ago, only more so. When we considered this appropriation request we should remember that they also asked for five additional administrative officers and five additional secretaries for strengthening five regional directors' offices. We disallowed that which was for overall direction in the regional offices. The only things that we have allowed for are to take care of the expanded programs that we have voted for last year.

There are no top jobs added by the committee, I can assure you; only clerks, accountants, and auditors. Some fault has been found both by the States and Members of Congress regarding the auditing of these programs. We have been way behind in this work. We have attempted through the years to correct that situation by increasing the allowance for auditors. This amendment would cut out some of these auditors who audit the Federal grants-in-aid. It would also cut out personnel that are handling the payrolling of the field employees of the Bureau of Old-Age and Survivors' Insurance and other HEW field offices, the recruitment of personnel to carry out these programs, processing their travel vouchers, and so forth. They are working on a deficiency basis now and we have a deficiency appropriation request pending before our committee at this time because the expanded programs make it impossible to carry out this work with funds available for 1957.

Because we changed the social-security amendments last year, it resulted in a tremendous increase in the number of recipients of old-age and survivors' insurance. These people who should only wait a period of 30 days for their checks are now forced to wait a period of 60 days. Because we have not been able to recruit and train the number of personnel necessary to man these OASI offices we are falling behind in processing the claims of these people who are on relief to the extent of about 60 days. They told us in the hearing the average delay

in the past was less than 30 days. Today we are making these people wait 60 days.

This is going to make matters even worse for these people who have benefits coming from the old-age and survivors' insurance fund because it will prevent the Department from recruiting and hiring the additional personnel they need to administer these programs. I do not think anyone wants to do that. I do not think anyone in this House wants to extend the time that these men and women are waiting now to draw checks from the old-age and survivors' insurance fund.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I want to concur in the statement just made by the chairman of the subcommittee. This particular item does have to do with the staffing of these local offices and recruiting the necessary personnel to man them. I think it would be false economy to adopt an amendment of this kind. We have now a delay all over the country, particularly in the rural areas, of some 60 days. This additional force for the Office of Field Administration is necessary if we are going to keep this under control at all.

Mr. FOGARTY. The gentleman from Wisconsin is entirely correct. If we adopt the pending amendment it means we are going to extend that waiting period of 60 days still further. That burden will be borne by people who do not and cannot speak for themselves, who are waiting to get these checks at the end of the month. I do not think any Member of this body wants to do that, but that is what the pending amendment would do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The amendment was rejected.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my pro forma amendment will not require any additional money. I simply rise to ask the chairman of the Subcommittee on Appropriations if he knows of any group within the Department of Labor that is trying to screen the refugee workers, for instance the Hungarians who came into this country, to see that they are not put into industry thereby putting our established workers out of work. I know of a number of cases like that in the State of Massachusetts where workers have been employed for a long time in industry, then they are turned out into the streets and Hungarians, who do not speak our language, are put in their places. In other words, we are making refugees of our own workers. It seems to me these people should be placed in sections of the country where labor is needed and not to replace our own people.

Mr. FOGARTY. The answer is "No" to that specific question that the gentlewoman has asked. But we did attempt to allow some increase in funds for the Bureau of Labor Statistics or the Bureau of Employment Security, I do not know which, to the extent of $100,000 to permit them to make a study of the effects of foreign workers who are coming into this country on the local labor groups that the gentlewoman is speaking about. That allowance was cut out, however, by an amendment offered by a Member of this House.

Mrs. ROGERS of Massachusetts. I am not speaking of farm laborers alone.

Mr. FOGARTY. I am not, either.

Mrs. ROGERS of Massachusetts. I am speaking of persons in industry.

Mr. FOGARTY. We had $100,000 for that purpose in here but it was stricken out by one of the amendments that were adopted to this bill.

Mrs. ROGERS of Massachusetts. I am taking the matter up with the CIO and the American Federation of Labor because I think they surely ought to be very much interested in seeing that their own workers are protected. I am suggesting that they have a commission to place the Hungarians where they can be cared for and not put our labor on relief.

Mr. FOGARTY. On page 7 we did allow $120,000 for an analysis of the effect of tariff changes on United States unemployment. That is one of the things I was referring to. But, the answer to the first question is "No." There are no employees in the Department of Labor doing what the gentlewoman asked about.

Mrs. ROGERS of Massachusetts. But it would be helpful if it were done to protect our own labor.

Mr. FOGARTY. I think it would, yes. I do not know whether we can do it under the existing legislation in the Department of Labor, but if the gentlewoman sponsored legislation, I would be very happy to work with her.

Mrs. ROGERS of Massachusetts. I thank the most courteous gentleman.

Mr. BAILEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I advise the gentlewoman that there were attempts made to bring Hungarian miners into the mines of West Virginia when there are 141,000 unemployed miners in the State of West Virginia now.

Mrs. ROGERS of Massachusetts. Yes, and that is tragic. We ought to take care of the Hungarians in some other way, I think.

Mr. BAILEY. Certainly.

Mr. LAIRD. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to suggest to the gentlewoman from Massachusetts that the Department of Labor does have information now along the very lines that she is interested in and is making thorough studies of this particular matter. I received information from them just the other day on a request that I placed before them. With reference to the cut, I believe that has to do entirely with tariff studies and has no relation to the matter that was raised by the gentlewoman.

Mrs. ROGERS of Massachusetts. I am not referring to the cut; I am referring to the general proposition.

Mr. LAIRD. The general proposition is now under study and is under constant study by the Department of Labor and the Department of Labor has information available.

Mrs. ROGERS of Massachusetts. We ought to take immediate action when the people's jobs are at stake. We have great respect for the courage of the Hungarians but for their own sakes we must not have them hurt our labor.

Mr. FOGARTY. Mr. Chairman, if the gentlewoman will yield, I know of the gentlewoman's deep interest for the people in our areas who are out of work.

Mrs. ROGERS of Massachusetts. The gentleman and I know what it means so completely.

Mr. FOGARTY. And I would like to call her attention to the fact that we have—and this affects employment in this country—an item of $120,000 for the analysis of the effect of tariff changes, and I know that she has been very much interested in tariff legislation, and this will help in that regard. If the gentlewoman will give us some help on these rollcalls, we can help her on that, too.

Mrs. ROGERS of Massachusetts. I think the gentleman has rubber industry in his district just as I have in mine, and we know what foreign competition means to that industry. Management and labor in the rubber industry were the last ones asking for tariff protection.

Mr. FOGARTY. This will help. If the gentlewoman will help tomorrow, she will be helping this situation.

Mrs. ROGERS of Massachusetts. I will be glad to help.

Mr. BUDGE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wonder, since the gentleman from Rhode Island has referred to rollcalls either tonight or tomorrow, if he would indicate to us just what amendments he intends to demand rollcalls on. Now, I have offered five amendments to this bill, all of which have been adopted, and I would like to know which ones the gentleman intends to call the roll on.

Mr. FOGARTY. I think the first one would be the Smith amendment cutting the solicitor's office.

The second one would be the one bearing the gentleman's name, called the Budge amendment, which cuts the veterans. The third would be the Smith amendment cutting the Bureau of Employment Security. The fourth, the Murray amendment, is a cut dealing with the Bureau of Labor Statistics. Fifth, the Anderson amendment cutting the Women's Bureau. The sixth would be the Hébert amendment cutting the Wage and Hour Division. The seventh would be the Jonas amendment cutting the Food and Drug Administration. The eighth would be the Dorn amendment cutting the Department of Education. Ninth is the Fisher amendment deleting $50 million for grants for waste treatment works construction.

We will have to wait until the end of the bill to see if we have any others. I have the gentleman down for one.

Mr. BUDGE. Well, that is the reason I asked the question. It places the authors of the amendments in rather a peculiar position when you want to call the roll on some of the amendments, and when they are all on the same theory. Would it not be proper to assume, from a reading of the amendments that the gentleman is seeking a rollcall on, that he favors the other amendments?

Mr. FOGARTY. Oh, no. I was just trying to save the time of the House. But I have all this week and next week, and if you desire to have a rollcall on some of these smaller amendments, I will be very happy to cooperate with you.

Mr. BUDGE. Mr. Chairman, I should like to say to the gentleman from Rhode Island [Mr. FOGARTY] that I certainly do not want to drag this matter out any longer than is necessary, but when five amendments are adopted, all of which propose the same thing, I cannot quite understand why the gentleman is so selective as to pick out only one bearing my name and leaving out the others. Is there some difference in the others?

Mr. FOGARTY. What are some of the others? Will the gentleman refresh my recollection? Maybe I have forgotten one or two.

Mr. BUDGE. Of course, it may work out that we would be constrained as the authors of the amendments to ask for a rollcall on all of them rather than just permit the gentleman from Rhode Island to pick out the ones he feels most sympathetic to.

Mr. FOGARTY. That is the gentleman's prerogative. I have given the House notice of what I intend to do as chairman of this subcommittee in the matter of asking for rollcalls on amendments. I hope that there will be a sufficient number of Members on this side and on the gentleman's side to get a rollcall. If the gentleman has any other amendments in mind on which he wants to get a rollcall, I shall be happy to cooperate with him in that regard.

Mr. BUDGE. I should like the gentleman, if he is going to ask for a rollcall on any other amendments that I have offered, all of which were intended to retain personnel at the present level, to ask for a rollcall on each of them instead of picking out one that happens to bear my name, toward which he seems to be sympathetic.

Mr. FOGARTY. I would suggest to the gentleman that he ask for a rollcall on any amendment he has in mind. I have mentioned the ones that I think are important and that I think the membership would want to vote on. I have made my selection. If the gentleman wants to add any to those, I shall cooperate with him.

Mr. BUDGE. Mr. Chairman, I appreciate having had this colloquy with the gentleman from Rhode Island because it would help explain an action which we, as authors of these amendments, may feel constrained to take if the gentleman proceeds in the manner which he has outlined.

Mr. FOGARTY. Mr. Chairman, in answer to the gentleman, I am going to proceed in exactly the manner I have just outlined.

Mr. BUDGE. I thank the gentleman.

Mr. FULTON. Mr. Chairman, would the gentleman yield?

Mr. BUDGE. I yield to the gentleman.

Mr. FULTON. Mr. Chairman, can we learn what time this day of judgment begins tomorrow and what the schedule of voting will be?

The CHAIRMAN. That announcement will come from the leadership.

The Clerk read as follows:

SEC. 208. Not to exceed $2,500 of the funds available to the Department for salaries and expenses and not otherwise available for entertainment of officials of other countries or officials of international organizations shall be available for such entertainment when authorized by the Secretary.

Mr. HIESTAND. Mr. Chairman, I make a point of order against this paragraph, that it is legislation on an appropriation bill.

The CHAIRMAN. The gentleman makes his point of order against the entire section?

Mr. HIESTAND. Section 208, lines 5 to 9, inclusive.

The CHAIRMAN. Does the gentleman from Rhode Island care to comment on this point of order?

Mr. FOGARTY. Mr. Chairman, I must concede the point of order. The purpose of this paragraph is to entertain some of these foreign doctors and scientists who come over here, to reciprocate the entertainment that our people receive when they go over there. If the gentleman wants to strike it out, that is his privilege.

The CHAIRMAN. Does the gentleman insist on the point of order?

Mr. HIESTAND. Mr. Chairman, I do.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

SEC. 211. None of the funds provided herein shall be used, either directly or indirectly, for construction or planning of any building for the Department of Health, Education, and Welfare under the lease-purchase program, nor shall any of the funds provided herein be used to pay the salary of any person who assists or consults with anyone in connection with the construction or planning of any building for the Department of Health, Education, and Welfare under the lease-purchase program.

Mr. BYRNES of Wisconsin. Mr. Chairman, I make a point of order against section 211 in its entirety as being legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Rhode Island [Mr. FOGARTY] care to be heard on the point of order?

Mr. FOGARTY. Yes, Mr. Chairman. This language is purely a limitation on the use of funds, as I read it, in the bill we have before us.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Wisconsin makes a point of order against section 211 on page 38 of the bill. The Chair has read the section and finds that it is a pure limitation, and therefore overrules the point of order.

The Clerk read as follows:

TITLE III—NATIONAL LABOR RELATIONS BOARD

Salaries and expenses: For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U. S. C. 141–167), and other laws, including expenses of attendance at meetings concerned with the work of the Board when specifically authorized by the Chairman or the General Counsel; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and uniforms, or allowances therefor, as authorized by the act of September 1, 1954, as amended (5 U. S. C. 2131); $9,450,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2 (3) of the act of July 5, 1935 (29 U. S. C. 152), and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3 (f) of the act of June 25, 1938 (29 U. S. C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes.

Mr. SELDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SELDEN: On page 39, line 17, strike out "$9,450,000" and insert "$9,384,800."

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. The amount provided in the gentleman's amendment is $9,384,800?

Mr. SELDEN. That is right. It is a cut of $65,200.

Mr. FOGARTY. On behalf of the committee, Mr. Chairman, I accept the amendment.

Mr. SELDEN. I thank the gentleman.

Mr. Chairman, I am certain all Members of Congress are aware that there is growing concern throughout this country over the magnitude of the Federal budget. In my opinion, that concern is justified.

I believe, as do many in the Congress, that there are items in the 1958 budget requests of the President that can be safely reduced. At the same time, I realize that the Congress should make certain that any cuts that are made in the budget will not jeopardize the security of this Nation or scuttle programs that are vital to the well-being of its people.

With this in mind, I am offering an amendment which, if adopted, will make a small reduction in a budget item. Yet, this reduction should have little, if any, effect on the operation of the agency concerned.

The amendment now under consideration will bring about a reduction of $65,200 in the appropriation for the National Labor Relations Board. The sum of $9,384,800, which this amendment provides, will give the National Labor Relations Board the entire amount it had in its budget for the present fiscal year plus the mandatory contribution of $433,300 that must be made to the retirement fund.

In his testimony before the subcommittee, the Chairman of the National Labor Relations Board, Mr. Boyd Leedom, testified that the Board's request for funds for 1958 was geared to the same case inflow as in 1957. The amendment now before you will provide the same funds for 1958 as were provided in 1957 plus the mandatory contribution to the retirement fund.

Last year Congress reduced the budget request of the National Labor Relations Board by nearly $2 million. The Board has operated satisfactorily despite the reduction, and one of the witnesses who appeared before the Appropriations Subcommittee, in effect, so stated.

The reduction of $65,200 provided in this amendment is less than seven-tenths of 1 percent of the committee's recommendation of nearly $9½ million. A decrease of such a small percent of a budget item of this magnitude should have little, if any, effect on the operation of this important Board. I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The Clerk read as follows:

TITLE IX—GENERAL PROVISIONS

SEC. 901. No part of any appropriation contained in this act shall be used for publicity or propaganda purposes not authorized by the Congress.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 43, immediately following line 6, insert the following: "No part of any appropriation contained in this act shall be used for payment of any expert or consultant, or of any management engineering corporation, company, firm, or other organization, for the performance of any service relating to the management, organization, or operation of the Department of Labor, the Department of Health, Education, and Welfare, or any related agency, unless the utilization and payment of experts or consultants, or of management engineering corporations, companies, firms, or other organizations, is specifically authorized by law for the performance of such service."

Mr. FOGARTY. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. Does the gentleman from Iowa wish to speak to his amendment?

Mr. GROSS. Yes; but I should like the gentleman to press the point of order. There is no use in wasting time if a point of order will rest against the amendment.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk again read the Gross amendment.

Mr. FOGARTY. I withdraw the point of order, Mr. Chairman.

Mr. GROSS. Mr. Chairman in support of my amendment, I invite your attention to page 266 of the hearings of the subcommittee, which shows that the Department of Labor last year employed some 50 consultants apparently to look into management of that Department. I also invite your attention to page 13 of the hearings wherein the gentleman from Rhode Island [Mr. FOGARTY] asked representatives from the Department of Labor what services these consultants had performed. The hearings are silent as to what services these consultants performed for the Department of Labor. If I am wrong in that, and if there is anything in the hearings to establish that these 40 to 50 consultants provided any worthwhile services, I wish the gentleman would so advise me and tell me where that information may be found in the hearings.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FOGARTY. I believe I answered the gentleman last week when I said that we did not get any answer on that. That was about these management people who were hired to make a survey in the Department of Labor; is that what the gentleman is referring to?

Mr. GROSS. Yes. Now turn to page 266 of the hearings, we find a list of the consultants who were employed last year by the Department of Labor. There is no indication of who they are by profession or what their qualifications, and the hearings are absolutely silent as to how much this cost the taxpayer or out of what funds these people were paid. My amendment is not as restrictive as I would like to make it because I understand that to make it as restrictive as it should be would make it legislation on an appropriation bill. But, I do think it will serve as a deterrent. Let me say I intend to offer this amendment or a similar amendment to every appropriation bill that is brought to the floor of the House from here on out.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. LAIRD. I wonder if the amendment that has been offered by the gentleman also applies to the National Institutes of Health and other contract work that is done on the outside such as the new cancer research that we will be doing outside by contract next year with the pharmaceutical houses.

Mr. GROSS. I do not believe it would apply. I want to stop this business of every department and agency of the Government going out and hiring consultants to come in and tell them what to do. We have under secretaries, assistant secretaries, deputy secretaries, and assistants to the deputies falling all over themselves all over the Government, and yet we are spending huge sums of money to hire consultants to tell them how to run the business of the various bureaus and agencies.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BAILEY. Mr. Chairman, if the gentleman would make a little further inquiry, he would find that representatives of the Department of Labor sit on the consideration given to the General Agreement on Tariffs and Trade. That has never been authorized by the Congress. I think the question that the gentleman raises here and the point he is making in striking that out is well taken because it is happening not only in the Department of Commerce and the Department of State, but in several other departments. There is no authorization by the Congress for any of that.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MILLER of California. I want to compliment the gentleman in what he is doing. What we are doing is hiring some of these outside firms and taking competent people out of the Government who could do this job as well as they can in some of these outside firms.

Mr. GROSS. Yes, and these consultants and personnel-management experts come to our own committee staffs and get a big share of the information which they develop into extensive reports and hand back to us at fat fees and contracts.

Mr. MILLER of California. That is right and I compliment the gentleman on offering his amendment.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I agree with the distinguished gentleman from Iowa. Last Tuesday, when he first raised the question about these consultants who were being hired by the Department of Labor, and when he raised the question of what results we obtained from that type of consultation, I stated that as far as I knew we did not get any results. However, the reason I rise in opposition to this amendment is that the amendment goes much further than you would want to go and much further than I would want to go. I am in agreement with what the gentleman wants and what he is trying to get at. But, we have in the Public Health Service grants for research, heart disease, mental health, and so on.

We have advisory committees, which pass upon the applications for research before they come to the Surgeon General, that this would affect. It would affect our contracts with the pharmaceutical houses to which the gentleman from Wisconsin [Mr. LAIRD] referred. At the National Institutes of Health Research Center they call in outside doctors on some of these special cases on a consultative basis, and this amendment would prohibit the employment or the payment of people like that. I do not think you want that to happen. I know I do not.

But I agree with the criticism the gentleman raises because I asked that question in the hearings on the Department of Labor. I asked what savings have come about as a result of the survey that they made 2 years ago; and the answer was, "Practically nothing."

But I do not think you want to go to the degree that your amendment goes, as far as the Public Health Service is concerned. Your amendment will seriously hurt the study sections and advisory committees that pass upon the applications for research into these diseases.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. DAVIS of Georgia. In view of the gentleman's statement I would like to ask the gentleman if he could not offer an amendment to the amendment which would take care of the needs the gentleman has expressed but also eliminate the evils that the gentleman from Iowa sought to reach.

Mr. FOGARTY. I am sure we all want to correct the things the gentleman criticizes, but I think his amendment goes too far and I am concerned. If the gentleman would withdraw the amendment and offer a new amendment not so broad, which would reach the management surveys where they have been used in other departments, the Post Office Department and so forth, I think it would do what he wanted to do. I am sure the gentleman does not want to hurt the Public Health Service in the work they are doing of that type.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GROSS. I have no desire to harm any worthwhile consultative work, but let me say to the gentleman that unless something is adopted in this bill he would not have anything to go to conference on. Is not that true?

Mr. FOGARTY. I do not like the idea of adopting an amendment like this that affects the basic research program of the Public Health Service as the gentleman's amendment will do. I would hope the gentleman would withdraw it and offer another amendment dealing with the overall management service problem in the Government. But if that cannot be done, the only thing I can think of is to oppose the amendment because the amendment goes much further than the gentleman wants to go, and he says so himself. It will affect the Public Health Service and the National Institutes of Health, and as long as it does that I just cannot go along with the amendment. We are in agreement as to the point we are trying to reach, but the gentleman's amendment goes far beyond that and I cannot support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to set forth now just what these amendments that have been passed during the last week and 2 days will do, so that Members will have an opportunity to acquaint themselves with the effect they will have without going through the quite voluminous record we have built up.

First, the Department of Labor.

OFFICE OF SECRETARY

Your action eliminated the increase for the Office of International Labor Affairs amounting to $30,000—a small sum to insure adequacy of the knowledge of the Department in the movement of workers and worker organizations in various parts of the world. It has been said many times that labor organizations are the first target point for Communists to try and make inroads. It is important that the Secretary in recommending labor policy both here and abroad have close to him staff advisory assistance. Again I say $30,000 is a small amount of money for this purpose.

OFFICE OF THE SOLICITOR

Here is where you become very ambitious. You not only cut this office back to 1957 but you did not allow money for the mandatory increases for retirement and transfer of funds previously approved in another appropriation. In the committee's recommendation for an appropriation of $2,225,000 there was only $22,000 for program increases. The balance was for mandatory items. If your action stands, this means a reduction of some 35 positions—this reduction coming at a time when the workload of the Solicitor's Office shows increasing activity. The Solicitor's Office is beginning to feel in greater numbers the impact of litigation as a result of the recent amendments to the Fair Labor Standards Act. The legislative requirement that the wage orders in Puerto Rico be reviewed annually has added a new burden to this Office. I cannot take the time here to go into all the details but I assure you that evidence was supplied in committee which was definitely convincing that the staff requested was needed. If the Solicitor's Office cannot carry out his litigation responsibilities there will be complaints not only from labor but there will be complaints from employers that unfair employers are taking advantage of them. Likewise workers will not receive the wages to which they are entitled by law. The Government will be the loser because third party suits under the Federal Employees Compensation Act will have to be passed by because of insufficient staff. Thousands and thousands of dollars have been recovered by the Government through this legal technique.

MEXICAN FARM LABOR PROGRAM

We had quite a debate on this item yesterday and I will not burden you with much detail. What you have done is quite simple. The program will be 15 percent larger in 1958 than in 1957. For this increased workload, the committee proposed a mere 4-percent increase in appropriations. You wiped out this small increase—the result of which means a deterioration of the program. More specifically you endanger an international agreement between this country and Mexico by making it impossible to carry out certain guaranties the Mexican Government requires for its nationals coming to this country to work in agriculture. Does not the figure of over 400,000 importations during the current fiscal year indicate the need for this program? As long as we enjoy a high level of employment we will need this program. As long as we enjoy a few thousands of savings is just a mistake.

BUREAU OF LABOR STANDARDS

In the Bureau of Labor Standards the committee reduced the request here by $138,700. It allowed $119,800 increase over 1957, of which $52,200 was for program increases. Program increases related to aiding in the employment of the physically handicapped, extension of safety service in the use of atomic energy, and improving conditions of domestic migrant workers. The balance of $67,600 was for mandatory items. The action on the floor eliminated the program increases for enabling the Bureau to keep abreast of accident hazards in the atomic energy field and institute such action in their safety program necessary to promote safety for the workers involved.

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Perhaps the most shocking thing of all has happened here. By shaving off $136,000 from the committee recommendation, you are making necessary an actual reduction in level of operations for this most crucial activity.

As I stated on Tuesday, curtailment of other benefits for servicemen entering on duty after January 31, 1955, makes the reemployment program the only major readjustment device available to veterans.

The workload of this bureau will be substantially increased because of the buildup in the Ready Reserves. The number of reservists and National Guard men who must perform training duty in 1958 will be about 40 percent over 1956 and 25 percent over 1957. This increase is due to the fact that all military releases after August 1957 must accept duty in the Active Reserve.

Because of your action this week, this Bureau will not be able to render adequate service to the veterans.

BUREAU OF EMPLOYMENT SECURITY

Let us see what damage you have done in reducing the committee recommendation for the Bureau of Employment Security by $442,000. The committee had allowed only $89,560 for program increases including a transfer of $53,300 from the Office of the Secretary. Cutting it back to the 1957 level without making allowances for mandatory items will make necessary the reduction of 60 positions. Let us take a look at the history. We have increased programs through legislation, increased the funds for State employment agencies, but we have done nothing to allow the national office to keep up with its expanding responsibilities. Specifically, it is responsible for supervision directly or indirectly of the handling of $1½ billion in unemployment insurance tax collection; $1¼ billion in unemployment insurance benefits; and one-fourth billion dollars in administrative funds. It is the one operating arm of Government that actually aids in the placement of the older worker into a job. Likewise it occupies the same role in placing physically handicapped workers into jobs they can perform. I believe you have made a terrible mistake in the action you took on Wednesday in reducing the appropriation request. If this action is sustained in the House it will cut out the new program planned to help those areas with chronic problems of unemployment; it would very seriously impair the program to increase the placement of the handicapped through the development of better programs for the State and local employment officer; and it would even stop the program for the older worker, that really was not an increase at all, but just a transfer of activities from the Secretary's Office with the intention that it evolve from a planning program into an action program.

BUREAU OF LABOR STATISTICS

Cutting the program increases out of the Bureau of Labor Statistics request will be disastrous. This Bureau in the field of research and statistics is considered the best in its field. Its work is used by all of us as well as by management and labor and the public. As an example, again I remind you of the danger of cutting funds needed to insure accuracy of the Consumer Price Index. Four million workers' wages go up or down as this index moves. It must be accurate. It has become the biggest tool for settling management and labor differences on wage questions. Imagine what will happen if the accuracy of the index is questioned.

Time will not permit detail presentation of all this Bureau's programs, but I assure the Members of this body that its work in the field of wages, employment, productivity, wholesale and retail prices, are all important to our economy and they are used extensively. I think you all know that. It should not be allowed to deteriorate, but if your action stands that will be the result.

WAGE AND HOUR DIVISION

You have sliced $888,000 from the Wage and Hour Division, with the result that there will have to be an actual reduction in level of operations. This at a time when the rate of back wages found due is at the highest level ever—about $30 million a year.

Two years ago, this body, by an overwhelming vote, increased the minimum wage from 75 cents to $1. Are we now saying that we do not want to enforce that minimum? Wage-hour investigations show that 1 out of every 5 firms are violating the dollar minimum.

The committee's recommendation for an appropriation of $10,888,000 would not add a single employee to the Division. By cutting this item, you have reduced the staff and consequently reduced the level of enforcement of the Fair Labor Standards Act and the Public Contracts Act.

You will cause a reduction in the already too small sample inspection check which at this time is only 7 percent of 800,000 covered establishments.

You will handicap the Division carrying out its legislative responsibility of reviewing each wage order in Puerto Rico annually. If this work lags you will hear plenty from employers in the mainland.

Then in the Department of Health, Education, and Welfare, while there were not nearly so many amendments adopted as in the Department of Labor, the amendments that were adopted certainly will have a disastrous effect if they are sustained by the House. I want to set forth some facts regarding them also.

FOOD AND DRUG ADMINISTRATION

The Jones amendment would reduce this agency's appropriation from $9,300,000 to $7,973,000. This reduction would bring to an abrupt halt the orderly program, started last year, to bring this agency to the point where it can do a decent job of protecting the American men, women, and children from dangerous and filthy foods and drugs. It will stop this program that was initiated on the unanimous recommendation of a citizens committee appointed in 1954 to make an objective study of this problem. That committee recommended a threefold to fourfold expansion of this agency within a period of 5 to 10 years just to give the American people minimum assurances of protection against foods and drugs that endanger health and even life, for that matter; 1957 was the first year of the program to carry out the citizens committee recommendations and the increase was 10 percent. The amendment would stop us at that point—a point that, according to a group of our most eminent citizens, endangers the safety of every American.

OFFICE OF EDUCATION

The Dorn amendment to the salaries and expenses for this office reduces the appropriation, if it passes the House, from $7 million to $5,518,000.

In 1957 Congress authorized the Office of Education to begin research on educational problems of the mentally retarded and in a few other highly important areas. Sixty-four research projects are now under way in cooperation with colleges, universities, and State departments of education. This is the start that was made to carry out the so-called cooperative research program in education that we authorized 2 years ago.

Estimates place the present number of school-age mentally retarded children at more than 1 million. Large numbers of those classed as mentally handicapped are potentially useful members of society providing they receive proper training and education. There is a specific need to determine what the school can reasonably do and how it can best be done. Substantial need also exists for basic research in educational problems of mentally retarded children.

If this cut is sustained, research now under way in colleges, universities, and State educational institutions would have to be cut back at once. Contracts with many of the best researchers would have to be canceled. A substantial part of the investment made to date could be lost, as most research projects must run through fiscal 1958 for completion. In this program the non-Federal participating institutions are contributing approximately 30 percent of the total cost.

This promising new program will be killed in its first year if the amendment passes.

The committee allowance for salaries in the office simply holds the 1957 level. It provides money required for full year costs of 1957 jobs and the mandatory contribution to the retirement fund. At a time when educational problems are a chief domestic concern, it does not make sense to cripple the Office of Education.

PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

The Shuford amendment would cut out all funds for the committee that the President of the United States thought so highly of that he started it with funds taken from his special emergency fund. The President thought we have an emergency that this committee can do something about. Then less than a year ago this House passed the authorization by a unanimous vote—and it did not sneak through, there was plenty of discussion about it that day. But it passed on the Consent Calendar by unanimous consent. So if this amendment passes we are certainly reneging on what we told the people last year we were going to do about this problem of education beyond the high school that the President thinks is an emergency situation.

GRANTS FOR WASTE TREATMENT WORKS CONSTRUCTION

The amendment to delete the entire amount of $50 million is, of course, another instance of trying to repeal an act that we passed by a substantial vote, and a record vote, by refusing to appropriate the funds to carry it out. But, aside from that, I would like to point out what this program would do and what will be lost if the House sustains this amendment.

Construction of sewage treatment plants has always been a costly proposition to municipalities. Since the end of World War II the financial problems presented by such construction have been growing in intensity due to rising costs associated with inflation, high interest rates, and the increased competition for materials and competent engineering talent. For instance, construction costs for treatment plants have more than doubled in the last 10 years. Furthermore the interest rate on municipal borrowing has risen from 1.49 percent in 1945 to 3.12 percent as of the week ending March 22, 1957. These factors in conjunction with the multitude of current demands on municipalities for public-works construction of all kinds—streets, school, utility extensions to new subdivisions, and public buildings—have produced an impact on the comparatively narrow tax base of municipalities that results in what many consider to be an excessive tax load. Since counties, school districts, and special districts overlap the municipal incorporated area and levy against the same tax base as the municipalities, the general financing problem often may reach the near crisis stage in many areas. This situation points to the necessity of extending the economic base for financing the municipalities, especially when the marked increase in urban populations is considered. The most feasible extension is to the Federal level, for at this level the tax structure and the economic base coincide to provide the most equitable basis for assistance to municipalities in recognition of the national interest involved.

There seems to be some misunderstanding as to the relation of sewage treatment plant construction as provided for in this program and the control of water pollution. It has been stated that this is simply a Federal grant to localities to help them pay for local utility services. This is not the case.

These grants are to step up the construction of plants to treat the increasing amount of sewage that is coming from our rapidly growing cities and towns. The benefits of a municipal sewage treatment plant are much greater to downstream water users than to the city which builds the plant. Consequently, the importance of these plants in restoring and preserving the waters of a stream so that the water can be used over again by other cities and industries transcends local interests. So if the House upholds this amendment it will not mean just withholding funds we have promised the towns and cities that will build these plants but it will mean denying all the people downstream the protection from pollution that we promised by a substantial majority, on a rollcall vote, when we passed the new Water Pollution Control Act.

At present, less than 9 months after the funds were made available, 910 communities have made application for these grants and 288 applications have been fully processed and approved in a total amount of $24,100,000. Moneys requested by the 910 applicant communities total $84 million. So it is pretty clear that we will not be breaking faith with just a few people if we adopt this amendment, but we will be breaking faith with hundreds of towns and cities and millions of American people all over the Nation.

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN. Mr. Chairman, the parliamentary situation, if my understanding is right, is this: We will all admit that the President—or whoever wrote it for him—did the best he could when this budget was sent to us. The Committee on Appropriations, especially the subcommittee, did the best it could, when the bill was reported out.

We have debated this bill for 6 days. It is very evident that in spite of all the efforts both of the administration, of the Appropriations Committee and its subcommittee, that there is at least a slight difference of opinion between the subcommittee, the full committee, and the members of this Committee of the Whole House on the State of the Union. We are advised that there are at least nine amendments which were adopted on which there will be a rollcall in the House. It is my present intent to ask for a rollcall on all amendments if that is to be the procedure on the part of the majority.

This being the situation it would seem that it is about time to let the Committee on Appropriations take another look before we have a rollcall on these nine or all amendments.

The amendment which I offered here in the committee to permit a return of the bill to the committee in the hope we might get the best possible bill was ruled out of order. In order to get an opportunity to recommit with instructions sending the bill back to the committee and asking the committee to report within 5 days, giving the committee an opportunity to reconcile its thought with the thought which the House has expressed here by the adoption of these amendments, it is necessary to strike the enacting clause of the bill, go back to the House, and then in the House offer the motion to recommit with instructions. Unless the committee now strikes the enacting clause, the first order of business when we go back into the House will be to vote at least 9 times on rollcalls. A vote on amendments will be the first order of business—unless the enacting clause is stricken now. We will not get an opportunity to offer a motion to recommit until after the rollcall has been had either 8 or 9 times on amendments, unless the pending amendment is adopted.

If Members desire to give the Committee on Appropriations an opportunity to look over the RECORD, and read some of the arguments which have been advanced in favor of the amendments which the committee has adopted, this is the way and the only way to do it. Something was said a while ago when a similar motion was offered about someone being afraid to stand up and be counted. That statement is repudiated, not only for myself, but I think I can safely say for the majority if not all the Members of the House. That was a charge of being cowardly. There was no justification for it. Is not this proposal the sensible way to get the best possible bill? Give the Committee on Appropriations—it does not claim to be perfect—an opportunity to read the RECORD and consider the will of the House, then come back within 5 days with a bill which would at the worst, be an attempt to reconcile in major part the differences of opinion which admittedly exist and let the House vote on a compromise which will give the best bill possible.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and on a division (demanded by Mr. HOFFMAN) there were—ayes 20, noes 103.

So the motion was rejected.

The Clerk concluded the reading of the bill.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. FORAND, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6287) making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. FOGARTY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. FOGARTY. Mr. Speaker, I ask for a separate vote on the Smith amendment, page 3, line 2; I ask for a separate vote on the Budge amendment, page 4, line 18; I ask for a separate vote on the Smith amendment, page 5, line 8; I ask for a separate vote on the Murray amendment, page 11, line 7; I ask for a separate vote on the Andersen amendment on page 11, line 12; I ask for a separate vote on the Hébert amendment, page 11, lines 23 and 24; I ask for a separate vote on the Jonas amendment, page 13, line 7; I ask for a separate vote on the Dorn amendment, page 19, line 15; and a separate vote on the Fisher amendment, page 25, lines 1 to 4.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. TABER. Mr. Speaker, I demand a separate vote on every amendment.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further proceedings under the bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOFFMAN. I object, Mr. Speaker.

AUGUST J. STRIGGA

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2046) for the relief of August J. Strigga, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, and page 2, line 1, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN. Mr. Speaker, reserving the right to object, and I am not going to object, but for the information of the House, I would like to inquire of the gentleman from Massachusetts if these amendments have been agreed to by the minority members of the committee.

Mr. LANE. They have.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. JOHN WILLIAM BRENNAN

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1863) for the relief of Mrs. John William Brennan, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 10, after "Senior" insert ": *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

JAMES L. BOSTWICK

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3322) for the relief of James L. Bostwick, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out all after "1955" over to and including "$1,000" in line 5 on page 2.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I renew my request previously made to meet tomorrow morning at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MURRAY. I object, Mr. Speaker.

EXTENSION, RECONSTRUCTION AND REPLACEMENT OF CENTRAL PORTION OF UNITED STATES CAPITOL

Mr. RAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAY. Mr. Speaker, it is important that the House, in conducting its own affairs, set an example in the way of reducing expenditures and the drain upon the Treasury which comes with expenditures. The plans for extending the Capitol Building and for a new House Office Building and for remodeling existing buildings fall in that category. These two projects will run to about $100 million before completion. I am introducing two resolutions today in an effort to obtain prompt study and report by committees consisting of members who have not heretofore been involved in those plans as to whether or not the two projects can be deferred. The amounts appropriated thus far and the amounts expended are set forth in the resolutions.

The two resolutions are as follows:

Whereas, on March 3, 1905 (H. Doc. No. 385 of the 58th Cong.), a joint commission of Congress reported a plan for the extension, reconstruction, and replacement of the central portion of the United States Capitol; and

Whereas the Congress by Public Law 242, 84th Congress, 1st session (pp. 17 and 18) authorized the Architect of the Capitol, under the direction of the Commission for the Extension of the United States Capitol, to provide for said extension, reconstruction and replacement in accordance with scheme B of the architectural plan aforesaid, with such modifications and additions as might be approved by said Commission; authorized $5 million to remain available for such purposes until expended; and authorized the Architect of the Capitol, within specified limits, to enter into contracts and make expenditures necessary to carry out the purposes of the act and to "obligate the additional sums herein authorized prior to the actual appropriation thereof"; and

Whereas, by Public Law 406, 84th Congress, 2d session (p. 3), Congress amended said Public Law 242 by authorizing an appropriation of "such additional sums as may be determined by said Commission to be required for the purposes hereof"; and

Whereas the Congress, by Public Law 624, 84th Congress, 2d session, appropriated an additional $12 million for use by the Architect of the Capitol, under the direction of the Commission for the Extension of the United States Capitol, to provide for the foregoing purposes; and

Whereas of the total of $17 million thus appropriated, $8 million have been obligated and of said latter amount some $4 million have been expended, and it is expected that the remainder of said $17 million will be required for studies and plans and other actions necessary and preliminary to the preparation of specifications and contracts for the project; and

Whereas many Members of Congress have expressed their views that extension of the Capitol and other work contemplated by the portions of Public Law 242 and Public Law 624 above referred to should not be undertaken without further consideration by both Houses of Congress: Therefore be it

Resolved, That a special joint committee of nine be appointed by the Speaker of the House of Representatives and the President of the Senate to consider and report to said bodies as to whether or not it is necessary, and, if not necessary, is desirable, to proceed with said project at this time. The Speaker of the House of Representatives and the President of the Senate shall each appoint 4 members of said committee, 2 of whom shall be Republicans and 2 Democrats. No member of the committee shall be a member of the Commission for the Extension of the United States Capitol. An additional member shall be agreed upon and named jointly by the Speaker of the House of Representatives and the President of the Senate to act as chairman of said special joint committee.

House Resolution —

Resolution to provide for the appointment of a special committee to investigate and report upon the need for a new House Office Building at this time

Whereas the Congress by Public Law 24, 84th Congress, 1st session (pp. 13 and 14), authorized the acquisition of sites and the construction of an additional fireproof office building for the use of the House of Representatives, and for the making of changes in existing House Office Buildings, all in accordance with the plans to be prepared by or under the direction of the Architect of the Capitol and the House Office Building Commission; appropriated $5 million for said purposes and authorized the Architect of the Capitol, under the direction of said Commission to obligate additional sums prior to the actual appropriation thereof; and

Whereas Congress by Public Law 624, 84th Congress, 2d session (p. 11), appropriated an additional $10 million; and

Whereas all of said $15 million has been obligated for services preliminary to the placing of contracts for actual construction; and

Whereas the budget for fiscal 1958 contains an item of $7,500,000 for additional preliminary work; and

Whereas many Members of the House of Representatives have expressed the desire that contracts for the construction of the new House Office Building, and for alterations in the existing buildings incidental to that construction, be deferred until later years:

Resolved, That the Speaker of the House of Representatives appoint a committee of five, no one of whom shall be a member of the commission above named, to consider and report to this House as to whether or not it is necessary, and, if not necessary, is in their judgment desirable to proceed further with said project at this time.

COLORADO RIVER STORAGE PROJECT

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent that the gentleman from Utah [Mr. DAWSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. DAWSON of Utah. Mr. Speaker, yesterday—coincident with the beginning of hearings before the House Appropriations Committee—my colleague from southern California introduced legislation to repeal the Colorado River storage project now under construction in Utah, Wyoming, Arizona, Colorado, and New Mexico.

Hoping to take advantage of the laudable concern Members of this House have shown over the size of the Federal budget, he asks Congress to halt all construction and abandon a project upon which we already have spent $9 million and which—and this is important—the residents of the four-State area to be benefited have promised to repay.

I sincerely hope that the membership of this body will see through this latest attempt by southern California to prevent four Western States from utilizing

their last major source of water—water that has been allocated to them by solemn compact of which California is a signatory State.

In support of his latest legislative attempt to wreck the greatest reclamation project in the history of this Nation, the gentleman from California renews objections that were thoroughly considered by the 84th Congress—thoroughly considered and found wanting.

He objects to the continued construction of Glen Canyon Dam on the basis that it will be used to store water. For the gentleman's information that is the purpose for which Congress authorized the dam and appropriated funds for its initial construction. Of course, we intend to store water in it and the sooner the better.

Basically the issue is: Shall the upper basin's share of the Colorado River water be put to consumptive use or shall it be used to furnish secondary power at dump power rates to a few favored southern California industries. There is no other issue.

Mr. Speaker, the gentleman from California gives the impression in his statement that the initial filling of Glen Canyon Dam would seriously deplete the flow of the Colorado River "over a considerable period of time." There is no question that filling a dam cuts the flow of the river below that dam but the Colorado River compact provides that this flow cannot be cut below a certain figure. The legislation authorizing the Colorado project provides that it must be operated in conformity with the compact. The gentleman's fears are groundless.

He mentions the figure of 3 million acre-feet which will be backed up behind Glen Canyon during the initial phase of construction. That amount of water can be stored on a river the size of the Colorado in a period of 30 days. During this storage period, ample water will continue to be released to keep the operation of the dam within the terms of the compact.

The southern California Congressman in his address questioned the engineering of the dam. We members from the upper basin States can only wonder why southern California never questions the ability of the engineers of the Bureau of Reclamation when California projects are designed. Apparently the engineering ability of the Bureau—to which Hoover Dam is a monument—is deficient only if it is used to design dams to store water which otherwise would run through southern California to waste in the Pacific Ocean.

The appointment of a commission of independent engineers for Glen Canyon Dam is not new. It is standard procedure for every major reclamation project ever undertaken, to appoint such engineers to advise on construction after the contracts are let. An independent commission also was appointed during the construction of Hoover Dam.

Much has been said about the Bureau's tendency to underestimate costs of construction of its projects. The gentleman from southern California raised that question yesterday. For the information of the Members I herewith submit a chart showing the Bureau's estimate and the actual bid amount on contracts let to date under the Colorado River Storage Project Act.

You will note on the chart that with the exception of the contract for a bridge, all bid prices were near or below the engineer's estimate. The bridge is a joint venture being financed by Arizona, the Bureau of Public Roads, and the Bureau of Reclamation.

If the gentleman from California seeks to find a project which has not run from 30 to 50 percent higher than estimated costs he should look at the Upper Colorado River storage project.

Members will recall the hundreds of thousands of dollars spent by southern California during the past 3 years to defeat this project. They will recall the debate on this project in which the propaganda put out by southern California interests was thoroughly discredited.

The Upper Colorado storage project—along with Hoover Dam, Grand Coulee Dam, and other great reclamation structures—will continue on schedule and within the next decade will be contributing its wealth of water and power to the well-being of an area and the prosperity of the Nation.

Colorado River storage project

GLEN CANYON UNIT

Specification and job description	Contractor	Date awarded	Bid amount	Engineer's estimate
409C-63—Exploratory drilling and water testing at Glen Canyon damsite.	Carmon Diamond Drilling Co., Compton, Calif.	Aug. 14, 1956	$188,185	$172,839
DC-4747—Right diversion tunnel	Mountain States Construction Co., Denver, Colo.	Oct. 1, 1956	2,452,340	3,845,100
DC-4750—Earthwork and culverts, access highway, station 13867 to station 40000.	Strong Co., Springville, Utah	Sept. 21, 1956	1,156,244	1,014,633
DC-4756—Earthwork and structures, station 40000 to station 149750 and Waterholes Canyon Bridge.	W. W. Clyde & Co., Springville, Utah.	Oct. 30, 1956	1,011,820	832,663
DC-4900—Colorado River bridge	Kiewit-Judson Pacific Murphy, Emeryville, Calif.	Jan. 21, 1957	4,179,277	2,944,750
409C-62—Completion of gravel surfacing, Arizona-Utah State line to Glen Canyon dam site and Wahweap Creek roads.	Ford-Fielding, Inc., Provo, Utah	Nov. 6, 1956	36,801	73,220
Total			8,944,667	8,983,186
FLAMING GORGE UNIT				
DC-4770—Earthwork and structures, bridge and surfacing, access road, station 0+00 to station 402+00.	Wangsnard Construction Co., Logan, Utah.	Jan. 4, 1957	143,912	171,342
Total			9,088,579	9,054,528

NOTE.—For contracts let through January 1957 bids were $34,051 or 0.4 percent greater than engineer's estimate.

INSURANCE PROBLEMS IN POTENTIAL ACCIDENT IN PRIVATE ENTERPRISE ATOMIC ENERGY ESTABLISHMENTS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, early in 1953, the Atomic Energy Commission became concerned about the possibility of a catastrophic accident in the newly proposed private enterprise atomic energy establishments. A committee of outstanding insurance executives was appointed to make a close study of the insurance problems created by the expanded industrial participation in atomic energy installations and to make appropriate recommendations to the Atomic Energy Commission including legislation considered necessary.

This committee issued a preliminary report on July 13, 1955.

Among the recommendations of this group:

8. In order to promote the insurability of such enterprises and increase insurance capacity, it is believed absolutely necessary that the present Reactor Safeguards Committee or a similar committee continue to function and that stringent safety standards be maintained as a condition precedent to licensing under the 1954 act. This would involve periodic inspection as to compliance as a condition for the continuance of the license.

Because this committee said it is absolutely necessary that the Reactor Safeguards Committee continue to function, last week I introduced H. R. 6471, identical with the bill introduced in the Senate, S. 1684, by Senator ANDERSON of New Mexico, a leading expert in matters dealing both with atomic energy and insurance.

Senator ANDERSON said on introducing the bill:

We should strive to prevent, through every possible means, the occurrence of an atomic catastrophe which could cause widespread damage and set the atomic energy program back many years. We should establish procedures which are open to all, with a maximum of information disseminated as to the hazards and safety of each proposed design of a reactor, and as to the administrative considerations and actions taken on each application. The public has a substantial investment in the atomic energy program and has a right to know and analyze the steps being followed by administrative officials (p. 4093, CONGRESSIONAL RECORD, March 21, 1957).

I can well imagine, Mr. Speaker, the reasons that motivated the introduction of this bill. The Joint Committee on Atomic Energy had scheduled extensive hearings and the Atomic Energy Commission had complied with the request of the joint committee that it file a report entitled "Theoretical Consequences of a Large-Scale Nuclear Accident." This report says that, and I quote:

In the worst possible circumstances, property damage may total up to $7 billion and that human tragedy will include killed and injured up to a distance of 45 miles.

In his testimony before the Joint Committee on Atomic Energy on March 2, Mr. Strauss says—at page 10—the figure relating to property damage "is largely due to assumed contamination of land with fission products."

Just yesterday Mr. Strauss held his first press conference in 18 months, in which he reported that three nuclear reactors are already built, 1 in 1951 and 2 in 1956. Three are under construction with a completion of one scheduled for this year, 1 scheduled for completion in 1958 and 1 in 1959. Four additional nuclear reactors are in advanced design for contemplated construction in this country with no completion date established. If only one of these reactors experience an incident, Mr. Strauss himself advised the Congress that the reactor being built on Lake Erie is "the most hazardous of all reactors" then, under this proposal the Federal Government would be liable for a greater sum of damage claims than the total which our friends on the other side of the aisle are attempting to cut from the President's budget.

Mr. Speaker, if this reactor is so hazardous that Mr. Strauss and other witnesses can come down here and tell the Congress that $500 million worth of liability is inadequate and that an unlimited amount of liability is necessary, I say, Mr. Speaker, this reactor is too dangerous for testing near a populated center.

This reactor is being subsidized by the Atomic Energy Commission. According to reports, this $10 million is being supplemented by a premium price on the plutonium being produced of over $36 million. In other words, Mr. Speaker, this reactor which has a total cost of approximately $43 million is receiving a Federal Government subsidy of $46 million and yet, the president of this company comes to the Congress and asks for approximately $500 million insurance on this reactor, even though construction is going ahead against the advice of the AEC's own Advisory Committee on Reactor Safeguards.

Mr. Speaker, I am concerned about another aspect of this proposal. Following the issuance of the task force preliminary report of the insurance study group, the insurance industry has formed two funds to provide a basic minimum from the insurance industry. This coverage totals $65 million. Mr. Speaker, if I read the hearings correctly, when Admiral Strauss testified on behalf of the administration, he proposed certain changes in the pending bills which eliminate the responsibility for payment of the $65 million base liability and require the Federal Government to pay the total damage under certain circumstances. Witnesses were questioned very closely on this aspect by one of the most informed experts on insurance in the Senate of the United States, Senator ANDERSON. Each witness questioned confirmed the fact that, under the conditions described, the Federal Government would pay the total damage and the insurance industry would be absolved of all liability. I do not understand how such a proposal could possibly be made. If there are those who feel this bill will go sailing through the Congress without any concern by the responsible Members as to the effect it would have on the budget or the national debt of the United States, they are mistaken. If these reactors are so hazardous, can we not test them, as was the prototype for the *Nautilus*, in a remote location until we know enough about them to put them near or even in our cities without creating the need for such extensive insurance as is requested in these pending bills and by this kind of testimony?

I make these remarks, Mr. Speaker, to call attention of the Members of the House to this matter which is so vitally important to large segments of our Nation's population.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Ohio.

Mr. ASHLEY. I commend the gentleman on a very perceptive statement. As a Representative from the Toledo community, I share the concern the gentleman feels with respect to the breeder type reactor which is proposed for the Laguna Beach project which is currently under construction. I am interested in what the gentleman has to say, particularly since he comes from Cleveland, which I suppose is 150 miles or more from the Laguna Beach project. Does the gentleman have any facts relative to the damage which might be incurred if a catastrophe struck the Laguna Beach project as far as the citizens whom he represents in Cleveland are concerned?

Mr. VANIK. In reply to the gentleman, I want to point out that the city of Cleveland is probably a little more than 110 miles from this proposed site over the lake. Cleveland is in the direct path of prevailing winds which would pass over the site and which would conceivably reach the Cleveland area. While the expert testimony has indicated an immediate range of 45 miles as the hazard area, I do not believe the evidence at all excludes the possibility of contaminating the waters of Lake Erie and contaminating the air which passes over the city of Cleveland, flowing in a direct southeasterly direction from this site. I think we are in an area where we should be concerned, although I think our concern is perhaps more removed and somewhat more remote than it is for the citizens of Toledo who are immediately adjacent to the site on the south.

Mr. ASHLEY. I take it the gentleman is in no way opposed to the peacetime development of atomic energy at the Laguna Beach site or even closer to Cleveland, if and when that time ever comes. What the gentleman is opposed to, I take it, is this development or installation of this particular type of reactor at the Laguna Beach project; is that correct?

Mr. VANIK. That is a correct statement. I feel the establishment of the so-called hot breeder type reactor in this area is one that should have been located in a more remote area until it has been thoroughly tested and until safeguards have been established, and until we might have had some experience with the kind of development contemplated. It seems to me it was certainly unwise for the Commission to authorize this type reactor in so highly a populated area.

Mr. ASHLEY. I am in complete concurrence with the gentleman's position on this matter. I think it might be of interest to you to know that on January 16 of this year, I wrote to the chairman of the Joint Committee on Atomic Energy, the Honorable CARL T. DURHAM, expressing the interest and concern of the constituents of my district in Toledo, Ohio, regarding the application of the Detroit Edison Co., known as the Power Reactor Development Co., to construct a fast breeder nuclear powerplant at Laguna Beach, Mich.

I noted in that letter that Detroit Edison was requesting public insurance to indemnify for loss of life and property damage resulting from a nuclear plant accident. Subsequently, I had a reply from the chairman of the joint committee to the effect that it has been and will continue to be vitally interested in all questions affecting the public health and safety.

Mr. Speaker, Members of this House know from the report and the hearings issued by the Appropriations Committee last July that the AEC's own Advisory Committee on Reactor Safeguards had considered the design proposed by the Detroit Edison Co. and rejected it.

After the Congress adjourned, the Chairman of the Atomic Energy Commission, who had announced that he was going to a ground-breaking ceremony early in June, granted the permit to the Detroit Edison Co. to proceed with the construction, even though his own Advisory Committee recommended against it.

The chairman of the Joint Committee on Atomic Energy issued a statement in protest. Senator CLINTON ANDERSON said in part:

4. From a practical standpoint, AEC might feel obligated to go on through with a bad deal with respect to public safety because they will have permitted the expenditure of huge sums under the construction permit. It is my belief that decisions on safety should be made without any examination of dollars involved but only from the standpoint of human lives.

When queried about this problem before the Appropriations Committee, Mr. Strauss said on July 3, 1956, that he was waiting for the Congress to enact the insurance legislation before the Atomic Energy Commission would consider the safety problem of the Detroit Edison design.

As we know, bills have been introduced in the Congress asking for unlimited accident insurance in the event of a reactor blowup.

Mr. Speaker, I note that on March 21, Senator ANDERSON took the above considerations into account when he introduced a bill to protect the public from decisions made on the basis of the dollars involved rather than from the standpoint of human lives.

Mr. Speaker, I am impressed with the purpose and action taken by the Senator from New Mexico in this regard and I have, therefore, introduced today in the House an identical bill. This bill provides for amendment of the Atomic Energy Act of 1954 to require the establishment of a Committee on Reactor Safeguards with a maximum of 15 members. This committee shall have the obligation to review safety studies and facility license applications for all power reactors referred to it by the AEC.

The committee shall advise the Commission with regard to the hazards of the proposed reactor facilities and the adequacy of the proposed safety standards. All reports of the committee shall be made public. Following the publication of these reports, the AEC is required to issue notice in the Federal Register regarding contemplated action on any license application. After 30 days of such notice, the Commission is required to hold a public hearing.

Mr. Speaker, I commend the purpose of this bill to the members of the Joint Committee on Atomic Energy and hope that early hearings may be held. Passage of this measure I am sure will be for the protection and benefit of the residents of Toledo and other areas whose very lives depend upon progress and safety going hand in hand.

HOPKINTON-EVERETT PROJECT

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and place in the RECORD a letter received by me from General Fleming.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have in my hand a letter from General Fleming, of the Corps of Engineers of the United States Army, Office of the Division of Engineers, New England. He says:

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DIVISION ENGINEER,
Boston, Mass., March 29, 1957.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: In accordance with our telephone conversation, I am pleased to furnish you with information concerning the Hopkinton-Everett project.

The Merrimack River problem is the greatest unsolved flood control puzzle in New England. Fortunately, the construction of the Hopkinton-Everett project is the key to its solution. If the 1936 and 1938 floods were to recur today the flood damages would exceed $74 million in New Hampshire and $140 million in Massachusetts. The operation of Hopkinton-Everett Reservoir together with the flood-control reservoirs already built would prevent 55 percent of the damage in New Hampshire and 70 percent in Massachusetts.

Although $50,000 in planning funds was provided this fiscal year for Hopkinton-Everett no money could be used until concurrence in the project had been given by the State of New Hampshire. Due to this lack of concurrence at the time our budget requests were submitted it was impossible to request funds for this project for fiscal year 1958.

As you know, recent favorable action by the New Hampshire Legislature gave Governor Dwinell necessary authority to commit the State of New Hampshire to the project. Immediately upon the removal of the legal roadblock Governor Dwinell wrote to me giving the formal concurrence of the State of New Hampshire. This cleared the way for initiation of planning which is now getting under way.

When a project is authorized we develop a tentative schedule for surveys, planning, and construction, which is revised from year to year. This schedule is made up without any reference to other projects in the division, the total civil works program, or other program needs of the Government, or the availability of men or equipment generally in any 1 year. It, therefore, is a figure for internal planning purposes only. That figure for this project is $600,000 for fiscal year 1958 and would include planning and some funds for limited real estate acquisition. For your further information the President has directed that our fiscal year 1958 expenditures as estimated in his budget presented to the Congress, be considered as the maximum that can be made within the overall fiscal policies of the administration for that year. Since no funds are included in the budget for the Hopkinton-Everett project, no funds can be utilized for this project and meet the administration's objectives.

Sincerely yours,

ROBERT J. FLEMING, Jr.,
Brigadier General, United States Army,
Division Engineer.

Mr. Speaker, there are $50,000 in planning funds that the engineers can already use in 1957 but they need, according to General Fleming, $600,000 for plans and certain land purchases for the fiscal year 1958. There is nothing in the budget for 1958 because at the time the budget was made up the compact between New Hampshire and Massachusetts had not been signed which would approve of the plan. The authorization already exists for the flood-control map and the compact already signed by them does not have to be approved by the Congress, although that formality will be prolonged by cost hazards; the authorization to go ahead with the projects already exists.

I understand that a committee of the Senate today approved the compact between New Hampshire and Massachusetts, and the gentleman from Massachusetts [Mr. LANE] has a compact to be approved by the Public Works Committee of the House. The gentleman from New Hampshire [Mr. MERROW] and I introduced companion bills, H. R. 6437 and H. R. 6438, and the chairman of the Appropriations Committee has promised us a hearing on those bills which provide for an appropriation of $800,000 for Merrimack River projects.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the invocation of the gentlewoman from Indiana which she delivered at the dinner of 1,500 cheering Republican women last night be placed in the RECORD on Thursday. It was a very beautiful invocation. The gentlewoman is a great Christian as well as a fine legislator.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OFFICE OF THE DOORKEEPER OF THE HOUSE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the hysteria of economy which has swept the Congress apparently is based on a tremendous lot of misinformation that is being spread throughout the country by newspapers which has published many articles and have advised their people to write their Congressman. One chain of newspapers which I will refer to as the Knight newspapers being owned by an individual and his family by the name of Knight, has recently published a lot of suggested cuts for the Congress to make and has said that in case the Congress does not know how to cut the budget this newspaper will give the Congress advice on how to cut it.

One glaring misconception which they have was printed in their newspaper. It said that they noted that the Congress pays something like $16,500 a year to a man to keep the door, a doorkeeper; and they went on at some length to show what an unjustified expense this was.

They referred, of course, to our Doorkeeper, William M. Miller, whom many of us affectionately address as "Fishbait," a nickname of affection. I just want to call to the attention of this list of papers and its readers—and I hope that my remarks will be printed by them, although my hope is probably ill-founded—that the position of Doorkeeper of the House of Representatives dates back from the 2d day of the 1st session of the 1st Congress, whereby the House of Representatives resolved that "a Doorkeeper and an Assistant Doorkeeper be appointed for the service of this House." This action took place on March 5, 1789.

The Library of Congress has furnished on request a list of the names of the doorkeepers who have served since that time, including our present Doorkeeper, Mr. William M. Miller, of Mississippi.

I ask unanimous consent that this list be printed in my remarks, Mr. Speaker; and I also ask unanimous consent that the duties of the Doorkeeper be printed here. I note that in addition to many tasks which the House has put upon his shoulders that he supervises between 250 and 300 employees. I ask unanimous consent that these two additional compilations of material be inserted in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(The matter referred to follows:)

Doorkeepers of the House of Representatives

Congress	Year	Doorkeeper	State	Congress	Year	Doorkeeper	State
1st	1789	Gifford Dalley		44th	1875	John H. Patterson	New Jersey.
2d	1791	do		45th	1877	Charles W. Field	Georgia.
3d	1793	do		46th	1879	do	Do.
4th	1795	Thomas Claxton		47th	1881	Walter P. Brownlow	Tennessee.
5th	1797	do		48th	1883	James W. Wintersmith	Texas.
6th	1799	do		49th	1885	Samuel Donaldson	Tennessee.
7th	1801	do		50th	1887	A. B. Hurd	Mississippi.
8th	1803	do		51st	1889	Charles E. Adams	Maryland.
9th	1805	do		52d	1891	Charles H. Turner	New York.
10th	1807	do		53d	1893	A. B. Hurd	Mississippi.
11th	1809	do		54th	1895	William J. Glenn	New York.
12th	1811	do		55th	1897	do	Do.
13th	1813	do		56th	1899	do	Do.
14th	1815	do		57th	1901	Frank B. Lyon	Do.
15th	1817	do		58th	1903	do	Do.
16th	1819	do		59th	1905	do	Do.
17th	1821	Benjamin Birch	Maryland.	60th	1907	do	Do.
18th	1823	do	Do.	61st	1909	do	Do.
19th	1825	do	Do.	62d	1911	Joseph J. Sinnott	Virginia.
20th	1827	do	Do.	63d	1913	do	Do.
21st	1829	do	Do.	64th	1915	do	Do.
22d	1831	Overton Carr	Do.	65th	1917	do	Do.
23d	1833	do	Do.	66th	1919	Bert W. Kennedy	Michigan.
24th	1835	do	Do.	67th	1921	do	Do.
25th	1837	do	Do.	68th	1923	do	Do.
26th	1839	Joseph Follansbee	Massachusetts.	69th	1925	do	Do.
27th	1841	do	Do.	70th	1927	do	Do.
28th	1843	Jesse E. Dow	Connecticut.	71st	1929	do	Do.
29th	1845	Cornelius S. Whitney	Washington, D. C.	72d	1931	Joseph J. Sinnott	Virginia.
30th	1847	Robert E. Horner	New Jersey.	73d	1933	do	Do.
31st	1849	do	Do.	74th	1935	do	Do.
32d	1851	Z. W. McKnew	Maryland.	75th	1937	do	Do.
33d	1853	do	Do.	76th	1939	do	Do.
34th	1855	Nathan Darling	New York.	77th	1941	do	Do.
35th	1857	Robert B. Hackney	Virginia.	78th	1943	do	Do.
36th	1859	George Marston	New Hampshire.			Ralph R. Roberts	Indiana.
37th	1861	Ira Goodnow	Vermont.	79th	1945	do	Do.
38th	1863	do	Do.	80th	1947	M. L. Meletio	Missouri.
39th	1865	do	Do.	81st	1949	William M. Miller	Mississippi.
40th	1867	Charles E. Lippincott	Illinois.	82d	1951	do	Do.
41st	1869	Otis S. Buxton	New York.	83d	1953	Tom Kennamer	Missouri.
42d	1871	do	Do.	84th	1955	William M. Miller	Mississippi.
43d	1873	do	Do.				

Source: De Alva Stanwood Alexander's History and Procedure of the House of Representatives, Houghton Mifflin Co., 1916. Pp. 396–397. CONGRESSIONAL RECORDS, 62d–84th Congs.

DUTIES OF THE DOORKEEPER

The Doorkeeper has supervision over the following departments, which are a part of the machinery that helps keep Congress in operation:

1. Messengers to the Doorkeeper.
2. House pages.
3. Three barber shops.
4. Three ladies' retiring rooms.
5. Document room.
6. Janitor service.
7. Two cloakrooms, lunch counters.
8. Two cloakrooms, 26 telephones.
9. Folding room.
10. Wastepaper baling machine.

The Doorkeeper makes all the many necessary arrangements for a joint session of Congress. Such as issuing tickets to each Member of the House and Senate, the White House, the Cabinet, the Supreme Court, and all radio, periodical, television, newsreel, and still photographers.

The Doorkeeper announces to the House the arrival of dignitaries (and others when there is a joint meeting or a joint session) and the arrival of messages in writing from the President of the United States and the other body.

The Doorkeeper supervises the initial issuing of all House gallery passes.

The Doorkeeper is responsible for the orderly way in which all newspapers are placed on the racks in the Speaker's lobby.

The Doorkeeper must keep up with or ahead of the legislative action that takes place on the House floor, so that he may be able to give an intelligent answer when any Member asks him about such procedures.

The Doorkeeper must enforce strictly the rules relating to the privileges of the Hall and be responsible to the House for the official conduct of his employees.

The Doorkeeper at the commencement and close of each session of Congress shall take an inventory of all the furniture, books, and other public property under his charge, and report the same to the House, which report shall be referred to the Committee on House Administration to ascertain and determine the amount for which he shall be held liable for missing articles.

The Doorkeeper shall allow no person to enter the room over the Hall of the House during its sittings; and 15 minutes before the hour of the meeting of the House each day he shall see that the floor is cleared of all persons except those privileged to remain, and kept so until 10 minutes after adjournment.

While the Speaker is putting a question or addressing the House no Member shall walk out of or across the Hall, nor, when a Member is speaking, pass between him and the Chair; and during the session of the House no Member shall wear his hat or remain by the Clerk's desk during the call of the roll or the counting of ballots, or smoke upon the floor of the House; and the Sergeant at Arms and the Doorkeeper are charged with the strict enforcement of this clause.

The Doorkeeper and his assistants are responsible for the keeping of the doors of the House of Representatives, both the floor level and the gallery level.

The Doorkeeper and his assistants are to close all doors (floor level) during a quorum call.

The present Doorkeeper assists the majority leader in preparing the whip notice for the coming week.

The present Doorkeeper has been elected as the Doorkeeper for the Democratic caucus for the 85th Congress.

The Doorkeeper sees that all rules and regulations of the House are obeyed and order is maintained in the galleries. Such as no packages, bundles, cameras, suitcases, or briefcases are allowed in the galleries. Standing or sitting in the doorways and aisles, smoking, applause, reading, taking notes, taking of photographs, and the wearing of hats by men are prohibited. No hats, coats, or other objects may be placed on the railings; visitors are prohibited from leaning forward over the railings or placing their hands thereon.

The Doorkeeper advises all Democratic Members in the Speaker's lobby and in the dining room the bill or amendment being voted on, whenever the occasion arises.

The present Doorkeeper sends out all Democratic caucus notices.

The present Doorkeeper has been in the past, and expects to be in the future, the Doorkeeper at the Democratic National Convention.

AID FOR ORCHARDISTS IN EASTERN OREGON

The SPEAKER. Under the previous order of the House the gentleman from California [Mr. ULLMAN] is recognized for 10 minutes.

Mr. ULLMAN. Mr. Speaker, today I introduced two bills which are designed to aid a group of orchardists in eastern Oregon who were the unfortunate victims of a severe and unprecedented freeze. It is my understanding that similar legislation will be introduced by Senator MORSE and Senator NEUBERGER.

This freeze, which occurred in December of 1955 in the Milton-Freewater area of Umatilla County, was of disaster proportions. It caused the complete destruction of practically all of Umatilla County's 4,558 acres of prune, apple, peach, and sweet cherry trees.

The orchards in this area were among the finest in the Nation. The industry was built up and operated by skillful farmers who had fine reputations for industry, resourcefulness, and financial responsibility. They and their industry were a credit to the area in which they lived and to the State in general. Yet, overnight, and without the slightest fault on their part, farmers who had established and maintained a thriving fresh-fruit industry found their source of livelihood wiped out.

I have personally inspected the freeze-stricken orchard area and I am fully aware of the fact that the damage suffered by the orchardists is enormous. Certainly the devastation which has occurred is as extensive as that which has been caused through major floods and droughts in other localities for which Federal assistance has been made available.

Mr. Speaker, this is an area well suited to the production of fresh fruit and one which I believe should be restored. Moreover, I firmly believe that it should be restored in such a way that the family-sized farm, which has been the basic farm unit in the area, be maintained. We have become increasingly aware that the effects of disasters which occur through no fault of individuals must be mitigated in certain instances through Federal assistance. I submit that the orchard area in my district is such an instance.

In conjunction with the two Senators from Oregon, Senator MORSE and Senator NEUBERGER, I have brought this matter to the attention of the Department of Agriculture, and in particular to the attention of the Soil Conservation Service and the Farmers' Home Administration. We have held conferences and exchanged a good deal of correspondence. A limited amount of progress has been made through these efforts. Yet, the Department of Agriculture still maintains that it does not have the authority to provide the type of financial assistance which is needed if this area is again to be restored as a productive industry and source of income.

The Department of Agriculture has expressed its willingness, if funds are made available through the enactment of the Senate version of the urgent deficiency appropriation bill, to assist, on the basis of a cost-sharing arrangement, in the removal of dead trees, leveling of land and seedbed preparation. They have refused, however, to make such an arrangement applicable for the replanting of nursery stock. Moreover, the Department of Agriculture has categorically refused to make the cost-sharing arrangement applicable to work which has already been done or work which is now in progress.

We, of course, appreciate this limited form of aid. But, unfortunately, it is not sufficient to rehabilitate the fresh-fruit industry in the Milton-Freewater area. Anyone familiar with orchard cultivation is aware that it takes from 5 to 8 years after planting of nursery stock before any fruit crop can be harvested. During that period there is, of course, no income. Farmers Home Administration has stated that loans could be made available to orchardists but only with the understanding that repayment would begin 2 years after the loan was granted. I submit that such an arrangement is of little assistance in the disaster area of eastern Oregon. It is clearly impossible for repayment of loans to be made until a fruit crop is ready for marketing, and this, of course, would not occur for 6 to 10 crop years.

Mr. Speaker, we have exhausted every possibility of obtaining satisfactory action from the Department of Agriculture. Reluctantly, we have reached the conclusion that it is only through the enactment of legislation that needed aid can be obtained for the disaster area. It is for this reason that I have today introduced this legislation.

Mr. Speaker, the legislation which I am proposing is in the form of two bills. The first of these bills would authorize the Secretary of Agriculture to make emergency loans to eligible orchard operators and owners in areas which have been declared production disaster areas. Under the terms of this proposed legislation, an orchard operator would be eligible for assistance if (a) he has suffered substantial financial losses, (b) he has any need of financial assistance which he cannot obtain through private credit sources on such terms and conditions as he can reasonably be expected to meet, and (c) he has a good chance of repaying it.

Initial repayment installments would be deferred until income could reasonably be expected from the orchards. Provision is also made for refinancing of existing secured or unsecured indebtedness of orchard operations.

This proposed legislation limits the amount which can be outstanding for orchard loans at any one time to a total of $10 million. I believe that this amount will provide sufficient funds to initiate this program and, of course, can be increased if expansion of the program is needed in the future.

Mr. Speaker, the second bill which I have today introduced would amend the Soil Conservation and Domestic Allotment Act so as to authorize the inclusion in agricultural conservation programs of activities carried out in connection with the reestablishment of orchards destroyed by production disasters. Enactment of such legislation would authorize a cost-sharing arrangement for purposes of preparing the orchard land and for the purpose of purchasing nursery stock for replanting. The cost-sharing arrangement would be made applicable to work which has been done on the orchard lands from the time at which the Secretary of Agriculture declared the region to be a production disaster area.

Mr. Speaker, there is an urgent need for prompt enactment of this legislation. These orchardists have been waiting since the freeze occurred at the end of 1955. They have done what they could to again prepare their land for replanting. But as is the case with any major disaster, the victims seldom have sufficient funds to repair the damage and destruction wrought by such disaster. During the past few weeks, I received numerous letters from the orchardists in this area. In closing, I ask that the text of some of these letters be included in my statement for I believe they express far more adequately than I can the need for this legislation:

MILTON-FREEWATER, OREG., *March 9, 1957.*

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: I want to thank you for the fast action you got for help in the flood damage done in eastern Oregon the past few weeks. I hope you come out as well in your efforts to obtain help for the fruit growers in Milton-Freewater. Help will have to come very soon now or a good many farmers will lose another year in getting their farms in production again.

As you know, a good many farmers are either too old to go out and work and take care of their farms, or they are like myself and just have too much farm to allow taking on an outside job. I am farming about 50 acres of fruit land and I work out a day now and then but it is impossible to work out very much. Our land is not suitable for anything much but fruit. Hoping you can do something for us. I thank you.

Sincerely yours,

WALLACE F. BULLOCK.

MARCH 13, 1957.

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR SIR: For some time the Milton-Freewater disaster committee has been seeking assistance for the fruit farmers of this area. Many men have worked long and diligently for this. We feel that the time has now come to inform you of our individual situations. It is our fervent hope that you will be kind enough to read our letter and give it the consideration we feel you should. Please bear in mind as you read that we would prefer talking with you personally but that is obviously impossible, so we must resort to a letter.

We are, we feel, rather typical of the small farmers of the area. We farm 11 acres of which we had an orchard. Five acres were mature prune trees, and six acres were young apples, just coming into production. We had spent the biggest part of our returns on the prunes to bring the apple trees to bearing age, and had just harvested the first apples from them the fall before the disastrous freeze. The better varieties of trees, such as the Red King apple cost about $1.25 apiece. It is considered by many to be the preferred apple for this area. This with an eye to coming market trends and maturing conditions of the valley. Planting distances vary with personal theory, but it usually takes, including replacements, around 125 trees to the acre. It is very obvious the expense we face when we try to replace these orchards. Sadly enough the expenses don't

cease with the initial planting cost. These trees require constant care. They must be sprayed (an expensive proposition, requiring both material and equipment), fertilized (another expensive item), cleaned about, watered, and pruned to the proper shape. The fast majority of these are slow tedious jobs that must be done meticulously in order to achieve success. Please bear in mind as you consider this matter that it will be from 7 to 10 years before we harvest a commercial crop, and that from the time the trees are planted.

We do not feel we are asking for the moon, but rather an opportunity to be once more self-supporting and independent. We're sure you realize the gravity of the matter and are writing only because without your help we face a more or less degree of extinction.

Hoping to hear favorably from Washington, we remain,

Sincerely yours,

Mr. and Mrs. R. RAY CARTER.

MILTON-FREEWATER, OREG.

MILTON-FREEWATER, OREG., *March 17, 1957.*

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: When you were in this area during the recent campaign, you had a chance to see and learn of the disaster caused by the freeze in the winter of 1955–56. Although you know of the farmers' condition in this regard and have been trying to help, which we greatly appreciate, perhaps we, too, could help ourselves more by informing you of some of our individual problems in this matter.

I have a 30-acre farm which was all in fruit and which was completely lost due to the freeze. Fortunately I did own the farm so I did not feel the effects financially until last summer when the job of cleaning up the place and getting it ready for replanting began. Now it will take more than I can afford just to get new trees planted.

Once the new trees are in it will take at least 8 to 10 years before any profitable crop is realized from them. During this time the trees must be cared for: Sprayed, pruned, irrigated, etc. Perhaps the biggest expense is the spraying because of the equipment involved. This equipment will have to be maintained and, most probably, replaced before 10 years. Another large expense is the necessity of hiring help in rebuilding my orchard and nursing it to maturity. Thirty acres may not seem large in comparison to many farms but with fruit it is not small and is more than one man can handle.

I feel, therefore, that it is essential to have some financial grant to pay the cost of clearing the old orchard and replanting a new one. I understand Congress has been working on some type of grant but wish to express my personal opinion on its necessity. Much of our work has been stalled due to lack of money which will in turn delay us from getting a complete orchard replanted. It is also necessary that such a grant be made available for at least two seasons due to the fact that at this time trees are in such demand it is impossible for all of us to get the types of trees we need.

Since this type of crop is not like other farm crops where one works from year to year for each crop, it should be obvious to anyone, farmer or otherwise, that it is impossible to live and stay in business with no income for 8 or 10 years and still have regular yearly expenses to meet. It should also be obvious to anyone that a short-time loan in this matter would be profitable to no one and even unacceptable because it would be impossible to repay it before the trees start producing. Unless a long-term loan of some type can be worked out, the idea is useless.

Some would think a farmer could get another job to support himself during these years of rebuilding. I certainly wish this were true as I would be the first to take another job while the trees grow; but, unfortunately, this is not the case. Trees require continuous care and attention from the time they are planted until the day they are replaced. In fact, as I have already mentioned, this work not only requires that I stay on the farm but that I also have at least one man helping me.

I have tried to show you by mentioning some of the problems which affect all fruit farmers in this circumstance, the necessity of some grant available now and next season for those who could not complete their replanting this year, and for a long-term loan to help in the years of waiting for the first crop. Without it most of us will be forced to sell our farms or try to start something new which, too, would require aid.

I truly hope you can help us in this matter. Thank you very much.

Sincerely,

WALTER HERMANN.

MILTON-FREEWATER, OREG., *March 9, 1957.*

DEAR CONGRESSMAN ULLMAN: Milton-Freewater Disaster Committee has asked each one of us to write you in regard to reproducing our orchards which will require 7 years to get back in production. We have 28 acres. I have figured it will cost $200 per acre to take out the old orchard and reset it. To raise the orchard up to 7 years, I figure it will cost at least $100 per acre a year, which includes taxes, spraying, fertilizing, cultivation, pruning, and irrigation. This work I would be able to do myself with the aid of this assistance. This much work would keep me at home and I don't have any outside income, which certainly is a problem with a family to support.

Hoping this will be given serious consideration.

Yours very truly,

W. J. MILLER.

MILTON-FREEWATER, OREG., *March 9, 1957.*

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: I feel that your efforts in behalf of the fruitgrowers of the valley is commendable and I sincerely hope that you obtain your objective. In the nearly 50 years we have been here this is one of the most disastrous things that has come our way. In our own case, we had just got our orchard into a profitable bearing stage. We had no real old trees and they were all at a profitable bearing stage. We were faced with the problem of orchard removal and replacement which is no small expense. The least figure we can consider will amount to over $200 per acre. After that there is a long wait of over 7 years before we have any profitable commercial production. We do not feel that we are asking anything unreasonable when we bid for a grant for tree replacement. Further aid in a loan policy by the FHA tailored to fit our needs for further help will be a very necessary complement. For over a term of years it will cost $1 a tree or $100 per acre to pay taxes, irrigation fees, cultivation, and pruning of each acre of trees without considering what the owner is going to live on during that period of waiting. It has often been asked why we cannot change to some other crop that will produce quicker returns with more modern replacement costs. Anyone who has been over the district and seen what our soil formation is can surely understand that our land is of little value for anything but fruit trees. You have to see how rocky our soil is to get a true picture of its possibilities. It is also true that this particular soil formation produces the finest quality of fruit. This is a well recognized fact in the trade as to the quality of our prunes, apples, and cherries.

Hoping you will continue your efforts until you obtained your objective in our behalf, I remain.

Yours truly,

P. S. GIBBONS, Sr.

MILTON-FREEWATER, OREG.,
March 10, 1957.

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: I own 20 acres of land in the disaster zone of Milton-Freewater.

We are trying hard to replant 1,000 trees. To do that we are going to have an expense of $1,750.

It will take 7 years until a profitable production. We surely appreciate any and all efforts made by you before the Congress in our behalf. Thank you so much. May the Lord bless you.

Yours very truly,

MRS. F. A. PEIGNER.

MILTON-FREEWATER, OREG.,
March 18, 1957.

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: I am writing you in regard to our situation here in the Walla Walla Valley since the freeze of 1955. I had 8½ acres of fine orchard and lost everything as many others did and it left most everyone in financial straits. So I hope you will do your utmost in helping to set up some sort of financial aid to help the farmers to get their trees replanted and other expenses that will be incurred in the 9 or 10 years that it will take to get the orchards back into full production.

Hoping you help out in this time of need, I am,

Yours respectfully,

W. M. BREWER.

MILTON-FREEWATER, OREG.,
March 8, 1957.

Congressman AL ULLMAN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: I am one of the farmers who lost a fruit farm in the 1955 freeze. True I have the land, but when you put in many years to raise an orchard so as to have an income for the time when you are unable to farm anymore (I am nearly 64 years old) and when you see everything wiped out overnight with no chance to salvage anything, it hurts.

Many other farmers about 4,300 acres, in fact our total fruit industry, was destroyed through no fault of ours and no finances to get back in a position alone where we can take ourselves out of a position of accepting charity. We feel we are, after these many years of hard work, entitled to help from our Government and are sure that you and our other folks there from Oregon will see to it that we do get the help we need to carry on.

Thank you. I remain yours,

FRANK B. RITCHEY.

REQUESTING PRESIDENT TO ADVISE CONGRESS WHERE REDUCTIONS COULD BE MADE IN EXECUTIVE BUDGET

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, we all remember a few weeks ago that the House, on pretty much a party vote, passed the resolution requesting President Eisenhower to let Congress know where if any reductions could be made in the executive budget that he had sent to Congress. The House, to date, has not received any official reply from President Eisenhower. His recognition of the adoption of the House resolution was the comment he made in a press conference which indicated that he was not going to respond to the resolution. However, in the motion to recommit the Republican Members of the House made the same request, in substance, of the President as requested in the House resolution reported out of the Committee on Appropriations.

In connection with whether or not the President was going to respond officially to the House resolution some interesting questions were asked by me of the Director of the Budget, Hon. Percival F. Brundage, when he appeared on March 27, last, before the Subcommittee on Executive and Legislative Reorganization of the House Committee on Government Operations. The following questions were asked by me of Mr. Brundage and the following answers were given by him:

Mr. McCORMACK. You have been reviewing with agency heads now the 1958 budget, haven't you?

Mr. BRUNDAGE. Yes.

Mr. McCORMACK. Has the review been finished, Mr. Brundage?

Mr. BRUNDAGE. No, sir.

Mr. McCORMACK. As a result of the reviews to date, have any of the agencies told you or have you told them where cuts can be made in the 1958 budget?

Mr. BRUNDAGE. Well, we are right in the middle of it yet, Mr. McCORMACK. It was in connection with our review that the decision of Mr. Cole in housing was made not to ask for the full authority which we had included in the budget.

Mr. McCORMACK. In other words, it was a decision of the Director of the Budget that Mr. Cole acted on?

Mr. BRUNDAGE. No; it was as a result of our review with him that he decided—we have asked all of the agencies to go over every one of their requests again in detail for every program, and he decided that in the light of the present construction, the shortage of labor, material, money, and equipment, that it would be wise to postpone or cut down the request.

Mr. McCORMACK. Is he the only one to date that you know of?

Mr. BRUNDAGE. Well, that is the only one that as yet has come up. We are working on several others.

Mr. McCORMACK. Well, when do you expect to get through with the reviewing with the agency heads?

Mr. BRUNDAGE. Well, I don't know. It will take several weeks yet.

Mr. McCORMACK. Do you intend to let Congress know the results?

Mr. BRUNDAGE. I don't believe it has been decided yet as to whether each department head will introduce it or whether it will be done by the President We have to decide what we can do and how much is involved, I think.

Mr. McCORMACK. It is a fair proposition to let Congress know, while the executive budget is pending, where reductions could be made upon review; isn't it?

Mr. BRUNDAGE. We are going to try to get it up just as soon as we can.

Mr. McCORMACK. And it is fair for Congress to make that request?

Mr. BRUNDAGE. Yes.

Mr. McCORMACK. Sure. And, as far as you know, the President, either through himself or through you, is going to let Congress know of any reduction that can be made in the 1958 budget as a result of these reviews that are taking place?

Mr. BRUNDAGE. Either himself or through his department; yes.

Mr. McCORMACK. So we can rely on that.

Mr. BRUNDAGE. We aren't trying to keep anything away from you, I assure you.

Mr. McCORMACK. I wasn't intimating that.

Mr. BRUNDAGE. I wish I knew more clearly about it myself. It is an awfully tough problem. We have gone over this thing several times already.

Mr. McCORMACK. Of course, when the Secretary of the Treasury repudiates the President's own budget, it is tough all around.

Mr. BRUNDAGE. Well, we combed this over originally when the forecast was made last summer before the guidelines were set and then we went through it again in the fall and we have gone over it again now.

Mr. McCORMACK. Well, you think the budget the President set up was a tight budget; don't you?

Mr. BRUNDAGE. I said I thought it was a very well balanced budget taking into consideration the needs of the country for protection, the services which the people want. I still think so.

Mr. McCORMACK. In other words you stand by the budget setup?

Mr. BRUNDAGE. Yes; he did.

It will be noted from the answers of Mr. Brundage that first, he considers the request of Congress for the information contained in the House resolution was a fair one; second, that either himself—meaning the President—or through his department, the President should let the Congress know of any reduction that can be made in the 1958 budget as a result of reviews that have taken place; third, that Director Brundage considers the President's budget to be "a very well balanced budget"; and fourth, that he—Director Brundage—stands behind the budget setup.

In view of the frank admission made by Director Brundage that the President himself, or through his department, would let Congress know of any reduction that can be made in the 1958 budget as the result of reviews, it will be interesting to know if such action is taken by the President. It does seem that Mr. Brundage is sufficiently high enough himself in the executive branch of our Government and close enough to the President to represent his views and to make a commitment that would be binding upon President Eisenhower.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK for 10 minutes today and to revise and extend his remarks.

Mrs. ROGERS of Massachusetts for 10 minutes today.

Mr. ULLMAN for 10 minutes today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MINSHALL and to include extraneous matter.

Mr. FOGARTY to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. BUDGE to revise and extend his remarks in Committee and include extraneous matter.

Mr. BROWNSON and to include extraneous matter.

Mr. VORYS and to include a speech he made.

Mr. PELLY.

Mr. DORN of South Carolina.

Mr. ASHLEY (at the request of Mr. McCORMACK) and include related matter.

Mr. ABBITT and to include related matter.

Mr. SHELLEY in two instances in each to include related matter.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p. m.), the House adjourned until tomorrow, Thursday, April 4, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

694. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of Col. Joseph T. Clement, United States Army, retired, and Brig. Gen. Waldo Charles Potter, United States Army, retired"; to the Committee on the Judiciary.

695. A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation entitled "A bill to clarify the law relating to the acceptance of business reply cards and letters in business reply envelopes, and for other purposes"; to the Committee on Post Office and Civil Service.

696. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and an illustration, on a letter report on Sacramento River (Harbor), Calif., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted May 10, 1945; to the Committee on Public Works.

697. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and an illustration, on a letter report on Sacramento River and tributaries (debris control, Bear River), Calif., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted July 28, 1939; to the Committee on Public Works.

698. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 19, 1956, submitting a report, together with accompanying papers and an illustration, on a review of reports on and

preliminary examination and survey of Lake Washington Ship Canal and Ballard Locks, Washington, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 9, 1939, and authorized by the River and Harbor Act approved July 24, 1946; to the Committee on Public Works.

699. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting a draft of proposed legislation entitled "a bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CELLER: Committee on the Judiciary. H. J. Res. 230. Joint Resolution to suspend the application of certain Federal laws with respect to personnel employed by the House Committee on Ways and Means in connection with the investigations ordered by House Resolution 104, 85th Congress; without amendment (Rept. No. 294). Referred to the House Calendar.

Mr. MURRAY: Committee on Post Office and Civil Service. H. R. 5683. A bill to provide for the discontinuance of the Postal Savings System; without amendment (Rept. No. 295). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 6597. A bill declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government; to the Committee on Public Works.

H. R. 6598. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to procedures on applications for facility licenses, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. BELCHER:

H. R. 6599. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture.

By Mr. BROOKS of Louisiana:

H. R. 6600. A bill to provide Federal support for State defense forces, and for other purposes; to the Committee on Armed Services.

H. R. 6601. A bill to provide for the appointment, designation, or detail of United States property and fiscal officers, and for other purposes; to the Committee on Armed Services.

By Mr. DORN of New York:

H. R. 6602. A bill to provide for the establishment of a commission to study the shortage of doctors of medicine in the United States; to the Committee on Interstate and Foreign Commerce.

H. R. 6603. A bill to provide for the control of certain advertising on federally owned or controlled lands adjacent to the National System of Interstate and Defense Highways, and to encourage such control on other lands adjacent to such National System; to the Committee on Public Works.

By Mr. DURHAM:

H. R. 6604. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to procedures on applications for facility licenses, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. FINO:

H. R. 6605. A bill to amend title II of the Social Security Act to provide that a widow under retirement age may continue to receive mother's insurance benefits (but at a reduced rate) even though none of the children of her deceased husband are any longer entitled to child's insurance benefits; to the Committee on Ways and Means.

By Mr. HAYS of Arkansas:

H. R. 6606. A bill to amend section 306 of the International Claims Settlement Act of 1949; as amended; to the Committee on Foreign Affairs.

By Mr. HILL:

H. R. 6607. A bill to provide for the transfer of the assets of the Colorado Rural Rehabilitation Corp. to the State of Colorado; to the Committee on Agriculture.

By Mr. HOEVEN:

H. R. 6608. A bill to amend the Federal Crop Insurance Act to provide for expansion and more effective administration of the Federal crop insurance programs; to the Committee on Agriculture.

By Mr. MUMMA:

H. R. 6609. A bill to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for services of partners and proprietors, and for other purposes; to the Committee on the Judiciary.

By Mr. PRICE:

H. R. 6610. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6611. A bill to amend the public-assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. ULLMAN:

H. R. 6612. A bill to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster; to the Committee on Agriculture.

H. R. 6613. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, so as to authorize the inclusion in agricultural conservation programs under such act of activities carried out in connection with the reestablishment of orchards destroyed by production disasters; to the Committee on Agriculture.

By Mr. WAINWRIGHT:

H. R. 6614. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 6615. A bill to amend part II of title III of the Communications Act of 1934, so as to require the installation of an automatic radio-telegraph call selector on cargo ships of the United States carrying less than 2 radio operators, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RAY:

H. Con. Res. 159. Concurrent resolution to provide for the appointment of a special joint committee to study and report upon the need for proceeding with the extension of the Capitol at this time; to the Committee on Rules.

H. Res. 222. Resolution to provide for the appointment of a special committee to investigate and report upon the need for a new House Office Building at this time; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to appropriate sufficient funds to stimulate the production of certain critical minerals, metals, and materials indispensable in the construction of jet engines; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 6616. A bill for the relief of John Moe and Lani Raymon Moe; to the Committee on the Judiciary.

By Mr. CLARK:

H. R. 6617. A bill for the relief of Murgrdicke Azadagolu; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 6618. A bill for the relief of Goon Shee (Goon Ju Hai); to the Committee on the Judiciary.

By Mr. DOOLEY:

H. R. 6619. A bill for the relief of Denyse-Teressa (Sarkou) Telesco; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 6620. A bill for the relief of Mrs. Marianna C. Pirro; to the Committee on the Judiciary.

H. R. 6621. A bill for the relief of Mrs. Jane Barnes; to the Committee on the Judiciary.

By Mr. KING:

H. R. 6622. A bill for the relief of Charles W. Duncan; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. R. 6623. A bill to provide for the conveyance of certain real property of the United States in Massachusetts to the Woods Hole Yacht Club; to the Committee on Merchant Marine and Fisheries.

By Mr. O'NEILL:

H. R. 6624. A bill for the relief of Lum Guey Ngeung; to the Committee on the Judiciary.

By Mr. SAUND (by request):

H. R. 6625. A bill for the relief of Concepcion Contreras-Alvarado; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 6626. A bill for the relief of Mrs. Luisa E. Baier; to the Committee on the Judiciary.

By Mr. SILER:

H. R. 6627. A bill for the relief of Victor C. Swearingen; to the Committee on the Judiciary.

By Mr. WALTER

H. R. 6628. A bill for the relief of Mary Pecek; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. R. 6629. A bill for the relief of Aristidis Veloudos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

192. Mr. BUSH presented a petition of citizens of Renovo, Clinton County, Pa., in opposition to H. R. 58, which would require veterans seeking hospitalization or domiciliary care in Veterans' Administration facilities to make a declaration with respect to insurance, property, income, expenditures, and worth, designed as an aid in determining ability to defray necessary expenses, which was referred to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Statehood and Discrimination

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1957

Mr. PELLY. Mr. Speaker, I understand the hearings on legislation to grant statehood to Alaska have just been concluded. Last Friday, on March 29, I testified before the subcommittee of the Committee on Interior and Insular Affairs in order to point up some of the important issues involved in statehood.

As one who supports the right of Alaskans to self-government and as one who supported statehood in 1954 by opposing the recommitting of such a measure by the House of Representatives to the Interior and Insular Affairs Committee, I have warned, nevertheless, that from a practical standpoint Alaska would fare much better under commonwealth status under which Alaskans would not have to pay Federal income taxes. This would allow incentives to the pulp and paper industry and mining operators to invest in the northland and develop her resources. As it is, due to high costs of transportation and other factors industry in Alaska is not able to compete with other areas of the country. Statehood, I fear, will increase taxation and delay the industrialization of Alaska.

Another important aspect of the statehood issue is the very obvious program of a certain group of Alaskans to eliminate nonresidents from employment in the fishing industry by discriminatory taxation. Such a tax which would levy a graduated tax on salmon after passing in the House died in the Alaska Territorial Senate on March 27, 1957 on an 8 to 8 vote. This proposal would have imposed a tax on the value of catches of salmon exceeding $20,000. Local independent fishermen would thereby have been exempt from the tax while employee type of operations such as employing Washington, Oregon, and other State residents would be eliminated by such a confiscatory tax. Statehood could increase the threat of such discriminatory methods of keeping nonresidents out of Alaska.

So I have strongly urged that any enabling act spell out and insist that protection be afforded to those who are not able, because fishing is seasonal, to live in the northland all the year round.

There is another matter to be considered. The Fish and Wildlife Service has just announced plans to allocate $786,500 for research on Alaska fisheries. Of this amount $572,600 is for salmon research, $13[illegible],000 for king crab research, and $83,900 for herring studies. As I stated in my testimony on statehood, I fear Alaska will not be able as a State to properly conserve and exploit her own resources. Where would she find the funds to spend $786,500 for fisheries research?

To meet this situation, I would hope an arrangement would be legally effected so the fishery resources could be retained for at least 10 years to enable the new State to have the benefit of Federal assistance. This is important, too, because so many problems of the salmon industry are international in scope.

Let us remember, as I have repeated before, the resources of Alaska belong to all American citizens. In granting statehood and self-government to the people of the Territory, who I repeat are entitled to full self-government, the American people are entitled to retain their rights as against residents. Emotionalism can be dangerous to the national interest, so let us consider carefully all aspects of statehood before it is too late.

Murder of American Citizens in Iran

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1957

Mr. DORN of South Carolina. Mr. Speaker, the tragic murder of three fine American citizens in Iran should call for a restudy of our whole foreign-aid policy by the State Department and by the Congress. For many years I have questioned the advisability of sending technical assistance and point 4 aid into areas where the first need is for law and order. We must still crawl before we can walk. I am afraid we are trying to start at the top rather than to first build the foundation.

In some areas, civilization is the basic fundamental need. Savage peoples first must abandon cannibalism and start adopting some of the aspects of a civilized society such as wearing clothes, living in houses, and eating cooked food. Into such areas some of our idealists apparently think that technical assistance in the form of vast projects, television, and Cadillac automobiles is the first need of uncivilized peoples. Civilization is an evolutionary process that takes generations. It seems fallacious to me to try to impose technical assistance on countries where 80 or 90 percent of the people cannot read or write and where vast segments of the population are no more civilized than the American Indian before the coming of Columbus.

A realistic and practical approach to the problems of the world is now in order—a reappraisal based on the situation as it is and not as it ought to be.

This deplorable incident in Iran has caused a shakeup in the government of this key country. The resignation of the Prime Minister is a loss to the free world, as he is a friend of America. Iran is the key to the Middle East situation. It is the road to oil and to the untapped resources of the Near East and Africa. Commonsense is needed instead of theory and textbook blueprints. Civilization, law, and order must come before education, culture, and democratic principles. Iron points on their wooden plows are needed before libraries in the jungle. Improved seed and fertilizer should come before art displays and Hollywood movies.

The world is getting a bad impression of America from some of our theoretical representatives. Reports come to me from foreigners that they cannot possibly have railroads, highways, and dams like America for another 100 or 500 years. The real needs are for the basic fundamentals.

Ill-Advised Reduction in Appropriations for Department of Labor

EXTENSION OF REMARKS

OF

HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1957

Mr. SHELLEY. Mr. Speaker, I would like to just for a few moments direct the attention of the Members to what has been done by action of the committee to the Office of the Solicitor in the Department of Labor. And I would like to point out to the Members that this Office has been assigned a program for 1958 of a 15-percent increase in responsibility and that this report of the Appropriations Committee proposes a 4-percent increase in appropriations. The action of this committee has been to cut the appropriation another $204,000. If the action on the floor last week stands, the Office of the Solicitor would suffer a loss of $184,000. This cut will have to be absorbed, to the serious detriment of its law-enforcement activities and other programs.

The amount approved by the actions of the past days is approximately the same amount as that appropriated for fiscal 1957. But, in fiscal 1958, I think it is important to remember, the Solicitor's Office must meet $184,000 in mandatory charges which it does not have to meet during the current fiscal year.

The largest of these mandatory charges is the sum of $131,000, the contribution which the Solicitor must make to the civil-service retirement fund pursuant to laws passed by the 84th Congress. By our failing to recognize this mandatory obligation of the Solicitor's Office to contribute its share to the retirement system, the committee action would force it to meet this payment through a substantial curtailment in the activities of the Office which in turn will mean a substantial loss in services provided by this Office not only to employee groups and individuals but also to management and industry.

Another item eliminated here was the sum of $27,500 for legal services in connection with the Mexican farm labor program. The committee has eliminated all funds for legal services in connection with this program at a time when the need for such services is most urgent.

Let us remember that over 428,000 Mexican nationals came into the country last year under the Mexican farm labor program. This number does not necessarily reflect the workload, but legal problems created by the Mexican farm labor programs are increasing. Since many of these compliance cases under this program may result in liability for the United States, it is highly important that these cases receive careful legal review. In addition, there is need for discussion with Mexican consuls, employers, representatives of labor unions, and others.

The third item eliminated by the action here is $14,600, which represents a comparative transfer from funds available in the past to the Office of the Secretary for the operation of various central services for the entire department. This bill provided for the creation of a departmental working capital fund which will be reimbursed by the various bureaus and offices for which services are performed. This is an item which was formerly included in funds made available to the Office of the Secretary. Now it will have to be paid by the Solicitor. This is also true of an item of $10,900 which represents the Solicitor's Office's proportionate share of the increase requested for the working capital fund to pay for increased services due to expanded activities of the entire Department.

The volume of work of the Solicitor's Office has increased in each of the last 4 years. If the reductions as approved by the committee stand, efficiency of operation of the Office of the Solicitor will be impaired, at the expense of the wage earners and the employees who benefit by proper enforcement of our labor laws.

Flood Control for Great Lakes

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1957

Mr. ASHLEY. Mr. Speaker, today I have again introduced legislation which I hope will clear up—once and for all—the question of whether the Great Lakes were meant to be included in the Flood Control Act of 1936. At present, because of the totally illogical manner in which this Flood Control Act has been construed, no Federal funds whatever are available for construction of desperately needed flood-control projects.

Briefly, the background is this: In 1936, the Congress adopted a national program for flood control. In the declaration of policy written into the historic Flood Control Act adopted in that year, it is stated that flood control on "rivers, navigable waters, and other waterways" is a proper activity of the Federal Government. No specific reference is made to the Great Lakes area—nor to any particular river or other waterway—nor were the Great Lakes specifically included or excluded in the flood-control laws enacted in 1939, 1940, 1941, or 1942. However, the Flood Control Acts of 1944 and 1946 did authorize certain flood-control projects in the Great Lakes Basin, and the statutory authority for these projects, of course, was the Flood Control Act of 1936.

Despite this clear manifestation of Congressional intent, the Director of the Bureau of the Budget declared during the 80th Congress that it was not the intent of Congress—in the 1936 act or subsequently—to include lake and tidal floods within the national program for flood control. The then Secretary of War rejected this position, pointing out that amending acts had included the words, "floods aggravated by or due to wind, or tidal effects," and that Congressional authority for one Lake Erie project included such language. Later, in 1948 and in 1950, Congress again manifested its intent by authorizing flood protection projects on Lake Michigan, Lake Erie, and Lake Ontario. The Bureau of the Budget, however, steadfastly maintained that the 1936 act does not contain legislative authority for these Great Lakes projects. It has stated repeatedly that until Congress takes affirmative action to expand the policy enunciated in the Flood Control Act of 1936, it will not consider any projects authorized by Congress for flood control on the Great Lakes to be in accord with the national program for flood control.

It thus becomes clear that a demonstration of Congressional intent satisfactory to the Bureau of the Budget will require specific legislation similar to that which I introduced during the last session and again today.

I think that it is both interesting and significant, Mr. Speaker, that the Department of the Army had always considered—until the preemptory position taken by the Budget Bureau—that Congressional authority existed for flood-control projects on the Great Lakes. Commenting on my bill to specifically include the Great Lakes within the declaration of policy in the 1936 act, the Army stated that—

> Legislation may be advisable in order to eliminate all possible doubt on this point if construction of improvements for prevention of this type of flood damages on the Great Lakes * * * is to be accomplished as a Federal responsibility.

Mr. Speaker, it is high time that the Great Lakes area be treated on a parity with other sections of the country. The taxpayers of New York, Pennsylvania, Ohio, Michigan, Illinois, Wisconsin, and Minnesota gladly contribute far more than their proportionate share of tax dollars for programs directly benefiting less prosperous and developed sections of the country. Is it asking too much, Mr. Speaker, that the Great Lakes area receive the same consideration that it has accorded other areas for so many years? The bill which I have introduced today does not call for the appropriation of any Federal funds—it merely provides that homeowners on Lake Ontario, Lake Erie, Lake Michigan, Lake Huron, and Lake Superior shall have the same opportunity to receive protection from floods as their fellow citizens whose property borders on rivers or other waterways.

Congressman Minshall Polls Constituents

EXTENSION OF REMARKS

OF

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1957

Mr. MINSHALL. Mr. Speaker, on previous occasions I have sent questionnaires to the residents of Ohio's 23d Congressional District seeking their opinions on pertinent issues before the Congress. In early April of this year, I again mailed out 31,422 questionnaires—1 to approximately every 3 homes in my district. An unprecedented and amazing response of about 33 percent, or nearly 10,000 questionnaires, were completed and returned.

I am highly pleased with this response, for it shows the intense interest the residents of the Ohio 23d District have in their Government. This percentage of return is nearly double that of any previous response I have had.

The results of this opinion poll follow:

1. Do you favor Congress authorizing the admission of a greater number of immigrants from all countries? Yes, 24 percent; no, 67 percent; no opinion, 9 percent.

2. Do you favor Federal aid for local school construction? Yes, 45 percent; no, 52 percent; no opinion, 3 percent.

3. Do you favor statehood for Alaska? Yes, 82 percent; no, 10 percent; no opinion, 8 percent.

4. Do you favor statehood for Hawaii? Yes, 81 percent; no, 11 percent; no opinion, 8 percent.

5. Do you favor an increase in postal rates to place the Post Office Department on a self-sustaining basis? Yes, 79 percent; no, 16 percent; no opinion, 5 percent.

6. Would you favor a $20 billion national air-raid shelter construction program? Yes, 18 percent; no, 69 percent; no opinion, 13 percent.

7. Are you in agreement with the Eisenhower-Dulles foreign policy? Yes, 51 percent; no, 31 percent; no opinion, 18 percent.

8. Do you believe the voting age should be lowered from 21 to 18 years? Yes, 31 percent; no, 66 percent; no opinion, 33 percent.

9. Do you favor extending the present $1-an-hour minimum wage law to include retail stores and service establishments? Yes, 68 percent; no, 22 percent; no opinion, 10 percent.

10. To assist local communities in combating juvenile delinquency Congress has been asked to appropriate $3 million. Do you approve of this appropriation? Yes, 36 percent; no, 58 percent; no opinion, 6 percent.

11. Do you favor a protective tariff or quota on imports of foreign goods which compete with our own businesses? Yes, 60 percent; no, 32 percent; no opinion, 8 percent.

12. Do you believe we should continue our foreign aid program which calls for the expenditure of $4.3 billion in military and economic aid to our allies and free countries during the next fiscal year? Yes, 36 percent; no, 58 percent; no opinion, 6 percent.

13. Do you feel the United Nations deserves our continued support? Yes, 88 percent; no, 10 percent; no opinion, 2 percent.

14. In our effort to reduce the budget, what items do you think should be cut most? Please check four—

First choice: Foreign aid ☐

Second choice: Federal aid to agriculture ☐

Third choice: Federal housing and community development ☐

Fourth choice: Federal aid to States (aid to local public agencies, aid to needy, public health, etc.) ☐

Fifth choice: Veterans payments (nonservice-connected disability, pensions, etc.) ☐

Sixth choice: Federal aid to small business ☐

Seventh choice: Federal public works construction (dams, airports, buildings, interstate roads, etc.) ☐

Eighth choice: National defense ☐

State and Locally Financed Programs

EXTENSION OF REMARKS

OF

HON. CHARLES B. BROWNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1957

Mr. BROWNSON. Mr. Speaker, as I listen to the debate on the appropriation bill for the Department of Labor and the Department of Health, Education, and Welfare, I wonder at the lack of information available concerning the extent of State and locally financed programs already in existence in areas where the Federal Government intends to expand its activities.

For instance, the question is not a single one of "Who shall inspect food and drugs?" It is rather a series of questions, "How much are the States and localities already doing in this field? What must the Federal Government then undertake which the people cannot as effectively do or be helped to do for themselves? What programs must be undertaken on the Federal level because they cannot as effectively be carried through on the State or local level?"

We have debated long on this bill—but are we asking enough questions as these authorization and appropriation bills come before us? Do we actually have the information we need to guarantee that we are not unnecessarily duplicating existing State, local, and private-enterprise programs?

As I listen to this debate, I sense an attempt to overemotionalize the issue in many cases. Too often the question is posed in terms, such as, "Are you in favor of education for our youth, or are you against it?" Calm deliberation seems to indicate that the question might more fairly be phrased, "Granted that all of us want the very best possible education for every child in the United States, what echelon of Government or what agency outside Government is best fitted to finance, plan, develop, and control such a program, Federal, State, county, or local? It would help if the defenders of increased spending would talk to the issue once in a while, at least to mention the pending amendment.

So that my colleagues may know what Indiana is doing to solve her own school problems, I am asking unanimous consent to insert in the CONGRESSIONAL RECORD a legislative bulletin of the Indiana State Chamber of Commerce detailing distribution of 1957–59 State-collected tax funds to local schools with a discussion of how these funds, amounting to $197,556,433, may be used by local school units. This is information we need for every State before we vote to superimpose Federal aid to school construction or Federal aid to education on State educational systems which are doing a sound job today:

DISTRIBUTION OF 1957–59 STATE-COLLECTED TAX FUNDS TO LOCAL SCHOOLS AND HOW THESE FUNDS MAY BE USED BY LOCAL SCHOOL CORPORATIONS

Every community in the State will be affected by the recent legislation on school finance, making State funds totaling $197,-556,433 available to local school units.

This memorandum outlines some of the major features of the 1957–59 State appropriations for schools. You may want to analyze these figures and comments to determine how your own local schools will be affected financially.

Here are the basic statewide figures in the 1957–59 appropriations:

	1957–58	1958–59
(A) For teachers' salaries "and other lawful purposes"	[1] $101,728,833	$101,728,833
(B) For current operating expenses (approximately)	1,000,000	1,000,000
(C) For supplemental transfer tuition (up to)	350,000	775,000
(D) For transportation (at least)	14,000,000	20,750,000
(E) "Educational contingency fund" for supplemental transportation, equalization, and tuition support in "distressed" school corporations	3,000,000	
Total for purposes other than school construction	104,728,833	104,728,833
(F) "Local property tax relief fund" for school construction, repairs, debt service, and lease rentals (outright grants based on same percentage which each local corporation receives of regular tuition support distributions)	7,600,000	
Total outright grants for all school purposes	108,728,833	104,184,400
(G) Appropriation to Veterans Memorial School Construction Fund—available in 1957–59 biennium	4,000,000	
(H) Transfer from World War II bonus fund to Veterans Memorial School Construction Fund—available immediately	4,827,600	5,000,000
(Items (G) and (H) are for loan purposes only to eligible units.)		
Total funds for school construction loans $8,827,600		
Outright grants for construction (Item (F)) 7,600,000		
Total made available for construction 16,427,600		
(I) Total State funds available for schools	197,556,433	104,184,400

[1] If a local school corporation's share of this amount is in excess of the amount required to meet the State's share of minimum salaries for teachers, after the local school corporation levies a 25-cent qualifying tax rate, the "excess" of State funds can be used for any lawful school purpose, except transportation.

[2] School units which do not need funds for construction, etc., may transfer their portions of the construction grants to other funds and use the money for other purposes. But transfer of these sums must be specifically shown in the published budgets of the school corporations.

It is important to note that while the total amount constitutes by far the largest Indiana State school aid appropriation in history, the great bulk of the increase is based upon the larger number of teachers and pupils which local schools will have in the next 2 years as compared to the past 2 years. In other words, since most local school units are going to have greater expenses on account of increased enrollment alone, the State's percentage share of total local school costs will by no means follow the degree of rise in total State appropriations for schools.

It is estimated that the total of $168,-728,833 of outright grants to local schools for the 1957–59 and 1958–59 fiscal years is equal, on a statewide basis, to approximately $116 per pupil per year in average daily attendance. This is an increase of $13 per pupil over the $103 average appropriated in 1955 for the 1955–56 and 1956–57 fiscal years. The actual amounts to be received per pupil will vary in the different local school units.

SUMMARY OF LEGISLATIVE ACTION

Actions of the general assembly with respect to school finance may be summarized in the following manner:

1. An unprecedented total amount of money in outright grants was provided for State support of local schools. The amount was $168,728,833. The loan funds of $8,827,-600 bring the total amount made available to $197,556,433.

2. The appropriation of outright grants was $32,574,433 higher than the $136,154,400 appropriated in 1955. This is the largest increase ever made by a session of the Indiana General Assembly.

3. Largely as a result of action of the House–Senate budget conferees, local schools for the first time in recent years will have substantial amounts of State funds for expenditure at the discretion of local school officials.

4. The local qualifying tax rate for participating in the program of State support for teachers' salaries cannot be less than 25 cents per $100 of adjusted assessed valuation during the next 2 school years. This rate has been permitted to vary in past years depending on the level of the minimum salary schedule for teachers and the amount of the appropriation for tuition support.

5. Inaugurated by the general assembly was a $7-million program of State grants for school construction, building repairs, lease rentals, and debt service. (But any portion of these funds may be used for other school purposes, as explained in the second footnote to the above table.)

6. The money in the veterans memorial school construction fund was increased from $5 million to $13,827,600. This was accomplished by transferring $4,827,600 from the World War II bonus fund and by an additional appropriation of $4 million from the State general fund.

7. The State support of school transportation systems was increased from $10,800,000 during the 1955–57 biennium to at least $14,602,000 for the 1957–59 biennium.

8. The maximum permissible property tax levy for school purposes (excluding school construction) was increased from $3.30 to $3.65, and the base was changed from actual assessed valuation to adjusted assessed valuation.

9. The maximum permissible interest rate on bonds issued by private nonprofit school building corporations (holding companies) was increased from 4 percent to 5 percent.

10. Private corporations were authorized to finance, construct, and lease school buildings to school corporations.

11. Securities in the common school fund were authorized to be exchanged for bonds of school-building corporations.

12. The assembly declined to raise the State-fixed legal minimum salary schedule for teachers, thus leaving the question of pay increases in the hands of local school officials.

Republicans for Peace

EXTENSION OF REMARKS

OF

HON. JOHN M. VORYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday April 3, 1957

Mr. VORYS. Mr. Speaker, I wish to insert in the RECORD a speech I made yesterday, Tuesday afternoon, April 2, 1957, before the Fifth Annual Republican Women's Conference at the Hotel Statler, Washington.

The speech follows:

REPUBLICANS FOR PEACE

Republican foreign policy has one simple objective: What is best for the Republic, regardless of party.

We have a bipartisan foreign policy on fundamentals and general principles, set forth in the platforms of both political parties and generally supported in Congress. We believe that politics should end at the water's edge. Many people grumble about this. They want the other party to let them have all the good, sound principles, and take all the ideas they disagree with. But free Americans refuse to accommodate such people. Both parties want the sound, patriotic ideas. Personally, I rejoice in this demonstration of the essential unity of our people in their free and voluntary choice of parties and principles. This unity in liberty brings power to our policies, hope to a divided world, despair to the despots.

Nevertheless, there are differences between our two parties that show up in methods, in means, in performance, in results. Under our Constitution, the President has primary and paramount responsibility for conducting foreign policy. Because of his great power and responsibility, and the support he has received from his party in Congress, the people—and the daily papers nowadays talk about the "Eisenhower foreign policy" and "Republican foreign policy," and the history books will say it that way.

We are in the fifth year of Republican foreign policy under President Eisenhower, a troubled, turbulent, complicated, critical period of continuing tension, controversy, and change throughout the world, involving courses of action on our part going on day and night, here and all over the world, some secret, many unnoticed, some exciting and dramatic. A day by day, play by play review now would be impossible and is unnecessary. You Republican women have an instinct, a genius, for going to the heart of things. Regardless of the ups and downs and sigzags of each day's headlines, you want the moving spirit behind the details—and the overall, practical results. On that basis, the heart of Republican foreign policy under President Eisenhower is simple, noble, practical; we work for peace.

President Eisenhower's first administration started with action for peace.

He had promised to end the war in Korea, and he did it.

He made his historic atoms-for-peace proposal in the United Nations, and the only nation that had ever dropped an A-bomb in war became known as the leader in devoting atomic energy to peace.

He electrified the world with his open skies inspection proposal at the Geneva Summit meeting, as a practical, workable step toward disarmament.

He asked for and obtained authority to use our Armed Forces in the area of Formosa; and peace has been maintained in Asia where war threatened 2 years ago.

He and our great Secretary of State, John Foster Dulles, with courage and skill, have prevented war by Soviet miscalculation by letting the Reds understand clearly that we would fight if they launched aggression, and never letting them know where we would not fight. If this policy had been followed in earlier years, we might have avoided the last three wars under Democrat Presidents. If the Kaiser had known beforehand that we would come in, World War I might never have started. If Hitler had not heard "again and again" that we would not send our boys to foreign soil, World War II might have been avoided. If the Chinese Reds had not heard that Korea was beyond our defense perimeter, they might have held off. To prevent war by miscalculation, our leaders must be courageous, but careful.

But peace to us means more than mere absence of war. We seek peace with justice, the peaceful settlement of disputes.

When the Suez Canal was nationalized, we immediately sought peaceful settlement. Then, right in the heat of our election campaign, Britain, France, and Israel, our old friends, launched aggression. We were put to the test and the President said: "There cannot be one law for our friends, another for our foes," and joined in pressures in the U. N. for withdrawal. But he said: "There will be no involvement of our forces in this situation." And, although his opponent criticised him and his acts day and night during that last week of the campaign, the people reelected him with a landslide. The people were for peace with justice. And today Britain, France, and Israel have withdrawn and our forces, as he promised, have not been involved.

At the beginning of his second term, President Eisenhower, in his great second inaugural address, said: "We live in a land of plenty, but rarely has this earth known such peril as today. * * * In too much of the earth there is want, discord, danger." He spoke of new forces and new nations striving across the earth, of old and great nations in this tempest of change and turmoil; of the designs of international communism, dark in purpose, clear in practice.

Then he said: "We look upon this shaken earth, and we declare our firm and fixed purpose: the building of a peace with justice in a world where moral law prevails. The building of such a peace is a bold and solemn purpose. To proclaim it is easy. To serve it will be hard. And to attain it, we must be aware of its full meaning—and ready to pay its full price."

The price of peace is high. Sixty-three percent of our budget is for our protection, to deter or combat Soviet aggression and subversion. But the price of war is higher, not only in budgets, but in blood and tears. In past wars we paid with the priceless lives of the young, our bravest and best. In future wars all of us risk suffering and death.

While the price of peace is great, the rewards are great, even during this uneasy, costly peace. We have had 4 years of the greatest prosperity, the highest standard of living, of any nation on earth in all human history. Our foreign affairs are profitable to our people. Last year our people received nearly $24 billion from foreign affairs from exports, foreign investments, foreign investors, and travelers, while our Government was spending $4.2 billion on foreign military and economic aid. Last year our exports, our sales abroad, amounting to $19 billion, were $5 billion more than our imports, our purchases abroad. We had 20 percent of the international trade of the whole world. That is, one-fifth of all commerce crossing international borders was sold by the United States, while in the last 4 years the cost of our own defense and our share in collective security, has been an ever-dwindling fraction of our ever-rising national income. Peace is not only, as our President so eloquently said, "our duty and our destiny." Peace is profitable to the United States of America.

We have in this country people who want the profits of peace without paying the price. They say, "If we cut out our military spending and our foreign aid, we would have even more profitable peace." Now I believe that the President and Congress should, and will, cut our military and collective security costs as low as possible, but I can assure you that, if we cut it all out, we would not have profitable peace. We would soon have war, or a peace dictated from the Kremlin, and it would not be profitable to us.

Most of us understand the need, the economy, of our own vast military machine, for maintaining peace, deterring more costly war. Let's look for a moment at the economics of our collective security, our mutual security program, our so-called foreign aid.

It costs about one-tenth as much as our military expenditures on our own forces. Foreign-aid appropriations in the past 4 years have been just about one-half what they were in the 4 preceding years of Democrat administration.

Let's look at the military equation in the cold war: We have about 19 divisions in our Army; Russia has 175. We have the best Navy in the world; Russia has 400 submarines to sink our Navy; Russia has the largest air force; we feel ours is the best. Both countries have A and H bombs, guided missiles. We have one thing Russia hasn't got. We have a string of air and naval bases all around Russia; Russia has no such bases around us. We have forces on those bases, and mobile air and naval forces ready to get to these bases quickly, but we depend largely on the forces of the countries near where those bases are located, to defend them against sudden attacks. When we help those countries to defend their own soil and these bases, we contribute to our mutual security. That system, as Admiral Radford says, is "part and parcel of our own defense."

It cost us last year $6,600 to maintain an American serviceman abroad, without counting his weapons. It cost us last year $789 per man in mutual security funds to help maintain an allied serviceman abroad, armed and equipped, ready for action, according to jointly made defense plans. Our so-called foreign aid helps to maintain 200 allied divisions in 44 nations, a naval force with as many vessels as our own, although not as powerful; 300 air squadrons, as many as we have, but not as well equipped. It is not our forces alone that deter Russia; it is the combination of our forces with those that surround her, that maintains peace, and give us and the free world mutual security, collective security.

I am opposed to giveaways; we cannot buy friends, but if we can help arm and strengthen nations that want to stay free and are willing to raise forces larger than they can support, and thus deter Soviet aggression, at one-tenth the cost of our own forces, we are getting a bargain in our mutual security program.

Some people say we should bring our forces home, arm to the teeth, and wait for the Soviets to come here. If we did that, it would cost more, and I think the Soviets would come here, after taking over the rest of the world and cutting us off from the

strategic materials we need to import. I have seen war-devastated countries, where they fought at home. I prefer our policy of planning to fight our wars away from home, on friendly soil, if we have to fight, and not doing all the fighting ourselves. In this way we give other free nations a chance to defend their soils. This policy of collective security, mutual security, has given us peace for 4 years.

I have told you that foreign aid amounts to one-tenth of our own military spending. Well, about one-tenth of that one-tenth is spent on nonmilitary technical assistance and development assistance, 80 percent in loans which goes also to nations with which we have no military mutual security agreements. This includes some neutralist nations. We wish they would join us in mutual defense, but in any case, we don't want them to go Communist, or be taken over by Communists, through relying on the Reds for development assistance. So we help them fight hunger, disease, and ignorance. We help them develop their economic and political independence, for that adds to our security in war, and in peace we do more business with more developed countries.

You have heard about our agricultural surplus problem. We use farm surplus in the mutual security program whenever we can. Since World War II just about 30 percent of our foreign aid, $16 billion of it, has been surplus agricultural products. Thus, foreign aid has been our biggest single farm aid program, while helping to maintain peace.

The legislation for these policies, involving the cost of peace, and the rewards of peace, has generally had bipartisan support. A majority of both parties in both Houses have voted for them, although, of course, the leadership and the execution came from the Republican administration. I believe in giving credit where credit is due. I must also report that there has been more Democrat partisanship in foreign policy in Congress in the last 3 months that I have seen in my 18 years in Congress, and it has not been good for our country. I believe in placing blame where it belongs.

You are all familiar with the President's Middle East doctrine. The law was signed March 9. It applied in the Middle East methods that had been tested and found successful in earlier acts. The aid provisions were similar to the Greek-Turkish aid law, passed by the Republican 80th Congress at the request of a Democrat President. The authority to use our Armed Forces was similar to that granted in the Formosa Resolution passed in 1955 by a Democrat controlled Congress at the request of a Republican President with but 3 no votes in the House and 3 in the Senate. No new appropriations were included. Emergency use of old appropriations winds up June 30, 1957.

You would have thought that, in view of the ominous and obvious tension and instability in the Middle East this law would have been rushed through.

Instead, a partisan hue and cry started, saying the proposal was unprecedented, unconstitutional, a declaration of war, a blank check—and that Congress had not been consulted; this went on for over 2 months. The House acted in 25 days, in commendable bipartisan spirit, for the most part, and made no crippling amendments. Now a House Member is not supposed to criticize or even mention the Senate, but somewhere, some amendments got in that I feel were unnecessary, unintelligible, or undesirable. The executive, however, considered them as merely harassing, rather than hamstringing, and the House accepted them rather than risk delay by a second filibuster—you know where.

One of these amendments involved the President's authority to use armed forces. A straight Democrat party vote struck out the words which were copied from the Formosa Resolution, "he is authorized" and inserted instead "the United States is prepared to use Armed Forces." It was amusing that the Democrats decided to repeal by law the charges made all through last year's campaign that the United States is unprepared to use its Armed Forces.

On this issue of bipartisan consultation, here are some facts: The President had a bipartisan congressional meeting at the White House for 4 hours on New Year's Day. Secretary Dulles went over the provisions of the bill, inviting comments and suggestions, with both House and Senate committees before the Presidential message on Saturday, January 5 stated his public position. The text of the bill when introduced later reflected the results of congressional consultation and suggestions.

Nevertheless some of the Democrats kept saying "there ought to be consultation and approval before any public position is taken by the President on such matters."

Last month the question of whether the United States should support sanctions against Israel in the United Nations was being publicly discussed by nearly everyone—except the President. He called a bipartisan meeting at the White House on March 21 to discuss the Israeli situation. Now those meetings are supposed to be off the record, but if any definite action is taken, it is announced in writing to the press immediately after the meeting in a White House press release. It is significant that no action was announced after that meeting except that the President was going on the air that night. The President then proposed a course for Israel, which I approved and which Israel followed, which kept the issue of sanctions from coming to a vote in the U. N., but there is no record that this course had the approval, or disapproval, of the Democrat congressional leaders. Nevertheless, the President called a bipartisan meeting to report on the Bermuda Conference the day after he returned.

When you start to play politics on this business of bipartisan consultation, you can work it two ways. You can say, "The President put us on the spot by taking a public position, committing himself without consulting us," or you can say "He tried to put us on the spot by consulting us in advance, before committing himself."

Playing politics either way on foreign-policy problems is bad for the country. We will have a Republican President conducting foreign policy for nearly 4 more years. We will have a Democratic Congress now and next year. You Republican women can help enormously by understanding our foreign policy, attacking unmercifully those who play politics with it unmercifully, working for the election next year of those who are committed to work for peace with our President—Republican Congressmen and Senators.

There is room for honest difference of opinion, for intelligent, sincere debate on the perplexing, complicated, controversial problems of foreign policy. There is no room for partisan politics. We Republicans must try to keep it out. If Democrats bring it in, then we must point it out, show it up, and knock it down.

For our cause, working for peace, is a noble one. It ought not to be above party. It ought to be the cause of both parties. Let us be sure it is ours.

I have dwelt, perhaps overmuch, on the practical, political aspects of working for peace, the cost and the rewards. But there are higher rewards. "Blessed are the peacemakers." I will conclude with these moving words from our old soldier, peacemaker President, in his second inaugural address:

"Before all else we seek, upon our common labor as a nation, the favor of Almighty God. And the hopes in our hearts fashion the deepest prayers of our people.

"May we pursue the right—without self-righteousness.

"May we know unity—without conformity.

"May we grow in strength—without pride of self.

"May we, in our dealings with all peoples of the earth, ever speak truth and service justice."

Hon. Harry Flood Byrd, of Virginia

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1957

Mr. ABBITT. Mr. Speaker, the people of America are fortunate indeed to have in the United States Senate, during these trying times, a man who is dedicated to the preservation of the American way of life; a man who is fearless, courageous, and willing to make whatever sacrifices are necessary to try to steer our Ship of State back on the course chartered for it by our Founding Fathers. This man is the Honorable HARRY FLOOD BYRD, senior United States Senator from Virginia. He has the confidence and loyalty of the overwhelming majority of the people of the Commonwealth of Virginia. They have known him and followed his leadership for approximately one-third of a century. His wise counsel, his courage, his leadership, and his great judgment have kept Virginia on a sound fiscal basis while progressing along with the rest of the Nation at one and the same time.

Senator BYRD is one of the outstanding Americans of today. He is a leader in fiscal affairs in our Nation. As chairman of the Finance Committee of the United States Senate and due to the great prestige that he has, he is the one great hope in America for continuing sound constitutional government for all of our people.

Senator BYRD understands so well the dire necessity of preserving the rights of the people and the sovereignty of our States that he is unwilling to submit to the tyrannical dictates of a political judiciary which is determined, by usurpation of power never conferred upon it by the people or the States, to ravish our Constitution and to deprive our people of their liberties as well as our States of their sovereignty. Neither is Senator BYRD willing to sit supinely by and see Virginia brought to her knees by the unholy alliance between Brownell, the present administration and the NAACP which alliance is determined to wreck the public school system of Virginia. Senator BYRD is not willing for us to be compelled against our will to take orders from Brownell and the NAACP. I stand wholeheartedly with Senator BYRD in his massive resistance campaign. It is the only hope that we have of preserving our public school system, the integrity and identity of the races and constitutional government in our great country.

On March 18, 1957, Senator BYRD delivered an address before the Richmond Kiwanis Club in Richmond, Va. The address pointed out some of the basic philosophies of our great statesman as well

as the necessity of fighting to preserve our way of life. I commend him for the great work he has done, for the determined fight he is now making for our people and I am proud of my association with him.

Under leave to extend my remarks, I include Senator BYRD's splendid address delivered to the Kiwanis Club in Richmond on March 18.

The address follows:

ADDRESS BY THE HONORABLE HARRY FLOOD BYRD, SENIOR UNITED STATES SENATOR FROM VIRGINIA, BEFORE THE RICHMOND KIWANIS CLUB, RICHMOND, VA., MARCH 18, 1957, BROADCAST OVER WRVA RADIO, RICHMOND

Mr. Chairman, His Excellency the Governor of Virginia, distinguished guests, and members of the Richmond Kiwanis Club, I have spent so many happy days in Richmond it is always a great pleasure for me to come back, and I am delighted to be with you today. I want first to express my deep appreciation to my beloved friend, Edmond Massie, for his all too gracious introduction.

I assume you expect a Member of Congress to speak on matters uppermost in the minds of the Nation, so today I will comment on the Federal budget, which is creating a great deal of interest for the first time since I have been in the Senate, and then make some reference to civil-rights legislation which is pending there.

A phenomenon has occurred. For the first time in my 24 years in the Senate the people back home are demanding in no uncertain terms a return to fiscal solvency and elimination of waste and extravagance in the monstrous Federal budget which is now before Congress.

Our goal should be to reduce this budget by at least $6½ billion. Personally I think it should be reduced by more, but certainly it should be reduced by $6½ billion in order to avoid some of the perils I shall discuss.

The way ahead is difficult and the only hope is the voice of the people back home. I know from experience that to break down entrenched Federal spending is one of the most difficult things to do on earth.

When a person receives a check more than once from the Federal Government he believes he has a vested right to receive these checks all the rest of his life. Now there are 37 million people receiving Federal checks. If you add dependents to this number of check receivers, nearly a majority of the population are interested in receipt of Federal checks.

There is one principle we must preserve if we are not to destroy this great constitutional democracy of ours. That is: people must support the Government, not Government the people. Upon that principle rests the future of our form of government.

I am keenly aware of the current change in sentiment with respect to Federal spending because I have done my utmost for nearly a quarter of a century in the Senate to prevent wasteful spending, or at least reduce it.

I have been condemned at times for my votes, especially in the early days of the New Deal.

I recall that I cast in 1939 the sole vote against prolonging the continuance of the Reconstruction Finance Corporation. Ten years later I was patron of the bill which finally abolished RFC. Now at this much later date, I looked over the budget the other day and found there are still 300 employees engaged in closing up the affairs of the Reconstruction Finance Corporation.

I mention this to show that once a Federal agency gets going in Washington it is extremely difficult to end it. And this goes for programs and functions as well as agencies.

Now thousands and thousands of letters are coming in to us at Washington. They are letters from people back home—housewives and others—who think that high Federal spending is increasing the cost of living, adding to inflation, and impairing the solvency of our Government. This is democracy at work.

Friday night I had the honor to address 500 businessmen called from all over the country in an emergency meeting by the president and directors of the United States Chamber of Commerce. They met in Washington to devise ways and means of arousing public sentiment against the luxury in the present budget and reduce it.

The spending spree began in the middle of 1933, when Mr. Roosevelt abandoned his campaign promises for economical Government. The first bill I voted for when I went to the Senate in 1933—I took my oath of office on the same day Mr. Roosevelt took his—was a bill entitled "To Preserve the Credit of the United States Government."

At that time we owed $16 billion. Mr. Roosevelt's bill provided for a cut across the board of 15 percent in all expenditures by Federal agencies. He had promised a 25-percent cut, but I thought a 15-percent cut was good performance, as political promises go.

Unfortunately, this attitude lasted only 6 months. Then we started this orgy of Federal spending which to date has increased our Federal debt in a brief space of twenty-odd years from $16 billion to $280 billion. Our contingent liability—those things we are guaranteeing, such as housing loans, etc.—has increased from nothing to $280 billion. Federal appropriations have increased from $4 billion to $80 billion. Federal direct taxes have increased from $3 billion to $75 billion.

We engaged in foreign economic-aid programs which have cost to date nearly $50 billion, all of which had been added to the public debt.

Prior to the Roosevelt administration, the Federal Government was operated practically on a pay-as-you-go basis. We had our wars, but we buckled down when they were over and paid for them. We practiced frugality and thrift and accumulated the great assets which we are now exploiting.

Andrew Jackson, great man that he was, was the only President of the United States to pay off the Federal debt in toto. It was not large, but he paid it off and bragged about it, and when I am asked what kind of a Democrat I am, I say I am an Andrew Jackson Democrat. He was a liberal who believed in fiscal conservatism. These two can work together, although liberalism in Washington often is determined by how liberal you are with taxpayers' money.

At this time I think it is important to remember that when Mr. Eisenhower came to office in 1953 he was confronted with the 1954 budget prepared by Mr. Truman. It called for $78 billion in expenditures. Mr. Eisenhower reduced that budget by $9 billion. And in the following year he further reduced it to $64 billion.

But in 1956 there was a $2 billion increase. In the current fiscal year 1957 another $2½ billion was added. The new budget for the coming year is up $5 billion, and this is exclusive of expenditures for public roads which has been transferred to a trust fund outside the budget. We are now confronted with the largest peacetime expenditure in history.

What disturbs me so greatly in this budget are the dangerous implications to the future welfare of this country. First is its bigness. It is not necessary for it to be so big. Second is the fact that it moves us into vast new fields of Federal spending. We must recognize that once the Federal Government embraces new programs and functions they become entrenched usually at continually rising cost.

In his new budget Mr. Eisenhower has embraced 14 new grants-to-States programs. There are already 53. Among others, he recommended a new program for construction of public school buildings. You couldn't open up a greater Pandora box. When Washington starts building school buildings in every locality, there will be no end for increases in expenditures for this program.

A third danger in this budget is that it is based upon two unpredictable things. First it depends upon an increase in postage rates to bring in between $600 million and $700 million. I would reluctantly vote for an increase in postage rates. I do not say I would support the bill as proposed; but if an increase in rates were based on equality in all classes, I would consider it because I think the Post Office Department should be self-sustaining. But, this is not yet enacted by Congress—yet it is required if the budget is to be balanced as the administration estimates.

Further, the new Eisenhower budget depends upon a 6-percent increase in prosperity during the year 1957 as compared with 1956. This is a doubtful premise. I think there is a leveling off. I have no idea whatsoever that a depression of serious moment is in sight; but to predicate a budget upon continuing prosperity at higher level is a dangerous thing to do. If we should go back to the national income of 1954, for example, there would be a Federal deficit of about $2 billion.

I mentioned new Federal grants-to-States programs a moment ago. I regard this as one of the most dangerous trends. It invites States, counties and cities to look to the Federal Government to do things they should be doing for themselves. This removes government from the people, and when you move these functions to Washington you increase the cost, and lose control.

There is no such thing as a Federal grant. The Federal Government has no funds except those collected from the people in the States. These Federal tax collections go through Federal agencies and red tape which take up to 20 percent before they are ready to go back through grants programs with strings attached. The Federal bureaucrats take control away from the people where the money is spent.

Don't ever forget the control which the Federal Government will exercise if it starts this school-construction program. It is supposed to run for about 4 years, and about $2 billion expenditure is already planned. This will be only the beginning of the cost, and it will be only the beginning of Federal control to be exercised over local public schools.

Foreign aid is an example of how Federal programs go on and on. It was first enacted with absolute assurance to Congress that it would last 4 years and cost $15 billion. That was the Marshall plan. It has been going on for 10 years at a cost of $50 billion; and Congress has just passed another bill to open up a new Middle East economic aid program—the extent of which no one can foretell.

These are some of the reasons it is so necessary for people all over the country to communicate with their Representatives in Congress to impress upon them the urgency of reducing the Federal budget.

We must cut Federal expenditures all down the line. They are padded all the way through. It is a luxury budget. There isn't a single agency that can't reduce its expenditures 5 to 10 percent.

CIVIL RIGHTS

Now I am going to speak about civil rights, and especially about civil-rights bills pending in Congress. This is a matter of tremendous consequence to all of us.

There are 15 or 20 of these civil-rights bills, and while I regret to say so, this is punitive legislation to punish the South. That's all it is. Their purpose is to punish us because we will not submit to the Federal Govern-

ment in Washington—or may I say the Supreme Court—when we believe what we are doing is eminently constitutional, and to follow their bidding would destroy our public-school system.

One of these bills is especially offensive, and I shall limit my discussion to that one. It would establish in Washington a special bureau which would send its agents into the South and originate suits against southerners. They could go anywhere, of course. They could go to the North, the East, and the West. There have been riots and hangings outside the South. But this is an anti-South bureau.

When its agents originate cases against southern people, they would be tried in Federal courts without jury; subjected to contempt of court proceedings, and so forth.

I often think of those great Virginians who established our form of government, Jefferson, Madison, Mason, and so forth, on the basis that States were sovereign, and that the Federal Government should have no power except that delegated to it by the States, and it could be withdrawn by constitutional amendment.

I wonder what those great men would think of a Federal bureau established to go into Southern States originating suits against their citizens as punishment for conforming with State constitutions and laws.

What have we done to deserve this treatment? We have fought for constitutional democracy. We fought for it in 1860. We fought to the last ditch with the most conspicuous bravery in human history. Finally, in defeat by sheer numbers, we won everlasting world esteem.

We took our defeat with fortitude as we went through the terrible days of reconstruction. As I watch us handing out billions to defeated nations of World War II, I think of the kind of Marshall plan the carpetbaggers brought into the South to aid our reconstruction.

Since the War Between the States, as before, no section of the country has contributed more, in any respect, to the defense of the United States than the South. Yet we are to be punished because we disagree with Federal decree singularly designed to destroy the oldest way of life in the Nation.

Let me be frank; we southerners are fighting this thing with our backs to the wall, but what we lack in numbers we make up in our determination and will to protect our Southern States and the welfare of our people. We know that our form of government cannot exist over the years if States are to be mere provinces of a Central Government.

This is the greatest democracy in the history of the world. It has grown to this position in the brief span of 160 years, and with only 6 percent of the world's population. This could not have been achieved without the form of government bequeathed us as a sacred heritage by our forefathers.

Strike down the power of States to control their own affairs, and concentrate all power in Washington, and you strike at the heart of what makes this Nation great.

To me the decision of the Supreme Court abolishing segregation and compelling integration in State and local public-school systems was a vicious and destructive invasion of States rights.

It set aside all previous decisions by the Supreme Court on the subject, including the 1928 decision by Chief Justice Taft, a great and learned man and a former President of the United States, who held segregation was constitutional if separate equal facilities were provided. I don't want to say anything personal about the present Supreme Court, which repealed the Taft decision, but if I must choose between a decision rendered by the late Chief Justice Taft or by Chief Justice Warren, it doesn't take me long to make the decision.

This vicious recent decision did violence to State constitutions and laws, and even to Federal laws which provided segregation in the District of Columbia schools. It influenced 101 members of the United States Congress to take the unprecedented action of signing a solemn manifesto holding that the decision was an illegal usurpation of power.

It would strike down a way of life in the United States which has been developed over a period of 160 years and, if enforced, it will destroy our great public-school system.

I have had the great privilege of representing Virginians in various capacities for 40 years. I think I know something about conditions in Virginia. In my judgment, integration cannot be enforced in a majority of Virginia communities. I do not believe it is favored in any of them. How can we operate a public-school system in Virginia when a majority of the communities have withdrawn? A little deeper in the South, no communities will participate in an integrated system.

I congratulate Governor Stanley and members of the general assembly for their action in an effort to preserve the school system and the welfare of our citizens and their children. I congratulate also the Honorable Lindsay Almond for the great work he has done in this crisis as attorney general, and I know he will continue the fight he has made in any future office he may hold.

Let's be sure we understand the situation. Virginia has been selected by the NAACP and the Federal Government for their first onslaught. There are several reasons for this choice. In Virginia we have some communities where integration offers no problem. They believe if Virginia can be forced to surrender, it would have great effect on the fighting spirit in the rest of the South.

As in the War Between the States, Virginia will be the first battleground. It should be noted that these school suits have already been started in Virginia. They have chosen to wage war on Virginia because they think our communities are divided. I think they will learn their mistake.

But there is an ordeal ahead. In my judgment we have the courage and the fortitude to meet the challenge. We are already fighting, and we shall continue to fight to preserve our public school system, and that is precisely the objective of the laws recently passed by the Virginia General Assembly.

We are fighting, too, to preserve States rights which the vicious Supreme Court decision would destroy. We are facing a situation which is not only more serious than anything we have known in our day, but more serious than anything since the War Between the States. Our cause is right, and I pray we will meet our great responsibilities with calm but strong determination—but we must not let one act of personal violence mar our record for law and order.

I wish to make one more observation. We hear it said that a Supreme Court decision, illegal and vicious or not, should be obeyed without question. I have studied Thomas Jefferson's views on this subject, and I suggest that those who hold this view should do the same. Meanwhile I refer them to Andrew Jackson who defied the Court and told it to go and enforce its own decision; to Abraham Lincoln who had some unkind things to say about the Court in connection with the Dred Scott decision; and to Franklin D. Roosevelt who called the Court nine old men in their dotage, living in the "horse and buggy" days.

We are not demanding that the Justices be thrown out and the Court packed, as Mr. Roosevelt did. We are simply asking the Court to consider the damage it has done, reverse itself, and go back to the Taft decision of 1928.

Meanwhile we reserve the right to criticize the Supreme Court, just as we do the President of the United States, and Members of Congress. In fact, we reserve the right to defy the Supreme Court, so long as we do so without violence or attempt to overthrow the Government. That is inherent in our Constitution.

The Taft decision was as much of a Supreme Court decision as the Warren decision. I choose to follow the Taft decision. The Court has reversed itself before. I trust that, in view of the massive resistance throughout the South where its decision does most violence, this Court may see the error of its ways, and reverse itself again. This would be in keeping with freedoms of our great Constitutional Democracy.

I deeply appreciate this opportunity to meet with you. I have wanted to get here before, but something always prevented. I want to thank you for the partiality you have shown me throughout my public career.

SENATE

THURSDAY, APRIL 4, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, to this altar of Thy grace we come, not asking Thee for the vain trifles we may want, the fruit of our selfish desires, but, rather, seeking to put ourselves in such relationship with Thee that Thou canst do in us and through us what Thou dost desire in this desperately needy generation.

Inspire and guide, we pray, with Thy Spirit these, Thy servants, the few among the many, lifted to high pedestals of influence and responsibility, to the end that they may be found worthy stewards of the Nation's trust. By their sincerity, integrity, and wisdom, may they be led to decisions that shall heal the wounds and bridge the gulfs of these embittered days. May all that is said and done here hasten the glad time when mercy and truth shall be blended into divine harmony, and righteousness and peace shall kiss each other in a world of brothers. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, April 1, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MEMBERSHIP IN ORGANIZATION FOR TRADE COOPERATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 146)

Mr. JOHNSON of Texas. I ask unanimous consent that the message that the

President of the Senate received today on the United States membership in the Organization for Trade Cooperation be laid before the Senate. In view of the fact that this message was received in the House on yesterday I ask it be referred to the Committee on Finance without its being read.

The VICE PRESIDENT. The Chair lays before the Senate the message from the President. Without objection, it will be referred to the Committee on Finance, and printed in the RECORD.

The President's message is as follows:

To the Congress of the United States:

The Secretary of Commerce is submitting for consideration by the Congress legislation to authorize United States membership in the Organization for Trade Cooperation.

I urge its favorable consideration.

The advantages to the United States of membership in the Organization for Trade Cooperation are compelling. It would open the way to major benefits for American trade by providing day-to-day review and consultation on administration of our trade agreements. It would provide machinery for closer supervision and protection of the assurances contained in those agreements against discriminatory treatment of American exports, and thus increase the benefits we receive from those agreements. It would enable us more effectively to encourage the opening of new opportunities for our exports to compete in the world market on their commercial merit.

Foreign trade is a major economic activity in the United States. In 1956 our merchandise exports, excluding goods shipped under military-assistance programs, amounted to over $17 billion. They constituted a greater proportion of our gross national product than the value of all nonfarm residential construction last year. In the field of agriculture alone exports provide the market for the product of about 40 million acres of land.

Because exports take only part of the production of most of our industries and farms, and because they move through so many stages of processing and handling on their way to foreign markets, we frequently overlook their importance. But they are vital to the welfare of our agriculture, labor, and industry.

America's foreign trade has grown rapidly under our reciprocal trade agreements program. This program has been in effect for more than 20 years, but since 1946 its principal vehicle has been a multilateral agreement known as the General Agreement on Tariffs and Trade, signed by all the major trading nations of the world.

That agreement gives to the United States important tariff and other concessions, but some of the benefits of these concessions to our export trade have been offset by such measures as quotas, licenses, and exchange restrictions. These measures have under various circumstances had the effect of discriminating against United States exports, and limiting the benefits of tariff concessions which we received under the general agreement.

The general agreement provides for the orderly elimination of this discrimination against our trade, but, because of inadequate machinery for administration, these provisions have not been fully effective.

The Organization for Trade Cooperation, by making possible more business-like administration of those provisions of the general agreement, will help to make our trade agreements more fully effective and assist us in expanding our markets abroad for United States products. At the present time, administration of the general agreement is limited by the fact that the signatories meet only intermittently.

In my message of April 14, 1955, I reviewed the evolution of the general agreement and the developments which led to the proposal for an Organization for Trade Cooperation. That message was followed by exhaustive hearings before the Committee on Ways and Means of the House of Representatives and in April 1956 that committee approved a bill to authorize United States membership in the proposed Organization.

In reporting last year's bill the Committee on Ways and Means inserted a number of constructive amendments to assure that participation by the United States in the Organization for Trade Cooperation would relate solely to matters pertaining to international trade and that safeguards for domestic producers contained in our present trade legislation would be maintained unimpaired. These amendments have been strengthened and included in this year's bill.

The proposal being submitted by the Secretary of Commerce contains two new features not found in the bill approved by the Committee on Ways and Means last year. These are designed to provide further safeguards to insure that United States participation in the proposed Organization will be responsive to the problems and needs of American agriculture, labor, and industry. The first is a provision to create an advisory committee consisting of representatives of American labor, industry, agriculture, and the public to advise and consult with the United States chief representative on matters coming before the Organization. The second is a provision under which the United States chief representative would make an annual report to the President for transmittal to the Congress concerning the effect of the activities of the Organization for Trade Cooperation on American labor, industry, and agriculture.

In addition, the proposal contains provisions further clarifying the substantive safeguards already endorsed by the Committee on Ways and Means by explicitly stating that its enactment will not authorize, directly or indirectly, any further tariff reduction or other tariff concession by the United States not elsewhere authorized by the Congress.

The recent development of proposals for a common market and free trade area place Western Europe on the threshold of a great new movement toward economic integration. The Organization for Trade Cooperation will help to assure that this movement will develop in ways beneficial to our trade and that of other free countries, avoiding the danger that regional trade arrangement will lead to new barriers and discriminations against our exports.

To achieve our objectives, it is essential that the United States chief representative to the Organization for Trade Cooperation be a person of wide experience in practical business matters, and that the members of the advisory committee likewise have had practical experience in their respective fields. I intend to appoint the Secretary of Commerce as chairman of the advisory committee.

The foreign trade policies of the United States are based upon our reciprocal trade legislation and the agreements that have been negotiated under it. Until we establish the best possible machinery for administration of these agreements, we are needlessly failing to obtain their maximum possible benefits for American labor, industry, and agriculture. With membership in the proposed Organization for Trade Cooperation we will be in the strongest possible position to achieve the full benefits that these agreements afford.

I recommend the early enactment of this proposal.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 3, 1957.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1863. An act for the relief of Mrs. John William Brennan;

H. R. 2046. An act for the relief of August J. Strigga; and

H. R. 3322. An act for the relief of James L. Bostwick.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 53. An act to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration;

H. R. 71. An act to prohibit the payment of pensions to persons confined in penal institutions for periods longer than 60 days;

H. R. 76. An act to amend the Veterans Regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb;

H. R. 896. An act to amend title 10, United States Code, to authorize the Secretary of the Army to furnish heraldic services;

H. R. 3477. An act relating to moneys received from mineral lands in Alaska;

H. R. 3819. An act to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States;

H. R. 3820. An act to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes;

H. R. 2968. An act to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes;

H. R. 4191. An act to amend section 633 of title 28, United States Code, prescribing fees of United States commissioners;

H. R. 4370. An act to amend section 645 of title 14, United States Code, relative to the settlement of claims incident to activities of the Coast Guard, and for other purposes; and

H. R. 5603. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1863. An act for the relief of Mrs. John William Brennan;

H. R. 2046. An act for the relief of August J. Striggs; and

H. R. 3322. An act for the relief of James L. Bostwick.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 53. An act to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration;

H. R. 71. An act to prohibit the payment of pensions to persons confined in penal institutions for periods longer than 60 days; and

H. R. 78. An act to amend the Veterans Regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb; to the Committee on Finance.

H. R. 896. An act to amend title 10, United States Code, to authorize the Secretary of the Army to furnish heraldic services; to the Committee on Armed Services.

H. R. 3477. An act relating to moneys received from mineral lands in Alaska; to the Committee on Interior and Insular Affairs.

H. R. 3819. An act to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States;

H. R. 3830. An act to amend section 490 of title 14, United States Code, relating to the settlement of claims of military and civilian personnel of the Coast Guard, and for other purposes;

H. R. 4191. An act to amend section 633 of title 28, United States Code, prescribing fees of United States commissioners; and

H. R. 4370. An act to amend section 645 of title 14, United States Code, relative to the settlement of claims incident to activities of the Coast Guard, and for other purposes; to the Committee on the Judiciary.

H. R. 3968. An act to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 5603. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana; to the Committee on Banking and Currency.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. HOLLAND was excused from attendance on the session of the Senate from 4:20 p. m., this afternoon until Monday morning next.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Public Health, Education, Welfare, and Safety of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Monday at noon.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Monroney
Allott	Gore	Morse
Barrett	Green	Mundt
Bell	Hayden	Murray
Bennett	Hennings	Neuberger
Bible	Hickenlooper	O'Mahoney
Blakley	Hill	Pastore
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Bush	Humphrey	Revercomb
Butler	Ives	Robertson
Byrd	Jackson	Russell
Carlson	Javits	Saltonstall
Carroll	Jenner	Schoeppel
Case, N. J.	Johnson, Tex.	Scott
Case, S. Dak.	Johnston, S. C.	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Ellender	Mansfield	Watkins
Ervin	Martin, Iowa	Williams
Flanders	McCarthy	Young
Frear	McClellan	
Fulbright	McNamara	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Mississippi [Mr. EASTLAND] are absent on official business. The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Nevada [Mr. MALONE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kentucky [Mr. MORTON] are absent on official business.

The Senator from Kentucky [Mr. COOPER] and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The PRESIDING OFFICER (Mr. SCOTT in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I had hoped we could have the usual morning hour; but my friend, the Senator from New Jersey [Mr. SMITH], desires recognition.

VISIT TO THE SENATE BY THE RIGHT HONORABLE ARTHUR BOTTOMLEY, MEMBER OF PARLIAMENT OF GREAT BRITAIN

Mr. SMITH of New Jersey. Mr. President, there is present on the floor today, as our guest, a member of the British Parliament, the Right Honorable Arthur Bottomley. He has been the Minister for Overseas Trade, and before that he was Under Secretary for Dominion Affairs. During World War II he was the Deputy Regional Commissioner for Southern England, dealing with all matters arising in connection with civil defense. He is a member of the Queen's Privy Council.

I have the great honor of introducing to the Senate my friend, the Right Honorable Arthur Bottomley.

(The distinguished visitor was greeted with applause, Senators rising.)

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of the executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Francis H. Russell, of Maine, to be Ambassador Extraordinary and Plenipotentiary to New Zealand; and

Stanley C. Allyn, of Ohio, to be the representative to the 13th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

By Mr. HILL, from the Committee on Labor and Public Welfare:

Katherine Brownell Oettinger, of Massachusetts, to be Chief of the Children's

Bureau, Department of Health, Education, and Welfare, vice Martha Eliot, resigned; and

Alan T. Waterman, of Connecticut, to be Director of the National Science Foundation.

By Mr. BIBLE (for Mr. NEELY), from the Committee on the District of Columbia.

Orman W. Ketcham, of Maryland, to be judge of the juvenile court for the District of Columbia, vice Edith H. Cockrill.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Two hundred and forty-one postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES CIRCUIT JUDGE

The legislative clerk read the nomination of Clement F. Haynsworth, Jr., of South Carolina, to be United States circuit judge for the fourth circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES CUSTOMS COURT

The legislative clerk read the nomination of Scovel Richardson, of Missouri, to be Judge, United States Customs Court.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SPECIAL SENATORIAL ELECTION IN TEXAS

Mr. JOHNSON of Texas. Mr. President, I wish to make a very brief statement. I ask the cooperation and indulgence of my colleagues on both sides of the aisle.

Recently a great deal of advice has been given the people of the State of Texas on how they should vote. Some of it came from the distinguished President. Then the distinguished Vice President returned from Africa and expressed his opinion. Then the distinguished Secretary of Agriculture had some observations to make on the subject.

A somewhat unusual situation existed in Texas. There were 18 Democratic candidates for the Senate, and 2 Republican candidates. I do not know how many Democratic candidates there must be in order to enable a Republican to win, but evidently there must be more than 18. The Republican candidate was a very fine young man. He was a new, fresh face in the politics of our State. He was endorsed by a very popular President and seconded by a very well known Vice President. He succeeded in obtaining 23 percent of the votes of the people of Texas.

In a few days a very distinguished judge will join us as the junior Senator from the Lone Star State. Today, one of our finest men and most beloved citizens is prepared to address the Senate very briefly and, as is characteristic of him, modestly and humbly.

I believe that I speak for every Member of the Senate when I say it is with a deep feeling of regret that we say goodbye to my distinguished colleague.

BILL BLAKLEY has only been here for a few brief months. But in those few brief months he has won for himself the respect and affection of everyone who has had the good fortune to come in contact with him.

BILL BLAKLEY is one of those men who automatically brings to mind the word "friend." I know of many friends of BILL BLAKLEY. I know of no enemies. It would take a very small-souled man to be his enemy.

He has conducted himself here with dignity, integrity, and with a high degree of statesmanship. He has approached all problems in the sense of which course best serves his country.

We Texans are a very proud people. We are proud of everything about the State. BILL BLAKLEY is a modest man who is not given to publicizing himself or to boasting.

But I am confident that every Texan is proud of him. He is one of the best ambassadors that we have, and the only solace in his departure from the Chamber is the fact that he is returning to Texas, where he will remain my friend as he has been for so many years.

I ask unanimous consent that the junior Senator from Texas [Mr. BLAKLEY] may be recognized for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, the junior Senator from Texas is recognized for 5 minutes.

FAREWELL STATEMENT BY SENATOR BLAKLEY

Mr. BLAKLEY. Mr. President, I rise today with a very sad and heavy heart, because of a serious tragedy which befell my great State and my beloved home city of Dallas. It is very difficult for me to understand such things. However, I believe that once again it has been demonstrated that the Master of the Universe is not willing to reveal all His secrets to the understanding of the minds of men.

I take this opportunity to express my personal gratitude to the membership of this great body for the treatment I have received during my brief tenure here. I can say without reservation that there has not been a single Member who has not been more kindly and more generous to me than I deserved.

More especially, I wish to acknowledge with deep appreciation the help that came to me from my colleague, the senior Senator from Texas, the distinguished majority leader [Mr. JOHNSON], who took my inexperienced hand and gave strength to my awkward and faltering steps, making it possible for me to learn more for myself, and to render better service in this important office.

Had I had more time, perhaps I should have asked for an opportunity to discuss and to learn the difference between the public welfare and the welfare state. Perhaps I should also have inquired what the opposition is to the greatest prosperity that has ever been known by modern civilization. Perhaps I should have inquired further and have tried to find out, why this prosperity needed high and higher interest rates; and that in order to achieve all this, the greatest and strongest government known to man should contribute its full strength and integrity to the downgrading of its own securities.

Perhaps I would also have wanted to inquire, always earnestly, as to the full protection of the rights of the individual citizens of our country.

I should have liked to try to find out what is a liberal and what is a conservative. Perhaps I should have liked to be sure that a liberal is not one who wants to give away the lives and liberties and fortunes of others, or that a conservative is not one who wants to have placed in the hands of a few the privileges and the property of the many.

History teaches us that to destroy liberty is to place in the hands of a limited few in Government all the privileges and liberties of the many. I believe that in our system, which is the most beneficent ever known to man, with its three great branches of Government, it is the duty of the Senate, together with the other great legislative body, the House, always to protect beyond and above everything else the rights and privileges of the people against the possibility of a dictatorial executive, and against a totalitarian judicial oligarchy which would take away such sacred privileges as the right of trial by jury and the right to meet one's accuser face to face.

Freedom does not mean a guaranty of a full stomach. Strength comes only from hard effort, not from idleness and paternal endowment.

Had I remained here, these and many other questions and suggestions I would probably have brought to the notice of my colleagues. But now, kind friends and Mr. President, I bid you farewell.

I shall go back to my boots and saddle, to ride toward the western sunset. As I do, I shall carry with me forever the cherished memory of my tenure here and the unfailing faith that so long as this great body shall endure the freedom of man will prevail.

May the will of providence be with you forever. [Applause, Senators rising.]

Mr. PASTORE. Mr. President, I rise to say Godspeed to a respected friend, the junior Senator from the great State of Texas [Mr. BLAKLEY].

I have been engaged in political activities from the day I was allowed to vote. I have held public office practically all my adult life. I had the privilege of serving as the chief executive of

my State for about 6 years before becoming a Member of this very august body.

I have met very many prominent persons whom I have admired and respected. Among them have been Republicans, as well as Democrats. I have been a member of the Democratic Party all my life, for which I am very happy and very proud.

Within the past few months I have been associated, as have the other members of the Committee on Interstate and Foreign Commerce, with the junior Senator from Texas. I did not know him before he became a Member of the United States Senate. But in the short time it has been my privilege to know him, I daresay I have had as high respect, admiration, and affection for him as I could have for any man. I have had the opportunity to be in his company in informal gatherings, and there I heard BILL BLAKLEY speak. He speaks with a well-informed mind, indeed; but, more important, BILL BLAKLEY has never uttered a word in my presence unless it emanated from his heart.

For personal reasons he did not choose to seek election to this body, a fact which I have regretted exceedingly. But be that as it may, in the short time BILL BLAKLEY has been a Member of the Senate, he has been a guiding light to many of us who have the good fortune to serve in the United States Senate.

We shall miss him, and miss him immensely, but for the short time we have had the privilege of being his colleague, we shall forever be grateful.

I bid him Godspeed. With the greatest sincerity. I express the fervent hope that all his dreams will come true.

Mr. HUMPHREY. Mr. President, I wish to associate myself with the very appropriate and well-deserved remarks made by the distinguished junior Senator from Rhode Island [Mr. PASTORE] concerning our distinguished colleague, the junior Senator from Texas [Mr. BLAKLEY]. Every contact I have had with this splendid gentleman has been one which has been rewarding to me in terms of great human experience. He has a keen mind and a big, warm heart, and he speaks well of all his associates. His words are the words of an optimist, the words of a man who has faith in the future. It is that kind of philosophy which is so desperately needed in these trying days.

I listened most attentively to the remarks of the junior Senator from Texas in the Senate today. They were indicative of the inquisitiveness of his fine mind and also of the tenderness and the compassionate attitude or spirit of the heart and soul.

Mr. KNOWLAND. Mr. President, I know that I speak for my colleagues on this side of the aisle in paying respect to the distinguished junior Senator from Texas [Mr. BLAKLEY]. We have all felt it was a great privilege to know Senator BLAKLEY during the brief time he has been a Member of the Senate. I know of no person who has been a Member of the Senate for so short a time who has more favorably impressed his colleagues, not only those on the Democratic side of the aisle but also those on the Republican side of the aisle, with his sincerity, his integrity, and his devotion to public duty, not only as a Senator from the great State of Texas, which he has been privileged to represent in part during this period of time, but also in the broader aspects of the service of all Members of this body, namely, as a Senator of the United States.

We shall miss him from these Halls. We hope the friendships which have been engendered during his service here will be continued—as we know they will—during the years to come.

Senator BLAKLEY will always have a place of affection in the hearts of all those of us who have been privileged to know him.

Mr. MONRONEY. Mr. President, I should like to join the majority leader, the minority leader, and all other Members of the Senate in paying my tribute and expressing my deep feeling of personal loss at the imminent departure of the distinguished junior Senator from Texas [Mr. BLAKLEY], who is about to retire from this great body. No other man with whom I have had the privilege of serving has been able to win so many friends and such great respect on the part of the other Members in so short a time. He came here for a brief period, beginning in January, and he leaves us in April. But his record here, particularly his record of service on the Committee on Interstate and Foreign Commerce, where I have had the great privilege of serving with him, has shown a most able mind, a discerning heart, and great courage and determination to try to assist in the passage of legislative measures in the interest of all the people and in the interest of strengthening our great country.

Senator BLAKLEY understands the other fellow's viewpoint. Although he may disagree, he still is willing and, indeed, anxious to understand all facets and all phases of an issue.

We shall miss him greatly, because in his unwillingness to sit idly by or to conduct a holding operation, he has demonstrated his determination to contribute to leadership in good government.

We who live in Oklahoma are distinctly proud of Senator BLAKLEY; he is an unusual Senator in more ways than one. In fact, his is the only case in which Texas has ever turned to a native son of Oklahoma, to bestow upon him the great privilege of representing in the Senate of the United States the Lone Star State.

As we bid him adieu, I express the hope that he will often return, so that all his friends in the Senate will be able to greet him.

Mr. KERR. Mr. President, I join my distinguished colleague and other Senators in a word of affectionate tribute to the distinguished junior Senator from Texas [Mr. BLAKLEY]. My deskmate, the great junior Senator from Delaware [Mr. FREAR], joins me in what I have to say.

Mr. President, our friend, the junior Senator from Texas, is a product of the great Southwest. He spent most of his younger life in the old Oklahoma Territory, and then in the State of Oklahoma, after that Territory became a part of the State. So he is truly a son of the wide prairies and the tall mountains. To our loss, but to the gain of our sister State to the south and west, he looked in its direction, and was challenged and inspired by the even vaster domain of the Lone Star State. He captured the vision of the wide open spaces; and his character—like the fertile valleys and the rugged mountains—has the strength of nature and the appreciation and reverence of the Creator of us all.

Senator BLAKLEY has made a contribution here. We shall miss him when he has gone. We hope his obligations and responsibilities will permit him to return here very often. We feel that probably he is the greatest Texan whom Oklahoma has ever produced, and that he is one of the finest Members who has ever come to this body.

Mr. THURMOND. Mr. President, the junior Senator from Texas [Mr. BLAKLEY] will soon leave us. I do not know when I have met a man who has impressed me so deeply. He is a man of strong character and unimpeachable integrity. He is a devoted, dedicated American.

I regret that he is leaving us. He has made an indelible impression upon the other Members of the Senate, and he would make a great Senator to serve his State and his Nation for years to come.

I join my colleagues in expressing my deep regret at the departure of the able junior Senator from Texas. I wish for him Godspeed in all his undertakings in the future.

Mr. HOLLAND. Mr. President, I wish to joint heartily in the expressions of respect, confidence, and affection which have been voiced by so many of our colleagues relative to our distinguished friend, the junior Senator from Texas [Mr. BLAKLEY], whom we regret to see leave us today.

Mr. CASE of South Dakota. Mr. President, I should like to associate myself with the remarks which have been made regarding the junior Senator from Texas [Mr. BLAKLEY]. His farewell remarks on the floor were a classic, and will always be a treasured part of the RECORD, so far as I am concerned.

I may say to him that in recent years the greatest flow of population into South Dakota has come from Texas. Texans feel very much at home in South Dakota. In speaking for myself, I can say to the junior Senator from Texas that I am sure he will feel very much at home if he comes to southwest South Dakota.

Mr. POTTER. Mr. President, I wish to join my colleagues in paying my tribute and respects to the junior Senator from Texas [Mr. BLAKLEY].

It has been my honor to serve with him on the Interstate and Foreign Commerce Committee, where he has served with distinction and honor, not only on behalf of the State of Texas, but in the interests of the United States.

Those who have served with him will regret his leaving, and we wish him health and happiness as he goes back to his State of Texas.

Mr. McCLELLAN. Mr. President, I join and associate myself with my colleagues who have spoken in praise of our

distinguished friend, the junior Senator from Texas [Mr. BLAKLEY]. It was with deep regret that I learned he was leaving the Senate. When he came to the Senate he was assigned to the Government Operations Committee, of which I happen to be chairman. I had looked forward with hope and expectation to his having a long and distinguished career in the Senate. He has had a distinguished career, Mr. President, but it has been entirely too brief.

I should like to make only this observation. When he became a member of the Government Operations Committee, he immediately took a keen interest in the affairs of that committee. I wish to say for the record that his contribution to the work of the committee and to its functions and deliberations have been limited only by the brevity of his service.

We shall miss him. I think the Senate is sustaining a loss because of his departure. It was with deep regret that I learned it was not his purpose to continue his service here, but that, by choice, he would depart from the Senate.

I can only say that I hope, wherever he goes, the blessings of our Lord and happiness will attend him and his loved ones.

Mr. GOLDWATER. Mr. President, I wish to join my colleagues in the Senate in expressing regret at the leaving of the distinguished junior Senator from Texas. I was particularly impressed, as I have been impressed before, with his stand relative to the dangers to our freedom that exist today. I think he reflects the thinking of the entire West, and of the majority of the people of the United States.

When he points out the inherent dangers in a big, centralized Government, when he reminds the Senate that the end result of the road down which we have been traveling is dictatorship, I am not surprised he holds those views, because he comes from a State and from a section of the country that is young, that still knows what the fight for freedom is.

I wish the junior Senator from Texas every good thing in the world as he returns to his glorious State.

Mr. CHURCH. Mr. President, I wish to join in the tributes paid today to the distinguished junior Senator from Texas [Mr. BLAKLEY], to thank him for his many personal courtesies, and to wish him good luck and Godspeed in the years ahead.

Mr. JACKSON. Mr. President, I wish to associate myself with the remarks made by my colleagues with reference to the distinguished junior Senator from Texas [Mr. BLAKLEY]. During the short time I have had the privilege of knowing him, I have been deeply impressed by his judicial and diligent approach to all legislative problems. He has demonstrated to the Senate a conscientious approach to all the questions we have had to consider. He is a high type of public servant. I express the hope that he may continue to take an active interest in public affairs. We need more public servants like the distinguished junior Senator from Texas.

Mr. CHAVEZ. Mr. President, as an employee of the Senate and as a Member of the body, I have known many Texans, from the days of good old Tom Connally, of Morris Sheppard, and other distinguished Senators from that State; but in my opinion there has never yet been a Senator who better represented the United States of America or Texas than the outstanding Texan who is at the moment the junior Senator from Texas.

I wish to join with the membership of this body in expressing a deep regret that the decision of the junior Senator from Texas did not make it possible for him to continue as a Member of the Senate. I know his successor very well, and I believe I know Texas as well as any other Member of this body, but the Senate would have been possibly in better shape if the junior Senator from Texas had continued his service here, although, of course, I think his successor will make a great Senator as Texans always do.

I appreciate the junior Senator from Texas not only as an American and as a Texan, but because he happens, in a way, to be one of my constituents. Many years ago Willa Cather wrote a beautiful novel called Death Comes for the Archbishop. This was a story about Archbishop Lamy, the first Catholic archbishop under American rule in America of the Archdiocese of Santa Fe. It has come about, through good American effort and sincere purpose, that the Senator owns the Lamy land grant in my State. So I consider him one of New Mexico's taxpayers and one of its leading citizens. I wish him the best of luck.

Mr. ROBERTSON. Mr. President, I share the thoughts expressed by so many colleagues as to the early retirement of the very charming and able junior Senator from Texas [Mr. BLAKLEY].

I had the privilege soon after he became a Member of the Senate of having breakfast with him, as a guest of one of the leading bankers of Texas, who told me, "Here is a man after your own heart." I found that to be true.

On numerous occasions I have expressed to the junior Senator from Texas my regret that he was not going to serve out the entire term of former Senator Daniel, rather than only 3 months.

Mr. President, I am about to make some remarks concerning Magna Carta, taxation, and control of the purse, which I am sure the junior Senator from Texas will endorse.

Mr. BYRD. Mr. President, I wish to pay my tribute to the distinguished junior Senator from Texas [Mr. BLAKLEY] and to express my great regret that he is leaving the Senate.

As is the case with other Senators, the chief pleasure and gratification I derive from being a Member of the Senate comes from my association with my colleagues. I know of no Member of the Senate, in my 24 years' service, who has made a finer impression upon me, or for whom I have formed a greater or more lasting friendship, than the junior Senator from Texas. He is a great ambassador from a great State. When he returns to his beloved Texas, he will carry with him the memory that all of his colleagues in the Senate, on both sides of the aisle, have for him the greatest affection and the highest respect.

Mr. MANSFIELD. Mr. President, I would be remiss to my own sense of propriety if I failed to join my many colleagues who this afternoon have, while speaking on the floor, voiced their deep regret over the fact that the distinguished junior Senator from Texas [Mr. BLAKLEY] will soon be leaving the Senate.

In the short period during which I have been privileged to know him, I have found him to be a man of great understanding, tolerance, tact, and ability.

I certainly hope he is aware of the fact that the floor of the Senate will be open to him at all times. I know that I speak for all the membership of this body—for all Senators on both sides of the aisle—when I say that all of us hope he will not forget that fact, and that on occasion he will return and will visit with us. We shall appreciate having his advice and counsel, because since he has been with us, we have come to love and to admire him.

We certainly wish him the best of everything, in the years ahead; and we know that his influence will be for good, not only in his home State of Texas, but throughout the United States and the free world.

Mr. President, it has been good to know the junior Senator from Texas, Senator WILLIAM BLAKLEY. It is going to be good to know that he will come back and will visit us occasionally, so that we can get together and can discuss problems of mutual interest, and can benefit thereby. He is a gentleman in the finest sense of the word and he has, in the Texas tradition, been a great credit to his State and Nation. The Senate is a better body because of men like Senator BLAKLEY. When he leaves us, he and his charming wife will have left their imprint on all of us and it will be a mark of our individual and collective admiration, affection, and respect for these two great Americans.

Mr. MORSE. Mr. President, I think perhaps the most precious compensation we receive as Senators is the opportunity to serve our fellow men. But I think the next most valuable compensation we receive is the treasured friendships which develop between and among those of us who serve in the Senate. Many of them are most remarkable friendships, Mr. President. We see men of great differences in political ideology and background form the closest of friendships in the Senate.

When the junior Senator from Texas [Mr. BLAKLEY] first came to the Senate, it was my privilege to have him sit next to me, as my seatmate, for some time after he arrived. I am sure he will share this expression, when I say that a friendship did develop between us—a friendship which I shall always prize highly. In fact, Mr. President, so far as I am concerned, that friendship added to my treasure of friendships, and I feel that really it has helped make me a true millionaire in the sense of real values.

As the junior Senator from Texas returns to Texas, I wish to say to him that I sincerely hope this will be but the beginning of a great career of public service for him, because I hope that his experience with us has demonstrated to him that, after all, no longer can he

consider himself a private citizen, but that his obligations now to the people of Texas, based upon his experiences here, are such that they own him truly. So it is that I hope that in the not too distant future I shall read of his intention to continue in some phase of further public service.

In closing my brief remarks of respect to my friend, the junior Senator from Texas, I would simply refer to one of the most beautiful philosophical poems of Kipling, when he was seeking to advise young men how they could become men. I think Kipling very well described the junior Senator from Texas—who is a great man—when he said:

If you can talk with crowds and keep your virtue,
Or walk with Kings—nor lose the common touch.

Mr. TALMADGE. Mr. President, I should like to pay my respects to my distinguished colleague, WILLIAM A. BLAKLEY, who is soon to leave the Senate. I have had the honor, the pleasure, and the privilege of sitting on his right for 6 or 8 weeks. During that period of time I have come to know him well, and to come to know him well is to love him and to respect him.

He is a man who has accumulated considerable of the world's goods, but he did so by hard work, by energy, by thrift, and by his intellect. Despite the fact that he has accumulated a good deal of the world's goods, he still is a man of great humility, who retains the common touch.

I shall hate to see him go. I join with every other Member of the Senate on both sides of the aisle in wishing him Godspeed in all future endeavors.

Mr. STENNIS. Mr. President, I wish to add my voice to the chorus of sincere commendations to the retiring junior Senator from Texas [Mr. BLAKLEY], who today has made his valedictory speech to the Senate. In the all too short time he has been here, he has made a splendid contribution to the United States Senate. This contribution was due primarily to his deep and genuine interest in humanity, his sincerity, and his sincere belief in the basic principles upon which our Nation is founded.

He quickly gained the utmost respect and confidence of all his colleagues. His influence and his activity have made themselves felt in a most constructive manner and in many directions.

It is men of the mold of WILLIAM BLAKLEY who are needed in the United States Senate, and who go to make up the strength and character of our great Nation.

As he returns to Texas, not only does he carry the good wishes of all of his colleagues, but he carries with him their utmost confidence and esteem. He leaves with the Senate not only pleasant memories of his sojourn with us, but the very strong and abiding appreciation for his character and integrity, and his abounding faith in his Government, his neighbor, and his God.

Mrs. Stennis joins with me in this expression of fond good wishes, appreciation and esteem to Mrs. Blakley and Senator BLAKLEY as they head toward their native State, where we all wish for them a continued rich and full life of well deserved satisfactions and happiness.

Mr. NEUBERGER subsequently said: Mr. President, because I was occupying the chair for a good deal of the time during the deserved tributes to the junior Senator from Texas [Mr. BLAKLEY], I was therefore precluded from participating.

I should like at this time to join in the praise which has been so justly bestowed upon our colleague. I also should like to add, both for Mrs. Neuberger and myself, our fond good wishes to Mrs. Blakley, whose very gracious and charming presence in the Capital has meant so much to all of us.

I wish for Senator and Mrs. Blakley all possible success, good fortune, and health in all the years ahead.

Mr. GORE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. GORE. I hope the Senator from Oregon will permit me to join wholeheartedly in the remarks he has made about the distinguished junior Senator from Texas.

Mr. NEUBERGER. I thank the Senator from Tennessee.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, since the Senate has met today following an adjournment, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on overobligations of appropriations within that Department (with an accompanying report); to the Committee on Appropriations.

AMENDMENT OF PUBLIC LAW 472, AS AMENDED, RELATING TO NATIONAL DEFENSE

A letter from the Executive Secretary, National Advisory Committee for Aeronautics, Washington, D. C., transmitting a draft of proposed legislation to amend Public Law 472, 81st Congress, as amended, entitled "An act to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study" (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF FEDERAL FLOOD INSURANCE ACT OF 1956, RELATING TO LOAN CONTRACTS

A letter from the Administrator, Housing and Home Finance Agency, Washington, D. C., transmitting a draft of proposed legislation to amend the Federal Flood Insurance Act of 1956 to remove authority for loan contracts (with accompanying papers); to the Committee on Banking and Currency.

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO UNITED STATES MEMBERSHIP IN PROPOSED ORGANIZATION FOR TRADE COOPERATION

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Tariff Act of 1930 with respect to the administration of the General Agreement on Tariffs and Trade (with an accompanying paper); to the Committee on Finance.

AMENDMENT OF REORGANIZATION ACT OF 1949, AS AMENDED

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend the Reorganization Act of 1949, as amended (with an accompanying paper); to the Committee on Government Operations.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO LIMITATION ON CERTAIN SERVICES

A letter from the Chairman, Civil Aeronautics Board, Washington, D. C., transmitting a draft of proposed legislation to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

COL. JOSEPH T. CLEMENT AND BRIG. GEN. WALDO CHARLES POTTER

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Col. Joseph T. Clement, United States Army, retired, and Brig. Gen. Waldo Charles Potter, United States Army, retired (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF TRADING WITH THE ENEMY AND WAR CLAIMS ACTS

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D. C. transmitting a draft of proposed legislation to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO SUITS AGAINST CERTAIN FEDERAL EMPLOYEES

A letter from the Administrator, General Services Administration, Washington, D. C., transmitting a draft of proposed legislation to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

CLARIFICATION OF LAW RELATING TO CERTAIN CARDS AND LETTERS

A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation to clarify the law relating to the acceptance of business reply cards and letters in business reply envelopes, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF THE AMERICAN REVOLUTION

A letter from the Secretary, Smithsonian Institution, Washington, D. C. transmitting, pursuant to law, a report of the National Society of the Daughters of the American Revolution, for the year ended April 1, 1956 (with an accompanying report); to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Nevada; to the Committee on Finance:

"Assembly Joint Resolution 9

"Resolution memorializing the Congress of the United States to allow the 1934 Trade Agreements Act to expire on June 30, 1958, so that the regulation of foreign trade and the laying of tariffs and import fees will immediately vest in Congress as the Constitution requires and thereby stop the lowering of the American standard of living by the importation of foreign-made goods

"Whereas the Legislature of the State of Nevada is aware of the fact that the selective so-called free trade policy, adopted by the State Department of the United States under the provisions of the Trade Agreements Act of 1934, is lowering the American living standard through the lowering of wages and is causing unemployment and a subsequent decline of the demand for minerals, agricultural products and other commodities produced in the State of Nevada; and

"Whereas the indiscriminate lowering of import fees and tariffs, without regard to the differential between the costs of production due largely to the difference in living standards of this Nation and foreign competitive nations, has a demoralizing effect on the mining and agricultural markets of this country and thereby causes unemployment and loss of labor; and

"Whereas the State of Nevada is in a particularly vulnerable position in attempting to compete with foreign sweatshop labor because the products produced in Nevada, such as livestock, wool, tungsten, lead, zinc, copper, magnesite, chemicals, manganese, mercury, silicon, and many others, are readily importable at a lower cost from sources outside of this country under the so-called Reciprocal Trade Act, all to the great detriment and economic hardship of this State; and

"Whereas many mining companies in the State of Nevada are practically shut down and almost all of the zinc miners are out of work and the cattle industry is being endangered because our ranchers cannot compete with the importation of hides, beef, or live cattle from Argentina or Mexico; and

"Whereas the haphazard lowering of the floor under wages and investments represented by the tariffs and import fees destroys American workingmen and shifts their jobs to foreign soil; and, as a result, many of our mines, mills, and factories have been closed and our farm production saved only by subsidies; and

"Whereas those industries which depend upon the power of Hoover Dam and Davis Dam are in danger because similar products are being imported at a price less than production costs in this State; and

"Whereas the Nevada wool industry has found it impossible to compete with the importation of wool from Australia, New Zealand, and elsewhere; and, for the first time, the wool industry of Nevada is only being saved from destruction by the use of subsidies; and

"Whereas it is essential to the protection of the American standard of living that world trade should only be on the basis of fair and reasonable competition and based on the principle that foreign products produced by underpaid labor should not be admitted to this country on terms which endanger the living standard of our workers, farmers, and miners; and

"Whereas article I, section 8, of the Constitution of the United States requires that Congress should lay duties, imposts, and excises, and regulate foreign commerce, but the Congress of the United States has abrogated its constitutional duties by virtue of the Trade Agreements Act of 1934 by transferring the duty of fixing tariffs to the executive department of the Government which has, in turn, carried out policies inconsistent with the welfare of American agriculture, industry, and commerce; and

"Whereas the free-trade policies fostered by the State Department under the 1934 Trade Agreements Act have resulted in our dependence upon foreign nations across one or both major oceans for many of the materials and minerals which we would need to fight a war and to prepare our own defense and thus stifled the initiative to explore, develop, and produce such needed materials in our own country; and after having become dependent on foreign sources for critical materials the foreign countries have been able to cause us great embarrassment by manipulation of export permits and fees so that we must bow to their demands and submit to international blackmail; and

"Whereas the United States has in the last several decades only been able to prosper because of war or the threat of war and under this cover of war the industrially inexperienced State Department has been wrecking the national economy by the simple expedient of tampering with tariff and import fees so as to open the door to foreign commodities, which in turn prevents the flow of venture capital into the business stream of the Nation even in time of emergency since investors know that when the emergency is over their investment will be destroyed through foreign sweatshop labor competition; and

"Whereas it is mandatory to the future economical growth and development of this country, and Nevada in particular, that the 1934 Trade Agreements Act be allowed to expire on June 30, 1958, so that Congress can immediately recover its constitutional responsibility to regulate foreign trade through the adjustment of tariffs and import fees, and with such an expiration of the act the so-called trade agreements already made and in effect will in no way be affected but will continue in effect for their full terms: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Legislature of the State of Nevada most respectfully memorializes the Congress of the United States to stop the dreadful deterrent to American economic well-being and the lowering of our standard of living and that it return to its traditional and constitutional method of fixing tariffs based on the principle of protecting American industry, agriculture, and commerce by allowing the 1934 Trade Agreements Act to expire by its own force and limitation on June 30, 1958; and be it further

"*Resolved*, That until the expiration of the agreement, the Department of State should exercise its powers in fixing tariffs only in accordance with the traditional principles of American policy as set forth in this resolution until such time as the responsibility for regulating foreign commerce be vested where it belongs, in the Congress of the United States; and be it further

"*Resolved*, That the Congress of the United States after June 30, 1958, should set up a flexible import fee which would be based upon fair and reasonable competition administered by a reorganized and experienced tariff commission functioning much in the same manner as the long-established Interstate Commerce Commission so that the market for foreign goods in this country would be based on a fair and reasonable competition with our own agricultural, industrial, and mining production; and be it further

"*Resolved*, That copies of this resolution, duly certified by the secretary of state of the State of Nevada, be promptly transmitted by him to the President and Vice President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of State and the Secretary of Commerce, and to the United States Senators and Congressman from Nevada.

"Adopted by the senate, March 12, 1957.

"REX BELL,
"*President of the Senate.*
"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly, February 28, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*
"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*
"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 13

"Resolution memorializing Congress to appropriate sufficient funds to stimulate the production of certain critical minerals, metals, and materials indispensable in the construction of jet engines

"Whereas the mining industry of Nevada is of great importance to the economic welfare of this State (as it is to many other States); and

"Whereas with the unsettled conditions existing throughout the entire world it is prudent and wise that our country, the United States of America, continue its program of preparedness; and

"Whereas bills have been introduced and are now pending in both Houses of the Congress, providing for a strong, long-range domestic minerals program out of which there should come congressional legislation carrying a sufficient appropriation to carry out a well-balanced program which will add to the preparedness program and stimulate the mining industry in the United States in the production of the critical metals, minerals, and materials, including antimony, asbestos, beryllium, chromite, cobalt, columbium, tantalum, fluorspar, iron, lead, manganese, mica, molybdenum, nickel, titanium, tungsten, vanadium, uranium, and zinc, all being used in the production of jet engines; Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada (jointly)*, That the President of the United States and the Congress of the United States be memorialized to effect a long-range national domestic minerals program; and be it further

"*Resolved*, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to each of the United States Senators and the Representatives in Congress from Nevada.

"Adopted by the senate March 11, 1957.

"REX BELL,
"*President of the Senate.*
"H. E. ROWNTREE,
"*Secretary of the Senate.*

"Adopted by the assembly March 15, 1957.

"WM. D. SWACKHAMER,
"*Speaker of the Assembly.*
"C. O. BASTIAN,
"*Chief Clerk of the Assembly.*
"CHARLES H. RUSSELL,
"*Governor of the State of Nevada.*"

A joint resolution of the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"Senate Joint Resolution 10

"Joint resolution requesting the Congress of the United States of America to propose an amendment to the Constitution of the United States relative to the balancing of the budget

"*Be it resolved by the Legislature of the State of New Mexico*—

"SECTION 1. That the Congress of the United States of America be, and it hereby is, requested to propose an article in the following form, or substantially so, as an amendment to the Constitution of the United States:

"'ARTICLE—

"'SECTION 1. On or before the 15th day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth his estimates of the receipts of the Government, other than trust funds, during the ensuing fiscal year under the laws then existing and his recommendations with respect to expenditures to be made from funds other than trust funds during such ensuing fiscal year, which shall not exceed such estimate of receipts. If the Congress shall authorize expenditures to be made during such ensuing fiscal year in excess of such estimated receipts, it shall not adjourn for more than 3 days at a time until action has been taken necessary to balance the budget for such ensuing fiscal year. In case of war or other grave national emergency, if the President shall so recommend, the Congress by a vote of three-fourths of all the Members of each House may suspend the foregoing provisions for balancing the budget for periods, either successive or otherwise, not exceeding 1 year each.

"'SEC. 2. This article shall take effect on the first day of the calendar year next following the ratification of this article.

"'SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress.'

"SEC. 2. That the Congress of the United States be, and it hereby is, requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes, as part of the Constitution of the United States, when ratified by the legislatures of three-fourths of the several States.

"SEC. 3. That the secretary of the State of New Mexico be, and he hereby is, directed to send a duly certified copy of this resolution to the Senate of the United States and one to the House of Representatives of the Congress of the United States and one copy to the secretary of state of each of the other States."

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Finance:

"Senate Joint Memorial 7

"*To the Honorable President of the United States; Secretary of State; Secretary of Commerce; Speaker of the House of Representatives; and the President of the Senate:*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully represents that—

"Whereas under present United States policy, foreign imports of fillets, fish, and fish products have increased manifold in the last 5 years; and

"Whereas the foreign producers of fish products have a competitive market advantage over similar Alaska-produced fish products due to the exceedingly low cost of labor prevailing in the foreign countries exporting said products; and

"Whereas the resulting competition on the American market for these and Alaska-produced fish products is unfair and injurious to the marketing of the Alaska fish and fish products; and

"Whereas these same foreign producers of fish products are obtaining a substantial portion of their catch as a result of pelagic fishing; and

"Whereas the concentrated and extensive fishing by these foreign producers are tending to destroy salmon and other fish of Alaska stock and origin; and

"Whereas it is in the interests of the United States and Alaska that the development and preservation of the Alaska fishing industry be maintained.

"Now, therefore, your memorialist respectfully prays that immediate and appropriate steps be taken to restrict the importation of foreign caught and processed fish and that more stringent international regulations of pelagic fishing be promulgated.

"And your memorialist will ever pray.

"Passed by the senate March 14, 1957.

"VICTOR C. RIVERS,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"Passed by the house March 21, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 5

"*To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Frederick A. Seaton, Secretary of the Interior; the Honorable James Murray, Chairman of the Interior and Insular Affairs Committee of the United States Senate; the Honorable Clair Engle, Chairman of the Interior and Insular Affairs Committee of the House of Representatives; to the Honorable E. L. Bartlett, Delegate to Congress from Alaska; and to the United States Congress:*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully represents that—

"Whereas Alaska badly needs basic industry for a sound economy, and Alaska's future prosperity will be dependent primarily on mining, lumbering, and fishing; and

"Whereas lands to the extent of approximately one-third of Alaska's total acreage have been withdrawn from mineral and other types of entry, and these withdrawals are one of the factors retarding the industrial development of Alaska; and

"Whereas there is currently proposed by the United States Forest Service a Tracy Arm-Fords Terror Wilderness Area in Alaska, which area is promising for future mineral developments; and

"Whereas there are now a number of similar bills pending in Congress which have as their purpose the establishment of a National Wilderness Preservation System, the creation of which as proposed in the bills would ultimately result in great additional areas of Alaska being withdrawn from industrial development, even though not necessarily closed to mineral prospecting; and

"Whereas among these similar bills one H. R. 361 by Mr. O'HARA of Illinois, H. R. 800 by Mr. SAYLOR, of Pennsylvania, and several others;

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska respectfully requests that no more wilderness areas or other withdrawals be made of known mineralized sections of Alaska which would place these lands within the scope of such proposed National Wilderness Preservation System.

"And your memorialist will ever pray.

"I hereby certify that the above and foregoing constitutes a full, true, and correct copy of Senate Joint Memorial 5 as passed by the Senate and House of Representatives of the Territory of Alaska.

"KATHERINE A. ALEXANDER,
"*Secretary of the Senate.*"

A resolution adopted by the city council of the city of Chicago, Ill., relating to long-term low-interest mortgages; to the Committee on Banking and Currency.

The petition of Ethel Harper, of New York, N. Y., favoring the enactment of legislation to provide humane slaughter of livestock and poultry; to the Committee on Agriculture and Forestry.

The petition of Mrs. Ross deMontigny, of Wescoesville, Pa., relating to public health; to the Committee on Labor and Public Welfare.

By Mr. CHAVEZ:

A joint resolution of the legislature of the State of New Mexico; to the Committee on Public Works:

"House Joint Memorial 8

"A joint memorial memorializing the congressional delegation of New Mexico and Arizona to exert their efforts on behalf of the establishment and construction of a flood control and irrigation dam on the Gila River at the proposed Conner Dam site at Red Rock, N. Mex.

"Whereas the establishment and construction of a flood control and irrigation dam at the Conner Dam site on the Gila River, southwestern New Mexico would serve a multifold purpose; and

"Whereas the establishment and construction of the proposed dam would prevent the reoccurrence of floods such as those of 1941 and 1949 that seriously damaged areas of Red Rock, N. Mex., Virden, N. Mex., Duncan, Ariz., and many acres of valuable farm land along the banks of the Gila River; and

"Whereas the controlled irrigation of such areas would be of untold benefit as the Gila River in such areas, practically dries up during the late summer months when the water is needed the most; and

"Whereas if the dam is constructed at the proposed site on the Gila River, known as the Conner Dam site, the costs would be relatively small due to the height of the rock walls bounding the river and the narrowness of the river canyon at this point; and

"Whereas if the dam is constructed at the proposed site, the people of the State of Arizona will cooperate with and welcome such construction as it will be of untold value to many of their citizens; Now, therefore, be it

"*Resolved by the Legislature of the State of New Mexico*, That the congressional delegation of New Mexico and Arizona be hereby memorialized earnestly to exert their efforts on behalf of the establishment and construction of a flood control dam at the Conner Dam site on the Gila River at Red Rock, N. Mex.; and be it further

"*Resolved*, That copies of this memorial be transmitted to each Member of the congressional delegation of New Mexico and Arizona.

"DONALD D. HALLAM,
"*Speaker, House of Representatives.*

"FLOYD CROSS,
"*Chief Clerk, House of Representatives.*

"JOE M. MONTOYA,
"*President, Senate.*

"GRACE MCAFEE,
"*Chief Clerk, Senate.*

"EDWIN L. MECHEM,
"*Governor, State of New Mexico.*"

LONG-RANGE MINERALS PROGRAM—JOINT RESOLUTION OF IDAHO LEGISLATURE

Mr. CHURCH. Mr. President, I shall address myself for a few moments today to the subject of the long-promised, but not delivered, long-range minerals program.

Recently the legislature of my home State of Idaho memorialized the Congress on this subject, urging that recommendations of the Conference of Western Governors for the adoption and execution of such a policy be made effective. But how, I ask you, Mr. President, can the Congress take action, when the Department of the Interior continues to delay submitting a program to the Congress?

Mr. President, it seems to me that the time is rapidly approaching when Members of Congress must, if we are not to permit the minerals industry of this Nation to wither on the vine, draft and introduce appropriate legislation to sustain this important segment of the national economy.

For 3 long years the Congress has been waiting for a report and recommendations from the Department of the Interior in this matter, and during that period of time the Office of Minerals Mobilization, created for the announced purpose of drafting a long-range minerals program, has been costing the taxpayers some $300,000 a year, and the results have been nil.

The time is at hand for this agency either to deliver the goods, or for Congress to abolish it.

The minerals industry of this Nation is too important to too many people—in fact ours is a metals economy—for any governmental agency to sit on its hands while the industry slowly perishes.

Mr. President, I ask unanimous consent that the memorial of the Idaho State Legislature, to which I have heretofore referred, and which I now send to the desk, be included in the RECORD immediately following these remarks.

There being no objection, the joint resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 6

A joint memorial to the honorable Senate and House of Representatives of the United States in Congress assembled

We, your memorialists, the House of Representatives of the State of Idaho, as assembled in its 34th session, the Senate concurring, respectfully represent as follows:

Whereas the Western Governors Mineral Policies Conference, meeting at Sacramento, Calif., on November 7 and 8, 1955, and the Western Governors Advisory Council, produced certain recommendations for the development of a national mineral policy; and

Whereas these recommendations were subsequently adopted by the Conference of Western Governors; and

Whereas it is the considered opinion of the Legislature of the State of Idaho that the adoption and execution of said policy is necessary if the mineral industry of the West is to survive and develop in accordance with the Nation's needs: Now, therefore, be it

Resolved by the House of Representatives of the 34th session of the Legislature of the State of Idaho (the Senate concurring therein), That the Congress of the United States be, and is hereby, memorialized as follows:

First. Gold: To restore gold to the free channels of commerce.

Second. Silver: That the practice of tendering newly-mined silver to the Treasury Department for coinage be continued, and that the sale of Government-owned silver at less than its coinage value of $1.2929 per troy ounce be prohibited.

Third. Lead and zinc: That an excise tax of 2 cents per pound be established on imports of zinc and lead to take effect whenever the price of zinc falls below 14 cents, East St. Louis, and the price of lead to 16 cents, New York; that stockpiling of lead and zinc be continued.

Fourth. Copper: That the present excise tax on imported copper be maintained.

Fifth. Molybdenum: That the national stockpile program on molybdenum concentrates be continued until maximum emergency defense requirements are met.

Sixth. Fluorspar: That the fluorspar industry be afforded tariff protection and/or restriction of fluorspar imports sufficient to permit its survival.

Seventh. Uranium-vanadium: That the Atomic Energy Commission maintain an adequate purchase program and to prepare for transition to industrial requirements, and that maximum information be made available to the industry for effective future planning, and facilitate and plan continuity of studies of problems of the industry related to the marketing of uranium ores.

Eighth. Rare earths, thorium and cobalt: That a tariff be placed on foreign monazite, rare earth compounds and cobalt which is sufficiently high to permit domestic producers to survive, and that the Atomic Energy Commission establish a purchase program for thorium.

Ninth. Quicksilver: That the present purchases by the General Services Administration be continued after December 31, 1957, or other adequate steps taken to protect the industry.

Tenth. Tungsten: That an adequate tariff be established and the present purchase program be continued.

Eleventh. Antimony: That a minimum tariff be established on antimony ore and concentrates at not less than 15 cents per pound of contained antimony; and on antimony smelter products at not less than 20 cents per pound of contained antimony.

That if it is not possible to obtain such tariffs then a tariff of 6 cents per pound on contained antimony metal in imported antimony metal, ores or concentrates should be established. The proceeds of this tariff must be distributed to the producers of primary antimony, produced and sold within the United States, in proportion to their production.

LAWS

That the practice of duplicating the withdrawal of huge tracts of lands in the Western States for military purposes be discontinued, and that no further withdrawals be made until public hearings are held.

TAXES

That a system of taxation be developed that will encourage development of the mineral resources of the States; be it further

Resolved, That the House of Representatives of the State of Idaho (the Senate concurring), that this legislature recommends to the executive and legislative branches of the United States of America the favorable consideration of the national mineral policy as formulated by the Conference of Western Governors acting through the Western Governors Mineral Policies Conference; be it further

Resolved, That the Secretary of State of the State of Idaho be authorized, and is hereby directed, to forward certified copies of this memorial to the President of the United States, Secretary of State, Secretary of the Interior, Director of the Office of Defense Mobilization, Senate and House of Representatives of the United States, to the Senators and Representatives representing the State of Idaho in the Congress of the United States, and to the Honorable Robert E. Smylie, Governor of the State of Idaho; the Honorable Ernest W. McFarland, Governor of the State of Arizona; the Honorable Goodwin J. Knight, Governor of the State of California; the Honorable Stephan L. R. McNichols, Governor of the State of Colorado; the Honorable Hugo Aronson, Governor of the State of Montana; the Honorable Charles H. Russell, Governor of the State of Nevada; the Honorable John E. Davis, Governor of the State of North Dakota; the Honorable Robert D. Holmes, Governor of the State of Oregon; the Honorable George D. Clyde, Governor of the State of Utah; the Honorable Albert D. Rosellini, Governor of the State of Washington; and the Honorable Milward L. Simpson, Governor of the State of Wyoming.

JOINT RESOLUTION OF TENNESSEE LEGISLATURE

Mr. KEFAUVER. Mr. President, I present, for appropriate reference, a joint resolution of the Legislature of the State of Tennessee which was signed by the Governor of Tennessee. It is a memorial to the late Representative Percy Priest. Representative Priest was a fine Congressman, a good friend, and selfless public servant, and I think it especially fitting that this tribute should be printed in the RECORD.

There being no objection, the joint resolution was referred to the Committee on Labor and Public Welfare and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Resolution 22

Memorial

Whereas on the morning of October 12, 1956, there were tears in the eyes and a quiver in the voice of the Honorable Zeke W. Johnson, Jr., Sergeant at Arms in the United States House of Representatives as he called the Capitol Police Corps together and solemnly announced, "Lower the flag to half staff, Percy Priest is dead"; and

Whereas on that same morning, the citizens of Nashville and Davidson County, Tenn., on the way to their chosen work, observed that flags at Federal, State, county, and city public buildings were flying at half staff, and later found out that said flags were flying at half staff out of respect to Representative Percy Priest, whom Almighty God in His infinite wisdom had seen fit to call home from these earthly portals at 2:10 a. m. on this morning; and

Whereas the entire populace of the State of Tennessee, as a result, became cognizant of the fact that not only had they lost a good and faithful servant, but that each individual citizen in his own peculiar rights had lost a true and devoted friend; and

Whereas only a short time back, and on December 14, 1954, Representative Priest was invited by the Nashville Civitan Club to deliver a speech, but upon his arrival was precluded from this task due to the fact that it was the purpose of this club to instead honor the said Percy Priest and as he sat for an hour, between smiles and tears, his life moved before him, with scores of old friends and neighbors crowding by to remind him that said life had been an unselfish one and full of human warmth and Christianity; and

Whereas on December 16, 1954, only 2 days after this tribute by the Civitan Club, and almost 2 years prior to the death of the

Honorable Percy Priest, an editorial appeared in the December 16, 1954 edition of the Nashville Tennessean, which editorial is so appropriate it is thought that same should be reproduced in part for the benefit of this general assembly, and which is as follows:

"Perhaps it is enough to say that the life which passed in review before him—his own life—has been a good one from its early years to the rewarding maturity. It has been a good and unselfish life, savored with genuine humility; but there has also been an unwavering courage to stand for that which is right when the example of spiritual strength was most needed.

"The qualities which made Percy Priest a good schoolteacher, and later an able newspaperman, have served him well as a maker of laws in the Nation's Capitol. The friends of old, he has maintained, and always he has gone on to win new ones. In the face of national emergencies he has shouldered heavy responsibilities and worked with diligence and patriotism for his country's welfare.

"One of the finest things he has done is to set a standard official conduct which, if taken as a guide by all, would do away with the need of a revised code of ethics in the conduct of congressional business.

"For many years, Percy Priest has been a member of the Nashville Civitan Club, and it was fitting that these associates should honor him so appropriately by turning back the pages of his life to reveal not only 'the things I might have done,' but the things indelibly written to the credit of the honored guest and associate. For all, it was a happy occasion."

Whereas Mr. Priest was a native Tennessean, having been born at Carters Creek in Maury County, on April 1, 1900, son of the late George M. and Harriet Hastings Priest; and

Whereas he attended Maury County Public Schools and Central High School at Columbia, then Middle Tennessee State College, and later the University of Tennessee, and Peabody College; and

Whereas as a student, he was deeply interested in oratory, debates, dramatics and history, all of which were to make a substantial contribution to his career; and

Whereas in his youth, he knew the rigors of farm and country life, and often rode horseback the 15 miles between his farm home and the high school at Columbia, and other times hitched a horse to a buggy, or rode on a little mixed train on the Middle Tennessee Railroad; and

Whereas after attending Middle Tennessee State College, he taught in Maury County 2 years and then became a teacher and athletic coach in the high school at Culleoka and in all, was a schoolteacher for a period of 7 years, during which time he took summer courses at the University of Tennessee and Peabody College; and

Whereas he was associated with the Nashville Tennessean from May 1926 until September 1940 advancing to state news editor, city editor and managing editor, later becoming the newspaper's roving reporter and writing human interest stories based on his travels throught the State; and

Whereas it has been so truthfully stated that it was as an individual rather than a public official that James Percy Priest was best known to thousands, with no request from and individual being too small, nor any person being too unimportant to get his attention, and with his greatness being attributed to "a simple faith in God"; and

Whereas Mr. Priest, during his lifetime, was quoted as saying:

"Whatever my achievements may be, I shall look back—not on these achievements, but on the warm personal friendships I have made along the way.

"In the discharge of my duties, I have faced every issue frankly, and have acted forthrightly, without dodging, straddling or equivocation. I have not followed the way of expediency to advance my own political personal ends."; and

Whereas in view of the entire life portrayed by James Percy Priest, the above excerpts being only a sketch of the fullness of same; and

Whereas the people of this great State are always cognizant of the true virtues of life and eager to commemorate for the fulfillment of said virtues: Now, therefore, be it

Resolved by the House of Representatives of the 80th General Assembly of the State of Tennessee (the Senate concurring), That this tribute to this outstanding Tennessean be expressed by this joint resolution, and that as a body we extend to his bereaved family our sympathy and sincere condolence in the great loss sustained by them and by all the people of Tennessee; and be it further

Resolved, That the 80th general assembly go on record as being in support of the idea first proposed by the Reverend Harold D. Gregory, superintendent of missions, Nashville Baptist Association, with said idea later being carried into effect by the introduction of a resolution in the Congress of the United States by the Honorable CARLTON LOSER, whereby the new permanent Veterans Hospital at Nashville be named in honor of the late James Percy Priest; and be it further

Resolved, That the clerk be directed to prepare and forward a copy of this resolution to each Mrs. J. Percy Priest and their 4-year-old daughter, Harriet Frances Priest; and be it further

Resolved, That a copy of this resolution be sent to each Member of Congress and each United States Senator serving the State of Tennessee; and be it further

Resolved, That a copy of this resolution be mailed to the President of the United States, the Honorable Dwight D. Eisenhower, who stated after the death of Congressman Priest:

"The Congress of the United States and the people of the Nation have lost a valuable Member in the sudden passing of James Percy Priest of Tennessee."

Adopted February 21, 1957.

JAMES L. BOMAR,
Speaker of the House of Representatives.

Concurred in March 14, 1957.

JARED MADDUX,
Speaker of the Senate.

Approved March 19, 1957.

FRANK G. CLEMENT,
Governor.

CONCURRENT RESOLUTION OF MINNESOTA HOUSE OF REPRESENTATIVES

Mr. HUMPHREY. Mr. President, I have just received a copy of a concurrent resolution from the House of Representatives in the State of Minnesota. The resolution memorializes the President, the Secretary of Agriculture, and the Congress of the United States to establish a minimum corn soil bank program. Members of the Senate will note that the substance of the resolution corresponds to the corn bill now pending before the Senate. I ask unanimous consent that the text of this resolution be printed at this point in the RECORD and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

A concurrent resolution memorializing the President, the Secretary of Agriculture, and the Congress of the United States to establish a minimum corn soil bank program

Whereas corn is the major field crop produced in Minnesota; and

Whereas the market price of corn influences the production and price of livestock, dairy products, and feed grains; and

Whereas it is essential to hold corn production in line and at the same time maintain a fair level of farm income; and

Whereas under the present corn soil bank program the acreage cut to 37 million acres is so drastic that the majority of corn farmers are unable to participate in the program: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the President of the United States, the United States Secretary of Agriculture, and the Congress of the United States be requested to enact a minimum corn soil bank program establishing:

1. A minimum corn acreage base in the commercial area of 51 million acres;

2. A support price on corn of $1.50, for 1957, the same level as that established for 1956; and

3. A production requirement that each producer put 15 percent of his corn acreage allotment in the acreage reserve or the conservation reserve of the soil bank as a condition of eligibility for price supports; and be it further

Resolved, That the Secretary of State be instructed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from the State of Minnesota.

AREA REDEVELOPMENT—RESOLUTION OF MINNESOTA HOUSE OF REPRESENTATIVES

Mr. HUMPHREY. Mr. President, I have just received a resolution from the House of Representatives of the State of Minnesota endorsing S. 964, the area redevelopment bill of which I am a cosponsor. The State of Minnesota has a particular interest in this bill and I am hopeful that the Governor and other interested Minnesotans will be able to testify before the subcommittee hearings which are being held on this issue. I ask unanimous consent that the text of this resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and, under the rule, ordered to be printed in the RECORD, as follows:

House Resolution 13

A resolution requesting enactment of area development legislation now being considered in the Congress of the United States

Whereas a high and stable level of employment and prosperity is vital to the best interests of Minnesota and the United States; and

Whereas many communities and areas in Minnesota need and want expanded development of their local resources to alleviate unemployment and underemployment to secure their fair share of our national income; and

Whereas the area development bill, S. 964, now being considered by the Congress of the United States is written to provide for the elimination of unemployment and underemployment and to obtain the policies and purposes set out above: Now, therefore, be it

Resolved by the house of representatives, That the Congress be requested to support and enact the area development bill, S. 964; and be it further

Resolved, That the chief clerk of the house of representatives be instructed to transmit copies of the resolution to the chief officers of the Congress of the United States.

INCREASED COMPENSATION FOR POSTAL EMPLOYEES—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Post Office Rifle and Pistol Club, Inc., of Minneapolis, Minn., in support of S. 27, the postal-pay bill. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service and ordered to be printed in the RECORD, as follows:

SUPPORT OF POSTAL-PAY LEGISLATION

Whereas postal employees have lagged far behind other industry in salary increases; and

Whereas it is becoming increasingly difficult to recruit new employees into this branch of the Government service due to extremely low wages; and

Whereas the majority of postal employees are veterans of the United States Armed Forces, which employees accepted this Government service in the post office when it had promise of being a lucrative career; and

Whereas these loyal, faithful public servants, who refuse to strike, are dependent upon the Congress of the United States to grant adequate pay increases; and

Whereas postal employees are also dependent upon their friends to come to their aid in petitioning Congress to enact such pay legislation: Therefore be it

Resolved, That the Post Office Rifle and Pistol Club, Inc., Minneapolis, Minn., does hereby request you to vote for H. R. 2474 and S. 27 and correct this injustice; and be it further

Resolved, That you do all in your power to secure passage of these bills, utilizing all possible means for early enactment of these much-needed measures.

L. E. PARCEL, *President.*
B. W. BUSSE, *Secretary.*
A. C. DOLL, *Treasurer.*

INCREASED FREIGHT RATES—LETTER

Mr. HUMPHREY. Mr. President, I have just received a copy of a letter from the Lancaster Civic and Commerce Club to the Interstate Commerce Commission protesting the raise in freight rates. I ask unanimous consent that the letter be printed in the RECORD and appropriately referred.

There being no objection, the letter was referred to the Committee on Interstate and Foreign Commerce and ordered to be printed in the RECORD, as follows:

MARCH 28, 1957.

INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

DEAR SIRS: At a meeting of the Civic and Commerce Club on Tuesday evening of March 26, 1957, our organization went on record as vigorously opposing any raise in freight rates. We believe that any raise in freight rates will just add to the already hardships of the rural areas by increasing costs of shipping raw products to market. The raise of freight rates will also discourage any industry from settling in our rural areas. We ask that you give this extreme consideration before acting on this matter.

Yours very truly,

WARREN O. GLAD,
President, Lancaster Civic and Commerce Club.

THE BUDGET—RESOLUTION

Mr. HUMPHREY. Mr. President, I have just received a resolution from the Second Ward DFL Club, of Minneapolis, Minn., transmitted to me by Mrs. Robert C. Cram, on the subject of the budget, now pending before Congress. I ask unanimous consent that the resolution be printed in the RECORD and be appropriately referred.

There being no objection, the resolution was ordered to lie on the table, and to be printed in the RECORD, as follows:

THE SECOND WARD DFL CLUB OF MINNEAPOLIS

We wish to express our concern in regard to the strong demands that are currently being made to reduce the Federal budget. While we recognize the importance of sound fiscal policies we do not feel that the groups making these demands have the true interests of the country at heart. In particular we are opposed to reductions in the proposed expenditures for the conservation of natural resources, farm relief, Federal aid to education, foreign aid, medical research, power development, public health, and slum clearance. We feel that in the areas of social welfare and foreign aid the appropriations should, in many cases, be increased, not reduced.

PAY INCREASE FOR POSTAL EMPLOYEES—RESOLUTION

Mr. BEALL. Mr. President, having expressed myself on numerous occasions as being in favor of adequate pay increases for postal employees, I take this opportunity to present the views of the City Council of Baltimore on this vital matter, as expressed in a resolution adopted by the members of the council. The resolution is self-explanatory and should be read carefully by all Members of the Congress, and I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution requesting the enactment by Congress of bills providing a pay increase for postal employees

Whereas during a period of unprecedented prosperity, when production has increased with use of man-hours, modern management with enlightened self-interest, has shared gains with labor; and expanding economy has afforded the greater portion of those gainfully employed a higher standard of living, the postal employees, because of a salary policy of "too little and too late," have suffered a steady decline in their standard of living; and

Whereas to enjoy a moderate American standard of living, many postal employees have found it necessary to seek additional work after they have completed their duties in the post office, or it has been necessary for their wives to secure employment, in order to augment the family income so as to meet the ever-increasing cost of living, which today stands at an alltime high; and

Whereas no group of employees, be they Government workers or workers in private industry, should be compelled to hold down two jobs in order to maintain a moderate American standard of living; and

Whereas the need for the wives of postal employees to seek employment has, in some cases, resulted in broken homes, in others, delinquent children, and it has, in all cases destroyed the employees' normal home life; and

Whereas such conditions destroy the morale and lower the efficiency of the employees subjected to them; and

Whereas such policies cause loss of experienced personnel and the excessive expenditures in training replacements far exceed those that would be incurred by a just and equitable salary scale: Now, therefore, be it

Resolved by the City Council of Baltimore, That the City Council of the City of Baltimore does hereby request that the Maryland delegation in the Congress of the United States do all in their power to further the passage of S. 27 and its companion bill, H. R. 2474, that will provide for a salary increase of $1,200 for postal employees; and be it further

Resolved, That the chief clerk of the city council be instructed to send a copy of this resolution to each Senator and Congressman from the State of Maryland and to the respective chairmen of the Senate and House Post Office and Civil Service Committees.

RESOLUTION OF YONKERS REPUBLICAN ORGANIZATION, INC.

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the Yonkers Republican Organization, Inc., of New York, N. Y., relating to increased compensation for postal employees.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service and ordered to be printed in the RECORD, as follows:

Whereas the United States Bureau of Labor Statistics has reported that new postal employees earn less than unskilled laborers; and

Whereas the majority of postal employees are required to seek outside employment in order to provide their families with the necessities of life; and

Whereas approximately 33⅓ percent of the postal employees with less than 5 years of service are forced to leave the postal service for reasons of inadequate income; and

Whereas the postal employees have in spite of inadequate income, maintained the highest degree of efficiency in the performance of their faithful service: Be it therefore

Resolved, That the Yonkers Republican Organization, Inc., endorses the request of the employees of the United States postal service for salary increases as deserving and warranted and that it should be approved; and it is further

Resolved, That a copy of this resolution be signed by the secretary of the Yonkers Republican Organization, Inc., and copies thereof be sent to Senator Irving M. Ives, Senator Jacob K. Javits, Congressman Ralph W. Gwinn, Congressman Edwin B. Dooley, and Postmaster General Arthur E. Summerfield for their information and guidance.

RICHARD J. LEANY, *Secretary.*

LOAN OF CERTAIN PRODUCTS TO POLAND—PETITION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a telegram in the nature of a petition from the American Order of General Pulaski, of New York, N. Y., relating to a loan of food, raw material, and machinery to Poland.

There being no objection, the telegram was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.:

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles, our gallant but almost forgotten allies, whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post-World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital matter, let us be mindful of Poland's tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism, would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,

AMERICAN ORDER OF GENERAL PULASKI,
K. STEFAN POMIERSKI,
President Emeritus.
CORNELIUS H. TURZYNSKI,
President.
JOSEPH P. PLONSKI,
Counsel and General Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 511. A bill to establish a deferred grazing program and a protein-feed program as parts of the relief available to drought-stricken areas under Public Law 875, 81st Congress, and for other purposes (Rept. No. 206).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. J. Res. 279. Joint resolution authorizing the procurement of an oil portrait and marble bust of the late Chief Justice Fred M. Vinson;

S. Con. Res. 22. Concurrent resolution to print for the use of the Senate Committee on the Judiciary additional copies of the "Internal Security Annual Report for 1956"; and

S. Con. Res. 24. Concurrent resolution authorizing the printing of additional copies of Senate Report 139, entitled "Technical Assistance".

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Res. 109. Resolution for printing additional reports.

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 998. A bill to amend the act of August 4, 1953 (67 Stat. 41), and for other purposes (Rept. No. 207).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 268. A bill to provide that the Secretary of the Army shall return certain mineral interests in land acquired by him for flood-control purposes to the former owners of such land (Rept. No. 209); and

S. 1682. A bill granting the consent and approval of Congress to the Merrimack River flood control compact (Rept. No. 208).

By Mr. KEFAUVER, from the Committee on the Judiciary, without amendment:

S. 1009. A bill for the relief of Col. Benjamin Alexroad (Rept. No. 210).

NELLIE M. ROSENGARTH—REPORT OF A COMMITTEE

Mr. HENNINGS. Mr. President, from the Committee on Rules and Administration, I report an original resolution, to pay a gratuity to Nellie M. Rosengarth.

The VICE PRESIDENT. The resolution will be received and placed on the calendar.

The resolution (S. Res. 119) to pay a gratuity to Nellie M. Rosengarth was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Nellie M. Rosengarth, widow of Ernest P. Rosengarth, an employee of the Office of the Architect of the Capitol at the time of his death, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon, pursuant to law.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN (by request):

S. 1776. A bill to provide for the establishment of a national cemetery in the metropolitan area of Chicago, Ill.; to the Committee on Interior and Insular Affairs.

By Mr. SCHOEPPEL:

S. 1777. A bill to provide for the conveyance of certain mineral rights to Barney B. Bryant, of Topeka, Kans.; to the Committee on Interior and Insular Affairs.

By Mr. SCHOEPPEL (for himself and Mr. PAYNE):

S. 1778. A bill to amend the Civil Aeronautics Act of 1938 in order to require that any agreement with a foreign government for the establishment or development of air navigation be embodied in a treaty; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN (by request):

S. 1779. A bill to give effect to certain obligations of the United States under the Geneva Conventions for the Protection of War Victims of 1949 by regulating use of the Red Cross and other emblems, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN (for himself and Mr. WILEY) (by request):

S. 1780. A bill to authorize an ex gratia payment to the Government of Denmark; to the Committee on Foreign Relations.

(See the remarks of Mr. GREEN when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER (for himself, Mr. ANDERSON, and Mr. BIBLE):

S. 1781. A bill to amend the act of April 19, 1950, to permit the Navaho Indian Tribe to lease tribal lands for residential and other purposes for a term of not to exceed 99 years, to transfer trust property of the tribe to any corporation owned by the Navaho Tribe or to municipal corporations within the boundaries of the Navaho Indian Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KUCHEL:

S. 1782. A bill for the relief of Carolina M. Gomes; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1783. A bill for the relief of Randolph Stephan Walker; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1784. A bill to provide for the establishment of a fish hatchery in the State of North Dakota; to the Committee on Interstate and Foreign Commerce.

S. 1785. A bill designating the reservoir located above Heart-Butte Dam in Morton County, N. Dak., as Lake Tschida, and for other purposes; to the Committee on Public Works.

By Mr. FULBRIGHT:

S. 1786. A bill to provide for the appointment of an Assistant Secretary of State for International Cultural Relations; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1787. A bill to amend Public Law 874, 81st Congress, in order to revise the provisions with respect to certain payments for the education of Indian children; to the Committee on Interior and Insular Affairs.

By Mr. THYE:

S. 1788. A bill for the relief of Donald G. Coplan; to the Committee on the Judiciary.

By Mr. THYE (for himself, Mr. CAPEHART, Mr. BUSH, Mr. ALLOTT, Mr. AIKEN, Mr. BUTLER, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. COOPER, Mr. FLANDERS, Mr. IVES, Mr. JAVITS, Mr. KUCHEL, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MUNDT, Mr. PAYNE, Mr. POTTER, Mr. REVERCOMB, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. BENNETT, and Mr. BEALL):

S. 1789. A bill to amend the Small Business Act of 1953 (title II of Public Law 163, 83d Cong., as amended); to the Committee on Banking and Currency.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 1790. A bill to fix the boundary of Everglades National Park, Fla., to authorize the Secretary of the Interior to acquire land therein, and to provide for the transfer of certain land not included within said boundary, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HOLLAND when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN:

S. 1791. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1959; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 1792. A bill to include in the Soil Bank Act a program to encourage the marketing or exporting of dairy heifers as a means of reducing milk producing potential; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY (for himself and Mr. PASTORE):

S. 1793. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH:

S. 1794. A bill to amend section 6 of the act approved July 3, 1890 (26 Stat. 215) relating to the admission into the Union of the State of Idaho by providing for the use of public lands granted therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment or other permanent improvements of public buildings at the capital; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. BYRD:

S. 1795. A bill to amend section 168 of the Internal Revenue Code of 1954 so as to restrict the issuance of certificates for rapid amortization of emergency facilities to those facilities producing new defense items for use by the Department of Defense or the Atomic Energy Commission in the national defense program; to the Committee on Finance.

(See the remarks of Mr. BYRD when he introduced the above bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 1796. A bill to amend the Trade Agreements Extension Act of 1951 with respect to escape-clause procedure, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. WATKINS when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1797. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction for expenses paid by a taxpayer in obtaining a higher education or in providing a higher education for his spouse or children; to the Committee on Finance.

S. 1798. A bill to amend section 4462 of the Revised Statutes, as amended, with respect to certain vessels carrying freight for hire on the inland waters of southeastern Alaska or between such waters and the inland waters of the State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLELLAN (by request):

S. 1799. A bill to facilitate the payment of Government checks, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. KUCHEL:

S. 1800. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of the heirs of Gen. John C. Fremont, the city of San Francisco, and all other persons against the United States arising out of the seizure of certain real property by the United States Government in 1863; to the Committee on the Judiciary.

By Mr. IVES:

S. 1801. A bill for the relief of Guerdon Plumley; to the Committee on the Judiciary.

By Mr. CLARK:

S. 1802. A bill for the relief of the widow and children of John E. Donahue; to the Committee on Post Office and Civil Service.

By Mr. ALLOTT:

S. 1803. A bill to provide for the transfer of the assets of the Colorado Rural Rehabilitation Corporation to the State of Colorado; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. WATKINS:

S. 1804. A bill for the relief of Marjeta Winkle Brown; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. CHAVES, and Mr. ANDERSON):

S. 1805. A bill for the relief of persons and firms for the direct expenses incurred by them for fumigation of premises in the control and eradication of the khapra beetle; to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1806. A bill to amend the Sockeye Salmon Fishery Act of 1947; to the Committee on Interstate and Foreign Commerce.

By Mr. MORSE (for himself, Mr. MURRAY, Mr. McNAMARA, and Mr. KENNEDY):

S. 1807. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in operations affecting commerce, and to provide procedure for the collection of wages lost by employees by reason of any such discrimination; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 1808. A bill to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for himself and Mr. NEUBERGER):

S. 1809. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, so as to authorize the inclusion in agricultural conservation programs under such act of activities carried out in connection with the reestablishment of orchards destroyed by production disasters; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA:

S. 1810. A bill to amend the Internal Revenue Code of 1954 so as to allow an individual who is a teacher, or who is a former teacher preparing to return to teaching, to deduct from gross income expenses paid by him to further his education; to the Committee on Finance.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER (for himself, Mr. BARRETT, Mr. BEALL, Mr. BRIDGES, Mr. BUSH, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of South Dakota, Mr. CHAVES, Mr. COOPER, Mr. EASTLAND, Mr. FLANDERS, Mr. FULBRIGHT, Mr. HICKENLOOPER, Mr. JENNER, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. MALONE, Mr. MARTIN of Pennsylvania, Mr. MARTIN of Iowa, Mr. MORTON, Mr. MUNDT, Mr. O'MAHONEY, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. SCHOEPPEL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. THURMOND, Mr. THYE, Mr. WATKINS, Mr. WILLIAMS, Mr. YOUNG, and Mr. MORSE):

S. J. Res. 80. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

(See the remarks of Mr. BUTLER when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. KUCHEL (for himself, Mr. LAUSCHE, Mr. THYE, Mr. BRICKER, Mr. GOLDWATER, and Mr. SCHOEPPEL):

S. J. Res. 81. Joint resolution authorizing the President of the United States of America to proclaim September 17 of each year General Von Steuben Memorial Day for the observance and commemoration of the birth of Gen. Freidrich Wilhelm von Steuben; to the Committee on the Judiciary.

AMENDMENT OF LEGISLATIVE REORGANIZATION ACT OF 1946, RELATING TO CONSOLIDATION OF ALL GENERAL APPROPRIATION BILLS FOR EACH FISCAL YEAR

Mr. BYRD. Mr. President, I submit, for appropriate reference, a concurrent resolution amending section 138 of the Legislative Reorganization Act of 1946 by providing for the consolidation of all general appropriation bills for each fiscal year. I ask unanimous consent that an explanation of the concurrent resolution be printed in the RECORD.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The concurrent resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 25), submitted by Mr. BYRD, was referred to the Committee on Rules and Administration, as follows:

Senate Concurrent Resolution 25

Resolved by the Senate (the House of Representatives concurring), That effective on the first day of the second regular session of the 85th Congress, the joint rule of the Senate and of the House of Representatives contained in section 138 of the Legislative Reorganization Act of 1946 is amended by adding at the end thereof the following new subsections:

"(c) (1) All appropriations for each fiscal year shall be consolidated in one general appropriation bill to be known as the Consolidated General Appropriation Act of (the blank to be filled in with the appropriate fiscal year). The consolidated general appropriation bill may be divided into separate titles, each title corresponding so far as practicable to the respective regular general appropriation bills heretofore enacted. As used in this paragraph, the term 'appropriations' shall not include deficiency or supplemental appropriations, appropriations under private acts of Congress, or rescissions of appropriations.

"(2) The consolidated general appropriation bill for each fiscal year, and each deficiency and supplemental general appropriation bill containing appropriations available for obligation during such fiscal year, shall contain provisions limiting the net amount of expenditures during such fiscal year in the case of each appropriation made therein. Such consolidated general appropriation bill shall also contain provisions limiting the net amounts of expenditures during such fiscal year from all other prior appropriations which are available for expenditure beyond the close of such fiscal year. The foregoing provisions of this paragraph shall not be applicable to appropriations made specifically for the payment of claims certified by the Comptroller General of the United States and of judgments, to appropriations for the payment of interest on the public debt, or to revolving funds or appropriations thereto.

"(3) The committee reports accompanying each consolidated general appropriation bill, and the statement of managers accompanying any conference report thereon, shall show in tabular form, for information purposes, by items and totals—

"(A) the amount of each new appropriation, including permanent appropriations, and other budgetary authorizations available for expenditure in the fiscal year;

"(B) estimates of the balances of appropriations and other budgetary authorizations for expenditure as of the beginning of the fiscal year;

"(C) estimates of the net amount of expenditures in the fiscal year from each appropriation or other budgetary authorization for expenditure referred to in clause (A), except expenditures from revolving and management funds;

"(D) estimates of the net amount of expenditures in the fiscal year from the balances of appropriations and other budgetary authorizations for expenditure referred to in clause (B), except expenditures from revolving and management funds;

"(E) estimates of the net amount of expenditures in the fiscal year from revolving and management funds;

"(F) the totals of the amounts referred to in clauses (C), (D), and (E); and

"(G) estimates of the total amount which will be available for expenditure subsequent to the close of the fiscal year from the appropriations and other budgetary authorizations for expenditure referred to in clauses (A) and (B).

The committee reports accompanying each deficiency and supplemental appropriation bill containing appropriations available for obligation or expenditure during the fiscal year, and each appropriation rescission bill, and the statement of managers accompanying any conference report on any such bill, shall include appropriate cumulative revisions of such tabulations.

"(4) For the purposes of this subsection, the amount of expenditures shall be determined upon a checks issued basis.

"(5) The information reported under paragraph (3) shall be accompanied by (i) data on revolving and management funds (including the funds of wholly owned Government corporations) which shall show the gross amounts from which the net amounts estimated to be expended are derived, and information on estimated investments, repayment of capital, payment of dividends, and other cash transactions which do not affect net expenditures; and (ii) such supplemental data as may be considered desirable by the committee making the report.

"(6) The provisions of paragraphs (2), (3), and (5) shall not be applicable to appropriations of trust funds or to transactions involving public-debt retirement.

"(7) No general appropriation bill shall be received or considered in either House unless the bill and the report accompanying it conform with this rule.

"(8) The Appropriations Committees of the two Houses may hold hearings simultaneously on each general appropriation bill or may hold joint hearings thereon.

"(d) The consolidated general appropriation bill for each fiscal year, and each deficiency and supplemental general appropriation bill containing appropriations available for expenditure during such fiscal year, shall at the time the bill is reported to the House of Representatives and to the Senate contain in the body of the bill or in a preamble thereto, as the respective committees may deem appropriate, a current estimate of the Secretary of the Treasury of the overall Federal receipts for such fiscal year."

The statement presented by Mr. BYRD is as follows:

STATEMENT BY SENATOR BYRD

Congress has lost control over annual Federal expenditures.

The executive branch, by recent statements from the top, including forecasts from the Director of the Budget, is following a path which can lead only to steadily rising budgets.

Taxes are terribly high; the budget is in precarious balance, depending upon higher revenue from current tax rates on existing sources; the Federal debt is at its statutory limit; and the value of the dollar is dropping.

If Federal expenditures are to be reduced by amounts which will allow reduction in dangerous debt and terrible taxes, control must be recaptured by Congress where taxpayers most directly can make their wishes known.

And if Members of Congress are to be effective in complying with the wishes of their constituents for expenditure reduction, they must be provided with facilities for annual expenditure control. These facilities do not now exist.

EXPENDITURE CONTROL RESOLUTION

With this situation in view, I am introducing legislation to establish effective Congressional control over annual Federal expenditures in appropriation items, and provide for their enactment in a single bill affording an opportunity to add up total appropriations and expenditures in full view of current official revenue estimates by the Secretary of the Treasury.

The resolution would be in the nature of an amendment to the rules of the Senate and House of Representatives to provide that—

1. All appropriations, now enacted in 12 or more separate bills would be consolidated in 1 bill without disturbing present provisions for funding contracts requiring more than 1 year for delivery;

2. Each appropriation item acted on by Congress would also place annual limitation on expenditures from both the pending appropriation and unexpended balances in previous appropriations to the same account;

3. Each "appropriation-expenditure" bill would be accompanied by a committee report itemizing all appropriations and expenditures in tabular form adding to appropriation and expenditure budget totals; and

4. When these "appropriation-expenditure" bills are brought to the floor of each House for vote, they would include a current estimate of taxes to be collected in the ensuing fiscal year for which expenditures are being controlled.

CAUSE AND EFFECT

A single bill

Under present procedure the President sends his budget recommendations to Congress in January. That part of it which requires appropriations is broken up into a dozen or more appropriation bills, and Congress acts on these separate pieces at intervals over 6 months or more, with no facility to connect the parts and appropriations already enacted during the session with those parts and appropriations still to come.

Congressional action is confined entirely to current appropriations which may be vastly different from annual expenditures. For example, appropriations requested in the pending budget total $73.3 billion and annual expenditures next year are estimated at $71.8 billion. Frequently expenditures may be higher than appropriations.

It is annual expenditures (not current appropriations) against annual revenue which determines whether there is a deficit or a surplus. Most unexpended appropriations continue available for expenditure, without Congressional control, in some future year.

From the time the President submits his recommendations in January, the whole is never seen again until the Budget Bureau puts the pieces together in August, and revises the January expenditure estimate, after Congress has finished its appropriation action.

Under the resolution I am introducing all appropriation items, each with a limitation on expenditures from current and prior appropriations, would be contained in one appropriation-expenditure bill. The committee report, accompanying the bill, would itemize every appropriation and expenditure limitation. This would be in tabular form, presented in a manner capable of showing both appropriation and expenditure totals authorized for the year.

Expenditure control

Under present legislative procedure on appropriation bills, Congress exercises relatively little control over annual expenditures. It acts only on new appropriations, a large part of which are for expenditure in future years. It neither considers nor controls coming year expenditures from huge balances remaining in prior appropriations.

Using the situation for fiscal year 1958, which begins July 1, as an example:

1. Federal agencies will start the year with $70 billion of unexpended balances in old appropriations and other expenditure authorizations remaining available for expenditure. The President's budget estimates that about $25 billion will be spent out of these balances in the coming year. Under present legislative procedure on appropriations bills, no reduction in current appropriations would limit coming year expenditures from these unexpended balances in old appropriations.

2. In addition to the $70 billion in unexpended balances, the President's budget requests $73.3 billion in new appropriations. If this full amount of new funds should be appropriated, total funds available for expenditure would exceed $143 billion, exclusive of huge sums in trust funds outside the budget, such as the new one for highways.

Of the $73.3 billion in new appropriations requested, less than $48 billion would be for expenditure in the coming year. Most of the remaining $25.5 billion would go into unexpended balances at the end of next year for expenditure in some future year. Under present legislative procedure reduction in current appropriation bills applicable to $25.5 billion for expenditure in some future year would not affect expenditures in the coming year; and before the money is ultimately spent there is ample opportunity to restore reduction in balances. In fact, under the President's appropriation requests for the coming year, some balances previously reduced would be built up.

In general, there is no effective facility under present legislative procedure on appropriation bills to exercise full and direct annual expenditure control.

Under the resolution I am introducing, language in each appropriation bill item would be extended to limit the amount which may be spent in the ensuing year from both the new appropriation and the unexpended balances in old appropriations to the same account.

Both sides

Under present legislative procedures during consideration of appropriation bills, little or no attention is paid to revenue. Actually, in a situation where Congress acts only on new appropriations, a great portion of which may be spent over a period of years, and exercises no control over annual expenditures from huge unexpended balances, there is not much point in comparing figures in appropriation bills as they are enacted now with annual revenue.

Under the resolution I am introducing, which would control annual expenditures in a single appropriation-expenditure bill, a current estimate by the Secretary of the Treasury of revenue for the ensuing year would be embodied in the bill when it is brought to the floor of each House of Congress for action.

Summary

Under provisions of the resolution I am introducing, Congress would continue the present method of authorizing expenditures by appropriation, but it would extend the procedure in a manner to limit annual expenditures from all sources, and act on the appropriation-expenditure bill as a whole.

This process would control annual expenditures, and this would be done with total expenditures considered in full view of latest official estimates of revenue.

AMENDMENT OF RULE RELATING TO COMMITTEE REPORTS

Mr. CURTIS submitted the following resolution (S. Res. 118), which was referred to the Committee on Rules and Administration:

Resolved, That rule XXVI of the Standing Rules of the Senate is amended by adding at the end thereof a new paragraph as follows:

"3. Whenever any committee (other than the Committee on Appropriations) reports a bill or joint resolution proposing legislation which if enacted, or a treaty which if ratified, will authorize or require the expenditure of public funds, such committee shall include in its report a statement of the initial and projected costs of such legislation or treaty, as estimated by the committee, including any portion of such costs to be borne by the States or any subdivisions thereof."

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 119) to pay a gratuity to Nellie M. Rosengarth, which was placed on the calendar.

(See resolution printed in full when reported by Mr. HENNINGS, which appears under the heading "Reports of Committees.")

COLLECTIVE ACTION BY MAJOR USERS OF THE SUEZ CANAL

Mr. JAVITS. Mr. President, on behalf of myself, and Senators BEALL, DOUGLAS, HUMPHREY, IVES, and NEUBERGER, I submit, for appropriate reference, a resolution expressing it as the sense of the Senate that our Government should consult with major users of the Suez Canal "for the purpose of considering collective action to establish and internationalize alternate means" for traffic now moving through the Suez Canal. The most vital element in this traffic is free Europe's petroleum supplies, about 60 percent of the traffic through the canal.

This resolution is necessitated by the apparent refusal of Colonel Nasser, Egypt's President, to come to agreement with the major users of the canal, based upon the six principles adopted by the United Nations General Assembly on October 13, 1956, in which Egypt itself concurred. Thus, Egypt fails to give the major users dependable assurance of effective transit through the Suez Canal as an international waterway, guaranteed by the Constantinople Convention of 1888 and by international usage.

On the contrary, we are being given every reason to believe at this time that 3 of these 6 principles will not be observed by Egypt: That "there should be free and open transit through the canal without discrimination"; and "the operation of the canal should be insulated from the politics of any country"; and "the manner of fixing tolls and charges should be decided by agreement between Egypt and the users."

Even Egypt's 22 million people—and I believe this danger in Suez is the work of Colonel Nasser's government, not of Egypt's people—must respect the right of 10 times that number who would be directly endangered in West Europe by the use of the Suez Canal as a political instrument by Colonel Nasser.

The Government of Egypt in accepting the six principles for the operation of the Suez Canal established by the United Nations Security Council recognized that to link the operation of the Suez Canal to the politics of Egypt was incompatible with the international character of the canal, and the assurances as to its consistent availability which the major users ought to have.

Of free Europe's 3 million barrel daily oil supply, 70 percent, or 2.1 million barrels a day, is drawn from the Mid-East and by 1955 free Europe will need to draw an estimated 3.9 million barrels daily, 90 percent of its estimated requirement of 4.3 million barrels daily, from the same source. Of the amount presently needed, well over 1,250,000 barrels daily move normally through the canal; the balance moves through pipelines. Experience with sabotage in Syria of the vital pipelines through that country and Iraq also shows the need for alternate routes.

Alternate means to connect the oil-producing areas and the Mediterranean Sea and assure Europe vitally needed oil supplies are available. The four alternatives are: First, the pipeline of the Iraq Petroleum Corp. complex, the subject of meetings in London recently by 8 leading oil companies to construct a pipeline estimated to cost $500 million, tapping Mid-East oil sources in Iraq, Kuwait, and Iran, with an outlet at the Turkish port of Iskenderon; second, a plan to double-track the present Saudi-Arabian pipeline terminating in Lebanon, estimated to cost $200 million; third, a plan to build a large volume pipeline—32 inches—from Israel's port of Elath, on the Gulf of Aqaba, through Israel to the Mediterranean, estimated to cost $120 million; and, fourth, construction of 100,000-ton tankers, which we are now beginning, to round the Cape of Good Hope.

This resolution also suggests that our Government state its willingness to aid in effectuating the alternate route program. We could join in seeking internationalization of the pipeline by agreement with the countries through which they pass, thus giving them greater protection against political developments; second, we could undertake guaranties against rationalization and currency convertibility, expropriation, and war, of investments made by United States enterprises in such new pipelines. Such guaranties are already possible under the Mutual Security Act. Third, we could back up, in accordance with the policy already indicated by our Government, increased tanker construction and tanker use. Already 100,000-ton tankers to round the Cape of Good Hope are under construction by United States shipbuilders. These are some ways in which we could help. It must be noted that we are dealing with good investments, not with grants in aid.

It is already estimated authoritatively that the Suez Canal must be supplemented anyhow to carry increased tonnage based on increased needs. The way to do it is now by establishing alternate routes to protect the free world against Egyptian politics and Communist machinations directed at the jugular vein through which the oil flows, the Suez Canal.

If this resolution is adopted, it does not mean a boycott of the Suez Canal—it only means that the Senate having duly noted the dangers—and the need for alternatives—asks the executive department to develop plans and recommendations to meet them before we face another crisis.

It must be recognized that traffic will move through the Suez Canal as it has already begun to move; but in our action to eliminate trade in strategic goods with Communist China we also did not have 100 percent success but we have nonetheless been very effective. Colonel Nasser's regime is endangering the free world, force has been properly ruled out to correct the situation, but there is no reason why economic measures should not be applied which will in due course materially reduce the reliance upon the Suez Canal and Colonel Nasser of the very major users he defies and endangers.

As to Colonel Nasser, it seems clear that the chauvinism and willingness to do business with Communists which have characterized his government should not be permitted to endanger the security of the free world. We respect the dignity of peoples and their right to nationhood. We must at the same time insist on compliance with the obligations of the United Nations Charter by Egypt, one of its members, on respect for international law, on the will to maintain peace. The capability of a nation to exercise sovereignty requires also respect for the rights of other nations' peoples and for the human rights of its own people. Otherwise, the free world must protect itself and, as its leaders, we must help. The oil which moves through Suez is vital to the individual nations of Western Europe and, therefore, to the integrity of NATO. Any hope of atomic

energy produced power in Europe relieving materially this situation is estimated to be 10 or 20 years away. Accordingly, we have a direct stake involving the security of the United States to find alternate means to connect the oceans of the East and the West, especially as to the Mid-East's vitally needed oil supplies.

The countries in the Canal Users Association who are most directly concerned in the transit through the Suez Canal and with which we must work are: United Kingdom, France, Netherlands, Italy, Norway, West Germany, Australia, New Zealand, Turkey, Iran, Sweden, Portugal, Spain, and Denmark.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 120) relative to the operation of the Suez Canal and establishment of alternate supplementary routes, submitted by Mr. JAVITS (for himself and other Senators), was referred to the Committee on Foreign Relations, as follows:

Whereas the traditional policy of the United States has been to preserve freedom of transit through international waters for the peaceful commerce of the world; and

Whereas by virtue of the Constantinople Convention of 1888 and international usage, the Suez Canal is such an international waterway and is vital to the commerce and well-being of the peoples of the free world; and

Whereas the United Nations Security Council on October 13, 1956, adopted six principles for the operation of the Suez Canal and these principles were concurred in by the Government of Egypt; and

Whereas the six principles contained the following: That "there should be free and open transit through the canal without discrimination * * *," that "the operation of the canal should be insulated from the politics of any country" and that "the manner of fixing tolls and charges should be decided by agreement between Egypt and the users"; and

Whereas these principles have been violated by the action of Egypt announcing its determination to maintain a continued "state of belligerency" against Israel and deny to Israel the use of the Suez Canal, such "state of belligerency" being contrary to the Egyptian-Israeli Armistice Agreement of February 24, 1949, and the resolution of the United Nations Security Council, passed September 1, 1951, and to establish unilaterally canal tolls and disposition thereof; and

Whereas these conditions create a grave and imminent danger to international peace and tranquillity; and

Whereas the increasing amount of commercial traffic through the Suez Canal will tax its capacity, and alternate supplementary routes will be required even by normal trade considerations: Therefore, be it

Resolved, That it is the sense of the Senate of the United States that our Government should—

1. Convene a conference of the nations engaged in major international trade for the purpose of considering collective action to establish and internationalize alternate means and routes for assuring to the free world its normal petroleum supplies and conduct of its commerce normally moving through the Suez Canal; and

2. Support effective action within the United Nations to preserve freedom of transit through the Suez Canal for the peaceful commerce of the world without discrimination against any nation and in accordance with the six principles for the operation of the Suez Canal established by the resolution of the United Nations Security Council of October 13, 1956; and

3. State its willingness to aid in effectuating the foregoing.

Mr. NEUBERGER (for himself, Mr. MORSE, Mr. MANSFIELD, Mr. JACKSON, and Mr. CHURCH) submitted a resolution (S. Res. 121) relative to the establishment of a North Pacific International Waterways agency, which was referred to the Committee on Foreign Relations.

(See resolution printed in full when submitted by Mr. NEUBERGER, for himself and other Senators, which appears under a separate heading.)

IMPLEMENTATION OF GENEVA CONVENTIONS OF 1949

Mr. GREEN. Mr. President, by request, I introduce for appropriate reference a bill which would give effect to certain obligations relative to the use of the Red Cross and other emblems, which the United States assumed when it ratified the Geneva Conventions of August 12, 1949, for the protection of war victims.

Article 53 of the convention for the amelioration of the wounded and sick in armed forces in the field contains prohibitions against the use of the Red Cross emblem by any individuals or societies other than those described in the convention. Article 54 obligates the parties to the convention to enact such legislation as may be necessary to give effect to this prohibition.

When the convention was approved by the Senate, a reservation was adopted under which any use of the Red Cross emblem, sign or insignia which was lawfully begun under United States domestic law prior to January 5, 1905, would not be affected by the prohibition referred to. On the other hand, the reservation was expressly worded so as to deny even to prior users the right to place the emblem upon aircraft, vessels, vehicles, buildings or other structures, or upon the ground.

In addition, Mr. President, until now there has been no legislation in the United States which would forbid the commercial use of certain other distinctive signs, such as the red crescent, or the red lion and sun on a white background, which article 35 of the convention permits certain countries to use. Our legislation does not contain provisions authorizing the use by the International Red Cross and its personnel—compare article 44 of the Convention on Wounded and Sick, Executive D, 82d Congress, 1st session—or by civilian hospitals and their administrative personnel, convoys of vehicles, hospital trains and aircraft carrying wounded and sick civilians—compare articles 18–22 of the Convention on the Protection of Civilian Persons, Executive G, 82d Congress, 1st session.

In order to make the foregoing commitments effective an amendment of section 706 of title 18 of the United States Code is required. This would be achieved by subparagraphs (a) and (b) of the bill I am now introducing.

Finally, subparagraph (c) of the bill is intended to prohibit the use during time of war or national emergency of the letters PW and PG—prisoners of war and the French equivalent thereof—as well as the letters IC—internment camp—in such location and size as to be recognizable from the air, for any purpose except marking the location of a prisoner of war or internment camp. This is required under article 23 of the Prisoner of War Convention, and article 83 of the Civilians Convention, of August 12, 1949. Subparagraph (c) makes the necessary changes in our legislation to accomplish these objectives.

This bill is being introduced at the request of the executive branch. I reserve my right to support or oppose it, as well as any suggested amendments to it, when the matter is considered. I ask unanimous consent that the bill be printed at this point in the RECORD, together with a letter from the Acting Secretary of State, Mr. Herter, to the Vice President in regard thereto.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1779) to give effect to certain obligations of the United States under the Geneva conventions for the protection of war victims of 1949 by regulating use of the Red Cross and other emblems, and for other purposes, introduced by Mr. GREEN (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 706 of chapter 33, title 18, United States Code, is hereby amended to read as follows:

"§ 706. Protective emblems under the Geneva Conventions

"(a) Whoever wears or displays the sign of the Red Cross or any insignia in colorable imitation thereof for the fraudulent purpose of inducing the belief that he is a member of or an agent for the American National Red Cross; or

"Whoever, whether a corporation, association, or person, other than a person authorized by the Geneva Conventions for the Protection of War Victims of August 12, 1949, including the American Red Cross and its duly authorized employees and agents, the medical units and establishments of the armed forces of the United States and their duly authorized personnel, chaplains attached to the armed forces of the United States, the Red Cross societies of neutral countries, and the international Red Cross organizations and their duly authorized personnel, uses the emblem of the Greek red cross on a white ground, or any sign or insignia in colorable imitation thereof or the words 'Red Cross' or 'Geneva Cross' or any combination of these words—

"Shall be fined not more than $250 or imprisoned not more than six months, or both.

"This subsection shall not make unlawful the use of such emblem, sign, or insignia (1) to mark civilian hospitals, convoys of vehicles, hospital trains, ships and aircraft carrying wounded, infirm, or sick civilians, or medical personnel and equipment, when permitted under regulations and orders which the President is hereby authorized to issue in accordance with articles 18, 21, and 22 of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War of August 12, 1949; (2) to mark ambulances and the location of first-aid stations when permitted under regulations and orders which the President is hereby authorized to issue in accordance with article 44 of the Geneva Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field of August 12, 1949; or (3) on armlets to identify the personnel of civilian hospitals where permitted under regulations and orders which the President is hereby authorized to issue in accordance with article 20 of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War, of August 12, 1949.

"This subsection shall not make unlawful the use of any such emblem, sign, insignia, or words which was lawful on the date of enactment of this title, provided that such use shall not extend to the placing of the Red Cross emblem, sign, or insignia upon aircraft, vessels, vehicles, buildings or other structures, or upon the ground, except as permitted by the Geneva Conventions for the Protection of War Victims, of August 12, 1949.

"(b) Whoever, whether a corporation, association, or person, other than a person authorized by the Geneva Conventions for the Protection of War Victims of August 12, 1949, uses the emblem of the red crescent on a white ground or a red lion and sun on a white ground, or any sign or insignia in colorable imitation thereof—

"Shall be fined not more than $250 or imprisoned not more than six months, or both.

"This subsection shall not be deemed to prohibit a corporation, association, or person that actually used such emblem, sign, or insignia prior to February 2, 1956, from continuing such use for the same purpose and for the same class of goods, provided that such use shall not extend to the placing of the emblems described in this subsection upon aircraft, vessels, vehicles, buildings, or other structures, or upon the ground, except as permitted by the Geneva Conventions of August 12, 1949, for the protection of war victims.

"(c) Whoever, whether a corporation, association, or person, following a proclamation by the President in time of war or national emergency that application of this subsection is necessary, shall use in such location and size as to be recognized from the air, whether by visual or photographic means, the letters 'PW' or 'PG' for any purpose except marking the location of a prisoner-of-war camp, or the letters 'IC' for any purpose except marking the location of an internment camp, or any other marking, sign, emblem, or insignia agreed upon by the United States and any other country and proclaimed by the President for marking the location of such camps—

"Shall, unless such use or placing conforms to such regulations as may have been issued under authority of the President, be fined not more than $250 or imprisoned not more than six months, or both."

The letter presented by Mr. GREEN, is as follows:

DEPARTMENT OF STATE,
Washington, March 14, 1957.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: The United States, on August 2, 1955, following favorable Senate consideration, ratified the Geneva Conventions for the Protection of War Victims of August 12, 1949. These conventions came into force for the United States on February 2, 1956.

In its report (Ex. Rept. No. 9, U. S. Senate, 84th Cong., 1st sess., June 22, 1955), the Senate Foreign Relations Committee reviewed the background and testimony regarding the prohibitions respecting use of the Red Cross emblem contemplated under articles 53 and 54 of the Convention for the Amelioration of the Wounded and Sick in Armed Forces in the Field, and concluded as follows:

"Because of the facts which have been set forth above, the committee, after extended consultation with the executive departments concerned, the American National Red Cross, and representatives of the pre-1905 users, considers that a reservation should be adopted which would relieve the United States of any obligation to disturb continued enjoyment of any use of the emblem which was lawful under domestic law in the United States at the time of ratifying the convention. Such a use would be one lawfully begun prior to January 5, 1905, and permitted to continue under the act of January 5, 1905, the act of June 23, 1910, and subsequent Federal legislation, subject, of course, to extinction by abandonment at any time.

"Moreover, the protection of the national interest—and especially the interest of wounded and sick—requires that such a reservation be qualified so as to express the acceptance by the United States of an obligation to enact legislation prohibiting any use of the emblem on aircraft, vessels, vehicles, buildings, or other structures, or upon the ground, except as authorized under the terms of the conventions.

"Accordingly, the committee, in reporting the convention to the Senate, recommends that the resolution giving its advice and consent to ratification, include the following reservation:

"'The United States, in ratifying the Geneva Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, does so with the reservation that irrespective of any provision or provisions in said convention to the contrary, nothing contained therein shall make unlawful or obligate the United States of America to make unlawful, any use or right of use within the United States of America and its Territories and possessions of the Red Cross emblem, sign, insignia, or words as was lawful by reason of domestic law and a use begun prior to January 5, 1905, provided such use by pre-1905 users does not extend to the placing of the Red Cross emblem, sign, or insignia upon aircraft, vessels, vehicles, buildings, or other structures, or upon the ground.'."

This reservation was unanimously approved by the Senate, and the United States ratified the convention subject to this reservation.

In the same report, the Foreign Relations Committee took note of certain other provisions relating to emblems or markings that give rise to a need for legislative implementation. Specifically, the committee observed that, "* * * under article 38 of the Convention on Wounded and Sick in Armed Forces in the Field, certain countries are permitted to use, in place of the red cross, the red crescent or the red lion and sun on a white ground. While article 53 also forbids commercial use of these distinctive signs, without effect on rights acquired through prior use, no legislation restricts the use of such emblems in the United States. For this reason it will be necessary to make appropriate changes in title 18, section 706, of the United States Code.

"Similarly, as already noted, the 1949 conventions for the first time authorize the use of the Red Cross emblem by the International Red Cross and its personnel (art. 44, Wounded and Sick Convention), civilian hospitals and personnel engaged in their administration, and convoys of vehicles, hospital trains, and aircraft carrying wounded and sick civilians (arts. 18–22, Civilians Convention). Further amendment of title 18, section 706, of the United States Code would seem necessary to anticipate these uses."

In addition to protecting usage of the Red Cross and other emblems as mentioned above, the proposed legislation would protect the marking of prisoner-of-war camps and internment camps in time of war or national emergency. Subsection (c) of the bill would prohibit the use in such times of the letters "PW," "PG," or "IC," or any other marking, sign, emblem, or insignia agreed upon by the United States and any other country in such location and size as to be recognizable from the air, whether by visual or photographic means, for any purpose except marking the location of a prisoner-of-war camp or internment camp. The restrictions on such use in time of war or national emergency would implement article 23 of the Geneva Convention relative to the treatment of prisoners of war of August 12, 1949, and article 83 of the Geneva Convention relative to the protection of civilian persons in time of war of August 12, 1949. Such protection of prisoners is considered a desirable safeguard of these victims of war. It is also believed that enactment by the Congress of this provision could stimulate other countries into enacting similar legislation, thus enhancing the internationally beneficial protections contained in these articles of the Geneva Conventions.

Accordingly, there is submitted for your consideration and favorable action a draft bill to give effect to certain obligations of the United States under the Geneva Conventions for the protection of war victims of August 12, 1949, by regulating the use of the Red Cross and other emblems, and for other purposes. The scope and effect of this draft bill is clearly stated in the foregoing passages from the report of the Foreign Relations Committee and in the preceding paragraph hereof.

In implementing the obligations just referred to, it may be noted that the draft bill uses the phrase "colorable imitation" in preference to "colored in imitation" in section 706, title 18, United States Code. "Colorable imitation" appears to be the term which has come commonly to be used in trademark law in connection with similarity of marks and appears, for example, in connection with infringement of trademarks at sections 1114 (1) and 1127 (definition) of title 15 United States Code. It is intended, in achieving consistency in terminology, to make clear the original legislative meaning, which in the present context would include any imitation so resembling a protected emblem as to be likely to cause confusion, mistake, or deception.

Sincerely yours,

CHRISTIAN A. HERTER,
Acting Secretary.

EX GRATIA PAYMENT TO DENMARK FOR VESSELS REQUISITIONED IN WORLD WAR II

Mr. GREEN. Mr. President, by request, on behalf of myself, and the Senator from Wisconsin [Mr. WILEY], I introduce for appropriate reference a bill to authorize an ex gratia payment to the Government of Denmark of $5,296,302, in connection with the requisitioning in 1941 of 40 Danish vessels by the United States in the interest of national defense. The bill is intended to provide a definitive settlement of the claims of Danish shipowners which have been pending ever since World War II.

The subject of this bill, has been before Congress in various forms at different times. Negotiations between the United States and Denmark have been continued for a period of over 14 years. During that time, the issue has threatened to disturb the friendly relations between our two Governments, and will remain as a source of irritation until it is disposed of by a satisfactory settlement.

Although the legal issues involved in the determination of just compensation for the vessels taken over by the United States have now been disposed of in the courts, there still exists the question of

an equitable disposition of those claims in international relations. This can only be accomplished through the enactment of appropriate legislation.

Mr. President, I recall very briefly for Members of the Senate some of the circumstances which attended the taking of the vessels here in question during World War II. In the black early days of that war, the Danish Ambassador, whose country had been overrun by the German Army, disregarded the explicit instructions of the Danish Government, then under German pressure, and offered his cooperation with the United States. On his own initiative he courageously assumed responsibility for the delivery of the 40 vessels in question.

At that time, Ambassador De Kauffmann was promised that the Danish owners would receive compensation for their ships equal to that to which Americans were entitled, and that the ships would be returned so soon as the existing emergency was over.

Of those 40 vessels, 24 were sunk during World War II. The remaining 16 were returned to their owners. Unfortunately, ever since 1941 one administrative complication after another has delayed fulfillment of the promises made to the Danish Ambassador. And although a stipulation signed in 1951 furnished the basis for entering a judgment in the Court of Claims for five vessels for which compensation had not been made, legislation is necessary before payment can be made on a basis satisfactory to both Governments.

The PRESIDING OFFICER. The time of the senior Senator from Rhode Island has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Rhode Island may be granted an additional 2 minutes.

Mr. ROBERTSON. Mr. President, reserving the right to object, some of us have been waiting now for almost an hour. The Senate has been proceeding under the 3-minute rule. I do not object too much to an additional minute or two, but our distinguished colleague from Rhode Island has now been speaking for almost 20 minutes, more or less. Long speeches are supposed to be made after the morning hour, not during the morning hour, under the 3-minute limitation.

Mr. JOHNSON of Texas. Our distinguished colleague carries many burdens on his shoulders. He has three important matters which it was necessary for him to bring to the attention of the Senate. I hope the Senator from Virginia will agree to my unanimous-consent request that the Senator from Rhode Island be granted an additional 2 minutes.

Mr. ROBERTSON. I have not objected, and I do not object now; I am simply mentioning the 3-minute rule.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and the senior Senator from Rhode Island may proceed for an additional 2 minutes.

Mr. GREEN. Mr. President, I thank my colleagues.

I am pleased, Mr. President, that such a basis as I have mentioned now appears to have been reached, and that a problem which has gone so long unresolved and has disturbed the traditionally cordial and friendly relations of our two governments, is now on the way to solution.

I therefore welcome this opportunity to help settle a long-standing issue between our Nation and Denmark, whose people warrant all the sincere admiration, respect, and affection we hold for them.

However, as I have already indicated, I am introducing this bill at the request of the executive branch. In so doing, I reserve my right to support or to oppose it later, as well as any proposed amendments which may be made when the matter is considered.

I ask unanimous consent that the bill be printed at this point in the RECORD, together with a short history of the efforts which have been made to arrive at a settlement of the Danish ships problem, and a letter from Assistant Secretary of State Hill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, letter, and history will be printed in the RECORD.

The bill (S. 1780) to authorize an ex gratia payment to the Government of Denmark, introduced by Mr. GREEN (for himself and Mr. WILEY) (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized to pay to the Government of Denmark the sum of $5,296,302. The payment of such sum shall be considered as payment ex gratia in connection with the requisitioning in 1941 and the use and/or loss of 40 Danish vessels during World War II by the United States.

SEC. 2. There is hereby authorized to be appropriated the sum of $5,296,302 to carry out the purpose of this act.

The letter and history presented by Mr. GREEN are as follows:

DEPARTMENT OF STATE,
Washington, February 26, 1957.

The Honorable THEODORE FRANCIS GREEN,
United States Senate.

DEAR SENATOR GREEN: You will recall, I am sure, the problem of a payment to Denmark relating to the 40 ships requisitioned by the United States in 1941. I am glad to be able to report to you that the executive branch has resolved its problem regarding this matter. The Department now has permission to seek legislation authorizing an ex gratia payment to Denmark of $5,296,302. The Danes have accepted this possible solution of this long-standing issue between us.

I am enclosing a copy of draft legislation which we hope may be sponsored by you or members of the Foreign Relations Committee. Because of his previous interest in the matter, I have also sent a copy to Senator WILEY and have given one to Carl Marcy.

Representatives of the Department would be glad to consult further with you, or persons you may designate, on this matter.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

WORLD WAR II DANISH SHIP PAYMENT

The proposed legislation would authorize, on foreign relations grounds, an intergovernmental lump sum payment ex gratia to the Danish Government in connection with the taking and use and/or loss of 40 privately owned Danish ships requisitioned by the United States in 1941 with the approval of the Danish Minister. Such payment would amount to $5,296,302. The background of the proposed enactment is as follows:

The United States used the requisitioned Danish ships throughout World War II, 24 being lost at sea. At the end of the war settlement contracts covering 35 of the ships were negotiated with the companies owning them, and the ships remaining afloat were returned to the Danes. After most of the payments under these contracts had been made, further payments were suspended. Despite protracted negotiation the owners were not able to obtain full performance of the contracts. On December 4 and December 13, 1951, they filed suits in the Court of Claims. In these suits the court held that the shipowners' original rights to compensation were supplanted by the rights under the contracts and that compensation could be made only in accordance with their terms. The Danish owners undertook not to appeal this decision to the higher court. Stipulated judgments afterward were entered (on February 20, 1956) by the terms of which the United States paid the balance due under the contracts, plus damages for breach specified in the contracts, i. e., 3 percent per annum of the unpaid balance. The payments under these judgments fell short of the amounts sought by the owners. The Danish Government had endeavored since the suspension of the contract payments to obtain an intergovernmental settlement of the dispute and once the Court of Claims judgments were entered renewed its request for such a settlement, to be based on the compensation to which American owners were entitled for ships taken for use during World War II.

The owners of the other 5 ships, all of which were sunk, did not enter into settlement contracts at the end of World War II. On July 10, 1947, they brought suit in the Court of Claims to obtain compensation for the taking of their ships. These suits were settled by stipulated judgments entered in their favor on July 23, 1952, but the total compensation otherwise found to be owing was reduced by a deduction for the technical legal defense that the ships were "burdened" (i. e., that because the ships were under threat of seizure by the allies as technically enemy vessels, their market value was less than it would have been had they been free of such threat). The Danish Government has insisted on the restoration of this deduction.

The Danish Government over a period of years steadfastly has maintained that the Danish owners should receive further compensation, considerably in excess of the amount that would be authorized by the proposed legislation. This question unfortunately has grown into an issue of major importance between the United States and Denmark. In these circumstances, it is considered that the proper conduct of the foreign relations of the United States requires that a payment as specified in the draft legislation be made. Ex gratia payments, based upon considerations of equity in international relations and without reference to the question of legal liability, are not an unusual means of settling claims between governments.

The Danish Government has indicated that the amount named in the proposed legislation would be acceptable as a full and final settlement of the matter.

PROPOSED ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL CULTURAL RELATIONS

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill to provide for the appointment of an Assistant Secretary of State for International Cultural Relations.

This bill, if enacted, would create within the Department of State, in addition to the Assistant Secretaries presently authorized, another position of Assistant Secretary, whose duties would be to coordinate the international exchange programs of the Department of State authorized by the Surplus Property Act of 1944, as amended by Public Law 584, 79th Congress; the United States Information and Educational Exchange Act of 1948, as amended—Smith-Mundt Act—and the Mutual Security Act of 1954, as amended.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1786) to provide for the appointment of an Assistant Secretary of State for International Cultural Relations, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF SMALL BUSINESS ACT OF 1953

Mr. THYE. Mr. President, on behalf of myself, the Senator from Indiana [Mr. CAPEHART], and the Senator from Connecticut [Mr. BUSH], I introduce a bill to amend the Small Business Act of 1953. The following Senators have indicated their desire to join in sponsoring the bill: The Senator from Colorado [Mr. ALLOTT], the senior Senator from Vermont [Mr. AIKEN], the senior Senator from Maryland [Mr. BUTLER], the junior Senator from Maryland [Mr. BEALL], the junior Senator from New Jersey [Mr. CASE], the junior Senator from South Dakota [Mr. CASE], the Senator from Kentucky [Mr. COOPER], the junior Senator from Vermont [Mr. PLANDERS], the senior Senator from New York [Mr. IVES], the junior Senator from New York [Mr. JAVITS], the junior Senator from California [Mr. KUCHEL], the junior Senator from Iowa [Mr. MARTIN], the senior Senator from South Dakota [Mr. MUNDT], the junior Senator from Maine [Mr. PAYNE], the Senator from Michigan [Mr. POTTER], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from Maine [Mrs. SMITH], the senior Senator from New Jersey [Mr. SMITH], the Senator from Nevada [Mr. MALONE], and the Senator from Utah [Mr. BENNETT].

I ask unanimous consent that the bill lie on the table until the conclusion of legislative business on Monday, so that other Senators may have an opportunity to join in sponsoring it.

Mr. President, at the present time I shall not address myself to the bill, other than to point out that it would establish the Small Business Administration as a permanent agency of the Government. This agency must be given permanent status if it is to serve effectively the interests of small business. No agency can function efficiently if its life depends on extension of its authority every 2 years.

Otherwise, Mr. President, this proposal is a complete rewriting of the Small Business Act of 1953, of which I was the author. Certain technical changes have been made, primarily for the purpose of clarification. Other than the provision making the agency permanent, no major policy changes are effected by the bill. It is my intention to speak at a later date regarding its merits.

As previously stated, Mr. President, I ask unanimous consent that the bill lie on the table until the close of legislative business on Monday, April 8, so that other Senators may have an opportunity to join in sponsoring the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1789) to amend the Small Business Act of 1953 (title II of Public LAW 163, 83d Cong., as amended), introduced by Mr. THYE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

ESTABLISHMENT OF BOUNDARY OF EVERGLADES NATIONAL PARK, FLA.

Mr. HOLLAND. Mr. President, on behalf of my colleague, the junior Senator from Florida [Mr. SMATHERS], and myself, I introduce, for appropriate reference, a bill to fix the boundary of Everglades National Park, Fla., to authorize the Secretary of the Interior to acquire land therein, and to provide for the transfer of certain land not included within said boundary, and for other purposes. I have prepared a brief statement on behalf of my colleague and myself. I ask unanimous consent that the statement be printed in full at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1790) to fix the boundary of Everglades National Park, Fla., to authorize the Secretary of the Interior to acquire land therein, and to provide for the transfer of certain land not included within said boundary, and for other purposes, introduced by Mr. HOLLAND (for himself and Mr. SMATHERS), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. HOLLAND is as follows:

STATEMENT BY SENATOR HOLLAND AND SENATOR SMATHERS

In finalizing the boundary of Everglades National Park, enactment of this legislation would not only end the fears of expansion within the old authorized boundary, but would also set at rest rumors of expansion of the park beyond the limits authorized in 1934, such as the often-repeated report that the park would be extended to include a large area northeast of the authorized park and extending eastward along the Tamiami Trail.

The overall effect of the proposed settlement is clearly seen by comparing the area of the originally authorized park with the area of the park under the proposed settlement. The size of the originally authorized park of 1934 was 2,164,500 acres, consisting of 1,563,520 acres of land and 600,980 acres of water. By contrast, under the proposed bill, the final boundaries of the park would include an area of 1,337,800 acres, consisting of 919,400 acres of land and 418,400 acres of water.

The most important advantages to be derived from the proposed settlement of the boundary question are as follows:

1. The proposed settlement would be highly advantageous to the owners of 644,000 acres of Florida lands which will be permanently excluded from the park, but which have always been within the authorized boundary approved by Congress in 1934.

2. In Dade County, a full township of land (23,000 acres) lying some 8 miles northwest of Homestead, would be conveyed by the Federal Government to the State for sale and development, and the agricultural lands in the so-called hole-in-the-doughnut tract west of Royal Palm Hammock would be protected for private ownership so long as they are used for agricultural purposes. Much other acreage excluded from the 1934 boundaries also lies in Dade County.

3. In Monroe County most of the so-called Chevrolet tract which was included in the park in 1954 by executive order of Secretary McKay would be excluded and made available for private development, and Key Largo and many other valuable keys would be permanently excluded, as planned since 1944.

4. Collier County would see its longtime ambition realized by having the so-called Collier tracts around Everglades City incorporated in the park and also having a permanent coastal corridor extend from Everglades City southeastward to include in the park a belt of coastal land 7 or 8 miles wide. Large land areas of Collier County north and south of the Tamiami Trail would be permanently excluded.

5. The State of Florida would receive in exchange for its acreage in the coastal area the full township of Federal land in Dade County and some 11 sections of Federal land in the Chevrolet tract comprising the eastern portion of the so-called Patton tract. The State would also have excluded from the park over 180,000 acres of its underwater lands, such as in Card Sound and Barnes Sound and in areas between the keys and the Intracoastal Waterway.

6. By the proposed settlement, the National Park Service would be allowed to complete its long-desired inclusion of the scenic and highly desirable gulf coastal belt so that it would extend continuously from Everglades City to Flamingo.

We have been several years in helping to work out the details of this proposed settlement of the long-drawn-out controversy, and we feel that a reasonable and fair agreement has been reached which should be acceptable to nearly everyone concerned. The proposed settlement has been endorsed by the Advisory Board on National Parks, the National Park Service, the Governor of Florida, and the members of the Florida congressional delegation directly concerned.

I strongly urge favorable consideration and early passage of this bill by the Congress so that the Governor of Florida and the cabinet members of the internal improvement fund trustees in Tallahassee may soon accomplish, with the Secretary of the Interior, the exchange of State lands for the acreage of Federal lands proposed by the compromise settlement.

AMENDMENT OF REORGANIZATION ACT OF 1949, RELATING TO REORGANIZATION PLANS

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to extend the Reorganization Act of 1949 to June 1, 1959, from its present expiration date of June 1, 1957.

This bill is introduced in response to a message received from the President of the United States on April 1, 1957—House Document No. 145—which was referred to the Committee on Government Operations, requesting that the act be extended. This proposed legislation will be required in order that the President may continue to submit reorganization plans, which become effective after 60 days of congressional session unless disapproved by a majority of the Members of one of the Houses of the Congress.

Mr. President, I think the bill will be referred to the Committee on Government Operations. We shall undertake to process the bill and report it back at a sufficiently early date so that it may be enacted in ample time before the present law expires.

Mr. President, I ask that the message from the President be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the message from the President will be printed in the RECORD.

The bill (S. 1791) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1959, introduced by Mr. McCLELLAN, was received, read twice by its title, and referred to the Committee on Government Operations.

The message from the President, presented by Mr. McCLELLAN, is as follows:

To the Congress of the United States:

The Reorganization Act of 1949 as amended, under which the President is authorized to prepare and transmit to the Congress plans for the reorganization of executive agencies, states that no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1957.

I recommend that the Congress enact legislation to extend the period for transmitting reorganization plans for 4 years.

The reorganization plan procedure authorized by the Reorganization Act is an essential means by which the President and the Congress can cooperate to assure the timely promotion of better organization and sound management of the executive branch of the Government. Under the act, the President may transmit to the Congress reorganization plans which become effective after 60 days of congressional session unless disapproved by a majority of the membership of one of the Houses of the Congress. This method enables the President, who has direct responsibility for effective administration, to initiate improvements in organization, subject to review by the Congress.

Extensive accomplishments have been achieved under the Reorganization Acts of 1939 and 1945 and under the present statute, the Reorganization Act of 1949. The time for transmitting plans under the latter has been twice extended by the Congress: in 1953 and 1955.

The current act was adopted following the strong endorsement of the first Commission on Organization of the Executive Branch of the Government in 1949, which stated: "This authority is necessary if the machinery of government is to be made adaptable to the ever-changing requirements of administration and if efficiency is to become a continuing rather than a sporadic concern of the Federal Government." In December 1954 the second Commission on Organization of the Executive Branch of the Government unanimously recommended further extension of the act.

Accordingly, I urge the Congress to continue the practical arrangements contained in the Reorganization Act by which the Congress and the President can carry forward their cooperative endeavors to provide the best possible management of the public business.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1957.*

HUMANITARIAN AND OLD-AGE RIGHTS ACT

Mr. HUMPHREY. Mr. President, on behalf of myself and the Senator from Rhode Island [Mr. PASTORE], I introduce, for appropriate reference, a bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds. I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, it is well publicized that the people in the United States are today enjoying unequaled prosperity and the highest standard of living in the world. Wherever you go, whatever magazine or newspaper you read, you are confronted with this supposed sense of well-being for all.

Yet, Mr. President, a large segment of our population today points a guilty finger at the United States Congress because we have failed—unintentionally, I think—to assure them their God-given right to human dignity.

These people are the less fortunate in our society—those who must depend on the public assistance section of our Social Security Act to live—our needy aged, blind, physically handicapped, and dependent children. Plain old-fashioned human dignity to them has become a luxury they enjoyed while they were producing and helping to build the prosperity we now enjoy. With the coming of old age or the loss of job and income because of circumstances beyond their control, they now are required to pay the price for poverty. When they apply for public assistance they are firmly stamped "pauper" by the restrictive laws the majority of our States have imposed under the harsh means test provisions of the program.

While we might be inclined to shift the responsibility for this condition back to the States when the steady stream of complaints pass over our desks, I personally feel, and many of my colleagues join me in these sentiments, that the responsibility rests right here in this Chamber. It is we who, by our lack of action, have allowed the administration of our public assistance program to become the instrument of harassment and intimidation of these needy people that it is today.

If this degrading practice is to be curtailed, it is we who must write into the public assistance program laws to safeguard our needy citizens and restore to them their right to human dignity.

Working with my distinguished colleague in the House of Representatives, Representative JAMES ROOSEVELT, we have had drafted a bill to be known as the Humanitarian and Old-Age Rights Act. If enacted, it will go far toward achievement of the goal I have briefly outlined here today—humanizing our public assistance program.

Enactment of the Humanitarian and Old Age Rights Act would require the laws of the 48 States to be more uniform by having Congress establish at least a minimum single standard of qualifications for the applicants and recipients of public assistance—below which no State should go. We would, in effect, be saying that just because a person was in need of assistance, Congress did not intend to see him stripped of every last pretense to self-respect and dignity in his community.

Enactment of the Humanitarian and Old Age Rights Act would, in effect, be clearing some of the debris out of our own backyard in the field of social justice. For the first time, a "legislative intent" would be established by Congress "that public assistance shall be administered promptly and humanely, with due regard for the preservation of family life; and without discrimination on account of race, sex, religion or political affiliation; and the assistance laws be liberally construed."

Briefly, I would like to outline provisions of the bill.

First, it would do what should have been done when the social security amendments were passed last year. It would make the age requirement for old-age assistance recipients the same as that established for old-age beneficiaries under title II of the Social Security Act.

The need for this is obvious when we consider the low minimum benefits now paid under the OASI program. Many beneficiaries who fall into the low category cannot, naturally, live on a benefit payment of $30 or $40 per month and must therefore apply for public assistance to supplement this inadequate income.

Therefore, when we lowered the age for women OASI beneficiaries to 62 as we did last year, and did not make a corresponding change in the public assistance program, many people are bound to be caught in the squeeze and our original purpose defeated to a large extent.

Secondly, we would allow the aged and handicapped on public assistance to earn up to $50 per month; the parents of needy children up to $30 per month, and the needy children, themselves, up to $30 per month to supplement their assistance checks. The blind are already permitted to earn $50 without penalty of reduction in aid.

This privilege was extended to the aged by this body last year, but unfortunately it was knocked out of the social security amendments by the conference committee.

We hear much talk of rehabilitating needy people, of encouraging self-reliance, self-support, and a dozen other such nouns coupled with the adjective "self." And yet, at the very same time, we not only discourage—we just downright prohibit the same people from endeavoring to better their standard of living and becoming self-reliant to any degree by saying to them, "If you earn one thin dime, it will be deducted from your aid."

As a result, we prevent even a start toward rehabilitation. We completely sentence these people to a life of idleness eked out on a bare pittance of aid.

Our bill would allow recipients to own a home of an assessed value, less all encumbrances, up to $5,000 free from the imposition of a lien. To me, the practice of forcing an old person to sign over his little home that he has spent most of his life acquiring as a condition of receiving aid in time of need, is abominable.

Is this country really so bad off that it must resort to this penny pinching to try and retrieve what little aid is granted our poor in times of need?

Does the monetary return from such a practice anywhere nearly justify the mental and emotional anguish endured by people who must give up their last remaining possession; the scene of their life's heartaches and joys, in order to eat when they are too old to provide for themselves? In my opinion, you might as well cut out their heart for recompense, for to most people, their heart and home are synonymous.

We would exempt household furnishings and other personal effects plus an insurance policy or burial arrangement up to $500 in value when considering "need" and we would also establish a floor of $1,200 under the amount of personal property which a single recipient is allowed to have.

Mr. President, I see no earthly reason why we should require people to be absolute paupers before we consider them in need of help to obtain the day-to-day necessities of life. To force them to use up every last resource before they are given aid is to strip them of any feeling of security should they become ill, or should their checks be held up in the skein of redtape or for other reasons. If they have been thrifty enough to purchase a burial policy so that their last remains can be covered with a semblance of dignity, are we to force them to cash this in, thereby finally sentencing them to potter's field?

Mr. President, is it right to grind them right down into the dust of absolute poverty before they can expect any help?

Mr. President, we would further prohibit the practice of some States whereby the public-assistance laws are used to enforce the general-support laws of the State. This is the so-called responsible relatives law where children of pensioners are subjected to continual harassment by State and county administrators even though they are in no way financially capable of supporting their aged parents.

While I firmly subscribe to the theory that it is the moral responsibility of children to care for their parents if they can reasonably afford to do so, I feel that this should be a matter for State support laws, and not be used merely as a harassment in the public-assistance program.

To show the hardship this so often works on our oldsters, in some States the mere existence of a relative deemed capable of supporting the old person is reason enough—according to State law—for denying that old person aid. Whether or not the relative is actually supporting the needy person is not taken into consideration. The fact that the relative exists is enough.

As another consideration, Mr. President, our bill provides that the program is to be administered by each State so as to insure uniform treatment of the needy in all its political subdivisions.

We would further reinstate the original policy adopted by Congress that the names of recipients be held confidential.

That is, we would outlaw the "shame list," which is used by all too many States to ridicule recipients of aid. This law reminds me of the old practice of putting town drunks or wife beaters in stocks in the public square to shame them in front of fellow townsmen. We hardly think that such a theory has any place in the 20th century.

We come now to the question of the residence requirement imposed by a majority of our States. The Public Assistance Act says that a State shall not impose a residence requirement exceeding 5 years out of the 9 years preceding application. And many States impose this maximum.

Even on the surface, this whole idea of a residence requirement seems ridiculous and even downright un-American to me. Though I come from the great State of Minnesota, I am also an American citizen. I am not restricted to living in Minnesota. When I come to Washington, it is not necessary that I take out a visa to remain or that I obtain a passport to travel to California if I choose to do so. I am just as much an American citizen in California or Nebraska as I am in Minnesota.

Yet, to take an example, if an old person from one of the colder States is forced to move to a warmer climate for health reasons—he suddenly becomes a citizen without a State—or for all practical purposes—a country. His home State disclaims responsibility, the State he has just moved to says, "you have not lived here long enough, so we are not responsible"; and the Federal Government says, "it is a matter for the States, we cannot do anything.

To partially alleviate this problem, our bill reduces the State-imposed residence requirement now allowed by the Federal Government from 5 years to 1 year and provides that should an otherwise qualified person not meet State residence requirements, the Federal Government will pay its share direct to the person until they have met the State residence requirement.

Finally, Mr. President, this bill provides that no person receiving such public aid shall be deemed a pauper and no warrant drawn in payment shall contain any reference to indigency or pauperism, and that the value of any United States surplus food made available will not be deducted from the recipient's aid.

Mr. President, I ask unanimous consent that the text of the bill I am sending to the desk be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Humanitarian and Old-Age Rights Act."

STATEMENT OF PURPOSE AND POLICY

SEC. 2. It is the purpose of this act to provide more effectively for the protection, care, and assistance of the people of the United States who are in need thereof, and to promote the welfare and happiness of the people of the United States by providing public assistance to its needy and distressed. It is the policy of the Congress that assistance under title I, IV, X, and XIV of the Social Security Act, as amended by this act, shall be administered promptly and humanely, with due regard for the preservation of family life and without discrimination on account of race, religion, or political affiliation, and that such assistance shall be so administered as to encourage self-respect, self-reliance, and the desire to be a good citizen, useful to society. Titles I, IV, X, and XIV of the Social Security Act shall be liberally construed in order to carry out this purpose and policy.

OLD-AGE ASSISTANCE

SEC. 3. (a) (1) (A) Section 2 (a) (1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 2 (a) (3) of such act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 2 (a) (7) of such act is amended to read as follows: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid-age assistance; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;"

(3) Section 2 (a) of such act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (12) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 2 (a) of such act is further amended by adding after clause (12) the following new sentence: "For purposes of clause (7) (E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for

funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 2 (b) (1) of such act is amended to read as follows:

"(1) An age requirement at any given time of more than the age which at such time constitutes retirement age for purposes of title II of this act; or."

(6) Section 2 (b) (2) of such act is amended to read as follows:

"(2) Any residence requirement which excludes any resident of the State who has resided therein continuously for 1 year immediately preceding the application; or."

(b) The second sentence of section 1 of such act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles IV, X, and XIV."

(c) Section 4 of such act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of old-age assistance to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title I of such act is amended by adding at the end thereof the following new sections:

"DIRECT PAYMENTS TO INDIVIDUALS NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 7. If an individual, after making application for old-age assistance, is denied such assistance by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to old-age assistance by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for old-age assistance if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for old-age assistance if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the old-age assistance which such individual would receive for such month if he then satisfied such requirements.

"ASSISTANCE FOR NEEDS OF RECIPIENT ONLY

"SEC. 8. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

AID TO DEPENDENT CHILDREN

SEC. 4. (a) (1) (A) Section 402 (a) (1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 402 (a) (3) of such act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 402 (a) (7) of such act is amended to read as follows: "(7) to provide that the State agency shall, in determining need, take into consideration any other income and resources of any child claiming aid to dependent children; except that in making such determination the State agency shall disregard (A) the first $15 per month of income earned by such child and the first $30 per month of income earned by his parent or guardian, (B) the ownership by such child (or by his parent or guardian) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), and (C) any donations of surplus food which may have been made to or for such child from stocks of the Commodity Credit Corporation;".

(3) Section 402 (a) of such act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the word "and", and by adding at the end of the subsection the following new clause: "(13) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(b) The second sentence of section 401 of such act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, X, and XIV."

(c) Section 404 of such act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any dependent child, a requirement that such child (or his parent or guardian) subject to his (or their) home to a lien of any kind or transfer to the State agency any interest in such home;".

(d) Title IV of such act is amended by adding at the end thereof the following new section:

"DIRECT PAYMENTS TO DEPENDENT CHILDREN NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 407. If a dependent child, after making application for aid to dependent children, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such child is not entitled to aid to dependent children by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such child has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such child for each month, beginning with the first month (after the month of such child's application) in which such child would have been eligible for aid to dependent children if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to dependent children which such child would receive for such month if he then satisfied such requirements."

AID TO THE BLIND

SEC. 5. (a) (1) (A) Section 1002 (a) (1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 1002 (a) (3) of such act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 1002 (a) (8) of such act is amended to read as follows: "(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the blind; except that in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 1002 (a) of such act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the word "and", and by adding at the end of the subsection the following new clause: "(14) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 1002 (a) of such act is further amended by adding after clause (14) the following new sentence: "For purposes of clause (8) (E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 1002 (b) (1) of such act is amended to read as follows:

"(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for 1 year immediately preceding the application; or".

(b) The second sentence of section 1001 of such act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, IV, and XIV."

(c) Section 1004 of such act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title X of such act is amended by adding at the end thereof the following new sections:

"DIRECT PAYMENTS TO INDIVIDUALS NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 1007. If an individual, after making application for aid to the blind, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to aid to the blind by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for aid to the blind if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the

Federal Government's proportionate share of the aid to the blind which such individual would receive for such month if he then satisfied such requirements.

"ASSISTANCE FOR NEEDS OF RECIPIENT ONLY

"SEC. 1008. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

AID TO THE PERMANENTLY AND TOTALLY DISABLED

SEC. 6. (a) (1) (A) Section 1402 (a) (1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 1402 (a) (3) of such act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 1402 (a) (8) of such act is amended to read as follows: "(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the permanently and totally disabled; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 1402 (a) of such act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (13) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 1402 (a) of such act is further amended by adding after clause (13) the following new sentence: "For purposes of clause (8) (E), no life-insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 1402 (b) (1) of such act is amended to read as follows:

"(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for 1 year immediately preceding the application; or."

(b) The second sentence of section 1401 of such act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, IV, and X."

(c) Section 1404 of such act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title XIV of such act is amended by adding at the end thereof the following new sections:

"DIRECT PAYMENTS TO INDIVIDUALS NOT SATISFYING RESIDENCE REQUIREMENTS

"SEC. 1406. If an individual, after making application for aid to the permanently and totally disabled, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to aid to the permanently and totally disabled by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for aid to the permanently and totally disabled if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to the permanently and totally disabled which such individual would receive for such month if he then satisfied such requirements.

"ASSISTANCE FOR NEEDS OF RECIPIENT ONLY

"SEC. 1407. Assistant paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

MISCELLANEOUS PROVISIONS

SEC. 7. (a) As used in the provisions of the Social Security Act amended by this act, the term "Secretary," except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(b) Section 618 of the Revenue Act of 1951 (relating to public access to State public assistance records) is repealed.

(c) No check or warrant drawn in payment of assistance to any individual under title I, IV, X, or XIV of the Social Security Act, and no envelope or other outer covering therefor, shall bear any printing or marking which indicates or implies that such individual is indigent or a pauper.

(d) The amendments made by sections 3 (d), 4 (d), 5 (d), and 6 (d) shall apply with respect to months beginning after the date of the enactment of this act. Section 7 (b) shall apply with respect to payments to which the States (including the agencies and political subdivisions thereof) become entitled after the date of the enactment of this act. Sections 7 (a) and 7 (c) shall take effect on the date of the enactment of this act. The remaining amendments made by this act shall take effect on July 1, 1958.

Mr. HUMPHREY. I know, Mr. President, that several of our colleagues here in the Senate will want to join me and the Senator from Rhode Island in sponsoring this legislation. Consequently, I ask that the bill itself, after being designated with a number today, be held at the desk until the close of Senate business on Monday, April 15, so that cosponsors may, after studying the bill in the RECORD, join in its sponsorship if they wish.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1793) to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds, introduced by Mr. HUMPHREY (for himself and Mr. PASTORE), was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF IDAHO ADMISSION ACT

Mr. CHURCH. Mr. President, I introduce for appropriate reference, a bill to amend the Idaho Admission Act. That act provides that 50 sections of public lands are granted to the State of Idaho for the purpose of erecting a capital.

Certain court decisions relating to the Montana Admission Act, which is similar, suggest that the proceeds of these lands may not be used for reconstruction, repair, renovation, or furnishings, as not being properly includible within the phrase "erection of a State capital." This Congress has already passed a measure which has been approved as Public Law 6 amending the Montana Admission Act, and this bill would make the same amendment with reference to the Idaho Admission Act.

The Governor of Idaho, has advised me that the exterior walls of the capitol building at Boise need repair; that the cement holding some of the stone together on the cornices is in bad condition; and that prompt action of this nature is necessary.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1794) to amend section 6 of the act approved July 3, 1890, 25 Stat. 215 relating to the admission into the Union of the State of Idaho by providing for the use of public lands granted therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvements of public buildings at the capital, introduced by Mr. CHURCH, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO ISSUANCE OF CERTIFICATES FOR RAPID AMORTIZATION OF EMERGENCY FACILITIES

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Internal Revenue Taxation during the year 1956, I directed Mr. Colin F. Stam, chief of staff of the committee, to make an investigation of the Revenue Code of 1954, authorizing a 5-year amortization write-off of taxes on the basis of certificates of necessity issued by the Office of Defense Mobilization.

From November 1950 to March 20, 1957, almost 22,000 certificates were issued under the 5-year amortization program. The total cost of the projects on which certificates were granted was almost $39 billion, and almost $23 billion, or about 60 percent, of this amount was made eligible for the 5-year writeoff for the purpose of tax deduction.

This greatly exceeds the World War II figures.

This report clearly demonstrates to me that section 168 of the Revenue Act of 1954 should be drastically modified, if not repealed. It is estimated that it has caused a temporary loss in tax revenue of a very large amount, aggregating billions of dollars.

This is a hidden cost for which no appropriation is required by Congress. Its effect makes it more difficult to balance the budget or reduce the tax burdens of the taxpayers not receiving such a benefit. It is very discriminatory against small businesses which have not, as a rule, qualified for this special tax treatment.

I am presenting a bill which will repeal this section of the law except for certain carefully restricted military equipment, such as new implements of warfare, the existing facilities for the production of which are unsuitable because of their newness or specialized defense features.

A careful examination by the staff of the Joint Committee on Internal Revenue Taxation and by myself indicates that the certificates issued, which have resulted in very large tax benefits to numerous corporations, have been granted to an extent far beyond what was intended by Congress.

I feel that this tax loophole should be promptly closed. I ask unanimous consent that the bill be printed in the RECORD as a part of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

A bill to amend section 168 of the Internal Revenue Code of 1954 so as to restrict the issuance of certificates for rapid amortization of emergency facilities to those facilities producing new defense items for use by the Department of Defense or the Atomic Energy Commission in the national defense program

Be it enacted, etc., That this act may be cited as the "Emergency Facility Amortization Act of 1957."

SEC. 2. Section 168 (a) of the Internal Revenue Code of 1954 (relating to determination of adjusted basis of emergency facilities) is amended—

(a) by striking out "There" in paragraph (1) and inserting in lieu thereof the following: "Certification before Emergency Facility Amortization Act of 1957.—In the case of a certificate made on or before the date of the enactment of the Emergency Facility Amortization Act of 1957, there"; and

(b) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Certifications after Emergency Facility Amortization Act of 1957: In the case of a certificate made after the date of the enactment of the Emergency Facility Amortization Act of 1957, there shall be included only so much of the amount of the adjusted basis of such facility (computed without regard to this section) as is properly attributable to such construction, reconstruction, erection, installation, or acquisition after December 31, 1949, as the certifying authority designated by the President by Executive order, has certified is to be used—

"(A) to produce new defense items or components of new defense items (as defined in paragraph (4)) during the emergency period, or

"(B) to provide research, developmental, or experimental services during the emergency period for the Department of Defense (or one of the component departments of such Department), or for the Atomic Energy Commission, as a part of the national defense program, and only such portion of such amount as such authority has certified is attributable to the national defense program. Such certification shall be under such regulations as may be prescribed from time to time by such certifying authority with the approval of the President. An application for a certificate must be filed at such time and in such manner as may be prescribed by such certifying authority under such regulations, but in no event shall such certificate have any effect unless an application therefor is filed before the expiration of 6 months after the beginning of such construction, reconstruction, erection, or installation, or the date of such acquisition. For purposes of the preceding sentence, an application which was timely filed under this subsection on or before the date of the enactment of the Emergency Facility Amortization Act of 1957, and which was pending on such date, shall be considered to be an application timely filed under this paragraph.

"(3) Separate facilities; special rule.—After the completion or acquisition of any emergency facility with respect to which a certificate under paragraph (1) or (2) has been made, any expenditure (attributable to such facility and to the period after such completion or acquisition) which does not represent construction, reconstruction, erection, installation, or acquisition included in such certificate, but with respect to which a separate certificate is made under paragraph (1) or (2), shall not be applied in adjustment on the basis of such facility, but a separate basis shall be computed therefor pursuant to paragraph (1) or (2), as the case may be, as if it were a new and separate emergency facility.

"(4) Definitions: For purposes of paragraph (2)—

"(A) New defense item: The term 'new defense item' means only an item—

"(i) which is produced, or will be produced, for sale to the Department of Defense (or one of the component departments of such Department), or to the Atomic Energy Commission, for use in the national defense program, and

"(ii) for the production of which existing productive facilities are unsuitable because of its newness or of its specialized defense features.

"(B) Component of new defense item: The term 'component of a new defense item' means only an item—

"(i) which is, or will become, a physical part of a new defense item, and

"(ii) for the production of which existing productive facilities are unsuitable because of its newness or of its specialized defense features."

Mr. BYRD. Mr. President, I also ask unanimous consent that a letter I wrote to Arthur S. Flemming, Director, Office of Defense Mobilization, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 22, 1956.

Hon. ARTHUR S. FLEMMING,
Director, Office of Defense Mobilization, Washington, D. C.

MY DEAR MR. FLEMMING: As chairman of the Senate Finance Committee I have requested the Joint Committee on Internal Revenue Taxation staff, headed by Mr. Colin F. Stam, to review existing legislation allowing fast amortization for depreciation of plant and equipment for tax purposes, and to study its effect and need under current peacetime conditions.

I am informed that pending applications for such fast tax amortization by steel companies alone involve proposed new construction totaling at least $1.2 billion.

As a member of the Finance Committee, I know that the original and continuing purpose of this wartime legislation has been to expedite production essential to national defense.

It is my opinion that under present peacetime conditions, such special privilege can be justified only in exceptional and rare cases. Otherwise there is danger of creating unfair competition, overexpansion, and damage to smaller business. I am concerned also about the temporary loss of revenue resulting from these cases.

I understand you have temporarily postponed action on pending applications by steel companies and perhaps certain others. As chairman of the Senate Finance Committee I am asking you not to grant those applications which you have held up or any others about which there is the slightest question until this committee can complete its review of the situation under existing defense and business conditions and make its report.

Meanwhile, please submit to the Senate Finance Committee as promptly as possible a list of all pending applications for fast amortization along with such information as may be pertinent in each case.

Cordially yours,

HARRY F. BYRD,
Chairman, Senate Finance Committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1795) to amend section 168 of the Internal Revenue Code of 1954 so as to restrict the issuance of certificates for rapid amortization of emergency facilities to those facilities producing new defense items for use by the Department of Defense or the Atomic Energy Commission in the national-defense program, introduced by Mr. BYRD, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF TRADE AGREEMENTS EXTENSION ACT OF 1951, RELATING TO ESCAPE CLAUSE PROCEDURE

Mr. WATKINS. Mr. President, I introduce, for appropriate reference, a bill to amend the Trade Agreements Extension Act of 1951 with respect to escape clause procedure, and for other purposes.

I ask unanimous consent that the bill, together with a statement explaining it, and two editorials published in the Salt Lake Tribune, and which bear on this matter, be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, statement, and two editorials will be printed in the RECORD.

The bill (S. 1796) to amend the Trade Agreements Extension Act of 1951 with respect to escape clause procedure, and for other purposes, introduced by Mr. WATKINS, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 6 (a) of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1363), is amended to read as follows:

"(a) No reduction in any rate of duty, or binding of any existing customs or excise

treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when importation or prospective importation, either actual or relative, of increased quantities of any product upon which a concession has been granted under a trade agreement, resulting, in whole or in part, from the duty or other customs treatment reflecting such concession, causes or threatens serious import injury to the domestic industry producing either like or directly competitive products."

(b) Section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. 1364), is hereby amended to read as follows:

"SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than 9 months after the application is made to determine whether importation or prospective importation, either actual or relative, of increased quantities of any product upon which a concession has been granted under a trade agreement, resulting, in whole or in part, from the duty or other customs treatment reflecting such concession, causes or threatens serious import injury to the domestic industry producing either like or directly competitive products.

"(b) In the course of any such investigation, whenever it finds evidence of serious import injury or threat of serious import injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

"(c) Should the Tariff Commission find, as a result of its investigation and hearings, that importation or prospective importation, either actual or relative, of increased quantities of any product upon which a concession has been granted under a trade agreement, resulting, in whole or in part, from the duty or other customs treatment reflecting such concession, causes or threatens serious injury to the domestic industry producing either like or directly competitive products, it shall find and declare the extent to which and the time for which—

"(1) permanent withdrawal of the concession;

"(2) modification of the concession;

"(3) suspension of the concession in whole or in part;

"(4) limitation of the quantity of the product which may be entered, or withdrawn from warehouse for consumption; or

"(5) any combination of any of the foregoing;

is necessary in order to prevent or remedy such injury or threat thereof. Such finding and declaration shall be embodied in a plan for the taking effect of the action so found and declared to be necessary in order to prevent or remedy such injury or threat thereof, which plan (bearing an identifying number) shall be transmitted by the Tariff Commission to the Congress. The delivery to both Houses shall be on the same day and shall be made to each House while it is in session.

"(d) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers. Increased imports, either actual or relative, shall be considered as the cause or threat of serious injury to the domestic industry producing either like or directly competitive products when the Commission finds that such increased imports have contributed substantially towards causing or threatening serious injury to such industry.

"(e) (1) Except as may be otherwise provided under paragraph (3) of this subsection, the provisions of any plan transmitted under subsection (c) of this section shall take effect on the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period, there has not been passed by either of the two Houses, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that that House does not favor the plan.

"(2) For purposes of paragraph (1)—

"(A) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(B) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain.

"(3) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

"(f) When, as the result of its investigations and hearings under this section, it is the judgment of the Tariff Commission that it is not necessary to take any action with respect to a product, it shall make and transmit to the Congress a report stating its findings and conclusions.

"(g) As used in this section and section 6 the term 'import injury' means the existence or threat of existence of any materially adverse effect upon industry, agriculture, or labor, or segment thereof, engaged in the production or sale of any domestic article, caused in whole or in part by the importation of any like or directly competitive article.

"(h) As used in this act, the terms 'domestic industry producing either like or directly competitive products' and 'domestic industry producing either like or directly competitive articles' mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles."

SEC. 2. Sections 3 and 4 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., secs. 1360 and 1361), are hereby amended by inserting the word "either" before the word "like" wherever it appears in such sections.

SEC. 3. (a) The following provisions of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsec. (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) For purposes of this section, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the ------ does not favor the plan relating to tariff concessions numbered ------ transmitted to the Congress by the Tariff Commission on ------, 19--," the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and does not include a resolution which specifies more than one plan.

(c) A resolution with respect to a plan relating to tariff concessions shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or by the Speaker of the House of Representatives, as the case may be.

(d) (1) If the committee to which has been referred a resolution with respect to a plan relating to tariff concessions has not reported it before the expiration of 10 calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such plan which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same plan), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a plan relating to tariff concessions, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a plan relating to tariff concessions, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a plan relating to tariff concessions shall be decided without debate.

The statement and editorials presented by Mr. WATKINS are as follows:

STATEMENT BY SENATOR WATKINS

On several occasions during the past few years I have reviewed the history of the tariff-making procedure of the United States. On a couple of these occasions I made the statement that with the passage of the Reciprocal Trade Agreements Act of 1934, the Congress began the gradual disintegration of its control, except in theory, over the tariff-making procedure. This is still my opinion and firm conviction.

Because events of the past 2 years have served to confirm this conviction, I send to the desk a bill which I believe will return to the Congress a proper measure of control over our trade and tariff policy. I ask unanimous consent that it lie on the desk for 3 days, so that others may join me in its sponsorship.

Under the circumstances, I believe a few remarks are in order with respect to why I am introducing this legislation. At the outset, let me make it plain that although I believe mutually beneficial trade should be encouraged between this country and the other free nations of the world, I do not believe that elimination of all restrictions upon trade is a panacea for the economic ills of the world. Although many people hold this view, I cannot share their enthusiasm.

Why? For the simple reason that the United States is not now a high tariff country. In the first place more than one-half of our imports enter duty-free. On the other hand, our average tariff rate, as measured by the percentage of custom receipts to total imports, is the lowest that it has been in this century.

Simply put, there are indeed few nations whose record is as good as ours on this basis of calculation. As Dr. Jacob Viner, professor of economics at Princeton University, told the Joint Economic Committee in 1955:

"In the past 20 years, there have been substantial reductions in our tariff rates, and, because of inflation, there has been also a substantial reduction of the ad valorem equivalents of the specific duties of our tariff" (hearings, p. 991).

It should be evident in light of these facts that further reductions cannot possibly have the great stimulating effect which many proponents of still freer trade claim will be the case. The world's economic ills will not be solved, or even appreciably relieved, by any conceivable tariff action which might be taken by the United States.

Evidence given by experts to the House Ways and Means and Senate Finance Committees during the debate on H. R. 1 in 1955, as well as the Joint Economic Committee, of which I am a member, make this very plain. For example, Willard L. Thorp, former Assistant Secretary of State for Economic Affairs under President Truman, and now director, Merrill Center for Economics, Amherst College, put it this way to the Joint Economic Committee in 1955:

"I cannot feel that there would be major changes that would create a great volume of trade. The American economy will be one in which 90 percent, shall we say, of our goods and services will be produced within the United States" (hearings, p. 883).

Dr. Jacob Viner, to whom I have already referred, was even more adamant in stating to the Joint Economic Committee that "the amount of change that complete free trade would make in the American economy is not very large. I fear that the amount of gain the American economy can make out of free trade has fairly narrow limits. I 'fear' it only in this sense: The amount of good we can do the rest of the world through free trade is limited, and the amount of good we can get for ourselves from that avenue, as against the benefits we can get from other avenues of good government, is also limited" (hearings, p. 969).

In an article entitled "Tasks of Economic Statesmanship," which appeared in the September 1956 article of the Political Science Quarterly, Miroslav A. King, summed up the matter as follows:

"Many * * * United States tariffs are low and more than half of our imports enter free of duty. Even more important, however, is the increased awareness, both here and abroad, that there are very definite limits to what can be accomplished by further tariff reduction alone; and that what matters more than tariffs is the rising level of employment and incomes in the United States which in turn call for larger imports" (p. 338).

This type of information from recognized experts in the field of international trade, causes me to suspect that those who push for still further tariff reductions are primarily spokesmen for domestic interests which want still cheaper sources of raw materials. They are people who parade under the slogan of "trade not aid," although the facts seem quite conclusive that further tariff reductions, which they clamor for as a means of increasing trade, will not serve to materially stimulate such trade.

But although lower United States tariff schedules are not a panacea for the world's economic difficulties, they can very easily be the demise of many of our domestic industries, which primarily due to higher costs, just cannot compete with foreign imports enjoying cheaper labor and water transportation costs.

A great number of these domestic industries are engaged in the production of raw materials, such as our metals, petroleum and agricultural products, which must be processed. Yet it is exactly these types of commodities which make up the vast bulk of our imports. In this connection, Mr. Nathaniel Knowles, Deputy Director, Bureau of Foreign Commerce, Department of Commerce, told the Joint Economic Committee in 1955 that "some 70 percent of our exports consist of manufactured goods shipped in substantially the forms in which they are finally utilized abroad. * * * Our imports, in contrast to our exports, consist preponderantly of raw materials and crude foodstuff requiring extensive further processing before entering into consumption channels. * * * Less than one-fifth of our imports enter the country as substantially finished products" (hearings, p. 930).

Now, with these facts in mind, I am beginning to understand why some export-minded segments of our economy not only do not fear lower tariff rates on imports but actually favor them. First, foreign imports provide a cheap source of raw materials. Second, with our great advantage in the techniques of industrial production, they have little to fear from competitive imports.

As Dr. Arthur Upgren, dean, Amos Tuck School of Business Administration, Princeton University, told the Joint Economic Committee in 1955:

"The barrier to a great inflow in imports is largely the $160 billion investment of American plant in new industry.

"With that huge investment American industry would generally meet the price conditions which would be imposed by tariff reduction. What I am saying here is that the proposal of trade, not aid, about a year or two ago, could not have accomplished but a very small amount of the achievement that was dramatized by the visit of two members of the British Cabinet. This was important, but we should not try to persuade the American people that we can do so much more than is possible" (hearings, p. 891).

Actually, one is led to suspect, as I've noted, that this drive for a so-called trade, not aid program is an argument that has been advanced not because it will cure the economic ills of the world, but because it serves better the interests of the export-minded segments of our domestic economy. Commodities which enjoy an appreciable export market, it would appear, are in a far better position to be considered for tariff reductions under the trade agreements program than are our raw material industries. Yet, the protection afforded to many of these industries by way of comparison say with lead and zinc, a raw material, is relatively much greater.

Simultaneously, however, with the reduction of United States tariff rates, to about half of what they were in 1930 by the executive branch under the trade-agreements program, there arose a growing volume of protest from certain segments of American industry. The complaints have charged that such negotiated agreements contained tariff and other concessions which resulted not only in American producers losing domestic markets but also in the demise of American industries. And as the years have gone by this conflict has grown and magnified, producing in its wake voluminous but conflicting opinions and literature on the subject of trade agreements.

As I indicated in my remarks to the Senate on January 25, 1955, I am still in general agreement with President Eisenhower's statement in his special message on foreign economic policy of that year to the effect that all nations should mutually undertake the lowering of unjustified barriers to trade "on a mutual basis so that the benefits can be shared by all." But, as I said on that occasion, the "all" who share in those benefits must include those efficient domestic industries which are operating in the face of ruinous and disadvantageous competitive conditions with foreign imports. Our experience to date, however, seems to indicate that certain revisions in the trade-agreements program are necessary if these two objectives are to be realized.

An analysis of escape-clause applications and their administrative disposal will make this quite clear. The escape clause, as you undoubtedly know, was not an original part of the Reciprocal Trade Agreements Act. Rather, it was the product of extensive liberality in granting tariff and other concessions by the executive branch under the trade-agreements program and the result of increasing protest by American industries adversely affected by excessive imports. The function of the escape clause is, of course, to compromise the conflict which arises between the need and desirability of freer international trade and the need for protecting defense and certain other industries fundamental to the economies of certain sections of the United States, the customs and traditions of our people, and for maintaining safeguards which protect wages, industry, and agriculture.

The early trade agreements negotiated under the Reciprocal Trade Agreements Act of 1934 contained no general means of providing realistic relief if a particular concession proved unexpectedly injurious to a domestic industry. Although escape clauses had been contained in bilateral trade agreements since 1941 and in the General Agreement on Tariffs and Trade since 1947, it remained for the Congress, because of the difficulty of foreseeing the contingencies that might arise, to make the inclusion of an escape clause in new trade agreements a statutory requirement. This was accomplished in 1951 by the passage of the Trade Agreements Extension Act.

The facts, however, indicate that the executive branch of the Federal Government and

the United States Tariff Commission have not in general interpreted and administered the escape-clause provisions as the Congress so intended. It is interesting to note that of 77 applications, which were filed during the period 1948–56, the Commission recommended relief in only 20 instances, all but 2 or 3 of which involved products of minor economic importance.

But why only 20 favorable applications? In part, because the Congress prior to extension of the basic legislation in 1955 had failed to establish definite criteria for the Commission to follow in arriving at decisions. But primarily perhaps it was because the Commission in considering the effect of increased imports on production, profits, and employment had consistently held, before 1955, that an industry was deemed to include, for purposes of escape-clause relief, all the operations of the constituent firm making the application, rather than only those operations that were directly related to the production of the product identified in the escape-clause application.

This interpretation it has been contended directly served to nullify the intent of the Congress to give needed relief to domestic industries.

How close has the President followed what we must presume to be the expert recommendations of the Tariff Commission? Of the 20 favorable Commission recommendations I mentioned a few moments ago, 11 were unanimous decisions, 7 were 4-to-2 decisions, and 2 were 3-to-2 decisions.

Yet as of February 4, 1957, in only 7 instances did the President follow the recommendations of the United States Tariff Commission. These 7 favorable actions by the President involved the following 5 products, which the Commission unanimously believed needed relief. They included (a) women's fur felt hats and hat bodies; (b) hatter's fur; (c) dried figs; (d) Alsike clover seed; (e) toweling of flax, hemp, or ramie.

The other two products: (1) Watches, movements, and parts (second investigation) involved a favorable recommendation decided by a 4 to 2 vote of the Commission, and (2) bicycles (second investigations) a 4 to 1 vote for relief.

In six other cases the President refused to grant relief even though by unanimous vote the Tariff Commission had recommended such action. These even included a decision with respect to lead and zinc which are strategic raw materials, and the mining of which the Office of Defense Mobilization believes is an industry we must preserve. Likewise, he refused to grant relief with respect to three 4 to 2 decisions and one 3 to 2 decision of the Tariff Commission.

In these cases, despite the recommendation of the Tariff Commission, an expert body, the President held to the contrary, for reasons which seemed satisfactory to him, that serious injury to the domestic industry had not been established. This record has convinced me that the executive branch has consistently let other considerations dominate the intent the Congress had expressed in enacting the escape-clause mechanism. Congress intended that mechanism to be used by the executive branch to grant relief to domestic industries who could convince an expert and impartial Tariff Commission that they had been injured by the excessive importation of competing commodities.

Because these facts convinced me that the Congress needed to return to itself some measure of control over tariff policy, I appeared before the Finance Committee in mid-March of 1955 to offer for their consideration a series of amendments to H. R. 1, which I believed essential to the welfare of this country. I was indeed happy to note that the Finance Committee adopted most of those amendments, and that the Senate and the Congress accepted them in passing the Extension Act of 1955.

The Finance Committee, however, did not adopt an amendment I suggested to the effect that findings of the Tariff Commission be made final in escape-clause proceedings, unless either House of the Congress by a majority vote of its Members passed a resolution to the contrary. Instead, the committee reported, and the Congress subsequently passed the so-called national security amendment.

This amendment provided that whenever the Director of the Office of Defense Mobilization has reason to believe that any article is being imported into the United States in such quantities as to threaten to impair the national security, he shall so advise the President. Then, if the President agrees that there appears to be good reason for giving relief to domestic firms, he is to have an investigation made to ascertain the facts. If the investigation substantiates the existence of such a fact, then he is authorized to adjust the imports of the article in question to a level that will not threaten to impair the domestic industry concerned and thus the national security.

I had extreme reservations about the possible effectiveness of this so-called national security amendment at the time H. R. 1 passed the Senate in 1955. As I said at the time:

"I shall * * * vote for H. R. 1 with the committee amendments if adopted, because:

"1. I believe President Eisenhower will take quick and affirmative action under the so-called vital industry amendment with respect to lead and zinc and other commodities if impartial studies show that they need relief, as has been ably demonstrated in the case of lead and zinc, by the expert findings of the Tariff Commission and the Office of Defense Mobilization.

"2. I believe that the members of the Finance Committee will keep an alert and active check upon the administration of this amendment by the executive branch as the remarks of many of its members here during the debate on H. R. 1 have indicated.

"But I do take this occasion to serve notice not only upon the Senate but also the executive branch, that unless affirmative and effective action is taken to protect vital American industries, I shall join with other Members of the Congress in an effort to enact into law the amendment I proposed to the Finance Committee, which will return to the Congress effective control over the tariff-making procedure."

Subsequently, I voted for H. R. 1 for the reasons just mentioned. However, in my judgment, the first annual report of the President on the trade agreements program makes it very clear that domestic industries have not been afforded relief by means of the so-called national security amendment. In fact, it has served only to further frustrate attempts many vital industries have made to gain reasonable competitive protection.

This report indicates that in 2 years the amendment has not served to afford any protection to any industry which has sought relief by that means. Not only that, but many vital industries, which the Tariff Commission has recommended unanimously be granted relief under the escape clause mechanism, haven't even bothered to seek further relief via this route. All the report could say after a 1½-year trial period, since H. R. 1 was passed, was this:

"The Office of Defense Mobilization was considering petitions for restrictions upon imports under the 'national security' amendment from United States industries manufacturing cordage, jeweled watches, clocks and pin-lever watches, analytical balances, thermometers (clinical fever), wool felt, wool textiles, and wooden boats. A public hearing has been held on cordage. A hearing on jeweled watches and clocks and pin-lever watches was scheduled for January 7, 1957" (p. 9).

Subsequently, on March 8, 1957, ODM announced that the cordage industry didn't qualify for relief.

For this reason, namely that the "national security" amendment has not offered a measure of relief to any industry, I have introduced today as a bill the amendment which I suggested be made to H. R. 1 in 1955. This bill would make finding of the Tariff Commission final in escape clause proceedings, unless either House of the Congress by a majority vote decided otherwise. I invite other Members of the Senate to join me in its sponsorship.

[From the Salt Lake Tribune of April 30, 1955]

FREE TRADE'S RELATION TO NATIONAL SECURITY

Approval by the Senate Finance Committee of a vital industry amendment to the Reciprocal Trades Agreement Act promises relief to some industries, which have been adversely affected by heavy imports. Whether the promise becomes a reality will depend upon how the amendment, a compromise worked out with the White House, is administered. The amendment would empower the President to limit imports of specific products if they become large enough to threaten an industry vital to the national security.

Certainly lead-zinc mining can qualify as such an industry. After the outbreak of the Korean war in 1950, the Federal Government called upon domestic producers to increase output. The same thing happened in World War II. But once the pressure of the emergency eased, the producers were left to shift for themselves while foreign metals flooded the country. If a domestic lead-zinc industry is vital to the national security in time of crisis, it is no less vital in a period when the Nation is building its defenses. A closed mine—and there are many of them in this section of the country—cannot be reopened overnight.

But granting that lead-zinc production is a vital industry, the question remains whether being classed as one would result in the necessary relief under the terms of the proposed amendment to the Reciprocal Trade Act. That law already contains an escape clause, yet despite the Tariff Commission's unanimous recommendation of upward revision of lead-zinc rates last year, the President decided against such action. Might not the same thing happen under the vital industry amendment?

The answer, of course, may be that the President would find it more compatible with his foreign trade policies to limit imports in the name of national security than to raise tariffs to protect a domestic industry from foreign competition. But no matter what approach is used the end result would be the same, and it would take place in the same manner—that is, by Executive order after recommendations by a board or commission.

Senator ARTHUR V. WATKINS pointed out to the Senate Finance Committee last month that of 56 escape clause applications filed with the Tariff Commission in 1948–54, the commission recommended action in 12 cases and the President accepted only 5 of the recommendations. Senator WATKINS proposed transfer of decision on escape clause relief from the White House to Congress.

The Tribune indorsed the Watkins proposal (also a similar one made in the House by Representative WILLIAM A. DAWSON) on the ground that greater congressional control over tariff adjustments would be in the public interest. We regret that the Senate Finance Committee did not include the plan in legislation extending the Reciprocal Trades Agreement Act. However, there is still the possibility that the Watkins amendment can be inserted when the bill is taken up in the Senate.

Committee approval of the extension bill by a 13-to-2 vote is interpreted by Chairman HARRY F. BYRD as indicating Senate passage. (The House has already acted favorably.) Since the Reciprocal Trade Act is a key part of President Eisenhower's foreign policy, such action undoubtedly will be advantageous in America's relations with her allies and, indeed, with the entire free world. But we want to emphasize, as we have previously, that domestic as well as foreign implications of free trade must be considered.

The domestic lead-zinc mining industry, so important to national security, is seriously ill as a result of heavy foreign imports. Its recovery cannot be expected until administration of the Reciprocal Trade Act takes that fact into account.

[From the Salt Lake Tribune of May 6, 1955]

TRADE ACT PASSAGE AND THE WEST'S MINING

President Eisenhower now is assured of a 3-year extension of the Reciprocal Trade Agreements Act in substantially the form he requested. Amendments written into the measure by the Senate Finance Committee had administration approval, and major attempts at amendment on the Senate floor were rejected. The Senate's overwhelming 73-13 vote on final passage was, indeed, a triumph for the President.

But what of domestic industries—lead-zinc mining in particular—which have suffered from a flood of foreign imports?

Their outlook appears only slightly improved. True, the Senate did add an amendment giving the President the power to curb imports when it appears that they are imperiling an industry considered vital to the national security. True, also, the grounds have been broadened on which an industry can ask relief under the "escape clause" from foreign competition. But in each case, it should be pointed out, the power of decision remains with the executive branch of Government.

That has been the case all along, and as lead-zinc producers have discovered, the chances of relief are not very good. Only last year the President turned down higher duties on lead and zinc in the face of the Tariff Commission's unanimous recommendation for an increase. Although there is always reason for hope, the same thing could happen in the future under the new "vital industry" clause.

Arthur S. Flemming, director of the Office of Defense Mobilization, has given pledges of increased assistance for the lead-zinc industry. In a letter to Senator WALLACE F. BENNETT, he pointed out the benefits of strategic stockpiling, citing a rise in lead and zinc prices as a result, and indicated that the program would continue in 1956 and probably through 1956. However, as lead-zinc producers have frequently emphasized, stockpiling is not enough. If a desperately ill industry is to be helped, it must have more tariff protection from foreign competition.

When the Reciprocal Trade Agreements Act was being considered in committee, Senator ARTHUR V. WATKINS argued unsuccessfully for an amendment transferring power of decision on "escape clause" requests for tariff increases from the White House to Congress. During debate on the bill Wednesday, Mr. WATKINS served notice that, unless affirmative and effective action is taken to protect vital American industries, he would join with other Members of Congress in a new attempt to write his proposed amendment into law.

The effect of Mr. WATKINS' warning on the administration remains to be seen. It is problematical whether, in view of the Senate's 73-13 vote, he would get sufficient support from his colleagues. We hope, however, that despite the long odds he and other westerners, both in Congress and out, continue the fight. For though freer world trade is a key part of the Eisenhower foreign policy, there are domestic considerations which must not be disregarded. If the lead-zinc industry is vital to the national security—as the administration agrees it is—then it needs to be revived. Stopgap remedies alone (stockpiling, for example) will not do the job, and this fact still needs to be driven home to the administration.

FACILITATION OF PAYMENT OF GOVERNMENT CHECKS

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill submitted to the Senate by the Acting Secretary of the Treasury with a request for its introduction and consideration.

The bill is intended to simplify and improve the accounting methods and procedures incident to the payment of Government checks, thereby making possible additional economy and efficiency in the Department of the Treasury.

I ask unanimous consent that the letter transmitted to the President of the Senate by the Acting Secretary of the Treasury and a statement outlining the purpose of the bill be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter and statement will be printed in the RECORD.

The bill (S. 1799) to facilitate the payment of Government checks, and for other purposes, introduced by Mr. McCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter and statement presented by Mr. McCLELLAN are as follows:

TREASURY DEPARTMENT,
Washington, March 19, 1957.

The PRESIDENT, UNITED STATES SENATE:

SIR: There is transmitted herewith a draft of a proposed bill "To facilitate the payment of Government checks, and for other purposes."

Under present law, the amount of a check which remains unpaid for more than 1 fiscal year after the fiscal year in which issued is transferred from the symbol account of the disbursing officer who drew it to a special account of the Secretary of the Treasury. If the check is subsequently presented for payment, it is charged to the special account rather than the account on which originally drawn. Similar accounting procedures are necessary whenever a substitute check is issued. Also, if a check is more than 10 years old, payment cannot be made on presentation, but the owner or holder has to submit a claim to the General Accounting Office and after settlement by that office a new payment is made.

Procedures for the payment of checks have been largely mechanized in recent years at substantial savings to the Government, but present legal requirements have posed a number of mechanical and bookkeeping difficulties, including that with respect to separating those checks received for payment which are over one full fiscal year old. Transfers at fixed time intervals of the amounts of individual checks from the accounts on which drawn to special accounts of the Secretary of the Treasury also result in a large amount of work.

Under the proposed legislation, all checks drawn on the Treasurer of the United States would be payable upon presentation without limitation of time. The need for transferring amounts of individual checks from one account to another would be largely eliminated, check payment operations would be greatly simplified, and claims settlement procedure would not be involved except where there was a doubtful question of law or fact. Substitute check procedures would be changed correspondingly so that substitutes could be issued without transfers from one account to another. A detailed explanation of the proposed legislation and a comparative statement of present and proposed law are enclosed.

It is respectfully requested that you lay the proposed bill before the Senate. A similar proposal has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,
W. RANDOLPH BURGESS,
Acting Secretary of the Treasury.

S. 1799

A bill to facilitate the payment of Government checks, and for other purposes

Be it enacted, etc., That section 1 of the act of July 11, 1947 (61 Stat. 309; 31 U. S. C. 132) is hereby amended to read as follows:

"(a) All checks heretofore or hereafter drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, shall be payable without limitation of time: *Provided*, That where on presentation of any check for payment the Treasurer of the United States is on notice of a doubtful question of law or fact the payment of such check shall be deferred pending settlement by the General Accounting Office.

"(b) The amount of all checks drawn by authorized officers of the United States on designated depositaries which have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued shall be withdrawn from the accounts with such depositaries and deposited with the Treasurer of the United States for credit to a consolidated account or accounts on the books of the Treasury. Claims for the proceeds of such unpaid checks shall be payable from such consolidated accounts by check drawn on the Treasurer of the United States pursuant to settlement by the General Accounting Office.

"(c) The limitation imposed in respect to certain claims or demands against the United States by the act of October 9, 1940 (54 Stat. 1061; 31 U. S. C. 71a, 237) shall not be deemed to apply to original or substitute checks heretofore or hereafter drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, or drawn by authorized officers of the United States on designated depositaries."

SEC. 2. Section 3 of the act of July 11, 1947 (61 Stat. 309; 31 U. S. C. 134) is hereby amended to read as follows:

"The Secretary of the Treasury is authorized to transfer, at appropriate intervals, amounts of unpaid checks from the accounts on which drawn to a consolidated account or accounts on the books of the Treasury and to transfer to such consolidated account or accounts the balance of the special deposit account established pursuant to section 1 of the act of July 11, 1947 (61 Stat. 309), which consolidated account or accounts shall be available for the payment of such checks, and all unpaid checks heretofore payable from the special deposit account. The Secretary of the Treasury is further authorized to transfer, at appropriate intervals, from the accounts available for the payment of unpaid checks to the appropriate receipt account on the books of the

Treasury any amounts not required for the payment of checks and with the concurrence of the Comptroller General to make such rules and regulations as he may deem necessary or proper for the administration of the provisions of this act."

SEC. 3. (a) Section 2 of the act of June 22, 1926 (44 Stat. 761; 31 U. S. C. 122) is hereby amended to read as follows:

"Hereafter all claims on account of any check, checks, warrant, or warrants appearing from the records of the General Accounting Office or the Treasury Department to have been paid, shall be barred if not presented to the General Accounting Office or the Treasurer of the United States within 6 years after the date of issuance of the check, checks, warrant, or warrants involved. However, any claims for the proceeds of checks payable in Philippine pesos heretofore issued in payment of claims certified by the Philippine War Damage Commission, shall not be barred if received by the representative of the Chief Disbursing Officer, United States Treasury Department, at Manila, Republic of the Philippines, within 6 years after the date of issuance of such checks.

(b) Section 1 of the act of March 6, 1946 (60 Stat. 31, 31 U. S. C. 129), is hereby amended by inserting immediately after the words "General Accounting Office" the words "or the Treasurer of the United States."

SEC. 4. Subsection (a) of section 3646 of the Revised Statutes of the United States, as amended (31 U. S. C. 528 (a)), is hereby amended to read as follows:

"Except as provided in this section, whenever it is clearly proved to the satisfaction of the Secretary of the Treasury that any original check of the United States is lost, stolen, or wholly or partly destroyed, or is so mutilated or defaced as to impair its value to its owner or holder, the Secretary of the Treasury is authorized to issue to the owner or holder thereof against funds available for the payment of the original check a substitute showing such information as may be necessary to identify the original check, upon receipt and approval by the Secretary of the Treasury of an undertaking to indemnify the United States, in such form and amount and with such surety, sureties, or security, if any, as the Secretary of the Treasury may require; but no such substitute shall be payable if the original check shall first have been paid: *Provided*, That nothing contained in this section shall be deemed to relieve any certifying officer or his sureties or any disbursing officer or his sureties of any liability to the United States on account of any payment resulting from the erroneous issuance of the original check."

SEC. 5. (a) Subsection (c) of section 3646 of the Revised Statutes of the United States, as amended (31 U. S. C. 528 (c)), is further amended by deleting the phrase "prior to the expiration of 10 years from the date on which the original check was issued" and inserting in lieu thereof "prior to the close of the fiscal year next following the fiscal year in which the check was issued."

(b) Subsection (e) of section 3646 of the Revised Statutes of the United States, as amended (31 U. S. C. 528 (e)), is further amended by deleting the phrase "prior to the expiration of 10 years from the date on which the original check was issued."

(c) Subsection (f) of section 3646 of the Revised Statutes of the United States, as amended (61 Stat. 310; 31 U. S. C. 528 (f)), is further amended to read as follows:

"(f) Substitutes issued under this section drawn on the Treasurer of the United States shall be deemed to be original checks and payable under the same conditions as original checks."

SEC. 6. Section 2 of the act of July 11, 1947 (61 Stat. 309; 31 U. S. C. 133), and section 8 of the act of July 1, 1916, as amended (61 Stat. 309; 31 U. S. C. 154), are hereby repealed.

MEMORANDUM ON PROPOSED LEGISLATION TO FACILITATE THE PAYMENT OF GOVERNMENT CHECKS, AND FOR OTHER PURPOSES

The proposed legislation pertains to procedures in paying Government checks, the issue of substitutes of checks which are lost, stolen, or destroyed, and related accounting operations now prescribed by law.

1. Payment of checks: Under section 1 of the act of July 11, 1947 (61 Stat. 308; 31 U. S. C. 132), the amounts of all checks drawn on the Treasurer of the United States (except checks drawn on account of public debt obligations and transactions regarding the administration of bank and currency laws) which remain unpaid 1 full fiscal year after the fiscal year in which issued are transferred from the disbursing accounts on which they are drawn to a special deposit account of the Secretary of the Treasury. A check over 1 full fiscal year old but less than 10 years old is payable on presentation against the special deposit account of the Secretary. A check over 10 years old cannot be paid on presentation, but the amount thereof can only be received by the owner or holder after submission of a claim, settlement of the claim by the General Accounting Office, and issue of a new check.

Procedures for the payment of checks have been largely mechanized, with resultant savings to the Government. In most cases card checks are used with the disbursing officers' symbols prepunched. These checks for the most part can be put through the mechanized payment operation and accounting totals derived in a smooth operation. Special operations are necessary, however, to sort checks, the amounts of which have been transferred to the special account of the Secretary of the Treasury, in order to reflect charges for such checks against such account. Problems are also encountered in connection with checks which may be presented for payment through regular channels after they have become over 10 years old. While such cases are relatively few, their separation from the bulk of checks received for payment without incurring disproportionate expense presents difficulties.

Section 1 (a) of the proposed legislation would deal with these problems by providing that all checks heretofore or hereafter drawn on the Treasurer of the United States would be payable without limitation of time against the disbursing account symbols against which they were originally drawn. Besides eliminating the mechanical problems referred to above, this would also eliminate paperwork and accounting incident to transfers of the amounts of checks from the disbursing account symbols on which drawn to a special deposit account of the Secretary of the Treasury. The only cases which would have to be referred to the General Accounting Office for settlement would be those in connection with which there was a doubtful question of law or fact. This would reduce the burden of claims work required to be handled in the General Accounting Office and enable owners of checks to receive payment thereon promptly regardless of their age, except where there was a reasonable basis to question payment of the check.

Checks drawn on account of public debt obligations and transactions regarding the administration of banking and currency laws are now payable without limitation of time. The proposed legislation would apply the same rule to all the other checks drawn on the Treasurer of the United States, which would provide the advantage of uniformity.

Sections 1 (b) and 1 (c) of the proposed legislation would reenact without substantial change provisions of existing law relating to checks drawn on designated depositaries, and the exemption of check claims from the general statute of limitations as to claims against the United States. The proposed legislation does not cover checks of wholly owned or mixed-ownership Government corporations drawn on accounts in depositary banks.

2. Consolidation of accounts: While in general, the work of transferring amounts of unpaid checks from one account to another is unproductive, there are some cases, such as where disbursing accounts become inactive, in connection with which it would be desirable to have authority to effect consolidation. Section 2 of the proposed legislation would provide authority for consolidation of such accounts, including the balance of the special deposit account of the Secretary of the Treasury presently maintained for payment of checks outstanding more than 1 full fiscal year old, which account would eventually become inactive. Section 2 would also continue authority of the Secretary of the Treasury to transfer to miscellaneous receipts amounts of outstanding check accounts deemed in excess of requirements for the payment of such checks, and with the concurrence of the Comptroller General of the United States, to make such rules and regulations as may be deemed necessary or proper for the administration of the act. Amounts determined to be in excess of requirements for the payment of unpaid checks would be transferred to appropriate receipt accounts at least annually.

3 (a). Claims on account of checks appearing to have been paid: Under the act of June 22, 1926 (44 Stat. 761; 31 U. S. C. 122), a claim on account of a check appearing to have been paid is barred if not presented to the General Accounting Office within 6 years after the date the check was issued. The reference in this connection to the General Accounting Office was in recognition of the fact that formerly the General Accounting Office had custody of all paid checks and maintained the records with regard to paid checks. Under current procedure, however, the Office of the Treasurer of the United States maintains custody of paid checks, and related records. Accordingly, section 3 (a) of the bill would provide an amendment to present law under which a claim on account of a check appearing to have been paid would be barred if not presented to the General Accounting Office or the Office of the Treasurer of the United States, within 6 years after the date the check was issued.

In addition, section 3 (a) would provide an exception to the statute of limitations with respect to a limited number of check claims on hand which were actually received by the Treasury representative in the Philippine Islands within 6 years after the date of issuance of the checks, but were not received in Washington in time to be presented to the General Accounting Office within the period prescribed by law. There are only a few of these cases and since the proceeds of the checks have been recovered from the endorsers, it seems only equitable that the claims of the payees should not be barred from consideration.

(b) Claims by the United States on account of checks: Under the act of March 6, 1946 (60 Stat. 31; 31 U. S. C. 129), there is a limitation of 6 years within which the United States may bring a court action to enforce the liability of an endorser, transferor, depositary, or financial agent arising out of a forged or unauthorized signature or endorsement upon or alteration of any check, unless written notice of the irregularity has been given prior to the expiration of the 6-year period. This limitation is extended by an additional 180 days in connection with any claim presented to the General Accounting Office within the 6-year time limitation prescribed by the act of June 22, 1926, referred to above in paragraph 3 (a).

Section 3 (b) of the proposed legislation would give the Government the benefit of the additional 180 days in a case where claim was presented to either the General Accounting Office or the Treasury of the United

States, in recognition of the fact that under current procedure check claims ordinarily will be submitted to the Office of the Treasury of the United States rather than the General Accounting Office.

4. Substitute checks: Under section 3646 of the Revised Statutes, as amended (31 U. S. C. 528 (a)), before a substitute for a check which has been lost, stolen, destroyed or mutilated can be issued, the amount of the original check is required to be transferred from the disbursing officers's symbol account on which originally drawn to a special deposit account of the Secretary of the Treasury. The substitute is issued against the special deposit account. These transfers, which entail a large amount of paperwork and related accounting work, ordinarily serve no useful purpose under present streamlined accounting procedures.

Accordingly, section 4 of the proposed legislation would provide for the issue of substitute checks drawn against the same disbursing officer symbol account as the original check. It will not be necessary, except in certain unusual circumstances, to make transfers of the amounts of checks from the accounts on which they are originally drawn to a special account for substitute check.

Occasionally, however, a large number of Government checks, drawn under a number of different disbursing account symbols, belonging to a bank which has cashed them, are destroyed by fire or other disaster. In such cases present procedure under which a single substitute check may be drawn in favor of the claimant is of advantage. Under the proposed legislation, the procedure of issuing one substitute check to replace a number of original checks belonging to the same party would be continued by transferring the amounts of the original checks to a single account against which the substitute check would be drawn.

In line with the proposed amendment of the act of July 11, 1947, that would be made by section 1 (a) to the effect that all checks drawn on the Treasurer of the United States would be payable without limitation of time, the present limitation of 10 years on the issuance of substitute checks would be eliminated. The removal of this limitation would make it unnecessary to retain the second proviso of subsection (a) of section 3646 of the Revised Statutes, as amended (31 U. S. C. 528 (a)), which gives special authority to issue substitutes of checks issued on account of public debt obligations and transactions regarding the administration of banking and currency laws, without limitation of time. Since, under section 1 (a) of the proposed legislation, there would be general authority for the issuance of substitutes of checks of the United States without time limitation, special authority with respect to checks issued on account of public debt obligations and transactions regarding administration of banking and currency laws would no longer be necessary.

5. Technical amendments: Section 5 of the proposed legislation would provide certain technical amendments to existing law for purposes of consistency, as outlined below:

(a) Substitutes of checks drawn on designated depositaries: Under subsection (c) of section 3646 of the Revised Statutes, as amended (31 U. S. C. 528 (c)), it is provided that a substitute of a check drawn on a designated depositary may be issued "prior to the expiration of 10 years from the date on which the original check was issued." Section 1 (b) of the act of July 11, 1947 (61 stat. 309; 31 U. S. C. 132 (b)) provides, however, that claims for the proceeds of checks drawn on depositaries which have remained unpaid for more than 1 full fiscal year shall be payable by check drawn on the Treasurer of the United States pursuant to settlement of the General Accounting Office. Section 5 (a) of the proposed legislation would amend subsection (c) of section 3646 of the Revised Statutes, as amended, to provide that substitutes for original checks drawn on depositaries may be issued "prior to the close of the fiscal year next following the fiscal year in which the check was issued." This time period would correspond with that referred to in the related provisions of the act of July 11, 1947.

(b) Substitutes of Post Office checks: Subsection (c) of section 3646 of the Revised Statutes, as amended (31 U. S. C. 528 (c)), authorizes the Postmaster General to issue a substitute for any original check of the Post Office Department "prior to the expiration of 10 years from the date on which the original check was issued." Section 5 (b) of the proposed legislation would delete the phrase quoted, to make provisions with respect to substitutes of Post Office checks consistent with section 1 (a) of the proposed legislation which provides that all checks drawn on the Treasurer of the United States shall be payable without limitation of time, and proposed section 4 relating to substitutes of United States checks other than these issued by the Post Office Department.

(c) Conditions of payment, substitute checks: Under subsection (f) of section 3646 of the Revised Statutes, as amended (31 U. S. C. 528 (f)), substitute checks, except those issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, are deemed to be original checks and payable under the same conditions as original checks; and checks issued on account of public-debt obligations and transactions regarding administration of banking and currency laws are payable without limitation of time. The distinction made in this provision of law between checks issued on account of public-debt obligations and banking and currency laws and other checks would no longer be necessary under the proposed legislation. Accordingly, section 5 (c) of the proposed legislation would amend subsection (f) of section 3646 of the Revised Statutes, as amended, to read: "substitutes issued under this section, drawn on the Treasurer of the United States, shall be deemed to be original checks and payable under the same conditions as original checks."

6. Repeals:

(a) Section 2 of the act of July 11, 1947: This provision of law (31 U. S. C. 133), authorized transfers of funds then available for payment of outstanding checks to the special deposit account of the Secretary of the Treasury established at that time for payment of such checks. Since all the transfers of funds have been made, section 6 of the proposed legislation provides for repeal of section 2 of the act of July 11, 1947.

(b) Section 5 of the act of July 1, 1916, as amended: Under section 5 of the act of July 1, 1916, as amended (31 U. S. C. 154), it is provided that the General Accounting Office shall report to the Secretary of the Treasury at the end of each fiscal year all checks which have been outstanding and unpaid for 1 full fiscal year, including in such reports the date, number and amount of each check and the symbol on which it was drawn. Since in the future the Treasury Department will maintain the records relating to outstanding checks, these reports should no longer be required, and accordingly section 6 of the proposed legislation would repeal section 5 of the act of July 1, 1916, as amended.

TRANSFER OF ASSETS OF COLORADO RURAL REHABILITATION CORPORATION TO STATE OF COLORADO

Mr. ALLOTT. Mr. President, I introduce for appropriate reference a bill to provide for the transfer of the assets of the Colorado Rural Rehabilitation Corporation to the State of Colorado, now held in trust by the Secretary of Agriculture.

The assets would be transferred to the State for the use of the Commisisoner of Agriculture in making loans to farmers and ranchers. This would be restricted to the purposes permitted by titles I or II of the Bankhead-Jones Farm Tenant Act of for such other purposes as the State shall determine to be necessary to meet the credit needs of bona fide farmers and ranchers.

The money would provide a useful supplemental source of credit for farmers and ranchers, particularly valuable in view of the losses caused by drought and recent extreme and adverse weather conditions in Colorado.

The Colorado Rehabilitation Corporation was established in 1934 to handle Federal grants given to the State of Colorado by the Federal Emergency Relief Agency.

In 1951 Congress directed that these trusts be liquidated and the assets returned to the State corporation but provided that agreements could be entered into whereby the Department of Agriculture would continue to administer the funds for the States.

Colorado elected to enter into such agreement under this program whereby the Farmers Home Administration continued to use the funds to make guaranteed loans as provided by law under the Bankhead-Jones Farm Tenant Act.

I feel that this proposed legislation is necessary to insure that the funds remain in the hands of State officials rather than under the control of the private corporation, the board of directors and stockholders of which are neither Federal or State officials.

Originally the bylaws of the corporation provided that a majority of the directors be employees of the Colorado Emergency Relief Agency which no longer exists. Over a period of years control of this corporation has passed to private citizens.

This proposed legislation is designed to remove any doubt as to how the funds, which rightfully belong to the State of Colorado, are to be administered. It places the funds under the direct control of the State commissioner of agriculture.

The bill further would discharge the Secretary of Agriculture from all responsibility and liability for the administration of such assets.

I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1803) to provide for the transfer of the assets of the Colorado Rural Rehabilitation Corporation to the State of Colorado, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed, notwithstanding any contrary provision in the Rural Rehabilitation Corporation Trust Liquidation Act (64 Stat. 98, 40 U. S. C. 440), or in any agreement executed pursuant thereto, to transfer to the State of Colorado all the cash and other assets of the Colorado Rural Rehabilitation Corporation now held by the Secretary for use by the Commissioner of Agriculture of the State of Colorado in making loans to farmers and ranchers for any of the purposes permitted by titles I or II of the Bankhead-Jones Farm Tenant Act or for such other purposes as the State shall determine to be necessary to meet the credit needs of bona fide farmers and ranchers who, because of drought or other disaster or for other unrelated causes, are unable to secure necessary agricultural credit on reasonable terms from private or cooperative sources. The Secretary of Agriculture shall thereafter be discharged of all responsibility and liability for the administration or use of such assets.

PROHIBITION OF DISCRIMINATION ON ACCOUNT OF SEX IN PAYMENT OF CERTAIN WAGES

Mr. MORSE. Mr. President, in this century great gains have been made in eliminating the many disabilities which handicapped women in the past.

Under the impact of changing attitudes and necessity, tens of thousands of women now work in the professions and in almost every category of employment in commerce and industry. Their accomplishments in wartime swept away almost every vestige of prejudice about their ability to fill many jobs from which they had previously been barred.

But this progress, notable as it has been, is far from complete. While women are recognized as valuable employees, in too many cases they do not receive pay equal to men's pay for the same jobs.

Therefore, on behalf of myself, the Senator from Montana [Mr. MURRAY], the Senator from Michigan [Mr. McNAMARA], and the Senator from Massachusetts [Mr. KENNEDY], I introduce, for appropriate reference, a bill to eliminate this form of discrimination in commerce and operations affecting commerce. The bill prohibits wage discrimination on the basis of sex. Under it the Secretary of Labor would be empowered to have hearings held on alleged wage discrimination under the requirements and fair procedure protections of the Administrative Procedure Act. If on the basis of sworn testimony such discrimination is proved, the Secretary is empowered to issue a cease-and-desist order and direct the payment of the difference between the employee's pay and what she (or he) should have received if not discriminated against plus an equal amount for liquidated damages.

The orders would be appealable to the Federal courts of appeal, thereby providing full protection against any abuse of the Secretary's authority.

The bill also provides that Government contracts shall include a provision against wage discrimination because of sex, and contractors who violate the law and contract provision would be barred from Government contracts for 3 years from the date of a final determination of the violation.

In drafting this bill I have used the experience gained under the procedural provisions of the National Labor Relations Act and other administrative programs to provide a fair, expeditious, and balanced procedure which protects women against discrimination and at the same time affords full procedural protection to employers.

I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION BY SECTION ANALYSIS

Section 1. Title: "Women's Equal Pay for Equal Work Act of 1957."

Section 2. Declaration of purpose: to remove wage discrimination on the basis of sex which depresses wages and living standards, burdens commerce and constitutes an unfair method of competition.

Section 3. Definitions: "Person," "Commerce," "Affecting commerce," "Employer," "Employee" are defined as in the National Labor Relations Act and many other statutes.

"Wages" are defined broadly to include not only pay rates but in addition other benefits associated with employment. This definition is an improvement over earlier versions.

Section 4. Prohibition of discrimination on basis of sex where job skill and competence are equal.

Section 5. (a) Empowers Secretary to investigate alleged violations and conduct hearings in conformity with Administrative Procedure Act; issue cease and desist and compensation orders, where discrimination found, and reinstatement and back pay orders where employee discharged for attempting to avail herself of the act.

(b) Grants same powers to Secretary for investigation and subpena as contained in section 5 (a) of Federal Trade Commission Act.

(c) Provides for judicial review as under Federal Trade Commission Act.

Section 6. Wage restitution:

(a) Secretary to supervise repayments.

(b) Four-year statute of limitation.

Section 7. Secretary to have right to seek, and Federal courts grant, injunctions against violations.

Section 8. (a) Government contracts to contain equal pay for equal work provision.

(b) Bars Government contracts for 3 years to violators.

Section 9. Posting of notices by employers.

Section 10. Authorization.

Section 11. Effective date: 120 days after enactment.

Mr. MORSE. Mr. President, it should be noted for the record that Representative GRIFFITH has introduced a companion bill in the House of Representatives, H. R. 6584.

I ask unanimous consent that the bill lie on the table until Wednesday of next week to give other Senators an opportunity to join as cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oregon.

The bill (S. 1807) to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in operations affecting commerce, and to provide procedure for the collection of wages lost by employees by reason of any such discrimination, introduced by Mr. MORSE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. MORSE. Mr. President, I also ask unanimous consent that the bill may be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Women's Equal Pay for Equal Work Act of 1957."

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that the existence in industries engaged in commerce or in operations affecting commerce of wage differentials based on sex—

(1) depresses wages and living standards of employees necessary for their health and efficiency;

(2) prevents the maximum utilization of the available labor resources;

(3) tends to cause labor disputes, thereby burdening, affecting, and obstructing commerce;

(4) burdens commerce and the free flow of goods in commerce; and

(5) constitutes an unfair method of competition.

DEFINITIONS

SEC. 3. When used in this act—

(a) "Person" means an individual, partnership, association, corporation, business trust, legal representatives, or any organized group of persons.

(b) "Commerce" means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

(c) "Affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led to or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

(d) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision of a State, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

(e) "Employee" includes any individual employed by an employer.

(f) "Wages" means all remuneration for services performed by an employee for an employer, including (1) board, lodging or other facilities customarily furnished by an employer to his employees, and (2) any other benefit customarily provided by an employer to, for, or on behalf of his employees as an incident of their employment.

PROHIBITION OF WAGE RATE DIFFERENTIAL BASED ON SEX

SEC. 4. No employer engaged in commerce or in operations affecting commerce shall discriminate between employees on the basis of sex by paying to any employee wages lower than those which he pays to employees of the opposite sex for work of comparable character on jobs the performance of which requires comparable skills, except where such payment is made pursuant to a seniority or merit increase system which does not discriminate on the basis of sex.

ADMINISTRATION

SEC. 5. (a) The Secretary of Labor—

(1) shall prescribe such regulations as he deems necessary and appropriate for the administration of this act, including regulations to provide standards for determining work of a comparable character on jobs the performance of which require comparable skills;

(2) may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, and matters as he may deem necessary or appropriate

to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act:

(3) may enter and serve upon any employer found by the Secretary, after notice and hearing in conformity with sections 5, 6, 7, and 8 of the Administrative Procedure Act, to be engaged in or to have engaged in any violation of section 4 of this act an order requiring such employer (A) to cease and desist from such violation, and (B) to pay to each employee who has been adversely affected a sum equal to the aggregate amount or value of the wages of which such employee has been deprived by reason of such violation plus an additional equal amount as liquidated damages; and

(4) may enter and serve upon any employer found by the Secretary, after such notice and hearing, to have discharged or otherwise discriminated against any employee on account of any action taken by such employee to invoke, enforce, or assist in any manner in the enforcement of the provisions of section 4 of this act, an order requiring such employer to reinstate such employee, or to remove such discrimination, and to pay to such employee a sum equal to the aggregate amount or value of the wages of which such employee has been deprived by reason of such discharge or other discrimination plus an additional equal amount as liquidated damages.

(b) For the purpose of any investigation conducted under paragraph (2) of section 5 (a) of this act, the provisions of sections 9 and 10 of the Federal Trade Commission Act (relating to the attendance of witnesses and the production of books, papers and documents) (15 U. S. C. 49, 50) shall be applicable to the jurisdiction, powers, and duties of the Secretary of Labor.

(c) Any order entered by the Secretary of Labor pursuant to paragraph (3) or paragraph (4) of section 5 (a) of this act shall be subject to judicial review, and shall be enforced judicially, in the same manner and with the same effect as provided by section 5 of the Federal Trade Commission Act (15 U. S. C. 45) with respect to orders issued thereunder by the Federal Trade Commission, except that in any proceeding before any court for the review of any order issued under paragraph (3) or paragraph (4) of section 5 (a) of this act the findings of the Secretary as to the facts shall be conclusive if supported by substantial evidence.

WAGE RESTITUTION

SEC. 6. (a) The Secretary of Labor is authorized to supervise the payment of any amounts for which any employer has been finally determined to be liable under any order for payment under clause (A) of paragraph (3) or paragraph (4) of section 5 (a) of this act. Any sum so recovered by the Secretary on behalf of any employee under this subsection shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee. Any such sum not paid to an employee because of inability to do so within a period of 3 years shall be covered into the Treasury as miscellaneous receipts.

(b) No wage restitution shall be made with respect to any violation of this act for any period which preceded by more than 4 years the date of commencement by the Secretary of Labor of the proceeding in which such restitution is ordered.

INJUNCTIONS

SEC. 7. The district courts, together with the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, and the District Court of the Virgin Islands, shall have jurisdiction upon application made by the Secretary of Labor, for cause shown, to restrain any violation of section 4 of this act. No court shall have jurisdiction, in any action brought by the Secretary of Labor to restrain any such violation, to order the payment to any employee of any wages of which such employee may be deprived by reason of such violation.

GOVERNMENT CONTRACTS

SEC. 8. (a) In any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all of the stock of which is beneficially owned by the United States (all of which are referred to hereinafter as agencies of the United States), for the manufacture or furnishing of any materials, supplies, articles or equipment, or the rendition of any service, there shall be included stipulations under which the contractor (1) is required to compensate all persons employed by him in the manufacture or furnishing of such materials, supplies, articles or equipment, or in the rendition of such service, in conformity with the requirements of section 4 of this act, and (2) shall be subject to all other provisions of this act with respect to the compensation of such persons.

(b) Unless the Secretary of Labor shall by order otherwise determine and permit, no contract shall be awarded by the United States or any agency thereof to any person finally determined to have violated any of the provisions of this act or of any stipulation entered into in compliance with subsection (a) of this section, or to any firm, corporation, partnership, or association in which such person has a controlling interest, until 3 years have elapsed after the date of final determination that such violation has occurred. The Comptroller General is authorized and directed to distribute to all agencies of the United States a list containing the names of such persons.

POSTING

SEC. 9. Every employer subject to this act shall keep a copy of this act posted in a conspicuous place in or about the premises where any employee is employed. Employers shall be furnished copies of this act by the United States Department of Labor on request without charge.

APPROPRIATION

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

EFFECTIVE DATE

SEC. 11. This act shall take effect 120 days after the date of its enactment.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO DEDUCTION OF CERTAIN TEACHER EXPENSES

Mr. HRUSKA. Mr. President, I introduce for appropriate reference a bill to amend the Internal Revenue Code of 1954, so as to allow an individual who is a teacher, or who within stated time limitations, is a former teacher preparing to return to teaching, to deduct from gross income expenses paid by him to further his education.

I ask unanimous consent that a statement I have prepared on behalf of this bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1810) to amend the Internal Revenue Code of 1954 so as to allow an individual who is a teacher, or who is a former teacher preparing to return to teaching, to deduct from gross income expenses paid by him to further his education, introduced by Mr. HRUSKA, was received, read twice by its title, and referred to the Committee on Finance.

The statement presented by Mr. HRUSKA is as follows:

STATEMENT BY SENATOR HRUSKA

I have introduced in the Senate a bill to amend the Internal Revenue Code of 1954 so as to allow an individual who is a teacher, or who within stated time limitations is a former teacher preparing to return to teaching, to deduct from gross income expenses paid by him to further his education. My bill will permit teachers to deduct a maximum of $600 a year for summer-school expenses which would include books, tuition, transportation, and lodging. It is not confined to individuals currently engaged in the teaching profession. It provides tax deductions for teachers who have not taught school for as long as 5 years and who plan to take summer-school courses in order to resume the teaching profession. This 5-year provision may help alleviate the current teaching shortage by providing an inducement for former teachers to return to the classrooms. In looking at the appropriate sections of the Internal Revenue Code, it is obvious that Congress intended that teachers should be allowed to treat educational expenses as a business expense the same as other individuals who carry on any trade or business. However, it has been very difficult for teachers to successfully claim this item of expense for income-tax purposes.

This specific point was raised in 1949 when Mrs. Nora Hill, a high-school teacher in Danville, Va., attempted to deduct summer-school expenses which were incurred by her in attending Columbia University. In order to maintain her teaching certificate, it was required that she (a) pass an examination on five selected books, or (b) acquire additional college credits. She chose the latter course. The Commissioner of Internal Revenue rejected her attempts to deduct summer-school expenses as a business expense. It is interesting to note that the amount of tax involved was $52.72. When her claim was rejected by the Internal Revenue Service, she had no choice except to either pay the deficiency or to settle her case in court. The TAX Court of the United States upheld the Commissioner of Internal Revenue, but Mrs. Hill was successful in having the case reversed in the Fourth Circuit Court of Appeals. While I do not know what the legal expenses were in this case, it is certain that they were several times the amount of the alleged deficiency. The Fourth Circuit Court of Appeals recognized the principle that teachers, even though members of a profession, may, in some instances, have expenses which properly may be classified as business expenses. The test at that time is the same as it is today. To be deductible as a business expense, the item must be (a) paid or incurred within the taxable year, (b) incurred in carrying on a trade or business, and (c) both ordinary and necessary.

After the Hill case was decided, the Treasury Department rewrote its regulations pertaining to school expense for teachers. The most recent regulations proposed by the Treasury Department, which were published in the Federal Register July 10, 1956, recognized the principle that a teacher may deduct the cost of attending summer school if such attendance is a requirement in holding her position. However, the proposed Treasury regulations appear so restrictive and ambiguous that it is questionable whether teachers will know just what summer-school expenses may properly be deducted from income taxes. Under the regulations, summer-school work may not be deductible if it qualifies a teacher for an advance in salary. The deduction also may be lost if the teacher is granted academic credit by virtue of the summer-school work.

In other words, the regulations apparently are designed or conceivably will have the effect to permit tax deductions to teachers only in those cases where summer-school work does not enhance their professional standing. There is a doubt in my mind whether these regulations are in every respect a correct interpretation of the law. The provisions of the Internal Revenue Code, in setting forth the requirements for a business expense, are very brief. Ordinarily, a businessman has little trouble in deducting a business expense so long as he shows that the expense is ordinary and necessary and incurred in carrying on a trade or business. When a businessman pays out money for advertising, it is done with the thought of increasing his profits and making his business more prosperous. Such advertising cost is not incurred with the hope of merely maintaining a status quo. Yet the proposed Treasury regulations would prohibit a deduction of summer-school expenses for teachers if such attendance in summer school in any way does anything for the teacher except enable him to retain his present position. When Mrs. Hill attempted to deduct the cost of her summer courses, the tax saving amounted to only $52. Even today with higher costs, it would be very rare that this type deduction would amount to a tax saving of over $100 for any one year. Yet, when the teachers are unsuccessful in asserting this claim, they can do nothing but pay the disputed tax or spend several times the amount litigating their claim in court.

The Joint Committee on Internal Revenue TAXATION is unable to advise me at this time as to the probable revenue loss which would be incurred under my bill. However, I believe this legislation should be enacted notwithstanding the revenue losses which may be incurred, because they cannot be excessive under the circumstances. I do not believe my bill in any way extends the Congressional intent regarding business deduction for schoolteachers. However, since teachers have been unsuccessful in deducting summer-school expenses, and since the Treasury Department is proposing regulations which will make these deductions even more difficult in the future, the only alternative is specific legislation which would state what I believe is now the present law in terms so explicit that the Internal Revenue Service will be bound to recognize these deductions in the future. It is my hope this legislation will be enacted at an early date.

PROPOSED AMENDMENT TO CONSTITUTION, RELATING TO EQUAL RIGHTS FOR MEN AND WOMEN

Mr. BUTLER. Mr. President, although women are now full citizens and have the right of suffrage, there are still many instances of gross inequality in the rights of women as contrasted with those of men under both Federal and State laws. These inequalities are contrary to the basic principles of a republican form of government. The Constitution should carry a positive guaranty of equality under law regardless of sex.

Adoption of the amendment I propose would remove the common law stigma of inferiority and provide a standard by which to measure policies and customs not directly controlled by law. It would remove women from their present classification with minors and give them control of their own lives and the opportunity to fulfill the responsibilities of citizenship.

Recognition in the common law of the husband as the sole support without recognition of the wife's services as part of that support is unsound. Moreover, women occupy a secondary position as parents in 14 States which give preference to the father as guardian of minor children. Unequal status under State laws affects property rights, the right to operate businesses and the right to control one's own earnings.

A constitutional amendment is the most effective way to establish equality of rights for both men and women. Both Federal and State Governments would be compelled to observe the principle of equal rights. Existing discriminatory legislation would be overridden and future discrimination would be prevented.

This proposed amendment would establish equality of rights as permanently as is possible. State laws are easily changed. It is difficult to repeal a constitutional amendment. The proposal is too important to be left to the States to neglect as they see fit. The amendment would encourage a revision of State labor laws along more realistic lines, based on the nature of work rather than on the sex of the worker. Safety and health regulations should apply to both men and women. It would be in harmony with the principles of the planks adopted by both the Democratic and Republican Parties in last year's national conventions.

Joining with me in sponsoring this joint resolution are Senators BARRETT, BEALL, BRIDGES, BUSH, CAPEHART, CARLSON, CASE of South Dakota, CHAVEZ, COOPER, EASTLAND, FLANDERS, FULBRIGHT, HICKENLOOPER, JENNER, KNOWLAND, KUCHEL, LANGER, MALONE, MARTIN of Pennsylvania, MARTIN of Iowa, MORTON, MUNDT, O'MAHONEY, PAYNE, POTTER, PURTELL, SCHOEPPEL, SMATHERS, SMITH of Maine, THURMOND, THYE, WATKINS, YOUNG, and MORSE.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 80) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, introduced by Mr. BUTLER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. BUTLER. Mr. President, I ask unanimous consent that the joint resolution lie on the table until Monday, April 8, so that other Senators may have an opportunity to join in sponsoring it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MARTIN of Iowa. Mr. President, I am happy and honored to cosponsor the Senate joint resolution commonly known as the "Equal Rights Amendment." Cosponsoring this legislation is not a new experience for me because I have consistently supported similar resolutions in the past. Each new Congress brings renewed hope for the eventual adoption of this amendment, however, because each Congress finds a greater number of Senators and Representatives who support the amendment as well as the principle of equal rights. It will be a happy day when this amendment, or one like it, passes the House and the Senate and thereby starts its trip to constitutional status.

The simple statement that women should be granted full participation in the political, economic, and social activities of today's world seems almost axiomatic. Yet, in many areas women are denied certain of these rights. It is not my purpose to document this statement fully or completely, but I will point out a few examples.

In four States of this Nation, women are denied the right to serve on juries. The qualities of insight and compassion in women are recognized almost without question, yet in four instances, State laws prohibit the full utilization of these qualities because of the legal barriers against women serving on juries.

In some States wives may not engage in an independent business without court sanctions, or, in some cases, the husband's written consent. Five States fall into this category. The business acumen and sagacity of the 20th century woman is beyond dispute, yet in five States these artificial obstacles to women's full participation in today's business world have been created.

In many States, the rights of a widow are inferior to the rights of the widower. These restrictions exist in such important matters as the title to real estate, personal property and the right to will property.

Mr. President, these inequalities exist—and they exist today. I have cited only a few examples. There are many more. It is true that all States do not have such unfair restrictions. It is also true that many States have adopted the essential principles of equal rights for women. Yet the existence of a single one of the restrictions cited above is sufficient cause for quick and decisive adoption of the equal rights amendment.

Mr. President, I am proud of the record compiled by Iowa in the full recognition of women. The other night while browsing through one of the annals of Iowa published in October 1884, I was delighted to come upon these words:

> No description of Iowa can be complete without some mention of the progressive and liberal attitude of the State toward women. In no State has it been more freely conceded that human interests are not one but many, and that the work of the world, broad and varied, must fall not upon one sex, nor upon one class, but that each individual, in return for benefit received, is in honor bound to bear his or her share of the burden. Under the invigorating influence of this truth energies hitherto unrecognised have been expanded and women are found working in almost every department of human activity; in business, education, literature, science, art, the professions, reforms, charity, missions, etc.

Mr. President, this description of the activities of women in Iowa in 1884 started me searching the records. I will admit reluctantly that I did not conduct this search in the true spirit of the scholar. I wanted to find proof that Iowa was one of the leaders in admitting women to the business, professional and social world of the 1880's. I was looking for facts to substantiate this conclusion. I am happy to report that I was more than satisfied—I was surprised and thrilled by the results I found.

The census of 1880 revealed that over 80,000 women in Iowa worked in a great variety of occupations. These jobs ranged from managing business enterprises to working in glove factories, from china-store clerks to boilermakers, from photographers to millers to miners. Mrs. L. A. Weiser, of Decorah, Iowa, and Mrs. L. B. Stevens, of Marion, Iowa, were presidents of banks. That was the year my own mother, at age 18, helped her father open a bank in Melrose, Iowa, and started her own service as cashier of the bank, notwithstanding her youth. Mrs. Mary Turner, of Des Moines, was both a large stockholder and the secretary-treasurer of the street railway company of Des Moines. Iowa women of 1880, like the Iowa women of today, were not without their ingenuity. In 1884 a patent for an album for photographs had been issued to Viola Angier, of Spencer; a patent for a new type of ironing board had been issued to Mrs. L. S. Avory, of Manson, and Miss Eugenie Kilbourne, of Cedar Rapids, had developed a novel egg beater and griddle greaser. The Davenport, Iowa, Academy of Science had on its rolls 296 members; 59 of them were women. In all corners of the State, in a great variety of occupations and professions, the women of Iowa were contributing significantly to the society of their day.

That was three-quarters of a century ago, Mr. President. In the intervening years the progress of Iowa in recognizing and using the many talents and qualities of women had not diminished. To try to enumerate the prominent women of my State today would be a task far beyond my abilities. For example, in the last few years an Iowa woman, Mrs. Dorothy Houghton, of Red Oak, Iowa, was selected as the national president of the General Federation of Women's Clubs; Miss Helen Irwin, of Des Moines, was elected president of the National Federation of Business and Professional Women's Clubs, Inc.; and another great Iowan, Mrs. Raymond Sayre, of Ackworth, Iowa, was elected president of the World Federation of Farm Women and farm woman of the year. But I dare not try to list all the Iowa women who have achieved great prominence and leadership in their chosen fields. Were I to compile such a list it would extend almost without end.

Mr. President, I have had the honor to represent the people of Iowa for more than 18 years—16 of them as the Congressman from the First District of Iowa and a little more than 2 years as the junior Senator from Iowa. One of the great joys of holding these offices has been the opportunity I have had to meet and to know countless numbers of Iowa women who are real leaders. I am sure each Member of this great body has benefited from the same experience in his own State.

Mr. President, I am privileged to add my voice in support of this joint resolution.

Mrs. SMITH of Maine. Mr. President, I wish to commend the senior Senator from Maryland for the leadership that he has taken in behalf of the interests of all women in his introduction of the equal rights amendment. It is an honor for me to have joined him through the years in cosponsorship of this measure.

I am also grateful to former Senator Guy Gillette of Iowa who in previous years took the Senate leadership on this matter. The fact that the leadership has been taken by these men from opposing political parties and from different areas of the country is the most convincing evidence of the true merit of this measure, and that it is not merely a feminist movement, as it would be charged with if its principal sponsorship came from women in the Senate.

Mr. BEALL. Mr. President, my colleague from the great Free State of Maryland [Mr. BUTLER] has today introduced a proposed constitutional amendment to provide for equal rights for women. As a cosponsor of this measure, I wish to say that I consider such legislation to be long overdue, and I sincerely hope that the 85th Congress will give it prompt and favorable consideration.

Mr. THURMOND. Mr. President, I think it is time we started to pay some attention to a majority in this country which for more than 50 years has been requesting equal rights under the Constitution. For more than 50 years this majority has been slighted and refused.

The majority of which I am speaking is composed of the women of America. According to the 1950 census, women outnumber men by about 1,030,000. Yet despite their very clear position of numerical superiority, women remain in many aspects under the degrading letter and spirit of an English common law which placed them on a decidedly inferior legal level. The women of America deserve equal rights. That is why I am cosponsoring the equal rights amendment.

The part women have played in the development of this country is well known. From the earliest days of the determined Puritan mothers and the gracious plantation homemakers, through the dramatic saga of the pioneer women who accompanied their men across a continent, to the present industrial age when we have over 20 million women employed, American women have shared equally in the work and hardships of their fathers, husbands, and brothers. Women have not flinched before staggering tasks.

In my own State of South Carolina, we have claimed, and still do claim, many women who have played outstanding roles in many fields. In the field of arts, our State has been distinguished as the home of "America's first woman artist," Henrietta Johnson. This tradition has been upheld more recently by Alice Heyward Taylor, noted for her designs in textiles; by Elizabeth O'Neill Verner, noted for her etchings; and by Alice R. Huger Smith, noted for her brilliant watercolors. Grace Annette DuPre, the painter, has painted the portrait of a President, Supreme Court Justices, Secretaries of State, and many other outstanding and prominent persons.

We are proud, too, of our female composers and singers: of Lucy Strickland, for her songs of the South and of the Orient; of Clara Louise Kellogg, for her operatic renown in Europe and America during the reconstruction era.

In the field of literature, we also owe a debt to our womenfolk. Julia Peterkin has won a Pulitzer prize for her fine book, Scarlet Sister Mary. Susan Petigru King's 19th century satires are still a delight for many, and Julia Baker's quaint Beaufort verse recalls forgotten days. Frances Guignard Gibbes' dramatic work has been produced for several professional groups within the last decade.

But the talents of South Carolina women have not been limited to the arts—in fact, far from it, for our native daughters have shown themselves possessed of courage and initiative that their men might well envy. During the Revolutionary War, Emily Geiger is said to have outwitted the Tories and delivered messages to General Sumter across Wateree Swamp. The women of South Carolina have proved that they possess ability, courage, and determination, as well as charm.

South Carolina also claims Mary Putnam Gridley, who in 1889 was probably the first woman mill president in the United States. For 25 years she successfully operated the plant bequeathed to her by her grandfather.

In the field of agriculture, Eliza Lou Pinckney is given credit for starting the cultivation of indigo, when as a girl of 16 she was left in charge of her invalid mother and three plantations.

Today our women are making contributions which have received nationwide recognition in the fields of health, education, and, above all, in welfare. In this area, which is perhaps preeminently suited to bring forth the greatest female talents, we are proud to claim Miss Isabella Martin, who in 1861 founded—in Columbia—the world's first "Wayside Hospital."

Mother Dora Dee Walker, who introduced pimiento raising in this country, was one of the first home-demonstration agents. She did much to beautify the grounds, parks, and highways of our State. Mrs. Marie Cromer Siegler was one of the originators of the 4-H movement. Miss Ann Pamela Cunningham is responsible for purchasing George Washington's home at Mount Vernon and maintaining it as a national shrine and beauty spot.

Dr. Wil Lou Gray has devoted her time and help to the underprivileged, through the State department of education, by establishing the Opportunity School, near Columbia, S. C.

Hortense Woodson is the author of Giant in the Land and other books. Mrs. Mamie Norris Tillman is a leader in public affairs, temperance, and historical research. Mrs. Florence Adams Mims was an author and a leader in temperance and civic affairs.

These are but a few of the women who are famous South Carolinians. I know that South Carolina is not unique in claiming such a large number of praiseworthy women leaders. All over America, women have come to occupy positions of responsibility and authority. There are 314 women in the State legislatures. There have been at least two in the South Carolina Legislature. Sixteen outstanding women are Members of the United States Congress.

What greater tribute can we offer to these busy and constructive citizens than to guarantee them equal rights by constitutional amendment?

I said in my inaugural address as Governor of South Carolina, in 1947, and I have said many other times, that I believe in equal rights for women. Women should be encouraged to serve their communities in voluntary, paid, appointed, and elected positions. Women should receive equal pay for equal work. No woman who is able to do a man's work should have to accept pay below a man's level.

Women should be permitted to own property, run businesses, assume guardianships, establish separate domiciles, control their share of property held jointly with their husbands, and serve on juries throughout this whole country.

Wherever women have entered politics and public affairs, their influence has been wholesome. There is no longer any reason for women to be penalized by laws which were written in the horse-and-buggy days. The women of all the States should have equal rights with men. No State should put in their way barriers to handicap them.

This is a field where we have no reason to hesitate. I hope every Member of the Senate will support the equal-rights amendment, of which I am happy to be a cosponsor. Equal rights for women should be written securely into the Constitution. It is small recognition indeed for the contribution which our women have rendered to the Nation in the past. I know they will continue to render great service with the same untiring devotion in the future.

AMENDMENT OF RULE XIV OF STANDING RULES OF THE SENATE—AMENDMENTS

Mr. SALTONSTALL submitted amendments, intended to be proposed by him, to the resolution (S. Res. 24) to amend rule XIV of the Standing Rules of the Senate, which were ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. BYRD:

Article written by him entitled "Help Us Cut These High Taxes," published in the Farm Journal of April 1957.

By Mr. KEFAUVER:

Statement by Representative WRIGHT PATMAN, before Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, in support of Senate bill 11, the so-called equality of opportunity bill.

Tabulation of purchases by Tennessee Valley Authority of materials and supplies during its first 22 years.

By Mr. MARTIN of Iowa:

Article entitled "Senator MUNDT Provides Farm State Shrewdness in Union Probe," written by Melva G. Churnoff, and published in the Sioux Falls Argus-Leader of March 25, 1957.

NOTICE OF CONSIDERATION OF A NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Donald V. Lowe, of New Jersey, to be the United States Representative on the United Nations Transport and Communications Commission.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

INVESTIGATION OF CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. SCHOEPPEL. Mr. President, I have prepared a statement with reference to the Gore report relating to campaign expenditures and contributions in the 1956 general election. I ask unanimous consent that this statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

On April 1, the distinguished chairman of the Subcommittee on Privileges and Elections discussed my remarks before the Senate on March 29 concerning the report of that committee relating to campaign expenditures and contributions in the 1956 general election.

I do not propose to continue to debate this matter. My statement, which appears in the CONGRESSIONAL RECORD of March 29, completely covers my position. When I addressed the Senate, however, I was not aware of the letter written to the distinguished junior Senator from Montana by David F. Maxwell, the president of the American Bar Association. The letter appeared in the CONGRESSIONAL RECORD on April 1 on page 4855. Mr. Maxwell said:

"But many of our members and others who read this article concluded the American Bar Association had made these contributions as evidenced by the number of letters of protest I received."

Mr. Maxwell continued:

"But we do respectfully submit that the practice of linking purely personal contributions of individual donors to an association to which they happen to belong, and lumping these individual gifts together in such a way as to identify them with the association, leads inevitably to misinterpretations, and is unjustified."

Apparently Mr. Maxwell and I drew the same conclusion from the article in the February 15, 1957, issue of the magazine U. S. News & World Report.

The fact that so many people including the president of the American Bar Association were confused by the identification of individual contributions with selected groups and corporations convinces me that this was a very dubious procedure.

The junior Senator from Montana in his reply to Mr. Maxwell which he inserted on page 4856 of the CONGRESSIONAL RECORD said:

"The subcommittee regrets any misinterpretation which has been drawn by readers of the report. And, of course, the subcommittee cannot be responsible for any material allegedly reproduced in either the United States News & World Report or any other magazine or newspaper."

No committee of the Senate is justified in circulating material which lends itself to such easy misinterpretation by such an experienced reporter as David Lawrence.

On page 4854 of the CONGRESSIONAL RECORD, the distinguished Senator from Montana said:

"In neither case," referring to my statement and articles by Mr. Moley, "was information obtained to refute the findings of the subcommittee from any source except the report itself."

I don't know what information one should obtain "from any sources except the report itself." Any document published by the Senate which attempts to supply the details given in this report should not require supplemental sources to support its findings.

The Senator from Montana also placed in the CONGRESSIONAL RECORD a copy of a letter he had written to Mr. and Mrs. F. W. Laverty of Fort Worth, Tex. They wrote to him concerning an article by Raymond Moley. The Senator's letter contained this statement:

"The report selected certain groups and disclosed contributions and expenditures by persons associated with such groups, and where persons were known to be associated with more than one group or corporation or labor union, such persons were named and their contributions or expenditures listed. In almost every case, the total of contributions or expenditures was properly noted, so that the overall total of contributions and/or expenditures does not include duplications or repetitions in any manner."

On March 20 on page 4779 of the CONGRESSIONAL RECORD, I said:

"Mr. President, I shall discuss the next three subcommittee exhibits, 18, 19, and 20, jointly with exhibit 25. Exhibit 18 purports to show 1956 political contributions of $500 and over by officials of the 29 largest oil companies. Exhibit 19 covers similar contributions by the 100 largest military prime contractors, and exhibit 20 covers similar contributions by officials of 88 corporations participating in the atomic energy program.

"Such groupings must necessarily include the same corporations in many instances. I can see little purpose in these groupings except to attempt again to place some sort of a question mark on big business and those associated with it. Many of the companies on these three lists are automatically included in the subcommittee's exhibit 25 entitled '1956 Political Contributions of $500 and Over by Officials of the 225 Largest Corporations, January 1-November 30.'

"In the subcommittee's table on pages 25–39, which summarizes the data for the 225 largest corporations, there are these significant sets of figures: 'Gross totals,' 'Deductions for duplication,' and then a listing of 'Net grand totals.' In other words, Mr. President, the subcommittee's staff—those who worked up the data—were well aware that many individuals whose contributions they had listed were associated with numerous companies included in the list of the 225 largest corporations, and that a deduction for duplication must be made. One would have expected a similar procedure in dealing with exhibits 18, 19, and 20. That was not done.

"The least the Senate could expect from any staff would be a consistent listing of individuals and companies where the same individual and the same company appear over and over again, as well as consistent statistical procedures."

I showed that the multiple counting of the same contributions of only four individuals distorted the reported contributions by officials of the 100 largest military prime contractors by $112,399, an error of 10 percent.

There are many other duplications in this list which I did not attempt to note.

The fact is that duplication and repetition did occur.

The distinguished Senator from Montana in discussing the sources of information used by the subcommittee on page 4857 of the CONGRESSIONAL RECORD said:

"Its information was obtained only from reports filed with the subcommittee or with the Clerk of the House of Representatives or the secretary of the Senate. Every effort was made to discover and correct duplications in reporting, errors in names, addresses and amounts, and other defects which members of the staff were capable of discerning."

Certainly the information filed with the subcommittee or with the Clerk of the House of Representatives or the Secretary of the Senate would not show any of the corporate affiliations or membership in various organizations or the family connections of individuals who made campaign contributions. It is difficult to see how such information is of any importance to the Congress. We are concerned with knowing the names of contributors, the amount of their contribution and to which political organizations the contribution was given.

Whether an individual contributor is a member of the House of Delegates of the American Bar Association has no bearing on the drafting of legislation affecting campaign contributions and expenditures.

Mr. President in closing, I wish to make one final comment. The junior Senator from Montana on page 4857 of the CONGRESSIONAL RECORD said:

"The overall picture of campaign contributions and expenditures would still remain the same if the errors referred to by the distinguished senior Senator from Kansas were taken into account."

I am not ready to subcribe to this statement. I merely made a spot-check of the report. I reiterate that the errors I found were not necessarily all the errors in this report by a long shot. No one knows how many errors there are.

The distinguished chairman of the Subcommittee on Elections and Privileges said:

"The subcommittee has every reason to be proud of its accomplishment without embarrassment because some errors may appear in its work."

Mr. President, when a Senate committee names specific individuals and the organizations with which they are connected, as was done in this report, I do not feel we can avoid embarrassment because some errors may appear.

TEEN-AGE LOAN FUND

Mr. DIRKSEN. Mr. President, last August, Howard K. Hurwith, chairman of the board of the First Commercial Bank of Chicago, initiated a teen-age loan fund. Since then, a trio of Chicago high school students, turned bankers with a $3,000 bankroll at their disposal, have been effective in offsetting headlines about juvenile delinquency.

The teen-agers' success in proving that a majority of teen-agers of today can be trusted to repay small loans made without collateral or cosigners has stirred newspapers and banking interest throughout the country. The United States Information Agency used the story to inspire youth all over the world. The fund recently received a citizenship award from Scholastic magazine.

The fund was first instituted with resources of $1,000. The 3 youthful directors were given freedom to make loans for worthwhile purposes to youngsters from 13 to 19, and as applications increased from all parts of Chicago, an additional $1,000 was added.

In the first year, only 1 youngster out of 50 failed to make full repayment. Teen-agers ask the board for loans for various reasons, most of which are worthwhile. To obtain a loan the borrower first submits a written application stating the amount wanted, the reason for the loan, and a statement as to how it will be repaid. A nominal rate of interest—3 percent—is charged so the youngsters will realize that loans cannot be made for nothing. During the personal interview of the applicant, a bank official is present as an adviser, but the young directors make their own decisions.

Reasons for teen borrowing vary. A 13-year-old moved into a new neighborhood. He had no friends, but he knew he could remedy that if he could make the basketball team. He had a basketball ring and net, but no backboard. He decided to borrow $5 for material to make the backboard, and is repaying the loan at 50 cents per week by babysitting.

Although they are a nice group, the teen-age loan board can be tough. A high school senior who wanted money to finish paying for a car found that out. As soon as the board discovered that he was not working and would pay back a loan he was seeking from his dad's allowance, they turned him down flat.

Many of the applicants are abundantly independent. One youngster needed a new suit for his first school dance. "I hate to ask my dad for the money," he confessed to the board. "I know how many expenses he has, and I feel I should pay for the suit myself." The loan was granted, and he is repaying it by working on Saturdays for a neighborhood dry cleaner.

It often takes a girl to understand another girl's problem. A 15-year-old wanted money for a permanent for the opening of school. Both male directors scoffed, but the young lady member convinced them of the importance of the request. "Her looks are important to her, and if she gets confidence from having that permanent, that is as important as any reason for a loan." The boys gave in, interviewed the applicant, and the loan was granted.

More boys than girls, the board discovered, try to borrow money. In most instances they want it for clothes. Next in order are loans to help with family expenses, or to obtain special equipment for a job or a hobby.

One applicant wanted $46 to buy farewell gifts for his family before entering the Marines. Another applied for $10 to send flowers to his grandmother in the hospital, and a brother and sister asked for $100 to help pay their father's operation.

The board is no soft touch, as it demonstrated in handling the application of a 17-year-old girl. She wanted $300 for a trip to New York where she hoped for an audition for the $64,000 Question on TV. She expected to qualify as an expert on movies. The loan was to be repaid with her winnings. The teen-age bankers cross-examined her on everything connected with Hollywood with the result that she did not get her loan.

In conceiving the idea for the Teen-Age Loan Fund, Howard K. Hurwith felt that its success would provide "positive proof that our teen-age students are responsible citizens, truly deserving of the faith and hope we have in them." He draws on his own experience to understand today's "teens" who are faced with financial problems. His father was a school teacher, and the family could afford no luxuries. As a youth, he worked his way through high school and college doing odd jobs as laboratory assistant, librarian, salesman, and gardener. He currently is a director of the High Ridge YMCA in Chicago and is on the executive committee of the Chicago YMCA organization.

Today's youth, Hurwith firmly believes, is as good as any younger generation. What youth needs most, he insists, is inspiration and opportunity.

SUBCOMMITTEE MEETING DURING SENATE SESSION

Mr. O'MAHONEY. Mr. President, the Subcommittee on Constitutional Rights of the Committee on the Judiciary was unable this morning to hear all the witnesses who had assembled to testify with respect to a law governing the issuance of passports, and regulations therefor. If we are to finish the hearing, we must sit this afternoon. Therefore I ask unanimous consent that the Subcommittee on Constitutional Rights may proceed with the hearing this afternoon during the session of the Senate.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The present occupant of the chair has been directed by the majority leader to object on his behalf.

Mr. JOHNSON of Texas. Mr. President, I will say that I have already cleared the request with the distinguished Senator.

The PRESIDING OFFICER. Very well, is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

POLISH-AMERICAN NEGOTIATIONS WITH RESPECT TO A SURPLUS FOOD AGREEMENT

Mr. HUMPHREY. Mr. President, twice within the past week I have devoted considerable time on the Senate floor to a discussion of the negotiations which the administration is now conducting with Polish representatives on the question of the surplus food agreement. The Senate itself, by voting for the repeal of section 304 of Public Law 480, went a long way to ease whatever legal obstructions may have been promoting the administration's hesitant behavior on this issue. I have pointed out earlier that the Polish delegation is in the United States at the explicit invitation and request of President Eisenhower, that the Polish overtures to us for aid are responses to our own initiative in offering such aid, and that the administration is confounding both the Poles and all interested observers in this

country by its timid and unimaginative position now that the negotiations are on.

Once again, as on so many issues, the President is taking a detached, casual, relatively aloof attitude about the whole matter. Yesterday at his press conference, the President made his customary generalized comments with which few would disagree. But a sense of involvement, grappling with details, or even special attention, now that the negotiations have reached a critical stage—these things were missing. I ask unanimous consent that an excerpt from the President's press conference be printed in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

QUESTION ON POLISH AID

Mr. MARTIN S. HAYDEN, of the Detroit News. Mr. President, the press associations have carried various reports from Poland of newspaper editorials complaining that the reception of the Polish delegation which is negotiating for aid does not meet the statement or the proffer of aid that the administration gave last October just after the Polish uprising. I would like to ask, sir, has there been any basic change in the administration's ideas on giving aid to the Gomulka regime?

Answer. Well, there has been no basic change, but, of course, in policy none at all. There has been a long negotiation as to details being carried out, and I think it is always fair to say that our attitude is on the more moderate side than is the one that is on the side that is requesting it. That is just habitual.

But as far as encouraging this growing independence of Moscow, we believe in that, and we don't believe that you are going to have, for example, a complete freedom achieved by any satellite government, with free government, practiced all at once. We believe it is going to be a series of steps by which those things will finally be achieved, and therefore we try to help each step as far as we can, and not force a nation to believe "we are completely and absolutely dependent on Moscow for our livelihood and no place else."

Mr. HUMPHREY. Mr. President, this morning's Washington Post contains a lead editorial entitled "Investment in Independence." Once more the editors of the Washington Post are out in front, and at a meaningful level of detail, on an issue of vital importance to our foreign policy. This morning's editorial was an excellent summary of the present situation. I ask unanimous consent that the text of the editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 4, 1957]

INVESTMENT IN INDEPENDENCE

Comments by President Eisenhower and Secretary Dulles about American help to Poland have been encouraging as far as they have gone. It is reassuring to have recognition of the complexities of Poland's efforts to establish independence from Soviet domination, as well as acknowledgment that this country does not expect to accomplish anything spectacular with its aid. Nevertheless, the United States has a tremendous stake in the outcome. The challenge is to do enough by way of supplying surplus agricultural commodities and machinery, and do it quickly enough, to make the Polish gamble worth the risk.

Several points about the Polish request need to be understood. In the first place, the Poles are asking for loans, not grants. They would prefer to repay the loans in dollars rather than slotys if suitable periods of credit can be established. In the second place, despite the disruption of their economy, they are not seeking relief-type help. Rather, they want to obtain enough wheat to enable them to speed up the decollectivization of agriculture. That is, they hope to end forced deliveries of grain and establish a free market; and the changeover will require considerable stockpiles as an offset to inflation. Similarly, they want to obtain enough cotton for their textile factories to relieve their heavy dependence on the Soviet Union. Cotton is in extremely short supply in Poland, with the continual threat of factory closings and unemployment; if Poland could obtain cotton from this country she would not be so much at the Russian mercy.

These are highly promising objectives. Both commodities are in large surplus in the United States, and stocks could hardly be put to more rewarding use. The Poles have asked for some $200 million in agricultural surpluses and $100 million in other loans with which to purchase coal-mining machinery and the like. Of this total perhaps $120 million to $150 million is regarded as essential for 1957. The Gomulka regime must have the assurance that it will obtain large enough quantities to enable it to undertake its programs. Otherwise the hopes might miscarry and the plans would not justify the political risks in defying the Polish Stalinists and inviting Soviet displeasure.

The consequences are considerable. If what Poland can get here, in combination with the British and French credits already planned, is not sufficient to tide her over, then she may be forced to turn more to the Soviet Union. But if that should happen after Poland had asserted her independence and looked to the West, Russia would be in a position to drive a hard bargain. By the same token, if American help is enough to give Poland some economic security, then her independence will be strengthened in any subsequent help she asks from Russia.

So far the administration has mentioned no amounts publicly, but there have been reports that it is considering $50 million in help now plus perhaps $25 million more later. There also is talk of a triangular arrangement with Germany which might or might not be an advantageous one for Poland. No doubt the precise sum that would enable Poland to get by is open to some negotiation, but the total mentioned scarcely seems adequate.

Admittedly the administration faces some legal difficulties in devising an arrangement that will meet the law and still respect Poland's delicate position vis-a-vis Russia. But the expanded authority voted by the Senate to sell surplus commodities abroad is helpful, and the House can be encouraged to follow suit. That authority might provide the means for a starter. Obviously modifications in the Battle Act soon will be necessary, but an immediate arrangement on agricultural surpluses could provide the time and experience so as to embolden the administration in presenting the larger issue forthrightly to Congress.

Good intentions, however, will not suffice to nurture Polish freedom, for the chance to take meaningful action may not recur. The assertion of Polish autonomy is the most hopeful development along the Iron Curtain in many years. Here is the liberation short of war that so many politicians have clamored for. If the United States now should fail to do enough in time, what other emergent satellite would dare to aspire to independence on the basis of promises from the West?

Mr. HUMPHREY. Mr. President, information has reached me that the Polish negotiators—not all of whom by any means are Communists—are deeply disturbed by the delay and uncertainty of developments. It is my understanding that the negotiations on wheat and cereal grains are on the point of breaking down.

It may be recalled that at the time of the Polish uprising in October, the Gomulka government assured the Polish peasantry that no longer would they be required to make what are known as compulsory deliveries of grain to the Polish Government. Such grain frequently had been used not only by the Polish Government but also by the Soviet Government for political purposes. In other words, the Polish Government had assured its farmers that they would have more freedom of action as farm producers.

Two days ago the State Department was leaking a figure of $75 million as the amount considered by the Department to be appropriated under the circumstances. This figure is only 25 percent of the amount requested by the Poles. It now appears that the Department has not even offered it, but instead has been reiterating the earlier figure of $30 million.

One of the things the Poles want, and it is hardly a capital investment in the Soviet war machine, is wheat. I need inform no Members of the Senate that the Department of Agriculture has plenty of wheat for Poland and lots of other places. Yet, apparently we are telling the Poles that they should go to Canada to get their wheat. Last summer we were telling the Israelis that they should go to France or Canada to fulfill their arms requests. This is a peculiar kind of back-alley diplomacy—a speakeasy approach which is hardly befitting the formulation and conduct of the foreign policy of the world's major power.

Sometimes I think the administration considers our allies useful only as decoys, to whom we may redirect any slightly embarrassing applications which the State Department would prefer not to handle.

The country once more is far ahead of the administration and the Department on this issue. Editorials from my home State newspapers, for instance, are deeply concerned about the Polish negotiations. Typical of such editorials is one which has just reached my desk. It is entitled "Using Farm Surpluses," and was published in the Minneapolis Star of March 22, 1957. I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

USING FARM SURPLUSES

It is encouraging to learn that both Congress and the United Nations are studying ways to make better use of American farm surpluses among needy foreign nations.

Senator HUBERT HUMPHREY, of Minnesota, a Delegate to the recent U. N. General Assembly meeting in New York, outlined to one of the U. N. committees his plan to use surplus American farm products to set up food reserves in various nations of the world.

The proposed world food bank has been described as the only really new move by the United States in the field of economic cooperation at the U. N. meeting.

Under the Humphrey plan, food reserves would be used to meet famine and other emergency situations and to prevent excessive price increases resulting from increased demand caused by economic development programs.

Now just this week the Senate Agriculture Committee recommended for passage a bill expanding the Government's own overseas surplus food disposal law. The bill approved by the committee closely parallels one by Senator EDWARD J. THYE.

This new measure would continue farm surplus disposal through sales for local currency, through donations for famine relief and other emergency aid, and through barter deals for strategic raw materials. It also raises to $4 billion the value of farm surpluses that can be disposed of under this legislation, and, for the first time, permits barter deals with Soviet satellites. This change was made—wisely, we think—to ease a proposed deal with Poland.

Care still is needed in disposing of our farm surpluses abroad. We cannot afford to dump food and fiber in such quantities that they will break the market or affect adversely friendly nations that compete for the same markets. Nor can we expect that this will be a permanent method of exporting farm products, because it would be, in effect, a form of statism which would put private exporters out of business.

These hugs stocks of food and fiber actually cause us ill will abroad as long as we do not find ways to get them to hungry and needy people. At the same time, it behooves us to plan such disposal programs so as to have a minimum impact on normal trade channels and on competing producers elsewhere in the world.

Mr. HUMPHREY. Mr. President, I have said before that the sending of farm surpluses to Poland may be a calculated risk, but the only real risk involved is that this yeast of freedom will not rise. If we miss this opportunity, we may learn to regret it. What other emergent satellite will take any more risks about accepting invitations from President Eisenhower or Secretary Dulles? What alternatives will be left except the hardening of the old, rigid, cold war lines in Europe? The tragedy of the Hungarian revolution apparently proves that we are not going to resort to military means to change those lines. What could be more foolhardy than to slam the door now on the negotiations with Poland—our first major opportunity to effect the peaceful and gradual growth of freedom and independence in Eastern Europe?

I believe the United States Government should look upon this opportunity in a most objective manner. We should not turn down requests for wheat, when wheat, as I have said, may be the very yeast of freedom which is needed to make the ferment which will make possible independence and liberation.

THE CIVIL RIGHTS BILLS ARE REPUGNANT TO OUR GOVERNMENTAL AND LEGAL SYSTEMS

Mr. ERVIN. Mr. President, I have pointed out on other occasions that the civil rights bills now pending before Congress are designed to deprive Americans involved in civil rights cases of their right of trial by jury.

I wish to call the attention of the Senate to the indisputable proposition that these bills are repugnant in other respects to our governmental and legal systems.

Our ancestors appraised at its full value the everlasting truth embodied in Daniel Webster's assertion that "whatever government is not a government of laws is a despotism, let it be called what it may." Consequently they based the governmental and legal systems of America upon these fundamental concepts:

First, that our Government should be a government by law and not a government by men—a government in which laws should have authority over men, not men over laws.

Second, that our courts should administer equal and exact justice in compliance with certain and uniform laws applying in like manner to all men in like situations.

Parts III and IV of S. 83 specify, in substance, that "the Attorney General may institute for the United States, or in the name of the United States but for the benefit of the real party in interest," a novel civil action or proceeding to enforce or vindicate certain supposed civil rights of private citizens.

By these words, the bill proposes to do these two things: First, to establish a novel procedure for the enforcement or vindication of certain supposed civil rights of private citizens at the expense of the taxpayers; and second, to confer upon one fallible human being, namely, the temporary occupant of the office of Attorney General, whoever he may be, the despotic power to grant the benefits of the new procedure to some citizens and withhold it from others.

The proposed law is not to be operative at all unless the Attorney General, acting either with or without reason, so wills. This is not government by law. It is government by the whim of the Attorney General.

It is to be noted, moreover, that the novel procedure to be authorized by the bill is to be used for and against such persons only as the Attorney General may select. This being true, the bill is utterly repugnant to the fundamental concept that courts are created to administer equal and exact justice in compliance with certain and uniform laws applying in like manner to all men in like situations.

There is always danger that discretionary governmental power may permit the public officer in whom it is reposed to rule arbitrarily without the restraint of law. As a consequence, no legislative body should ever adopt any statute conferring discretionary governmental power upon any public officer unless such statute satisfies the only valid test of the advisability of legislation of this nature. The test is the evil a bad public officer may do under the proposed law rather than the good a good public officer may do under it.

S. 83 cannot satisfy this test. If it were enacted, it would vest in the temporary occupant of the Office of Attorney General, regardless of his character or qualifications, the absolute power to act or refrain from acting in the premises at his uncontrollable discretion. Thus the proposed law would constitute a political weapon of the first magnitude which any Attorney General who happens to be a pragmatic politician could pervert from its avowed purposes to curry favor with some groups or to browbeat State officials into submission to his will.

This is a despotic power which no good Attorney General ought to want and no bad Attorney General ought to have.

Americans who believe that bad laws are the worst sort of tyranny may rest their hope that the 85th Congress will reject S. 83 upon the fact that no previous Congress has ever enacted into law any legislative proposal so repugnant to the basic concepts underlying our governmental and legal systems.

HELLS CANYON PROJECT

Mr. WATKINS. Mr. President, I had prepared for delivery a speech concerning the Hells Canyon project. I ask unanimous consent that the speech be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

COMMENTS ON HELLS CANYON PROJECT

The Corps of Engineers informed me early last year that $929,909,000 had been expended on flood control and navigation projects in the States of Oregon and Washington. This is roughly one-seventh of the construction funds expended in all 48 States to that time.

These expenditures, furthermore, were first costs only. No estimate was provided on the planning, and operation and maintenance costs for these projects. This continuing overhead expense, largely assumed by the Federal Government under these two programs, could amount to hundreds of millions of dollars during the lifetime of these projects.

It is significant that these two richly-favored States also have the lion's share of the project authorizations under the Federal flood control and navigation programs. Of the existing backlog of roughly $8 billion worth of such projects, $1,828,717,000, or nearly one-fourth, of the projects are authorized for construction in Oregon and Washington. These, too, are authorizations to meet first costs only. For each of these authorized projects which move to a construction status, the Federal Government assumes a large burden in continuing annual overhead expenses for planning, operation, and maintenance.

This favoritism to the two coastal States of the Pacific Northwest continues—although not on the same scale—in the current authorizations in the pending omnibus rivers and harbors and flood-control bill of 1957. In this bill, the 2 States of Oregon and Washington are recipients of $133,012,000 in authorizations for new projects or project extensions—roughly one-tenth of the total authorizations for the 48 States.

Now this is a side of the story of water resource development in the Northwest that is generally ignored by the loquacious spokesmen for that part of the country. In fact, so much emphasis has been laid upon the defeat of the high Hells Canyon proposal in the 84th Congress that many people in other parts of the country have gained the impression that the Northwest has been discriminated against in water resource development. Nothing could be further from the truth.

The Northwest States of Oregon and Washington—which represent one twenty-fourth of the 48 States by number—have received approximately one-seventh of the total construction funds for flood control and navigation projects, and an even greater proportion of the reclamation construction funds. And they have the lion's share of the backlog projects already authorized for construction.

In support of my assertion, I offer a statement made by Maj. Gen. Charles G. Holle, deputy chief of the Corps of Engineers, in a speech in the Pacific Northwest in the fall of 1955. At that time, he said:

"During the 4 years, fiscal 1933 through 1956, almost a half billion dollars have been appropriated for new work by the Corps of Engineers in this basin—a sum far greater than that provided for any other river basin in this Nation, and amounting to some 30 percent of the new work appropriations for the entire United States."

This does not make it appear that the great Pacific Northwest has been discriminated against in funds appropriated for water-resource development. On the contrary, it makes it abundantly clear that just the reverse is true. It is evident that the States of Oregon and Washington want all this favorable treatment and high Hells Canyon, too.

Let us now consider the Federal contributions made to the construction of the great hydro-power system in the Pacific Northwest which gives that area the lowest power rates in the country.

Few people are aware that the depression-built projects of the Columbia River Basin power system were aided by the allotment of $70,005,000 in Public Works Administration funds and $7,959,360 in Works Progress Administration funds. In addition, a total of $11,671,697 in materials was provided by other Federal agencies.

These items are part of the grand total of the Federal investment of $1,866,402,214 made in the Columbia River power system by the end of the fiscal year 1954, the date of the audit report of the Comptroller General which I am utilizing for these figures.

Of that grand total, the Federal Government has written off these impressive amounts:

Flood control	$50,590,356
Navigation	67,947,853
Total	118,538,209

The Comptroller General's report also discloses that during the first 15 years of operation, the Columbia Basin has paid off only $170,409,916 on its total net capital investment. A total additional payment of $170 million has gone into the Treasury, but it has gone toward payment of operation and maintenance and interest. The net capital investment outstanding at this time, mid-1954, was listed at $900,324,643.

I bring up these financial facts merely to place the situation in the Northwest in the proper perspective. It seems that all we ever hear about this project is how fast it is being paid off—never anything about the Federal gratuities involved, nor the size of the outstanding indebtedness.

It is against this total background that I want to discuss another of the hitherto-ignored aspects of the Columbia River Federal power development story. This ignored feature is the subsidy that is being given to large industries in the sale of below-cost power from units of the system now under construction or proposed for construction.

The Hungry Horse unit of the Columbia River system recently came into operation. It is the only Montana unit of the system and it involved the construction of a costly transmission system to interconnect this unit with the projects in Oregon and Washington.

I recently asked the Department of the Interior to provide me with a report on the cost of power produced at Federal hydropower units for which it is the marketing agency. This report included this notation for the Hungry Horse project:

"Power marketed by Bonneville Power Administration who returns to Bureau [of Reclamation] the amount required to cover estimated annual expenses and repay the investment allocated to be returned from power revenues with 3 percent interest. This payment in 1955 was 3.76 mills per kilowatt-hour and under ultimate conditions is estimated to be 4.19 mills per kilowatt-hour."

Early this year, I requested the Bonneville Power Administration, an agency of the Department of the Interior, to give me a report on the charges made for power sales in Montana by the Bonneville Power Administration.

Now in spite of the at-site costs of 3.76 mills per kilowatt-hour being assessed against this project by the Department of the Interior, it is significant that more than half of the power output from Hungry Horse is being sold to Anaconda Aluminum Co. for an average cost of 1.72 mills per kilowatt-hour. Based on actual cost of production at the dam site, therefore, it is apparent that this project is providing to the Anaconda Aluminum Co. an annual subsidy of roughly $2 million a year in below-cost power. This study, if extended roughly over the next 50 years, would reach $100 million before the Federal costs of the $107,623,000 dam are repaid.

The charges levied for this Hungry Horse power, in terms of average revenue per kilowatt-hour, are set forth in an attachment to my letter of February 19, 1957, from the Bonneville Power Administration. The Bonneville Power Administration summary table is as follows:

Power sales in Montana by the Bonneville Power Administration

Purchaser	Fiscal year 1956					Estimated load in fiscal year 1961 (average kilowatt)
	Energy sales			Revenue	Average revenue (mills per kilowatt-hour)[1]	
	Total	Firm (thousand kilowatt-hour)	Nonfirm			
Anaconda Aluminum Co.	896,980	799,418	97,573	$1,541,381	1.72	110,000
Victor Chemical Works	340,613	267,538	73,055	762,142	2.24	30,000
Montana Power Co.	285,759	251,301	34,458	961,020	3.46	60,000
Pacific Power & Light Co.	71,522	50,010	21,504	175,792	2.46	13,000
Flathead Electric Co-op.	17,746	17,746		57,431	3.24	4,000
Lincoln Electric Co-op.	8,296	8,296		29,488	3.55	2,000
Missoula Electric Co-op.	9,007	9,007		31,929	3.54	1,000
Ravalli Co. Electric Co-op.	7,756	7,756		26,254	3.39	1,000
Northern Lights	3,807	3,807		9,283	2.21	1,000
Total	1,740,526	1,153,998	225,540	3,594,320	2.07	[2] 202,000

[1] The low rate realized by the Anaconda Aluminum Co. is the result of buying power at the system at-site rate. This rate is $14.80 per kilowatt-year of maximum demand as compared with the basic C rate of $17.50 per kilowatt-year of maximum demand. The at-site rate is available only to customers taking power at site for use within 15 miles of the project. The variation in the rates paid by the other customers is due to different load factors at which they take power. The basic rate applies to the maximum demand and does not change as the load factor changes. The $17.50 rate at 100 percent load factor results in about 2 mills per kilowatt-hour. As the load factor drops, the mills per kilowatt-hour increase.

[2] Shortly after fiscal year 1961 these Montana loads will require the full 208,000 kilowatts.

It is obvious from analysis of this table, that other large industries in the State of Montana also are the recipients of a considerable subsidy of below-cost power from Hungry Horse. The table shows that 3.76-mill Hungry Horse power is supplied to these large industrial corporations and private utilities at these bargain rates:

	Mills per kilowatt-hour
Victor Chemical Works	2.84
Montana Power Co.	2.49
Pacific Power & Light Co.	2.46

It is also interesting that the power sold to the five cooperative customers brings a more realistic rate of return—an average of 3.24 to 3.55 mills per kilowatt-hour. I am told that the rate charged to these preference customers is the same wholesale rate as that charged to the big industries, and that the difference results from the difference in demand, or the number of hours daily at which the contracted power can be used by the customer. The big consumer gets the rate break because he uses the full amount of his contracted power 24 hours a day.

Another confusing aspect of this power rate story is the allegation made that the water stored in Hungry Horse Reservoir makes possible the production of a tremendous quantity of power at downstream Federal plants at costs considerably below the at-site costs. This is offered as one the justifications of the low "postage stamp" power rate in the Northwest. I will have more to say about this argument later, when I discuss another system project at The Dalles, Oreg., which does not have any storage for this alleged large-scale production of low-cost power downstream.

Before leaving Hungry Horse, I would like to point out two other interesting aspects of this project.

In the first place, the State of Montana has been granted the full amount of power produced at the site by the Hungry Horse project. This is in contrast to the treatment accorded to Idaho by the Northwest proponents of high Hells Canyon Dam. For the latter project, the bill allocates only 500,000 kilowatts of firm power from the combined high Hells Canyon and Scriver Creek projects, which have an installed capacity of 957,000 kilowatts and are reputed to have an even larger potential capacity by the addition of more generating units. Furthermore, the high Hells Canyon unit is reputed to have the potentialities of adding 436,000 kilowatts of firm power at downstream plants at extremely favorable costs; so these are built-in benefits to Oregon and Washington, in addition to river regulation.

Another interesting feature of this apparent discrimination against the State of Idaho is the nature of the contracts negotiated with the power users in the State of Montana. I am informed that these industrial and utility contracts with the users of Hungry Horse power do not include a withdrawal proviso, which would make this power available to preference customers in the Columbia River Basin if it is needed in the future. This gives Montana the Hungry Horse power for all time. In Idaho, on the other hand, it is my understanding that contracts effected in that State for high Hells Canyon power would include the customary withdrawal

proviso for the preference customers. Inasmuch as the great bulk of the preference customers of the Columbia River system are located in Oregon and Washington, it is obvious that contracts effected with industries and private utilities in the State of Idaho would be subject to future curtailment of their services in favor of the preference customers located in the States of Oregon and Washington.

This apparent discrimination against the State of Idaho should add insult to injury suffered by the Gem State in the location of the Victor Chemical Works plant at Butte, Mont. Victor Chemical's chief sources of phosphate ore are located in Idaho and that appears to be the best location for their phosphate processing mill. Instead, the company chose a Butte, Mont., site. The reason for this surprising location is obvious: In Butte, Victor Chemical gained access to 3.76 mill power from Hungry Horse at a BPA system bargain rate of 2.24 mills.

In other words, Idaho lost a valuable industry for processing its phosphate ores, and Victor Chemical gained an annual below-cost power subsidy of roughly $500,000 or a 50-year total subsidy of $25 million.

Now, I know that supporters of Federal power for the Pacific Northwest are going to come out kicking and squealing at any such recognition of their below-cost power rate as a subsidy to big business and to the hated private utilities. And we may become all tied up in the intricacies of power pricing, by which the proponents of Federal power have mystified and confused practically everybody but accountants and power-rate experts. I am willing to concede that I am confused; it's beyond this farmer's grasp how Uncle Sam can consistently sell power for less than it costs to produce and still be able to pay off project indebtedness or avoid raising the rates for all the other users. In fact, regardless of the outcome of this Hells Canyon project matter, I plan to request the Interior and Insular Affairs Committee to make a study of this so-called postage-stamp rate in the Northwest, to find out exactly who is subsidizing whom, and to what extent.

If the people in the Northwest can make such rate concessions to big businesses, which are thoroughly able to pay what it costs to produce power, then I think it is high time to consider their overall rate policies. I don't mind helping out the good people of the Northwest when they need it, but I fail to see why this assistance should include delivery of Federal power to Anaconda Aluminum Co., Victor Chemical Works, and Harvey Machine Co., for about one-half of what it costs to produce that power. I fail to see the need or urgency for the rest of the Nation to subsidize power production in the Columbia River Basin.

I wish to interject at this point that neither the companies or the Federal agencies involved are responsible for these power rate subsidies. The rates are established under a postage stamp rate policy established by the Congress in the late 1930's. But regardless of the background, it is true that under existing policies power from every new hydro project built in the Columbia River Basin is being or will be sold at less than it costs to produce the power at the dam site and transmit it to basin users.

I made mention previously of the argument used in support of low prices for power from Hungry Horse and high Hells Canyon on the basis of the total amount of power these projects ostensibly would produce—from existing projects and several yet unbuilt—downstream from Montana and Idaho sites. This argument most assuredly does not apply to power produced at the newest hydro project just coming into production on the Columbia River at The Dalles.

The Dalles project is a run-of-the-river power generating project, with no storage for river regulation, as is the case with Hungry Horse and Hells Canyon. Actually there is no need for such storage at this site, because only one dam—Bonneville—is below the Dalles Dam and, therefore, possibilities for downstream generation are extremely limited.

Hence, it is significant that most of the power produced at the Dalles plant will be sold to industrial users and private utilities at the system wholesale rate of approximately 3.1 mills per kilowatt-hour. This is true in spite of the fact that the costs for producing this power and paying for a proportionate share of the transmission expense total 3.4 mills per kilowatt-hour. This means that the potential subsidy for large power users from the Dalles project amounts to something like $6 million a year, based upon this below-cost wholesale rate. The total subsidy to Dalles power users will be something like $300 million over 50 years.

An even greater proportional subsidy will be received by Harvey Machine Co., which located an aluminum mill within 15 miles of The Dalles, apparently in order to take advantage of the even lower at-site rate. Harvey Machine Co. has contracted for 120,000 kilowatts of power from the Dalles project at the at-site rate of roughly 1.7 mills per kilowatt-hour. The subsidy for Harvey Machine Co. alone at this project, therefore, comes to approximately $1,800,000 annually, or nearly $90 million over 50 year.

Similar concessions will have to be made at the proposed high Hells Canyon project and at virtually all other contemplated projects for the Columbia River Basin unless the rates are raised to all basin consumers to make up for the below-cost subsidies now being granted and apparently contemplated for the future. This is borne out by an estimate of the cost of prime power generation and transmission for future projects in the basin. These cost estimates, as provided by the BPA on May 21, 1956, and subject to intervening cost increases, are as follows:

	Mills per kilowatt-hour
Ice Harbor	4.8
Hills Creek	4.6
Cougar	5.1
Rosa	2.3

The average cost for prime generation and transmission for these four plants under construction and existing projects was estimated by the BPA at 2.9 mills per kilowatt-hour. Even averaging out nonfirm sales, transmission losses, and other factors, such as the increased revenues per kilowatt-hour made possible from small organizations with low-load factors, the BPA could come up with an estimated cost per kilowatt-hour of only 2.5 mills for the entire system. However, in spite of these cost estimates, the Bonneville system sells the bulk of its power for $17.50 a kilowatt-year, which averages out at roughly 2.1 mills per kilowatt-hour.

I can see how these below-cost power sales will help the Pacific Northwest attract heavy industry, but I cannot see the Federal interest in justifying them, or in granting this advantage to the Northwest while giving that area a disproportionate share of federally subsidized water resources projects.

Inasmuch as the proposed high Hells Canyon project has been turned down once by the Senate, and presumably will go down in defeat again, I will not bother at this time to go into the below-cost nature of this project. Suffice it to say that I pointed out last year on the floor that it would cost about 4.5 mills to generate and transmit the power produced at the high dam. This at-site cost undoubtedly would be heavier now in view of recent price increases and the heavy cost of reimbursing Idaho Power Co. for the work already done on the three-dam system. At any rate, if present BPA rates prevail, this 4.5 mill (or higher) power produced at the Hells Canyon site would be placed on sale for the wholesale rate of 2.1 mills per kilowatt-hour. This would represent a subsidy of almost 100 percent to the purchasers of this power.

Contrast this procedure with that at the unfairly criticized Colorado River storage project. This project is designed to produce water for a desert region, not for subsidizing large industrial power users and private utilities. Hence power produced at Glen Canyon Dam, where the large bulk of the project power will be produced, will cost roughly 4.7 mills to produce and transmit, but it will be sold to power users in our area for 6 mills. Revenues derived from the 1.3-mill surcharge added to the actual power costs will produce revenues for water development in the semidesert Colorado River Basin.

This clearly demonstrates that Glen Canyon is every bit as good economically as the proposed high Hells Canyon Dam. The major difference is that in one case (high Hells Canyon) the power is to be sold for about half of what it costs to produce, whereas at Glen Canyon the power, produced at about the same basic cost, is sold at a slightly higher cost to the same people who will use the water in order to return needed revenues for water resource development.

At this time I also shall forego a review of the basic economics of the proposed high Hells Canyon project apart from the marketing considerations. It is true that the proposal as contained in S. 555 is for an unnecessary expenditure by the Federal Government of several hundred million dollars.

Private enterprise is currently engaged in utilizing the power head of the Hells Canyon reach of the middle Snake River in an economical and efficient three-dam project. This three-dam project will be built without cost to the Federal Government, and Federal-State taxes from the power produced will return roughly $500 million within a 50-year period.

The proponents of high Hells Canyon now demand that we halt the FPC-approved three-dam project, pay Idaho Power Co. the many millions it has already invested at Brownlee and Oxbow sites, and spend a half billion dollars to build a high Federal dam. Authorization of this high-dam project, therefore, would commit the Federal Government to spend a half billion dollars it doesn't have to spend and to forego Federal-State revenues of about the same amount. In these inflationary times, such a wasteful proposal simply doesn't make sense.

One of the major claims of the high Hells Canyon backers has been that this project would provide urgently needed flood-control storage for the Columbia River. It was known last year that the three-dam plan would provide a million acre-feet of flood-control storage at no expense to the Federal Government. In my opinion, this amount of storage may be sufficient on the Snake River above the Hells Canyon site, if supplementary storage is provided on flooding tributaries. A definitive answer will have to await the review report of the Corps of Engineers now going forward. Backers of the high dam proposal, it should be noted, are unwilling to await publication of the findings of this report this coming fall.

This hearing also has brought out that the proposed high dam at Pleasant Valley could provide an additional 1,800,000 acre-feet of flood control storage, if it is decided that this much flood-control storage is required on that portion of the river. This latter project would preempt the proposed site for the Nez Perce project, but this high dam has been so warmly opposed by conservationists that the Corps of Engineers has never included it as an actively considered project in its master flood-control plans. I hope that the backers of high Hells Canyon Dam are not now planning to embark on a crusade to build a large power dam at the controversial Nez Perce site.

It now appears clear that the Brownlee and Oxbow Dams and the proposed high Pleasant Valley project combined will produce more power and more effective flood-control storage than the high Hells Canyon project, in spite of protestations by the Hells Canyon backers that there were no adequate alternatives to the high Hells Canyon site.

In making this statement, I am not giving my personal endorsement to the proposed high Pleasant Valley project. This project involves another large block of storage for beneficial use of the waters of the Snake River, and I believe that its approval should be contingent upon assurance from Idaho authorities and water users that the project does not infringe upon Idaho's future water rights. These Idaho State spokesmen now oppose high Hells Canyon. If I were an Idahoan, I would far prefer to have two projects, each requiring a million acre-feet of flood-control storage in that location, than a 4-million acre-foot storage vessel that would be used to regulate the flow of the Columbia River for many large power dams downstream—especially in view of the adamant position against a compact taken by the downstream States of Oregon and Washington. However, I will reserve judgment on the high Pleasant Valley project until it is actually proposed and up for Congressional consideration.

UNFAIR LABOR PRACTICE CASES—SUPREME COURT DECISION

Mr. WATKINS. Mr. President, Tuesday, March 26, I commented in the Senate upon a Federal Supreme Court decision that the States are powerless to act in unfair labor practice cases over which the National Labor Relations Board has refused jurisdiction. I then referred to the case of the Photo Sound Products Co. against the Utah Labor Relations Board. Also, at that time I introduced a bill (S. 1723) to amend the National Labor Relations Act, the purpose of which is to permit the States and Territories to assume jurisdiction in any labor dispute or class of cases over which the National Labor Relations Board has declined to assert jurisdiction, and thus to eliminate the legal no-man's-land which has resulted in such as the Utah case.

I now desire to call attention to an editorial entitled "No-Man's-Land in Labor," which was published in the Washington Post of March 31, 1957. In the editorial the editor points out the importance of this situation and also the fact that the Chief Justice has noted that "Congress is free to change the situation at will."

I should also note that the distinguished senior Senator from New York [Mr. IVES] has heretofore closely studied this legal problem and has before the Committee on Labor and Public Welfare for consideration his own proposal, S. 1772, to remedy the situation.

Mr. President, I ask unanimous consent that the editorial to which I have referred may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 31, 1957]

NO-MAN'S-LAND IN LABOR

The Supreme Court has given new cause for amendment of the Taft-Hartley Act by ruling that the present law creates a no-man's-land in which labor-management relations are subject to neither National nor State regulation. That situation comes about because the NLRB has concluded that it should not exercise all the authority Congress has conferred upon it. In the case before the Court, *Guss v. Utah Labor Relations Board*, the NLRB had held an election among the Guss employees and certified their union. When the union brought charges of unfair labor practices, however, the NLRB's regional director refused to issue a complaint because the Board had changed its jurisdictional rules so as to exclude businesses predominantly local in character. The Utah board then took the case and found the employer had engaged in unfair labor practices. That decision was upheld by the supreme court of Utah but reversed by the Supreme Court of the United States.

To avoid burdening the NLRB with local cases even though they might involve interstate commerce in some degree, Congress made it possible for the Board to restrict its jurisdiction. In the Taft-Hartley Act it authorized the NLRB to cede jurisdiction over cases of lesser importance to State agencies if the State law is not inconsistent with the national policy. No such formal cession had been arranged in the Guss case. Justices Burton and Clark contended that the provision on cession of jurisdiction was designed to encourage State action in local labor disputes and not to wipe out, by implication, the States recognized power to act when the National Board declined to take jurisdiction. The majority, however, read the Taft-Hartley law as retaining in the NLRB jurisdiction over all commerce cases unless that jurisdiction has been formally ceded to State agencies operating under approved laws.

Admitting that this creates a substantial no-man's-land, the Chief Justice noted that the NLRB can narrow the area of no enforcement by reasserting its jurisdiction or by cession to States with suitable laws. He also notes that "Congress is free to change the situation at will." As neither of the other courses is wholly satisfactory, this hint is entitled to special attention in Congress. Senator WATKINS has already introduced a bill to permit the States to occupy this no-man's-land.

BROWN UNIVERSITY GLEE CLUB SERENADE TO SENATOR GREEN OF RHODE ISLAND

Mr. PASTORE. Mr. President, on tomorrow, Friday afternoon, at 1:30 p. m., in the rotunda of the Senate Office Building, the Glee Club of Brown University will serenade our colleague, Senator THEODORE FRANCIS GREEN, of Rhode Island; and I have the honor to invite the entire body of the Senate and the families of the Senators to be present to participate in the tribute and to enjoy the concert.

Mr. President, in that simple sentence is indicated something of the spirit of Brown University, of which Rhode Island has boasted since long before the Revolution, while her sons have gone to the service of many States and countries. No son of Brown has reflected more credit on his alma mater than has the senior Senator from Rhode Island. The university has recognized his worth in his election as a senior fellow of the university, just as we have recognized him in his selection as chairman of the Senate Foreign Relations Committee, and just as these young men of the present college generation recognize his worth in this, their tribute of song.

The spreading influence of greater Brown University is indicated by the fact that as guests of the Brown University Glee Club, there will be more than 50 boys from this area who plan to enter the school at Providence next year. And in this Washington area, filling posts of high responsibility, are many sons of Brown.

It is altogether fitting that they pay this visit of respect to our senior Senator, for the college is close to his home, and is even closer to his heart. I am sure that all of us have a greater appreciation of Brown University as we measure it through our respect for our colleague.

So let us join with the glee club of his college—tomorrow, at 1:30, in the rotunda of the Senate Office Building—as they raise their voices in praise of Brown University and her illustrious son, THEODORE FRANCIS GREEN.

THE INTERNATIONAL LIFEBOAT RACES

Mr. BUTLER. Mr. President, safety of human life at sea is of such transcendent importance that an American executive merits the commendation of his fellow citizens when he initiates a project which will inevitably lead to even greater efforts in safeguarding the lives of travelers in marine transportation. Such a man is president Millard G. Gamble, of the Esso Shipping Co.

Announcement has just been made that Mr. Gamble has financed arrangements for the annual award of a trophy for the yearly lifeboat races, which have been justly described as one of the cleanest, as well as one of the most interesting types of international competitions. Believing that the press accounts of Mr. Gamble's far-reaching action justify nationwide attention, I request unanimous consent to insert in the body of the RECORD, articles from the New York Herald Tribune, and the Journal of Commerce, describing this important development.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 26, 1957]

SHIPPING OFFICIAL GIVES LIFEBOAT CUP

Millard G. Gamble, president of Esso Shipping Co., presented yesterday a sterling silver cup to the International Lifeboat Race Committee to be used as a trophy for the annual lifeboat races which are held in the port. This year's race is scheduled for May 30, Memorial Day. The trophy presentation was at a luncheon in the New York Yacht Club, attended by members of the lifeboat committee. Mr. Gamble, in turning over the trophy to Granville Conway, president of Cosmopolitan Shipping Corp. and chairman of the race committee, said the race is one of the cleanest as well as one of the most interesting types of international competitions. Mr. Conway noted that Mr. Gamble had personally financed the cost of the trophy as an indication of sincere interest in the annual event.

The trophy will become the permanent possession of the first shipping company whose lifeboat crew wins the race three times. Last year's winner was the crew of the tanker *Esso Brooklyn* in an upset victory, with seamen from the Navy's Military Sea Transportation Service taking second place.

[From the New York Journal of Commerce of March 26, 1957]

GAMBLE GIVES RACE TROPHY

Merchant seamen of several nations will compete for a new championship trophy in this year's International Lifeboat Race. The donor is Millard G. Gamble, president of Esso Shipping Co. and vice chairman of the International Lifeboat Race Committee.

The sterling silver cup was presented by Mr. Gamble to Capt. Granville Conway, committee chairman, at a luncheon meeting as plans for the annual seamen's classic were finalized.

This year's event will be held on May 30, Memorial Day, in the Narrows off Bay Ridge, Brooklyn.

SELECTION OF AMBASSADORS

Mr. GREEN. Mr. President, the Constitution provides that the President "shall nominate, and, by and with the advice and consent of the Senate, shall appoint Ambassadors." The Committee on Foreign Relations has the responsibility of recommending to the Senate whether nominations of Ambassadors shall be approved by the Senate.

Therefore, Members of the Senate will, I believe, be interested in knowing about a letter on this subject which on yesterday I sent to the Secretary of State. The letter was sent after discussing it in an executive session of the Committee on Foreign Relations and finding that the principles expressed in it represent the views of the members of the committee.

The letter states the principle that nominees for ambassadorial posts, whether they be from the career Foreign Service or whether they be from outside the Government, should be well qualified for their assignments. Considering the position of the United States in the world today and the importance of our foreign relations to our welfare and security, this country can afford nothing less than the best available men to represent us abroad.

Mr. President, I ask unanimous consent that my letter of yesterday to the Secretary of State be printed in the body of the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 3, 1957.

The SECRETARY OF STATE,
Washington, D. C.

DEAR SECRETARY DULLES: I desire to express to you in a completely nonpartisan spirit my deep concern about ambassadorial appointments.

In view of the heavy responsibilities of the United States throughout the world and the importance to us of relations with other countries, we should have first-rate Ambassadors in every post. We choose Ambassadors both from the ranks of the career service and from outside the Government service, and the benefits of this practice can be readily demonstrated. We should not, however, accept the conclusion that some years of satisfactory service, either in the Foreign Service, or in some nongovernmental activity, automatically qualify a man to be a good Ambassador. The test in every case should be whether a nominee for a particular post is the American who can best serve the interests of this country there.

There are special problems arising from the fact that certain posts are very expensive. I am glad to have the Department's letter of March 6, 1957, stating that a study of the matter is under way. The Committee on Foreign Relations will no doubt give sympathetic consideration to such recommendations as you may make.

It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment making.

The Committee on Foreign Relations has always recognized the primary responsibility of the Executive in making such appointments and has been reluctant to refuse consent to a nomination unless there is an obvious reason to do so. The committee has on occasions given the benefit of the doubt to nominees. It seems to me, however, an insufficient reason that there is no real objection to the nomination; there should also be an affirmative reason for it, namely, that the nominee has outstanding qualifications for the position. It should be obvious in each case, whether the nominee is a career man or not, that his record, his intelligence, his background, and his attitude are such that he will ably serve our country in his assignment.

I have made this letter the subject of discussion in executive session by the Committee on Foreign Relations and it represents the consensus of all the members of the committee.

Sincerely yours,

THEODORE FRANCIS GREEN,
Chairman.

GOVERNMENT FINANCING

Mr. ROBERTSON. Mr. President, it was my privilege on last Sunday to view at Jamestown, Va., the official copy of Magna Carta first entered on the British statute roll nearly 700 years ago. It had been lent by the British Government to the State of Virginia in connection with our celebration of the 350th anniversary of the English settlement at Jamestown. It is estimated that between now and next October 6 million visitors will view what historians regard as one of the greatest existing documents in man's struggle through the centuries for personal freedom.

While Magna Carta provided relief primarily for the nobles from the oppression of King John, it laid the foundation for two of our most cherished political rights—trial by jury and control of taxation by parliament.

Long before Capt. John Smith and his little band landed at Cape Henry in April 1607, our British ancestors, commencing in 1215, had wiped out the last vestige of the ancient doctrine of the divine right of kings, had firmly established by act of parliament the judicial system of indictments by grand juries and trials by petty juries of a man's peers—a phrase taken directly from Magna Carta—and the control of the purse by parliament.

It is to be hoped that the millions who will be privileged to see the original copy of Magna Carta at Jamestown will see in it something more than a prized antique. The two major issues that will be debated at this session of Congress will be the preservation of our inherited right of trial by jury and the preservation of Congressional control of the purse and taxation.

In recent years Congress more or less inadvertently has lost much of its historic control over the purse through the authorization of funds which do not lapse in the fiscal year in which the appropriation is made. For instance, the balances of prior year authorizations available to the President for spending in fiscal year 1958 total approximately $70 billion. I ask unanimous consent to have printed in the RECORD at this point a tabulation of those balances recently prepared for the chairman of the Senate Appropriations Committee by a member of the committee staff, together with an explanation.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, April 1, 1957.

To: Senator CARL HAYDEN.
From: Francis S. Hewitt.
Subject: $70 billion backlog in Federal funds.

TOTAL BALANCES CARRIED FORWARD

Table 7 (pp. A12 and A13) of the budget shows that balances of prior year authorizations available in fiscal year 1958 total approximately $70 billion. Comparison with other fiscal years reveals the following:

	Billion
1956 (actual)	$79.6
1957 (estimate)	72.9
1958 (estimate)	70.0
1959 (estimate)	70.5

These include (1) appropriations enacted, recommended or for later transmission; (2) Treasury funds used for loans, guaranties, insurance, etc. (known as authorizations to expend from debt receipts); (3) balances of contract authorizations; and (4) balances in revolving and management funds.

TOTAL AMOUNTS AVAILABLE

To determine the total amounts available during each fiscal year, one must also include the new obligational authority made available during the year. Table 3 (p. A6) of the budget shows total amounts available (including new obligational authority, balances brought forward, and other items) to be as follows:

	Billion
1956 (enacted)	$149.1
1957 (estimate)	143.9
1958 (estimate)	143.3

BREAKDOWN OF BALANCES CARRIED FORWARD

Reverting to the earlier figure of about $70 billion available at the start of fiscal year 1958, one finds that $40,250,108,135 is in obligated balances and $29,711,289,403 in unobligated balances, or a total of $69,961,397,538.

The estimates of balances carried forward into fiscal year 1958 are broken down as follows:

[In billions of dollars]

	Obligated	Unobligated	Total
Appropriations enacted, recommended, or for later transmission	$34.3	$12.0	$46.3
Authorizations to expend Treasury funds for loans, guaranties, insurance, etc. (public debt receipts)	5.1	13.4	18.5
Balances of contract authorizations	.3	.8	1.1
Balances in revolving and management funds	.5	3.6	4.1
Total	40.2	29.8	70.0

(1) Appropriations carried forward: Of the $46.3 billion of balances available in "Appropriations enacted, recommended, etc.," $34.3 billion is obligated and $12 billion unobligated. The largest balances are found in the Department of Defense, with a total carryover of $35.4 billion; Mutual Security, with a carryover of $6 billion; and the Atomic Energy Commission, with a carryover of approximately $1,350 million. The remaining items making up the $46.3 billion are in numerous smaller appropriation accounts. Of the $6 billion for Mutual Security, about $2,255 million is carried in table 7 in the Department of Defense for procurement of Mutual Security items. Of the grand total, approximately $269 million is for later transmission.

(2) Authorizations to expend Treasury funds for loans, guaranties, insurance, etc. (public debt receipts): As indicated above, including later transmissions, about $18.5 billion may be found in balances of authorizations of Treasury funds for loans, guaranties, insurance, etc. Of this total, about $5.1 billion is obligated and $13.4 billion unobligated. Included in these amounts are large balances available as contingencies for emergencies. These include $3 billion available to the Federal Deposit Insurance Corporation for insurance on individual bank deposits, $1,750 million available to the Federal Home Loan Bank Board to assure the liquidity of the home loan bank system, $2,540 million to cover unpaid subscriptions of capital stock in the International Bank for Reconstruction and Development should the need arise, and $500 million available to the Housing and Home Finance Agency to cover flood insurance losses. Other significant authorizations include $956 million investment in expansion of defense production; $3,367,500,000 in the Export-Import Bank fund; about $500 million in the investment in the Federal Farm Mortgage Corporation; almost $1.5 billion in the low-rent public housing program fund; about $3.4 billion in investments in college housing loans, public facility loans, urban renewal, secondary market operation loans, and special assistance functions; almost $1.2 billion in the Rural Electrification Administration and Farmers' Home Administration loans, and over $1 billion in the Commodity Credit Corporation. Other smaller amounts, including $358 million for later transmission, make up the remainder.

(3) Contract authorization carried forward: Balances carried over in contract authorizations amount to a little over $1 billion, of which slightly over $750 million is unobligated and $295 million is obligated. By far the largest amount single item in this category is the unexpended carryover of over $743 million in the Housing and Home Finance Agency. A number of smaller items make up the remainder.

(4) Revolving and management funds carried forward: Balances in revolving and management funds, as stated above, amount to approximately $4.1 billion, of which $3.6 billion is unobligated. Of this total, a net balance of about $2 billion is in the Department of Defense. The next largest balance of these funds is found in the Housing and Home Finance Agency, with about $691 million carried forward into 1958, with a considerable number of smaller items accounting for the remainder.

Status of authorizations to expend from debt receipts at start of fiscal year 1958 included in 1958 budget

Agency and account	Obligated	Unobligated	Total
Funds appropriated to the President:			
Investment in expansion of defense production	$663,236,743	$292,761,297	$955,998,040
Investment in discharge of investment guaranty liabilities, Mutual Security Act	174,436,987	39,277,086	213,714,073
Total, funds appropriated to the President	837,673,730	332,038,383	1,169,712,113
Independent offices:			
Investment in Federal Deposit Insurance Corporation		3,000,000,000	3,000,000,000
Export-Import Bank of Washington fund	1,095,442,640	1,272,057,360	2,367,500,000
Farm Credit Administration: Investment in Federal Farm Mortgage Corporation		499,735,300	499,735,300
Federal Home Loan Bank Board:			
Investment in Federal home-loan banks		1,000,000,000	1,000,000,000
Federal Savings and Loan Insurance Corporation		750,000,000	750,000,000
St. Lawrence Seaway Development Corporation	53,500,000	1,500,000	55,000,000
Total, independent offices	1,148,942,640	6,523,292,660	7,672,235,300
Housing and Home Finance Agency:			
Office of the Administrator:			
Investment in college housing loans	251,415,828	297,472,495	548,888,323
Investment in public facility loans	12,963,210	83,036,790	96,000,000
Investment in urban renewal	292,283,221	659,716,779	952,000,000
Federal Flood Indemnity Administration: Investment in flood indemnity operations		500,000,000	500,000,000
Federal National Mortgage Association:			
Loans for secondary market operations		300,518,690	300,518,690
Special assistance functions fund	578,609,403	206,110,708	487,720,111
Public Housing Administration: Low-rent public housing program fund	972,487,028	783,512,972	1,456,000,000
Total, Housing and Home Finance Agency	1,807,958,690	2,833,968,434	4,341,627,124
Department of Agriculture:			
Soil bank program	2,003,480		2,003,480
Rural Electrification Administration: Loans	679,598,074	61,022,706	740,620,780
Farmers' Home Administration: Loans	9,400,447	421,332,148	430,732,595
Commodity Credit Corporation	926,350,294	120,649,706	1,047,000,000
Total, Department of Agriculture	1,617,352,295	603,004,560	2,220,356,855
Treasury Department:			
Office of the Secretary:			
Investment in International Bank for Reconstruction and Development		2,540,000,000	2,540,000,000
Investment in civil defense program	2,588,089	245,786,911	248,375,000
Total, Treasury Department	2,588,089	2,785,786,911	2,788,375,000
Grand total	6,114,215,444	13,078,090,948	19,192,306,392

NOTE.—Included are items which would be used only in the event of a serious downturn in the Nation's economy, such as the $3 billion available to the Federal Deposit Insurance Corporation for the insurance of individual bank deposits and $1.8 billion available to the Federal Home Loan Bank Board to assure the liquidity of the home loan bank system. Also included are other contingency items, such as the $2.5 billion to cover unpaid subscriptions of capital stock at the International Bank for Reconstruction and Development should the need ever arise and $0.5 billion available to the Housing and Home Finance Agency to cover flood insurance losses.

Mr. Wilfred J. McNeil, Assistant Secretary of Defense, testifying before the Senate Appropriations Committee on the 1957 defense appropriations bill (pp. 289–290), gave a number of reasons for the continued necessity for unobligated balances.

Five of the most important are as follows:

1. Shorter lead-time components: To assure that the latest technological advances are incorporated into the various components of major equipments, contracts for shorter lead-time items should be let as late as possible while still keeping delivery in phase with longer lead-time components. Funds should be reserved to assure that orders for the shorter lead-time components can be placed at the appropriate time.

2. Reserve for subsequent engineering changes: We know from long experience that practically every major item of military equipment requires engineering changes after it has been placed in production. These changes are required as a result of technological advances, improvements developed in the course of production, or deficiencies that show up during initial tests. It is sound programing to recognize the fact that the costs of these engineering changes are part of the total cost of the item and to provide in advance the funds required to meet them.

3. First destination transportation: The cost of the first destination transportation of long lead-time items which will be delivered in subsequent fiscal years is an integral part of the cost of placing such items in the inventory.

4. Initial quantities of spares and spare parts: It is sound management to order the initial quantities of spares and spare parts while the dies, jigs, and tools are available and in place, and in time to assure the successful operation of the equipment when delivered. Before funds are obligated for spares, however, definitive lists of items and quantities required are worked out with the manufacturers. This requires a period of time. Meanwhile, the necessary funds are set aside in order to assure that these items may be ordered, and will be available in inventory and at maintenance depots at the time the basic end items are delivered for use.

5. Work done after delivery: In the case of ships, after delivery has been made by the contractor, certain electronics and other equipment must be installed at the navy yard before the ship can join the fleet. Funds should be reserved to cover these installation costs.

Mr. ROBERTSON. Mr. President, it will be observed from the above tabulation that some $13 billion of the $70 billion are in the nature of reserves that designated agencies can call on in the event of an emergency. The fact remains, however, that regardless of how much the Congress may cut the pending budget the President will still have the privilege of spending vast sums of unobligated as well as obligated funds previously appropriated. I mention the spending powers which previous Congresses have delegated to the President to emphasize the need for favorable consideration of the Senate concurrent resolution to be presented today by my distinguished colleague, the senior Senator from Virginia [Mr. BYRD], for the preservation of Congressional control of taxation, because without the control of spending the Congress becomes the captive of the White House with respect to taxation.

BILLIONS FOR DEFENSE—DIMES FOR HEALTH

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Billions for Defense—Dimes for Health," written by me and published in the Oregonian Sunday magazine section of March 10, 1957. It is published in Portland, Oreg.

The article details the urgent need for greater Federal support of research into the causes and possible cures of such grim diseases as cancer, mental ailments, congenital difficulties of children, and other maladies which plague and cripple the human race, both physically and mentally.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILLIONS FOR DEFENSE—DIMES FOR HEALTH

(By Hon. RICHARD L. NEUBERGER, United States Senator from Oregon)

What America needs today is a crash program in medical research. As a comparative newcomer in the Senate I am glad to be able to serve as a private in the ranks in the war against preventable disease—including mental sickness.

What I mean by a crash program is something like what President Franklin D. Roosevelt did in setting aside some $2 billion for development of atomic energy. That program telescoped a decade of accomplishment into a few months, resulting in the most destructive weapons ever known, a power source of vast possibilities, and some real benefits to medical science.

An effort in the Senate, in which I was privileged to have a small part, has brought about the doubling of Federal funds available for cancer research at the National Cancer Institute, from $24,978,000 in 1956 to $48,432,000 this year.

Efforts toward a crash program in the realm of health have been bipartisan. For example, although I am a Democrat, I was cosponsor of a bill seeking vast increases in Federal health funds which was drafted by the Senate's lone woman Member, Mrs. MARGARET CHASE SMITH, the gracious Maine Republican.

Perhaps this is because the grim maladies which are the target respect no party frontiers when they strike. Mental illness and anguish claimed the life of Democratic Secretary of the Navy James Forrestal, a suicide from his hospital window. Cancer snuffed out the careers of Republican Senate leaders Robert A. Taft, of Ohio; and Arthur Vandenberg, of Michigan. Disease knows no politics.

Through this bipartisan effort, United States Government expenditures for all medical research were increased 85 percent in a single year, from $98,458,000 to $182,807,000.

Yet I believe we are not spending nearly enough for public health. I believe that any governmental appropriation, however large, for work in cancer research—to name only one of many urgent fields—would be supported by the American people.

In discussion on the Senate floor, Senator LISTER HILL, of Alabama, chairman of the Appropriations Subcommittee for Public Health Funds, assured me that the $48,432,000 appropriation his committee recommended for cancer research was the top figure advised by eminent medical and physical scientists.

Of course there is more to the problem than providing money. Only so much skilled manpower and only so much in the way of laboratory facilities are available for any research project.

Yet there is another viewpoint than how much money can be used effectively and judiciously.

One sultry evening in Washington last summer I was having coffee and cake on the patio with my next-door neighbor, Dr. Leonard Scheele, who recently resigned as Surgeon General of the Public Health Service.

I asked him: "What is the maximum amount of money the National Cancer Institute could spend in 1 year for research and study, with reasonable notice in advance?"

Dr. Scheele thought a moment and answered: "Half a billion dollars."

I asked him what would be the use of that much money.

"You would be certain," he answered, "that you could carry on your program from year to year without delay or interruption. Your top doctors and scientists would know their continued employment, at fair and adequate pay, was assured. They would not be tempted to break off their work to enter lucrative private practice.

"In addition you could follow every possible lead or hope, no matter how remote or elusive it might seem. You would not have to budget so carefully or pursue only the most promising discoveries.

"In a war the military often overspends because it might be fatal to the country to underspend. We could do that in cancer research if we had $500 million, or even $1 billion, at our disposal. The head of the National Cancer Institute could be as reckless in his expenditures as the commander of an army on the field of battle."

After all, is not the war against disease as important as any war in which our country has engaged?

While World War II was going on, cancer killed 2½ times as many of our people as died from enemy action. In 1 year cancer killed nearly 10 times the number of Americans who were killed in action throughout 3 years of the war in Korea.

Of Americans now living, 40 million are doomed to be afflicted with cancer. Of those 40 million, only 25 percent, in our present state of knowledge, can receive treatment that will prolong their lives.

Mental illness is undoubtedly the most pressing public health program of all. More than half the hospital beds in the United States are required for mentally disturbed men and women, and more are needed.

Just within the last few months biochemical research has opened up whole new vistas into the cause and very nature of mental illness. There is a bridgehead that should be followed up and exploited as swiftly and fully as possible. Mental illness may even be at the root of America's rising crime rate.

Isn't this a war worth winning, whatever the victory costs in terms of tax dollars?

We are spending $40 billion a year to keep ready for a possible shooting war.

Medical science has added some 10 years to the life expectancy of the average person. If now something further can be done to give people robust, mentally alert health all their years, in freedom from fear of wasting disease, it should be done quickly.

Compared to such a cosmic achievement, little else seems relatively important.

JOINT COMMITTEE ON THE BUDGET

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

PREMIER EGHBAL, OF IRAN

Mr. MANSFIELD. Mr. President, the news from Iran is that an old friend of America, Dr. Hussein Ala, has resigned as Prime Minister. As many of us know, for some years he was the Ambassador of his country to the United States, where he conducted himself creditably and efficiently.

Mr. President, I wish to call to the attention of the Senate what I consider to be a very interesting development in our foreign relations. All of my colleagues will have read that Dr. Manochehr Eghbal has just been appointed the Premier of Iran by the Shah. I find it extremely interesting to note that Dr. Eghbal, who has been, up to now, chancellor of the University of Tehran and dean of the medical school there, visited the United States, under the Department of State's international educational exchange program, only last spring. He came to this country with Mr. Norsratollah Kassemi, a professor of medicine at the University of Tehran, and Abdullah Raizi, dean of the school of engineering at the same university. These gentlemen visited the United States from the middle of February until the first week of May in 1956, and I must say I think that they got a complete picture of this country during their trip here.

During the period they stayed here they visited Raleigh, N. C.; Knoxville, Tenn.; Miami, Fla.; New Orleans; Austin, Tex.; Albuquerque, N. Mex.; Phoenix, Ariz.; Los Angeles; San Francisco; Salt Lake City; Denver; Des Moines; Rochester, Minn.; Chicago; Willow Run and Ann Arbor, Mich.; Buffalo; Easton, Pa.—where Dr. Eghbal was given an honorary degree by Lafayette College; Schenectady, N. Y.; Boston; New York City; and again Washington, D. C.

If it seems to Senators that the cities I have listed in the itinerary of these gentlemen represents a large number of places to visit in so short a time, permit me to point out that Dr. Eghbal saw the whole United States through the eyes of his most distinguished colleagues in this country. He talked, for instance, with Governors Harriman, of New York State, and J. Bracken Lee, of Utah. He conferred with Dr. Rufus Harris, the president of Tulane University in New Orleans; with Mr. Richard Herpers, secretary of Columbia University in New York; of course, he conferred with Dr. Ralph C. Hutchison, president of Lafayette College in Easton, Pa.; with Victor Johnson, director of the Mayo Foundation in Rochester, Minn.; with Dean Rusk, president of the Rockefeller Foundation in New York; with Dr. Sherman Smith, director of student affairs at the University of New Mexico in Albuquerque; with Dean C. P. Spruill, dean of the University of North Carolina; with Mr. Lee Wilborn, assistant commissioner for instruction in the State department of education in Austin, Tex.; and President Ernest L. Wilkinson, of Brigham Young University in Provo, Utah, to mention only a few. Surely one can understand that visiting so many places and talking to so many distinguished persons in this country is an enriching experience even for a man of such distinguished background as Dr. Eghbal.

I think the Department of State is to be commended for having the foresight to bring to this country such a prominent individual and one of such stature, although I might say in passing that he is only one of approximately a thousand important persons who are brought to this country each year under the foreign leader phase of the Department's educational exchange program.

It is a generally accepted fact that these cultural exchanges are of great importance from the standpoint of our relations with other countries. However, I am of the opinion that it is equally important that we Americans have the opportunity to meet these people and hear about their countries. These visits to our shores enrich our communities. Not only visits by such persons as Dr. Eghbal, but by thousands of foreign students on our campuses have a generally enlightening and enhancing effect on our educational institutions.

These exchanges make for the creative development of our country, and no country, not even ours, can retain its spiritual and political vitality if it is kept in cultural isolation.

While I cannot prove that Premier Eghbal is more of a friend to the United States because of his recent visit here, since friendship is intangible and immeasurable, we can rest assured that his being here has given him an insight into the heart of America, how American society works, and that its community spirit is everywhere. I am convinced that, whether or not he likes us more, he will certainly have a better understanding of us and a more rational basis for action in whatever he does in his present position, which has to do with relations between the United States and the great country of Iran. Surely he has more confidence in us as individual citizens, and, after all, this Nation is made up of individual citizens, and I am sure he has greater confidence in us as a nation, therefore.

Whether or not he agrees with us on every move we make in the international scene, we know that we will have a friend who is tolerant and understanding of our actions. None of us necessarily agrees with the every act of his closest friends, but when I understand my friends I certainly realize what prompts their actions, and I have a greater tolerance and understanding for them.

Mr. President, I think the great country of Iran is to be congratulated on the selection of Dr. Manochehr Eghbal as its new Premier, and I want to say I fully support the Department's educational exchange program, which makes the visits of such carefully selected persons possible. Our country has, indeed, been honored by Premier Eghbal's recent trip here.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORTON in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTH PACIFIC WATERWAY PROJECT TO DEVELOP RESOURCES OF COLUMBIA AND YUKON RIVERS

Mr. NEUBERGER. Mr. President, for two decades, the people of the Pacific Northwest have increasingly learned to recognize in the power potential of the Columbia River and its tributaries the key to the future of our region. Only a fraction of that potential, even within the borders of our own country, was developed in the 20 years during which we had a Federal power program for the Columbia River Basin. Far more hydroelectric potential, as well as flood control and other benefits, still remains undeveloped at the high upstream sites where long, deep canyons could form great reservoirs to produce power at the dam site, and to even out seasonal high and low streamflows for additional benefits downstream.

But, as an administration hostile to the Federal power program has ended the planning and construction of new Federal waterpower projects and has abandoned irreplaceable storage sites to wasteful partial development for short-run private profit, the undeveloped storage potential of another part of the Columbia Basin takes on increasing significance. That, Mr. President, is the upper Columbia Basin in British Columbia, in Canada—an area, fortunately, in which the rivers and dam sites are beyond the licensing authority of the Federal Power Commission and beyond the present administration's private-utility bias. On the Canadian reaches of the Columbia River, two potential reservoirs alone—those at Mica Creek and at the Arrow Lakes—could together store about 15 million acre-feet of the Columbia's flow. The Libby site, on the Kootenai River in Montana, offers another 5 million acre-feet reservoir, which cannot be built without Canadian consent, because much of it would flood Canadian soil. If these three projects were added to the Columbia River system, they could add as much as 2,400,000 kilowatts to the capacity of the present system, generated about 40 percent in Canada and 60 percent at downstream dams in the United States. This is equivalent to between 5 and 6 new Bonneville Dams. And unlike many of the remaining storage sites on tributaries of the Columbia in our country, Mr. President, these towering dams could be built with no risk to the famous Columbia River salmon and other anadromous fish, migrating to their spawning grounds—for since the construction of Grand Coulee, the upper Columbia River and the Kootenai have been forever barred to these cyclical travelers.

Mr. President, Congress authorized the Libby project in 1950. Our Canadian friends are eager for the early construction of the immense Mica project on the Columbia—a reservoir of 11 million acre-feet which would offer unequaled regulatory storage for the entire river below, without flooding out any substantial existing improvements. Neither of us can proceed without the agreement of the other on the benefits to be attributed to the share which each contributes to the economic feasibility of each project. Negotiations on this question have been deadlocked at least since 1954, the date of the second United States application to build the Libby project, which has never been approved by the Canadian section of the International Joint Commission. Yet both Canada and the United States would benefit from the construction of these great river projects. The deadlock must be broken.

COLUMBIA IS MAJOR RIVER SYSTEM FOR POWER PRODUCTION

Mr. President, we have succeeded before in finding the bases and the instrumentalities for agreement on vital water resource matters of common concern. The St. Lawrence Seaway Authority, for instance, is the outstanding recent precedent of United States-Canadian joint action for the mutual benefit of both and the individual benefit of each. What was accomplished by agreement on such joint action on the St. Lawrence can surely be matched by similar agreement on the great international waterways of the north Pacific slope of our continent. I am making this speech today to offer a proposal toward this end.

Mr. President, I submit, for appropriate reference, a resolution and I ask that it be printed in the RECORD.

There being no objection, the resolution (S. Res. 121) was received and referred to the Committee on Foreign Relations, as follows:

Resolved, etc.—

Whereas the United States and Canada share mutual interests in the conservation and the early, comprehensive, and wisest development of the great resources of the international waterways of the Northwestern United States, Canada, and Alaska for all their potential beneficial uses; and

Whereas the best planning of these uses on the basis of geographic, physical, and engineering data, without regard to national boundaries, must be reconciled with adequate protection for the respective national interests of the United States and Canada in these shared resources; and

Whereas both the mutual and the respective national interests of the United States and Canada may be best advanced by the creation of a joint agency charged with adequate authority for supervising the planning and the operation of development projects on these international waterways, and the fair allocation of the costs and benefits thereof to the United States and Canada: Therefore be it

Resolved, That the President is requested to enter into negotiations with the Government of Canada with a view to the establishment of a North Pacific International Waterways Agency to assume, for the international waterways of the North Pacific watershed, the functions of—

(1) Planning the development of international waterway projects to assure the best beneficial uses of the resources of these waterways;

(2) Coordinating the operation of international waterway projects in integrated systems for flood control and other system benefits;

(3) Accounting and allocation, as between the operating agencies concerned, of the

costs and benefits of planned and existing international waterway projects on the basis of all geographic, physical, economic, and financial factors contributing to these costs and benefits.

SEC. 2. Definitions: As used in the resolution—

(a) North Pacific watershed means the area on the Pacific slope of the North American Continent which sheds into the Bering Sea or the Pacific Ocean north of the 42d parallel.

(b) International waterway means any river which crosses an international boundary, either before or after the construction of artificial project works, and any tributary which contributes to the flow of such a river across an international boundary.

(c) International waterway project means any artificial development on an international waterway which substantially affects or is affected by the flow of an international waterway.

Mr. NEUBERGER. Mr. President, the Senate resolution I have submitted would request the President to enter into negotiations with the Government of Canada for the creation of a new agency representing our two nations, to plan and coordinate the development of the vast water resources which we share in the Pacific Northwest sector of the North American continent. My purpose in introducing this proposal is to seek a fresh approach to a problem which has now, for several years, stalemated progress on the development of these immense resources—for flood control, for industrial power development, and for other beneficial uses. This is the problem of a fair allocation between our two countries of the costs and benefits attributable to the development of the river systems of the Pacific Northwest, which flow from the glaciers and snowfields to the Pacific Ocean without respecting the manmade international boundaries they cross on their way.

Mr. President, the largest of these river systems is composed of the Columbia River and its tributaries. The Columbia is the main artery of a drainage basin which contains 259,000 square miles, almost all in the 4 States of the Pacific Northwest and in the Canadian province of British Columbia. Of the 1,210-mile length of the Columbia, the first 465 miles are in Canada. The magnitude of the contribution of the Canadian stretch of the Columbia, and of its Canadian tributaries, is also indicated by the fact that of the 180,100,000 acre-feet of water which the Columbia discharges into the Pacific Ocean, 62,400,000 acre-feet enter the United States. Important segments of many of the Columbia's tributaries, such as the Okanogan, Kettle, Pend d'Oreille, Flathead, and Kootenai Rivers, also come from the Canadian part of the watershed.

IRREGULAR FLOW IS FACTOR IN COLUMBIA'S POWER OUTPUT

The flow of these great rivers in the Upper Columbia Basin naturally plays an important role for the downstream portion of the basin in the United States. Moreover, the extreme seasonality of this flow, in its present natural, unregulated state, has crucial significance for flood control and for the production of hydroelectric power in the lower basin. The average flow of the Columbia River at the international border at its annual maximum is 10 times as great as its annual minimum. These enormous fluctuations are the basic reason why regulatory upstream storage in Canada is important to the United States—and why the downstream power dams in the United States are important to the economics of such storage development in Canada.

At the present time, Mr. President, not a single dam has been built across the Columbia River in Canada. The potential benefits inherent in development of the upper basin are going to waste, to the detriment of the people of both British Columbia and our own Pacific Northwest. Increasingly, in recent years, our Canadian neighbors have become eager and ready to begin, in their portion of the Columbia Basin, the kind of comprehensive development of a system of multipurpose river projects which for 20 years we so successfully carried on below the border. Although it is clear that this development could be of immense benefits to both our countries, it has been and is being delayed by a continuing deadlock over the division of these benefits, which for several years has been the subject of controversy within the International Joint Commission representing the United States and Canada in matters of waters flowing across the boundary.

Mr. President, the unique significance of this issue to the future development of the region of North America where I live, and of the State which I am privileged to help represent here, has caused me to devote much attention to it since I came to the Senate 2 years ago. As a writer on Western subjects, before my election to the Senate, I had traveled widely in the areas of Canada and Alaska which would come within the terms of my proposed resolution, and I have some familiarity with these areas. In the fall of 1955, the distinguished chairman of the Committee on Interior and Insular Affairs, the senior Senator from Montana [Mr. MURRAY], requested me to visit British Columbia, as a member of the committee, in order to inquire into the problems of the future development of the upper Columbia Basin which were apparently defying solution by the International Joint Commission. I made this trip between October 17 and October 25, 1955, and submitted a written report to the chairman on December 9.

My journey on behalf of the committee took me to Vancouver, to Revelstoke, to Boat Encampment at the big bend of the Columbia River, to the Arrow Lakes, Nakusp, Nelson, and Castlegar, back to Vancouver, to the Provincial capital of British Columbia at Victoria, and to Seattle, Wash. In the course of this journey, I visited the sites of the major projects under consideration for the Columbia River in Canada, and I spoke with many Canadian leaders in the national and provincial governments, in industry and trade, in the press, and with Canadian and American engineers.

CANADA HAS BEEN STUDYING DIVERSION OF UPPER COLUMBIA

These conversations, and the interest I found everywhere in Canada on the subject of my inquiry, showed that our Canadian neighbors were far more alert than we have been to the immense significance of the manner in which the vast untapped resources of their section of the Columbia River will be developed. This has become even more true during the intervening 18 months.

I was impressed particularly by three facts which emerged very clearly in the course of my study of the situation: First, the vast magnitude of the potential involved, in the form of possible upstream water storage in the upper Columbia Basin and the hydroelectric power benefits which might be derived from the development of this storage. Second, the determination of our Canadian friends to plan and carry out this development so that the greatest possible benefit from Canadian resources will result for Canada itself—in cooperation with the United States if possible, without us if necessary. This determination led the Canadian Government to expend several hundred thousand dollars on a study of a possible diversion of part of the Columbia's flow into the Fraser River, so that downstream benefits from Canadian storage projects might be developed at dams wholly in Canada. Third, the apparent inadequacy of the International Joint Commission as an instrument for the settlement of issues of the magnitude and the controversy of those arising out of the development of an international river system as large as those of the American Northwest.

Mr. President, the International Joint Commission was created in 1909 to deal with the much more limited issues arising out of boundary waters in those days, before the time of multipurpose waterpower projects and integrated water resource planning for flood control, irrigation, power, navigation, protection of fisheries, scenery and recreation, and other possible benefits. It was designed as an expert, advisory body, to deal with issues which lent themselves to solution on the basis of largely technical and legal considerations—not as a diplomatic, negotiating body. The United States personnel appointed to it have not been officers of our foreign service, or even subject to confirmation by the Senate. Nor is it an adjudicating agency, or one which can otherwise reach binding decisions.

The three facts I have cited convinced me that the progress, or lack of progress, of plans for the upper Columbia Basin deserved attention in this country on a much higher level than it had so far received—attention commensurate with that given it in Canada—and particularly because of the serious threat which the diversion of Columbia River waters contemplated by the Canadians would pose to the future development of the lower basin in our own Pacific Northwest. My concern was heightened by the fact that the chairman of the American section of the IJC, ex-Gov. Len Jordan, of Idaho, like the administration which appointed him to this key post, has not been noted as a champion of the Federal power system in the Pacific Northwest.

REPORT PROPOSED NEW LEVEL FOR COLUMBIA NEGOTIATIONS

Accordingly, at the conclusion of my study for the chairman of the Committee on Interior and Insular Affairs, I suggested that hearings be held on the status of plans and negotiations for upper Columbia development, and I submitted six other recommendations bearing on this matter. I ask unanimous consent that these recommendations from my report of December 9, 1955, be printed in the RECORD at this point.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

1. That responsibility within the United States Government for these important negotiations be raised from the level of a purely advisory committee like the United States section of the International Joint Commission and be explicitly assumed by the policy-making executive departments themselves.

2. That as long as United States members of the International Joint Commission are to play roles at least comparable to those of senior officers in the Foreign Service, their appointments be made subject to confirmation by the United States Senate.

3. That in its hearings, this committee thoroughly examine the past and recent statements by Governor Jordan on river development, with a view to determining if his profound bias and prejudice on issues of Federal power policy disqualify him from representing us in seeking further capacity for downstream Federal projects in the United States.

4. That this committee recognize as an important objective of negotiations with Canada the urgent need for upstream storage to provide effective flood control for the Columbia River farther downstream, particularly in view of the present administration's irresponsible abandonment of great floodwater storage reservoirs such as Hells Canyon on the Snake River, the main tributary of the Columbia in the United States.

5. That pending the active pursuit of agreement with Canada on the development of the upper Columbia River, the Congress act wisely and promptly to preserve for early Federal development the upstream storage sites in the Columbia River basin within the United States. Especially it would be an unconscionable tragedy to sacrifice forever, in return for the small 1 million acre-feet private project favored by the present administration, the 4 million acre-feet of invaluable storage at Hells Canyon, wholly within the United States, while the storage potential of the upper Columbia is in danger of being forever lost to the United States through diversion into the Fraser River, wholly within Canada.

6. That this committee express its firm intent that, in our negotiations with Canada, no effort be spared to arrive at the best possible program for the development of the upper Columbia River—beginning now with the construction of the Libby and Mica projects—so as to maximize the mutual benefits to both countries which share this unique resource. Such a determined and constructive effort must give frank and open-minded consideration to the fair allocation of upstream costs and downstream benefits attributable to upstream storage—including possible sharing of benefits in generated electric power.

Mr. NEUBERGER. Mr. President, I might say, parenthetically, at this point that nothing has occurred during the last year and a half to cause me to alter my analysis of the situation. So far as the Pacific Northwest is concerned, the problem has only intensified in that time, during which the Eisenhower administration has continued its fight against Federal full development of our water resources, at Hells Canyon and elsewhere, in defiance of the clear preference of the people of the region. In Canada, on the other hand, public interest and eagerness to act is steadily increasing.

Mr. President, the hearings I suggested were held in the spring of 1956, jointly by the Committee on Interior and Insular Affairs and by a special subcommittee of the Committee on Foreign Relations, of which the able junior Senator from Minnesota [Mr. HUMPHREY] served as chairman. Extensive testimony was taken from Chairman Jordan, of the International Joint Commission and other administration witnesses, as well as private groups interested in phases of river development in the Northwest. The almost 400 pages of the hearing record contain a wealth of technical data, exhibits and other information indicating both the complexity of the problems involved, and the unique values which are at stake in their solution and settlement. A review of these problems would be wholly beyond the scope of this speech, although I shall refer later to some of the flood-control and power values involved.

At this point, Mr. President, I ask that there be printed in the RECORD the first interim report on these hearings submitted to the Senate by the chairman of the Committee on Interior and Insular Affairs, on December 10, 1956, so that I may refer to it subsequently.

There being no objection, the first interim report (No. 2831) was ordered to be printed in the RECORD, as follows:

FIRST INTERIM REPORT

The Senate Committee on Interior and Insular Affairs held joint hearings with a special subcommittee of the Senate Committee on Foreign Relations, consisting of Senators AIKEN, LANGER, MANSFIELD, MORSE, and WILEY, with Senator HUMPHREY as chairman, on March 22, 26, 28, and May 23, 1956, for the purpose of giving consideration to the national and international problems involved in obtaining maximum beneficial development of the Columbia River in Canada and the United States.

These hearings were held on the recommendation of Senator NEUBERGER, after he had made a preliminary investigation of and report on the problems involved at the request of the chairman in the fall of 1955.

At these hearings, representatives of the major executive departments and agencies concerned with the development of the Columbia River testified, including the Corps of Engineers, the Department of the Interior, the Federal Power Commission, and the Department of State, as well as the private groups and agencies directly interested.

A great deal of substantive information was brought out in these hearings concerning the problems of maximum development of the Columbia River system, and the committee obtained considerable insight into the relationships between the Federal agencies directly concerned in policy formulation in our negotiations with Canada on the subject. This material is available in the printed record of the hearings.

Senator NEUBERGER's primary recommendation in the preliminary study report on this problem, in view of the apparently unbreakable deadlock which had developed in the International Joint Commission over the issues in controversy between Canada and the United States—such as the construction of the great Libby Dam project in Montana, which was authorized in the Flood Control Act of 1950 and has since been at the top of the Army engineers' list of priority projects in the Columbia River Basin—was that responsibility within the United States Government for the negotiations between the two countries be raised from the level of a purely advisory committee like the United States section of the International Joint Commission and explicitly assumed by the policymaking departments themselves. It was a matter of great satisfaction to the committee to learn on the last day of the hearings that the Governments of Canada and the United States were that day announcing their intention to make the problems regarding the use of waterpower on rivers crossing the international boundary the subject of a special joint study and discussion between representatives of the two Governments.

In view of the direct and continuing interest of this committee and the Congress in the proper development and use of the waters of the Columbia River, and because of the immense importance of this problem to the future of the entire Pacific Northwest, it is planned to continue these hearings during the 85th Congress. It is particularly the hope of the committee in this way to keep the Congress informed on the progress of the current negotiations with Canada as well as to develop additional information on the best method of obtaining maximum development of the great resources of the Columbia River, both in Canada and the United States.

Mr. NEUBERGER. Mr. President, it is of interest that during the course of the Senate hearings, a decision was reached by the administration to transfer the stalemated discussions with Canada from the International Joint Commission to a new level of direct negotiations between representatives of the two National Governments, to be carried out on our behalf by an officer of the Department of State. This announcement, which was made on the last day of the Senate hearings, May 23, 1956, was stated to be in response to a suggestion made by the Prime Minister of Canada, the Right Honorable L. S. St. Laurent, to President Eisenhower, when they met at White Sulphur Springs, W. Va. I ask unanimous consent, Mr. President, that the announcement issued on May 23, 1956, be printed in the RECORD at this point.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

The Canadian and United States Governments have decided to examine together the subject of waters which flow across the international boundary between the two countries. The last time both Governments examined this matter thoroughly together was before the conclusion of the Boundary Waters Treaty of 1909. During the 46 years which have elapsed since its ratification the International Joint Commission which was established by the treaty has worked with outstanding success in solving water problems within the framework of this treaty. It has recently appeared, however, that the development of the resources of such basins as the St. John, the Columbia, and the Yukon, requires, among other things, the solution of various complicated legal, economic, and engineering questions.

In agreeing to examine the matter of waters which cross the boundary, the two Governments realize that there may be no easy

er quick answer to the problems which are arising today in such areas and that the studies may reveal that the Boundary Waters Treaty of 1909 is sufficiently broad to meet present problems. The two Governments believe, however, that a full and confidential exchange of views may contribute to the resolution of these problems, and it is in this spirit that the discussions have been agreed to. At the same time the two Governments desire that the International Joint Commission shall press forward its studies under the Columbia River Basin reference of 1944 and the other similar references which it has under consideration.

Mr. NEUBERGER. I might add, Mr. President, that this announcement also seemed to follow my original recommendation of December 1955, that the responsibility for the negotiations be lifted from the purely advisory International Joint Commission and explicitly assumed by the policymaking executive departments themselves.

FRESH START NEEDED TO PUT GREAT RIVER TO WORK

When this announcement of new negotiations was read at the May 23 hearings by Mr. Marsells Parsons, Jr., of the Department of State, I asked him what sort of representation was contemplated on the part of the United States in these new negotiations. Mr. Parsons said that, "As far as the Department of State is concerned, it is our hope that a Deputy Assistant Secretary would represent the Department."

As of last May, then, Mr. President, there was reason to hope that we would soon have a new departure in the search for agreement on upper Columbia Basin development. Unfortunately, however, nothing has happened since that time to nourish that hope. Naturally, the Department of State had to have expert assistance in the preparation of the United States position in the negotiations. The task was to be entrusted, in the customary manner, to a subcommittee of an existing Interagency Committee on Water Resources, composed of about the same agency representatives which heretofore had made United States policy. Governor Jordan put on a new hat and became chairman of this new subcommittee. No visible progress has been made in 9 months toward substantive agreement. To the best of my knowledge, no substantive negotiations have actually taken place. About 2 weeks ago, I understand, some preliminary, lower level discussions were held to try to set a time, place, and agenda for eventual negotiations, but these have not been announced. In other words, Mr. President, we are no further ahead than we were 2 years ago, although we of course, still hope for action.

Mr. President, I have briefly reviewed the recent history of the international problems of upper Columbia Basin development, and of the Senate's concern with these problems, as necessary background for the proposal which I have embodied in the resolution I introduce today.

NEW JOINT AGENCY NEEDED TO SETTLE CONTINUING PROBLEMS

In essence, my proposal is that the negotiations between the United States and Canada, which I hope will soon get actually underway, be pointed toward the establishment of a new international agency representing our two nations, which should be charged with sufficient authority to perform the functions of planning, of coordinating, and of allocating the costs and benefits of the development of projects on the international rivers which require the agreement of both Canada and us. I believe this, rather than detailed agreement on division of the particular downstream benefits which may in the future be attributable to particular, proposed Canadian storage reservoirs, should be the objective of these negotiations.

The agency I propose would not imply abolition of the International Joint Commission. It would supersede the functions of the International Joint Commission with respect to international waterways within the specific territorial limits I have spelled out. Those territorial limits, by the definition of section 2 of my resolution, would bring within the authority of the proposed agency all rivers which cross an international boundary, and any tributaries which contribute to the flow of such a river across an international boundary, in the watershed which discharges water into the Bering Sea or the Pacific Ocean north of the 42nd parallel. To give the agency jurisdiction over all possible river developments which have an essential international aspect, my definition also covers rivers which would cross a national boundary after the construction of artificial projects, even if they do not do so in their natural channel.

MAXIMUM USE OF RIVER REQUIRES COOPERATION BY BOTH COUNTRIES

To understand why I believe it necessary to establish a new agency to supersede the functions of the International Joint Commission with respect to the development of these international waterways, it is necessary to consider the issue which has deadlocked the efforts of the International Joint Commission to agree upon a proposed plan of development for the upper Columbia River to recommend to the respective national governments. This issue is generally referred to, in brief, as the question of downstream benefits. This is not a technical or an engineering issue. It is one of finding a fair allocation of the economic benefits resulting from the regulation of streamflow by upstream storage. It results from the fact that these economic benefits are the product of both the volume of streamflow and the vertical distance which it drops in its journey toward the sea—the so-called head of the stream. For example, at its crossing of the international boundary, the Columbia River is 1,292 feet above sea level. The full benefits of the storage obtainable in the Canadian portion of the basin can only be achieved because of the presence south of the boundary of the many huge hydroelectric dams which have been built by the United States Government over the past 20 years. The additional hydroelectric power generated at these downstream dams, along with flood control provided for residents along the banks of the lower river, constitute the downstream benefits of upstream storage. Without them, the full development of upstream storage reservoirs would not be economically feasible. The difficult question is to determine a fair division of these downstream benefits between the upstream and the downstream nations, when the resources of both are essential to the achievement of these benefits, or alternatively, to establish fair payment from the downstream beneficiaries to the providers of the upstream storage.

In other words, Mr. President, in the absence of any upstream development on the Columbia River in Canada, our Federal power system on the Columbia River is operating at far less efficiency than would be possible with Canadian storage. This is a continuing economic waste, in addition to subjecting us to the continuing flood dangers which could be reduced by upstream storage reservoirs.

On the other hand, if it had happened that Canada had developed earlier than the United States, and that the American people had not already invested many hundreds of millions of dollars in the construction of dams on the Columbia River, the construction of the large upstream storage projects possible in Canada would not be feasible at all. It is clear that both upstream and downstream projects are needed for the best and fullest development. If the entire basin were in a single country and its development planned by a single authority, that development could proceed upon the application of technical and engineering standards, with full consideration to such other noneconomic values as might affect the decision to build or not to build certain projects. If we want to make full use of the marvelous natural resources which we share with the people of British Columbia in the Columbia River Basin and in other international waterways of the vast and undeveloped Pacific Northwest of this continent, their development should similarly be planned without respect to man-made national borders. These borders, nevertheless, do exist, and we are thus confronted with the necessity of arriving at some allocation, as between the people who live on different sides of these borders, of the benefits of such integrated river development, which could not be undertaken by either nation without the cooperation and without the resources of the other.

NEW AGENCY WILL PLAN ALL ADDITIONAL PROJECTS

Mr. President, I shall not recite all of the arguments which have been made and all of the formulas which have been proposed to show that this or that factor is more important than another in allocating downstream benefits or in placing a fair value upon the contributions made to them by stream flow, head, or capital investment. Obviously, there are many geographical, physical, economic, and financial factors which must be taken into account. It is my proposal that a new joint Canadian-American agency, with a single expert staff chosen by it, should be given full responsibility for seeing to it that a program of development of international waterway projects is set into motion, and that this agency

simultaneously maintain continuing responsibility for allocating, on the basis of all relevant factors, the costs and the benefits of carrying forward this program among the actual participating operating agencies.

Mr. President, such an agency need not itself build projects, or own projects, or finance projects. The manner in which this may be done, I would leave to the decision of the respective Governments. Such decisions may or may not be entrusted to the agency.

What we must have, however, is an agency which can keep accounts, as a continuing function, of present and prospective power output attributable to upstream storage reservoirs and to downstream installations, and which can settle the allocation of the power and of the money received from its sale. Such allocations cannot reasonably be expected to be made once and for all time. The effort to do this has already unconscionably delayed the great Libby project on the Kootenay River in Montana, the reservoir of which would cross the border into British Columbia, and it is apparently delaying the great Mica project on the big bend of the Columbia River, in Canada, which is recognized to be the key project on the upper Columbia River.

Perhaps, on the basis of load forecasts, it might be determined that the first downstream benefits from Canadian storage should be predominantly used in the United States markets, in return for money contributions to the heavy capital investment needed for the construction of upstream storage projects. As British Columbia continues its fast and impressive development, perhaps an increasingly larger share of the downstream benefits may be needed there, with corresponding adjustments in financial accounting. There will never be any easy or obvious answers to the complexities of allocation of benefits to which two nations have made essential contributions in terms of both physical resources and capital investment. But some answers must be found, if development is to proceed in the interest of the people of both countries. I believe that they can be worked out better by a responsible, continuing agency, in the light of changing conditions, than they can in a single treaty; and the specific responsibility given such an agency to plan and to coordinate actual waterway development will serve to avoid destructive and wasteful delays while elaborate formulas are worked out for every single project.

Mr. President, I have said earlier that the people of Canada are ready and eager to proceed with the beneficial development of their own great, unused resources in the upper Columbia Basin and elsewhere in British Columbia. They know that British Columbia stands today about where the Pacific Northwest of our own country stood 25 years ago, when not one single major, multipurpose dam spanned the Columbia River. The Canadians have watched the development of the lower Columbia Basin during the subsequent 20 years, and they have learned from it. They see themselves today on the eve of great developments in the field of hydroelectric power. We must remember that British Columbia has already built an impressive economy, including much industry without generating a single kilowatt on either of its two mighty rivers, the Columbia and the Fraser. They see almost unlimited opportunities ahead in bringing the potential of the Columbia into a great, provincial power network.

CANADIANS NOT AFRAID OF PUBLIC INVESTMENT IN RESOURCE DEVELOPMENT

As recently as 10 days ago, the Canadian National Government announced it is to make a major investment—a very large investment for Canada—in the development of the upper Columbia. I should make it clear, by the way, that in Canada, contrary to our Constitution, natural resources are deemed to be provincial rather than national property. Naturally, it is not for us to get involved in questions of the internal arrangements within Canada for the financing and control of major resource development. It is extremely significant, however, that at a time when our own administration has ended a successful policy of Federal investment in the development of basic national water resources in the Pacific Northwest, the Canadian National Government is announcing its willingness to enter upon such a policy of national investment. This proposal, made by the Canadian Minister of Fisheries, was discussed on the floor of the House of Commons in Ottawa on March 26, 1957. I ask unanimous consent, Mr. President, that the statement of the Minister of Fisheries, as it appears in the Hansard—which is the official congressional record of the Canadian Parliament—for that date, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In 1955, Parliament passed the International River Improvements Act giving the Federal Government jurisdiction over works constructed on rivers crossing the international boundary, and over the flow of water from these rivers across the boundary. The purpose of the act is to assure maximum power development in Canada from such rivers, and maximum power return to Canada from downstream power development in the United States as a consequence of water storage in Canada.

The International Joint Commission has endeavored to negotiate an agreement on the division of these downstream benefits, but little progress has been made. To expedite a settlement, the Government of Canada and the Government of the United States entered into direct negotiations at Ottawa on March 19, this year. An early agreement will speed up industrial development in both British Columbia and the Northwest States, and will save the Fraser River fisheries from the threat of power development.

Once agreement is reached on the division of power between the two countries, it will be the responsibility of the Provincial government of British Columbia to decide whether privately owned or publicly owned agencies are to develop this power on the Canadian side, and to distribute the power received from the United States in return for downstream benefits derived from Canadian water storage.

This project will be a vast one, entailing large-scale investment. Normally power development within a province is the responsibility of the Provincial government. Parliament, however, has given the Federal Government a measure of jurisdiction over the Columbia River as an international stream, so the Federal Government has a measure of responsibility, too, which it has accepted so far by spending almost $5 million on engineering surveys.

If, after international agreement has been reached, the Provincial government should decide on public development of this great power potential and needs assistance in financing, the Federal Government will be prepared to assist in the same way that it has joined with the government of Ontario in constructing the interprovincial gas pipeline across northern Ontario, and has offered to assist the governments of Nova Scotia and New Brunswick to build an interprovincial power grid linking the thermal powerplants of Nova Scotia with the hydroelectric powerplants of New Brunswick. Such assistance is not indirect, by way of subsidies, grants, or guaranty of bonds, but by direct participation either in joint crown companies or Federal crown companies doing specific sections of the development. Since this project will unquestionably be self-liquidating, the Provincial government can over the years buy out the Federal Government's interests in the usual way.

The most obvious advantage in this course, is the fact that the Federal Government can finance such work at considerably less interest charges than either the Provincial government or private power companies, with consequent savings to the consumer.

This is but another example of the way the Federal Government is willing to encourage sound economic development in every part of the Nation.

Mr. NEUBERGER. Mr. President, I wish to draw particular attention to the last two paragraphs of this statement. Let me read them again:

The most obvious advantage in this course is the fact that the Federal Government can finance such work at considerably less interest charges than either the provincial government or private power companies, with consequent savings to the consumer.

This is but another example of the way the Federal Government is willing to encourage sound economic development in every part of the Nation.

We might wish, Mr. President, that our own National Government had learned the lesson of the advantages of Federal development as well as have the Canadians who have watched the success of the precedence which we developed in this country between 1933 and 1953. This proposal by the Canadian Government has been hailed by the press, including very conservative newspapers in Canada. The Vancouver Province, referring to the precedent of the North West Power Pool, operated under the leadership of the Bonneville Power Administration, said editorially on March 27:

This is the proven modern way of organizing area power resources to serve the greatest number cheaply and efficiently, and to secure the greatest area growth.

In a Canadian Columbia River Authority, the main business would be to provide and transmit power to existing utilities. By doing so their systems would not only be assured of ample power for operations and expansion, but this would be done on the cheapest basis possible, as is also proven by the experience of the North West Power Pool.

This is a vast new undertaking for Canada.

It is bigger than the fortunes of any single agency, or group of politicians. Nothing should be permitted to stand in the way of its proper realization.

The Vancouver Sun reports the statement of the Minister of Fisheries that public financing will result in cheaper power, and that the Federal Government can borrow money more cheaply than either the province or private interests and concludes that the urgency of Columbia development demonstrates the need to get planning started quickly on financing as well as engineering. An editorial in the Victoria Times for March 27, 1957, states that:

If the necessary funds can be borrowed by the Federal and Provincial Governments jointly, the lowest possible interest rates will be paid and the consequent savings will be handed on to the consumers in the form of electrical rates.

It concludes that,

When the Federal Government agrees to finance a large part of the cost of developing the Columbia's electrical power, provided it is developed under public ownership, it would be folly to reject this proposal;

and further—

Both governments, therefore, should consider the possibility of some form of Columbia River authority, entirely divorced from politics, like the administrative system followed so successfully by our neighbors on the lower Columbia and other power streams.

These are matters of detail. The important thing at the moment is to make sure that British Columbia secures the heavy savings possible, in the form of low interest rates, from a Federal contribution to the capital cost.

Mr. President, what a contrast this is to the attitude of some of our own press in the Pacific Northwest, where some influential newspapers have fought a last-ditch battle against a Federal-power program in our own region that has been and could be a much-needed economic prop for our underdeveloped economy.

Mr. President, the recently announced readiness of the Canadian Government to make a substantial financial investment—according to reports, perhaps as much as $300 million—in the upper Columbia Basin underscores the urgency of reaching as soon as possible some form of agreement between the United States and Canada to permit these developments to proceed. I believe the creation of a permanent administrative agency such as my resolution contemplates offers the best basis for an agreement which will stand the test of time, and which can meet the continuing issues that necessarily arise in the planning and operation of international waterway systems. I have already cited, in this speech, the first interim report made on this problem by the eminent chairman of the Committee on Interior and Insular Affairs, after last year's hearings. This report announced that "it is planned to continue these hearings during the 85th Congress," so as to "keep the Congress informed on the progress of the current negotiations with Canada as well as to develop additional information on the best method of obtaining maximum development of the great resources of the Columbia River, both in Canada and the United States."

HEARINGS SHOULD BE HELD THIS YEAR ON RESOLUTION

I hope, Mr. President, that the joint hearings of the Committee on Interior and Insular Affairs and the special subcommittee of the Foreign Relations Committee may soon be resumed, and that my proposed resolution will be appropriately referred so as to permit it to become the subject of these hearings when they are resumed. I know that these problems are of special interest to both the chairman of the Committee on Interior and Insular Affairs, as the senior Senator from Montana, and to the able junior Senator from Montana [Mr. MANSFIELD], who served last year on the special Foreign Relations Subcommittee, because of the fact that the long-stalemated Libby project will be located on the Kootenai River, in their State.

Mr. President, so far I have spoken only of the resources of the upper Columbia River Basin which might be developed in Canada, with some consequent benefit in flood control and in power generated at downstream installations in the United States. I do not want to leave the impression, however, that this is the only river and the only international water resource which is dependent on settlement of continuing thorny problems of the division of costs and benefits. The international waterways which would come within the planning and coordinating authority of my proposed agency would include many tributaries besides the Kootenai which cross the international boundary, such as the north fork of the Flathead, the Moyie, the Pend Oreille, the Kettle, the Okanogan, and the Similkameen. An excellent project which is impossible without international agreement, for example, is the Similkameen Dam, which could have flood-control benefits almost equal to those of the great Hungry Horse Dam and corresponding downstream power benefits. Yet, in the absence of agreement in an overall basin context such as my resolution contemplates, the Similkameen project may have to be abandoned for a much smaller, wasteful project wholly on this side of the boundary.

YUKON RIVER PROJECT INVOLVED IN DEADLOCK

Another whole vast river which would come within the jurisdiction of my proposed North Pacific International Waterways Agency is the Yukon River. The Yukon River rises in the Province of British Columbia only a hundred miles from the capital city of Juneau on the Pacific coast of Alaska, where the Territory reaches a long finger down along northwestern Canada. From there the great river of the north seeps 1,979 miles northward and westward across the heart of Alaska, reaching to within 1,500 miles of the North Pole itself before emptying into the Bering Sea between Alaska and Siberia. Close to its source, there are several so-called hanging lakes, which could form a large natural reservoir storing water to be diverted precipitously down to the Pacific coast. Such a development, known as the Taiya project, could become the center of an enormous light-metals smelting industry equaling that which has been built around the low-cost hydroelectric power developed at the great Kitimat undertaking in British Columbia.

This project has been extensively engineered by our own Bureau of Reclamation with the full cooperation of the Canadian Government, and a report on it was prepared and submitted in June 1951. Because of the requirements of national security, this report was classified as confidential until May of 1955, when it was made public.

No work on this project has been done since submission of the report in 1951. Recently the Probisher interests in Canada investigated completely an alternative project in the same area, which would have diverted the waters of the Yukon River into the Taku River in Alaska; the end result of this study was a decision to abandon the project as economically inferior to the Taiya proposal of the Bureau of Reclamation, a decision which affirmed the judgment of the Bureau in its earlier study.

The Taiya project is also indefinitely delayed by the inability to reach agreement on the respective national interests involved. It, too, would be an international waterway project within the definition of my proposed resolution, and it would thus come within the authority of the North Pacific International Waterways Agency that I propose.

The proposal calls for several developments to channel the flow of the lakes into Lindeman Lake, whence a 14.35-mile tunnel through the coast mountains would carry the water down into the Taiya Valley to a powerplant located on the Taiya River only six miles from tidewater, where it discharges into the Pacific Ocean. The tunnel itself would cross the international boundary between Canada and Alaska.

The powerplant would have an initial installed capacity of 340,000 kilowatts to utilize the 1,702-foot head of water which the project would provide, with provision for gradual subsequent additions to bring it up to the ultimate installation of 900,000 kilowatts. The estimated cost of $121 million would be repaid with interest within 50 years, while providing power at a cost of only 2.1 mills at site for the stimulation of private industry and the entire economy of Alaska and the Nation.

UNITED STATES FACES IMPORTANT CHOICE NOW

Mr. President, I could continue with a further recital of the vast potential resource developments which await action in the far Northwest of our continent. The immensity of the potential would make impressive statistics for the RECORD on this question. However, let me conclude by pointing out the choice before us, here in the United States.

Canada is determined, and wisely determined, to proceed with the development of its natural resources for the benefit of Canada, making use in part of the lessons of our own successful experience in this field. Insofar as international water resources are involved, we may seek to speed this development, by finding a mutually fair and effective formula which will permit it to proceed now to the benefit of both peoples. Or,

by dragging our feet, by indicating apparent indifference to whether and when the resources of the Northwest enter into the economic bloodstream of our two nations, we may delay this development, to the great loss of our own Pacific Northwest, which already suffers from the reversal of our successful one-time Federal power policies. Ultimately, we may yet drive Canadians to the conviction that the only way they can proceed is by themselves—as they almost were forced to do by the long delay over the St. Lawrence project. Then they may yet turn to the diversion from the Columbia River into the Fraser River which has been suggested by General MacNaughton of the Canadian section of the IJC, even at the sacrifice of the rich salmon runs of that river. If the Canadians should, however reluctantly, conclude that this is the only basis for an economic development of the resources of the upper Columbia Basin, irreparable damage will be done to the people of our Pacific Northwest, and a major crisis will unnecessarily have been precipitated in United States-Canadian relations.

Such a crisis, and such an unfortunate result for the people of the Northwest, must be avoided and can be avoided. The problems which have blocked agreement, like all human problems, are capable of solution and agreement, and once the decision is reached that development should go forward without further delay. I believe that the kind of new joint agency I have proposed, with adequate authority, will be able to bring about such solutions and agreement with confidence on both sides of the border that the allocation of the benefits will be fair and equitable. For that reason, Mr. President, I hope that hearings may soon be scheduled on my resolution and that the Senate will act on it, so as to stimulate an early end to the deadlock which is now blocking the progress of the Pacific Northwest—both in Canada and in the United States.

Mr. McCLELLAN obtained the floor.

Mr. AIKEN. Mr. President, will the Senator yield to me in order that I may suggest the absence of a quorum?

Mr. McCLELLAN. I yield.

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AIKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, it is so ordered.

JOINT COMMITTEE ON THE BUDGET

The Senate resumed the consideration of the bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr. McCLELLAN. Mr. President, S. 1585 is not new legislation in the Senate. I believe this is the fourth time that a bill of this kind has been considered by the Senate. Each time it has been acted on favorably, and in the last two Congresses, as I recall, it was passed by unanimous vote.

However, for the record, I should like to give the history of the proposed legislation, particularly with reference to Senate action thereon. A bill similar to S. 1585 was introduced on February 19, 1950, in the 81st Congress. That bill was known as S. 2898.

In 1952, at the beginning of the 82d Congress, a new bill was introduced, containing some minor revisions. It was known as S. 913.

After public hearings and careful consideration, the Committee on Government Operations unanimously reported S. 913 favorably.

On April 8, 1952, following full debate, the Senate passed the bill by a 55-to-8 yea-and-nay vote. It failed of passage in the House. After the House had rejected a resolution of indefinite purport for consideration of a bill similar to S. 913—which was known as H. R. 7888—preventing consideration of the proposal on its merits, the chairman of the Committee on Government Operations inserted the language of S. 913 as an amendment to the supplemental appropriation bill, H. R. 8370. That language, at the insistence of the House conferees, was stricken in conference.

Senators will recall that immediately after the House had rejected that bill, and after the Senate Committee on Appropriations had voted to report the supplemental appropriation bill, the House Committee on Appropriations asked the Senate to add a rider to the bill appropriating $500,000 with which to employ a professional staff for that committee.

When that measure reached the floor of the Senate, I offered the text of the then pending bill, S. 913, as an amendment to the appropriations bill, so as to give the House another opportunity to join in the effort to do something about the budget and to provide the Appropriations Committees with the tools they need to enable them properly to do their work.

The bill was again introduced in the 83d Congress as S. 833, under the sponsorship of 57 Members of the Senate.

I call the attention of the Members of the Senate that the pending bill has 70 cosponsors. Seventy-one Senators have joined in requesting and in sponsoring the enactment of this measure.

I ask unanimous consent to have printed in the RECORD at this point the names of the cosponsors of the bill.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Mr. McCLELLAN, Mr. ALLOTT, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BLAKLEY, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CHAVES, Mr. CHURCH, Mr. CLARK, Mr. COTTON, Mr. CURTIS, Mr. DOUGLAS, Mr. EASTLAND, Mr. ERVIN, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GREEN, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JAVITS, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KENNEDY, Mr. LAUSCHE, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. McCARTHY, Mr. McNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. NEELY, Mr. NEUBERGER, Mr. PASTORE, Mr. PAYNE, Mr. POTTER, Mr. PURTELL, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. THYE, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG.

Mr. McCLELLAN. S. 833 was reported favorably with amendments on May 19, 1953, by the Senator from Maine [Mrs. SMITH], chairman of the Subcommittee on Reorganization, after further hearings before that subcommittee. Again it passed the Senate, on May 21, 1953, under unanimous consent, and was referred to the House Committee on Rules, where no further action was taken.

Again, in the 84th Congress, a committee bill, S. 1805, which contained further perfecting amendments, was introduced by the chairman of the Committee on Government Operations, and reported unanimously by the committee. It passed the Senate by unanimous consent on May 19, 1955. This bill also failed to receive favorable consideration in the House of Representatives.

The pending bill is identical with S. 1805, except for the additional language relating to certain recommendations of the Hoover Commission. That language is found on page 8 of the bill, beginning on line 9, and reads:

Upon request of the joint committee, any agency shall submit to the Appropriations Committees of the House of Representatives and the Senate estimates for proposed appropriations on an annual accrued expenditure basis.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MANSFIELD. The distinguished junior Senator from Massachusetts [Mr. KENNEDY], who was in the Chamber until a few moments ago, has been called away on official business. At his request I am offering an amendment which would delete the language which has just been called to the attention of the Senate by the chairman of the Committee on Government Operations. With the Senator's permission I should like to offer that amendment now.

Mr. McCLELLAN. If the Chair will grant the Senator the opportunity to do so, I shall accede to his request to offer the amendment now. I merely wished to say, before the amendment is reported, that this particular amendment has not appeared in any of the preceding bills. Last year the Senate passed a bill—S. 3897—which, among other provisions, contained language to accomplish the objective of this amendment, by statutory requirement for the submission, of appropriation requests on an annual accrued expenditure basis. When the bill went to conference, the House insisted on taking that language out of the bill. Similar legislation introduced by the Senator from Massachusetts [Mr. KENNEDY], S. 434, contains provision for the restoration of the language stricken from the Senate bill in the last Congress.

The Senator from Massachusetts has requested that the amendment be agreed to, so that he may process the bill which is pending before the Committee on Government Operations. I may say that I have no objection to deleting the language, because it is highly controversial, and it may be that should it be considered on its own merits, entirely unrelated to this particular budget measure.

So I am very glad to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, beginning in line 9, it is proposed to strike out:

Upon request of the joint committee, any agency shall submit to the Appropriations Committees of the House of Representatives and the Senate estimates for proposed appropriations on an annual accrued expenditure basis.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement prepared by the distinguished junior Senator from Massachusetts [Mr. KENNEDY] be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed, in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

The bill has for its principal purpose the establishment of a Joint Congressional Committee on the Budget. As the exceptionally large number of cosponsors attests, the need for additional assistance which the Congress has felt for many years, in its examination of the Federal budget, has now become so pressing that we dare not delay action to provide this important help. I have long supported a means by which both the Senate and the House could inform themselves in detail on the day-to-day operations and programs of the Federal executive agencies. It seems to me that the Congressional power to tax and appropriate money carries with it a heavy responsibility to insure that the money is effectively spent for the purposes for which it is appropriated. I believe that no serious student of American governmental procedures would dispute that the means which are currently at the disposal of the legislative branch for its examination of the Federal budget are, and have been for some time, grossly inadequate. It is sheer folly to expect that the Congress, with a professional staff of fewer than 50, can conduct the kind of careful examination of the executive budget which takes the full time of some 450 to 500 staff members in the Executive Office of the President, not to mention the staff in the budget offices of each of the executive agencies. In short, it seems to me that there can no longer be a doubt in anyone's mind that if the Congress is to conduct a careful review of governmental programs and their costs, it must be equipped with staff facilities equal to the task. Therefore, I find myself in complete agreement with the major purpose of the legislation before us.

However, I am compelled to draw the attention of the Senate to one sentence in the bill which was added by the committee when it reported the bill. I refer to the sentence which appears on page 8, lines 9 through 12, which refers to the accrued expenditure concept. I believe that in the interest of passing legislation which will provide the Senate with appropriate staff facilities as well as passing legislation which would effect what I believe to be essential reforms in the method by which the budget is presented, that this sentence should be deleted from the bill before us.

I should like to discuss very briefly the reasons why I believe this provision in the pending bill should be stricken. I have been a strong proponent of the proposal advanced by the Hoover Commission to state budget estimates on an annual accrued expenditure basis. Together with other Senators on both sides of the aisle, I have worked in this and the last session of Congress to develop legislation which would give effect to this recommendation. Our work has not been without difficulty, particularly because to effect this reform we will have to overcome certain technical difficulties involving existing rules. I am now confident, however, after extensive work on this bill with other Members, the staff of the Congress, and the executive branch that we have a bill which will fully implement Hoover Commission recommendations and which can be reported to the Senate very shortly.

There are two principal reasons why S. 1585 should be amended to eliminate the sentence to which I have referred above. The first is that it does not meet the objective of stating budget estimates on an accrued expenditure basis. I am fearful that many Senators who are cosponsors of S. 434, a bill which would accomplish this purpose, will think that the sentence contained on page 8 of this bill would accomplish the same purposes as those of S. 434. I want to state as strongly as I can that I do not believe this to be true. In the first place, the same technical objections which were applicable to S. 434 are likewise pertinent to the proposal before us. In fact, I do not believe that under existing rules of the Senate it would be possible to give full effect to the provision relating to accrued expenditures as it stands in this bill, and therefore it would be an empty gesture for us to approach this legislation thinking that by so doing we would have changed the basis upon which budget expenditures should be stated.

In the second place, I do not believe that it is desirable to place in a single piece of legislation what in effect are two striking departures from the method and procedures by which the Congress of the United States now considers the Federal budget. The idea of a Joint Committee on the Budget is a controversial one. So also is the proposal to state budget estimates on an annual accrued expenditure basis. They should be treated as separate issues on their individual merits. Combining them is likely to detract from both and perhaps to destroy the great benefits which I believe will flow from the enactment of each of these proposals.

Consequently, I move to amend S. 1585 to delete the sentence on page 8, lines 9 through 12, which reads as follows: "Upon request of the joint committee, any agency shall submit to the Appropriations Committees of the House of Representatives and the Senate estimates for proposed appropriations on an annual accrued expenditure basis." I strongly urge my colleagues in the Senate to vote to delete this sentence so that we may consider the question of placing budget estimates on an annual accrued expenditure on its merits alone. I believe that this cardinal recommendation of the second Hoover Commission deserves our most careful and thoughtful consideration and should be debated fully by this body.

Mr. MANSFIELD. I thank the Senator from Arkansas.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD] for the Senator from Massachusetts [Mr. KENNEDY].

The amendment was agreed to.

Mr. McCLELLAN. With the striking of this language, the bill is left with exactly the same language as S. 1805, which passed at the last session of Congress.

In view of the fact that 71 Senators have sponsored the bill, I deem it unnecessary to dwell at length upon its merits. Still, for the purpose of the record, I wish to point out what the measure seeks to do and, in some respects, what I regard as the urgent need for the bill.

The purpose of the bill is to provide Congress with the internal reorganization which is necessary to enable Congress to meet its constitutional responsibilities in connection with the appropriation of funds required for the conduct of the Federal Government.

We all know that the President has the responsibility of submitting the budget to Congress. That he does annually. But in the final accounting, it is the responsibility of Congress to determine whether, when, and how the Federal revenues, the moneys of the taxpayers—the citizens—shall be spent. We cannot shirk that responsibility. We accede often to the recommendations of the executive branch of the Government and to the Bureau of the Budget. But the final responsibility rests upon Congress.

The budget which the President has submitted this year is, I believe, higher than any other peacetime budget ever submitted to Congress. There is a considerable controversy raging about it. The executive branch of the Government has used in the preparation of the budget all the facilities which Congress has provided, and apparently they are ample.

There is no way to determine the number of persons who actually work upon the President's budget. The Bureau of the Budget, which has more than 500 employees, works on the budget the year around. Also, each department, agency, and division of the Government has a budget officer and a budget staff working on the Federal budget.

But Congress, in undertaking to meet its responsibility, has less than 100 employees in both Houses who work on the budget. They are largely housekeeping employees, who do the clerical and other work necessary to keep the records of the business transacted by the Committees on Appropriations.

VISIT TO THE SENATE BY DR. CESAR ORTEGA, OF PERU

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Chair desires to call the attention of Senators to the fact that we have the honor of having as a guest of the Senate this afternoon Dr. Cesar Ortega, of Peru. Dr. Ortega is not only a world authority on cancer, who has come to visit the National Cancer Institute at the National Institutes of Health in Bethesda, but he is also both a member of the Camara Nacional de Diputados of Peru, which is the equivalent of our own House of Representatives, and he is chairman of the public health committee of that body. We are honored to have Dr. Ortega with us and hope that he will have a most pleasant and informative visit to our country.

[Applause, Senators rising.]

JOINT COMMITTEE ON THE BUDGET

The Senate resumed the consideration of the bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

Mr. McCLELLAN. Mr. President, I was pointing out the great volume of work, effort, and expense which is incurred on the part of the executive branch of the Government to prepare the budget, and the lack of effort—I use that word in the sense of the lack of opportunity to make the effort under existing conditions—on the part of the legislative branch to make the proper check and screening of the budget requests before Congress appropriates the money.

The bill seems to accomplish the objective by establishing a joint committee on the budget, to be composed of Members of the Senate and House Committees on Appropriations. The joint committee would assist Congress in exercising adequate control over the expenditures of public funds by the executive branch of the Government.

Certainly each Committee on Appropriations now could hire, if Congress would appropriate the money, whatever sized staff it might require for this purpose. What is sought to be done by establishing a joint committee is to do for the Committees on Appropriations—the spending committees of Congress—what Congress did many years ago for the House Committee on Ways and Means and the Senate Committee on Finance, namely, the creation of one staff to do the research, investigation and other work for both committees.

The plan has worked well. It has been of tremendous benefit to the two taxing committees of Congress to have a joint staff continuously working, searching, and doing what is necessary to inform the members of those committees what the impact of a particular tax would be and where the loopholes would be, and in performing many other services for the two committees.

If it is important, if it is, as it has been, advantageous, to have a joint staff to assist the two taxing committees of Congress, does it not stand to reason, and is not the proposal supported by logic, that the spending committees of Congress likewise should be equipped with experts, accountants, and others who can go into the agencies of the Government, examine the books, observe the staffs which are at work, and ascertain where waste may be and where savings can be made?

We in Congress are helpless. There are 50 members of the House Committee on Appropriations, and 23 members of the Senate Committee on Appropriations. The time of these members is fully occupied. All we can do is to hear the representatives of the executive branch of the Government who come before us to support the President's budget. They may be correct; they may not be correct. But we have no sure way to uphold or refute their testimony. Sometimes a Member of the House or a Senator may detect something and may raise a question about it. The committee may eliminate a particular item or reduce it. But of the thousands of items which are contained in the budget, very few of them receive the scrutiny which they should receive before Congress votes to pay the expenses which such items represent.

This simply means that today we are making the expenditures for our Government largely on an ex parte basis. The committees hear the persons who are interested in getting the funds to spend, but we have no testimony to challenge the requests. We are not prepared to get the testimony or facts which might refute the testimony given by the representatives of the executive branch. Neither are we prepared to check upon the accuracy of the requests or the necessity for them.

We talk about eliminating wasteful expenditures. We will never eliminate them until we have taken the steps necessary to provide ourselves with the tools with which the budget can be reduced. It may be that the budget can be cut. Requests are coming from everywhere to cut the budget. The people of the country are greatly concerned about the size of the budget. I think every Member of Congress, likewise, is concerned about the size of the budget. The President of the United States and the entire executive branch of the Government are concerned about it. Everyone is concerned about it.

But what are we going to do about it? There will be proposals to lop off so much; to make a 10 percent, across-the-board cut on every item. There is nothing judicious in such action. When we do that, we cut only 10 percent of the waste and extravagance. We also penalize that which is justified and needed, so that is not the practical way in which to reduce the budget. Cutting the budget in meat-ax fashion may be better than doing nothing at all, but certainly it is a poor substitute for what Congress can do, and should do, if it were fully informed.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I am glad to yield to the Senator from Idaho.

Mr. DWORSHAK. Mr. President, I am not a cosponsor of the pending bill, although I am in accord with its general objectives.

The senior Senator from Arkansas has rendered many valuable years of service as a member of the Senate Committee on Appropriations. He has consistently supported greater economy and greater efficiency in the operations of the Federal Government. Today he has made a persuasive appeal for a larger professional staff to study the President's budget and to point out areas where savings can be effected.

However, does not the Senator from Arkansas also recognize that the House Appropriations Committee has an extensive staff busily engaged throughout the year—although not nearly so large as the personnel of the various bureaus or divisions within the Bureau of the Budget? Furthermore, the Senate Appropriations Committee, of which the Senator from Arkansas is a member, and of which he has been a member for many years, has—as the Senator from Arkansas knows—a staff of 1 clerk, and in some instances 2 clerks, assigned to each of the 10 separate subcommittees, under the plan by which the Senate Appropriations Committee functions. That clerk studies the proposed budget of the agency whose appropriations his subcommittee is handling; and it has been my experience that the clerks are very adept and very successful in revealing instances where requested appropriations are not essential to the functioning of the Federal Government.

Therefore, I should like to ask this question: Why is it necessary to expand the staff or to create another one? The Senator from Arkansas knows as well as I do that the members of our committee generally have an adequate supply of information in regard to any specific appropriation bill, whether it be the appropriation bill for foreign aid or some other appropriation bill. We could have the entire Capitol filled with statistical information compiled by a staff such as the one which would be established under the terms of the pending measure; but what could be accomplished, unless the members of the Senate Appropriations Committee and the other Members of this body finally determined that reductions should be made in the budgets proposed for the various agencies of the Government? Staff members can submit any recommendations or findings they may desire; but the final responsibility rests upon the Members of this body, and we cannot evade that responsibility.

After serving 4 years on the House Appropriations Committee and almost 7 years on the Senate Appropriations Committee, it is my judgment that although—because of our multitude of duties and because of the fact that we serve on numerous committees—we cannot know exactly the intricate and complex parts of the proposed budgets, yet if it is determined that a reduction should be made, it can be accomplished simply by making cuts in the requested appropriations, rather than by having a large staff prepare reports, which probably never would be read by the members of the Appropriations Committee, inasmuch as it is not likely they would have the time to do so. In the future they probably would not have any more time in which to study the information to be provided by the staff proposed to be created under the terms of the pending bill, than the amount of time the Members of the Senate have had in which to make such studies in the past. For instance, I know that the Senator from Arkansas, who has been holding extensive hearings in the Caucus Room, finds it difficult to attend other hearings—including important meetings of the Appropriations Committee. Wherein will the Senator from Arkansas find that his duties have been simplified by virtue of the provisions of this measure, if it is enacted?

Mr. McCLELLAN. Mr. President, I shall be glad to answer the questions the Senator from Idaho has asked.

Most of the detail work of the Congress is done by the staffs. A committee without a staff could hardly function. The Members of this body do not have time to do the research work and the detail work that is necessary in order to obtain the information which must be had if the individual Members are to be properly informed.

I have served on the Senate Appropriations Committee for, I believe, 8 years; and I do not recall a single instance of one of the housekeeping clerks of the Appropriations Committee taking the witness stand and saying, "I have looked into this request; I know what is happening in this agency; and therefore I say to you that the requested appropriation should not be allowed."

I do not say that we are bound to accept the reports of the staff members; but I say that such reports would give us an insight and an opportunity to ask the proper questions and to conduct proper cross-examination of the witnesses who appear at the hearings, and who say that their agencies need certain appropriations.

Mr. GORE. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from Tennessee.

Mr. GORE. Is it not a fact that the very heavy and onerous burdens and responsibilities to which the distinguished Senator from Idaho has referred make it not only necessary but apparent to all that the Senate Appropriations Committee does need a staff which will examine into the validity of, and the justification for, the appropriation requests which are sent to the committee?

Mr. McCLELLAN. I thank the distinguished Senator from Tennessee. What I am trying to prevent is two very large staffs. Why is there a need for two? Every bit of information which will be gathered by the proposed investigating committee, so to speak, of the Appropriations Committee, is needed and required by the Senate Committee on Appropriations and also by the House Committee on Appropriations. So why should there be two staffs? If the staff of a joint committee can serve properly both taxing committees, why cannot a similar staff serve properly both spending or Appropriations Committees?

Instead of having a duplication of expense, we would have greater unity, and there would not be so many conflicting provisions which would have to go to conference, as is the case today. Furthermore, both committees then would act on the basis of the same information. In that way, many of the conflicts which arise today would be eliminated.

Mr. President, let us be practical about the matter. We know what happens. I am not criticizing the House of Representatives; but in the case of requested appropriations, often the House hurries through and takes a chance, in connection with the making of a cut in a requested appropriation. Then what happens?

The witnesses for the affected agency rush before the Senate Appropriations Committee and present to it evidence which they offer in an attempt to persuade the Senate committee to vote to recommend that the Senate restore the cuts which have been voted by the House of Representatives. The members of the Senate Appropriations Committee have no means of refuting those presentations; and continually the result is that the Senate finds it necessary to vote to increase the appropriations previously reduced by the House of Representatives. Then the contested items have to be sent to conference.

I do not say that the two committees should sit together. But I say that by means of the approach now proposed, there will be brought before both committees identical information on the basis of which they can exercise their respective judgments.

Mr. STENNIS. Mr. President, will the Senator from Arkansas yield to me?

THE PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Arkansas yield to the Senator from Mississippi?

Mr. McCLELLAN. I am glad to yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, again I wish to commend the Senator from Arkansas for his excellent work on the pending bill and on the subject involved. His work on this subject, both in past years and this year, has been most valuable. I desire to thank him again for making to the Senate a very forceful presentation of what amounts to more than a need; in my humble judgment it is a demand of the times.

I have had the honor of serving for a few years on the Appropriations Committee; and I have been driven to the conclusion that the only way by which we can possibly perform our primary function of legislating funds from the Federal Treasury into the respective departments and agencies is for us to have more or less the equivalent of a legislative bureau of the budget—in other words, a budget bureau of our own.

Let me say that the Senator from Arkansas is a member of the Appropriations Committee's Subcommittee on Appropriations for the Department of Defense. Let me point out that, in addition to his already very onerous and far-reaching responsibilities as chairman of another committee, within a few days he will have to pass on a bill calling for the appropriation of approximately $34 billion; and he will have to take final action in that subcommittee within a few weeks' time. It will not be possible for him to attend anywhere near all the hearings; that will be a physical impossibility. However, even if he were able to attend all of them and if he were present for every minute of every hearing, at the time when the hearings were concluded he would find that they were composed entirely of the testimony of witnesses for only one side of the case; in other words, witnesses in an ex parte hearing, as we lawyers say—such a hearing as one in which a judge might say, "I will hear all the evidence for one side, and then I will close the case, and will reach my decision."

Let me point out further that to assist the Senator from Arkansas in arriving at the proper decisions in the case of all the items included in that $34 billion appropriation bill, he will have the assistance of only one clerk. That clerk will be an expert, and will render very valuable service; but the bill will contain literally thousands of lines of items on which he could not possibly have evidence.

Mr. McCLELLAN. Does the Senator from Mississippi know of a single member of the present staff of the Senate Appropriations Committee who has checked into a single item of the bill, by going to the department concerned and checking the records or obtaining the other information necessary to be had in order to inform the Senate?

Mr. STENNIS. I do not have personal knowledge of any one of them. Perhaps 3 or 4 or 5 items may have been changed, but not more than that. If I may illustrate, we have now, before the Armed Services Subcommittee of which I am a member, a request to spend money which has already been appropriated for certain land. In one place on Long Island $15 million is involved. What chance have we to have personal knowledge of what is involved? Can Senators go and look at the land? There is another request involving twenty-odd-million dollars in Honolulu. There is no one representing the legislative branch to look into that matter. Still it is our responsibility.

I commend the Senator from Arkansas highly for what he has said. He knows the subject. I hope the bill will pass by an impressive majority, for its enactment is necessary in order to enable Congress to meet the demands made on it.

Mr. McCLELLAN. I thank the Senator from Mississippi.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from South Carolina.

Mr. THURMOND. I wish to commend the distinguished Senator from Arkansas. He is today one of the ablest and most courageous leaders of this country. His penetrating mind and clear perception of this problem is most helpful to all Senators, and I am sure if this piece of proposed legislation is enacted, it will result in the saving of millions upon millions of dollars.

I am heartily in favor of such legislation, and wish to say to the Senator from Arkansas that he is rendering the Nation a magnificent service in sponsoring this measure in the Senate.

Mr. McCLELLAN. I thank the distinguished Senator from South Carolina.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Idaho.

Mr. DWORSHAK. The Senator from Idaho had no intention of implying the Senator from Arkansas has not rendered valuable service, not only in this instance, but in all his senatorial duties.

The Senator from Idaho was impressed by what his colleague from Mississippi

[Mr. STENNIS] said about the legislative Committee on Armed Services being responsible for scrutinizing legislation dealing with defense operations. The bill would not in any way relieve the responsibilities of that legislative committee. Certainly, if all the legislative committees of the Senate cannot perform their duties in a diligent, successful manner, and report on legislation pending before the Senate and make recommendations which subsequently come before the Senate Committee on Appropriations, then even if we had 5,000 additional staffs, little could be accomplished.

The Senator from Arkansas is trying to emphasize that since Senators individually have more than a dozen committees and subcommittees on which to serve, it is difficult, of course, to know what is going on and to be intimately acquainted with all the details of appropriation bills. But the Senator from Idaho is pointing out that notwithstanding any recommendations which are finally made by any of the committee staffs, the determination must be made by the Senator himself. Certainly, the clerk of a committee has available information to determine whether or not a certain agency or bureau should have $1 million or $500,000 for a specific operation within the purview of that agency.

Mr. McCLELLAN. That is where my friend from Idaho and I wholly disagree. I do not think the clerk of a committee can know very much about it unless he himself undertakes to investigate what is involved.

Mr. DWORSHAK. Will the Senator yield further?

Mr. McCLELLAN. Yes.

Mr. DWORSHAK. In the years the Senator from Idaho has served on the committee, whenever he has wanted any specific information he has instructed his staff not to call any of the executive agencies to get an answer to a simple question on a budget matter. However, a Senator can call on the clerk of a subcommittee of the Appropriations Committee involved. While the clerk may not have the information available within a minute, he will have it within an hour, or sometimes within a half hour. He will procure the information, because he has available the justifications and voluminous statistics and details dealing with the subject. The clerk has become an expert on the budget and knows where to find the information desired. Obviously, he cannot determine whether an increase is necessary.

I will agree with the Senator from Arkansas that a member of the staff cannot analyze all the additional requests which are made. It devolves upon a Senator who is a member of the committee to determine whether the department of Government involved should have more or less money to carry on its functions.

Mr. McCLELLAN. I agree with the Senator that the final responsibility is on the Member of Congress. I am trying to help him carry out that responsibility a little better. A Senator can call the clerk and ask him for the justification for the request. The clerk will get the justification the executive branch of the Government has presented, that is all. What I am talking about is getting a little information on the other side of the question. In my judgment, this is the way to go about doing it.

Mr. President, I do not want to prolong this discussion. I simply wish to state the conclusion I have reached. I have thought about and worked on this proposed legislation for a number of years. The urgency for it has increased year by year. There is now a controversy between the legislative branch and the executive branch about reducing the stupendous budget which is proposed for this year. The enactment of the bill will not affect this year's appropriations by Congress. It comes too late. I am thinking about next year, and the next year.

Where are we today? It is said that Congress cannot find out where the budget can be reduced. The House sent a resolution to the President asking him where the budget could be cut. The President replied that the House should go ahead and reduce it. As a member of the Senate and of the Appropriations Committee, where am I? Am I informed so that I can say this item or that item can be reduced? No. I may have some suspicion, but how can I be sure? A representative of a department comes before Congress and wants to obtain an appropriation of money. I do not discredit him. But if I come to the Congress with a bill I have introduced and have worked on and which I am convinced is a proper bill to pass, I can urge its passage, but that does not mean another Senator should accept it without studying or weighing it. I may have come to the wrong conclusion.

Mr. President, often, in my judgment, the executive branch of the Government and its agencies reach the wrong conclusion about the amount of money that is actually essential—not what may be desired, but what is actually essential for a particular function. It is not the responsibility of the Armed Services Committee, as a legislative committee, to spend the money. It authorizes expenditures, but the Armed Services Committee has no final responsibility as to how much money is appropriated to meet the authorization.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a series of three articles written by E. F. Tompkins in the March 28, March 29, and April 2, 1957, issues of the New York Journal-American. They are very potent articles on the pending legislation.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Journal-American of March 28, 1957]

BUDGET MAKING: THE HOOVER FORMULA

(By E. F. Tompkins)

(First of three articles)

On March 21, an Appropriations Subcommittee of the House of Representatives unanimously rejected the most important recommendation made by the Hoover Commission.

The proposal was to reduce Federal expenditures permanently by approximately $4 billion a year. This would be accomplished (1) by limiting expenditures in any fiscal year to the amounts specifically appropriated by Congress for that period; and (2) by limiting the appropriations to the exact sums intended to be spent during that year.

At present, Federal agencies may retain and disburse, without Congressional review, any unexpended balances left over from previous appropriations. Hence total expenditures in a fiscal year may be twice as much as Congress has approved.

The Hoover reform, applying sound accountancy to Federal finance, would require the Budget Bureau to present its estimates to Congress on an annual accrued expenditure basis, and would require Congress to appropriate accordingly. The fiscal laxity of billions of loose dollars would automatically cease.

The current evil is enormous. The $71,800,000,000 budget for fiscal year 1958 includes $24,200,000,000 in unexpended balances—expenditures over which Congress has lost control. In some fiscal years, unexpended balances—money available for expenditure without appropriation—have equaled or exceeded total appropriations.

The House Subcommittee rejected the Hoover plan on the alleged grounds that it would increase, rather than decrease, Federal spending—an opinion with which the Hoover Commission and United States Comptroller General disagree.

Neither is the House subcommittee's verdict accepted by the Senate Committee on Government Operations. On March 18, the chairman of that committee, Senator McCLELLAN, Democrat, of Arkansas, submitted a report recommending the enactment of Senate bill 1585.

This bill would establish a Joint Committee on the Budget, composed of members of the Senate and House Appropriations Committee, to assist the Congress in exercising adequate control over the expenditures of public funds by the executive branch.

"Its provisions," the McClellan report says, "are broad enough to fully effectuate all of the recommendations of the Hoover Commission * * * with the further advantage of retaining complete legislative control over all appropriations."

The McClellan report records that similar or identical bills have been passed by the Senate in the past three Congresses and have died without a vote in the lower House.

The 1958 budget proves again the need for adequate machinery to examine carefully every item of expenditure, so that appropriations may be limited to only as much and no more than is actually required.

Again, the initiative is in the Senate—not in the House Appropriations Committee, the traditional watchdog of the Treasury.

[From the New York Journal-American of March 29, 1957]

BUDGET MAKING: THE NEED FOR TEAMWORK

(By E. F. Tompkins)

(Second of three articles)

Senate bill 1585, as approved by the Committee on Government Operations, would effect two reforms in Federal finances.

The bill would set up a joint committee of Congress to coordinate expenditures and appropriations. The legislative branch of the Government would thus acquire equal standing with the executive branch in the serious business of budget making. And, by sheer consequence, the arrangement would carry out the Hoover Commission's recommendation to establish Congressional control over hoarded funds.

The Senate report on the bill sets forth the tremendous disadvantage under which Congress at present labors.

"Requests for funds," the report says, "are made by the executive branch, and witnesses

who appear * * * in support of these requested appropriations represent exclusively the point of view of that branch of the Government. * * *

"Testimony from the public is rarely, if ever, received."

In the existing situation Congress lacks the facilities to give the necessary attention to each budget item. Just recently a dramatic example of this disability was presented. The McClellan committee says:

"The action taken on March 12, 1957, by the House of Representatives in adopting a resolution requesting the President to indicate the places and amounts in his budget where he thinks substantial reductions may best be made is a clear indication that the Congress does not have adequate information upon which to act in carrying out its constitutional responsibilities for maintaining adequate controls over Government expenditures."

Reasserting that Congress cannot now obtain the information required to pass accurate judgment on executive budget requests, the committee further alleges:

"Because the Congress is not adequately equipped to carry out its fiscal responsibility, many millions of dollars have been appropriated in excess of the actual requirements of the Federal Government."

In brief, bad budget making is among the causes of the huge national debt which in fiscal 1958 will cost $3 billion in interest charges.

The remedy proposed—a Congressional joint committee on the budget—will give Congress the permanent services of expert staff facilities and technical information—in sum, the same kind of service as the Bureau of the Budget now provides for the executive branch.

Under such a plan, proposed expenditures would be scrutinized by the branch of the Government that has to provide the money, as well as by the branch that does the spending.

[From the New York Journal-American of April 2, 1957]

BUDGET MAKING: CONTROL OF THE PURSE

(By E. F. Tompkins)

(Last of a series)

A majority in Congress concedes that the pending $71,800,000,000 budget needs to be drastically trimmed. The difficulty in effecting substantial reductions is due to the defective method of budget making.

This point is emphasized repeatedly in the report of the Senate Committee on Government Operations, recommending the establishment of a Joint Committee on the Budget to "ride herd" on expenditures by the executive branch and to guide the legislative in approving appropriations. The McClellan committee says:

"The ever-increasing cost of operating the Federal Government, with annual budgets now exceeding $70 billion, and continued annual deficits that pyramid the already astronomical national debt, dictates the compelling necessity of reducing the cost of Government, where it is prudent to do so, in order to restore sound fiscal policies."

The reference to prudent economy epitomizes the Congressional problem.

The executive branch controls the Bureau of the Budget, which both prepares and advocates the expenditure program. But there is no corresponding agency to examine the requests critically. Consequently, the Appropriations Committees of Congress lack the means to determine if a proposed expenditure is wholly justifiable, or if a suggested economy is prudent. Senate bill 1586 has been devised in the Government Operations Committee to fill the glaring gap. In the committee's language:

"Confronted with imposing and increasing threats to the national economy because of ever-mounting spending pressures, both from internal sources and from abroad, it is essential that the Congress delay no longer in meeting this issue head on * * *

"This proposed legislation * * * constitutes a positive approach to the elimination of extravagance, waste, and needless or excessive appropriations."

The Joint Committee on the Budget would have specific duties:

(a) "To inform itself of all aspects of the annual budget of the agencies of the Government";

(b) "To examine all expenditure reports" and "to investigate all details" of Federal expenditures; and

(c) To provide the Appropriations Committees with "detailed information concerning each item in the budget and the justifications therefor."

The Senate and House Appropriations Committees would deal with each appropriation bill separately, utilizing data from both the Budget Bureau and the Joint Committee on the Budget.

Senate bill 1585 would bring under annual review all "long-term construction programs" and all "grant-in-aid programs," disclosing the annual costs over a 10-year period.

This would end the multi-million-dollar vice of cumulative "unexpended balances."

Mr. AIKEN. Mr. President, I should like to speak briefly on the bill.

The PRESIDING OFFICER. The Senator from Vermont may proceed.

Mr. AIKEN. Mr. President, I wish to compliment the sponsors of the pending bill for their efforts to bring the fiscal affairs of government under control.

However, I doubt the efficacy of attacking this problem through the establishment of another Congressional committee.

The problem is very real. We have recognized this fact for years. In making appropriations we are never sure we are providing the right amount, and we are never sure that such appropriations will be expended precisely in the manner intended by the Congress.

We have tried ineffectively for years to determine the proper amounts which should be appropriated for governmental functions and to see that such amounts are properly expended.

The Bureau of the Budget is requesting this year an appropriation of $4,400,000 and plans to employ 462 persons.

This agency in the Office of the President was set up to review the budget requests of all governmental agencies, to properly amend such requests and submit such revision to the Congress.

The Bureau of the Budget has not succeeded in controlling governmental expenditures to the extent that we had hoped for it.

After the Budget Bureau has submitted its recommendations to the Congress, the House Appropriations Committee reviews these recommendations.

As of January 1, 1957, the House Appropriations Committee had been allocated $435,000 for this purpose.

Since January 1, there has been an additional appropriation of $500,000, making a total amount of $935,000 available for the use of this committee.

After the House has acted upon the appropriation bills, the Senate Appropriations Committee considers them.

The Legislative Appropriations Act of 1957 authorized $400,000 for the use of this Senate committee.

So, the budget requests are subject to scrutiny not only by the Bureau of the Budget, but by the House and Senate Appropriations Committees as well.

At this point, I wish to say that these two Appropriations Committees of the Congress have done their work as well as is humanly possible under the circumstances.

They are among the hardest working committees of the Congress.

After appropriations to the various agencies of the Government have been made, we have further safeguards which are intended to insure the careful spending of the money appropriated.

The General Accounting Office is an arm of the Congress.

It has requested appropriations of $37,800,000 for fiscal year 1958. With this money, it intends to employ 5,811 persons.

The General Accounting Office has done heroic work in undertaking to insure the proper expenditure of moneys appropriated.

To the best of my knowledge, it has cooperated fully with the Congress.

Moreover, as additional safeguards, we have the Government Operations Committees of the House and Senate, whose functions are to continually review the manner in which the executive agencies conduct their affairs and spend their appropriations.

The House Government Operations Committee, as of January 3, had 70 employees and an appropriation of $575,000.

I do not have the record as pertains to the Senate Government Operations Committee, but, nevertheless, the number of employees and the amount of the appropriation is very substantial.

So, Mr. President, we have the Bureau of the Budget, the General Accounting Office and four committees of the Congress undertaking to control the fiscal affairs of Government. These instruments are well financed and well staffed, yet we are going from bad to worse each year.

I am prompted to ask, Mr. President, whether it would not be more to the point to aim at the cause of our fiscal trouble rather than to establish another committee to deal with the effects.

The bill before us represents a worthy effort and I have no objection to its enactment. It might give Congress a slight additional degree of control over the financial affairs of Government.

What is the real reason that neither the Congress nor the executive branch of Government is able to control either the makeup of the budget or the expenditure of appropriations?

The plain fact of the matter is, Mr. President, that, to a large degree, the electorate and the Congress and the White House have lost control over Government.

During the past 25 years, we have little by little been whittling away the power of the public and the Congress. We have been delegating powers to agencies of Government which cannot

be fully controlled or directed either by the party in power or by the Congress.

During this period, there has grown up a career government to which authority originally exercised by the party in power and the Congress has been delegated.

There is now no effective direct line of authority from the President down through the various levels of Government.

Mr. GORE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. GORE. That is a rather astounding statement.

Mr. AIKEN. It is an astounding situation, if the Senator is asking my opinion.

Mr. GORE. If it is correctly described, I should certainly agree that it is an astounding situation. It seems to the junior Senator from Tennessee, however, that there has been no change in the Constitution, that the President of the United States is still the Chief Executive authority, and that there is no justification for a lack of lines of authority and a lack of Executive direction and responsibility.

Mr. AIKEN. There is a constitutional line of authority still in existence. The Senator will remember I mentioned an effective direct line of authority. That began to be whittled away some years ago when former Congresses, not wishing to take issue with the Chief Executive at that time, began to delegate authority to lower levels of Government, and the Chief Executive began to be bypassed. That is why I say there is now no effective direct line of authority from the President down through the various levels of Government.

I mention an effective direct line. I do not say there is no constitutional line of authority, because there is one, but it is not effective.

Mr. GORE. Will the Senator yield further?

Mr. AIKEN. I yield.

Mr. GORE. I should like to remind the distinguished Senator that his words sound very much like those in a speech I made before the election last fall. I wish the Senator had joined me then in advising the people.

Mr. AIKEN. I wish the Senator from Tennessee had invited me to, but he did not, and therefore my remarks are somewhat delayed.

There is little effective control over personnel, over budgetmaking, or expenditures.

No private industry could last 6 months trying to operate in the manner in which our $70-billion-a-year Federal Government is required to function.

Twice during recent years, Congress has futilely attempted to remedy this condition through the establishment of the two Hoover Commissions.

The findings of these two Commissions are as valid today as they were when the reports were submitted to the Congress.

Many of the recommendations of the Hoover Commission have been put into effect legislatively or administratively, but the glaring weakness, the potentially fatal malady of our Government, still remains.

The first Hoover Commission report had this to say:

> The line of command and supervision from the President down through his department heads to every employee, and the line of responsibility from each employee of the executive branch up to the President, has been weakened, or actually broken, in many places and in many ways.
>
> That line of responsibility still exists in constitutional theory, but it has been worn away by administrative practices, by political pressures, and by detailed statutory provisions. Statutory powers often have been vested in subordinate officers in such a way as to deny authority to the President or a department head.

Mr. President, that same vital line of authority from the President down through the departments to every employee is weaker today than it was when the Hoover Commission made its report in 1949.

We are still groping ineffectively to restore and maintain a system under which the democratic form of government may be successfully operated and perpetuated.

Unless we find a formula for reestablishing a line of authority in the executive branch of Government and have the courage to effect it, public business will get so out of hand that the people of the United States will no longer have much to say about it.

The enormous size to which Government has grown has, to a certain extent, necessitated the delegation of much authority, previously exercised by the Congress and the Chief Executive.

However, we must remember that it was the Congress which authorized this expansion of Government, which, in turn, has bred further expansion.

Congress must accept much of the responsibility for a Federal Government which has now outgrown adequate controls over it.

I am not undertaking to criticize Federal employees. Most of them are above the average in intellect, ability, and training for the job. Most of them are conscientious and loyal public servants.

We cannot point to any one of them or any group of them and say, "Here are the ones responsible for our fiscal troubles of today." It is not Federal employees—but the system under which they work that merits public concern.

There are some good things about a career government. If properly controlled and operated, it can take a tremendous load off the overburdened Chief Executive's office. It can insure a continuity of the normal functions of Government whenever the administration changes, thereby setting up a roadblock against recession or business declines which used to plague us in election years.

A career government, however, has very definite disadvantages. It makes control of Government by the electorate difficult. No matter what the people say at election time or what programs the Congress may decide upon, such decisions can only be carried out with the wholehearted cooperation of governmental agencies.

It is the people in the career government today who make policy, prepare the budget and control nearly all appointments. The President and Cabinet members may have their ideas as to what policy should be, but without the full cooperation of career employees, they can neither sell nor implement that policy.

The Bureau of the Budget does not prepare the budget for the Congress. It simply reviews it and attempts to revise it. The preparation of the budget begins at the lower levels of Government. As it works upward, toward the head of the department and eventually the Budget Bureau and the Congress, it passed through various levels of Government. At some of these levels it must be reviewed by certain officials whose own jobs and salaries depend upon the number of people employed under them and the amount of appropriations to their departments.

Very few departmental requests for money which reach the Congress are submitted strictly on a basis of need. Budget building has become a game, pitting the wits of Government agencies against the wits of the Congress. Congress, however, has delegated to the agencies the authority to write the rules of the game.

In the matter of appointments to Government jobs, patronage has virtually disappeared. When President Eisenhower took office, half the employees of Government were patronage appointees blanketed into status. During the past 4 years, civil service has become so exalted, that bureaucratic patronage has now almost completely supplanted political patronage. Political patronage was undoubtedly carried too far, but bureaucratic patronage can have effects fully as devastating in the long run. This situation tends to establish a closed corporation for Government employment, admitting to membership only those acceptable to the present membership.

Unquestionably, a Federal employee is entitled to job security, retirement security, and grade security, but it should not be possible for him to disregard the intent of the Congress or the electorate. Officials of agencies should not have the power to defy the Chief Executive or to use their positions to propagandize or exert pressure on either the public or the Congress.

As I have said on previous occasions, the party in power should have enough appointive authority to guarantee full cooperation at the operating levels of Government.

There are plenty of examples, Mr. President, to show that Congress has lost much of the power of the purse and that the Chief Executive has to a large degree lost much authority over Federal employees for whose operations he is held responsible. Until we correct these conditions—and Congress has the power to do it—it does not make much sense to talk about reduced budgets and materially lowered taxes.

ANNIVERSARY OF SIGNING OF NORTH ATLANTIC TREATY

Mr. KEFAUVER. Mr. President, I know that all Senators are continually concerned, as I am, with the really big

problem which is in the background of all that we do as a nation—the problem of preserving the peace.

Almost unnoticed this past week, we observed the anniversary of one of the most significant efforts of free men to unite in their own mutual defense.

On April 4, 1949, the North Atlantic Treaty was signed in Washington.

In signing the treaty these nations of the Atlantic community pledged that each would fight if necessary to preserve the security of all.

It is fitting that these nations should have made this pledge for they all have something in common. They are all, in one form or another, democracies. They all have a belief in the inherent dignity and freedom of man. They all worship God.

They have a common purpose and desire to protect these good things of life from the encroachment of communism, which would destroy them.

Both advances and retreats have been made in the worldwide struggle against communism in the 8 years since April 4, 1949. We have fought the Korean war. We have managed to retain an unsteady peace in the Far East. We have survived a crisis which almost fatally split the North Atlantic Treaty Organization itself. This was the Middle East crisis of last fall, when Britain and France joined with Israel in driving to the Suez and we found ourselves siding with the Soviet in condemning them.

As Senators know, I have long thought that there should be a better method of arriving at decisions and of setting common policy among our nations than that which we now have. This is not merely an idle preoccupation. The Suez crisis, I think, proves the necessity for better communications and decision making. Otherwise, we would not have reached the point where two of our closest allies and best friends embarked upon such a course of action without our even knowing about it, and where world war III loomed ominously on the horizon.

On this anniversary of NATO, a bipartisan group of my colleagues joined with me in writing Secretary Dulles a letter. We said in part:

> Surely the time has come when representatives of the peoples of these nations should convene to consider means of strengthening the political, military, and economic ties which already exist among them. Therefore, we ask you, Mr. Secretary, to give the prompt-est consideration to the proposal that the United States should invite other NATO members to join with us in sending representatives of their peoples to such a meeting, in the hope that from it would come that unity of the Atlantic community without which democracy itself may not long survive.

In addition to myself, the letter was signed by Senators MURRAY, NEUBERGER, FLANDERS, MORSE, and CLARK.

We hope that progress will be made before we face another crisis, from which we may not emerge unscathed.

Mr. President, the Senator from Montana [Mr. MURRAY] has asked that a statement which he has had prepared in connection with the anniversary of NATO be printed in the RECORD following my statement. I ask unanimous consent that that be done.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY

I am in hearty accord with what my distinguished colleague from Tennessee, Senator KEFAUVER, has said regarding the inadequacy of the North Atlantic Treaty Organization. I agree with him too that there is a need for exploration, by citizens of the Atlantic democracies, of the idea of forming an Atlantic federal union, which would help unite the allies.

In previous years I have cosponsored, along with many of my colleagues on both sides of the aisle, a resolution which would provide for such an exploratory convention.

I regret that the President and his Secretary of State seem cool toward this challenging idea of citizen democracy. I hope that they will reconsider their position, so that the people of the democracies may fashion, if they can, a strong and lasting union of the free.

ALARMING INCREASE IN RATE OF BANKRUPTCIES

Mr. KEFAUVER. Mr. President, I invite my colleagues' attention to a United Press story which appeared in this morning's newspapers, calling attention to a forecast that bankruptcies have surged to a new peak this year that will surpass the depression high set in 1932.

The story quotes Mr. Edwin L. Covey, chief of the Federal courts bankruptcy division, in saying that his "present estimate" is that the number of cases filed during the 12 months ending next June 30 will reach a record high of 72,000. This is almost 2,000 more than the present alltime high record of 70,049 for the year ending June 20, 1932.

For some time some of us have been expressing concern about the condition of small business and the alarming trend toward monopoly. I think this report should give all of us renewed concern. It is reason enough, I believe, to reconsider our action of last week, and give some tax relief to struggling small business in the form of a graduated plan. It is also good reason for the Senate and House to act this year on a bill, S. 11, the "equality of opportunity" bill, on which I have been conducting hearings in the Senate Judiciary Subcommittee on Monopoly and Antitrust Legislation.

This bill would plug a loophole in the Robinson-Patman Act, through which big firms have been getting by with price discrimination and driving their smaller competitors out of business.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my distinguished colleague from Tennessee.

Mr. GORE. I wish to compliment the able Senator upon his concise and thoughtful remarks with respect to NATO. This organized and concerted effort of the communities of the North Atlantic must succeed. If it fails, the effort for peace will have failed, and perhaps the balance will have been turned unfavorably between the free and the Communist world.

I wish also to compliment my distinguished colleague for calling the attention of the Senate to the alarming rate of bankruptcies, and to suggest to the Senator that there is another alarming figure which is a concomitant of the one he has given; it is the failure of small business concerns. In the first months of 1957 the rate of business failures is much higher than it has been at any other time since the early 1930's. In fact, the rate during the first 2 months of 1957 is more than 50 per 10,000 business establishments. That is to be compared with failures of 29 per 10,000 business establishments in 1952. The rate has steadily gone up during each of the past 4 years. It was 49 per 10,000 in 1956. It has now gone considerably above the 1950 level.

Mr. KEFAUVER. I thank my colleague from Tennessee. In the face of the monopolistic trend, discriminations against small business, inability to get financing, inability to get a fair share of the Government procurement, and a great many other elements working against small business, it is understandable, as my colleague has said, that bankruptcies have been increasing at an alarming rate. Unless something is done, they will continue and become even more numerous. As I pointed out, there were two things which we could do now. One is to readjust the tax burden, so that the small-business man will not have to carry such a large proportion of the burden. The second is to pass a law which will at least stop discriminatory pricing by the big sellers by which they discriminate against the small-business man, and in that way drive many of the small-business men to the wall. We are dealing with that phase of the subject in the Subcommittee on Monopoly and Antitrust Legislation. I have never seen in many years such a strong lobby against a bill as there is against the bill which is aimed at stopping price discrimination.

I do not refer to price reductions; I refer to unjustified discrimination. The lobby has been carried on by the big interests, the large oil companies of the Nation, and they are urging their members to write letters to their Representatives and to their Senators, and are sending out incorrect and false literature, in an effort to defeat legislation for the small-business man.

The time for us to act is running out.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. GORE. I should like to suggest that there is a third step which Congress might consider taking, to wit, an exercise of its constitutional responsibility with respect to the country's monetary policy. The tight money policy and the high interest rates, together with the closing of credit, have had a very significant bearing upon the rate of bankruptcies and upon the rate of business failures.

Mr. KEFAUVER. Yes; the tight money policy results in the little fellow being forced out of business. My colleague is entirely correct.

ADMINISTRATION OF THE SMALL BUSINESS ADMINISTRATION

Mr. ALLOTT. Mr. President, every now and then all of us are confronted with situations which give us a little encouragement and insight into some worthwhile activities of Government employees. We see acts taken by individual Government employees which are of real encouragement to the legislative branch of the Government.

At this time I should like to ask unanimous consent to have printed in the RECORD as a part of my remarks a letter written to me by Mr. Harold P. Smethills, Regional Director of the Small Business Administration at Denver, Colo., telling of the efforts he has taken on his own behalf to bring the services of the Small Business Administration to the attention of small businesses in his region.

The letter goes into some detail with respect to the meetings he has held himself, not only in Colorado, but also in the adjoining States, at which he has explained the purposes and the facilities and the services which the Small Business Administration offers and which are available to small businesses in that area.

I wish to congratulate him and his associates on having the ability to recognize the real need for the opportunities the Small Business Administration has to offer, and provide for the effective use of such opportunities.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS ADMINISTRATION,
Denver, Colo., March 19, 1957.

Senator GORDON ALLOTT,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ALLOTT: Having just completed a series of meetings in the drought disaster area I thought perhaps you would be interested in a brief résumé of the results of these meetings.

As indicated in previous correspondence, a meeting was held here in Denver with the secretary-manager of the Mountain States Bankers Association, Mr. V. E. Scarboro; Mr. Leonard Burch, vice president of the Denver National Bank, who attended the Wichita conference with me; and later with Mr. Howard Yates, executive vice president of the Colorado State Chamber of Commerce. It was determined to hold meetings in Limon, La Junta, Lamar, and Walsenburg, Colo.; also in Clovis, Carlsbad, and Raton, N. Mex. At the conclusion of these meetings Mr. Scarboro phoned the bankers in each of these communities requesting that they participate and Mr. Yates contacted the secretary or president of the chambers of commerce in those cities asking them to participate.

It was determined that we would establish advisory committees consisting of one banker and two businessmen in each of these towns and subcommittees in each of the surrounding towns. A very quick preliminary trip was made, at which time we established committees in each town in the drought areas in Colorado and New Mexico with the assistance of the officers of the local chambers of commerce, and the dates for open meetings were established, at which time it was expected the businessmen and bankers of the towns would attend. The chamber in each of these locations assumed the responsibility of advising the surrounding towns of the meeting and encouraging the businessmen to attend.

I shall confine my remarks to the Colorado towns in which I know you are interested.

Our first meeting was at Limon, Colo. (population 1,471), including surrounding towns of Hugo, Flagler, and Burlington. The chamber at Limon had designated a luncheon meeting and had planned for 31 businessmen utilizing the facilities used by their civic clubs. They and we were surprised when approximately 70 businessmen arrived, some coming from Hugo, Flagler, and Burlington. The meeting immediately followed the luncheon, at which time we explained the functions of this agency in the making of business loans and the program of deferred and immediate participation and direct loans. Following this a very thorough explanation of disaster loans and their eligibility to apply for these disaster loans was discussed. Further, we advised that application blanks were available at each one of the banks in their towns and the banks would assist them in making out these application forms. We requested that the applications should be returned to the banks after completion. (The advisory committee will add to these applications any and all credit information and character references they have on this person or firm.)

The next phase of the meeting was utilized to discuss industrial development and how we might assist them, particularly if they have an unemployment situation due to drought.

The length of the meeting was approximately 3 hours following which there were interviews for approximately 20 loan inquiries, and inquiries relative to industrial development.

The next meeting was held at Lamar, Colo., at 2 p. m. in the new civic building. (Lamar has a population of 6,829.) This meeting also covered the surrounding towns of Holly, Springfield, and Eads. We were pleased with the attendance of 120 businessmen. The same program was carried out. Following this meeting we spent all of the afternoon and the evening and the following morning interviewing loan applicants, and surveying business firms on both loans and industrial development.

A meeting was also held with our advisory committee in Lamar.

The next meeting was held at La Junta at 2 p. m. in the chamber of commerce building (population 7,712). This also covered the towns of Rocky Ford, Fowler, and Las Animas. The smallest attendance was at this meeting because of lack of chamber of commerce publicity. We were informed that had they known of the terrific value of this meeting to their community the building would have been overflowing. This comment came from both the bankers and a representative of the National Chamber of Commerce and the businessmen of the area.

The next meeting was in Raton, N. Mex. (population 8,000). This meeting covered the towns of Las Vegas, Springer, Roy, and Clayton, N. Mex., and some from Trinidad, Colo. There were approximately 90 in attendance. The same procedure was used and the same enthusiasm was displayed over the meeting and again a large number of applicants from Las Vegas, Roy, Springer, etc., were present.

The next meeting was held at Walsenburg, Colo., a labor distressed area because the coal mines were shut down, and now the drought. It was an evening meeting at 7:30 p. m., with 55 businessmen in attendance and again the same procedures and loan interviews.

In each meeting the interest displayed indicated that each community was interested in industrial development of small businesses that would bring relief to their community. We pointed out that some 3 years prior we had started programs in Las Vegas, Raton, and Deming, N. Mex., etc., where labor-depressed conditions existed. These cities requested me at that time to meet with their businessmen to discuss their problems, evaluate their capabilities and let us assist them after they made their own determination of the things their people were capable of doing so that we might assist them in bringing to their community new small industry. We pointed out in Las Vegas on our original meeting there were 19 percent of their people on relief and there was malnutrition among their schoolchildren, etc. After the meeting we found that there was a former parachute factory that had operated in the town and from that day forward we have been able to assist in keeping them supplied with parachute contracts and we were informed 10 days ago they have enough business to take them through 1957, employing approximately 180 people.

In Raton we had a meeting with the businessmen at the time the railroad roundhouse was closed and the coal mines shut down. We were able to assist them in securing the establishment of an electronics production firm, A. F. R. Products Co., who opened a small branch because of the availability of labor. Now, over 3 years later, they employ 70 people and are in a very healthy condition and planning further expansion.

We further outlined that in a meeting held in Alamosa it was brought to our attention that they had surplus potatoes and if they could find some means of utilizing these surplus potatoes, it would be of material advantage to them in the profit they would realize from the sale of potatoes, which has been quite low.

Later I attended a meeting in Laramie, Wyo., and by mentioning these surplus potatoes to the secretary-manager of the Mountain States Chamber of Commerce was able to locate a starch plant and by getting the chamber of commerce and the starch plant together, they now have a starch plant at Monte Vista, Colo., utilizing their surplus potatoes.

After we had cited these examples of assistance we had rendered in depressed areas, I explained that a loan applicant some 5 days prior to our meetings advised he had been in the shoe manufacturing business all of his life, and he is over 60 years of age. He is making orthopedic shoes and attractive loafer shoes on a very small scale in Denver. I held up some of these shoes for inspection and stated that it was the type of thing that might help them and by utilizing the county buildings which are empty in Walsenburg, that some $30,000 or $40,000 would probably put 50 people to work. Extreme interest was shown in this type of operation. We think this shoe business might work in one of these towns.

May I point out that in all of the meetings we did not have one critical remark made of the Government or this agency. We had constant remarks stating their appreciation of the interest we were showing and the presence in their town of a Government agency desirous of helping them in their problems.

I think these meetings were one of the finest public relations jobs that have been done by this agency and we feel that the meetings were definitely of value to the communities.

There were numerous suggestions and business potentials that came up from the meetings that cannot all be brought out in this lengthy report. I assure you we shall follow through in rendering every assistance possible to these distressed areas and we contemplate additional meetings in the Monte Vista-San Luis Valley areas as well as the State of Wyoming.

With best wishes and kindest personal regards.

Sincerely yours,

HAROLD R. SMETHILLS,
Regional Director.

THE SUGAR ACT OF 1956

Mr. ALLOTT. Mr. President, I recall that last year in the debate which occurred on the 1956 Sugar Act, some Senators called the Sugar Act a subsidy, and said that it contributed to increasing the price which the people of the United States had to pay for that basic commodity—not basic by the laws of the land, but, nevertheless, basic.

Mr. Frank Kemp, president of the Great Western Sugar Co., and an outstanding spokesman for the domestic sugar interests, not only the farmers but also the refiners, has called my attention to the fact that since the passage of the original Sugar Act there has been a stability in the price of sugar which is not comparable with that of any other commodity of which I am aware.

He points out very adequately in his letter that the world-market price for sugar was at that time below the domestic price, but that the act, operating as it has upon the unstable prices, has made sugar available to the people of the United States at a price which is actually less than the world market price.

I ask unanimous consent to have printed at this point in the RECORD Mr. Kemp's letter to me, and also an address delivered by Robert H. Shields, president and general counsel of United States Beet Sugar Association.

There being no objection, the letter and address were ordered to be printed in the RECORD, as follows:

THE GREAT WESTERN SUGAR CO.,
Denver, Colo., March 21, 1957.

The Honorable GORDON L. ALLOTT,
The United States Senate,
Washington, D. C.

DEAR SENATOR ALLOTT: Recent developments in the international sugar situation prompt this further expression of deep appreciation for your support of the legislation enacted last year to amend and extend the Sugar Act of 1948.

Since its original adoption more than 20 years ago, the Sugar Act has been responsible for a great degree of stability in the American sugar market. It has assured consumers ample supplies of sugar at very fair and reasonable prices. The extreme market fluctuations of former years, when consumers and domestic producers alike were at the mercy of unstable and uncontrollable world sugar developments, no longer comprise a serious problem.

When the Sugar Act came up for renewal last year, some opponents theorized that American consumers would pay less for sugar if we ignored the domestic industry and relied even more heavily on importations from foreign producers. To support this concept they pointed out that the world market price for sugar was below the domestic price, as indeed it was at that time. Even forgetting that sugar crops—like Colorado sugar beets—are vital to our agricultural economy, the fallacy of the argument is shown by the fact that as of this writing the world price for raw sugar is about $1 per hundredweight higher than the domestic price. International tensions plus some reduction in supplies have produced a demand for sugar that exceeds the supplies available on the world market, thus driving up prices.

Last fall, world raw sugar prices doubled in the course of only 60 days. During the same period, domestic wholesale prices increased only 4 percent, with little or no change at the retail level.

Judging by the history of the past two decades, the world price will in the future be below the domestic price on some occasions and above it on others. Today the Cuban raw sugar producer is selling at a higher price in the world market than in the United States market. Once again the Sugar Act has been of benefit to the American consumer.

For this situation our consumers owe a debt of real gratitude to legislators such as yourself.

Not everyone has followed the facts of the case as they have developed over recent months. Should you think that the people of your State would be interested, I would be happy indeed to have you feel free to call their attention to pertinent parts of this letter or to the letter in its entirety.

Very kind regards.

Sincerely,

FRANK A. KEMP.

THE BEET-SUGAR INDUSTRY LOOKS AHEAD

(Remarks of Robert H. Shields, president and general counsel of United States Beet Sugar Association, Washington, D. C., before the New York Sugar Club at a luncheon meeting at the Downtown Athletic Club in New York City, March 27, 1957)

Following my invitation to speak here today, I think it would be a fair and accurate statement to say that I selected the subject for my remarks through the time-honored process of elimination. Before determining what I would talk about, I first decided what I would not talk about.

First, I decided not to talk about the International Sugar Agreement, because I was aware of the fact that both Sugar Director Larry Myers and Assistant Secretary of State Bob Hill had gone over that subject with you recently.

The next thing I decided I would not do was to expose further some of the fallacious things which have been said about the recent amendments to the Sugar Act—especially those amendments which again gave to domestic sugar producers a share in supplying the growth of the sugar market in their own country. These amendments recently have so effectively and dramatically earned their salt in contributing to the stability of the domestic sugar market that I decided mere words could not improve upon the record.

Then I considered talking about sugar prices, pointing up in particular the apprehension of domestic sugar producers that raw sugar prices might not be maintained throughout 1957 at levels compatible with rising costs. But the gyrations of the free world sugar market—from which our domestic prices are never entirely insulated—and recent indications that domestic raw prices are moving in the right direction, encouraged me to drop this subject, too, for the time being.

Finally, I elected to talk about the beet-sugar industry, that part of the sugar industry in general with which I am most familiar and which, for the past 10 years now, I have had the honor to represent.

Members of the Sugar Club, I realize, know a good bit about the beet-sugar industry—just as you keep well posted on everything which affects your sugar operations. On the other hand, since the beet-sugar industry and its leaders are somewhat removed, geographically, from this nerve center of yours, and since the problems of this segment of the sugar industry do not press upon you as constantly and directly as do those of other sugar areas, I hoped that there would be both interest and profit in my reviewing here today what the beet-sugar industry is thinking about as we enter another production and marketing year.

Best current estimates are that the 1956 crop will approach the 2-million-ton figure. The final outturn depends upon a part of total production still to be realized, especially that portion soon to be harvested and processed in the Imperial Valley of California. Apparently the current crop will come close to the past production record of 2,015,000 tons set in 1954—and upon 12 percent fewer acres in 1956 than were harvested in 1954.

No one can, of course, predict with certainty what beet-sugar production in 1957 will be. We do know, however, that the national proportionate share acreage announced by the Government for the current year is 12 percent greater than the permitted acreage a year ago—950,000 acres for 1957 as compared to 850,000 acres in 1956. And last week the Government's Intentions To Plant Report indicated that farmers intend to plant more than 910,000 acres this year, as compared to a 1956 planted acreage of about 830,000 acres. Since about 2 million tons appear to have been produced by the 1956 crop, it is entirely reasonable to expect that figure to be exceeded on the larger acreage in 1957.

For example, should the record 2.4 tons of sugar-per-planted-acre yields of 1956 be repeated in 1957, and should there be an equally high percentage of permitted acreage planted this year, the 1957 crop could result in production of 2,225,000 tons of beet sugar. On a more conservative basis of yields of about 2.2 tons per acre—which is the average for 1953–55—and assuming a somewhat larger shrink between permitted acreage and the acreage actually planted than that in 1956, as the Government's March Intentions To Plant Report forecasts, then the 1957 crop production might be as low as 1,975,000 tons of sugar. I believe an educated guess would place 1957 production somewhere between those two extremes.

But even if this year's crop should turn out to be on the low side, it still would exceed the beet-sugar industry's probable marketing quota for 1957. Considering probable 1957 production together with the level of the January 1, 1957, beet sugar effective inventories, it seems clear that there will be a cushion of beet sugar on hand this year to protect domestic consumers against the possibility of short supplies from other quota sources—either foreign or domestic.

It is of further comfort to the domestic consumer to know that, under the 1956 sugar act amendments, such extra beet sugar supplies can now be made immediately available when needed. This significant benefit to sugar consumers was recently emphasized by Senator BENNETT, who said this in a speech delivered on the floor of the United States Senate February 7, and I quote:

"Under the amended Sugar Act, when the Secretary finds it necessary to make additional sugar supplies available, 55 percent of these added supplies come from domestic [producing] [1] sugar supplies not subject to foreign influence. And in the case of the supplies drawn from the mainland sugar beet and sugar cane areas, the increased supply becomes available for consumption the very minute the Secretary decides it is needed.

"Had not the Sugar Act amendments of 1956 been enacted, domestic sugar could not have been made available to meet the unusual demands of recent weeks. It would have remained dammed up behind quota walls, while making it necessary to bring in all additional sugar supplies from foreign areas."

The 1956 amendments to the Sugar Act established 8,350,000 tons of sugar as the base figure from which future growth in the United States sugar market was to be measured, and 1,800,000 tons as the basic beet quota, to which its future share of the growth would be added. The 8,350,000-ton base figure was considered to reflect, reasonably, the annual rate of sugar consumption in the United States at the time the amendments were under congressional considera-

[1] Original not bracketed.

tion. Under the 1956 amendments, 26.8 percent of the growth of the United States sugar market between the base of 8,350,000 tons and a consumption estimate of 8,650,000 tons would accrue to the beet sugar industry's quota. Above a consumption estimate of 8,691,000 tons, 22.4 percent of market increases would accrue to the beet sugar industry's quota. Between the 8,650,000-ton figure and 8,691,000 tons, none of the Nation's market growth accrues to the beet sugar industry, because the share of market growth accruing to domestic areas within this interval is reserved for Puerto Rico and the Virgin Islands.

Based upon the provisions of the 1956 amendments and official assumptions as to probable sugar consumption during the 5-year period 1956–60, it was officially forecast that the beet sugar quota during the period would increase by a total of 170,739 tons—from 1,800,000 tons to 1,970,739. By years, this estimate forecast that the beet sugar quota would increase approximately 52,000 tons in 1956, 33,000 tons in 1957, 25,000 tons in 1958, and 30,000 tons during each of the last 2 years.

Now, what actually is happening to the beet sugar marketing quota under the 1956 amendments to the Sugar Act?

In 1956, the final beet sugar marketing quota was 1,955,401 tons. Of this total, 1,953,952 tons resulted directly from a consumption requirement estimate of 9 million tons, and 1,449 tons accrued to the beet-sugar industry as a result of a small Virgin Islands deficit. The beet-sugar industry marketed its full quota during the year, establishing a new record slightly higher than the previous record of 1,951,000 tons marketed in 1941.

The 1957 beet sugar marketing quota is 1,953,952 tons, the same as the 1956 quota, minus the small deficit which was added during the past year, and is again based upon a consumption requirement estimate of 9 million tons. Whether this quota will remain at 1,954,000 throughout the year depends, of course, upon events of the future.

However, when the stock buildup which we know took place in 1956, and the additional stock buildup which the current estimate clearly permits in 1957, are taken into consideration, it is highly improbable that a 9-million-ton estimate will be needed to provide sufficient supplies of sugar to meet this year's consumption. Any reduction of the 9-million-ton consumption estimate would, of course, in the absence of offsetting factors, result in a reduction of the current beet-sugar marketing quota. On the other hand if, perchance, conditions should justify ending the year with the present consumption requirement estimate, then the day of adjustment would be postponed.

Another factor should also be considered in relation to the level of the 1957 beet-sugar quota. The Association of Sugar Producers of Puerto Rico recently announced the possibility of a 50,000-ton Puerto Rican deficit. Should such a deficit in fact develop, it could mean as much as a 38,000-ton increase in the beet-sugar quota for this year. A 50,000-ton Puerto Rican deficit would shield the present beet sugar marketing quota of 1,954,000 tons against a cut in the current consumption requirement estimate of 170,000 tons.

On the surface, what has actually happened to the beet sugar quota so far under provisions of the 1956 amendments would not seem to square with what was expected to happen. But an analysis of the facts discloses that the difference between the official forecast and what has happened is more apparent than real.

There is no conclusive evidence yet that the 171,000-ton increase expected to accrue to the beet sugar industry under the 1956 amendments over the 5-year period from 1956 to 1960 will not prove to be approximately correct. The difference between what has actually happened to the beet sugar quota in 1956 and so far in 1957, and what was expected to happen during this time, is largely obscured by the absence of precise knowledge as to how much sugar distributed in 1956 actually was consumed and how much went into stocks for future consumption. The picture is further complicated by the fact that the 1956 beet sugar quota was based upon a 9-million-ton consumption estimate, whereas sugar distribution for the year was about 8,900,000 tons, or 100,000 tons below the estimate.

The official forecast of beet sugar quota increases for the 5-year period 1956–60 assumed that sugar distribution in this country, and that the Government's consumption requirement estimates as well, would approximate the actual amount of sugar consumed during the years concerned. The official estimates did not, and for obvious reasons could not, anticipate events such as those which led to a building up of stocks in 1956, nor do the estimates, for the same reasons, attempt to anticipate deficits in quotas.

Official estimates did recognize that when sugar consumption in the United States rose to the 9-million-ton level, then the beet sugar quota would be enlarged by 154,000 tons. But I know of no one who contends that actual sugar consumption now is at the 9-million-ton level, to say nothing of last year. The official records of distribution show only 8,904,000 tons distributed in 1956; and both Government and sugar trade sources recognize that this distribution figure reflects a substantial buildup of stocks. Judging by the level of distribution so far this year, the 1956 stock buildup might well have been as much as 300,000 tons.

This analysis of 1956 shows that, when account is taken of the unusual circumstances which occurred in that year, what actually happened is not too far different from what was officially forecast. If allowance is made from the 1956 distribution of 8,900,000 tons for a 300,000-ton stock buildup during that year, then sugar consumption of 8,600,000 is indicated. Based on 8,600,000 tons, the beet area quota would be 1,871,000 tons, a figure which compares favorably with the officially projected beet sugar quota of 1,852,000 tons.

A like analysis of 1957 also shows that what is happening to the beet sugar quota now, when allowance is again made for the unusual circumstances prevailing, is about what was expected.

If the increase in sugar consumption in 1957, to use a rounded figure, is assumed to be 150,000 tons, a sugar consumption requirement estimate of 9 million tons reflects both estimated consumption of 8,750,000 tons and provides for a further build-up of stocks in 1957 of 250,000 tons. Based on 8,750,000 tons, the beet area quota would be 1,698,000 tons, not far from the officially estimated 1957 quota of 1,885,000 tons. The 56,000-ton difference between the present 1957 beet sugar quota of 1,954,000 tons and the quota indicated by a probable level of 1957 sugar consumption is attributable to the beet area's share—22.4 percent—of 250,000 tons of anticipated future consumption in the form of stock build-ups by the current 9-million-ton sugar consumption requirement estimate.

Experience thus far under the 1956 amendments indicates that the quota increase which was officially forecast to accrue to the industry over the 5-year 1956–60 period was probably about right. Attention now might well be given to whether the growth potential in the normal beet sugar marketing territory is such as to indicate a firm basis for marketing this increased quota in this territory.

On the basis of official census projections of population, it appears that the sugar market in the 25 States [2] comprising the normal beet sugar marketing territory—the 22 States in which sugar beets are grown, plus Arizona, Missouri, and Oklahoma—should increase over the 5-year 1956–60 period by at least 350,000 tons. This figure stems from the application of an average per capita sugar consumption of 108 pounds, raw value, to the projected increase in population in this territory during the period of 6,845,000. An increase of this magnitude in the sugar market in this territory during this period is also indicated by another calculation. Since slightly over half of the population of the United States is located in the normal beet sugar marketing territory and since slightly more than half of United States sugar deliveries are also in this area, it logically follows that half of the annual United States market growth would occur there. On the basis of an annual national growth of 135,000 tons, about 70,000 tons a year would occur in this area annually, and over the 5-year period in question, a 350,000-ton market growth.

On the basis of a 350,000-ton increase in sugar marketings in the normal beet sugar marketing territory during the 5-year period 1956–60, certainly this territory has the growth potential firmly to support the 171,000 tons of beet sugar quota officially estimated to be added by the 1956 amendments by 1960. Increased beet marketings of this magnitude would represent less than half—46 percent, to be more precise—of the growth in the sugar market in this territory. This 46 percent compares favorably with a 46 percent sharing by beet sugar in this territory in 1948. It is true that the marketing share of the beet sugar industry in this territory in 1955 was reduced to 43 percent. This reduction, however, was due to the fact that during the period 1948 through 1955 the beet sugar industry, saddled with a fixed quota during the period, was prohibited from getting its fair share of the growth which occurred due to increased population.

It is interesting to note that during this 1948–55 period when total distribution in the normal beet sugar marketing territory went up 18 percent beet deliveries went up only half of this amount, or 9 percent, whereas cane deliveries went up 26 percent. And, finally, it should be pointed out that, even though 46 percent of the estimated market growth in this territory may accrue to the beet sugar industry under the 1956 amendments, this would bring the beet sugar industry's share of the total marketings in this area in 1960 to only about 48.4 percent of the total—less than its share of this market in 1948.

Perhaps the best test of whether the growth potential of the normal beet sugar marketing territory can firmly support the 171,000 tons of increased beet quota estimated to be added during the 1956–60 period is to review what happened in 1956 when the beet sugar area quota was increased 154,000 tons, all of which came during the last 6 months of the year and 70,000 tons of which was added to the quota in the last 70 days of the year.

Last year when the beet sugar industry's quota was 154,000 tons more than it was in 1955—3 times greater than was officially forecast or anyone had any reason to expect—the beet sugar industry still marketed virtually the same percentage of its quota in its normal marketing territory—99.5 percent in 1956 as compared with 99.4 percent

[2] Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, Wyoming.

in 1955. In New York and Pennsylvania, outside the normal beet sugar marketing territory, 1956 beet marketings aggregated only 3,000 tons more than those in 1955. Marketings in Illinois in 1956 were only slightly more than in 1955, while beet sugar marketings in the eastern fringe State of Indiana actually declined some 9,000 tons between 1955 and 1956. The bulk of the 154,000-ton beet sugar quota increase was marketed in these beet-growing States as follows: Texas, 7,000 tons; Minnesota, 9,000 tons; Ohio, 12,000 tons; Wisconsin and Michigan, 13,000 tons each; and California, 87,000 tons.

An appraisal of the beet sugar marketing job done in 1956 takes on added significance when it is remembered that under the Sugar Act and applicable regulations quota charging involves a sale of refined sugar. Before beet sugar can be quota charged the processor and his prospective customer must have a meeting of minds on terms of a sale. This situation in the beet area is in sharp contrast—if it may be pointed out without complaint being inferred—to the case of one of its chief competitors whose sugar may be quota charged by the owner's unilateral decision merely to ship it beyond a certain geographical point.

The effect upon quotas of the large stock buildup which occurred in 1956 and the additional stock buildup which is possible under the current consumption estimate points up the expectancy that the beet-sugar industry's progress toward a full realization of the maximum marketing benefits to accrue under the 1956 amendments will follow a zigzag path. It is also recognized that the marketing patterns which at any given time may prevail in the normal beet-sugar-marketing territory depend upon many factors external to the industry. The level and pattern of cane-sugar prices, both raw and refined, marketing practices of cane-sugar sellers, and freight-rate structures are among the important external factors which vitally affect beet-sugar marketings. Basic to the whole marketing picture is a general recognition that one of the major premises on which the Sugar Act rests is that the beet-sugar industry is expected to market its quota.

In conclusion, I'd like to say that the beet-sugar industry, like all industry, realizes that the future always presents problems and uncertainties. This is nothing new to our people, who have certainly had at least their share of problems to surmount in reaching their present high plateau of production and marketing. But a new element of hope and confidence in the future has come to the beet-sugar industry since the 1956 amendments to the Sugar Act relieved us of the straitjacket of fixed marketing quotas, extending to our industry a measure of elbow room in which to meet the challenge of the times and to participate in some degree in supplying the growing sugar market of our great Nation.

Mr. ALLOTT. Mr. President, I extend my thanks to the Senator from Arkansas, who has so graciously yielded to me at this time.

JOINT COMMITTEE ON THE BUDGET

The Senate resumed the consideration of the bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

Mr. McCLELLAN. Mr. President, I do not wish to prolong the discussion, but I cannot let the opportunity pass without commenting upon some remarks by our colleague, the distinguished senior Senator from Vermont [Mr. AIKEN] and without placing upon them real emphasis. The Senator from Vermont was not speaking directly in support of the proposed legislation, but he made some pertinent observations which carry persuasiveness with eloquence and conviction. I call this remark to the attention of the Senate. The Senator from Vermont said:

> There is now no effective direct line of authority from the President down through the various levels of Government.

That is regrettable. Then the Senator from Vermont said:

> There is little control over personnel, budget-making, or expenditures.

What we are seeking to do is to recoup some of the controls which are vested in Congress, and for which Congress has the responsibility.

The Senator from Vermont then made this observation. In this statement I thinks he is too generous:

> No private industry could last 6 months, trying to operate in the manner in which our $70 billion a year Federal Government is required to function.

I think the Senator from Vermont might have reduced that time by 90 days and still have been fairly accurate. Then he points out the way in which the budget is developed, the way in which it is built up:

> The preparation of the budget begins at the lower levels of Government.

From there on up through every echelon of Government, the head of each agency tries to get all the money he thinks he needs. Sometimes he asks for extra money to make certain that if his request is cut, he will still have ample funds. So the Senator from Vermont says:

> As it works upward, toward the head of the department and eventually the Congress, it passes through various levels of Government. At some of these levels it must be reviewed by certain officials whose own jobs and salaries depend upon the number of people employed under them and the amount of appropriations to their Departments.

Mr. President, that is significant. We are all human. It is hard to say, "I am going to cut my budget. It will reduce my salary, but I am going to be economical. I am not going to build up the cost of government simply to justify my salary, department, level, or grade."

Then the Senator from Vermont says—and I think this is significant:

> Very few departmental requests for money which reach the Congress are submitted strictly on a basis of need.

What greater persuasion could there be for the enactment of the proposed legislation, taking this statement as a premise of fact. The Senator from Vermont concludes by saying:

> Budget building has become a game, pitting the wits of Government agencies against the wits of the Congress.

Mr. President, Congress has been losing that game. As Congress has been losing it, the taxpayers of the United States have been losing it also.

I am simply asking, by the enactment of the bill, that Congress undertake to find ways and means to provide itself with the tools to meet its responsibility, so that the large amount of waste, extravagance, and needless expenditures in the Government can be eliminated, and that our Government can be placed on as sound a fiscal basis as it is humanly possible for us to place it.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. DWORSHAK. The Senator from Arkansas has referred to the necessity of placing responsibility upon Members of the Senate and House for determining whether reductions should be made in the budget. I have in mind an incident which occurred during the past week at a hearing before the Appropriations Subcommittee on the Department of the Interior budget. The Department budget officer, together with the Assistant Secretary, was requesting a 100-percent increase in the administrative budget for the Bureau of Fisheries on a reorganization basis. In replying to a question, it developed that the Bureau wanted 117 additional employees, 105 of them to be located in the National Capital.

I should like to know whether a staff is needed to determine whether there ought to be a 100-percent increase in the administrative cost of a specific bureau within the Department of the Interior. Is it not simply a matter of determining whether at this precise time it is advisable or necessary for that agency to expand to such an extent? Why is it necessary to provide 105 additional employees in one bureau in Washington, where the congestion now is so great that the greatest job in Washington is to get to work, to say nothing about doing a job when one gets there?

Mr. McCLELLAN. The agency, the employee, or the office of the Government who submitted that request was not so cunning, I may say, as are most budget officials, because it is obvious, it is transparent, that not much fishing is done in Washington for the kind of fish which that appropriation was requested to protect.

But how many such requests are made year after year before they are eventually detected? Even if we have a suspicion of them, we have very little opportunity now to put someone on the trail to trace them, so that we can bring the facts before the committee.

Mr. DWORSHAK. When that budget explanation was made, I reached the conclusion the Bureau of Fisheries wanted to take care of the fishing out in the hinterland and to take care of the wildlife part in Washington.

Mr. McCLELLAN. The Senator may be absolutely accurate in that statement. I am sorry I was not present, but I am certain that if I had been I would have subscribed wholeheartedly and without reservation to the views which the Senator has expressed.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1585) was ordered to be engrossed for a third reading, read the third time, and passed.

SECRETARY BENSON'S ADDRESS TO THE FIFTH ANNUAL REPUBLICAN WOMEN'S CONFERENCE

Mr. ELLENDER. Mr. President, I ask the indulgence of my colleagues. I would like to have them listen for a while, if they will, to what I shall say regarding a speech made by the Secretary of Agriculture, Mr. Benson, before the fifth annual Republican Women's Conference on April 2. I cannot let this conglomeration of misstatements and half truths pass without correcting at least some of the statements made by the Secretary of Agriculture.

The average person reading or listening to his speech would think it was made in 1951 or 1952, when the Republicans were lambasting the farm program, because in the speech Secretary Benson followed the same old line which he and other critics of the agricultural program followed in 1951 and 1952. In the speech Secretary Benson indulged in the same old platitudes and half truths in regard to the agricultural program. Of course, he blames the present condition of agriculture on the 90 percent of parity price support program. It seems that he still wants to make 90 percent of parity price supports the whipping boy of agriculture. He is still anxious, if not frantically trying, to attribute all the woes of our agriculture today to the program which was in effect when President Eisenhower first assumed office, although that was more than 5 years ago and Mr. Benson's sliding scale has been on the statute books since 1954.

Mr. President, it is not my purpose today to attempt to answer each and every statement made in Secretary Benson's speech. However, I hope to state for the RECORD a few facts which will show the American people that the Secretary of Agriculture was doubtless in error in many of the statements attributed to him when he spoke before that fine group of ladies on April 2.

Mr. President, I have before me a copy of Secretary Benson's speech. For example, the Secretary of Agriculture is reported to have said:

> Irresponsibility can be a boomerang, as the Democrats found out a year ago when they tried to buy the farm vote with an economic monstrosity called the farm bill. President Eisenhower vetoed that bill and won wide acclaim.

Mr. President, I am not going to spend much time discussing the 1956 farm bill, except to say that the purpose of that bill was simply to make certain that the farmers of the Nation would have, for 1 year, assurance of obtaining a fixed minimum income from their basic crops. We felt this was vital because agricultural prices had been sagging and sagging, and were still going down. Many of us, including the majority of farmers, felt that the only way to assist agriculture and give our farmers immediate relief was to reinstate 90 percent of parity price supports for 1 year.

When the bill was passed, President Eisenhower vetoed it. But after casting his veto, what else did he do? Did he use the law that was on the statute books then? Did he use the flexible price-support law, for which his Secretary of Agriculture had fought, in order to curtail production, as he had the right, if not the duty, to do? No; he did not do that.

He did, by executive edict, through the Secretary of Agriculture, what we tried to do legally. Instead of reducing the support prices to 75 percent, which was the lowest level at which commodities could be supported by the Secretary of Agriculture, or, instead of fixing support prices at those levels prescribed by the sliding-scale law in the light of the supply situation, the Secretary of Agriculture and President Eisenhower promulgated their own system of fixed, rigid price supports.

For example, the support level for wheat should have been 76 percent of parity under the sliding scale; it was raised to 83.7 percent. In the case of corn, although the support level had been fixed at 81 percent, it was raised to 86.2 percent. As for rice, a support level of 75 percent of parity had been fixed. The President raised it to 82.7 percent.

At that time the Secretary had not fixed the support level for cotton or for peanuts, but under the same executive edict the Secretary of Agriculture fixed the support level for cotton at 82½ percent, for peanuts at 82½ percent.

So Mr. President, when the Secretary refers to this monstrosity I point out that although Congress failed to actually fix price supports at the level we desired in that legislation, the Secretary of Agriculture saw fit to bypass at least the spirit of the law that was then on the statute books.

Why, Mr. President?

It was election year.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MANSFIELD. The Senator from Louisiana has mentioned the fact that the Secretary of Agriculture is living in 1950 and 1951. I think the Senator is being over-generous. I think the Secretary of Agriculture, if he had his way, would return to the days of McKinley.

The Senator from Louisiana has mentioned how the Secretary manipulated the parity program. What about the action of the Secretary of Agriculture in administering the soil bank program?

Mr. ELLENDER. I am coming to that point.

Mr. MANSFIELD. I hope when the Senator does come to it he will point out that in North Dakota the payments were from $14 to $16 for each acre taken out of production, whereas, across the line in Montana, the payments were from $6 to $7. That same difference took place with respect to ranches which happened to be in one county in the two States but which suffered through differences in payments applicable to North Dakota and Montana. That same degree of difference in payments existed as between North and South Dakota, in the administration of the soil bank program. In passing, I might say that the State of Iowa was the recipient of the greatest amount of aid under this soil bank program, during the last political campaign.

Mr. ELLENDER. Mr. President, it was not my intention to go into the details of the corn program, to which my good friend from Montana has referred. I know the figures he has mentioned are correct. I might mention, however, how the Secretary handled the corn program, notwithstanding the fact that the so-called flexible price-support law was the law at the time. As the Senator has mentioned, it was an election year, and instead of utilizing the tools at hand, the Secretary proceeded to promulgate two price supports. The support for those who complied with acreages prescribed in the corn program was set at $1.50 a bushel; for those who did not comply, the price support was fixed at $1.25. Thus, Mr. President, although the bill was very late in its passage corn farmers last year placed in the soil bank near 5 million acres. They received almost $180 million in soil-bank payments, but they produced 221 billion bushels more corn than they did the year before. If this does not seem strange, I remind the Senate that the purpose of the soil bank was to reduce production and cut our surpluses.

However, it was a big election year, and the Secretary saw an opportunity to assist the people in the Corn Belt. In order to give them the two prices I have just mentioned, he dusted off an old clause, a clause that had never before been used by any Secretary of Agriculture.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I wonder if the Senator would make some reference to the "mess" which Mr. Benson, after 5 years in office, is so fond of referring to. What is the status today of the surpluses which he has on hand after 5 years under a Republican administration, as compared with what he had on hand when he took over as Secretary in January of 1953?

Mr. ELLENDER. The distinguished Senator from Montana is anticipating my speech almost word for word. I shall make reference to that in a few minutes.

Mr. HUMPHREY. Mr. President, will the Senator from Louisana yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. First I commend the chairman of the Committee on Agriculture and Forestry for discussing the speech made by the Secretary of Agriculture a day or two ago, and to thank the Senator and praise him for the material he is bringing to our attention. I may say to the Senator and to my distinguished friend and colleague from Montana that, while the chairman of the committee has indicated he is not going to go into all the details, I reassure my friend from Montana that at a later hour I am going to go into the details. I shall go into them with most minute concern and with the most careful deliberation.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of making a motion so that there may be some unfinished business before the Senate, with the understanding he will not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry if he is prepared to consider order No. 191, S. 1747, the poultry inspection bill?

Mr. ELLENDER. At what time?

Mr. JOHNSON of Texas. Now.

Mr. ELLENDER. I should like to have Senators who are interested in the bill present. The poultry inspection bill is a combination of three separate bills.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, AS AMENDED

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 119, Senate bill 1423.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1423) to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to announce for the information of the Senate that the minority policy committee has cleared Calendar No. 194, S. 1771, introduced by the Senator from Minnesota [Mr. HUMPHREY] and other Senators, a bill to provide for a 1957 corn-base average of 51 million acres, and for other purposes. That bill appeared on the calendar for the first time today. There was a meeting of the policy committee this afternoon. The distinguished junior Senator from Minnesota [Mr. HUMPHREY] appeared and discussed the proposed legislation. The policy committee voted to clear the bill for action by the Chamber. It is the plan of the leadership to move to proceed to its consideration on Monday next.

We also plan to consider Senate bill 811, the deferred grazing acreage bill, which was reported unanimously from the Committee on Agriculture and Forestry today by the Senator from Florida [Mr. HOLLAND].

In addition, we plan to consider Calendar No. 191, S. 1747, a bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products.

I hope we may also be able to conclude action on Calendar No. 119, Senate bill 1423, to amend the Civil Aeronautics Act of 1938, as amended.

Mr. ELLENDER. As I understand, the poultry bill will be taken up Monday.

Mr. JOHNSON of Texas. If that is the desire of the Senator from Louisiana.

Mr. ELLENDER. I would prefer to have the bill taken up then. I stated to several Senators interested in the bill that it would be taken up Monday. If the Senator from Texas does not mind, I would rather have it handled in that way. I am sure there will not be any delay. In fact, the Senate can finish consideration of the bill in less than 30 minutes, I believe.

Mr. JOHNSON of Texas. The leadership is always desirous of cooperating with the distinguished chairman of the Committee on Agriculture and Forestry, and we will consider that bill Monday.

I thank my friend from Louisiana for yielding to me.

SECRETARY BENSON'S ADDRESS TO THE FIFTH ANNUAL REPUBLICAN WOMEN'S CONFERENCE

Mr. ELLENDER. Again quoting from the speech of the Secretary:

> The latest example of Democratic irresponsibility is their effort to make a Santa Claus out of the badly needed corn bill. They have thereby killed a constructive piece of legislation.
>
> If corn production is too great, if corn prices are low, and if livestock production is excessive, our Corn Belt farmers will know where to put the blame.

That was Mr. Benson speaking. But, as I pointed out a little while ago, it was through his administration of the corn program in the act of last year, for what I say were political purposes, that this great surplus of corn which is now facing us arose.

This year, the House considered a bill somewhat similar to that which the administration proposed, and it is true that the Committee on Agriculture of the House of Representatives added language to the bill to give to the cotton growers and the wheat growers the same advantages as were being given to the corn growers. This bill was defeated. I think it was defeated because the corn farmers wanted much more than they deserve. This, of course, is nothing new. Since I have been on the Committee on Agriculture and Forestry—and that has been 20 years—I have found that the corn producers are always given preference. For example, not only do corn producers receive price supports, but those who do not comply with acreage allotments can produce all they desire without being penalized. That is unlike the situation with respect to producers of the other basic commodities, who must pay a penalty if they overplant their allotments.

Of course, the reason advanced for this special treatment is that a great percentage of the corn is consumed on the farms—that it is not in the same category with cotton, wheat, or other basic commodities.

This may be so, but there is a tremendous amount of corn now in Government storage for so much to be consumed on the farm.

I contend that if the corn producers are in trouble today, they can blame the present Secretary of Agriculture for giving them two support prices. More than one farmer has told me, "Why should I curtail my corn production and get only $1.50 a bushel, when I can plant all I want and received $1.25 a bushel?"

That is exactly what has happened in the case of many corn producers. That is the reason, as I pointed out a while ago, that corn production has increased over 1955 by 221 million bushels, notwithstanding the fact that we have placed nearly 5 million acres of corn land, at a cost to the taxpayers of almost $180 million in the soil bank.

I point out that this great and beneficial legislation about which the Secretary talks, the plan which was happened in the Department this year, would not have done anything more than to further aggravate the already huge corn surplus. I do not intend, at this time, to discuss the corn bill. We shall have occasion to do so next week.

The corn farmers of the Nation in the commercial area surprised the Secretary, in that, notwithstanding the fact that their allotted acres this year were 37.3 million, they indicated they would like to put almost 6 million acres in the soil bank.

Last year Department representatives came before the Committee on Agriculture and Forestry and said, "If we can get into the soil bank four and a half million or five million acres, we can do the job." As I have just pointed out, the allotted acreage is 37.3 million; and yet, with that small allotment of acres, the number of acres put in the soil bank exceeded the number which the Department thought would be put in the soil bank if we made 51 million acres the minimum.

That is one reason I have opposed the corn bill which is now on the Calendar. I hope to discuss it fully when it comes before us.

But there are other reasons. For example, the administration's bill called for a base acreage of 51 million acres. The basis for determining price support was 70 to 90 percent, and in the noncommercial area it was 82.5 percent of the support level in the commercial area. The acreage to be taken out of production and placed in the Soil Bank as a prerequisite for obtaining price support by the farmers did not have to come out of their allotted corn acreage. Under the administration bill, so long as the farmer took an acreage equal to 15 percent of his base acres out of any land he cultivated he could get price support. In other words, if that land were planted in timothy hay or any other kind of hay, or any crop, he could take his 15 percent out of that acreage, be in compliance, and receive $1.36 a bushel.

Under the present setup, the acres are taken out of allotted acres. To my way of thinking, if the program now in effect is carried out, and farmers take their corn acres out of allotted acres, a reduction in corn production will be brought about.

However, no reduction will be brought about if we permit the farmer to take 15 percent of any land out of production.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an extract from the Committee report, Exhibit VI, showing what is provided in the various corn bills.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Similarities and differences of various bills regarding corn

	H. R. 3011	S. 629	Administration bill
For 1957, 1958, 1959:			
"Base acreage" or allotment?	Allotment	Base acreage	Base acreage.
Number acres in "base" or allotment.	51,000,000	51,000,000	51,000,000.
Basis of determining level of price support.	75 to 90 percent—existing law	Discretionary	70 to 90 percent.
Basis of price support noncommercial area.	75 percent of level in commercial area	82½ percent of level in commercial area	82½ percent of level in commercial area.
Extent of participation in soil bank as a condition of eligibility for price support.	Acreage equal to 15 percent of allotment. If participation is in acreage reserve program, corn acreage must be reduced below allotment by amount of such participation.	Acreage equal to 15 percent of base acreage. If participation is in acreage reserve program, corn acreage must be reduced below base acreage by amount of such participation.	Acreage equal to 15 percent of base acreage. If participation is in acreage reserve program, corn acreage must be reduced below base acreage by amount of such participation.
For subsequent years:			
Allotment provisions	Allotments, with minimum allotment of 51,000,000 acres.	No acreage limitations	No acreage limitations.
Basis of determining price supports.	75 to 90 percent—existing law	Discretionary	Discretionary.
Basis of support for noncommercial area.	75 percent of level in commercial area	No distinction between noncommercial area and commercial area.	No distinction between noncommercial area and commercial area.

Mr. ELLENDER. Mr. President, as I pointed out a little while ago, although last year 5,289,518 acres were approved for soil bank partcipation in the commercial corn area, the production of corn increased by 221 million bushels.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table indicating the total obligations as well as the total number of acres approved for the soil bank for corn, wheat, and other commodities.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

1956 acreage reserve statistics as of Jan. 11, 1957

Crop	Acres approved	Number of agreements signed	Total obligations	Average compensation	
				Per agreement	Per acre
Corn	5,289,518	314,489	$179,355,104	$570.31	$33.91
Wheat	5,670,215	110,932	44,736,880	403.24	7.89
Peanuts	44,090	5,310	595,620	112.17	13.54
Rice	28,162	1,117	1,394,294	1,248.25	49.51
Cotton	1,121,151	96,609	27,336,091	283.74	24.38
Tobacco:					
Flue-cured	10,329	6,090	2,105,810	345.61	203.87
Burley	3,971	5,791	786,745	135.86	200.14
Maryland	3,915	1,104	547,554	495.97	139.86
Dark air-cured	570	1,050	83,462	81.39	146.43
Virginia sun-cured	1,779	1,293	251,062	191.25	120.87
Fire-cured	2,404	1,798	291,090	161.85	121.08
Cigar filler	116	53	15,844	298.94	136.59
Cigar binder-51	2,725	758	1,155,235	1,524.04	827.72
Cigar binder-52	3,236	957	1,095,081	1,105.00	338.59
Cigar binder-54	345	147	44,797	304.74	129.85
Cigar binder-55	1,820	1,027	276,452	269.18	151.99
Tobacco subtotal	31,954	19,990	6,597,091	330.13	206.48
Grand total	12,185,000	547,523	260,018,995		

Mr. ELLENDER. I also ask unanimous consent to have placed in the RECORD at this point a table indicating the corn acreage and corn production from 1948 to 1956, and showing the increase in the amount of corn production from 1955 to 1956, notwithstanding the fact that corn farmers received nearly $180 million in soil bank payments as an incentive to reduce production.

There being no objection the table was ordered to be printed in the RECORD, as follows:

Corn: Acreage and production, United States, 1948–56

Year	Total United States		Commercial corn area			Noncommercial area	
	Planted acreage	Production	Acreage allotment	Planted acreage	Production	Planted acreage	Production
	Thousand acres	Million bushels	Thousand acres	Thousand acres	Million bushels	Thousand acres	Million bushels
1948	85,822	3,603					
1949	80,738	3,238					
1950	82,959	3,075	56,287	52,594	(1)	30,275	(1)
1951	83,275	2,926					
1952	82,290	3,292					
1953	81,574	3,210					
1954	82,183	3,058	46,996	36,706	2,527	35,479	531
1955	81,087	3,220	49,842	35,674	2,465	35,423	755
1956	78,557	3,451	[2] 43,261	35,086	2,773	33,471	678

[1] Not yet compiled on the basis of revised data.

[2] In addition to the acreage allotment program, a soil bank base acreage of 51 million acres was in effect in the commercial corn area in 1956.

Source: Agricultural Marketing Service.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter addressed to me as chairman of the Committee on Agriculture and Forestry by Mr. Benson, dated March 29, 1957, in connection with the corn bill which is now before the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 29, 1957.

Hon. ALLEN J. ELLENDER,
United States Senate.

DEAR SENATOR ELLENDER: At the meeting of the Senate Committee on Agriculture and Forestry on March 21, you requested information as to the current status of the corn acreage reserve program, an interpretation by our Office of General Counsel with respect to the effects of the proposed new corn legislation on soil-bank agreements already signed, and proposed soil-bank operating procedure in case this new corn legislation is approved.

A State-by-State analysis of the current status of the 1957 corn acreage reserve program is contained in the attached table I. This table indicates that as of March 23, 1957, we have firm agreements with about 325,000 farmers covering 4.6 million acres and for which the maximum compensation will be $171 million.

On March 14, after the adverse action in the House of Representatives with respect to corn legislation, in order to be fair to those farmers who needed a definite decision as to whether we would accept the additional acreage offered, we announced that we would accept "over limit" corn acreage under the soil bank. This had previously been done for all other commodities under the acreage reserve program.

As of March 23, in addition to the firm agreements signed, we have offers covering this "over limit" acreage still in the process of being signed, covering 1.1 million acres and amounting to about $37 million. It is probable that not all of the offers above the individual farm maximum will ultimately be consummated into firm contracts. Therefore, it is probable that the total costs of the corn program, in the absence of new legislation, will be approximately $200 million. Thus, it appears that about 5.5 million acres will be signed up in the 1957 acreage reserve program with the present allotment. This compares with our announced goal of 4.5 to 5.5 million acres. Table I shows the signup by States.

Under section 105 (c) of the Soil Bank Act the total compensation paid producers for participating in the acreage reserve program with respect to any crop year may not exceed $750 million, and with respect to corn for any crop year may not exceed $300 million. Of the former amount the share for corn was $217.5 million. If $300 million were used for corn, about $82.5 million would have to be shifted to corn from unused funds originally allocated by the Department to other commodities. This in turn would make available for corn approximately $100 million for possible additional signup in the 1957 acreage reserve program. Table II (attached) shows the 1957 acreage reserve fund utilization by commodities and the shifts which would have to be made from funds allocated to over commodities to corn.

While under this proposed corn legislation it could be possible for corn producers to place increased acreage in the soil bank, the bill neither would cancel the agreements which have already been signed with producers under the acreage reserve program for the 1957 crop of corn, nor would it give the producers the right to terminate such agreements. It would leave those agreements in effect except that the amount of corn which the producers could produce and still comply with their agreements would be increased by the difference between their 1957 farm acreage allotments as previously established under the Agricultural Adjustment Act of 1938 and his farm base acreage as determined under this bill (which will be the same as the base acreage of which the producer was notified for purposes of the referendum held December 11, 1956, pursuant to section 308 (b) of the Agricultural Act of 1956).

If the acreage which the producer has already placed in the soil bank is not equal to 15 percent of his farm base acreage, he would have to put sufficient additional acreage in either the acreage reserve or the conservation reserve to bring his participation in the soil bank up to 15 percent of his farm base acreage in order to qualify for price support, except that if price support is made available to noncompliers, a producer who does not meet the "15 percent" requirement would be eligible for such support.

The Secretary would, of course, have authority under other provisions of the Soil Bank Act to consent to the termination of agreements by producers if he found such action to be necessary or desirable in carrying out the provisions of this bill. However, we would not want to cancel existing contracts except in exceptional circumstances.

Our proposed soil-bank operating procedure in case this bill is passed is as follows:

(a) We would reallocate the available funds from other commodities to corn.

(b) Available funds would be used for additional corn acreage in the following order of priority:

1. Each farm now under agreement would be offered an opportunity to increase corn acreage in the acreage reserve up to 15 percent of the respective corn base.

2. All other corn farms in the commercial corn area would be allowed to sign agreements for the larger of 5 acres or 15 percent of the farm corn soil-bank base.

3. If it should appear that this would not exhaust available funds an equitable method for additional signup would be developed.

(c) Initial allocation of available acreage reserve funds would be made to counties and States in proportion to the number of acres of corn allotment on farms not presently covered by acreage reserve agreements multiplied by the approved compensation rate per acre. Initial allocations would be increased or decreased as necessary to first permit all farmers desiring to do so to enter the 5 acres—15 percent maximum.

It is not expected that many farmers would place acreage in the conservation reserve in order to be eligible for price support. In view of the large sums still unused in the conservation reserve program, no problems of fund allocation are anticipated.

(d) The signup would be reopened under the above conditions. The final signup date would be 3 weeks after the bill becomes law.

Of course, you recognize that farmers generally have made their 1957 plans on the assumption that there would be no new corn legislation. In view of the delays which have occurred there will be many administrative problems. These will include reopening the signup to those who have already signed firm agreements but for whom the amount in the acreage reserve would be less than 15 percent of their acreage base. Then, there would be those producers who want to participate on the basis of their acreage base but who felt that they could not because of the size of their acreage allotments. All farmers who signed firm contracts would have to be officially notified of their new permitted acreage. Of course, some currently signed up may desire to cancel their contracts because of the change of rules. This may create certain administrative problems.

Sincerely yours,

E. T. BENSON, *Secretary.*

TABLE I.—*1957 corn acreage reserve progress report through Mar. 22, 1957—revised*

State	Signed contracts		Acreage reserve		Total compensation if all offers become firm contracts	1957 acreage allotment for old farms [1]		
	Number	Percent of all old farms	Acres in firm contracts	Total acres offered		Total acres	Percent under firm contract (2÷6)	Percent offered (4÷6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	5,423	22.2	86,201	59,825	$1,703,652	303,314	19.2	19.7
Arkansas	1,316	11.6	8,578	8,693	199,935	87,706	9.8	9.9
Delaware	1,141	17.7	17,133	19,798	891,553	108,971	15.7	18.3
Georgia	3,604	16.6	38,459	44,419	536,415	378,147	10.3	11.7
Illinois	26,516	11.5	357,794	419,102	19,538,671	5,857,909	6.1	7.2
Indiana	28,202	16.0	328,736	361,881	17,131,431	3,016,533	10.9	12.0
Iowa	37,757	17.7	625,378	847,713	37,528,274	6,862,696	9.1	12.4
Kansas	11,946	33.4	202,163	268,946	6,532,488	946,679	22.3	28.6
Kentucky	19,252	24.3	190,155	215,823	7,789,068	909,810	20.9	23.7
Maryland	1,955	10.4	22,951	27,245	1,205,319	263,823	8.7	10.3
Michigan	17,007	17.3	169,906	184,219	8,197,758	965,693	17.1	18.3
Minnesota	15,784	11.7	212,358	249,868	9,799,822	3,436,176	6.2	7.3
Missouri	34,016	23.8	507,341	583,333	21,344,215	2,381,250	21.3	24.5
Nebraska	45,081	47.4	968,009	1,201,711	36,768,007	4,172,390	23.2	28.4
New Jersey	1,599	23.5	22,814	34,108	1,223,244	164,000	21.7	23.0
North Carolina	10,009	12.8	80,971	85,755	2,870,211	850,262	9.5	10.1
North Dakota	435	19.5	7,161	8,238	188,068	71,182	10.1	11.6
Ohio	28,738	15.0	262,192	282,796	14,532,867	2,156,784	12.2	13.1
Pennsylvania	5,671	10.2	55,534	60,318	2,822,258	582,679	9.6	10.4
South Dakota	9,196	17.7	183,945	246,279	8,496,830	1,968,675	9.4	12.6
Tennessee	10,085	22.1	99,828	108,092	3,025,568	458,188	21.8	23.6
Virginia	1,539	14.0	16,105	17,176	684,991	122,548	13.0	13.9
West Virginia	123	11.8	1,968	2,042	83,616	15,835	12.4	12.9
Wisconsin	12,285	13.1	136,506	151,122	7,300,984	1,307,698	10.5	11.6
Total	324,598	18.2	4,574,254	5,607,604	208,926,142	37,288,489	12.3	15.2

[1] Excludes ineligible new farms and reserves.

Source: CSS, Soil Bank Division.

TABLE II.—*1957 acreage reserve fund utilization*

[In million dollars]

Commodity	Maximum permitted in any crop year	Allocation	Maximum payment as of Mar. 22, 1957	Amount available for reallocation to corn
Corn	300	217.5	300.0	
Cotton	300	217.5	157.0	60.5
Peanuts	7			
Rice	23	14.0	13.5	.5
Tobacco	45	34.1	18.0	16.1
Wheat	375	267.5	235.0	32.6
Total	[1] 1,050	[1] 750.7	631.5	[2] 109.7

[1] Not more than $750 million can be used for all commodities in any 1 year.

[2] Of this amount up to $82.5 million would be reallocated to corn.

Mr. ELLENDER. Mr. President, I wish to quote further from the speech of the Secretary of Agriculture:

> A few years ago surpluses were mounting rapidly, and rigid price supports on the so-called basic crops were encouraging more and more production of crops already in surplus.

Mr. Benson ought to know better than to make such a statement, in the light of the enormous surpluses which have been accumulating under the program as he is now administering it. The program is supposed to be operated in a different manner now than it was prior to 1953, because the law has been changed in the meantime to conform with the administration's wishes. We now have flexible price supports. Yet, let us see what has happened since the President

took office. I have before me a table prepared by the Department of Agriculture, from its own records. It shows that, with respect to corn, the inventory on January 31, 1953, when the present Secretary took office, was 266,711,000 bushels, and that the value of that corn was $427,482,000.

Now let us see what the inventory was as of February 28, 1957. The quantity of corn on hand was not less than 266,000,000 bushels, but was more—it was 967,122,000 bushels, almost a billion bushels of corn.

In other words, we now have on hand 3 times more corn than when Mr. Benson took office in 1953.

The value of that corn is $1,706,380,000 compared with a little less than a half billion dollars when Secretary Benson took office.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator is absolutely correct in stating what is happening by way of the accumulation of surpluses under this administration's management of agricultural commodities.

I might add—though undoubtedly the Senator from Louisiana will cover the subject—that the surpluses remain despite the efforts to sell them under subsidized programs and to give them away under charitable programs, which I supported and for which I have voted.

It also should be stated that the Department of Agriculture, under the Secretary's direction, has repeatedly dumped corn in the domestic market, forcing down cash prices, and at the same time forcing down the prices of Government stocks held in the Commodity Credit Corporation. A very peculiar system is operated by this administration. For example, the administration pays a particular price to a farmer on a commodity loan, and after it gets the commodity into its hands it cuts the price on it and in that way hurts both the producer and the Government.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. It is always a great pleasure to hear the distinguished Senator from Louisiana discuss the farm problem, because in the Senate no one knows the subject better than does the Senator from Louisiana. It is true, is it not, that during the 20 years of the Democratic administration of the farm program, the total loss the Government took on the 6 basic crops was $20 million?

Mr. ELLENDER. I will give the figure exactly, and I will also give the figures for the 4 years of Mr. Benson's administration. I do not wish to put those figures in the RECORD now; I would prefer to preserve the continuity of my remarks.

Mr. SYMINGTON. Will the Senator yield for one more question?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Is it not correct to say that, counting the nearly half billion fiasco with respect to potatoes, the total loss on all products was a little more than $1 billion during the period of 20 years?

Mr. ELLENDER. That is my recollection. I will have the exact figures to put in the RECORD.

Mr. SYMINGTON. I am delighted that the Senator from Louisiana, with his customary thoroughness, will do that. Will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. The New York Times yesterday morning said:

> Ezra Taft Benson said that he had no takers on his offer to show Congress how to cut Federal farm spending.

It goes on to say:

> Two weeks ago Mr. Benson said he would tell Congress how the Department of Agriculture's record $5 billion budget could be trimmed, if asked.
>
> Apparently Secretary Benson does not feel that Congress wishes to ask him where he can save this money. I ask the distinguished Chairman of the Committee on Agriculture and Forestry what his thoughts are on that matter.

Mr. ELLENDER. I serve on the Committee on Appropriations, and I am a member of the subcommittee which handles the Department of Agriculture appropriation bill. The Senator from Georgia [Mr. RUSSELL] is the chairman of that subcommittee. I am sure that Mr. Benson will receive an invitation from the Senator from Georgia to appear before the subcommittee to show us how to cut the budget. Of course, I am interested in it myself. I may say, in passing, to my good friend from Missouri, that if the corn legislation which had been proposed by Mr. Benson in the early part of this year had been enacted, it would have meant an expenditure for the corn program of almost a hundred million dollars more than was allotted by him to corn in the latter part of last year.

In other words, as the Senator knows, under the law as it now stands, there is authority for a $750-million soil-bank program. However, there is a provision in the law that if all the sum allotted to, let us say, wheat, or any other commodity, is not used, the amount remaining over and above the actual and necessary allotment may be assigned to another commodity.

For instance, $217 million was allotted to corn. A similar amount was allotted to cotton. A somewhat larger amount was allotted to wheat. If the wheat farmers do not sign up for all the money allotted to them, the unused portion of the allocation can be transferred to any other of the basic commodities.

It is the purpose of the Department to transfer to other commodities such amounts as were not used. If the corn bill passes and that course is pursued, the cost to the taxpayers will be in the neighborhood of $100 million more than the cost of the present program. In other words, corn may go up to $300 million instead of $217 million. Cotton could have increased up to its maximum limit if enough farmers had signed up. But in respect to the cotton program, only a litle more than 2 million acres were taken in, instead of the 3½ million to 4 million acres originally contemplated, so there is a surplus of money in the cotton program which can be allotted to the corn producers.

The same was true of rice, the same of tobacco, the same of peanuts; and also, I believe, there were surpluses of wheat allocations.

With the surpluses added together, it would be possible, if the administration bill passes, to provide the maximum of $300 million in soil-bank funds for corn farmers, notwithstanding the fact, as I have pointed out, that they were given $180 million in soil-bank payments last year with no decrease in production. As I said, corn production actually increased.

Mr. President, a moment ago, I was discussing the inventories of various commodities. There were 236,000 bales of upland cotton in inventory when Mr. Benson took over in January 1953. The value of that cotton was $32,378,000. As of February 28, 1957, there were 6,450,000 bales, having a value of $1,109,000,000.

The inventory of peanuts as of January 31, 1953, was 97,048,000 pounds, valued at $12,553,000. On February 28, 1957, there were 83,577,000 pounds, a decrease, with a value of $9,342,000.

There was no milled rice on hand when Mr. Benson took over in January 1953. At the end of February 1957 there were 6,218,000 bags of milled rice in CCC inventory, valued at $62,891,000.

In January 1953, there were on hand 127,779,000 bushels of wheat. On February 28, 1957, there were on hand 798,918,000 bushels. In other words, we had a little more than 5 times the amount of wheat on hand as of February 28, 1957, than when Mr. Benson took charge.

Mr. Benson had the opportunity as early as 1953 to place the so-called flexible price support in operation for milk producers. But what did he do? He said that in order to comply with a promise made by the President, milk price supports would not be reduced in 1953. Milk was supported at 90 percent of parity. The milk products inventory situation now compared with 1953 is favorable. There is much less on hand, but I shall point out later what has become of the dairy products inventory, how it was taken over and sold at a loss to the taxpayers of more than a billion dollars. That may be all right. But when Mr. Benson, in my humble judgment, misrepresents the facts to the American people, I take issue with him. Of course, this is not the only time I have taken issue with Mr. Benson.

I am placing in the RECORD the facts as I have obtained them from his own office. Instead of making speeches before the Republican ladies and showing only part of the picture, as he has, I think he ought to be called to task. That is exactly what I am trying to do now. I do not desire to go into any more details about the inventories on hand, but I ask

unanimous consent to have printed at this point in the RECORD a table prepared by the Department of Agriculture, showing the inventories as of January 31, 1953, and February 28, 1957, on all commodities.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U. S. Department of Agriculture, Commodity Credit Corporation, price support program—Inventory at Jan. 31, 1953, and at Feb. 28, 1957, and disposition between those dates, by commodity

[All figures in thousands]

Commodity	Unit of measure	Inventory, Jan. 31, 1953		Inventory, Feb. 28, 1957		Disposals, Jan. 31, 1953, through Feb. 28, 1957	
		Quantity	Value	Quantity	Value	Quantity	Value
Price-support program:							
Basic commodities:							
Corn	Bushels	268,711	$427,458	967,123	$1,705,380	227,308	$1,176,674
Cornmeal	Pounds			24,090	2,297	65,628	8,238
Cotton, extra long staple	Bales			1	413	186	39,451
Cotton, upland	do	298	32,378	8,430	1,108,088	7,777	1,427,978
Peanuts, farmers' stock	Pounds	97,948	12,558	74,293	7,485	761,168	98,142
Peanuts, shelled	do			9,314	1,482		
Rice, milled	Hundredweight			8,213	82,491	78,747	547,639
Rice, rough	do	1	7	42	239		
Tobacco	Pounds	4,316	1,206			5,594	1,598
Wheat	Bushels	757,779	842,627	798,918	2,353,522	862,464	2,498,291
Wheat flour	Pounds			29,527	2,680	245,271	17,200
Total basic commodities			816,453		5,097,727		5,796,511
Designated nonbasic commodities:							
Honey	Pounds					7,316	1,312
Milk and butterfat:							
Butter	do	44,088	39,643	13,437	8,229	865,408	858,796
Butter oil	do			181	104	143,116	125,125
Cheese	do	6,496	3,396	231,997	84,651	796,760	342,985
Milk, dried	do	89,252	10,396	125,151	23,991	2,488,006	444,231
Milk, fluid	do					613,303	91,129
Whey	do					71,154	4,556
Tung oil	do			236	62	98,281	9,984
Wool	do	636	880	38,836	39,164	123,117	96,797
Total designated nonbasic commodities			43,455		154,169		1,894,985
Other nonbasic commodities:							
Barley	Bushels	2,098	3,117	36,615	85,127	172,341	254,183
Beans, dry edible	Hundredweight	1,937	12,911	98	516	9,146	79,204
Cottonseed and products:							
Cotton linters	Pounds	302,648	27,992	56,598	5,988	875,384	83,652
Cottonseed meal	do	230,068	8,000			3,809,087	106,436
Cottonseed oil, crude	do					182,296	25,054
Cottonseed oil, refined	do	407,312	74,210	18	8	1,307,176	262,189
Olive oil	do					807	2,052
Flaxseed	Bushels	147	640	8	31	31,207	133,095
Grain sorghum	Hundredweight	94	225	59,288	68,203	897,647	318,140
Linseed	Pounds	189,681	34,719			404,520	101,194
Naval stores:							
Rosin	do	184,782	11,904	886,188	39,387	82,829	6,196
Turpentine	Gallons	525	258	562	336	2,521	1,451
Oats	Bushels	4,478	4,476	25,044	20,631	127,949	129,796
Rye	do	84	60	4,284	7,324	31,923	37,982
Seeds, hay and pasture	Pounds	15,457	12,437	34	12	46,873	45,968
Seeds, winter cover crop	do	331,547	19,488			380,447	27,742
Soybeans	Bushels	1	2	17	62	19,348	48,095
Rye flour	Pounds					1,102	87
Total other nonbasic commodities			192,793		188,731		1,694,302
Exchange commodities					209,045		66,308
Tota. price-support program			1,062,236		5,718,636		9,095,102

NOTE.—Value of inventory and cost value of dispositions include acquisition value of commodities, and storage, handling, transportation and other costs added to value of commodity between time of acquisition and time of disposition. Difference between inventory at Jan. 31, 1953, and inventory at Feb. 28, 1957, not accounted for by dispositions is due to acquisitions and other costs added during the period. Totals may not add due to rounding.

Mr. ELLENDER. Mr. President, I quote again from the speech of the Secretary of Agriculture:

The truth is that, on a nationwide basis, realized net farm income last year was 4 percent above 1955—the first peacetime year, by the way, in which farm income has increased since 1947.

The Secretary spoke the truth, but he failed to tell the whole story. He did not tell his audience what farm income is and how it compares with farm income at the time he took office. The realized net income, it is true, was 4 percent higher in 1956 than in 1955, but it was 17 percent below 1952, the year before Mr. Benson became Secretary.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, so as to present the entire picture, a table showing the realized net farm income, including Government payments, value of home consumption, and rental value of dwellings from 1945 through 1956.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Realized net farm income including Government payments, value of home consumption, and rental value of dwellings

Year:	Millions of dollars
1945	12,850
1946	15,000
1947	17,191
1948	15,943
1949	13,673
1950	13,857
1951	14,802
1952	14,256
1953	13,880

Realized net farm income including Government payments, value of home consumption, and rental value of dwellings—Con.

Year:	Millions of dollars
1954	12,021
1955	11,340
1956	11,836

NOTE.—Realized net farm income: A 4-percent increase from 1955 to 1956, but a 17-percent decrease from 1952 to 1956.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a table entitled "Index of Prices Paid by Farmers, Including Interest, Taxes, and Wage Rates; Index of Prices Received by Farmers; and Parity Ratio, 1945–56." I point out that when Mr. Benson took office the parity ratio was 92, whereas now it is down to 80.

I also wish to say that the prices paid by farmers, including wages and interest, and so forth, have been rising and rising and rising, whereas the prices received by farmers have been falling and falling and falling. That is the reason why the parity ratio has dropped from 92, in 1953, to 80 on February 15, 1957.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index of prices paid by farmers, including interest, taxes, and wage rates; index of prices received by farmers; and parity ratio 1945–56

[1910–14=100]

Year	Prices paid, interest, taxes and wage rate	Prices received by farmers	Parity ratio
1945	199	217	109
1946	208	236	113
1947	240	276	115
1948	260	287	110
1949	251	250	100
1950	258	258	101
1951	282	302	107
1952	287	288	100
1953	279	258	92
1954	281	249	89
1955	281	236	84
1956	285	236	83
Feb. 15, 1957	294	234	80

Mr. ELLENDER. Mr. President, in his speech the Secretary of Agriculture also said:

The truth is that exports of farm commodities are running at an alltime high.

Mr. President, I do not deny that. But the Secretary of Agriculture failed to state that about 40 percent of our total agricultural exports are a result of Government-sponsored programs, such as direct grants through the International Cooperation Administration's economic aid, Public Law 480, title II family relief donations, and section 416 foreign welfare donations, among others. If we add all of them together, we find that the alltime high of exports of farm commodities, of which the Secretary of Agriculture spoke, results to a great extent from these Government programs. They are not the result of the sliding scale.

The Secretary of Agriculture also said in his speech:

And there is every indication that we have passed the peak of the storage problem and that the Commodity Credit Corporation investments in price supports are declining. It is expected that the total CCC investments in farm commodities will be about $7.6 billion on June 30, 1957. This will be a net reduction of $700 million in a period of 12 months and a net reduction of approximately $1.3 billion below our peak holdings of February 1956.

Mr. President, bearing in mind the latter date, let us see what the Commodity Credit Corporation's investments were when Mr. Benson took over in 1953. Well, Mr. President, when the Secretary of Agriculture took office, the investment of the Commodity Credit Corporation was $2,905,000,000 compared with the $7.6 billion figure Mr. Benson hopes to achieve by June 30, 1957. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of the losses and gains sustained by the Commodity Credit Corporation in seven of these programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CCC losses and gains

Commodity	Oct. 17, 1933, through June 30, 1953	July 1, 1953, through Jan. 31, 1957
Corn	[1] $70,910,347	[1] $310,598,962
Cotton, upland	[2] 268,219,477	[1] 428,890,561
Peanuts	[1] 92,648,951	[1] 40,846,007
Rice	[1] 1,459,513	[1] 31,693,828
Tobacco	[2] 1,641,818	[1] 1,843,773
Wheat	[1] 95,127,450	[1] 374,903,354
Milk and butterfat	[1] 136,524,896	[1] 1,168,320,609

[1] Loss.
[2] Gain.

Mr. ELLENDER. Mr. President, as was pointed out a moment ago by the distinguished Senator from Missouri [Mr. SYMINGTON], losses sustained on all the basic commodities were very low until Mr. Benson took office. Losses on corn from October 17, 1933, through June 30, 1953, the year Mr. Benson took over, aggregated $70,910,347. From July 1, 1953, through January 31, 1957, the losses sustained on corn alone were $310,598,962; and the good Lord only knows what the losses will be with the almost one billion bushels of corn the Secretary of Agriculture now has on hand.

In the case of upland cotton, from 1933 through June 30, 1953, there was a gain of $268,219,477. From July 1, 1953, through January 31, 1957, while Mr. Benson has been Secretary of Agriculture, there was a loss of $428,890,561.

In the case of peanuts, from October 17, 1933, through June 30, 1953, there was a loss of $92,648,951. From July 1, 1953, through January 31, 1957, there was a loss of $40,846,007.

In the case of rice, from October 17, 1933, through June 30, 1953, there was a loss of $1,459,513. From July 1, 1953, through January 31, 1957, there was a loss of $51,693,828.

For tobacco, from October 17, 1933, through June 30, 1953, there was a gain of $1,641,818. In the 4 years from July 1, 1953, through January 31, 1957, there has been a loss of $1,843,773.

Mr. President, I ask Senators to notice particularly the loss which has occurred in the case of wheat. From the inception of the program on October 17, 1933, through June 30, 1953, there was a loss of $95,127,450, whereas during the last 4 years the losses on wheat alone were $374,903,354.

Let me point out that in the case of milk and butterfat, from October 17, 1933, through June 30, 1953, there was a loss of $136,524,896, whereas during the last 4 years, under Mr. Benson's administration, there has been a loss of $1,168,320,609. I wish Mr. Benson had given that information to the good ladies he addressed on April 2.

Mr. President, to summarize the record with respect to all commodities—basics, designated nonbasics, and other nonbasics—total losses from October 17, 1933, through June 30, 1953, were $1,110,136,889, whereas in the period July 1, 1953, through January 31, 1957, losses were $2,942,926,451. The total loss on all programs from October 17, 1953, through January 31, 1957, aggregated $4,053,063,340, with 72.6 percent of these losses chargeable to the operations during the 4 years of Mr. Benson's administration, and 27.4 percent chargeable to operations during the entire prior 20-year period.

Mr. President, I ask unanimous consent that the table from which I have just read may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CCC losses Oct. 17, 1933, to June 30, 1953, and from July 1, 1953, to Jan. 31, 1957 (details in attached schedule 5)

Commodity group	Period of time		Total losses Oct. 17, 1933, through Jan. 31, 1957
	From Oct. 17, 1933, through June 30, 1953	From July 1, 1953, through Jan. 31, 1957	
Basics:			
Dollars	$302,730,981	$1,939,010,327	$1,241,571,738
Percent	1.7	98.3	100.0
Designated nonbasics:			
Dollars	$707,415,005	$1,184,759,725	$1,892,174,730
Percent	37.4	62.6	100.0
Other nonbasics:			
Dollars	$100,000,903	$537,315,899	$619,316,802
Percent	16.2	83.8	100.0
Total:			
Dollars	$1,110,136,889	$3,942,926,451	$4,053,063,340
Percent	27.4	72.6	100.0

Mr. ELLENDER. Mr. President, I have a few more comments on the speech of Secretary Benson. I quote from page 9 of the speech:

The stage was set for these high costs by the surplus-building, market-destroying Democrat-sponsored farm program we inherited.

Mr. Benson knows better than that.

We're coming out from under these inherited problems.

And how, may I ask, does the Secretary reach this conclusion? I just pointed out the corn fiasco of last year. I wonder why the Secretary did not give all the facts to the fine ladies he was addressing on April 2.

Mr. President, I know some Senators desire to make a few statements of their own; but I want to point out that Mr. Benson has not operated at least one program over which he has had authority to use the sliding scale since 1953

in such a way as to reduce production. I refer to milk. Milk production in 1952 was 115.1 billion pounds. It rose to 125.7 billion in 1956.

The same hold true with respect to other commodities. I gave the figures for corn. In 1952, the last year prior to the present administration assuming office, production of corn was 3,292,000,000 bushels. The following years it was almost the same, with the exception of last year, 1956, when production surpassed any other year, amounting to 3,451,000,000 bushels. And that, Mr. President, is notwithstanding the fact that we had the so-called soil bank in operation.

Of course, Mr. Benson complained that the 1956 Act was passed a bit late for the soil bank to become fully operative. As I pointed out, however, over 5 million acres were put into the soil bank and more corn was produced than the year before.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a table of production and price support levels, 1950 to 1956.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and price-support level, 1950–56

Year	Production	Support level (percent parity)	Production	Support level (percent parity)
	Corn (million bushels)		Sorghum (million bushels)	
1950	3,073	90.0	234	85.0
1951	2,928	90.0	163	75.0
1952	3,292	90.0	91	86.0
1953	3,210	90.0	116	85.0
1954	3,098	90.0	231	85.0
1955	3,230	87.0	263	79.0
1956	3,451	(1)	205	76.0
	Oats (million bushels)		Barley (million bushels)	
1950	1,309	75.0	304	75.0
1951	1,278	75.0	257	75.0
1952	1,217	90.0	228	80.0
1953	1,153	85.0	247	85.0
1954	1,410	85.0	279	85.0
1955	1,364	76.0	401	76.0
1956	1,155	76.0	372	76.0
	Rice (million bags, 100 pounds)		Milk (billion pounds)	
1950	39	90.0	117.3	[2] 79.0
1951	46	90.0	115.3	[2] 87.0
1952	45	90.0	115.1	[2] 90.0
1953	53	91.0	120.8	[2] 90.0
1954	54	91.0	122.3	[2] 75.0
1955	56	90.0	123.2	[2] 90.0
1956	47	82.5	125.7	[2] 84.0
	Wheat (million bushels)		Cotton (thousand bales)	
1950	1,019	90.0	10,014	90.0
1951	988	90.0	15,140	90.0
1952	1,306	90.0	15,139	90.0
1953	1,173	91.0	16,465	90.0
1954	964	90.0	13,686	90.0
1955	935	82.5	14,721	90.0
1956	999	82.6	13,223	82.5

[1] 84.3 compliance; 70.2, noncompliance.
[2] Support on Milk for Manufacture.

Source: U. S. Department of Agriculture.

Mr. ELLENDER. Mr. President, I could recite more details about all these figures, I think I have presented enough information to rebutt Mr. Benson. I do hope that the next time Mr. Benson makes a speech he will look up the records. He has them. Everything I have read to the Senate today came from his Department. He could at least have told the full story to the good people he was addressing. It is not a hard task for the Secretary of Agriculture to obtain full and accurate statistics from members of his own Department.

Mr. President, I understand that other Senators desire to speak. I have more facts that I could put into the RECORD, but I shall conclude at this point.

During the delivery of Mr. ELLENDER's speech,

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I should like to ask the Chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana, if he will permit me at the conclusion of his remarks—lest I do not have a chance to participate at that moment—to insert in the RECORD a press release relating to Mr. Benson's operation of the Department of Agriculture, which contains some pertinent and, if not polite, at least accurate comments about the Secretary's speech of just a few days ago.

Will the Senator permit me to ask unanimous consent that my statement be printed at the conclusion of his remarks so that those who are in the great fourth estate, our friends of the press, will know I have kept faith with them in the release of my statement today?

Mr. ELLENDER. I have no objection, Mr. President, so long as I do not lose the floor.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY CHARGES BENSON WITH FLAGRANT AND CYNICAL PARTISAN POLITICS ON CORN BILL

Senator HUBERT H. HUMPHREY today characterized Secretary of Agriculture Ezra Taft Benson's recent speech before the Republican women's conference as an attempt to "plunge our efforts to enact emergency corn legislation into partisan politics of the most flagrant and cynical kind."

"It is particularly shocking," Senator HUMPHREY said in a Senate floor speech, "that Benson's partisan attack should come at this particular time, when Members of the Senate from both parties are making a conscientious effort to get together on some kind of emergency legislation to avoid the disaster to corn and livestock markets that now faces us."

Senator HUMPHREY called Secretary Benson's remark that the bill is too late to do any good, an example of either "deliberate sabotage, or ignorance of the facts." "The truth is," Senator HUMPHREY said, "that this bill, regardless of whether it is passed tomorrow, next month, or next August, will have the extremely important effect of substantially increasing the volume of corn from this year's crop that will be eligible for price support loans at $1.36 per bushel.

"The truth is further," HUMPHREY stated, "that Ezra Taft Benson is the man who bears major responsibility for the desperate crisis that confronts corn and livestock producers. This last effort is merely the most recent of many steps he has taken over the past year to bring about low corn prices and excessive production of livestock."

HUMPHREY said that Benson's mishandling of the corn problem was typical of a long "record of colossal blunder, colossal waste, and colossal failure. Ezra Taft Benson has not merely mismanaged our Nation's farm programs," HUMPHREY said, "he has deliberately sabotaged and wrecked them."

In detailing this indictment, Senator HUMPHREY spelled out the documentation and evidence he said supported 12 specific charges as follows:

1. Secretary Benson is personally responsible for the broken campaign promises of farm parity in the 1952 and 1956 election campaigns.

2. Secretary Benson has manipulated official figures and statistics, misrepresented facts, and drawn false conclusions to gain acceptance of his policies by those they were designed to injure.

3. Secretary Benson has obstructed and delayed action on necessary farm legislation repeatedly and thus effectively thrown roadblocks in the way of orderly congressional action.

4. Secretary Benson has resorted to pitting group against group in his attempt to discredit and destroy the farm programs he has inherited.

5. Secretary Benson has deliberately and consciously operated the Department of Agriculture in a manner calculated to drive down prices received by farmers.

6. Consumers have not been helped by success of Benson efforts to drive down farm prices; farm prices dropped 18 percent, retail prices of food only 2½ percent.

7. The administration's policies have pushed farm family net income down from $15.1 billion to $11.6 billion, a drop resulting not from increased farm costs but lower gross income due to the decline in farm prices.

8. Secretary Benson has not reduced production, which is the major excuse he gave for lower price supports; instead, he cut farm income and raised production.

9. Secretary Benson's mismanagement of the farm programs has multiplied price support cost by 10 times, while reducing their effectiveness by 20 percent.

10. Secretary Benson repeatedly refused to use his legal authority to halt drops in prices of important livestock and poultry products at the authorized level of 90 percent of parity.

11. The policies pursued by the Eisenhower administration made the so-called surplus problem worse than ever before in history.

12. Secretary Benson, in full consciousness of the accuracy of these charges, attempts to defend his indefensible record by irresponsible partisan and personal attack on leading and experienced Democratic supporters of effective farm programs.

REGULATION OF THE MEATPACKING AND DISTRIBUTING INDUSTRY

Mr. WATKINS. Mr. President, on February 25, 1957, the Senator from Wyoming [Mr. O'MAHONEY] introduced for the two of us, S. 1356. This bill, if enacted, would:

First. Repeal the jurisdiction of the Secretary of Agriculture over meatpackers, as authorized in title II of the Packers and Stockyards Act.

Second. Amend the Federal Trade Commission Act so as to return to the Federal Trade Commission jurisdiction over the meatpacking and distributing industry.

I joined the Senator from Wyoming in cosponsoring S. 1356 because, since the transfer of authority to regulate unfair trade practices over packers from the FTC to the USDA in 1921, the Department of Agriculture has not provided effective administration of this authority, which is designed to maintain and preserve price competition in the meatpacking industry.

In a speech I made at that time, outlining my reasons for cosponsoring S. 1356, I noted that nonadministration by the USDA of title II of the Packers and Stockyards Act had led food chains and other nonpacker firms to buy a packing plant, or a small interest in a packing plant, so that by qualifying as a packer under that act, they could escape Federal Trade Commission enforcement of unfair trade practice provisions of the FTC act with respect to their food operations.

I called the attention of the Senate to the United Corp. case (110 F. 2d, 473) at that time. This was a case in which the FTC brought action for an alleged unfair trade practice against the United Corp., which then was engaged in the sale and distribution of canned meat products. After the FTC had filed its original petition, the defendant corporation acquired an interest in several packing companies.

At a time subsequent to this action, the corporation then filed a motion for dismissal of the FTC complaint with the appropriate Federal district court, on the grounds that it was a packer, and thus was not subject to the jurisdiction of the Federal Trade Commission. The court granted the defendant's petition, saying in part:

> When petitioner here, by acquiring stock in Montel, Inc., and Emmart Food Products Co., became a packer within the meaning of the Packers and Stockyards Act and subject to the jurisdiction of the Secretary of Agriculture, the Trade Commission had no further power of regulation over it; and the fact that the Commission may have been considering regulation under a complaint theretofore filed is immaterial.

Mr. President, such activity by food chains seems on the increase. The reason is obvious. If they can escape FTC control by purchasing a packing facility, and the USDA continues to maintain an inadequate enforcement agency, they will have more flexibility in their operations than otherwise would be the case. Where this happens, the result is to give them a freedom of operation their competitors cannot enjoy. But such freedom—exemption from unfair trade practice regulations—could well be destructive of our free enterprise system, since it gives them an unfair advantage over their competitors and thus a means of eliminating publicly desired competition.

Another such case of recent date has been called to my attention. This case can be identified as FTC Docket 6458. On November 21, 1955, the Federal Trade Commission filed a complaint against Food Fair Stores, Inc., of Philadelphia, alleging that the corporation had engaged in unfair trade practices by contracting with suppliers to buy certain items for an anniversary sale at prices lower than the prices these suppliers were asking from the corporation competitors.

On December 17, 1956, an examiner upheld the complaint and the Commission subsequently upheld the examiner. On March 12, 1957, the Commission denied an application by Food Fair that the complaint be amended.

On March 20, 1957, Food Fair filed a motion with the FTC in which it was asked that the original complaint be dismissed on the grounds that the corporation was in the packing business and, consequently, not subject to the Federal Trade Commission Act as to its trade practices. It was argued that the corporation was subject to the Packers and Stockyards Act.

In the March 20 brief, it was pointed out that Food Fair owns a packing plant at Elizabeth, N. J. It was said that this plant was an integral part of the corporation's operations, and that in 1956 it sold approximately $24 million worth of fresh and processed meats to outside jobbers. It was said that these outside sales would amount to approximately $25 million.

In their brief, the lawyers for Food Fair argued:

> It is not significant that the respondent is engaged in business endeavors that extend beyond its operations as a packer, and such separate and collateral endeavors are not subject to the Commission's jurisdiction. The courts and the Commission have so held.

Among others, the lawyers then cited the case of the United Corp. to which I have already referred.

Mr. President, in my judgment the public interest requires that this trend be stopped. There is only one way to do this, and that is to transfer the authority to prevent unfair trade in the meatpacking industry back to the Federal Trade Commission where it belongs. As I said at the time S. 1356 was introduced:

> It is certain that if the Congress is ever going to be able to get effective administration of the laws it passes, it must recognize the need to group similar functions together for administrative purposes. Sound principles of organization dictate the reasonableness of this position. We have only ourselves to blame when we establish an independent agency, such as the Federal Trade Commission, to carry out a specific function such as the prevention of unfair trade practices, and then proceed to dismember that agency by transferring its functions to other agencies and departments not equipped or staffed to do the job.

Why do I say this with reference in particular to the meat-packing industry? Last July 6 I introduced S. 4177, which was designed to do the same as S. 1356, which the Senator from Wyoming [Mr. O'MAHONEY] and I have cosponsored this session. Yet it was not until December 21, 1956, nearly 6 months later, that the USDA rendered a report—a negative one at that—on S. 4177, although a report had been requested on July 10, only 4 days after it was introduced.

In light of the problems which have arisen because of USDA's failure to enforce vigorously title II of the Packers and Stockyards Act, and in light of this negative report, after a "study" period of 6 months, it would not seem unreasonable to expect the Department of Agriculture to come forth with a concrete, effective alternative to S. 4177 and S. 1356. This the Department has not done to date.

Since involved is the problem of regulating the third largest industry in this country one might expect the USDA, after opposing the transfer of this authority to the FTC, to ask for a substantial increase in its 1958 fiscal year budget request for the purpose of preventing unfair trade practices as required by title II of the Packers and Stockyards Act.

The USDA, in the absence of an effective alternative and after 26 years of nonenforcement of title II, has merely indicated that it will study "current activities and problems relating to the investigation and regulation under the Packers and Stockyards Act of trade practices in livestock buying and meat merchandising"—press release, February 20, 1957.

Such an announcement 7 months ago might have been better received as if the survey indicated the need to ask Congress for adequate funds or perhaps even to transfer supervisory authority over packers to the FTC.

The press release announcing this survey went on to state that:

> With limited funds available for administration of the Packers and Stockyards Act over the last 10 years, the Department has concentrated attention on those activities closest to the producers themselves, where it appeared that funds could be more efficiently spent and where the results would most certainly work to the direct and immediate benefit of producers.

Illustrations of these activities are then cited which clearly indicates that major emphasis has been placed upon the regulation of stockyard activities which, although desirable, should not have been concentrated upon to the virtual exclusion of trade-practice supervision.

It is being rumored that the USDA may relinquish its jurisdiction in the Food Fair case, to which I have made reference, should it be determined by the FTC itself, or the courts, that it, not FTC, has jurisdiction in the case. If this proves to be the case, it would be only further evidence of the fact that prevention of unfair trade practices in the food-processing industry should be vested in the FTC, as it was before 1921. If, on the other hand, the result in this case should be the same as it was in the United Corporation case, it also would be evidence in support of this contention that title II authority should be transferred back to the FTC. Why? Because, as I suggested, when S. 1356 was introduced, unless the Congress does this, the odds are against the USDA's being able to give effective regulation to the activities of national packers and food chains. As I put it on that occasion:

> What more effective way is there to escape proper public regulation than to transfer such control from an effective and specialized agency such as the Federal Trade Commission, to another agency or department, and insure its burial in a three-employee section? A handful of people, in effect, are charged with regulating the third largest industry in the country.

The need for passage of S. 1356 is indicated by the fact that in the motion

it filed with the FTC to dismiss the charge of unfair trade practice brought against it, the Food Fair Store, Inc., petition cites the remarks I made when S. 1356 was introduced, as evidence of the fact that the FTC does not have jurisdiction. In part, the motion reads:

Senator WATKINS, of Utah, the author of a bill (S. 1356) now pending in the Senate to confer upon the Commission jurisdiction in precisely the situation in issue here, stated the following on the floor of the Senate on February 25, 1957, in support of his bill: "I believe it is in the public interest that FTC control be extended over packers which enter into other sideline businesses—businesses which now escape such control because of USDA inaction, but whose competitors are subject to FTC control. The same need for public control applies to food firms, especially food chains, which now can acquire packing plants, or a substantial interest in one and thus escape FTC supervision over their entire operations."

In a few words, their action in filing this motion seems to have but one objective—finding a way to escape effective antitrust regulation. This is one of the loopholes S. 1356 is designed to close.

Mr. President, I ask unanimous consent that two articles relating to this matter be printed in the RECORD, first, an article entitled "Food Chain Says It's Meatpacker," which appeared in the New York Times of March 25; the second, an article by Marvin Caplan and Art Carel, entitled "Food Fair Asks FTC Drop Case; Says It's a Single 'Packer,'" which appeared in the March 25 issue of the Super Market News.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 25, 1957]

FOOD CHAIN SAYS IT'S MEATPACKER—GROCERY COMPANY FIGHTING FTC CHARGE POINTS TO PLANT IN ELIZABETH, N. J.

WASHINGTON, March 24.—One of the country's large food store chains is asking the Federal Trade Commission to dismiss a complaint against it on grounds that it is a meatpacker.

The move by Food Fair Stores, Inc., a Philadelphia concern operating more than 200 grocery stores from New York to Florida, will be watched by the entire food industry. If successful, the action would remove the company from the jurisdiction of the Federal agency established to regulate interstate trade and competition.

If, as its lawyers contend, Food Fair Stores is a packer under the law, then it is subject only to the controls of the Department of Agriculture.

The Trade Commission complaint has been pending for 16 months. In November 1956, the agency charged the company—along with Giant Food Shopping Center, Inc., and 11 food manufacturers—with discriminating against competing retail grocers. The case has been in various stages of appeal since.

Last week Food Fair Stores changed tactics with a new petition asking that the case be dropped altogether.

CITES ELIZABETH PLANT

Food Fair Stores says in its petition that it owns a meatpacking plant in Elizabeth, N. J. It bought the plant in 1945 for $265,000, and has since invested $2,700,000 in buildings, equipment, and land.

It slaughters and prepares livestock, including cattle, lambs, and calves for market. Its meat products are marketed through independent jobbers and through its own stores. But the "greatest volume," says the petition, goes to the outside jobbers. This year the plant will do an estimated $25 million in meatpacking business.

This dollar volume is only a fraction of the company's overall grocery store sales. These, the FTC says, run to $348 million annually. But the company's lawyers say this is no part of the argument. They cite the Packers and Stockyards Act of 1921 to show that anyone engaged in packing meat is, for purposes of the law, a packer and subject to the jurisdiction of the Secretary of Agriculture.

The Food Fair lawyers said the Trade Commission showed its awareness of provisions of the Stockyards Act when last year it dismissed an oleomargarine complaint it had previously lodged against Armour & Co., the Chicago packer. In that case the Commission acknowledged lack of jurisdiction.

Recently Senator ARTHUR V. WATKINS, Republican, of Utah, and Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming, introduced a bill to place the whole meat packing and distributing industry back in the hands of the FTC.

Food Fair's attorneys used Mr. WATKINS' words in support of his bill to back their own contention that the agency would not now have jurisdiction over their client.

"I believe," Mr. WATKINS said in a Senate speech February 25, "it is in the public interest that FTC control be extended over packers which enter into other sideline businesses—business which now escape such control because of [Department of Agriculture] inaction, but whose competitors are subject to FTC control. The same need for public control applies to food firms, especially food chains, which now can acquire packing plants, or a substantial interest in one, and thus escape FTC supervision over their entire operations."

Food Fair's lawyers are Howard Engel, Louis A. Gravelle, and David C. Murchison, of the Washington firm of Sanders, Gravelle, Whitlock & Howrey.

Edward F. Howrey, a partner of the firm, was Chairman of the Trade Commission from March 1953 to August 1955, and Mr. Murchison was one of his associates.

[From the Supermarket News of March 25, 1957]

FOOD FAIR ASKS FTC DROP CASE—SAYS IT'S A PACKER

(By Marvin Caplan and Art Carel)

WASHINGTON, March 24.—Food Fair Stores, Inc., Philadelphia, asked the Federal Trade Commission at the weekend to dismiss all charges against the firm because it is a packer and therefore outside of the agency's jurisdiction.

The company's move came just as:

The Commission amended its original complaint against Food Fair to include a charge that it did not spend all the advertising allowance money it was paid in connection with special sales, but diverted a substantial sum to its own use.

An FTC attorney noted his intention to appeal to the full Commission from an examiner's dismissal of the case against J. H. Filbert, Inc., Baltimore, one of the suppliers charged with giving Food Fair special allowances, in connection with the chain's anniversary and candy carnival promotions, that they did not make available to Food Fair competitors on similar terms.

The most important and dramatic development, however, was the motion to dismiss that Food Fair attorneys addressed to FTC Examiner Frank Hier.

The attorneys, David C. Murchison, Louis Gravelle, and Howard Engel, argued that Food Fair's operation of a packing plant in Elizabeth, N. J., makes it a packer within the definition of the Packers and Stockyards Act of 1921 and, as a packer, jurisdiction over its acts and practices is vested exclusively in the Agriculture Secretary.

Filing of the motion by Food Fair was a direct result of an article in the February 4 issue of Supermarket News which disclosed for the first time that both USDA and FTC officials conceded that food chains which had meat packaging operations might be outside of FTC jurisdiction.

A Food Fair attorney said discussion on the possible filing was started because of questions raised in this article.

According to the motion, the company is already considered a packer by the Department of Agriculture.

This was confirmed by a USDA official, who said Food Fair is one of the firms listed in a card file of companies considered meatpackers by USDA under the Packers and Stockyards Act.

As a meatpacker, he said, Food Fair is required to file an annual report with the Department.

Food Fair, the motion says, became a packer on July 13, 1945, when it acquired the Elizabeth packing plant for $265,000. Its investment in the plant, equipment and land is now about $2,700,000.

The company says it distributes the livestock it prepares to independent jobbers and to its own stores, though most of the meat is sold to the jobbers.

For fiscal year ended April 30, 1957, Food Fair estimates it will sell, as a packer, about $25 million worth of meat products. For fiscal 1956, its packing plant volume was $24,346,316 and $23,749,452 of that was in sales to outside jobbers. For fiscal 1955, sales at its packing plant totaled $23,843,034 and $23,093,203 was in sales to jobbers.

After reviewing the broad definition of "packer" in the Packers and Stockyards Act, Food Fair attorneys said FTC does not have jurisdiction under the FTC Act.

They claimed that as the FTC Act is written, a "party allegedly engaging in 'unfair methods of competition' is expressly exempted from the Federal Trade Commission Act if such party is a 'corporation' within the meaning of the Packers and Stockyards Act."

The attorneys continued:

"It is not significant that respondent 'Food Fair' is engaged in business endeavors that extend beyond its operations as a packer, and such separate and collateral endeavors are not subject to the commission's jurisdiction."

They cited two FTC cases in which the jurisdictional issue was raised. They recalled that FTC's deceptive practice case against United Corp., Richmond, Va., was dismissed by an appellate court because the company, a marketer of canned meat products, acquired a 20 percent stock interest in two licensed packing companies. The court ruled that made the company a packer and removed it from FTC's jurisdiction even though the plants were acquired after the complaint was filed.

Last year, the attorneys said, FTC dismissed a complaint that Armour & Co. had misrepresented a margarine as a dairy product after Commission heads decided the firm was a packer and so, not subject to its jurisdiction.

Commenting on this particular point last week, Food Fair Attorney David C. Murchison said the Armour decision "confirms what we believe to be the fact all along, that the complaint against Food Fair cannot stand up."

The motion also reviewed some of the legislative history of the Packers and Stockyards Act to document the claim that "Clearly Congress * * * intended to cover all operations and business of companies subject to the act."

The Commission's decision to amend the complaint against Food Fair came after Examiner Frank Hier refused to do it. However, FTC did not reverse Mr. Hier.

The added paragraph charges that in connection with anniversary and candy carnival sales in 1954, 1955, and 1956 it was Food Fair's practice not to use all the money received from its suppliers to advertise their products during the sales but to divert substantial amounts of such payments to its own use.

During 1955, FTC says, Food Fair obtained $216,770 from 278 suppliers for a 4-week anniversary sale starting April 21, and did not spend all the money on advertising.

A similar motion to amend the complaint against Giant Food Shopping Center, Inc., Washington, is pending before the Commission. Presumably a charge will be added to that complaint, too.

Both Giant and Food Fair were accused in November 1955 of inducing special advertising allowances for their special sales when they know their suppliers were not making similar arrangements with their competitors. FTC charges that is a violation of section 5 of the FTC Act.

Filbert and 10 other suppliers were charged with violating section 2 (D) of the Robinson-Patman Act by granting the special allowances to 1 or both of the 2 chains without making them available to competitors on proportionally equal terms.

Earlier this month, Mr. Hier dismissed the Filbert case, because he felt the FTC attorneys prosecuting it had failed to show there was any competition on an interstate level affected by the transaction between Filbert and Food Fair. The matter now goes before the full Commission.

DEVELOPMENT OF FOREIGN AIR COMMERCE

The Senate resumed the consideration of the bill (S. 1423) to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1423, a bill to amend section 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended.

The bill is open to amendment.

Mr. HUMPHREY. The bill is in charge of the distinguished senior Senator from Washington [Mr. MAGNUSON]. I do not know if he has any comments to make on it.

Mr. MAGNUSON. Mr. President, the bill was unanimously reported by the Committee on Interstate and Foreign Commerce. I merely wish to submit the report for the RECORD, which states the purposes of the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Will the Senator make a brief explanation of the bill for the RECORD?

The PRESIDING OFFICER. Does the Senator from Minnesota yield the floor?

Mr. HUMPHREY. Mr. President, I wonder if the Senator from Oregon will withhold his request for a moment, in line with an earlier request which had been made of the junior Senator from Minnesota by the minority leader.

Mr. MORSE. I withhold my request.

Mr. HUMPHREY. I thank the Senator. I yield to the minority leader.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, immediately following the report of the committee, certain letters and a statement.

I should like to ask the Senator from Washington if he has placed into the RECORD the committee report.

Mr. MAGNUSON. I am getting it now.

Mr. KNOWLAND. I ask unanimous consent that, immediately following the committee report, there may be printed in the RECORD, a letter I received from Mr. Robert C. Hill, Assistant Secretary of State, pointing out certain objections which the Department of State had to the pending legislation, and pointing out that similar comments on the bill were made last year when the bill was passed by the Senate; also, following the letter, a copy of the comments of the Department of State on the bill; and a letter dated March 28, from Mr. Sinclair Weeks, Secretary of Commerce, to me, in which objections to the bill in its present form are expressed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, I now have a copy of the report, and I had intended to ask to have it printed in the RECORD, but I find it is against the rules. I therefore ask that Senators read the report.

The letters and statement ordered to be printed in the RECORD on request of Mr. KNOWLAND are as follows:

DEPARTMENT OF STATE,
Washington.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

DEAR SENATOR KNOWLAND: Following your request for comments on S. 1423 the Department has reviewed that bill which proposes "to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended." This bill is found to be identical with S. 3914 of the 84th Congress, 2d session, as reported by the Committee on Interstate and Foreign Commerce.

The Department sent you detailed statements on S. 3914 in a letter of July 24, 1956. A copy of these comments is enclosed. Recent experience has confirmed and strengthened the Department's opinions as expressed therein. With one exception the comments are fully applicable to S.1423. The one exception is that S. 3914 as reported by the committee and S. 1423 of the 85th Congress omit the mandatory requirement that the President shall report his reasons for withholding approval. Comment on this requirement was made under paragraph (c) on page 2 of the enclosure. The amended bills do require that the President shall report to the Congress any cases in which he withholds approval, including in such report the action he has ordered the Board to take and his reasons therefor unless he finds such report would be contrary to the interests of national defense or foreign policy, which finding he shall communicate to the Congress. As noted in the comments relative to mandatory reporting of reasons, the considerations behind the President's decisions in regard to cases involving foreign air transportation generally involve national defense or foreign policy matters, disclosure of which might well be detrimental to the interest of the United States.

In this connection with S. 3914, the Department also sent a letter dated June 11, 1956, to the Committee on Interstate and Foreign Commerce. This letter is reproduced in the report, Calendar No. 119, of February 27, 1957, to accompany S. 1423.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

COMMENTS OF THE DEPARTMENT OF STATE ON S. 3914, A BILL TO AMEND SECTIONS 801, 802, AND 1102 OF THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED

Section 1 of S. 3914 would eliminate or limit the requirement of Presidential approval over certain actions of the Civil Aeronautics Board involving certificates for United States carriers and permits for foreign air carriers.

The framers of the Civil Aeronautics Act of 1938 recognized the separate functions of the Board and President with regard to foreign air carrier permits and to certificates for United States carriers involving other than purely domestic air transportation. In insuring that these independent responsibilities were reflected in the original legislation, the drafters established the framework in which the Board and other agencies of the executive branch could function in the overall interests of the United States. The Department believes that the proposal to eliminate or limit the President's authority to review the decisions of the Board in these fields fails to recognize the continued existence of these other aspects of the decisions. Consequently, it is believed that enactment would make it more difficult, if not impossible, to insure that the final decision in each case reflected the overall interests of the United States.

Sections 2 and 3 of S. 3914 would amend the Civil Aeronautics Act of 1938 to prohibit the executive branch from discussing or negotiating with a foreign country the conclusion or modification of an air transport agreement (a) unless the Civil Aeronautics Board consulted fully, both prior to and during such discussions or negotiations, with any United States airline which would be affected; and (b) unless a representative of the United States air carriers was made an accredited member of the United States delegation to any formal negotiation.

The Department urges that the proposed amendments not be enacted, on the grounds that they are unnecessary and unwarranted. They are unnecessary because adequate practices and procedures already exist under which the airlines have ample opportunity to make their views known to the Government with respect to the conclusion or amendment of an air transport agreement with a foreign government. They are unwarranted because they would interfere with the normal functioning of the executive branch, hamper the Department of State in the conduct of foreign relations, and would give a segment of the air transport industry a position superior to those of the traveling public and the communities which depend upon the industry for air communications with the rest of the world.

A summary of specific provisions of S. 3914, with the Department's views thereon, is attached.

1. Sections 1, 2, and 3 of S. 3914 would amend, respectively, sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended (hereinafter referred to as "the act"). These sections of the act deal with certain aspects of international air transportation. For ready reference, the provisions of each section, as presently in force, are summarized below:

(a) Section 801: Provides that the issuance, amendment, transfer, or revocation (by the Civil Aeronautics Board) of any certificate authorizing a United States air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same Territory or possession, or any permit issuable to any foreign air carrier, shall be subject to the approval of the President.

(b) Section 802: Requires the Secretary of State, in the negotiation of air navigation agreements with foreign governments, to advise and consult with the Civil Aeronautics Board.

(c) Section 1102: Requires the Civil Aeronautics Board, in executing the act, to do so

consistently with United States treaty obligations, take into consideration applicable laws of foreign countries, and not restrict compliance with such laws on the part of the United States carrier.

2. Section 1 of S. 3914 would amend section 801 of the act to restrict the existing requirement of Presidential approval of specified actions of the Board. The nature of the proposed changes, and the Department's comments thereon, are as follows:

(a) Principle: Permits for foreign air carriers and certificates for United States carriers in foreign air transportation issued by the Civil Aeronautics Board would not be subject to Presidential approval except in those cases which the President determines may affect the national defense or foreign policy of the United States.

Comment: An objective of section 1 is to ease the burden of Presidential review and to reduce his work with respect to certain categories of CAB decisions. This is sound and worth while. However, with respect to this category of actions, the objective would not be obtained in actual practice, for the following reason: In order to determine whether a particular Board decision might affect the national defense or foreign policy of the United States pursuant to the provisions of section 1, it still would be necessary for the President to scrutinize every such decision. Thus, he would not be relieved of any work in this area. Moreover, it is difficult to conceive of a case which may not potentially involve foreign policy considerations. Every certificate or permit involving foreign air transportation involves foreign countries and, accordingly, touches upon foreign relations. In addition, any individual Board action in this field cannot be treated independently as an isolated case, but must be considered in the context of other actions. Thus, no matter how free the surface of a certificate or permit may appear to be, it cannot be assumed to be devoid of foreign-policy considerations. Therefore, if the President were fully to discharge his responsibilities as proposed by section 1, it appears that all Board decisions in this area would continue to be subject to his approval.

(b) Principle: Certificates for United States carriers to engage in overseas air transportation (example: between the United States and one of its Territories) or in transportation between places in the same Territory or possession would no longer be subject to Presidential approval.

Comment: To the extent that air services in this field constitute portions of international services of our carriers they may in some instances affect foreign policy. The President should therefore have the opportunity to determine in each case whether any such consideration is involved. The proposed amendment would eliminate this opportunity.

Considerations other than those of foreign policy would also indicate that the President should retain the opportunity to review any case dealing with operations beyond the continental limits of the United States. Other executive agencies have expressed themselves on these points. The White House view is as follows:

"The termination of the President's authority to approve cases involving overseas and territorial air transportation would appear inadvisable, since national defense considerations may play an important role in such decisions."

(c) Principle: In any case relating to foreign air transportation in which he withholds approval, the President shall report to the Congress as to his reasons. He shall include in the report the action which he has ordered the Board to take.

Comment: Inasmuch as the considerations behind the President's decisions in regard to cases involving foreign air transportation generally involve national defense or foreign policy matters, disclosure of which might well be detrimental to the interests of the United States, provision for mandatory disclosures would be detrimental to the security of the United States and to the effective conduct of its foreign policy.

3. Section 2 of S. 3914 would amend section 802 of the act by the addition of a sentence stating that the negotiations shall be conducted in accordance with the principle set forth in section 1102 of the act.

The Department's opposition to the proposed amendment of section 802 is based upon its opposition to the principles which are proposed for insertion in section 1102, i. e., its objection to section 2 of S. 3914 are related to its opposition to section 3 of that bill. Section 3 is discussed below.

4. Section 3 of S. 3914 would amend section 1102 of the act to include the principles and procedures by which the Department of State and Civil Aeronautics Board would be bound.

International negotiations on air transport matters as well as other international negotiations require that the executive branch of the Government be able to follow such procedures and apply such information with regard to international relations, the public interest of the United States, and the national defense as may be pertinent in connection with any particular negotiation. The enactment of required procedures with respect to such negotiations would destroy the flexibility which is many times the essential qualification on which the ability to obtain an agreement in the best interests of the United States may depend. Therefore, from the standpoint of general principle, the Department recommends against the enactment of required procedures. The following is a summary of specific principles embodied in section 3 of S. 3914, with the Department's views thereon:

(a) Principle: The Civil Aeronautics Board must notify interested carriers and consult with such carriers' representatives both prior to and during any discussions or negotiations with foreign countries for the conclusion or modification of any treaty, etc., regarding air transportation.

Comment: It already is the usual practice for the Board to notify and consult with the most interested carriers both prior to and during formal negotiations. Recognizing the responsibilities of the Board under the act, the Department normally does not initiate discussions with the carriers. However, representatives of the Department generally attend the discussions between the Board and the carriers, and are also available for direct approaches by representatives of any carrier desiring to discuss their interests directly with officers of the Department. The views expressed by the carriers which relate to matters within the competence of the Department receive full consideration.

The Department believes that the proposed legislation to make the Board's consultation with the carriers a mandatory requirement at all stages of the negotiation would (a) unnecessarily rigidify routine discussions or negotiations; (b) unduly complicate and delay discussions between the Department and the Board during crucial stages of negotiations, when time is of critical importance and consideration of a given problem might take place at odd hours of the day or night simultaneously at several echelons of the Government both in Washington and the field; (c) embarrass and hamper the Department of State in the conduct of United States foreign relations; and (d) interfere with the normal functioning and decision-making of the executive branch.

(b) Principle: A representative of the air carriers shall be made a member of the United States delegation to any formal negotiations.

Comment: (1) The individual carriers whose interests are affected in a given negotiation often have conflicting competitive interests. It is increasingly difficult to obtain unanimity among such airlines. The carrier representative rarely can speak for the industry as a whole.

(2) An accredited member of any United States delegation becomes bound by the United States position. This position, representing the composite views of various agencies of the Government, and various segments of the industry and the public, is almost always a compromise position. Were a carriers' representative accredited to the delegation and authorized to speak in the negotiations, he would be bound by reason of his accreditation to promote the United States position. This might in fact not be the position maintained by his principals.

(3) The United States interests in air transport negotiations are not confined to the air transport industry nor to the air carriers which might be directly affected. Those interests also include those of the traveling public and of the geographical areas to be served. In air transport negotiations, the Government is responsible for considering all the various interests. These interests often conflict. By requiring that a representative of one special interest group be accredited to the United States delegation, the proposed amendment would give that group a privileged position of influence paramount to those of the other interested groups.

(4) As a general practice, United States carriers already have the opportunity to designate a representative as an observer to the United States delegation in formal negotiations. This observer attends negotiating sessions and has the opportunity to report the events of those sessions to his principals. The Department believes that the observer capacity in which the carriers' representative has been serving on United States delegations is the most advantageous position which can in many instances be accorded. On the other hand, although the Department intends to continue such practice, it believes that legislation requiring adherence to the practice regardless of special circumstances would be adverse to the public interest.

(c) a Principle: The representative of the carriers may attend all meetings of the United States delegation.

Comment: Normally the carrier representative does attend meetings of the delegation. However, Government representatives serving on delegations have duties and responsibilities which in many instances require such representatives to discuss matters which are not public knowledge and which cannot in the interest of the security of the United States and its international relations be divulged to persons outside the Government. Since the proposed amendment would preclude limited attendance when required for reasons of security of international relations, the Department must oppose enactment.

(d) Principle: The activity to be affected by section 3 of S. 3914 is any discussions or negotiations for the conclusion or modification of any treaty, convention, or agreement regarding the establishment or development of air navigation, including routes and services * * *.

Comment: The object of S. 3914 is to give United States air carriers a special voice in United States air transport negotiations affecting the routes and services of such carriers. The terms "any treaty, convention, or agreement, regarding * * * air navigation" go far beyond that object. It would require the Government to consult the carriers on air navigation negotiations not involving air transport matters affecting the economic interests of the carriers. As far as the Department is aware, this is not intended.

THE SECRETARY OF COMMERCE,
Washington, D. C., March 28, 1957.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: In accordance with your request I am writing to express the position of the Department of Commerce on S. 1423. Detailed reasons for our opposition to this legislation are set forth in our letter of June 12, 1956, which is included in the committee report accompanying the bill.

We believe that enactment of this bill would be contrary to the continued sound and orderly development of our air commerce and would provide no practical benefits either to our air transportation industry or the public at large.

It is argued in support of S. 1423 that enactment of this bill would relieve the President of the burdens now imposed upon him by section 801 of the Civil Aeronautics Act and that it would assure adequate representation of air carrier interests in connection with foreign air route negotiations. We do not believe that attainment of the first objective can be expected by enactment of this legislation or that anything as drastic as the provisions of S. 1423 is required to achieve the second purpose. S. 1423 does not purport to relieve the President of any of the responsibilities which he has in connection with the conduct of our foreign relations, our national defense, and the administration of our Territories. The Civil Aeronautics Act now recognizes the President's responsibilities in these areas and provides him with the means to take effective action when necessary in the national interest. The existence of this authority has been of considerable benefit to the development of our air transportation. We do not believe that adequate reasons exist to justify the abandonment of a system which has worked well for so long.

The proposal that air carrier representatives be included as members of the United States delegation and that interested air carriers be consulted prior to any air route negotiations is worthwhile. We agree that the interests of our air carriers should be taken into account in any such negotiations. However, there is ample authority within the executive branch to provide for such representation. We are of the firm opinion that legislation to achieve this end would be undesirable and would constitute a drastic and unnecessary limitation upon the President's authority to deal with foreign governments on behalf of the United States.

Opposition to the provisions contained in S. 1423 has been expressed by the Departments of State and Interior in addition to the Department of Commerce. The Civil Aeronautics Board has also stated objections to the major provisions of this bill. We do not believe that the interests of our commerce would be served by its enactment.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, now may we have a brief explanation of the bill?

Mr. MAGNUSON. I may say to the Senator from Oregon that I did not want to take up his time, and that is why I submitted the report as an explanation of the bill. The bill changes the Civil Aeronautics Act in the field of international agreements. It takes away the right of the President to determine or pass on or veto lines to Alaska or our island possessions, which never was intended in the original bill, and makes such lines subject to the Civil Aeronautics Board, as are domestic lines.

Secondly, the bill provides that prior to making any international agreements, in the negotiations by the State Department, representatives of the domestic lines affected shall be permitted to sit in the negotiations.

Thirdly, the bill provides that, with regard to an international line, while there is no change in the act with respect to the President's right to look into the matter in the interest of national security and defense, when the President vetoes the approval of a line by the CAB, he shall tell Congress why he took such action.

That, in substance, is what the bill does.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BRICKER. The pending bill is identical with the bill which was reported by the committee last year and passed by the Senate, is it not?

Mr. MAGNUSON. Yes.

Mr. BRICKER. The action in getting the bill through the Senate committee was made more determined by the testimony in the last week by the State Department and the resulting agreement with Holland which was entered into only on yesterday. Is that correct?

Mr. MAGNUSON. Yes.

Mr. BRICKER. And the minority leader placed into the RECORD a moment ago the position taken by that agency.

Mr. MAGNUSON. Yes. I will say to the distinguished ranking minority member of the committee, we have gone into this matter very carefully. The Senate passed a similar bill unanimously last year. The Senator from Florida [Mr. SMATHERS] is the author of the bill. We have been quite concerned with the hasty action by the State Department in many of these international agreements, without, in many cases, consultation with the domestic airlines or the domestic air industry, which we have subsidized. In this matter we are sort of accessories after the fact. The Department comes to committee hearings to tell us what they have done. Passage of this bill will put some brakes on that process. It will allow at least some negotiations on the technical matter of the lines from the city of Portland and my home city of Seattle, to Alaska and Hawaii. The White House has no objection at all, under the CAB Act, to the review of such applications by the President.

Mr. BRICKER. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. BRICKER. The State Department overruled the unanimous recommendation of the CAB in the instant case, which is the Dutch case.

Mr. MAGNUSON. As to that particular case, the Senator from Ohio is correct. The CAB suggested that matters remain in status quo. The State Department went right ahead, after they appeared before the committee. They had already negotiated many of these things, I think, prior to the time they came before us, although Mr. Dillon was very frank, and I think his testimony was quite enlightening. I think passage of this bill would restore to Congress at least some little authority on these matters so vital to our whole airplane industry and airspace.

Mr. BRICKER. Mr. President, will the Senator yield for one more question?

Mr. MAGNUSON. I yield.

Mr. BRICKER. This bill gives the airlines which will be most adversely affected the right to a day in court, does it not?

Mr. MAGNUSON. A right to a day in court. The Senator is correct.

Mr. MORSE. Mr. President, if the Senator will yield I have a question I should like to ask, for legislative history.

Mr. MAGNUSON. I yield.

Mr. MORSE. Do I correctly understand that this bill deals exclusively with procedural reform in connection with handling CAB decisions, and the relationship between the CAB and the President, and in no way gives any monopolistic advantage to any particular air company?

Mr. MAGNUSON. The Senator is correct.

Mr. MORSE. Do I correctly understand that the bill will at least require the President, after he decides to reverse the CAB, to file with the Congress the reasons for his reversal?

Mr. MAGNUSON. The Senator is correct.

Mr. MORSE. I believe that is a step in the right direction. I wish to say to the very able chairman of the Committee on Interstate and Foreign Commerce, the Senator from Washington [Mr. MAGNUSON], and the very able and ranking minority member, the Senator from Ohio [Mr. BRICKER], that I am not so sure we should not take another step later, and that would be a step whereby the Presidential reversal or veto would require congressional approval. The CAB was established, after all, as an agent of the Congress. I have sometimes wondered whether or not it was wise to give a veto power to the President, because thereby he is made a super CAB. The CAB makes the record and takes the testimony, and then the President may exercise what I consider to be very much of an unchecked power, at least at that stage.

This bill at least requires the President to give his reasons, and it at least forces public disclosure. I am inclined to think we had better be considering some additional legislation that would not only require the President to submit his reasons for reversal, but would make the reversal itself subject to approval before it would become effective. Otherwise, I think we shall destroy the effectiveness of a quasijudicial body.

Mr. MAGNUSON. I believe the committee is quite concerned about this matter. I know the Senator from Ohio, the Senator from Florida, and I are all concerned with the broad aspects of this Presidential veto power, which is a veto in effect of an arm of Congress, which the CAB, created by law, actually is. We are considering that.

I will say to the Senator from Oregon that this is at least one step in the right direction.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Washington yield the floor?

Mr. MAGNUSON. I yield the floor.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD two statements in connection with the pending bill, which I shall not take the time of the Senate to read.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SENATOR SMATHERS

Our committee first became involved with the need for new legislation in the field of international air agreements last year following the concluding of an agreement with Germany providing for extensive air transport operating rights for that country. Following full hearings by our committee, a bill identical to the one before the Senate today was reported to the Senate and passed by this body at the end of the 84th Congress. Unfortunately, time precluded any attention being given to this matter by the other House.

Subsequent events, culminating in the recently concluded agreement with the Government of the Netherlands with respect to an air transport agreement, have made clear that the need for this legislation still exists.

Last October I made a speech before the annual convention of the Associated Traffic Clubs of America, meeting at Miami Beach, Fla. In that speech I made the following statements:

"Allow me to turn for a moment to a type of situation that is beyond the efforts of either carriers or shippers to correct by their own practice. Even with our generally fair and equitable regulatory scheme in which the regulatory bodies are considered arms of the Congress, it sometimes becomes necessary for the legislative body to examine the stewardship of these bodies which have been established to regulate transportation in the public interest.

"Today, we enjoy leadership in world air transportation, and I feel very strongly it is essential that we maintain it. The United States, as the leader of the free world, has a duty both to itself and to others to maintain a strong international air transport system. This means the giving of reasonable assistance to foreign airlines, but at the same time, protecting our own air carriers.

"Unfortunately, in the recent past our Government undertook a policy which appeared to be tantamount to a giveaway program in negotiating international air agreements. To the detriment of American-flag carriers, foreign governments were not being required to offer something of value in exchange for the American concessions being handed out.

"One foreign carrier, now complaining that the United States is restrictive in its approach to this problem, has received a tremendous advantage from the United States. Official figures for 1955 show that while all United States lines originated business amounting to $109,000 involving 430 passengers, in that particular carrier's country, this carrier took $12,800,000 and 14,900 passengers out of New York alone.

"This deplorable situation was brought to a head in the spring of 1955 when a thoroughly one-sided air transport agreement was concluded with the German Republic following just a week of hasty negotiations. At that time I felt compelled to step into the picture because it was patently apparent that the Government was not protecting American interests. A great many complaints were directed to my attention, all of which warned that, without corrective action, America's international air transport system faced catastrophe.

"It was an unhealthy trend, and I think we stopped it. The intervention of the Senate Interstate and Foreign Commerce Committee, at my behest, and later the Senate, seems to have had the effect of stiffening the back of the Civil Aeronautics Board and our State Department.

"We can and must prevent the United States' flag carriers' participation in the world air market from declining. We have tended to bargain away too frivolously the value of the United States market; this poor bargaining has resulted in the loss of American dollars to American-flag carriers. Nothing fundamental needs to be changed, but the policy direction and day-to-day decisions of those responsible for handling these matters in our Government need to be sharply reoriented."

It now appears that I was unduly optimistic in thinking that we had stiffened the back of the Civil Aeronautics Board and our State Department by our actions of last year. It is clearly necessary for the Senate again to pass the bill the committee has reaffirmed its support of after further hearings on the subject if we are to prevent one giveaway from following another.

SUPPORT FOR S. 1423

The Congress has often stated the national policy to govern the exchange of air routes with foreign countries in general terms; now it is necessary to be more specific. Congress stated the basic conditions for exchanging air routes with foreign countries in the 1926 Air Commerce Act. It stated again in 1938 in the Civil Aeronautics Act the basic goals of our air transport policy. The Senate Committee on Interstate and Foreign Commerce restated the policies last year and the Senate passed a bill to carry out that policy.

But those general declarations now require more detailed statement and clearer direction. The bill (S. 1423) spells out in unmistakable language the principle which Congress has indicated it wants applied and which the executive branch has stated for years it would apply in the exchange of air transport rights. It is not unusual for Congress to get increasingly specific and increasingly detailed about how the national policy should be achieved. Thus, the overall transport policy of this country was prescribed by the Congress in the Transportation Act of 1940 and was spelled out in more detail in the Merchant Marine Act of 1936 and was spelled out in even greater detail in the Merchant Ship Sales Act of 1946. A similar process is needed in the aviation field particularly as it relates to international air transportation policy.

The overall aviation policy stated in the Civil Aeronautics Act of 1938 was that the United States air transport system should be adequate for the needs of the United States and it should be developed at the least possible cost. The amount of international air traffic available in this country is very large. About 7 or 8 out of 10 of the world's travelers are American residents. If the United States carriers can carry a fair share of these travelers, they can maintain a strong air transport system. If the rights to carry these are given to foreign airlines, the traffic will not be available to support the United States flag carriers and the United States air transport system can be maintained only by other means of support such as subsidy.

The bill, S. 1423, puts into the statute a basis for sharing the United States air traffic with foreign airlines that is fair to them and yet enables the American air carriers to retain enough of the traffic to strive for self-sufficiency. The policy is not new. It provides that a foreign air carrier can get rights to carry primarily the traffic between its country and the United States and reserves the traffic between the United States and third countries to the airlines of those third countries and the airlines of the United States. This is fair all around. Otherwise if the Dutch get traffic that ought to go to the French, the French are unhappy with the United States and if the French and Dutch get traffic which should go to the British carrier our troubles are increased. Not only would this lead to trouble with other foreign governments, but it would weaken our own carriers.

This proposed legislation is necessary because the Department of State has refused to apply the rule even though—

1. The congressional agency, the Civil Aeronautics Board, has advised that Department to do so.

2. Both the Committees on Interstate and Foreign Commerce of the House and of the Senate have admonished the Department to follow this rule.

3. The Department (State) has stated it to be its guiding principle for many years.

4. They were urged to follow it by the airline industry and the Chamber of Commerce.

In spite of these clear statements of views and policies the Department of State has given away air transport rights that seriously threaten the United States air transport system. They gave excessive rights to Lufthansa. This week they have given 4 routes to the Dutch carrier KLM. Next week they will negotiate with Belgium. There is serious danger that two additional routes will be given away. I say "give away," because there are no new rights the Dutch or the Belgians could or can give that are worth any new rights in the United States. I say "give away" because the Dutch already earned $15 in the United States for every $1 earned by a United States carrier in Dutch territory. The Dutch earnings can now be increased by millions of dollars. The Belgian carrier already earns $7 in the United States for $1 the United States carrier earns in Belgian territory.

These practices must be stopped. Only a statutory mandate will suffice to maintain American interest and American policy.

Mr. SMATHERS. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD several newspaper articles with respect to the increase of Royal Dutch Airlines revenues, and the fact that the revenues of some of our own domestically owned airlines, which are now to be paralleled by the Dutch airlines, have been decreased.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of March 29, 1957]

ROYAL DUTCH AIRLINES REVENUES AND NET ROSE BY 17 PERCENT TO NEW HIGH LEVELS IN 1956

KLM Royal Dutch Airlines last year achieved the highest revenues and earnings in its history. This was made known in the annual report issued yesterday by Dirk J. Joeleman, vice president and general manager for the carrier in the United States.

The net profit for 1956 was $6 million, representing an increase of 17 percent over the $4,968,143 earned by the airline the year before. Traffic revenue on its network spanning 74 countries and 124 cities was 406 million guilders, or about $107 million. This was about 17 percent more than the figure for the previous year, it was stated.

Revenues of 446 million guilders, or $117,500,000 in 1956, compares with the previous year's $101,118,684. The load factor advanced to 60.5 percent from 58.5 percent. Passenger traffic was up 13 percent, while freight traffic expanded by 17 percent, the report notes.

In addition to normal depreciation, extra depreciation needed to cover the rising prices of new aircraft amounting $13,700,000 has been charged to the profit and loss account. Last year the company concluded a credit agreement with 3 American banks for $50 million which is being applied to the financing of orders for new planes. The company also announced that a large engine workshop to overhaul all gas turbine and piston engines which will be completed in Amsterdam this year.

The Netherlands Government has sold back to KLM 15 million guilders of its holdings of stock which now amount to 98.7 percent of the total.

[From the Washington Post and Times Herald of March 28, 1957]

TWA REPORTS 1956 LOSS OF $2,327,000

Trans World Airlines, Inc., yesterday reported that 1956 operations resulted in a net loss after tax credits of $2,327,000. Profit in 1955 amounted to $5,407,000, equal to $1.63 a share. Carter L. Burgess, president of the firm, pointed out that airline fares have remained generally at the 1942 level in the face of rising costs of everything used by airlines. During 1956 TWA carried 4,426,000 passengers for $340,394,000 in gross operating revenues, an increase of 10.5 percent.

[From the New York Times of April 1, 1957]

DUTCH CRITICIZED ON AIRLINE STAND—CONDUCT OF GOVERNMENT CASE IN UNITED STATES AIR-ROUTE TALKS IS QUERIED BY LABOR MEMBER OF PARLIAMENT

THE HAGUE, THE NETHERLANDS, March 31.—The first public hint of dissatisfaction with the conduct of the Dutch case in the Washington air transport negotiations has been expressed here.

In the face of a big campaign by the Government and the press in support of the Netherlands' position, a Socialist Member of Parliament has asked, in effect, whether the Dutch demand for additional civil air rights in the United States is not being given an exaggerated importance.

Jacques De Kadt, Labor (Socialist) Party Member of the Lower House, cited a news report from Washington that suggested that the Dutch delegation had linked the size of the Netherlands' contribution to the North Atlantic Treaty Organization defense system to the economics of the K. L. M. Royal Dutch Airline operations.

QUESTIONS PUT TO REGIME

On the basis of this report, Mr. De Kadt asked the Government these questions:

"Is the Government really making its case along those lines?

"Does the Government not understand the difference in magnitude between the two issues, in view of the fact that the Dutch have an obligation to NATO regardless of the outcome of the Washington negotiations?"

The questions require an official answer, and the Government has 30 days in which to reply. By that time, however, the results of the negotiations probably will be known. A final meeting between United States and Dutch spokesmen is expected to be held tomorrow.

The Dutch have asked for new air routes that would originate in Amsterdam and proceed to Montreal and Houston, Tex.; to Montreal and Los Angeles, and to Miami, Fla., and Curacao, in the Dutch West Indies.

The United States has agreed to all but the Los Angeles route, but the Dutch are regarding this as a defeat because of their intense interest in west coast traffic.

It was not general sympathy for United States policy that provoked Mr. De Kadt's questions. As the leader of the minority in the Labor Party that defended the British-French action against Egypt during the Suez crisis, he recently has taken vigorous exception to United States attitudes.

Interest in the United States-Netherlands talks, however, is by no means confined to the two governments directly involved. Soviet diplomats here appear to be extremely well informed about the daily course of the talks as well as of the issues involved. Other Western European embassies also are watching the negotiations closely, possibly for commercial as well as political reasons.

DOMESTIC POLITICS CITED

The United States is being presented as a big, powerful country that is ignoring the economic needs of a small friend. The terms heard most frequently to describe Washington's positions are, "protectionism" and "domestic politics."

By "domestic politics" is meant the alleged influence of United States airlines—particularly on Congress—on legislation or actions that might affect them.

A complaint of United States officials has been that the Dutch give no weight to the accepted standards arrived at in international conferences.

The Dutch, in turn, contend that the accepted standards do not apply, because of the Netherlands' special dependence on foreign exchange.

Mr. Van Der Beugel has said that since the country lost the East Indies, KLM is one of the symbols of Dutch existence outside her national boundaries.

Mr. MAGNUSON. Mr. President, I desire to make one statement, which I think should be in the RECORD. I am sure my colleagues on the committee will concur with me as to this particular case involving the Dutch Airline agreements. If this had involved only the Dutch case, it might have passed unnoticed, but it established a precedent for all the foreign airlines in the world in our dealings with them. It is obvious that this bill will have some salutary effect upon how we proceed with these negotiations, because the ice has been broken, the door has been opened, and there may be serious consequences to our own national economy.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1423) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 801 of the Civil Aeronautics Act of 1938 (52 Stat. 1014; 49 U. S. C. 601) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in foreign air transportation, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President of the United States in any case which he determines may affect the national defense or foreign policy of the United States. The President shall report to the Congress any case in which he withholds such approval including in such report the action he has ordered the Board to take and his reasons therefor unless he finds such report would be contrary to the interests of national defense or foreign policy, which finding he shall communicate to the Congress."

SEC. 2. Section 802 of such act is hereby amended by adding at the end thereof the following new sentence:

"Such negotiations shall be conducted in accordance with the principles set forth in section 1102 (b) of this Act."

SEC. 3. Section 1102 of such act is hereby amended by inserting after "1102." (a)"; and by adding the following new subsection:

"(b) Discussions or negotiations with representatives of a foreign country or foreign countries for the conclusion or modification of any treaty, convention, or agreement regarding the establishment or development of air navigation, including air routes and services, shall be conducted in accordance with the following principles:

"(1) The Board shall advise any air carrier whose interests it knows or reasonably should know will be affected, and shall fully consult with its representatives, both prior to and during any such discussions or negotiations.

"(2) A representative of the air carriers shall be made a duly accredited member of the United States delegation to any formal negotiations. He may attend all negotiating sessions and meetings of delegation, and shall be given a fair and reasonable opportunity to consult with his principals during and throughout the negotiations and before any ultimate decision is reached."

Mr. MORSE obtained the floor.

Mr. THURMOND. Mr. President——

Mr. MORSE. Mr. President, I yield to the Senator from South Carolina [Mr. THURMOND], with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. The Senator from South Carolina is recognized. The Senator from Oregon will not lose his right to the floor.

SCHOOL PUPILS REQUEST BUDGET REDUCTION

Mr. THURMOND. Mr. President, I have received a letter from the St. Johns High School in Charleston County and I would like to read the following three paragraphs from that letter at this time because it deals with a very important subject:

We, the students of St. Johns High School and future voters, have a complaint.

On December 26, the New York Daily News reported that our national debt was approximately $280,000,000,000. The combined debt of 26 countries of economic importance was $153,738,000,000. The United Kingdom, France, and Germany were included among the countries named.

Why should our country pay off the national debts of other countries at our expense? In our opinion most of the foreign aid we give is doing just this. The budget which the President has proposed is entirely too large and outrageous. We believe that you, as our elected representative, should and will do something about the waste and extravagance of the Federal Government. In our opinion the budget must be cut drastically.

Mr. President, the people of this country are seriously concerned over the size of the Federal budget and the size of the public debt.

Every day I am hearing from the people of my State on this subject. They want to see Congress reduce the proposed budget for 1958 and they want to see a start made on reduction of the public debt.

The thing that impresses me with this particular letter is that the young people of this country are becoming aware of the vital import the budget has for them in the future.

They are looking to the Congress collectively and the Members individually

to do something about economy in Government. These young people, who will be the voting citizens of tomorrow, realize that excessive spending today by the Federal Government means that they will have to pay the bills tomorrow. We know this is true because today we are paying the debts of the postwar days of World War II, as well as World War II obligations.

The young people who wrote this letter state that their faith is being quite shaken, with reference to Congress. I can well understand their view if we fail to make some reductions in the budget.

We must restore the faith of these young people who recognize the evils of foreign aid and the stupendous size of the public debt.

Nonessential spending must be stopped. I intend to do everything in my power to help renew the faith of these South Carolina students, and of all the people, in the Federal Government. I hope there will be a majority in the Senate and in the House of Representatives who recognize the necessity for facing this task and wielding the economy ax.

Dollars today will only be worth dimes tomorrow if we do not stop spending more each year in times of prosperity and thus adding to the spiral of inflation.

I am confident the American system of government cannot be destroyed from outside. I do not want to see it destroyed from within by prodigal spending.

There would be no generous godfather in some foreign land to take Uncle Sam's place—if Uncle Sam's money should run out. The Government of the United States must first be true to the people who pay the bills. Then we can help where help is really needed and where we know the people are not mere greenback friends who would turn to other sources when the American dollars run out.

Mr. President, I ask unanimous consent to have the names of all of the students who signed this letter to be printed in the RECORD at the conclusion of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

John E. Harris, Wade Elsay, Walter C. Richter, Rodney Barnwell, F. W. Glover, Jr., Laney Ayer, Edward H. Townsend, Jr., Richard B. Limehouse, R. Hugh Davis, George R. Jenkins, Perry Koger, Jr., Mary Jean Ansaldo, Merita Eadie, Ann Hilton, E. L. Erinson, Grayce Ramsey, Ruth Spain, Bonnie Humbert, Bernell Higgs, Penny Fye, Virginia Brown, Robert Grimfall, H. L. Blering, English Harrison, Ben Walpole, Jr., Alicia Seabrook, Francis Hills, Townsend Price, Joseph Clyde Fish, Betty Ann Koger, Boone Jenkins, Katherine Wallace, Marion Mitchell, Lewis Mitchell, John A. Hampton, Jr., R. Boyd Hayes, Tommy Davis, Julie Ann Smoak, Bissell Anderson, Roddy Lyman Jeffers, Joanne Suggs, Andrew R. Jackson, Jr.

Mr. THURMOND. I wish to thank my friend, the distinguished Senator from Oregon, for yielding to me at this time.

Mr. MORSE. It is a pleasure to accommodate the Senator.

INSPECTION OF POULTRY AND POULTRY PRODUCTS

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I understand that my friend from Minnesota would like to have me yield to him, but, knowing his proclivities so well, I must ask him for what purpose.

Mr. HUMPHREY. For the purpose of having a certain bill made the unfinished business. Later I shall comment upon the Senator's friendly remark.

Mr. MORSE. I yield for the purpose the Senator has stated, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I move that the Senate proceed to the consideration of Calendar 191, Senate bill 1747.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HUMPHREY. With the permission of the Senator from Oregon, let me announce that there is no intention to take up the bill tonight for final action, or even for any comment. The purpose is merely to make it the unfinished business at this time, so that it will be before the Senate when it reconvenes on Monday.

I thank my friend from Oregon.

Mr. MORSE. It is a great pleasure to accommodate my friend from Minnesota.

Mr. President, if I may I shall now proceed.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

AUTHORITY OF COURTS TO SUBPENA UNITED STATES SENATORS AS WITNESSES

Mr. MORSE. Mr. President, I am very desirous of having my friend from Minnesota [Mr. HUMPHREY] remain in the Chamber during my remarks, because I wish publicly to thank him for a great service which he has rendered me today. Whenever I think a wrong has been committed, and I am a participant to the slightest extent in the commission of such wrong, I always, upon obtaining knowledge of it, proceed as rapidly as possible to correct the wrong.

The Senator from Minnesota has performed a very kindly act for me today, in that he has made available to me correspondence which he has conducted with a very able and distinguished Federal judge in the District of Columbia, Judge Luther W. Youngdahl, in regard to a debate which occurred on the floor of the Senate on March 21 and 22, to which incident I shall now address myself.

It will be recalled that on March 21 and 22 we debated on the floor of the Senate the issue as to whether or not one of our colleagues, the Senator from Mississippi [Mr. EASTLAND], should be granted permission by the Senate to respond to a subpena which we had been advised had been issued against him. In the course of that debate there was considerable discussion of the very important constitutional question involved; namely, whether or not a judge can issue a subpena applicable to a Senator, in the absence of the Senator himself being involved in the commission of crime.

We were told, in the course of that debate, as the record will show, that the defense had obtained the granting of the issuance of the subpena, and that counsel for the Government had moved to quash the subpena on the ground that the court was lacking in jurisdiction to subpena a United States Senator.

As the record clearly shows, when that representation—and I wish to make it very clear that it was a representation which was honestly made, and I am sure was made on the basis of the belief that that was what had happened in the court—I said, as the record will show, that it drew the issue, and then I proceeded, that night, on March 21, to discuss the legal issue, on the assumption that the motion to quash had been denied, on the basis of the information which had been given to the Senate. As the record will show, I suggested that, as lawyers, we had better determine the facts, and that if they were as represented, then the court, in my judgment, was clearly in error.

With that as a background of the discussion I now wish to carry on, let me say that under date of April 1, the Senator from Minnesota [Mr. HUMPHREY] received from Judge Youngdahl a letter—and I have the Senator's permission to use the letter in this debate. In the course of that letter he said:

I am sure than when Senator MORSE receives the records and gets the true factual picture, he will want to get a correct factual statement in the CONGRESSIONAL RECORD as to what issues were involved. As I explained to you, inasmuch as Senator MORSE discussed it on the floor, I think he would be the proper one to make the correction.

I am very happy to set the record straight, on the basis of what the court transcript of record shows as to what actually happened in the case.

I now wish to discuss briefly the contents of another letter which the Senator from Minnesota received from Judge Youngdahl. I ask permission to have the entire letter from the judge to the Senator from Minnesota printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA,
Washington, D. C., April 1, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: I recently presided over the trial of a case in which the

defendant, Seymour Peck, was convicted of contempt of Congress. During the course of the trial, a question arose concerning the appearance before the court of Senator JAMES O. EASTLAND. My ruling on that issue provoked considerable debate in the United States Senate.

Now that the trial is over I am writing this letter for two reasons. First, the debate stemmed from a basic misunderstanding as to the nature of my ruling, and I believe that the Senate would be interested in learning what the record reveals. Second, remarks reflecting upon the entire Federal judiciary were made, and I consider it particularly unfortunate when they are the result of a factual misunderstanding.

The court ruling which gave rise to the Senate debates of March 21 and 22 was announced on March 19. At some earlier date the defendant had obtained a subpena for Senator EASTLAND, who was chairman of the subcommittee before which the defendant's refusal to answer questions took place, and also chairman of the parent body, the Senate Judiciary Committee. The defendant stated that this subpena was obtained because the Senator's testimony was considered material to his defense. The obtaining of a subpena, of course, does not require the consent of the court. In fact, the court was not even aware of the existence of the subpena until March 18. On that date, the attorney for the defendant notified the court of the service of the subpena. The assistant United States attorney then said that the Government did not intend to call the Senator as a witness and that he believed the Senator's testimony was not material to the defendant's case. He stated that he wished the court to rule upon the question of whether the Senator's testimony was material, and said that only if the court found it to be so would it be necessary for the Senate to determine whether it would consent to the Senator's appearance. At that time the assistant United States attorney explicitly stated that he did not wish to raise any constitutional question or interpose any senatorial privilege. He made it quite clear that it would not be necessary to reach those questions unless and until the court ruled that the Senator's testimony was material, and the Senate had had the opportunity to determine whether it wished to consent to the Senator's testifying.

Having considered the question of materiality overnight, I read a statement into the record in which I said that in view of the seriousness of the constitutional problem raised by the defense, and in view of the complex nature of some of the issues in the case, I believed that the Senator's testimony would be "helpful." At the conclusion of my statement the Assistant United States Attorney said, "I think your Honor used the expression that you felt that in this particular case the Senator's testimony would be helpful. I don't think that that quite raises the issue that the Senate would like to have before it, namely, that you find it to be material." I replied, "Well, I would be willing to substitute the word 'material' for 'helpful'." The Assistant United States Attorney then said, "In that case I can inform the Senate that you have so found." I am attaching to this letter an extract from the transcript of the trial which sets forth in greater detail some of the discussions concerning this issue.

As can readily be seen from the above, the Government did not wish, at the particular time involved, to raise any question as to Senatorial privilege. It merely wished to obtain a ruling as to the materiality of Senator EASTLAND's testimony. The court at no time had before it the question of whether it was required to quash a subpena for a Senator whose testimony was considered material, and, of course, did not rule upon that question. The court made it clear at all times that it recognized the privilege of the Senator not to testify if he so chose, and stated that if such were his decision, the trial would proceed without his testimony. In addition, the court said that if the Senator did choose to come, it would make every effort to suit his convenience and that of the Senate. And the court did so. The transcript of the court's statements attached clearly indicates this.

Yet the debate in the Senate was based upon the premise that the court had "refused to grant the motion to quash when objection was raised that the court was lacking in authority to subpena a Senator to testify in court." (CONGRESSIONAL RECORD, page 4143.) As the CONGRESSIONAL RECORD shows, Senator MORSE attempted to learn the precise nature of the court's ruling. I have great respect for Senator MORSE's ability as a Senator as well as as a lawyer, and I am certain that had he been properly advised, the ensuing debate would not have taken place. In fact, as I read the discussion on the Senate floor, there is no Senator who would have objected to the court's ruling, had the correct information been made available. It therefore seems to me particularly unfortunate that when Senator MORSE asked whether the court had overruled the objection that it was lacking in authority, he was told by Senator EASTLAND, "That is correct."

I might mention, in passing, that the question which the Senate did debate, namely, whether a court must quash a subpena for a Senator if the United States Attorney asserts the privilege of a Senator to be immune from service of a subpena, or whether a court is merely without authority to enforce a subpena if a Senator chooses not to appear, or the Senate withholds its consent, is one concerning which there was serious disagreement manifested in the Senate itself.

In any event, proceeding on the misunderstanding as to the nature of my ruling, the Senate launched on a discussion of the doctrine of separation of authority among the various branches of our Government. Having learned of this debate prior to Senator EASTLAND's appearance, I carefully explained to the Senator the nature of my ruling so that the misunderstanding would not continue to exist. Once again I stated what the issues were which were before me when I ruled and quoted from my ruling. Senator EASTLAND then said, "Your Honor, let me say this: of course I didn't know what the record showed and I made no statements in the Senate as to what the record showed." (See transcript attached.) In any event, I explained my earlier ruling to Senator EASTLAND partly in the hope that the Senate would be informed of what had actually transpired. I believed that it would be interested in this, particularly since Senator MORSE had expressed regret that he could not see a transcript of my ruling before it became necessary to debate it, and since Senator RUSSELL had said that he was not concerned particularly with the nuance of the subpena, but was deeply disturbed by the overruling of a motion made on constitutional grounds. I hope, therefore, that if the Senate has not already been informed as to the nature of my ruling, this letter will serve to do so.

As I stated earlier in this letter, I deeply regret that certain comments were made which reflect upon the entire Federal Judiciary. Although I am aware that there are some who wish to discredit the actions and motives of those who serve our Nation in the judicial branch of the Government, I cannot help being particularly dismayed when Members of the United States Senate lend assistance to their cause. I do not believe that upon serious reflection any Member of the Senate would choose to leave the impression that the actions of our judiciary are in any way similar to those of the kings of England who tried "to discourage the development of a democratic system." It seems to be that it might be more aptly said that those who devote their lives to serving our country from the bench strive daily to protect, preserve, and strengthen our democratic system—and that in so doing, they are concerned equally with the rights of every single citizen, no matter what his race, creed, or color.

I must take vigorous exception to the statement that the people "cannot look [for the protection of their rights] to a United States court, in which judges are appointed for life." Rather, it might be said that courts have striven arduously to protect the rights of the people and have continued to do so at all times despite the violent criticism and abuse to which they have been subjected for so doing. It is my ardent hope that the people of the United States may be able to continue to seek the protection and assistance of their courts whenever their rights are threatened, no matter from what quarter. I am certain that the people will be able to do so as long as our courts act in accordance with the views expressed by Senator ALEXANDER WILEY when he was chairman of the Senate Judiciary Committee: "An independent judiciary is a strong judiciary, a fearless judiciary, having respect for its coequal branches of Government, but respecting even more its paramount obligation to the American people in interpreting the supreme law of the land."

I am proud to be a member of the Federal Judiciary at this time in our history. I believe that the judges of the United States are peculiarly sensitive to the rights of our citizens and I have enormous respect for my fellow members of the bench and for the courage they have shown. I am certain that the people of the United States share my confidence in the judiciary and that their confidence will not be shaken by the attacks of any individuals, no matter what office they may happen to hold.

Sincerely yours,

LUTHER W. YOUNGDAHL.

Mr. MORSE. The letter from the judge to the Senator from Minnesota in reference to our debate on the floor of the Senate reads in part as follows:

The court ruling which gave rise to the Senate debates on March 21 and 22 was announced on March 19. At some earlier date the defendant had obtained a subpena for Senator EASTLAND, who was chairman of the subcommittee before which the defendant's refusal to answer questions took place, and also the chairman of the parent body, the Senate Judiciary Committee.

The defendant stated that this subpena was obtained because the Senator's testimony was considered material to his defense. The obtaining of a subpena, of course, does not require the consent of the court. In fact, the court was not even aware of the existence of the subpena until March 18. On that date, the attorney for the defendant notified the court of the service of the subpena. The Assistant United States Attorney then said that the Government did not intend to call the Senator as a witness and that he believed the Senator's testimony was not material to the defendant's case. He stated that he wished the court to rule upon the question of whether the Senator's testimony was material, and said that only if the court found it to be so, would it be necessary for the Senate to determine whether it would consent to the Senator's appearance. At that time the Assistant United States Attorney explicitly stated that he did not wish to raise any constitutional

question or interpose any senatorial privilege. He made it quite clear that it would not be necessary to reach those questions unless and until the court ruled that the Senator's testimony was material, and the Senate had had the opportunity to determine whether it wished to consent to the Senator's testifying.

Having considered the question of materiality overnight, I read a statement into the record in which I said that in view of the seriousness of the constitutional problem raised by the defense, and in view of the complex nature of some of the issues in the case, I believed that the Senator's testimony would be helpful. At the conclusion of my statement the assistant United States attorney said, "I think Your Honor used the expression that you felt that in this particular case the Senator's testimony would be helpful. I don't think that that quite raises the issue that the Senate would like to have before it, namely, that you find it to be material." I replied, "Well, I would be willing to substitute the word 'material' for 'helpful'." The assistant United States attorney then said, "In that case I can inform the Senate that you have so found." I am attaching to this letter an extract from the transcript of the trial which sets forth in greater detail some of the discussions concerning this issue.

As can readily be seen from the above, the Government did not wish, at the particular time involved, to raise any question as to senatorial privilege. It merely wished to obtain a ruling as to the materiality of Senator EASTLAND's testimony. The court at no time had before it the question of whether it was required to quash a subpena for a Senator whose testimony was considered material, and, of course, did not rule upon that question. The court made it clear at all times that it recognized the privilege of the Senator not to testify if he so chose, and stated that if such were his decision, the trial would proceed without his testimony. In addition, the court said that if the Senator did choose to come, it would make every effort to suit his convenience and that of the Senate. And the court did so. The transcript of the court's statements attached clearly indicates this.

Yet the debate in the Senate was based upon the premise that the Court had "refused to grant the motion to quash when objection was raised that the Court was lacking in authority to subpena a Senator to testify in court." (CONGRESSIONAL RECORD, p. 4143.) As the CONGRESSIONAL RECORD shows, Senator MORSE attempted to learn the precise nature of the Court's ruling. I have great respect for Senator MORSE's ability as a Senator as well as a lawyer, and I am certain that had he been properly advised, the ensuing debate would not have taken place. In fact, as I read the discussion on the Senate floor, there is no Senator who would have objected to the Court's ruling, had the correct information been made available. It therefore seems to me particularly unfortunate that when Senator MORSE asked whether the Court had overruled the objection that it was lacking in authority, he was told by Senator EASTLAND, "That is correct."

I might mention, in passing, that the question which the Senate did debate, namely, whether a court must quash a subpena for a Senator if the United States Attorney asserts the privilege of a Senator to be immune from service of a subpena, or whether a court is merely without authority to enforce a subpena if a Senator chooses not to appear, or the Senate withholds its consent, is one concerning which there was serious disagreement manifested in the Senate itself.

In fairness to the judge, it is important that this information be placed in the RECORD this afternoon, because our whole debate proceeded upon the assumption that the court had denied a motion to quash a subpena made by the United States attorney, on the grounds of senatorial privilege and that, after raising it, the court nevertheless denied the motion to quash. It is only due Judge Youngdahl to have the record crystal clear that that issue was never raised before him at any time, and that therefore his action was not based upon any such request on the part of the United States district attorney. I am glad that the Senator from Minnesota has made it possible for me to correct what otherwise would stand in the CONGRESSIONAL RECORD as an injustice to a very able Federal judge.

I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks on this subject, an excerpt from the trial transcript, which Judge Youngdahl has sent to me.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TRIAL TRANSCRIPT

(March 19, 1957)

The COURT. Now, I would like to turn to the Government's motion to quash this subpena obtained by the defendant for Senator EASTLAND, chairman of the Judiciary Committee and of the Internal Security Subcommittee. As the court understands yesterday's remarks of Mr. Hitz, Assistant United States Attorney, unless the court determines that there is probable cause that Senator EASTLAND's testimony would be helpful in determining the issues involved in the present case the subpena should be quashed.

The court understands further that under customary procedure if it is determined that the Senator's testimony would be of benefit the Senate would then give permission for the Senator to be absent for the purpose of testifying. I want to make it clear that the court has great respect for the United States Senate and, of course, great respect for the office of United States Senator and would not uphold a subpena for a Senator unless it believed that the individual's testimony would be important.

* * * * *

Now, in view of the defendant's denial that the subject under inquiry was the entire scope of the authorizing resolution and in view of our court of appeals decisions apparently finding that specific subjects of inquiry may exist and in view of the substantial first amendment question raised, a question, as far as the court is aware, as I stated before, which has not yet been passed on by appellate courts, this court believes that it would be most helpful if Senator EASTLAND, as chairman of the full committee and subcommittee, appeared as a witness in this case.

The court would like to add one final word. Mr. Hitz has expressed some doubt as to the wisdom of establishing a precedent for the issuance of such subpenas. In finding that Senator EASTLAND's appearance would be beneficial in this instance I don't believe I would be establishing a precedent, Mr. Hitz, which would interfere with the duties of United States Senators for we have here, I think, a novel constitutional proposition offered by the defendant, a proposition which is of the gravest concern to all of us, and certainly a proposition in which Senator EASTLAND's committee is vitally interested. And the court does not feel that the Senator's appearance in this case would serve as a precedent for the issuance of subpenas in other cases in which a serious constitutional question is not involved.

* * * * *

The COURT. Very well.

Mr. HITZ. I have in mind Your Honor's ruling. I think Your Honor used the expression that you felt that in this particular case the Senator's testimony would be helpful.

I don't think that that quite raises the issue that the Senate would like to have before it, namely, that you find it to be material. If you find it——

The COURT. Well, I would be willing to substitute the word "material" for "helpful," Mr. Hitz.

Mr. HITZ. In that case I can inform the Senator and the Senate that you have so found.

The COURT. Very well.

Mr. HITZ. I assume that since this is a witness who was being called by the defense, if he is called at all, that we could postpone decision on that matter until the defense case commences, because I would not use the Senator in my case.

The COURT. Well, by postponing the decision you mean you can defer having him here until the——

Mr. HITZ. Yes, Your Honor.

The COURT. Yes; that is all right. That is perfectly agreeable. We naturally are going to suit the convenience of Senators so that there will be as little inconvenience as possible, and I think proper procedure is for you to proceed with your case first.

* * * * *

MARCH 20, 1957

The COURT. If he indicates that he is not available on account of his situation, then I will just have to accept that and we will have to complete the case.

* * * * *

The COURT. Have you had a chance to be in touch with the Senator?

Mr. HITZ. I have not gotten any word from him, Your Honor. We still look forward, as far as time is concerned, to Friday for his appearance.

The COURT. Can we agree upon a certain time tentatively on Friday? I will be in session here all day Friday. Would you want to suggest a certain time?

Mr. TAYLOR. Any time is agreeable to me, Your Honor.

Mr. HITZ. I would like to suggest the afternoon. And if he couldn't make it in the afternoon for some important reason, I suggest sometime midmorning.

The COURT. All right.

Mr. HITZ. As a second alternative.

The COURT. We will continue this matter then until, we will say, 2:30 Friday afternoon. I will expect to see you here at 2:30 Friday afternoon to conclude any arguments that may be had, in addition to the possibility of Senator EASTLAND's testimony then; and with the proviso that if he is unavailable for Friday afternoon and desires to come in Friday morning, you will notify me about it.

Mr. HITZ. Yes, Your Honor.

The COURT. Very well.

Mr. HITZ. Would I be permitted merely to express again my hope that Your Honor might, in the light of the more recent testimony, change Your Honor's view that his testimony is likely to be material on the theory that the questions asked in no way touch upon freedom of the press and, therefore, the issue that we foresaw at the beginning ultimately turns out not to be present on the face of these questions.

With that in mind, does Your Honor still rule as you have indicated?

The COURT. Well, I don't suppose I would have asked you about his availability unless I still felt that it may become material.

I haven't stated that it was material definitely.

Mr. HITZ. I understand that.

The COURT. At any time. I have simply indicated that in view of the possible difference in interpretations upon the statement that was made, particularly the statement that was made by Senator KENNEDY, and the answer by Senator EASTLAND, the possibility of different interpretations upon that statement, I think it may become important and material to have the Senator's version of it.

Mr. HITZ. Yes, surely.

Mr. TAYLOR. May I make an inquiry, Your Honor. Do I rightly understand that for the Friday session there is the possibility Senator EASTLAND will come, which will presumably be determined before then, that there will then be arguments on both sides on the question of pertinency and jurisdiction on which Your Honor has reserved his decision?

* * * * *

MARCH 22, 1957.

The COURT. Well, to the Senator and to you and the parties involved here, I think I should like to make a few preliminary observations in view of the court's information as to the discussion that took place in the Senate this morning.

Apparently some of the Senators were misinformed, Senator EASTLAND, as to what the court had said here. I don't know who gave them the information, but as to the information I have as to the discussion that took place the Senators, or some of them, didn't have the right facts as to what the court had said or as to what I had indicated was involved here.

I made it very clear, as is indicated by a statement which I read into the record, and the record may be referred to to indicate this, that the subpena had not been issued at the request of the court. The subpena was issued at the request of the defendant and the court fully recognized the privilege of the Senator to refuse consideration of the subpena.

The court simply made the statement that there was some question in the court's mind with reference to the question of the jurisdiction of the committee and in view of that fact the court felt that it should be up to the Senator to determine for himself whether under the circumstances he cared to appear and testify; that the court would suit its own convenience to that of the Senator, and the court fully recognizes the constitutional right of a Senator not to pay any attention to the subpena and the court wouldn't have any right to punish the Senator in case of his refusal.

There appears to be some impression that the court overruled the assistant United States attorney's views that the court did not have the constitutional authority to refuse to quash the subpena.

Now, the court would like to have the record clearly reflect just exactly what happened in regard to that matter. As the court stated when it initially ruled on Mr. Hitz' motion to quash that "unless the court determines that there is probable cause that Senator EASTLAND's testimony would be helpful in determining the issues involved in the present case the subpena should be quashed. And the court understands further that under customary procedure if it is determined that the Senator's testimony would be of benefit the Senate would give permission for the Senator to absent himself for the purpose of testifying." The only objection to the subpena raised by the Government was that the Senator's testimony would not be material, and the court did not state that it would be material.

The court simply indicated that it might be material; there was some doubt in the court's mind on this question of jurisdiction, and there are a lot of questions raised here, and for that reason under the circumstances the court left it up to the Senator as to whether he would testify or not.

Thus, based on the Government's statement of the issue, the court recognized that the Senator or the Senate might exert its privilege. The court's ruling served only to make it possible for the Senator to reach that question. It follows, of course, that the court's opinion cannot be construed in any way as indicating that there was not any right of privilege on the part of the Senator.

I simply wanted to make that clear before you testified, Senator EASTLAND.

Senator EASTLAND. Your Honor, let me say this: Of course, I didn't know what the record showed and I made no statements in the Senate as to what the record showed. I read in the newspapers a statement that quoted Your Honor as saying that my testimony would be material and, I therefore, felt that it was my duty to make myself available.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from the CONGRESSIONAL RECORD of March 21, 1957, also sent to me by Judge Youngdahl.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM CONGRESSIONAL RECORD, 85TH CONGRESS, 1ST SESSION, VOLUME 103, MARCH 21, 1957.

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Mr. MORSE. Do I understand correctly that counsel for the Government asked that the subpena be quashed?

Mr. RUSSELL. The Senator from Mississippi so stated.

Mr. MORSE. On what basis did he make his motion to quash?

Mr. EASTLAND. On the ground that defendant's counsel had no right to request such a subpena.

Mr. RUSSELL. On the ground that it involved the privilege of the Senate. That was the ground in the other cases. I assume that was the ground in this case.

Mr. MORSE. The court refused to grant the motion to quash?

Mr. RUSSELL. The Senator from Mississippi has so stated.

Mr. MORSE. Did the court make its ruling orally or in writing?

Mr. EASTLAND. I do not know.

Mr. MORSE. But the court did refuse to grant the motion to quash?

Mr. EASTLAND. That is correct.

Mr. MORSE. The court refused to grant the motion to quash when objection was raised that the court was lacking in authority to subpena a Senator to testify in court?

Mr. EASTLAND. That is correct.

Mr. MORSE. I believe that very clearly joins the issue on the division of authority. * * *

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Mr. MORSE. * * * I asked the question a moment ago whether or not a motion to quash had been made. I wish that I had the court record before me, because I am certain I could speak with greater knowledge if I had the transcript before me. But I am making these comments on the basis of this assumption, which has been borne out by the advice I have received from the Senator from Georgia and the Senator from Mississippi.

A subpena was requested by the defendant. The subpena was authorized by the court over the objection of counsel for the Government, whose objection was based on the ground that under the Constitution—and the precedents seem to bear out the counsel for the Government—the court lacked the constitutional authority and jurisdiction to issue a subpena against a United States Senator. That is the present decision of that court on this point. In my opinion, it is the material issue at this point in our discussion.

If these gentlemen have given accurate information about what has happened in this trial to date, we have been advised that the court takes the position that it has the power to subpena a Senator before it.

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Mr. JOHNSON of Texas. * * * I do not think anyone contends that any provision of the Constitution states that Senators or Members of the House of Representatives are privileged from subpena. I think all of us know that a court is without power to enforce a subpena by arresting a Member of Congress during a session of Congress.

[From the CONGRESSIONAL RECORD, vol. 103, March 22, 1957

EXCERPTS FROM MEMORANDUM OF MR. HARRY B. LITTELL, ASSISTANT LEGISLATIVE COUNSEL, OF THE UNITED STATES SENATE

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"History confirms the conclusion that the immunity is limited to arrest. See opinion of Mr. Justice Wylie in *Merrick* v. *Giddings*. The cases cited in support of the contrary view rest largely upon doubtful notions as to the historic privileges of members of Parliament before the enactment in 1770 of the statute of 10 George III, c. 50. That act declared that members of Parliament should be subject to civil process, provided that they were not arrested or imprisoned. When the Constitution was adopted, arrests in civil suits were still common in America. It is only to such arrests that the provision applies." (*Williamson* v. *United States* (207 U. S. 425).)

There has been scarcely any judicial authority to assist in arriving at a solution of the question posed. So far as I have been able to ascertain there has been only one reported case dealing specifically with the question of the privilege of a Member of Congress to be immune from subpena. In 1800, the United States Circuit Court for the District of Pennsylvania was requested to send a letter to several Members of Congress requesting their attendance as witnesses.

In disposing of the request, Justice Chase, sitting as a justice of the circuit court, used the following language:

"The Constitution gives to every man charged with an offense the benefit of compulsory process to secure the attendance of his witnesses. I do not know of any privilege to exempt Members of Congress from the service or the obligations of a subpena in such case. I will not sign any letter of the kind proposed. If, upon service of a subpena, the Members of Congress do not attend, a different question may arise; and it will then be time enough to decide whether an attachment ought, or ought not, to issue. It is not a necessary consequence of nonattendance, after the service of a subpena, that an attachment shall issue. A satisfactory reason may appear to the court to justify or excuse it." (*United States* v. *Cooper* (4 Dall. 341).)

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"Section 6, article I, of the Constitution of the United States, gives immunity to arrest to the Members of Congress while that body is in session. It does not say that they are privileged from subpena, but if they do not obey, the only step the court could take would be to issue an attachment for their arrest. Since the Constitution provides immunity from arrest, in my opinion, they are not subject to such action. * * *"

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Mr. MORSE. I think it would have been better, and fairer to the court, if the motion to quash had been withheld until the return date. Then the court would have had before it the resolution which I think we should send down; and, on the basis of such

resolution, I am inclined to think that any Federal court would grant the motion to quash.

As I brought out in the debate last night, what the Senate has before it is an action by the court. The action by the court is the action refusing to grant a motion to quash. So at this particular moment, I think the court finds itself in the position, in this field, in which it at least implies that it can issue a subpena and take United States Senators out of their seats on the floor of the Senate to go down to testify before the court. I am satisfied the court cannot do that unless, as has been brought out in the cases, the Senator himself is involved in a criminal proceeding. Even the Constitution itself does not grant any privilege to a Senator in that respect.

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Mr. FULBRIGHT. My vote, of course, will not determine the issue, but this particular privilege with which we are dealing goes back to the earliest days of the origin of Parliament in England. One of the first means the kings of England used in trying to discourage the development of a democratic system was, on one pretext or another, to arrest members of Parliament and throw them in jail whenever the members of Parliament did not agree with the king, or when they raised issues which displeased the king.

The privilege possessed by the Senate developed over many years. It evolved over the centuries and was brought into our Constitution with that ancient heritage. I see no reason why even in the slightest degree we should abandon that heritage at this late stage because some judge in a local court has decided he would depart from the precedents. This principle is not primarily for the personal protection of the individual Member; it is to protect the integrity of the institution of the Senate.

As the distinguished Senator from Georgia [Mr. RUSSELL] said last evening, in much more eloquent language than I am able to employ, I am not going to be a party to a procedure which nibbles away even a little bit of the independence of this body, or the power possessed by this body, to interpose some kind of effective resistance to arbitrary action on the part of the Executive or on the part of those holding power in the judiciary of our Government.

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Mr. KNOWLAND. It seems to me that the Senator from Georgia has clearly stated the case. I speak as a layman, and not as an attorney. Not only have we a constitutional privilege which applies equally to all Members of Congress, whether Members of the House or of the Senate, but it seems to me that there is an additional constitutional factor insofar as the Senate is concerned, in the section of the Constitution which provides that no State shall be deprived of equal representation in the Senate without its consent. If a subpena could be served on a United States Senator from the State of Mississippi, the State of Georgia, or the State of California, to the extent that that particular Senator was withdrawn from his post of duty by a subpena, the State would be deprived of its equal representation in the Senate, during the discussion of legislation of major or minor importance. Nevertheless, the State is entitled to equal representation in the Senate, and I think that is a point which must be very carefully considered in connection with other highly important constitutional questions.

Mr. TEYE. I asked to be recognized only to commend the distinguished Senator from Georgia for his positive, clear statement of what he feared when he objected last evening. I did not misunderstand the purpose of the question which the distinguished Senator raised last evening. I thought I understood very clearly the point the Senator was endeavoring to make. I commend him for his effort. I believe he has stated most emphatically the need for making certain that the identity of the United States Congress is not lost in this form of government, because if the identity of the United States Congress is ever lost, then we shall surrender much of the people's representation, which has made this Nation the great Nation it is.

Mr. RUSSELL. I thank the Senator from Minnesota for that very wise and cogent observation.

This is the place to which the people must look, in the last analysis, for the protection of their rights. They cannot look to a United States court, in which judges are appointed for life. They must look to the House of Representatives, which is renewed and refreshed by the election of all its Members every 2 years, or to this body, which has infused into it at each election one-third of the membership by election of the people. If we are to deposit all the rights of the people of the United States in a judiciary appointed for life, history will mean nothing whatever, unless we have arrived at the point where the liberties of the people are to be stricken down and eliminated. That is one of the reasons why I think this is a matter of more than passing importance.

* * * * *

However, we are going a long way when we recognize and approve a Senator's appearance in a judicial proceeding in answer to a subpena that was issued without force and effect, and which was challenged by the district attorney, the representative of the Government in the proceedings, with a motion to quash, and when that motion was overruled.

Mr. DIRKSEN. In the interest of clarity, I believe this debate is excellent for future purposes. I do not recall whether the contention was made last evening that it was an invalid procedure for the judge even to issue the subpena. Senators may recall the point made by the majority leader that there was nothing wrong with the issuance of a subpena; it was only that it could not be given effect under the provisions of the Constitution which extends to Members of Congress the privilege of immunity to arrest while Congress is in session.

Mr. RUSSELL. I do not attach great importance to the issuance of a subpena. The issuance of a subpena is more or less a routine affair. However, if the subpena is challenged by the district attorney on constitutional grounds, particularly on the ground that it involves the privileges of a legislative body, one of the coordinate branches of the Government, I say that then it assumes an entirely different hue from the ordinary situation.

It is very much as if a Senator had himself invoked the privileges of the Senate in refusing to testify. It is very much as if the Senate had refused a Senator the right to testify. When a subpena has been challenged and a motion to quash it has been overruled, I say the Senate should not permit a Senator to respond. For that reason I hope that when the Senator from Mississippi appears in this case he will appear as a witness for the Government, for the United States, for those who do not undertake to invade the privileges of the Senate and would drag a Senator off to court. I commend the Senator for being willing to go to court, but this situation involves more than the Senator from Mississippi: it involves my rights, and it involves every Senator's rights.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. I wish to say to the Senator, so that our colleagues may know the reason for this correspondence, that following the discussion to which the Senator from Oregon has referred, concerning the resolution relating to the appearance of the Senator from Mississippi [Mr. EASTLAND] in court, I had the opportunity of visiting with Judge Luther Youngdahl.

At that time he indicated to me that there was some misunderstanding, at least from his point of view, in terms of what had transpired in court; that is to say, there had been some misunderstanding in the Senate as to what had transpired in court.

As the Senator from Oregon knows, the judge has a very high regard for the senior Senator from Oregon. I may say that that regard and that respect is well placed. Therefore, in my visit with District Court Judge Youngdahl, I suggested to him that, if he thought that in any way comments by Members of the Senate had not directly related to the facts in the case, I would appreciate it if he would address a letter to me citing the facts as he saw them; and that I, in turn, as a United States Senator from the State of Minnesota, the legal residence of Judge Luther Youngdahl, would bring it to the attention of my colleagues.

It was on that basis that I received the letter. Having received it, I decided to come directly to the Senator from Oregon rather than to have a further exchange of correspondence, and today presented it to him in the Chamber.

I wish to express my appreciation to the Senator from Oregon for what I knew would be the case; namely, his frank statement relating to this material and his willingness to discuss it in such an open and candid and forthright manner.

Mr. MORSE. I wish to say to the Senator from Minnesota that he has performed a very wonderful service to the Senator from Oregon by making it possible for me to correct the RECORD, which I do on behalf of all my colleagues, because I believe every one of us was proceeding during the debate that evening on the basis of the same assumption: that a motion to quash had been denied after the Government attorney had raised a question of senatorial privilege, which position was never taken by the United States attorney at any time in the trial, as the judge points out.

The Senator from Minnesota has performed a wonderful service today in helping to set the record straight. I personally thank him for the service he has rendered.

Mr. HUMPHREY. I thank the Senator.

ORCHARD DISASTER LOANS

Mr. MORSE. Mr. President, we have witnessed this year distressing examples of the result, measured in both economic and human terms, of our neglect of the natural resources with which this country is so abundantly blessed. The scourge of drought and the devastation of flood bear witness to our failure to apply our intelligence to the solution of these problems of conservation. Having sown the wind, as prophesied by Hosea, we—in bitter truth—have reaped the whirlwind. The dust of the Great Plains blinds our eyes and, from Kentucky to Oregon, floods erase the hard-won acres of our farmers and destroy the homes of our townspeople. Through the mechanism of our Government, we try—after the fact—to repair the damage.

In voting for the urgent deficiency appropriation bill and for the disaster relief funds provided in that bill, we recognized our obligations as a nation to help those who have been the hardest hit, and rightfully so. Disaster, in no matter what form, presents a claim on our humanitarian instincts that we cannot ignore.

NEED FOR RELIEF FROM CATASTROPHE OF FREEZE

Mr. President, if it is right for us to assist those who suffer from preventable disasters—and in this category I place drought and floods—how much more ought we to feel an obligation to those who are the victims of a silent and creeping disaster, the disaster of unseasonable and unpredictable freeze. In a few hours a catastrophe of this type can erase the life savings of frugal and prudent farmers. To meet the need that is with us now, and to have ready the mechanism with which to deal with future emergencies of this type, legislation is badly needed.

I understand, Mr. President, that the very conscientious Member of Congress from the Second District of Oregon, Representative AL ULLMAN, has introduced legislation in the other House designed to deal with this problem. I desire, therefore, Mr. President, on behalf of myself and my colleague, the junior Senator from Oregon [Mr. NEUBERGER], to introduce for appropriate reference the orchard loan bill. This is a measure designed to make available the resources of the Federal Government in regard to problems faced by orchardists who have been hard hit by production disaster, and who, because of it, find themselves almost destitute. Although the precipitating cause of this bill is the unhappy situation faced by the fruit farmers of the Milton-Freewater, Oreg., area, the application of the legislation is nationwide in scope, as I pointed out in a colloquy with the senior Senator from Florida [Mr. HOLLAND] toward the end of the last session, when I sought to get some relief for the orchardists who had been frozen out.

I might say at this point, parenthetically, that I have an intimate knowledge of the desolation which overtook the Milton-Freewater region in November 1955, when—for the first time in the recorded meteorological history of the area—a freeze of unparalleled intensity and duration killed the trees in orchards that provided the livelihood of some 300 hard-working small-farm families. Senator NEUBERGER will, I know, bear me out on this, since he also has seen at first hand the results of this freeze and knows, as I do, that most of the land is adaptable primarily for fruit trees.

FREEZE CAN STRIKE ORCHARDS ANYWHERE WITHOUT WARNING

Mr. President, in 1955, a small area of Oregon was disaster struck by freeze. In 1957 or 1958, the orchardists of Virginia, of Georgia, of Florida in the South, of Michigan or Wisconsin in the Great Lakes country, of New York in the East, or of our great sister States on the Pacific coast could be—in a similar fashion and without warning—the victims of this natural and silent calamity.

In this connection, Mr. President, I ask unanimous consent to have printed at this point in my remarks two tables entitled, respectively: First, "United States: Frost—Dates of Freezes in 1952, and Killing Frosts, With Length of Growing Season, Based on Data From Beginning of Record Through 1949"; and, second, "United States: Cash Receipts From Farm Marketings of Selected Fruits by States—Crop Year 1955."

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

United States: Frost—Dates of freezes in 1952, and killing frosts, with length of growing season, based on data from beginning of record through 1948

States and weather stations	Last date of 32° or below in spring 1952	First date of 32° or below in fall 1952	Averages and extremes of killing frosts [1]				Length of growing season between average dates of killing frosts
			Spring frosts		Fall frosts		
			Latest date	Average date	Earliest date	Average date	
Alabama, Birmingham	Mar. 16	Oct. 29	Apr. 17	Mar. 16	Oct. 18	Nov. 10	239
Arizona, Flagstaff	June 16	Sept. 12	June 28	May 29	Sept. 9	Sept. 29	123
Arkansas, Fort Smith	Mar. 28	Oct. 8	Apr. 17	Mar. 23	Oct. 9	Nov. 6	228
California, Redding	Apr. 14	Nov. 25	May 1	Feb. 24	Oct. 17	Dec. 5	284
Colorado, Denver	Apr. 22	Oct. 6	June 6	May 1	Sept. 12	Oct. 12	164
Connecticut, Hartford	Apr. 12	Oct. 13	May 19	Apr. 19	Sept. 11	Oct. 17	181
Delaware							
Florida, Jacksonville	Jan. 20	Dec. 15	Apr. 16	Feb. 16	Nov. 13	Dec. 8	295
Georgia, Augusta	Apr. 7	Oct. 22	Apr. 17	Mar. 13	Oct. 21	Nov. 15	247
Idaho, Pocatello	Apr. 22	Sept. 14	June 1	Apr. 29	Sept. 8	Oct. 6	160
Illinois, Peoria	Apr. 15	Oct. 3	May 11	Apr. 15	Sept. 26	Oct. 20	188
Indiana, Fort Wayne	Apr. 16	do	May 28	Apr. 17	Sept. 14	Oct. 22	188
Iowa, Charles City	do	do	May 31	Apr. 28	Sept. 12	Oct. 5	160
Kansas, Dodge City	Apr. 14	Oct. 7	May 27	Apr. 16	Sept. 23	Oct. 21	189
Kentucky							
Louisiana, Shreveport	Feb. 17	Oct. 29	Apr. 13	Mar. 7	Oct. 20	Nov. 10	248
Maine, Greenville	May 15	Sept. 8	June 28	May 27	Aug. 24	Sept. 13	114
Maryland							
Massachusetts, Boston	Mar. 17	Oct. 21	May 19	Apr. 17	Sept. 26	Oct. 24	190
Michigan, Marquette	May 3	Oct. 3	June 6	May 12	Sept. 5	Oct. 10	151
Minnesota, Duluth	Apr. 24	Sept. 24	June 8	May 10	Sept. 10	Oct. 4	147
Mississippi							
Missouri, Columbia	Apr. 16	Oct. 6	May 9	Apr. 11	Sept. 18	Oct. 19	191
Montana, Kalispell	June 13	Sept. 13	June 7	May 4	Sept. 6	Oct. 1	150
Nebraska, Valentine	May 12	Oct. 2	June 21	May 5	Sept. 11	Oct. 3	151
Nevada, Winnemucca	June 16	Sept. 8	June 22	May 11	Aug. 22	Sept. 28	140
New Hampshire, Concord	May 17	Oct. 8	June 5	May 5	Sept. 6	Oct. 3	151
New Jersey, Trenton	Mar. 27	Oct. 21	May 17	Apr. 10	Sept. 22	Nov. 2	205
New Mexico, Albuquerque	Apr. 13	Oct. 7	May 27	Apr. 20	Sept. 18	Oct. 22	186
New York, Canton	May 5	Sept. 27	June 2	May 5	Sept. 11	Sept. 30	147
North Carolina, Asheville	Apr. 8	Oct. 20	May 10	Apr. 11	Oct. 2	Oct. 23	195
North Dakota, Williston	May 28	Oct. 3	June 16	May 15	Sept. 3	Sept. 22	130
Ohio, Toledo	Apr. 11	Oct. 7	May 30	Apr. 23	Sept. 9	Oct. 18	178
Oklahoma, Oklahoma City	Apr. 10	Nov. 11	Apr. 30	Mar. 28	Oct. 7	Nov. 8	223
Oregon, Baker	June 13	Oct. 14	June 23	May 13	Aug. 30	Sept. 28	148
Pennsylvania, Scranton	Apr. 12	Oct. 20	May 15	Apr. 21	Sept. 14	Oct. 14	176
Rhode Island							
South Carolina, Greenville	Mar. 16	Oct. 31	Apr. 24	Mar. 26	Oct. 10	Nov. 6	225
South Dakota, Huron	May 12	Oct. 2	June 21	May 6	Aug. 23	Sept. 29	146
Tennessee, Chattanooga	Apr. 7	Oct. 21	May 15	Mar. 26	Sept. 30	Nov. 5	224
Texas, Amarillo	Apr. 13	Oct. 7	May 7	Apr. 4	Oct. 16	Nov. 1	201
Utah Modena	Apr. 30	Sept. 13	July 13	May 20	Sept. 8	Oct. 8	136
Vermont, Burlington	May 5	Oct. 10	May 28	May 3	Sept. 15	Oct. 8	158
Virginia, Wytheville	Apr. 9	Oct. 4	May 27	Apr. 17	Sept. 19	Oct. 14	180
Washington Spokane	May 5	Nov. 1	June 8	Apr. 14	Sept. 7	do	183
West Virginia, Parkersburg	Apr. 9	Oct. 20	May 22	Apr. 18	Sept. 29	Oct. 18	183
Wisconsin, Green Bay	Apr. 24	Oct. 2	May 30	May 3	Sept. 16	Oct. 9	158
Wyoming, Lander	May 17	Oct. 6	June 20	May 18	Aug. 28	Sept. 18	123
Washington, D. C.	Mar. 16	Oct. 21	May 13	Apr. 10	Oct. 2	Oct. 28	199

[1] Based on data from beginning of record through 1948 for the weather stations indicated. Not observed after 1948.

Source: U. S. Department of Agriculture, Agricultural Statistics, 1956, pp. 736-737.

United States: Cash receipts from farm marketings of selected fruits by States, crop year 1955

[In thousands of dollars]

	Apples	Apricots	Cherries	Grapefruit	Lemons	Limes	Oranges	Peaches	Pears	Plums and prunes
Alabama										
Arizona				3,664			3,175			
Arkansas										
California	14,658	27,347	8,033	3,774	19,359		94,384	58,722	18,753	[1] 55,266
Colorado	2,490		298					4,088	903	
Connecticut	3,713							533		
Delaware	522									
Florida				33,602		1,264	108,653			
Georgia	[2]									
Idaho	3,598		941					680		[1] 881
Illinois	4,213							302		
Indiana	2,428							141		
Iowa	1,157									
Kansas	628									
Kentucky	308									
Louisiana							515			
Maine	1,955									
Maryland	2,617							1,234		
Massachusetts	4,969									
Michigan	12,968		10,730					5,575	1,858	[1] 300
Minnesota	1,327									
Mississippi										
Missouri	1,771							812		
Montana			886							
Nebraska										
Nevada										
New Hampshire	2,200									
New Jersey	5,833									
New Mexico	2,265							6,572		
New York	26,586		4,471					2,714	1,740	[1] 562
North Carolina	579									
North Dakota										
Ohio	9,730									
Oklahoma								2,423		
Oregon	6,960		5,309					846	10,236	[1] 3,545
Pennsylvania	11,979		1,036					4,612		
Rhode Island										
South Carolina										
South Dakota										
Tennessee	797									
Texas				5,246			3,766			
Utah	805	534	962					912	526	
Vermont	1,988									
Virginia	11,565							792		
Washington	85,129	1,360	4,272					8,358	13,406	[3] 1,482
West Virginia	6,882							1,546		
Wisconsin	3,339		2,892							
Wyoming										
Total [3]	235,764	29,094	40,302	85,181	19,359	1,264	207,462	104,747	59,072	[illegible]
United States total	237,998	29,514	41,481	43,181	38,811	1,273	207,454	105,099	59,900	[illegible]

[1] Plums.
[2] Prunes.
[3] Total for each commodity reported separately in 1955.

Source: U. S. Department of Agriculture. The Farm Income Situation, Sept. 17, 1956.

FREEZE OF ORCHARDS IS NOT IMMEDIATELY RECOGNIZABLE

Mr. MORSE. Mr. President, perhaps one reason why sudden and intense cold does not seem the malign natural calamity that it is, lies in the false hope with which we greet its onset and duration. Should fire destroy an orchard, the perception of the loss is immediate and dramatic. With freeze, the trees remain unchanged in shape, and not until months later, when the green leaves and blossoms fail to show, does the full realization of the destruction come. Then comes the knowledge that what had once been the bearer of delicious fruit is now a snag of dead wood that must be bulldozed out so that the land may be prepared for the replanting of seedlings.

ONLY GOVERNMENT CAN PROVIDE MEANS TO CONSERVE FRUIT ORCHARDS

I am informed, Mr. President, that after such a silent freezing blight, 7 years must pass before the orchard is reestablished on a productive basis—7 years that are lean years, in truth, before the orchard can bear commercially. You know, Mr. President, and I know, that this is too long a time for most private lenders or commercial lenders to wait before the first returns on their investment. It is not too long a time, however, for the people of the United States through their Government to wait. Here we have an opportunity to conserve a resource—the land—at its highest level of productive use and, more important, a chance to conserve our most important resource, the men and women who own the orchards. Without legislation such as this, most of these very fine citizens will be unable to carry on in their lifework.

The proposed legislation, Mr. President, is not charity. This is a sound investment in the faith and capacity of we, the people, to help ourselves. It provides money which will be repaid with interest; it provides technical help so that we and our children may eat better fruit at lower cost. It provides something more, Mr. President. It provides a demonstration to the world and to our own people that, with the timely assistance of the Government, a disaster can be overcome if free men are given the chance to help themselves.

I urge upon the Senate serious, thoughtful, and prompt consideration of the bill. I ask unanimous consent that the bill, the related table entitled "Freeze Damage and Economic Situation Summary, Milton-Freewater, Oreg., Spring, 1956," and two statements prepared by officials of the Farmers Home Administration be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits A, B, C, and D.)

Mr. MORSE. Mr. President, because of the nationwide scope of the proposed legislation, I ask that the bill lie on the table until the close of business on the calendar day of Monday, April 8, 1957, so that additional sponsors may add their names.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and without objection, the bill will lie on the table.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. NEUBERGER. I am happy to join with the senior Senator from Oregon in introducing the bill which is so necessary for the relief of orchardists not only in the Milton-Freewater area of Oregon, but also in other parts of the country where disastrous freezing periods have had such an adverse and unfortunate impact upon the fruit-growing industry.

With the indulgence of my colleague, I should like to make a few remarks about the bill, unless to do so will interfere with his schedule.

Mr. MORSE. Not at all. I shall be delighted to yield with the understanding that I do not lose the floor. However, I have another bill to introduce, which will take but a part of a minute. Then the junior Senator from Oregon could discuss both bills at one and the

same time, because he also is a cosponsor of the second bill.

Mr. NEUBERGER. I shall be happy to wait.

EXHIBIT A

S. 1808

A bill to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster

Be it enacted, etc., That (a) the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make emergency loans to eligible orchard operators and owners in the area declared by the Secretary in December 1955 to be a production disaster area because of unseasonable freeze, and in any area hereafter declared to be a production disaster area by the Secretary because of freeze, drought, hurricane, disease, or other natural causes.

(b) Any orchard operator or owner in any such area shall be eligible for assistance under the provisions of this act, if the Secretary finds—

(1) he has suffered, as the result of any such disaster, substantial financial losses;

(2) he is in need of financial assistance which he cannot obtain from private credit sources on such terms and conditions as he could reasonably be expected to meet; and

(3) that he has a reasonably good chance of repaying it.

SEC. 2. (a) Any loan made under the provisions of this act shall be made—

(1) for a period not to exceed 20 years from the date on which the initial repayment installment becomes payable;

(2) at a rate of interest not to exceed 3 percent per annum; and

(3) under such other terms and conditions as the Secretary shall prescribe.

(b) Where repayment of any such loan made to reestablish an orchard destroyed by the disaster is to be expected solely from the production of the reestablished orchard, the initial repayment installment shall be deferred until income may reasonably be expected from such orchard: *Provided*, That with respect to those loans made under this act providing for the deferment of the payment of the first principal installment for more than 2 years from the date of the loan, the aggregate principal amount outstanding on such loans at any time shall not exceed $10 million.

(c) The Secretary is authorized and directed to establish, with respect to all loans authorized under the provisions of this act, variable repayment plans with payments adjusted, without regard to previous excess payments, to the net earnings and ability of the borrower to pay from year to year.

SEC. 3. The purposes for which loans may be made under this act shall include the refinancing of secured or unsecured indebtedness of eligible orchard operators and owners who are presently unable to meet the terms and conditions of their outstanding indebtedness and are unable to refinance such indebtedness with commercial banks, cooperative lending agencies, or other responsible credit sources at rates and terms which they could reasonably be expected to fulfill.

SEC. 4. (a) The Secretary is authorized and directed to utilize the facilities of the Farmers' Home Administration for the purpose of administering the provisions of this act.

(b) The Secretary is authorized to make such rules and regulations and such delegations of authority as he may deem necessary to carry out the provisions of this act.

SEC. 5. There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out the purposes of this act.

EXHIBIT B

Freeze damage and economic situation summary, Milton-Freewater, Oreg., spring 1956

DISPOSITION OF DAMAGED TREES

Plan	Number of farms	Age (years)	Number
REMOVAL OF TREES			
1. To replant	170	90 to 99	1
		80 to 89	3
2. To grow annual crops	82	70 to 79	34
		60 to 69	98
3. To leave idle	81	50 to 59	70
		40 to 49	69
4. Removed, but have not decided what to do	4	30 to 39	30
		20 to 29	4
Wait and see	90	No record	4
Remove 1956–57 winter	131		
No record	2		
Average			55

Farmer income:	
Farm only	134
Earned outside by owner	104
Earned outside by other members	46
Off farm work:	
Yes	45
No	86
No record	9
Was dependent, but now working	14
Indebtedness on kind:	*Farms*
Real estate	106
Production	17
Machinery and equipment	58
Personal	65
Not reporting	89
None	103
Financial assistance:	*Number*
This year	73
Next year	91
Later	44
Use credit to pay—	*Number*
Existing debts	85
Operating expenses	96
Establish new orchard	155
Pay living expenses	50

NOTE.—Total number of questionnaires mailed, 350; total number of questionnaires returned, 250.

EXHIBIT C

SUMMARY OF COMMENTS MADE DURING VERBAL REPORT TO ADMINISTRATOR AND IMMEDIATE STAFF CONCERNING THE MILTON-FREEWATER AREA IN OREGON

The Milton-Freewater area was visited by Darrel A. Dunn, Acting Assistant Administrator, and Clayton C. Case, Operating Loan Officer, on January 7, 8, and 9, 1957, for the purpose of determining what further assistance could be given the growers there through the lending programs of the Farmers' Home Administration. The main question raised by producers in the area previously had been with respect to our 2-year deferment limitation. This area suffered almost a complete tree kill in November 1955, due to severe freezing temperatures. No such kill has ever occurred before in the history of the valley although blossom damage occurred in 1950 and 1954.

During our visit at Milton-Freewater we were accompanied by C. Hendry of the Oregon State office. County Supervisor James Cody from the Pendleton, Oreg., county Farmers' Home Administration office, also accompanied us during part of our visit. The following were contacted in the Milton-Freewater area: County Agent Taylor and Assistant County Agent Brown; Glenn Gibbons, manager, Blue Mountain Prune Growers Association; Mr. Stevens, president of the Valley National Bank of Commerce; NFLA and PCA representatives; and a number of growers in the area. County Agent Taylor is secretary of the disaster association in this area. Mr. Gibbons is one of the agricultural leaders in this area and is a grower as well as being interested in the Blue Mountain Fruit Growers Association. He has been interested in organizing growers in an effort to obtain assistance for the area and has been in touch with State and national agricultural officials and some Members of Congress. He also made a trip to Washington, D. C., in an effort to obtain assistance for growers in the Milton-Freewater area.

The Milton-Freewater area produces prunes, apples, peaches, and sweet cherries. The young orchards were interplanted during the first 3 years with crops such as tomatoes, both field and sweet corn, melons, and berries. It is estimated that about 2,500 acres of prunes, 1,500 acres of apples, 250 acres of peaches, and 300 acres of sweet cherries were killed or damaged in the Milton-Freewater area during the 1955 freeze.

There were approximately 600 fruit-growers in the area, but only about 50 percent of these had sufficient acreage to be of commercial significance. The following indicates the size of orchards in the area as revealed in a partial survey taken by local officials:

	Growers
5 acres and under	57
5½ to 9.9 acres	36
10 to 14.9 acres	53
15 to 19.9 acres	35
20 to 29.9 acres	42
30 to 39.9 acres	16
40 acres and over	37

The fruit-producing area is small, extending a mile to 2 miles in each direction from the town of Milton-Freewater. The fruit-producing area is in the Walla Walla River Valley, and while the soil is a dark, alluvial type, it is very stony in some areas. These stony areas are bars which were formed in the old river bed. Fruit has been produced in the Milton-Freewater area for many years. The producers have been facing keen competition and marketing problems in recent years due to the fact that leading fruit-producing areas in California and in the State of Washington supply many of the same markets, have a larger volume of production, and a better marketing organization. The California produce also gets on the market earlier than that from the Milton-Freewater area. It will take producers in the Milton-Freewater area 6 to 8 years to get back into fruit production, depending on the type of fruit which is reestablished. Prunes begin producing some in 5 years, cherries in about 7 years, and apples in 8 years in this area. Whether producers will be able to recapture markets at the end of such an extended period is an unknown factor which is of great importance to both them and their creditors.

Producing orchards in the Milton-Freewater area were selling for from $1,000 to $1,500 per acre before the freezing kill occurred. Bare land is now valued from $300 to $500 per acre, depending upon whether the dead trees have been removed and the land releveled, and the type of soil and building improvements. The Federal Land Bank has a few loans in the area but our information indicates that most real estate mortgages in the area are held by individuals.

Estimated costs of reestablishing orchards vary substantially depending upon how much hired labor is required. Estimates made by the Agricultural Extension Service show total investment costs, including charges for land, interest on investment, depreciation on equipment, tree removal, replanting and care of the orchard until it comes into production will vary from approximately $1,200 to $1,800 per acre.

Most of the growers have obtained some type of off-farm employment since the trees were killed. Some have obtained employment in the local pea canning factory, including winter work of packing and labeling, and others are employed in such places as the local sawmills and in business places in

the Milton-Freewater and Walla Walla areas. A considerable portion of the growers visited feel that while continued off-farm employment is somewhat uncertain, they would be able to provide their own living expenses during the period of orchard development, except in the case of larger growers whose labor would be required full-time in connection with the orchard most of each year. In view of the employment possibilities and the practice of intercropping new orchards for the first 3 years, some small growers felt that they could reestablish their orchards on a sound basis if they could borrow about $300 per acre for tree removal, replanting, and cultural practices. The larger growers felt they would need to borrow up to $850 per acre where they needed to consolidate their debts.

It should be noted that intercropping can be carried on profitably only during the first 3 years after an orchard is established; therefore, this source of income would have to be replaced by other income or loans after that time and until the orchard comes into production. A number of crops referred to above are possibilities in intercropping young orchards. Tomatoes are one of the main crops used for this purpose in the area. Many of the successful growers have their own greenhouses to produce tomato plants which they set in the field from April 25 to May 1. They start marketing their crop in 60 to 70 days. This crop is subject to some early freeze hazard. The tomato growers in the area are not well organized and considerable difficulty has been encountered in marketing the crop. If the growers would organize their marketing facilities properly, this crop appears to offer a good source of income for experienced growers.

Replying to a questionnaire by the Agricultural Extension Service, 106 fruitgrowers have indicated they have debts on their real estate. Considerable numbers also had other types of indebtedness. We were informed that a considerable portion of these growers will need some form of debt consolidation if the Farmers Home Administration is to be of any appreciable assistance to them. In discussing this question with producers, we heard that some real estate lien holders are giving the growers some additional time on their loans as a result of the freeze kill. These creditors appear to be doing this in hope that the grower will be able to reestablish his orchard and thereby improve the security for the debt. In some cases, the bare land is not worth the debt which was incurred when the orchard was coming into production. Under the present regulations governing the making of emergency loans, growers' needs for consolidation and refinancing debts could not, of course, be met. We also heard of two growers whose tractors were being repossessed by lien holders. Tractors are an essential need of growers attempting to reestablish their orchards. The question as to how the debts on such items can be refinanced on a sound basis if payments must be deferred until the orchard comes into production 6 to 8 years later was raised. Before that time, the tractors will either need to be replaced or substantial amounts would have to be expended for upkeep and repairs. While emergency credit could meet the needs of some growers, it would appear that long-term real estate and operating loans would be required to meet the needs of some growers in reestablishing their orchards.

Due to the small farms and the high investment in land, alternatives to fruit production are not readily available. For these reasons, the growers feel that they must reestablish their orchards. The average age of the Milton-Freewater fruitgrower is about 55 years. Out of 260 fruitgrowers replying to a questionnaire, 108 were over 60 years of age. Partly because of age, these growers feel that it would be difficult for them to leave the area and find employment elsewhere or to change the means of their livelihood if they stay in the area. It is obvious, of course, that many of these growers would be of an advanced age before reestablished orchards would come into production.

It does not appear that growers who are now indebted for the full value of their land can hope to successfully reestablish themselves in the fruit production through credit. There does not appear to be any way by which a sound loan could be made and provide security to protect the Government's interest in such cases.

For this reason, a longer deferment than presently authorized would not enable the Farmers' Home Administration to make loans to growers in this situation. However, there is a group of 100 or more growers in the area whose land is free of debt, and part of these will need Farmers' Home Administration credit to assist them in reestablishing their orchards. Some of these growers would undoubtedly have a sound basis for credit, and the Government's security interest could be reasonably protected, but these growers desire a longer term deferment than is presently provided by the Farmers' Home Administration.

The growers in the area have a proposal pending with the State ASC office which, if approved, would result in payments of approximately $160 per acre, or 80 percent of the costs, for removing dead trees, leveling land, and replanting trees. We do not know what the possibility is of this program being approved. If such a program was approved, there would be more growers who would have a sound basis for credit than at the present time.

Growers in the area have been counseled by the agricultural leaders there not to apply for Farmers' Home Administration credit for the reestablishment of orchards until the Farmers' Home Administration deferment policies are changed and the outcome of the ASC requests are known. According to the information given us, there have been only eight inquiries at the county office at Pendleton from fruit growers in the Milton-Freewater area. Three applications have been received from this area, and of this number one loan was made for tomato production in 1956, and this loan has been repaid in full. One application is still pending, awaiting the outcome of the applicant's negotiations with his real estate lien holders.

EXHIBIT D

SUMMARY OF DISCUSSIONS HELD WITH THE EXTENSION DIRECTOR AND SPECIALISTS BY FHA ACTING ASSISTANT ADMINISTRATOR DARREL A. DUNN AND OREGON STATE STAFF MEMBERS, CORVALLIS, OREG., RE MILTON-FREEWATER AREA, OREGON

On January 10, 1957, State Director Kenneth Sawyer and Cameron Hendry, of the Oregon State office, accompanied me to the State Agricultural College at Corvallis to further study and seek information concerning the fruit growers' problem in the Milton-Freewater area. A summary of the opinions expressed by the extension specialists contacted follows:

1. The area is an excellent fruit-producing area because of the good quality of production. Most of the fruit is marketed as fresh fruit and is ready for market somewhat earlier than other areas. The valley has an unfailing water supply for irrigation. Another freeze that would kill trees such as the one in November 1955 likely will not recur in a lifetime. However, young trees would be more susceptible to freeze than older stock. Sound loans might be made with deferments if the age of the applicant is such to enable him to contribute a major portion of the labor, the owner's equity in the real estate is substantial, and the operation would have the necessary acreage to occupy the full time of the family. The demand for fruit and vegetables from the general area is increasing steadily. A stronger association of growers in the Milton-Freewater area would be highly desirable. Efforts to recognize such an association in the past have had limited success.

2. An economic-size family farm might vary from 15 to 40 acres. The area is exceptionally good for prunes because of the good timing of marketing, marketing being earlier than Idaho or western production. The climate in the valley is also excellent for cherries and apples. The apple crop is the earliest shipping market in the Northwest.

The production of apples in the past has been limited because of a bad infestation of coddling moths. This hazard has practically been eliminated under new control methods. The freeze hazard is as remote in this area as in any producing area in the Northwest. Occasional frost damage to blossoms that would reduce a given crop does occur in this area, but a tree-killing freeze is not likely to recur. Freezes in 1919, 1936, and 1950 were damaging only in isolated areas to trees. A comparative record of spring freeze and fall frost dates for four fruit-producing areas is as follows:

Average of 16-year period

	Spring freeze	Days of growth	Fall frost
Milton-Freewater	Apr. 17	190	Oct. 24
Mosco (Dalles)	Apr. 11	198	Oct. 24
Parkside	May 17	143	Oct. 7
Hood River	Apr. 20	183	Oct. 20

The minimum temperature over a 25- to 40-year record in all of these areas is favorable to Milton-Freewater.

3. An extensive survey has been made of the condition of cutbacks on prunes in the area. These are young trees that were cut back to the stump length after the freeze and which are now sprouting. The possibility of these sprouts making good producing trees is good and there are approximately 400 acres in the area. New varieties and new methods are bringing trees into production sooner than could be expected a few years ago. The time required for a tree to come into production is as follows:

Apples: Some production the sixth or seventh year; eighth year substantial production.

Prunes: Some fruit the fourth year; 6th year substantial production.

Cherries: About the same as for prunes.

The maximum production on prunes and cherries is reached between the 10th and 25th year. For apples, the tree would be a little older when it comes into maximum production and the maximum production period will be somewhat longer.

4. With respect to the production of small fruit and vegetables, we were informed that tomatoes, strawberries, and asparagus are best adapted to the area. However, since it requires about 3 years to produce an asparagus plant, it would not be practical to use this crop for interplanting. Tomatoes and strawberries are well adapted to the area and enjoy a good market at the beginning of the season because of early production, but the market suffers after this short period because of competition from other areas producing in greater quantities.

All of the specialists contacted on this subject were of the opinion that the area should be replanted to fruit trees for the production of prunes, apples, and cherries. The farm population know the fruit business, are capable producers, and enjoy ideal soil and climatic conditions for fruit.

DARREL A. DUNN,
Acting Assistant Administrator.
JANUARY 28, 1957.

RELIEF FOR ORCHARDISTS OF MILTON-FREEWATER, OREG.

Mr. MORSE. Mr. President, on behalf of myself and the junior Senator from Oregon [Mr. NEUBERGER], I introduce and send to the desk, for appropriate reference, a bill to amend the Soil Conservation and Domestic Allotment Act, as amended, so as to authorize the inclusion in agricultural conservation programs under such act of activities carried out in connection with the reestablishment of orchards destroyed by production disasters. The bill is designed to offer immediate assistance to the orchardists of Milton-Freewater, Oreg., by providing for specific agricultural conservation payments in connection with the rehabilitation of the freeze-struck orchards of that area.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of the bill, and also a series of 10 representative letters from Milton-Freewater orchardists who suffered severe losses, through no fault of their own, in the disastrous freeze of the winter of 1955–56.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and letters will be printed in the RECORD.

The bill (S. 1609) to amend the Soil Conservation and Domestic Allotment Act, as amended, so as to authorize the inclusion in agricultural conservation programs under such act of activities carried out in connection with the reestablishment of orchards destroyed by production disasters, introduced by Mr. MORSE (for himself and Mr. NEUBERGER), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, is amended by inserting after the second sentence thereof a new sentence as follows: "Clauses (1) and (2) above shall be construed to include measures carried out in clearing orchardland of trees rendered commercially unproductive or destroyed as the result of freeze, drought, hurricane, disease, or other natural causes, and in the initial replanting or redevelopment of such land, including the removal and disposition of trees and roots, grading and leveling of land, seedbed preparation, seeding, planting of seedlings, fertilizing, and the purchase of seed, seedlings, and fertilizer."

SEC. 2. The amendment made by this act shall be construed to apply to measures heretofore undertaken by orchard operators and owners in the area declared by the Secretary of Agriculture in December 1955 to be a production disaster area because of unseasonable freeze.

The letters presented by Mr. MORSE are as follows:

MILTON-FREEWATER, OREG.,
March 9, 1957.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: We are in the fruit-farm-disaster district, of the Walla Walla River Valley.

We have 6 acres of fruit trees, which were nearly all wiped out by the November freeze of 1955. We will have to reset trees, level ground to prepare for another orchard.

It would be a great help and appreciated if we could get Government aid.

It will be at least 7 years before the fruit trees would produce any returns. While the orchard is growing, it must be cultivated, sprayed, and pruned, which means expense, as labor is high, and I would have to hire most of it done.

Hoping that something can be arranged to help the fruit men, I am,

Very truly yours,

ROBERT WALKER.

MILTON-FREEWATER, OREG.,
March 8, 1957.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: I am writing in regard to our orchard disaster in the Milton-Freewater district. As you know we lost all of our orchards in the winter of 1955–56.

I run 14 acres of fruit and I never saved a tree in the entire acreage. I have gone ahead and cleared my land and want to replace it, but it is very costly as there won't be any income from the replanted orchards for at least 6 or 7 years and not too much even then.

Our ground is gravelly soil and not suited for other crops, but it is one of the best districts for fruit growing.

In looking further into the picture it isn't just the clearing and planting of these orchards but it is also the maintaining of them up to production time—watering, spraying, pruning—and of course taxes have to be paid. We have a wonderful valley here and homes and would certainly love to see it back into production.

Also there are interest and payments on mortgages that some of the people have.

I feel we can get back into production with some assistance. I know you were here and saw our condition, so you know we are in dire need of some help.

Thanking you kindly,

M. E. MORRIS.

MARCH 15, 1957.

The Honorable WAYNE MORSE,
UNITED STATES SENATE,
Washington, D. C.

DEAR SENATOR MORSE: We fruitgrowers are writing you to do what you can to help the fruitgrowers in this disaster district. I had 1 acre of early prune trees and they produced in 1955 16 tons of fruit. Then came the freeze that killed the trees. There has been considerable expense in disposing of the trees. A large tractor was hired to push out the trees and pile them for burning. Then, the land must be leveled and put in shape for replanting. To buy the trees and plant them is expensive. There must be spraying, pruning, irrigation, cultivating. We have taxes. What are we going to live on for 7 years while the trees are growing into production?

FRANK FAGER.

MILTON-FREEWATER, OREG.

MILTON-FREEWATER, OREG.,
March 9, 1957.

DEAR SENATOR MORSE: As you know we are in the need of help in seeking assistance for the orchardists of Milton-Freewater, Oreg. Most of us are young veterans who got our first start after discharge from the Army or service; we put all our money and savings in our places trying to get a new start in life. The Army called it the nest egg. The freeze of 1955 took everything I had standing, leaving me with broken eggs.

I am not thinking only of myself; I am thinking of my neighbors around me with large families to care for. If we don't get help soon, brother, we will be in a hell of a shape. We don't want the Government to give us money, just loan us the money to get our places back into production. I believe our little valley, Milton-Freewater, is just as important as any foreign country on the globe.

Mr. Senator MORSE, you were here, you know the truth; I know you will do all you can. May God help you and our country.

Thanking you for your trouble.

B. A. PHILLIPS, Jr.

MILTON-FREEWATER, OREG.,
March 10, 1957.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: I have been a taxpayer, a voter, and property owner in the State of Oregon for the past 50 years. I reside on a 14-acre ranch, to which 6 acres was planted in apples and cherries, located about 2 miles north of Milton-Freewater on R. F. D. No. 2.

Prior to the deep freeze of 1955–56 I realized an average annual income of over $2,600 from my fruit. Now, as a result of this freeze, I lost my trees, my annual income, and incurred a cost of over $800 of clearing my land.

I do not plan to replant this orchard, since it will take over 7 years to realize my first income. With the high cost of living and increased taxes bearing down upon us, it appears wheat will be the only profitable product I could use to expect any income in the near future.

I do however urge your support for Government loan to others who desire to replant their orchard. Ordinarily I do not favor our Federal Government assisting in local matters, but since so much of our money is being spent in Europe I have changed my mind. I urge your support.

Very truly yours,

MRS. GEORGE U. NELSON.

MILTON-FREEWATER, OREG.,
March 13, 1957.

Senator MORSE.

DEAR SIR: I am writing in regard to the damage done our valley by the freeze of 1955–56 (November through January). We have 25 acres, it was all set to trees—apples and prunes—and not one tree left alive. Our nearest neighbor has 40 acres and he had one tree left alive, and that is the rule of the whole section.

It is costing us $130 an acre to pull and burn dead trees, level the land and replant trees for those farmers, many of whom are 60 to 65 years old—it is a dark outlook. It will take from 5 to 10 years before a crop can be had (according to the kind of trees planted). A good many will not be able to get trees to plant this spring because of lack of funds. When we get a crop, people will be so far behind that it will take several crops to put them on their feet again.

Our soil is very rocky so we cannot put it to beets, carrots, or asparagus and as for tomatoes and melons the market is flooded by everyone raising a few.

Please do what you can to help the situation. If we could have so much an acre to compensate for the expenses or have our trees supplied it would be wonderful, but we surely need help.

Very respectfully,

MRS. M. H. GROGAN.

MILTON-FREEWATER, OREG.,
March 9, 1957.

Senator WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: In regard to this freeze-disaster area, in the Milton-Freewater Valley, I might point out to start off: I have lived in this locality since early in 1908. I have seen this valley develop from sagebrush and cheatgrass through years of hard toil and effort, into one of the most lovely communities to live in. As you and Congressman ULLMAN saw when here in the fall of

1956, this valley is now waste. As was pointed out to you when here, owing to the rocky and gravely condition of the soil, this land is not profitable for few other crops than fruit trees. Many of the people who owned these beautiful orchards are like myself, past 65 years and are not able to work as hard as when they started to develop these places. Consequently it means they will have to hire most of the heavy work. It will be at least 7 or 8 years before returns will be large enough to take care of expenses.

I own 17 acres all young and into good bearing before the freeze, which looked like we were well set, and independent in our old age. I am starting this spring to replant every acre, and hope to have the place all set out in the next month. But with the little we have saved, and expenses so high, I don't know how we can continue for 7 or 8 years without substantial aid from our Government. There will be heavy outlay each year we are growing these trees to stage of production. Such as taxes, fertilizer, pruning, watering, spraying, and cultivating, and many others.

I enjoyed meeting you and Mr. ULLMAN in the hall at Freewater before election. I feel with a large number of others in this community we are very fortunate in having two men of your integrity and sincerity to represent our State in Washington.

With best wishes for your future,

I am sincerely yours,

ANDREW MILLER.

MARCH 10, 1957.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: In regard to loss of orchards in the Milton Freewater, Oregon district.

Our personal loss consisted of 35 acres in the second year of production, 15 in the 10th year. Due to frost damage to bloom in 1954, poor price in 1955, and complete loss of trees in November 1955, plus cost of growing and bringing into production, then removal of frozen trees and leveling and clearing land, we have incurred an indebtedness of $10,000.

Cost of replanting trees, care, cultivation, spraying, etc., for 6 years until a profitable operation again can be established, additional cost $11,000. Fixed costs such as taxes, water assessments, weed control, building maintenance, along with interest on present debts, must be met regardless.

We are not in a financial position to assume this and unless we get some financial help it will mean disaster to our fruit operation which was started in 1934. This situation would be duplicated to a large extent by many of our fruitgrowing neighbors. Hoping you as our Senator will make every effort toward Government financial aid so an old established industry may be resumed in this district.

Sincerely yours,

J. E. KESSLER & SONS,
By NORMAN KESSLER.

MILTON-FREEWATER, OREG.,
March 9, 1957.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: The Milton-Freewater Disaster Committee has been doing a lot of work trying to determine the cost of removing old trees and replanting new ones. It is quite a difficult thing as you know when an area such as our community is completely wiped out with a winter freeze. It takes the livelihood out of our town as it is dependent on the fruit orchards. We have had a decline in price and cost of material going up.

We are badly in need of financial assistance in agricultural conservation practice payments. There is money available through Production Credit Association. The most of us can't qualify to get the loan. We can't make enough with row crops to pay our payments on loans and equipment, taxes, and replant our orchards. Let alone try to pay back a FCA loan year by year. All summed up it is a rather gloomy outlook for our orchard deal.

I am farming 25 acres, my sole income from this program. It will cost me a lot of money to get back in production. Without any outside source of help the program is impossible. It will take from 7 to 10 years depending on fruit planted to realize a good cash crop. So that we would be able to start to repay.

It sure puts me in a bind. My farm equipment needs to be replaced and that includes a new tractor. I owe $2,850 on the place. I can make a living, I think, but would like to replant the place back. I have had 10 acres cleared and plowed to replant, up to now it has cost me nearly $40 per acre plus my work. The balance will have to wait till next year. I have enough trees to replant this 10 acres with apple trees costing $1.25 per tree, 108 trees per acre, it runs into quite a sum, $135 per acre. $1,350 for the 10 acres planted, and I have 15 more acres to plant. Hoping some help will materialize.

Yours very truly,

ED H. ROTHOFF.

MILTON-FREEWATER, OREG.

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: We, the Walla Walla Valley fruitgrowers, have a very tragic problem. As you know, we completely lost our fruit crop of 1956 and also the trees as well in the 1955 freeze.

We have 15 acres that was in bearing fruit, cherries and prunes. We owe $6,200 on our place, and what with taxes and interest, etc., it is impossible to even think of replanting. We owe on our place, so it isn't possible to borrow money to replant.

It will cost over $600 to take the dead trees out and burn them, then there is the problem of purchasing new trees and getting them in. Even after the trees are in, it will be at least 7 years before we can see any profit. There will be the yearly expense of spraying, pruning, irrigating and working the land, as well as living.

We have three children and what with food, clothing, and unexpected sickness the part-time job I'm holding doesn't go very far.

We sincerely hope we are able to get some sort of aid, so we can get our trees and get them in.

This disaster in our territory will be felt for many years.

Thank you for your consideration on this very serious problem of ours.

Yours truly,

Mr. W. F. WEIS.

Mr. MORSE. Mr. President, without losing my right to the floor, I wish to yield to my colleague from Oregon [Mr. NEUBERGER]; and in doing so I wish to say that here, again, I desire to express publicly my appreciation for the wonderful teammate he is on all matters affecting the State of Oregon and, for that matter, on all matters involving great pieces of social and economic proposed legislation which should be passed by the Congress if we who serve in the Congress are to carry out our obligations under the general welfare clause of the Constitution. I wish to say to the people of Oregon, through this comment on the floor of the Senate this afternoon, that as a result of my association in the Senate with my colleague, Senator NEUBERGER, I am in a much better position and am much more capable of being able to be of service to them in carrying out the pledges which both of us made to them as we made our campaign representations to them. So it is an honor now for me to yield to my colleague, who has been such a wonderful teammate to me in the Senate.

Mr. NEUBERGER. Mr. President, I thank my senior colleague for his characteristically generous remarks. I hope that some time I shall have developed sufficiently to merit the very kind things he has said about me.

Mr. President, events of recent days are tragic reminders of man's pitiful helplessness when caught in an angry manifestation of nature. Earthquakes in California, blizzards in Colorado, tornadoes in Texas, and tidal waves in Hawaii have left scores dead and hundreds injured. Property damage will amount to millions of dollars. Mr. President, no fault or failure of man brought on these calamities, nor could man by any virtue or good work have prevented their occurrence. The death and destruction we charge to an act of God, and we hold man free of any guilt or responsibility. In one way or another, man will attempt to assuage the grief and restore the damage. The great warm heart of mankind will be shown in countless acts of charity, in deeds of self-sacrifice, and in general agreement that "something should be done about it."

What will be done will depend in great part on the dramatic impact made by the devastating act of nature. The sad but bitter fact is that aid and assistance will tend, as Mr. Dooley might say, "to follow the headlines," and many deserving but unpublicized sufferers will be overlooked and forgotten.

In making these remarks I have in mind particularly those of whom my distinguished colleague, the senior Senator from Oregon [Mr. MORSE], has spoken so eloquently. I am happy to be able to join with him in the introduction of measures which will provide some help and assistance for a group whose suffering has been severe, indeed.

I speak, of course, in reference to the more than 600 orchardists in the vicinity of Milton-Freewater, Oreg. Four thousand seven hundred acres of apples, cherries, prunes, peaches, and pears were as effectively destroyed by an unprecedented early season freeze on the night of November 10, 1955, as any forest might be when swept by fire. A fire can be seen; it is, therefore, spectacular. A freeze can be felt, but at the time of its visitation there is little to see; it would rate low in its crowd appeal.

Following the freeze, apprehension settled in the minds and hearts of the orchardists. Waiting through the winter to see whether their apprehensions were warranted, was like watching an unconscious and imperceptibly breathing loved one. Everyone was certain that the damage would be extensive. But it came as a delayed shock when, in April of 1956, the utter and complete loss was evident. No identifying fragrance from blossoming plum or

apple orchard infused the valley air. Stark, dead branches gave witness to the extent of the devastation.

Mr. President, I personally visited those orchards this past October. Mrs. Neuberger and I walked down those rows of desolation. Very few families had been able to afford the considerable expense of pulling out and disposing of the dead trees. The cost of that might run from $30 to $80 an acre.

The average age of these orchardists, I learned, was about 55. From talking with them personally, and from letters they have written, I have sensed the desperateness of their situation. People who raise fruit trees are almost universally thrifty, careful people. Here were fruit ranches to which the owners had looked for their future security, their source of an income in their old age. For example, consider the case of 1 man who is now 72 years of age. Even if he can clear his land, prepare it, plant seedlings, and tend the orchard until it is productive, he will be nearly 80 before he will realize an income from his trees.

Last spring, Mr. President, Mr. Glen Gibbons, manager of the Blue Mountain Prune Growers Cooperative, of Milton-Freewater, came back to Washington, to tell Senator MORSE and me of their severe loss and of the urgent need for help if the orchards were to be replanted without loss of growing time. It was my privilege to present Mr. Gibbons to the Senate Agriculture Committee. He gave his report. Senator MORSE and I supported proposed legislation to assist them. Alas, it failed. The orchardists connot afford many 3,000 mile trips to Washington. Many of them have written, however. They do not complain because 1 year already has been lost. They hope something can be done. They do not want to look for another year at orchards that resemble regiments of scarecrows.

One thought I find frequently expressed: Is there more concern for those in other lands than for our own people here at home?

Orchardist Harry Smith in his letter approved of foreign aid, but asked whether a country of such benevolence "could spare a million on long-term loans to a people who believe in their country and help support and would repay every cent back with interest."

W. G. Sargent, who is 75 years of age, gives a breakdown of what it will cost him each year for the 8 years preliminary to a harvest. In his letter, he expresses hope. He is still looking to the future. I would say he is a typical Oregonian. It is perhaps in our hands whether he will use his machinery, which is clear of any debt, or whether he will sacrifice it and his ranch, on which he still owes something.

Mr. A. C. Geiss is 70 years of age. He is getting social-security payments, with which he has purchased a few trees for replanting. But he cannot begin to replant all his devastated 8 acres from that meager source. If he sells, he cannot expect much of a price. With his acres replanted, the picture would be much brighter.

Conrad Blumhagen has 5 acres with no indebtedness. He writes:

At my age—74—can't see the expense of trees, but what will I use to pay taxes and get this land ready for grass pasture? Have faced many a problem but this was a clean sweep—and nobody wants to hire a man my age. Fruit raising and farming has been my whole life.

Orville W. Stewart in his letter expresses the hope and faith of many orchardists. Like a good many, he has a mortgage on his 20 acres. It is not a big one, but it is due in the fall of 1957. If he can refinance and can get help on the replanting, he believes he "can see my way through by working out and still take care of my place."

Mr. President, those are but a few of the many letters I received. Their tone is uniformly free of complaint. Generally, faith in the Congress to recognize and assist them is expressed. Determination is expressed in nearly every letter. There is an evident deep love of their land. I would like to have some of the letters appear at the conclusion of my remarks. I think these letters, which I have received from many of the persons concerned, speak for themselves. I ask unanimous consent that a number of the letters which have come to my office from these courageous but unfortunate people in the Milton-Freewater area of Oregon be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(See exhibit A).

Mr. NEUBERGER. Mr. President, I am sure everyone will agree that the orchardists of Milton-Freewater are reasonable in their requests. Adoption of the measures which Senator MORSE and I have introduced is, I believe, a reasonable and feasible way to fulfill their request.

Mr. President, I shall conclude by again thanking the distinguished senior Senator from Oregon [Mr. MORSE] for the leadership he has taken in this effort to help people who, through absolutely no fault of their own, have lost not only the work of their own lives, but in many instances the productive efforts of their families, going back many, many years, even to pioneer and frontier times.

Mr. MORSE. Mr. President, I wish to say that it has been a joint effort equally shared by the junior Senator from Oregon.

EXHIBIT A

MILTON-FREEWATER, OREG.,
March 11, 1957.

Senator RICHARD NEUBERGER,
United States Senator
Washington, D. C.

DEAR SENATOR NEUBERGER: Knowing your ability as we voters do, and believing that you are interested in our welfare we feel free to make our personal petition to you, asking you to appeal to the Government for aid in this disaster area for the fruit farmers.

Our own individual loss is briefly this: During the early freeze of November 1955, our entire 10-acre orchard of young bearing fruit trees was literally destroyed, also our entire livelihood income, all that we have saved and labored for these last 7 years. Now to reclear the land, replace young trees, and have the yearly expense of cultivating, spraying, fertilizing, irrigating, pruning, etc., besides the taxes, during another waiting period of 7 more years before we can expect a reasonably profitable production crop, we figure at the very least it will cost $300 per acre besides our daily livelihood. And just where can we get this money to carry on is our big question.

Since we know the Government has heretofore assisted other disaster areas such as in times of flood, drought, etc., also the wheat grower, we are wondering if the Government could work out a conservation or loan program for us or place us under the same program as the conservation program for the wheat grower.

We would be very happy to hear your suggestion or solution to our problem. Thank you kindly.

Very respectfully yours,

Mr. and Mrs. BEN THOMPSON.

MILTON-FREEWATER, OREG.,
March 6, 1957.

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: I would like to let you know how badly we need help here in Milton-Freewater area. I have 15 acres that were all in fruit trees. But after the winter of 1955 they were all killed by a hard freeze. We also rented 35 acres of fruit, but they were also killed. So that has left us without any income. I have been working at short jobs trying to get enough to live on, because of my age—68—I can't get a steady one and jobs can't be found here in the winter. So I couldn't pay my county taxes for 1956 and I may not be able to pay 1957 taxes. We are in debt $2,000 and couldn't pay the interest for this year.

It will take about $6,000 loan to get the orchard replanted and carry through till bearing.

It will take $165 an acre to remove, level, and replant the trees and then it will be 7 years before we can get much income from them.

I sure hope we will get the same consideration as the flood victims received.

Thanking you for what you have already done.

I remain as ever,

CLAY GROGAN.

MILTON-FREEWATER, OREG.,
March 12, 1957.

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: The situation we are facing here in our small community has prompted this letter.

As you are already familiar with our freeze that caused an approximate 98 percent loss last year, you are probably equally as familiar with the problems we are facing. It is impossible for some of the growers in the valley to even take out their orchards without some financial assistance, let alone any hope to replace them with new trees; which is necessary since because of our rocky soil, we are limited mostly to fruit crops. And for those of us who are able to remove and replace our trees, there is no hope for a crop for 7 years or at least one that will be commercially profitable. Meanwhile though, we are expected to spray, prune, keep our soil, pay our taxes, etc. How? This is our problem.

It is for these reasons I'm writing in hope that some type of program or a conservation payment might be discussed to assist us in our time of disaster.

Thank you for writing us and taking into consideration our problems.

Sincerely yours,

FRAZER V. IVAN.

MILTON-FREEWATER, OREG.,
March 8, 1957.

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: I am writing you as I am one of the fruit growers in the Milton-Freewater district, who was frozen out November 11, 1955.

I have a 20-acre tract with 17½ acres orchard when the freeze came. Our orchard was set to cherries, apples, peaches and prunes. To reset this orchard in trees it will cost around $9,000. This property has no mortgage, but to reset this orchard to trees, and take care of it for 7 years without an income, we need help badly.

This land has had a high assessed valuation. We have paid high taxes and have paid as high as $4,000 hand labor for raising and harvesting the fruit. This valley contributes a large payroll to the working people when it is in bearing fruit. This is gravelly land and better adapted to fruit than any other field crop. If this district was declared a disaster district, I believe most of the farmers would reset their orchards. $400 an acre would reset and pay up-keep till it comes into bearing. Hoping you will give this your immediate attention.

DEMARIS RANCH,
ASA A. DEMARIS,
HESTER F. DEMARIS.

MILTON-FREEWATER, OREG.,
March 19, 1957.

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: In the spring of 1952, I planted 10 acres to fruit trees. In 1955 they bore some fruit for the first time. In November of that year, as you are aware, they were severely damaged or completely killed. In my case, they were killed. Practically every fruitgrower in the Milton-Freewater area is in the same position. I, myself, am better off than most growers, because I have a job. I also have a mortgage. My job provides subsistence for my family and pays our daily bills, but it does not and cannot provide enough money to make back payments on machinery debts or replant our orchard or even begin to keep up the place in half decent condition.

This letter is a sincere request for help, not a free Government handout. It will be at least 7 years before the fruitgrower in this area can get back into production again. Without help, how can we hold our homes together on ground that is only suitable for orchard growing?

I am not against foreign relief or aid in any manner. I believe that for the overall welfare of our country, foreign aid is necessary, and I am for it. But surely a Government that can give and loan billions for foreign aid—in some cases to countries that seemingly do everything they can to push this Nation down—could spare a few million on long-term loans to a people who believe in their country and help support. We are in dire need of help now, would be grateful for such help and would repay every cent back with interest.

Sincerely yours,

HARRY M. SMITH.

MILTON-FREEWATER, OREG.,
March 11, 1957.

Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We, the fruit growers in this area had all our trees killed in the 1955 freeze. I personally had 10 acres which were completely wiped out, and it will cost at least $165 per acre to take out the dead trees, relevel the ground and replant new trees, besides having to wait about 6 years for them to start bearing.

A good many of the farmers here are about 60 years old and they will be losing out on their social security because of no income and they are people who have made their own way and now they can't get employment because they are too old. It is really pretty rough going.

We feel in this community that since the Government gives so much to foreign aid and other disasters that they should help us fruit farmers. Aren't we just the same as anyone else? We pay taxes just the same as anyone else. How much tax do the foreigners pay?

Hope you will try to get some help for us.

Yours truly,

EARL PRINE.

POSITION OF SENATOR MORSE ON THE EISENHOWER MIDDLE EAST RESOLUTION

Mr. MORSE. Mr. President, I turn now to another subject.

A good friend and constituent of mine has forwarded to me a letter that she has submitted in vain to the Portland Oregonian, as a letter to the editor. This would not in itself warrant inclusion in the RECORD, Mr. President, because I recognize, as you do, that only a small proportion of letters addressed to editors can be printed, in view of space limitations, duplication of content, and so forth. The letter, Mr. President, does warrant inclusion in the RECORD on one other count. It warrants this because it typifies the intelligent and discerning approach of the Oregon citizens to the world and domestic problems which we face here in the Senate. The determination of the citizen to look below the shifting flux of contemporary events, to seek to find the solid underlying principle by which policy may be judged, is well exemplified by this letter. I ask, therefore, Mr. President, unanimous consent that it be incorporated in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(See exhibit A.)

Mr. MORSE. Mr. President, in closing I wish to say to my good friend, the Senator from Minnesota [Mr. HUMPHREY], that I appreciate very much his cooperation as acting majority leader in making it possible for me to address the Senate in advance of what I know will be a most notable speech which he is about to deliver. Because of a commitment I have for this evening, I shall have to deny myself not only the privilege but also the enlightenment which will flow from the speech of the Senator from Minnesota.

Mr. President, I yield the floor.

EXHIBIT A

PORTLAND, OREG., *March 17, 1957.*

To the EDITOR:

The Oregonian editorial of March 16, MORSE, Then and Now, criticizes the Senator for his vote against the Eisenhower resolution, and says, "Fundamental to Senator MORSE's position was the argument that there is no 'emergency' in the Middle East; that there is need for 'due deliberation which is required in order to get all the facts to the American people'." It is unbelievable that a newspaper would criticize, editorially, a United States Senator for insisting on sufficient debate and deliberation in order that the voting Senate body and the American people have the opportunity to be thoroughly and completely informed on an issue which so vitally concerns this country. According to the CONGRESSIONAL RECORD for February 25, Senator MORSE said, "I am not impressed by the testimony of the Secretary of State about the emergency and urgency and the necessity, according to him, of avoiding so-called delay. I want no more delay than is necessary to have that due deliberation which is required to get all the facts to the American people." The editorial writer's comparison of Senator MORSE's immediate acceptance of the Truman doctrine and his reluctance to embrace certain provisions of the Eisenhower resolution is ridiculous in view of the obvious disparity between events leading up to the Senate vote on each respective resolution and the overall situation at the time each was presented for consideration. The severest critics of Senator MORSE acknowledge the wisdom of his insistence for 'due deliberation,' and of his request (with Senator CASE) for facts about the situation that existed in the Middle East that, in the Senator's words "led up to the debacle which now characterizes foreign policy in the Middle East." Events during the past 24 hours will contribute added prominence to the substitute resolution submitted by the Senator, which included the provision that the President should seek effective guaranties for passage on terms of equality through the Gulf of Aqaba and Suez, and it embodies certain constitutional checks inherent in our democratic process. We recall that Senator MORSE has maintained an unalterable policy of insisting that the pertinent facts relating to important issues, domestic and international, be brought to the body politic and the Senate during the past 12 years that he has served Oregon. The people of this State do not want a "rubberstamp" man in Washington. Their approbation for the conduct and policy of the Senator was again manifested in November by his reelection to a third term.

MRS. ELINOR SHANK.

SECRETARY BENSON'S FARM PROGRAM

Mr. HUMPHREY. Mr. President, first of all, I wish to thank my colleague, the senior Senator from Oregon [Mr. MORSE] for his cooperation.

As I have said, earlier today I issued a press release indicating that I would make some comments concerning the speech delivered by the Secretary of Agriculture before a partisan audience, the fifth annual Republican Women's Conference, on April 2, 1957, at the Hotel Statler. Last evening I was able to obtain a copy of the speech; and I have had an opportunity to study it carefully during the wee hours of the morning; and around noon today I have put together a reply to what I believe to be one of the most partisan and one of the most ill-advised and irresponsible statements by a Cabinet officer that I have ever read or witnessed a report on.

Mr. President, I was shocked yesterday to read in the Washington Post and Times Herald that the Secretary of Agriculture has plunged our efforts to enact emergency corn legislation into partisan politics of the most flagrant and cynical kind.

A news report written by Carroll Kilpatrick, staff reporter of the Washington Post and Times Herald, opens with this paragraph:

"Secretary of Agriculture Ezra Taft Benson yesterday kicked off the 1958 congressional

campaign with an angry charge that the Democratic politicians talk with one voice to the farmer and another voice to the consumer."

It is particularly distressing, Mr. President, that Mr. Benson's partisan attack should come at this particular time, when Members of the Senate from both parties are making a conscientious effort to get together on some kind of emergency legislation to avoid the disaster to corn and livestock markets that now face us. A bill to accomplish this purpose, which is sponsored by myself and other Senators of both parties, will come before this body on Monday. Admittedly, it is not a completely adequate farm bill, and admittedly it does not provide for all that I, personally, would like to have provided in such a bill; in fact, it is far from that. On the other hand, it is a conscientious effort to avert disaster in the feed grain and livestock economy.

Mr. Benson said he doubts that this bill can do much good, if any, at this late date. That statement is clearly intended to sabotage our chances of getting it passed. The truth is that this bill, regardless of whether it is passed tomorrow, next month, or next August, will have the extremely important effect of substantially increasing the volume of corn from this year's crop that will be eligible for price support loans at $1.36 a bushel. This bill, if it is enacted, will therefore assure producers of corn prices at $1.36 a bushel or thereabouts, instead of at only about $1, which will be likely if the bill is not enacted. The differences between the bill we are going to take up Monday and what we now have will be discussed in detail as we debate the proposal which will come before the Senate on Monday next.

Mr. Benson knows this. He knows that passage of the bill which he debunks will mean 25 or 30 cents per bushel more to corn producers next fall, and equivalent higher prices for producers of other feed grains. He knows that passage of this bill will reduce the volume of cheap feed placed on the market next fall, and that therefore it will be of some help, at least, to dampen the flood of hogs and poultry and fat cattle that is bound to come within another season if the present corn situation is permitted to stand.

Knowing this, why does Mr. Benson try to mislead the farm people of the Corn Belt by telling them, "It is a 'toss up' whether the corn bill now pending in the Senate will do any good at this late date"?

The Secretary did not say that a year ago, when he was looking for soil-bank legislation, which was enacted into law as as the month of May.

Mr. President, there is only one conclusion possible. That is that Mr. Benson is deliberately trying to mislead farmers as to the merits of our bipartisan corn bill because he wants to have it defeated, even though his own representatives helped to prepare it, even though his Assistant Secretary testified in behalf of every portion of the bill.

It is becoming more and more apparent, Mr. President, that Ezra Taft Benson is impelled to accuse his opponents of exactly what he himself is guilty of. In his political speech this week, the Washington Post reports that Benson said—and may I add, the report of the Post is accurate, because the copy of the speech which I have in my possession bears it out.

"If corn prices are low and if livestock production is excessive—which is what some experts expect next year—'our Corn Belt farmers will know where to put the blame—right at the Democratic door.'"

The truth is, as anyone willing to face the facts must admit, that Ezra Taft Benson is the man who bears major responsibility for the desperate crisis that now confronts corn and livestock producers. The truth is that Mr. Benson's present effort to sabotage our bipartisan emergency corn bill is merely the last in many steps that he has taken for several months to bring about low corn prices and excessive production of livestock.

Mr. President, I will document this word for word and month by month.

It is high time that Mr. Benson came clean with the American people as to what he is trying to do.

Mr. Benson has maneuvered, ever since the beginning of the last session of Congress more than a year ago, to persuade the Congress to give him the power to cut corn-price supports as low as he wants—from zero to 90 percent—or, better, from 90 percent down to zero, in his mind.

Seventy-five percent of parity is not low enough for him. He wants us to chop a hole in the sliding scale's 75 percent of parity floor, so that he can drop the corn producers into even deeper disaster.

I stand amazed to hear Benson now trying to blame the Democrats for low corn prices when low corn prices are exactly what his own policies and actions have brought about.

This was discussed in complete detail and in graphic accuracy this afternoon by the chairman of the Senate Committee on Agriculture and Forestry [Mr. ELLENDER].

I recall last year, in the debate in the Senate, some of us predicted the surpluses which would be accumulated if the corn program was enacted. It was enacted despite the fact that some of us fought for days in committee in an effort to defeat it there.

I here and now challenge Ezra Taft Benson to explain to the American people why he has asked Congress for the power to run corn-price supports down below 75 percent of parity if he does not intend nor want to force corn prices down still lower.

Mr. President, the seriousness of this matter transcends the emergency corn legislation, important as that is to our entire agricultural economy and to the economy and security of the country as a whole. The devious course that Mr. Benson is now following to obtain his desired ends in the corn situation is only a fair sample of his methods during the 4 years he has been in office.

I can state that no more important economic problem faces the American people today than what is happening on our farms and what is happening to our farm families.

I have documented for today a considerable amount of economic data to demonstrate the very point the Senator from Missouri has emphasized in his brief discussion here this evening.

Mr. Benson's record as Secretary of Agriculture would seem truly incredible—except that we have seen it happen. It has been marked by fantastic extravagance and waste; it has been unbelievably unsuccessful. Mr. Benson has gone through more money in 4 years than any other Secretary of Agriculture in all history—and gotten less good for farmers out of it.

For a long time, as I watched Mr. Benson establish this sad record of failure, I tried to give him the benefit of every possible doubt. I assumed that his intentions were well-meaning but that he was just incompetent. I attributed the costly and tragic failures of the Department of Agriculture during the past 4 years simply to Mr. Benson's mismanagement of its affairs.

I am now, at last, regretfully and reluctantly, compelled to modify my original judgment. Ezra Taft Benson has not merely mismanaged our Nation's farm programs; he has deliberately wrecked them. Mr. Benson has not been only blind and mistaken about the welfare of America's farm families; he has permitted them to be oppressed with low prices and low incomes; he has sought to deprive them of their power through publicly administered support programs to protect themselves against the machinations of the powerful forces that dominate in the markets to which farmers sell and from which they buy.

After 4 years of observing, studying, and laboring with this tragic process, I have reached three conclusions regarding Mr. Benson's policies and practices.

First, I am convinced that Benson's deliberate objective has been to force farm prices down. Almost his every act and argument has been directed to the immediate end of reducing the prices farmers get for their products. He has acted at every opportunity excepting during the year of the 1956 Presidential election campaign in which his own continuation in office was at stake—and in the cases of wool and sugar, in which he also had a special personal interest—to reduce farm price supports if they were effectively holding prices above the free market level.

Second, I am convinced that Benson wants to cut farm prices still farther, why else should he now begin to promote the repeal of the sliding-scale law, to prevent its operation to raise farm price support levels if and when surpluses are removed? Why else should he be seeking specific authority to cut the support prices of specific farm commodities, notably corn, below the present minimum of 75 percent of parity established in the sliding-scale law?

Third, I am convinced that Benson wants to keep farm prices permanently at a low level. In addition to demanding amendment of the price support laws to permit further reductions in farm prices, Benson insists that these laws should not permit the Government to accumulate

surpluses. Simultaneously, he demands that farmers be freed from controls by which he would strip away their authority under present laws to adjust their production so as to prevent the production of surpluses. Simultaneously also, he promotes increased research and propaganda efforts to encourage farmers to produce bigger and bigger volumes of farm commodities. The outcome of such a policy can and must lead only to permanent surpluses, and permanent low farm prices and incomes.

These conclusions comprise a grave indictment, and I do not make it lightly. I offer it only because it seems apparent to me that a narrow clique of selfish, cynical, powerful interests have become dominant in his thinking and therefore controlling in policies.

Mr. President, in presenting this indictment of Mr. Benson's record in his 4 years in the office of Secretary of Agriculture I wish to present several points in evidence to support the conclusion I have reached.

The campaign promises made by the Republican candidate for the Presidency both in 1952 and in 1956, in the light of the administration's ensuing policies and performance, constituted a deliberate and contrived effort to deceive American farmers.

Mr. President, I support my general observations by 12 specific charges.

First. Secretary Benson is personally responsible for the broken campaign promises of farm parity in the 1952 and 1956 election campaigns.

Second. Secretary Benson has manipulated official figures and statistics, misrepresented facts, and drawn false conclusions to gain acceptance of his policies by those they were designed to injure.

Third. Secretary Benson has obstructed and delayed action on necessary farm legislation repeatedly and thus effectively thrown roadblocks in the way of orderly congressional action.

Fourth. Secretary Benson has resorted to pitting group against group in his attempt to discredit and destroy the farm programs he has inherited.

Fifth. Secretary Benson has deliberately and consciously operated the Department of Agriculture in a manner calculated to drive down prices received by farmers.

Sixth. Consumers have not been helped by success of Benson efforts to drive down farm prices; farm prices dropped 18 percent, retail prices of food only 2½ percent.

Seventh. The administration's policies have pushed farm family net income down from $15.1 billion to $11.6 billion, a drop resulting not from increased farm costs but lower gross income due to the decline in farm prices.

Eighth. Secretary Benson has not reduced production, which is the major excuse he gave for lower-price supports; instead, he cut farm income and raised production.

Ninth. Secretary Benson's mismanagement of the farm programs has multiplied price support cost by 10 times, while reducing their effectiveness by 20 percent.

Tenth. Secretary Benson repeatedly refused to use his legal authority to halt drops in prices of important livestock and poultry products at the authorized level of 90 percent of parity.

Eleventh. The policies pursued by the Eisenhower administration made the so-called surplus problem worse than ever before in history.

Twelfth. Secretary Benson, in full consciousness of the accuracy of these charges, attempts to defend his indefensible record by irresponsible partisan and personal attack on leading and experienced Democratic supporters of effective farm programs.

These conclusions comprise a grave indictment, and I do not make it lightly.

Mr. President, in presenting this indictment of Mr. Benson's record in his 4 years in the Office of Secretary of Agriculture, I want to present several points in evidence to support the conclusions I have reached.

First. Campaign promises made by the Republican candidate for the Presidency both in 1952 and in 1956, in the light of the administration's ensuing policies and performance, constituted a deliberate and contrived effort to deceive American farmers.

In a speech at Kasson, Minn., on September 6, 1952, General Eisenhower made this promise to the farmers of America:

> And here and now, without any "ifs" or "buts," I say to you that I stand behind—and the Republican Party stands behind—the price support laws now on the books. This includes the amendment to the basic Farm Act, passed by votes of both parties in Congress, to continue through 1954 the price supports on basic commodities at 90 percent of parity. These price supports are only fair to the farmer to underwrite the exceptional risk he is now taking.

That was what President Eisenhower said when he was appealing to farmers for their votes. But what did he do? Within a few weeks after the votes were counted, he had picked a Secretary of Agriculture whose whole record was directly contrary to the pledges that Candidate Eisenhower made to the farmers. Secretary Benson now scorns the very program that President Eisenhower endorsed as being "only fair to the farmer," and promised "without any 'ifs' or 'buts'" to "stand behind." In his speech to the Republican women's organization this week, Mr. Benson attacked the very program which the President endorsed during his 1952 campaign as "submission to fear" and the "road to a socialized agriculture." Mr. Benson not only repudiates campaign promises, but even his chief, the President of the United States. The President surely must be aware that his Secretary of Agriculture has so insultingly referred to his 1952 stand. His silence indicates that he apparently concurs in an attempt by Mr. Benson to cover up and obscure the fact that this defaulted pledge was ever issued in the first place.

But that is not all. Many other specific campaign pledges were made by Candidate Eisenhower to snare the farmers' votes, only to be ignored and defaulted upon after the votes were in.

In the same speech at Kasson, Minn., Candidate Eisenhower said:

> I firmly believe that agriculture is entitled to a fair, full share of the national income and it must be a policy of agriculture to help agriculture achieve this goal. * * * And a fair share is not merely 90 percent of parity—but full parity.

I do not need to remind Senators that this cleverly worded false promise by Candidate Eisenhower, which was headlined in the newspapers all over the Farm Belt as "Ike Favors More Farm Props and 100-Percent Parity," has not been followed by the administration of President Eisenhower.

I will go on. Candidate Eisenhower promised:

> As provided in the Republican platform, the nonperishable crops so important to the diversified farmer—crops such as oats, barley, rye, and soybeans—should be given the same protection as available to the major cash crops.

That was the promise. It was flatly repudiated, with never a sign even of a wounded conscience. Just as quickly as the law allowed, Mr. Benson proceeded to do exactly the opposite of what was promised by Candidate Eisenhower, and he has proceeded consistently and unfailingly in the opposite direction.

Candidate Eisenhower promised there in Kasson that "we can and will find a sound way to do the job" of supporting the prices of perishable commodities. Well, not only have President Eisenhower and his appointee failed to find a way to do that job which they promised to do—they never even bothered to look.

And here is the clincher—again from Candidate Eisenhower's solemn promise to the farmers of America:

> I give you this positive assurance: The Republican Party will use all the power it legitimately can use to see that American farmers obtain their full share of the income produced by a stable, prosperous country.

Just like all the others, this pledge too was completely false. From the very first, Mr. Benson has refused time and time again to use powers authorized by the laws to help farmers obtain any improvement in their incomes, much less "their full share."

Mr. President, there is a very grave moral problem involved here. It would be a shame to permit Mr. Eisenhower's 1952 campaign among the farmers to pass into history without censure. I am convinced that General Eisenhower did not know what he was talking about in 1952 when he read those speeches to the farmers, and that he is perhaps unaware even today that the promises which he read have been broken and defaulted, one after another. But certainly those interests in the Republican Party campaign headquarters who wrote his farm campaign speeches, and then picked a Secretary of Agriculture for him who would violate them, certainly they knew what they were doing. And certainly Mr. Benson is aware that his policies as Secretary of Agriculture are in direct conflict with and open repudiation of the promises that were made to the people by his Chief Executive.

But even if Mr. Benson can be forgiven for breaking faith with the promises of his Chief made during the 1952 campaign, he cannot escape full responsibility for the promises that were made in 1956. In last year's campaign, Mr. Benson was the official adviser and mentor to the President on farm policies. If the President wished to take any position contrary to what his Secretary of Agriculture believed in, then the Secretary was honor bound to offer his resignation.

And what did President Eisenhower promise in 1956? Well, he merely doubled his 1952 promise of 100 percent parity—that is all. He doubled it by promising full income parity.

The last time farmers got 100 percent of parity prices was in 1952—the very month that Candidate Eisenhower was promising full parity. Farm prices have been below full parity every month since Mr. Eisenhower promised farmers that he would give them full parity.

But even with farm prices at 100 percent of parity, as they were in 1952, farmers received only about half of full income parity. So, in promising farmers full income parity in 1956, Mr. Eisenhower was about exactly doubling the pledge which he made—and then broke—to farmers in 1952.

Second. Statistics and figures have been manipulated, facts misrepresented, and false conclusions drawn to gain acceptance of the Benson policies.

For 4 long years, farmers have listened to a siren song of false hope and confidence from Mr. Benson, while farm prices and purchasing power dropped lower and lower and lower.

At the moment when General Eisenhower promised farmers that a fair share is not merely 90 percent of parity—but full parity, farm prices averaged exactly 100 percent of parity.

On November 18, 1953, after farm prices had been falling precipitously, Mr. Benson told the National Grange convention:

> The retreat of farm prices and incomes seems to have been stopped a few short months after we took office.

Farm prices then had dropped to 94 percent of parity.

Thirteen months later, addressing the National Farm Bureau convention, on December 15, 1954, Mr. Benson said:

> We are headed in the right direction at last.

Farm prices then stood at 86 percent of parity.

Another 13 months later, in a speech to the National Council of Farm Co-ops on January 16, 1956, Mr. Benson said:

> A new bouyancy in the market place, a new hope, a new vigor and zest, can be anticipated. * * * Surely it should be reflected promptly in prices and incomes.

Farm prices then averaged 80 percent of parity.

And right down to this very day, Mr. Benson is still singing the same old refrain to the farmers. Although he is asking Congress for the power to cut farm prices even lower, he continues his attempt to lull farmers into acquiescence by soothing assurances that the future is bright. The fact is that farm prices now average only 80 percent of parity, which is the lowest that farm purchasing power has been since the 1930's.

Why has Mr. Benson misled farmers about the consequences that they could expect to follow from his policies? Why did he promise them better prices, when every competent economist knew the exact opposite would be the case? Mr. President, I can only conclude that he did so deliberately, so as to keep farmers patient and quiet while he proceeded to weaken their programs and their economic security.

Third. Mr. Benson has obstructed and delayed action on necessary farm legislation, and has thrown roadblocks in the way of Congress by refusing to cooperate in the legislative process.

I ask Senators to consider our experience a year ago with the soil bank program. You will recall that all through 1955, as Congress watched the crisis deepen in our farm economy, attempts were made time after time to get Mr. Benson to offer his recommendations for emergency action. You will recall that several specific soil bank bills were introduced in 1955. And you will recall that Mr. Benson obstructed action or even consideration of these bills by officially rejecting both the letter and the principle of the soil bank. His latest rejection was sent to Congress at the end of September 1955.

After this record of delay and obstruction, the President in January, proposed that a soil bank program be adopted. Again, Congress was compelled to wait for Mr. Benson to complete his homework and to present the bill that the President had called for. Benson's delay held up action for a good month, as spring planting time raced nearer.

Finally, a bill was presented by Mr. Benson, and it was hastily introduced by my Republican colleagues on the Agriculture Committee. In their haste they overlooked a tricky rider that had been written into Mr. Benson's draft bill, which would have given him almost unlimited power to use the Government-owned stocks of farm commodities to depress farm prices. The markets reacted violently to this threat. Here is how the Wall Street Journal described Mr. Benson's surplus-dumping maneuver. I quote from the issue of January 18, 1956:

> News that the administration wants to sell commodities at market levels rather than 105 percent of the support level, plus charges, which is now required, to reduce excess surpluses, started a selling movement in Chicago grain and soybean markets late yesterday. All markets declined. While few traders believed that Congress would pass legislation to allow the big Government surpluses to directly compete with farmers in domestic markets, the thought was disturbing and caused many longs to sell out.

Mr. President, it is to the credit of my colleagues of the minority party on the Agriculture Committee that they immediately repudiated and withdrew their endorsement of this surplus-dumping rider which Mr. Benson had tried to sneak over on Congress. But Mr. Benson's tactics of obstruction and delay did much to handicap the Congress in giving careful and thoughtful consideration to this vast new program in the extremely limited time that was left to it. I am convinced that Mr. Benson's delaying tactics were deliberately designed to embarrass the Congress, and to create the pressure of haste so as to reduce Congress from a careful and deliberative policy-forming body into a rubber stamp for Mr. Benson's plans. He now is attempting to make political capital out of the delay in adopting a farm program, a delay caused by the President's veto of the original farm bill enacted by Congress last session, which did nothing more and nothing less than write into legislation the very promises he had solemnly made to farmers during his 1952 campaign. Let us think for a moment of what the consequences might have been if Congress had followed Benson's recommendations blindly, without rejecting the surplus-dumping rider he tried to put over on us, along with many other extremely unwise and dangerous propositions.

Again, this year, we have experienced the same kind of foot-dragging, delaying tactics on Mr. Benson's part. Congress was already on notice that the President was likely to veto anything it might adopt unless it follows the dictates of the Secretary of Agriculture. Yet, Mr. Benson dawled for almost a full month after Congress convened before laying his own proposals for corn and soil-bank legislation before us. Again, this delay appears to have been deliberately calculated to prevent the free exercise of independence by Congress in consideration of legislation, to put a squeeze for time upon Congress, to reduce it to a rubber stamp. Mr. Benson's present tactics make it clear that he does not really want corn legislation at all, and he is doing his best to sluff off the responsibility for the ensuing debacle upon his political opponents.

Fourth. I charge further, Mr. President, that Mr. Benson has resorted to pitting group against group in his attempt to discredit and destroy the farm programs which he inherited.

He dismissed qualified farm management supervisors in the Farmers Home Administration program, and thereby seriously injured the effectiveness of the FHA program. By upward manipulations of interest charges, reduced budgets and authorizations, and unsympathetic administration.

He seriously shattered the morale of his own Department when he attempted to hang a security-risk label upon Wolf Ladejinsky, a man who had won high praise from General Douglas MacArthur and others for the effectiveness of his work against communistic infiltration in Japan, and who was cleared both before and after Benson's unwarranted action by State Department security procedures.

Mr. Benson's son, Reed, as a paid official of the Republican National Committee, quoted the Secretary of Agriculture as his source in political campaign charges, as reported in the Bloomington (Ill.) Pantagraph, that "the Democrats in 1952 left the Department of Agriculture riddled with Communists and a 'time bomb' of socialistic practices." When the senior Benson was asked during whether it was true that

he had found a "cell of Communists" in the Department of Agriculture, he evaded a direct answer. Now, however, after the election is over and this slander has had its desired effect, Mr. Benson is answering the questions of congressional committees by denying such a charge was ever made. It is a revealing commentary on the character of a Cabinet officer that he would permit a slander uttered by his own son to stand uncorrected until its political purpose had been exploited, then to attempt to escape responsibility by claiming a misquotation.

Fifth. I charge that Secretary of Agriculture Ezra Taft Benson has consciously and designedly operated the United States Department of Agriculture so as to drive down the prices received by farmers. Certainly he has not used the powers Congress has given to his office to bring a halt for farm price declines. Here is the record:

During 1952, the year before Mr. Benson took office, prices received by farmers were 100 percent of the average parity price. The price parity ratio has dropped every year since Secretary Benson has been in office. The average price parity ratio for 1953 was 92; in 1954, 89; in 1955, 84; and in 1956, 83; and in March 1957, the ratio had dropped to 80 percent of the average parity price.

This constitutes a drop of 20 percent—one fifth—in the prices that farmers received for their products relative to the prices they pay for goods and services used in farm production and farm family living.

On the average the index of prices received by farmers for all farm commodities has dropped by 54 percentage points to an index of 234 in February 1956. This is a drop from 288, the average of this index of farm prices in 1952.

My colleagues in the Senate should look at this record in detail. I shall read a part of it.

In March 1953, farmers were getting $1.48 per bushed for their corn; in March of 1957, farmers sold their corn for $1.20 per bushel on the average. This is a drop of 20 cents a bushel or one-seventh. When Secretary Benson took office, corn producers in the commercial corn-producing area could be assured of at least 90 percent of the parity price for their corn if they stayed within reasonable acreage allotments. After 4 years of Benson mismanagement and sliding scale farm policies, commercial area corn producers do not now know what they can get for their corn unless they reduce their plantings to the unrealistically low allotment that the Secretary put into effect for 1957. I charge here and now that the situation that commercial area corn producers are now in is a direct result of gross mismanagement by Secretary of Agriculture Benson of the entire corn, feed grain, and livestock economy—The results are clear and sad—lower prices for farmers and a depressed livestock.

In January 1953 farmers were getting $2.10 per bushel for their wheat. At present, with prices paid by farmers up by 7 percentage points, wheat prices have dropped to $2.07.

In January 1953, farmers were getting $2.60 per bushel for their soybeans; in March 1957, soybeans were sold by farmers for only $2.26—43 cents per bushel less.

Seasonally adjusted egg prices dropped from 47.7 cents per dozen in January 1953, to only 34 cents a dozen in March 1957—the lowest point in 15 years.

Beef cattle dropped from $19.70 to $16; beef calves from $23.40 to $17.60.

Hogs dropped from $17.80 to $16.80. Butterfat in cream was allowed to drop from 68.3 cents per pound to 59 cents.

Rye from $1.65 to $1.16; rice from $6.43 to $4.92. Oats from 82 cents to 72 cents. Barley from $1.37 to $1.03. Grain sorghum from $2.74 to $2.07. Dry edible beans from $8.46 per hundredweight to $6.77.

But I shall not read the rest of the list, Mr. President; this is enough to indicate that the falling level of farm prices is not just an exceptional phenomenon; it is a general condition.

These officially recorded drops in the prices received by farmers for the different commodities they produce and sell are mute testimony to the manner and results of Secretary Benson's stewardship of the United States Department of Agriculture. From the farmers' standpoint, Benson has failed. He has failed dismally. He has told the Congress and the farmer to have patience, that parity would return in the market place. Prices farmers receive have not gone up with the Benson policies, they have gone down. And they are still going down. They were lower in March of 1957 than in January of this year. They were lower in February than in January.

On the average, prices received by farmers were 20 percent lower in March of 1957 relative to the general price level than they were in 1952. This is in spite of the fact that one of the most abrupt drops in prices received by farmers in all history had already taken place in the month immediately after the market speculators knew the outcome of the 1952 election.

Sixth. The drop of one-fifth in prices received by farmers has greviously hurt farmers' incomes, but the policies of Secretary Benson have not helped consumers.

Here are several facts I think will interest my colleagues:

From 1952 to 1956 prices received by farmers dropped 18 percent; but retail food prices dropped only 2½ percent.

That is Secretary Benson's record as reported by the President's Council of Economic Advisers. Now listen to this:

Farm prices dropped 18 percent.

Wholesale prices received by brokers for food farm commodities dropped 17 percent—the brokers did not absorb much.

However, the wholesale prices of processed foods dropped only 7 percent. That is to say, processors were able to buy farm commodities at 17 percent less, but sold for only 6 percent less.

Retail food chains and others bought processed foods for 7 percent less; and sold food at retail for only 2½ percent less in 1956 than in 1952.

The consumer has not benefited from Benson's policies, and the farmer has been badly hurt. I repeat my charge that Secretary of Agriculture Ezra Taft Benson planned it that way, and this result has been the result he wanted, that he has worked for, that he deliberately set out to get.

Seventh. The March 1957 report of President Eisenhower's Council of Economic Advisers shows just how badly the farmer has been hurt. The total net income of farm families in the United States dropped from $15.1 billion in 1952, the year before Benson was put in charge, to only $11.6 billion in 1956. Those are the official figures right out of the official reports; Secretary of Agriculture Benson cannot deny them. This is a drop of almost a billion dollars a year for each year that Benson has been in office. Total net income of farmers has dropped every year that Benson has been in office.

The entire drop in farmers' total net incomes has come about because of Benson's acts to push down farm prices. On occasion before farm audiences he has sought to lay farmers' ills at the doorstep of city people. Just as he has asked city people to believe the falsehood that rising food costs have resulted from farm programs.

Benson has stated repeatedly that the drop in farm income has come about because of increased costs based on soft wage settlements in industry. This is false, completely false, as figures from Mr. Benson's own Department of Agriculture bear out.

Farmers' total net income dropped $3½ billion from 1952 to 1956. If it had not been that farm production expenses dropped by $300 million in the same period, the drop in farmers' net income would have been almost $4 billion instead of only $3½ billion. All of the drop in farm net income, and more, came from a drop in farm gross income—a drop totaling $3.8 billion.

I am saying that Secretary Benson stands indicted, by the record, of gross mismanagement of the United States Department of Agriculture. I have charged that his mismanagement has been deliberate, designed to discredit and destroy the farm-income-protection programs that he inherited. I submit at this point the following summary of prima facie evidence of his mismanagement:

Total farm-family net income has dropped by $3½ billion from 1952 to 1956.

None of this drop is accounted for by increases in farm-production expenses On the contrary, these expenses have decreased by $300 million.

The entire drop in net farm income is more than accounted for by a drop in gross farm income.

The drop in farm gross income has not come about because farmers produced less, had less to sell, or sold less. As a matter of fact, the index of farm output rose nearly 7 percent over the 4 years. Farmers sold 7 percent more stuff for 15 percent less in gross receipts.

The entire drop in farm net and farm gross income came about because relative prices received by farmers dropped 20 percent in the 4 years that Secretary Benson was promising "parity in the market place" but delivering lower and

lower prices and lower and lower support levels.

Here is the explanation of the drops in farm income, submitted by Mr. Benson himself to the Agricultural Appropriations Subcommittee of the House of Representatives on Tuesday February 26, 1957. It is Mr. Benson's own record of reductions in Federal price supports. I am giving the figures from Mr. Benson's table on page 24 of the printed hearings. It is only a partial record as far as the entire list of commodities is concerned, but it illustrates perfectly what Benson has been doing.

Cotton price supports reduced from 32 cents per pound to 28 cents, or 12 percent.

Corn supports reduced by 20 percent.

Barley supports reduced by 26 percent.

Cottonseed supports reduced by 33 percent.

Flaxseed supports reduced by 25 percent.

Oats supports reduced by 25 percent.

Rye supports reduced by 21 percent.

Sorghum grain supports reduced by 26 percent.

Soybean supports reduced by 21 percent.

Butterfat supports reduced by 18 percent.

Supports for manufacturing milk reduced by 18 percent.

On the average, Mr. President, the Farm Price Index, according to Mr. Benson's own statement to the House Appropriations Subcommittee went down from 288 to 236 in February of 1957 or by 22 percent; his statement says:

This is about the average of the percentage reductions for the various commodities set forth above.

Eighth. This table that Secretary Benson submitted to Congressman WHITTEN's subcommittee also illustrates another angle of Mr. Benson's mismanagement of the farm programs. Secretary Benson repeatedly told Congress that his reasons for dropping these support levels was to reduce production.

If that was Secretary Benson's honest reasoning then he was as wrong as a man could be. His own table shows how wrong he was. The table he submitted, which is printed on page 24 shows that the production of corn increased by 159 million bushels; barley by 144 million bushels; flaxseed by 18⅓ million bushels; rye by 5⅓ million bushels—there was a decrease in oats acres in 1956 when corn farmers were allowed to clip oats to qualify acres for the corn soil bank—grain sorghum production increased 114 million bushels; soybeans production up 159 million bushels; butterfat up 137 million pounds; milk production up almost 11 billion pounds. Price supports were cut an average of 22 percent; production went up on almost everything except cotton and wheat, tobacco, rice, and peanuts—for which strict marketing quota legislation is still in effect. It was these marketing quotas of the old farm programs—prior to 1953—that held down production.

I submit that with these figures, Secretary Benson specified his own indictment.

The plain facts of the situation are: Secretary of Agriculture Benson has reduced price support levels at almost every opportunity that he had to do so. He cut support levels, either in complete ignorance of farming or with the demonstrated knowledge that production would increase rather than drop as he said it would.

Secretary Benson has wooed consumer support of his price-support wrecking tactics by implying that food prices would go down. In the main, he has not delivered on that promise. I do not think he intended to deliver on that promise. That false hope was part and parcel of a divide-and-conquer technique, deliberately employed. Consumers can tell little, if any, difference in their food costs now and before Benson took office.

But Benson did reduce farm prices even though the consumer did not benefit. He reduced them to the point where, according to another table which he submitted to Congressman WHITTEN's subcommittee, the farmers' share of the same consumers' dollar dropped by 15 percent.

To summarize, and repeat for emphasis, here is the sequence of events, according to his own statement to a Congressional committee:

Since 1952, Benson has cut farm price-support levels by approximately 22 percent, from which consumers did not benefit; prices received by farmers dropped by 20 percent; even with 7 percent greater production, farm gross income dropped by $3.8 billion; with farm operating expenses held down by farmers making do with less repairs, less new machines, to a $300 million smaller figure, total net farm family income was down $3½ billion.

The policies and administration of Secretary of Agriculture Benson have reduced farm families net income by $3½ billion. The prices they receive are down by 20 percent. He enabled processors to buy their farm commodities 17 percent cheaper, and allowed them to maintain the prices at which they sold processed food products at only 7 percent less; and he allowed the big food chains to take up almost all of the rest of farmers' losses.

This has been the result of Benson's policies. Secretary Benson is a highly trained economist; he has studied and worked in farm affairs and farm commodity markets all his life. I am convinced that he knew just exactly what he was doing.

Ninth. The Benson program of mismanagement has multiplied the cost of farm programs by 10 times, while cutting their effectiveness by 20 percent.

On the face of it, one would at least assume that if the effectiveness and scope of a Government program should be cut by more than one-fifth, as Benson did in lowering price support levels, that whatever other results might flow from it, at least the cost to the Government for such programs would be reduced. But not the way Benson operates. No, sir, Mr. President.

The way Secretary of Agriculture Ezra Taft Benson operates, he has somehow arranged to reduce the effectiveness and level of the program by one-fifth and make it cost nearly 10 times as much. I here and now charge Secretary Benson with being the greatest spendthrift and wastrel, the poorest manager, we have ever had as Secretary of Agriculture. I further charge that Secretary Benson not only has arranged to spend more money for less results than any other Secretary of Agriculture, but he has also rendered such devious and misleading financial reports to the Congress. Benson has not only spent more by far, but mind you, he has revised his report to make it appear that he has spent even more than he has. It is true that Secretary Benson has run up the costs of the farm programs. Even more serious, he has apparently prepared misleading financial reports as a maneuver to discredit the farm programs that he is sworn under the Constitution to administer faithfully and sincerely.

Here is the record:

In fiscal year 1953, the last fiscal budget submitted and approved the year before Secretary Benson took office, the budget of the United States, as submitted by the President to the Congress, showed a contemplated budget expenditure of $1.5 billion. Total budget expenditures shown for the previous fiscal year were $1.8 billion; and for fiscal 1951 were $1.4 billion. These figures are from page 406 of the budget of the United States for fiscal year 1953.

By changing the nature of the operations down at the Department, and by changing his methods of reporting program costs, the $1.6 billion Agriculture budget estimated for 1953 had been ballooned into $4.7 billion figure shown for the same 1953 fiscal year on page 325 of the 1955 budget of the United States.

I now call upon Secretary of Agriculture Ezra Taft Benson to submit to Congress a detailed record of how he arranged to spend that additional $3.1 billion more than was appropriated for 1953 when one considers that Mr. Benson himself was in office only 6 months of that fiscal year. It may be that Mr. Benson did not actually spend that extra $3.6 billion in only 6 months. It may be that the entire amount represents only a change in reporting procedures newly designed by the Benson directions to make the farm programs look costly and expensive. I do not see, even then, how Secretary Benson can spend only 6 months in the Department of Agriculture and make the full fiscal year expenditures jump to almost 3 times the amount shown in the original estimate. Mr. Benson should explain in plain language what he has done so that those of us who are not members of the Appropriations Committee can understand what he has done.

But that is not all of it. Taking Mr. Benson's own revised bookkeeping and reporting methods as they are, the record shows that Benson has increased his own reported expenditure figures from $4.7 billion in 1953 fiscal year to $7.4 billion in the year ending June 30, 1956, and to $8.9 billion in the year ending June 30, 1957.

Now I realize that all of these figures are greatly exaggerated by Benson's own peculiar method of reporting budget expenditures. Taking these figures at face value, which is what he has asked

us to do, the average expenditure for the 2 fiscal years covering the calendar year of 1956 comes to just about an even $8 billion. This is almost $3 billion, and close to 100 percent, more than Benson himself said was spent in fiscal year 1953.

Before accusing anyone of playing politics with the farm issue, Secretary Benson should explain why, with the expenditure of this additional $3 billion annually, he has been unable to prevent the severe drop that has taken place in farm family income. If his figures are fictitious, he should say so. If his figures are misleading, he should say so frankly and honestly. If they are not, he should be willing to assume responsibility for them and to justify why he spends so much and does so little.

Frankly, I am not an accounting expert. I do not understand where Secretary Benson obtained these figures he has been using. I do not know for what he claims to have spent the additional $3 billion. But I do know this: Secretary Benson claims that the total gross budget expenditures for the Department of Agriculture in fiscal year 1953 were $4.7 billion and claims that in fiscal year 1957 they will be $8.7 billion. These figures are taken from page 323 of the budget of the United States for 1955, and from page 325—the identical page and table and line as the other—of the budget of the United States for 1958. There is a $4 billion difference. I would like to have Mr. Benson explain it to the public and to Congress.

It is strange how Mr. Benson can report to Congress in one report that his Department is spending $4.1 billion more in 1957 fiscal year than he reports was spent in fiscal year 1953, and report in the same 4-year period farm gross income dropped by almost the same $4 billion figure.

Farm income is dropping drastically; Department of Agriculture budget expenditures under Benson are mounting rapidly. If this sort of thing continues for long, Department of Agriculture expenditures may equal the net income of the 5 million farm families in the United States.

I fully realize that Benson's figures are artificially and artfully high. How much too high, I do not really know. But taken at their face value, as Benson now reports them to Congress, his report states that annually he is spending an amount of taxpayers' money equal to more than two-thirds of farm families total net income. I wonder if Mr. Benson is reporting these figures this way in order to sour public opinion against the Department of Agriculture and the farm programs; to make farmers look bad in the public eye. Or why is he doing it? Senators know that a very large part of this projected $8½ billion shown in Benson's projected budget are not expenditures at all, but actually loans that will be repaid to the Treasury in full measure. But there the figure stands on the record. Unexplained. Unadorned. I ask Senators, Is this a deliberate plan? Or has Mr. Benson so mismanaged the Department and the farm programs that he can raise expenditures by $4 billion and make farm income go down by almost the same amount in only 4 years?

Perhaps I have been using the wrong set of figures from the budget volume. On another page in another table, again using Mr. Benson's own figures, the following is shown as the "Total current authorizations, other than revolving and management funds": For 1953 the figure is $1.1 billion; for 1957 the figure is $2.6 billion, and for 1958 the figure is $3.6 billion. That is an increase of $2.5 billion. This figure is more than 3 times larger than was the case only 5 years earlier, when farm income was a third higher than now.

Mr. President, I submit that this is a record of gross mismanagement. It may be a record of studied misrepresentation.

The fact remains, hidden somewhere in Mr. Benson's own budget figures, that he is proposing to spend in the year ahead somewhere between $3.9 billion and $8.6 billion of appropriated funds, large parts of which are to be spent for a farm program that has not prevented great drops in farm family income.

Tenth. Secretary Benson's record in dropping support levels for these commodities that he has supported is only one sad act in the complete Benson performance. He has been even more indifferent and ineffective with respect to those commodities for which he has consistently refused to provide any price or income protection.

I remind the Senate that many years ago the Congress authorized the Secretary of Agriculture to support any farm commodity at the level of 90 percent of the parity price at any time that the market price received by farmers threatened to drop below that figure. That has been the law over all of the past 4 years. That is still the law. Yet Secretary Benson has not used this authority. He has allowed the market prices of many important farm commodities to drop and drop and drop, without taking any official price-supporting action as he is authorized to do by law. In some cases he has put on "canned meat and gravy buying" programs that did not raise farmers' prices, but which gave all the gravy to the packing companies. Sometimes he has made small purchases for the school-lunch program. But in the main, he has not used the authority that is clearly his under the Agricultural Act of 1949. Nor has he come up here with a recommendation that we repeal these provisions of the law—or recommendations for improved programs.

Here is the record, as it began the first months Benson was in office:

In February 1953 beef cattle and lambs dropped to 89 percent of the parity price, the level at which Benson is authorized to initiate supporting activities. He took no such action. Since that time he has allowed these prices to fall until the past year they have been around 70 percent of price parity or below.

In February 1953 beef calves were still selling at 95 percent of the parity price; by the following month, prices of calves had dropped to 87. Benson took no action. Since then, calves have been allowed to drop to as low as 65 percent, and over the past year they have been around 70 percent.

In May 1953 chickens and turkeys fell to well below the 90 percent authorized support level; 86 for chickens and 85 for turkeys. Benson did not take any protective action. Since then, he has allowed chicken prices to drop to 66 percent and turkeys to 70 percent without taking any corrective action along the lines of the authorizing legislation I have cited.

When Mr. Benson took office, farmers were selling their eggs at better than the parity price. By April 1954 the price of eggs to farmers had dropped to 86 percent; well below the legally authorized support level. Benson took no action to establish a support program for eggs. In March of 1957, eggs were bringing farmers only 70 percent of the parity price.

All of the major farm income producers, the important livestock and poultry products have been from 10 to 25 percent below the authorized support level for periods of 3 or more years while Secretary Benson has been in office, and not once has he even indicated his desire to place any supports or income protection under these important commodities. Furthermore, he has opposed efforts and proposals made by some of us to provide effective income protection and price supports—even when strict production controls were required.

When we realize, Mr. President, that even 100 percent of a parity price would return farmers only 52 percent or thereabouts of a parity income, it is tragic that Secretary Benson has allowed all of these commodities to drop to levels that now seem centered around 70 percent of the parity price, some lower, some a little higher. Truly, 70 percent of price parity seems to be the parity income in the market place that was promised by the successful candidate at Kasson, Minn., 4½ years ago. It was parity income in the market place that Mr. Benson talked to the Senate Agriculture Committee about for 4 long years, until this year. Now he has changed; he no longer speaks of parity income, nor of parity in the market place. Now he asks us to view with alarm that, under existing legislation, when a basic commodity gets out of supply trouble, the mandatory minimum support level will rise above 75 percent.

Eleventh. In view of this record, it is hard for the average layman to understand how Mr. Benson has arranged to spend so much money and yet permit the huge losses that have been suffered by the Commodity Credit Corporation.

I have just shown in detail that Mr. Benson has cut supports on every commodity and at almost every opportunity that the law allowed. I have also shown in detail that he completely refused to initiate supports on any of the major livestock and poultry products when their market prices to farmers dropped below the authorized support level.

Yet with that kind of record, Mr. Benson has somehow arranged to bring about realized losses to the Commodity Credit Corporation amounting to as much, during the 4 years he has been in

charge, as were accumulated during the preceding 20 years. Commodity Credit Corporation losses for the 3½ years ending December 31, 1956, were $2.9 billion. For the preceding 20 years, the losses were only $1.1 billion. Mr. Benson's annual rate of losses has been in the neighborhood of 20 times as high as the average of his predecessors. Mr. President, you can wipe out a lot of the discrepancy in a lot of different ways. You can add to the pre-Benson costs, subtract from the Benson costs on one excuse or justification or another. But on net you still cannot give any logical explanations other than mismanagement or incompetence for the enormous difference that remains.

I have had occasion before to comment on the propensity of this administration to use foxes to guard the public's chickenhouses. Is this terrible financial record and the abundant evidences of mismanagement of the Department of Agriculture and its farm programs due to putting these programs into the hands of a man who does not believe in the programs he is called upon to administer? I think so.

Does something of this nature explain why corn prices started dropping right after the 1956 election? Did the sales of what the Secretary called "aged" corn have anything to do with corn prices dropping below the support level? Why, indeed, did the Secretary initiate a corn-sale program? Why has he found it necessary to make so many sales of Commodity Credit Corporation-owned corn into the domestic market during the past 4 months? As Senators know, the Secretary of Agriculture came before the Agriculture and Forestry Committee in connection with the proposed soil-bank program, requesting that he be given authority to sell all the stocks of Commodity Credit Corporation into the domestic market without restriction of the provision of existing law requiring that sales into the domestic market can be made only at the support level plus 5 percent plus carrying charges. Are these recent corn sales just a dodge to get around the law that we refused to repeal last year? Is the Secretary hiding behind a technicality to get around a law that he does not like? In March of this year, corn was bringing farmers only 66 percent of the parity price, according to the Department of Agriculture price report. Is this due to the bargain-basement Commodity Credit corn sales that Mr. Benson has authorized? Mr. President, I hope Secretary Benson will explain some of these things in his speeches.

The policies pursued by the Eisenhower administration have made the so-called surplus problem worse than ever before in history.

This Congress has given Mr. Benson more authority than he has ever asked for to distribute the stocks of commodities that he delights in calling farm surpluses. We have passed Public Law 480 and provided him with more authority than he asked for to sell his stocks for soft currency and to donate them to foreign friends that are suffering from famine and other emergencies. We have urged him to adopt a national food allotment stamp to increase the food buying power of our poor here at home. We have expanded the school-lunch program in the face of his repeated recommendations that we whittle it down. We enacted the milk for children programs. And Mr. Benson has even endangered our good will abroad and hampered the free enterprise of our own exporters through clumsy export subsidy programs in the absence of either international commodity agreements or an international commodity clearinghouse or food and fiber reserve bank operation.

In spite of all this, Mr. Benson has, during his administration, arranged to build up the inventory and stock of commodities pledged on loan to Commodity Credit Corporation to an alltime record high.

On June 30, 1953, after the 1952 crop had been fully accounted for, the total of commodities pledged for loans plus commodities in inventory of Commodity Credit Corporation was $3.5 billion. As of February 28, 1957, according to the Secretary's press release of April 2, the investment of Commodity Credit Corporation in price support programs amounted to $8.3 billion, almost $5 billion more.

Mr. President, I see that Secretary Benson told the Republican women the other night that he wants the truth to be told. I have tried to raise here today some of the questions Mr. Benson should answer if he is interested in getting the truth before the American people.

Secretary Benson did not tell his audience that he had ordered the cancellation of the crop insurance program in the very counties where drought disaster made farmers' needs most acute. He did not tell his audience that the American farmer is facing an increasing credit crisis growing out of the twin evils of dropping farm income and the hard money policy. I have read his speech carefully; nowhere did he mention that the index of interest paid by farmers per acre has almost doubled since he was in office.

Nowhere in his remarks did Mr. Benson tell the Republican ladies that the total debt of farmers has increased by $3 billion since he has been in office. Nowhere in his speech does he admit that only in the election year of 1956 did exports of farm commodities rise back to their 1951 and 1952 levels.

As a matter of fact, nowhere in his speech, Mr. President, does the Secretary appear willing to discuss frankly with his audience the 1956 condition of farmers and farm economics as compared with the year before he took office, 1952. The changes, trends, and developments over the entire period of his stewardship are the pertinent considerations. He was strangely silent on these. He talks vaguely about the terrible conditions he inherited, but nowhere does he appear willing to make specific comparisons. He seems to avoid these before-and-after comparisons like a plague. Instead all of his comparisons deal with better or worse parts of his own record. He proudly claims that farmers are slightly better off now than they were at the extremely low ebb touched in December 1955, but he neglects to say that rising costs have forced the parity ratio at present to its lowest point in 15 years—and most important, than they were 4 years ago when Mr. Benson took command of the Department of Agriculture.

Nowhere in his speech does Mr. Benson acknowledge to the ladies that the return per hour for farm labor, as calculated by the statisticians of his own Department, dropped from 83 cents per hour to 70 cents per hour, during his term of office, even though the wages and salaries of almost everybody else in the economy were higher than farmers, even in 1952, and have been rising every year.

Nowhere in his speech to the Republican ladies does Secretary Benson acknowledge or admit that the average income per farm in the United States, as reported by Mr. Benson's own Department publications, has dropped from $3,000 to $2,400 in terms of 1956 purchasing power. Twice in his speech to the ladies Mr. Benson said:

> These are the facts. I think the American people are entitled to know them.

Yet Mr. Benson did not point out that total farm family net income dropped from 1955 to 1956. Instead he pointed only to the income figure calculated without consideration of commodities on hand, and credit for the small rise in realized net income resulting from farmers' sales out of their accumulated inventories without even so much as mentioning the other figure. Nowhere in the speech, Mr. President, did Secretary Benson acknowledge the 20 percent drop in per family net income from farming.

Nowhere in his speech to the ladies did Secretary Benson mention or acknowledge the fact reported at the farm outlook conference last fall that farm income would have fallen even further but for the soil-bank payments.

Twelfth. Secretary Benson, in full consciousness of the accuracy of these charges, attempts to defend his record by irresponsible partisan and personal attack on leading and experienced Democratic supporters of effective farm programs.

Surely Secretary Benson was not addressing himself to the farmer when he attempted to slur the names of Governors Stevenson and Harriman, and our colleague Senator Symington, all of whom have repeatedly demonstrated their sympathetic understanding of the problems of farm people. When Secretary Benson has sought to tear down and destroy farm programs, cut farm prices, and reduce farm income, these gentlemen have worked for and supported programs to increase farm income, and have all adopted as a solemn pledge to work toward the full opportunity for farmers to be able to earn a full fair parity of farm income. They have gone from one end of this land to another in support of practical programs, workable programs to raise farm income that could not

possibly cost as much per year as Benson is spending without halting the disastrous collapse of farm income.

Mr. President, Secretary Benson may have chosen himself to be the opening gun of the 1958 Congressional election. He may, as he is quoted as saying, "welcome the thought that the 1958 election will be won or lost in the Farm Belt." He may look upon himself as the best campaign argument his party has in the Corn Belt and other farm areas, but if he does, I say here and now that he is one of the very few people who think so.

Mr. President, the long and short of the situation with respect to Mr. Benson is this: He has something between doubled and tripled the funds that the Federal Government is spending annually on the farm programs. In results, Secretary Benson has caused prices received by farmers to drop by 20 percent. Farm family net income has dropped by one-fourth since he has been in office. Over half a million family farms, on net, have disappeared. Farm indebtedness has increased rapidly. Farm people in drought-stricken areas have received only partially effective programs of disaster assistance.

Mr. President, I do not wish to close this statement without mentioning that the state of affairs into which Mr. Benson has brought us is completely unnecessary. It could have been avoided. It can still be retrieved. The practical solutions are available. They are incorporated in the various farm bills that have been introduced by Democratic Members of the House and Senate each of these last 5 years. The necessary authority to avoid the present situation was available in laws already enacted at the time Mr. Benson came to office. I would remind the Senate, and the farmers of this country of a truism that those of us who have watched the Federal Government at close range know to be so true. A bad administrator can nullify even a good law, while a good administrator can make even a poor law workable.

Secretary of Agriculture Ezra Taft Benson has been a monumental failure as an administrator. He has repeatedly mismanaged the good laws he had to work with, and he has stubbornly opposed virtually every improvement that has been proposed. It seems impossible that Secretary Benson's mismanagement of the affairs of the United States Department of Agriculture could have been the result of sheer incompetence alone.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. It is always a pleasure to listen to the distinguished Senator from Minnesota, who knows the farm problem at least as well as any Member of the Senate, and who invariably talks from the standpoint of all the farmers, and not merely a few of them.

Mr. President, I ask unanimous consent that the article to which the distinguished Senator referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(From the Washington Post and Times Herald of April 3, 1957)

BENSON ASSAILS CORN BILL FOES

(By Carroll Kilpatrick)

Secretary of Agriculture Ezra Taft Benson yesterday kicked off the 1958 Congressional campaign with an angry charge that Democratic politicians talk with one voice to the farmer and another voice to the consumer.

"The latest example of Democratic irresponsibility is their effort to make a Christmas tree out of the badly needed corn bill," the Secretary said in a fighting speech to the Fifth Annual Republican Women's Conference at the Statler Hotel.

If corn prices are low and if livestock production is excessive—which is what some farm experts expect next year—"our corn belt farmers will known where to put the blame—right at the Democratic door," Benson said.

CORN BILL KILLED IN HOUSE

Last month the House killed a corn bill 217 to 188, with 61 Republicans and 156 Democrats against the measure. Sixty-three Democrats and 125 Republicans voted for the bill.

Benson had as his luncheon guest Monday H. Meade Alcorn, new Republican national chairman, who told reporters after the meeting that the 1958 Congressional election might be won or lost in the Farm Belt.

At a press conference yesterday, Benson said he would not go that far but did believe the farm issue "may be the major domestic issue in 1958." He said he was "perfectly willing" that it be made an issue.

In his speech, Benson charged the Democrats with using "slick" and "Madison Avenue" public relations techniques, with harboring rich men like Harriman, Symington, and Stevenson, and with being the party of the bosses.

He urged the Republican women not to believe any political demagog who tries to tell them that this administration is driving the family farmer off the farm. That was a frequent Democratic charge in the Farm Belt last year.

TRADES SURPLUS DEALS

At his press conference, the Secretary said:

He would barter farm surpluses to satellite nations, including Poland, Czechoslovakia, and possibly Hungary, if Congress gave him the authority. The Senate Monday passed and sent to the House legislation repealing the ban on barter deals with Communist countries.

It was a toss up whether the corn bill now pending in the Senate would do any good at this late date, since farmers already have made plans for spring planting. He refused to say whether he was for or against the bill, but said we have achieved in large measure through soil-bank signups what we set out to achieve. Corn farmers have signed up 4½ million acres in the soil bank, he said.

He had made some very general suggestions to the Budget Bureau on possible cuts of the $5.2 billion Agriculture Department appropriation request but doubted that substantial savings could be made.

Benson told the Republican woman the Democrats tried to buy the farm vote last year with an economic monstrosity called the farm bill.

But, he said, "President Eisenhower vetoed that bill, and won wide acclaim. The Democrats found that they underestimated the statesmanship of the President and the intelligence of the American people."

Republicans have recognized the need for "long-range solutions" to farm problems as a substitute for "the political crocodile tears which have been their fare in the past."

ADMITS SOME MISTAKES

"It has been a difficult job and we have made some mistakes," Benson declared. "But we have also made much progress * * * Facts are facts, and the truth is that prices received by farmers in February were 3 percent above a year ago and 5 percent above the low of December 1955 * * * Exports of farm commodities are running at an all-time high * * * We have passed the peak of our surplus accumulations."

Benson conceded that the Agriculture budget "is big—much bigger than I would like to see it." But he said "the stage was set for these high costs by the surplus-building, market-destroying, Democrat-sponsored farm program we inherited."

Many of the present difficulties, Benson said can be traced "directly to policies which kept agriculture in a price-support straitjacket. This dependence on rigid supports—on a form of guaranteed markets—on ever smaller allotments and quotas to fit shrinking demand—this was defeatism. This was submission to fear."

Mr. SYMINGTON. Mr. President, I should like to ask the indulgence of the distinguished Senator from Minnesota while I undertake to point out what a deceitful talk was made by the Secretary of Agriculture. He said that prices received by farmers in February 1957 had increased 3 percent over those of the previous February. But he did not say that while prices received had increased 3 percent, prices paid by farmers had increased 5 percent.

When the Secretary talked about the low of December 1955 and the big difference in February 1957, he referred to an increase in prices received by farmers of 5.3 percent, then, in all honesty and fairness, he should have said prices paid by farmers during the same period increased by 5.7 percent.

As I read the talk which has been printed in the RECORD, I noticed that the Secretary also urged the Republican women not to believe any political demagog who tries to tell them this administration is driving the family farmer off the farm.

In 1952, when Secretary Benson took his oath, there were 5,360,000 farm families in the United States. In 1956 there were 4,900,000. Therefore, since he started as Secretary of Agriculture, there has been a 460,000 decrease in the number of farm families.

I know that the distinguished Senator from Minnesota will agree with me that he certainly has not been driving them on the farm with his policies.

Farm population in 1952, when the Secretary took office, was 24,283,000. Today is it 22,257,000, a decrease of more than 2 million.

The farm population as a percent of the total population of the country has decreased from 15.5 percent in 1952 to 13.2 percent in 1956. The rate of farm foreclosures has increased from 1.6 per thousand farms in 1952 to 2.3 per thousand in 1956. This is the highest yearly rate since 1944. Farm employment—family workers and hired workers—has decreased 794,000 people between 1952 and 1956.

Mr. President, the distinguished Senator from Minnesota mentioned the talk by Mr. Benson which I have had printed in the RECORD. In that talk Mr. Benson suggested that Democrats had tried to buy the farm vote. Let us look at the record.

On February 8, 1956, the Secretary announced that the national average support level for the 1956 corn crop would be $1.40 per bushel—81 percent of current parity—for producers in the commercial counties who stayed within their allotments. Corn produced in the noncommercial areas would be supported at 75 percent of the level for corn produced in the commercial area—$1.05 per bushel.

April 16, 1956, the President, in his veto message of the first Agricultural Act of 1956, stated that "to improve farm income now," corn will be supported at $1.50 per bushel. He also said:

> A separate support for corn not under acreage control in the commercial corn area will be announced at an early date.

In a USDA press release of April 23, 1956, Secretary Benson announced:

(1) Corn produced under acreage allotments in commercial counties will be supported at a minimum average of $1.50 per bushel, but not less than 82½ percent of parity on October 1, 1956—$1.50 was 86.2 percent of parity.

(2) Corn produced in noncommercial areas to be supported at 75 percent of the commercial area support rate—$1.12½ per bushel.

(3) Corn in the commercial areas which is not produced under acreage allotment controls—$1.25 a bushel, but not less than 70 percent of parity at the beginning of the marketing year.

Finally, May 28, 1956, the Agricultural Act of 1956—Soil Bank Act—was approved. This act provided that farmers in the noncommercial corn area would be eligible for price supports at 82½ percent of the commercial area maximum rate, as determined with the usual county differentials.

Mr. HUMPHREY. May I ask the Senator if he will ask unanimous consent to have all his tables placed in the RECORD, because we should have the full tables in the RECORD. There is very valuable information in the tables, which the Senator has brought to our attention.

Mr. SYMINGTON. That is a fine idea. Mr. President, I ask unanimous consent to have these tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

I

Prices received

Percent increase 1956–57:	
January	3.5
February	3.0
March	3.9
December 1955 to February 1957	5.3

Prices paid

Percent increase 1956–57:	
January	3.9
February	5.0
March	5.0
December 1955 to February 1957	5.7

II

Number of farms:	
1952	5,360,000
1956	4,900,000
Decrease	460,000
Farm population:	
1952	24,283,000
1956	22,257,000
Decrease	2,026,000
	Percent
Farm population as percent of total population:	
1952	15.5
1956	13.2
Foreclosure rate per 1,000 farms.	
1952	1.6
1956	[1] 2.3
Farm employment (family workers and hired workers):	
1952	8,669,000
1956	7,875,000
Decrease	794,000

[1] This is the highest yearly rate since 1944.

The PRESIDING OFFICER. The Chair will comment, in passing, that 5,500 of those farms which have gone out of business are dairy farms in the Commonwealth of Pennsylvania.

Mr. SYMINGTON. I thank the Presiding Officer.

Mr. HUMPHREY. I thank the Presiding Officer.

Mr. SYMINGTON. Mr. President, so long as we have mentioned dairy production, I should like to state that the net expenditures of the United States Government on price support activities for all dairy products from July 1949 to June 1953, was $176.6 million, and from July 1953 to December 1956, was $1,223.6 million. This is seven times the 1949–53 amount.

The present Secretary of Agriculture cannot blame high fixed price supports of Democratic administrations for these expenditures.

The Agricultural Act of 1949 authorized and directed the Secretary of Agriculture to support prices of milk and butterfat at such levels between 75 and 90 percent parity, as he deemed necessary to assure an adequate supply of milk.

Actual support levels as percent of parity are as follows:

Marketing year	Manufacturing milk, percent of parity	Butterfat, percent of parity
1953–54	90	90
1954–55	75	78
1955–56	80	76
1956–57	84	81
1957–58	82	80

In the 4 years since Mr. Benson has been Secretary of Agriculture, Government price support purchases of dairy products have been 29,045 million pounds—whole milk equivalent. In the previous 4 years the comparable amount was 6,568 million pounds.

Since 1953 the USDA has been operating under Mr. Benson's theory that lower price supports will reduce production. Yet total milk production has increased from a 1949–52 average of 115.5 billion pounds per year to the 1953–56 average of 123.2 billion pounds per year, an average yearly increase of 7.7 billion pounds.

Hourly returns to dairy farm operators and their families in the three major dairy areas show what Benson's program has accomplished.

The return per hour to operator and family labor—excluding returns to capital, are as follows:

1950	$0.58
1951	.78
1952	.67
Average	.66
1953	.52
1954	.44
1955	.43
Average	.43

Mr. President, I should like to ask the distinguished Senator from Minnesota a question.

Senators continually point out to the Secretary of Agriculture, to the Senate, and to the people of the country, to the best of our ability, the facts, as opposed to the misstatements which are being continuously made by the Secretary of Agriculture. The figures presented by this administration show it to be a fact that the increase in wages, from 1952 to 1956, was 22 percent. The increase in corporate profits after taxes, from 1952 to 1956, was 33 percent. The increase in common-stock prices, from 1952 to 1956, was 77 percent. At the same time farm income decreased from 1952 to 1956, by 30 percent. Parity averaged 100 in 1952 and 83 in 1956. Last month parity again was 80. 1939 was the last year in which the yearly parity figure was this low. Under all those circumstances I ask the distinguished Senator what we can do to induce the Secretary of Agriculture to tell the facts to the American people and to stop making these misstatements.

Mr. HUMPHREY. I must reply to my esteemed and good friend from Missouri that the only thing we can do is to have men like the distinguished Senator from Missouri [Mr. SYMINGTON] tell the facts, because the Secretary of Agriculture is just not going to do it. We have tried repeatedly in the Committee on Agriculture and Forestry to obtain these facts. We have had to dig them out. This is no exaggeration. It is unfortunately a sad truth. I wish to thank the Senator from Missouri. I know the Senator has had an exceedingly busy day. I know this problem of agriculture is close to his heart. I have visited his State. I know many of the farm people of his State. I know of the Senator's diligence and of his service on the Committee on Agriculture and Forestry, as well as other committees.

AUTHORIZATION FOR RECEIPT OF MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives while the Senate is in adjournment.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOVIET AIRPOWER

Mr. SYMINGTON. Mr. President, recently, the public has been confused with published reports that our intelligence estimates had been revised and that we had been overestimating Soviet airpower strength.

These reports were based upon a downward revision of the estimates of Soviet production of one category of their heavy bombers, that is, the Bison. In no other estimate were there downward revisions, and in this one case the estimate was that of a temporary decrease in production due to some technical production difficulty—such as we have experienced in our own B-52 output.

In all other instances our intelligence history has been that of underestimating the quantity, quality, and timing of Soviet production of weapons and weapons systems.

At this point, Mr. President, I should like to have printed in the RECORD an informative letter from Mr. Allen Dulles, Director of the Central Intelligence Agency, on this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CENTRAL INTELLIGENCE AGENCY,
OFFICE OF THE DIRECTOR,
Washington, D. C., March 18, 1957.

The Honorable STUART SYMINGTON,
United States Senate,
Washington, D. C.

DEAR SENATOR SYMINGTON: Yesterday, in your telephone call, you asked me for a memorandum with respect to the change in the national intelligence estimate on Soviet heavy-bomber strength which differed from that given in the testimony before your subcommittee last April. You also called my attention to certain newspaper publicity which appeared recently with respect to this matter.

The facts are as follows:

The intelligence community is continually reviewing its current and projected estimates of Soviet strengths against the best evidence obtainable. Production difficulties, modifications of design, change in emphasis, and other factors mean that actual production here, in the U. S. S. R. and, in fact, anywhere, does not necessarily coincide with predictions.

The estimate of Soviet heavy-bomber strength as of April 1, 1956, which was given in my testimony before your subcommittee, was based largely on an estimated buildup rate which rested upon earlier evidence.

Subsequent to my testimony before your subcommittee in April 1956, the intelligence community acquired new and better evidence on Soviet heavy-bomber production and strength in operational units and we undertook a complete review of our estimates on this subject. Our revised estimate was not completed until after the conclusion of hearings before your subcommittee and after the adjournment of the Congress. It was based on new evidence and not on any extraneous considerations. This new agreed national estimate revised downward the estimated total production of Bisons as of July 1, 1956, but did not change the estimated number of modern bombers which the U. S. S. R. could and, in the opinion of competent experts, probably would provide in its long-range force in the time period beyond the next 2 years, as submitted to your subcommittee in April. Obviously, this estimate of future Soviet heavy-bomber strength will be subject to constant review in the light of new intelligence.

As you will recall, an insert for your subcommittee's record of my testimony, including the revised Bison estimate for July 1, 1956, was delivered to the staff director of your subcommittee on November 5, 1956.

As Director of the Central Intelligence Agency, my responsibility with respect to national intelligence estimates is set forth in section 102 (d) (3) of the National Security Act of 1947, which provides that—

"(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council * * *

* * * * *

"(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government, etc."

In exercising this responsibility, I am assisted by those members of the intelligence community who have competence in the particular field involved.

Sincerely,

ALLEN W. DULLES, *Director.*

Mr. SYMINGTON. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a factual editorial from the Air Force magazine for April 1957 entitled "Put the Intelligence Estimates in Focus."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUT THE INTELLIGENCE ESTIMATES IN FOCUS

At press time the national budget had become the "bird" in a gigantic game of badminton between the Congress and the executive department. From the standpoint of national defense the prognosis was not good. Pressure for cutting the budget was mounting and, unfortunately, the most tempting area where cuts could be made was in the defense portion.

The sequence went something like this. A short time after presenting the largest peacetime budget in the Nation's history, President Eisenhower voiced hope that the Congress would be able to cut it. This expression was accompanied by a drumbeat of statements by administration figures on the dangers of inflation, talk of a depression "that would curl your hair," "spending ourselves into bankruptcy," and other phrases calculated to stimulate budget-cutting pressures.

A Democratic-led Congress neatly batted the bird back into the White House court by requesting Presidential guidance as to where cuts could be made safely. But the President volleyed with a rejoinder that the executive department had done all it could, that the next move was up to the Congress. Everyone wanted the budget to be cut but no one wanted to take the responsibility for it, or to make the first move.

Quite conveniently, in the midst of all this, there appeared some information that might serve as an excuse, if not a valid reason, for making cuts in the Air Force portion of the budget. The information was made known to the press, and subsequently confirmed before the Congress, that national intelligence estimates of production rates of Russian modern heavy bombers had been revised. The estimates reflected some slippage in production of the Bison, the big Red jet bomber, and a slight falling off of production of the turbo-prop Bear. Instead of falling behind the U. S. S. R. in operational numbers of long-range modern bombers, we apparently were ahead, and would be so for about 2 more years.

This was welcome news to all would-be budget-slicers. It was trumpeted in the press that last year's supplemental Air Force appropriation, voted by the Congress against administration protests, was a "$900 million bobble." The intelligence estimate revision was termed "an extraordinary turnabout in estimates of Soviet airpower during the year." Previous intelligence reports were described as "badly in error." The Russian bogeyman was being cut down to size, went the stories, paving the way for Defense budget cuts without jeopardizing national security.

It is difficult to square such sweeping conclusions with the facts. True, the national intelligence estimates of Red production of modern heavy bombers have been revised, but only for the next 2 years. And there was no proof, as some asserted, that the estimates had been tampered with for political purposes, although the timing on the release of the information certainly served a political end. What was damaging were the many things which were being left unsaid. The picture was badly out of focus. To paraphrase Mr. Wilson's famous statement, the new estimates meant that we perhaps have discovered that the Russians are not 8 feet tall, only 7 feet, 9 inches.

In the first place, it should surprise no one that national intelligence estimates are subject to revision. They are based on the best information available at any given time and quite properly they change as the situation changes and as new information becomes available. It would be much more disturbing if they were static tables, unchanging from year to year, instead of the fluid, viable documents they actually are.

What makes this latest revision unusual is the fact that it is downward. For in the past our tendency has been to underestimate, rather than the reverse. The list of such underestimates is far too long to document extensively here. It should suffice to remember how we underestimated Red capabilities in the matters of copying our B-29, jet engine production, the atomic bomb, the hydrogen bomb, MIG production before Korea, submarine production, all-weather fighters production, and so on. Our batting average in this field is none too good.

We must remember, likewise, that long-range bomber production is but one element of Soviet strength. Let's take a look at the long roster of other factors in which there has been no announced change for the better. These include:

The expanding Soviet base complex, both in the U. S. S. R. and in Red China, a big factor in determining what our own attack capability must be.

The fast-growing Russian air-defense capability, one of General LeMay's biggest headaches.

Numbers of Red light bombers—Beagles and Blowlamps.

Numbers of Red jet fighters, including supersonic MIG's and all-weather Flashlights.

Numbers of intermediate-range Badger bombers, roughly equivalent in performance to our B-47.

The Red guided missile effort, in intercontinental and intermediate-range ballistic missiles, and defensive missiles as well.

Red production of scientists and technicians.

The rapidly closing gap between the United States and U. S. S. R. in science and technology.

To the best of our knowledge and belief, the intelligence estimates in none of these fields has been revised in any direction except upward.

Nor can we take comfort in the fact that the revision of the estimates on Soviet modern long-range bombers applies only during the next 2 years, probably through 1959. In

discussing this point before the Congress, General Twining emphasized that "there is no change in the level of strength in modern bombers that we estimate the Soviets could and probably will provide for their long-range force in the time period beyond the next 2 years."

In effect this means that, while the Russians may not be even with us today in this one category of bomber production, by 1959-60 they will have caught up with us and passed us. And this is precisely the period, from 1959 to 1960 on, which the Air Force is worried about, as General Twining has reiterated time and again.

Further, the aircraft procurement money in the fiscal year 1958 budget, by and large, will not be spent within the next 2 years, in any case.

Nor do the new estimates add one airplane or a single missile to our own Air Force capability, now or in the future. As we have previously pointed out, that trend is steadily downward, with no force goal left at which to shoot. The Reds still know where they are going. Our Air Force does not. In fact, it is probably safe to say that we have a firmer grasp on where the Red air force is heading than where our own will eventually wind up.

This brings up an interesting sidelight on the matter of intelligence revisions. One would like to know how many times the Russian estimates of our own B-52 production have been revised during the past 2 years. The Symington subcommittee testimony brought out that we intended to produce, in round figures, a total of 800 B-52's. A year ago the production rate was projected at an eventual 20 per month. Yet the production figures for early 1956 went something like this: 4 in January, 2 in February, none in March, none in April, 2 in May, and so on. The production forecast was obviously much higher. Is it too much to expect that Red estimates of our B-52 production underwent some radical downward revisions last year? The point is that the kind of revision being touted as a complete turnabout might well have arisen from something as simple as the allernator trouble that was slowing our B-52 deliveries. Or it might reflect something as serious as a major breakthrough in the missile field that would allow cutbacks in Red bomber production.

There is still another item to consider. The new estimates, while only recently made public, did not burst suddenly on our defense planners. They were known at the time the final budget was being prepared; they were known when Mr. Quarles made a last plea for $21 billion for the Air Force; they were known at the time the budget was submitted to Congress. One can only assume that the budget, as presented, already reflected these new estimates. Hence, it is difficult to see how they can now be put forth as justification for Congressional cuts. If they are, it will be a case of using the same intelligence estimates to cut the budget twice, in effect—once in the executive department and again on Capitol Hill.

Or take the case of the Symington subcommittee report, issued last February. During its investigation, the subcommittee received some testimony which could not be made public for security reasons, including intelligence information from the Central Intelligence Agency and other sources. In addition, much supplemental intelligence material was requested, obtained, and inserted in the subcommittee record. The latest such material was received by the committee in November, and presumably it reflected the latest estimates.

Yet, in response to our query, a subcommittee staff member told us: "None of the unpublished testimony and none of the other material supplied during or after the hearings was such as to merit any change in the report."

In other words, although the newest intelligence revisions had been made available to the subcommittee, the majority found nothing in them to cause it to revise its gloomy picture of the relative airpower strengths of the United States and the Soviet Union.

In summary, then, one must place the revised estimates in balance by remembering that:

They are temporary in nature, and apply only over the next 2 years.

They represent only a fraction of overall Soviet strength.

They have already been reflected in the present budget.

We trust that the Congress will weigh these factors carefully in their current examination of the Air Force budget.

ADJOURNMENT TO MONDAY

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I now move that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 39 minutes p. m.) the Senate adjourned, the adjournment being pursuant to the order previously entered, to Monday, April 8, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 4, 1957:

UNITED NATIONS

Donald Vaughn Lowe, of New Jersey, to be the representative of the United States of America on the Transport and Communications Commission of the Economic and Social Council of the United Nations.

The following-named persons for reappointment to the active list of the Regular Army of the United States, in the grade specified, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

IN THE ARMY

TO BE COLONELS

Friedersdorff, Louis C., O15732.
Nemo, Ralph, O6362.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, section 3294 as amended by Public Law 497, 84th Congress, title 10, United States Code, section 3291, and Public Law 294, 84th Congress, title 10, United States Code, section 3311, title 10, United States Code, section 3292, and Public Law 737, 84th Congress:

TO BE CAPTAINS

Distelhorst, Frederick W., DC, O4032419.
Dixon, Leon M., Jr., MC, O988320.
Edwards, Ian K., MC, O2267482.
Ford, George W., MC, O1941874.
Hanson, Merril H., DC, O4050928.
Hanson, Thomas A., MC, O1891967.
Larsson, Thomas E., MC, O975561.
Lipscomb, James Watts, MC.
Mansfield, John C., MC, O4016515.
Monahan, James L., DC, O988692.
Nakagawa, Bunzo, MC, O1923107.
Ross, Lawrence R., MC, O4067286.
Shamburek, Roland H., MC, O4016792.
Turner, Guthrie L., Jr., MC, O2289034.

TO BE FIRST LIEUTENANTS

Adams, Charles R., Jr., JAGC, O2380046.
Bogrette, Ann, AMSC, M2994.
Brown, Eleanor N., ANC, N901846.
Butcher, Anna M., ANC, N901735.
Church, Roy S., MSC, O1918954.
Conley, Paul J., MC.
Cooper, Robbie F., ANC, N900237.
del Valle-Garcia, Rafael A., MC, O2034117.
Doyle, Thomas M., MSC, O1922527.
Fitch, Charles T., MC.
Forest, Philip E., MSC, O1893290.
Fulcoran, Jack M., MC.
Griffin, Robert E., MSC, O4002204.
Heimann, Eleanor M., ANC, N902421.
Hettinger, Dale A., DC, O4043832.
Hille, Robert A., MSC, O4020823.
Howlett, Byron P., Jr., MSC, O1933640.
Jan, Lloyd V., MSC, O1938746.
Johnson, Merlyn E., DC.
Kellert, Albert J., MC, O4022333.
Kiel, Richard A., MSC, O1893902.
Kirchner, Marvin M., MC, O4056269.
Lau, Bennett M. K., MC, O4051019.
Little, Earle E., Jr., MC.
Marill, Irwin E., MC, O4024538.
Matthews, Nancy L., AMSC, M20006.
Mendez, Enrique, Jr., MC, O4055405.
Middleton, Gordon K., Jr., MC.
Munoz-Noya, Orlando, DC, O2276571.
Nishikawa, Wallace Y., MC, O4051120.
Pelham, Walter L., MC.
Pound, Edwin C., Jr., MC, O4043783.
Pratt, Curtiss R., MC, O4051090.
Radenitz, William H., DC, O2274487.
Ross, Don R., MSC, O4007162.
Sadler, Tom H., MSC, O2272296.
Schiele, Raymond J., DC, O2276568.
Smith, Elizabeth R., Jr., WAC, L1010476.
Theodoroff, Mary J., WAC, L1020648.
Vickers, Russell E., JAGC, O2273140.
Waters, Ethel D., WAC, L1010639.
Williams, Dana S., MC, O2274744.
Winfield, Mark E., MC, O1341842.
Wolcott, Jeane M., WAC, L1020069.
Yamamoto, Hiroshi, MSC, O4006719.
Yarbrough, Roy D., MSC, O2306298.
Zone, Robert M., MC, O4067979.

TO BE SECOND LIEUTENANTS

Bullard, John W., MSC, O4030646.
Erickson, Duane G., MSC, O4036113.
Gray, Barbara D., AMSC, M3037.
Latta, Patricia A., AMSC, M3024.
Read, Betty I., WAC, L1010826.
Silvernale, Douglas J., MSC, O4029627.
Stover, James W., MSC, O4019402.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of Public Law 737, 84th Congress:

TO BE CAPTAINS

Franklin, Swayne B., O1686769.
Phillips, Eric C., O1181092.
White, Kent B., O404333.

TO BE FIRST LIEUTENANTS

Baker, Theodore A., O1917897.
McDonald, Payton R., Jr., O4023606.
Stenquist, Richard W., O1941054.

TO BE SECOND LIEUTENANTS

Kelley, Emmett L., Jr., O4031400.
Komarow, Ronald M., O4040301.
McCuistion, Alan L., O4010737.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of title 10, United States Code, section 3294 as amended by Public Law 497, 84th Congress, subject to completion of internship:

Farbstein, Martin E.
Leonard, John T.
Epess, Everett K., Jr.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Cawalt, Harris G.
Browning, Robert D.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade

of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Adams, James E.
Baker, Jerry W.
Banner, Thomas A.
Bell, Ross T., Jr.
Berg, George A.
Carpenter, Rodney K.
Cockrell, Allen A., Jr.
Cottiran, Paul E.
Coull, James M.
Crawford, Jack F.
Davies, Peter G., O4077202
Desonier, Richard J.
Echols, Bill D.
Fleming, Jerry L.
Forgy, Jack O.
Gagliardone, John L.
George, Edward E., III
Gonzales, Richard E., Jr., O4072259
Grant, Arthur J., Jr.
Grimes, Dan S.
Harris, Chester R., Jr.
Harris, Thomas L., Jr.
Harvard, Thomas P., Jr.
Helpling, Ray D.
Hofer, Kenneth W.
Hutchison, Jack R.
Hyde, Herbert E., Jr., O4045492
Isbell, James C.
Jones, Walter E.
Kruger, Robert
Leos, Tommy G.
Logan, Laddie B.
London, William G.
McFarland, Roger E.
McGarvey, Bruce H.
Mettam, Richard E.
Nelson, Clifford E.
Nemeth, Philip K.
Nestle, Eugene C.
Nichols, Charles W.
Noyer, Gary R.
Parrack, Jim M., Jr.
Paulus, Lawrence B.
Philpott, Lawrence D., O4060575
Pinnell, Aubrey B., Jr.
Plummer, Gerrell V.
Polk, John C.
Pople, Richard A.
Porter, Bobby B.
Rafferty, James E.
Rich, Arthur L., Jr.
Robbins, Grant C.
Rock, Thomas L.
Simpson, William F., Jr.
Sones, Vernon B.
Stoll, Roy M.
Thorne, Gerald B.
Trdla, Joseph R.
Turk, Roy M.
Wharton, Walter N.
Whatley, Howard G., O4062241
Williams, Edward H.
Williams, William J., Jr.
Zimmerman, Robert

CONFIRMATIONS

Executive nominations confirmed by the Senate April 4, 1957:

UNITED STATES CIRCUIT JUDGE

Clement F. Haynsworth, Jr., of South Carolina, to be United States circuit judge, fourth circuit.

UNITED STATES CUSTOMS COURT

Scovel Richardson, of Missouri; to be judge, United States Customs Court.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 4, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of our fathers and all their succeeding generations we rejoice that our loftiest aspirations and deepest longings find their source and their supply in Thee.

We pray that daily we may yield our minds and hearts in glad and grateful obedience to Thy wise and holy will.

Grant that especially during this day we may have the presence and guiding power of Thy divine spirit.

Inspire us to discharge our duties with an eye single to Thy glory and be worthy of receiving the benediction which Thou dost bestow upon the faithful.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEPARTMENT OF COMMERCE APPROPRIATION BILL

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on the Department of Commerce and related agencies appropriation bill for the fiscal year 1958.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CLEVENGER reserved all points of order.

COMMITTEE ON LABOR STANDARDS

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Committee on Labor Standards of the House Committee on Education and Labor may sit tomorrow, if necessary, during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, APPROPRIATION BILL, 1958

The SPEAKER. The unfinished business is the further consideration of the bill H. R. 6287, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. Separate votes having been demanded on all amendments adopted in the Committee of the Whole, the Clerk will report the first amendment on which a separate vote was demanded.

The Clerk read as follows:

Page 2, lines 11 and 12, strike out "$1,510,000" in line 11 and "$200,000" in line 12 and insert in lieu thereof "$1,480,000" in line 11 and "$170,000" in line 12.

The SPEAKER. The question is on the amendment.

Mr. BUDGE. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 286, nays 126, not voting 20, as follows:

[Roll No. 37]

YEAS—286

Abbitt
Abernethy
Adair
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andrews
Arends
Ashmore
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Baring
Bass, N. H.
Bass, Tenn.
Bates
Baumhart
Beamer
Becker
Beckworth
Belcher
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Bilitch
Bolton
Bonner
Bosch
Bow
Brooks, La.
Brooks, Tex.
Brown, Ohio
Brownson
Broyhill
Buckley
Budge
Burleson
Bush
Byrne, Ill.
Byrnes, Wis.
Cannon
Cederberg
Chenoweth
Chiperfield
Church
Clevenger
Coad
Cole
Collier
Colmer
Cooper
Corbett
Coudert
Cramer
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Dawson, Utah
Dempsey
Dennison
Derounian
Devereux
Dixon
Dooley
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Edmondson
Engle
Evins
Fallon
Fascell
Feighan
Fenton
Fino
Fisher
Flynt
Ford
Forrester
Fountain
Frazier
Gary
Gathings
Gavin
George
Grant
Griffin
Gross
Gubser
Gwinn
Hale
Haley
Halleck
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Hays, Ohio
Hébert
Hemphill
Henderson
Herlong
Heselton
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holmes
Holt
Horan
Hosmer
Huddleston
Hyde
Ikard
Jackson
James
Jarman
Jenkins
Jennings
Jensen
Johansen
Johnson
Jonas
Jones, Mo.
Judd
Kean
Kearney
Keating
Keeney
Kilburn
Kilday
Kilgore
Kitchin
Knox
Kruger
Laird
Lanham
Lane
Latham
LeCompte
Lennon
Lipscomb
Loser
McCulloch
McDonough
McGregor
McIntire
McIntosh
McMillan
McVey
Macdonald
Mack, Ill.
Mack, Wash.
Mahon
Mailliard
Martin
Mason
Matthews
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mumma
Murray
Neal
Nicholson
Nimtz
Norblad
Norrell
O'Brien, N. Y.
O'Hara, Minn.
Osmers
Ostertag
Patman
Patterson
Pelly
Pfost
Pillion
Poage
Poff
Prouty
Ray
Reed
Rees, Kans.
Reuss
Rhodes, Ariz.
Riehlman
Riley
Rivers
Roberts
Robeson, Va.
Robsion, Ky.
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rutherford
St. George
Schenck
Scherer
Scott, N. C.
Scott, Pa.
Scrivner
Scudder
Selden
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Stauffer
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Vanik
Vanzandt
Vorys
Vursell
Wainwright
Watts
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Young
Younger

NAYS—126

Addonizio
Albert
Anfuso
Ashley
Bailey
Barrett
Blatnik
Bolling
Boyle
Bray
Broomfield
Buckley
Burdick
Byrd
Canfield
Carnahan
Celler
Christopher
Chudoff
Coffin
Cooley
Dawson, Ill.
Delaney
Dellay
Dempsey
Denton
Dingell
Dollinger
Donohue
Doyle
Dwyer
Eberharter
Elliott
Farbstein
Flood
Fogarty
Forand
Frelinghuysen
Friedel
Garmatz
Gordon
Granahan
Gray
Green, Oreg.
Griffiths
Hagen
Haskell
Hays, Ark.
Healey
Hollifield
Holland
Hull
Jones, Ala.
Karsten
Kearns
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
King
Kirwan
Kluczynski
Knutson
Lanham
Lankford
Lesinski
Long
McCarthy
McConnell
McCormack
McFall
McGovern
Mack, Ill.
Madden
Marshall
May
Merrow
Metcalf
Miller, Calif.
Moore
Morano
Morgan
Morris
Moulder
Multer
Natcher
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Konski
O'Neill
Passman
Patterson
Perkins
Philbin
Pilcher
Polk
Porter
Preston
Price
Rabaut
Radwan
Rains
Rhodes, Pa.
Rodino
Rooney
Santangelo
Saund
Saylor
Seely-Brown
Shelley
Sheppard
Spence
Staggers
Sullivan
Teague, Tex.
Teller
Thompson, N. J.
Ullman
Van Zandt
Vinson
Wier
Withrow
Wolverton
Zablocki
Zelenko

NOT VOTING—20

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Byrne, Pa.
Clark
Cretella
Davis, Tenn.
Dies
Diggs
Fulton
Green, Pa.
Gregory
Holtzman
Powell
Reece, Tenn.
Roosevelt
Sheehan
Sieminski
Walter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Fulton against.

Mr. August H. Andresen for, with Mr. Holtzman against.

Mr. Dies for, with Mr. Aspinall against.

Mr. Sheehan for, with Mr. Anderson of Montana against.

Mr. Clark for, with Mr. Walter against.

Until further notice:

Mr. Gregory with Mr. Cretella.

Mr. ANFUSO changed his vote from "yea" to "nay."

Mr. O'BRIEN of Illinois changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 3, line 9, strike out "$2,225,000" and insert "$2,021,000."

Mr. FOGARTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 171, not voting 20, as follows:

[Roll No. 38]

YEAS—241

Abbitt
Adair
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Arends
Ashmore
Auchincloss
Avery
Ayres
Baker
Barden
Bass, N. H.
Bass, Tenn.
Bates
Baumhart
Beamer
Becker
Beckworth
Belcher
Bennett, Fla.
Bentley
Berry
Betts
Bilitch
Bolton
Bonner
Bosch
Bow
Brooks, La.
Brooks, Tex.
Brown, Ohio
Brownson
Broyhill
Buckley
Budge
Burleson
Bush
Byrne, Ill.
Byrnes, Wis.
Cannon
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clevenger
Cole
Collier
Colmer
Cooper
Corbett
Coudert
Cramer
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Dawson, Utah
Dennison
Derounian
Devereux
Dixon
Dooley
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Edmondson
Engle
Evins
Fallon
Fascell
Feighan
Fenton
Fino
Fisher
Flynt
Ford
Forrester
Fountain
Frazier
Gathings
George
Grant
Gross
Gubser
Gwinn
Hale
Haley
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Hébert
Hemphill
Henderson
Herlong
Hess
Hiestand
Hillings
Hoeven
Hoffman
Holt
Hosmer
Huddleston
Hull
Hyde
Ikard
Jackson
James
Jenkins
Jennings
Jensen
Johansen
Jonas
Jones, Mo.
Kearney
Keating
Keeney
Kilburn
Kilday
Kilgore
Kitchin
Knox
Kruger
Laird
Landrum
Latham
LeCompte
Lennon
Lipscomb
Loser
McConnell
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Macdonald
Mack, Ill.
Mack, Wash.
Mahon
Mailliard
Mason
Matthews
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mumma
Murray
Neal
Nicholson
Nimtz
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Konski
O'Neill
Passman
Patman
Patterson
Pelly
Perkins
Philbin
Pilcher
Polk
Porter
Preston
Price
Rabaut
Radwan
Rains
Reuss
Rhodes, Pa.
Riley
Rodino
Rooney
Sadlak
Santangelo
Saund
Saylor
Schwengel
Scott, Pa.
Seely-Brown
Shelley
Sheppard
Sisk
Spence
Staggers
Steed
Sullivan
Teller
Tewes
Thompson, N. J.
Tollefson
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Watts
Wier
Withrow
Wolverton
Yates
Zablocki
Zelenko

NOT VOTING—20

Abernethy
Anderson, Mont.
Andresen, August H.
Andrews
Aspinall
Bowler
Boykin
Byrne, Pa.
Cretella
Davis, Tenn.
Dies
Diggs
Fulton
Gregory
Holtzman
Reece, Tenn.
Roosevelt
Sheehan
Sieminski
Walter

Sheppard
Spence
Staggers
Sullivan
Teague, Tex.
Teller
Thompson, N. J.
Ullman
Van Zandt
Vinson
Wier
Withrow
Wolverton
Zablocki
Zelenko

NOT VOTING—20

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Byrne, Pa.
Clark
Cretella
Davis, Tenn.
Dies
Diggs
Fulton
Gregory
Holtzman
Powell
Reece, Tenn.
Roosevelt
Sheehan
Sieminski
Walter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Fulton against.

Mr. August H. Andresen for, with Mr. Holtzman against.

Mr. Dies for, with Mr. Aspinall against.

Mr. Sheehan for, with Mr. Bowler against.

Until further notice:

Mr. Aspinall with Mr. Cretella.

Mr. BRAY changed his vote from "yea" to "nay."

Mr. FINO changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote was demanded.

The Clerk read as follows:

On page 4, line 7, strike out "$1,031,000" and insert "$985,000."

The SPEAKER. The question is on the amendment.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 246, nays 169, not voting 17, as follows:

[Roll No. 39]

YEAS—246

Abbitt
Abernethy
Adair
Addonizio
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andrews
Arends
Ashley
Ashmore
Avery
Ayres
Baker
Bass, N. H.
Bass, Tenn.
Bates
Beamer
Becker
Bentley
Berry
Betts
Bilitch
Boggs
Boland
Bonner
Bosch
Bow
Boyle
Breeding
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Budge
Burleson
Byrne, Ill.
Byrnes, Wis.
Cannon
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clevenger
Cole
Collier
Cooley
Cooper
Coudert
Cramer
Curtis, Mo.
Dague
Davis, Ga.
Dawson, Utah
Dempsey
Derounian
Devereux
Dixon
Dooley
Dorn, S. C.
Dowdy
Durham
Engle
Evins
Fallon
Fisher
Flynt
Ford
Forrester
Fountain
Frazier
Gathings
Gavin
Gross
Gwinn
Haley
Hardy
Harden
Harrison, Nebr.
Harrison, Va.
Harvey
Hays, Ark.
Hays, Ohio
Hébert
Hemphill
Henderson
Herlong
Hess
Hiestand
Hillings
Hoeven
Hoffman
Holt
Horan
Hosmer
Huddleston
Ikard
Jackson
James
Jenkins
Jennings
Jensen
Johansen
Johnson
Jonas
Jones, Mo.
Kearney
Keating
Keeney
Kilburn
Kilday
Kilgore
Kirwan
Kitchin
Knox
Kruger
Laird
Landrum
Lane
LeCompte
Lennon
Lipscomb
Loser
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Macdonald
Mack, Wash.
Magnuson
Mahon
Mailliard
Martin
Mason
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Morrison
Mumma
Murray
Neal
Nicholson
Nimtz
Norblad
O'Brien, Ill.
O'Hara, Minn.
Ostertag
Pillion
Poage
Poff
Porter
Preston
Price
Rabaut
Radwan
Rains
Rhodes, Pa.
Rodino
Rooney
Santangelo
Saund
Saylor
Schwengel
Scott, Pa.
Seely-Brown
Shelley
Sheppard
Sisk
Spence
Staggers
Steed
Sullivan
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tuck
Utt
Van Pelt
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Young
Younger

NAYS—169

Addonizio
Albert
Anfuso
Ashley
Bailey
Baldwin
Baring
Barrett
Bennett, Mich.
Blatnik
Boggs
Boland
Bolling
Boyle
Bray
Breeding
Broomfield
Brown, Ga.
Brown, Mo.
Burdick
Byrd
Canfield
Carnahan
Carrigg
Celler
Christopher
Chudoff
Clark
Coad
Coffin
Cooley
Corbett
Cunningham, Iowa
Curtin
Curtis, Mass.
Dawson, Ill.
Delaney
Dellay
Dempsey
Denton
Dingell
Dollinger
Donohue
Doyle
Dwyer
Eberharter
Elliott
Farbstein
Feighan
Fenton
Fino
Flood
Fogarty
Forand
Frelinghuysen
Friedel
Garmatz
Gordon
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen
Halleck
Healey
Holifield
Holland
Holmes
Horan
Jarman
Johnson
Jones, Ala.
Judd
Karsten
Kearns
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
King
Kluczynski
Knutson
Lanham
Lankford
Lesinski
Long
McCarthy
McConnell
McCormack
McFall
McGovern
Machrowicz
Mack, Ill.
Madden
Marshall
May
Metcalf
Miller, Calif.
Moore
Morano
Morgan
Morris
Morrison
Moss
Moulder
Multer
Natcher
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
O'Neill
Passman
Patman
Patterson
Pelly
Perkins
Philbin
Pilcher
Polk
Porter
Powell
Preston
Price
Rabaut
Radwan
Rains
Reuss
Rhodes, Pa.
Riley
Rodino
Rooney
Sadlak
Santangelo
Saund
Saylor
Schwengel
Scott, Pa.
Seely-Brown
Shelley
Sheppard
Sisk
Spence
Staggers
Steed
Sullivan
Teller
Tewes
Thompson, N. J.
Tollefson
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Watts
Wier
Withrow
Wolverton
Yates
Zablocki
Zelenko

NOT VOTING—17

Abernethy
Anderson, Mont.
Andresen, August H.
Andrews
Aspinall
Bowler
Byrne, Pa.
Cretella
Davis, Tenn.
Dies
Diggs
Fulton
Gregory
Holtzman
Reece, Tenn.
Roosevelt
Sheehan
Sieminski
Walter

Ray	Sikes	Utt
Reed	Siler	Van Pelt
Rees, Kans.	Simpson, Ill.	Vorys
Reuss	Simpson, Pa.	Vursell
Rhodes, Ariz.	Smith, Calif.	Wainwright
Riehlman	Smith, Kans.	Watts
Riley	Smith, Miss.	Weaver
Rivers	Smith, Va.	Wharton
Robeson, Va.	Smith, Wis.	Whitener
Robsion, Ky.	Springer	Whitten
Rodino	Stauffer	Wigglesworth
Rogers, Colo.	Taber	Williams, Miss.
Rogers, Tex.	Talle	Williams, N. Y.
Rutherford	Taylor	Willis
St. George	Teague, Calif.	Wilson, Calif.
Schenck	Teague, Tex.	Wilson, Ind.
Scherer	Tewes	Winstead
Scott, N. C.	Thomas	Wright
Scrivner	Thompson, La.	Yates
Scudder	Thompson, Tex.	Young
Selden	Thomson, Wyo.	Younger
Sheehan	Thornberry	Zablocki
Sheppard	Trimble	
Shuford	Tuck	

NAYS—189

Albert	Friedel	Multer
Anfuso	Garmatz	Natcher
Auchincloss	Gavin	Norrell
Bailey	George	O'Brien, N. Y.
Baldwin	Gordon	O'Hara, Ill.
Baring	Granahan	O'Konski
Barrett	Gray	O'Neill
Baumhart	Green, Oreg.	Osmers
Bennett, Mich.	Green, Pa.	Passman
Blatnik	Griffin	Patman
Boling	Griffiths	Patterson
Bolton	Hagen	Pelly
Bray	Haskell	Perkins
Breedlove	Healey	Pfost
Brown, Mo.	Hesselton	Philbin
Buckley	Holifield	Pilcher
Burdick	Holland	Polk
Bush	Holmes	Porter
Byrd	Holt	Powell
Byrne, Pa.	Hull	Preston
Canfield	Hyde	Price
Carnahan	Jones, Ala.	Prouty
Carrigg	Judd	Rabaut
Celler	Karsten	Radwan
Christopher	Kean	Rains
Chudoff	Kearns	Rhodes, Pa.
Coad	Kee	Roberts
Coffin	Kelley, Pa.	Rogers, Fla.
Corbett	Kelly, N. Y.	Rogers, Mass.
Cunningham, Iowa	Keogh	Rooney
Cunningham, Nebr.	King	Sadlak
Curtin	Knox	Santangelo
Curtis, Mass.	Knutson	Saund
Dawson, Ill.	Lanham	Saylor
Delaney	Lankford	Schwengel
Dellay	Lesinski	Scott, Pa.
Dennison	Long	Seely-Brown
Denton	McCarthy	Shelley
Dingell	McConnell	Sisk
Dollinger	McCormack	Spence
Donohue	McFall	Staggers
Dorn, N. Y.	McGovern	Steed
Doyle	McIntosh	Sullivan
Dwyer	Machrowicz	Teller
Eberharter	Mack, Ill.	Thompson, N. J.
Edmondson	Madden	Tollefson
Elliott	Marshall	Udall
Farbstein	Matthews	Ullman
Fascell	May	Vanik
Feighan	Metcalf	Van Zandt
Fenton	Miller, Calif.	Vinson
Finn	Moore	Westland
Flood	Morano	Widnall
Fogarty	Morgan	Wier
Forand	Morris	Withrow
	Moss	Wolverton
	Moulder	Zelenko

NOT VOTING—17

Anderson, Mont.	Colmer	Holtzman
Andresen, August H.	Cretella	Reece, Tenn.
Aspinall	Davis, Tenn.	Roosevelt
Bowler	Dies	Sieminski
Boykin	Diggs	Walter
	Fulton	
	Gregory	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Fulton against.

Mr. August H. Andresen for, with Mr. Holtzman against.

Mr. Dies for, with Mr. Aspinall against.

Until further notice:

Mr. Walter with Mr. Cretella.

Mr. BOYLE changed his vote from "nay" to "yea."

Mr. ROGERS of Florida and Mr. GEORGE changed their vote from "yea" to "nay."

Mr. COLMER. Mr. Speaker, I was in the hall outside when my name was called. Do I qualify?

The SPEAKER. Not unless the gentleman was in the room listening when his name was called.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 4, line 13, strike out "$542,000" and insert: "$406,000."

The SPEAKER. The question is on the amendment.

Mr. FOGARTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 137, nays 275, not voting 20, as follows:

[Roll No. 40]

YEAS—137

Abbitt	Dorn, S. C.	Miller, Md.
Alexander	Dowdy	Miller, Nebr.
Alger	Fisher	Miller, N. Y.
Allen, Calif.	Flynt	Minshall
Allen, Ill.	Ford	Mumma
Andersen, H. Carl	Forrester	Murray
Andrews	Gary	Neal
Arends	Gathings	Nicholson
Ashmore	Gross	Norblad
Avery	Gwinn	O'Hara, Minn.
Ayres	Hale	Pillion
Baker	Haley	Poage
Barden	Halleck	Poff
Bass, N. H.	Harrison, Nebr.	Ray
Bates	Hébert	Reed
Becker	Henderson	Robeson, Va.
Beamer	Herlong	Robsion, Ky.
Belcher	Hess	Rutherford
Bentley	Hiestand	St. George
Berry	Hill	Schenck
Betts	Hillings	Scherer
Bolton	Hoffman	Scrivner
Bosch	Hoeven	Siler
Bow	Jackson	Simpson, Ill.
Brown, Ohio	Jenkins	Simpson, Pa.
Brownson	Jensen	Smith, Calif.
Broyhill	Johansen	Smith, Kans.
Budge	Jonas	Smith, Va.
Burleson	Kean	Smith, Wis.
Byrnes, Wis.	Kearney	Taber
Cannon	Keeney	Taylor
Cederberg	Kilburn	Teague, Calif.
Chamberlain	Kilgore	Thomas
Chenoweth	Krueger	Thomson, Wyo.
Chiperfield	Laird	Tuck
Clevenger	Landrum	Utt
Cole	Latham	Van Pelt
Colmer	Lipscomb	Vorys
Cramer	McCulloch	Vursell
Curtis, Mo.	McDonough	Wainwright
Dague	McGregor	Weaver
Davis, Ga.	Mack, Wash.	Wharton
Dawson, Utah	Mailliard	Willis
Derounian	Mason	Wilson, Ind.
Devereux	Meader	Younger
Dixon	Michel	

NAYS—275

Abernethy	Bennett, Mich.	Burdick
Adair	Blatnik	Bush
Addonizio	Blitch	Byrd
Albert	Boggs	Byrne, Ill.
Anfuso	Boland	Byrne, Pa.
Ashley	Bolling	Canfield
Auchincloss	Bonner	Carnahan
Bailey	Boyle	Carrigg
Baldwin	Bray	Celler
Baring	Breeding	Chelf
Barrett	Brooks, La.	Christopher
Bass, Tenn.	Brooks, Tex.	Chudoff
Baumhart	Broomfield	Church
Beamer	Brown, Ga.	Clark
Beckworth	Brown, Mo.	Coad
Bennett, Fla.	Buckley	Coffin

Collier	Ikard	Pilcher
Cooley	Jarman	Polk
Cooper	Jennings	Porter
Corbett	Johnson	Powell
Coudert	Jones, Ala.	Preston
Cunningham, Iowa	Jones, Mo.	Price
	Judd	Prouty
Cunningham, Nebr.	Karsten	Rabaut
	Kearns	Radwan
Curtin	Keating	Rains
Curtis, Mass.	Kee	Rees, Kans.
Dawson, Ill.	Kelley, Pa.	Reuss
Delaney	Kelly, N. Y.	Rhodes, Ariz.
Dellay	Keogh	Rhodes, Pa.
Dempsey	Kilday	Riehlman
Dennison	King	Riley
Denton	Kirwan	Rivers
Dingell	Kitchin	Roberts
Dollinger	Klucynski	Rodino
Donohue	Knox	Rogers, Colo.
Dooley	Knutson	Rogers, Fla.
Dorn, N. Y.	Lane	Rogers, Mass.
Doyle	Lanham	Rooney
Durham	Lankford	Roosevelt
Dwyer	LeCompte	Sadlak
Eberharter	Lennon	Santangelo
Edmondson	Lesinski	Saund
Elliott	Long	Saylor
Engle	Loser	Schwengel
Evins	McCarthy	Scott, N. C.
Fallon	McConnell	Scott, Pa.
Farbstein	McCormack	Scudder
Fascell	McFall	Seely-Brown
Feighan	McGovern	Selden
Fenton	McIntire	Sheehan
Finnegan	McIntosh	Shelley
Fino	McMillan	Sheppard
Flood	McVey	Shuford
Fogarty	Macdonald	Sikes
Forand	Machrowicz	Sisk
Fountain	Mack, Ill.	Spence
Frazier	Madden	Springer
Frelinghuysen	Magnuson	Staggers
Friedel	Mahon	Stauffer
Fulton	Marshall	Steed
Garmatz	Martin	Sullivan
Gavin	Matthews	Talle
George	May	Teague, Tex.
Gordon	Merrow	Teller
Granahan	Metcalf	Tewes
Grant	Miller, Calif.	Thompson, La.
Gray	Mills	Thompson, N. J.
Green, Oreg.	Moore	Thompson, Tex.
Green, Pa.	Morano	Thornberry
Griffin	Morgan	Tollefson
Griffiths	Morris	Trimble
Gubser	Morrison	Udall
Hagen	Moss	Ullman
Harden	Moulder	Vanik
Hardy	Multer	Van Zandt
Harris	Natcher	Vinson
Harrison, Va.	Nimtz	Watts
Harvey	Norrell	Westland
Haskell	O'Brien, Ill.	Whitener
Hays, Ark.	O'Brien, N. Y.	Widnall
Hays, Ohio	O'Hara, Ill.	Wier
Healey	O'Konski	Wigglesworth
Hemphill	O'Neill	Williams, N. Y.
Hesselton	Osmers	Withrow
Hoeven	Ostertag	Wolverton
Holifield	Passman	Wright
Holland	Patman	Yates
Holmes	Patterson	Young
Holt	Pelly	Zablocki
Horan	Perkins	Zelenko
Huddleston	Pfost	
Hull	Philbin	
Hyde		

NOT VOTING—20

Anderson, Mont.	Davis, Tenn.	Smith, Miss.
Andresen, August H.	Dies	Walter
Aspinall	Diggs	Whitten
Bowler	Gregory	Williams, Miss.
Boykin	Holtzman	Wilson, Calif.
Cretella	James	Winstead
	Reece, Tenn.	
	Sieminski	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dies for, with Mr. Holtzman against.

Until further notice:

Mr. Aspinall with Mr. Cretella.

Mr. Anderson of Montana with Mr. James.

Mr. Bowler with August H. Andresen.

Mr. Walter with Mr. Reece of Tennessee.

Mr. SHEEHAN changed his vote from "yea" to "nay."

Mr. HARVEY changed his vote from "yea" to "nay."

Mr. AUCHINCLOSS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 5, line 8, strike out "$6,000,000" and insert "$5,558,000."

The SPEAKER. The question is on the amendment.

Mr. LANHAM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 205, not voting 13, as follows:

[Roll No. 41]

YEAS—214

Abbitt	Forrester	Mills
Abernethy	Fountain	Minshall
Adair	Frazier	Mumma
Alexander	Frelinghuysen	Murray
Alger	Gary	Neal
Allen, Calif.	Gathings	Nicholson
Allen, Ill.	Gross	Norblad
Andersen, H. Carl	Gwinn	Norrell
Andrews	Hale	O'Hara, Minn.
Ashmore	Haley	Ostertag
Auchincloss	Harden	Pillion
Avery	Hardy	Poff
Ayres	Harris	Ray
Baker	Harrison, Nebr.	Reed
Barden	Harrison, Va.	Rees, Kans.
Bass, N. H.	Harvey	Rhodes, Ariz.
Bass, Tenn.	Hébert	Riehlman
Bates	Hemphill	Rivers
Baumhart	Henderson	Robeson, Va.
Beamer	Herlong	Robsion, Ky.
Becker	Hess	Rogers, Fla.
Belcher	Hiestand	Rogers, Tex.
Bennett, Fla.	Hill	Rutherford
Bentley	Hillings	Sadlak
Berry	Hoeven	St. George
Betts	Hoffman	Schenck
Bolton	Holt	Scherer
Bonner	Hyde	Schwengel
Bosch	Ikard	Scott, N. C.
Bow	Jackson	Scrivner
Brooks, La.	James	Scudder
Brown, Ohio	Jenkins	Selden
Brownson	Jensen	Sheehan
Broyhill	Johansen	Shuford
Budge	Jonas	Sikes
Burleson	Jones, Mo.	Siler
Byrne, Ill.	Kean	Simpson, Ill.
Byrnes, Wis.	Kearney	Simpson, Pa.
Cannon	Keating	Smith, Calif.
Cederberg	Keeney	Smith, Kans.
Chamberlain	Kilburn	Smith, Miss.
Chenoweth	Kilday	Smith, Va.
Chiperfield	Kilgore	Smith, Wis.
Church	Kitchin	Staggers
Clevenger	Krueger	Stauffer
Cole	Laird	Taber
Collier	Landrum	Talle
Colmer	Latham	Taylor
Cooper	LeCompte	Teague, Calif.
Coudert	Lennon	Tewes
Cramer	Lipscomb	Thomas
Cunningham, Iowa	McConnell	Thompson, La.
	McCulloch	Thompson, Tex.
Curtis, Mo.	McDonough	Thomson, Wyo.
Dague	McGregor	Tuck
Davis, Ga.	McIntire	Utt
Dawson, Utah	McIntosh	Van Pelt
Dennison	McMillan	Vursell
Derounian	McVey	Wainwright
Devereux	Mahon	Weaver
Dooley	Mailliard	Wharton
Dorn, N. Y.	Martin	Whitener
Dorn, S. C.	Mason	Whitten
Dowdy	Matthews	Wigglesworth
Evins	May	Williams, Miss.
Fallon	Meader	Williams, N. Y.
Fascell	Merrow	Willis
Fino	Michel	Wilson, Ind.
Fisher	Miller, Md.	Winstead
Flynt	Miller, Nebr.	Wright
Ford	Miller, N. Y.	Young
		Younger

NAYS—205

Addonizio	Bailey	Bennett, Mich.
Albert	Baldwin	Blatnik
Anfuso	Baring	Boggs
Arends	Barrett	Boland
Ashley	Beckworth	Bolling

Bolton	Griffiths	O'Neill
Boykin	Gubser	Osmers
Boyle	Hagen	Passman
Bray	Halleck	Patman
Breeding	Haskell	Patterson
Brooks, Tex.	Hays, Ark.	Pelly
Broomfield	Hays, Ohio	Perkins
Brown, Ga.	Healey	Pfost
Brown, Mo.	Hesselton	Philbin
Buckley	Holifield	Pilcher
Burdick	Holland	Poage
Bush	Holmes	Polk
Byrd	Horan	Porter
Byrne, Pa.	Hosmer	Powell
Canfield	Huddleston	Preston
Carnahan	Hull	Price
Carrigg	Jarman	Prouty
Celler	Jennings	Rabaut
Christopher	Johnson	Radwan
Chudoff	Jones, Ala.	Rains
Clark	Judd	Reuss
Coad	Karsten	Rhodes, Pa.
Coffin	Kearns	Riley
Cooley	Kee	Roberts
Corbett	Kelley, Pa.	Rodino
Cunningham, Nebr.	Kelly, N. Y.	Rogers, Colo.
	Keogh	Rogers, Mass.
Curtin	King	Rooney
Curtis, Mass.	Kirwan	Roosevelt
Dawson, Ill.	Klucynski	Santangelo
Dawson, Utah	Knox	Saund
Delaney	Knutson	Saylor
Dellay	Lane	Scott, Pa.
Dempsey	Lanham	Seely-Brown
Denton	Lankford	Shelley
Dingell	Lesinski	Sheppard
Dixon	Long	Sisk
Dollinger	McCarthy	Spence
Donohue	McCormack	Springer
Doyle	McFall	Staggers
Durham	McGovern	Steed
Dwyer	Macdonald	Sullivan
Eberharter	Machrowicz	Teague, Tex.
Edmondson	Mack, Ill.	Teller
Elliott	Mack, Wash.	Thompson, N. J.
Engle	Madden	Thornberry
Farbstein	Magnuson	Tollefson
Feighan	Marshall	Trimble
Fenton	Matcalf	Udall
Flood	Miller, Calif.	Ullman
Fogarty	Moore	Vanik
Forand	Morano	Van Zandt
Friedel	Morgan	Vinson
Fulton	Morris	Vorys
Garmatz	Morrison	Watts
Gavin	Moss	Widnall
George	Moulder	Wier
Gordon	Multer	Wilson, Calif.
Granahan	Natcher	Withrow
Grant	Nimtz	Wolverton
Gray	O'Brien, Ill.	Yates
Green, Oreg.	O'Brien, N. Y.	Zablocki
Green, Pa.	O'Hara, Ill.	Zelenko
Griffin	O'Konski	

NOT VOTING—13

Anderson, Mont.	Bowler	Gregory
Andresen, August H.	Cretella	Holtzman
Aspinall	Davis, Tenn.	Reece, Tenn.
	Dies	Sieminski
	Diggs	Walter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Aspinall against.

Mr. August H. Andresen of Minnesota for, with Mr. Anderson of Montana against.

Mr. Dies for, with Mr. Bowler against.

Until further notice:

Mr. Holtzman with Mr. Cretella.

Mr. BUSH changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 6, line 5, strike out "$262,000,000" and insert "$249,814,000."

The SPEAKER. The question is on the amendment.

Mr. BASS of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 200, not voting 12, as follows:

[Roll No. 42]

YEAS—220

Abbitt	Flynt	Miller, Nebr.
Abernethy	Ford	Miller, N. Y.
Adair	Forrester	Mills
Alger	Fountain	Minshall
Allen, Calif.	Gary	Mumma
Allen, Ill.	Gathings	Murray
Andersen, H. Carl	George	Neal
	Gross	Nicholson
Andrews	Gubser	Nimtz
Arends	Gwinn	Norblad
Ashmore	Hale	O'Hara, Minn.
Auchincloss	Haley	Osmers
Ayres	Halleck	Ostertag
Baker	Harden	Pelly
Barden	Hardy	Pillion
Bass, N. H.	Harris	Poage
Bates	Harrison, Nebr.	Poff
Baumhart	Harrison, Va.	Prouty
Beamer	Harvey	Ray
Becker	Hébert	Reed
Belcher	Hemphill	Rees, Kans.
Bennett, Fla.	Henderson	Rhodes, Ariz.
Bentley	Herlong	Riehlman
Berry	Hess	Robeson, Va.
Betts	Hiestand	Rogers, Tex.
Blitch	Hill	Rutherford
Boggs	Hoeven	St. George
Bolton	Hoffman	Schenck
Bonner	Holt	Scherer
Bosch	Horan	Schwengel
Bow	Hosmer	Scott, N. C.
Boyle	Hyde	Scrivner
Bray	Jackson	Scudder
Brooks, La.	James	Sheehan
Brown, Ohio	Jenkins	Shuford
Brownson	Jensen	Siler
Broyhill	Johansen	Simpson, Ill.
Burleson	Jonas	Simpson, Pa.
Bush	Jones, Mo.	Smith, Calif.
Byrne, Ill.	Kean	Smith, Kans.
Byrnes, Wis.	Kearney	Smith, Va.
Cannon	Keeney	Smith, Wis.
Cederberg	Kearney	Springer
Chamberlain	Keating	Stauffer
Chenoweth	Kilburn	Taber
Chiperfield	Kilday	Talle
Church	Kilgore	Teague, Calif.
Clevenger	Kitchin	Teague, Tex.
Cole	Knox	Tewes
Collier	Krueger	Thomas
Colmer	Laird	Thompson, La.
Cooley	Lankford	Thompson, Tex.
Corbett	Latham	Thomson, Wyo.
Coudert	LeCompte	Thornberry
Cramer	Lennon	Tuck
Cunningham, Iowa	Lipscomb	Utt
	McConnell	Van Pelt
Curtis, Mass.	McCulloch	Vursell
Curtis, Mo.	McDonough	Wainwright
Dague	McGregor	Weaver
Davis, Ga.	McIntire	Westland
Derounian	McMillan	Wharton
Devereux	McVey	Whitener
Dixon	Mack, Ill.	Wigglesworth
Dooley	Mack, Wash.	Williams, Miss.
Dorn, N. Y.	Mahon	Williams, N. Y.
Dorn, S. C.	Mailliard	Willis
Dowdy	Martin	Wilson, Calif.
Durham	Mason	Wilson, Ind.
Fallon	Meader	Winstead
Fino	Michel	Wright
Fisher	Miller, Md.	Younger

NAYS—200

Addonizio	Byrd	Dollinger
Albert	Byrne, Pa.	Donohue
Alexander	Canfield	Doyle
Anfuso	Carnahan	Dwyer
Ashley	Carrigg	Eberharter
Avery	Celler	Edmondson
Bailey	Chelf	Elliott
Baldwin	Christopher	Engle
Baring	Chudoff	Evins
Barrett	Clark	Farbstein
Bass, Tenn.	Coad	Fascell
Beckworth	Coffin	Feighan
Bennett, Mich.	Cooper	Fenton
Blatnik	Cunningham, Nebr.	Flood
Boland	Dawson, Ill.	Fogarty
Bolling	Dawson, Utah	Forand
Boykin	Delaney	Frazier
Breeding	Dellay	Frelinghuysen
Brooks, Tex.	Dempsey	Friedel
Broomfield	Denton	Fulton
Brown, Ga.	Diggs	Garmatz
Brown, Mo.	Dingell	Gavin
Buckley		Gordon
Burdick		Granahan

Crazt
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen
Haskell
Hays, Ark.
Hays, Ohio
Healey
Hillings
Holifield
Holland
Holmes
Huddleston
Hull
Jarman
Johnson
Jones, Ala.
Judd
Karsten
Kearns
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
King
Kirwan
Kluczynski
Knutson
Landrum
Lane
Lanham
Lesinski
Long
Loser
McCarthy
McCormack
McFall
McGovern
McIntosh
Macdonald
Machrowicz
Madden
Magnuson
Marshall
Matthews
May
Merrow
Metcalf
Miller, Calif.
Moore
Morano
Morgan
Morris
Morrison
Moss
Moulder
Multer
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
O'Neill
Passman
Patman
Patterson
Pelly
Perkins
Pfost
Philbin
Pilcher
Polk
Porter
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
Santangelo
Saund
Scott, Pa.
Seely-Brown
Selden
Shelley
Sheppard
Sikes
Sisk
Smith, Miss.
Spence
Staggers
Steed
Sullivan
Taylor
Teller
Thompson, N. J.
Tollefson
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Vorys
Watts
Whitten
Wier
Withrow
Wolverton
Young
Zablocki
Zelenko

NOT VOTING—12

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Cretella
Davis, Tenn.
Dies
Gregory
Holtzman
Reece, Tenn.
Sieminski
Walter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Holtzman against.

Mr. August H. Andresen for, with Mr. Aspinall against.

Mr. Dies for, with Mr. Walter against.

Until further notice:

Mr. Anderson of Montana with Mr. Cretella.

Mr. Bowler with Mr. Dawson of Utah.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 8, line 24, strike out "$26,500,000" and insert "$25,000,000."

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 253, nays 167, not voting 12, as follows:

[Roll No. 43]

YEAS—253

Abbitt
Abernethy
Adair
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andrews
Arends
Ashley
Ashmore
Avery
Ayres
Baker
Barden
Bass, N. H.
Bass, Tenn.
Bates
Baumhart
Beamer
Becker
Belcher
Bennett, Fla.
Bentley
Berry
Betts
Bilitch
Boggs
Bosch
Bow
Boykin
Boyle
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Budge
Burleson
Bush
Byrne, Ill.
Byrnes, Wis.
Cannon
Carrigg
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clevenger
Cole
Collier
Colmer
Cooper
Corbett
Coudert
Cramer
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Dawson, Utah
Dennison
Derounian
Devereux
Dixon
Dooley
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Evins
Fallon
Fenton
Fino
Fisher
Flynt
Ford
Forrester
Fountain
Frazier
Gary
Gathings
Gavin
George
Grant
Gray
Griffin
Gross
Gubser
Gwinn
Hale
Haley
Halleck
Harden
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Hays, Ark.
Hays, Ohio
Hebert
Hemphill
Henderson
Herlong
Heselton
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holt
Horan
Hosmer
Huddleston
Hull
Jackson
James
Jenkins
Jennings
Jensen
Johansen
Jonas
Kearney
Kearns
Keating
Keeney
Kilburn
Kilday
Kilgore
Kitchin
Krueger
Laird
Landrum
Latham
LeCompte
Lennon
Lipscomb
Loser
McConnell
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Macdonald
Mack, Ill.
Mack, Wash.
Mahon
Maillard
Martin
Mason
Matthews
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mumma
Murray
Neal
Nicholson
Nimtz
Norblad
Norrell
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Pillion
Poage
Poff
Prouty
Ray
Reed
Rees, Kans.
Rhodes, Ariz.
Riehlman
Riley
Roberts
Robeson, Va.
Robsion, Ky.
Rogers, Fla.
Rogers, Tex.
Rutherford
St. George
Saylor
Schenck
Scherer
Scott, N. C.
Scott, Pa.
Scrivner
Scudder
Selden
Sheehan
Shuford
Siler
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Steed
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Tewes
Thomas
Thompson, Wyo.
Thornberry
Tuck
Utt
Vanik
Van Pelt
Van Zandt
Vorys
Vursell
Wainwright
Watts
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Ind.
Winstead
Wright
Young
Younger

NOT VOTING—12

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Cretella
Davis, Tenn.
Dies
Gregory
Holtzman
Reece, Tenn.
Sieminski
Walter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Holtzman against.

Mr. August H. Andresen for, with Mr. Aspinall against.

Mr. Dies for, with Mr. Sieminski against.

Until further notice:

Mr. Anderson of Montana with Mr. Cretella.

Messrs. JOHNSON of Wisconsin, REUSS, and O'BRIEN of Illinois changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote was demanded.

The Clerk read as follows:

On page 9, line 15, strike out "$2,500,000" and insert "$2,236,200."

The SPEAKER. The question is on the amendment.

Mr. JENSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 342, nays 77, not voting 12, as follows:

[Roll No. 44]

YEAS—342

Abbitt
Abernethy
Adair
Addonizio
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andrews
Anfuso
Arends
Ashley
Ashmore
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Baring
Bass, N. H.
Bass, Tenn.
Bates
Baumhart
Beamer
Becker
Beckworth
Belcher
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Bilitch
Blatnik
Boggs
Boland
Bolling
Bolton
Bonner
Bosch
Bow
Boykin
Boyle
Brooks, La.
Brooks, Tex.
Broomfield
Brown, Ga.
Brown, Mo.
Brown, Ohio
Brownson
Broyhill
Buckley
Budge
Burleson
Bush
Byrne, Ill.
Byrnes, Wis.
Cannon
Carnahan
Carrigg
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Christopher
Church
Clark
Clevenger
Coad
Coffin
Cole
Collier
Colmer
Cooper
Corbett
Coudert
Cramer
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Dawson, Utah
Dellay
Dempsey
Dennison
Denton
Diggs
Dingell
Dollinger
Donohue
Dorn, N. Y.
Eberharter
Edmondson
Elliott
Engle
Farbstein
Feighan
Fenton
Flood
Fogarty
Forand
Frelinghuysen
Friedel
Fulton
Garmatz
Gavin
George
Gordon
Granahan
Green, Oreg.
Green, Pa.
Griffiths
Hagen
Halleck
Hays, Ark.
Hays, Ohio
Healey
Hebert
Heselton
Holifield
Holland
Horan
Johnson
Jones, Ala.
Karsten
Kee
Kelley, Pa.
Keogh
King
Knutson
Lanham
Lesinski
Lipscomb
Long
McCarthy
McCormack
McFall
McGovern
McIntosh
Machrowicz
Madden
Magnuson
Marshall
May
Metcalf
Miller, Calif.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mumma
Murray
Nicholson
Nimtz
Norblad
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Pillion
Poage
Poff
Polk
Prouty
Rabaut
Rains
Ray
Reed
Rees, Kans.
Rhodes, Ariz.
Riehlman
Riley
Rivers
Roberts
Robeson, Va.
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
Santangelo
Saund
Schenck
Scherer
Schwengel
Scott, N. C.
Scott, Pa.
Scrivner
Scudder
Seely-Brown
Selden
Sheehan
Shelley
Sheppard
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Calif.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Tewes
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Tuck
Udall
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Vorys
Vursell
Wainwright
Watts
Weaver
Wharton
Whitener
Whitten
Widnall
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Withrow
Wolverton
Wright
Yates
Young
Younger

NAYS—77

Albert
Bailey
Barrett
Blatnik
Breeding
Burdick
Byrne, Pa.
Celler
Chudoff
Cooley
Dawson, Ill.
Delaney
Diggs
Dingell
Dollinger
Donohue
Dorn, N. Y.
Eberharter
Farbstein
Feighan
Fino
Flood
Fogarty
Forand
Fountain
Frazier
Garmatz
Gordon
Granahan
Green, Pa.
Griffin
Hagen
Holifield
Holland
Horan
Johnson
Jones, Ala.
Karsten
Kee
Kelley, Pa.
Keogh
King
Knutson
Lanham
Lesinski
McCormack
McFall
McGovern
Machrowicz
Madden
Magnuson
Marshall
May
Metcalf
Miller, Calif.
Moore
Morano
Morgan
Morris
Morrison
Moss
Multer
Natcher
Passman
Patterson
Pelly
Perkins
Pfost
Philbin
Porter
Powell
Preston
Price
Rabaut
Radwan
Reuss
Rhodes, Ariz.
Robeson, Va.
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Roosevelt
Sadlak
St. George
Saund
Saylor
Schenck
Scherer
Schwengel
Scott, N. C.
Scott, Pa.
Scrivner
Scudder
Seely-Brown
Selden
Sheehan
Shelley
Sheppard
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Calif.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Stauffer
Steed
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Tewes
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Udall
Ullman
Van Zandt
Vinson
Watts
Widnall
Wier
Wigglesworth
Withrow
Wolverton
Yates
Zablocki
Zelenko

NOT VOTING—12

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Cretella
Davis, Tenn.
Dies
Gregory
Holtzman
Reece, Tenn.
Sieminski
Walter

So the amendment was agreed to.

Denton
Derounian
Devereux
Dixon
Dooley
Dorn, S. C.
Dowdy
Doyle
Durham
Dwyer
Edmondson
Elliott
Engle
Evins
Fallon
Fascell
Fenton
Fisher
Flynt
Forand
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gary
Gathings
Gavin
George
Grant
Gray
Green, Oreg.
Griffiths
Gross
Gubser
Hale
Haley
Halleck
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Haskell
Hays, Ark.
Hays, Ohio
Healey
Hébert
Hemphill
Henderson
Herlong
Heselton
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holmes
Holt
Hosmer
Huddleston
Hull
Hyde
Ikard
Jackson
James
Jarman
Jenkins
Jennings
Jensen
Johansen
Jonas
Jones, Mo.
Judd
Kean
Kearney
Kearns
Keating
Keeney
Kilburn
Kilday
Kilgore
Kitchin
Krueger
Laird
Landrum
Lane
Lanham
Lankford
Lesinski
Long
McCarthy
McCormack
McFall
McGovern
McIntosh
Machrowicz
Madden
Magnuson
Marshall
May
Metcalf
Miller, Calif.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mumma
Murray
Neal
Nicholson
Nimtz
Norblad
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
Osmers
Ostertag
Pillion
Poage
Poff
Polk
Prouty
Rabaut
Radwan
Reuss
Rhodes, Ariz.
Riehlman
Riley
Rivers
Robeson, Va.
Robsion, Ky.
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rutherford
Sadlak
St. George
Saund
Saylor
Schenck
Scherer
Schwengel
Scott, N. C.
Scott, Pa.
Scrivner
Scudder
Seely-Brown
Selden
Sheehan
Shelley
Sheppard
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Stauffer
Steed
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Tewes
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Tuck
Udall
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Vorys
Vursell
Wainwright
Watts
Weaver
Wharton
Whitener
Whitten
Widnall
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Withrow
Wolverton
Wright
Yates
Young
Younger
Zablocki
Zelenko

NAYS—202

Addonizio
Albert
Anfuso
Arends
Ashley
Auchincloss
Bailey
Baldwin
Baring
Barrett
Beckworth
Bennett, Mich.
Blatnik
Bolling
Bonner
Boykin
Boyle
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Brown, Ohio
Brownson
Broyhill
Budge
Burleson
Byrne, Pa.
Canfield
Carnahan
Celler
Chudoff
Clark
Coad
Coffin
Cooley
Corbett
Coudert
Cunningham, Iowa
Cunningham, Nebr.
Curtis, Mass.
Dawson, Ill.
Delaney
Dellay
Dempsey
Dennison
Diggs
Dingell
Dollinger
Donohue
Doyle
Durham
Dwyer
Eberharter
Edmondson
Elliott
Engle
Farbstein
Feighan
Fenton
Flood
Fogarty
Forand
Fountain
Friedel
Fulton
Garmatz
Gavin
George
Gordon
Granahan
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen
Halleck
Hays, Ark.
Hays, Ohio
Healey
Heselton
Holifield
Holland
Horan
Hosmer
Hull
Hyde
Jennings
Johnson
Jones, Ala.
Judd
Karsten
Kean
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
King
Kirwan
Kluczynski
Knox
Knutson
Lane
Lanham
Lankford
Lesinski
Long
McCormack
McCulloch
McDonough
McGregor
McIntire
McMillan
McVey
Macdonald
Mack, Wash.
Mahon
Maillard
Mason
Meader
Merrow
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Moore
Morgan
Morris
Morrison
Moss
Multer
Natcher
Passman
Patman
Patterson
Pelly
Perkins
Pfost
Philbin
Pilcher
Porter
Powell
Preston
Price
Rabaut
Radwan
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riley
Roberts
Rodino
Rogers, Mass.
Rooney
Roosevelt
Santangelo
Saund
Saylor
Schwengel
Scott, Pa.
Seely-Brown
Shelley
Sheppard
Sisk
Spence
Staggers
Steed
Sullivan
Talle
Taylor
Teller
Thompson, N. J.
Tollefson
Trimble
Udall
Ullman
Vanik
Vinson
Watts
Widnall
Wier
Wigglesworth
Withrow
Wolverton
Yates
Zablocki
Zelenko

NOT VOTING—13

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Cretella
Davis, Tenn.
Dies
Gregory
Holtzman
Reece, Tenn.
Sieminski
Walter
Wilson, Calif.

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Reece of Tennessee for, with Mr. Holtzman against.

Mr. August H. Andresen for, with Mr. Aspinall against.

Mr. Dies for, with Mr. Anderson of Montana against.

Until further notice:

Mr. Walter with Mr. Cretella.

Mr. Bowler with Mr. Wilson of California.

Mr. RIVERS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 11, line 13, strike out "$462,000" and insert "$431,000."

The SPEAKER. The question is on the amendment.

Mr. H. CARL ANDERSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 206, nays 210, not voting 16, as follows:

[Roll No. 46]

YEAS—206

Abbitt, Abernethy, Adair, Alexander, Alger, Allen, Calif., Allen, Ill., Andersen, H. Carl, Andrews, Arends, Ashmore, Auchincloss, Avery, Ayres, Baker, Barden, Bass, N. H., Bates, Baumhart, Beamer, Becker, Belcher, Bennett, Fla., Bentley, Berry, Betts, Blatnik, Bolton, Bosch, Bow, Boykin, Brooks, La., Broomfield, Brown, Ohio, Broyhill, Budge, Burleson, Bush, Byrne, Ill., Byrnes, Wis., Cannon, Cederberg, Chamberlain, Chenoweth, Chiperfield, Church, Clevenger, Cole, Collier, Colmer, Cooper, Cramer, Curtis, Mass., Curtis, Mo., Dague, Davis, Ga., Dawson, Utah, Dennison, Derounian, Devereux, Dixon, Dooley, Dorn, N. Y., Dorn, S. C., Dowdy, Durham, Fallon, Fascell, Fino, Fisher, Flynt, Ford, Forrester, Mahon, Frazier, Mailliard, Gary, Martin, Gathings, Mason, Grant, Meader, Griffin, Michel, Gross, Miller, Md., Gubser, Miller, Nebr., Gwinn, Miller, N. Y., Hale, Minshall, Haley, Mumma, Halleck, Murray, Harden, Neal, Hardy, Nicholson, Harrison, Nebr., Norblad, Harrison, Va., O'Hara, Minn., Harvey, Ostertag, Hébert, Pillion, Hemphill, Poage, Henderson, Poff, Herlong, Prouty, Hess, Ray, Hiestand, Reed, Hill, Rees, Kans., Hoffman, Riehlman, Holt, Rivers, Horan, Robeson, Va., Hosmer, Robsion, Ky., Huddleston, Rogers, Fla., Hyde, Rutherford, Jackson, St. George, James, Schenck, Jenkins, Scherer, Jennings, Scott, N. C., Jensen, Scrivner, Johansen, Scudder, Jones, Mo., Selden, Kean, Sheehan, Kearney, Shuford, Keating, Sikes, Keeney, Siler, Kilburn, Simpson, Ill., Kilgore, Simpson, Pa., Kitchin, Smith, Calif., Knox, Smith, Kans., Krueger, Smith, Miss., Laird, Smith, Va., Landrum, Smith, Wis., Latham, Stauffer, LeCompte, Taber, Lennon, Taylor, Lipscomb, Teague, Calif., Loser, Teague, Tex., McCulloch, Thomas, McDonough, Thompson, La., McGregor, Thompson, N. J., McIntire, Tollefson, McIntosh, Trimble, McMillan, Udall, McVey, Ullman, Mack, Wash., Vanik, Madden, Van Zandt, Magnuson, Vinson, Marshall, Watts, Matthews, Widnall, May, Wier, Merrow, Withrow, Metcalf, Wolverton, Miller, Calif., Wright, Mills, Yates, Moore, Young, Morano, Zablocki, Morgan, Zelenko, Morris, Morrison, Moss, Moulder, Natcher, Nimtz, Norrell, O'Brien, Ill., O'Brien, N. Y.

NOT VOTING—16

Anderson, Mont., Andresen, August H., Aspinall, Bowler, Brownson, Cretella, Davis, Tenn., Dies, Gregory, Hillings, Holtzman, Multer, Reece, Tenn., Sieminski, Utt, Walter

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Holtzman against.

Mr. August H. Andresen for, with Mr. Aspinall against.

Mr. Dies for, with Mr. Walter against.

Until further notice:

Mr. Anderson of Montana with Mr. Cretella.

Mr. Bowler with Mr. Utt.

Mr. Multer with Mr. Hillings.

Mr. Sieminski with Mr. Brownson.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 11, line 23, strike out "$10,888,000" and insert "$10,600,000."

Mr. H. CARL ANDERSEN. Mr. Speaker, it is with reluctance that I feel compelled to ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 205, not voting 13, as follows:

[Roll No. 47]

YEAS—214

Abbitt, Abernethy, Adair, Alexander, Alger, Allen, Calif., Allen, Ill., Andersen, H. Carl, Andrews, Arends, Ashmore, Auchincloss, Avery, Ayres, Baker, Barden, Bass, N. H., Bates, Beamer, Becker, Beckworth, Belcher, Bentley, Berry, Betts, Bolton, Bonner, Bosch, Bow, Boykin, Brooks, La., Brooks, Tex., Brown, Ohio, Brownson, Broyhill, Budge, Burleson, Bush, Byrne, Ill., Byrnes, Wis., Cannon, Cederberg, Chamberlain, Chelf, Chenoweth, Chiperfield, Church, Clevenger, Cole, Collier, Colmer, Cooper, Coudert, Cramer, Curtis, Mo., Dague, Davis, Ga., Dennison, Derounian, Devereux, Dooley, Dorn, S. C., Dowdy, Durham, Evins, Fallon, Fisher, Flynt, Ford, Forrester, Frelinghuysen, Gary, Gathings, Grant, Gross, Gubser, Gwinn, Hale, Haley, Halleck, Harden, Hardy, Harrison, Va., Harvey, Hébert, Hemphill, Henderson, Herlong, Hess, Hiestand, Hill, Hoffman, Holt, Horan, Hosmer, Huddleston, Hyde, Jackson, James, Jenkins, Jennings, Jensen, Johansen, Jones, Mo., Kean, Kearney, Keating, Keeney, Kilburn, Kilgore, Kitchin, Knox, Krueger, Laird, Landrum, Latham, LeCompte, Lennon, Lipscomb, Loser, McCulloch, McDonough, McGregor, McIntire, McMillan, McVey, Macdonald, Mack, Wash., Mahon, Mailliard, Martin, Mason, Meader, Merrow, Michel, Miller, Md., Miller, Nebr., Miller, N. Y., Mills, Minshall, Morrison, Mumma, Murray, Neal, Nicholson, Norblad, O'Hara, Minn., Ostertag, Pillion, Poage, Poff, Ray, Reed, Rees, Kans., Riehlman, Rivers, Robeson, Va., Robsion, Ky., Rogers, Fla., Rogers, Colo., Rogers, Mass., Rogers, Tex., Rooney, Roosevelt, Sadlak, Santangelo, Saund, Saylor, Schenck, Schwengel, Scott, Pa., Seely-Brown, Shelley, Sheppard, Sisk, Spence, Springer, Staggers, Steed, Sullivan, Talle, Teague, Tex., Teller, Thompson, La., Thompson, N. J., Thompson, Tex., Thornberry, Tollefson, Trimble, Udall, Ullman, Van Zandt, Vanik, Vinson, Watts, Widnall, Wier, Withrow, Wolverton, Wright, Yates, Young, Zablocki, Zelenko

NAYS—205

Addonizio, Albert, Anfuso, Ashley, Bailey, Baldwin, Baring, Barrett, Bass, Tenn., Baumhart, Bennett, Fla., Bennett, Mich., Blatnik, Bilitch, Boggs, Boland, Bolling, Bonner, Boyle, Bray, Breeding, Brooks, Tex., Broomfield, Brown, Ga., Brown, Mo., Buckley, Burdick, Burleson, Byrd, Byrne, Pa., Canfield, Carnahan, Carrigg, Celler, Chelf, Christopher, Chudoff, Clark, Coad, Coffin, Cooley, Corbett, Coudert, Cunningham, Iowa, Cunningham, Nebr., Curtin, Dawson, Ill., Delaney, Dellay, Dempsey, Denton, Diggs, Dingell, Dollinger, Donohue, Doyle, Durham, Dwyer, Eberharter, Edmondson, Elliott, Engle, Evins, Farbstein, Feighan, Fenton, Flood, Fogarty, Forand, Fountain, Frellinghuysen, Friedel, Fulton, Garmatz, Gavin, George, Gordon, Granahan, Gray, Green, Oreg., Green, Pa., Griffiths, Hagen, Hays, Ark., Hays, Ohio, Healey, Heselton, Hollfield, Holland, Holmes, Hosmer, Huddleston, Hull, Hyde, Jarman, Johnson, Jones, Ala., Judd, Karsten, Kean, Kee, Kelley, Pa., Kelly, N. Y., Keogh, Kilday, King, Kluczynski, Knutson, Landrum, Lane, Lanham, Lankford, Lesinski, Long, McCarthy, McCormack, McFall, McGovern, Macdonald, Machrowicz, Mack, Ill., Madden, Magnuson, Marshall, Matthews, May, Merrow, Metcalf, Miller, Calif., Mills, Moore, Morano, Morgan, Morris, Morrison, Moss, Moulder, Natcher, Nimtz, Norrell, O'Brien, Ill., O'Brien, N. Y., O'Konski, O'Neill, Osmers, Passman, Patman, Patterson, Pelly, Perkins, Pfost, Philbin, Pilcher, Polk, Porter, Powell, Preston, Price, Prouty, Rabaut, Radwan, Rains, Reuss, Rhodes, Pa., Roberts, Rodino, Rogers, Colo., Rogers, Fla., Rogers, Mass., Rogers, Tex., Rooney, Roosevelt, Sadlak, Santangelo, Saund, Saylor, Scott, Pa., Seely-Brown, Shelley, Sheppard, Sisk, Spence, Springer, Staggers, Steed, Sullivan, Talle, Teague, Tex., Teller, Thompson, La., Thompson, N. J., Thompson, Tex., Thornberry, Tollefson, Trimble, Udall, Ullman, Van Zandt, Vanik, Vinson, Watts, Widnall, Wier, Withrow, Wolverton, Wright, Yates, Young, Zablocki, Zelenko

NOT VOTING—13

Anderson, Mont., Andresen, August H., Aspinall, Bowler, Cretella, Davis, Tenn., Dies, Gregory, Holtzman, Multer, Reece, Tenn., Sieminski, Walter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Holtzman against.

Mr. August H. Andresen for, with Mr. Multer against.

Mr. Dies for, with Mr. Aspinall against.

Until further notice:

Mr. Sieminski with Mr. Cretella.

Mr. BOYLE changed his vote from "yea" to "nay."

Mr. COUDERT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote was demanded.

The Clerk read as follows:

On page 12, line 7, strike out "$9,200,000" and insert "$7,973,000."

The SPEAKER. The question is on the amendment.

Mr. POGARTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 130, nays 285, not voting 17, as follows:

[Roll No. 48]

YEAS—130

Abbitt, Abernethy, Adair, Alger, Baker, Allen, Calif., Allen, Ill., Andersen, H. Carl, Ashmore, Ayres, Baker, Bass, N. H., Bates, Baumhart, Becker, Belcher, Bentley, Berry, Betts, Bow, Brooks, La., Brown, Ohio, Brownson, Broyhill, Budge, Bush, Byrne, Ill., Byrnes, Wis., Cannon, Cederberg, Chamberlain, Chiperfield, Clevenger, Cole, Colmer, Cooper, Cramer, Curtis, Mo., Dague, Davis, Ga., Dawson, Utah, Derounian, Devereux, Dooley, Dorn, S. C., Dowdy, Evins, Fisher, Flynt, Forrester, Frelinghuysen, Friedel, Fulton, Garmatz, Gavin, George, Gordon, Granahan, Gray, Griffin, Gross, Gwinn, Hale, Haley, Harden, Harrison, Nebr., Harrison, Va., Harvey, Henderson, Herlong, Hess, Hiestand, Hoffman, Holt, Horan, Hosmer, Huddleston, Hyde, Jackson, Jenkins, Johansen, Jonas, Kearney, Keeney, Kilburn, Kilgore, Knox, Krueger, Laird, Landrum, Latham, LeCompte, Lipscomb, Loser, McCulloch, McGregor, McMillan, McVey, Mack, Wash., Mason, Meader, Merrow, Michel, Miller, Md., Miller, Nebr., Miller, N. Y., Mills, Minshall, Mumma, Murray, Neal, Nicholson, Norblad, Norrell, O'Hara, Minn., Ostertag, Patterson, Pelly, Perkins, Pfost, Philbin, Pilcher, Poff, Preston, Price, Ray, Reed, Rees, Kans., Robeson, Va., Rutherford, St. George, Schenck, Scherer, Scrivner, Siler, Simpson, Ill., Simpson, Pa., Smith, Calif., Smith, Kans., Smith, Va., Smith, Wis., Taber, Teague, Calif., Teague, Tex., Thomas, Thompson, Wyo., Tuck, Utt, Van Pelt, Vorys, Vursell, Wainwright, Watts, Weaver, Westland, Wharton, Whitener, Whitten, Wigglesworth, Williams, Miss., Williams, N. Y., Willis, Wilson, Calif., Wilson, Ind., Winstead, Younger

NAYS—285

Addonizio, Albert, Alexander, Andrews, Anfuso, Arends, Ashley, Auchincloss, Avery, Bailey, Baldwin, Barden, Baring, Barrett, Bass, Tenn., Beamer, Beckworth, Bennett, Fla., Bennett, Mich., Blatnik, Bilitch, Boggs, Boland, Bolling, Bolton, Bonner, Bosch, Boykin, Boyle, Bray, Breeding, Brooks, Tex., Broomfield, Brown, Ga., Brown, Mo., Buckley, Burdick, Burleson, Byrd, Byrne, Pa., Canfield, Carnahan, Carrigg, Celler, Chelf, Chenoweth, Christopher, Chudoff, Church, Clark, Coad, Coffin, Collier, Corbett, Coudert, Cunningham, Iowa, Cunningham, Nebr., Curtin, Curtis, Mass., Dawson, Ill., Delaney, Dellay, Dempsey, Denton, Dennison, Diggs, Dingell, Dixon, Dollinger, Donohue, Dorn, N. Y., Doyle, Durham, Dwyer, Edmondson, Elliott, Engle, Farbstein, Fascell, Feighan, Fenton, Fino, Flood, Fogarty, Forand, Ford, Fountain, Frazier, Friedel, Garmatz, Gary, Gavin, Gordon, Granahan, Green, Oreg., Green, Pa., Griffin, Griffiths, Hagen, Hale, Halleck, Harden, Hardy, Harris, Harrison, Va., Haskell, Hays, Ark., Hays, Ohio, Healey, Hébert, Hemphill, Heselton, Hoeven, Holifield, Holland, Holmes, Holt, Horan, Hosmer, Huddleston, Hull, Ikard, Jarman, Jennings, Johnson, Jones, Ala., Jones, Mo., Judd, Karsten, Kean, Kearns, Keating, Kee, Kelley, Pa., Kelly, N. Y., Keogh, Kilday, King, Kluczynski, Knutson, Lane, Lanham, Lankford, Lesinski, Long, McCarthy, McCormack, McFall, McGovern, Macdonald, Machrowicz, Mack, Ill., Madden, Magnuson, Marshall, Matthews, May, Merrow, Metcalf, Miller, Calif., Mills, Moore, Morano, Morgan, Morris, Morrison, Moss, Moulder, Natcher, Nimtz, Norrell, O'Brien, Ill., O'Brien, N. Y., O'Hara, Ill., O'Konski, O'Neill, Osmers, Passman, Patman, Patterson, Pelly, Perkins, Pfost, Philbin, Pilcher, Polk, Porter, Powell, Preston, Prouty, Rabaut, Radwan, Rains, Reuss, Rhodes, Ariz., Rhodes, Pa., Riehlman, Rivers, Roberts, Robeson, Ky., Robsion, Ky., Rogers, Colo., Rogers, Fla., Rogers, Mass., Rogers, Tex., Rooney, Roosevelt, Sadlak, Santangelo, Saund, Saylor, Schwengel, Scott, N. C., Scott, Pa., Scudder, Selden, Seely-Brown, Shelley, Sheppard, Shuford, Sikes, Sisk, Smith, Miss., Spence, Springer, Staggers, Stauffer, Steed, Sullivan, Taber, Talle, Taylor, Teague, Tex., Thompson, La., Thompson, N. J., Thompson, Tex., Thornberry, Tollefson, Trimble, Udall, Ullman, Van Pelt, Van Zandt, Vanik, Vinson, Vorys, Vursell, Wainwright, Watts, Weaver, Westland, Wharton, Whitener, Whitten, Widnall, Wier, Wigglesworth, Williams, N. Y., Wilson, Calif., Withrow, Wolverton, Wright, Wright, Yates, Young, Zablocki, Zelenko

NOT VOTING—17

Anderson, Mont., Andresen, August H., Aspinall, Bowler, Cretella, Davis, Tenn., Dies, Gregory, Gubser, Holtzman, LeCompte, Merrow, Multer, Pillion, Reece, Tenn., Sieminski, Walter

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Holtzman against.

Mr. August H. Andresen for, with Mr. Walter against.

Mr. Dies for, with Mr. Multer against.

Until further notice:

Mr. Anderson of Montana with Mr. Cretella.

Mr. Aspinall with Mr. LeCompte.

Mr. Sieminski with Mr. Merrow.

Mr. Bowler with Mr. Gubser.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 19, line 15, strike out "$7,000,000" and insert "$5,518,000."

Mr. POGARTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 206, nays 207, not voting 19, as follows:

[Roll No. 49]

YEAS—206

Abbitt, Abernethy, Adair, Alexander, Alger, Allen, Calif., Allen, Ill., Andersen, H. Carl, Andrews, Arends, Ashmore, Auchincloss, Avery, Ayres, Baker, Barden, Bass, N. H., Bass, Tenn., Bates, Baumhart

Beamer
Becker
Belcher
Bentley
Berry
Betts
Bilitch
Bonner
Bosch
Bow
Boyle
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Ohio
Brownson
Broyhill
Budge
Burleson
Bush
Byrne, Ill.
Byrnes, Wis.
Cannon
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clevenger
Cole
Collier
Colmer
Cooper
Cramer
Cunningham, Mont.
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Dennison
Derounian
Devereux
Dooley
Dorn, S. C.
Dowdy
Durham
Fisher
Flynt
Forrester
Fountain
Frazier
Gary
Gathings
George
Grant
Gross
Gubser
Gwinn
Haley
Harden
Hardy
Harrison, Nebr.
Harrison, Va.
Harsy
Hébert
Hemphill
Henderson
Herlong
Hess
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holt
Hosmer
Huddleston
Ikard
Jackson
Scherer
James
Jarman
Jenkins
Jennings
Jensen
Johansen
Jonas
Jones, Mo.
Kearney
Keating
Keeney
Kilburn
Kilgore
Kitchin
Krueger
Laird
Landrum
Latham
Lennon
Lipscomb
Loser
McCulloch
McDonough
McGregor
McIntire
McMillan
Macdonald
Mack, Wash.
Mahon
Mailliard
Mason
Matthews
Meader
Michel
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Mumma
Murray
Neal
Nicholson
Norblad
O'Hara, Minn.
Ostertag
Poage
Poff
Prouty
Ray
Reed
Rees, Kans.
Rhodes, Ariz.
Riehlman
Riley
Robeson, Va.
Robsion, Ky.
Rogers, Fla.
Rogers, Tex.
Rutherford
St. George
Schenck
Scherer
Scott, N. C.
Scrivner
Scudder
Selden
Sheehan
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Smith, Va.
Smith, Wis.
Springer
Stauffer
Steed
Taber
Taylor
Teague, Calif.
Thomas
Thompson, La.
Thompson, Tex.
Thomson, Wyo.
Tuck
Utt
Van Pelt
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Whitener
Whitten
Widnall
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Young
Younger

NAYS—207

Addonizio
Albert
Anfuso
Ashley
Bailey
Baldwin
Baring
Barrett
Beckworth
Bennett, Fla.
Bennett, Mich.
Blatnik
Boggs
Boland
Bolling
Bolton
Bray
Breeding
Broomfield
Brown, Mo.
Buckley
Burdick
Byrd
Byrne, Pa.
Canfield
Carrigg
Chelf
Christopher
Chudoff
Clark
Coad
Coffin
Cooley
Corbett
Coudert
Cunningham, Iowa
Curtis
Dawson, Ill.
Dawson, Utah
Delaney
Dellay
Dempsey
Denton
Diggs
Dingell
Dixon
Dollinger
Donohue
Dorn, N. Y.
Doyle
Dwyer
Eberharter
Edmondson
Elliott
Engle
Evins
Fallon
Farbstein
Fascell
Feighan
Fenton
Fino
Flood
Fogarty
Forand
Ford
Frelinghuysen
Friedel
Fulton
Garmatz
Gavin
Gordon
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen
Hale
Halleck
Harris
Haskell
Hays, Ark.
Hays, Ohio
Healey
Heselton
Holifield
Holland
Holmes
Horan
Hull
Hyde
Johnson
Jones, Ala.
Judd
Karsten
Kean
Kearns
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
King
Kirwan
Kluczynski
Knox
Knutson
Lane
Lanham
Lankford
Lesinski
Long
McCarthy
McConnell
McCormack
McFall
McGovern
McIntosh
McVey
Machrowicz
Mack, Ill.
Madden
Magnuson
Marshall
Martin
May
Metcalf
Miller, Calif.
Moore
Morano
Morgan
Morris
Morrison
Moss
Moulder
Natcher
Nimtz
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
O'Neill
Osmers
Passman
Patman
Patterson
Pelly
Perkins
Pfost
Philbin
Pilcher
Polk
Porter
Powell
Preston
Price
Rabaut
Radwan
Rains
Reuss
Rhodes, Pa.
Rivers
Roberts
Rodino
Rogers, Colo.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
Santangelo
Saund
Saylor
Schwengel
Scott, Pa.
Seely-Brown
Shelley
Sheppard
Sisk
Smith, Miss.
Spence
Staggers
Sullivan
Talle
Teague, Tex.
Teller
Trews
Thompson, N. J.
Thornberry
Tollefson
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Watts
Wier
Wigglesworth
Withrow
Wolverton
Wright
Yates
Zablocki
Zelenko

NOT VOTING—19

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Boykin
Carnahan
Cellar
Cretella
Davis, Tenn.
Dies
Gregory
Holtzman
LeCompte
Merrow
Multer
Pillion
Reece, Tenn.
Sieminski
Walter

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee for, with Mr. Aspinall against.

Mr. August H. Andresen for, with Mr. Walter against.

Mr. Dies for, with Mr. Bowler against.

Until further notice:

Mr. Anderson of Montana with Mr. Cretella.

Mr. Holtzman with Mr. LeCompte.

Mr. Carnahan with Mr. Merrow.

Mr. Multer with Mr. Pillion.

Mrs. BOLTON changed her vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 19, lines 23, strike out the paragraph down to and including line 6 on page 20.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 25, strike out lines 1 through 4.

The SPEAKER. The question is on the amendment.

Mr. FOGARTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. FOGARTY. Mr. Speaker, may I announce that this is the last amendment on which we are going to ask for a rollcall vote at this time.

The SPEAKER. The gentleman is out of order. Before the Chair knew what he was doing, he made a statement.

The question is on the amendment.

The question was taken; and there were—yeas 185, nays 231, not voting 16, as follows:

[Roll No. 80]

YEAS—185

Abbitt
Abernethy
Adair
Alexander
Alger
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Arends
Ashmore
Auchincloss
Avery
Ayres
Barden
Bass, N. H.
Bates
Beamer
Becker
Belcher
Bentley
Berry
Betts
Bolton
Bosch
Bow
Bray
Broomfield
Brown, Ohio
Brownson
Budge
Burleson
Byrne, Ill.
Byrnes, Wis.
Canfield
Cannon
Cederberg
Chamberlain
Chiperfield
Church
Clevenger
Cole
Collier
Colmer
Coudert
Cunningham, Iowa
Cunningham, Nebr.
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Derounian
Dixon
Dooley
Dorn, N. Y.
Dorn, S. C.
Dowdy
Dwyer
Fino
Fisher
Flynt
Ford
Frelinghuysen
Gathings
Gavin
George
Gross
Gubser
Gwinn
Hale
Haley
Harden
Harrison, Nebr.
Harrison, Va.
Harvey
Haskell
Hebert
Hemphill
Henderson
Herlong
Heselton
Hiestand
Hill
Hillings
Hoeven
Hoffman
Holt
Hosmer
Ikard
Jackson
James
Jenkins
Jensen
Johansen
Jonas
Kearney
Keating
Keeney
Kilburn
Kilgore
Krueger
Laird
Latham
Lipscomb
McConnell
McCulloch
McDonough
McGregor
McIntire
McVey
Macdonald
Mahon
Mailliard
Martin
Mason
Meader
Michel
Miller, Nebr.
Miller, N. Y.
Minshall
Morano
Mumma
Murray
Neal
Nicholson
Nimtz
Norblad
O'Brien, N. Y.
O'Hara, Minn.
Osmers
Osterlag
Pelly
Pillion
Poff
Prouty
Radwan
Ray
Reed
Rees, Kans.
Riehlman
Robeson, Va.
Rogers, Tex.
Rutherford
St. George
Schenck
Scherer
Scrivner
Scudder
Sheehan
Shuford
Siler
Simpson, Pa.
Smith, Calif.
Smith, Kans.
Smith, Va.
Smith, Wis.
Springer
Stauffer
Talle
Taylor
Teague, Calif.
Tewes
Thomson, Wyo.
Tuck
Utt
Van Pelt
Vorys
Vursell
Wainwright
Weaver
Westland
Whitener
Widnall
Wigglesworth
Williams, Miss.
Wilson, Calif.
Wilson, Ind.
Winstead
Younger

NAYS—231

Addonizio
Albert
Andrews
Anfuso
Ashley
Bailey
Baker
Baldwin
Baring
Barrett
Bass, Tenn.
Baumhart
Beckworth
Bennett, Fla.
Bennett, Mich.
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Boykin
Boyle
Breeding
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Broyhill
Buckley
Burdick
Bush
Byrd
Byrne, Pa.
Carrigg
Celler
Chelf
Chenoweth
Christopher
Chudoff
Clark
Coad
Coffin
Corbett
Cooley
Cooper
Cramer
Cunningham, Mont.
Curtin
Dawson, Ill.
Delaney
Dellay
Dempsey
Dennison
Denton
Devereux
Diggs
Dingell
Dollinger
Donohue
Doyle
Durham
Eberharter
Edmondson
Elliott
Engle
Evins
Fallon
Farbstein
Fascell
Feighan
Fenton
Flood
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Fulton
Garmatz
Gathings
Gavin
Gordon
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Gregory
Griffin
Griffiths
Hagen
Harris
Hays, Ark.
Hays, Ohio
Healey
Holifield
Holland
Holmes
Horan
Hull
Hyde
Johnson
Jones, Ala.
Jones, Mo.
Karsten
Karsten
Kearns
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
King
Kirwan
Kluczynski
Knox
Knutson
Lane
Lanham
Lankford
Lesinski
Long
McCarthy
McCormack
McFall
McGovern
McIntosh
McMillan
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Marshall
Matthews
May
Metcalf
Miller, Calif.
Miller, Md.
Miller, N. Y.
Moore
Morgan
Morris
Morrison
Moss
Moulder
Natcher
Norrell
O'Brien, Ill.
O'Konski
O'Neill
Passman
Patman
Patterson
Perkins
Pfost
Philbin
Pilcher
Polk
Porter
Powell
Preston
Price
Rabaut
Rains
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riley
Rivers
Roberts
Robsion, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Sadlak
Santangelo
Saund
Saylor
Schwengel
Scott, N. C.
Scott, Pa.
Seely-Brown
Selden
Shelley
Sheppard
Sikes
Simpson, Ill.
Sisk
Smith, Miss.
Spence
Staggers
Steed
Sullivan
Teller
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Watts
Whitten
Wier
Williams, N. Y.
Willis
Withrow
Wolverton
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—16

Anderson, Mont.
Andresen, August H.
Aspinall
Bowler
Carnahan
Cretella
Davis, Tenn.
Dies
Holtzman
LeCompte
Merrow
Multer
Reece, Tenn.
Sieminski
Teague, Tex.
Walter

So the amendment was rejected:

The Clerk announced the following pairs:

On this vote:

Mr. August H. Andresen for, with Mr. Holtzman against.

Mr. Dies for, with Mr. Multer against.

Until further notice:

Mr. Aspinall with Mr. Cretella.

Mr Anderson of Montana with Mr. LeCompte.

Mr. Carnahan with Mr. Merrow.

Mr. Walter with Mr. Reece of Tennessee.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 27, line 20, after the word "Interior", insert "at the option of the Secretary of the Department of Health, Education, and Welfare."

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 33, line 2, strike out "$2,000,000" and insert "$1,900,000."

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 39, line 17, strike out "$9,480,000" and insert "$9,384,800."

The amendment was agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill (H. R. 6287) to the Committee on Appropriations with instructions to report the same back to the House forthwith with an amendment as follows: On page 16, line 3, strike out "$5,000,000" and insert in lieu thereof "$3,000,000."

Mr. FOGARTY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, I have been asked by many Members of the House to briefly summarize each of the 18 amendments which were adopted in the Committee of the Whole House to H. R. 6287, the appropriation bill for the Departments of Labor, and Health, Education, and Welfare.

Before summarizing each of these amendments, I would like to state, Mr. Speaker, that the effect of the House action in the Committee of the Whole House in carefully analyzing the appropriations line by line contained in this appropriation bill, has been tremendous. Since this bill has been on the floor for action three other appropriation bills have been marked up by subcommittees of the House Appropriations Committee. These markups have brought about substantial reductions, particularly in new personnel items for the Departments of Commerce, State, and Justice. Requests for additional new personnel have been severely trimmed for these three departments because of the manifestation on the part of the House in the last 7 days that it is truly interested in holding down the number of new employees provided for in the President's budget.

At the present time there are over 2,300,000 Federal civilian employees on the Government payroll. The $71.8 billion executive budget submitted by President Eisenhower to this Congress makes provisions for an addition to the civilian payroll of our Federal Government of 30,000 employees. The House of Representatives in adopting the amendments in the Committee of the Whole House has shown that it is most interested in holding down all requests for new funds to hire additional Federal employees to the minimum. It might be pointed out that in all the amendments which will be voted upon today, not a single reduction over the Committee recommendations as far as health and welfare personnel, was made. However the employment levels in those areas which do not directly affect the health and welfare of our citizens were maintained by the action of the Committee of the Whole House at very close to the 1957 employment levels. None of the amendments adopted by the Committee of the Whole House would have eliminated a single position in the Department of Labor or in the Department of Health, Education, and Welfare but are an attempt to hold the line below the 1957 employment level. As a matter of fact not a single amendment was adopted which provides less money for personnel services than the particular bureau in two departments received in last year's budget. These amendments, therefore, do not cut the present Federal budget but merely make reductions in the requests for additions in the fiscal year 1958 executive budget. Every amendment adopted will in fact give the particular bureau involved more money for personnel services than it received in the current fiscal year.

Oftentimes, we as Members of Congress seem to accept the requests of the executive department for the new fiscal year as the basis of making statements that cuts in Federal spending have been made when, in fact, no reductions are actually made in the spending levels of the various bureaus involved. Reductions are merely made in the President's requests of Congress to appropriate certain funds. The Congress has the sole responsibility under our Constitution, particularly the House of Representatives, for controlling the purse strings of this Nation. Any request by the President can be granted in full or refused in full. It can be granted in part or refused in part. It is like the experience all of us have in our own families. One of our children wants a $1 allowance. At the present time he is receiving a 75-cent allowance. The $1 figure is a request he makes of us. Just because our son asked for it, we do not give it to him and no matter how high a regard we may have for the President of the United States, be he Democrat or Republican, we should not blindly give him everything he asks for in his budget requests. If we deny our son the $1 allowance which he requests and give him 85 cents as an allowance, we are, in fact, making no cut in his budget but are granting him an increase of 10 cents. The amendments which we are voting on today follow this same pattern. We are making no cut in the present salary and expense allowance of any bureau or division in the Departments of Labor, and Health, Education, and Welfare. We are giving them an increase in their present allowance but not giving them the total increase which they

requested through the offices of the President. The job of controlling appropriations is vested in the United States Congress and it rightfully belongs there.

There are Members of Congress who are willing to pass the buck to the executive branch of Government in the matter of controlling Federal employment and the Federal budget, in an effort to escape their responsibility for Federal spending. It should always be remembered that the executive branch merely requests certain sums of money from the legislative branch and under our Constitution, the responsibility for authorizing expenditures, is clearly vested in the Congress. Regardless of whether there is a Republican or a Democrat in the White House, it is incumbent upon the Congress never to abdicate its responsibility for control of Federal employment and Federal spending.

Only yesterday President Eisenhower in a press conference indicated to the press and through them to the citizens of our Nation that Federal civilian employment should be reduced and not expanded. The House in the past 7 days has clearly indicated its intentions of not drastically raising Federal employment above the current level. This action symbolized to the executive departments the intention of this Congress to keep some check on the continuing increases of personnel in every department and agency of our Federal Government. This same policy has been and will be followed by me on every appropriation bill reaching the floor of the House in this session of Congress regardless of the fact that I may be in the minority in my point of view.

I have summarized each of the amendments adopted in the Committee of the Whole House and acted upon by the House this afternoon.

OFFICE OF SECRETARY OF LABOR

This amendment was introduced by the gentleman from Idaho [Mr. BUDGE] and reduces the item of salaries and expenses in the Office of the Secretary of Labor on page 2, lines 11 and 12, from $1,510,000 to $1,480,000, or a reduction of $30,000. The effect of this amendment is to deny three new positions which were to be established in the Department of Labor here in Washington to handle international labor affairs in two areas of the world—South America and the Near East. This activity can and will be carried on by the number of employees allowed in this budget request for 1958. The current employment level on Februrary 28, 1957, in the Office of the Secretary was 168 positions. This 1958 bill, after the adoption of this amendment, will allow for 183 positions, as compared with 173 authorized in 1957, or an increase of 10 positions. The appropriation for the Office of the Secretary, placing the appropriation for 1957 on a comparable basis with the activities to be carried out by the Office in fiscal year 1958, shows that the appropriation to the Secretary's Office is increased from $1,422,800 to $1,480,000. These figures take into consideration the plans which the Department of Labor have to transfer from this appropriation to other appropriation items in this bill, certain activities which were carried on in the Office of the Secretary in fiscal year 1957. Taking all these adjustments into consideration, the amount allowed after the adoption of the Budge amendment is sufficient to support all activities of this Office at a higher level than in the current fiscal year.

We have heard a lot of talk about the increases in Department of Labor being necessary to carry out the laws that we passed last year. Now that just is not factual. We did not pass any legislation last year that added appreciably to the workload of the Department of Labor with one single exception—the Federal Aid Highway Act. That act did require some additional work in the Office of the Solicitor and a special appropriation from the highway trust fund is included in the bill for that. But I think it is important to keep in mind that, with this exception there is not a single piece of new legislation that would require any appreciable increase in this Departments activities.

AMENDMENT NO. 2. OFFICE OF SOLICITOR, DEPARTMENT OF LABOR

This amendment was introduced by the gentleman from Idaho [Mr. BUDGE] and amended by an amendment by the gentleman from Virginia [Mr. SMITH] and reduces the item of salaries and expenses on page 3, line 9, in the Office of the Solicitor from $2,225,000 to $2,021,000, or a reduction of $204,000 in the budget request. In fiscal year 1957 there was a total of $2,321,000 made available to the Office of the Solicitor for salaries and expenses including the transfer of $300,000 from the highway trust fund. If this amendment is adopted, the Office of the Solicitor will have available for salaries and expenses $2,386,000 which includes $365,000 transferred from the highway trust fund for salaries and expenses in fiscal year 1958. The current employment level in the Office of the Solicitor on February 28, 1957, was 327 positions. Although the number of positions allowed in the 1957 budget for 362 positions. This amendment provides that no new positions can be added in the Office of the Solicitor, above the number allowed in the 1957 budget but will allow for a higher employment level that was in effect on February 28, 1957. At the beginning of this year, just a little over 8 months ago, this Office had 285 employees and last year they averaged 261 employees, so an amendment to hold them to just a little more than their current employment of 327 certainly is not going to hurt anything.

AMENDMENT NO. 3. BUREAU OF LABOR STANDARDS

This amendment was introduced by the gentleman from Idaho [Mr. BUDGE] and reduces the item for salary and expenses on page 4, line 7, for the Bureau of Labor Standards from $1,031,300 to $985,000, or a reduction of $46,300. This amendment continues the personnel level in this agency at the current 1957 employment figure. It adds to the funds appropriated a sufficient amount to take care of retirement pay to the Civil Service Commission and it also takes care of the extra day's pay which is being encountered in all of these departments in fiscal year 1958. The appropriation for the Bureau of Labor Standards for fiscal year 1957 was $911,500. Upon the adoption of this amendment the amount available for the Bureau of Labor Standards in 1958 will be $985,000. The current employment level in the Bureau of Labor Standards on February 28, 1957 was 107 positions and the number of positions allowed in the 1957 budget were 113. The same employment figure for 1958 is allowed upon the adoption of this amendment. For the last 3 years in succession increases in personnel have been provided for this Bureau. They have no new programs that they are required to administer, they just keep expanding, it certainly is in order that this Bureau at least level off.

AMENDMENT NO. 4. BUREAU OF VETERANS REEMPLOYMENT

This amendment was introduced by the gentleman from Idaho [Mr. BUDGE] on the Bureau of Veterans Reemployment Rights, page 4, line 18, and provides for $406,000 for fiscal year 1958, a decrease of $136,000 from the amount originally allowed in the bill, but an increase over the 1957 appropriation of $23,000. This amendment provides for the same number of positions authorized in fiscal year 1957 and adds to the amount of money available in 1957 an appropriation equal to the increased payments to the civil-service retirement fund and money for the extra day's pay.

AMENDMENT NO. 5. BUREAU OF EMPLOYMENT SECURITY

This amendment was introduced by the gentleman from Virginia [Mr. SMITH] on page 5, line 8, for the Bureau of Employment Security, and provides $5,558,000 for salaries and expenses, a decrease of $442,000 from the amount originally included in the bill, or maintains the same appropriation level to this Bureau that was established in the 1957 budget. The current employment level as of February 28, 1957, in the Bureau of Employment Security was 731 positions. The number of positions allowed in the 1957 budget is 768. This Bureau also has expanded substantially in the last couple of years. At the end of fiscal year 1955 they had 706 employees. Now they have 731. Certainly just stopping the further expansion is not going to have any disastrous effects.

AMENDMENT NO. 6. GRANTS TO STATES

This amendment was introduced by the gentleman from Wisconsin [Mr. BYRNES] and amended by the gentleman from Texas [Mr. BURLESON] on the item on page 6, line 5, "Grants to States." This amendment has the net result of reducing the appropriation to grants to States by $186,000, the total of two increases made by the Bureau of the Budget over the amounts originally requested by the Department of Labor as set forth in the table on page 29 of the committee hearings. This reduction was conceded by the chairman of the subcommittee because of the confusion resulting from the table provided for the record by the Department of Labor. Although this amendment shows up as a $12,186,000 reduction, this is the result of a point of order made by the gentleman from New York [Mr. TABER] against

the language beginning after the first figure on line 5 of page 6 of the bill, which the Chair held was legislation on an appropriation bill and not authorized by law. The language which was stricken from the bill by this point of order provided for the expenditure of $12 million to meet increased cost of administration resulting from changes in a State law, increases in the number of claims filed for unemployment compensation in the States during the next fiscal year, or increases in State salaries. In view of the fact that this contingency language was stricken from the bill, it will be necessary to secure authorizing legislation through the Committee on Labor and Education in order to make this $12 million available, or similar language can be reinserted in conference between the House and Senate. Therefore, the net result of this amendment, because of the elimination of the contingency fund language on the point of order is merely the reduction of $186,000 which was conceded by the chairman of the subcommittee [Mr. FOGARTY].

AMENDMENT NO. 7. FEDERAL EMPLOYEES UNEMPLOYMENT COMPENSATION

This amendment was introduced by the gentleman from Georgia [Mr. FLYNT] and reduces the item on page 8, line 24. The amendment provides for $25 million to cover the cost of unemployment compensation to Federal employees during fiscal year 1958. This is a reduction of $1,500,000 from the original amount included in the bill, and is the same amount carried in the 1957 appropriation for this item. This figure of course is an estimate of the amount that will be needed to make unemployment compensation payments to Federal employees during fiscal year 1958. It is most difficult to estimate the amount necessary for this particular item and under the existing authorization passed by the Congress, if this estimate is too low, additional funds will necessarily be made available in a deficiency appropriation. However, there is no foreseeable reason why the level of payments to Federal workers in 1958 will be at a higher level than 1957.

AMENDMENT NO. 8. MEXICAN FARM LABOR

This amendment was introduced by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] for the Mexican farm labor program on page 9, line 15. This amendment provides that salaries and expenses for the Mexican farm-labor program will be established at $2,236,200 for fiscal year 1958. Upon the adoption of this amendment the Mexican farm-labor program for fiscal year 1958 will provide for the same level of employment as in fiscal year 1957. The current employment level for the Mexican farm-labor program as of February 28, 1957, was 281 positions. The positions allowed in the 1957 budget were 332. The President in his budget requested an increase in the positions allowed for 1958 to 389. It was the feeling of the majority of the members in the Committee of the Whole House that new authorizing legislation should be immediately enacted which would provide that the entire cost of this particular activity of recruiting, supervising, and placing the Mexican farm-labor employees should be borne by the employers through a revolving-fund authorization. This amendment disallows the increase in positions until such a time as this authorizing legislation is enacted by the Congress.

AMENDMENT NO. 9. BUREAU OF LABOR STATISTICS

This amendment was introduced by the gentleman from Tennessee [Mr. MURRAY], page 11, line 7. Bureau of Labor Statistics. This amendment provides for an addition of $327,000 to cover the mandatory contributions to the Retirement Fund by the Bureau of Labor Statistics and eliminates the proposed expansion of present studies and programs with new and additional employees in fiscal year 1958. The current employment level of the Bureau of Labor Statistics as of February 28, 1957 was 986 employees. The number of positions allowed in the 1957 budget was 1,001. The number of positions provided in the bill for fiscal year 1958 was 1,024. This amendment would not allow 23 additional new positions in this Bureau in fiscal year 1958. The amount of money made available to the Bureau of Labor Statistics would be $7,124,000 for fiscal year 1958 as compared with $6,887,000 for the current fiscal year.

AMENDMENT NO. 10. WOMEN'S BUREAU

This amendment was introduced by the gentlewoman of Georgia [Mrs. BLITCH] and amended by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], page 11, line 12, and provides for an appropriation of $431,000 for salaries and expenses in the Women's Bureau for fiscal year 1958. This amendment would hold the employment level in the Women's Bureau at the same level as this year. The appropriation in fiscal year 1957 to the Women's Bureau was $403,000 and this bill, with the adoption of this amendment, will provide for $431,000 for fiscal year 1958. The effect of this amendment is to deny four new positions in the Women's Bureau for fiscal year 1958. The original amendment as offered by Mrs. BLITCH of Georgia would not have made provision for an increase of $28,000 which is necessary to cover the contributions to the Civil Service Retirement Fund and would have maintained the appropriation at the $403,000 appropriation level of 1957. The amendment to the amendment by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] provided for this necessary increase over the 1957 appropriation level.

AMENDMENT NO. 11. WAGE AND HOUR DIVISION

This amendment was introduced by the gentleman from Louisiana [Mr. HÉBERT], page 11, lines 23 and 24, and provides for an appropriation of $10,600,000 for salaries and expenses in 1958 for the Wage and Hour Division of the Department of Labor. This amendment would provide for an appropriation equal to what the Division will spend this year, plus an additional $600,000, which will be sufficient to cover all mandatory cost increases such as contributions to the civil service retirement fund. The current employment level in the Wage and Hour Division as of February 28, 1957, was 1,452. The positions allowed in the 1957 budget provided for 1,535 positions. The employment level in this Division was substantially increased in the 1957 budget. During fiscal year 1956 employment averaged only 1,170 and during 1955 it averaged less than 1,000, to be exact, 989. This amendment certainly cannot be seriously called a crippling cut.

AMENDMENT NO. 12. FOOD AND DRUG ADMINISTRATION

This amendment was introduced by the gentleman from North Carolina [Mr. JONAS], page 13, line 7, and provides for $7,973,000 for salaries and expenses in the Food and Drug Administration for fiscal year 1958. This amendment increases the 1957 appropriation by $1,194,000. Four hundred and nineteen thousand dollars of this will be used to cover mandatory cost increases of contributions to the civil service retirement fund and the extra day's pay in fiscal year 1958, leaving an increase in appropriations for the Food and Drug Administration in fiscal year 1958, as compared with fiscal year 1957 of $775,000 to be used for new personnel or other expenses in the Food and Drug Administration. The employment level in the Food and Drug Administration as of February 28, 1957, was 1,130 positions. The number of permanent positions allowed in the 1957 budget was 1,184. This amendment will allow for an increase in the number of positions in 1958. In this agency also the 1957 employment is substantially above last year. In fiscal year 1956 this average employment was 1,031, and in 1955 it was an even 800.

AMENDMENT NO. 13. OFFICE OF EDUCATION

This amendment was introduced by the gentleman from South Carolina [Mr. DORN], page 15, line 18, and provides for $5,518,000 for salaries and expenses in the Office of Education, a decrease of $1,482,000 from the amount originally provided in the bill, but an increase over the 1957 appropriation of $248,000 which will take care of the necessary mandatory increases for 1958. The current employment level as of February 28, 1957, in the Office of Education, covered by this salary and expense item was 493. The number of positions allowed in the 1957 budget was 564. The original budget estimate included an increase in positions to 639. As pointed out in the committee's report on page 12, "Last year an increase of 133 positions was allowed for 1957. Less than half of the additional positions provided for 1957 had been filled by the end of the seventh month of the fiscal year." So this amendment will still allow sufficient funds for a very substantial increase in 1958 over the current employment. It is also interesting to note that while they now have 493 employees and more could be added under this amendment, back only to 1956 they had an average employment of 417.

AMENDMENT NO. 14. PRESIDENT'S COMMITTEE ON HIGHER EDUCATION

This amendment was introduced by the gentleman from North Carolina [Mr. SHUFORD], page 19, line 23 through page 20, line 6, and deletes the total appropriation made available for the President's Committee on Education beyond the high school in the amount of

$300,000. Under the language of the appropriation bill which was stricken by this amendment, this $300,000 was made available for expenditure by this Committee up to December 31, 1957, when the Committee would have to disband under the original language of the bill. This amendment will provide that no funds will be available after June 30, 1957. The Appropriations Committee itself refused to allow any funds for this activity when it was first presented last year, and the members on the majority side of the Committee have repeatedly indicated that they have serious reservations about this item, in fact, the gentleman from Rhode Island [Mr. FOGARTY] who is in charge of the bill has indicated that he would not even ask for a separate vote on this amendment.

AMENDMENT NO. 15. LOCAL SEWER AND DISPOSAL GRANTS

This amendment was introduced by the gentleman from Texas [Mr. FISHER], pages 25, lines 1 through 4, and provides that no appropriation will be available for fiscal year 1958 for grants to local municipalities to build sewer and waste-treatment projects. This amendment deletes the total appropriation of $50 million which was authorized last year. During the past few weeks my office has has had more complaints about this program than any other Federal program operating in our district. Those communities which were denied funds are complaining about the communities to which grants were made. Those communities which have already gone ahead and built their waste treatment and sewage facilities are complaining that this program is not retroactive and for that reason does not help them. The argument of the communities that have already gone ahead and built their waste treatment plants is that they lived up to their duty as far as treating their sewage and because they moved forward they are penalized and cannot receive any Federal aid. In the last 2 weeks this has clearly proved to me that the Federal Government has no business getting into this program on this $50 million basis. Holding out this amount of Federal bait which would be made available in this appropriation would merely hold up and delay the construction of sewage-disposal plants in many communities that will wait for Federal funds which will not be forthcoming under such a limited program for years and years. It would have been far better for us to delete these funds in 1958 and the local communities would then move forward on the necessary programs immediately.

AMENDMENT NO. 16. INDIAN HOSPITAL CONSTRUCTION

This amendment on page 27, line 20, was introduced by me. It is just a technical amendment to remove an objection some Members have to the language previously carried in the bill, which leaves to the Bureau of the Budget the determination of whether the Department of Health, Education, and Welfare or the Department of the Interior administers the program for construction of Indian hospitals. My amendment clearly places the responsibility for making this decision with the Secretary of Health, Education, and Welfare who, under basic legislation is charged with the overall program for Indian health.

AMENDMENT NO. 17. BUREAU OF PUBLIC ASSISTANCE

This amendment, on page 33, line 2, was introduced by the gentleman from Idaho [Mr. BUNDY] and reduces salaries and expenses for the Bureau of Public Assistance from $2 million to $1,900,000, a reduction of $100,000. This provides in full for the personnel this Bureau has now, in fact, it allows for all mandatory cost increases and over $20,000 in addition. The amendment merely reduces the increase allowed by our committee for personnel to administer the proposed new training program for public welfare employees in the States. This program was rejected by the House.

The committee report clearly earmarked $100,000 for administration of a program that has since been rejected, therefore there is no contest over this amendment.

AMENDMENT NO. 18. NATIONAL LABOR RELATIONS BOARD

This amendment, on page 39, line 17, was offered by the gentleman from Alabama [Mr. SELDEN]. It reduces funds for the salaries and expenses of the National Labor Relations Board from $9,450,000 to $9,384,800, a reduction of $65,200. The amendment would provide the same amount as was appropriated for 1957 plus sufficient funds to cover the mandatory contributions to the civil-service retirement fund. This amendment was accepted by the gentleman from Rhode Island [Mr. FOGARTY] who has charge of the bill.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, yesterday during the debate on H. R. 6287, the distinguished subcommittee chairman, the gentleman from Rhode Island [Mr. FOGARTY], undertook to describe the "damage" that had been done in reducing the committee recommendations for the Bureau of Employment Security. If it is "damage" for the Congress of the United States to endeavor to institute meritorious economies during the consideration of appropriation bills, then perhaps we all stand guilty as charged. Probably we will be equally as guilty when we vote for long overdue tax reduction for the American people made possible by the reductions we have made in scheduled expenditures. Similarly we will be responsible for "damage" when we make it possible to devote some of the budgetary surplus that will result from these cut expenditures to debt reduction. In short, the subcommittee chairman accuses us of "damage" when what the Congress in fact is doing is making a bipartisan effort to achieve fiscal responsibility.

While we may be depriving the bureaucrats of the taxpayers' dollars, we need not necessarily be depriving the American citizens of any essential Government service.

The Members of the House may recall that during the debate on H. R. 6287 on April 3 I included as part of my remarks a factual explanation as to the true effect of an amendment that was adopted by the Committee on the Whole with respect to the Bureau of Employment Security. My remarks on that subject appear on page 4490 of the RECORD and were addressed to a cut of slightly in excess of $12 million. In essence, I explained that the amount remaining in the appropriation was sufficient so that the Labor Department would not be required to impair any of the services that are presently available with respect to the payment of unemployment compensation benefits.

Subsequent to my remarks on that subject the gentleman from Rhode Island then addressed himself to an amendment that reduced the Bureau of Employment Security funds by $442,000. So that the record may be clear with respect to this economy effort, let me point out that the Bureau of Employment Security is in no way responsible for supervising unemployment insurance tax collections. Let me point out that unemployment insurance benefit payments are made by the States. Let me point out that the Department of Health, Education, and Welfare, and not the Labor Department, is the executive department primarily responsible for vocational rehabilitation of both our aged and our physically handicapped.

Mr. Speaker, the action taken by the Congress with respect to this appropriation for the Bureau of Employment Security is irrefutably a meritorious economy measure that will mean less waste of the taxpayers' dollars without impairment of any essential Government service providing for the welfare of our American citizens, whether such citizens be employed or unemployed, handicapped or in good health, aged or young.

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include tables.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, although I have consistently voted in 17 instances today for the reduction of budgetary items presented the House, I did not support the proposal to eliminate completely the authority of the Department of Health, Education, and Welfare to expend, as approved by the 84th Congress, the sum of $50 million in grants to the States for use in water pollution prevention programs. I did not support this 100 percent cut in appropriation on the basis that Public Law 660 set up this comprehensive program of assistance and that many States and communities have already expended considerable sums and in many instances have issued bonds after devotion of a great deal of time and research on urgently needed facilities. They have placed reliance in this Congressional action of 1956 and we should meet our implied commitments. I am frank to say, understanding the

need for economy today, that I would have supported a reasonable reduction in the amount proposed by the Department. I do not believe the program, once approved, should be wholly eliminated by action taken on an appropriation bill solely on an arbitrary basis as proposed in the amendment presented to the House. The effect would have been that of a complete repeal of the substantive law itself by 100 percent elimination of the item.

This is a most important matter to the State of Florida. To date the Florida State Board of Health has received 39 applications with a total of $57.4 million total cost of which $21.5 million would be eligible under Public Law 660. Of that portion being eligible, if sufficient funds were appropriated by Congress, it would require $5.2 million to allocate the 30 percent which points up the fact that Public Law 660 was a good bill and does provide the necessary incentive which was the primary purpose of the program when it was enacted in the Congress last year, our country being billions behind in needed sewage plant construction and water pollution control.

To demonstrate to the House the advanced stages of this planning and programing in my State I would present at this time a list of applications and their rating as prepared for priority recommendation by the Florida State Board of Health.

The United States Public Health Service has allocated $910,000 to the State of Florida for the fiscal year 1956–57. The first cutoff date for applications for grants from funds allocated for 1956–57 was set at January 15, 1957. At that time, 36 applications had been received and the ratings have been determined. Table II lists the applicants in order of their receipt showing the amount of grant requested, the identifying project number and points awarded under the above described system. Actual priority has been assigned only to the top 15 projects. These are shown in order of priority in table I. Note, however, that final decision on the propriety of grants and on the amount of grant to be awarded rests with the United States Public Health Service. It is quite possible that an applicant with a high priority will be ruled ineligible for all or some part of the funds requested and these funds will then be available for other applicants.

Public Law No. 660 authorizes grants each year for 10 years. Provided Congress appropriates necessary funds for fiscal year 1957–58, a new cutoff date will be set shortly after July 1, 1957. All previous applicants who have not received grants will be given an opportunity to renew their application and a new priority table will be prepared including not only those that have already applied but also any new applications received prior to the cutoff date. It is obvious, however, that at the present rate of growth there probably will never be sufficient funds to give grants to all deserving applicants and there is every indication that construction costs will continue to rise. Accordingly, every possible effort should be made to proceed with needed sewerage improvement projects without delay regardless of the possible nonavailability of grant funds.

TABLE NO. I.—*Approved under priority recommendations (in order of priority) 1956–57*

Applicant	Priority points	Grant requested	Cumulative subtotal
Wauchula	30	$155,100.00	
Wildwood	28	27,000.00	$182,100
Apalachicola	26	75,704.00	257,804
Naples	26	96,416.29	354,260
Belleview	24	40,397.27	394,657
Callahan	24	80,425.00	475,082
Cocoa Beach	23	97,500.00	572,582
Belle Glade	23	227,861.78	740,443
Lynn Haven	22	127,180.18	867,623
Okeechobee	22	105,245.04	972,868
Inverness	22	63,407.00	1,036,275
Long Key	22	260,000.00	1,296,275
Arcadia	21	73,437.00	1,369,712
New Smyrna Beach	21	154,732.28	1,524,444
De Funiak Springs	21	108,030.00	1,632,444

TABLE NO. II.—*Total list of applications for Public Law 660 grants to date*

Applicant	Total cost of project	Design population	Per capita cost	Median family income	Public health necessity paragraph	Rating points			
						Public health necessity	Median income	Per capita cost	Total
Naples	$288,654.00	8,350	$34.00	$1,657	4	14	5	5	24
Okeechobee	342,616.40	3,000	114.00	1,299	5	13	5	5	23
Cocoa Beach	325,000.00	2,000	163.00	1,774	4	14	4	5	23
Inverness	211,557.00	3,000	70.00	1,390	5	12	5	5	22
Lake Worth	1,439,070.51	34,000	84.50	1,600	6	10	4	5	19
Wauchula	517,000.00	10,000	51.70	1,626	1	20	5	5	30
Long Key Sewer District	937,314.23	18,000	52.00	1,900	4	14	3	5	22
Belleview	184,626.96	2,000	67.30	1,443	4	14	5	5	24
Pensacola	586,430.00	45,200	12.50	3,023	4	14	3	1	18
Belle Glade	757,528.00	18,000	42.00	1,357	4	14	5	4	23
Fort Pierce	570,500.00	48,000	11.83	2,035	6	10	3	1	14
Santa Rosa Island	103,397.00	4,000	26.00	2,154	9	7	2	2	11
North Beach area, Dade County	865,000.00	17,000	51.00	2,500	4	14	1	5	20
Jacksonville	2,281,000.00	80,000	28.50	2,164	4	14	2	2	18
Atlantic Beach	302,414.78	5,000	60.50	2,308	4	14	1	5	20
Lakeland	723,000.00	60,000	12.00	2,002	5	12	3	1	16
Gulfport	696,000.00	12,000	60.50	2,138	4	14	2	4	20
St. Augustine	2,200,000.00	30,000	73.50	1,918	5	12	3	5	20
Sewer District No. 1, Duval County	192,400.00	7,704	25.00	2,306	4	14	1	2	17
Callahan	124,750.00	1,750	77.25	1,632	4	14	5	5	24
Havana	185,298.00	3,000	62.00	1,238	7	8	5	5	18
Vero Beach	897,000.00	20,400	44.00	2,409	4	14	1	4	19
New Smyrna Beach	515,744.28	13,000	39.50	2,077	3	16	2	3	21
Clearwater	754,867.00	35,500	21.30	2,345	6	10	1	2	13
Riviera Beach	730,000.00	12,000	61.00	1,937	6	10	3	5	18
Apalachicola	252,548.00	4,000	63.00	1,271	3	16	5	5	26
De Funiak Springs	300,000.00	5,000	72.00	1,784	5	12	4	5	21
Fort Lauderdale	1,283,200.00	30,000	42.50	2,512	4	14	1	3	18
Arcadia	244,791.00	6,000	40.75	1,578	5	12	5	4	21
Eau Gallie	351,095.00	6,000	58.50	1,724	6	10	4	5	19
Opa Locka	3,990,000.00			2,739	4	14	1		
Lynn Haven	423,933.92	10,900	38.80	2,066	3	16	2	3	22
Palatka	610,000.00	25,000	24.40	1,952	5	12	3	2	17
Neptune Beach	178,915.00	5,000	35.80	2,306	6	10	1	3	14
New Fort Richey	298,000.00	5,000	59.50	1,570	6	10	5	5	20
Hialeah	1,625,000.00			2,929	4	14	1		
Wildwood	90,000.00	1,000	90.00	1,446	2	18	5	5	28
Sanford	594,000.00	50,000	11.10	1,496	6	10	6	1	16

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, I am fundamentally opposed to amendments which would stop much of the progress that is being made against those diseases that tragically and unnecessarily kill and cripple far too many Americans today. These appropriations for the National Institutes of Health are an investment in the future which we cannot afford not to make. We must support medical research now if we are to expect better health and longer life tomorrow.

Although I am concerned with all diseases, I would like to direct my remarks to the problem of cancer.

Many times I have heard people scoff at what they call the lack of progress in cancer. They say we have spent millions of dollars and still do not know what causes cancer or how it can be prevented or cured.

I am sure every one of my colleagues in the House would agree—and I thank God this is true—that the American way is to redouble our efforts in the face of delay and disappointment, rather than to quit because a problem is difficult to resolve. What many people do not know, however, is that tremendous progress has been made. True, scientists do not know the cause of cancer—cancer cannot be prevented as such—and much cancer cannot be effectively treated, particularly if it is discovered late.

But I call to your attention some dramatic facts which were highlighted in this week's Parade magazine, in an article by Robert Goldman. The article points out that the knowledge is available to prevent 75,000 of the 242,000 deaths from cancer in this country this year. The studies report that 7 out of 10 patients with cancer of 6 major sites can be cured with early detection and prompt treatment. It reports that there can be a 100 percent cure rate in cancer of the cervix, a form of the disease now fatal to about 13,000 women in this country each year.

Facts such as these prove, it seems to me, that the action we take on these appropriations today is of vital consequence not just to scientists and scientific institutions, but to the people—who have every reason to expect their elected representatives to know their interests and to act affirmatively on their behalf.

I can think of few more shortsighted acts that could be committed by the Congress than to cut back on funds for cancer research at this time.

Mr. Speaker, as I said on this floor a few days ago, I was glad to know that no amendment would be offered to this bill to reduce the amounts requested in this bill for research into the cause and cure of human dread diseases such as cancer, heart, mental, and so forth, and none can now be offered since there is no further opportunity to amend the bill in the House.

H. R. 6287 FALSE ECONOMY

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, there is economy and there is false economy; the first promotes efficiency, the latter cripples and frustrates every legitimate effort to achieve real efficiency. I am fearful that in our understandable zeal to economize on this measure we have overstepped the bounds and taken action which in ultimate effect is not only relatively insignificant savings, but actually cripples the efficient operation of the several Federal agencies involved.

First, I would allude to the fact that before this bill ever came to the floor of the House, the able committee had already cut over $118 million from the budget requests submitted by the President. This represented a cut of about 4 percent in the total sought to be appropriated. The House has now cut in an indiscriminate and hasty manner without, it seems to me, that full study and deliberation which I believe should accompany such drastic action, about another $68 million or something over 2 percent. Therefore the total cut in the committee and the House is about 6 percent.

Now some will say that this is a moderate cut, and I will not deny that in round figures it does not amount to very much of the total sums appropriated. But I submit that it is not the amount; it is the operation affected and the extent of the impairment and crippling of the operation that should be of great concern to us. Two billion dollars might not be a prohibitive cut in the foreign aid programs, but $200,000 or even $30,000 might well be a crippling cut in its effect upon the veteran, the worker, the social-security beneficiary or the public health recipient.

And that is just what has happened here. We have saved a few million dollars, but we have jeopardized some very essential services to the American people. The other body will duly note our precipitate action and move to correct it no doubt. It will be for the American people to assess whether we have acted prudently to promote efficiency, or have allowed hasty, undiscriminating considerations to dominate our action.

Some of the items cut are really picayune, like the $30,000 cut in the anti-Communist work in the international labor field which holds such promise of effective action in curbing the migration and the activities of Communist-affiliated labor in other parts of the world that could be so dangerous to our own labor movement if it were allowed through inadvertence and neglect to gain a foothold in this Nation. Thirty thousand dollars seems a small sum indeed to pay for this kind of cooperative intelligence service.

Crippling the Solicitor's Office of the Labor Department where the workload is steadily increasing and the duties so meaningful to management and labor alike is not the kind of economy I desire to approve. It is false economy.

Cutting the funds to aid the physically handicapped and curtailment of vital programs for the veteran is absolutely unjustified by any standard I can accept.

Impairing current programs for coping with unemployment and chronic unemployment areas and the placing of the handicapped with joint State cooperation is another plainly questionable measure which is not economy in any sense of the word. It will have baneful results unless modified in the other body.

Another very ill-advised cut relates to the operation of the Consumer Price Index upon which the wages and livelihood of more than 4 million American workers depends in that their pay scales are geared to this important statistical manual whose accuracy at all times should be unquestioned and cannot operate properly and efficiently with reduced funds.

And similarly unwise, unsound cuts were made in the Wage and Hour Division, the Food and Drug Administration, which polices the purity of the food supply of the American people, the modest appropriation for mentally retarded children, for anti-water pollution work in conjunction with the local communities, a work of such great importance to the public health of the Nation. This latter cut of the entire appropriation, if finally sustained, would completely nullify previous action of the Congress in authorizing this clearly vital public health protection work.

When the time comes I expect to record my interest in economy and efficiency in Government in ways that will be unmistakable and definite. I have already marked out broadly in my mind after careful study the specific areas where I propose to vote to cut the budget. In their entirety these cuts which I intend to support would in the aggregate comprise such huge sums that they would, if adopted by Congress, warrant and make possible substantial tax cuts for the American people.

Meanwhile I do not propose to be swept off my feet by hysterical pleas and appeals for undiscriminating, frequently picayune and parsimonious cuts that would hamper, impair, or even terminate essential services of Government to the people, to business, to the veteran, to social beneficiaries, to many other worthy and deserving groups and for many worthwhile socially and economically indispensable purposes.

Economy is important. But it must be pursued constructively and fairly and justly.

I am in agreement with the President that we should maintain unimpaired many essential programs, this in the interest of an ordered, forward-moving economy, the social welfare of America and the defense of our shores and our system of government.

We are living in the most advanced and prosperous era in all history. We have reached a level of plenty and abundance never before approached by man. These high standards are not for special classes alone. They are, in general, for the enjoyment of all Americans who are willing to work and be worthy of them.

At this time of peril, uncertainty and doubt it is not for this Congress to foster policies that will mark a way of retrogression. Our national direction must ever be forward. And we must assume—all of us—public servants and people alike—the burdens of responsibility and obligation which are our privilege; to uphold, protect and advance this great Nation, not in the spirit and grudging manner of penury, but with the vision, breadth and completeness necessary to achieve our destiny.

In this quest for stability with progress we can no more ignore the old values than we can overlook the new.

To find the balance between prudence and need in a dynamic economy is a challenge to be sure.

But we can face and solve it best by striking out courageously for the new horizons while never losing sight of the old ones.

Economy without purpose is meaningless; and economy without regard for demonstrable national needs is a shocking and an empty misnomer.

PROGRAM FOR THE BALANCE OF THE WEEK AND FOR NEXT WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I take this time to inquire about the program for the rest of the evening, for tomorrow, and for next week.

Mr. McCORMACK. Mr. Speaker, I am very happy to give the information to the gentleman. The next order of business today is the District of Columbia appropriation bill. If that bill passes today, as I hope it will, the House will meet tomorrow, but there will be no legislative business.

The program for next week is as follows:

On Monday there are several bills out of the Committee on the District of Columbia:

H. R. 192. Board of Education members may be removed for cause.

H. R. 3400, full and fair disclosure of character of charitable, benevolent, patriotic, or other solicitations in the District of Columbia.

H. R. 6508, provides for a uniform success of real and personal property in case of intestacy.

H. R. 5893, taxes on vehicles used for driver training.

H. R. 3486, Uniform Simultaneous Death Act.

H. R. 4874, exempt certain property, Columbia Historical Society.

H. R. 2018, sale of gun mountings and carriages.

H. R. 4840, incorporate Metropolitan Police Relief Association.

H. R. 6306, Fourteenth Street Potomac River Bridge.

After that, the next bill in order would be H. R. 6500, District of Columbia appropriation bill for 1958.

After that, the next bill in order would be the appropriation bill for the Department of Commerce and related agencies for the fiscal year 1958. That will continue until disposed of.

Following that there will be H. R. 4136, to extend the Export-Import Bank Act.

For Thursday and the rest of the week:

H. R. 2146, Small Reclamation Projects Act of 1956.

Following that, H. R. 5538, military public lands withdrawals.

The Committee on Rules is meeting on Monday to consider several rules. If they report out any rules, some of those bills may be brought up next week, and I shall announce them just as soon as I possibly can to the membership of the House.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1958

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 6500) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate thereon be limited to not to exceed one-half hour, one-half of the time to be controlled by the gentleman from Indiana [Mr. WILSON] and the other half by me.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. O'HARA of Minnesota. Mr. Speaker, to consider a bill as important as this in only half an hour is an absurdity. I object.

Mr. RABAUT. How much time would the gentleman suggest?

Mr. O'HARA of Minnesota. I would suggest we have enough time to consider the bill.

Mr. RABAUT. How much time does the gentleman wish?

Mr. O'HARA of Minnesota. An hour on each side.

Mr. RABAUT. Mr. Speaker, I modify my request and ask unanimous consent that general debate continue not to exceed an hour.

The SPEAKER. Is there objection to that?

Mr. O'HARA of Minnesota. That will be 30 minutes on each side?

Mr. SPEAKER. That is correct.

Mr. O'HARA of Minnesota. I object to that, Mr. Speaker.

Mr. RABAUT. Mr. Speaker, then I again modify my request and ask unanimous consent that general debate continue for not to exceed 2 hours, to be evenly divided and controlled by the gentleman from Indiana and me.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6500, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RABAUT. Mr. Chairman, I yield myself such time as I desire.

Mr. Chairman, we have before us the District of Columbia appropriation bill making appropriations for the fiscal year 1958. In summary, the bill recommends an appropriation of $192,530,300 of which $35,449,000 is for capital outlay. The recommendations before you represent a reduction of $14,719,600 in the budget estimates and, most important, a reduction of $5,723,079 below the 1957 appropriations.

For operating expenses the committee has approved $157,081,300, a reduction of $2,317,300 in the budget estimates, but an increase of $6,937,950 above the 1957 funds. But I want to point out here that the increase is $41,400 less than the amount presented to the committee as mandatory items and these are items such as contribution to the civil service retirement fund, $1,838,000; increased workload, $1,839,000; increased Federal obligations such as St. Elizabeths Hospital and contribution for operating of the courts, $1,411,300; and staffing of new construction for which we have been appropriating the past several years amounts to $1,062,000.

For capital outlay purposes, the committee recommends $35,449,000, a reduction of $12,401,800 in the budget estimates and $12,661,029 below 1957 appropriations. The Commissioners volunteered a reduction of $7,821,000 in the highway construction program which the committee accepted without any hesitation. In addition, the committee deleted a number of items that could be called deferrals as testimony presented to the committee indicated that funds for equipment would not be needed for at least another year due to delays in the construction of various projects; in other cases, the committee has allowed funds for plans and specifications for various projects but has denied the construction funds as they would not be needed until the last month or two of the fiscal year. A delay of only a month or two should not hamper the program in any way. The largest reduction in the capital outlay program was the deletion of $904,000 for a new combination repair shop and fire station in the southwest redevelopment area. The committee has deleted the item as progress of redevelopment of the area is proceeding so slowly that if we were to improve the item, it could be the first new building in the area.

Another item of interest in the bill is the request of the public schools. The committee has provided for 75 additional elementary schoolteachers just to handle the increased population in the schools. In addition, the committee has allowed 68 elementary schoolteachers to enable the school system to take a further step toward reducing the pupil-teacher ratio to its goal of 30 to 1.

Another item that seems to have the attention of the local press is our reduction of $101,000 in the estimates for the police department. The committee wishes to express its commendation of the work of the department but points out that the Congress authorized last year a force of 2,500 men. The department has been doing some very intensive recruiting since then but has been only able to increase the force by a net figure of 35 men. The committee wishes to emphasize that it will provide funds for the force as it approaches its authorized strength. In fact, it has provided funds for approximately 2,400 man-years of employment which is 139 man-years over and above the present strength of the force. These extra funds are used for the pay of officers who are voluntarily assigned to work on their days off. This procedure has enabled the department to decrease the crime rate here in the District while the crime rate has been increasing in the rest of the United States.

For the Department of Public Health, the committee has, in effect, approved the budget program. Our attention was directed to the needs of the local hospitals participating in the program of medical care for the indigent population of the District. To help alleviate the financial loss to the participating hospitals, the committee applied $400,000 of its original reduction of the estimates to this item and has increased the inpatient care and outpatient clinic visit limitation from $14 to $16 and $2.40 to $3, respectively.

As you no doubt know the committee had an investigation made of the Department of Public Health. The report was so shocking that we decided to have it incorporated in the printed hearings on the bill. One of the items revealed in the report was the fact that a proposed extension of Massachusetts Avenue would run through the hospital grounds. This proposed extension was authorized in the District of Columbia appropriation bill for 1918 and has hampered the construction program at the hospital since that time. It seems to be good commonsense to repeal this prohibition and I intend to offer an amendment later to accomplish this purpose.

One other item of appropriation that may be of interest is the Federal payment. The budget estimate for this item was $23 million. The committee has reduced this estimate $3 million, making the Federal payment to the District $20 million. This is the same amount as was appropriated last year as the committee could not find any justification for recommending an appropriation of Federal funds to create a surplus in the District treasury.

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty Members are present, not a quorum.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6500), the District of Columbia appropriation bill, 1958, had come to no resolution thereon.

ANNOUNCEMENT

Mr. McCORMACK. Mr. Speaker, I desire to make an announcement. The District of Columbia Appropriation bill will come up for consideration on tomorrow. There is an agreement between the leadership on both sides that if there should be any rollcalls demanded in connection with this bill the rollcalls will be postponed until Monday.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. I regret very much this has happened. I have not in 17 years that I have been a Member of this body asked the indulgence of the House because of any appointments I may have had. But I have a 4 o'clock appointment tomorrow to speak before the Indiana Chamber of Commerce at its State Convention being held at French Lick Springs. One of my constituents, Glenn Thompson, is president of that organization and he asked me to come back to make this speech. If the District of Columbia appropriation bill is taken up tomorrow, being the ranking member and being chairman of the subcommittee in the past, I have to be here. I have already sent out my press releases. I hate to ask that consideration of this bill go over, and, as I said, in my 17 years as a Member of this body I have never asked a favor of this House for personal considerations.

Mr. McCORMACK. The gentleman from Massachusetts appreciates the position the gentleman from Indiana is in. It was hoped by the leadership that we could dispose of the District of Columbia appropriation bill tonight, recognizing the situation that exists.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I will be very happy to yield to the gentleman.

Mr. TABER. I hardly believe that we should take up the Commerce Department bill before Tuesday. It seems to me that it ought to lay over a couple of days. It would seem to me that we could take care of this bill on Monday.

Mr. McCORMACK. The gentleman from Massachusetts, as majority leader, has to give recognition, and properly so, to the situation that confronts Members and to so program legislation in a manner that takes into consideration, as far as possible, the problems of the Members. I told the gentleman from Georgia [Mr. PASSMAN] that the Department of Commerce bill would be the next order of business after disposition of the District of Columbia appropriation bill. The gentleman very properly has gone back to his office assuming that this bill would be disposed of today or would come up tomorrow and that consideration of it would be completed and if any rollcalls were necessary they would go over until Monday. In the absence of having talked with him, I would feel as though I were bound through a gentleman's word to him, but, fortunately, the chairman of the Committee on Appropriations is on the floor. I have conferred with him and it is agreeable to the chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], after consultation with him, to have the bill go over until Monday. So, I have something to hang my hat onto, and, accordingly, it is perfectly agreeable to me that that bill be the first order of business on Monday after the disposition of the legislative matters coming out of the District Committee. I hope everybody is happy now.

Mr. WILSON of Indiana. I thank the gentleman very kindly for his consideration.

PERSONAL EXPLANATION

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, during the votes taken on amendments to H. R. 6287 I was unavoidably absent from the House Chamber during the votes on the first three. Had I been present I would have voted "nay" on the first amendment by Mr. BUDGE, of Idaho; I would have voted "nay" on the second also by Mr. BUDGE of Idaho; on the third by Mr. BUDGE of Idaho I would have voted "nay" also.

PUBLIC ASSISTANCE PROGRAM

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, to my desk daily comes a steady stream of letters from aged and needy citizens—not only from my own district, but from all over the country telling of the indignities and oftentimes abuse these people suffer under our public assistance program as it is administered on the State and county level. I have yet to speak at or attend a meeting where these people might be present without hearing the same plea—a plea that Congress should interest itself not only in the financial plight of our needy citizens—and we all know that this is very great indeed—but also in the humane administration of our public assistance program.

After hearing this plea so often repeated, I took it upon myself to do some research into this matter and, I am sorry to say, I found a broad base for the multiplying complaints.

In discussing it with many of my colleagues, I am informed that they face the same daily stream of pitiful letters; that they too find repugnant the manner in which our public-assistance laws are administered in many of our States today.

Upon examining the welfare laws of the 48 States, I have found that in no two States are the qualifications for the receipt of aid alike. I have found that a very harsh and drastic means test is imposed in many States which literally strips an applicant or recipient of every last vestige of human dignity. In some States the means test is more liberal. But in no State is it really humane.

I have, therefore, come to the conclusion that the only way our public-assistance program will ever be humanized is if we, in Congress, take it upon ourselves to safeguard our elderly and needy citizens from undue harassment and intimidation.

For this reason, I have introduced a bill, H. R. 6611, in which over 40 of my

colleagues have already joined me in sponsoring, to be known as the Humanitarian and Old-Age Rights Act.

While I do not claim that this is the final answer to a problem which has grown steadily worse since enactment of the public-assistance section of the Social Security Act, I do feel that it is a worthy step in the right direction. Its primary purpose is to require the laws of the 48 States to be more uniform by having Congress establish a single minimum standard of qualifications for the applicants and recipients below which no State shall go.

Today I want to invite—in fact, I urge—all of my colleagues to join me in sponsoring the Humanitarian and Old-Age Rights Act.

At this point I include a joint press release issued by Senator HUBERT H. HUMPHREY and myself detailing provisions of this bill:

Senator HUBERT H. HUMPHREY, Democrat, Minnesota, and Representative JAMES ROOSEVELT, Democrat, California, today were joined by the following Democratic Congressmen in sponsoring a Humanitarian and Old-Age Rights Act, which today was introduced by them in both the House and the Senate: B. F. SISK, California; FLOYD BREEDING, Kansas; ALFRED E. SANTANGELO, New York; EDWARD BOLAND, Massachusetts; ELMER HOLLAND, Pennsylvania; BARRATT O'HARA, Illinois; JOHN J. MCFALL, California; JOHN D. DINGELL, Michigan; CARL D. PERKINS, Kentucky; GEORGE M. RHODES, Pennsylvania; GEORGE MCGOVERN, South Dakota; THADDEUS MACHROWICZ, Michigan; KARL CHUDOFF, Pennsylvania; THOMAS L. ASHLEY, Ohio; VICTOR ANFUSO, New York; RAY J. MADDEN, Indiana; LEONOR K. SULLIVAN, Missouri; LEE METCALF, Montana; ROBERT J. CORBETT, Pennsylvania; KENNETH J. GRAY, Illinois; HENRY S. REUSS, Wisconsin; LESTER R. JOHNSON, Wisconsin; CHET HOLIFIELD, California; CHARLES A. VANIK, Ohio; HERMAN P. EBERHARTER, Pennsylvania; EUGENE J. MCCARTHY, Minnesota; JAMES A. BYRNE, Pennsylvania; HERBERT ZELENKO, New York; MARTHA W. GRIFFITHS, Michigan; THOMAS J. LANE, Massachusetts; GOTA KNUTSON, Minnesota; PETER W. RODINO, New Jersey; JAMES B. BOWLER, Illinois; LEONOR TELLER, New York; THOMAS S. GORDON, Illinois; ABRAHAM J. MULTER, New York; ROY W. WIER, Minnesota; WILLIAM A. BARRETT, Pennsylvania; LEROY H. ANDERSON, Montana; CHARLES O. PORTER, Oregon; CHARLES A. BOYLE, Illinois; ROSA F. KELLY, New York; JOHN F. SHELLEY, California; and FRANK THOMPSON, JR., New Jersey.

The California Congressman said, "There may be other practices which need Federal legislative action. It is to be hoped, therefore, that the Ways and Means Committee, to which this bill will be referred, will hold hearings promptly, and that at these hearings other remedial legislation will be considered, as well as the constructive suggestions of other Members of Congress in this field."

Since enactment of the public-assistance section of the Social Security Act, Congress has been consistently concerned with the low benefits given our needy aged, blind, physically handicapped, and dependent children and has, on several occasions, passed legislation to increase Federal contributions to the States for this program.

However, while considering the financial needs of recipients under the program and making some small progress towards solution of this grave problem, Congress has given little or no consideration to assuring that our needy citizens will be treated humanely under administration of the Public Assistance Act. Herein lies the major cause of agitation and irritation among our elderly and needy citizens across the country as attested by the stream of letters reaching Capitol Hill.

If Congress is to be truly concerned with the plight of our public assistance recipients, then it must not only endeavor to provide financial assistance, but it must seek to safeguard them from undue harassment and intimidation in the receipt of such aid and restore to them their right to human dignity.

The Humanitarian and Old-Age Rights Act is a step in the right direction. It would require the laws of the 48 States to be more uniform by having Congress establish a single standard of qualifications for the applicants and recipients, below which no State shall go.

For the first time, a legislative intent would be established by Congress "that public assistance shall be administered promptly and humanely, with due regard for the preservation of family life, and without discrimination on account of race, sex, religion or political affiliation; and the assistance laws be liberally construed."

Additional features include:

1. That the age requirement for old-age assistance recipients shall be the same as that established for old-age beneficiaries under title II of the Social Security Act.

2. The aged and handicapped on public assistance would be allowed to earn up to $50 per month; the parents of needy children up to $30 per month, and the needy children, themselves, up to $30 per month to supplement their assistance checks. (The blind are already permitted to earn $50 without penalty of reduction in aid.)

3. Recipients may own a home of an assessed value, less all encumberances, up to $5,000 free from the imposition of a lien.

4. Household furnishings, etc., and an insurance policy or burial arrangement up to $500 in value is exempt. A floor of $1,200 is established under the amount of personal property which a single recipient is allowed to have.

5. Elimination of the practice of enforcing collections from the relatives of recipients.

6. The program is to be administered by each State so as to ensure uniform treatment of the needy in all its political subdivisions.

7. Prohibits publishing the names of recipients.

8. Reduces the State-imposed residence requirement now allowed by the Federal Government from 5 years to 1 year and provides that should an otherwise qualified person not meet State residence requirements, the Federal Government will pay its share direct to the person until they have met the residence requirement.

9. No person receiving such public aid shall be deemed a pauper and no warrant drawn in payment shall contain any reference to indigency or pauperism.

10. The value of any United States surplus food made available will not be deducted from the recipients' aid.

RELIEF PROGRAM FOR THE POLISH PEOPLE

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I am including in my remarks a most impressive telegram, which was recently forwarded to President Eisenhower and Secretary of State Dulles by President Emeritus K. Stefan Pomierski, President Cornelius H. Tuszynski and Joseph P. Plonski, counsel and general secretary of the American Order of General Pulaski, Inc. I also desire to address the House briefly.

This communication is timely in that the Government is now considering arrangements which may make it possible for surplus agricultural products to be sent to the afflicted Polish people. However, it should be noted that medicine, medical supplies and various raw materials, equipment and machinery are also required if the indomitable Poles are to rebuild their economy and make it self-sufficient.

I recognize that there is opposition to sending food and other supplies to Poland from those who feel that it may strengthen the Red satellite system. The plan proposed, however, contemplates controlled distribution by our own countrymen or members of free world organizations. The net result would be to alleviate hunger, heal the sick and afflicted, and strengthen the morale of the suffering Polish people.

There is always risk in programs of this kind, many of which we have carried out before, that some of the food and commodities may be diverted to selfish or ideological purposes. That there has been waste and extravagance in these programs in the past is undeniable. But that does not cancel or minimize the laudable nature of the high humanitarian objectives of such a relief program.

I believe that President Pomierski's telegram admirably presents a workable plan and I must commend him and his associates for their continued zeal and vigorous efforts to help the Polish nation, whose need for real help is so desperate.

I have been assured that the President and the State Department are carefully considering these matters, and I am hopeful that an early start may be made upon a suitable relief program for the Polish people.

Would anyone doubt, for example, that our great Red Cross, with its farflung international ramifications and the able leadership of General Gruenther, a great soldier thoroughly conversant with the problems of relief and related political questions, could administer, if it would but undertake this task with ample Government support and assistance, to the basic humanitarian needs of the Polish people? If necessary supplies were to be shipped by sea rather than rail, the chances of maximum, uninterrupted delivery would be vastly increased.

Mr. Speaker, let us never turn our backs on the Polish people, who have throughout the centuries, as well as in our most recent bitter struggle, bled and died for democracy and freedom. This Congress must harken to the call of humanity. It must help oppressed Poland to find its way back from the darkness to the light.

The aims of the present negotiations of the Polish Government with our State

Department do not include outright grants but rather call for loans. They do not embrace so-called foreign relief-type assistance. They contemplate repayment preferably in dollars, or as an alternative in Polish zlotys, if acceptable credit terms can be arranged.

The Poles allegedly are seeking principally wheat in substantial quantities to promote decollectivization of their agriculture, end forced deliveries and restore a free market; cotton in large enough quantities to rid them of dependence on the Soviet Union and revive their depressed textile industries, and loans to purchase coal-mining and other machinery. The amounts mentioned are $200 million in agricultural surpluses and $100 million in other loans to purchase machinery. The major portion of these loans is apparently sought for 1957 to avert further economic disintegration and check possible Russian retaliation for programs presumably being undertaken contrary to Red intersatellite policy.

If these loans and others sought in England and France should not materialize, it is entirely possible that the new Polish regime will have to turn again to Russia for help in resuscitating her prostrate economy.

These plans as reported to date leave some vital areas of the question open and unexplained. Will it be possible, for example, for the new Polish Government to get Russian approval to carry out the loans and related programs? Is there danger, as some believe, that the wheat, cotton, machinery, and medical supplies and the like would be confiscated by the Reds and diverted to selfish purposes and uses not contemplated by the proposed agreements? Is there good faith and sincerity in these negotiations, or do they comprise merely another Communist ruse or springboard for Red propaganda?

These are real questions. They involve real risks. They must be weighed and tested in the light of existing conditions behind the Iron Curtain. It is perhaps too much to hope that the Kremlin would stand by inactively and watch this venture into political and economic autonomy by one satellite that could easily spread to the others. But these are considerations that should be faced with full recognition of the moral and humanitarian, as well as the political, values implicit in the tragic Polish situation. A program is justified that will speed the day of liberation. It is doubly so, yes, infinitely more justified, if at the same time it gives succor and sustenance to millions of starving and suffering free-minded men and women who have proved to the world that they are on our side in the great battle to preserve the God-given liberties of mankind.

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.:

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles, our gallant but almost forgotten allies whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post-World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital matter, let us be mindful of Poland's tragic tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, Primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,

AMERICAN ORDER OF GENERAL POLASKI,
K. STEFAN POMIERSKI,
President Emeritus.
CORNELIUS H. TURZYNSKI,
President.
JOSEPH F. FLOWSKI,
Counsel and General Secretary.

DEPRESSED AREAS IN THE STATE OF MAINE

Mr. HALE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, this country today is enjoying a period of unequaled prosperity. Jobs are more plentiful and wages higher than ever before. It is a tribute to the Eisenhower administration that this condition has been achieved in peacetime.

But we still have some localized sore spots in our economy. One of these depressed areas exists in my own State of Maine. I have been deeply disturbed the past few weeks by shutdowns and layoffs in the textile industry, which is the principal employer of industrial labor in New England.

It was announced this week that mills will be shut down within the next 2 months in Saco and Lewiston. The Saco mill alone normally employs 1,400 workers, with a payroll of $4 million, and has been in operation since 1831. The Lewiston mill employs another 800. The closure of the Goodall mill in Sanford in 1954 is still unhappily far too fresh in the memory of many of our citizens.

This is a serious matter. Not only are many people being thrown out of work, but the entire community suffers from such layoffs. Trade and service business is hurt because of the loss of payroll. Secondary unemployment often occurs. Furthermore, labor-management relations often are impaired in other industries in an area of substantial labor surplus. The entire wage structure of the community can be affected.

It is my hope that management will reconsider its plans to shut down the two mills in Maine. Every possible effort should be made to keep these plants open and prevent this severe blow to the economy of our State.

In addition, I urge the Congress seriously to consider some type of legislation to alleviate the adverse conditions in depressed areas such as in Maine.

President Eisenhower recognized the need for congressional action in his letter to the Congress accompanying his Economic Report. He requested a program of Federal assistance for developing the economic base of local areas experiencing persistent unemployment.

I have introduced a bill which would do a great deal to help. It would authorize the Small Business Administration to make direct loans to any business concern located in an area of substantial labor surplus.

The SBA could make these loans either directly from its own appropriated funds, or in cooperation with private lending institutions. The interest rate on the SBA's share of these loans could not exceed 3 percent.

The advantages of my bill are obvious. First, it would help lagging industries in depressed areas to get back on their feet. Second, it would assist in the establishment of new industries in place of those which could no longer operate because of factors peculiar only to a certain type of manufacturing. Third, it would place money at their disposal at an interest rate low enough not to be an undue burden. Fourth, it would not involve a handout of Federal funds.

This last consideration is especially significant in view of our desire to keep Federal expenditures as low as possible. The money involved in this program would all be repaid under the terms of the loans.

I have been told that the House Banking and Currency Committee has no immediate plans to consider depressed areas legislation. I hope it will consider the urgent need for immediate action and proceed accordingly.

PERSECUTION OF JEWS IN EGYPT

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, another demoralizing weakness of United States foreign policy in the Middle East is revealed by its silence on the issue of Colonel Nasser's persecution of the Jews in Egypt.

Once again, Egypt's "beggar on horseback" is defying the United Nations; this time by violating the U. N.'s Universal Declaration of Human Rights.

Since last November thousands of Jews in Egypt have been expelled. The property and funds of others have been seized. Nasser is waging war against the remaining Jews by making it impossible for them to earn a living.

There has been a Jewish community in Egypt for over 2,000 years. They have served in the Government, and as true

patriots were active in the movement to win independence for their country.

On November 1, 1956, Nasser cracked down on them through arrests and imprisonment, expulsion from the country, economic strangulation, denial, and revocation of citizenship.

Hundreds were rounded up and jammed into cells without light or air. Sanitary facilities were limited. Some prisoners were given the ancient "bastinado" punishment. Others were beaten.

Mass expulsion began in mid-November. As foreign correspondent William Richardson reported in the New York Post of January 8, 1957:

> For the last hundred yards they were marched through the streets while Arabs shouted at them. At the station they were left handcuffed and under guard for more than an hour. A mob gathered, began cursing and spitting, and then threw stones. The guards laughed and their officers taunted the Jews: "You're going to die."

These were innocent people, who had committed no crime against the Egyptian Government. Many of them were Egyptian citizens. They were just the helpless victims of Nasser's monomania.

The New York Times took notice of this in an editorial dated November 29, 1956:

> Despite an Egyptian denial, there is enough evidence now that Jews are being deported from Egypt * * * because they are Jews * * * to require United Nations intervention. The methods used are so similar to what Hitler did before the war as to be frightening.

In the United States Government's appeasement of Nasser, these inhumanities were ignored. No voice spoke up to denounce Nasser, and no steps were taken to indict him for his crime of genocide * * * among others.

The United States did not even accord the same generous treatment to Jews driven out of Egypt, as it did to the refugees from Communist Hungary. I ask you: "Is there any meaning, or consistency, to our foreign policy? Is our Government afraid of Nasser? Even to the extent of denying sanctuary here, for some of those he has persecuted?"

American public opinion, as expressed by its representatives in Congress, should have something to say about this.

I propose therefore, that the United States delegation to the United Nations should initiate an investigation into Nasser's persecution of the Jews in Egypt, and his violation of the U. N.'s Universal Declaration of Human Rights.

We are watching and listening for the United States Government to take the lead in curbing the outlaw of the Middle East.

TWELFTH ANNIVERSARY OF THE MISNAMED LIBERATION OF HUNGARY

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. BENTLEY] is recognized for 10 minutes.

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, April 4 marks the 12th anniversary of the so-called and misnamed liberation of Hungary from Nazi domination by Soviet Russian forces during the closing days of World War II. This anniversary has been adopted by the present Hungarian puppet government of Janos Kadar as the new "national anniversary" of Communist Hungary today. It is celebrated in Hungary as another example of the subservience of the Kadar regime toward its masters in the Kremlin.

I understand that today at 5 p. m. there is being held a protest meeting at Carnegie Endowment Hall in New York City, a protest against the brutal repressive methods of the Soviets and their Hungarian stooges since the crushing of the uprising last fall. It is my further understanding that this meeting is being organized and sponsored by an organization known as the Hungarian Freedom Fighters, Inc., consisting of those foremost in last fall's revolution who have subsequently been fortunate enough to come to this country. At this point, Mr. Speaker, I include in the RECORD a memorandum regarding Soviet and Hungarian Communist actions in that country since the defeat of the freedom fighters last November.

MEMORANDUM CONCERNING THE PROTEST MEETING ON APRIL 4, THURSDAY, 5 P. M., AT CARNEGIE ENDOWMENT HALL, NEW YORK

(April 4 is the Soviet Liberation Day in Hungary, marking the day of Soviet occupation of the country in 1945)

March 19, 1957, a government order was issued by Bela Biszku, minister of interior in the puppet Kadar regime. (Biszku, a Ukrainian by birth, lived in the Soviet Union and is also a Soviet citizen.) The order reads that: "* * * Individuals economic or political risks to the security of the state, can be placed under police surveillance or be removed from their place of residence. These individuals are responsible for finding themselves a new place of residence within a period of 2 weeks * * *." In 1951 approximately 80,000 people were deported from Budapest and other larger industrial towns on the basis of a similar ordinance. The orders were served in the evening and the deportations started early next morning to forced labor camps in order to provide the government with cheap labor.

The puppet Kadar government is filling the vacant mines and those building projects of Soviet strategic importance with slave laborers. Slave labor camps are reerected and deported laborers are again working in the uranium mines of Pecs, in the quarries at Recsk, and at strategic airfields. The mass arrests began prior to March 15; more and more people are continuously arrested.

It is known that the Soviets crudely violated the articles of the Geneva Convention during the Hungarian fight for independence, despite the fact that those articles were ratified in 1954 by both governments. Testimonies of witnesses made under oath before the Special U. N. Committee have established beyond doubt that:

1. The Soviets did not spare the civil population, children, women, or hospitals. The neutral Indian Embassy approximated that 25,000 Hungarians were killed during the fighting. Their investigation and estimate covers only Budapest. The total loss in lives in the country is more than twice that number. The overwhelming majority of the killed came from the ranks of the civil population.

2. The Soviets arrested hostages and executed them.

3. The Soviets proclaimed amnesty for surrendered freedom-fighters, yet after their arrest they were executed. Escaped witnesses from the deportations of November 1956, reported that approximately thirty to forty thousand men and women were deported to the Soviet Union between the ages of 18 and 30. A part of these deported youth was released as a result of worldwide indignation and the action of the U. N. The rest of them are still kept in Soviet prisons. Including Hungarian prisoners of World War II, there are many thousand deportees today in the Soviet Union.

After the end of the recent fighting a terror-action was launched against those who participated in the revolution. The headquarters of this terror campaign is in the jailhouse in the Fo-utca of Budapest where, with the exception of the signatory Hungarian Col. Laszlo Matyas of the AVH, the investigators, and the guards are all Russians.

The phases of the terror campaign:

1. Against the youth: Those who did not escape to the West were deported or placed under police surveillance.

2. Against the workers: The workers' councils, last citadels of resistance, were dissolved, their leaders arrested and jailed. Recently a mass arrest began including all members of these councils.

3. Against the intellectuals: The associations of writers and journalists were dissolved. Fourteen writers were jailed and tried of whom two received death sentences. These sentences can any time be executed. Six writers and a number of journalists escaped to the West before their arrests. Twelve of the fourteen writers were Communists and they fought with Imre Nagy for the democratization of the country. All functions of the writers have been eliminated.

4. Against the peasants: Since the end of February 1957 police commandos of selected sadists are screening the country to arrest, torture, and execute the leaders of the peasants in the revolution.

5. Against the church: Nine ministers of the Reformed Church were arrested, and their leaders in the revolution, elected by democratic means, were replaced. Religious instructions in schools were suspended and the churches were told that no priest or minister can be selected without the approval of the state. There were repeated sharp attacks on Cardinal Mindszenty and it was made public that his sentence for life is still in effect.

Recently five Protestant ministers were released as a result of the energetic protest of the World Council of Churches.

Martial law was declared and extended for work stoppage, instigation, agitation, endangering of communication, public-work projects, sabotage—with other words for everything the terror campaigns needed. The right for defense is not secured. According to the official report 208 persons were sentenced at emergency trials. Since December 11 there were 31 death sentences reported by the regime. This is the number of stage trials only, the true number can only be estimated. (In the Rajk process of 1949 there were 14 death sentences announced, yet 597 were executed.)

In the Yalta Pact and the peace treaty the Soviet Union and the signatory powers guaranteed to safeguard the civil rights in Hungary. The big powers have obliged Hungary to guarantee the same. The leaders of the revolution and Hungarian fight for independence are turning to responsible Americans and their organizations to help enforce the civil rights of the people of Hungary guaranteed by the big powers: that people may again believe in the value of signed contracts and that the inhuman and unbearable

sufferings of the Hungarian people may come to an end.

Kadar recently in Moscow made promises for even harder measures. We believe that the conscience and the moral of the free world will not watch idly the sufferings of a nation.

The problem of Hungary is still a very heavy burden upon the conscience of the free Western World. Many proposals and plans have been offered as to what should have been done at the time of the uprising or what should be done in the event of a similar occurrence in the future, either in Hungary or another satellite government. In this connection, I would like to introduce into the RECORD at this point the text of a memorandum entitled "Does Hungary Increase the Danger of War?" prepared by Mr. Christopher Emmet, chairman of the American Friends of the Captive Nations, which presents some very interesting thoughts on the entire question of our future policy toward the captive peoples.

DOES HUNGARY INCREASE THE DANGER OF WAR?

(By Christopher Emmet, chairman, American Friends of the Captive Nations)

Although the U. N. condemned the intervention of Soviet troops in Hungary, demanded their withdrawal, called for the end of deportations, and demanded the right of U. N. observers to enter Hungary 3 weeks ago, and although all these recommendations have been totally ignored and contemptuously defied by the Soviet Union and its Hungarian puppets, no sanction of any sort has been adopted against either Government by the U. N. itself, or by any member nation. Today the United States has not even proposed the imposition of a single economic or diplomatic sanction, such as withdrawing recognition from the Hungarian U. N. delegates. Contrast this with United States and U. N. action on Suez.

Why has our Government's policy been so cautious in the Hungarian crisis? Obviously, it is not because President Eisenhower and Secretary Dulles do not feel as other Americans do about the heroism of the Hungarians or the horror of the Soviet massacres. They are both humane men and their denunciations of Soviet crimes have been eloquent and sincere. The most prevalent explanation of their extreme caution is their supposed fear (well warranted or otherwise) of an H-bomb war if they take more energetic action to oppose Soviet aggression in Hungary, even by measures short of war. The President is more familiar with the awful potentialities of the new weapons than we are, and he has the terrible responsibility of not risking a nuclear holocaust. We should respect the motives for his prudence, even while remembering that overcaution in some situations is just as dangerous as recklessness in others.

On Sunday, December 16, Jack Raymond, of the New York Times Washington bureau, sent a dispatch under the headlines "United States Fears Soviet Might Try a War To Escape Issues—Satellite Ferment Is Believed To Add to Danger." He went on to describe East Germany as a particularly sensitive area. Two days earlier Max Lerner said in his New York Post column:

"As the Hungarian revolt spreads * * * its shadow is beginning to cast a fear in the hearts of men who have every reason to rejoice in a revolt against the Kremlin. * * * I suspect the same fear was behind Nehru's earlier warmess about speaking out against the Russians * * * and you can read it in the silence of Eisenhower. The common element here is the great fear—the fear that the panic of the Russians over the mounting pressures of internal revolt and discontent within their satellites may make them trigger happy and set off a nuclear war. * * * This is where the H-bomb arms race has brought the world—to the point where nuclear weapons have become a form of blackmail to suppress revolutions against tyranny."

Two entirely different kinds of alleged war danger are suggested in the above quotations. One can be described as the accident theory. According to this, an East German revolt might lead to the influx of thousands of volunteers from west Berlin and West Germany, which would lead to a counterattack by the Soviets on Berlin, which would lead to war with the NATO powers.

The other might be described as the wounded tiger theory. It is based on the fact that tyrannical governments, when faced with growing discontent at home, have sometimes tried to divert that discontent into nationalistic patterns by launching a foreign war.

Turning first to the validity of the accident theory, it is reassuring to recall that during the course of the cold war there have frequently been situations which could have led much more easily to full-scale war than the intervention of West German volunteers in an East German revolt. The fact that bloody incidents do not provoke modern war has been illustrated by the shooting down of a dozen American and British planes and the murder of their crews on peaceful missions, not to speak of the intervention of Soviet pilots and personnel in Korea, or even the intervention of whole great Chinese armies without a single bomb being dropped on Chinese or Russian soil. If incidents or excuses would provoke the Soviets to war, United States intervention to save Greece, Turkey, Berlin and Iran, as well as Korea, provided innumerable opportunities. If the Soviets go to war it will not be by accident but by design.

Moreover, in East Germany the volunteers would be nothing more than armed civilians. The West German Government would not only fail to encourage and organize such intervention but will do its utmost to prevent it as a matter of self-preservation. It has already forbidden it and has appealed to the other NATO powers to join in preventing it—and the same thing is true of the Berlin government. The reason is obvious. There is no German Army and the best divisions of the French and British Armies are in north Africa and the Mediterranean, not in Germany.

For all these reasons the intervention of German volunteers in an East German revolt could only trigger a war if the Kremlin chose to use them as an excuse for a war on the West. But that would be a deliberate act, not an act of panic on Russia's part such as the proponents of the accident theory warn against.

Turning now to the other theory that the Russians would deliberately take advantage of this excuse to launch a war, the spreading of the Hungarian revolt to East Germany would be the least auspicious moment conceivable for the Soviets to deliberately launch a war with the West. War now would give new opportunities to the present seething discontent behind the Iron Curtain. The Communist Party knows better than anyone else that all Russian revolutions have come in time of war, because it helped to organize those revolts in 1905 and 1917. As far as nuclear war goes, the Soviets have even less interest in launching that kind of war than we have, because our greatest strength lies in nuclear weapons. Of course, if and when the Kremlin leaders have the nuclear strength and delivery power to knock out our whole retaliatory potential in one super Pearl Harbor, then it will be different, but the experts tell us that is not now the case.

If the Soviets go to war in the near future, it will be in the hope of using the great superiority of their ground forces to invade Europe or Asia, gambling on the fact that we will not retaliate with heavy nuclear weapons because of the defenselessness of our own cities. The Soviets might conceivably even risk the probability of United States nuclear attacks on Russia if they felt certain of quickly conquering Western Europe with their ground forces. For they may believe that even if we could devastate the cities and military centers of Russia with nuclear weapons, we would not use our superbombs on the great strategic industrial centers of Western Europe, with their teeming, friendly populations. Hence the Russians might hope to capture Western Europe more or less intact, even if much of Russia itself were devastated in the process.

If the Kremlin leaders took such an awful risk it would only make sense, even from their own criminal point of view, if they felt that the only way they could control the growing fight for freedom behind the Iron Curtain was by wiping out the infection centers of freedom along the Iron Curtain borders in Western Europe, and if possible in America as well.

Under any circumstances such a war on the part of the Soviets appears an unlikely and foolish gamble, even though it must be regarded as possible. But it is much less likely now, at a time when turmoil and sabotage are already seething throughout Eastern Europe and Russia itself, covering a thousand-mile belt of Soviet communications into Western Europe, than it was before the Polish and Hungarian revolts began. The Kremlin knows how many Soviet troops defected even in defenseless Hungary and how they had to be replaced by troops from Asia. They know that the whole Hungarian revolt has been carried out with Russian arms alone, either supplied to the Hungarian Communist army or brought over by Soviet defectors. They know that war with the West, like the war with Germany, would give the Soviet and satellite armies the supreme opportunity to revolt, defect, or surrender. Weak as the Western ground defenses are compared to Hitler's, the spirit of revolt everywhere behind the Iron Curtain is far greater today, and there is far more friendliness for the free world behind the Curtain, as shown by the Russian people's ovation to Western visitors, than there ever was for Nazi Germany. Even so, millions of Soviet soldiers surrendered to Hitler and nearly a million fought in the Vlassov army on Germany's side.

Also the breakdown of Soviet communications (always their weakest link) which even limited nuclear war would involve, would make it far easier for Soviet units to revolt or defect than in World War II. The Russian Communists know now that their satellite armies are not only worthless but a source of actual danger to them. Thus, with the certainty of vast trouble behind their own lines and the uncertainty as to how their own troops would fight, it would be an act of madness for them to launch a war at this time.

Therefore, everything the West can do to encourage and keep alive the unrest behind the Iron Curtain, short of the actual invasion of Soviet-controlled territory, is a move away from war, not toward it. We have already proved in Hungary that the West intends to do too little rather than too much, hence there is no danger that the Soviets would launch a war in sheer panic over an expected Western invasion. As we have seen, even if East Germany should revolt and West German volunteers should come to help, the Soviets know that the NATO armies would not invade.

Only if the West becomes willing to make the sacrifices necessary to increase its ground forces could we hope to pursue a stronger policy in the future, and that would take

time. But at any rate, our present weakness virtually eliminates the alleged danger of war as a result of east European revolts. The Soviets do not fear that we will attack them with our few ground divisions, and they know that we will not launch nuclear war unless they launch an invasion of Western Europe or the Near East. The only thing the Soviets really have to fear are their own armies and peoples, especially if they attack us.

This means that if we encourage the passive resistance in Eastern Europe and penalize the Soviet Union by every political and economic means short of war for the Hungarian aggression, the Soviets may withdraw from the captive nations in their own interest, provided the West agreed to have the whole area, perhaps including Germany west of the Rhine, disarmed under the President's open-skies plan. What could the Soviets do in the case of a general strike on the Hungarian model throughout Eastern Europe? Yet it could probably be managed with a little encouragement from the West. As Napoleon said, you cannot sit on bayonets.

The best way to increase the pressure for such a withdrawal is by maximum economic sanctions against Soviet Russia for its aggression in Hungary, with maximum pressure on our allies to join in them, and the necessary aid to make the reduction of their Eastern trade possible. These sanctions would not apply to Poland, which is temporarily in an exceptional position like Yugoslavia, but they should apply not only to the Soviet Union but to China and other loyal satellites which have approved and aided the aggression. We must remember that the breakdown of Soviet control in East Europe has been sparked by the economic crisis. If the Soviets find it too difficult and too expensive to maintain their controls, not only because they must keep their armies mobilized but must make economic concessions to the satellites, it will be doubly in their interest to withdraw from Eastern Europe.

Moreover, if we keep the present momentum in the drive for freedom alive (without necessarily encouraging violent revolts) we may hope that the growing unrest will be strengthened within the Soviet Union itself when it has already taken hold. In this last hope lies the only permanent solution, for the world will never be truly safe from nuclear war as long as those dreaded weapons rest in the hands of criminally-minded men who can launch them in secret.

On the other hand, if through fear of a phantom war danger now, we help the Soviets to regain control and consolidate their position in Eastern Europe, then the Communists may well take advantage of their strengthened position to attack the West later in order to remove the "centers of infection" which caused the Hungarian revolt by keeping the hope of freedom alive behind the Iron Curtain. This is what the advice of Walter Lippmann and others who fear the Hungarian revolution really amounts to—that we should discourage all anti-Communist activity behind the Iron Curtain and increase trade with that area in order to stabilize it, provided only that the Soviets tolerate some degree of so-called national communism on the Polish model. This ignores the fact that Poland remains surrounded by Soviet armies, with some great Soviet bases on her own soil, and is wholly dependent on Russia for military equipment. Soviet Russia also retains a stranglehold on the Polish economy. Welcome as any slight increase in Eastern European freedom may be, if we helped the Soviets to stabilize on these lines, retaining an indirect but no less total physical control, we would be increasing rather than reducing the Soviet war potential.

This would amount to using Western economic strength to discourage the struggle for freedom and to shore up the Soviet empire now, in the hope that it might wither away later. But in the meantime we would be increasing its power to destroy us. It is a policy of panic and suicidal surrender.

There is no question but that the feeling of the American people is still very critical of the inability of the United Nations to deal with the Hungarian problem. Only a few days ago I received two separate petitions from Chicago, totaling more than 60 pages of signatures, reading:

We are asking you, dear sir, as a respected statesman, to do everything in your power to obtain free elections in Hungary under neutral supervision. Without the observance of this principle the United Nations has lost its value. Hungary's fight for freedom is our fight, too.

The same expressions were perhaps more movingly set forth in a poem contained in the March 30 issue of the Saturday Evening Post entitled "Memo to the Hungarian Patriots," by Joseph Auslander, which I include at this point in my remarks.

MEMO TO THE HUNGARIAN PATRIOTS

(By Joseph Auslander)

Heroes of Hungary,
Alone, with naked fists and naked faith, for five
Soul-shattering days and nights you kept alive
The passion to be free,
The fitful furious flame of liberty.
And when at last you fell
You shook the citadel
Of tyranny
Down to its uttermost base in hell—
And shook our hearts as well.
Even as your threadbare, blood-soaked banner hurled
Its final scorn point-blank
At Soviet tank on tank on tank,
A shudder shook the world.
Debate and condemn,
Condemn and debate;
But what about them?
Despair cannot wait
While the Soviet horde,
With bullet and bomb,
With fire and sword
Drives the hard lesson home
In the schoolboy impaled
On the gates of the city,
In the madness that failed,
In the murder of pity,
In the flesh of defeat
Spreadeagled in flame,
Dumped high in the street
Without number or name.
But Stalin said it, Stalin said it plainly:
(In 1946, to be exact)
The Magyar problem is a matter only
For boxcars. * * * Stalin said it. * * *
Chilling fact.
That was the way he spelled it out and read it—
And good old Joey chuckled when he said it.
Would you like to hear how they operate
Their death train round the clock to hell
(Vast Slave-and-Murder Syndicate)?
It's a simple formula; it works well:
You run down, smoke out, round up all
Your dangerous patriot deportees—
The young, the old, the short, the tall;
No matter. Flesh and bone will squeeze.
Your assembling point for these human cattle
Lies east of the border: Uzhgorod.
From there the boxcars roll and rattle
With their branded cargo, load on load,
Jammed in by bayonets, forced to stand,
The cars sealed tight, no bread or water.
Far from their homes, their motherland,
Marked for the slave camp, marked for slaughter.
Over the rails the foul tide flows
As the boxcars carry these living dead,
The vomit and excrement stiff on their clothes,
Fetid and stale. And many go mad,
Shrieking for water. And many stand still,
Propped straight up in the airless spaces
By the stifling press, kept erect until,
Unloaded, they fall dead on their faces.
Shall I go on? Have you heard enough
Of the kindly ways of Communist
Whose only law, when things get rough,
Is the rifle butt and the bludgeon fist?
(The hammer to break your head in two,
The sickle to cut your throat clean through.)
In the wreck and rubble of Budapest
They found toy soldiers, a set of toys
That somehow survived the holocaust
When Soviet tanks killed little boys.
The soldier who is made of zinc
Doesn't have to feel or think;
The warrior molded out of steel
Doesn't have to think or feel;
The hero who is carved of lead
May be killed, but won't stay dead;
Mounts of wood and iron men
Fight and fall and fight again.
Only flesh and bone are brittle—
Bleed a little, break a little;
Yet for courage nothing can
Match the flesh and blood of man.
Children whom hunger made both wan and wise,
Schoolboys whom hate exploded into men,
Your broken fists, your blind beseeching eyes,
Your bodies—strangely childlike even then—
Rebuke our world. Oh, yet once more forgive
The-all-too-little-and-the-much-too-late
That finds you still enslaved or fugitive,
That finds us still ensnared in bleak debate.
Rise and confront us in the council hall,
Unnoticed, unannounced and silent there,
Save for that One who stands against the wall,
The blood and sweat still matted in His hair,
His cry the cry of man's old agony:
"Forsaking these, you have forsaken Me!"

I think, Mr. Speaker, that we have now witnessed the final act of cynicism in the craven acknowledgment by the present Communist government of Hungary that the so-called act of Soviet liberation should be commemorated as a national holiday. However, I am confident that representatives of free nations everywhere will not acknowledge by their words or deeds that this is indeed a legitimate Hungarian holiday today. In this connection, I was pleased to read in this morning's paper that our Government officials plan to boycott the reception to be held today at the Hungarian legation in Washington.

The House will recall that I spoke here on March 18 in commemoration of the true Hungarian national holiday of March 15, the anniversary of the Hungarian uprising against the Austrian Empire in 1848. This anniversary will continue to be celebrated by free Hungarians and by friends of Hungarian freedom throughout the world regardless of what the Communists may decree to the contrary. Speaking for myself, I am confident that the heroic sacrifices made by the Hungarian freedom fighters last fall and the brave passive resistance that is being carried on in Hungary today against Communist oppression will not be in vain. It is as certain as anything under the sun that terrorism and brutality can never permanently extinguish the spirit of freedom among the brave people of Hungary and I am likewise certain that the true anniversary of

Hungarian freedom, that of March 15, will again be celebrated throughout Hungary as it is throughout the free world. Finally, I am certain that the shameful date of April 4, as well as that no less shameful date of November 4 last fall, when the second Soviet liberation of Hungary occurred, will go down in history as landmarks in the chronicles of treason and betrayal.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Friday night, April 5, to file reports on several bills, to wit, H. R. 192; H. R. 3400; H. R. 6508; H. R. 4840; and H. R. 4874.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

IN MEMORIAM TO A SMALL BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Michigan [Mrs. GRIFFITHS] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. GRIFFITHS. Mr. Speaker, on February 3, a constituent of mine wrote a most thoughtful letter to the Administrator of the Small Business Administration and sent me a copy of his letter. That letter, written by Mr. Fred Scarborough, began in a rather matter-of-fact way. It said:

DEAR MR. BARNES: It has become obvious to me that I will lose my entire investment in this business, as well as that of a friend who helped to finance it.

Mr. Scarborough was not, however, asking for help. Furthermore, if his letter contained special pleading, it was pleading only for a correction of certain bad conditions which will permit other small businesses to survive. He said that his firm was only one of 50 or 60 small, independent appliance dealers in the Detroit area who would be bankrupt in 6 months.

In equally matter-of-fact tones, Mr. Scarborough stated the problem as he saw it. Apparently he had never heard of any of the pending bills to strengthen the antitrust law against price discrimination; but price discrimination was the cause of his impending doom, as he saw it, and he proposed that there should be a law to correct this problem. He said:

That is the only conceivable solution. If I can buy at the same price as the big fellow, I can meet his price and operate at a small profit. Otherwise, all small appliance dealers who are honest are doomed.

I felt that the House Small Business Committee would be interested in this letter. Knowing that the committee's chairman [Mr. PATMAN] has been urging passage of a bill, H. R. 11, to correct this problem, I forwarded the letter to him. The upshot was that Mr. PATMAN—with my permission—placed the letter in the CONGRESSIONAL RECORD, on March 18, under the title "Small Business Man Offers Hon. Wendell B. Barnes a Solution to Small Business Failures"—Daily CONGRESSIONAL RECORD, Appendix, page A2117.

Congress has not, of course, passed legislation to correct the problem which seems to be causing so many small-business failures. Furthermore, in view of the opposition which has developed, the prospect of getting a law enacted has seemed to me, frankly, not good. As I understand it the administration is opposed to any such legislation. The Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, United States Senate, has recently been holding hearings on this legislation, and officials of several Executive agencies—including the Department of Commerce and Department of Justice—have testified or submitted statements, all opposing this legislation. Furthermore, when the House Judiciary Committee was considering such legislation last year, the Honorable Wendell B. Barnes, who as Administrator of the Small-Business Administration is supposed to present the point of view of small business, appeared and opposed this legislation.

Under the circumstances, I felt it would be extremely cruel to respond to a businessman who had said that his business would be gone and his investment lost, within 6 months, by lending him any real hope that the legislation needed to save his business would be enacted. Nevertheless, I wished him to know that the problem about which he wrote had at least been called to the attention of Congress. So I mailed a copy of the CONGRESSIONAL RECORD which contains his letter and Mr. PATMAN's remarks.

This mailing of mine has now been returned to me. The envelope is stamped by the Detroit Post Office "Return to sender," and the postman who tried to deliver it has written across the envelope, "moved, out of business." So, from all appearances, this sad story had come to an end. Yet, somehow, I was not satisfied; on my last trip back to Detroit, I paid a visit to the business address from which Mr. Scarborough's letter came. I was hoping—I thought—that there had been some mistake—that perhaps my address was wrong, or that the post office had made an error. Or perhaps I was simply curious and wanted to learn something of the personal circumstances of this letter which had come to me in so impersonal a way.

But I found Mr. Scarborough's store padlocked. I inquired at a neighboring business firm, and briefly, here are the things I learned. Mr. Scarborough is past middle age. He has a daughter in college and a son in high school. The family owns a home. His business was not new. He had been at this location between 15 and 20 years—according to the memory of his neighbors. They thought highly of him, personally, and as an industrious, independent businessman. The business had once prospered. Over the past 3 years, it had grown steadily worse, and, finally, it failed.

If this incident involved the tragedy of only a single small firm, and a single family, it would, of course, be bad. But it is no single tragedy. I think it must be typical in its essentials, though with variations in the human stress involved, of the tens of thousands of small firms that have failed in the past few years—and of the increasing number of failures today. This, it seems to me, is not good. When so many of our citizens fail, I wonder if the failure is really theirs, or if it really isn't our failure to provide the kind of laws under which our people can succeed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CRETELLA (at the request of Mr. SADLAK) from April 4 to April 10 on account of illness.

To Mr. BREEDING for Monday on account of official business.

To Mr. SCHERER for April 5, 1957, on account of testifying in a contempt of Congress case at Dayton, Ohio.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FEIGHAN for 5 minutes on tomorrow, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. KILGORE (at the request of Mr. WHITENER) and to include an address by Mr. POAGE.

Mrs. ROGERS of Massachusetts.

Mr. OSTERTAG (at the request of Mr. SILER).

Mr. DENNISON (at the request of Mr. WILSON of Indiana).

Mr. ASHLEY (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. BLATNIK (at the request of Mr. McCORMACK) and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1869. An act for the relief of Mrs. John William Brennan;

H. R. 3046. An act for the relief of August J. Striggs; and

H. R. 3322. An act for the relief of James L. Bostwick.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.), the

House adjourned until tomorrow, Friday, April 5, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

700. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a draft of proposed legislation entitled "A bill to amend Public Law 472, 81st Congress, as amended, entitled 'An act to promote the national defense and to contribute to more effective aeronautical research by authorizing professional personnel of the National Advisory Committee for Aeronautics to attend accredited graduate schools for research and study'"; to the Committee on Armed Services.

701. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to amend the Reorganization Act of 1949, as amended"; to the Committee on Government Operations.

702. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend the Tariff Act of 1930 with respect to the administration of the General Agreement on Tariffs and Trade"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. H. R. 3368. A bill to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants; without amendment (Rept. No. 296). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H. R. 3967. A bill to amend section 1867 of title 28 of the United States Code to authorize the use of certified mail in summoning jurors; without amendment (Rept. No. 297). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Colorado: Committee on the Judiciary. H. R. 985. A bill to provide that chief judges of circuits and district courts shall cease to serve as such upon reaching the age of 70; with amendment (Rept. No. 301). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 288. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; with amendment (Rept. No. 298). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 289. Joint resolution to facilitate the admission into the United States of certain alien children; without amendment (Rept. No. 299). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. House Joint Resolution 290. Joint resolution for the relief of certain aliens; without amendment (Report No. 300). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER:

H. R. 6630. A bill to amend the Tariff Act of 1930 with respect to the administration of the General Agreement on Tariffs and Trade; to the Committee on Ways and Means.

By Mr. KEAN:

H. R. 6631. A bill to amend the Tariff Act of 1930 with respect to the administration of the General Agreement on Tariffs and Trade; to the Committee on Ways and Means.

By Mr. ANDERSON of Montana:

H. R. 6632. A bill to amend Public Law 874, 81st Congress, in order to revise the provisions with respect to certain payments for the education of Indian children; to the Committee on Education and Labor.

By Mr. ANFUSO:

H. R. 6633. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least four quarters of coverage; to the Committee on Ways and Means.

By Mr. ASHLEY:

H. R. 6634. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. BAKER:

H. R. 6635. A bill to amend the Atomic Energy Community Act of 1955, as amended, to avoid inequities in the sale of Government-owned housing to priority purchasers at different times; to the Joint Committee on Atomic Energy.

H. R. 6636. A bill to amend the Atomic Energy Community Act of 1955, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. BATES:

H. R. 6637. A bill to appropriate $600,000 for the construction of the Hopkinton-Everett Reservoir project in the Merrimack River Basin; to the Committee on Appropriations.

By Mr. BROYHILL (by request):

H. R. 6638. A bill to provide for the admission and treatment of mental patients from northern Virginia at Saint Elizabeths Hospital; to the Committee on Education and Labor.

By Mr. CHUDOFF:

H. R. 6639. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. DEVEREUX:

H. R. 6640. A bill to authorize the temporary promotion of officers of the Armed Forces while in an absence status, and for other purposes; to the Committee on Armed Services.

By Mr. FASCELL:

H. R. 6641. A bill to fix the boundary of Everglades National Park, Fla., to authorize the Secretary of the Interior to acquire land therein, and to provide for the transfer of certain land not included within said boundary, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GREEN of Oregon:

H. R. 6642. A bill to provide for the establishment of a Federal Advisory Council on the Arts, and for other purposes; to the Committee on Education and Labor.

By Mr. HARRIS:

H. R. 6643. A bill to amend the Civil Aeronautics Act of 1938, as amended, to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS of Ohio:

H. R. 6644. A bill to amend section 304 of the Tariff Act of 1930, so as to provide that the prescribed markings on imported articles shall be made more clearly visible by the use of contrasting colors; to the Committee on Ways and Means.

By Mr. HILL:

H. R. 6645. A bill to amend the Small Business Act of 1953; to the Committee on Banking and Currency.

By Mr. MAGNUSON:

H. R. 6646. A bill to amend section 4462 of the Revised Statutes, as amended, with respect to certain vessels carrying freight for hire on the inland waters of southeastern Alaska or between such waters and the inland waters of the State of Washington; to the Committee on Merchant Marine and Fisheries.

H. R. 6647. A bill to provide for the conveyance of certain lands to the city of Tacoma, State of Washington, in connection with its municipal water system; to the Committee on Public Works.

By Mr. METCALF:

H. R. 6648. A bill to amend Public Law 874, 81st Congress, in order to revise the provisions with respect to certain payments for the education of Indian children; to the Committee on Education and Labor.

By Mr. OSTERTAG:

H. R. 6649. A bill to provide for registration and reporting of welfare and benefit plans; to the Committee on Education and Labor.

H. R. 6650. A bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans; to the Committee on Education and Labor.

By Mr. PERKINS:

H. R. 6651. A bill to enable the mothers and widows of deceased members of the Armed Forces now interred in cemeteries outside the continental limits of the United States or in Alaska to make a pilgrimage to such cemeteries; to the Committee on Armed Services.

H. R. 6652. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H. R. 6653. A bill to fix the boundary of Everglades National Park, Fla., to authorize the Secretary of the Interior to acquire land therein, and to provide for the transfer of certain land not included within said boundary, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H. R. 6654. A bill to amend the act of April 19, 1950, to permit the Navaho Indian Tribe to lease tribal lands for residential and other purposes for a term of not to exceed 99 years, to transfer trust property of the tribe to any corporation owned by the Navaho Tribe or to municipal corporations within the boundaries of the Navaho Indian Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H. R. 6655. A bill to provide increased relocation payments to displaced small-business concerns in urban-renewal projects; to the Committee on Banking and Currency.

By Mr. EBERHARTER:

H. R. 6656. A bill to amend the Social Security Act to increase the maximum permissible Federal financial participation in the public-assistance program of the Virgin Islands of the United States; to the Committee on Ways and Means.

By Mr. HOLIFIELD:

H. R. 6657. A bill to amend the public-assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mrs. KELLY of New York:

H. R. 6658. A bill to amend the public-assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. SPENCE:

H. R. 6659. A bill to extend and amend laws relating to the provision and improvement of housing, to improve the availability of mortgage credit, and for other purposes; to the Committee on Banking and Currency.

By Mr. SELDEN:

H. R. 6660. A bill to provide that the lock and dam referred to as the Tuscaloosa lock and dam on the Black Warrior River, Ala., shall hereafter be known and designated as the William Bacon Oliver lock and dam; to the Committee on Public Works.

By Mr. COLE:

H. J. Res. 296. Joint resolution to establish a permanent commission on Presidential disability, and for other purposes; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States requesting that no more wilderness areas or other withdrawals be made of known mineralized sections of Alaska which would place these lands within the scope of such proposed national wilderness preservation system; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States requesting that immediate and appropriate steps be taken to restrict the importation of foreign-caught and processed fish and that more stringent international regulations of pelagic fishing be promulgated; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 6661. A bill for the relief of Mrs. Takako Kashimura Harvey; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 6662. A bill for the relief of Lelia Maud Richards; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 6663. A bill for the relief of Harry Nakamura; to the Committee on the Judiciary.

By Mr. BROWN of Missouri:

H. R. 6664. A bill for the relief of Raymond R. Sanders Van Service; to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H. R. 6665. A bill for the relief of Amor A. Parsao; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 6666. A bill for the relief of Harumi Gay; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 6667. A bill for the relief of Maria Pierro Calogero; to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 6668. A bill for the relief of Mercedes Garrido; to the Committee on the Judiciary.

H. R. 6669. A bill for the relief of Guiseppe Domenico Convertini; to the Committee on the Judiciary.

By Mr. FINO:

H. R. 6670. A bill for the relief of Donata Scarano; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 6671. A bill for the relief of Miss Joritta Dapilmoto and Miss Lebrada Dapilmoto; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 6672. A bill for the relief of Francis G. Brown and his wife, Toshi Kitao Brown; to the Committee on the Judiciary.

H. R. 6673. A bill for the relief of Mrs. Katherine Giell; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 6674. A bill for the relief of Yong Ja Lee; to the Committee on the Judiciary.

By Mr. MINSHALL:

H. R. 6675. A bill for the relief of Paul Peter Fraechlone; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 6676. A bill for the relief of Renee Celeste Munyer; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 6677. A bill for the relief of Dr. Ying Ming Yen; to the Committee on the Judiciary.

H. R. 6678. A bill for the relief of Mrs. Bertha Lang; to the Committee on the Judiciary.

By Mr. SCHERER:

H. R. 6679. A bill for the relief of Dr. Alejandro Garcia-Duarte; to the Committee on the Judiciary.

H. R. 6680. A bill for the relief of Olga Garcia-Duarte; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

193. Mr. BUSH presented a petition of citizens of Williamsport, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Cutting High Taxes

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 4, 1957

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article of mine which was published in the Farm Journal of April 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HELP US CUT THESE HIGH TAXES

(By Senator HARRY F. BYRD)

I've been in the United States Senate 24 years. I've survived the New Deal, the Fair Deal, and the present deal. But the budget that this administration has just sent to Congress is by far the most dangerous that I've ever seen.

I have three good reasons for saying that:

1. This country is mortgaged to the hilt at this moment.

The $275 billion Federal debt—that you and I owe—equals the full assessed value of all the land, all the buildings, all the mines, all the machinery, all the factories, all the livestock, everything of tangible value—in the United States.

In addition we have another $280 billion of contingent liabilities. These are obligations which you and I have guaranteed in case they materialize such as $40 billion worth of possible losses on Federal housing.

Local taxes—the kind levied by 48 States, 3,000 counties, 16,000 towns and cities, 17,000 townships and 79,000 school districts—come to $35 billion, and are headed higher. (Local taxes are about 23 percent of the total.)

Thirty-three cents out of every dollar that the people of the United States earn now goes for taxes of some kind.

We owe so much money that it takes 10 percent of our taxes just to pay the interest.

There's a limit beyond which even a country as great and rich as ours cannot go. I think we've reached it.

2. In the face of all this, the President has sent Congress the biggest peacetime budget in history.

The budget is $3 billion bigger than last year, which in itself was a record-breaker. And this $3 billion doesn't include another $3 billion set aside as a special fund for the new national highway program.

Many people assume that the size of this budget is accounted for largely by military needs. Actually it calls for spending $2 billion less than in fiscal 1954 on the military, but asks for about $7 billion more in domestic, civilian expenditures.

This 1958 budget asks for 13 new State aid programs. That would make 73 in all.

This represents a change in policy—a change from a policy of frugality in Government on the part of this administration to a policy of big Government with power concentrated in Washington.

If continued, it means that both political parties are pledged to big Government and big spending. Whom does that leave to be the watchdog for the people?

3. I believe that taxes are so burdensome that if continued at present and proposed levels they will lead to serious consequences:

They will take the money this Nation's economy needs for growth to provide jobs and markets for farm goods.

They will cause a downturn in business and in personal incomes, which in turn will reduce the tax intake.

They will unleash a tremendous inflationary force.

Look what has happened since 1940. By 1952 your dollar, yes, your dollar, had lost 48 cents of its value. When President Eisenhower—newly elected on economy promises—

cut $9 billion from the proposed Truman budget, this stabilized the dollar. But under last year's record budget, another two cents of the dollar's value was lost. The new budget would chip off more.

The loss of half the purchasing power of its money should be a serious warning to any nation.

It is no exaggeration to say that there is nothing on earth more important than to preserve the fiscal integrity of the United States of America and the freedoms upon which our Republic is founded.

Public debt is not like private debt. If private debt is not paid off, it can be ended by bankruptcy proceedings, and maybe not too many people are hurt. But if public debt is not paid off—and paid off with taxes—the end can only be disastrous inflation or repudiation. Either would destroy our form of government.

If we become insolvent, we cannot even defend ourselves militarily, nor can we preserve our freedom.

"But we have an emergency need for schools and roads and more health services," some argue.

I admit that it seems so. Some may think that a good case can be made for the 13 new State aid programs asked for in this budget. They come to only $100 million the first year—but like foreign aid expenditures, these would grow and grow.

The original Marshall plan was set up for $15 billion and had a time limit of 4 years. Since then we have spent $40 billion more in foreign aid. And today Congress has been asked to open up vast new spending in the Middle East.

It is an interesting fact, I think, that the debt of the United States is 2½ times as great as the combined debt of 12 European nations that we have been helping. They have a smaller per-person debt than we have, but we're still contributing to them.

We need to drive home the point that the Federal Government does not have a magic, ever-flowing spring from which gushes "Federal aid for States." This money must first come from the States and communities themselves in taxes.

And only some of it ever gets back. Washington takes out a slice for administration—and then tells you how to use the part it sends back. This weakens the ability and freedom of States and communities to help themselves.

Certainly, it is difficult to oppose specific money-spending proposals. But the point is—we must stop somewhere. We must deal in principles. As an individual family, you can't do all the things you want, or need to do, and still stay out of court or the poorhouse.

Naturally, I favor spending whatever it takes for an adequate Military Establishment.

But I maintain that we can cut $5 billion off our Federal budget without any real harm.

I personally will advocate that the President send a special message to Congress asking that the tax-saving Hoover Commission recommendations be adopted.

I will urge that President Eisenhower suggest cuts in this budget, just as he did when he cut $9 billion from the Truman budget when he came into office, and not just pass the buck to Congress with a pious hope that it can do something.

I will urge that we eliminate some of these new expenses, such as the 13 new aids to the States.

It might be necessary to end up cutting the budget by a flat percentage across the board. It is an almost impossible task to cut item by item in the 1,165-page budget.

Actually, we should be reducing the public debt at this time, not increasing it. If we can't balance the Federal budget and reduce the debt in peacetime and with better than normal prosperity, when can it be done?

There is one principle that we must always preserve if our democracy is to survive: "It is the duty of the people to support the Government and not the Government to support the people."

Say what you will, we can't afford to pay out a third of our income for taxes.

Proctor Band Wins Cherry Blossom Festival Band Contest

EXTENSION OF REMARKS

OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1957

Mr. BLATNIK. Mr. Speaker, it is with considerable pride and great pleasure that I am able to announce that the winner of the Cherry Blossom Festival national high-school band competition held yesterday was the Proctor High School Band of Proctor, Minn.

These 72 young musicians, under the leadership of Band Director J. P. Moody and Assistant Director R. J. Melde, took first place in the playing-band category, second place in the marching-band category, and were named "best all-around band."

This is not the first long trip experienced by the now nationally known Proctor High School Band. In 1948 the band played at the Little Rose Bowl game in Pasadena, Calif. In 1948 it played in Winnipeg, Canada, and in 1950 the band traveled to the Portland, Oreg., Festival of Roses. Recently the band has performed in New Orleans' Mardi Gras parade and just recently made a fine appearance during the intermission in the Orange Bowl game in Miami Beach, Fla. I am sure the 1957 Proctor band can take its place with fine Proctor bands of the past and can add now, to its many honors already won, the title of best band at the Washington, D. C., Cherry Blossom Festival for 1957.

Proctor High School is one of the finest schools in northern Minnesota which is known for its many fine schools. Congratulations should be extended to the band director, Mr. Moody, and his assistant, Mr. Melde, as well as the very able educator, Superintendent A. J. Jedlicka, who accompanied the band, and Mr. W. R. Salmi, assistant superintendent.

A list of the band members includes: Sharyn Torba, Joan Moran, Diane Davis, Bertha Fransk, Jane Perrill, Annette Wiggins, Carol Malley, Louann Frolen, Nancy Burlovich, Joyce Pelletier, Sandra Soderberg, Nancy Stickney, Joan Haugen, JoAnn Traplay, Rosemary Timmerman, Wendy Lambert, Marilyn Sheehan, Deanne Oppel, Carolyn Carlson, Sharon Hoffman, Pat Norlund, Sharon Parsons, Doris Moen, Charlene Sedor, Clarice Anderson, Dorothy Larson, Charlene Brockway, Sandra Hoffman, Mary Jo Bijold, Carol Chapman, Donna Renaud, Jeanine Johnson, Marion Sauter, Margaret Norstrom, Judy Stickney, Donna Lee, Karen Breimon, Carol Stack, Roberta Mehling, Sharon Carlson, Judy Wolff, Kay Johnson, Sandy Lambert, Julia Denzler, Jane Johnson, Marilyn Gulbranson, Karen Nelson, Mary Lynn Johnson, Joan Wagner, Nancy Stewart, Barbara Mehling, Margaret Skog, Barbara Jugasek, Diane Beatty, Susan Granmoe, Corinne Roberts, Janice Wedlund, Sharon Barlow, Jean Sowa, John Breigenzer, Ronald Barlow, Joe Spencer, Victor Breemeersch, Jim Parmeter, Jon Parmeter, Duan Benoit, Dale Hoffman, Dan Quaderer, Roger Dahl, Duane Sedor, Harvey Buraki, Butch Traplay.

Humanitarian and Old-Age Rights Act

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1957

Mr. ASHLEY. Mr. Speaker, today I have joined nearly 50 Democratic Members of the House of Representatives and Senate in sponsoring the Humanitarian and Old-Age Rights Act, a measure which will be welcomed by millions of our Nation's less-fortunate citizens.

Since enactment of the public assistance section of the Social Security Act, there has been reason to question the degree of humanity and justice with which the provisions of this act have been administered. The responsibility of Congress, Mr. Speaker, goes beyond the adequacy of financial assistance to needy Americans. We must also safeguard those receiving assistance from undue harassment and intimidation and restore to them their right to human dignity.

The Humanitarian and Old-Age Rights Act is a step in this direction. By establishing a single standard of qualifications for the applicants and recipients of public assistance—below which no State shall go—a degree of uniformity would be achieved among the widely varying laws of the 48 States.

For the first time a legislative intent would be established by Congress "that public assistance shall be administered promptly and humanely, with due regard for the preservation of family life, and without discrimination on account of race, sex, religion, or political affiliation; and the assistance laws shall be liberally construed."

Among the outstanding provisions of this bill are the following:

The age requirement for recipients of old-age assistance would be the same as that of retired workers receiving social-security benefits.

The aged and handicapped on public assistance would be allowed to earn up to $50 a month; the parents of needy children up to $30 per month, and the needy children themselves, up to $30 per month to supplement their assistance

checks. The blind are already permitted to earn $50 without penalty of reduction in aid.

Recipients may own a home of an assessed value—less all encumbrances—up to $5,000 free from the imposition of a lien. The floor of $1,200 is established under the amount of personal property which a single recipient is allowed to have, and household furnishings are exempt, as are insurance policies or burial agreements up to $500 in value.

The practice of enforcing collections from the relatives of recipients and the publishing of the names of recipients is prohibited, and no person receiving public aid shall be deemed a pauper or referred to as being indigent.

The State-imposed residence requirement now allowed by the Federal Government would be reduced from 5 years to 1 year, and persons otherwise qualified who do not meet State residence requirements shall receive partial payments directly from the Federal Government until the State residence requirement has been met.

Tennessee Valley Authority Purchases, 1934-56

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Thursday, April 4, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD a tabulation of purchases by the Tennessee Valley Authority of materials and supplies during its first 22 years. The TVA purchased more than $1 billion in materials and supplies from States outside those of the Tennessee Valley. The Tennessee Valley has become one of the greatest markets in the United States for electric equipment of all kinds, none of which is produced in the valley, but all of which is bought in other parts of the United States. These figures show how the entire Nation benefits from the Tennessee Valley, in addition to the flood control and soil conservation it provides for the States of the Tennessee Valley, for that which benefits and builds up economically and socially one section of the Nation is of corresponding benefit to the total productive capacity of the entire Nation.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

TVA procurement sources

	1956	Total (1934-56)
Alabama	$5,780,384	$417,723,660
Georgia	941,379	28,224,719
Kentucky	25,364,495	159,776,227
Mississippi	241,308	8,690,036
North Carolina	194,120	13,907,812
Tennessee	25,180,306	888,014,197
Virginia	8,267,314	19,252,848
Total valley States	65,969,427	536,049,008

TVA procurement sources—Continued

	1956	Total (1934-56)
Arizona	$1,835	$172,079
Arkansas	19,246	1,210,558
California	296,840	10,238,534
Colorado	18,488	1,115,425
Connecticut	376,990	7,476,290
Delaware	824,223	19,250,008
District of Columbia	28,488	2,485,289
Florida	91,771	7,313,710
Idaho		2,307,188
Illinois	9,088,984	112,455,968
Indiana	2,200,078	22,404,907
Iowa	26,301	1,537,154
Kansas	21,109	895,649
Louisiana	752,698	10,357,442
Maine	102,574	664,448
Maryland	182,581	8,365,916
Massachusetts	767,309	20,791,891
Michigan	792,411	19,206,996
Minnesota	332,225	8,100,987
Missouri	828,053	26,301,513
Montana		165,818
Nebraska	8,008	304,901
Nevada	200	138,813
New Hampshire	40,600	1,675,745
New Jersey	1,992,339	41,479,643
New Mexico	4,475	52,176
New York	14,700,264	156,653,698
North Dakota		54,000
Ohio	4,024,290	126,906,298
Oklahoma	1,938,986	3,641,656
Oregon	43,798	1,616,938
Pennsylvania	17,424,592	311,442,478
Rhode Island	20,920	2,208,986
South Carolina	19,147	1,863,140
South Dakota	528	708,526
Texas	741,416	8,357,160
Utah	2,782	2,809,088
Vermont	5,384	195,136
Washington	140,087	1,367,455
West Virginia	138,528	3,969,841
Wisconsin	843,672	60,274,449
Wyoming	10	29,058
Total other States	66,989,391	1,089,777,921
Foreign	1,381,479	2,127,294
Total	134,338,197	1,760,951,283

Around the World in 80 Days

EXTENSION OF REMARKS

OF

HON. DAVID S. DENNISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1957

Mr. DENNISON. Mr. Speaker, I would like to call to the attention of the Members of Congress a notable event which will take place Monday evening in Washington, the Washington premiere of the movie Around the World in 80 Days. The performance is being staged here for the benefit of the American Field Service scholarship fund, a most worthy project, deserving of our support.

It was my great privilege during World War II to serve with the American Field Service in Africa and to be a part of the great work the organization performs in time of war. Since its inception in World War I as an ambulance unit, the American Field Service has seen action in all parts of the world, and it is fitting that the premiere of a movie whose theme is worldwide be dedicated to the peacetime work of the American Field Service. This project brings foreign-born students to America for their final year of high-school study. Hundreds of young people have thus had an opportunity to see our country at firsthand, to live with our people, to attend our schools, and to return to their own countries with greater understanding of America and Americans. I am a firm believer in the people-to-people approach to foreign relations. There is no greater guaranty of peace than understanding of one for another. In this work the American Field Service thus makes a notable contribution to peace now and for future generations.

I hope that many of you will support this cause on Monday and, at the same time, afford yourself the pleasure of seeing what has been described as one of the great moving pictures of all time by attending the premiere of Around the World in 80 Days at the Uptown Theater.

Hon. Karl E. Mundt, of South Dakota

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, April 4, 1957

Mr. MARTIN of Iowa. Mr. President, the senior Senator from South Dakota [Mr. MUNDT] and I came to Congress together in 1939. During our long association I have found him to be an exceptionally capable and devoted Senator. I noted with interest a feature article concerning the senior Senator from South Dakota, written by Melva G. Chernoff, and appearing in the March 25 issue of the Sioux Falls Argus-Leader.

I share the author's high regard for the services contributed by the senior Senator from South Dakota, and I request unanimous consent to have the article printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR MUNDT PROVIDES FARM STATE SHREWDNESS IN UNION PROBE

(By Melva G. Chernoff)

WASHINGTON, D. C., March 25.—A neatly dressed man in a gray sharkskin suit, with a frank face and a disarming smile, is playing a large part in helping bring to light facts that may result in more enlightened legislation to regulate union pension and welfare funds.

He is KARL E. MUNDT, South Dakota's senior Senator, a member of the Senate's Select Committee To Investigate Improper Activities in the Labor or Management Field.

It's a paradox that this ever-smiling South Dakotan should be sitting on this particular committee since he is from a farm State where unions are not a prime factor in the economy. But it may be for that very reason that Senator MUNDT is a good man for the job.

MIGHT AFFECT FARMER

First, he brings no preconceived notions into the hearings and, second, he is making a determined effort to help protect the funds paid into union treasuries by workingmen. Senator MUNDT also believes that any misuse of such funds can also result in higher prices for heavy equipment and that, of course, includes farm machinery.

As Senator MUNDT sits near the end of the long mahogany table in the crowded committee room, taking notes to remind him of questions to ask, he pulls at the pipe that is his trademark.

The bright lights of the newsreel and television cameras do not bother him. He has been before them many times and he certainly became a veteran during the Army-McCarthy hearings.

So South Dakota's senior Senator sits there listening to Chairman JOHN MCCLELLAN, of Arkansas, and Committee Counsel Robert Kennedy grill the various witnesses. He makes his notes and then, just as you think things have come to a lull, Senator MUNDT indicates to the chairman that he would like to ask a question. This is done in a soft voice. An antagonistic witness begins to relax.

Coming after a barrage of questions from eager, boyish Counsel Kennedy and Senator MCCLELLAN, an ex-prosecutor of the old school, the witness wonders what this farm State Senator can pitch to him that can't be hit into the outfield. But the witness who underestimates MUNDT is quickly disillusioned. The Senator is no mean prosecutor himself. Read a few excerpts from the testimony and you'll see what I mean:

"Senator MUNDT (to teamster official Brewster). If you will accept a friendly suggestion, Mr. Brewster, from a country boy out in South Dakota, where we do not have many teamsters or many unions, I would think that all of this big treasury that you have charge of, it would be wise to hire a little more storage room. This is the third time now that we have found you did not have enough room to keep the records and they have been lost.

* * * * *

WHO PLAYS SANTA CLAUS?

"Senator MUNDT. Do you believe it is a sound concept of basic Americanism to make it necessary for a man, in order to earn a living for his family, to contribute under compulsion to the election of a candidate whom he personally prefers to defeat? * * * I am trying to find out who plays Santa Claus. Out in my country the fellow who plays Santa Claus does not always keep all the gifts himself. He gives them away. But it seems to me that the fellows who are playing Santa Claus here get in on the dispensation of the largess. Right?

* * * * *

"Senator MUNDT. I understand. You are a sheep man and I come from sheep country and sheep men are not racketeers. You would not know too much about that.

* * * * *

"Senator MUNDT. They were simply using the union as a club to put Acme, their own outfit, into the pinball business.

"Mr. ELKINS. That is correct.

"Senator MUNDT. You have had some experience in that business. Had the plan (to make it a statewide operation) succeeded, what do you think would have been the annual take?

"Mr. ELKINS. Oh, Lord, it would have been terrific. The amount would have been fantastic.

"Senator MUNDT. Fantastic out in Portland is one thing and back in South Dakota it would be something else. Ten dollars is a lot of money back home.

* * * * *

"Mr. SCHRUNK. During the last 2 months, we have had information that the Bellevue had ceased operations as a walk-in joint, but had been sneaking a few old customers and men sent from contact places.

"Senator MUNDT. That is point 1 for the investigating staff. They got that one. It is still open. Go ahead.

"Mr. SCHRUNK. No, sir; not open, as such.

"Senator MUNDT. Well, I did not mean they had neon signs up saying, 'Come on in,' but if they can sneak in, I would call it open. We are talking about the sneak-in places.

* * * * *

"Mr. LANGLEY. In this setting, the answer might tend to incriminate me.

"The CHAIRMAN. You mean to reflect upon this setting?

"Mr. LANGLEY. Not upon the committee, your honor.

"Senator MUNDT. Mr. Chairman, let us get a little more information about this setting. Will you dilate on that a little bit? What are you complaining about?

"Mr. LANGLEY. I am only using the language of the United States Supreme Court, Senator.

"Senator MUNDT. Will you apply the language of the United States Supreme Court to the Senate caucus room of the United States Senate so I can understand it?"

BECK AWAITED

Well, it's pretty hard to appreciate the great job the Senator is doing unless you either hear or read all of the testimony. But I think you get the general idea.

The Capitol is all agog now because Tuesday the committee reconvenes to question Dave Beck, the teamsters' head man. If he does testify, he has a new and different kind of adversary awaiting him.

Senator MUNDT is ready.

Administrative Costs for Public Assistance in New York State

EXTENSION OF REMARKS

OF

HON. HAROLD C. OSTERTAG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1957

Mr. OSTERTAG. Mr. Speaker, an erroneous impression has been created in this House, possibly inadvertently, as to the cost of administration of public assistance in the State of New York. The statement has been made here that these costs run as high as 27 percent of expenditures.

In fairness to the administrators of my State, and for the sake of accuracy, I ask leave to include in the RECORD the following facts and figures.

First, it should be borne in mind that there are many service costs blanketed under the heading of administrative costs in New York State—services which are not made available to welfare clients in some other States. Among these are casework service, medical service to restore people to physical health, guidance to children, homemaker service, and so on. In other words, the department of social welfare is not merely a fund-dispensing agency, but renders many services which are designed to curb and lighten the burden of indigency both on the clients and on the public. It might be desirable to separate these service costs from administrative costs so that a clearer public accounting could be rendered as to the use of these funds. In the absence of such separation, the public and the Congress may be misled.

Even taking these added services and activities into account, New York State's administrative costs do not, in fact, approach 27 percent of expenditures, as charged.

In fiscal 1956, the latest year for which full figures are available, New York State spent $273,505,014 on federally aided assistance programs. Of this sum, $236,197,416 was for assistance, and $37,307,598 went to administrative costs. Thus the percentage of the total sum expended for what are presently labeled as administrative costs was 13.6 percent. Broken down as between New York City and upstate, here are the figures: New York City expended a total of $182,533,685, of which $155,478,753 went for assistance and $27,054,932 was expended for administration. This amounts to 14.8 percent for administration. In the upstate counties and cities, the expenditures for assistance amounted to $90,971,329, of which $80,718,663 went for assistance and $10,252,666 was allotted to administration—amounting to 11.3 percent for administration. The reason for the higher percentage of administrative costs in New York City is that there is a higher rate of turnover and a much higher rate of applications than exists in the upstate areas.

Speech of Hon. W. R. Poage Before Atlantic Cotton Association, Augusta, Ga.

EXTENSION OF REMARKS

OF

HON. JOE M. KILGORE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1957

Mr. KILGORE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include the following address:

SPEECH OF HON. W. R. POAGE BEFORE ATLANTIC COTTON ASSOCIATION, AUGUSTA, GA.

Mr. Chairman, my friends of the cotton industry, you have been most generous in asking me to speak to you on the problem of cotton. You are all experts—especially on price—I am a rank amateur. I do not claim to have any patent medicine intended to solve the serious illness of ailing King Cotton.

But I do know the king is sick unto death—and with him the whole economy of Dixieland. I recognize that those of you who have made the merchandising of cotton your life's work have lived through other periods of crises. You have, indeed, seen the cotton industry move from one crisis to another for half a century, but few indeed will suggest that apart from the years of war and depression, which even at the time we all recognized as being but temporary situations, there were so many problems, so many dislocations, so many hardships, and discouragements, associated with the production and marketing of the South's great money crop.

During the early forties, the cruel hand of war made both production and marketing physically difficult, but there were still attractive financial rewards for those who could overcome these difficulties. Even the harsh economic pressure of the great depression did not force families to flee from cotton farms to the cities as they are being forced to do today. Indeed, I recall that the farm became a kind of refuge of subsistence during the thirties—nor did we then see our system of cotton marketing seriously threatened with complete destruction. Of course, many growers blamed the buyer for low prices then—just as sellers always will.

It would be an unreasonable imposition on your time for me to try to review the long history of all the events which have

brought us to our present difficulties, but I think that we can all agree that at least high on the list stands our failure to evolve a price system for American cotton which could meet the needs of producers, merchants, exporters, and consumers. Maybe, no such price structure can be devised, but unless it is—or unless some reasonable substitute achieving substantially the same results is developed we may as well reconcile ourselves to a continuation of the present disintegration of the entire cotton industry.

Now, just what do we want in the way of a long-time price program for cotton? Doubtless there will at first be a multitude of answers. The farmer will say, "I want a high price for unlimited production." The mills will say, "We want the lowest possible price." Your own members as middlemen might very well say, "We care very little whether the price is high or low. We just want a chance to handle as much cotton as possible."

With a little thought, however, we must realize that each answer is both correct and wrong. The price of cotton must, indeed, be high enough to give the farmer a fair return or he must receive it in some other form. The price must be low enough to enable the mills to use cotton or they must be given some other inducement to use cotton. The trade must be able to handle enough cotton to keep the unit cost of selling down. All of these factors are important and no one can be considered to be a satisfactory answer in itself.

Let us see if we can list a minimum number of recipes for a sound pricing program for cotton.

Surely a fair price must be:

1. High enough to return to the farmer an income somewhat comparable to other groups in our society.

2. Low enough to enable the mills to use American cotton, rather than synthetics, and to meet the competition of foreign growth in the world market.

3. Stable enough to encourage purchases of fiber both at home and abroad to make long-time investments.

4. Free enough to keep the trade in private hands and to take the Government out of the cotton selling business.

5. Effective enough to move cotton directly into the world market with a minimum of stoppages in Government warehouses.

There are a great many other desirable adjustments which would be achieved by a proper price for cotton. Undoubtedly, high among these anticipated benefits would be a gradual increase in the volume of American cotton which could be produced and sold at a profit, but I believe that most of us would be willing to settle for these five basic objectives and rely on them to bring about the adjustments. But you have, doubtless, already concluded even these five objectives seem to be contradictory and even self-defeating.

We know that in an effort to increase consumption Secretary Benson has slashed the support price from 90 percent to 77 percent of parity—but cotton consumption by United States mills the first month of this year was at the lowest average weekly rate for any January since 1949. Apparently, he has not created the other factors necessary to encourage the use of cotton, and most assuredly he has violated, without so much as a kind word, the first of our basic objectives—"the establishment of a price high enough to assure the farmer a fair return." I think this first prerequisite is fundamental and that no program which overlooks it can ever succeed. On the other hand, I recognize that it is not of itself enough. The 20 years of Democratic administration of our farm program did at least try to meet this need—and was successful to a remarkable degree, if one considers only the narrow objective of cash returns to producers per bale of cotton. The Democrats did hold up producers' prices. With the help of a long period of generally rising prices, they did it with a net profit to CCC of better than a quarter of a billion dollars, and with a very small inventory on January 1, 1953, when they turned control over to Mr. Benson. They had not, however, set this record without violence to other vital objectives of any cotton-pricing program.

One does not have to agree that 90 percent of parity is a high price (and I do not) to realize that it does very seriously impede the movement of American cotton into the markets of the world. Undoubtedly, our 90-percent supports did encourage the placing of additional millions of acres in cotton in lands around the world—and possibly even more serious—it did encourage the investment of multiplied millions in synthetic plants both at home and abroad. Definitely, the price was high enough to seriously increase the supply of fibers, which are competitive with American cotton.

Nor are these foreign cotton growers, or American, or foreign rayon mills, going to disappear like the morning mist just because we say some pretty words, or even because we momentarily reduce our price on cotton. There are vast sums invested in these productive facilities. The only way these investments can ever pay out is to produce fiber. I think that with lower prices on American cotton, we can discourage others from making similar investments, either in rayon mills, or in clearing jungles, or supplying irrigation for desert lands—either one is a rather expensive way of getting into the cotton business. But as for those who are already producing—they will continue to produce probably even to a point where production is at a definite loss. This means to me that it is outright folly to try to sell American cotton lower than foreign growth. No matter how low we cut our prices, foreign producers will, in my opinion, sell a penny or two lower.

Now, I am not saying that we should not try to remain competitive on the world market. We certainly should and must keep our cotton price in line with that of other producers, but that is a far cry from simply offering to undersell the world market no matter how low it goes. The difference is the same difference which exists between the immensely profitable price policies of the major oil companies and the ineffective price policies of some of their successful price-cutting competitors. And, yet, there are many influencial Members of Congress who have long insisted that we should underprice every bale of this world's cotton. I think it is essential to remain competitive, but I also think that this extreme policy could bankrupt not only all our competitors, but ourselves as well.

The farmer is not getting his fair return from the present downward fixing program. On the contrary, his prices are down 20 percent in the past 4 years—years during which almost everybody else has enjoyed very substantial increases in income. Therefore, the farmers' relative position is far worse than these figures indicate. In fact, it is so low that I do not believe that farmers will endure it much longer. Many have already moved away to the city. Others are trying to hold on through part-time farming with either the husband or wife working in town.

I will not argue the point here, but before you say that it would be better if all those so-called inefficient farmers moved to town, let me call your attention to the fact that what Mr. Benson calls inefficient farmers are the same farmers we have heretofore simply called small farmers. Of course, in this age of mechanism, it is true that the farmer on a small farm cannot produce as efficiently as that same farmer could on a large farm. And we are spending your tax dollars all over the world to bring about what we call land reform, which simply means that we have looked at Russia and have observed that the only group which has consistently held out for private property for 40 years has been the small farmer. Our planners decided that the best bulwark against communism in Japan, in India, in the Middle East, is the small operating farm family—living on the farm—preferably one they owned. I think this is true, and I wonder if it is true throughout the rest of the world why we should assume that it was not true at home. If it is true here, why should we not make some serious effort to keep our own small farmers on the farm? I believe that these small farmers can be just as valuable to the United States of America as they can be to Turkey, Iran, or Cambodia. I feel that if we would retain our present political democracy in a competitive profit system economy we will be well advised to protect our small farmers.

Our present efforts to aid our farmers are not only a dismal failure—they have brought some of our other valued institutions close to ruin. In our laudable efforts to balance production and demand at an attractive price we have so reduced the volume of production that we have made the unit price of the product much less meaningful to the cotton grower than the size of his allotment. But the cotton grower does still get the advantage of the higher price. The remainder of the South and of the Nation gets it only very indirectly. The chief effect of our acreage-control program on nonfarmers has been to reduce the volume of business done. The gins, the oilmills, the compresses, the railroads, the banks, the machinery salesmen—all find their business restricted, and now the so-called soil bank (particularly the acreage reserve) is being managed in such a way that in the course of 3 years many historic cotton-producing areas will no longer be producing any appreciable amount of staple. Even though we might assume that the net income of the individual farmer might remain about intact, the community would lose approximately 80 percent of its normal circulation of cash. All too often we overlook the fact that while the farmer is personally interested only in his net income, his entire gross income contributes to the business of the community.

Surely, I need not recount the hardship imposed by our present cotton-pricing program on you cotton merchants. You know them so much better than I do. The loan program has become the market to which the average farmer looks. The Government warehouse has become the source of stocks for both domestic and export use to which the merchant looks. The Commodity Credit Corporation has practically become the sole supplier of cotton for industry. The Government loan, not the future market, fixes prices and, as I see it, it will be but a matter of years (possibly of months) before the future exchanges must close.

I was as a boy taught to fear these future markets, but as a man I know that the day they close that a large part of you merchants are going to have to close. You won't be able to hedge or insure the price of the cotton you buy. That is going to make credit far more difficult, and for some of you, it is going to mean that you won't get credit. I know that the fewer the buyers who bid for the cotton at Waco, Tex., the less that cotton is going to bring should we ever return to the days of free competitive buying, and I believe that friend and foe alike look on the CCC as only a temporary instrumentality.

We all know that in the past it has been and possibly still is politically popular to berate cotton traders in general and to compare the New York and New Orleans Cotton Exchanges to dens of thieves. But, in the long run, we all know that we cannot have a successful cotton economy without the price insurance functions of the exchanges and the maximum competition among buyers for the cotton our farmers produce.

But, maybe the advocates of the present program will want to defend it on the grounds of economy. We must do without a good many things these days we would like to have in order to try to reduce the largest peacetime budget ever submitted. If Mr. Benson's cotton-price program is saving money, possibly that is justification for its shortcomings.

Unfortunately, the figures do not seem to justify this construction. A couple of weeks ago, our cotton subcommittee at Washington heard some very interesting witnesses on this phase of the question. Your own Mr. W. D. Lawson was present. He spoke in behalf of this organization. He pointed out the fantastic costs to our economy of the soil bank. He did a good job and we hope he gets back in April when we are going to go into the price problem more directly. The next day, we heard from a group of small farmers from Alabama—we had also heard about 20 similar small farmers from North Carolina. We closed the hearing by listening to three leaders in the cotton trade—Mr. J. P. Henican, president of the New Orleans Cotton Exchange, Mr. M. J. Rogers, president of the New York Exchange and Mr. Lamar Fleming, president of Anderson-Clayton & Co. We were told that the Government had suffered a loss of $379,993,000 in the first 7 months of the operation of our competitive sale of cotton for export. Each bale is being sold at about $50 less than the Government paid for it. Of course, the Department of Agriculture carefully explains that this is not a subsidy to the foreign buyer. It is just a loss to the Government. With the addition of storage, carrying charges, adjustments of grade and other expenses, the men who I think know told us that the Government was out about $70 for each bale exported.

But this is only half or rather one-third the story. While we exported nearly 6,500,000 bales of old cotton during the 7-month period, we took into the CCC, over 4 million bales of new cotton during the same period. This means that our net reduction of surplus was only a little more than 2 million bales, and that instead of costing us only $70 per bale, this export program has actually cost us three times that amount, or about $210 for every bale of actual reduction in our surplus stock. Of course, that is more money than the cotton is worth, so we must admit that our present program finds scant justification on grounds of economy.

But so much for the problem and the shortcomings of the present program. You have listened patiently, but you knew all of these facts I have recited. What can we do to improve the situation?

There have been many plans suggested. Many have merit, some have none. I want to submit one which I hope has merit.

This plan is not original with me, although I have introduced legislation to implement it. It is the plan of many individuals who have tried to reconcile the contradictory requirements of a sound system of cotton pricing.

This plan frankly recognizes these contradictions. It recognizes that with the great differences which exist in living standards in the United States, where all American cotton is produced, and in foreign countries where much of our crop must be sold, that it is very unlikely that we can ever price cotton high enough to give the American farmer a fair return and at the same time price it low enough to make it attractive in foreign markets, or for that matter, to make it really competitive with synthetics at home.

Of course, the classic answer for such a situation has been the imposition of a tariff. But a tariff always raises the cost of the commodity to domestic consumers and it reduces our market for American goods abroad. These basic facts have always made me question the tariff system. In the case of cotton, there is the further serious defect growing out of such a system's inability to meet the competition of synthetics. In fact, we already have a practical embargo on the importation of raw cotton and no matter how high we made our tariff on cotton goods, we would surely find it self-defeating, both because it would force more and more synthetics into the American market and because it would still further reduce the sale of American cotton abroad.

I have, therefore, felt that we had better look to the use of a direct payment to the producer of cotton to keep his income at a fair level while we let the price drop low enough to move our crop in the normal channels of trade.

I full well realize that Secretary Benson has, in his avowed opposition to any compensatory payment plan for cotton, confused the issue by raising the claim that such a plan was but a restatement of the Brannon plan. This charge is neither true nor fair. The Brannon plan was a very far-reaching and very complex proposal involving not only payments to producers, but it was a complete program of farm-income support which established priorities for all farm commodities. It was estimated to involve costs between five and ten billion per year. Cotton income was but a very small factor in the Brannon plan, and compensatory payment was but one of several tools proposed to be used.

Actually, embarrassing as it is to both of us to admit it, the proposal I am making for cotton is far more closely related to Secretary Benson's own compensatory payment plan for wool, and the only relationship that it bears to the old Brannon plan is through those features which Secretary Benson embraced and adopted for his wool program.

The truth is, however, that the compensatory payment plan is far older than either of Mr. Brannon or Mr. Benson. And again, I must confess to political embarrassment since it seems to have been first seriously advocated by the founder of what has become the Republican Party—Alexander Hamilton. It was Hamilton who urged a protective tariff for American industry and it was Hamilton who frankly stated that, "Of course, if we are to have a tariff for industry, we must pay the farmer a bounty." That bounty, Hamilton recognized, was necessary if the farmer was to continue to sell in a free market and was to buy, as Hamilton proposed, in a protected market. Basically, the recognition of the justice of this equalization of opportunity is all there is to the compensatory payment plan or the bounty as Alexander Hamilton called it.

As for details: Each one of us can work out a set of details which we feel would best meet the need of modern-day conditions. Those details can be modified, and, undoubtedly, in the process of legislation, any one set of details can be improved upon. I claim no special virtue for the details of the bill I have introduced. I have tried to keep it short and understandable. I do want to make public acknowledgment of the very helpful suggestions of the editors and publishers of Progressive Farmer. Both Dr. Clarance Poe and Mr. Eugene Butler did much to shape my views. I feel they have been most helpful.

The bill itself is but a 1-page document. It does three major things:

1. It would lower the loan support level for cotton to 75 percent of parity, with the cotton market finding its own price position at any point above 75 percent. Possibly this should be dropped to 70 percent, but with the present state of the market, it seems that cotton can move at 75 percent and surely we should not encourage an unnecessary drop by any further lowering of the loan support level when it is not necessary.

2. It would make direct payments to cotton producers of the difference between the average market price for cotton and a fair price predetermined to be 90 percent of parity. This is Alexander Hamilton's bounty. I had had in mind paying it at the end of the year just as is now done in the case of wool, but some outstanding cotton men have suggested that the payments could very well be made in the form of a negotiable certificate issued at the moment of sale such as was done on a small scale more than 20 years ago.

3. It would continue acreage controls on cotton until surpluses have been reduced to a normal carryover. Although this plan would stop the movement of cotton into the CCC warehouses, it would not automatically move the present surpluses out. I think we all realize that we must retain controls until this surplus is worked down. I think this plan would bring these surpluses down in the course of 2 or 3 years.

There are also less fundamental and, possibly, more controversial provisions which can be included or omitted. First of these is a limit on the amount of the payment which is to be made to any one producer. I realize that this is a matter of much controversary, and I recognize that it is not fundamental to the basic objectives of the bill. I included in the draft of the bill the same type of limitation which we have long had in the ASC program, but increased the figure from $5,000 to $10,000—I did so both because I, personally, think that a limitation is justified, and also because I felt that its inclusion would bring support to the bill, both from those who feel strongly that such a limitation is right and from those who realize that it would substantially reduce the cost of the program. I repeat, this is no essential part of a Compensatory Payment Plan, and no difference of opinion on this subject should be allowed to influence our support of the principle of compensatory payments one way or the other.

A somewhat similar situation exists as to the financing of the program. As H. R. 877 is written, payments would be made through the Commodity Credit Corporation, ultimately from general revenue. There is considerable feeling that the program should be financed out of a special tax on textiles. This could be done or not—just as the present program could be financed out of general or special taxes. But this decision is not vital to the success or failure of the program.

I hope that we can agree to let these ancillary programs be decided each on its own merit without trying to make of them vital features of the compensatory program.

The compensatory program is, so far as I can now see, the only one which gives us a practical way of achieving all of the five requirements of a sound pricing program, as earlier enumerated. It would assure the farmer a fair return (90 percent of parity). The larger part of the return would be received in the market from the buyer. The smaller part would be received in the price adjustment.

It would expand the markets for American cotton, both at home and abroad, because American cotton would be selling competitively along with synthetics and with foreign growths. It would provide cotton to the mills at a substantially lower price; it would improve their export position; it would reduce the threat of foreign textiles on the American market; and it would vastly improve the competitive position of the mill which is using cotton as compared with the mill which is using synthetic fibers. It is possible that at times this would require a slightly lower loan support level but the opinion of the best cotton brains seems to be that under present circumstances we would not need to drop that floor below 75 percent of parity. Admittedly, the very existence of such a floor tends to keep the world price slightly higher.

This program would encourage both mills and exporters to depend on American cotton, since they would know that they would

be able to buy competitively. I believe that most processors of cotton will be willing to back their judgment against the normal market variations. It is the influence of a government fixed market which they dare not risk.

It would put the trade back in private hands. The Government would cease to offer a loan in excess of the market. Farmers would again sell their cotton to cotton buyers for use or for export. The cotton exchanges would again perform their proper function of insuring price.

And this plan would automatically stop the flow of cotton into Government warehouses. Cotton now moves into the hands of the CCC because farmers can get more there than they can in the market. When we reverse this situation cotton will move into the market. We will stop the accumulation of surpluses and with a continuation of acreage controls we will surely eliminate our existing surplus in a few years. Then we can confidently look forward to an expanded production of American cotton. We all want that expansion, but I know of no other way of getting it without destroying some segment of the cotton industry. Too often, it is proposed that we sacrifice the farmer in an effort to expand production.

Now what of the cost? No matter how helpful a program may be, we should and must realistically appraise the cost and compare it with existing costs. When so compared, I believe that the compensatory payment program looks especially good.

We can very quickly and very accurately calculate the maximum possible costs. I believe that Mr. Lawson of this association has done a very fair and objective job. He assumes that the difference between the market price and the 90-percent return to the farmer will require 6 cents per pound or $30 per bale. He takes the existing allotment of 17,500,000 acres which will give about 17 million for harvest and applies the highest yield on record. This gives 13,300,000 bales of cotton. He then multiplies 13,300,000 by $30 (the cost on each bale) and gets a maximum cost of $399 million. I believe that everyone will be forced to agree that this is a liberal estimate.

Now this is the total maximum gross cost to the Government. There are no storage costs. There are no hauling charges. There are no adjustments to be made as to grade—and this covers every bale of the crop. The entire crop can move for this figure and there will be no replacement of two-thirds of the number of bales removed.

Remember that in 7 months' time we have spent almost this amount—$379,993,000 to be exact—on an export program which subsidized the foreign consumer and which only reduced our surplus a little more than 2 million bales and which only moved a gross of 5,302,000 bales.

Then remember that as of March 20, we had committed ourselves to pay $153,342,549 to cotton farmers for reducing their acreage under the soil bank and this figure is still incomplete. If we use maximum figures as we have for the compensatory payment plan the soil-bank costs will be the full $250 million which is authorized for soil-bank payments to cotton farmers.

Mr. Lawson estimates that the cost of the raw cotton export program for next year will only be $218,400,000. He assumes that we will only export a normal 4,200,000 bales which I think is a fair assumption. He only figures a loss of $52 per bale, although such authorities as Mr. Fleming, Mr. Rogers, and Mr. Henican agreed that the cost would be approximately $70 per bale.

Let us split the difference and say we will lose $61 per bale. That would give us a cost of the present export program of $256,300,000, and would leave 9,100,000 bales to be sold domestically. Surely no one believes that we can sell that much cotton at a fair price to farmers. This means that the Government is going to have to continue to take cotton into the CCC at an unknown, but very substantial loss to the Government.

To all of these present costs we must add the $30 million which represents the cost of the present textile export program. This adds up to a whopping $386,260,000, and it does not include any CCC losses on domestic cotton.

When we take into consideration, as we must, the fact that the compensatory payment plan would result in a savings of at least $100 million in costs to the consumers of cotton goods, we see that the proposed plan will cost the American people only about one-half of what the present plan is costing and that it will give them and all of them far, far more of the things we all want in any price program. It seems to me that we have the chance to buy a real bargain. I think that we had better put our heads together, try to work out any details and pass the basic idea of this program as soon as we can.

I appreciate the constructive help which those of us in Congress have received from the cotton industry, and, especially, from the Atlantic Cotton Association. I apologize for the imposition on your time. I can only plead that I believe this matter of price to be vital to all of us. I thank you for your hospitality.

The Equality of Opportunity Bill

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Thursday, April 4, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, a statement by Representative WRIGHT PATMAN, made before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee. I think that this thoughtful statement in support of S. 11, the equality of opportunity bill, which would plug a loophole in the Robinson-Patman Act, is worthy of the most careful consideration by all Members of the Senate. Mr. PATMAN's record in support of small business is well known. As coauthor of the Robinson-Patman Act, his is an authoritative voice in this field of legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. WRIGHT PATMAN, OF TEXAS, BEFORE THE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE COMMITTEE ON THE JUDICIARY, UNITED STATES SENATE, IN SUPPORT OF S. 11, THE EQUALITY OF OPPORTUNITY BILL

Mr. Chairman, I am highly honored that this distinguished committee should wish to hear my views on the subject of this hearing, namely, S. 11, the equality of opportunity bill. You have received during the course of your hearings a great deal of testimony. Your witnesses have included the distinguished chairman of the Select Committee on Small Business of the United States Senate, who appeared and gave testimony in support of S. 11.

WHY S. 11 AND H. R. 11 ARE NEEDED

The pending bills would amend the Robinson-Patman Act to close a gaping loophole which the Supreme Court has driven into that act. That loophole was created when the Supreme Court decided a case in favor of Standard Oil Company of Indiana. It held that a giant concern, such as the Standard Oil Co., is now privileged to discriminate in price with the effect of destroying its competitors, destroying its customers, substantially lessening competition, and tending to create a monopoly so long as the giant concern shows that it has accomplished all of those things in "good faith." (*Standard Oil Company of Indiana v. FTC* (340 U. S. 231).)

S. 11 goes to the very vitals of small business. It involves a direct question of whether small business shall continue to exist. I need not tell the members of this distinguished committee what the Robinson-Patman Act and other Federal legislation against price discrimination mean to small business. It has been hailed as the magna carta of small business. Next to the tax law, this act is probably better known by small-business men over the United States than any other law passed by Congress.

The record is clear on the point that prior to the passage of the Robinson-Patman Act, wholesale destruction of small business took place during the twenties and early thirties as a result of price discriminations. When we put that law on the books, it resulted in a sharp check on that destruction and redirected the course of business by giving small business a new lease on life.

At this point, I would like to read a paragraph from a letter which a small-business man in Charlotte, N. C., wrote me under date of March 20, 1957. It is as follows:

"From the time of the enactment of the Robinson-Patman Act to the Supreme Court decision there had not been any price wars in my area or anywhere in our State. Immediately after the above decision major oil companies started instigating price wars by setting up a competitive situation and then asking their dealers to meet that competition. Any competition that they did not create themselves was considered by them as not being legitimate. Statements to this effect have been made to me by oil companies and their district managers."

In the years prior to the passage of the Robinson-Patman Act, small, independent businesses disappeared by the tens of thousands. Giant corporations led by a few giant chain organizations utilized the destructive monopolistic practice of price discrimination to sweep away small businesses. We were rapidly headed for a complete monopolization of the distribution business in this country.

As is indicated in the letter of the small-business man I have just quoted, the Robinson-Patman Act slowed down, if it did not stop, that disastrous march. I believe it to be no exaggeration to say that without this law we would very probably have no small businesses left in the United States today.

Now we are faced with a problem of making that law effective again. Our problem is to close the loophole which was made in that law by the decision of the Supreme Court in the case of Standard Oil of Indiana. S. 11 and H. R. 11 are modest proposals. They would operate to make unlawful destructive price discriminations even though done in good faith where the effect would be to substantially lessen competition and tend to create a monopoly.

The issue before you is clear. It is a question of whether we will do what representatives of big business are asking us to do, namely, leave the law so that they may continue to discriminate in price with the effect of substantially lessening competition or tending to create a monopoly. That issue is on the table before us. Those of us who are supporting S. 11 and H. R. 11 are asking that the law be strengthened so that these giant corporations will no longer be able to destroy their competitors and customers through the practice of price discrimination with the effect of substantially

lessening competition and tending to create a monopoly.

I have always understood that our national public policy is a policy to prevent monopoly and monopolistic practices, whether accomplished in good faith, bad faith, or through indifference. If I am correct on that point, then S. 11 and H. R. 11 are clearly in accord with our national public policy against monopoly. This pending legislation would not provide any penalty. It is not an amendment to a criminal law; it merely provides a means for stopping practices which in fact substantially lessen competition and tend to create a monopoly.

Therefore, in those few words I have attempted to explain what H. R. 11 and S. 11 are intended to do. From what I have said, you can see that they are intended to guarantee, for instance, the hometown merchant the right to buy his goods, wares, and merchandise from General Motors, General Mills, General Electric, or General Foods, under the same terms and conditions that the chain store across the street is permitted to buy its goods, wares, and merchandise from the same seller. The pending bills would make it a violation of law for the seller to discriminate against the hometown merchant, whether he is in the dry-goods business, the grocery business, the drug business, the service-station business, or any other kind of locally owned business.

What could be fairer than that? Why should the big concerns continue to have the right to discriminate against hometown merchants? If something is not done within the next two decades, and discriminations are permitted to continue, the giant corporations with assets of over $100 million will own all of the manufacturing, processing, and distributing business in the United States.

We all know and we profess to subscribe to the fact that small business is the backbone of our country, and certainly should be encouraged to the extent that Congress will not permit the big concerns to unduly and unfairly destroy them. Congress must act to prevent such result.

Among the big people of America, most of them are big hearted, generous, charitable, and believe in the Golden Rule, and actually practice the Golden Rule in their business, but there are some Captain Kidds in business and industry—some racketeers—who have no regard for the rights of the other man. It is the latter group that we are trying to deal with through S. 11 and H. R. 11 to restrain them in their greed and selfishness.

WHO ARE THOSE SUPPORTING S. 11—THE EQUALITY OF OPPORTUNITY BILL?

We know that small business and many of the friends of small business are asking for relief from destructive price discriminations. They have appeared before a number of Congressional committees and testified in support of legislation such as is proposed by S. 11. In some of their appearances, they have stated that among the many things that small businesses wish from the Congress, and particularly in the field of anti-monopoly legislation, is legislation to strengthen the law against price discrimination. They have said that there are many things that small business needs and wants, and that there are several pieces of legislation which they strongly recommend, including tax relief. But they have said that just to make things simple they want the Congress to pass promptly the legislation provided for in S. 11. Included among those who have taken that position are the representatives of a large segment of the small-business firms of the country. They include the following:

National Association of Retail Druggists, representating 60,000 independent druggists.

National Association of Retail Grocers, representing 65,000 grocers.

United States Wholesale Grocers Association, representing about 2,000 wholesale grocery firms.

National Food Brokers Association, representing more than 1,700 food brokers.

National Congress of Petroleum Retailers, representing approximately 35,000 retail gasoline dealers.

National Association of Independent Tire Dealers, representing 6,000 retail tire dealers and tire retreaders.

United Fresh Fruit & Vegetable Association, representing 2,800 wholesale distributors of fresh fruits and vegetables.

National Federation of Independent Business with a membership of more than 100,000 small and independent business firms.

National Council of Agricultural Co-ops, which is composed of approximately 5,000 agricultural cooperatives carrying on cooperatively the affairs of almost 3 million farm families.

National Farmers Union with more than 700,000 members.

The International Association of Machinists with approximately 700,000 members.

The American Federation of Labor-Congress of Industrial Organizations, representing the bulk of organized labor in the United States.

SMALL AND INDEPENDENT MANUFACTURERS WANT AND NEED S. 11

About 18 months ago, a notorious lawyer-lobbyist, who has for several years specialized in propagandizing against the Robinson-Patman Act, appeared and testified before a hearing conducted by the House Small Business Committee over which I presided. Recently he testified before your distinguished committee in opposition to S. 11. On the occasion when he appeared before the House Small Business Committee, he berated the Robinson-Patman Act. On other occasions, he has contended that small manufacturers would be harmed by the passage of S. 11 and H. R. 11. In view of some of the charges and contentions he made when he appeared before the House Small Business Committee, I sent a form letter to many hundreds of the food canners and food processors inviting them to comment and tell me frankly what they thought about the Robinson-Patman Act. The replies were overwhelmingly favorable to the Robinson-Patman Act by a margin of better than 15 to 1. On March 15, 1956, I inserted in the CONGRESSIONAL RECORD (vol. 102, pt. 4, pp. 4688–4689) excerpts from quite a number of those letters. Now those food processors and canners operate factories. They are in a sense, small and independent manufacturing concerns.

On February 4, 1957, I placed in the RECORD, at page 1518, a copy of a letter a food processor and canner had written me under date of January 23, 1957. In that letter the president of the small and independent manufacturing firm pointed out that in 1954 there were 1,911 canning firms listed in the directory of the National Canners Association. By 1956, 561 of those, or 30 percent, had gone out of business. They represented not merely canning plants, but canning firms. That high rate of mortality of small business firms was attributed to the practices and conditions we are attempting to remedy by the passage of S. 11 and H. R. 11.

Recently opponents of S. 11 and H. R. 11 thought up the gimmick of arranging for a number of small and independent manufacturers to write to members of your distinguished committee and to other Members of the Senate and to Members of the House, and in so doing expressed opposition to S. 11 and H. R. 11.

A few days ago a small and independent fountain-pen manufacturer sent me a copy of a letter in which it was stated:

"I wish to submit the following statement for the consideration of your committee in regard to Senate bill No. 11, which is designed (I understand) to eliminate the good-faith defense under the Robinson-Patman Anti-Price Discrimination Act.

"I have received several bulletins from our association, Fountain Pen & Mechanical Pencil Manufacturers Association, Inc., which have presented several arguments against Senate bill No. 11.

"I have also received a memo prepared by the NAM law department arguing against this legislation."

Incidentally, since I have made reference to the canning industry, I would like to call attention to a statement which was made in a letter addressed to one of the Members of the House of Representatives on March 15, 1957, by one of his small-business constituents. In that series of correspondence the Member had stated that he was confused because of the arguments which were being made by representatives of giant corporations that H. R. 11 would not help small manufacturers. In the letter of March 19, 1957, the constituent wrote:

"I can well understand that you and other Congressmen are confused. I lived with the Robinson-Patman Act for 7 years. I played a role in litigation involving this act. I went to work for a citrus canner in Florida in 1938, starting out as a bookkeeper at $20 per week. In 3 years, by virtue of endless hours of work and wholehearted application to my work, I wound up second high man in the company, which at that time was one of the four largest canners of citrus juices in Florida. I had a brilliant future in front of me. Then we were discriminated against by American Can Co. We fought them tooth and nail, and litigation involving the Robinson-Patman Act went to the Supreme Court of the United States twice, the first time getting one of those famous 4-to-4 decisions. My company won their suit against American Can, and I believe that I am right when I say it is the only time that damages have been awarded under this act. However, that company is now bankrupt, going to the wall in 1952, and with it went the future I had worked so hard to carve out for myself. The cost of fighting American Can Co. was too much and contributed in a large measure to destruction of this company.

"Now I am in business for myself and I am faced with the same danger of having the ground cut out from under me. Believe me, sir, I know what these big companies can do if they have a mind to. I do not contend that all big companies do act that way or that bigness in itself is an evil."

Under date of March 8, 1957, the Armstrong Creamery Co. of Wichita, Kans., wrote a letter to Members of the House and to Members of the Senate in which price discrimination practices of the National Dairy Products Corp. were outlined. That up-to-date instance of price discrimination was described by the Armstrong Creamery Co. as follows:

"Recently the National Dairies Division (Sealtest) at Kansas City lowered the price of ice cream 25 cents per gallon throughout this area. Discounts and all other factors considered, this new price is lower than 97 percent of the sales volume in the area before Sealtest lowered the price. This low price makes it impossible for any dairy to sell ice cream at a profit, and if continued very long will force a number of independent plants out of business. At the same time Sealtest has been raising prices in other areas where competitive situations are as bad, or worse, than they are here.

"The plain fact is that through ineptness and mismanagement, Sealtest has lost a lot of volume in the past few years and has taken this method of regaining their position. Right now they can use the excuse that they are meeting the price of the 3 percent of the volume which was sold at a cut-throat figure (and which will always be sold that way).

"Of course Sealtest's profits in other areas will more than carry the losses they will take in this one."

The letter of the Armstrong Creamery Co. concluded as have many others I have received from small and independent business concerns in a plea for the passage of H. R. 11. The closing words of that letter were: "It is the only salvation for a great number of independent businesses."

FARMERS, CONSUMERS, AND WHOLESALERS WANT AND NEED S. 11 AND H. R. 11

Representatives of farmers have testified before this distinguished committee, and before other committees strongly supporting S. 11 and H. R. 11. You have heard the testimony on behalf of the National Farmers Union, which has a membership representing almost 1 million voters. That testimony strongly supports the proposed legislation you have under consideration. In the CONGRESSIONAL RECORD for March 21, 1956 (vol. 102, pt. 4, pp. 5299–5300), is a showing that representatives of consumer groups are in support of S. 11 and H. R. 11. Also the RECORD for March 28, 1956 (vol. 102, pt. 5, pp. 5775–5776), shows that wholesalers and retailers in large numbers have made strong pleas for the passage of this legislation.

I have noted that on the afternoon of March 14, 1957, representatives of several hundred small-business men, who are retailers of petroleum products, appeared before your committee and testified (transcript pp. 513–520) to the effect that the major oil companies are discriminating in price to the damage and destruction of small business. They urged passage of S. 11 and H. R. 11.

FTC, AN EXPERT AGENCY ON PRICE DISCRIMINATION, SUPPORTS S. 11 AND H. R. 11

The Federal Trade Commission is the agency of Government charged with the primary responsibility of the enforcement of Federal legislation dealing with price discrimination. That agency has dealt with the problem of price discrimination since it was created in the Wilson administration in 1914. Prior to that time, the Bureau of Corporations, its predecessor, studied and reported upon the problem of price discrimination during the period of 1903–14. It is the only agency of Government with any substantial experience in dealing with the problem of price discrimination. In view of that fact, it is believed that its position respecting the pending legislation should be regarded as important. After careful study of S. 11 and H. R. 11, the Federal Trade Commission has announced that it supports those bills. In its official formal report to the Committee on the Judiciary, House of Representatives, on March 12, 1957, the Commission stated:

"The Commission is of the opinion that the objectives of H. R. 11 and H. R. 398 are of sufficient importance to the effective operation of the Clayton Act that such legislation should be enacted without awaiting further case-by-case development under section 2 (b) as presently worded." (H. R. 398 was introduced by Hon. BYRON G. ROGERS, of Colorado. It is an identical companion bill to H. R. 11.)

On March 26, 1957, all members of the Federal Trade Commission appeared before this distinguished committee and explained why the Commission is supporting S. 11 and H. R. 11.

WHO ARE THOSE OPPOSING S. 11 AND H. R. 11?

You received testimony in your hearings on March 12 and 13, 1957, which established beyond question that the major oil companies met secretly in October 1956 and planned a campaign to oppose this proposed legislation. The testimony you have adduced shows that the representatives of the major oil companies, with the cooperation of the American Petroleum Institute, arranged for each of a number of the major oil companies to distribute, to their high officials, copies of a master brief containing a number of arguments against S. 11 and H. R. 11. Those arguments were reproduced and dressed up to give them the greatest possible force for persuading the unwary that S. 11 and H. R. 11 would be harmful to small business and should not be passed. Also the representatives of other big business concerns and the Washington representatives of the United States Chamber of Commerce and the National Association of Manufacturers have sought to persuade small and independent businesses that S. 11 would prove harmful. In my statement today, I have made reference to an instance of the law department of the National Association of Manufacturers preparing and distributing to small manufacturers a brief arguing against the passage of S. 11.

Therefore, you have before you clear and unmistakable evidence that Standard Oil Company of Indiana, Standard Oil Company of California, Gulf Oil Corp., Shell Oil Co., Pure Oil Co., and a great number of other big business firms, which, according to other testimony before you, are currently practicing price discriminations destructive of small business, are campaigning against S. 11 and H. R. 11, and are urging you to prevent the passage of such proposed legislation which would curb their practice of destructive price discrimination.

In addition, a number of small and independent business concerns have written or wired that they are opposing S. 11 and H. R. 11. Some of those who have so expressed their opposition have done so by presenting the same arguments which have been included in the master brief against S. 11 and H. R. 11 as distributed by the American Petroleum Institute and its members and representatives. In fact some small and independent businessmen who have voiced opposition to S. 11 and H. R. 11 have frankly stated that they were pressured into doing so by the representatives of the major oil companies.

Not all of the opposition to S. 11 and H. R. 11 has come directly from the offices of giant corporations. Some attorneys who have represented such corporations in price discrimination cases have appeared and testified against this legislation. For example, Mr. Hammond Chaffets and Mr. William Simon, who have argued in court in defense of price discrimination practices of the Standard Oil Company of Indiana, have appeared before your distinguished committee and opposed this legislation. They have held prominent positions on committees dealing with this subject in the antitrust sections of the New York State and the American Bar Associations. And those who served with them on those committees have been persuaded to voice opposition to S. 11 and H. R. 11. Also those representatives of major oil companies served as members of the Attorney General's National Committee To Study the Antitrust Laws, and during March 1955, that Committee, with the help of the gentlemen I have named, issued a report which took a position contrary to what is provided for in S. 11 and H. R. 11. It is notable that at page 181 of the report of the Attorney General's National Committee To Study the Antitrust Laws, the following statement appears:

"This Committee approves the result of the Standard Oil decision."

It has been established that other members of the Attorney General's Committee had been representing big business concerns charged with violations of our antitrust laws.

Incidentally, Hon. Sinclair Weeks, Secretary of Commerce, was a member of the Attorney General's Committee. He has reported to the Committee on the Judiciary, House of Representatives, in stating the official position of the Department of Commerce, that he is opposed to the passage of S. 11 and H. R. 11. In that connection he made it clear that he is for the practice of price discrimination when done in good faith even though the effect "may have been to substantially lessen competition or tend to create a monopoly." (See the letter of Mr. Weeks to the Committee on the Judiciary, House of Representatives, dated March 6, 1956.)

Of course, the Department of Justice, which is under the jurisdiction of the Attorney General, has voiced its opposition to S. 11 and H. R. 11. It did so in a report to the Committee on the Judiciary, House of Representatives, March 26, 1957. Before I complete my statement I shall make further comment regarding that report from the Department of Justice.

MISCONCEPTIONS AND MISSTATEMENTS ABOUT S. 11 AND H. R. 11

The propaganda which has been prepared and distributed by representatives of the American Petroleum Institute and their members, and by some of those who were members of the Attorney General's National Committee To Study the Antitrust Laws is loaded with misstatements. Those misstatements have created misconceptions about the Robinson-Patman Act and what S. 11 and H. R. 11 would provide.

The master brief of the API, a copy of which has been placed in the record of the proceedings before your distinguished committee, contains many misstatements. For example, it contains a statement that President Truman vetoed legislation similar to what is provided for in S. 11 and H. R. 11. What President Truman vetoed in 1950 was S. 1008. That bill, in effect, provided for the opposite of what S. 11 and H. R. 11 would provide. Attorneys who have represented major oil companies have appeared before you and testified and added to the confusion created by such misstatements because they adopted and made such misstatements a part of their testimony.

Mr. William Simon who testified before this committee on March 26, 1957, at transcript page 1406, stated that the bill which went to President Truman contained the Carroll-Kefauver amendments. I have understood that Mr. Simon has been dabbling around with this matter for a number of years. Therefore, he should know that the fact is the Carroll-Kefauver amendments to S. 1008 were knocked out in conference and did not appear in the bill as it was presented to President Truman. The bill which was vetoed would have weakened the law. The Carroll-Kefauver amendments would have strengthened the law.

Likewise, on March 14, 1957, Mr. Hammond Chaffets, one of the legal representatives of the Standard Oil Company of Indiana, at transcript page 459, testified that "President Truman did veto a bill which did have the Carroll-Kefauver amendment in it. The Carroll-Kefauver amendment was very similar to the amendment which is proposed here." Although those gentlemen have been dabbling in this matter for a number of years, it does not appear that they studied that bill or the action of the conferees in deleting from that bill the Carroll-Kefauver amendments.

The fallacious argument has been made by representatives of major oil companies that if S. 11 and H. R. 11 were to be enacted, then any seller who wanted to lower his price to one customer would find it necessary to lower his price to all customers throughout the country. It appears that the argument which was thus prepared by representatives of the major oil companies was artfully worded, widely distributed, and has

had its calculated effect on a number of small and independent businessmen who are engaged in the sale and distribution of petroleum products. It has stirred a number of them to oppose the pending legislation.

Now, the representatives and members of the API, in distributing such fallacious arguments, pointed to proceedings currently in litigation at the Federal Trade Commission as a basis for their statements. Those proceedings involve the Pure Oil Co. because it was discriminating in price with respect to sales it was making in Birmingham, Ala.

With reckless abandon, reference was made to a sentence or two which appeared in the complaint of the Federal Trade Commission in that case. No effort was made by them to explain to the small and independent businessmen, or to the members of your distinguished committee, that if the facts alleged in the complaint in that case should be proven, there will be no good-faith defense available in that case. Therefore what is provided for in S. 11 and H. R. 11 would have no application to situations such as are involved in the case of *FTC v. Pure Oil Company* regarding the Birmingham, Ala., situation.

What I have just said about the Federal Trade Commission's Pure Oil Co. case (sometimes referred to as the Birmingham, Ala., case) was made perfectly clear in the testimony given by representatives of the Federal Trade Commission when they appeared before your distinguished committee on Friday, March 15, 1957. On that occasion the FTC official who is in charge of the litigation on that case testified to the following effect:

"Senator DIRKSEN. Would these cases be affected by the pending bill?

"Mr. McIVER. No, sir; I do not believe that the pending bill would have any effect on the result in these particular cases (transcript, pp. 785–786).

* * * * *

"Mr. DIXON. Now, if your theory is correct, good faith there will not be a defense to what you have charged?

"Mr. McIVER. That is our contention. Yes, sir (transcript, p. 789)."

The confusion which was created by the contention made in the API master brief and by representatives of the major oil companies in the opposition they have voiced to S. 11 and H. R. 11 to the effect that if a seller should decide to lower his price to one of his customers, then if these bills passed, he would be compelled to lower his price to all of his customers, seems to have enveloped the Attorney General of the United States and the Department of Justice. In the report from the Department of Justice to the Committee on the Judiciary, House of Representatives, March 28, 1957, on H. R. 11, it is made clear that one of the reasons why the Department is opposed to S. 11 and H. R. 11 is because it believed "that a seller constrained by law to reduce prices to some only at the cost of reducing prices to all might well decide to reduce them to none."

In that report the Department of Justice did not cite any case wherein the law had been construed to provide that requirement.

Furthermore, in the report from the Department of Justice a number of recent cases were cited in which the "good faith" defense had been rejected. And the observation was made that for that reason S. 11 and H. R. 11 are not needed. What the Department of Justice appeared to overlook is the fact that in each of the cases it cited, a discriminatory pricing system was in question. As early as 1945, the Supreme Court of the United States had ruled in the case of *Federal Trade Commission v. A. E. Staley* (324 U. S. 746) that under the Robinson-Patman Act, a seller who adopts discriminatory pricing systems of his competitors will not have available to him the good-faith defense provided for in the act. And the Court said:

"The act thus places emphasis on individual competitive situations."

Therefore it would appear that the Department of Justice not only missed the point in its citation of the various cases referred to in its report opposing S. 11 and H. R. 11, but in doing so actually highlighted its own confusion over what is provided for in the Robinson-Patman Act on the point it made about a seller being required to reduce his prices to all, if he reduces prices to one. It had simply overlooked what the Supreme Court had ruled in the Staley case 12 years ago regarding the application of the Robinson-Patman Act to individual competitive situations.

Since it is clear that the Robinson-Patman Act, as amended by S. 11 and H. R. 11, would not permit the good-faith defense except and only for the purpose of meeting competition in individual competitive situations, the contrary cannot be true. In other words, when you lower your price in good faith to meet competition in an individual competitive situation, you are not doing so all the way across the country in all competitive situations. The Supreme Court held that the A. E. Staley Co. not only was not required to change its prices in all competitive situations in order to avail itself of the good-faith defense, but the Court also went further and held that Staley did not act in good faith because it, in claiming to meet competition at one place, had changed its prices to all of its customers everywhere. What more is needed to refute the fallacious arguments which have been made by representatives of the major oil companies and the API in its master brief, that under the Robinson-Patman Act, as amended by S. 11 and H. R. 11, a seller would be required to lower his price to all of his customers if he should lower to one?

Equally fallacious is the argument made in the API master brief and in statements made by others opposing S. 11 and H. R. 11 to the effect that those bills would prevent freight absorption. In the RECORD of March 18, 1957, at pages 3892–3893, I inserted a statement outlining why it is considered that S. 11 and H. R. 11 will not prevent freight absorption. I refer to that statement now for the benefit of those who wish to review more material dealing with that point. Furthermore, the API master brief and the statements of others who are opposing the pending bills disregard and ignore the fact that S. 11 contains the provision to the effect that nothing contained therein shall be construed to alter the law applicable to freight absorption.

On page 4 of the API master brief there appears the following statement:

"Furthermore, it is important to note that the Robinson-Patman Act marked a departure from the traditional ideal of American justice by putting the burden of proof upon the person charged with violating the law * * * unless he could prove that his price decision had no effect on competition, he would probably be in violation of the law if this legislation should pass."

Now what are the facts?

The general common-law rule regarding the burden of proof in a case in litigation applies in price discrimination cases arising under the Robinson-Patman Act. In general that rule is to the following effect: The burden of proof in any proceeding lies at first on that party against whom the judgment of the court would be given if no evidence at all were produced on either side—regard, of course, being had to any presumption which may appear upon the pleadings.

Let us analyze how that rule applies in a price discrimination case arising under the Robinson-Patman Act. First of all, pleadings by the plaintiff or the Government in order to state a cause of action in a price discrimination case under the Robinson-Patman Act must among other things allege that—

(1) The party charged with a violation of the law is engaged in commerce (meaning, of course, interstate commerce).

(2) In the course of such commerce the party charged has discriminated in price between different purchasers of commodities of like grade and quality, and that some of those purchases involved in such discrimination were in interstate commerce.

(3) The sale of the commodities involved in the discrimination were sold for use, consumption, or resale within the United States or some other place under the jurisdiction of the United States.

(4) The effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with the customers of either of them.

Pleadings by the plaintiff or the Government in such litigation not containing allegations to the effect indicated above would fail as not having stated a cause of action.

What about the burden of proof in such proceedings? First, let us assume that a simple answer had been filed by the defendant who merely denied the allegations made by the plaintiff. Assume further that no evidence was offered by either party. Then under the general rule regarding the burden of proof the plaintiff would fail. He had alleged a good cause of action but he had failed to prove his case. The burden of proving the case is upon the plaintiff and that means proving each of the necessary allegations as above indicated. The defendant need not prove any of those allegations. In his pleadings it is sufficient for him merely to deny them.

Momentarily, when they have lapsed into unguarded pose and permitted their better selves to express their inner thoughts, arch opponents of S. 11 and H. R. 11 have acknowledged that what is contended in the API master brief is not true. They admit that the person charged does not have the burden of proving "that his price decision had no effect on the competition." For example, see the testimony of Mr. William Simon before your distinguished committee Tuesday, March 26, 1957, at transcript page 1392.

In view of these circumstances, it is difficult to understand why some lawyers who oppose S. 11 and H. R. 11 are so reckless as to charge that the effect of the passage of S. 11 and H. R. 11 would be to require the defendant in a price discrimination case, under the Robinson-Patman Act, to prove his innocence. That is utter nonsense. I am disappointed that lawyers with ability have argued such nonsense. I cannot but believe that they know their argument is nonsense.

Of course no one supporting S. 11 and H. R. 11, to my knowledge, has taken the position that the burden of proof, under the Robinson-Patman Act, departs from the common-law rule in any respect. Therefore, all of us acknowledge that when a defendant asserts the "good faith" defense, it is his burden to prove that he acted in good faith. Likewise, in criminal cases when one is charged with murder and asserts that he acted in self-defense, it is not the burden of the State to prove that he did not act in self-defense. The burden is on the defendant to make out that defense.

At page 7 of the API "master brief," the statement is made:

"If all manufacturers in an industry complied with this law, they would be in danger of being charged with a conspiracy to fix prices."

That, like the API argument about the burden of proof, is utter nonsense. Nothing in the Robinson-Patman Act requires any two or more sellers of any commodity to charge the same or different prices. Nothing in that law requires any seller to act in any particular way regarding his relationship with another seller. The act applies only against a single seller's action in discriminating in price. It is significant that the API "master brief" failed to cite any decision in a case supporting its nonsensical arguments.

On page 8 of the API "master brief" are statements that both the Truman and Eisenhower administrations have opposed legislation such as is provided for in S. 11 and H. R. 11. I have pointed out that those statements are false insofar as they relate to the bill which was vetoed by President Truman in 1950.

It is believed that statements in the API master brief respecting the position of the Eisenhower administration on legislation such as is provided in S. 11 and H. R. 11 should be scrutinized as carefully as the statements contained therein regarding the position of the Truman administration. The API master brief takes the position that the Eisenhower administration opposes legislation such as is provided for in S. 11 and H. R. 11. Now, what about President Eisenhower? Where does he stand on S. 11 and H. R. 11? Certainly, small business would like to know. To my knowledge he has issued no statement in opposition to S. 11 and H. R. 11. On the contrary, my mind goes back to a statement he did issue to representatives of small business on October 16, 1952. The following are quotations from that statement:

OFFICES OF DWIGHT D. EISENHOWER,
New York, N. Y., October 16, 1952.

Mr. WATSON ROGERS,
National Food Brokers Association,
Washington, D. C.

DEAR MR. ROGERS: At my conference today with you and representatives of other national associations of American industry and business, you asked for my views concerning the protection of small business from monopoly, and particularly concerning the provisions of our antitrust laws against unfair and discriminatory pricing practices that are destructive of competition and free enterprise.

* * * * *

Our laws against unfair and destructive pricing practices, as well as other practices leading to monopoly, must be fearlessly, impartially, and energetically maintained and enforced.

I am for such necessary rules of fair play because they preserve and strengthen free and fair competition, as opposed to monopolies which mean the end of competition. * * *

Sincerely,

DWIGHT D. EISENHOWER.

CONCLUSION: CONGRESS SHOULD ACT NOW TO HELP SMALL BUSINESS

Small business is pleading for protection from the practice of destructive price discrimination. Each time the Congress has investigated and studied the practice of price discrimination, it has concluded that such practice is monopolistic, anticompetitive, and therefore contrary to our national public policy for a free and competitive enterprise system. Opponents of S. 11 and H. R. 11 are arguing for allowing a continuation of destructive price discriminations. They argue that legislation should not be passed that would assure a halting of price discrimination. In effect, they are telling the Congress to legislate so that price discrimination, at the same time, should be permitted as well as prohibited. I am of the opinion that any effort to thus serve big business will fail to serve small business and our free and competitive enterprise system.

If Congress should conclude that the representatives of big business are correct in their arguments that price discrimination is a good thing, then it would be logical for Congress to repeal all of our laws which prohibit price discrimination. We should have more of what is good. However, if our experience in investigating and studying price discrimination since 1878 and the conclusions we have reached on the basis of such experience are sound, then we must conclude anew that price discriminations are bad. We should have less of what is bad. On that issue we should not compromise simply to satisfy the whims of big business. We should not legalize the use of a tool which will destroy small business.

Promises to small business during an election year will not do the job. Action is needed to save small business from destruction. Enactment of S. 11 and H. R. 11 will help to do that job.

Invocation by Hon. Cecil M. Harden at Banquet Meeting of Conference of Republican Women

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1957

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following invocation offered by Hon. CECIL M. HARDEN at the banquet meeting of the Conference of Republican Women, Hotel Statler, Washington, D. C., on April 2, 1957:

Almighty God, we thank Thee for the privilege of meeting here again in our Nation's Capital.

We ask Thy blessing upon us and upon the party which we represent.

Uphold our President of these United States, strengthen him, direct and guide him in his decisions.

Be with all those who are in our Government and be with our speaker tonight.

Give us, we pray, the power to discern clearly right from wrong and give us the power to understand Thy truth and permit all our thoughts and actions to be governed thereby.

Direct us, so that we may be united in our desire and efforts to give our Nation sound and honest government.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 5, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, as we come unto Thee in prayer, we acknowledge humbly that we have problems which we cannot solve adequately and questions which we cannot answer rightly.

Inspire us to make all our decisions within the circle of a great faith in Thee, and with the assurance that Thou will give us the wisdom and the will to meet life's stern demands and difficulties courageously.

May the fundamental principles of truth and righteousness, which Thou hast ordained always, be the sure and strong foundation upon which we are seeking to build our character and our civilization.

Grant that we may serve our generation faithfully, inspired by the noble tradition and the glorious heritage which we have received from our God-fearing forefathers.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1423. An act to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended; and

S. 1585. An act to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

POST OFFICE DEPARTMENT

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I have asked for this time in order to tell the Members what the status of the Post Office Department situation is.

There is pending before the Committee on Appropriations a budget estimate for $47 million. The subcommittee voted to tell the Postmaster General on Thursday afternoon or evening that they were going to provide him with $17 million in

the supplemental bill that is pending, out of the $47 million.

The Postmaster General is about to enter upon the last quarter of the fiscal year. They run in 4-week periods, and the last quarter begins tomorrow. He has laid out a program to bring the expenditures of the Post Office Department down effective about next Saturday, because that is about as quickly as it could be done, to the amount of money that he would have available out of the current year's appropriation and to $17 million additional. If the measure can be reported, and if the committee can have a chance to operate on it, perhaps, they will provide more than $17 million.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROONEY. Is it not the fact that the members of the House Committee on Appropriations have been assured that on Friday next we shall have an opportunity to vote on this subject in the full committee?

Mr. TABER. The full committee will meet on Friday next to consider the report from the subcommittee on the subject.

Mr. ROONEY. That is, the full committee will then have an opportunity to consider the matter of allowance of the difference between $17 million and the $47 million requested by the Post Office Department.

Mr. TABER. That is correct. For my own part I hope that the $47 million, or practically that, will be provided by the full committee.

Mr. ROONEY. May I say that I am in thorough agreement with the gentleman.

Mr. TABER. I thank the gentleman.

The committee took it up this morning and talked about it quite considerably. The Postmaster General is determined that he will not do anything to violate the Antideficiency Act. I would not want to advise him to do it. If the measures that he has taken already in the orders which will have to go into effect next week, Saturday, are put in operation, it will mean a drastic change in the postal services. Frankly, because somebody else violated the Antideficiency Act other than the Postmaster General, I would not feel that that was any reason why we should permit economies to be effected which would hurt the service to the American public and hurt the patrons of the Post Office Department as well as hurt the civil employees of the Department.

Mr. ROONEY. Was it not the President's Bureau of the Budget that violated the antideficiency law in this instance?

Mr. TABER. I think it was. I do not think there is any question of that. But, that is no reason why we should permit the patrons of the Post Office Department to suffer as a result of it.

Mr. ROONEY. I am in thorough agreement with the gentleman.

In the committee meeting this morning all the Republican members and several Democratic members voted to try to get action at once. This constituted a majority of those present.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. HOFFMAN. With reference to the violation of which you speak, have there been similar violations or the same violations in the past; or is this something new?

Mr. TABER. I do not know whether it is the same or not.

The SPEAKER. The time of the gentleman from New York has expired.

Without objection, the gentleman may proceed for an additional 3 minutes.

There was no objection.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARTIN. Why wait until next Friday? In the meantime the services will be impaired and the people will be thoroughly aroused. I think if the matter could be taken up before next Friday, it would be better.

Mr. TABER. I would hope that it would happen that way because I think the sooner we face this matter and have it ended, the better it will be for all concerned.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WIGGLESWORTH. Is it not a fact that the Committee on Appropriations as a whole has known that there must be some supplemental appropriation for the current fiscal year ever since we convened in January; and is it not also a fact that the budget estimate has been before this committee for practically a month?

Mr. TABER. That is correct.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I want to join with the minority leader with respect to this committee hearing being held as early as possible, because if we do not we will be in a state of confusion with respect to the Post Office Department and will have no settled condition until this matter is disposed of.

Mr. TABER. That is correct, and unquestionably some things will happen to curtail service if we do not get the thing straightened out.

Mr. GARY. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I feel that as chairman of the Treasury-Post Office Subcommittee of the House Appropriations Committee I, too, should give the Members of the House certain information concerning this situation.

We have had an antideficiency law on the statute books for a long, long time. In 1950 the Congress amended that law to make it more effective. The purpose of the amendment was to require the apportionment of departmental funds in quarterly installments, so that they would not come in at the end of the fiscal year as is being done in this case, and say to the Congress: "We have spent out money; you give us an additional appropriation or else we will close the Department or curtail the service."

In this particular case the statement was made that the Department knew last year that additional funds would be needed; but the facts are: I am told that a statement has been issued by the Bureau of the Budget just this morning, assuming responsibility for holding this matter up and saying that it, the Budget, was not convinced until February that the Post Office needed additional funds.

Regardless of whose fault it was, last year, in accordance with the antideficiency law, the funds for the Post Office Department were apportioned over a period of four quarters. Then, subsequently, the Bureau of the Budget permitted the Post Office Department to revise those apportionments and take funds out of the fourth quarter and use them in the second and third quarters, and no request for additional funds was submitted to the Congress until March 12.

On March 12 the Bureau of the Budget sent to the Congress a request for supplemental appropriations for various departments, including the Post Office Department.

Most of those requests will not be acted upon until after the Easter recess, but the budget sent a list of those appropriations which were urgent and should have immediate consideration, and the Post Office Department request was not in that list.

Just as soon as the budget requests were referred to our subcommittee, hearings were arranged. On Wednesday of this week the Budget Bureau sent up a request saying that these funds were urgent, and the chairman at that time assured them that it would be taken up in the very first supplemental bill to come before this House.

My good friend the gentleman from New York [Mr. TABER]—and he and I are usually in accord on matters of this kind—says that the Post Office Department does not want to violate the antideficiency law. I tell you, and he does, too, that beyond question the antideficiency law has already been violated. Whether the violation was by the Post Office Department or by the Bureau of the Budget is a matter of little concern so far as this Congress is concerned. A law which was enacted by this Congress has been violated. The result is just exactly what the Congress has been trying to avoid, because at this late date the Post Office Department now comes before the Congress and says: "We have got to have $47 million more or else. We have only two alternatives. One is to close down the Department entirely for the last 15 days in June, or if you tell us now that you will not allow us the additional funds, we will begin a partial curtailment of services immediately."

Our subcommittee met again on Wednesday of this week at the request of the Postmaster General, and, although the bill was not before us, I was instructed by the subcommittee to inform the Postmaster General that we would recommend a supplemental appropriation of $17 million, because on that item there was some question. The

antideficiency law has one exception. That exception provides that if a law is subsequently enacted which requires a department to expend funds that could not have been anticipated, then those funds shall not be considered in the apportionment. In this case the Congress passed a law which increased the postal salaries. That law was passed on June 10, 1955, before the budget requests were presented. They had ample opportunity, and they did take into consideration the increased costs involved in this law. Technically, therefore, expenditures made under that law did not come within the exception of the antideficiency law. But the Department explained to us that there was in that law a provision requiring reclassification of the postal employees. That provision did not become effective until December 1955, which was after the budget estimates had been submitted to the Bureau but prior to their transmission to Congress. When they began to reclassify, they found out that the estimates they had made were too low and they were required to spend by reason of that classification provision $17 million additional. The committee did not want to be technical, and, although the expenditure was not technically within the exception to the antideficiency law, we decided that we would recommend the allowance of that amount.

As I see this question, and I think it is a very serious one, the question before the Congress is: Are we going to continue to appropriate for the departments of government or are we going to abdicate in their favor? If the Congress of the United States permits a department to come in at the close of the third quarter or toward the end of the fiscal year and say: "We have spent the money that you have given us; now, you either appropriate additional money or else we are going to close up," if we are going to yield to threats of that kind, then we might as well abolish the Appropriations Committee and say to the departments: "Go ahead and spend your funds to suit yourselves, take all of the money out of the Treasury you want," because, after all, we will be abdicating our authority to appropriate and we will lose all control over the executive departments of the Government.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. What can we do about it? What is the remedy?

Mr. GARY. The situation has been properly explained by the gentleman from New York [Mr. TABER].

Mr. HOFFMAN. Have we a technical out or must we change the basic law to avoid violating it?

Mr. GARY. It is entirely up to the Congress. Our subcommittee will recommend the $17 million which we think is proper under the circumstances. That will be presented to the full Appropriations Committee next Friday. In the regular course of events it will come on the floor for consideration. It is open for amendment in the Appropriations Committee. If anyone wants to amend it to give them the entire $47 million that is their right.

Mr. HOFFMAN. What I am asking is, if we give them the $17 million, as the gentleman suggests, are we then violating the law?

Mr. GARY. No; I do not think so. If we give them the $47 million, I think we will be, because the rest of it certainly comes within the antideficiency statute.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Why wait until next Friday? That is what is running through my mind. Why not do it today? Why delay? I understand the majority of the committee wants to do it, and why should they not be allowed to do it before curtailment of service is required.

Mr. GARY. The action that was taken was taken by the majority of the committee. The full committee has acted on the matter, and that is their recommendation.

Mr. MARTIN. I understand it requires a two-thirds vote to suspend the rules and take action today. The majority really voted to take it up today, is that not right?

Mr. GARY. The situation was that there was a motion made in the committee to suspend the rules, and that motion was lost. Then a motion was made which was adopted by the committee.

Mr. MARTIN. Does the gentleman not think we will be neglectful if we allow the services to be curtailed and not act when we have the opportunity? I remember very well, and the gentleman must remember, many other occasions when supplemental appropriations had to be rushed through here to take care of matters for a payday. Why is not this in that same category?

Mr. GARY. I would like to say to the gentleman that I also remember on one occasion some years ago when our committee recommended a cut in the appropriation bill and the Postmaster General said if we put that cut into effect we would have to curtail the service. We told him at that time we thought he ought to curtail the service by eliminating one of two daily mail deliveries in residential sections. He did this and it saved this country $100 million a year, and nobody has suffered. Personally, I think it is one of the greatest things our subcommittee has ever done. That was under a Democratic administration. I cite that just to show that there is absolutely no politics in this situation so far as I am concerned, but it is a question of principle as to whether or not we are going to permit the Department to come in at the end of its fiscal year and force the Congress into submission by pressure and threats.

Mr. MARTIN. The real question before the American people will be: Do they want service? Do they want to have it continued?

Mr. GARY. Well, I think the Postmaster General can operate without curtailing the services with the funds they have plus the $17 million, which, as a matter of fact, will be more than they requested at the beginning of the year.

Mr. MARTIN. I am glad the gentleman mentioned that $17 million. I understand that will be taken up entirely by upgrading of employees as the result of congressional action. Is that not a fact?

Mr. GARY. They had that additional expense over and above their request by reason of the classification law; that is correct.

Mr. MARTIN. But you are not giving them any new money at all when you give them the $17 million.

Mr. GARY. I think we are. As a matter of fact, the law had been passed before they made their request, and therefore, even in this instance, the failure to estimate the proper amount was an error on the part of the Department rather than the Congress.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Now, do I understand the gentleman, who is chairman of this subcommittee, to tell the House that in his opinion the services that are being rendered now to the American people by the Post Office Department can continue to July 1 without curtailment of service, without any additional funds except the $17 million?

Mr. GARY. Without curtailment of necessary services; yes, sir.

Mr. REES of Kansas. But there will be a curtailment of present service?

Mr. GARY. I do not know. That is up to the Postmaster General. I certainly have no inclination to run the Post Office Department, and I am not going to try to run it.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman has again expired.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, would the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman consider 6-day-a-week delivery service essential?

Mr. GARY. No; I would not consider it absolutely essential. I have not taken the position that we should go to 5-day-a-week delivery, but I do say that industry and business are now going to a 5-day week. I know in my city, and I think in practically every city in the United States, if you go into the business district, you will find that the business houses are closed down on Saturday. I do not believe it is necessary to have 2 and 3 deliveries in those sections on Saturday. I think there can be adjustments made in postal service to meet modern conditions which will save considerable sums of money.

Mr. GROSS. I agree with that, but I do not agree that we should cut off rural carrier service 1 day a week.

Mr. GARY. I certainly have not recommended that.

Mr. GROSS. I am not here condoning any error of commission or omission on the part of the Bureau of the Budget. But I think this question ought to be resolved now, not a week from now or 2 weeks from now.

Mr. BROOKS of Louisiana. Mr. Speaker, would the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. BROOKS of Louisiana. My interest in this matter is this. The gentleman has said there was a violation of the law. If a penalty is to be imposed on anyone for violation of the law, it should be a personal penalty. Are we going to penalize the people as a whole instead? I do not believe Congress wants to penalize the people because some official has violated the law. That penalty, in my opinion, should be a personal one.

Mr. GARY. May I say to the gentleman that this Congress last year cut the request of the Post Office Department by nearly $16 million out of a budget of $3 billion. We intend in the committee to give them $17 million more, which will give them more money than they originally requested.

I have heard the statement made on this floor time and time again that there is not a single department of Government that could not be cut 10 percent, without impairing their service or efficiency. This was not a 10-percent cut; it was a cut of less than one-half of 1 percent. I think that amount could have been absorbed and I think it can be absorbed between now and June 30.

Mr. BROOKS of Louisiana. Since the gentleman has said that there was a violation of the law, and the statement of the gentleman from New York [Mr. TABER] confirms that, the question is, it seems to me, whether the penalty for that violation is to be visited not on the individual who violated the law but upon the American people as a whole in the service that they are entitled to but will not get.

Mr. GARY. There is no attempt on the part of our committee to visit any penalty on anybody. We are simply presenting the facts.

Mr. HOFFMAN. Mr. Speaker, would the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman is giving us information which we should all have. Is not the important question whether—and what is the answer?—we should now give them more money? If we appropriate more money, in violation of the law and they spend it with our approval, how can we expect any other department to comply with that law?

Mr. GARY. I think the answer is to give them the $17 million, to which I have referred and say, "You have got to operate within that from now until the end of the year."

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, the operation of the Post Office Department of the United States is a very difficult one. In a sense it is a very unique operation. The estimates of the Post Office Department have to be prepared, with some degree of exactitude, 12 to 18 months ahead of time.

I wonder how many Members of this House know that a snowstorm of sectional or area proportions may conceivably cost the Post Office Department five or ten million dollars.

We heard a lot of talk some days ago about the requests for the fiscal year 1958. A cut was imposed by the House on the Post Office Department requests to the extent of $58 million. At the time we were considering the fiscal year 1958 appropriations, many Members rose in this body to say that there was no such thing as a request for supplemental funds for the fiscal year 1957. One Member was so bold as to say that if such a request should be made it could possibly evaporate.

What are the facts of life? On January 15, 1957 when our subcommittee was called upon to hear the Postmaster General and his aids justifying their requests, the very first question the subcommittee chairman, the distinguished gentleman from Virginia [Mr. GARY], asked was this:

> Mr. General, what supplemental funds are you requesting for the fiscal year 1957?

The Postmaster General's answer was this:

> We are requesting $53 million in supplemental funds for the current fiscal year of 1957. We have to have those funds to meet necessary postal requirements.

That was January 15, 1957. There was no secret about supplemental requests at that time.

Regarding this so-called antideficiency violation, let me read now a letter that Abe McGregor Goff, general counsel of the Post Office Department, a former Member of this body, directed to his chief, General Summerfield, under date of April 4, 1957:

> DEAR MR. SUMMERFIELD: You have requested my opinion as to whether you or the Department by reason of the current status of the appropriations for fiscal year 1957 have violated the provisions of the Antideficiency Act (31 U. S. C. 665).
>
> The Antideficiency Act provides, in effect, that no officer or employee of the United States shall make or authorize an expenditure from any appropriation in excess of the amount available therein or in excess of an apportionment made by the Bureau of the Budget.
>
> Because of the extreme tightness of our apportionments under our 1957 appropriations, I have caused a meticulous check to be made. There has been no violation. The Department has not obligated or spent $1 more than it was apportioned by the Bureau of the Budget in the first three-quarters of this fiscal year.
>
> In the absence of a supplemental appropriation for the fourth quarter, the Department must limit its spending to the funds now available.

Why are new funds required for the last 3 months of the fiscal year 1957? First, there has been an unanticipated greatly increased volume of mail in all parts of the United States. There has been a demand all up and down this land, particularly in so-called suburbia, for the establishment of thousands of new carrier routes, and we simply have to meet that demand. We cannot tell some of the larger suburbs of our country, "You cannot get regular mail service as your brothers do in the main areas of the cities." They have to be taken care of.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from New Jersey has expired.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

Mr. SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I am concerned over the alternatives that now face the Postmaster General. They are eight in number. Chiefly, there is this closing of all post offices in the United States on Saturday, and the stopping of all urban and rural deliveries on Saturday. There is the embargoing, if you please, of all third-class mail except merchandise. There are a number of other items that will have to be carried out unless the $47 million requested are accorded the Post Office Department. Their original request was for $53 million, but at the request of the Bureau of the Budget an item of $6 million was deleted. That called for sadly needed capital improvements in the cities of New York, Los Angeles, and Chicago.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. JONAS. Is it not true that about 75 to 80 percent of the entire post-office budget is not susceptible to a cut at all because it is for personnel, yet the gentleman from Virginia said the budget was cut only one-half of 1 percent.

Mr. CANFIELD. Seventy-eight percent of the Post Office Department budget is for cost of personnel. It is the largest proportionate item of personnel cost in the United States Government. There is no question about that.

Mr. JONAS. Thus, the item is not susceptible to administrative cuts at all; is it?

Mr. CANFIELD. Not at all.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. REES of Kansas. As far as I can ascertain, the Post Office Department is and has been running efficiently and there has been no general complaint about that so far as I know. If that is the case then, can there be any reason why we should not continue the services now being rendered to the American people.

Mr. CANFIELD. I am glad the distinguished gentleman from Kansas has so spoken. It would make the most interesting reading, may I say to my colleagues of the House, if all the encomiums directed to the Postmaster General and to the members of his high echelons were recorded in a brochure or document by members of our subcommittee handling the appropriations for the Department of the Post Office. Day after day the

Department's leadership has been saluted and admired for their good work.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. JOHANSEN. Unfortunately I came to the floor a little late. But I think I heard someone say that the Postmaster General or the Post Office Department had been guilty of a crime. Did I correctly hear a statement that they had broken the law?

Mr. CANFIELD. I hope the gentleman did not hear that kind of statement.

Mr. JOHANSEN. The gentleman from Michigan who is now speaking hopes so too.

Mr. CANFIELD. That charge certainly has not specifically been made, and I do not think it will ever be made on this floor or in any other place.

Mr. JOHANSEN. I would hope not. I am glad that I misunderstood. I just want to say that if we have reached that point, it seems to me we ought to recall that there has been a great deal of criticism of the Supreme Court usurping our legislative functions, and I hope that we are not now usurping the functions of the judicial branch of the Government.

Mr. CANFIELD. May I say to my friend that when the Postmaster General realized this awful service dilemma, so to speak, he came down to our subcommittee and asked for counsel. He asked the distinguished chairman of the committee, the gentleman from Virginia [Mr. GARY] and other members, "Wherein do you want me to effect these cuts; how should I proceed?" He was not arbitrary. He was not being unfair. He was not being unkind. He put all his cards on the table. Some of the members, I may say, were very frank. Some wanted these Saturday closings and the discontinuance of rural and urban deliveries. Some of the members wanted the embargoes on the third-class mail—not all of the members, but some. Finally, our subcommittee refused to say to the Postmaster General what we thought he should do. It was left up to him in an administrative way. Our committee refused to specify where cuts should be made.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has again expired.

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey may proceed for 2 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CANNON. Mr. Speaker, I ask that the gentleman be given 5 additional minutes.

The SPEAKER pro tempore. Request is made that the gentleman may proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to my friend from Florida, who I know is interested in good postal service, not poor postal service, for the United States.

Mr. HALEY. I certainly am interested in good postal service, and I think the citizens deserve some consideration in these things.

I just wondered if the gentleman and his committee had figured how much savings the Post Office could make in the remaining months of this fiscal year if all this trash mail were completely eliminated from the mails?

Mr. CANFIELD. Specifically, there would be savings.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. GARY. As a matter of fact, did not the Postmaster General state that it would be $30 million?

Mr. CANFIELD. The gentleman may be correct.

Mr. GARY. Did he not state that if there were an embargo on all third-class mail except merchandise it would save $30 million?

Mr. CANFIELD. I hope my distinguished friend from Virginia is not going to cross swords this afternoon with the distinguished chairman of our committee, the gentleman from Missouri [Mr. CANNON], who has been so outspoken about this type of mail. He does not want it to be abolished. He has been extremely anxious in our committee about seeing that this mail was continued by the Post Office Department. I am sure that is his stand today.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. MARTIN. I would say in that respect harm would come if that type of mail were embargoed abruptly. It would mean quite a loss to the wholesale and business houses and advertisers in this country who are already running that material through the printing presses. Such people should have some notice, or they would suffer heavy losses that could sink some concerns.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. GARY. I do not want my remarks to be understood as meaning that I was advocating doing away with that class of mail; I was simply trying to answer the gentleman's question. He asked how much would be saved, and the information that was given to our committee by the Postmaster General was that by declaring an embargo on all third-class mail except merchandise it would save $30 million.

Mr. CANFIELD. I am glad to have that statement of the gentleman from Virginia.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. HOFFMAN. There is no question about that. Every Member of this House knows that the Post Office Department is up against it. It needs additional funds now, particularly in our cities and our suburban areas.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has again expired.

(At the request of Mr. HOFFMAN and by unanimous consent, Mr. CANFIELD was granted 3 additional minutes.)

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield further?

Mr. CANFIELD. I yield.

Mr. HOFFMAN. Has the committee given any consideration to the possibility of curtailing third-class mail, or should that be left entirely to the Postmaster General?

Mr. CANFIELD. That is being left entirely to the Postmaster General. It is indicated by some of the members of the committee—I want to be very fair—that cuts have to be made in that matter. The committee says that the administration, the Postmaster General, will have to do the job.

Mr. HOFFMAN. Will the gentleman yield further?

Mr. CANFIELD. I yield.

Mr. HOFFMAN. It would be better to leave it to the Postmaster General, would it not? In that way you can place the blame on him rather than on the Members of Congress.

Mr. CANFIELD. That may be so.

Mr. HOFFMAN. Why do we not act now instead of waiting until next week?

Mr. CANFIELD. We tried very hard to get action today but we were ruled out on a technicality.

Mr. HOFFMAN. The gentleman means that the rules of the House prevent action being taken today?

Mr. CANFIELD. That is true. A majority of the Committee on Appropriations wanted to act today for a supplemental appropriation bill, feeling that we owed it to the postal patrons of the country to take as speedy action as possible.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a further question?

Mr. CANFIELD. I yield.

Mr. HOFFMAN. Why does the Appropriations Committee not go ahead today on this thing?

Mr. CANFIELD. We were ruled out of order by the distinguished chairman of our committee, the great parliamentarian of our body.

Mr. HOFFMAN. Another question: Did you appeal from his ruling?

Mr. CANFIELD. A two-thirds vote was required and we did not have two-thirds, but we had close to it.

Mr. COLE. I do not think the gentleman enumerated all of the possible ways of curtailing. Would he enumerate them again to make sure we can have them in mind?

Mr. CANFIELD. I shall get the complete list.

Mr. COLE. Would the gentleman put the list in the RECORD?

Mr. CANFIELD. The list follows:

Service curtailments and cost deferments which must be considered for the 4th quarter, effective Apr. 6, in order to operate within presently appropriated funds

Item	Millions
1. Discontinue city carrier delivery of all classes of mail on Saturdays	$10
2. Close all post offices on Saturdays (and discontinue rural delivery of all classes of mail)	4
3. Discontinue sale of money orders throughout the country	4

Service curtailments and cost deferments which must be considered for the 4th quarter, effective Apr. 6, in order to operate within presently appropriated funds—Continued

Item	Millions
4. Reduce deliveries of mail in business districts of cities to 1 per day	$2
5. Embargo acceptance and delivery of all 3d-class mail (except merchandise)	30
6. Suspend all annual leave of employees until after July 1 (this will not save money; it will defer the expense until the next fiscal year)	15
7. Suspend purchases of uniforms by employees until after July 1 (this will not save money; it will defer the expense until the next fiscal year)	3
8. Defer purchases of sorting cases, conveyors, lightweight vehicles, garage equipment, counterline, painting, and other equipment and supply items (this will not save money; these are needs which must be met in the next fiscal year)	2
Total from which to choose	71

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from California.

Mr. GUBSER. I am concerned that the fiscal 1958 appropriation bill for the Post Office Department may be cited as being responsible for any curtailment in service should this deficiency request by the Postmaster General not pass. Would the gentleman reiterate clearly and concisely that there is absolutely no connection between any possible curtailment of service if this request of the Postmaster is not granted and the fiscal 1958 appropriation bill?

Mr. CANFIELD. I will say to the gentleman from California that the important thing to remember is this: When we considered the 1958 request we had no consideration whatever of the 1957 supplemental dilemma. In other words, if $47 million were voted as a supplemental request at this time, having in mind the $58 million cut imposed in the regular bill for 1958, I believe we would be giving the Department less funds in 1958 than we gave in 1957 with all this increased volume of mail, with 5,000 additional carrier routes being projected, and so forth.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

(By unanimous consent (at the request of Mr. HALEY), Mr. CANFIELD was allowed to proceed for 1 additional minute.)

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Florida.

Mr. HALEY. We are talking about third-class mail because fourth-class mail is parcel post.

Mr. CANFIELD. The gentleman is correct. Fourth-class mail is parcel post and under the laws of our land the Postmaster General, when that is not paying its way, has to go before the ICC and see that realistic, honest-to-goodness rates are provided.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, may I earnestly express the hope that we approach this question with an open mind. Because, Mr. Speaker, it involves the most vital budgetary problem that has come up or that will come up in this session.

It is important that we understand the real issue here. It is very simple. The issue here is whether the taxpayers control appropriations or whether the departments control appropriations.

Up until 1950 the departments frequently determined their own appropriations. They would come up here on the Hill and, tongue in cheek, read prepared statements. The committees would hold hearings and spend several weeks or months listening to evidence, and would then decide how much money they would recommend for the next fiscal year. Finally the committees would report a bill to the House, and the Congress would appropriate money to support the departmental activities for the year.

But one of the peculiar things about the departments is that they never think they have enough money. They are constantly wanting more personnel, wider jurisdiction, additional power and of course that means more money. Each petty boss in every department wants more people under him. The more subordinates he has the higher his salary and the more important he is. Under the old system the departments would take the money given by Congress to run them for a year and proceed to spend it to suit themselves. When the money ran out they would come back for a deficiency appropriation. Sometimes they got 2 or 3 deficiencies in addition to the money Congress first gave them. It was not the exception to the rule. It was the regular practice. In those days we had one subcommittee that did nothing but handle deficiencies. And it was the most important of all the subcommittees. The result was that the taxeaters in the departments wrote their own ticket and the taxpayers supposed to be represented by Congress were defenseless.

In those days before the World Wars there was always plenty of money in the Treasury and it was not so important. But when we had the largest national debt of all time, and a hard time balancing the budget and taxes kept getting higher and higher it became intolerable. The taxeaters ran the taxpayers ragged. There is no way to get money for the department spenders except from the pockets of the taxpayers.

Finally, some 10 years ago, we got together in the committee and drew up the antideficiency law to stop this mushroom spending. So far as the taxpayers are concerned, it is the most important law on the statute books today. Here is what the antideficiency law does: It compels the departments to live within the money given them by Congress and they cannot come back for a deficiency appropriation. They are required to allocate their money by quarters—the first 3 months, the second 3 months, the third 3 months, and the fourth 3 months. The department is required to spend the money for the first quarter in the first 3 months and no more. Then in the same way the second, third, and fourth. They were not permitted to spend any other money or in any other way. The law worked admirably and we abolished the Deficiency Subcommittee. We no longer needed it.

Every Department observed and obeyed the law until this year. The Post Office Department is the first to break over. Postmaster General Summerfield tells the press he is "heartsick." He would not be heartsick if he had obeyed the law. But he took funds out of the fourth quarter and spent them in the second quarter. And he took money out of the fourth quarter and spent it in the third quarter. It was done deliberately and on notice. He had notice when Congress passed and the President signed the bill. He had notice again when he first started using the money at the beginning of the first quarter in July 1956. He went before the Bureau of the Budget and asked for a supplementary estimate. The Budget told him Congress had given him $2,184,000 for operations and he had to live within it. They refused to recommend a deficiency appropriation. Again the, the first of January he again went before the Budget Bureau and asked for a supplementary estimate. And again the Budget Bureau told him he would have to live within the amount Congress had appropriated for the purpose. He waited until the last minute and finally bludgeoned the Budget Bureau into giving him a supplementary estimate and then calls in the newspapermen and tells them unless Congress surrenders he will stop delivering the mail. He lays down an ultimatum to Congress and arrogantly gives them 3 days in which to come across. Regardless of what the Constitution says, the Department is writing its own ticket and naming its own appropriation, and the taxpayers of the Nation and the men they send to Washington to represent them can go jump in the sea.

The astonishing feature is that Congress originally gave him more money than he asked. He came up last year with a budget estimate for $2,118,000,000. Congress usually reduces the estimates and this time cut $5 million off the estimate. With a budget estimate of more than $2 billion that was a mere token cut. But we more than made up for it by giving him transfer authority which increased his appropriation to $2,124,000,000 an increase of $6 million above what he had asked. When the $17 million is added to the whole bill he has a total amount above what he asked. He has violated the law passed to protect the taxpayer; he has spent more than we gave him for the first 3 quarters and now he holds a gun to our head and demands that we stand and deliver $30 million more.

But Deputy Postmaster General Stans, the second man in the Department, says they can get by without stopping the

mails. Here is what he said the last time he came up here, March 26, 1957:

> There is one alternative. If you told us right now, we were not going to get it—$47 million—we could stop some services right now. But that would be the only thing we could do. The choice is to stop service completely for 2 weeks or stop to a lesser degree over a longer period of time between now and June 30.

If they could get by with the money left in the fourth quarter—which begins April 6—certainly they could get by with the additional $17 million we are giving them over and above the money left in the fourth quarter.

Mr. HOFFMAN. Mr. Speaker, would the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Mr. Speaker, the gentleman said that the funds were transferred, for example, from the fourth quarter to the third quarter. Who authorizes that—the budget or the officials of the Post Office Department?

Mr. CANNON. All of them down there apparently agreed on it.

Mr. HOFFMAN. Who has the authority to do it, if the gentleman will yield further?

Mr. CANNON. Of course, the authority rests in this Congress. The Congress says how much they shall have and when they shall have it and how they shall spend it. But they deliberately took out of the fourth quarter and put into the second quarter. They took out of the fourth quarter and put into the third quarter in direct violation of the statute.

And here are the dire consequences. This antideficiency law, on which the gentleman from New York [Mr. TABER] collaborated earnestly, is the most essential law, affecting appropriations and the taxes which have to be levied to pay them, in the books. We cannot control appropriations without it. Congress is supposed to control the purse strings, but without this law the departments write their own appropriations and tell us to come across or they will stop the Government.

But here is the supreme consideration. If Congress once allows the departments to flout the law, it is wiped out. The law we have worked 10 years to perfect and which has saved vast sums—and in the next 10 years will save billions of dollars—has been expunged from the statute books. It is gone forever, and can never be reenacted. If it can be overridden with impunity once it can be overridden again. And we will have to reestablish the Subcommittee on Deficiencies and shove an extra tax load on the taxpayers. I ask the gentleman from New York who has worked hard on the antideficiency law if we are now going to abandon it and turn the departments loose. Is Congress going to abdicate the right to say where the taxpayers' money shall go? And if so, how or are we going to protect the taxpayer? Are we going to retain in the Congress itself the inalienable right to control the pursestrings?

The House of Representatives is particularly charged with that duty. We are charged with that responsibility rather than the Senate because we are closer to the people, because we have to go back for election every 2 years.

Our respective constituencies have sent us here to enforce the law. But no department will, in the future, pay any attention to that law if we abandon it this one time. If we fail in our duty this one time we have sold the taxpayers down the river.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The Member from Michigan is under deep obligation to the gentleman from Missouri for the information he has given us. It is my purpose to ask the gentleman just one question: Repeatedly, the gentleman has said that funds were transferred from one quarter to another, from the third to the second, and from the fourth to the third. The gentleman has said they transferred funds.

Mr. CANNON. The gentleman is right.

Mr. HOFFMAN. This is the question: Who does the gentleman mean by "they"?

Mr. CANNON. I mean the Post Office Department and the Bureau of the Budget.

Mr. HOFFMAN. Acting together?

Mr. CANNON. Acting together. The Post Office Department went before the Budget Bureau and requested it. The Bureau of the Budget refused it a year ago. They refused it 3 months ago. But here at the last minute, when they think Congress is defenseless, then they say, "All right, go ahead."

The Post Office Department has violated the law, and the Bureau of the Budget has violated the law. They did it to get money to which they have no legal right. And the taxpayers of the country will have to pay just that much more taxes. There is no other place to get the money.

Mr. Speaker, I deeply regret that for just this brief time, the Post Office Department is not under the control of the Democratic Party and the Bureau of the Budget is not under the control of the Democratic Party, so that on this vote I could put my country above my party. And if we were in control of those departments I would do it as emphatically then as I do it today.

Some have told me this morning that they cannot be reelected if they vote to retain the antideficiency law. Mr. Speaker, I do not have to be reelected. The Government will run whether I am here or not. And I refuse to be reelected at such a terrible price.

UNORDERED MERCHANDISE DELIVERED BY MAIL CAN BE DANGEROUS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, if the contemplated embargo on fourth-class mail and third-class mail excepting merchandise can bring the Postal Department's funds in balance, perhaps the embargo on third-class mail can be made to go further and operate against merchandise which is not ordered. Recently the Standard Brands Corp. used the mails to invade my home with a 6-ounce package of dog food for my dog's dinner while another company, the General Foods Corp., used the mails to invade my home with a hydrated salad dressing, Good Seasons Salad Dressing, which weighs about 4 ounces.

These unwanted and unordered foodstuffs for my family and for my dog are a nuisance undeserving of the dignity of the United States mail service. As a matter of fact, coming into the hands of my child of tender years, they could prove to be very harmful. I think, if an economy can be effected in eliminating this kind of material from the mails, the entire Nation would rejoice. The elimination of advertising abuse of the mail service would bring about better service and great economies.

LOW PRICES PAID TO AMERICAN FARMERS FOR MEAT-TYPE HOGS

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, American farmers have a right to ask why they are not receiving prices comparable to those received by Canadian farmers for meat-type hogs. I am sure they will be interested in market information presented to the House of Commons in Ottawa by the Canadian Minister of Agriculture, the Right Honorable J. C. Gardiner. He said:

> In January this year the price for A-grade hogs at Toronto averaged $31.64 as compared with $23.47 for January a year ago. In February, A-grade hogs in Toronto averaged $33.45 as compared with $23.51 a year ago. Hog prices in Canada have also been substantially higher than in the United States. The average price for choice barrows and gilts, 200–220, Chicago, dressed weight equivalent, was approximately $24.20 in January as compared with $31.64 for A-grade hogs in Toronto and $23.60 for February as compared with $33.56 in Toronto.
>
> By reason of the relatively short position in supplies, hog prices progressively advanced from $31.33 during the week of January 5 this year at Toronto to average $34.13 during the week of February 16. During the week ending March 2 hog prices declined at all markets in Canada, and the average price for the week at Toronto was $31.25 with a low at the end of the week of $30.50.
>
> The decline in hog prices may be attributed to the fact that hog prices had progressively advanced to the point where at Toronto, they were over $11 per hundred, dressed weight equivalent, higher than Chicago, and were also relatively higher than other meats, particularly beef. Other contributing factors might be the approach of the Lenten season and the fact that during the week of February 16 hog marketings in Canada totaled 120,026, 10 percent higher than the marketings of 109,150 during the same week in 1956.

Mr. Speaker, I include a table submitted by the Minister of Agriculture, showing the prices upon which his comments are based.

Hog prices

	Toronto	Winnipeg	Chicago (dressed weight equivalent)
1956			
Jan. 5	23.80	20.50	15.03
Jan. 12	23.67	20.50	15.32
Jan. 19	23.10	20.50	15.84
Jan. 26	22.87	20.38	17.66
Average	23.47	20.53	
Feb. 2	23.19	20.75	19.20
Feb. 9	23.78	20.75	17.53
Feb. 16	23.50	20.92	16.40
Feb. 23	22.50	21.67	16.20
Average	23.51	21.04	
Mar. 2	23.03	21.53	16.40
1957			
Jan. 5	31.33	28.12	23.67
Jan. 12	31.68	28.06	23.41
Jan. 19	31.59	29.30	24.61
Jan. 26	32.13	29.78	25.05
Average	31.64	29.12	24.20
Feb. 2	32.30	29.41	24.60
Feb. 9	33.06	31.05	24.00
Feb. 16	34.13	32.36	22.93
Feb. 23	34.01	32.75	23.73
Average	33.45	31.63	23.60
Mar. 2	[1] 31.25	28.79	22.70
Mar. 4	30.50		22.30

[1] Closed 30.50.

Mr. Speaker, your Subcommittee on Agricultural Appropriations is looking into this phase of the farm picture. American farmers are not receiving the price to which they are entitled in producing meat-type hogs. For this reason, American housewives are not able to obtain the quality pork products to which they are entitled. This further reduces the consumption of pork. It is a vicious circle. An answer must be found.

POST OFFICE DEPARTMENT OPERATING FUNDS

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection?

Mr. PASSMAN. Mr. Speaker, for fear of misunderstanding on the part of the public, I believe it should be stated for the record that the Post Office Department will have available for the last quarter of fiscal 1957, covering the months of April, May, and June, approximately $444 million for operations. In addition to this, the Department has $188 million for other functions of the postal establishment, making a total of $632 million for expenditures for the last 3 months of fiscal 1957 alone.

I fear some of our constituents may be laboring under the impression that we are asking the Post Office Department to operate the Department on $17 million only for the last quarter of the fiscal year, whereas, the fact is, the $17 million will be in addition to the $632 million mentioned earlier.

POST OFFICE DEPARTMENT OPERATING FUNDS

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, in addition to what has been said on the floor today about the postal service, there is a rumor going around that if Postmaster General Summerfield does not get the money he wants he is going to resign. Rumor further has it that if that happens ex-Senator Bender, of Ohio, will be appointed Postmaster General.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. Of course, I would be in favor of that specifically, especially since he comes from the State of Ohio; and, then, I think he might get at the root of the trouble because a lot of it comes from these magazines like Time and Life. They are taking a $15 million ride each year free and after what Time did to Mr. Bender in the campaign last year, calling him windy or something like that, I think he would want to check up on some of those matters that certainly deserve looking into. I expect he would look into this matter of their taking an almost free ride.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. CANFIELD. I am glad to learn today that the gentleman is in favor of a realistic postal rate bill, and I am certainly glad that he has made this statement.

Mr. HAYS of Ohio. I am now just talking about a series of rumors.

As far as the postal rate bill is concerned I have always been for making the various classes of mail pay their own way.

Mr. CANFIELD. I agree with the gentleman wholeheartedly.

Mr. HAYS of Ohio. I object to any class of mail taking a free ride at the expense of the other classes. I think these bulky magazines that make so much money out of their advertising should certainly pay for their fair share of the cost of the service.

Mr. CANFIELD. I am 100 percent with the gentleman on that.

Mr. HAYS of Ohio. Then we are in agreement.

THE POST OFFICE DEPARTMENT

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, permit me to ask the gentleman from Virginia [Mr. GARY], was not one purpose of the point of order made in committee, I assume by him, in an effort to bring about a curtailment of the mail service?

Mr. GARY. No, sir; it was not.

Mr. HOFFMAN. Another question: How long has this practice which has been referred to here as a violation by the Bureau of the Budget and the Post Office Department existed?

Mr. GARY. The policy of the Congress?

Mr. HOFFMAN. No. How long has it been the practice of the Department and the Bureau of the Budget to either spend or authorize the spending of money in violation of some of the provisions of title 31 of the code, if there is a violation?

Mr GARY. Well, as I stated, we have had an antideficiency law on the books for many years, but it was amended in 1950 to make it effective. Since that time it has been very closely adhered to.

Mr. HOFFMAN. When was the first time the act, as amended, was violated? The chairman of the Committee on Appropriations [Mr. CANNON] stated both the Bureau of the Budget and the Post Office Department have violated it repeatedly. When was the original act, or the amended act, violated?

Mr. GARY. It began, according to the statement of the Budget Bureau, in February. It took the funds in February.

Mr. HOFFMAN. This year?

Mr. GARY. This year.

Mr. HOFFMAN. Is that the first instance when that law, passed in 1950, has been violated?

Mr. GARY. I cannot say.

Mr. HOFFMAN. But that is what I am asking.

Mr. GARY. I cannot tell the gentleman that. This is the first instance that has been brought to the attention of our committee since 1950.

Mr. HOFFMAN. The gentleman does not know how long it has been the practice of the Bureau of the Budget, the Postal Department and other departments to violate this law—if it is a violation.

Mr. GARY. No.

Mr. HOFFMAN. When did the practice of violating the law, as amended in 1950, begin?

Mr. GARY. This is the first instance that has been brought to my attention.

Mr. HOFFMAN. That is not the question I asked.

Mr. GARY. I do not know. I cannot say. I do not think anybody can answer that question.

Mr. HOFFMAN. The gentleman from Missouri [Mr. CANNON] charged that both the Bureau of the Budget and the Post Office Department were violating a Federal statute. My understanding is those sections of title 31 of the code read:

§ 665. Appropriations:

* * * * * * *

(c) Apportionment of appropriations; reserves; distribution; review.

(1) Except as otherwise provided in this section, all appropriations or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such period; and all appropriations or funds

not limited to a definite period of time, and all authorizations to create obligations by contract in advance of appropriations, shall be so apportioned as to achieve the most effective and economical use thereof. As used hereafter in this section, the term "appropriation" means appropriations, funds, and authorizations to create obligations by contract in advance of appropriations.

* * * * *

(e) Apportionment necessitating deficiency or supplemental estimates.

(1) No apportionment or reapportionment which, in the judgment of the officer making such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate shall be made except upon a determination by such officer that such action is required because of (A) any laws enacted subsequent to the transmission to the Congress of the estimates for an appropriation which require expenditures beyond administrative control; or (B) emergencies involving the safety of human life, the protection of property, or the immediate welfare of individuals in cases where an appropriation has been made to enable the United States to make payment of, or contributions toward, sums which are required to be paid to individuals either in specific amounts fixed by law or in accordance with formulas prescribed by law.

(2) In each case of an apportionment or a reapportionment which, in the judgment of the officer making such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate, such officer shall immediately submit a detailed report of the facts of the case to the Congress. In transmitting any deficiency or supplemental estimates required on account of any such apportionment or reapportionment, reference shall be made to such report.

In my humble opinion, the present emergency calling for now $17 million and later an additional $30 million if present service is to be continued, grows out of the fact that the Bureau of the Budget neglected—or, more accurately, for a few days postponed—calling the attention of the Congress to the situation, apparently hoping that the executive departments might reduce the amount of their requests.

The current understanding on the part of many of us is that the chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], taking advantage of the delay in the House today, charged and complained of a technical violation of the statute, but which—if I read the record correctly—is the result of his own arbitrary but permissible invokement of the rule which required a two-thirds vote in the Appropriations Committee.

Postmaster General Summerfield is in no way responsible for the situation which now exists. Nor has the Department or the Secretary violated any law. That charge made by the gentleman is not borne out by the undisputed facts. As to the Secretary it is a wicked, false charge without a single fact to justify it. Mr. Summerfield should be commended—praised, not condemned—for his courage and his forthright action in advising the people and the Congress that unless proper action is taken by the Appropriations Committee and the Congress, he will not violate the statute above referred to. But he will, on the contrary, curtail the services of the Department so as to bring them within the amounts authorized and appropriated by the Congress. He can do either 1 of 2 things. He can violate the law, or he can cut his suit out of the cloth given him. As all who know him would expect, he has chosen to give the service for which we have provided the money.

If that action becomes necessary and the Postmaster General, acting under the law, is forced to and does curtail any present postal services, the blame will rest technically upon the Bureau of the Budget and the Congress because on the peoples' demand it has directed the Department to render certain services but has not provided the funds to pay for them—and again, from a practical standpoint, upon the action taken by the gentleman from Missouri [Mr. CANNON] in committee. His statement made here early in the day, insisting that the law be observed, that the departments live within the amounts appropriated, is all to the good. But he cannot, logically, or in good faith, criticize the Postmaster General, when the Postmaster General insists that he, too, will obey the law and take the inescapable action of curtailing services—nor should it be forgotten that the Postmaster General has indicated the curtailment will not in the least interfere with essential services rendered individuals.

It is the old, old, often-repeated story of the people insisting upon new and additional services—the Congress yielding to their demands, but not providing sufficient funds to meet the cost. Postmaster Summerfield has not violated the law. He has refused to do so. He has told the world that if the people want a certain service the postal employees paid certain salaries, the Congress must provide the funds or the service will not be given. More and greater power to public servants of similar courage.

POST OFFICE DEPARTMENT DEFICIT

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I hope that this hullabaloo over the deficiency in the Post Office Department appropriations or the claimed deficiency does not confuse the American people to the point where it may be utilized to put over a rate increase on first-class mail and on airmail.

As a member of the Committee on the Post Office I have been listening to presentations by General Summerfield and his aids in regard to the need to take up the Post Office deficit. When it is all boiled down, it comes to this: They want to pick up the deficit on the second- and third-class mail by raising the first-class mail of 3 cents to 4 cents and by increasing the airmail rate of 6 cents to 8 cents.

They have presented what they claim to be cost ascertainment figures but they are not based on any formula of accounting I know anything about and that the General Accounting Office would approve. In fact, if that type of accounting were used in the financial statements of private industry they would be subject to a charge of fraud and they would be subject to civil suit in case they obtained merchandise based on that type of financial statement, because in the formula of cost ascertainment they include what they call intangible factors. Then they take an intangible factor, monetize it, and put it in the cost ascertainment formula for first-class mail and thereby show a deficit.

Let us not be bewildered by this hullabaloo going on in the press. Let us keep our eye on the ball. If the Post Office deficit is to be made up, it should be made up by those who are causing the deficit. They should pay an increased rate, not those who are now paying their own way.

THE INDONESIANS SUPPORT FREEDOM AND INDEPENDENCE FOR ALL NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, many Members of Congress have shown a keen interest in Indonesia because of the struggle being made in that newly independent country between the forces of representative government and the conspiracy of communism. Freedom and democracy are very much alive in Indonesia. It has strong advocates. These advocates of freedom and democracy have given concrete example of their understanding of the real dangers of communism to the survival of Indonesian freedom and national independence.

On January 26, 1957, there was established with headquarters in Djarkata, the capital city of Indonesia, a Turkestan liberation movement. I have had this significant development called to my attention through a release of the Asian Press Board, the leading news agency of Indonesia.

The purpose of the Turkestan liberation movement is to bring about the freedom and national independence of Turkestan. It will be recalled that the Russian Communists invaded and occupied the Turkestanian Republic of 1917–18 and destroyed it. Following this the Moscow leaders then divided the Turkestanian Nation into five so-called Soviet republics. This was another demonstration of the typical Russian technique of divide and conquer; divide and control.

Turkestan, nevertheless, remains a country made up of over 30 million people, occupying a land space equal to that of Afghanistan, Iran, Turkey, and Saudi Arabia together.

The future of Turkestan is still further complicated by the fact that some of the eastern provinces of that country are occupied and exploited by the Chinese Communists.

The goal of liberating the Turkestanian Nation from the alien control of the Russian Communists and the Chinese Communists is one which is in concert with the will of the people of Turkestan

and consistent with the desire of all the people of the world for peace and justice for all.

In the statement issued by the Turkestan liberation movement, it is pointed out that it is impossible to have peaceable coexistence in the world unless colonialism, imperialism, and exploitation of nations and people are eliminated. It also points out that the people of Asia and the people of Africa, as represented by the Afro-Asian Conference, recognize communism as a threat to peace and an absolute bar to an era of peaceful coexistence among all the nations of the world. The statement of the Turkestan liberation movement is of such great importance that I want to read it in full.

THE TURKESTAN LIBERATION MOVEMENT

In this dynamic, revolutionary 20th century, all nations, from east to west, from north to south, in every corner of the world of whatever religion and opinion they are, have one universal belief, i. e., the belief in liberty for all nations in the world, which by itself will bring peace and fraternity to mankind.

This atomic age, which has given birth to a scientific revolution brighter than the French and Russian Revolutions, bring us, besides a threat of devastation, a hopeful aspect, i. e., peace and fraternity over the peoples in the world with all progress they have gained in everything.

Britain, "the master of the waves," with her Empire stretched out "from sunrise to sunset"; France, with her Asian and African colonies; and some Western countries which, till then, have the habit of colonizing in this age, are compelled to loosen their grasp on their colonies and to give them freedom to rule by their own, as an obligation in this revolutionary age; though there are still some countries left under the pressure of colonialism and imperialism.

In the development of the human brain, we still meet with diplomatic tactics which are against this revolution, wanting to go on with their original idea: colonialism. Such elements will spread an epidemic which is to be destroyed by every freedom- and peace-lover in the world. Every patriot and every anti-imperialist should unite in facing this opponent. For as long as this is reigning, the world's peace and security will remain a dream.

The power of communism in the hands of some species of men with their lovely sounding promises of peace, freedom, and prosperity has, pity enough, its imperialistic and colonialistic desires and still rules over the Turkestanian people; this is in fact worse and more inhuman than the classic imperialism is.

Turkestan, a country of not less than 5,407,013 kilometers, having the total surface of Afghanistan, Iran, Turkey, and Saudi Arabia together, with a population of 30 million men, is divided into two parts: A western part which is under the pressure of Soviet Communists, and an eastern part which is ruled by the Chinese Communists. This is obviously against the wish of the Turkestanian people and in contradiction with the words, "civilization and humanity," which is the foundation of the U. N. Charter.

So, as a realization of the resolution of the Afro-Asian peoples, who love fraternity, peace, and peaceful coexistence, we establish the Turkestan liberation movement, on January 26, 1957, which has its center in Djakarta, the capital of the Republic of Indonesia.

This movement is not intended to oppose the peace- and freedom-loving peoples of Russia and China. We are opposing imperialism and colonialism of whatever form, conform to the decisions taken at the Afro-Asian Conference in Bandung. We challenge imperialist Communist Russia and China with their colonialism, a crime to which must be put an end. Therefore, in the interest of world peace and to protect it against slavery, we appeal to every peace- and liberty-loving nation to fight against the imperialists who are acting contrary to the revolution of this age; that is, the Communist imperialists.

Let us have eternal peace, over the whole world, by liberating our brothers, the Turkestanian people, from the colonialistic grasp of the Russian and Chinese Communists who will bring this world to war and destruction.

Long live freedom, peace, and sincere fraternity.

FEBRUARY 27, 1957.

"OPERATION WATERFOWL" TO ACQUIRE WILDLIFE REFUGES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, if we are to save some wild duck and geese for the next generation, we are going to have to vastly expand the breeding and resting areas on the North American Continent for our migratory waterfowl. I have today introduced H. R. 6691 to set up "Operation Waterfowl," a comprehensive 10-year program to acquire such areas.

The Fish and Wildlife Service has for many years estimated that we need a total of 12½ million acres of land for waterfowl areas if we are to preserve our present waterfowl population, let alone add to it. The Federal Government now operates approximately 200 waterfowl refuges, containing 3,370,000 acres—an amount which has remained relatively constant since 1940. In order to carry out the 12½-million-acre program, the Federal Government must acquire an additional 4 million acres, and State governments must acquire an additional 5 million acres. The Fish and Wildlife Service currently estimates the cost of acquisition for the Federal Government's 4 million acres to be an average of $40 an acre, or a total of $160 million for the Federal program.

A 10-YEAR PROGRAM

H. R. 6691 seeks to set up a 10-year Federal program for the acquisition of the required 4 million acres. This is a conservative goal. It has not been changed since 1935, when it was first evolved, despite great increases in population and in the numbers of waterfowl hunters.

Unless an expanded program of waterfowl refuge acquisition is started at once, it probably never will be. This is so because land costs are steadily rising. At the same time, hunter pressure on the waterfowl resources is constantly increasing. Unless a massive effort to restore waterfowl habitat is made, the next generation may see no more waterfowl to preserve.

FOUR-MILLION-ACRE GOAL

H. R. 6691 is designed to meet the Fish and Wildlife Service's waterfowl area goal by providing approximately $10 million a year for acquisition in each of the next 10 years. It directs the Secretary of the Interior to acquire land at a rate which will result in a total 10-year acquisition of as close to the 4-million-acre goal as possible.

The refuge acquisition fund, under H. R. 6691, would be made up from the following 3 sources:

DUCK-STAMP DIVERSION

First. Use of all duck-stamp receipts for refuge acquisition: The Norbeck-Andresen Duck Stamp Act of March 16, 1934, had as its stated object "the acquisition of areas of land and of water to furnish in perpetuity reserves for the adequate protection of such birds." Through the fiscal year ending June 30, 1956, collections from the sale of duck stamps totaled $49,485,423. Of this amount ony $4,392,167, or a little more than 8 percent of the total, was used to purchase acreage. The remaining 92 percent was spent to administer and develop the approximately 3½ million acres in existing refuges, for research, and to pay for the production of the stamps themselves. Because of this diversion from the acquisition program of 92 percent of total duck-stamp receipts, only 264,729 of the Nation's 3½ million acres in existing refuges have been purchased from duck stamp receipts. This is at the rate of about 12,000 acres a year since the start of the program. At this rate, it will take 333 years to acquire the 4 million acres which the Fish and Wildlife Service specifies as its minimum program. Several centuries before that, the last waterfowl will have vanished from the North American Continent. H. R. 6691 provides that all of the duck stamp funds contributed by the hunters of this country, not merely a fraction, shall be devoted to refuge acquisition.

INCREASED RECEIPTS

Second. Increasing the duck stamp from $2 to $3: Duck stamps were raised from $1 to $2 in 1949 without causing any appreciable dropoff in sales. H. R. 6691 would increase the fee to $3. Hunters would willingly pay this increased cost if they had ironclad assurance, as H. R. 6691 gives them, that the proceeds will be used for acquiring refuges, and not diverted to some other purpose. In addition, H. R. 6691 raises to 50 percent from 25 percent the portion of a wildlife area which may be managed for hunting, rather than held as an inviolate refuge. During the fiscal year ending June 30, 1956, 2¼ million hunters purchased duck stamps. If the number of duck stamp purchasers for the next 10 years averages 2¾ million a year, a conservative estimate in view of increasing interest in hunting, receipts from this source, at $3 a stamp, would be $8,250,000 annually.

Third. Use of proceeds of goods and services from refuges, such as hay, furs, oil, timber, minerals, for refuge acquisition: Receipts from these sources in fiscal 1956 were $2,285,218.79, from which 25 percent must be deducted for in-lieu payments to counties under title 16, United States Code, section 715s; in fiscal 1955, $2,188,612.41; in fiscal 1954, $2,257,411.76. It may reasonably be assumed that annual net proceeds over the next 10 years will average $2 million, thus yielding a total of $10,250,000 annually.

H. R. 6691 provides that these net proceeds shall be used for acquisition.

DIRECT APPROPRIATIONS NEEDED

The use of duck-stamp funds and proceeds from the sale of goods and services exclusively for refuge acquisition will require that expenditures now financed by these receipts will have to be met by direct appropriations. Proceeds of the sale of goods and services are currently not used at all for refuge acquisition. Of the $4,739,760 received from duck stamps in fiscal 1956, about $1 million was used for refuge acquisition, the remainder to administer other aspects of the Fish and Wildlife Service program, totaling somewhere between $3 million and $4 million. There is no reason why Congress should not address itself annually to the need for making annual appropriations in approximately these amounts for valid fish and wildlife services. Furthermore, when the refuge-acquisition program is completed in 10 years, the revenues from duck stamps and from sales of goods and services will then be available for general Treasury purposes.

HOW DO STRETCH THE FUND

The Fish and Wildlife Service estimates that the average acquisition cost of the 4 million required acres will be $40 an acre, or a total of $160 million, without providing for their development. The 10-year program outlined, therefore, with an expenditure of something over $10 million a year, looks as if it would provide only about 60 percent of the required program in the next 10 years.

It is possible, however, that this shortfall can be met in two ways. The conservation reserve program set up under the Soil Bank Act of 1956 may bring about the creation of unexpected acreages of wetlands. This tendency might be accelerated if the Department of Agriculture's wetland drainage program is curtailed where it interferes, as it frequently does, with sound conservation principles.

Secondly, it may well be that the estimated cost of $40 an acre is higher than necessary. H. R. 6691 attempts to give the Secretary of the Interior and the Migratory Bird Conservation Commission the greatest possible leeway in finding land at the lowest possible cost. First, it gives the option of acquiring land not just by purchase but by condemnation and leasing as well. And it expressly eliminates the present administrative restriction that leased land cannot be the subject of improvement. See Revised Statutes, section 355 of June 28, 1930; Comptroller General's Decision A98408, March 20, 1939. Obviously, it may in many cases be more economical for the acquisition program to proceed by long-term leasing rather than purchase of refuges that are owned outright by Uncle Sam. This would be particularly true of areas around the periphery.

PERHAPS CANADIAN REFUGES?

A second element of flexibility, designed to secure cheaper land, is contained in the permission to set up refuges in Canada as well as in the United States. Canadian duck-breeding areas are available today at considerably lower cost per acre than is the case in the United States. Since Canadian-bred ducks and geese are just as available to United States hunters and watchers as United States bred waterfowl, it may in many instances be good business judgment to erect a refuge in Canada rather than in the United States. International details would have to be worked out between this country and Canada. Experiences in international cooperation between this country and Canada with respect to the sea lamprey, the St. Lawrence Seaway, and the distant early warning system of air defense should prove invaluable in working out an international system of refuges.

Mr. Speaker, this country needs a long-term program of wildlife refuge acquisition, similar to the long-term programs for rehabilitating our national parks and our national forests.

Mission 66 of the National Park Service envisages a 10-year plan to expand roads and accommodations costing $473 million of appropriated funds. The National Forest Service has a 5-year plan to expand camping and picnic facilities costing $85 million of appropriated funds. H. R. 6691 envisages a 10-year wildlife refuge acquisition program costing approximately $100 million, every cent of it supplied not by appropriated funds but by the hunters themselves and by proceeds from the refuges. I hope that H. R. 6691 can furnish the foundation for doing for our national wildlife refuges what other good programs are doing for our national parks and national forests. "Operation waterfowl," or something like it, is a national necessity.

SCIENTIFIC AND ENGINEERING MANPOWER SHORTAGE

The SPEAKER pro tempore [Mr. COOPER]. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 10 minutes.

Mr. PRICE. Mr. Speaker, last Friday I had the privilege of presenting testimony to the Health and Science Subcommittee of the House Interstate and Foreign Commerce Committee in support of H. R. 4218, a bill I introduced in this Chamber last January, providing for Federal scholarships for high-school seniors who successfully complete an examination in mathematics and for first-year college students who pass a similar examination in calculus at the end of their freshman year. Chief objective of the program is to remedy serious deficiencies which have developed in recent years in high-school mathematics instruction and of stimulating greater interest in mathematics as a fundamental part of a well-balanced education and an essential element in the education of young men and women who intend to pursue careers in science and engineering.

The scholarship program provided for in H. R. 4218 was originally proposed by Prof. I. I. Rabi, of Columbia University, in testimony before the Research and Development Subcommittee of the Joint Committee on Atomic Energy during public hearings last spring on the shortage of scientific and engineering manpower. As I noted last January at the time I introduced the bill in the House, Prof. Rabi is renowned throughout the world not only as an eminent authority in the field of nuclear physics, but for his breadth of understanding of problems affecting our whole society and economy.

Mr. Speaker, I would like to insert in the RECORD at this point selected excerpts from Dr. Rabi's testimony before the Research and Development Subcommittee last spring as a means of acquainting the Members of Congress and the public with the unique features and merits of Dr. Rabi's proposals, as encompassed in H. R. 4218:

EXCERPTS FROM REMARKS BY PROF. I. I. RABI, OF COLUMBIA UNIVERSITY, BEFORE THE RESEARCH AND DEVELOPMENT SUBCOMMITTEE OF THE JOINT COMMITTEE ON ATOMIC ENERGY DURING PUBLIC HEARINGS ON THE SHORTAGE OF SCIENTIFIC AND ENGINEERING MANPOWER, MAY 1, 1956

Dr. RABI. I would like to suggest that you set up a system of Federal scholarships to the amount of something like $500 to any high school graduate who has completed successfully and has passed an examination not at a prohibitive level but more or less equivalent to the college entrance examination in the traditional fundamental subjects of mathematics in the high school. That is, elementary algebra, plane geometry, intermediate algebra, trigonometry, solid geometry. Anybody who has passed this examination would get one of these scholarships.

Representative DURHAM. Would you be thinking of doing that after the graduate level of high schools?

Dr. RABI. High school seniors would take this examination just the way they take the college entrance examination. This is my suggestion, at least. This would put a certain premium on that, and, I think, indirectly, would very greatly improve the teaching and also would interest students and make a demand for these subjects. It would not preclude anybody.

After that, a man could study history or anything else.

Representative DURHAM. Do you think it would stimulate the ones in the 10th grade and 9th grade and all down the line?

Dr. RABI. That is right.

Representative PRICE. They would not be required to take scientific subjects?

Dr. RABI. No. There is no compulsion in anything I suggest because I do not like the idea of compulsion or direction of people.

I would add one other point: That if at the end of his freshman year in a college, of those who do go to college, he has taken and completed a course in calculus, I would give him another $500 scholarship for the ensuing year. Calculus again has been a traditional subject.

* * * * *

I urge this as a practical suggestion and on which one could make a beginning without getting the Federal Government into any sort of dictation or pushing people in one direction or another. We are merely saying that here is a fundamental subject which is good for everything and one that an educated man needs, but, in addition, is indispensable for a scientific or engineering career.

Representative PRICE. Would you put physics or chemistry in this classification?

* * * * *

Dr. RABI. No. In other words, I am talking something that is essential, fundamental, and neutral. I would not like to have the scientists accused of trying to push the people into science.

Representative PRICE. You would eliminate discrimination. The program would be open to everyone who seeks an education?

Dr. RABI. Yes, sir. This would be a scholarship which he would use. This is not an award for a promise to perform.

Representative PRICE. It would not discriminate as against the scientifically inclined and the liberal arts inclined?

Dr. RABI. That is right. There is no discrimination or pressure involved whatever. But it opens the door to people going into science. It does not close any other door.

These are the only points I had to make.

Representative HINSHAW. Dr. Rabi, in this connection, would you have a limited number of these $500 grants to be made, or would you have the grant made to anyone who passed the examination at a certain level?

Dr. RABI. I would like to see this given to anyone who took the examination and passed, period, without saying that he passes at 70 or 60 or something else.

Representative PRICE. Not a competitive examination?

Dr. RABI. That is right. A man has to pass. This is not some idea of special award or special gifts. If a man can master this subject sufficiently to pass a reasonably good examination—this sort of level you would have in the college entrance examination and given nationally—you would pay him $500.

Representative PRICE. That would about pay his tuition for 1 year of college.

Dr. RABI. Yes. It would do even more than that from the standpoint of parents who are paying taxes. This would be a great incentive both at home and for the boy himself. It makes him independent. I would not put any means qualifications.

VETERANS' PREFERENCE AND FEDERAL EMPLOYEES' LEGISLATION

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I am calling attention to the Members of the House to three bills I have recently introduced that deal with matters that relate to the veterans of this country as well as to the general public. The first bill, H. R. 6474, is a bill to strengthen the appellate authority of the Veterans' Preference Act of 1944.

The purpose of this legislation is to create a separate and independent Veterans' Preference Employees Appeals Office which shall be responsible only to the Congress of the United States. Under existing law and regulations, the appellate authority contained in the Veterans' Preference Act is delegated to the Civil Service Commission by the Congress. I believe the experience of many Members of Congress, of the major veterans' organizations, of attorneys acting for veteran appellants, and individual representatives acting for the veteran, clearly indicates there is an urgent need for an independent appeals office.

Under existing law, the Civil Service Commission acts as an adviser to the executive departments, as well as adviser to the veteran-preference employees in controversies involving appealable actions. Consequently, when a veterans' preference employee files an appeal his case is considered by a tribunal which is attempting to serve two masters and falls short of assuring the veteran the due process of law to which he is entitled.

This bill, if enacted, would eliminate the dual responsibility of the Civil Service Commission and would place the handling of veteran appeals under the jurisdiction of the Congress. Under this procedure, the intent of the Congress with respect to veterans' preference would be carried out and the veteran will have due process of law.

The second bill, H. R. 6475, amends the act of August 24, 1912, to provide that where Federal employees are reinstated or restored to duty by administrative or court action, retroactive compensation payable to said employees shall be paid out of the current appropriations for the department or agency involved.

The basic purpose of this bill is to prevent or minimize the delaying tactics which drag out a final decision in appeal cases and in addition to imposing economic hardships on the veteran, also runs up a staggering amount of back pay where decisions are favorable to the appellants. Under existing procedure the retroactive compensation is paid from a supplemental or new appropriation and the agency involved suffers no penalty. If the retroactive compensation must come out of the current appropriation for the agency there will be a healthy tendency to expedite the dispute and to end unnecessary delaying tactics.

No additional cost to the Government is involved and the requirement for the payment of retroactive compensation out of current appropriations will undoubtedly result in a speedup of disputes with a minimum instead of a maximum of retroactive pay.

The third bill, H. R. 6476, amends the Veterans Preference Act of 1944 to provide penalties for the officers and employees of any agency of the Federal Government who fail to comply with findings and recommendations of the Civil Service Commission in the adjudication of veterans preference rights or for willfully preventing any person from receiving preferences granted by said act.

This proposed legislation would authorize the Civil Service Commission, upon failure of an agency to comply with the Commission's findings and recommendations in a veterans preference dispute, to certify to the General Accounting Office the names of the responsible officers and employees of the agencies involved and all salary or other compensation payable to such officers and employees shall be withheld until such time as the Commission recommendations are complied with.

The bill also provides that where an officer or employee of the Federal Government or of the District of Columbia willfully prevents any person from obtaining their just rights under the Veterans' Preference Act, such officer or employee shall be subject to a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOYLE, for Tuesday and balance of the week, on account of House Un-American Activities Subcommittee public hearing in New York City.

To Mr. SCRIVNER (at the request of Mr. MARTIN), for April 8 to 10, inclusive, on account of official business as a member of the Board of Visitors to the Air Force Academy.

To Mr. CHENOWETH, for April 8, 9, and 10, on account of official business attending meeting of Board of Visitors to the Air Force Academy.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS for 10 minutes today and to revise and extend his remarks.

Mr. PRICE for 10 minutes today.

Mr. BAILEY for 30 minutes on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. KEARNEY (at the request of Mr. MARTIN) and include related matter.

Mr. HASKELL (at the request of Mr. MARTIN) and include related matter.

Mr. WILLIS (at the request of Mr. BROOKS of Louisiana) and include related matter.

Mr. PORTER (at the request of Mr. BLATNIK) and to include extraneous matter.

Mr. HOFFMAN.

Mr. ABBITT (at the request of Mr. ALBERT) and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1423. An act to amend sections 801, 802, and 1102 of the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

S. 1585. An act to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1863. An act for the relief of Mrs. John William Brennan;

H. R. 2046. An act for the relief of August J. Striggs; and

H. R. 3322. An act for the relief of James L. Bostwick.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 23 minutes p. m.), under its previous order, the House adjourned until Monday, April 8, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

703. A letter from the Assistant Secretary of the Interior, transmitting a report on the Burns Creek Dam, powerplant and reservoir, Palisades project, Idaho, pursuant to the provisions of section 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 147); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

704. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Agricultural Conservation Program Service, Department of Agriculture, for the fiscal year ended June 30, 1955; to the Committee on Government Operations.

705. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to provide for reasonable notice of applications to the United States courts of appeals for interlocutory relief against the orders of certain administrative agencies"; to the Committee on the Judiciary.

706. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (1) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

707. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) (5) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

708. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the act of Congress approved July 1, 1948 (Public Law 863), amending subsection (s) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

709. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by several applicants, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. H. R. 6508. A bill to modify the Code of Law for the District of Columbia to provide for a uniform succession of real and personal property in case of intestacy, to abolish dower and curtesy, and to grant unto a surviving spouse a statutory share in the other's real estate owned at time of death, and for other purposes; without amendment (Rept. No. 304). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 192. A bill to provide that members of the Board of Education of the District of Columbia may be removed for cause; without amendment (Rept. No. 305). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 3400. A bill to provide full and fair disclosure of the character of charitable, benevolent, patriotic, or other solicitations in the District of Columbia; and for other purposes; without amendment (Rept. No. 306). Referred to the Committee of the Whole House on the State of the Union.

Mr. CORDON: Committee on Foreign Affairs. Report pursuant to House Resolution 29 pertaining to a special study mission to Africa, south and east of the Sahara; without amendment (Rept. No. 307). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRESTON: Committee on Appropriations. H. R. 6700. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 308). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. McMILLAN: Committee on the District of Columbia. H. R. 4840. A bill to incorporate the Metropolitan Police Relief Association of the District of Columbia; with amendment (Rept. No. 302). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. H. R. 4874. A bill to amend the act of July 2, 1956, entitled "An act to exempt from taxation certain property of the Columbia Historical Society in the District of Columbia"; without amendment (Rept. No. 303). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 6681. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 6682. A bill to amend title I of the Social Security Act to provide that the first $50 per month of earned income shall not be taken into account in determining an individual's need for old-age assistance thereunder; to the Committee on Ways and Means.

H. R. 6683. A bill to amend section 224 of the Social Security Act to provide that disability-insurance benefits under that act shall not be reduced by benefits paid to veterans on account of disability; to the Committee on Ways and Means.

By Mrs. KNUTSON:

H. R. 6684. A bill to amend the Soil Bank Act to permit grazing land to be included in the conservation reserve program; to the Committee on Agriculture.

H. R. 6685. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. LESINSKI:

H. R. 6686. A bill to strengthen the Veterans' Preference Act of 1944, as amended; to the Committee on Post Office and Civil Service.

By Mr. MORRISON:

H. R. 6687. A bill to provide for Government contribution toward personal health service benefits for civilian officers and employees in the United States service and their dependents, to authorize payroll deductions for participants, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H. R. 6688. A bill to provide for the issuance of a special postage stamp in commemoration of the 75th anniversary of the Civil Service Act; to the Committee on Post Office and Civil Service.

By Mr. PHILBIN:

H. R. 6689. A bill to provide for a special bronze gravemarker for the graves of members and former members of the Armed Forces who were awarded the Congressional Medal of Honor; to the Committee on Armed Services.

By Mr. POWELL:

H. R. 6690. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. REUSS:

H. R. 6691. A bill to authorize a 10-year program for acquiring national migratory-bird refuges and areas; to the Committee on Merchant Marine and Fisheries.

By Mr. SCUDDER:

H. R. 6692. A bill to authorize the transfer of the Coyote Valley Indian Rancheria to the Secretary of the Army, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHELLEY:

H. R. 6693. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. VANIK:

H. R. 6694. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. ZELENKO:

H. R. 6695. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. PRESTON:

H. R. 6700. A bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1958, and for other purposes.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Senate Joint Resolution No. 18 of the Nevada State Senate memorializing Congress to appropriate sufficient funds to stimulate the production of certain critical minerals, metals, and materials indispensable in the construction of jet engines; to the Committee on Interior and Insular Affairs.

Also, Assembly Joint Resolution No. 6 of the Nevada State Assembly memorializing the Congress of the United States to establish an effective system of Federal control of poultry slaughtering, packaging, handling and sale, in a manner similar to the successful control of other meats; to the Committee on Agriculture.

Also, Assembly Joint Resolution No. 9 of the Nevada State Assembly memorializing

the Congress of the United States to allow the 1934 Trade Agreements Act to expire on June 30, 1958, so that the regulation of foreign trade and the laying of tariffs and import fees will immediately vest in Congress as the Constitution requires and thereby stop the lowering of the American standard of living by the importation of foreign-made goods; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States to pass legislation which would incorporate the principle of reinsurance as a means of enabling the Federal Government to assume its responsibility in financing in part the employment security program and thereby aiding the development of new industry and equalizing the tax burden among the States and Territories; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H. R. 6696. A bill for the relief of Alberto Caramanzana; to the Committee on the Judiciary.

By Mr. GURSER:

H. R. 6697. A bill for the relief of Renato Nitschke; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6698. A bill for the relief of Pierre P. Retrain; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H. R. 6699. A bill for the relief of Josef Greiner; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

194. By Mr. BUSH. Petition of 40 citizens of Williamsport and Lycoming County, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

195. Also, petition of citizens of Williamsport, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

196. By Mr. HOEVEN: Petition circulated by the Woodbury County, Iowa, Chapter of the Izaak Walton League of America signed by 3,200 residents of Woodbury County, Iowa, and vicinity, recommending that the Congress authorize and appropriate sufficient funds to institute an immediate survey to determine the feasibility of diversion and use of the waters of the Missouri River for irrigation, wildlife habitat, recreation, and for other purposes; to the Committee on Interior and Insular Affairs.

197. Also, resolution adopted by the Floyd Valley Watershed Association, Inc., advocating the designation of the entire Floyd River Valley in the State of Iowa as a pilot watershed project; to the Committee on Public Works.

198. By the SPEAKER: Petition of the president, Abilene Chamber of Commerce, Abilene, Tex., petitioning consideration of their resolution with reference to expressing its determined opposition to all new proposed Congressional legislation which would establish a method or appropriate funds for any program of Federal aid to education; to the Committee on Education and Labor.

199. Also, petition of the secretary, Patrons Husbandry, Clarence Grange No. 892, Inc., Clarence, N. Y., petitioning consideration of their resolution with reference to expressing great concern with regard to the impending action of our Federal Government to condemn their building at 724 Jackson Square and thus deprive them of that which has become the farm center at our Nation's Capital; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Central America

EXTENSION OF REMARKS

OF

HON. B. W. (PAT) KEARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 5, 1957

Mr. KEARNEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to call attention to possible ill effects of recent criticism in the House of Representatives of some of our friends in Central America.

The countries of Central America and the Caribbean area, namely, Cuba, Haiti, the Dominican Republic, Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, and Mexico, have been historically friendly to our own Nation, and although in recent years the continuation of anti-Communist programs within their borders has become steadily more difficult for their governments, these steadfast nations have not relaxed their vigilance.

It might be well to keep in mind the importance the continued friendship of these nations occupies in the total security picture for our country. Not only have we assurances our Latin American friends will lend us moral support, but agreements such as the pact recently signed with the Dominican Republic whereby the United States gains the privilege of operating a loran, or long-range aid to navigation, station on the northern coast of that country, are an aid to the security of the United States which should not be underrated.

Referring particularly to the Dominican Republic, I speak from personal experience when I say that accounts of terrorism and so-called brutal dictatorship in the Dominican Republic are best described as gross fabrications. Criticism of this type coming from official sources can be made by the Communists to fit in with the picture they like to paint of the United States as the meddling, imperialistic menace to the north bent on destroying independence and freedom in Latin America.

Certainly as the situation stands today, none of these nations may be considered a threat to our national safety. Instead, they are outposts of resistance to attempts by world communism to establish a foothold on this hemisphere.

It seems to me self-evident that rather than contribute to the revival of the old myth of a North American power-mad colossus which our diplomacy in South America in past years has been diligently directed toward debunking, we should make positive efforts to encourage peaceful people-to-people cultural interchange and attempt to establish the kind of understanding between the peoples of these nations and our own which is the only solid basis for American foreign policy.

Talk Not Votes

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 5, 1957

Mr. HOFFMAN. Mr. Speaker, in these days of high prices, the man with a family, the man or woman who is past 45, dependent upon a fixed income, has difficulty in getting suitable food, clothing, and shelter.

The principal reason for that situation is unnecessary, though desirable, extension of services by the Federal Government. Additional reasons are inexcusable waste and inefficiency. Also, the unjustifiable giving of billions of dollars for what is called foreign aid.

Our waste and extravagance here at home grow out of the insistent demand by the home folks that the Federal Government do for them things which they can and should do for themselves.

THE DOLLAR SHRINKS

When your tax dollar makes its trip to Washington, if and when it comes back it buys you but 70 cents worth of merchandise or service. So why insist that some Federal employee spend it for you?

Hundreds of letters come to my office, as to the office of every other Congressman, demanding economy.

Some Congressmen solemnly and repeatedly promise relief from wasteful unnecessary expenditures.

But when the chips are down, as they were, for example, yesterday, the economy votes fade away. They fade because individual Members of Congress, subject to pressure or not completely aware of the merits of each proposal, lack either the desire or the courage to vote for a reduction of the additional expenditure.

Yesterday, the House, by a yea and nay vote, went on record 14 times on the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, and related agencies. Each time my vote was for the cut. Next election you will find the Democrat candidate yelling about that.

Not one of the proposed amendments would have cut any item below what the Department interested received last year.

But, when the roll was called, the House voted 5 times to give the Departments more money than last year, on only 9 votes did it hold the line.

No need to write me to cut expenditures, because my vote will be cast for economy. Of course, I am very glad to hear from the home folks, but if you want economy write other Members of Congress who, classified as "liberals," vote away your money, but be sure to tell each one you write that you have already written me, that he need not refer the letter you write to me, that you are asking him for his support.

The people will never get either a reduction in the budget, a lessening of the national debt, nor a lighter tax burden, until they elect a majority in both House and Senate who will vote for instead of just talking economy.

The Gerry Murphy Case

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, April 5, 1957

Mr. PORTER. Mr. Speaker, I read with interest the remarks in the April 1, 1957, RECORD by my distinguished friend, the gentleman from Louisiana [Mr. LONG], with respect to the Gerry Murphy case.

With much of what my senior colleague says, I agree, but none of that has anything to do with the disappearance of my constituent, Gerry Murphy, in the Dominican Republic on December 3, 1956, or with the overpoweringly strong evidence pointing the finger of accusation at the Dominican Government itself.

My esteemed friend from Louisiana asks me to go to the Dominican Republic and investigate for myself "what goes on there." If I thought such a visit offered the slightest prospect of finding Gerry Murphy or even definite indications of what happened to him, I would leave tomorrow.

The gentleman would do well to consider the evidence outlined in my speech before this House, February 28, 1957, which evidence was largely confirmed by the State Department note to the Dominican Republic, March 16, the text of which appears in the RECORD of March 18.

The circumstantial evidence that the Dominican Government itself is responsible for the disappearance of both Dr. Galindez and Gerry Murphy is formidable. The concrete evidence of Dominican guilt is also formidable and, in my opinion, conclusive. Consider, please, Mr. Speaker, that the official Dominican explanation of Gerry's disappearance turns on a "suicide note" written by one De la Maza who said in the note that he killed Murphy in a scuffle following improper proposals and insulting remarks by Murphy.

The note, our FBI experts ruled, is a forgery. Who else but the Dominican Government could have staged a fake suicide in a Dominican jail? Moreover, this sort of "suicide" is a familiar pattern in that unfortunate country.

So I must disagree with my distinguished colleague and deny that I spoke "upon facts gained only by hearsay."

Further, Mr. Speaker, I must say that my friend from Louisiana is mistaken if he believes that the Dominican Republic is not under the dictatorship of Rafael Trujillo. I venture to suggest to the gentleman that he consult our own State Department in that respect.

The gentleman states that he inquired and found that "the representatives of our Government in the island Republic of Santo Domingo are completely satisfied with the cooperation which they received from the officials of that nation in the case involved." I make two observations: Our State Department is not satisfied, as witness its very stern note, an answer to which is long overdue. Secondly, our Ambassador in that country, Mr. Pheiffer, is much too friendly with the dictator and has seriously compromised the United States—this is not just my opinion but was also specifically stated in the New York Times editorial columns the other day.

My esteemed friend, the gentleman from Louisiana, carries his usual Christian charity too far by several light years when he states that Rafael and Hector Trujillo "have always been on the side of God and Christianity." I refer him to the massacre of the Haitian peasants upon order of Rafael, where more than 15,000 defenseless men and women were cruelly slaughtered by Dominican soldiers. And I refer him to the writings of any responsible, objective journalist who has had occasion to write about Trujillo.

The great State of Oregon is, I grant, Mr. Speaker, farther away from the Dominican Republic than is my colleague's great State, Louisiana, but I must say in all candor that my version of the Gerry Murphy case is closer to the facts than his is.

The simple, definite facts are these:

First. The Dominican Republic is ruled by a tyrant, Rafael Trujillo, and has been for 27 years.

Second. He spends great sums of money on public relations, much of it in the United States. His techniques for keeping control are based on the use of first, cold terror, and second, cold cash.

Third. Dr. Galindez was about to publish in English a book that would show Trujillo up for the merciless tyrant he is, so Trujillo had him kidnaped in New York.

Fourth. Gerry Murphy piloted the plane that spirited Galindez to Trujillo's domain from New York.

Fifth. Gerry talked openly in the Dominican Republic about the identity of his passenger, so he was killed and the cock-and-bull explanation based on the forged suicide note was contrived to forestall further investigation.

My concern for Gerry Murphy and for the anguish of his parents is shared. I feel sure, by my esteemed friend from Louisiana. I sincerely hope the gentleman will undertake to confront the undisputed facts about the Dominican Republic and join me in resolving that its savage policies will not again result in the death of an American boy and, further, that one day soon its citizens will once more be allowed to emerge into the warmth of Christian justice and freedom.

President Spurs School-Aid Drive as Defense Need

EXTENSION OF REMARKS
OF
HON. HARRY G. HASKELL, JR.
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Friday, April 5, 1957

Mr. HASKELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of President Eisenhower's address last night at the centennial banquet of the National Education Association:

It is a privilege to take part in this centennial anniversary of the National Education Association.

Like all citizens, I am proud of the progress American education has made over the past 100 years. Like all citizens, I am indebted to the generations who built our schools, and I am glad to pay tribute to the schoolteachers of America who give their lives in the service of our children.

And for the work the National Education Association has done to promote the goals of popular education, I am happy to express on behalf of the citizens of the United States the appreciation of all.

Not always did the provisions of educational opportunity for all seem vitally important to most Americans. A hundred years ago, when Abraham Lincoln spoke of his boyhood, he said, "There was absolutely nothing to excite ambition for education."

At one time Lincoln even decided to give up trying to study for a public career in the law because he felt that his preparatory education was so woefully inadequate.

What a tragic loss it would have been if Lincoln's lack of early education had prevented him from the full realization of the great powers of his mind and heart. One wonders how many young Americans have been handicapped by a similar lack of education. How many potential Lincolns have been lost to us because there were no schools for them to attend—no teachers to excite their ambitions.

A LESSON FOR THE FUTURE

Here is another question that we might ponder. I know there is no answer to past mistakes, but perhaps in this question there is a lesson for the future. It is this: Might this country not have been spared the senseless grief of the War Between the States and a just and peaceable solution to its causes reached if there had been more men of education, more men of wisdom, in positions of leadership and among our people a hundred years ago?

The hope of the world is that wisdom can arrest conflict between brothers. I believe that war is the deadly harvest of arrogant and unreasoning minds. And I find grounds for this belief in the wisdom literature of Proverbs, which says in effect that—panic strikes like a storm and calamity comes like a whirlwind to those who hate knowledge and ignore their God.

Because Lincoln had such a hunger for education, and because he saw our country endure such a tragic experience with the

deadly fruits of ignorance and prejudice, he exalted the ideals of education.

In the very beginning of his political career, Lincoln made clear to his constituents how he stood on this important subject. He said: "Upon the subject of education, I can only say that I view it as the most important subject which we, as a people, can be engaged in * * *. For my part, I desire to see the time when education, and by its means, morality, sobriety, enterprise, and industry, shall become much more general than at present, and I should be gratified to have it in my power to contribute something to the advancement of any measure which might have a tendency to accelerate the wider education of our people."

In the year the National Education Association was formed there was introduced in the Congress the first college land-grant bill, a bill donating certain Federal lands to the States and Territories to provide a perpetual fund for the purpose of increasing the facilities for higher education across the country. The bill did not pass in 1857, but when Mr. Lincoln became President, he was pledged to support it, and during his administration it was passed.

Lincoln signed this bill at a critical moment in the Nation's history—at a time when hopes for an early end of the War Between the States were broken by the costly and indecisive battles of the peninsular campaign. It is significant that at the moment when Lincoln's military hopes were at their lowest ebb, he signed a bill providing for the rapid increase in our educational resources.

The two events can be closely related. The strength of our arms is always related to the strength of our minds. Our schools are strong points in our national defense.

Our schools are more important than our Nike batteries, more necessary than our radar warning nets, and more powerful even than the energy from the atom. This is true, if for no other reason than that modern weapons must be manned by highly educated personnel if they are to be effective, and the energy of the atom can only be understood and developed by the most highly trained minds in the country.

OF PRIME IMPORTANCE TO ALL

But far more important than this our defense must always rest on clear comprehension of the basic values we seek to protect—the true nature of the contest between human dignity and regimentation.

Thus, the education of our children is of prime importance to us all. Moreover, to maintain the common defense and to guarantee the progress of our Nation, each of us must discharge his rightful and proper role in developing the intellectual capacities of all children living in every corner of our land. Each individual, each community has a vital function to perform.

For I remind you that the great colleges and universities that sprang up from Lincoln's college land-grant bill were not Federal projects. By no means. Most of the capital and organization for these institutions were provided by the States themselves.

In this, as in all other things, Lincoln believed that Government should do for people only what they could not well do for themselves. The land-grant bill furnished the stimulus for greater local effort.

At the present time, the land-grant colleges and universities receive most of their support and all of their direction from local citizens. Also, a healthy proportion of support comes from the students themselves. I add this because it is unwise to make education too cheap. If everything is provided freely, there is a tendency to put no value on anything.

Education must always have a certain price on it; even as the very process of learning itself must always require individual effort and initiative. Education is a matter of discipline and more, a matter of self-discipline.

Lincoln's faith in education is part of America's faith in the ability of the people to govern themselves. When men and women know the facts and are concerned about them, we believe they will make the right decisions. Prejudice and unreasoning opposition will more and more give away before the clean flood of knowledge.

This has always been my faith of democracy. Lincoln and education are closely associated in the memories of my boyhood. Indeed, the first school I attended 60 years ago was called the Lincoln Grade School. It was located across the street from our house in Abilene. Nowadays, they refer to it as the old Lincoln School, because, old and dilapidated, it happily was replaced some years ago by a larger and stronger school.

A GREATER BURDEN

Each generation must build better schools for its children. Especially in today's complex and challenging world we need stronger and bigger schools in which to train our children to accept their magnificent opportunities and grave responsibilities, opportunities for life even richer than ours, responsibilities for the defense of their homeland and strengthening the free world.

This puts a greater burden on education than ever before, a greater burden on our teachers, classrooms, and curriculum.

The school-building program of America suffered three grievous setbacks in this generation—the depression of the thirties, the war of the forties, and the Korean crisis of the fifties. These three periods caused a drying up of normal schoolroom replacement and expansion, almost like three successive droughts.

During the depression we were unable to build schools for lack of money; during the wars we were unable to build schools for lack of men and materials, because most of these resources was diverted into the war effort.

So now our educational plant is not ample to cope with the enormous burden of present and future enrollments. Therefore, it is my firm belief that there should be Federal help to provide stimulus to correct an emergency situation; that help should not imply a permanent acceptance of responsibility which belongs, not to Washington, but to the local governments and to the local communities and to the people themselves.

NO FEDERAL CONTROL

Federal help in building schools will not mean Federal control. After these new schools are built, after the bricks are laid, and the mortar is dry, the Federal mission will be completed. All control and use of the schools will be in the hands of the States and localities.

Every phase of the educational process, especially in our system of public schools, is important to all of us.

Teachers need our active support and encouragement. They are doing one of the most necessary and exacting jobs in the land. They are developing our most precious national resource: Our children, our future citizens.

They can do their best only as we show them our appreciation and offer them our help. We hear a lot about the deficiencies and woeful conditions of education in America, a criticism that suggests a few questions.

How many parents have visited their children's schools? How many parents have offered to relieve some of the routine burdens of the teachers, or invited them to a friendly supper at home? How many parents have tried to make the teacher a real partner in the responsibility—and priceless privilege—of educating our children.

Lincoln had great respect for his teachers, that is, for the few he was able to find on the American frontier. But these few pioneer teachers must have had a great influence upon him, because in later life Lincoln was always able to recall each by name.

Just before he came to Washington as President-elect, Lincoln wrote a short account of his life. In this autobiography, directly following a description of his immediate family, Lincoln wrote about his schoolteachers. He was still able to recall their full names, with gratitude and affection, 30 years after he left school.

With this example before me, I was proud to take part in the first White House Conference on Education 2 years ago. This was a nationwide conference of educators, school administrators, and citizens concerned with the school problems of our day and devoted to the advancement of education across the land.

From these White House conferences—held in Washington, and more, appropriately, in 4,000 local communities in every State from coast to coast—from these White House conferences came some new ideas for strengthening the educational system of America. I trust those ideas will be useful to you of the National Education Association.

Using the words of Lincoln, I believe education is "the most important subject which we as a people can be engaged in," and I join you in the hope that we in our generation may continue to accelerate the wider education of our people.

The American Bar Association and Civil Rights Legislation

EXTENSION OF REMARKS
OF
HON. EDWIN E. WILLIS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, April 5, 1957

Mr. WILLIS. Mr. Speaker, along with many other clear-thinking constitutional lawyers, Mr. J. Y. Sanders, Jr., of my State and a former Member of this body, raised the very pertinent question of why the American Bar Association has not taken a position on civil rights and in particular on the many fundamental constitutional questions posed by this legislation.

Correspondence between Mr. Sanders and the senior Senator from Louisiana, the Honorable ALLEN J. ELLENDER, was made available to me. I insert it in the RECORD, as well as a copy of my personal reply.

The correspondence follows:

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE
AND FORESTRY,
April 2, 1957.

Hon. EDWIN E. WILLIS,
House of Representatives,
Washington, D. C.

DEAR ED: I am enclosing some self-explanatory correspondence that I have received from Mr. J. Y. Sanders, Jr., an attorney of Baton Rouge, La., concerning the American Bar Association's stand in connection with the so-called civil rights legislation.

I am forwarding this to you for your information since you are a member of the House Judiciary Committee which is handling the civil rights legislation.

With kindest personal regards and best wishes, I am

Sincerely yours,

ALLEN J. ELLENDER,
United States Senator.

BATON ROUGE, LA., *March 19, 1957.*

Mr. CHARLES S. RHYNE,
Chairman, Committee To Commemorate Magna Carta, Chicago, Ill.

DEAR MR. RHYNE: In answer to yours of March 15, I wish to say that I am very much interested in putting a monument commemorating the granting of Magna Carta at Runnymede. I enclose check for $5 as my contribution to this worthwhile event.

While the American Bar is building a monument to the granting of Magna Carta at Runnymede which guarantees our trial by jury which is one of the cornerstones of American freedom, as well as the freedom in other English-speaking countries, I have heard no voice raised by the American Bar Association against the blatant and outrageous attempt to circumvent the constitutional guaranties of trial by jury in the so-called civil rights legislation now pending in Congress.

It might be well to look to our freedoms at home.

Very truly yours,

J. Y. SANDERS, Jr.

BATON ROUGE, LA., *March 26, 1957.*

Hon. ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

DEAR ALLEN: The other day I received a letter from Mr. Charles S. Rhyne, chairman of the Committee to Commemorate Magna Carta, being a committee of the American Bar Association. The letter requested a contribution for the purpose of erecting a monument to Magna Carta at Runnymede.

It seemed to me ironic that the American Bar Association should go to England and build a monument to Magna Carta at Runnymede the very year that the United States Congress is apparently planning to pass this so-called civil rights legislation which would destroy the right of trial by jury to a certain class of accused.

I wrote Mr. Rhyne accordingly expressing my feelings in the matter and enclose a copy of my letter to Mr. Rhyne to you. I also wrote to Mr. David F. Maxwell, president of the American Bar Association sending him a copy of my letter to Mr. Rhyne.

It occurred to me that you and other Members of Congress that are members of the American Bar Association might see fit likewise to voice their protest to the American Bar Association erecting this monument to Magna Carta while at the same time remaining silent while the United States Congress prepares to violate one of the fundamental tenets of this same Magna Carta.

Anyway, I am sending a copy of my letter to you for such action as you might see fit to take.

I read your address as published in the New Orleans Times Picayune yesterday on this same question. I think it is fine.

With all good wishes, as always,

Cordially yours,

J. Y. SANDERS, Jr.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 5, 1957.

Hon. J. Y. SANDERS, Jr.,
Baton Rouge, La.

DEAR MR. SANDERS: In view of my membership on the House Committee on the Judiciary, which is charged with the responsibility of handling civil-rights legislation, our mutual friend, Senator ELLENDER, sent me a copy of your letter to him dated March 26.

The local and State bar associations throughout the country and the American Bar Association in particular are usually sources of valuable and constructive information to our committee on general legislation, and you would be surprised how often we hear from them on a wide range of bills affecting our fundamental judicial and constitutional processes.

I have not received a single letter from the American Bar Association, however, on pending civil-rights legislation, and I heartily agree with you that it is ironic that the voice of the association has not been raised, in light of the fact that the bill as reported by a majority of the House Committee on the Judiciary contains deliberately planned devices to deny the right of trial by jury in all contempt proceedings that will inevitably arise under the proposed legislation; to bypass State laws, State remedies, State courts, State judges, and State agencies, and to concentrate practically unrestrained powers in the Federal Government. I should point out that the amendments offered before the full committee to remove these provisions were defeated by the close vote of 17 to 15, and that, in fact, the use of proxy votes overcame the majority present and voting in favor of the amendments. Similar amendments will, of course, be offered on the floor of the House.

I am taking the liberty of sending you a copy of the report on the so-called civil-rights legislation, H. R. 6127. I call your particular attention to the closing paragraphs in the additional minority views, which I played a part in preparing:

"Only by bringing together the various parts of the bill under consideration can we realize the dangers involved and the deadly threats to constitutional liberties.

"For example, part II would create a Civil Rights Division in the Department of Justice, headed by an additional Assistant Attorney General and manned with an unlimited number of lawyers. The creation of a new division might in itself appear harmless, but—make no mistake about it—the lawyers in that division will displace local United States attorneys in the prosecution of all actions authorized to be filed. It can be expected, therefore, that United States attorneys who are familiar with local laws and customs will be relegated to the background and the cases will be presented by strange lawyers from Washington headquarters.

"Parts III and IV of the bill provide a device to bypass State laws, State remedies, State courts, State judges, and State agencies. Here is the second step deliberately planned to strike down States rights. Finally, under the calculated scheme of the bill all actions instituted would be filed in the name of or on behalf of the United States and tried before the Federal courts and in the enforcement of Federal court orders and decrees through contempt proceedings the defendants would be deprived of trial by jury.

"When we bring these provisions which appear here and there in the bill in close context, we see the totality of the powers vested in the Central Government wrapped up in one package: Unlimited grant of power to Federal authorities, abandonment of the concept of State's sovereignty, and eradication of trial by jury.

"Armed with the powers that this bill would expressly confer, a political-minded Attorney General, in combination with an unreasonable Federal district judge, could terrorize the people in any community. No Attorney General should ever seek such powers and Congress ought never to grant them."

It is my considered judgment that rather than protecting so-called civil rights this legislation would promote grievous civil wrongs, and I think the American Bar Association should take a position one way or another at least on these fundamental constitutional questions as they so frequently do on other legislation of comparatively minor import.

With best wishes and kindest personal regards, I beg to remain,

Very sincerely yours,

EDWIN E. WILLIS,
Member of Congress.

Separate but Equal School Doctrine

EXTENSION OF REMARKS
OF
HON. WATKINS M. ABBITT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, April 5, 1957

Mr. ABBITT. Mr. Speaker, on May 17, 1954, the Supreme Court of the United States handed down a decision setting aside many prior decisions and declared, in effect, that the States no longer would be permitted, as guaranteed to them under the Constitution, to conduct their own internal affairs. They outlawed the separate but equal school doctrine. This decision has done much to cause strife, animosities, and disrupt racial relations throughout the Southland and indeed in many other sections of our Nation.

In an endeavor to acquaint the people with what was happening to them and to bring forcefully home to the people the fact that the Federal judiciary was usurping powers and authority never delegated or conferred upon them by the people or the States, there was formed in Virginia an association known as the Defenders of State Sovereignty and Individual Liberties. The association was created to defend the principles of the Constitution of the United States in the spirit in which it was written and to protect the rights of the several States from the encroaching powers of the Federal Government.

This organization was chartered in Virginia on October 26, 1954. In forming this organization, a statement of purpose was adopted, which reads:

We believe—

That the Constitution establishing a Republic of the several States of America gave certain enumerated powers to the Federal Government and expressly reserved the remainder of the powers to the several States;

That the clauses delegating authority to the Federal Government should be strictly construed, and always against the extension of Federal powers, and in favor of the States which compose this Union;

That each State can best protect the rights and provide for the well-being of the citizens within its jurisdiction;

That government of one or several of the individual States by the whole is contra to the letter and spirit of the Constitution of the United States of America;

That private enterprise by free individuals is the cornerstone of our Republic;

That concentration of power is one of the greatest internal dangers facing this Nation today;

That the powers and authority of the Federal Government should be strictly separated, and that domestic legislation by decree, judicial decision, treaty, executive fiat, or administrative order is foreign to the Constitution and an encroachment on the inalienable powers and authority of the several States and the Congress of the United States of America;

That attempts to change the lawful manner, mores, and traditions of any State of these United States of America by any branch of the Federal Government is an infringement of the sovereignty of the States composing this Union;

That the right to determine segregation of the races is a power reserved to the States;

That those citizens, composing this Nation, who believe in the principles cited above, are

duty bound in good conscience to employ every lawful means to defend and perpetuate them, to the end that this Republic may continue and prosper.

It is one thing to have a statement of purpose and another to follow it. In the intervening almost 3 years, this organization has not deviated from its statement of principles. Its program has not pitted race against race, nor has there been any action by its officers or its members to antagonize other races. Racial integration of public schools has been the burning issue. The Defenders of State Sovereignty maintains that "the right to determine segregation of races is a power reserved to the States."

The purpose nor the record of this organization have not deviated from the desire, intent, and determination to work for the advancement of all people. Nowhere have we read or in public addresses by members of this organization have we heard inflammatory remarks about any race. On the contrary, speakers have been kind in remarks about other races, and urged them to cooperate with the defenders' program to save the Republic, by defending the sovereignty of the States and the liberties of the individuals.

On March 22 and 23, 1957, the Defenders, in a statewide convention at Richmond, Va., adopted a declaration of convictions. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to include therewith a copy of the declaration of convictions as adopted at the aforesaid convention:

DECLARATION OF CONVICTIONS

The Defenders of State Sovereignty and Individual Liberties in convention assembled at Richmond, Va., this the 23d day of March deem it appropriate that we should declare and affirm our convictions.

We first affirm our deep and abiding loyalty and devotion to our country and its institutions. We acknowledge the Constitution to be the bulwark of our liberties, every subject to the sovereign powers reserved by it to the States and to the people. We know that the liberties of all Americans of all races rests upon the Constitution and the division of powers ordained therein. We deem it the obligation of freemen to preserve the powers reserved under the Constitution to the States and to the people and to preserve the constitutional separation of the powers of government in the legislative, executive, and judicial branches separately.

We believe that a policy which undertakes to force the association of one race with the other against the will of either, by court decree under threat of fine or imprisonment, is destructive of mutual good will and respect, breeds resentment and animosities, and is injurious to the true interests of all the people. We believe that the molding of the minds and characters of our children is the sacred duty and the priceless natural right and obligation of parents.

Freedom of decision with respect to these considerations touching as they do the most intimate relations of the people and the most cherished natural rights and duties of parenthood is absolutely essential to the maintenance, operation, management, and control of our public schools. We conceive this freedom to be among the sacred rights retained by the people under the ninth amendment of the Federal Constitution.

Among the reserved rights and powers of the States, guaranteed to the State of Virginia under the 10th amendment, is the power to maintain racially separate public schools. We do not perceive that the exercise of this power has ever been prohibited to the States by any provision of the Federal Constitution. We believe that this power can be prohibited to the States only by the States themselves. To concede the right of a Federal court to withdraw this power from the individual States is to concede that all the rights and powers of the States and of the people are enjoyed at the sufferance of the judiciary and that the guarantees of the liberties of the people are no longer fixed in the Constitution itself. Therefore, Federal courts having refused to recognize these most fundamental, intimate, and sacred rights and the profound necessity that they be respected, Virginia has been compelled to fix its course in defense of these rights of her people. We do most solemnly commend his Excellency Gov. Thomas B. Stanley and the members of the legislature of Virginia for their patriotic devotion to the liberties of their people and for the leadership they have given the people of Virginia in this crucial time. We pledge our support of the policy implicit in the measures adopted by the General Assembly of Virginia in its special session of 1956. We declare our conviction that these policies founded as they are upon that first American tenet of liberty—that free men should not be taxed against their will and without their consent for a purpose to which they are deeply opposed—to be both sound and in the finest patriotic tradition of the Commonwealth.

We do most solemnly commend our great senior Senator from Virginia, HARRY FLOOD BYRD, for his recent clarion call for all Virginians to stand stanch and firm where Virginia has always stood in ages past in opposition to tyranny from whatever quarter it may come. We do likewise salute the entire Virginia delegation to the United States Congress and Senate, both Democratic and Republican, for the stalwart fight which even now they wage against the vicious assault upon the liberties of all Americans being made in the United States Congress through the proposed pernicious force bills, sometimes called civil rights bills, now pending before that body.

The threat to the liberties of our people is mortal. The course of Virginia has been set. The contest is for eternal values. We call upon all local legislative bodies of the counties and cities of Virginia in the sacred name of the liberties of our people to stand firm and united in support of the policy and the course which has been fixed for Virginia in this crucial hour.

We likewise call upon all people of America everywhere to unite in this time of crisis that we, in our day, may be worthy of our heritage and pass it on to future generations pure and unsullied.

We believe in the absolute and utter necessity of preserving unimpaired for all Americans the priceless right of freedom of speech and peaceful assembly, the right of an accused to be confronted by his accusers, to presentment by grand jury and a trial by a jury of his peers presided over by a fair and impartial judge. We decry the use by the Federal judiciary of coercion, intimidation and threats of punishment to be visited upon local school boards and officers unless they refuse to recognize the lawful authority of the Virginia Pupil Placement Board and usurp and exercise pupil assignment powers which have been denied to said school boards and local officers by the duly enacted laws of the State of Virginia. We direct the attention of the entire nation to the dangers inherent in the wholesale resort to injunctive and summary contempt procedure designed to subvert and thwart the traditional constitutional and common-law methods of criminal procedure.

These measures conceived and nurtured in the cynical greed of politicians for power, are directed against the people of the South, but they hold within themselves a deadly and mortal threat to the most sacred and essential constitutional safeguards to the liberties of all Americans of all generations. We appeal to Americans everywhere to arouse themselves from their lethargy and unite with us in the condemnation of these iniquitous measures.

While the immediate issue in the great contest that is presently being waged is brought into focus for Virginia and the people of the South in the unconstitutional usurpation of power exemplified in the school segregation decision by the United States Supreme Court and the threat of fine or imprisonment of our school and State officials, and through the denial of freedom of speech and trial by jury by Federal injunctive decree, nonetheless we are deeply convinced that the sinister attack upon the fundamental liberties of Americans and upon the basic constitutional system itself, manifests itself in many other facets of our American life.

Therefore we do further declare:

(1) It is essential that those responsible for the administration of our schools should be alert, that the fundamentals of a sound education are taught to our Virginia children, including an understanding of the fundamental constitutional system under which we live, the blessings of liberty which it alone bestows, the part played by great Virginians of the past in the struggle for the establishment and preservation of these liberties.

(2) It is essential that the molding of the minds, characters, and spiritual lives of our children should remain under the control of Virginia parents. We do, therefore, urge our representatives in the Congress and the United States Senate to oppose all legislation designed directly or indirectly to repose control of our educational system in the Federal Government. We specifically condemn the wholesale expenditure of Federal funds in support of the public schools of Virginia, knowing full well that the acceptance of such support requires the submission of our schools progressively to ideologies and influences alien to our people.

(3) We oppose any effort to weaken further the immigration laws of America and the further depletion of our economic resources in the continuation of so-called aid to foreign nations. Loyalty and friendship in foreign affairs is controlled by self-interest and cannot be purchased however vast may be the outpouring of our tax revenue.

(4) We recognize that the real source of Federal power and centralization rests in the control of the Federal Government of the income and economic resources of the American people. We deplore the continued and ever-increasing burden of Federal taxation, the return of such revenue to our people being always conditioned upon a further loss of their liberties. We do, therefore, urge the people of America to demand the immediate reduction in Federal expenditures with the resulting reduction of the ever-mounting Federal revenues exacted from our people.

(5) We declare our unalterable opposition to the submission of any portion of the sovereignty of the United States of America to the control of the United Nations or the submission of the domestic affairs of the States or the rights of any citizens of the United States to the control to any extent or by any means to the United Nations or any of its agencies or to the authority of any foreign power, government, or agency whatsoever.

Wherefore, since Virginia, as so often in the past, is again in this generation the battleground upon which the struggle for the eternal liberties of America must be waged, let us not falter. Let us conduct ourselves with dignity, with self-restraint, without violence and without hatred or ill will toward any man or group of men. But withal let us conduct ourselves as worthy heirs of those who have gone before.

SENATE

MONDAY, APRIL 8, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, under the all-embracing canopy of Thy goodness and mercy which have followed us all the days of our lives, we come as children in our Father's house. Beneath all diversities of gifts, of tasks, of backgrounds and tradition, we seek the common unity which, beneath superficialities, binds us together with the cords of Thy brooding love that faileth never. Turning aside from all the divisive forces in the world about us, which tear and separate and push apart, we would bow in penitence at the altar of the one God whose love shed abroad in our hearts alone can send us out on our differing and often our difficult paths, hoping all things, believing all things, enduring all things. May the assurance that the kindly light will lead us on, rid our hearts now, we beseech Thee, of all vain anxieties and paralyzing fears. As we face yet another week, give us cheerful and buoyant spirits and peace in doing Thy will. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Thursday, April 4, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 6287) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1958, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BUSH, from the Committee on Armed Services:

Fred A. Banta, of New York, to be an Assistant Secretary of the Navy, vice Raymond Fogler, resigned;

Donald A. Quarles, of New Jersey, to be Deputy Secretary of Defense, vice Reuben B. Robertson, Jr.;

James H. Douglas, of Illinois, to be Secretary of the Air Force, vice Donald A. Quarles;

Gen. Nathan F. Twining, United States Air Force, for appointment as Chairman of the Joint Chiefs of Staff;

Adm. Arleigh A. Burke, United States Navy, for appointment as Chief of Naval Operations, Department of the Navy; and

Gen. Thomas D. White, United States Air Force, for appointment as Chief of Staff, Department of the Air Force.

Mr. JACKSON. Mr. President, from the Committee on Armed Services I report favorably the nomination of Vice Adm. Austin K. Doyle to be a vice admiral while serving as commander of our defense command on Formosa; Vice Adm. Roscoe H. Hillenkoetter to be placed on the retired list in the grade of vice admiral; Rear Adm. George W. Anderson, Jr., to be a vice admiral while serving as chief of staff and aide to the commander in chief of the Pacific fleet, and Rear Adm. Donald B. Duncan for appointment to the grade of admiral on the retired list. I ask that these nominations be placed on the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar.

Mr. JACKSON. In addition to the above, I report favorably a group of promotions in the Regular Air Force in the grade of lieutenant colonel and below, and a group of appointments and promotions in the Navy and Marine Corps in the grade of captain and below. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Washington.

The nominations are as follows:

Ellery David Preston, Jr., and sundry other officers, for promotion in the Regular Air Force; and

John H. Thomas (Naval Reserve Officers' Training Corps) to be an ensign in the Navy, and Henry Santina, and sundry other civilian college graduates, for appointment in the Medical Corps of the Navy.

By Mr. EASTLAND, from the Committee on the Judiciary:

Ben Peterson, of Idaho, to be United States attorney for the district of Idaho, vice Sherman F. Furey, Jr., resigned;

Anthony Julian, of Massachusetts, to be United States attorney for the district of Massachusetts;

Frank O. Bell, of California, to be United States marshal for the northern district of California; and

Robert W. Ware, of California, to be United States marshal for the southern district of California.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED NATIONS

The Chief Clerk read the nomination of Stanley C. Allyn, of Ohio, to be the representative of the United States of America to the 12th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Francis H. Russell, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL SCIENCE FOUNDATION

The Chief Clerk read the nomination of Alan T. Waterman, of Connecticut, to be Director of the National Science Foundation for a term of 6 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATION PASSED OVER

The Chief Clerk read the nomination of Orman W. Ketcham, of Maryland, to be judge of the juvenile court for the District of Columbia, for a term of 6 years.

Mr. JOHNSON of Texas. Mr. President, by request, I ask that this nomination be passed over.

The PRESIDENT pro tempore. The nomination will be passed over.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Chief Clerk read the nomination of Katherine Brownell Oettinger, of Massachusetts, to be Chief of the Children's Bureau, Department of Health, Education, and Welfare.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the postmaster nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF UNITED STATES SOLDIERS' HOME

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the United States Soldiers' Home, for the fiscal year 1956, and a report of the general inspection of the Home, 1956, by the Inspector General of the Army (with accompanying papers); to the Committee on Armed Services.

AMENDMENT OF SECTION 15, DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend section 15 of the District of Columbia Alcoholic Beverage Control Act (with an accompanying paper); to the Committee on the District of Columbia.

AUDIT REPORT ON AGRICULTURAL CONSERVATION PROGRAM SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Agricultural Conservation Program Service, Department of Agriculture, for the fiscal year ended June 30, 1955 (with an accompanying report); to the Committee on Government Operations.

REPORT ON BURNS CREEK DAM, POWERPLANT, AND RESERVOIR, PALISADES PROJECT, IDAHO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, his report on the Burns Creek dam, powerplant, and reservoir, Palisades project, Idaho (with an accompanying report); to the Committee on Interior and Insular Affairs.

CONTRACT FOR TEMPORARY OPERATION OF MCKINLEY PARK HOTEL, MOUNT MCKINLEY NATIONAL PARK, ALASKA

A letter from the Acting Secretary of the Interior, transmitting, for the information of the Senate, a contract negotiated with National Park Concessions, Inc., for the temporary operation of the McKinley Park Hotel, Mount McKinley National Park, Alaska, covering the period May 14 to September 30, 1957 (with accompanying papers); to the Committee on Interior and Insular Affairs.

NOTICE TO UNITED STATES COURTS OF APPEALS IN CERTAIN CASES

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to provide for reasonable notice of applications to the United States courts of appeals for interlocutory relief against the orders of certain administrative agencies (with an accompanying paper); to the Committee on the Judiciary.

UNIFORMITY OF LAW RELATING TO RECORD ON REVIEW OR ENFORCEMENT OF CERTAIN ORDERS

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the law relating to the record on review or enforcement of such orders, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

GRANTING ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residences filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT, RELATING TO PROHIBITION OF CERTAIN CHEMICAL ADDITIVES IN FOOD

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of chemical additives which have not been adequately tested to establish their safety (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Minnesota; to the Committee on Banking and Currency:

"Resolution requesting enactment of area development legislation now being considered in the Congress of the United States

"Whereas a high and stable level of employment and prosperity is vital to the best interests of Minnesota and the United States; and

"Whereas, many communities and areas in Minnesota need and want expanded development of their local resources to alleviate unemployment and underemployment to secure their fair share of our national income; and

"Whereas the area development bill, S. 964, now being considered by the Congress of the United States is written to provide for the elimination of unemployment and underemployment and to obtain the policies and purposes set out above: Now, therefore, be it

"*Resolved by the house of representatives*, That the Congress be requested to support and enact the area development bill S. 964; Be it further

"*Resolved*, That the chief clerk of the house of representatives be instructed to transmit copies of the resolution to the chief officers of the Congress of the United States.

"A. I. JOHNSON,

"*Speaker, House of Representatives.*

"I hereby certify that the above is a true and correct copy of Legislative Resolution 13, which was passed by the house of representatives on the 3d day of April 1957.

"G. H. LEAHY,

"*Chief Clerk, House of Representatives.*"

A joint resolution of the Legislature of the State of Tennessee; to the Committee on Public Works:

"Senate Joint Resolution 73

"Resolution relative to the development of navigable waterway connecting the Tombigbee and Tennessee Rivers by the construction of a canal in the State of Mississippi

"Whereas our sister States, the State of Mississippi and the State of Alabama, are contemplating the execution of an interstate compact looking to the development of a navigable waterway connecting the Tombigbee and Tennessee Rivers by way of the east fork of the Tombigbee River and Mackeys and Yellow Creeks, so as to provide a 9-foot navigable channel from the junction of Tombigbee and Warrior Rivers at Demopolis, in the State of Alabama, to the junction of Yellow Creek with the Tennessee River at Pickwick Pool, in the State of Mississippi, a development which will be of much economic benefit to the State of Tennessee when it is completed; and

"Whereas the State of Tennessee has a vital interest in the development contemplated and gives wholehearted support to the promotion of this undertaking: Now, therefore, be it

"*Resolved by the General Assembly of the State of Tennessee (both houses concurring)*, That this body hereby records its approval and endorsement of the proposed undertaking and joins with the legislatures of the State of Mississippi and the State of Alabama in urging the Congress of the United States to

provide the financial systems necessary to enable the Corps of Engineers to undertake and complete this project, and respectfully requests the members of the Tennessee congressional delegation to aid and assist in every possible way to bring about this development at the earliest possible date.

"This body further respectfully requests the President of the United States to consider the urgency and importance of this project and to give encouragement to its undertaking.

"*Resolved also*, That the secretary of state of the State of Tennessee be directed to send a copy of this resolution to the President of the United States, to each member of the Tennessee congressional delegation, to the Speaker of the House of Representatives of the Congress of the United States, to the President of the Senate of the United States, and to the Governors of the States of Mississippi and Alabama.

"Adopted March 21, 1957.

"JARED MADDUX,
"*Speaker of the Senate.*
"JAMES L. BOMAR,
"*Speaker of the House of Representatives.*

"Approved March 29, 1957.

"FRANK G. CLEMENT,
"*Governor.*"

A concurrent resolution of the Legislature of the State of Arkansas; to the Committee on the Judiciary:

"House Concurrent Resolution 30

"Whereas there are five proposed amendments to the Constitution of the United States pending before the Congress which, if proposed to the States for ratification, would give an opportunity to bring about certain reforms in Constitution; and

"Whereas the Byrd-Bridges amendment would require annual budget balancing by limiting congressional expenditures in any fiscal year to the estimated receipts of the Government for that fiscal year, except in times of dire emergency to be determined by three-fourths vote of the Congress; and

"Whereas the Reed-Dirksen amendment would limit the top rate of income taxes, but would permit Congress to exceed the limit by a three-fourths vote, and would return to the States the sole right to tax inheritance and gifts; and

"Whereas the Mundt-Coudert amendment would take away the excessive power now exercised by the minority groups in larger cities under the present electoral college system, by requiring the choosing of electors by congressional districts plus two at large to correspond with each State's two United States Senators; and

Whereas the Reed-Walter amendment would give to 30 States the full power to amend the Constitution without the intervention of Congress; and

"Whereas the Bricker amendment would prevent the overriding of our Constitution and our domestic laws by means of the treaty power; and

"Whereas it is believed that the aforementioned proposed amendments should be submitted to the several States in order that the States might have an opportunity to ratify or reject the same: Now, therefore, be it

"*Resolved by the House of Representatives of the 61st General Assembly of the State of Arkansas (the Senate concurring therein)*:

"SECTION 1. That the General Assembly does hereby memorialize the Congress of the United States to submit the aforementioned proposed amendments to the Constitution of the United States to the States for ratification or rejection.

"SEC. 2. That the secretary of state, upon the adoption of this resolution, furnish a copy of the same to the President of the Senate and to the Speaker of the House of Representatives of the United States Congress and to each member of the Arkansas congressional delegation.

"NATHAN GORDON,
"*President of the Senate.*
"GLENN F. WALTHER,
"*Speaker.*
"ARTHUR SHERRY, Jr.,
"*Secretary.*
"——— ———,
"*Governor.*"

A joint resolution of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

"Senate Joint Resolution 15

"Joint resolution memorializing Congress to enact H. R. 5134, a bill to provide assistance to the States in the construction, modernization, additions, and improvements of domiciliary and hospital buildings of State veterans' homes by a grant to subsidize, in part, the capital-outlay cost

"Whereas there is an alarming shortage of hospital and domiciliary beds in California provided by the United States Veterans' Administration for veterans of all wars; and

"Whereas the ever-increasing migration of veterans into California from every State in the Nation has brought here hundreds upon hundreds of thousands of veterans; and

"Whereas the veterans' population of California stands today as one of the largest, if not the largest, in the United States; and

"Whereas the Federal Government has recognized assistance given by the States in their care for thousands of disabled war veterans through Federal-aid subsidies in part payment for day-by-day operating expenses to maintain establishments for the care of such veterans; and

"Whereas a master building program of the Veterans' Home of California ultimately will provide hospital and domiciliary beds for 3,300 disabled California veterans; and

"Whereas the construction of 4 new buildings containing 800 beds for such purposes will be urgently needed in the next few years; and

"Whereas financial assistance in part will be needed from the Federal Government for construction of these buildings: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the legislature of this State respectfully memorializes the Congress of the United States to enact legislation and appropriate moneys as proposed in H. R. 5134, 85th Congress, 1st session, which provides States with Federal aid in part for construction, modernization, additions, and improvements of State-operated soldiers' homes; and be it further

"*Resolved*, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Administrator of Veterans' Affairs, and to each Senator and Representative from California in the Congress of the United States."

Two joint resolutions of the Legislature of the State of California; to the Committee on Foreign Relations:

"Assembly Joint Resolution 4

"Joint resolution relative to construction, operation, and maintenance of the western land boundary fence

"Whereas the livestock fence between the Republic of Mexico and the several southwestern border States is either nonexistent or is in a state of disrepair, allowing almost unimpeded crossing of farm livestock, thereby preventing detection and inspection; and

"Whereas Mexican cattle crossed the international border in Marron Valley, San Diego County, some time last summer and infested the area with Texas fever ticks which later infested California cattle, necessitating the owner of the California cattle having to treat his cattle at intervals of 14 days for a period of approximately 1 year, thus creating great expense to this owner; and

"Whereas most of the area on the American side of the border is engaged in the livestock business, with an investment of many millions of dollars; and

"Whereas it is of the greatest importance to the American livestock industry to prevent the entrance of animals infested or infected with potentially serious pests or diseases: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the Congress of the United States to pass legislation for accomplishing the rebuilding and maintenance of the international boundary fence between the United States and Mexico, in the interest of protecting the livestock industry in the Southwestern United States against inroads of diseases and pests harbored by drifting farm animals not now subject to restraint and inspection; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"Assembly Joint Resolution 19

"Joint resolution relative to the maintenance of a 24-hour patrol along the United States-Mexico border

"Whereas there are periods of each day when there is no patrol guarding the border between the United States and Mexico; and

"Whereas the lack of such patrol on a 24-hour basis permits the entrance into this State of much illegal contraband; and

"Whereas this contraband includes those deadly narcotics which have become a leading cause of juvenile delinquency and crime in this Nation; and

"Whereas the maintenance of a 24-hour patrol would help the agricultural and livestock industries of this Nation by preventing entrance into this country of animals and plants infested with parasites and infectious diseases which cause enormous financial losses to our farmers and ranchers; and

"Whereas it would appear more economical to prevent the entrance of unauthorized persons rather than to spend large sums to apprehend and return such illegal entrants: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the Congress of the United States to pass legislation requiring that the patrol of the United States-Mexico border be maintained on a 24-hour-a-day basis; and be it further

"*Resolved*, That the Chief Clerk of the Assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 8

"Joint resolution relative to memorializing Congress with regard to lands under the jurisdiction of the United States Bureau of Land Management

"Whereas it is deemed to the best advantage of the people of the State of California that areas of substantial magnitude be developed for recreational purposes, particularly in some of the more arid sections of the State; and

"Whereas much of these lands are in the public domain under the control of the United States Bureau of Land Management; and

"Whereas Public Law 387, chapter 263, 83d Congress, second session, which amends the Recreation Act of June 14, 1926, authorizes the sale of no more than 640 acres annually to the State for recreational purposes, or the lease of such lands to the State for a consideration to be determined by the Secretary of the Interior based upon the purpose for which the lands may be used, or are to be used; and

"Whereas the Secretary of the Interior is not privileged to convey lands to the State for recreation purposes through the medium of a long-term lease agreement or use permit: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the Congress of the United States to give consideration to legislation to amend the Recreation Act of June 14, 1926, as amended June 4, 1954, to permit the Secretary of the Interior, upon a determination of need by the public and upon appropriate application from an authorized State representative, to enter into lease agreements or issue long-term use permits for a period of up to 50 years, or, upon application by the State to purchase, to remove the acreage limitation and permit the State to acquire by outright purchase the lands required for recreational purposes; and be it further

"*Resolved*, That the chief clerk of the assembly is directed to prepare and transmit suitable copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Assembly Joint Resolution 11

"Joint resolution relative to funds for protection of the national forests

"Whereas the forests of California besides offering millions of acres of virgin timber also contain the largest and oldest of living things on this earth; and

"Whereas the forests of California provide not only the millions of people resident of this State but also the thousands of visitors to this State unequaled recreational playgrounds; and

"Whereas, unless proper protection is given the millions of acres of timberland in California which presently provide these benefits as well as providing billions of board-feet of lumber necessary to our rapidly growing State, forest fires can easily destroy in a single year the product of decades of growth and deprive our future generation of a priceless heritage; and

"Whereas the burning of our forests not only destroys the trees but also endangers the entire State through the loss of watersheds, floods, and erosion, which can entirely devastate the areas involved; and

"Whereas the Forest Service of the United States Department of Agriculture, presently charged with protecting more than 20 million acres of forest lands, is greatly hampered by inadequate funds; and

"Whereas modern equipment has been developed which can be of immeasurable aid in combatting forest fires such as mechanization of equipment, use of radio, helicopters and other aircraft, all of which require large expenditures; and

"Whereas the Forest Service is also charged with the responsibility of providing clean and sanitary facilities for use of visitors to the forests, another needed undertaking which requires an ever-increasing amount of funds: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to increase the funds made available to the Forest Service of the United States Department of Agriculture for use in the State of California; and be it further

"*Resolved*, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Two joint resolutions of the Legislature of the Territory of Alaska to the Committee on Interstate and Foreign Commerce:

"Senate Joint Memorial 10

"*To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Fred Seaton, Secretary of the Interior; the Honorable Ross L. Leffler, Assistant Secretary of the Interior for Fish and Wildlife; the Honorable James Murray, Chairman of the Interior and Insular Affairs Committee of the United States Senate; the Honorable Clair Engle, Chairman of the Interior and Insular Affairs Committee of the House of Representatives; the Honorable Waino Hendrickson, Acting Governor of Alaska; the Honorable E. L. Bartlett, Delegate to Congress from Alaska, and to the United States Congress:*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully represents that—

"Whereas when the Original Thirteen Colonies banded together to create a union of States and to formulate a Constitution, certain powers were delegated to the Federal Government, while others were retained by the States; and

"Whereas among those powers retained was the control of the commercial fish resources, which were considered to be the property of the State and to be regulated for the benefit of all the people of the State; and

"Whereas every new State entering the Union did so on an equal basis with the older States and accordingly retained control of its commercial fish resources; and

"Whereas every Territory except one was also allowed to control these resources before becoming a State, this one exception being Alaska; and

"Whereas the people of the Territory of Alaska have time and again recorded their wish for control of their fisheries; and

"Whereas repeated legislation has been introduced in the Congress of the United States asking that the people of Alaska have extended to them the same right of control over commercial fisheries as has been granted and is enjoyed by the several States; and

"Whereas the Territorial legislature has created and appropriated moneys to a Territorial fisheries department and an Alaskan Fishery Board; and

"Whereas Alaska's fisheries, in the past, have suffered alarming depletion under Federal management, while those of neighboring jurisdictions have, under local control, steadily improved; and

"Whereas the Alaska Department of Fisheries has been functioning in an efficient manner for nearly 8 years and are able to expand and assume all duties and responsibilities incident to full control of the fisheries of Alaska; and

"Whereas it is an affront to the people of Alaska that their continued pleas for the right to manage and control their major industry and resource have gone unheeded;

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska in 23d session assembled, respectfully prays that the Congress of the United States, in accordance with the mandate of the people of Alaska, act at once to transfer control of the commercial fisheries of Alaska to the government of the Territory of Alaska.

"And your memorialist will ever pray.

"I hereby certify that the above and foregoing constitutes a full, true, and correct copy of Senate Joint Memorial 10 as passed by the Senate and House of Representatives of the Territory of Alaska.

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"I certify that the above is a full, true, and correct copy of Senate Joint Memorial 10.

"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*"

"Senate Joint Memorial 11

"*To the Honorable Dwight D. Eisenhower, President of the United States of America; the Congress of the United States; the Honorable Fred A. Seaton, Secretary of the Interior of the United States; and the Honorable E. L. Bartlett, Delegate to Congress from Alaska*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully represents:

"Whereas sport fishing in the Territory of Alaska for grayling, trout, salmon, and other species of fish constitutes a valuable recreation for residents and nonresidents of the Territory; and

"Whereas hunting in Alaska for moose, caribou, deer, goat, sheep, grouse, ptarmigan, and other game animals and game birds, likewise, is a heartily enjoyed recreation for both residents and nonresidents of the Territory; and

"Whereas sport fishing and hunting offers some of the most important attractions for inducing people to make their permanent homes in Alaska; and

"Whereas one of the strongest enticements Alaska has to offer its tourists is the hunting and fishing found in the Territory; and

"Whereas the sport fish and game animals in the Territory have a tremendous aesthetic value to the sportsman, nature lover, and camera enthusiast; and

"Whereas sport fish and game animals in Alaska are in need of scientific study and management; and

"Whereas the 1949 session of the Territorial legislature, realizing, among other things, the value of sport fishing in the Territory, created an Alaska Fisheries Board and an Alaska Department of Fisheries; and

"Whereas the Alaska Fisheries Board initiated a sport fish division which is staffed with well-trained and experienced sport fish biologists who have amply demonstrated their ability in sport fish rehabilitation, research, and related projects during the past 6 years; and

"Whereas the 1957 session of the Territorial legislature created an Alaska Fish and Game Commission and an Alaska Department of Fish and Game which has the Territorial administration of all the fish and game resources of the Territory; and

"Whereas moneys collected from hunting and fishing license sales cannot be used for any other purpose than the administration of the sport fish and game resources of the Territory; and

"Whereas under the present Federal Aid in Wildlife Restoration Act (16 U. S. C. A. 669 et seq.), commonly known as the Pittman-Robertson Act, and under the present Federal Aid in Fish Restoration Act (16 U. S. C. A. 777 et seq.), commonly known as the Dingell-Johnson Act, funds allotted to Alaska are not given to the Territory, but to a Federal agency; and

"Whereas in the case of every other Territory and possession (Hawaii, Puerto Rico, and the Virgin Islands) these funds are given to the local agency:

"Now, therefore, your memorialist, the Legislature of the Territory of Alaska in 23d session assembled, respectfully urges that the Congress of the United States amend the Federal Aid in Wildlife Restoration Act (16 U. S. C. A. 669 et seq.), and the Federal Aid Fish Restoration Act (16 U. S. C. A. 777 et seq) to authorize the Secretary of the Department of the Interior to cooperate with the Territory of Alaska by allotting Alaska's share of these Federal funds for the conduct of sport fish and game restoration to the Alaska Department of Fish and Game.

"And your memorialist will ever pray.

"Passed by the senate March 14, 1957.

"VICTOR C. RIVERS,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 21, 1957.

"RICHARD J. GREUEL,
"Speaker of the House.

"Attest:

"DOLORES D. GOAD,
"Chief Clerk of the House."

A resolution of the Senate of the Territory of Alaska; to the Committee on Finance:

"Senate Memorial 9

"To the Honorable Dwight D. Eisenhower, President of the United States of America; the Congress of the United States of America; the Honorable E. L. Bartlett, Delegate to Congress from Alaska:

"Your memorialist, the Senate of the Territory of Alaska, in 23d regular session assembled, respectfully represents:

"Whereas the extraction of Alaska's vast natural resources and the establishment of industry and commerce in the Territory of Alaska, are in their infancy; and

"Whereas the initial cost of development is always substantial, and such cost in Alaska is exceptionally high because of the long distances that most capital equipment must be shipped, the heavy Federal taxes, and because employers in Alaska are required to pay the highest rate of unemployment compensation contributions of any Territory or State in the United States; and

"Whereas the Territorial legislature in past sessions has made every attempt to attract new industry and enterprise to Alaska by enacting tax exemptions as an incentive to development; and

"Whereas, if the Federal Government would incorporate the principle of reinsurance in financing in part the employment security program, the standing rate of employers' contributions to the Alaska unemployment compensation fund could be considerably reduced and Alaska's development would be greatly hastened to the benefit of all the citizens of the United States:

"Now, therefore, your memorialist, the Senate of the Territory of Alaska in 23d regular session assembled, respectfully urges the Congress of the United States to pass, and the President of the United States to approve, if passed, legislation which would incorporate the principle of reinsurance as a means of enabling the Federal Government to assume its responsibility in financing in part the employment security program and thereby aiding the development of new industry and equalizing the tax burden among the States and Territories.

"And your memorialist will ever pray."

A resolution of the Senate of the Territory of Alaska; to the Committee on Interstate and Foreign Commerce:

"Senate Resolution 7

"Be it resolved by the Senate of the Territory of Alaska—

"Whereas the members of the Alaska Legislature have been informed that a statement is being widely circulated among members of Congress that the Territorial legislature has indicated a desire to see legislation enacted excluding residents of the continental United States from participating in the Alaska Fishery; and

"Whereas such statement is wholly false, and the Territorial legislature has never by any act, resolve, petition, or statement evidenced a desire to exclude residents of the continental United States from participating in the Alaska Fishery; and

"Whereas although one house of the 1949 legislature evidenced a natural interest in full and fair employment for qualified Alaskan residents, this interest has never been directed toward denial of employment to nonresidents and cannot be construed as evident of the attitude of the full 1949 legislature or of more recent legislatures; and

"Whereas later expressions of Alaska residents, and especially the recent constitutional convention, are a clear and manifest denial of the charge that the Alaska Legislature of the Alaskan people have any desire to exclude residents of the continental United States from participating in the Alaska fishery: Now, therefore, be it

"Resolved, That the Senate of the Territory of Alaska denies the false and misleading charge that the Legislature of Alaska has a desire to exclude residents of the continental United States from participation in the Alaska fishery; be it further

"Resolved, That a copy of this resolution be submitted to the Senate and the House of Representatives of the United States of America, to the honorable members of the Senate Committee on Territorial and Insular Affairs, to the honorable members of the House Committee on Territorial and Insular Affairs, to the Honorable E. L. BARTLETT, Delegate to Congress from Alaska, to the Honorable William Egan and the Honorable Ernest Gruening, Tennessee plan Senators from Alaska, and to the Honorable Ralph Rivers, Tennessee plan Representative from Alaska.

"Passed by the Senate March 26, 1957."

A resolution adopted by the Board of Chosen Freeholders, of Mercer County, N. J., favoring the enactment of legislation to increase the compensation of postal employees; to the Committee on Post Office and Civil Service.

JOINT RESOLUTIONS OF VERMONT LEGISLATURE

Mr. FLANDERS. Mr. President, I present two joint resolutions of the Legislature of the State of Vermont, received by me from the Secretary of State of Vermont, duly signed by the Speaker of the House of Representatives, the President of the Senate, and the Governor. One joint resolution relates to statehood for Alaska, and the other relates to statehood for Hawaii. I ask unanimous consent that the joint resolutions be appropriately referred.

There being no objection, the joint resolutions were referred to the Committee on Interior and Insular Affairs and, under the rule, ordered to be printed in the RECORD, as follows:

Joint resolution relating to admission of Alaska

Whereas we believe that all citizens shall have a voice in their own government; and

Whereas both major political parties, Republican and Democratic, have passed resolutions advocating the admission of the Territory of Alaska as a State; and

Whereas we believe that the admission of Alaska as a sister State will definitely enhance its development; and

Whereas the Territory of Alaska has already voted for and elected two Senators and a Representative to represent it, when it shall have been admitted to statehood; and

Whereas a well developed Alaska is a vital factor to the security of our country: Now, therefore, be it

Resolved by the senate and house of representatives, That the General Assembly of the State of Vermont, in accord with its tradition of respect for the basic right of all citizens to have representation in their own government, urges the immediate admission of Alaska as one of the United States of America, and respectfully requests Vermont's representatives to the National Government to give full support to this admission.

CHARLES H. BROWN,
Speaker of the House of Representatives.
ROBERT T. STAFFORD,
President of the Senate.

Approved April 2, 1957.

JOSEPH B. JOHNSON,
Governor.

Joint resolution relating to statehood for Hawaii

Whereas in 1898 the Republic of Hawaii voluntarily agreed to annexation as an integral part of the United States and under the Organic Act of 1900 was incorporated as a Territory with the expectation that it would soon become a State; and

Whereas for over a half century the people of Hawaii have assumed the responsibilities of American citizenship, including the payment of taxes, while being deprived of many of the privileges of citizenship; and

Whereas Vermont, since the days when this State was a Republic, has always stood unswervingly for the principles of representative government constitutionally guaranteed to the people: Now, therefore, be it

Resolved by the senate and house of representatives, That the General Assembly of Vermont, consistent with Vermont's enjoyment of a 180-year tradition of constitutional representative government, urges that the Congress of the United States grant statehood to Hawaii during the current session of Congress, and respectfully requests Vermont's representatives to the National Government to support this admission; and be it further

Resolved, That the Secretary of State be instructed to transmit to our Senators and Representative in Congress a copy of this resolution.

CHARLES H. BROWN,
Speaker of the House of Representatives.
ROBERT T. STAFFORD,
President of the Senate.

Approved April 2, 1957.

JOSEPH B. JOHNSON,
Governor.

JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. MALONE. Mr. President, on behalf of myself and my colleague, the junior Senator from Nevada [Mr. BIBLE], I ask unanimous consent to have printed in the RECORD a letter from J. E. Springmeyer, legislative counsel of the State of Nevada, together with a joint resolution of the Legislature of Nevada, relating to the slaughtering, packaging, handling, and sale of poultry and poultry products.

There being no objection, the letter and joint resolution were ordered to be printed in the RECORD, as follows:

STATE OF NEVADA,
LEGISLATIVE COUNSEL BUREAU,
Carson City, Nev., March 18, 1957.

The Honorable GEORGE W. MALONE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MALONE: You will find enclosed one copy of Assembly Joint Resolution 6 adopted by the assembly and the senate during the 48th session of Nevada Legislature.

Very truly yours,

J. E. SPRINGMEYER,
Legislative Counsel.

Assembly Joint Resolution 6

Memorializing the Congress of the United States to establish an effective system of Federal control of poultry slaughtering, packaging, handling, and sale, in a manner similar to the successful control of other meats

Whereas there is no compulsory Federal inspection and regulation of poultry slaughtering, handling, packaging, and sale, and but few States attempt to control this important food industry; and

Whereas sick and unclean poultry is being sold widely for public consumption in the United States with the possibility of spreading such diseases as parrot fever, Newcastle disease, encephalitis, and other diseases; and

Whereas the danger is vividly demonstrated by 106 seizure actions for the removal of unfit birds from the market by the Pure Food and Drug Administration as a result of a few spot checks during 1953 and 1954: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Congress of the United States be urged to establish an effective system of Federal control of poultry slaughtering, packaging, handling, and sale, in a manner similar to the successful control of other meats, in order that the health of our people might be further protected; and be it further

Resolved, That copies of this resolution, duly certified, be transmitted by the secretary of state of the State of Nevada to the Secretary of the United States Department of Agriculture, the Commissioner of the Food and Drug Administration, and to our Senators and Congressman in the Congress of the United States.

Adopted by the senate, March 13, 1957.

REX BELL,
President of the Senate.
H. E. ROWINTREE,
Secretary of the Senate.

Adopted by the assembly, February 18, 1957.

WM. D. SWACKHAMER,
Speaker of the Assembly,
C. O. BASTIAN,
Chief Clerk of the Assembly.
CHARLES H. RUSSELL,
Governor of the State of Nevada.

RESOLUTION OF BOARD OF COUNTY COMMISSIONERS, ST. LOUIS COUNTY, MINN.

Mr. THYE. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted on March 25 by the Board of County Commissioners of St. Louis County, Minn., which pertains to hearings before the Federal Power Commission on applications to extend natural gas into Minnesota.

I should like to add that hearings on the applications affecting Minnesota communities have now been set for May 14, 1957. This action came as a result of an order issued by the Federal Power Commission on March 30, 1957.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Resolved, That all Senators and Congressmen representing the State of Minnesota, are hereby urgently requested to use their influence to expedite hearings by the Federal Power Commission on the application of the Northern Natural Gas Co. to furnish natural gas to various communities in the State of Minnesota.

PROPOSED VETERANS MEMORIAL BUILDING IN THE DISTRICT OF COLUMBIA—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the 1956 Convention of the National Department of the Catholic War Veterans of the United States, relating to the construction of a war memorial in the District of Columbia, in tribute to those who died in the Armed Forces. This project is now being considered by a Federal commission.

There being no objection, the resolution was referred to the Committee on the District of Columbia and ordered to be printed in the RECORD, as follows:

RESOLUTION UNANIMOUSLY ADOPTED BY THE 1956 CONVENTION OF THE NATIONAL DEPARTMENT OF THE CATHOLIC WAR VETERANS

Whereas a memorial building can be a fitting tribute to our war dead; and

Whereas Public Law 128 adopted in July 1955 created a Federal commission to present plans for the construction in Washington, D. C., of an auditorium which would include a fine arts and music center: Now, therefore, be it

Resolved, That the Catholic War Veterans petition the Federal commission that this auditorium be built as a Veterans Memorial Building, in tribute to those comrades of the Armed Forces who made the supreme sacrifice for the freedom and liberty of their fellow Americans.

ADMISSION INTO THE UNITED STATES OF REFUGEES—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Nassau County, New York, Council of Churches of Christ, in support of legislation for the admission of refugees from the Communist terror, particularly the Hungarian refugees.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

REFUGEE LEGISLATION

Whereas with the termination of the Refugee Relief Act on December 31, 1956, and the radical decrease in United States admissions of Hungarian refugees, the urgent need for positive Congressional action is obvious if any continuance of a humanitarian program for the resettlement of refugees in the United States (both Hungarians and others) is to be possible; and

Whereas the President of the United States in his special message of January 31, 1957, recommended:

(a) Permanent authorization to admit refugees—both Hungarian and others in any like emergency in the future (approximately 67,000 per year);

(b) An overall increase in immigration admissions and a more flexible and equitable distribution of the additional and of unused quotas;

(c) The elimination of mortgaged quotas (under the DP program); and

(d) Provision for the admission of orphans for adoption; and

Whereas bills in line with the President's very constructive and timely message have been introduced in the House of Representatives (KEATING-HILLINGS) and in the Senate (WATKINS and others). In addition, Mr. CELLER has introduced a comprehensive bill revising the Immigration and Nationality Act. Mr. WALTER has introduced a bill in line with his promise at the conclusion of the 84th session, and others have introduced bills also; and

Whereas it is the considered concern of Protestant and Orthodox churches that there is urgent need for refugee legislation as expressed by the General Board of the National Council of the Churches of Christ in the United States on December 4 and 5, 1956:

(a) The general board "expresses gratification for the administrative action of President Eisenhower in making possible the provisional entry of a considerable number of (Hungarian) refugees to the United States";

(b) "Viewing other present refugee problems and the possibility that still other emergencies may arise in days to come";

(c) "The general board believes that new legislation is needed. It is convinced that there is urgent need of new and early provision for visas for our fair share of the refugees, escapees, and orphans who need migration assistance";

(d) "We hold that prompt, adequate legislation for refugees would permit the performance of a Christian service; that it would be in the national interest; and that it would be an important contribution to better international relations"; Therefore be it

Resolved, That the Nassau County, N. Y., Council of the Churches of Christ go on official record in support of the legislation that will accomplish the following objectives:

1. As a nation, we should complete the Hungarian program:

(a) By regularizing the status of the Hungarian refugees admitted on parole;

(b) By taking a further share of the some 70,000 Hungarians in Austria of whom approximately 50,000 cannot be integrated in Austria;

(c) By admitting a fair share of Hungarians who have gone to other countries of first asylum (Holland, Switzerland, etc.), especially when friends, relatives, or churches in the United States are ready to receive them;

(d) By admitting a fair share of about 20,000 Hungarian refugees who fled to Yugoslavia.

Unless prompt legislative action is taken, this great humanitarian program will fail—our churches cannot assist those needing to migrate and our foreign policy will suffer.

2. As a Nation we should keep our doors open to other refugees.

Hungarian escapees are not all! With the conclusion of the Refugee Relief Act, many thousands of refugees (in Europe, the Middle East, North Africa, and the Far East) have no hope of coming to the United States until Congress acts either (1) to revise the Immigration and Nationality Act or (2) by new emergency legislation. Many of these refugees have relatives or friends in the United States; for others our churches can provide resettlement opportunities.

3. In addition to our concern for refugees we should be ready to aid people in countries of overpopulation.

These people are not refugees but a real service can be rendered to "surplus" people in, e. g., Holland, Greece, and Italy; it will be a good-neighbor policy and will serve our own national interest.

REPEAL OF SALES TAX ON FOOD IN THE DISTRICT OF COLUMBIA—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Petworth Citizens' Association, Inc., of the city of Washington, favoring the repeal of the sales tax on food bought in grocery stores in the District of Columbia.

There being no objection, the resolution was referred to the Committee on the District of Columbia and ordered to be printed in the RECORD, as follows:

RESOLUTION FOR REPEAL OF SALES TAX ON FOOD IN THE DISTRICT OF COLUMBIA

Whereas there is pending in Congress Senate bill 1590, which, if enacted into law, would amend the District of Columbia Sales Tax Act so as to exempt from tax sales of food for human consumption off the premises where such food is sold; and

Whereas it is reported that but few large cities in the country impose a sales tax on foods for home consumption, nor do the nearby States of Maryland and Virginia, and as a result much District money is spent in those States for groceries; and

Whereas such a tax has never proven very popular wherever it has been tried, in that it is looked upon as being most burdensome on people who can least afford it, and often amounts to more than 3 cents on the dollar when purchases are small, and there is no uniform system among merchants in keeping record of their sales: Therefore be it

Resolved by the Petworth Citizens' Association, Inc., in regular meeting this the 19th day of March 1957, That it does approve of the above-identified bill for the purposes as aforesaid; and be it further

Resolved, That copies of this resolution be sent to the Commissioners, the chairmen of both Houses of Congress on District of Columbia legislation, to Senators JAVITS and MORSE, and the Federation of Citizens' Associations.

MARION WEAVER,
President.

Attest:

FLORENCE V. CRAVER,
Secretary.

NATIONAL SHELTER PROGRAM—PETITION

Mr. NEUBERGER. Mr. President, I recently received a petition signed by more than 200 residents of Portland, Oreg., and expressing this group's belief that the United States should embark upon a national shelter program to protect United States citizens from possible atomic attack. The author of the petition, Mr. James Deer, a Portland physicist, is an active leader in the civil-defense program in my State.

The petitioners, while requesting that the Federal Government provide adequate protection for the Nation's civilian populace, point out that our ultimate goal must be the preservation of peace and strengthening of the United Nations.

Because I believe the suggestions of these civic-minded citizens of Portland should receive wider readership, I ask unanimous consent that the petition, together with a brief news release, summarizing its contents, be printed in the RECORD.

There being no objection, the petition was referred to the Committee on Armed Services; and the petition, together with the news release, was ordered to be printed in the RECORD, as follows:

We, the undersigned, desire to express to you our great concern over the catastrophic situation of our Nation's defense. Information available to us indicates the following to be true:

1. The international situation is highly unstable. It is so unstable that recently H-bomb-bearing aircraft were kept in the air at all times, ready for instant and massive retaliation.

2. The potential enemy possesses hydrogen bombs, and the means to deliver them. It has been estimated that as many as 500 enemy bombers could penetrate our defenses.

3. If a surprise attack were made on the United States there might be little or no warning.

4. The radioactive fallout from an H-bomb makes evacuation highly questionable. It is said that an H-bomb can contaminate with lethal radioactivity an area 100 miles wide and 100 miles long.

5. The potential enemy either has or soon will have H-bomb-bearing intercontinental ballistic missiles.

6. The potential enemy is far ahead of us in the construction of shelters for his personnel.

7. The possibility must be faced that when the leaders of the potential enemy have achieved shelters for a certain percentage of their people, they may be willing to sacrifice the remainder in order to deliver a surprise attack on the United States. Their past performance has shown them to be ruthless killers.

The inevitable conclusion is forced upon us that either our national leaders are misrepresenting the need for H-bombs and guided missiles, or they are guilty of a heartless disregard for the safety of this country.

We believe that in the proposed Federal budget for fiscal year 1957–58, too much money is allotted for offense and not enough for defense. We, therefore, petition that you try to secure a more sensible distribution of available funds. The sum of $38 billion for the military and $5 billion for the AEC is too large, compared to the ridiculously small sum of $130 million for civil defense. Whereas the former amounts to over $300 for every person in the United States, the latter amounts to only about 80 cents per person.

We therefore propose that $5 billion be taken off the military budget and $1 billion off the AEC budget, and the $6 billion thus saved be used to provide a more adequate civil defense, including a national shelter program. We propose that the Army, Navy, Air Force, and AEC be required to supply to the Civil Defense Administration, on a loan basis, qualified experts to see that a sound civil-defense plan is worked out. Scientists of the Army, Navy, Air Force, and AEC have shown remarkable ingenuity in the design of new weapons. We have confidence they will display the same ingenuity in the design of an adequate civil defense.

We request that adequate shelter be included in any new schoolbuildings built with Federal funds.

We request these measures for the safety of ourselves and our children.

We furthermore beseech you to work, with all the strength at your command, for a more powerful United Nations, capable of removing this dread menace from over the heads of ourselves and our loved ones.

NEWS RELEASE

PORTLAND, OREG.—A national shelter program to protect the United States from atomic attack is proposed by a group of Portland citizens in a petition recently completed. Signed by a total of over 200 residents, the petition is directed to Congress, and expresses their great concern over the safety of this country.

The petitioners refer to recent testimony that the Russians are far ahead of the United States in the construction of shelters, and point out that the possibility must be faced that when the potential enemy leaders have achieved shelter for a certain percentage of their people, they may be tempted to sacrifice the rest in order to achieve a surprise blow against the United States.

A shelter program of some six billion dollars is requested by the petitioners, and they propose that if necessary this amount be taken off the budget of the AEC and the military.

The petition is sponsored by a group of 20 Portlanders, and is signed by 185 others. It was prepared by Jim Deer, Portland physicist.

Deer pointed out that such a program would have the following beneficial effects:

(1) It would greatly strengthen national security by bringing about a better balance between offense and defense.

(2) If carefully and wisely done, the buildings could be an asset to the community. In addition to being shelters, they could also serve normal peacetime functions such as libraries, hospitals, schoolrooms, gymnasiums, museums, and many others. He said it has repeatedly been shown that underground buildings are no more expensive than surface buildings.

(3) Such a program would mean that more of the defense dollar would be spent in the local community, through local building contractors.

Deer said that a shelter program is not a warlike move, because you cannot take a shelter and hit a man over the head with it or dump it out of an airplane. He said he and the sponsoring group are not supernationalists, but believe America must protect herself until international law and order can be brought about through a more powerful United Nations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREEN, from the Committee on Foreign Relations, without amendment:

H. R. 4271. An act to provide that the Delegate from Alaska in the House of Representatives of the United States may be a member of the Alaska International Rail and Highway Commission (Rept. No. 211); and

H. Con. Res. 115. Concurrent resolution expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization (Rept. No. 212).

By Mr. CLARK, from the Committee on Post Office and Civil Service, without amendment:

S. 1412. A bill to amend section 2 (b) of the Performance Rating Act of 1950, as amended (Rept. No. 214); and

S. 1521. A bill to exempt persons appointed to student trainee positions from the provisions of section 9 of the Civil Service Act prohibiting the employment in the classified service of more than two members of the same family (Rept. No. 215).

By Mr. CLARK, from the Committee on Post Office and Civil Service, with amendment:

S. 388. A bill to authorize the training of Federal employees at public or private facilities, and for other purposes (Rept. No. 213).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

S. J. Res. 12. Joint resolution to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project and payment to Crow Indian Tribe in connection therewith, and for other purposes (Rept. No. 216).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, without amendment:

S. 1002. A bill to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen (Rept. No. 217).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 130. A bill for the relief of Frosso Spiliotou (Rept. No. 218);

S. 973. A bill for the relief of Yun Wha Yoon Holsman (Rept. No. 219);

S. 1202. A bill for the relief of Arsene Kavoukdjian (Arsene Kavookjian) (Rept. No. 220);

S. 1212. A bill for the relief of Evangelos Demetre Kargiotis (Rept. No. 221).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1360. A bill for the relief of Mrs. Gersldine Elaine Sim (Rept. No. 222).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REVERCOMB:

S. 1811. A bill to amend title II of the Social Security Act to clarify the meaning of the term "disability" and thereby to effectuate the purpose intended by the Congress in enacting the provisions of such act which relate to the payment of disability insurance benefits; to the Committee on Finance; and

S. 1812. A bill to amend title II of the Social Security Act to reduce the coverage requirements upon which eligibility for disability insurance benefits thereunder is conditioned; to the Committee on Finance.

(See the remarks of Mr. REVERCOMB when he introduced the above bills, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 1813. A bill to amend the National Labor Relations Act, providing trustees for welfare funds for workers; to the Committee on Labor and Public Welfare.

S. 1814. A bill to provide for the transportation of household goods of military personnel and civilian employees of the uniformed services at Government expense under certain conditions, and for other purposes; to the Committee on Armed Services.

By Mr. DIRKSEN (by request):

S. 1815. A bill for the relief of Nicholas Dilles; and

S. 1816. A bill for the relief of Harry H. Nakamura; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 1817. A bill for the relief of Alexander John Panagiotov; to the Committee on the Judiciary.

By Mr. RUSSELL:

S. 1818. A bill to direct the Secretary of the Interior to acquire certain lands as an addition to the Fort Frederica National Monument; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of New Jersey:

S. 1819. A bill for the relief of Aris Veloudos; to the Committee on the Judiciary.

By Mr. POTTER:

S. 1820. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Finance.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. MALONE:

S. 1821. A bill to amend the Internal Revenue Code of 1954 so as to permit the estate tax on the estates of deceased farmers to be paid in five annual installments; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. FREAR):

S. 1822. A bill to establish procedure to be followed by Secretaries of the military departments for adjustment or settlement of claims of less than $2,500 resulting from United States acquisition of land; to the Committee on Armed Services.

PRINTING AS A SENATE DOCUMENT, WITH ADDITIONAL COPIES, CERTAIN PROCEEDINGS OF INTERNAL SECURITY SUBCOMMITTEE OF JUDICIARY COMMITTEE

Mr. JENNER. Mr. President, interest in the statement made by J. Edgar Hoover before the Senate Internal Security Subcommittee on March 12, 1957, regarding the true meaning of the recent convention of the Communist Party of the United States is so great that I am sending to the desk a resolution calling for the printing of the statement as a Senate document.

Demands on the original printing have exhausted the 9,000 copies the subcommittee received, and I am proposing that an additional 122,000 copies be printed for use of the subcommittee. Requests now on hand will absorb more than 99,000 copies.

I am informed by the Government Printing Office that the cost of the additional 122,000 copies will be $9.79 per thousand, or a total of $1,194.38.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 122), submitted by Mr. JENNER, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the proceedings of the Internal Security Subcommittee of the Senate Committee on the Judiciary on March 12, 1957, wherein the subcommittee received a statement of J. Edgar Hoover, Director of the Federal Bureau of Investigation, analyzing the 16th Annual Convention of the Communist Party of the United States, be printed as a Senate document.

SEC. 2. There shall be printed 122,000 additional copies of such Senate document for the use of the Subcommittee on Internal Security of the Senate Committee on the Judiciary.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. REVERCOMB. Mr. President, I introduce for appropriate reference, two bills to amend the Social Security Act. The 84th Congress amended the act so that persons who became totally and permanently disabled would receive social security benefits at the age of 50. However, there has been such a strict construction of that amendment of the act, which I believe was enacted in 1956, that I feel it is necessary to clarify the provision dealing with persons permanently and totally disabled at the age of 50.

The first bill I introduce on the subject clarifies the meaning of the term "disability" and is designed to effectuate the purpose intended by the Congress in enacting the provisions of the act which relate to the payments for permanent and total disability at the age of 50.

The second bill I introduce proposes to amend the Social Security Act to reduce the coverage requirements; that is, it would reduce the number of weeks that persons who are entitled to receive social security benefits must have worked and contributed to the fund established under the act.

Mr. President, I ask unanimous consent that a statement I have prepared on the two bills be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bills introduced by Mr. REVERCOMB were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 1811. A bill to amend title II of the Social Security Act to clarify the meaning of the term "disability" and thereby to effectuate the purpose intended by the Congress in enacting the provisions of such act which relate to the payment of disability insurance benefits; and

S. 1812. A bill to amend title II of the Social Security Act to reduce the coverage requirements upon which eligibility for disability insurance benefits thereunder is conditioned.

The statement presented by Mr. REVERCOMB is as follows:

STATEMENT BY SENATOR REVERCOMB

I introduce, for appropriate reference, two bills relating to disability provisions under the Social Security Act.

The first bill would amend section 223 by redefining the term "disability"; and the second, an amendment to the same section, would extend disability coverage to any permanently disabled worker between the ages of 50 and 65 who has had at least one quarter of coverage under social security.

The need for these amendments is pressing, it seems to me, if we are to alleviate the hardship and misery visited upon those who by reason of physical or mental infirmities are unable to care for themselves.

During my previous term in the Senate, I introduced a bill providing for disability payments to workers of any age who become permanently disabled. That bill was not enacted into law at the time. Nevertheless, the last Congress, the 84th Congress, saw the wisdom of extending social-security benefits to permanently disabled workers of 50 or over who are covered by this act. However, the provisions of Public Law 880 relating to disability pensions are so rigid that many totally disabled workers are unable to qualify for much-needed benefits. I do not believe it was the intent of the 84th Congress to make it all but impossible for those unable to work by reason of physical or mental impairments to obtain social-security benefits.

However, judging from reports I am receiving from disabled workers in my State, a person must be all but dead to qualify for disability benefits under Public Law 880. I could cite innumerable examples of coal miners and other workers in West Virginia who, although so disabled that they cannot obtain gainful employment, are not permitted to qualify for a disability pension. I am sure that other Members of the Senate have received similar complaints.

Let me cite briefly two cases to illustrate the injustice of the narrow interpretation governing disability payments under the Social Security Act. I quote from a recent letter from a constituent:

"I am 57 years old and am fully insured according to the social-security law. But they tell me now it does no good to be

fully insured in applying for social-security payments under the provisions of the new amendment. They require that I must have been covered 5 of the previous 10 years before I became disabled. I complied with this provision. However, they also said I must be covered 1½ years of the previous 3 years before I became disabled. In this I failed because I was self-employed, and not covered at that time. Under the same set of circumstances today I would be eligible because all self-employed persons are now under social security."

Another constituent writes:

"In my case the margin between drawing my social-security benefits now when there is a definite need for them, and waiting until age 65, is very narrow. I am told that if I had only 2 weeks more under the social-security plan I would be eligible for what they call a disability freeze, which is the first and main requirement to be met. However, I have been officially notified by the local social-security office that the decision is final and I am out."

Those are typical cases illustrating the inability of many permanently disabled workers to qualify for social-security benefits at age 50. The restrictive provisions of Public Law 880 are too broad and the interpretation given this law by social-security officials is too narrow to permit more than a few to qualify. It is my belief that any individual of 50 or over who is covered by social security and who, by reason of disability, is unable to obtain gainful employment, ought to receive such benefits.

Living as we are in a society that is highly industrialized, in which an overwhelming majority of our people must look to industrial employment for a livelihood, I feel that it is incumbent upon the people through their Government to care for those who, by reason of physical or mental impairments, are unable to care for themselves. We have rightfully undertaken to do this; but in the law as written today, certainly as interpreted today by administrative officials, many permanently disabled persons are not helped. Picture, if you will, the case of a man who has paid into social security for several years, then becomes permanently disabled, but yet, because of technical provisions of the law, is excluded from social-security benefits until he has reached the age of 65. In many instances such workers die before reaching retirement age and never receive any benefits from their payments into this program, although in their lifetimes they were totally disabled. They are forced to look to charity for a bare sustenance—a condition demoralizing in itself. Many such persons resent, and rightfully so, being forced to become wards of the State. Yet that is precisely what is happening under the rigid provisions of the Social Security Act. How much better it would be, it seems to me, to have these people qualify for disability pensions under social security than to compel them to depend on public relief.

The first amendment I propose would extend disability coverage to any workers, determined to be permanently disabled under the new definition of that term, who has had at least one quarter of coverage under social security. Under the present law, a worker must not only be fully and currently insured, he also must have at least 20 quarters of coverage in the 40 calendar quarters before the beginning date of his disability. That harsh restriction is disqualifying a great many permanently disabled workers who, in my judgment, are justly entitled to social-security benefits.

For the purpose of determining disability, the second amendment I propose redefines "disability" in these terms:

"An individual who has such a medically determinable physical or mental impairment shall, in the absence of substantial evidence to the contrary, be deemed to be unable to engage in any substantial gainful activity if, solely by reason of such impairment, he is unable, as a practical matter, to obtain employment."

Under the present interpretation of what constitutes "permanent disability," there are numerous cases of workers who, for all practical purposes, are unable to obtain employment by reason of such disability. Yet they are ruled ineligible to receive disability benefits under the rigid definition the Social Security Act now gives to "permanent disability."

These amendments, it seems to me, provide reasonable and practical means of making the disability provisions of the Social Security Act more workable. It is my sincere hope that the Senate will give serious consideration to these much-needed changes in the Social Security Act and will enact these amendments which I now offer.

Mr. REVERCOMB subsequently said,

Mr. President, earlier today I introduced two bills to amend the Social Security Act, and made remarks at that time. I ask unanimous consent that along with my remarks, the two bills may be printed in full in the RECORD today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bills, introduced by Mr. REVERCOMB, are as follows:

Be it enacted, etc., That paragraph (2) of subsection (c) of section 223 of the Social Security Act is amended to read as follows:

"(2) The term 'disability' means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. For purposes of the preceding sentence, an individual who has such a medically determinable physical or mental impairment shall, in the absence of substantial evidence to the contrary, be deemed to be unable to engage in any substantial activity if, solely by reason of having such an impairment, he is unable, as a practical matter, to obtain employment. An individual shall not be considered to be under a disability unless he furnishes proof of the existence of such disability."

Be it enacted, etc., That (a) paragraph (2) of subsection (a) of section 228 of the Social Security Act is amended to read as follows:

"(2) Such individual's disability insurance benefit for any month shall be equal to (A) $30, or (B) his primary insurance amount for such month determined under section 215 as though he became entitled to old-age insurance benefits in the first month of his waiting period, whichever is the greater."

(b) Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) An individual shall be insured for disability insurance benefits in any month if, on the first day of such month, he had at least one quarter of coverage."

SEC. 2. The amendments made by the first section of this act shall be effective with respect to monthly disability insurance benefits under title II of the Social Security Act for months after the month in which this act is enacted.

TAX RELIEF FOR SMALL BUSINESS

Mr. POTTER. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 in order to provide a minimum initial program of tax relief for small business and for persons engaged in small business. An identical measure was introduced in the House by the Honorable THOMAS B. CURTIS, of Missouri, who is a member of the House Ways and Means Committee.

I am convinced this bill offers great promise of real help toward solving some of the problems confronting small business. Representative CURTIS is to be commended for his intelligent and sound approach to these problems, and I think he is entitled to no small measure of credit for having initiated this measure.

Without attempting to delineate all of the numerous problems of small- and medium-sized businesses, I do wish to allude to those which I consider the most serious and urgent.

It is an accepted fact in the world of nature that growth is essential to life. If a living thing is stifled and not permitted to grow, it inevitably dies prematurely. This is also axiomatic in the world of business. Today, many small- and medium-sized businesses, because of the oppressive effect of income taxes, can neither grow, nor, in many cases, even hold their own. Some are forced to take one of the following steps: merge with big business, liquidate with hopes of suffering the smallest possible loss, or die on the vine with almost total loss.

Mr. President, the bill I now introduce recognizes the difficulties small- and medium-sized businesses have in retaining sufficient earnings for growth capital. It does not disturb the rates, but provides for deduction from taxable income of investment in depreciable assets or inventory during the taxable year up to 20 percent of net income, or $30,000, whichever is lower. Thus the highest tax savings for a corporation would be $15,600, when $30,000 is reinvested from earnings. In my opinion, one of the most significant and important features is that it takes into account the fact that most small businesses are not incorporated. The bill applies to individual proprietorships, partnerships and self-employed persons, as well as to corporations.

The second important provision would permit a businessman to set aside earnings in anticipation of his estate tax and to pay any balance due over a 10-year period in order to obviate the forced sale or dissolution of his firm in the event of death. Our present tax laws, lacking such provisions, actually force mergers and acquisitions as the only course for a businessman desiring to protect his estate.

This bill does not propose to increase the taxes of any business and is nondiscriminatory. While it applies to all business, it will be of the greatest relative benefit to small businesses. It will help preserve small- and medium-sized businesses which are so essential to a well-balanced economy.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1820) to provide a minimum initial program of tax relief for small business and for persons engaged in small business, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Finance.

CHANGE OF REFERENCE

Mr. JOHNSON of Texas. Mr. President, at the request of the distinguished Senator from Georgia [Mr. RUSSELL], the chairman of the Committee on Armed Services, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill (S. 1074) to authorize the establishment of Inventive Contributions Awards Board within the Department of Defense, and for other purposes, and that the bill be referred to the Committee on the Judiciary.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

AMENDMENT OF SMALL BUSINESS ACT OF 1953—EXTENSION OF TIME FOR BILL TO LIE ON TABLE

Mr. THYE. Mr. President, on Thursday last I introduced the bill (S. 1789) to amend the Small Business Act of 1953—title II of Public Law 163, 83d Congress, as amended—and at that time I obtained unanimous consent that the bill lie on the table until the close of business today so that other Senators might join in sponsoring the bill.

Mr. President, I have learned that some Senators who were out of the city over the weekend had expressed a desire upon their return to join in sponsoring the bill. Therefore I ask unanimous consent that the bill lie on the table another day so that other Senators may join in sponsoring the bill if they so desire.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EQUAL RIGHTS FOR MEN AND WOMEN—EXTENSION OF TIME FOR JOINT RESOLUTION TO LIE ON THE DESK

Mr. BUTLER. Mr. President, I ask unanimous consent that the joint resolution (S. J. Res. 80) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, introduced by me on April 4, 1957, may lie on the desk for an additional 3 days, so that Senators who so desire may cosponsor it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REHABILITATION OF ORCHARDS DESTROYED OR DAMAGED BY NATURAL DISASTER—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 4, 1957,

The names of Senators MAGNUSON, IVES, JAVITS, CHURCH, Mrs. SMITH of Maine, JACKSON, and HUMPHREY were added as additional cosponsors of the bill (S. 1808) to provide financial assistance for the rehabilitation of orchards destroyed or damaged by natural disaster, introduced by Mr. MORSE (for himself and Mr. NEUBERGER) on April 4, 1957.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MORTON:

Address delivered by him before the Advertising Council, Washington, D. C., on April 1, 1957.

NOTICE OF HEARING ON HOOVER COMMISSION BILLS

Mr. HUMPHREY. Mr. President, on behalf of the Subcommittee on Reorganization of the Committee on Government Operations, of which I have the privilege of serving as chairman, I desire to announce that a public hearing has been scheduled for Friday, next, April 12, 1957, at 10 a. m., room 357, Senate Office Building, on S. 434—to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, as amended. The subcommittee will simultaneously consider S. 316—to provide for stating appropriations on an accrued expenditure basis.

The Secretary of the Treasury, the Director of the Bureau of the Budget, the Comptroller General of the United States, and several Members of the Senate who are cosponsors of these bills have been invited to testify upon this important legislation which implements the second Hoover Commission's recommendation for the determination of appropriations on an annual accrued expenditure basis. All Members of the Senate are cordially invited to participate in the hearing or to present testimony to the subcommittee if they desire to do so.

IMPORTANCE OF CONTINUATION OF THE ADMISSION INTO THE UNITED STATES OF HUNGARIAN REFUGEES

Mr. JAVITS. Mr. President, within the past few days we have heard news about the possible termination of the program of the admission into the United States of Hungarian refugees from the Communist terror. I consider this program vital and essential to the anti-Communist struggle being waged by our country. Unless the people behind the Iron Curtain have a feeling that the great powers, especially the United States, are interested in giving them some safe places of resettlement if they deprive the Communists of their talents and support, we can hardly expect the sort of events which occurred in Hungary, and which we hope will occur in other parts of the Soviet satellite empire—events such as the one which occurred when the people of East Berlin opposed Russian tanks with their bare hands—and we can hardly hope to encourage the flickerings of independence which arise even in countries such as Poland, where there is some beginning of a glimmer of hope.

So, Mr. President, yesterday I sent to the Department of State and the Department of Justice a telegram in which I urged that, for the present, the assistance programs be continued; and in the telegram I pointed out that if the reason for the proposed discontinuance of the program is the failure of the Congress to act upon the immigration recommendations made by the President, then, in order to make this reason valid, the President should first send to the Congress a special message strongly urging emergency action, and stating the alternatives.

Mr. President, I hope very much that the Congress will now give this matter the most serious attention; and, at one and the same time, I hope that the administration will not terminate the refugee parolee program. Termination of the program would strike a blow at the strong anti-Communist stand which the program buttresses; and without this program, I believe that our anti-Communist program would be gravely hurt.

As I pointed out in the telegram, Mr. President, immediately involved are 2,000 Hungarian refugees, particularly those whose families are already partially in the United States, and 8,000 with relatives in the United States. I also pointed out that it is important to note that 1,900 admissions were unused when the Refugee Relief Act expired on December 31, 1956. So, Mr. President, those who complain about the admission of parolees under the Refugee Relief Act program should carefully note the unused portion of the total number which Congress intended should be used in connection with the Refugee Relief Act.

Finally, Mr. President, I cannot conclude a statement on this subject without calling attention to the plight of the refugees from persecution in Egypt, who also are entitled to consideration for admission to the United States under a parole status. They are fewer in number, but they also are thoroughly deserving, in terms of the anti-Communist struggle, for it is a rather open secret that the Communists are pulling the strings, and that that is the reason for the persecutions, especially in the case of the Jewish families in Egypt.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the telegram which I sent to the State Department and the Department of Justice.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TELEGRAM SENT TO THE DEPARTMENTS OF STATE AND JUSTICE, APRIL 7, 1957

Strongly urge continuance of parolee program for Hungarian refugees from Communist terror; also extension of program to include fair share of refugees from persecution in Egypt. Hungarian refugees have proved fully adaptable to United States resettlement and remarkably few among them here would be bad risks. Cessation of this program contrary to highest security interests of United States. Reasonable prospects for resettlement is one of the greatest attractions to those seeking freedom from behind Iron Curtain. Greatest blows to international communism are defections of such refugees and making it attractive for them to do so. United States taking of fair share has proved indispensable to refugee resettlement in all countries with minimum absorptive capacity. Situation especially critical for 2,000 Hungarian refugees, particularly of families already partially here and 8,000

with relatives in United States. Also many Egyptian refugees have families in United States. Reported administration reason for terminating refugee parolee program is that Congress has not acted on President's program for annual admittance of refugees and regularization of their status. But to make this reason valid President should first send special message to Congress urging emergency action and stating alternatives. Important to note 1,900 admissions unused when Refugee Relief Act expired December 31, last; therefore, 2,500 extra Hungarian refugee admissions not materially different from policy Congress authorized in Refugee Relief Act. Effective anti-Communist struggle is seriously at stake in this matter. I urge that program be continued for present.

JACOB K. JAVITS,
United States Senator.

THE VICE PRESIDENT'S REPORT ON AFRICA

Mr. COOPER. Mr. President, it is hardly necessary to call the attention of our colleagues to the report to the President by the distinguished President of the Senate, the Vice President of the United States, on his recent trip to Africa.

I should like to state, for myself, and I feel I speak for a great many of my colleagues, my belief that this report represents an outstanding contribution to the enlightened view of United States foreign relations.

The Vice President's report was limited, of course, largely to consideration of the continent of Africa. But it was distinguished also by its tone of understanding and responsibility that gave it great meaning, in its general terms, to every other part of the world.

This report, Mr. President, is an appropriate contribution as we near the time when the Senate as a whole must review the scope, direction, and extent of our various economic and military-assistance programs, generally known as foreign-aid programs.

I point out, as has been indicated by the New York Times editorial of this morning, that the Vice President has not emphasized foreign aid or its scale. On the other hand, he has emphasized the development of understanding between our country and those of Africa. I should like to read one extract from his report:

> To this end we must encourage the greatest possible interchange of persons and ideas with the leaders and peoples of these countries. We must assure the strongest possible diplomatic and consular representation to those countries and stand ready to consult those countries on all matters affecting their interest and ours.

The Vice President has provided a deeper understanding of the great fact of life for the United States in the mid-20th century—that we are inevitably and closely involved with the fate of the rest of the world; that our own security and prosperity are involved in the national security and the growing economic and social and political progress of every other nation and people.

Mr. President, I ask unanimous consent that the report made by the Vice President to the President regarding his trip to Africa be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE VICE PRESIDENT'S REPORT TO THE PRESIDENT ON TRIP TO AFRICA, FEBRUARY 28 TO MARCH 21, 1957

On the basis of my visits to Morocco, Ghana, Liberia, Uganda, Ethiopia, Sudan, Libya, Italy, and Tunisia, from February 28 to March 21, I submit the following observations and recommendations:

IMPORTANCE OF AFRICA

No one can travel in Africa, even as briefly as I did, without realizing the tremendous potentialities of this great continent. Africa is the most rapidly changing area in the world today. The course of its development, as its people continue to emerge from a colonial status and assume the responsibilities of independence and self-government, could well prove to be the decisive factor in the conflict between the forces of freedom and international communism.

The leaders and peoples of the countries I visited in Africa have many things in common. They cherish their independence, which most of them have only recently acquired, and are determined to protect it against any form of foreign domination. They rightfully expect recognition from us and others of their dignity and equality as individuals and peoples in the family of nations. They want economic progress for their undeveloped economies.

The great question which is presented to the leaders of Africa is whether they can attain these justifiable objectives and at the same time maintain and develop governmental institutions which are based on principles of freedom and democracy. I believe they all are convinced that they can, and that the free world has a vital interest in assisting them to do so. For the success or failure of these new members of the family of nations to realize their aspirations in this manner will have profund effects upon the development of Africa and on the world in the years to come.

Herein lies the wider significance of the emergence of the new nation of Ghana. The eyes of the peoples of Africa south of the Sahara, and of Western Europe particularly, will be upon this new state to see whether the orderly transition which has taken place from dependent to independent status, and whether the retention of close ties on a basis of equality with the British Commonwealth, will continue to work successfully and thereby present a formula of possible application in other cases. By the same token, inimical forces will be closely following the situation to see whether any openings present themselves for exploitation in a manner which would enable them to disrupt and destroy the independence which Ghana seeks to achieve.

Nor is this a situation peculiar to Ghana. The same factors are present everywhere among the independent states which I visited. Africa is emerging as one of the great forces in the world today. In a world in which, because of advances in technology, the influence of ideas and principles is becoming increasingly important in the battle for men's minds, we in the United States must come to know, to understand, and to find common ground with the people of this great continent. It is in this context that the recommendations in this report, together with others previously made to the appropriate Government agencies, are presented.

APPRAISAL OF AFRICAN LEADERSHIP

Africa is producing great leaders, dedicated to the principles of independence, world responsibility, and the welfare of their peoples. Such men as the Sultan of Morocco, Prime Minister Nkrumah of Ghana, President Tubman of Liberia, the Emperor of Ethiopia, and Prime Ministers Abdullah Khalil of the Sudan, Ben Halim of Libya, and Habib Bourguiba of Tunisia, certainly compare most favorably with the great leaders of the world. Nor should one omit King Idris of Libya, whom I unfortunately missed seeing on this trip because of an engine failure, but whose wisdom and statesmanship I remember most vividly from my previous trip to that country in 1953. These are all men who command respect beyond the borders of their own country. They are backed up by other equally dedicated leaders who have much to contribute both to the problems of their own countries and to those which plague the world today.

RECOMMENDATION

The United States must come to know these leaders better, to understand their hopes and aspirations, and to support them in their plans and programs for strengthening their own nations and contributing to world peace and stability. To this end, we must encourage the greatest possible interchange of persons and ideas with the leaders and peoples of these countries. We must assure the strongest possible diplomatic and consular representation to those countries and stand ready to consult these countries on all matters affecting their interests and ours.

ATTITUDES TOWARD THE UNITED STATES

There is no area in the world today in which the prestige of the United States is more uniformly high than in the countries which I visited on this trip. The President is respected as the acknowledged leader of the free world. There is a most encouraging understanding of our programs and policies. These countries know that we have no ambitions to dominate and that the cornerstone of our foreign policy is to assist countries in resisting domination by others. They understand that the United States stands on principle and that this was the motivating force, for example, which led us to act as we did in the recent Suez crisis. They approve the stand which we took at that time and look confidently to us to act consistently with that stand in the future. They understand that the American doctrine for the Middle East is dedicated to the principle of assisting the states of the Middle East to maintain their independence. They know that the United States stands for the evolution of dependent peoples toward self-government and independence, as they become able to discharge the responsibilities involved.

RECOMMENDATION

This understanding of the principles for which we stand as a nation is a tremendous asset to us in this area. The maintenance of the present high prestige we are fortunate to have in Africa will depend upon whether the people of the continent continue to understand our dedication to the principles of independence, equality, and economic progress to which they are so deeply devoted. We must staff our diplomatic and information establishments in these countries with men and women capable of interpreting and explaining our policies and actions in a way which will guarantee that they are so understood.

EFFECT OF DISCRIMINATION IN UNITED STATES ON AFRICAN ATTITUDES

As a result of skillful propaganda primarily inspired by the enemies of freedom, a consistently distorted picture of the treatment of minority races in the United States is being effectively presented in the countries I visited. Every instance of prejudice in this country is blown up in such a manner as to create a completely false impression of the attitudes and practices of the great majority of the American people. The result is irreparable damage to the cause of freedom which is at stake.

RECOMMENDATION

We must continue to strike at the roots of this problem. We cannot talk equality to the peoples of Africa and Asia and practice inequality in the United States. In the national interest, as well as for the moral issues involved, we must support the necessary steps which will assure orderly progress toward the elimination of discrimination in the United States. And we should do a far more effective job than we are presently doing in telling the true story of the real progress that is being made toward realizing this objective so that the people of Africa will have a true picture of conditions as they really are in the United States.

ECONOMIC ASSISTANCE

All of the African states which I visited are underdeveloped. Most of them have great economic potential. Their leaders are anxious to strengthen the economies of their countries in order to assure for their peoples a larger share of the advantages of our modern civilization. They seek economic as well as political independence insofar as this is possible in the world to today.

Their needs are great in terms of education and public health. They require roads and other communications in order to open inaccessible parts of their territory to economic development. They need agricultural development to sustain their expanding populations. They want assistance in developing their great mineral and forest resources. They foresee great opportunities for developing small industrial enterprises. In most cases, these developmental need are beyond their capacity to finance.

All of the leaders with whom I talked expressed preference for developing their economies through encouraging the investment of private capital and through loans from international agencies such as the World Bank where feasible rather than through government-to-government grants. It can truly be said that the welcome sign is out for investment of foreign private capital in Africa. African leaders are aware of the great role that such private capital can play in the development of their countries and many of them have adopted, or are in the process of adopting, special legislation designed to create an atmosphere conducive to expanded foreign investment.

RECOMMENDATION

Consistent with the desires of African leaders, the United States Government through its agencies should, as appropriate, draw the attention of private American capital to opportunities for investment in those areas where the conditions for such investment are propitious. Strengthening the economic sections of American Embassies in this area is needed if this objective is to be carried out.

We should support applications before the appropriate international agencies for financing sound economic development projects in the area.

To the extent that our resources and the demands of other areas permit, we should extend economic and technical assistance to the countries of Africa in helping them to further their economic development.

In this connection, I think it is appropriate to place in proper context the United States economic assistance programs. These programs should be approved only when they are in the mutual interests of the United States and the recipient country. They should be administered as efficiently as possible.

But while these programs should be constantly reexamined and improved so that they can better serve the national interest, shotgun attacks on our foreign assistance programs as such cannot be justified.

In this connection, I believe a comment on what has happened in Italy is pertinent. While my visit to Italy was not on an official basis, I did have the opportunity to discuss economic and political problems with President Gronchi, Prime Minister Segni, and other Italian officials. It was significant to me that at the time I arrived in Italy, the last American aid office was being closed. I recalled that 10 years before when I visited Italy as a member of the Herter Committee on Foreign Aid, the most dire predictions were being made as to the future of the Italian economy. It was said that American assistance would be thrown down a rat hole, that the Italian people should live within their own means, that they should work harder, and that in any event, once the economic program began, we would never see the end of it. The fact that Italy today has one of the soundest, most productive economies in Europe is eloquent proof of the validity of economic assistance properly administered and properly used by the recipient country.

While the economic problems of Italy were obviously different from those Africa now faces, I am confident that in the African countries I visited, we shall have similar success as we work in cooperation with the enlightened leaders of these nations toward the development of their great natural and human resources.

SPECIAL RELATIONS WITH OTHER COUNTRIES

Africa and Europe have much in common. To a large extent, their economies are complementary. Certain of the independent states on the African Continent maintain close ties of a historical, cultural, and economic nature with the states of Europe. The maintenance of these relationships, on a basis of equality, can greatly benefit both Africa and Europe.

RECOMMENDATION

We should encourage the continuance of these special ties where they are considered mutually advantageous by the states concerned. We should take them in account in formulating our own policies to the extent compatible with the fundamental requirement of conducting our own relations with those states on a fully equal and independent basis.

The task of providing the economic assistance which is needed by the newly independent countries of Africa cannot be done by the United States alone. We should make it clear that we desire no exclusive position in any country in that area and that we want to work with other free-world nations in providing the assistance which will build strong, free, and independent nations in this area of the world.

COMMUNISM

Africa is a priority target for the international Communist movement. I gathered the distinct impression that the Communist leaders consider Africa today to be as important in their designs for world conquest as they considered China to be 25 years ago. Consequently, they are mounting a diplomatic propaganda and economic offensive in all parts of the continent. They are trying desperately to convince the peoples of Africa that they support more strongly than we do their natural aspirations for independence, equality, and economic progress.

Fortunately, their efforts thus far have not been generally successful and, for the present, Communist domination in the states of the area is not a present danger. All of the African leaders to whom I talked are determined to maintain their independence against communism or any other form of foreign domination. They have taken steps to bring under control the problem of Communist subversion of their political, economic, and social life. It would be a great mistake, however, to be complacent about this situation because the Communists are without question putting their top men in the fields of diplomacy, intrigue, and subversion into the African area to probe for openings which they can exploit for their own selfish and disruptive ends.

RECOMMENDATION

The Communist threat underlines the wisdom and necessity of our assisting the countries of Africa to maintain their independence and to alleviate the conditions of want and instability on which communism breeds. The importance of Africa to the strength and stability of the free world is too great for us to underestimate or to become complacent about this danger without taking every step within our power to assist the countries of this area to maintain their effective independence in the face of this danger.

TRADE UNIONISM

In every instance where my schedule permitted, I made it a point to talk to the leading labor leaders of the countries I visited. I was encouraged to find that the free trade union movement is making great advances in Africa, particularly in Ghana, Morocco, and Tunisia. The leaders of these countries have recognized the importance of providing an alternative to Communist dominated unions and they, thereby, are keeping the Communists from getting a foothold in one of their favorite areas of exploitation. In this connection, I wish to pay tribute to the effective support that is being given by trade unions in the United States to the free trade union movement in the countries which I visited. These close and mutually advantageous relationships are in the national interest as well as in the interest of developing a strong labor movement.

RECOMMENDATION

It is vitally important that the United States Government follow closely trade union developments in the Continent of Africa and that our diplomatic and consular representatives should come to know on an intimate basis the trade union leaders in these countries. I believe, too, that American labor unions should continue to maintain close fraternal relationships with the African free trade union movement in order that each may derive the greatest possible advantage of the wisdom and experience of the other.

NILE DEVELOPMENT

The Nile is one of the world's greatest international rivers. Perhaps in no other part of the world are the economies of so many states tied to a particular waterway. The river is so located geographically that whatever projects are undertaken on it within the territorial domains of one state are bound to have their effect on the economies of other states.

RECOMMENDATION

The United States must take into account the common interests of the riparian states in the development of this great river and, at such time as political conditions permit, should support a cooperative approach to its development which would accord with the common interests of all the states involved.

OPERATION OF UNITED STATES PROGRAMS

Specific recommendations as to the operation of American programs in the countries I visited have been made on a classified basis to the various interested agencies. In general, I found that our political, economic, and information programs in the countries which I visited, are being administered in accordance with our obligations to the United States taxpayer. There is, however, always room for improvement and, in the spirit of constructive criticism, I wish to make the following public recommendations.

RECOMMENDATIONS

On the political side, I believe that our diplomatic and consular missions are generally understaffed. We must assure that

these establishments have sufficient personnel to enable them to interpret our policies, to consult fully with the local governments on matters of mutual interest and to report on developments of importance to the United States. We must assure that our diplomatic and consular offices have sufficient funds to enable them to travel about the vast territories within their jurisdiction for the purposes of reporting on developments outside the major centers of population and of forming contacts with the peoples of those areas. We must recognize that the posts in this area are, in many instances, unhealthful and trying climatically to those who are raised in a temperate zone. We must, therefore, endeavor to ameliorate hardship conditions for our personnel in order to enable them more effectively to perform their tasks. We must recognize that the importance of the African area and the difficult living conditions there necessitate our assigning officials of the highest possible competence and stability. The emphasis should be on youth, vigor and enthusiasm.

Insofar as our economic programs are concerned, I believe that our technicians in the field are doing an excellent job in working alongside the African and teaching him to perform the various functions of social and economic development for himself. Obviously, the maintenance and support of these technicians in the field require a headquarters staff in the country capitals. From my own observations, I believe these headquarters staffs sometimes tend to become inflated and I, therefore, recommend that they be carefully reviewed to see whether economies in personnel could not be effected. I believe also that there is sometimes a tendency to scatter programs over a number of fields of economic and social development, whereas greater concentration of a few key projects would bring more last returns to the country concerned. Our programs should constantly be reviewed from this point of view. The same comments which I made with respect to the caliber of our diplomatic and consular representation apply as well to our economic and information personnel.

On the informational side, I believe that the most worthwhile projects are the libraries and reading rooms which we have established in a number of centers overseas and the exchange of persons programs. The funds available for these programs in the African area should be substantially increased over the present level.

To the extent that the Africans become familiar with the culture and technology, the ideals and aspirations and the traditions and institutions which combine to make up the American character, we shall have made great advances in common understanding. This can be done through books and periodicals, through student exchanges and through the leader grant program for bringing outstanding Africans to the United States for study and travel. We should also assist as we can in the development of indigenous educational facilities in Africa. In this way, we can get to know them and they to know us.

I believe that the information output from our radio and news programs in the African area have in the past not been as effective as they should be if we are adequately to counter the propaganda being disseminated by the Communists. In the studies which are currently being made of these programs by the USIA, I believe it is important that the highest priority be assigned to this area both as to improving the quality of personnel in the field and in more adequately providing information which is particularly suited to the special problems of Africa.

CONCLUSION

For too many years, Africa in the minds of many Americans has been regarded as a remote and mysterious continent which was the special province of big-game hunters, explorers, and motion picture makers. For such an attitude to exist among the public at large could greatly prejudice the maintenance of our own independence and freedom because the emergence of a free and independent Africa is as important to us in the long run as it is to the people of that continent.

It is for this reason that I strongly support the creation within the Department of State of a new Bureau of African Affairs which will place this continent on the same footing as the other great area groupings of the world. I recommend similar action by the ICA and USIA. These bureaus, properly staffed and with sufficient funds, will better equip us to handle our relationships with the countries of Africa. But this in itself will not be enough. There must be a corresponding realignation throughout the executive branches of the Government, throughout the Congress and throughout the Nation, of the growing importance of Africa to the future of the United States and the free world and the necessity of assigning higher priority to our relations with that area.

Mr. COOPER. Mr. President, I ask unanimous consent that an editorial from this morning's New York Times, discussing the distinguished Vice President's report, be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. NIXON REPORTS ON AFRICA

One of the most important things about Vice President NIXON's report on his visit to Africa is its essential emphasis on understanding. He was cautious about recommending specific aid programs. He said that such recommendations were being transmitted, in presumably classified form, to the proper agencies. He does not urge irresponsible handouts. On the contrary, he urges an even closer scrutiny of everything that we do.

What this really comes down to is the suggestion that the main thing that we ought to spend on Africa, right now, is not merely money but brains. This makes sense. The Vice President was not merely a personable representative of his Government—and he was that—but also a shrewd analyst of basic needs and how to meet them. Typical of his reports, for example, is this paragraph:

"For too many years Africa in the minds of many Americans has been regarded as a remote and mysterious continent which was the special province of big-game hunters, explorers, and motion-picture makers. For such an attitude to exist among the people at large could greatly prejudice the maintenance of our own independence and freedom, because the emergence of a free and indpendent Africa is as important to us in the long run as it is to the people of that continent."

This could be called enlightened self-interest. It is also commonsense. We cannot expect to assume and continue the role of great leadership in the cause of peace and freedom unless we are accurately and adequately informed. This is not a time at which we can afford blind spots, and Africa has too long remained in that category.

A great continent is newly emerging on the world scene. It is no longer darkest. Enormous political and physical changes are now in progress. Unless we begin to try to understand them we shall pay the price of our myopia at the hands of an unscrupulous enemy. Mr. NIXON pointed this out, in so many words, but went on with an optimistic appraisal of some of the leaders in the cause of the free world whom he had met. But having done so, he returned again to this theme of urging more knowledge and better understanding when he said:

"To this end we must encourage the greatest possible interchange of persons and ideas with the leaders and peoples of these countries. We must assure the strongest possible diplomatic and consular representation to those countries and stand ready to consult those countries on all matters affecting their interest and ours."

This suggests a new and broadened approach, and the suggestion is wise and good. In line with it, Mr. NIXON urges some strengthening of our own information services as well as our other official representation. This is based on what ought to be the correct assumption that we will be quite as eager to obtain information as to disseminate it.

This all goes back to the simple fact that we do not know enough about Africa and that Africa does not know enough about us. Africa does not know, for example, that we are really trying to do something about the cruel problem of race discrimination which, as Mr. NIXON said, remains an obstacle to better understanding. Obviously we need to do more and Africa needs to know, meanwhile, that we are trying.

We need to know, on the other hand, that Africa is not merely a place for investment and colonialism, for profit and exploration, but that it is the home of millions of persons who are coming into a different world. We can help in some phases of that transition and we should.

This report places its emphasis, in the economic field, upon private investment and effort. This seems sound, on the basis of past experience. Africa doesn't need just huge grants; Africa needs an investment of skills and imagination. If we can help to supply them this will be more important than money.

One field, for example, upon which the Vice President touched in passing was that of medicine and public health. Here is one of our greatest opportunities. Africa can be a healthy continent if there is enough will to make it so. Until it is, both the Africans and ourselves will continue to work under a dreadful handicap. Fortunately the need in this field is well known and important progress is being made.

The Vice President's trip, not only for the sake of Ghana but for all of Africa, was a good idea. He has made a good report and some sound recommendations. The Africans know us better because of him. It is now up to us to know them better and he can help us to do just that.

CANADIAN-AMERICAN RELATIONSHIPS

Mr. NEUBERGER. Mr. President, the news last Friday morning, April 5, 1957, of the death of the Canadian Ambassador to Egypt, the Honorable Herbert Norman, has cast a shadow over the traditionally close and friendly mutual relations of the United States and Canada.

As one United States Senator I have felt a sense of concern and responsibility over the possibility that action by one of our Senate subcommittees may have played a role in this potential weakening of close ties of mutual friendship and confidence. Nor, apparently, is the role of the Department of State, in the episode of the disclosure of the controversial testimony in question, wholly beyond criticism.

In a statement last Friday afternoon, I expressed the view that the Senate has an obligation to examine, perhaps through a special bipartisan committee,

the circumstances of the publication of old security charges against the late Canadian Ambassador Norman. The people of America rightly regard the people of Canada as their closest friends and allies, and any cause of a possible rift between us is a serious matter which certainly deserves the attention of the Senate. We have appointed special investigating committees for smaller issues than this, and issues in which the responsibility of the Senate was less directly involved.

Mr. President, I ask unanimous consent that my statement of Friday be printed at this point in the RECORD, followed by a series of editorial comments from leading newspapers in the Nation which express editorial concern over the damage which may have been done to our relations with Canada by this episode.

There being no objection, the statement and accompanying editorials were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NEUBERGER

Any rift between the United States and our Canadian friends and allies is such a serious matter that the top leadership of the Senate should immediately appoint a bipartisan committee to inquire into the circumstances of the publication by the staff of the Senate Internal Security Subcommittee of charges against the reputation of the late Canadian Ambassador Herbert Norman, which have become the cause of such a rift.

I suggest that such a special committee consist of Senators whose detachment from the events at issue is beyond question.

I believe the Senate has an obligation to show at least this much responsibility in a tragic situation which has been precipitated by action within one of its committees, with serious implications for our foreign relations. The ties of friendship between Canada and the United States, in war and in peace, have been so close and unquestioned that nothing should be allowed to strain them.

Furthermore, an inquiry into this incident might give the Senate a useful look at the manner in which so-called security charges are processed here. It is my understanding that the charges against the late Canadian diplomat, Ambassador Norman, were long ago disposed of to the satisfaction of the Canadian Government by two thorough probes undertaken by the Royal Canadian Mounted Police, perhaps the most famous law-enforcement body in the world. If the standards by which we in the Senate handle security charges are different or better than those of the Royal Canadian Mounted Police, it would be valuable information for the American people to know just exactly what this difference may be.

[From the New York Times of April 6, 1957]

RECKLESS AND UNFAIR

The suicide of E. Herbert Norman, Canadian Ambassador to Egypt, has brought shame to the Government and people of the United States. Whether Mr. Norman was literally driven to his death by the actions of Senator EASTLAND's Internal Security subcommittee and its chief counsel, Robert Morris, may not be susceptible of proof. Certainly many Canadians—with understandable vehemence—hold the committee guilty of "assassination by insinuation." But Americans who believe in fair play must agree that Senator EASTLAND and his associates had no moral right to bring Mr. Norman under suspicion by the release of testimony at a congressional hearing—testimony given under circumstances which did not allow Mr. Norman either to confront his accusers or defend himself against their accusations.

That this should have been done after the Canadian Government had cleared Mr. Norman of even the suspicion of subversion and the State Department thought it necessary to say that the United States "has every confidence in the Canadian Government's judgment in the selection of its official representatives" shows also how reckless has been the Eastland subcommittee's disregard of the first principles of civilized diplomacy.

Of course the Government agencies which are legally responsible for our national security cannot forfeit the right to investigate activities which might endanger the United States, even when a foreign official is involved. But reports of suspicious behavior—especially unproved ones—should be communicated to the proper law-enforcement authorities in strict confidence, not broadcast to the general public.

The Government and people of the United States owe a deep apology to the Government and people of Canada—most especially to Mr. Norman's family—for the un-American misconduct of Senator EASTLAND, his colleagues, and their chief counsel, Robert Morris.

[From the New York Herald Tribune of April 6, 1957]

DOUBLE TRAGEDY IN CAIRO

When Canadian Ambassador E. Herbert Norman committed suicide in Cairo, the tragedy was a double one. There was the death of a man who had served his country long, and to its satisfaction. And there was a severe blow to the good repute of the United States. The first is irreparable; the second can only be made good if there is a thorough appreciation of the errors that led to it.

Dr. Norman was linked to Communist activities—allegedly occurring during his student days in the United States in 1940—in testimony released by congressional investigators in 1951. At that time he was a Canadian delegate to the United Nations; the Canadian Government formally protested the publication of the material, and later reported that a double security check had cleared Dr. Norman. The allegations were revived at the appearance on March 13, during the questioning before the Senate Internal Security Subcommittee of Mr. John K. Emmerson, counselor for the United States Embassy in Lebanon—although Mr. Emmerson's own testimony was to the opposite effect.

According to Senator WATKINS, a member of the subcommittee, the State Department assented to making the testimony public through an acting security chief who did not consult higher officials. When the transcript was released by the subcommittee on March 14, the Canadian Government again protested, and the State Department replied that the United States "has every confidence in the Canadian Government's judgment in the selection of its official representatives." But when Mr. Emmerson returned before the subcommittee to make corrections in the record, when the allegations against Dr. Norman were repeated (although the witness' testimony was still favorable to him), the transcript was again made public.

The public revival of the 1951 charges has been officially stated by Canadian authorities to have contributed to Dr. Norman's suicide. With virtual unanimity, Canada—in Parliament, in church organizations, and other groups—has denounced the subcommittee action. So has the press of Japan, where Dr. Norman was born, and later served. Moscow is gleefully capitalizing on what it calls the persecution of Dr. Norman.

The United States must ask itself what conceivable good the publication of the charges against Dr. Norman could do that might offset the harm that has demonstrably been inflicted on Dr. Norman, and on America's standing with two friendly nations in particular and in world opinion generally. No responsible American can doubt the need for thorough and continuous investigation of all possible sources of subversion, domestic and foreign. As Senator WATKINS said during the hearings: "However, we certainly ought to get whatever information we can that would help our own country and its actions with another nation. What we do about it after we get that information—how we handle it, and so on—that is another matter, entirely a different matter." We are certain that Senator WATKINS, who has admitted his serious misgivings over the release of the testimony would agree that the handling of it by the State Department and the subcommittee was in this instance wholly wrong. It must never be repeated.

[From the Christian Science Monitor of April 6, 1957]

EXPENSIVE RED HUNTING

The worldwide condemnation now raining on the United States because of the suicide of the Canadian Ambassador to Egypt may be unfair. In any such case primary responsibility must rest on the individual. But unfortunately the American people cannot say that they have no responsibility for the tragic ending of a brilliant career.

For Herbert Norman was reported burdened both by work and by a sense of persecution following reports from the Eastland-Jenner Senate Subcommittee on Internal Security that he had once been a Communist. The Canadian Government, which long ago cleared him of such charges, vigorously protested the committee action.

And the hard fact now is that non-Communist peoples and governments around the world are—fairly or unfairly—laying it at the door of the American people and Government. Stanch fighters against communism in countries where it is a daily threat have been puzzled by some American Red-hunting methods. They ask why the job is not left to professionals like the very efficient FBI. "Is it just hysteria or is it politics?" Told that sometimes publicity will serve where proof is not available, they ask again: "But at the price of reckless character assassination?"

In the past the price has been high—injustice to many individuals and the advancement of demagogs to places of power. Today it is higher—anger and contempt from peoples whose friendship and respect would be barriers to communism.

The subcommittee says it was only doing its duty and will continue to do it. The Senate as a whole—and the American people—might well ask whether this kind of "duty" is worth what it costs.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar under rule VIII be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

INSPECTION OF POULTRY AND POULTRY PRODUCTS

The Senate resumed the consideration of the bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products.

Mr. ELLENDER. Mr. President, before proceeding with the discussion of the bill, I should like to propound a unanimous-consent request to make two typographical corrections in the bill, as follows:

On page 4, line 16, strike out "an" and insert "any."

On page 16, line 2, strike out "the" and insert "to."

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, the amendments indicated are agreed to.

Mr. ELLENDER. Mr. President, this bill provides for, first, compulsory poultry inspection, second, maintenance of sanitary poultry processing facilities and practices, and third, correct and informative labeling of poultry and poultry products. It thus extends to poultry and poultry products, provisions similar to those long in effect for meat and meat products.

The desirability of legislation to assure that American poultry products are of the highest quality and purity is generally understood and agreed upon. Last year the Senate Committee on Agriculture and Forestry held extended hearings on two bills, S. 3588 and S. 3983, and unanimously reported S. 4243, a clean bill incorporating the best elements of both the bills considered by the committee. That bill was reported too late in the session to be passed by the Senate, but was widely distributed and considered.

This year the committee had before it three bills, S. 313, S. 645, and S. 1128. The committee held hearings on these three bills; and consideration was given by the committee to each of the differences between the bills and to all the views that were presented at the hearings. On March 20, the committee delegated to the Senator from Delaware [Mr. WILLIAMS], who is one of the sponsors of S. 313, the Senator from Georgia [Mr. TALMADGE], who is the principal sponsor of S. 645, and the Senator from Minnesota [Mr. HUMPHREY], the principal sponsor of S. 1128, the task of working out a bill which would meet as nearly as might be the objectives of all the three bills that had been introduced.

As I recall, those 3 Senators spent 2 afternoons discussing the bill among themselves. They had the assistance of the Office of the General Counsel of the Department of Agriculture and others interested. The pending bill is the result of the work of these three Senators, assisted by the Department of Agriculture and the Food and Drug Administration, both of which were very cooperative with the committee and furnished many suggestions for improvement of the bill. The bill reported was unanimously agreed upon first, by the three Senators I have mentioned, and, subsequently, by the full committee; and its enactment is favored by both the Department of Agriculture and the Food and Drug Administration.

The bill which was drafted and is before the Senate provides for the inspection of all poultry and poultry products processed for sale in interstate commerce or in designated major consuming areas. Poultry, as defined by the bill, is restricted to domesticated birds and does not include commercially produced game birds. The breeders of game birds are usually small operators; slaughtering either is done by hand or may require special adjustments in equipment; the market is a seasonal one and comes at the peak processing season; and the committee felt for these and other reasons they should not be covered by the bill.

A consuming area can be designated under the bill for regulation only if the volume of poultry or poultry products marketed in it is such as to affect, burden, or obstruct the movement of inspected poultry or poultry products in interstate commerce, and then only after public hearing. In any State which has a State agency responsible for the administration of State poultry inspection law, the hearing can be initiated only upon the request of such State agency. Where there is no such State agency, the request must come from an appropriate State or local official, or from an appropriate industry group.

The bill provides for both ante mortem and post mortem inspection. It requires such ante mortem inspection as the Secretary deems necessary, and carcass by carcass post mortem inspection. Products and parts found unwholesome or adulterated are to be condemned, subject, of course, to appeal. Reinspection, quarantine, and segregation are also provided for.

Processing plants would be required to conform as to premises, facilities, equipment, and operations with sanitary regulations issued by the Secretary of Agriculture.

In order that consumers may be fully informed about the poultry products they purchase, each immediate container must identify the processor, the product, the ingredients, any artificial flavoring or coloring or chemical preservative, and must show the quantity of the product contained and that it has been inspected.

The bill prohibits false or misleading labeling; marketing of uninspected or unlabeled products; sale for food purposes of unwholesome or adulterated products; and the movement, except between official establishments or in foreign commerce, of "New York dressed poultry," as well as other acts, the prohibition of which is necessary to assure the wholesomeness of American poultry products and the proper enforcement of the act. "New York dressed poultry" is poultry which has not been eviscerated. Some witnesses objected to the movement of uneviscerated poultry, even between inspected establishments. However, the committee felt that this movement should be permitted, since the product would be inspected at the receiving plant as well as at the originating plant. Many small plants do not now have eviscerating equipment and may not be prepared at this time to purchase such equipment, which is rather expensive. By permitting them to ship their product to plants with eviscerating equipment, the bill will permit these plants to continue operating and still afford complete protection for the consumer.

The Secretary is authorized by the bill to exempt from specific provisions of the act—poultry producers who sell directly to household consumers; retail dealers who cut up poultry products; any person where inspection is impracticable; and persons slaughtering in accordance with religious dietary laws. These exemptions are contained in section 16 of the bill, which describes the permissible extent and limitation of such exemptions.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ELLENDER. I am glad to yield.

Mr. JAVITS. Am I correct in my understanding that the problems connected with the ritualistic slaughter of poultry are taken care of in the bill?

Mr. ELLENDER. The Senator is correct.

Mr. JAVITS. Such a provision is contained at page 20 of the bill, and that provision gives the necessary authority to the Secretary of Agriculture, as I understand.

Mr. ELLENDER. Yes; that is in section 16.

Mr. JAVITS. That provision deals with those problems?

Mr. ELLENDER. The Senator is correct.

Mr. JAVITS. That is the intention of the committee.

Mr. ELLENDER. The Senator is correct. Instead of defining the subject in the act, we thought it best to leave it to the discretion of the Secretary of Agriculture to make such rules and regulations as in his opinion would be most effective.

Mr. JAVITS. Was that provision satisfactory to the witnesses who appeared before the committee on the subject?

Mr. ELLENDER. I understand it was not, at least not to all of them. Some of them wanted Congress to spell out the exemption in detail. The committee felt that this was a matter to be left to the Secretary. It might develop that the language submitted to the committee would be sufficient to meet the requirements of some religious groups, but not others. On the other hand, the language submitted by some of the witnesses might meet their problems, but also open the door to evasion of the act by others. The committee felt, therefore, that this matter should be left to the Secretary, who should be able to modify the exemption as may appear necessary.

Imported poultry products are covered in the same manner that imported meat products are now covered by law, and the Department of Agriculture has advised that it expects to issue regulations for imported poultry products similar to those for imported meat products.

The bill would be effective immediately to permit the Department of Agriculture to begin planning its operations. Any processor will be able to subject himself to the provisions of the act and thereby obtain the benefits of inspection at the cost of the Government after January 1, 1958. The act will be mandatory for all processors subject to it after January 1, 1959.

It is not contemplated that the act will require any expenditure in the current fiscal year. For the fiscal year ending June 30, 1958, it is estimated that expenditures will amount to about $4,750,000. For the fiscal year ending June 30, 1959, it is estimated that the cost will range from $7,750,000 to $10 million. For succeeding years, when the program is in full operation, the cost is estimated at $10 million annually. These estimates do not include expenditures which might be required as a result of the designation of consuming areas for regulation, since that cost would depend on the number and size of the areas to be regulated and the additional inspection which would be required as a result of such regulation.

The bill would be administered by the Secretary of Agriculture and would be handled by such employees and agencies of the Department as the Secretary might specify.

Mr. President, in connection with my statement, I wish to have printed in the RECORD at this point a section-by-section description of the bill appearing in the report of the committee on pages 2, 3, 4, 5, 6, and a part of page 7.

There being no objection, the excerpt from the report (No. 195) was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION EXPLANATION OF BILL

SHORT TITLE

Section 1 provides a short title "Poultry Products Inspection Act."

LEGISLATIVE FINDINGS

Section 2 contains legislative findings as to the necessity of the inspection and regulation provided by the act to protect interstate and foreign commerce in poultry and poultry products.

DECLARATION OF POLICY

Section 3 declares the congressional policy to provide inspection of poultry and poultry products to prevent the movement in interstate or foreign commerce or "designated" major consuming areas of unwholesome or adulterated poultry products.

DEFINITIONS

Section 4 defines terms used in the act. The definition of the terms "unwholesome" and "adulterated," as contained in this bill, cover all points as contained in the definition of "adulteration" in the Federal Food, Drug, and Cosmetic Act. The definition of "unwholesome" makes it clear that carcasses or parts thereof or poultry products produced under unsanitary conditions whereby they may become contaminated or injurious to health will be subject to condemnation. Under the definition although poultry suffering from diseases which systematically affect the bird would be unwholesome, poultry having a localized condition not affecting the wholesomeness of the remainder of the bird would not be classed as "unwholesome" upon removal of the affected area, leaving the remainder wholesome and fit for human consumption. "Inspectors" may be Federal or State employees.

DESIGNATION OF MAJOR CONSUMING AREAS FOR REGULATION

Section 5 authorizes the Secretary of Agriculture after hearing called upon application of a State agency, responsible for the administration and enforcement of State poultry inspection laws, or if there is no such agency, then upon application of any appropriate State or local official or of any appropriate poultry industry group, to designate major consuming areas where poultry or poultry products are marketed in such volume as to affect, burden, or obstruct the movement of inspected poultry products in interstate or foreign commerce. Exemptions would also be authorized under this section. Designation would be made by notice in the Federal Register, specifying an effective date not less than 6 months after such notice. The Secretary of Agriculture under this section has full discretion in determining whether a major consuming area shall be designated, taking into consideration the views, evidence, and other data submitted at the hearing and such other information as may be available to him.

ANTE MORTEM AND POST MORTEM INSPECTION

Section 6 (a) requires such ante mortem inspection as the Secretary deems necessary. Section 6 (b) requires a post mortem inspection of each carcass processed in official establishments processing poultry for poultry products for interstate or foreign commerce or in or for major consuming areas designated under section 5. Poultry products and parts thereof found upon inspection to be unwholesome or adulterated are to be condemned and destroyed for human-food purposes under supervision of an inspector, provided that if reprocessed under such supervision so as to be not unwholesome or adulterated they need not be destroyed for human-food purposes. Provision is made for appeal against condemnation. "Official establishments" are establishments at which inspection is maintained under the authority of the act.)

REINSPECTION, QUARANTINE, SEGREGATION

Section 6 (c) makes provision for reinspection of slaughtered poultry and poultry products as often as the Secretary deems necessary to insure wholesomeness. Section 6 (d) makes provision for the quarantine and segregation of live or slaughtered poultry under rules and regulations as prescribed by the Secretary.

SANITARY REGULATIONS

Section 7 requires official establishments to have premises, facilities, and equipment, and be operated in accordance with sanitary practices required by regulations of the Secretary for the purposes of the act. It will be the duty of the inspection service to enforce these regulations and inspection services will be refused establishments failing to meet the requirements of this section.

LABELING REQUIREMENTS

Section 8 (a) requires shipping containers of poultry products inspected and found wholesome under the act to be labeled with the official inspection mark and approved plant number of the processing plant. Each immediate container is required to bear, in addition to the material required on the shipping container, the name of the product, a statement of ingredients if fabricated from two or more ingredients, a statement of any artificial flavoring, artificial coloring, or chemical preservative it bears or contains, the quantity, and the name and address of either the processing plant or the distributor. The Secretary may permit variation or exemption from the requirements of this subsection not in conflict with the provisions of the Federal Food, Drug, and Cosmetic Act.

FALSE OR MISLEADING LABELING

Section 8 (b) prohibits false or misleading labeling. Subject to administrative and court appeal, the Secretary may direct the modification of any label so that it will not be false or misleading. The Secretary has the same authority with respect to established tradename or names which are usual to such products as he presently has with respect to red meats under the Meat Inspection Act.

PROHIBITED ACTS

Section 9 prohibits—

(a) the processing, sale or offering for sale, introduction, delivery for introduction, transportation, or receiving for transportation, in interstate or foreign commerce or in a designated major consuming area, of any poultry product not inspected and labeled in accordance with the act;

(b) the sale of or other disposition for human food of any poultry or poultry product found unwholesome or adulterated under the act;

(c) forgery and similar specified actions with respect to inspection certificates, marks, and devices, and misrepresentation of products as inspected;

(d) using in interstate or foreign commerce or in designated major consuming areas of false or misleading labeling;

(e) improper use of containers bearing official inspection marks;

(f) refusal to permit access at reasonable times to establishments processing poultry or poultry products for interstate or foreign commerce, or in or for designated major consuming areas;

(g) refusal to permit access to and copying of records as required by section 11;

(h) improper use, or revealing of, information acquired under authority of the act concerning trade secrets;

(i) delivering, receiving, transporting, selling, or offering for sale or transport, in interstate or foreign commerce or designated major consuming areas, poultry slaughtered for human food unless the blood, feathers, feet, head, and viscera have been removed in accordance with rules prescribed by the Secretary. Transport between official establishments or to foreign countries pursuant to rules prescribed by the Secretary would, however, be permitted, provided that poultry for export complies with the laws of the importing country. This would specifically prohibit the movement of New York dressed poultry in commerce or in a designated major consuming area or from an official establishment, except between official establishments and under exemptions under section 5 as authorized by the Secretary. The committee realizes that this provision may cause some problems and that some exemptions may be necessary. In making any such exemptions the Secretary should take all reasonable precautions to assure that only wholesome poultry or poultry products are marketed.

COMPLETE COVERAGE OF OFFICIAL ESTABLISHMENTS

Section 10 prohibits any establishment processing poultry or poultry products for interstate or foreign commerce or in or for a designated major consuming area from processing any poultry or poultry product except in compliance with the act. This would prohibit any such establishment from processing any poultry or poultry product without inspection.

RECORDS

Section 11 requires persons processing, transporting, shipping, or receiving poultry slaughtered for human consumption or poultry products in interstate or foreign commerce or in a "designated" major consuming area, or holding products so received, to maintain records for a period of 2 years following such transactions, and to permit access to and copying of records, showing the movement in such commerce or area, or holding, of any such poultry or product and the quantity, shipper, and consignee thereof.

INJUNCTIONS

Section 13 provides for injunctions to restrain violations.

PENALTIES

Section 13 provides penalties for violation of sections 9, 10, 11, and 18, with increased maximum penalties for second and subsequent offenses. The degree of proof with respect to violations subject to the penalties is the same as in the Meat Inspection Act and the Federal Food, Drug, and Cosmetic Act. It is a program for the protection of the public health comparable to these two acts and, therefore, knowledge or willfulness on the part of the person concerned in a violation is not an element of the violation and need not be established by the Government in enforcement proceedings. In exercising his discretion under section 14 with respect to the reporting of minor violations, however, it is expected that the Secretary will take into account evidence that the violation was unintentional. Common carriers are exempted from the penalties of the act other than the penalties for violation of section 11 (maintenance of records and availability thereof) with respect to their usual course of business as a carrier of slaughtered poultry products owned by another person unless they have knowledge of facts indicating that the poultry or product was not inspected or marked as required by the act.

REPORTING OF VIOLATIONS

Section 14 provides that before institution of any criminal proceeding, the accused shall be given an opportunity to present his views and gives the Secretary discretion regarding the reporting of minor violations for the institution of criminal or injunction proceedings.

REGULATIONS

Section 15 provides for regulations.

EXEMPTIONS

Section 16 authorizes the Secretary by regulation and under such conditions as he may prescribe to exempt, in certain circumstances, from specific provisions of the act—poultry producers, retail dealers, processing as required by recognized religious dietary laws, and instances where the Secretary determines that it would be impracticable to provide inspection and the exemption will aid in the effective administration of the act, provided that such last exemption shall not be continued on and after July 1, 1960.

VIOLATIONS BY EXEMPTED PERSONS

Section 17 imposes penalties on persons exempt from other provisions of the act under section 16 for selling products which are unwholesome and adulterated.

IMPORTS

Section 18 (a) provides that slaughtered poultry, parts, and products for import must be wholesome, unadulterated, and comply with regulations of the Secretary to assure that they meet the standards provided for in the act. After importation they are subject to the provisions of the Federal Food, Drug, and Cosmetic Act as well as this act. The Department contemplates issuing regulations similar to those for the importation of meat under the Imported Meat Act (19 U. S. C. 1306).

Section 18 (b) authorizes the Secretary to make rules and regulations dealing with the destruction of slaughtered poultry, parts, and products which have been refused admission to this country, unless they be exported by the consignee within the time fixed by rules and regulations prescribed by the Secretary.

Section 18 (c) provides that all costs, such as storage and cartage, shall be paid for by the owner or consignee for slaughtered poultry, parts, and products thereof refused admission under this section.

EXEMPTION FROM FEDERAL FOOD, DRUG, AND COSMETIC ACT

Section 19 (a) provides the same exemption for poultry and poultry products from the Federal Food, Drug, and Cosmetic Act as presently applies to red meats.

COOPERATION WITH OTHER AGENCIES

Section 19 (b) provides for cooperation between Federal and State agencies.

INSPECTION COSTS

Section 20 provides that the cost of inspection, except overtime performed in official establishments, shall be borne by the United States. Overtime may be paid to employees by the Secretary, but the Secretary will be reimbursed by the establishment in which the overtime occurred. This reimbursement shall be available to the Secretary without fiscal-year limitation to carry out the purposes of the section. This will provide continuity in the availability of funds to meet the overtime demands of industry at the beginning of the fiscal year. Appropriations for regular inspection will not be augmented by this provision.

APPROPRIATIONS

Section 21 authorizes appropriations necessary to carry out the act.

SEPARABILITY

Section 22 provides for separability in case any provision is held invalid.

EFFECTIVE DATE

Section 23 makes the act effective upon enactment, but provides that no person shall be subject to the act prior to January 1, 1959, unless such person applies for and receives inspection under the act after January 1, 1958. However, any person who applies for and receives inspection after January 1, 1958, shall be subject to all of the provisions of the act. Between the date of enactment and January 1, 1958, the act would be effective only to permit the Department to work out administrative plans, hire personnel, and perform other functions prerequisite to beginning inspection under the act on January 1, 1958. Processors receiving inspection under the present voluntary program would not be entitled to have inspection costs borne by the Government under this act until January 1, 1958.

COST OF THE PROGRAM

The Department of Agriculture has estimated the initial cost of the program provided by the bill as $4,750,000 for fiscal year 1958, and the cost for fiscal year 1959 as $7,750,000 to $10 million.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. COOPER. The exemptions which are noted on page 19 of the bill seem to be perfectly clear. However, in order that they may appear in the legislative record, I should like to ask the distinguished Senator a question.

Mr. ELLENDER. I shall be very happy to yield for a question.

Mr. COOPER. This bill does not apply at all to live poultry. Is it correct to say that a farmer or farm wife who desires to sell slaughtered poultry to a consumer may continue to do so, if this bill should become law?

Mr. ELLENDER. The Senator is correct. The only requirement is that the poultry be grown on the farm of the person asking for the exemption.

Mr. COOPER. The farmer or farm wife could slaughter and sell poultry raised on the home farm but could not buy dressed poultry from other farmers and sell it?

Mr. ELLENDER. The Senator is correct. I also wish to make it clear that the processed poultry must go directly to the consumer, and not to a retailer.

Mr. COOPER. Could a farmer sell slaughtered poultry to a retail store?

Mr. ELLENDER. Not without inspection. Any poultry coming under that category must be inspected. The only exemption is with respect to poultry which is grown by the farmer on his own farm and sold by him directly to the consumer.

Mr. COOPER. Do you mean that a farmer who has been selling a few slaughtered chickens to a retail store could not continue to do so? Is that correct?

Mr. ELLENDER. If the poultry does not go into interstate commerce, and is not to be marketed in an area designated under section 5 of the bill, it would not be covered by the bill.

Mr. COOPER. In other words, if the farmer sells poultry to a store, and the store has a local trade, the farmer would be exempt from the provisions of the bill. Is this correct?

Mr. ELLENDER. If it is sold locally; yes.

Mr. COOPER. I should like to ask the Senator another question. Am I correct in saying that the retail dealer who sells dressed poultry to consumers in the local trade would not come under the provisions of the proposed act. Is that correct?

Mr. ELLENDER. The Senator is correct, assuming either that interstate commerce or a designated area is not involved or that the only processing operation performed by the dealer is the cutting up of poultry products on the premises.

Mr. COOPER. The bill provides also, as I understand, for marking the poultry passing into interstate commerce, as having been inspected.

The bill also provides that a carrier cannot accept for transportation any poultry or poultry products which are not marked as having been properly inspected and approved. Does the Senator believe that a small processor in a small community may be harmed by this bill? What I have in mind is that the inspectors might tend to direct their inspection to the larger processors, from whose businesses most of the poultry would enter interstate commerce. If the inspectors should devote their inspection to the larger processing plants, the smaller processors might be put out of business because they would not be able to ship. Would that be the practical effect.

Mr. ELLENDER. I do not quite understand the import of the Senator's question.

Mr. COOPER. Perhaps I can clarify it. The bill provides that poultry cannot be transported in interstate commerce or into designated areas unless it has been marked as having been inspected and approved.

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. As the Senator knows, there are hundreds of small processors in many communities throughout the country. Does the Senator believe that

it would be possible to have the necessary inspections made at all of these small plants? What I am worrying about is that the inspectors would not be stationed almost exclusively in the large processing plants, and that small processors would not be able to have their poultry inspected and therefore could not ship in interestate commerce.

Mr. ELLENDER. Of course, the Secretary of Agriculture would have to furnish the inspection service to all processors covered by the act, both large and small. If it is not practicable to furnish inspection to some processors, the Secretary may exempt such processors from the bill until July 1, 1960.

Mr. COOPER. Is it true that all the provisions of the act will not become effective for 3 years?

Mr. ELLENDER. Insofar as the Department of Agriculture is concerned, the act goes into effect immediately to permit it to work on a program; but no one can obtain the service provided under the bill, that is, have the Government pay for the inspection service, until January 1, 1958. It is made mandatory after January 1, 1959, and then, I may say, the exemptions to which I have just referred can be maintained by the Secretary of Agriculture where necessary until July 1, 1960. That provision appears in section 16 (a) (3).

Mr. COOPER. What I am trying to find out is whether there is a possibility that if the bill is passed the difficulties of inspection to the large processing plants would be so great—that inspection there being simpler at larger plants—their product would more easily pass into interstate commerce. On the other hand, if prompt inspection could not be furnished to small dealers they could be forced out of business, whereas it will be difficult for the small processing plants throughout the country to obtain the services of inspectors, and, as a result, they will not be able to have their products marked, and thus not be able to sell them, in which event they would have to go out of business. Did the committee consider that the bill, worthy as it is, might have the practical effect of making the large producers even more powerful and perhaps causing the smaller ones to go out of business because they could not get inspection? Is there any possibility of that situation occurring?

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Delaware.

Mr. WILLIAMS. I may say to the Senator from Kentucky that that question was raised in the testimony before the committee. The representative of the Secretary of Agriculture gave assurance to the committee that the bill would not have that effect. The Department will be required to provide inspection service in the small plants, so the bill would not have the effect of putting small processors out of business.

This is a mandatory inspection bill. The small plants would be forced to comply with the inspection requirements and the Department must likewise furnish poultry inspection. Therefore, as we pass the mandatory inspection requirement, we pass also the requirement that the Secretary of Agriculture shall provide adequate inspection facilities for the small plants, so that their operations may continue on a normal, functional basis.

Mr. COOPER. I am certain, then, that the chairman of the committee would say that the purpose of the committee was to require that the Secretary of Agriculture should make inspection facilities available in time and equality both to the small and the large processors.

Mr. WILLIAMS. The Senator is correct.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. The bill is one of considerable importance to many persons in my State. I am interested in it not only from the standpoint of my State, but also from the standpoint of the country at large. I am sorry I did not hear the earlier discussion of the bill by the Senator from Louisiana, but this thought occurs to me: To what extent is the inspection of live poultry to be required?

Mr. ELLENDER. That is to be left entirely to the discretion of the Secretary of Agriculture, in the making of rules and regulations for ante-mortem inspection.

Mr. REVERCOMB. The thought which at once arises is that there are people throughout the country, principally farmers, who have considerable flocks of poultry, such as turkeys and chickens. Where would the inspection of the live birds take place?

Mr. ELLENDER. The discretion is left entirely to the Secretary of Agriculture. The inspection of a flock may be made on a farmer's farm, or it may be made when the farmer takes the poultry to the plant, for sale.

The Senator from Delaware is well acquainted with the situation which prevails in his own State. I understand that auction sales of poultry are held from time to time. Many thousands of chickens from a farm are sold. In that case, the Secretary could, if he saw fit, determine by rules and regulations whether the inspection should be made on the farm or when delivery was made to the plant which purchased the poultry. It is left entirely to the Secretary of Agriculture to promulgate the rules and regulations which may be necessary. Ordinarily inspection would take place at the plant.

If the Senator will turn to page 8 of the bill, he will notice the following:

> Ante mortem inspection: For the purpose of preventing the entry into or flow or movement in commerce or in a designated major consuming area of any poultry product which is unwholesome or adulterated, the Secretary shall, whenever processing operations are being conducted, make such ante mortem examination and inspection of poultry about to be slaughtered as he deems necessary.

Mr. REVERCOMB. We have revealed here the very danger that I foresee in the bill. The purpose of the bill is a splendid one; namely, the inspection of food. But if it is proposed to inspect live chickens or live turkeys in the hands of the farmer or the processor, or wherever the inspection may take place, I think we shall be building up a practice which will involve quite a danger in Government oversight and control of the production of poultry. I think it would be perhaps a very good thing to inspect dressed poultry, but when we go to the point of inspecting live birds, I think we will have gone very far in establishing Government control over the production of poultry.

Mr. ELLENDER. I would say that inspection would ordinarily take place at the plant, but there could be occasions, such as cases of epidemics, where inspection at some other point might be advisable. That is why the discretion was left with the Secretary of Agriculture. In that way the rules can be changed or modified to meet different situations. It may be entirely possible that all the poultry will be subject to ante mortem examinations at the plants. If that is the practical way to conduct examinations, the Secretary of Agriculture will have the right so to provide.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the poultry expert, the distinguished Senator from Delaware.

Mr. WILLIAMS. This question was raised in the committee. It is one of the major points, and it was considered last year and again this year. Both the committee and the Department of Agriculture recognized the utter impracticability of ante mortem inspection of poultry, bird by bird. Likewise, the impracticability of inspecting the poultry at the farm was recognized. At the same time, the committee and the Department felt it was necessary to give to the Secretary of Agriculture discretionary authority to make ante mortem inspections. The situation could arise wherein a lot of chickens are brought in from a farm and as they started to come through the line in the processing plant they could be found to be diseased. Certainly the inspector should not sit at the end of the line and let all the diseased poultry run through. The inspector should have the authority, if he felt it to be necessary, to make ante mortem inspections under such circumstances.

Mr. ELLENDER. I call the attention of the Senator from West Virginia to page 8, line 21, where the last phrase reads: "inspection of poultry about to be slaughtered as he deems necessary."

Mr. WILLIAMS. That is correct. The inspection would not be on the farm. The committee ruled against adopting an at-the-farm inspection policy for the reason which the Senator from West Virginia has just raised. But, as I pointed out before, there are times when a flock of poultry consigned to a processing plant may be found to be diseased. We recognized the impracticability of inspecting poultry by individual birds. It is physically impossible to do so.

Only 3 pounds of poultry meat are examined on each inspection. That is an entirely different situation from the inspection of livestock. On the inspection of a steer, from 1,500 to 1,800 pounds of meat are involved. But it is necessary to make 500 inspections to cover 1,500 pounds of poultry meat. So, it

was recognized that the bird-by-bird ante mortem inspection was not practicable. Neither was ante mortem inspection at the farm intended.

Mr. REVERCOMB. This discussion has revealed the authority which will be granted to the Secretary of Agriculture to inspect live poultry. A very wide power is given to the Secretary of Agriculture as to when he will inspect, how he will inspect, and where he will inspect live poultry. It seems to me that the very purpose of the bill, namely, to provide pure food, would be accomplished if the inspection were applied to the dressed poultry, and the people who raise poultry were left alone. Most of them are individual farmers who raise small flocks of poultry which they sell, and which mean so much to them in terms of income. If we provide anyone with broad discretion to determine whether those flocks of poultry shall be inspected, I think we provide for a possibility of causing damage to the small farmers. Furthermore, by having the dressed birds inspected, we shall achieve our purpose of having good food placed on the market.

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. The ante mortem inspection would only be made on poultry as it starts through the line and then only under the conditions previously outlined.

The income of poultry farmers is improved as the consumers are given assurance that they will receive a better product and this improved protection certainly will increase the sales.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CURTIS. On page 8 of the bill I see no provision dealing with the poultry as it is about to go through the assembly line to slaughter. I should like to have the distinguished Senator from Delaware state how long a time is meant by the word "about."

Mr. WILLIAMS. Mr. President, if the Senator from Louisiana will yield further to me——

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I agree with the Senator from Nebraska that various interpretations could be made of that provision. All we can state here is the intent of the committee. I believe that from the legislative background, as established both by the hearings and by the discussion on the floor of the Senate here today, Senators will readily be able to determine what the committee intended to have done.

Likewise, our intentions will be clear to the Department of Agriculture. The passage of this bill will be a major step forward for the industry. Later, if the Secretary should go too far afield in administering the law we can take action. The Senator from Vermont [Mr. AIKEN] has pointed out that the Secretary of Agriculture already has similar authority in the case of livestock. I should like to have the Senator from Vermont comment more on that point. I think it is clear that to a large extent we must rely upon the administrative intent of the Secretary.

Mr. AIKEN. Mr. President——

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, in the case of the ante mortem inspection of poultry, the bill will give the Secretary the same authority which he now has in the case of livestock, such as cattle, sheep, and hogs. The Secretary now has such authority in the case of red meat inspection, although the post mortem inspection is what really counts.

Mr. WILLIAMS. There have not been abuses with respect to their administration of the other programs, so we have no reason to expect that there will be abuse in this case.

Mr. CURTIS. But under the bill we would be giving the Secretary power to abuse the authority; would we not?

Mr. REVERCOMB. That is the point.

Mr. CURTIS. We would be giving a Government agency authority to inspect on the farms—which could mean every chicken coop and farmyard in the country.

Mr. WILLIAMS. That is not my intention as a supporter of this bill and as one member of the committee which reported it.

Mr. CURTIS. That could happen if the farmers wished to sell to processors who would handle the poultry in interstate commerce.

Mr. ELLENDER. Mr. President, I wish to point out that the language appearing on page 8, in line 21, is specific. It will not give the Secretary of Agriculture the right to inspect every poultry yard throughout the country. He will have that right only in cases where the poultry is about to be slaughtered.

One point which has not been brought out thus far is that many poultry diseases can better be discovered by ante mortem examination, rather than post mortem.

In addition, there was testimony to the effect that those who work in the slaughterhouses may catch diseases by handling diseased poultry. For their protection, also, this provision for ante mortem inspection has been included in the bill.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield, so that I may ask a question?

Mr. ELLENDER. I yield.

Mr. CURTIS. Does the word "about," as used in line 21, in the phrase "about to be slaughtered," refer to poultry after it has arrived at the place of slaughter?

Mr. ELLENDER. I would not say so, not exclusively. It could be poultry that was about to be shipped by the farmer to the slaughterhouse. Conceivably it could include poultry which the farmer has agreed to sell to the slaughterer, because it states that the poultry is about to be slaughtered. It is poultry for which slaughter is imminent. Ordinarily it would be poultry which has arrived at the slaughtering plant; but inspection at some prior point is not precluded, so long as the poultry is about to be slaughtered. I do not think there can be any doubt about that. The language is plain.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. AIKEN. I should like to read from the United States Code, on page 2815, title 21, section 71, the paragraph which is headed "Inspection of Meat, Meat Food Products; Examination of Cattle Before Slaughtering; Diseased Animals Slaughtered Separately and Carcasses Examined."

It reads as follows:

> For the purpose of preventing the use in interstate or foreign commerce of meat or food products which are unsound, unhealthful, unwholesome, or otherwise unfit for human food, the Secretary of Agriculture, at his discretion, may cause to be made, by inspectors appointed for that purpose, an examination and inspection of all cattle, sheep, swine, and goats before they shall be allowed to enter into any slaughtering, packing, meat canning, rendering, or similar establishment in which they are to be slaughtered.

Then the paragraph provides for separation of the sheep from the goats, so to speak—and for separation of the sick from the well—and for other purposes.

I have read that simply to show that the pending bill does not provide anything at all which is not already provided in relation to the inspection of livestock.

Witnesses who appeared before the committee apparently had very strong ideas in regard to having inspectors go to the farms and inspect poultry there. But the committee did not agree with them. The committee reported this bill unanimously, as I recall.

Mr. REVERCOMB. Mr. President, at this point will the Senator from Louisiana yield to me, to permit me to ask a question of the Senator from Vermont?

Mr. ELLENDER. I yield for that purpose, provided I may do so without losing the floor.

Mr. REVERCOMB. The Senator from Vermont said witnesses before the committee urged against inspection on the farms, and the Senator stated that the committee took a different viewpoint. Where in the bill is that different viewpoint set forth? Under the language of the pending bill, does the Secretary of Agriculture not have authority to send inspectors anywhere, to make the inspection? His inspectors could make inspections on the farms, could they not?

Mr. AIKEN. Certainly, the same as in the case of cattle, swine, or sheep, if they are offered for slaughter. I am not sure that under the provisions of the pending bill the inspectors would have the right to go onto a farm unless the poultry on the farm were being offered for slaughter. I do not think the Secretary of Agriculture would have such authority.

Mr. ELLENDER. That is the way I interpret the language to which I referred. It is very plain.

Mr. REVERCOMB. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I think the purpose of the bill is good; I wish to make that statement.

But will the Senator from Louisiana, the chairman of the committee, who is in charge of the bill, not be willing to have it provide that the inspection shall be an inspection of the dressed poultry; and will he not be willing to leave out of the bill any reference to inspection of live poultry? I think that would make the bill much more definite.

Mr. ELLENDER. Mr. President, a poultry inspection bill was under discussion during the last session of the 84th Congress; and last year the Senate Committee on Agriculture and Forestry devoted a considerable amount of time to this problem. We did so again this year. We held hearings; and we held additional hearings on almost similar bills. A number of able Senators introduced three separate bills. We had them, 3 of the principal sponsors of these 3 bills, get together, work out a bill which would be acceptable to them, as well as to the Department of Agriculture and to the Food and Drug Administration.

As I said in my previous statement, personally I was surprised but pleased to note that they came out of conference with a unanimous agreement. In addition, both the Food and Drug Administration and the Department of Agriculture have approved this measure.

There was much give and take on each side. The distinguished Senator from Georgia had his own bill. The distinguished Senator from Minnesota had his own bill, as did the Senator from Vermont and many other Senators. There was a unanimous report among them. It is true that the bill may not meet exactly the views of some Senators, but it is the best that can be obtained. I am saying to the Senate that I believe every safeguard possible has been placed in the bill. As the distinguished Senator from Delaware has just stated, if there should be any abuse for the authority proposed to be given to the Secretary of Agriculture, the Congress could take further action at almost any time.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. REVERCOMB. Let me ask the Senator if it would not serve the purpose of insuring healthy meat to remove completely from the bill the provision for the inspection of live poultry, and thereby strike from the bill the unlimited power given to a department of Government to make an inspection of live birds anywhere it wants to, if it is so desired to do? Could not the purposes of the bill be served by deleting the provision for inspection of live poultry, and merely provide for inspection of dressed poultry? Will the Senator not concede that is a correct statement?

Mr. ELLENDER. That proposal was considered by the committee, I may say to my good friend from West Virginia.

Mr. REVERCOMB. I may say to my good friend from Louisiana there are a number of us who would like to vote for the bill, but he is making it impossible for us to do so.

Mr. ELLENDER. The bill was considered in the light of the objection which the Senator is now suggesting, and, as I stated, all those factors were considered. As chairman of the committee—and the committee agreed with me—I suggested having the proponents of the three bills sit together with the attorney from the Department of Agriculture, the Deputy Administrator of the Food and Drug Administration, and others interested in the bill. The result was the bill which is now before the Senate. I really believe it is a good bill. It will serve the purposes for which it is sought to have it enacted.

May I say to my good friend from West Virginia that a number of amendments may yet be proposed to the bill.

Mr. REVERCOMB. I am looking forward to them.

Mr. ELLENDER. If there are any abuses by the Secretary of Agriculture, I will be one of the first to try to correct them. As I stated, the provision in the bill to which reference has been made does not, in my humble judgment, give the Secretary of Agriculture the right to go on any farm and inspect individual flocks unless they are about to be slaughtered. In my humble judgment, the Secretary will find it convenient to have the inspection made at the place where the poultry is brought to slaughter. That is my personal opinion.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Georgia, who is a poultry expert from his State, and the author of one of the bills. I am sure he can shed light on the subject.

Mr. TALMADGE. I thank the Senator, but I do not pretend to be a poultry expert. However, I am proud and happy to represent in part a State that produces about one-ninth of all the broilers produced in America, to the extent of something like 234 million chicks a year.

I should like to say to my distinguished friend from West Virginia that when we drafted the bill we were trying to keep in mind a piece of legislation that would be fair to the consumers and provide for them adequate and nutritious meat. We tried also to keep in mind the processors and not to place on them undue hardships or burdens in their efforts to process poultry and make it available to consumers. We tried also to keep in mind employees who work in plants and handle birds which may be diseased. We tried also to remember the farmers who produce the birds, and attempted to make the bill fair to that great mass of people.

For those reasons, we provided great discretionary authority in the Secretary of Agriculture. Because we are undertaking a program which heretofore has not been mandatory, but purely permissive, we thought it was necessary to draft legislation that would place discretionary power in the Secretary of Agriculture, so that the situation could be adjusted from time to time to meet the needs as they might arise.

With reference to ante mortem inspection, sometimes, though not often, flocks of birds become diseased. I believe in recent years there have been instances of poultry becoming affected with the disease called psittacosis that has adversely affected the consumer, and, I believe in some cases, employees in the plants affected.

If I am correctly informed by the authorities, psittacosis can best be diagnosed prior to the time a bird is slaughtered. If the processor discovers a diseased flock, the Secretary of Agriculture, or his inspector, who would be his agent, is given authority to inspect live birds. Normally, the inspection will take place at the premises of the slaughtering plant, where the farmer delivered his birds to be slaughtered. But if a flock is found to be infected, there is no reason why the inspector should not go to the farm of the man who raised the particular flock and inspect the birds there.

That is the reason for providing the ante mortem inspection, and the sole reason therefor.

I thank the Senator from Louisiana for yielding to me.

Mr. REVERCOMB. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. The statement of the able Senator from Georgia was very informative and enlightening, but I put the question to him: Cannot the needed protection be afforded to persons who consume poultry by providing inspection of dressed poultry, instead of regulating flocks and interfering with the farmers who raise chickens and turkeys, and giving this broad power to the Secretary of Agriculture? I have the greatest respect for the Secretary of Agriculture, but I question giving such broad authority to any administrative officer. Does the Senator not realize the harm which could result from an abuse of such power when the Congress hands it to an administrative officer? I put the question again: Cannot the consuming public be protected by inspection of dressed birds, rather than by regulating the farmer who raises the birds?

Mr. TALMADGE. Mr. President, will the Senator from Louisiana yield so that I may answer the Senator from West Virginia?

Mr. ELLENDER. I yield.

Mr. TALMADGE. As I understand, some ante mortem inspection is necessary for two reasons. First, some diseases in birds can be best ascertained prior to death rather than by inspection of the carcass after death. Secondly, if there is no provision made whatever for ante mortem inspection, then the persons who are employed in processing plants would come in contact with the birds without having an opportunity to become aware of the fact that the birds are infected, until they are actually processing them. Therefore, employees of processing plants would not be protected.

Mr. REVERCOMB. Mr. President, will the Senator from Louisiana yield to me for one more question?

Mr. ELLENDER. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I put this question: To what extent have persons working in processing plants been disabled by or have contracted diseases?

Is that occurrence widespread or is it de minimus?

Mr. TALMADGE. In answer to the question, some of the witnesses who appeared before our committee contended that it was widespread. I do not think it has been very widespread.

But certainly I do not think we ought to pass an inspection bill which does not give the Secretary of Agriculture some authority, so that when it is made apparent that birds may be diseased there may be some degree of inspection prior to the slaughter of the birds.

It is not expected that such authority will be very widely used, because we do not think the Secretary of Agriculture will abuse his discretion in this matter. Certainly with regard to the red meat industry, where the same type of discretion has been permitted, there have been no complaints on the floor of the Senate that such discretion has ever been abused.

I thank the Senator from Louisiana.

Mr. ELLENDER. Mr. President, as I stated a moment ago, the Senate Committee on Agriculture and Forestry heard much testimony in June of 1956 on a similar bill which was reported to the Senate.

Among the witnesses who testified—only one of many witnesses—was Shirley W. Barker, director, poultry department, Amalgamated Meat Cutters & Butcher Workmen of North America, AFL–CIO, of Chicago, Ill.

I quote from Mr. Barker's testimony, as found on page 99 of the hearings:

> Only 3 months ago, the Portland, Oreg., area was in the throes of a severe psittacosis, or parrot fever, epidemic caused by turkeys. Two persons died and 62 became extremely ill. Many of these men and women were members of the AMCBW who work in poultry plants.
>
> The entire poultry industry suffers because of the lack of regulatory standards of sanitation and wholesomeness.

Mr. WILLIAMS. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield to the Senator from Delaware.

Mr. WILLIAMS. I should like to make a comment on the question of the Senator from West Virginia.

My understanding is that there have been but two outbreaks of such poultry diseases in this country, one in Oregon and one in Texas.

Mr. REVERCOMB. Only two?

Mr. WILLIAMS. Only two. However, this is a disease which is communicable to human beings and may be injurious to them. That was the information we received from witnesses before the committee. One never knows when the disease is going to break out again. The Secretary of Agriculture felt that, in order to protect employees and all concerned, some ante mortem inspection authority is necessary.

I agree with that; however, at the same time I do not intend that the authority granted should be misused.

I may say, in connection with psittacosis—the disease which occurred in Oregon and Texas—that there are two bills relating to this subject, pending before the committee now, both of which I understand are supported by the Department of Agriculture. One was introduced by the Senator from Louisiana [Mr. ELLENDER], the chairman of the committee, and the other is a bill I introduced several days ago. These bills provide separate authority to the Secretary of Agriculture whenever there is an outbreak of psittacosis—anywhere in the country, whether is be Oregon, Texas, Delaware, West Virginia, or anywhere else, to go into the area, quarantine it, condemn and kill all the poultry on any farm affected, and compensate the farmer for the destroyed birds. In other words, the program would be handled in the same manner in which the program covering the hoof-and-mouth disease, which affects the cattle industry, has been handled.

It is the intention of both these other bills to give the Secretary of Agriculture adequate authority to eradicate this disease before it becomes more prevalent. Both bills would compensate the farmer for any condemned or destroyed birds.

I am confident the committee will report to the Senate some such proposed legislation.

Mr. REVERCOMB. Mr. President, will the Senator yield to me for a moment?

Mr. ELLENDER. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I heartily agree that where there is an outbreak of psittacosis or any other such disease in poultry, which becomes dangerous to mankind, there ought to be the power to control it. I should think perhaps there should be provided direct power to enable the Secretary to step in, quarantine the whole area, and destroy the diseased birds.

That is not the point here. One cannot argue on the basis of two occurrences in the country, as to which some provision certainly ought to be made, that we should place in an administrative officer of the Federal Government unlimited power, virtually to control by inspection the poultry on a man's farm.

It is argued that the inspection is to be made at the plants. There is nothing in the bill to require that. The discretion is broad enough to permit the Secretary to go anywhere to inspect poultry. That is why I urge the able Senator from Louisiana to remove this broad power, from the bill and, if necessary, write another provision in the bill, whereby where psittacosis, or any other such disease of poultry, is found, the Secretary of Agriculture shall be given authority to quarantine and condemn the poultry of the area involved.

But that is not the question, if I may so state to the able Senator. We have here a question of broad discretion, which is unlimited, which permits the Secretary of Agriculture, if he so wishes, to go to the farm of the poultry raiser and control his flock.

Mr. ELLENDER. Mr. President, I may say to my good friend from West Virginia that, as I stated before, there were three bills before the committee for consideration. One of the bills contained a provision which made it absolutely compulsory on the part of the Secretary to make the inspections. Some people have even suggested that there should be a bird-by-bird inspection.

The pending bill is a happy compromise reached by those who are interested in legislation on this subject.

I refer again to the language on page 8, line 21, which refers to "poultry about to be slaughtered." It does not require the Secretary of Agriculture to do the inspection bird by bird, but only "as he deems necessary."

Mr. CURTIS and Mr. WILLIAMS addressed the Chair.

Mr. ELLENDER. I yield to the distinguished Senator from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. President, I regret to say I disagree a little bit with the distinguished Senator from West Virginia. I am inclined to think that if the bill is to pass it ought to provide for ante mortem inspection.

I am wondering—and I ask this as a question—what protection the consumers will be deprived of if the inspection is made at the point of processing and slaughtering. I believe it is correct to say that poultry diseases can appear very suddenly. A flock under contract to be purchased can be inspected, found not to be diseased, and yet be found to be diseased by the time the flock is run onto the line of slaughter.

Why not remove this entire area of concern by having the ante mortem inspection at the point of slaughtering? I ask that question.

Mr. REVERCOMB. Mr. President, will the Senator from Louisiana yield so that I may answer that question?

Mr. ELLENDER. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Would the Senator from Louisiana be willing to write language into section 6, subsection (a), which would definitely provide for ante mortem inspection at the plant, and would that meet the purpose of the able Senator from Nebraska?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. Mr. President, I think the language would be superfluous. I do not believe that the Secretary is going to promulgate rules and regulations which will require agents to go about the country and inspect each poultry flock. It is my humble judgment that all of the inspection will be done at the plant. I do not think there can be any question about that.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. Let me say to the Senator that if he would accept the amendment suggested, which would definitely provide that the inspection should be at the plants, certainly he would remove a part of the objection which is being voiced on the floor of the Senate today.

Mr. WILLIAMS. I would have no objection to such an amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I suggest that if there were an epidemic in the community, the inspection ought to be made before the birds reached the plant. Otherwise the

entire plant might be quarantined, and the producers of sound birds, as well as the producers of unsound birds, would lose their market or be compelled to go to a more distant market. Possibly they would not even be permitted to do that.

The bill has been worked over by the various poultry associations and the farm organizations, including the National Grange and the Farm Bureau. As I understand, the representatives of those organizations hoped that no amendments would be made to the bill—not that it would turn out to be a perfect bill, because there will probably be some flaws in it. That frequently happens in legislation.

Mr. REVERCOMB. We are trying to cure the flaws now.

Mr. AIKEN. If the representatives of the various farm organizations are all happy, let us keep them happy.

Mr. ELLENDER. Mr. President, I do not know of any objection to the bill as it was presented to the Senate, by any of the witnesses who appeared, except a few who desired bird-by-bird ante mortem examination. We objected to that. We thought that not only would it be too expensive, but that possibly it would involve an infringement on the rights of the farmers to some extent.

Mr. AIKEN. The Senator will recall that some of the witnesses who desired bird-by-bird inspection, even on the farm, also wanted the inspection work to be transferred to the Food and Drug Administration, and taken away from the Department of Agriculture altogether.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I know that there is almost universal support for the bill. We were trying to get it through without amendment. However, I would not be concerned over the proposal of the Senator from West Virginia [Mr. REVERCOMB], because it was clearly my understanding that that was the manner in which the inspection would be made, and that the bill did not contemplate farm-by-farm inspection. I believe that in the case of an epidemic, a different situation would exist. Such a situation will be dealt with in the bill which is now pending before the committee, and which was introduced by the Senator from Louisiana [Mr. ELLENDER], as well as in the bill introduced by myself, which would give the Secretary of Agriculture, when such a situation arose, authority to quarantine an entire area. Pending the lifting of the quarantine, during which time the Secretary would be authorized to destroy diseased birds at the farm and compensate the farmer for them, there would be mandatory ante mortem inspection at the farm for every flock. That inspection would continue until the quarantine was lifted, or until the disease could be eradicated.

Mr. REVERCOMB. No one could object to that.

Mr. WILLIAMS. I think such a situation would be handled under the terms of the next bill. However, I have no objection to the suggestion of the Senator from West Virginia. It was definitely my understanding that that would be the manner in which the inspection would be done. Of course, it is up to the chairman of the committee.

Mr. ELLENDER. Mr. President, of course the chairman of the committee has no authority to agree to any such amendment. The bill comes from the committee with a unanimous report. I shall be glad to consult with other members of the committee with respect to any amendment suggested, as to whether or not it should be accepted.

As was stated by the distinguished Senator from Delaware, during the discussion last year and again this year—particularly this year—it was felt that under the rules and regulations promulgated by the Secretary of Agriculture the inspection would be made at the plant. That is the practical place to make it.

Mr. REVERCOMB. Mr. President, will the Senator yield to me at this time to permit me to offer an amendment to the bill?

Mr. ELLENDER. That is the Senator's privilege. I yield for that purpose.

Mr. REVERCOMB. I offer an amendment in section 6, subsection (a), in line 21 on page 8, after the words "of poultry about to be slaughtered" to insert the words "at the processing plant," so as to read: "of poultry about to be slaughtered at the processing plant as he deems necessary."

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. If the bill proposed by the Senator from Louisiana at the request of the Department of Agriculture and the bill proposed by the Senator from Delaware were in effect, there would not be the slightest objection to the amendment offered by the Senator from West Virginia. It would be wholly in keeping. However, the legislation which has been proposed has not yet been reported by the committee. If it were to become law, it ought to be possible to quarantine diseased poultry, in the same manner as diseased livestock are quarantined.

Mr. WILLIAMS. Of course, we can never say with certainty what proposal will become law. Nevertheless, I know that the Department of Agriculture has endorsed the principle referred to, and has sent word to the chairman of the committee to that effect. I have every reason to feel that the proposed legislation referred to will become law. Such a provision could be offered as an amendment to the pending bill. However, I believe that two separate problems are involved, and that they should be handled separately. It is my intention that the law should be administered as indicated by the Senator from West Virginia. Therefore I have no objection to his amendment.

Mr. ELLENDER. My understanding is the same as that of the Senator from Delaware. However, it was felt by some that it would be best to give the Secretary of Agriculture as much leeway as possible.

The PRESIDING OFFICER. The amendment offered by the Senator from West Virginia will be stated.

The LEGISLATIVE CLERK. On page 8, line 21, after the word "slaughtered," it is proposed to insert "at the processing plant."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. REVERCOMB].

Mr. ELLENDER. Mr. President, I have just consulted with our counsel, and he suggests that if an amendment is to be made to that section, it would be best to insert it in the same line, after the word "inspection."

Mr. REVERCOMB. I have no objection.

Mr. ELLENDER. So as to read: "make such ante mortem examination and inspection at any official establishment of poultry about to be slaughtered as he deems necessary."

Mr. REVERCOMB. I agree to that modification.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from West Virginia [Mr. REVERCOMB].

The amendment, as modified, was agreed to.

Mr. CURTIS. Mr. President, will the Senator yield on another point?

Mr. ELLENDER. On what point?

Mr. CURTIS. Who is to do the inspection? Will it be the Federal Government or the State government?

Mr. ELLENDER. It will be done under the supervision of the Federal Government.

Mr. CURTIS. Who will pay for it?

Mr. ELLENDER. It will be done by Federal or State employees under the direction of the Department of Agriculture.

Mr. CURTIS. Is a fee to be charged, or will the cost be met by appropriation? Who will bear the expense of administering the law?

Mr. ELLENDER. The entire cost will be borne by the Department of Agriculture. There is only one exception. In case of overtime, the overtime will be paid for by the establishment requesting it.

Mr. CURTIS. In any instance will there be any expense on the part of the States?

Mr. ELLENDER. There will be none.

Mr. CURTIS. Then what is the meaning of the provision that the inspector must be an employee of the State or Federal Government?

Mr. ELLENDER. Inspection will be performed by either State or Federal inspectors as authorized by the Department of Agriculture. The committee decided that State inspectors could be used, if authorized by the Department of Agriculture. In other words, the Federal Government will have charge of designating the rules and regulations for the inspection, and the Department of Agriculture will have jurisdiction over all inspectors, whether they be State or Federal.

Mr. CURTIS. If the distinguished chairman will yield further on that point, would any State be called upon to furnish more State employees to administer the law?

Mr. ELLENDER. Not unless the Secretary of Agriculture deemed it necessary. All inspections are to be under the

authority of the Department of Agriculture, and must be done under the supervision of the Department by inspectors who are designated by the Department of Agriculture. The Department may designate State employees pursuant to cooperative arrangements with the States involved.

Mr. CURTIS. If the Senator will yield further, I should like to say the reason I bring up the point is that at the present time classifying someone as a State employee involves a little more than it used to involve. It not only involves certain supervisory expenses and bookkeeping expenses and payroll expenses within the State, but also employment taxes, whether they be for social security or for civil service retirement purposes. All those matters come into consideration. Therefore I would be inclined not to favor making the inspectors State employees, but rather provide that they should be Federal employees even though they had other employment for the State.

Mr. ELLENDER. I may say to my good friend that I indicated a moment ago that this whole inspection service will be under the jurisdiction of the Department of Agriculture and that whenever State employees are used they will be under the jurisdiction of the Department of Agriculture, and the State government will be reimbursed for their salaries and expenses by the Department.

Mr. CURTIS. Including their employment taxes?

Mr. ELLENDER. All costs.

Mr. CURTIS. I thank the Senator.

Mr. ELLENDER. On page 22, line 15, I call the Senator's attention to the wording:

> The cost of inspection rendered under the requirements of this act shall be borne by the United States.

That is what I was trying to emphasize. Of course any arrangement has to be satisfactory to the State, or the State will not enter into the arrangement. Are there any further questions?

The PRESIDING OFFICER (Mr. CHURCH in the chair). The bill is open to further amendment.

Mr. COOPER. Mr. President, may I ask the distinguished Senator a question?

Mr. ELLENDER. I yield for a question.

Mr. COOPER. I call attention to page 19 of the bill, particularly to section 16 (1).

Previously I asked the distinguished Senator if a farmer would be permitted to sell directly to a household consumer, and the Senator pointed out that the bill permitted such sales. I should like to ask whether a farmer could sell to a processor or to a retail store.

Mr. ELLENDER. Does the Senator refer to live poultry?

Mr. COOPER. Yes.

Mr. ELLENDER. Of course he could.

Mr. COOPER. I call the Senator's attention to page 19, which contains a very specific provision. The Secretary is authorized to exempt from specific provisions of this act "(1) poultry producers with respect to poultry of their own raising on their own farms which they sell directly to household consumers only."

Does the section permit sales to retail stores or to processors who are engaged in interstate commerce?

Mr. ELLENDER. There is no restriction at all with respect to selling live poultry. The bill applies only to slaughtered poultry. The exception provides that poultry which has been raised on a farm by a farmer may be killed on the farm and then sold directly to the consumer.

Mr. COOPER. I understand that as an exception.

Mr. ELLENDER. He cannot sell it in interstate commerce for resale or to a store. He can sell live poultry if he wants to, but the restrictions apply to slaughtered poultry.

Mr. COOPER. I should like to ask a further question. As I understand, an amendment was adopted a very short time ago which provides that inspections shall be made at the place of business of the processor. What is the objection to a farmer cleaning his own poultry and selling it to a processor if the inspection is to take place there?

Mr. ELLENDER. That might destroy the act, I say to my good friend. The inspection of slaughtered poultry must be done at certain plants whose functions are regulated by the Department of Agriculture. They must meet certain standards of sanitation, and things of that kind.

Mr. COOPER. I understand the reason for the provision. But I wanted to ask the questions so that the matter will be clear. These questions have been directed to me by farmers in my State, and I wanted to have the answers in the RECORD. So far as dressed poultry is concerned, a farmer can sell only to a household consumer. Is that correct?

Mr. ELLENDER. The Senator is correct, that is, without inspection. Any farmer of course can obtain inspection and sell in interstate commerce to anyone.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. Does the present budget embrace an item of $4,750,000 for the fiscal year 1958 to cover the cost of the operation if the bill is passed?

Mr. ELLENDER. All of the expenses will be borne by the Federal Government. The money will have to be supplied through appropriation. This will be a new appropriation item since the present appropriation provides only the administrative costs of inspection, while the cost of the inspection itself is now borne by the processors.

Mr. LAUSCHE. I refer the Senator to page 7 of the committee report:

> The Department of Agriculture has estimated the initial cost of the program provided by the bill at $4,750,000 for fiscal year 1958, and the cost for fiscal year 1959 as $7,750,000 to $10 million.

Mr. ELLENDER. As I stated in my opening remarks, the Department of Agriculture can start immediately, but a processor cannot come within the purview of the act for the purpose of obtaining free inspection service until January 1, 1958.

Mr. LAUSCHE. That will be within this fiscal year.

Mr. ELLENDER. The Senator is correct, within the fiscal year beginning July 1, 1957.

Mr. LAUSCHE. Six months of it will be within the present fiscal year.

Mr. ELLENDER. Yes; within the fiscal year beginning July 1, 1957. Thereafter, when the program becomes effective and all the plants come within the purview of the act, the cost will range, as the Senator has indicated, from $7½ million to approximately $10 million. I may state also to my good friend from Ohio that it is entirely possible that the service may cost even a little more than $10 million, depending on the number of areas which may be designated under section 5 of the bill.

Under the bill the Secretary of Agriculture has the right to designate areas for regulation. Whether the inspection costs will increase or not will depend on the number of areas which are authorized.

Mr. LAUSCHE. Am I not correct in saying that the provision of the bill will be in effect mandatorily for one-half of fiscal year 1958, and that, according to the figures contained in the report, the minimum expense during that time will be $2,375,000, and that that money is not included in the budget?

Mr. ELLENDER. The mandatory inspection provision will not take effect until January 1, 1959. Therefore, it is hard to state what the cost will be, because poultry producers can come under the law prior to that date if they desire to, but need not do so. The figure in the committee report was the Department's best estimate.

Mr. LAUSCHE. I may suggest that it is not a good Government policy for Congress to establish a program which will entail an expense of $7,750,000 in 1959, while saying to itself, "It is not our responsibility to provide the money. We will establish the obligation; let the Congress of 1959 worry about where the money will come from."

Mr. ELLENDER. The Congress in 1959 can take the act and throw it through the window, if it wants to. It does not even have to appropriate the money, if it does not want to.

Mr. LAUSCHE. I have observed in my experience that very frequently legislative bodies fix a responsibility upon the Government to spend money and then try to escape the odium of their act by saying, "Let a future Congress appropriate the money needed to finance the act." I do not think that is good governmental policy. If Congress enacts a law, it ought to make certain that the money will be provided, or else abandon the project.

Mr. ELLENDER. The reason for postponing the effective date, if the Senator will read the report, is that the industry is not ready to have poultry inspection made compulsory. It will take some time to do that. That is why there is the postponement. That is the sole reason for it. As I said, the bill is only an authorization, nothing else.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Not only is the industry not ready for compulsory inspection, but the Department of Agriculture is not ready for compulsory inspection. The Department does not even have the number of trained personnel it will need for the poultry-inspection program.

The bill provides that those who wish to come under the law as of January 1, 1958, may do so; and if they so volunteer, then all the provisions of the act will apply. We have no way to know how many will come under the act. That is as the Senator from Louisiana has explained the bill.

Then the Senator pointed out that by January 1, 1959, the Government will be prepared to undertake its inspection, the industry will have had adequate notice to prepare itself for inspection, and the act will then come into full force.

We cannot appropriate money at this session of Congress for the 86th Congress. This is the 1st session of the 85th Congress. We cannot appropriate money this year for a program 2 years ahead. Congress makes annual appropriations. What Congress is providing this year is appropriations for fiscal 1958, not for fiscal 1959. Practically every statute on the books has an authorization which is a kind of moral commitment for a future Congress to make the appropriation, but there is nothing mandatory.

Congress could cancel the Federal Highway Act tomorrow morning if it so desired. No Congress can bind another Congress except in terms of what seems to be a good plan or a moral commitment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. The distinguished chairman of the committee will recall that during the hearing on the bill, or the series of bills, there appeared the secretary of the legislative poultry interim committee of the Florida State Department of Agriculture, backed by several representatives of our poultry industry. They expressed a complete willingness to cooperate with the Federal Government in any proper inspection law. They expressed, as I recall, the feeling that Federal inspection would, in many instances, cheapen the cost of the inspection service now rendered by the State of Florida, which begins when the poultry shipped into our State comes to rest.

The only thing they requested was that the State poultry inspection agency, where there is such an agency, shall have the responsibility of making the applications for hearings by the Secretary to determine areas to be designated under the bill.

Because so much of our poultry, especially in the vacation season, comes from other States, in order to safeguard our visitors, as well as ourselves, we have had a very active and a very capable inspection service for many years. The point made by these officials was that before any area should be designated as an area affecting interstate commerce under the bill, it should have some consideration in the matter. It was thought that the best way to handle that would be that the application should be made by the State agency itself, if there was a State agency. I understand the bill as redrafted by the committee has embodied that feature.

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. That provision appears in section 5, beginning on line 18, and reads:

> The Secretary is authorized, upon application of the State agency, if any, having responsibility for administering and enforcing State poultry-inspection laws—

It then continues to cover other situations where there is no State agency.

Mr. ELLENDER. The Senator is correct. In my opening statement, I pointed that out very plainly. We have covered the situation which was discussed by the Senator, as well as by the persons who came from Florida as witnesses.

Mr. HOLLAND. It appears to me—and I did not sit in on the redrafting of the bill—that the request of the Florida Inspection Service and the Florida poultry industry has been completely met. Is that the understanding of the distinguished chairman of the committee?

Mr. ELLENDER. Yes, the Senator from Florida is correct.

Mr. HUMPHREY. I can reassure the Senator from Florida that that is exactly why this language was included in the bill.

Mr. ELLENDER. I believe the language was submitted to the Senator from Florida before the Senators who had charge of the bill and who redrafted it took action.

Mr. HOLLAND. I appreciate the action of the subcommittee and the full committee. I may say there is no disposition on the part of the Florida Poultry Inspection Service to interfere with the setting up of the Federal service. On the contrary, as I have already stated, if the inspection takes place at the point of origin and the point of preparation of the poultry to enter into interstate commerce, their costs might very well be reduced. Also, there would be the assurance, before the heavy transportation cost was added, that the poultry had met the most rigid standards of inspection, which is what we have applied in our State, and very necessarily so, as Senators can understand.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I merely wish to comment on the previous point raised by the Senator from Ohio although I think the Senator from Minnesota has pretty well answered his question.

Under existing law we do not have mandatory inspection; we have voluntary inspection programs, under which the inspection fees are paid by the industry.

Representatives of the Department came before the committee and testified to the effect that they wanted the inspection mandatory and transferred to the Federal Government, with the Government paying for the inspection, the same as it does in the case of the other meats. This was on the basis that those men who make the inspections are now on the payroll of the industry and therefore more subject to industry orders. The Federal Government wanted the inspectors to be employees of the United States Government and not to be employees of the plants. It was pointed out to the committee that with respect to all food inspection, both as to red meats and other types of food inspection, the Federal Government itself insists that the inspectors be Government employees or State employees, paid by the Government, and not subject to being fired by the private industry.

Therefore, the bill was drafted on that basis. It regulates food inspection activities from the standpoint of the consumer, rather than from the standpoint of the industry.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield, to permit me to make a statement?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. I should like to say to my colleagues that I have not received from anyone in Ohio connected with the industry any communications in which the passage of a bill of this type is requested.

One agency has asked for my support; it is the meatcutters union.

In Ohio we have inspection. What bothers me is this: After the Federal Government has inspected in the processing plant, what insurance will there be that the consumers will be sold healthy food which is free from pollution or contamination which might occur after the food left the processing plant, but before it reached the hands of the consumers?

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield, to permit me to make a statement at this point?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I may say that in our State, for instance, we do not propose to abandon our Florida pure-food inspection service, which has the right to inspect any food destined for human consumption, and which does do so when there is any question at all of spoilage or anything of that kind. Likewise, we do not propose to abandon our Florida inspection of the operations of our poultry producers, who are many, and who in the off seasons of the year produce nearly enough to supply our own market.

But we feel that Federal inspection at points of large production, points at which large quantities of poultry enter into interstate commerce, will, first, guarantee that our poultry sources will not be diseased sources and will not be sources which should never provide products entering into human consumption, and will also simplify our problems of inspection within the State. We shall still have the right to inspect after the poultry comes to rest and is being offered to consumers. But we feel that in the last analysis the consumer will be much better protected and we will be much better protected, because no matter how carefully we inspect at the Florida end, we do not know the condition of the poultry at the time of its preparation in the evisceration plants.

So we are strongly in favor of Federal legislation, without having any intention at all of abandoning either our own State inspection service or our own pure food inspection service; and we think there is adequate assurance that the public will be better protected and that there will be better protection for the shippers, at the point of origin. Let me say that I see on the floor at this time the Senator from Georgia [Mr. TALMADGE], and I have in mind the large quantities which come into our State from, let us say, his State of Georgia; and I believe that his State of Georgia is one of the largest, if not the largest, producers of poultry. From our experience we believe that it is in the interest of his State, as well as in the interest of our own State, that the inspection be broadened, so as to assure us, at least, of the proper condition of the poultry at the time when it was prepared for shipment and at the time when it entered into interstate commerce.

Mr. LAUSCHE. I thank the Senator from Florida very much.

Then I understand that there will be a duplication. I understand that in order that Ohio may make sure that its consumers will obtain healthy food, Ohio will have to have inspection made, in order to make certain that from the time when the food left the processor until the time when it reached the consumer, it did not become contaminated.

Mr. HOLLAND. I would not go that far, because I think probably in Ohio, as well as in Florida, the principal problem in the case of poultry which has passed Federal inspection will be in regard to how it has been transported and whether it arrives in good condition.

As the Senator from Ohio knows, no matter how carefully the poultry is prepared, if the freezer, for instance, happens to fail to function, or if anything else which would result in spoilage happens, the pure food inspectors have a job to do.

But so far as the poultry processors themselves are concerned, they say they can be surer of the soundness of the poultry at the time when it was prepared if there is on duty there a Federal inspector who will issue the certificates from time to time.

Therefore, we believe there will not be a complete duplication. The pure food inspection occurs now. Our inspectors do not function only at the level where the food is offered, but they function for the benefit of our own poultry producers at the places where the poultry enters into commerce; and they will continue to do so.

Mr. TALMADGE. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. TALMADGE. I should like to say to my distinguished friend, the Senator from Ohio [Mr. LAUSCHE], that we have food and drug laws; and as soon as the inspected poultry leaves the official establishment, it comes under the jurisdiction of the pure food and drug laws. If any contaminated food goes into Ohio, Oregon, California, or Georgia, it then becomes subject to the Federal food and drug laws; and, in addition, if it comes to rest in the State of Ohio, it is also subject to the jurisdiction of the laws of the State of Ohio regarding the subject. So there is dual protection of the consumers; there is the protection afforded by the Ohio laws, and there is the protection afforded by the Federal food and drug laws.

Mr. CARROLL. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARROLL. I should like to ask a question in regard to the pending measure. I have received two telegrams—one from Dr. Roy L. Cleere, the executive director of the Colorado Department of Public Health, and one from Mr. J. Robert Cameron, the director of the division of environmental sanitation, in the Denver Department of Health. The telegrams are in regard to the subject now under discussion by the Senate.

If the Senator from Louisiana will permit me to do so, I should like to ask a question of the distinguished Senator from Minnesota [Mr. HUMPHREY]; and in that connection I should like to read the telegrams.

Mr. ELLENDER. I yield for that purpose, if I may do so without losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CARROLL. One telegram reads as follows:

> S. 1747, committee report 195, by Senator ELLENDER, dealing with poultry inspection, embraces some undesirable features not acceptable to this department.

This is the telegram from the Colorado Department of Public Health.

I read further from the telegram:

> It urgently solicits your support in opposing passage. This is marketing, not inspecting legislation. Urge your support S. 1128, by Senator HUMPHREY.

I may say to the Senator from Louisiana that the telegram arrived only 15 minutes ago.

I should like to ask the Senator from Minnesota for his comments. What is the difference between the pending measure and Senate bill 1128? I will not ask which bill is the better; perhaps that would not be a fair question. But what could be the objection by the Colorado Department of Health to this measure?

Mr. HUMPHREY. Mr. President——

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Let me respond to the inquiry of the Senator from Colorado by stating that I think there is as much misunderstanding, on the part of the correspondent from whom the Senator from Colorado has heard, in the case of Senate bill 1747 and its provisions, as there was on the part of some persons who expressed their opposition to Senate bill 1128. As a matter of fact, the departments of health all over the country have been deeply concerned over the inspection provisions of any poultry inspection bill, and justly so—not only as to the inspection provisions as they relate to the producer and processor, but also as to what will be the effective inspection in protecting the health needs and standards of the people. It was to this point that the Senator from Ohio [Mr. LAUSCHE] directed his attention a moment ago.

Senate bill 1747 provides for compulsory post mortem inspection, carcass by carcass. That is about as much inspection as can possibly be written into a law. It provides for ante mortem inspection at the official establishment, as the Secretary deems necessary; and that was all that was provided by any of the three bills which were before our committee at the time when the new committee bill was prepared.

Ante mortem inspection is desired by some in a much broader sense than that provided for by the pending bill.

But it is my view that the inspection services of the Department of Agriculture will wish to protect the public health just as much in poultry matters as they have done in matters relating to other edible products, such as red meat. Therefore, I think this bill gives protection to the consumer. It surely is to the benefit of the producer, and it surely places the processor under much more definite standards of preparing a wholesome product, than those which previously have existed.

So I think the fears of the Colorado Department of Public Health are somewhat unfounded.

Mr. CARROLL. Mr. President, I should like to ask a further question, if the Senator from Louisiana will permit.

Mr. ELLENDER. I yield for that purpose.

Mr. CARROLL. In the telegram coming from the Health and Hospital and Sanitation Section, in Denver, it is stated:

> Inspection should be placed in meat-inspection bureau by law.

Evidently that was a provision of Senate bill 1128.

Mr. HUMPHREY. No, it was not.

Mr. CARROLL. It was not?

Mr. HUMPHREY. No.

As a matter of fact, the argument on the part of witnesses before the subcommittee and the full committee related to whether or not an inspection service pertaining to poultry would come under the meat-inspection service or whether it would have a separate identity of its own. Many of those who are opposed to S. 1128, the bill introduced by the junior Senator from Minnesota, felt that I was trying to put the inspection under the red-meat division, which was not true. What the bill does is provide the Secretary with authority to establish, as he, again, deems fit or necessary, an inspection service for poultry products.

My personal view is that it would be better for the inspection service to come under what is known as the agricultural research services of the Department. Some persons feel it ought to come under the agricultural marketing services of the Department of Agriculture.

Be that as it may, two things are clear. One is that the poultry inspection will not be under the red-meat division. Red meat will have its own inspection service. No. 2, it is equally clear that the poultry inspection division will be a separate inspection service. Whether it be under the agricultural marketing division or under the agricultural research services

division is not of such importance as some persons seem to think it is. I think the most important thing is that there be a poultry inspection service.

I believe the chairman of the committee will agree with me that is what the bill does.

Mr. ELLENDER. The poultry business has grown to such large proportions that I am satisfied it will be necessary, as the Senator from Minnesota has suggested, for the Department to establish a section having to do with poultry inspection.

Mr. HUMPHREY. I think it will have to.

Mr. ELLENDER. It will have to. Poultry inspection cannot be put under marketing or red-meat inspection. In my humble judgment, poultry inspection is going to have to have an administrative section of its own. The Department of Agriculture has full authority, under the bill, to put poultry inspection under any section it desires, because it will come under the general jurisdiction of the Department of Agriculture.

Mr. CARROLL. If the Senator from Louisiana will yield, I desire to thank the Senator from Louisiana and the junior Senator from Minnesota for this very excellent explanation. I intend to vote for the bill. I know the Denver and Colorado health and sanitation authorities will appreciate the explanations given this afternoon and I feel sure that perhaps they did not fully understand the real intent and purpose of the bill. They had very little time to study S. 1747, having received it from me only a few days ago.

Does the junior Senator from Minnesota say, in view of this discussion, that although the bill does not incorporate all the provisions of S. 1128, Senate bill 1747 is a desirable bill and will protect the health of the Nation's consumers?

Mr. HUMPHREY. I think it constitutes very good legislation, and it does incorporate all the provisions of the three bills which were designed to protect the welfare of the consumer and the legitimate interests of the producer.

I will add that the Department of Agriculture's special research personnel in the field of poultry marketing and inspection, as well as public health personnel from the Department of Health, Education, and Welfare, as well as Food and Drug Administration representatives, all sat in the subcommittee, which consisted of the Senator from Georgia [Mr. TALMADGE], the Senator from Delaware [Mr. WILLIAMS], and myself, when we worked out what we call the committee bill. I think it is fair to say there was no objection on the part of any of these health or departmental representatives to the provisions of the bill, and that it represents the purposes we have in mind and the methods we have outlined.

Mr. CARROLL. I thank the Senator.

Mr. CLARK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Pennsylvania.

Mr. CLARK. I thank the distinguished Senator from Louisiana for yielding to me. I should like to associate myself with the remarks made with respect to S. 1128 by the distinguished junior Senator from Minnesota [Mr. HUMPHREY]. I was a cosponsor of that bill. While there were 1 or 2 provisions of that bill which I would have preferred to certain provisions of the bill which was reported by the committee, they were controversial matters, and I think the subcommittee and the chairman of the Committee on Agriculture and Forestry have made a distinct contribution and have brought forth a bill which can be wholeheartedly supported. That, of course, has been the result of careful consideration and many hours of work.

I am sure, Senators, that we are in general agreement as to the need for a compulsory Federal poultry-inspection bill. Hearings held by the Committee on Agriculture and Forestry, both in 1956 and during the present session of Congress, have amply demonstrated the need for a bill that will best serve to protect consumers, farmers, processors, and poultry workers, and at the same time prove meaningful and workable.

We in Pennsylvania have a great concern in this proposed legislation. Pennsylvania is one of the largest poultry-producing States in the Nation. It is estimated that more than $190 million in gross farm cash income was received by Pennsylvania farmers last year from poultry and eggs, which is approximately one-fourth of all gross income derived from Pennsylvania agriculture.

Unhappily, our poultry and egg farmers are suffering a bit of depression. I am hopeful that a Federal inspection act, which will prevent the importation into Pennsylvania of diseased poultry products, will at least give Pennsylvania farmers an opportunity to market their products, under our State inspection laws, in competition with sound poultry products from other States.

Nine of our counties are among the top 100 poultry counties in the United States, and Lancaster County in Pennsylvania ranks third in the Nation in the value of poultry and poultry products.

One of the principal reasons for our outstanding record in the production of poultry for consumption has been the high standards established through Federal and State poultry inspections. We now have 14 poultry processing plants under Federal or State inspection.

Nevertheless, while the major part of the poultry processing industry is doing an excellent job, and Pennsylvania's State inspection program is a good one, it is necessary that there be compulsory Federal inspection. The United States Public Health Service has attributed one-third of all food-poisoning cases to poultry products. We need to be certain that consumers are protected from unwholesome poultry that may be shipped from other areas. Compulsory Federal inspection will, in addition, provide encouragement to the whole poultry industry—which in Pennsylvania at this time certainly needs encouragement.

For these reasons I am happy to support S. 1747. I am hopeful that under the provisions of the bill, as the Senator from Minnesota has said, the Secretary of Agriculture will see fit to make the inspections which he is no longer required to make, but which he is privileged to make. In the same vein, I think the concept of the program would be improved were we to make certain that the departmental agency within the Department of Agriculture responsible for the program were equal in rank and yet separate from the Meat Inspection Branch. However, it is not considered a serious defect in the bill, and so I am happy to support the bill, and I hope many other Senators will support S. 1747.

Mr. ELLENDER. I wish to thank my good friend from Pennsylvania for his kind remarks, but credit for the preparation of the bill goes to the distinguished Senators I named in my opening statement, namely the Senator from Delaware [Mr. WILLIAMS], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Georgia [Mr. TALMADGE]. I held the hearings, but I acted only in the capacity of chairman. I am only too glad to report the fine bill, and I hope the Senate will adopt it unanimously.

Mr. CLARK. I am sure what the Senator from Louisiana has said is true, but I am confident the Senator from Louisiana played a full part.

Mr. ELLENDER. I yield the floor, Mr. President.

Mr. MARTIN of Iowa. Mr. President, I am happy to support S. 1747. I cannot feel it is necessary to plead at length the cause of the broad principles of compulsory inspection of poultry and poultry products. This principle has the support of leaders within the poultry industry, as well as the full endorsement of those who are turning their efforts toward consumer protection.

Actually, compulsory inspection of poultry and poultry products is simply another step in the direction of the movement started 50 years ago when the Federal Government passed the Meat Inspection Act. Following the disclosures that unsanitary conditions were threatening the red-meat industry, the Federal Government stepped in to protect the consumers and the producers of these meats. Although the actual problem of inspecting poultry and poultry products varies greatly from the inspection of red meats, the bill the Senate is considering today carries an established principle as an additional step.

Certainly the poultry industry of the United States, by and large, has given the American consumer poultry that is second to none. We need make no apologies for the quality of poultry sold to the American public. But in any large industry there are marginal producers who must cut corners in order to stay in business. When those shortcuts result in possible endangering of the health and welfare of the American public, the Federal Government has not only the right but the duty to step into the breach. The Hoover Commission recognized this fact when it stated recently that because of the size of the poultry industry, some States could not handle the task of inspection and regulation. The Hoover Commission consequently suggested Federal legislation.

I should like to call attention to two facts regarding S. 1747. First, this bill would fill a gap that has existed for

half a century. When the Meat Inspection Act was passed, poultry and poultry products were not included in the regulatory provisions, because at that time the poultry industry was relatively small. In the last half century, however, great strides have been made in that industry. Today poultry is the third largest source of gross farm income in the Nation. The per capita consumption of poultry for every man, woman, and child in the Nation now exceeds 35 pounds a year. The frozen poultry industry has grown in a truly remarkable way in the last several years. It is only reasonable that certain safeguards should be taken to insure the wholesomeness of the product that is so much in evidence on the dining room tables of the Nation.

The second fact to which I should like to call attention today is the provision of the bill that allocates the responsibility for regulation and inspection to the Department of Agriculture. For 50 years the Department has been conducting the program of the inspection of red meats. I believe I am safe in saying that the handling of this program has been very efficient. The Department of Agriculture has rendered outstanding service in the interests of both the producer and the consumer, not only in the program of red meat inspection, but also in the voluntary poultry inspection program. The Department has the organization, the trained personnel and an established procedure, that will enable it to take over these new administrative duties with a minimum of disruption to the flow of interstate commerce. In these days, when we are making every effort to economize in Government, and to avoid the cost of duplicating programs in the various agencies of Government, it is both logical and wise to keep the regulatory responsibilities for meat and poultry inspections in the same Department. By delegating the duty of inspection the Department of Agriculture, as the pending bill does, we are meeting the goals of efficiency and economy.

Mr. President, the bill we are debating today is needed by the consumer in order to protect the quality of poultry and poultry products he feeds to his family, and it is needed by the producer to safeguard the consistently high quality of the industry itself that has prevailed in the past. I sincerely hope the bill will be passed by the Senate today.

Mr. NEUBERGER. Mr. President, inasmuch as I was presiding over the Senate during much of the discussion of the poultry inspection bill, I did not take an active part in the debate.

However, I desire to express my approval of the bill, and to thank the able chairman of the Senate Agriculture Committee [Mr. ELLENDER] and his associates who have brought the pending proposal before the Senate.

On other occasions I have described to the Senate and to the committee the urgent conditions in Oregon which have made such a bill necessary. So that a few details of the situation in our own State may be brought to the attention of the Senate, I ask unanimous consent that an informative article entitled "Operation Quarantine," from the June 1956 issue of the Agriculture Bulletin, of the Oregon State Department of Agriculture, appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPERATION QUARANTINE

Somehow I never seem to forget one of the stories my dad, who often doubled as country editor and volunteer fireman in those days, delighted to recount. It was about a fire on the edge of our small town.

He'd give us a buildup on the fire call, the volunteers dashing from everywhere to scramble onto the old fire engine and then running madly to the fire scene.

"And what do you suppose was the first thing we saw when we got there?" he'd always preface his punch line. "Why, there was the house in blazes and Ol' Jack tearing up the yard with a big, frosted cake in his hands."

"And that's all Ol' Jack saved from the fire," dad would add. Then he'd chuckle and chuckle as though, having seen, he still could not believe.

LET'S SEE

Now that little story may not seem to have any application to Operation Quarantine. But let's see.

Suppose we call a quarantine a device to put out a fire. Or to keep it from spreading.

Oh, of course Jim Short, M. E. Knickerbocker, Frank McKennon, Kermit Peterson, or the other officials who may sign quarantine orders for the State department of agriculture don't call them fire stoppers. They would tell you a quarantine is a restraining measure, with the power of law behind it, to prevent the introduction or spread of a contagious or infectious disease affecting plants or animals and, directly or indirectly, man.

That is a bit more in line with the dictionary definition. You'll probably prefer it to the fire idea—but we'll get around to that later.

WHEELS THAT REVOLVE

The purpose of this article isn't to be facetious about quarantines. Rather, it is to show you the wheels that revolve when the department finds it necessary to bring quarantine action, and why.

The forces that lead to quarantine sometimes operate like the brakes on your car when you come to a leisurely stop at a red light. For example, the department may get word that the XYZ bug (purely mythical), which has a history of wicked destruction of potatoes in a State on the eastern seaboard, is traveling westward. In fact, it has jumped to just outside the eastern border of a western State.

That's too close for Oregon comfort.

So Frank McKennon, our plant division chief, calls his counterpart in the westernmost State in which the bug has appeared to verify. Yes, it's there all right, and has been for some little period. But it doesn't look like it will come on west—no potatoes around to eat on and they are the only plants on which it feeds. Looks like it has reached its western limits.

SIGHS OF RELIEF

McKennon breathes a sigh of relief. He doesn't want to see the XYZ bug travel into Oregon, because we've got a $10 million potato industry that pest could damage a lot if it got a foothold.

Six weeks later McKennon gets a wire from the neighboring State; the XYZ bug has been found in 6 potato fields in 2 counties. A fast survey shows it apparently has not reached Oregon.

So our plant chief, already armed with exhaustive information about the bug and the damage it can do, draws up an official order. This says Oregon won't permit potatoes from those two counties to come into Oregon unless they are treated under stipulated conditions and with specified dosages; and treatment must be certified to by plant officials in the State of origin. This order goes into effect 10 to 30 days after published. We've just cited the normal course of interstate quarantine—or what you might call routine procedure to protect a phase of our agricultural industry. (The neighbor State probably took a similar step to protect other potato-growing counties within its own borders.)

EMERGENCY

On the other hand, the events that lead to quarantine action sometimes operate like the brakes on your car when you come to a sudden halt to save your life. This is emergency quarantine. It, too, may be applied against wide areas, a State, a county, or even a single piece of land or premise.

The March cases of ornithosis in two Oregon turkey flocks offer an excellent and current example of emergency quarantine.

Now few people are happy when an emergency quarantine is ordered; it's bound to hurt those immediately concerned—probably in the pocketbook as well as otherwise.

UNPLEASANT TASK

And it's an unpleasant task for quarantine officials to walk onto a person's lands or into his buildings and say, in effect, "You have a serious situation here; we'll have to require that you do not move anything from this place until we permit you to do so."

The effect, immediate or long run, on the owner involved in emergency quarantine is one thing. What might happen to an entire industry—both within the State and as a result of bans which other States might impose—is another, and even bigger thing. And if human health is involved, that naturally must become the very first consideration.

And in that paragraph above you have the primary considerations involved when word came on March 9 that ornithosis had been positively identified in two turkey flocks in Oregon, one on Sauvies Island and the other at Scappoose.

You'll recall we gave a home-made definition of a quarantine as a device to put out a fire or keep it from spreading.

FIRE ALARM

Well, to carry the idea along, when Dr. K. J. Peterson, State veterinarian, received the laboratory reports March 9 that ornithosis was diagnosed in two turkey flocks here, it had just about the same effect in your State department of agriculture as a fire alarm.

Almost simultaneously, these things happened in the department:

(1) The two flocks were placed under emergency quarantine, which means the order was effective immediately. All turkeys alive and dead were required to remain on the premises, with dead birds to be buried three feet deep and covered with lime. About 12,000 hens, toms and poults were involved.

(2) All veterinarians in the State were informed that the disease had been diagnosed here, that humans were infected and that two persons who handled turkeys died; although not confirmed, the turkey disease was suspect as cause of the deaths. (The State Board of Health investigation of human illnesses and deaths first pointed the finger at turkeys as the possible cause.)

MORE ACTION

(3) Tracers were started on poults and turkeys which had left the two ranches before the quarantine.

(4) States into which Oregon poults and eggs were shipped were notified of the situation.

(5) Department staff veterinarians were instructed to start checking every breeding

flock in Oregon. Dr. A. G. Beagle of the USDA disease eradication branch also assisted. (By April 5, all of the 80 breeding flocks in the State shipping to Washington and Utah had been examined with no sign of the disease in any flock other than the original two.)

(6) Processing plants were notified.

(7) Rending plants were asked to report any unusual poultry losses.

(8) Contact was made with outstanding authorities in the United States to determine the best and most logical course to follow in handling the birds. Five other States had previous experience with the situation which had just hit Oregon.

TELEPHONES JAMMED

For the next week, department telephone lines were jammed with calls, both outgoing and incoming. Turkey growers had questions; other officials in Oregon and elsewhere had questions and information; newspapermen called with pertinent questions. Processing plants wanted information and so did feedmen and practicing veterinarians. Other States wanted to know this and that. M. E. Knickerbocker, animal division chief, Dr. Peterson and Director Jim Short could not have been busier if they'd been on a fire-fighting line.

On March 12, the State of Washington notified the Department it had placed an embargo on shipments from Oregon of turkeys, poults, and eggs. (Eight days later this was modified to permit entry of these products if Oregon officials certified freedom from contact with the infected birds within the last 90 days.)

UTAH REQUEST

On March 29, Utah began requiring all poultry and egg purchasers in that State to obtain a health certificate for the originating Oregon flock.

Washington's action alarmed Canada and officials there frequently called Dr. Beagle, head of the federal veterinarians in Oregon, to learn current conditions. As result of Dr. Beagle's assurance that the matter was under control, no Canadian embargo was placed on Oregon shipments.

Finally, things began to settle down. Dr. Peterson left for San Francisco to attend a conference to formulate plans for control of ornithosis on a nationwide basis. By a stroke of good fortune, Dr. C. D. Van Houweling of the United States Department of Agriculture's Agriculture Research Service was in the West; he called the conference. Dr. Beagle also attended from Oregon. Representatives of the California department of agriculture and public health officials were there, too.

DISEASE IS CURABLE

This group drew up a control program to offer to all States. It is based on present knowledge which indicates that the disease is curable and birds properly treated with antibiotics are safe for human consumption.

Dr. Peterson, grounded in the South for a day, flew back to Oregon just in time to present the uniform control program to a called meeting March 22 of the department's poultry disease advisory committee. Interested turkey growers, health officials, feed representatives and others concerned attended.

The Oregon industry leaders approved the program set up in San Francisco and the department immediately announced its adoption to handle the ornithosis situation here in Oregon.

The control program involves (1) treatment procedures for infected breeder and market flocks and the handling of poults and eggs; (2) an exchange of pertinent information between the State board of health in Portland, the diagnostic laboratory in Corvallis, the private practitioners over the State, and the State department of agriculture in Salem; and (3) prompt relay of information to the industry, allied industries and the public.

FEATURES OF PROGRAM

Under the control plan, market flocks must be treated with a tetracycline drug at rate of 400 grams per ton of feed for 2 weeks, then at 100 grams for 2 more weeks. If no evidence of the disease is then found, birds may be moved to processing plants under veterinary inspection; plants must follow procedures approved by public health officials.

Breeder flocks are treated the same as market birds. Eggs from such flocks can be hatched on the premises; or they may be hatched in outside hatcheries used for no other purpose, if disinfected in approved manner. Poults from eggs produced in infected flocks before or during antibiotic treatment must be returned to the original premise and kept under surveillance for 6 months.

Poults hatched from eggs produced after antibiotic treatment may go any place in the State, there to be maintained also under surveillance for 6 months.

All poults from infected flocks must be started on and fed a ration containing 200 grams of tetracycline drug for 3 weeks. Poults from eggs of infected flocks prior to treatment can be held for breeding purposes only upon approval of the Department.

CONTROLS FOLLOWED

In line with the program outlined, on April 22 all birds in the two infected flocks were slaughtered. The Department conducted ante mortem inspection of birds and released for slaughter only those fully recovered during the course of inspections. Our veterinarians condemned 84 toms and 585 hens as result of ante mortem and post mortem inspection procedures, and the State paid owners 80 percent of appraised value for all birds ordered destroyed.

Some poults were hatched on the quarantine places and one owner hatched a setting at an unused hatchery near Junction City. These poults will be kept under State watch for 6 months; if at the end of that time no indication of disease appears, they will be retained for breeding purposes.

So there you have Operation Quarantine, with special emphasis on use in emergency situations. And, somehow, what could have happened in the turkey incident—but didn't—may remind you of dad's yarn about Ol' Jake fleeing from a fire with only a cake in his hands.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1747) was passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORRISON, Mr. MULTER, Mrs. GRANAHAN, Mr. KEARNS, and Mr. BROYHILL were appointed managers on the part of the House at the conference.

DEFERRED GRAZING

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 202, Senate bill 511.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 511) to establish a deferred-grazing program and a protein-feed program as parts of the relief available to drought-stricken areas under Public Law 875, 81st Congress, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which has been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That notwithstanding any other provision of law, in connection with any major disaster due to drought determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended, the President is authorized and directed as part of the assistance provided pursuant to such act to formulate and carry out, through the facilities of the Department of Agriculture, a deferred grazing program, which shall include nonuse or limited use, or any needed combination thereof, in any county affected by such disaster in which the Secretary of Agriculture determines grazing of native rangeland is a substantial factor in agricultural production, and finds that limited or deferred grazing is necessary and appropriate for the reestablishment or conservation of grass for grazing. Such program shall be applicable only to nonfederally owned land which is normally used for grazing. Within 30 days (1) after the date of enactment of this act, or (2) after any subsequent designation of any such area as a disaster area by the President, the Secretary shall designate the counties in any such area in which this program shall be available, and the program shall remain available in each such county for a period of not more than 5 years after the date of enactment of this act.

SEC. 2. The program shall provide for payment for deferred grazing to farmers and ranchers at such rate or rates determined by the Secretary but not more than the estimated fair rental value of the land for the normal grazing use withheld under the program and which will induce sufficient participation in the program to accomplish its objective, taking into consideration the normal grazing capacity of the land, the funds available for carrying out the program, and any other relevant factors. No payment shall be made under the program if it is determined that a shift of livestock from the deferred areas to other land results in overgrazing nondeferred areas. Payment to any person for deferred grazing on land in any one county or land in more than one county operated as a single unit shall not exceed $5,000 for any one year.

SEC. 3. The program authorized herein may include such terms and conditions, in addition to those specifically provided for herein, as are determined desirable to effectuate its purposes and to facilitate practical administration. The program authorized herein for any county shall be supplemental to the agricultural conservation program, and not in substitution of, other programs in such county authorized by any other law, except that no payment shall be made concurrently on the same land for deferred grazing under this and any other program.

SEC. 4. There are hereby authorized to be appropriated, in addition to other funds authorized to be appropriated for the purposes of Public Law 875, 81st Congress, such funds as are necessary to carry out the program authorized herein.

Mr. HOLLAND. Mr. President, Senate bill 511, introduced by the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], would require the Secretary of Agriculture to provide a program in the drought area under which farmers and ranchers would receive payments for deferred grazing. The Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry held 2 days' hearings on this bill and other bills relating to drought relief. Eight or ten bills have been introduced on this subject, and they were all considered by the committee at its hearing.

The evidence before the subcommittee was that the present drought, which covers portions of 15 States, is the longest and most severe in the history of that area, and that a deferred grazing program to prevent excessive grazing and give the grass time to reseed is urgently needed. The committee was advised that, even with such a program, much of the land will require a number of years to be restored to productivity. On that point, of course, the situation is not uniform, but there are some lands in the area which have suffered a sustained drought for as long as 5 years.

The evidence before the committee indicated that in such places of extreme disaster not only had the grass completely disappeared and the roots died, but the more permanent growth, which usually survives most droughts, was entirely dead. There were places in which such sturdy plants as the mesquite, for example, were dead and had been dead for a long period. In such areas it was obvious that when the return of the turf began it must be protected for a period of months, or even years, in some cases, before there could be any real reestablishment of grass sufficient for grazing purposes.

The subcommittee and the committee carefully considered the views of the Department of Agriculture and the testimony of the witnesses at the hearings, and made a number of changes in the bill, which are incorporated in the committee amendment.

As revised by the committee, the amended bill contains a number of safeguards to assure that the program will be effective, and also restricted to the situations in which it is needed. Some of the safeguards are as follows:

First, the bill would be effective only in major disaster areas, declared to be such under Public Law 875, because of drought, that is, areas in which the disasters were so great that, upon recommendation of the government of the State and of the Secretary of Agriculture, the President would have declared such areas to be disaster areas.

Second, it would be effective for only 5 years after its enactment. If continuation of the program after that period should be found to be necessary—and, of course, we all hope that the drought will have been broken and the entire situation cleared up earlier than that—Congress could act to continue the program. However, the program would not continue indefinitely without further consideration and enactment by the Congress. That is one of the changes made in the original Senate bill 511, which provided that the operation of the bill should be for not less than 3 years. However, that bill did not set any maximum time of operation. The committee felt that, in both directions, this change was necessary. There should not be any minimum time of operation, because the evidence was clear that there were different stages of disaster, some of which might easily be corrected in much less than 3 years; and it was also recognized that there were other stages of disaster which would run the full 3 years, and might run longer than that.

Third, the bill would be effective only in counties in which the grazing of native rangeland is a substantial factor in agricultural production, and then only if a limitation of grazing is necessary to reestablish or conserve grass for grazing. A finding to that effect would in each case be required by the Secretary of Agriculture—that is, that native rangeland was a substantial factor in agricultural production in the particular area, and that limitation of grazing was necessary to reestablish or conserve grass for that purpose.

The Senate will understand, I am sure, that we are talking about native rangeland. We are not talking about improved pastures, where outside grasses have been brought in and established under some kind of special care.

Fourth, the program would provide for limited use as well as nonuse. The original bill—in general a very good bill—covered only nonuse for periods of time. From the testimony it was quite clear that even on the same ranch there would be some special spots where limited use rather than nonuse would be required, and that it would be to the economic advantage of all concerned to have such a finding made and a responsive program put into effect. In some cases complete deferment may not be the best solution from the standpoint of range conservation.

In these cases partial limitation of use would mean lower Federal payments, use of the land to meet needed feed requirements, and avoidance of unnecessary herd liquidation with consequent downward pressure on prices.

On that point I should like to elaborate only with respect to lower Federal payments, because that is a subject, of course, in which everyone is interested. Of course it will require less money if the Secretary prescribes limited use as the proper treatment for a particular tract or a part of a tract, because, obviously, the value of the use withheld would be less if only a part of the use were withheld than it would be if the entire use were withheld.

Fifth, no payment would be made under the program if livestock were shifted from deferred areas to other lands, and the shift should result in overgrazing nondeferred areas. This, too, is believed to be a great improvement over the original bill. This concept was contained in the bill as introduced, but it covered only shifts from one part of the farm or ranch to another. The committee felt, and provides in its amendment, that this particular part of the bill should cover shifts not only to lands on the farm, but also to lands off the farm. Therefore, the committee amendment is somewhat tighter than the original bill.

Sixth, payment to any person for deferring grazing on land in any county, or on land in more than one county if operated as a single unit, is limited to $5,000 for any year. Here again the committee amendment has tightened up the provision of the original bill by extending this limitation to land in more than one county when operated as a single unit.

On that point I should like to say that the original bill provided for limitation of $5,000 in any one county, without regard to the concept that a single ranch operated as a single unit might lie within two counties, or in even more than two counties. Therefore the modified wording reported in the committee amendment provides that the limit shall be $5,000 per county, with the additional limitation that if a single unit of ranch land lies in more than one county, the limit of $5,000 shall apply to the entire ranch unit.

In addition to the safeguards which are specifically contained in the bill and which I have just enumerated, the President is given authority to impose such additional reasonable safeguards as he may deem necessary to assure proper administration and the accomplishment of the objectives of the program.

For instance, he may require fencing of the deferred areas at the expense of the program participant, where that appears necessary to proper administration of the program. The authority and duty to provide such additional safeguards as may be necessary is inherent in the direction to the President to formulate a program.

The committee knew that there would be many details which would vary in different areas, and that there would be requirements which could not be foreseen at this time, no matter how hard the committee or Congress might try to foresee all of them. So that while foreseeing and making provisions for a great many details in the original bill and even to a greater degree in the committee substitute, the committee bill would also leave much regulatory power to the administrators of the act, and would give to the President the authority to formulate regulations.

For instance, under the committee amendment, payment rates would be

fixed by the Secretary of Agriculture at not more than the fair rental value of the land for the grazing use withheld.

I ask Senators to follow this point very carefully because, in my judgment, this is perhaps the most important change in the bill, and I should not want to have any misunderstanding about it. The committee feels that this language is a great improvement over the provision of the bill as originally introduced, which provided for rates not less than the average annual rental value of grazing land in the entire county. Such a provision would have encouraged participation by the owners of the poorest land in the county and made participation unattractive to the owners of better lands. The provision recommended by the committee proposes to treat everyone fairly; that is, on the basis of actual value of his own land, and achieves more conservation for the money spent.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield.

Mr. JOHNSON of Texas. First of all, Mr. President, I wish to express my deep personal thanks to the Senator from Florida for the very fine work he has done on the pending bill and for the many hours he has spent in an attempt to bring before the Senate some workable legislation in this field. I know that all of us in the drought-stricken States owe him a deep debt of gratitude. I agree with the comments he has made respecting the various improvements contained in the bill over the original draft of the bill as introduced by me on January 10.

Whenever the senior Senator from Florida works on any measure for very long an improvement always results. The provision to which he has just referred, on page 5, section 2, of the bill, reads as follows:

> The program shall provide for payment for deferred grazing to farmers and ranchers at such rate or rates determined by the Secretary, but not more than the estimated fair rental value of the land for the normal grazing use withheld.

As I recall, and as the senior Senator from Florida just stated, the original bill provided for such rate or rates not less than the average rental value of grazing land.

Mr. HOLLAND. The Senator is correct. The Senator from Texas, in his bill, provided for a minimum, but not for a maximum, and based that minimum on the fair value of the average of all grazing lands in the county.

Witnesses pointed out—and it was also pointed out by representatives of the Department of Agriculture who were kind enough to sit in with us at some length—that such a provision would be highly attractive to owners of submarginal grazing land, but would not be attractive at all to the owners of excellent grazing land, and would be a kind of leveling factor which would make of this legislation quite a different kind of act from what the Senator from Texas had in mind.

In fact, when I talked to the distinguished Senator from Texas about it, I found him completely ready to turn to the value of the land itself which was being dealt with in any particular case.

On the point with respect to the concept of the committee, the committee in its report makes it very clear by using the following language:

> Payment rates under the committee amendment would be fixed by the Secretary of Agriculture at not more than the fair rental value of land for the normal grazing use withheld.

This language reflects the committee's recommendation that limited use as well as nonuse may be provided for.

When we say "grazing use withheld," it may mean limited use, or it may mean complete withholding of all use.

> The committee also felt that payment at not less than the average annual rental value of grazing land in the county, as provided by the bill as introduced, would make the program unduly attractive to the poorer lands in each county.

At a matter of fact, we felt that, worse than that, it would be a kind of leveling off factor, which would not meet the need of the average rancher, who has always had a difficult problem to solve.

Then I call attention particularly to this sentence:

> The fair rental value, as determined by the Secretary of Agriculture, for the grazing use withheld, based on periods of average precipitation when grazing is normal, appeared to the committee to represent a fair standard, and it is the committee's intent that payment rates should be fixed at that amount.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. I appreciate what the distinguished Senator has said. I wonder if he would have any objection to our writing that intent into the bill itself. I have discussed it with the committee staff, and I think they have the text of an amendment which will accomplish the purpose.

The language now in the bill would allow for exactly the type of rental payments which this amendment would provide. The committee report on page 2 declares the committee's intent to be exactly that. It states:

> The fair rental value, as determined by the Secretary of Agriculture, for the grazing use withheld, based on periods of average precipitation when grazing is normal, appeared to the committee to represent a fair standard, and it is the committee's intent that payment rates should be fixed at that amount.

The language of my amendment simply carries out this intent with full statutory authority. It is of great importance to the success of the deferred grazing program that the Congress itself assure disaster-stricken ranchers that they will receive the compensation for land withdrawn from grazing which they are entitled to and which can afford them the real chance to utilize the provisions of the bill. Unless the payments to each rancher represent the fair rental value for his land, he simply could not be induced to place his land under the program, with serious loss both to him, the land and our economy resulting.

The amendment is at the desk. If it would be agreeable to the Senator from Florida, I should like to have the amendment stated, so that consideration may be given to it.

Mr. HOLLAND. Of course, the Senator from Florida has no control over that, and would be glad to have the amendment stated. If the Senate wishes to accept the amendment, that would be all right. But I may say that a great deal of work has been done in drafting the bill in an effort to have it in such shape that all members of the committee would approve it. I believe that all members of the committee have approved it. It may be that some Senators were not present when the bill was ordered reported, so I would not like to make an unqualified statement that all members of the committee have approved it.

I see on the floor the distinguished Senator from Vermont, the ranking minority member of the committee. As I recall, only 9 or 10 members of the committee were present, but all of us approved the bill in the form in which it was before us.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. I may say that although I was called to another committee meeting before the vote was actually taken, I expressed myself as being in favor of the bill, and left my proxy with the Senator from Florida to report the bill.

I am well aware of the problem which confronted the committee, and with which the Senator from Texas is concerned. The committee realized that if we used the language "average rental value for the county" or even "a percentage of the average rental value for the county," a large amount of land having the lowest value for grazing purposes and probably very little of the land of the highest value for grazing purposes would come into the program.

Mr. HOLLAND. Does the Senator recall the number of members of the committee who actually voted to report the measure? As I recall, it was 10 or 11, instead of the full 15.

Mr. JOHNSON of Texas. If the Senator from Florida will permit me to do so, I wish to state my amendment. On page 5, beginning in line 13, the amendment proposes to strike out beginning with the word "such" through the period in line 20, and to insert in lieu thereof the following: "rates equal to the fair rental value of the land for the grazing use withheld under the program, as determined by the Secretary on the basis of the normal grazing capacity of the land during periods of adequate precipitation."

Mr. HOLLAND. So far as I am concerned, that is what we meant in the report on the bill. Therefore, I would certainly have no objection to placing that language in the bill. The distinguished Senator from Vermont [Mr. AIKEN] has just assured me that he would have no objection to it, either.

I wish to call this point, if I may, to the attention of the distinguished Senator from Texas. While I am perfectly willing to support his amendment, if it be adopted on the floor, the provision of the Senate bill would then be more like the

provision of the House bill, and the matter would not allow as much latitude in conference. I call that to the attention of the Senator from Texas simply because I am extremely anxious to have the Senate pass a bill which will be approved and become law. I have been working hard toward that end.

It seems to me that it might be the part of wisdom to leave the bill in the form in which it is, and to let this proposal be worked out in conference. At that time we can get some positive assurance that the signing of the bill will be recommended by the Secretary of Agriculture, which will be as nearly complete assurance as we can ever have that the bill will become law.

I am perfectly willing to go along with the amendment of the Senator from Texas, if he thinks that is the better policy, but I call attention to the fact that we have an informal memorandum from the Department of Agriculture, submitted only this morning, in which there is no assurance that the Secretary approves the bill. I quote the final two paragraphs in the memorandum which cause me the only concern I have:

> The changes enumerated above—

The memorandum enumerated all the changes the committee made—

> will result in an improvement of the bill. In its present form—

That means the committee amendment—

> the bill could be administered in a satisfactory manner.

So much for the workability of the bill. The memorandum continues:

> Since the Department already has authority to operate the program under the agricultural-conservation program, which would be substantially identical with the program described in the present bill, we do not believe enactment of S. 511 is essential. If Congress will act favorably on the request for appropriation, which is now pending before the Congress in House Document 115, which would provide funds for carrying out a deferred-grazing program under the agricultural-conservation program, the Department can deal effectively with the problem involved.

I personally do not agree with the comment contained in the memorandum that the making of an appropriation for this year would be as adequate as the passage of the bill, because the bill will require some years in which to operate and to deal properly with this question. But I am somewhat concerned with the statement, which is a lot less than full endorsement of the bill, and indicates that officials of the Department think that with appropriations from year to year they can handle the program, and that "we do not believe that the enactment of S. 511 is essential."

For that reason alone, I say to my distinguished friend, it seems to me that it would be the part of caution for us to have a little leeway with which to go into conference. There will be a full conference on the matter, because the Senate bill is quite different in detail from that of the House. In the meantime we can ascertain what should be done in order to provide legislation on the particular subject we are now discussing.

I have worked hard on the bill. I am perfectly willing to continue to work on it. If the Senator from Texas will allow the bill to go to conference as it is, I shall do my best to get the approval of the Secretary of the identical objective the Senator has in mind.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. I would not care to find myself in opposition to the distinguished Senator from Florida. He has done most commendable work on the bill, and has improved it from the way in which it was originally introduced. I commend the Senator from Florida upon the many improvements he has made.

I simply suggest that we include in the bill what the Senator has put in the report. I do not see any reason why that should not be done. I had the feeling that it would be agreeable to all concerned. The language that is proposed to be placed in the bill is not the language of the House bill; it is not the language of the Senate bill, which provides for an average annual rental value. All the amendment proposes is "rates equal to the fair rental value of the land for the grazing use withheld under the program, as determined by the Secretary on the basis of the normal grazing capacity of the land during periods of adequate precipitation."

Mr. HOLLAND. As I understand, the Senator proposes to change the wording of the amended bill so as to make it clear that what has been stated in the report is the meaning of the Senate when it passes the bill.

Mr. JOHNSON of Texas. Precisely. We will not have "any more than" or "any less than." We will have, "equal to the fair rental value." I understand that is what the distinguished Senator wants to have done.

Mr. HOLLAND. The Senator is completely correct. So far as I am concerned, I am perfectly willing to accept the amendment and to support it in every way. But I felt that there was at least a point which I should call to the attention of my distinguished friend. There would be more leeway for us in conference to meet any recalcitrance we might encounter on the part of the Department of Agriculture, which has not had time to give us a complete yea or nay answer, and has not done so, with reference to the committee bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. I personally do not find the amendment suggested by the Senator from Texas objectionable in any way. I think what it proposes is what is intended by the committee. I believe the conferees who will be apointed on the part of the Senate will be well justified in simply declining to accept the language of the House bill, which requires the average rental value for the county to be paid, because that obviously would make the bill unworkable.

The Secretary of Agriculture has pointed out in his communication to the Senator from Florida that the proposed legislation probably is unnecessary to accomplish his purpose, provided the Committee on Appropriations will make adequate provisions for carrying out the program under existing law.

However, if the Congress passes the bill in the form now suggested on the floor and if the bill as thus passed is enacted into law—and it seems there could hardly be objection to it by the administration—then it would seem evident that there would be direction to the Appropriations Committee to proceed to report the necessary appropriations required in order to proceed with the program.

Mr. HOLLAND. Mr. President, in response to the statement which has been made by the Senator from Vermont [Mr. AIKEN], who speaks so frequently and so correctly in regard to the position of the administration, I withdraw the objection.

Mr. JOHNSON of Texas. Mr. President, I ask that my amendment to the committee amendment be stated.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The amendment of the Senator from Texas to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 5, beginning in line 13, it is proposed to strike out "such rate or rates determined by the Secretary but not more than the estimated fair rental value of the land for the normal grazing use withheld under the program and which will induce sufficient participation in the program to accomplish its objective, taking into consideration the normal grazing capacity of the land, the funds available for carrying out the program, and any other relevant factors," and to insert "rates equal to the fair rental value of the land for the grazing use withheld under the program, as determined by the Secretary on the basis of the normal grazing capacity of the land during periods of adequate precipitation."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. JOHNSON] to the committee amendment.

The amendment to the amendment was agreed to.

DISPARITY IN SIZE OF COUNTIES—THE FAIR VALUE

Mr. MALONE. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. MALONE. I wish to add to the statement by the Senator from Texas that especially in some of the Western States, where the counties are almost as large as some of the States in other parts of the country.

Therefore, the conditions in the Western States are not the same; there are widely varying conditions within the counties.

The amendment of the Senator from Texas to fix this fair value takes care of that situation.

Mr. HOLLAND. I thank the Senator from Nevada.

Mr. CARLSON. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. CARLSON. First, I wish to thank the Senator from Florida for the hearings which were held on the bill and for reporting the bill to the Senate.

Early in January, I introduced S. 885 a bill on this subject, for consideration by the Committee on Agriculture and Forestry.

Mr. HOLLAND. Mr. President, I stated that the subcommittee which conducted the hearing, did so on 10 bills, all dealing with the same subject matter. I wish to assure the Senator from Kansas that one of the bills was his.

Mr. CARLSON. I thank the Senator from Florida very much.

I wish to be certain that I understand the amendment offered by the Senator from Texas to the committee amendment. As I understand, it would strike out certain words which were inserted by the committee, and as to which there was some difference of opinion. So I understand that, as a result of the amendment of the Senator from Texas to the committee amendment, the words "but not more" in line 14, page 5, are now out of the bill.

In that connection, let me state that my bill used the words "but not less." The committee, however, included in the amendment it reported the words "but not more." The words "but not more" have now been striken from the committee amendment, as I understand.

Mr. HOLLAND. The amendment stikes out those words, and makes the meaning clear. As I understand the amendment of the Senator from Texas to the committee amendment, it provides that the exact fair rental value of the land deferred, or limited, shall be the measure of the Federal compensation, which the Secretary shall determine on the basis of the normal grazing capacity of the land during periods of adequate precipitation.

Mr. CARLSON. Then I should like to ask the distinguished Senator from Florida whether the committee members had in mind some specific instances or whether they considered only the normal or average basis in connection with the making of payments for the land in these areas. It has been stated that some areas allow 4 acres per head for grazing and some allow 12 or 12 acres per head. Were there any specific figures to show what the payments might be to the individual landowners based on the grazing capacity of the land for deferred grazing?

Mr. HOLLAND. Yes; 85 cents an acre and $1 an acre were mentioned. I remember that both figures were mentioned in the hearings. I am sure there is variation above and below those figures. I am speaking now of annual payments.

Under the concept of the committee amendment, the exact value of the particular land for the use that is deferred or limited will be determined as of the time when normal conditions prevailed. That price will be the price required to be paid to those who bring the land into this program.

It was the feeling of the committee that the Nation itself has a very great stake in restoring the cover to these lands, so much of which is now in very poor condition, and may become almost a desert unless there is provided some program whereby they may be restored to a reasonable good growing condition.

It is our concept that in order to obtain the cooperation of the landholder who is required to cut down his herd, and as Senators know, is required to find feed where he can—and the Federal Government has as another program to help him get feed at about half price—this should be required, too, as a condition and as an objective eminently worthwhile to the Nation, the State, the grazer, and all others concerned. He should receive at least payments amounting to the normal grazing value of the land which he is eliminating from grazing or which he is limiting in grazing.

Mr. CARLSON. Mr. President, will the Senator from Florida yield further to me?

Mr. HOLLAND. I yield.

Mr. CARLSON. I wish to point out that the conditions for grazing and the value of grazing differ in various parts of the Nation; they even differ within a State. For instance, in Kansas we have some areas where as many as 10 acres per head is considered necessary. Then we have the great blue stem area, to which hundreds of thousands of cattle are shipped from Texas every grazing season. This area has gone through a severe drought for the past 4 or 5 years. It will be very helpful if we can obtain a deferred grazing program which will allow some of the grassland to reseed itself and thereby rebuild a firm growth.

I wish to be sure that we provide for the making of payments for deferred grazing, in order that the grass will be built up for the future, but also make sure that the payments will not be so high as to encourage the liquidation of herds.

This proposed legislation can be of permanent value to the grazing areas of the Nation.

Mr. HOLLAND. A moment ago I referred to 85 cents an acre and $1 an acre. Those were the figures I recalled as having been used in the hearings. But I have just been advised, by counsel for the committee, that in conference with the regulatory agencies of the Department of Agriculture, which already have had experience in this field with lands that are good, lands that are medium, and lands that are very poor, they have told him that the normal grazing values, in their experience, go from a minimum of 20 cents to a maximum of about $1 an acre a year. I personally have no information in that field, because in my State the grazing situation is so different that it is not applicable at all.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Florida yield to me? I should like to address myself to the question which was asked a moment ago.

Mr. HOLLAND. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I understand that the Senator from Kansas is anxious to know what rate will be paid for various types of land in his State. The answer to that question is that the fair rental rate will be paid. In the case of some of the land, it may be 25 cents an acre; in the case of some of the land it may be $2.25 an acre. That will depend on the rental factors related to that land.

Mr. CARLSON. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. Yes, after expressing the hope that in the dryland States there is some grazing land that is worth $2.25 an acre. In my State we have some; but I have been told that if the native range land areas have land that has a value of $1 a year, it is very good grazing land.

Mr. JOHNSON of Texas. I did not intend to state that $2.25 or $1.25, either, was the value. I merely intended to state that the value would be the fair rental value.

Mr. HOLLAND. The Senator from Texas is correct. The value will be the fair rental value either for full grazing, or, if limited grazing is all that is required in order to meet the need in the case of the particular land, then that value will be fixed, which of course will be less than the total grazing rental value.

Mr. CARLSON. In the blue stem region in Kansas we have some land on which they are receiving agricultural conservation payments of $1.75 an acre. There is no question that under the conservation program, payments going as high as $1.65 an acre have been received.

Unless this program is carried out on the basis of the agricultural conservation program I think it would result in great confusion and in some instances in an injustice to the landowner.

Mr. HOLLAND. I am happy to say to the distinguished Senator that one of the changes made by the committee, in its amendment—which probably was not necessary, and probably would have been made anyway—was to provide that this program shall be supplemental to the normal conservation program, and shall be administered by the same group.

So if the distinguished Senator has found that group willing to fix a value as high as the one he has stated for excellent grazing lands in his State, all I can say to him is that the same group will be dealing with the drought situation in his State, which may or may not apply to the same preferred grazing lands.

Mr. BARRETT. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield to the Senator from Wyoming.

Mr. BARRETT. At the outset, I wish to congratulate the distinguished Senator from Florida for his explanation of the bill; and I wish to say that in my judgment he has improved the bill considerably from its condition at the time when I appeared before the committee and made a suggestion in reference to the use of the Federal land in the Western States.

Mr. HOLLAND. I thank the distinguished Senator from Wyoming, but I have not quite finished the explanation of the bill. I may say to him that we certainly took full cognizance of the suggestion made by the Senator. If he has had a chance to read the report, and if he will bear with me so that I may complete my opening statement, he will find we have made complete allowance for the point which he so ably made before our committee.

Mr. BARRETT. I shall be glad to yield, but I have read the report and

have studied the matter very carefully. I am fearful the committee has not protected us adequately, and I wish to discuss that point with the distinguished Senator.

Mr. HOLLAND. I shall be very happy to discuss it. If the Senator will wait until I read the second paragraph following the point where I stopped a moment ago I shall come to the point he has made, and I shall then yield.

Continuing with my opening statement:

The committee amendment makes it clear that the program would be restricted to nonfederally owned land.

I call to the attention of the Senator from Wyoming the fact that we are beginning to deal with federally and nonfederally owned land. I repeat, the committee amendment makes it clear that the program would be restricted to nonfederally owned land. The Departments administering public lands have adequate authority to deal with the conservation of such lands. Indian lands, in which the Government does not have the beneficial ownership, would, of course, be eligible for the program.

In the case of Indian lands, while the title is held in the Government, the equity is really in the Indian users.

Continuing, the Senator from Wyoming [Mr. BARRETT], in testifying before the subcommittee, ably pointed out the desirability of some provision to protect farmers and ranchers participating in the program from the permanent loss of their permits to graze on public lands.

The committee considered this problem and ascertained that the Department of Agriculture and the Department of the Interior have authority to enter into nonuse arrangements with grazing permittees, whose base properties are, in whole or in part, placed in the program, and thus preserve the qualifications of such properties for grazing permits. The committee report recommends that this be done, and the committee felt that no further provision was necessary to take care of this problem.

Now I yield to my friend from Wyoming.

Mr. BARRETT. I appreciate the statement the distinguished Senator has just made. I am concerned with the language in the report, on page 2, at the end of the first paragraph, which I now read:

> The Secretary of the Interior and the Secretary of Agriculture should—

And I emphasize the word "should"—

> enter into nonuse arrangements with grazing permittees whose base properties are, in whole or in part, placed in the program in order to preserve the qualifications of such properties for grazing permits.

It seems to me the committee should have used the word "shall" instead of "should."

I take it, from the statement the distinguished Senator has just made that, it was the intention of the committee to require the Secretary of Agriculture and the Secretary of the Interior to take into consideration the fact that a permittee has entered into an agreement with the Secretary of Agriculture to cut down his herd or to dispose of his herd completely. Accordingly the rancher could use the Federal lands only partially if at all.

As I explained, a man may own base property, sufficient to run 100 head of cattle. He may have an agreement with the Secretary of the Interior whereby he can run 100 head of cattle on Taylor land a part of the year and a permit with the Secretary of Agriculture to run the same 100 head of cattle on Forest Reserve for another part of the year.

My question is this. Surely if he reduces his herd by say 50 percent on his basic land the Secretary will not penalize him for not running the full number on the Federal lands.

Mr. HOLLAND. The Senator is correct. The committee so understands, and we were in conference with the various representatives of the Department of Agriculture who have charge of that particular activity. Both the committee and the officials understand the situation clearly.

It is rather hard to state, in a fixed way, what will happen, because the whole program will be variable. One man's land will be deferred entirely. Another man's land will be partly deferred, and partly not deferred. Another will have his land subjected to limited uses. The different situations will require different reductions in the size of the herd, and different situations will result. We thought it was adequate to say, and I shall be glad to amplify it for the RECORD, that it is the committee's clear intention and full belief that the affected agency, whether it is in the Department of Agriculture or in the Department of the Interior, should and will see that a fair handling of this matter shall operate so as to protect completely the holder of any permit or lease from the Government affecting public lands, so that he will not be penalized by reason of only partial use of the lands, or even nonuse of the lands, if the problem is such a drastic one in his particular case.

Mr. BARRETT. I appreciate the statement the Senator has just made. I take it that it is the intention of the committee to permit the appropriate agency or the Department of the Interior to handle the leases or the permits in such a fashion that the man who complies with the provision of the law will not be prejudiced in any way because of partial use or nonuse of the Federal land.

Mr. HOLLAND. The Senator is exactly right. We felt that any other conclusion would be completely unreasonable. Here is a government, interested in the restoration of land for the Nation's good, proposing a program. If one of the citizens who is very badly hurt by a prolonged drought, which is a major disaster, brings his own land, necessarily or wisely, or both, under this program, and if he has, as a supplement to his own land, which is his base operation, grazing leases on public land, we certainly do not want him to be hurt in any way. It would be inconceivable that the same government should then penalize him because of his inability to fully graze the lands which belonged to the public when that inability results from both the disaster and from his entering into the program which his government provides to overcome the disaster to the extent it may be overcome.

Mr. BARRETT. I thank the Senator. I have a few other questions.

First, I should like to ask the Senator about the limited-use program. Let me state the case in this fashion: Suppose a man owns 10,000 acres of grazing land, the normal capacity of which is such that, let us say, 200 head of cattle could be grazed on the land. The drought has been of such character that the man is obliged to cut his herd down to 150 head of cattle. Do I understand correctly that the man could use the entire 10,000 acres to run 150 head of cattle, and thereby comply with the provision here, let us say, for a 25-percent payment, provided, of course, it was approved by the Secretary of Agriculture and his committees?

Mr. HOLLAND. I am not at all an expert in this field, but that was not my understanding. My understanding from the comments made by the agents of the Department of Agriculture, who sat with us, was this: Let us assume we are considering a large ranch, much of which is denuded, which is in such shape it is going to take a period of years to bring back the grass. Suppose, running through the ranch, there is bottom land which is not so denuded of grass and on which it would be idle or foolish to stop grazing entirely. Suppose the grass there is available on a full-time basis, or suppose it is available on a part-time basis, as the facts themselves may indicate. It is my understanding that the use of the words "limited use"—which are in the bill at the suggestion and I might say insistence of the agents of the Department of Agriculture, who sat with us—was to cover cases where the land is not identical throughout its entire extent, but is of different character, or grade, and thus calls for different treatment.

I would much prefer to have one of the Senators on the committee who comes from the arid lands comment on this matter, because he may have a sounder idea about it than I have. My idea is as I have stated.

Mr. BARRETT. Mr. President, I should like to make another comment. This is a very important matter so far as the West is concerned. Our opportunities to participate in this program are extremely limited, in my opinion.

I have talked to Mr. Wheeler and Mr. Bradley, of the Department of Agriculture, and their interpretation of that language was as I have just explained it. If the committee intends that limited use shall apply to specific lands, it will be almost impossible for any livestock man in the West to comply with this provision of the law.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Minnesota.

Mr. THYE. It is on that particular phase of the matter that I desire to make a comment.

Usually the range, consisting of many thousand acres, is not fenced, and a man could not afford to fence it if he wished to.

Mr. BARRETT. The Senator from Minnesota is eminently correct.

Mr. THYE. For that reason a problem is presented. There may be some draws or hollows, as the distinguished Senator from Florida has mentioned, which would permit a small percentage of the normal herd to graze on the vast area, which would support the entire herd if there were normal rainfall and a good stand of grass.

The problem with which we are confronted here is that it is not possible to take all the cattle off the range, because then we would be wiping out the foundation stock of cattle which might exist there. Therefore, it would only be practical to limit the grazing.

The cattle themselves would select the area to be grazed, because an animal is quite wise when it is looking for forage or grass. It will go where the grass is. It will not be found on the dry knolls. So the cattle would naturally migrate to the water pockets or waterholes or lowlands where the grazing is possible. That would permit the tufts of grass out on the higher ground to go to seed, and the seed would naturally fall and be there to regerminate and grow grass on the area which had been long denuded of any forage because of drought.

So there is a commonsense solution to the question involved here. If the farmer were limited to a certain percentage of the number of head of cattle which the area normally could carry, just in order to keep the foundation herds intact, a man would not be completely destroyed, and when the grass came back after 1, 2, or 3 years he could make another start.

There has been good moisture in the areas in the States where there was such a problem, and it is very possible that the drought is completely broken. However, there are no plants on a vast acreage of that land. There are a few tufts of grass here and there. There is a large root system that may come to life, but it will take several years before that vast area is again in grass which will permit a man to graze the number of cattle he had when there was normal rainfall.

The whole problem here is one of taking a commonsense approach, in an attempt to limit the cattle and at the same time compensate the man for loss of the vast acreage—upon which he is paying taxes—that he is supervising, or from which he is attempting to earn a livelihood. We should try to compensate him for the fact that there has been no grazing on that area, and then make sure that when the grass has reestablished itself there will be a foundation herd there which will rebuild the livestock industry of the vast Plains area, whence most of the feeder cattle come to fill up the feed lots in Illinois, Iowa, Minnesota, and all other States where we grow corn and are accustomed to feeding cattle.

I support the proposed legislation, because I think it is the only commonsense way by which we can afford any immediate relief to the vast Plains area and at the same time keep the Plains from being overstocked, preventing the destruction of every plant before it has a chance to go to seed.

Mr. HOLLAND. Mr. President, I certainly appreciate the very practical and very wise remarks of the distinguished Senator from Minnesota. His experience is not new to me. I have discovered that in the Committee on Agriculture and Forestry he frequently demonstrates his knowledge derived from his long acquaintance with agriculture. I believe the Senator from Minnesota served as a commissioner of agriculture in his own State. He knows agriculture in the West and the Middle West up and down. He has certainly made an important contribution to the discussion of this bill.

Before leaving the item we have been considering I may say that while I am sorry I cannot put into the RECORD the memorandum we have from the Department, I wish to state it was drawn up under the best circumstances possible, taking into account the haste required in this matter. Though it does not bear the signature of the Secretary, it does constitute the considered judgment of the officials of the Department who sat with us during several conferences. I believe there were three conferences.

This is what is said as to that particular point, and I quote this, because I think it is pertinent for the RECORD:

> The original bill provided for deferred grazing only. The amended version would provide opportunity for better grassland management and utilization through nonuse, limited use, deferred grazing during the period of plant growth, or any needed combination thereof.

I suspect that is about as fair a statement as could be made, briefly, on the matter.

Mr. BARRETT. Mr. President, I have another question to ask the Senator along the same line, if he will permit.

Mr. HOLLAND. I yield further to the Senator from Wyoming.

Mr. BARRETT. I should like to ask the Senator if it is the intention of the committee to permit a livestock operator to qualify who has already limited his herds or completely disposed of his herds because of the drought in previous years.

Mr. HOLLAND. It is the opinion of the Senator from Florida that it is certainly the intention of the committee in such a case, where the man has already suffered the maximum disaster possible from the drought, to give him a chance to bring his lands back into shape.

Mr. BARRETT. Assuming that a man is required to ship his cattle out of the State for feeding purposes for a winter—or we shall say for 6 months—and does not use his base ranch properties at all, would that be a compliance, in the opinion of the distinguished Senator?

Mr. HOLLAND. If he does not overgraze the lands where they are put, he could certainly be held to comply by following that process.

Mr. BARRETT. He has not reduced his herd, but he has taken his entire herd off the range for half the year. I assume that would amount to the same thing as a 50 percent reduction, for that year, at any rate.

Mr. HOLLAND. Again, let me say that the Senator from Florida does not possess the very close knowledge which other Senators possess of actual operations in the great and fine area of the country affected by drought. He would not like to state his opinion as being the final word. His idea has been that this provision would apply in a situation in which the farmer is in distress and the condition of his land has forced a reduction of grazing on the land. He may reduce his herd or move it elsewhere. If that is not the correct explanation, I should like to be corrected. I see my distinguished friend from Minnesota [Mr. THYE] still in the Chamber. I see other Senators from that great and fine area of the country, who know much more about the subject that I do. As I understand, this is not a program to enable a farmer to maintain full operation, full steam ahead. He will have to reduce his cattle numbers or find other grazing or feed for them.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. THYE. The distinguished Senator from Wyoming spoke about taking a herd off the range for half the season, or half of the year. That is a possibility. Frequently in the dry plains area it is possible to cut a crop of native hay only every other year. If the amount of rainfall is limited it must be allowed to stand and develop a root system, and come back the second season, if there is to be actual growth. If grazing were continued for the entire 12 months of the year, the grass, growing slowly as it does, would be kept down to the root. The vitality of the plant would constantly be weak, and its growth would be so limited that there would be little opportunity for the prairie land to hold itself against ruination. If the cattle are removed from the range for 6 months, there is a reestablishment of the grass. It develops a firmer root section. There is more vitality in the plant, and the plant is safeguarded against ruination, or an absolute kill.

I think the Senator from Wyoming is correct in asking these questions, because only here do we establish the legislative history of the bill, so that the solicitor may be guided by it when he is endeavoring to place an interpretation upon the intent of the entire act.

In asking these questions the distinguished Senator from Wyoming is establishing the legislative history. I think there is commonsense to the idea that a rancher may move his cattle off the range for 6 months at a time. Whether he puts them in a lot for feeding on dry feed is a question to be determined. But if they are off the range for 6 months, the grass will have greater vitality, and will definitely show improvement, even under drought conditions.

Mr. HOLLAND. It is quite possible that if grazing were available in a distant State, or at some other place, sufficient to support the entire herd, the procedure suggested by the Senator from Wyoming might be applicable.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. THYE. One reason I made mention of the fact that the cattle might be removed from the drought area for a period of time is that in the drought of

1934, and again in 1936—but primarily the 1934 drought, which was severe in much of the plains area—many truckloads of cattle were hauled from the plains area to northern Minnesota, because the grazing in the woods area was ample to furnish feed. Thereby herds of cattle were kept from complete extinction. That is what I have in mind.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BARRETT. What the Senator from Minnesota has described is common practice in the years when we have extreme drought in the West. I hope it is the intention of the committee that the Secretary of Agriculture and the Secretary of the Interior, in administering the provisions of the bill, will take into consideration all these factors in arriving at the regulations, so as to give the people of the West an opportunity to participate in the benefits of the bill, if it shall become law.

Mr. HOLLAND. The Secretary of Agriculture will be administering the act. I am sure that the Senator, in referring to the Secretary of the Interior, is speaking only of that portion of the public lands over which the Secretary of the Interior has jurisdiction.

Mr. BARRETT. That is correct.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HOLLAND. I agreed to yield to the Senator from Illinois next.

Mr. DOUGLAS. Mr. President, I wish to understand the bill. Am I correct in my understanding that the bill provides for Federal subsidies to cattle growers and sheep raisers, so that they will not overgraze their land when the land has been damaged by drought?

Mr. HOLLAND. Yes; with one addition, namely, that it must have been so gravely damaged by drought that the area would have been declared a disaster area under the provisions of Public Law 875.

Mr. DOUGLAS. Am I further correct in my understanding that the Department of Agriculture estimates that the cost of a 2-year program of this nature will be approximately $30 million?

Mr. HOLLAND. The Department of Agriculture has furnished us that figure, and we have included it in our statement.

Mr. DOUGLAS. I should like to ask the Senator from Florida if he has any fears that the proposed legislation would undermine the initiative and self-reliance of the cattle growers and sheep raisers in this area?

Mr. HOLLAND. I have not, because I have found them to be about the most independent and resourceful group of agriculturists in the Nation. In the course of our hearing 2 years ago on price-support legislation, even in those areas where most of the tillers of the land were for high price supports, without a single exception at any hearing the Senator from Florida attended, the cattlemen came forward and very finally and vociferously stated that they wanted no part of any price supports.

Mr. DOUGLAS. The Senator from Illinois remembers that very well. He remembers that the cattlemen of the West, and of the Great Plains area, objected to any protection of consumers, on the ground that if that were done it would undermine the independence and self-reliance of the cattlemen. I wonder if the Senator has discovered the same zeal for independence and self-reliance on the part of the cattlemen when it comes to a Government subsidy.

Mr. HOLLAND. Very few cattlemen appeared before us on the pending measure. We heard witnesses from the Department of Agriculture, the Weather Bureau, and many other agencies. They assured us that this was the greatest drought disaster that had befallen a large area of our Nation in the history of the Weather Bureau. Unless means are provided to combat the disaster, we shall not only find some good people out of business, which would be deplorable enough, but we shall find great areas of our country denuded and unproductive. The feeling in our committee was unanimous. I do not recall that any objection was raised. Some of us come from States where, thank the Lord, we do not have this particular problem to contend with. We felt that an important issue of conservation affecting the natural resources of our country far transcended the personal interest of any user of grazing land.

Mr. DOUGLAS. I may say that the Senator from Illinois intends to vote for the bill as presented by the chairman of the subcommittee. However, in view of the fact that cattlemen and sheepraisers have insisted so strongly on protecting their independence and self-reliance and individual initiative, I wondered whether the Senator from Florida had any fear that we would undermine the independence upon which the cattlemen have insisted so strongly. I say that because initiative can be undermined in a very insidious fashion. A program may begin with very laudable purposes. However, if we destroy, ultimately, both self-reliance and initiative, as we heard the cattlemen say so many times might happen under certain circumstances, would not the consequences of such action be disastrous? I wonder whether the Senator from Florida and the cattlemen themselves have thought enough about the possibility or danger of undermining the moral qualities of the cattlemen.

Mr. HOLLAND. I may say to my friend from Illinois, in good humor, because he always preserves good humor, that I do not believe that such a result would come about in this instance. We are confronted with a great national disaster. It is just as much a national disaster as is a ravaging flood or a great fire or a great earthquake. We are trying to deal with it from that point of view. I may say also that most of the agricultural industries which I represent in part as one of two Senators from the State of Florida are just as strongly against price supports as are the cattlemen. I refer to the fruit growers and vegetable growers in my State. With one voice, everyone whom I have heard speak on the subject has said, "Here is a disaster so tremendous that only the Nation, with all its strength, can help relieve it." Therefore I do not believe the cattlemen would be affected at all in their traditional feeling and point of view against price supports.

Mr. DOUGLAS. The Senator does not believe that their character would be undermined?

Mr. HOLLAND. I do not think the character of the cattlemen would be undermined any more than a home lover would have his character undermined if his home had been washed away by a flood and the Red Cross or some governmental agency had come forward to help him reestablish his little home. I do not believe his character would be undermined by restoring the home of his little family. To the contrary I believe he would show considerable intestinal fortitude by coming back to restore his home. When victims of drought can see the well-watered plains of Illinois not far away, or the verdant fields of Florida or California not far away, and other places which have not been hit by terrific drought disasters, there is a temptation, I am sure, for one who is weak to say, "This is all I can take. Let me go to Illinois or to Florida or to California, or somewhere else, and rebuild in a safer and more secure agricultural atmosphere."

I believe that the people who are fighting for their very lives in this situation are deeply attached to the soil and are deeply attached to the cattle industry, and are deeply attached to independence, and would not think that they were losing their independence by letting their great Government help them retain their land. I did not find such sentiments expressed, or any such great concern expressed, by anyone who appeared before us in our hearings.

Mr. DOUGLAS. I am very much reassured by the statement of the Senator from Florida. I am very glad to hear that our stockmen feel that way about this proposal. As I say, I shall vote for the bill. Of course, the Senator from Florida realizes that catastrophes are not solely natural catastrophes, and that there are also social catastrophes as well as climatic catastrophes. I imagine that the Senator from Florida believes, therefore, that people should be protected against such things as urban blights, and that character is not destroyed by the Federal Government assisting people who are injured by calamities aside from those of nature.

Mr. HOLLAND. The Senator is, of course, correct. From the subcommittee of the Appropriations Committee over which the Senator from Florida has the responsibility and honor of presiding as chairman, there has come each year for several years a provision of funds more generous than that provided by the other body in its wisdom, for the redevelopment of areas that had been hurt by some situation outside of their ability to control, but not of a serious natural nature.

Mr. DOUGLAS. I appreciate the Senator's statement. May I ask whether the Secretary of Agriculture has approved the program?

Mr. HOLLAND. That I am unable to answer categorically. Let me say that before the distinguished Senator came to the Chamber I explained to the Senate that we had had specialists and experts and heads of divisions of the Department of Agriculture sit with us on three occasions. They have been very helpful, and the changes which are reflected in the committee amendment largely reflect the suggestions and the wisdom of those people.

We also received this morning an informal memorandum. It does not have the standing of a report, because it had not had time to clear through the Department. At the same time I feel that the memorandum, from which I have quoted several paragraphs, does represent the thinking of the heads of those divisions in the Department of Agriculture who sat with us in drafting and later when we had worked out the bill, and who, after a couple of days in which to study the language more carefully, wrote the memorandum as representing their reflections. They are all complimentary.

Mr. DOUGLAS. It is my understanding that the Secretary of Agriculture at a press conference a few days ago criticized the idea of price supports for farm products. His basic objection, of course, is that they undermine the independence of the farmer in his reliance on such programs. Am I to understand that the Secretary of Agriculture does not have the same objections to subsidy payments for stockmen and sheepraisers?

Mr. HOLLAND. I am sorry to say that I am unable to answer that question. However, I must say that the Secretary of Agriculture is not alone in his feeling that reliance on high price supports has, in some instances, sapped the independence and self-reliance and initiative of some of our farmers. No one regrets that more than does the Senator from Florida, who dislikes to see it. There are some things, entirely proper, which we can do that will not entail such an unfortunate result. However, I believe that we have had just such an unfortunate result from some aspects of the very high price-support program which was allowed to follow the war.

My opinion and the opinion of the Senator from Illinois are not always the same, although we are equally interested in agriculture and agriculturalists. I am sure that the Senator from Illinois is an ardent patriot and wants to bring good to all the people of his country. The Senator from Florida shares that attitude also.

Therefore, there can be differences of opinion on some of these subjects, but I am sure we think alike when we try to deal with a terrible national disaster which not only affects hundreds of our people disadvantageously but, if carried to the extreme, might conceivably destroy the effective productiveness of our land and thus diminish our national strength.

Mr. DOUGLAS. I appreciate the kind words the Senator from Florida has said about the Senator from Illinois, and I wish to reciprocate those feelings so far as the Senator from Florida is concerned.

Mr. HOLLAND. I thank my good friend from Illinois.

Mr. DOUGLAS. The Senator from Florida and the Secretary of Agriculture are alert to the dangers of natural catastrophes such as drought. However, are there not some catastrophes which hit millions of city people, which disasters are not caused by nature, and to avert which the individual city dweller is as helpless as is a stockman or cattleman to avert natural disasters?

Mr. HOLLAND. There are certainly disasters of one kind or another which hit us that are not natural disasters. The Senator from Illinois offered some words of commendation to the Senator from Florida when he was handling a measure to liberalize greatly the Farmers' Home Administration Act by trying to meet the situation, in part, at least, of farmers of limited means or farmers who were farming submarginal land.

Mr. DOUGLAS. The Senator from Florida is very kind. I hope he will permit the Senator from Illinois to ask one more question.

Mr. HOLLAND. I shall be glad to do so.

Mr. DOUGLAS. The cattlemen and stockmen from these regions have constantly emphasized what they term "States rights." They say that the Federal Government should not intrude upon the States in matters relating to the States. They say that the States should assume the major portion of economic activity, and that the Federal Government should, in the main, stay on the sidelines. Does the Senator from Florida feel that States rights are being interfered with by these Federal subsidies?

Mr. HOLLAND. I do not feel that States rights are being interfered with at all by the measure we are here considering. On the contrary, I think the States where the massive droughts have been sustained are already carrying, so far as the public units are concerned, the greatest part of the load. There is no way to avoid that. The tax rolls show it; their volume of business shows it.

There is not a State institution in any State which has been terribly hit by the drought which has not been badly hurt. Therefore, the States will have to carry the principal part of the load. Nevertheless, all the States help to make up our great Federal Government, and one of the fine things about the Federal Government is that both officially and unofficially, through governmental means and through such private means as the Red Cross, and many similar agencies, the people of America like to think of themselves as united when disaster strikes any part of our Nation.

Mr. DOUGLAS. I appreciate those remarks. I am in favor of the grazing bill. I want to make that perfectly clear.

Mr. HOLLAND. I am grateful to the Senator from Illinois; I thought he would be in favor of it.

Mr. DOUGLAS. I am struck by the fact that the people recognize the force of the Federal Government when they are in trouble and when they want an appropriation. But when it is a question of the Federal Government protecting someone else and possibly interfering with them a little, then some of the same people take refuge in the doctrine of States rights and say, "This is not a proper function of the Federal Government." The endeavor of the Senator from Illinois, as undoubtedly the Senator from Florida has discerned, has been to make certain that there is as much consistency in this field as is perhaps desirable.

Mr. HOLLAND. The Senator from Illinois, as always, has been courteous and kind in his remarks concerning this matter. I should like him to realize that, so far as the Senator from Florida is concerned, there is not an acre in his State—and I am happy that that is the case—which would be affected by the bill.

Mr. DOUGLAS. I understand that.

Mr. HOLLAND. I found no disposition on the part of any Senator on our committee from a State which was not hit by this disaster to fail to give all his attention, thoughts, and planning to trying to draft a workable bill.

I do not believe there is anyone who desires to put disaster relief, whether Federal or State, as to the individual, on a strict, technical basis of States rights or individual rights.

So far as I am concerned, I think I am about as ardent an advocate of States rights, along with State responsibilities, as can be found in the Senate. I hope to be so. Yet I find no trouble at all, either for myself or from my State, which is not affected, in doing the utmost toward trying to have passed a workable bill for some 8, 10, or 12 States which are affected in varying degrees, and which are a great part of our fine country, and which will be left in a desperate position unless some program is provided for rebuilding the fertility of their soil.

Mr. DOUGLAS. I quite agree with the Senator from Florida. There have been some droughts in southern Illinois, and I think some counties should have been declared disaster areas which were not declared to be disaster areas. In the main, of course, my State has not suffered to the degree the Western States have suffered. Nevertheless, I am very glad to support the proposed legislation, because I think it is needed. It is needed to prevent the Dust Bowl from developing once again.

My hope is that the citizens and the representatives of those States that desire Federal aid when they suffer natural catastrophes will realize that other sections of the country can suffer not merely natural, but also manmade catastrophes, which are equally devastating in their total effect.

Mr. HOLLAND. I thank my distinguished friend. He is always a real humanitarian. I never expected anything else than that he would be strongly in support of the bill.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CARROLL. I thank the distinguished Senator from Florida for the very able presentation he has made, although he does not come from the drought areas of the Nation.

The distinguished Senator from Illinois, genuine humanitarian that he is, was, I think, justified in putting his question about what would be done with respect to other sections of the country which may not be stricken with a drought, but which may sustain some economic catastrophe.

Coming as I do from a drought-stricken area, he may rest assured that I will support all such measures, because

we are not talking about cattle, we are not talking about land, but we are talking about people. As the distinguished Senator from Florida has said, it is the people who are suffering.

I should like to inform the Senator from Florida and other Members of this body that only recently this very area was in the midst of a triple blizzard. For 7 years the people of this area have suffered from hailstorms, or from wind, or from the sun which has dried out their land. Now, at this very point, there comes before us a very minor bill, a grazing bill, a part of the purpose of which, as I understand, is to extend the provisions of Public Law 875, which is disaster legislation which the President himself can activate only if, in turn, the governor of a State activates it.

Heretofore Colorado has had 36 counties under the disaster program. As a result of the recent blizzards, 10 additional counties have been added.

Cattlemen, whose basic herds may have been smothered by the snow, are not asking for grants of money; they are simply asking that the Government not foreclose, but extend credit to them. That is what first brought my attention to the deferred grazing bill.

It is very clear to me what the purpose of the bill is. Although it deals with the conservation of grass and of land, it fundamentally deals with people. At a very insignificant cost it will be most helpful to the Nation.

I commend the distinguished Senator from Florida for his clear presentation, at the same time recognizing that the distinguished Senator from Illinois was using a little of the needling process to awaken our own consciences to the facts which may exist in the other parts of the Nation.

The Senator from Illinois has said he will support the bill. For that we commend him. I do not see how any Senator could, in good conscience, vote against the bill.

Mr. HOLLAND. Mr. President, the Senator from Florida has not felt that the needling on the part of the Senator from Illinois was at all unkind.

Before I close this part of the discussion, I call attention to one other matter. My friend, the distinguished Senator from South Carolina [Mr. JOHNSTON], is really the chairman of the subcommittee which conducted the hearings. He was so burdened with other hearings that he asked the Senator from Florida, who is one of its members, to act in his place. The Senator from Florida is the chairman of another subcommittee which is somewhat related to this subcommittee. The Senator from Florida agreed to conduct the hearings as requested by the Senator from South Carolina.

When the time came to make a report on the bill, the Senator from South Carolina and the Senator from Florida, who sometimes do not see eye to eye on the subject of price supports, were going down the road hand in hand. Neither of our States is affected at all by the drought. Nevertheless, although our philosophy about price supports is as different as it can be, I do not believe there was any expression of difference about the details of the bill. Certainly, we were both found supporting it heartily in every way we could.

Mr. JOHNSTON of South Carolina. Mr. President, I thank the Senator from Florida for the remarks and references he has made concerning me. When I was looking for a Senator to hold the hearings, I immediately thought of the Senator from Florida, knowing that he would go to the bottom of the matter and develop all the necessary facts in order to reach a proper conclusion. I had no doubt in my mind that the proposed legislation was needed, and that the Senator from Florida would do the spade work of digging out the facts and getting the bill ready, not only for the subcommittee, but also for the full committee.

I commend him for the work he has done, because he and his committee have produced an excellent bill.

Mr. HOLLAND. I appreciate very much the remarks of the Senator from South Carolina.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MALONE. I should like to say, if the Senator from Florida will permit me, apropos of the debate between the Senator from Illinois and the Senator from Florida, that one of the things about which the livestock men have complained, although not very loud, has been not the failure of Congress, but the holding of the prices of feed—corn, barley, and other feed—at a support price higher than that for which it can be fed to the livestock, the livestock can be sold on the open market, and the cattlemen can break even.

CANNOT FEED THE CORN, BARLEY, AND OIL CAKE AT SUPPORT PRICE AND SELL STEERS ON OPEN MARKET

If the support price is paid for corn, and fed to the steers, there will be a loss of about 50 cents a day on each steer sold on the open market even if they make the usual gains.

The cattle and sheep men have taken the brunt of it for several years, and it has broken a lot of feeders, and the feeders furnish the market for the small ranchers and the farmers, when their livestock is ready to ship off the range.

When certain areas are placed in a disaster area, a special price is established for the feed (corn, barley and oil cake), and that reduces the cost to a point where the farmers and ranchers can at least break even, by feeding the corn and the barley at such reduced prices.

That operation alone, however, disturbs the business where it is not dependable.

Mr. HOLLAND. And by cutting the herd to the basic herd.

Mr. MALONE. I may add, by cutting the basic herds and borrowing money to feed the cattle for the market.

They have just about reached their limit, however, in trying to feed corn, barley and oil cake at the support price, when there is no support price for the cattle. So far they have stayed away from it and argued against it, but the end is near.

As the distinguished Senator from Florida has so ably stated, they have been very vociferous in stating that they want no help, or regulation; but some of these days they will come to the end of the rope, if the Congress continues to keep up the support price of the feed they must have to market the beef.

ARBITRARY REDUCTION OF THE RANGE PART OF THE LIVESTOCK UNIT

Let me explain to the distinguished Senator from Florida the tendency on the part of both the Department of Agriculture and the Department of the Interior to reduce the range for the livestock unit 10 percent on transfer or nonuse.

The Department of Agriculture supervises the forest reserves which generally are the summer grazing areas, because they are the higher elevation areas on the western ranges; and the Department of the Interior supervises the regular public land areas under the Taylor Grazing Act, initiated in 1934 and now under the Bureau of Land Management. There has been a tendency to cut the grazing rights of any grazer who may have more than what they call a subsistence unit—enough for an average family.

I wish to explain to the distinguished Senator from Florida, inasmuch as I know that the areas in his State are entirely different from the western areas, that what counts in the West is the balancing of the range with the feed producing ranches.

There are three parts to a grazing unit. First, there is the feed-producing ranch area, where there is enough water to raise hay or grain or both to feed a certain number of cow units—cow and calf—or sheep units—ewe and lamb. A ton of hay to a cow or unit is about the average in the West, for wintering a cow unit.

Then there are the spring, fall, summer and winter range lands—public or privately owned lands which form one part of the three-part unit. The water rights on the range and the feed-producing ranches form the third unit. If any part is taken away or reduced, to that extent the carrying capacity of the range unit is destroyed.

So the tendency has been to cut 10 percent, whenever there is a transfer, or whenever there arises an occasion for so doing. The authority to do this has never been relinquished so that the "range unit" is never stable or salable.

I wish to refer to page 2 of the report, where the language is very clear—namely, that—

> The Secretary of the Interior and the Secretary of Agriculture should enter into nonuse arrangements with grazing permittees whose base properties are, in whole or in part, placed in the program in order to preserve the qualifications of such properties for grazing permits.

I ask the distinguished Senator from Florida if there is an understanding with the Government department in charge of the public lands that there will be no arbitrary cut in the range affecting the carrying capacity of these range units, during this period.

Mr. HOLLAND. Let me say to my distinguished friend from Nevada that the various agencies which handle the programs for the public lands and the leasing of those lands to the permittees were consulted by the committee about this matter. They say that ample authority already exists, and I think that they certainly should insist upon the handling of their present regulations under their present authority in such a way as to work no hardship or forfeiture upon the holders of permits who graze the public lands supplemental to their own lands, as the Senator has explained the matter.

Mr. MALONE. If the distinguished Senator from Florida will permit me to continue, I wish to say that I know they have that authority. They also have authority under certain conditions to cut the range under lease 10 percent on sale or transfers; and what we need to know now, Have they committed themselves to protect such range utilized with the livestock unit during this period?

Mr. HOLLAND. That is the understanding of the Senator from Florida and the committee. While the Government is with one hand extending aid to a rancher to revitalize his land in its productive capacity, it would be completely inconsistent for the Government with the other hand to take away some right that was based upon the rancher's full herd being in existence and being grazed. When the farmer has to limit grazing he simply cannot live up to the full requirements of his grazing permit as to how many head he would have on the publicly leased part of his total grazing facilities.

STATES RIGHTS

Mr. MALONE. I appreciate very much the statement of the distinguished Senator from Florida.

I should like to add—because the matter of States rights has been brought into the debate—that in my opinion the States rights are in no way affected one way or another by any action which Congress may take in connection with any relief or any other projects under a Congressional policy, such as that of flood control of irrigation or reclamation, drainage or through appropriating money for other purposes.

The States rights are not affected in any way whatever, unless by deliberate action taken by an administration or by a bureau head operating under the laws so passed, and taking advantage of such Congressional action. The bureau heads are only empowered to conform to the policy laid down by Congress, not to create policy.

Congress is not taking away or affecting the States rights by such action. But unfortunately for many years the policy of encroaching upon States rights has been a policy of bureau heads and of administrative action.

I wonder whether the distinguished Senator from Florida will agree with me that the harm is not done by the laws passed by Congress to carry out projects within a State or States, but the harm is done by the bureau heads who operate to establish policies which usurp and nullify such constitutional rights of the States.

Mr. HOLLAND. I am sure the Senator from Nevada and I understand the matter exactly alike. I think the Congress passes legislation of that type in an effort to increase the national wealth and the national productivity. The Congress is not thinking of any particular individual or any particular groups of individuals. The purpose is to build greater wealth and greater productive power for the Nation. When a disaster comes and when there is necessity for giving relief, I think all that the Congress endeavors to do in regard to the citizens and the communities and the States affected is to enable them to receive aid from their other brethren who happen to live in places which are not affected by such disasters.

Mr. MALONE. Then I understand the Senator from Florida agrees with me that when Congress passes an act for relief that action has nothing to do with basic States rights under the Constitution.

Mr. HOLLAND. Not at all, any more than it tends to destroy personal or States rights when the Senator out of his generosity makes a donation to the Red Cross at a time of disaster, when he wishes to have relief given to someone or some area which has been greatly hurt by a flood or some other disaster. That is not a deprivation of rights. To the contrary, it is a showing of interest on the part of one American in the distress of other Americans who happen to be adversely affected.

Mr. MALONE. I thank the Senator from Florida.

Mr. LAUSCHE. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Florida yield to the Senator from Ohio?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. Will the Senator from Florida inform me whether I am correct in understanding that this is a special bill to provide special aid for livestock grazers, and will make available for their help the sum of $25 million if they qualify in accordance with the provisions of the bill?

Mr. HOLLAND. When the Senator from Ohio refers to $25 million he refers to the special message of the President, which has been printed as House Document 115. He will find it printed on page 19 of that document. The $25 million is requested this year as a first appropriation.

The Department of Agriculture, in its report to us, says—and I have not quite reached that part of my introductory remarks—that this program, as embraced in this measure, will cost, in the opinion of the Department of Agriculture, approximately $30 million for the next 2 years.

Mr. LAUSCHE. For the next 2 years?

Mr. HOLLAND. Yes.

Mr. LAUSCHE. Then it is a special bill to provide special aid for a special condition, apart from all of the other bills we have to give aid in a disaster?

Mr. HOLLAND. The Senator is correct.

Mr. LAUSCHE. Secondly, House bill 4249 was passed early in this session, and that gave $25 million to the same cattle growers, for the purpose of aiding them in buying feed.

My question is, Was that not a special bill to give special aid in a special condition, and does not the bill which we have before the Senate today cover the same situation?

Mr. HOLLAND. The Senator is correct in that that special measure was to give assistance to largely the same group of people that would be affected by the pending measure; but it had to do with emergency feed assistance, allowing them to buy emergency feeds at 50 percent of normal value. That was in pursuance of a program which has been operating several years. This particular appropriation was recommended and passed by the Senate as a part of the urgent deficiency bill of 1957. That bill is still in conference. It had to do with providing funds to carry on one of the programs that is embraced in a general public relief act, which I believe is known as Public Law 875.

Mr. LAUSCHE. It is also my understanding that there is under way between the conference committees of the House and the Senate the working out of an arrangement whereby the deficiency bill will become law, and that one of the vital arguments in the consideration of that proposal deals with the $25 million appropriated by the Senate for cattle growers several months ago.

Mr. HOLLAND. The Senator is partly right in his statement. The matter is in conference. I understand it is in trouble. The Senator from Louisiana [Mr. ELLENDER] is on the floor. He is one of the conferees. He could tell us of the situation. The bill deals with emergency feed. It is feared that the bill might have an effect upon dairymen, poultrymen, and other producers, in disturbing the normal prices at which they buy commodities necessary to them, and which are also furnished in the feed program. However, that bill has no relation whatever to the pending bill.

I may say that the pending bill contained a section, section 5, which would have amended Public Law 38, 81st Congress, or that part of it which dealt with the feed program, but it was dropped, for the reason that the House had dropped a similar provision out of H. R. 2367 and plans to hold hearings on the subject. We consulted with the Senator from Texas [Mr. JOHNSON], the author of the bill, and came to the conclusion with him that section 5 would better be considered as separate legislation so that action on a deferred grazing would not be delayed.

The pending bill has to do with providing needed range grass growth on many millions of acres of rangeland, lying in from 8 to 12 States. I have to put it that way because recent rains and snows may bring quicker relief to some of those States than was at first thought possible. But the bill affects a great area of our country, and has to do with the rehabilitation of a native asset, the growth on rangeland, which at present is not allowed for under any effective public program.

Mr. LAUSCHE. Mr. President, will the Senator further yield?

Mr. HOLLAND. Let me say one thing more. The $25 million which the Senator mentions, in other words, has no application at all to this program. The best measure we have as to the cost of this program, and the only measure on which we can rely, is the estimate of the Secretary of Agriculture that it will cost $30 million, as he sees it now, to carry the program on for 2 years.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the chairman of the committee, who is also one of the conferees on the urgent deficiency bill.

Mr. ELLENDER. I have just returned from a conference between the House and the Senate on the urgent deficiency bill. We have been struggling in conference with this problem for the past 3½ weeks. The $25 million figure mentioned by the distinguished Senator from Ohio was not agreed upon by the House, but, instead, we accepted a $15 million appropriation. The reason for that was that the $15 million appropriation would be sufficient to carry out the program until June 30, whereas the Senate had provided $25 million to carry out the program until September 30, 1957.

Likewise, the Senate receded from the $25 million figure and agreed to accept the $15 million figure from the disaster loan revolving fund, to be used for emergency feed and seed assistance.

We have not reached agreement on the question of forcing the Secretary of Agriculture to assist farmers in procuring cottonseed meal or cottonseed cake or pellets for taking care of basic herds.

Mr. LAUSCHE. May I ask the Senator from Louisiana a question?

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may yield so that the Senator from Ohio may ask a question and receive an answer from the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Is the subject of the $25 million which was granted to buy feed one of the items in controversy in the conference?

Mr. ELLENDER. No.

Mr. LAUSCHE. It is not. Have the conferees agreed upon that?

Mr. ELLENDER. Yes.

Mr. LAUSCHE. If the Senator will yield, I should like to ask the Senator from Florida a question.

I have had some word that the Secretary of Commerce has stated that if the $25 million, which was included in the deficiency bill, is granted, this $15 million a year is unnecessary. Has there been any such word delivered to the committee?

Mr. HOLLAND. No such word has been delivered to the committee, and if it were delivered, it would have to come from an uninformed source, because the two subject matters are completely different. One has to do with the matter of assistance in the furnishing of feed to basic herds to hold them together. The other is the matter of rebuilding the native grass on rangelands which have become almost desert, in many areas of the West, as a result of the drought.

Mr. LAUSCHE. When the deficiency bill was before the Senate, if I had known a request was going to be made for $15 million or more, my vote would not have gone in support of that bill. I understand first there was provided aid for the grazers by way of the Soil Conservation and Domestic Allotment Act, which has been in existence. Am I correct in that?

Mr. HOLLAND. That is correct.

Mr. LAUSCHE. Then we passed a special bill to give $25 million for them to buy feed. Now we are probably going to pass a $15 million bill to help them reestablish their lands.

Mr. HOLLAND. The Senator is partly right and partly wrong. The aid for feed covers a much wider area than does the pending bill.

Mr. LAUSCHE. Are they not both administered under the public-disaster law? They come under the same subject, do they not?

Mr. HOLLAND. That is correct; however, under different phases of that law. Insofar as concerns aid for feed, the right to purchase feed at 50 percent of normal cost applies to a much wider area than that to which the pending bill would apply, because in the pending bill it is not just required that it shall be a disaster area. There are many disaster areas where farms exist and where farming is in distress. The bill to which the Senator refers is the feed-and-seed bill. The present measure is confined to livestock, and it is also confined to areas in which—and I quote from the bill, and the Senator will find this language on lines 22 and following on page 4—"in which the Secretary of Agriculture determines grazing of native rangeland is a substantial factor in agricultural production, and finds that limited or deferred grazing is necessary and appropriate for the reestablishment or conservation of grass for grazing."

I wish to say to my distinguished friend that the aid-for-feed program has been going on for some years. The Senator from Florida, along with other members of the Senate Committee on Agriculture and Forestry, has been on inspection trips, to see how our aid for the acquisition-of-feed program was coming along. Some of that is in areas where, largely, cultivated farmland is involved, rather than rangeland. Some of it is in areas where the extreme drought lasted only 1 year, but where there is a lack of feed and a lack of assets and consequent inability to move ahead.

This bill relates to those vital cases where the native products of the soil—mostly grass, but other vegetation, also—have been so completely destroyed by the long-existing drought that the very existence of that area as a productive part of our agricultural economy is jeopardized and threatened.

The effort here is to provide for an emergency conservation and reestablishment practice which will enable the rebuilding of the native assets, the range grass and other things.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. The distinguished Senator from North Dakota is one of the ranking members of the committee. Perhaps he has an observation to state on this point.

Mr. YOUNG. Yes, if I may be permitted to state it.

There is an item in conference now with the House, as to appropriations, relating to loans to farmers which are to be repaid. The item is for direct payments to the farmers for rehabilitation of rangelands. I think the two are entirely separate.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Delaware, with the consent of the Senator from Ohio [Mr. LAUSCHE].

Mr. WILLIAMS. The Senator from Ohio was correct. We did appropriate a few weeks back $25 million to provide for cheaper feed for this same area.

Mr. LAUSCHE. Twenty-five million dollars.

Mr. WILLIAMS. The Senator from Ohio is correct. Situations will occur under the provisions of the proposed law whereby those who come within the grazing plan will lease grazing facilities to the Government and receive the normal grazing payments from the Government while at the same time the cattle they move off the area will be fed by the Government under another program at about one-half the normal price. Is that not correct?

Mr. HOLLAND. Mr. President, again I may say that is partly correct and partly incorrect. The maintenance of the basic herd, which is a great deal smaller than the full herd, is a matter of public concern, as well as a matter of private concern to the owner. That is protected and allowed for in part by the feed purchase program, to permit the grazer or the dairyman, after he has reduced his herd—and the areas I have helped inspect were more dairy areas than they were rangeland areas—the opportunity to keep life in the bodies of the basic herd, which has been culled out from his full herd. The rest of the cattle are gone.

That is the objective served by the feed program. The question of the preservation or restoration of the land is a different question. The law will be administered, however, by the same agency, and it will be administered with some commonsense.

Whether we like what Mr. Benson and his key men do or not, I think most of us would have to say they have shown a whole lot of good commonsense and demonstrated a great deal of good, common frugality in the handling of the main programs. I see no basic interference between these two programs, because they deal with different values.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I am not questioning the fact that the program contemplated may have some merit; I am merely pointing out that I think the Senator from Ohio [Mr. LAUSCHE] is correct. It is possible if the bill is passed to have both programs operating with regard to the same farm simultaneously, where the farmer would be paid to take the herd off his land and would draw full compensation and payment for the acreage, while at the same time the Government would be helping to feed the herd, after the farmer put it off the land. There will be duplication.

Mr. HOLLAND. The Government would be helping him to feed his herd by selling him feed at half price.

After all, does the Senator suggest that we should attempt to replace these millions of acres of rangeland, but not attempt to provide cattle or sheep to go on them?

Mr. WILLIAMS. I am not suggesting that. There may be some merit to this proposal. I am suggesting that the time is long past due when we should have some form of State participation in these programs which provide for Federal aid in the various stages. I say that, regardless of which States may be involved, I will not support this bill as written.

Mr. HOLLAND. Mr. President, I realize that there is room for a difference of opinion on these matters, but I wish to say that as between the measures, if I had to choose, I would say the national interest is much more concerned with the objectives of the pending bill than even with the wholesome objectives of the aid for feed program for the basic herd, whether it be dairy cattle or range cattle, or whatever it might be. After all, we are dealing with the preservation, protection, and revival of a very great national asset, which is jeopardized and nearing destruction.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. LAUSCHE. The grave fear I have about the wisdom of passing the bill deals with a principle. It is my fear that the giving of such aid, as distinct from the general disaster aid which is applied to all, would positively lay the groundwork for cities to come to the Congress asking that their citizens who have suffered losses of houses and property be given special aid for special damages suffered under special conditions.

While I was mayor of Cleveland, the city of Cleveland suffered from tornadoes. While I was governor of Ohio, there were disasters on the Ohio River. The citizens came to me, as governor, and asked if the State could not help them directly in retrieving a part of the losses which they suffered. My answer was that the State could not.

If this bill is passed it will establish the principle that the Federal Government in periods of disaster will give direct aid, whatever the situation may be. I humbly submit to the Senate that if we give aid to the cattle grazer, how can we deny aid to the miner, or the quarryman, or the railroadman, whose property has been damaged or destroyed in a disaster?

I wish to further point out that this bill provides that at the end of 5 years it shall vanish; that there shall be no further force to the law. Five years from now I shall be here in the Senate, and I venture to say the amount requested will be larger, and there will be a request that the period be extended. The costs of the bill will accumulate, and the tax burden upon the citizenry will grow heavier. I fear passing the bill is not wisdom, because of the dangerous precedent which it establishes.

Mr. HOLLAND. Mr. President, I appreciate the remarks of the distinguished Senator, the former Governor of Ohio. I have had somewhat similar experiences while serving as the Governor of our State of Florida. We have had hurricanes. We have had floods. We have had other disasters. After I came to the Senate we had a flood in 1947, which the United States engineers said resulted in a loss of $59 million. I think the loss was a good deal greater than that, but $59 million was the official figure. We did not come here asking for the restoration of those things which were lost. We did come asking for appropriate relief. We were generously treated by the Congress, which thought that measures which would prevent the recurrence of such a flood, or tend to do so in the future, were desirable from the standpoint not only of protecting individuals, properties, and the State, but particularly from the standpoint of the protection of the Nation, because we cannot take $59 million out of the productive capacity of a small area in 1 State in 1 year without greatly reducing taxpayments to the Federal Government and other units of government. We came to Congress for the type of relief which was applicable to that type of case.

It seems to me that the Senator is disturbing himself with questions which are not applicable to this situation. If the Senator is prepared to hold that it is not a matter of grave national concern for many millions of acres of lands formerly rich and productive to become almost a desert comparable to the Sahara, displacing hundreds of thousands of people who have not only lived upon those lands, but have raised there commodities needed by the rest of the Nation, of course, his argument is sound. But it seems to the Senator from Florida, and it seemed to every other member of our committee, regardless of where we came from, or to which party we belonged, that this was a matter in which the public good of the United States was threatened by disaster, already grave, but which could possibly become more widespread in its permanent effect, and that instead of sitting still and doing nothing about it, we should at least offer a cooperative hand to the people of the areas so devastated. We should say to them, "Thank the Lord, you want to go back to the land and restore the area to productivity, instead of moving to States which have not been hurt." We are glad that that is a typical American attitude. The American people do not like to be driven from their homes. They do not like to leave their native heath. They want their children to be reared under the conditions under which they themselves were reared. They will stay where they are and fight, not only for themselves, but for the reestablishment of a great national asset.

The committee felt unanimously that a sufficiently important national question was involved to cause us to recommend strongly the enactment of this legislation, even though it would cost us, as is now estimated, $30 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. I deeply respect the great devotion which the Senator from Florida has to conservation. I cannot see how he could have a different attitude, knowing the great influence which the beauty of Florida naturally has upon him.

Mr. HOLLAND. I thank my distinguished friend. We will welcome him as a guest, frequently, I hope.

Mr. LAUSCHE. However, while I subscribe to the principle of conservation, and have fought for it diligently, I have in mind that we now have a general law making possible financial aid to the landowner who adopts a conservation program.

That law is uniform in its operation. It covers the entire breadth of the land. It covers every farmer and cattle raiser in the country. Ohio farmers have available to themselves the benefit of that law. But it is now sought to superimpose upon that general law a special law. That is why I disagree as to the wisdom and soundness of the bill before us.

Mr. HOLLAND. Replying rather briefly, let me say that the conservation acreage provisions of the soil-bank law, of course, cover most of the area of the State so ably represented by the Senator from Ohio, because it has a very great percentage of cultivated lands. The conservation acreage provisions are much more generous to the owners of cultivated lands than the provisions of this bill are to the owners of range land. It seems to our committee that we had before us for consideration a group which was left out of the soil bank and out of any other program applicable to cultivated lands, but a group of people who have had visited upon them this terrible disaster. They want to go back and restore the productivity of those lands. They want to rebuild a tremendous national asset. I say, more power to them. I believe that weaker souls would give up and move to the verdant fields of areas which have not been so adversely affected. But these people want to stay on their lands. I say, let us keep them there by treatment which is not only generous to them, but just to our national interest, because a great national interest is involved.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MONRONEY. I thank the distinguished Senator from Florida for the wonderful exposition he has made of the situation facing some of the States in the drought area. I come from Oklahoma, which was one of the original dust bowl States. Many people decried the cost which was involved in the rehabilitation of the area where there was churned up dust which swept into Ohio, and even down to Florida and the Gulf of Mexico.

As the Senator from Florida says, the people want to stay with the land. The hardy pioneers who stayed with it restored the native grasses and, through help from the Government, recreated

grazing land very much like that which nature had created in the first instance.

During the war years I saw this land supply the meat and the wheat which helped to win the victory, and also to return in ever-increasing abundance the income taxes which paid back manyfold the cost of rescuing that barren land.

As the distinguished Senator from Florida has pointed out, farmers or ranchers are not allowed to put grazing lands in the soil bank. As the distinguished Senator knows, on three occasions I have sponsored amendments to make grazing lands eligible for the soil bank. Strangely enough, tame hay and crops planted each year to provide grazing are eligible for the soil bank. However, the grassland which nature gives us is not eligible. So it does not enter into the $1,200,000,000 program, which allows the wheat farmer, the corn farmer, and other farmers to set aside a part of their acreage and be paid for not farming it.

But at the same time they are paid for not farming this acreage, what do they do with the land? They turn it into grassland, thus creating pasturelands which, in 2 or 3 years, will threaten with extinction the traditional and historic native grassland ranchers, those who have raised stock on what we call the short-grass areas. The grass does not grow back in a year. It will require 3 or 4 years. The land will have to be rested. It will require soil treatment—not merely that which is given to the ordinarily fertile areas which have plenty of rainfall, but reseeding. The people who depend upon the land for their very existence must be recompensated in some way. That is what the bill is designed to do, as I understand. In order to share in this program, they must reduce the number of cattle in their herds. Only if they do so can they be paid 50 cents or a dollar an acre.

It seems to me that this is a very just and equitable bill. I appreciate the sturdy support which the distiguished Senator from Florida has given it.

Mr. HOLLAND. I thank the Senator from Oklahoma.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. If I correctly understand, the bill provides $30 million for the next 2 years. However, it is a 5-year bill. Would it be fair to say that it is a $75 million bill, rather than a $30 million bill?

Mr. HOLLAND. I do not think that is fair, because that would mean that we must reach the conclusion that the drought will not be ameliorated. I do not know, and no one knows, whether or not it will be ameliorated. There is some indication that it may have been broken already in a very important part of the drought belt. We all hope that such is the case. No one knows.

There is no guaranty that the program will be completed in 5 years, because no one can foresee that. Instead of having an open-end bill, with no time of termination, and no assurance that subsequent Congresses would have an opportunity to study the reauthorizing legislation, we felt that a time limit should be imposed.

The original bill contained a minimum of 3 years, without any time limit. Upon very careful study and consideration, and after conferences with those in the Department who, we felt, knew most about the subject, the committee decided that it would be sounder to establish a limit of 5 years, rather than to have a minimum of 3 years, or to have a minimum of 3 years and a maximum of 5 years, because that would tend to indicate that we were committing everyone to a 3-year program, whereas the wording of the amended bill makes it clear that we recognize that there are differences between properties. Some of them have to be handled on a limited-use basis and others on a complete deferred-use basis. Still others, we hope, will be back to verdant green in much less than the 3 years' minimum prescribed in the bill.

Mr. WILLIAMS. The Senator from Oklahoma made reference to the fact that the bill would be applicable only to those farmers who were reducing their herd. Where in the bill is there a provision which requires a farmer to reduce his basic herd?

Mr. HOLLAND. There is no such provision. Of course, when the farmer defers grazing and takes his cattle off the range, he must either dispose of them or find some other source of feed for them.

Mr. WILLIAMS. This is just another subsidy. There is nothing in the bill which would in any way require a reduction of the herd in order to participate in the program. Am I not correct in that statement?

Mr. HOLLAND. The Senator is correct. The opposite side is that most people in this area have long ago reduced their herds anyway because of the feed situation. Instead of having an overpopulation of livestock in the area, I understand that the population is now very greatly reduced and, in many cases there is no basic herd left. Farmers who take their cattle off the range under the bill will, of course, have to dispose of them or find other feed.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CARROLL. I thank the distinguished Senator from Florida for calling attention to what is a problem of national significance, as the distinguished Senator from Oklahoma, in relating history, emphasized with respect to his own State, which was a part of the Dust Bowl 25 years ago. I refer to a condition that existed not only in Oklahoma and Colorado, but extended through 10 States. A great President, Franklin D. Roosevelt, in 1937, 20 years ago, recommended that Congress, begin to take steps to treat this serious problem with a long-range plan and program. President Roosevelt recommended establishment of a territorial agency through which a Great Plains program could be developed.

The Senator from Ohio [Mr. LAUSCHE] has asked about the provisions of an appropriation bill passed a few years ago. It is true that some of it dealt with feed, and it is also true that some millions of dollars dealt with listing of the soil, both of which are programs that were recommended 25 years ago. We are dealing today with a measure of national importance. As the distinguished Senator from Oklahoma said, the soil of the West was blowing clear into the desks of Senators in Washington. That was said 20 years ago.

President Eisenhower made a tour of the critical area only a few weeks ago. Why? Because it was of national importance. Today we are dealing with stopgap, piecemeal legislation, just as we did a few weeks ago. I say to the distinguished Senator from Ohio—and I see also on the floor the distinguished Senator from Illinois [Mr. DOUGLAS]—that I have a bill, which is now in process of preparation, which will attempt to put into effect some long-range recommendations made 20 years ago. But today we are doing our best with stopgap measures to deal with the economic problems of the 10 States involved. Later we will have before Congress measures which will deal with the problem in broader and more proper perspective. In the meantime the Senator from Florida certainly has given us a very intelligent and penetrating analysis of what we are faced with today.

In my own State, as I tried to explain a short time ago, there are 36 counties in eastern Colorado which come under the provisions of Public Law 875. We have now asked for the inclusion of 10 more counties because of the recent 3 blizzards. The people in those countries do not want to be foreclosed. They are saying, "You are spending money all over the world. We do not want gifts of money. Just do not foreclose us."

I have not studied the proposed legislation as carefully as the Senator from Florida has studied it. But I believe that it will give the people of my State to whom the elements have not been kind an opportunity to get their feet under them again.

I should like to make one further observation. Twenty-five years ago some of the area affected by this measure was a devastated area. Then the rains came. Do the Senators know what happened? The area became a great revenue producer for the United States Treasury. As the Senator from Oklahoma has said, people who live in this area are hardy and tough. They are of pioneering stock. They were born to the area. Sometimes I wonder why they stay there. But they do stay there. As the rains come, the land once again becomes a great revenue producer. In one county alone, which produced broom corn, the people paid thousands and thousands of dollars into the Treasury and today there is hardly anything left there. Today most of the cattle in that county have been destroyed.

A continuing and long-range program is needed for the hardy people of this vast and vital area. What we are doing today is providing temporary aid, and this is necessary legislation. But our next step must be a program to develop the economic health of the area in all periods, under all conditions, whether drought or rain.

Mr. LAUSCHE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. The Senator from Colorado has referred to the point about which I have great fear. He has described a new, special condition, which probably will need new and special help. My fear has been that a precedent will be established by the bill we are considering today. It will aid the grazer in Colorado. Colorado now has a special condition. If I voted for the bill under consideration, I would feel obliged to vote for a bill which the Senator from Colorado will ask to be passed to cope with his problem. I very deferentially say to the Senator from Florida that if I voted for the bill now pending before the Senate, when the next disaster comes—and God forbid that it should come—I would feel obliged to vote for special aid for special damages caused by new special conditions.

I predict the time will come when officials from Florida will be asking for special aid to reimburse the State for damages caused by a tornado or a hurricane.

Mr. HOLLAND. I would say, of course, that Florida is a part of the Union. Whenever we sustain damage or a disaster so great as to sweep us off our feet, we expect the generous people in the rest of the Union to recognize that fact. I am trying to recognize that fact now for areas in the western part of our country. That is not a new idea. We have had disaster relief legislation for some time. I recall some tremendous disasters which occurred on the Columbia River and in other sections of our country. In each case a generous Congress acted to provide some relief. A generous Congress acted very quickly, I may say, to give what relief could be provided. I may say, too, that any relief that can be given is always partial relief, because the area that is hit by disaster sustains most of the loss and damage and grief.

Later a great storm hit New England. I believe two great storms hit the New England area. Again, a generous Congress gave relief. That legislation was not passed under the leadership of New England legislators. It was passed because we realized that relief must be given to people who have been swept away from their moorings.

However, I do not believe that there has ever been any type of disaster which in its long duration and in its impact, becoming first bad, and then worse, and then finally running almost to the ultimate, can be compared with this drought. Three years ago, as a member of a subcommittee, I visited the States of Kansas and Missouri and Arkansas and Texas. At that time the drought conditions were already very severe.

Once before on the floor of the Senate I referred to the time when the Senator from Kansas [Mr. SCHOEPPEL] and I tried to sleep in a certain north Arkansas community but were prevented from sleeping all through the night by the complaining of the cattle. The Senator from Minnesota [Mr. THYE] rose and supplied me with a better word. He said it was the bawling of the cattle. So I use that word now.

So there have been disasters. In a country so large as ours, we shall continue to have disasters from time to time, but not every little disaster will call for Congressional action or recognition; the people can handle the small disasters themselves.

When Florida lost $59 million in 1947 from a flood, we did not come to Congress and ask for restoration. Neither would the people of the great State of Ohio, who have had similar situations which have unfortunately arisen occasionally from floods on the Ohio River. That is not a hardship which Congress is asked to take care of.

But this is a devastation which has resulted from years of drought which have just about destroyed the productive capacity of a great area of the Nation. If Congress should sit idly by and do nothing about it, I think Congress would be much more heartless than it has been in the past when it was confronted with disasters in other parts of the country.

Mr. President, I have but a few more paragraphs in my statement. I shall read them rapidly. I apologize to the Senate for speaking at such great length. I had not intended to be on my feet so long when I started, but Senators have been generous in their comments. A statement which originally comprised but four and one-half pages has grown tremendously.

The Department of Agriculture estimates that the program provided for by the committee amendment will cost about $30 million for the next 2 years. The committee changes, which provide for limited use as well as nonuse, payment rates based on the value of the use withheld rather than on average rental values, and many of the safeguards which I have discussed have reduced the cost of the program considerably from that which would be required by the bill as introduced. The revised bill should assure that full value in conservation should be obtained in return for the money spent on the program.

The committee amendment omits section 5 of the bill as introduced.

I call this especially to the attention of the Senator from Oklahoma [Mr. MONRONEY], who may have been temporarily misled by not knowing that that had been done.

Section 5 would have provided for the inclusion of protein feeds in the feed relief program carried out under section 2 (d) of Public Law 38, 81st Congress. The House struck an identical provision out of H. R. 2367 and we are advised that the House Committee on Agriculture intends to hold hearings on the matter covered by this section. We do not feel that the deferred grazing program, which is urgently needed, should be held up until these hearings can be held. Therefore the committee recommended that this section be omitted from the bill. It has been omitted in the committee substitute.

H. R. 2367, which covers the same subject as the pending bill, was passed by the House on February 6 and is now before the Senate Committee on Agriculture. When the Senate has concluded its consideration of S. 511 it is my intention to move to discharge the Committee on Agriculture and Forestry from further consideration of H. R. 2367 and proceed to its consideration. I shall then move to strike out all after the enacting clause and insert the Senate-approved language of S. 511. Thereafter, I shall move to postpone indefinitely S. 511.

I hope the Senate may take speedy action on the committee amendment to S. 511.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, we are considering today a bill of extreme urgency. It is a measure intended to bring relief not only to drought-stricken farmers and ranchers but to precious soil assets which must be conserved for future generations.

The direct impact of this measure would be felt primarily in the great Southwest. That is the area which has born the brunt of the dry, parching years. But the beneficial effects of the bill will be felt by the whole Nation and by generations yet to come.

In simple terms, the bill would provide payments for deferred grazing at rates equal to the fair rental value of the land. The payments would apply only to nonfederally owned land and to native range land.

There is a very practical basis for this measure. We are faced with the choice of either keeping the cattle, the sheep, and other stock off this land or losing for many decades to come soil resources which will be badly needed as our population continues to increase.

The farmers and ranchers cannot afford to take the stock off the land without some help. Drought is not only a physical disaster—it is an economic disaster which saps the financial lifeblood of every community.

If the stock remains on the land, the surface soil will be trampled and ground into a fine powder. It will blow away with the slightest breeze. Soon the land will become barren and sterile—fit for nothing except melancholy lectures on how we lacked wisdom.

It may be considered a paradox by those who live outside the drought area, but it is a fact, that the recent rains and snows have made the need for deferred grazing even more acute. The rains green up the ranges slightly and there is greater temptation to graze.

Such grazing is premature. It tends only to accelerate the rapid progress to complete disaster. The soil needs months—in some cases even years—of rest and gradual accumulation of water.

This situation is important not just to the people of the area, but to taxpayers and citizens throughout the Nation. The

drought has brought difficulties to people as far removed from the Southwest as New York City, or Duluth, Minn.

According to the Wall Street Journal, recent increases in shrimp prices can be blamed in part on the reduced flow of fresh water into the Gulf of Mexico. The shellfish prefer less salty water in which to mature.

Drought-caused shortages have helped increase the price of some lawn grass seeds by as much as 20 percent. The whole farm-implement industry has suffered setbacks because farmers and ranchers cannot buy needed equipment.

And unless the soil is restored, we will—in the foreseeable future—face serious shortages of food and fiber.

People who have ranched for generations cannot pull up their roots overnight and move to other parts of the country. They cannot readily be absorbed into other parts of our economy.

But they are heavily saddled with debt already. Even if the rains continue, many of them will be keeping their books in red ink for the next several years.

Mr. President, there are ample safeguards against abuse in this bill. Payments to any one person would be limited to $5,000 for land in any one county or land operated as a single unit.

There would be no payment if the shift of the stock resulted in overgrazing in nondeferred areas. Permits under the Taylor Grazing Act would be protected.

In reporting the bill, the committee struck out the section relating to high-protein feed. I consider this section of major importance, but I can understand the reasons for this action.

It was done to conform to the House, which wishes to hold further hearings on the subject.

The costs of this measure are low considering the benefits that would be returned to our Nation. The Agriculture Department estimates $30 million for the next 2 years.

This is admittedly a temporary measure. It is intended to meet an emergency situation—but it is an emergency which could lead to untold suffering for our people.

Mr. President, on last Friday, April 5, the Wall Street Journal carried an excellent summary of the drought situation. It was written by James C. Tanner. I ask unanimous consent that Mr. Tanner's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of April 5, 1957]

DROUGHT DOUBT—DRENCHING RAINS AID SOUTHWEST, BUT WORST MAY BE YET TO COME—SOME FARMERS SHOP FOR NEW FLOWS BUT OTHERS FIGURE THEY NEED YEARS OF RAIN—MR. DEEDS BANKS ON A BANK

(By James C. Tanner)

PRITCHETT, COLO.—Drenching rain and swirling snow have brought some relief and a little hope to the drought-stricken Southwest. But unless the rains continue, farmers, cattlemen, and bankers fear the worst may be yet to come.

Recent storms over broad sections of the Great Plains, including parts of Texas, Oklahoma, Colorado, and Kansas, have cheered many farm folk. In areas outside of the new Dust Bowl green grass and sprouting crops hint of ample harvests in the months ahead.

But in the heart of the drought area—stretching from lower west Texas to northern Colorado—the picture still is grim. The blizzards and rains have not provided the deep, prolonged soaking which farm experts say the soil needs over a period of months or even years.

Most farmers, farm experts, economists, and scientists across the drought belt share this view: Although the drought has been eased in some sections, its full, long-term effects are yet to be felt. So they're pushing irrigation, pondering pipelines, and studying ways to cut evaporation of water.

START OF THE SUFFERING

Should the drought continue, says Dr. A. B. Wooten, an economist at Texas A. & M. College, "suffering is just beginning." He believes that in such a case some farm families will be needing "direct relief" including groceries, clothing, and medical care.

What's in store for this area is important not only to the people who live here but also to taxpayers across the country who must pay the costs of Federal aid. Obviously affected too, are farm implement and auto makers.

The impact spreads to the Nation's consumers. Some small samples: Drought-caused shortages have helped boost the price of some lawn grass seed by 20 percent. And higher shrimp prices, resulting from shortened supplies, are blamed in part on the reduced flow of fresh water into the Gulf of Mexico. The shellfish prefer less salty water in which to mature.

Even if the increase in rainfall continues, chances are farmers and ranchers will be saddled with debt for the next 5 to 10 years, economists say.

DEATH AND DAMAGE

In some parched sections, the storms have hurt more than they have helped. They have whipped off topsoil and thin covers of grass, causing further damage to the land. Floyd Reed, Department of Agriculture statistician at Denver, estimates about half of the 2 million acres of winter wheat planted in Colorado will be abandoned. And reports from New Mexico indicate the recent blizzards left 10,000 cattle dead in 2 counties alone. State police and highway crews are pitching in to help ranchers remove and bury the dead animals, which are posing a pollution threat.

"Eastern Colorado is in worse shape by far than last year," grieves Colorado rancher Paul W. Swisher, State commissioner of agriculture. He believes 3 or 4 years of above-average precipitation is necessary to restore this year's normal agricultural life.

Here in the heart of the section of which Mr. Swisher speaks, Earl Deeds, a Pritchett farmer-rancher, says that unless the Federal Government steps in with long-term loans, more and more of his neighbors will be heading for city jobs. Buffeted by years of scarce rainfall and more recently by cattle-killing blizzards, many farm folk can't hold on much longer, he says.

LOOKING TO WASHINGTON

Farmer Deeds, a spry 68, figures it would require at least 2 to 3 years of plentiful rainfall for his land and equipment to recover. Meanwhile, he's relying on the soil bank—"a man can live off the soil bank even without a crop but he can't pay off a loan every year"—and looking to Washington for help in the form of long-term credit.

When he gets the rainfall he needs, Mr. Deeds plans to raise oats, barley, and wheat again on acreage now idled by the soil bank. He also will rebuild his purebred Hereford herd, diminished by the dry spell to some 80 head, about one-third its former size. His herd was reduced even further by the recent blizzards; he lost 8 animals, but some of his neighbors lost 100.

"But I'm not going to leave this land," vows Mr. Deeds. "I still think it's the best in the country."

Farm experts readily agree that the land is good—but thy'll argue about what it's good for. Many soil scientists claim some 14 million acres of cultivated land in the drought sector should be turned to grass and used for grazing, with little attempt make to grow crops on it. Much is marginal land, they note, averaging less than 20 inches of rainfall annually even in normal years. Such is hardly sufficient for successful crop cultivation, they insist.

In the new Dust Bowl, an area larger than all of Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, and Rhode Island, winds this spring are kicking up dust from over 30 million acres of dried-out topsoil. The new Dust Bowl blankets that of two decades ago and spills over in all directions.

Soil conservationists warn that next year the damaged acreage will be even greater unless enough slow rainfall soaks the sun-baked earth.

"The ground in parts of Colorado is in such condition that it won't take water," notes a Denver soil conservationist glumly. "It will take 4 years of above-average rainfall to bring this land back."

At Dallas, a bank economist declares: "We've mined out all the productive features of much of the soil. We'll have to allow a cooling-off period for a substantial portion, put it in grasses and leave it there for perhaps 5 years."

Agricultural officials report farmers are showing an increased awareness of the long-range problems presented by rainfall cycles, and a willingness to plan their operations accordingly. All through the southern half of the Great Plains more farmers are emphasizing diversification—in livestock as well as crops—and are pushing irrigation programs. They're building terraces, small ponds and dams so that rain, when and if it comes, can be trapped and held until it soaks into the thirsty soil.

PUTTING ON A CARPET

In south Texas, extensive root plowing is converting barren ground to grass-covered rangeland. Big tractors shove over brush and trees while knifing the earth. Seeder boxes on the back of each vehicle plant grass during the operation. The idea is threefold: To pit the ground so that it will hold the few drops of rain that fall, to rid the land of water-hungry trees, and to cover the earth with a carpet of grass.

In this section of the plains, farmers and ranchers are drawing their water from far under the ground through elaborate systems of pumps and piping. But some hydrologists warn that such underground reservoirs, stored up over the centuries, will be exhausted within a few years if current heavy use continues.

On a more grandiose scale, Government planners are mulling schemes to construct vast canals and reservoirs in drought-parched regions of the Southwest. Leading Texans, for example, are weighing a proposed $1 billion, 450-mile long canal running from the gulf coast through southern portions of the State. It would irrigate nearly a million acres.

Already underway is a 23-mile, $40 million tunnel under the Rocky Mountains. To be ready by 1963, the project will divert water from the western slope of the Rockies to the Denver area on the east side.

WATER PIPELINE NETWORKS

"We can foresee the day when there will be networks of water piplines criss-crossing this country in much the fashion that petroleum lines do today," says Interior Secretary

Fred A. Seaton. Furthermore, he says, atomic power may provide the energy to pump water over long distances and to desalt water already available in briny form.

Steps also are being taken to control evaporation, which costs Texans almost as much water as they use—eight million acre-feet a year.

At Southwest Research Institute, San Antonio, scientists are applying a chemical film to small ponds, cutting evaporation in half. A waxy substance—hexadecanol—spreads a thin film over the surface. Water which otherwise would be evaporated by the sun can be saved at an estimated cost of half a cent per thousand gallons, researchers claim.

Urban folk are as interested in these potential projects as their rural cousins. For the 6-year-old drought has been rubbing much of the bloom off what had been the Southwest's booming economy. "Texas was getting the big play on industrial expansion," says Dr. Harold Vagtborg, president of Southwest Research Institute. Now Louisiana is getting it.

Dr. Vagtborg frankly admits he'd like to see water diverted to industrial uses. "It takes as much water to support 1 farmer as 60 industrial workers." He claims, "If the industries are going to pull out because of lack of water let's look at the relationship of 60 to 1 and see what we come up with."

"Normal rainfall won't take care of our needs, particularly as we attract more industry," says Dr. Arthur Smith, vice president and economist at Dallas' First National Bank. The only thing for us to do is to go outside our borders for water.

The drought-spurred influx of farmers to metropolitan areas has only underscored the cities' own water shortages. Colorado agricutural commissioner Swisher, for instance, says his State is losing farm units at the rate of 1,000 or more a year.

"Over the short-run period the cities will be able to absorb this influx of farm people," asserts Dr. Philip Coldwell, Federal Reserve bank economist. "But whether this is true over a long period depends on whether the water problem is licked."

Most certainly, urban opportunities will continue in the drought belt despite water problems. Military payrolls, defense plants, and petroleum continue to pump dollars into city economies. In fact, many towns in areas of the Southwest where the drought's impact has not been too severe report steadily mounting economic activity.

In the fertile blackland belt of central Texas, for instance, many farmers figure they'll come up with normal crops this year because of early spring rains. And in the lower Rio Grande Valley, farmers have been withdrawing cotton acreage previously committed to the soil bank.

WINDOW SHOPPING FARMERS

In some areas now emerging from the drought, merchants report farmers are window shopping for replacements for 10-year-old tractors and rusted plows.

"The situation is getting to look pretty rosy," enthuses K. L. Blood, Oklahoma City department of agriculture statistician.

Another sign of hope in parts of the Southwest: Many cattlemen, encouraged by recent rainfall and favorable forecasts by some weather experts, are pressing reluctant bankers for loans to restock depleted herds.

But the bankers are holding off to see if more rain is in sight. For instance, at Kerrville, Texas, where five inches of rain last month turned pastures green, banker A. J. Lochte says he won't be granting loans for restocking until new grass is strong enough to be grazed. "We've had quite an increase in requests for loans from smaller stockmen," says Mr. Lochte. "But the larger ranchers still are waiting until they're more certain."

At San Angelo, C. R. Hallmark, president of the First National Bank, also is being cautious about granting agricultural loans despite a recent light rain. "This drought isn't over yet," says Mr. Hallmark.

There are some, of course, who question whether the Great Plains cattle business—subject of much colorful prose and poetry—will ever again be a sizable factor in the Nation's livestock industry. The Nation's cattle population has shown a tendency in recent years to move eastward, and some Western cattlemen have moved with their herds.

"It's getting tougher all along to raise cattle in the old cowboy country," avers Dr. Smith, Dallas banker.

Western cattlemen will argue this point. "Good weather conditions will stabilize our herds," says a rancher at Truth or Consequences, N. Mex.

Despite a big increase in cattle production in Southeastern areas, the number of beef animals in the United States took a downturn this year. Continued drought likely will cause further reduction. If the drought country should have substantial rain this year or next, demand for replacement breeding animals probably will spur a new increase in total cattle population.

Mr. HOLLAND. Mr. President, I now ask unanimous consent that the Committee on Agriculture and Forestry be discharged from the further consideration of H. R. 2367, and this I do with the consent of the chairman of the committee. If permission is granted, I shall then move that the Senate proceed to the immediate consideration of the House bill.

The PRESIDING OFFICER. Without objection, the Committee on Agriculture and Forestry is discharged from the further consideration of House bill 2367. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2367) to establish a deferred grazing program as part of the relief available to drought-stricken areas under Public Law 875, 81st Congress, and for other purposes.

The PRESIDING OFFICER. Does the Senator from Florida now move that the Senate proceed to the consideration of H. R. 2367?

Mr. HOLLAND. I so move.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, I move to amend by striking out all after the enacting clause of H. R. 2367 and inserting in lieu thereof the text of Senate bill 511, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MUNDT. Mr. President, as a member of the committee and as a Senator representing in part one of the States which is interested in programs of this particular kind, I wish to say that I supported this measure in the committee, and I feel that the amendments which were made by the Senate committee have strengthened the bill and certainly tend to justify unanimous support of the bill.

Mr. LAUSCHE. Mr. President, a parliamentry inquiry.

The PRESIDING OFFICER (Mr. MORTON in the chair). The Senator from Ohio will state it.

Mr. LAUSCHE. Who has the floor?

The PRESIDING OFFICER. The Chair has recognized the Senator from South Dakota.

Mr. MUNDT. I thank the Chair.

Mr. President, so far as I am concerned, I am ready to have the Senate vote.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H. R. 2367) was passed, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, in connection with any major disaster due to drought determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended, the President is authorized and directed as part of the assistance provided pursuant to such Act to formulate and carry out, through the facilities of the Department of Agriculture, a deferred grazing program, which shall include nonuse or limited use, or any needed combination thereof, in any county affected by such disaster in which the Secretary of Agriculture determines grazing of native rangeland is a substantial factor in agricultural production, and finds that limited or deferred grazing is necessary and appropriate for the reestablishment or conservation of grass for grazing. Such program shall be applicable only to nonfederally owned land which is normally used for grazing. Within 30 days (1) after the date of enactment of this act, or (2) after any subsequent designation of any such area as a disaster area by the President, the Secretary shall designate the counties in any such area in which this program shall be available, and the program shall remain available in each such county for a period of not more than 5 years after the date of enactment of this act.

SEC. 2. The program shall provide for payment for deferred grazing to farmers and ranchers at rates equal to the fair rental value of the land for the grazing use withheld under the program, as determined by the Secretary on the basis of the normal grazing capacity of the land during periods of adequate precipitation. No payment shall be made under the program if it is determined that a shift of livestock from the deferred areas to other land results in overgrazing nondeferred areas. Payment to any person for deferred grazing on land in any one county or land in more than one county operated as a single unit shall not exceed $5,000 for any 1 year.

SEC. 3. The program authorized herein may include such terms and conditions, in addition to those specifically provided for herein, as are determined desirable to effectuate its purposes and to facilitate practical administration. The program authorized herein for any county shall be supplemental to the agricultural conservation program, and not in substitution of, other programs in such county authorized by any other law, except that no payment shall be made concurrently on the same land for deferred grazing under this and any other program.

SEC. 4. There is hereby authorized to be appropriated, in addition to other funds authorized to be appropriated for the purposes of Public Law 875, 81st Congress, such funds as are necessary to carry out the program authorized herein.

The PRESIDING OFFICER. Without objection, Senate bill 511 is indefinitely postponed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which House bill 2367 was passed be reconsidered.

Mr. GOLDWATER. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

To motion to lay on the table was agreed to.

NINETEEN HUNDRED AND FIFTY-SEVEN CORN BASE ACREAGE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 194, Senate bill 1771.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1771) to provide for a 1957 corn-base acreage of 51 million acres, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I desire to announce that we do not contemplate any yea-and-nay votes this evening, or any further business this evening, other than statements to the Senate and statements for the RECORD.

PREMIER SHOWING OF THE MOTION PICTURE, WONDERS OF WASHINGTON

Mr. MUNDT. Mr. President, I should like to call the attention of the Senate to the fact that on Friday, April 19, at the Trans-Lux Theater, in Washington, D. C., there will be the premier public showing of a great documentary motion picture entitled "Wonders of Washington."

A number of weeks ago I had the privilege of seeing a preview of this motion picture; and I think that by all odds it is the greatest inspirational motion picture ever made of the National Capital, its environs, and its activities. I do not pose as an expert in the field of the cinema; but in support of that opinion of mine, I should like to read several paragraphs from a letter written by Mr. Eric Johnston, president of the Motion Picture Association of America. In his letter he states that:

> A good many efforts have been made over the years to capture Washington * * * the Capital City * * * on film.
>
> It has always proved a hard and elusive subject, for Washington is not just Government, or marble buildings, or the White House, or the Congress. It is all these things, to be sure, but there is another quality, an intangible quality, a thing of the heart and the spirit and the imagination. When this quality is missing the Washington story cannot be complete.
>
> Now, at last, you of Columbia have hit the bull's-eye right in the middle * * * with Wonders of Washington.

Mr. President, I think all of us who are so much a part of Government at the National Capital will enjoy seeing this unusually fine piece of photography and this great rendition of the activities in Washington, D. C.

INDICTMENTS AND CONVICTIONS OF EMPLOYEES AND FORMER EMPLOYEES OF THE INTERNAL REVENUE SERVICE, 1949 THROUGH 1956

Mr. WILLIAMS. Mr. President, today I wish to incorporate in the body of the RECORD a report giving an itemized breakdown of the indictments and convictions of the employees and former employees of the Internal Revenue Service during the fiscal years 1949 through 1956.

This report is broken down both as to years and as to major offenses for which each was indicted, and shows that during this period 169 have been indicted for causes ranging from embezzlement, theft, bribery, extortion, et cetera, and of that number 125 have been convicted.

I ask unanimous consent to have the report incorporated in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Employees or former employees of Internal Revenue Service indicted or convicted during fiscal years 1949 through 1956

Major offense for which indicted	1949		1950		1951		1952		1953		1954		1955		1956		Total	
	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted	Indicted	Convicted
Embezzlement and theft	6	6	5	8	8	9	11	10	6	5	9	7	10	10	5	6	60	57
Bribery and graft	8	1	10	9	2	1	4	2	4	2	9	3	5	3	4	2	35	23
Conspiracy			1		1	1	6	1	5	3		4	5	1	4		25	12
Extortion and threats	1		1	1	1	1	2		2	1		2	1		2		11	6
Fraud and false statements					1	1	4	3	6	2	1	1	7	5	2	2	24	15
Tax evasion							1		1	1		1					2	2
Perjury									1	1	1		1	1	2	1	5	3
Claims and services in matters affecting Government							3	1		1							3	2
Postal violations													1	1			1	1
Forgery															1	1	1	1
Narcotics violations															1	1	1	1
Total	16	7	17	14	13	13	31	17	31	20	14	19	30	21	22	14	168	125
Indictment dismissed								1		1		2		2		4		11
Acquitted				2		1		2		2		2		2		5		19
Pending trial:																		
July 1, 1949																	1	
June 30, 1956																		14
Total																	169	169

ORDER FOR ADJOURNMENT TO TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until tomorrow, at 12 o'clock noon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EFFECT OF GOVERNMENTAL SPENDING AND TAXATION ON PRESERVATION OF OUR BASIC INSTITUTIONS

Mr. GOLDWATER. Mr. President, this intrusion upon the time and patience of the Senate is made with the greatest personal reluctance. Not only do I regret the nature of the subject which I propose to discuss, but also I hesitate to distract this body from its considerations of the pending business.

Yet, there is nothing of greater concern to all Americans than the preservation of their basic institutions in a sound and free economic climate; and without assurance of this protection, all our other labors are in vain. Indeed, it is my most sincere conviction that the whole future course of American liberty resides in our ultimate decision with respect to the matter of governmental spending and taxation; and it is our decision, and no one else's as we seek to fulfill the confidence of the 170 million citizens of this country whom we have been elected to serve.

Let there be no misunderstanding, either, as to the political implications of my remarks. There are none. Just as I campaigned against waste, extravagance, high taxes, unbalanced budgets, and deficit spending in the recent Democratic administrations, so shall I also, if necessary, wage a battle of conscience and conviction against the same elements of fiscal irresponsibility in this Republican administration. In America we have no double standard of governmental soundness. What is bad under the leadership of one party cannot possibly be good under the leadership of the other.

It is, of course, with the deepest sorrow that I must pass such a judgment upon my own party. In most matters, the Republican record of the past 5 years has been exemplary. With little exception, we have remained true to the promises and pledges made in 1952. Until quite recently, I was personally satisfied that this administration was providing the responsible and realistic leadership so vital to the maintenance of a strong domestic economy which, in turn, is a vital factor in maintaining world peace.

Now, however, I am not so sure. A $71.8 billion budget not only shocks me, but it weakens my faith in the constant assurances we have received from this administration that its aim was to cut spending, balance the budget, reduce the national debt, cut taxes—in short, to live within our means and allow our citizens the maximum personal benefits from their economic endeavors.

Mr. President, the Republican Party is pledged by principle to strengthen the basic economy of this Nation by the achievement of these aims. To do otherwise constitutes a betrayal of the people's trust. Yet, here we have this abominably high budget request which is the epitome of inconsistency, when compared with statements made by me, by many of my colleagues in both Houses of the Congress, and by the President in 1952.

No faithful public servant, whether by personal philosophy or through fear of voter retaliation, would dare to subscribe to such a breach of confidence. I for one, have always feared these political spending sprees because I have never believed that our people were fundamentally receptive to the idea of government by bribe. It is true that after 20 years of New Deal-Fair Deal experiments in socialism, Americans have been considerably softened to the doctrine of Federal paternalism but whatever degree of slavish economic indigence has resulted should be treated with lessons in free enterprise and States rights, not, as the President recently suggested in a speech here in Washington, by educating the people "in the simplest functions of Government that are misunderstood" and inspiring them to accept Federal moneys for projects which they ought to be paying for themselves, directly through their State and local governments.

Indeed, Mr. President, the functions of Government are misunderstood. They are thought by many to constitute Federal benevolence from the cradle to the grave; they are projected by the pseudo-liberals in this country in such quantity and to such a degree as to make a mockery of the immutable precepts of the Constitution and the Declaration of Independence.

Surely, our people do need to be inspired—inspired in the way of helping themselves, unimpeded by Government encroachments upon their liberties, and inspired in the conviction that the Federal Government gives to the people nothing which it does not first take from them. It is not the business of government to encourage people to become either lazy or extravagant. It is the business of government to respect their rights and to spend their tax dollars wisely, and only on those projects which have public support because they cannot be accomplished otherwise at the State or local level.

What is needed, at the present moment, Mr. President, is a continuation of the type of leadership that our President and his administration displayed when, on taking office in 1953, they went to work on a similarly high budget, and reduced it to workable limits. What is needed, Mr. President, is a continuation of the type of leadership displayed by the President and the administration through the ensuing years that have given us one tax reduction and a balanced budget. What is needed, Mr. President, at the present time, is a continuation of the type of leadership displayed up until the present budget by the President and the administration in their efforts to return this country to fiscal soundness.

Mr. President, I have been receiving voluminous amount of mail on this subject in recent weeks. In this, I feel certain I am not alone. Several of my colleagues and I have discussed this issue, and the public reaction to the proposed budget. Our people are outraged, as well they should be. Actually, it has taken them too long to wake up to the evils in this tide of "spend and spend, tax and tax." But a $71.8 billion budget ought to wake the dead, and I am only hopeful that this deluge of public indignation has not come too late.

Of one thing I am certain: If this budget is not cut as intelligently and drastically as any budget has ever been cut, there will be a lot of people on both sides of the aisle in this Congress who will not be here 2 years from now. Maybe I will be among the missing. If so, it will decidedly not be because I sat here in this body and cast my vote against the taxpayer of this Nation by appropriating billions of dollars for projects designed to ingratiate the Republican Party to this country and to the world. I am not so partisan that I cannot see beyond the end of my nose to that inevitable point in imminent history when the United States can spend itself out of existence as a free and sovereign nation. Nor will I ever stand accused, by the people of Arizona or anyone else, of failing to exert every energy at my command toward the reduction of unneeded Federal expenditures so that this budget can be cut and brought into balance—so that, ultimately, the people of this country can again have the opportunity to build their own lives with the products of their own labors, untormented by excessive taxes in the name of projects with which they are not now and never have been in accord.

No, Mr. President, if the junior Senator from Arizona is not a Member of the 86th Congress, it will not be because he has broken faith with either the American people or the principles of the Republican Party in this almost frenzied rush to give away the resources and freedoms of America, whether in Federal spending programs at home or economic aid efforts abroad.

Since I have had the privilege of serving in the Senate, I have warned on repeated occasions that we must call a halt to the incessant demands upon the Federal Government for financial assistance merely because, during the era of the New Deal, the American people and the people of the world learned the awful truth that Uncle Sam is a sucker.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. JOHNSON of Texas. Does the Senator recall the highest peacetime budget during the New Deal, about which he is speaking?

Mr. GOLDWATER. I cannot recall the exact amount.

Mr. JOHNSON of Texas. In fiscal 1940, the highest spending budget in a peacetime year under President Roosevelt—and I emphasize "peacetime"—was $9 billion.

Mr. GOLDWATER. I thought the Senator may have been alluding to domestic spending.

Mr. JOHNSON of Texas. And the Federal employees numbered 900,000. The highest spending budget in a peacetime year, under the so-called Fair Deal of President Truman, was $39.6 billion in fiscal 1950. We had gone from $9 billion to $39.6 billion.

Mr. GOLDWATER. Is the Senator sure he is correct in those figures? I think he is a little high.

Mr. JOHNSON of Texas. I will say they were accurate as of Saturday.

Mr. GOLDWATER. Does he refer to the domestic budget?

Mr. JOHNSON of Texas. The entire expenditures for this Government for the highest peacetime year under President Roosevelt, amounted to $9 billion, with 900,000 persons employed in the Federal Government. Under President Truman, the comparable figure was $39.6 billion, with approximately 2 million Federal employees. The estimated figure for the coming fiscal year under President Eisenhower, is $71.8 billion with 2,400,000 Federal employees. Those are the three high peacetime budgets.

They take in the highest peacetime years of the New Deal Roosevelt administration, of the Truman administration, and of the so-called great crusade.

Mr. GOLDWATER. I thought the Senator from Texas was alluding to the domestic budget alone when I questioned what he said, because, if my memory serves me correctly, the highest domestic budget was in 1951 or 1952, and I believe it was around seventeen or nineteen billion dollars.

I might say, for the edification of my friend from Texas, I believe it is in the neighborhood of thirty or thirty-one billion dollars this year.

I continue with my statement. As recently as February 27 of this year, I cautioned as follows:

As recently as February 27 of this year, I cautioned as follows:

> How long can we in Washington bask in the shade of the money tree, thinking that somewhere in its branches there grow dollar bills which we are going to use to finance the rest of the world in this international welfare state in which we find ourselves? We cannot support the rest of the world.

We admit we cannot take care of our own domestic problems and necessities.

Now, many of my colleagues on both sides of the aisle, all well-intentioned men I know, have occasionally referred to my consistent opposition to appropriations for foreign economic aid in the hope that I might be persuaded to share their respect for this approach to peace and security. Well, my answer is twofold: In the first place, as I have already indicated, the American economy cannot stand this drain upon its resources; and if we lose our economic strength, we lose the basic defense against all forms of aggression, military and philosophical.

Secondly—and of more direct concern to my obligations as a Member of this body—I waged my campaign for the Senate in 1952, and was elected, by no little virtue of my opposition to these foreign giveaways during the previous Democrat administration. During that campaign, I said:

In addition to the billions being spent to prepare our own Military Establishment, we have undertaken to underwrite the rearming of Western Europe. Despite the staggering amounts of money committed to this project, it is almost impossible to get any definite information regarding the total objective or the total cost.

I ask, Mr. President, are we really any better informed today? Yet, our policies with respect to financial committments abroad remain substantially unchanged.

Continuing with my remarks of 1952, I added:

You can't buy friends or loyalty * * * men don't fight for money * * * they fight for ideals. And we have done such a poor job in exploiting the ideal of freedom that we find men all over the world choosing slavery instead.

Now, I should like my colleagues to consider just how attractive we do make this ideal of freedom today with a $71.8 billion budget, increased centralization of Government activity through excessive Federal spending, and the promise of even greater tax burdens if this trend continues unabated. Oh, yes, of course, here in the United States we are free. But how long is that freedom going to last? Where is the finely drawn line between freedom and slavery when, under the present deficit, every baby born in this country has a $1,675 first-mortgage tag hanging around its neck?

In making these observations, I do not intend to convey the impression of a wholesale condemnation of our Government's efforts in foreign affairs. For instance, I have repeatedly urged that those of us here who are opposed to foreign economic aid as such should be allowed to differentiate in our vote between that and other portions of measures presented to us which we feel might have merit. I have suggested to the White House on numerous occasions that when appropriations for mutual security come before us we should have an opportunity to vote separately on economic aid, on military aid, and on technical assistance. If that were the case, I would be voting for some military aid and technical assistance, but never for economic aid. To date, this suggestion has gone unheeded. I reiterate it today as just one solution to the problem of providing a sound system of defense through foreign affairs, while, at the same time, opening up an area for drastic budget reductions.

I realize, of course, that the administration is committed to the doctrine of foreign aid. I respect its right to this viewpoint, but I do not condone its persistent indulgence of such a proven extravagance in the face of the present compelling necessity to curb Government spending all along the line.

Now, I shall not presume so greatly upon the time of the Senate as to enumerate the multitude of other items which could be removed from this budget without impairing in any respect our national security or our domestic needs. The Senators know well where these cuts can and should come. If only we can muster the courage necessary to say to the country—as, I might add, many in the country have said themselves—

We are calling a halt. Some things that we want will have to wait. Other things that can be done locally, by the States and the citizens themselves, will have to be done there, or not at all.

Actually, it is a tragic commentary upon the sensibilities of this body and of the administration that anyone should be compelled to speak harsh words in connection with the fiscal responsibilities of this Government, or that the quality of courage should be apparently so difficult to achieve in these days which demand the fullness of our national strength and character.

It is equally disillusioning to see the Republican Party plunging headlong into the same dismal state experienced by the traditional Democrat principles of Jefferson and Jackson during the days of the New Deal and the Fair Deal. As a result of those economic and political misadventures, that once great party has now lost its soul of freedom; its spokesmen today are peddlers of the philosophy that the Constitution is outmoded, that States rights are void, and that the only hope for the future of these United States is for our people to be federally born, federally housed, federally clothed, federally educated, federally supported in their occupations, and to die a Federal death, thereafter to be buried in a Federal box in a Federal cemetery.

In the Republican Party, there are also vociferous exponents of this incredible philosophy. It may be, in fact, that they are the "Modern Republicans" about whom there has been so much discussion in recent months. Certainly, the faulty premises of "Modern Republicanism" do not refute this big budget concept. Indeed, it is curious that the administration's departure from its pledges to the American people should occur during what I believe will be the rather brief tenure of this splinterized concept of Republican philosophy.

What strange magic, Mr. President, has developed in the halls of the administration since 1932 that has caused administration after administration to abandon the concepts of conservatism, balanced budgets, and lower taxes, after having recognized their desirability, and after having pledged themselves to attaining them? Remember the campaign of Franklin Delano Roosevelt, during which he promised reduced Federal spending, economy in Government, and a reduction in taxes. He was elected and, yet, within 1 year, these worthy purposes had been forgotten and we had embarked on the greatest spending spree in the Nation's history. His recurring elections only resulted in greater spending, and the history of President Truman's budgets was only a continuation of the "tax and tax, spend and spend" philosophy.

In 1953, a Republican administration entered these Halls and for 4 years it made valiant efforts toward reducing the budget and attacking the deficit, and actually reduced taxes in 1954. Now, though, this strange and mysterious force seems to have descended upon the Republicans, for something has happened to change the mind of the administration since 1952 when it campaigned across the length and breadth of this land for economy, balanced budgets, curtailment of wastes and extravagance in Government, and an end to deficit spending. What has happened in the past 5 years to require that this Republican administration, instead of following its origianl campaign pledges, simply parrot the antics of its predecessor against which it labored so loud and lustily in 1952?

My mind has not been changed in these 5 short years. If anything, I am more than ever convinced, as I said during my campaign for the Senate, that—

Big Government, no matter how benevolent, operating from a center of authority, separated by time and distances from the people, always has and always will be reckless with public funds.

And, at that time, the administration agreed with me.

In a speech at Jefferson City, Mo., on September 20, 1952, President Eisenhower said:

We can try, we can institute and pursue programs that will lead much more likely to peace and the absence of Koreas than we have had over the last 7 years. We can reduce our budget. * * * That is what the brains of American can do if we just give them a chance.

Well, Korea is over, thanks to the genius of President Eisenhower. But what do the brains of America have to show for the resultant opportunity? A $71.8 billion budget.

At Lansing, Mich., on October 1, 1952, the President said:

We believe, * * * that the deficits must be eliminated from our national budget.

And he said on October 4, 1952, at Fargo, N. Dak.:

If you have the kind of government that this crusade is determined to offer you, you will have a government that will examine, with a critical eye, all of these crazy spending programs of the National Government. It will eliminate deficits, as its first step toward bringing down taxes and making your dollar sound.

Still later, on October 20, 1952, at Worcester, Mass., the President said:

Our first task must be to go after waste and extravagance.

And in a statement of campaign pledges from his New York headquarters on November 1, 1952, Mr. Eisenhower said:

I pledge an elimination of waste, inefficiency, and duplication in government. Expenditures and, consequently, taxes are too high. We must take steps that will make a reduction possible. One such step we must take immediately. We can eliminate waste and extravagance in government and give our people a dollar's service for each tax dollar received.

Now, Mr. President, those are the words with which I thoroughly agree. Indeed, during the same campaign I was preaching the same philosophy, when I said, for instance:

Budgets, waste, deficit financing, expanding Government bureaus and Government services, these are the secret weapons, the sugar-coated poisons which will rob us of our freedom and doom our Nation to destruction.

What magic prevailing in the halls of the administraiton has changed its mind? In a radio talk in 1952, I stated:

The major cause of our difficulty today is the reckless spending of the New Deal bureaucrats and the reckless taxation by those men who have supported the New Deal and its program of continually increasing expenditures.

That statement is as true today as it was 5 years ago. I say this reluctantly because, now, I must say it with respect to a Republican administration. But it still applies because, I repeat, nobody has changed the Goldwater mind.

A news story appearing in the Washington Post and Times Herald of April 4 of this year carried the headline, "Ike Says Budget Pays High Price of Peace." How different a concept from that expressed by the same President Eisenhower who also said at Worcester, Mass., on October 20, 1952:

I do propose, through prudent handling of Government expenditure, through the elimination of the national deficit, through halting inflation, and through eventual lowering of taxes, to preserve for the people of the United States these security gains. I do not believe that these gains should be secretly whittled away by creeping inflation.

Five years ago, frugality was a virtue, earnestly sought. Today, apparently, thrift and a sound domestic economy constitute the principal sacrifice which we must make for peace. I ask my colleagues: Was peace any less desirable in 1952 that it is in 1957? It was not. Indeed, we were, as a nation, more keenly searching after it then in the wake of the Korean holocaust. Why, then, this drastic change in philosophy? Who has changed the administration's mind?

Campaigning for the United States Senate in Arizona in 1952, I stated:

The New Deal politicians tell us that increased taxes are a necessary part of the national-defense program.

Speaking to the 13th Washington Conference of the Advertising Council earlier this month, President Eisenhower, a Republican, said:

Much as we hate taxes, it (world peace) is an objective that overrides our aversion to high taxes.

Who, indeed, and what has changed the administration's mind?

I suggest that we have been so thoroughly saturated with the New Deal doctrine of big, squanderbust government, that, as a party, we Republicans have on more than one occasion shown tendencies to bow to the siren song of socialism and, instead of hurling a challenge against the ravages of the pseudo-liberals among us, have accepted their doctrines lock, stock, and barrel, saying only "we can do it better."

Such an attitude, Mr. President, denies the fundamental thesis of our whole scheme of government. It abandons the proven worth of two-party government, wherein the system of checks and balances is further applied to protect the citizens of this country against exaggerated philosophies and actions.

Surely, because there is something better than giveaway government, the Republican Party can flex its muscles without fear or favor in seeking to restore this Nation to the path of its true greatness, the path of private initiative and enterprise, of States rights, and of limited Federal jurisdiction.

To hear a President tell us, as Mr. Eisenhower told the Washington Conference of the Advertising Council recently, that we must educate Americans to the need for Federal aid to domestic school, welfare, and health programs astounds me. Mr. President, what we need, at the moment, is a continuation of the leadership developed during the last 4 years that has been willing to rely upon the inherent spirit of independence which lives within all Americans.

When are we Republicans, and some Democrats, going to start remembering the lessons of history, including the admonitions of Karl Marx and other Communist leaders that the United States could be conquered without firing a shot, simply by undermining and destroying our basic economic institutions? That is what this budget does, Mr. President. It subverts the American economy because it is based on high taxes, the largest deficit in history, and the consequent dissipation of the freedom and initiative and genius of our productive people, upon whom the whole structure of our economic system depends for survival.

This is not a new situation. Every great nation in the world which has fallen has been guilty of the same disposition to economic inebriation and bloated government. I have a magnificently prepared document, of unknown authorship, which clearly and concisely sets forth the chronological pattern of these events which have so corrupted the history of man; and I shall ask that this be inserted in the body of the RECORD at the conclusion of my remarks in order that my colleagues and others interested may see that there is abundant precedent for the arguments which I am propounding here today. As I said, I do not know the author of this statement. I wish I did. If he reads it and recognizes it, I hope he will come forward and make himself known, for I would like to shake the hand of at least one individual who has had that rare combination of both foresight and hindsight to consider objectively the recurring nature of governments which, through the devious process of taxation and spending, and in the name of welfare, become the masters, rather than the servants, of the governed.

This article, which is entitled "How Freedom Vanished in the Ancient World by Popular Vote," carries a statement delivered to the Congress by President Martin Van Buren on September 7, 1837, which clearly merits recitation again today.

It is not the Government's legitimate object to make men rich or to repair, by direct grants of money or legislation, losses not incurred in the public service. This would be substantially the use of the property of some for the benefit of others.

In presenting that theory of Martin Van Buren's I do not so much intend to express concurrence in the actual substance of his philosophy as I do to point up how far we have traveled in a relatively brief 120 years. It is astounding, Mr. President, and it is tragic.

When are we Republicans, and some Democrats, going to learn that we cannot longer win elections in this country by playing the role of a political Santa Claus?

Neither can we, at any time, properly serve the function of Government in such a disguise. The attempt to be all things to all men is a frail admission that, each in our own philosophies of government, has not sufficient substance or competence to serve the Nation well, and in accordance with constitutional standards. I reject this approach to the responsibilites of political office. A man may be so much of everything that he is nothing of anything, and that is what can be said of the Members of this Congress if they ignore their basic responsibility to the people in the field of fiscal soundness in this year of 1957.

Mr. President, "every item in the Federal budget can and must be reduced. And this reduction will not take place until you and I and every citizens raises his voice against the Federal waste. To go through the budget item by item and eliminate the waste and nonessentials requires the insistent demands of the voter and the willing cooperation of Congress. But it can be done and it must be done."

These words were first spoken by me in the fall of 1952. They are as true now as they were then. My mind has not been changed, and I suggest that when we find out who and what changed the administration's mind we shall have the answer to this too-high budget and a further incentive to reduce it in every respect.

Some have requested that the meat-ax be applied to this budget and, with their intentions, I fully agree. However, I think if we apply the surgeon's scalpel, cutting intelligently and watching for items that have long-range effects in spending, we can do a better job for the American people.

It may even be, in some areas, that we shall find that money spent is money saved, such as in the area suggested by

the Cordiner report, which would require more money being spent now, but would result in a saving far in excess of the original sum.

If we do not do this, if we do not pitch our efforts toward a sound and stable economy, with adequate return to our people of the fruits of their labors, I am convinced that every Member of the Congress will, and of right ought to be, subjected to the most devastating retaliation on the part of the American people in all our history.

The citizens of this country are tired of the New Deal, now more so than in 1952, when they made the first effort to throw it over. They are fast learning that the way to real security is through limited Government and the highest form of fiscal responsibility. They are expressing an increasing willingness to abandon the luxury of paternalism in favor of the sanctuary of freedom.

Indeed, if the Congress, in its wisdom, will demonstrate the courage that is being displayed by the American people on this issue, there can be no question as to either the strength of our defenses or the permanence of our liberty.

In summation, Mr. President, I should like to recall a brief statement which I offered earlier this year before this body, in discussing this same general subject.

I have heard discussed on the floor something about the rights of American citizens. The question is asked, "What rights have we lost?" Let me name one right we have lost. We have lost the right to decide for ourselves how to spend about 30 percent of our income, because that is about what is going into taxes today. Thirty percent of the income of the people is regulated by the Federal Government. We have lost the right to decide for ourselves where we are going to spend it.

I suggest, therefore, that by reducing this incredibly high budget, we can begin the long march to the restoration of that right and every other privilege of American citizenship which has been submerged beneath these outrageous Federal spending programs.

It is my earnest hope that the President and my colleagues in the Congress will give serious and penetrating thought to this question. We may not, any of us, be here to witness the ultimate consequences of a continuation of this trend, but history would not forget that ours was the challenge forfeited.

Mr. President, I ask unanimous consent that the article to which I referred during the course of my remarks be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW FREEDOM VANISHED IN THE ANCIENT WORLD BY POPULAR VOTE

(A study of how majority rule can be used to impose ruthless dictatorship from the earliest times to the Middle Ages, with an observation that the modern-day forms of dictatorship (communism) (socialism) are likewise imposed by popular vote)

Interludes of freedom are short and far between.

About 500 years before the birth of Christ, Athens—then the center of the world's civilization—was rapidly falling into a severe depression.

To combat it, Pericles started what would today be called a PWA program. His public works program staggered the imagination. He began with the building of a great temple, called the Temple of Athena Nike. In 9 years he constructed the Parthenon, then art galleries and still more public buildings. Dams were built with PWA money, some wholly unnecessary. Along with all this was his own variety of give-away programs: Public housing, licenses, privileges, loans and contracts—plunder to the faithful voters and members of his political party. He himself dipped into the public treasury too.

All this made Pericles more and more popular. The people elected him chief strategos, a title roughly comparable to that of President of the United States. They elected him to this office 15 times. In so doing they violated what one historian called "the most sacred tradition in the Constitution—the rotation tradition that had rigidly been observed * * * and which was considered a bulwark against dictatorship. In fact, democracy under Pericles degenerated into liberty of the sovereign people 'to decide as Pericles thought best'." And a majority approved.

The big PWA program brought jobs to a lot of people. Here are some of them, listed by the historian, Plutarch (Pericles, 12): Carpenters, sculptors, cobblesmiths, stone masons, dyers, moulders of gold, painters, embroiderers, engravers, merchants, sailors, wheelrights, wagoners, drivers, rope makers, flax workers, leather cutters, road makers, and miners.

According to the pattern that has come down to this date, Pericles asked for and got from the people all power concentrated into his hands. He could even decide the issue of war or peace. In the end he chose war, as nearly all governments do in the pinch of trouble, threatened resistance by the people, unemployment, and especially fading popularity of the leader. Pericles went to war with Sparta. Most of the experts now agree the disastrous Peloponnesian War was wholly unnecessary. Pericles thought it was. Sparta did not attack Greece. Greece—at the direction of Pericles—attacked Sparta. The Spartan king, Archidamus, did all in his power to prevent war. Neither he nor his countrymen wanted war.

In fact, Archidamus put up with all sorts of insults from Pericles rather than go to war. He received ambassadors from Pericles who taunted Sparta about her shortcomings in the Persian wars. When that didn't work, Pericles cut inland Greek states off from an outlet to the sea by closing the port of Piraeus which they (the Spartans) had used for many years. He violated a 30-year peace pact by a belligerent act. Plutarch, the historian, said flatly that but for Pericles, the Spartan war could have been avoided.

The real reason for Pericles' decision to go to war was revealed in the plays of the great dramatist, Aristophanes, who said that since Pericles' power and popularity were fading, he saw war as the only way to bolster both.

But the gigantic PWA program of Pericles, and the war expenditures, "left the door open for one type of effective opposition." That was to promise more to the people in the way of government money.

Now take a look at the man who did that.

CLEON

Cleon was a shoe salesman. Like Huey Long, who sold mineral oil, Cleon managed to get around among a lot of people. When Cleon wasn't peddling shoes, he was a cobbler. He had a loud voice, was given to uncouth language. He decided maybe he could outpromise Pericles. So he went around promising the people better pay and shorter hours. The people began to listen to him. He offered more government spending than Pericles ever thought of. That they liked, too.

By this time Athens was in the second year of the war with Sparta, and since the war was unpopular, the prestige of Pericles was slipping. Cleon had support both from the rabble and those who honestly thought the war was a mistake. Although Pericles had taken over most of the democratic forms, he hadn't yet conquered the courts. And Cleon successfully accused Pericles of misappropriating public funds. That was the end of Pericles and Cleon took over.

Cleon now had to make good. If he was going to keep up government spending, he had to get the money from somewhere. "Under his leadership," says one historian, "Athens extorted every penny she could from the vassal states remaining to her. This fund, augmented by wholesale confiscations of the property of wealthy people, was distributed as a dole to the people. For a short time the people realized higher doles and more leisure, but they were to discover that higher wages would not buy wealth that was not produced."

Cleon had no ethics. He looted the Athenian treasury without compunction. When it came time to submit the annual budget for a vote in the Ecclesia, he didn't submit it item by item, as Athens had once known in the days of democracy. He asked it be approved as a lump sum. Had debate been allowed, Cleon's thievery would have been exposed.

Meanwhile, he put more and more people on the public payroll. A vast bureaucracy was developed. Long after the war with Sparta, thousands were still on the public payroll. Only a feeble democracy survived. Demosthenes describes it "as overrun with salaried paupers."

When at last, in the third century before Christ, Philip of Macedon destroyed what was left of Greek "democracy," he found—as he stood at the gates of the once proud capital—"a hollow democracy in which the people were ground down by poverty and resigned to a spiritless dependence on the state for their daily crusts of bread. The Athenians had long since ceased to take pride in the glory of Athens or any courageous interest in defending free government."

It was the rise of Big Government, with its one and only policy—Government spending—that ruined Athens. Today, as we look on the ruins of the Parthenon, we should remember that those who choose to ignore the mistakes of history are condemned to repeat them.

The next outstanding world figure to use the giveaway programs to get the vote through the forms of freedom was the successor of Julius Caesar. He was the Caesar Augustus (Octavius) referred to in the New Testament as emperor of Rome when Jesus of Nazareth was born. Like Pericles and the rapacious Cleon, he believed in government spending on a big scale. That means big government management and control, which means in turn destruction of individual invention and freedom of choice.

Julius Caesar himself, faced with economic crisis, had contrived to keep his popularity by a combination of (a) extraordinary political showmanship and (b) a modest amount of government spending. Soon after he came into power in 49 B. C. he made free distributions of corn and oil and even money to the populace and staged vast shows—wild beast hunts and gladiatorial contests—in every quarter of the city of Rome.

Likewise he stirred the imagination of the people by grandiose schemes, such as diverting the course of the Tiber, cutting up the Campus Martius into building sites, building a huge theater, establishing large libraries, piercing the Isthmus of Corinth, building a gigantic road over the Apennines and the codification of all existing law.

But Caesar and his friends also conducted "a wholesale pillage of public money under his eyes * * * in his climb to power he had not hesitated to bribe liberally." But before long he was running out of money. How

was he to get more? He cast envious eyes on Parthia (Persia). Here were vast stores of all sorts of material wealth. If only he could conquer it. Plainly, it was the only way out.

So he set out to conquer Persia. Some of his rich friends, however, knew that if he came back with the plunder of Persia, he would be powerful enough also to plunder them. And Caesar was ambitious. So one of these friends (Brutus) assassinated him just as he was to leave on the Persian campaign.

No sooner was Caesar buried than the nation plunged into civil war, out of which emerged Octavius as the supreme leader. He had at his command a tremendous amount of war booty. War was the quickest way in ancient times of getting wealthy. Monopoly—by and with the consent of the dictator—was the second fastest way.

Octavius was not only the richest man in the Roman state but he made himself richer after the murder of Caesar by confiscating the estates of his political enemies. Besides, in Egypt he had captured all the treasure of Cleopatra, then believed to be the biggest single fortune in the world. The redistribution of wealth to his supporters and party members bought their votes in his time. These techniques that had been employed for 2,000 or 3,000 years before Karl Marx were simply modernized by him out of facts of history that were very old by his time.

As chief consul, Octavius observed all the outward forms of a constitutional dictatorship created with the consent of the people. He even continued the tradition of having two annually elected consuls, the other being his stooge. From 30 years before Christ to 27 years after His birth, Octavius ruled Rome; but 3 years before Jesus of Nazareth began His ministry, he took over a new office conferred on him by the senate, called the principate. The senate also gave him the complimentary title of Augustus, by which he is known chiefly in history. In his new office he ceased to go through the forms of running for office each year.

He was also elected by the Senate Pontifex Maximus for life. That meant he was the chief priest of the Roman religion. Finally, he was voted the power to issue edicts, and so—for the first time in Roman history—we have government by edict.

By vote of the majority, he was also voted the power to convene the senate at his pleasure, to commend candidates for election to any post, to set aside the act of any magistrate.

Now how did the citizens of Rome come to yield all these powers, in spite of the lessons of disaster following dictatorship? Did the people have any choice but to follow one dictator after another who could bump off the dictator before him, often by outpromising him.

First of all, as Ferrero notes in his "Greatness and Decline of Rome" (vol. IV, p. 163):

"To secure his hold of Rome and of the republic without any display of force or undue influence, he patiently worked to attach every social class to the new government, and these bonds were forged of golden chains, delicate and almost invisible, but nonetheless strong. Augustus laid down one of the essential principles for the future policy of the empire—that expenditure should be wide and free at Rome and directed to the profit of every class."

Says Willis J. Ballinger in By Vote of the People (p. 117):

"Only a thoroughgoing reform of Roman capitalism, which would have been directed to releasing the productive powers of private business in the domestic market, could have made it possible for the Roman citizen to earn his living without being dependent on the state. * * * With a prodigal hand he annulled all the state claims for back taxes * * * he paid the Roman municipalities for land seized from them in the civil war, distributing among them probably 300 million sesterces in hard cash. To the plebeians of Rome, that dangerous and disorderly rabble of more than 250,000 men, he distributed 400 sesterces apiece. To his soldiers who totaled some 250,000 men, he gave 1,000 sesterces apiece and in addition a plot of land."

While Octavius was playing Santa Claus in a big way, he further endeared himself to the voters by affirming his faith in "Roman democracy." He even announced he had "handed over the republic to the control of the senate and the people of Rome."

Now he started a more ambitious public works program than Julius Caesar ever dreamed of. He built roads and temples and public buildings on a vast scale. His personal fortune was so vast, derived from war booty and inheritance, that he could for a while delay the day when he had to increase taxes at Rome and on the barbarian tribes. But that day was to come. So great was his government spending program that he created in process one of the most powerful political machines ever known in the history of the world. But he did this, using all the forms and trappings of democracy.

All this government spending made him enormously popular. "The evidence," says Ballinger, "is convincing that Octavius was deeply venerated by the people, and that the people on more than one occasion petitioned him to become dictator. Indeed, in one instance, the masses threatened to burn down the Roman senate if it did not make Octavius a dictator at once. * * * The gradual absorption of power was done by vote of the people. All during the emerging dictatorship, the Roman assembly continued to exercise its two basic functions—the election of magistrates which, of course, included the princeps, and the ratification of all laws. The transference of power was ratified step by step by the Roman assembly. The conclusion is inescapable that, in the last analysis it was the Roman people who destroyed Roman democracy."

Thus under Octavius, Rome passes from the outward form of a republic to an empire and a long line of emperors.

The last and final step was to make Octavius' dictatorial powers hereditary. Thus Tiberius, Octavius' stepson, became his successor. "The Roman Senate and Assembly voted to make Tiberius Princeps for life." That was the end of representative government in Rome.

In fact, the truth is that "under a literal rain of jobs, the people surrendered their sovereignty. But when dictatorship became fully established, the picture changed. The necessity no longer existed to court the people. They no longer had any power to surrender. Dictatorial government then changed its tune. It became thoroughly exploitive. The Roman people one day awoke to find that they no longer possessed civil rights and that their lives were at the mercy of the Emperor."

After Octavius came the deluge—government interference with business, with the individual, with the expression of public opinion. Paul Louis in Ancient Rome at Work (p. 21) describes how the state interfered with the marketing of oil, the conditions of carpentering, earthenware manufacture, and of house painting. So much so, adds this historian, that "the masses of people, broken under tyrannical legislation and plunged into incurable misery, did not even dream of emancipation."

DIOCLETIAN

Three hundred years after Octavius (284–305) came the Roman Emperor, Diocletian, who outdid in state control anything his predecessors, both in the republic and empire, ever tried.

He not only fixed prices and regulated wages, but persecuted Christians in the bargain. The reason he did the latter was that they were the only ones he couldn't control. He wanted to revive the old Roman religion, and the church as an independent organization he looked upon as a menace to his authority.

"Diocletian," says Ballinger, "for all his purple toga and imperial dignity, sounds a good deal like the La Follettes and Bryans of our day. He excoriated the rich men of his era for stifling production and impoverishing the people as thoroughly as many liberal leaders of our own democracy have done."

But what did Diocletian do?

He decided that everything could be remedied, everything straightened out, if only he could fix wages and control prices. That would give a fair break to everybody. But how to do it? First, he must wipe out the last vestiges of local government. There was some local autonomy even under the empire. Clearly, that was bad. So he set to work to centralize all authority in Rome.

He set up a huge bureaucracy, entirely dependent on—guess whom?—the Emperor. He filled the ancient capital with thousands upon thousands of civil servants. Everything had to be decided from Rome.

Like Octavius, he was enamored of a public-works program. He "adorned the city with numerous buildings, such as the Thermae, of which extensive remains are still standing."

But Diocletian made himself famous—one of the few Roman emperors to be remembered—by his effort to control prices and fix wages.

Never had the ancient world seen anything like it.

It has gone down in history as the Imperial Edict of 301 A. D.

The punishment fixed for violating the price-fixing edict was death.

Price fixing included cereals, wine, oil, meat, vegetables, fruits, skins, leathers, furs, footgear, timber, carpets, and all clothing. There were maximum prices set in great detail for all these articles.

Wages were also controlled, ranging all the way from the wages of laborers to the fees for lawyers and doctors.

The effect of the price-fixing-wage-control edict was disastrous. Business was bound down in a maze of redtape. Trade came virtually to a standstill. The value of money was also rigidly controlled, adding to the confusion.

So many violations were alleged that Diocletian himself pardoned or exonerated many; the Tribunes (courts) were clogged; nobody could make any sense out of what was going on. The price-fixing, wage-control attempt was limited to the eastern part of the empire. The law was on the books long after Diocletian died, but enforcement fell by the wayside, and finally fell into abeyance. Technically, it was on the books of the empire at least down to 403 A. D., but long before that it was recognized as impossible to enforce. It was the last and most ambitious attempt in the ancient world to control wages and fix prices. Yet the effort was bound to fail, just as the empire itself centuries later was bound to fail, not only from external assault but internal decay.

COSMO, DICTATOR OF FLORENCE (1434–65 A. D.)

Now we come to the most interesting story of all. No people in the history of the world loved freedom more than the people of Florence, an independent state on the Italian peninsula. They did not have a democracy, as we know it, nor even representative government. But they did love freedom, and they went to extraordinary lengths to safeguard it—but even Florence was taken in by a dictator who beguiled them with government spending—and the end, as usual, was ruin.

In fact, Cosmo founded a dictatorship which lasted 300 years. Yet the citizens of Florence thought they had done everything possible to prevent a dictator from rising.

Florence in the 13th century had a population of about 90,000, but only 4,000 or 4,500 could hold office. They included the merchants, learned lawyers, and great artists. "Within this small circle was an intense love of political liberty and an ever-present dread of despotism." Now this small group appeared to have one purpose in common: that was to prevent the rise of a dictator.

To achieve this purpose, they wrote extracautious provisions into the constitution. Let us see how the constitution came about.

In the 11th century Florence was little more than a town in northern Italy. A feudal nobility owned most of the land. Gradually, however, the city of Florence expanded rapidly in 3 centuries, and the merchants—getting together in 7 guilds—wrested political power in the realm from the nobles, so that by the 13th century, the Florentine Constitution was an extraordinary instrument of freedom.

By the 14th century, the people—that is, every male resident—had the right to approve or reject any change in the constitution. This did not mean that everybody could hold office in the state. They couldn't, as these honors were limited to the merchants and the professions.

Whenever a change in the constitution was proposed, the government had to summon "a gathering of the whole male resident population of Florence." Whatever change was proposed was to be carried out by a specially appointed commission. And the question would be put to the people whether such a commission should be appointed.

Thomas A. Trollope in his History of the Commonwealth of Florence (vol. 2) describes the Florentine Constitution and how jealously the merchants and professional class guarded the freedom of the people—for a while.

Instead of having a chief executive or president, they feared the centralization of power in one man, so the executive office or signory was composed of 36 members, with a presiding chairman called the gonfalonier.

Instead of having 1 attorney general, they had 12 attorneys, schooled in constitutional law.

To avoid having a legislature that might be pliant to the will of the executive office, even though the latter was composed of 36 members, the legislative power was split up into 3 houses. Further to prevent the rise of a dictator, the constitution provided that all of the above named officials were to rotate in office every 2 months.

But the Florentines carried their caution further:

Because they thought the commander in chief of the Florentine army might become a military hero and thus become a dictator, they provided by law that he must be a foreigner, chosen annually, and thus not eligible for any civil office. Likewise, they provided that the chief of police and the minister of justice must be foreigners, appointed in a similar manner.

Finally, to prevent the rise of a political machine, the Florentine Constitution provided that officeholders (drawn from the special group hitherto mentioned) must be selected by lot. Thus, "the names of all citizens eligible for office were put into borse or purses. Citizens so eligible were business proprietors who were not in arrears in their taxes."

The historian Trollope (vol. 2, p. 179) goes on to say:

"No people under heaven ever had so much faith in the virtue of haphazard * * * the names of all citizens should be put and drawn by chance for all offices of trust and power * * * for how else can we prevent our rulers from getting to be greater than we? If we appoint the most able, his very ability will help him to put the yoke on our necks. * * * We will trust no man. * * * Then, at all events, I am as likely to be king as you. And in order that every dog may have his day, and we may be all kings in our turn, we will reduce the term of office to 2 months. There surely can be no danger of a man making himself great in that time."

Now one would think, on the face of this, that it would have been impossible for a dictator to have arisen in Florence. The people had written extraordinary precautions into law against the possibility. But they reckoned without the cleverness and the government spending ideas of one Cosmo di Medici.

Cosmo—the people called him that—inherited, like Octavius in Rome, a great fortune. His father, Giovanni di Medici, had been one of Florence's richest bankers at a time when Florence was the banking center, or financial capital, of the world. The Florentine bankers in the 13th century loaned money even to the Kings of England and of France. At this time Florence had 120 banking firms, each with branch offices all over Europe.

Cosmo's father had made the family name revered among most Florentines by leading a reform in the tax system, whereby the rich paid their fair share of taxes. On the death of his father, Cosmo fell heir to the leadership of the liberal party. There was the counterpart of the liberal and conservative party running all through this history.

There was a great difference between Cosmo and his father, however. Cosmo was ambitious. He saw dreams of personal power. To get it he remained in the background. Like Boss E. H. Crump of Memphis, he held no political office—for a while. Instead, he went around quietly paying up the tax arrears of citizens qualified to hold office. Next there were rumors that the borse of purse, from which officeholders were selected by lot, had been tampered with. The right names seemed to be coming up all the time. In fact, a blind beggar by the name of Benedetto "made himself rich by predicting what names would come out of the borse when a new signory was drawn."

In addition, Cosmo—still keeping in the background—lent money to influential men. It was not long before every important citizen in the commonwealth was indebted to him. His behind-the-scenes power got so great that the signory, not yet under his control, ordered him into exile.

Yet this didn't faze Cosmo. Even from exile he continued to dictate things. Within a year, however, a new signory, favorable to him, came into power and he was brought back into the city as a hero. The deft way he had manipulated "the selection by lot" of the signory now paid off. The members bent to his will. They summoned a parlamento of the people, and it granted him dictatorial power for 5 years.

Never had Florence seen anything like it. He had seduced the processes of free government by his moneybags, and now he started on a spree of government spending.

He started what today would be called a WPA and PWA. He ventured on a gigantic public housing project, providing housing for the poor at a loss to the government. He founded and expanded a great bureaucracy. He built—with government money—endless public hearings and even churches.

He established his dictatorship in Florence in 1434. For 30 years he ruled with a despotic hand—so cruel that many murders were committed by his henchmen and no man was brought to justice for them.

The technical name of the signory had been the Priors of Signory. He changed the name to Priors of Liberty. Why? Machiavelli amused all of Europe by explaining: "He did this so that the people might at least preserve the name of the thing they had lost."

Gradually, government spending increased, instead of lessened, and Florence sank from the foremost republic in the world to a tax-ridden tyranny. "The people were abandoned to their poverty, the slums of Florence became models of filth and disease." For 300 years the dictatorship, initiated by Cosmo, continued until it fell before the invading armies of a united Italy.

Significantly, however, Cosmo acquired his dictatorship by majority vote, and until he had firmly entrenched himself he appeased the masses by government spending until the people were finally reduced to incredible poverty. Yet never before had so many safeguards been thrown around republican government, all to no avail in the face of an ambitious man, greedy for power with his supporters and beneficiaries corrupting the voters by taking from those having the fewer votes and giving the proceeds to those with the greater number of votes.

We now move toward communism by majority vote, while observing all the forms of democracy.

A STUDY OF KARL MARX'S COMMUNIST MANIFESTO AND THE EXTENT OF ITS TRANSLATION INTO FACT IN THE UNITED STATES OF AMERICA

The Communist Manifesto was published in 1848. It is the official creed of the Communist Party. In 1948 the 100th anniversary edition of this book was published. The following are the major goals in the modern giveaway programs already tested in history as sure to work and get the vote of a majority of the people, as set out in the official Communist Manifesto (pp. 32, 33, 34). We are all quite familiar with them. Most of the countries of the world have adopted the concepts, including the United States. It has adopted the principle of Marx, but in some cases stopped short of Marx's total consummation of his goals. Having adopted the principles, how can we stop or reverse the course?

1. Abolition of property in land and application of all rents of land to public purposes.

How far has this happened in the United States of America?

To get an understanding of the answer, we must look at the traditional land policy of the Government. As Adm. Ben Moreell has pointed out, "The early American policy was to get this land into the hands of private owners as quickly as possible. Sometimes it was given away, but always the idea was to get it into the hands of private owners, whether it be a railroad, a college, an individual homesteader, or others."

Now, however, the reverse is true. More and more land is being taken for public purposes. So what has happened? One-fourth of all the land now in the confines of the continental United States is owned by the Federal Government.

Thus the Federal Government owns 85 percent of Nevada, 71 percent of Utah, and 69 percent of Arizona. "There isn't much land left to acquire west of the Mississippi, and the trend is steadily upward."

2. A heavy, progressive, or graduated income tax.

In this, our beloved country has out-Marxed Marx.

In 1894 a revenue bill was passed by Congress which provided for a graduated income tax (act of August 27, 1894).

The law was declared unconstitutional by the Supreme Court on April 8, 1895 (*Pollock v. Farmers Loan and Trust Co.*). It was held invalid on the ground that the law imposed direct taxes, not apportioned among the States as required by the Constitution.

On February 25, 1913, the 16th amendment to the Constitution was adopted authorizing the imposition of income taxes without apportionment among the several States.

The tax, says Moreell, "was described by its proponents as a modest levy, with a normal rate of 1 percent on personal income up to $20,000, a surtax to a maximum of 6 percent of $500,000, and a flat corporate tax rate of 1 percent. The sole purpose, they said, was to produce revenue. When a Senator protested that the normal rate might some day rise to the confiscatory level of 10 percent, he was shouted down in derision."

Instead of 10 percent, the personal tax has risen to more than 90 percent in the highest brackets. The tax acts as a powerful brake on private capital, thus making it easier for the Government to step in with public capital.

Take a specific illustration in line with the Marxian ideal of "wresting, by degree, all capital from the owners of private property." In 1951, says Moreell, "the total of the income-tax payments to the Federal Government by the largest company in each of the 20 largest industries was three times the total amount that was paid of the owners of the businesses. That is, for every dollar set aside for Federal taxes and dividends by these companies, 75 cents went to the Federal Government and 25 cents to the stockholders."

3. Abolition of all rights of inheritance.

Not only has the inheritance tax taken as high as 75 cents of the grants in the highest brackets, but to this has been added the gift tax, something Marx never thought of.

When one of the du Ponts died recently, leaving an estate of $75 million, a total of 75 percent of this was paid out to the Federal Government in inheritance taxes. This, too, is moving in the direction of the Marxian goal "to wrest, by degrees, all capital from the bourgeoisie."

To quote Moreell: "You may condone this action, saying, 'Oh, well, there is plenty left,' but I speak here of a basic moral principle, the right to retain property."

4. Confiscation of the property of all emigrants and rebels.

American citizens of Japanese parents, who were suspected of possibly becoming rebels, were deprived of their property during World War II. When the war was over the Government compensated them for it at a fraction of what it was worth.

5. Centralization of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.

Already proposals are before the Congress, with the support of the New Dealers and Fair Dealers, to buy the stock of the Federal Reserve Bank and place title in the Government. Then all new Government money requirements, including those for retiring outstanding bond issues, would be met by delivering non-interest-bearing bonds to the banks, which would establish corresponding credits on their books. Better than that: the United States variety of socialism issues interest-bearing Government bonds at 3 percent tax-exempt. For example, 3 percent public housing bonds in the hands of those in the 80 to 90 percent tax bracket is better for them than investments in 13 percent dividend stock. Thus public ownership thrives—private investment dies. Lenin said the surest way to destroy the capitalistic system is to destroy its currency. Government control of credit and interest rates is a movement in exactly the direction Marx had in mind.

6. Centralization of the means of communication and transport in the hands of the state.

Both the FCC and ICC have made a start in this direction. The railroads, for example, are not only sometimes taken over by the Government, but they are so strictly controlled they cannot, with propriety, be pointed to as examples of private ownership and operation. Add to this situation the heavy Federal subsidies to steamship lines, airlines, airports, bridges, etc., and we have the beginning of overall controls.

7. Extension of factories and instruments of production owned by the state, the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a common plan.

Here we have a record of many manufacturing plants owned outright by the Federal Government. Then there is the entry of the Federal Government into the ownership and operation of electric powerplants. Federal ownership in this field (of plants already in operation) has reached 10.7 percent of the total, and by the end of 1955 it will be 15.4 percent. If State and local plants are added, the total is 23.8 percent.

In another field—synthetic rubber—in the first 6 months of 1952, Government-owned plants produced 62.3 percent of the Nation's consumption of new rubber.

8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.

This one plank has not gained wide acceptance here, despite memories of the Works Progress Administration and the Civilian Conservation Corps. Yet the American Communist Party in 1921 advocated the closed shop as essential to the creation of a Red America.

Nor should the Temporary Industrial Disputes Settlement Act of May 26, 1946, recommended by President Truman, be forgotten. This empowered the President to draft workers and management into the Army. The House of Representatives, by overwhelming majority vote and under suspension of the rules, voted it, 306 to 13. In the Senate, Senator Taft led the fight to eliminate the draft provisions, and was successful; the bill then was passed and died in conference. Said Taft at the time: "I wish to say that it seems to me that section 7 goes further toward Hitlerism, Stalinism and totalitarian government than any provision I have ever seen proposed in any measure."

9. Government planning in agriculture and industry.

We appear to have accepted the fundamentals of this plank. Proposals are now under consideration to force the decentralization of industry under the emergency powers of the Defense Production Act. Likewise we have the example of the Truman-sponsored Brannan plan, a scheme to lock a large segment of agricultural production in the vise of bureaucratic controls. Rent, wage and price control are commonly accepted policy.

10. Government-controlled schools.

The president of Harvard University recently advocated the abolition of all privately operated grade and secondary schools. In a recent Columbia University study, James Earle Russell reported: "The Federal Government in a typical year (1947) spent $500 million of the $1 billion it cost the colleges to operate—or 50 cents of every dollar." The report shows higher education has become a major concern of the Federal Government. The Supreme Court has already laid down the principle: "It is hardly lack of due process for the Government to regulate that which it subsidizes." How far off is regulation?

Observes Ben Moreell of these 10 planks:

"We cannot imprison or shoot an idea. We can only study it and try to understand it. If the ideas we sponsor—knowingly or unknowingly—are Communist ideas, democracy will be of little help. It is just as much a Communist idea if the majority impose it upon a minority * * * as if it is done in the name of dictatorship."

MARTIN VAN BUREN (1837–41)

Like a breath of fresh air in a smoke-filled room was the philosophy expressed in the message of Martin Van Buren to Congress on September 7, 1837.

It came at the height of the first great depression to hit the United States. In it President Van Buren turned down suggestions, emanating from both parties, that he take the lead in a program of Government spending. Said the President to Congress:

"All communities are apt to look to the Government too much. Even in our country, where its power and duties are strictly limited, we are prone to do so—especially at periods of sudden distress and embarrassment. But this ought not to be.

"The framers of our Constitution, and the people who approved it with calm and sagacious deliberation, acted at the time on a sound principle. They wisely suggested that the less Government interferes with private pursuits the better for general prosperity * * *.

"It is not the Government's legitimate object to make men rich or to repair, by direct grants of money or legislation, losses not incurred in the public service. This would be substantially the use of the property of some for the benefit of others."

This philosophy, expressed by the President of the United States, raised a storm of objection in Congress, in both Houses, but the President stood his ground.

Daniel Webster professed to be shocked. Said Webster, addressing the Senate: "I confess this declaration (of the President) is to me quite astounding. And I cannot think but that—when it comes to be considered—it will be a shock to the country. This avowed disregard for the public distress on the ground of alleged want of power; this exclusive concern for the interest of Government and revenue—now for the first time drawn—between the interests of the Government and the people, must surely be regarded as commencing a new era in our politics."

The press echoed with Webster's denunciation, but suddenly support came to the President from a strange quarter. John C. Calhoun and his followers had all but withdrawn from the Democratic Party. Now, almost overnight, they returned. And Calhoun himself, although ill and hardly able to stand, took the floor of the Senate and alined himself squarely on the side of the President of the United States. Said Calhoun:

"I dread the doctor more than the disease itself * * * I rely more on the growing crops, on the cotton, rice and tobacco of the South, than all the projects and devices of the politicians * * * We have arrived at a remarkable era in our history. The days of legislative and executive encroachment * * * and extravagant expenditures are past for the present. We are about to make a fresh start. I move off under the States-Rights banner, and go in the direction in which I have been so long moving."

A revolt against Van Buren's policy broke out in his own party, however, led by Nathaniel Talmadge of New York and William C. Rives of Virginia. Nevertheless, the President was able to muster enough support, including Calhoun and his followers, to avert upset of his leadership.

And so we conclude, that where the Constitution has been torn down, the first step is to repair and reassert it. The way to do it is clear. Who will do it?

ADJOURNMENT

Mr. GOLDWATER. Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 39 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, April 9, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 8, 1957:

SUBVERSIVE ACTIVITIES CONTROL BOARD

Thomas James Donegan, of New York, to be a member of the Subversive Activities Control Board for the term expiring April 9, 1962. (Reappointment.)

UNITED STATES MARSHALS

Howard C. Botts, of Ohio, to be United States marshal for the southern district of Ohio for a term of 4 years. He is now serving in this office under an appointment which expires April 30, 1957.

Richard A. Simpson, of Virginia, to be United States marshal for the eastern district of Virginia for a term of 4 years. He is now serving in this office under an appointment which expires July 17, 1957.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

FOR PERMANENT PROMOTION

To be medical directors

Leland A. Hanchett
Fred Morse
Edgar W. Moreland
Paul T. Erickson
Ralph B. Hogan
Glenn S. Usher
Robert R. Smith
Robert L. Zobel
Travis P. Burroughs
Harry Heimann
Robert L. Cherry
Henry W. Kassell
R. Frank Reider
John B. Vander
Isidor Abrahamer
Welby W. Bigelow
Lewis H. Hoyle
Michael B. Shimkin
Joseph C. Sturgell
Benno K. Milmore
William J. Brown
Benjamin Highman
Daniel J. Daley
George F. Ellinger
John F. Oesterle
Gabriel P. Ferrazzano
Joseph H. Gerber
Horace De Lien
Clarence L. F. Hebert
Leslie W. Knott
Robert J. Anderson
William H. Stimson
William S. Baum
Kenneth W. Chapman

To be senior surgeons

Wayland J. Hayes, Jr.
Leonard T. Kurland
Thomas A. Burch
Alan D. Miller
Louis B. Thomas
Robert B. Dorsen
Robert P. Grant
Wilton M. Fisher
Richard S. Yocum
Murray C. Brown
Roy F. Lindgren
Robert H. Dysinger
Vincent E. Price
Robert B. Neu
Robert M. Farrier
Stewart M. Sessoms
Sheldon Dray
Donald Harting
Henry D. Smith
Henry C. Savage
Charles E. Smith

To be surgeons

Leslie T. McClinton
G. Gilbert Ashwell
Winthrope E. Hoyle
Tracy Levy
Sarah E. Stewart
Kamehameha K. Wong
Ernest C. Siegfried
John M. Buchness
Lester R. Nagel
John J. Walsh
Joseph A. Gallagher
Alexis I. Shelokov
Miriam D. Manning
Maurice L. Sievers
Clermont S. Powell
Robert N. Phillip
John K. Irion
Agamemnon Despopoulos
John M. Lynch
Calvin R. MacKay
Joseph E. Jack
Daniel Steinberg
George W. Metcalf
William H. Stewart
Harry Y. Spence

To be senior assistant surgeons

Elbert E. Hines
John F. Ice
C. Lowell Edwards
Roy E. Tolls
Michael W. Justice
David H. Looff
John R. Trautman
Irwin B. Kaplan
Thomas E. Kiester
Neely E. Pardee
Gordon S. Siegel
John G. Mahaney
Ted L. Flickenger
James T. Worlton, Jr.
Donald A. Neher
Ralph J. Zecca
Duane L. Hanson
George C. Hottinger
Herman L. Smith
Leon N. Branton
Arnold R. Haugen

To be dental directors

William W. Calhoun, Jr.
Harry G. Trautman
Donald J. Galagan
Joseph E. Unsworth
Clovis E. Martin
James O. Blythe, Jr.

To be senior dental surgeons

Peter J. Coccaro.
Richard P. French.
Peter B. Drez.

To be dental surgeons

Oswald Spence
William B. Savchuck
Carl J. Witkop, Jr.
Biagio J. Cosentino
John E. Frank
James E. Kelly

To be senior assistant dental surgeons

Robert B. Kelley
Calvin M. Reed
Winston H. Bowman
W. Frederick Schmidt
Stanley D. Sherriff
Bernard A. Yenne
James H. Dow
William D. Bowker
Howard B. Hancock
Ivan T. Shaurette
Robert A. Hesse
E. Duane Oakes
Harry H. Hatasaka

To be sanitary engineer directors

Hayes H. Black
Joseph E. Flanagan, Jr.
James G. Terrill, Jr.
August T. Rossano
M. Allen Pond
Ralph J. Vanderwerker
Russell W. Hart
Charles D. Yaffe
Robert R. Harris
Malcolm C. Hope
Harry G. Hanson
Wesley E. Gilbertson
Callis H. Atkins

To be senior sanitary engineer

Alfred E. Williamson, Jr.

To be sanitary engineers

Ronald E. Bales
Gerald N. McDermott
James A. Westbrook
Ronald G. Macumber
Charles E. Sponagle
Lester E. Blaschke
Donald E. Pecsok
Robert P. Morfitt
William H. Davis, Jr.

To be senior assistant sanitary engineers

Gene B. Welsh.
Ernest D. Harward.

To be assistant sanitary engineers

Archie E. Becher
James G. Gardner
Harry C. Vollrath III
Jules B. Cohen

To be pharmacist director

Guy H. Trimble.

To be senior pharmacists

Joseph P. Crisalli.
Victor F. Serino.
Arthur W. Dodds.

To be pharmacists

Joseph J. Hackett
John A. Scigliano
Richard F. Bolte
Allums F. Smith
Henry W. Beard
Alfred A. Rosenberg
Richard R. Sherwood

To be scientist directors

Jerry W. Carter, Jr.
Charles G. Dobrovolny
Malcolm J. Williams
Clarence M. Tarzwell
Harold M. Skeels
Emlen J. Bell
Howard M. Kline
Carl L. Anderson
Louis Block
Lewis J. Cralley
Pope A. Lawrence

To be senior scientists

Lewis J. Sargent.
Archie D. Hess.
William H. Ewing.

To be scientists

Harold J. Fournelle
William R. Carroll
Roy W. Chamberlain
Robert K. Ness
Clarence A. Sooter
William F. Durham
Leo Kartman
Jack J. Monroe
Bill H. Hoyer
Robert Holdenried
Charles R. Maxwell

To be senior assistant scientists

Seymour Rubenfeld
Donald S. Blough
Donald S. Boomer
Kenneth W. Walls

To be senior sanitarians

Nell McKeever.
Mary Jo Kraft.
Milton Wittman.

To be sanitarian

Wallace W. Jons.

To be senior assistant sanitarians

Richard A. Steinmetz.
Grace M. Littlejohn.

To be senior veterinarian

Raymond J. Helvig.

To be veterinarians

Robert E. Kissling.
Ladd N. Loomis.
Karl H. Reinhard.

To be senior assistant veterinarians

Anton M. Allen.
Kenneth O. Quist.

To be nurse directors

Marion Ferguson
Hazel Shortal
Margaret E. Schafer
Donna Pearce
Lorena J. Murray
Elsie T. Berdan

To be senior nurse officers

Emily M. Smith
Margaret Denham
Helen M. Danley
Mildred Struve

To be nurse officers

Elizabeth W. Maher
Philomene Lenz
Loretta C. Parsons
Mabel N. Hay
Madge M. Neill
Myra I. Johnson
Jennie H. Rakich
Margaret M. Cahalan
Florence E. McKerrow
Lillian S. Dick
Florence E. Gareau
Mary E. Allen
Katherine Bastress
Albina A. Bozym
Mildred F. Barnett
Frances S. Wolford
Catherine N. McDuffie
Grace E. Mattis
Mary G. Damian
Mary R. Lester
Dorothy L. Connors
Merilys R. Porter
Hilda A. Nivala

To be senior assistant nurse officer

Dorothy C. Calafiore.

To be therapist

Nellie L. Evans.

To be senior assistant therapists

Royce P. Noland.
Dean P. Currier.

To be assistant therapist

Arthur J. Nelson.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 8, 1957:

UNITED NATIONS

Stanley C. Allyn, of Ohio, to be the representative of the United States of America to the 12th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Francis H. Russell, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand.

NATIONAL SCIENCE FOUNDATION

Alan T. Waterman, of Connecticut, to be Director of the National Science Foundation, term of 6 years.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Katherine Brownell Oettinger, of Massachusetts, to be Chief of the Children's Bureau, Department of Health, Education, and Welfare.

POSTMASTERS

ALASKA

Paul G. Swanson, Chugiak.

ARKANSAS

Fred C. Seaton, Forrest City.

CALIFORNIA

Lucille Peyton, Aromas.
Wilda B. Keller, Boulevard.
Helen M. Robertson, Cobb.
Raymond A. Hunter, Colton.
Barbara P. O'Neill, Crannell.
Gladys L. Ralph, Eagle Mountain.
Edward F. Fuselli, Fairfax.

Noma Joyce Marshall, Five Points.
Thomas G. Moore, Folsom.
Frank B. Branson, Fort Jones.
Marion S. Karrh, La Jolla.
Lewis B. Miller, Moorpark.
Edith R. Wirtanen, Mount Hamilton.
Dorothy P. Faust, Newberry.
Albert W. Oxsen, Pleasanton.
John Redstreake, Quincy.
Beryl E. Carroll, Rancho Cordova.
Flora R. Sproul, Redway.
Lawrence Kenneth Fee, Sr., San Miguel.
Mervin H. Sheppard, Sutter Creek.
Mary G. Hutchinson, Tecate.
Orion K. Beeson, Venice.
Raymond J. Schulze, Yountville.

COLORADO

Sidney E. Koon, Arvada.
Glenn A. Daniels, Castle Rock.
Max T. Robb, Central City.
Wilbur A. Snyder, Fountain.
Louise J. Caddell, Grand Lake.
Eva G. Woolley, Louviers.
Alex J. Campbell, Norwood.
Joseph P. Davis, Peyton.

DELAWARE

Richard A. Yost, Houston.
Elizabeth M. Clendaniel, Lincoln.

FLORIDA

Lillian S. Rodgers, Bascom.
Harry E. Kesler, Fellsmere.
Marshall I. Richards, Grant.
Emmet W. Doak, Neptune Beach.
Essie M. Cogdill, St. Marks.
Everett A. Phillips, Wildwood.

GEORGIA

Alex B. Greenway, Alma.
Guy D. McKinney, Ball Ground.
Luther A. Adams, Elberton.
Joseph E. Turner, Jr., Hephzibah.
Walter T. Brown, Mountain View.
Thomas E. Wynne, Warm Springs.

INDIANA

Richard W. Garvin, Battle Ground.
Mary Ann Massa, Blanford.
Anne Lee Cooper, Clarksburg.
Guy E. Edds, Dugger.
Walter A. Smith, Indianapolis.
James H. Nelson, Ladoga.
George M. Smith, Medora.
William F. Reineke, Mount Vernon.
Frances L. Autrey, Newberry.
William S. Hutchison, Paoli.
Arthur R. Bietry, Richmond.
Eura Annita Dillon, Williamsburg.
Donald Eugene Greenburg, Wolcott.

KANSAS

Ralyn M. Hill, Abilene.
Frank W. Daharsh, Americus.
Ivan R. Calahan, Kincaid.
Leonard L. Livengood, Morrill.
Paul Vern Grittman, Simpson.

KENTUCKY

Wilmer L. Boggs, London.

LOUISIANA

Alva L. Coon, Arcadia.
Roy E. Boyd, Converse.
Dalton J. Richard, Creole.
Marlin M. Ryder, Deville.
Robert D. Comeaux, Duson.
America Hahn Falgout, Meraux.
Hannah J. Cunningham, Metairie.
Pauline B. Cambre, Paulina.

MAINE

Eleanor H. Foss, Boothbay Harbor.
Richard Paul Dyer, Turner.

MARYLAND

Beatrice P. Brittingham, Fishing Creek.
Olie K. Teeter, Flintstone.
Bertha N. Rohde, Glyndon.
Dudley I. Windsor, Hurlock.
Elwood J. Greenhalgh, Royal Oak.

MASSACHUSETTS

Kenneth E. Keith, Bridgewater.
Alfred K. Wilde, Edgartown.
Berton E. Hobart, Holbrook.
Adelbert M. Eldredge, Northboro.
Richard H. Crittendon, Otis.
Clifford A. E. Norrman, Plympton.
Marian F. Church, Rochester.
Essie H. Reynolds, South Acton.
Hazel B. Hiltz, South Ashburnham.
Albert R. Lacroix, Spencer.
Roger D. Scudder, Sunderland.

MINNESOTA

Joseph G. Williams, Buffalo Lake.
Robert P. Clark, Cromwell.
Garrett W. Magee, Detroit Lakes.
Delmer E. Drysdale, Dover.
Walter R. Johnson, Hendricks.
Ruth M. Bishop, Longville.
Milton J. Moxness, Montevideo.
Russell L. Spielman, Odin.
Lawler H. Olson, Perham.
Lyle D. Nelson, Randall.
Earl W. Axeen, Sartell.
Harry Stickney Lamb, Schroeder.
Manfred C. Folstad, Shelly.
Agnes M. Quam, Watson.

MISSISSIPPI

Rufina F. W. Gully, Preston.

MISSOURI

James E. Lysinger, Lowry City.
George R. Arnold, Smithville.
Eugene W. Waite, Wheeling.

MONTANA

Ronald F. Yandell, Cascade.
Dell H. Riggs, Conrad.
Arthur L. Hamilton, Fishtail.
Alma M. Slevin, Froid.
Mark M. Fuller, Great Falls.
Lloyd M. Hughes, Lolo.
Robert Julian, Sheridan.
John C. Emerson, Stevensville.
Lyle C. Marsh, Valier.
Ben H. Williams, Virginia City.
William B. McCracken, Wolf Point.

NEBRASKA

James H. Ross, Elm Creek.
Verl A. Brunkow, Murdock.
LeRoy J. Henry, Wellfleet.
Mabel L. Kendrick, Whitney.

NEVADA

Claude L. Taylor, Battle Mountain.
Antoine Primeaux, Elko.
Lucy B. Belin, Pittman.

NEW JERSEY

John A. Beetle, Blackwood.
Fern W. Buskirk, Deepwater.
William H. Rule, Dover.
Francis E. Bruce, Eatontown.
Edith L. Brown, Mantua.
Clinton W. Wood, Jr., Oceanport.

NEW MEXICO

Marion S. Dunnam, Artesia.
Emma R. White, Whites City.

NEW YORK

John W. Ginther, Adams Basin.
Gaetano Pavone, Bear Mountain.
Eldred R. Wood, Canton.
John Wesley Sinnickson, Center Moriches.
John Hobert Stear, Churchville.
Marta E. Hoffman, Commack.
John C. Newkerk, DeLancey.
Gardner A. Cross, Felts Mills.
Amelia L. Donovan, Forestport.
August J. Oliver, Frankfort.
Anthony B. Nicastri, Franklin Square.
Rudolph M. Jabbonsky, Holbrook.
Catherine V. Whalen, Hopewell Junction.
Walter J. Beattie, Lake Luzerne.
Loren Grsos, Jr., Lodi.
Fotius Stelianou, Lyndonville.
Harold B. Lauster, Lyons.
Robert P. Siersma, Marcellus.
Margaret M. Fitzgerald, Maryknoll.
Lawrence Leo Shade, Merrick.
William Adolph Roese, Mineola.
Louis I. Katz, Mountain Dale.
Archie C. Davidson, New City.
Clifford S. Van Valkenburgh, Jr., New Paltz.
Vincent E. Trunk, Niagara University.
Russell A. Southard, Otego.
Laura E. Ebmeyer, Palisades.
Donald W. Floyd, Port Jefferson.
Phyllis N. Cooley, Richburg.
Kenneth D. Woods, Setauket.
Robert J. Johnson, Staten Island.
Harry F. Erickson, Stottville.
John J. Blake, Taberg.
Edmon L. Sowers, Thiells.
Sylvia C. Semel, Thompsonville.
Frederick J. Weigel, Tribes Hill.
Stanley L. Evans, Utica.
William A. Todd, Valley Stream.
Robert K. La Londe, Wantagh.
William J. Brown, Jr., Waterford.

NORTH CAROLINA

Judson G. Burrell, Barnardsville.
David C. Keller, Jr., Chimney Rock.
Vera N. Scarborough, Grifton.
Cleveland C. Hines, Jr., Holly Ridge.
Annie P. Wolfe, Jamesville.
Vernon W. Taylor, Oxford.
John C. Hammond, Rockingham.
James H. Parks, Swannanoa.
Jasper M. Brown, Troy.

OHIO

Ralph E. Kienzle, Bolivar.
Winifred F. Brown, Casstown.
Ralph C. Steer, Damascus.
John Jay Gold, Dennison.
John M. Frazier, Fraseysburg.
Karl H. Haberecht, Gates Mills.
Vincent J. Marcarello, Girard.
Elizabeth C. Watts, Highland.
Donald L. Meyer, Houston.
Ralph M. Hardy, Mansfield.
Craig F. Barnett, Mineral City.
Paul E. Neal, Mogadore.
Otto E. Lankenau, Napoleon.
Eric Lester Finney, New Philadelphia.
Clarence C. Sanders, Port William.
Harry D. Anderson, Republic.
Arthur C. Larimer, Sandusky.
Fern Pittenger, Shiloh.
Salvatore D. Zavarella, Solon.
Elsie E. Johnson, Williston.

OKLAHOMA

Fred W. Louis, Looketa.
Randolph H. Grinstead, Pawhuska.

OREGON

Theresa E. Bryson, Adams.
Richard L. Willey, Elkton.
Oleta R. Farrens, Monument.
Virginia L. Lydick, Swisshome.
Orel T. Bateman, Vernonia.

SOUTH DAKOTA

Davis O. Johnson, Hayti.
Daryl C. Lunn, Kimball.
Michael P. Bowar, Seneca.
Merle S. Frickey, Vermillion.

TENNESSEE

William C. Ashworth, Franklin.
Louis W. Oliver, Jr., Hendersonville.
Charles R. Sanford, New Taswell.
Carl A. Thompson, Pleasant Hill.

UTAH

Shirley J. Bartholomew, Mayfield.
David L. Warner, Midvale.

VIRGINIA

Zeb Jerome Barbee, Jr., Altavista.
Thomas M. Strickland, Chester.
Toney S. Reynolds, Jr., Collinsville.
Allen F. Maxey, Dillwyn.
Drunette N. Holland, Eastville.
John W. Leslie, Glasgow.
Wilton E. Dunton, Hudgins.
George F. Walls, Isle of Wight.
Paul S. Richmond, Lanexa.
Walter G. Carter, Nottoway.
Roy L. Reeve, Sperryville.
Stephen K. Burns, Jr., Swoope.

WISCONSIN

Roland R. Kuckdorf, Bowler.
Rita A. Fornero, Camp Lake.
Albert D. Rusch, Crandon.
Paul E. Dyer, Crivitz.
Merlin H. Jacobson, Galesville.

WYOMING

Ruth Newbrough, Pavillion.
Harold C. Jones, Saratoga.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 8, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou great God of our spirits, at this noon hour, we are approaching Thy throne of majesty and mercy, of grace and goodness, compelled by many needs but, above all, constrained by Thy love which will never fail or let us go.

We rejoice that Thy divine love has neither geographical boundaries nor numerical limitation for it reaches everywhere and includes all mankind.

Help us to appreciate the wonderful opportunities which each day affords us for building a social order that has in it a larger measure of love and goodwill.

May we love Thee with all our mind and heart and soul and strength, which is the first and great commandment, and also be obedient to the second commandment to love our neighbor as ourselves, for on these two commandments hang all the law and the prophets.

Through the name of our blessed Lord we ascribe unto Thee all the praise. Amen.

The Journal of the proceedings of Friday, April 5, 1957, was read and approved.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency have until midnight tonight to file a report on the bill H. R. 6659.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 51]

Adair
Alexander
Alger
Anderson, Mont.
Aspinall
Barden
Barrett
Bass, N. H.
Baumhart
Belcher
Bentley
Betts
Bosch
Bowler
Breeding
Brown, Mo.
Buckley
Byrne, Pa.
Carrigg
Celler
Chenoweth
Chudoff
Clark
Coffin
Corbett
Coudert
Cramer
Cretella
Delaney
Dies
Diggs
Dollinger
Donohue
Dooley
Dorn, N. Y.
Eberharter
Edmondson
Elliott
Engle
Farbstein
Fino
Flynt
Fogarty
Friedel
Fulton
Grant
Green, Pa.
Gregory
Gubser
Gwinn
Harris
Healey
Holtzman
Jackson
Keating
Kelly, N. Y.
Keogh
Kluczynski
Lane
Latham
Lennon
McConnell
McCormack
McCulloch
Magnuson
Martin
May
Morano
Osmers
Patterson
Philbin
Powell
Prouty
Radwan
Reece, Tenn.
Rogers, Colo.
Rogers, Tex.
Roosevelt
Sadlak
Santangelo
Scrivner
Sikes
Spence
Springer
Teller
Van Pelt
Walter
Westland
Wharton
Williams, Miss.
Willis
Wilson, Calif.
Withrow
Young
Zelenko

DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

Mr. McMILLIAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

The Chair hears none and appoints the following conferees: Messrs. MORRISON, MULTER, GRANAHAN, KEARNS, and BROYHILL.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN], chairman of the Committee on the District of Columbia.

METROPOLITAN POLICE RELIEF ASSOCIATION OF THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 4840) to incorporate the Metropolitan Police Relief Association of the District of Columbia, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That Clarence H. Lutz, Francis Conley, Garland B. Waters, William G. Schenck, Lawrence D. Johnson, Anthony A. Cuomzo, John R. Wallace, and Edwin S. Grayson are hereby created and declared to be a body corporate by the name of "Metropolitan Police Relief Association of the District of Columbia" (hereinafter in this act referred to as the "corporation"), and by such name shall be known and have perpetual succession and the powers and limitations contained in this act.

COMPLETION OF ORGANIZATION

SEC. 2. The persons named in the first section of this act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this act, and the doing of such other acts as may be necessary for such purpose.

OBJECT AND PURPOSE OF CORPORATION

SEC. 3. The corporation shall not be conducted for profit but shall have as its object and purpose, upon the payment of specified amounts, the payment of death benefits with respect to (1) persons who are or have been officers or members of the Metropolitan Police force of the District of Columbia, (2) wives of persons who are or have been officers or members of the Metropolitan Police force of the District of Columbia, and (3) persons who are or have been employees of the District of Columbia assigned to the Metropolitan Police Department.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to enter into contracts with those persons described in section 3 of this act to pay death benefits with respect to such persons;

(2) to issue certificates of membership as evidence of the contracts referred to in paragraph (1);

(3) to collect specified amounts with respect to contracts for the payment of death benefits;

(4) to sue and be sued in any court of competent jurisdiction;

(5) to choose such officers, directors, managers, agents, and employees as the business of the corporation may require;

(6) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the provisions of this act, the laws of the United States, and the laws in force in the District of Columbia for the management of its property and regulation of its affairs;

(7) to contract and be contracted with;

(8) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the object and carrying into effect the purpose of the corporation subject to applicable provisions of law in force in the District of Columbia;

(9) to transfer, encumber, and convey real or personal property;

(10) to adopt, alter, and use a corporate seal;

(11) to borrow money for the purposes of the corporation, issue bonds therefor, and secure such bonds, subject to the laws of the United States, and the laws in force in the District of Columbia;

(12) to invest the funds of the corporation only in such securities as the United States District Court for the District of Columbia may approve, from time to time, for the investment of funds by fiduciaries operating under its jurisdiction; and

(13) to do any and all acts and things necessary and proper to carry out the object and purpose of the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 5. (a) Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall, except as provided in this act, be determined by the constitution and bylaws of the corporation.

(b) Only members of the corporation shall have the right to vote on matters submitted to a vote at meetings of members of the corporation. Each member of the corporation shall have only one vote with respect to matters submitted to a vote at meetings of members of the corporation.

BOARD OF DIRECTORS; COMPOSITION, RESPONSIBILITIES

SEC. 6. (a) Upon enactment of this act, the membership of the board of directors of the corporation shall consist of those persons named in the first section of this act. Such persons shall remain on the board of directors of the corporation for a period of 1 year from the date of enactment of this act.

(b) After 1 year from the date of enactment of this act, the board of directors of the corporation shall be composed of (1) one officer or member from each precinct, bureau, and division of the Metropolitan Police force of the District of Columbia (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are assigned to the precinct, bureau, or division from which such officer or member is elected; (2) one member of the White House Police force (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are members of the White House Police force; and (3) one member of the Retired Men's Association of the Metropolitan Police Department (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are members of such association.

(c) The board of directors shall be the governing board of the corporation and shall be responsible for the general policies and program of the corporation. The board of directors may appoint from among its membership such committees as it may deem advisable to carry out the affairs of the corporation, including an executive committee and an investment committee.

(d) The board of directors shall make and adopt such bylaws for the conduct of the corporation as it may deem necessary and proper which are consistent with the terms of this act.

OFFICERS OF THE CORPORATION

SEC. 7. (a) The officers of the corporation shall be a chairman of the board of directors who shall also be the president of the corporation, a vice president, a secretary-treasurer, and an assistant secretary-treasurer. The duties of the officers of the corporation shall be as prescribed in the constitution and bylaws of the corporation.

(b) The board of directors shall elect the officers of the corporation in such manner as may be prescribed by the constitution and bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, except as payment of death benefits or as remuneration for services which remuneration for services must be approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 9. The corporation, and its officers, directors, and duly appointed agents, as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

CHARITABLE CORPORATION, NOT SUBJECT TO INSURANCE LAWS OF THE DISTRICT OF COLUMBIA

SEC. 11. The corporation created by this act is declared to be a benevolent and charitable corporation, and all of the funds and property of such corporation shall be exempt from taxation, other than taxation on the real property of the corporation. Such corporation shall not be subject to the laws regulating the business of insurance in the District of Columbia.

BOOKS AND RECORDS; INSPECTION

SEC. 12. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors; and it shall also keep a record of the names of its members. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

FILING WITH THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA

SEC. 13. (a) The corporation shall file, with the Board of Commissioners of the District of Columbia or an agent designated by the Board, a copy of its bylaws and copies of the forms of contracts to be offered to eligible persons.

(b) The financial transactions of the corporation shall be audited annually, at the end of the fiscal year established by the corporation, by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and the full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(c) A report of such audits shall be made by the corporation to the Board of Commissioners of the District of Columbia or an agent designated by the Board not later than 6 months following the close of such fiscal year for which the audit is made. The report shall set forth the scope of the audit and shall include verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expenses, and (5) sources and application of funds. Such report shall also include a statement of the operations of the corporation for such fiscal year.

(d) If the Board of Commissioners of the District of Columbia or an agent designated by the Board for such purpose shall have reason to believe that the corporation is not complying with the provisions of this act, or is being operated for profit, or is being fraudulently conducted, they shall cause to be instituted the necessary proceedings to require compliance with this act, or to enjoin such improper conduct.

TRANSFER OF CONTRACTS, OBLIGATIONS, AND ASSETS

SEC. 14. The corporation is authorized and empowered to take over, assume, and carry out all contracts, obligations, and assets of the corporation heretofore organized and now doing business in the District of Columbia under the name of the Metropolitan Police Relief Association of the District of Columbia, upon discharging or satisfactorily providing for the payment and discharge of all liability of such corporation and upon complying with all laws in force in the District of Columbia applicable thereto.

AGENT IN DISTRICT OF COLUMBIA

SEC. 15. The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 16. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

On page 1, line 5, strike the name "Edwin S. Grayson" and insert in lieu thereof "Royce L. Givens."

On page 6, after line 15, insert the following:

"(b) Before entering upon his duties as secretary-treasurer or as assistant secretary-treasurer, each such officer shall be required to give a good and sufficient surety bond to the corporation in the amount of $10,000, conditioned upon the faithful performance of his duties. For the purposes of this section the term "faithful performance of his duties" shall include the proper accounting for all funds and property received by reason of the position or employment of the individual so bonded and all duties and responsibilities imposed upon such individual by this act and by the constitution and bylaws of the corporation."

Page 7, line 8, strike out "(b)" and insert "(c)."

The committee amendments were agreed to.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to incorporate the Metropolitan Police Relief Association of the District of Columbia.

The bill provides that the corporation shall have power—

First. To enter into contracts with those persons described in section 3 of this act to pay death benefits with respect to such persons;

Second. To issue certificates of membership as evidence of the contracts.

Third. To collect specified amounts with respect to contracts for the payment of death benefits;

Fourth. To sue and be sued in any court of competent jurisdiction;

Fifth. To choose such officers, directors, managers, agents and employees as the business of the corporation may require;

Sixth. To adopt, amend, and alter a constitution and bylaws, not inconsistent with the provisions of this act, the laws of the United States and the laws in force in the District of Columbia for the management of its property and regulation of its affairs;

Seventh. To contract and be contracted with;

Eighth. To take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the object and carrying into effect the purpose of the corporation subject to applicable provisions of law in force in the District of Columbia;

Ninth. To transfer, encumber, and convey real or personal property;

Tenth. To borrow money for the purposes of the corporation, issue bonds therefor, and secure such bonds, subject to the laws of the United States, and the laws in force in the District of Columbia;

Eleventh. To invest the funds of the corporation only in such securities as the United States District Court for the District of Columbia may approve, from time to time, for the investment of funds by fiduciaries operating under its jurisdiction; and

Twelfth. To do any and all acts and things necessary and proper to carry out the object and purpose of the corporation.

In order to protect the members of the corporation the following provisions are set forth in the bill:

First. The secretary-treasurer and the assistant secretary-treasurer shall both be bonded.

Second. No part of the income or assets of the corporation shall inure to any member, officer, or director except a payment of death benefits or as remuneration for services which remuneration for service must be approved by the board of directors of the corporation.

Third. The corporation shall not make loans to its officers, directors, or employees of the corporation, and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

Fourth. The corporation and its officers, directors and duly appointed agents shall not contribute to or otherwise support or assist any political party.

Fifth. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

The corporation is declared to be a benevolent and charitable corporation and all of the funds and property are exempt from taxation, other than taxation on the real property of the corporation. The bill also provides that the corporation shall not be subject to the laws regulating the business of insurance in the District of Columbia.

The bill further provides that correct and complete books and records shall be kept and that they shall be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

The bill require the corporation to file with the Board of Commissioners, or their agent, a copy of its bylaws and copies of the forms of contracts to be offered to eligible persons.

Also provided for in the bill are the following:

First. Provides for an audit of accounts.

Second. Report of audit to be made to Board of Commissioners or an agent designated by the Board not later than 6 months following close of such fiscal year for which audit is made. The report shall include a statement of assets and liabilities, capital and surplus or deficit, surplus or deficit analysis, income and expenses, sources and application of funds and this report shall be verified by person conducting audit.

Mr. Speaker, I yield to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Speaker, H. R. 4840 is a bill to incorporate the Metropolitan Policy Relief Association of the District of Columbia. In 1869 the metropolitan police formed this relief association. In 1911 the Congress passed the District of Columbia insurance bill which exempted this relief association from the laws concerning insurance. In 1934 another bill was passed in which the exemption was not mentioned. In order that this organization may continue to operate it is necessary that they be incorporated.

The purpose of this bill is to incorporate the Metropolitan Police Relief Association of the District of Columbia.

The bill provides that the corporation shall have the power to:

First. To enter into contracts with those persons described in section 3 of this act to pay death benefits with respect to such persons;

Second. To issue certificates of membership as evidence of the contracts;

Third. To collect specified amounts with respect to contracts for the payment of death benefits;

Fourth. To sue and be sued in any court of competent jurisdiction;

Fifth. To choose such officers, directors, managers, agents and employees as the business of the corporation may require;

Sixth. To adopt, amend, and alter a constitution and bylaws, not inconsistent with the provisions of this act, the laws of the United States and the laws in force in the District of Columbia for the management of its property and regulation of its affairs;

Seventh. To contract and be contracted with;

Eighth. To take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the object and carrying into effect the purpose of the corporation subject to applicable provisions of law in force in the District of Columbia;

Ninth. To transfer, encumber, and convey real or personal property;

Tenth. To borrow money for the purposes of the corporation, issue bonds therefor, and secure such bonds, subject to the laws of the United States, and the laws in force in the District of Columbia;

Twelfth. To invest the funds of the corporation only in such securities as the United States District Court for the District of Columbia may approve, from time to time, for the investment of funds by fiduciaries operating under its jurisdiction; and

Thirteenth. To do any and all acts and things necessary and proper to carry out the object and purpose of the corporation.

In order to protect the members of the corporation the following provisions are set forth in the bill:

First. The secretary-treasurer and the assistant secretary-treasurer shall both be bonded.

Second. No part of the income or assets of the corporation shall inure to any member, officer, or director except a payment of death benefits or as remuneration for services which remuneration for service must be approved by the board of directors of the corporation.

Third. The corporation shall not make loans to its officers, directors, or employees of the corporation, and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

Fourth. The corporation and its officers, directors and duly appointed agents shall not contribute to or otherwise support or assist any political party.

Fifth. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

The corporation is declared to be a benevolent and charitable corporation and all of the funds and property are exempt from taxation, other than taxation on the real property of the corporation. The bill also provides that the corporation shall not be subject to the laws regulating the business of insurance in the District of Columbia.

The bill further provides that correct and complete books and records shall be kept and that they shall be inspected by any member of his agent or attorney for any proper purpose at any reasonable time.

The bill requires the corporation to file with the Board of Commissioners, or their agent, a copy of its bylaws and copies of the forms of contracts to be offered to eligible persons.

Also provided for in the bill are the following:

First. Provides for an audit of accounts.

Second. Report of audit to be made to Board of Commissioners or an agent designated by the Board not later than 6 months following close of such fiscal year for which audit is made. The report shall include a statement of assets and liabilities, capital and surplus or deficit, surplus or deficit analysis, income and expenses, sources and application of funds and this report shall be verified by person conducting audit.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING COMMISSIONERS TO CONSTRUCT BRIDGES

Mr. DAVIS of Georgia. Mr. Speaker, by direction of the House Committee on District of Columbia, I call up the bill (H. R. 6306) to amend the act entitled "An act authorizing and directing the Commissioners of the District of Columbia to construct two 4-lane bridges to replace the existing 14th Street or Highway Bridge across the Potomac River, and for other purposes," and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if the gentleman is going to take some time to explain this bill to the House.

Mr. DAVIS of Georgia. I will be glad to explain it as fully as the gentleman wishes me to.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act authorizing and

directing the Commissioners of the District of Columbia to construct two 4-lane bridges to replace the existing 14th Street or Highway Bridge across the Potomac River, and for other purposes," approved July 16, 1946 (60 Stat. 566), is amended (a) by inserting "bascule-span" immediately after "four-lane"; and (b) by striking "$7,000,000" and inserting in lieu thereof "$17,500,000."

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to amend the act authorizing and directing the Commissioners of the District of Columbia to construct two 4-lane bridges to replace the existing 14th Street or Highway Bridge across the Potomac River, and for other purposes.

The act approved July 16, 1946, authorized the construction of two 4-lane bridges across the Potomac River to replace the older structure known as the 14th Street or Highway Bridge, at a cost not to exceed $7 million. Because of the extremely rapid inflationary cost of heavy construction from the time that estimates were made in 1946 until construction of one of the two bridges began, the final cost of the first of the two bridges amounted to approximately $6,800,000, or substantially the amount authorized by Congress for both bridges.

Present plans call for the replacement of the older south-bound structure. The cost of this work, together with the cost of constructing the approaches to the new bridge is estimated at $9,200,000. In order to complete the work required by the act of July 16, 1946, the Commissioners request the amendment of that act so as to authorize appropriations totaling $16 million—of which $6,800,000 has already been expended for the northbound bridge at 14th Street. Appropriations not exceeding $9,200,000 would be authorized to be made for the replacement of the existing southbound 14th Street Bridge.

The District of Columbia Appropriation Act, 1957, approved June 29, 1956, included an appropriation of $1,750,000 for the construction of the second of the two bridges authorized by the act of July 16, 1946.

The House Committee on Appropriations in reporting the bill which became the District of Columbia Appropriation Act, 1597—House Report No. 1896—made the following statement:

> The committee has approved the funds requested for the Highway Bridge replacement but has stricken the language raising the ceiling on the cost of construction of the 2 spans from $7 million to $16 million, and suggests that this increased limitation be requested of the proper legislative committee.

The Comptroller General has ruled that the District of Columbia may not enter into a contract for construction of the second bridge authorized by the act of July 16, 1946, for any amount in excess of the amount appropriated.

In view of the urgent need for a new southbound bridge at this location the Commissioners recommended early action on the bill.

To carry out the recommendations set forth in this letter, Hon JAMES C. DAVIS, a member of the House District Committee, on March 11, 1957, introduced a bill, H. R. 5816, for the purpose of increasing the authorized appropriation from $7 million to $16 million.

At a hearing before a subcommittee of the House District Committee on Thursday, March 21, 1957, the Director of the Highway Department for the District of Columbia testified on this legislation and explained the need for a bridge at that location authorized in this bill. The Director of Highways testified that in an inspection made by engineers of his Department in 1950 "that the bridge had a life that would expire in 1960." Upon being questioned by the members of the subcommittee the Director of the Highway Department testified that the bridge presently in use would become unsafe by 1960. The Director of the Highway Department and an engineer fom his department exhibited to members of the subcommittee a clip angle from the bridge which had broken and further testified that there were as many as 17 clip angles which had been cracked. The Director of Highways further testified that if the use of the bridge continued beyond 1960 it might be necessary to spend millions of dollars to make the necessary repairs in order to maintain the bridge in a safe condition. It was further testified that if such repairs could not be made it might be necessary to condemn further use of this bridge after the year 1960.

Testimony before the members of the subcommittee brought out the fact that the Highway Department had planned to construct a bridge across the Potomac at the point authorized in the bill, without a draw. Upon further consideration the subcommittee voted unanimously to write language into the bill which would require a bascule span bridge and increased the appropriation from $16 million to $17,500,000. The additional $1,500,000 being the amount estimated it would cost to provide a bascule span in the proposed bridge.

At a meeting of the full House District Committee on Monday, March 25, 1957, the members of the committee by a unanimous vote authorized the approval of $17,500,000 upon the condition that a bascule span-type bridge be built and authorized me, as the chairman of the subcommittee, to introduce a clean bill containing these provisions.

Mr. DAVIS of Georgia. Mr. Speaker, in 1946 an authorization was passed to construct two 14th Street bridges, one incoming and one outgoing. The incoming bridge has been constructed, and due to increased costs the $7 million which was authorized for the construction of both these bridges was almost entirely used up. The actual sum used in the construction of the first bridge was $6.8 million. That left only $200,000 available for the construction of the outgoing 14th Street Bridge. This bill would authorize an additional sum to construct the outgoing 14th Street Bridge. The additional sum authorized is $10½ million. That is for the purpose of constructing according to the estimates of Mr. Robertson, the head of the Highway Department of the District, a bridge which corresponds exactly as to construction and design and distance from the high and low level of the water to the present newly constructed incoming 14th Street Bridge.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. This means, then, that all of the taxpayers of the country are going to spend $10 million to build another bridge across the Potomac River; is that correct?

Mr. DAVIS of Georgia. That is correct; I believe it is $10½ million. The reason for that is, as the gentleman knows, that this bridge is on the main United States Route No. 1. It carries traffic to and from the Shirley Highway and other highways coming into Washington.

Mr. GROSS. But the gentleman will agree, will he not, that this bridge will serve mainly the traffic between the District of Columbia and the States of Virginia and Maryland?

Mr. DAVIS of Georgia. It serves all of that traffic, but it serves any traffic coming from that direction into Washington, and moving from Washington in that direction.

Mr. GROSS. Is any contribution being made to the construction of this bridge by the States of Virginia and Maryland, and the District of Columbia?

Mr. DAVIS of Georgia. The staff counsel informs me that the State of Virginia contributes toward the construction of the approaches on the Virginia side and that the District of Columbia contributes toward the cost of the approaches on the District of Columbia side.

Mr. GROSS. How much do they contribute?

Mr. DAVIS of Georgia. I do not have the figures.

Mr. GROSS. Mr. Speaker, would the gentleman yield further?

Mr. DAVIS of Georgia. I yield to the gentleman.

Mr. GROSS. Last year there was $15 million appropriated for a bridge down at Alexandria, Va., known as the Jones Point Bridge. I understand that there is another bridge being proposed as an extension to Constitution Avenue which will probably cost—it will be either a bridge or a tunnel—$25 million. It seems to me that the taxpayers of the States of Virginia and Maryland ought to contribute something to the building of these bridges.

Mr. DAVIS of Georgia. They are contributing to the building of the approaches.

Mr. SMITH of Virginia. Mr. Speaker, would the gentleman yield to me?

Mr. DAVIS of Georgia. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I think it has not been called to the attention of the gentleman from Iowa [Mr. GROSS] that the Pentagon Building is at the south approach to that bridge. Virginia did not have anything to do with putting the Pentagon Building over there. The Navy Department Building is just up on the hill from there. There are large Federal Government installations situated on the other side of the river. Virginia did not tell them to put them over there. They just put them over there

for the convenience of the Government. Those people have got to move back and forth across the river.

Mr. SIMPSON of Illinois. Mr. Speaker, would the gentleman yield to me?

Mr. DAVIS of Georgia. I yield to the gentleman from Illinois.

Mr. SIMPSON of Illinois. Mr. Speaker, I should like to say to the gentleman from Iowa [Mr. GROSS] and anybody who cares to listen that when they get all the proposed bridges built, if they ever do, there will not be enough of them.

Mr. DAVIS of Georgia. With reference to that, I will say to the gentleman from Iowa first that I appreciate his vigilance in looking out for the taxpayers of the country, but we had the head of the District Highway Department before the committee discussing this bridge. He testified that there is approximately the same number of vehicles leaving the District of Columbia with their occupants going to work in the Pentagon Building and the Navy Building and the other buildings and installations over there as there are vehicles coming into the District of Columbia with Virginia residents who work here in the District.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, is this bill open to pro forma amendments?

The SPEAKER. It is open to amendments, being considered in the House as in Committee of the Whole.

Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. The testimony was very definite about this bridge that by 1960 the present outgoing 14th Street Bridge will have to be condemned. It will not be safe for travel longer than that time. The testimony was that these angle clips which hold the floor to the foundation of the bridge have become worn and fatigued. Mr. Robertson had some of them there to demonstrate their condition at the time we were holding hearings on this bill. He said they had had to take 17 of them out and replace them within the last 3 or 4 weeks and that this bridge would not be safe longer than 1960 and would have to be condemned unless replaced by that time. He also said that it would take 9 to 12 months to plan the bridge and 2½ to 3 years to construct it, and that it is imperative to get it started immediately.

Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. WILSON of Indiana. It seems to me that this is a very, very important bill insofar as it reaches into the pockets of the taxpayers all over the land to the extent of about $10 million. I think you had better take this bill back and get a rule on it and give us a couple or 3 hours of debate on it. This is too important a bill to consider this way. I do not think it ought to be passed this way.

Mr. DAVIS of Georgia. What objection does the gentleman have to passing it today?

Mr. WILSON of Indiana. If you pass it today, with no more Members on the floor than there are, you are going to come back here in a few days and ask $10 million from the Committee on Appropriations with which to build the bridge. I think we ought to have more consideration of this matter. I am surprised you bring the bill up in the way you have today, a bill that involves so much money.

Mr. DAVIS of Georgia. We brought it up in the regular way. Of course, I appreciate the gentleman's comments, but we did bring it up in the regular way, after full hearings and after it was reported out unanimously by the subcommittee and the full committee.

Mr. WILSON of Indiana. Where are those hearings?

Mr. DAVIS of Georgia. Here they are.

Mr. WILSON of Indiana. It looks thin to me.

Mr. DAVIS of Georgia. We did not seek to make them large just for the fun of it. We heard everyone who wanted to be heard, after due notice, and we went into great detail about it.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Maryland.

Mr. HYDE. Is it not true that this bill is in effect merely an amendment of a former bridge bill? We have already approved the bridge as such by previous legislation. All this does is approve it for the purpose of putting in a draw.

Mr. DAVIS of Georgia. That is correct.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Did I understand the gentleman correctly to say that this bridge has already been authorized?

Mr. DAVIS of Georgia. Yes. This is simply to increase the authorization, because the money that was authorized for the two bridges was all spent, except $200,000, to build the first bridge, the incoming 14th Street Bridge.

Mr. HOFFMAN. That is to say, Congress authorized two bridges and you spent all the money on one, the first one?

Mr. DAVIS of Georgia. Congress authorized two bridges, to cost $7 million. That was in 1946. They constructed the first bridge at a cost of $6,800,000. There was only $200,000 left.

Mr. WILSON of Indiana. This bridge is authorized only to the extent of about one-half million dollars. If it goes through it will be authorized to the extent of about $10 million. Let us put the gentleman from Michigan straight. He was thinking right in the first place.

Mr. DAVIS of Georgia. I have endeavored to give all the figures that were asked for.

Mr. WILSON of Indiana. You would not call this a million-dollar authorization bill for a bridge across the Potomac River; would you?

Mr. DAVIS of Georgia. Two bridges were authorized by the act of 1946 at a cost of $7 million. They went to work and built the first bridge at a cost of $6,800,000. The present bill is to increase the authorized amounts so as to be able to build the outgoing 14th Street Bridge.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I am glad to yield to the gentleman.

Mr. O'KONSKI. Why does not the District of Columbia since this is a Federal highway, why does the money for this bridge not come out of the Public Roads Administration fund like all other bridges throughout the country? Why must the District of Columbia come here and always ask for special favors and special money and burden the taxpayers all over the country to build bridges here when they can get it out of available Federal road and bridge aids? Why must they be given special consideration?

Mr. DAVIS of Georgia. This is the setup under which these bridges are built. All of the bridges that are now in existence have been paid for in the same way that this one is going to be paid for, and all of them went through the same legislative procedure.

Mr. GROSS. Mr. Speaker, I move to strike out the last word.

Mr. DAVIS of Georgia. Mr. Speaker, if the gentleman will permit, I have an amendment to offer, to correct a typographical error.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: On page 2, line 2, strike out the first sum and insert "$7,000,000."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

Mr. GROSS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, we are confronted here again today with the same old story of building another bridge across the Potomac River for the particular benefit of the District of Columbia and the States of Maryland and Virginia at a cost of $10½ million. Last year, as I said a while ago, $15 million was appropriated to build a bridge at Jones Point. In other words, at Alexandria, Va., a 6-lane highway bridge costing about $15 million with the States of Virginia and Maryland contributing nothing to that bridge except the approaches, and I am not sure that the State of Maryland has even agreed to build the approach on that side of the river. Still another bridge is proposed here at the end of Constitution Avenue or somewhere in that area—either a bridge or a tunnel to Virginia costing $24 million or $25 million, with the taxpayers of the entire country paying for that bridge, too. There was a time, I understand, when the District of Columbia did spend some money building bridges across the Potomac River, but that was a long, long time ago when the District of Columbia recognized its responsibility and probably the States of Maryland and Virginia did, too. Today, it has become the fashion to hand this over to the taxpayers of the entire country. I simply take the floor to warn you of what you are about to do if you vote for the construction of this four-lane highway bridge across the Potomac River at 14th Street. You are going to supply the money—that is, the taxpayers you represent—the taxpayers of the entire country. Bridges are not built on that basis across the rivers in your districts throughout the Nation.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. DAVIS of Georgia. I would call to the attention of the gentleman from Iowa that the procedure provided in this bill is the same as that under which the present incoming 14th Street Bridge was constructed. We are not asking for any different procedure to be followed at all with reference to this bridge.

Mr. GROSS. The gentleman refers, as I take it, to the incoming 14th Street; is that correct?

Mr. DAVIS of Georgia. Yes.

Mr. GROSS. The gentleman is referring to the incoming 14th Street and not the old bridge that this would supplant.

Mr. DAVIS of Georgia. Well, they both are called 14th Street bridges, you see. One handles the traffic only going in and the other handles only traffic going out.

Mr. GROSS. May I ask the gentleman what money built the bridge which is now used for outgoing traffic across the Potomac?

Mr. DAVIS of Georgia. I was not here then. That was built, I believe, in 1904. I am unable to tell the gentleman. But, I suppose it was built in the same way.

Mr. GROSS. No. I think the gentleman would find there was a time when the District of Columbia spent some money to build bridges as well as the States nearby. If Members of the House are interested in economy they will vote down this bridge proposition.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. O'KONSKI. We appropriated $7 million originally to build two bridges and we got one.

Mr. GROSS. That is right.

Mr. O'KONSKI. They are now asking for $10 million. Is it not likely that they will be asking for another $10 million before long?

Mr. GROSS. I do not know. I would not be surprised if they asked for another $10 million or some part of it.

Mr. Speaker, I yield back the remainder of my time.

Mr. WILSON of Indiana. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, make no mistake about it, this bill is an authorization for another bridge across the Potomac. Without this bill they cannot build another bridge.

We allowed $7 million to build two bridges. They spent $6.5 million or more on one and they have little money left. Now they want to increase the amount of the original authorization as you will see from page 2, line 2, by striking out $7 million and inserting in lieu thereof $17,500,000. They are more than doubling the original appropriation for the one additional bridge. The original appropriation of $7 million, less than half of this amount, was to build two bridges. Now they want $10,500,000 to build one bridge.

I want to say to my own friends on this side, and especially my good friend from the Eighth Congressional District of Indiana, the gentleman from Evansville [Mr. DENTON], I believe we have four bridges between Evansville, Ind., and Cincinnati, Ohio, crossing the Ohio River. Our people have to drive between 40 and 50 miles to get to one bridge across the Ohio River, yet right here within 4 miles of the spot I am standing we have five bridges crossing the Potomac.

I am not going to ask my people to appropriate $10,500,000 to put an extra bridge here when they already have five bridges within 4 miles of where I am standing and my people are having to drive 40 miles to find one bridge. The people in most of our districts have to do as in mine, wait for a bridge until they can get the money to pay for it.

Mr. O'KONSKI. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I think we ought to examine this thing very closely, especially in the light of the authorizations that have already been made by the Congress of the United States. You will find that there are more than $500 million of authorizations for construction in the vicinity of the District of Columbia. Five hundred million dollars is half a billion. That is what the Congress has authorized in the last year and in the past 2 years, $500 million of construction to be paid for by the taxpayers all over the Nation.

This bill, if it passes, will be in excess of $10 million more.

I think we ought to call a halt to these handouts that are always being asked by the District of Columbia and vicinity, handouts for school aid, handouts of all kinds. Just the other day I saw a trade publication, and that trade publication published an advertisement by industry here in Washington, D. C., stating that the District of Columbia has the highest average national income of any place in the world—not in the Nation, in the world. The average per capita income in the District of Columbia and vicinity is the highest of any place in the world, yet every day they are coming here for another handout at the expense of the taxpayers all over the Nation. I think we ought to stop, look, and listen on this thing. Certainly, as far as I am concerned, this thing is not going to pass without a rollcall. The President of the United States has stopped construction and has asked that construction be stopped on various projects all over the Nation because it might lead to inflation. Here we have already authorized $500 million for construction in the District of Columbia and they are asking for more.

Mr. Speaker, I hope that this bill will be defeated.

Mr. LANKFORD. Mr. Speaker, I move to strike the requisite number of words.

Mr. LANKFORD. Mr. Speaker, I rise once again to call the attention of the gentleman from Iowa to the fact that the Founding Fathers of this country in their wisdom set up a Federal city which was to be the property of all the people of the United States of America. That city is Washington in the District of Columbia.

I might remind the gentleman from Iowa also that the land on which we are standing and on which this building is standing was given to the Federal Government by the State of Maryland.

I remind him, too, that if he were to drive down the streets of the city of Washington he will see many cars from Iowa as well as cars from all over the country coming here to the Capital of the United States. They must use these bridges as an approach to the Capital of the United States.

Mr. Speaker, this is a peculiar situation. It is peculiar to the District of Columbia and to the city of Washington which, as I said, is the Federal city. We have, therefore, a duty to provide the approaches to this city for the people of the country. It is not for the specific or special benefit of the people of the States of Maryland and Virginia. As the gentleman from Virginia [Mr. SMITH] pointed out, the Government placed some of these agencies in our States. True, sometimes we asked for them—I will beat you to the punch—we did ask for them, but it is all part of the Government.

I might add for the benefit of the gentleman from Michigan, too, that if he will get himself a fishing license and come down to see me, I will be very happy to provide him with fishing grounds. I dare say in Maryland we do not bait ducks or use live tollers any more than they do in Michigan, or anywhere else in the country.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LANKFORD. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman will also agree that those Iowans who drive cars to the District of Columbia have to pay a toll to cross the Mississippi River in order to get to Washington, D. C.

Mr. LANKFORD. Did the State of Iowa provide land for the Capital of the United States?

Mr. GROSS. Iowans paid their share of the taxes.

Mr. LANKFORD. You paid taxes, certainly, as has everyone else, as have the people of Maryland and Virginia paid taxes. We pay for these bridges, too.

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL. Mr. Speaker, the purpose of this legislation is to increase an original authorization by an amount sufficient to replace the old 14th Street Bridge.

This work was considered not only desirable but vitally necessary by the Congress a number of years ago and due to delay in getting the work done costs have gone up like they have on everything else.

The testimony received by the Committee on the District of Columbia merely bears out the original contention of the Congress that this bridge is worn

out and unless replaced in the near future is in serious danger of collapsing. To delay this project any further can only cause a possible further increase as well as place lives in jeopardy.

In addition, I think we can all agree that as a matter of preserving the beauty of this approach to our Nation's Capital that this antiquated structure should be replaced.

Then, of course, we are all aware of the need of additional traffic lanes over the Potomac. The replacement of this structure will provide one additional lane.

Now, as far as the age-old argument is concerned regarding who is going to pay for this. Let me point out that the Congress has authorized 90-percent Federal participation in the cost of interstate highways all over the country. We should certainly not argue about agreeing to this work which is not only part of an interstate system but vitally affects the Nation's Capital. The capital of all our people.

I urge favorable action on this legislation.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the only reason I am taking the time to make some observations on this bill is to point up, if I can, the importance of following correct procedures in considering matters of authorizations and appropriations. If following correct procedures is important, then a vote against measures that have not been considered under proper procedures is indicated.

To put it briefly, a person can be in complete accord with the idea that a new bridge should be built to replace the existing 14th Street bridge and yet vote against H. R. 6306.

The hearings on H. R. 6306, although quoted to some extent in the 2½-page report accompanying the bill, were not printed and were unavailable to the House membership during this debate.

The members of the committee which voted out this bill and were handling it on the floor were unable to answer the very pertinent question of how much Maryland and Virginia were contributing to this project, although it was stated that they were contributing something.

The question of why this Federal highway bridge could not be constructed under the Federal highway program remained unanswered, although the pertinency of the question was obvious. What was not so obvious is the provision under the Federal Highway Act calling for a 10-percent State matching of funds. Is this why the normal course was not followed?

The most important question of all remained undiscussed. Has inflation and heavy construction costs been such that a project estimated at $7 million in July 1946 now is estimated at $17,500,000? On the face of it some pretty factual and detailed explanation is in order.

Finally the question of why the drawbridge features were included in the project was not fully answered, although there was indication that the answers were available in the hearings had the hearings been made available.

The basic issue involved in this authorization bill is the basic issue that exists in almost every authorization and appropriation bill that comes before the House. The question is not so much of whether the objectives of the project are good and noble, but whether the planning will attain these objectives. Until the House is willing to go behind labels in order to see whether the product lives up to the label, we will never get on the top of Federal spending.

The press and the public relations media are even more prone than the Congressmen to take the label at face value and so create pressures among the people. From a practical standpoint, it is these pressures which largely prevent the Congressmen who are willing to go behind labels from doing so.

Now, I am not against the building of a new bridge at 14th Street. I am against authorizing what on the face seems to be a half-baked project, or a half-baked presentation of a project, that says it is for building such a bridge at 14th Street.

Nor am I against veterans, old people, sick people, retarded children, friends abroad, the farmers, the laboring man, and all the other groups that the label followers would have the people believe I am against. I am against phony products sold under false labels. To protect the people against phony products I ask the Congress to stand up and look behind labels. I ask the Congress to follow correct procedure in debating authorization and appropriation bills.

Mr. KEARNS. Mr. Speaker, I rise in support of the pending legislation.

Mr. Speaker, I would like to remind my colleagues that the present bridge was built 53 years ago. There are 25 supporting angle arms to this bridge, of which 22 already have either weakened because of the terrific load on the bridge or have cracked. Others are going fast. This bridge needs almost weekly inspection in order to keep the bridge safe. We have reduced the truckload to 10 tons on each truck in order to have a not too heavy weight for the bridge to support.

I would like to remind the Members of Congress, too, that it is our obligation to run the Federal City that the gentleman spoke so eloquently about. Sometimes Members do not want to serve on the District of Columbia Committee. Others who do serve on the committee are very conscientious in performing their duties.

Coming from the great State of Pennsylvania I am only too happy when the need for an additional bridge presents itself to rise to my obligation to support such legislation. I hope all of you will deem it wise to do the same thing, because we need the bridge. It is not helping any particular State; it is helping the entire Nation and I hope we will have the wisdom to do the right thing here today.

Mr. HYDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, we have heard a great deal of talk about this bridge which, it seems to me, does not in any way touch on that which is most important in the consideration of appropriating Federal money for its construction. It is very necessary for national defense. That is one good reason for its construction with Federal funds.

Another good reason for it is this: In your States, where you build bridges across various rivers, they are paid for not by the particular city that the bridge happens to touch, but they are paid for by the whole State, all the States which they connect.

Now, the District of Columbia is not part of a State. The whole burden of this cost would have to fall on one city if you were to ask the District of Columbia to pay for it. The District of Columbia is part of the United States, and that is another reason why the United States should have to pay for these bridges. I think this whole discussion here overlooks some of these very, very important points. Certainly the Federal Government should provide for bridges so that this Nation's business and this Nation's Capital can be properly run and operate.

Mr. DAVIS of Georgia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I just want to call the attention of the Members to this fact. Some of the opponents who have spoken have said we ought not to bring this bill up in this way. Now, today is District Day. This bill is being brought up today as all other District bills are. It has had the usual routine of legislative procedure and it is coming up in the regular way.

Now, there are some 112,000 vehicles using these two 14th Street bridges every day. The testimony was that the entire crossings of all the bridges over the Potomac are now 244,000 per day. I imagine that some of you people were down yesterday and saw the terrific bottleneck which existed there at the Jefferson Memorial where the cherry-blossom festival was going on. I understand it took an hour and a half to get a car by that.

Now, the testimony is very definite that this bridge is going to be condemned in 1960, whether there is any new bridge built or not. That is just 3 years away. If you think you can get along without it, that is all right, but you certainly will see some awful traffic bottlenecks there unless this new bridge is built to take over when the old bridge is condemned.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. It is simply my contention that the States of Virginia and Maryland and the District of Columbia ought to participate in the building of this bridge and all of these other bridges that are being built to serve particularly the needs of this area.

Mr. DAVIS of Georgia. I appreciate the gentleman's concern, but I think that has already been answered by those who have spoken to the point.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from California.

Mr. YOUNGER. Why is this not a part of the interstate highway, and why should it not be taken out of the special tax fund for the interstate highway?

Mr. DAVIS of Georgia. Well, I did not draw the legislation for either one. As I said, we are proceeding under the existing legislation here that these other bridges have been built under.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is there any prospect of making this a toll bridge?

Mr. DAVIS of Georgia. I do not think so.

Mr. SMITH of Virginia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this is a question of some seriousness and some emergency because of the condemnation that is intended for this bridge.

What I would like to remind my friends is, in answer to this discussion that Virginia ought to pay part of the cost of this bridge, that the State of Virginia, like your own States, is not authorized to build bridges in other States. Now, the District of Columbia boundary is the high-water mark on the Virginia side. Virginia has no authority to build a bridge if we wanted to, and we could not. But the testimony of the Engineers was very clear and very positive that this bridge had to be condemned in 1960. If you authorize it today it will take all of the time between now and the date of the condemnation of the bridge in order to have it ready when this other bridge is put out of commission. The Engineers brought before the committee some things that shocked me, some exhibits of the steel in this bridge. We have these pieces of steel, as they were shown to us, that were broken entirely. Other were cracked with the constant vibration all day long.

This is a serious situation. It does not involve so much the State of Virginia or the State of Maryland or the State of Ohio, but it does very seriously involve the operation of the Government of the United States. Let us look at some of the things over there that the Government put there; Virginia did not ask them to put them there. But in the first place there is the Pentagon Building. That is right at the approach to this bridge. The people working there have to get across the river in the morning to do their work and they have to get back at night. Then on the hill, half a mile away, you have the Navy Department Building. These are large buildings, where thousands of employees of this Government work; not of the State of Virginia, nor of the State of Maryland, nor of the State of Ohio, but of the Federal Government. The Federal Government put them there.

Then you have Fort Myer. You have the signal station just a little distance away. Then you have Fort Belvoir, a large Army engineer establishment with thousands of Government employees and members of the Armed Forces who have to get back and forth between there and Washington. Then you have further down the Quantico station, which is a large installation.

Incidentally, we have another little installation over there that affects many Members of Congress, the National Airport. Thousands of vehicles go over there every day.

So what are we going to do about it? I complain as much as anybody about the high cost of everything. I complain about these inaccurate estimates of what these projects are going to cost. I think the estimates ought to be more accurate. But we are confronted here with an emergency situation. The question is whether or not you are going to be able to build this bridge in time to take care of the Government installations. There are other bridges on the river. Virginia people who do not have business with the Government can change their hours a little bit and get across on some of the other bridges. But there are thousands and thousands of Government employees who have to punch a time clock and come in on time.

Mr. WIER. Mr. Speaker, would the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. WIER. There is one point in this bill that disturbs me a little bit, and I was going to ask a question about it of the chairman. I believe there is about $1½ million in this bill for a drawspan. I am told that there are only one or two boats that ever go beyond that bridge. They are only a couple of oil boats that go up the river; and that outside of that there is no use for a drawspan in this bridge.

Mr. SMITH of Virginia. Mr. Speaker, this is a navigable river. We have a port at Georgetown, one of the oldest ports in the history of this country. It does a considerable business. I do not think the House of Representatives is ready as yet to do away with navigation on that river. As a matter of fact, that question came up in the Committee on the District of Columbia and the committee unanimously voted against closing the Potomac River to transportation. We do not know what the future developments of Georgetown Harbor may be. But if you do not have a draw on that bridge, you will put a period to the future development of that harbor.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. WILSON of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WILSON of Indiana. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WILSON of Indiana moves to recommit the bill to the Committee on the District of Columbia.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HOFFMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 190, nays 131, not voting 111, as follows:

[Roll No. 52]

YEAS—190

Abbitt	Gordon	Multer
Abernethy	Granahan	Murray
Albert	Gray	Natcher
Allen, Calif.	Green, Oreg.	Neal
Arends	Gubser	Nicholson
Ashley	Hale	Norblad
Ashmore	Hardy	Norrell
Auchincloss	Harrison, Va.	O'Brien, Ill.
Avery	Haskell	O'Brien, N. Y.
Ayres	Hays, Ohio	O'Hara, Ill.
Bailey	Hebert	O'Hara, Minn.
Baldwin	Hemphill	O'Neill
Bass, Tenn.	Heselton	Passman
Beckworth	Hess	Patman
Blatnik	Holifield	Perkins
Blitch	Holland	Pilcher
Boggs	Holmes	Poff
Boiling	Holt	Porter
Bolton	Horan	Preston
Bonner	Hosmer	Price
Boykin	Huddleston	Rains
Brooks, La.	Hull	Reuss
Brown, Ga.	Hyde	Rhodes, Pa.
Brown, Ohio	Ikard	Riley
Broyhill	James	Rivers
Burdick	Jenkins	Roberts
Bush	Jennings	Robeson, Va.
Byrd	Johnson	Robsion, Ky.
Byrnes, Wis.	Jonas	Rogers, Fla.
Canfield	Jones, Ala.	Rogers, Mass.
Cannon	Karsten	Saund
Carnahan	Kean	Scherer
Christopher	Kearns	Scott, N. C.
Clevenger	Kee	Scott, Pa.
Coad	Keeney	Selden
Cole	Kelley, Pa.	Shuford
Cooley	Kilday	Sieminski
Cooper	King	Sikes
Curtis, Mass.	Kirwan	Simpson, Ill.
Davis, Ga.	Knutson	Sisk
Dawson, Ill.	Landrum	Smith, Miss.
Delay	Lanham	Smith, Va.
Dempsey	Lankford	Staggers
Denton	Long	Stauffer
Devereux	Loser	Steed
Dorn, S. C.	McCarthy	Talle
Doyle	McFall	Teague, Tex.
Dwyer	McGovern	Thompson, N. J.
Falkn	McGregor	Thompson, Tex.
Fascell	McMillan	Trimble
Feighan	Mack, Ill.	Tuck
Fenton	Mahon	Udall
Flood	Maillard	Ullman
Forand	Mason	Vanik
Ford	Matthews	Vinson
Forrester	Merrow	Vorys
Fountain	Metcalf	Wainwright
Frazier	Miller, Calif.	Watts
Frelinghuysen	Miller, Md.	Whitener
Garmatz	Mills	Wichard
Gary	Morgan	Wolverton
Gathings	Morris	Yates
Gavin	Morrison	
George	Moss	

NAYS—131

Addonizio	Berry	Chiperfield
Allen, Ill.	Bow	Church
Andersen, H. Carl	Boyle	Collier
Andrews	Bray	Colmer
Anfuso	Brooks, Tex.	Cunningham, Iowa
Baker	Broomfield	Cunningham, Nebr.
Baring	Brownson	Curtis
Bates	Budge	Curtis, Mo.
Beamer	Burleson	Dague
Belcher	Byrne, Ill.	Dawson, Utah
Bennett, Fla.	Cederberg	Dennison
Bennett, Mich.	Chamberlain	
	Cheif	

Derounian	McIntosh	Schenck
Dingell	McVey	Schwengel
Dixon	Macdonald	Scudder
Dowdy	Mack, Wash.	Seely-Brown
Evins	Madden	Sheehan
Fisher	Marshall	Siler
Griffin	Meader	Smith, Calif.
Griffiths	Michel	Smith, Kans.
Gross	Miller, Nebr.	Smith, Wis.
Hagen	Miller, N. Y.	Sullivan
Haley	Minshall	Taber
Harden	Moore	Taylor
Harrison, Nebr.	Moulder	Teague, Calif.
Harvey	Mumma	Tewes
Henderson	Nimtz	Thomas
Herlong	O'Konski	Thomson, Wyo.
Hiestand	Ostertag	Tollefson
Hill	Pelly	Utt
Hoeven	Pfost	Van Zandt
Hoffman	Pillion	Weaver
Jensen	Polk	Wharton
Johansen	Rabaut	Whitten
Jones, Mo.	Ray	Wier
Kilburn	Reed	Wigglesworth
Kilgore	Rees, Kans.	Williams, N. Y.
Knox	Rhodes, Ariz.	Wilson, Ind.
Laird	Riehlman	Winstead
LeCompte	Rodino	Withrow
Lesinski	Rooney	Wright
Lipscomb	Rutherford	Younger
McDonough	St. George	Zablocki
McIntire	Saylor	

NOT VOTING—111

Adair	Dooley	McCulloch
Alexander	Dorn, N. Y.	Machrowicz
Alger	Durham	Magnuson
Anderson, Mont.	Eberharter	Martin
Andresen, August H.	Edmondson	May
Aspinall	Elliott	Morano
Barden	Engle	Osmers
Barrett	Farbstein	Patterson
Bass, N. H.	Fino	Philbin
Baumhart	Flynt	Poage
Becker	Fogarty	Powell
Bentley	Friedel	Prouty
Betts	Fulton	Radwan
Boland	Grant	Reece, Tenn.
Bosch	Green, Pa.	Rogers, Colo.
Bowler	Gregory	Rogers, Tex.
Breeding	Gwinn	Roosevelt
Brown, Mo.	Halleck	Sadlak
Buckley	Harris	Santangelo
Byrne, Pa.	Hays, Ark.	Scrivner
Carrigg	Healey	Shelley
Celler	Hillings	Sheppard
Chenoweth	Holtzman	Simpson, Pa.
Chudoff	Jackson	Spence
Clark	Jarman	Springer
Coffin	Judd	Teller
Corbett	Kearney	Thompson, La.
Coudert	Keating	Thornberry
Cramer	Kelly, N. Y.	Van Pelt
Cretella	Keogh	Vursell
Davis, Tenn.	Kitchin	Walter
Delaney	Klucznski	Westland
Dies	Krueger	Williams, Miss.
Diggs	Lane	Willis
Dollinger	Latham	Wilson, Calif.
Donohue	Lennon	Young
	McConnell	Zelenko
	McCormack	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Young of Texas for, with Mr. Radwan against.

Mr. Judd for, with Mr. Holtzman against.

Until further notice:

Mr. Aspinall with Mr. Corbett.

Mr. Engel with Mr. Gwinn.

Mr. McCormack with Mr. Martin of Massachusetts.

Mr. Anderson of Montana with Mr. Halleck.

Mr. Dies with Mr. Simpson of Pennsylvania.

Mr. Friedel with Mr. Hillings.

Mr. Alexander with Mr. Adair.

Mr. Thompson of Louisiana with Mr. Becker.

Mr. Willis with Mr. Dorn of New York.

Mr. Fogarty with Mr. Jackson.

Mr. Coffin with Mr. Springer.

Mr. Brown of Missouri with Mr. Fulton.

Mr. Thornberry with Mr. Morano.

Mr. Machrowicz with Mr. Carrigg.

Mr. Klucznski with Mr. August H. Andresen.

Mr. Walter with Mr. Baumhart.

Mr. Lennon with Mr. Coudert.

Mr. Keogh with Mr. Cretella.

Mrs. Kelly of New York with Mr. Sadlak.

Mr. Santangelo with Mr. Scrivner.

Mr. Farbstein with Mr. Wilson of California.

Mr. Dollinger with Mr. Keating.

Mr. Teller with Mr. Latham.

Mr. Healey with Mr. Bentley.

Mr. Buckley with Mr. Fino.

Mr. Celler with Mr. Cramer.

Mr. Delaney with Mr. Bosch.

Mr. Powell with Mr. Betts.

Mr. Barrett with Mr. Bass of New Hampshire.

Mr. Green of Pennsylvania with Mr. Van Pelt.

Mr. Chudoff with Mr. Dooley.

Mr. Byrne of Pennsylvania with Mr. McConnell.

Mr. Boland with Mr. Reece of Tennessee.

Mr. Donohue with Mr. Vursell.

Mr. Zelenko with Mr. McCulloch.

Mr. Breeding with Mr. May.

Mr. Hays of Arkansas with Mr. Westland.

Mr. Zablocki with Mr. Krueger.

Mr. Jarman with Mr. Patterson.

Mr. Kitchin with Mr. Osmers.

Mr. Magnuson with Mr. Prouty.

Mr. Roosevelt with Mr. Chenoweth.

Mr. Lane with Mr. Kearney.

Messrs. ROONEY, JONES of Missouri, SCHENCK, and RHODES of Arizona changed their vote from "yea" to "nay."

Messrs. KELLEY of Pennsylvania, RHODES of Pennsylvania, and DELLAY changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

REGULATION AND CONTROL OF PLANT PESTS

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 223, Rept. No. 309), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3476) to facilitate the regulation, control, and eradication of plant pests. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AERONAUTICAL RESEARCH FACILITIES

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 224, Rept. No. 310), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3377) to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 225, Rept. No. 311), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 72 to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COLUMBIA HISTORICAL SOCIETY

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 4874) to amend the act of July 2, 1956, entitled "An act to exempt from taxation certain property of the Columbia Historical Society in the District of Columbia," and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the act of July 2, 1956, entitled "An act to exempt from taxation certain property of the Columbia Historical Society in the District of Columbia," be, and the same is hereby, amended by adding thereto other sections as follows:

"SEC. 2. Said Columbia Historical Society and all personal property owned by it, or to which it may in any way be entitled, which is not used for a commercial purpose, shall be exempt from all assessment and taxation of any kind by either the Federal or the District of Columbia Government; and all income from any property which is so exempt

shall likewise be exempt from any such assessment or tax.

"SEC. 3. Every Federal or District of Columbia tax of any kind not paid at the time of the approval of this act, heretofore levied or assessed against said Columbia Historical Society, or against any property, real or personal, owned by it, or in respect of any property, real or personal, conveyed, devised, or bequeathed to said society, together with any interest or penalty thereon, is hereby abated.

"SEC. 4. The value of all testamentary or inter vivos gifts to said society shall be deductible as charitable contributions for income, estate, gift, inheritance, and other similar tax purposes, both Federal and District of Columbia, under such regulations as may be duly promulgated from time to time in respect of transfers to charitable, educational, and other similar organizations."

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to amend the act of July 2, 1956, which exempted certain property of the Columbia Historical Society from taxation.

After this law was enacted, a ruling was handed down by the Commissioners of the District of Columbia that this law did not provide the following exemptions:

First. That the Columbia Historical Society is not entitled to exemption from inheritance taxation under the District of Columbia inheritance-tax law.

Second. That gifts to the society by persons subject to District of Columbia franchise or individual income taxes are not allowable deductions in determining their tax liability.

Third. That the society does not meet the requirements for exemptions of its tangible personal property from taxation.

Fourth. That books, papers, and so forth, in storage and not open to the public do not constitute a library within the meaning of the law.

As a result of this ruling by the Board of Commissioners of the District of Columbia, the bill, H. R. 4874, was introduced which would exempt all personal property owned by the Columbia Historical Society, which is not used for a commercial purpose, from all assessment and taxation of any kind by either the Federal or the District of Columbia Government, and all income from any property which is so exempt shall likewise be exempt from any such assessment or tax.

The bill also provides that every Federal or District of Columbia tax of any kind not paid at the time of the approval of this act, heretofore levied or assessed against the Columbia Historical Society, or against any property, real or personal, owned by it, or in respect of any property, real or personal, conveyed, devised, or bequeathed to said society, together with any interest or penalty thereof, is to be abated.

The bill further provides that the value of all testamentary or inter vivos gifts to said society shall be deductible as charitable contributions for income, estate, gift, inheritance, and other similar tax purposes, both Federal and District of Columbia.

The loss in revenue to the District of Columbia would be approximately $16,007.02.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZATION TO BORROW MOTOR VEHICLES IN VEHICLE DRIVER TRAINING COURSE

Mr. DAVIS of Georgia. Mr. Speaker, I call up the bill (H. R. 5893) to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driving-training purposes from the payment of certain fees and taxes during the period of such loan, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Board of Education of the District of Columbia is hereby authorized, in connection with the conduct in the public schools of the District of a motor vehicle driver education and training course in the safe and proper operation of motor vehicles, to borrow motor vehicles and to return the same to the lenders on such terms and conditions as may be agreed upon between the Board and the lenders.

SEC. 2. (a) Whenever the owner of a motor vehicle lends such vehicle to the Board of Education for use in connection with the said course on driver training, or to the person in charge of a nonprofit private or parochial school for use in any course on driver training which may be conducted in such private or parochial school, such owner shall, but only for the period such vehicle is actually under the control of said Board or the person in charge of said school and is assigned for use in connection with the said course in driver training, be excused from paying, with respect to such vehicle, the fees and taxes imposed by or under the authority of the following acts of Congress:

(1) Subsection (j) of section 6 of the act entitled "District of Columbia Traffic Act, 1925," approved March 3, 1925, as amended (sec. 40–603 (j), D. C. Code, 1951 edition).

(2) Section 3 of title IV of the act approved August 17, 1937, as amended (sec. 40–103, D. C. Code, 1951 edition).

(3) The first section of the act approved February 18, 1938, as amended (sec. 40–201, D. C. Code, 1951 edition): *Provided*, That any such vehicle shall nevertheless be subject to inspection, as required by section 3 of article IV of the act approved July 16, 1947 (sec. 40–204, D. C. Code, 1951 edition), and the validity of such inspection shall expire upon the date such vehicle is returned to its owner.

(4) Section 6 of the act approved July 1, 1902, as amended (sec. 47–1212, D. C. Code, 1951 edition).

(b) For the purposes of this act, the term "nonprofit private or parochial school" shall mean any school the real property of which is exempt from taxation in the District of Columbia under the authority contained in paragraph (j) of the first section of the act approved December 24, 1942, as amended (56 Stat. 1089; sec. 47–801a (j), D. C. Code, 1951 edition).

SEC. 3. Each motor vehicle borrowed by the Board of Education or the person in charge of a nonprofit private or parochial school for use in a driver training course shall, upon its return to the lender, thereafter be subject to the taxes and fees established or authorized to be charged by the acts of Congress listed in section 2 hereof.

SEC. 4. Whenever any motor vehicle is loaned to the Board of Education or to a nonprofit private or parochial school for use in conducting a course in driver education and training, said Board or the person in charge of such private or parochial school shall furnish the Commissioners of the District of Columbia with a certificate that the vehicle is to be used in connection with such course. The Commissioners are authorized, upon receiving any such certificate, to issue without charge to said Board, or to the person in charge of said school, special registration plates distinctively marked to indicate that the vehicle is being used in such course. Such plates shall be returned to the Commissioners when the vehicle is returned to its owner, or its use in connection with such course is terminated. Any vehicle not so certified and not so identified shall not be exempt from the fees and taxes listed in section 2 hereof.

SEC. 5. The Commissioners and the Board of Education of the District of Columbia are authorized to promulgate regulations to carry out the purposes of this act and to delegate any of the functions to be performed by them.

SEC. 6. This act shall become effective on and after the first day of September 1957, and the Commissioners are authorized to refund to the owner of a vehicle loaned to the Board of Education or to a nonprofit private or parochial school after that date, for use in a driver education and training program, the fees and taxes said owner paid to the District of Columbia with respect to such vehicle during the registration year beginning April 1, 1957, as may have been required by the acts of Congress listed in paragraphs numbered (1), (2), and (3) of section 2 of this act.

Mr. DAVIS of Georgia. Mr. Speaker, for a number of years the Board of Education of the District of Columbia has been carrying on in certain schools of the District a program for the education and training of students in the safe and proper operation of motor vehicles. This program first began in 1939 but was discontinued in 1941 because of World War II. The program was reinstituted in 1947 when the District purchased 2 cars to be used in connection with courses at 4 schools, and the program has expanded until today the District is employing 11 cars in connection with programs conducted at 16 senior and vocational high schools, all of which cars have been loaned to the schools by motor vehicle dealers interested in improving the safe driving habits of motor vehicle operators in the District of Columbia.

The motor vehicle dealers who have been kind enough to lend vehicles for use in this program have been required, under existing law, to undergo considerable expense in connection with such loan. They are required to register the vehicle and to pay the 2-percent excise tax thereon in connection with such registration, and even though the vehicle is not in their possession for 9 months of the tax year they nevertheless must pay a personal property tax on such vehicle as part of their stock in trade. It has been the practice, however, since the vehicles are used as part of a public-education program, to excuse the dealers from paying the registration fee on the vehicle

during such time as it is made available to the Board of Education.

There has been some indication that the present arrangement under which dealers lend cars for use in connection with driver-training programs is becoming a considerable burden on these dealers, who not only must forego the use of the car but must pay out considerable money in connection with making it available to the program. The Commissioners, in the belief that the program is of great value to the citizens of the District of Columbia, feel that action should be taken to excuse public-spirited motor vehicle dealers from the payment of fees and taxes on motor vehicles which they make available for use in connection with driver-training programs for such period of time as the vehicles may be in such use. Accordingly the Commissioners are recommending that there be enacted legislation exempting motor vehicle dealers from the payment of certain taxes and fees on vehicles loaned by them to the school system for driver-training programs.

While the primary interest of the Commissioners in this matter is the securing of vehicles to be used by the public schools of the District, the Commissioners also realize that at least one private and one parochial school likewise conduct courses in driver training. For this reason, the legislation proposed by the Commissioners would also exempt from certain taxes and fees motor vehicles loaned to private and parochial schools for use in connection with such programs.

The bill also provides that upon the return of the loaned vehicle to the lender it shall become subject to the taxes and fees from which theretofore it has been exempt. Provision is made for the issuance of special registration tags by the Commisioners, and the Commissioners and Board of Education are authorized to promulgate regulations to carry out the purposes of this act.

The Commissioners hope that enactment of the proposed legislation will result in an increase in the number of vehicles being loaned to the public schools by public-spirited motor-vehicle dealers. Every such vehicle, it should be noted, is utilized during the school year in training between 100 and 140 students in safe-driving techniques and during the school year just ended 1,250 students received this type of instruction. The Commissioners and the Board of Education hope to be able to increase the number of students taking this course.

In view of the fact that the budget of the Board of Education for the fiscal year contains no provision for the purchase of motor vehicles to be used in connection with driver-training programs, the Commissioners feel that it is urgently necessary to secure legislation which will make the lending of motor vehicles to the schools more attractive to the motor-vehicle dealers.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROVIDING THAT MEMBERS OF THE BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA MAY BE REMOVED FOR CAUSE

Mr. ABERNETHY. Mr. Speaker, I call up the bill (H. R. 192) to provide that members of the Board of Education of the District of Columbia may be removed for cause and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia," approved June 20, 1906 (D. C. Code, sec. 31-101), is amended by inserting immediately after the second sentence the following new sentence: "The judges of the United States District Court for the District of Columbia shall have power to remove any member of the board of education at any time for adequate cause affecting his character and efficiency as a member."

Mr. ABERNETHY. Mr. Speaker, the purpose of this legislation is to provide the judges of the United States District Court for the District of Columbia with power to remove any member of the board of education at any time for adequate cause affecting his character and efficiency as a member.

Under existing law the judges of the United States District Court for the District of Columbia have the powers of appointment of the members of the board of education with all of the responsibilities attached thereto and it felt that since the responsibility of appointment rests with the members of this court the power of removal shall also be vested in the same body.

Mr. YATES. Mr. Speaker, would the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Illinois.

Mr. YATES. Would the gentleman explain what the phrase "proper cause" means?

Mr. ABERNETHY. Mr. Speaker, I shall give the gentleman the language in the bill and some of the background of the legislation. The members of the Board of Education of the District of Columbia are appointed by the District judges who, however, do not have the authority to remove them. At least, there is some question as to whether or not they have the authority to remove their appointees.

The matter was referred to the District Commissioners, who in turn referred it to the Corporation Counsel for the District of Columbia, who drafted the bill after other legislation of this character. The bill carries this language:

> The judges of the United States District Court for the District of Columbia shall have power to remove any member of the board of education at any time for adequate cause affecting his character and efficiency as a member.

Mr. YATES. There is no definition in the statute from which that was taken which indicates what the phrase "proper cause" means?

Mr. ABERNETHY. I cannot say there is such language.

Mr. YATES. Were any hearings held on this bill?

Mr. ABERNETHY. Yes, there were hearings on it. The proposed legislation was supported unanimously by the District Commissioners, by the Federation of Citizens' Associations, by the members of the school board, and a statement was sent by word by someone, I do not recall whom, from the District judges that they favored the bill. The bill was unanimously reported by the committee.

Mr. YATES. Does the committee have any particular person in mind, or is this just to apply generally?

Mr. ABERNETHY. No, the committee has no particular person in mind.

Mr. YATES. I thank the gentleman.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

SOLICITATIONS IN THE DISTRICT OF COLUMBIA

Mr. ABERNETHY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 3400) to provide full and fair disclosure of the character of charitable, benevolent, patriotic, or other solicitations in the District of Columbia; and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. YATES. Reserving the right to object, Mr. Speaker, will the gentleman explain this bill?

Mr. ABERNETHY. Mr. Speaker, the purpose of this bill is to provide for the full and fair disclosure of the character of charitable, benevolent, patriotic, or other solicitations in the District of Columbia.

The need for this legislation stems from the fact that in the District, as in most large cities, numerous persons and organizations make solicitations, some of which are by unscrupulous persons more interested in enriching themselves than in providing charitable aid. In many cases the persons solicited have no way of obtaining, or find it difficult to obtain, accurate information as to the purposes of the solicitation, amounts to be raised, expenses of raising funds, amounts paid for fees, wages or commissions and to whom such fees, wages and commissions are to be paid.

The bill approaches the problem on the theory that any organization which desires to solicit for a charitable purpose should be permitted to do so if it makes available all pertinent information to the public which it solicits. This would

be done by requiring registration with the Commissioners of all soliciting organizations and the furnishing to the Commissioners of all necessary information.

The bill exempts from the prohibition of soliciting without registration those persons and organizations soliciting solely for religious purposes or soliciting exclusively among the membership of the soliciting agency.

The bill requires that any organization, association or other entity desiring to solicit contributions in the District of Columbia for charitable purposes shall apply to the Commissioners for a certificate of registration. The application must contain such information as the Commissioners shall by regulation require. The bill defines "charitable" as "philanthropic, social service, patriotic, welfare, benevolent, or educational—except religious education—either actual or purported." It is contemplated that the regulations would require the application to spell out such matters as the identities of the soliciting agency and its officers and managers; the purpose for which the solicitation is to be conducted; the amounts to be raised; the period of time during which the solicitation is to be conducted and the means to be used in raising the funds; the estimated cost of the solicitation; amounts to be paid for wages, fees and commissions; and the identity of persons to receive such amounts; and such other information as will enable the public to become fully informed as to the purposes of the solicitation and the disposition to be made of the receipts.

Any organization which furnishes all required information and pays the required fee would be entitled to a certificate of registration. Such certificate would authorize the organization to solicit for the period of time set forth in the certificate.

Any individual soliciting on behalf of a registered organization would, under regulations which the Commissioners are authorized to promulgate, be required to obtain a solicitor's card. Such a card would contain such information and be produced and authenticated in such manner as might be prescribed by regulation. Under such a regulation provision could be made whereby facsimiles of approved cards would be furnished by the registered soliciting organization and thus obviate the necessity for the agency administering the act to issue individual cards to each individual solicitor. It is understood that many organizations are presently furnishing identification cards to individuals who solicit for them.

Individuals soliciting by printed matter or publication of any kind, or by means of radio, television, telephone or telegraph, would be required to include in such publicity the data and information which is required to be set forth on the solicitor's information card.

No individual could solicit any contribution unless he exhibits his solicitor's information card and reads it to the person solicited or presents it to him for his perusal and allows sufficient opportunity for reading it, before accepting any contribution.

Any person soliciting by telephone would be required, before accepting any contribution from any person, to present to such person his solicitor's information card or a true copy thereof.

The bill prohibits any person from conducting, for pecuniary compensation, any solicitation by telephone for or on behalf of any actual or purported charitable purpose or institution.

Each organization and other entity holding a certificate of registration would be required, within 30 days after its solicitation period has ended, or within 30 days after demand made by the Commissioners, to file a report with the Commissioners stating what contributions have been secured and what expenses have been incurred in connection with the solicitation and what disposition has been or will be made of the contributions.

The bill authorizes the Commissioners to fix and collect fees for certificates of registration and other services rendered pursuant to the act. Such fees would be fixed in such amounts as, in the judgment of the Commissioners, approximate the cost to the District of Columbia of administering the act, but no fees would be fixed until after public hearing.

No regulations could be promulgated under the act until after a public hearing.

Section 12 of the bill prescribes a fine not exceeding $500, or imprisonment of not more than 60 days, or both, for violations of the act or regulations made thereunder, or for the filing or causing to be filed with the Commissioners of any application or report containing a false or fraudulent statement.

Mr. YATES. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Reserving the right to object, Mr. Speaker, there is nothing in this bill to protect the people of the country?

Mr. ABERNETHY. It deals with solicitations allegedly made for charity.

Mr. GROSS. A few minutes ago the taxpayers of all the country were mighty charitable to the District of Columbia. I just wondered if that sort of charity is recognized in the bill.

Mr. ABERNETHY. No.

Mr. VANIK. Reserving the right to object, Mr. Speaker, does this legislation indicate whether or not there is a promoter for a particular fund-raising activity and what his proportion of the solicitation is?

Mr. ABERNETHY. Does the gentleman mean what his "cut" would be, to use a common term?

Mr. VANIK. Yes.

Mr. ABERNETHY. No. That question was raised, and there was some feeling in the committee that the solicitor should indicate what his commission would be, if any. It was suggested that some ceiling should be put on it. I think the suggestion had some merit. But we met with difficulty in arriving at what should be the proper formula. After discussing it with the District Commissioners and the Corporation Counsel, basing our opinion on their judgment, we decided to leave it alone and leave that to their discretion.

Mr. VANIK. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "District of Columbia Charitable Solicitation Act."

SEC. 2. As used in this act—

(a) The term "Commissioners" means the Commissioners of the District of Columbia, sitting as a board, or any agent or agency designated by them to perform any function vested in the Commissioners by this act.

(b) The term "registrant" means the holder of a valid certificate of registration duly issued under the terms of this act.

(c) "Solicit" and "solicitation" mean the request directly or indirectly for any contribution on the plea or representation that such contribution will or may be used for any charitable purpose, and also mean and include any of the following methods of securing contributions:

(1) Oral or written request;

(2) The distribution, circulation, mailing, posting, or publishing of any handbill, written advertisement, or publication;

(3) The making of any announcement to the press, over the radio, by television, by telephone, or telegraph concerning an appeal, assemblage, athletic or sports event, bazaar, benefit, campaign, contest, dance, drive, entertainment, exhibition, exposition, party, performance, picnic, sale, or social gathering, which the public is requested to patronize or to which the public is requested to make a contribution;

(4) The sale of, offer, or attempt to sell, any advertisement, advertising space, book, card, magazine, merchandise, subscription, ticket of admission, or any other thing, or where the name of any charitable person is used or referred to in any such appeal as an inducement or reason for making any such sale, or when or where in connection with any such sale, any statement is made that the whole or any part of the proceeds from any such sale will go or be donated to any charitable purpose.

A "solicitation" as defined herein shall be deemed completed when made, whether or not the person making the same receives any contribution or makes any such sale.

(d) "Charitable" means and includes philanthropic, social service, patriotic, welfare, benevolent, or educational (except religious education), either actual or purported.

(e) "Contribution" means and includes alms, food, clothing, money, subscription, credit, property, financial assistance, or donations under the guise of a loan of money or property.

(f) "Person" means any individual, firm, copartnership, corporation, company, association, or joint stock association, church, religious sect, religious denomination, society, organization, or league, and includes any trustee, receiver, assignee, agent, or other similar representative thereof.

SEC. 3. (a) The Commissioners are authorized and empowered—

(1) to administer and enforce the provisions of this act;

(2) to investigate the allegations of any application for a certificate of registration;

(3) to have access to and inspect and make copies of all the books, records, and papers of any person making any solicitation or on whose behalf any solicitation is made;

(4) to investigate at any time the methods of making or conducting any solicitation;

(5) to issue a certificate of registration to any person filing an application pursuant to this act;

(6) to suspend or revoke any certificate of registration or solicitor information card, on the ground that the holder of such certificate or card has violated any provision of this act or any regulation promulgated pursuant thereto. The Commissioners shall give to the interested person or persons an opportunity for a hearing after reasonable notice thereof before suspending or revoking any such certificate or card;

(7) to require by regulation that any individual who, as a registrant or as agent or employee of a registrant, desires to solicit shall obtain a solicitor information card, which card shall contain such information and be produced and authenticated in such manner as may be prescribed by regulation; and

(8) to publish, in any manner they deem appropriate, the results of any investigation authorized by this act.

(b) The Commissioners are authorized to prescribe and collect fees for the filing of applications, issuance of certificates of registration, and any other service which this act authorizes to be performed by the Commissioners. The Commissioners shall fix such fees in such amounts as will, in their judgment, approximate the cost to the District of Columbia of such services. In fixing such fees the Commissioners may, in their discretion, prescribe either uniform fees or varying schedules of fees based on actual or estimated amounts solicited or to be solicited by registrants or applicants for certificates of registration. No fees may be fixed pursuant to this section until after a public hearing has been held thereon pursuant to reasonable notice thereof.

SEC. 4. (a) No person shall solicit in the District of Columbia unless he holds a valid certificate of registration authorizing such solicitation.

(b) The provisions of subsection (a) of this section and of sections 6 and 7 shall not apply to any person making solicitations (1) solely for religious purposes or (2) exclusively among the membership of the soliciting agency.

(c) Whenever any solicitation has been made or is being made or is to be made for religious purposes, but in such manner as, in the opinion of the Commissioners, is intended to give or may give the impression to persons solicited or to the public that the purpose of such solicitation is, in whole or in part, charitable, then the Commissioners, if in their opinion the public interest will be served thereby, shall investigate such solicitation and give publicity to the findings resulting from such investigation in such manner as they may deem to be in the public interest.

SEC. 5. (a) Application for such certificate of registration shall be made upon such form or forms as shall be prescribed by the Commissioners, shall be sworn to and shall be filed with the Commissioners at least 15 days prior to the time when the certificate of registration applied for shall become effective. Each such application shall contain such information as the Commission shall by regulation require.

(b) If, while any application is pending, or during the term of any certificate of registration granted thereon, there is any change in fact, policy, or method from the information given in the application, the applicant or registrant shall within 10 days after such change report the same in writing to the Commissioners.

(c) The Commissioners shall issue a certificate of registration within 10 days after the filing of an application therefor: *Provided*, That, whenever in the opinion of the Commissioners the application does not disclose sufficient information required by this act or the regulations made pursuant thereto, to be stated in such application, then the applicant shall file in writing, within 48 hours, exclusive of Sundays and legal holidays, after a demand therefor made by the Commissioners, such additional information as may be required by said Commissioners: *Provided further*, That the Commissioners, for good cause shown by the applicant, may extend the time for filing such additional information: *Provided further*, That the Commissioners may withhold the issuance of a certificate of registration until such additional information is furnished. Each certificate of registration shall be valid for such period of time as shall be specified therein.

SEC. 6. (a) No individual shall solicit in the District of Columbia unless he exhibits a solicitor information card or a copy thereof, produced and authenticated as provided in regulations made pursuant to this act, and reads it to the person solicited, or presents it to said person for his perusal, allowing him sufficient opportunity to read such card before accepting any contribution so solicited.

(b) No individual shall solicit in the District of Columbia by printed matter or published article, or over the radio, television, telephone, or telegraph, unless such publicity shall contain the data and information required to be set forth on the solicitor information card: *Provided*, That when any solicitation is made by telephone, the solicitor shall present to each person who consents or indicates a willingness to contribute, prior to accepting a contribution from said person, such solicitor information card or a copy thereof produced and authenticated as provided in regulations made pursuant to this act.

SEC. 7. Each registrant shall, within 30 days after the period for which a certificate of registration has been issued, and within 30 days after a demand therefor by the Commissioners, file a report with the Commissioners, stating the contributions secured as a result of any solicitation authorized by such certificate and in detail all expenses of or connected with such solicitation, and showing exactly for what use and in what manner all such contributions were or are intended to be dispensed or distributed.

SEC. 8. No person shall make or cause to be made any representation that the issuance of a certificate of registration or of a solicitor information card is a finding by the Commissioners (1) that the statements contained in the registrant's application are true and accurate, (2) that the application does not omit a material fact, or (3) that the Commissioners have in any way passed upon the merits or given approval to such solicitation.

SEC. 9. No person shall for pecuniary compensation or consideration conduct or make any solicitation by telephone for or on behalf of any actual or purported charitable use, purpose, association, corporation, or institution.

SEC. 10. The Commissioners may appoint an advisory committee to advise the Commissioners in respect to any matter related to the enforcement of this act, and the members thereof shall serve without compensation. Such committee shall consist of not less than 5 nor more than 9 members, whose terms shall be fixed by the Commissioners. The Commissioners are authorized to assign an employee of the District of Columbia to serve as secretary for the committee.

SEC. 11. The Commissioners are authorized to promulgate regulations to carry out the purposes of this act: *Provided*, That no such regulation shall be put in effect until after a public hearing has been held thereon.

SEC. 12. Any person violating any provision of this act, or regulation made pursuant thereto, or filing, or causing to be filed, an application or report pursuant to this act, or regulation made pursuant thereto, containing any false or fraudulent statement, shall be punished by a fine of not more than $500, or by imprisonment of not more than 60 days, or by both such fine and imprisonment.

SEC. 13. If any provision of this act, or the application thereof to any persons or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 14. Such appropriations as may be necessary to carry out the purposes of this act are authorized.

SEC. 15. The provisions of sections 10, 11, and 14 of this act shall take effect upon approval of this act and the remainder thereof shall take effect 60 days after the promulgation of the first regulations made pursuant to section 11 of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM SIMULTANEOUS DEATH ACT

Mr. ABERNETHY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 3486) to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act, providing for the disposition of property where there is no sufficient evidence that persons have died otherwise than simultaneously and to make uniform the law with reference thereto, shall be in effect in the District of Columbia on and after the date of the enactment of this act.

NO SUFFICIENT EVIDENCE OF SURVIVORSHIP

SEC. 2. Where the title to property or the devolution thereof depends upon priority of death and there is no sufficient evidence that the persons have died otherwise than simultaneously, the property of each person shall be disposed of as if he had survived, except as provided otherwise in this act.

SURVIVAL OF BENEFICIARIES

SEC. 3. If property is so disposed of that the right of a beneficiary to succeed to any interest therein is conditional upon his surviving another person, and both persons die, and there is no sufficient evidence that the two have died otherwise than simultaneously, the beneficiary shall be deemed not to have survived. If there is no sufficient evidence that two or more beneficiaries have died otherwise than simultaneously and property has been disposed of in such a way that at the time of their death each of such beneficiaries would have been entitled to the property if he had survived the others, the property shall be divided into as many equal portions as there were such beneficiaries and these portions shall be distributed respectively to those who would have taken in the event that each of such beneficiaries had survived.

JOINT TENANTS OR TENANTS BY THE ENTIRETY

SEC. 4. Where there is no sufficient evidence that two joint tenants or tenants by the entirety have died otherwise than simultaneously the property so held shall be distributed, or descend as the case may be, one-half as if one had survived and one-half as if the other had survived. If there are more than two joint tenants and all of them have so died the property thus distributed or descended shall be in the proportion that one bears to the whole number of joint tenants.

The term "joint tenants" includes owners of property held under circumstances which entitled one or more to the whole of the property on the death of the other or others.

INSURANCE POLICIES

SEC. 5. Where the insured and the beneficiary in a policy of life or accident insurance have died and there is no sufficient evidence that they have died otherwise than simultaneously, the proceeds of the policy shall be distributed as if the insured had survived the beneficiary.

ACT DOES NOT APPLY IF DECEDENT PROVIDES OTHERWISE

SEC. 6. This act shall not apply in the case of wills, living trusts, deeds, or contracts of insurance, or any other situation where provision is made for distribution of property different from the provisions of this act, or where provision is made for a presumption as to survivorship which results in a distribution of property different from that here provided.

ACT NOT RETROACTIVE

SEC. 7. This act shall not apply to the distribution of the property of a person who has died before it takes effect.

UNIFORMITY OF INTERPRETATION

SEC. 8. This act shall be so construed and interpreted as to effectuate its general purpose to make uniform the law in those States which enact it.

SHORT TITLE

SEC. 9. This act may be cited as the "District of Columbia Uniform Simultaneous Death Act."

REPEAL

SEC. 10. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed.

SEVERABILITY

SEC. 11. If any of the provisions of this act or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable.

Mr. ABERNETHY. Mr. Speaker, this bill is to make the Uniform Simultaneous Death Act, as amended, apply in the District of Columbia. The District of Columbia is without any orderly plan of distribution of estates in case of simultaneous death. The District of Columbia and the other courts of the Federal jurisdiction utilize the common-law rule when confronted with the problem of survivorship in common disaster cases.

The Federal courts, including the District of Columbia, in applying the common-law rule, encounter innumerable problems of proof, and the result of discarding presumptions and exacting evidence is to put the burden of proving survivorship on any party claiming to derive title to property from a deceased person whose ownership during life depends upon his outliving some other person who was deceased. The result is that if the party on whom the burden of proof rests cannot make his proof, his case fails.

The result of the common-law rule has been the burden of proof which resulted from it. Whoever had the burden of proving survivorship was faced with an impossible situation since, by the very nature of the problem, survivorship could not be ascertained.

In order to provide a solution to the problem of death in common disaster, resort has been to statutory enactment. The pending bill is the Uniform Simultaneous Death Act, as amended, prepared some years ago by the National Conference of Commissioners on Uniform State Laws and amended by it.

Forty-one States have enacted the Uniform Simultaneous Death Act, including the neighboring States of Maryland and Virginia. This act provides that where title to property or devolution thereof depends upon priority of death and there is no sufficient evidence that the persons have died otherwise than simultaneously, the property of each person shall be disposed of as if he had survived, except as provided otherwise in the act. It further provides that if property is so disposed of that the right of a beneficiary to succeed to any interest therein is conditioned upon his surviving another person, and both persons die and there is no sufficient evidence that the two have died otherwise than simultaneously, the beneficiary shall be deemed not to have survived. And if there is no sufficient evidence that two or more beneficiaries have died otherwise than simultaneously and property has been disposed of in such a way that at the time of their death each of such beneficiaries would have been entitled to the property if he had survived the others, the property shall be divided into as many equal portions as there were such beneficiaries and these portions shall be distributed respectively to those who would have taken in the event that each of such beneficiaries had survived. The second sentence of section 3 constitutes an amendment of the original act adopted by the Commission on Uniform State Laws.

The bill further provides that where there is no sufficient evidence that two joint tenants or tenants by the entirety have died otherwise than simultaneously, the property so held shall be distributed, or descend as the case may be, one-half as if one had survived and one-half as if the other had survived; and that if there were more than two joint tenants and all of them have so died, the property thus distributed or descended shall be in the proportion that one bears to the whole number of joint tenants.

The bill further provides that when the insured and the beneficiary in a policy of life or accident insurance have died and there is not sufficient evidence that they have died other than simultaneously, the proceeds of the policy shall be distributed as if the insured had survived the beneficiary.

The act shall not apply in the case of wills, living trusts, deeds, or contracts of insurance, or any other situation where provision is made for distribution of property different from the provisions of the act, or where provision is made for a presumption as to survivorship which results in a distribution of property different from that provided in the act.

This bill has the approval of the bar association of the District of Columbia as well as the Commissioners of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DESCENDANTS' ESTATES

Mr. ABERNETHY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 6508) to modify the Code of Law for the District of Columbia to provide for a uniform succession of real and personal property in case of intestacy, to abolish dower and curtesy, and to grant unto a surviving spouse a statutory share in the other's real estate owned at time of death, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 940 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, sec. 18-101), is amended to read as follows:

"§ 940. Course of descents generally.—

"On the death of any person seized of an estate in fee simple in lands, tenements, or hereditaments in the District of Columbia, and intestate thereof, the same shall descend in fee simple to such person's kindred as follows: To those persons, who, according to the laws of the District of Columbia now or hereafter in force relating to the distribution of the personal property of intestates, would be the distributees to take the surplus personal property of such intestate, if he or she had died a resident of the District of Columbia and possessed of such surplus of personalty; and such kindred (including the surviving spouse as such) shall take in the same proportions as are or shall be fixed by such laws relating to personal property, and shall take as tenants in common."

SEC. 2. The estate by the curtesy in the real estate of a wife dying after the effective date of this act, and its incidents, are hereby abolished.

SEC. 3. The right of dower, and its incidents, are hereby abolished; except that with respect to parties who intermarried prior to the effective date of this act, the wife shall retain her dower rights in all real estate whereof the husband, prior to the effective date of this act, was seized of an estate of inheritance at any time during the marriage. As to any such real estate of which the husband dies seized, the share of the wife therein, as provided in section 940 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, sec. 18-101), shall be in lieu of her dower rights unless she elects to take the same in similar manner and within the period as authorized in section 1173 of such act, as amended (D. C. Code, sec. 18-211), providing for renunciation of devises and bequests under wills.

SEC. 4. (a) Section 953 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, sec. 18-103), is hereby repealed.

(b) Section 954 of such act, as amended (D. C. Code, sec. 18-104), is hereby repealed.

(c) Section 955 of such act, as amended (D. C. Code, sec. 18-105), is hereby repealed.

(d) Section 958 of such act, as amended (D. C. Code, sec. 18-107), is hereby repealed.

(e) Section 962 of such act, as amended, (D. C. Code, sec. 18-111), is hereby repealed.

(f) Section 1175 of such act (D. C. Code, sec. 18-213), is hereby repealed.

(g) Section 1176 of such act (D. C. Code, sec. 18-214) is hereby repealed.

(h) Section 1159 of such act (D. C. Code, sec. 18-215) is hereby repealed.

SEC. 5. Section 1172 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (D. C. Code, sec. 18-210), is amended to read as follows:

"§ 1172. Devise or bequest to spouse.

"Subject to the provisions of section 1174 of this act, every devise of real estate or any interest therein, and every bequest of personal estate or any interest therein, to the surviving spouse shall be construed to be intended in bar of his or her share in decedent's estate (including dower rights, if any) unless it be otherwise expressed in the will."

SEC. 6. Section 1173 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, sec. 18-211), is amended to read as follows:

"§ 1173. Renunciation of devises and bequests to spouse.

"Subject to the provisions of section 1174 of this act, a widow or widower shall be barred of any rights or interest she or he may have in real or personal estate by any such devise or bequest unless within 6 months after administration may be granted on the deceased spouse's estate she or he shall file in the probate court a written renunciation to the following effect:

"'I, A. B., widow or widower of ------ late of ------, deceased, do hereby renounce and quit all claim to any devise or bequest made to me by the last will of my husband or wife exhibited and proved according to law; and I elect to take in lieu thereof my legal share of the real and personal estate of my said spouse.'

"If, during said period of 6 months, a suit should be instituted to construe the will of the husband or wife, the period of 6 months for the filing of such renunciation shall commence to run from the date when such suit shall be finally determined, by appeal or otherwise.

"By renouncing all claim to any and all devises and bequests, made to her or him by the will of her husband or his wife, the surviving spouse shall be entitled to such share or interest in the real and personal estate which she or he would have taken had the deceased spouse died intestate. Except in cases of valid antenuptial or postnuptial agreements, and except in cases when it is expressly waived in a writing filed with the probate court within said 6 months' period, this provision for the surviving spouse shall apply with like effect (without formal renunciation) to cases where the wife or husband has made no devise or bequest to her husband or his wife, and also to cases where nothing passes by such devise or bequest."

SEC. 7. Section 1174 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (D. C. Code, sec. 18-212), is amended to read as follows:

"SEC. 1174. If the surviving spouse does not renounce as provided in section 1173 of this act, she or he shall be entitled to receive the benefit of all provisions in her or his favor in the will of the deceased spouse and shall share, in accordance with sections 373, 374, 375, 376, and 940 of this act, in any estate of the deceased spouse undisposed of by the will."

SEC. 8. Section 1154 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (D. C. Code, sec. 30-201), is amended to read as follows:

"§ 1154. Married women—Power to dispose of separate property.

"Married women shall hold all their property of every description, for their separate use as fully as if they were unmarried, and shall have power to dispose of the same by deed, mortgage, lease, will, gift, or otherwise, as fully as husbands have the power to dispose of their property, and no more; except that no disposition of her real or personal property, or any portion thereof, by deed, mortgage, bill of sale, or other conveyance, shall be valid if made by a married woman under 21 years of age."

SEC. 9. (a) Section 386 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (D. C. Code, sec. 18-714), is amended to read as follows:

"SEC. 386. No right in the inheritance to real or personal property shall accrue to or vest in any person other than the children of the intestate and their descendants, unless such person is in being and capable in law to take as heir or distributee at the time of the intestate's death; but any child or descendant of the intestate born after the death of the intestate shall have the same right of inheritance as if born before his death."

(b) Section 386a of such act (D. C. Code, sec. 18-715) is amended to read as follows:

"SEC. 386a. In no case shall there be any distinction between the kindred of the whole and the half-blood."

(c) Section 387 of such act (D. C. Code, sec. 18-716) is amended to read as follows:

"SEC. 387. The illegitimate child or children of any female and the issue of any such illegitimate child or children shall be capable to take real and personal estate by inheritance from their mother, or from each other, or from the descendants of each other, as the case may be, in like manner as if born in lawful wedlock.

"When such illegitimate child or children shall die leaving no descendants, or brothers or sisters, or the descendants of such brothers or sisters, then and in that case the mother of such illegitimate child or children shall be entitled to the real and personal estate of such illegitimate child or children, and if the mother be dead, the heirs or distributees of the mother shall take in like manner as if such illegitimate child or children had been born in lawful wedlock."

(d) Section 388 of such act (D. C. Code, sec. 18-717) is amended to read as follows:

"SEC. 388. If there be no widow or widower or relations of the intestate within the fifth degree, which shall be reckoned by counting down from the common ancestor to the more remote, the surplus of real and personal property shall escheat to the District of Columbia to be used by the Commissioners of the District of Columbia for the benefit of the poor."

SEC. 10. Any provision of law inconsistent with the provisions of this act, or any amendment made by this act, is hereby repealed.

SEC. 11. This act shall become effective 90 days after the date of its enactment.

Mr. ABERNETHY. Mr. Speaker, the purpose of this bill is to modify the code of law for the District of Columbia to provide for a uniform succession of real and personal property in case of intestacy to abolish dower and curtesy, and to grant unto a surviving spouse a statutory share in the other's real estate owned at time of death, and for other purposes.

This bill would make substantial changes in the law relating to the descent of real property when the owner dies intestate. Rights in property known as "dower" and "curtesy" are abolished and in lieu thereof each spouse is given a statutory right to share in the deceased spouse's property.

Husband and wives will be especially affected because the bill proposes to abolish the ancient, feudal rights in realty known as "dower" and "curtesy." Today a healthy widow under 30 years old would get only one-sixth part of the value of any realty of which her husband died intestate. If she were above 77 years old, she would get only one-twentieth part of that value. Under this bill, she would instead take, in either such case, at least one-third and perhaps all the husband's realty, outright, depending upon whether he was survived also by a child or other direct descendants, or only by relatives of more remote degree.

The bill would abolish all present distinctions as between the order of succession in the descent of real property and the distribution of personal property of an intestate. The bill provides that real property shall descend in the same order as personal property, under present law, is distributed. The laws in all States of the Union, except Delaware, North Carolina, and Tennessee, provide for uniformity in succession of real and personal property.

Husband and wife domiciled in this District will, under this legislation, acquire exactly reciprocal or equal rights or inheritance to all property of any kind owned by the one first dying, with the possible exception of real estate owned at death but located outside the District of Columbia, which would be governed by the law of its location.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GUN MOUNTINGS AND GUN CARRIAGES FOR HISTORIC SITES AND MUSEUMS

Mr. McMILLAN. Mr. Speaker, I call up the bill (H. R. 2018) to permit any State of the United States or any political subdivision of any such State to purchase from the District of Columbia Reformatory at Lorton, Va., gun mountings and carriages for guns for use at historic sites and for museum display purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McMILLAN]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That any State of the United States or any political subdivision of any such State is authorized to purchase from the District of Columbia Reformatory located at Lorton, Va., at fair market prices determined by the Commissioners of the District of Columbia, gun mountings and carriages for guns for use at historic sites and for museum display purposes. Receipts from sales authorized under this act shall be deposited to the credit of the working-capital fund established for the industrial enterprises at the workhouse and reformatory of the District of Columbia to the same extent and in the same manner as provided for receipts from the sale of products and services of such industrial enterprises in the last paragraph under the heading "Adult Correctional Service" in the first section of the District of Columbia Appropriation Act, 1947 (60 Stat. 514).

Mr. McMILLAN. Mr. Speaker, I move to strike out the last word.

The District of Columbia Reformatory at Lorton, Va., has developed a craft of manufacturing replicas of historic gun

mountings and carriages, using prison labor to produce these items. These guns have been very much in demand by certain District and Federal agencies and the reformatory from time to time has manufactured such guns for their use.

The purpose of this bill is to permit the sale of these gun mountings and carriages for guns for use at historic sites and for museum display purposes to any State of the United States or any political subdivision of any such State.

This legislation has the approval of the Commissioners of the District of Columbia.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. MATTHEWS. Mr. Speaker, on January 5, 1957, I introduced H. R. 2018 to permit any State of the United States or any political subdivision thereof to purchase from the District of Columbia Reformatory, located at Lorton, Va., various gun mountings and carriages for guns for use at historic sites and for museum display purposes.

The purpose of this bill is not new to the Congress. The gentleman from New York [Mr. O'BRIEN] introduced H. R. 11967 on June 26, 1956, to permit the State of New York to make purchases of these items from the District of Columbia Reformatory. The bill was later reported out from the Committee on the District of Columbia on July 23, 1956, with an amendment which would not only permit the State of New York, but all of the States and any of their political subdivisions to make such purchases. As so amended by the committee the bill was passed by the House on the same day.

Technically, the bill as passed by the House last year and as reintroduced by me in the 85th Congress, constitutes an amendment to the first section of the District of Columbia Appropriation Act, 1947.

That law set up a working capital revolving fund of $50,000 at the reformatory out of which might be financed such industrial enterprises as the Commissioners should approve. The price of any products or services of such enterprises is to be the fair market value thereof, and the receipts are to be deposited with the working fund, and at the end of the year profits arising from the year's operation of such fund are transferred to the general revenues of the District of Columbia government.

Sales, however, are limited by the law to departments and institutions of the Federal Government and of the District of Columbia.

H. R. 2018 would extend the instrumentalities to which sale of prison-made goods may be made, by extending the category to States and political subdivisions thereof; however, it carefully limits the type of goods which may be sold to these additional buyers to historic gun mounts and gun carriages.

Several general comments may be made in conjunction with the bill.

As late as 1946, the District correctional system did not provide vocational training. Setting up a prison industry involves many difficulties, chief among which is the necessity to keep the prison industry out of competition with free industry. Yet there are three basic reasons why prison industry is necessary. First of all, it furnishes productive work for the prisoners, which all penologists consider essential in any well-run prison. Secondly, it furnishes a basis for individual training of prisoners in various skills and crafts. This contributes immeasurably to the personal rehabilitation of the prisoner. And lastly, it provides some income for the prison system.

It was with all these objects in view that a working capital fund was made available to the District Correctional System by the act of 1946 in order to start work projects within the prison system. The working capital fund had been judiciously used to accomplish the objectives outlined above; and on quite a number of fiscal years has made a return of profits to the general fund of the District.

Due to the prejudice against the products of prison industry, where the payments are only token amounts, equivalent to hardly more than "cigarette money," it is seldom that the supply can create its own demand. Yet here the inmates of Lorton Reformatory have developed a special product which has begun to command the attention of a market wider than that to which they are permitted to sell it. Under such circumstances these gun carriages and gun mountings are more than just saleable articles. They are a product whose psychological value to the prisoners is even greater than any price they may command in themselves or any profit they may make for the prison industries of Lorton Reformatory.

I hope H. R. 2018 will receive the unanimous approval of the House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, that concludes the business from the Committee on the District of Columbia.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1958

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6500) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6500, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday last the gentleman from Michigan [Mr. RABAUT] had 52 minutes remaining, and the gentleman from Indiana [Mr. WILSON] had 1 hour remaining.

The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on the District of Columbia of the Appropriations Committee once again brings to the floor of the House for your approval the annual District of Columbia appropriation bill for the fiscal year 1958.

It has been a pleasure working with our chairman, the able and distinguished gentleman from Michigan [Mr. RABAUT], and the other members of this committee. Mr. RABAUT is one of the great men of this House, and he carries out his duties as chairman of this committee in a careful, industrious, conscientious manner. We were ably assisted by Francis Merrill, our staff assistant. 174 witnesses appeared to justify the amounts requested for 1958.

The budget requests for the District of Columbia totaled $207,249,900 for fiscal year 1958. Here again we have the largest budget ever submitted for the District. This budget is twice as large as the 1948 budget which totaled $81,744,086; twice as large as the 1950 budget which totaled $98,331,274, and 50 percent larger than the 1953 budget which totaled $113,589,327. The 1957 budget totaled $198,253,379. We recommend a reduction in 1958 requests of $14,719,600. The total amount recommended in the bill for 1958 is $192,530,300. This is $5,723,079 less than the amount appropriated for 1957. Every operating expense item submitted to our committee was reduced with the exception of the National Guard item. This increase of $9,800 contained contribution to civil service retirement fund of $7,200.

The District of Columbia is financed out of five separate funds—a general fund, highway fund, motor-vehicle parking fund, water fund, and a sanitary sewage fund.

The bill before us today calls for a Federal payment of $20 million to the general fund. This is $3 million less than the amount requested, and $3 million less than the maximum authorized by law. This bill further provides for a Federal payment to the water fund of $1,751,450, and $753,000 to the sanitary sewage works fund.

The District of Columbia program will be financed by the Federal payment, Federal loan authorizations, and District of Columbia revenue.

From 1924 to 1957 the Federal payment to the District has ranged from $4,539,295 to $22 million. In 1951 the payment totaled $9,800,000; in 1954 it totaled $11 million, and under this bill we recommend the sum of $20 million.

Washington is one of the great cities in the world, and as our Capital City it should be a model city in every respect. There are 39,040 acres in the District of Columbia. According to the General Services Administration, the Federal Government owns 11,297 acres of land in the District, excluding the streets, alleys, and parkways. This represents 28.9 percent of the total of 39,040 acres.

To share the cost of operating the District the Federal payment is made each year. The payment and local taxes are considered extensively. This same procedure applies to the payment and local revenues. Taxes in the District certainly do not compare with taxes in the States. Here, for instance, we have no State or county tax, and the city rate for real property is $2.30 per hundred dollar assessment. Assessments are exceedingly low here, and this is the reason for the 3-year reassessment program underway at the present time. Last year we recommended, and the House approved, this program. During our hearings last year we requested information concerning the 10 highest assessed commercial properties in Washington and the sixth highest was one of the hotels, assessed at $4,902,-120. Within 10 days from the time the information was furnished for the record this hotel sold for slightly over $12 million. This year the same information was requested, and on page 105 of the hearings you will find this same hotel again assessed for $4,902,120, the same as 1956. This, of course, would not occur in the States, and certainly establishes the need for the reassessment program.

The population of our Capital City totals 866,000, and the metropolitan area consists of 1,300,000. In 1950 the District received $58,406,590 from taxes on real property, and in 1956 the amount received totaled $69,265,867. Total tangible personal property tax revenue for fiscal year 1956 totaled $7,332,900, with the total assessment totaling $366,645,-049.

Our annual examination of the District budget discloses certain shortcomings in some of the departments which, in most instances, can be corrected by administrative action or financial assistance.

In 1950 District of Columbia personnel totaled 18,058, and on June 30, 1956, personnel totaled 21,340. New positions requested for 1958 totaled 1,128; 325 of this number are for the schools. We allowed funds for 162 new schoolteachers. We recommend an appropriation of $37,-160,000 for the public schools. This is $570,000 less than the 1958 estimates. In 1950 we had 94,716 children attending the public schools in the District, and today there are 111,688.

As a member of this committee I have observed marked improvement in several departments of the District of Columbia. Three good examples are the Metropolitan Police Department, Public Library, and the Recreation Department.

The Metropolitan Police Department is today one of the most efficient in the United States. In 1950 we had 19,898 major crimes committed in the District. Homicide, rape, robbery, housebreaking, and so forth. The number increased to 20,428 in 1951. In 1952 and 1953 many changes took place in the Department. Major crimes decreased from 20,428 in 1951 to 18,316 in 1955. Still more improvement was shown in 1956 and major crimes decreased to 16,650. This is a decrease of 18 percent. Public Law 514 of the 84th Congress authorizes a police force of 2,500 for the District. The total force as of February 28, 1957 was 2,261. Recruitment of personnel is difficult due to starting pay and better retirement and pension benefits in other Federal agencies. A private starts at $4,193 and receives step-ups for 3 years until he receives $4,990. This is the top for another 5 years, and then he receives $129 per annum for each 5 years after the first 3. He can receive only 5 such increases. Six hundred and forty-five dollars plus $4,990 is the most a foot patrolman can earn. Since Congress authorized a police force of 2,500 the Department has been able to show an increase of only 35 men. Following passage of Public Law 514 on May 9, 1956, establishing 2,500 men as the minimum strength of the Metropolitan Police Department, our Committee recommended to the House that the 1957 Supplemental Act appropriating $758,100 for this purpose be passed. The House appropriated this additional amount over and above the regular 1957 budget requests, and we expected the police force to increase accordingly. The total police force on June 30, 1956, was 2,226. The total police force February 28, 1957, was 2,261. This was 11 days before our hearings began on the 1958 requests. This number still prevails notwithstanding the intensive recruiting program which has been underway for months. The additional amount appropriated for more men has, in the main, been expended to pay officers for the extra days service each week. This procedure, of course, is not the best and should be referred to the District Legislative Committee for solution. The problem may be more serious than we expect. The Chief of Police now says that the Metropolitan Police force, like most police departments throughout the Nation, will probably continue in the position of being unable to obtain and retain sufficient personnel to fill its authorized complement. Our committee believes that the police force in the District should have its full complement of 2,500 men, and when this takes place we will recommend the full appropriation necessary to pay these men. As pointed out, the amount recommended for 1958 will provide for a force of some 2,400 man-years of employment. Police officers assigned in the prevention of crime are permitted to work on their assigned days off. This procedure has stopped the men from going to other agencies for employment and has placed an additional 146 foot patrolmen on the streets of this city from 6 p. m. to 2 a. m. when they are needed most. They are paid straight time the same as they are paid for the other 5 days. No man works more than 8 hours on any 1 day, and the extra time would be on 1 of his 2 days off.

In distributing police personnel, 1,110 of the total force are assigned to prevention and detection of crime. An intensive recruitment campaign is underway at the present time and every assistance should be given the police department in their efforts to bring the force up to the full authorization. We should have the best police department in the country here in our Capital City. Millions of visitors are here each year, and our city should be so protected that these visitors can enjoy their visit and have no fear of being yoked, assaulted, or murdered. The members of the police department are to be commended—they are doing a good job. For operating expenses of the police department we recommend $18,-100,000, a reduction of $101,000 in the budget estimates for 1958.

The Public Library System in the District includes a central library, administrative headquarters, 14 branches, and bookmobile service. On June 30, 1956, there were 933,074 bound volumes in the collection. During the past fiscal year 2,123,703 books were borrowed from the library, an increase of 58,028 volumes over the previous year. The gain so far this fiscal year is 75,069. As pointed out by Harry N. Peterson, Librarian of the District, circulation of books for home reading is not as important as the reference and advisory assistance given by the library. The library system of the District is a distinct asset and in good hands.

The recreation department has a current expansion program underway which is the first step of a long-range program to provide maximum facilities and services in all areas of the city. New projects will be coordinated with public health, welfare, police, and community service agencies to combat the anti-school problems and to stimulate youth who are now delinquent and living in congested neighborhoods. We recommend $2,145,000 for this department. This is a reduction of $16,000 in the 1958 estimates. Milo F. Christiansen and his staff are doing a good job. The District of Columbia Recreation Board, composed of Henry Gichner, Grahame Smallwood, Jr., Mrs. Elinor H. McGuire, Mrs. W. B. Putnam, Walter L. Fowler, G. M. Thorneth, Col. West A. Hamilton, Mrs. Dagny R. Pettit, and Edward J. Kelly, are to be commended.

In addition to receiving testimony from the officials of the District we had before us representatives of parent-teacher associations, civic organizations, and the many organizations interested in the welfare of the Capital City. We carefully considered every request made for fiscal year 1958.

Mr. Chairman, our committee recommends this bill to the Members of the House.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. BASS of Tennessee. I notice that my distinguished friend from Kentucky has mentioned that since, I believe, in 1949, the appropriations for the District of Columbia have doubled.

Mr. NATCHER. That is correct.

Mr. BASS of Tennessee. He also notes that $20 million which the gentleman's committee recommended would be twice what we gave in lieu of taxes in 1950. Is that correct?

Mr. NATCHER. Yes.

Mr. BASS of Tennessee. Would the gentleman tell the committee if the money that is taken in by the District of Columbia from taxes has been increased? Have they increased their taxes in order to take care of their increasing burden of responsibility, increased it in the same proportion they have asked Congress to increase theirs?

Mr. NATCHER. That increase has not taken place according to the amounts appropriated by this Congress.

I would say to my distinguished friend from Tennessee that about a year ago the real estate tax rate here in the District was increased from $2.20 per hundred to $2.30; but the amount of tax revenues received in the District has not increased according to the amount of the budget submitted to this Congress.

Mr. BASS of Tennessee. They have not increased in the same proportion their request to Congress has increased.

Mr. NATCHER. That is correct.

Mr. BASS of Tennessee. I notice that the gentleman stated that the committee has reduced their request for Federal contribution to the District budget by $3 million.

Mr. NATCHER. That is right.

Mr. BASS of Tennessee. In the opinion of the distinguished gentleman from Kentucky, who has made a great study of this problem, does he believe this $3 million cut is ample and carries out the same spirit and theory that has been developed in other fields with reference to economizing this year?

Mr. NATCHER. I may say to the gentleman that I think the $3 million reduction is an adequate and a reasonable reduction at this time.

Mr. BASS of Tennessee. It should not be any greater?

Mr. NATCHER. It should not be any greater. Further, I would like to say that the $20 million appropriated as the Federal payment places this budget in balance.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman to say that a hotel in the District of Columbia with a $12 million valuation pays a tax on a valuation of only $4 million?

Mr. NATCHER. $4,902,120.

Mr. GROSS. What is being done about that?

Mr. NATCHER. A reassessment program is underway at the present time by the District of Columbia. This is a 3-year reassessment program. I believe this reassessment program will not only correct this inequity but others existing in the District of Columbia at the present time.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. RABAUT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GROSS. Can an inequity as flagrant as that be corrected without a survey?

Mr. NATCHER. In my opinion, it should be corrected and it will be corrected. It certainly is an inequity, as pointed out by my distinguished friend.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Our contribution—that is the Federal Government's—in 1948 was around $12 million, was it not?

Mr. NATCHER. Yes.

Mr. NICHOLSON. Now it is $22 million or more?

Mr. NATCHER. The total Federal payment at the present time as authorized by this Congress is $23 million. This bill carries an appropriation for $20 million, which is $3 million less than the total amount authorized.

Mr. WILSON of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I wish briefly to address myself to some of the legislative provisions in this appropriation bill. It seems to me there are more legislative provisions in this bill than should properly be in an appropriation bill. I refer particularly, for example, to provisions regulating the use of taximeters in taxicabs, the rates for electric current used by the District of Columbia, the operation of motor-propelled passenger-carrying vehicles, including boats, in the District of Columbia, and such things as that. It seems to me that matters such as these should be left to the consideration of the proper legislative committee. I had intended to make a point of order against some of these provisions, or perhaps move to strike the provision concerning taximeters in taxicabs. It seems to me this is certainly legislation on an appropriation bill. However, I had occasion to look into the history of that particular provision and found that it has been in the District of Columbia appropriation bill since 1932. I understand that sometime in the past a point of order was raised against it but was overruled. I must confess I am puzzled as to why it was overruled because certainly it seems to be very clearly legislation. For the purpose of the record I refer to section 8 on page 35 of the bill, lines 6 through 14.

At this time I do not wish to discuss the merits or demerits of taximeters in taxicabs. I am not going on record at this time in favor of meters or as being opposed to meters. However, I certainly think it is a matter that should be thoroughly studied by the proper legislative committee. The reason I am not making a point of order against it at this time or making any move to strike it is that it is now under consideration by the legislative committee, and I do not feel we are prepared to debate the subject intelligently at this time.

Mr. HALEY. Mr. Chairman, would the gentleman yield?

Mr. HYDE. I yield to the gentleman.

Mr. HALEY. This subcommittee is really the city council for the District of Columbia, and if that is the case, why does the gentleman object to this kind of legislation at any time?

Mr. HYDE. I would say to the gentleman that the legislative committee on the District of Columbia is more properly the city council than is the Subcommittee on Appropriations for the District of Columbia. I think legislative matters should be referred to the legislative committee, as we do with other subjects of legislation in the House. That is the only point I am making at this time.

Mr. WILSON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I go further, I want to compliment the gentleman from Michigan [Mr. RABAUT] for the fine job he did in chairing this bill through the committee. Also I should like to compliment my other colleagues on the committee, the gentleman from Kentucky [Mr. NATCHER] and the other Members on that side of the House, as well as my colleague, the gentleman from Pennsylvania [Mr. JAMES].

I think we gave the department heads a very thorough going over. And while we did not get all the information we would like to have had, I think we got about all we could get, sometimes by methods almost like pulling a wisdom tooth.

Mr. Chairman, the committee is hamstrung due to the fact that department heads are not permitted to testify, to tell the whole story, but may only answer such questions as are directed to them. Sometimes it is pretty hard to hit the vulnerable spot.

I as one member of the committee and the oldest member of this committee am very much disgusted and dissatisfied with the functioning of the Office of General Administration. I served on the committee before we had the reorganization. We were told day after day, week after week, about how when the District government was reorganized and the Department of General Administration was set up we were going to effect so many millions of dollars of savings. Let me say here that those savings have been reflected in increased costs in most every department. They have failed to show us where they have created any savings; in fact, they admit now that the savings they had intended to show us were a mistake.

We all know that costs of government have increased, the District of Columbia being peculiar in many ways, having all of the functions of a State, county, township and city, naturally its costs have increased equally as rapidly as those of comparable units. We have come up with a balanced budget, and the bill provides for the same amount of contribution by the Federal Government to the District as was granted last year. It provides for a small working surplus, which we think will be adequate to carry them through fiscal 1958.

Recreation, as my good friend the gentleman from Kentucky has so well brought out, is going forward. I am very much sold on recreation for the youth of our Capital City. I have always operated on the theory that if you give the boys plenty of ripe apples they will not eat the green ones. That is all we are trying to do, open up a couple of recreation centers in newly populated areas and equipping them at minimum expense.

I want to compliment the Police Department of the District of Columbia at this point. Especially because of the tremendous job they did under very adverse circumstances in handling the transit strike a year or two ago in the District of Columbia. They did a marvelous job. They gave up their annual leave, they worked overtime, and they worked without any regard to the hours, and handled what could have been a very

disturbing situation here in a quiet and peaceful manner.

We are all looking for soft spots in these Federal budgets. I wish the members of the various subcommittees on appropriations would point out the soft spots in their bills so that those of us in the House who do not have access to all the expert testimony they have would know where to cut in case we want to cut.

I know of only one soft spot in this budget, and it cannot be very soft because since this item was injected into the budget and they asked me as chairman of this committee in 1953 for $725,000, we have cut them down to $86,000; so a cut from $870,000 to $86,000 does not leave a very soft spot.

That is about all I have to say. Just one additional thought: I have always been a strong and staunch advocate against home rule. The District of Columbia belongs to the Hoosiers, the people from Michigan, Illinois, Iowa, and all the others of the 48 States. God forbid that I shall ever vote away the authority of my constituents to control their Nation's Capital. For along with authority goes responsibility. I want my Nation's Capital to be the finest Capital in the world. I want us to have the finest schools and the finest police department. In pruning this budget request and allowing them considerably more than they had last year, I think we have adequately provided for improvements in the District of Columbia. I hope the House will support the subcommittee on appropriations and the full Committee on Appropriations and pass this bill as it is presented to you today.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. BEAMER. I want to compliment the committee and all the subcommittees working diligently to prepare the appropriation bills. I think this is in keeping with good economy and efficiency in Government. I note in the committee report, and I think it is unfortunate that those of us who are very much interested in this subject did not have an earlier opportunity to read the report, it seems there is a reduction of some $5¾ million over the amount in the 1957 appropriation. But, I also note that principally there are 3 items which absorb this cut, and all of the other items show an increase over the 1957 budget. My question is this: Would the gentleman remind us where that increase comes? Is it by chance the result of increased personnel, or is it the result of mandatory legislation?

Mr. WILSON of Indiana. The increase primarily comes from ingrade promotions. It comes from retirement pay. Many items are mandatory because of the very acts passed by this House. We are providing for these mandatory increases over which we had no control and we must provide the money if we are going to fulfill the laws passed by the District of Columbia. Then, in some cases, as I explained before, there are normal increases. There are such increases in your municipal governments and in your State governments. They are all experiencing an increase in cost of construction, salaries, and so forth. Retirement pay has gone up.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. RABAUT. I would like to remind my colleague that additional teachers are also provided for.

Mr. WILSON of Indiana. I will explain that.

Mr. BEAMER. I was going to ask this question. You have increased the personnel, and if so, I wonder if it could have been explained in the committee report or on the floor.

Mr. WILSON of Indiana. In all of the schools throughout the land, we are experiencing an increase in school enrollment. That is the postwar crop which goes up to as high as the 7th or 8th grades in some cases. Therefore, we had to provide new teachers to take care of the increase or else we would have to lower the school standards and increase the pupil-teacher ratio. The The standard all over the United States is about 35 pupils per teacher in grade school; it is 25 pupils per teacher in high school. The District requested that we drop that ratio and thereby improve the standard. I think it was 30 per teacher in grade school and 20 per teacher in high school. We met them about half way and we felt that was just about as far as we could go at this time. Not all the schools in the United States have increased standards. In fact, we are just about on a par in the District of Columbia with the other schools in the United States. They are faced with identically the same problems. They do not have an adequate number of teachers to fill the jobs and an adequate number of schoolrooms for them.

Mr. BEAMER. I notice, in reading the report, several instances where the committee has reported they are reducing the personnel. For instance, on page 2, the committee has denied a request for increases for additional personnel in the Department of General Administration, and a little later on it indicates that they have been forced to increase because of the new highway bill. I think it bears out the point the gentleman is trying to indicate that mandatory legislation passed by some previous Congresses makes it necessary in this Congress to increase the appropriations whether we like it or not.

Mr. WILSON of Indiana. Every time we pass a public law adding some services to the District of Columbia or increasing the rates of pay or increasing the personnel, it is up to the Congress to provide the money to meet the obligations imposed by those laws.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. GROSS. How much have taxes been increased in the District of Columbia?

Mr. WILSON of Indiana. That is the problem of the legislative committee. The Appropriations Committee has no control over taxes. That is entirely up to the legislative committee. We merely appropriate funds which they raise, and try to keep a balanced budget. We have a balanced budget now with a small working surplus if the other body does not up the appropriations.

Mr. GROSS. But a moment ago the gentleman referred to the fact that costs have gone up in States and local subdivisions of government. I remind the gentleman that taxes have also gone up.

Mr. WILSON of Indiana. We had a general tax increase in the District of Columbia, to be sure.

Mr. GROSS. How many years ago?

Mr. WILSON of Indiana. Two years ago.

Mr. GROSS. But there is no tax increase in the works today? There has been none since 3 years ago and none is in the works today?

Mr. WILSON of Indiana. We cannot increase appropriations unless the revenue is found; and we will not unless the majority votes to increase the revenue available.

Mr. GROSS. I understand that, but I am trying to find out whether there is any possibility of taxes being increased in the District of Columbia.

Mr. WILSON of Indiana. That question should be directed to the legislative committee on the District of Columbia.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. RABAUT. The gentleman from Iowa [Mr. GROSS], I think has reference to a study that is now being made of all real estate in the District of Columbia, with the idea of ascertaining what the real valuation should be, with the idea of setting up the tax rate by 1959. That study is going along in a big way and will be productive of results.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield.

Mr. GROSS. How long has this tax study been under way?

Mr. RABAUT. We ordered this tax study 2 years ago. At that time it was agreed by the experts it would take about that long to do it. The study is progressing very well. It is to be completed by next June 30.

Mr. GROSS. So it will take approximately 4 years to put a tax increase into effect?

Mr. RABAUT. Well, it is a pretty big job.

Mr. GROSS. The gentleman from Kentucky points out there is a hotel in the city of Washington with a valuation of $12 million and it is being assessed at $4 million. It is not a hard job to figure out that there should be a tax revision.

Mr. RABAUT. Nobody discovered that except the committee that is before you today.

Mr. GROSS. It does not take that long out in your State or my State.

Mr. RABAUT. It is not a question of finding out about one piece of property. It is a question or reassessing the entire city. This was one of the things that was brought out in our subcommittee hearings several years ago.

Mr. WILSON of Indiana. It has been 40 years since we have had a complete assessment of the real property of the District of Columbia. But it is not the result of negligence on the part of the Committee on Appropriations. However,

we are looking into it because we want to know whether they are paying their fair share or not. If they are, then we can satisfy ourselves as to the Federal contribution. If they are paying more than their fair share, we might be inclinde to increase the Federal grant.

Mr. Chairman, I reserve the remainder of my time.

Mr. RABAUT. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I am not going to take a lot of time, but as has been indicated, I think the Committee on Appropriations has probably done a fine job. However, I do say that the property in the District of Columbia is not contributing to the extent that property in our local communities is contributing. I served for 6 years on the District of Columbia Committee, and I finally gave up when it appeared that pressures on the committee prevented any bill authorizing an equalization of tax rate from being favorably reported. I believe this action must be taken on the floor of the House.

I was not able to get the tax rate raised here in the District of Columbia. I think the only way we are going to get it raised is to refuse to approve the size of the Federal contribution that the Appropriations Committee has recommended. Then the District of Columbia is going to be forced, just as our local communities are forced, to increase their local revenues, through a fair and equitable tax rate.

A $2.30 property tax in the District of Columbia is ridiculous, regardless of what basis of assessment there is. Even with an assessment of $4,900,000 for a property that sold for $12 million, a $2.30 tax rate is not as much as I pay in my hometown for schools alone, not counting anything else.

I cannot in good conscience vote for a higher Federal contribution for the District of Columbia when the residents of the District of Columbia, the property owners, are not making a contribution comparable to what the people in my community are making. To me the only way we can correct this situation is to have the District of Columbia property owners subject to a tax and pay a tax that is equal to or comparable with what we are paying out in the country.

I am not objecting to the amount of the Federal contribution; I know that it has to be made, but I want it to be fair. To me it cannot be fair as long as the local people are not paying their fair share.

I am serving notice that I am going to vote against this bill today as a protest, if the $20 million figure is not reduced. I am not in position at this time to offer an amendment to cut the amount of the Federal contribution. I am working on an amendment which I hope will make the tax-rate increase mandatory.

I tried to go through the hearings. I notice there is an inconsistency in this report on page 12 where it shows a statement of revenue, general highway funds, and so forth, for the various years, and it sets out for 1957 estimate of property taxes for real estate as $44,750,000; 1958, $45,500,000; yet I turn over here to page 106 of the hearings and find that the figures were put in here at the request of the gentleman from Kentucky [Mr. NATCHER], as follows:

Mr. Commissioner, I wonder if you have inserted in the record at this point a table showing the total amount received from taxes on real estate for the past taxable year, and also for the years 1950 through the last taxable year.

The table inserted on this page shows that for the year 1956 the tax was $69,265,867.

There is a $20 million discrepancy in the two sets of figures. So you are not going to get anywhere trying to reconcile the figures.

The point I would like to make is that real property in the District of Columbia is not paying taxes comparable to amounts being paid on real estate in other sections of the country, and that is my reason for voting against the Federal contribution.

Mr. WILSON of Indiana. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. I take this time to direct the attention of the chairman of the subcommittee to page 35 of the bill, section 10, and I shall only read a part of it:

SEC. 10. All motor-propelled passenger-carrying vehicles (including watercraft) owned by the District of Columbia shall be operated and utilized in conformity with section 16 of the act of August 2, 1946 (5 U. S. C. 77, 78), and shall be under the direction and control of the Commissioners, who may from time to time alter or change the assignment for use thereof.

And we turn to page 36 and we find this language:

"Official purposes" shall not apply to the Commissioners of the District of Columbia or in cases of officers and employees the character of whose duties makes such transportation necessary, but only as to such latter cases when the same is approved by the Commissioners.

What I am trying to find out is what this applies to.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. RABAUT. It applies to the fireboat and to the police harbor boats. It applies only to boats.

Mr. GROSS. What does it do?

Mr. RABAUT. As the gentleman knows, the fire boat at times has gone down the river in display formation having the fountain afloat, and it refers to its use for display purposes.

Mr. GROSS. It goes no further than that? I assume what you are doing is striking "Official purposes" out of the restriction of the act of August 2, 1946, but are you not eliminating the restriction to official purposes for watercraft for other forms of transportation as well? I would like to have a good answer to this because I am sure it would go out on a point of order and I do not want to make a point of order if this language properly belongs in the bill and serves a useful purpose.

Mr. RABAUT. It is a tie-up to activities of the District because it says "whose duties" referring to the Commissioners "make such transportation necessary." It refers to the duties of the Commissioners to make transportation necessary. It is not for personal purposes.

Mr. GROSS. It says for official purposes. What do these words mean in relation to making available transportation.

Mr. RABAUT. It applies to the duties of the Commissioners. "Duties" is a reference to a position, not to anything personal. I think the language is proper.

Mr. GROSS. Are you not striking out the restriction which limits them to the use of this transportation for official purposes and saying they can use it at their pleasure?

Mr. RABAUT. No. They can use it for such operations as would come under their duties as Commissioners. It would be the same thing as if the mayor of a city ordered something to be done in the city that was for a certain purpose, but he might use it for some other purpose on some other occasion. This is more intimate to the District of Columbia than to any other city because of the great number of people who come here from the States of the Union who have, in reality, a real interest in the city.

Mr. GROSS. They could not use this transportation for personal purposes?

Mr. RABAUT. No. Where is the word "personal" used?

Mr. GROSS. I did not say it was, but the "official purpose" clause is removed.

Mr. RABAUT. The word "duty" is implied in there. It refers to their official positions as Commissioners.

Mr. GROSS. I would like to ask the gentleman another question. Is there any money for bridges provided in this bill?

Mr. RABAUT. No money is provided for bridges.

Mr. GROSS. What about the planning for the Constitution Avenue Bridge, is that in here?

Mr. RABAUT. That was provided in the past 2 or 3 years. Of course, they will continue to use money that was provided for the purpose.

Mr. GROSS. Is there money for the building or the planning of parkways to be built solely by Federal funds? I am getting more and more interested in this all the time as the result of the $15 million bridge voted last year, the $10½ million bridge voted a couple of hours ago, and maybe $25 million for the Constitution Avenue Bridge next year. I am really getting interested now.

Mr. RABAUT. We just carry out the actions of this House.

Mr. GROSS. I know, but I have to vote on this bill sooner or later and I would like all the information I can get.

Mr. RABAUT. We are going to give it to the gentleman in a minute.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. RABAUT. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. GROSS. I thank the gentleman.

Mr. RABAUT. Does the gentleman have the hearings?

Mr. GROSS. Yes.

Mr. RABAUT. Refer to page 649.

Mr. GROSS. Six hundred and forty-nine?

Mr. RABAUT. The Southwest Freeway; the Anacostia Freeway; east-west crossing Soldiers' Home; Dean Avenue; east-west crossing, park Place to Klingle Road; Rhode Island Avenue; North Capitol Street; Michigan Avenue NE.; Vermont Avenue; Park Place; 14th and 17th Streets NE. and SE.; Bladensburg Road, 24th Street to the District line; Alabama Avenue SE.; Nichols Avenue to 12th Street; and so on. Everything here is within the District of Columbia.

Mr. GROSS. And being built out of Federal funds, is that correct?

Mr. RABAUT. Financed by the District of Columbia, just the same as the division is between the States and the Federal Government.

Mr. GROSS. Well, then, it is not financed by the District of Columbia.

Mr. RABAUT. It is partly financed by the District of Columbia, just as it would be in my State or yours.

Mr. GROSS. Ninety-ten, sixty-forty, or fifty-fifty?

Mr. RABAUT. It depends on the project.

Mr. GROSS. Yes, I understand. Is the bridge across the Anacostia River completed?

Mr. RABAUT. Yes.

Mr. GROSS. What was the total cost, does the gentleman know, of that bridge?

Mr. RABAUT. About $13 million.

Mr. WILSON of Indiana. That's about right.

Mr. Chairman, I have no further requests for time.

Mr. RABAUT. The Clerk may read.

The Clerk read as follows:

DEPARTMENT OF GENERAL ADMINISTRATION

Department of General Administration, including District government employees' compensation; administrative expenses, workmen's compensation, to be transferred to the Bureau of Employees' Compensation for administration of the law providing compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia; unemployment compensation for District government employees; rental of postage meters; and affiliation with the National Safety Council, Inc.; $4,525,000, of which $130,000 shall remain available until expended and $75,190 shall be payable from the highway fund, $15,000 from the water fund, $2,950 from the sanitary sewage works fund, and $800 from the motor vehicle parking fund: *Provided*, That this appropriation shall be available for advertising, for not more than once a week, for 2 weeks in the regular issue of 1 newspaper published in the District of Columbia, the list of all taxes on real property, water charges, sanitary sewer service charges, and all special assessments, together with penalties and costs, in arrears, the cost of such advertising to be reimbursed to the general fund by a charge to be fixed annually by the Commissioners for each lot or piece of property advertised: *Provided further*, That this appropriation shall be available for refunding, wholly or in part, school tuition, lost library books, building permits, cigarette and alcoholic beverage tax stamps, occupational and professional fees which have not been earned, and other payments which have been erroneously made during the present and past 3 years: *Provided further*, That the unexpended balance of the appropriation for District government employees' compensation contained in the District of Columbia Appropriation Act, 1957, under the head of "Compensation and retirement fund expenses" shall be transferred to this appropriation for the same purpose as appropriated: *Provided further*, That, for the purpose of assessing and reassessing real property in the District of Columbia, $10,000 of this appropriation shall be available for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), but at rates for individuals not in excess of $100 per diem.

Mr. McMILLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 4, line 20, strike out "$4,525,000" and insert "$4,424,000."

Mr. McMILLAN. Mr. Chairman, the reason I am offering this amendment is that I expect to offer an amendment on page 10 increasing the amount for the Police Department in the same amount. You will note, if you read the report of the hearings, that an increase was made for this Department of $725,000, and it semes to me that we could at least permit the Police Department to use $100,000 of that amount.

I have a chart before me showing that the Police Department of Washington has done one of the finest jobs of any police department in the United States. Crime has decreased here by 14 percent, while it has increased throughout the United States by 18 percent. I just cannot understand why their appropriation should be reduced at this time. I am certain that every Member of this House from time to time has had an opportunity to call on the Police Department here for assistance. Just last week I had four schools visit the District of Columbia. The Police Department helps to take care of all of these schools, and they tell me they assist with all the schoolchildren that come here and try to protect them.

On last Saturday night one of my constituents, working for the Department of Agriculture, was walking up 14th Street just after dark on her way up to Hahn's shoestore to buy a pair of shoes. Some man walked up behind her and caught her by the neck and threw her to the sidewalk. She screamed so loud that the man ran. However, the Police Department was good enough and efficient enough to catch this man.

Now, for that type of service we should surely try to reward the Department and not take money away from them. I want to compliment the gentleman from Michigan [Mr. RABAUT], the chairman of this fine subcommittee, and all the members of his subcommittee for the cooperation they have given my committee. Mr. Chairman, I have been a member of the House District Committee for 18 years. I have never known a committee to give us better cooperation than this subcommittee of the Committee on Appropriations. The chairman of the subcommittee called me and advised me concerning certain provisions of proposed legislation on this bill. Because he was so good as to tell me about that, I am not going to make any point of order on any of these provisions for proposed legislation on this appropriation bill.

I do not believe there is anyone in this House who would object to reducing the fund for General Administration by $101,000 and adding that amount to the Police Department, whose funds were reduced by $101,000. I do not want to vote to increase the total of this appropriation bill. But with all the experience that I have had with the District Government I think the Department of General Administration can take a little reduction. Just a few years ago the committee of which I have the honor to be chairman created this Department of General Administration with the understanding that the expenses of the District government would be reduced. I have a statement here from the District government showing that since that time expenses have increased approximately $62 million. I realize that $35 million of that amount was for salary increases and other increases provided by law. This Department of General Administration seems to have a number of high-priced officials and some of them could be spared much more easily than we could spare one policeman. I realize that the Police Department has not recruited up to the 2,500 strength, but the chief has told me that he has been working some of his men 1 extra day a week, 6 days instead of 5 days, which is the reason we have the efficient force that we have today. The Department requires the total of the appropriation which was requested.

I hope that this Committee will approve my amendment so that we may, in turn, when we get to page 10 of the bill, vote to provide the Police Department the same amount of increase, without changing the total amount in this appropriation bill.

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not rise actually to strike out the last word, but I use that technical expedient in order to get the floor.

I wish to call the attention of the House to the fact that this Committee has under consideration an appropriation bill, amounting to a total of $192,530,300, for the financial operation of the District of Columbia Government—a sizable sum, Mr. Chairman, at any time, a most sizable sum indeed at a time when the country is demanding economy.

I looked around the House 2 minutes ago and found that there were just 62 Members on the floor. One has come in since I counted and one has left. I am going to make the point of no quorum, and shall continue to insist on a quorum throughout the sessions, when we are in the second stage of reading for amendment, any appropriation bill. I think it is shocking to find less than 70 Members on the floor of the House when we are talking about spending $192 million.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[ROLL No. 53]

Adair	Ashley	Bass, N. H.
Alexander	Aspinall	Baumhart
Alger	Bailey	Becker
Anderson, Mont.	Barden	Bentley
	Barrett	Betts
Boland	Elliott	Magnuson
Bosch	Engle	Martin
Bowler	Farbstein	Morano
Boykin	Fino	Moulder
Breeding	Flynt	Osmers
Brown, Mo.	Fogarty	Patterson
Buckley	Frazier	Philbin
Burdick	Friedel	Powell
Byrne, Pa.	Fulton	Prouty
Cannon	Garmatz	Reece, Tenn.
Carrigg	Grant	Rogers, Colo.
Cederberg	Green, Pa.	Rogers, Tex.
Celler	Gregory	Roosevelt
Chenoweth	Gubser	Sadlak
Chudoff	Gwinn	Santangelo
Clark	Harris	Scrivner
Coffin	Healey	Simpson, Pa.
Coudert	Hillings	Smith, Miss.
Cramer	Holtzman	Spence
Cretella	Jackson	Springer
Davis, Tenn.	Jenkins	Steed
Dawson, Ill.	Kearney	Teller
Delaney	Keating	Thornberry
Derounian	Kelly, N. Y.	Walter
Dies	Keogh	Whitten
Diggs	Kluczynski	Willis
Dollinger	Lane	Wilson, Calif.
Donohue	Latham	Withrow
Dooley	Lennon	Young
Dorn, N. Y.	McConnell	Zelenko
Durham	McCormack	
Eberharter	McCulloch	

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. PRICE, chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the bill, H. R. 6500, and finding itself without a quorum, he had directed the roll to be called when 321 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The committee resumed its sitting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. McMILLAN].

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from South Carolina [Mr. McMILLAN].

Mr. Chairman, I dislike to find myself in disagreement with my distinguished friend from South Carolina, chairman of the Committee on the District of Columbia, who is one of the able Members of this House and my very good friend.

Mr. Chairman, the amendment offered by my distinguished friend from South Carolina reduces the amount on page 4 of the bill, $101,000. That is the general fund item.

Then, as pointed out by the gentleman, later on in the reading of this bill an amendment will be offered granting that $101,000 to the Metropolitan Police Department.

Mr. Chairman, the Metropolitan Police Department in the District of Columbia, in my opinion, is one of the most efficient police departments in the United States. I say that advisedly. We have here in the District of Columbia, Mr. Chairman, one of the finest chiefs of police of any police department in the United States. As I pointed out to the committee in my general statement a few minutes ago, crime has decreased in the District of Columbia by some 18 percent which was brought about as the result of the fine Police Department we have in the District. But at the same time I want to point out to you that we recommend an appropriation for the Metropolitan Police Department of $18.1 million for the fiscal year 1958.

Now, what about 1957? In 1957 the Metropolitan Police Force received $13,773,000, almost $5 million less than the amount this bill carries. Then, Mr. Chairman, in 1956 the Metropolitan Police Force received $13,648,300; in 1955, $12,877,520; in 1954, Mr. Chairman, $12,608,683; in 1953, $10,097,000. So, Mr. Chairman, from 1953 up to this good day, the amounts appropriated for the Metropolitan Police Department have grown from $10,097,000 to $18,100,000.

Mr. Chairman, on May 9, 1956, Public Law 514 was passed by the Congress. Under this law, the minimum force of the District is now 2,500. Since that law was passed in May of 1956 an intensive recruitment program has been under way and only 35 men have been added to the force. Under this bill, regardless of the fact that there are only 2,261 members on the force, we recommend that the Congress appropriate $18.1 million, which will give the Metropolitan Police Force 2,400 man years.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from South Carolina.

Mr. McMILLAN. First I want to commend the gentleman for all the good work he has done and for the cooperation he has given my committee. I would be the last one to criticize any statement he made, but I think he should explain to the House that about $5 million of this was for salary increases that the Congress authorized.

Mr. NATCHER. I will say to my distinguished friend from South Carolina that last year, after the 1957 appropriation came onto the floor, we had a 1957 supplemental bill and under that bill $758,100 was appropriated for the Metropolitan Police Department. That carried the total force up to 2,492. With this intensive recruitment program under way they have only been able to add 35 men. They have 2,261 on the force today under an authorization of 2,500, and we have granted and recommended over $18 million.

Mr. Chairman, I hope that the amendment will be defeated.

Mr. WILSON of Indiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to add just a little to what my distinguished friend from Kentucky has said. In this bill we have allowed for 2,400 man years, which is getting pretty close to what they asked for. But, I think it means much more than that. I think if we actually recruited 2,500, we would lose an awful lot of experienced policemen, because we have provided for those men who have families and cannot give their families the standard of living they wish. We have men working on their days off. They are experienced people. If we did not leave some vacancies for these people, some would be compelled to quit their jobs and seek employment elsewhere. We find today that many of them are working in grocery stores, driving taxicabs, working 20 to 30 extra hours a week in order to give their family a little better standard of living. I hope we shall always leave room in the District police force for those experienced policemen to supplement their income and better their standard of living by working extra hours. I recommend that we approve this bill as it is and defeat the amendment of the gentleman from South Carolina.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. RABAUT. Mr. Chairman, would the gentleman yield to me for a unanimous-consent request?

Mr. DAVIS of Georgia. I yield to the gentleman from Michigan.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 6 minutes following the time of the gentleman from Georgia [Mr. DAVIS], 3 minutes to be allotted to the gentleman from Minnesota [Mr. WIER], and the balance of the time to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, I do not think the gentleman from Indiana [Mr. WILSON] has offered the solution which he felt he was offering with reference to this amendment. He has just pointed out the great advantage which accrues to the police department by giving these men an opportunity, these men who are already on the force, to put in this extra time. That is, indeed, a great advantage. But with $101,000 cut out of the police department funds, the committee has removed the opportunity for the chief to put these men on their beats in uniform and to make this extra time. That is the reason the gentleman from South Carolina [Mr. McMILLAN] has offered this amendment to cut $101,000 from the Department of General Administration, which is getting an increase of $741,000 for 1958 over 1957 so that, without increasing the appropriation under this bill $1 the police department may be given this $101,000 to do the very things which the gentleman from Indiana [Mr. WILSON] has said ought to be done all the time.

Too much cannot be said for the efficiency and the fine law-enforcement work which the Metropolitan Police Department is doing for the citizens of the District of Columbia. I know, because I headed a special committee to investigate crime in this district, which resulted in our passing 34 amendments to the criminal law of the District of Columbia, to assist the police department and the courts in enforcing the law in the District.

Chief Murray is one of the finest police chiefs I know of. I appreciated the remarks of the distinguished gentleman from Kentucky [Mr. NATCHER], when he talked about Chief Murray of the Metropolitan Police Department. They need the $101,000 very much to put these uniformed men on the beat. Chief Murray and other police officials will tell you that one of the greatest deterrents to crime is to have uniformed policemen on the beat.

Washington is one of the most crime-ridden cities in the United States. Every day the papers are full, and have been

for years, of news items concerning yoking, items where burglaries take place, where robberies take place, assaults and rapes and crimes of violence of every kind. There is no economy in cutting $101,000 out of the Police Department funds, when every dollar of it will be used, and the Chief says so, to put uniformed men on the beat.

I believe in economy, and I think the Members of this House know it. But this is not any place to economize when it means lessened law enforcement.

Mr. KEARNS. Mr. Chairman, would the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Mr. Chairman, I should like to associate myself with the gentleman in what he is telling the Committee, because it is absolutely the truth. I hope that this amendment will be agreed to.

Mr. DAVIS of Georgia. I thank the gentleman very much. I trust also that this amendment will be adopted and that the next amendment which the gentleman from South Carolina [Mr. McMILLAN] offers, to put $101,000 back into the Police Department funds, will be adopted. It will mean much better law enforcement in the District of Columbia.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER] for 3 minutes.

Mr. WIER. Mr. Chairman, as a member of the Committee on the District of Columbia, I join with my two colleagues and others of you from the District Committee who know from practical experience the very fine job that is being done by the Police Department of the District of Columbia.

I remember when it was not so good. About 3 years ago we had quite a shakeup in the District that has resulted in the Police Department's now being one of the best police forces in the United States.

I have watched with interest the activities not only of the Police Department, but the Department of Education, the Fire Department, and like services of the District. If there are any of these services that I would be here in the well to speak for today, it would be the Police Department and the $101,000 involved in this amendment.

We have the responsibility here in the District with these thousands of our youth from all over the Midwest and the East visiting this city. We have had some sad experiences in the District with these boys and girls that come here to spend 1, 2, or 3 days. If there is anything I want to see, it is that these youths are given every protection to which their parents, you, and I feel they are entitled.

Something has been said here about the doubling up, on extra duty by many present members of the force. Last year we not only decreed in the Congress that the Police Department should have a minimum of 2,500 members, but we also gave them a salary increase. They are about 35 men short of the 2,500, and that has been due to the fact that they have not been able to recruit the necessary 35 men. The result has been that the Chief has had to double up on many occasions.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield.

Mr. WILSON of Indiana. It is 271 short instead of 35.

Mr. WIER. When you count the doubled up men you come within the 35. That is the problem that is involved in this $101,000 more, that is, to give the men the 40-hour workweek that they have been given by the Department here, instead of doubling up these few men that want to go out and make some extra money. I thought we were providing a salary that was quite satisfactory to the Police Department; at least, they displayed their interest in the raise we gave them, without having to go out and drive taxicabs and work beyond their 40 hours.

So I urge and hope and pray that the House will sustain the amendment offered by the gentleman from South Carolina. I am sure you will get a good return from the Police Department of this community.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT] to close debate.

Mr. RABAUT. Mr. Chairman, it is proposed under the caption "Department of General Administration" to reduce the amount by $101,000 but eventually increase the funds available to the Police Department by the same amount. We have given the Department of General Administration the same amount of money they had last year. The sum truly is higher, but the increase includes $482,000 transferred into the Department from the old retirement fund appropriation. Also $206,500 for the civil service retirement fund, the increase for administrative expenses, workmen's compensation is $13,500, and so on. So you are going to go below the 1957 level and disturb the whole Department if you take the money out of this Department.

As to the Police Department, they have no better friends in this House than the members of this Appropriations Subcommittee. The Police Department under our appropriation has funds available for approximately 2,400 man-years of employment. Actually they have on the rolls only 2,260. So there is a difference of 140 man-years. The cost is about $4,200 per man. Multiplying $4,200 by 140, they have on hand extra funds at the present time under this appropriation of $588,000. They had $14,531,000 including the supplemental appropriation in 1957. This year we are recommending $18,100,000. When there is $18,100,000 involved and someone comes in and says, "I want $101,000 more" I think this House in its fine judgment, that it always has, will see the point of this committee who have done so much for the Police Department and for the elimination of crime. I hope that this amendment will be defeated.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time for debate on the pending amendment has expired.

The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. McMILLAN) there were—ayes 51, noes 67.

So the amendment was rejected.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I spoke a while ago about the Federal contribution in this appropriation bill, which is in the amount of $20 million. I also pointed out at that time that the tax rate for real estate in the District of Columbia is $2.30. I would like each Member to kindly recall what your tax rate is in your district. At the proper time, I am going to move to recommit this bill and to strike out the figure $20 million and substitute $11 million. I have decided to ask for this $9 million cut because they are anticipating real estate taxes of $45 million. With an increase of only 20 percent, which would bring the tax rate to $2.76, you could raise that $9 million through taxes on real estate and save the $9 million which the taxpayers of the whole Nation are forced to pay in order to give the taxpayers in the District of Columbia a free ride. Now, if you want to get some economy, and if you want to treat the people in the District of Columbia like you treat the people in your own hometown, you will vote for the motion to recommit when it is offered.

Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

METROPOLITAN POLICE

Metropolitan Police, including the inspector in charge of the traffic division with the rank and pay of deputy chief; one captain who shall be assigned to the traffic division with the rank and pay of inspector; one inspector who shall be property clerk; the lieutenants in command of the homocide squad, robbery squad, general assignment squad, special investigation squad, with the rank and pay of captain while so assigned; the detective sergeants in command of the automobile squad, and the check and fraud squad with the rank and pay of lieutenant while so assigned; the present acting sergeant in charge of police automobiles with the rank and pay of sergeant; the present lieutenant in charge of purchasing and accounts with the rank and pay of captain; the lieutenant in charge of the Metropolitan Police Boys' Club with the rank and pay of captain; not to exceed one detective in the salary grade of captain; civilian crossing guards including uniforms and equipment, at rates of pay and hours of employment to be fixed by the Commissioners; compensation of civilian trial board members at rates to be fixed by the Commissioners; allowances for privately owned automobiles used by deputy chiefs and inspectors in the performance of official duties at $480 per annum for each automobile; relief and other allowances, as authorized by law, for policemen; rewards for fugitives; photographs, rental, purchase, and maintenance of radio and teletype systems; expenses of attendance, without loss of pay or time, at specialized police training classes and pistol matches, including tuition and entrance fees; expenses of the police training school, including travel expenses of visiting lecturers or experts in criminology; expenses of traffic school; official equipment, including cleaning, alteration and repair of articles transferred from one individual to another,

or damaged in the performance of duty; purchase of passenger motor vehicles; and the maintenance of a suitable place for the reception and detention of girls and women over 17 years of age, arrested by the police on charge of offense against any laws in force in the District of Columbia, or held as witnesses or held pending final investigation or examination, or otherwise; $18,100,000, of which amount $1,952,850 shall be payable from the highway fund and $88,600 from the motor vehicle parking fund, and $35,000 shall be exclusively available for expenditure by the Chief of Police for prevention and detection of crime, under his certificate approved by the Commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

Mr. McMILLAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN: On page 10, line 7, after "otherwise", strike out "$18,100,000" and insert "$18,201,000."

Mr. McMILLAN. Mr. Chairman, I rise to try to give our magnificent Metropolitan Police force some encouragement. I agree with the chairman of the committee that they have been treating the Police Department in a good manner and I am certain there is no intention on their part to cripple them, but with conditions as they are in the District of Columbia, and I am in a position to know, we need all the policemen we can get and all the encouragement we can give our Chief of Police.

I do not think anyone can vote against this amendment of additional funds for the Chief of Police.

I want to show you a chart and show you how crime has been reduced during the past year since we increased the force to 2,500, while every section of the United States on the average crime was increasing by 18 percent. We all know that the District government cost has increased in the last 3 years in the amount of $62 million. About $35 million of that was for salary increases that this Congress granted. I can see no reason for us to squabble over an additional $101,000 for the Police Department, which everyone agrees is doing a good job. If the Chief of Police can handle the situation with 2,500, by giving the men who are working 5 days a week an extra day, with the success that he has secured by this method, I see no reason why you should vote against the amendment.

I hope this committee will vote for this amendment and show the Chief of Police in Washington that we are 100 percent behind him. The following figures should prove to you that general administration plan is not reducing the budget as we were promised when the act was passed.

Mr. Chairman, at this point in the RECORD, I am including some figures which show the trend of expenditures in the Government of the District of Columbia since 1953. I am wondering if the Appropriations Committee questions the new Department of General Administration officials relative to this extraordinary increase in expenditures here in the city of Washington.

The total appropriation for the District of Columbia for the fiscal year 1957 was $198,299,121. This amount comprises appropriations made for both operating costs and capital items for the general fund and the four special funds of the District. These special funds are the highway, water, sanitary sewage works, and the motor-vehicle parking funds.

The appropriation for the fiscal year 1953 for the same purposes was $137,173,813, which represents an increase of $61,125,308, or 44.6 percent.

Capital items appropriated for in 1957 amount to $48,110,029, as compared with $22,232,200 in 1953, an increase of $25,877,829, or 116.4 percent. This is mainly because of the borrowing program authorized for the highway, water, and sanitary sewage works funds. There was $175,765,000 appropriated during the 5 years 1953 through 1957, of which $45,787,000 was borrowed under authorization by Congress—Public Law 364, 83d Congress. This was the result of the public works program proposed by the Commissioners and approved by the Congress in this same public law.

The operating appropriations for the District in 1957, including all funds, were $150,189,092, as compared to $114,941,613 in 1953, an increase of $35,247,479, or 30.7 percent. This increase was distributed $30,373,904, or 29.0 percent increase in the general fund; $2,077,100 or 36.3 percent increase in the highway fund; $814,370 or 18.6 percent increase in the water fund; $1,707,366 or 100 percent increase in the sanitary sewage works fund—this fund was established in fiscal year 1955—and $274,739 or 206.5 percent increase in the motor-vehicle parking fund.

Of the $35,247,479 increase in operating expenses, $18,481,305 was recurring costs due to beneficial legislation for employees. This amount is composed of the following actions:

Police and fire salaries were increased in 1954 and again in 1955 at an annual cost of $3,872,547 and increased benefits to retired policemen, firemen, widows, and minor dependents in 1954 and 1955 resulted in further annual costs of $773,000.

Teachers' salaries were increased in 1954 and 1955 at an annual cost of $4,535,668.

Wage-scale employees salaries were adjusted in 1954, 1955, 1956, and 1957 at a total annual cost of $2,942,926.

Classified employees received a salary increase in 1955 and costs of the fringe benefits and judicial salary increases added another annual cost of $3,736,264.

Group life insurance and the District's contribution to the teachers' and civil-service retirement fund accounts during this period resulted in an annual increased cost of $1,655,900.

These increases are common to all funds in most respect except for the police, fire, and teachers. Fifteen percent of the increases of the police salary increases and additional force are chargeable to the highway fund. The balance of the policemen's cost, as well as those for the firemen and teachers, are charges of the general fund.

The remaining $16,766,174 increase in operating expenses result from the following:

Increases in costs of United States courts	$700,000
Increases in care of District of Columbia insane at St. Elizabeths Hospital	1,550,000
Expansion of police force to 2,500 men, staffing of new welfare institutions, hospital facilities, additional fire stations, housing code enforcement, and other necessary personnel increases	5,138,134
Reallocations (approximately)	1,000,000
Additional supplies for operating requirements and for new institutions, cost of annual step increases in salaries, rising prices for materials, etc	8,378,040

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment. As I pointed out a few minutes ago, I dislike to find myself in opposition to my distinguished friend from South Carolina [Mr. McMILLAN], but I think it is necessary that I point out to the Members of this body that on May 19, 1956, the Congress passed Public Law 514. Under that law the total authorized force for the Metropolitan Police Department was increased to 2,500. In other words, the minimum force was established under that law at 2,500.

At the time that law was passed, in the District of Columbia they had 2,226 members on the police force. Since that law was passed an intensive recruitment program has been under way but there has been a net increase of only 35 men to the force. Right at this time they have 2,261 members on the force.

I say to you, Mr. Chairman, we recommend under this bill approximately 2,400 man-years of employment. The $18,100,000 recommended under this bill provides for 2,400 man-years.

This $101,000 amendment, Mr. Chairman, simply increases the total of this bill by that amount. As I pointed out a few minutes ago, I think Chief Murray is a fine Chief of Police, and I say to you advisedly that the Police Department here in the District of Columbia is one of the finest police departments in the United States of America. I also say to you that since I have been a member of this subcommittee we have done everything we could to help the Police Department.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Do I understand that they have more money than they have spent?

Mr. NATCHER. I say that at the present time the police force numbers 2,261 men.

Mr. HOFFMAN. How much is provided in the bill?

Mr. NATCHER. The amount provided in this bill is for approximately 2,400 man-years of employment.

Mr. HOFFMAN. I thank the gentleman.

Mr. NATCHER. I say to you, Mr. Chairman, that if the Police Department of the District of Columbia could be 2,500 members I would be for that number,

but I say to you if you increase this bill $101,000 they will not be able to use it.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. RABAUT. I just want to say in addition to what the gentleman has said that the balance in the general fund of the District of Columbia is $154,900. If this amendment should pass it would reduce the cushion for the District to a figure of $53,900. That is too close to the bottom.

This amendment should be defeated.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. WIER. I want to clear up some of these figures about man-years.

The facts are as the gentleman has said that we figured last year on a 2,500 minimum police force.

Mr. NATCHER. That is right.

Mr. WIER. The gentleman then reported that we had about two-thousand-and-two-hundred-some-odd members on the force.

Mr. NATCHER. If the gentleman will permit me I will read Chief Murray's statement.

Mr. WIER. I am just getting at the man-years' cost. You are doubling up on the amount.

Mr. NATCHER. If the gentleman will permit me I will read Chief Murray's statement. It is found at page 380 of the hearings. I read the following figures on personnel:

	Number of men
Total force, June 30, 1956	2,226
Appointed to the force	+136
Returned from military leave	+2
Transferred from White House Police	+1
Resigned	−59
Retired	−26
Dismissed or dropped during probation	−6
Separated to military leave	−2
Transferred to White House Police	−8
Deceased	−3

Mr. WIER. Let me ask the gentleman one more question. Is this not $101,000 less in your budget than the Chief requested?

Mr. NATCHER. If this $101,000 amendment is adopted it would give the Metropolitan Police Force $18,201,000. That would be $101,000 more than we recommend, and it would be a smaller amount than requested; yes.

Mr. WIER. The answer to that is "Yes"?

Mr. NATCHER. The answer to that is "Yes."

Mr. WIER. It is $101,000 less than the Chief requested?

Mr. NATCHER. I would like to point out to the Members of the House that we have 2,261 men on the force, we are recommending an appropriation bill that carries money for 2,400. I say to you it is not good practice; it is not good procedure to appropriate an amount of money to any department that does not have the full complement of employees. You, Mr. Chairman, know that in the case of other departments of the Federal Government under no circumstances would you do it. We have a fine police department. The crime wave is down 18 percent and the visitors who come to the Nation's Capital can walk the streets during the day and early evening hours with safety. They are doing a good job and I say to you we are appropriating an adequate amount.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Michigan.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 3 minutes after the gentleman from Georgia has completed his statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, I know something about this authorized strength and the manner in which it has been utilized because I introduced the bill which brought the authorized strength from 2,250 to 2,500.

The Committee on the District of Columbia of the House went into this question very thoroughly and determined that this increase in authorized strength was needed. The House considered the matter very carefully when the bill was before the House for consideration. The membership of the House and the Senate decided that the crime situation in the District of Columbia necessitated that increase.

It has been determined beyond any question of doubt that the Metropolitan Police Force ought to have 2,500 policemen working to enforce the law in the District of Columbia. I do not think there is any Member who doubts that that strength is needed, the 2,500 policemen in the District of Columbia.

Now, what is the actual situation? Let us have a look at it. The gentlemen on the subcommittee who brought in this bill say that they are authorizing 2,400 man-years. Two thousand five hundred man-years is the number that has been determined to be needed. They may have only 2,261 men on the force, as is shown on page 380 of the hearing, but Chief Murray has been doing his best to protect the lives, the liberty, and the property of the people of the District of Columbia by putting men who are already on the force on an extra day over their 5-day week and paying them the regular price, not overtime, just their regular salary, and letting them work this extra day. That is how they have had 2,400 man-years. They could not have 2,400 man-years with 2,261 employees except by doing that.

They had this $101,000 in the bill this year. Is the crime situation here in the District of Columbia such that we can afford to cut $101,000 off of what they had to spend in order to have uniformed men on the streets this year? The crime situation beggars my command of the English language to describe. You who read the newspapers know what goes on here. How could it occur to anyone that we can afford to cut $101,000 off the uniformed force on the beats here with the crime situation such as it is in the District of Columbia? It is beyond me.

The gentleman from Kentucky told you what Chief Murray said as to the strength of the police department, but he did not tell you what he said about his recommendation to increase it. He said that they need not $101,000 but $360,774 for full employment during the fiscal year 1958.

If this $101,000 is put in there, they still will not have enough to bring them up to full employment. He said in his testimony before the committee that they need $360,744 and that is shown on page 379 of the hearings.

Now, are we playing fair when we cut down the strength of the police force here? You are simply inviting more crime and you are telling the dope fiends and the robbers and the burglars and the attackers and those who commit crimes of violence in this District that we are cutting down and we are crippling the force this coming year by $101,000.

I think it is a dangerous thing to do, and I want to raise my voice again to say that this $101,000 ought not to be cut from the police fund this year.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, there are 28 items in this bill plus the capital outlay and only in one case is there lacking a cut in the budget estimates. That is in the estimate for the National Guard.

This is a year when we here are crying for economy. You hear it in the halls and it echoes in this Chamber. We have proved to you here this afternoon that the Police Department has been unable to recruit the manpower with the money we have given them. As a result they are assigning voluntarily their own people on their off days.

That brings about the matter to which the gentleman from Minnesota [Mr. WIER] addressed himself about man-years and expenditures. Man-years are based on the 8-hour day. Now, if this $101,000 is allowed for the Police Department, you are going to take it under the language of the amendment from the balance in the general fund which is, under our bill, $154,900. Is there anybody in this room that thinks that the government of the city of Washington should have a cushion of but $53,900? That is where you leave them. That is where you leave them if you pass this amendment.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from South Carolina.

Mr. McMILLAN. I have full confidence in the chairman, as I have stated several times today. He has been very cooperative. He stated that there was only one item that was increased, and I was wondering about the operating expenses.

Mr. RABAUT. Under what caption?

Mr. McMILLAN. Operating expenses. In the Department of General Administration you have $741,000 with a plus before it. What do you mean by that?

Mr. RABAUT. I do not know what you are talking about.

Mr. McMILLAN. The report.

Mr. RABAUT. What page?

Mr. McMILLAN. Page 2. I think that puzzles some of us.

Mr. RABAUT. Operating expenses? Well, we had an appropriation for 1957 of $323,000 for the executive office. We have an estimate for 1958 of $373,800. Now, some of those increases are mandatory. Is that what the gentleman is talking about?

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. McMILLAN].

The question was taken; and on a division (demanded by Mr. McMILLAN) there were—ayes 44, noes 59.

Mr. McMILLAN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

PUBLIC WELFARE

Department of Public Welfare, including relief and rehabilitation of indigent residents, maintenance pending transportation of indigent persons, burial of indigent residents of the District of Columbia, temporary care of children while being transferred from place to place, care of women and children in institutions, including those under sectarian control, burial of children dying while beneficiaries under this appropriation, repairs and improvements to buildings and grounds, purchase of passenger motor vehicles, transportation between Children's Center and Laurel, Md., of schoolchildren of employees residing on the reservation, maintenance of a suitable place of detention for children under 18 years of age arrested by the police on charge of offense against any laws in force in the District of Columbia or committed to the guardianship of the Department of Public Welfare, or held as witnesses or held temporarily, or pending hearing, or otherwise, and male witnesses 16 years of age or over shall be held at the District of Columbia General Hospital, subsistence in lieu of salary for employment of persons for the purpose of securing training and experience in their future vocations, supervision of students performing voluntary services for the purpose of obtaining training and experience in their future vocations, compensation of consulting physicians and veterinarians at rates to be fixed by the Commissioners, and care of boys committed to the National Training School for Boys by the courts of the District of Columbia under a contract to be made by the Commissioners or their designated agent with the Attorney General at a rate of not to exceed the actual cost for each boy committed, $12,450,000: *Provided*, That when specifically authorized by the Commissioners this appropriation may be used for visiting any ward of the Department of Public Welfare placed outside of the District of Columbia and the States of Virginia and Maryland: *Provided further*, That employees using privately owned automobiles for the transportation of indigent persons or the placing of children may be reimbursed as authorized by the act of June 9, 1949 (63 Stat. 166), but not to exceed $900 for any one individual.

Mr. HOFFMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. My point of order is with reference to the language on page 16, line 9, beginning with the word *"Provided"* down to and including the word "Maryland" on line 13. That is legislation on an appropriation bill in that it requires additional duties of the Commissioners and also is unlimited as to amount. It may be used in visiting any ward of the Department of Public Welfare anywhere in the United States. The language says outside the District of Columbia and the States of Virginia and Maryland. That would permit them to travel anywhere.

The CHAIRMAN. Does the gentleman from Michigan [Mr. RABAUT] desire to be heard on the point of order?

Mr. RABAUT. Mr. Chairman, this language has been carried in the bill for probably 4 years. The language itself indicates its purpose. If the gentleman insists on his point of order, I will have to concede the point of order.

Mr. HOFFMAN. Mr. Chairman, of course I insist on the point of order; otherwise I would not have made it.

Mr. RABAUT. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

NATIONAL GUARD

National Guard of the District of Columbia, including compensation to the commanding general at not to exceed $11,600 per annum; attendance at meetings of associations pertaining to the National Guard; expenses of camps, and for the payment of commutation of subsistence for enlisted men who may be detailed to guard or move the United States property at home stations on days immediately preceding and immediately following the annual encampment; reimbursement to the United States for loss of property for which the District of Columbia may be held responsible; cleaning and repairing uniforms, arms, and equipment; instruction, purchase, and maintenance of athletic, gymnastic, and recreational equipment at armory or field encampments; practice marches, drills, and parades; rents of armories, drill halls, and storehouses; advertising incident to recruiting; care and repair of armories, offices, storehouses, and machinery; alterations and additions to present structures; purchase of one passenger motor vehicle for replacement only; construction of buildings for storage and other purposes; $155,300.

Mr. GROSS. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order.

Mr. WILSON of Indiana. I object, Mr. Chairman.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seven Members are present, a quorum.

Mr. GROSS. Mr. Chairman, I wonder why, in the light of some things that are happening over the world, there is an appropriation in this bill or any other bill for the support of the National Guard or any other military forces in the amounts we are expending.

I noticed in yesterday's paper a Reuters dispatch from London from which I should like to quote briefly:

A trade mission representing five British rubber machinery manufacturers and electrical engineering firms returned here tonight from Moscow—

That is, returned to London from Moscow—

with an order from the Soviet Union worth "many millions."

J. G. Mackay, 51, technical director of Francis Shaw & Co., Ltd., of Manchester, led the delegation.

When completed—

Said Mr. Mackay—

this tire factory to be built in Russia will be the largest in the world outside the United States.

It was my belief that rubber was on the strategic list, yet the British are going over to Russia to build and equip, by their own admission, the biggest tire factory outside the United States.

What are we doing appropriating for the National Guard in the District of Columbia or anywhere else, if there is no longer any danger of war from Russia? That must be the case if the British are going to build up Russian industry.

Then I note in today's New York News a story which is headed as follows:

BRITISH TO CUT UPPER BRACKET TAX

LONDON, April 7.—A substantial cut in the income tax levied on Britain's hard-hit upper and middle classes is expected to highlight Tuesday's annual budget.

Earlier this afternoon a bill was reported to the floor of the House, and it will probably be called up later this week or next, to waive the interest and principal payments on the huge debt owed to the United States by Great Britain. In other words, you are going to be called upon to forget and forgive the British interest payment now due and overdue on their debt to the United States, plus the principal payments.

Mr. HOFFMAN. We would not need so much for the National Guard if they would pay that.

Mr. GROSS. That is exactly right.

You are going to be confronted very shortly with economy in reverse, that is, aid the British so they can reduce the taxes on their upper class citizens and finance the building of the biggest tire plant outside the United States, in Russia. You can vote any way you choose, but I am going to vote against it. I am against the waiving of these interest and principal payments.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HOFFMAN. What about Great Britain cutting her armed forces? Would that not lessen the necessity of the National Guard appropriation here in the District of Columbia?

Mr. GROSS. It certainly ought to—that is the point I am trying to make and I thank my friend from Michigan.

Mr. HOFFMAN. And there are some other things too, which the gentleman has not cited, which I am sure he has in mind.

Mr. GROSS. Mr. Chairman, I yield back the balance of my time. In due time we will get to those other things which the gentleman mentioned.

The Clerk read as follows:

PUBLIC BUILDING CONSTRUCTION

Capital outlay, public building construction: For acquisition of public school sites; preparation of plans and specifications for the following buildings: Elementary school in the vicinity of 10th and F Streets NE., branch library building in Fort Davis, training school for Fire Department at Blue

Plains, warehouse and utility buildings replacement at District of Columbia Village, utility building at Glenn Dale Hospital, and school building at District Training School; erection of the following structures, including building improvement and alteration and the treatment of grounds: Elementary school in the vicinity of Texas Avenue and C Streets SE., Taft Junior High School addition, senior high school in the vicinity of Congress Heights area Southeast, elementary school in the vicinity of Mount Olivet Road and Holbook Street NE., Payne Elementary School addition, Moten Elementary School addition, branch library building in Washington Highlands, remodeling three structures for use as dormitories, and a chapel at the Reformatory, dormitory and addition to the hospital at the Workhouse, and a laundry addition at District of Columbia Village; improvement of sewage disposal plant; equipment for new buildings; survey of mechanical and utility services at District of Columbia General Hospital; purchase of new fireboat; improvement of various recreation units, including preparation of architectural plans and erection of recreation structures without regard to the act of August 24, 1912 (40 U. S. C. 68); $590,900 for purchase of equipment for new school buildings; and permanent improvement of buildings and grounds (including purchase and installation of furnishings and equipment, elimination of fire hazards, and road construction) of schools, firehouses, hospitals, welfare institutions, and other District of Columbia buildings; to remain available until expended, $10,498,000 of which $4,803,000 shall not become available for expenditure until July 1, 1958, and $569,475 shall be available for construction services by the Director of Buildings and Grounds or by contract for architectural engineering services, as may be determined by the Commissioners, and the funds for the use of the Director of Buildings and Grounds shall be advanced to the appropriation account, "Construction services, Department of Buildings and Grounds."

Mr. RABAUT. Mr. Chairman, I offer an amendment.

Amendment offered by Mr. RABAUT: On page 25, line 20, after the word "Northeast," insert "warehouses for public schools and Department of Buildings and Grounds (including shop facilities and record center) in the vicinity of Adams Street and Queens Chapel Road NE."

Mr. RABAUT. Mr. Chairman, the committee denied construction funds for these two projects, but allowed funds for the plans and specifications. This amendment provides language to allow the District of Columbia government to use the funds provided for the purposes named in the amendment. It is a good amendment and it is a corrective amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. RABAUT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: On page 27, line 7, after the word "Grounds" and before the period, insert "*Provided*, That the provision contained in the District of Columbia Appropriation Act of 1918 prohibiting the construction of any buildings at Gallinger Municipal Hospital that would interfere with the future extension of Massachusetts Avenue is hereby repealed."

Mr. RABAUT. Mr. Chairman, this amendment is self-explanatory and arises as the result of committee investigation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6500) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The amendments were agreed to.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. JONES of Missouri. Mr. Speaker, I offer a motion to recommit.

Mr. WILSON of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman from Indiana opposed to the bill?

Mr. WILSON of Indiana. I am.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion.

The Clerk read as follows:

Mr. WILSON of Indiana moves to recommit the bill H. R. 6500 to the Committee on Appropriations.

Mr. JONES of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JONES of Missouri. When a Member makes a motion to recommit and the Chair asks him if he is against the bill, would the proceedings during the afternoon when he is for the bill——

The SPEAKER. The Chair never questions a Member about his motives or whether or not he is telling the truth.

Mr. JONES of Missouri. I was just asking for information.

The SPEAKER. The gentleman from Indiana offered a motion to recommit. The motion always goes to the minority if they desire it, and the gentleman qualified by saying he was opposed to the bill.

Mr. JONES of Missouri. I was just trying to get some information.

CALL OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Adair	Dies	Kluczynski
Alexander	Diggs	Krueger
Alger	Dollinger	Lane
Anderson, Mont.	Donohue	Latham
	Dooley	Lennon
Andresen, August H.	Dorn, N. Y.	McConnell
	Doyle	McCormack
Aspinall	Durham	McCulloch
Barden	Eberharter	Magnuson
Barrett	Elliott	Martin
Bass, N. H.	Engle	May
Baumhart	Fallon	Morano
Becker	Farbstein	Patterson
Bentley	Fino	Philbin
Betts	Flynt	Powell
Bosch	Fogarty	Reece, Tenn.
Bowler	Frazier	Rogers, Mass.
Breeding	Friedel	Rogers, Tex.
Brown, Mo.	Fulton	Roosevelt
Buckley	Garmatz	Sadlak
Byrne, Pa.	Grant	Santangelo
Carrigg	Green, Pa.	Scrivner
Celler	Gregory	Simpson, Pa.
Chenoweth	Gubser	Spence
Chudoff	Gwinn	Springer
Clark	Harris	Teller
Coffin	Healey	Thornberry
Coudert	Holifield	Vursell
Cramer	Holtzman	Walter
Cretella	Jackson	Williams, Miss.
Cunningham, Nebr.	Kearney	Wilson, Calif.
	Keating	Withrow
Davis, Tenn.	Kelly, N. Y.	Young
Delaney	Keogh	Zelenko
Dellay	Kilburn	

The SPEAKER. On this rollcall 326 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

SECRETARY BENSON'S ATTACK ON THE DEMOCRATS

Mrs. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Mrs. KNUTSON. Mr. Speaker, an article in Post Scripts of the Washington Post and Times Herald of this morning mentioned Secretary Benson's slambang attack on the Democrats here and included a statement that he was preparing to ask Congress to "kill all mandatory farm-price supports." The article stated "He has never liked supports in any form."

It appears to me that Mr. Benson wants to kill all chances for Republican Congressmen in the Corn Belt. Certainly the farmers of America realize the

terrible impact on themselves as well as on our country as a whole by having the rug pulled out from under them. I should think Mr. Benson would have more sympathy and consideration for his colleagues in the Republican Party who come to Congress from the Corn Belt.

Under leave to extend my remarks, I wish to place this article in the CONGRESSIONAL RECORD so that those Republican Congressmen from the Corn Belt who have not seen it yet may read "and weep":

Agriculture Secretary Ezra T. Benson, normally a mild man, last week delivered a slam-bang attack on the Democrats at a political meeting here. Second-guessers are questioning his strategy since Congress is still in Democratic hands and another election is still a long way off.

Even more provocative was Benson's press conference announcement that he was preparing a Department statement to ask Congress to kill all mandatory farm-price supports.

He has never liked supports in any form, but his opposition has been more diplomatic in the past. Now he seems ready to ask for much greater flexibility than any Secretary in recent years has dared think was possible.

Whether the President or Republican leaders in Congress will permit Benson to make his request is doubtful. Most GOP farm Congressmen favor support programs in some form. They remember the seats lost last year and fear more trouble ahead in 1958 if Benson has his way.

A PROGRAM OF HEALTH INSURANCE FOR FEDERAL EMPLOYEES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I am today introducing a bill that is designed to bring the Federal Government up to date with private industry in making available to Federal employees and their dependents health-insurance benefits comparable to those provided employees in private industry, financed through payroll deductions and Government contributions.

While the major emphasis of the bill is to provide for basic health insurance to cover full costs of normal in-hospital medical and surgical care, provision is also made for a program of major medical benefits to cover exceptionally expensive medical conditions.

A central feature of the bill is free choice by the employee from among four alternative competing types of plans. The participant may elect to enroll in, first, a uniform national plan providing benefits on a "service" basis, along the Blue Cross-Blue Shield lines; second, a uniform national plan providing benefits on a "cash indemnity" basis, of the type underwritten by commercial insurance carriers; third, a plan sponsored or underwritten by a national association of Federal employees, where the employee is a member of such an association; or fourth, a group practice prepayment plan—such as the Health Insurance Plan of Greater New York—in those communities where such plans are locally available.

In keeping with the practice of private employers, to encourage and facilitate the broadest possible coverage, and to keep the cost within the means of the employees, the bill provides for a substantial Government contribution to the cost of the insurance. The Government will pay, in the case of active employees, one-half the cost of the basic plan and the full cost of the major medical benefits within stated limitations.

In recognition of the fact that retired employees cannot ordinarily obtain adequate health insurance protection except at prohibitive costs which their reduced incomes cannot normally support, provision is made for an increased Government contribution in the case of retired employees.

A health insurance fund will be established into which the Government contributions and sums from payroll deductions will be paid. All premiums or subscription charges will be paid from this fund which will also serve as the mechanism of advance funding for any added costs involved in the continuation of coverage after retirement.

To assure employees that they will have an adequate voice in the operation of the program, a Federal Employees Health Insurance Advisory Council will be established, the majority of which will be composed of employee representatives. The other members will be persons experienced in the operation of prepaid health programs.

I believe that this program is essential and will benefit not only the employee but the Government as well. With improved health and morale on the part of employees, greater efficiency will be achieved. In addition it will bring the Federal Government one step closer to the practices of private industry in the field of employee-employer relations, a field in which the Federal Government has been sadly lagging in many respects.

TO BRING APPELLATE PROCEDURES OF VETERANS' PREFERENCE ACT WITHIN SCOPE OF ADMINISTRATIVE PROCEDURES ACT

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I have introduced a bill to amend the Veterans' Preference Act of 1944 by bringing the appellate processes and provisions of said act within the scope of the Administrative Procedures Act.

The basic purpose of the bill is to strengthen the appellate procedures and provisions of the Veterans' Preference Act. Under existing procedure the Civil Service Commission has no authority to subpena witnesses and, consequently, a preference eligible appellant is unable to persuade agency employees, who have knowledge of the true facts, to voluntarily appear as a witness in the appellant's behalf. Under the rules of the Administrative Procedures Act the preference eligible appellant would also benefit from the exclusion of hearsay evidence or testimony submitted by an agency or department. The present civil-service rules governing admission of evidence are very loose and frequently operate to the disadvantage of the veteran appellant.

Under existing appellate procedures of the Veterans' Preference Act the hearing examiners of the Civil Service Commission, as well as members of the Board of Appeals and Review, exercise a quasi-judicial function when adjudicating appeals of veterans preference eligibles and this bill would provide additional safeguards for those hearings by bringing the appellate procedure of the Veterans' Preference Act under the Administrative Procedures Act.

ORGANIZATION FOR TRADE COOPERATION

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, the evidence grows almost daily that the President and the State and Commerce Departments are playing for keeps in seeking Congressional approval of the OTC.

OTC stands for the Organization for Trade Cooperation. This is a sugar-coated name for a pill of poisonous contents so far as Congress is concerned. There can no longer be any doubt about the results that would follow Congressional approval of United States membership in this proposed international trade organization. It would mean the stripping of Congress of its power to regulate the foreign commerce of the United States.

The latest and conclusive evidence was provided over the last week when the President rejected two more recommendations of the Tariff Commission under the escape clause of the Trade Agreements Act and sent a third case back to the Commission for additional information.

This Executive action came after his previous rejection of a unanimous decision of the Tariff Commission in the groundfish fillet case in December 1956, his rejection of the Commission's recommendation in the lighter flint case and his setting aside of another unanimous decision in the velveteen case in pursuance of an arrangement made with Japan outside the law and in outright disregard of the existing laws adequately covering the situation.

Together with his rejection of the Commission's recommendation in the fluorspar case, these Presidential actions completely blanketed and nullified the Commission's arduous work of a whole year.

The Tariff Commission is an agency of Congress, created by Congress to assist

in the regulation of our foreign trade, including tariff adjustments. The President himself appointed 5 of the 6 members now sitting on the Commission, yet he nullified the Commission's finding of facts.

What has this record to do with the OTC?

It must be clear to anyone who has carefully observed the Executive actions in this field, as monitored by the Departments of State and Commerce, that there is afoot a well-defined plan extending back to 1945 to wrest control over foreign commerce from Congress. This plan is deeply entrenched in the Department of State. In essence it means depriving the American people of their right of determining for themselves through their Congress what our foreign-trade policy is to be. It reflects a deep distrust in the State Department of the capacity of the American people to govern themselves, at least so far as determining foreign-trade policy is concerned. In the meantime and by contrast, the State Department has been in the forefront in promoting the establishment of new self-governing nations in the remote corners of the world.

In view of this State Department attitude we may ask again what difference it would make if the United States should become a member of the OTC.

It would make all the difference in the world. It would mean that the State Department attitude had triumphed. It would mean that Congress itself, the only remaining bulwark, had finally thrown in the sponge and had run out on its responsibility. It would mean that Congress had betrayed its trust and made a cowardly surrender. The people who elect us have a right to expect better of us.

Why would approval of the OTC mean this? Is it not clear that the executive already does as it pleases in this field? Is it not obvious that Congress to all intents and purposes has already been set aside in the regulation of our foreign commerce? I am afraid so.

It is only too true that Congress has been flouted by the executive, including the State Department, in the name of a delegation of power under the Trade Agreements Act that has been abused and stretched beyond recognition by the executive. But far from compounding this outrage, far from accepting, blessing and confirming it, through one final act of ignoble submission, Congress should flatly and firmly reject it. We should reject it in such unmistakable fashion that it would not be tried again.

It is not as if we were acting without experience. Congress no doubt in good faith entrusted certain powers to the President by trade agreements legislation. The State Department, acting for the President, saw its opportunity and undertook so to elaborate and to interweave this power with international commitments that Congress should never again be able in a practical world to repossess itself of its authority, no matter how badly the delegated powers had been abused.

Congress began to show concern as far back as 1950, or earlier, and in that year refused to approve United States membership in the International Trade Organization, known as the ITO. In 1951, or 1 year later, it passed the escape clause amendment to the Trade Agreements Act. It also passed peril-point legislation. All such actions showed restiveness over State Department policy and administration and sought to strengthen the loosened and rapidly slipping Congressional grip on foreign-trade regulation. They should have been heeded by the State Department as distinct warnings of Congressional dissatisfaction over the manner in which the powers it had delegated to the executive were being carried out.

These clear reflections of Congressional sentiment, however, did little or nothing to chasten the State Department. That Department only sought new means by which it could curb Congress to prevent it from recapturing a semblance of its original authority. The Department went right ahead with GATT, the General Agreement on Tariffs and Trade, after 1950, that is, after the defeat of the ITO, seeking to save as much of the rejected charter as it could. It should be pointed out that GATT had much of the unsuccessful ITO charter in it. Yet GATT was carefully if not defiantly withheld from Congress. If Congress had so flatly rejected the ITO charter as it did, the fate of GATT if submitted to Congress was obviously highly doubtful. The thing to do then was not to submit it; and that is the reasoning that explains the withholding of GATT from Congress. Well justified fear of GATT defeat kept it from coming before this body.

In the years since the ITO debacle the State Department schemers were not idle. Never once did they relinquish their search for means of strapping the hands of Congress securely to its sides, in full view of the clear constitutional powers bestowed upon Congress in this field by the people of the United States. In 1954 a brilliant idea to revise GATT and to make it secure was born. A scheme was hatched by which Congress would seemingly be left in possession of its power while actually it would be clinging only to an empty shell.

The OTC was the offspring of this scheme. GATT was revised in the winter of 1954–55 and "strengthened." On the side the articles of agreement setting up the OTC were signed for the United States by the signing officer of the State Department in March 1955.

The OTC was to be nothing more than an agency to administer GATT—a sort of compliance body. But it was to have an assembly no less than a secretariat and a Director General. It contained a provision authorizing it to become a specialized agency of the United Nations. It was to give effect to the purposes and objectives of GATT. Nothing in it changed GATT, including the built-in powers of GATT to amend itself.

Here then was a scheme by which the Executive could gain all of GATT without submitting GATT itself to Congress. Should Congress approve the OTC it would obviously have given its approval to GATT since the OTC is to give effect to the purposes and objectives of GATT.

Much was made of a provision that OTC could not impose new obligations on its members without a member's consent. This safeguard overlooked the power of GATT to amend itself without the consent of a particular member.

The Ways and Means Committee in 1956 after hearings amended the resolution of approval by adding that our own consent to new powers could be given only by Congress; and otherwise added a few other safeguards. Obviously, however, none of these amendments altered the Articles of Agreement themselves and would if adopted only be in the form of reservations.

In the future, situations could readily be created through international commitments that would make one reservation or another internationally embarrassing to us, and Congress could be coerced by moral implications to vacate such reservations. The State Department would be calling the tune. The President would simply echo it and Congress would have to dance accordingly or default on United States leadership of the free world.

The gambit is a little too obvious. In trying it the State Department revealed its low opinion of the perception of Congress and, I believe, outsmarted itself.

At the outset I referred to the President's last seven actions on Tariff Commission recommendations. In them the OTC casts its shadow before, for all to see.

Obviously once we were in the OTC, Geneva and not Washington would be the seat of power.

Already American producers who are vitally involved with import competition find themselves completely frustrated despite acts of Congress to come to their rescue. The executive departments have expertly constructed many blind alleys designed to wear down the petitioners and make their efforts of self-defense both futile and costly. It is no doubt the hope that the petitioners will give up in despair. Just think what the situation would be if they had to go to Geneva. The State Department could laugh at any who would object to its policies and it need no longer have any fear of Congress. The responsiveness of Congress to its constituents would be a dead letter.

Such is the unsavory picture of executive administration of the trade agreements program as it comes to us from many sources and from direct experience. Such is the manner in which the trusteeship of the delegated power has been conducted. The State Department has used the ball of twine lent to it by Congress not only to tie the hands of Congress but to tangle domestic producers in a web of futility.

Now, in a desperate grasp at straws to save this OTC scheme attention is drawn to the proposed European free-trade area, to be composed of six nations, and to the common market that might attract other European countries.

Now more than ever, says the OTC promoters, the United States will need the OTC in order to take care of itself. Presumably we would be facing a Europe

hostile to our best interests. Lost to sight is the fact that we would have 1 vote against 6 among the nations of the free-trade area and possibly a dozen or more if the common market attracted other European countries. How much good would the OTC do us then? It seems to me that it would place a perfect weapon into the hands of Europe if they wished to use it.

We should jump quickly to protect ourselves, say the OTC advocates. Yet, at best it would be 12 to 15 years before the free-trade area would materialize, should it be ratified by the signatory nations.

On the contrary, we should not only reject the OTC; we should demand that GATT itself be brought to Congress for ratification.

It is high time that Congress sees to it that the abuses of the executive in the administration of the trade-agreements program be stopped. It begins to reflect on Congress itself when it allows its constituency to be subjected to the shabby treatment that the executive has accorded to them in these tariff and trade problems. The grievances are real. We want to settle them at home instead of going back beyond 1776 when we had to go overseas to gain a hearing. We do not want to go to Geneva, hat in hand, to ask how and what we should do in order to give decent and adequate protection to our industries and their workmen against unfair competition.

Above all, we must keep the channels clear so that changed sentiment in this country may successfully express itself through Congress. This is no less important in the field of foreign commerce regulation than in other fields that are of vital concern to the American people.

I say, keep the channels open. The State and Commerce Departments, and the President in taking his cue from these Departments, want to block the channels by entry into the OTC. So far as regulation of import competition is concerned, it would be useless to hold elections in this country should the State Department succeed. The OTC–GATT combination would resolve all these questions of trade. No constituents need worry Members of this body again about their import problems. There would be nothing you could do for them. The State Department would be satisfied. The Congress and the people of this country would be taking a back seat.

This must not come to pass.

UNITED STATES TARIFF COMMISSION, WASHINGTON, PUBLIC NOTICE

SAFETY PINS

(Investigation No. 53 under sec. 7, Trade Agreements Extension Act of 1951, as amended)

In response to the request of the President on March 29, 1957, the Tariff Commission is assembling additional information relating to investigation No. 53 under section 7 of the Trade Agreements Extension Act of 1951, as amended, with respect to safety pins. The President's request reads as follows:

"DEAR MR. CHAIRMAN: I have carefully studied the Commission's report of January 30, 1957, on its investigation under section 7 of the Trade Agreements Extension Act of 1951, as amended, regarding safety pins.

"Additional information on a number of points raised by the Commission's report would be helpful to me in reaching a decision in this case.

"It would be very useful to have the production, sales, employment, and profit data on the two safety pin producers not presently included in the Commission's report as would similar data on the industry's operations on uncapped pin wires. In addition, I would like to have data on the other products made on safety pin machines and on the firms producing plastic-capped safety pins.

"Supplemental information on the industry's profit experience would also assist me: annual data for safety pin operations and for the total operations of the plants involved for 1935–39 and for 1946–50; the basis for the industry's allocation of costs, particularly administrative and selling costs, to its safety pin operations; and the impact upon the industry figures of the one firm which reported losses in 4 years since 1950 and whether that firm's operations have been materially affected by factors other than imports. Finally, clarification of the nature and source of the industry's overcapacity, referred to in the Commission's report, would be desirable.

"I would appreciate the Commission's supplying this additional information. It may, to the extent necessary to avoid improper disclosures, be submitted in confidence. With these points clarified, I would be in a better position to make a decision.

"Sincerely,

"DWIGHT D. EISENHOWER."

By order of the Commission:

DONN N. BENT,
Secretary.

Issued April 3, 1957.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. EDMONDSON. I commend the gentleman from West Virginia for the vigilance which he continues to show in this field and for the fight which he continues to make for the prerogatives of the Congress of the United States in this field.

Mr. BAILEY. I thank the gentleman from Oklahoma. I wish to say that anything I can do to suggest to the President of the United States and to the Department of State that there is no better time for them to bring on their proposed OTC bill because I feel that the Congress is in the right frame of mind to defeat it. I would like to have it out of the way once and for all so if they want to bring it up, it is perfectly all right with the gentleman from West Virginia.

IF FLOODED OUT AND YOUR PROPERTY DESTROYED, WAIT A YEAR AND YOU CAN BUY INSURANCE AGAINST SOME FUTURE CATASTROPHE

The SPEAKER. Under previous order of the House, the gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 15 minutes.

Mrs. SULLIVAN. Mr. Speaker, last August the Congress enacted the Federal Flood Insurance Act of 1956, a very important and significant forward step in behalf of the people of this country who suffer from periodic flood disasters.

Except under the authority of this law, there is no such thing as flood insurance. Private companies have not been able to underwrite it. That is why the Congress stepped into this field. That is why the Banking and Currency Committee approved the Federal flood insurance bill and was instrumental in writing Public Law 1016 of the 84th Congress.

As a representative of the St. Louis area, I was particularly interested in this legislation and was most anxious to see it passed. I am most anxious now to see it made actually effective.

Many of our business firms in the St. Louis area face the spring rains with a feeling that they are sitting on a keg of dynamite. What will the Mississippi do? What will that rambunctious Missouri River do?

This year, they lived in hope that our promise of a Federal flood insurance program would become a reality. They were promised sympathetic administration of the program, and prompt action.

On Lincoln's Birthday, I wrote to the Commissioner of the Federal Flood Indemnity Administration, Mr. Frank J. Meistrell, to inquire about progress in putting the law into effect, in determining rates for the policies which are to be issued, and otherwise in getting this program into actual operation.

I received an answer on March 5 indicating that there were so many policy decisions which had to be made, so many conferences which had to be conducted, so many computations which had to be worked out, that it would be late spring before the agency would be in a position to start offering its services to those anxious to buy the insurance we provided under Public Law 1016.

FLOODS WILL NOT WAIT FOR REDTAPE TO BE UNRAVELLED

Mr. Speaker, those of us who live near major rivers, or represent districts subject to perodic floods, know that the floods do not wait for redtape to be unravelled in some Government agency. The rains come in April or earlier, with just as much or more violence as they do any other time of the year. Early spring is floodtime in many communities—a time for leaving one's possessions behind to be ripped and torn and covered with mire and filth by the overflowing river, while fleeing for your life.

It will be of very little consolation to the people whose possessions are wiped out by floods in the next few months to know that sometime in the future they will be able to buy Federal flood insurance to help them over the financial disaster of some subsequent flood.

They are worried right now about the flood which may come tomorrow or the day after—and they cannot yet buy any insurance against such a disaster, even though the law which authorized such insurance was enacted last August and even though we have appropriated $500,000 for planning the start of the program and working out these details of coverage, rates, and so forth. And we have also authorized the Federal Flood Indemnity Administration to borrow up to $500 million from the Federal Treasury for this program. Not a cent of that money has so far been borrowed by the Agency, however.

Nor have any formal requests been made to Congress for the money needed

to engage or work with private insurance people to actually sell the policies, although the President's budget says that $100 million is going to be requested for that purpose.

MANY NEW PROBLEMS PRESENTED

The moral of all of this is: if you live or have your business in a flood zone—just arrange for it not to rain, at least until the Federal Flood Indemnity Administration of the Housing and Home Finance Agency can work out every little detail of its proposed program, and dot every "i" and cross every "t" and make some slide-rule computations and talk to some more insurance people to get their opinions on rate structures, and so forth.

Mr. Speaker, I do not like to be overly critical of a Government agency when it is faced as this particular one is with a variety of new and really unprecedented problems. It is working in a no-man's land in that this kind of insurance just has not been offered before, and the law does require that the rates be reasonably related to the actual costs of insurance.

But it seems to me that there is a difference—or there should be—between instituting a new program with a determination to get it into operation as promptly as possible, working out the problems as they arise, or coasting along as if there is no hurry—insisting on having the answer to every single possible detail or contingency before moving off dead center.

In this instance, I think it is urgent that those who are in the path of periodic floods be protected immediately—now—when the floods are imminent.

Admittedly, this is a tough problem for the agency which administers the program. I do not for a moment pretend it is simply. It is not.

WHY NOT BINDER CONTRACTS PENDING RATE STRUCTURE?

But I think if there is a determination to do the best that can be done for those who now face imminent damage from seasonal spring floods, that a way can be worked out to issue policies on a binder basis—assuring those who apply for coverage that they are covered and will be covered under terms and conditions to be announced later.

A private enterprise insurance company could hardly issue such a binder in a situation such as this, although I understand it is sometimes done on certain types of policies. But it could not begin to assure coverage against floods for the same reason no private firm ever does issue flood insurance.

The customer, furthermore, would be hesitant about buying such a pig-in-a-poke insurance policy from a private firm without knowing or having any idea in the world what the price would be—the cost of the premium or the terms of coverage. Then why do I suggest—why have I suggested to Mr. Meistrell—that the Government issue such a pay-later insurance policy at this time?

The answer, Mr. Speaker, is that the law under which this insurance is to be issued, Public Law 1016, specifies that the rates must be as reasonable as possible, as fair as possible, as accurate as possible in reflecting the anticipated cost of such insurance protection. The customer, the homeowner or businessman threatened by floods, knows that this policy is and will be not only the best and most reasonable but actually the only kind of flood insurance he will be able to buy—and that it is being put on the market as a service to him, not as a means for some private company to make profits.

If he is in the market for flood insurance, he knows already that he is probably going to want this policy when it is issued, no matter what it eventually costs or what the terms of coverage may be.

SAID TO BE PROHIBITED BY "CIRCUMSTANCES"

I am sure that many of those eligible for coverage would be glad to contract now to buy this insurance even though the rates are not yet set and the details of coverage not complete. Why not afford such individuals an opportunity to do just that? I made that proposal to Mr. Meistrell on March 21.

Mr. Speaker, the answer I have received is that a variety of circumstances prohibit it—lack of appropriated funds to pay agents, inability to adjust claims so quickly, lack of trained personnel, lack of a system for distributing literature on the program, or publicizing it, and so on.

I would say, Mr. Speaker, that the most important reason has been left out—lack of sufficient concern for those willing and anxious to buy this insurance—because they feel desperately in need of this protection. It was for the benefit of the public that we enacted this program. Now I fear very much that the needs of the people are being relegated to a secondary position. This program can be a profitable cooperative venture for the private insurance companies which participate in it—that's all right. But primarily this is to be a service for the public. It must be set up with that in mind.

HEARING PROPOSED BEFORE HOUSE COMMITTEE

Mr. Speaker, in view of the seriousness of this situation, the seasonal threat from flood disaster in every part of the country, and the relative slowness in which the Housing and Home Finance Agency is moving in this field, I am today urging the chairman of the House Committee on Banking and Currency to arrange a hearing for the officials of the Federal Flood Indemnity Administration so that we can get to the bottom of these delays—so that we can find out what is holding up this program.

Mr. Meistrell has written me in reply to my letter of March 21 that funds are "being requested" for the program—but I don't know if that means he has made a request to Mr. Cole, his superior in the HHFA, or whether it is in the Budget Bureau or the White House, or where—or whether it is going to be killed by Mr. Humphrey in the Treasury Department.

He has also written me that without a specific additional appropriation by Congress, they cannot actually put the program into effect. I have not so understood the law we passed, but it would be worthwhile to have him explain that. After all, we did provide full authority for borrowing up to $500,000,000 from the Treasury, and not a cent of that has been borrowed.

WE SHOULD ACT BEFORE MORE DISASTERS STRIKE

Mr. Meistrell adds that even if they did have additional funds appropriated to them, this does not mean "there would be no bar to immediate acceptance of binding applications" for policies, because of the need for distributing forms, completing arrangements with participating insurance companies, sending out instructions to agents, and so forth. He added:

> These tasks are time-consuming and they are necessary precedents to launching the program in final form or to the acceptance of binding applications for insurance if it were attempted as a temporary expedient pending completion of our plans—

And so on. Mr. Speaker, it means that after you have been flooded out often enough, and lost your property often enough from these disasters, you might be able to take heart out of the fact that some day you may be able to buy a flood insurance policy, providing you then have anything left to protect.

I am submitting for inclusion in the RECORD, Mr. Speaker, my letter of February 12 to Mr. Meistrell, his reply of March 5, my follow-up letter of March 21, and his reply dated April 4, which came to my office Friday.

We have seen enough delay. The headlines say rain and flood in the St. Louis area and many other parts of the country. Let us get busy on flood insurance before more homes and businesses are washed away. Otherwise, we can just turn this whole thing over to the Red Cross and make it not flood insurance but flood relief—and that is not good enough.

FEBRUARY 12, 1957.

Mr. FRANK J. MEISTRELL,
Commissioner, Federal Flood Indemnity Administration, Housing and Home Finance Agency, Washington, D. C.

DEAR MR. MEISTRELL: As a member of the Committee on Banking and Currency, I was an enthusiastic supporter of the bill which originated in my committee for a Federal flood insurance program. I know that the legislation provided many problems for your agency, but, as I understand it, you were hopeful that the program could be put into effect early this year.

I wonder if you can give me a report on the current status of the program, including any decisions that may have been reached on specific details of coverage and rates, or any other material of that kind.

If any material is available so far that I can forward to people in my district who are very interested in this, I would appreciate having that too.

With best wishes, I am,
Sincerely yours,
LEONOR K. (MRS. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., March 5, 1957.

Hon. LEONOR K. SULLIVAN,
House of Representatives, Washington, D. C.

DEAR MRS. SULLIVAN: It is a pleasure to reply to your request of February 12 for a report on the status of the Federal flood indemnity program. I am aware of your particular interest in flood insurance and I am sending you under separate cover some informational material for distribution in your district.

Although we have made substantial progress, more work needs to be done before we shall be able to offer contracts to interested property owners. We have tentative drafts of the policy, procedures, rules and regulations for the direct flood insurance. We have laid out a marketing plan that contemplates maximum utilization of the private insurance facilities: Insurance agents and brokers throughout the country will sell the insurance; fire and casualty insurance companies will issue the policies and collect the premiums; and losses will be handled by private claim adjustment facilities. We have been successful in negotiating with the industry to have these services and facilities made available to us at cost; without profit or allowance for administrative expenses or other expenses normally incident to the operation of their business. These operations will be subject, of course, to our supervision and control.

We are now moving toward a solution to one of our most difficult tasks, that of promulgating an appropriate rating structure in the absence of useful experience data, a factor that has contributed in a great part to the inability of private insurers to underwrite flood losses.

Two approaches to the problem have been made: The insurance industry, from whom we have had the utmost in cooperation, has been studying this problem as well as an intergovernmental agency group including hydrological experts from the United States Geological Survey, Coast and Geodetic Survey, the Weather Bureau and the Corps of Engineers and we have been developing data on various aspects of the rate problem. We are hopeful that we will have rates developed shortly.

We are glad to know of the interest among your constituents in Missouri in this program and I hope you will assure them that we are making every effort to put it into operation. We anticipate that we will be in a position to make the insurance available in the late spring.

Sincerely yours,
FRANK J. MEISTRELL,
Commissioner, Flood Indemnity Administration.

MARCH 21, 1957.

Mr. FRANK J. MEISTRELL,
Commissioner, Federal Flood Indemnity Administration, Housing and Home Finance Agency, Washington, D. C.

DEAR MR. MEISTRELL: Some of our people in St. Louis are terribly worried over the prospect of spring floods and frustrated by the fact that they are not able to purchase Federal flood insurance because the rate structure has not been worked out as yet. As you know, I wrote to you about this matter last month and read your reply with much interest.

But some of our businessmen, particularly, feel as if they are in the position of a man dying of thirst while the well diggers temporarily stop operations in order to argue over how much to charge for the product of their labors. They feel that late spring may find them being offered flood insurance after they have suffered serious damage from a flood. One businessman tells me that he feels as if he is sitting on top of dynamite because the Mississippi has gone into flood on four previous occasions since 1943 and usually, early in the spring.

That raises this question in my mind: Why can't you begin now to take applications for flood insurance from individuals and firms who know they will be customers no matter what the rate is, since this is a form of insurance they have been anxious to buy for many years and since they are sure the Federal rate will be as reasonable as possible under the circumstances? In other words, why can't you offer our business firms, or other individuals endangered by floods, a policy which declares them covered but postpones decision temporarily on the final rates they are to be charged? Perhaps they could pay a temporary or tentative rate subject to later amendment.

Surely, now that we have a program for Federal flood insurance and there is nothing holding up its effective date except negotiations and studies of possible costs, it would be the height of bureaucratic cruelty, I believe, to hold up putting the program into operation until the 1957 flood season was over. I would never be able to explain to any flood victim in my district that this insurance was not available when it could have helped him because the Government agency assigned responsibility for the program still had some "i's" to dot and some "t's" to cross and some slide rule computations to make and some conferences to hold with some insurance people to get their opinion on the rate structure.

Can't we put the program into effect now?

With kindest regards, I am,
Sincerely yours,
LEONOR K. (MRS. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., April 4, 1957.

Hon. LEONOR K. SULLIVAN,
House of Representatives, Washington, D. C.

DEAR MRS. SULLIVAN: Thank you for your letter of March 21, 1957, suggesting that we accept binding applications for Federal flood insurance before we are ready to authorize the issuance of the formal policy. We considered this step very carefully as we are fully aware of the need for protection to those who may be subject to loss occurring before our program is complete. We found, however, that a variety of circumstances prohibit it.

The solicitation and acceptance of binding applications would be handled in substantially the same manner as will the solicitation and issuance of formal policies. The service of insurance agents and brokers, and the insurance companies are essential to the performance of these functions and, as you know, we are prohibited by statute from engaging their services until funds are appropriated for the purpose. We are requesting those funds now although, of course, we are unable to commit those funds before they are made available to us.

Further, we would be unable to adjust a claim arising under a binding application before our arrangements with the established claim adjustment facilities were completed. Adjustment of loss is a specialized undertaking requiring the services of trained personnel. We could not engage them, and obligate ourselves to the payment of their fees, in the absence of specific congressional appropriation of funds for this purpose.

I do not intend to infer from the foregoing that there would be no bar to immediate acceptance of binding applications were the funds made available to us today. Following appropriation of funds, additional time will be required for distribution of the applicable forms, the concluding of agreements with insurance companies, the sending of instructions to agents and brokers and, of course, the nationwide publicising of the availability of the protection.

These tasks are time-consuming and they are necessary precedents to launching the program in final form or to the acceptance of binding applications for insurance if it were attempted as a temporary expedient pending completion of our plans.

Final adoption of an appropriate rate structure is not the only obstacle to the launching of the program. We have made substantial progress in that direction and also have under consideration other problems inherent in a program of this scope and novelty. I am most grateful at the progress we are making.

I am highly sympathetic with the anxieties of those in whose behalf you have written. I assure you that we are doing all in our power to make the protection of this insurance available at the earliest possible time.

Sincerely yours,
FRANK J. MEISTRELL,
Commissioner, Flood Indemnity Administration.

HENDERSON HIGH SCHOOL BAND OF HENDERSON, KY.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, one of the highlights of the annual Cherry Blossom Festival is the Cherry Blossom parade and National Championship High School Band Contest.

On Wednesday of last week, a crowd of 115,000 spectators lined K Street NW., to see the annual parade. Two hundred and fifteen units with 7,500 marchers passed before the reviewing stand at 17th and K Streets in the colorful event which lasted nearly 4 hours. More than 70 bands participated. Dozens of drill teams with scores of floats and hundreds of majorettes passed in review.

Earlier in the day, the National Championship High School Band Contest was held on the Ellipse. This was the day of full glory not only for the beautiful Japanese cherry trees that line the Tidal Basin, but also for the Henderson High School Band which was awarded a beautiful trophy for winning second place in the concert division, and confirmed the faith shown in them by the people of Henderson, Ky., who raised several thousand dollars to give their outstanding band the chance to take part in this national competition.

Henderson, Ky., is one of the great small cities in this country. It is a beautiful city located on the Ohio River, owning its own utilities with industrial plants producing plastics, hosiery, furniture, dresses, toys, chemicals, fertilizers, and other products. In its beautiful natural surroundings, Henderson has developed a number of imposing churches of all denominations, beautiful homes, and nice schools. The members of the Henderson High School Band clearly exemplify the fine characteristics of the people who reside in Henderson, Ky., and their victory was another milestone along the road of progress for this fine city and the splendid high school that they represent. The director of this band, Robert Morton, is to be commended for his fine work.

During my tenure as a Member of Congress, I have had the pleasure of seeing a Kentucky Princess crowned as Queen of a Cherry Blossom Festival and the Henderson High School Band of Henderson, Ky., declared one of the winners in the concert band division of the National Championship High School Band Contest.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. DAVIS of Tennessee, for today, on account of illness.

Mr. KRUEGER (at the request of Mr. ARENDS), from April 10 through April 12, on account of official business.

Mr. ASPINALL (at the request of Mr. MCCARTHY), until April 17.

To Messrs. MOULDER, DOYLE, FRAZIER, KEARNEY, and MCINTOSH (at the request of Mr. MOULDER), from April 9 to April 16, on account of committee hearings scheduled by Committee on Un-American Activities in New York.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. SULLIVAN, for 15 minutes, on today, and to include certain letters.

Mr. O'NEILL, for 10 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE and to include an article.

Mr. FISHER and to include extraneous matter.

Mr. DOYLE and to include extraneous matter.

Mr. HUDDLESTON.

Mr. PELLY.

Mr. DINGELL (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. SIEMINSKI (at the request of Mr. ALBERT) and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 54 minutes p. m.), the House adjourned until tomorrow, Tuesday, April 9, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

710. A letter from the Secretary of the Army, transmitting the Annual Report of the United States Soldiers' Home for the fiscal year 1956, and a photostatic copy of the annual general inspection of the home, 1956, by the Inspector General of the Army, pursuant to the act of Congress approved March 3, 1883, as amended (24 U. S. C. 59 and 60); to the Committee on Armed Services.

711. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend section 15 of the District of Columbia Alcoholic Beverage Control Act"; to the Committee on the District of Columbia.

712. A letter from the Acting Secretary of the Interior, relative to a contract which was negotiated with National Park Concessions, Inc., for the temporary operation of the McKinley Park Hotel, Mount McKinley National Park, Alaska, covering the period May 14 to September 30, 1957, pursuant to the act of July 31, 1953 (67 Stat. 271), as amended by the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

713. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the law relating to the record on review or enforcement of such orders, and for other purposes"; to the Committee on the Judiciary.

714. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to section 212 (d) (6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

715. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of chemical additives which have not been adequately tested to establish their safety"; to the Committee on Interstate and Foreign Commerce.

716. A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation entitled "A bill to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for appointments of cadets from the District of Columbia, Guam, American Samoa, Virgin Islands, and the Canal Zone"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 223. Resolution for consideration of H. R. 3476, a bill to facilitate the regulation, control, and eradication of plant pests; without amendment (Rept. No. 309). Referred to House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 224. Resolution for consideration of H. R. 3377, a bill to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; without amendment (Rept. No. 310). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 225. Resolution for consideration of Senate Joint Resolution 72, joint resolution to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945; without amendment (Rept. No. 311). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 3654. A bill to amend the Agricultural Act of 1949 with respect to price support for extra long staple cotton; without amendment (Rept. 312). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6659. A bill to extend and amend laws relating to the provision and improvement of housing, to improve the availability of mortgage credit, and for other purposes; without amendment (Rept. No. 313). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 6701. A bill granting the consent and approval of Congress to the Tennessee River Basin water pollution control compact; to the Committee on Public Works.

By Mr. ALBERT (by request):

H. R. 6702. A bill to provide for the purchase of certain cattle to carry out the provisions of section 32 of Public Law 320, 74th Congress; to the Committee on Agriculture.

By Mr. ANFUSO:

H. R. 6703. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. BARTLETT:

H. R. 6704. A bill to amend the act entitled "An act to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes," to exclude from the 10 percent limitation on indebtedness contained therein any indebtedness incurred by a municipal corporation under the Alaska Public Works Act; to the Committee on Interior and Insular Affairs.

H. R. 6705. A bill to amend the act entitled "An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes," to exclude from the 10 percent limitation on indebtedness contained therein any indebtedness incurred by a public-utility or school district under the Alaska Public Works Act; to the Committee on Interior and Insular Affairs.

H. R. 6706. A bill to increase from 75 percent to 90 percent the maximum United States share of the cost of approved airport projects in Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. BLATNIK:

H. R. 6707. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. BONNER:

H. R. 6708. A bill to implement a treaty and agreement with the Republic of Panama, by amending the Classification Act of 1949, as amended; to the Committee on Post Office and Civil Service.

H. R. 6709. A bill to implement a treaty and agreement with the Republic of Panama, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H. R. 6710. A bill relating to Canal Zone money orders which remain unpaid; to the Committee on Merchant Marine and Fisheries.

By Mr. DAWSON of Illinois (by request):

H. R. 6711. A bill to amend the Reorganization Act of 1949, as amended; to the Committee on Government Operations.

By Mr. DOYLE:

H. R. 6712. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr. IKARD:

H. R. 6713. A bill to increase from $600 to $700 the income-tax exemptions allowed for a taxpayer, his spouse, and his dependents, and the additional exemptions allowed for old age and blindness; to the Committee on Ways and Means.

By Mr. JONES of Missouri:

H. R. 6714. A bill to amend the Soil Bank Act of March 28, 1956, in order to provide for greater utilization of the technical services and facilities of the State game and fish agencies in the administration of the conservation reserve and for other purposes; to the Committee on Agriculture.

By Mrs. KEE:

H. R. 6715. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

H. R. 6716. A bill to prohibit the severance of a service-connected disability which has been in effect for 10 or more years, except when based on fraud; to the Committee on Veterans' Affairs.

By Mr. LANKFORD:

H. R. 6717. A bill to provide for a preliminary examination and survey of the area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Md., to determine the feasibility of establishing an inland channel for the navigation of small boats; to the Committee on Public Works.

By Mr. LESINSKI:

H. R. 6718. A bill to provide for Government contribution toward personal health-service benefits for civilian officers and employees in the United States service and their dependents, to authorize payroll deductions for participants, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LONG:

H. R. 6719. A bill to provide certain adjustments in organization and salary structure of the Department of Medicine and Surgery in the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. PHILBIN:

H. R. 6720. A bill to provide for the establishment of the Cape Cod National Park, in the State of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mr. PORTER:

H. R. 6721. A bill to require the Postmaster General to adjust the compensation of star route, panel body, and mail messenger contractors, by reason of added costs imposed upon them by statute, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 6722. A bill providing for price reporting and research with respect to forest products; to the Committee on Agriculture.

By Mr. RHODES of Arizona:

H. R. 6723. A bill to amend the act of April 19, 1950, to permit the Navaho Indian Tribe to lease tribal lands for residential and other purposes for a term of not to exceed 99 years, to transfer trust property of the tribe to any corporation owned by the Navaho Tribe or to municipal corporations within the boundaries of the Navaho Indian Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RILEY:

H. R. 6724. A bill to amend the Internal Revenue Code of 1954 to permit schoolteachers and administrators to deduct expenses of attending classes to acquire additional training or education; to the Committee on Ways and Means.

By Mr. KING:

H. R. 6725. A bill to adjust the tax rates on light sparkling wines in relation to those imposed on other wines; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 6726. A bill to amend the Veterans' Preference Act to provide for a system of appeal from adverse actions taken by any Federal department, agency, or the Civil Service Commission; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 6727. A bill to amend the Internal Revenue Code of 1954 with respect to the basis of restricted stock options which the employee has not exercised at death and the basis of stock acquired upon exercise of such options after death; to the Committee on Ways and Means.

H. R. 6728. A bill to amend the Internal Revenue Code of 1954 to provide a 10-year net operating loss carryover for certain regulated public utilities; to the Committee on Ways and Means.

By Mr. TAYLOR:

H. J. Res. 297. Joint resolution establishing a Federal Motor Vehicle Commission for the purpose of making uniform laws pertaining to operation, ownership, and control of motor vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLAND:

H. J. Res. 298. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. EDMONDSON:

H. J. Res. 299. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. FORD:

H. J. Res. 300. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. O'BRIEN of New York:

H. J. Res. 301. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. RHODES of Arizona:

H. J. Res. 302. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. ROGERS of Texas:

H. J. Res. 303. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. UTT:

H. J. Res. 304. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States, etc.; to the Committee on Foreign Affairs.

By Mr. HERLONG:

H. Res. 226. Resolution creating a select committee to conduct an investigation with respect to the real property owned by the United States; to the Committee on Rules.

By Mr. PILLION:

H. Res. 227. Resolution to provide for the appointment of a special committee to investigate and report upon the need for a new House Office Building at this time; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. GROSS: Memorial of the 57th General Assembly of the State of Iowa, urging that excise taxes on transportation of persons and property be removed by the Congress of the United States; to the Committee on Ways and Means.

By Mr. HAYS of Arkansas: House Concurrent Resolution No. 30 of the Legislature of the State of Arkansas urging Congress to submit certain constitutional amendments to the States for ratification or rejection; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States to submit certain constitutional amendments to the States for ratification or rejection; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to construction, operation, and maintenance of the western land boundary fence; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact H. R. 5134, a bill to provide assistance to the States in the construction, modernization, additions, and improvements of domiciliary and hospital buildings of State veterans' homes by a grant to subsidize, in part, the capital outlay cost; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Tennessee, memorializing the President and the Congress of the United States relative to the development of a navigable waterway connecting the Tombigbee and Tennessee Rivers by the construction of a canal in the State of Mississippi; to the Committee on Public Works.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States that the Senate of the Territory of Alaska denies the false and misleading charge that the Legislature of Alaska has a desire to exclude residents of the continental United States from participation in the Alaska fishery; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States requesting that the Congress, in accordance with the mandate of the people of Alaska, act at once to transfer control of the commercial fisheries of Alaska to the government of the Territory of Alaska; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the Territory of Alaska memorializing the President and the Congress of the United States to amend the Federal Aid in Wildlife Restoration Act (16 U. S. C. A., 669 et seq.) and the Federal Aid in Fish Restoration Act (16 U. S. C. A., 777 et seq.) to authorize the Secretary of the Department of the Interior to cooperate with the Territory of Alaska by allotting Alaska's share of these Federal funds for the conduct of sport fish and game restoration to the Alaska Department of Fish and Game; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the Territory of Guam, memorializing the President and the Congress of the United States relative to expressing to the Governor of Guam and the military commands located on Guam the loyalty and co-operation of the people of Guam; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENDS:

H. R. 6729. A bill for the relief of Nicholas Dilles; to the Committee on the Judiciary.

By Mr. BOWLES:

H. R. 6730. A bill for the relief of Katherine Au-Young; to the Committee on the Judiciary.

By Mr. CANFIELD:

H. R. 6731. A bill for the relief of Harry Statkin; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H. R. 6732. A bill for the relief of Min Kuk Hwi; to the Committee on the Judiciary.

By Mr. HÉBERT:

H. R. 6733. A bill for the relief of George Wm. Rueff, Inc.; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 6734. A bill to provide for the conveyance of certain real property in Lake County, Fla., to O. H. Dudley; to the Committee on Agriculture.

By Mr. HYDE:

H. R. 6735. A bill for the relief of Maria Goldet; to the Committee on the Judiciary.

By Mr. JONES of Missouri:

H. R. 6736. A bill for the relief of Diego Monesdo; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 6737. A bill for the relief of Miss Hilda M. Johnson; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 6738. A bill for the relief of Kazuo Masaki; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 6739. A bill for the relief of Arctic Maid Fisheries, Inc.; to the Committee on the Judiciary.

H. R. 6740. A bill for the relief of William Peck; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 6741. A bill for the relief of Kate Lorens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

200. By Mr. BUSH: Additional petition of citizens of Williamsport, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

201. Also, additional petition of citizens of Williamsport, Pa., urging the Congress to pass legislation taking alcoholic beverage advertising off the air and out of the channels of interstate commerce; to the Committee on Interstate and Foreign Commerce.

202. By the SPEAKER: Petition of the Clerk, Board of Chosen Freeholders, Trenton, N. J., petitioning consideration of their resolution with reference to requesting enactment of the bills H. R. 6, H. R. 2474, and S. 27 and S. 386; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

Commonwealth Status Preferable for Alaska

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mr. PELLY. Mr. Speaker, a group of California businessmen, according to the Minister of Natural Resources for the Provincial Government of Saskatchewan in Canada, are to invest $40 million in a pulpwood project. These Americans have an option on 12,000 square miles of timberland, and a 300-ton-a-day woodpulp mill will be constructed soon with a further arrangement for doubling the timber rights and capacity of the mill for production of both pulp and newsprint.

Why are these American investors going to Canada as against Alaska, where vast timber resources exist which are available with ample water for such a new development?

The answer, I venture to say, lies in a carefully conducted study which shows the relative present costs and future projected conditions in both locations. Venture money goes to the area of greatest opportunity for profit.

Why would the Province of Saskatchewan and Canada offer greater returns on an investment than the Territory of Alaska?

The answer, of course, is in labor and living costs, transportation expense, and taxes. Alaska cannot compete with other areas of North America, and what is more, statehood will increase this cost of doing business and retard development for decades to come.

If certain political leaders in Alaska would sacrifice their personal ambitions to represent a new State of Alaska in Congress, this situation, it seems to me, could be changed. In other words, if Alaska would ask for commonwealth status and forego for a time the right of having voting representatives in Congress, she might be given complete self-government in all other respects and, in addition, exemption from Federal income taxes. This exemption for corporations would offset the high cost of operating industry in the northland, and Alaska's rich resources of timber and minerals would induce investors to put their millions into Alaska rather than locations such as I mentioned in Canada.

Meanwhile, Mr. Speaker, the Federal Government could continue with a program of roads and highways in Alaska, and likewise in the costly work of conservation of her fisheries which a limited treasury such as the new State would possess could not allow.

The Members of the House of Representatives, it seems to me, should study the full facts before we turn over Alaska's resources to the possible selfish control of certain politically inspired factions which exist in the Territory of Alaska, and which may seek to discriminate against nonresidents in order to benefit themselves. Let us not forget that the fish, timber, water, and minerals of the Territory belong to all the people of these United States—not just those who live there.

Public School No. 11 of Jersey City, N. J., Celebrates a Century of Education

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mr. SIEMINSKI. Mr. Speaker, it is said that Public School No. 11 on Bergen Square in Jersey City stands on the oldest site continuously dedicated to education in the United States. Dutch settlers used the land almost 300 years ago to set up a school in 1662.

Since then five schools have been built on the same spot. Public School No. 11 is the fifth of these schools. A statue of Peter Stuyvesant flanks the entrance to the school.

It is thought that no site in the country has served as a seat of learning for so long a time. This in spite of the first Latin grammar school founded in New England in 1635 and Harvard College in 1636 and William and Mary in Virginia in 1693. Does not the Good Book say the children shall lead them?

That is why I rise at this time, Mr. Speaker, to thank Mayor Berry and the able and distinguished and the alert and the brave City Commission of Jersey City for taking the time and the initiative to help Public School No. 11 celebrate a century of education.

In a few days, on April 10 and 11, the mayor and the city commission and the people of Jersey City, its children, parents, teachers, businessmen, and all the residents of the community will take part in the 100th anniversary activities of Public School No. 11. It promises to be a magnificent manifestation of a people's love for learning and for leading their children into courageous inspired and useful lives.

The people of Jersey City will attest on April 10 and 11 their faith in the public-school system. It has formed a single people out of many races, nations, and creeds. We see the spirit of that system at work on the floor of this House. God preserve it.

In closing, Mr. Speaker, may I say that Public School No. 11 holds a dear place in my heart. I started school there at the age of 6 in 1917. I reported for military service there in 1942. In April of 1950, I campaigned for Congress in its auditorium. In March of 1951, after my election to Congress and my return from Korea, in this same auditorium, I expressed my profound appreciation to the people of Jersey City for their helpfulness in all things worth while. The noble, the religious, and the democratic are at work in our hearts when our educational system is at its best. Was it not Jefferson who said:

> Enlighten the people generally and tyranny and oppression of both mind and body vanish—education makes a people easy to lead but difficult to drive, easy to govern but impossible to enslave.

So be it. This salutes, too, the mayor and the City Commission of Jersey City for building 5 new schools in 6 years.

Should Reduced Nonessential Federal Spending Begin in Our Own Congressional Districts?

EXTENSION OF REMARKS

OF

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mr. FISHER. Mr. Speaker, last week I offered an amendment to an appropriation bill to cut out a new Federal program of making outright grants to local communities to help the local people pay for their sewage disposal systems. The amendment would have saved $50 million during the next fiscal year, and if continued would eventually save the taxpayers $450 million.

The amendment, initially approved by a teller vote of 162-to-140, was defeated on a record vote by a substantial majority. That was the considered action of the House, to which those of us who favored the amendment respectfully bow. Members entertain honest disagreements as to what spending is essential and what is nonessential.

This amendment has been referred to in the press as an example of legislative actions that stem from the people themselves who become aroused when Federal funds are about to be cut off from local communities.

The Washington Star commented:

> Already more than 900 applications by cities and counties had been approved, at least 1 in each of the 435 congressional districts.
>
> The news that money for these projects had been denied brought overnight a wave of protests from local organizations and officials in dozens of districts.

Mr. Speaker, under leave to extend my remarks I include a letter from a Texas citizen who believes that bold action is necessary by the Congress if we are to achieve substantial reductions in nonessential spending. The letter follows:

DALLAS, TEX., *April 4, 1957.*

Hon. O. C. FISHER,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR CLARK: This morning the Dallas News carried an account of your initial success in the House in an economy move, eliminating at least for the time being Federal handouts to States and cities for sewage disposal plants.

I would simply like to express my admiration for your action. I am sure that there are some cities in your district which could use some of this Federal money; but pursuing the philosophy for which you are rather widely known, you demonstrate that if we are to achieve economy, all of us have to start at home. I have always had less than no patience at all with the citizen who screams for economy and bemoans high taxes and simultaneously seeks Federal money for his own particular pet project. You are going at it in the right way.

Although I know you are motivated solely by your conscientious convictions, permit me to express the opinion that your move is the best there is in the way of practical politics. Contrary to a great deal of popular opinion, the Congressman who will oppose wasteful or unnecessary Federal expenditures in his own district adds far more to his political strength than he loses. In such a stand, he will inevitably antagonize a selfishly interested minority; but the great majority usually admires his courage, regards him as of increased stature, and forgets the details and votes for him at the next election. The average voter has come to regard him as a man of strength and character without reference to any particular local interests.

The most recent illustration of the foregoing that comes to my mind is BRUCE ALGER's last race here in Dallas County. Incidentally, I am firmly of Democratic persuasion, and supported Bruce's opponent in that election. Contrary to what a few of us thought was sound politics, the Democratic candidate (no doubt with the hearty approval of a majority of his advisers) tried to capitalize on some of Bruce's voting in the interest of economy, even at the expense of 1 or 2 Dallas projects, and tried to drive home the point that Bruce has gotten nothing for his district. The results speak for themselves. Dallas County actually is still strongly Democratic in formal party alinement—a point clearly enough proved in the election last Tuesday. Bruce nevertheless won his race last summer by what was for this county a heavy majority. I am sure that he was a part of your support mentioned in the attached news clip.

Best regards.

Sincerely,

TOM SUGG.

Equalization of Retirement Benefits, the Congressional Intent

EXTENSION OF REMARKS

OF

HON. GEORGE HUDDLESTON, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mr. HUDDLESTON. Mr. Speaker, I should like to refer again briefly to H. R. 689, a bill which I introduced on January 3, 1957, and which is entitled "A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942, 56 Statutes, page 368." On February 14, 1957, I was privileged to give the House a short résumé of the bill, and some comment on its intent and its method of achieving that intent. I shall not now repeat that explanation, but will merely emphasize a few of its major points.

First, let me emphasize that this bill neither expands nor otherwise amends the intent of Congress when it enacted this measure originally in 1942, nor its intent in its reenactment in the Career Compensation Act of 1949. My bill would serve simply to restate the plain intent of the Congress that there shall be no discrimination between regulars and reserves with comparable service. That intent has been both confirmed and denied by conflicting administrative and legal decisions, and as it remains therefore in doubt this bill appears needful to terminate this confusion.

The Congress has repeatedly said that there shall be no discrimination between regulars and reserves with comparable service. Notwithstanding this long-established policy and the clear, unambiguous words effectuating it, the administrative agencies have persistently applied the 1942 law and its 1949 reenactment only to Regular officers. Evidence is clear and unequivocal, and includes statements of two Senators who served on the committee of the Senate which drafted this measure in 1942, including the chairman of the subcommittee which was charged with it, that it was intended to apply without discrimination to Reserve as well as Regular officers with World War I service.

H. R. 689 reads as follows:

> Paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368) is clarified to read as follows: "The retired pay of any officer of the Armed Forces of the United States, including the Reserve components thereof, who served in any capacity as a member of the military or naval forces of the United States prior to November 12, 1918, heretofore or hereafter retired with pay under any provision of law, shall, unless such officer is entitled to retired pay of a higher grade, be 75 percent of the active duty pay of his rank and length of service."

The only purpose of this bill is to clarify the 1942 law and its 1949 reenactment, and to confirm the expressed will of Congress. Neither the intent of Congress nor the legal significance of the 1942 and 1949 acts is changed in the least. As confirming and emphasizing this fact, I have received only this last week a letter from a man whose word must necessarily be regarded as the highest possible authority available as to Congressional intent in the original enactment of the 1942 act. That man, former Senator and former Governor of Colorado, the Honorable Edwin C. Johnson, now retired, was the Senate sponsor of the 1942 act, and also chairman of the subcommittee of the Military Affairs Committee which considered the bill. It is a privilege and an honor for me, with the indulgence of the House, to be able to put into the RECORD the statement of former Senator Johnson, whose letter to me, dated March 30, 1957, reads as follows:

H. R. 689 AND S. 1085

DENVER, COLO., *March 30, 1957.*

Hon. GEORGE HUDDLESTON, Jr.
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR SIR: I am advised that you have introduced in the present Congress a redraft of a former bill clarifying paragraph 4, section 15, of the Pay Readjustment Act of 1942 and confirming the applicability of that bill to qualified Reserve and National Guard officers.

As the Senate sponsor and the chairman of the subcommittee handling the Pay Readjustment Act of 1942, and as a member of the Senate-House conference which wrote the very paragraph which is the subject of your bill, I say without reservation that it was clearly the understanding and intention of

the Senate in 1943 that there be no discrimination between Regular, Reserve, or National Guard officers in pay for similar military service.

I think the Comptroller General and the Court of Claims were in error in holding otherwise.

However that may be, I believe the Congress should correct the matter now and remove all doubt with respect to such discrimination by the early enactment of your bill.

May I commend you for sponsoring the bill and wish you success in its passage.

With kindest regards, I am

Sincerely yours,

EDWIN C. JOHNSON.

Permit me to point out that, the congressional intent having been established beyond question by former Senator Johnson's statement, the only other objection raised to the enactment of this measure has been its allegedly prohibitive cost. In sober fact, there are about 7,000 Reserve component officers, otherwise qualified for retirement, who are or may become entitled to 75 percent retired pay for World War I service. By actuarial computation, they are dying off at the rate of something over one a day, and nearly all will be gone within the next 25 years. The average annual cost as to them will be approximately $6,956,400, which cost, of course, was anticipated by Congress when the law was passed in 1942 and reenacted in 1949. According to highway engineers of whom we have inquired, this sum is about enough to defray the cost of 8 miles of a normal, modern four-lane highway. It amounts to considerably less than one one-hundredth of 1 percent of the Federal budget currently under consideration by this Congress.

It is universally acknowledged that a strong, vital, enthusiastic, and experienced Reserve is absolutely essential to our national defense. Since we as a Nation are committed to the utmost use of voluntary service in that defense, we must assure its personnel that fairness will characterize their Government's treatment of them throughout their participation in their country's defense, and afterward.

The Congress has many times declared its adherence to the principle of equal treatment as to retirement for all components of the armed services. The enactment of H. R. 689 will serve to establish this principle once and for all in the organic laws of the land.

Federal Program To Aid Depressed Areas

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mr. DINGELL. Mr. Speaker, it is a well-known fact that many communities in the United States have not shared in the general economic growth and development which most of the people in the country have enjoyed. According to the United States Department of Labor there are at present 77 communities with a labor surplus. To paraphrase the polite language of the Department of Labor, this means that there are scores of cities in the United States where unemployment is a major problem and where a considerable portion of the labor force cannot secure productive jobs. Many of these communities have appeared on this Department of Labor list year after year since the Department started to keep these data in 1951.

In addition there are hundreds of rural counties in the United States which have really never enjoyed the standard of living which is supposed to be the birthright of every American. We find counties in the United States where the per capita income is a third of the average in the rest of the country, sometimes even less than a third. The United States has a responsibility to alleviate conditions in these communities. Eleven years ago, Congress recognized in the Employment Act of 1946 that it is the responsibility of the Federal Government to assure the existence of maximum production and employment in the country. This means that it is the responsibility of the Federal Government to help eliminate conditions of unemployment and underemployment.

It is with this purpose in mind that I have introduced H. R. 5302. The bill in brief provides for a comprehensive Federal program to aid depressed areas. The major provisions of the bill are as follows:

1. TECHNICAL ASSISTANCE

The bill provides technical assistance to depressed areas, to help them to appraise their human and natural resources and their economic potential. Such service would help communities to plan their economic development realistically in terms of their resources and potentials.

2. LOANS

Communities with a labor surplus normally have difficulty raising needed capital. It is therefore imperative that the Federal Government supply the needed capital to create new activity and to stop the economic decline from snowballing. H. R. 5302 provides for a revolving fund of $200 million to be equally divided between rural and urban communities. Distressed industrial areas and low income rural areas would benefit from these funds. Business desiring to expand or to locate new businesses in these areas could get as high as 75 percent of the total funds required for the projects. The loans would be made at a reasonable rate of interest, not exceeding one-half of 1 percent above the cost of the money to the Government.

But in order to gain new business communities must have the necessary public facilities to make themselves attractive to new business. This may require the development of industrial parks or other public facilities that new business may deem essential. The Dingell bill provides for a revolving fund of $75 million which may be used to extend loans for public facilities. The interest rate on these loans is the same as for the other type of loans.

3. GRANTS

Some communities which have been subject to chronic unemployment for a long period may not be in a position to pay interest on or repay loans. The bill therefore provides that in extreme cases of community need, the Federal Government would make grants instead of loans. For this purpose the bill establishes a $50 million fund from which grants could be made to communities.

4. VOCATIONAL TRAINING AND COMPENSATION

Bricks and mortar are not sufficient to make a community attractive to new or expanding industry. An industry moving into a new location needs the necessary skills in order to start operations. In depressed economic areas this problem becomes even more acute because the new industries may not be able to use the skills that were developed by the industries which have ceased operations or moved out. The bill, therefore, provides for a vocational training program which would help the people in the community to learn new skills. It is, however, unrealistic to expect that persons who have been unemployed for a long period of time and have no resources could undergo effective training without any means of subsistence. The bill, therefore, provides also that persons undergoing training would be entitled to receive subsistence compensation for a period not exceeding 13 weeks. The amount of compensation would be equal to the average unemployment benefits in that State, and the funds would be paid by the Federal Government.

The purpose of the bill is to aid depressed areas. It provides, consequently, for strict eligibility requirements which would limit the benefits of the program to needy communities. In order to qualify for assistance under H. R. 5302 a community must have had 12 percent unemployment for a year prior to the application for benefits, or 8 percent for 15 months out of the preceding 18 months or 6 percent for 8 months during each of the preceding 2 years. In case of rural communities, the bill provides that only the poorest low-income counties would qualify for aid.

In order to ensure that the program provided in this bill would be carried out energetically the bill provides that a special agency be established to carry out the above provisions. Furthermore, the program involves business, labor, and agricultural groups as well as the welfare of the public at large. It is, therefore, deemed desirable that the administration of the program be placed in a separate agency rather than in one of the established agencies like the Departments of Commerce, Agriculture, or Labor, each one of which has special responsibilities to particular groups.

Our experience during the last decade has shown that depressed communities remain with us even in a period of prosperity and economic growth. Rapid economic change, deterioration and exhaustion of resources and changes in technology are some of the major factors which cause certain communities to decline economically. The Federal Government can help these communities from deteriorating and thus prevent overall recession. H. R. 5302 will, if

adopted into law, not only help depressed communities, but will raise the economic level of activity for all of the United States.

Economy Does Not Mean Cutting Our Benefit Programs

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following news column entitled "Keenotes":

KEENOTES

(By Representative ELIZABETH KEE)

The place to begin effecting economies in Government spending should not start with those programs which affect the welfare of an overwhelming majority of the American people. Traditionally, however, this would seem, unwisely, to be the point where most efforts to cut the Federal budget usually begin, and for the most part end. The economy drive which is now on in Congress, and properly so, to cut the largest budget ever submitted in this country's peacetime history, is proving, unhappily, to be no exception to the rule.

So far, in this session of the Congress, the House has passed 6 appropriations bills, one, the urgent deficiency bill to help Government Departments and agencies meet their underestimated expenditures for the balance of the 1957 fiscal year; and the other 5 to provide funds for the fiscal year 1958, beginning July 1, 1957. A comparison of House action on these 6 bills will, I feel, offer a clear illustration of the point I wish to make in this issue of "Keenotes."

On February 5, the House passed the urgent deficiency appropriation bill for 1957. As approved, the bill provides (in round figures) $335 million for the United States Departments of Agriculture, Commerce, and Health, Education, and Welfare, the Small Business Administration, and the legislative branch for the last quarter of this fiscal year. The only floor action by the House, beyond approval of the Appropriations Committee's recommendations, was to adopt an amendment placing a limitation of $15,728,000 on the amount that may be spent for State and local administration of public assistance grants. The bill is still in conference between the House and Senate. But if this limitation is upheld, it will mean that, instead of the Federal Government providing 50 percent of the cost of administering the public assistance program in the States, only 35 percent will be paid for the balance of this year.

This could gravely affect the public assistance program in West Virginia, where grants to the needy have already had to be cut because of the increase in the number of individuals on the relief rolls. Obviously, the more needy there are to serve, the more the cost of administering the program increases.

On February 20, a bill appropriating funds for fiscal 1958 for the United States Treasury, the Post Office Department, and the Tax Court passed the House. This bill authorized appropriations totaling more than $3,884,000,000 for these three agencies. This was a little over $60 million less than the President requested in his budget. But it is almost $251 million more than was appropriated for these same agencies in fiscal 1957.

On February 26, $454,395,700 was appropriated for the Interior Department, some $61 million less than the budget request, but only about $3.7 million less than was appropriated for fiscal 1957. On March 13, the House approved slightly over $16 million in appropriations to run the Office of the President, which was nearly $5 million under the budget request.

Then on March 20, the first really big cuts in the President's spending proposals were approved when the House sliced over $500 million from the appropriations requested for 19 Federal agencies comprising the so-called independent offices of the Government, such as the Federal Civil Defense Administration, the National Advisory Committee on Aeronautics, and other boards, commissions and corporations. This represents a reduction of almost $600 million under what was appropriated for fiscal 1957. Veterans' Administration funds account for 82 percent of all funds appropriated for the independent offices.

Then, on April 4, after 7 days of strenous debate on the floor, the House passed the Labor-Health, Education, and Welfare appropriations bills. I think I may safely say that, with the exception of the Veterans' Administration, these two departments of the Federal Government more closely and intimately serve the well-being of a greater number of Americans than all of the other agencies and departments put together.

By this time, every newspaper reader, TV and radio listener, knows that the House Appropriations Committee approved cuts amounting to $118,774,700 from the budget requests for these two departments; and that subsequent action on the House floor increased this amount to more than $134 million, almost $19 million under the appropriations for 1957.

But what I fear has not been made clear to the American people is just how these cuts will affect the businessman, employed people, retired workers, the older age groups, and the public assistance, public health, and other essential service programs that benefit the entire community. For example, the reduction in the funds available to the Bureau of Employment Security will curtail research programs invaluable to the average businessman. West Virginia, in particular, has special interest in several of these programs—one of which keeps track of the effect of tariff policies (the lowering of tariffs) on our domestic industries. Another program provides assistance to the "one industry" surplus labor commodity by affording studies and data as to how its resources can be used to provide diversified industrial development and greater employment opportunities.

One of the most consequential restrictions written into the bill has serious implications for West Virginia. This is the ceiling of $104 million placed upon the Federal share of administering the costs of the public-assistance program—aid for the needy aged, the blind, dependent children, the physically handicapped, and the permanently and totally disabled. By law, the Federal Government pays half the administrative cost of these programs on a 50–50 matching basis with the States. If the Senate upholds the House-passed limitation, every State will automatically be compelled either to drastically curtail these programs or to carry the added cost alone.

Only the most vigorous fight I have seen waged in the House in many a long year saved a ruinous cut in the funds available to run the Food and Drug Administration in the next fiscal year. The Food and Drug Administration is literally the policeman, the sure protector of the fit-to-eat food we put on our tables, of the purity and safety of the medicines we give to our children and other loved ones. As a mother and housewife, as well as the Representative of the people in the Fifth Congressional District of West Virginia, I gave of my best efforts to prevent a cut which, to my mind, would have been calamitous for the health and welfare of every family in this country. I am happy to report that this cut, tentatively approved by a voice vote, was defeated when a rollcall or registered vote was demanded by the floor managers of the bill.

What to me would have represented another catastrophic cut was likewise saved by the demand for a rollcall vote. This was the first tentative move on the House floor to repeal the Water Pollution Control Act by denying the Public Health Service funds with which to administer its provisions. This act provides Federal aid to local communities to build sewage treatment plants and so assure uncontaminated, pollution-free water for consumption of the local citizen. It renders an absolutely vital service for thousands of our cities and towns built along the rivers and harbors of the Nation.

I am economy-minded. I believe that untold sums of money can be saved by efficient administration, by eliminating any excessive profits on the part of those who supply goods and services to the Government and by doing away with the war-essential "rapid tax-write-off" programs intended to induce industry to expand in a period of national emergency. I also believe that only that overused rubber stamp "classified" prevents Congress and the public from knowing of possible waste, extravagance, and duplication in the Department of Defense, and the foreign-aid programs.

But the service agencies and departments of the Federal Government that cope with the problems, the often-tragic needs and the health of the average citizen, the small-business man, the veteran and the aged, have no "classified" stamp to use. They are the easy prey of the indiscriminate budget-cutter who swings a meat-ax—let it fall where it may—without thought for the consequences—to all of us who willingly pay our taxes for the benefits and advantages this richest and most blessed of all lands can well afford its people.

United States Foreign Policy

EXTENSION OF REMARKS

OF

HON. THRUSTON B. MORTON

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1957

Mr. MORTON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me before the Advertising Council at Washington, D. C., on Monday last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR MORTON'S ADDRESS BEFORE THE ADVERTISING COUNCIL

Good evening. It is a pleasure for me to have the opportunity to be here with you tonight and to be able to discuss important matters relating to the foreign policy of the United States with this group which is so intimately connected with the formation, dissemination and instrumentation of ideas and policies. Beyond this, your Advertising Council has in the past year been instrumental in the expenditure of nearly $150 million in public service advertising. You have

given your time, effort and money to aid neighborhood improvement, to obtain better schools for our young, to help the Red Cross and the CARE food crusade and numerous other causes as well as special efforts in the Hungarian crisis. I understand you are attempting to increase your work this year. For your efforts and achievements I salute you—as a citizen, I thank you. No group would know better that friendship and cooperation have few borders.

As you so well know, there is no longer any question as to whether or not this country has a major and permanent role in the affairs of men. In his inspiring inaugural address last January the President of the United States clearly laid down the responsibilities of this Nation to the totality of mankind. The question is rather—how can we best conduct and discharge this obligation with honor and justice in an enlightened self interest and in the interest of all the peoples of the world?

George Washington's Farewell Address has often been quoted as a warning against what have been termed "foreign entanglements." A letter from Washington to Lafayette, dated August 15, 1786, has received considerably less attention. In this letter Washington wrote: "As a member of an infant empire * * * and as a citizen of the great republic of humanity at large, I cannot help turning my attention sometimes to this subject * * * I cannot avoid reflecting with pleasure on the probable influence that commerce may hereafter have on human manners and society in general. On these occasions I consider how mankind may be connected, like one great family, in fraternal ties. I indulge a fond, perhaps an enthusiastic, idea that * * * the period is not very remote when the benefits of a liberal and friendly commerce will pretty generally succeed to the devastations of horrors and war." I propose, ladies and gentlemen, that this time is surely now upon us.

There has been a great deal of discussion recently about the foreign policy of the United States. Some voices have been raised in the suggestion that we have no clear foreign policy or that it is a changing one without basic cohesiveness. I suggest, rather, that we have been going through a period of evolution in world affairs and that, concomitantly, our foreign policy has been evolving in response to the new world conditions and necessities.

Historically the foreign policies of nations have been based on certain aspirations and interests—many of these have been self-interests. There have been considerations as to territory, resources, strategic position. There have been particular loyalties toward certain peoples or nations, or antipathies toward others. There have been noble motives and other motives. Indeed, the list of reasons for policies may be as long as the number of policies or alliances of all history. I do not tonight condemn these reasons or considerations but merely point them out as factors which have existed and influenced the foreign policy of many nations throughout the ages.

I do tonight come before you with the firm belief that we have reached the time when the basic underlying principle of the foreign policy of the United States has evolved and can be clearly defined. It is the principle of principle. Woodrow Wilson once said, "Let us remind ourselves that we are the custodians in some degree of the principles which have made man free."

We find ourselves in a very unique position in the history of mankind. Our birth as a nation was in itself unique. Our creation was in response to a purpose based on principle. History has thrust upon us the role of leader of the free world. This is not a role that we as a people sought or even wanted. We are faced by a militant and amoral Communist force that has as its avowed intention the enslavement of the peoples of our world. Ours is a time when nationalism has reached fervent heights in all parts of the world. We see in our time the birth of new nations—all with high hopes, many with old cultures, few with any experience in self-government or the conduct of foreign affairs. For these reasons we must have a policy which goes beyond the basis of loyalty or friendship, or of cultural, racial, or religious ties. This policy can only be based on principle.

What do I mean by policy based on principle? Any definition, in full form, would be rather broad and I shall elaborate on it throughout the course of my remarks. However, I believe that this principle which must now guide us has an essence. It means that we must strive, in our relationships with the rest of the world, to work always for that harmony, understanding and accord which will epitomize the highest and noblest aspirations, not only of our own Nation, but of the entire world. And if we feel that there are, in the American way, things of universal value which could benefit all mankind we must dedicate our efforts to helping others to adapt such of these as may be beneficial to their way of life.

We must never confuse friendship, or even leadership, with paternalism or self-righteousness. We must make it abundantly clear that our motives are honest and sincere, and we must be prepared to state them clearly.

We desire a world at peace, where all men may live according to their own cultural traditions in societies of their own choice. We want all people to possess the freedom of thought, belief, and choice to which every human being is entitled and we want for all a fuller and richer daily life. And we hope that through mutual understanding, clear expression, and dedicated effort we will all come closer together.

It has become generally accepted that the task of free world leadership has fallen to the United States. It is essential that we discharge this task with the conscience of principle. Our policies must not be based on affection for or antipathy toward any nation or people. Particular loyalties must not be allowed to overshadow the tremendous burden of principled world leadership. We cannot be permitted the indulgences that biased likes or dislikes forbode.

There will be times when public opinion at home is influenced by cultural, racial, or religious loyalties to friends abroad. At such times, although our road will be even more difficult, we must be prepared to bear the additional burden.

We recently have had just such an example. I refer to the Suez crisis, when principle forced us to take a strong stand against our traditional allies in their use of force to settle the dispute in that area. I firmly believe that our stand in this instance was just and correct. It was an example of leadership by principle. Nevertheless it shows that it is more difficult to lead by principle than by loyalty, friendship, or interest.

I am understanding of those who motivated by loyalty supported the position taken by our historic friends in the Suez matter and were sharply critical of the position taken by this country. But I point out that none of these persons or nations has the unique responsibility that rests on the United States in the troubled and explosive world of today. That responsibility is constant and must be consistent. I do not mean to imply that loyalty does not have its place in our dealings with other nations. Loyalty we admire and disloyalty we deplore. In this country and elsewhere the strongest loyalty is the family loyalty. We recognize this in our own judicial processes. We do not require husband or wife to testify one against the other. Yet in the discharge of our unique responsibility there can be only loyalty to principle. This concept does not relieve us of any commitment into which we may have entered. Certainly we will be loyal and faithful to our obligations to our many allies just as we have been in the past. However, we cannot discharge our responsibility by condoning any action taken by a member of the family of nations just because that nation happens to be a member of a friendly alliance. All actions must be measured against the yardstick of principle.

Let me again quote our illustrious first President who said in his farewell address, "It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. * * * In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. * * * The peace often, sometimes perhaps the liberty of nations, has been the victim." Once more the wisdom of Washington is clear.

This policy of principle which I have tried to describe and to illustrate by reference to George Washington was clearly put to the test by the tragic chain of events which has taken place during the past 8 months in the Middle East. In my judgment those responsible for the conduct of the United States foreign affairs faithfully applied the measure of principle to the actions of other nations. Our reaction to this chain of events was in keeping with our own tradition of justice and our avowed purpose to achieve the settlement of such disputes by peaceful means.

In charting our course this country did not take the easy way. Principle demanded that we take the hard way and stand in firm opposition to our very closest traditional friends and allies. During these trying months we made it clear both within and without the United Nations that if our friends would abandon forceful intervention in Egypt we would undertake definite responsibilities. Now we cannot allow Colonel Nasser to think we will turn away from our responsibility just because he turns so readily from his own country's international responsibility. As a small nation and early in our history we stood up to powerful tyranny. Surely as a great nation we will now stand up to petty tyranny.

In the formation and execution of this policy based on principle we must avoid the influence of inveterate antipathies or prejudices of the past. We must be on guard against our natural tendencies to condemn the political and social systems of those who do not completely agree with us. We have a deep belief in our own form of government and political system. I share this belief. But the role of world leadership demands a willingness to work with others toward whom we may be unsympathetic or whose systems differ from our own.

This country has worked out a successful program of what has been termed person-to-person diplomacy. This means that as a nation we are willing to sit down face to face, as if man to man, to discuss agreements, disagreements and many matters of mutual concern. And yet recently a head of state who had traveled to this country for just such a talk was publicly insulted upon his arrival. At this very moment, other heads of state whose visits might prove of ultimate benefit to all peoples cannot participate in this new dynamic diplomacy for fear of similar acts of shortsightedness.

I do not wish to imply that we should spread the welcome mat for the architects of the international Communist conspiracy. Nor should we do so for those who illegally hold innocent American nationals imprisoned. I do maintain that we should be big enough to overcome prejudice in talking to those whose political system we may not approve or whose neutralist stand we may not favor.

I do not suggest that we abandon any of our traditional beliefs or standards. On the contrary, we should attempt to foster and strengthen these standards where we may. I do say we must be openminded and accept other peoples with their standards and traditions. However, I wish to state very plainly that this respect for tradition does not mean that we shall ever fail to acknowledge the natural and just desires of all people for freedom and personal dignity. And we shall never fail to recognize the validity of natural and just change and progress.

I contend that no nation has any cause to doubt such intentions on our part. We have never sought to conquer or to annex. We seek no one's territory or interests. We have such abundance that seeking is not necessary. Instead we must wish to give, not so much of substance as of those eternals which we have always held self evident. We will not hurt ourselves by so doing. In fact, we will greatly help ourselves, both practically and as men of good will.

We must seek greater intercourse with less restriction, greater clarity with faith in its return, and better understanding based on deeds and acts. And through all, our primary consideration must be, not race, not religion, not color, not similarity of culture, not propinquity, not community of interest, but principle, absolute and yet understanding, as right alone can be.

I would like to conclude by quoting a distinguished American writer whose words seem particularly appropriate: "American freedom has its being in principles which do not belong to America but to the world. Our whole evolution is based on the action of these principles, and our hope of future solutions rests upon our further ability to apply them. To withdraw is to undermine ourselves. And to define our defense in purely military terms is to deny ourselves the further development of our own free institutions.

"In the last analysis, then * * * the formulation of a sound policy for America involves spiritual as well as military and economic considerations: * * * in the sense that we must continually rediscover within ourselves, and continually learn to implement, those universal human principles of which our version of freedom has been created. Without these principles we cannot hope to be free. Yet we cannot hope to understand them if we consider them exclusively our own. The isolationist cliche that America should serve her own ends exclusively has little meaning when viewed in this light. We must so frame our policies that we may discover in ourselves, as individuals, and learn to implement, that which we hold in common with all humanity.

"There come times in the history of every people when destiny knocks on their door with an iron insistence. In the history of America, destiny has knocked thus three times; once when we faced the seemingly impossible odds of British power to gain our independence; once at Fort Sumter, when we faced the bloody task of preserving our Union; and it is knocking today.

"It is true that on other grave occasions Americans have heard the knock of destiny. They heard it in 1917 when they sent their first expeditionary force to Europe. They heard it even more loudly in 1941, when they roused out of an isolationist lethargy to fight—again against odds—one of the most brilliant and important wars in history. Yet on neither of those occasions did the knocking have the iron clang that we hear today. In World War I, and even in World War II, a mold existed into which we could pour our vast energies. Our power—and in the second war our leadership also—was essential to victory. But it was not our task to make the mold. It was not our task to determine either the geographical contours or the moral content of the battle. That had already been done by the rest of the world.

"But today, though we again have allies, though we have the United Nations, though we have access to resources all over the world, it is we who must shape the struggle; we must make the mold. That is the meaning of the iron clang. Our outlook is the same as it was at the time of the Revolution, and again at the time of the Civil War; the shape of things to come depends on us; our moral decision, our wisdom, our vision, and our will." Thank you.

Text of Preliminary Statement of House Un-American Activities Subcommittee As Read by Subcommittee Chairman Clyde Doyle, California, at Chicago, Ill., Subcommittee Hearings Beginning March 26, 1957

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1957

Mr. DOYLE. Mr. Speaker, unanimous consent heretofore having been granted me so to do, I am pleased to present for your information, as well as the information of all my colleagues and any others who read this, a true and correct copy of a preliminary statement made and read by me on Tuesday, March 26, 1957, at subcommittee hearings of the House Un-American Activities Committee, over which I presided, beginning on said date at Chicago, Ill.

The statement follows:

INVESTIGATION OF THE DISSEMINATION OF COMMUNIST PROPAGANDA IN THE UNITED STATES

Mr. DOYLE. The committee will please come to order.

I have a preliminary statement that I wish to read. It is customary so to do in these hearings.

In these hearings in Chicago with this subcommittee of the Committee on Un-American Activities beginning this morning, it is our purpose to obtain further information for legislative purposes about the extent, character, and objects of the Communist propaganda in the United States, including subversive activities of the Communist Party. This is our official duty and obligation under the expressed terms of Public Law 601, enacted by the United States Congress in 1946 during the 79th session thereof.

The primary purpose of our inquiry today and tomorrow here in the Chicago area is the extent to which the press is Communist dominated so far as foreign language papers are concerned or the subversive conspiracy is implemented thereby. We expect to investigate today and tomorrow the extent to which this foreign language press, which is printed or distributed in or from the Chicago area, is the tool of the Communist subversive propaganda activity.

We recently made a very successful investigation on the same important subject of the New York City area. It is the Communist infiltration of the foreign language press of which we will be concerned chiefly.

Evidence which the committee has already received in hearings in other cities on this same subject indicates clearly that the propaganda operations of the Communist Party in the United States among minority groups serve as one of the most powerful means and methods of subversion.

The activities of the Communist Party right here in the Chicago area takes on a new significance in view of the recent announced decision of the Communist Party of the United States to transfer its headquarters nationally to Chicago.

The Communist Party and Communist front organizations which already exist here in this important industrial area are among the most virile and extensive in our entire beloved Nation.

An examination of Communist propaganda publications is sure to prompt the cry from the Communists and the Communist controlled fronts and Communist controlled press that we are attempting to exert a censorship of the press. This is, of course, false and unfounded, and the Communists know that such an attack on this committee has no foundation in truth or in fact.

I want to make it clear that this committee has no intention of seeking censorship of newspapers, magazines, or books, in interfering in any way with the operation of genuine and free publications. But we are definitely instructed by the United States Congress and by Public Law 601 to investigate and report the extent and character of Communist subversive propaganda and activities wherever it sticks its ugly head. The Communist publications are another matter. To the extent that any foreign-language newspaper that we are investigating today and tomorrow is controlled by Communist philosophy it is not a free press. They are but the mouthpiece of a foreign ideology from a foreign source of a subversive conspiracy against the free press or against free speech in the United States.

The constitutional right to advocate change in an orderly manner is fundamental. We recognize it as such. But orderly change in our constitutional law is not the subversive intent of the Communist Party in the United States. There are constitutional guaranties of free speech and free press, and thank God there are, but there are no constitutional guaranties protecting subversive, fraudulent propaganda, designed to forcibly and violently overthrow our constitutional government or prohibit the Government of the United States from dealing with it in the legal manner.

Indeed, there are already existing laws against such types of publications. It is apparent that these laws are frequently being violated and circumvented in many ways and that these laws need to be strengthened.

The committee subscribes wholeheartedly and vigorously to the premise that any American citizen has the established right to say and to write what he pleases and to present his grievance in a legitimate way to the

representatives which he has democratically chosen to govern him, but at the same time the people of the United States and the Government of the people of the United States have a right and a duty to learn the identity of those who illegally and subversively abuse the freedom of speech and the freedom of the press in order to bring about subversive destruction of our constitutional form of government.

At this point I wish to incorporate in the record the authorization of the full House Committee on Un-American Activities for this series of subcommittee hearings and the order by the chairman of the full Committee on Un-American Activities, to wit, the Honorable FRANCIS E. WALTER, in which he appointed this subcommittee consisting of three members, to wit, the distinguished gentleman from Tennessee [Mr. FRAZIER], who is absent this morning; the distinguished gentleman from Ohio [Mr. SCHERER], who is on my right; and myself, CLYDE DOYLE, of California, as subcommittee chairman.

The reason I insert this in the CONGRESSIONAL RECORD is not only that I learn that many of the Chicago and Illinois Members in this great body have received communications from that area from constituents falsely charging what was in my preliminary statement, but likewise charging that it, and the hearings growing out of same, were a deliberate interference with the freedom of the press.

This is not the first time that false, deceitful statements have come to my attention as having been received by Members of this great body from geographical areas where subcommittees of the Un-American Activities Committee have held hearings, but I wish to say, Mr. Speaker, that there is a definite, systematic and malicious program in being from Communist philosophy undergrounds and on surface members and sympathizers to misinform and mislead Members of Congress and other legislative bodies as to what is said in preliminary statements by subcommittee chairmen of our House Un-American Activities Committee. Therefore, in presenting this to your attention and consideration I do so with the cordial invitation to you who read the same to communicate to me any suggestion, criticism, or any comments which you desire to make to me about the same. I will cordially welcome the receipt thereof.

Of recent date I have furnished to all of the Members of this great legislative body from the Chicago area a true and correct duplicate of this text this day called to your attention.

Mr. Speaker, little wonder is it that these distinguished Representatives in Congress from the Chicago area have received false and baseless and untrue communications attacking my preliminary statement and the said subcommittee public hearings. I say this for the reason that at said hearings it was proven that in a foreign-language paper, named Vilnis Weekly Review, there appeared the following article under date of Friday, June 27, 1952:

ESCAPED KOREAN POW'S EXPOSE UNITED STATES CRIMES

PYONGYANG (Hsinhua).—Open letters by three escaped Korean prisoners of war to the Korean People's Army were published by the local paper "People's Army News" on May 22. The authors of these letters are Cpl. Choi Song Ok, Pfc. Li Hun Si and fighter Yun Chang Il, all of whom escaped from Compound No. 76 of the POW camp on Koje Island. Based on personal experience, they have exposed the American crime of manhandling, torturing and butchering captured personnel and have blown skyhigh the American lies about voluntary repatriation, humanitarian principles and the like.

CHOI SONG OK'S LETTER READS: ISLAND OF HORROR

I joined the Korean People's Army when the Syngman Rhee brigands and American imperialist forces started invading North Korea. In a battle, I lost consciousness from a wound and was captured by the Americans. I was flung into a POW camp in the Pusan area and later transferred to Koje Island.

I really cannot find words to describe all the horrors that my comrades and I suffered in the Koje POW camp. But I assure you that this POW camp run by the American Army is literally a hell. I escaped from this camp on May 7.

Compound No. 76 of the POW camp is dark and poorly ventilated. Its quarters are in utter darkness, devoid of bedding. It has 18 torture rooms and six steam rooms in which Americans put the captives to death by live steam. In addition, there are four gallows.

The American gangsters treated the POW's like beasts. They starve prisoners and imposed forced labor on us every day, despite our hunger. Our two meals daily were inadequate and consisted of coarse food. We had rice only once a week.

The American robbers tortured captured personnel on the flimsiest pretexts. They also often starved prisoners to death.

As was the case with other captives, the American gangsters tried to make me sign the so-called petition in blood, but I refused.

DON'T WANT TO SERVE AMERICANS

On April 14, Brigadier General Dodd, camp commander, a colonel and three other officers came to our compound. The prisoners were assembled to listen to Dodd. The meeting ground was heavily guarded. Dodd announced that all POW's would be registered. Then forms were distributed to the prisoners to be filled in and signed. He said that the United States Army command wished to release those prisoners who wished to serve the United Nations forces and so they were required to sign an anti-Communist petition in their own blood.

We immediately started shouting. "Send us home. We don't want to serve the Americans. Observe Geneva Convention. We refuse to join United Nations forces." The POW's rose as one man in their wrath.

Dodd beat a hasty exit. The American guards encircled us and fired. Eighteen POW's were killed and 37 wounded.

Next day they carried out individual interrogation of POW's, and I was interrogated. An American colonel asked me whether I knew which POW's were members of the Nodong Dang and who had started the riot. He wanted me to give their names. The colonel said: "If you tell me the facts, I shall give you 800 United States dollars and release you. Then you can live a free life in Seoul."

ELECTROCUTION

I stubbornly refused to answer these provocative questions, on the ground that international law did not require me to answer such questions. Then they dragged me out of the interrogation room and thrust me into a dark cellar. There I was stripped, bound, and whipped.

Other comrades were suffering the same torture in the cellar.

I lost consciousness several times. The sadists poured hot water on my body and kept whipping me. Finally, the American gangsters put me into a cell so small I could not turn around. They said menacingly: "If you don't tell us who shouted Communist slogans at yesterday's meeting, you will be electrocuted."

I was filled with burning hatred for these monsters and resisted the interrogation and torture in silence.

At last I got an opportunity to escape from the POW camp. I crossed the 38th parallel and returned to the free soil of my motherland.

I can never forget the terror in the American POW camp on Koje Island, and my deep hatred of the American brigands will never diminish. I will do my utmost, and even give my life, to drive the foreign aggressors out of my country.

TRUTH OF UNITED STATES SCREENING

Following is the text of a joint letter by Li Hun Si and Pun Chang Hi:

We are filled with indignation and loathing for the shameless violation by the American and Rhee brigands of all international law, and their vicious oppression of our captured personnel on Koje Island.

On May 4, we escaped from the American prisoners of war camp on Koje Island and returned to our motherland. Now we are happily breathing the fresh air of freedom.

We want to accuse the American butchers of atrocities on Koje Island before all people of good will. We ask the people of our country and people throughout the world unanimously to support our brothers on Koje Island who are being beaten and maltreated by the American forces.

The American interventionists' cruelties in the POW camps on Koje Island are perpetrated to force our captured personnel to become cannon fodder for the Syngman Rhee and Chiang Kai-shek brigands, and slaves of the Americans. With this goal in mind, the American military authorities on Koje Island again started forcible screening in April. The American robbers fabricated so-called petitions and forced our captured personnel to affix their fingerprints in blood. Those who refused were maltreated and were subjected to third-degree questioning. When we two refused, we were interrogated and tortured.

It is difficult to imagine the sufferings we have endured.

All captured personnel of the Korean and Chinese people's forces are anxious to return to their own countries. We believe that the day will come soon.

The American robbers' scheme to turn our captured personnel into their slaves, and Syngman Rhee and Chiang Kai-shek's cannon fodder will never be released. The American robbers must bear responsibility for their crimes on Koje Island.

We who have returned to our free motherland will resolutely defend our beloved motherland and strive for unconditional victory.

Therefore, I naturally asked the Secretary of Defense on April 30, 1957, furnishing him a photostatic copy of said article dated June 27, 1952, to give me the answer in connection therewith. Here, therefore, is my communication to the Secretary of Defense, dated April 30, 1957, and here is his answer to my inquiry dated May 17, 1957:

APRIL 30, 1957.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Department of Defense,
Washington, D. C.

MY DEAR MR. SECRETARY: Enclosed is photostat of page 2 of Vilnis Weekly Review for

Friday, June 27, 1952, published at Chicago, Ill., on that date. This exhibit was introduced before my subcommittee in public session of the House Un-American Activities Committee on March 27. It is a reproduction of the English language portion of a Lithuanian newspaper published in Chicago.

I will thank you to give to me such appropriate comment as you may have in the premises relating to the alleged facts set forth in this dastardly article.

Thank you.

Sincerely yours,

CLYDE DOYLE,
Member of Congress.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., May 17, 1957.

Hon. CLYDE DOYLE,
House of Representatives.

DEAR MR. DOYLE: Reference is made to your letter of April 30, 1957, to the Secretary of Defense forwarding a photostatic copy of a page of the Vilnis Weekly Review for Friday, June 27, 1952. Additional reference is made to a letter addressed to you on May 8, 1957, from Capt. Carlton R. Adams, Director of Legislative Liaison, informing you that your request for comments on the Vilnis Weekly Review article had been forwarded to this office.

This office is unfamiliar with the publication. It is noted, however, that the source of the story entitled "Escaped Korean POW's Expose United States Crimes" is Hsinhua. Hsinhua is the official news agency of the Chinese Communist regime in Peiping, and as such, it is completely controlled by the regime (as are all media of information in Communist China). It is the main source of Chinese Communist propaganda in the press and publications field.

During the period in question (June 1952), the Chinese Communists were suffering a severe propaganda loss to the U. N. command and especially to the United States in Korea, because at that time some 33,000 former North Korean and Chinese Communist soldiers were adamantly refusing repatriation to their homelands. The Korean truce negotiations were under way and the Communist side was stalling over the issue of nonforcible repatriation of prisoners of war. As you know, in the Orient face is a most important psychological asset. In the summer of 1952 the Chinese Communists were losing face over the PW issue and the exposure before the world of the true feelings of these former Communist soldiers with regard to the North Korean and Chinese Communist "paradise" was most intolerable in the eyes of the Communist regime.

The article from the Vilnis Weekly Review is only one of a variety of methods by which the Communists attempted to take the pressure of world opinion off their own difficulties and contradictions by ascribing to the U. N. command the very crimes of which the Communists themselves had been guilty.

The whole issue of U. N. treatment of Communist POW's has been thoroughly investigated through the mechanism of the International Committee of the Red Cross which made thorough and periodic inspections of U. N. command PW compounds throughout the Korean War. Except for the most minor and relatively insignificant deficiencies, the inspection teams of the International Committee of the Red Cross gave the U. N. command a completely clean bill of health on the handling of Communist POW's. The mere fact that 33,000 of these POW's refused to return to North Korea or to Communist China is in itself most eloquent testimony to the manner in which the U. N. command took care of their welfare, and treated them in all respects in strict accordance with the Geneva Convention on POW's.

Because the article is based on completely distorted facts and outright fabrications, it is impractical to attempt to analyze each particular statement. It is assumed that the three soldiers who are described in the article were simply ordered to sign their names to the so-called letters which were prepared by a Communist propagandist within the context of the campaign to discredit the U. N. command and the United States.

I am at a loss to understand why a weekly publication, which depends upon American freedom of the press for its existence, would publish such obvious Communist propaganda, but as you know it is beyond the purview and authority of the Department of Defense to look into such matters.

I trust that these general remarks and comments on the article will serve your purpose.

Sincerely yours,

G. B. ERSKINE,
General, USMC (Retired), Assistant to the Secretary of Defense (Special Operations).

In producing this traitorous article from a foreign-language newspaper, printed at Chicago on June 27, 1952, and which paper is still printed there, was the subcommittee interfering with the freedom of the press? In asking you this question I call your attention especially to paragraph 7 of my preliminary statement beginning as follows:

The primary purpose of our inquiry today and tomorrow here in the Chicago area is the extent to which the press is Communist-dominated so far as foreign-language papers are concerned or the subversive conspiracy is implemented thereby.

And for your information I am pleased to present the following text of one of the pamphlets widely distributed in Chicago at the time prior to the subcommittee hearings beginning March 26, 1957:

YOUR RIGHT TO READ NEWSPAPERS, TO BUY BOOKS, TO SEE FILMS, IS CHALLENGED BY THE HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

On Tuesday, March 26, and Thursday, March 28, several of your fellow citizens have been summoned to appear for inquisition before the House Un-American Activities Committee (the Walter committee) at the Federal Courthouse in Chicago. Their crime: They publish newspapers, sell books, or exhibit films that the bigots on the Walter committee don't like.

"The most un-American activity in the United States is the conduct of the Congressional Committee on Un-American Activities. It is so viciously flagrant a violation of every element of common decency associated with human liberty that it is a foul mockery on all that Jefferson and Lincoln made articulate in their dreams of a cleaner, finer order on earth."—From an editorial in the Detroit Free Press, sister paper of the Chicago Daily News.

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble and to petition the Government for a redress of grievances." (First amendment, Constitution of the United States, Dec. 15, 1791.)

Some of the people summoned by the Walter committee are editors of foreign-language newspapers published in Chicago. Apparently in the eyes of the Walter committee anyone who speaks or writes in a foreign language is suspect. This is in line with the objectives of the Walter-McCarran Immigration Act, of which Congressman WALTER is coauthor.

The Constitution forbids Congress to restrict freedom of expression, so it cannot legislate in this field. Therefore, the purpose of the inquisition is to create hysteria and block the growing opposition to the Walter-McCarran Act.

The specific objective of the forthcoming inquiry is to destroy the foreign-language newspapers because of their influence in arousing opposition to the Walter-McCarran Act. Freedom of speech is of special importance to these people because they speak in a different language. If the foreign-language press is deprived of its rights, will other newspapers be secure?

The Walter committee seeks to accomplish its purpose by having paid informers attack those with whom it disagrees. These informers label as subversive and un-American those who sell books not approved by Secretary of State Dulles, or who show Russian films, or who oppose repressive legislation.

We agree with the following message sent to a meeting of the American Booksellers Association by President Franklin D. Roosevelt in April 1942, when the Nazis were burning books with which they disagreed:

"We know that books burn—yet we have the greater knowledge that books cannot be killed by fire.

"People die, but books never die. No man and no force can abolish memory."

Among those summoned to appear before the Walter committee on March 26 and 28 are:

EDITORS

Mrs. Alice Yonik: Editor in chief of Vilnis (meaning Surge). Vilnis has been published for Lithuanian readers in Chicago since 1920 and has been a daily newspaper since 1926. Mrs. Yonik has been with the newspaper since 1932. She is a native of Chicago and is active in the Lithuanian Women's Cultural Club.

Leon Pruseika: Associate editor of Vilnis.

Jacob Pauliukas: Manager of Vilnis.

Vincent Andrulis: Columnist and former editor of Vilnis. Member for 27 years of the Association of Lithuanian Workers. Active in Lithuanian Literary Society. He is very ill with a heart ailment.

Mrs. Nellie De Schaaf: Housewife. Editor of Vilnis' English section from 1950 to 1952.

Anthony Minerich: Business manager and former editor of the Croatian weekly, Narodni Glasnik (meaning People's Voice). Formerly active in United Mine Workers of America. Now active in Croatian Fraternal Union.

John Zuskar: Business manager of the Slovak weekly newspaper, Ludowy Noviny (meaning People's News). Secretary of the Slovak Circle. Member for 45 years of the National Slovak Society.

FILM EXHIBITORS

John Rossen: Theater manager. Veteran of World War II. Executive director of the Chicago Council of America-Soviet Friendship.

LeRoy Wollins: Veteran of the Korean campaign. Graduate of the University of Chicago. Director of the Film Forum of Chicago, which has been showing Russian films. Editor of Friendship. Administrative secretary, Chicago Council of American-Soviet Friendship.

BOOKSELLER

Otto Wangerin: Operator of Modern Bookstore. Active for 40 years in labor and progressive movement.

SENATE

TUESDAY, APRIL 9, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Holy God, to whose service we fain would dedicate the strength of our lives, we lament and confess that in spite of our deep desire so foremost and compelling in our highest hours, nevertheless too often we yield to the pleasures of sense, and are so negligent of things spiritual; that we become so eager to get, so reluctant to give; that we are so severe in judgment upon others, and so lenient with ourselves; that we are so obsessed with great ambitions that we are not always faithful and loyal to small but vital concerns that test our caliber on common days.

But we pray that the failures of yesterday may not be repeated in the record of today, nor the page written this day set any evil example for the tomorrows. So teach us to govern this day and every day that we may apply our hearts unto wisdom. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Monday, April 8, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 2, 1957, the President had approved and signed the act (S. 323) to amend section 334 (e) of the Agricultural Adjustment Act of 1933, as amended, relating to increased allotments for durum wheat.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 192. An act to provide that members of the Board of Education of the District of Columbia may be removed for cause;

H. R. 2018. An act to permit any State of the United States or any political subdivision of any such State to purchase from the District of Columbia Reformatory at Lorton, Va., gun mountings and carriages for guns for use at historic sites and for museum display purposes;

H. R. 3400. An act to provide full and fair disclosure of the character of charitable, benevolent, patriotic, or other solicitations in the District of Columbia; and for other purposes;

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia;

H. R. 4840. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia;

H. R. 4874. An act to amend the act of July 2, 1956, entitled "An act to exempt from taxation certain property of the Columbia Historical Society in the District of Columbia";

H. R. 5693. An act to authorize the Board of Education of the District of Columbia to borrow motor vehicles for use in a motor vehicle driver education and training course in the public schools of the District of Columbia, to excuse the owners of vehicles loaned to public, private, or parochial schools for driver training purposes from the payment of certain fees and taxes during the period of such loan, and for other purposes;

H. R. 6306. An act to amend the act entitled "An act authorizing and directing the Commissioners of the District of Columbia to construct two 4-lane bridges to replace the existing 14th Street or Highway Bridge across the Potomac River, and for other purposes";

H. R. 6500. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes; and

H. R. 6508. An act to modify the Code of Law for the District of Columbia to provide for a uniform succession of real and personal property in case of intestacy, to abolish dower and curtesy, and to grant unto a surviving spouse a statutory share in the other's real estate owned at time of death, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 192. An act to provide that members of the Board of Education of the District of Columbia may be removed for cause;

H. R. 2018. An act to permit any State of the United States or any political subdivision of any such State to purchase from the District of Columbia Reformatory at Lorton, Va., gun mountings and carriages for guns for use at historic sites and for museum display purposes;

H. R. 3400. An act to provide full and fair disclosure of the character of charitable, benevolent, patriotic, or other solicitations in the District of Columbia; and for other purposes;

H. R. 3486. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia;

H. R. 4840. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia;

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H. R. 6306. An act to amend the act entitled "An act authorizing and directing the Commissioners of the District of Columbia to construct two 4-lane bridges to replace the existing 14th Street or Highway Bridge across the Potomac River, and for other purposes"; and

H. R. 6500. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, for the purpose of considering the new reports on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar under the heading "New Reports" will be stated.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Donald A. Quarles, of New Jersey, to be Deputy Secretary of Defense.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Department of Defense, the Department of the Air Force, and the Department of the Navy be considered en bloc.

The PRESIDENT pro tempore. Is there objection? Without objection, these nominations will be considered en bloc.

Mr. JOHNSON of Texas. Mr. President, I should like to state that as a result of my service on the Senate Committee on Armed Services, and as chairman of the Preparedness Subcommittee, I have had considerable contact and a rather close working relationship with the new Deputy Secretary of Defense, Mr. Quarles; with General Twining; with the new Secretary of the Air Force, Mr. Douglas; with Gen. Thomas D. White, of the Air Force; and with Admiral Burke, of the Navy. I have a very high regard for the ability and capacity of all these gentlemen. I think our Nation is very fortunate to have had them named to these responsible positions. Not only do I wish to commend the President for these nominations, but I also wish to say that I think the country is extremely fortunate to have available for its service men of such high caliber.

The PRESIDENT pro tempore. The other nominations being considered en bloc, under the order already entered, will be stated.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Gen. Nathan F. Twining, United States Air Force, for appointment as Chairman of the Joint Chiefs of Staff for a term of 2 years.

DEPARTMENT OF THE AIR FORCE

The Chief Clerk read the nomination of James H. Douglas, of Illinois, to be Secretary of the Air Force.

The Chief Clerk read the nomination of Gen. Thomas D. White, United States Air Force, for appointment as Chief of Staff, Department of the Air Force, for a period of 2 years.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Fred A. Bantz, of New York, to be an Assistant Secretary of the Navy.

The Chief Clerk read the nomination of Adm. Arleigh A. Burke, United States Navy, for appointment as Chief of Naval Operations, Department of the Navy, for a period of 2 years.

The PRESIDENT pro tempore. Under the order previously entered, all these nominations are being considered en bloc.

The question is, Will the Senate advise and consent to these nominations?

The nominations were confirmed.

The PRESIDENT pro tempore. The remaining nominations on the Executive Calendar will be stated.

UNITED STATES ATTORNEYS

The Chief Clerk read the nomination of Ben Peterson to be United States attorney for the district of Idaho, for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Anthony Julian to be United States attorney for the district of Massachusetts, for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk read the nomination of Frank O. Bell to be United States marshal for the northern district of California for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert W. Ware to be United States marshal for the southern district of California for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

IN THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy are confirmed en bloc.

NOMINATIONS PLACED ON THE VICE PRESIDENT'S DESK

The Chief Clerk proceeded to read sundry promotions in the Regular Air Force and appointments in the Navy and Marine Corps, which had been placed on the Vice President's desk.

The PRESIDENT pro tempore. Without objection, these nominations are confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PAYMENT OF CERTAIN COSTS BY BUREAU OF PUBLIC ROADS TO TEMPORARY EMPLOYEES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the payment by the Bureau of Public Roads of transportation and subsistence costs to temporary employees (with an accompanying paper); to the Committee on Government Operations.

FACILITATION OF ADMINISTRATION OF PUBLIC LANDS

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to facilitate the administration of the public lands, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Foreign Relations:

"Senate Joint Resolution 9

"Joint resolution relative to Congress appropriating funds for the construction, operation, and maintenance of the western land boundary fence along the border between the United States and Mexico

"Whereas the fence constructed by the United States several years ago along the border between the United States and Mexico to prevent diseased livestock from straying across that border into California and other States is now in a bad state of repair; and

"Whereas in order to properly protect our livestock from exposure to such diseases as southern cattle tick fever, glanders, and dourine, the construction, operation, and maintenance of an effective fence is urgently needed; and

"Whereas animals straying into this country from Mexico have infected domestic livestock with disease and continue to threaten our livestock industry; and

"Whereas the cost and inconvenience resulting from control and eradication of disease of livestock are great; and

"Whereas should such disease again be carried into California or other western areas, economic loss would result not only from the disease but also from quarantine restrictions; and

"Whereas the United States Section, International Boundary and Water Commission, United States and Mexico, has agreed to supervise the construction of a fence if funds are provided therefor: Now, therefore, be it

"*Resolved by the Senate and the Assembly of the State of California (jointly)*, That the Congress of the United States is hereby urged and memorialized to pass legislation to permit early repair, construction, operation, and maintenance of the western land boundary fence; and be it further

"*Resolved*, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"Resolution 101, relative to expressing to the Governor of Guam and the military commands located on Guam the loyalty and cooperation of the people of Guam

"*Be it resolved by the Legislature of the Territory of Guam*,

"Whereas it appears that the tensions and controversies between the ideologies of the world, particularly between democracy on the one hand and communism on the other, are continuing and increasing throughout the world; and

"Whereas in December 1956 there appeared in the Saturday Evening Post an article written by the former Governor of Guam, Ford Q. Elvidge, reflecting a questionable loyalty of the inhabitants of Guam to the United States of America; and

"Whereas the civilian leaders and military commanders of Guam and the United States are carrying grave responsibilities for decisions in matters vitally affecting the safety and welfare of the people of Guam as well as

the people of continental United States and of the world; and

"Whereas the people of Guam are conscious of the strategic importance of Guam in the defense program of the United States and realize that harmony, good order and cooperation between civilian inhabitants of the Territory and the Armed Forces is essential and the patriotic duty of the people of Guam: Now, therefore, be it

"*Resolved*, That the Fourth Guam Legislature does hereby on behalf of the people of Guam present their assurances to the Governor of Guam and to the military commanders in Guam of complete support, loyalty and cooperation in any peace-time endeavor or in any emergency involving the defense of the United States; and be it further

"*Resolved*, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, the Congress of the United States, the Secretary of Defense, the Secretary of the Interior, the Commander Naval Forces Marianas, the Commander of the United States Air Force in Guam, and to the Governor of Guam.

"A. B. WON PAT,
"Speaker.

"V. B. BAMBA,
"Legislative Secretary."

JOINT RESOLUTION OF MINNESOTA LEGISLATURE

Mr. HUMPHREY. Mr. President, I have just confirmed the passage of a joint resolution on rust control and plant research by the Minnesota State House of Representatives and Senate and signed by the governor and secretary of state.

The joint resolution memorializes the President, the Secretary of Agriculture, and the chairmen of the Senate and House Agriculture Committees to carry on an enlarged program of rust control and plant research.

I ask unanimous consent that the joint resolution be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

Joint resolution memorializing the President, the Secretary of Agriculture, and the chairmen of the Senate and House Agriculture Committees to carry on an enlarged program of rust control and plant research

Whereas the crops of farmers of the State of Minnesota are exposed and are susceptible to heavy damage caused by heavy infestation of rust on the hard spring wheat and durum wheat, and all other grains; and

Whereas certain types of wheat have been developed which are rust resistant, but which, of course, will not prove permanently immune to infestation; and

Whereas an expanding and continuing program of rust prevention and plant research must be carried on to combat constantly developing types of infestation; and

Whereas no one State has the necessary funds to carry on an adequate program of rust control and plant research on the present Federal and State appropriations; and

Whereas an adequate program will benefit all the people: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the legislature does hereby most earnestly and respectfully request that the Congress of the United States recognize the importance of continuous and adequate plant research and increase the present appropriations of funds for the purpose of carrying on an enlarged and adequate program of rust control and plant research; and be it further

Resolved, That copies of this resolution be transmitted by the secretary of the senate and the clerk of the house to the President of the United States, the Secretary of Agriculture, and to the chairmen of the Senate and House Agricultural Committees.

KARL F. ROLVAAG,
President of the Senate.

A. I. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 25th day of March 1957.

H. Y. TOBREY,
Secretary of the Senate.

Passed the house of representatives the 3d day of April 1957.

G. H. LEARY,
Chief Clerk, House of Representatives.

Approved April 8, 1957.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed April 8, 1957.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

CONVEYANCE OF LAND FOR PARK AND RECREATIONAL PURPOSES—PETITION

Mr. HUMPHREY. Mr. President, I have just received a letter from Dr. George A. Selke, commissioner of conservation of the State of Minnesota.

He directs my attention to, and urges my support of, the bill (H. R. 3121) to provide that certain surplus property of the United States may be donated for park or recreational purposes.

I ask unanimous consent that Dr. Selke's letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF CONSERVATION,
St. Paul, April 2, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: We urge your support of H. R. 3121, a bill amending Federal Surplus Real Property Act, permitting conveyance of land for park and recreational purposes without monetary consideration.

Due to large Federal landholdings in Minnesota, this bill, if passed, has potential benefit to city, county, and State alike, in the acquisition of necessary park properties.

Thanking you for your cooperation, and with kind personal regards, I am,

Very truly yours,

GEORGE A. SELKE,
Commissioner of Conservation.

JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. NEUBERGER. Mr. President, the Oregon State Legislature has passed House Joint Memorial 7, urging the inclusion of United States Highway No. 30 from Portland to Astoria, Oreg., to be designated for improvement as a part of the National System of Interstate Highways.

Highway No. 30 provides a vital connecting link between Astoria, at the mouth of the Columbia River, and the city of Portland and parallels the river. Tongue Point Naval Station near Astoria and the Maritime Commission reserve fleet based at Astoria are important factors in our national defense.

Mr. President, on behalf of myself, and my colleague, the senior Senator from Oregon [Mr. MORSE], I ask unanimous consent to have printed in the RECORD House Joint Memorial 7 of the Oregon Legislature.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

House Joint Memorial 7

To the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 49th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Federal Government has established and is assisting the several States in the construction of the National System of Interstate Highways; and

Whereas the National System of Interstate Highways is designed to promote, among other things, the national security; and

Whereas the security of the Columbia River and the Tongue Point Naval Station located at its mouth are of vital importance to the national defense: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That we urge the inclusion of United States Highway No. 30 from Portland to Astoria, Oreg., among those highways designated for improvement as a part of the National System of Interstate Highways; and be it further

Resolved, That copies of this memorial be sent to the President of the United States and to all members of the Oregon congressional delegation.

Adopted by house, February 26, 1957.

Adopted by senate, March 25, 1957.

EDITH BYNON LOW,
Chief Clerk.

PAT DOOLEY,
Speaker of House.

BOYD R. OVERHULSE,
President of Senate.

PROPOSED APPOINTMENT OF ONE ADDITIONAL ASSISTANT SECRETARY OF STATE—REPORT OF A COMMITTEE

Mr. GREEN. Mr. President, from the Committee on Foreign Relations, I report an original bill to authorize the appointment of one additional Assistant Secretary of State, and I submit a report (No. 223) thereon.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

The bill (S. 1832) to authorize the appointment of one additional Assistant Secretary of State, reported by Mr. GREEN, from the Committee on Foreign Relations, was read twice by its title and placed on the calendar.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL PERSONNEL AND PAY

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of February 1957. In accordance with the practice of several years standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, FEBRUARY 1957 AND JANUARY 1957, AND PAY, JANUARY 1957 AND DECEMBER 1956

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for February 1957 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In February numbered—	In January numbered—	Increase (+) or decrease (−)	In January was—	In December was—	Increase (+) or decrease (−)
Total [1]	2,300,507	2,297,015	+3,492	$989,849	$1,225,790	+$256,759
Agencies exclusive of Department of Defense	1,218,293	1,212,929	+5,364	512,414	496,268	+16,146
Department of Defense	1,172,214	1,174,086	−1,872	477,135	436,522	+40,613
Inside continental United States	2,185,269	2,182,138	+3,131			
Outside continental United States	205,238	204,877	+361			
Industrial employment	656,852	657,298	−495			
Foreign nationals	272,983	273,065	−185	28,066	29,636	−1,570

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I, below, breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside continental United States by agencies.

Table III breaks down the above employment figures to show the number outside continental United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1957, and comparison with January 1957, and pay for January 1957, and comparison with December 1956*

Department or agency	Personnel				Pay (in thousands)			
	February	January	Increase	Decrease	January	December	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	82,190	81,757	433		$30,079	$28,287	$1,792	
Commerce [1]	47,335	47,345		10	22,563	20,734	1,831	
Health, Education, and Welfare	50,569	50,151	418		20,552	20,039	513	
Interior	49,649	48,968	681		21,409	19,729	1,680	
Justice	30,797	30,766	31		15,823	14,554	1,269	
Labor	5,925	5,930		1	2,843	2,584	259	
Post Office	522,998	521,599	1,399		228,354	232,882		$4,528
State [2]	52,056	52,998	58		12,912	11,750	1,162	
Treasury	81,070	79,215	1,855		35,854	32,944	2,910	
Executive Office of the President:								
White House Office	401	395	6		244	230	14	
Bureau of the Budget	446	441	5		322	289	33	
Council of Economic Advisers	29	33		4	29	25	4	
Executive Mansion and Grounds	70	69	1		27	27		
National Security Council [3]	26	26			19	17	2	
Office of Defense Mobilization	255	249	6		167	153	14	
President's Advisory Committee on Government Organization	5	5			3	2	1	
Independent agencies:								
Advisory Committee on Weather Control	8	7	1		4	4		
Alexander Hamilton Bicentennial Commission	12	12			7	6	1	
American Battle Monuments Commission	692	696		4	94	93	1	
Atomic Energy Commission	6,717	6,713	4		3,734	3,385	349	
Board of Governors of the Federal Reserve System	582	581	1		319	297	22	
Boston National Historic Sites Commission	5	4	1		1	1		
Civil Aeronautics Board	668	672		4	364	329	35	
Civil Service Commission	4,429	4,423	6		2,138	1,986	152	
Commission of Fine Arts	4	4			2	2		
Corregidor Bataan Memorial Commission	2	2			2	2		
District of Columbia Auditorium Commission	18	18			2	5		3
Export-Import Bank of Washington	189	190		1	125	110	15	
Farm Credit Administration	959	967		8	515	595		80
Federal Civil Defense Administration	1,167	1,145	22		667	599	68	
Federal Coal Mine Safety Board of Review	7	8		1	4	4		
Federal Communications Commission	1,160	1,148	12		644	591	53	
Federal Deposit Insurance Corporation	1,143	1,144		1	600	555	45	
Federal Home Loan Bank Board	716	714	2		356	320	36	
Federal Mediation and Conciliation Service	338	336	2		246	228	22	
Federal Power Commission	707	709		2	406	369	37	
Federal Trade Commission	724	715	9		445	400	45	
Foreign Claims Settlement Commission	116	115	1		61	57	4	
General Accounting Office	5,373	5,356	17		2,671	2,429	242	
General Services Administration	27,404	27,164	240		10,686	9,350	1,336	
Government Contract Committee	21	19	2		10	10		
Government Printing Office	6,490	6,526		36	3,222	2,581	671	
Housing and Home Finance Agency	9,964	9,934	30		5,107	4,647	460	
Indian Claims Commission	14	14			11	11		
Interstate Commerce Commission	2,150	2,123	27		1,148	1,032	116	
Jamestown-Williamsburg-Yorktown Celebration Commission	4	4			3	3		
National Advisory Committee for Aeronautics	7,713	7,737		24	4,109	4,119		10
National Capital Housing Authority	252	253		1	105	94	11	
National Capital Planning Commission	36	33	3		20	18	2	
National Gallery of Art	332	334		2	115	105	10	
National Labor Relations Board	1,137	1,119	18		671	617	54	
National Mediation Board	111	105	6		84	70	14	

[1] February figure includes 255 seamen on the rolls of the Maritime Administration and their pay.

[2] February figure includes 10,842 employees of the International Cooperation Administration as compared with 10,668 in January and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The February figure includes 2,585 of these trust fund employees and the January figure includes 2,597.

[3] Exclusive of personnel and pay of the Central Intelligence Agency.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during February 1957, and comparison with January 1957, and pay for January 1957, and comparison with December 1956*—Continued

Department or agency	Personnel				Pay (in thousands)			
	February	January	Increase	Decrease	January	December	Increase	Decrease
Independent agencies—Continued								
National Science Foundation	291	308	11		$148	$128	$20	
National Security Training Commission	6	6			3	3		
Panama Canal	14,133	14,044	89		3,656	3,582	74	
Railroad Retirement Board	2,342	2,298	44		858	855	103	
Renegotiation Board	431	438		7	293	270	23	
St. Lawrence Seaway Development Corporation	35	32	3		24	23	1	
Securities and Exchange Commission	795	794		9	462	419	43	
Selective Service System	6,969	6,924	45		1,845	1,684	161	
Small Business Administration	1,024	983	41		555	488	67	
Smithsonian Institution	762	759	3		314	284	30	
Soldiers' Home	1,020	1,018	2		261	241	20	
Subversive Activities Control Board	31	31			23	24		1
Tariff Commission	213	210	3		131	118	13	
Tax Court of the United States	144	143	1		105	91	14	
Tennessee Valley Authority	14,903	14,794	109		7,138	6,334	804	
Theodore Roosevelt Centennial Commission	4	4			2	2		
U. S. Information Agency	11,718	11,600	118		3,467	3,113	354	
Veterans' Administration	177,539	177,718		179	83,084	80,353	2,731	
Woodrow Wilson Centennial Celebration Commission	4	4			1	1		
Total, excluding Department of Defense	1,218,393	1,212,939	5,638	294	512,414	496,368	20,748	4,702
Net increase, excluding Department of Defense			5,344				16,046	
Department of Defense:								
Office of the Secretary of Defense	1,692	1,707		15	1,995	1,992	03	
Department of the Army	428,717	429,018		301	199,161	183,378	15,783	
Department of the Navy	384,136	383,984	548		166,967	156,882	12,085	
Department of the Air Force	348,669	349,677		1,008	137,912	125,260	12,652	
Total, Department of Defense	1,172,214	1,174,086		1,872	477,135	466,522	40,613	
Net change, Department of Defense			1,872				40,613	
Grand total, including Department of Defense	2,390,607	2,387,015	5,638	2,166	989,549	962,790	61,361	4,702
Net increase, including Department of Defense			3,472				56,759	

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during February 1957, and comparison with January 1957*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	80,991	80,403	588	
Commerce [1]	43,702	43,683	19	
Health, Education, and Welfare	48,737	48,336	401	
Interior	45,398	45,184	214	
Justice	30,362	30,230	132	
Labor	5,810	5,803	7	
Post Office	520,433	519,123	1,310	
State [2]	8,528	8,472	56	
Treasury	80,080	78,227	1,853	
Executive Office of the President:				
White House Office	401	395	6	
Bureau of the Budget	446	441	5	
Council of Economic Advisers	29	33		4
Executive Mansion and Grounds	70	69	1	
National Security Council [3]	26	26		
Office of Defense Mobilization	255	249	6	
President's Advisory Committee on Government Organization	5	5		
Independent agencies:				
Advisory Committee on Weather Control	8	7	1	
Alexander Hamilton Bicentennial Commission	12	12		
American Battle Monuments Commission	18	15	3	
Atomic Energy Commission	6,097	6,092		5
Board of Governors of the Federal Reserve System	382	381	1	
Boston National Historic Sites Commission	5	4	1	
Civil Aeronautics Board	893	898	5	
Civil Service Commission	4,423	4,417	6	
Commission of Fine Arts	4	4		
Corregidor Bataan Memorial Commission	2	2		
District of Columbia Auditorium Commission	18	18		
Export-Import Bank of Washington	190	190		1
Farm Credit Administration	950	957		7
Federal Civil Defense Administration	1,167	1,145	22	
Federal Coal Mine Safety Board of Review	7	8		1
Federal Communications Commission	1,134	1,120	14	
Federal Deposit Insurance Corporation	1,141	1,142		1
Federal Home Loan Bank Board	716	714	2	
Federal Mediation and Conciliation Service	338	336	2	
Federal Power Commission	707	709		2
Federal Trade Commission	734	725	9	
Foreign Claims Settlement Commission	116	115	1	
General Accounting Office	5,296	5,280	16	
General Services Administration	27,301	27,058	243	
Government Contract Committee	21	19	2	
Government Printing Office	6,490	6,528		38
Independent agencies—Continued				
Housing and Home Finance Agency	9,800	9,778	22	
Indian Claims Commission	14	14		
Interstate Commerce Commission	2,150	2,123	27	
Jamestown-Williamsburg-Yorktown Celebration Commission	4	4		
National Advisory Committee for Aeronautics	7,713	7,737		24
National Capital Housing Authority	252	253		1
National Capital Planning Commission	36	33	3	
National Gallery of Art	332	334		2
National Labor Relations Board	1,119	1,100	19	
National Mediation Board	111	105	6	
National Science Foundation	301	288	13	
National Security Training Commission	6	6		
Panama Canal	412	404	8	
Railroad Retirement Board	2,342	2,298	44	
Renegotiation Board	431	438		7
St. Lawrence Seaway Development Corporation	35	32	3	
Securities and Exchange Commission	795	794		9
Selective Service System	6,776	6,728	48	
Small Business Administration	1,016	975	41	
Smithsonian Institution	760	757	3	
Soldiers' Home	1,020	1,018	2	
Subversive Activities Control Board	31	31		
Tariff Commission	213	210	3	
Tax Court of the United States	144	143	1	
Tennessee Valley Authority	14,903	14,794	109	
Theodore Roosevelt Centennial Commission	4	4		
U. S. Information Agency	2,716	2,681	35	
Veterans' Administration	176,293	176,472		179
Woodrow Wilson Centennial Celebration Commission	4	4		
Total, excluding Department of Defense	1,153,845	1,148,611	5,213	279
Net increase, excluding Department of Defense			4,934	
Department of Defense:				
Office of the Secretary of Defense	1,648	1,661		13
Department of the Army	365,194	365,463		269
Department of the Navy	360,059	360,712		653
Department of the Air Force	304,832	305,691		859
Total, Department of Defense	1,081,734	1,083,527		1,793
Net decrease Department of Defense			1,793	
Grand total, including Department of Defense	2,185,209	2,182,138	5,213	2,072
Net increase, including Department of Defense			3,141	

[1] February figure includes 258 seamen on the rolls of the Maritime Administration.
[2] February figure includes 1,737 employees of the International Cooperation Administration as compared with 1,712 in January.
[3] Exclusive of personnel of the Central Intelligence Agency.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during February 1957, and comparison with January 1957*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,189	1,364		175
Commerce	3,623	3,602	21	
Health, Education, and Welfare	1,832	1,815	17	
Interior	4,251	3,784	467	
Justice	595	596		1
Labor	119	127		8
Post Office	2,675	2,676		1
State [1]	24,528	24,526	2	
Treasury	990	988	2	
Independent agencies:				
American Battle Monuments Commission	284	291		7
Atomic Energy Commission	20	21		1
Civil Aeronautics Board	5	4	1	
Civil Service Commission	16	16		
Farm Credit Administration	9	10		1
Federal Communications Commission	26	28		2
Federal Deposit Insurance Corporation	3	3		
General Accounting Office	77	76	1	
General Services Administration	103	106		3
Housing and Home Finance Agency	164	156	8	
National Labor Relations Board	18	19		1
Panama Canal	13,721	13,640	81	
Independent agencies—Continued				
Selective Service System	103	106		3
Small Business Administration	8	8		
Smithsonian Institution	2	2		
U. S. Information Agency	9,002	8,919	83	
Veterans' Administration	1,246	1,246		
Total, excluding Department of Defense	64,748	64,318	662	232
Net increase, excluding Department of Defense			430	
Department of Defense:				
Office of the Secretary of Defense	48	45		3
Department of the Army	63,523	63,555		32
Department of the Navy	33,077	32,972	105	
Department of the Air Force	43,346	43,206		140
Total, Department of Defense	140,490	140,559	105	174
Net decrease, Department of Defense				69
Grand total, including Department of Defense	205,238	204,877	767	406
Net increase, including Department of Defense			361	

[1] February figure includes 9,115 employees of the International Cooperation Administration as compared with 8,936 in January. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The February figure includes 2,565 of these trust fund employees and the January figure includes 2,507.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during February 1957, and comparison with January 1957*

Department or agency	February	January	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,011	3,011		
Commerce	2,676	2,759		83
Interior	8,200	7,663	537	
Treasury	5,638	5,627	11	
Independent agencies:				
Atomic Energy Commission	146	145	1	
Federal Communications Commission	14	14		
General Services Administration	1,117	1,116	1	
Government Printing Office	6,490	6,520		30
National Advisory Committee for Aeronautics	7,713	7,737		24
Panama Canal	7,262	7,198	64	
Tennessee Valley Authority	12,162	12,041	121	
Total, excluding Department of Defense	54,420	53,831	735	137
Net increase, excluding Department of Defense			598	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 181,825	[2] 181,985		160
Outside continental United States	[1] 21,465	[2] 21,477		12
Department of the Navy:				
Inside continental United States	221,200	221,884		684
Outside continental United States	6,027	6,005	22	
Department of the Air Force:				
Inside continental United States	165,265	165,543		278
Outside continental United States	6,592	6,573	19	
Total Department of Defense	602,374	603,467	41	1,134
Net decrease, Department of Defense				1,093
Grand total, including Department of Defense	656,793	657,298	776	1,271
Net decrease, including Department of Defense			495	

[1] Subject to revision.
[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of February 1957 and comparison with January 1957*

Country	Total		Army		Navy		Air Force	
	February	January	February	January	February	January	February	January
England	7,941	8,047						
France	26,051	26,336	18,104	18,174	37	37	7,904	8,010
French Morocco	6,137	6,105	164	160			7,947	8,162
Germany	96,757	98,576	82,620	82,570	1,001	998	4,972	[1] 4,947
Japan	128,248	128,390	66,657	[1] 66,657	155	266	15,576	15,400
Korea	5,040	4,925	5,040	4,925	19,408	19,404	82,153	82,228
Malta	94	89			94	89		
Netherlands	39	46					39	46
Norway	23	24					23	24
Trinidad	550	567			550	567		
Total	272,880	273,065	172,591	172,486	21,645	21,661	78,644	78,918

[1] Revised on the basis of later information.

NOTE.—The Germans are paid from funds provided by German Governments. The French and English reported by the Army and Air Force are paid from funds appropriated for personal services. All others are paid from funds appropriated for other contractual services.

FOREIGN NATIONALS

Table 5 segregates and accounts for certain categories of personal service rendered to the United States Government overseas, which cannot be regarded as ordinary direct employment.

Generally, this personal service is rendered military agencies overseas under agreements with the foreign governments. In most cases the employment is indirect. The foreign governments hire the employees. The United States military agencies in most cases administer or direct the activity.

The source of the funds for the payment of these employees varies. The Germans are employed without direct reimbursement by the United States and by agreement, payment is made from the German economy. The Japanese are employed under a master labor contract between United States agencies and the Japanese Government.

French and English are employed for the Army and Air Force under agreements with the respective governments. Funds originally appropriated for personal service are used for this purpose. The Koreans and others are paid under varying contractual agreements with funds appropriated for other contractual services.

Personnel hired and used under such circumstances cannot be properly considered in the same category as regular employment, but they are used and should be counted for what they are.

The Joint Committee on Reduction of Nonessential Federal Expenditures is endeavoring to identify these groups of employees and to count them along with, but separate from, the regularly reported United States employment overseas.

STATEMENT BY SENATOR BYRD

PAYROLL

The regular monthly Federal civilian payroll in January 1957 came within 1 percent of hitting $1 billion, and when United States pay to foreign nationals not on regular rolls is added the total exceeds $1 billion.

This was the highest monthly Federal civilian payroll of all times. This total was reported despite a decrease in employment which occurred during the same month. A number of factors may contribute to such a situation; for example: the number of working days during the month, etc.

These figures for the month as certified by executive agencies to the Joint Committee on Reduction of Nonessential Federal Expenditures showed the payroll for regular civilian employees totaled $989,549,000, and United States payroll funds for the foreign nationals working under Federal agencies abroad, but not on the regular rolls totaled $16,700,000.

Payroll for the first 7 months of fiscal year 1957, including United States funds for foreign nationals not on regular rolls, totaled $6.6 billion. This was a monthly average of $946 million, since the fiscal year started July 1, 1956.

These payroll figures by months follow:

Payroll (in millions)

Month	Regular	Foreign nationals not on regular rolls (United States funds)	Total
July	$907	$17	[illegible]
August	950	17	967
September	846	17	863
October	947	17	964
November	931	17	948
December	933	18	951
January	990	17	1,006
Total	6,504	120	6,624

EMPLOYEES

Payroll figures in the agency reports are necessarily a month later than employment figures. In the month of February executive agencies reported regular civilian employment totaling 2,390,507. This was a net increase of 3,492 as compared with employment reported in the preceding month of January.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1957, which began July 1, 1956, follows:

Month	Employment	Increase	Decrease
July	2,395,673	14,230	
August	2,400,493	1,820	
September	2,388,834		11,659
October	2,396,193	7,359	
November	2,394,324		1,869
December	2,389,786		4,538
January 1957	2,387,013		2,773
February	2,390,507	3,492	

Total civilian employment in civilian agencies during the month of February was 1,218,293, an increase of 5,364 as compared with the January total of 1,212,929. Total civilian employment in the military agencies in February was 1,172,214, a decrease of 1,872 as compared with the January total of 1,174,086.

Civilian agencies reporting the major increases were Treasury Department with 1,855, Post Office Department with 1,309, Interior Department with 681, Department of Health, Education, and Welfare with 418 and Agriculture Department with 413.

In the Department of Defense decreases in civilian employment were reported by the Department of the Air Force with 1,008, the Department of the Navy with 848, the Department of the Army with 301, and Office of the Secretary of Defense with 15.

Inside continental United States civilian employment increased 3,131 and outside continental United States civilian employment increased 361. Industrial employment by the Federal agencies in February totaled 656,803, a decrease of 495.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,390,507 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports includes some foreign nationals employed in United States Government activities abroad, but in addition to these there were 272,880 foreign nationals working for United States military agencies during February who were not counted in the usual personnel report. The number in January was 273,065. A breakdown of this employment for February follows:

Country	Total	Army	Navy	Air Force
England	7,941		37	7,904
France	26,051	18,104		7,947
French Morocco	6,137	164	1,001	4,972
Germany	98,757	82,620	555	15,582
Japan	128,248	85,657	10,408	42,183
Korea	5,040	5,040		
Malta	94		94	
Netherlands	39			39
Norway	23			23
Trinidad	550		550	
Total	272,880	172,591	21,645	78,644

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COOPER:

S. 1823. A bill to authorize the conveyance of Bunker Hill Island in Lake Cumberland near Burnside, Ky., to the Commonwealth of Kentucky for public-park purposes; to the Committee on Public Works.

By Mr. LAUSCHE (by request):

S. 1824. A bill for the relief of Nicholas J. Kolettis; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. IVES):

S. 1825. A bill to amend the definition of the term "construction" in the Federal-Aid Highway Act of 1944 in order to authorize the inclusion of certain right-of-way costs in such term; to the Committee on Public Works.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. PASTORE:

S. 1826. A bill to extend the application of the Classification Act of 1949 to certain positions in, and employees of, the executive branch of the Government; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. PASTORE when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 1827. A bill for the relief of Panagiotis Pekos; to the Committee on the Judiciary.

By Mr. MANSFIELD (by request):

S. 1828. A bill to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 1829. A bill to amend the act of May 24, 1928, providing for a bridge across Bear Creek at or near Lovel Point, Baltimore County, Md., to provide for the construction of another bridge, and for other purposes; to the Committee on Public Works.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1830. A bill to provide that certain surplus fishery products may be exported under the Agricultural Trade Development and Assistance Act of 1954; to the Committee on Agriculture and Forestry.

By Mr. CAPEHART:

S. 1831. A bill to amend the Merchant Marine Act, 1936, in order to authorize Federal ship-mortgage insurance for fireboats; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

S. 1832. A bill to authorize the appointment of one additional Assistant Secretary of State; placed on the calendar.

(See the remarks of Mr. GREEN when he reported the above bill, which appear under the heading "Reports of Committees.")

AMENDMENT OF FEDERAL-AID HIGHWAY ACT OF 1944, RELATING TO INCLUSION OF CERTAIN RIGHT-OF-WAY COSTS

Mr. JAVITS. Mr. President, on behalf of myself, and my colleague, the senior Senator from New York [Mr. IVES], I introduce, for appropriate reference, a bill to amend the Federal-Aid Highway Act to permit the Federal Government to pay costs of relocation to building tenants forced to relocate because of the acquisition of property for highway purposes.

The relocation of building tenants, including small businesses, in densely populated areas is one of the major obstacles to rapid progress in the Federal-highway program. Not only should the program be expedited, but fairness requires that the Government agency appropriating the property reimburse tenants fairly for the loss they suffer, through no fault of their own, by the Government's road improvement program.

Often families and small retail stores and other small businesses lack the financial resources to pay the moving and other expenses which the acquisition of the new roads forces upon them. Certainly, it is only just that they be helped with this expense. In New York City, it is estimated that relocation costs average $500 a family. Throughout New York State, there are probably about 9,100 families which will have to be relocated.

Our bill, if enacted, would amend the definition of construction in the Federal Highway Act of 1956 to include specifically the cost of relocation of building tenants, the demolition of structures, removal of usable buildings to new sites, and acquisition of new sites for relocation. We are endeavoring to assure that in the construction of capital projects, especially in densely populated areas, the Government will bear some of the actual and necessary costs which Federal construction forces upon families and small businesses through no fault of their own.

It is this expense which the bill seeks to assist in covering. In addition, the latest procedures under the slum-clearance projects, carried out with the aid of title I of the National Housing Act, allow for payment of relocation expense up to $2,000 each for small businesses. This is certainly a modest limitation considering the expense imposed. We believe that it should also be carried over into the Federal-highway program.

It is our aim to ease in every way the burdens of the moderate and low income families which are most frequently displaced, and of the small retail store and small business generally which are displaced as a result of major public improvements in which the United States participates. These include highway construction as well as housing. We should do everything we can toward this objective of humanitarianism and justice.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1825) to amend the definition of the term "construction" in the Federal-Aid Highway Act of 1944 in order to authorize the inclusion of certain right-of-way costs in such term, introduced by Mr. JAVITS (for himself and Mr. IVES), was received, read twice by its title, and referred to the Committee on Public Works.

EXTENSION OF CLASSIFICATION ACT OF 1949 TO CERTAIN POSITIONS IN THE EXECUTIVE BRANCH

Mr. PASTORE. Mr. President, I introduce, for appropriate reference, a bill to extend the application of the Classification Act of 1949 to certain positions in, and employees of, the executive branch of the Government.

The intent of this bill is to bring to the employees of the Selective Service boards the advantages and benefits as to periodic step increases and longevity increases in salary enjoyed by other Government employees who have passed similar competitive civil-service examinations and have career appointments.

It is apparent that Selective Service is a permanent and important agency of our Government, and the limitations thought of in 1940 and in 1948, when Selective Service was considered only a temporary expedient, no longer apply.

It is an act of simple justice to faithful, hard-working employees that they should enjoy the salary standards of their fellow employees similarly tested. Many of them have given faithful service from the first days of our selective-service system. They are asking no reward greater than the Government has standardized for such faithful service.

I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1826) to extend the application of the Classification Act of 1949 to certain position in, and employees of, the executive branch of the Government, introduced by Mr. PASTORE, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 201 (b) of the Classification Act of 1949 (5 U. S. C., sec. 1081 (b)) is amended to read as follows:

"(b) Subject to the exemptions specified in section 202, and except as provided in sections 204 and 205, this act shall apply to all civilian positions, officers, and employees in or under the departments, including positions in local boards and appeal boards within the Selective Service System and employees occupying such positions."

SEC. 2. So much of section 10 (b) (4) of the Universal Military Training and Service Act (50 App. U. S. C., sec. 460 (b) (4)) as precedes the words "That any officer" is amended to read as follows: "(4) to appoint, and to fix, in accordance with the Classification Act of 1949, the compensation of such officers, agents, and employees (including employees of local boards and appeal boards) as he may deem necessary to carry out the provisions of this title: *Provided*:".

SEC. 3. The rate of basic compensation of each employee appointed to a position in a local board or in an appeal board within the Selective Service System prior to the effective date of this act shall be adjusted, as of such date, as follows:

(1) If the rate of basic compensation of such employee is equal to any scheduled rate for the grade to which the position of such employee is allocated, such rate of basic compensation shall be the new rate of basic compensation for such employee;

(2) If the rate of basic compensation of such employee is less than the minimum scheduled rate for the grade to which the position of such employee is allocated, such minimum rate shall be the new rate of basic compensation for such employee;

(3) If the rate of basic compensation of such employee falls between any two scheduled rates for the grade to which the position of such employee is allocated, the higher of such two rates shall be the new rate of basic compensation for such employee; and

(4) If the rate of basic compensation of such employee is greater than the maximum scheduled rate for the grade to which the position of such employee is allocated, such rate of basic compensation shall be the new rate of basic compensation for such employee.

SEC. 4. This act shall take effect at the beginning of the first pay period which begins more than 90 days after the date of enactment of this act.

RETROCESSION TO STATE OF MONTANA OF POLICE JURISDICTION OVER THE BLACKFEET HIGHWAY

Mr. MANSFIELD. Mr. President, I introduce, for appropriate reference, a bill to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connection with the Glacier National Park Road System.

At the present time there is concurrent jurisdiction over the Blackfeet Highway between East Glacier, Mont., and the Canadian border. The State of Montana has recently agreed to take over the maintenance of the main stem of this highway, and the State also feels that it is in a position to exercise adequate police jurisdiction over these roads. This proposed legislation has the support of both the Montana State Highway Patrol and the National Park Service. I may point out that after congressional action on this matter, the Montana State Legislature must also repeal its laws ceding the existing concurrent jurisdiction. It would appear that the public interest would best be served if the State of Montana were given complete jurisdiction of this road.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1828) to retrocede to the State of Montana concurrent police jurisdiction over the Blackfeet Highway and its connections with the Glacier National Park road system, and for other purposes, introduced by Mr. MANSFIELD (by request), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That there is hereby retroceded to the State of Montana such concurrent police jurisdiction as has been ceded to the United States of America over the rights-of-way of the Blackfeet Highway, including the highway itself, and over the rights-of-way of its connections with the Glacier National Park road system on the Blackfeet Indian Reservation, including the highways themselves, the same being the jurisdiction ceded by the act of the Legislature of Montana, approved February 27, 1929 (Laws of Montana, 1929, p. 63), and accepted by act of Congress approved May 2, 1932 (47 Stat. 144).

SEC. 2. Following acceptance by the State of Montana of the retrocession provided herein, the laws and regulations of the United States pertaining to Glacier National Park shall cease to apply to the territory of said rights-of-way and highways.

CHANGE OF REFERENCE

Mr. MURRAY. Mr. President, on April 4, 1957, on behalf of myself, and my colleague, the junior Senator from Montana [Mr. MANSFIELD], I introduced Senate bill 1787. The bill would amend Public Law 874, 81st Congress, with respect to certain payments for the education of Indian children. The bill was referred to the Committee on Interior and Insular Affairs. However, since the bill amends legislation in the field of general education, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill, and that it be referred to the Committee on Labor and Public Welfare.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

CORN BASE ACREAGE FOR 1957—AMENDMENT

Mr. POTTER submitted an amendment, intended to be proposed by him, to the bill (S. 1771) to provide for a 1957 corn base acreage of 51 million acres, and for other purposes, which was ordered to lie on the table and to be printed.

ADDITION OF CERTAIN LANDS TO CARIBOU AND TARGHEE NATIONAL FORESTS—ADDITIONAL COSPONSOR OF BILL

Mr. DWORSHAK. Mr. President, I ask unanimous consent that the name of the Senator from Idaho [Mr. CHURCH] may be added as a cosponsor of the bill (S. 1748) to add certain lands located in Idaho and Wyoming to the Caribou and Targhee National Forests, introduced by me for myself, and the Senators from Wyoming [Mr. O'MAHONEY and Mr. BARRETT], on March 28, 1957.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF SMALL BUSINESS ACT OF 1953—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of April 4, and April 8, 1957,

The names of Senators KEFAUVER, CARLSON, STENNIS, WILEY, BARRETT, and MCCARTHY were added as cosponsors of the bill (S. 1789) to amend the Small Business Act of 1953 (title II of Public Law 163, 83d Cong., as amended), introduced by Mr. THYE (for himself and other Senators) on April 4, 1957.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KNOWLAND:

Address delivered by him at the breakfast of the Grand Lodge of Masons in New York, March 31, 1957.

By Mr. KEFAUVER:

Address entitled "Protecting Our Free Enterprise System From the Harmful Effect of Corporate Mergers," delivered by him to the Automobile Wholesalers Association of Tennessee on April 8, 1957.

By Mr. FREAR:

Excerpts from address delivered by Representative EUGENE J. KEOGH, of New York, before the National Conference of Bar Presidents, at Chicago, Ill., on February 17, 1957.

By Mr. CLARK:

Article entitled "A Senator's Case Against Seniority," written by Senator NEUBERGER, and published in the New York Times Magazine of April 7, 1957.

By Mr. HUMPHREY:

Editorial from the St. Paul Dispatch of March 26, 1957, and letter addressed by Senator HUMPHREY to Senator DOUGLAS, discussing employee and welfare benefit plans.

By Mr. THURMOND:

Editorial and article from the Lancaster (S. C.) News relating to proposed reductions in the Federal budget.

By Mr. MAGNUSON:

Article by Vice Adm. John M. Will, United States Navy, discussing the establishment of the Military Sea Transportation Service, published in the Journal of Commerce on Monday, April 1, 1957.

NOTICE OF CONSIDERATION OF NOMINATIONS BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Miss Frances E. Willis, of California, a Foreign Service officer of the class of Career Minister, to be Ambassador of the United States to Norway, vice L. Corrin Strong, resigned.

The committee has received also a list of 118 nominations of Foreign Service officers, which appears elsewhere in the Senate proceedings of today.

Notice is given that these nominations will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Scott McLeod, of New Hampshire, to be Ambassador of the United States to Ireland.

Notice is given that this nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

John B. Stoddart, Jr., of Illinois, to be United States attorney for the southern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 30, 1957;

Clifford M. Raemer, of Illinois, to be United States attorney for the eastern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957;

George E. MacKinnon, of Minnesota, to be United States attorney for the district of Minnesota for a term of 4 years. He is now serving in this office under an appointment which expires March 24, 1957;

William J. Littell, of Illinois, to be United States marshal for the southern district of Illinois for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957;

Thomas James Donegan, of New York, to be a member of the Subversive Activities Control Board for the term expiring April 9, 1962—reappointment;

Howard C. Botts, of Ohio, to be United States marshal for the southern district of Ohio for a term of 4 years. He is now serving in this office under an appointment which expires April 30, 1957; and

Richard A. Simpson, of Virginia, to be United States marshal for the eastern district of Virginia for a term of 4 years. He is now serving in this office under an appointment which expires July 17, 1957.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, April 17, 1957, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

DEATH OF WILLIAM A. DAGNALL

Mr. JOHNSTON of South Carolina. Mr. President, it is with regret that I note for the RECORD today the sudden death of Mr. William A. Dagnall, who for many years has resided in the District of Columbia. Mr. Dagnall was the oldest living alumnus of Wofford College, in Spartanburg, S. C. Mr. Dagnall, a retired post office employee, graduated from Wofford College in the class of 1892. His nephew, Rev. George E. Meetz, chaplain of the South Carolina State Senate, is in Washington today to attend the funeral of Mr. Dagnall.

Wofford College honored me with a bachelor of arts degree, and along with the other hundred and ten alumni here in Washington, we shall mourn Mr. Dagnall's passing.

REPORT ON THE MIDDLE EAST

Mr. MANSFIELD. Mr. President, in the New York Times for Tuesday, April 2, there appeared a number of articles which were published under the general headline "Report on the Middle East: A Vital Region in Upheaval." On the same day there also was published in the New York Times an editorial entitled "Report on the Middle East." I ask unanimous consent that selected articles and the editorial be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 2, 1957]

INTRODUCTION TO THE SURVEY: AREA A WORLD POWDER KEG—SOME LANDS ARE FABULOUSLY RICH IN OIL, BUT MANY PEOPLE LIVE IN POVERTY—NATIONALISTS ASSAIL THE WEST

(By Sam Pope Brewer)

BEIRUT, LEBANON.—The Middle East today has assumed the world "powder keg" role formerly played by the Balkans. If a third world war were to start soon, its first shots could be fired in the Middle East.

Not only does the Middle East have great strategic importance geographically, but it also has two-thirds of the world's proven oil reserves.

Twenty years ago not many Americans were especially concerned about the Middle East.

Today the phrase "Middle East" is on the lips of millions of Americans.

The Eisenhower doctrine to bar Communist aggression in the Middle East and the mission of James P. Richards as special ambassador are the latest indications of the growing importance attached to Middle Eastern affairs by the United States. Mr. Richards' task is to explain the Eisenhower doctrine to the Middle Eastern nations.

While it is still too early to assess the effect of the mission, the first reactions were better than had been expected by diplomats here. The favorable impression received by King Saud of Saudi Arabia during his visit to the United States seems to have helped.

At any rate the Eisenhower doctrine is gradually being viewed with a more kindly eye in some countries than it was at first.

Arab nationalists resent Western talk of a "power vacuum" left by the decline of British and French strength and influence in the region. They say they are capable of filling any vacuum themselves.

ARAB NATIONS ARE WEAK

But they do not have military strength comparable with the support that has been withdrawn. If the Soviet Union decided to move it, it could do so practically at will unless it were blocked by another great power.

The most hopeful sign for the West has been the recent tendency of Arab leaders headed by King Saud and King Hussein of Jordan to stem the growing enthusiasm for the Soviet bloc among their peoples.

The Middle East is by no means homogenous in race, terrain, or even religion. Some countries differ from others at least as much as France from Germany.

Ethnically, the Turks, Iranians, Pakistanis, and some others are not Arabs, though they have the same religion, Islam. The Lebanese are Arabs and are almost equally divided between Christians and Moslems.

This is a vast region. Most of the soil is poor though once it was rich. The average standard of living is pitifully low, and the great wealth resulting from oil is seeping through only very slowly to the average inhabitant.

Problems differ from country to country. But there are urgent needs generally for medical work, education in hygiene, and training for the irrigation of land useless for want of water.

Some Middle Eastern countries tend to favor what they call "positive neutrality" in the "cold war."

Dr. Charles Malik, Foreign Minister of Lebanon, has said frankly that he still does not know what "positive neutrality" really means. But in practice thus far it has seemed to mean collaboration with the Soviet bloc and suspicion of anything Western.

SPLIT ALONG SEVERAL LINES

The Middle East is split along several lines. The most important division is between members and nonmembers of the Baghdad Pact.

Four of its members—Iran, Iraq, Pakistan, and Turkey—are Moslem countries. The fifth is Britain. Recently the United States signified its intention of widening its participation to include membership in the military phase of the pact.

Of the four Moslem members only Iraq is an Arab state.

President Gamal Abdel Nasser, of Egypt, has made the pact one of his principal targets. He has convinced many Arabs that the pact, intended to provide cooperation in defense against any Soviet move into the Middle East, is an imperialist device to maintain Western influence in the area.

In general, the Arab League is opposed to the Baghdad Pact, although Iraq is a member of both. Originally opposed by Arab nationalists because it was suspected of being under British influence, the 12-year-old league now is looked on as defender of Arab interests, though it never has proved an effective political organization.

Dynastic rivalries also complicate the picture. King Ibn Saud, father of the present King Saud, drove the Hashemite family from Saudi Arabia. King Hussein, of Jordan, and King Faisal, of Iraq, are both Hashemites and relatively pro-Western.

President Nasser must know that Egypt's chief rival for leadership of the Arab world is Iraq. And while he can aspire to lead a united Arab world, he cannot hope to dominate a grouping that includes Turkey, Iran, and Pakistan.

Another line of division is between the haves and have nots. Four Middle Eastern countries have petroleum in vast quantities. They are Iran, Iraq, Kuwait and Saudi Arabia. The little island of Bahrein also has oil fields that are rich in proportion to its population.

One line taken by the Egyptian nationalists is, "After all, this is Arab oil and its benefits should be shared by all Arabs."

They look covetously at the Arab countries that have oil, and there is uneasiness lest they try to push that share-the-wealth plan.

At the heart of the Middle Eastern crisis, of course, is Israel. The Arabs consider her creation a great injustice. They look on Israel as an alien state imposed on the Middle East by the Western Powers.

The Arabs would probably accept the boundaries set for Israel in the 1947 Palestine partition plan suggested by the United Nations, but there is no sign of relenting in their bitter hatred of Israel, which lives in deep concern for her security.

Creation of the new state ran counter to the great tide of nationalism that in the main has been carrying everything else before it in the Arab countries.

One of the greatest potential trouble sources is the existence in other Arab countries of more than 925,000 Arab refugees from the territory now held by Israel. There can be no real peace until this problem is solved, authorities believe.

Step by step foreign authority has been destroyed in Egypt, Iraq, Syria, Lebanon, the Sudan, Morocco, and elsewhere. The fight is still going on in Algeria.

However much they disagree on other issues, all Middle Eastern states agree on the importance of political independence.

President Nasser of Egypt has emerged as the generally acknowledged leader of the Arab nationalists. King Saud, King Faisal, and King Hussein are reported to be worried by the extent of his hostility to the Western countries and by his dealings with the Soviet Union. Their peoples, however, see President Nasser above all as the man who got arms to fight Israel. The Arab masses think he was unjustly treated when the United States withdrew the offer to finance the Aswan high dam project.

NASSER PRESTIGE LIFTED

They were aroused to wild enthusiasm when he struck back by nationalizing the Suez Canal Co. It lifted his prestige higher than ever before.

The British and French intervention in the Suez crisis, on the other hand, shocked the Arab nations and did great damage to the standing of the Western Powers in the Middle East.

For a year and a half Moscow has used the circumstances skillfully to build up prestige in the Arab countries. However, the Soviet Union's Moslem but non-Arab neighbors, Iran and Turkey, have not let down their guard.

Arab nations vary in the extent of their enthusiasm for Soviet ties. Egypt and Syria have gone farther than any others. All, however, take the view that the West exaggerates the peril.

The Arab's argument is: "We have had experience with Western powers as colonialists. The Russians have never bothered us and they have given us arms and political support."

The Soviet Union has various reasons for its present stand. Moscow has a long history of aspiration for an outlet across the Middle East to the Indian Ocean and India.

Friendship with the Middle East can also stand Moscow in good stead in the United Nations because of the increasing tendency of countries to vote by blocs.

The great oil wealth of the region undoubtedly is a factor. But it is probably of less importance to the Soviet bloc as something it might get for itself than as something it might deny to the West.

OIL, GEOGRAPHY, AND STRATEGY—AN ANALYSIS OF THE MILITARY AND ECONOMIC IMPORTANCE OF THE LAND BRIDGE BETWEEN THE THREE CONTINENTS

(By Hanson W. Baldwin)

One word sums up the primary strategic importance of the Middle East—oil.

The great oilfields that stretch from Iran around the Persian Gulf contain an estimated two-thirds of the world's known oil reserves.

This oil is not vital to the United States. Its allies can wage war without it and their peacetime economies can function, for brief periods, without it, as the recent Suez crisis has shown.

But for at least the next 20 years the economy of Britain and Western Europe requires access to the oil of the Middle East. Without that oil costs will rise and revenues will decline. Middle Eastern oil could make the difference between a healthy western European economy, capable of maintaining strong military forces, and a weak one.

The area is a vital communications hub. It is a land bridge between three continents, and the Nile Valley and the Moslem lands of north Africa are gateways to the great undeveloped continent of Africa. The Suez Canal is the shortest sea route from the North Atlantic and Mediterranean to the Indian Ocean.

PIPELINES AND AIR ROUTES

Oil pipelines seam the deserts of the Middle East. And the shortest air routes from Europe to the Far East follow many of the ancient caravan trails across those deserts. The commercial airports and aerial navigation aids of the area, centered around Istanbul, Ankara, Beirut, Damascus, Baghdad, Teheran, Tel Aviv, and Cairo, are essential to rapid and safe air communications. When these airports are closed disruption results, as the Suez crisis showed.

The geography of the area and the military bases operated by western powers are important military factors in the containment of communism. The Turkish Dardanelles are a narrow bottleneck from Soviet bases in the Black Sea into the Mediterranean.

A chain of mountain ranges extending from the Caucasus to the Himalayas plus hundreds of miles of desert provide good defensive obstacles against land invasion from the Soviet Union. The eastern Mediterranean offers a sea approach that outflanks the Soviet defenses in central and eastern Europe.

Aircraft operating from the United States 6th Fleet in the Mediterranean, from Cyprus and from land bases at Dhahran in Saudi Arabia, Adana in Turkey, and Habbaniya in Iraq have range enough to penetrate the Soviet Union's south central area, where many of its vital industries and military facilities are situated.

BACKED BY NORTH AFRICA BASES

These Allied bases are backed up, thus providing some defense in depth, by other bases stretching from Libya to Morocco. The north African bases are important not only to any strategic offensive against the Soviet Union and its satellites but also to support Italy and to assist in control of the Mediterranean and its Atlantic approaches.

Conversely Soviet airbases in Syria and Egypt would neutralize the British base on

Cyprus and would make the eastern Mediterranean an unhealthy place for the 6th Fleet.

South of Suez, the British naval and airbase at Aden assumes new importance, particularly since the blockage of the Suez Canal. There is very little military strength in the Red Sea-Persian Gulf-Indian Ocean area. Thus the United States, which is considering strengthening its small naval forces in the area, would welcome the utilization of some anchorage and communications facilities at Massawa, Eritrea.

In general the north African littoral represents a backup area for the North Atlantic Treaty Organizations. The Middle East—involving the Baghdad Pact powers of Turkey, Iraq, Iran, Pakistan and Britain—provides flank protection for NATO and a link to the Southeast Asia Treaty Organization.

CENTER OF PAN-ARABISM

Another factor is the political and psychological significance of the area. The Pan-Arab, Pan-Islam movement is centered here, and its influence extends westward to Morocco and deep into Africa. Guerrilla leaders fighting the French in Algeria are trained in Arab military schools in Egypt, Syria, and elsewhere.

In addition, the shrines of three of the world's great religions—Christianity, Judaism, and Islam—are in the Middle East.

This vast area, great in strategic importance, is weak in indigenous military strength. Four great powers—France, Britain, the United States and the Soviet Union—have military forces in or around the area.

But French power, represented mainly by about 400,000 troops in Algeria, is tied down in attempting to end the native rebellion there. Britain has small forces in Cyprus, but about 9,000 to 10,000 of the 12,000 to 14,000 troops in the island are occupied in internal security duties.

The United States Sixth Fleet has a considerable atomic punch, but its 1,800 marines represent a limited capability for intervention in the kind of war most likely to break out in the area—a nonatomic land war. The Soviet Union has strong forces, land and air, behind its frontier in the Black Sea-Caspian area.

AN OUTLINE OF STRENGTH

Of the native states Turkey, Pakistan, and Israel are the strongest in a military sense, though Turkey and Israel have some major economic weaknesses, and Pakistan both political and economic problems. A capsule summary of the military forces of the area follows:

Turkey: 300,000 men in the active army organized in about 18 to 20 divisions. Several hundred planes. A small navy composed of a score of submarines and destroyers, plus minesweepers, minelayers and various small craft.

Pakistan: About 200,000 plus paramilitary forces, organized in 7 to 9 divisions, of which only 5½ receive United States military aid. About 125 aircraft. A navy of a few destroyers and frigates.

Israel: About 200,000 men and women in uniform at maximum mobilization—5 to 7 divisions plus. About 150 aircraft of all types, with fewer than 100 jets. A small navy of five destroyer and frigate types and small craft.

Iran: Army of 125,000 to 150,000 organized in about 11 divisions, plus several brigades. Air force of about 30 to 50 planes.

Iraq: Sixty thousand men organized in 3 divisions, supported by 180 aircraft.

Syria: About 65,000 men organized in about 6 brigades and an armored unit. About 14 British Meteor jet fighters and at least 10 Soviet MIG-17's.

Jordan: One division of 18,400 men, plus 44 National Guard battalions totaling about 20,000 men. Fifteen Vampire planes.

Saudi Arabia: Regular army of 13,000 men, plus tribal levies. A few planes.

Egypt: Army of about 100,000 men, organized in at least 3 divisions; expandable to perhaps 150,000. Perhaps 100 aircraft, at least one-third jets. Small navy of four destroyers and frigate types and smaller craft.

Lebanon: Army of 8,300; 18 planes.

Yemen: Irregulars—tribal and paramilitary forces.

Aden: Ten thousand in tribal levies; 800 British soldiers; 16 Royal Air Force planes.

Libya: About 2,600 soldiers.

Ethiopia: About 25,000.

The Sudan: Five thousand.

Tunisia: One thousand.

Algeria: National Liberation Army said to total about 20,000 fighting the French, plus unknown number of part-time guerrillas.

Morocco: Fifteen thousand native troops, plus French garrison.

UNITED STATES IS GROPING FOR A POLICY TO BAR SOVIET WITHOUT WAR—EISENHOWER DOCTRINE SEEKS TO PRESENT LONG-TERM APPROACH TO PROBLEMS—ARABS, OIL, AND ISRAEL THE DILEMMA

(By Dana Adams Schmidt)

WASHINGTON.—The United States is groping for a policy that will preserve the peace in the Middle East and keep the Russians out.

Washington's immediate concern grew out of the British-French-Israel invasion of Egypt last fall. With British, French, and finally Israeli withdrawal achieved, the United States is attempting to maneuver Egypt into cooperating in the solution of present problems. One of these problems is how to establish a Suez Canal regime that will take the canal out of Egyptian politics and insure freedom of passage for all countries, including Israel. Another is how to maintain freedom of navigation through the Strait of Tiran.

At the same time, by proclaiming the Eisenhower doctrine of military and economic defense of the Middle East, the United States is seeking to give a new dimension to its long-term approach to the problems of the area.

In its concern about the Middle East, the United States is confronted by a basic policy dilemma. One part of the dilemma is Israel. The other part involves the Arabs and oil.

HELPED CREATE ISRAEL

The Truman administration was mainly interested in the first part. It helped create the state of Israel, then gave it economic and political support. The United States Government during this period was particularly conscious of the sympathy for Zionist ideals that inspired many Americans, particularly the members of the Nation's Jewish community, now the world's largest.

The Eisenhower administration was more concerned with the other side of the dilemma. It recalled the bonds of sympathy between Arabs and Americans that had been bolstered by American educational and philanthropic institutions in the Middle East. It saw that the United States had built up an enormous stake in the oil of the Arab Middle East. And it realized the dependence of its allies in Western Europe on Middle Eastern oil.

Observing that Arab resentment of American support for Israel was endangering the American stake in the Arab world, the Eisenhower administration set out to redress the balance. It proclaimed a policy of "equal friendship" between Arab and Israelis. But it ran into trouble from the start, mainly in Egypt.

THE START OF BAGHDAD PACT

In 1953 Secretary of State Dulles toured the Middle East and inspired the Baghdad Pact, consisting of Turkey, Iran, Iraq, Pakistan, and Britain. Egypt opposed the pact as a challenge to her leadership, and the United States did not join.

Later the United States sent observer members to Baghdad Pact committees dealing with economic and countersubversion affairs, and recently it signified its intention of becoming a member of the pact's military committee. However, it will not become a full member of the alliance.

In September, 1955, Egypt made a deal with the Soviet bloc to exchange cotton for arms. This proved the opening move in a Soviet offensive to penetrate the Middle East.

There were also Egyptian hints that the Soviet Union was ready to follow up the arms deal by financing the Aswan high dam, a $1,300,000,000 long-term project. In December, the United States agreed to do the financing along with Britain and the International Bank for Reconstruction and Development.

Meanwhile, President Nasser was growing more and more troublesome to the West. His agents were supporting the rebels against the French in north Africa and upsetting British interests in the Middle East. His propaganda paralleled Moscow's.

By July of 1956 the Eisenhower administration had had enough. Asserting that continuing arms deals with the Communist bloc had made Egypt a bad credit risk, Mr. Dulles withdrew the offer to finance the dam.

President Nasser replied by nationalizing the Universal Suez Canal Company, striking at interests the British and French considered vital. Mr. Dulles' sympathies were with the British and French, but he angered them by vacillation. He proposed a users' association to run the canal, then watered down United States support for the idea to a point where the British and French found it valueless.

The British and French surprisingly reached an agreement with the Egyptians on six principles for a canal settlement. These were endorsed by the United Nations Security Council. The third and most important of the principles, which the United States still regards as the principal condition of any solution, was that the canal should be insulated from the politics of any country.

WARNING GIVEN BY DULLES

Meanwhile, Mr. Dulles warned the British and French not to underestimate the forces of Arab nationalism. But it was too late. On October 29, 1956, the Israelis invaded Egypt to eliminate the bases in the Gaza strip from which guerrilla raiders had harassed Israel.

The British and French, after an ultimatum to the Egyptians and Israelis, began operations against Suez Canal area targets.

Moscow reacted furiously with implied threats to hurl rockets at London and Paris and to send "volunteers" to fight for Egypt.

As the United States worked through the United Nations to obtain the withdrawal of the invaders, several things became clear. The Soviet Union had gained great prestige in the Arab Middle East, but so had the United States. The British and French intervention in Egypt had destroyed their influence and had left the United States alone in the Middle East confronting the Soviet Union.

The United States believes that it is not impossible to avoid Arab-Israeli hostilities and to bring about an atmosphere that will make it possible to take more positive steps later toward a general settlement.

That is why the United States has launched a long-term approach to the problems of the Middle East in the shape of the Eisenhower doctrine.

The British-French action in Egypt has resulted in a "power vacuum" in the Middle East, the United States feels. Eventually this must be made up by increased defensive

strength of the Middle Eastern nations themselves.

In the meantime, the United States intends to prevent the Soviet Union from making up the "power deficit." It intends to assert its own presence, in terms of military strength and political and economic influence.

WHAT UNITED STATES WOULD DO

The United States still believes in the objectives of the United States-British-French declaration of May 1950, in which the three countries undertook to work in and outside the United Nations to prevent Israeli-Arab hostilities.

Beyond this, the Dulles speech of August 1955 remains the most complete exposition of specific steps the United States is prepared to take toward bringing about an Israeli-Arab settlement. Mr. Dulles said the United States would support a United Nations guarantee of Israeli-Arab borders once the Israelis and Arabs had agreed on those borders.

To make agreement easier, the United States also promised to help Israel meet its commitment to compensate Arab refugees for property left in Israeli hands and to contribute financially to the Arabs' resettlement.

Related to this undertaking are the efforts since 1953 of Eric Johnston, as President Eisenhower's special envoy, to get Israeli and Arab agreement on a project for joint development of the Jordan Valley.

There have been few signs that the efforts of the Eisenhower Administration have brought peace nearer.

Apart from partisan pressures, most criticisms of United States policy in the Middle East seem intended to goad the administration into a more forceful and precise policy and less dependence on the United Nations.

Never, it is pointed out, has the United States dared to spell out what it believes would be a fair solution of the basic issues between Israel and the Arabs, on borders and on the future of about 900,000 Arab refugees.

UNEASY CONTROL IS HELD BY WEST—DOMINATION OF AREA BY SOVIET MIGHT BAR PETROLEUM VITAL TO EUROPE'S RISING NEEDS—FLOW CUT BY SUEZ CRISIS—CONTINENT IMPORTS 95 PERCENT OF ITS REQUIREMENTS—OUTPUT AND OWNERSHIP OUTLINED

(By J. H. Carmical)

The vast oil resources of the Middle East are at stake in the diplomatic negotiations now going on in many capitals. Developed over the last 50 years, these known resources are estimated at two-thirds of the world's total.

The fulfillment of the growing energy needs of Europe depends upon continued access to these oil supplies, which are in countries and sheikdoms bordering on the Persian Gulf.

At present, the west controls these resources, but it is an uneasy control. Should the Soviet Union gain control of the region, it could bar this oil from the free world.

The Soviet Union does not need the Middle East's oil. At present its petroleum production is greater than internal consumption, and millions of square miles that offer vast potential possibilities have not yet been explored.

Western Europe must import 95 percent of its petroleum requirements, mostly from the Middle East. Before the Suez crisis, the total requirements of Western Europe approximated 9 million barrels a day, of which 2 million barrels were from the Middle East.

RECOVERY MAY BE DOUBLE

The oil resources of the Middle East are centered in the 600-mile-long Persian Gulf. They are chiefly in Iran, Iraq, and Saudi Arabia and the British-protected states of Kuwait, Qatar, and Bahrein. The total known reserves of these areas are conservatively estimated at 127,500,000,000 barrels. Most geologists, however, estimate that the ultimate recovery, including future discoveries, will be more than double that amount.

The production of the area amounted to about 3,800,000 barrels daily before the Suez crisis, or about one-half the total output of the United States.

Almost 3,500,000 barrels a day moved to the world markets, making the Middle East by far the world's largest oil exporting area. The sabotage to the pipelines from Iraq to the Mediterranean and the closing of the Suez Canal reduced production by about 40 percent.

Before the Suez crisis 2,400,000 barrels of Middle Eastern oil moved daily through Suez and the pipelines to the Mediterranean to North Africa, Europe, the United States, and Canada. With this volume expected to increase each year, it is almost vital that more routes be developed as insurance against political or economic upheavals.

HOW RESERVES ARE HELD

After almost half a century of jockeying, during which the oil concessions of the Middle East have passed from group to group, the reserves today are held around 55 percent by American companies, 35 percent by the British, and 10 percent mostly by French and Netherlands interests.

The full effect of petroleum development in the Middle East did not become apparent until 2 or 3 years after World War II. It has brought about changes in government and economic life in some countries.

With revenues from oil operations, schools and hospitals have been built, highways constructed, industrialization furthered and agriculture aided. Irrigation and power facilities have been constructed.

The revenues received by the oil-producing countries and sheikdoms in the Middle East amounted to about $912,600,000 in 1955 and exceeded $1 billion in 1956 despite the reduced production in the last 2 months of the year. In wages paid and in other ways the economy of each nation was further bolstered.

The countries through which the oil flows to market also received substantial benefits. The agreements concluded or being negotiated provide for an equal division of transportation profits with these countries, or on the same basis as with the producing countries.

One of the problems involved is the movement of Middle East oil to markets. To Europe and north Africa, the shortest route is by pipelines to the Mediterranean and then by tanker. The next is through the Suez Canal.

The sharp increase in the movement through the canal in recent years was believed a factor in the decision of the Egyptian Government in 1956 to nationalize the canal some 12 years before the Universal Suez Canal Co.'s concession expired.

To get around using the canal as much as possible the trend is toward building supertankers. By the use of such vessels, the long trip around the Cape of Good Hope may be made economical as compared to the use of the canal when tolls, draft limitations and other factors are considered.

Plans also are underway for the construction of a pipeline from Iraq through Turkey, where the Government offers more long-term stability. Another route has been proposed from a terminal on the Gulf of Aqaba across Israel to the Mediterranean.

As a result of destruction of the pumping stations in Syria after Egypt was invaded, pipeline capacity to the Mediterranean now is about 570,000 barrels daily. The rest must be moved out of the Persian Gulf by tankers. The movement through the canal immediately before it was closed was about 1,700,000 barrels daily.

Iran is the oldest oil-producing country in the Middle East. Oil in commercial quantities was discovered there in 1908. Subsequently the Anglo-Persian Oil Co. took over the operation of the concession and later the British Government bought a majority stock interest in the company.

In 1951, the Iranian Government nationalized the oil installations and the British were forced out. In 1953, when Premier Mohammed Mossadegh was forced from power, complex negotiations for settling the oil problem were started and in the following year a consortium of oil companies took over the operation of the Iranian properties.

DIVISION OF CONTROL

Under the new arrangements, the British Petroleum Co., successor to the Anglo-Iranian Oil Co. and also Anglo-Persian, has a 40 percent interest in the Iranian operation, the Royal Dutch Shell group 14 percent, the Compagnie Française des Petroles 6 percent, and 14 United States companies the remaining 40 percent.

Profits from the operation are divided on a 50-50 basis between the companies and the Iranian Government. Known reserves are placed at 27 billion barrels. Output since the new agreement has reached a peak of about 735,000 barrels a day, compared with the previous high in 1951 of more than 700,000 a day. The concession agreement, covering 100,000 square miles, terminates in 1994. Revenues to the Iranian Government were $160 million in 1956.

The Iraq concession, signed in 1925, was the first by an international group. It expires in the year 2000. It is held 23¾ percent each by the British Petroleum Co., the Royal Dutch Shell group, Compagnie Française des Petroles, and the Near East Development Corp., owned jointly by the Standard Oil Co. (New Jersey) and Socony Mobil Oil Co., Inc. A 5-percent interest is held by the C. S. Gulbenkian interests.

Crude oil production in Iraq reached a peak of around 750,000 barrels daily in 1956 before output was cut back because of the Middle East crisis. Known reserves are placed at 20 billion barrels. Revenues in 1955 from oil operations were about $200 million, of which 70 percent were used for capital projects.

HELD BY UNITED STATES CONCERNS

The concession in Saudi Arabia is held by the Arabian-American Oil Co., owned 30 percent each by Standard of New Jersey, the Texas Co., and the Standard Oil Company of California and 10 percent by Socony Mobil Oil was first discovered there in 1938. The main concession expires in 1999.

Oil production in Saudi Arabia reached a peak of around 1,100,000 barrels daily before the Suez crisis. Known reserves are placed at 37 billion barrels. The first 50-50 profit-sharing plan in the Middle East was put into effect there in 1950. Revenues from oil operations in 1955 amounted to $275 million, or 85 percent of the Government's receipts.

The Sheikdom of Kuwait at the head of the Persian Gulf probably is the richest oil area in the world. Its known reserves are placed at 40 billion barrels and its production has been as high as 1,200,000 barrels daily. Revenues of $280 million in 1955 accounted for 90 percent of the Government's revenues. One-third was allotted for development and current expenditures. Much of the remainder was used for purchase of foreign securities.

The concession covering Kuwait is held jointly by the Gulf Oil Corp. and the British Petroleum Co. Granted in 1934, it was extended in 1951 to run to 2026.

The Qatar concession is held by the same international group that has the Iraq concession. It expires in 2010. Reserves are estimated at 1,600 million barrels. Production is around 150,000 barrels daily.

Standard of California and the Texas Co. jointly own the Bahrein concession, which expires in 2024. Known reserves amount to about 300 million barrels and production is around 30,000 barrels daily.

REPORT ON THE MIDDLE EAST

In a special 6-page section this newspaper presents today a detailed and authoritative report on the turbulent Middle East. Like the Balkans of a past era, the Middle East has become a powder keg that could explode into a new world war. Every American therefore, has a stake in the fate of this area. This report, compiled by our own team of 16 experienced correspondents who studied every aspect of the situation, is designed to enable every reader to gage just what this stake is.

The Middle East, cradle of western civilization and three major religions, has been for thousands of years the crossroads of the world over which swirled the armies of many conquerors, from the Babylonians to the Ottoman Turks. Now it is largely liberated and independent. But in the process of becoming so it has split into nearly a score of states, some of them so tiny that they are scarcely viable. Most of them, moreover, though predominantly Moslem, are divided from one another by rival political ambitions, dynastic dissensions, religious and ideological differences, and varying development ranging from the patriarchal society of biblical times to modern democracy.

Yet this badly split and strife-torn region poses a question of life or death for Western Europe, and so for the Western World. It contains two-thirds of the world's known oil reserves, the supply of which will determine for years to come whether West European economy and even Middle Eastern economy will flourish and expand to keep pace with the growth of population or languish and deteriorate until both are ripe for communism. It contains the Suez Canal, the shortest route from the Atlantic and Mediterranean to the Indian Ocean for all trade and particularly for shipments of Middle Eastern oil to the West, its only market. Finally, it is the gateway to southwest Asia and all Africa—a gateway which the Soviets are attempting to crash.

All this makes the Middle East a major focal point in the not-so-cold war between the Communist bloc and the free world. Until recently main responsibility for Middle Eastern security was borne by Britain and France. But progressively over the years, and with dramatic suddenness during the Suez crisis, British and French influence in the area crumbled, creating a dangerous power vacuum which the Soviets now attempt to fill. In consequence, as in Greece and Turkey, the United States has been compelled to intervene. It has done so by promulgating the Eisenhower doctrine against Communist aggression, by joining for the same purpose the Military Committee of the Baghdad alliance, and by increasing military and economic aid to the area in order to stop Communist infiltration.

But defense against communism meets only half the problem. The other half is represented by two new factors largely responsible for the area's instability. One is the rise of Israel as an independent and in comparison with its immediate neighbors a militarily powerful state which the Arabs have vowed to destroy. The other is the rise of Nasser in Egypt, who exploits a renascent Arab nationalism and its enmity to Israel in order to embark on an ambitious campaign aimed at the restoration of an Arab empire stretching from the Atlantic to the Persian Gulf. In pursuit of this ambition he is not only converting Egypt into a corporate state with Nazi overtones but also seeking to enlist Soviet support by an antiwestern policy culminating in his seizure of the Suez Canal, which gives him and the Soviets a stranglehold on Western Europe.

On these issues the United States has left the solution in the main to the United Nations, with not exactly happy results. It has succeeded thereby in stopping one dangerous conflict. But it has failed to advance the area problems toward a solution and possibly aggravated them by giving Nasser a political victory that could have serious consequences throughout the Middle East. A real American policy toward these problems must still be developed, and the report made today should help the American people to make up their minds about it.

REPORT OF POLISH AID TO VIETNAM COMMUNISTS

Mr. KNOWLAND. Mr. President, proceeding under the 3-minute rule, I wish to call the attention of the Senate to an article which appeared in the New York Times of Sunday, March 31, which may have escaped the attention of Members of the Senate. The article is brief, and I read it into the RECORD, as follows:

HONG KONG, March 30.—Poland is giving what official Communist sources describe as a "considerable sum" of money to Communist North Vietnam. The North Vietnam radio said last night that Poland had granted the money for construction projects. A Warsaw delegation is now in Washington negotiating for United States farm-surplus goods and loans to help solve Poland's economic woes.

Mr. President, I have addressed to the Secretary of State a letter requesting the full details or so much of the details as the Government of the United States may have regarding this report that Poland is financing North Vietnam Communists while a Polish delegation is in the United States seeking to obtain a loan from the Government of the United States.

MONTANA, A YOUNG AND GROWING STATE WITH MANY POSSIBILITIES

Mr. MANSFIELD. Mr. President, Montana is a young and growing State which has much in the way of possibilities. I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a series of editorials, as follows: An editorial entitled "Williston Basin Is Back in the News," which was published in the Montana Standard, of Butte, Mont.; an editorial entitled "The Passing of Yellow Robe," which was published in the Miles City Star; an editorial entitled "Help Build a Greater Montana," also published in the Miles City Star; an editorial entitled "Charlie Russell Hatless?" published in the Great Falls Tribune; and an editorial entitled "No Mountains To Spare," also published in the Montana Standard, of Butte, Mont.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Butte (Mont.) Standard of March 7, 1957]

WILLISTON BASIN IS BACK IN THE NEWS

The Williston Basin which zoomed to the oil horizon and then fell back into obscurity almost as quickly is coming back into the news again.

This time it has something substantial to play around with. It has oil, and in increasing quantities. Oil production in Montana, for instance, has nearly tripled since the Williston Basin came into prominence in 1951.

While there has been some good discoveries in the area it is felt that the big break is yet to come.

It is pointed out in the current monthly review of the Federal Reserve Bank of Minneapolis that some recent tests in the area have drawn more than usual interest and sparked new hopes for development possibilities.

Among the recent discoveries mentioned is a well brought in by the Amerada Petroleum Corp. near Outlook in Sheridan County. Three reasons are cited for extreme interest in this well. They are that it is producing at rate of 2,700 barrels a day; that it is distant from established oil trends, and that its oil is from a Silurian reef horizon which is not as yet a standard producer elsewhere in the basin.

The higher Madison formations are the dominant producers.

Another discovery well in Billings County of North Dakota is flowing from still another formation, the Heath sandstone horizons. It is 175 miles from the Outlook well.

Another prospect that is attracting attention is a well being drilled near the east edge of Glacier National Park, at a cost of about a million dollars. Less than 20 miles away, under geologically identical conditions of the so-called disturbed belt east of the Rocky Mountains, lies the Pincher Creek gas field of Alberta—perhaps the largest field of its kind in the world.

The Federal bank's review of the situation relates that the big break on the eastern rim of the Williston Basin still eludes the drillers, though rapid development in southeast Saskatchewan this past year adds further encouragement. The object of the search, somewhat simplified, is to find the belt along which Mississippian-age rocks, so productive to the West, disappear into a thinning underground wedge. Along this trend—with a little bit of luck—economic accumulations of oil may await the driller.

But the big strike which would set off a first-class scramble has not yet occurred.

Meanwhile, prospects in central Montana seem significant. In the Musselshell area several promising discoveries have been made. The Wolf Creek field, discovered in 1955, had several new wells last year, each producing from 300 to 800 barrels a day.

The outlook is for increasing exploration activity this year.

Montana's income from minerals increased to over $200 million last year, largely owing to increased production of oil and gas.

[From the Miles City (Mont.) Star of March 6, 1957]

THE PASSING OF YELLOW ROBE

William Yellow Robe, one of the last of the great Indian scouts of early day America, is dead at the age of 93. He was probably the last survivor of those who witnessed the Custer battle on June 25, 1876.

Much history will go unwritten because he was unable to speak our language and no one took the time to record his experiences for posterity.

Yet we know he must have been a great man in his younger years and played an important part in the settling of the West and subduing of warring Indian tribes. He was important in the winning of the West by the white man.

Yellow Robe was among the first and one of the few Cheyenne of the late 1800's who joined the white man. He served as scout for Gen. Nelson A. Miles, the man for whom Miles City was named. He was with Miles during the campaign to capture Chief Crazy Horse,

the Ogiala Sioux who retreated into the mountains to escape.

The capture of the famed Nez Perce Chief Joseph was one of history's great moments. Here again Yellow Robe acted as a scout for General Miles. Joseph was a great military leader. It has often been stated that, if he were a white man, he would have been one of the greatest generals in history. But for the fact that General Miles used artillery and the so-called Gatlin guns against Joseph, he would never have beaten the chief and his people.

Joseph had, during his long retreat from Idaho, beaten the Army at every turn, and would have done it again but for the heavy guns.

Yellow Robe was present at the surrender of Joseph when he stated: "I want to look for my children, and see how many I can find. Maybe I can find them among the dead. Hear me, my chiefs, I am tired; my heart is sick and sad. From where the sun now stands I will fight no more—forever."

There are perhaps many other momentous occasions in history in which Yellow Robe was an active participant.

Had he been able to speak the English language, we might have a greater knowledge of the settling of this area, for the noble redskin saw much of it.

His passing will be mourned by his relatives and legion of friends. But more important, his passing ends an era that began with the establishment of the Fort Keogh military installation as an operating base for the United States Army to put a stop to the Indian wars that slowed the settling of the West.

[From the Miles City (Mont.) Star of February 12, 1957]

HELP BUILD A GREATER MONTANA

Action could easily be the Montana Chamber of Commerce's middle name and their spokesman who is in Miles City at the present time typifies the word beautifully. Art Baker is a forceful, dynamic, young man and the impression one gets from hearing him talk is that the Montana chamber is in good and energetic hands. Baker, in a 20-minute speech to the Kiwanis Monday presented a clear-cut and easy-to-follow summation of the chamber's past performances, future plans, needs and aims. In a nutshell the slogan of the State chamber is "to build a greater Montana."

The Montana Chamber of Commerce is doing a topnotch job while operating with much too little financial support. We are sending a man out to fight a grisly bear with a switch. And the surprising part of it is this: The man is causing the bear to retreat. For the past several years the State chamber has operated on less money than three of Montana's cities—Billings, Great Falls, and Butte—use for their chambers of commerce. If this isn't using a switch where a .357 Magnum is needed, then we are mistaken.

The State chamber is accomplishing its job of building a greater Montana through travel promotion, industrial promotion, transportation and freight rates, highway development, agricultural and trade promotion and civic development by the following five accomplishments: (1) by providing an unbiased organization for effective State-level representation, by united action, to develop Montana's great potential, (2) by preparing, publishing and distributing authentic information to energize local communities to action on Montana's vital problems, (3) by providing leadership and a basic service of assistance to promote the resources, opportunities and attractions of Montana by action, (4) by gathering information relative to the agricultural, business, and industrial interests as basis for promotion with the follow-through action, and (5) by voluntary efforts of community leaders acting as officers, directors, and committeemen, and a staff putting into action a program to promote Montana's business and way of life.

One of the more successful fields of Montana Chamber of Commerce work is the field of outdoor writing. In 1955 a total of 17 nationally circulated magazine stories, extolling the fishing and hunting, skiing and vacationing virtues of the State were printed. In 1956 the number was advanced to 20. At minimum space rates this advertising would have cost nearly a quarter of a million dollars. The cost of this national publicity to Montanans was so low as to be unbelievable. The entire State chamber of commerce budgets for 1956 was only $37,500 and the State chamber is aiming at a figure of $100,000 for 1957.

The results of this national publicity can easily be seen. In 1955 a total of $87 million was spent in Montana as a direct result of the travel or tourist business. That $87 million is fresh money and cash money. It was spent by some 3 million tourists who stayed in the Treasure State an average of 1.7 days. That money provides a much-needed shot in Montana's economic arm. It provides a new annual market, new highways, new jobs and businesses, and new capital. And if you think that only a select few received the benefits of this money you are urged to think again. Our basic industry is agriculture—a business you might think would get no benefits of the tourist dollar. A total of 23.3 cents of every tourist dollar is for food. That food is, in the main, raised here in Montana. And the market comes here for it. What could be more beneficial to Montana's farmers and ranchers? In any 4.3 days during the tourist season the visitors consume between 6 and 8 times as much meat, eggs, fowl, fruits and vegetables, and wheat products as Montanans do.

Although the best known part of the State chamber's work is that of attracting more tourists and urging them to stay here longer it is just one small part of the Montana Chamber of Commerce's activities.

One of the most important of the group's functions is the gathering and disseminating of information requested by industries which are considering sites within our borders. The State chamber is also interested in helping to develop new products and or better methods of production for Montanans. Anything that will help make Montana more self-sufficient will find a willing supporter in the Montana Chamber of Commerce.

In their handsome brochure the Montana Chamber of Commerce urges readers not to be minimum members. "Plow back your share in Montana" is their slogan. Any respectable businessman, industrialist, professional, rancher, or individual can join with fellow Montanans to help develop the State's great potential. A check from $25 to $500 to Montana Chamber of Commerce in Helena (Box 1730) will entitle you to membership. You and only you can determine what you can afford and desire to invest in your State.

Not too many years ago the State advertising by the highway department was backed by the munificent sum of $15,000. Now it is $65,000, which seems obsolutely stratospheric until you compare it with that spent for the same purpose by other Western States. New Mexico (one of the fastest growing States in the West), $350,000; Oregon (another State showing steady population gains, $305,000; Arizona, $275,000; South Dakota, $235,000; and Wyoming, $137,000. That $65,000 doesn't seem so magnificent now, does it? The legislature is being asked for $110,000 this year for State advertising and the State chamber is hoping that this sum is allocated as it will greatly assist gaining the objective of the chamber of commerce.

The State chamber's price tag for a successful campaign against those objectives its $100,000 and it will buy a million-dollar program. That's a bargain no matter how you look at it, east or west, north or south.

[From the Great Falls (Mont.) Tribune]

CHARLIE RUSSELL HATLESS

It looks like Charlie Russell will have to go to Washington 7 feet tall and hatless.

Who says so? So read the arbitrary rules the Montana Fine Arts Commission has laid down for sculptor competition for the statute of the famous cowboy artist for placement in Statuary Hall in the National Capitol. It is our understanding that the hall of fame has no restrictions on hats.

Charlie won't like this, won't be comfortable. Like most oldtime westerners, he'd as soon have been caught out without his pants as running around bareheaded like a dude. Outdoors or indoors, Charlie wore his hat. He wore it while he painted in his studio, wore it while he spun tall yarns for delighted friends. Hat, sash, and boots, these were all inseparable parts of Russell.

This brings us to repeat an admonition that the Montana commission better get some advisers who knew Russell before it makes final selection of the model to be cast into unchangeable bronze. Do we doubt the commission's competency? On its performance to date, yes.

Elsewhere on this page is reproduced a letter on this subject written over a quarter of a century ago by Nancy Russell, the artist's widow. In her moving comment on the project, she emphasizes the importance of creating the statue while there are people still living who knew Charlie, to insure a faithful reproduction. This admonition is just as important today as it was when Nancy Russell wrote it 26 years ago.

[From the Butte (Mont.) Standard of January 9, 1957]

NO MOUNTAINS TO SPARE

"If the mountains were flattened out, Montana would be even bigger than it is" (from the Milwaukee Railroad rate book).

"And if Texas were wrinkled up into mountains, it might be smaller than Montana" (from the Chicago Tribune).

We believe that Montanans are in favor of retaining their mountains and permitting Texas to retain its bigness.

Montanans might trade some of their cool summer breezes for a few of the Texans' tall stories, however. Of course, we'd have to have something to boot. Perhaps the Texans could spare a few you-alls.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, that it is possible that the Senate will proceed to the consideration of the following measures on the calendar, some of which have been cleared by both the minority and the majority policy groups, and some of which still await their attention: Order No. 11, Senate Concurrent Resolution 2, to create a joint congressional committee to study and investigate all matters connected with the election, succession, and duties of the President and Vice President; Order No. 130, House bill 4815, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations; Order No. 131, Senate Concurrent Resolution 20, authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the

production, distribution, or sale of newsprint in interstate commerce; and the private bills beginning with Order No. 164, Senate bill 161, for the relief of Elias Youssef Mikhael, and running through Order No. 177, Senate bill 251, for the relief of Edith Elizabeth Wagner; Order No. 181, Senate bill 1034, to authorize and direct the Secretary of Agriculture to convey to the University of Missouri, for agricultural purposes, certain real property in Callaway County, Mo.; and then the bills beginning with Order No. 195, Senate bill 560, for the relief of Alec Ernest Sales, through the remainder of the calendar, Order No. 223, Senate bill 1360, for the relief of Mrs. Geraldine Elaine Sim.

Mr. President, I desire to enlist the aid of the minority and majority staffs to review the general legislative proposals and the private bills on the calendar, with the view of being able to make definite announcements later in the week as to what bills can be taken up by mutual consent. I particularly call to their attention Order No. 217, Senate Joint Resolution 12, to provide for the transfer of the right-of-way for Yellowtail Dam and Reservoir and payment to the Crow Indian Tribe. I have been requested by the chairman of the committee which reported that joint resolution, the senior Senator from Montana [Mr. MURRAY], and the junior Senator from that State [Mr. MANSFIELD] to schedule that measure some time this week, and I should like very much to accommodate them.

UNSATISFIED ISSUES WITH SAUDI ARABIA

Mr. JAVITS. Mr. President, President Eisenhower's agreement with King Saud, now consummated by a 5-year extension of the United States right to use the Dhahran Airbase, still leaves unsatisfied the right of United States citizens of the Jewish faith, including members of our Armed Forces, to enter this base. It also leaves open two other vital questions between our Government and Saudi Arabia. First, is slavery practiced there, and will it continue, in violation of the U. N. Charter? Second, will Saudi Arabia allow itself to be used as backer, banker, and financier for Colonel Nasser's particular brand of chauvinism with its heavy overtones of manipulation from the Kremlin?

The strategic decision as to the need for the Dhahran base is properly that of the Joint Chiefs of Staff, the National Security Council, and finally the President, and at least there is the presumption that it is a necessity to our security if they have so decided. But this does not excuse our Government from keeping unremittingly after the correction of conditions which demoralize and destroy the friendly relations that should exist between our Government and the government of a country upon which one of our strategic bases is located and in whose territory our soldiers serve.

The discrimination against United States citizens and United States soldiers by the Government of Saudi Arabia because of their Jewish faith is a grave retreat from the highest American traditions and principles. It is a situation which began in the previous administration, in June 1952, and has continued into this administration, and it remains intolerable.

The Senate, on July 26th last, adopted Senate resolution 323, sponsored by 17 Senators, including former Senator Lehman, of New York, protesting discrimination against United States citizens "based on their individual religious affiliations." The resolution stated "that in all negotiations between the United States and any foreign state, every reasonable effort should be made to maintain this principle." Every American has a right to expect the unremitting effort of our Government to correct the affront to our national policy and dignity inherent in the discrimination in Saudi Arabia, to which I have referred. I feel that this note must be sounded upon the day when the extension of the use of the Dhahran airbase is announced.

One of the newspaper reports describes any change in the Saudi Arabian position as having "to await general improvement in the Arab-Israel situation." We are again reminded of the mischief being worked in the whole Middle East by the policy of Colonel Nasser's playing ball with the Kremlin and of our inability even now to react to it as effectively as we need to.

It is our solemn duty to see that the relations of our country with Saudi Arabia are not utilized to finance and promote Colonel Nasser's schemes. It is also our duty, as the leader of the free world, to do everything we can to help eliminate slavery or other practices contrary to morality, ethics, and the solemn compact of the United Nations.

King Saud was received here with the dignity, courtesy, and hospitality which we in this country traditionally extend to such visitors. Our Government has now entered into a solemn agreement with King Saud's government. It seems to me that these events charge us even more, if that is possible, with the necessity of specifying the burning issues between the two governments, upon which there must be every effort to get real progress.

HONORING OF FORMER PRESIDENT HOOVER AT 35TH ANNUAL CONVENTION OF NATIONAL ASSOCIATION OF RADIO AND TELEVISION BROADCASTERS

Mr. POTTER. Mr. President, a distinguished American, the Honorable Herbert Hoover, former President of the United States, is being honored today, April 9, at 10:30 a. m., in Chicago, on the occasion of the 35th annual convention of the National Association of Radio and Television Broadcasters. The annual award for distinguished service is being conferred upon Mr. Hoover for his leadership in the establishment of our great and free American system of broadcasting.

It was in 1922, just 35 years ago, that Mr. Hoover, then Secretary of Commerce under President Coolidge, held the first four industry-Government conferences to deal with the problems of radio regulations resulting from the rapid expansion of radio-telephone broadcasting. The 2d, 3rd, and 4th of these Hoover radio conferences, as they came to be called, were held in 1923, 1924, and 1925.

The Hoover radio conferences established the basic principles upon which our great American system of free broadcasting has been built. They were also largely responsible for the development of a sound policy with respect to governmental regulation of all uses of the radio spectrum.

At that time, it may be recalled by some of my distinguished colleagues, the Secretary of Commerce was authorized to issue licenses to private individuals and institutions for radio broadcasting. However, in the early twenties there was such a demand for these facilities that the public interest definitely was endangered through the possibility that—without central control of license issuance—utter chaos in signal reception would result. Mr. Hoover, anticipating this difficulty, called the conferences, which included representatives of education, government, industry, and others, and charged them with the cooperative development of a logical and workable plan for allocation of frequencies and issuance of licenses. Total membership of that first conference was 15. Within 4 years, when the fourth conference was held, more than 300 delegates attended.

The status of radio in those days might be of interest, and it is revealed in Mr. Hoover's opening remarks to the first conference in 1922, when he said:

> We have witnessed in the last 4 or 5 months one of the most astounding things that has come under my observation of American life. This Department (the Department of Commerce) estimates that today over 600,000 persons possess wireless telephone receiving sets whereas there were less than 50,000 such sets a year ago.

It is interesting to note that today, 35 years later, it is estimated that there are 140 million radio broadcasting receiving sets in use and 45 million television sets.

Other comments by Mr. Hoover reflect the great foresight of this beloved American dealing with the problem of an embryonic medium that was to become one of the greatest influences in history on American life. For example, he predicted the development of the network when he said:

> Experimental broadcasting upon a national scale by interconnecting stations by wire during the past year has now brought us to the stage where we know it can be done. It has opened a new vision to us. The local material available for the local program is of the highest importance but is not, in my view, enough to maintain the assured interest necessary for the support of the industry nor to fulfill adequately the broadcast mission.

He also said:

> The local station must be able to bring to its listeners the greatest music and entertainment of the Nation, but far beyond this it must be able to deliver important pronouncements of public men; it must bring instantly to our people a hundred and one matters of national interest. To this it must add its matters of local interest.

In this, and in subsequent conferences, Mr. Hoover took the lead in urging the rapid development of networking.

Mr. Hoover believed in a minimum of Government regulation and a maximum of self-regulation by industry itself.

For example, at the fourth conference he said:

> I have called the conferences of each of the last 3 years in the confidence that it was only by your cooperation that the requirements of this great service could best be met. There are certain minimum regulatory powers in the Department of Commerce. They are inadequate to meet the shifting situation that this developing art constantly presents. Nor could any legislation keep pace with the changes imposed by scientific discovery and invention now going on in radio. I have been convinced, however, that we could meet these problems by organized cooperation of the industry itself.

He further said:

> I can only repeat what I have said on these occasions before—that it is our duty as public officials, it is our duty as men engaged in the industry, and it is our duty as a great listening public to assure the future conduct of this industry with the single view to public interest. The voluntary imposition of its own rules and a high sense of service will go far to make further legislation or administrative intervention unnecessary.

Mr. Hoover was opposed to the idea that people should be licensed for the privilege of listening. At the first radio conference, when he was setting the pattern for this system, he said:

> In certain countries, the government has prohibited the use of receiving instruments except upon payment of a fee, out of which are supported government sending stations. I believe that such a plan would most seriously limit the development of the art and its social possibilities and that it is almost impossible to control. I believe that we ought to allow anyone to put in receiving stations who wishes to do so.

In the third Hoover radio conference, held in October 1924, he further substantiated his conviction with respect to this social development of a great implement when he said:

> Through the policies we have established the Government and therefore the people have today the control of the channels through the ether just as we have control of our channels of navigation; but outside of this fundamental reservation radio activities are largely free. We will maintain them free—free of monopoly, free in program, and free in speech—but we must also maintain them free of malice and unwholesomeness.

Throughout all of these conferences, in which Mr. Hoover gave original leadership and which reflected richly his philosophies about free enterprise and the liberty of the individual, he emphasized the requirement that broadcasters must serve the public interest; that only through loyalty to that purpose could we hope to maintain a system as free as possible of legislative and administrative fiat. The record demonstrates that the philosophy set forth by Mr. Hoover was responsible in large part for the rapid and satisfying growth of the American system of broadcasting, both in the commercial and educational fields.

I am happy to commend the National Association of Radio and Television Broadcasters, the industry organization representing the Nation's radio and television operators, on this occasion, when they have singled out one of America's greatest memories to pay him due tribute for his magnificent contribution to the construction of our fine broadcasting system.

Mr. Hoover foresaw the importance of nationwide network broadcasting. He consistently insisted upon a minimum of Government control. He opposed the taxing and licensing of radio receiving sets. He opposed the Government ownership of broadcast stations. He opposed Government censorship of broadcast program material. And throughout all his public utterances on this subject he thought first of the good interests of the American listening public.

Mr. Hoover, I understand, was unable to attend the conferences being held by the broadcasters in Chicago today, and the award for him is being accepted by C. M. Jansky, Jr., of Jansky & Bailey, Washington consulting engineers. Mr. Jansky in 1922 was a professor on the staff of the University of Minnesota. He was among the 15 who attended the first of the Hoover conferences, and he was present at all subsequent meetings. He accepts the award at the request of the former President.

FREEDOM AND THE ECONOMIC ROLE OF GOVERNMENT

Mr. BUSH. Mr. President, I desire to bring to the attention of the Senate a lecture by Gabriel Hauge, special assistant to the President of the United States, which was delivered at the Conference on Essentials of Freedom at Kenyon College, Gambier, Ohio, on last Friday, April 5.

Dr. Hauge's lecture entitled "Freedom and the Economic Role of Government," is a penetrating analysis of the proper functions of government in a free, dynamic society. It is one of the finest statements of the economic philosophy which guides the present administration that I have ever read.

That philosophy seeks to employ sound fiscal and credit policies to create the private confidence which maintains our national prosperity at record levels, and to keep inflation in check. It recognizes that certain types of governmental activity are needed to supplement the market system, especially in meeting the human needs of the people and in removing obstacles to equal economic opportunity for all persons.

Mr. President, I ask unanimous consent to have Dr. Hauge's lecture printed in the body of the RECORD following these remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FREEDOM AND THE ECONOMIC ROLE OF GOVERNMENT

(Lecture delivered by Gabriel Hauge, special assistant to the President of the United States, at the Conference on Essentials of Freedom, Kenyon College, Gambier, Ohio, Friday, April 5, 1957)

I

The concept of freedom has suffered over the years an almost indecent amount of dialectical distortion. It is perhaps not surprising that this should be so. Since there are very few saints among us, freedom must, indeed, be restrained lest only the strong be free and the weak be trampled down. The rule that freedom needs to be restricted only where one's free choice obstructs the free choice of others is classic but not always simple to apply. Under the pressures of society's interdependence today, its complex institutions and more complex psychologies, freedom has come to mean many things—even that true freedom is the absence of freedom.

The dilemma of freedom and order has confronted every generation, and it has been resolved in a variety of ways. In our own society we have agreed that incursions upon freedom must be clearly and strongly justified. This is a vital consensus, for on many difficult and imprecise social issues the balance of decision may be tipped by a proper regard for freedom.

This predisposition to favor freedom is grounded deeply in our moral tradition, resting in religion and in secular humanism, as well. We hold that the mission and meaning of life is the individual's exercise of his free will to develop the best that is in him: in work and play, in family and social relationships, in reason and art, in religion and ethics. It is grounded in a need for self-expression, the moral satisfaction and sense of dignity that comes from making one's own decisions. It is grounded in a hopeful concept of the nature and capability of man.

Even when the general case for freedom is granted, however, economic freedom is challenged by some as inefficient, dismissed as irrelevant, or denounced as immoral. A kind of economic collectivism, calling itself economic democracy, lays claim not only to being compatible with political democracy but to being freedom's finest flower.

The indivisibility of freedom, however, makes economic freedom inseparable from political freedom. The free criticism so necessary to free government flourishes best where power is diffused, where the ownership of property is widespread, and where the economic well-being of the people depends upon no single source such as the state. A broad monopoly of economic power can, even without conscious malice, lessen the political independence of individuals in ways that are many, subtle, and probably beyond judicial supervision. In this respect history provides abundant evidence of the evil that good men do. To redress abuses of private economic power by substituting governmental power capable of greater abuse and less subject to control and restraint is, indeed, a doubtful procedure. There are, to be sure, abuses of private economic power and we must be vigilant to deal with them. But there are better and safer means for coping with this threat to freedom than by contriving the modern political equivalent of Jonathan Swift's Modest Proposal of 1729—that of burning down the house to roast the pig.

Distinctions between political and economic freedom, moreover, seem to ignore the social conditions essential to a free society. Freedom's corollary is individual responsibility. Without such responsibility for personal action, no society can function smoothly with a minimum of force. Individual responsibility and the ideal of social harmony tend to be jeopardized by making political power the road to individual fulfilment. Nor is this ideal furthered by transferring to the political arena the innumerable economic decisions made impersonally through the marketplace. History does not suggest that social harmony will be better achieved by a broad-scale substitution of government economic decision making for that of the market.

Economic collectivism, moreover, threatens individual development, self-expression, and creativity. If government were to tell us

when to sow and when to reap, where and how much to work, what goods to produce and consume, would we be more free to devote our energies to the less material things of life? Can government, so to speak, play the role of the good secretary and remove from our minds the burden of detail? I doubt it. It is not likely that the fruits of freedom will be more abundant where the opportunity for its exercise is removed from the broad economic segment of life. Indeed, free economic choices—to work or to be idle, to spend or to save, to invest or not to invest, to produce or to consume—all are essential parts of freedom, involving the same moral choices: the same self-expression, independence, and dignity; the same self-reliance and personal responsibility; the same creativity.

It is, of course, true that the issues facing us in the United States today do not require a choice between a freewheeling individualism and a thorough going State absorption of all economic decision making. The real issues today turn on questions of more or less Government intervention. The consequences of denying economic freedom become more evident, of course, as the denial approaches the absolute, but each degree of incursion can partake of the same consequences. The cumulative impact of small abridgments can be substantial. If we ever lose our freedom in America, it is likely to come from this nibbling process; freedom is not likely to be taken from us, rather we may be induced to give it away in bits and pieces.

The case for economic freedom gains practical support from its success in providing the Nation with an unparalleled level of material well-being. If all material progress is directed toward evading the curse of Adam: "in the sweat of thy face shalt thou eat bread," then as a British observer recently remarked, we have certainly outpaced the rest of humanity. For, as he said, we get more bread for our sweat.

Interestingly enough, even this success has been criticised. Criticism is good for us. We should welcome reminders of the threat that materialism poses for our spiritual aspirations, for we know that a high standard of living is not the only, nor the most important, criterion by which a society should be judged. But moral criticism of a concern for material things, if it is to be valid, ought not to forget its theological as well as its humanistic premise: only a free choice of the good has moral significance; the good life cannot be imposed. The moral society, therefore, is one which seeks to increase the opportunities for individuals to pursue this goal by their own free choices.

In our own society, most citizens have been released from that exclusive struggle for survival and basic comforts which can inhibit the blossoming of the individual spirit and the social culture. It would be naive to suppose that a continued rise in our standard of living will bring the spiritual millennium. That we have not been vouchsafed. But a growing economy does allow more people to change the life which circumstances impose upon them and thus to enjoy a greater opportunity for self-fulfillment and spiritual development. It has been wisely observed that, "A saint may embrace poverty, but national poverty will not breed a race of saints."

Moral criticism, furthermore, should not fail to consider the realities of human motivation. It is hardly immoral to acknowledge that most human beings seek some measure of material comfort and also work better when they hope for some reward. What are the realistic alternatives? Will government's decisions be regarded by the whole people as more moral than the impersonal decisions of the market place? Are the practical mores of socialism less vulgar? Is force or the incentive to political power or social eminence more virtuous? People everywhere desire the benefits of a higher standard of living. Indeed, the most persistent criticism of economic freedom usually admires its quantitative results but challenges its distribution of income and criticises its provision for personal security.

II

Needless to say, our society must respond to the deeply felt need for personal security. In our turbulent world we need protection from physical violation of person and possessions and relief from anxiety over survival or basic comforts. In this regard we can recall the concern of President Eisenhower for, "building a floor over the pit of personal disaster." Private and public measures to this end provide not only the satisfaction of basic needs, but also the climate in which personal and social values may be fulfilled.

Our goal must be a reasonable security through expanding opportunity for all men, a rising level of material well-being for the whole community, and the maintenance of freedom. The fundamental economic question is how, consistent with these goals, to meet unlimited human wants with limited productive resources. The medieval approach relied upon the perpetuation of traditional occupations and consumption patterns. Authoritarian systems rely on coercion to implement centrally made decisions. To determine what is produced, a free society relies upon individual choices expressed in free markets. The price system ties these millions of individual decisions together and nudges production toward meeting these choices, not by state coercion, but by free incentives. A well-working free market economy is thus the true welfare economy. It brings about not only the largest total of goods, but also the largest total of satisfactions because it produces the most of what people want most. It is this mechanism that enforces economic efficiency in the use of limited productive resources.

Efficiency demands free incentives if the whip of state coercion is to be avoided. Although the hope of reward is not the exclusive motivation for economic activity, it is nonetheless an essential one. The broad socialization of incomes through taxation and their redistribution through the public fiscal as Government benefits to the people can never be a proper goal of a free, dynamic society. Whatever the very conspicuous consumption of the very few may be, distribution of income would in reality achieve little of its avowed purpose. As Professor Kenneth Boulding has put the matter, "we now see that in practice the abolition of poverty can come only from development"—or growth—"not from redistribution, not from taking from the rich to give to the poor, but in making everybody richer."

Economic freedom is indispensable to this economic progress. Its spirit of independence and self-reliance stimulates productive activity. Its freedom for individual development and self-expression provides the best possible climate for creative work. Its promise of reward induces the taking of risks essential to the rapid development and exploitation of new ideas. Since new ideas have often appeared in the first instance as folly to officialdom and public opinion alike, the diffusion of decision-making power means that innovation requires only one bold enterpriser rather than the approval of an unwieldy and cautious bureaucracy. Moreover, the errors of a single firm are unlikely to be overwhelming for the economy. And when the experiment of a single enterpriser is successful, the competitive penalties for backwardness speed its widespread adoption. Competition spurs that productivity which has been well described as the mentality of progress.

No one holds, of course, that the competitive market system is perfect and automatic. Imperfections there are, and we must be alert to deal with them. To that end, Government has a vital role to play:

1. To strengthen the operation of free markets; 2, to moderate the tendency for a free economy to fluctuate between inflation and deflation; 3, to supplement the market system in those areas where it alone cannot as well provide certain essential needs.

This is, indeed, a substantial and demanding role. It must be carried out with a deep concern, in our Federal society, for that proper division of responsibility between the central and local governments that keeps Government close to the people. We can easily agree on traffic control, for example, without requiring that all patrolmen be appointed by the United States Attorney General; and we can believe in marriage without having marriage licenses issued by the Secretary of the Interior. The issues of Federal-State relations are, of course, much more complex and difficult than these, but they should all be resolved with a proper regard for maintaining the vitality of the Federal system in which we as a nation so deeply believe.

Government's role calls for great skill and caution and for a full recognition of the market system as the primary force for freedom, economic well-being, and dynamic personal security. It should seek to reinforce rather than replace this system. Doubtful cases of government intervention should be resolved in favor of individual freedom. Our guide to policy should be this: as much freedom as possible; as little intervention as necessary.

The key role of the price mechanism in serving economic freedom defines the first economic function of government: to strengthen the market system. Obviously, this task requires not only the maintenance of general order, but also the creation of an institutional framework conducive to private economic activity: the enforcement of contracts, the protection of commerce against the unscrupulous few, the provision of an effective monetary and credit system. The goal of free government as President Luigi Einaudi of Italy has said, is not the abolition of all regulations, but the establishment of regulations within which the citizen can act freely.

Since private monopolies can obstruct economic freedom, government can strengthen the market system by generally controlling undue concentrations of market power in the hands of persons, businesses, or other groups. I say generally, because some barriers, such as the monopoly granted by patents, seem desirable as a spur to private inventiveness; and I say undue, as a reminder of the subtle difficulties of identifying harmful market power.

We usually agreed upon the wisdom of public regulation for so-called natural monopolies, such as public utilities, though, to be sure, neither classifying industries nor regulating them is easy. The most obvious and once most widespread monopolistic practices—pools, conspiracies, predatory actions, and the like—are the lesser problem today; the vexing questions now involve markets dominated by one or a few firms. To determine the desirability of judicial intervention in such cases, our relatively pragmatic antitrust laws wisely require a judgment upon the degree and use of market power. The results are not neat because the judgments are often elusive. On the whole, however, vigorous and effective enforcement of sound antitrust laws can help assure a dynamic and workably competitive condition for most markets.

In addition to lessening the private barriers to competition, government can and should take positive steps to promote enterprise. Within the limits of defense and other valid national considerations, it can, by an enlightened commercial policy, encourage international economic ties and

foster trade across national boundaries as well as within them. And at home, by taking care that its program actually benefits competition, it can foster business enterprise. Its own very considerable purchasing activities can aid competition, and also benefit from it, by making it easier for small and new businesses to deal with the Government. Sound statistical, information, and research programs can help these businesses meet the greater research and technical resources of larger firms. Government can also help meet the special credit needs of small and new businesses that are not adequately met by existing arrangements. Tax policy, furthermore, should encourage the savings which they need. These steps, soundly taken, are proper for government because of the vital contribution of new enterprise to the vigor of competition and to the innovations that spur economic growth in a free society.

Growth and time, however, inevitably involve change: new products, new methods, and variations in consumer preferences. Growth thus requires readjustments, and these are often painful and disruptive. Restrictive proposals to protect settled interests, large and small, are always forthcoming. Proposals abound, too, for the promotion of private profit at public risk. Especially tempting to some is the idea that broad socialization of risk can somehow be linked with a vigorous private enterprise system. Sometimes particularly difficult readjustments justify intervention in aid of the market and to relieve distress. Such intervention should not bypass the market and thus perpetuate itself and the problem. Sound intervention must aid, not obstruct, change. It must foster, not interfere with growth. Although growth may require some workers and resources to readjust to its changes, it also can afford them the best possible alternative—new and better opportunities.

An unusual, virtually unique, combination of circumstances has made the process of agricultural readjustment particularly painful. The case for Government intervention in agriculture grows out of the unusual characteristics of that industry, including its peculiar dependence on the vagaries of weather and the particular difficulty of adjusting supply to sharp changes in demand. Because of these facts, Government has been engaged for over 20 years in an extensive agricultural program, including measures for price support, market expansion, and readjustment to peacetime conditions.

The record of Government intervention in agriculture illustrates very clearly the ever-increasing restrictions upon free action imposed by public programs in this field. The present refusal of most corn farmers to accept sharp acreage restrictions as a condition for benefit payments dramatizes the limitations of extreme types of Government control. In this broad area, one thing is clear: The necessary readjustments will never be successfully accomplished if agriculture is to be sealed off by unrealistic, rigid price-support legislation from the market place where consumers express their preferences. In agriculture, as in other fields, when we legislate, we must legislate along the grain of economic fact, and not against it. We must use market forces in solving this serious national problem, not try to suspend them.

One of the difficulties with intervention schemes generally is that they often seek to do more than cushion change; some of them are designed to defeat it and thereby to deny the population, over a wide front, the benefits of an increasing material well-being. And for the people directly concerned it so often is the old story of a subsidized existence being a second-class existence. Special privileges for one or another producer group irresistibly generate demands by others for equal treatment. And, although the privilege may be described as experimental or temporary, experience demonstrates the practical difficulty, greater as the beneficiaries become more numerous, of withdrawing a special privilege once conferred. This kind of unsound intervention in the market defeats both freedom and economic welfare. Its continuance is ominous, for government cannot yield to powerful pressure groups without the risk of ultimately succumbing to the fallacy of the corporate state. For government to go heavily into the business of building competition shelters is a poor way to serve the cause of economic progress.

Strengthening the market's operation, however, does not free us from the plain fact that economic growth in a free society tends to proceed irregularly. This phenomenon poses the second great responsibility for government: to seek to moderate the ups and downs of the business cycle. Success in these efforts will encourage people to accept risks and discourage them from considering the exchange of their personal freedom for promises of personal security. Moreover, such success can remove much of the fear that prompts demands for undesirable intervention in the price system for the benefit of fearful groups.

No elaboration is required here of the need to avoid depression's misery with its blasted personal hopes and fortunes. If anything, the psychological trauma of the 1930's is still too much with us; any recurrence of that experience could seriously undermine confidence in a system of economic freedom. Experience tells us that government efforts and easy money can help stimulate recovery in a slump, but they will not help much if government spending merely substitutes for private spending, if tax policies discourage private activity, or if public policies create a climate of distrust or uncertainty which discourages private confidence in the system or in the future. Private confidence—among consumers, workers, businessmen, and investors—has proved far more potent for both recovery and growth than public expenditure. The main problem of recovery is to kindle the fires of expectation and confidence in the future. Indeed, it was in this vital respect that economic policy in the decade of depression failed.

Whatever remedial measures can do to help pull us out of a severe slump, preventive medicine is still the best approach to the ills of business ups and downs. We have come to learn that the cornerstone of antidepression policy is proper anti-inflation policy. We have a chance to avoid the bust if we restrain the boom. Therefore, we must take strong issue with the pessimistic notion that inflation is necessary to promote prosperity. Such a notion violates, rather than supports, the spirit of the Employment Act of 1946. The mandate of that act "to promote maximum employment, production, and purchasing power" does not require aggressive government intervention as a normal pattern. Postwar experience strongly suggests that, when private confidence is unimpaired, private expenditures can assume the responsibility for maintaining prosperity. We still have military spending on a large scale, to be sure. Indeed, the successful absorption of these great defense demands into a smoothly working free economy remains an unresolved problem. Nonetheless, it is true that our mass prosperity today is substantially a prosperity of the private economy, based on private spending for private purposes, under conditions of balanced budgets and credit restraint.

A policy of creeping inflation, based on public spending and easy credit, is not conducive to optimum prosperity and growth. Through its uneven incidence and its emphasis upon continuous "sellers' markets," it may very well prevent the adjustments required by economic progress in situations where "people do the wrong things or work at the wrong places or with the wrong methods," where national or international markets shift, where capital or raw materials or complementary products are short, or where wages or prices in a firm or industry are out of line. To seek the miraculous elimination of such frictional adjustments through creeping inflation can only take a toll of the national fiber and resolution to maintain efficient and vigorous production and competition. To view prosperity as a temporary and abnormal state of affairs, pleasant but so fragile that even modest attempts to moderate it will tumble us into depression is to invite the steady weakening of our capacity for healthy economic growth. To mistake a shortage of men and materials for a shortage of money and to seek a remedy through credit expansion can only overload the economic circuits and threaten to burn out the fuses.

Inflation is in every sense a tax of the cruellest sort upon those whose incomes are fixed or respond only slowly to the upward drift. This describes a good percentage of the population: millions of salaried employees, the old, the dependent, and the unorganized. A part of their income is simply destroyed by the reduced purchasing power of a cheaper dollar. Savings are confiscated by the cumulative erosion of many years. Yet, there are those who would try to force out of the economy, by credit-fed inflation, production for which there are no available resources. It is a curious paradox that the personal security of so many should be so lightly sacrificed in the name of the people's welfare.

Ominous, indeed, are the dangers of such an inflation whose day-to-day movement may present an innocent face. The question of coping with it becomes one of moderating the volume of spending when demand presses too hard on resources. It is necessary to restrain inflation and to do it by the best means—those most equitable, most conducive to growth, and most consistent with freedom.

Fiscal policy obviously is one tool available to the Government when inflationary pressures mount. Revenues should, at the very least, be adequate to balance the budget, lest deficit spending add to the demand pressure on the economy. The level of expenditures, even in a balanced budget, should be held down, lest price pressure on some critical resources grow out of the shift from private to public consumption, and lest taxes to cover the expenditures absorb funds that taxpayers would otherwise have saved and invested to expand production. Moreover, management of the public debt, in such a situation, must seek to avoid aggravating inflationary pressures.

The other major tool for moderating the business cycle is credit policy. As Walter Bagehot said over a hundred years ago, "Money does not manage itself." In our country primary responsibility for credit policy has been entrusted by the Congress to the independent Federal Reserve System. For example, its present policy of credit restraint seeks to keep additions to money demand in balance with additions to resources. Its goal is to preserve the integrity of the people's money, while meeting the needs of the economy. Credit restraint does, of course, create problems—there isn't enough money to go around, mainly for the reason that there aren't enough resources to go around. The method by which credit is rationed in the market, of course, is not flawless. Although some desirable needs fail to qualify, there appears to be only one comprehensive alternative: To replace the capital and credit rationing of the money market with Government allocation as to who may obtain credit or capital and in what amounts and for what purpose. The risks of so pervasive a centralized decision-making power are hardly justified by the inability of every prospective borrower to meet his needs fully under a policy of credit restraint. There will

be some uneven impacts, with or without Government allocation, as there are in every aspect of economic activity. And provided that we neither tamper basically with the rationing of the money market nor vitiate the policy of restraint, it is proper to have programs, as we do, that recognize the established national policy in such areas as small business, agriculture, and housing.

To keep prosperity by keeping it healthy requires judgment and skill. In the words of the Scotch proverb, "It takes a steady hand to hold a brimming cup." This is not to say, however, that a steady hand on monetary and fiscal management offers a complete and effortless solution. It is to say that such general controls are superior to the direct control of prices and wages and capital allocations which have always evoked, even in wartime, considerable controversy. Their economic effect is to substitute the rigidity of control for the flexibility of the market. Moreover, there is no reason to believe that such controls would be accepted by the citizenry in peacetime.

Advocates of direct controls sometimes urge that they alone have a solution to the wage-cost-price spiral that threatens the stability of our prosperity. If the past is any guide, however, many of such central decisions will be taken on political grounds. To bypass the market and make political pressure the route to economic advantage does not seem a promising way to foster economic responsibility. A short-run check to the wage-cost-price spiral may take the form of a profit squeeze where consumers balk at higher prices in a climate of monetary restraint. A long-term approach to the problem appears to require either a reexamination of the great power in private economic groups or the exercise of restraint and responsibility by those who hold such power. This sense of responsibility may be attainable. It is what President Eisenhower called for in his state of the Union message. The broader recognition that inflation can give, at best, only a temporary advantage may lead to increasing self-restraint in groups with mature leadership. Perhaps, strategically placed private decisionmakers will reflect a little more on their responsibility, along with that of Government, for keeping the economy on an even keel. It will take such a realization if stability with progress is to be achieved in a free economy.

As useful as the price mechanism is, it has never been expected to provide for every need. In addition, therefore, to measures strengthening markets and fostering economic stability, there is a third and less well defined category of Government economic activity; to supplement the market system in those areas where it alone cannot as well provide certain essential needs.

The first of these activities supplements the market by expediting unusual industrial developments of potential economic or social value. Wartime necessity occasioned such hothouse development for atomic energy and synthetic-rubber manufacture under Government segis. Although it took some time, the war-born synthetic-rubber industry has been transferred by sale to the market since the emergency causing its creation passed. The atomic-energy situation is more complex, but its peaceful uses are now properly being channeled increasingly through the market. In more unusual cases, Government subsidies were provided to speed the development of the railroads in the last century and, more recently, of civil aviation. Far-sighted but rare intervention of this sort, when undertaken, should be designed to utilize the market mechanism as soon and as fully as possible.

The second and more traditional Government activity supplementing the market mechanism is that of resource development: highways for pleasure, commerce, and communication; navigable waterways; reclamation and conservation of our natural resources, including forests, wildlife, and the soil. To these must be added a more recent and currently controversial area of resource development—hydroelectric power—an area which illustrates the difficulties of doctrinaire approaches.

The third type of Government supplement to the market seeks to lessen the challenges to personal security, to cushion the human costs of a dynamic, but nonutopian society. Those who believe in freedom must be imaginative in meeting such needs. Both the interdependent nature of our industrial society and the humanitarian impulses of our time demand it. An ingrained faith in the worth of each human soul compels our deep concern for those who find themselves below a basic standard of living.

In meeting the need for personal security, we can help individuals satisfy their urgent material wants and lessen the anxieties that prevent the full enjoyment of freedom. Unemployment compensation can ease the burden of changes in job conditions. The reinforcement of health insurance plans can assist individuals to protect themselves, through their own efforts, from the sometimes crushing financial burden of illness. A social-security system can protect a worker and his family against the dependency resulting from old age or premature death. A social-security system can protect a worker through various public-assistance programs for the relatively few who, for various reasons, may be unemployable. These and other meritorious measures do, indeed, use the coercive fiscal powers of Government, but they do so to help individuals within the framework of a free economy and, at the same time, to create the climate most favorable to free, personal economic activity. Moreover, such programs, if properly conceived and administered, can widen rather than narrow individual freedom.

It should not be necessary—and yet it is—to emphasize that such welfare programs must be carried out with judicious care. A cool head is needed in welfare as well as a warm heart. Public policy that encourages private laxity helps neither the individual nor society as a whole. What Government does to help must remain consistent with our traditional belief that the only real security is that which an individual wins for himself. Government intervention to "promote the general welfare"—as is stated in the preamble to the Constitution—must be mindful of the next purpose set forth in that preamble—to "secure the blessings of liberty for ourselves and our posterity."

Much more, of course, is involved in promoting the general welfare than dealing only with the casualties of life. Public and private action, for example, should seek to remove the obstacles to equal economic opportunity for all persons. A society which values each individual must take steps to bring the first rung of the ladder of opportunity within the reach of all. Universal education and various vocational programs are thus a social and moral necessity. So also, is the unremitting discouragement of discrimination of all kinds. And the best climate for their elimination is the expanding volume of opportunities that a growing economy affords.

III

My theme today has sought to emphasize the intimate relationship of personal security, material well-being, and freedom. This link may even have been recognized in a recent Polish Communist publication, Nowa Kultura, when it commented that the free economy, "has solved a problem which has never before in history been soluble, and which was to have been solved by socialism—the abolition of poverty as a mass phenomenon."

Material well-being in our Nation is mainly a question of whether the economy remains dynamic and grows in a reasonably stable manner. To achieve that end, economic freedom is a prime requisite. Its free consumption choices fulfill the personal drive for self-expression; its competition and free markets produce the greatest satisfactions from our limited resources; its free climate stimulates creative action and innovation; its free incentives encourage risk taking, the adoption of new ideas, and experimentation with the fewest social risks. Through these avenues, freedom assures rapid economic progress which alone allows an increasing standard of living for nearly everyone. It is thus that America's plenty in freedom has become a reality.

We have seen that government, too, has a role to play in gaining the full promise of freedom for the individual:

First, to provide the proper complement of order and law and regulation in which the people may rely upon the security and propriety of transactions in the market, but not to make government the judge of each transaction; to regulate natural monopolies, but not more than the degree of market power requires; to keep the market free of monopoly-like powers and other private barriers, but not to intervene arbitrarily in the name of competition; to remove unjustifiable barriers to international trade; to encourage and foster enterprise, but not to shelter it from competition; to ease the readjustments of a dynamic economy, but not to subsidize inefficiency or backwardness; to aid adjustment to change, but not to supplant the market and thus perpetuate the problem and the claim for intervention;

Second, to seek stability in economic growth, by guarding it from both inflation and deflation; to moderate these forces through reliance upon fiscal and monetary controls, and not to suppress freedom or inhibit necessary adjustments by reliance upon direct controls; to foster understanding of the important role of private economic decisionmaking in stabilization policy;

Third, to supplement the market in those areas where it alone cannot as well meet essential needs, but to do so with a deep concern for the growth that is the real source of economic welfare; to help cushion the personal adjustments to change, but to do so in a manner that keeps the economy flexible and does not straitjacket it.

These guidelines help define the proper kind of Government intervention. There remains the question of the proper extent. The direct cost of intervention through taxation must not be allowed to endanger incentives to production and growth, the achievement of individual satisfactions, or the individual's provision for his own security. Today fully one-fourth of our national income is disbursed by Government at all levels. This public share may well be near the limit that can be borne without consequences adverse to a free, efficient, and growing economy. On this issue we as a people face important decisions. The extent of Government intervntion must not be permitted to jeopardize the economic freedom which is the wellspring of our economic welfare.

Because of the intimate relationship of economic freedom to political and personal and social freedom; because economic freedom is the basic ingredient for the growth that provides economic welfare and security for the whole people; because a program based on economic freedom can best provide widening personal opportunities, and promote a healthy prosperity—because of this we believe that the claim of freedom must be weighed heavily in the continuing question of more or less Government intervention. This is a plea for principle, the principle of freedom; a plea that freedom turn the balance whenever the case for intervention is not clearly, positively, and persuasively made out. A proper role for Government must rest on a proper regard for freedom.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business?

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McClellan
Barrett	Goldwater	McNamara
Beall	Green	Monroney
Bennett	Hayden	Morse
Bible	Hennings	Morton
Blakley	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Holland	Neuberger
Bush	Hruska	O'Mahoney
Butler	Humphrey	Pastore
Byrd	Ives	Potter
Capehart	Jackson	Revercomb
Carlson	Javits	Robertson
Carroll	Jenner	Russell
Case, N. J.	Johnson, Tex.	Saltonstall
Case, S. Dak.	Johnston, S. C.	Schoeppel
Chavez	Kefauver	Scott
Church	Kennedy	Smathers
Clark	Kerr	Smith, Maine
Cooper	Knowland	Smith, N. J.
Cotton	Kuchel	Sparkman
Curtis	Lausche	Stennis
Dirksen	Long	Symington
Douglas	Magnuson	Talmadge
Dworshak	Malone	Thurmond
Eastland	Mansfield	Thye
Ellender	Martin, Iowa	Williams
Flanders	Martin, Pa.	Young
Frear	McCarthy	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from North Carolina [Mr. ERVIN], and the Senator from Tennessee [Mr. GORE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Utah [Mr. WATKINS] are absent on official business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The Senator from Connecticut [Mr. PURTELL] and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The PRESIDING OFFICER. A quorum is present. Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bible	Hill	McNamara
Bush	Holland	Monroney
Carroll	Humphrey	Morse
Case, S. Dak.	Javits	Murray
Church	Johnson, Tex.	Pastore
Clark	Johnston, S. C.	Robertson
Cooper	Kefauver	Scott
Eastland	Kennedy	Sparkman
Ellender	Lausche	Stennis
Frear	Magnuson	Talmadge
Hennings	McClellan	Thurmond

The PRESIDING OFFICER. A quorum is not present.

Mr. KENNEDY. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BLAKLEY, Mr. BRICKER, Mr. BRIDGES, Mr. BUTLER, Mr. BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CHAVEZ, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DOUGLAS, Mr. DWORSHAK, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GREEN, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. KERR, Mr. KNOWLAND, Mr. KUCHEL, Mr. LONG, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MCCARTHY, Mr. MORTON, Mr. MUNDT, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. POTTER, Mr. REVERCOMB, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SYMINGTON, Mr. THYE, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. CLARK in the chair). A quorum is present. Under the rule, the unfinished business does not automatically come before the Senate until 2 o'clock. If there be no objection, however, the Chair will lay before the Senate the unfinished business at this time. Is there objection? The Chair hears none, and the Chair lays before the Senate the unfinished business.

CORN BASE ACREAGE FOR 1957

The Senate resumed the consideration of the bill (S. 1771) to provide for a 1957 corn base acreage of 51 million acres, and for other purposes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CURTIS. Mr. President, the pending bill, to increase the corn acreage, has a great deal of support throughout the Corn Belt.

However, the point I wish to stress is that not only among corn farmers but among farmers of all types there is a strong desire to have the right and opportunity to plant more. Farmers wish to raise more of every commodity. It matters not whether we are talking about cotton or corn or wheat or some other farm crop, the desire to produce more is there. It is a perfectly natural desire. Everyone likes to succeed in his business. He likes to increase his production. Furthermore, the farmer today is faced with the obligation to pay such heavy costs of operation that he is compelled to produce everything he can in order to stay in business and remain solvent.

NEW USES AND NEW MARKETS FOR FARM PRODUCTS

Mr. President, that is why I believe the time is not only here but perhaps past due when we must turn our attention to new uses and new markets for the products of our farms.

There has been considerable agricultural research in recent years. By and large the bulk of that research has been focused on how to produce more. The talent in our scientific world has been called upon to help increase production. The time is at hand when an equal amount of talent—yes; more talent—must be put to work to find new uses for our agricultural products. We are plagued not only with surpluses, but we face continuing surpluses. I realize that there are those in Washington who, with the best of intentions—and I respect their opinion—have the feeling that the problem of surpluses is something that can be solved, and that once it is solved it is solved for all time to come. While I respect their opinion, I do not share it.

I believe that we have not yet scratched the surface of our productive capacity. New methods, improved machinery, better use of the soil, and better fertilizer make it possible for American agriculture to produce far beyond what is needed for human and animal food.

Yet as we continue to produce surpluses we must also bear in mind that our efforts up to date to control them have not met with any great degree of success. The Department of Agriculture goes into a commercial corn area and compels a farmer to reduce his producing acres very drastically. Then off in some far remote place a farmer, who has been denied the right to plant all the cotton he wants to plant, plants corn. So the surplus of corn that we tried to prevent in one place springs up in another place.

The western area of my State of Nebraska produces a very fine quality of wheat. It is an area intended for the raising of the finest wheat. Yet when the farmers there are forced to reduce their wheat acreage, it does not solve the problem of surpluses. Someone in a far-removed place, because he cannot plant as much corn as he wants to plant, plants a few acres of wheat, and the surplus problem remains unaffected.

We reduce the corn acreage only to invite a greater production of sorghums of all kinds.

The surplus problem has not been solved by controlled acreage. It may be said that the system of paying farmers to take land out of production will solve the problem. If that be true, I predict it will take a tremendous amount of money year after year, indeed it will take perhaps a greater amount of money than the taxpayers of the country will choose to pay. I say that because if we are materially to reduce surpluses by taking land out of production, we will have to pay enough to take out the very best producing land, and we will have to take out millions of acres. At the best, such a system is a solution of the problem of surpluses only to the extent appropriations are made. When they are discontinued, the problem reappears.

With those considerations in mind, I have directed my attention for some time to a program of using the products of our farms in industry. The opportunities are unlimited, but such activities are in the nature of infant industries. They are entitled not only to encouragement, but to help. Throughout the history of the Republic some of the greatest industries have been developed because the Government of the United

States took cognizance of the need for such industries, and adopted policies and procedures which enabled them to evolve.

The Agricultural Act of 1956 established a bipartisan Commission on Increased Industrial Uses of Agricultural Products. There are five members of the Commission, who were appointed by the President, and whose nominations were confirmed by the Senate. The duty of the Commission, as prescribed by Congress, is "to prepare and present to Congress, not later than June 15, 1957, the necessary recommendations which in its opinion will bring about the greatest practical use for industrial purposes of agricultural products not needed for human or animal consumption, including, but not limited to, use in the manufacture of rubber, industrial alcohol, motor fuels, plastics, and other products."

It is not my purpose at this time to discuss in detail any one of the uses; but in passing I may say that at present in the United States more synthetic rubber is being used than natural rubber. During World War II synthetic rubber made from agricultural products was put to extensive use. Today that is not being done; instead, millions and millions of dollars are being spent in an attempt to control surpluses. The surpluses are still mounting, and more millions of dollars are being paid for storage. Money is being lost because of the deterioration of grain, and millions of dollars are being paid in order to subsidize exports.

Is it not time that our attention was turned to a permanent solution? I do not suggest that expenditures be increased; I suggest that certain expenditures be changed, and that a part of the money be used to develop and assist infant industries, that is, industries which are interested in following the line of production I have suggested. The program should be planned so that everything will be done under our system of private enterprise.

The Commission on Increased Industrial Use of Agricultural Products is a temporary body, and will cease to exist after June 15. The members of the Commission are:

Mr. James Leroy Welsh, of Omaha, chairman. Mr. Welsh is a grain dealer and a nationally known farm leader in the field of chemurgy.

Dr. Karl D. Butler, farm counselor for the Avco Corp.

Mr. George H. Coppers, president of the National Biscuit Co.

Dr. Charles R. Sayre, manager of Delta and Pine Land Co.

Dr. Frank J. Welch, dean of the Kentucky College of Agriculture.

The executive director of the Commission is Mr. Wheeler McMillen, vice president of the Farm Journal, and a nationally known agriculturist.

These able, open-minded, and devoted men have been engaged vigorously during the past several months in fulfilling their assignment.

I might mention also that Dr. G. E. Hilbert is the research director, and that Dr. S. R. Hoover is his assistant.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biographical sketch of each of the members of the Commission and also the executive director of the Commission.

There being no objection, the sketches were ordered to be printed in the RECORD, as follows:

MR. JAMES LEROY WELSH, CHAIRMAN

Mr. Welsh was born December 1889, at Prairie Home, Nebr. He is president of Butler-Welsh Grain Co., Omaha, Nebr., and is active in all programs to advance the sound economy of the State. He is a regent of the University of Nebraska; member of the board of directors of South-West Research Institute of San Antonio, Tex., Mid-West Research Institute of Kansas City, Union Stock Yards of Omaha, Omaha National Bank, Mutual Benefit, Health and Accident Association; former president of the National Grain and Feed Dealers Association, and of the Omaha Grain Exchange.

He has been an outstanding leader for many years in support of research on industrial use of farm products, the activity to which he has given unstintingly of his services. He has rendered distinguished service as a regent of the University of Nebraska.

DR. KARL D. BUTLER

Dr. Butler was born in Douglas, Ariz., February 4, 1910, received a bachelor of science degree and master of science degree at the University of Arizona, studied further at Iowa State College and Cornell. He received his doctor of philosophy degree in plant science from the latter in 1940. He carried out research in Forest Service and the Bureau of Plant Industry of USDA during his graduate training and in 1943 resigned to become director of research in agricultural chemistry of the Co-op Grange League Federation Exchange, Inc. He was president of the American Institute of Cooperation in Washington 1947–50 and since then has been farm counselor for the AVCO Corp.[1]

Dr. Butler's extensive background in science and his valuable work with farm cooperatives and in industry have fitted him excellently for this service with the Commission.

MR. GEORGE H. COPPERS

Mr. Coppers was born November 29, 1902, in New York City. He was a student at Pace Institute of Accountancy and Business Administration, New York, N. Y., finishing with a bachelor of laws cum laude and attended Fordham University in 1929. He was admitted to the bar of New York State in 1930. He entered the employ of the National Biscuit Co. in 1920. His successive promotions with this company included the positions of clerk, accountant, law clerk, assistant general counsel, general counsel, president and director (since 1945). He is director and trustee of numerous corporations and has served ably in many charitable and civic endeavors. He is president of the chamber of commerce in New York State, vice president and director of the Biscuit and Cracker Manufacturers Association of America and the grocery manufacturers, a governor of the American Bakers Association and director of the Society of Business Advisory Professions, Inc.

Mr. Coppers brings to the Commission his extensive knowledge of the food industry and a deep understanding of the dynamics of American business.

DR. CHARLES R. SAYRE

Dr. Sayre is president and general manager of Delta & Pine Land Co., large growers of cotton at Scott, Miss. He was born at Christman, Ill., May 1914. He graduated from the University of Illinois and received his doctor of philosophy in agricultural economics from Harvard University. Before becoming affiliated with the Delta & Pine Land Co., Dr. Sayre held the following positions: farm management specialist, Bureau of Agricultural Economics; superintendent of the Delta branch station, Stoneville, Miss.; research director, Delta Council, Stoneville, Miss.; and head of cotton division, BPISAE, Beltsville, Md. He is very active in affairs related to cotton production, is chairman of the production and marketing committee of the National Cotton Council, and is chairman of the council's cotton quality research committee. Through his work with these committees and in other ways he has continued to maintain an active interest in cotton research.

He was a member of the cotton and cottonseed advisory committee for several years and is now on the agricultural research policy committee of the USDA. Dr. Sayre's combination of science, economics, and practical experience in agriculture is almost unique, and has been extremely valuable to the Commission.

DR. FRANK J. WELCH

Dr. Welch was born in Winfield, Tex., on August 1902. He was educated at the University of Mississippi, the University of Colorado, and received his doctor of philosophy in agricultural economics at the University of Wisconsin. He has held successively important positions as educator, economist, and administrator. After serving as head of the Department of Economics and Sociology at Mississippi State College, he was appointed dean of the school of agriculture in 1946 and director of the experiment station in 1948. Dr. Welch went to Kentucky in 1951 and is at present dean of the College of Agriculture at the Experiment Station in Lexington. He is a director of the Federal Reserve Bank of Cleveland and a number of corporations. Dr. Welch served as chairman of the central steering committee of the Southern Regional Technical Committee, the Editorial Council of the Journal of Farm Economics, and has been economic adviser to the National Cotton Council. Dr. Welch contributed his keen knowledge of agricultural research and his understanding of the economics of farm problems as well as business problems.

MR. WHEELER MCMILLEN, EXECUTIVE DIRECTOR

Mr. McMillen was born January 27, 1893, in Ada, Ohio. He studied at Ohio Northern University, which conferred upon him an honorary doctor of laws in 1940. He was a reporter with the Cincinnati Post in 1912; owner of the Covington Republican 1914–18; farmed in Hardin County, Ohio, 1918–23; associate editor of the Country Home (formerly Farm and Fireside) 1922–34; editor 1934–37, editorial director 1937–39; editor-in-chief of Farm Journal, 1939–55; and has been vice president and director of Farm Journal, Inc., since 1955. He is director of major corporations and has led the Council for Agricultural and Chemurgic Research (formerly the National Farm Chemurgic Council) for over 20 years. He is president of the American Association of Agricultural Editors and has been given special citations from National 4-H Clubs and the Future Farmers Association for his keen interest and service to youth. He is chairman of the Rural Scouting Committee of the Boy Scouts of America, and director of the Audubon Society.

Mr. McMillen has truly been a missionary in the cause of agricultural research, particularly that aimed at extending industrial uses for farm products. His keen knowledge of the subject and his noted gift as a writer have been a key part in the studies of the

[1] Dr. Butler has been active in various farm organizations and serves as Secretary of the National Institute of Animal Agriculture.

Commission and the report which it is preparing.

Mr. CURTIS. Mr. President, since its appointment in July 1956, the Commission has held more than 20 meetings. It has met with President Eisenhower, with Members of Congress, with top Government officials in the Departments of Agriculture, Commerce, and Defense, and with representatives of farm organizations, land grant colleges, and the agricultural processing industries.

The Commission has solicited suggestions and has sought counsel from various groups concerning the expanded industrial use of agricultural products. The Commission has been interested in obtaining information on, first, incentives which would encourage industry to undertake greater research and intensified developmental work in the field of agricultural products; second, in developments which are worthy of trial commercialization—that is, developments which need to be translated from the laboratory to a commercial scale; and third, areas of research which need to be attacked to develop new outlets for the products of agriculture.

Sixteen task groups were set up by the Commission to develop and appraise ideas for the Commission to consider. The groups were organized to bring together the leading technical and industrial representatives in the various fields. Some of the task groups have been built around commodities, such as cotton, hides, skins, wool and mohair, dairy products, poultry products, sugar, white potatoes, and other commodities.

Three distinct groups were concerned with different industrial phases of grain consumption. One was confined to the wet milling of corn and sorghum, of which starch and corn sugar are the basic products. Another group worked upon industrial uses for grain other than alcohol. A third group dealt with the various uses for industrial alcohol made from grain.

Other task groups were built around products produced from agricultural commodities. For example, one group dealt with oilseeds and animal fats, with soybean, linseed, cottonseed, and other vegetable oils, and with lard, tallow, and inedible fats, all of which frequently compete in the same market.

A task group on new crops was also set up. This task group gave consideration to the development of new crops which would be noncompetitive with crops already being produced in this country and which could be grown on acres taken out of production to reduce the size of the surplus problem. Castor bean, safflower seed, and timber bamboo have great promise as replacement crops.

Mr. President, literally thousands of plants can be grown on this earth. Yet we continue to confine our production to the relatively small number of crops which are used for food. We need to produce the crops which can be used to fill industrial needs. We need greater production in that area.

The 16 task groups have called to their service a large number of outstanding and distinguished persons to assist in their work. Each task group was headed by an able and devoted chairman. Mr. President, I ask unanimous consent that at this point in my remarks there may be printed in the RECORD a list of the task groups on industrial uses, which includes the names of the persons serving, as well as a brief identification of each.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TASK GROUP ON AGRICULTURAL RESIDUES

Dr. Roy L. Whistler, chairman, assistant head, department of biochemistry, College of Agriculture, Purdue University, Lafayette, Ind.; Mr. Harold J. Anderson, president, Anderson Truck Terminal, Maumee, Ohio; Dr. Joseph E. Atchison, vice president, Parsons & Whittemore, 250 Park Avenue, New York, N. Y.; Mr. R. P. Burns (alternate—Mr. E. R. Carpenter), vice president in charge of production, Weston Paper Mfg. Co., Terre Haute, Ind.; Mr. Oliver W. Cass, assistant laboratory manager, E. I. du Pont de Nemours & Co., Inc., Niagara Falls, N. Y.; Dr. H. R. Duffy, vice president, manager, head, chemical division, Quaker Oats Co., 345 Merchandise Mart, Chicago, Ill.; Dr. Herbert J. Dutton, head, forage and agricultural residues section, Northern Utilization Research and Development Division, 1815 North University Street, Peoria, Ill.; Mr. Charles Gray, manager, Insulation Board Institute, 111 West Washington Street, Chicago, Ill.; Mr. John MacMillan, president, Cargill, Inc., Minneapolis, Minn.; Mr. M. W. Swaim, first vice president and general manager, Alton Box Board Co., Alton, Ill.

CORN WET-MILLING TASK GROUP

Mr. Floyd J. Hoskins, chairman, executive vice president and treasurer, Corn Industries Research Foundation, Inc., 1001 Connecticut Avenue NW., Washington, D. C.; Dr. James W. Evans, director of research, American Maize-Products Co., Roby, Ind.; Mr. Frank K. Greenwall, president, National Starch Products, Inc., 270 Madison Avenue, New York, N. Y.; Dr. R. M. Hixon, dean, Graduate School, Iowa State College, Ames, Iowa; Mr. Norman F. Kennedy, director of research, Corn Industries Research Foundation, Inc., 270 Park Avenue, New York, N. Y.; Dr. Robert G. Ruark, vice president, research, Corn Products Refining Co., 17 Battery Place, New York, N. Y.; Dr. Frederick R. Senti, head, cereal crops section, Northern Utilization Research and Development Division, USDA, 1815 North University Street, Peoria, Ill.; Dr. J. M. Widmer, president, Penick & Ford, Ltd., Inc., 420 Lexington Avenue, New York, N. Y.

COTTON TASK GROUP

Dr. M. Earl Heard, chairman; vice president in charge of research, West Point Manufacturing Co., Shawmut, Ala.; Mr. William Rhea Blake, executive vice president, National Cotton Council, Memphis, Tenn.; Dr. Charles H. Fisher, director, Southern Utilization Research and Development Division, New Orleans, La.; Mr. Otto Goedecke, president, Otto Goedecke Co., Halletsville, Tex.; Mr. Russell Kennedy, Calcot, Ltd., Bakersfield, Calif.; Mr. Walter Regnery, Joanna Mills, Joanna, S. C.

INDUSTRIAL ALCOHOL FROM GRAIN TASK GROUP

Dr. R. T. Milner, chairman, head, department of food technology, 213 Mumford Hall, University of Illinois, Urbana, Ill.; Dr. James Faucett, director of manufacturing and engineering, Takamine Division, Miles Laboratories, Inc., Passaic, N. J.; Mr. J. L. Gunson, secretary and treasurer, Publicker Industries, 1429 Walnut Street, Philadelphia, Pa.; Mr. Julius Hendel (retired, Cargill, Inc.), Suite 309, 1750 Hennepin Avenue, Minneapolis, Minn.; Mr. Cecil A. Johnson (lawyer), 1210 Douglas Street, Omaha, Nebr.; Mr. John Livingston (consultant, chemical industries), P. O. Box E, Manhasset, N. Y.; Mr. Ed. S. Monohan, president, Schenley Distillers, Inc., 26 East Sixth Street, Cincinnati, Ohio; Mr. William B. Plummer (consultant), 60 East 42d Street, New York, N. Y.; Mr. James A. Reid, director of research, Phillips Petroleum Corp., Bartlesville, Okla.; Mr. George W. Rigby, E. I. du Pont de Nemours Co., Inc., Du Pont Building, Wilmington, Del.; Dr. Carl E. Rist, assistant director, Northern Utilization Research and Development Division, Peoria, Ill.; Mr. Earl D. Unger, Joseph E. Seagram & Sons, Inc., Louisville, Ky.

INDUSTRIAL USES FOR GRAIN (OTHER THAN ALCOHOL) TASK GROUP

Mr. T. S. Carswell, chairman, vice president, Commercial Solvents Corp., 260 Madison Avenue, New York, N. Y.; Mr. H. A. Bonyun, vice president, sales, Publicker Industries, 1429 Walnut Street, Philadelphia, Pa.; Dr. R. E. Chaddock, director of development, Hercules Powder Co., Inc., Wilmington, Del.; Dr. Homer R. Duffey, vice president, The Quaker Oats Co., Merchandise Mart Plaza, Chicago 54, Ill.; Mr. R. E. Fiedler, development department manager, agricultural products, Archer-Daniels-Midland Co., 700 Investors Building, Minneapolis, Minn.; Dr. W. Dayton Maclay, director, Northern Utilization Research & Development Division, USDA, 1815 North University Street, Peoria, Ill.; Dr. Ralph H. Manley, managing director of research, General Mills, Inc., 400 Second Avenue South, Minneapolis, Minn.; Mr. Erwin A. Olson, administrative vice president, Archer-Daniels-Midland Co., 700 Investors Building, Minneapolis, Minn.; Mr. Frank J. Prochaska, vice president, Grain Processing Corp., Muscatine, Iowa; Mr. Willis G. Sullivan, president, Charles A. Krause Milling Co., Milwaukee, Wis.; Mr. Robert B. Taylor, administrator, Oregon Wheat Commission, United States National Bond Building, Pendleton, Oreg.; Dr. E. R. Weyer, assistant to vice president, Charles Pfizer & Co., Inc., 11 Bartlett Street, Brooklyn, N. Y.; Mr. D. E. Wilcox, Huron Milling Division, Hercules Powder Co., Royal Oak, Mich.

DAIRY PRODUCTS TASK GROUP

Dr. Byron H. Webb, chairman, director of research, National Dairy Research Laboratories, Inc., Oakdale, Long Island, N. Y.; Dr. B. W. Fairbanks, director, American Dry Milk Institute, Inc., 221 North La Salle Street, Chicago, Ill.; Dr. E. W. Gaumnitz, executive secretary, National Cheese Institute, Inc., 110 North Franklin Street, Chicago, Ill.; Dr. T. D. Harman, assistant professor, department of dairy technology, Ohio State University, Columbus, Ohio; Mr. Claude Harper, Jr., director, butter quality control, Beatrice Foods Co., 1526 South State Street, Chicago, Ill.; Mr. E. J. Mather (retired), director, Southern Dairies, Washington, D. C.; Mr. E. M. Norton, executive secretary, National Milk Producers Federation, Washington, D. C.; Dr. H. K. Salzberg, chemical division, Borden Co., Bainbridge, N. Y.; Mr. R. S. Waite, president, Consolidated Dairy Products Co., 635 Elliott Avenue West, Seattle, Wash.; Mr. K. W. Ward, president, western condensing division, Foremost Dairies, Inc., Appleton, Wis.; Dr. P. A. Wells, director, Eastern Utilization Research and Development Division, USDA, 600 East Mermaid Lane, Philadelphia, Pa.; Mr. Don H. Williams, technical director, International Association of Ice Cream Manufacturers, 1105 Barr Building, Washington, D. C.

TASK GROUP ON FOREST PRODUCTS

Mr. Paul M. Dunn, chairman, technical director of forestry, St. Regis Paper Co., 230 Park Avenue, New York, N. Y.; Mr. Ralph M.

Beacher, assistant to general manager, wood preserving division, Koppers Co., Pittsburgh, Pa.; Mr. Harold B. Evans, executive director, Plywood Research Foundation, Tacoma, Wash.; Dr. J. A. Hall, director, Forest Products Laboratory, Madison, Wis.; Dr. E. S. Harrar, acting dean, School of Forestry, Duke University, Durham, N. C.; Mr. Clark C. Heritage, consulting engineer, Jones Building, Tacoma, Wash.; Mr. Harley Langdale, Jr., president, the Langdale Co., Post Office Box 950, Valdosta, Ga.; Mr. S. M. Nickey, Jr., vice president, Nickey Bros., Inc., 2700 Summer Avenue, Memphis, Tenn.

FRUITS, VEGETABLES, AND TREE NUTS TASK GROUP

Mr. H. C. Diehl, chairman, director, and secretary, the Refrigeration Research Foundation, 12 North Meade Avenue, Colorado Springs, Colo.; Mr. Willard E. Baier, manager, research department, Sunkist Growers, 616 East Sunkist Street, Ontario, Calif.; Mr. Joe Cannon, Jr., past president, Federated Pecan Growers' Association of the United States, Cordele, Ga.; Mr. LeRoy Childs, president, Apple Growers Association, Hood River, Oreg.; Dr. M. J. Copley, director, Western Utilization Research and Development Division, United States Department of Agriculture, 800 Buchanan Street, Albany, Calif.; Mr. Joffre C. David, general manager, Florida Fruit and Vegetable Association, Orlando, Fla.; Mr. Maurice Doan, secretary, Michigan Bean Shippers Association, Eddy Building, Saginaw, Mich.; Mr. Carlos A. Greenleaf, associate director of research, National Canners Association, 1133 20th Street NW., Washington, D. C.; Mr. Walter K. Hines, general manager, Sun-Maid Raisin Growers, 2902 Hamilton Street, Fresno, Calif.; Mr. F. Gilbert Lamb, president, National Association of Frozen Food Packers (also president, Lamb-Weston, Inc., Weston, Oreg.), 1415 K Street NW., Washington, D. C.; Dr. Arthur N. Prater, president, Gentry division, Consolidated Foods Corp., 837 North Spring Street, Los Angeles, Calif.; Mr. A. J. Rogers, general manager, Cherry Growers, Inc., 709–715 East Front Street, Traverse City, Mich.; Mr. Robert W. Rutledge (alternate, Mr. Herman Steele), general manager, Florida Citrus Mutual, Lakeland, Fla.; Mr. D. M. Swarthout, director of research, Diamond Walnut Growers, Inc., Stockton, Calif.; Mr. A. E. Thorpe, executive vice president, Dried Fruit Association of California, 1 Drumm Street, San Francisco, Calif.

HIDES, SKINS, AND ANIMAL BYPRODUCTS TASK GROUP

Mr. R. H. Richards, chairman, vice president, International Shoe Co., 1509 Washington Avenue, St. Louis, Mo.; Mr. Don C. Collins (alternate, Mr. Radford Hall), president, American National Cattlemen's Association, Kit Carson, Colo.; Dr. V. Conquest, vice president, Research Division, Armour & Co., Chicago, Ill.; Mr. R. D. Cottam, assistant to general sales manager, A. C. Lawrence Leather Co., Sawyer Street, Peabody, Mass.; Mr. Merle A. Delph, president, M. A. Delph Co., Indianapolis, Ind.; Mr. Edward J. Gesick, vice president and secretary, Southwest Research Institute, 8500 Culebra Road, San Antonio, Tex.; Mr. Charles W. Mann, Head, Leather Section Headquarters, Quartermaster Research and Development Command, Natick, Mass.; Dr. Joseph Naghski, Head, Hides, Leather, and Tanning Materials Section, United States Department of Agriculture, Eastern Utilization Research and Development Division, 600 East Mermaid Lane, Philadelphia, Pa.; Dr. Fred O'Flaherty, director, Tanners' Council Research Laboratory, University of Cincinnati, Cincinnati, Ohio; Mr. Julius G. Schnitzer, Director, Leather, Shoes, and Allied Products Division, Business and Defense Services Administration, room 4524, United States Department of Commerce, Washington, D. C., Code 164, Extension 3565.

NEW AND SPECIAL CROPS TASK GROUP

Dr. R. D. Lewis, chairman, director, Texas Agricultural Experiment Station, College Station, Tex.; Dr. C. E. Classen, president, Pacific Oilseeds Co., 97 West Main Street, Woodland, Calif.; Dr. Henry L. Cox, 6910 Oglesby Avenue, Chicago 49, Ill.; Dr. C. O. Erlanson, head, Plant Introduction Section, Plant Industry Station, ARS, USDA, Beltsville, Md.; Dr. Quentin Jones, Plant Introduction Section, Plant Industry Station, ARS, USDA, Beltsville, Md.; Dr. H. H. Kramer, professor of agronomy and genetics, Department of Agronomy, Purdue University, Lafayette, Ind.; Dr. H. B. MacPhillamy, CIBA, Pharmaceutical Products, Inc., Summit, N. J.; Dr. A. H. Moseman, associate director, agriculture division, Rockefeller Foundation, 49 West 49th Street, New York, N. Y.; Dr. Floyd L. Winter, Associated Seed Growers, Inc., New Haven, Conn.; Dr. Ivan A. Wolff, Cereal Crops Section, Northern Utilization Research and Development Division, USDA, 1815 North University St., Peoria, Ill.

TASK GROUP ON OILSEED AND ANIMAL FATS

Mr. James C. Konen, chairman, vice president in charge of research, Archer-Daniels-Midland Co., 700 Investors Building, Minneapolis, Minn.; Dr. Waldo C. Ault, head, animal fats section, Eastern Utilization Research and Development Division, 600 East Mermaid Lane, Philadelphia, Pa.; Mr. Harry S. Baker, president, National Cottonseed Processors Association, Producers Cotton Oil Co., Fresno, Calif.; Mr. Marshall Ballard, Jr., president, American Tung Oil Association, Lumberton, Miss.; Mr. Don S. Bolley, technical director, Baker Castor Oil Co., 40 Avenue A, Bayonne, N. J.; Mr. John J. Hamel, Jr., executive director, National Renderers Association, 30 North La Salle Street, Chicago, Ill.; Mr. Wesley Hardenburgh, president, American Meat Institute, 59 East Van Buren Street, Chicago, Ill.; Mr. Willard Lighter, vice president, chemurgy division, Glidden Co., 1825 North Laramie Avenue, Chicago, Ill.; Mr. George L. Prichard, National Flaxseed Processors Association (executive secretary), National Soybean Processors Association (Washington representative), 1017 National Press Building, Washington, D. C.; Mr. Sydney C. Reagan, general counsel, Southwestern Peanut Shellers Association, 3840 Greenbrier, Dallas, Tex.; Dr. Herbert E. Robinson, director of laboratories, Swift & Co., Chicago, Ill.; Mr. Robert Van Tuyle, vice president in charge of manufacturing and research, Emery Industries, 4300 Carew Tower, Cincinnati, Ohio.

POULTRY PRODUCTS TASK GROUP

Dr. Cliff D. Carpenter, chairman, president, Institute of American Poultry Industries, 221 North La Salle Street, Chicago, Ill.; Mr. H. H. Alp, commodity director, American Farm Bureau Federation, Merchandise Mart, Chicago, Ill.; Mr. Max Ballas, president, Ballas Egg Products Corp., 71 Hudson Street, New York, N. Y.; Dr. R. M. Bethke, vice president, Ralston Purina Co., 835 South Eighth Street, St. Louis, Mo.; Dr. A. Wade Brant, head, Poultry Section, Animal and Poultry Husbandry Research Branch, USDA, Beltsville, Md.; Mr. C. O. Cummings, manager, byproducts division, J. D. Jewell, Inc., 322 Maple Street, Gainesville, Ga.; Dr. E. M. Funk, head, poultry department, University of Missouri, Columbia, Mo.; Dr. M. F. Gunderson, director of research and quality control for frozen foods, C. A. Swanson & Sons, 1202 Douglas Street, Omaha, Nebr.; Dr. John Hammond, vice president in charge of research, O. A. Newton & Sons Co., Bridgeville, Del.; Dr. Carl H. Koons, associate director of research, Swift & Co., Union Stock Yards, Chicago, Ill.; Dr. Hans Lineweaver, Head, Poultry Products Section, Western Utilization Research and Development Division, United States Department of Agriculture, 800 Buchanan Avenue, Albany, Calif.; Mr. Edward W. Priebe, Jr., Kraft Foods Co., 500 North Pestigo Court, Chicago, Ill.; Mr. Vie Pringle, assistant manager, Rockingham Poultry Marketing Cooperative, Inc., Broadway, Va.; Mr. A. Barde Rogers, Armour & Co., Union Stock Yards, Chicago, Ill.; Dr. Harry M. Sissberg, vice president, Beningsen, Inc., 347 Madison Avenue, New York, N. Y.; Dr. George F. Stewart, head, poultry department, University of California, Davis, Calif.; Dr. Harry W. Titus, technical counselor, Limestone Products, Newton, N. J.

RICE TASK GROUP

Mr. Marshall Leahy, cochairman, vice president, Farmers Rice Growers Cooperative, 1258 Russ Building, San Francisco, Calif.; Mr. W. M. Reid, cochairman, president, the Rice Millers' Association, 1308 National Bank of Commerce Building, New Orleans, La.; Dr. Aaron A. Altschul, Southern Utilization Research and Development Division, United States Department of Agriculture, 2100 Robert E. Lee Boulevard, New Orleans, La.; Mr. L. C. Carter, general manager, Arkansas Rice Growers' Association, Stuttgart, Ark.; Mr. R. E. Derby, president, Converted Rice, Inc., box 1752, Houston, Tex.; Mr. W. J. Duffy, Jr., rice grower (member, Rice Growers' Association of California), Woodland, Calif.; Mr. James P. Gaines, the Rice Millers' Association, 1308 National Bank of Commerce Building, New Orleans, La.; Mr. Glen R. Harris, rice grower (member, Rice Growers' Association of California), Richvale, Calif.; Mr. Bernard C. Hemmer, president, River Brand Rice Mills, Inc., box 2636, Houston, Tex.; Dr. George Kohler, Western Utilization Research and Development Division, United States Department of Agriculture, 800 Buchanan Street, Albany, Calif.; Mr. L. A. Villeret, president, Comet Rice Mills, Houston, Tex.

SUGAR TASK GROUP

Mr. Ernest W. Greene, chairman, National Savings and Trust Co., 15th Street and New York Avenue NW., Washington, D. C.; Mr. H. Malcolm Baldridge, vice president and counsel, the United States Cane Sugar Refiners Association, 1001 Connecticut Avenue NW., Washington, D. C.; Mr. Harry Clark, chairman, Beet Sugar Industry Policy Committee, Greeley, Colo.; Mr. Josiah Ferris, Jr., fourth vice president, the American Sugar Cane League, Union Trust Building, Washington, D. C.; Dr. John Hickson, assistant scientific director, Sugar Research Foundation, Inc., 52 Wall Street, New York, N. Y.; Mr. Edwin H. Hungerford, director of research and chemical control, the Great Western Sugar Co., Sugar Building, Denver, Colo.; Mr. Victor L. Johnson, vice president, the American Sugar Refining Co., 120 Wall Street, New York, N. Y.; Dr. George O. Kohler, head, field crops utilization section, Western Utilization Research and Development Division, 800 Buchanan Street, Albany, Calif.; Dr. George P. Meade, Gramercy, La.; Mr. Slator M. Miller, vice president, the Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D. C.; Mr. Robert H. Shields, president and counsel, United States Beet Sugar Association, 920 Tower Building, Washington, D. C.; Mr. Dudley Smith, vice president, the Puerto Rican Sugar Producers' Association, Shoreham Building, Washington, D. C.

WHITE POTATO PRODUCTS TASK GROUP

Mr. Frank Hussey, chairman, executive vice president, Potato Industry Council of Maine, Inc., Presque Isle, Maine; Mr. L. L. Branthoover, general manager, Idaho Potato Growers, Inc., Post Office Box 976, Idaho Falls, Idaho; Mr. W. B. Camp, Jr., W. B. Camp & Sons, Inc., Post Office Box 2, Bakersfield, Calif.; Mr. Lyle W. Currie, manager, Potato Research Center, East Grand Forks, Minn.; Mr. Clifford Moquist (alternate for Mr. Currie), Crystal, N. Dak.; Mr. L. A. Masters, manager, Florida Planters, Inc., Hastings, Fla.; Dr. A. E. Mercker, executive director, National Potato Council, Inc., Munsey Building, Washington, D. C.; Dr. Ora Smith, department of vegetable crops, East Roberts Hall, Cornell University, Ithaca, N. Y.; Dr. Fred Tolburt, head, vegetable processing section, Western Utilization Research and Development Division, 800 Buchanan Street, Albany, Calif.

TASK GROUP ON WOOL AND MOHAIR

Mr. J. H. Breckenridge, chairman, president, National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah, mailing address, Twin Falls, Idaho; Dr. Werner von Bergen, director of research, Forstmann Woolen Co., Passaic, N. J.; Mr. James Gray, extension animal husbandman, San Angelo, Tex.; Dr. Gerald Laxer, director, science and research department, wool bureau, 16 West 46th Street, New York, N. Y.; Dr. H. P. Lundgren, head, protein section, Western Utilization Research and Development Division, 800 Buchanan Street, Albany, Calif.; Mr. Edwin E. Marsh, executive secretary, National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah; Mr. Carl J. Nadasdy, general manager, South Dakota and Minnesota Wool Growers Association, 101 27th Avenue SE., Minneapolis, Minn.; Mr. Robert W. Reid, rancher, box 87, Hillsboro, N. Mex.

Mr. CURTIS. Mr. President, I wish to pay tribute to the fine persons who have helped with this work. A great many of them have served without being reimbursed for their expenses. They have been glad to assist in the effort to solve the problems which have been placed before them, because, after all, the problems of American agriculture are the problems of all Americans.

If we have any doubt about that, we might look at the budget for agriculture this year. It amounts to almost $5 billion. Certainly it is time that the genius of America in the fields of industry lent a hand to help solve the many unsolved problems which confront American agriculture.

The Commission found that in every industry which uses or may use farm products, there were men willing to put their services, knowledge, and judgment at the service of the Commission, and to give freely of their time to serve on these task groups. Obviously the men qualified for these services are busy men, but they have been ready to contribute this inconspicuous and unpaid service.

The task groups submitted their reports to the Commission in January and February. Since then, the Commission members and staff have been studying and appraising the numerous suggestions made, and determining which of them and what others are to be included in the Commission's recommendations to Congress.

A few weeks ago, a part of the Commission's report was submitted at his request to the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Senate Banking and Currency Committee. This committee wished to have the report to aid it in its deliberations on the disposal of the Government-owned Louisville alcohol butadiene plant. On the basis of this report, Senate bill 1741 was introduced on March 28, by the Senator from Illinois [Mr. DOUGLAS] and myself, to provide for an experimental program for making alcohol butadiene, and for other purposes. Mr. President, I invite attention to the Commission's memorandum which is to be found in the CONGRESSIONAL RECORD of that date, on page 4589.

The President and Members of Congress have urged the Commission to present an interim report early enough in the year to permit Congress to act without waiting until the middle of June, when the legal deadline was set, in order that Congress can give full consideration to the report before adjournment. The Commission is planning to submit its interim report to the President and to Congress on or about April 15.

The Commission's report will include recommendations and comments on research problems needing attention, developmental and trial commercialization, promising new uses, incentives that will encourage industry to devote more attention to the development of industrial uses for farm products, education for the training of additional research workers in the field of industrial uses, and organization within the Government of an expanded utilization program.

Mr. President, there are not many places in the world to which we can turn for increased agricultural markets. With great effort and large subsidies, we have increased our exports of agricultural products a considerable amount. There is a limit to the additional amount, if any, they can be increased. Many areas of the world which used to have a deficit of food production now are not only self-sustaining, but actually are plagued with surpluses of their own. Sometimes the agricultural commodity in that situation is rice; sometimes it is cotton; sometimes it is some other agricultural product. The only new market which lies ahead is the market here in the United States for industrial uses for agricultural products.

Mr. President, we live in an industrial age. Today our people are using more gadgets, more materials, and more machines than ever before. If the materials from which those articles are made can be produced from the products of our soil, we can, with good husbandry, produce in an abundance, and at the same time can retain the fertility of our soil, to be handed on to the oncoming generations.

Mr. President, I submit that although it will take a great deal of time, consideration, and guidance, to develop this program properly, it offers the only real hope to the farmers of America that, once more, they will be able to farm all their acres and operate their farms without restrictions and limitations from Washington. A strange situation exists in the United States. We say to our citizens in almost every walk of life, "Expand, grow, increase your production, do more, build more." But then we turn to agriculture, and we say to it, "But that does not apply to you. The ordinary rules of success and increased production do not apply to you. You must follow the negative approach"—the approach which has been followed in agriculture for 20 years or more. But, Mr. President, what we need is the discovery of means and methods whereby there can be brought about greater use in industrial enterprises of the commodities produced on the farms.

When the Commission submits its report I hope it will receive speedy attention by the Congress. Without a doubt, some of the Commission's recommendations will call for an appropriation of money. I have no desire to add to the high budget with which we are faced in this Congress. I have no desire to increase the almost $5 billion budget for agriculture. I hope that savings can be brought about in other fields in our agricultural appropriations, so that whatever the Commission thinks should be done will be able to be accomplished without increasing overall expenditures. In fact, it is hoped ardently by me, and I am sure by many others, that our total budget can be greatly reduced.

I am thoroughly convinced that many of the expenditures we are now making for agriculture are not contributing toward a permanent solution of the problems that face American farmers. I am of the opinion that we have to pick and choose from among possible expenditures those that will do the most good in the long run.

I also wish to state, Mr. President, as I stated a while ago, that whatever plan is devised to give a start to a program encompassing the greater industrial uses of farm products should be carried on by private enterprise. We owe, in large measure, the success of our great system, and the very liberty we enjoy in this country, to our economic system, in which the people, and not the Government, own the property and earn the income.

Mr. President, I ask unanimous consent that I may have printed in the RECORD as a part of my remarks a speech which is to be delivered today by J. Leroy Welsh, Chairman of the Commission, in Miami Beach, Fla.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TALK ON PRESIDENT'S APPOINTED BIPARTISAN COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS BY J. LEROY WELSH, CHAIRMAN, GIVEN AT THE DINNER MEETING OF THE DIVISION OF CARBOHYDRATE CHEMISTRY OF THE AMERICAN CHEMICAL SOCIETY IN MIAMI BEACH, FLA., APRIL 9, 1957

I am grateful to Dr. Hilbert for his introduction and his description of the work done by the President's appointed Bipartisan Commission on Increased Industrial Use of Agricultural Products.

Dr. Hilbert's knowledge, wisdom, and energy in agricultural research has been of great value to me and to all members of the President's Bipartisan Commission. He has told you how our Commission came into being. He has defined its assignment, and has mentioned the 16 task groups we have relied on for special studies in selected fields where crop surpluses exist, and to look also into the possibilities of new crops. I'd like to add a few words to what he has told you of these task groups.

One hundred and sixty-five able men served on these study groups without any compensation, and most of them without even travel expenses. This, I think, suggests the degree of their interest not only in

agricultural problems as such, but in the solution of the many problems that will arise as more agricultural products move into industrial uses. These men did not seek personal advantage. They worked for the good of us all in earnest efforts to accomplish something useful, to solve the farm surplus problem in which industry, labor, and all of us must be concerned. Every task-group man was chosen because of his competence in business and his interest in the agricultural area and related subjects he was assigned to study, because we believed he had vision to look forward to solutions, and because we knew him to be dedicated in his efforts to find ways out of the economic difficulties that confront agriculture in America today.

I have read the reports these men submitted and they have made an enthusiast of me in a field you know so well, the field of scientific research. This subject is especially interesting to me because it has opened to me a vast new area of learning. I have had no formal training in the sciences, and no direct reason heretofore to study the wonders of the scientific revolution now under way. Possibly the subject is so familiar to you that you think everybody understands how essential, how profitable and how exciting scientific research is. Unfortunately, this is not the case. I wish it were.

These 16 study groups comprising 165 dedicated men were unanimous in the opinion that agriculture suffers today from a serious lack of scientific industrial research. This, despite the fact that agriculture is the most essential of activities. Life cannot go along without food, and food must be produced. Yet I believe that in utilization research agriculture is the most neglected fundamental element in the American economy.

I believe that this neglect is the major reason for the serious farm surplus condition we are facing; and I believe further that unless this neglect is corrected the large and burdensome surpluses of today will become larger and more burdensome in the years ahead, and we will find ourselves unable to sell, barter or give away our vast surpluses in the world markets. We face a recurring problem in agriculture, not one that once solved is forever disposed of. Our economy is threatened by surpluses for which we have not yet found uses. I am talking about renewable crops, harvested yearly, with per acre yields increasing every normal year as our producers apply ever-advancing technological knowledge in their farming methods.

Storage of crop surpluses, as all of you will agree, is not a permanent solution. What we have on hand now is far more than needed for prudent reserves. Secretary of Agriculture Benson puts it in this striking way: "A fundamental and unchanged fact is that a Government warehouse is not a market." Personally, I do not think that either piling up our surpluses in storage warehouses, or paying the farmer not to produce, which places him under Government supervision, is a proper or profitable solution of our agricultural surplus problems.

Utilization research in the interest of agriculture has been neglected by Government and, in my opinion, also by industry. I feel that Government must do much more than it has done, and I'd like to suggest that you men of industry give this matter the maximum time, thought, and money that can be justified economically. I think that every effort must be made, Government and industry cooperating, to use the fine scientific manpower of industry to help solve the farm surplus problem, so that life may be made richer for all of us.

If you think that you as taxpayers are not concerned with agriculture, I ask you to listen to this: On October 31 of last year the Commodity Credit Corporation had some eight and a half billions of dollars invested in farm surpluses of cotton, tobacco, corn, wheat, rice, cheese, sorghum grains, wool, oats, dried milk, resin, cottonseed, honey, soybeans, dry edible beans, flaxseed, and peanuts. And one of our great economists says that if present technological knowledge were to be applied completely to farm practices we might easily increase total production from 40 to 50 percent in the next crop year.

Manufacturing industry is said to be spending—investing is a better word—about 2 percent of its gross sales in research. Your chemical industry and the petroleum people, both fast growing, invest more than this; much more, probably. But the total expenditures, or investments, for agricultural research are estimated to be only slightly more than one-half of 1 percent of the farmers' total agricultural sales, and nearly all of this has been devoted to improving and increasing production, not in utilization.

The harvesting of a number of crops has been greater in yield than present needs largely because of the excellent work done in production research. Requirements of war have been a major factor in stimulating production in the past. Doubtless you recall the slogan "Food will win the war and write the peace" that was used so optimistically at the outset of World War II. The demands of war shifted utilization research aside, and then as we seemed to be approaching more tranquil times, the Korean war came, and did the same thing all over again. But now, let us hope there will be time enough to concentrate on the potentialities of agricultural science for the purposes of peaceful living.

The great war work that was done in agricultural production research, and the great work done since the war should be continued. In this country we never should slow down the drive for improvement in any segment of the economy. What is needed in agriculture is not curtailment, but fuller use of the products of the farm. Agriculture must be enabled, by Government with industry helping, to compete as an equal with any and all other lines of activity.

Agriculture cannot do for itself all that is needed. It is not an organized society, and cannot be. The 5 million farmers are not a unit in the sense that the chemical industry is. They grow about 150 species of plants for food, fiber, and industrial uses. They are scattered from ocean to ocean, and from Canada to Mexico. Most of them are small operators. There is no practical way for them to have their own privately owned and operated laboratories. There are farm organizations, of course, but these have not yet found it possible to carry on scientific research. They are entirely legitimate and worthy in purposes, but have never made a serious effort to solve the long-range problems of their own members by promoting research for utilization.

The farmers must have help. Diminishing numbers takes nothing from their importance to our lives. Help for them must come mainly from Government at national and State levels, with industry lending a hand whenever and wherever it can do so economically. It is true that in this wonderful country we have close to 3 million new mouths to feed every year, and that life expectancy is increasing at the same time. Each of the new additions to population will, as he matures, consume some 1,600 pounds of food a year, and the longer living oldsters will continue their eating. This makes for an expanding food market, but the expansion is not nearly swift enough to catch up with our constantly rising production. Efficient machines, plus improved seeds, fertilizers, knowledge of soils irrigation and the like will continue to give us more farm produce than we can use—unless and until we find new uses, and these for the most part will have to be industrial uses.

Our Commission after months of study drew up a set of basic views, one of which is that the program for the benefit of agriculture must persuade the skilled manpower of private laboratories to give more attention to farm products as raw materials for industry.

Only 30 years ago most of the farmers of America were almost entirely self-sufficient. They produced some 80 or 90 percent of their needs on their own farms. The typical farmer then bought only 10 to 20 percent of his needs from business. But today more than 50 percent of his needs are bought from business, including such items as fuel, automobiles, machinery, pumps, irrigation equipment, insecticides, fertilizers, mixed feeds, building materials, and so on through a long list.

Add these purchases together for all the farmers and you will find that business is selling more than $16 billion worth of goods to America's farmers every year.

Our Commission turns hopefully to research because of the clear and tremendous results of scientific exploration throughout the entire economic and social structure of modern America. Ninety-five percent of the larger corporations of this country engage in one or more forms of research because they have found, first, that this is necessary if they would keep up with the march of time, and, second, because they have found that research pays off in dollars, both in anticipated and in surprising new ways. A continuing flow of new knowledge has become essential to progress in industry, and we believe it equally essential to progress in agriculture. It is estimated by some industrialists that demand for goods and services will increase by 40 percent in the next 10 years, and every alert business firm wants to share in this increase. Agriculture must also share in it.

As I have studied the problem of farm surpluses, and as I have read and reread the reports of our task groups, I have become more and more aware of the astonishing and vast area of our ignorance in regard to agriculture. As I said earlier, our farmers today are growing perhaps 150 species of plants, most of which have been grown by mankind since far back in history, yet we do not know anything like all that might be known about these plants, and the harvests they yield. Few, if any of them and their fruits have been studied completely in the scientific sense. What unknown wonders are hidden in them? What not yet discovered benefits do they hold for us? The answers cannot be known until scientists find them.

It is estimated that in all the world some 250,000 to 300,000 species of higher plants are growing. We know almost nothing about them. What a great field for scientific explorers. The scientific revolution, as I have said, is well underway. It is producing results as notable as any produced by the industrial revolution of a century ago. But it has barely started. The area that has been scientifically studied is small. The area ahead is unlimited.

The pioneers of earlier America climbed to the tops of mountains to see what lay beyond. The scientist of today is equally an explorer of the unknown, opening advancing frontiers for the benefit of all of us.

Before 1930, agricultural commodities used in the industrial field received practically no competition from raw materials stemming from mineral sources such as coal and petroleum. Practically the only fibers used were from natural sources—cotton, wool, and silk. The only detergent used was soap made from oils and fats. The only adhesives used came from starch, glue, and plant gum. Practically all shoes and traveling bags were made from leather. All upholstery was made either from leather, cotton, or wool. All protective coatings, I mean paints, were made from vegetable drying oils; alcohol was made from molasses and corn—and I could go on and enlarge on this list.

In the 1920's, the chemical and petroleum industries initiated strong programs of research to produce new products. The raw material on which these industries concentrated were coal and petroleum because of their cheapness and stability of price. Agricultural raw materials did not receive much attention because of their price instability. In developing new products, the synthetic industry did not search for new uses. That would have been too costly and time consuming. Instead, they concentrated on producing products for which there were ready-made markets, fibers, detergents, protective coatings, footwear, upholstery, etc. In contrast at that time, practically no research was being done on the industrial uses of farm crops by the Department, by land-grant colleges, and agricultural-processing industry. By the middle thirties the research programs of the chemical and petroleum industry began to expand. Nylon, synthetic detergents, and plastics became commercialized, and agriculture began to lose some of its markets in the industrial field. This trend was rapidly accelerated after the war. Now agriculture commands only 65 percent of the fiber market, 50 percent of the protective-coating market, and none of the alcohol market.

The research programs of the chemical and petroleum industries have been expanding continually for the last 30 years. Utilization research in agriculture has been on a status quo basis for the last 15 years. For every $10 that the chemical and petroleum industries are devoting to research, the agricultural processing industries, the Department of Agriculture, and the land-grant colleges are devoting $1. It is evident that agriculture has been researched right out of its own natural markets.

Let me call your attention to one field in which research might result in great benefits to the grain growers of America. I am referring to synthetic rubber, a subject I can speak on with confidence because I was for a time president of the private-enterprise corporation operating the Government Omaha alcohol plant. The grain alcohol was used in making butadiene—and, in turn, synthetic rubber.

Last year the production of synthetic rubber in America was 900,000 long tons. Through the grain-alcohol process, it requires 350 bushels of grain to make 1 long ton of synthetic rubber. From this you will see that had all the synthetic rubber in America been produced from grain last year, you would simply have to multiply 900,000 long tons by 350 bushels per ton and you will come out, in round numbers, with 300 million bushels of grain that would be required for this production.

There is an estimate, made by the rubber industry some 6 months ago, that in the next 5 years they must plan an increase in production of some 600,000 long tons of synthetic rubber to supply the domestic demand. Since this original report, however, articles have been published indicating that this might be far too low and it might extend to 1 million long tons that might be required in the way of increased capacity in the next 5 years.

From this projection into the future, you will see that the consumption of grain through the increased production capacity might easily add another 200 million to 300 million bushels of grain that would be required if it were all made from grain. It was a sad day for agriculture and a much sadder day for the taxpayer when we scrapped our grain synthetic rubber industry, and lost this market for agriculture. In using grains for such industrial uses we are drawing from the ever-increasing production and the inexhaustible supply of starches from farm production—rather than from the nonrenewable deposits in nature's storehouses that are exhaustible.

While we are doing this we are piling up burdensome stocks of grain and fibers in our warehouses at tremendous costs for acquisition, storage financing, supervision, and spoilage.

Of course, at the present time almost 100 percent of the plastics and synthetic rubber production comes from petroleum products and the raw products of agriculture cannot be used simply because it is uneconomical.

There are no figures available as to the probable amount of grains that might be consumed in the plastics industry in the next 5 years, but the expansion of this industry is probably at a faster rate than any other industry in America and it seems reasonable to estimate that there might be a market for as much grain in the plastics industry as in the synthetic rubber industry provided subsidies could be granted that would induce the use of grains in substitution for the present raw materials.

Alcohol, as you gentlemen know, is one of the most versatile of all products. It may be used in from 200 to 300 ways, mainly in industry.

Research has been described as the covered wagon of the 20th century. Of course the physical frontiers of the United States have been reached, but the final frontier of science, of research, of knowledge never will be reached. It is an ever-alluring, ever-advancing horizon. We never will know all the facts. At present, we know very few of them—distressingly few in the important area of utilization of even the few cultivated plants in our own country. And that, in my opinion, is the major reason we have a farm surplus problem instead of a more abundant life for all, resulting from industrial use of the surpluses.

I realize, of course, that as utilization research for farm products develops some of the new products will compete with existing products, agricultural and nonagricultural. Building materials, paper, surface coatings are examples that come to mind. But competition is not a condition to be avoided. It is one of the great stimulants, and one of the great blessings of our free enterprise system.

I began these remarks tonight by referring to the splendid work of the task groups. Now I'd like to leave with you a representative comment from one of the task group reports. The quotation is taken from the white potato products task group. It is repeated in different words by all the others.

"The properties and qualities conferred by nature on farm products are within man's power to change and improve," declares the report. "Striking improvements are accomplished by plant breeders and agronomists. The discoveries and inventions of chemists, physicists, microbiologists, processing technologists, and engineers are already the foundation of great industries that transform agricultural raw materials into billions of dollars worth of food, fibers, and other goods of all kinds."

But in my opinion we have only scratched the surface. These industries can be made larger and new industries can be founded on the creative development of new, better, or more economical goods from farm products. Research will be the creative force. It is plainly necessary that we gain through fundamental research a thorough understanding of the chemical and physical properties of every crop we are growing. This will benefit farmers, laborers, businessmen—and every citizen of this great Nation.

And we must ever keep in mind, that agriculture, in common with all other activities, can move forward only at the speed of enlightenment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. ELLENDER. I was very much interested to hear the remarks of the Senator from Nebraska with respect to the intention to save on this year's appropriation. Has the Senator any idea of how much more the corn program will cost if the bill now pending before the Senate should pass the Senate and the House, and be put into effect, as intended by the proponents of the bill?

Mr. CURTIS. I must say to the chairman of the committee that I do not have those figures at hand.

Mr. ELLENDER. But the Senator does know enactment of the bill will cost a good deal more money, does he not?

Mr. CURTIS. Yes. I think all such legislation costs money, and for that reason I come back to the premise I have been dwelling on for many minutes, namely, that we are not moving toward a permanent solution.

Mr. ELLENDER. The Commission, to which the Senator has devoted much of his time in his remarks, has already been created. It is now in operation. I am very hopeful something good will come from its labors. But does the Senator feel that agricultural conditions will be improved by further aggravating the surpluses of corn?

Mr. CURTIS. I can only say to the chairman of the committee that it is not my privilege to sit on the Committee on Agriculture and Forestry. I shall leave the defense of the pending bill to those who have handled it.

Mr. ELLENDER. The Senator has made a talk on the bill, I assume, and I presume he has looked into the matter. As I pointed out on April 4, the corn surplus today amounts to almost 1 billion bushels, which are in the hands of the Commodity Credit Corporation at present.

Mr. CURTIS. The Senator from Nebraska did not intend the remarks he has made today to be a discussion of the pending bill; he was concerned with other matters.

Mr. ELLENDER. Am I to assume that the Senator is against the pending bill?

Mr. CURTIS. I did not so state, but I will say I do not believe the defeat of the pending bill will lessen surpluses of corn.

Mr. ELLENDER. If the Senator wishes to follow through with the argument he has just been making with respect to reducing the budget, and not further aggravating corn surpluses, I humbly advise him to vote against the pending bill.

Mr. CURTIS. Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, I wish to address myself to the pending measure, S. 1771, and I urge the earliest possible approval by my colleagues of this important piece of proposed legislation. It is directly related to the 1957 corn base acreage, and it calls for an earlier start on a comprehensive 1958 program covering all feed grains, which I had the privilege of reporting favorably from the Committee on Agriculture and Forestry on April 1st.

Mr. President, every Senator from a State primarily urban or primarily agricultural has a vital stake in the agricultural policies of this country, and particularly in the existing imbalance in our economy. There can no longer be

any dispute about the fact that agriculture is seriously out of step with the rest of the economy—lagging behind—and that farmers and farm families are suffering hardship as the result.

I discussed this matter in some detail last Thursday in my reply to an address delivered by Secretary Benson. The RECORD is replete with economic facts and statistical evidence presented in the debate or the discussion of Thursday last; first, by the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER]; second, by the Senator from Missouri [Mr. SYMINGTON]; and, third, by the junior Senator from Minnesota.

Congress has enacted legislation and appropriated funds, in the past and in the present, designed to ease the plight of farm families, yet we now find ourselves confronted with a situation which may very well undo all that we had hoped to achieve, and force all farm prices to still lower levels. Frankly, there is no use having a soil bank program if we cannot make it work. Indeed, there is little use having a soil bank program unless we are willing to go far enough with it to achieve some of the objectives for which it was designed.

There is little use talking about economy in this session of Congress if we have to come back next year and provide huge additional sums to make up for losses caused by our shortsightedness and by our failure to take the action needed now.

I also wish to point out, Mr. President, that while every farm program—indeed, any program that the Congress authorizes in any area—costs money, and while we always ought to scrutinize the programs very carefully, as the distinguished Presiding Officer [Mr. LAUSCHE] has so properly noted here for us on other occasions, I feel that sometimes by an inadequate policy in the Congress or by a failure to do all that we ought to do, in the name of economy, we cause great losses to the total national economy.

What we are talking about is the wealth of the American people and their economic productivity. Therefore, far more than corn as a commodity is involved in the pending legislation. The entire economic base of American agriculture is involved, and that in turn affects all parts of our economy.

More directly, Mr. President, every hog producer, every beef producer, every poultry producer and every dairy farmer faces collapsing prices if we allow the collapse of feed grain prices. There is a direct relationship between the price levels of the feed grains and the price levels of beef, pork, poultry products, and dairy products. When feed grain prices go down, so do prices of the other commodities. When feed grain prices collapse, the record reveals that the so-called perishable commodity prices collapse.

I am frank to say that if we permit feed grain prices to go down further we may very well have problems facing us next year which will be much more costly to solve than the ones we face at present. If corn production soars and corn prices fall, the markets for other feed grains will be disrupted and the prices of other feed grains will fall, because corn is a feed grain, like oats, barley, rye, and grain sorghums. All these grains are related. They all have feed equivalent value to corn. When corn prices drop, so do the other feed grain prices. When corn production goes up and up and up, which causes a surplus of corn and in turn a lower cash price for corn, the corn displaces other feed grains, and the prices of those feed grains in turn fall. As feed grain prices fall, more producers will seek to survive by feeding more cattle, more hogs and more poultry, and the vicious circle of overproduction and collapsing prices will be under way again.

I suppose, Mr. President, we might actually call this a law of agricultural economics. Just as we have certain laws of physics and certain laws of science, so there is a law as to the relationship of the feed grain prices to livestock, such as hogs and beef cattle, as well as to poultry products, such as chickens and turkeys. When price of the feed grains fall, so do prices of perishable commodities produced from such feed fall.

It would seem far wiser, therefore, to make use of corrective legislation with respect to corn now, rather than to have to spend many millions of dollars later for an ineffective meat-purchase program such as we have had in the past, in order to try—too late, and by doing too little to offset such price collapses.

Every competent observer in the heart of our heaviest corn-producing region agrees that if we allow the existing 1957 corn acreage allotment of 37,288,889 acres in the commercial corn area to remain there will be little compliance with controls and widespread overplanting of corn. And, Mr. President, I note for the RECORD that very little cut-back in corn production is contemplated in the great corn-producing areas.

There will be evidence brought forth in this debate—as there is in the report on this bill—that more than 5 million acres of corn land have already been signed up under the soil bank proposal. Therefore, the argument is made that it is not necessary to expand the corn base acreage in order to have participation in a corn program, since even with a base of 37 million-plus acres, there are about 5 million acres signed up. The question is, where are those 5 million acres to be found? They are in the drought areas. They are in the drought areas of those States where there is traditional corn planting. Most of the acreage is to be found in Kansas, Nebraska, the drought-stricken counties of Missouri and the drought-stricken counties of Iowa. But in Illinois, Indiana, southern Minnesota, and Ohio, where the commercial corn production is the traditional pattern of farming, and where production runs from 75 to 100 bushels or more per acre, there is a very small sign up. So while acres may be signed up under the existing situation, the potential production is not signed up.

Increasing the corn base acreage causes a larger acreage for price support participation to be involved, and it will be necessary to attract into the production control program the traditional producers in the heavy production area. This is the area where we need to have participation.

I have stated that every competent observer in the heart of our heaviest corn-producing region feels that the proposed legislation, which we are now considering, is inadequate. Those observers feel that persons who comply within such a limited allotment as the 37 million-plus acres will plant other acres heavily in competing feed grains, such as sorghums, adding to the total feed supply problem instead of easing it. Therefore, by increasing the corn base acreage to 51 million acres, we are going to have less, rather than more, corn and other feed grains.

I digress to point out that we are not talking about increased planted acreage, because the farmers plant about so many acres every year. There is a traditional amount of planted acreage. We are talking about the increased acreage which is eligible for the soil-bank program participation. It is the increased acreage the production from which is eligible for price-support Commodity Credit loans we are concerned with, because it is only on such acreage that there is any control over production.

The farmers plant about 85 million acres of corn throughout the country. The farmers have planted in the past around fifty-six-million-plus acres of corn in the commercial corn area. What we are stating here is that if we should take 51 million acres in the traditional commercial corn area and make it available for price-support loans and for soil-bank control. That action would cut into the production of corn and thereby ease the supply situation, thereby raising the price, and thereby providing a better economic base for agriculture.

The increased acreage, from 37,800,000 up to the 51 million we are advocating in this bill, will permit more farmers to comply with controls, and to put more acreage into the soil bank. While that may increase soil-bank payments to corn producers, it will lessen the burden of price-support losses on all feed grains in and out of the commercial corn area—and certainly lessen the financial loss to our farm economy.

We must consider the corn program as a part of a total agricultural program. What the junior Senator from Minnesota is saying is that by increasing the acreage base for corn, we may very well increase the cost of the soil-bank program on corn, but we shall minimize and reduce the cost of the price-support programs on grain sorghums, rye, barley, and other feed grains, and reduce the losses of the Government in connection with the storage costs on loans which involve the storage of grains. Even more important, we shall bolster the farm economy by seeing that the corn producer, as well as the feed grain producer, gets better prices.

The bill before us is not a partisan measure, nor a special interest measure for corn. It is honestly and sincerely offered as a sound approach to avoid a further setback for our entire livestock economy, and to protect other feed grain producers outside the commercial corn area as well as those within the commercial area.

Let me emphasize the fact that the pending bill is a compromise. It is not exactly the bill I personally would have preferred. The bill which was introduced by the Senator from Missouri [Mr. SYMINGTON] and myself was given no support by the Department, even though I think it is fair to say that our bill was directed more precisely to the needs of the present farm economy. We shall have some discussion of the details of that bill later.

The bill which is now before us, Senate bill 1771, was drafted in a bipartisan spirit by those of us on the Senate Committee on Agriculture and Forestry who had sponsored corn legislation, and is now sponsored jointly by myself, the Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], the Senator from Missouri [Mr. SYMINGTON], and my colleague from Minnesota [Mr. THYE]. It is supported by the National Grange, one of the truly great farm organizations of the United States. It is supported by the National Farmers Union, one of the great farm organizations of the Nation; and it meets the general objectives set forth by spokesmen for the American Farm Bureau Federation in testimony before our subcommittee.

I invite the attention of my colleagues to the testimony of Mr. Frank K. Wooley, legislative counsel of the American Farm Bureau Federation. His testimony, when studied, will indicate that this bill was specifically designed to meet the major requirements as to acreage with respect to feed grains, and as to soil bank participation, as outlined by the chief witness of the American Farm Bureau Federation, Mr. Wooley. His testimony is to be found beginning on page 50 of the hearings, and running through page 59.

The bill was written with representatives of the Department of Agriculture present and concurring in what we have proposed.

It recognizes the validity of eventually having to provide for an overall feed grain program, and seeks to avoid again having a last-minute hassle in 1958 over what kind of a farm program we are going to have for feed producers.

It does so by directing the Secretary of Agriculture to make his recommendations for the 1958 program by June 1 of this year, instead of waiting until next January, and it calls upon him to "conduct a thorough study of possible methods of providing an overall feed grain program which can be made effective with the 1958 crop."

This is an important provision of the bill. Every witness before the committee, without exception, including the Department witnesses, recognized the fact that we must think in terms of the total feed grain supply situation, and the total feed grain production situation, including corn, if we are to design a truly effective price support-production control feed grain program, including corn.

We should never look upon these commodities separately. They must be looked upon as parts of a total comprehensive feed grain supply. The bill says to the Secretary, "You must come to the Congress not later than June 1 with proposals and recommendations for an overall feed grain program for 1958, including corn."

We did not feel that we were prepared at this time to legislate in that complex area in the brief time we have. We are asking the Department to give us the benefit of its advice. We are asking the Department to give us the benefit of its technical services and guidance.

I suggest to my colleagues that by setting the date of June 1 we allow ourselves an opportunity to discuss the subject this year, and, if need be, after Congress shall have recessed, to hold hearings in the field in the fall months, and then come back and pass a bill in January 1958, for the full crop year 1958. In fact, it is possible and preferable to pass a bill this year for the crop year 1958.

What has been wrong more than anything else with the feed grain program is that we have waited too long each year to come to grips with the legislative requirements of such a program. I indicate again that the bill calls upon the Secretary to "conduct a thorough study of possible methods of providing an overall feed grain program which can be made effective with the 1958 crop."

It calls for his report, with specific recommendations, including drafts of necessary legislation to carry out such recommendations, not later than June 1.

Congress would still have time this year to act on a feed grain program for next year—so that producers would be able to plan intelligently this winter for next year's plantings.

Senators who have been more concerned about other feed grains than corn would be doing a disservice to their producers—and I am sure their producers would so regard it—if they were to turn down this opportunity to start work on farm legislation covering their commodities a year in advance, instead, of waiting until planting time next year.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield. I am always happy to reply to the Senator's questions.

Mr. ELLENDER. As I understand, the Senator has placed in the RECORD certain information to which reference has been made.

Mr. HUMPHREY. A part of it has been placed in the RECORD.

Mr. ELLENDER. The Senator made the point that by increasing the allotted acreage from 37.3 million acres to a base of 51 million acres we would give opportunity to the States where the most corn is produced to come into the program.

Mr. HUMPHREY. We would give opportunity to every State which has a commercial corn area.

Mr. ELLENDER. And primarily the heavy corn producing States in the commercial corn area.

Mr. HUMPHREY. Yes, indeed. That is the point.

Mr. ELLENDER. Is the Senator familiar with what happened last year?

Mr. HUMPHREY. Yes. Let me add that what happened last year was that by extending the date time after time in connection with the right of a farmer to come under the program, we brought about such a situation that a large number of farmers came under the program late in the year, well after May and June, and into July, when they found that they were not going to produce anything. That was an election year. What really happened was that the floodgates were open, and when a farmer saw he was not going to get a crop, he got in under the soil bank. He said, "I did not really intend to plant anything anyway. Here is my application. Give me some benefit payments."

Mr. ELLENDER. I should like to point out that I have before me the record of the great State of Iowa, which is the largest corn-producing State in the Union.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. Last year Iowa put 1,289,414 acres into the corn acreage reserve.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. Those acres were not planted to corn; they were under the 15-percent proposal contained in the 1956 act. However, for a farmer to be able to obtain price support under the bill, he need not decrease his corn acreage, but he can take an acreage equal to 15 percent of his base acreage out of hay land or any other commodity, if he desires.

Mr. HUMPHREY. The Senator is correct, but only partially correct. A farmer is eligible for price support under the pending bill by doing as the Senator has suggested. However, the payment which the farmer receives is payment under the conservation reserve section of the bill, and it is a very modest payment. If the farmer wishes to get the higher soil-bank payment, which is as high as $80 to $90 an acre in Iowa and southern Minnesota and Indiana, he must come under the acreage reserve section of the bill, which requires that he take 15 percent of his acreage out of corn acreage, not out of any other acreage.

Mr. ELLENDER. As I pointed out, last year the great State of Iowa had 1,289,414 acres in the corn acreage reserve, but harvested corn acreage was reduced by only 33,000 acres from 1955. With 1,289,414 acres in the acreage reserve, the farmers of Iowa produced 521,000 bushels less than in the previous year, and they received payments at the rate of $42.59 per bushel for reduction of corn.

Mr. HUMPHREY. I wish to say to the Senator that he is making——

Mr. ELLENDER. I was in error. The figure is $105.40 per bushel of corn reduced. That is what it cost the Government, $105.40 per bushel, for each bushel reduction in Iowa.

Mr. HUMPHREY. May I say to my good friend and the distinguished chairman of the Committee on Agriculture and Forestry——

Mr. ELLENDER. I expect to show that as to all States. I expect to show what happened. As my good friend from Minnesota has pointed out, the response last year was very great, although it was late and the corn acreage put into the acreage reserve last year totaled about 5¼ million acres. This year there was established a somewhat larger goal by the Secretary of Agriculture, when he

promulgated the rules and regulations last December. Is that not correct?

Mr. HUMPHREY. That is correct. I wish to say to the Senator from Louisiana that I have not been happy with the operation of the soil bank, and I was particularly unhappy with the way it was administered last year. I am convinced in my own mind that it was administered with some political overtones and purposes.

There is no doubt that the continuation of the extension date to eligible farmers was directed, in a sense, by political considerations. That is not the way to conduct a farm program. However, I should like to say also that what we are proposing for the 1957 crop year, while it is not as I would personally prefer it to be, if I could have a bill that met with my own personal standards, it is, nevertheless, a better program than last year. Last year there was a minimum price support established on corn in the commercial corn area, even if the acreage did not go into the soil bank, of $1.25 a bushel. Farmers could plant all the corn they wanted to plant at $1.25 a bushel. Under the pending bill, as we have now designed that feature, we are seeking to avoid that situation. Farmers will get price support under the bill before us only when they comply. Farmers will not get $1.25 a bushel price support under the bill if they do not comply.

The junior Senator from Minnesota stated on the floor of the Senate last year that the corn program adopted last year and as announced by the Secretary of Agriculture—and it was essentially an administrative announcement—was bound to produce trouble for corn farmers in 1957.

I do not claim to be a prophet, and there are no Humphreys in the Old Testament or in the New Testament. I have no prophetic vision; but it did not take very much sense or any kind of prophet to be able to predict what was going to happen when $1.50 was fixed as the price of corn for farmers who complied with the soil bank limitations, and $1.25 a bushel if a farmer did not comply and planted all he wanted to, and prayed for rain.

That is what happened with respect to the corn production of last year. No one is responsible for it any more than is the Secretary of Agriculture.

Now we have a different situation. We would establish a price-support level of about $1.36 a bushel for corn which is planted under compliance. The compliance requires that if a farmer is to get the benefits of the acreage-reserve program, which pays the high-benefit payments, he must take the 15 percent out of corn allotted acres. In other words, if a farmer has 100 allotted acres of corn, in order to receive the acreage-reserve benefit-payments, he must take 15 of his acres out of that 100 acres. And if a farmer wishes to get the lower payments, which average about $11 an acre throughout the country, he can take out an equivalent 15 percent from any of his tillable acres on which corn may be grown or may not be grown. However, let me say to my colleagues at this point that all such tillable acres are eligible to produce competing feed grains. That is the situation this year. One of the reasons why the feed-grain situation is not still worse this year than it was a year ago, particularly as it relates to oats, barley, and rye, is that it was possible to take out of production last year a large number of feed-grain acres other than corn, and in that way cut down the supply and thus firm up the price somewhat on the other feed grains.

I wish to point out again that the soil bank was not administered as I thought it should have been, or as I hoped it would have been. However, at least it did something.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. ELLENDER. The Senator said that under the pending bill there is no provision made for support being made available for noncompliers.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. However the Senator realizes, I am sure, that last year what the Secretary of Agriculture did was to put into effect a provision of the 1949 act which had never been used before. The provision is contained in the Agricultural Act of 1949, as amended, under section 101 (d) (5), which provides:

(d) Notwithstanding the foregoing provisions of this section—

* * * * *

(5) Price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

He did that before we passed the 1956 act. In view of what had already been done by the Secretary before we passed the 1956 act, we had to include in the 1956 act a provision which would permit him to continue the program he had already announced. Consequently section 308 (a) of the Agricultural Act of 1956 contains the following proviso:

Provided, That price support may be made available to any producer who does not meet the foregoing requirements at such level, not in excess of the level of price support to producers who meet such requirements, as the Secretary determines will facilitate the effective operation of the price-support program.

The provisions just quoted are still on the statute books, and if the Secretary of Agriculture desires to do so, he may fix price support for noncompliers at any level up to $1.36 per bushel, or even higher if he should raise the support levels to compliers. So, if he desires to do so, he may still establish price supports for noncompliers. Is that correct?

Mr. HUMPHREY. Yes; but we can have price supports for noncompliers of only $1.12 under the committee recommendation, as contained in the committee report, if any support at all is provided them, because, as the Senator will recall, we limited the support price for noncompliers by specific language in the report. We restricted it down to the level of price supports in the noncommercial area.

It is technical, to be sure, but we will try to simplify it. Last year we had $1.50 a bushel support for compliers and $1.25 a bushel for noncompliers. This year, from all indications, the support level will be $1.36 a bushel. Under the proposal now under consideration, the compliers—that is, the farmers who comply with the acreage limitations, including the soil-bank provisions, to take advantage of the price-support crop loans—will get a minimum of about $1.36. The amount they could get for noncompliance would be limited to about $1.12, the noncommercial area level, under the committee recommendations.

Mr. ELLENDER. The Senator is referring to the last sentence of the first paragraph on page 2 of the report, is he not?

Mr. HUMPHREY. Yes. That would hold the noncompliers down to $1.12 if the Secretary should find it necessary to provide support for them at all.

Mr. ELLENDER. Yes, that is correct. The committee made that recommendation. I hope that the Secretary will not see fit to make support available at all to those who do not comply with any acreage limitations. The support price for compliers this year is only about 10 cents a bushel above the support given noncompliers last year.

Mr. HUMPHREY. But if he does, he should not exceed the maximum limitation prescribed by the report. He should not go above the noncommercial area level, and the bill holds the noncommercial level down to about $1.12 by repealing the 70 percent of parity price support provision which would have become effective under section 308 (d) (3) of the 1956 act if and when he should make support available to noncompliers.

Mr. SYMINGTON. Mr. President, will the distinguished Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. The Senator agrees, does he not, that this is not the best bill we could have?

Mr. HUMPHREY. I agree with the Senator.

Mr. SYMINGTON. If we were going to adopt a policy of raising the price of grain in order to improve the price of livestock, instead of lowering the price of livestock to the price of grain, then we would handle all the grains at one time, would we not?

Mr. HUMPHREY. That is exactly correct. I am certain the Senator knows, he being a cosponsor of the compromise bill, that one of the main reasons why both the junior Senator from Missouri and the junior Senator from Minnesota support the bill is that it requires, for the crop year 1958, that a program be laid before Congress by the Department of Agriculture for consideration in the calendar year 1957 so that Congress can do exactly what the Senator from Missouri has indicated is so essential to a farm program, namely, make a study of all feed grains at one time and then decide on a program, without going into the kind of program it should be, which will take into consideration the interdependence of the feed grains and their relationship in terms of feed value and in terms of price.

Mr. SYMINGTON. Is it not true that more and more voting on farm legislation is being done crop by crop, with those who are not interested in corn voting against corn, those not interested in wheat voting against wheat, with no basic effort being made to help the farmer as much as there is an attempt to help a particular crop in a particular part of the country?

Mr. HUMPHREY. I should say that, considering the record made last year when the Secretary of Agriculture started to deal with the farm program which was before our committee at that time, on a crop-by-crop basis, the unraveling and the ultimate destruction, if unchecked, of the farm program was set in motion. I regret to say this, but that happened. Senators were appealed to on the basis of a particular crop to the exclusion of other crops.

The minute that happens—particularly, I may say, in the case of cereal grains and the feed grains, which are so directly related to perishable commodities or the animal products and poultry products—we will have opened up a Pandora's box of trouble.

If one were designing a means or a method to destroy a farm program deliberately, there would be no better way of doing so than by permitting that kind of activity to continue, namely, enact crop-by-crop legislation, with no regard to the other crops. Once that begins, there are not enough votes in the other House or in this Chamber to provide a farm program which is meaningful to any producer, except it be done at the expense of someone else.

Mr. SYMINGTON. Is it not true that the reason given by the Department of Agriculture for justifying the direct subsidy plan on wool is that the Department wants to increase the production of wool in this country?

Mr. HUMPHREY. That is correct. At the same time they do not want to have limitations or controls or tariffs on wool.

Mr. SYMINGTON. But is it not true that last year there was less wool production in this country than the year before?

Mr. HUMPHREY. That may be true. I regret to say that I am not informed on all the facts. The Senator from Missouri is better informed on this matter than I am.

Mr. SYMINGTON. I am glad to know there is one thing about the farm program which the Senator from Minnesota does not know about, because I am certain that as to everything else he is far ahead of nearly all of us in the farm program.

Mr. HUMPHREY. Last year the base acreage was originally set at 43 million acres, and it was changed by act of Congress——

Mr. SYMINGTON. To 51 million acres.

Mr. HUMPHREY. It was changed to 51 million acres. But the fly in the corn ointment, or should I say the economic boll weevil in the corn program——

Mr. ELLENDER. Why not say "termites" instead of "boll weevil."

Mr. HUMPHREY. I want our cotton-planting friends to be with us.

The problem arose when the Secretary set the price for noncompliers at $1.25. I remember the chairman was adamantly opposed to that, as was I.

Mr. SYMINGTON. One dollar and twenty-five cents to the noncompliers?

Mr. HUMPHREY. To the noncompliers in the commercial corn area. The minute that was done unlimited plantings were upped and upped.

What happened, further than that, was that a soil bank program was provided, rather than a drought relief program. The Senator from Missouri knows that there ought to be a drought relief program instead of a soil bank program. The Senator from Missouri has tried harder than anyone else I have ever known to obtain a drought relief program, but he has not had much cooperation.

Mr. SYMINGTON. I deeply thank the Senator: Could he tell me when 37 million acres came into the program?

Mr. HUMPHREY. This is how it came about: Under the price support formula in the act of 1938, as amended, and under the part of the farm program which sets up acreage limitations related to the volume of production, the formula works out, because of the carryover of corn supplies, so that the acreage will drop back to 37 million, because there are almost 950 million excess bushels of corn on hand right now. This compels the use of a new arithmetical formula in the law. If the acreage slips back to a point where that number of acres is planted, the formula is supposed to put the supply back into balance. It is supposed to. It is theoretical.

For all other commodities except corn, there is a limitation on how far back the allotted acreage can slip. For example, there are minimum base acreages for most commodities, but for corn there is no such thing.

In other words, it would be entirely possible to have 1 billion or 2 billion bushels of corn in surplus to get back where there were, under the present law, 5 million acres, which, of course, means nothing.

Of course, that means nothing. It is unrealistic, because the corn planters would not pay any attention to it.

We are confronted with a situation which is unlike that which is related to wheat or cotton. As to those two commodities, there is a floor below which the acreage does not fall. In the case of corn, there is no floor; there is a hole, and the acreage can go right on down to 37 million, 30 million, 35 million, 32 million or 20 million. But a legislative floor has been put under wheat and cotton, simply to take those two commodities as examples. I am not opposed to that.

Do not misunderstand me. I am not favoring one commodity against another; I am merely saying that for the purpose of price support calculation in the case of wheat and cotton, there is a floor below which the price cannot go, when it comes to the competition of acreage for allotment purposes. In the case of corn, that is not so. That is why the acreage slips down to 37 million.

Furthermore, for the purpose of price computation in some commodities, such as cotton, there is a permissible carryover which is larger. It can go as high as 30 percent carryover of the normal crop before any acreage limitations are to be set in. In corn, it is 15 percent. Corn has not been given the same protection.

Mr. SYMINGTON. We agree that this is not the best bill; but that half a loaf is better than none. That is the basis upon which we support the bill. Is that not correct?

Mr. HUMPHREY. I should say that is the essential basis, plus the fact, I think, that the directive to the Secretary concerning the feed-grain program is of the utmost importance.

Mr. SYMINGTON. I could not agree entirely on that with the distinguished Senator, because—based on the recent letter of the Secretary of Agriculture to the chairman of the committee—I doubt the Secretary now supports any of this proposed legislation.

Mr. HUMPHREY. Let me say it is rather difficult to ascertain that; but I will say now, for the RECORD, that the testimony given to the committee by the witnesses from the Department of Agriculture supports the bill now before us; I refer to the testimony as to 51 million acres, the testimony as to the price-support level, and the testimony as to feed grain.

I have been told that pressures not to support this bill were brought to bear on the Department from some farm leaders outside the Government. I have been told that strong pressures were brought to bear. I gathered that the Secretary did not want to be against the bill, but he did not want to be for it, either; and, therefore, we have a rather noncommittal letter. I wish to say that one may not always have the official stamp of approval for a piece of proposed legislation; but when we search through the detailed evidence leading up to the pending bill, we see that the Department supported it point by point.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield further?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. If the pending bill is enacted into law, it will help the lot of every corn farmer in the country, will it not?

Mr. HUMPHREY. That is my view.

Mr. SYMINGTON. And if one considers the situation in agriculture, any help which can be given to agriculture—help needed because of the problems of agriculture, as contrasted with the prosperity of other segments of the economy—will be best for the overall financial and economic position of the entire country, will it not?

Mr. HUMPHREY. I do.

Mr. SYMINGTON. It is true, is it not that in the last 4 years, although wages have increased 22 percent, corporate profits after taxes 33 percent, and the common stock index has increased 77 percent, at the same time farm income after inventory adjustment, has dropped 30 percent and during the same 4 years

parity has dropped from an average of 100 in 1952 to an average of 83 in 1956. At the present time incidentally the farm parity ratio stands at 80. Those figures are correct, are they not?

Mr. HUMPHREY. Yes; they are correct. The Senator from Missouri is an economic encyclopedia on these matters, and I congratulate him.

Mr. SYMINGTON. Under those circumstances, let me ask the distinguished Senator from Minnesota why there should be any reluctance to help the lot of the corn farmers.

Mr. HUMPHREY. Some Members of the Senate honestly believe that the soil bank program, as it operates, particularly on the corn farmers, is not a good program. I wish to say that is an opinon and a doubt which can be held with some degree of support from the evidence, in the light of the way the soil bank program was operated last year. But for those who support the administration's proposals, I say that the administration places its faith in the soil bank, and the pending bill is based upon the soil bank; it is based upon the very testimony the administration advanced before our committee in regard to the operation of the soil bank. So the least we can expect is that every administrator supporter will support the pending bill, which I am privileged to present to the Senate, even though I must confess that in agricultural matters, as in others, I am seldom an administration supporter.

Mr. SYMINGTON. Is it not true that if the soil bank is discarded, then in effect the entire agriculture program of the administration is just about discarded?

Mr. HUMPHREY. That is correct; the administration's agricultural program is essentially the soil bank.

Mr. SYMINGTON. I thank the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I wish to thank the distinguished Senator from Missouri for his very fine contributions.

Mr. CARLSON. Mr. President——

Mr. ELLENDER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Mr. President, I must ask the Senator from Louisiana to permit me to yield first to the Senator from Kansas, who previously requested that I yield.

Mr. CARLSON. Mr. President, I am happy to have the Senator from Minnesota yield first to the Senator from Louisiana, the chairman of the Committee on Agriculture and Forestry.

Mr. HUMPHREY. Very well then; I yield now to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I should like to ask a question in connection with the question the Senator from Missouri asked about scrapping the soil bank.

As I have pointed out, under the present program the acreage which will go into the soil bank and which will be deducted from allotted acres of corn is greater than the amount which was anticipated when the soil bank bill was enacted and placed on the statute books, last year.

Mr. HUMPHREY. The chairman of the committee is correct, Mr. President.

Mr. ELLENDER. Last year the amount which was expected to go into the soil bank—that is, the reserve acres—was from 4,500,000 to 5,500,000 acres. Today it is almost 5,600,000 acres. So the program now is way ahead of what the proponents of the soil bank anticipated last year, when the soil bank was created, under the 1956 act.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Missouri.

Mr. SYMINGTON. What the distinguished chairman from Louisiana has stated is true; but there are many reasons for the additional acreage. In my State the heavy drought caused many more acres of corn to be placed in the soil bank than had been anticipated.

With all due respect to the distinguished chairman of the committee, I believe that if we abandon the principle of the soil bank, right or wrong, in effect we abandon the agricultural program sent to the Congress by the Department of Agriculture.

Mr. HUMPHREY. Mr. President, I think that is a fair statement. Let me add, in part in response to my friend, the Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, that although the administration hoped to have approximately 5 million-plus acres of corn go under the soil bank this year, it was found last year that that number of acres did not do the job. Furthermore, as has been indicated by the Senator from Missouri, most of the acres thus far placed under the soil bank provisions are drought acres, which thus are not cutting into the great areas of corn production.

What is even more important is the following: Let us assume that 6 million acres are placed in the soil bank, and let us assume that that will cost another $100 million. However, that would not be over and above the amount provided in the budget; instead, available funds not used elsewhere for agricultural purposes would thus be used to bolster the corn program. In that event, the effect on the economy would be to increase or to raise corn prices.

Mr. President, the corn farmer cannot make any money if corn is selling at $1.15 a bushel, which is the price of corn today, any more than an automobile manufacturer can remain in business if the automobiles he produces are sold by him at less than the cost of production. A price for corn of $1.14, $1.15, or $1.16 a bushel is confiscatory in the case of corn farmers.

So the good purpose of the soil bank—if it has a good purpose; and it was for that purpose that the Congress voted for the soil-bank bill and had it placed on the statute books—is to remove from production enough productive acres so as thereby to limit the production and thereby to limit the supply, and thus, as a result of the limited supply, to cause prices to rise; and by having the prices rise, to make available to the farmer a fair price, a parity price, a price which will be a reasonable one and which will provide a reasonable profit, yielding economic dividends to the total community.

I am not unmindful that the pending bill will cost more money for the corn program; but to those who are deeply concerned about these budgetary matters—as I trust all of us are—let me say that that will not mean additional agricultural appropriations. Instead, it will mean that moneys which were unused for other agricultural commodities will be made available to firm up the corn program. So that will not mean additional budgetary requirements or budgetary resources.

Mr. KEFAUVER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. At this point, Mr. President, I wish to yield first to the Senator from Kansas [Mr. CARLSON], who previously requested that I yield to him.

Mr. KEFAUVER. Certainly.

Mr. CARLSON. Mr. President, I appreciate very much the courtesy of the Senator from Minnesota in yielding to me.

Let me say that I am in thorough accord with some of the statements the Senator from Minnesota has made in regard to the pending bill. I think our problem is not only a corn problem or a wheat problem, but that when we are dealing with this field, it becomes a feed problem. That is one of the regrets I have about the pending bill.

Assuming that we open up this matter and that authority is given to include any additional acreage, is there any indication from the Department that, in such event, the acreage under the soil bank can be expanded?

Mr. HUMPHREY. Yes, the Department has indicated that it is possible to do so, and the Department has indicated that there are requests on the part of the farmers to do so; and therefore the proposal is to establish a base of 51 million acres, so as to assure greater compliance.

Mr. CARLSON. In other words, the pending bill provides that the present base of approximately 37 million acres shall be expanded to the extent of approximately an additional 14 million acres, in order to allow a total base of 51 million acres; and it was the contention of the Department, at least, that that would increase the acreage in the soil bank. Is that correct?

Mr. HUMPHREY. That is correct.

Mr. CARLSON. I should like to ask about the payments. I admit that I do not understand this part of the report, although I assure the Senator from Minnesota that I have read it. As I understand, in 1956 the loan-support price was based on a price of $1.50 a bushel.

Mr. HUMPHREY. Yes, in the case of those who complied, in the commercial corn area.

Mr. CARLSON. That is correct. However, as the matter has worked out, for those in the commercial corn area who complied, the price has been $1.36 a bushel, has it not?

Mr. HUMPHREY. It cannot be less than 75 percent of parity. It might be even $1.38 a bushel; but $1.36 a bushel is the price at this time.

Mr. CARLSON. That is the base price, is it not?

Mr. HUMPHREY. Yes, that is the base price.

Mr. CARLSON. In 1956 in the noncommercial area there was a loan-support price, under the program, of $1.25 a bushel.

Mr. HUMPHREY. That was the price in the commercial areas where the farmers were in noncompliance. In the noncommercial area it was not quite $1.25 a bushel.

Mr. ELLENDER. Eighty-two and one-half percent of the commercial area level.

Mr. CARLSON. There were no price supports in the noncommercial area?

Mr. HUMPHREY. Yes, there was a price support in the noncommercial area, but it was less than $1.25.

Mr. SYMINGTON. It was $1.125.

Mr. CARLSON. I read from the report:

> If it should become necessary again to make price support available to producers in the commercial area who do not comply with any acreage limitations, the committee feels that such support should not be higher than that in the noncommercial area ($1.12 on the basis of support for compliers in the commercial area of $1.36).

Mr. HUMPHREY. That is correct.

Mr. CARLSON. Assuming it should become necessary—and I presume the Secretary of Agriculture would determine that——

Mr. HUMPHREY. Yes.

Mr. CARLSON. What would be the support price, if any, in the noncommercial area?

Mr. HUMPHREY. In the noncommercial area it would be 82½ percent of support for compliers in the commercial area—or an average of around $1.12 on the basis of the presently announced $1.36 for those accepting controls.

Mr. CARLSON. I assure the Senator that information is most helpful.

Mr. HUMPHREY. We have really three possible price structures.

Mr. CARLSON. In other words, it would be about $1 a bushel in the noncommercial area, $1.12 for noncompliers in the commercial area, and $1.36 for those who complied?

Mr. HUMPHREY. Yes.

Mr. CARLSON. The question is whether it is to the advantage of the corn grower to come under the program.

Mr. HUMPHREY. That is correct, and it is my point that there is an advantage for the producer to come under the program, particularly under the acreage reserve program, because the Department set a rather generous rate of benefit for the farmers who complied with the acreage reserve features of the soil bank. I refer to farmers who had an acreage base allotment and took 15 percent of the acreage and put it in the acreage reserve.

Mr. CARLSON. It is important that we keep in mind the feed grains which will enter into competition. I am sure the Senator from Minnesota is more familiar with that subject than I am. We are faced with the production of crops which are not naturally grown in the corn-producing areas. We begin to see wheat produced in the eastern section, corn produced in the South, and feed grain production scattered all over the United States. The entire agricultural program, if we are not careful, is going to become imbalanced by the growing of crops in areas in which they do not naturally grow, at an increased cost. Such production would not fit into the entire farm program to the best advantage.

Mr. HUMPHREY. I agree with that statement. When severe acreage restrictions were placed upon cotton, wheat, rice, and other crops, the farmers were driven to the position, when no benefit payments were provided and there was no soil bank, of having either to let their land stand idle, or plant it to other crops, such as grain sorghums in the Southwest.

Mr. CARLSON. I have in my hand a copy of the Agricultural Outlook Digest, issued by the Agricultural Marketing Service, and I read from it:

> Increased acreages are planned for: Sorghums, 23 percent; sugar beets, 10 percent; barley, 9 percent; and soybeans, 4 percent. Not much change is expected for flaxseed, potatoes, dry beans, peanuts, and hay.
>
> Major declines are: Spring wheat, 21 percent; tobacco, 17 percent; rice, 10 percent; corn, 5 percent; oats and sweetpotatoes, 3 percent; and peas, 2 percent.

I do not quite understand the justification of getting into the soil bank 5 or 5½ million acres out of a 50 million acreage, and then cutting corn production back 5 percent.

Mr. HUMPHREY. I did not quite understand what the Senator said.

Mr. CARLSON. I assume the farmers are going to plant 56 million acres to corn.

Mr. HUMPHREY. There will be about 56 million acres in the commercial area.

Mr. CARLSON. The forecast for 1957 is that it is estimated there will be a 5 percent reduction in the planting of corn.

Mr. HUMPHREY. Yes.

Mr. CARLSON. If 5 million acres are put into the soil bank, that is less than 5 percent.

Mr. HUMPHREY. Yes.

Mr. CARLSON. How are we going to justify that?

Mr. HUMPHREY. I think some of the average went into soybeans, because prices for soybeans have been good, and in some cases have been above the price supports. I hope more farmers will plant their land to soybeans, because that crop seems to have a good market and a good price structure. The drought has taken its toll on some lands. I think 5 percent would be a fair estimate of the reduction we can now expect in our major areas unless this bill is enacted. If it were more, corn production would be cut down and a better market for other feed grains would be made available. All these questions are related. The Senator comes from an area where large quantities of grain sorghums are produced.

Mr. CARLSON. The farmers in my State raise commercial corn, wheat, and feed grains.

Mr. HUMPHREY. I know they do, and I know the Senator is deeply concerned about and very well informed on the farm problem.

Mr. CARLSON. I am concerned to this extent: Whatever we do by way of legislation, I hope we will keep in mind that the long-range program will not result in the production of certain crops in areas where such crops do not naturally grow, and will not create new feed grain sections and corn sections and wheat sections. That is a real problem.

Mr. HUMPHREY. Under the proposal advanced by the committee, 51 million acres is the base, and the 15 percent, whether taken out of corn acreage or other tillable acres, will be land set aside and not produced upon. It will not go into alternative crops. It will be set aside as nonproductive land.

There is no intention, in the bill before the Senate, to increase the production of any competing commodity or feed. The only question is whether the measure will be as effective a piece of legislation as some of us would like to have. I am not making the argument that this is a perfect piece of proposed legislation. It did not meet all the requirements the junior Senator from Minnesota thought it should meet. That is all right. I am sometimes a minority of one in the committee. The chairman respects our right to have differences in our points of view.

The bill does meet the approval of a substantial majority of the committee. I am convinced that the bill meets the requirements laid down by the Department of Agriculture as to acreage, soil-bank participation, and feed-grain programing. It meets the requirements laid down in the testimony of Mr. Woolley, of the American Farm Bureau Federation. I have letters from State and county farm bureau groups in support of the bill.

The bill meets in part the requirements laid down by the National Farmers Union. That organization wanted a much more comprehensive program than the bill provides. The bill meets the requirements laid down by the National Grange for emergency requirements. I conclude by saying that what we really need is a better program.

Mr. CARLSON. I had some misgivings about the program, but the Senator from Minnesota has been so convincing that I think I shall vote for the bill.

Mr. HUMPHREY. I thank the Senator.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I apologize for not having been present earlier in the discussion. I know the Senator from Minnesota has been active and has taken a most laudable position in trying to work out the corn problem, which is troublesome at best. My colleague [Mr. CARLSON] and I are vitally interested in what the impact of this proposed legislation is going to be upon the overall grain economy of our area or section.

I note on page 6 of the report, in table No. 2, the 1957 acreage reserve fund utilization.

Mr. HUMPHREY. Yes.

Mr. SCHOEPPEL. There are four columns contained in the table. The first column shows the maximum permitted in any crop year. The Senator from Minnesota will observe the amount of

money which is permitted there, in millions of dollars, as well as the allocations, which are set forth.

Mr. HUMPHREY. Yes.

Mr. SCHOEPPEL. The third column shows the maximum payment as of March 22, 1957.

There is one thing which concerns me, namely, the amount available for reallocation to corn.

Mr. HUMPHREY. Yes.

Mr. SCHOEPPEL. I am also concerned about wheat. For instance, the amount available for reallocation to corn from cotton is $60.5 million; from rice, $500,000; from tobacco, $16.1 million; and from wheat, $32.6 million.

Is this to be a precedent-establishing proposition? Those of us who come from wheat-raising areas are vitally concerned. Does the action proposed mean that funds which have been allocated to and which could be utilized for wheat will be expended in the corn area? That is what concerns me.

Mr. HUMPHREY. I think the Senator has a right to be concerned. I tried to be candid and frank about this matter a few moments ago, when I said that the moneys which would be available for this particular program, as outlined in the bill, over and above the money now available, would have to come from the unused portions of funds allocated to other crops.

I do not wish to have what is done considered a precedent, I will say to the Senator from Kansas. I would deem it unfortunate if it should be so considered.

The Congress felt a soil-bank program of about $1.5 billion was required. Since the total feed-supply situation is the issue involved here, and corn seems to be one of the commodities which is not under control, we might be wise to utilize the funds to control the production of corn.

Mr. SCHOEPPEL. If the distinguished Senator will yield further, I am concerned about the point my colleague touched upon a while ago, when he asked whether there would be an opportunity for additional acreage to go into the soil bank.

Mr. HUMPHREY. Yes; there will be.

Mr. SCHOEPPEL. We were clipped pretty short in Kansas, as the Senator knows.

Mr. HUMPHREY. Yes.

Mr. SCHOEPPEL. If this is to be considered as establishing a precedent, the Senator can readily understand how a number of farmers in my area, who grow wheat and who would like to put some of their acreage into the soil bank, will feel, as they observe the money going into the corn area, under a rather liberal program, from their view. Under those circumstances, they are going to be concerned.

Mr. HUMPHREY. The Senator raises a very familiar question. I am not here with any readymade answers, to please everybody. All I can say is that it was the view of the representatives of the Department who consulted with us that what is proposed represented a workable program which would be helpful, and that the moneys were available. It is not to be looked upon as a precedent.

Mr. SCHOEPPEL. It is only for 1 year.

Mr. HUMPHREY. Absolutely, for only 1 year.

In section 3 of the bill, as the Senator is aware, we have made it quite clear that we are unhappy with the year-by-year approach. We have to take a look at the total feed-grain situation, which includes wheat, as well as corn and the other feed grains.

To be very candid, I may say that this program is at best an emergency program. I make no claim that it is perfect. It has its limitations. I believe that all of us who are engaging in this colloquy, at least, ought to understand that the proposed legislation is not to be interpreted as establishing a precedent for dipping into the funds allocated to other commodities.

I wish to thank the Senator from Kansas very much for his questions.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. ELLENDER. I should like to point out, for the record, that up to March 29 the number of acres offered for the soil bank was 5,560,465, and it will take $500,000 more than has been allotted for the corn program to cover payments for the acreage.

As the Senator knows, the corn program has an allotment of $217 million, and $217,500,000 is required for the acres already promised, which are to come under the soil bank under the present program.

Mr. HUMPHREY. The Senator is correct.

I wish to say to the Senator from Kansas that the signup features have already been closed on other commodities, so that no one who is in is going to be pushed out. Those who are in are protected. That is a contract obligation.

Mr. KEFAUVER and Mr. COOPER rose.

Mr. HUMPHREY. Will the Senator from Kentucky [Mr. COOPER] permit me to yield to the Senator from Tennessee [Mr. KEFAUVER], and then I shall yield to the Senator from Kentucky.

Mr. KEFAUVER. I thank the Senator.

The Senator has given a very excellent explanation of the bill. Judging from his explanation, it would appear that the farmers who produce corn certainly have a program which is well thought out, and which will afford them better prices generally for their products, without creating a temptation to grow an extra amount, as they did last year. Is that not correct?

Mr. HUMPHREY. The Senator is correct.

Mr. KEFAUVER. The Senator said this proposal would increase the soil-bank payments to corn producers to some extent. Has there been any estimate of the amount of such increase?

Mr. HUMPHREY. The maximum amount which would be permissible, if all the unused funds were to be used, would be approximately another $100 million.

Mr. ELLENDER. It is $300 million altogether.

Mr. HUMPHREY. It is about $300 million altogether; is that correct?

Mr. ELLENDER. The Senator is correct.

Mr. HUMPHREY. The chairman of the committee assures me it is about $300 million altogether.

Mr. KEFAUVER. The chart on page 136 of the hearings before the Committee on Agriculture and Forestry gives the total number of acres planted to corn last year as being 56,275,000.

Mr. HUMPHREY. That is the commercial corn area.

Mr. KEFAUVER. What was the additional acreage for the noncommercial area?

Mr. HUMPHREY. Approximately 85 million acres is the traditional amount of planting. It varies somewhat from year to year.

Mr. ELLENDER. It was 75 million acres plus.

Mr. HUMPHREY. The Senator from Louisiana says the total was 75 million acres plus.

Mr. ELLENDER. Seventy-five million nine hundred and fifty thousand.

Mr. HUMPHREY. I believe in the highest year the total was about 85 million acres. The 1954–55 average was 83 million. It was up in the eighty millions, and last year it dropped down to about 75 million acres.

Mr. ELLENDER. Siventy-five million nine hundred and fifty thousand.

Mr. KEFAUVER. I believe the Senators feels that reducing the price the Secretary could pay to noncompliers to about $1.01 per bushel, whereas last year they received $1.25 per bushel, would have a tendency to reduce substantially the number of acres which would be planted to corn.

Mr. HUMPHREY. That is my view. As compared to the present situation, the pending bill would make it possible for a larger number of farmers to come in under the protections of the provisions of the soil bank. There is an incentive for them to take acres out of production, and then put such acres into the acreage reserve or into the conservation reserve, thereby reducing either the production of corn or of some competing feed grain.

Mr. KEFAUVER. If we assume that this year there will be a repetition of what happened last year, with the payment of a $1.25 support to noncompliers, this program perhaps will not cost any more than the program which was applied to corn last year.

Mr. HUMPHREY. It will cost less.

Mr. KEFAUVER. Have any estimates been made as to how this cost can be calculated, in comparison with the cost of last year?

Mr. HUMPHREY. I do not have such an estimate myself. The chairman of the committee may have some information he desires to present a little later.

When I talk about costs, I believe I should make it clear that the cost for last year is being felt this year in the cash price of corn, because by paying the fixed price of $1.25 to noncompliers—farmers who planted any and all they wished to—the market was glutted, which forced the cash price down. That is the loss. The loss was not so much

a loss to the Federal Treasury as it was a loss to the individual treasury, or individual resources of farm producers.

Does the Senator from Louisiana desire to add to that?

Mr. ELLENDER. The cost of the program last year was just under $180 million, and the production of corn increased 219 million bushels. So the soil-bank program did not work at all last year. As I pointed out in the debate, it cost the taxpayers almost $180 million, and resulted in the production of more corn than was produced the year before.

Mr. KEFAUVER. That makes it all the more difficult to deal with the corn program this year.

Mr. HUMPHREY. It does, indeed. Last year a great deal of the corn acreage which went into the soil bank was acreage already somewhat destroyed by drought, or other conditions of nature. The gate was held open for a long time, to enable the program to include producers who, perhaps, should not have been included under that program, but under a drought-relief program.

Mr. KEFAUVER. I think the Senator has a very good stopgap program, and I certainly shall support it. This is a very important bill to the farmers of Tennessee, who have been turning to corn and livestock for crops in increasing numbers through the years.

To indicate the importance to Tennessee, where the farmers have been experiencing decreased incomes as they have in the rest of the Nation, we need only look at the fact that the crop there is about 48 million bushels. Of course, not all this corn is sold. Much of it is fed to livestock, and it is the basis for between one hundred and sixty and one hundred and seventy million dollars in annual livestock production in addition to the income from that portion of the corn that is sold.

I think this is a good bill. Furthermore, I am particularly in favor of the provisions which would mean some additional 85,000 acres in Tennessee in the soil bank, in order to rebuild the soil.

President Eisenhower and Mr. Benson have made the soil bank a key point in their agricultural program—now let us give them the authority to use it to its utmost.

I join with those urging passage of this measure.

Mr. HUMPHREY. I am very grateful to the Senator, not only for his support, but for his keen interest in the program. As the Senator says, it is not a program which will necessarily meet all the requirements, but it is an improvement over what we have had, and perhaps the best we can do.

Mr. ELLENDER rose.

Mr. HUMPHREY. Does the Senator from Louisiana wish to supplement the RECORD?

Mr. ELLENDER. To be perfectly frank, what really caused the great production of corn last year was good weather. It rained at the right time. I have before me a chart showing the situation with respect to the State of Missouri. As I pointed out to my good friend from Missouri [Mr. SYMINGTON] a moment ago, the acreage was 291,657 less than that for the previous year, and yet, because of good weather conditions which prevailed, 22,003,000 more bushels of corn were produced. I believe that condition was due entirely to good weather.

Mr. HUMPHREY. So it is fair to say that if there had not been acres taken out of production, with the good weather which prevailed the result would have been an even greater surplus.

Mr. ELLENDER. Therefore I would not say that all of the soil bank acreage was taken out of the drought area.

Mr. HUMPHREY. Not all of it.

Mr. ELLENDER. A good portion of it was taken from big corn-producing States such as Iowa, which had 1,298,414 acres in the soil bank.

Mr. HUMPHREY. Let me say to my good friend from Louisiana that while it may have been raining in Louisiana, it was drier than a bone in some sections of Iowa last year.

Mr. ELLENDER. Iowa produced, on 33,000 acres less land in 1956 as compared with 1955, only 521,000 bushels less than in the previous year.

Mr. HUMPHREY. I am not an expert on Iowa corn production, but I see that the expert is present in the Chamber, and I know we shall hear from him.

Mr. ELLENDER. I am certain that that condition was due primarily to good weather conditions at the right time.

Mr. HUMPHREY. I shall reserve any comment on that feature of this debate for the Senator from Iowa, who is prepared to defend not only the honor and reputation and the other great qualities of his State, but also the legitimacy of his argument.

At this point I should like to yield to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I congratulate the distinguished Senator on the effort he has made to develop a program which will be more helpful to the corn producers in the future. The Senator has perhaps already discussed some of the questions which I should like to direct to him.

Mr. HUMPHREY. I shall be glad to have the Senator from Kentucky ask me any questions he has in mind.

Mr. COOPER. My questions are directed to the consequences which the bill, if passed, would have upon farmers who have already placed a part of their acreage in the soil bank, under the acreage-reserve program. Let me give the Senator a specific and concrete example.

In my own State of Kentucky 190,165 acres have been placed in the acreage reserve. That, of course, was done after the referendum of last December. Would the bill, if enacted into law, in any way affect the validity of the contracts which have been signed?

Mr. HUMPHREY. No. I should say that while the contracts might be subject to being reopened, it will only be for the purpose of adding more acres. The Department personnel who worked with us, and who commented on the question of the validity of the contracts, indicated that if more acres were made available to the soil bank, a contract could be amended to include more.

Mr. COOPER. What about the payments?

Mr. HUMPHREY. The payments would remain as originally established by Congress.

Mr. COOPER. As the Senator has said, if more acreage were made available than is available under the present contracts, the contracts could be amended to include more. If any addition should be made available, it might be possible to place 15 percent of the additional acreage in the soil bank.

Mr. HUMPHREY. That is right—either in the acreage reserve or in the conservation reserve.

Mr. COOPER. What consequences would the passage of the bill have upon the price supports of the farmers who have made their plans under the referendum which was taken?

Mr. HUMPHREY. The Department has assured us that it contemplates supporting corn at about $1.36. That would be the minimum. It would not go below that figure. The Department would see to it that it did not go below 75 percent of parity. Under the referendum proposal, it could have come from zero to 90 percent. Under the proposed legislation, it would be no lower than 75 and no higher than 90. The farmers could not lose. They would be guaranteed a minimum of 75 percent, and a maximum of no more than 90 percent.

Mr. COOPER. Consider the case of a farmer who has already placed certain acreage in the soil-bank acreage reserve. If his total allotment were increased, he would not be required to increase his acreage reserve or conservation reserve beyond 15 percent of any increase, would he?

Mr. HUMPHREY. No. That is a question concerning which I have sent a telegram to the Secretary requesting a specific answer. It was my understanding, from conversation with the Department officials who were with us, that there would be no such requirement, since such a contract would be valid. But I want it honored, and I know that is what the Senator wants, so he can assure his producers. I shall insert in the RECORD a copy of my telegram to Secretary Benson, with a series of four questions which relate to the very point which the Senator is now making.

Mr. COOPER. I thank the Senator.

Mr. HUMPHREY. I am very grateful to the Senator for his participation.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I, too, desire to congratulate the distinguished junior Senator from Minnesota for a very penetrating analysis of this most difficult subject. He has been very helpful to the junior Senator from Colorado. This is a very complex and difficult bill. I should like to ask a question, in simple terms, so that I can take the answer back home and talk with cattlemen about it.

I should like to have the Senator state again, if he will, why it is necessary to have a price support for corn, in view of the greatest carryover in history, and, in the year 1956, the second greatest corn

production, I believe, in the history of the United States. If those be the facts, why is it necessary that we have this legislation? Perhaps I shall add another question. If I correctly understand the Senator's remarks, operating under the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 the acreage allotment for this year is 37.3 million acres.

Mr. HUMPHREY. For this year.

Mr. CARROLL. Yes. However, in 1956 the Congress itself moved the acreage up to 51 million acres.

Mr. HUMPHREY. Last year.

Mr. CARROLL. Last year—1956. Now we are confronted with this question: If we do nothing, if we do not pass the pending bill, what will be the effect upon the agricultural situation generally, not only with reference to corn, but with reference to other feed grains? What will be the effect upon the livestock and poultry industries? I know the Senator has covered this question from a technical standpoint. But I hear this story at home: the cattlemen and small bankers in the cattle-producing areas are under the impression that the high price of corn is reflected in the price of other feed grains. They argue that it affects cattle prices and poultry prices.

Let me read from the testimony of Mr. Frank C. Woolley, legislative counsel of the American Farm Bureau Federation, on page 56 of the printed hearings:

> In the case of the Corn Belt, the Government has held the price of corn up so high that large supplies of corn have been held off the market. This has induced farmers outside the Corn Belt to go into the production of feed grains. They have taken their own resources plus Government price support and other assistance and gone into the production of feed. By producing feed from these resources they have increased livestock production. Increased livestock and poultry production throughout the entire country has weakened prices for farmers inside and outside the Corn Belt.

We in Colorado are not in a great commercial producing area. We have some corn acreage, but it is mostly used for feed, and I do not believe there is much participation in either the soil bank, or the price-support program. I am concerned, however, with the effect of this bill upon the cattle and poultry industries. Therefore, I was much impressed by what the Senator had to say particularly with relation to the whole feed grain economic situation.

Again I thank the Senator for his explanation because I believe this whole problem affects the cattle business.

Mr. HUMPHREY. It does have relationship, of course. What I have said is not only my own opinion, because I do not have great personal experience in this field, but it is the opinion also of men in the cattle business and of experts in the Department of Agriculture who have studied the subject for many years. They agree that cheap feed ultimately means greater production of hogs and cattle, and that in turn means surpluses. Surpluses, of course, in turn, mean depressed prices.

There used to be a school of thought in this country which held that if it were possible to get cheap feed in the Midwest, it might be beneficial to the East or to the Far West or to the South.

What happens is that if it becomes cheap in one part of the country it becomes contagious and extends throughout the country, right down the line.

A farmer is entitled to a fair price. A price support of 70 percent for feed grains is 30 percent less than fair. The corn program provides a minimum of 75 percent. That is about what the price-support level will be, or perhaps about 77 percent, this year. That is not a very high price. What I have said is not only my own opinion but has been expressed by every witness who came before us, including even Mr. Woolley. Mr. Woolley in his testimony had some comment to make with reference to cheap feed-grain prices. He said:

> The "cheap feed means cheap livestock" argument doesn't commence in the right place. It would be more accurate and meaningful to say "surplus feed means cheap feed and cheap livestock."

In the main I agree with that statement. How do we get our surplus feed? Farmers need so much money with which to operate. If a farmer cannot earn a living by working 40 hours a week, he works 60 hours a week. If he cannot make a living from 5,000 bushels of wheat, because the price does not give him sufficient income, he produces 8,000 bushels of wheat. It becomes a vicious circle. He keeps producing more and getting less. That situation is as old as any truism in agricultural economics.

I would disagree with Mr. Woolley in this sense, that one of the reasons farmers in certain areas have gone into the production of competitive crops is that the crop which was historically or traditionally raised in their area was so restricted in production and in price that the farmers could not stay in business when they took severe acreage limitations, and so they had to plant something else in order to stay in business. That is the reason why, basically, the junior Senator from Minnesota has supported high price supports. I have worked on the proposition that if it is possible to get a minimum price which is reasonable, it will be possible to produce less and to enforce the lower production, because the farmer would then have enough take-home pay from what he produced and would not have to produce higher and higher amounts.

Mr. CARROLL. What the Senator is saying, then, is that if the bill is not passed, under existing law production will be increased. Is that correct?

Mr. HUMPHREY. I surely believe so. If the bill is not passed we can look forward to more feed grain production and more corn production, particularly more of the competitive feed grains.

Mr. CARROLL. And the reason for that is——

Mr. HUMPHREY. For the simple reason that there are not enough acres available under existing law to be brought into the program so that it is possible to curb production adequately in order to limit supply.

Mr. CARROLL. Then by price supports, in effect, what we are doing is curbing production. Is that correct?

Mr. HUMPHREY. We are helping to do that. This bill does not contain all I should like to see in it. I believe if we offered farmers $1.50 a bushel by way of price support, if they complied with controls, we would go a long way toward solving the problem. How would they comply? They would comply by taking 15 of their corn acres out of production. We would guarantee them a $1.50 guaranteed corn price, and they would cut their corn acreage by 15 percent.

Under the pending bill, as the chairman has indicated, we have it both ways. A farmer can cut his corn acreage 15 percent to get the maximum benefits or he can go into his other tillable acres under the conservation acreage reserve program and cut them by an equivalent 15 percent and still get the price support benefits.

Mr. CARROLL. I have one further question to ask of the Senator. Do I correctly understand the Senator to say that if we pass the pending bill, we can look forward to a further treatment of the feed-grain problem by Congress, not only in relation to corn, but——

Mr. HUMPHREY. If we pass the bill, and if it is passed by the other House, we will have given a mandate to the Department of Agriculture to come before Congress not later than June 1 with a total feed-grain program, which will mean a great deal to the State of Colorado, I may say to the Senator.

Mr. CARROLL. Certainly. The Senator from Louisiana and the Senator from Minnesota, the agricultural experts in Congress, and the leading economists in the Nation have been saying that one of the softest spots in our economy is agriculture. If we were to pass this bill, would it be a step forward; would it be a springboard from which we could move forward in an attempt to solve the very important overall agricultural question?

Mr. HUMPHREY. It might not be as long a step forward as the Senator from Louisiana or the junior Senator from Minnesota would like to have taken at this time, but it would be a step forward. Certainly it would be an inching along toward improving the situation.

Mr. CARROLL. I wondered whether this would be a springboard for a further program.

Mr. HUMPHREY. The Senator is correct.

Mr. CARROLL. I desire to thank the Senator from Minnesota. He has been very helpful.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. Will the Senator permit me to complete a few more pages of my prepared statement and present some material for the RECORD before I yield to him? I should like to complete my remarks on this subject before yielding again.

Mr. CASE of South Dakota. Certainly.

Mr. HUMPHREY. Senators who have been more concerned about other feed grains than corn would be doing a disservice to their producers—and I am sure their producers will so regard it—if they turn down this opportunity to start work on farm legislation covering their commodities a year in advance instead of waiting until planting time is at hand next year.

It is not too late for substantial benefits this year in the major corn producing areas, and what happens in those areas will affect the markets for every other area of the country.

The effect of this measure will be to expand acreage taken out of production and put into the soil bank.

It does not cancel in any way the existing contracts the Department has signed with producers.

The Department has indicated that under existing authorizations and budgets it can allocate $100 million for taking additional corn land out of production if this measure is enacted.

It would give first priority to farmers who have already shown a desire to comply with controls by signing up with the soil bank, allowing them to increase corn acreage in the acreage reserve up to 15 percent of the respective corn base.

All other corn farms in the commercial corn area would be allowed to sign agreements for the larger of 5 acres or 15 percent of the farm corn soil bank base.

It is strange to hear desk-bound farm spokesmen in Washington talk about the proposed legislation as being "too late," when farmers in the area most directly concerned say just the opposite.

Let me read a letter from the Cedar County Farm Bureau in Iowa:

> CEDAR COUNTY FARM BUREAU,
> *Tipton, Iowa, March 30, 1957.*
>
> Hon. HUBERT HUMPHREY,
> *Senate Office Building,*
> *Washington, D. C.*
>
> DEAR SENATOR: You are to be commended for your efforts in attempting to join with your colleagues to develop a bipartisan corn program which passed the Agriculture Committee. I am sure that corn farmers and Farm Bureau leaders in Iowa would heartily endorse this program at least for this year until we can work out a program that will apply to all feed grains over a longer period of time.
>
> Needless to say I was shocked, disappointed, and quite upset about the testimony offered by Frank Woolley, of the American Farm Bureau Federation, after all the effort we in Iowa have put forth to achieve a planter-box choice type of legislation. Certainly your bipartisan legislation would not be as costly or as damaging as the prospects of price-supported noncompliance corn.
>
> I would like to personally be on record as very much in favor of the enlarged base acreage plan with the opportunity for greater compliance. There is still plenty of time to initiate this program if acted upon soon.
>
> I do not know what caused this change in attitude, and until I receive some better reasons than those advanced by Mr. Woolley, I must support your program and wish you success with it. We must have it.
>
> Sincerely,
>
> CARROLL L. CAUDLE,
> *Fieldman.*

All the other mail I have received from Iowa seems to agree. Here is the telegram I have received from the president of the National Farmers Organization at Corning, Iowa:

> Senator HUBERT HUMPHREY,
> *United States Senate,*
> *Washington, D. C.:*
>
> The National Farmers Organization would like to compliment you and the other Senators on your efforts to pass emergency legislation for corn this year. Planting season is here and we must prevent a complete breakdown on the corn program. The N. F. O. will support the bill that you have presented. It is the best possible corn legislation that has a chance to pass at this late date. This bill would give us something to build on in the future. The fifty-one-million base acreage is a realistic allotment and the bill will retain corn as a basic crop, both very important. We especially like the provision to face the problem of total feed grain supply in the near future. We are still 100 percent of parity because we feel this is only fair for the farmers, but under the present circumstances we feel that all farm organizations should support this bill if they are interested in partially correcting a serious situation because the December 11 referendum left the farmers little to choose between.
>
> OREN LEE STALEY,
> *President, National Farmers Organization, Corning, Iowa.*

Here is another letter, this one from State Representative Albert Lund, of Iowa, a member of the agriculture committee of the Iowa Legislature. He says:

> MARCH 27, 1957.
>
> Hon. HUBERT HUMPHREY,
> *United States Senate,*
> *Washington, D. C.*
>
> DEAR SENATOR: I am a farmer and have always made my living that way. In my humble opinion the 51-million-acre commercial area allotment and support at $1.36 will do more than anything else to relieve some of the cost-price squeeze that we find ourselves in today. I sincerely hope that you and your cosponsors succeed in carrying the corn bill to fruition. Your efforts in our behalf are certainly appreciated.
>
> Sincerely,
>
> ALBERT LUND,
> *State Representative.*

These are random samples I have received, typical of the rest.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. I was struck by a phrase used in some of the letters which the Senator from Minnesota has been reading. I certainly agree with the person who suggested that to proceed on the 37-million-acre base would be unrealistic. Fifty-one million acres actually is the minimum base which should be established, especially in view of the fact that the number of commercial corn-growing counties has increased during the past year.

In my own State, there has been only about a 40-percent compliance with corn allotments during the past few years, even when based on 49 million or 51 million acres.

To try to base the corn allotment on 37 million acres would mean that there would be no compliance at all. The production of corn would increase, and the problems attendant upon that happening would follow. I certainly believe we should proceed with the proposed legislation.

As to the question of whether there is still time—even in Iowa, which is south of South Dakota, corn planting will not be under way for another month. So there certainly is time to enact legislation, and I commend the Committee on Agriculture and Forestry for reporting the bill. I hope it will be passed, and that the House will concur in it.

Mr. HUMPHREY. I am most grateful to the Senator from South Dakota for his support. He understands the farm situation in his State, and his words of encouragement are very helpful. I thank him sincerely.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield for a short statement by me, and then for some questions?

Mr. HUMPHREY. I am always happy to yield to my friend and colleague from Missouri.

Mr. SYMINGTON. It is always a pleasure to discuss farm matters with the great expert, the distinguished junior Senator from Minnesota.

Mr. President, the Senate is considering a bill to amend the Agricultural Act of 1956, with respect to the 1957 corn crop.

In general, I am in favor of the provisions of the bill.

I believe that if the soil bank is to be made an effective tool in solving our farm problems, there must be a high degree of participation in the program. It was for that reason that I cosponsored with the Senator from Minnesota [Mr. HUMPHREY] a bill which we felt would have provided the necessary incentive to the farmer to participate in the soil bank.

That bill—S. 1362—provided for a 51 million acre corn allotment, with the price support at $1.50.

The bill required that the cooperator reduce his corn plantings 15 percent of the allotted corn acreage.

It would have provided the incentive to the farmer to participate in the program.

It would have substantially reduced corn production in the 1957 year.

The committee bill which is before the Senate today—S. 1771—is also designed to get the necessary participation. It should result in a more effective soil bank than there is under existing law.

But, lest we forget, let it be stated again that it is a temporary measure—for the 1957 crop only. That is our immediate problem, and therefore I urge its enactment.

It is essential, however, that we begin immediately to seek more permanent legislation, which would include all feed grains. This is a logical approach to our feed grain and livestock problems.

Corn is but one of several crops which are used almost exclusively as feed for livestock. Barley, oats, and the grain sorghums are excellent substitutes for corn and are widely used today. Farmers will naturally shift to the crop that offers the most attractive opportunity to make a profit.

Therefore, unless we approach the problem from the standpoint of all grains, not simply corn, we will never obtain an effective program.

Mr. President, I am certain that all of us are aware of the high inverse relationship between the price of feed grains and livestock numbers. When the prices of feed grains fall, farmers throughout the Nation feed more cattle and hogs.

In reality, they are marketing the lower priced feed grains.

This would be fine, except for another inverse relationship between livestock numbers and livestock prices. As more and more farmers use the cheap feed grains to market more and more livestock, the obvious occurs. Livestock prices drop to ridiculously low levels. We saw the results in the fall of 1955, when cattle prices were below $20 per hundredweight and hog prices were down to $10.

Therefore, when we consider proposed price-support legislation on any of the feed grains, we are, in reality, also preventing livestock prices from dropping to disastrous levels.

Mr. President, there is one other point about this bill regarding which I have serious reservations.

Under the existing law, the deadline for the signup of corn producers under the acreage reserve section of the Soil Bank Act was March 8. The Department had announced maximum limits for individual participation of 20 acres, or 30 percent of the corn allotment or base, whichever was greater. At the same time, farmers could list additional overlimit acreage to go into the soil bank, if they so desired.

The USDA stated that, if funds were available, this overlimit acreage would be accepted. The Department is now accepting any additional acreage that was offered prior to March 8.

After 5 years of prolonged drought, the soil moisture level in many counties in Missouri is so low that prospects of a good crop this year are slim. Therefore, many Missouri farmers elected to offer additional acreage—over and above the 20 acres or 30 percent limitation. The latest figures I have show that in Missouri this amounts to 130,000 acres from about 9,000 farmers.

These farmers, in good faith, signed binding contracts with the Government to place this additional overlimit acreage in the soil bank. They are bound, under penalty of a civil suit, to carry out their part of the agreement.

The Department has announced that, if legislation is enacted by this Congress, it will be possible for corn producers to place increased acreage in the soil bank.

But as I understand the letter of the Secretary of Agriculture to the Senate Agriculture Committee, that letter does not specifically commit the Department of Agriculture to honor the agreements made by the Department with the corn producers concerning overlimit signed corn agreements.

Are these agreements to be honored? That is what the Senator from Missouri wants to know. Let me ask my good friend, the Senator from Minnesota, whether he believes they are to be honored.

Mr. HUMPHREY. It is my belief that they are to be honored. That is the understanding I have as a result of conversations with representatives of the Department.

Let me point out that this matter has been taken up with the Secretary of Agriculture; and in my wire of yesterday to the Secretary of Agriculture, I specifically asked this question:

> If S. 1771 is enacted, would the Department specifically honor the existing overlimit corn agreements it has made with corn producers under the soil bank?

I believe that is what the Senator from Missouri wishes to know.

Mr. SYMINGTON. That is correct.

Mr. HUMPHREY. I am hopeful that the Secretary of Agriculture will respond today to my telegram. I have been waiting all day for his response. My wire went to the Department of Agriculture yesterday, at about 3 p. m.; and a reply should be received today from the Department; or, if not today, on tomorrow. I am sure we shall receive it before we vote on the bill.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield for a brief statement?

The PRESIDING OFFICER (Mr. CORTON in the chair). Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. HUMPHREY. Certainly, Mr. President.

Mr. SYMINGTON. Mr. President, it must be clear that this reopening will not cancel any of the contracts which many Missouri farmers—and other farmers throughout the country—have signed. These farmers signed these contracts in good faith; they have made their plans accordingly; they have a right to expect them to be carried out.

By the same token, merely because farmers have signed up under the existing law, they should not be prevented from participating in any new legislation that is enacted. The Department has agreed to that.

I am willing to support this bill only if the farmers of Missouri and the Nation are protected against discrimination resulting from the current confusion.

Again let me ask, Are these agreements, already signed on overlimit corn acres, going to be honored?

Mr. HUMPHREY. Yes. Let me add that the testimony given by the representatives of the Department indicated that farmers who have been compliers in the past will be given first priority in the case of new acres made available under this program.

Mr. SYMINGTON. Does the Senator from Minnesota agree that that will be the fair way to proceed?

Mr. HUMPHREY. Yes; that will be the fair way to do it. I am sure we shall have the specific answer of the Department in response to my letter. I want the farmers to be assured in writing, in response to the questions the Senator from Missouri has asked.

Mr. SYMINGTON. I thank the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD my telegram of yesterday to the Secretary of Agriculture, Ezra Taft Benson. The wire sets forth the questions which have repeatedly been asked this afternoon by Members of the Senate who are keenly concerned about the proposed legislation.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

APRIL 8, 1957.

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.:

Request immediate answer to these questions:

1. Do you feel there would be more, or less, participation by corn producers in soil bank in 1957 if S. 1771 is enacted?

2. Do you feel there would be more, or less, corn production in 1957 if S. 1771 is enacted?

3. Do you feel that CCC would be called upon to take over less, or more, corn or other feed grains as a result of support loans on the 1957 crop if S. 1771 is enacted?

4. If S. 1771 is enacted would the Department specifically honor the existing overlimit corn agreements it has made with corn producers under the soil bank?

HUBERT H. HUMPHREY,
United States Senator.

Mr. HUMPHREY. Mr. President, in conclusion I wish to submit certain telegrams I have received, which are in support of the pending bill.

The Farmers Union in Iowa has taken a stand similar to that I have already recited on the part of other farm organizations. I have before me a telegram from the O'Brien County Farmers Union of Iowa, which supports this measure. The telegram reads as follows:

SHELDON, IOWA, *March 27, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We members of Farmers National Union of O'Brien County, Iowa, passed a resolution to lend our support to the bill allowing 51 million acres of corn to be planted in 1957 in the Corn Belt as emergency legislation for this year, but in no way deviating from our long-range program of supports at 90 percent of parity or more.

E. DALE GRAHAM,
Secretary-Treasurer.

Mr. President, I wish the RECORD to note also that the official publication of the Iowa Farm Bureau, known as the Farm Bureau Spokesman, in the issue for Saturday, April 6, 1957, volume 23, No. 32, has, as its lead article, one entitled "It Is Late, but Last Ditch Effort Under Way for 1957 Corn Base Program—Farm Bureau Supports the Legislation, but Delay Now Could Be Fatal."

I ask unanimous consent that the entire article be printed at this point in the RECORD, as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT IS LATE, BUT LAST DITCH EFFORT UNDER WAY FOR 1957 CORN BASE PROGRAM—FARM BUREAU SUPPORTS THE LEGISLATION, BUT DELAY NOW COULD BE FATAL

Midwest Senators, including our own, are currently making a last-ditch effort to put corn legislation on the books. Their push developed after the House failed to find agreement even on a bipartisan compromise bill.

Like most of the other proposals, the Senate bill would jack up the commercial area corn base to 51 million acres—a level which we feel would be workable, and would be somewhat in line with the acreage floors established by law for certain of the other major crops.

The question now, of course, is no longer one of support for this kind of bill. Farm bureau sought the 51 million acre base last fall prior to the referendum. We have testified repeatedly in support of legislation which would establish a base at that level. Each of our county farm bureaus in Iowa sent a farmer to Washington last month to add local support for such a bill. We're still for it—will be until we get it.

(And, although there was some difference of opinion on the matter of the 51-million base versus the 37-million allotments last fall, the other farm organizations have since come over to the farm bureau side and are now also supporting a base at 51 million acres.)

The question, then, becomes one of time. Small grain is being seeded in Iowa now. Farmers would not want to plow up oats or legume seedings to plant corn. Regardless, plans have been made in most instances. Some 36,000 farmers have signed for the present version of the soil bank, under the low allotments.

Each day's delay at this point means an additional handicap to effective use of new legislation during the 1957 season. Most of us still have vivid memories of the difficulties the late-starting soil bank ran into a year ago. An AFBF spokesman pointed up the problems of tardy legislation in a recent letter to Senator ELLENDER.

Most farmers, then, are agreed that we need the legislation. Most farmers are also well aware that "too late" can be as bad a handicap as "too little." Should the bill—with its wide support from all groups in the Midwest—move through the Senate-House compromise committee and into law within a few days, farmers will do their level best to make it work. Any additional delay can be fatal.

Mr. HUMPHREY. Mr. President, again I note for the record that the Iowa Farm Bureau states that—

> Each of our county farm bureaus in Iowa sent a farmer to Washington last month to add local support for such a bill—

Referring to the bill now before us, Mr. President—

> We are still for it * * * will be until we get it.

That is a very pertinent phrase and a very important statement from this great farm organization in the State of Iowa, because it so happens that the national legislative representative in Washington has given to the Members of the Senate an indication contrary to that view. But I am happy to note that the farm bureaus out in the field, where farmers farm—where they are not desk farmers, but are dirt farmers—are supporting this proposed legislation. They are not supporting it because they think it is perfect, but supporting it because they think it offers a better opportunity for an effective farm program.

Mr. President, at this point I wish to read into the RECORD a telegram from officials of the Minnesota House of Representatives, announcing a unanimous vote in support of raising the allotment for the corn base acreage to 51 million acres.

The telegram reads as follows:

Senator HUBERT HUMPHREY,
United States Senate,
Washington, D. C.:

For your information house of representatives passed H. F. 1433 on March 19 by unanimous vote in support of corn soil bank program as follows. A concurrent resolution memorializing the President, the Secretary of Agriculture, and the Congress of the United States to establish a minimum corn soil bank program. Whereas corn is the major field crop produced in Minnesota and whereas the market price of corn influences the production and price of livestock dairy products and feed grains. And whereas it is essential to hold corn production in line and at the same time maintain a fair level of farm income and whereas under the present corn soil bank program the average cut to 37 million acres is so drastic that the majority of corn farmers are unable to participate in the program. Now therefore be it resolved by the house of representatives (the senate concurring) that the President of the United States, the United States Secretary of Agriculture, and the Congress of the United States be requested to enact a minimum corn soil bank program establishing (1) a minimum corn acreage base in the commercial area of 51 million acres, (2) a support price on corn of $1.50 for 1957 the same level as that established for 1956, and (3) a production requirement that each producer put 15 percent of his corn acreage allotment in the acreage reserve or the conservation reserve of the soil bank as a condition of eligibility for price supports. Be it further resolved that the Secretary of State be instructed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from the State of Minnesota. This resolution now in senate agriculture committee for action.

> Speaker A. I. Johnson; Knestvedt, chairman agriculture committee; Hofstad, chairman dairy products and livestock; Bergeson, vice chairman agriculture committee; C. W. Olson, vice chairman, dairy products and livestock.

Mr. President, from that message from the Legislature of the State of Minnesota, it is apparent that in Minnesota sentiment in favor of the legislation now proposed is equally as strong as the sentiment I have indicated from other sources; and the message from the Minnesota House of Representatives endorses the 51 million acres and also endorses the concept of an overall feed-grain program.

Because it outlines so effectively the key arguments in favor of action now on this bill, I should like to read a telegram from the Minnesota Farmers' Union. It is as follows:

ST. PAUL, MINN., *April 5, 1957.*

Hon. HUBERT H. HUMPHREY,
United States Senator from Minnesota,
United States Senate Office Building,
Washington, D. C.:

We are certainly gratified at the efforts you are making to gain favorable consideration for the farm bill and to convince fellow Members of the Congress that the passage of S. 1771 would still be of extreme importance to corn and feed-grain farmers of the Nation.

We know that you are aware that in determining their vote on this bill Members of the Senate need to consider the position of the individual corn-hog farmer, who next winter, unless action is taken to strengthen prices, will be faced with marketing his corn at about 55 percent of parity or feeding it to hogs which will go to market at about 61 percent of parity. At a time of apparent national prosperity, that would be a condition which ought not to be tolerated, either from a standpoint of justice or because of its threat to the national economy itself.

It is not too late to pass emergency corn legislation, either from the standpoint of added soil-bank participation or of protecting farmers from a further collapse of corn and feed-grain prices and the subsequent undermining of livestock, dairy, and poultry prices.

Action by the Congress to expand the acreage allotment from 37 million to 51 million acres would mean that as much as 700 million more bushels of corn could be eligible for support at the $1.36 support rate. As you may be aware, unless the allotment is increased, less than one-half of the Nation's total corn production will be eligible for support at $1.36. With corn prices right now at about $1.06 per bushel in Minnesota, it seems somewhat optimistic to expect that the open-market prices next winter will be even as high as $1 per bushel.

The difference of 36 cents between the support rate and the probable open-market price would mean some $258 million more in income for the Nation's corn farmers. In Minnesota we know it would mean some $25 million to $30 million more income to our producers.

Under the present 37-million-acre allotment, no soil-bank participation is required for eligibility for price support. However, under the 51-million-acre proposal, 15 percent participation would be required. Whether the reduction came out of corn acres or other cropland acres, there would be a resulting cut in total crop production which would be over and above any reduction which can be expected from the soil-bank signup to date.

The price-support reductions which have been put into force by USDA for 1957—8 cents per bushel on barley, 5 cents per bushel on oats, 17 cents per bushel on flax, and 6 cents per bushel on soybeans—are very serious and will inflict losses running into the hundreds of millions upon the producers of these crops.

We believe an early start of planning of an overall corn and feed grain program for 1958 is vital. Consideration of such a program for 1958 before adjournment of this session would, we believe, have a strengthening effect upon the feed situation and perhaps prevent the market prices from dropping as low as the current support floors.

Thank you again for your efforts on behalf of farmers.

EDWIN CHRISTIANSON,
President, Minnesota Farmers Union.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks other telegrams I have received urging favorable action now on the corn bill. I have received a number of telegrams of that sort; they come from all over the country, from farmers and farm organizations which support the pending bill, S. 1771.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. Mr. President, perhaps this situation can be described in a nutshell by a few quotations from an article entitled "Will Corn Trouble Break Farm Prices?" The article was published in the April issue of the Farm Journal.

This is how the article starts:

> Corn is in real trouble. Deep trouble. Not just this year, but for years ahead—unless something is done.
>
> And when corn's in trouble, all of agriculture is in trouble: Dairymen, poultrymen, range beef men, sheepmen, hog and beef feeders, haygrowers, and anyone who grows feed grain.
>
> It's as simple as this: Cheap feed soon makes cheap livestock, cheap milk, and cheap meat. About 55 percent of the Nation's net farm income comes from livestock and livestock products. The problem, with the husks off, is this: Corn is laboring under a

In reality, they are marketing the lower priced feed grains.

This would be fine, except for another inverse relationship between livestock numbers and livestock prices. As more and more farmers use the cheap feed grains to market more and more livestock, the obvious occurs. Livestock prices drop to ridiculously low levels. We saw the results in the fall of 1955, when cattle prices were below $20 per hundredweight and hog prices were down to $10.

Therefore, when we consider proposed price-support legislation on any of the feed grains, we are, in reality, also preventing livestock prices from dropping to disastrous levels.

Mr. President, there is one other point about this bill regarding which I have serious reservations.

Under the existing law, the deadline for the signup of corn producers under the acreage reserve section of the Soil Bank Act was March 8. The Department had announced maximum limits for individual participation of 20 acres, or 30 percent of the corn allotment or base, whichever was greater. At the same time, farmers could list additional overlimit acreage to go into the soil bank, if they so desired.

The USDA stated that, if funds were available, this overlimit acreage would be accepted. The Department is now accepting any additional acreage that was offered prior to March 8.

After 5 years of prolonged drought, the soil moisture level in many counties in Missouri is so low that prospects of a good crop this year are slim. Therefore, many Missouri farmers elected to offer additional acreage—over and above the 20 acres or 30 percent limitation. The latest figures I have show that in Missouri this amounts to 130,000 acres from about 9,000 farmers.

These farmers, in good faith, signed binding contracts with the Government to place this additional overlimit acreage in the soil bank. They are bound; under penalty of a civil suit, to carry out their part of the agreement.

The Department has announced that, if legislation is enacted by this Congress, it will be possible for corn producers to place increased acreage in the soil bank.

But as I understand the letter of the Secretary of Agriculture to the Senate Agriculture Committee, that letter does not specifically commit the Department of Agriculture to honor the agreements made by the Department with the corn producers concerning overlimit signed corn agreements.

Are these agreements to be honored? That is what the Senator from Missouri wants to know. Let me ask my good friend, the Senator from Minnesota, whether he believes they are to be honored.

Mr. HUMPHREY. It is my belief that they are to be honored. That is the understanding I have as a result of conversations with representatives of the Department.

Let me point out that this matter has been taken up with the Secretary of Agriculture; and in my wire of yesterday to the Secretary of Agriculture, I specifically asked this question:

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Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield for a brief statement?

The PRESIDING OFFICER (Mr. COTTON in the chair). Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. HUMPHREY. Certainly, Mr. President.

Mr. SYMINGTON. Mr. President, it must be clear that this reopening will not cancel any of the contracts which many Missouri farmers—and other farmers throughout the country—have signed. These farmers signed these contracts in good faith; they have made their plans accordingly; they have a right to expect them to be carried out.

By the same token, merely because farmers have signed up under the existing law, they should not be prevented from participating in any new legislation that is enacted. The Department has agreed to that.

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United States Senator from Minnesota,
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> It's as simple as this: Cheap feed soon makes cheap livestock, cheap milk, and cheap meat. About 55 percent of the Nation's net farm income comes from livestock and livestock products. The problem, with the husks off, is this: Corn is laboring under a

billion bushel surplus that's growing bigger—maybe to 1½ billion after this fall. That's half a year's total production.

As the supply goes up, the corn acreage allotment goes down—and since there's no floor on corn allotment acreage, it can go clear to the cellar.

The allotment is so small now (37.3 million acres) that it would be hard to round up a posse from corn farmers who are going to stick with their allotments. The rest will likely plant from fence row to fence row and shoot for the moon.

Sure, Secretary Benson might put a price floor under noncompliance corn. That would keep corn prices up off the rug, and might head off a truly disastrous drop in meat prices later—by shunting some of the crop into Government bins instead of into the bellies of more hogs and cattle. (But if supports are announced now, it will increase the corn plantings—and the surplus of grain.) That merely postpones trouble. What can be done to throttle back that supply? The soil bank could help, but won't do much now—a farmer can't participate until he cuts down to his allotted acres, and allotments are so low he won't. So we might as well kiss the soil bank and its high hopes goodbye in the Midwest.

The article goes on to ask "What can we do about it?" expressing doubt that much will be done unless "Congress has a change of heart."

But then it adds:

Congress could, if it wanted to, act fast and shut off the corn avalanche this fall—and save the soil bank.

The article concludes:

If Congress does not act, about all the farmers can do is decide to go slow on expanding corn acreage—and maybe grow more of other crops. That's not much of a program—with meat, milk, and egg prices hanging on the outcome.

Mr. President, I have that article here with me. It appeared, as I said, in the Farm Journal, one of the most conservative of the farm magazines. It makes a valid point of what may happen if we fail to act. I may further say that many persons comment on this subject with such limited knowledge as to the interdependability of these subjects that their statements become distorted. The article points out that what happens to this great basic commodity, or, as the Secretary of Agriculture said, this superbasic agricultural commodity, may well determine what is going to happen to all of agriculture.

Mr. President, I hope my warning will be heeded. Those who may argue against the bill today on grounds of economy will have red faces next year, when they tally the results.

Failure to act now will be the most costly decision of this Congress, in terms of damage to our economy and actual cost to taxpayers, through later efforts to bail out agriculture for the plight we shall get it into if we let prices collapse still further.

Mr. President, the bill, S. 1771, as I said earlier, represents a compromise proposal. It is a sincere bipartisan effort to protect our agricultural economy. I lay no claim to its authorship. It has merely been my privilege and responsibility to report it on behalf of the committee. I am happy to be associated with it, and I feel it merits the favorable attention and support of the Members of the United States Senate and, ultimately, of the Congress.

EXHIBIT A

KELLOGG, MINN., *April 8, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

The Umbro Valley Farmers Union local wants you to vote for the 51 million acre corn allotment and for $1.50 a bushel with 15 percent to be put into the soil bank. Please encourage as many Senators as possible to vote for the 51 million acre allotment as if something isn't done now cheap grain is going to lead to cheap livestock by a year from now or sooner. Keep up your good work on the farm program. Local now has 120 farm families in their membership.

DONALD A. TENTIS.

FARIBAULT, MINN., *April 2, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We urge your support on the passage of the bipartisan Senate bill No. 1771.

WALTER JANDRO,
G. J. CARON.

WILLMAR, MINN., *April 2, 1957.*

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

We want to thank you for your work on bill 1771 Senate file. Good luck.

KANDIYOHI COUNTY FARMERS UNION,
MRS. ALICE KLEBERG, *Secretary.*

MORRIS, MINN., *April 2, 1957.*

Senator HUMPHREY,
Senate Office Building,
Washington, D. C.:

We strongly support your new corn bill for 1957 Senate file 1771 with provision for early start on legislation for all feed grains in 1958.

CRED PASCHE,
HERVEY RICHARDSON.

LUVERNE, MINN., *April 2, 1957.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We are supporting you on bill 1771.

ROCK COUNTY FARMERS UNION.

BROOTEN, MINN., *April 2, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We are very much concerned about the passage of the corn bill SF 1771. You have the support of the 76 members of the Terrace Farm Union Local Pope County.

ODRAN LANNING,
Chairman.
ANTON HAUGE,
Secretary.

NORTHFIELD, MINN., *April 3, 1957.*

Sen. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

I urge support for corn bill S. 1771.

EDGAR SEVERSON.

ISANTI, MINN., *April 2, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

I raise corn, cash grains, and milk cows. The corn bill (S. 1771) will help.

JOHN LAAHE.

CAMBRIDGE, MINN.

ISANTI, MINN., *April 2, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

I raise corn and other cash grain. Please get corn bill (S. 1771) passed. It will help.

WILLIAM ANDERSON.

STANCHFIELD, MINN.

LECENTER, MINN., *April 2, 195*

Senator HUBERT HUMPHREY,
Senate Building, Washington, D. C.:

Gratified to know you are attempting a new corn program for 1957. Your action on proposed feed-grain program for 1958 now is commendable and should have support of any thinking Member of Congress.

M. P. MAXWELL.

LESUEUER, MINN.

ISANTI, MINN., *April 2, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

I'm a corn, hog, and dairy farmer. We need help. Corn bill S. 1771 would be a step in the right direction.

DELLIH SANDQUIST.

CAMBRIDGE, MINN.

ISANTI, MINN., *April 3, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

I'm a corn, hog, dairy farmer in Isanti County. Please help put through better corn bill, S. 1771.

ALTON SLIMMERING.

FARIBAULT, MINN., *April 2, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Strongly urge passage of corn bill, S. 1771.

MYRON LIPS.

FARIBAULT, MINN., *April 2, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

I urge your support of bipartisan corn bill S. 1771.

FRANK LAMBERTY,
Rice County, Minn., Farmer.

LITTLE FALLS, MINN., *April 3, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

Would like to have you support bill S. 1771.

GEORGE KLIEBE,
MILTON KERKOFF,
FRANK LEIDENFROST,
REGINAL REIPKE,
Morrison County Farmers Union.

CROMWELL, MINN., *April 4, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

The Carlton County Farmers Union favors the bipartisan corn bill S. 1771.

WOODROW AHO,
President, Kettle River, Minn.

SAUK CENTER, MINN., *April 4, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge your support of corn compromise bill S. 1771. It is better than what we had but still needs more improvement.

Sincerely,
Mr. and Mrs. CASPER FIEDLER.

THIEF RIVER FALLS, MINN., *April 5, 1957.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge your support of S. 1771.

ARCHIE WILSON.

THIEF RIVER FALLS, MINN., *April 4, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Farmers leaving their farms due to low commodity prices. Vote for S. 1771.

C. R. CARLSON.

THIEF RIVER FALLS, MINN., *April 4, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

I trust that you can and will support and vote for S. 1771.

CARL R. ANDERSON.

MADISON, MINN., *April 3, 1957.*

Senator HUBERT H. HUMPHREY,
Washington, D. C.:

Farmers of Lac qui Parle County are giving you and the other Senators who have authored S. 1771 support and backing. There will be little participation in the corn program in this county. The need is increased corn-acreage allotments plus a decent support price. Farmers would then participate in the soil bank, otherwise there would be unlimited production of corn and feed grains adding to an already large surplus. Farmers are discouraged so far with Congress and Secretary Benson in regard to corn legislation. We hope that S. 1771 will be passed by Congress and signed by the President.

HARRY PETERSON,
President, Lac qui Parle County Farmers Union.

GLENCOE, MINN., *April 4, 1957.*

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

I am very much in accord with your bill, S. 1771, in reference to corn allotments. The raise in corn acres is a must if any control of corn is to be effective. I urge the passage of this bill if our corn or hog prices are to be held.

HARRY HENICKE.

THIEF RIVER FALLS, MINN., *April 4, 1957.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We of Silver Leaf Local hope you will support S. 1771.

LLOYD NELSON,
Chairman.

KENNETH, MINN., *April 3, 1957.*

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

We the undersigned support S. 1771.

FONNIE VANKLEI,
MELVIN HEIKES,
HENRY VANDEVELDE,
RASMUS TWEE,
L. C. DETRICH,
CHRIS REMME.

LISMORE, MINN., *April 3, 1957.*

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

We Lismore residents are for S. 1771.

BEN J. DIEKMAN,
ROBERT E. KNIPS,
ESTHER LOONAN,
HOMER LOONAN.

WEBSTER CITY, IOWA, *April 3, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Two farm meetings held in Hamilton County, Iowa, last week. Unanimous agreement among members present "GI farmers, NFO, farmers union and farm bureau members present". Fifty-one million acres 15 percent soil bank will increase participation and decrease surplus.

N. F. HILL,
President, GI Farmers of America.

LAMBERTON, MINN., *April 3, 1957.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Urge passage of compromise corn bill soon as possible.

FLOYD IMKER.

Minnesota Democrat-Farm Labor Agriculture Committee is proud to go on record endorsing your poultry inspection Senate bill, S. 1747, and urges its speedy adoption. We also ask immediate favorable action on your proposed corn bill. Less than 5,000 farmers in our State can or will comply with Benson's soil bank corn quota plan.

ROBERT C. OLSON,
Secretary.

TRACY, MINN., *April 7, 1957.*

Senator HUMPHREY,
Senate Office Building,
Washington, D. C.:

Vote yes on corn allotment bill. Fifty-one million acres for 1957.

HARRY ANDERSON,
President, Anntownship Farmers Union,
WALNUT GROVE, MINN.

Senator HUBERT HUMPHREY,
United States Senate,
Washington, D. C.:

The National Farmers' Organization would like to compliment you and the other Senators on your efforts to pass emergency legislation for corn this year. Planting season is here and we must prevent a complete breakdown of the corn program. The National Farmers' Organization will support the bill that you have presented. It is the best possible corn legislation that has a chance to pass at this late date. This bill will give us something to build on in the future. The 51 million base acreage is a realistic allotment and the bill will retain corn as a basic crop, both very important. We especially like the provision to face the problem of total feed grain supply in the near future. We are still for 100 percent of parity because we feel this is only fair for the farmers but under the present circumstances we feel that all farm organizations should support this bill if they are interested in partially correcting a serious situation because the December 11 referendum left the farmers little to choose between.

OREN LEE STANLEY,
President, National Farmers' Organization, Corning, Iowa.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET AND PUBLIC WORKS PROJECTS

Mr. NEUBERGER. Mr. President, I have just read the able speech made by the distinguished junior Senator from Arizona [Mr. GOLDWATER] attacking the budget submitted by the President of the United States as being potentially destructive of the future of our great country.

I should like to call to the attention of the Senate that the Senator from Arizona is one of the sponsors and supporters of the upper Colorado River project, which will involve eventual expenditures up to $1½ billion.

This year the budget, which the Senator from Arizona attacks, has recommended $25,142,000 for commencing the upper Colorado River project. By contrast, the budget contains not one penny for the far more economical John Day project on the Columbia River, in the region where I live.

It is my suggestion, Mr. President, that able Senators who arouse public opinion against the budget might well canvass the substantial expenditures which the budget proposes in their own States and regions.

I am getting a little weary of so-called economy speeches in general by Members of the Senate, who themselves favor or willingly accept vast quantities of governmental spending in the realms of the Nation which they help to represent. When Senators make economy speeches in the future, I suggest that they recommend to us projects in their own States and regions which can sustain substantial cuts in expenditures.

Last week I defended the Public Works Committee bill, which contained authorization of several water-control projects in the rainy seacoast State which has sent me to the Senate.

Today we vote on the corn bill. There is little commercial corn grown in Oregon. I could make a strong economy speech against the corn bill if it were my disposition to do so. My own State will not suffer if the corn bill is cut. I do not intend to deliver such a speech, however, because I will never talk out of both sides of my mouth. In my opinion, economy speeches should be directed to budget cuts or economies in a Senator's own State and region.

PUBLIC VERSUS PRIVATE POWER

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an informative article from the New York Times of April 7, 1957, by William M. Blair, entitled "Public Versus Private Power Battles Shaping Up for 1958."

Accompanying the article by Mr. Blair is a chart which indicates that, of the 114,500,000 kilowatt-hours of electricity generated in this country, 86,900,000 are produced by private utility corporations, 17 million by projects of the Federal Government and 10,600,000 by State and municipal plants. This distribution of electricity production should serve to squelch propaganda from the national administration that America is threatened by a so-called Federal power monopoly.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 7, 1957]

PUBLIC VERSUS PRIVATE POWER BATTLES SHAPING UP FOR 1958

(By William M. Blair)

WASHINGTON, April 6.—By odd coincidence, President Eisenhower and the Supreme Court teamed this week to hand discouraging news to public power advocates.

The Supreme Court news was strictly legal; the President's news was reaffirmation of a policy. In the long political run, the President's policy will carry more weight.

The Supreme Court decision turned down a plea by public power supporters for annulment of a Federal Power Commission license granted to private enterprise for development of water power in Hell's Canyon. So public power advocates now must concentrate on upsetting the President's policy in Congress.

LOCAL RESPONSIBILITY

The President's partnership concept places primary responsibility for meeting local and regional power needs on local interests. Within this framework, the Federal Government would be a partner but, as stated by the administration, the Government will not assume that it has exclusive rights of responsibility for the construction of dams or the generation, transmission, and sale of electrical energy in any basin or region.

The policy envisions some projects clearly beyond the financial resources of local interests. But where local interests, including private enterprise, show a willingness to go ahead then they should be encouraged.

Critics of the policy base their case on three main points: (1) private financing at higher interest rates than available to the Government means higher-cost power to consumers; (2) control of power gives private interests an inordinate influence over the economy of a region because private power development is oriented toward investors rather than toward consumers; (3) the partnership policy is inconsistent and unfair in that the administration can direct it for political purposes, pushing a project in one section to help win elections while denying a project in another area where elections are safe.

The administration viewed Hell's Canyon as a prime example within the partnership policy because the Idaho Power Co. offered to go it alone and such a move was preferable to the decision by the previous Democratic administration that a single high dam was the answer in the mile-deep gorge of the Snake River.

Moves in Congress to upset the partnership policy appear unlikely at this point unless Democrats and their public power allies decide to step up to tornado force their drive to get the Government back into natural resource development of major waterways.

The major reason for this apparently is that this year, like most years between elections, is not a year for recreating issues as major political objectives. The 1958 congressional elections still are in the distant future and the natural time for building up the public versus private power issue is in the 1958 sessions of Congress.

The sniping and sparring of 1957 can in no way be minimized as a part of the political fight. But in terms of achieving objectives it is just that, and the administration and its opponents on power policy appreciate the situation.

POLITICAL EXPEDIENCY

Republican losses in the 1956 election gave rise to reports that the "partnership" policy so far as electric energy is concerned, would be cut down or at least trimmed to meet the political expediency of 1958 and 1960. The facts belie the report.

Secretary of the Interior Fred A. Seaton, who perhaps as much as anyone in the administration knows the political nuances of the power fight, has given no concrete indication there will be any significant change within the foreseeable future.

Mr. Seaton has given indications, however, of setting out to salve some areas by stepping up projects already moving ahead and perhaps carrying out one or two larger projects which, within the framework of the partnership policy, are clearly beyond the scope of local interests.

At the moment the outlook is for continued sparring, with each side keeping a wary eye on the other. The Republicans still are analyzing the 1956 election returns in the Northwest and in other sections as related to the power issue, as well as rural areas where farm prices and low-cost power intertwine.

CORN BASE ACREAGE FOR 1957

The Senate resumed the consideration of the bill (S. 1771) to provide for a 1957 corn base acreage of 51 million acres, and for other purposes.

Mr. NEUBERGER. Mr. President, with the permission and cooperation of the able junior Senator from Minnesota [Mr. HUMPHREY] I should like to ask several questions, about the pending legislation, which deals with the corn base acreage.

I have been very much impressed with the discussion of the bill and its presentation by the Senator from Minnesota, who is one of the best informed persons I have ever known on the whole general subject of agriculture.

My questions involve the fairness of the present agricultural programs in this country. For example, I have been reading through the committee report on this bill, and I note there are a considerable number of States where corn is grown commercially and where corn farmers will benefit to a substantial extent by the passage of this bill.

What disturbs me about our present agricultural program is this: A substantial number of farmers who grow particular crops receive benefits of one kind or another. They may receive price support loans, or they may be able to put a certain portion of their acreage in the soil bank and receive so much per acre because of that inclusion in the soil bank. This pertains today to corn. We are considering the corn bill. It also pertains to cotton. It pertains under certain circumstances to wheat, and there are some commercial wheat farmers in the eastern portion of the State I help to represent in the Senate. It pertains under other circumstances to rice and peanuts and tobacco, if I am not mistaken.

What I do not understand is the anomaly that there are many other farmers in this country who hardly qualify at all for any form of direct assistance from the Government or from the Department of Agriculture.

For example, I have received letters from people in the State of Oregon, who raise eggs or who raise poultry or who raise livestock, asking about this matter. There are a great many row crop farmers in our State, who depend for their livelihood on onions, carrots, cabbages, potatoes, peas, or string beans. They wish to know about Government consideration of their problems.

I represent a State which has a substantial number of orchards. Many of those fruit growers have done very badly in recent years. Some of them have suffered disasters in the form of freezes which have destroyed their trees. Let me say that, when an orchard is destroyed, it is not the same as the destruction of a crop for 1 year; an orchard may represent 20 or 30 years of investment, and may not be replaced within the lifetime of the people who suffered the loss.

I realize this is a long preface to my question to the Senator from Minnesota, but what I do not understand is the whole basic theory of these very costly agricultural programs. I do not oppose those programs, as the Senator from Minnesota knows. I have supported them in their entirety, I think, since I have been a Member of the Senate.

What is the theory of assistance for corn farmers but no assistance for people who raise cherries, pears, potatoes, or livestock?

Mr. HUMPHREY. The Senator asks a question which I am sure is in the heart and mind of every person who wishes to be fair and who would like to see a truly effective farm program, if we are going to have a farm program.

First of all, let me say that every Member of the Senate who comes from a predominantly agricultural State owes a debt of thanks and gratitude to Senators such as the junior Senator from Oregon and others who have unselfish and cooperative attitudes relating to farm legislation.

I think it is fair to say that any legislation which benefits any one part of the economy has an indirect effect for the good of all other parts of the economy. I can think nothing more injurious to the national well-being than for each Senator or each Member of Congress to base his votes solely on the question of how the legislation affects his immediate constituency in a local, current manner.

Mr. NEUBERGER. The Senator is correct, of course.

Mr. HUMPHREY. The Senator from Oregon has exemplified in his service in the Senate the attitude of the interdependence of all facets of our economy. However, when we consider the total farm picture, his questions are right to the point and expose what I consider to be a part of the weakness of the present farm program.

The farm program started in the 1930's as an effort to salvage the remnants of a broken agriculture, an agriculture broken and literally destroyed by neglect on the part of the Government and the very economic system in which it lived. That farm program grew from the old Triple A to the old "corn-hog" program, in an effort to help the farmers of the Midwest. It grew under amendment in 1938 to the basic farm act. Then other amendments were adopted during the war years and the postwar years.

The farm program has been something like an expansible house, where there is a room added here and there, and another room here and there, so that when it is all through, there is something in which one can live, but all the accommodations for good living are not there, and it is not quite so well organized as it might be.

I may say to the Senator, more specifically, that many of the commodities which he mentions, such, for example, as fruits and vegetables, are covered by very effective farm programs called marketing agreements, under the Federal marketing orders. This is a process by which producers get together to limit the production for the purposes of marketing, and thereby to affect prices, so as to give the producer a reasonable price for his commodity. This is not a price-support program by the terms of a crop loan, but it is similar to a price support in that the authority of the Federal Government is utilized in a marketing agreement, to control both production and distribution, for the benefit of orderly marketing and quality production, but ultimately for the benefit of the producer. That is being used, for example, in the citrus industry.

There are many vegetable producers, such as those in my section of the country, who have contract arrangements with the processors. This is a year-in-and-year-out business in which the producers of sweet corn, the producers of garden peas, the producers of carrots, and the producers of innumerable other vegetable commodities produce on a contract basis or under a contract agreement for a vegetable packing company. That process is another form of what one might call controlled market conditions, which is all to the good.

The ultimate purpose of the farm price-support program is orderly marketing. That is its purpose. That is its immediate objective.

The Senator from Oregon and I would agree that income from these great perishable commodities, such as livestock products and poultry products, if added all together, would represent more than 50 percent of the total agricultural income. Those are the commodities which are not directly affected by price-support legislation. While we do not have a program for pork or beef that I would call a program worthy of the name, except that we buy up a little once in a while for school lunches—which is not a very effective method of supporting prices; it does some good, but does not do what it ought to do in terms of price protection—the way we affect beef and pork support prices is through the prices of grain. When grain prices are reasonably good, beef and pork prices are reasonably good. The effect is indirect. Personally I believe that we shall have to come to the day when we shall go to production or compensatory payments on some commodities.

Mr. NEUBERGER. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. How have the producers of the nonsupported commodities fared, in contrast with those who raise crops which are directly supported by the Government in one way or another?

Mr. HUMPHREY. Not too well; but let me point out that a hog producer fares just about as well as a corn producer.

Mr. NEUBERGER. I have received many protests from people in my section of the country who raise poultry. They say that poultry prices are not supported, but prices of the various grains which they use for feeding poultry are supported. This hardly seems fair.

Mr. HUMPHREY. The Senator is correct.

Mr. NEUBERGER. Therefore the price of their feed is kept up by the Government, but the price of the poultry which they delivere to the market is not. They are caught by this anomaly, which often results in great economic hardship.

I myself am not a farmer. Mrs. Neuberger's folks happen to be farmers. They operate a comparatively small farm in the northwest. I have talked with them on this subject. They do not happen to raise commodities, the prices of which are supported. Their friends in the Grange to which they belong do not happen to raise commodities which are supported. They feel a great sense of indignation on that subject. As I say, I am not an expert, as is the Senator from Minnesota.

Mr. HUMPHREY. I am not, either. I am only trying.

Mr. NEUBERGER. And I am not an expert like the distinguished Chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], who is also present in the chamber at this time.

My recollection—it may be faulty—is that those who raise nonsupported commodities have often fared very badly in recent years.

Mr. HUMPHREY. They have; but I should like to say that the Secretary does have authority under existing law to be of considerable help to producers of nonsupported commodities. For example, by the timely purchase of eggs when the egg market is depressed, he can aid that situation. By the purchase of a substantial quantity of eggs which can be used for welfare programs, school-lunch programs, and relief programs, he can bolster the egg market.

As a matter of fact, the announcement by the Secretary that he intends to purchase eggs bolsters the market. The Secretary of Agriculture might say tomorrow morning that he believes the price of hogs should be $20 a hundredweight. Such a statement would bolster the hog market.

The Government is an important factor in the entire farm program, to such an extent that every utterance, every expression, every bulletin from the Secretary of Agriculture or any of his agents, has an effect on the market. When the Secretary indicates that for some reason or other he intends to dump on the domestic market what he calls spoiled or damaged corn, before the corn ever reaches the market the price in the free market starts to break.

The Secretary has funds under section 32, and under special emergency appropriations and authorizations which we have made, to bolster the prices of livestock, pork products, poultry, or eggs, and even of fruits and vegetables. The authority exists. However, the authority is not spelled out in detail, as it would be in connection with a corn or wheat program.

Mr. NEUBERGER. It seems to me that some crops are favored and others are not. I share with the Senator from Minnesota the view that we are Senators for the entire United States, and not merely for our own individual States. That is the reason why I probably shall vote for the corn bill. As will be seen from the table in the committee report, no corn is grown commercially in my State. However, I am interested in the wellbeing and economic solvency and success of corn growers, just as I am interested in the welfare of any other farmer, because farmers are American citizens, and their prosperity contributes to the welfare of America as a whole. But it seems to me that there is not a great deal of fairness in the program.

Last year, when we were voting on the soil bank issue, if I am not mistaken, the two able Senators from the State of Maine [Mrs. SMITH and Mr. PAYNE] offered an amendment to the soil bank bill.

Of course, all of us pray for the early recovery and return to the Senate of the junior Senator from Maine, and that he may regain his health. I hope that he will be released from the hospital very soon.

Mr. HUMPHREY. I join in the Senator's expression on behalf of a very dear friend and fine Senator.

Mr. NEUBERGER. All of us are very fond of the junior Senator from Maine and his distinguished colleague [Mrs. SMITH].

As I remember, the two Senators from Maine offered an amendment to the soil bank bill—and my memory may be faulty—which would have put vegetables into the soil bank, or would have allowed them to be put into the soil bank, if and when the Secretary of Agriculture found them to be in surplus. I believe the amendment was voted down. But if corn can be put in the soil bank when it is in surplus, why cannot row crops be put in the soil bank when they are in surplus?

Mr. HUMPHREY. That I do not know. I think they deserve to be in it, if we are to have a soil bank program which affects the quantity of production. That is the purpose. After all, every agricultural commodity utilizes soil; and if we have a soil bank it should be sufficiently comprehensive to cover the major cash producing crops.

Mr. NEUBERGER. Mr. President, I wish to conclude very briefly, because I know the time is limited. Is it not the feeling of the Senator from Minnesota, with his profound interest in the agricultural problem and his long service on the Committee on Agriculture and Forestry, that what we need is a series of farm programs which will spread some of these Government benefits to more crops, and therefore to more farm families?

Mr. HUMPHREY. The Senator is definitely right, because a tremendous number of farm families are excluded from direct benefits. I think our farm programs should always be able to demonstrate not only protection for the farm producer, but benefit to the consumer. Therefore I have repeatedly advocated, in connection with the pork program, that we have a program of incentive payments for production of a lean hog, so that finer-grained pork can be produced. I have also advocated, with respect to certain commodities, that we have compensatory payments, which would permit the farmer to get a fair return without upsetting market levels. The difference between the price which the Government might set and the market price would be made up by a compensatory payment to the producer, but the consumer in the city would obtain the advantage of the lower market price.

The farm population now knows that it is a very small percentage of the total population. It is a minority of the total. Therefore, if our farm people are to be given justice, which they surely deserve, and if our great agricultural economy is to be given an opportunity to survive as a free economy, a family-farm economy, it is to the advantage of everyone

to think in terms of how to approach the farm problem in such a manner as to work to the benefit of a free and prosperous agriculture without, at the same time, placing a penalty upon the consumer. On the contrary, we must place a premium upon a good consumer product, making the consumer feel that he has a stake in a good farm program.

Therefore, I believe we shall come to the day in the Congress of the United States when a form of production or compensatory payment will be the basic ingredient or the main factor in an effective farm program. By the way, most leading agricultural economists now support that thesis. In the 80th Congress, the Senator from Vermont [Mr. AIKEN], I believe, sponsored that sort of proposal as one of the means of price support.

Mr. NEUBERGER. Would it apply to all kinds of farm products, without exception?

Mr. HUMPHREY. I think it should be available for application. However, it is my view—and I do not claim to be an expert—that production payments are better designed for what we call nonstorable commodities, such as vegetables, animal products, dairy products, and the like. The regular Commodity Credit Corporation loans, under the normal price-support structure as we now know it, are designed more for storable commodities, such as corn, wheat, and cotton.

Mr. NEUBERGER. I would agree with the Senator, and it is my hope that some of the programs which he has mentioned for the crops and commodities not now included in farm plans will soon be added, and that such plans will be extended to various row crops and to livestock, and so on, which are not now included. It is also my hope that perhaps we can at least experiment with a domestic-parity plan for wheat, to see if it will not work effectively and in that way make some surplus wheat available at lower prices for feed purposes.

I appreciate very much the information the Senator from Minnesota has given us. He is always helpful on every issue, particularly on the farm question, in which he is so well informed and so thoroughly experienced.

Mr. HUMPHREY. The Senator is far too generous. I appreciate his participation in the discussion.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. I have been listening with a great deal of interest to the brilliant presentation of the corn bill by the junior Senator from Minnesota. It is a subject in which he has great experience. I ask my questions from ignorance, because I do not purport to be an expert in this field, as I know the Senator from Minnesota is, and as I know the Senator from Oregon is rapidly becoming, if he is not an expert already.

My problem comes down to this: There is in my State the same type of poultry industry as that to which the Senator from Oregon has referred in his State. The Senator from Minnesota will recall that the Senate passed a poultry-inspection bill yesterday, and on that occasion I commented that perhaps $190 million worth of poultry products are raised in the Commonwealth of Pennsylvania every year.

Mr. HUMPHREY. One always learns something in the Senate. That was true the other day when the Senator from Pennsylvania made his statement in connection with the poultry inspection bill. I always knew that the Commonwealth of Pennsylvania which he, in part, so ably represents, was a great producer of poultry, but when he made his statement I was, first of all, surprised that the great Commonwealth of Pennsylvania should be pushing Minnesota for honors in the poultry field and, secondly, very much enlightened by his remarks.

Mr. CLARK. I am delighted to have the Senator's friendly comments. As the Senator from Oregon has stated, poultry and eggs are being sold in a free market. Nevertheless, the poultry producers must buy their grain in a protected market. While I share with the Senator from Oregon a desire to treat these matters on a national basis, because, after all, they concern the national economy, I ask the Senator from Minnesota whether it is not a fact that an inevitable result of the passage of the pending bill will be that the poultry producers of Pennsylvania will have to pay more money for their feed and will not receive protection in the marketing of their product.

Mr. HUMPHREY. A possible result of the passage of the bill will be that the normal poultry producer will be able to continue in poultry production, if the price of feed grain is reasonable. If the price drops lower and lower, the normal producer of feed grains will say, "There is only one thing to do to augment my income, and that is to raise some chickens and to sell a few eggs." He goes into the poultry market and thus adds to the production of poultry and poultry products. That in turn cheapens poultry prices.

I can only add that if there ever was an economic community in which there is a genuine interdependence and in which there is need for economic brotherhood to prevail, if not spiritual brotherhood, it is in the agricultural community.

What has happened, particularly in recent years, is that as farm prices have been cut back, farmers have expanded their production. As they have expanded their production, farm prices have dropped some more. Then when they got too low, the farmers undertook another kind of farm production. Only a few years ago the normal grain-producing area was in the Middle West. Now it is all over the country. When farmers could not make enough income from raising cotton or wheat or rice, they said, "There is only one thing to do. We are in the farm business. We have the barns and the sheds and the machinery and the knowhow, and the whole plant. Let us use it." So they went into the beef and hog and poultry raising business. Some of them had never raised any grain sorghums. They started to plant them. I believe the grain sorghum acreage alone has gone up 300 percent in the past 4 or 5 years.

Mr. CLARK. Then, it is the Senator's belief, as I understand, that, while from the short range standpoint the passage of the bill might be to the detriment of the poultry producers of Pennsylvania, the long range result will be favorable, because of its effect on the whole agricultural economy, in which it is possible to have only a certain amount of demand and a certain amount of supply; and that although the poultry producers of Pennsylvania may have to pay a little more for grain, the Senator is of the opinion that in the long run the passage of the bill will be in the poultry farmer's own enlightened self-interest. Is that correct?

Mr. HUMPHREY. I doubt that it is even a short run disadvantage for the poultry producers. I say that because the poultry producers of Pennsylvania also produce a good deal of their feed—not all of it but a portion of it—on their own farms.

Mr. CLARK. A measurable amount.

Mr. HUMPHREY. A measurable amount. In some instances it is a majority of the feed. That is what we call a noncommercial area. It is to the advantage of the poultry producer that the production of poultry does not get out of hand and that the poultry market is not glutted, not 2 years or 1 year from now, but 6 months from now, because it is possible to raise and to market very good chickens in 6 months.

Therefore, a fair price—and a price of 77 percent of parity on corn is anything but high—in the commercial area is not going to be even a short run detriment outside the commercial area. I honestly believe that it is of immediate good and a long range advantage.

Mr. CLARK. The Senator from Minnesota is not under the impression, is he, that the present Secretary of Agriculture is going to utilize any of the powers to protect the poultry and egg producers?

Mr. HUMPHREY. No; I must say that I am not living under any false hope with respect to the alacrity with which the Secretary of Agriculture will respond to the justified needs of the poultry producers and the livestock producers. There has been too much of the "too little and too late" philosophy.

I wish to go on record as saying that the present Secretary of Agriculture has not only spent more money and obtained fewer satisfactory results than any other Secretary of Agriculture in the history of our country, but also, that so far as the effects of his policies on private economy—on cattlemen and hog raisers and poultry raisers and egg producers—are concerned there has been a loss of hundreds of millions of dollars, which can never be reclaimed.

The shocking thing to me is that more people are not concerned about it. As I have said a number of times in the Senate, in our foreign-aid program, which I support, and in our foreign-trade program, which I also support, we go 10,000 miles from home with a $2 billion or $3 billion program in order to get a new market for some American

production; while right under our own feet, in Pennsylvania, or in Minnesota or Kansas or Iowa or Nebraska or Missouri or Oregon, are thousands and thousands of farm families, who, if they had their prices raised another 10 percent—and that would not hurt the consumer—would be able to purchase hundreds of millions of dollars' worth of manufactured goods from our factories.

We have a market in the Midwest for home appliances and for new farm machinery which is estimated in the next 5 years to be more than $6 billion, if only we could get a little adjustment in our farm prices.

However, I have learned a long time ago that farm producers never can get far ahead by working for wages that cause them to run behind, and that they will never get very far ahead by producing commodities at less than cost.

My dad, who was a merchant, used to say to me, "It does not take any sense to give away your goods. It sometimes takes a little more than ordinary courage, but it does not take much sense or judgment."

Mr. CLARK. I am completely in accord with what the Senator from Minnesota has just said. If he will bear with me a minute more, I should like to ask him this question:

Since the Eisenhower administration took office, 5,500 dairy farmers in the Commonwealth of Pennsylvania have gone out of business because of the price squeeze which has made it impossible for them to get an adequate return for their milk and other dairy products, in a market where the price was substantially controlled both by State and by Federal agricultural marketing agreements, while at the same time the price at which the milk was sold through distributors did not enable them to get a profitable return when the milk was sold at the gate of the farm.

One of the things which has given the dairy farmers of Pennsylvania great concern—and most of them, as the Senator from Minnesota knows, are the family farmers, who are of immediate concern from the sociological and democratic point of view, as well as from the economic point of view—is, What effect will the corn bill have on the dairy farmers? Will it not inevitably make their situation worse, at least for the time being?

Mr. HUMPHREY. No; it will not.

Mr. CLARK. Will the Senator from Minnesota enlighten me as to why not?

Mr. HUMPHREY. Because the price supports which are available for the dairy farmers are based upon a percentage of parity—that is, 80 percent of parity. Parity is a flexible formula. In that formula the price of feed products which Mr. Farmer must buy in order to supply, in this instance, his dairy herd with the necessary feed is considered.

Parity is flexible. There can be flexible price supports because of the percentage of parity, but the concept of parity, the factor of parity, itself is flexible.

So if the price-support structure on dairy products, including milk, is maintained at 80 percent of parity, and if we assume that the price of feed, because of the corn bill, goes up a little, the increase will be reflected in the parity formula, which in turn will mean that Mr. Farmer will be guaranteed a little better price, dollarswise and centswise, for his dairy products.

So the farmer in this instance, I assure the Senator from Pennsylvania, will not be hurt.

I must confess that if I thought the dairy farmer would be injured by the bill, in light of the fact that the largest single production in the State of Minnesota—so far as cash commodities are concerned—is dairy farming and livestock farming, I surely could not be here, out of a sense of justice and fairness, defending this measure.

I do not think this is a perfect bill. I do not think it is three-fourths perfect. I think it is better than the law with which we are presently saddled.

Mr. CLARK. The dairy products produced in the State which the Senator from Minnesota represents, in part, with such distinction are in such profusion that they frequently come into Pennsylvania.

Mr. HUMPHREY. We are delighted to share the superior quality of our Minnesota dairy production with our very fine, enlightened, quality fellow citizens from Pennsylvania.

The people of Pennsylvania are of such good character, of such splendid background, and have such fine tastes, that it would be anything but right if they did not have the opportunity to consume Minnesota's dairy products.

Mr. CLARK. I thank the Senator from Minnesota for his enlightening comments, which have done much to dissipate the feeling with which I greeted the bill.

Mr. HUMPHREY. I thank the Senator from Pennsylvania.

Mr. BUSH. Mr. President, I am opposed to S. 1771 because it would waste $100 million of the taxpayers' money. An amendment to the soil-bank program to force payments on corn already has cost the taxpayers of the United States $179 million without contributing anything at all toward a solution of the problem of overproduction. At a time when we should be economizing, the present bill proposes to pour $100 million more down this rathole.

I invite the attention of the Senate to the letter of the American Farm Bureau Federation, which appears in the report on the bill, which warns that enactment of S. 1771 probably will "create more ill will among farmers—including corn farmers—and nonfarmers than it would contribute to adjusting the agricultural plant."

I congratulate the American Farm Bureau Federation for its opposition to this ill-conceived measure. The farmers of my State agree with the Bureau, I am sure, that the soil bank should be used to bring the supply of farm products into balance with demand and not as a subterfuge for providing a favored group of producers with free crop insurance.

I ask unanimous consent to have the American Farm Bureau Federation's letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 26, 1957.

Hon. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.,

DEAR ALLEN: This is in reply to your request for a statement regarding our position at this time concerning corn legislation for 1957.

At our annual meeting last December, the voting delegates went on record favoring the enactment of legislation providing for the type of corn program favored by the large majority of farmers affected. In support of this policy, representatives of the American Farm Bureau Federation appeared before the House Agriculture Committee and a subcommittee of the Senate Committee on Agriculture and Forestry urging that Congress quickly pass a simple corn bill.

We indicated that the early passage of a simple bill was urgent because plans for spring planting were being made and farmers needed to know as soon as possible what kind of program would be in effect in 1957. These statements were made in January and early February.

The House of Representatives on March 13, 1957, by a record vote of 188 yeas to 217 nays, defeated a simple bill designed to permit corn farmers in 1957 to participate in the kind of program which they prefer. The House Agriculture Committee was split on the issue. Most of the minority members finally supported legislation to give commercial area corn farmers a program in 1957 similar to the options offered farmers in the corn referendum last December which was favored by 61½ percent of the approximately 440,000 farmers voting in the referendum. Most of the majority members insisted that the acreage reserve program of the soil bank must also be opened up to grain sorghums, barley, rye, oats, soybeans, flaxseed, and noncommercial area corn. The House refused to pass any of the various proposals that were offered.

We understand that the Senate Committee on Agriculture and Forestry yesterday on a split vote reported out a bill which would substitute a 51-million acre corn base acreage for the 37.3 million acre national corn allotment.

Since the House has debated the subject this year at considerable length and refused to change the current law, it appears to us that before the Senate acts, it may want to determine whether there is any possibility of action being taken by the House on legislation that would be effective and financially sound in sufficient time to be of any assistance in adjusting production to demand in 1957.

In considering this problem, the experience of last year in connection with passage of the Agricultural Act of 1956 should be added to the attitude shown by the House this year on corn legislation. Last year, soil-bank legislation was passed after most of the corn was planted.

As early as April 5, 1956, the American Farm Bureau Federation pointed out that "It is too late for a soil-bank plan to be of any benefit to farmers this year."

Nevertheless, the group in the House which opposed corn legislation this year were the ones who put through the amendment on May 3, 1956, which forced payments in 1956 on a 51-million-acre soil-bank corn base, even though most of the corn area had already been planted, which made it obvious that such payments would not make an appreciable contribution to bringing supplies into balance with demand.

Because the law directed it, $179 million was paid out under a situation which doomed

it from the start to ineffectiveness so far as adjusting production was concerned.

Once again consideration is being given to legislation which will help farmers bring supplies into line with demand. Once again it probably is too late for legislation to be passed that will make any real contribution to lifting the price-depressing surpluses off the backs of farmers.

We understand that about 8½ million acres of cornland have been offered for Government soil-bank contract.

Farmers have made their plans and corn-planting time is practically here. Legislation must run the gantlet of the Senate, the House, and probably conference between the two bodies to iron out differences with the agreement then being reconsidered by the Senate and the House before being sent to the President for consideration.

This situation suggests questions such as the following: How much will corn farmers reduced plantings below that to which they already have agreed? Will those corn farmers who agreed to stay within their portion of the 37.3 million acres get a windfall payment if the base at this late date is raised to 51 million acres? Will it be fair to corn farmers who were willing to stay within the 37.3 million allotment to allow other farmers to come into the program now? How will the increase be divided between those who have signed up and those who were unwilling to sign up until their share was increased? Two hundred and seventeen million dollars represents the share of the $750 million total acreage reserve fund available for corn. Close to $200 million has been signed up for corn at this time. Should funds be shifted from other acreage reserve commodities to obtain a larger signup on corn?

We are seriously concerned that legislation at this late date and the time required to put it into effect after enactment would create more ill will among farmers—including corn farmers—and nonfarmers than it would contribute to adjusting the agricultural plant.

The American Farm Bureau Federation has looked upon the soil bank as a means of bringing supplies into balance with demand and not as a device to provide farmers with free crop insurance.

We are working to bring about a healthy market condition by removing market gluts and do not look with favor on payments as an end in themselves.

Since the present corn signup is heavily concentrated in areas which have recently been adversely affected by drought, the probability exists that there may be a further buildup of corn surpluses. Even though this is undesirable, legislative action has been so long delayed that it is highly questionable whether legislation now will result in anything but a wasteful expenditure of public funds this year at a time when we should be economizing.

Sincerely yours,

FRANK K. WOOLLEY,
Legislative Counsel.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Without objection, it is so ordered.

THE ATTACKS MADE AGAINST THE BILL TO GUARANTEE TRIAL BY JURY

Mr. THURMOND. Mr. President, during the weekend, at least two separate, but perhaps coordinated, attacks were launched against S. 1735, a bill introduced by the distinguished senior Senators from Mississippi and Virginia [Mr. EASTLAND and Mr. BYRD] and myself. S. 1735 is a bill designed to further secure the guaranty of the right of trial by jury.

One of the attacks was made by a representative of the Justice Department, in a speech delivered here in Washington. The other attack was made in an editorial of a newspaper well-known for its support of individual liberties and freedom.

Only recently this newspaper has been among those who protested vigorously to the State Department against what it considered a violation of the first amendment, which guarantees freedom of the press, among other rights of the people. This newspaper recognized no restriction on freedom of the press, as guaranteed in the first amendment. In its editorials it spoke out loudly against the action of the State Department in denying a passport renewal to a reporter who traveled into Red China, against the instructions of the State Department.

Mr. President, I hold no brief today either for the newspaper or for the State Department in the instance cited. My purpose in making reference to the position of the newspaper is to show that it has been a strong advocate of individual rights and liberties, but that its position with reference to S. 1735 is a departure from its usual position.

There are other instances which could be cited with reference to this newspaper, in which it editorialized strongly for traditional rights and freedoms. I shall not take the time to go into such details, because I do not believe it is necessary. The record of this newspaper is well known.

The Justice Department spokesman who addressed the ninth annual conference of the National Civil Liberties Clearing House, chose as his title, "The Government's Role in Defending Civil Rights."

At the outset of his speech, he declared:

> The administration civil-rights program which is now pending before the Congress will, if enacted, give the Government for the first time the authority necessary for effective enforcement of federally guaranteed civil rights.

That makes his position clear. He is an advocate of stronger Federal laws to strengthen what he believes to be the rights and freedoms of individuals.

Yet in the same paragraph of his speech, he launched his opposition to the bill, which I am cosponsoring, to give wider application of the right of trial by jury. This is what he had to say on that subject, with reference to S. 1735:

> I should like also to warn against attempts now being made to emasculate this program by deceptive appeals for the protection of the right to trial by jury.

I should like to know, Mr. President, what is deceptive about guaranteeing a trial by jury. That is the stated purpose of the bill.

However, I am glad that the Justice Department spokesman and the newspaper editorial have made the issue clear. There is only one conclusion to be drawn from the editorial and from the speech: Both the newspaper and the speaker are against extending to every citizen a legal right now enjoyed by some citizens; that is the right of trial by jury.

There can be no argument on the point that a court must have the authority to deal with direct contempt. This bill will preserve the necessary authority for contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice. It also retains for the court power to punish misbehavior, misconduct, or disobedience of any officer of the court.

What I cannot understand is how certain forces in this country can recognize weaknesses they claim to see in existing laws for the protection of civil rights, but profess not to see any danger in the loss of the right of trial by jury. The civil-rights bills now pending in the committees of the Senate and the House of Representatives would take away that right in some instances.

Is greater Federal protection of the right to vote more important than protection of the right of trial by jury?

I do not believe the people of this country would agree with the advocates of the so-called civil-rights bills that a distinction can be made between the importance of these rights.

The citizens of the United States have always believed that every citizen had the same rights in courts of justice as every other citizen. That is not true under the present law, which provides for the substitution of the United States for the real party in interest in certain cases. In such instances the defendant can be deprived of his right of trial by jury simply because the United States has made itself a party to the case. The Justice Department wants to employ that device more widely.

If that is not discrimination, then I must be taught a new definition for the word.

The Justice Department spokesman stated his opposition to having a jury decide whether a contempt had been committed of an existing court order or injunction. My question to him would be whether he believes a jury would be less fair in its consideration of such a contempt charge than the judge who had issued the order.

Would it be easier for a judge to separate himself from the feelings and emotions involved in such a case than it would for a jury which had not previously been involved?

The decisions of Federal district judges already may be reviewed. They are reviewed by special courts, by circuit courts of appeals, and by the Supreme Court. More than one judge sits on such courts. This is recognition that more than one opinion is needed in many cases.

I fail to see why letting a jury of 12 persons consider whether contempt has been committed, unless committed in the presence of the court, is any departure from accepted principles of justice.

Mr. President, the inconsistency of some advocates of the so-called civil-rights bills is clearly drawn by their attacks against S. 1735.

Do they believe in certain rights for certain people, or do they believe in the same rights for all the people? I believe a majority of the American people believe in equal rights for all.

Mr. STENNIS. Mr. President, will the Senator from South Carolina yield to me, before he yields the floor?

Mr. THURMOND. I yield to the Senator from Mississippi.

Mr. STENNIS. I wish to commend the Senator from South Carolina for his work on the general subject he has been discussing. I desire to point out an additional fact to which the Senator referred, but did not fully develop, with reference to trial by jury and the power of a judge to punish for contempt.

As conclusive proof that the idea of the law was that this was a very limited field of operation, I point out that there is no limitation to the sentence which may be imposed for contempt of court. Except in some cases, there is no protection of a jury trial in such proceedings. The law goes so far as to put the trial of the person and the imposition of sentence in the hands of the judge whose order is being disobeyed or infringed upon, which shows conclusively that the application of this principle of law should be very limited in its scope of operation.

Does the Senator agree with that statement, which is the basis for another question I shall ask?

Mr. THURMOND. The Senator is correct. In a contempt case the judge is the legislator, he is the prosecutor, he is the judge, and he is the jury.

Mr. STENNIS. I know that the Senator, before he became a Member of the Senate and before he was Governor of South Carolina, was a trial judge of a court in South Carolina. I wish to ask him a question that is somewhat personal. As judge of a trial court, did the Senator not feel a great hesitancy and did he not feel compelled to exercise great caution in citing, or even thinking of citing, anyone for contempt of court, because of the power he had and the fact that he was sitting as the jury, the judge, and, in a way, the prosecutor?

Mr. THURMOND. That is exactly correct. There were a few cases in which there may have been a temptation to cite a person, in which perhaps I went beyond where I should have gone to avoid taking unto myself, as a judge, this terrific power, which I think is too great for any one man to have—to legislate, prosecute, and then act as judge and jury.

Mr. STENNIS. With the limitations of human nature, and the limited scope of the operation of the power, which has always heretofore been reposed in the judge of a court, does the Senator not think it is unwise for the civil rights bill, or for any other bill on any other subject, whether involving the question of labor or anything else, to carry such a tremendous power for mass prosecutions, one might say, by an overzealous official in the Department of Justice, before a Federal judge or any other judge?

Mr. THURMOND. I thoroughly agree. I think it would be most dangerous. In fact, I think it would change our form of the administration of justice. When our forefathers founded this country, they wrote the Constitution, and provided for trial by jury. That was their concept. They had come to this land to get away from countries where czars, potentates, or dictators could condemn a man to prison or take his life. They wrote into our Constitution and the Bill of Rights the right of trial by jury. I think it is one of the most precious rights Americans have today. I do not see how any citizen, regardless of whether he is from the North or the South or the East or the West, could fail to stand up and fight for this precious right of trial by jury.

Mr. STENNIS. It is certainly a right that applies to everyone.

Mr. President, if the Senator will yield further, I commend him again for his study of this subject and for bringing it to the attention of the Senate and the country. In the enthusiasm to enforce someone's concept of civil rights, to enforce someone's concept of labor rights, or to enforce someone's concept of curbing labor's rights—or the rights of any other group—if we should go overboard and grant this immense power to the Department of Justice and to the judges—regardless of how good their intentions may be—who may try to break numbers of people en masse, without the safeguard of ordinary protections that have been considered over the centuries to be necessary, we would be on dangerous ground and we would be contributing to a general undermining of fundamental principles.

Another point we lawyers have in mind and like to talk about is this: Any court which has the power of injunction and other extraordinary processes was set up fundamentally, anyway, as an auxiliary court to fill a limited mission, where the general courts for some reason could not meet the problem. Is that not the Senator's concept?

Mr. THURMOND. That is correct.

Mr. STENNIS. These proposals tend to reverse the entire order of procedure and bypass all the ordinary processes of going into the regular courts, by giving this extraordinary power to what we call courts of equity.

I should like to have the Senator's further comment upon whether that reversal of the concept of our American jurisprudence is proper, whether the Senator thinks it can possibly be sustained under any law or general rule of necessity, whether it is a demand of the times, or whether our concept of government has changed to the degree that we can safely make such a departure.

Mr. THURMOND. I thoroughly agree with the interpretation of the junior Senator from Mississippi on this question. I wish to commend him for his insight. He was a distinguished trial judge in the great State of Mississippi, where he made an outstanding record. He comprehends the dangers of giving extreme authority to a judge.

He has sat as a judge with the power of rule by injunction and of punishment by injunction. I am in thorough accord with the expressions the Senator has uttered here today.

The need for protection was what brought about the right to trial by jury in labor disputes. It was a dangerous thing for a judge to have the enormous power to put people in prison for an unlimited time, at the caprice or whim of the judge, at his suggestion or wish, when it might occur to him it was necessary to punish.

Our theory of government is that it is necessary to have a jury to determine whether a man is guilty, and then a judge to pass sentence. For every citizen we desire to have the same right—the right to trial by jury— that we now have in labor disputes. We wish to protect the right of trial by jury for all Americans in all phases of life.

I do not know of any greater thing the Congress can do than to take the proper steps to protect this right which is so precious to our American heritage.

Mr. STENNIS. Mr. President, if the Senator will yield on one point further, this is a matter which is basic and fundamental and does not apply merely to one subject matter, such as civil rights, or to one section of the country. It applies to all areas, as various problems arise and the courts of the respective areas attempt to cope with these problems and work out solutions within the judicial field.

Does the Senator think it is sound to have a general law of any kind which would permit the Department of Justice to supersede, we might say, the local courts, the local boards of supervisors, the local boards of election, the local school trustees, the local district commissioners, or any group of persons trying to carry on the affairs of public life? Can the Senator conceive of anything that would tend to retard progress and the real solution to these kinds of problems more than the intervention of this almost unrestrained power of the Department of Justice and the sitting judge?

Mr. THURMOND. This power would not only be built up on a greater centralization of authority in the National Government, but, as the distinguished Senator stated a few moments ago, it would reverse the previous trend in the administration of justice. Undoubtedly it would retard progress to a great extent, and set us back for a long period of time to come.

Mr. STENNIS. I thank the Senator again for yielding, and for his work on this subject.

Mr. THURMOND. I thank the Senator from Mississippi.

ORDER FOR CALL OF CALENDAR ON FRIDAY

Mr. McNAMARA. Mr. President, I ask unanimous consent that on Friday, April

12, at the conclusion of the regular morning business, there be a call of the calendar from the beginning for the consideration of unobjected to bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. McNAMARA. Mr. President, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 10, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 9, 1957:

DIPLOMATIC AND FOREIGN SERVICE

Miss Frances E. Willis, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

Scott McLeod, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Robert B. Memminger, of South Carolina, now a Foreign Service officer of class 1 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Allen B. Moreland, of Florida.
George H. Owen, of New York.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

John W. Evans, of the District of Columbia.
Russell L. Riley, of Missouri.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

John L. Brown, of Massachusetts.
William Gerber, of Pennsylvania.
D. Merle Walker, of Kansas.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Mrs. Ursula H. Duffus, of Ohio.
Miss Jean Jerolaman, of New York.
Miss Lucy Richmond Lents, of North Carolina.

The following-named persons for appointment as Foreign Service officers of class 5, consuls, and secretaries in the diplomatic service of the United States of America:

Elwood M. Browne, of Maryland.
William J. Monticone, of Rhode Island.
James C. Quick, of Florida.
Clarence W. Toulme, of Louisiana.

Malcolm P. Hallam, of South Dakota, now a Foreign Service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

William P. Shockley, Jr., of California, for appointment as a Foreign Service officer of class 6, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career and secretaries in the diplomatic service of the United States of America:

Martin S. Bowe, Jr., of Massachusetts.
Miss Eleanor Van Trump Glenn, of Georgia.
Miss Fannie Goldstein, of New York.
William H. Hardage, of Georgia.
Miss Jessie L. Harnit, of North Dakota.
Clarence J. Heissel, of California.
J. William Henry, of Arizona.
Miss Margaret Ruth Kelley, of California.
James B. Lindsey, of Florida.
David H. McCabe, of Maryland.
Miss Mary Willis McKenzie, of Virginia.
Miss Isabelle Pinard, of California.
Miss Irene L. Rossi, of Pennsylvania.
Benjamin J. Ruyle, of Washington.
John W. Sullivan, of Maryland.
E. Paul Taylor, of California.
James G. Ward, of Pennsylvania.
Charles T. Warner, of West Virginia.
Walter C. Young, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career and secretaries in the diplomatic service of the United States of America:

Diego C. Asencio, of New Jersey.
George Aneiro, of Wisconsin.
Roy J. Apel, of California.
Diego C. Asencio, of New Jersey.
Thomas J. Barnes, of Minnesota.
Eugene J. Bashe, of California.
Arthur C. Bauman, of Michigan.
Michele C. Bozzelli, of Ohio.
John A. Cantwell, of New York.
George F. Carr, Jr., of Texas.
Temple G. Cole, of Kentucky.
G. Leslie Dillmann, Jr., of Louisiana.
John M. DuPont, of Massachusetts.
Harvey Fergusson, of New Jersey.
Peter F. Frost, of Connecticut.
Gregory Gay, of Ohio.
Robert S. Gershenson, of Pennsylvania.
William L. Givens, of California.
Leopold Gotzlinger, of Ohio.
Philip J. Griffin, of the District of Columbia.
John C. Griffith, of Connecticut.
Terrence T. Grindall, of California.
Thomas Gustafson, of Virginia.
Kent H. Hall, of California.
Clifford H. Harpe, of Tennessee.
James R. Head, of Wisconsin.
Aaron F. Jacobs, of New York.
Roy H. Johnson, of Nevada.
Stanley E. Kagan, of New York.
Robert D. Knight, of California.
Miss Morelle Lasky, of California.
Norman D. Leach, of California.
Wingate Lloyd, of Pennsylvania.
Alan Logan, of California.
Shepard C. Lowman, of Texas.
Eugene A. Luebker, of Minnesota.
Carl H. McMillan, Jr., of Maryland.
Edward J. Maguire, Jr., of California.
William H. Mills, of Maryland.
Gottfried W. Moser, of New York.
Donald D. Palmer, of the District of Columbia.
Ross C. Parr, of Michigan.
Douglas R. Perry, of Maryland.
Robert J. Perry, of Ohio.
Walter G. Ramsay, of Virginia.
Robert G. Rich, Jr., of Florida.
George B. Roberts, Jr., of Pennsylvania.
Roger C. Schrader, of Missouri.
Richard C. Searing, of New Jersey.
Carl G. Shepherd, of New York.
William L. Simmons, of Mississippi.
Kenneth N. Skoug, Jr., of Minnesota.
John D. Spangler, of Tennessee.
James M. Thomson, of Minnesota.
Miss Virginia A. Weyres, of Wisconsin.
Dawson S. Wilson, of Florida.
Bruce E. Woolner, of Texas.
Robert G. Wright, of Illinois.
Albert J. Zuckerman, of New York.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Frank C. Nicoll, of California.
William P. Robertson, of Tennessee.
Warren L. Swope, of Illinois.

The following-named Foreign Service reserve officers to be consuls of the United States of America:

Joseph C. Arundale, of Oklahoma.
Lee P. Dinsmore, of Maryland.
Wilfred V. Duke, of Oregon.
Zachary P. Geaneas, of New York.
Edward Macauley 3d, of Rhode Island.
Roswell M. Parrott, of Virginia.
John L. Wiggin, of New Hampshire.

The following-named Foreign Service reserve officers to be consuls and secretaries in the Diplomatic Service of the United States of America:

Henry S. Bonner, of Massachusetts.
Frederick W. Flott, Jr., of Illinois.
E. Howard Hunt, Jr., of Florida.

The following-named Foreign Service reserve officers to be secretaries in the Diplomatic Service of the United States of America:

Philip F. Fendig, of the District of Columbia.
Franklin P. Holcomb, of the District of Columbia.
John P. Horgan, of Massachusetts.
Richard M. McCarthy, of Iowa.
Samuel H. Rickard III, of Michigan.
William C. Simenson, of Wisconsin.

The following-named Foreign Service reserve officers to be vice consuls and secretaries in the Diplomatic Service of the United States of America:

Osborne A. Day, of Connecticut.
Fred C. Thomas, Jr., of Pennsylvania.

The following-named Foreign Service reserve officers to be vice consuls of the United States of America:

Roderick W. Horton, of New York.
Spiros A. Siafacas, of Florida.
Quentin H. Watkins, of Indiana.

UNITED STATES MARSHAL

Dallas A. Gardner, Jr., of South Carolina, to be United States marshal for the eastern district of South Carolina for a term of 4 years, vice Alfred L. Plowden, Jr., term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 9, 1957:

DEPARTMENT OF DEFENSE

Donald A. Quarles, of New Jersey, to be Deputy Secretary of Defense.

Gen. Nathan F. Twining, United States Air Force, for appointment as Chairman of the Joint Chiefs of Staff for a term of 2 years.

DEPARTMENT OF THE AIR FORCE

James H. Douglas, of Illinois, to be Secretary of the Air Force.

Gen. Thomas D. White, United States Air Force, for appointment as Chief of Staff, Department of the Air Force, for a period of 2 years.

DEPARTMENT OF THE NAVY

Fred A. Bantz, of New York, to be an Assistant Secretary of the Navy.

Adm. Arleigh A. Burke, United States Navy, for appointment as Chief of Naval Operations, Department of the Navy, for a period of 2 years.

UNITED STATES ATTORNEYS

Ben Peterson to be United States attorney for the district of Idaho, term of 4 years.

Anthony Julian to be United States attorney for the district of Massachusetts for a term of 4 years.

UNITED STATES MARSHALS

Frank O. Bell to be United States marshal for the northern district of California for a term of 4 years.

Robert W. Ware to be United States marshal for the southern district of California for a term of 4 years.

IN THE NAVY

Rear Adm. Donald B. Duncan, United States Navy, retired, for appointment to the grade of admiral on the retired list of the Navy.

Vice Adm. Roscoe H. Hillenkoetter, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

Having designated, in accordance with the provisions of title 10, United States Code, section 5231, Vice Adm. Austin K. Doyle, United States Navy, for commands and other duties determined by the President to be within the contemplation of the said section, the President has nominated him to have the grade, rank, pay, and allowances of vice admiral while so serving.

Having designated, in accordance with the provisions of title 10, United States Code, section 5231, Rear Adm. George W. Anderson, Jr., United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, the President has nominated him to have the grade, rank, pay, and allowances of vice admiral while so serving.

IN THE NAVY AND IN THE MARINE CORPS

The nominations of John H. Thomas and 503 other persons for appointment in the Navy and in the Marine Corps, which were received by the Senate on March 26, 1957, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of John H. Thomas which is shown on page 4402, and ending with the name of Guy W. Ward, which is shown on page 4403.

IN THE REGULAR AIR FORCE

The nominations of Ellery David Preston, Jr., and 788 other officers for promotion in the Regular Air Force, which were received by the Senate on March 22, 1957, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Ellery David Preston, Jr., which is shown on page 4226, and ending with the name of Ruth Ann Pratt, which occurs on page 4229.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 9, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou infinite and eternal God, grant that during this day we may experience the strengthening presence and the sustaining power of Thy divine spirit.

God forbid that we should ever live in anguish and anxiety and fail to believe and see that Thy kind and gracious providence is always round about us.

We pray that our Speaker and the Congress may know how to legislate wisely and be inspired to find the best ways and means of promoting the health and happiness of our citizens and people everywhere.

Give us the intrepid courage and conviction of the pioneer and the patriot as we continue to pray and labor for the coming of the kingdom of righteousness and peace.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2367. An act to establish a deferred grazing program as part of the relief available to drought stricken areas under Public Law 875, 81st Congress, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1747. An act to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the House Committee on Small Business may be granted permission to sit during general debate in the House for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NEW YORK CITY HOUSING AUTHORITY SHOULD BE INVESTIGATED

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, a week ago I brought to the attention of the Members of this House a disgraceful condition that exists in the New York City Housing Authority. I cited a series of newspaper articles as proof that increased crime, inadequate police protection, and widespread violence has been permitted to continue in these city projects without correction.

In my statement on the floor of this House I charged that from the juggling and maneuvering that is going on in New York City, it is apparent that city hall is attempting to whitewash this scandalous situation.

In asking for a congressional investigation I pointed out to this House that I had forwarded all of these articles to the House Committee on Banking and Currency with a request that its Subcommittee on Housing start an immediate full-scale investigation of the housing authority. I urged this inquiry because it is now obvious that the city administration is desperately trying to conceal and minimize this glaring evidence of wrongdoing.

Mr. Speaker, I am this day bringing this matter to the attention of the House Committee on Un-American Activities because these newspaper articles also uncovered shocking evidence that Communists still are a factor in high position in the city housing authority. While this matter is of compelling importance and should have had exclusive attention, we have seen that city hall has moved very, very slowly in its 2-year-old security investigation of the housing authority. In all of this time there have been only 3 firings and 4 resignations with 15 cases still under study.

This is hardly what can be termed an accelerated program.

If there is evidence of Communist infiltration and influence as revealed by these newspaper articles, then they must be smoked out immediately without further pussyfooting.

The American taxpayers who pay the taxes that subsidize these housing projects are entitled to a complete and thorough probe and correction of this shameful, disgusting, and scandalous condition.

In my letter to the chairman of the House Un-American Activities Committee I urge this immediate investigation.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 55]

Anderson, Mont.	Doyle	Moulder
Aspinall	Eberharter	Powell
Barden	Engle	Prouty
Bentley	Frazier	Reece, Tenn.
Betts	Grant	Rogers, Colo.
Bowler	Gregory	Scrivner
Brown, Mo.	Holtzman	Shelley
Celler	Kean	Smith, Calif.
Chenoweth	Kearney	Teague, Tex.
Coffin	Keating	Walter
Cretella	Latham	Wilson, Calif.
Dawson, Ill.	McConnell	Young
Dies	McIntosh	
	Magnuson	

The SPEAKER. On this rollcall 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1958

Mr. PRESTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6700) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 2 hours, one-half to be controlled by the

gentleman from Ohio [Mr. CLEVENGER], and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6700, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement the gentleman from Georgia [Mr. PRESTON] will be recognized for 1 hour and the gentleman from Ohio [Mr. CLEVENGER] for 1 hour.

The gentleman from Georgia is recognized.

Mr. PRESTON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the subcommittee making appropriations for the Department of Commerce and related agencies has brought a bill to the House today which I think is in keeping with the temperament of the Congress and the people of the country. When I say "temperament" I mean the desire to reduce Government expenditures to a more reasonable level.

Throughout the consideration of this bill in our subcommittee there was evident on the part of every member of the subcommittee an effort to diligently study the justifications and the requests and find every place where this bill could be sensibly reduced without doing violence to legitimate and proper programs of the Government.

As chairman of the subcommittee I want to thank my colleagues for the splendid cooperation which they have given me throughout the hearings.

To the ranking minority member of the committee, the gentleman from Ohio [Mr. CLEVENGER], I owe a debt of gratitude for his wholehearted cooperation and assistance at all times.

All of us appreciate the splendid professional assistance given the committee by our staff member, Mr. Ross Pope.

For the benefit of the membership, let me say that we have presented a very factual report, one from which Members can see at a glance just what we have done. For those of you who have a copy of the report before you I invite your attention to the top of page 3. At this point we have explained or itemised all of the personnel increases in this bill over the fiscal year 1957.

Just below that we show all of the personnel reductions in this bill below the current 1957 level. It will be my purpose during the next few minutes to comment on these two categories. All of the other items in the bill are kept at the same level as in 1957, with the exception of mandatory retirement contributions and pay for an extra day which comes during the next fiscal year. Those are mandatory things which we cannot do anything about. We have to make the contributions, as you know. Under the changed system, each department of the Government requests funds with which to match contributions made by the Government employees. Instead of dealing with it on a lump-sum basis, as we have in the past, we are appropriating it agency by agency beginning in fiscal year 1958. So when you note the table at the back of the report, the majority of the plus signs will be only for retirement contribution in addition to the extra day's pay.

Let us take the first item where we have the majority of increases in this bill. That is for the Civil Aeronautics Administration. There are about 3,500 employees involved in this increase. I know that is a shocking number to some people, especially to those who have not had the privilege of having heard the testimony and having investigated the operation of the CAA.

The yardstick I may say that we have applied to these requests was—is it necessary? Based on many years of experience in dealing with this great problem and in keeping this civilian agency abreast of the rapid transition and fast growing aviation industry, we have concluded that 3,500 employees are necessary and essential during the next fiscal year for the CAA to perform its functions. Of course, the real purpose for its function is to provide air safety for all concerned. We can tell you exactly why these 3,500 people are needed.

Two thousand one hundred and twelve of them will go to staff new facilities we have already purchased, facilities that are being installed and will have to be manned during the fiscal year 1958. I would like to mention a few of those. There are 20 traffic control towers and we can give the names and locations of the towers if anyone desires. There will be 103 very high frequency omnidirectional radio ranges that will have to be manned in 1958. There are 3 instrument landing systems; there will be 17 approach lighting conversions, conversions to the more modern type that enables a pilot to land his aircraft safely at night under adverse conditions, if necessary, eliminating the antiquated system we have been using during past years. There are 2 airport radars to be manned, 7 precision approach radars to be manned, 9 long-range radars to be manned. All of these involve a total of 2,112 new positions.

There will be 321 positions required to man the new navigational aid known as VORTAC. VORTAC is the latest invention designed to make aviation reach its pinnacle in safety. It is a device that has been experimented with through research and trial and error by the Defense Department as well as the CAA and other segments of aviation. It is the device that has been agreed upon by all segments of aviation, civil and Government. It should be installed and it will serve both military and civilian aviation.

There are 732 positions due to increases in workload. I would like to point out that the workload has increased since 1956 in the traffic control centers by 53 percent, in the control towers by 24 percent and in the communications stations, or weather stations as they are sometimes called, by 41 percent. Then we have 368 employees involved in the maintenance and flight inspection, making a total of 3,533 employees.

Now, out of this number they must absorb enough people to have at least 100 people working in safety regulations for jet aircraft. We are on the verge now of having jet commercial transportation in the United States. We all know of the plane that recently flew from the west coast, a Boeing jet aircraft, that will soon be placed in commercial service. There are many, many regulations that will have to be created due to the use of this aircraft. Because of its speed, because of the altitude at which it shall fly, because of conditions on the airfield itself where it will be landed, loaded, and unloaded, such new regulations are essential. So, this agency is having to make safety regulations for this new advent in this air age. In addition, there are 50 positions related to airport planning.

So, briefly, that is our problem with CAA. I might say this in passing, during this calendar year the CAA will assume control of the entire air space above 15,000 feet. It has long been the goal and the ambition of CAA to do that. Beginning in the next few days they will have control of aircraft regardless of the height at which they are flying, above 15,000 feet, and control of the aircraft as they come down from, let us say, 30,000 feet through the bottom 15,000 as they are approaching the airfield to make a landing. Now, it is essential to do that, because the upper air is fast becoming filled with jet military planes, and now the new commercial jet planes, moving at terrific speeds; speeds so great that, if two of them approach one another from opposite directions, before any visual glance or action can be taken, the aircraft will have collided. So, it is absolutely essential to control these aircraft at all times.

A great deal of this will be done by air route surveillance radar, radar that will keep the plane in sight when it takes off until it reaches its destination. These radars will be situated along the Federal airlanes and where one plays out another will pick up. This will be in operation at all times. Such things as happened in the Grand Canyon cannot happen in the future, because on that occasion they were not flying over regular airways but through uncontrolled air space, not knowing where the other aircraft was at the time of the crash.

So, great strides are being made with aviation. The Congress has never been able to keep abreast of them. The need must be met, and there is usually a lag of a year or two before the Congress can provide the necessary funds to meet the need. We will never be able to create a real Eutopian situation as far as aviation is concerned, but certainly we owe it to the traveling public to provide the best facilities to make our air travel as safe as possible.

Now, we have said in our report and insisted in our hearings that the time has come when commercial aviation must pay a user charge for the Federal airways. The cost is terrific. It is getting to be so, more and more every

year, and we think that commercial users and private fliers should be made to compensate for some of this terrific expense that the taxpayers are having to bear. We also feel that military aviation, which uses the airways 45 percent of the time, should make a transfer of funds from the military appropriation to CAA to help defray the expense of maintaining the Federal airways. We have taken some action in this direction in this bill by disallowing one-third of the funds for VORTAC, in order to try to have the military transfer that amount to CAA in order to install their VORTAC devices which the military will be using 45 percent of the time usually.

Without spending too much time on CAA, I will hastily run through some of these other increases before my time expires. There are 637 positions provided for the Bureau of Public Roads. I think everybody understands what we are engaged in there. There has been a tremendous increase in the road program, under the highway bill of 1956. It is impossible to run that program on the same level that we have in the past and still meet the commitments that the Bureau of Public Roads has made to the States under this interstate highway system, and so forth.

There are 120 positions provided for the Weather Bureau. There, again, we are providing people to man facilities for long-range hurricane and tornado warnings, radar, and other devices that have been established to give the public as much warning as possible in the event of impending hurricanes and tornadoes. So it is necessary to provide these people to man the new equipment already paid for and installed.

We have approved an increase of 48 employees for the CAB over the present 1957 level. I should like to say that there are over 700 cases pending today, route cases before the Civil Aeronautics Board. The reason they are pending is that this regulatory agency has had the lowest appropriation of any regulatory agency in the Government. It has been kept down through the years. It has had a very, very modest growth. Consequently, we have this very large backlog of cases concerning routes through certain areas for airlines and feeder lines and so forth, awaiting hearings. They have reached a stalemate in the Board. So we have provided 15 positions for this purpose to conduct hearings on these route cases and to eliminate that backlog that we can no longer endure.

We have provided 25 employees for the purpose of strengthening the field audit system. I am sure Members read recently about the effort of the CAB to make an extensive audit into the affairs of Pan American Airlines. Statements were made to the effect that large sums will probably be recaptured from subsidies previously paid them. It is to enable the CAB to cope with the fine accountants and the brilliant lawyers that these large airlines can employ that we have provided additional employees in that field. We think those positions are justified and will pay dividends to the Government in the long run.

We have also provided seven additional employees for CAB for the purpose of making a commercial rate study. There has not been any study of commercial rates charged by airlines in years. The time has come when we should all know what the airlines are doing dollarwise. We think they are making money. There is not a major trunkline that is on subsidy today. So we think we should have a rate study to determine whether we cannot have some reduction in airline rates. That is one of the prime functions of this Board, but they have not been able to do it with the small staff that we have provided in the past.

We have also provided one position to compile the decisions and publish an edition of decisions that will serve to inform the public of the precedents in the CAB.

The other item relates to the St. Lawrence Seaway. One hundred and forty-five positions are approved. Those positions will not be filled until the latter part of the fiscal year 1958 when the St. Lawrence Seaway will begin its operations. Employees will be needed to operate the St. Lawrence Seaway when it opens in 1958. These positions are for that purpose. They have been operating at a very low level in administrative funds in this agency.

I have mentioned the increases. We have reduced the number of positions by 412 in various agencies of the Department of Commerce.

In the Business and Defense Services Administration we have eliminated 352; in Bureau of Foreign Commerce, 42; for Office of Strategic Information, 6; for Advisory Committee on Weather Control, 12.

Two of those agencies were eliminated by committee action. They will no longer exist if this reduction stands up.

Mr. Chairman, in brief, that is the story. Due to the limited time for debate, I feel I should not deny other members of the committee time to present their views and to discuss this bill. I trust, if there are any further questions on the bill, they will be asked when we are under the 5-minute rule. I shall be glad to answer any questions I can at that time.

Mr. CLEVENGER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I have just one word to say in regard to the experience in the preparation of this bill. It has been one of the pleasantest services of my 19 years in the House. This bill has been put together without any partisan politics. The chairman, the gentleman from Georgia [Mr. PRESTON], has worked with this committee in the same manner as he has just explained this bill. It has been a cleancut operation.

These cuts have been scientifically arrived at. The gentleman from Georgia is a man of great patience. He listens as long as anybody has anything to say. He has made a record in paragraph after paragraph covering the situation thoroughly. In my book, that is the ideal way to make a report to the Congress, to make one that can be intelligently followed.

While the provision for the Civil Aeronautics Administration adds employees, the bill denies 3,461 positions where it was demonstrated they could be delayed or done without.

This committee has always had the safety factor in its mind as it considered civil aeronautics bills each year. I do not want to be scary, but I do think we have to get ourselves set for possibly very grievous accidents when these great jet liners come into our airports. We have no other choice but to build these longer runways and weather installations demanded by the increased traffic. We have also provided many of the control towers mentioned by the gentleman from Georgia, and they will be put into operation as fast as they can be delivered and personnel trained in their use.

Further, you will find from reading the hearings that we have tried to stimulate the Weather Bureau to train these people in the use of the new instruments so that we do not have a large increase in personnel without making use of the personnel presently in that service. They have promised to do that. Perhaps the same thing will apply in the case of some of the other Civil Aeronautics bureaus, but it is certainly going to take highly trained personnel to handle some of this material and use it wisely.

I am rather proud of having been on this committee some 10 or 11 years. Never once was there ever a desire to do anything that would affect safety. But just appropriating x numbers of dollars does not prove you are going to get safety. It takes the kind of careful study that the gentleman from Georgia [Mr. PRESTON] and the other members of this subcommittee have given these requests to determine that we are really on the road to safety. I am not an easy chap to convince by just telling me bedtime stories, but I am really proud of this job. It is a good job right straight through.

There are some other sections of this bill to which the gentleman from Georgia had no time to refer. One of them is the Patent Office. Many of you know that it has been a 4-year-and-6-month job to get a patent. One great trouble we have is that the young fellows who take training in the Patent Office take private employment just about as soon as they are valuable to the Patent Office. But we are making progress and we have this backlog at least to the point where it is diminishing. We are cutting the timelag. We are giving them an extra $2 million this year. We think it will make it a little more attractive for clever young men to join up with the Patent Office.

Referring to the Bureau of Public Roads, while this committee has nothing particularly to do with individual roads or projects, we appropriate money in the last instance for the payment of State highway departments who actually place the contracts for all of this new road work. Naturally, with a program the size of the one we have, that accounts for part of these new employees who went on. We have not denied anyone any men for work that they have to do. We are trying to make them retrain the help. You know, and I know, that a

great many times a job will be provided for, the work may be completed and pass away, but the employee seems to go on forever. We have been trying to dig out these sleepers when their job is finished and take them off the backs of the taxpayers.

Referring to the Weather Bureau, as I said, we gave them some new employees for the end of runway installations that are put on the major airfields. We have tried to direct the spending of this money first to the point where the traffic is the heaviest. On a lightly populated airfield, you can make landings under conditions that would be impossible in a crowded one. One of the Members told me that he flew for over 2 hours over this airport yesterday waiting for a chance to come down. With the instrumentation, the installations, the radar and other facilities, I think we can eliminate most of that.

The Advisory Committee on Weather Control was the idea of someone in the other body. It has been allowed to live 3 years longer, really, than it had any license to live, in my opinion. It tried to liquidate it when I was chairman of this committee 3 years ago, and to wind it up with the making of a report. We hope you will sustain the committee's action.

As to the Civil Aeronautics Board, he explained that in detail, and very ably so, and told about the additional help given there. It may be a surprise to some of you to find that the figures for the completion of the St. Lawrence waterway are 50 percent higher than they were last year. We are getting close to the time of completion, but like everything else that goes on, they never seem to estimate the figures high enough.

There is another thing here, the new building for testing laboratories for the Bureau of Standards. They were allowed enough money to buy land for a new site outside of the city. Presently, it is not an ideal location for the work that they do. But, a figure of $60 million was given to us last year, and it has resolved itself now into $85 million this year without any indication that that is a fast figure. So we have slowed them up. They still have the land, but we let them do a little solid figuring on how much this thing is going to cost and how much of it is necessary to ask the taxpayers to pay.

I believe, Mr. Chairman, I have covered most of the things that are in the bill.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. MASON. With reference to the $60 million that the gentleman referred to; is that for a new building?

Mr. CLEVENGER. That includes moving the installation. It was about $40 million for the building and $20 million for moving the installation and the scientific machines. Now the figure is $85 million. We thought it was quite a large amount, and with the inflated budget that we have, we have pushed them back a year.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. PELLY. I notice on page 5 of the bill an item of $700,000 for maintenance and operation of the public airports in the Territory of Alaska. My question is, whether if Alaska were a State we would still be paying the $700,000.

Mr. CLEVENGER. I might say that the user charges practically make these airports self-sustaining. That money goes into the Treasury. I agree with the gentleman that we have to devise some way whereby this great and growing industry pays for its facilities and not always expects them to be furnished by the Government.

Mr. Chairman, I reserve the balance of my time.

Mr. PRESTON. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I shall appreciate it if I can be allowed to proceed without interruption until I have finished my statement; then I shall be glad to yield to anybody and everybody for any question they may ask.

Mr. Chairman, in January of last year the Postmaster General——

Mr. MASON. Mr. Chairman, the bill before us has nothing to do with the Postmaster General. I do not want my mind diverted from the provisions of the present bill by any discussion of something outside of the regular bill. I therefore make the point of order that the gentleman from Missouri will be out of order if he speaks about the Postmaster General and his battle with the Postmaster General.

Mr. CANNON. If the Chair will permit, and this is not to be taken out of my time I hope, the gentleman is correct when we proceed to the discussion of the bill, admittedly; but there is no such rule in general debate. In general debate one may discuss any pertinent subject, and this is certainly a pertinent subject.

Mr. MASON. Mr. Chairman, I still feel that according to the rules of the House general debate on the bill must be germane to the bill and in it a Member may not discuss extraneous matter. The gentleman now having the floor must know that, because he prepared those rules.

The CHAIRMAN. The Chair is prepared to rule on the point of order. The Chair is not aware of any rule that requires discussion during general debate to be restricted to the bill. It is only where a special rule limits debate to the subject of the bill that the speaker is restricted to the provisions of the bill.

Mr. MASON. Then we are considering this bill without a rule from the Rules Committee which would limit debate to the bill; is that it?

The CHAIRMAN. That is correct, the Chair will advise the gentleman; consequently, there is no limitation in general debate on an appropriation bill.

Mr. CANNON. Mr. Chairman, in January of last year the Postmaster General came before a subcommittee of the House and asked for an appropriation for the Post Office Department for the year of $3 billion. In that connection he asked for an appropriation for operations of $2,118,880,000.

The committee was unduly generous. Instead of giving him the $2,118,000,000 for operations, it gave him $2,113,440,000 together with transfer authority which resulted in a total of $2,124,000,000; it gave him approximately $6 million more than he asked; and instead of the $3 billion it gave him, with the $17 million which is now being considered, almost $2 million more than he asked in the whole Department.

So if there is anything lacking in the amount appropriated, if any need of the Department has not been adequately met, it is due to the Department and the Budget Bureau, not to the Congress; because the Congress gave him more than he asked.

As all students of government are aware, we have for many years had difficulty in holding down appropriations for the departments. It was not so nerve wracking perhaps in those days when we did not have a tremendous public debt and when we had no great difficulty in balancing the budget. But now with growing foreign burdens and with added domestic commitments, it is of the utmost importance that we hold the departments down to a reasonable amount for current operations.

The custom of the departments for many years was to come up to the Capitol and get an appropriation, given them with the understanding that it was to last them for the full year. Thereupon they went about spending it in 6, 8, 9, or 10 months with little regard for Congressional instructions and when it had been disbursed largely according to their own ideas, back they came for more. It was a familiar refrain: "We have used up our money and will have to have a deficiency appropriation to keep the Government running." So it seemed there was nothing to do but to give them a deficiency appropriation. Sometimes we gave them 2 or 3 in a year.

The result, of course, was that Congress had practically no control of department budgets or expenditures and every year they were larger and more unmanageable.

So in 1950 we revised the old deficiency law to meet this situation. The gentleman from New York [Mr. TABER] collaborated and had much to do with it. And it was in effect, and meticulously enforced, during the entire period of his distinguished service as chairman of the Committee on Appropriations. I am certain the gentleman from New York [Mr. TABER] who sits before me here will agree that the antideficiency law is one of the fundamental factors in our budgetary system and that it ought to be maintained inviolate.

From 1950 on to the present time the departments, including the Post Office Department, have strictly observed the law, until this year. This year for the first time the Post Office Department takes the bit in its teeth, utterly ignores the antideficiency law and proceeds to spend the money as it did in the old days without regard to Congressional limitation of time or amounts.

Their defection was open and notorious. Starting immediately, at the opening of the fiscal year, in July 1956 they appealed to the Bureau of the Budget for more money. The committee had no official notice of it. Their idea seemed

to be that notwithstanding Congress had given them more than they asked, they had found ways of spending still more and they demanded that the Bureau of the Budget give them a deficiency estimate—almost before they had begun to spend what they had.

The Bureau of the Budget very properly told them that a deficiency estimate would be in contravention of the antideficiency law and declined to be a party to further estimates or appropriations for the year.

Then last January again they came before the Bureau of the Budget again and said: "We want more money. We can spend a lot more money than we have and we want a deficiency estimate for more." Again the Bureau of the Budget said, "No. You were given $2,984,340,000 for the fiscal year and under the law you must live within that amount."

That is the law. That is the letter and spirit of the antideficiency law. And it has saved already vast sums of money. And in the next 10 years, if we are permitted to retain it the law will save billions more.

They cannot say they were not on notice. They have known from the first they had to administer the Department for the fiscal year for this amount of money, and they did not protest, and they made no representation of any kind either to the committee or the Congress. Statements have been made that they gave some kind of notice last January. But there is no record supporting any such contention. The first intimation we had here at the Capitol was March 11, when they at last bludgeoned the Budget Bureau into giving them a deficiency estimate in violation of law and on March 26, almost within sight of the beginning of the last quarter, they came before the committee asking for $47 million in addition to the more than $3 billion already given them.

In the meantime they had continuously shifted their apportionment, taking money from the fourth quarter and spending it in the second and taking funds from the fourth quarter and spending them in the third quarter and of course, when they get to the fourth quarter they are short.

So the Postmaster General comes up here and with imperial arrogance "breathing out threatening and slaughter," holds a gun to the head of the American Congress and announces that "unless he gets $47 million more money he will not deliver the mail for the last 2 weeks of the fiscal year."

I have never known of a previous instance in which a Government employee came up to the Capitol and issued an ultimatum to the House and Senate.

The panic that followed on the Republican side beggers any preview of an atomic bomb falling on Pennsylvania Avenue. The United States Congress, the greatest legislative body in the world, that stood up to Hitler, that stood up to Mussolini, that stood up to Stalin, stampeded like a regiment dissolving at Waterloo—before a Postmaster General.

That is where I said it was a bluff. He would never stop the mails. And sure enough it was a bluff. They climbed down. Deputy Postmaster General Stans, the second man in the Department, said, "There is an alternative."

"The alternative" was discontinuing Saturday and Sunday deliveries, not more than 2 deliveries a day, a maximum of 8½ hours' window service and discontinuing money-order service.

The Wall Street Journal made a survey of 20 industries to see what the reaction would be to this program and reported that in a preponderance of opinion there was no particular protest. Business firms and representatives generally expressed the opinion that it would work no hardship, that many industries closed on Saturday and Sunday anyway. All the departments in Washington and over the country close down on Saturday and Sunday and two deliveries per day were enough anyway.

For example it is impossible to send a telegram on Saturday and Sunday. The Post Office Department offers to deliver special delivery letters during the entire week but the telegraph service has long refused to receive or deliver messages on either Saturday or Sunday and many other hours during the week. And no one has made any protest to Congress. Postal workers privately expressed the opinion that closing on Saturday and Sunday would be welcome. All union workers and numerous industries have a 5-day week, so why not let the postal worker have a 5-day week.

And even patrons who work on Saturday or Sunday would consolidate and adjust their business affairs to meet such a situation from now to the end of June. I have received hundreds of letters from businessmen saying they would be glad to observe economies when it meant reduced Government spending and lower taxes.

Mr. Chairman, nobody needs more than two deliveries a day. Two deliveries a day will not ruin the country. It is not going to destroy the Republic if they do not give us more than two deliveries a day, especially when it saves us a lot of tax money.

And the same applies to the discontinuance of the money-order business.

We have already been debating for some time the proposal to discontinue postal savings and money orders. You can walk into any bank and get the same service and get it cheaper. I can go to my bank, where I keep my overcharge here in the District of Columbia, and get a cashier's check or a New York draft that will serve the same purpose, for less money than I would pay for a postal money order.

So let the Postmaster General crack his whip. Our heads are neither bloody nor bowed.

What is the reason for all this built-up excitement? Why is everybody running hither and thither, over here on the Republican side?

Mr. Chairman, the Postmaster General is one of the most personable men I ever met. He is one of the finest fellows in the world. But, Mr. Chairman, the answer to all this commotion is not appropriations. Some people in the country have the idea you can cure anything with money; more money, more appropriations, higher budgets, more expensive programs and costlier outlays—with other people's money. Give the Committee on Appropriations more money so they can hire more hangers-on.

Mr. Chairman, the solution of this problem is not more money. The solution of the problem is better administration—more efficient business in Government.

For example, when the Civil War broke out, President Lincoln was anxious to keep Maryland from joining the Confederacy. Every effort was made to keep Maryland in the Union and Lincoln would have succeeded if that pestiferous Confederate had not written that song Maryland, My Maryland and printed it right in the center of the first page of the newspaper, and with that of course, Maryland went helter-skelter with the South. But President Lincoln overlooked no opportunity to tighten the bonds of the Free State with Washington. So he established post offices every 2 miles all over Maryland. And do you know, Mr. Chairman, as incredible as it may seem, many of those post offices, 2 miles apart, are still in existence? There are 10 or 15 of them 2 miles apart within a radius of 5 miles of Sandy Springs, Md. Practically none of them pay their way. Expenses far outrun revenue. But this is a business administration. Again, over here in Arlington, Va., they have two deliveries on the same street every day. One delivery is on one side of the street and the other is on the other side of the street. One is by truck, mounted city delivery. On the other side of the same street the delivery is another man, on foot. They provide exactly the same service; but one is on one side of the street and the other is on the other side of the street. What we need over there and a good many other places, is a little business sense down the middle of the street.

You may ask, Where does this money go? They just scatter it out with a shovel. There is their pet project, decentralization. They looked across the Canadian boundary line and saw the regional system in use in Canada. Immediately they decided to decentralize the United States and installed a regional system over here. Canada had found it an expensive experiment without compensating advantages and discontinued it.

But we introduced the system and followed the Canadian counterpart so closely that we even established the same number of regions. We established 15 regional offices and 91 district offices. The increase in high-priced personnel is notorious. Each region has a regional director, a regional director of operations, a regional director of transportation, a regional director of finance, a regional director of facilities, and a regional director of personnel. Then each district has a district director and a satellite of officials. Experience has proven it to be one of the most expensive, most extravagant, most conflicting systems that could be devised. Instead of expediting the business of the Department, it retards it. We need these regional offices like a wagon needs five wheels. But the feature in which we are interested here

is that it costs vast sums of money with little on the other side of the ledger.

The Department is honeycombed with waste and extravagance. And no effort is made to weed them out. The Post Office Department is overstaffed, overmanned, and overgadgeted. In many offices there are so many employees they are falling over each other. That is where the money goes and that is where they want to sink $30 million more—and they propose to sandbag Congress to get it.

Last year at a national meeting of the Chamber of Commerce here in Washington, a speaker made the assertion that if any modern business firm were put in charge of the Post Office Department they could handle the work more efficiently at half the cost. We do not need the money they are trying to stampede us into giving them. What we need is somebody down there who will utilize modern business methods instead of handling it like Abraham Lincoln handled it.

The subcommittee in charge of the Post Office appropriation bill is one of the most efficient subcommittees on both sides of the table. The chairman is one of the ablest and most experienced chairmen we have in the entire 50 men on the committee. It was disappointing that on this question the subcommittee divided on partisan lines. This is a business proposition and should have been handled on nonpartisan lines. But all the Republicans voted together and all the Democrats voted unanimously to deny the $30 million. We gave them the $17 million because it was not subject to the antideficiency law. The remaining $30 million was in violation of both the spirit and the letter of the antideficiency law.

But really it might be said that the attitude of the subcommittee was unanimous because the other two members of the committee—the gentleman from New York [Mr. TABER] and the gentleman from New Jersey [Mr. CANFIELD] were of like mind when we had a Democratic Postmaster General.

I remember when our old friend, Jesse Donaldson, was Postmaster General. He came up here one day before he had spent the money and said, "I would like to spend some of the money in this way." You should have heard what these two distinguished gentlemen said to Jesse Donaldson. It is worth going back and reading. Let me read to you an excerpt or two. Mr. TABER had issued the report. Jesse Donaldson was Acting Postmaster General and he had merely come up here and suggested that he be allowed to spend money on certain programs. Here is what the gentleman from New York [Mr. TABER] said on January 24, 1947:

> For many years the Post Office Department has been permitted to incur deficiencies in accordance with the needs of the service as they arose notwithstanding the provisions of the Antideficiency Act.

As I say, the gentleman from New York [Mr. TABER] helped to write the Antideficiency Act. He is a great lawyer—one of the best lawyers in the House of Representatives and that is a pretty strong statement because we have some good lawyers here. And as has been said, the gentleman from New York [Mr. TABER] helped to draft this law.

Let me continue.

This is what Mr. TABER said in his report:

> This practice has been accepted by the Congress for some years, but it is the opinion of the present committee—

Of which I must remind you the gentleman from New York [Mr. TABER] was chairman—

> that it does not obtain the measure of control of postal expenditures which the Congress should exercise.

Proceeding further, he said:

> While this may be in accordance with the practice of the department for some years past, the committee feels in view of its expressions on the subject of the Antideficiency Act during this session of the Congress, the postal authorities have proceeded in an unwarranted manner.

Now, I repeat, they had not done as much as General Summerfield has done. General Summerfield went ahead and spent the money and then came up and said, "Stand and deliver." Mr. Donaldson simply said, "Gentlemen, I would like to spend the money." He came here before he spent it and they excoriated him vociferously.

My good friend, the gentleman from New Jersey [Mr. CANFIELD] was much interested I note in today's News—he received a high and richly merited encomium—to the effect that he had a better background than anybody in the country for the position that he held—that he was the last word and the supreme authority on Post Office matters, and I fully concur in their opinion. But, here is what the gentleman from New Jersey [Mr. CANFIELD] said when a Democratic Postmaster General was before him:

> We have before us House Documents Nos. 323, 345, and 364 transmitting supplemental estimates of appropriations for the fiscal year 1948 in the amount of $162,166,600—and so forth—for the Post Office Department.
>
> Before we receive the statements of the post office officials, I want to say that presentation of these estimates prepared and submitted to the Congress a week before the regular supply bill for 1948 was finally enacted—is a shocking event.

In other words, he was just shocked at the idea of a man coming up here and saying, "Would it be all right with you if we spend this money?" But the gentleman strangely enough is not shocked at all when a man comes up here and says, "I have already spent the money." The gentleman has a wonderful shock-absorbing system. Mr. CANFIELD continues:

> The First Assistant Postmaster General appeared before this subcommittee last May 14 and gave no indication that these supplemental estimates would be submitted. No testimony was given before the Senate committee that the Department would seek $165 million even before the final action was taken on the regular 1948 supply bill.
>
> The President declares in his request that the alleged—

The alleged—

> that the alleged increase in the volume of postal business has been apparent to the Department since last fall, and it seems to me to be unfair and unnecessary to submit supplemental requests the week before the fiscal year begins.

Mr. CANFIELD says:

> Now the Post Office wants $165 million more. The hearings before the House subcommittee were thorough and the Department so admitted in testimony before the Senate subcommittee and in conversations with me; yet this supplemental request includes items which were considered and disallowed by the House, and the Post Office did not even ask the Senate to restore them.

That is exactly the case here; they did not ask us to give more. We gave more than they asked.

Mr. CANFIELD continues:

> It is no defense for the Department to say that it must have this money or incur penalties under the antideficiency law.

Mr. CANFIELD emphasizes the antideficiency law and he says it was effective then.

And the gentleman from New York [Mr. TABER] says it was effective then. Mr. TABER said here in the debate last week that the law has been violated. He said there is no question about it.

Mr. CANFIELD further says:

> The House report indicates that it expected savings from the Post Office Department.

That is what we expected this time, but we did not get it.

Mr. CANFIELD continued:

> The regular 1948 bill provides enough funds for maintenance of current services and some extensions. When the Post Office Department has to come here and admit that it cannot operate on the amount of money granted it by the Congress, the investigation which the House already ordered is long overdue.
>
> Following this the Bureau of the Budget informed the Post Office Department that it will not be permitted to make quarterly apportionments of appropriations based on the possibility that deficiency appropriations will be made during the fiscal year 1948.

In other words, they said: "That is your appropriation. You live within it." And be it said to the credit of Postmaster Donaldson he did that very thing.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PRESTON. Mr. Chairman, I yield 2 additional minutes to the gentleman from Missouri.

The CHAIRMAN. The gentleman from Missouri is recognized for 2 additional minutes.

Mr. CANNON. Let me say, Mr. Chairman, briefly, that the proposition here is deeper than any $30 million, that the issue is vastly more important than the current administration of any department.

Never have there been so many protests from the taxpayers of the country as Members of Congress are receiving in every mail.

And that is the crux of the matter. A continual increase in expenses means a continual increase in taxes. When you increase the budget you must increase taxes to pay for it. There is no way to get this money except to get it out of the pockets of the taxpayers.

Mr. Chairman, the folks back home know what is going on here. They want

to know why we are not reducing expenditures in order to reduce taxes. It amounts to a revolution.

Here is a daily newspaper published at Mexico, Mo. The entire back page is taken with an advertisement signed by the most responsible men of the community. It reads:

> APRIL 3, 1957.
>
> Senator STUART SYMINGTON,
> Senator THOMAS C. HENNINGS, Jr.,
> Congressman CLARENCE CANNON,
> *Washington, D. C.*
>
> GENTLEMEN: You represent us in the Federal Government and we look to you to protect our interests in the matter of spending and taxation.
>
> We are alarmed because of the trend toward constantly increasing Government expenditures.
>
> The purchasing power of the dollar continues on its downward plunge which has already brought the highest cost of living on record.
>
> Authorities tell us that much waste and duplication in Government operations can be eliminated. We ask that extreme efforts be made to encourage economy and efficiency in Government.
>
> The Federal budget as proposed calls for too much spending and must be cut to reason. Unless this is done it will not only drain too much tax money from the people but it will also encourage the habit of undue dependence on the Federal Treasury.
>
> We feel it our duty to petition you as our representatives in Congress to do your utmost to check excessive Government spending. At the same time we believe the people, also, should restrain themselves from exerting pressures that tend to force higher living costs. We believe the time has come when we should be more grateful to our chosen representatives for what they save us than for what they get for us.
>
> Inflation must be curbed.
>
> Respectfully,
>
> The Mexico, Mo., Citizens Committee To Curb Inflation: J. B. Arthur, Judge George Adams, Arthur D. Bond, Bradford Brett, Ray B. Carroll, Alan Coatsworth, W. R. Courtney, Dr. Thomas L. Dwyer, Frank Edwards, Paul Ekern, Lowell Hagan, L. B. Hawthorne, James H. Higgs, Maurice Kemp, William S. Lowe, Elmer McGee, Miss Morris, Herbert Morris, Edward P. O'Brien, Herbert B. Plunkett, George Stahl, Walter G. Staley, Hollis Stolte, Col. C. R. Stribling.

Mr. CLEVENGER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, to my mind, there is but one solution to this problem. There are certain items included in the actual spending activities of the Post Office Department which have been put in force. They relate to these items: Saturday delivery, closing post offices on Saturday, less delivery service to business areas, closing post offices earlier on weekdays, embargo of third-class mail, stopping the sale of post-office money orders on April 29.

Those things are estimated to reserve enough funds so that the Post Office Department could get by without a deficiency.

The job that the Congress has is to provide funds that are necessary to carry on the Post Office Department so that it can give proper and fair service to the people. I do not know how it strikes you, but over the last 3 or 4 years there have been enormous increases in the volume of mail. Between 1952 and 1956 the increase ran from 49,900,000,000 pieces to 56,400,000,000. In 1957 it is estimated there will be 57,800,000,000 handled; and in 1958, 59,700,000,000 pieces.

The whole picture in the Department this year is something like this: Much money has been spent in providing additional service to new users; 1,300,000 new homes have been served by the various services. This has necessitated new routes in a great many places, and I do not think that the Congress wants to leave the people without service.

Now, I do not believe that there are many items that have been restricted by the Postmaster General that the people would be willing to do without. Frankly, I do not want to see more money spent than is necessary. The balance that they have left as of the 7th day of April to run the rest of the year—and that is the fourth quarter—is $443,884,900 in their operations fund, and that is the fund that is short. The third quarter required $484,612,000, and, in order to bring the operation up so that it will take care of the situation, it shows a requirement of $41 million.

Now, I do not believe that we ought to try to stop the Post Office Department from rendering this service. The Postmaster General is going to be obliged to put these cutbacks into effect on Saturday. Maybe you can say that the people do not want those services. Perhaps they do not. But, frankly, my own opinion is that they do. The cutting out of Saturday deliveries would make it so that a very large number of people would not be able to get Saturday delivery of their papers.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact that the Post Office Department turned back into the United States Treasury in 1954 approximately $50 million and in 1955 they turned back almost $105 million?

Mr. TABER. $105 million in 1954 and $50 million in 1955.

Mr. JENSEN. And last year they asked for a deficiency of $16 million and then $150 million to pay for pay increases that the Congress authorized.

Mr. TABER. That is correct.

Mr. JENSEN. Also is it not a fact that there are less employees in the Post Office Department today than there were 3 years ago?

Mr. TABER. To this extent. In 1952 there were 523,757; in 1955 there were 511,613, and in 1956 it was cut again to 508,557.

Mr. JENSEN. In spite of the fact that during that time there have been 1,300,000 new patrons added to the postal service.

Mr. TABER. That is correct.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Is it not also true that there has been a substantial increase in the number of employees in the upper brackets and that most of the reductions have been of the employees in the lower pay brackets?

Mr. TABER. Well, that is true to a certain extent. It is not necessarily true in the overall picture. But I think that it has resulted in the installation of new methods of handling mail in the larger centers. And I will say this to the gentleman from Virginia, that he has been very cooperative in the efforts that he has made, along with the gentleman from New Jersey [Mr. CANFIELD], in installing new and better methods of handling mail, especially in these larger centers. I believe that that has had a great deal to do with the elimination of some of the cost and the number of employees. There have been many places where mounted routes have been installed. There have been many places where economies of operation have taken place inside of the post offices. I am not going to attempt to say exactly what we ought to do, but there has been no violation on the part of the Postmaster General of the provisions for which a penalty is provided. I believe that the provisions that are punitive are contained in paragraphs H and I of section 665 of chapter 31 of the code. If there is any penalty, the people who caused the deficiency are the ones who should be penalized, if anybody, and not the patrons of the post office. Frankly, I think it is up to the committee to bring in a bill providing a proper amount to take care of the situation.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JOHANSEN. Is it not correct that the Appropriations Subcommittee was told on January 15 that an additional supplemental of $53 million would be required?

Mr. TABER. I think that is correct.

Mr. JOHANSEN. And is it not true that the difference between the $53 million and the $47 million that the Department asked for was due to the dropping of the capital improvements provisions of the appropriation bill?

Mr. TABER. That is correct. The $47 million was the original request for the operation setup.

Mr. JOHANSEN. And is it not true, also, may I ask the gentleman, that the Department has received some $20 million additional in revenues from postage from users of the mails which money goes into the Treasury; and the only way the Department can get an offset of this amount covering the extra services is through a supplemental appropriation?

Mr. TABER. That, of course, is correct.

Mr. JOHANSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Chairman, as a member of the legislative committee for the Post Office Department, I am deeply concerned over many aspects of the post office supplemental appropriation matter.

I am concerned over the seeming charge that the Appropriations Subcommittee was unaware of the need for supplemental appropriations for the Post Office Department until late in March, when the record of the subcommittee hearings on January 15 shows, on page 30, that the gentleman from Virginia [Mr. GARY] asked the Deputy Postmaster General, Mr. Stans, "How much of a supplemental will the Department need?" and Mr. Stans replied, "$53 million."

I am concerned that in the heat of this controversy considerations of fairness to this House, to the Postmaster General, and to the general public—the users of the mails—may unwittingly and unjustifiably be sacrificed.

I am concerned that in a matter so vital to the public interest, and also vital to every Member of the House, there is an unnecessary and pointless delay in granting the House the opportunity to work its will on this supplemental appropriation bill, whatever that will may be.

This latter concern is all the greater because I know that the disposition of the great preponderance of the Members of this House on both sides of the aisle has been and is to deal fairly and factually with the operational problems and fiscal needs of the Post Office Department.

At the outset, let me say that on Saturday afternoon I received a cryptic telegram from a good friend of mine in my district reading simply as follows:

> If Summerfield found it necessary to cut expenses, would he close his auto agency on Saturday?

I immediately replied to this friend, also by telegram:

> I am sure Summerfield would if the only alternative was to spend more money than the law allows and risk going to jail.

I cite this exchange of telegrams in part because it underscores the dilemma the Postmaster General faces. I do so even more because it illustrates the public interest in and concern over this controversy, and because it is typical of the wide variety of questions and comments regarding the postal service being provoked by this controversy.

That questions and comments should be raised by the public is essentially desirable and healthy, but to have them raised in an atmosphere of controversy and conflict and in circumstances which seem to suggest a contest of power and pressure, may be hurtful to the public interest, to the postal service, and to both the executive and legislative branches of the Government.

Permit me to say at this point that I am from the same State as the Postmaster General. I am proud of that fact and I am proud of him. Having said that, let me further state that I have no obligations whatever to Arthur Summerfield other than those of fairness and the reasonable respect to which a member of the Cabinet of the President of the United States is entitled.

I have not hesitated to disagree with him in the past, and I will not in the future. I will not hesitate to differ with him on this issue, or on any of its particulars, if or insofar as I am shown that he is wrong.

I will go further. Because I have consistently sought to support economy measures ever since I have been a Member of this House, I have endeavored to maintain a healthy skepticism regarding any departmental request for increased appropriations. I think I demonstrated that fact when I voted, a few weeks ago, against restoration of $29 million of the $58 million reduction in the 1958 Post Office appropriation bill voted by the Appropriations Subcommittee. I believe that vote was right, in view of the difficulty of exactly anticipating requirements 16 to 18 months in advance of the end of the fiscal year.

I am not sure I would have cast that vote if I had then known the difficulties that could be involved in securing fair consideration by this House of a Post Office appropriation supplemental request.

As an advocate of economy, I think I have also a normal suspicion, based on some striking examples, that executive departments and agencies sometimes deliberately threaten or apply curtailments in service or reductions in allocations in order to stimulate public resentment and retaliation against the Congress.

Regardless of my respect for, and confidence in, the present Postmaster General, I have questioned in my own mind whether he or some of his associates might be resorting to precisely this tactic in this instance.

If I were to find evidence that this is being done I would oppose and resist it in this Department as vigorously as in any other.

I have found or heard no such evidence.

On the contrary, I have found that in 1954, the Post Office Department, under Postmaster General Summerfield, turned back to the Treasury of the United States $105 million of unexpended funds.

I have found that in 1955 the Department turned back to the Treasury $50 million of unexpended funds.

Even in the cynical atmosphere of Washington and the Washington bureaucracy, I cannot construe these actions as other than good-faith evidence of the Postmaster General's sincere and wholehearted commitment to the cause of economy and fiscal responsibility.

For this reason, I am all the more unwilling to remain silent when he and the Department are under attack for finding and reporting need of $30 million in supplemental funds over the amount allowed by the Appropriations Committee—and this $30 million, I might add, is less than 20 percent of the total funds he has previously returned unexpended to the Treasury.

My inclination to lend a sympathetic and understanding ear to the financial problems now facing the Department is further heightened by the realization that the volume of mail has increased from 49.9 billion pieces in 1952 to an anticipated 58.8 billion pieces in 1957, and that in the same period the number of employees of the Department has decreased some ten or fifteen thousand.

I further respectfully direct attention of the House to the fact, just confirmed by the gentleman from New York [Mr. TABER] in response to my question, that while the revenues from users of the mail have increased between $15 and $20 million in the current fiscal year, that added revenue goes directly to the Treasury and that the only way in which the Department can be financed for the additional services represented by these revenues is through a supplemental appropriation bill.

Just what miracles are we demanding of the Postmaster General and his Department?

Just what demands are we justified in imposing in order to demonstrate the unquestioned fact that in matters of policy and finance this Congress is—within the limitations of the Constitution and the laws we have enacted—in truth the master of the Post Office Department?

In the last Congress this House demonstrated its determination to be factual and fair in its dealings with the fiscal problems of the Post Office operations, both as they relate to the Post Office Department and to the American taxpayer. Last year the House voted an increase in postal rates. Unfortunately, the matter was not acted on in the other body.

Currently, and for the past several weeks, the Committee on Post Office and Civil Service, of which I have the honor to be a member, has again been holding hearings on the postal rate matter. I hope that favorable action will again be taken by the committee and by this House, and that this year it will result in the enactment of badly needed legislation to increase the share of postal costs borne by users of the mails.

I earnestly hope that this current controversy will not divert either Congressional or public attention from this problem, and that this legislation will again enlist the support of Members of this House on both sides of the aisle. It would be lamentable, indeed, if an unreasonable attitude with respect to this present problem had the effect of further delaying this legislation.

As a member of the legislative committee, I am acutely aware of problems facing the Post Office Department, both fiscal and operational. I am acutely aware, too, that many of these problems remain to be solved and that imperfections, some of a substantial nature, persist.

At the same time, I am aware that efforts of heroic proportions have been made, and are being made, by the Post Office Department under Postmaster General Summerfield, to grapple with these problems.

It is my earnest hope that neither partisan considerations, nor human imperfections on the part of members of the Post Office Department or of this body, nor public, nor Congressional controversy on this present issue, will be permitted to divert public attention from the major task at hand and so further delay the improvements in the postal service which are both possible and urgently needed.

I have heard some public comment, and some comment on this floor, that some of the curtailments the Postmaster

General has indicated will be necessary under a supplemental appropriation bill of only $17 million may prove to be acceptable to the public and permanently desirable in the interests of sound economy.

It is entirely possible that this is the case. However, I would much prefer to see such curtailments tried on a deliberately experimental basis, by either legislative or executive decision as may be in order, and not under the sort of circumstances now existing.

Furthermore, I would point out that, according to the Post Office Department, the largest single economy that could be realized by these curtailments—the embargo on virtually all types of third-class mail—is hardly one which this House would want to adopt as a permanent feature of the postal service, especially since the third-class mail covers a great deal more than so-called junk mail. I think any correctives, so far as junk mail are concerned, whether by rate increases or through other legislation, should be brought about through regular legislative processes and through the legislative committee.

To sum up the matter, it is my hope that this House will speedily find the means to break the shackles upon its own power of legislative action so far as this supplemental appropriation is concerned.

It is my hope that the House will reclaim its right to work its will on this matter and it is my hope that this can be done as expeditiously as possible and with a maximum of regard for the legitimate and overriding public interest in the expanding postal service.

Mr. THOMSON of Wyoming. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Chairman, we are taking time today to talk about the supplementary appropriations for the Post Office Department but as Members we are not permitted to take any action. It seems to me that this bill should come before the House without delay. A grave responsibility rests upon the Democrat committee leadership and the Democrat majority of this House of Representatives in regard to the immediate consideration of the Post Office Department supplementary appropriation bill. As a matter of fact it is the responsibility of all of us in this Congress. Unfortunately, for the moment, all those of us in the minority party, and for that matter, all that many Democrat Congressmen who I am sure would like to discharge their individual responsibility, can do is to talk about it, and I propose to do just that. This House is being denied the opportunity to vote upon this most important supplementary appropriation. In the meantime a conscientious and capable Postmaster General is being forced through operation of law by what I am sure is a definite minority of this body to take drastic steps to curtail postal service to 170 million Americans. Thereby the House is denied the opportunity to work its will as representatives of these 170 million Americans until it is too late. The responsibility for the correction of this situation rests squarely with the Democrat majority on the Appropriations Committee and in this House, and as an individual Member of this House, I ask that that responsibility be discharged at once, so that I and other Members of the House be permitted a timely vote upon this proposition within the next 24 hours. I yield to no one when it comes to effecting real economy in this Government. The only real way to judge our support for economy is by our votes. I will put my record alongside anyone's. I believe I have voted all of the cuts considered to date. Some of those votes were difficult ones from a political standpoint. In each instance, though, they represented in my opinion an effort to stop an expanding bureaucracy, or a curtailment of services which should properly be performed at State or local level. This is an entirely different situation. The proposed cuts in the Post Office Department's supplementary request do not represent economy in Government. The Post Office Department differs from other departments in that it must grow as our population and economy grows. In that respect it is a quasi-business function and should be treated as such. As the customers increase, and as its volume goes up, any business must expand.

The post office affects every American business and every American citizen. Failure to give adequate service could have a very real impact upon the economic well being of this country. No one will deny that the postal service is a proper function of the Federal Government. Postmaster General Summerfield has done a masterful job of running this quasi-business service and I do not think anyone will deny that. Look at the record. By improvements, economies, and efficiencies, he has twice in his 4 years as Postmaster General returned to the Treasury unexpended funds totaling over $155 million. This represents twice as much as he has asked for by supplemental requests in other years. This is a record of keeping faith with this Congress and with the people. Now, he asks that we consider a request for $47 million supplementary funds to finish the current fiscal year. If we are to keep faith with him and with the people who we represent, we have an immediate obligation to give this timely consideration. That is all I am asking of the Democratic leadership on the Appropriations Committee and in this House. It is something on which I think every Member of the House has a right to expect the opportunity to express himself by his vote.

After checking into the facts I am convinced that the Postmaster General has done a good job, is continuing to do a good job, and is entitled to our support. Given the opportunity to express myself by my vote, I intend to support the Postmaster General by voting for his full $47 million supplemental request. How does this request arise? I am advised that the same Postmaster General, Mr. Summerfield, who had returned to the Treasury of the United States in previous years $155 million by effecting economies, on the basis of his then efficient operation, submitted a tight budget. That budget was cut over his protest. That budget had been prepared on the basis of a 2.8 percent anticipated increase in the mail. As a matter of fact the actual increase so far this fiscal year has been at the rate of over 4 percent, representing an increase approaching a billion new pieces of mail per year. 1,300,000 new homes were constructed to which delivery must be made. The cost of reclassification voted by the past Congress exceeded by $17 million the estimate. This Postmaster General, of proven competence, is requesting only $47 million to cover all these items. This does not represent an expansion of the Federal Government, but rather an expansion of America and the American economy. It does not represent a total cost to the taxpayers for a substantial portion of it will be a mere bookkeeping entry in that the increased revenues which will cover the greater part of the $47 million go to the Treasury, and not to the Post Office Department, and therefore are offset against this appropriation.

Now there are some real opportunities for economy votes as far as the taxpayers are concerned in connection with the Post Office Department. True such would require some political courage. Postmaster General Summerfield has demonstrated that courage, and I, as did the majority of this House in the last Congress, have backed him up. I refer of course to the proposed postal rate increases which the other body did not even consider in the last session, and which have not been taken up at all in this session. Here is an opportunity to really save the taxpayers about $460 million if we are truly interested in Government economy. The subsidy in third-class or junk mail should be eliminated. The subsidy of over $250 million to magazines alone, of which about $6 million goes to one highly profitable magazine publication, should be eliminated from the taxpayers' expense. Here is our real opportunity for genuine economy without curtailing the service to the people of this country which I think they demand, and are willing to pay for, and have a right to expect. It is the people who determine the volume of the mail, not the Postmaster General and not this Congress. It is the responsibility of the Postmaster General to see that they are given the service on an efficient and economic basis. He has done just that. It is the responsibility of us in Congress to see that the necessary funds to provide that service on an efficient and economic basis are provided, either by appropriation or through rate changes. We must discharge that responsibility, and until we can do it by rates we must provide the funds by appropriation.

With the Democrat leadership on the Appropriations Committee refusing to bring this appropriation up for timely consideration, the Postmaster General, by reason of the antideficiency law with

its criminal penalties, could take only one course of action, which he has taken. This being the beginning of a new quarter, he has issued an order to sharply curtail postal service and employment. He has tried in every way that he can to keep his faith with us by setting up 1 week the effective date of this order. The order becomes effective at 12:01 April 13. These funds must be provided before that date. No rules and no whims of individuals should be allowed to prohibit this body from determining whether or not that order will be carried out. To permit such would be contrary to our representative system of government and a disfranchising of the American people. I urge that the bill be immediately reported for consideration by the House. When this is done unless there is something of which I am not advised I expect to support the $47 million appropriation. I think that doing this is an economy vote. Failure to do so would, in my opinion, do great damage to the real economies which I think can be effected. The American people I believe now support reducing the expenditures. If we cut this vital service, though, which they themselves demand and are willing to pay for, serious damage would be done to their support for real and justified economies in Government. Postmaster General Summerfield has done a good job, has a real record for economy, and is, I believe, entitled to my support and the support of this Congress.

Mr. CLEVENGER. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I intend to speak on the Department of Commerce bill that is now pending before the committee.

In opening, Mr. Chairman, I join my colleague, the gentleman from Ohio [Mr. CLEVENGER], in paying my respects to the gentleman from Georgia [Mr. PRESTON], chairman of this subcommittee, for his kindness and consideration to the minority members of the committee in the consideration of this rather controversial and difficult bill. I should like to say, however, regarding the gentleman from Ohio [Mr. CLEVENGER], that it has been my pleasure to serve with him on this committee and several others in the past few years, and I would say to the committee that if the Members of the House of Representatives had followed Mr. CLEVENGER through the years that he has been a member of the Committee on Appropriations we would not have any debt of over $270 billion and our country would be in a much better position as far as its finances and economy are concerned. The gentleman from Ohio [Mr. CLEVENGER] has always stood for a fair and decent expenditure of the funds of the taxpayers of the United States. Those who have sent him here over the years should be proud of the manner in which he has served on the Appropriations Committee. His statesmanship is a good example for all Members to follow who may have the welfare of the American taxpayer at heart.

I should like to address myself to only 2 or 3 items in this bill concerning which I believe the Members have undoubtedly received some mail and other inquiries. The first item I should like to discuss is that of the Civil Aeronautics Administration. That is an item that is one of the most difficult this committee has to face. It is an item of very large appropriations, and also one which affects practically every person in the United States, those that fly, and it is almost the exception now to find anyone who is a citizen of this country who does not fly. So there the question of safety on the air routes becomes very important.

Our committee is, as it stated in its report on this bill, "recommending a sizable increase over current year funds for this program—CAA—despite economy demands." The committee satisfied itself during extensive hearings on the budget request of this agency that substantial amounts of money are in fact required to bring our airways system up to date, to meet the present and future needs of military and commercial aviation.

There need never be any debate on the subject of American civil airpower as represented by the scheduled airlines of the United States.

Since the passage of the Civil Aeronautics Act in 1938, the United States scheduled airlines have expanded their usefulness to the public many, many times. Our airlines have multiplied their usefulness—flying bigger, better, faster, and more comfortable planes, and operating more frequent schedules and serving hundreds of more cities at home and abroad to provide the safest and most dependable air transportation system in the world.

Yet the airlines have more than held the fare line. Actually, the average fare has gone down since 1938. Of course, for the airlines to improve service and hold the fare line, they have had to pour practically every available dollar—from profits and other sources—back into new and better equipment and service.

As more and more aircraft—military, private and commercial—use up the available airspace, the present air traffic control system cannot always keep up with the demand, particularly in bad weather. Because safety is paramount, delayed or canceled flights result. An improved CAA system for the skyways is being developed; it was begun last year. I know when I say that we will see even greater progress and development in this regard in the year ahead, it is going to cost a good deal more than has been spent in the past. However, it is our duty to see that we have an airways system that will meet and provide for the country's future needs, that will serve the public interest, commerce and national defense.

In the latter respect, we can neither afford nor accommodate separate military and civil systems. Now, I think you will find, for example, that the scheduled airlines and the Nation's military services are partners in an efficient and economical program to guarantee the airlift necessary for national security in war or peace.

Every hour of every day the scheduled airlines are a working partner of the Nation's military services in building America's airpower. This provides the Nation with a large, flexible, and economic airlift, both actual and potential, for use in both cold and hot wars, in local actions or major conflicts.

To make sure that there is no delay in any national emergency requiring total mobilization of all resources, the Defense Department and the scheduled airlines have developed the Civil Reserve Air Fleet—CRAF—plan. Within 48 hours over 350 four-engine aircraft would go on active duty. This fleet could provide over 7 million ton-miles of airlift daily. If the Government had to operate and maintain this fleet it would cost the American taxpayer close to $300 million a year. In fact, it would have cost over $400 million just to acquire this fleet of planes, in the first place.

I would like to mention one other aspect relating to the increased cost of operating and maintaining a modern Federal airways system, and that is the desirability, which is actually a necessity, to recapture a share of the costs from the users. Our committee has explored this possibility in the past, and are now convinced that the time is approaching when a fair and equitable system of user charges must be considered for the various forms of transportation using Government-provided facilities in order to help defray the increasing costs of these Government-provided air facilities and other types of facilities.

The CAA has told us that the military accounts for approximately 45 percent of the total use, with the civil—both private and commercial—taking up the balance. This strikes me as being somewhat low if all factors are taken into account. However, certainly it should not be a difficult matter to allocate the military's fair share. A proposed method for charging for civil use has been an aviation gasoline tax. A tax on gasoline may well be the only feasible method, from the Government's standpoint, of collecting user charges. I think it is at least questionable, however, that relative amounts of gasoline tax give a reliable indication of the relative use made of the airways by the various groups of users. The commercial air carriers already pay about $25 million a year in Federal gas-tax payments. In this connection, I might observe that these present gas-tax payments are incorporated into the highway trust fund, where I doubt that they belong, since they bear no relationship to the purposes for which that fund was established.

I believe the committee has done an excellent job in the evaluation of the airway system and the funds that have been allotted here are sufficient to carry on the program of bringing about an adequate and safe airway system. The VORTAC system will come into operation this year. It will be of great benefit to all fliers where instruments will actually show the miles of distance away from the airport where the landing is to be made. Members of the committee have flown experimental planes and have seen this system in actual operation including the other advancements that are being developed by private industry and the CAA. They are making great progress and the safety of the airways is, of course, paramount in our thinking in that matter.

One other item, I am sure, will come to the attention of many Members of the House is the question of the Maritime appropriation. Here again is an appropriation which is very difficult to work on because it includes subsidies as do the airlines. May I, before I leave the CAA, however, reiterate what I have said so many times here before, on the question of subsidies for the airlines. All of the major trunklines in the United States are now off subsidy. They are not receiving any subsidy. Your feeder lines and helicopters are receiving subsidies, but the major lines are now subsidy free. That is, free from a direct subsidy. Of course, we must admit that these airways, for instance, which we provide are an indirect subsidy.

I think it is necessary to call to the attention of the House in the recommendations which we have made respecting funds for Maritime appropriations, we may have taken what I consider to be a calculated risk. It is a risk worth taking, however, in the interest of economy. But, it is one which must nevertheless be appraised and I think properly brought to your attention. With respect to the operating differential subsidy, I think the risks are minimum. Our committee has recognized that these are contractual obligations. What we have done is simply estimate that the $100 million we recommend for this purpose, together with funds available to be carried over in fiscal year 1958, will be sufficient to the contractual obligation of the United States Government for this purpose during fiscal year 1958.

These are contractual obligations which our Government must meet.

In this connection, it is interesting to note that even this amount possibly can be considered a first-class investment for the United States, for it has enabled us to build at minimum cost strong steamship lines able to serve our commerce and defense. It has been estimated that at least 85 percent of the total operating subsidy bill is offset in taxes paid by these lines. Needless to say, if we did not support our American-flag shipping in this way and relied exclusively on foreign shipping our shippers would likely pay exorbitant freight rates and the Government would not get an offsetting tax return.

It is in the field of ship construction that I think the risk is most significant and it is in this area that our action is most drastic. With the lessons of Suez fresh in our minds we must think very carefully of the vital need to expand and modernize our merchant shipping. The cost of doing so is modest in relation to the tremendous costs which we will incur if our shipping is inadequate to meet our needs.

The Honorable Charles S. Thomas, who recently served with so much distinction as Secretary of the Navy, had this to say:

> The advent of the atomic age has not lessened our Nation's need for a strong and adequate merchant marine, for it is a fundamental truth that the United States cannot prosper in peacetime or preserve its security in case of war without merchant vessels. Without our own ships, we cannot be assured of obtaining the necessary raw materials we need. Without our own ships we cannot defend ourselves. Without ships we cannot assist our allies. Without ships we cannot grow and prosper. The advent of the atom, the missile, and the supersonic aircraft does not alter our dependence upon the need of workaday merchant ships crossing the seven seas. The American merchant marine remains as indispensable to our prosperity as it ever was and fully as important to our defense as the Army, the Navy, the Air Force, or the Marines.

These are sobering words. But it is argued that we do not at the moment need the funds for ship construction because the yards are so busy. This was taken into consideration by our committee but it is also true that the bulk of the construction in our yards is in the tanker field. I am happy to note that the subsidized lines have initiated a program of passenger-ship construction, but there is no denying the fact, and the Defense Department statistics will prove, that we are still deficient in fast passenger vessels capable of speedy conversion to troop transports. We had to eliminate from our recommendation the funds to build a sister ship to the *United States*, and a new passenger superliner for the Pacific service.

May I say here that it is my hope that in the future under this shipbuilding program where we have anticipated it for defense purposes, to get the ships in operation so that our ships will travel the seas in defense of the Nation, that in the future more consideration—and I come from Ohio, from the East—but I hope more consideration will be given to the west coast and the development of yards on the west coast capable of the construction of some of these ships. We are pretty well protected on the east coast, but on the west coast at the present time the facilities are inadequate. May I point out that in this bill there has been eliminated a ship on the west coast, yet we are in more need there so far as the Far East is concerned. In the defense emergency we need ships on the west coast to carry out our responsibilities to our own possessions and to our allies.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. HORAN. I have the feeling, and I wonder if the gentleman has the same feeling, that the subcommittee recognized that fact.

Mr. BOW. I am quite sure of it. I have said before, I thought I said before, that the subcommittee does recognize the fact that this question of weighing the economy against the defense needs were taken into consideration. This is perhaps a calculated risk in this particular bill, but I believe it is important that we point out not only to the Congress but also to the people the necessity and the reason for programs of this kind.

The Navy testimony showed that another *United States* would give the United States a capability for delivering 308,000 troops to Europe in a year. The ship proposed for the Pacific operation is not quite as large but would make a proportionate contribution to our trooplift capability.

I hope that the action we have taken will not further delay the regular replacement program for dry-cargo ships which has been developed and initiated by the administration.

Ship construction has long been a feast and famine business and uneconomic in some respects as a result of this up and down tendency. It is good planning and economic in the long run to spread out our replacements, give our yards a steady workload, our shipyard employees steady work, and ship operators an incentive to plan and build for the future.

Our committee's recommendation tries to balance the need for economy with the need for a strong merchant marine. But our need for economy must never be at the cost of our security. We simply cannot afford to let our use and control of the ocean slip away from us by reason of economy or ignorance or apathy. I am confident that the Congress will not allow this to transpire.

As I say, I come from the east coast. Since studying this program and reading about it for some few years I have become convinced that the merchant marine and the development of shipping under the American flag throughout the world is of great importance not only to our Nation and its national defense but to the economy of the Nation as well.

One further matter that I have had a number of Members inquire about here on the floor and about which I have received a great number of calls refers to the action of the committee in deleting from the bill the Bureau of Business and Defense Service. I approved the action of the committee when it was taken. I still stand on this bill, I believe in it, I think it is a good bill and I believe the committee has done a good job.

Inasmuch as there is not much interest in this particular item, perhaps it would be well for the RECORD if we would point out some of the things that are done by that administration so that those Members who have the question raised might have some of the facts before them. What is claimed for the Business and Defense Administration?

We have a high-level economy with all types of industries in the market for raw materials to supply civilian needs. In this very tense supply-and-demand situation, we also have a defense and atomic energy program of tremendous size, with private contractors also competing for short supply materials for all programs.

Without organized guidance, the military procurement program would be thrown out of joint. Confusions and delays would result in the manufacture of hard goods urgently needed for atomic weapons, planes and other items. The situation is made worse because many vital materials are in very short supply—such as nickel, heavy steel plate, argon gas and certain rare metals.

The instrument to provide necessary guidance is placed in the Commerce Department because private industry manufactures for both the military and civilian market. This instrument is operated by the industry divisions of the Business and Defense Services Administration because these have the experience and expert personnel for such industrial support programs.

The day-by-day function of the industry divisions of BDSA is to develop and administer the defense-materials system, which provides preferential deliveries of basic materials and other production requirements to companies with defense and atomic-energy contracts. Such an orderly system of priorities and allocations makes sure that these companies have adequate materials so that deliveries can be made on schedule and in order of priority.

This system is called the defense-materials system which is a priority system authorized by the Defense Production Act of 1950. A contractor receives a DMS priority rating from BDSA which he uses in ordering raw materials. But if he still has difficulties in getting his materials to meet schedule, he then appeals to BDSA for special help. During the calendar year 1956, there were received and acted upon more than 10,000 applications for individual action to provide special assistance—an increase of 29 percent over the previous year.

Had there been no such assisting agency, scheduled deliveries would have fallen behind and the defense program would have suffered as well as the civilian economy. In view of the anticipated high-level military and civilian demands for the coming year, similar assistance will be continuously needed.

Many additional services in the economic picture also are provided by the industry divisions. In view of the critical shortages in nickel and iron and steel scrap, the BDSA—at the request of Congress—has made studies of the situation and has recommended remedial measures. The divisions keep tab on the strategic stockpile to make certain that this vital reserve is properly maintained. They also are making plans and preparations for swift and orderly mobilization of industry in the event of war and redistribution and recovery of industry after an attack.

If we wash out the industry divisions of BDSA, the military effort would still need a system to make sure manufacturers of defense items had access to materials needed for production, otherwise confusion and delays would be inevitable.

Mr. PRESTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHELLEY].

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from California.

Mr. ALLEN of California. Mr. Chairman, I would have liked to have had the opportunity to compliment the preceding speaker on his remarks with regard to the merchant marine, particularly the construction phase. I would like to ask either the gentleman from Ohio or the gentleman from California whether or not in the opinion of either one of these gentlemen the objective of dispersing the ship-construction industry has been accomplished satisfactorily, either by the provision of the Merchant Marine Act or by the appropriation procedures?

Mr. SHELLEY. If the gentleman will be patient for just a moment I will touch upon that subject.

Mr. Chairman, at the outset I wish to pay my very sincere respects to not only the chairman of the subcommittee of the Appropriations Committee handling the Department of Commerce bill but to the members of the committee on both sides of the aisle. I have served on many committees during my legislative career, both in the State legislature and here, and I think I can very sincerely and honestly say that I have never worked with a group who are as harmonious in working out conflicts of opinion and in arriving at a conclusion that is satisfactory and which I believe the House will support than is this subcommittee.

Now, in regard to the question that was posed by the able gentleman from California [Mr. ALLEN], I think it is the considered opinion of myself and many members of the Committee on Appropriations that the allocation of ship construction on a basis that would give incentive to keep workers in the industry and to protect the country by having shipyards ready and available is not being carried out. At least, not insofar as the Pacific coast is concerned.

I want to give you some figures at this point of what ship construction is going on at the present time. Before I do that may I say that I most heartily agree with the comments made on this phase of our report by the gentleman from Ohio [Mr. BOW] who, for a gentleman from the Midwest, has taken a very, very active interest in the subject and has shown a great understanding of the problem.

At the present time, as of March 1, there are 108 oceangoing vessels being constructed in shipyards in the United States; for operation under the American flag, 75; for operation under foreign flags, 33.

Now, those of you who have heard me before know, because of previous employment in the American merchant marine both in the seagoing field and ashore in the office side, I have had a direct interest in this program and I have been fighting for years for the rebuilding of our merchant marine so that we do not have to depend on the wartime Libertys and Victorys that were built in a hurry. But it is very interesting now to note that we have come to the point where foreign operators are coming to the United States and having vessels built here to be operated under foreign flags. The reason for this is that every foreign shipyard in the world is loaded now and for the next several years with orders. They cannot handle any new construction for several years to come. But these people recognize the changes that have overtaken the maritime industry in the type of ship, the speed and the design, and they are willing to pay the extra money for higher wage costs and material in coming to American yards to build their ships which will operate under foreign flags, with foreign crews, in competition with our American-flag vessels.

Here we are confronted with another problem, too, to which I think some of the executive departments of this Government must give some recognition and which I think the Committee on Merchant Marine should make some inquiry into, and that is that American operators who wish to build vessels for operation under the American flag are now being told their orders cannot be taken because of the shortage of steel, and yet the steel is going into the building in American shipyards of foreign vessels that will be operated under foreign flags. Let me give you some figures on present ship construction.

At the Bethlehem yard, Quincy, Mass., there are 9 vessels being built for United States-flag operation and 8 for foreign-flag operation.

At Bethlehem yard, Sparrows Point, there are 18 vessels being built for United States operation and 9 for foreign operation.

Newport News, there are 19 vessels being built for United States operation and 8 for foreign operation.

At Ingalls, on the gulf, eight vessels for United States operation.

Sun Shipbuilding, 8 for United States operation and 3 for foreign operation.

New York Shipbuilding, Camden, N. J., 2 for United States operation and 3 for foreign operation.

Maryland Shipbuilding & Drydock, seven for United States operation.

Bethlehem, East Boston, two for foreign operation.

Bethlehem yard, San Francisco, four ships being built for United States operation.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield to the gentleman from California.

Mr. MAILLIARD. I would be curious to know how you, as a member of the Committee on Appropriations, was able to get this information from the Maritime Commission. The gentleman will remember that he and I and several other Members were active in putting a bill through in the last Congress, which became law last July 7, requiring the Secretary of Commerce to develop this information. I know, as a member of the legislative committee, that I have not been able to get satisfactory information and I was wondering how the gentleman did in the Committee on Appropriations.

Mr. SHELLEY. The gentleman's comment is very interesting, because in response to the first inquiry made by myself and other members of our committee, we were unable to get information. In fact, we got a letter from the Secretary of Commerce which said that this information, compiled under the very legislation of which Mr. MAILLIARD was the author, was Administratively Restricted, but in the last week or two we have been able to get some of this information. Why they are not compiling it completely and making it available to the committees at this time I certainly do not know, but I think somebody should get the answer.

Mr. Chairman, I have taken the position that I have had for some years, that we need ships in this country, but under the present economy thinking, with the attitude of this House as shown in the past several weeks, it would have been ridiculous for our committee to think that we could come to the floor with a huge appropriation for shipbuilding now, when some $92 million was unexpended out of the funds last year.

Nothing would please me more than to have included in this appropriation adequate funds for the immediate start of construction of a sister ship to the steamship *United States* as a replacement for the present steamship *America* and for the construction of a new superliner for operation by the American President Lines of my native city of San Francisco in the transpacific trade. However, I am sure there is not a single Member of the House of Representatives who will disagree with the conclusion of our committee that to bring these amounts to the floor in our bill at this particular moment might possibly prove disastrous to the whole ship construction program not only for this year but for some years to come. With reluctance but with a realistic view of the situation as it is, not as I would wish it to be, I join in supporting the committee action. I must say for the record, however, and I believe I express the feeling and thought of every member of our subcommittee, that both of these ships are vitally necessary now to the American merchant marine. The present steamship *America* was built in 1940, was used as a troopship during the war, was refurnished and reequipped in 1946 for the passenger trade, and in 1960, under the provisions of our Merchant Marine Act, will be considered an obsolete vessel which must be replaced. The present *America* makes a maximum speed of 23 to 23½ knots, whereas all of the modern passenger vessels being built today have a speed of 30 to 35 knots. This, of course, is for defense purposes, not for commercial reasons, and is an absolute necessity when these ships are used to carry troops in wartime if they are to have any chance with the modern submarine what it is today to get the troops to their destination safely. When it comes to troop lift, however, it must be noted that the Atlantic seaboard at the present time has several large superliners built since World War II and by another year or so, will have a couple of more which will give a fairly adequate troop-lift nucleus of large ships to that area if needed.

In the Pacific and operating from the Pacific coast, there are at the present time no newly constructed fast superliners whatsoever. The American President Lines vessel which would have cost the Government in the neighborhood of $32 million for construction subsidy, is sorely needed in that area and if any way at all can be found to solve this problem, it certainly should be done without having to wait another year or a year and a half before construction can be started. To delay much longer will leave our Pacific islands and friends in the Far East in a critical situation because of the absence of any single large fast vessel for heavy troop lift. From the commercial side, unless we proceed with the building of such a ship in the very near future we are in danger of losing our present position in the Pacific—passenger and cargowise—to the Japanese who as a people have always been maritime minded and who are now making great progress in their attempts to reestablish themselves in this field.

Now, lest some Member of the House or some of my good friends at home, get the idea that we are leaving the Maritime Administration with no money whatsoever for ship construction in fiscal 1958, let me again review the facts for you. In fiscal 1957, our committee gave to the Maritime Administration for new ship construction $100,700,000. When they appeared before us they stated that $92 million of this amount was still unexpended and available. They agreed that the maximum number of vessels for which they could let contracts in the next year would be 17 to 20 vessels of various types. They presented a list of 17 vessels presently in their program for construction in the near future, the contracts for which are now being negotiated. These vessels are as follows: 5 cargo, Lykes Steamship Bros.; 4 cargo, American Export Lines; 5 cargo, Moore-McCormack Lines; 2 passenger cargo, American President Lines; 1 ore cargo tanker, Ore Transport Co.

This list of vessels when considered in the light of listings I have previously given you as to the amount of work now in American shipyards indicates that there will be no possible way in which they could get more than these vessels under construction in this next year except one—and that is the one thing that the Federal Maritime Administration and the Federal Government has not done today. That is, instead of concentrating all of the new ship construction work being done on the east coast of this country, they should rehabilitate some of their standby yards on the Pacific coast where 52 percent of the vessels built during World War II were constructed and all records broken so that the shipyard industry on the Pacific coast which is now, except for 1 yard, dead or fast dying can be rehabilitated and employment given to men who have made this their life work. There is certainly no sense, if we are to believe all of the arguments for dispersal of defense industries, in the concentration of shipbuilding activity in one small area from Massachusetts to Virginia. It has been urged time and time again of the Department of Commerce that they request the President to exercise his executive authority and call for bids for construction of new vessels on a geographical basis thereby keeping up the defense requirements of this Nation in the shipbuilding field by an equitable apportionment of the work to all of the coasts.

In the cargo liner field we took huge strides forward when we built the 35 mariner vessels under an appropriation made by this House in 1950. These are 22-knot vessels which have proven their worth on the world's cargo trade routes. We need more of these vessels with more modern design and a minimum of 20- to 22-knot speed, as a replacement for the war-built Liberties, Victories, C-2's and C-3's which are now obsolescent and will be obsolete between 1961 and 1964. Certainly as a Representative of the Pacific coast and my own people in San Francisco, I cannot in good conscience keep voting millions of dollars for the construction of ships everywhere else in the country but on the Pacific coast as much as I recognize the immediate need for ships and I say this because of the outstanding record made on the Pacific coast in two World Wars and the fact that today the industry is not only in a precarious position but, as I said before, dead or dying for lack of nutrition.

Mr. Chairman, as I conclude my remarks, I notice that the very able gentleman from North Carolina [Mr. BONNER], the chairman of the House Committee on Merchant Marine and Fisheries and several other members of that committee are present during this discussion. This brings to my mind two other thoughts which were developed in the hearings of our Appropriations Committee and to which I wish to call their attention and most respectfully suggest to them, as a legislative committee which I know from having served on it for 5 years keeps a careful watch over this field, that they should probably give some thought to these situations and have a look at them. One is the huge number of foreign transfers approved by the Federal Maritime Administration in the past several years and the fact that the decision to approve these transfers is the decision of one man—the Maritime Administrator. As a member of the Hardy Subcommittee on Government Operations which recommended Reorganization Plan 21 of 1950 which abolished the old Maritime Commission and set up the present Federal Maritime Board and Federal Maritime Administration—and as a former member of the Merchant Marine Committee on which I greatly enjoyed serving—it was my thought that this subject was a policy matter which would require action by the Maritime Board and such is still my thought. If I had been mistaken as to the law, I would most respectfully suggest to the chairman and the members of the committee that this is a subject matter which they could go into with a possible change in the law which would require full Board action and a unanimous vote of the Board before any transfer of American vessels to foreign flag and registry can be made. The other situation is the one in which seems to have developed from the trade-in trade-out legislation which most of us supported several years ago and which in my humble opinion appears to some extent to have become a Frankenstein because it has taken control away from Congress in this highly important field. It seems to result because of a combination of sections of the Merchant Marine Act of 1916 and sections of the Merchant Marine Act of 1936 which the Maritime Administration relies upon for its program carte blanche authority to do as it wishes in the trade-in trade-out field.

Mr. CHAIRMAN. The time of the gentleman has expired.

Mr. CLEVENGER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I should like to state that I have enjoyed very much serving on the Department of Commerce Subcommittee of the House Committee on Appropriations. Our chairman, the gentleman from Georgia [Mr. PRESTON] has been an outstanding chairman. I have enjoyed my association with him and with the ranking

Member on my side of the aisle, the gentleman from Ohio [Mr. CLEVENGER].

I think that this bill, as it reaches the floor of the House, is indeed in much better shape than the bill we considered in the House last week. Personnel levels in each of the items in this bill have been pruned I believe to the minimum, by our subcommittee. I feel that the action of our subcommittee is in keeping with the feeling that was expressed by many Members of this House in the past few weeks.

I am personally dedicated to making substantial reductions in the level of Federal spending proposed in this 1958 budget. Many of us realize that at the present time there are over 2,400,000 Federal civilian employees on our payrolls in all departments, bureaus and agencies of this Government. In this budget, which has been sent to us by the President, there are requests for 35,000 new employee positions; and in addition this budget makes permanent some 30,000 other positions. I think every subcommittee of the House Committee on Appropriations, the full committee and the membership of this House should be on guard at all times to see that the level of Federal civilian employment is kept at a minimum.

The item in this bill on which I took a reservation had to do with the complete elimination of one division of the Defense Service Administration in the Department of Commerce. This action eliminated an appropriation of $3,560,000 which provided certain services to defense contractors, business concerns, the Defense Department and industrial plants.

This $3,560,000 appropriation item in the budget request for the industry division of the Business and Defense Services Administration as sent to us by the President provided for the same employment level as the 1957 budget. I was certainly willing to go along for a reduction in the appropriation for this particular activity but it did not seem to me a wise move to strike the entire appropriation from this budget.

The House Appropriations Committee, in reporting the bill for the Department of Commerce, has recommended for the Business and Defense Services Administration—page 7, line 13—a reduction of $3,560,000 from the budget request. In its report the committee stated that the purpose of this reduction is to eliminate any funds whatever for the Industry Divisions of the Business and Defense Services Administration.

In the markup of this bill I took a reservation on this particular line item. I am interested in keeping personnel in this budget at the 1957 level or below. I do believe that the complete elimination of this entire item is in error. I am sure a reduction of this item could be made but I seriously question the complete elimination of this activity.

This is what the Industry Divisions of BDSA do and what will happen to our defense production and to distribution of scarce materials if these Divisions are completely eliminated:

First. Contractors with orders for military equipment, guided missiles and atomic weapons are provided with priorities to obtain basic materials, such as steel, copper, aluminum, parts and components to fill their defense orders.

Second. At the request of the President, the industry divisions operate a superpriority system for the missile program. Materials and equipment for the manufacture and propulsion of missiles are given priority over all other military and atomic-energy production and the divisions have the responsibility to see to it that nothing interferes with the top priority given to this vital defense program.

Third. Many materials are in short supply, such as nickel, argon gas, and certain types of heavy steel products. Also in short supply are many electronic parts and apparatus, instruments, electronic computers, and so forth, which are vital to the production of missiles, radar, and atomic weapons. The Industry Divisions are responsible for various actions that assure that the military and atomic-energy requirements for scarce and hard-to-get materials and products are met on schedule.

Fourth. Thousands of military and atomic-energy contractors appeal to the Industry Divisions for special assistance to help them secure materials, equipment, and parts to complete their contracts on schedule. About a thousand such requests are taken care of by the Industry Divisions each month.

Fifth. The priority system operated by the Industry Divisions, together with the experience and knowledge of industry possessed by the staffs of these Divisions, are of vital importance in keeping our military and atomic energy programs on schedule.

Sixth. The Industry Divisions protect the civilian economy from unreasonable dislocation by military procurement:

(a) Where necessary, the Industry Divisions spread military and atomic energy requirements equally among qualified producers. This prevents undue concentration of procurement among a few suppliers, which would dislocate commercial business.

(b) Where defense demands for a scarce material or product are very high, frequently requiring all or most of the entire output, the Industry Divisions arrange for a minimum civilian supply and an equitable distribution of the remainder for the civilian market—nickel, argon gas, and machine tools are examples.

Seventh. The Congress has authorized priorites for the military and atomic-energy production in the Defense Production Act. Some agency of Government must do this job, or it will not be done at all. Our entire defense production program will suffer accordingly, and civilian markets for scarce materials and hard-to-get products will be disorganized.

I predict that if some other agency such as the Defense Department, takes on the responsibility, it will require a greater number of people than are now in the Industry Divisions of BDSA of the Commerce Department.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I wonder if the gentleman would mind telling me just why that appropriation was cut.

Mr. LAIRD. That particular appropriation was not cut, it was eliminated.

Mrs. CHURCH. Will the gentleman tell me why it was deleted?

Mr. LAIRD. I believe the majority of the members of the committee felt that these particular services and activities should be eliminated. That is the only reason I can see that the item was completely stricken from the bill. As I said, I could go along for a reduction of this appropriation in the bill but did not support the absolute elimination of the entire appropriation.

I support this bill as it has been reported by the subcommittee. I do want to say that this subcommittee did a remarkable job in reducing the budget request covered by this bill by $217 million.

We can go forward on the other bills. There are six other appropriation bills which are coming to the floor of this House in the next few months, and we can make further substantial reductions in the President's budget request.

In the six departmental appropriations bills that have come before the House so far this year the total amount of requested funds was slightly over $14 billion. With the adoption of this bill we will have had House action on these six departmental bills, and our total reductions in the $14 billion will be in excess of $1 billion.

Here are the bills covering these departments and related agencies and the list of reductions in the requests totaling over $1 billion:

	Million
Treasury and Post Office Departments	$60.3
Department of Interior	60.7
General Government (White House and Executive Offices)	4.9
Independent offices (Veterans' Administration, Civil Defense, Housing, etc.)	519.9
Labor, Health, Education, and Welfare	134.4
Department of Commerce	217.8
Total reductions	1,018.0

We still have to come before the House, two of the largest appropriations bills, the Department of Defense and the foreign-aid appropriation bills, where greater reductions can be made than have been made in these past six bills.

Mr. Chairman, I recommend this bill most highly to the members of this committee.

Mr. CLEVENGER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman and Members, in the consideration of this appropriation bill relating to the Department of Commerce and related agencies for the fiscal year ending June 30, 1958 an issue arises that is not different from what has already arisen in our consideration of other appropriation bills and will undoubtedly continue to be raised in our consideration of the remaining appropriation bills that will

come before us during the present session of Congress.

The issue to which I refer, and which by no means is unimportant, relates to what cuts can be made in the budget estimates without destroying or curtailing to an unwarranted degree necessary or essential services of government.

This question becomes one of great importance because there is a widespread insistance throughout the country that there be economy in the conduct of government. And yet, we are all conscious of the fact that there are many existing conditions with fixed programs and necessary services that cannot be eliminated or curtailed to any extent without doing great harm to worthwhile government functions of a domestic character, and particularly with respect to those programs and services that relate directly or even indirectly to our national security.

It is my intention to direct my remarks to a situation respecting our national defense that has been overlooked, or at least, not adequately considered by the subappropriation committee that has reported this bill. I regret the necessity to do so for I am convinced that in the main the committee has done a most worthwhile job in its effort to reduce the cost of government. However, in the matter to which I refer I am strongly of the opinion that the committee has made a very great mistake—a mistake that could in the hour of an emergency result to our great disadvantage and even to our disaster. I refer to the tremendous and what seems to me the unwarranted cut in the appropriation for ship construction.

In fiscal year 1957, the Congress appropriated for the purpose of ship construction the sum of $100,700,000. The budget estimate for fiscal 1958 was $94,500,000. Thus, the present budget as presented to the Congress provided a saving of $6,200,000. However, much to the surprise of everyone who is familiar with the necessities of the present time, both from a maritime and defense standpoint, the committee has recommended only $3 million. This recommendation of the committee therefore represents a reduction of $97,700,000 over the 1957 appropriation and $91,500,000 reduction in the 1958 budget estimate. This is a reduction of approximately 97 percent in the appropriation of last year and a reduction of more than 96 percent in the budget estimate. A mere statement of such a tremendous percentage reduction is enough to challenge our thoughtful attention and cause us to stop, look, and listen. Why this overwhelming cut? Will the facts show it to be justified? I believe not, once the effect of this reduction is fully understood.

I do not believe that the demand from the people to cut Government expense can be interpreted to mean that they desire cuts without regard to what is just or right in the public interest. People are not that unreasonable, nor do they expect Congress to do unreasonable things. They know and we know there is at times or in some places waste and inefficiency in Government operation. It is this kind of extravagance that our constituency wishes up to reach and eliminate. But to just cut for the sake of cutting is not what they want, nor should we be a party to any such unintelligent cutting.

Now, with this thought in mind, let us examine the effect of this cut in ship construction and determine whether it is necessary or justified.

First, let us consider what was done by the committee to reduce the budget estimate from $94,500,000 to $91,500,000. It would seem that somebody has been wrong, either in making the estimate or in cutting the estimate to $3 million.

The committee by way of explanation for the reason that prompted the reduction has said:

> The committee believes that the interests of economy can be served here with no damage to the shipbuilding industry of the country in view of the large program which can be carried on in 1958 with funds already available. It is emphasized that this action should not be construed as a lack of support for the continuation of a sound long-range ship-replacement program. This action, which has been taken entirely in the interests of economy during the coming fiscal year, will merely curtail the construction program until such time as the fiscal affairs of the Nation have improved.

It will be noted that the committee in the above-mentioned explanation or reason, as set forth in its report, has laid stress on economy as a justifying reason. However, it will be further noted that "the committee believes that the interests of economy can be served here with no damage to the shipbuilding industry of the country in view of the large program which can be carried on in 1958 with funds already available." This may or may not be true, but even if true it will be observed that it entirely leaves out all consideration of the detrimental effect it will have on our hard-pressed maritime interests and particularly on maintaining an adequate maritime force to supplement other military forces in case of an emergency such as World War II, the Korean effort, and the present difficulties arising from the Middle East crisis.

The committee further reports:

> This action, which has been taken entirely in the interests of economy during the coming fiscal year, will merely curtail the construction program until such time as the fiscal affairs of the Nation have improved.

This language might indicate to the uninformed mind that our Government was in dire straits; that it was facing bankruptcy, or some other terrible calamity. The fact is that we are enjoying the highest income individually and as a nation that has ever been experienced in the entire history of this Nation. Of course, I do not contend that because of this we can afford to be prodigal in our expenditures, but on the other hand, it does not justify crippling our merchant marine or our national defense as I believe this proposed reduction would do.

While there may be other items of construction that are necessary, yet probably the two most outstanding which have been eliminated, is a replacement ship for the *America* of the United States Lines and one of the ships of the President Line. These ships can be and have been immensely important in case of an emergency. The record made by the *America* in the last war and in the Korean conflict leaves no doubt of the importance of ships of this type in transporting supplies and troops to foreign shores. The same can be said of the ships of the President Line, the Moore-McCormack Line, and all the other companies whose replacement ships will be stopped from construction or at least delayed until some future time. Should an emergency break, it would then be too late to provide the ships of this character to carry our supplies and fighting men where needed to foreign parts of the world. The *America* is a good illustration of this. It had been completed in 1940–41, just in time to be used by our military defense. It had not yet taken up its regular run. During the war it carried thousands upon thousands of our men to the front, together with supplies to maintain their fighting strength. What a loss it would have been had this one ship not have been finished at the time its service was so necessary.

In this connection we must not overlook the fact that it takes upward of 3 years to complete a ship of the *America* type. The *America* had been started 3 years before World War II. I hate to think what might have been the result if it had not been ready when needed. This now applies to its replacement. It will take 3 years to build it. Can we afford to put off its construction even for 1 year? In my opinion, it would be most unwise to do so. Who can tell what the not distant future may hold for us?

Furthermore, we are now ready to proceed. Bids have been received. It is unfair to the company who has proved to be the low bidder to take from it the result of its low bid. It costs in the neighborhood of $30,000 for a company to prepare bids. But what is more unfair and unjust is to throw aside its low bid after advising what and how it could be built by the low bidder and thus give all this information to its competitors who can take advantage of such when new bids are called for. And still further, bear in mind that the cost of construction rises about 5 percent per year. Hence we can expect an additional cost if new bids are called for. All of this would justify in providing at least enough funds at this time to enable the work to proceed for this year. It would take less than $10 million to do so. If this is done, it would mean a saving in the funds to be expended in this year and would, at the same time, not destroy our ship construction program nor endanger our national defense. This, in my opinion, would be the sensible thing to do if it is determined that the full amount of construction funds should not be made available this year.

To those who desire to understand more fully the importance of continuing our ship construction program this year as a part of our national defense system, I suggest the reading of the testimony presented before the Committee on Merchant Marine and Fisheries, House of Representatives, 84th Congress, 2d session, Government Printing Office Document #3252, by Rear Adm. A. G.

Mumma, United States Navy, and his associate officers. And likewise, the testimony of Maritime Administrator Clarence G. Morse and Chairman of the Federal Maritime Board, and his associate officers, will justify the importance of carrying on the program this year if our maritime fleet is to fulfill the policy of our Government as provided for by Congress.

In conclusion, I wish to emphasize the fact that building of ships such as the *United States* and *America* add greatly to the prestige of this country. In times of peace the benefits to be derived are immeasurable, and in time of war, incalculable. The importance of having ships of this size and character is recognized by Great Britain. Witness her two Queens, *Mary* and *Elizabeth;* and likewise by the French, Swedes, Dutch, and Italians. We cannot, should not, and must not do less. I trust that this whole subject will be kept constantly in mind by the Merchant Marine Committee of the House, under the able chairmanship of the distinguished gentleman from North Carolina [Mr. BONNER], and by the Subcommittee on Appropriations of which the distinguished gentleman from Georgia [Mr. PRESTON] is chairman. The importance of this matter merits constant attention and consideration during this session to the end that all things possible shall be done to keep our merchant marine a continuing force in peace and war—and that it shall never be lacking in power and effectiveness to meet whatever is required of it.

Mr. HIESTAND. Mr. Chairman, I should like very much to join my colleagues in commendation of the work of this subcommittee. It becomes obvious that they have done a thorough and a workmanlike job and have done it in the spirit of the majority of the Members, which is that spending should be cut wherever it possibly can be done. Very definitely the chairman, the gentleman from Georgia [Mr. PRESTON], also deserves special credit.

It becomes obvious that unless we can severely cut Federal spending we are not going to be able to check the inflation, we are not going to be able to hold the cost of living even, and we are not going to be able eventually to loosen up this so-called tight money situation. The committee on this bill has made substantial reductions—reductions aggregating some $218 million from the requests on items many of which can easily be deferred, if indeed they must be spent. I am happy to join my colleagues in commending this good sound work.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I am happy to yield to the gentleman.

Mr. MASON. And the place to cut efficiently and sensibly is in the committee and not in the House. I think if the other committees would do as good a job as this committee has done, most of us would feel greatly relieved.

Mr. HIESTAND. I thank the gentleman from Illinois.

Mr. BOLLING. Mr. Chairman, I would like to direct attention to the $3,460,000 reduction in the appropriation for the Business and Defense Services Administration. This is a reduction below the current appropriation for the fiscal year 1957. As you will note from the committee report, it eliminates all funds for the Industry Divisions of this Bureau. Without attempting to speak to the Industry Divisions' program as a whole, I am particularly concerned that in eliminating the Industry Divisions we have wiped out the entire construction statistics function of the Department of Commerce. For convenience of organization the construction statistics program does not appear in the budget as a separate item under a title such as "Office of Construction Statistics" but is included in the Industry Divisions' total.

Elimination of the construction statistics program of the Department of Commerce will eliminate the only place in or out of Government where there is drawn together for the use of public and private economic policymaking the following critical statistical information:

First. Monthly figures on total expenditures for private nonresidential construction, including industrial, commercial, social and recreational, and public utilities.

Second. Monthly figures on total State and local public construction, schools, roads, other governmental buildings, and so forth.

Third. Special analytical studies, including development of indexes of the production of building materials and construction costs, and special studies of trends and developments in the construction industry.

I do not think it necessary to speak at length on the need to maintain at least the present minimum program in this area. The output of this industry is over $60 billion, or approximately 15 percent of the output of our whole economy. The need for having accurate information about this industry has been attested to on many occasions by leaders in industry and officials in the Government. We in the Congress are constantly making decisions which are based on currently available facts about the construction industry. Certainly, we need to know how much industrial, commercial, and public utility construction is taking place. We need to know the volume of expenditures for schools, hospitals. We need to have current analyses of developments in this mammoth industry. All of these activities would be lost if the reduction is approved.

I would therefore like to suggest that consideration be given to earmarking $250,000 or some other sum which would permit the continuation of this vital activity of providing current facts about the construction industry.

Mr. CLEVENGER. Mr. Chairman, we have no further requests for time on this side.

Mr. PRESTON. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

Mrs. CHURCH. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members are present, a quorum.

The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF COMMERCE

General administration

Salaries and expenses: For expenses necessary for the general administration of the Department of Commerce, $2,695,200.

Mr. COAD. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COAD. Mr. Chairman, today I have been joined by a number of my colleagues in introducing a bill which will be of interest to every Member of this body and one which will be of great value, if enacted, for American farm people.

The provisions of this bill are very simple. This bill calls for acreage allotments and price supports on all commodities at the same level they were in 1956. Now, I realize that 1956 was an election year, but if the program were good then as set by the President, it is obvious that it is just as good or better now. In 1956 there were many of us who felt that the President's program was not enough and I think it is too little now. But, I am sure that the time has fully arrived to stop quibbling and do something constructive.

The provisions of this bill do not change any of the contracts which are signed up for the soil bank. The soil bank remains as it is. The durum wheat program is not affected by this bill. No new money need be appropriated.

Now, let me make this one point clear. The American farmer—and I speak especially for the corn farmers—needs a better program and here is one which will be acceptable to both Republicans and Democrats. The provisions of this bill are no more and no less than those which the Republican leadership has already endorsed through the actual program of 1956. President Eisenhower was specifically responsible for setting the level of price supports in 1956.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. COAD. Not at this point.

Mr. LAIRD. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LAIRD. Mr. Chairman, I make the point of order that the gentleman from Iowa is not in order because he is not talking to the bill.

The CHAIRMAN. The gentleman asked consent, and consent was granted, to speak out of order.

Mr. MASON. The gentleman must have whispered his request.

The CHAIRMAN. The Chair understood the gentleman and the Chair said, "Without objection, it is so ordered."

Mr. MASON. I am sorry, Mr. Chairman, but it seems to me that when a consent request is made it should be in a loud enough voice for everyone to hear.

The CHAIRMAN. The Chair understood the request and had assumed that the membership heard the request. The Chair asked if there was objection. No objection was made. So the gentleman

from Iowa did receive consent to proceed out of order.

The gentleman will proceed.

Mr. COAD. President Eisenhower was represented as being responsible for setting the level of price supports in 1956.

Here, ladies and gentlemen of the House, is our opportunity. I am sure that those of us on the Democratic side of the aisle will be willing to compromise in this instance to get this piece of legislation enacted into law at the earliest possible date.

I am sure the membership will find the following table very helpful in studying this question:

Commodity	Acreage called for in this bill (1956 level) or higher)	Acreage as now announced for 1957	Price support called for in this bill (1956 level)	Price supports as now announced for 1957	Percent of parity called for in this bill (1956 level)	Percentage of parity now announced for 1957
Corn	43,280,543	37,288,989	$1.50 per bushel	1.36 per bushel	84.3	77
Wheat	55,000,000	55,000,000	$2	2 per bushel	82.9	82
Cotton:						
Upland	17,585,463	17,585,463	$0.2938 per pound	0.28157 per pound	82.5	77
Extra long staple	89,357	89,357	$0.5662 per pound	Not announced	75.0	
Rice	1,652,596	1,652,596	$4.57 per hundredweight.	4.43 per hundredweight.	82.5	80
Tobacco:						
Flue cured	869,000	712,600	$0.489 per pound	90 percent of parity	90	90
Burley	909,300	909,300	$0.481 per pound	do	90	90
Peanuts	1,650,342	1,611,441	$0.114 per pound	0.111 per pound	86	83

Mrs. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. COAD. I yield.

Mrs. KNUTSON. Mr. Chairman, I rise to speak in support of a similar bill that provides the same price and acreage allotment for corn as both Secretary Benson and President Eisenhower stood for last year. The important thing is we can pass this bill before Easter and meet the planting time in the commercial Corn Belt. First, if a price of $1.50 with an increase of 43.2 million acres were advisable last year in addition to a $1.25 rate for corn raised outside of the allotment certainly then that same allotment and $1.50 per bushel should be good this year. The extra $1.25 only serves to flood the corn market to a larger degree. In other words, controls of production were thrown to the winds in everything but name. If we wish to keep farmers within the allotment then it is not only advisable but necessary that we get a fair price. I wanted a $1.60 a bushel but as long as this was defeated, I will certainly settle for $1.50 a bushel because I think it provides the incentive necessary to keep corn production down.

Second, I am very much concerned over the effect a glutted corn market has on other commodities particularly feed grains. Normally, an overproduction of one crop creates an overproduction atmosphere over other crops. I felt that feed grains in the soil bank would take the pressure off those crops on a family farmer's economy but in addition it would have taken pressure off the corn area. Now that it is abundantly clear that corn will bear the burden of not only cutting production on itself but on other feed grains as well then we must face the problem realistically in a sensible manner. Production must be cut to prevent greater depressing price defects and $1.50 would be a price attractive enough to do this.

Third, it is necessary to keep fighting for a sensible farm program though others have given up. Secretary Benson apparently is against legislation at this so-called late date but let's examine the record a bit. Secretary Benson would not provide a report either this year or last year to allow adequate time for passage. He waited until the point where after a 1 week's delay in the Congress both he and the President turned around to say the Democrats had held up farm legislation. In the meantime, he had delayed at least 2½ months. If delay is to be a matter of politics then certainly blame should go where it rightfully belongs. To say it is too late now to pass legislation lacks any semblance of reason. The Corn Belt normally does not begin planting until late April at the earliest or in most cases after the middle of May. Mr. Chairman, here is an opportunity for Representatives from corn areas to vote for a fair price and a farm program for their constituents.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. COAD. I yield.

Mr. McGOVERN. Mr. Chairman, I am joining with several of my colleagues who are vitally concerned with the crisis in the Corn Belt in introducing legislation designed to prevent further deterioration of the corn economy. The bill provides that price supports and acreage allotments on corn and other basic crops shall be not less than those for 1956. In other words, we are asking the Congress to take action forcing the Secretary of Agriculture to maintain in the first year after the recent election the price-support levels and the acreage quotas that he offered to farmers during the 1956 election year.

This bill does remove the unreasonable 1956 provision whereby farmers not in compliance with their acreage quotas were nevertheless given price-support guaranties of $1.25 per bushel. It was this action by Secretary Benson which aggravated the corn surplus in 1956 and which further encouraged the deterioration of our controlled production program.

The bill which is now proposed also takes note of the recent legislation affecting durum wheat and provides that the acreage under the durum bill shall not be affected by this emergency legislation.

I personally am not satisfied with the bill I now propose. It is simply a stopgap measure that has been made necessary by the determined efforts of Secretary Benson to sabotage the whole price-support program and to sit idly by while corn farmers are confronted with a dangerous crisis. Mr. Benson has all but wrecked the farm economy and in doing so he has set the stage for painful pressures on small-business men in rural States and, eventually, for a slowdown of our entire national economy. The Secretary seems unconcerned about the serious predicament of the family farmer. He has become a cynical politician whose only agricultural concern seems to be one of putting the blame on the Democrats for the mess he has created.

I was amazed that the Secretary could muster the nerve to tell a national Republican women's conference that farmers could blame Democrats for low corn prices and the resulting excessive livestock production.

The plain truth of the matter is that Ezra Taft Benson and his team have worked cleverly and cynically for 4 long, tragic years to convince the American people that we do not need a farm program of any kind.

While claiming to be a friend of the farmer Benson has steadily whittled away the price-support structure with the devastating consequence of a billion-dollar drop in farm income for each year he has been in office.

While claiming to be interested in a controlled farm production, Benson has tripled the amount of Government held surpluses during the past 4 years.

While claiming to be concerned about economy, Benson has spent 3 times as much money on his outmoded agricultural schemes as the Democratic administrations spent in 20 years from 1933 until 1953. Let me repeat that, Benson has cost the taxpayers 3 times as much in 4 years as all the Democratic farm programs cost in 20 years. Regardless of how much some of us love Mr. Benson, can we afford him?

Commenting on the Secretary's surplus disposal program, the National Grange Monthly of March 15, 1957, said:

> Farm surpluses have been reduced by $650 million in the past year, at a cost of only $750 million, CCC reports. It'll be a close race to see whether we run out of surpluses or money first.

I am constrained to add that a new kind of congratulations are in order for a man with such business ability that it only costs him $7 to get rid of $6.

As for current claims by the Secretary of Agriculture that it is the Democrats who are responsible for inaction on needed corn legislation, I would like to cite the editorial opinion of Newsweek magazine for April 8, 1957. Said Newsweek:

> The farm bloc's bill to boost soil-bank payments and price supports for corngrowers is dead. The reason: Agriculture Secretary Ezra Taft Benson is against it. Farm belt legislators claim failure to raise the basic payments for not growing corn will mean overproduction not only of corn, but of poultry, beef cattle and hogs with consequent price dips next year. Benson maintains it is too late for legislation to help the situation.

When Mr. Benson claims that it is "too late" to help the corn farmers this year, we can only ask him why he waited

for many long weeks after the corn referendum of December 11, 1956, before he presented a program for the consideration of the Congress. Why, too, did he then come up with a proposal so fantastically inadequate that not a single member of his own party would offer the program in legislative form?

The real explanation of Mr. Benson's entire behavior as Secretary of Agriculture is contained in a terse news item appearing in the Washington Post of April 8, 1957, which reads:

Even more provocative was Benson's press conference announcement that he was preparing a Department statement to ask Congress to kill all mandatory farm price supports. He has never liked supports in any form, but his opposition has been more diplomatic in the past.

While the bill which I now propose in cooperation with my corn belt colleagues is far from adequate, at least it will serve as a stopgap measure in the continued absence of leadership by the Department of Agriculture. Mr. Benson has ignored pleas from myself and others to set corn price supports at a fair level this year. We can only act now to force him to offer farmers at least the same protection in 1957 that he provided when he was looking for farmers' votes in 1956.

The Clerk read as follows:

Maintenance and operation of public airports, Territory of Alaska: For expenses necessary for the maintenance, improvement, and operation of public airports in the Territory of Alaska, as authorized by law (48 U. S. C. 485 c-h); including arms and ammunition; and purchase, repair, and cleaning of uniforms; $700,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to commend the subcommittee for what I think is the best job done thus far on the part of an appropriation subcommittee in trying to reduce expenditures. I understand, as I am sure all Members of the House do, that it is no easy task for a committee of Congress to apply the brakes to the free-wheeling spending machine that has been gathering speed throughout the years.

I am disturbed, however, by the 3,500 new employees to be added in the Civil Aeronautics Administration. I wonder if the committee, when representatives of the Civil Aeronautics Administration were before them, inquired as to whether there can be cutbacks in the number of employees when certain reconversions and improvements have been completed? Is there any chance to cut back or will these 3,500 additional employees be permanently attached to the payroll?

Mr. PRESTON. I may say to the gentleman in absolute frankness that with the rate of growth in aviation, with the scientific development that has taken place in connection with navigational devices, all designed to improve air safety, there is little likelihood that we are going to be able to retrench in this field in the future. Our concern, on the contrary, is how much it is going to grow in the future. That is a completely frank statement. The number of flights, the number of aircraft, the speed of aircraft and the size of them, the altitude reached by the aircraft, the coming of the jetplanes, have so complicated the picture until there is not any likelihood, in my candid opinion, of retrenching in this area.

Mr. GROSS. I appreciate the frank statement of the gentleman. But I still hope the committee will carefully scrutinize and try to cut back once these improvements are made—try to refuse substantially on the 3,500 additional employees which this bill provides.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Washington.

Mr. HORAN. May I call the gentleman's attention to pages 287 and 288 of the hearings. The gentleman will find there that the chairman of the subcommittee [Mr. PRESTON] went into that matter quite fully and in detail. He wanted to know the reasons for this increase in personnel in this rather technical and rather dangerous field of air safety.

Mr. GROSS. I know. I have read the hearings pages 287 and 288, but they do not provide the answer as to whether there is the possibility of eventual reductions in personnel. This is a tremendous increase in personnel in one department or agency, as the gentleman well knows. I am hopeful that after these improvements and reconversions have been made there can be a reduction.

I also want to commend the committee for action that I hope will result in eventually stopping the building of a $195,000 residence for the Governor of the Panama Canal Zone. I want to commend the committee for apparently putting a stop to that. Perhaps the Governor needs a new house. He does not need a castle.

The Clerk read as follows:

WEATHER BUREAU

Salaries and expenses: For expenses necessary for the Weather Bureau, including maintenance and operation of aircraft; purchase of 2 passenger motor vehicles for replacement only; not to exceed $25,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and not to exceed $10,000 for maintenance of a printing office in the city of Washington, as authorized by law; $37,480,100: *Provided*, That during the current fiscal year, the maximum amount authorized under section 3 (a) of the act of June 2, 1948 (15 U. S. C. 327), for extra compensation to employees of other Government agencies for taking and transmitting meteorological observations, shall be $5 per day; and the maximum base rate of pay authorized under section 3 (b) of said act, for employees conducting meteorological investigations in the Arctic region, shall be $6,500 per annum, except that not more than 5 of such employees at any one time may receive a base rate of $9,000 per annum, and such employees may be appointed without regard to the Classification Act of 1949, as amended.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: Page 19, line 18, after "by law", strike out "$37,480,100" and insert "$39,300,000."

Mr. FOGARTY. Mr. Chairman, I propose that we restore to the Weather Bureau appropriation the full amount that the Bureau of the Budget recommended for this year, that is, $39,300,000.

I think the Members will remember that 2 years ago we made a concerted drive in the House to increase research funds for the Weather Bureau because of the increased number of tornadoes, hurricanes, floods, and severe storms that had been ravaging the country in the past few years. In New England alone we lost about 200 lives in 1954 because of hurricanes and almost a billion dollars in property damage was caused in that same year. All along the east coast hurricanes brought additional billions of dollars of property damage.

Only on yesterday we heard about the loss of more lives caused by tornadoes that were taking place in Alabama, Mississippi, and other Southern States. It seems that every time we pick up a newspaper—because of these freaks of nature and because of insufficient warning, billions of dollars worth of property is being destroyed and hundreds of lives are being lost. Many of the Members here believe that this loss could be minimized if the Weather Bureau were given sufficient funds to carry on the necessary research, and to provide the necessary services that would provide accurate warnings in time to save these lives. I am not asking for a large increase, in fact less than $2 million dollars more than the Appropriations Committee has recommended. I notice the committee said in its report that they were allowing $1 million to operate the new facilities that were authorized in the past 2 years by Congress. It is my understanding that this reduced figure of $1 million will not be sufficient to man all the authorized facilities, but instead will leave many Weather Bureau stations seriously understaffed.

It is also my understanding that the committee has refused a request of $400,000 for an electric computer to be used in new hurricane and severe storm research programs. Some of the experts and scientists in the weather prediction field tell me that they have almost exhausted the possibilities for further improvement in forecasting by standard methods, and that insofar as predicting hurricanes and tornadoes is concerned, they now are looking to the use of electronic computing equipment in order to get better and more advance warnings to the people sooner than is now possible. That electronic computer item is only $400,000, and will be used to analyze and forecast all major types of storms.

It is also my understanding that the mandatory retirement costs in the Weather Bureau will amount to about $1,300,000, and that the committee has allowed only $1 million for this purpose. If those mandatory cost figures are correct, the committee will not be allowing the full $1 million to staff these stations but only $700,000, which would not be anywhere near enough to carry out this work.

I do not have the exact figures at this moment, because I did not not think this bill was going to be read as fast as it has been read. I also do not know exactly how much the Weather Bureau asked of the Department of Commerce, but I understand they asked for several million dollars more than the Department of Commerce requested of the Bureau of the Budget. And I understand the Bureau of the Budget further cut the request of the Department of Commerce by several million dollars more.

It is the feeling of all experts in the weather field that much more should be expended for forecast and warning services than is being expended now. These required services certainly cost more than the approximately $2 million amendment I am offering, which would merely equal the request already approved by the Bureau of the Budget.

In glancing through the hearings I note that because of increased salary costs the Department of Commerce this year went ahead and used some money appropriated initially for research to pay mandatory salary increases of scientists and meteorologists. But all of us know that you cannot train a meteorologist or forecaster over night. It takes time to train scientists and meteorologists, and the Weather Bureau did not want to lose their trained staff almost overnight. So in order to do the best job they could, with the money they had available, they used some research funds on the recommendations of the Department of Commerce, as I understand it, to pay part of the increased salaries of these scientists. That was done under a broad, general agreement throughout the Government. I think it is understandable, because once you lose some of these meteorologists, it is impossible to get other trained ones to take their place.

I think that this recent slash in Weather Bureau requests will mean that we are going backward instead of forward in our drive for better storm warnings.

It is my understanding that the amount allowed in this bill will set us back to about the same conditions we had 3 years ago. After taking into consideration the increased salary costs and equipment and other mandatory costs, and moving forward to the amount proposed in this bill, I feel that we are ending up about where we were 3 years ago. Many of you will remember the full and frank discussion on the floor 2 years ago when a couple of million dollars were added to the bill under a unanimous consent agreement with the committee. Thereafter the Senate raised that amount several million dollars more for research. I thought it was the clear intent of Congress that we were to go along and see that the Weather Bureau was given sufficient funds to do a good job. In my honest belief, this amount we have before us today will not do the job. It is going to set us back. This inadequate amount will not get the results we want in the next year or so to provide warning services to the people who need them as protection against hurricanes and tornadoes. Instead this reduced amount will set the planned weather service program back several years. In the interests of more protection for all States, I hope the Committee will adopt this amendment.

Mr. PRESTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to make it very clear that the Weather Bureau has had preferential treatment in the last 2 years at the hands of this subcommittee and the Congress, highly preferential treatment. In the last 2 years we have given them an increase of $10,650,000.

As far as the statement made by my distinguished friend from Rhode Island that we were setting them back is concerned, I would like to point out that in 1955 they had 4,092 regular positions. This year under what we have allowed them they will have 4,742, or 650 more positions than they had in 1955.

This is what we have done to this agency this year. We cut them $200,000 below their 1957 figures for research. $200,000 out of this big appropriation. In addition, we have cut from the new money they were requesting in 1958 $74,200 for the retirement fund because we disallowed some of the positions.

We took $1,022,000 out of the Aviation Weather Service. This was a new program the Weather Bureau sought to inaugurate to create new stations along the Federal airways to transmit Weather Bureau information to pilots at given intervals. We took the position that the weather services they are getting now are adequate, and that it would be a real luxury to have additional weather stations spotted along the Federal airways to radio weather information to the pilots. We took that out.

We disallowed 15 positions for staffing new facilities. They were asking for 135. We cut them by 15 positions and $97,900.

We took out $400,000 for research, for the very reason that, as the gentleman from Rhode Island said, $600,000 had been taken out of the research money for this fiscal year to pay civil-service salary increases for their top people. Apparently they did not need research funds too much, since they were willing to divert some of their research money into salaries.

We reduced administration by $25,800 because we disallowed some of the positions.

We think we have treated them fairly. They have had preferential treatment in the past 2 years. I submit that if we are going to accomplish our aim of economizing, we can economize to this small amount in the Weather Bureau. I ask the Committee to vote down this amendment.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree thoroughly with everything our distinguished chairman has said as far as the treatment given to the Weather Bureau by this subcommittee is concerned.

I should like with some pride to report on what has happened in my own congressional district in connection with some of these matters which I think could happen elsewhere. We do have tornadoes in our district at times. We need detection instruments in the Weather Bureau. There has recently been one installed in my congressional district, a radar that was installed by the Timken Roller Bearing Co., which bought the equipment, had it installed, paid all the expenses, and then turned it over to the United States Government and to the Weather Bureau for operation.

I believe if other areas were to cooperate in that manner we soon could find some way to reduce this tremendous budget. That is used for a specific area. I want to commend the Timken Co. of my district who have seen fit to make these installations and then turn them over to the Government, at a saving of approximately $60,000 in that one unit alone.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS, of Iowa: Page 27, line 21, insert "(a)" immediately following "Sec. 401." and immediately following line 23 on page 27 insert the following:

"(b) No part of any appropriation contained in this act shall be used for payment of any expert or consultant, or of any management engineering corporation, company, firm, or other organization, for the performance of any service relating to the management or organization of the Department of Commerce or any bureau, administration, office, corporation, or other agency thereof, the Canal Zone Government, the Panama Canal Company, or any independent board, corporation, or commission, unless the utilization and payment of experts or consultants or of management engineering corporations, companies, firms, or other organizations, is specifically authorized by law for the performance of such service."

Mr. GROSS. Mr. Chairman, this is the amendment which I offered to the Labor, Health, Education and Welfare bill and which was objected to by the chairman of that committee, the gentleman from Rhode Island [Mr. FOGARTY], who had some reservations. I believe he felt the amendment was a good amendment except it might affect certain consultative services, particularly in the National Health Institutes. I have stricken out the language to which, I believe, he had objection and the language to which others on this side of the aisle had objection on that occasion. It now applies to experts, consultants and management engineering firms hired for the purpose of telling departments how they should run their business. It seems to have become the fashion in government to go out and hire some firm or a bunch of consultants to come in and tell them how to handle their personnel and how to run their agency or department of government, and it has cost the taxpayers a lot of money.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SHELLEY. Would the gentleman say that that is what is meant by the so-called business administration?

Mr. GROSS. I am not sure as to what the gentleman refers. This amendment does not go as far as I would like it to go to cure this situation, but I do believe it will be helpful. I believe it will serve as a deterrent. The Department of Commerce so far as I know has not, at least in the past year or two, employed management consultants and experts to tell it how to run its business, but it could do so unless Congress applies the brakes. I hope the committee will accept this amendment.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PRESTON. The committee has studied the amendment and it has been discussed on both sides of the aisle. We think the amendment has much merit and we are prepared to recommend to the Committee of the Whole that the amendment be adopted.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. MOSS. Mr. Chairman, I wish to give the strongest possible support to the action by the Committee on Appropriations cutting out funds for the Office of Strategic Information in the Department of Commerce. I wish, particularly, to congratulate the Appropriations Subcommittee under the chairmanship of the Honorable PRINCE PRESTON, of Georgia.

The Appropriations Subcommittee looked very carefully into the workings of the Office of Strategic Information. They questioned the Secretary of Commerce, the Assistant Secretary for Administration and the Director of the Office of Strategic Information. It is apparent from the printed testimony of these witnesses and from the resulting Appropriations Committee report that the Appropriations Subcommittee arrived at the same conclusion as the Government Operations Subcommittee of which I am chairman—that the OSI has no clear idea of what it is supposed to do, how it is to go about doing it, and, most important, why.

In the 25th intermediate report of the Government Operations Committee during the 84th Congress, it was recommended that the Office of Strategic Information should be abolished. This recommendation was based on many hours of testimony from OSI and Commerce Department witnesses before the Government Information Subcommittee.

The subcommittee was looking into serious charges that the OSI was operating as a censorship agency—that it was clamping down on information which had absolutely nothing to do with the Nation's military security. The OSI witnesses admitted that they were not security experts, but they were unable to disprove charges that OSI was using the excuse of security to blanket information which the American people have a right to know. These charges came not only from the press and from industry but also from military and intelligence experts within the Government.

I want to emphasize that the studies of complaints about OSI by two House subcommittees shows that nothing the OSI has done in the past, is doing now, or is planning to do in the future would restrict information affecting the Nation's security. Rather, the agency uses the excuse of strategic value to impose restrictions on information which does not fall in the military security category.

To cite but one example, the OSI tried to prevent the publication of a series of aerial photographs which were planned by the Department of Defense and the State Department to help explain the President's "open skies" program. The Government's military and diplomatic experts felt the "open skies" program for aerial photographic inspection of atomic-weapons plants could be explained by showing the type of aerial pictures which could be taken. As a part of a display for the United Nations Building, the experts planned to use aerial photos of United States cities which had already been made public.

But here the OSI stepped in, assuming an attitude of cloak-and-dagger self-importance. OSI officials tried to block the plan to use photographs in the United Nations display, claiming a secret directive establishing the OSI gave them the authority to set policies covering information which might be of some possible strategic value to some potential enemy.

Not only were the OSI officials wrong from both the military intelligence and diplomatic viewpoints, but they were even wrong in claiming authority to set restrictive information policies. After a series of letters and public hearings, the secret stamp was removed from the directive setting up the OSI. When this declassified directive was compared to the version OSI had been using, it was discovered that the Commerce Department, itself, had added the claim that its Office of Strategic Information could establish information policies affecting other Government agencies.

The OSI has neither the authority nor the ability to censor information from other Government agencies. If documents have to be restricted from the military security standpoint, that decision should be made by experts. Neither is there a need for the OSI in the field of international exchange of information. This is a job which the Library of Congress has been coordinating since the Brussels Convention of 1886. In fact, OSI witnesses testified that the Library of Congress has been doing such a good job they merely transferred Commerce Department funds to continue the Library's work.

Cutting out all funds for the Office of Strategic Information will add to the efficiency and economy of the Federal Government, for testimony before two subcommittees of the House of Representatives has shown that the Office of Strategic Information is nothing more than an unnecessary exercise in ineptitude.

More important, however, is the fact that abolishing this censorship will help reestablish the people's right to know about their Federal Government.

Mr. ROONEY. Mr. Chairman, the following testimony of Secretary of Commerce Weeks may be of interest:

SECRETARY WEEKS' TELEVISION APPEARANCE

(Witnesses: Hon. Sinclair Weeks, Secretary of Commerce; Louis S. Rothschild, Under Secretary for Transportation; George T. Moore, Assistant Secretary for Administration; C. D. Curtiss, Commissioner, Bureau of Public Roads; Oscar H. Nielson, Departmental Budget Officer)

Mr. PRESTON. The committee will come to order.

We are glad to have with us again this morning the Secretary of Commerce, the Honorable Sinclair Weeks, who had to leave a little early when he was here before and some members did not get a chance to ask general questions of the Secretary.

Before passing the general questioning this morning, several questions have arisen in my own mind that I would like to quiz the Secretary on.

NEWSPAPER COMMENTS

Mr. Secretary, since you were here before in support of this budget, it has come to my attention, through the press, that you have made certain comments concerning the Commerce budget for 1958. One such comment was made, according to the Washington Daily News, on March 18, 1957, contained in an article by Marshall McNeil, entitled "Budget Nerve Battle in Upper New York State."

The article says, and I quote:

"The weekend was studded with budget news. Commerce Secretary Sinclair Weeks told an upstate New York TV audience that the President's $71.8 billion budget merely provides for services Congress ordered. 'The way to cut spending,' he says, 'is to stop continually adding to things that the Federal Government is doing in the way of handouts to the States.'

"Mr. Weeks said if Congress wants to start cutting, they can take approximately $50 million out of his Department's $804 million budget.

" 'This,' he said, 'reflects items that they have increased from the recommendations that the Department of Commerce has made.' He did not pinpoint these items."

In the Washington Evening Star, in an article dated March 18, 1957, by Robert K. Walsh, the same statement by the Secretary is contained therein.

Now, of course, we have no alternative but to explore this a little bit, and to find out from you, Mr. Secretary, where we might reduce this budget by $50 million.

So, at this time if you will give us the items where we can reduce it by $50 million, we will be glad to make a note of it.

Could you do that?

FEDERAL AID AIRPORT PROGRAM

Secretary WEEKS. Respecting the $50 million, I was referring to 2 items, the first of which encompasses "Aid to airports." The Department had $20,500,000 in the "Aid to airports," and felt that we should go along at that rate.

The Congress added, or increased, the amounts to $63 million for 4 years. That is an increase of $42,500,000. I and the Department, as well as the administration, were very much against that very substantial increase made firm for a 4-year period, but the Congress went ahead with it.

The other item——

Mr. PRESTON. Now, before we leave that, Mr. Secretary, do you recommend that we eliminate the $35 million in this bill for Federal aid to airports?

Secretary WEEKS. No; I do not recommend you eliminate the $35 million.

Mr. PRESTON. Well, you said here——

Secretary WEEKS. I made a statement that the Congress had forced additional funds in the amount of $42.5 million into this particular grant-in-aid program. I certainly do not recommend eliminating any $35 million, and I would come back to the very point that I tried to have prevail when the aid to airports bill was before the Congress, and to keep the figure at $20.5 million.

Mr. PRESTON. Well, now, let us see if this is an accurate statement. The News article, in quotation marks, purported to quote you verbatim:

"If Congress wants to start cutting, they can take approximately $50 million out of his Department's $804 million budget. 'This,' he said, 'reflects items that they have increased from the recommendation that the Department of Commerce has made.' "

Is that an accurate statement?

Secretary WEEKS. Well, it is and it is not.

Mr. PRESTON. Did you say that?

Secretary WEEKS. I said substantially that. I said, in effect, what I have just detailed here.

Mr. PRESTON. But this article purports to quote you verbatim by inserting quotation marks at the beginning of the statement and at the end. Is that an accurate statement as reported by Mr. Marshall McNeil?

Secretary WEEKS. Well, obviously, it is not an accurate statement as reported by Mr. McNeil, because the aid program involves $63 million, and the aid program that we recommended involved $20.5 million, a difference in that item of $42,500,000.

The fact that it is not all in in this year, I presume, is because the work has not progressed to that extent, but the authorization is there, and the obligation to spend the money as soon as the bills come in.

We may have to come in with a supplemental to take care of the obligations.

SUGGESTED BUDGET REDUCTION BY THE SECRETARY

Mr. PRESTON. Were you speaking on this TV program referred to in this article from a prepared text?

Secretary WEEKS. I was not.

Mr. PRESTON. And it is your testimony that this direct quote attributed to you is not accurate?

Mr. ROONEY. Read the quote, would you please, Mr. Chairman, at this point in the record, so there will be no misunderstanding on the part of the Secretary.

Mr. PRESTON. The quote, again, is as follows:

"If Congress wants to start cutting, they can take approximately $50 million out of his Department's $804 million budget. This reflects items that they have increased from the recommendations that the Department of Commerce has made."

Now, it is your testimony that that is not an accurate statement?

Secretary WEEKS. Well, I do not think you can answer that question categorically. There is a certain amount of money—$35 million—in for "Aid to airports" now, but the obligation is there, and when the bills come in we have to come up with a request just as we do in the operating subsidy in the Maritime Administration.

If the bills come in and we do not have the money, we come back here and ask you for more.

QUESTION OF WHERE COMMITTEE CAN REDUCE BUDGET

Mr. PRESTON. Mr. Secretary, this statement would lead the public to believe that there is $50 million in this bill that we could take out that you have recommended against. If that is the case, we want to know where it is because we want to cooperate with everyone who wants to cut this budget. In fact, I suspect we will go them a little better before the show is over. Can you find this $50 million for us, and put your finger on it this morning, so the committee can be guided along those lines?

Secretary WEEKS. I have answered the question as best I can.

Mr. PRESTON. All right. Is there any other item besides this Federal aid to airports that you want to mention?

FOREST HIGHWAY PROGRAM

Secretary WEEKS. I mentioned the increase the Congress voted in the forest highway program of $7.5 million, which made up the $50 million to which I referred.

Mr. HORAN. That figure was a $4.5 million increase?

Secretary WEEKS. It was increased $7.5 million to $30 million. The authorization is $30 million.

Mr. PRESTON. Mr. Secretary, are you referring to the basic law that authorized that amount, or the appropriations?

Secretary WEEKS. I am referring to the authorization.

Mr. PRESTON. The authorization?

Secretary WEEKS. Yes, sir; the authorization is a commitment to spend.

Mr. PRESTON. As passed by the Congress?

Secretary WEEKS. Yes, sir.

RESPONSIBILITY OF EXECUTIVE UNDER CONSTITUTION

Mr. PRESTON. Let me point out, Mr. Secretary, that there is a dual responsibility in this field of authorizing legislation, although Congress passes the act and sends it to the President.

The Constitution says:

"Every bill which shall have passed the House of Representatives and the Senate shall, before it become a law, be presented to the President of the United States. If he approve he shall sign it, but if not he shall return it, with his objections to that House in which it shall have originated, who shall enter the objections at large on their Journal, and proceed to reconsider it."

So, the authorization bill that you referred to concerning airports and the authorization bill you referred to concerning an increase for forest highways had not only the approval of Congress, but they also had the approval of the President.

Secretary WEEKS. Well, I think if you would give the President an item veto, you would get a lot of appropriations back. That is just my guess.

Mr. ROONEY. That would not be an answer to the chairman's question.

PRESIDENTIAL VETO POWER

Mr. PRESTON. Not at all. We are talking about an authorization. Could he not have vetoed these bills passed by the Congress?

Secretary WEEKS. Unless they come in such a form that he would have to veto a lot of other items with it.

Mr. PRESTON. What about these specific bills? In these two cases, Federal aid to airports and forest highways, they were separate bills that he could have vetoed and sent back to the Congress if he had not approved.

Secretary WEEKS. I think that is correct, but the administration struggled very hard not to have that amount increased.

Mr. PRESTON. Well, the President could have voted both of these bills. There is no dispute about that. We all agree on that. The responsibility is not solely on Congress as to the increased authorization.

Secretary WEEKS. Mr. Chairman, I have never said the responsibility was solely on Congress. In fact, I made a speech a week ago Saturday, and I said the executive had some responsibility and the Congress had some, and the people of this country who keep demanding these services have considerable responsibility. This is a stool with three legs to it.

INCREASES IN COMMERCE BUDGET

Mr. PRESTON. Mr. Secretary, another statement attributed to you in this article is as follows:

"The way to cut spending is to stop continually adding to the things that the Federal Government is doing in the way of handouts to the States."

I do not think anyone can complain about that statement as one way to stop spending. But, in the budget before us you have approved many items over and beyond the present program level; is that not true?

Secretary WEEKS. Well, I may or may not have. Have I, Mr. Moore or Mr. Nielson?

Mr. PRESTON. Let us take, for instance, CAA.

Mr. MOORE. Yes; there are some things.

Mr. PRESTON. We have a large increase in the CAA program for fiscal year 1958, over the present level, do we not, in this budget?

Secretary WEEKS. Well, where I see a program that I think ought to be supported, I would certainly recommend it, and I have in the case of the CAA.

Mr. PRESTON. We have an increase in the Weather Bureau likewise.

Secretary WEEKS. Over last year?

Mr. MOORE. Yes, sir.

Secretary WEEKS. Well, that increase is tied substantially to aviation requirements and to an increased use of the upper air for transport, particularly military, and for the necessity to study the upper atmosphere as it never has been studied before.

We are spending, I think, in the Civil Aeronautics Administration almost 3 times what we spent, if you approve the appropriation, when I came down here 4 years ago, but I certainly—if you want to ride safely in airplanes—think we have to spend it.

Mr. PRESTON. Well, in the Maritime area we also have an increase as against 1957 of $11 million.

Secretary WEEKS. I do not think so, sir.

Mr. PRESTON. That includes ship construction.

Mr. MOORE. That is right.

Secretary WEEKS. We took some out of that the other day to ask you to shift it over to the Civil Aeronautics Administration's program of VORTAC.

Mr. PRESTON. But even so, there are still new items under the Maritime appropriation for ship construction in this budget.

Secretary WEEKS. I think the program is less than last year; is it not?

Mr. ROTHSCHILD. Yes, sir.

Mr. PRESTON. It is because of the cut that the committee gave the item last year.

Mr. MOORE. I do not think so, Mr. Chairman.

Mr. PRESTON. Well, speak up in defense of yourself.

Mr. MOORE. With the taking of the $35.5 million, I believe that—well, I know—the ship-construction estimate is less than last year's.

Mr. NIELSON. Last year, Mr. Chairman, the ship-construction appropriation was $100,700,000.

Mr. PRESTON. Of course, there was a nonrecurring item in there of a nuclear tanker for $18 million.

Mr. ROTHSCHILD. All ship-construction items are nonrecurring, Mr. Chairman.

Secretary WEEKS. You have got it right there; read it off.

Mr. PRESTON. But that was a special project.

Mr. MOORE. Ship construction last year was $100.7 million, and this year it is $94.5 million.

Mr. PRESTON. Your figures are correct unless you take the nuclear tanker out, which was a special item as a nuclear experimental proposition, as compared to the normal shipbuilding program.

Mr. NIELSON. Mr. Chairman, all of the ship-construction program as such is nonrecurring.

Mr. PRESTON. That is right.

Mr. NIELSON. And is basically a new program each year.

Mr. PRESTON. Yes, sir.

Secretary WEEKS. They did not adjust, you see, the $100.7 million. They did not adjust it by the fact that this is a nonrecurring item.

Then, we come to this figure which we adjusted the other day when I was here, by taking $25.5 million off which brings it down to $94.5 million.

Mr. PRESTON. Mr. Secretary, these are your self-serving figures prepared by your budget officer. The ship-construction program, while it may not be recurring as to the individual ship, has a similarity year after year in building and replacing cargo ships, and that sort of thing. There will not be any recurrence of the construction of the nuclear tanker because that was an experimental prototype.

Now, speaking of cutting, do you have any new positions in your own office for fiscal 1958, Mr. Secretary?

PERSONNEL REQUESTS FOR GENERAL ADMINISTRATION

Secretary WEEKS. Any new positions?

Mr. PRESTON. Yes, sir.

Secretary WEEKS. I think there are two men in the "General administration" account.

Mr. NIELSON. We have four.

Secretary WEEKS. It is two men, is it not?

Mr. MOORE. No; it is 4 net, 2 in your Office and 2 in the Under Secretary of Transportation's Office.

Mr. PRESTON. There are 2 in the Under Secretary's Office of Transportation, and 2 in Mr. Weeks' immediate office.

Mr. NIELSON. That is correct.

Mr. PRESTON. Making a total of four?

Mr. NIELSON. Yes, sir.

Mr. PRESTON. So, economy begins at home like charity, does it not, Mr. Secretary?

Secretary WEEKS. I do not think anyone could controvert that statement.

COMMITTEE MARKUP ON COMMERCE BUDGETS FROM 1956 TO 1957

Mr. PRESTON. Now, let us see: Your comments over TV, as carried in the press, would give the impression that perhaps you fear this committee might not bring about some economies.

Now, for the sake of the record, and for the general information of everyone present, I would like to point out that in fiscal year 1954, during your administration as Secretary, the budget estimate was $1,131,195,975.

The House committee sustained by the House of Representatives, reduced this to $861,136,925, or a reduction under your budget estimates of $270,059,000.

In 1955, the next year under your administration, the budget estimate was for $930,997,000. The House action reduced that to $786,872,000, or a reduction of $144,125,000.

In 1956, while you still were Secretary of Commerce, your budget estimate was $1,347,800,000. The House reduced that to $1,103,560,000, or a reduction of $244,240,000.

In 1957, last year, your budget estimate, as approved by you and as approved by the President and sent to the Congress, was $1,453,568,000. The House action reduced that to $1,313,153,000, or a total reduction of $140,415,000.

In other words, Mr. Secretary, since you have been Secretary of Commerce and approving budget requests and sending them to the Congress through the Bureau of the Budget, this committee has reduced your budget requests by the sum of $798,839,000, which I think, is a pretty good record for economy.

Do you agree that this committee has already been practicing some economy in the area of Federal spending?

Secretary WEEKS. I have a very high regard for this committee, Mr. Chairman.

Mr. PRESTON. Do you agree that we have been practicing some economy in the area of the Federal budget?

Secretary WEEKS. In some areas.

Mr. PRESTON. Well, if we were to ask you which areas, you would go back to those which you have already discussed, would you not?

BUDGET INCREASE OF 27 PERCENT

Mr. ROONEY. Mr. Chairman, it is awfully difficult to understand this. I wonder if in these newspaper articles it was disclosed that the Secretary was here this year asking for 27 or 28 percent more money than in the present fiscal year?

Is there any indication of that?

Mr. PRESTON. Not in the articles, Mr. ROONEY.

Mr. ROONEY. That is right; is it not?

Mr. Secretary, you are asking for 27 or 28 percent more?

Secretary WEEKS. I do not know whether it is 27 or 28 percent; we are asking for more.

Mr. ROONEY. We were told by you a week or so ago it was 27 percent. But in any event, it is the difference between $833,650,000 in the current year, and $903,790,000 requested by you in the coming year; is that correct?

Secretary WEEKS. We are asking for more; yes.

Mr. ROONEY. Are these figures that I gave you correct?

Secretary WEEKS. I do not know whether it is 27 or 28 percent.

What is it?

Mr. NIELSON. The figures shown in the committee print are $832,650,000 and $903,790,000.

Mr. ROONEY. Yes; at page V. The figures I quoted are correct, and the requested increase is between 27 and 28 percent.

Am I right?

Secretary WEEKS. I would like to say——

Mr. ROONEY. Am I right?

Secretary WEEKS. The figure that was incorporated last year was—I want it without the adjustment——

Mr. ROONEY. Just take a look at page V, Mr. Secretary, if you will.

Secretary WEEKS. This is before we adjust for nonrecurring items, is it not?

Mr. NIELSON. That is correct.

Mr. ROONEY. Let us simplify this. How much more percentagewise are you asking right now than you have at the present time?

Secretary WEEKS. The increase is from $833 million, approximately, to $904 million; whatever percentage that is, I do not know. I do not have my slide rule with me.

Mr. ROONEY. You were here about 10 days ago and you computed it at 27 percent, in answer to a question of mine. Do you recall that?

AREA ASSISTANCE LEGISLATION IN PLACE OF THE DOUGLAS BILL

Mr. PRESTON. Mr. Secretary, let us pursue this just a step further.

You are talking in terms of what Congress does by way of authorizing legislation that requires additional spending.

On page 143 of the committee print, at the bottom of the page, there is an item entitled "Area assistance activities." It reads as follows:

"(Under proposed legislation, 1958) legislation will be proposed to authorize broader assistance to areas of substantial and persistent unemployment, including loans and grants for the purpose of promoting economic development in such areas. An appropriation of $53 million is anticipated for the program, of which $50 million is to provide capital for a revolving fund."

Did you approve that language to go into the budget, Mr. Secretary?

Secretary WEEKS. Yes, sir.

Mr. PRESTON. You propose to support this legislation?

Mr. ROONEY. Perhaps this is the $50 million that the Secretary was talking about, as reported in the press. Is this the $50 million?

Secretary WEEKS. No. This is the fifty-million-odd dollars for area development, and it is a piece of legislation the administration is supporting, and which we hope will prevail over the Douglas bill, which proposes about 6 times as much as we propose, if I recall the figure correctly, and which passed the Senate last year, but failed, I think, to get a rule in the House, so that the legislation was not adopted.

Mr. PRESTON. You do support the smaller version of the bill?

Secretary WEEKS. I support the version which is about one-sixth of the version that the Democratic bill proposes.

Mr. PRESTON. But what you are saying, in effect, is "Although I think they can cut out $50 million in this year's budget, I am going to feed them $50 million back that they will have to appropriate for area development."

You are nullifying completely the $50 million you were talking about on television by this appropriation, are you not?

Secretary WEEKS. I would not put it exactly that way.

Mr. PRESTON. In my bookkeeping, it comes out even.

Mr. YATES. How would you put it, then?

Secretary WEEKS. Can I hope that the committee, or the members of the committee, will support our bill in place of the Douglas bill?

Mr. PRESTON. I would not commit any members of the committee as to what we shall do if and when this measure comes up, Mr. Secretary.

I do not mind telling you how I personally shall vote on this measure. I am going to be consistent. If I am going to help economize in the Government, I am going to vote against this authorizing bill.

We find, Mr. Secretary, that statements made off the cuff, on a television program, while in the best of good faith and good intention, do not always stand up when subjected to the record.

The Secretary is here primarily for another purpose, but he also came back for general questions. Mr. Rooney, do you have any questions of a general nature?

Mr. ROONEY. Not at the moment.

Mr. PRESTON. Mr. CLEVENGER?

MERITS OF TACAN

Mr. CLEVENGER. I may be all wrong, Mr. Secretary, but I have got a strong feeling that everything is not strictly "kosher" on that shotgun wedding between Tacan and our VOR.

I would like, before I embark on a $600-million to $700-million spending plan, to feel assured that TACAN will deliver the goods. I cannot imagine the improvement being so rapid in 2 years. I have seen nothing that would lead me to believe it.

I, for one, have got an uneasy feeling, and when I have those things, they usually pay off. This thing, as I said, just does not smell right to me.

I would like some assurance from you, if you have it, or from some source, other than just the statements we had here, that this is a successful operation and will give us the air safety that we want, and it is practicable. It is a $600-million to $700-million venture. That is a lot of money in my book.

Secretary WEEKS. I will ask Mr. Rothschild to answer that.

Mr. ROTHSCHILD. May I answer that, Mr. CLEVENGER?

Mr. CLEVENGER. I want somebody to answer it. As I told you, I do not think the thing is wholly "kosher."

Mr. ROTHSCHILD. I could see where anyone who has not been in the thick of this would have some reservations about it.

In order to try to dispel those reservations of yours and anyone else's, we have arranged to have a trip to the VORTAC installation at Phillipsburg.

Mr. CLEVENGER. You remember I made one to Atlantic City 2 years ago.

Mr. ROTHSCHILD. That was for TACAN, not VORTAC.

Mr. CLEVENGER. This is one part of the shotgun wedding I referred to.

Mr. ROTHSCHILD. We would hope every member of the committee could go along on that trip so that they could see firsthand just exactly how this is operating.

I agree with you that they should see, and several members of the committee have indicated that they would want to go. I hope you, too, will find it possible to go, because you will have your fears put at rest, I am confident.

Mr. CLEVENGER. Just one little trip to one installation and you could remove that fear?

Mr. ROTHSCHILD. We could not take you to more than one installation. That is all we have at the moment, Mr. CLEVENGER.

Secretary WEEKS. Mr. Chairman, this air navigational equipment is a modern scientific development. It is something that the layman does not understand. I think you have to take some things on faith. You surround yourself with people who understand this equipment, and what its potential of service is. Starting in our own Department—there are Mr. Rothschild and Mr. Pyle of Civil Aeronautics. Mr. Curtiss, who was studying this overall picture from the White House standpoint, is a longtime expert in the field, and he has surrounded himself with expert people. With these, and the Air Force investigations and studies—you have people, I think, who are men of character and ability and know the subject. I think the layman has to realize what is ahead of us in this air business and follow the lead of those who we think know their business.

Mr. CLEVENGER. I do not want to be like the trusty sheep down at the stockyards that follows the billy goat up to the slaughter pen and he detours to the right and they go into the slaughter pen. They do it all day long, and there has not been a goat killed yet.

Secretary WEEKS. I do not want to have you in that position, Mr. Congressman.

TOLEDO AIRPORT

Mr. CLEVENGER. It would not be the first time I have been taken for a ride, I would remind you.

I agree that we should keep the lid on this. I helped get it in shape for you when you came here with these airfield matters. I think the money ought to be spent where the traffic is. I do not want to get into any of these cow pasture field maneuvers any more—building them hither, thither, and yon. We have got a beautiful example in Toledo, with the new airport that the city built with its own money.

But we cannot get flights to make the field of any particular use because they are just not there. The big lines do not want to stop. If you are in Miami and want to go to Toledo, you can go to Detroit quicker. That is where the flight would go.

The pattern is pretty well set. They have had it for a couple of years and are now trying to arrange for improved local flights. It is just that putting millions into that airport and getting assessed for it did not bring the flight pattern they wanted. About once or twice a day you can fly into that airport, yet there are 400,000 people living there in the county.

Secretary WEEKS. Have you made a request of the Civil Aeronautics Board, which has control?

Mr. CLEVENGER. I do not think they would have any difficulty with the CAB, but the airline companies do not want to make the stop.

Secretary WEEKS. The CAB runs the route pattern. I think they can have them stop if you make a case.

AIRPORT DAMAGE CLAIMS

Mr. CLEVENGER. I have sat here during the time of the air damage claims connected with the Government-built ports. The man who used to present the claims to us used to almost drown with perspiration when he presented those fake claims for damage.

Uncle Sam was a goat for years, until finally I lost my temper one morning and I said, "This is it; we do not take any more," but the Senate said, "You can keep adding them. You can bring them down here," and this poor devil had to go through this ordeal.

It was a southern port usually what they claimed was settled in full. If they looked at a northern port, that was settled. It was customary to give them 20 or 25 percent. That was a scandal. It would have been excused, if I was not a little bit skeptical of this outfit. I do not want to open that up again and open the Treasury of the United States to such ungodly raids as they made on us here for years.

I did something about it when I became chairman and we had it off our hands right quick. Now the legislative committees, I will have to admit—it was not your Bureau—pushed more money on your hands than you want. You just said so and we know it is so.

I can vote against them, but we happen to be the minority. The public does not believe it. They charge us with the responsibility of this action. I just do not want to make a $700 million mistake on this air-safety program. I do not think it has been properly demonstrated to us that the bugs have been picked out of that thing.

INSPECTION OF VORTAC INSTALLATION

Mr. ROTHSCHILD. That is precisely why we want you to take a trip, Mr. CLEVENGER. You name the date and we will set it up for you.

Mr. YATES. Will we know more after the trip than before?

Mr. CLEVENGER. I doubt it. We know they lost us on a perfectly bright day up at Atlantic City. They found the one I was on, but the one Mr. HORAN was on they could not locate.

Mr. YATES. How did Mr. HORAN get back?

Mr. CLEVENGER. He was up in the air. He was definitely in no danger.

Mr. HORAN. I definitely want to go on that trip.

Mr. CLEVENGER. They did not locate your plane. It was a pretty day and they knew right where they were. You will just have to pardon me if, in an excess of caution, I feel that way about it. I am really anxious to have safety in the air and the last thing I want is national bankruptcy for my country.

If we keep on the way we are going, I agree with the Secretary of the Treasury, I do not want my hair curled. I have got a nice head of white hair and I want to keep it just as long as I can. It does not look well curled, but it is a serious matter to me, to come here and adopt a $700 million program to start, with no assurance that it is going to bring the thing we want, which is air safety.

I have said too much, perhaps, but I still think that it is just now strictly "kosher."

Mr. PRESTON. Mr. Bow, do you have some general questions?

Mr. BOW. Yes, Mr. Chairman.

INCREASE IN AUTHORIZATIONS

Mr. Secretary, reference has been made to this TV program that you were on. I think perhaps the reporting of it was somewhat unfortunate. I am sure the Secretary meant no offense to this committee.

The chairman has indicated what the Constitution provides. I should like to refer to the Constitution, article I, section 7, which provides that:

"No money shall be drawn from the Treasury but in consequence of appropriations made by law."

So the Secretary is quite correct when he refers to it being the responsibility of the Congress on the question of appropriations.

On the question of authorization, the Secretary has spoken about aid relating to Federal airports. I might say that I not only voted against that bill, but I spoke against it on the floor of the House, because it took away from the Appropriations Committee its authority on making appropriations for aid to airports.

It is the great authorizations that have been made by the Congress that have increased the budget materially from time to time.

I read the article last night, as did the chairman. I was at first surprised, but after thinking it over, I came to the conclusion perhaps the Secretary had some substance in what he had to say.

I can assure you that knowing this committee as I do, and each member of it, that we will look this budget over carefully, and we will take from it anything that we believe—at least so far as this member is concerned—is not absolutely necessary, as we have done in the past.

That is all I have, Mr. Chairman.

Mr. PRESTON. Mr. HORAN, do you have any general questions?

Mr. HORAN. Off the record.

(Discussion of the record.)

TIMBER SALES

Mr. HORAN. If I may go back on the record, now, I do not know whether the committee is aware of the tremendous income we receive from timber sales and grazing fees from our Federal forest reserves. If I may, Mr. Chairman, at this point, since we are considering a considerable sum here for forest highways, I would like to read into the record the income we get from our forest stumpage sales and grazing fees.

In fiscal year 1956 we got a total income of $116,997,000 out of forest reserves; fiscal year 1957, we got a total of $123,930,000 from our timber sales.

Secretary WEEKS. Is that just stumpage?

Mr. HORAN. No; grazing fees and our stumpage was $116,730,000. Last year our stumpage was $110,124,000.

FOREST HIGHWAYS PROGRAM

Unexpended balances

We are estimating total sales of $148,750,000 from timber sales this year, a total income from the forest reserves of $156,400,000. However, as important as forest highways are, without which, of course, we cannot have forest roads and trails, which open up working circles and allow us to make these timber sales, I would gather, from reading the committee print that you did not spend all your money that was allowed you for forest highways last year.

Is that true, Mr. Curtiss?

Mr. CURTISS. That is correct. We carried forward into this fiscal year an unexpended cash balance of approximately $1,300,000. However, it should be understood that for all practical purposes a figure of that size in this program represents little more than working balances in the several disbursing offices handling payments of forest highway construction vouchers. Against that small unexpended cash balance we carried forward unliquidated obligations totaling $18,452,000, plus.

I might add also that during the 1956 fiscal year, obligations were recorded in connection with contracts awarded and survey and design work authorized, for a total of $20,600,000. This total is $1,900,000 below the authorization rate for forest highways at that time.

Mr. HORAN. Do I gather from that that your authorization was for $30 million?

Mr. CURTISS. No, sir. Not for the fiscal year 1956. The $30 million authorizations were not effective until the passage of the 1956 act which provided the larger authorizations for the fiscal year 1958 and 1959.

Mr. HORAN. Mr. Curtiss, would you please explain briefly how the forest highway program operates and what is involved in your budget estimate.

Mr. CURTISS. I would be pleased to. The authorizations for the forest highway program are provided in the regular Federal-aid highway acts. Authorizations for the fiscal years 1956 and 1957 in the amount of $22,500,000 for each year were provided by the 1954 Highway Act. The 1956 Highway Act increased the authorizations to $30 million for each of the fiscal years 1958 and 1959.

Contract authority is provided for the forest highway program, which, of course, means that following the apportionment of funds by States, contracts can be awarded and survey and design projects may be authorized which results in obligations being incurred in advance of actual appropriation of funds to liquidate those obligations.

OBLIGATIONS

During recent years we have administratively controlled the program to obligate approximately the annual authorization rate each year. On that basis during 1956 our program objective called for obligation of approximately $22,500,000. The reason we failed to reach this figure is because many of the States in the East who participate in the forest highway apportionments must necessarily save up several years' apportionments before a sufficient amount is available to award a project of reasonable size. Generally speaking, we would take the view that our program objective for 1956 in total obligations was attained.

During the fiscal year 1957 it has been our objective to obligate approximately $30 million, which is consistent with the new authorization level. It should be recognized that the first of the larger authorizations—the one for fiscal year 1958—was apportioned by States effective August 1, 1956.

In a construction program such as forest highways, where contract authority is provided, it is not necessary to request appropriations at the time obligations are expected to be incurred, since a considerable lag occurs between obligation and expenditures. In other words, our appropriation estimates are simply the best estimates we can make of the cash that is expected to be required to make contract liquidating payments to contractors as the forest highway projects progress and are completed.

For that reason, during a fiscal year in which we are obligating the funds authorized for that fiscal year, it is quite likely that our appropriation estimates for that same year will represent appropriation of funds authorized for the previous year or perhaps even a part of the year before that.

During fiscal year 1957 we are actually obligating a part of the funds authorized for the fiscal year 1957 as well as a portion of the funds authorized for the fiscal year 1958. On the other hand the appropriation for the fiscal year 1957 represented $16,750,000 of the fiscal year 1956 authorization and $6,250,000 of the 1957 authorization.

In the case of the 1958 estimate, obligations will be against portions of the authorizations for fiscal years 1958 and 1959, while our budget estimate of $28 million would represent appropriation of the $16,250,000 balance of the 1957 authorization and $11,750,000 of the authorization for fiscal year 1958.

Right now, or as of March 1, we had a balance of unliquidated obligations totaling $18,274,000 with an unexpended cash balance of $8,153,000. Accordingly we now have, as permitted by contract authority, obligations approximating $10 million above the cash that has been appropriated. The estimate of $28 million contemplates liquidation of those existing obligations in excess of our available cash, plus $18 million which will be used to liquidate payments as they accrue from obligations which will be incurred during the remaining months of this fiscal year and during the fiscal year 1958.

Mr. HORAN. You indicated twice the other day that we could safely make a cut of $4,500,000 in forest highways, Mr. Secretary, when you appeared before the subcommittee.

Mr. ROONEY. What was the amount?

Mr. HORAN. $4½ million.

Secretary WEEKS. Are you asking me a question?

Mr. HORAN. Yes. I say you indicated that we could safely make a cut—and you mentioned this twice. I just want to know why you felt so certain that we could make a cut under the budgeted amount of $28 million for forest highways, realizing, of course, what it means in terms of national economy and the national income.

I just wondered why you were so certain that we could make a cut of $4.5 million on this item.

It is a very serious matter, Mr. Secretary, particularly to me. I will be frank with you. If we cannot spend the money, there is no use of appropriating it, but why were you so certain about that? You mentioned it twice.

Secretary WEEKS. I merely felt that I thought it would have been better to hold to the previous level of appropriation authorization and appropriate, because last year we passed this great highway program.

Mr. HORAN. The highway program does not affect the Federal reserves. That is the duty of the Federal Government, to build those highways. Then they turn them over to the States for maintenance, but your Federal highway system, as far as I understand—Mr. Curtiss can correct me on this—your Federal highway appropriations do not affect Federal reservations, do they?

Mr. CURTISS. Yes. There are some 800 miles of the forest highway system that are on the interstate system, and in total approximately 75 percent of the 24,000 miles of the forest highway system are on either the primary or secondary Federal-aid highway system.

Secretary WEEKS. All I was talking about was that I thought the level of expenditure in this field ought to be held about where it was. That is what I intended to say.

Mr. HORAN. The point I am trying to get at is, did you or did you not pad this figure?

Secretary WEEKS. No. What we have put in is in accordance with this higher authorization that was included in last year's legislation. We have not padded any figures that I know of.

Mr. HORAN. Now, just a minute. You are the administration. You are responsible for the expenditure of funds. You are the ones that are obligating and allocating funds.

Mr. ROONEY. They do not have to spend the funds Congress gives them either, do they, Mr. HORAN?

Mr. HORAN. The point I am getting at here is this: I am rather jealous of forest highway funds. Is it higher than what you are able to honestly and properly allocate and spend, in terms of your last year's experience?

Mr. ROTHSCHILD. We obligated all that money in the years in which it happened.

Mr. CURTISS. I did not get that.

Mr. ROTHSCHILD. We obligated the $30 million.

Mr. CURTISS. It is not all obligated yet. We have obligations at this time of about $10 million in excess of our cash balance.

Mr. HORAN. Just what does that mean?

Mr. CURTISS. That means that, if we were to stop letting contracts all together that $10 million would enable us to liquidate the program, but we would have to stop letting contracts. The program would stop.

Mr. HORAN. I do not want to prolong this too much, Mr. Chairman, but I wish you would tell me whether you need the $28 million or you do not.

Mr. ROTHSCHILD. We do need it, Mr. HORAN.

Mr. HORAN. Do you need all of it?

Mr. ROTHSCHILD. Yes, sir.

Mr. HORAN. I would like to have Mr. Weeks, if you will, explain to me why he said he could cut $4 million.

Secretary WEEKS. The authorization was increased about $7.5 million. What I was talking about was the continuous stepping up of the authorization. If you authorize it, we have to go ahead and carry out the program.

Mr. ROONEY. That is not so.

Secretary WEEKS. That is news to me if it is not so, Mr. Congressman.

Mr. HORAN. What we try to do on this subcommittee is measure out the money in terms of wise expenditures. I am trying to find out whether or not you need the $28 million, and Mr. Rothschild tells me you do. Mr. Curtiss, I gather that you can make a safe cut here without hurting anything or imperiling the tremendous income we are getting from this source.

Mr. CURTISS. I do not think I said quite that, Mr. HORAN.

Mr. HORAN. I want you to correct the record then.

Mr. CURTISS. I did not intend to say that. I said that if we were to reduce this estimate to approximately the amount that was appropriated last year——

Mr. HORAN. That would be $23.5 million, a half million more.

Mr. CURTISS. That is right. We would need to go more slowly in advancing new projects to contract. Normally, if the $28 million estimate is continued, we would step up our obligation rate to $30 million this fiscal year.

Mr. HORAN. I do not want to belabor this further. It is important. I do have one area in my own district where timber grows very slowly. We have about 3 billion board-feet of timber, much of it mature and in need of foresting. It is of great need to the Federal Government, if we can open this up.

We are not talking about something silly here. This is income for the Federal Government, obtained from sales from forest reserves that need harvesting at this time. Whatever the amount we appropriate for forest highways is a pretty good investment.

That is all, Mr. Chairman.

Mr. CURTISS. May I say something off the record, Mr. Chairman?

(Discussion off the record.)

Mr. PRESTON. Mr. ROONEY, do you have another question?

REQUEST FOR FOREST HIGHWAYS

Mr. ROONEY. Mr. Chairman, there is something I should like to have cleared up in my mind with regard to this forest highways item. I had been under the impression, from the testimony of the Secretary, on the opening day of these hearings, that we might make a cut to the extent of $4.5 million in forest highways appropriations.

It now appears that you want $28 million—the full amount of your budget estimate; is that correct?

Secretary WEEKS. We have asked for $28 million, have we not?

Mr. NIELSON. That is what we asked for, Mr. Rooney.

Mr. ROONEY. What did you ask of the Bureau of the Budget in this regard?

Mr. CURTISS. $28 million.

Mr. ROONEY. The same amount?

Mr. CURTISS. Yes, sir.

Mr. ROONEY. Is this amount for forest highways the highest amount in the history of the Government?

Mr. ALLEN. Yes; it is the highest appropriation, I believe.

Mr. ROONEY. I want to understand these figures at page 106 of the committee print, which show in the fiscal years from 1950 to 1958 the amounts requested by the administrations and the appropriations each year made by the Congress.

Upon looking at this, Mr. Secretary, page 106 of the committee print, it would appear that in the fiscal years from 1950 to

the present time there was only 1 year in which the Congress appropriated money above and beyond the amount requested by the administration; is that correct?

Mr. NIELSON. In 1955 it appears that the estimate was $10 million, and the appropriation was $15 million.

Mr. ROONEY. In all those fiscal years from 1950 to 1957, is that the only year in which the Congress increased the appropriation above the amount asked for by the administration?

Secretary WEEKS. That is what the record says.

Mr. ROONEY. And that fiscal year, 1955, the one instance of an increase over the amount asked of the Congress, was in the 83d Congress; was it not?

Secretary WEEKS. That is fiscal 1955; is it not?

Mr. NIELSON. Yes.

Secretary WEEKS. Yes; it was.

Mr. ROONEY. Was that a Republican or Democratic Congress?

Secretary WEEKS. Are you asking me a question?

Mr. ROONEY. Yes. I am asking you a question, Mr. Secretary. Was that a Republican or Democratic Congress?

Secretary WEEKS. As I recall, it was a Republican Congress.

GRANTS IN AID AND LOANS

Mr. ROONEY. Now, in connection with the matter referred to in the colloquy earlier this morning with Mr. PRESTON, the distinguished chairman of the committee, he quoted you from a news item by Marshall McNeil as having said:

"The way to cut spending is to stop 'continually adding to the things that the Federal Government is doing in the way of handouts to the States.'"

What did you mean by that? What did you mean by "handouts"?

Secretary WEEKS. Grants-in-aid.

Mr. ROONEY. Grants-in-aid and mostly loans to States?

Secretary WEEKS. Mostly grants-in-aid.

Mr. ROONEY. We find you here this morning at page 143 of the committee print asking for $53 million for "broader assistance to areas of substantial and persistent unemployment, including loans and grants."

Would you say those are handouts?

Secretary WEEKS. That comes under the general classification of grants-in-aid.

Mr. ROONEY. Or a handout? Let us understand one another on this, Mr. Secretary. Are these the kind of handouts you were referring to?

I did not hear your answer.

Secretary WEEKS. I did not understand there was a question.

Mr. ROONEY. Oh, yes; there is a question. There appears on page 143 of the committee print your language, "including loans and grants." Are these handouts?

Secretary WEEKS. All of these things are grants-in-aid.

Mr. ROONEY. Yes. Did you refer to these sort of things in your radio or television appearance as "handouts to the States"?

Secretary WEEKS. If the newspaper says I said it, I guess I did.

Mr. ROONEY. So now we find that, although you, on a television program, reported in yesterday's Washington News by Marshall McNeil, said, "The way to cut spending is to stop continually adding to the things that the Federal Government is doing in the way of handouts to the States." At page 143 of this committee print you propose the exact same thing with regard to area assistance activities to the tune of $53 million.

Is that a fair statement?

Mr. NIELSON. Mr. Chairman——

Mr. ROONEY. The Secretary might answer this.

Secretary WEEKS. That was brought out about an hour ago in the record.

Mr. ROONEY. I am trying to improve the record, Mr. Secretary.

Secretary WEEKS. Oh, you are trying to improve the record.

Mr. ROONEY. Yes.

Secretary WEEKS. As far as this particular matter is concerned, $50 million of it is a revolving fund for loans. As I pointed out before, it is just about, I think, one-sixth of what the Democratic Party is proposing.

Mr. ROONEY. This is by way of the handout that you have been telling your television audience about. You now come along and you want $53 million; is that correct?

Secretary WEEKS. Well, I do not call a "handout" a loan that is going to come back to the Treasury, do you?

Mr. ROONEY. I shall have to ask you this question: How much of the $53 million would be by way of "handouts"?

Secretary WEEKS. I do not think any of that particular item. There is $50 million in the revolving fund.

Mr. ROONEY. Just so we understand one another, I thought you said that grants-in-aid were "handouts."

Secretary WEEKS. This, I do not think you could call a grant-in-aid.

Mr. ROONEY. How much of the $53 million would be for grants?

Secretary WEEKS. None of that. Three million dollars is for research and development and about $50 million for the revolving fund.

Mr. NIELSON. About $1,500,000 for grants, as I understand it.

Mr. ROONEY. And that is out of the $53 million, the amount that you mentioned?

Mr. NIELSON. $50 million is to provide the capital for the revolving fund.

Mr. ROONEY. Will there be any money paid out of the revolving fund in grants?

Secretary WEEKS. No.

Mr. NIELSON. No. This is, of course, money that would come back into the Treasury.

Secretary WEEKS. It is loaned for construction projects and comes back on the same basis as other capital that is provided by local and State contributions.

Mr. ROONEY. The grants would not come back to the Treasury, though, is that not so, Mr. Secretary?

Secretary WEEKS. $1,500,000 is for grants.

INCREASE IN COST OF GOVERNMENT AND THE EXPANDING ECONOMY

Mr. YATES. On page 4 of your statement you say:

"One of the most recent facts coming out of the Bureau of the Census is that our population has passed the 170 million mark and by 1960, just 3 short years away, it is expected to be at 180 million. This tremendous growth in population reflects itself in every aspect of our economy."

I think that is a significant statement. Do you not believe that the cost of Government must keep up with the cost of an expanding economy?

Secretary WEEKS. Yes.

Mr. YATES. Why, then, are you so horrified by the size of this budget if, in fact, our economy is growing at such a rate?

You say on page 1 of your statement:

"In addition provision is made in our scientific and services to business activities to recognize the unprecedented growth of our national economy by providing services and information to the business communities to insure sound economic growth in the future."

Our economy is growing tremendously, is it not?

Secretary WEEKS. Yes.

Mr. YATES. And it has grown tremendously in the last 20 or 25 years. The Eisenhower administration takes pride that our economy has grown so significantly; does it not?

Secretary WEEKS. Yes.

Mr. YATES. Does the cost to the Government not have to keep up with the growth of the economy?

Secretary WEEKS. Some parts of the cost of Government certainly.

Mr. YATES. Do our school systems not have to keep up with the growth of our population and the growth of our economy?

Secretary WEEKS. Certainly.

Mr. YATES. Would you not think that if the States do not find they are able to take care of the school needs of their communities that the Federal Government should assist them in their programs of providing sufficient educational facilities for our own American children?

Secretary WEEKS. With all respect, I will comment on my own budget, but I am not going to comment on other departmental budgets.

Mr. YATES. Were you commenting on the Department of Commerce budget in connection with your interview with Mr. McNeil?

Secretary WEEKS. So far as I know, yes; I think that is correct.

SUBSIDY OF MARITIME AND AVIATION INDUSTRIES

Mr. YATES. Insofar as "handouts" are concerned, should the Government continue to subsidize maritime activities?

Secretary WEEKS. If we want a merchant marine we should continue.

Mr. YATES. And that is expensive, is it not?

Secretary WEEKS. Yes.

Mr. YATES. Do you believe it is wise in national policy to continue such activities?

Secretary WEEKS. Yes.

Mr. YATES. Do you believe that it is wise national policy continue to subsidize the airlines?

Secretary WEEKS. In the manner that we are now; yes.

FEDERAL AID AND FOREST HIGHWAYS

Mr. YATES. Do you believe it is wise for the Federal Government to spend as much money as it is in connection with the highway program in this budget?

Secretary WEEKS. Yes, except for the reservation I made on the forest highways.

Mr. YATES. With respect to forest highways?

Secretary WEEKS. Yes.

CHRISTIAN SCIENCE MONITOR ARTICLE

Mr. YATES. An article appeared in the Christian Science Monitor of March 18 which in some measure criticized the Eisenhower administration for taking the propaganda attack of seeking to cut the budget rather than trying to launch an educational campaign to show how little the budget can be cut.

As a member of the Eisenhower administration do you agree with that, or are you inclined to agree with Secretary Humphrey about the curling hair as a result of the extra expenditures?

Secretary WEEKS. I would have to take an article like that and read it carefully and think about it. I cannot speak off the cuff on a general statement of that kind.

Mr. YATES. You do not know of any other way than you have already indicated to this committee how the Department of Commerce's budget can be cut further?

Secretary WEEKS. That is correct.

DISCUSSION OF SECRETARY'S STATEMENT TO PRESS

Mr. ROONEY. Mr. Secretary, when you talked on television of handouts were you referring to an item such as the State marine schools, which appears at page 76 of this committee print?

Secretary WEEKS. No.

Mr. ROONEY. You would not call that a handout?

Secretary WEEKS. No.

Mr. ROONEY. How about grants-in-aid for airports?

Secretary WEEKS. Well, that is a grant-in-aid.

Mr. ROONEY. Was that the sort of thing that you were referring to?

Secretary WEEKS. That is a colloquial expression, passing money around to be spent in every district.

Mr. ROONEY. I do not think there is anything sinister about the word "handouts," but you used the word and I am trying to understand exactly what you meant. Were you meaning an item such as grants-in-aid for airports?

Secretary WEEKS. I am sure that you understand that I mean in general money that is spent in every congressional district all over the country.

Mr. ROONEY. I would figure that is what you mean in general. I am trying to find out what you mean specifically. Were you referring to grants-in-aid for airports?

Secretary WEEKS. Well, I was referring to the general process——

Mr. ROONEY. Would you say the grants-in-aid for the airport program was a handout program?

Secretary WEEKS. I would call that a grant-in-aid program.

Mr. ROONEY. What did you mean when you said "handouts"?

Secretary WEEKS. I would have to see.

Mr. ROONEY. You said:

"The way to cut spending is to stop continually adding to the things that the Federal Government is doing in the way of 'handouts' to the States."

Let us have some examples of "handouts" to States in your Department of Commerce bill.

Secretary WEEKS. I would have to go through the budget. I would be glad to make an analysis of it and provide the information for you for the record.

Mr. ROONEY. Are we to understand there are no handouts in the Department of Commerce's budget of $804 million?

Secretary WEEKS. Do you want me to take the time to go down through the budget item by item?

Mr. ROONEY. Sure. I will try to save you the time. I am asking you specifically what about the grant-in-aid for airports?

Secretary WEEKS. I have said three times that a "handout" is a colloquial expression used with respect to this process of voting money to spend across the country in the several districts.

Mr. ROONEY. Mr. Secretary, I bring you back to your own words:

"The way to cut spending money is to stop continually adding to the things that the Federal Government is doing in the way of handouts to the States."

Will you please look at your budget and tell us where there are handouts to the States?

Secretary WEEKS. I will look it over and let you know.

Mr. ROONEY. Take a look at it now, Mr. Secretary. You have a copy of your budget. Just take a look at it.

Secretary WEEKS. In this general area of grants-in-aid, spending money as I have described it, I see just three items in the budget. One is the aid to the airports, one is the $1,500,000 in the Office of Area Development, and the other is the $660,000 in the State maritime schools.

Mr. ROONEY. That is what you were referring to when you were on the television program; is that correct?

Secretary WEEKS. No; I was not referring to those three specifically.

Mr. ROONEY. Were these included in those you were referring to?

Secretary WEEKS. No.

Mr. ROONEY. Why do you make exceptions with regard to these—because you are here asking for all the money in connection therewith?

Secretary WEEKS. No. I told you, in this field of aid to airports, Congress forced $42,500,000 on us on top of what we asked for.

Mr. ROONEY. How much are you asking for?

Secretary WEEKS. In this budget?

Mr. ROONEY. Yes.

Secretary WEEKS. Just the amount of the liquidating fund that is required.

Mr. ROONEY. How much?

Secretary WEEKS. $35 million; is it not?

Mr. ROONEY. Would you say that the $35 million represents "handouts"?

Secretary WEEKS. I have answered that question.

Mr. ROONEY. I do not think you have.

Secretary WEEKS. I have answered it all I am going to.

Mr. ROONEY. I think that you have dodged all around the lot on that one. It is a fair question, in view of the fact you made these statements on a television program. I think the public feels that it should be the duty of the Appropriations Committee to find out exactly what you meant.

Secretary WEEKS. I have answered the question.

Mr. ROONEY. Let me ask you this question: This refers again to your statement that the way to cut spending is to stop continually adding to the things that the Federal Government is doing in the way of handouts to States. Are there any handouts to States included in the budget that you now recommend which should be cut, and thus stop spending?

Secretary WEEKS. I just answered that question.

Mr. ROONEY. I wonder if you would answer it again.

Secretary WEEKS. I answered it. It is in the record.

Mr. ROONEY. That is your answer?

Secretary WEEKS. Yes.

Mr. ROONEY. Very well. There is always a final answer to that.

Mr. YATES. Mr. Secretary, when you spoke in connection with "handouts," you are referring to the grants-in-aid programs to the States. What about "handouts" to private industry that are contained in this budget? Are you opposed to such handouts?

Secretary WEEKS. I do not think that there are any in the budget.

Mr. YATES. The maritime subsidies are not "handouts" to private industry?

Secretary WEEKS. I have already said that I am for the maritime program because if we are going to have a merchant marine that is what we have to do.

Mr. YATES. Those "handouts" are perfectly proper?

Secretary WEEKS. I do not call them a "handout."

Mr. YATES. Would the same answer be true with respect to the subsidies for airlines?

Secretary WEEKS. No.

Mr. YATES. Would you consider those "handouts"?

Secretary WEEKS. No.

Mr. YATES. You think that those are necessary?

Secretary WEEKS. Yes.

Mr. YATES. Are there any other subsidies to private industry contained in this budget?

Secretary WEEKS. I know of none offhand.

Mr. YATES. The subsidies to the airlines are the same types of handouts as those to the maritime?

Secretary WEEKS. We administer the maritime payments and the CAB administers the subsidy for airlines.

Mr. YATES. It is the same character of subsidy; is it not?

Mr. ROTHSCHILD. Not exactly.

Mr. PRESTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment adopted in the Committee of the Whole, with the recommendation that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6700, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PRESTON. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and motion to reconsider was laid on the table.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that I may extend my remarks on the bill immediately before the Committee rose and include therein related matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

REV. JAMES S. GILLIS, C. S. P.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, the recent passing of the noted and beloved editor, orator, and publicist, Rev. James S. Gillis, C. S. P., brought feelings of sadness and a sense of irreparable loss to millions throughout the Nation.

Father Gillis was a writer of great ability and distinction and his nationally syndicated column, Sursum Corda, which appeared for more than a decade in the well-known archdiocesan weekly newspaper, the Pilot, was widely read in this country and abroad.

From 1922 to 1948 Father Gillis edited the Catholic World, and in all his writings he evidenced great ability, courage, and a spirit of dedication to the cause of God and country.

Possessed of outstanding gifts in the field of writing and speaking, Father Gillis led a most active life.

He was born in Boston, November 12, 1876, and educated at the Boston Latin School, St. Charles' College in Maryland, and St. John's Seminary in Brighton, Mass.

Father Gillis joined the missionary society of St. Paul the Apostle in 1896, was ordained in New York in 1901, and

celebrated his first mass in St. Cecelia's Church, Boston, on Christmas Day of that year.

Father Gillis was a famous lecturer and spoke before many groups throughout the Nation. He was also a well-known author and wrote several books which commanded widespread appeal. He was also a celebrated radio commentator and columnist and his speeches as well as his writings were inspirational in character and typified by profound thought, firm conviction and great sincerity. He was eloquent and persuasive and possessed of a richly stocked, scholarly mind that was really a treasure chest of information and knowledge.

In the field of moral, religious, and patriotic thought, Father Gillis had few equals. He exerted immeasurable influence upon the times in which he lived, and his unselfish contributions to many good causes of morality and Americanism will long be remembered by a grateful people. Father Gillis was a great Christian and a great American.

CALL OF THE HOUSE

Mr. MASON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 56]

Anderson, Mont.	Curtis, Mo.	McConnell
Aspinall	Dies	McIntosh
Barden	Doyle	Magnuson
Bentley	Eberharter	Miller, Calif.
Betts	Engle	Moulder
Bowler	Frazier	Powell
Brown, Mo.	Grant	Reece, Tenn.
Burdick	Gregory	Rogers, Colo.
Celler	Healey	Scrivner
Chenoweth	Holtzman	Walter
Coffin	Kearney	Willis
Cretella	Keating	Wilson, Calif.
	Latham	Young

The SPEAKER. On this rollcall, 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 216) providing for the consideration of H. R. 4136, a bill to extend the period within which Export-Import Bank of Washington may make loans, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4136) to extend the period within which Export-Import Bank of Washington may make loans. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 216 makes in order the consideration of H. R. 4136, to extend for a period of 5 years, until June 30, 1963, the operating authority of the Export-Import Bank. The resolution provides for an open rule and 2 hours of general debate on the bill.

The committee report on this bill points out that as the existing expiration date of June 30, 1958, draws near, it becomes more difficult for the bank to carry out its functions, particularly in financing purchases of American goods and services for construction and development of projects abroad since most such projects require several years for completion.

The Export-Import Bank is the only source for the financing of United States trade in situations in which private capital is not available. Applications come from United States exporters desiring assistance in financing sales abroad of their products, or from foreign buyers requiring credit to purchase United States products. It may extend loans to either private or public borrowers, including foreign governments.

All of the $1 billion authorized and outstanding capital stock of the bank is owned by the United States Treasury. On this investment the Treasury receives dividends of 2¼ percent per year—a rate set by the Treasury. The bank is authorized to borrow funds from the Treasury up to a maximum of $4 billion outstanding at any one time. At the close of 1956 funds borrowed from the Treasury amounted to $1,200,000,000. The interest rate paid to the Treasury on these funds varies with market conditions and the type of loan made.

The bank has been in existence for 23 years and over this period gross earnings have aggregated $777½ million and the interest and dividends paid the United States Treasury total almost $329 million. The bank does not operate on appropriated funds and all its administrative expenses are paid out of its earnings. It has an excellent record of successful operation and I urge the House to act promptly on House Resolution 216 so we may proceed to the consideration of this legislation.

Mr. Speaker, I now yield 30 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I know of no opposition to this bill. The bank is not operated on any appropriated funds. The administrative expenses are paid for out of earnings. The ratio of administrative expenses to gross income over the life of the bank has amounted to only 1.68 percent. The bill merely provides for the extension of the life of the bank to June 30, 1963.

Mr. Speaker, I have no requests for time.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the bill (H. R. 4136) to extend the period within which Export-Import Bank of Washington may make loans be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 8 of the Export-Import Bank Act of 1945, as amended (12 U. S. C. 635f), is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1963."

Mr. SPENCE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill merely extends the leading authority of the Export-Import Bank from June 30, 1958, to June 30, 1963.

The Export-Import Bank was incorporated under the laws of the District of Columbia as the Export-Import Bank of Washington in 1934. It was made an independent agency of the Government in 1945. Its purpose was to stimulate the exports and imports from and into the United States.

During its life it has made loans aggregating approximately $5,300,000,000. None of the money from these loans goes out of the United States; it remains here as credit to exporters who have contracts with foreign governments or foreign private enterprises. This organization has been the means of materially increasing the exports of the United States under favorable circumstances both for the exporter and the importer. It is certainly a very much better scheme to encourage friendship and good will than providing loans without expectation of repayment or grants. With these loans have usually gone American technical assistance and expert services. These experts have often remained in the foreign country during the construction period of the project.

The Government owns all of the stock of the corporation—a billion dollars. On liquidation all of its assets will go into the Treasury of the United States.

The corporation has a reserve of $435 million for the payment of its losses. During all of its life the losses that have been written off amount to $500,000. It is true there are some outstanding loans about which there may be some doubt, but the corporation has not written them off because it still has some hope of their collection. One of these loans is to Nationalist China for $31 million; and there are other loans that are past due amounting to approximately $9 million. That is an excellent record for the corporation. I think the corporation should have the assurance of the confidence of the Congress on its record.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from West Virginia.

Mr. BAILEY. Since the present life of the bank does not expire until June 30, 1958, what is the necessity of coming in now with a bill to extend its life to 1963? Could it not be done at the next session of Congress?

Mr. SPENCE. There is a very good reason for that. Most of these loans extend over a long period of time. Most of them are for development. On many of them the work will not be completed for 4 or 5 years. There must be an assurance that the corporation can carry out its contracts.

Mr. BAILEY. Without coming back to the Congress or to any other authority, would the bank have authority to make loans for the construction we will say of the Aswan Dam in Egypt and to negotiate that loan without any reference to the Congress?

Mr. SPENCE. Will the gentleman repeat his question.

Mr. BAILEY. The Aswan Dam in Egypt that will irrigate a couple of million acres of cotton land.

Mr. SPENCE. Under the circumstances I am confident the corporation would not make such a loan without governmental approval.

Mr. BAILEY. I question how good a business it would be to irrigate 2 million additional acres of cotton land over there with the surplus of cotton we have on hand that we are seeking a world market for.

Mr. SPENCE. The purpose of this organization is not to interfere with private enterprise.

The SPEAKER. The time of the gentleman from Kentucky has expired.

(By unanimous consent Mr. SPENCE was allowed to proceed for 5 additional minutes.)

Mr. SPENCE. Mr. Speaker, it seems to me this is an ideal method of encouraging our foreign trade with loans that are safe. It is provided in the act that they must be made with reasonable assurance of repayment. The corporation has no authority to make a loan in the United States. That authority was not given to it in its corporate charter. The organizers had had but one object in view and that was to make it possible for those living in foreign countries to get loans they could not otherwise obtain to purchase American products.

The question may arise why the corporation cannot make purely domestic loans. The answer is the corporation was not organized for that purpose. It did not have that objective in view. If we think there should be easier credit and more loans made to private enterprise and small businesses in this country, as I do, we must look elsewhere for that help. To give this to the Export-Import Bank would change its basic structure and purpose.

It is reasonable to ask that the corporation's functions be continued for 5 years. Can you conceive of a corporation being organized and only asking for 5 years of life? Most corporations are organized for indefinite periods.

This organization was created under a Democratic administration. It prospered under a Democratic administration. It has gone through two Republican administrations, and has been helpful during its existence. The corporation comes here with a record that should give it your confidence and your support. Some of the men who are connected with this organization have been with it since its inception. They have a wide knowledge of the investments and the functions of the corporation.

Mr. Speaker, I had the opportunity to see some of these investments in foreign countries. I remember we went to Quito and there we saw a great waterworks project to furnish water to the city financed by the Export-Import Bank. There we not only investigated the improvement, but we became acquainted with the American engineers who were aiding in carrying out the project.

I cannot conceive of any better financial organization for our foreign relations, for the investment of our people, for the progress and prosperity of our country and for the general welfare of the world. Its record is splendid; its achievements have been good, and its losses have been almost nil. Even if it should sustain the loss of all the debts that are now in trouble, it would still have almost $400 million in reserves.

I ask my colleagues to vote for the bill and authorize this great corporation to continue its good work.

PROGRAM FOR TOMORROW

Mr. MARTIN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I take this time to inquire of the majority leader as to the program for tomorrow.

Mr. McCORMACK. There has been a rule reported out of the Committee on Rules on Senate Joint Resolution 72. That is the amendment to the Anglo-American financial agreement. That bill will be brought up tomorrow. There will be 2 hours of debate.

Mr. MARTIN. If that is concluded, what about the rest of the day?

Mr. McCORMACK. That will be the only business on tomorrow.

Mr. MARTIN. I thank the gentleman.

Mr. TALLE. Mr. Speaker, there apparently is no need for taking much time on this bill. However, I believe it might be worth while for me to set out in a few simple sentences facts that can be found in the report that accompanies the bill: First, as to the purpose of the bill, it is to extend the life of the bank for 5 years to June 30, 1963; second, a few points as to the record of the bank:

First. It has operated for more than 23 years.

Second. The intent of the Congress in establishing the bank was to encourage but not to compete with private capital.

Third. Loans should be made for specific purposes insofar as consistent with major objectives.

Fourth. Loans should be for purposes offering reasonable assurance of repayment.

Fifth. All loans of the bank are made to finance United States trade.

Sixth. Nearly all loans have been made to finance export of United States manufactured or agricultural products or services.

Seventh. The bank has a system of financing development abroad of some minerals and other raw materials needed in the United States for strategic and industrial purposes. A noteworthy example of that, of course, would be nickel.

Eighth. Loans may finance single-export transactions or may provide the dollars necessary to acquire all of the United States equipment and services for a large development project abroad.

Ninth. Loans may be made to private borrowers or to public borrowers, including foreign governments.

Tenth. Sales of United States products to 68 countries have been financed since the bank started operations in February 1934 down to December 31, 1956.

Eleventh. There were outstanding loans made to 60 countries as of December 31, 1956.

Twelfth. Many loan commitments for large development projects are paid out over a period of years. That explains at least in part why it is necessary to look ahead and extend the life of this bank in advance of the termination date.

Next, as to the ownership of the bank:

First. All of the capital stock—that is, $1 billion, is owned by the United States Treasury.

Second. The Treasury receives dividends of 2¼ percent per annum on the stock.

Third. The bank may borrow from the Treasury up to $4 billion outstanding at any one time.

Fourth. The rate of interest paid by the bank to the Treasury varies with market conditions at the time notes are issued by the bank to the Treasury.

Fifth. On December 31, 1956, funds borrowed from the Treasury amounted to $1.2 billion.

Sixth. Rates of interest charged by the bank reflect the cost of money to the bank plus a margin to cover operating expenses and some addition to the reserves.

Seventh. The bank has consistently maintained a sound spread between the rates of interest charged on loans and the costs it must pay on the funds it uses.

Eighth. A reserve of roughly $435 million has been accumulated by the bank.

Ninth. The Treasury is the beneficial owner of this accumulated, undistributed reserve which amounts to 1½ times the actual payments made by the bank to the Treasury in interest and dividends for the funds advanced by the Treasury.

Tenth. Losses charged off amount to approximately $500,000, as the chairman of the committee stated.

Eleventh. The past-due installments amounted to approximately $9,300,000 on December 31, 1956.

Twelfth. If these past-due amounts are added to losses charged off, the ratio of losses to aggregate loan disbursements would be less than one-fifth of 1 percent.

Thirteenth. The bank does not use appropriated funds.

Fourteenth. Administration expenses are paid out of earnings.

Fifteenth. The ratio of these expenses to gross income for 23 years has amounted to only 1.68 percent.

Finally, Mr. Speaker, the reason for the proposed extension:

First. Loans for construction and development projects abroad require several years for completion.

Second. Borrowers hesitate to begin long-term projects unless they are certain the bank will continue to operate.

Third. On two previous occasions extensions have been made for 5 years, and these extensions were made well in advance of the expiration date.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. TALLE. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. From the date of its organization in 1934 to 1948 covered a period of 14 years. In 1947, a year in advance of the termination date, an extension of 5 years was approved. Then in 1951, 2 years ahead of termination, a further 5-year extension was approved. Consequently, the termination date will be next year, and the pending bill proposes another 5-year extension to June 30, 1963.

Fourth. This bank is the only lending institution that finances United States trade in situations in which private capital is not available.

Fifth. Its operations are highly important in the overall picture.

In conclusion, Mr. Speaker, it was in the light of these facts that the Committee on Banking and Currency voted unanimously to extend the bank's authority for 5 more years.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Did the bank make a loan of $500 million to Great Britain last December?

Mr. TALLE. Not that I am aware of, I will say to the gentleman.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from New York.

Mr. MULTER. The answer is that such a loan was authorized but I believe no part of it was used. As the result of the situation that occurred in connection with the seizure of the Suez Canal, such a loan was authorized.

Mr. TALLE. The best answer I can give the gentleman is that I am not aware that such a loan has been made.

Mr. O'HARA of Illinois. I had heard the rumors a few days ago and I was merely seeking information. I agree with the gentleman that the Export-Import Bank has done a tremendously good job and, having served on the gentleman's committee for three Congresses, I came away with a very high opinion of the Export-Import Bank. I was interested that the Export-Import Bank had made or was considering such a large loan in a field I considered a new field for it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me what the average interest rate has been last year?

Mr. TALLE. As I stated in my comments on the bill, the rates vary. A particular rate depends on the region, on the purpose of the loan, and it depends on the rates of interest—the costs of money—prevailing at the time. May I point to the report on page 3, at the top of the page? The gentleman will notice there that a rate as high as 6 percent has been charged. The rate was 3¾ percent on a recent loan financing the purchase of United States cotton by Japan.

Mr. GROSS. Was the difference in rate because of the risk, perhaps? Was that taken into account?

Mr. TALLE. All significant factors are taken into account in determining a rate. It depends upon how much the Treasury must pay for the money it raises to finance this bank, and then it depends upon the risk factor, of course; all the considerations that enter into careful management of bank loans.

Mr. GROSS. Have the renewals been in 5-year terms previously?

Mr. TALLE. That is right.

Mr. Speaker, a certain question was asked in connection with the hearings, and I was directed by the chairman of the Committee on Rules, Mr. SMITH of Virginia, to make an inquiry of the president of the Export-Import Bank. I ask unanimous consent to insert in the RECORD at this point the letter I addressed to the president of the Export-Import Bank and his reply to my letter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The letters referred to are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 28, 1957.

Hon. SAMUEL C. WAUGH,
President and Chairman,
Export-Import Bank of Washington,
Washington, D. C.

DEAR MR. WAUGH: During the hearings before the House Banking and Currency Committee on H. R. 4136, you were asked by Congressman HENDERSON whether foreign aid extended by this country is used to repay Export-Import Bank loans. You replied that this may have been the case in the past, but that you see no evidence of it now.

This question arose again during the hearings before the Rules Committee on a rule for the bill, and I am sure it will come up during debate on the floor. I would very much appreciate it if you would write me a letter setting forth in greater detail the facts which lead to your conclusions on this question. It is my impression that foreign aid grants are made for specific purposes, and that funds granted for such purposes could not be diverted so as to repay any of your loans. I can see that foreign aid grants to a particular country might indirectly help it to repay its indebtedness. Do you take this factor into account in making loans? Is there any way you can measure the effect of such grants upon repayments to the bank? I think it would be helpful, too, if you would indicate to what extent the bank's loans are now going into countries that receive economic aid from this country.

I have specified these particular matters in an effort to indicate as clearly as possible the kind of information we need on this question. I shall be happy, of course, to receive any additional information you feel would be helpful in answering the basic question.

With kindest personal regards, I am,
Sincerely,

HENRY O. TALLE,
Member of Congress.

EXPORT-IMPORT BANK OF WASHINGTON,
Washington, D. C., April 1, 1957.

The Honorable HENRY O. TALLE,
House of Representatives.

DEAR MR. TALLE: The question which you raised in your letter of the 28th as to whether foreign aid extended by this country is used to repay Export-Import Bank loans has been the subject of considerable conjecture.

At the end of World War II, the Export-Import Bank authorized several large credits to countries of Western Europe for the purchase of materials and equipment in the United States for reconstruction purposes. It was not until 1947 that the Marshall plan got under way. During the years that this large-scale foreign-aid program in the form of grants was under way, the Export-Import Bank refrained from authorizing new credits to the countries who were receiving the grant aid.

It would be unrealistic to fail to recognize a relationship even though indirect between the foreign-aid program during this period and the repayment record of the Export-Import Bank on its loans to recipient countries. Without the dollars received in the form of grant aid, the economies of many of these countries might have collapsed. Such a catastrophe, which was averted largely through the medium of the Marshall plan, would, of course, have meant that Export-Import Bank loans to these countries might never have been paid.

During the past 5 years or more there has been very little aid for economic assistance, as distinguished from military assistance. Repayments to the bank therefore have resulted from improved conditions in Europe and have not been met out of United States foreign aid. In fact there were relatively few principal payments due during the period of large-scale grant aid.

Just as the bank refrained from authorizing credits in Europe during that period of large-scale grant aid, it now refuses to authorize credits in any country in which repayment of loans would be dependent upon the continuance of grant aid. In instances in which loans have been made to countries also receiving aid, the bank has reached a judgment that the loan will generate the means of its repayment.

I trust that you will let me know if there is any further information which you would like on this subject. I agree with you that it is important to discuss the matter frankly in order that there may be a clear understanding.

With warm regards, I am,
Sincerely,

SAMUEL C. WAUGH,
President.

Mr. TALLE. Mr. Speaker, I urge the passage of this bill.

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, I rise in support of this legislation. H. R. 4136 extends for a period of 5 years—until June 30, 1963, the operating authority of the Export-Import Bank.

This bank has by now concluded more than 23 years of operation as an agency of the United States.

All loans of the bank are made to finance United States trade. The credits made available in general finance the export of the United States manufactured or agricultural products or services.

The bank does not operate on appropriated funds. All of its administrative expenses are paid out of its earnings.

It is wise for the Congress to act now, well before the expiration date of June 30, 1958. Many of the projects financed by the bank may require several years for completion. Borrowers might hesitate to start long-term projects for fear some question might arise on authority of bank to participate on a date beyond the expiration date.

The Export-Import Bank is the only source for financing of important United States trade in situations where private capital is not available.

The bank performs valuable service in financing the export of United States materials, equipment, and services which go into development projects abroad designed to improve the dollar position of the other country and consequently that country's ability to purchase more United States products.

In view of the bank's successful record and the importance to the United States of the activity in which it is engaged, the Banking and Currency Committee vote unanimously to extend the bank's authority for 5 more years.

I urge the passage of this legislation.

Mr. BROWN of Georgia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I rise in support of H. R. 4136. This bill would extend the operating authority of the Export-Import Bank of Washington for a period of 5 years, to June 30, 1963.

The Export-Import Bank of Washington is one of the outstanding agencies of this Government. It was initially created as a banking corporation under the laws of the District of Columbia on February 12, 1934, pursuant to Executive Order 6581, dated February 2, 1934. The Export-Import Bank Act of 1945 made the bank an independent Federal agency, increased its lending authority from $700 million to $3½ billion, and arranged its financing through the Reconstruction Finance Corporation.

In June 1947 the Export-Import Bank Act of 1945 was further amended for the purpose of reincorporating the bank under Federal charter and for other purposes. Its life was extended until June 30, 1953. The 1947 law also stipulated that net earnings of the bank, after reasonable provision for possible losses, shall be used for payment of dividends on capital stock. It was further provided that borrowings from the Treasury shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States. The rechartered corporation succeeded to all the rights and assumed all the liabilities of the District of Columbia corporation.

Public Law 158 of October 3, 1951, increased the lending authority of the Export-Import Bank by $1 billion and extended the bank's life for 5 years, from June 30, 1953, to June 30, 1958. At the present time the bank has a lending authority of $5 billion, $1 billion of which is capital stock and $4 billion is borrowing authority, both sources of funds being the United States Treasury.

Except for a brief period between June 30, 1953, and October 1954, when it was under the direction of a Managing Director, responsibility for the policies and operations of the bank have been vested in a bipartisan Board of Directors of five members appointed by the Senate. The members of the present Board of the bank were so appointed pursuant to amendments of the Export-Import Bank Act adopted by the Congress in August 1954.

The objects and purposes of the bank are to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States, or any of its Territories or insular possessions, and any foreign country or the agencies or nationals thereof. In section 2 (b) of the act the Congress declared as its intent that the bank should encourage and not compete with private capital and that loans, insofar as consistent with the major objectives, should generally be for specific purposes and, in the judgment of the Board of Directors, offer reasonable assurance of repayment. The expressed policy of the bank is to establish rates of interest on those loans to borrowers, "each to cover all operating expenses plus the interest cost of all funds used by the bank and to accumulate a reserve for future contingencies."

Applications for loans are presented to the bank through many sources such as foreign embassies and agencies, and by exporters and prospective borrowers directly or through their banks. Such applications are subjected to detailed analysis by the bank's technical staff to determine whether they conform to the general policies of the bank. The bank consults with other interested departments and agencies of the Government as to various aspects of the applications and consults with the National Advisory Council on International Monetary and Financial Problems in its coordinating capacity as to the relationship of a proposed loan to the general lending policies of the United States Government.

In all its operations the bank endeavors to encourage and maintain the widest possible scope for private enterprise in foreign trade. The activities of the bank are confined to dealing with risks of a type which are either beyond the scope of private capital or which private capital is not prepared to assume without Government assistance. As a matter of policy the bank's credits are extended primarily for the purpose of facilitating exports of goods the sale of which involves relatively extended terms of credit and which will serve to increase the productive capacities of foreign countries or otherwise to promote continuing and mutually profitable trade.

Since it commenced operations in February 1934, until the close of business on December 31, 1956, the bank has financed sales of United States products in 68 countries of the world. On December 31, 1956, it had outstanding loan commitments in 60 countries. Over this period the bank has disbursed loans totaling $5,277 million. Of these, $2,641 million has been repaid, leaving outstanding $2,636 million of loans. In addition, the bank has undisbursed commitments of $1,553 million.

The bank has also issued many specific credits to assist the sale abroad of American agricultural production. During the 5 fiscal years ending June 30, 1956, the bank authorized credits for the purchase of American cotton in the amount of $414 million. These cotton credits were used by the textile industries of foreign nations in Europe, Latin America, and the Far East. This program, of course, has been greatly beneficial to cotton-producing States such as Georgia.

The bank has an outstanding record of successful operation. Total losses charged off approximate only $500,000. As of December 31, 1956, installments of principal past due totaled approximately $9.3 million. These have not been declared in default or charged off against the bank's earned reserves of $435.1 million because of the expectation of eventual repayment. Even if past due principal amounts are added to losses actually charged off, the ratio to aggregate loan disbursements of $5,277 million is less than one-fifth of 1 percent.

The bank does not operate on appropriated funds. All of its administrative expenses are paid out of its earnings. The ratio of administrative expenses to gross income over the life of the bank has amounted to only 1.68 percent.

The Export-Import Bank is the only source for the financing of important United States trade in situations in which private capital is not available. Even though the activities of the bank may directly affect a relatively small portion of the total United States trade, its operations are highly important in the overall picture. In the field of medium- and long-term credit, the assistance of the bank is often essential if the sale is to be realized. In addition, the bank performs a valuable service in financing the export of United States materials, equipments, and services which go into development projects abroad that are designed to improve the dollar position of the other country and consequently that country's ability to purchase more United States products. In view of its successful record and the importance to the United States of the activity in which it is engaged, I believe that the period of activity of the bank should be extended and therefore urge a favorable vote on H. R. 4136.

Mr. SPENCE. Mr. Speaker, I offer a technical committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: In line 6, strike out the period and insert a period after the quotation mark.

CREDIT FOR BUSINESS, BIG AND SMALL—ALL OTHER COUNTRIES OF THE WORLD BUT NOT IN THE UNITED STATES

Mr. PATMAN. Mr. Speaker, I rise in opposition to the amendment. I shall not oppose the amendment but I used

this method to get time, rather than striking out the last word.

Mr. Speaker, I invite the attention of the Members of the House to the fact that the passage of this bill points up the inability of independent concerns regardless of size, and small concerns, to get credit here in the United States of America for many worthwhile constructive purposes.

On the other hand, the Export-Import Bank makes available plenty of credit for these same facilities and projects in other countries of the world. If you will get one of these reports to the Congress on the Export-Import Bank of Washington, you will find the applications that have been approved and the amounts and purposes of all the applications that have been granted by the Export-Import Bank. Just consider the case of one country—our neighbor to the south—we are very friendly with Mexico. We want to deal with the Mexican people. Our relations are good. We want them to remain that way. We all approve the efforts of the Export-Import Bank to grant constructive loans to business, large and small, of the great country of Mexico, but I invite your attention to the fact that loans are made by this Export-Import Bank for purposes that our own people are clamoring for here in the 48 States and yet, there is no agency that can even consider their application. I mention loans made for: Steel mill construction, $8 million; railway equipment, $19 million; sugar mills; ammonium sulfate plant, $6 million; water works; coal-mine development; dams and powerplants; national railways; expansion of steel mills, $26 million; sulfur plant, over $4 million; expansion of paper container plants; machinery and equipment; expansion of steel plants; rolling mill equipment; cement plants; concrete mixers.

These are just a few.

As you can see, these loans are made for every purpose, and they have been obtained in Mexico from the Export-Import Bank here in Washington, D. C. We used to have a lot of steel mills in this country that we do not have now. There is no reason why there should not be small steel mills all over the country for the reason that steel scrap is pretty well evenly and uniformly distributed in proportion to the use of automobiles. Every automobile that is scrapped contains one ton of scrap steel. Therefore, it would be possible to have small steel mills all over the country. But, of course, the big steel companies do not like that.

They have succeeded in one way or another to cause these mills to go out of business. We do not have as many of them now. There are places in this country where we should have them. But, suppose the enterprising citizens of a town get together and suppose they have a good location for a steel mill, and they have everything that is necessary for a successful and efficient going business in the form of a steel business. Suppose they want to build a steel mill. Where will they apply now? They have no place to go. But, the people of Mexico have a place to go. They can get a loan from the Export-Import Bank here in Washington, D. C. Whose money is it? It is our money. Every dollar of stock is owned by the United States Government. There is no investment in the Export-Import Bank except the United States Government money.

CEMENT PLANT NEEDED

There are lots of places in the United States where we should have cement plants, and every day Members of Congress receive letters wanting to know how they can apply for a loan to build a cement plant. Fortunately, practically every county of the 3,071 counties throughout the United States, practically every one, not all, has the materials necessary for the making of cement, but you cannot get a loan for the purpose of building a cement plant.

The SPEAKER. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. PATMAN was allowed to proceed for 5 additional minutes.)

Mr. PATMAN. We have a need for additional cement for this road construction program. It will call for an expanded program for the making of cement. Where are you going to go to get a loan to build a cement plant? There is no place to go. But this Congress will grant a loan to people in foreign countries to build cement plants.

So here is a case of the small people of this country, and even larger ones who are independent without any interlocking banking connections, having no place to go to get available capital for the purpose of building cement plants, steel plants, or building other plants that we need.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I will yield to the gentleman from Kentucky.

Mr. SPENCE. To give the Export-Import Bank the authority to finance domestic corporations would change the very basic structure. The Export-Import Bank was organized for a definite purpose which it is carrying out.

I think the gentleman is making a very able argument, but I think this is not the place, the Export-Import Bank. It is acting under its charter powers, and those powers confine it to foreign investment.

Unquestionably we do need the help the gentleman speaks of to small business, but it should be done some other place than by an amendment to this act.

The Export-Import Bank is rendering a fine service in carrying out the purpose for which it was organized and that excludes domestic investment.

RIDICULOUS

Mr. PATMAN. I am only bringing it up, Mr. Speaker, for the purpose of showing how ridiculous we are that we will furnish people and businesses throughout the world plenty of credit, United States money, to do worthwhile constructive things, yet deny our own people; I am just showing how ridiculous it is.

We have three great institutions which can furnish big money to big business: the World Bank, billions of dollars. We have a big investment in the World Bank. The Export-Import Bank; we have over $2 billion in the Export-Import Bank, all United States dollars, American taxpayers' money. Then we have another organization, the International Finance Corporation, to take risk loans, loans that the Export-Import Bank cannot safely take. The Export-Import Bank must take sound loans, but in this new corporation we have quite a considerable investment. They can spend billions of dollars to furnish companies, big and little, throughout the world capital to go into any kind of business, except here in our own country there is no place good American citizens can turn to get loans of that type.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. It is difficult to understand the gentleman's argument, because yesterday we put in a million and a half to build some gap in bridges right here in the District of Columbia. That was some help, was it not?

Mr. PATMAN. Yes.

Mr. HOFFMAN. Well, then, what is the gentleman complaining about? We have made a good start on spending to aid industrial businesses.

Mr. PATMAN. I am not talking about bridges; I am talking about materials that make bridges.

Mr. HOFFMAN. You are talking about steel and cement plants?

Mr. PATMAN. I am talking about steel and cement.

Mr. HOFFMAN. They use both to build bridges, do they not?

Mr. PATMAN. I am talking about the manufacture of the basic things that go to make the bridge. Anybody can build a bridge but I am talking about the basic materials that are used to make it. We are talking about different things.

Mr. HOFFMAN. No. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. Yes; I will yield to the gentleman.

Mr. HOFFMAN. The gentleman in his literature at least has been a great champion of small business. Yesterday we authorized the appropriation of a million and a half to aid two small businesses, a sand company and an oil company. That is true, is it not?

Mr. PATMAN. I did not know about that.

Mr. HOFFMAN. The gentleman is asking where the people can go for money. They can come to Congress. They do. But of course they first must send the money to the Government before Congress can give any of it back, and always we and the bureaucrats take a cut first before a dollar, or more accurately, 70 cents, is given back.

Mr. MUMMA. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. MUMMA. Does the gentleman remember that I discussed this cement situation with him in committee?

Mr. PATMAN. Yes, I recall that.

Mr. MUMMA. The gentleman gave me the name of Clarksville, Tex.?

Mr. PATMAN. That is right.

Mr. MUMMA. Which I am investigating a little now.

Mr. PATMAN. The gentleman does not have to investigate. I can give him the facts.

Mr. MUMMA. I am investigating as to the markets and everything else.

Mr. PATMAN. I know what the market is.

Mr. MUMMA. The gentleman does not know what the market is. The cement people make a business of that. They know how many barrels are used in pretty nearly every community. The nearer you are to the market the better you are, so far as a cement plant is concerned. Freight rates have gone up so tremendously that you cannot ship cement as far as you used to. If there is a market there the gentleman would find that the Lone Star and the Lehigh would be in there.

Mr. PATMAN. I know what these gentlemen honestly believe.

Mr. MUMMA. As far as investment is concerned, the Lone Star Steel Co. got some money to build, did they not?

Mr. PATMAN. Yes. They got it from the RFC and they are paying it back. They received $85 million. Big Steel said it would not succeed, that the ore was no good, they could not find coking coals and they did not have limestone. But the United States Steel did not tell the truth about that. The plant was built anyway and the stock that sold for $1 a share is now selling for $35 a share. It is a success. Steel is being made there. That little steel company—I happen to know about it—when they tried to get the money through the banks in the Southwest the bankers down there did not know anything about steel. They know all about cattle and oil and cotton but they do not know anything about steel. So there was no place to go and our people wound up in New York. They went up to where the big money is. But when they got up there where the application was being passed on, who did they see sitting around that directors' table? Why, people representing Big Steel, directors representing Big Steel. Do you think they got the money? Of course not. They did not have any sort of a chance to get the money. They did not get a dollar. Their application was turned down, it was no good. Then they started with the insurance companies and they went to New York where the insurance money is. They were around another big directors' table where the loan was going to be passed on. Who did they find around the directors' table? People representing steel—steel—steel. Do you think they had a chance? They did not have any chance at all.

But they came back and we finally succeeded in getting the RFC to make that loan, one of the last big loans that organization ever made. It is a good loan. Over $30 million have been paid back. They have never missed a payment. They have been current all the time. That is one of the finest steel companies in the land, thanks to E. B. Germany, its president. It was turned down by the big steel companies.

That is an example of what can be done if there is credit available. When it is unavailable from any private source, there is no place they can go.

The SPEAKER. The time of the gentleman from Texas has again expired.

(By unanimous consent Mr. PATMAN was allowed to proceed for 5 additional minutes.)

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman from Texas is talking about the big money being all up there in New York. Does the gentleman not recall that according to a certain report that came from the other body, the big campaign money has been coming from Texas?

Mr. PATMAN. I am not talking about campaign money.

Mr. HOFFMAN. The gentleman is talking about money, though.

Mr. PATMAN. Oh, campaign money is chicken feed in comparision to big money for big steel plants and things like that. It is much but it is still small in comparision.

Mexico received $315 million in loan approvals from the Export-Import Bank. How much did we get during that time? Nothing from the Export-Import Bank. As the chairman of the Committee on Banking and Currency pointed out, they are not organized for the purpose of letting our people have loans only for the purpose of making loans in other countries with our money.

What I am trying to point out to you is that we should try to remedy the situation. Why have laws that will make our money available for people all over the world for all purposes and yet have no place where people can go in our own country and even get consideration for the same kind of loan, for the same kind of worthwhile and constructive purpose? That is what I am trying to point out. We should have an agency available. The Small Business Administration is not sufficient. The whole amount they will lend in a year is not as much as one of these loans, not nearly as much as one of the important ones. It is nothing in comparison with the needs of our people. There is no place to go now for people to get consideration of a loan to build a cement plant that is very much needed.

The people in the cement business are in what you might call the cement fraternity or the cement trust. They are working together. They have a seller's market. They like a seller's market. It is one of the finest things in the world for the cement trust. They can project their expansion just enough to make cement scarce and the public will pay and pay dearly for it.

Now we are contributing to that cement trust by permitting our money to go to other countries to build cement plants but not permit one cement plant to be built here in opposition to the cement trust. I think we should do something about it, and we could very well afford to start on cement making. We need cement mills in this country, and we need a lot of them to put over our very fine highway program. So, I ask you to consider what we are doing here and how ridiculous it is to make our money available all over the world but not available for the same purpose here in the United States of America.

The SPEAKER. Without objection, the amendment offered by the gentleman from Kentucky is agreed to.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 1, line 6, strike out "1963" and insert "1960."

Mr. HOFFMAN. Mr. Speaker, the press recently carried the information that foreign aid was to be called money for defense. The idea being that we might get away from the popular protest, against further appropriations for foreign aid. A new label for an old remedy.

It is interesting, too, to know that we are to do something for small business. The economy wave which hit us so hard a few weeks ago seems to be fading somewhat. It was on yesterday we authorized $17.5 million or added $10 million to the bill for two additional bridges across the Potomac. Now, an argument can be made for new bridges here in Washington in order that Federal employees and visitors coming into and out of Washington each day may be able to reach their job and see the sights. But what puzzles some of us is that while we have 5 bridges now, and are providing for 2 more—each a 4-lane highway, in each one of them we put a draw. Just how can the people get into the city in the morning and get home in the evening without delay over a bridge where there is a gap in the middle. Whoever before heard of building a speedway, a highway, a bridge to expedite traffic and in it putting a contrivance which was to be used to block traffic?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes, I yield to my associate coworker and colleague.

Mr. GROSS. I thank the gentleman. I might say to the gentleman that we are going to get rid of the draw in the next one that is coming before the House, because it is going to be a $25 million tunnel. So, you are going to get away from the draw the next time.

Mr. HOFFMAN. At least, there would be some advantage. They could not run a boat through that one, and block it if it was a tunnel.

Now, the point is, why did we add that $1.5 million for a draw in a bridge where the main purpose is to get the traffic through in a hurry morning and night? So we ought to go slow before we spend any of the taxpayers money in million dollar chunks and where the spending will defeat the purpose desired.

Mr. VANIK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. VANIK. Mr. Speaker, the bill before the House is the extension of the Export-Import Bank. This discussion concerns itself now with bridges that we took up yesterday. The resolution under which we are proceeding provides

that general debate shall be confined to the legislation before us.

Mr. HOFFMAN. May I be heard on the point of order, Mr. Speaker?

The SPEAKER. Well, the Chair is ready to rule. The gentleman knows enough about the rules so that he will proceed in order.

Mr. HOFFMAN. But sometimes I have been mistaken about the rules.

The SPEAKER. The Chair will look after that for the gentleman.

Mr. HOFFMAN. Yes. I know. The Chair has several times. Sometimes there is a difference of opinion about the rules. Though, of course, the Speaker has the deciding voice.

The point here in asking this time was to give us an opportunity to look this situation over again, and if we are for economy, when we are building a thoroughfare for automobile traffic over a river like the Potomac, not to have so many of those gaps in the roadway because the automobiles just cannot get over a hundred or even a 50-foot gap in a bridge when the draw is open. An inquiry was dropped into the hopper today asking the District of Columbia to tell the House how many ships went through in 1956, 1955, 1954, and 1953, how large they were, and who owned them.

So far as I have been able to learn, the only people needing a drawbridge are 1 sand company and 1 oil company. A million and a half plus the cost of future maintenance seems a rather large sum to pay to aid just 2 concerns in carrying on their business at less cost—a larger profit. Whether they are active because of the help given by the gentleman from Texas, who is always, the gentleman says, in favor of small business, I do not know, but it does seem, when an economy drive is on, and we appropriate $1,500,000 to put a draw in a bridge that is allegedly to be built to expedite traffic, that it does not balance out just right. I shall consult my minority leader sometime later in the week to see if I can get some more information on this situation. Also learn just who profits, and how much, by spending of the $1,500,000.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON PUBLIC WORKS

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 6092.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

KEEPING ALIVE AMERICAN TRADITIONS

Mr. BOSCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOSCH. Mr. Speaker, it would be well for all of us to take time out now and then to reading a little more of our country's glorious history and to pay heed to the words of some of our outstanding leaders of the past. In the fast-moving world of the present it is very easy to just carry on in our daily chores and to care little, if at all, about the country both at home and its representation abroad. I am convinced that something should be done to keep alive the American traditions and the teachings of our forefathers.

Recently the Catholic War Veterans undertook a program to bring before our people excerpts from the writings and diaries of the first President of the United States, George Washington. This fine veterans' organization is distributing all over the country a parchment display poster entitled "The Wisdom of Washington."

It is not enough to bring these thoughts to the people here, but it should be a required addition in the office of our foreign legations all over the world. It is for this reason, Mr. Speaker, that I have today introduced a bill to provide for the display of the pledge of allegiance to the flag, certain excerpts from the writings and diaries of George Washington, and certain other material, in the offices in foreign countries of diplomatic and consular officers of the United States.

FLOWERS AND BARBECUED CHICKEN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to express my great pleasure at two incidents that happened in the House restaurant today. One was the very beautiful daffodils grown in Washington presented to the Members and to the House restaurant by my colleague the gentleman from Washington [Mr. TOLLEFSON]. They were like sunshine and gladdened our eyes and hearts.

Then I should like to insert in the RECORD the little card that was on the table saying "Chicken Day, featuring chicken from the State of New Hampshire, compliments of Nichols, Inc., Exeter, N. H., through the courtesy of Congressman CHESTER E. MERROW."

It was the almost most wonderfully barbecued chicken I think I ever tasted, perhaps almost as good as Massachusetts barbecued chicken. I am very grateful to Mr. MERROW's constituent, Nichols, Inc., and to our able colleague, the gentleman from New Hampshire [Mr. MERROW], who is always doing something that is helpful to us. I would like to compliment the fine manager of the House restaurant and our lovely hostess, Mrs. Ridgely, and the kind and efficient staff of cooks and waiters who served so efficiently the hundreds who enjoyed the delicious chicken.

BATAAN DAY—A COMMEMORATION

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, this is Bataan Day, and may I begin my remarks by quoting these words:

> Our two peoples are united by an imperishable bond that was forged in Bataan by the courage and heroism of our soldiers.
>
> We have fought together in war and are cooperating with each other in peace to uphold freedom and democracy. Ours is a friendship based on mutual respect and being on such a firm basis it is an enduring one.

These words, Mr. Speaker, were written just a year ago today. They were written by the late Ramon Magsaysay, president of the Philippines, and they were addressed to our own President in commemoration of Bataan Day, 1956.

The words of Magsaysay have a special significance for us because they probably were the last thoughts of this great man in honor of Bataan Day. They have also a special significance because they capture the real essence of Philippine-American relations. As Magsaysay said, we fought together side by side, and this we did in World War II and in the Korean war. We have cooperated and shall always cooperate in peace to uphold democracy and liberty, and this we have done in the United Nations and by countless other international engagements. And our friendship, which is based on mutual respect is, as Magsaysay said, an enduring one. Bitterness has not characterized the relations of our peoples even though America had been at one time the colonial power and the Philippines her colony. Then, as today and always, mutual respect was the basis of our friendship and our relations.

The Philippine Islands play a key role not only in our foreign policy but in the defense of freedom in the Far East. Together the Philippines and the United States maintain the bulwark of freedom in the Western Pacific. If we did not enjoy the partnership of this "Island of Democracy" in the far Pacific, our Nation would be hard pressed to secure its vital security interests in that quarter.

Ideologically, the Philippines play a role of ever-increasing importance. They are truly the vanguard of democracy in the Far East. Filipinos revere democracy as we do. Their Government is a democratic government. Their institutions epitomize the democratic ideal in Asia. They are for all Asians a people deserving emulation.

And for us, the Philippine Republic stands as a classic example of enlightened rule. It exposes the lie of Communist propaganda that the United States is an imperialist nation. America freed the Philippines from the Spanish yoke in a war in which I as a boy had proudly fought. In the decades to follow the United States brought its democratic institutions to the Filipino people and under America's protective hand democracy flowered in the Philippines Islands. In 1934, the United States Government provided for the emergence of the Republic of the Philippines which, having been delayed because of the war, was finally proclaimed on July 4, 1946. That the Filipino people had chosen the anniversary of our own Independence Day to proclaim the birth of their Republic was a kind and thoughtful gesture; it was also a tribute to the bonds of true friendship that had been forged over the years.

Bataan Day is a fitting time to recall the traditions of friendship that bind Americans with the people of the Philippines. The Battle of Bataan will stand forever in history as a common sacrifice of both peoples for the sake of liberty and democracy. In the words of Gen. Carlos Romulo:

> To us and to you Bataan was a symbol of the bond between us. Bataan is of the past; but the bond lives, and must never be shaken.

On this historic occasion let us, therefore, pay tribute to the people of the Philippines. Let us also pay tribute to the memory of their late President, a man of heroic stature, Ramon Magsaysay. And to all the people of the Philippines we say that those bonds of friendship that bind our democracies shall never be broken.

TEMPORARY FREE IMPORTATION UNDER BOND FOR EXPORTATION

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I am today introducing a bill to amend section 308, Tariff Act of 1930, as amended, to allow importation under bond for export.

Among the several classes of articles which may be entered temporarily free of duty under bond for reexportation under section 308, Tariff Act of 1930, as amended, are articles imported for repair, alteration, or to be subjected to processes which do not result in articles manufactured or produced in the United States as provided in section 308 (1). This provision is not available to an importer who will use imported merchandise in the manufacture or production of an article solely for export, such as a shipment of airplane parts that he has brought in for use in the manufacture by him in this country of an airplane which he will export. He must file a consumption entry, pay duty on the merchandise, file an application for drawback pursuant to section 313 (a) of the tariff act, prepare a drawback entry to cover the exported product, and await the payment of drawback of 99 percent of duties paid on the imported merchandise used. This procedure is costly and time consuming to both the importer and the Government.

The proposed amendment of section 308 (1) would permit imported merchandise—except distilled spirits the manufacture of which is prohibited in the second proviso of title 19, United States Code, section 1311; flour or byproducts produced from wheat prohibited in title 19, United States Code, section 1313 (a); and certain other commodities—to be entered under a section 308 import-export bond for use in the manufacture or production of articles solely for export, upon compliance with specified conditions designed to safeguard the revenue. No substitution of domestic merchandise for the imported merchandise would be permitted. A complete accounting would be required for all products and wastes, and all products and valuable wastes would have to be exported or destroyed under customs supervision. Specific identification of the imported merchandise would be preserved, the provision being applicable only to merchandise covered by a single entry. When the merchandise is covered by more than one entry, and when the substitution of domestic for imported merchandise is desired, the drawback procedures would have to be followed.

Adoption of this provision in the areas specified to supplement the drawback procedures, which are the only ones available under existing law, would enable many importers who manufacture by lot solely for export to avoid having their money tied up for extended periods awaiting the processing of their claims for drawback.

In view of the amendment to section 308 (1), conforming amendments are made to subparagraphs 1615 (e) (3) and 1615 (g), Tariff Act of 1930, as amended, to insure that articles, resulting from manufacture of imported merchandise entered under bond for export, could not be reimported free of duty. This follows the policy of related provisions of paragraph 1615 dealing with merchandise manufactured in bonded warehouse—paragraph 1615 (e) (3)—and so forth.

I hope, Mr. Speaker, for immediate consideration of this measure by the appropriate House committee as it offers a simplification of customs procedure and will allow American manufacturers to deposit a bond in lieu of depositing cash with the Treasury Department.

THE LATE JOHN PATRICK HIGGINS

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. O'NEILL] is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, following a long-established custom, there was recently unveiled in the Suffolk County Courthouse, located in the city of Boston, an oil painting. The subject of this painting was the late chief justice of the superior court of the Commonwealth of Massachusetts, John Patrick Higgins, who 20 years ago represented in this House the constituency that I now have the honor to serve.

This portrait has been ranged alongside of those of the other illustrious men who over the course of the several centuries have dignified the office of the chief magistracy of Massachusetts.

Unlike those who preceeded him to the leadership of this ancient tribunal, John Patrick Higgins was not to the manor born. Undeterred by his humble environment, spurred on by the encouragement and wise direction of kind and loving parents, and with an unflagging zeal for knowledge, the young Higgins drove himself relentlessly until he had graduated from Harvard College, shortly after the outbreak of World War I.

Then, joining the Navy as an enlisted man, he earned and was awarded, a commission as a lieutenant before his discharge from the service. After the war, although immediately assuming full-time employment, he studied for the bar and was admitted within a few years to the practice of law.

Justice Higgins served in the Massachusetts Legislature from 1929 until 1934, when he was elected to the United States Congress to represent a district, part of which was the old West End, where he had been born and reared. Elected again to the Congress in 1936, he seemed destined for even higher elective honors, but when his State called him to become her chief magistrate, he did not permit personal considerations, or ambition, to interfere with this summons to duty.

On the bench, the knowledge of the frailties of his fellow man, that he has first learned as a boy on the teeming streets of Boston's West End, enabled him always to temper evenhanded justice with compassion and charity.

In 1955, when still in the full flower of his manhood, he was taken; and in his death a great loss was suffered by his Nation and by his State, for such as he are not born unto every generation.

I have here in my hand a copy of the beautiful memorial program issued in connection with the unveiling of the portrait of Chief Justice Higgins in the Suffolk County Courthouse on Saturday, November 17, 1956. I ask unanimous consent that this memorial be inserted in the RECORD at this point as a mark of our respect of, and regard for, a former Member of this body.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The memorial is as follows:

MEMORIAL—CHIEF JUSTICE JOHN P. HIGGINS, SUFFOLK COUNTY COURTHOUSE, BOSTON, SATURDAY, NOVEMBER 17, 1956, 11 A. M.

PROGRAM

Presiding: Hon. Paul C. Reardon, chief justice, superior court, Commonwealth of Massachusetts.

1. Presentation of portrait: Frank Stanton, Esq.

Commonwealth of Massachusetts, Superior Court, Suffolk, ss:

Motion

"May it please the court, we are met this morning for formal presentation of the portrait of the late Chief Justice John Patrick Higgins.

"As chairman of the committee of the friends and associates of John Higgins, whose efforts have made the commission of this painting possible, I now move that it be accepted by the court and that the remarks of the subsequent speakers be made part of the records of this court and that it be so ordered.

"FRANK STANTON, Esq."

2. Address: Garret H. Byrne, Esq., district attorney, Suffolk County:

"Today is truly a day of manifold significance.

"Our primary purpose in assembling on this occasion is to unveil and present a portrait of the chief justice of the superior court, John P. Higgins.

"It is my sincere belief that there is not a person here today capable of controlling the flight of their thoughts, reflections, and emotions back to those more pleasant days when the man whom we honor walked, talked, laughed, and functioned in our midst.

"This environment properly exists because our inclination and ability to remember John P. Higgins warmly and respectfully is as much a part of the dedication exercises as the formal unveiling of the portrait itself.

"In truth, this act of assembly may best be described as a solemn opportunity available to all to rededicate ourselves in the best traditions represented by John P. Higgins every living moment of his productive and inspiring life.

"The features and characteristics of dedicatory exercises such as we participate in today have been established and publicly accepted for centuries.

"Circumscribed about the formal delivery of this portrait with all its splendor, beauty, and grace, custom dictates that addresses in the nature of official responses be given on such occasions.

"Though custom may dictate my official appearance—friendship, respect and admiration for the late chief justice dictate the tenor of my remarks.

"I am sensitively alert to the genuine privilege and titanic responsibility conferred upon me by my nomination to address the many fiends of John P. Higgins.

"The bench, bar and citizenry of this commonwealth are familiar with the vital statistics concerning the late chief justice. To recite them chronologically would be to infer that the monumental achievements in his life have escaped we his friends even for a few brief moments.

"A fitting and appropriate treatment of his extraordinary and wonderful life demands not a ponderous enumeration of events but rather a considerw' delineation of those circumstances which equipped him for such meritorious service on this court.

"To respond other than in the manner indicated would be to demonstrate a total misconception of the solemnity and awe of these impressive exercises.

"When the great reconciler called Death beckoned suddenly and abruptly to our friend John Higgins and caused his time to merge into eternity we who knew and worked with him were visibly shocked and emotionally shaken. We had good reason to so react to his passing far beyond the personal loss of him we proudly and eagerly called friend. The bench and bar of this or any other State can ill afford to witness the departure of such a sterling character without sensing a grave concern for the future. Men of the stature of our departed and esteemed friend come to public responsibility all too infrequently to face the challenges and problems which daily increase in numbers and intensity.

"Is there a memory so fickle or shallow that does not hold in its reservoir reserved for impressive events the majestic figure of the late chief justice while seated on the bench?

"How many occasions were veteran court attachés and my colleagues exposed to the somewhat naive but obviously sincere comment of the infrequent visitor to the court house, who upon viewing the last chief justice was heard to say, 'He looks like a judge should look.'

"To the bar of this commonwealth John P. Higgins appeared as a composite of strength and understanding; dignity and good humor; power and humility.

"It is a privilege and an honor to proclaim publicly that he was a great, effective, inspirational and dedicated chief justice.

"What manner of man was John P. Higgins?

"In the legitimate sense of the word he was a superior man among men. The wise Confucius tells us the way of a superior man is threefold: virtuous, in that he is free from anxieties; wise, in that he is free from perplexities; and courageous, in that he is free from fear.

"To this ancient definition of superiority we are disposed to add our own pen sketches as they pertain to the object of our esteem and respect here today.

"The late Chief Justice Higgins carried on in noble fashion a long and proud heritage of distinguished chief justices of this superior court. To this eminent tribunal he brought understanding, mental alacrity, vision, courage, and a genuine love for his fellow man. Not the least of his impressive litany of attributes and abundant qualifications, was his keen knowledge of government and its laws, and I hasten to add a keener knowledge of those who chose to violate them.

"It was no happy accident that Chief Justice Higgins reached proportions of greatness during his years of service on this honorable court.

"No man in the long and glorious history of the office of chief justice of the superior court brought more attainments in so many diverse fields than did the late John Higgins.

"Primarily and secondarily educated in our local schools John P. Higgins was graduated from Harvard University after years of personal sacrifice. This man was not the scion of wealth and position but acquired both his collegiate and legal training after many years of strenuous and fatiguing individual effort.

"He was unceasing in his quest for knowledge—he spent a lifetime acquiring it. More important than knowledge itself however, is the inescapable fact that John Higgins during his lifetime mirrored the immortal words of Tennyson when he wrote, "Knowledge comes, but wisdom lingers."

"As a young man John Higgins was attracted to public life as a career. Born and raised in a neighborhood where political affiliation was akin to a man's religion the late Chief Justice represented this area in the legislature on Beacon Hill. In retrospect it is not surprising that he chose public life as a career, indeed it would have been a genuine surprise had he spurned the vigor of the challenge offered by his district at that particular time.

"John Higgins emerged from obscurity to a place in the political firmament of this city at an age when most men are neophytes in politics. Victory in the political arena wherein he chose to compete indicated a man worthy of the title because here a man was measured, appraised, and tested under the most demanding and influential auspices ever to function in this community.

"This early political and personal triumph alerted those who watch dispassionately or even selfishly for new faces to appear on the horizon of public life and compelled them to prophesy that the late chief justice was 'a man to watch for the future.' A lifetime of subsequent events, incidents, and circumstances culminating in death have caused us to assemble today and attest to the accuracy of that prediction. Today with solemnity we proclaim that his life was greatness on parade.

"John Higgins moved as quickly in the political life of this city as he moved daily from his place in the lobby to this chair on the bench. His stride was quick, decisive and sure. His objective clear—his route direct.

"As a Member of the United States Congress he startled a complacent world by his resolute and scholarly denunciation of oppression then rampant in Mexico. Though he was a voice crying in the wilderness his treatment of the Mexican situation was a graphic prediction of events later to visit helpless peoples throughout the so-called free world. Without the affectation of a professional scholar John P. Higgins shook the public conscience of America and helped prepare us for our present national attitude of sympathetic understanding toward the oppressed beyond our shores.

"Here the Nation witnessed vision and courage on display the type we associate with a Webster, Clay, Calhoun and their latter-day counterparts.

"John P. Higgins was destined for a long and brilliant career in Government. His star was in its ascendancy when without warning or portent he vacated his place in Government to assume the impressive mantle of responsibility which characterizes the chief justiceship of this great court.

"What prompted and motivated this acknowledged leader of State and Nation to abandon the color, adulation and boundless opportunity of public life, to accept the serene, scholarly and burdensome responsibility of the court and the chief justiceship no man can say with accuracy or finality. It is sufficient to state that it was a prophetic day in the annals of the superior court when John P. Higgins was inducted as its presiding magistrate.

"The court under his brilliant direction has been characterized by progress and quiet efficiency. It is proper that your speaker confine himself to comment concerning that sphere of activity described by the phrase, judge and lawyer. I leave a treatment of his administration of this court to more competent authority.

"We of the bar, however, are not unmindful of the strength, vitality, and spirit which Chief Justice Higgins transmitted to this court. Through the years the superior court grew immensely in the public confidence of the citizens of this Commonwealth. To Chief Justice Higgins the court was not some austere and distantly removed tribunal but rather was a live and vibrant body of dedicated and well-qualified men constituted to dispense justice for all, in terms understandable to all.

"By executive appointment John P. Higgins was appropriately referred to as chief—by unceasing personal application and much personal sacrifice he truly merited and earned the encomiums both bench and bar eagerly conferred upon him in speaking of their chief and leader.

"From his impressively appointed chambers in the courthouse, Chief Justice Higgins could look out on the neighborhood of his youth and early personal triumphs. He witnessed many changes in the community. Some were physical changes, some moral, some economic. Not all were for the better. In an era marked by alteration and innovation he clung tenaciously to a firm set of true and fundamental values. He was quick to recognize progress, but never synthetic compromise. John Higgins lived a life of truth because he deeply loved the truth, and we who knew him have been left a precious legacy in the form of his memory.

"I believe that the great Ruskin had John P. Higgins in mind when he wrote, 'It is better to be nobly remembered, than nobly born.'"

3. Address: Dwight L. Allison, Esq.:

" 'If you can meet with triumph and disaster
and treat those two imposters just the same,
Or walk with kings—nor lose the common touch.'

"These lines taken from Kipling's famous poem If are most applicable to the life and career of the man whom we are to honor today—our late beloved chief justice of the superior court—John Patrick Higgins.

"Triumph he had in abundance, and its attainment was due to his great capacity for work, his outstanding ability, and his own dogged determination to overcome what a less courageous person might have considered insurmountable obstacles.

"Born in the west end of Boston under the most humble of circumstances, it was undoubtedly this very environment, coupled with an indomitable spirit bequeathed him by his wonderful parents, which supplied the inspiration that carried him to the top of the ladder of success. After graduating from Boston English High School, he entered Harvard College where he majored in the field of chemistry. Almost immediately after receiving in the year 1917 the degree of bachelor of science from that famous university across the river, he joined the United States Navy as an enlisted man, and at the end of his term of service was discharged as a commissioned officer.

"Following his discharge from the service, he worked for a very brief period with a chemical concern, leaving that employ because he soon realized that this was not his calling. His interest was in people, their needs, their problems, and their troubles. Prompted by this consideration, he went to work as a rehabilitation officer with the United States Veterans' Administration, where the opportunity was afforded him to assist many a handicapped veteran on the journey of life. It was there that he met, while serving as his secretary, the lovely person whom he was later to marry, Eleanor MacNamara, of Swampscott.

"It was his interest in people that attracted him to the field of politics and he embraced the law as a natural concomitant. By attending law classes simultaneously at Northeastern and Boston University Law Schools, he was admitted to the Massachusetts Bar in 1927, after 18 months of study. In 1929, he was elected to the Massachusetts House of Representatives. He served with distinction in this body until 1934, part of the time as his party's floor leader. In November 1934, John Higgins was elected to the National Congress where he received recognition almost immediately as one of the most outstanding of its younger Members. It was while serving his second term in Congress that the late Gov. Charles F. Hurley appointed him at the youthful age of 44 to be chief justice of the superior court of this Commonwealth, and his distinguished service in that position proved that a better selection could not have been made.

"He had met with triumph and it changed him naught. Disaster, however, was stalking his path. In less than 4 years after John Higgins attained the pinnacle of success, God in His infinite wisdom saw fit to call to another world his lovely wife. To him this was a shock of almost catastrophic proportions; the loss of this gracious lady who had adorned his home, this charming wife and devoted mother, who was his constant companion and advisor, his partner in every sense of the word.

"Twelve years later, disaster again knocked on his door when death took in its embrace his devoted and loyal brother Eddie. Maybe it was these things that made John Higgins such a great judge—for a great judge he was. This ability to rise from humble beginnings, to conquer adversity, this fortitude in the face of devastating tragedy most certainly helped to mold his fine character and this character shone like a beacon light from his kindly face.

"His capacity as a judge was recognized and attested by the honorary degrees of doctor of laws conferred on him by Mount St. Mary's College in Maryland, St. Michael's College in Vermont, and our own Northwestern and Boston Universities. It was further acknowledged when the President of the United States selected him to sit in judgment on the War Criminal Tribunal in Japan, an assignment which he accepted because of his patriotism and love of country.

"Sitting in judgment on the bench, he was a keen analyst who bowled very straight. He could split a case right down the middle and get to the very core of it. Sometimes he exhibited a gracious impatience with wasted effort and collateral expeditions. Never, however, did any litigant ever get any less than his full day in his court. Always was he as a justice guided by that salutary principle which less particular jurists sometimes unwittingly forget that this is a government of laws and not of men. Yet standing high and above all his other attributes was his great and embracing charity which abounded in knowledge and discernment. Firm as a magistrate, when the occasion demanded it, he was quick to temper justice with mercy and charity when there was the slightest hope of redemption or rehabilitation, and no convicted defendant ever left his courtroom without the feeling that here was a judge filled with compassion for the miscreant who was inwardly reciting a prayer of hope while he faithfully performed the obligation required by his oath of office.

"His charity was not confined to the courtroom. It was evidence in many other ways. Time and time again he visited the nuns in the convent bringing them gifts, which he delivered with a kindly greeting and an expression of gratitude for the noble work they were performing. Many also were the individual acts of charity which were done unobtrusively and without ostentation.

"When the chief justice was off the bench, you were greeted by one of the most exuberant and democratic personalities ever known—a gregarious person who loved his fellowmen and loved to be in their company. It seems that the adjective "democratic" was reserved particularly for him, who in his journey through life, as he ascended the pathway of success, never hesitated to lend a helping hand to those less fortunate, whom he met in his original humble surroundings. Frequent were the visits that he made to his beloved west end, where he visited the clergy, the merchants, and the friends whom he loved and who in turn loved him. The high circles in which he traveled and the prominent citizens whom he met by virtue of his office, never replaced in his heart, those west enders who had launched him on his successful career. Loyalty and devotion to them was his gospel. They were welcome at his office, in the courthouse, and whenever they might see fit to call upon him, he was always ready to lend an attentive ear to their troubles and their problems.

"Yes, he walked with kings, but he kept the common touch. When history takes its pen in hand and the annals of the Massachusetts Superior Court adorn its pages, I am sure that there will stand out in bold relief as one of its great chief justices the name John Patrick Higgins.

"May his soul in the mercy of God rest in peace and perpetual light shine upon him.

"In behalf of the trial bar, I second this motion."

Chief Justice Paul C. Reardon. "Mr. Justice Collins whose service on the Superior Court embraced the entire tenure of Chief Justice Higgins will make the response on behalf of the court.

4. Response: Hon. Walter L. Collins: "We are gathered here to memorialize the life of the late John P. Higgins, the seventh chief justice of the great trial court of Massachusetts.

"He was born on February 19, 1893, in the densely populated and cosmopolitan west end of Boston where so many generations from other shores have made their first American home.

"Nurtured in our public schools, he graduated with high marks from the oldest public high school in America, the Boston English High.

"After completing one year at Boston College, he transferred to Harvard where he majored in chemistry. In this specialty he attained grades of distinction and received in 1917 the degree of Bachelor of Science from Harvard University.

"Immediately he responded to the call of his country by enlisting as a yeoman in the United States Navy. Soon he earned his commission as lieutenant junior grade. Following his discharge he entered the employ of the Navy as an analytical chemist.

"While in that service the urge came to him to seek legal training. He enrolled in two schools of law, Boston University by day, and Northeastern by night. Within 18 months he completed his law school instruction and in 1927 was admitted to the Massachusetts bar.

"In 1929 he sought elective office from his old home district, the west end, and was elected and reelected to the Massachusetts House of Representatives. In the great and general court he was a fluent speaker—an outstanding debater, and had the respect and confidence of all of his colleagues.

"His stature grew. He attained higher public office. In 1934 he was elected, and in 1936 was reelected to the United States Congress. By virtue of his engaging personality, his soundness of character, and ability, he seemed destined to achieve still higher elective honors when suddenly there came to him a call to public service of a radically different nature. He was appointed in 1937 by Governor Hurley as our chief justice.

"Thus, within a score of years, we find him in diverse fields of endeavor; science, law, statecraft, and finally the judiciary.

"Well do I remember the gracious advice and cooperation accorded him by the then senior members of our court, all of whom, save one, have passed from this sphere. With their loyal assistance, and his own versatility, he soon mastered the arduous task of administration.

"While immersed in his new judicial duties, sadness came into his life. His devoted wife Elinor died, placing on him the sole duty of rearing his only child, then a girl of tender years.

"His sittings were chiefly on the criminal side of the court, where he presided with fairness, firmness and dignity. When the evidence warranted, he dispensed justice with mercy.

"He was deeply religious, tolerant, and was without prejudices, racial or sectional.

"He never embraced resentments, nor treasured wrongs. Essentially he was a kind man, and always considerate of his associates. Socially he was extremely friendly. Courage, integrity, and extraordinary simplicity were his throughout life. He was a man who paid for what America did for him by living an honorable and useful life.

"On that day when we, his associates, learned that he had passed into eternity, 'the tear that we shed, though in secret it rolled, shall long keep his memory green in our souls'."

5. Remarks, Chief Justice Paul C. Reardon:

"Judge Collins, the senior justice, has responded for the court this morning. It is entirely fitting that he should have done so for he served with the late chief justice during the entire tenure in office of the man whose memory we honor today. Yet, I who did not have the fortune of knowing him, have still a word to add. There has been scarcely a day since my assumption of the responsibilities which were his that I have not heard from someone's lips testimony of his kindness and humanity. There are many who have passed through my office in these recent months who have voiced their sentiments in this regard. 'He was a man,' they say, 'who wished only to help people and to do hurt to no one.'

"Many years ago Rousseau asked the question, 'What wisdom can we find that is greater than kindness?' It is a strange experience to construct from conversation the concept of one whom you never knew but in this case the memory of a good man and a warm heart has exerted such an influence on those who were his friends and who have described him to me that there is left to me as his successor, a hope and a trust. May it be that I and those who succeed me as chief justice of the superior court of the Commonwealth so conduct ourselves that as we pass in the pageant of the years it may be said also of us, 'He possessed the kindness of heart that is the basis of wisdom.'

"The motion is allowed. The proceedings will be spread upon the record.

"The court will now adjourn."

CHRONOLOGY

Born February 19, 1893, in the west end of Boston. His mother, Winifred Gilligan; father, Patrick Higgins; immigrated from Ireland in the 1880's. His father was a day laborer for city of Boston, a leader in fraternal organizations, active in politics, member of common council of 1898–99.

Schools: Grammar, Wendell Phillips; high school, Boston English High School 1911; Boston College, 1 year 1912–13; Harvard College, bachelor of science, 1917; Boston University Law School, 1926; Northeastern Law School, bachelor of laws, 1927.

In 1917 enlisted as yeoman in United States Navy. Sent to Paymaster's School at Princeton University, on graduation commissioned Lieutenant (j. g.). After discharge from service, served as an analytical chemist for United States Navy. Left to become placement officer, Veterans Bureau. Desiring to become a lawyer, attended two law schools at the same time: Boston University days, Northeastern nights. Completed the requirements in 18 months and was admitted to practice in 1927.

Served in Massachusetts Legislature 1929–34. Elected to Congress 1934 and again in 1936. Served until appointed to the bench 1937.

Appointed by President Truman to Japanese War Criminal Tribunal and served in Tokyo, 1946. Returned to Boston because of court duties. President Catholic Alumni of Massachusetts; High Court Trustee M. C. O. F.; member Knights of Columbus; American Legion; West End Old Timers.

COMMITTEE

Frank Stanton, Esq., chairman.
James W. Hennigan, Esq., treasurer.
Samuel Stern, Esq., secretary.

Dwight L. Allison, Esq., David Brickley, Michael Carchia, Esq., James E. Clark, Charles M. Doherty, Hon. Francis J. Good, James A. Gleason, Hon. Paul G. Kirk, George T. Lanigan, Esq., Francis J. Monahan, Esq., Anthony L. Mondello, Myer Moskow, Dr. Frank Palumbo, Joseph Schneider, Esq., Abraham Winick, Isadore Wise, Esq.

NAVAL HOSPITALS

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Federal Veterans Employees Association representatives, headed by Mr. Kenneth Lyons, of Watertown in my district, and Mr. Donohadian, commander of the Watertown Veterans Employees Post have been in Washington for several days trying to prevent the layoff from work of veterans in Massachusetts, and all over the country. At the Chelsea Naval Hospital and naval hospitals all over the United States there were drastic cuts. There was a very drastic cut of $2 million in appropriations for the running of these naval hospitals.

The following letter shows how drastic these cuts were:

APRIL 3, 1957.

Hon. EDITH NOURSE ROGERS,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR CONGRESSWOMAN ROGERS: Attached hereto is a copy of a letter emanating this date from the office of the Commanding Officer, United States Naval Hospital, Chelsea, Mass., addressed to each of the 279 civilian personnel employed at this activity.

Personal consultation with the Commanding Officer, Captain Cecil D. Riggs, Medical Corps, United States Navy, has elicited the information that this administrative furlough action is predicated on a reduction in the allocation of funds for the maintenance and operation of the hospital for the fourth quarter of fiscal year 1957. The budgetary restrictions imposed by the Bureau of Medicine and Surgery on alleged instructions from higher authority have resulted in a reduction of approximately $139,000 in funds for this fiscal quarter. The situation at this activity is not an isolated instance but rather conforms to a pattern prevalent at all the medical facilities under the management control of the Bureau of Medicine and Surgery.

This post and its members unanimously and most vehemently protest the initiation of this comprehensive furlough action on the part of the Department of the Navy. The curtailment of operational funds and the consequent curtailment of medical and related services rendered by this hospital militate against the continued efficient operation not only of this activity but of the national defense establishment as an entity.

We are of the opinion that the personnel actions which have been proposed are an harbinger of more drastic personnel reductions throughout not only the entire naval shore establishment but the career service of the United States Government as well. The adoption of such a restrictive personnel policy can only result in the emasculation and decimation of the career civil service.

During the past 4 years the civilian personnel of this command have witnessed the administration of successive reductions in force which have caused them not only dismay and bitter disillusionment but which have also imposed on them a serious burden of overwork to maintain prior standards of efficiency. We would likewise call to your attention the fact that the imposition of budgetary restrictions and the economy measures instituted to cope therewith have caused a serious impairment of services to Armed Forces patients and dependents of Armed Forces personnel.

The irreparable damage to the morale of the civilian personnel occasioned by the past reductions in force and the proposed furlough without pay can neither be lightly dismissed nor properly evaluated. Statistical analysis prepared with mechanistic precision never reflect the human factor.

It seems ludicrous, does it not, that this proposed furlough without pay occurs at a time when, on the one hand, the Secretary of Labor of the United States, speaking officially for the administration, solemnly proclaims that wages and living conditions have never been higher, and while, on the other hand, the Secretary of State appears as the chief proponent of a request for congressional approval of $4.4 billion in foreign aid funds with which the United States may barter for foreign friendship. The affected employees at this hospital, many of them constituents, cannot reconcile such inconsistencies in policy. To paraphrase a familiar historical adage, it would seem that our national policy has now become "Millions for tribute, but not 1 cent for defense."

We cannot impress upon you too strongly the implication of the proposed furlough action. Logically we must conlude that a substantial but unjustified reduction in force will be forthcoming in the near future. We cordially invite an on-site investigation by you or by a committee of the Congress to make an official determination as to whether or not the $139,000 reduction in operational funds is warranted. We would welcome such congressional action.

We feel confident that you, as ranking minority member of the House Veterans' Affairs Committee, are cognizant of the implied peril of the situation. We most earnestly request that you employ all means at your command to effect the restoration of the necessary operational funds to prevent the complete deterioration of the excellent service which this hospital has hitherto rendered.

With the warmest personal regards, I am,

Cordially,

H. VINCENT STROUT,
Commander.

As a result of their efforts and the efforts of the Members of Congress $1,075,000 has been restored of that cut for Chelsea. You know all those who are interested must work with Mr. Franko who has the final decision in the Pentagon building and, of course, in the last analysis Secretary Wilson. In addition $1,025,000 is needed for maintenance work in Chelsea Naval Hospital and an appointment is made to consider that unit at the Pentagon in the morning. Last week the cut was so drastic, that the patients in Chelsea Naval Hospital and in other hospitals were not given enough milk. Their food was cut and also their medicines. No cut, I understand, was made in the mess for the men or the men in training, but certainly the hospitals were punished. It would have been a most inhuman thing if the cuts had been allowed. Almost at once the milk and medicines were restored to the patients. We all realize how splendid Admiral Hogan, Chief of Medicine and Surgery of the Navy, is and the high standard of care the patients are given at his hospitals. I know the Members of Congress will join with us and especially those who have naval hospitals—there are some 28 in the United States—in securing enough money to run them properly. It is not humane to take our men into the service and then not take care of them after they come out of the service, and of course, not to take care of them while they are hospitalized in the service.

Layoffs in other Government installations were taken up with the military establishments. The FVEA and the Members of Congress were successful in securing money for the hospitals to prevent layoffs—and to provide the necessary food and medicines. In the craze

for cutting expenses we must watch very carefully to see that hardships do not ensue.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 10 minutes, on today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CANNON to extend the remarks he made in the Committee of the Whole and include extraneous matter.

Mr. BROOMFIELD and to include a speech by former Congressman Dondero.

Mr. LAIRD to extend the remarks he made in the Committee of the Whole today and include related matter.

Mr. FASCELL in two separate instances, in each to include related matter.

Mr. COAD to extend his remarks in the Committee of the Whole on the Commerce Department appropriation bill and to include a table.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1747. An act to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products; to the Committee on Agriculture.

ADJOURNMENT

Mr. MACK of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 27 minutes p. m.), the House adjourned until tomorrow, Wednesday, April 10, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

717. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to facilitate the administration of the public lands, and for other purposes"; to the Committee on Interior and Insular Affairs.

718. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to authorize the payment by the Bureau of Public Roads of transportation and subsistence costs to temporary employees on direct Federal highway projects"; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on Interstate and Foreign Commerce. Report re Petroleum Survey; 1957 outlook, oil lift to Europe; price increases; without amendment (Rept. No. 314). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 4144. A bill to provide that the commanding general of the militia of the District of Columbia shall hold the rank of major general; with amendment (Rept. No. 332). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 5832. A bill to increase the retired annuities of the civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School; with amendment (Rept. No. 333). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6062. A bill granting the consent and approval of Congress to the Merrimack River flood-control compact; without amendment (Rept. No. 334). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHELF: Committee on the Judiciary. H. R. 1574. A bill for the relief of Albert Hyraplet; with amendment (Rept. No. 315). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 2723. A bill for the relief of Shigeko Kimura; with amendment (Rept. No. 316). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 58. An act for the relief of Duk Chang Cho; without amendment (Rept. No. 317). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 87. An act for the relief of Pavel Blaho; without amendment (Rept. No. 318). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 91. An act for the relief of Victor Charles Hunt; without amendment (Rept. No. 319). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 93. An act for the relief of Dominic Paul Steinhauser (Hiroahi Tsuruda); with amendment (Rept. No. 320). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 127. An act for the relief of Anna Maria Cosentino and Francesca Maria Cosentino; without amendment (Rept. No. 321). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 158. An act for the relief of Hewey Malachi Mackey; without amendment (Rept. No. 322). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 288. An act for the relief of Esther Guagliardo; without amendment (Rept. No. 323). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 363. An act for the relief of Nelson Shu-Yung Chuang; without amendment (Rept. No. 324). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 424. An act for the relief of Herbert James Bramley; without amendment (Rept. No. 325). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 649. An act for the relief of Yee Chung Fong Ming and Yee Chung Nom Ming; without amendment (Rept. No. 326). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 687. An act for the relief of Stylianos Lecomples; with amendment (Rept. No. 327). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 696. An act for the relief of Alecos Markos Karavasilis and his wife, Steliani Karavasilis; with amendment (Rept. No. 328). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 753. An act for the relief of Georgiana Ching Hsien (Liang) New; without amendment (Rept. No. 329). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. S. 797. An act for the relief of John Leary; with amendment (Rept. No. 330). Referred to the Committee of the Whole House.

Mr. KILDAY: Committee on Armed Services. H. R. 5186. A bill for the relief of Dorothy E. Green and Thelma L. Alley; without amendment (Rept. No. 331). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COAD:

H. R. 6742. A bill to provide that the price-support level and the acreage allotments in effect in 1957 shall not be less than those in effect in 1956; to the Committee on Agriculture.

By Mr. DIGGS:

H. R. 6743. A bill to amend the public-assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. DURHAM:

H. R. 6744. A bill to amend Public Law 472, 81st Congress, as amended, relative to the attendance of professional personnel of the National Advisory Committee for Aeronautics in graduate schools; to the Committee on Armed Services.

By Mr. EBERHARTER:

H. R. 6745. A bill to amend Public Law 587 by permitting the withholding by the Federal Government from wages of employees of certain taxes imposed by municipalities; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 6746. A bill to amend section 303 (q) of the Communications Act of 1934, with respect to the painting and/or illumination of radio towers; to the Committee on Interstate and Foreign Commerce.

H. R. 6747. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of chemical additives which have not been adequately tested to establish their safety; to the Committee on Interstate and Foreign Commerce.

H. R. 6748. A bill to amend the Communications Act of 1934, so as to provide for civil penalties to apply in the case of certain violations by radio licensees other than those in broadcast services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS of Ohio:

H. R. 6749. A bill to amend the Federal Unemployment Tax Act to provide that no tax shall be payable thereunder with respect to any employee unless contributions are required under the applicable State unemployment compensation law with respect to such employee; to the Committee on Ways and Means.

By Mr. JOHNSON:

H. R. 6750. A bill to establish standards of identity, sanitation standards, and sanitation practices for the production, processing, transportation, sale, and offering for sale of milk and milk products shipped in interstate commerce or which affects interstate commerce for consumption as milk and milk products in any State, county, or municipality of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H. R. 6751. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mrs. KNUTSON:

H. R. 6752. A bill to provide that the price support level and the acreage allotments in effect in 1957 shall not be less than those in effect in 1956; to the Committee on Agriculture.

By Mr. McGOVERN:

H. R. 6753. A bill to provide that the price-support level and the acreage allotments in effect in 1957 shall not be less than those in effect in 1956; to the Committee on Agriculture.

By Mr. MICHEL:

H. R. 6754. A bill to amend the Internal Revenue Code of 1954, to remove certain firearms from taxation and registration; to the Committee on Ways and Means.

By Mr. MOORE:

H. R. 6755. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. PELLY:

H. R. 6756. A bill to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions and for other purposes; to the Committee on Ways and Means.

By Mr. RADWAN:

H. R. 6757. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H. R. 6758. A bill to amend the Internal Revenue Code of 1954, to remove certain firearms from taxation and registration; to the Committee on Ways and Means.

By Mr. ULLMAN:

H. R. 6759. A bill to incorporate the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 6760. A bill to grant to the Territory of Alaska title to certain lands beneath tidal waters, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOGGS:

H. R. 6761. A bill relating to the crediting under the Civil Service Retirement Act, without deposit, of certain service performed prior to April 24, 1952, by administrative enrollees in the United States Maritime Service; to the Committee on Post Office and Civil Service.

By Mr. BOSCH:

H. R. 6762. A bill to provide for the display of the pledge of allegiance to the flag, certain excerpts from the writings and diaries of George Washington, and certain other material, in the offices in foreign countries of diplomatic and consular officers of the United States; to the Committee on Foreign Affairs.

By Mr. BROYHILL:

H. R. 6763. A bill to amend the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; to the Committee on the District of Columbia.

By Mr. COOLEY:

H. R. 6764. A bill to amend the act of June 24, 1936, as amended (relating to the collection and publication of peanut statistics), to delete the requirement for reports from persons owning or operating peanut picking or threshing machines, and for other purposes; to the Committee on Agriculture.

H. R. 6765. A bill to provide for reports on the acreage planted to cotton, to repeal the prohibitions against cotton acreage reports based on farmers' planting intentions, and for other purposes; to the Committee on Agriculture.

By Mr. DOLLINGER:

H. R. 6766. A bill to provide for the return to religious, charitable, or educational institutions of property seised under the Trading With the Enemy Act before December 18, 1941, and the proceeds thereof; to the Committee on Interstate and Foreign Commerce.

H. R. 6767. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the Boards for the Correction of Military or Naval Records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. LANE:

H. R. 6768. A bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

By Mr. MAGNUSON:

H. R. 6769. A bill to amend the Sockeye Salmon Fishery Act of 1947; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H. R. 6770. A bill to exempt the sale of materials for certain war memorials in the District of Columbia from the District of Columbia Sales Tax Act; to the Committee on the District of Columbia.

By Mr. RHODES of Pennsylvania:

H. R. 6771. A bill to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for the support of public or nonprofit educational institutions which provide training and services in the fields of public health and in the administration of State and local public health programs; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H. J. Res. 305. Joint resolution requesting the President to proclaim the week April 28 to May 4, 1957, inclusive, as National Mental Health Week; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H. J. Res. 306. Joint resolution providing for a study to be conducted to determine and report to the Congress on ways and means of expanding and modernizing the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. HOFFMAN:

H. Res. 238. Resolution requesting certain information from the Board of Commissioners of the District of Columbia; to the Committee on the District of Columbia.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the legislature of the State of California, memorializing the President and the Congress of the United States relative to appropriating funds for the construction, operation and maintenance of the western land boundary fence along the border between the United States and Mexico; to the Committee on Agriculture.

Also, memorial of the legislature of the State of Minnesota, memorializing the President and the Congress of the United States requesting enactment of the area development bill, Senate 964; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 6772. A bill for the relief of Elfriede Monika Charlotte Meyer Caruso; to the Committee on the Judiciary.

By Mr. ALLEN of California (by request):

H. R. 6773. A bill for the relief of Bonifacio Santos; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. R. 6774. A bill for the relief of Biagio Vertuccio; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H. R. 6775. A bill for the relief of Miss Maria Luisette Vilela Gomes de Almeida; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 6776. A bill for the relief of Josefa Ruiz Peralta; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 6777. A bill for the relief of Mrs. Jeanne Da Costa; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 6778. A bill for the relief of Nobuko Ohara; to the Committee on the Judiciary.

H. R. 6779. A bill for the relief of Guadalupe Perez-Perez and Magdalena Alvarez de Perez; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6780. A bill for the relief of Ngai York Min, Kwong Sang Chang, Fee Hing Chang and Chun Wing Chang; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 6781. A bill for the relief of Adolphe C. Verheyn; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 6782. A bill for the relief of Peretz List; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6783. A bill for the relief of Frank Harhart; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H. J. Res. 307. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. J. Res. 308. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

203. By Mr. BUSH: Petition of citizens of Lycoming County, Pa., urging the passage of legislation to require compulsory humane slaughter of animals in slaughterhouses throughout the United States; to the Committee on Agriculture.

204. By Mr. THOMPSON of New Jersey: Resolution adopted by Board of Chosen Freeholders, Mercer County, N. J., on April 2, 1957, urging Congress to enact legislation as contained in the Johnston-Morrison bills, S. 27 and H. R. 2474 and as contained in S. 966 and H. R. 6; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

Pan American World Airways Proposes To Make Florida International Air Gateway

EXTENSION OF REMARKS

OF

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1957

Mr. FASCELL. Mr. Speaker, Miami, Fla., is rich in its history of aviation pioneering. Her peoples have assisted and encouraged this great industry since the date of its inception. The advent of the airplane brought Miami a better understanding of the peoples of other countries of the world, particularly those in Latin America. We in Miami and throughout Florida are cognizant of the many benefits that have been derived from the mutual friendships that have thus been created.

Now vast new possibilities for enhancing Florida's international friendship and her tourist and other industries are opened in a proposal by Pan American World Airways to link Florida through Miami by a southern transatlantic route to Europe and on around the world. The Miami International Airport for many years has been termed "the gateway to the Americas." Miami International Airport should be recognized as an "international air gateway." It is a logical center for international travel and trade.

The Pan American World Airways proposal would permit this great airline to pioneer this route from Miami to Puerto Rico, the Azores, Lisbon, Madrid, and Rome. The Governments of Spain and Puerto Rico are supporting the PAA bid. Airlines of six foreign countries now are flying the mid-Atlantic route from various terminals in the Carribean area to southern Europe, but to date no United States airline has been given permission to fly the route. I am advised that Pan American is the only United States carrier currently seeking it.

The greater Miami area, statistically, is the fastest growing area east of the Mississippi. Its population of 495,000 in 1950 has been growing at an average of about 10 percent per year and today is estimated to have in the neighborhood of 1 million permanent residents. Retail sales in the greater Miami area have quadrupled in the past decade. They were $350 million in 1945, rose to $655 million in 1950 and soared to $1,398 million in 1956.

South Florida is one of the world's outstanding resort centers and each year is adding facilities to entertain thousands more people. During the past 12 months it is estimated by State officials that 6,268,000 tourists visited Florida. Since the war, Miami Beach alone has built 62 new hotels and added to 9 others, to provide more than 8,000 additional hotel rooms. At the moment, at least 5 new hotels, with a total of about 2,000 rooms, are being planned for construction in Miami and Miami Beach. Additions are being planned to others that will add another 1,000 rooms or so. New motels and apartment buildings will add thousands more available tourist rooms within the next few months. Comparable building booms are going on in adjacent Broward and Palm Beach Counties.

Today the Florida Hotel Commission estimates there are about 45,000 hotel rooms in Dade County. There are more than 8,000 motel rooms, 200,000 rooms and apartments and more than 21,000 rooms in private homes, or approximately 275,000 available at any one time for visitors.

Other surveys show Latin Americans are spending about $40 million a year for transportation alone on trips to and from Europe. Many of them en route would like to visit Florida, a land in which Latins feel a strong community of interest.

Florida's tourism and industry are expanding at a tremendous rate. Today's tourists are airminded. In the 5-year period from 1951 through 1955, for example, passengers at Miami International Airport nearly doubled from 1,655,000 to 3,590,000. The Miami International Airport handles nearly as many international passengers as all New York airports combined. Complete availability of international transportation would appear to be a logical addition to Miami's existing services.

Added Bonding Powers for the St. Lawrence Seaway Development Corporation

EXTENSION OF REMARKS

OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1957

Mr. BROOMFIELD. Mr. Speaker, I introduced a bill, H. R. 5729, on March 7, 1957, to clarify the general powers, increase the borrowing authority, and to authorize the deferment of interest payments on borrowings, of the St. Lawrence Seaway Development Corporation.

To support this bill, I presented the following remarks before the Public Works Committee on April 9, 1957:

Mr. Castle and General Holle, and other members of their organizations, will explain in detail the reasons for the provisions of H. R. 5729, but as the sponsor of this bill I should like to make some general observations on its content. This bill is identical with H. R. 5726, sponsored by our chairman, Mr. BLATNIK.

First of all I wish to emphasize that this bill will not impose any burden on taxpayers. The seaway project is a self-liquidating and self-supporting enterprise. The cost of building and operating this waterway will be recovered from tolls without drawing upon public funds for appropriations. All borrowings authorized under the Seaway Act of May 13, 1954, and under this amending bill will be repaid to the Treasury Department with interest.

In this respect the seaway is unique as far as waterways in the United States are concerned. Other waterways built and maintained in the United States by the Federal Government are financed by appropriations from public funds.

The seaway is also unique in that the United States is a partner with Canada in this enterprise. When the project is completed it will constitute an outstanding example to the rest of the world of the ability of two free nations to work together in carrying out a great and complicated engineering project for their mutual benefit and security.

Not only is the project an unusual one from the standpoint of financing and international partnership, but it is also one of the great engineering enterprises of our times. As has been the case with all pioneering ventures of this kind, problems have arisen in the course of construction which could not have been foreseen when the original plans and estimates were prepared. It required hard experience to solve such problems, as was demonstrated in the construction of the Panama Canal, the Suez Canal, and other great engineering feats in this line.

Consequently it is not surprising that various revisions of, and additions to, original plans and estimates would become necessary in the course of the actual construction of the seaway. Then, too, the considerable increase in construction price levels since the original estimates were prepared in 1952 have made themselves felt in a very marked degree. The cost of the Canadian section of the seaway project has also increased considerably for the same reasons.

H. R. 5728 and H. R. 5729 provide amendments to the Seaway Act which are needed in the light of the experience gained since the project was commenced. On looking into the background of these amendments, I have been informed that consideration was given to having a bill introduced into Congress last year, but it was found that this would not be feasible because the placing of several major contracts and solution of some problems was still pending at the time. Consequently, it was not possible to make definite proposals for amendments until this session of Congress.

These two identical bills provide for an increase in the borrowing authority of the Seaway Corporation by 33⅓ percent to meet the requirements for additional funds for the overall construction of the United States section of the seaway. The bills also provide for a clarification of the general powers of the St. Lawrence Seaway Development Corporation to permit the performance of necessary auxiliary services such as tug services, at reasonable prices, and to permit the Corporation to engage in the toll operation of the high-level bridge which must be constructed over the seaway channel between Roosevelttown, N. Y., and Cornwall, Ontario.

This bridge is an essential element of the seaway project since it will replace an existing low-level structure under which seaway traffic would not be able to pass. Through the bridge tolls, highway traffic will contribute to the cost of this feature of the seaway project instead of placing the total cost of the bridge upon seaway shippers.

The bills will also make it clear that interest during construction may be deferred. This clarification will place the financing of

this portion of the interest charges of the seaway on the same basis as other Federal self-liquidating projects. Interest during construction will be accrued as a cost but payment will be deferred and compounded until construction is completed. I am informed that the Treasury Department and the Bureau of the Budget approve of this arrangement.

In closing, might I say it isn't often that the Congress of the United States receives a chance to act on a project so large, so beneficial and of such far-reaching consequence to such a great portion of our Nation.

And it is even less seldom when we find that such an enterprise can be accomplished without taking an additional penny out of the pocket of the already overburdened taxpayer.

As a member of this committee, I urge my distinguished colleagues to support me in seeking early favorable action on this proposal.

Employee Welfare and Pension Benefits

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1957

Mr. HUMPHREY. Mr. President, the attention of many people has recently been directed to the question of employee welfare and pension benefit plans. Senators will know that S. 1122 is presently pending before the Committee on Labor and Public Welfare. That bill, sponsored by the distinguished senior Senator from Illinois [Mr. DOUGLAS], not only offers the Senate an opportunity to adopt appropriate legislation, but this bill is serving as a model for others pending on the State level. Such is the case in my own State of Minnesota, where a union welfare fund bill, modeled on S. 1122, has recently been approved by the House Labor Committee of the Minnesota State Legislature.

An editorial on this subject appeared in the March 26 issue of the St. Paul Dispatch, and I ask unanimous consent that the text of this editorial be printed in the RECORD.

In this same connection, Mr. President, I have recently written to Senator DOUGLAS expressing my own interest in S. 1122 and my hope that the Senate Labor Committee may soon proceed to its consideration. I ask unanimous consent that the text of the letter just mentioned be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

DOING THE RIGHT THING

The union welfare fund bill which the House Labor Committee has approved is an adaptation of the measure which Senator PAUL DOUGLAS, of Illinois, has introduced on the national level. It is designed to prevent abuses in Minnesota such as those that have been exposed in the senatorial investigation and to that end sets up a system of supervision and regulation.

The responsible leaders of organized labor in Minnesota have been among the first to see the need for such legislation. In fact the Minnesota federation of labor is pushing the bill and its legal counsel had a hand in drafting the provisions.

Praising people for doing the right thing always sounds a little like saying that their virtue comes as a surprise. It does not come as a surprise that these labor leaders are seeing this situation in the right way because they have run a good labor movement in Minnesota and if the scandals coming to light at Washington should besmirch any segment of that movement here, none would deplore and oppose the abuse of trust more than they.

The present legislation would provide protection against abuse of trust in the handling of these welfare funds. The welfare plans will have to be registered and there must be annual reports and audits. It provides for investigations and criminal penalties for misuse of the funds or diversion from their rightful owners and purpose.

What is happening in the labor world is the same thing that happened earlier in the case of business. With its great and rapid growth, need for regulation has arisen in the interests of labor itself and the general public. The quicker and better this is done the better for all concerned. It is a good thing that the leadership here recognises this.

MARCH 26, 1957.

The Hon. PAUL DOUGLAS,

U. S. Senate, Washington, D. C.

DEAR PAUL: This is just a note to express my interest in your bill, S. 1122, on employee welfare and pension benefit plans. As you know, I have had a far less complete bill on this subject in previous Congresses; the latest version of it was S. 1717 in the 84th. The problem of registration, reporting, and disclosure has now outgrown the confines of my earlier bill and, generally, I want to associate myself in any helpful way I can with your own proposal.

I understand from the Labor Committee staff that hearings on S. 1122 may be held following the completion of the minimum wage extension hearings. I sincerely hope this will be the case, and that you will call upon me for any assistance and support that I am in a position to give.

Best wishes.

Sincerely,

HUBERT H. HUMPHREY.

Address by Hon. Eugene J. Keogh, of New York, Before National Conference of Bar Presidents

EXTENSION OF REMARKS

OF

HON. J. ALLEN FREAR, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1957

Mr. FREAR. Mr. President, by request, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD excerpts from a speech made by Representative EUGENE J. KEOGH before the National Conference of Bar Presidents, at Chicago, Ill.

Mr. KEOGH spoke regarding the provisions of H. R. 9 and H. R. 10, which relate to the retirement and benefit plans affecting the legal profession.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. Chairman and distinguished ladies and gentlemen present here today, rather than doing you a favor, I should say that I have been accorded a great privilege to meet with you leaders of the American bar on a cause in which I have evinced some interest over the years and in which I assure you I shall never refrain from evincing interest whenever and wherever the opportunity arises. I do this out of a firm conviction that the pending bills to which I shall address myself but briefly mark, in my opinion, a long delayed injustice to be corrected; they mark a great step in the direction of solidifying the dynamic type of representative democracy and democratic government that we think we have, that some of us know we have, and all of us always want to have.

So, it is with no concern at all about any of the details, any of the varying theories of solving this problem that I come to you today to talk to you about bills H. R. 9 and H. R. 10, which have been introduced in this, the 85th Congress, by my very distinguished and able colleague from Ohio, Mr. JENKINS, and by me.

* * * * *

Lawyers generally are entitled to be interested in law and lawyers, therefore, have a distinct and justifiable interest in proposed legislation, but if there is one thought that I would like to be able to leave with you today, it is that I would like your help in dissipating, when and wherever necessary, the obviously false notion that H. R. 9 and 10 is a lawyers' bill.

It is, on the other hand, a bill to encourage the establishment of voluntary pension plans by self-employed individuals, by those who either by law cannot or by choice do not operate under the corporate form.

This would be accomplished by affording such individuals a tax deferment on a specified limited portion of their earned net income which they set aside for retirement.

Under existing law, as we all know, such deferment is afforded to employed persons whose corporate employers and noncorporate employers have established so-called employees' pensions and pension plans meeting the statutory limits and requirements. However, since self-employed individuals cannot be their own employers or employees, they cannot qualify under existing legislation.

We need only recall that the Social Security Act, which set up the compulsory system of old-age pensions, originally applied only to employed persons but has now been extended to cover almost all self-employed persons. The bills, therefore, would give to those same self-employed persons a further measure of equality with employed persons so far as supplemental private pensions are concerned.

In order that we may all know about what we are talking, and I am sure that we all do, permit me to point out that the bill would allow self-employed persons a deduction for Federal income-tax purposes for amounts set aside for their retirement with the proviso that the annual deduction could not exceed the lesser of 10 percent of self-employment income or $5,000, with a special rule that would provide that in the cases of persons 50 years of age or over, who would have only a few years to build up their retirement funds, that they would be permitted an additional allowable deduction which would be increased one-tenth for each year of age over 50 and not over 70.

To the extent that allowable deductions were not used in any one year, they would serve to increase the allowable deductions during the following 5 years, until exhausted, except that a maximum annual ceiling of $5,000 would still apply.

A self-employed individual could not deduct over his lifetime more than 20 times the maximum annual contribution under the general rule.

Under the bills, a self-employed individual is the same as self-employment provisions of the Social Security Act, except that it also includes those not presently covered by such act, the principal group of which is, of course, the medical profession and some clergymen.

Self-employed persons who are also employed during the year are not disqualified unless they are currently a member of or receiving payments under a governmental or private pension or profit-sharing plan or have received a distribution of their interest in such pension or profit-sharing plan.

The allowable deduction is in terms of amounts paid as so-called retirement deposits, which are defined in the pending bills as amounts paid into a restricted retirement fund or as premiums under a restricted retirement policy. The fund is defined as a trust or custodian account established under a retirement plan for self-employed individuals.

* * * * *

In lieu of the rates otherwise applicable, the lump sum distribution would be assessed at five times the rate applicable to one-fifth of the amount and the same treatment would be given payments on the death of the participant before withdrawal of the funds. The withdrawal of such funds prior to age 65 is permitted.

A new provision in the pending bills permits a takedown of funds prior to age 65 and short of total and permanent disability. It is permitted subject, however, only to the payment of a penalty; in such cases it is provided that the tax shall be 110 percent of the amount which would have been payable had the distribution been included in the individual's gross income rate over the taxable year and 4 taxable years immediately preceding or such lesser number of immediately preceding years in which retirement deposits are actually made.

These provisions would apply equally to distributions from a restricted retirement fund and under a policy.

Generally speaking, I have briefly covered the important provisions of the pending bills and I must tell you that the form of the bill now pending is quite distinct, quite different from its predecessors. Those changes have been made and they have been made after careful thought and study, in which thought and study your committees have been continually engaged and have been in consultation with as many of the representatives of groups that might be affected by the form of the bill as they possibly could meet with and discuss the problems with. They have been meeting, too, with representatives of the executive branch of the Government and have sought in those discussions to elicit from the representatives of that branch of the Government as much as they possibly could with respect to the desires, the aims, the hopes and the aspirations of that branch.

I think that I should tell you that this is the fourth Congress in which the bills in some form have been introduced. One who is not too familiar with legislative work might think that it is about time something was done. Well, as one of the original introducers of what now is the pending bill, I would be inclined to agree with you. But I am sure that some of the more experienced men and women in the room understand that sometimes it takes a little longer to perform that which is obviously just than it does to perform some legislative miracles.

In all of the work that we have been doing in Washington, we have always been courteously treated by the representatives of the Treasury Department. I think it is fair to say that we, the sponsors of the legislation, have always sought to keep it on a bipartisan basis. I use that word because I am one who thinks that in a legislative sense there is really nothing that can be nonpartisan. We have tried to approach it in a manner that would not mean that one political party might take advantage of the other or that one might be hurt as compared with the other.

We have sought to be completely objective in our approach in relation to the objections that have been raised to the prior forms of the bill, just as I assure you that we will seek to be objective with respect to any objections that may be raised for the form of the pending bill.

* * * * *

We welcome gladly, anxiously and with deep appreciation the interest that your distinguished president has taken in this little piece of legislation and the great work that your association and your committees have done.

I am sure that you are all conscious of the danger of specifics and I am sure, also, that you would not mind my mentioning a few names of those representatives of your organization who have been with us during the dark and dreary days and who are with us now that we see some rays of sunlight coming up over the horizon.

I refer, of course, to George Roberts and Leslie Rapp and the committee, and I am delighted to observe that you have been fortunate in obtaining the increasing interest of Laurens Williams, who has done such a great job for the Treasury Department and who I am confident will do an equally great, if not greater job, for the self-employed now.

I am delighted in Chicago, too, to pay my respects to Dr. Frank Dickinson of the AMA who has been just as stalwart as those of you who know of him know him to be and who has been a great source of encouragement to TOM JENKINS and to me and I compliment you, Mr. President, on the formation of the newly revitalized, reactivated assembly that you have gotten together and your selection of Mr. Donohue, for this will probably succeed in keeping him in Washington a little more than he has been in the past 2 years.

* * * * *

Mr. President, I hope that before this Congress is over that you and your members and your fine organization will be pleased by the report of progress that all associated with you in this endeavor will have made. I am indeed grateful to you for this opportunity to talk to you today. [Applause.]

The Plight of America's Mentally Ill

EXTENSION OF REMARKS

OF

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1957

Mr. FASCELL. Mr. Speaker, one of the most tragic problems of modern life is the plight of America's 10 million mentally ill.

For many years the number of patients in our mental hospitals has mounted at an alarming rate. In the last 2 or 3 years, however, there has been heartening evidence that number of discharges are beginning to catch up with or even exceed new admissions in many States. The National Association for Mental Health, which has long been active in this field, attributes this improvement in the situation to two main factors.

First, there has been a remarkable increase in the effectiveness of modern treatment methods. These include such developments as the use of tranquilizing drugs, psychotherapy, and electric shock treatment. The use of these new techniques has sharply changed treatment for the mentally ill, and has altered the atmosphere in mental hospitals. It is important to emphasize, however, that drugs and other new treatments are by no means a panacea. In many instances the new techniques only help make a patient accessible to other forms of treatment, or would require more funds and more personnel than are currently available.

The second major factor contributing to improvement in the mental health picture is the emphasis on treating patients with the aim of being able to return them to useful lives instead of providing a mere minimum of custodial care. There is, however, much still to be done before we can say that an optimum amount of treatment is being provided. A continued emphasis on treatment is important both in terms of human suffering and in reducing the cost of maintaining for a lifetime many patients who might have been cured and returned to normal life.

This year the slogan for Mental Health Week, which will take place April 28 to May 4, is "The Mentally Ill Can Come Back—Help Them." This appeal calls for participation by all interested Americans in the observance of Mental Health Week and in the fund-raising drive of the National Association for Mental Health.

Now that we seem to be within sight of checking the increase in mental illness I think it is particularly important that the people be made aware of the progress that is being made and of the tasks yet remaining. There is much to be done at the community level, at the State level, and at the national level.

To express the sense of the Congress concerning this serious problem with which the Nation is confronted, I have introduced, for appropriate reference, a joint resolution calling upon the President to issue a proclamation designating April 28 to May 4 as National Mental Health Week, and urging the fullest possible cooperation in the fight against mental illness.

Protecting Our Free Enterprise System From the Harmful Effect of Corporate Mergers

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1957

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered before the Automotive Wholesalers Association of Tennessee at Gatlinburg on April 8. In my remarks I dealt with the merger trend which we are experiencing today, and its harmful effect upon our free enterprise system, and particularly small business.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a great pleasure and privilege for me to attend this session of the Automotive Wholesalers Association of Tennessee.

As chairman of the antimonopoly subcommittee of the Senate, I am here to listen to some of your problems as well as to discuss some of the very real concerns that I have in the developing economic picture as it affects businessmen such as you.

I am pleased to appear on a program which includes two very fine students of the antitrust laws, Mr. J. Austin Latimer and Mr. James W. Cassedy, both of whom, as you know, are attorneys in Washington who specialize in antitrust practice.

Only last week Mr. Cassedy testified at length before our committee. His discussion of a legislative proposal pending before us, and of the Standard Oil of Indiana case, which he tried, was most helpful to the members of the subcommittee.

I know that you, like I, believe in the competitive, free-enterprise economy of the United States. But I suspect that you, like I, are beginning to be disturbed by what is happening to it.

A multitude of mergers during the past 4 years has outstripped anything of the sort since the 1920's. And with them competition has been lessening. As automotive wholesalers, as parts dealers, you know that your sources are certainly becoming more restricted. The "big" in the automobile business are becoming constantly more powerful, just as the "big" in the oil businesses are becoming overriding giants.

Four years ago, I joined in a report of the antimonopoly subcommittee of which I was then a member, pointing out that we were then in the midst of the third great merger movement to sweep the United States.

In the intervening 4 years the pace has not lessened—it has instead quickened. The New York Times observed in 1954 that the "wave of mergers is now more like a floodtide, so wide and pervasive has it become." By 1955, the Wall Street Journal put it this way: "Company mergers and acquisitions are taking place at an astonishing rate."

That same year the House Judiciary Committee made a study. They observed:

"In recent years a rising tide of industrial and bank mergers has played a significant role in hastening the reduction of competition in many areas and promoting the concentration of economic power. Many superstructures in industry have been created, not through superior technology or natural internal growth, but through absorption of independent competitors."

The House committee pointed out that under these conditions "mergers are not indicative of a normally developing industry, but rather symptoms of the competitive avarice of certain giant corporate enterprises."

"Frequently the plant of the acquired company is closed in the process, which not only eliminates the competition of this unit, but throws people out of employment and reduces the economic wealth of the community in which this particular plant existed," the House report continued.

Fortune magazine, at that time, estimated that mergers of important corporations were being effected at the rate of about 45 a month and that probably a score of lesser companies are absorbed daily.

Thus through the recent years some of us in Government and in the press have been calling attention to this very disturbing trend which is occurring. Now it is 1957, and just last week we saw one of the results of the trend.

Mr. Edwin L. Covey, chief of the Federal courts' bankruptcy division, increased his present estimate of the number of bankruptcies anticipated during the year.

Mr. Covey estimates that the number of cases filed during the 12 months ending next June 30 will reach a record high. He estimates there will be 72,000 bankruptcies. Think of it. That is almost 2,000 more than the present record. And the present record was set in a year to which none of us wants to return—1932.

Furthermore, we are already beginning to get a glimpse of what might happen in the future. I read in the Wall Street Journal of March 14 the report of a speech by Mr. Roger M. Blough, chairman of United States Steel, made to the Economic Club of Chicago. Mr. Blough told his audience that "a new business concept—giant corporations joining to form large combines for spreading their risks—may be developing on the economic scene."

"The future," he said, "may, indeed, call for bigger business organizations as man seeks to unlock the secret of the atom, penetrate outer space, and harness the rays of the sun."

Nor is this "partnership of corporations" idea merely a forecast of what may be necessary to handle America's tomorrow. It is already taking place. Mr. Blough continued:

"Our biggest corporations are rapidly getting too small to do all the things that are expected of them. The development of raw materials, for instance, has become so expensive, and involves such risks, that a number of steel companies have had to band together to develop faraway iron-ore deposits and to establish plants and processes for the manufacturing of usable blast furnace materials out of low-grade ores."

Our committee is presently making a study which I think will shed more light on just what the facts in the situation are. In cooperation with the Bureau of the Census, we are obtaining data on the size of concentration. When we are finished and are able to publish the reports, which should be within the next few weeks, we will know the extension of concentration by industry and by product.

We also are gathering material and will hold hearings on the problem of price increases in administered-price industries, which is presently having such a great effect on the cost of living. These industries are those which, because of their power, have control over prices not affected by normal competitive forces. Examples are steel, newsprint, many types of food, automobiles, and farm machinery.

We will greatly appreciate the assistance of groups such as yours in the course of these studies. We want to conduct them fairly and objectively. But we have reached the point where we have to have better information than now exists on this tide of mergers in order that we as Government officials, as businessmen, and as citizens may discharge our responsibilities.

I frankly don't like what I know of the trend. I have long believed that it is only a step from the loss of economic freedom to the loss of political freedom. Germany under Hitler and Italy under Mussolini were examples of that step. There statism followed the seizure of the economic and industrial power by the few. The Soviet is another example. Economic and political power there also is all one.

I don't think it is necessary for this to happen in the America of tomorrow in order for us to enjoy the benefits of the good things which engineering and scientific skill have made possible. Our aim is—it must be—to have these benefits, but to get them through the competitive, free-enterprise economy which has made this Nation great in the past.

In order to achieve that goal we must understand and arrest the present alarming trend.

Address by Hon. William F. Knowland, of California, to Grand Lodge of Masons of New York

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1957

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me at the breakfast of the Grand Lodge of Masons in New York on March 31, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Most worshipful grand master, distinguished guests, Masons, and fellow Americans, this Nation of ours has grown from a weak Colony of 3 million on the Atlantic coast to a great power of 170 million people, the most productive nation the world has ever known.

The priceless ingredient for our people has been our constitutional form of government which guarantees our religious, personal, and economic freedom.

The incentives furnished have constantly opened new horizons.

In this atmosphere, Americans of each generation have sought to leave to their children a better land than they themselves found, not just better in a material way but in the educational and cultural developments that make for better family and community life.

New inventions in various industrial fields and the tremendous potentials of the peacetime developments of atomic power are bound to challenge us for many years into the future.

We must not take our constitutional form of government or our free-enterprise system for granted. Neither fall into the category of something that can be locked in a safe-deposit box and kept forever secure. Each generation must be prepared to make the necessary sacrifices to maintain them that our Founding Fathers were prepared to make in the first instance.

Other nations have been or now are larger in land area, in population, and in natural resources. Yet they have not been able to give to their people the freedom and the standard of living Americans have enjoyed.

As important as is the productive capacity of our Nation and its military strength, these are not the factors which alone could preserve our freedom or enable us to maintain a free world of freemen. The inner strength of America has not been its great cities, its huge industrial plants, its extended transportation systems, or its variety of natural resources.

The factor which made America an inspiration to the rest of the world grew out of our Declaration of Independence, the Constitution of the United States, and the spiritual values which the founders of our Republic recognized and by which they were guided.

We have recognized that there was a higher moral law to which governments were also accountable. We have humbly acknowledged the divine inspiration which made and preserved us as a nation.

We have read of and been inspired by the action of George Washington in kneeling in prayer during the dark days of Valley Forge and of Lincoln doing the same during his

lonely vigil in the White House during the darkest days of the Civil War.

Instinctively we know that human freedom is a greater force than tyranny.

We also instinctively know, though at times our allies and our own Government may for expediency forget that there are some things in life which cannot be compromised.

We know that no international organization and no government can long survive a double standard of international morality.

The free world should heed the admonition in Second Corinthians: "Be ye not unequally yoked together with unbelievers: for what fellowship has righteousness with unrighteousness and what communion has light with darkness?"

We are constantly faced with the threat of international communism to destroy human freedom everywhere in the world. Against this external danger we must maintain strong and adequate defenses—air, sea, and land—at home and abroad as long as the menace continues. This may well be for a decade or more.

Foreign policy is too important to be left to government alone. It is of concern to all of our people. In order to have a sound foreign policy it is necessary to have an informed public.

There is also the danger that every free government around the world faces. This is internal subversion, sabotage, and espionage by the international Communist conspiracy.

We cannot buy international friendship any more than personal friendship can be purchased.

Nor should we attempt to remake the world in our economic or political image.

Our efforts should be directed toward helping others to help themselves. In this private investment should play a major role.

In the period since the close of World War II the United States has provided over $50 billion in economic, military, and technical assistance to allies, neutrals, and former enemy countries outside of the Iron Curtain.

There has been nothing comparable in the world history of civilization to this program.

It was a matter of mutual interest to help rehabilitate the war-devastated areas of the world, both Allied and enemy alike, not only as a matter of humanity but because it was in our own interest as well not to have the Soviet Union or international communism take advantage of the economic and political chaos which otherwise would have existed.

The wartime damage has been repaired. It is time for foreign aid to be reduced.

It is neither in their interests nor ours for nations abroad to be permanently dependent upon American financial grants. It is time for them to start living within their means and for us to do likewise.

Government, industry, and labor must be constantly on the alert against this termite menace which could do great damage though the outer structure might seem to be unimpaired.

Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, in a recent article clearly outlined and documented the fact that the Communist "new look" is a study in duplicity. The domestic Communist Party, as with the Kremlin, has a fixed objective though the tactics remain fluid.

In this day and age of the airplane and atomic power we can no more return to isolation than an adult can return to childhood, regardless of how pleasant the recollection might be.

Our foreign policy seeks to preserve peace with honor. Our efforts will continue to be directed to the establishment of a system of international law and order, based on justice, that will preserve the peace for ourselves and our children. We seek no territorial gains nor to subjugate any people anywhere in the world.

We do recognize, however, that when freedom is destroyed anywhere a bit of freedom is destroyed everywhere.

Nations can die while delegates talk. Last year the General Assembly of the United Nations passed 10 resolutions in 76 days of debate. All that while freedom was being strangled to death in Hungary. With callous indifference the Soviet Union placed itself above the higher moral law of God as well as above its obligations under the United Nations Charter.

No international organization can long endure with a double standard of international morality.

Having a decent respect for the opinions of mankind, a sense of obligation to the charter and the incentives inherent in a free country having freely elected parliaments, an informed electorate and a free press, Great Britain, France, and Israel withdrew their forces from Egypt.

Having no respect for the opinions of mankind and no sense of obligation to the charter the Soviet Union ignored all 10 General Assembly passed resolutions and still have their forces in Hungary.

Are the obligations and the mandates of the United Nations to be applicable to the democratic nations but not to the totalitarian powers? To the law-abiding but not to the outlaw nations? To the small and weak countries but not to the big and strong? What kind of justice is this? Are we building on quicksand? What kind of a foundation is this for constructing a system of international law and order based on justice?

We serve no useful purpose if we hide the facts. To the contrary by ignoring them and failing to seek remedies, we may endanger the safety of this Republic and freemen everywhere.

For many decades the men in the Kremlin have preached the doctrine that the free world contains the seeds of its own destruction.

It is far more likely, I believe, that the Communist world contains the seeds of its own destruction.

Hungary was but the latest in the indications that, even under totalitarian police rule and the brainwashing of a whole generation, the spark of freedom still lived and was capable of lighting a fire that endangered the whole monolithic structure of Communist tyranny.

After the Hungarian experience how much reliance can the Soviet Union place in the armed forces of the other captive nations if freedom is ever within their reach? How can they have faith in Communist indoctrination when young students were the leaders of the Hungarian rebellion?

Within the past 10 days, the rulers in the Kremlin have sought to intimidate both Norway and Denmark.

The Soviet Union has not changed its long-term strategic objective. The destruction of human freedom everywhere.

They will be relentless in seeking to destroy our institutions. Fortified by our faith in God, we must be determined that our way of life will be preserved.

We also confront a danger of another sort. This does not come from an armed enemy from without nor from a foreign-led conspiracy from within. This springs rather from our own people and the institutions we have created. Apathy on our part or an inclination to let the other fellow assume the responsibility that each citizen has an obligation to undertake can well lead to a chain of events that would undermine both our governmental and economic systems.

The founders of this Republic knew well the history of the world up to their time. They knew that where there was a concentration of power in a single agency of national Government that the freedom they sought to guarantee could be easily lost.

As a result, they not only created three great coequal branches of the Federal Government, the legislative, executive, and judicial, but they also made the Federal Government one of limited and of specified powers and reserved all other powers to the several States and to the people thereof.

The Congress is a coordinate and not a subordinate branch. It was made the repository of all legislative power.

If we are half as wise as the men who gave us our Republic and as those who helped to maintain it, we will see to it that no administration, Republican or Democratic, departs from the letter or the spirit of the American Constitution.

The strength of our country depends, of course, on far more than our Armed Forces alone. It rests upon a sound national economy and a solvent Federal Government.

For the fiscal year ending June 30, 1941, the budget expenditures amounted to $13,262,000,000. The 1958 proposed budget is $71,800,000,000.

The national debt has grown from $48,900,000,000 to over $270 billion. The annual $7 billion of interest alone on the debt is now greater than the total cost of all functions of the Government (including national defense) as late as the fiscal year 1938. The annual interest charge is larger than the total tax receipts of the Federal Government in any year between the founding of our Government under the Constitution in 1789 and when we entered World War II in 1941.

Now, frankly, I do not subscribe to the theory that if individuals or business organizations spend their own earnings it is inflationary whereas if the Government takes it from them and spends it that is not inflationary. Government spending is a major inflationary factor.

The challenge we face is how to meet the large defense expenditures necessary for the preservation of our way of life, to take care of our growing needs for public and private facilities and to avoid the tendency to solve the problem by concentrating more and more power in the Government at Washington.

This will take some voluntary restraint on the part of citizens generally, in requesting new and additional programs until we can digest programs now underway or complete certain of the projects before undertaking additional ones.

This is the time for prudent and responsible citizens in private industry, in labor, in agriculture, and, indeed, throughout our entire population to take a close look at the growth of the Federal Government. Constructive support is needed for the efforts which will be made to reduce nonessential spending, to apply some payments on the national debt and to lay a foundation for some further tax reductions next year.

As an American citizen and as a Senator of the United States, I am convinced that if we of this generation will only use the same faith and courage that motivated the men who sat at Philadelphia and under what I believe to have been divine guidance, gave us first our Declaration of Independence and later our Constitution, there are none of our great domestic problems which we as a free people cannot solve, and there is no foreign foe we need ever fear.

A Senator's Case Against Seniority

EXTENSION OF REMARKS

OF

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1957

Mr. CLARK. Mr. President, in last Sunday's New York Times magazine appeared an interesting article written by the junior Senator from Oregon [Mr. NEUBERGER] entitled "A Senator's Case Against Seniority."

I do not necessarily concur with all the views set forth in the article, but it is provocative and well worth reading. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SENATOR'S CASE AGAINST SENIORITY

(By RICHARD L. NEUBERGER)

WASHINGTON.—Although I have served in the Senate only since January 1955, it has become my firm conviction during this period that seniority should not continue to be the sole determinant of Congressional sovereignty and influence as reflected in committee chairmanships and committee assignments. As I see the question, seniority is wrong on three fundamental counts:

1. It attaches little or no significance to the special abilities and experience of an individual, but only to the duration of his service.

2. A committee chairman never can be removed, even if the national interest is jeopardized by his continuance in that post.

3. Seniority rewards those States with one-party systems and, conversely, penalizes States in which two robust and equally matched political parties fight it out at the ballot box.

The reasons for these objections to seniority are so obvious, it seems to me, that they can be regarded as practically self-explanatory. What can be said of a method of operating Congress that will give an ordinary layman with long political tenure a greater opportunity to serve on the Joint Committee on Atomic Energy than a famous nuclear physicist who might come newly to House or Senate? A man may be a leader of the bar in his State, but will he attain the Judiciary Committee if he lacks seniority? Senator THRUSTON MORTON, of Kentucky, was President Eisenhower's Assistant Secretary of State, but the inexorable rule of seniority has given him a seat on the District of Columbia Committee rather than on the Foreign Relations Committee, where his training in the State Department could be put to practical use.

After their defeats for the Presidency, both Thomas E. Dewey and Adlai Stevenson were surrounded by rumors of senatorial ambitions. Why should men of their distinction and oratorical gifts not aspire to the Senate Chamber? Yet, it later was reported that they had decided against essaying the humble and unrewarding roles of freshmen Senators. Surely the decision of men of their caliber not to try for the Senate was a loss to the whole Nation. Under a similar system in England, Winston Churchill would have had to be content with back-bench status after he dropped out of Parliament for a time and thus relinquished his seniority.

In these days of crisis, government must be flexible to meet new situations. The earth is moving at a mad pace. Emergencies are omnipresent. Never so true was the couplet from James Russell Lowell's The Present Crisis:

"New occasions teach new duties,
Time makes ancient good uncouth."

Yet the Congressional rule of seniority is the direct antithesis of this. It is rigid, inflexible, and unyielding—particularly in the vital realm of committee chairmanships. An isolationist may head the Armed Services Committee at the height of American involvement in a worldwide conflict, and in that post he stays if seniority put him there.

If seniority installs a foe of conservation as chairman of the committee charged with protecting America's dwindling supply of natural resources, draft horses and wainrope cannot drag him out of his seat. And if the allies or beneficiaries of special interests become the heads of key committees responsible for regulating those same special interests—well, that is seniority.

Ought Congress to be laced into such a straitjacket? If Senators can be trusted to pass on matters as crucial as war and peace, why is it unsafe to let them pick their own committee chairmen?

This is not to claim that able men of integrity rarely rise to Congressional dominance through the seniority system—far from it. For instance, Senator JAMES E. MURRAY, of Montana, an ardent conservationist at the age of 60, presides today over the Interior Committee. I have been amazed at the details concerning fiscal matters known to Senator CARL HAYDEN, of Arizona, 79, who wields the gavel in the vital Appropriations Committee.

But the point is that, even if Senator MURRAY were not so ardent a conservationist and if Senator HAYDEN possessed far less familiarity with the Federal budget, they still would head the Interior and Appropriations Committees, respectively. Their qualifications are secondary to their seniority. I wonder if this is a wise set of priorities, particularly when we consider that men critically ill have ruled strategic committees for years in absentia. As long as breath remained in their bodies, the seniority rule could not be breached. They had to retain their chairmanships.

Furthermore, under such an arrangement, seniority often becomes an end in and of itself. Electorates are told that they must keep in office a certain individual not necessarily because he is sound on the burning issues confronting America and the rest of the world, but simply because he has so much seniority on deposit in Senate vaults.

In 1954, when I ran for the Senate as a Democrat in a State which had not elected a Democratic Senator for 40 years, my opponent was an incumbent Republican who, through the inexorable workings of the seniority process, had become chairman of the Interior Committee. This is the most powerful Senate committee in dealing with problems affecting the Western States. The special advantages and benefits to Oregon of my opponent's seniority became a leading issue of the campaign. Indeed, at times it subordinated all other issues.

I shall never forget a conversation I had with an enlightened and able editor of a small-town daily newspaper whose support I was seeking. This man is an internationalist and a fervent defender of civil liberties. I cited to him my opponent's rollcall votes in the Senate against ratifying the North Atlantic Treaty Organization, against extending reciprocal trade, against point 4, against any moves toward rebuking Senator MCCARTHY, against confirming such appointees as Chester Bowles and David E. Lilienthal, against positive Federal action in the realm of civil rights.

"Everything that you charge about your opponent's voting record is undoubtedly true," said the editor, whom I long have respected and admired. "I can't defend that record. Yet I still would hate to see our State lose all that valuable seniority in the United States Senate, as well as on some of its most important committees."

And, near the climax of the campaign, this internationalist, liberal-minded editor endorsed for the Senate an isolationist and adversary of civil rights.

I am convinced that such incidents are by no means uncommon. Yet an endless and self-serving circle is thus created. A one-party State provides seniority for its Senators because they serve without serious challenge to their tenure. Then, this seniority is relied upon as an all-persuasive argument for continuing the State's one-party standing.

This constitutes my principal complaint against the seniority system. It provides an argument and shield for people who fear the real workings of democracy. Despite all our vaunted devotion to the two-party system, grassroots competition between strong political parties is virtually unknown in approximately half the States of the Union. In fact, the absence of genuine political competition in so many States may be at the root of the undue emphasis on prolonged tenure in office. Such tenure is inevitably a byproduct of one-party rule.

Occasionally some of the one-party States may be breached by a presidential nominee of the other party who possesses overwhelming personal popularity or glamor—Franklin D. Roosevelt or Dwight Eisenhower, for example. In some distressing cases, as with the religious bigotry of 1928 directed against Alfred E. Smith, a one-party State may reverse itself.

But these exceptions seldom register any lower on the ballot. Mr. Hoover, once, and Mr. Eisenhower, twice, successfully invaded much of the deep South. Yet they brought to victory with them not a single Republican Senator from that region. Mr. Roosevelt carried Oregon decisively four times, but the State never elected a Democratic Senator on such occasions. For offices like United States Senator or the governorships, no fewer than 28 States may be regarded as nearly impregnable strongholds of one party or the other. These are the States which ascend most often to dominance in Congress under the seniority system.

What is a one-party State? I admit the term is susceptible to no hard and fast definition. Yet some specific standards of measurement are possible.

I have based this measurement on Senate seats because they are generally the offices fought over the hardest and national significance is most likely to attach to the results. I have gone back only to 1914, when some States first began to experiment with the direct election of Senators. Prior to that time all Senators were chosen by State legislatures, with railroads and timber companies and steamship monopolies often more influential in the choice than the will of the electorate.

With this in mind, I believe it is fair and accurate to describe as a 1-party State any in which 1 party has held, since 1914, a preponderance of senatorial election victories of 3 to 1, or more.

I find that in 28 States the nominees of 1 party have regularly won Senate seats in 3 elections out of 4, or better. This is considerably more than half the States of our Nation. Some of these one-party States, especially in the South and Southwest, have been traditionally Democratic. Other States, particularly in New England and in the Corn and Wheat Belt of the Middle West, have been steadfastly Republican.

In only 20 of the States have Senate seats been divided somewhat evenly between the 2 parties since the direct election of Senators began to replace the appointment method. They are: Colorado, Connecticut, Delaware, Idaho, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, New Mexico, New York, Ohio, Rhode Island, Utah, Washington, West Virginia, and Wyoming.

It is true that these States today hold 5 chairmanships among a total of 15 permanent Senate committees. But it also is true that the chairmanships belong to the 5 among the 2-party States that are the closest to being 1-party States. In this category is New Mexico, whose senior Senator serves as chairman of the Public Works Committee. New Mexico has had its senatorial seats occupied by Democrats for a 13 to 5 supremacy

during the past 48 years. This is narrowly below the 3 to 1 ratio which would add New Mexico to my list of 1-party States.

Furthermore, States where the two parties are as closely matched politically as New York and Illinois have not held major Senate chairmanships for a considerable number of years, despite their vast populations and their importance to the national economy. I can think of no more compelling reason for modifying the seniority rule than the manner in which seniority must inevitably discriminate against great two-party States such as these.

Fortunately, there has been some slight recent erosion of seniority. This has occurred not in the disposition of committee chairmanships, but in the place where reform ought logically to begin—in the assignment of new Senators to committee seats.

Some weeks ago, Representative STEWART L. UDALL, of Arizona, in an able defense in this magazine of the seniority rule, stressed the change in the method of committee assignments as a hopeful sign that seniority is losing its ironclad aspects. I agree with his satisfaction over this development. However, Representative UDALL neglected to point out that this curtailment of seniority has applied thus far to only one of the two major political parties.

Upon becoming Democratic leader of the Senate in 1953, Senator LYNDON JOHNSON laid down the policy that no member of the party, regardless of his seniority, would receive a second top committee seat of his choice until every Democratic Senator had been given at least one such assignment. Up to that time, senior Senators had monopolized nearly all the prized committee posts. Newcomers were relegated to minor committees, which usually meant Rules or Post Office or District of Columbia. This is still often the fate of junior Republican Senators, because the Johnson doctrine has yet to spread across the center aisle after 4 years of operation.

Immediately after their elections, Senators MIKE MANSFIELD of Montana and STUART SYMINGTON of Missouri were seated by the Democrats on the Foreign Relations and Armed Services Committees, respectively, because of their long backgrounds in those fields. Senator WAYNE MORSE of Oregon, who once taught international law, received a Senate Foreign Relations Committee place from the Democrats even while he was still an Independent. Yet no Republican seat on the committees operating in the realm of diplomacy has gone to Senator JOHN SHERMAN COOPER of Kentucky, even though he has come to the Senate fresh from experience as President Eisenhower's envoy to India.

Two years ago I entered the Senate as a freshman and was assigned by the Democratic leadership to the Interior and Public Works Committees, both vital to natural-resource management in my Pacific Northwest constituency. By contrast, Senator CLIFFORD CASE of New Jersey, an Eisenhower Republican who entered the Senate with me, has been given only such typically minor berths as Post Office and District of Columbia because members of his party senior to him had laid claim to all the committee chairs of his preference.

What is to be done about this whole thorny question of seniority in Congress and of the penalty it imposes upon two-party States?

Stubborn issues rarely respond to easy or pat solutions. However, I have three specific remedies to propose:

1. Relate committee assignments in Congress far more to geography and to specific State problems than to seniority.

2. Permit committee members to elect a chairman by secret ballot, rather than having this decided only by seniority.

3. Convert as many of the present 1-party States as possible into 2-party States.

Let me explain what I mean by the first proposal.

The people of the State of New York pay about 20 percent of all the taxes collected by the Federal Government. There should always be one Senator from New York on the Finance Committee, where taxation matters are decided. The Agricultural Committee should be balanced as fairly as possible among Members from the cotton States of the South, the grain States of the Middle West and the specialty crop States on both seacoasts. This balance does not prevail today. Among the committee's 15 Members there is not 1 Senator from the immense rural area between the Great Plains and the shores of the Pacific Ocean.

It is my belief that, once assignment to committees has been removed from the realm of seniority, it soon will follow that each committee will be able to elect its chairman. In the Senate committees on which I serve, the chairman thus selected undoubtedly will be one of the same Senators who have occupied the head chair through seniority. But this would not be automatically the case in every committee, and the two-party States would find themselves at least participating in the choice; their total exclusion from such decisions might end.

My third suggestion may seem illusory and farfetched. How do you change a 1-party State into a 2-party State? Let me offer my own State as a prime demonstration that the feat can be accomplished.

While Franklin Roosevelt was President, only three States—Maine, Vermont, and Oregon—failed to elect Democratic Senators or third-party Senators alined with the Democrats. The last Democratic Senator from Oregon had been elected in 1914, the last Democratic Governor in 1934, and 2 of Oregon's 4 House seats had never in history been won by Democrats. Today, Oregon has 2 Democratic Senators, a Democratic Governor, and 3 out of its 4 Congressional seats are occupied by Democrats.

The significant feature of Oregon's emergence from entrenched one-party status is the circumstance that 2 out of 3 Democratic senatorial victories have occurred in 1954 and again in 1956. Oregon never elected a Democratic Senator during the 12 years that the White House was occupied by Franklin D. Roosevelt, most popular of Democratic Presidents. Paradoxically, Oregon today has 2 Democratic Senators who were elected during the 4 years that the White House has been the residence of Dwight D. Eisenhower, most popular of Republican Presidents.

What was responsible for this?

The principal ingredient in the political upheaval in Oregon has been the refusal of the Democrats to be daunted by the deeply rooted political monopoly of the Republicans. Democratic leaders in every Oregon county decided there was no valid reason why Oregon should be the exclusive property of the Republican Party. Spirit and persistence accounted for the change.

I discuss Oregon merely as a case in point. There are other one-party bastions and they, too, can be carried by a formidable political assault. Pennsylvania, with a 14-to-4 preponderance of Republican senatorial victories throughout its modern history, is succumbing to change. JOSEPH S. CLARK, Jr., is the first Democratic Senator from Pennsylvania in many years. And, now that President Eisenhower himself has twice breached many of the Democratic redoubts in the South, his party is looking southward for victories at other levels on the ballot.

Any invasion of a political stronghold, be it Republican or Democratic, is to the eventual advantage of democracy and progressive government. As one-party citadels fall, seniority will lose much of its attraction and influence in Congress. And as seniority is gradually modified, there will be less temptation for a State to continue suppliantly in the clutches of one political party. Both of these changes will help the Nation—inside the Halls of Congress as well as far beyond the Capitol Dome.

SENATE

WEDNESDAY, APRIL 10, 1957

(Legislative day of Tuesday, April 9, 1957)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou God within and behind the shadows: As again in these holy weeks the eternal Christ climbs new Calvarys with the cross that ne'er turns back, by the dire needs of our own sorely perplexed hearts we are driven to that strange Man lifted up from the earth. As again with unnumbered hosts we draw near to the place called Calvary, may we remember that not a nail touched His truth, that not a sword severed the secret of His power, that even a cross could not impede His progress. As crusaders in a holy cause, may we conquer by that sign, which forever is the emblem of joy through sorrow, strength out of weakness, triumph out of failure, song through sacrifice, gain through loss, and life through death.

In that faith, grant us of Thy mercy valiant hearts, that we may tread even an unknown road with uplifted heads, with smiling faces greeting the unseen, with a cheer, knowing that the victory of the third day is sure. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Tuesday, April 9, 1957, was approved, and its reading was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4136. An act to extend the period within which Export-Import Bank of Washington may make loans; and

H. R. 6700. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1958, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 4136. An act to extend the period within which Export-Import Bank of Washington may make loans; to the Committee on Banking and Currency.

H. R. 6700. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Fiscal Affairs Subcommittee of the Committee on the District of Columbia was authorized to meet today during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, during which Senators may introduce bills and transact other routine business; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to call the attention of the Senate to the fact that it is the hope of the leadership that it will be possible for the Senate to conclude action on the unfinished business and to proceed to consideration of the measures on the calendar on Friday. I should like to have all Senators be on notice that we expect to follow this procedure.

I should also like to inform the Senate that Order No. 224, Senate bill 1832, to authorize the appointment of one additional Assistant Secretary of State, has been cleared for consideration; and if it is not passed during the call of the calendar, it is our intention that it be taken up by motion.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority for the quarter ended December 31, 1956 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS

A letter from the Secretary of Defense, transmitting, pursuant to law, his report on the payment of claims arising from the correction of military or naval records, for the period July 1, 1956, through December 31, 1956 (with an accompanying report); to the Committee on the Judiciary.

REVISION OF LAWS RELATING TO HANDLING OF CERTAIN MAIL

A letter from the Deputy Postmaster General, Washington, D. C., transmitting a draft of proposed legislation to revise the laws relating to the handling of short paid and undeliverable mail, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Illinois; to the Committee on Banking and Currency:

"Senate Joint Resolution 20

"Whereas, the Senate and House of Representatives of the United States are considering legislation known as area redevelopment programs, which provide for long-term loans or grants-in-aid to areas of high chronic unemployment for the purpose of establishing long-term public-aid programs which would provide immediate employment and ultimately develop permanent opportunities for employment in these areas, and increase their economic productivity by the development of the natural resources therein contained; and

"Whereas there are certain areas in Illinois which are in dire need of such assistance, especially in the Big Muddy River watershed in southern Illinois where the cost of public aid and assistance is extremely high; and

"Whereas this State, and especially this 70th general assembly, has expressed grave concern over the high cost of public aid and assistance in this State, and everyone concerned is anxious to find permanent remedies for reducing such costs; and

"Whereas this State has already expressed an interest in the development of water resources in this State by creating a committee to study such resources, and by conducting, under the supervision of the division of waterways, a study of the feasibility of constructing a reservoir at Rend City on the Big Muddy River: Therefore be it

"*Resolved by the Senate of the 70th General Assembly of the State of Illinois (the House of Representatives concurring herein)*, That we respectfully request and recommend that the Senate and House of Representatives of the United States give favorable consideration to the passage of area-development programs which would provide aid and assistance to depressed areas through the development of natural resources; and be it further

Resolved, That suitable copies of this preamble and resolution be forwarded by the secretary of state to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States and to the Senators and Congressmen representing the State of Illinois in the Congress of the United States, and to every member of the Banking and Currency Committee of the United States Senate.

"Adopted by the senate March 20, 1957.

"JOHN WM. CHAPMAN,
"President of the Senate.

"EDWARD E. FERNANDES,
"Secretary of the Senate.

"Concurred in by the house of representatives, March 28, 1957.

"WARREN L. WOOD,
"Speaker of House of Representatives.

"FRED W. BUBOG,
"Clerk of House of Representatives."

The petition of Joseph B. Lasner, of Syracuse, N. Y., relating to the withholding of income taxes (with an accompanying paper); to the Committee on Finance.

CONCURRENT RESOLUTION OF IOWA LEGISLATURE

Mr. HICKENLOOPER. Mr. President, I have received Senate Concurrent Resolution No. 21 of the Iowa Legislature, with respect to petitioning Congress to remove or substantially alter the excise taxes on the transportation of persons and property in the United States.

I present the concurrent resolution, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 21

Whereas during the emergency of World War II, the Congress of the United States enacted an excise-tax levy on the transportation of property and persons; and

Whereas the tax on transportation of property and persons was designed for a double motive, to supply revenue and for the principal purpose of discouraging unnecessary civilian use of common carriers when their services were needed in the war effort; and

Whereas though the hostilities have long since ceased, the tax on transportation of property and persons still continues to be an effective deterrent to such transportation and is now effective in weakening the national transportation system contrary to the best public interest; and

Whereas the national policy declared by the Congress of the United States in the Interstate Commerce Act calls for the development and preservation of a national transportation system adequate to meet the needs of commerce, postal service, and the national defense; and

Whereas the publicly regulated carriers are the collectors of the tax for the Government, the tax adds to the shipping cost paid by the shipper or receiver who uses the regulated carrier and it, therefore, places an undue and unfair advantage in the hands of those who can afford to furnish their own transportation as against the small shipper or receiver who, because of his economic station, is compelled to use the regulated carrier. It also creates an inequality between the shipper who has a long haul and one who has a short haul on the same regulated carrier because the excise tax is levied as a percentage of the cost of the transportation; and

Whereas transportation is not by any standard a luxury, and sound reasoning allows us to distinguish between the excise tax on transportation and other excise taxes on luxury items; and

Whereas it is the opinion of the General Assembly of the State of Iowa that the best interest of the citizens of the State and the Nation will best be served by the removal of the excise taxes on transportation: Therefore be it

Resolved by the senate (the house concurring), That it shall be the manifest expression of the 57th general assembly that the discriminatory and burdensome excise taxes on transportation of persons and property be removed by the Congress of the United States; and be it further

Resolved, That a copy of the resolution be communicated to the Members of Congress from Iowa and that a copy of said resolution be communicated to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance in the Senate of the United States Congress.

W. H. TATE.

We, William H. Nicholas, Lieutenant Governor of Iowa, Richard W. Berglund, secretary of the senate, W. L. Mooty, speaker of the house of representatives, and William R. Kendrick, acting chief clerk of the house of representatives, hereby certify that the above and foregoing resolution was adopted by the

Senate and House of the 57th General Assembly of Iowa.

RICHARD W. BERGLUND,
Secretary of the Senate.
WILLIAM R. KENDRICK,
Acting Chief Clerk of the House.
WILLIAM H. NICHOLAS,
Lieutenant Governor of Iowa.
W. L. MOOTY,
Speaker of the House.

By Mr. MAGNUSON:

Three joint resolutions of the Legislature of the State of Washington; to the Committee on Public Works:

"Senate Joint Memorial 3

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress Assembled, and to the Secretary of Commerce of the United States:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in order to facilitate the flow of traffic across the State of Washington from centers of population south of the city of Seattle to the central and southwestern parts of the State, and to the States of Idaho and Oregon it is urgently necessary that a second highway be improved; and

"Whereas Washington State Highway No. 5, being United States Route No. 410, known as the National Park Highway is ideal for this purpose: Now, therefore, be it

"*Resolved by the Senate and House of Representatives of the State of Washington in legislative session assembled,* That we respectively memorialize and petition the President of the United States and the Secretary of Commerce of the United States to take whatever steps that may be necessary to designate Washington State Highway No. 5, being United States Route No. 410, as an alternate to United States Route No. 10 and to incorporate State Highway No. 5, being United States Route No. 410, into the National Interstate and Defense Highway System; and be it further

"*Resolved,* That copies of this memorial be transmitted to the President of the United States, the Secretary of Commerce of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each Senator and Representative in Congress from the State of Washington.

"WARD BOWDEN,
"Secretary of the Senate."

"Substitute Senate Joint Memorial 12

"*To the Honorable Senate and the House of Representatives of the United States in Congress Assembled:*

"We, your memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the continued welfare and proper economic growth and development of the State of Washington depends on the unimpeded movement of waterborne commerce along the Columbia River, and particularly upon a ship channel and navigation locks which are adequate for the movement of loaded deep-draft vessels; and

"Whereas the Federal Government recognizes that the benefits of trade, commerce, and industry to all of its citizens and the vital national-defense features inherent in a system of adequately developed waterways throughout the United States requires it to maintain through the Corps of Engineers of the Department of the Army a channel 35-feet deep and 500-feet wide from Vancouver, Wash., to The Dalles, Oreg., as evidenced by prior congressional authorization and approval of such channel; and

"Whereas the present ship channel has been permitted to silt in and has not been properly maintained at the depth previously authorized and previously maintained and is at present of insufficient width and depth to allow safe, proper, or unimpeded navigation by deep-draft vessels; and

"Whereas the present inadequacy of the said channel limits the movement and size of vessels and cargo and is a continuous threat to the safety of navigation and results in an adverse effect upon the welfare of all Columbia River ports: Now, therefore, be it

"*Resolved by the Senate of the State of Washington (the House of Representatives jointly concurring therein),* That the Congress of the United States be, and it hereby is, urged to take immediate action to improve and implement the present channel from Vancouver, Wash., to The Dalles, Oreg., by appropriating funds with which said channel can be immediately dredged to the authorized depth and width to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon trade, commerce, industry, and the general welfare; and be it further

"*Resolved,* That the Congress of the United States be, and it hereby is, urged to authorize immediate modification of the navigation locks at Bonneville Dam to increase the width to 86 feet and length to 650 feet and to remove existing channel obstructions above said navigation locks before the restricting and hazardous nature of the existing channel effects an even greater and more disastrous effect upon the welfare of the citizens of the Columbia River, the residents of Oregon and Washington, and of the Pacific Northwest, and the citizens of the United States; and be it further

"*Resolved,* That copies of this memorial be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Secretary of Defense, the Secretary of the Army, the Chief of the Corps of Engineers of the Department of the Army, and to all members of the Washington congressional delegation."

"Senate Joint Memorial 14

"*To the Honorable Senate and House of Representatives of the United States in Congress Assembled:*

"We, your memorialists, the members of the Senate and House of Representatives of the State of Washington, in legislative session assembled, do respectfully represent and petition as follows:

"Whereas the State of Idaho, adjoining the easterly border of the State of Washington, is approximately 550 miles in length from north to south and there are only 3 highways across the State of Idaho in an easterly and westerly direction, namely, U. S. Highways No. 2 and No. 10 in the north and U. S. Highway No. 30 in the south, the 2 highways last mentioned being at least 400 miles apart at the points where they cross the mountainous easterly borders of the State of Idaho; and

"Whereas in the event of hostilities involving the Pacific Northwest, highway facilities from the State of Washington in an easterly direction toward the Middle West would be of paramount and vital importance both from the standpoint of military defense and for the evacuation of civilians; and

"Whereas the Lewis and Clark Highway when completed, will join the States of Washington, Idaho, and Montana by a direct water-grade route, and thus provide a fourth means of east-west travel between the Pacific Northwest and the Middle West; and

"Whereas the unconstructed portion of the Lewis and Clark Highway is only 25 miles in length and lies entirely within the State of Idaho; and

"Whereas the Lewis and Clark Highway when completed will traverse or closely parallel the route of the Lewis and Clark Expedition, which opened up the Pacific Northwest over 150 years ago and would be a fitting memorial to those explorers: Now, therefore, be it

"*Resolved,* That we, the Senate and House of Representatives of the Legislature of the State of Washington, now in its 38th session, do respectfully and earnestly request the Congress of the United States to authorize and appropriate sufficient moneys to provide for the construction and completion of said unfinished link in said Lewis and Clark Highway at the earliest practicable date; be it further

"*Resolved,* That the secretary of state of the State of Washington be authorized, and he is hereby directed to forward certified copies of this memorial to the President of the United States, the Senate and the House of Representatives of the United States, and to the Senators and Representatives representing this State in the Congress of the United States.

"Passed the senate February 27, 1957.

"JOHN A. CHERBERG,
"President of the Senate.

"Passed the house March 11, 1957.

"JOHN L. O'BRIEN,
"Speaker of the House."

A joint resolution of the Legislature of the State of Washington; to the Committee on Finance:

"Senate Joint Memorial 16

"*To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress Assembled:*

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas for the purpose of meeting wartime emergency necessity, the Congress of the United States enacted as excise taxes a levy upon the transportation of persons and property; and

"Whereas one of the principal purposes of levying such tax upon the transportation of persons was to discourage unnecessary wartime travel; and

"Whereas today, 12 years after the cessation of hostilities, there continues a 10 percent levy on the transportation of persons and a 3 percent levy on the transportation of property; and

"Whereas it is the opinion of the Legislature of the State of Washington that excise taxes should not impose an unfair burden on the long distance shipper and the long distance traveler as does the present tax on the transportation of property and persons; and

"Whereas it should be a principle of Federal taxation to levy taxes in such a manner as to prevent them from falling as an unequal burden on citizens residing in different areas of the country; and

"Whereas the distances to, from and within the West impose an unfair burden on the western traveler and shipper; and

"Whereas the present transportation tax on property is unfairly burdensome upon the State of Washington as it adds what is in effect an additional tariff on the goods shipped from Washington to the eastern markets; and

"Whereas the development and preservation of open markets leads to the efficient development and stimulation of the agricultural resources of the Nation; and

"Whereas the State of Washington is particularly interested in preserving the eastern market as an open market in which the agricultural products of Washington may compete freely without the hindrance of artificial barriers such as the present transportation tax; and

"Whereas the State of Washington is particularly interested in protecting and developing its vacation and tourist travel on an equal basis with other vacation travel areas; and

"Whereas the transportation of both persons and property plays such a vital role in the economic life of this country to the extent that the costs of transportation should always be kept at the lowest possible level; and

"Whereas transportation is in no sense a luxury but is a vital necessity and there is, therefore, sound reason for distinguishing between the transportation taxes and other excise taxes that are imposed upon luxury items; and

"Whereas it is the opinion of the Legislature of the State of Washington that the best interest of the country and particularly the Western States, who are now discriminated against by the present transportation taxes, would be served by a repeal of those taxes; and

"Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of property and which would repeal the tax on transportation of person: Now, therefore, be it

"*Resolved,* That the Legislature of the State of Washington respectfully memorializes the Congress of the United States to enact into law such legislation or any other bill or bills which would accomplish the same purpose; and be it further

"*Resolved,* That the secretary of the senate be hereby directed to transmit copies of this memorial to the President and Vice President of the United States and to each Senator and Representative from Washington in the Congress of the United States.

"WARD BOWDEN,
"Secretary of the Senate."

LETTER FROM INTERNATIONAL GUARDS UNION OF AMERICA, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I have just received a letter from the International Guards Union of America, Twin Cities Guards Local, No. 42, concerning the provision contained in section 9 (B) of the Taft-Hartley Act, depriving any guard's union from affiliating with any other union which admits employees other than guards to membership.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

INTERNATIONAL GUARDS UNION
OF AMERICA,
TWIN CITIES GUARDS UNION,
LOCAL NO. 42,
Minneapolis, Minn, April 1, 1957.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: With the beginning of the 85th Congress, undoubtedly there will be many pieces of legislation for your consideration. As members of the legislative committee of Local No. 42 of the International Guards Union of America, we urge you to help our members throughout the Nation by giving them the same privilege enjoyed by other union members, the right to join the union of our choice.

In section 9, paragraph B of the Labor Management Relations Act of 1947, the Guards Union is denied the right to affiliate with any union which admits to membership employees other than guards. This unfair law makes it impossible for the plant guard to join the national labor movement. Our international organization can have no connections directly or indirectly with the AFL-CIO, for to do so would place the guard union in violation of the Taft-Hartley Act. Our international and local units thus remain weak, unable to organize new members or provide full union security for our present membership.

We the guards of America ask you to give some serious thought to our plight and support our effort to become first-class Americans. By giving us the right to join the AFL-CIO movement you would be helping make the plant guard a respected employee and a useful member of his community.

Yours very truly,

JOHN B. SAVARD,
ERLING H. PETERSON,
DELLAS E. GATTEN.

THE WILDERNESS AREAS—LETTER AND RESOLUTIONS

Mr. HUMPHREY. Mr. President, I have just received three items dealing with the question of wilderness areas.

The first of these is a letter from the United Northern Sportsmen of Duluth, in support of S. 1666, a bill which I have introduced calling for a wilderness preservation stamp.

The second is a resolution just adopted by the executive committee of the National Parks Association. It has reference to bills now pending in Congress which would establish a national wilderness preservation system. The appropriate bill in the Senate is S. 1176, the so-called wilderness preservation bill, introduced by myself and several of my colleagues.

The third item is a resolution on this same subject by the Izaak Walton League of America. The resolution was adopted at the league's 35th annual national convention on April 6, in Washington, D. C.

Mr. President, I ask unanimous consent that these three items be printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Post Office and Civil Service:

UNITED NORTHERN SPORTSMEN,
Duluth, Minn., April 10, 1957.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: Our club, the United Northern Sportsmen of Duluth, recently went on record in support of bill S. 1666, which pertains to the proposed wilderness preservation stamps.

As the bill states, it would do wonders in acquainting the general public that such a paradise as the wilderness area still exists and is being preserved for future generations.

We want you to know that you have our full support in bringing about the issuing of these wilderness preservation stamps.

Yours very truly,

UNITED NORTHERN SPORTSMEN,
JAMES C. JOHNSON, *Secretary.*

To the Committee on Interior and Insular Affairs:

NATIONAL PARKS ASSOCIATION,
Washington, D. C., April 3, 1957.

Senator HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: You will be pleased to know that at its meeting yesterday the executive committee of the National Parks Association adopted the following resolution in relation to the wilderness bills:

"The protection and perpetuation of wilderness is one of the primary purposes for which the National Parks Association was established. From its founding in 1919, the association has steadfastly supported programs for the preservation of our wilderness resources in our national parks, national forests, State parks, and wherever it [illegible] as part of the American scene.

"The reservation of the nat[illegible] tem and of the wilderness [illegible] wild areas in the national forests [illegible] stimulated public recognition of the outstanding contributions preservation of the natural outdoors make to the welfare of the people. Increased population pressures, combined with the expanding urbanization of our culture and the advent of more leisure time, have multiplied the pressures on our national parks and similar areas and have made imperative permanent reservation of suitable lands to fill this need.

"Perpetuation of the wilderness resource is contingent on the strongest possible safeguards to prevent its destruction or dilution, once it has been determined this resource represents the highest and wisest use for a particular land area. The association believes recognition of the value of wilderness as a policy of the Congress is essential to insure permanence to this program.

"Therefore, the National Parks Association affirms its support of legislation now before Congress to establish a national wilderness preservation system, and endorses that legislation in the belief it is essential to the welfare of the Nation."

We are eager to do anything we can to promote the purposes of this bill, and to assist in securing the enactment of the most effective legislation possible to insure the continued preservation of the wilderness resources in the United States.

With best wishes,

Yours sincerely,

FRED M. PACKARD,
Executive Secretary.

RESOLUTION 3, WILDERNESS PERPETUATION

Whereas the protection and perpetuation of wilderness was a major resource conservation principle upon which the Izaak Walton League of America, Inc., was founded;

And the Izaak Walton League, from its earliest days, has steadfastly supported programs at National, State, and local levels for the protection and perpetuation of wilderness;

And the wilderness system developed within our national forests, national parks, wildlife refuges, Indian reservations, and public domain has demonstrated its broad public value in the land-management programs of the Federal Government;

And pressures are multiplied on the remaining wilderness by spiraling population, expanding urbanization, industrialization, and increasingly intensive development of all resources for commercial benefit, which inevitably will encroach upon it to its permanent detriment and loss unless wilderness preservation is adopted as an important and beneficial component of sound land management policy and programs: Therefore be it

Resolved, That the Izaak Walton League of America, Inc., in 35th annual convention assembled this 6th day of April 1957 in

Washington, D. C., that the Congress of the United States of America respectfully be urged to enact legislation which shall adopt as a national policy, in the interests of all people of this and succeeding generations, the protection and perpetuation of our remaining areas of wilderness as a part of the total land-management programs of executive departments administering the Federal public lands; and be it finally

Resolved, That the national president of the Izaak Walton League of America, Inc., appoint, within 30 days after the close of this convention, a committee to take all practical steps necessary to implement this resolution and to bring it to the attention of all persons and groups important to affirmative action upon its provisions, said committee to report at the 1958 national convention of the Izaak Walton League of America, Inc., or before as required.

Resolution adopted.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BYRD, from the Committee on Finance, with an amendment:

H. R. 5520. An act to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds (Rept. No. 224).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Henry O. Fortin, Lawrence W. Swanson, and Gilbert R. Fish, for permanent appointment in the Coast and Geodetic Survey.

By Mr. GREEN, from the Committee on Foreign Relations, without amendment:

Executive F, 85th Congress, 1st session. A protocol to the International Convention for the Northwest Atlantic Fisheries (Ex. Rept. No. 1).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG (for himself and Mr. LANGER):

S. 1833. A bill for the relief of Janos Schreiner; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1834. A bill for the relief of Carmella D'Augustino; and

S. 1835. A bill for the relief of Maria Domenica Ricci; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1836. A bill to amend title 4 of the United States Code to provide that the permission thereby granted to States to impose sales and use taxes in Federal areas shall not apply in the case of certain national parks; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1837. A bill to amend the Internal Revenue Code of 1954 to reduce and eventually repeal the taxes on the transportation of property; to the Committee on Finance.

By Mr. KEFAUVER:

S. 1838. A bill for the relief of Charles Douglas; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1839. A bill to permit Indians who are holders of beneficial interests under patents of allotted and restricted lands to secure refunds of income taxes paid to the United States on income from such lands which has been held exempt from Federal income tax; to the Committee on the Judiciary.

By Mr. NEELY (by request):

S. 1840. A bill to amend the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937, as amended;

S. 1841. A bill to authorize the District of Columbia Board of Education to employ retired teachers as substitute teachers in the public schools of the District of Columbia;

S. 1842. A bill to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925; and

S. 1843. A bill to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942; to the Committee on the District of Columbia.

By Mr. KNOWLAND:

S. 1844. A bill for the relief of Bruno Maurovich and Jerry Claudio Maurovich; to the Committee on the Judiciary.

By Mr. LONG:

S. 1845. A bill to create a Czechoslovakian Claims Fund to settle claims of certain United States nationals against Czechoslovakia; to the Committee on the Judiciary.

By Mr. BEALL (for himself and Mr. JAVITS):

S. 1846. A bill to provide for the District of Columbia an appointed governor and lieutenant governor, and an elected legislative assembly and nonvoting delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. BEALL when he introduced the above bill, which appear under a separate heading.)

By Mr. HENNINGS:

S. 1847. A bill for the relief of Martha So-Shin Hsia; to the Committee on the Judiciary.

By Mr. MORSE:

S. 1848. A bill for the relief of Michelle Patricia Hill (Patricia Adachi); to the Committee on the Judiciary.

S. 1849. A bill to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (by request):

S. 1850. A bill to adjust conditions of employment in Departments or Agencies in the Canal Zone; and

S. 1851. A bill to clarify the law relating to the acceptance of business reply cards and letters in business reply envelopes, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMATHERS:

S. 1852. A bill to amend section 402 (b) of the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY (for himself and Mr. McNAMARA):

S. 1853. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of enterprises engaged in commerce or in the production of goods or services for commerce or the sale thereof, to eliminate certain exemptions, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. BEALL. Mr. President, I introduce, for appropriate reference, the administration's home rule bill for the District of Columbia, and to permit the residents of the District of Columbia to elect their own legislative assembly. In introducing the bill, I am joined by the Senator from New York [Mr. JAVITS], as a cosponsor.

I ask unanimous consent that the bill lie on the table for 2 days, to permit other Senators to join in sponsoring it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Maryland.

The bill (S. 1846) to provide for the District of Columbia an appointed governor and lieutenant governor, and an elected legislative assembly and nonvoting delegate to the House of Representatives, and for other purposes, introduced by Mr. BEALL (for himself and Mr. JAVITS), was received, read twice by its title, and referred to the Committee on the District of Columbia.

ADMINISTRATION OF PUBLIC ASSISTANCE IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill to provide for more effective administration of public assistance in the District of Columbia, so as to make certain relatives responsible for the support of needy persons, and for other purposes. The bill has been prepared by the Commissioners of the District of Columbia.

Mr. President, I am very happy to introduce the bill, for hearing purposes. We shall hold early hearings on the bill, before the Subcommittee on Public Welfare, of the Committee on the District of Columbia.

I merely wish to say, Mr. President, that one need only attend the hearings on public-welfare problems in the District of Columbia, which I have been holding during the past several weeks, and to go—as several of my colleagues and I did, along with members of the staff—to the underdeveloped areas of the District of Columbia, to know that we have a great moral obligation to the District of Columbia which we are failing to fulfill. If we really mean it when we bow our heads to spiritual tenets such as the one that we are our brother's keeper, we cannot justify the course of action, being followed at the present time in the Congress, on the basis of false-economy proposals, because we have no moral right to economize in the case of the welfare needs of less fortunate brethren.

I do not know to what extent the bill I am introducing this afternoon will meet the shocking needs of the District of Columbia in the field of human welfare; but I shall hold early hearings on the bill, in an endeavor to have the record demonstrate to what extent the bill would be a helpful legislative vehicle for providing assistance to unfortunate brethren in the District of Columbia in

response to a need which some of us have with our own eyes seen is a crying one.

Mr. President, I introduce the bill, and ask unanimous consent to have it printed in the RECORD, as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1849) to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Mr. MORSE introduced the following bill; which was read twice and referred to the Committee on District of Columbia:

Be it enacted, etc., That this act may be cited as the "District of Columbia Public Assistance Act of 1957."

DEFINITIONS

SEC. 2. As used in this act, the word "District" means the District of Columbia; the word "Commissioners" means the Commissioners of the District of Columbia or the agents, agencies, officers, and employees designated by them to perform any function vested in them by this act; the term "public assistance" means payment in or by money, medical care, remedial care, goods, or services to, or for the benefit of, needy persons; the word "recipient" means a person to whom or on whose behalf public assistance is granted and the word "State" includes Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

FUNCTIONS OF COMMISSIONERS

SEC. 3. This act shall be administered by the Commissioners, who shall—

(a) Establish such categories of public assistance as they deem appropriate;

(b) provide for maximum cooperation with other agencies in maintaining and strengthening family life and in rehabilitating recipients to help them attain self-support or self-care;

(c) establish and enforce such rules and regulations as may be necessary or desirable to carry out the provisions of this act;

(d) cooperate in all necessary respects with agencies of the United States Government in the administration of this act, and accept any funds, goods, or services payable to the District for public assistance, and for administering public assistance;

(e) enter into reciprocal agreements with any State relative to the provisions of public assistance to residents and nonresidents; and

(f) promulgate regulations to carry out the purposes of this act.

ELIGIBILITY FOR PUBLIC ASSISTANCE

SEC. 4. Public assistance shall be awarded to or on behalf of any needy individual who either (a) has resided in the District for 1 year immediately preceding the date of filing his application for such assistance; or (b) is otherwise within one of the categories of public assistance established by the Commissioners pursuant to this act.

AMOUNT OF PUBLIC ASSISTANCE

SEC. 5. The amount of public assistance which any person shall receive shall be determined in accordance with regulations approved by the Commissioners.

APPLICATION FOR PUBLIC ASSISTANCE

SEC. 6. Application for public assistance shall be accepted from, or on behalf of, any person who believes himself eligible for public assistance. Such application shall be made in the manner and form prescribed by the Commissioners, and shall contain such information as the Commissioners shall require.

INVESTIGATION OF APPLICANT

SEC. 7. Whenever the Commissioners shall receive an application for public assistance, they shall promptly make an investigation and record of the circumstances of the applicant in order to ascertain the facts supporting the application and to obtain such other information as they may require.

AWARD AND PAYMENT OF PUBLIC ASSISTANCE

SEC. 8 (a) Upon completion of the investigation, the Commissioners shall determine whether the applicant is eligible for public assistance, the type and amount of public assistance for which he is eligible, and the date from which such public assistance shall begin, and shall furnish public assistance with reasonable promptness to all eligible persons: *Provided*, That such date shall not be prior to the first day of the calendar month in which such determination is made.

(b) Money payments of public assistance shall be made by check. In emergency cases under section 10 of this act, money payments of public assistance may be made in cash, and to accomplish such purpose the Commissioners are authorized to make necessary provisions for advancing from time to time to one or more officers or employees of the District such sum or sums as the Commissioners may determine: *Provided*, That no such advance shall be made to any such officer or employee who has not been previously bonded in such amount and form as the Commissioners shall determine.

RECIPIENT INCAPACITATED

SEC. 9. If a recipient is found by the Commissioners to be incapable of taking care of himself, his property, or his money, public assistance payments may be made for his benefit to any responsible person approved by the Commissioners.

EMERGENCY PUBLIC ASSISTANCE

SEC. 10. The Commissioners may grant emergency public assistance pending completion of investigation when eligibility has been established pursuant to section 4 of this act: *Provided*, That such emergency assistance shall not be granted in any case for a period exceeding 60 days.

REDETERMINATION OF GRANTS

SEC. 11. All public-assistance grants made under this act shall be reconsidered by the Commissioners as frequently as they may deem necessary. After such further investigations as the Commissioners may deem necessary, the amount of public assistance may be changed, or may be entirely withdrawn, if the Commissioners find that any such grant has been made erroneously, or if they find that the recipient's circumstances have altered sufficiently to warrant such action. If at any time during the continuance of public assistance the recipient thereof becomes possessed of income or resources in excess of the amount previously reported by him, or if other changes should occur in the circumstances previously reported by him which would alter either his need or his eligibility, it shall be his duty to notify the Commissioners of such fact immediately on the receipt or possession of such additional income or resources, or on the change of circumstances.

RECORDS

SEC. 12. (a) The Commissioners are directed to prescribe regulations governing the custody, use, and preservation of the records, papers, files, and communications of the Commissioners relating to public assistance. Except as herein otherwise provided, such regulations shall provide safeguards restricting the use or disclosure of information concerning applicants for, or recipients of, public assistance to purposes directly connected with the administration of public assistance. The Commissioners are authorized, in their discretion, to include in such regulations provisions for the public to have access to the records of disbursement or payment of public assistance made after the effective date of this act.

(b) No person who obtains information by virtue of any regulation made pursuant to subsection (a) of this section shall use such information for commercial or political purposes.

(c) This section and section 13 of this act shall be construed as State legislation conforming to the requirements of section 618 of the Revenue Act of 1951 (Public Law 183, 82d Cong.).

PENALTIES

SEC. 13. Any person violating any regulation made pursuant to this act or any person violating subsection (b) of section 12 of this act shall be punished by a fine of not more than $500, or by imprisonment of not more than 90 days, or by both such fine and imprisonment. Prosecutions for such violations and for violations of section 17 (a) of this act shall be brought in the municipal court for the District of Columbia by the corporation counsel or any of his assistants.

FUNERAL EXPENSES

SEC. 14. On the death of a recipient, reasonable funeral expenses may be paid, subject to rules and regulations approved by the Commissioners.

HEARINGS

SEC. 15. An applicant for, or recipient of, public assistance, aggrieved by the action or inaction, of the Commissioners shall be entitled to a hearing. Each applicant or recipient shall be notified of his right to a hearing. Upon request for such hearing, reasonable notice of the time and place thereof shall be given to such applicant or recipient. Such hearing shall be conducted in accordance with rules and regulations prescribed by the Commissioners. The findings of the Commissioners on any appeal shall be final.

PUBLIC ASSISTANCE NOT ASSIGNABLE

SEC. 16. Public assistance awarded under this act shall not be transferable or assignable at law or in equity, and none of the money paid or payable under this act shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

FRAUD IN OBTAINING PUBLIC ASSISTANCE—REPAYMENT

SEC. 17. (a) Any person who by means of false statement, failure to disclose information, or impersonation, or by other fraudulent device obtains or attempts to obtain (1) any grant or payment of public assistance to which he is not entitled; (2) a larger amount of public assistance than that to which he is entitled; or (3) payment of any forfeited grant of public assistance; or any person who with intent to defraud the District aids or abets in the buying or in any way disposing of the real property of a recipient of public assistance, shall be guilty of a misdemeanor and shall be sentenced to pay a fine of not more than $500, or imprisoned not to exceed 1 year, or both.

(b) Any person who obtains any payment of public assistance to which he is not entitled shall be liable to repay such sum. In any case in which, under this section, a person is liable to repay any sum, such sum may be collected without interest by civil action brought in the name of the District. Any repayment required by this subsection may, in the discretion of the Commissioners, be waived in whole or in part, upon a finding

by the Commissioners that such repayment would deprive such person, his spouse, parent, or child of shelter or subsistence needed to enable such person, spouse, parent, or child to maintain a minimum standard of health and well-being.

PROPERTY

SEC. 18. (a) At the death of any person who has received public assistance pursuant to the provisions of this act, or of any act repealed by this act, the District shall have a preferred claim for the amount of any such public assistance against the estate of the deceased recipient. Notwithstanding the provisions of any other law, no statute of limitations shall be deemed applicable as a defense to any claim of the District made pursuant to this section. The Commissioners are authorized to waive any such claim when in their judgment they deem it appropriate to do so.

(b) In addition to the remedy provided by subsection (a) of this section, or by any other provision of law, the Commissioners may file a notice in the office of the Recorder of Deeds in any case where public assistance is granted to any person under this act, and such notice shall constitute and have the effect of a lien in favor of the District against the real property of such person for the amount of the public assistance which theretofore has been granted or which may thereafter be granted to, or on behalf of, such person. Any such lien may be enforced by a proceeding filed in the United States District Court for the District of Columbia. The Commissioners shall file in the office of the Recorder of Deeds a release of any such real property from the effect of such lien whenever there has been repaid to the District the amount of the public assistance theretofore granted to, or on behalf of, such person. The Commissioners are also authorized to release any such lien when in their judgment they deem it appropriate to do so. Such notices and releases may be filed without payment of fees.

(c) If the District collects from any recipient of public assistance or from his estate, or otherwise, any amount with respect to public assistance furnished him under this act, or under any act repealed by this act, the pro rata share to which the United States is equitably entitled shall be paid to the United States in accordance with the provisions of the Social Security Act, as amended (title 42, U. S. C., secs. 303, 603, 1203, and 1353). The pro rata share due the District shall be deposited as miscellaneous receipts to the credit of the District.

RESPONSIBLE RELATIVES

SEC. 19. (a) The husband, wife, father, mother, or adult child of a recipient of public assistance, or of a person in need thereof, shall, according to his ability to pay, be responsible for the support of such person. Any such recipient of public assistance or person in need thereof or the Commissioners may bring an action to require such husband, wife, father, mother, or adult child to provide such support and the court shall have the power to make orders requiring such husband, wife, father, mother, or adult child to pay to such recipient of public assistance or to such person in need thereof such sum or sums of money in such installments as the court in its discretion may direct and such orders may be enforced in the same manner as orders for alimony.

(b) The Commissioners shall be empowered on behalf of the District to sue such husband, wife, father, mother, or adult child for the amount of public assistance granted under this act or under any act repealed by this act to such recipient or for so much thereof as such husband, wife, father, mother, or adult child is reasonably able to pay.

(c) All suits, actions, and court proceedings under this section shall be brought in the domestic relations branch of the municipal court for the District of Clumbia. To the extent applicable, the provisions of the act entitled "An act to establish a domestic relations branch in the municipal court for the District of Columbia, and for other purposes," approved April 11, 1956, shall be followed in suits, actions, and proceedings brought pursuant to this section.

PAYMENT OF EXPENSES

SEC. 20. All necessary expenses incurred by the District in carrying out the provisions of this act shall be disbursed in the same manner as other expenses of the District are disbursed.

RELIEF FROM LIABILITY

SEC. 21. The Comptroller General may, in his discretion, relieve any disbursing, certifying, or approving officer of liability on account of any otherwise proper payment for public assistance made by the District prior to the effective date of Public Law 84, 83d Congress (65 Stat. 124), whenever he finds (1) that the disbursement, certification, or approval was based on official records and the responsible officer did not know, and by reasonable diligence and inquiry could not have ascertained, the actual facts, or (2) that the payment, certification, or approval was made in good faith and that the payment was not contrary to any statutory provision specifically prohibiting payments of the character involved.

DELEGATION OF AUTHORITY

SEC. 22. The Commissioners are authorized to make provisions for delegation and subdelegation of any function vested in them by this act to any agency, officer, or employee of the District.

VOLUNTARY SERVICES

SEC. 23. The Commissioners are authorized to accept voluntary services in administering the provisions of this act. Such voluntary services shall not create any obligation against the District.

APPROPRIATIONS

SEC. 24. (a) The Commissioners shall include in their annual estimates of appropriations such sums as may be needed to carry out the provisions of this act.

(b) Unobligated balances of appropriations for the Department of Public Welfare are hereby made available for the purposes of this act.

REPEALS

SEC. 25. The following acts are hereby repealed: "The act entitled 'An act to provide aid to dependent children in the District of Columbia,'" approved June 14, 1944 (58 Stat. 277); the act entitled "An act to amend the code of laws for the District of Columbia in relation to providing assistance against old-age want," approved August 24, 1935 (49 Stat. 747); and the act entitled "An act to provide aid for needy blind persons of the District of Columbia and authorizing appropriations therefor," approved August 24, 1935 (49 Stat. 744), as amended. Notwithstanding such repeal, all claims of the District of Columbia for recovery of amounts expended for aid or assistance granted under such repealed acts which it now has, or which would have accrued had such acts not been repealed, shall be recoverable in the same manner and to the same extent such claims would be recoverable had such aid or assistance been granted under the provisions of this act.

REORGANIZATION

SEC. 26. Where any provision of this act refers to an office or agency abolished by Reorganization Plan No. 5 of 1952 (66 Stat. 824), such reference shall be deemed to be to the office, agency, or officer now or hereafter exercising the functions of the office or agency so abolished. Nothing contained in this act shall be construed as a limitation on the authority vested in the Commissioners by Reorganization Plan No. 5 of 1952.

VALIDITY

SEC. 27. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 28. This act shall take effect on the first day of the second month following the date of enactment.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him before Midwest Federation of College Young Republican Clubs, Madison, Wis., April 6, 1957.

By Mr. KUCHEL:

Address delivered by the Secretary of Agriculture before the Central Valley Empire Association, at Fresno, Calif., on March 19, 1957.

NOTICE OF HEARING ON NOMINATION OF J. LEE RANKIN TO BE SOLICITOR GENERAL OF THE UNITED STATES

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 30, 1957, at 11 a. m., in room 424, Senate Office Building, upon the nomination of J. Lee Rankin, of Nebraska, to be Solicitor General of the United States.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF JOHN MINOR WISDOM TO BE UNITED STATES CIRCUIT JUDGE, FIFTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, April 29, 1957, at 2 p. m., in room 424, Senate Office Building, upon the nomination of John Minor Wisdom, of Louisiana, to be United States circuit judge, fifth circuit, vice Wayne G. Borah, retired.

At the indicated time and place all persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

NOTICE OF HEARING ON SENATE BILL 1254

Mr. BUTLER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that the Subcommittee on Internal Security has scheduled a public hearing for Thursday, April 18, 1957, at 10:30 a. m., in room 424, Senate Office Building, on S. 1254, to accelerate consideration by the courts of criminal proceedings involving treason, espionage, sabotage, sedition, and subversive activities, and to increase to 15 years the statute of limitations applicable to such offenses.

It is requested that persons interested in appearing and testifying on the above-mentioned legislation communicate with the subcommittee in advance of the hearing, so that a list of witnesses may be prepared.

The PRESIDENT pro tempore. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Without objection, it is so ordered.

ACTION TAKEN IN DELAWARE AGAINST POLIO

Mr. FREAR. Mr. President, I should like to recognize, publicly, the fine cooperative effort of several organizations in Delaware in combating a problem of great urgency in public health. I am referring to the program of information and direct action against paralytic poliomyelitis, conceived by the Medical Society of Delaware, and now being executed by that society, the State board of health, and the National Foundation for Infantile Paralysis.

The medical profession is intimate with the suffering caused by disease. It is natural, then, that it should have been concerned by the failure of many of our citizens to accept the Salk poliomyelitis vaccine. Early in the year the Medical Society of Delaware began urging publicly that each individual accept the responsibility of acquiring immunity to polio. The response was not adequate. Despite the announced fact that in our State more than half of the victims of the paralytic form of the disease have been over 15 years of age, a large segment of Delaware's adult population remained unvaccinated.

The medical society then joined forces with the State board of health. Together, these organizations asked for and received from the General Assembly funds with which to purchase vaccine for public inoculation clinics. Volunteer doctors and nurses staffed the clinics. The Delaware chapter of the National Foundation for Infantile Paralysis provided volunteer registrars and organizational help. All work was done by volunteers, for the public good, and no charge was made.

The first series of clinics opened March 4, and has just been completed. Approximately 40,000 Delawareans between the ages of 20 and 45 have received the Salk vaccine in this manner. Almost as many have now received vaccine as private patients. This means that 3 of every 5 citizens of the State between these ages have begun to acquire immunity to paralytic polio. Not content, the 3 organizations are now conducting additional clinics. This time they will offer the public the first 2 shots of the triple-series vaccine.

I think that this is an excellent example of service in the public interest. It is not the usual policy of any professional group to donate services without regard for the ability of the recipient to pay. I think this is entirely as it should be, in view of the tradition in this country that those able to pay for services received should do so. This is one of the basis of a free-enterprise system. The Medical Society of Delaware has, however, recognized a state of danger, a condition in which our citizens were unnecessarily vulnerable to a crippling disease, and it has risen to meet that danger.

I commend the medical profession of Delaware and the cosponsors of this program for making a vital contribution to the welfare of our citizens. I think that this is a conclusive demonstration of the ability and willingness of doctors and health agencies to work cooperatively for the benefit of the public.

STATEMENT BY SECRETARY OF STATE BEFORE SPECIAL COMMITTEE TO STUDY THE FOREIGN AID PROGRAM

Mr. SMITH of New Jersey. Mr. President, the special committee composed of members of the Foreign Relations Committee, the Armed Services Committee, and the Appropriations Committee have been conducting hearings looking to complete overhauling of our foreign aid program and the establishment of new procedures.

On Monday last Mr. Dulles, Secretary of State, presented to the committee what might be called a new approach by the administration to the whole subject of foreign aid. As this statement of the administration's position may well be the basis of our future legislation on this subject, it has occurred to me that it would be of value to have the Dulles statement published in the CONGRESSIONAL RECORD for the benefit of all the Members of the Senate and of course, especially those who have not had the privilege of hearing testimony that the special committee had been taking.

I ask unanimous consent, Mr. President, that there be published in the body of the RECORD in connection with my remarks, the statement of Mr. Dulles to which I have referred and which was presented before the special Committee To Study the Foreign Aid Program on Monday, April 8.

I also ask unanimous consent to have published in the body of the RECORD following the Dulles statement an editorial from the New York Times of Tuesday, April 9, entitled "Mr. Dulles on Foreign Aid." This gives a good high-spot summary of the Dulles-administration proposal.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, BEFORE THE SENATE SPECIAL COMMITTEE TO STUDY THE FOREIGN AID PROGRAM, MONDAY, APRIL 8, 1957

Mr. Chairman, I am glad to respond to your committee's request that I discuss with you certain aspects of the mutual security program.

Before dealing with specific issues I should like to consider the basic purposes which, I believe, the legislation is designed to serve. These purposes provide the best guidelines for determining the form which the legislation should take.

SUPPORTING CONSIDERATIONS

I

The security and prosperity of the United States are bound up with the continued security and prosperity of other free nations. Trends in international political affairs, economic life, and most of all in military technology, link our fate ever more closely with that of other members of the free world community.

Our national policy must reflect this fundamental fact. Unless it does so we shall face a peril, the like of which we have never known.

The measures which we have been taking to avoid that peril are many; they are interlocking and mutually reinforcing. Perhaps because of this fact these measures have become somewhat confusing.

Congress can be expected to sustain a continuing program for creating security, strength, and opportunity abroad only if this is responsive to basic sentiments of the American people. Legislation as vital as this is to the welfare of the American people should be in a form which will enable them to understand it and to sponsor it with conviction.

II

Of all the purposes served by government, the first is to provide its citizens with security. That is one aspect, a major aspect, of our international policy. We seek to create as between the free nations a common defense which will give greater security than could be obtained by any one alone.

The concept of "common defense" is not new to our people. Our Nation was founded primarily to create a common defense and our Constitution specifies that as one of its major purposes.

The same considerations which in 1787 led our States to accept the necessity for a common defense, today require the nations of the free world to seek a common defense.

International communism today controls manpower which is about five times as large as that of the United States. It has great capacity to create the most modern instruments of mass destruction. It controls territories which provide staging areas for attack far more diversified and of much greater total strategic value than do territories under the sovereignty of the United States.

Under these circumstances it would be folly not to strive for a common defense with other free nations. That folly would permit ever more manpower, ever more natural resources and ever more strategic areas to fall under the domination of those who are bitterly hostile to us and our free institutions.

We have many treaties and congressional resolutions which proclaim that it would be dangerous to the peace and safety of the United States if other free nations succumbed to the aggression of international communism. We have collective defense treaties with 42 other nations and the recent Middle East Resolution authorizes a further extension of the area of common defense.

Upon these political foundations, we erect military defenses. Others contribute much to those defenses. But we too must contribute if the totality is to be adequate. For many nations cannot support the military establishments which, in the common interest, should be on their soil.

The collective defense which the United States shares with other nations benefits them, but it equally benefits us.

In this connection, I recall the testimony of the Chairman of the Joint Chiefs of Staff: "* * * the military aid program is part and parcel of the United States Defense Department program. The expenditures abroad in support of our alliances do not differ in purpose, scope, or objective from our own military expenditures."

It is the considered judgment of the President and his military advisers that the system of common defense, for which our military assistance is essential, is also the most effective way to provide for United States defense. To weaken that system by cutting our contribution to it would not involve a saving to the United States. On the contrary, it would require a far more costly defense program here at home. Even then, we would be less secure.

Our Nation accepts military burdens, not as an expression of our national aspirations, but as an elemental necessity. I do not doubt that the American people will continue to support the defense aspects of mutual security because of that necessity.

III

Programs of military defense alone, however, cannot assure that the free world will be maintained intact. There is also a threat to future independence and freedom where moderate leaders despair of being able to lift their nation out of hopeless poverty and stagnation.

As President Eisenhower said in his second inaugural address:

"In too much of the earth there is want, discord, danger. New forces and new nations stir and strive across the earth, with power to bring, by their fate, great good or great evil to the free world's future. From the deserts of north Africa to the islands of the South Pacific one-third of all mankind has entered upon an historic struggle for a new freedom: freedom from grinding poverty. Across all continents, nearly a billion people seek, sometimes almost in desperation, for the skills and knowledge and assistance by which they may satisfy from their own resources, the material wants common to all mankind."

It is in our direct self-interest that these new nations should succeed in the historic struggle of which the President spoke.

Our concern also stems from the historic conception of the American people as to the role of their nation in the world.

The American people believe in a moral law and that men and nations are bound by that law. As George Washington said in his Farewell Address, "Religion and morality are indispensable supports" of our free Government. And of moral and religious precepts, one of the most basic is the concept of the brotherhood of man.

That is why our people have never even tried to make their Nation into an oasis of prosperity in a world desert of human misery.

Another aspect of our faith is belief in the dignity and worth of the human individual everywhere. All men, our Declaration of Independence said, are endowed with inalienable rights to life, liberty and the pursuit of happiness.

That is why we hate a system which treats men as mere bits of matter to be made into the grinding cogs of some superstate machine. That is why we crave liberty for all men everywhere; and we want to protect liberty where it is, and to see it restored where it is lost.

Our founders did not see their experiment as a purely selfish enterprise. They had the courage to launch their principles into the world. What they did became known throughout the world as "the great American experiment." Abraham Lincoln said of our Declaration of Independence that it meant "liberty not only to the people of this country but hope for the world for all future time. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men."

Because we still retain that sense of mission we are eager that other lands and other people should know the blessings of liberty.

IV

We can, I think, see that what is now called the mutual-security program is the expression, under modern conditions, of two needs: (1) Our need for a common defense with other free nations willing to share with us the burdens and benefits of that relationship; and (2) the need to manifest realistically the faith with which our Nation has been imbued from its beginning, a faith which has made our Nation great in the best sense of that often-abused word.

And let me add that to suppress or to belittle the manifestation of that faith would serve us ill. No society can long survive without a faith which is dynamic and creative and which reaches out to others. If the day ever comes when our Nation is not responsive to the life giving qualities that are reflected in the developmental aspects of our program, then that will mark the beginning of our end.

APPLICATIONS

I

I turn now to the question of what substantive changes should be made in the form of the legislation to make it more responsive to the sentiments which support its dual purpose.

It seems to us that confusion has come at least in part from lumping together, as defense support, all kinds of economic assistance given to countries whose military programs we are supporting. Such confusion can be, and should be, ended.

Our support to these countries takes three principal forms: (1) Aid in terms of actual military goods, so-called end items; (ii) support of the economies to the extent required to enable these countries to carry the economic burden of armed forces which we and they agree are necessary for the common defense; and then (iii) the economic-development programs, including technical assistance, which we might be engaged in irrespective of our military ties.

It is our view that the so-called defense support should hereafter comprise only the assistance required to meet so much of the economic burden of military defense as the country cannot itself afford. Appropriations for military assistance and for this redefined category of defense support would then be authorized on a continuing basis and hereafter appropriated annually to the President in appropriations for the Department of Defense.

We believe that this way of treating military assistance, which also is recommended by many of the recent studies on the subject, would avoid a wide degree of misunderstanding abroad and at home by making apparent the degree in which we wish our aid to serve military defense.

II

I turn now to the economic-development aspect of the program.

We believe that all economic development, including that which goes to countries with which we have common defense, should be considered together. We also believe that more emphasis should be placed on long-term development assistance.

It is true that our economic aid cannot be more than a marginal addition to any country's development efforts. This addition can, however, be significant and even determining. It can break foreign-exchange bottlenecks and it can be a key factor in stimulating a country to a more effective development program of its own. If our development aid is to have this effect, however, we must do two things: (1) Break away from the cycle of annual authorizations and appropriations, and (ii) eliminate advance allocations by countries.

Economic development is a continuing process, not an annual event. Present annual appropriations have resulted in procedures which do not allow either of us or the receiving countries to make the most efficient use of the resources which we are providing.

The best way to achieve this greater efficiency is, we believe, the establishment of an economic-development fund to provide assistance through loans on terms more favorable than are possible through existing institutions. To be effective, such a fund would need continuing authority, and a capital authorization sufficient for several years, to be renewed when needed.

Such a fund could extend aid for specific programs or projects submitted by applicant countries. Each request for a loan from the fund should meet certain criteria, including a showing (i) that financing cannot be obtained from other sources; (ii) that the project is technically feasible; (iii) that it gives reasonable promise of direct or indirect contribution to a nation's increased productivity.

The fund could usefully join with such institutions as the World Bank or the Export-Import Bank in financing particular projects. Its aid might thus enable these banks to expand their operations, by assisting projects which could not qualify in their entirety for loans which these institutions are authorized to make. In order not to displace other sources of credit, loans from the development fund should be repayable on a basis subordinate to the claims of the World Bank, the Export-Import Bank, and private lending agencies.

To make development aid most effective and economical, we must provide it in a businesslike way. I believe that the procedures outlined above will have that effect.

III

In addition to need for foreign aid military programs and loans for economic development, there will undoubtedly be some need for foreign financial aid on a grant basis.

International communism is waging against us what is sometimes called a cold war. It can move, without budget controls or parliamentary action, to take advantage of opportunities such as those created by its own subversive efforts, by the infirmities of free governments not yet solidly based, or by the misfortunes of nature.

It is, therefore, necessary that our Government also have limited discretionary funds so that we, and not international communism alone, will be able to move decisively in relation to such situations. Without that, we would be conceding to despotism an advantage which could enable it to register great gains.

Already we have a special Presidential fund provided by section 401 of the act to meet emergencies and contingencies. A fund for such purposes should be continued.

IV

Technical assistance is a tested and extremely effective way of enabling other countries to develop their own resources. It is our thought that technical assistance, both direct and through the United Nations technical assistance program, should be continued on much the present basis.

V

As to the administration of the revised program, we have in mind that military end-item aid would continue to be administered by the Department of Defense and that each of the types of economic aid that I have described would continue to be administered by the International Cooperation Administration.

We do not believe that it would be wise to transfer the administration of defense support to the Defense Department. This would require a wasteful duplication within the Defense Department of ICA's well-established economic organization. And it would divide between two agencies the responsibility for administering economic programs which must, for the sake of efficiency and good management, be closely coordinated.

We believe that the International Cooperation Administration should be continued and that it should be continued as it now is, namely, a semiautonomous agency.

We believe that all aspects of our mutual security program should be under the effective foreign-policy guidance of the President and the Secretary of State. This can be done by the exercise by the President of his inherent power to direct the executive branch of Government. To achieve this result does not require throwing into the Department of State heavy operating responsibilities.

VI

I turn now to the question of the order of magnitude of our programs.

(1) Assuming that the international climate remains as at present, I would estimate that grant-aid expenditures for military purposes would need to continue for some years at a level close to the present. In some instances the size of the local forces that mutual security helps to support may, perhaps, be reduced without undue political and military risks. That would suggest declining costs for us. On the other hand, it may be necessary to reorganize and equip our allies with more modern types of weapons. This suggests increasing costs. Perhaps these two factors will roughly balance each other.

(2) On the assumption that economic development is hereafter made through loans and not through grants, this would, I surmise, require a development fund able to make loans which, not for fiscal year 1958 but over the future, might come to reach $750 million a year. The procedures we suggest should permit substantial savings in terms of lesser administrative costs and an ability to accomplish more with less expenditure. On the other hand, the needs may become more compelling.

(3) In addition, there is the continuing limited requirement, to which I have referred, for grant aid to meet contingencies and imperative needs which cannot realistically be met by loans. Also, of course, there are the technical-assistance programs now running at about $150 million a year.

VII

In conclusion, I recall the report of the Foreign Relations Committee of last June in relation to the mutual security program. The committee report said: "* * * the next few years may be more difficult in some respects than the last few. The problems are becoming subtler and more complex. The mutual security program must be adapted to meet the new circumstances."

We believe that the proposals I have outlined this morning are adapted to meet the new circumstances. They are based upon the high-quality studies you have commissioned and those made by and for the executive branch. Many of these agree to a remarkable extent not only on the value to us of our military and economic aid to others but also on changes in the form of our mutual security program which would make it more effective in promoting our national interests.

We accept responsibility for our proposals but do not claim sole credit for them. We regard them as being derived equally from the work of the Congress and from the efforts of the executive branch. We believe that their broad outline is sound. We recognize that there are various ways by which this outline can be carried out. We invite and welcome your comments and further consultation on the best means to develop these proposals into the most effective instrument of national policy.

[From the New York Times of April 9, 1957]

MR. DULLES ON FOREIGN AID

A long series of special reports to Congress on various aspects of the foreign-aid problem has now been topped off by the administration's own proposals, presented yesterday by Secretary Dulles.

In line with the recommendations of many outside experts, the State Department wants to make large-scale loans for economic assistance to underdeveloped countries under a long-term program without the necessity of running back to Congress for new authorizations on a year-to-year basis. Furthermore, a relatively clear distinction which does not now exist would be made between military and economic aid—with the former being handled by the Pentagon and the latter by civilian agencies. The fiscal effect of his proposals on the administration's $4.4 billion request for foreign aid for the coming year would, according to Mr. Dulles, be negligible.

One of the most cogently criticized aspects of our current foreign-aid program is the spasmodic, uncertain and yet rigid way in which it is carried out. Just last month the Brookings Institution pointed to the "political and economic strings" which were hampering American activities in this field; and this highly respected research organization added that if the program was to be continued "its authorization and financing should be placed on a more long-term basis than at present in order to provide for effective administration." Greater flexibility of action and more freedom from the minutely detailed restrictions written into the program by Congress are essential, the report noted, if foreign aid is to succeed in adapating its methods to rapidly changing situations abroad.

The aid program envisaged by Secretary Dulles—not to the exclusion of grants but with the emphasis on loans—would help achieve the greater efficiency we all are seeking. It would permit more stable and coherent planning of development projects; and, while the loans would necessarily be of such type that their repayment even under easy terms could not in all cases be guaranteed, they would doubtless stimulate a far greater degree of self-help than is now likely by the recipient countries.

Separation of military from economic aid programs is manifestly desirable, if for no other reason than to clarify the distinction in the minds of Congressmen and the voters. The overwhelming part of our present aid to foreign countries is for essentially military purposes—quite likely a disproportionate part. When the American people understand how relatively little we have been spending on economic assistance, a more sympathetic atmosphere may be created for necessary expansion of this kind of help to those parts of the world that either are free or are seeking freedom from the domination of Communist, imperialist Russia.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, it is so ordered.

Morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

CORN BASE ACREAGE FOR 1957

The Senate resumed the consideration of the bill (S. 1771) to provide for a 1957 corn base acreage of 51 million acres, and for other purposes.

Mr. HICKENLOOPER. Mr. President, for a short time I should like to address myself to the so-called corn bill, which is the unfinished business, Senate bill 1771. The bill was voted on by the committee about 10 days ago, and reported by the junior Senator from Minnesota [Mr. HUMPHREY].

This bill is in the nature of emergency legislation to meet a situation in connection with the 1957 corn crop, so far as base acreage is concerned, and supports for this crop year only.

It was pointed out in the discussion of the bill yesterday that the bill is not permanent legislation. It applies only to the 1957 corn crop. It is the hope of those of us who are interested not only in corn legislation, but agricultural legislation in general, that if the bill is passed the committees can immediately begin the study of more permanent and comprehensive legislation which will affect the various feed crops of the Nation, and the entire agricultural situation, so that we may have some chance in this session of the Congress of passing desirable legislation which will affect next year's crops and the crops in ensuing years, without making it necessary for Congress, in January of every year, to enter into a sometimes futile effort in order to enact corrective measures.

So far as the Senate is concerned, the history of the pending legislation is roughly as follows: A number of bills with respect to corn were introduced early in the session. They were introduced because in the referendum provided for by the law, under which the farmers of the country were given the right to vote on the corn program, the new corn program provided for by the Agricultural Act of 1956 was defeated because it failed to get 66⅔ percent of the votes necessary for approval. That program provided for a base acreage of 51 million acres, the same as last year. Because of that vote, corn legislation automatically reverted to the formula which has been contained in the law for some years, and which provides an acreage allotment for the commercial corn area of about 37,300,000 acres, and that, unless the law were changed, would be the base for corn price support calculations.

As has been pointed out, in the commercial corn area, with a base acreage of 37,300,000 acres, the acreage which would be allotted to each farmer under that formula would be so small that in the major corn-producing areas a farmer could not live under such a base and

still put 15 percent of his average corn producing acres in the acreage reserve of the soil bank. That has been generally agreed to by everyone I know of who has any intimate acquaintance with the Corn Belt situation.

Fifty-one million acres seem to be the generally approved and agreeable base acreage in the commercial corn area with which to measure the standards of base acreage allotments on the farms which will sustain and support a reduction by contribution to the soil bank of at least 15 percent of the base acreage.

We have been all through this argument, up and down and back and forth, this year, last year, and the year before. I believe Members of the Senate in the main are quite familiar with the principles involved in the pending bill, therefore I shall not take too much time in discussing the details at this time.

However, I should like to point out that corn is in a peculiar situation so far as the Nation's crops are concerned, especially the basic crops. Corn is a feed crop. We hear very often the statement made that corn ought to be under marketing quotas, so that only a certain amount of corn could be marketed. Of course, in the case of corn, marketing quotas were provided for at one time. But they do not work. That is because corn is used, in the main, on the farm where it is produced, or in a neighboring area, and comparatively little of the total corn crop goes into the general commercial channels of trade. It is a fundamental and basic feed crop for animals, both red meat and poultry.

The pending bill, as I said at the outset, is in the nature of emergency legislation. It does not attempt to attack all the agricultural problems; it goes only to the question of corn supports and acreage for this year.

It establishes the total number of base acres in the commercial corn area at 51 million acres for the purposes of the price-support and soil-bank programs. Incidentally, the calculations on each farm in the commercial corn area have already been made. They were made last year. The majority of the farmers who voted last year in the referendum—61 percent plus, I believe—voted for the 51-million-acre base. The farmers know what it is.

The bill further provides that to enable a corn farmer to get support on his corn, he must adhere to the base acreage for which his farm calls within the 51 million acres allotted in the commercial corn area.

The farmer must, in addition, place the equivalent of at least 15 percent of his corn acreage into the soil bank. He may do that in one of two ways. He may take the 15 percent, or whatever proportion he desires, out of his allocated base acres. He can take them out of cornland and put them into the acreage reserve. For that he will get a payment based on the estimated potential of the particular land for corn-production purposes. There is a formula established for that calculation. Or he can put 15 percent of his other tillable land, normally rotated in crop-rotation practices on his farm, into the conservation reserve, for which he will get compensation. These acres put in the soil bank will not be permitted to produce crops for competitive use. That is, the farmer cannot seed it. It must go into the conservation reserve, and cannot be cropped or grazed.

The conservation reserve, into which he put the required number of acres, will have to be in effect for a minimum of 3 years. In other words, the farmer will have to put those acres into the conservation reserve for a minimum of 3 years and a maximum of 10 years. He cannot contract for more than 10 years.

There is one exception to that. If a farmer wants to put a portion of his land into the conservation reserve and plant it to trees, he can do that for a minimum of 3 years or a maximum of 15 years, within the discretion, I believe, of the Secretary of Agriculture. However, the maximum period is 15 years in the case of tree planting.

The pending bill does not change the situation with regard to other feed grains. It applies only to corn. It does not change the situation with respect to grain sorghums, barley, oats, or rye. It does not affect them at all. It affects only corn.

Lest there may be some confusion about some of the sections of the bill, let me say that a provision in it repeals the now unnecessary and ineffective provision in the act of last year providing for the referendum of last December.

As has been pointed out before—I think the Senator from Minnesota [Mr. HUMPHREY] pointed this out very clearly yesterday—the proposed program is simply an attempt to attack the entire feed production problem, because if we have a superabundance of feed, feed therefore is cheap, we will have a superabundance of animals, cheap products and lowered farm income, and an approach to disaster economically so far as the corn-hog-cattle-feed industry is concerned.

The bill should reduce the total number of acres planted to corn, or the total number of feed-producing units, by the equivalent of at least 15 percent of 51 million acres. We often hear it said that simply to reduce the corn acres will not necessarily solve the problem which needs to be solved. Such a statement misses the point, because not all of the acres will come out of corn. Some of the acres will come out of other feed-producing crops.

As I pointed out a moment ago, it is not the sole purpose of the bill to reduce corn production. One of the major purposes of the bill is to reduce the number of feed-producing units. It makes some difference whether corn acreage is reduced, of course, because of the feed value ratio of the various foods. Although it does not make too much difference whether the corn acreage is reduced, it does make some difference for certain technical reasons. But, as I said a moment ago, the bill will have the effect of reducing the total number of feed-producing acres.

I hope the bill will be passed, although I am frank to say that because of the delay, for one reason or another, in getting the matter at issue, the time in which good can be accomplished is becoming very, very short.

I have heard many persons say that the soil bank program did not work well last year, except in certain areas and under certain conditions. Mr. President, the Soil Bank Act did not have a chance to work properly last year, because it was not passed in time to enable farmers throughout the United States to plan their programs or their general operations in such a way as to get their land into the soil bank.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. THYE. The distinguished Senator from Iowa, who represents, in part, one of the largest corn-producing States in the Union, has made a very able presentation, and has very clearly defined the entire subject of corn acreage, as it relates to the bill.

The Senator from Iowa is entirely correct when he says that the law which was enacted last year came too late to have any major effect on the reduction of corn planting in the large corn-producing States of the Union.

This year, however, the county committees, the State committees, and the farmers themselves are better acquainted with the question involved in the program. Even though the month is April, and today is the 10th of April, the farmers still have until well into the first week of May before planting actually will be under way, so there is time to enact the proposed legislation and present it to the farmers through the county committees. It will not be too late for the proposal to have the effect of reducing the number of acres of corn which are at present contemplated to be planted in the six major corn-producing States of the Union. If the Senate can pass the bill today, I am confident that the House will act likewise within this week. If that can be accomplished, then I should say the bill would have a material effect in reducing the size of the corn crop which otherwise would be harvested if the weather were favorable during this year.

Mr. HICKENLOOPER. I thank the Senator from Minnesota. He has stated the proposition succinctly and well. It is not too late for the proposed corn legislation to become effective if the bill can be passed promptly.

Mr. THYE. That is correct.

Mr. HICKENLOOPER. But every day of delay will make it more difficult to put the program into effect. All of us know that to be so.

In my own State of Iowa the general rule of thumb used by the farmers is to have the corn finally in the ground by the beginning of the last week in May. The beginning of the planting, not only in the Middle West, but also in other places where corn is planted, will occur as soon as it has been determined that the ground is in a proper condition to receive the seed, so far as the temperature, moisture, and similar factors are concerned. Although it is difficult to say exactly when farmers will begin to plant corn, it will probably be, as the senior Senator from Minnesota, who is

an expert farmer himself, has said, around the first week in May, because that will be the time when, generally speaking, conditions can be relied upon to be satisfactory for corn planting. So there still is time for the program to become effective in the great corn-producing areas, if the bill can be acted upon promptly.

I stated a moment ago that some persons have said the soil-bank operation last year was not successful. It was successful where it operated; there is no question about that. But the soil-bank program was not timely last year. All over the commercial corn area, much of the land had already been plowed, planted and cultivated. The cultivation of the extra acres had previously taken place. In many instances the soil-bank program was not an inducement, because the farmers had already made their plans, and their programs were under way.

I heard yesterday some discussion to the effect that although the soil-bank program went into effect last year, the corn crop was larger than it had been for many years. That is very true. I have heard the statement that more corn was planted in this country last year than in the previous year. That is not true. The total corn acreage last year was the lowest it has been for 20 years or more. A total of about 76 million acres of corn was planted throughout the country last year. That was the lowest acreage in a long time.

In many sections of Iowa, which has been, year in and year out, the most prolific corn producing State in the Union, there was widespread drought. I think 19 counties of Iowa were declared to be drought disaster counties last year. Many of those counties raised practically no corn at all. There was a drought in the corn areas of eastern Nebraska and eastern Kansas.

But the significant thing is that the weather was favorable for the growing of corn in most of the Corn Belt last year; and Illinois, Indiana, and Ohio had by far the biggest corn crop in their history, bushelwise. The same was true of most of southern Minnesota, and also of northern Missouri.

So nature came along, and, with favorable and benign conditions, in spite of drought, in spite of reduced acreage, but in one of the most unusually productive years, so far as corn was concerned, enabled the farmers to produce one of the biggest corn crops ever raised in this country. We cannot control the vicissitudes of nature. The weather could just as well have been the other way. The fact is that more bushels were produced on the 76 million acres planted to corn in the United States last year than ever before in history, so far as I know. There might have been some better years away back in the past. It runs in my mind that the year 1890 was a very prolific corn year, because of the planting of open pollinated corn. But nature took care of that tremendous acreage of corn. That production was not exceeded every year. It will not happen every year. We must deal with the principle and the average.

So far as support prices are concerned, a farmer in the commercial area who undertakes to go into this program and accepts his base acreage under the bill will get a support price for his corn, as has already been announced, if he stays within his base acreage and puts an equivalent 15 percent into the soil bank in one of the two branches. He will get a support price, I believe, of approximately $1.36 a bushel.

That can vary between now and October 1, which is the beginning of the marketing year or the time when the support price is calculated. There are various factors which enter into the calculation of the support price. It may not go below $1.36, but it may go higher if parity comes out at a higher figure than it is at present. But no one can tell that until the calculations are made, based on the formula prescribed in the law. That calculation is made on October 1, I believe, of each year.

So far as corn outside the commercial corn area is concerned, the law already provides that it will be supported at 75 percent of the support price level in the commercial corn area. Under the bill it would be supported at 82½ percent of the support-price level in the commercial area, as it was last year. As I have said, Mr. President, the pending bill, being a special bill devoted entirely to corn, does not concern itself with the supports or the situations of the other crops in the program. It does not alter their situations from what they were last year or from what they otherwise would be this year. I can only say that it is vital and very important to the economy of the Nation as a whole that the economy of the great feed-producing area shall not slide down the hill to destruction. Not only is it very important to the well-being of the people, but it is also very important to the Federal Government—if I may be so commercial as to refer to the revenues of the Federal Government—because if the income of that great heartland of the Nation declines to a point where no profit is made, the Government will obtain no revenue from that area, by way of taxes. But if the economy of the great agricultural Middle West is prosperous and profitable, profit will accrue not only to those who live in the Midwest, but also to those who live in the Far West, to those who live in the East, and to those who live in all other agricultural areas. Not only will they make profits, but they will pay to the Federal Government taxes far, far in excess of the cost of any program of this kind. So I believe the program called for by the bill represents pure, simple, good economics.

Mr. President, I believe the bill is simple, and I believe it is understood. I believe it is merited. I believe it is a measure which is urgently desired and recommended by the farm organizations and by the farmers of the country who understand the seriousness of the present situation. The bill should be passed by the Senate of the United States.

Mr. HUMPHREY. Mr. President, will the Senator from Iowa yield to me, in order that I may ask him some questions?

Mr. HICKENLOOPER. Yes. I should like to discuss the bill at greater length; but this morning I have a bad throat, and I can hardly talk.

Mr. HUMPHREY. I wish to ask the Senator from Iowa several questions about matters to which I know he has given considerable thought; and I should like to obtain from him his observations or conclusions in regard to these matters.

My first question is this: Does the Senator from Iowa believe there will be more or less participation by the corn producers in the soil bank in 1957 if the pending bill, S. 1771, is enacted?

Mr. HICKENLOOPER. Definitely.

Mr. HUMPHREY. Definitely more or definitely less?

Mr. HICKENLOOPER. Definitely more.

Mr. HUMPHREY. Definitely more participation in the soil bank?

Mr. HICKENLOOPER. Yes, indeed. Let me amplifiy my statement by saying that while there has been substantial participation in the soil bank, based on the 1957 acreage allotment of 37,288,889 acres; yet, as the senior Senator from Minnesota [Mr. THYE], the junior Senator from Minnesota [Mr. HUMPHREY], and other Senators have pointed out, today the participation in the soil bank is largely in the fringe areas, where the heavy production of corn does not usually occur; and the smaller participation is in the areas where, last year, the greatest number of bushels ever grown in this country was produced. We must assault the problem of the production of feed-producing units in the areas where they can be produced in the greatest abundance.

If the pending bill is passed and is enacted into law, I am very sure, from my conversations with farmers, with those interested in organizations, and all others who know about the program, that the bill will assault the problem in the area of most prolific production. That is one of the problems we wish to reach; and that problem will be reached by means of the bill, not only in the case of corn, but also in the case of other feed crops from acres producing units of feed grains which go over into the conservation reserve or into the acreage reserve.

Mr. HUMPHREY. I desire to agree with that observation by the Senator from Iowa. I should like to thank him particularly for explaining in so direct, persuasive, and factual a manner the impact of the bill upon other feed grains, as well as upon corn. Although the bill is specifically directed to corn, it has an indirect effect upon reducing the production of other feed grains, by removing acreage fro mproduction. Is that not correct?

Mr. HICKENLOOPER. Yes. The Senator from Minnesota mentioned that fact yesterday.

Mr. HUMPHREY. Yes, I tried to do so.

Mr. HICKENLOOPER. All those whom I consider to be experts on these matters—the various farm organizations and the farmers who have studied them—are in agreement.

There is a misconception that this measure is directly and exclusively devoted to corn. It is true that corn is

the primary crop involved in this instance; but other feed grains are affected by the bill; and many acres which produce them will, under the bill, also be taken out of production. The result of enactment of the bill will be to take them out of production, as well as to take many corn-producing acres out of production.

As the Senator from Minnesota has pointed out, and as all of us agree, the overall feed-unit production is what we are trying to attack in this case; and we are trying to reduce it, in order to reduce the surplus.

Mr. HUMPHREY. My second question is as follows: Does the Senator from Iowa believe there will be more or less corn production in 1957 if Senate bill 1771 is enacted?

Mr. HICKENLOOPER. I think that definitely there will be less corn production, and I shall tell the Senator from Minnesota why. Let me add that I mean to say that I shall state this for the RECORD, for I know that the Senator from Minnesota is as thoroughly aware of the reason as I am. The reason is that there will be approximately the same number of acres normally planned to be planted to corn in the United States in 1957 as there were in 1956 or in 1955. The strange thing is that in the commercial corn area, for years 56 million acres plus have been planted to corn. That total acreage has not varied, regardless of the support programs or anything else. Approximately so much corn will be planted. If we do not have a program which will induce the corn farmers to take out of production acres normally planted to corn—in other words, if we do not have a program similar to the one embodied in Senate bill 1771, if we do not have a program to induce the farmers to take cornland out of production—we shall have the full production of the full acreage.

But if the pending bill is enacted into law, if the corn farmer wishes to participate in the program and wishes to receive the supports and wishes to participate in the soil bank, there will be a reduction of from 10 to 15 or 20 percent in the total overall acreage, and of necessity there will be less corn produced.

Mr. HUMPHREY. On that basis, does the Senator from Iowa feel that the Commodity Credit Corporation will be called upon to take over less corn or more corn or other feed grains, as a result of support loans on the 1957 crop, if the pending bill is enacted into law?

Mr. HICKENLOOPER. If the bill is enacted, it is my firm belief that the Commodity Credit Corporation will not have to take over so much feed grain, because the total supply of feed grain will be reduced.

Mr. HUMPHREY. The bill will reduce it, will it not?

Mr. HICKENLOOPER. Yes; it will reduce the total supply of feed grain. Of course, the Commodity Credit Corporation will have to take over some—there can be no question about that—if we have a normal year. But the program under the bill will reduce the amount the Commodity Credit Corporation would otherwise have to take over. Furthermore, with a full understanding of the soil-bank program, it is entirely possible that within a year or so the Commodity Credit Corporation may not have to take over any of the feed grains, with certain minor exceptions, because the program will begin to adjust itself to the feed-grain needs of the country.

On the other hand, as the situation is today, no one can plan.

Mr. HUMPHREY. I understand, as I was informed this morning, that if the Senate passes the bill—and I expect the Senate to do so, because the arguments in favor of the bill are persuasive and convincing—the other body is prepared to hold an emergency meeting of its Committee on Agriculture, and at least to give consideration to whatever action the Senate takes. In light of the fact that we have included in the bill section 3, which relates to the overall feed grain situation——

Mr. HICKENLOOPER. And study.

Mr. HUMPHREY. And study—I feel we have a very good chance of getting corn legislation within the next few days, if the Members of the Senate will give us their votes and get the bill out of the Senate Chamber and over to the other body, so that Members of the House of Representatives can take action on it, or at least review it, this weekend.

Mr. HICKENLOOPER. I thank the Senator from Minnesota. I have talked to Members of the other body who are very much interested in this agricultural situation. They have assured me they have a definite feeling that speedy action may be obtained in the House. I do not attempt to predict what the other body of Congress will do. I say that respectfully. Sometimes it is difficult for me to predict what the body of which I am a Member will do, and in my predictions I do not undertake to take on any more troubles than I have. However, I feel chances are excellent that the House will take up the proposed legislation and pass it. Of course, the bill can be bogged down with superfluous and other kinds of amendments which would ruin it. Consideration of the bill could be delayed. I understand all the instruments and weapons of delay. The bill has been too long delayed in the Senate, for one reason or another, but I feel sure that if speedy action on the bill is taken in the Senate, it will be speedily acted on in the House.

Mr. President, I yield the floor.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MARTIN of Iowa. Mr. President, I speak in support of S. 1771. This bill has been termed "a corn bill for 1957." Certainly that is an accurate description, but it would be a mistake to consider the bill as one that has an effect only on corn and the corn farmers of the Nation. S. 1771 is of primary importance, not only to the people of Iowa and the other corn producing States, but because of the importance of corn in the complete picture of agriculture it is very important to the entire country.

We are facing a crisis in the corn producing area of the country. The people of Iowa, like the people of other corn-producing States, are looking to Washington for legislative help. I invite the attention of Senators to the need for quick and beneficial Congressional action on this vitally important matter. I feel I would be remiss in carrying out my responsibilities if I did not point out some of the most important facts of the current problem and the possible solution being debated by the Senate today.

CORN IS DISTINCTIVE

Corn is the most important and the most valuable single crop grown in the United States. More land is used for the production of corn than for the production of any other single crop. In many, many areas of the United States the most productive land is used in the production of corn or is used in a rotation cycle of crops in which corn is a vital part. The following table indicates the position held by corn in the total agricultural picture:

Crop	Rank	Value of crop 1956
Corn	1	$4,571,000,000
Hay	2	2,900,000,000
Cotton	3	2,152,000,000
Wheat	4	1,970,000,000
Tobacco	5	1,147,000,000
Soybeans	6	1,012,000,000

There is another characteristic of corn which sets it apart from other crops. This differentiation is basic to our discussion today. For example, compare the relative situations of the farmer who grows cotton and the farmer whose main crop is corn. When the cotton farmer has harvested his crop he has no choice but to sell his cotton. There is no way he can use it on his farm. With corn the situation is different. The farmer has his choice of taking the corn to the cash market or feeding it to livestock on his own farm. In fact, corn is peculiar in that over 80 percent of the corn that is grown on the farm is fed on the same farm or one nearby. Because only a very small part of the corn crop enters trade channels we know that marketing quotas for corn will not work. Congress recognized this fact when it repealed marketing quotas for corn in 1954. In view of these facts it is obvious why any workable corn program must be voluntary. So long as the farmer has the alternative of taking his product to market in the form of livestock and livestock products, a compulsory program for corn will not be successful. All the arguments in the world will not change this fact.

BACKGROUND OF CORN REFERENDUM VOTE

The crux of the present corn problem lies in the results of the corn referendum vote, conducted last December. Let us analyze a few of the factors that helped to contribute to the decision made by the farmers at that time.

As we all know, the corn farmers in the commercial Corn Belt area went to the polls to choose between acreage allotments established by a 37.3 million acre limitation for corn acres in the commercial Corn Belt at price supports of $1.35 per bushel for 1957 or a program with a total base acreage of 51 million acres with price supports of $1.31 per bushel for 1957 and a requirement that an acreage equal to 15 percent of their individual corn base acreage be put into the soil bank. A total of 437,480 farmers voted in that referendum; 61.5 percent of those farmers voted in favor of the latter program. In my own State of Iowa this program carried by a 59.5-percent vote. However, in the soil-bank law passed last year there were legal provisions requiring that 66⅔ percent of those voting approve the plan before it could become effective. That two-thirds requirement was a very unfortunate one. In any election a 60-percent vote is considered decisive. When 3 out of every 5 voters voice their approval of any program, it is my belief that such a program has received a substantial mandate from the voters. In this case the two-thirds requirement served to defeat the corn program even though it won approval of 61.5 percent of those farmers who voted.

There seems to be a great deal of misunderstanding involving the two-thirds vote requirement in last December's referendum. Mr. President, it is my belief Congress made a serious mistake in requiring the two-thirds vote for a program that was to be optional for the individual farmers. It is true that the two-thirds requirement is not unusual. It has been used often in the past. However, it has been required when the program being voted upon involved compulsory marketing quotas. It has been required where farmers were asked to accept or reject a program that had the effect of imposing restrictions or controls on all the growers of a particular commodity. All of us are familiar with such programs. We know that if a program of this type is approved by a two-thirds vote, then the producers of that commodity are required to comply with the program, even if they voted against it in the referendum. Failure to comply involves a penalty. Under those circumstances there is a sound and reasonable basis for requiring a two-thirds vote before the program is imposed on all the growers of that particular commodity.

The choice facing the corn farmers last December did not involve such a program. There was no compulsion involved. The farmers were asked to consider a base acreage program that was entirely voluntary. If the 51 million acre program had been agreed to, the farmer would have retained the right to join the program or to ignore it. There were no penalties involved if the farmer decided to refrain from complying with the program. It is my belief that the two types of votes—one involving compulsory marketing quotas and one involving voluntary acceptance of base acreages—are vastly different, and it was a serious mistake to impose the two-thirds vote requirement upon a purely voluntary program. The need for the bill we are considering today is the result of that mistake.

Another factor of the referendum last December that is worthy of note is the fact that very few farmers voted in the referendum. Only 21 percent of those eligible cast their votes, and only 31.5 percent of that small number turned down the base-acreage program.

There are several possible reasons for that exceedingly light vote. Beyond question there was a great deal of misunderstanding on the part of the farmers. The top officers of the Department of Agriculture have testified that they did the best educational job possible in trying to inform the farmers of the ramifications of the choices available to them. The major farm organizations of the country did not agree among themselves on how the farmers should vote. Certainly, it is unfair to criticize the farmer in Iowa or in any other State because of his failure to vote in the referendum.

I think it is safe to assume that a different result might occur if we could turn the clock back. I think it is very possible that the farm organizations and their leaders, and the farmers themselves, might have governed themselves differently if they could have foreseen what was going to happen. But the primary task before the Senate today is not to consider what might have been done. We must start with the facts as they exist today. We must start with the results of the December referendum, for certainly we can do nothing to change those results now.

PRESENT OUTLOOK FOR CORN FARMERS

Mr. President, the outlook for the corn farmers of the Nation is today as dark as it has been in many, many years. Because of the referendum vote, the corn farmers who wish to join in the corn program have only one choice, namely, to fit their individual plans into the overall pattern established by a total acreage allotment of 37,300,000 acres for the commercial Corn Belt. This restriction is not realistic. This restriction is almost meaningless because the farmer cannot live with it.

Traditionally, approximately 56 million acres are planted in the commercial Corn Belt. I ask unanimous consent to have printed in the RECORD at this point a chart listing the number of corn acres actually planted from 1952 through 1956, and the number of counties in the commercial corn area, the total allotments for each year, the percentage of allotments, and the percentage of the planted acres on complying farms.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there objection?

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

	1952	1953	1954	1955	1956
1956 commercial corn area (planted acres)	55,921,000	57,245,000	57,002,000	56,879,000	55,086,000
Number of counties in area			534	805	840
Total allotment for each year			45,966,000	49,848,000	43,281,000
Percent of allotment on complying farms as of all farms for each respective year			42.7	54.2	45.0
Percent planted acres on complying farms as of all farms for each respective year			30.0	40.5	35.8

Mr. MARTIN of Iowa. Mr. President, even this chart does not tell the complete story. Since the crop in 1956, another 52 counties have been added to the commercial Corn Belt, which will further expand the size of the commercial Corn Belt by approximately a million acres. This will seriously reduce further the individual corn-acreage allotments.

In order to break this fact down and bring these necessary reductions closer to us, I request unanimous consent that at this point in the RECORD, a table be inserted showing the difference, statewise, between the 37.3 million acre corn-allotment program and the 51 million corn-acreage base.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State	1957 allotment	1957 soil bank base acres
Alabama	303,314	414,842
Arkansas	87,700	119,955
Delaware	108,971	149,039
Georgia	378,147	517,191
Illinois	5,857,909	8,011,861
Indiana	3,016,523	4,125,712
Iowa	6,882,686	9,386,093
Kansas	905,079	1,237,876
Kentucky	909,810	1,244,347
Maryland	263,625	360,834
Michigan	995,695	1,361,812
Minnesota	3,436,176	4,699,657
Missouri	2,381,250	3,256,835
Nebraska	4,272,390	5,706,576
New Jersey	104,900	143,472
North Carolina	850,282	1,162,902
North Dakota	71,182	97,353
Ohio	2,166,784	2,949,853
Pennsylvania	582,079	796,109
South Dakota	1,948,675	2,665,202
Tennessee	458,135	626,591
Virginia	124,548	168,977
West Virginia	15,835	21,657
Wisconsin	1,297,998	1,775,273
Total	37,288,889	51,000,000

Mr. MARTIN of Iowa. Mr. President, a look at any of the figures for the various States emphasizes the gravity of the problem we face today. In Iowa, under the conditions as they now exist in the commercial Corn Belt, we would be required to cut our corn acres from 9,386,093 acres to 6,862,686 acres in order to cut corn producing acres in the commercial area to a total of 37.3 million acres. The corn farmers of Iowa have not generally accepted that restriction. They cannot live with it and they will not try.

We have already seen the handwriting on the wall. Recently the Department of Agriculture released the signup figures following the 8th of March closing

day for corn signups for the 1957 corn-allotment program. These figures indicate that a total of 4.5 million acres in the commercial Corn Belt have been placed under acreage reserve contracts. That news was very heartening. It appeared that the soil bank would be more effective than we had thought when the results of the referendum limiting the acreage in the commercial Corn Belt to 37.3 million acres were first announced.

A careful analysis of these acres committed to the acreage reserve dispels that optimism, however. Instead, it reveals the true nature of the corn problem. A large percentage of these acres is located in the fringes of the commercial Corn Belt or in areas where production has been low in the last several years. A few days ago the senior Senator from Minnesota inserted a complete set of figures into the RECORD showing that the heart of the commercial Corn Belt area was the lowest area in terms of corn signups. I will not burden the RECORD with a repetition of those figures, but for the purposes of this discussion let me repeat a few of the more startling facts.

There are six States in the commercial Corn Belt that produce over three-fifths of all the corn produced in the United States. These States are Iowa, Illinois, Minnesota, Ohio, Indiana, and Wisconsin. These States accounted for 61.8 percent of the total production of corn in the United States last year.

What is the rate of signups for the 1957 corn program in these States? Let me read the figures and the respective percentages: Minnesota, 5.7 percent; Illinois, 5.8 percent; Wisconsin, 10.7 percent; Indiana, 11 percent; Ohio, 11.3 percent; and Iowa, only 8.7 percent.

That simple set of six figures, Mr. President, sounds the death knell for the 1957 corn program as it now stands. When we understand the significance of those figures we understand the dire necessity for passage of the bill we are debating today.

FAILURE OF CORN FARMERS TO COMPLY WITH 1957 ALLOTMENTS

Mr. President, I will not spend a great deal of time painting the picture of what will happen because the corn farmers have not agreed to the 1957 allotments. It will mean a great expansion in the production of corn. The 37.3 million acres for the commercial area in 1957 is one-third fewer acres than were planted in the commercial corn area in 1956. It is the lowest per-farm allotment ever imposed on the corn farmers of the Nation. A businessman would not accept such a restriction voluntarily. Nor will the farmer accept it. He will look for ways to avoid that restriction. The ways are not hard to find. He simply will not join the program; he will not comply.

The initial effect will be felt by the corn and feed-grain sellers. Their prices will not slip, they will swoop. But the unfortunate result does not stop there. Cheap feed inevitably will be reflected in sharply increased livestock population. That, in turn, will result in lower prices for our livestock, and ruination for the farmers.

We must not overlook the tremendous importance of the livestock market. In Iowa, the leading hog-producing State in the Nation, we are acutely aware of its importance. In order to emphasize the importance of good livestock prices to the entire agriculture picture, Mr. President, I ask permission to insert in my remarks at this point a chart showing the percentage of what livestock and livestock products accounted for in the total farm cash receipts for 1955.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Percentage livestock and livestock products of total cash receipts, 1955

Maine	58.5
New Hampshire	62.9
Vermont	82.2
Massachusetts	65.0
Rhode Island	72.4
Connecticut	65.2
New York	71.6
New Jersey	84.0
Pennsylvania	76.2
Ohio	60.5
Indiana	62.0
Illinois	58.4
Michigan	58.4
Wisconsin	87.8
Minnesota	87.6
Iowa	78.2
Missouri	66.1
North Dakota	28.0
South Dakota	67.8
Nebraska	70.3
Kansas	55.4
Delaware	78.6
Maryland	69.7
Virginia	54.6
West Virginia	78.3
North Carolina	23.8
South Carolina	23.9
Georgia	45.9
Florida	23.5
Kentucky	44.3
Tennessee	48.8
Alabama	41.6
Mississippi	27.4
Arkansas	30.8
Louisiana	32.1
Oklahoma	61.0
Texas	40.8
Montana	42.3
Idaho	42.8
Wyoming	77.1
Colorado	65.3
New Mexico	56.0
Arizona	29.0
Utah	74.4
Nevada	84.5
Washington	34.3
Oregon	43.4
California	36.1
United States	54.1

Mr. MARTIN of Iowa. Mr. President, it hardly seems necessary to point out the importance of avoiding sharp declines in the prices of livestock when over half of the total cash receipts for all States in 1955 came from livestock and livestock products. In nine States, of which my State of Iowa was one, livestock and livestock products accounted for over three-fourths of the total agricultural cash receipts. This also is graphic proof, I believe, that something must be done to avoid the sharp increases in the production of corn that will occur unless we do something to relieve the corn farmer of the 37.3 million acre corn allotment for the commercial area now imposed upon him.

There is another unfortunate part of this picture. If we do not change the 37.3 million acre allotment, now applicable for 1957, and great surpluses of corn appear, as they most certainly will, next year we shall see another sharp drop in the allotment for the commercial Corn Belt. Since one of the factors that determine the allotment for the commercial area each year is the amount of corn that is on hand, next year's allotment is liable to make the 37.3 million acres for 1957 look very liberal. As Senators can well see, this could easily be the start of a vicious cycle of increased production and decreased allotments. The ever-narrowing allotments will inevitably crush the corn farmer unless they are stopped.

PRESENT SUPPLIES OF FEED-GRAINS ON HAND

Mr. President, before concluding this discussion of the importance of avoiding increased production of corn if at all possible, and the practical certainty that the present program will result in sharply increased corn production, one more fact should be pointed out. This production will be doubly serious because at the present time we have the highest supplies of feed and feed grains in our history. During the recent hearings before the Senate Committee on Agriculture and Forestry, the representative of the American Farm Bureau Federation inserted a chart indicating the seriousness of this situation. Because it bears directly on this point, I request unanimous consent that this chart be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified data re feed grain supplies, beef and pork production, cattle and hog prices

Item	1951	1952	1953	1954	1955	1956
	Million bushels					
Feed grain supply: [1]						
Corn	3,606	3,779	3,979	3,978	4,265	4,617
Oats	1,188	1,069	1,028	1,330	1,339	1,047
Barley	257	228	247	270	301	373
Grain sorghums	163	91	116	235	241	203
Rye	6	7	8	9	9	7
Wheat	104	84	77	60	54	48
Total feed units [2]	4,738	4,867	4,897	5,201	5,458	5,717
Grain per animal unit (bushels)	32.3	32.5	31.3	32.2	32.7	33.8

[1] Calculated as follows: Corn, carryover of old corn on Oct. 1 plus total crop; oats, Oct. 1 stocks; barley, total crop; grain sorghums, total crop; wheat and rye, production fed to livestock during year beginning July.
[2] Calculated by applying the following factors: Corn, 1.000; oats, 0.403; barley, 0.806; rye, 0.839; wheat, 1.128; and grain sorghums, 0.900.

Specified data re feed grain supplies, beef and pork production, cattle and hog prices—Con.

Item	1951	1952	1953	1954	1955	1956
	Million pounds					
Cattle and calves production	9,896	10,819	12,553	14,610	15,146	15,900
Pork production	11,481	11,527	10,606	9,870	10,091	11,300
Total	21,377	22,346	23,159	24,480	25,237	27,200
	For hundredweight					
Hog price received by farmers	$20.00	$17.80	$21.40	$21.60	$15.00	$14.40
Beef cattle price received by farmers	28.20	24.20	16.20	16.00	15.60	15.60

Sources: Compiled from U. S. Department of Agriculture data.

Mr. MARTIN of Iowa. Mr. President, in conclusion, I should like to point out one additional fact. During the course of this debate we will hear many comments about the close relationship between the corn problem and the problem of feed-grain production all over the country. I do not think many persons who have studied the agricultural problem today will deny that fact. The problems are closely related. In the long run it will be impossible to solve the corn problem without taking into consideration the tremendously increased production of feed grains that have gone into direct competition with corn. But, Mr. President, the bill before us is not a long-range program. I am certain that I am speaking for the commercial Corn Belt States when I say we will be perfectly willing to sit down and try to devise a long-range program to handle the whole problem. So far as I know, there is no disposition on the part of any of the responsible leaders to view the bill we are debating today as a permanent solution. But, once again, we are working against a distinct time problem. It may be too late already. If that time has not yet arrived, it certainly is very close. We must not confuse a long-range program, which we must have, with an emergency program, which we also must have. The bill we are considering today is the emergency portion of the program. One part of the bill, that part calling for a study and report of the feed-grain problem, is concerned with the other part—the long-range program. But the crux of this bill is the emergency program we must have now. I sincerely hope the Senate realizes the urgency which establishes the necessity for passage of this bill.

Mr. President, last year we witnessed one of the most discouraging and disheartening experiences I have ever seen. When Congress convened in January 1956, we were told that an agricultural bill would be debated early in the session. Later, a specific date was set. We were to act on a farm bill by the 15th of February. The blow-by-blow time schedule for agricultural legislation last year is mute testimony of the tragedy of delay that occurred.

We started debate on the farm bill on the 22d of February.

A bill, so badly encumbered with agricultural barnacles that it was nonrecognizable, was finally passed almost a full month later—on the 19th of March.

After a conference committee finally worked out a series of compromises, it was sent to the President. By this time the bill had become so garbled that President Eisenhower vetoed it. That veto was delivered on the 16th of April.

A full month later, on the 17th of May, we started debate on a second farm bill. It was passed on the 18th of May, and the President signed it into law on May 28.

Almost 5 full months passed between the time Congress convened and the time President Eisenhower signed the farm bill of 1956. In those 5 months we of the Midwest Corn Belt hoped for quick action. I remember vividly my desire that we forego an Easter recess in order to complete action. But our hopes and desires were in vain. When the bill was finally signed into law—and substantially before that time in fact—the Department of Agriculture voiced its serious concern about the administrative task that lay before them. The Department felt—and I might add with every right to so feel—that they had been given a big job far too late for the best possible administration.

I agreed with them in this appraisal of the time problem. We passed the bill so late in the season that it was impossible to administer it in the way Congress desired. In 1956 we gave the farmers of the Nation a soil bank. But we passed it so late that we handcuffed and shackled the hands of the Department of Agriculture.

Mr. President, I fear we are traveling down the same road again. I support S. 1771 with all the power at my command; but in so doing I have not lost sight of the serious administrative problems it will present. The corn farmers have reached the point of no return and they must have help. Let the record stand clear. Again, in 1957 as in 1956, we have so delayed passage of farm legislation that well-planned, farsighted administration is almost impossible. But let us pass this bill as quickly as possible and extend as much help as possible to our corn farmers rather than desert them in their hour of tragic need.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I desire to make a few remarks with regard to the pending measure.

I stated in early January that I was opposed to any further corn legislation. When our committee met, as chairman of the committee I took the position that we should await action by the House of Representatives before considering the bill. The measure did receive consideration by the House of Representatives. As all of us know, it was defeated.

I do not know of a commodity which has received more consideration than has corn. Corn happens to be the sweet little blue-eyed, curly-haired girl of the farm program. It gets almost anything it desires. Corn is treated differently from any other of the basic commodities. As Senators know, insofar as the six basic commodities are concerned, corn is the only one which a farmer can produce in excess of his acreage allotment without being subjected to a marketing penalty.

The corn growers appeared before our committee when we considered the farm bill. We held hearings in the fall of 1955, on which we based the 1956 Act. We held hearings in the Middle West, in the Dakotas, in Iowa, and in various other sections of the country which form the commercial corn area.

At that time farmers testified as to what they desired. In the 1956 act no commodity received greater attention than did corn. It required more time to deal with the corn section of the farm bill than was spent on any other section. I realize that the corn provisions contained in the act of 1956 did not receive the unanimous approval of all the corn growers. However, they did receive the approval of a majority of them. Congress passed the law, and, as I recall, all the Senators from the commercial corn States voted for the inclusion in the bill of the corn program.

The corn growers had an opportunity to vote themselves a program wherein the base acres would be fixed at 51 million. The support price was fixed by the Secretary as provided in the bill, but the farmers rejected it. They had their opportunity, but they failed to take advantage of it. That was the reason why I said in the Senate in January of this year, and even in December of last year, that the farm program had received much attention during 1956 and in the fall of 1955, and that I was very hopeful that the law as signed by the President would be given full opportunity to work for at least 1 year. The year I had in mind was this year—1957.

Last year—an election year—corn received two support prices, one for farmers who complied with acreage requirements, and another for noncompliers. The difference between the support price for the noncompliers and the support price for those who complied was only 25 cents a bushel. More than one farmer asked me, "Why should I confine my planting to allotted acres and

get $1.50 a bushel when I can plant all the acreage I desire and get $1.25 a bushel?"

As a result of that program—and, of course, as a result also of good weather, as I indicated yesterday—although the corn acreage last year was less than it was in 1955, and although more than 5 million acres were in the soil bank, 219 million more bushels of corn were produced, at a cost to the taxpayers of $180 million.

I fear that a good many Senators fail to realize the importance of the soil bank. The creation of the soil bank was not for the purpose of assisting the farmers to obtain increased revenue. That was not the purpose at all. Simply, the purpose of the soil bank was to take acreage out of production, so as to reduce surpluses, but, at the same time to reimburse the farmers to the extent that production was decreased.

It was said on the floor yesterday that it would be a shame to deny the farmers of the country more funds, directly and indirectly. When that position is taken, it is getting away from the soil bank, because the soil bank was not created for that purpose. I repeat, it was created in order to do away with as much of the surplus as possible. That was the reason the soil bank law was put on the statute books, and none other.

It is my belief that, if the Secretary had not used a provision of law passed, as I recall, in 1949, a provision which was never before used, in order to afford the corn growers two support prices, we would not be faced with the enormous surplus which is now on hand. I do not wish to go into details again, but as I pointed out on April 4, there was a corn surplus in 1953 of only 267 million bushels, which was more or less a normal carryover. Today almost a billion bushels of corn are on hand. I attribute that to the management of the program on the part of the Secretary of Agriculture. Certainly it is foolish for anyone to believe that by increasing the base acreage it will be possible to reduce corn production. As my good friend from Georgia said to me a while ago at lunch, it would be like trying to make a man sober by giving him more liquor.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Certainly I am not one who believes that the purpose of the soil bank law is to distribute revenue. The purpose of the soil bank law is to buy a reduction of production. It may be that the total amount of corn produced last year was more than it was anticipated it would be. In some instances I think that was due to weather conditions, and probably to other causes.

However, let no one fail to support the bill now under consideration upon any theory that by having an allotment based at 37 million acres it will be possible to prevent the production of corn. The fact is that even with a 40 million acre or a 51 million acre allotment, a great many farmers did not comply. I think the percentage of compliance in my State was probably about what it was in other States—at least 40 or 45 percent in recent years. Nevertheless, farmers have been producing about as much corn, year in and year out, over the past 4 or 5 years in South Dakota, which has something more than 30 commercial corn producing counties, as was produced before the allotment system was invoked.

When a farmer has an investment in field and in corn equipment—cornpickers and other machinery which is necessary for the production of corn today—and an attempt is made to reduce the acreage allotment to such a point that the farmer will not comply, he simply will not comply, but will plant more corn.

I doubt that with the 37-million-acre base to the total production of corn will be materially reduced. The only prospect of reducing production is to offer some inducement which will cause the farmer to reduce his acreage. On a 37-million-acre base, he simply will not comply.

Mr. ELLENDER. I point out to my good friend from South Dakota that I really believe that if Secretary of Agriculture Benson had known in advance that a corn-acreage allotment by 37.3 million acres would have provided a corn-acreage reserve of 5,560,464, he would not have asked for any legislation. The fact that the farmers of the Nation signed up for almost 6 million acres was a surprise to everyone, even to many Senators.

The reason this base-acreage program was advocated was to get more farmers into the program, so that the soil-bank goal set last year could be attained.

Let us see what that goal was. Under date of November 30, 1956, when the Secretary announced the unit-payment rate, he gave the 1957 acreage-reserve program goals. What was that goal, so far as corn was concerned? In the case of corn, the goal for 1957 for the acreage reserve is 4,500,000 to 5,500,000 acres. Yet the actual offerings are 100,000 acres more. That was accomplished, not with the 51-million-acre base, but with a 37.3-million-acre allotment. I am satisfied that if the Secretary of Agriculture had known that, he would not have advocated even the bill he proposed.

Mr. CASE of South Dakota. Of course, I am not sure that even with the 6 million acres, or whatever the signup now is, the participation will be in the places where the desired reduction will be accomplished. I think the participation is probably in the marginal areas of production.

Mr. ELLENDER. But when the Secretary of Agriculture arrived at his goal, what did he have in mind? He had in mind that if from 4½ million to 5½ million acres of land were taken out of production that would turn the trick.

I wish to say to the Senator from South Dakota that with the acres offered—which, as of March 29, were 5,596,465—the money allotted for that purpose was $217 million. In order to carry out the program on that basis, it will be necessary to dip down into the Treasury—if more acres are devoted to the program—in order to obtain the difference between the $217,500,000 required for the acres now offered, and as much as $300 million. That is what will happen. The program as outlined by the Secretary of Agriculture last November—I may say to my good friend from South Dakota—has been reached.

Mr. CASE of South Dakota. In dollars?

Mr. ELLENDER. Yes, positively.

Mr. CASE of South Dakota. Has it been reached in the placing of the acres in the areas of maximum corn production?

Mr. ELLENDER. Mr. President, it makes no difference where the acres come from, and for the following reason. Payment per acre varies from area to area based on productivity levels; but the payment per bushel reduced should not vary. Therefore, if land in the acreage reserve is in North Carolina, for example, and North Carolina has a low payment rate per acre, then more acres can be accommodated in the soil bank to obtain reduction of a certain number of bushels per dollar paid. If land from Iowa is placed in the soil bank, and Iowa has a high rate of payment per acre, then fewer acres can be accommodated, but the reduction in the number of bushels of corn per dollar paid should be about the same as in North Carolina. The $217,500,000—is for the reduction of so many bushels of corn. It does not make any difference whether the reduction comes from North Carolina or Iowa. In North Carolina the land planted in corn may be valued for soil-bank payments at $23 an acre, as against, say $40 an acre in the case of Iowa, the point is that regardless of where the acres are located the desired reduction in the number of bushels of corn produced will be accomplished.

Mr. CASE of South Dakota. However, on the basis of the acres involved, it seems to me that the location of the acres will make some difference.

Mr. ELLENDER. However, we are guided by the amount of money available. In other words, if in the case of all the commodities—corn, wheat, tobacco, rice, and others—the goals had been met; the most that could be provided for corn would be the amount called for under the present signups. The only way it would be possible to devote more money to such reductions in corn acreage than the amount already allotted to corn, would be if any money were left over from the other commodities. This money could be applied to increase the amount available for corn. In that way, if the acres under the program are increased, and if the Senate makes the mistake of passing the bill, we shall have to dig down into the Treasury for about $83 million more, in order to try to assist further the corngrowers.

Mr. CASE of South Dakota. Not in order to try to assist further the corngrowers, but in order to obtain some reduction of the actual production, and to use the money for this purpose, rather than to pay it out in storage fees.

Mr. AIKEN. Mr. President, in reference to the statement of the Senator from South Dakota regarding a possible increase or decrease in the acreage planted, the figures for the intentions to plant, as of March 18, show that the total corn planting in the United States this year is anticipated to be 74.4 million

acres, or the smallest acreage planted in 70 years.

The Senator from South Dakota may be correct in stating that that will not reduce total production, because this figure does not take into consideration the increased yields per acre which we are getting every year. Furthermore, it is entirely possible that some of the decrease in corn planting may be offset by an increase in the planting of other feed grains, particularly grain sorghums, which will be encouraged by the rain and snowfall in the areas normally producing the other feed grains. When, with our increased population, we intend to plant the smallest acreage to corn we have planted in the past 70 years, that shows how far we have come and how much better farmers we are, as we can now produce twice as much per acre as we did 70 years ago.

So the Senator from South Dakota may be correct with respect to total production; but undoubtedly the acreage will be reduced.

Mr. ELLENDER. I wish to state to my good friend, the Senator from Vermont, that, according to intentions to plant, not only are the corn acres being reduced, but the acres planted to other feed grains—with the exception of sorghum and barley—are in the same category. The acres planted to sorghum are the only ones which will be substantially increased over the number last year.

Mr. CASE of South Dakota. In the case of sorghum, the increase this year will be approximately 23 percent.

Mr. AIKEN. That is correct, or almost a 5-million acre increase.

Mr. CASE of South Dakota. And to the extent that the number of acres planted to sorghum is increased, that production will replace the production of corn, at least for feeding purposes.

Mr. AIKEN. It might, bushel for bushel, but not acre for acre, because I do not think the time has yet come when an acre of sorghum produces as much feed as an acre of corn.

Mr. CASE of South Dakota. Perhaps so; but in my State the plantings of sorghum have been perhaps the heaviest since about 1938 or 1940.

Mr. AIKEN. I think that is true in the case of several States which produce large amounts of sorghum.

Mr. CASE of South Dakota. And where the farmers have exercised caution, because of the drought conditions, sorghum offers them a little insurance.

Mr. AIKEN. But it is doubtful that the increase in sorghum will offset the decrease in corn, unless the yield per acre from land planted to sorghum is greater than it has been in the past.

Mr. THYE. Mr. President, my concern is primarily to obtain a high percentage of signups in the very heart of the commercial corn area.

I refer to the map which is available in that connection. The portion colored in yellow, with blue dots, indicates the commercial area. The blue dots indicate the areas recently added to the commercial corn area. The portion colored in yellow covers the western part of Ohio, Indiana, Illinois, Iowa, the southern part of Minnesota, the southeast corner of South Dakota, the eastern half of Nebraska, the northern half of Missouri, and a few counties in the northeast corner of Kansas; and that area includes some of Delaware and some of the other eastern seaboard States.

But the main question before us is the percentage of signups. The Senator from Louisiana is absolutely correct when he says there is a larger signup than had been anticipated at the outset. That is true, as we may observe by looking at the total increase, figured on a national basis. But when we apply those figures to the heart of the corn-producing area, we find that the situation is a very sad one in the case of Iowa, Illinois, Indiana, Nebraska, Wisconsin, and Minnesota—the 6 big producing States, where in 1956 there was an average yield of 59.3 bushels per acre, as against 22 bushels an acre in many other States which are listed in the commercial corn area. When we examine the records, we find only 9.8 percent of the eligible corn acreage in those 6 States under firm contract; and then we know that we have not reduced the potential production of corn in the United States for the calendar year 1957. That is the only point with which I am concerned.

Of course it disturbs me to be at variance with my distinguished friend, the Senator from Louisiana [Mr. ELLENDER], the chairman of the committee, or with the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican Member of the Senate Committee on Agriculture and Forestry.

However, when we consider the question of the production of corn, we had better take a good, keen look at the matter, because we are trying to reduce the potential of the feed-producing capacity of the Nation. If we do not reduce it, the United States again will harvest—in 1957—a corn crop which will overflow the bins and will threaten the entire livestock industry with overproduction.

The distinguished Senator from Georgia [Mr. TALMADGE], who is now the Presiding Officer, knows to what I refer, because he is a producer not only of livestock, but of poultry. He knows the poultry situation is a distressed one this year, because of the overproduction of eggs and broilers. We are now on the threshold of walking into another situation which is not only comparable, but one which probably will be magnified in comparison.

I thank the distinguished Senator for yielding.

Mr. ELLENDER. I go back to the proposition that if the program is applied to areas where more corn per acre, is produced we are going to have to pay more dollars an acre to have the land taken out of production. We have already exhausted all the funds allotted to corn. They have already been covered by signups. Under the bill, the Secretary of Agriculture could cancel all that out if the farmers agreed; he would not be prohibited from doing it.

The Senator from Minnesota stated yesterday he was going to try to obtain a letter from the Secretary of Agriculture indicating how he is going to distribute the additional acres involved in this bill. I should like to know what he is going to do about the 1,316,280 acres which have been signed up in Nebraska. That is about the same as the amount which was signed up last year in Nebraska. This year, if the pending proposal shall be enacted, the State of Nebraska will lead the procession, and the corn producers will get about $40 million out of the Federal Treasury.

Last year, Iowa led by receiving about $46 million, as I remember the figure. What happened in Iowa? Listen to this. I dislike to repeat this, Senators. Last year the acres planted in Iowa amounted to 33,000 less than in 1955. Over 1,289,000 acres were placed in the soil bank, but the reduction in corn acres was only 33,000. After harvest it was found that, although farmers in Iowa had been paid $54,914,506 in cash, they reduced production by only 521,000 bushels. The Federal Government paid to the corn producers of Iowa the equivalent of $105 a bushel for their reduction. That is what happened.

Mr. THYE. Mr. President, will my distinguished friend yield to me at that point?

Mr. ELLENDER. I yield.

Mr. THYE. I have in my hand the crop production report from the Department of Agriculture dated March 18, 1957.

Mr. ELLENDER. I have the report also, I hope the reports correspond.

Mr. THYE. I hope so. I have it in my hand. An examination of the record discloses that in the calendar years 1946 to 1955 there were planted 83,942,000 acres. Production was 3,100,000,000 bushels.

In the calendar year 1956, the crop harvest was 74,410,000 acres. Take note that that is a reduction of almost 10 million acres. But blessed with a bountiful harvest—the Lord was kind to us, and I say that reverently—there were harvested 3½ billion bushels of corn from 10 million fewer acres.

The emphasis should not be on the acres signed up in Iowa, but rather on the bushels of corn harvested. The Lord blessed us all in this Nation with the most bountiful corn crop ever produced by the soil in the history of this land. That is the reason why there was a big production in Iowa, even though so many acres of land were signed up.

Mr. ELLENDER. The huge production my good friend from Minnesota has pointed out is not peculiar to corn. I can well recall that 13 or 14 years ago it required 42 million acres of land to produce the same amount of cotton as can now be grown on 17 million acres. In other words, it required 2½ times the number of acres to produce the same amount of cotton.

Mr. THYE. That is due to the wisdom of man.

Mr. ELLENDER. I understand that.

Mr. THYE. The work of our experiment stations has brought all this into being.

Mr. ELLENDER. That is correct, and I am glad of that, because it is going to be a great thing as our population increases. As the Senator knows, our land resources are decreasing today at the rate of about 1,800,000 acres a year, because of roadbuilding, construction of

airports, and other projects. With our increasing population, money spent on such programs is money well invested. The programs have taught the farmers how to produce more on fewer acres.

Mr. THYE. Mr. President, will the Senator yield further at that point?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator from Louisiana and I have the same common objective. There is no question about what we are endeavoring to do. We are endeavoring to save the Treasury from the burden of the price-support program for the agricultural economy. I personally have a feeling that the greater the number of productive acres brought under soil-bank contracts, the less the Treasury will be asked to pay in the form of support prices and for the carrying of surpluses in dead storage.

The distinguished Senator from Louisiana pointed out that there would be increased food needs in the future as the population of the Nation grows. That is why I asked if the Senator would yield. We need to husband our land in an extremely intelligent manner, in order that the land may not be depleted of its fertility, and that the minerals embodied in the soil may not be used up. Future generations of Americans should have the right to till fertile land which the Senator and I and other Americans have had the right to till in a virgin country. The only way to assure such fertility is to take some of the soil out of production, if it is not needed for harvesting. I believe there is no contradiction of the statement that in the calendar year 1957 we will not need all our corn acreage.

Furthermore, there is a need to conserve the fertility of the soil in a well-managed program which will provide for idle land, land at rest, land which will be building fertility rather than producing a crop which will go into dead storage.

Therefore, if we can get into the acreage reserve and into the soil bank a larger percentage of the land in the corn-producing area, in the heart of the Nation, future generations will be more certain of productive acres from which to harvest than if we now blindly produce more crops than we know what to do with once we harvest them.

Mr. CARROLL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. CARROLL. I must attend a committee hearing, but I have 1 or 2 questions I should like to ask the distinguished Senator from Louisiana, and also the distinguished Senator from Minnesota [Mr. THYE], if I may be permitted to.

Mr. ELLENDER. I am glad to yield.

Mr. CARROLL. I come from the State of Colorado, which is not a commercial corn-producing State. Colorado does not participate in either the soil-bank program or the price-support program with reference to corn. I asked the same general question yesterday of the junior Senator from Minnesota [Mr. HUMPHREY] which I desire to propound at this time.

I have listened to the discussion about production, what it has meant and what it will mean in the future. Now I wish to talk about the farmers. What will this proposal mean today to the farmer? What is the economic plight of the corn farmer? That is the first question.

Will the incentives that are contained in this bill tend to reduce the farmers' corn production? It seems to me that is the basic question.

If we do not pass this bill, it is my understanding that under the existing law the acreage allotment will be 37.3 million. If there are no incentives to curb production, will the farmer, in order to sustain himself economically, refuse to comply?

Mr. ELLENDER. I may state to my good friend from Colorado that last year, when the 37.3 million acre allotment was fixed under the law, no one, not even the Secretary of Agriculture, suspected the program would take root as well as it did. We heard from practically every quarter that, since there was such a low acreage allotment, the program would simply fall apart.

As I have previously pointed out, more acres have already been signed up than planned for under the program. As a matter of fact, as I pointed out, the acres that have been signed up will require $500,000 more money than has been allotted to corn.

In other words, the point I wish to emphasize to my good friend from Colorado is that the program under the 37.3 million acre allotment has been a huge success, in that the farmers have already signed up a sufficient acreage to utilize all the money allotted to corn.

Mr. CARROLL. If the Senator will permit me, I will say that I was under the impression, after listening to the debate yesterday, that from a 43-million acre provision in 1956 the Congress itself had increased the corn acreage allotment to 51 million acres.

Mr. ELLENDER. That was last year. We had that provision in the bill last year.

Mr. CARROLL. Yes.

Mr. ELLENDER. And the corn farmers were given a chance to vote for an allotment of 51 million acres. But they failed to do so. Under the provisions of the legislation, in order to have an allotment of 51 million acres there was required a favorable vote by two-thirds of the number of farmers voting, but only 61 percent voted in favor of it.

Mr. CARROLL. I understand that.

Mr. ELLENDER. So that provision went out the window.

The point I wish to emphasize is that even if the allotment of 51 million acres had been approved, and even if the farmers had voted themselves that allotment, the soil-bank program would not have been any better than the program which has resulted from the 37.3 million acre allotment, because 5,560,000 acres have been offered, which is a sufficient amount to require all the money allotted to corn.

Mr. CARROLL. There is a question bothering the junior Senator from Colorado. There has been action on the 37.3 million acre allotment, and action by the Congress toward restoring the 51 million acre allotment. As I recall the charts, there was a planting of 56 million acres, some 5 million acres more than set forth by the Congress in the proposed allotment. It seems to me it leaves us in a difficult situation. That is one of the reasons why I am asking the question.

I have not yet made up my mind on how to vote on this bill. It seems to me we must look at the plight of the farmer under the existing law.

Let us assume that the bill fails to pass. Are the farmers' benefits so low that there are insufficient incentives to keep him from planting his crop? He has to live. His income is likely to be lower. His costs are likely to be higher. Since the farmer is seeking a decent subsistence it seems to me it is a basic law of economics that he will continue to plant. He will grow more and more and as he does the Nation will end up with a greater surplus than ever before.

Mr. ELLENDER. It matters not. One million or one and a half million acres of corn taken out of production will not, in my humble judgment, mean much in reducing the corn surplus. In other words, with the maximum amount of money which would be left, over and above the $217 million already signed up, we could not have taken out of production more than about 1½ million to 2 million acres.

Mr. CARROLL. If I may, I should like to address a question to the senior Senator from Minnesota [Mr. THYE], with the permission of the distinguished Senator from Louisiana.

Yesterday I asked a specific question as to whether or not the incentives contained in the bill will in themselves curb production. I thought that was the basic point of the bill, though not the sole point. Will the incentives in this bill stimulate some compliance on the part of the farmers? Will there be more compliance if the bill is passed or more compliance if we do nothing?

Mr. THYE. Mr. President, will the distinguished Senator from Louisiana permit me to answer?

Mr. ELLENDER. I ask unanimous consent, Mr. President, that the distinguished Senator from Minnesota may answer the question, without my losing my right to the floor.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection? Without objection, it is so ordered.

Mr. THYE. Mr. President, the answer to the question is very simple. At least 15 percent of every acre of cornland that goes under firm contract is bound under a mandatory provision to the soil bank, in an idle stage, for the calendar year 1957. Therefore, for every acre of the fertile land—such as the land in Illinois, Iowa, Indiana, Ohio, and Minnesota—that goes under a firm contract, 15 percent of that productive land will have to lie idle in the soil bank.

That is the secret of the entire corn program. When there is a firm agreement made with the farmer under the soil bank, that percentage of land is taken out of production.

Mr. ELLENDER. Mr. President, if I may, I should like to make a little correction there.

Under the present arrangement all acreage reserve contracts deal with allotted corn acres. In other words, the land must be taken out of the acres the farmer is allotted.

Mr. THYE. The Senator is correct.

Mr. ELLENDER. But under the pending bill the Secretary could permit the farmer to take his 15 percent required soil bank participation from other land and place those acres in the conservation reserve. Of course, the payment to the farmer would have been less, in those circumstances.

Mr. THYE. That is correct.

Mr. ELLENDER. But the required acreage reduction under the provisions of the pending bill is not necessarily to be taken from base acreage. It can be taken from acres planted to hay, or anything else.

Mr. CARROLL. It may be taken from corn acres, too, may it not?

Mr. ELLENDER. Yes.

Mr. CARROLL. That is what I had in mind, when I spoke of incentives.

Mr. ELLENDER. But the point I wish to emphasize to my good friend from Colorado is that when this program was started last year by the Department of Agriculture, they announced the goals, and what they hoped the farmer would contract for. Not only has the mark been reached, but it has been exceeded by 100,000 acres.

Mr. CARROLL. I have only one further question to ask. Considering all of the farm programs of last year, and that contemplated under the corn program, what participation has there been on the part of the farm population?

Mr. ELLENDER. As has been pointed out during debate, last year the compliance, in my judgment, was excellent, notwithstanding the fact that the law was passed very late in the year. Corn growers participated in the acreage reserve program to the extent of 5,315,578 acres.

Mr. CARROLL. What does the compliance last year by farmers mean percentagewise?

Mr. ELLENDER. That figure is not separated, and it would not help very much, because the amount that was signed up by the farmers was about the goal which was proposed by the administration as necessary for an overall reduction.

This year, as I pointed out a while ago, we have on hand almost 1 billion bushels of corn. It strikes me that the way to reduce that surplus is to plant fewer acres. That should be the way we approach the problem, and not by increasing the base. Under the present law, with an allotment of 37.3 million acres, we have already reached the goal set by the Department as being necessary to accomplish a reduction in the production of corn for 1957. That goal has already been accomplished.

I come back to the proposition that to put $83 million more into that program, and take it away from some other basic commodities which have not reached their goal would simply mean a dip into the Treasury of $83 million to accomplish very little, in my judgment.

Mr. CARROLL. It seems to the junior Senator from Colorado that there is a conflict. That is why I put the question. If we did nothing, if we left the allotment at 37.3 million acres, without additional incentives, that fact in itself might stimulate production to the extent that we would have a greater yield than ever. That is the reason I raised the question.

Mr. ELLENDER. Farmers have a knack, as they decrease acreage, of planting the corn a little closer and using more fertilizer. The result is as much production as they had before. The same thing is true of cotton farmers. The same thing is true of Irish potato farmers. Senators will remember that fiasco. It cost the taxpayers almost half a billion dollars. The Senator from Minnesota remembers how much difficulty we had in ending that program.

I go back to the proposition that when the Secretary of Agriculture told the farmers the acreage reserve goal necessary to reduce the present surplus, he set the figure between 4½ and 5½ million acres. We have now exceeded that goal, and have used all the money allotted to corn. I think that is sufficient.

Mr. CARROLL. I thank the distinguished Senator from Louisiana. It seems to me that perhaps under either proposal, whether we leave the allotment as it is or increase it, if the farmers are as astute as the senior Senator from Louisiana suggests, perhaps they will put additional fertilizer in the proper place in either case.

Mr. ELLENDER. We have been advocating many programs to assist farmers. But farmers are human beings, and they will get as much as they possibly can, as much as the traffic will bear, out of any program they go into. It is human nature for them to do so. As I stated a while ago, this tendency to increase per acre production will be a blessing in disguise for us in the next 10 years when our population reaches the figure of 225 million, with fewer acres of land in production than we now have.

Mr. CARROLL. I thank the Senator.

THE FALLACY OF FIXING AN ABOVE THE MARKET PRICE ON A SURPLUS COMMODITY

Mr. MALONE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MALONE. I have in my hand a Crop Production Bulletin from the United States Department of Agriculture Marketing Service, released on March 18, 1957.

On page 6 there is a statement in confirmation of what the distinguished Senator from Louisiana has just said. I read from the bulletin:

> Part of the downtrend in acres is due to uptrend in yields per acre.

I do not see the connection there. There is nothing said about the total number of bushels or hundredweight of corn to be bought, is there?

Mr. ELLENDER. It states the total number produced.

Mr. MALONE. But all we limit is the number of acres.

Mr. ELLENDER. The Senator is correct.

Mr. MALONE. Let me ask the distinguished Senator a question. I know that he has the answer. The Senator from Nevada was raised on a ranch.

The situation affecting productive capacity has not changed very much.

The Senator from Louisiana knows that if we reduce the acreage, as the distinguished Senator has already suggested, the farmer will add a little more fertilizer and tend the crop more efficiently and increase the surplus accordingly.

Mr. ELLENDER. When I came home from World War I, before we had any programs whatever, I entered the farming business. I well remember that back in 1922 I started to grow potatoes in my own area. Growing potatoes in Terrebonne Parish, La., was an unknown quantity. No one had ever grown them commercially in large quantities.

When I started, the average farmer in that area produced about 92 bushels to the acre. They were growing potatoes on a row 5 feet wide. It looked like a big mound.

I began to experiment. I bought a little farm, and in less than 8 years, by using the proper seed and the proper fertilizer, and by reducing the size of the row, I am glad to say that I increased production to 410 bushels per acre.

That is what has been occurring in connection with all crops. When I came to the Senate that was what induced me to seek membership on the Committee on Agriculture and Forestry.

A few months after I came to the Senate, in 1937, Senator Robinson died, and I was very desirous of being appointed to membership on the Committee on Agriculture and Forestry, because of my experience in that line, and my interest in conservation. Ever since that time I have been watching the increase of production per acre by reason of the utilization of more fertilizer, better seed, better drainage, and other factors.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. REVERCOMB. Mr. President, will the Senator yield for a personal observation?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I can testify from personal experience that the potatoes which the Senator raised were excellent.

Mr. ELLENDER. They were magnificent, I must say, I cannot be modest about those potatoes.

Mr. REVERCOMB. I cannot help but pay my compliments at this time to the Senator from Louisiana. I was one of those fortunate persons who, when rations were low in years past, received some potatoes through the bounty of the Senator from Louisiana. I attest to the fact that they were very excellent potatoes in every respect. I pay my tribute to the Senator from Louisiana as a great leader in the potato-growing industry.

Mr. ELLENDER. I thank my friend from West Virginia. I do not know of any gift that I have ever made in my life that brought more contentment than the 10 pounds of potatoes I furnished each Senator in 1941, I believe, when potatoes were scarce.

Mr. THYE. Mr. President, will the Senator yield for a personal comment?

Mr. ELLENDER. I yield.

Mr. THYE. The distinguished Senator from Louisiana went into the potato business, but he did not become a successful producer until he went up into the Red River Valley, in the northern region, and obtained his seed stock. By obtaining his seed stock in the North he increased his production.

One of the things we have done in the corn business has been to introduce hybrid seed. Another factor has been the introduction of commercial fertilizer. We have paid the experiment stations of our Nation to find out how to apply it. As a result of the proper selection of seed and the proper application of fertilizer, the entire economy of the Nation has been blessed with an abundant production in the agricultural field.

FEWER ACRES—MORE PRODUCTION

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. MALONE. Do we not come to the conclusion, then, that the limiting of the acreage of the crop has very little connection with limiting the amount produced?

Mr. ELLENDER. Well, of course, we can limit acres in order to limit production. However, in the past, with respect to the goals set by the Department of Agriculture, we have been producing those goals on fewer and fewer acres.

Mr. MALONE. That is correct, with an increased production on less acreage.

Mr. ELLENDER. In other words, production has increased.

Mr. MALONE. My point, however, is—and the distinguished Senator is proving my point—that if we are to limit production we must also limit something besides acres.

Mr. ELLENDER. I am sure of that. I am sure the Senator is correct.

Mr. MALONE. Let me go into another point, which does not directly affect the subject under production. What we are trying to do now, of course, is to limit the amount produced by use of the soil bank. Is that not what the soil bank is intended to be used for?

Mr. ELLENDER. Well, it is to do away with surpluses.

Mr. MALONE. But it not only has not reduced surpluses; it has increased production.

Mr. ELLENDER. We did not do it last year, as I shall point out.

Mr. MALONE. But the record shows that more corn was produced on less acres in 1956 than the average yield of certain prior years.

Mr. ELLENDER. We had a program in action that was supposed to have reduced production, but it did not do it in the case of corn.

Mr. MALONE. Apparently only Congress thought the legislation would work that way.

Mr. ELLENDER. It did not work that way.

Mr. MALONE. If the Senator will yield further on that point, I should like to say that any farm boy could have told Congress exactly what would happen. All that was necessary to be done was to use a little more fertilizer. When I lived on the farm, we did not have the artificial-type fertilizer that is so much in use today. However, our available fertilizer had the same effect. Is it not true that Congress still does not understand what the basic situation is, and is not really tackling the basic problem at all?

Mr. ELLENDER. I would not say that. I would not admit that I have been wrong with respect to some of these programs.

Mr. MALONE. The Senator has not been wrong, because he understands what the basic problem really is.

Mr. ELLENDER. Many of the programs have worked well.

Mr. MALONE. They worked well for the part-time farmer who wants to make some money from farming under price supports, and which aggravates the basic problem.

Mr. ELLENDER. During World War II, we had a great abundance. Ever since that time, it is entirely possible, I may say to my good friend from Nevada, that in trying to carry these programs too long after World War II we got ourselves into the trouble we are now in. I go back to the proposition that encouraging our farmers, even through these subsidies, to produce more on less land will be a blessing in disguise in time to come.

GUARANTEEING PROFIT ON SURPLUS COMMODITY

Mr. MALONE. Is the real problem not the fact that we are guaranteeing a profit on a commodity which is already in surplus? I can understand guaranteeing a profit on an indispensable commodity which is in short supply. More especially the guaranty would be necessary if we were forced to import an indispensable commodity from foreign countries across major oceans.

I should like also to call one further point to the attention of the distinguished Senator from Louisiana which proves the fallacy of guaranteeing a profit on a surplus commodity. I refer to another paragraph on page 6 of "Crop Production," which reads:

> If this year's corn acreage should equal that indicated, as if yields approximate the 1951–55 average, by States, production would amount to 2.9 billion bushels, compared with the 1955 crop of 3.5 billion bushels and the 1946–55 average of 3.1 billion bushels.

However, according to the marginal notes, the average of 3.1 billion bushels was produced on 83,942,000 acres according to the 1946–55 average. In the following year of 1956, 3½ billion bushels were produced on 74 million acres.

The record shows that we have not been reaching our announced objective using the methods set up in this legislation.

Mr. ELLENDER. The Senator is correct.

CANNOT FEED THE CORN, BARLEY, AND OILCAKE TO LIVESTOCK AT THE GUARANTEED PRICE

Mr. MALONE. I wish to say one more thing. I am not objecting to the program. I have been in the Senate 10 years, listening to all the debate on fixing a profit price on surplus commodities.

I mentioned this particularly in relation to the program that was under discussion on the floor of the Senate a few days ago, namely, relief for the drought and distressed areas in the West.

Many of the cattlemen of the Nation, and most of the feeders, went broke in the last 3 or 4 years by virtue of the fact—at least, it was a large contributing factor—that the price of corn, barley, and oilcake and other feed that is needed to feed the cattle for the market has been held at a price by law which makes the loss to the feeders approximately 50 cents a head per day, even if the livestock makes the usual gains, when sold on the open market.

The cattlemen of the country, especially those of the West, where I live, have always said, and most still contend, that they do not want any support price on cattle.

They hope for the best, and hope that sometime the feed and the cattle will be allowed to reach their own level in accordance with the law of supply and demand.

So far, the Senate and the House have not allowed that law to operate. The only time when they can buy the feed at a price they can afford is when they are placed in a drought or a distressed area, at which time there is a reduction of $20, or some set sum, a hundred on the price of corn, and that allows them to about break out even. It can be seen that a cattleman must go broke and be placed in a distressed area before he can break even. Apparently it is quite certain that no one can make a living without receiving some Government consideration or support.

There will come an end to this situation sometime, and the cattlemen will come in and say, "If you are going to hold the price of barley, corn, and oilcake at a price above that which you can feed it to fatten steers and other livestock, then they will have to have price supports.

That brings us to the fallacy of all such legislation, because it is impossible to stop with one item. It is necessary to go right on, until all the items are taken into the program. Then it blows up and ruins everybody.

Therefore, Mr. President, I thought this was a good time to let the record show that some of us believe that it does not make any difference on what surplus commodity the price is fixed. If the commodity is produced in surplus quantity, the result will be the same. The result will be the same even if it were monkey wrenches. Under that kind of policy, guaranteeing a profit on a surplus commodity, the surplus will be aggravated.

I understand what the distinguished Senator says about our being glad some day that we have all this surplus production. The Senator must know that the land would be more productive if allowed to rest or the crops rotated rather than to encourage a heavier production. The part-time farmers get into the business largely because of the price supports, and they contribute to the surplus.

DOUBLE PRODUCTION PER ACRE

About 4 years ago it was my privilege to travel through the State of Illinois, to make an address, and I asked to be taken in an automobile through the Corn Belt.

I pointed to some corn and asked how much per acre it was producing and was informed that it was producing 140 bushels an acre, which, before price supports, had been producing around 60 bushels per acre. The end is not yet as long as a profit is guaranteed, Mr. President.

I do not see how we in Congress can continue to farm on the floor of the Senate when the policy they are following simply increases the production per acre, whether it be corn or barley or wheat, and the surplus is increased.

Mr. ELLENDER. I wish to say to my good friend from Nevada that there has been a great deal of criticism leveled at the program by the growers of cattle and the growers of commodities who depend on feed, for protecting the feed grower with support prices, and not the cattlemen who use that feed.

The point I am trying to make is that it is impossible to reduce the huge surpluses we now have on hand by increasing the base acreage. Such a program will not work, because we have already reached the amount of the acreage the Secretary has said was necessary in order to reach the goal of reducing the surpluses.

Mr. MALONE. I am not criticizing the distinguished Senator at all; I simply want the RECORD to show what has happened and what probably will continue to happen under the present policy and which is pushing and emphasizing the problem of feeding the corn, barley, and oilcake to livestock which must be sold on the open market.

When it cannot be fed to the livestock at the support price it further contributes to the surplus.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I am interested in the comments made by my friend, the Senator from Nevada [Mr. MALONE]. I think it is true that the production per acre would have been increased whether there had been price supports or not. The acreage controls on wheat have worked fairly well. Our crop for several years was around 1,250,000,000 bushels under the reduced acreage. But a better solution, and one which it may be necessary to come to, is control by units of production, such as bushels or by hundredweight, rather than by acreage.

There is a natural advance in agriculture, whereby more is produced per acre whether there are price supports or not.

I shall mention one thing which I believe would hurt the cattlemen, at least in my area, and even Secretary Benson has come to this viewpoint. I believe nothing would do more to destroy the cattle- or hog-raising industry than 10-cent corn. That is what we are trying to get away from in the price support program.

Mr. ELLENDER. I do not think we need to worry any more about 10-cent corn.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I should like to discuss with the chairman of the committee the implementation of the program on the farm, assuming that the bill now under consideration should become law. As I read the report, there has been a signup in the corn-producing areas on the basis of 37.3 million acres. Some of the farmers signed up 5 percent of their acreage allotment, some 10 percent, and some 15 percent.

Assuming the new program becomes effective, will the farmers who have signed up 5 percent or 12 percent have to go to 15 percent in order to secure loans?

Mr. ELLENDER. As I have stated, there is nothing in the bill which would prevent the Secretary from canceling everything, if he saw fit to do so, and the producers agreed. I do not say he will do that, because if he attempted to do so, he would certainly be subject to criticism. But it should be remembered that there is absolutely nothing in the bill which would prevent the Secretary from agreeing with producers to cancel what has already been done, because what will happen under the bill is that the corn acreage allotments totaling 37.3 million acres will be wiped out, and a 51 million base acreage will be substituted therefore.

There is an additional gadget in this bill that allows a corn producer to comply with the program and yet not take any acreage out of the 51 million base acreage. The farmer can take an acreage equal to 15 percent of his corn base acreage from other than corn land and place it in the soil bank. Those acres could have been planted in timothy hay or anything else except corn.

I do not say what the Secretary will do, but we tried to ascertain from those who would administer the law how they expected to handle the situation with respect to the present acreage-reserve agreements if the bill were enacted. We were not able to get a definite answer.

The Secretary wrote a letter to the committee stating that the bill was too late for enactment. More than 324,000 farmers have already signed up for the corn-acreage reserve, and the Secretary would have to write to all of them to give them their new base acreage. Whether they would take acreage out of their corn base acreage or out of other acreage to put in the soil bank would be difficult to determine. Making the decision whether to increase his soil-bank participation and comply with this bill and whether to retire corn or other acreage would not be a simple task for the farmer. In addition I do not see how the Secretary of Agriculture could perform the task of getting the required compliance under the bill.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CARLSON. I should like to proceed further on that point.

Mr. ELLENDER. I yield further to the Senator from Kansas.

Mr. CARLSON. I have had some experience in the reopening of soil bank signups. I do not think there could have been any more unfortunate experience than there was in Kansas in connection with the wheat acreage reserve program last fall. I do not say this critically, but I do not know how the Department could have handled the signup more unfairly than it did. I am concerned about the situation facing us under this bill, because of what actually happened in the case of wheat in Kansas.

On a Thursday afternoon the Department of Agriculture sent a telegram to the State committee, advising them that they could notify the county committees that the committees would have 24 hours to allow farmers to increase their signup from 50 percent to 100 percent of their wheat acreage allotments. Telegrams were sent to the county committees on Thursday afternoon. Some of the committees received them on Friday forenoon. The signup was over at midnight Friday. Some farmers heard of it over the radio and through the press. I think every member of the Kansas delegation shares my feeling that that was one of the most dreadful experiences we have gone through under any farm program. Some farmers had opportunity to place only 50 percent of their allotment in the acreage reserve; others were allowed to put 100 percent of it in. That was an experience I would not want to force on any corn farmer in the Nation.

Mr. ELLENDER. If I understand correctly the letter from the Secretary, in which he tells about the difficulties that will arise because of the proposed increase in allotted acres, the task will be insurmountable. It will be necessary for the Department to communicate with each and every person who signed a soil-bank contract.

In Kansas there has already been a signup of 252,575 acres, contrasted with 193,398 acres last year. In order to be fair, and in order to give an opportunity to everyone who has declared that he wants to take part in the new program, the Secretary will have to communicate with every Kansas farmer who has already signed up, so as to ascertain whether or not the farmer wants to increase the amount of soil-bank acreage, then the Secretary will have to make available the same opportunity to other Kansas corn producers who have not signed up for the soil bank. The task will be insurmountable, so far as I can see. The conditions which the Secretary described to the committee will become worse if the bill becomes law.

Mr. CARLSON. Does the Senator from Louisiana have any assurance from the Department of Agriculture that if an individual farmer has already signed up an acreage equal to 5 percent or 10 percent of what his new corn base acreage would be, he will not be forced to increase his soil-bank participation to 15 percent?

Mr. THYE. I should like to refer the Senator to the committee report. That was one question which was asked specifically. The legal counsel of our staff was asked to ascertain the answer from the Department of Agriculture. I read from the bottom of page 4 of the report:

> Our proposed soil bank operating procedure in case this bill is passed is as follows:
>
> (a) We would reallocate the available funds from other commodities to corn.

Mr. ELLENDER. Is the Senator reading from the Secretary's letter?

Mr. THYE. Mr. Harker Stanton, the legal counsel of the committee, was requested to ascertain how the Department would operate the proposed pro-

gram before the report was prepared. I read further from the bottom of page 4:

1. Each farm now under agreement would be offered an opportunity to increase corn acreage in the acreage reserve up to 15 percent of the respective corn base.

2. All other corn farms in the commercial corn area would be allowed to sign agreements for the larger of 5 acres or 15 percent of the farm corn soil-bank base.

Mr. ELLENDER. From what page did the Senator read?

Mr. THYE. I read from the bottom of page 4 and the top of page 5.

Mr. ELLENDER. Is that in the letter contained in the report?

Mr. THYE. Mr. Harker Stanton, the legal counsel of the committee staff, is in the room. This is the information he was directed to obtain before the report was prepared.

Mr. ELLENDER. I understand. Let me read this passage from the letter.

Mr. THYE. I have a copy of it.

Mr. ELLENDER. I understand. On page 4 of the report we find the matter just quoted by the Senator from Minnesota and also the following:

If the acreage which the producer has already placed in the soil bank is not equal to 15 percent of his farm base acreage, he would have to put sufficient additional acreage in either the acreage reserve or the conservation reserve to bring his participation in the soil bank up to 15 percent of his farm base acreage in order to qualify for price support, except that if price support is made available to noncompliers, a producer who does not meet the "15 percent" requirement would be eligible for such support.

Mr. THYE. That is correct.

Mr. HUMPHREY. That is the answer to the Senator's question.

Mr. ELLENDER. Very well.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. HUMPHREY. The point I have in mind is that under existing law, without the enactment of the pending bill, the Department has a right to cancel contracts, if it deems that to be necessary.

Mr. ELLENDER. Oh, no. It has a right to cancel offerings, but not those contracts signed before March 8.

Mr. HUMPHREY. Under existing law the Secretary of Agriculture has the right, in an emergency——

Mr. ELLENDER. Oh, that is different.

Mr. HUMPHREY. Under existing law, in an emergency, he has a right to cancel contracts.

Mr. ELLENDER. Certainly if the producer agreed to it; in case we got into a war or other emergency of that kind, he could cancel all of them, if the producers agreed, as I understand. But that is not what the Senator from Kansas is seeking to ascertain.

Mr. HUMPHREY. The Senator from Kansas is seeking to ascertain whether the bill in any way will result in the canceling of contracts. Is not that correct?

Mr. CARLSON. That is one point I have in mind.

The second point about which I wish to inquire is whether the bill, if enacted, will require a farmer who has signed up for the soil bank an acreage equal to 5 or 10 percent of what his new base acreage will be, to increase it to 15 percent.

Mr. HUMPHREY. No. First, the bill will not cancel contracts. Second, it would make that requirement. Of course the Secretary has authority to make price support available to noncompliers.

I have before me a letter from Marvin McLain, the Assistant Secretary, dated March 29. His letter was sent in response to some questions I asked. I read from the letter:

On the basis of contracts already signed, if the bill is passed by the Senate—

That is to say, the pending bill—

there is no requirement that existing contracts be canceled.

Mr. ELLENDER. The Senator from Minnesota is correct about that. But will there be anything to prevent the Secretary of Agriculture from canceling contracts by mutual consent?

Mr. HUMPHREY. If the Senator from Louisiana wishes to say that the Secretary of Agriculture is so irresponsible that we cannot rely at all on him, then it should be pointed out that no bill would suffice.

Mr. CARLSON. What will be the requirements for the new ones who come into the program?

Mr. HUMPHREY. They will be subject to the same requirements.

Mr. CARLSON. In other words, under the new program, if the bill becomes law, the farmer must sign up an acreage at least equal to 15 percent of his base acreage; is that correct?

Mr. HUMPHREY. Yes.

Mr. HICKENLOOPER. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HICKENLOOPER. I think without doubt the situation would be as follows: The Secretary could continue with his 37,300,000-acre base if he wished to keep the present contracts. If he wished to enlarge the base to 51 million acres, he would have to require the 15-percent equivalent. But a farmer could continue with the contract he has under the percentage he has put in.

Mr. CARLSON. However, I am referring to the new signers. We want to obtain new signers. We want to have new acreage placed in the soil bank acreage of farmers who have not signed up under the 37.3-million-acre allotment. Are we going to require them to sign up for an acreage equal to a full 15 percent of their new base acreage?

Mr. HUMPHREY. On the basis of their allotments within the full 51-million-acre base; yes.

Mr. CARLSON. That means that in my State there will be corn growers who are signed up for 5 percent or 10 percent of their base acreage while the new ones will have to sign up for 15 percent. Is that correct? I believe I am correct as to that.

Mr. ELLENDER. Those who have already signed up need only sign up for the additional participation needed to qualify for price support. Those who have not signed up at all would now have to sign up for the full 15 percent, if they desired price support.

Mr. HUMPHREY. All of them will have to meet the requirements.

Mr. ELLENDER. They will be entitled to change their contracts to increase their percentage if they wish to. As the Secretary of Agriculture points out in his letter, all will have to be notified. I think the record will show that there were 324,000 farmers who had already signed up; and every one of them will have to be notified of the new program, and will have to be given an opportunity to sign up if he wishes to do so.

Mr. CARLSON. Mr. President, at this point will the Senator from Louisiana yield again?

Mr. ELLENDER. I yield.

Mr. CARLSON. The point just made is the one I have been trying to make. Some of the farmers will comply with their present acreage allotments because they want to qualify for the benefits of price support and in addition have signed agreements to place some of their corn acreage in the soil bank. This soil-bank acreage may amount to only 5 percent of his new corn base acreage. Yet he would be permitted to continue that contract while new signers will be required to sign up at least 15 percent of their base acreage. There will be some difficulty in explaining that situation to the farmers of the Nation.

Mr. ELLENDER. That is one of the points I wish to make, whether the Secretary will find it necessary under the proviso in section 308 (a) of the Agricultural Act of 1956 to make support available to producers who comply with their present allotments but who do not comply with the new requirements of the bill. It is not covered in the letter, but I have discussed it with representatives of the Department since the bill has been reported. That matter will be hard to administer. They will have to go all over this again, and first give an opportunity, as I have said, to all farmers to increase their soil-bank acreage if they so desire. Everyone will have to be notified.

I simply do not know how much time that will take. It will be a very difficult situation.

Mr. President, I have been discussing this matter for more than an hour; and in answering the numerous questions which have been asked, I have practically covered the speech I had intended to make. Of course I have been glad to have the questions asked, and I have been glad to answer them, because in that way the various points have been brought out.

I intended to discuss the very problem the distinguished Senator from Kansas [Mr. CARLSON] has raised.

As I have said, if the charts I have submitted for the RECORD are examined, Senators will find that very few States in which the farmers signed up for acreage reserve in 1956 had signups for less acreage this year. There are only 2 or 3 of them. Iowa is one, and Minnesota is another—where, under the 37.3 million

base, the acres for which the farmers have signed up are less than they were under the 51-million-acre base.

Mr. President, all in all, again I return to the proposition that what the Department had in mind, in proposing the program, was to curtail X number of bushels; and in order to attain that goal throughout the commercial Corn Belt, the Department concluded that from four and one-half million to five and one-half million acres would turn the trick. That has been accomplished under the program which now is being severely criticized by the proponents of the pending bill.

Mr. President, it is true that representatives of the Department of Agriculture appeared before the committee and gave their version of how the program would be administered, even if we increase the acreage. But it would cause a great deal of difficulty to adjust the program under the new conditions which would be created by the bill.

As was pointed out by the distinguished Senator from Kansas [Mr. CARLSON], some farmers will proceed under the program without increasing the acreage placed in the soil bank very much, if at all, whereas other farmers will be compelled to devote an increased percentage of their allotted acres in order to qualify under the provisions of the bill.

Let us bear in mind, Mr. President, as I pointed out awhile ago, that every dollar which has been allotted to the program in the case of corn has already been taken up; and it will be necessary to obtain funds from those available for other commodities, for which the farmers have not signed up to the extent of the funds made available to them by the Department of Agriculture.

Take, for instance, the cotton farmers. It was supposed they would sign up for between 3 and 3½ million acres. I understand just a little more than 2 million acres will be signed up. So there will be quite a few million dollars left over, which will not be used for cotton farmers, which could be transferred to the corn program. If the matter is not handled in that way, that money will go back to the Treasury.

The same situation exists as to wheat. I understand that some money is left over. I do not know exactly what the figures are as of today. We could not obtain them, because the Department had not completed a signup of all the acres offered. As a matter of fact, that has not been done in the case of any commodity up to the present time. Whether or not corn producers will be able to obtain the limit of $300 million still remains problematical.

Mr. President, I wish to include as part of my remarks, and I ask unanimous consent to do so, the letter from the Secretary of Agriculture addressed to me, under date of March 29, which is part of the report. He points up the difficulty that would arise in the administration of the new program in the event the bill should pass. Whereas the Secretary of Agriculture has not stated whether he is for or against the bill, it is my belief that he has given the bill the cold shoulder. I do not believe he is for it. That is my personal opinion, although he did not tell me that, but I gathered that impression from reading between the lines, and merely judging from the tenor of the letter. I doubt he is for the program.

I ask unanimous consent that the letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 29, 1957.

Hon. ALLEN J. ELLENDER,
United States Senate.

DEAR SENATOR ELLENDER: At the meeting of the Senate Committee on Agriculture and Forestry on March 21, you requested information as to the current status of the corn acreage reserve program, an interpretation by our Office of General Counsel with respect to the effects of the proposed new corn legislation on soil-bank agreements already signed, and proposed soil-bank operating procedure in case this new corn legislation is approved.

A State-by-State analysis of the current status of the 1957 corn acreage reserve program is contained in the attached table I. This table indicates that as of March 22, 1957, we have firm agreements with about 325,000 farmers covering 4.6 million acres and for which the maximum compensation will be $171 million.

On March 14, after the adverse action in the House of Representatives with respect to corn legislation, in order to be fair to those farmers who needed a definite decision as to whether we would accept the additional acreage offered, we announced that we would accept "over limit" corn acreage under the soil bank. This had previously been done for all other commodities under the acreage reserve program.

As of March 22, in addition to the firm agreements signed, we have offers covering this "over limit" acreage still in the process of being signed, covering 1.1 million acres and amounting to about $37 million. It is probable that not all of the offers above the individual farm maximum will ultimately be consummated into firm contracts. Therefore, it is probable that the total costs of the corn program, in the absence of new legislation, will be approximately $300 million. Thus, it appears that about 5.5 million acres will be signed up in the 1957 acreage reserve program with the present allotment. This compares with our announced goal of 4.5 to 5.5 million acres. Table I shows the signup by States.

Under section 105 (c) of the Soil Bank Act the total compensation paid producers for participating in the acreage reserve program with respect to any crop year may not exceed $750 million, and with respect to corn for any crop year may not exceed $300 million. Of the former amount the share for corn was $217.5 million. If $300 million were used for corn, about $82.5 million would have to be shifted to corn from unused funds originally allocated by the Department to other commodities. This in turn would make available for corn approximately $100 million for possible additional signup in the 1957 acreage reserve program. Table II (attached) shows the 1957 acreage reserve fund utilization by commodities and the shifts which would have to be made from funds allocated to other commodities to corn.

While under this proposed corn legislation it could be possible for corn producers to place increased acreage in the soil bank, the bill neither would cancel the agreements which have already been signed with producers under the acreage reserve program for the 1957 crop of corn, nor would it give the producers the right to terminate such agreements. It would leave those agreements in effect except that the amount of corn which the producers could produce and still comply with their agreements would be increased by the difference between their 1957 farm acreage allotments as previously established under the Agricultural Adjustment Act of 1938 and his farm base acreage as determined under this bill (which will be the same as the base acreage of which the producer was notified for purposes of the referendum held December 11, 1956, pursuant to section 303 (b) of the Agricultural Act of 1956).

If the acreage which the producer has already placed in the soil bank is not equal to 15 percent of his farm base acreage, he would have to put sufficient additional acreage in either the acreage reserve or the conservation reserve to bring his participation in the soil bank up to 15 percent of his farm base acreage in order to qualify for price support, except that if price support is made available to noncompliers, a producer who does not meet the "15 percent" requirement would be eligible for such support.

The Secretary would, of course, have authority under other provisions of the Soil Bank Act to consent to the termination of agreements by producers if he found such action to be necessary or desirable in carrying out the provisions of this bill. However, we would not want to cancel existing contracts except in exceptional circumstances.

Our proposed soil bank operating procedure in case this bill is passed is as follows:

(a) We would reallocate the available funds from other commodities to corn.

(b) Available funds would be used for additional corn acreage in the following order of priority:

1. Each farm now under agreement would be offered an opportunity to increase corn acreage in the acreage reserve up to 15 percent of the respective corn base.

2. All other corn farms in the commercial corn area would be allowed to sign agreements for the larger of 5 acres or 15 percent of the farm corn soil-bank base.

3. If it should appear that this would not exhaust available funds an equitable method for additional signup would be developed.

(c) Initial allocation of available acreage reserve funds would be made to counties and States in proportion to the number of acres of corn allotment on farms not presently covered by acreage reserve agreements multiplied by the approved compensation rate per acre. Initial allocations would be increased or decreased as necessary to first permit all farmers desiring to do so to enter the 5 acres—15 percent maximum.

It is not expected that many farmers would place acreage in the conservation reserve in order to be eligible for price support. In view of the large sums still unused in the conservation reserve program, no problems of fund allocation are anticipated.

(d) The signup would be reopened under the above conditions. The final signup date would be 3 weeks after the bill becomes law.

Of course, you recognize that farmers generally have made their 1957 plans on the assumption that there would be no new corn legislation. In view of the delays which have occurred there will be many administrative problems. These will include reopening the signup to those who have already signed firm agreements but for whom the amount in the acreage reserve would be less than 15 percent of their acreage base. Then, there would be those producers who want to participate on the basis of their acreage base but who felt that they could not because of the size of their acreage allotments. All farmers who signed firm contracts would have to be officially notified of

their new permitted acreage. Of course, some currently signed up may desire to cancel their contracts because of the change of rules. This may create certain administrative problems.

Sincerely yours,

E. T. BENSON, *Secretary.*

Mr. ELLENDER. Mr. President, I wish also to have printed in the RECORD as a part of my remarks other letters which were received on the subject. The National Farmers Union is for the bill. They say that, although it is late, they think it will do some good.

The American Farm Bureau Federation sent a letter addressed to me, under date of March 26, 1957, in which they set forth some of the difficulties. They concluded, because of the lateness of the proposed legislation, and, in effect, the administrative difficulties which would ensue, they would be inclined to be against the bill. That letter was dated March 26, 1957, was addressed to me, and was signed by Mr. Frank K. Woolley, legislative counsel.

Another letter was received from the National Grange, dated March 27, addressed to Mr. James M. Kendall, one of the clerks of the committee. In that letter the National Grange indicated it would be for the bill.

Mr. President, I ask unanimous consent to have the three letters to which I have referred printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 25, 1957.*

Hon. ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

Replying to your request by telephone this afternoon for our reaction to the corn and feed grains bill reported by your committee this morning. We welcome this positive action to improve the corn and feed grain farm income situation in 1957 and later years. While the bill is pitifully short of the comprehensive long-range program that is so badly needed, the committee bill is a major improvement over the existing situation in two important respects: First, it establishes a solid recognition of and basis for later Congressional action to enact legislation dealing with the entire feed-grain corn and livestock economic structure from a comprehensive income improvement and supply management basis and, second, it provides at least partially for 1957 the type of improvement in the corn situation that a legally sufficient number of corn producers voted their confidence that Congress would enact without permanently destroying the basic status of corn. We hope you will find it possible to support the bill and proposed amendments to further improve it along the lines of our recommendations to your committee on March 4.

JOHN A. BAKER,
Coordinator of Legislative Services,
National Farmers' Union.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 26, 1957.

Hon. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR ALLEN: This is in reply to your request for a statement regarding our position at this time concerning corn legislation for 1957.

At our annual meeting last December, the voting delegates went on record favoring the enactment of legislation providing for the type of corn program favored by the large majority of farmers affected. In support of this policy, representatives of the American Farm Bureau Federation appeared before the House Agriculture Committee and a subcommittee of the Senate Committee on Agriculture and Forestry urging that Congress quickly pass a simple corn bill.

We indicated that the early passage of a simple bill was urgent because plans for spring planting were being made and farmers needed to know as soon as possible what kind of program would be in effect in 1957. These statements were made in January and early February.

The House of Representatives on March 13, 1957, by a record vote of 188 yeas to 217 nays, defeated a simple bill designed to permit corn farmers in 1957 to participate in the kind of program which they prefer. The House Agriculture Committee was split on the issue. Most of the minority members finally supported legislation to give commercial area corn farmers a program in 1957 similar to the options offered farmers in the corn referendum last December which was favored by 61½ percent of the approximately 440,000 farmers voting in the referendum. Most of the majority members insisted that the acreage reserve program of the soil bank must also be opened up to grain sorghums, barley, rye, oats, soybeans, flaxseed, and noncommercial area corn. The House refused to pass any of the various proposals that were offered.

We understand that the Senate Committee on Agriculture and Forestry yesterday on a split vote reported out a bill which would substitute a 51 million acre corn base acreage for the 37.3 million acre national corn allotment.

Since the House has debated the subject this year at considerable length and refused to change the current law, it appears to us that before the Senate acts, it may want to determine whether there is any possibility of action being taken by the House on legislation that would be effective and financially sound in sufficient time to be of any assistance in adjusting production to demand in 1957.

In considering this problem, the experience of last year in connection with passage of the Agricultural Act of 1956 should be added to the attitude shown by the House this year on corn legislation. Last year, soil-bank legislation was passed after most of the corn was planted.

As early as April 5, 1956, the American Farm Bureau Federation pointed out that "It is too late for a soil-bank plan to be of any benefit to farmers this year."

Nevertheless, the group in the House which opposed corn legislation this year were the ones who put through the amendment on May 3, 1956, which forced payments in 1956 on a 51 million acre soil-bank corn base, even though most of the corn area had already been planted, which made it obvious that such payments would not make an appreciable contribution to bringing supplies into balance with demand.

Because the law directed it, $179 million was paid out under a situation which doomed it from the start to ineffectiveness so far as adjusting production was concerned.

Once again consideration is being given to legislation which will help farmers bring supplies into line with demand. Once again it probably is too late for legislation to be passed that will make any real contribution to lifting the price-depressing surpluses off the backs of farmers.

We understand that about 5½ million acres of cornland have been offered for Government soil-bank contract.

Farmers have made their plans and corn-planting time is practically here. Legislation must run the gantlet of the Senate, the House, and probably conference between the two bodies to iron out differences with the agreement then being reconsidered by the Senate and the House before being sent to the President for consideration.

This situation suggests questions such as the following: How much will corn farmers reduce plantings below that to which they already have agreed? Will those corn farmers who agreed to stay within their portion of the 37.3 million acres get a windfall payment if the base at this late date is raised to 51 million acres? Will it be fair to corn farmers who were willing to stay within the 37.3 million allotment to allow other farmers to come into the program now? How will the increase be divided between those who have signed up and those who were unwilling to sign up until their share was increased? Two hundred and seventeen million dollars represents the share of the $750 million total acreage reserve fund available for corn. Close to $300 million has been signed up for corn at this time. Should funds be shifted from other acreage reserve commodities to obtain a larger signup on corn?

We are seriously concerned that legislation at this late date and the time required to put it into effect after enactment would create more ill will among farmers—including corn farmers—and nonfarmers than it would contribute to adjusting the agricultural plant.

The American Farm Bureau Federation has looked upon the soil bank as a means of bringing supplies into balance with demand and not as a device to provide farmers with free crop insurance.

We are working to bring about a healthy market condition by removing market gluts and do not look with favor on payments as an end in themselves.

Since the present corn signup is heavily concentrated in areas which have recently been adversely affected by drought, the probability exists that there may be a further buildup of corn surpluses. Even though this is undesirable, legislative action has been so long delayed that it is highly questionable whether legislation now will result in anything but a wasteful expenditure of public funds this year at a time when we should be economizing.

Sincerely yours,

FRANK K. WOOLLEY,
Legislative Counsel.

THE NATIONAL GRANGE,
Washington, D. C., March 27, 1957.

Mr. JAMES M. KENDALL,
Committee on Agriculture and Forestry,
United States Senate,
Washington, D. C.

DEAR MR. KENDALL: This is in response to the committee's request for a statement on an original bill favorably reported providing corn base acreages for 1957. As we understand the measure, it would (1) establish a base acreage of 51 million acres for the 1957 corn crop in lieu of existing acreage allotments, (2) increase the 1957 support level for corn outside the commercial corn-producing area from 75 percent to 62½ percent of the commercial corn area level for those complying with acreage limitations, (3) require participation in the acreage reserve for corn or the conservation reserve to the extent of an acreage equal to 15 percent of the corn base acreage as a condition of corn price support, and (4) require a study and report on a feed grain program to become effective in 1958.

As was indicated in our statement submitted in connection with S. 1013 and similar bills relating to corn, we seriously doubt whether the soil bank as it has been devised

and implemented will bring about any substantial reduction in the harvest of corn or of feed grains. Basic changes are necessary in the farm program if we are ever going to get production adjustment, wise land use, expanded markets, and a more equitable return to producers for farm commodities. The present corn proposals appear merely to be efforts to make the best of a bad situation. Under the circumstances, it may be desirable to buy time and hold the line as well as possible against overproduction and inadequate income while important preparatory work is carried on for a more effective approach to our agricultural problems. Temporary expedience or emergency approaches can only be justified if simultaneously efforts are made to correct fundamental shortcomings in our present agricultural programs. Part of our concern about current efforts to bail out the corn program arose from the conviction that the corn proposals, being unrelated to the total feed problem, offered no hope of a real solution. We commend the committee for its recognition of this fact and the requirement that a study and report on a feed grain program be submitted.

In our earlier statement we indicated that we would favor establishing again for 1 year a corn base acreage of 51 million acres and price support to cooperators at a level not less than 75 percent of parity only as a temporary expedient and if provision is made to obtain an adjustment in corn acreage. We, therefore, recommended that a farmer to be eligible for price-support or soil-bank payments under such a program should be required to reduce his corn planting to 15 percent below his base acreage for corn. The action of the committee appears to us to be in general accord with the position taken by the National Grange in its earlier testimony on this subject matter.

Very truly yours,

THE NATIONAL GRANGE,
JOSEPH O. PARKER,
Legislative Counsel.

Mr. ELLENDER. Mr. President, I wish to place in the RECORD, and ask unanimous consent that I may do so, the data from which I have been speaking, particularly the crop-production pamphlet dated March 18, 1957, giving the corn-planting intention as to 74.4 million acres. That appears on page 1 of the pamphlet I have in my hand. On the bottom of page 3 appears the forecast for 1957 as to feed or grain crop plantings. It will be noted that a very short corn acreage is to be planted this year in contrast with past years. I presume that is due to the fact that farmers realize the huge surpluses of corn that are now on hand. According to this information, practically on their own volition they will no doubt decrease their acreage.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Is there objection to the unanimous-consent request?

There being no objection, the data were ordered to be printed in the RECORD, as follows:

CROP PRODUCTION—PROSPECTIVE PLANTINGS FOR 1957

Corn plantings may total 74.4 million acres, the smallest in 70 years, or 5 percent less than in 1956 and 11 percent below the 1946–55 average.

* * * * *

Feed grain crop plantings for 1957—corn, oats, barley, sorghums—will increase very slightly over last year according to March intentions. Corn and oats will show moderate and consistent decreases in most States but these reductions are expected to be offset by striking increases in sorghum in the central and southern Plains and sizable increases in barley which will count largest in the small-grain areas of the northern Plains and the West.

Corn prospective plantings of 74.4 million acres for 1957 will be the smallest in 70 years, a long stretch dating back to President Cleveland's first term when the Nation had fully 100 million less people to feed. However, this would be only 5 percent less corn acreage than planted last year. This produced the second largest crop of record despite drought losses in the western Corn Belt.

* * * * *

CORN

This year's intended corn acreage, at 74.4 million acres, is a 70-year record low. It is 5 percent below the 1956 total of 78.6 million acres planted and 11 percent smaller than average. All geographic areas except the West show declines ranging from 3 to 7 percent with the expected reduction in the Corn Belt equal to the average change for the Nation. The East North Central States plan a 3-percent decline, while acreage in the West North Central States is expected to be down 7 percent. Corn acreage in the South Atlantic States is expected to decline 5 percent and in the South Central States, 7 percent. The Western States plan an increase of 5 percent, largely on irrigated land. Outside of the latter area, increases are expected in only Massachusetts and Connecticut.

Mr. ELLENDER. Mr. President, I wish to have printed at this point in the RECORD, and I ask unanimous consent that I may do so, a table which I have been using to answer questions, which shows the corn acreage reserve signup under firm contracts as of March 29, totalling 5,203,887 acres. The table also gives the number of acres by State, and it shows that the amount of corn acres offered for the acreage reserve as of that same date aggregate 5,560,465 acres.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Acreage reserve for corn

	Firm acreage signup as of Mar. 29	Offered as of Mar. 29
Alabama	58,775	58,775
Arkansas	8,622	8,622
Delaware	18,685	19,539
Georgia	40,704	43,718
Illinois	397,809	415,416
Indiana	348,672	364,045
Iowa	799,134	818,832
Kansas	217,544	252,575
Kentucky	204,429	209,579
Maryland	23,818	27,470
Michigan	175,722	184,752
Minnesota	232,984	249,437
Missouri	539,072	563,278
Nebraska	1,217,237	1,316,280
New Jersey	23,718	23,718
North Carolina	82,635	82,635
North Dakota	7,788	8,231
Ohio	272,624	282,281
Pennsylvania	59,198	60,151
South Dakota	282,898	308,674
Tennessee	90,634	92,984
Virginia	15,406	15,426
West Virginia	2,004	2,005
Wisconsin	44,714	150,042
Total	5,203,887	5,560,465

Source: Soil Bank Division, U. S. Department of Agriculture.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall yield in a moment.

Mr. HOLLAND. I should like to ask a question about the matter the Senator has just mentioned.

Mr. ELLENDER. I yield.

Mr. HOLLAND. I ask the distinguished Senator if it is not true that the placing of those 5.2 million acres under the corn-acreage reserve, with the possibility of increasing it to 5½ million acres or more, pretty well uses up that portion of the soil bank which is allocated to the commercial corn industry?

Mr. ELLENDER. Not pretty well—it does. That will be shown by the next table I will put in the RECORD. The Senator from Florida anticipated me.

The next table I ask unanimous consent to have printed in the RECORD at this point shows the dollars allocated to the corn-acreage reserve as of March 29, 1957. The total dollars allocated on the basis of firm contracts is $191,743,917. The revised allocation on the basis of total acres offered, including those which have been signed up and those which are now in the offing, most of which will no doubt be signed up, shows a requirement of $217,500,000.

I may state to my good friend from Florida that is $500,000 more than the amount allotted to the corngrowers by the Secretary under date of November 30, when he announced the program.

I ask unanimous consent to have that table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Dollars allocated on corn acreage reserve as of Mar. 29, 1957

	Total dollars allocated on basis of firm contracts	Revised allocation on basis of total acres offered
Alabama	$1,733,893	$1,830,000
Arkansas	193,447	203,000
Delaware	845,155	910,000
Georgia	770,616	870,000
Illinois	17,774,381	20,180,000
Indiana	16,267,483	17,700,000
Iowa	22,734,205	28,890,000
Kansas	5,744,645	7,180,000
Kentucky	7,431,395	8,000,000
Maryland	1,041,509	1,220,000
Michigan	7,835,132	8,300,000
Minnesota	9,404,027	9,900,000
Missouri	20,109,929	22,100,000
Nebraska	32,457,504	40,000,000
New Jersey	1,202,922	1,260,000
North Carolina	2,798,205	2,940,000
North Dakota	177,966	198,000
Ohio	14,066,284	15,000,000
Pennsylvania	2,770,465	2,900,000
South Dakota	5,735,927	6,680,000
Tennessee	3,004,720	3,110,000
Virginia	591,516	700,000
West Virginia	82,948	90,000
Wisconsin	6,915,817	7,400,000
Total	191,743,917	217,500,000

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a very interesting table showing the commercial corn area program of last year. It gives in detail the number of bushels produced and the number of acres harvested. It also gives the number of acres

taken into the soil bank, which figure I have given on several occasions to the Senate. It also shows the full amount of money paid to the growers who participated in the program. It also indicates, Mr. President, the average payment per acre to the farmers of each State. For instance, the average paid per acre to farmers in the State of Alabama was $24.86. The highest average was paid in the State of New Jersey, where the payment per acre was $48.45.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commercial corn area: 1956 operation

	Commercial corn area, production and acres			1956 soil bank		
	1955	Difference, bushels and acres, 1955-56	1956	Acres in soil bank, 1956	Soil Bank payments, 1956	Average payment per acre
				Acres	*Dollars*	*Dollars*
Alabama:						
1,000 bushel production	12,608	−1,365	11,243	8,488	211,040	24.86
Acres	330,489	+7,858	338,347			
Arkansas:						
1,000 bushel production	3,283	−416	2,867	1,600	24,660	14.83
Acres	101,621	+5,035	107,656			
Delaware:						
1,000 bushel production	6,130	+3,620	9,750	7,757	345,084	44.49
Acres	172,000	−20,000	152,000			
Illinois:						
1,000-bushel production	523,992	+74,680	598,672	485,367	23,003,509	47.39
Acres	9,266,000	−437,000	8,829,000			
Indiana:						
1,000-bushel production	275,408	+20,336	295,744	248,536	11,046,805	44.45
Acres	4,921,000	−119,000	4,802,025			
Iowa:						
1,000-bushel production	572,290	−621	571,679	1,280,414	54,014,806	42.18
Acres	10,799,000	−33,000	10,766,000			
Kentucky:						
1,000-bushel production	50,504	+3,511	54,015	223,272	6,548,121	29.32
Acres	1,263,445	−57,102	1,206,343			
Louisiana:						
1,000-bushel production	81,995	+7,614	89,609	98,528	3,625,493	40.83
Acres	1,742,543	+542	1,743,085			
Minnesota:						
1,000-bushel production	271,988	+43,434	315,422	256,214	9,802,301	38.26
Acres	5,505,900	−143,207	5,362,693			
Missouri:						
1,000-bushel production	148,144	+22,003	170,147	344,926	10,105,592	29.30
Acres	3,713,000	−291,657	3,421,343			
Maryland:						
1,000-bushel production	16,457	+6,000	22,457	11,658	489,588	41.95
Acres	408,160	−32,117	376,043			
Nebraska:						
1,000-bushel production	99,553	+9,646	109,199	1,437,371	32,475,555	22.59
Acres	6,041,539	−446,950	5,594,589			
North Carolina:						
1,000-bushel production	36,979	+6,600	43,579	45,795	1,266,611	27.65
Acres	1,107,494	−88,551	1,019,943			
North Dakota:						
1,000-bushel production	3,496	−273	3,223	8,951	208,134	23.30
Acres	108,000	−5,644	102,356			
New Jersey:						
1,000-bushels production	3,778	+4,400	8,178	7,082	343,143	48.45
Acres	138,400	−11,921	126,479			
Ohio:						
1,000-bushels production	208,267	−4,979	203,288	166,609	8,090,155	49.15
Acres	3,480,010	−91,512	3,388,498			
Pennsylvania:						
1,000-bushels production	39,744	+9,143	48,887	15,423	639,686	41.48
Acres	896,256	−30,332	865,924			
South Dakota:						
1,000-bushels production	71,758	+15,232	86,990	342,637	8,528,910	25.30
Acres	3,069,900	−99,954	2,969,946			
Tennessee:						
1,000-bushels production	18,866	−1,784	17,082	59,127	1,481,948	25.06
Acres	536,701	−8,683	528,018			
West Virginia:						
1,000-bushel production	826	+223	1,049	302	12,430	41.18
Acres	24,750	−2,820	21,930			
Wisconsin:						
1,000-bushel production	106,498	+23,949	130,447	68,274	2,902,687	42.51
Acres	2,064,672	−4,957	2,059,715			
Virginia:						
1,000-bushel production	6,455	+1,487	7,942	5,949	196,681	34.81
Acres	181,550	−13,371	168,179			
Kansas:						
1,000-bushel production	25,670	−2,854	22,816	193,948	3,150,005	16.24
Acres	1,175,200	−134,372	1,040,828			
Total:						
Bushels	2,533,757	+239,764,000	2,773,521	5,315,578	179,664,064	33.80
Acres	56,878,629	(1,792,569)	55,086,060			

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by the Secretary concerning the soil bank program and goals.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SECRETARY ANNOUNCES UNIT PAYMENT RATES AND GOALS FOR 1957 ACREAGE RESERVE PROGRAMS

Secretary of Agriculture Ezra Taft Benson today announced the base unit rates from which payments under the 1957 acreage reserve programs of the soil bank will be determined for all basic crops except peanuts and extra long staple cotton. He also announced the 1957 acreage reserve goals for these same crops, and the general basis for determining per-acre payment rates.

Commodity:

Corn (bushels):

1957 unit rate $0.90

1957 acreage reserve goal 4,500,000–5,500,000

AVERAGE YIELD AND PAYMENT RATES ANNOUNCED FOR 1957 ACREAGE RESERVE PROGRAMS

Secretary of Agriculture Ezra Taft Benson today announced national average yield figures and dollars-and-cents payment rates per acre which will apply in administration of the 1957 acreage reserve programs for five basic crops. As announced on November 30, there are no plans to include peanuts or extra long staple cotton in the soil bank acreage reserve next year.

Crop:

Corn (bushels):

National yield figures 47.4

National base unit rates $0.90

Approximate national average rate per acre $42.66

Mr. ELLENDER. Mr. President, if the program for this year is administered in

the same manner as it was administered last year, I am quite certain the goal proposed by the Department will be far exceeded, even under the national allotment of 37.3 million acres.

It strikes me that the corn farmers ought to make every effort to attempt to help themselves by not further aggravating the surpluses which now face them.

Mr. President, farmers of course are human; and it is human nature, as I pointed out before, for them to proceed to obtain the best they can under the circumstances under which they operate their farms. In my humble judgment if the weather is normal, and there are as many as 5.6 million acres taken out of corn production, we will have much less than the average normal production. It will be just a question of time as to when this crop-reduction program will work.

But, Mr. President, I return to the proposition that we must not do anything here today which will lead the farmer to believe that the soil bank is a proposal to provide them with additional income. The purpose of the soil bank is to reduce surpluses. The way to accomplish that is to pay farmers not to produce.

This is not a program to aid the farmer in obtaining more income from his crops, except by way of higher prices, in the event that less is produced. The whole purpose of the soil-bank proposal is to get the farmers to reduce planted acres—not to plant certain acres—in order not further to aggravate surpluses.

It is contemplated that this program will continue for 2 years after 1957. If the farmers of the Nation will cooperate, and plant their crops in the usual manner, I feel confident that this program will do much good.

However, if, as the proponents of the pending bill now desire, there is a change in the program, which is now almost consummated with respect to corn, that will aggravate the situation rather than do it any good. The number of acres which will be added to those already signed up will not be sufficient to make an appreciable dent in corn production this year.

I humbly ask, Mr. President, that the Senate reject the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of the pending bill, comparing it with other proposals made by the administration and with the House bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This bill insofar as it relates to corn is applicable only to the 1957 crop, and the corn program for 1958 and subequent years would be governed by the provisions of the Agricultural Adjustment Act of 1938 with respect to acreage allotments, and the Agricultural Act of 1949 with respect to price-support levels. In addition to provisions with respect to the 1957 corn crop, the bill contains provision for a study of an overall feed-grain program which can be made effective with the 1958 crop. The results of this study are to be reported to Congress not later than June 1, 1957.

The first section of the bill establishes a base acreage of 51 million acres for the 1957 crop. This would replace the acreage allotment of 37,288,889 acres which was proclaimed under the provisions of the Agricultural Adjustment Act of 1938, and which would be made ineffective by section 2 (a) of the bill. Substitution by the bill of a base acreage for an acreage allotment brings into play two provisions of the Agricultural Act of 1956 which, by their terms, are effective whenever a base acreage is in effect. One of these is section 308 (a) of the 1956 act, which requires as a condition of eligibility for price support that the producer devote an acreage of cropland equal to 15 percent of the farm-base acreage either to the acreage reserve for corn or the conservation reserve. The other provision which would be made effective by the creation of a base acreage is section 308 (d) (2) of the 1956 act, which increases the level of price support for corn produced outside the commercial corn-producing area to 62½ percent of the level of price support for corn in the commercial corn-producing area to producers complying with acreage limitations. The level of support now provided by law for such producers in the noncommercial area is 75 percent of the level available to cooperating producers in the commercial area.

Section 2 (b) of the bill would repeal sections 308 (b) and (g) of the Agricultural Act of 1956, which relate to the referendum held in December 1956, and no longer have any effect.

Section 2 (c) of the bill repeals section 308 (d) (3) of the Agricultural Act of 1956 insofar as it relates to corn in the noncommercial area. Section 308 (d) (3) provides for support of the 1957 crop of feed grains, including corn produced outside the commercial area, at not less than 70 percent of parity if the Secretary of Agriculture should elect to make price support available for the 1957 crop of corn in the commercial area to producers not complying with acreage limitations. The present price-support level for corn outside the commercial area is about $1.02 per bushel. By making section 308 (d) (2) of the 1956 act effective, the bill would raise this support to about $1.12 per bushel. By repealing section 308 (d) (3) of the 1956 act insofar as it relates to corn outside the commercial area, the bill prevents the price-support level outside the commercial area from rising to $1.27 per bushel if the Secretary elects to make price support available to producers in the commercial area not complying with acreage limitations.

DIFFERENCES BETWEEN S. 1771 AND THE PROPOSAL REJECTED BY THE CORN PRODUCERS

S. 1771 differs from the proposal rejected by corn producers last December in the following respects:

First, S. 1771 is applicable only to the 1957 crop, while the rejected proposal provided permanent changes from existing law.

Second, the bill leaves the price-support level for corn in the commercial area subject to the provisions of section 101 of the Agricultural Act of 1949. Since the Secretary has announced a level of $1.36 for 1957, the 1957 support level will not be less than $1.36. The rejected proposal would have required a permanent departure from the provision of the Agricultural Act of 1949; and the price-support level would have been fixed at the Secretary's discretion. Prior to the referendum he announced a 1957 support level of $1.31, and that would have been the level for 1957.

Third, the bill provides for a base acreage of 51 million acres for 1957. Acreage allotments for 1958 and subsequent years would be determined under the provisions of the Agricultural Adjustment Act of 1938. Under the rejected proposal, a base acreage of 51 million acres would have been effective whenever an acreage reserve program was in effect, and authority for such programs extends only through 1959. The rejected proposal provided for a permanent departure from the acreage allotment provisions of the Agricultural Adjustment Act of 1938. Therefore, if the rejected proposal had been adopted, (1) there would have been no acreage limitations after 1959, and (2) the 51-million-acre base acreage would have been effective in 1958 and 1959 only if an acreage reserve program was in effect in those years.

Fourth, no change would have been made in section 308 (d) (3) of the Agricultural Act of 1956 by reason of adoption of the rejected proposal (if that proposal had been adopted instead of rejected) and therefore the 1957 price-support level in the noncommercial area would have been required to be increased to 70 percent of parity or about $1.27 if price support were made available to noncompliers in the noncommercial area. The bill now under consideration would amend that provision so that the support level in the noncommercial area would remain at 62½ percent of the commercial area level, or about $1.12.

Fifth, the bill provides for a study and development of an overall feed program.

DIFFERENCES BETWEEN S. 1771 AND THE ADMINISTRATION PROPOSAL WHICH IS CONTAINED IN S. 1013

The bill now under consideration differs from the administration proposal, which was recommended to the Committee by the Secretary of Agriculture and embodied in S. 1013 in the following respects:

First, as I have said before, S. 1771 is applicable only to the 1957 crop. S. 1013, like the proposal rejected by producers, would have required permanent departure from the existing provisions of law dealing with acreage allotments and price-support levels.

Second, instead of providing for price support between 75 and 90 percent of parity, as would be the situation under the existing law and the pending bill, the administration proposal would have provided for supports at between 70 and 90 percent of parity whenever an acreage reserve program is in effect (which could only be for the current year and for the next 2 years) and for price support at the discretion of the Secretary thereafter.

Third, instead of returning to acreage allotments in 1958, as would be the case under the existing law and the pending bill, the administration proposal would have continued a base acreage of 51 million acres in effect for 1958 and 1959, if there were acreage reserve programs in those years, and would abandon acreage allotments or any other form of acreage control after 1959.

Fourth, instead of repealing section 308 (d) (3) of the Agricultural Act of 1956, insofar as it relates to corn, the administration proposal would leave that provision unchanged so that support in the noncommercial area would have to be raised to about $1.27 in 1957 if price supports should be made available to noncompliers in the commercial area.

Fifth, the administration proposal would not provide for the study of an overall feed grain program as does the pending bill.

DIFFERENCES BETWEEN S. 1771 AND THE HARRISON AMENDMENT TO H. R. 4901

The pending bill also differs very sharply from the Harrison amendment to H. R. 4901, which was adopted by the House of Representatives before it rejected H. R. 4901. Both the pending bill and the Harrison amendment would be applicable only to the 1957 corn crop. That is the principal resemblance between the bills. The differences are as follows:

First, the pending bill would provide price support at not less than $1.36 per bushel for farmers complying with a 51 million acre base acreage. The Harrison amendment would have provided price support in such case at only $1.31.

Second, the pending bill would provide no price support for producers complying with the 37.3 million acreage allotment unless they also complied with the soil bank participation provision of section 308 (a) of the

Agricultural Act of 1956 or unless the Secretary sees fit to provide price support for them under the proviso of section 308 (a) as noncompliers. The Harrison amendment would have required price support for such producers at $1.36 per bushel.

Third, instead of repealing section 308 (d) (3) of the 1956 act insofar as it relates to corn outside the commercial area, as provided in the pending bill, the Harrison amendment would have left such provision in effect and thereby required 1957 price support levels in the commercial area to be raised to 70 percent of parity if price support is to be made available to noncompliers in the commercial area.

Fourth, the Harrison amendment did not provide for a study of the overall feed program as provided by the pending bill.

Fifth, the Harrison amendment also contained a provision added by the amendment offered by Congressman REUSS limiting payments under the Soil Bank Act to $5,000 for any participant for any year.

Mr. HOLLAND. Mr. President, I wish to ask the chairman of the committee a question. Was not the proposal under the present law submitted to the producers of corn in the commercial areas, and did they not fail to vote for what would have been substantially the provisions of this bill, since there was not a favorable vote of two-thirds of the number voting, as was required under the 1956 act?

Mr. ELLENDER. The Senator is correct. Of course, there was a little difference.

Mr. HOLLAND. Is it not true, likewise, that a very small number of the farmers who were affected took the trouble to vote?

Mr. ELLENDER. That is true.

Mr. HOLLAND. Is it not correct to state that under our allotment programs in general, under the price support program, and also under the marketing agreement and marketing order laws, which have been upheld by the courts, the principle of having two-thirds of the producers vote approval of a program before it shall be binding on the entire industry is a well settled policy?

Mr. ELLENDER. It has not only been well settled, but it has been adhered to by all those producing our basic commodities, with the exception of those producing corn.

Mr. HOLLAND. Mr. President, I should like to ask one more question. If this proposed legislation is passed, will it not, in effect, represent a contradiction of the regulations which have been prescribed for the administration of the price support legislation, as well as for the placing in effect of marketing agreement legislation, and the like? Will it not be a decision that in spite of the fact that the required number of farmers did not vote in favor of this program, under our uniform practice, the Congress is taking the responsibility unto itself and giving the farmers the program, whether they wish to have it or not?

Mr. ELLENDER. I pointed that out in my opening statement, Mr. President. Of course, I am in full agreement with what the Senator states.

Mr. HOLLAND. Mr. President, I regret that I was not able to be here throughout the statement of the distinguished chairman of the committee. As the Senator from Louisiana knows, I was conducting a hearing before a subcommittee of the Committee on Appropriations and was unable to be present.

Mr. ELLENDER. I should have been at the committee meeting also.

Mr. HOLLAND. I simply wish to say, briefly, that it seems to me that if we pass this bill, we will be reversing the process of permitting two-thirds of the farmers to say what should be binding on them. We will be saying, if we pass this bill, that in spite of the fact that less than two-thirds of the farmers voted in favor of the program we are going to put it into effect anyway; thus departing, I think, from the soundest democratic feature in our whole agricultural system of laws for price control, marketing agreements, and the like. I therefore hope that this bill will not pass.

Mr. THYE. Mr. President, the farm problem has been with us for quite a number of years, and it results mainly from the fact that we are producing more than we have the ability to either consume domestically or export to foreign nations. Therefore, we have endeavored from year to year to curtail certain acreage.

We have placed an acreage allotment on cotton, wheat, corn, peanuts and rice, but we have never provided any method to prevent the diverting of acres from wheat, cotton, or corn to use in the production of some other type of crop. So the net result has been that oftentimes we have curtailed the use of a certain percentage of our land which was normally planted to cotton, but instead of the land lying idle it has been used either to produce a feed crop or an oil crop, such as soybeans. Oftentimes we have curtailed the use of a certain percentage of our wheat acreage in the extreme Southwest or in the Northwest, but the acres have not lain idle. They have produced feed in the Southwest, such as the sorghum grains, and they have produced feed grains in the Northwest, such as barley, rye, oats, or whatever other crop might have been planted.

The net result has been that when we have finished the year and the harvest has been completed, we have found that more grain has been harvested than there is a market for or is needed in the feed lots.

The problem multiplied from year to year. Then we conceived the idea of the soil bank. It was the first realistic, sound approach to the problem of first, reducing production, and second, curtailing the depletion of our soils. Of course, when we curtail the depletion of the soil we build its fertility. That was the principle embodied in the philosophy of the soil bank last year. Unfortunately that legislation was passed too late in the season to be really effective in controlling production. Considering the late date of enactment of the law, however, we experienced a better result than we had hoped for.

Then, as we approached this year's signup date, under the curtailed commercial corn acreage of 37,288,889 acres in the commercial corn acreage allotment, I began to check with the various State officers throughout the commercial corn area, as well as some specific county officers. I learned that only a very small percentage of the corn producers in the corn area were going to participate in the program, because they could not afford to curtail their farm operations while complying with the small acreage allotment of 37 million plus.

Learning that they were not going to comply, I knew that our soil bank was in jeopardy, so the Senator from Indiana [Mr. CAPEHART] and I introduced S. 1449 on March 2. I had discussed this question with him previous to that date. I said to the Senator from Indiana, "You represent a corn-producing State, as I do. With the present small acreage allotment, our farmers will not comply in sufficient numbers; and without compliance we again delay the real achievement of the soil bank."

The bill which we introduced was referred to the Senate Committee on Agriculture and Forestry. Other bills were then pending in committee. It was unfortunate that the committee had not scheduled hearings at an earlier date, so that we could have obtained action, reported a bill and brought it to the floor and debated it much earlier than the 10th of April.

Nevertheless, this is the 10 of April; and we still can achieve much under the terms of the pending bill. Disregarding all that has been said about the lateness of the season, I still contend that we can get a large percentage of corn acres into the soil bank under this program if we enact the pending legislation. That is the reason I am endeavoring to convince my colleagues that we should pass the bill this afternoon.

If we fail to get a certain percentage of the farms in the 6 big corn-producing States into the program, we shall continue producing feed in excess of our needs or our ability to sell abroad. If we produce too much cheap feed, we then increase livestock production.

The first case would be poultry, because poultry involves a relatively short period of time from the time a farmer makes plans to buy his baby chicks until the flock is in production.

The next immediate step-up would be in the production of milk. If we increase the high protein feeds in the daily ration, dairy production will increase. In the event feeds are cheap, the farmer will feed all summer on concentrates, and the production of milk will be sustained, notwithstanding the heat of the summer and the fly season.

Another threat to our dairy industry would result. We have just succeeded in working ourselves out from under huge surpluses of dairy products, but today the farmer is not being compensated for milk in the manner in which he should be compensated, considering what he must pay not only in taxes on his real estate, but also in the cost of the equipment he must have to operate his farm unit. In the Minneapolis-St. Paul market, Grade A manufacturing milk brings the farmer $3.14, out of which he must pay delivery costs on that milk.

With respect to fluid milk going into the Twin Cities, the farmer received $3.60 during February for grade AA fluid milk for direct consumption. In addition, he

has a zone charge and a trucking fee to deduct from the $3.60. He cannot withstand any greater reduction.

On the current market eggs are about 23 cents a dozen in the midwestern part of the United States. That is what the farmer receives for large grade A eggs. If they are of medium size, the price to the farmer is approximately 22 cents a dozen for clean eggs, without a check in them. If they are graded as checks, they probably bring 19 cents a dozen. If there is an abundance of feed, we add to the problems of increased production of both eggs and dairy products.

The next aspect of the question is concerned with pork, which involves another relatively short cycle. Already there is an indication that there will be an increase in the number of pigs for the 1957 fall crop, because more sows are being retained on farms for breeding purposes. Cheap corn resulting from overproduction will contribute to overproduction in the hog industry.

So the question before us is: Can we enact some legislation which will encourage producers in the six big corn-producing States to come into the program?

A great deal has been said about the signup in the program as of today. It is true that the signup is higher than had been anticipated, but the signup has occurred mainly in the fringe areas of the big corn producing sections of the Nation. As of March 8, the first signup, there were 4,473,024 acres signed up in the soil bank throughout the Nation. However, of that big signup as of March 8, Illinois had only 5.8 percent of its corn acreage in firm contract, or signed up under the soil-bank provision. Iowa, another big producing State, had 8.7 percent; Indiana, another high corn producing State, had 11 percent; Ohio, 11.3 percent, and Minnesota, 5.7 percent.

Missouri, unfortunately, had been in the drought area and crop prospects for the future were uncertain. Certainly the crop had been affected in the drought of 1956. Missouri signed up 19.2 percent. Nebraska, another State where farmers were unfortunately caught in the disastrous drought in 1956, signed up 25 percent.

When the Secretary of Agriculture announced that he would accept offerings for an increase in the signup beyond the amount permissible under the act, there was an additional offering. The acreage offered nationwide finally totaled, as of March 29, when I received the figures, 5,560,465 acres.

When we begin to analyze which States took advantage of the additional offerings in connection with the soil bank, we find that Nebraska signed up 99.043 acres in excess of the 30 percent. Again, Nebraska was not certain about the crop conditions in the calendar year 1957, because the subsoil still lacked moisture. The same thing was true in Missouri.

There was no major signup in the big corn States of Wisconsin, Illinois, Iowa, Minnesota, Indiana, and Ohio. Therefore, it is necessary for us to make it possible, by raising the acreage allotment in the commercial corn area from 37 million to 51 million acres, for the producers of corn in those six States to come into the program.

If we examine the corn-production record further, we find that Iowa had an average yield per acre in 1956 of 51 bushels; Illinois, 68 bushels; Indiana, 62; Ohio, 60; Wisconsin, 61; Minnesota, 57½. That is an average of 59.3 bushels to the acre in those large commercial corn-producing States for the 1956 crop year.

However, if we examine the record for all States we find that there were some, because of drought conditions and other factors, which did not have such a favorable State average. Some of the States had an average of 22 bushels to the acre. The average corn yield for the Nation outside the 6 States was 33 bushels per acre in 1956. This indicates that State averages are low for nearly all States outside the six largest corn producers.

Therefore it is evident that we are not going to effect a real reduction in the potential feed production for the calendar year 1957.

If we examine the record further—and this has been stated earlier in the day—we find that over a 10-year period, from 1946 to 1955, we had an average annual corn planting of 83,942,000 acres. In the calendar year 1956, we had only 74,410,000 acres, which is practically 10 million fewer acres.

However, on the fewer acres we produced more corn, because the average yield has increased during that 10-year period. The annual average from 1946 to 1955 was 3,100,000,000 bushels, on 83,942,000 acres. In 1956, 3,500,000,000 bushels were produced on 74,410,000 acres.

The entire question comes down to this: Either we enact this bill and permit the corn farmers in the six big corn producing States to come into the program—and they will come in under the 51 million acreage proposal—or they will stay outside the program. They are not in it now, and they cannot come into it unless we pass the appropriate legislation. If they do not come into the program, the 1957 production of feed grains will be so high, if we have the normal average crop, that our feed supplies will be so excessive that the entire livestock production will be in jeopardy. In the face of such large increases, prices will break. We have had difficulties in our farm economy in the past, and right now grain commodities are in major surplus. However, if we allow our surplus to be in dairy products and pork, the market will break and the products on hand will be perishable. They are not as readily storable as are corn or wheat or cotton.

Therefore, I can only urge that my colleagues very carefully consider this question now before us. There is still ample time to do something to meet the situation. The farmer is waiting for us to act. He knows what he wants to do. If we increase the acreage from 37 million to 51 million he will not be long in calling on his county committee and saying, "What will be my corn acreage allotment under the new figure?"

As soon as the county committee members become familiar with the legislation we enact, they will have figured it out and will be ready to advise the farmer. The township man who goes out and actually discusses the problem with the farmer will advise him what his plantings should be under the act. The entire program can be airborne, so to speak, and put into effect in a matter of a few days after the President signs the bill.

The corn-planting season has not commenced, and will not commence in the northern parts of the commercial in Minnesota, Wisconsin, Illinois, and Iowa until the first week of May. Oftentimes planting does not begin until the 20th or 25th of May.

We need not have any fear that it is too late in the season to have the act apply effectively in the heavy producing States in the commercial corn area, where there is production per acre which otherwise will threaten an overproduction of all feed supplies in the Nation.

I urge all my colleagues to study this legislation very carefully. We owe it to our farmers to give them the opportunity to participate in the soil bank and to insure effectiveness of the program.

Mr. MUNDT. Mr. President, I should like to take up the cudgels where my good friend from Minnesota has just left them, and to urge my colleagues not only to think this matter over very carefully, but to arrive at an affirmative position and to support this very meritorious piece of legislation, which is designed to help tremendously an important segment of American agriculture.

There is no question whatever that if the Senate acts today, as I hope it will, and if it acts affirmatively, as I hope it will, this bill can go to the House of Representatives in ample time for the House leadership to bring it to the floor for affirmative action before the Easter recess. If that is done, it will be ample time for the benefits to be shared by the corn farmers in the commercial corn areas of the United States.

Mr. President, I have conferred with a number of members of the Committee on Agriculture and Forestry of the House of Representatives, with which our Committee on Agriculture and Forestry has worked in close conjunction on agricultural legislation. I have reason to believe that the unhappy partisanship, which contributed so much to the defeat of proposed corn legislation when it was considered on the floor of the House some weeks ago, has been replaced now by a desire on the part of all hands in the House to do something constructive for the corn farmers of America.

The bill, if enacted into law, will provide them with that opportunity. I hope they will act expeditiously.

There is not much additional that needs to be said, Mr. President, because the bill has been adequately discussed. It is not complicated. It is not something novel or new. I certainly do not wish to contribute to any delay. I say that because I believe we should try to wind up debate on the bill so that we can vote on it today.

It is a very simple bill in its inception. It grows out of committee action whereby a number of us on the Committee on

Agriculture and Forestry took the various bills which were then before us and tried to reduce them to the bare essential provisions required to give the American corn farmer a fair break under existing agricultural legislation.

I happen to be one of those who early in the session introduced a specific bill to meet the problem. My bill was S. 1076. It differed in details from some of the other bills which were before the committee, but to my mind that bill and all the other bills before us moved in the direction in which we now find ourselves moving with the bill now being considered, namely, S. 1771, which was introduced by the junior Senator from Minnesota [Mr. HUMPHREY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Missouri [Mr. SYMINGTON], the senior Senator from Minnesota [Mr. THYE], and myself, all of us members of the Committee on Agriculture and Forestry. All of us agreed, after the hearings had been held and the problems had been carefully canvassed and analyzed, that this was the best bill which could be offered under the circumstances, due to the lateness of the time. We felt it was good enough to be of genuine assistance to the American corn farmer, who finds himself in a serious position as the result of the outcome of the corn referendum last fall. Many farmers have written me that they now regret their adverse votes on that occasion.

The bill provides for a 51-million corn-acre base, to which the farmer is entitled. It provides him with the proper type of price support, to enable him to enjoy the benefits of the soil bank, with a base sufficiently large so that he can adjust his farm operations to his agricultural practices.

For some strange reason, the idea has got abroad that this is an area bill or a special farm bill for the benefit of one phase of agriculture alone. It is no more a special area or a special product bill than is any other phase of an agricultural bill which has sections or paragraphs dealing with wheat, cotton, tobacco, rice, and sugar, each of which has to be coped with in accordance with its own specific problems.

I am sorry the Senator from Florida [Mr. HOLLAND] has left the Chamber because he seemed to indicate that he might be in opposition to the bill. He himself comes from a great State which is a direct beneficiary of the same kind of legislation, dealing with specific problems, as the bill dealing with corn. Florida happens to be a citrus fruit-raising State. For citrus fruit there is a section 32 program which is highly beneficial to that industry. I have supported it, and other members of the Committee on Agriculture and Forestry have supported it. But it meets the specific problem with a specific plan, just as the bill now under consideration proposes to meet the urgent problem which confronts cornrowers.

The bill proposes a program which is tailored to meet the needs of the corn farmers in the commercial and noncommercial areas. Actually, the bill proposes to do what is required to place corn, as a basic commodity, on the same footing as the other basic crops. It retains and continues corn as a basic crop, as it should be. But from the very beginning of the Agricultural Act of 1938, as it has been amended and changed from time to time, though it is still the basis of our present agricultural program, the commercial-corn area has not been determined, as have the commercial areas and the minimum acreages of other crops which are basics. Except for 1956, corn has had to struggle along with a discriminatory formula. In the 1956 crop year, it was possible to establish the minimum basic acreage of 51 million. The minimum acreage allotment for wheat is actually 55 million. For cotton, it is 17.5 million.

If the corn formula were applied in the same way to wheat and cotton—and I am not recommending that it should be—we would find that the national wheat acreage allotment would be only 12.4 million acres, with 3.9 million acres allotted to cotton. We are not advocating such allotments, but we are advocating that the program be adjusted so that corn will find its rightful place among the basic crops of the country. Therefore, we have provided in the bill a basic acreage limit of 51 million acres, thus moving in the right direction.

Mr. President, I ask unanimous consent, in reinforcement of my argument, to have printed at this point in the RECORD a table prepared by the Department of Agriculture, showing the acreage allotment for 1957.

The table shows the commodity, the actual allotment, the allotment as it would be in the absence of a minimum allotment, and the relationship of the actual allotment to the allotment presently provided.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Acreage allotments, 1957

Commodity	Actual allotment [1]	Allotment as it would be in the absence of a minimum allotment	Relationship of actual allotment to allotment in col. 2
1	2	3	4
	Million acres	*Million acres*	*Percent*
Wheat	55.0	12.4	444
Cotton	17.5	3.9	451
Corn	51.0	27.3	187

[1] In the case of corn this represents the proposed allotment.

Mr. MUNDT. Mr. President, I hope our friends from the South, with whom we cooperate on their problems related to tobacco, peanuts, rice, and cotton, will now cooperate with us from the corn belt, and will give us the same equitable consideration and treatment which we have always felt they were entitled to receive with respect to southern crops. Legislation supporting that goal has been backed by Senators from the farming areas of the North. I think it is important that we retain the identity of interest among the farmers of the Nation, whether they grow peanuts or corn, cotton or corn, citrus fruit or corn. I hope the South will not desert us now.

The bill provides, as of now, the kind of program which is required to protect the corn farmer against what otherwise would be a discriminatory situation. Incidentally, it is a discriminatory situation which, if it continues to prevail, will be injurious not alone to the corn belt, because corn is a crop which, in the main, is sold on the hoof; it is sold in the form of livestock.

If the acreage allotments remain as low as they presently are for the 37-million-acre area, there will be an over abundance or corn. A superabundance of corn, a new surplus of corn, will mean a new abundance of cheap feed. That, in turn, will cause a new abundance of livestock, and will depress the present livestock market. The condition will ramify throughout the whole livestock and dairying industry. The injurious effects of too much corn at too cheap a price in the market place will not be felt alone in the corn areas, but will be felt in the South and throughout the rest of America, wherever cows are milked or meat is sold.

I call attention to the fact that this bill is of interest to the national economy and the national agricultural picture, in order to keep the entire agricultural economy in balance.

Together with other Senators who have spoken in favor of the bill, I hope the bill will receive today the overwhelming affirmative vote to which it is entitled.

Mr. AIKEN. Mr. President, I find myself in the rather peculiar position of not being able to vote for a bill which I favored up to a short time ago—say, a month ago. I think that had the bill which is now before the Senate been enacted 5 or 6 weeks ago, it would have done much good, not only in the Corn Belt, but throughout the country.

I compliment the Senators from the Corn Belt who have worked hard to make the conditions such that agriculture in that great region would have better prospects than possibly it has at present, although I am not willing to concede that their prospects are not very good.

I am not one of those who believe that the proposed legislation would give corn an unfair advantage over any other commodity. I believe the 51-million-acre base is a rather modest acreage for the commercial corn area. I believe that the provision in the bill adjusting the support price for corn in the noncommercial area is very fair, and the support price in the commercial area, which would be left as it is now, would be an adequate guaranty without unduly encouraging overproduction.

So I say to the people of the corn States that their representatives in Congress have done well. They have carried the fight for them, I would say, beyond the point of no return, or beyond the point where winning the fight would have some very definite advantages.

The proposed legislation is now too late to be effective. I think it is too late, even, to be fair. If the bill is passed today by the Senate—I do not know whether anyone has yet checked on the possibility of that situation—but if the bill passed the Senate today and the House suspended its rule and considered

the bill as soon as it was received from the Senate, and if the House were, in that connection, to have a night session, during which it passed the bill, the President might sign it the first of next week. Then the program under the bill might be put into effect 3 weeks later because it would take 3 weeks to complete the new signup of those who would desire to participate in the revised program.

As has been stated, nearly 325,000 corn farmers have already signed up to reduce their plantings of corn, based on their share of the national allotment of 37.3 million acres. If the bill is enacted, it will be necessary to transfer to the corn acreage reserve funds allocated to other crops which have not been used. Possibly that would provide enough funds for corn farmers to place an additional 2,000,000 to 2,225,000 acres in the soil bank.

The question then arises, who would get to place the additional 2 million acres in the soil bank? Three hundred and twenty-five thousand contracts, covering probably, by now, approximately 5,200,000 acres, have already been agreed to. The Secretary has correctly pointed out that all those contracts would have to be reopened at once, because under the provisions of the bill, each corngrower would have to put into the soil bank an amount of cropland equal to 15 percent of his new corn base acreage, allocated under the new national base of 51 million acres. Someone would have to do a great deal of calculating in that connection. How many more acres in the soil bank this bill would result in, no one knows.

Some of those who have already signed up, have signed up for far more than what 15 percent of their base acreage would be. I assume that there are many who have not signed up for 15 percent. So out of the two-million-odd acres which would be eligible for further signups, we would have to take those necessary to bring all existing contracts up to an amount equal to 15 percent of the applicable base acreage. How much that would leave for those who have not already entered soil-bank contracts with the Government, no one knows. Certainly there would be complications in that connection.

As I have said, if the bill were to become law by next Monday, it would still be 3 weeks before the new signup could be effected. However, the prospects are against the bill's becoming law by next Monday. If the bill should not become law for another week, it might be May 5 or May 15 before the program could become effective, and that is assuming that the bill would be passed quickly by the House and would pass rapidly across the President's desk.

This year the producers of the basic commodities who sign up for the acreage reserve are required to sign before planting time. Unfortunately, a good deal of the corn—for instance, in the case of the southern half of the country—will have been planted before the bill could become effective. In my opinion those farmers would be pretty much left out of the program. I am not sure that they would like that. I have noticed at times that some of our friends south of the Mason-Dixon line have not been very happy at any suggestion that their States be left out of a program. So that would be one of the difficulties.

Another thing to be pointed out is that the signups to date—325,000 contracts embracing 5.2 million acres—are for acres to be taken out of corn production. Under the pending bill, the acreage which might be added to the soil bank, need not necessarily be taken out of corn production; it might come out of the acreage for oats or for alfalfa or for grass or for some other crop, and might go into the conservation reserve. Those who sign up for the soil bank from now on would be required to retire an acreage at least equal to 15 percent of their corn base acreage, but it would not necessarily come out of corn acreage. Those who already have signed up to take their reduction out of the corn crop might not be too happy to have others come in and have 1 million or 2 million acres taken out of some other cropland.

Mr. CARLSON. Mr. President, at this point will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. CARLSON. The Senator from Vermont has mentioned other crops which might be taken out of production. I noticed that the Senator from Vermont did not mention wheat. I should like to call attention to the great increase in the number of wheat growers in the corn-producing States. It is amazing what is happening to the movement of wheat production from the area west of the Mississippi River to the area east of it. Last year, 1956—and the figures I have come from the Department of Agriculture—there were 10,006 new wheat growers in the State of Illinois; 6,308 in Indiana; and 3,867 in Ohio. I mention these figures because they show a problem we shall have to meet. It is one of the problems which I think is a result of a farm program which makes it easy and sometimes necessary to produce crops in unnatural areas. At the present time, the production of wheat is being moved east across the Mississippi River. I think all of us will agree that the production of corn is being moved into the South. The production of feed grains is moving out of the Northwest and is being scattered throughout the central part of the Nation. All those developments add to the problems.

We are also increasing our feed supplies to such an extent that, in my opinion, within the next year or two we shall suffer seriously from greatly reduced livestock prices, which are based largely on feed production.

When the Senator from Vermont mentioned crops which might be taken out of production under the bill, I could not resist mentioning this situation, because up to 15 acres of wheat are permitted to be grown anywhere without any marketing penalty; and last year approximately 1 million new acres were planted to wheat in the Corn Belt area.

Mr. AIKEN. Mr. President, what the Senator from Kansas has stated in regard to the movement in the production of wheat is entirely correct. It is true that hundreds of thousands of acres east of the Mississippi River have been devoted, for the first time, to the production of wheat. In that connection, for instance, we may refer to the State of Illinois, where wheat can be produced under exactly the same conditions as those existing in western Kansas, and the wheat thus produced in Illinois can qualify for the same support price, although it is not acceptable to the milling trade. Undoubtedly it is true that corn producers in Illinois—and the Senator from Illinois, who is sitting before me, understands the situation there—might take their additional soil bank acreage out of their wheat acreage, except I suspect they have already planted their wheat. So that would be impossible at this time.

I am simply trying to point out some of the administrative difficulties which would be bound to develop if the pending bill were to be enacted. I repeat that the bill is a fine one, but it is 6 weeks late, in terms of having it become law and become an effective program.

I wish to add that the soil-bank program does not constitute a panacea. It may make better farmers out of our agricultural producers, because as the number of acres is decreased, our farmers learn to produce much more per acre. But in the public interest, I think from now on we must place more emphasis on the conservation reserve. I am not sure how long the general public will approve of the acreage reserve, which pays—and properly so, I think—substantial amounts for taking crops out of production. I think that program must be a temporary one; the public will object to it if it runs too long.

But the public will support the conservation reserve, and we should promote it. The conservation reserve takes our poorest land out of crop production, and puts it to some better use or permits it to remain idle or to be planted to a soil-building crop which will make the land better and will keep it in reserve for future years. The public will support a program of that kind.

So in the future I think we must place more emphasis on the conservation reserve. If we are going to maintain a soil-bank program at all, we shall have to provide greater incentives for placing land into the conservation reserve, because the time may soon come when we shall not have the acreage reserve.

I shall not vote against the bill because it is not a good bill. I shall vote against it simply because it is 6 weeks late in coming before us, and because I think it would create administrative impossibilities and possibly chaotic conditions and ill feelings between different groups of farmers in different parts of the country; between those who have already signed up for the soil bank and those who could sign up under more favorable conditions; between those in the South who have already planted corn and those in the North who can enter into the program for 5 or 6 weeks yet, provided that time is made available to them.

I hope I have explained my position. I think it is a sound one. I simply believe if this program is authorized now, it will be unworkable.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DIRKSEN. I have listened off and on to the debate of this bill on the floor of the Senate. I have been going through the RECORD a little bit. I have heard some rather testy and tart statements made about the Secretary of Agriculture. I heard such statements made yesterday afternoon.

When the Senator from Vermont speaks of the fact that this bill comes 6 weeks late, I have an idea some farmers, particularly some in the Corn Belt, are going to ask a very simple question: Why is the bill late? Any number of bills were introduced. I myself introduced one providing a corn program. In the table of contents in the printed hearings there is a recital of at least 7 or 8 bills. Proposed legislation on the subject has been before the House of Representatives for a long time. I know, of course, the vagaries of action that took place in that body. But there is still before us the question, Why was the bill late and why was action taken so late, when everyone knew March 8 was the signup deadline; when everybody knew, of course, it would not be too long until shiny plows would go into the earth in Illinois, Iowa, and elsewhere?

Frankly, I think the Congress is going to answer to the farmers for its responsibility if there comes a dislocation and a disorganization of our farm economy, and if, 18 months or 2 years from now, there results another hoard of feed grains and a disorganization of the whole livestock industry. I want to be sure the responsibility and blame is placed where it properly belongs. It will belong, not on the President, not on the Secretary of Agriculture, but it will belong on the Congress of the United States for failing to take action when it had time to act.

We have not been suffused with a heavy schedule. Very little has come out of the committees. There have been long recesses by the Senate and the House of Representatives. I think, with an accusing voice, corn farmers in the Middle West and elsewhere can very properly put the responsibility on the Congress for the farmers having to meet a planting season without a planting pattern because of failure and inaction on the part of the Congress of the United States. I say it very impersonally, because I am fully willing to accept my full share of the responsibility.

Mr. AIKEN. Regardless of where the responsibility lies—and, of course, the Congress must accept the responsibility—we must realize the defeat of the proposed legislation in the House was due largely to the fact that the urban Representatives in the House were almost solidly opposed to the bill. In fact, I think of 43 Representatives from the State of New York, only 2 Members voted for the corn bill, and New York is a large corn-producing State. That was true of the Representatives from most of the States with large urban populations.

Mr. DIRKSEN. The Senator is referring, is he not, to Main Street farmers who have calluses from golf-stick handles rather than from plow handles?

Mr. AIKEN. I would not know what a callus from a golf-stick handle looks like. I know what a callus from a hoe handle or a pitchfork handle looks like, because I have acquired a good many of them.

Mr. President, there has been some inclination to say that the soil-bank program last year was messed up because of improper administration by the Department of Agriculture. I should like to point out that the Department of Agriculture was acting under instructions from the Congress last year.

I ask unanimous consent to have printed in the RECORD at the end of my remarks a part of a statement which was made by Mr. POAGE, of the House of Representatives, in reporting the soil-bank bill to the House last year. I have no objection to the entire statement being printed, except that it would be too long. So I ask that beginning with the second paragraph, column 2, through the end of the first paragraph of column 3, CONGRESSIONAL RECORD, volume 102, part 7, page 8823, be printed in the RECORD. It will show very definitely that the Department of Agriculture was instructed by the Congress last year to proceed with a program which could not work properly. In fact, I have a feeling, which is almost a sure feeling, that the bill before the Senate would not provide a program which could be properly administered. I am prompted for that reason to vote against the bill at this time, although I would have been delighted to have voted for it even 5 weeks ago.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The first agreement in the conference was to accept the House provisions as to the effective date of the bill. You will recall that when we discussed this bill on the floor of the House some 3 weeks ago, there was general agreement that we wanted to make the soil bank go into effect without delay. I think I am fair in saying that agreement knew no party line; that we were all agreed it should be effective immediately. When the bill reached the other body, they decided not to require the Secretary to put the bill into effect until next year and to leave to the Secretary the right to put it into effect in 1956 only when, where, if, and as he pleased. In a letter to the Senator from Vermont, Senator AIKEN, Secretary Benson indicated he probably would not put it into effect over most of the country.

Our first effort in the conference was to sustain the House position and I am glad to report that the position of the House was sustained and that we bring you a conference report which places this bill in effect the day the President signs it. That means that for all crops it is in effect this year. I recognize that for a large portion of the United States including the area where I live, most of our crops have long since been planted. I recognize that in most of the United States farmers will find it will be impossible or impractical to proceed with the soil bank at the level at which we had hoped it might be used this year. But that very fact—the fact that only a small percentage of the farmers of America will be able to use this soil bank this year—should make it possible for the Department of Agriculture to make it effective and available to those who do want to use it without delay.

I recognize that the RECORD shows a long letter inserted yesterday by the Secretary of Agriculture explaining how difficult it will be for him to put the soil bank into effect immediately; but the very arguments to the effect that a large part of the farmers of America cannot use the program this year means there will not be a large caseload burden on the Department and it should make it possible for the Department to help those farmers who are able to put land into the soil bank. So I hope there will be no excuses offered for not getting the program into effect promptly. The law says—that is if the President signs the bill it will be the law and it will say—that it is to go into effect this year, and it means in effect for everybody in the United States, including those farmers who for unfortunate reasons of adverse weather were unable to plant or to get their crops up. This bill, in plain words, says that such farmers shall have the right to put their land into the soil bank "whether or not planted to the production of the 1956 crop" if the crop is destroyed or, in the words of the President, if it is "incorporated into the soil." It includes those farmers who have a poor stand, those who do not have a good crop up now. They can take part of that land and put it in the soil bank. It is so intended, and the bill so states in plain words. Probably the number of farmers who will desire to take advantage of those provisions is not large, but the opportunity is clearly provided by the bill. In the drought areas this may be important.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DIRKSEN. I want to clarify for the RECORD that the Senator from Vermont is saying that, notwithstanding the fact that last year the Department of Agriculture said it could not effectively apply the soil-bank program in the crop year 1956, what came out of the conference committee was virtually a mandate for him to do it, notwithstanding the conviction of the Secretary of Agriculture and his associates. Is that correct?

Mr. AIKEN. That is correct. To bear out that statement, I have asked to have a part of the statement made by Representative POAGE, in reporting the bill to the House, printed in the RECORD. There was money wasted last year, and production was not reduced the way it was intended it should have been under the soil bank. I do not want the same thing to happen even to a single crop this year.

That is all I have to say, Mr. President.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Was unanimous consent given for the insertion in the RECORD of the part of the CONGRESSIONAL RECORD request by the Senator from Vermont?

The PRESIDING OFFICER. No objection was made to the request.

Mr. POTTER. Mr. President, I call up my amendment, 4-9-57-A

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. 4. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is further amended by adding a new subsection (f) after subsection (e) to read as follows:

"(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this act to pay the penalty on, delivery to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1956 or subsequent years on the following conditions:

"(1) That none of such crop of wheat is removed from such farm;

"(2) That such entire crop of wheat is used for seed on such farm, or is fed on such farm to livestock, including poultry, owned by any such producer, or a subsequent owner, or operator of the farm;

"(3) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions. Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm."

Mr. POTTER. Mr. President, I regret the necessity for offering this amendment to the corn bill. I would much prefer that the amendment be considered on its merits, or as an amendment to a wheat bill, or as an amendment to a general type of bill for agriculture.

I fully appreciate the fact that the managers of this bill desire to have the bill go through clean, without amendments.

Mr. President, the problem is serious. First, the Senate has acted on the legislation proposed by the amendment at least twice before, and on each occasion the House has failed to act.

At the present time there are in Michigan many small farmers, who may have an allotment of 17, 18, or 20 acres of wheat. This fall there was an epidemic of cases of farmers being haled into court and prosecuted, because they had planted 1, 2, or 5 acres more wheat than their allotment, despite the fact that all such wheat was used on their farms, and despite the fact that not 1 cent was received for any sale and not 1 bushel of the wheat was sold on the market.

It is difficult for me—and it is difficult for our farmers—to understand how the Congress of the United States time and time again can consider farm legislation and fail to act, while at the same time saying "We agree that this situation should be corrected."

Day after day farmers are being haled into court and being prosecuted. For what? Because they used their wheat to feed their stock, or for seed.

Mr. President, there is nothing I can add that Senators who are interested in agriculture do not already know. This is not a question which needs further study, as is provided for in the bill now under consideration.

The President has recommended remedial legislation. As a matter of fact, during the last session of Congress the President, in his message, stated:

Legislation already has passed the Senate and is pending in the House of Representatives which would exempt from marketing quotas those producers who use for feed, food, or seed on their own farms all the wheat they raise. Because of failure to pass this legislation last year, the Department of Agriculture has been compelled by law to hale before the courts farmers whose only offense was to raise their feed wheat outside their quotas. Again the administration urges prompt enactment of this legislation. Correction of this problem should be delayed no longer.

That was last year, and still this situation has not been corrected.

What does the American Farm Bureau Federation have to say about this problem? The American Farm Bureau, in its Manual of 1957 Policies, has this to say:

We recommend legislation to exempt farms from wheat-marketing quotas if all wheat produced thereon is used only as food, feed, or seed on the farm where grown or on farms under the same operation.

This amendment, while it is a wheat amendment to a corn bill, is necessary because of punitive action which has been taken against our farmers—and they are small farmers. To me, that problem is even more important than the corn problem, which the Senate is now considering.

I do not see how Senators can say, "Well, this is a sacrosanct bill. We do not dare to dot one 'i' or cross one 't.' We will weep tears for some farmers who are now being haled before the courts, but we must wait. We must have further study. We must wait until we bring out another clean bill."

I say, Mr. President, that such a procedure is grossly unfair. I sincerely hope that the committee will accept this amendment. The Senate has acted favorably on it twice, I believe, without a dissenting vote.

I cannot conceive that adoption of an amendment of this kind would in any way jeopardize the passage of the proposed legislation. I think all Senators will admit that the proposed legislation has probably a perilous path in the House of Representatives, to begin with.

I certainly believe that the amendment I have proposed, to put a stop to this practice of haling farmers into courts for technical violations, should be adopted, and this situation should be corrected at this time.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. POTTER. I am delighted to yield to the distinguished Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to commend the Senator from Michigan for bringing to the attention of the Senate a very serious problem in agriculture. There is not any question about the problem. The Senator has brought to the attention of the Senate the fact that we are dealing today with a commodity, corn, which does not have marketing quotas or marketing penalties. But the wheat producer of the Nation has both. The wheat producer has a marketing quota, and he operates under penalties.

As the Senator from Michigan has so clearly stated, thousands are being haled into court. In fact, last year 14,000 of them were haled into court in the United States under the provisions of the laws we have been discussing, on charges of violation of marketing penalties and quotas. There are pending today 1,400 cases against farmers.

I think it may of interest to Senators to know that last year the 14,000 farmers I mentioned were fined $8.5 million for refusing to let the Government dictate their operations.

Mr. President, I had hoped to bring this matter up, but I did not wish to do so in connection with the pending bill. In view of the fact that the Senator from Michigan has done so, I shall not let this opportunity go by without commending the Senator for his action, and urging the Senate to adopt the amendment. It is an action which should be taken, in all fairness.

I invite the attention of the Senate to what is happening to the wheat producers, as stated just a few moments ago when the ranking minority member of the Committee on Agriculture and Forestry, the Senator from Vermont [Mr. AIKEN], referred to the movement of wheat production.

Wheatgrowers are not limited only by wheat quotas, acreage allotments, and marketing penalties but their production is being taken away from them by the very corn-producing States we are helping today. In case some Senators were not present when I gave the figures, I should like to give them again.

I invite attention to the fact that there were 7,006 new wheatgrowers in the State of Illinois last year—farmers who had not previously grown wheat. They will come under the 15-acre provision. There is no quota provision. They can feed wheat or market it.

There were 6,308 in the State of Indiana. There were 3,867 in the State of Ohio. There were 19,651 in Missouri. As I stated upon a previous occasion, that is one of the real problems facing the wheatgrower.

The Senator from the great State of Michigan has mentioned two other very serious problems. I commend him again, and I sincerely urge that the Senate give some consideration to what is happening to thousands of farmers. There were 1,400 cases pending last year. I did not bring the file with me, but I received a report 2 weeks ago from the district attorney of Kansas which listed several hundred farmers who were being haled into court, some of them on charges which would involve fines of $5, $25, $200, or $400. This situation should not be permitted to continue indefinitely in this great Nation.

Mr. POTTER. Mr. President, I appreciate the observation of the distinguished Senator from Kansas on this problem. The farmers of Michigan are pretty independent. They cannot understand why the Congress has not taken action to correct this punitive law. I wish I had brought to the Chamber some of the letters which I have received. Farmers write to me and ask, "Are we living in a free country? Because I grow 17 acres of wheat, with my allotment of 16, but use it all on my own farm, and do not sell a single bushel, I am hauled off to court and am fined."

It is difficult to answer those independent farmers.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. YOUNG. I am very much interested in the comments of the Senator from Michigan, but I think he is being a bit unfair to the established and regular wheat farmers. Wheat is unlike any other crop I know of in one respect. It is produced in every State of the Union. Like no other basic commodity, wheat can be raised to the extent of 15 acres by anyone, without penalty, when quotas are in effect. That is not true with respect to any other basic farm commodity. A farmer can raise 15 acres and in a few years gain a wheat allotment, which cannot be done in connection with any other basic commodity.

Mr. POTTER. If the Senator will allow me to respond, surely the minimum requirement is 15 acres. But there are many farmers in the State of Michigan who raise 18 or 20 acres, and who must come under the allotment program, even though they use the entire wheat production on their own farms, and do not send any of it to market.

Mr. YOUNG. There would be even stricter regulations if corn were under quotas. A farmer would not be able to raise any corn and sell it on the market. However, it so happens that wheat is raised in every State of the Union, and that there is some justification for making some exemption. The Senate has approved such legislation in past years, but the House objected to it. The objection came largely from one of the finest Members of the House, Representative Hope, of Kansas. Under the present law a farmer can raise 15 acres of wheat, and if he uses it for feed or seed on his own farm, he is not subject to a penalty. The amendment of the Senator from Michigan would abolish that 15-acre limit.

Mr. POTTER. There would be no limit, so long as the farmer used it all on his own farm.

Mr. YOUNG. At the present time, if he raises 15 acres or less and uses it for feed or seed on his own farm, he is not subject to penalty and does not have a vote. Under the terms of the Senator's amendment, he would gain a vote if he raised 15 acres or more for feed or seed.

I have prepared an amendment which would provide that if a farmer raised wheat for feed or seed, he would not have a vote in a referendum, as is now the case with a farmer who raises 15 acres or less.

Mr. POTTER. I have discussed this amendment with the distinguished Senator from North Dakota, and I shall be happy to modify my amendment so as to include the amendment of the Senator from North Dakota, which provides that if the farmer uses the wheat for feed or seed, he shall not be permitted to vote.

Mr. YOUNG. Mr. President, I send to the desk my amendment, which has been accepted by the Senator from Michigan as a modification of his own amendment. I ask unanimous consent that the modification be printed in the RECORD at this point without reading, together with an explanation of the amendment.

There being no objection, the modification, together with the explanation, were ordered to be printed in the RECORD, as follows:

At the end of the Potter amendment, insert the following:

"SEC. 8. (a) Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended (providing for a 200-bushel minimum quota), is repealed.

"(b) Paragraph (7) of Public Law 74, 77th Congress (providing for a 15-acre exemption) is repealed.

"(c) The first sentence of section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "'Between the date of the issuance of any proclamation of any national marketing quota for wheat and July 26, the Secretary shall conduct a referendum, by secret ballot, of farmers in the commercial wheat producing area who are engaged in the production of wheat, as determined under regulations issued by the Secretary, on a farm for which a wheat acreage allotment of more than 15 acres has been established for the then current crop of wheat or a farm on which more than 15 acres of wheat were planted for harvest as grain in the then current year to determine whether such farmers favor or oppose such quota. No farmer voting in any such referendum shall be eligible for exemption under section 335 (f) of this act from marketing penalties with respect to the crop to which such referendum is applicable.'"

EXPLANATION

The amendment offered by the Senator from Michigan would exempt from wheat marketing penalties farmers who use all of the wheat produced by them for feed or seed where used on farms where produced.

This exemption would be additional under the Senator's amendment to the exemption already contained in paragraph (7) of Public Law 74, 77th Congress, which permits any farmer to raise and market up to 15 acres of wheat penalty free. A very large percentage of the farms raising wheat fall into this exempt category. The 15-acre exemption, and also a 200-bushel exemption contained in section 335 (d) of the Agricultural Adjustment Act of 1938, were designed to take care of the farmer who raises wheat for his own use. If the Senator from Michigan does not feel that the existing exemptions are adequate and that a larger exemption is desirable, then I believe the larger exemption proposed by him should be in substitution for, rather than in addition to the existing large exemptions.

The amendment I am proposing would alter the amendment of the Senator from Michigan to accomplish this purpose. The amendment I am proposing would—

First, repeal the existing 200-bushel exemption;

Second, repeal the existing 15-acre exemption; and

Third, maintain the existing wheat referendum voting eligibility requirements so that (1) farmers planting less than 15 acres; and (2) farmers who are exempt from quotas, will not be eligible to vote in such referendums.

To explain further the change my amendment would make in the referendum provision, the referendum provision now applies to farmers who will be subject to the quota. Fifteen-acre producers are not now eligible to vote under this provision because under existing law they are exempt from quotas. My amendment, by repealing the 15-acre exemption, would make 15-acre farmers subject to the quota and, therefore, would make them eligible to vote under the existing referendum provision. To prevent this from happening, my amendment would amend the referendum provision to restrict it to farmers with allotments in excess of 15 acres or who plant in excess of 15 acres. In addition my amendment would exclude from the referendum farmers who would be exempt from quotas because they use their entire crop for feed or seed on the farm.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. HUMPHREY. First of all, I wish to commend the Senator from Michigan for bringing this subject again to our attention.

I add that the amendment of the Senator from North Dakota [Mr. YOUNG] is very desirable and very important. It protects the rights of those who are participating in price-support programs, in terms of their vote. At the same time, it exempts from penalty farmers who are utilizing their wheat production for purposes other than sale in the market.

The Senator from Michigan well knows that if this amendment is added to the bill, it will only further complicate what we are attempting to do. The Senate has on previous occasions approved legislation of this type. As the Senator has very well noted, that has occurred on 3 or 4 occasions. As I recall, twice last year the Senate approved such legislation.

I hold in my hand a report from the Department of Agriculture on the Senator's bill, which would accomplish what he is now asking to have done by an amendment to the pending bill. The report of the Department is favorable. The bill is now before the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry. I am a member of that subcommittee. I am not its chairman, but I know that the attitude of members of the committee with whom I have talked on the subject is favorable.

Let me say to the Senator from Michigan that, within the limits of my abilities, I shall make it my personal business to seek action on his bill in the committee, in order that it may be reported promptly to the Senate as a separate bill. I believe it deals with a problem which it is necessary to solve.

I appeal to the Senator's sense of justice and cooperation not to insist upon attaching his amendment to the pending bill, but to rely upon the good faith of his colleagues, to the limit of their ability, to have his bill reported as a separate bill. It has the approval of the Department of Agriculture. If I am not mistaken, such legislation has been unanimously approved by the Senate.

Mr. POTTER. The Senator is correct.

Mr. HUMPHREY. If the Senator's bill were reported as a separate bill, and not attached to the pending bill, the other body would be deprived of any excuse not to support the proposed legislation which is now before the Senate.

I suppose there were good reasons in the minds of Members of the other body for not supporting the bill, as amended, last year.

Mr. POTTER. I am inclined to believe that the amendment of the distinguished Senator from North Dakota [Mr. YOUNG] would probably erase much of the opposition which we encountered in the House previously in connection with a similar measure.

Mr. HUMPHREY. That is my understanding of the effect of the modification of the amendment.

Mr. POTTER. I join my colleague in commending the Senator from North Dakota for bringing the subject to our attention. I am confident that we shall now win the battle to obtain action, so that my bill will finally become a law.

Mr. HUMPHREY. In the distinguished Senator from North Dakota [Mr. YOUNG] the Senator from Michigan has an ally with the strength of a legion. Together they will stand as would the Spartans at the pass of Thermopylae had they been reinforced. They are like the Athenians. They are winning all the struggles. They cannot lose.

I suggest that it would be helpful if the Senator from Michigan would await the day when his measure can be reported in its full glory, without being in any way limited by other considerations. With the Senator from North Dakota and the Senator from Michigan marching arm in arm in a solid phalanx, there is no doubt that victory will crown their efforts, and glory will be their reward.

Mr. POTTER. I think the task of the distinguished Senator from North Dakota and the Senator from Michigan would be much easier if our efforts were supplemented by the strength and ability of the Senator from Minnesota, leading the way in his subcommittee, so as to make sure that the proposed legislation will receive prompt attention.

Mr. HUMPHREY. I give the Senator my wholehearted assurance of my cooperation and my pledge of fidelity and loyalty to the end.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. CARLSON. In view of the fine words of the Senator from Minnesota regarding the excellent Senator from North Dakota [Mr. YOUNG], I merely wish to advise the Senator from Michigan to beware of Greeks bearing gifts.

Mr. HUMPHREY. That is a fine way to talk about us Norwegians. [Laughter.]

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. MUNDT. I should like to add my voice to that of the distinguished junior Senator from Minnesota in urging the Senator from Michigan to avoid, if he will, burdening the bill further, which already looks like a bill carrying a very heavy cargo as it goes to the House. As has been expressed by the Senator from Kansas, the Senator from North Dakota, and the Senator from Minnesota, I, too, feel that it is an excellent amendment, one that should be passed on its own merits, as a separate piece of legislation. We have heard today, in open meeting, the pledge and the promise of the junior Senator from Minnesota, who is a member of the subcommittee which is considering the proposal.

I might add that there is nothing the Senator from South Dakota would rather do than ride herd on the junior Senator from Minnesota in this connection.

Mr. HUMPHREY. Of that there is ample proof already.

Mr. MUNDT. I know he will not need any watching or pressuring or pushing. But if he should need it, I shall be very happy to do it. I am sure our committee will report the proposed legislation, as the Senator from Minnesota has suggested, and it would be very helpful if the Senator from Michigan would accede to our suggestion.

Mr. POTTER. The Senator from Michigan can only say that with all the flattery which has been indulged this afternoon, and in view of the great show of strength, the Senator from Michigan has considerably weakened in his insistence on his amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. AIKEN. Coming from a dairy State, I wish to make the observation that it is pleasant to note one place where butter is used very liberally.

Mr. HUMPHREY. I thank the Senator from Michigan for his very fine cooperation.

Mr. POTTER. With the assurance of the chairman of the subcommittee of the Committee on Agriculture and Forestry, that prompt action——

Mr. HUMPHREY. I am not chairman of the subcommittee. I am a member of the subcommittee, with the Senator from South Dakota. I suggest that we now have the unbeatable combination of Notre Dame and Michigan State.

Mr. POTTER. And with Minnesota doing the line bucking, I am sure we will have success.

Mr. YOUNG. My resistance has all disappeared.

Mr. POTTER. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the Senator withdraws his amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time the question is, Shall it pass?

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, if the Senator from Louisiana will withhold that request for a moment, I should like to ask for the yeas and nays.

Mr. ELLENDER. Very well.

Mr. HUMPHREY. On the question of the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the passage of the bill. On this question the yeas and nays have been ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point some communications dealing with the subject under consideration.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 25, 1957.

Mr. MARVIN L. MCLAIN,
Assistant Secretary, United States Department of Agriculture, Washington, D. C.

DEAR MR. MCLAIN: As you know, I have tried to cooperate in every way possible toward obtaining some workable new legislation enacted at once to ease the corn situation. I am pleased that we were able to report out a bill from our Senate committee, and am pressing for immediate consideration by the Senate.

Because of the adverse views of our chairman, it will be necessary for me to lead the fight for this bill to make sure it is presented as a truly bipartisan approach. I am sure I can count on the support of midwest Republicans, and certainly am hopeful we can have the full and vigorous backing of the administration.

Opposition concern as reflected in our committee seems to center on two points:

1. The possibility that reopening the soil bank signup might result in cancellation of existing contracts.

2. The charge that no funds are available, so no additional sign-up can be achieved.

It would be most helpful to have from the Department, as quickly as possible, a letter indicating, if you so feel, that under no circumstances will there be "less" participation in the soil bank under this bill, and in all likelihood there will be more—and that as a result in all likelihood the legislation will result in less total feed grain production this year than would result otherwise.

It would also be helpful if you could indicate the amount of funds that will likely be available, to your best estimate, for signing up additional corn land in the soil bank.

Martin Sorkin heard the issues raised, and is familiar with the type of material that would be most helpful in countering the arguments against such legislation. If possible, the letter should be signed by the Secretary for use on the Senate floor during the debate.

Sincerely,

HUBERT H. HUMPHREY.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 29, 1957.

Hon. HUBERT H. HUMPHREY,
Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR HUMPHREY: This will acknowledge your letter of March 25, with reference to possible legislation affecting the 1957 corn crop.

As you know, we have approximately 325,000 agreements covering corn under the 1957 acreage reserve program. As of March 22,

there were approximately 4.6 million acres covered by firm contracts and an additional 1.1 million acres offered by farmers who have signed agreements and have requested permission to place in the acreage reserve additional acreage above the individual farm maximum limitations. Thus, it appears that about 5.5 million acres will be signed up in the 1957 acreage reserve program under the present allotment. This compares with our announced goal of 4.5 to 5.5 million acres.

On March 14, after the adverse action in the House of Representatives with respect to corn legislation, in order to be fair to those farmers who needed a definite decision as to whether we would accept the additional acreage offered, we announced that we would accept over-limit corn acreage under the soil bank. This had previously been done for all other commodities under the acreage reserve program.

As of March 22, the agreements signed within the farm limits covered approximately $171 million. The offers above the individual farm maximums amounted to about $37 million. It is probable that not all of the offers above the individual farm maximum will ultimately be consummated into firm contracts. Therefore, it is probable that the total costs of the corn program, in the absence of new legislation, will be approximately $200 million.

Under section 105 (c) of the Soil Bank Act the total compensation paid producers for participating in the acreage reserve program with respect to any crop year shall not exceed $750 million and with respect to corn for any crop year shall not exceed $300 million. Of the former amount the share of corn was $217.5 million. Of course, if $300 million were used for corn, about $82.5 million would have to be shifted to corn from amounts originally allocated to other commodities. Under these provisions there would be available for corn approximately $100 million for additional sign-up in the acreage reserve program for 1957. The attached table shows the current status for each commodity under the acreage reserve program.

On the basis of the contracts already signed and the bill as it passed the Senate committee, there is apparently no requirement that the existing contracts be canceled. Nor would we (in event such a bill became law) want to cancel existing contracts except under very unusual circumstances. Rather, we would probably allocate the remaining funds in a manner to obtain the maximum number of additional contracts and acreage in the soil bank.

Of course, you recognize that farmers generally have made their 1957 plans on the assumption that there would be no new corn legislation. In view of the delays which have occurred, there will be many administrative problems. These will include reopening the signup to those who have already signed firm agreements but for whom the amount in the acreage reserve would be less than 15 percent of their acreage base. Then there would be those producers who want to participate on the basis of their acreage base but who felt that they could not because of the size of their acreage allotment. Of course, some currently signed up may desire to cancel their contracts because of the change of rules. This may create certain administrative problems.

I am most pleased with your statement referring to the presentation of the arguments on this legislation on a truly bipartisan basis. It is my hope that all legislation can be considered on this basis for out of this attitude can come long-time benefits to agriculture.

Sincerely yours,

MARVIN L. MCLAIN,
Assistant Secretary.

1957 acreage reserve fund utilization

[Million dollars]

Commodity	Maximum permitted in any crop year	Allocation	Maximum percent as of Mar. 22, 1957	Amount available for reallocation to corn
Corn	300	217.5	208.0	
Cotton	300	217.5	157.6	60.5
Peanuts	7			
Rice	29	14.0	13.5	.5
Tobacco	45	34.1	15.0	19.1
Wheat	375	267.6	235.0	32.6
Total	[1] 1,000	[2] 750.7	631.3	[2] 169.7

[1] Not more than $750 million can be used for all commodities in any 1 year.

[2] Of this amount up to $82.5 million would be reallocated to corn.

STATE OF MINNESOTA,
St. Paul, April 3, 1957.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR HUBERT: On March 19, the Minnesota House of Representatives passed a concurrent resolution asking that the Federal Government take action to enact a minimum corn soil bank program.

This program called for a minimum corn base acreage in the Corn Belt of 51 million acres, a support price on corn of $1.50 for 1957, and a production requirement that each participating farmer put 15 percent of his corn acreage allotment in the Soil Bank as a condition of eligibility for price supports.

This resolution is now being considered in the Minnesota Senate, and meanwhile the House has sent you a copy of the Resolution as passed by that body. I would like to take this opportunity to express my wholehearted support of this program recommendation and to add several comments on a long range Soil Bank Program for corn and feed grains.

Any adequate long-range program for corn must also include the feed grains and livestock as well, because all of these commodities are part of one production cycle. To reduce the supply of corn without also paying some attention to the overall supply of the other grains which can and are being fed to livestock is simply to transfer the problem from the right to the left hand.

I believe that payments per acre in both the conservation and acreage reserves should be raised to a figure that would secure widespread participation among farmers. Only if we have such widespread participation can the Soil Bank do the job it was originally intended to do; namely, to bring supply into line with demand and to encourage and foster soil preserving measures in American agriculture.

Finally, it would be more equable to make small farms eligible for larger acreage payments because of the higher relative cost of soil bank participation to small farms than large farms. Some additional consideration should also be given to farmers who in the very recent past have come into commercial growing areas for specific grains and therefore have a low planting history and small allotments in these programs.

I know that you will, as always, do your utmost to see that Minnesota's farmers are given an adequate program both for corn and other crops as well. We, back in Minnesota, will be watching your campaign with interest and will do whatever we can to help carry the fight forward.

Sincerely yours,

ORVILLE L. FREEMAN,
Governor.

The PRESIDING OFFICER. The question is on the passage of the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. ERVIN], the Senator from Texas [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], and the Senator from West Virginia [Mr. NEELY] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Connecticut [Mr. BUSH], and the Senator from Utah [Mr. WATKINS] are absent on official business.

The Senator from North Dakota [Mr. LANGER] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], and the Senator from Maine [Mr. PAYNE] would each vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Arizona would vote "nay."

On this vote, the Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from Utah [Mr. WATKINS]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 35, nays 45, as follows:

YEAS—35

Barrett	Hennings	Morse
Bricker	Hickenlooper	Morton
Capehart	Hruska	Mundt
Carlson	Humphrey	Neuberger
Carroll	Jackson	Potter
Case, S. Dak.	Jenner	Schoeppel
Church	Johnston, S. C.	Stennis
Cooper	Kefauver	Symington
Curtis	Knowland	Taye
Dirksen	Mansfield	Wiley
Douglas	Martin, Iowa	Young
Eastland	McNamara	

NAYS—45

Aiken	Frear	Lausche
Beall	Fulbright	Long
Bennett	Gore	Malone
Bible	Green	Martin, Pa.
Butler	Hayden	McClellan
Byrd	Hill	Monroney
Case, N. J.	Holland	O'Mahoney
Clark	Ives	Pastore
Cotton	Javits	Purtell
Dworshak	Kennedy	Revercomb
Eilender	Kerr	Robertson
Flanders	Kuchel	Russell

Saltonstall	Smith, Maine	Talmadge
Scott	Smith, N. J.	Thurmond
Smathers	Sparkman	Williams

NOT VOTING—16

Allott	Ervin	Murray
Anderson	Goldwater	Neely
Blakley	Johnson, Tex.	Payne
Bridges	Langer	Watkins
Bush	Magnuson	
Chavez	McCarthy	

So the bill (S. 1771) was rejected.

Mr. ELLENDER. Mr. President, I move that the vote by which the bill was rejected be reconsidered.

Mr. HOLLAND. Mr. President, I move to lay on the table the motion of the Senator from Louisiana to reconsider.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

APPOINTMENT OF ONE ADDITIONAL ASSISTANT SECRETARY OF STATE

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Order No. 224, Senate bill 1832, to authorize the appointment of one additional Assistant Secretary of State.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1832) to authorize the appointment of one additional Assistant Secretary of State.

THE NOMINATION OF ORMAN W. KETCHAM TO BE JUDGE OF THE JUVENILE COURT, DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I wonder whether the acting majority leader can tell me the status of the Executive Calendar. I do not believe the Executive Calendar was taken up today by the Senate.

Mr. SMATHERS. It is my understanding that the majority leader wishes to have the Executive Calendar taken up the first of next week. It was not taken up today.

Mr. MORSE. I am very happy to hear that it is contemplated that the Executive Calendar will be taken up at an early date. I say that because in the District of Columbia there is a difficult situation, because of the failure to act on the nomination of a juvenile court judge. The Committee on the District of Columbia has held hearings on this vacancy and on the President's nomination. There was some difference of opinion—although I never thought it a very serious one—within the committee, although confirmation of the nomination of Mr. Ketcham, the President's nominee, was recommended by the District of Columbia Committee by a vote of 7 to 2.

Mr. President, in the committee I moved that the nomination be favorably reported, after—at an early meeting of the District of Columbia Committee—I had asked to have a thorough investigation made regarding the technicalities of a legal objection which had been raised; namely, as to whether existing law requires that the nominee be a resident within the boundaries of the District of Columbia. After two briefs on the subject—one supporting the nomination, and one opposed to the nomination on this legal ground—were filed with the committee, and after we had had a chance to consider the legal objections, the committee, by a vote of 7 to 2, voted to report the nomination favorably.

I may say that the record I have shows the objections raised by the two who voted against the nomination were not based on any legal ground. They were based on their sincere opinion that someone who had had experience in a juvenile court should have been nominated. I do not think anyone in the committee raised any question as to the validity of the nomination, but two Senators merely would have preferred to have someone nominated who had had juvenile court experience.

Of course, Mr. President, in my opinion, it would put us in a rather impossible position if, as Senators, we insisted every time a nomination came before us the President should nominate somebody who already had considerable experience in the particular field to which he was nominated. I think, as I have said so many times in the Senate, we have certain historic criteria that we should follow in connection with Presidential nominations. None of those criteria contemplate that the President must be limited to selecting someone for a particular post who has already had wide experience in the particular field; but, rather, he should select someone who is competent and capable of taking on the responsibilities of the particular position.

Of course, we lawyers know, Mr. President, it would be a rather undesirable criterion to say that no lawyer who has not already served on the bench could be appointed to the bench. Sometime there has to be a start in the training of judicial experience. So we look to see whether or not an able and a competent attorney has been selected for elevation to the bench.

I have satisfied myself that Mr. Ketcham is such a person and that there is not, as a matter of law, any basis to disqualify him as the law is presently written because he is not a resident living within the District of Columbia.

Therefore I hope, at an early date, we may resolve the situation with regard to the juvenile court in the District of Columbia by having the nomination confirmed, so the appointee can go to work on the many juvenile cases that need the attention of a judge.

ECONOMIC PLIGHT OF SMALL BUSINESS

Mr. BIBLE. Mr. President, the distinguished junior Senator from Florida [Mr. SMATHERS], who has served with distinction as a member of the Small Business Committee, to which I have had the honor of being recently appointed, has within the past few days written a letter to the President of the United States suggesting that the President give consideration to the creation of a new Cabinet post under a Secretary for Small Business.

I ask unanimous consent that the letter, which certainly is very timely and very well written, be made a part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER TO PRESIDENT EISENHOWER FROM SENATOR SMATHERS PROPOSING NEW CABINET POSITION OF SECRETARY FOR SMALL BUSINESS

The Honorable DWIGHT D. EISENHOWER
President of the United States,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: I am writing to you relative to a matter in which I am certain we share a truly sincere and continuing interest. I have reference to the present-day economic plight of the more than 4 million small and independent businesses throughout our great country.

My deep concern with this problem stems primarily from the information and data I have developed over the past 3 years as chairman of the Subcommittee on Government Procurement of the Senate Small Business Committee. In that capacity I have witnessed at firsthand a steady and consistent deterioration of the role played by small firms as suppliers to our Military Establishments. Even more ominous than the fact that small business received only 16.4 percent of our total defense contracts during the first half of fiscal year 1957 are the recent statistics which reveal that small business is being all but shut out in the field of research and development. It is from these research contracts that tomorrow's negotiations for vast production contracts emanate.

In 1955 corporate mergers and acquisitions reached a 25-year peak of 846, and in the calendar year of 1956 a new quarter-century record was established when more than 900 competitively significant mergers were recorded.

The acuteness of this problem is evidenced by the fact that even the Attorney General, in his report of November 9, 1956, felt moved to observe that this concentration of research and development contracts within the giant companies presented "grave implications for the future of a freely competitive economy."

Were this the only problem confronting our small-business community in these days of widespread prosperity, I would not have deemed it necessary to bring it to your personal attention. It is an unfortunate fact, however, that every single barometer yet devised to measure the economic well-being of the various segments of our business world indicate a general worsening of conditions for the smaller firms. The merger march continues practically unchecked.

The business failure rates, not only for newly formed companies but also for those firms 10 or more years old, continue to rise at an alarming pace. Furthermore, it has become increasingly evident, at least to me, that the current tight money policy visits a particular hardship upon the smaller companies, a burden which is not shared proportionately by the giants of industry to whom, historically, our financial institutions have become inextricably wedded.

Time is running out for the small-business man, Mr. President. Unless we are resigned to accept an economic system where one or two giant companies are to furnish all of the goods and services required in each product field, a wise, comprehensive, and far-seeing national policy must soon evolve, so that we may retain in our economy the

initiative and healthy competition inherent in a truly free enterprise system. Much is being done currently toward achieving this goal. The establishment last May of the Cabinet Committee on Small Business was certainly a step in the right direction. Senator SPARKMAN's recent bill (S. 1762) establishing the Small Business Administration as a permanent agency undoubtedly will prove a major milestone along the road to recovery for our small and independent businesses.

Progress has been made, but a great deal more is needed. We must indeed move ahead but, in order to answer any problem, we must define it. It is not exactly clear how "small business" is defined. Some Government agencies seek to measure businesses by their total employment, others by their gross income, but I think of the line between small and big business as a more living, a more practical one, for the larger businesses have the facilities; that is, the accountants, attorneys, public-relations consultants, and associations to represent them and keep them advised as to how they might successfully meet the demands of competition. The small-business man, however, must utilize all his capital in his fight for existence. The great number of small business failures should indicate that they cannot afford the implements and personnel to represent them in obtaining contracts from Government or private industry as can the larger, incorporated firms.

So, as has happened before in our history, one group of Americans is in need of help and they look to their President and the Congress for this assistance. You have been aware of this need and so has the Congress. The establishment of the Small Business Administration, together with the select congressional committees, have been of great assistance to small business, but more is needed. For true progress, we must combine our efforts and climax these efforts to the benefit of small-business men.

It is my belief that the manifest problems confronting the smaller companies in our country require the individual attention of an officer of the executive branch of the Government at the national level in order truly to accomplish our purpose of maintaining a strong and virile small business economy. For this reason, I respectfully urge that you give your most profound consideration to the feasibility of creating a position of Cabinet rank, a Secretary of Small Business, to be filled by an individual whose sole and singular responsibility would be the welfare of the more than 4 million small and independent firms throughout our Nation. This represents to me the most positive step which can be taken at this time to focus attention on this vital segment of our economy, thereby insuring the necessary affirmative action on the part of all our Government agencies, which I feel is essential to the achievement of economic viability in this area.

With assurance of my kindest personal regards, I am,

Sincerely yours,

GEORGE A. SMATHERS,
United States Senator.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938, RELATING TO COVERAGE FOR CERTAIN EMPLOYEES

Mr. KENNEDY. Mr. President, on behalf of myself and the Senator from Michigan [Mr. MCNAMARA], I introduce, for appropriate reference, a bill to amend the Fair Labor Standards Act so as to provide additional coverage for workers who do not now enjoy the protection afforded by this foundation block in our structure of social legislation. As Senators know, the Subcommittee on Labor, of which I have the honor to serve as chairman, has recently concluded hearings on pending legislation in this field. On the basis of these hearings I believe that the bill which I am introducing represents reasonable legislation upon which both the subcommittee and the full committee can act favorably and quickly.

My bill goes beyond the inadequate proposals of the administration. However, I am convinced from the testimony which was presented to the subcommittee that the enactment of this bill would not result in any serious economic dislocation and, on the contrary, would prove of great benefit not only to the workers involved but to the economy as a whole.

This bill changes existing law in two principal ways. In the first place, it broadens present language of the statute so as to include workers in some enterprises which, while closely related to and dependent on the flow of interstate commerce, are not now covered by the act. Secondly, certain of the provisions of existing law which exempt some workers from either hours or wage coverage have been modified or eliminated, thus broadening the coverage of the act.

As I said previously, I am convinced that this bill is a reasonable bill. It is a modest yet significant move forward in the extension of minimum wage and maximum hours coverage to American workers who need such protection. In these circumstances, I am sure that it will receive early and favorable action.

I ask unanimous consent to have printed in the RECORD a sectional analysis of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the analysis will be printed in the RECORD.

The bill (S. 1853) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of enterprises engaged in commerce or in the production of goods or services for commerce or the sale thereof, to eliminate certain exemptions, and for other purposes, introduced by Mr. KENNEDY (for himself and Mr. MCNAMARA), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The analysis presented by Mr. KENNEDY is as follows:

SUMMARY EXPLANATION OF KENNEDY BILL TO AMEND THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, TO PROVIDE COVERAGE FOR EMPLOYEES OF ENTERPRISES ENGAGED IN COMMERCE OR IN THE PRODUCTION OF GOODS OR SERVICES FOR COMMERCE OR THE SALE THEREOF, TO ELIMINATE CERTAIN EXEMPTIONS, AND FOR OTHER PURPOSES

(1) Section 1 contains the official title of the bill "Fair Labor Standards Coverage Amendments of 1957."

(2) Section 2 amends the findings and declaration of policy contained in section 2 of the Fair Labor Standards Act of 1938, as amended, to refer to "industries engaged in commerce or in the production of goods or services for commerce or the sale thereof." The present act refers simply to "industries engaged in commerce or in the production of goods for commerce." The significance of this change in language is discussed in connection with section 4, dealing with the new coverage proposed for the minimum wage, overtime and child labor provisions.

(3) Section 3 makes a number of changes in section 3 of the act:

(a) The definition of the term "commerce" is broadened to include "any closely related process or occupation directly essential" to commerce as heretofore defined in the act. The intent of this provision is to cover services related and essential to activities in commerce in the same manner in which processes or occupations closely related and directly essential to production of goods for commerce are covered.

(b) The term "State" is defined in such a way as to exclude overseas bases outside the continental and territorial jurisdiction of the United States. The term "State" would continue, however, to include Guam, Wake Island, and the Canal Zone.

(c) The term "wage" would be redefined in the manner proposed by the Secretary of Labor in the technical amendatory language which he has submitted to the Subcommittee on Labor to carry out his recommendations for extending the coverage of the act. As redefined, it would include the value of tips. The Secretary would be authorized to define the fair value of tips and facilities for defined classes of employees and in defined areas based on average cost to the employer or groups of employers, or average value to groups of employees or other appropriate measures of fair value. These evaluations where applicable and pertinent would be used in lieu of actual cost in determining the wage paid to any employee.

(d) A number of additional definitions would be added to section 3 of the act. These new definitions are of significance in connection with other amendments proposed in the bill and are discussed in connection with these provisions. The terms "American vessel" and "enterprise" are defined in the same manner as proposed in the "technical amendatory language" suggested by the Secretary of Labor to carry out his recommendations for extension of the coverage of the act.

(4) Section 4 amends the minimum wage, overtime and child labor provisions of the act so that they will apply not only to employees who are engaged in commerce or in the production of goods for commerce, but to every employee who is employed in or about or in connection with any enterprise where his employer is engaged in commerce or in the production of goods or services for commerce or the sale thereof.

Technical changes along the same line would also be made in sections 5 and 8 of the act dealing with the appointment of industry committees and the issuance of wage orders fixing minimum wage rates for industries in Puerto Rico, Virgin Islands, and American Samoa.

The scope of the new definition of coverage is broader than that which has been proposed by Secretary Mitchell. It would cover the larger retail and service enterprises, construction work, local transit systems, hotels, laundries, and other services closely related and directly essential to commerce or the production of goods or services for commerce.

(5) Section 5 contains special rules for the application of the minimum-wage provisions of the act to merchant seamen on American vessels. The specific provisions of this section are similar to those proposed in the "technical amendatory language" suggested by Secretary Mitchell to carry out his recommendations for extending the coverage of the act.

(6) Section 6 provides that any retail or service employee who has not heretofore been covered by the Fair Labor Standards Act shall receive overtime protection after 44 hours during the first year from the effective

date of the act, after 42 hours during the second year and after 40 hours during the third year.

(7) Section 7 would make the following changes in the minimum wage and overtime compensation exemption contained in section 13 (a) of the act.

(a) The present exemption for local retailing employees would be eliminated from clause 1.

(b) Clause 2, dealing with employees in retailing and service establishments, would be limited to employers having not more than a total annual volume of sales of goods or services of $1 million. Retail and service establishments would be defined as establishments making not more than 25 percent of their sales for resale or to customers engaged in mining, manufacturing, transportation, commercial, or communications business.

(c) The present exemption for laundries would be limited to employers having not more than a total annual volume of sales or servicing of $500,000. Not more than 15 percent of such sales or servicing could be made to customers engaged in the mining, manufacturing, transportation, commercial, or communications business.

(d) The present exemption for employees in exempt retail establishments processing goods would be retained in the same form as at present.

(e) The present minimum-wage exemption for employees engaged in the processing of seafood would be eliminated. These employees would continue to have an overtime exemption under section 13 (b) of the act. The present minimum-wage and overtime exemption for employees engaged in fishing, etc., would be retained.

(f) The present exemption for agricultural employees and ditch riders would be retained.

(g) No change is made in the present exemption applicable to learners, apprentices, and handicapped workers.

(h) The present exemption for employees of weekly, semiweekly, and daily newspapers with a circulation of less than 4,000 is retained.

(i) The present exemption for employees of local transit systems is eliminated.

(j) The switchboard exemption is limited to an operator providing telephone service through a telephone switchboard located in such operator's home.

(k) The present exemption for individuals employed in the area of production in certain agricultural processing operations is retained.

(l) The present exemption for employees of concerns operating taxicabs is eliminated. These employees, however, would continue to have an overtime exemption under section 13 (b) of the act.

(m) The present exemption for retail and service establishments handling telegraphic messages under an agency or contract arrangement where the telegraphic message revenue does not exceed $500 a month is retained.

(n) The present exemption for employees on small logging operations is retained.

Section 6 would also make changes in the exemptions from the overtime provisions alone provided for in section 13 (b) of the act as follows:

(a) The present overtime exemption for motor carriers would be eliminated.

(b) The present overtime exemption for railroad carriers would be more specifically defined.

(c) The present overtime exemption for carriers by air would be continued.

(d) An overtime exemption would be provided for merchant seamen on American vessels.

(e) An overtime exemption would be provided for taxicab employees.

(f) The overtime exemption for canning seafood products would be eliminated, but a new overtime exemption would be included for processing of seafood products other than canning.

(g) An overtime exemption would be provided for any employee employed in agriculture.

(h) The present overtime exemption for outside buyers of poultry, cream or milk, etc., would be continued.

Section 7 would also limit the child-labor exemption for employees engaged in agriculture to employees who are exempt under clause 6 of the revised section 13 of the act.

(8) Section 8 provides relief from retroactive and future liability on account of failure to comply with the act with respect to work performed in any place outside any State as defined in subsection (c) of section 3 of the act. In effect, this would give relief in respect of claims filed for work performed on overseas bases under circumstances similar to those in the Vermilya-Brown case.

(9) Section 9 contains the effective date provision. The new amendments would take effect upon the expiration of 90 days of the bill's enactment.

Mr. MORSE. Mr. President, I have listened to the Senator from Massachusetts as he introduced the bill. He is certainly privileged to introduce any bill he wants to, but I should like to say that, in my judgment, the introduction of a bill was not necessary. There is pending before the Senate the Morse bill, S. 1267, which I introduced by request in the early part of the session. Any amendment to that bill could have been made in the subcommittee, and a substitute bill was not necessary. I have no particular pride of authorship, but I think it is a remarkable parliamentary procedure when there is pending a bill, the so-called Morse bill, on which hearings have been held and no proposal has been made by the Senator from Massachusetts or any other member of the subcommittee to offer amendments to it, to introduce a new bill on the same subject.

I am accustomed, after 12 years in the Senate, to fighting for liberal legislation with my name on it for a period of time, only to have, at a later date, the objectives of the proposed legislation taken over by other groups in the Senate.

I am interested in final passage of such proposed legislation, rather than who the author may be, but I want to express on the floor of the Senate to the Senator from Massachusetts my keen disappointment that he did not offer amendments to my bill rather than introduce a bill of his own.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MORSE. I yield the floor.

Mr. KENNEDY. I say to the Senator from Oregon that there is an inaccuracy in his statement. Hearings were not held on his bill. There were hearings held on the extension of the minimum wage. His bill was one of more than a half dozen bills relating to coverage which were before the committee.

Secondly, the bill which the Senator from Oregon introduced was presented sometime before the hearings were held. I stated at that time I felt it would be much better to withhold such a bill until the subcommittee had had the benefit of further hearings. I was a member of the Douglas subcommittee which went into the subject. I felt it would be better to introduce proposed legislation after the subcommittee had had the benefit of further hearings.

From my experience as a member of the Labor Committee for 5 years in the Senate and 6 years in the House, and as chairman of the subcommittee, it does not seem to me that this procedure is out of line with the precedents of the Senate or of the Committee on Labor and Public Welfare. It seems to me it is up to the subcommittee to decide what measures should be brought up. I am not attempting to infringe on the rights of the Senator from Oregon, but I do not think he should question my right to introduce proposed legislation to meet the problems before the subcommittee.

Mr. MORSE. Mr. President, speaking on my own time, I want to say there is no inaccuracy in what I said. Any Senator can read the transcript of the hearings and know the hearings were conducted primarily on, and most of the testimony was in connection with, S. 1267, the Morse bill. I certainly do not question the right of the Senator from Massachusetts to introduce a bill in this way, only the propriety of doing so. But the Senator knows, I know, and others know, he was first asked to introduce the bill, and the proponents of the bill came to me after the Senator from Massachusetts declined, because he was chairman of the subcommittee, to introduce the bill. I introduced the bill, the record is clear, in order to get hearings on a bill that would give coverage to a great many tens of thousands of fellow Americans who ought to be covered by fair labor standards.

I wish to say that in view of the fact that the bill I introduced is the broad bill, the bill which seeks to give the maximum coverage, it is the bill which in my opinion should be subject to consideration and such amendment as a majority deem necessary. The Senator from Massachusetts has a perfect right to introduce a substitute bill, and I probably shall finally support the substitute bill, if we are able to get some further amendment to it. However, I will say that if the provisions of the substitute bill follow some of the comments made by the Senator from Massachusetts with respect to coverage in the hearings, I shall not support the bill, because in my opinion the time has come when we ought to give full coverage to workers who fall under the interstate-commerce clause of the Constitution. I do not see why any constitutional protection ought to be denied any workers in this country.

THE EQUAL RIGHTS AMENDMENT, SENATE JOINT RESOLUTION 80

Mr. MALONE. Mr. President, I was necessarily absent from Washington the day my distinguished colleague, the Senator from Maryland [Mr. BUTLER] introduced the amendment to the Constitution relating to equal rights for men and women. As one of the sponsors of this amendment I should like to offer a brief statement in support of this measure.

Mr. President, since this is the third time that this amendment has been before this body, and since my statements

and debates on the former Senate Joint Resolution 49 on July 16, 1953, correctly represent my position on this important subject, I ask unanimous consent to include this debate at this point in the RECORD as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EQUAL RIGHTS AMENDMENT, SENATE JOINT RESOLUTION 49, JULY 16, 1953

Mr. MALONE rose.

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Nevada?

Mr. HAYDEN. I yield.

Mr. MALONE. Mr. President, I seek the floor in my own right.

Mr. HAYDEN. Very well, Mr. President.

THE EQUAL-RIGHTS AMENDMENT

Mr. MALONE. Mr. President, I have listened with interest to the remarks of the distinguished senior Senator from Arizona in regard to Senate Joint Resolution 49.

SPECIAL LEGISLATION

During the debate there has been discussion of such matters as alimony, child custody, and special State laws for the benefit of women. I call attention to the fact that all these matters relate to special legislation.

For example, in the State of Nevada, it is contrary to State law for women to work underground in the mines. However, if the constitutional amendment called for by Senate Joint Resolution 49 were to be adopted, such State laws would of course be unconstitutional. Nevertheless, women still could not get jobs working underground in the mines in Nevada, simply because the mine operators would not hire women to work underground in those mines. In the first place, the miners would quit since they think it is bad luck for a woman to work underground.

Much of this special legislation has grown up because of the fact that there is no such equal rights constitutional provision.

The same types of changes in State laws were made necessary by the woman-suffrage amendment to the Constitution.

EQUAL RIGHTS

Mr. President, I listened with close attention to the statement that men are better able to make a living for a family than are the women. There are many exceptions. Of course it is customary for the man to actually hold the job that supports the family; but custom would not necessarily change following the adoption of a constitutional amendment for equal rights.

So we are not talking about granting additional rights or about granting special rights. We are talking about equal rights.

The joint resolution provides, in part, that—"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"'ARTICLE—

"'Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.'"

EQUITIES NOT DISTURBED

I see nothing in the amendment to prevent a court from deciding a family matter in accordance with the equities—which of course is exactly what is contemplated.

I read further from the joint resolution:

"The Congress and the several States have the power, within their respective jurisdictions, to enforce this article by appropriate legislation.

"This article shall take effect 1 year after the date of its ratification."

WOMEN IN THE ARMED SERVICES

Mr. President, in speaking of the drafting of men and women into the armed services, let me point out that in World War I, there were no women in our Armed Forces, with the exception of nurses.

Those women did a magnificent job; that is well known by all of us who served in foreign countries, including France and other European countries, during that war.

TIME MOVES ON

But time moves on. In World War II, women were very active in serving in various capacities for which they were fitted. Now women are established. They have taken their regular places in the armed services. That is so, regardless of whether you, Mr. President, or I believe women should serve in such capacities. That evolution has occurred. It is an established fact.

EQUAL SERVICE IN ACCORDANCE WITH FITNESS

Mr. President, I have listened to the argument that if the constitutional amendment called for in Senate Joint Resolution 49 were adopted, then in time of war an equal number of men and women would have to serve in the frontlines, or a man who wished to be exempted from service in the frontlines would have a legitimate ground of complaint.

I call attention to the action taken by Congress in making special provision for the service of doctors in the Armed Forces and special provision for the service in particular positions in the Armed Forces of men having certain physical defects. In time of war, we do not send men to serve where they are not fitted, and we would not require that women serve where they are not fitted.

Mr. President, once before I joined in sponsoring this measure. At that time the Senate accepted the amendment of the distinguished senior Senator from Arizona.

We know the subject is controversial. Of course, letters, telegrams, and much other evidence could be read to the Senate all afternoon, but that would only serve to prevent passage of the joint resolution. In the humble opinion of the junior Senator from Nevada the States and the courts will take care of the details, within the limitation of the proposed amendment, once it becomes a part of the Constitution. It therefore only remains for the Congress of the United States to make up its mind whether or not it wants women to have equal rights with men.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to the Senator from Idaho.

Mr. WELKER. I am very much interested in the remarks being made by my distinguished friend from Nevada, and I believe I understand some of the reasons which prompt him to make them. I believe I am in sympathy with the general purpose of the joint resolution, though I fear that I must be persuaded as to a part of it, as do a great many other Senators. I wish my colleague would tell me what effect the joint resolution would have upon the community-property statute of the State of Idaho, which, for example, at this time gives the husband control and management of community property within that State. I refer particularly to the language on page 2, line 2, which reads:

"Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex."

That language gives me some concern, and I should like to have it discussed by the Senator.

Mr. MALONE. I may say to the distinguished Senator from Idaho that any law making a distinction in the rights between the sexes would be null and void.

Mr. WELKER. In other words, if a man wanted to sell a steer, it would be necessary for him to get his wife to agree to it before he could sell it; whereas, the husband has heretofore had the management and control of community property.

COMMUNITY PROPERTY

Mr. MALONE. That is not the legal situation in the State of Nevada at the present time. In Nevada we would say that the wife could be regarded as a halfowner of a steer, and if she objects to its being sold, she should have her say in the matter.

Mr. WELKER. I respectfully differ with the Senator from Nevada on that point. I happen to have practiced law in the West, and I have never heard of one who has a right to manage personal property going to his wife to obtain her consent to a sale of such property. With respect to real property, under the statute, what the Senator says would be perfectly apparent and perfectly legal.

Mr. MALONE. I may say, although I do not profess to be a lawyer and do not purport to quote the law of the State of Nevada, the proposition simply is that when property is acquired by a husband and wife, it becomes community property.

Mr. WELKER. What is hers is hers, and what is his is his.

Mr. MALONE. I would say that community property covers the situation.

Mr. WELKER. That is under the community-property statutes.

Mr. MALONE. Yes.

Mr. WELKER. The community-property statute gives the right of management and control to the husband.

Mr. MALONE. Such legislation is personal, and it is detailed; and the management and control could equally well be given to either spouse.

Mr. WELKER. Unfortunately, the law in my State historically has been based upon the philosophy of community property.

Mr. MALONE. I would say that is a very fortunate thing and such an amendment to the Constitution would no doubt require certain changes, but I am sure they will be on the side of progress.

Mr. WELKER. Furthermore, the States that have been created have been created by virtue of the old community-property laws that came to Idaho from California and the Spanish grants or the Spanish law, which was the basis of community property. That is the thing that worries me. I am in sympathy with the joint resolution, as I know the Senator from Nevada is. But what will be its effect upon the local statutes which now govern and which have been in existence in my State since 1890, and, I think, also in the Senator's State?

Mr. MALONE. Mr. President, I would say to the distinguished Senator from Idaho that there will be no trouble, in my humble opinion. If, as the Senator has said, the statute now provides that in the matter of personal property, the husband may dispose of it, it can easily be changed, if found to be contrary to the joint resolution.

In my humble opinion, a family is a family, and if there is any dispute about property, it should be settled within the family, not by any State law favoring one or the other.

Mr. WELKER. The matter would have to be adjudicated in a court of law.

Mr. MALONE. That is correct on the equities in any particular case.

Mr. WELKER. While, as I say, I am in sympathy with the purposes of the proposed constitutional amendment, I can see that in each of the States having community-property laws, the amendment might be used to alter and hamper the existing law.

Mr. MALONE. Property in my State has been considered as community property for purposes of taxation for many years—long before the Congress got around to making it a national principle.

Mr. WELKER. That is correct. But, going back, what is to be done with the States that have been created on the basis of community-property rights? Let us assume a case in which marriage was contracted 25 years ago, following which an estate has been accumulated, of which, by virtue of the local statute, the husband under our existing law would have the management and control. What would be the effect upon an estate under such circumstances?

Mr. MALONE. I doubt whether the joint resolution would have a retroactive effect. Generally speaking, the laws that are enacted are not made retroactive.

Mr. WELKER. That is very interesting. But what are we to do with respect to the future? When as of now a huge estate is already built up, what are we to do about the community-property statutes of Idaho, Louisiana, California, Arizona, Washington, and Texas?

Mr. MALONE. Any statute in any of these States that would be contrary to the constitutional amendment would simply need overhauling. A revision of the State laws on the subject would in some cases be necessary, just as in the case of the so-called women's suffrage amendment.

Mr. WELKER. In other words, it would nullify our community-property statute, and we would have to accept some other situation.

Mr. MALONE. There is a community-property Federal tax law. We have had the community-tax law in my State of Nevada for many years. I remember that in 1947 or 1948 we passed the community-tax law in Congress, with regard to community property.

CONSIDER WOMEN AS PEOPLE

It would not be changed at all. I may say to the distinguished Senator from Idaho I am of the firm opinion that it is about time for us to begin to consider women as people, the same as we do men; and if any State laws need overhauling, perhaps the attorneys can take care of it at the legislative sessions following adoption of the amendment. I am sure no hardship will be encountered.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WELKER. I think both of us want to protect the rights of women as we have so often discussed them. I respect their rights as does the Senator from Nevada; but I am sure neither of us wants to see new lawsuits crowd our courtrooms over this legislation.

Mr. MALONE. Engineers do not ordinarily act as lawyers.

Mr. WELKER. I may say I understand the Senator's reasoning on this matter. However, he has suggested that if the eight States do not like it, they may as well change their whole philosophy on the subject. I may say to the Senator that we, in Idaho, happen to like the community property law, as do the people in the eight other States, and we would be in a dilemma to alter those laws at this time. I should like to know why they should be changed and why anything should be written into the Constitution that would interfere with the existing community property statutes. I should like to have the Senator from Nevada cite one case in Idaho of a woman who has been adversely affected by the community property statute. If the Senator will do that, I will vote for the joint resolution. Personally, I think we have a fine, workable, equitable statute in Idaho, and I certainly want to preserve it.

Mr. MALONE. I know the fine reputation of the women of the State of Idaho. I do not know what their attitude is toward the community property statute, or whether they have been adversely affected by it. I should think that it would act for their protection.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Nevada yield, that I may make a brief statement in reply to what the Senator from Idaho has said?

Mr. MALONE. I yield for that purpose, provided I do not lose the floor.

Mr. BUTLER of Maryland. I do not want to get into an extended debate, but I say in answer to the Senator from Idaho, that it is true that in the community property States the proceeds of the labor of the wife, in the form of personal property or in the form of investments, come under the domination and control of the husband. I say that is a case where the rights of women are being interfered with seriously.

Mr. WELKER. If I may reply to the Senator from Maryland, his statement shows that he has never read the community property statute of the State of Idaho. The earnings of the wife belong to the wife.

Mr. BUTLER of Maryland. My remark was not directed exclusively to the State of Idaho but to community property States in general. There are certain community property States in which, even though the money is earned solely by the wife, the husband has complete and absolute right to control the investment without consulting the wife, who made the earnings originally.

Mr. WELKER. I may say that was formerly the situation with respect to child labor. I remember that the parents could take the earnings of a boy, if he were under 12 or 14 years, or whatever the provision may have been as to age. But the sovereign States of Idaho and Nevada—and, I assume, Maryland—remedied that situation by the enactment of corrective State laws. I favor legislation of this sort, but I do not want to see the community property law of the State of Idaho ruined—and that would be the effect of what is proposed to be done—unless I have a more satisfactory explanation.

ONE JOB TO THE FAMILY

Mr. MALONE. Mr. President, as a matter of fact, the earnings of the wife may be fully protected, but often the wife is at home doing her share of the work and counseling or advising, as most wives do, being the heart and center of the family life, and as such has no separate earning power at all.

In some of the States, notably Nevada, property which has been acquired following a marriage is community property, and whenever it is divided it is divided equally, regardless of any special participation.

Speaking only as one Member of the Senate, I believe in that method. There was no change in the habits of a majority of families until the past 20 years, when deliberate planned inflation came along, and couples getting married suddenly found that they both had to work in order to eat.

INFLATION AND TAXES DRIVE MEN TO GOVERNMENT JOBS

I hope the time will come when a man and a woman with a profession or a job can cooperate and make one profession, one job, or one business again support the family.

IMPOSSIBLE TO CREATE A NEW BUSINESS

I stated on the floor yesterday that it is impossible for a young couple getting married at this time to borrow money and make a capital investment. The junior Senator from Idaho is a lawyer; he knows that is correct. There is no way in which it can be handled to build up a business under the income-tax laws.

They must apply to the Senator from Idaho or to the Senator from Nevada for a job in the Government service, or get a job with a business or corporation. That is about all that is left. It is difficult to support a family, with individual income taxes as they are and the inflation now in effect, because we are appropriating every year billions of dollars more than we know we are going to receive.

Of course, Mr. President, it is utter idiocy, but we are doing it. This is the 21st year of it, and everyone in the family has to work, including the women and the children, since the dollar is worth about 35 cents at the grocery store.

One salary in many families is not sufficient to provide for a family, so we force the wife to earn her own salary and maybe she can keep what there is left after paying rent and getting a pair of shoes for the child in school, but there will not be much left.

Mr. WELKER. Mr. President, will the Senator from Nevada yield further?

Mr. MALONE. I am very happy to yield.

Mr. WELKER. I do not think we are very far apart on this resolution, but we do not have to be very very apart to ruin the effectiveness of it. I take it that when the Senator from Nevada and his wife were married, the property he had acquired became community property. Regardless of what happened, it was a 50-50 proposition, the property being half the Senator's and half the wife's. That is why we call it community property, because it is owned equally by the two.

Mr. MALONE. Regardless of whose apparent efforts accumulated the property.

Mr. WELKER. That is correct. The lady may have earned it by pitching bundles onto a threshing machine.

Mr. MALONE. She would have a right to do it.

Mr. WELKER. Yes. But both the husband and wife own the property 50-50. It might be the property acquired by the Senator by gift or bequest. The Senator could give away half of the property, if he saw fit. If he did not leave a will, the spouse could take only half, and the remainder would go to the heirs at law.

I am in sympathy with the resolution. A lady called me out of the Chamber a week or two ago and asked me to support it. I had not had time to study it, but she impressed me as being sound. She told me who were the sponsors of the resolution, and I said, "If those persons sponsored it, I shall certainly be for it."

But what are we going to do with the State statutes? I have heard the Senator from Nevada make long speeches on the subject of States rights. A husband cannot say he is the manager of the estate if he must live under such a constitutional amendment as this.

Mr. MALONE. I have the highest regard in the world for my distinguished friend from Idaho and I say to him that the courts in the State of Idaho ought to be able to decide on the equities between the wife and the husband in case of disputes as to who is to manage the property. Sometimes there are better managers on the woman's side of the house.

Mr. WELKER. That is very true in my house.

Mr. LONG. Mr. President, will the Senator from Nevada yield for a question?

Mr. MALONE. I yield for a question.

Mr. LONG. I wonder if the Senator knows that no hearings have been held and practically no committee report submitted in connection with this resolution. In the report there is simply a brief statement that the purpose is to provide equality of rights and that both the Democratic and Republican platforms sponsored it. If the resolution would throw out the whole community-property system which exists in many States, and if it would have the effect of making unconstitutional all laws which have been passed for the protection of the women of the Nation, would it not seem that there should have been a careful study of the effect which the amendment would have?

Mr. MALONE. I have no quarrel with the distinguished Senator from Louisiana with reference to the lack of hearings. However, the matter has been before this body for the 6 years that the junior Senator from Nevada has been a Member of the Senate. Hearings have been held.

The Senator from Louisiana is a lawyer who is highly regarded by the National Bar Association, and I am sure he understands

the operation of the law so far as community-property States are concerned.

If the amendment should be ratified, as I understand there could be no real discrimination between the sexes, so far as the property is concerned. In some of our States it would make no difference at all. Perhaps the amendment is for the purpose of correcting any inequalities there may be left in other States.

CHANGES THROUGH THREE WORLD WARS

Mr. President, I have lived through three world wars, having served in the first one myself. I have seen many things happen over the past 40 years. The economic condition of both women and men has radically changed during that time. Before the First World War there were few disabled men, and most women were married.

The First World War started the change. Many men returned from it disabled, sick, or mentally upset. The hospitals are still filled with them. Many of those who were not injured sufficiently to prevent marriage were handicapped in making a living. There were 4½ million men in the First World War. There were approximately 12 to 14 million men in the Second World War. In the Korean War, which has been called a police action, there are many wounded soldiers coming home. The wounded and sick men look the same to me as did those who came back from World War I or World War II.

This condition has brought about a situation where many more women are now working and not always from choice.

WOMEN BREADWINNERS

Many women are making a living for their families. They are supporting their parents or their children. A woman may be earning a living supporting a husband whose health has broken, perhaps because he had a shot of gas in the First World War, as happened so many times, and he may be home, unable to support his family. There are hundreds of thousands of such workingwomen in the United States.

Mr. President, they are entitled to all the rights of a man who is making the living. That is the real core of the question. The proposed amendment to the Constitution would give equal rights to such women.

Many waitresses, stenographers, and businesswomen do not work by choice. They may claim they do, but that is a defense, a coverup.

They work because they have to work. Why deny them equal rights under the Constitution because they have grown up under a system that has been in existence 175 years, and is long overdue for an overhauling?

There are many capable lawyers in the United States, such as the junior Senator from Louisiana [Mr. LONG] and the junior Senator from Idaho [Mr. WELKER], who will take their part in fitting such an amendment into the State laws.

A NATION OF WORKINGWOMEN

I close by saying that the real reason I am for the amendment is that the United States has become a Nation of workingwomen. The condition has arisen by reason of three world wars and because of the disability of men in families, or who would have been in families if they had not been injured or contracted disease. Many girls are single and working because the man they planned to marry was killed or injured in one of the three wars. Then through deliberate inflation during 20 years—we are now in our 21st year and are still at it—one salary is not sufficient to support a family. In Washington, as in all other cities of America, working wives are now commonplace, where before the First World War they were exceptions.

The wife says, "Just as soon as we get on our feet, and junior gets a little older, and we get some of our debts paid, I will quit working." But the women never quit working, because Congress makes it a little worse each year by continually going for the deficit financing and making the dollar buy less and less.

Mr. PAYNE. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

WOMEN AND THE SELECTIVE SERVICE ACT

Mr. PAYNE. Can the distinguished Senator from Nevada advise me whether, if the proposed amendment to the Constitution were adopted, women would be subject to the provisions of the Selective Service Act and the draft?

Mr. MALONE. Women would be subject to whatever Congress saw fit to subject them to, as is now the case.

In the First World War, the United States had no women in the armed services. In World War II women became a part of the Armed Forces.

Congress recognized the position of women in the Armed Forces by reason of what they were able to do, just as it would recognize the distinguished Senator from Maine for what he could do, if he were to be drafted into the armed services. It is not beyond the realm of possibility, if the United States continues its present foreign policy, that the junior Senator from Maine and the junior Senator from Nevada might be drafted.

All of us carried draft cards during World War II. What would we do if we were sent to the frontlines at our ages? The Senator from Maine and the Senator from Nevada would be given suitable work to do, just exactly as is being done today in the case of doctors. The Armed Forces take a certain number of doctors because they are trained to do certain things.

I sat with the War Production Board in Washington in 1943 and 1944 as a special consultant to the Senate Committee on Military Affairs. I was not then in the Senate. It was arranged, upon the direction of Congress, that a sufficient number of miners should be recalled. I believe 6,000 miners were recalled from the armed services.

The complaint was made at the time of their induction that the mines would be closed. It was necessary to return the men to keep the mines open. It is not possible to train a miner in 6 months; it requires 3 or 4 years.

Congress said: "As long as you work in the mines, you will be on furlough. When you stop working in the mines, you will be returned to the Army."

Why were they returned from the armed services? Because they knew the special work in mines.

So I say to the Senator from Maine that Congress and the Executive have control. We will not send women into jobs they cannot handle, any more than we would send men into jobs for which they were not qualified.

If the distinguished Senator from Maine has served in the Army, he knows that to be true. What does one do when he is drafted into the Army or volunteers his services? I volunteered in 1917. The Army looks over the man and puts him where it can use him, not where he wants to go.

So the process begins with the captain and continues through the lieutenant, sergeant, and corporal. The corporal is the boss in the last analysis unless the man is promoted over his head. What does he do if he thinks the man is fit only for digging a ditch? He sends the man out to dig a ditch. If the captain snaps him up and says, "I want this man for a special job," that is where the man goes.

I do not know whether that is a sufficient answer for the Senator. I might say that anyone, man or woman, who serves in the Armed Forces will be assigned to whatever is thought best for him or her to do.

I do not believe there is any problem at all concerning the Armed Forces with respect to the proposed amendment to the Constitution. I am for the amendment principally and basically because the scene in the last 35 years has changed, so far as women are concerned. Women are working, if not from choice, from necessity, and are entitled to their place in the sun.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WELKER. The Senator from Nevada made a statement which I should like him to clarify. He has stated he favors the amendment. I understand that before the Senate at present is the Hayden amendment. Does the Senator mean he favors that amendment?

Mr. MALONE. I do not favor the Hayden amendment, because I think experience shows that if it is agreed to it will mean the defeat of the joint resolution.

We tried it that way. No one raised his voice against the amendment last time, because we were not prepared for it.

Mr. WELKER. Does the Senator mean that if States desire to protect their property rights, as assured to them heretofore by their legislatures, they will be permitted to do so?

Mr. MALONE. No. If there is an amendment in the Constitution, whether a tax amendment or an equal rights amendment, or any other amendment, and a State were permitted to pass a law to exclude itself from the operation of the amendment, I do not think the amendment would make much sense.

Mr. WELKER. I do not believe that is the intent of the amendment offered by the Senator from Arizona [Mr. HAYDEN], as I heard it stated.

Mr. MALONE. I think that is the effect of it.

Mr. WELKER. I appreciate the remarks made by the distinguished Senator from Nevada with respect to the necessity for women to work and with respect to their achievements in the Armed Forces.

Mr. MALONE. Congress brought that about. Congress put women to work. Because of inflation during the last 21 years, more and more women have gone to work to add her earning power so the family can eat, and go to school.

Mr. WELKER. I would be happy to have the Senator from Nevada tell me how, by virtue of the passage of the joint resolution, women would be kept from working. It is about time to begin saving money, instead of passing legislation that will increase inflation.

Mr. MALONE. I do not believe Congress will start saving the taxpayers money, after hearing the debates so far this year.

I had expected great things of Congress this year, but I do not expect them any longer. I believe the Congress is going ahead exactly as it has been doing for the last 20 years. I do not expect the Congress to stop inflation.

The least we can do is to let the women who work, and who contribute to the family income take their places on an equal basis with men.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the joint resolution.

Mr. MALONE. Mr. President, I have seen many things happen during 3 wars in the past 40 years. The economic condition of both women and men has radically changed during that time. Before the First World War there were few disabled men, and few women were not married and being supported in the regular manner. At least, they had an opportunity to establish a family, and did

not have to work either part time or full time to support that family.

Mr. President, it is reported that there are nearly 20 million workingwomen.

The First World War started the change. Many men returned from it disabled, sick, or mentally upset. The hospitals are still filled with them. Many of those who were not injured sufficiently to prevent marriage were handicapped in making a living.

There were 4½ million men in the First World War. There were approximately 12 to 14 million men in the Second World War. In the Korean war, which was called a police action, the sick and wounded men who came home looked the same to me as did those who came back from World War I or World War II. They were, in the main, unable to take their proper place in supporting a family.

This condition has brought about a situation where many more women are now working and not always from choice.

WOMEN BREADWINNERS

Many women are making a living for their families. They are supporting their parents or their children. A woman may be earning a living supporting a husband whose health has broken, perhaps because he had a shot of gas in the First World War, as heppened so many times, and he may be home, unable to support his family. There are hundreds of thousands of such workingwomen in the United States.

Mr. President; they are entitled to all the rights of a man who is making the living. That is the real core of the question. The proposed amendment to the Constitution would give equal rights to such women.

Many waitresses, stenographers, and businesswomen do not work by choice. They may claim they do, but that is a defense, a coverup.

They work because they have to work. Why deny them equal rights under the Constitution because they have grown up under a system that has been in existence 175 years, and is long overdue for an overhauling?

A NATION OF WORKINGWOMEN

The basic reason I am for the amendment is that the women are entitled to equal treatment—and further because the United States has become a nation of workingwomen. The condition has arisen by reason of three world wars and because of the disability of men in families, or who would have been supporting families if they had not been injured or sick.

Many girls are single and working because the man they planned to marry was killed or injured or have broken down from sickness because of one of the three wars.

Then through deliberate inflation during 24 years—we are now in our 25th year and still at it—one salary is often not sufficient to support a family. In Washington, as in all other cities of America, working wives are now commonplace, where before the First World War they were exceptions.

The wife says, "Just as soon as we get on our feet, and junior gets a little older, and we get some of our debts paid, I will quit working." But the women never quit working, because Congress makes it a little worse each year, harder to make a living by continually going for the deficit financing free trade and billions to the nations of the world,.and making the dollar buy less and less.

I am for the amendment principally and basically because women are entitled to be fairly treated—and further because the scene in the last 40 years has changed, as far as women are concerned. Women are working, if not from choice, from necessity, and are entitled to their place in the sun.

ADJOURNMENT TO FRIDAY

Mr. SMATHERS. Mr. President, I move that the Senate adjourn until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate adjourned until Friday, April 12, 1957, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 10, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the great companion of our souls, in this brief moment of communion, may we belong to the vast fellowship of the seekers and finders of God.

Grant that daily we may be inspired to walk the human way of life in the spirit of our blessed Lord and with more of faith, hope, and love.

Show us how we may cultivate a larger capacity for goodness and good will, and a greater desire and determination to help sorrowing and struggling humanity.

Send us out into the crowded ways of life with hearts of compassion toward all who are haunted by cares and for whom life, at times, seems so dull and meaningless.

Hear us in the name of the Christ who is the captain of our salvation and the champion of a better world. Amen.

The Journal of the proceedings of yesterday was read and approved.

FOREIGN AID

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, it has been the custom during the past 10 years to frequently change the name by which the foreign-aid program is identified so as to hoodwink the American people as to what the program costs. The name of the program has been changed several times since its inception. At this time the present name is wearing threadbare, and those who believe in the continuation of this very expensive program know that if they are going to secure additional appropriations of billions of dollars the name must be changed again or else the appropriation must be transferred to the appropriation bill for some other department. If the fund for foreign aid should be included in another appropriation bill, it would be difficult for Members of Congress to pinpoint the amount spent for foreign aid, much less Mr. and Mrs. American Taxpayer who are footing the bill.

There has been a lot of propaganda during the past 60 days about transferring the appropriation for the military assistance part of the foreign-aid program to the Defense Department appropriation bill and transferring the appropriation for the economic and technical-aid part of the foreign-aid program to the Department of State appropriation bill. This would make it very hard for either Members of Congress or the American public to determine just how much it costs to operate the foreign-aid program. If we are to continue the foreign-aid program, then it should be handled in such a way as to make the cost of the program easily identified.

I hope that the Members of the House will realize that this proposal is being offered merely for the purpose of hiding the great cost of the program and so as not to impress upon the American people the great sum of money spent for foreign aid.

I shall speak on this subject again next Tuesday under a special order just granted to me.

REDUCTION OF VETERANS' CLAIMS WORKING HARDSHIP ON VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I was at the Veterans' Administration this morning for a veteran in reinstatement of service connection who appeared before the Appeals Board.

I am very much shocked at the new directive telling members on the Appeal Board that the members cannot accept a veteran's request that his appeal be withdrawn even though he asks to withdraw it. The appeal is proceeded with anyway and the way VA is cutting veterans' claims and also severing service connection right and left is a shocking, a dangerous, and a cruel thing.

INEXCUSABLE DELAY IN POST OFFICE APPROPRIATIONS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, as one who has been active on behalf of a reduction in Federal expenditures and the budget, I rise to express support for the retention of normal services of Government such as the Post Office Department. I think I am just as zealous as anyone else in wanting to cut expenditures. I think I showed this when I voted against the $50 million appropriation for Federal contributions to sewer systems. I expect to continue voting against programs which should be paid for on the local level.

However, Mr. Speaker, the delay in consideration of the deficiency appropriation for the Post Office Department is to me inexcusable. The Post Office has made a fine record. It turned back to the United States Treasury in 1954 approximately $50 million, and in 1955 almost $105 million. Meanwhile the volume of mail has been going up, and the number of new patrons has been going up, while the number of employees in the Department has been going down. The statistics speak for themselves. And now the Postmaster General has asked the committee for a supplemental appropriation of $53 million. Allowing for no capital improvements, I support the extension of an emergency $47 million, which will be offset, as I understand, by some $20 million additional in revenue.

Why was the full Appropriations Committee meeting delayed until next Friday, which forces the Postmaster General to either make unauthorized expenditures or to curtail services, since this is the beginning of the fourth quarter of the fiscal year? The finger of criticism and the blame for any disruption of postal service will rest squarely on the delay in the Appropriations Committee meeting. The chairman of the committee in his statement made in the well of this House yesterday did not answer that question.

As for me, I stand ready to support the $47 million appropriation. I hope in the national interest that the Appropriations Committee will report favorably on this on Friday, and the matter can come to the House immediately under suspension of the rule, allowing time for the other body to act with equal dispatch. Thus a bad situation can be avoided.

INEQUITIES OF OUR IMMIGRATION LAWS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, our present immigration laws are far from perfect.

In their application to a difficult problem they sometimes, unwittingly, lead to discrimination and hardship.

I am thinking of the hairsplitting interpretation whereby one member of a family is permitted to come to the United States for permanent residence while other members of his immediate family are treated as separate cases who must wait their turn.

This impersonal policy is cutting off members of a family from one another.

Under the Refugee Relief Act, it opens the door for one member of a family and quickly closes it, sometimes for years, to the wife and children who are left behind.

This inhuman division is most unfortunate.

In its contradictions, it exposes the United States to the charges of confused thinking, if not hypocrisy, regarding our overall immigration policies.

We know that this is not intentional, but this is small comfort to those who suffer from the inflexible provisions of the law.

I have listened to pathetic appeals from Italians who have come to our country in recent years and have asked me to cut the red tape that prevents their loved ones from joining them here.

How can I answer them?

Until the law is changed there is no answer.

I realize that our immigration laws must be written with due regard for our own security and our ability to provide opportunities for those who want to begin a new life in this country.

But if we become too cautious, the spirit of the law can be lost in a maze of self-defeating technicalities.

Among our own people the strength and unity of family life is a precious asset. It is a vital element in the nourishment of our free institutions.

I suggest that we keep this in mind as we consider the revision of our immigration laws.

When one member of a family is admitted to the United States we should do everything possible to clear the way for his wife and children to join him in this sanctuary of freedom.

Any legalism that delays or obstructs this reunion is intolerable.

AMENDED PROGRAM FOR BALANCE OF WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the majority leader if he can give us additional information on the program for the balance of the week.

Mr. McCORMACK. I would be very happy to.

The order of business today, as I announced yesterday, is Senate Joint Resolution 72, amending the Anglo-American financial agreement.

Thursday: As previously stated H. R. 2146, the Small Reclamation Projects Act of 1956; and

H. R. 5538, military public lands withdrawal bill.

I understand two other bills reported out of committee, H. R. 3377, a construction program for the National Advisory Committee for Aeronautics. I understand from the gentleman from North Carolina [Mr. DURHAM] that on this and on other matter coming out of the committee there was no opposition.

Then there is H. R. 3476, a plant pests control bill reported out of the Committee on Agriculture. I talked with the gentleman from Mississippi [Mr. ABERNETHY] and he gave me substantially the same information about committee action on this bill.

So these two bills will be on the program tomorrow if they can be reached, and we hope they will be disposed of.

Mr. ARENDS. I thank the gentleman from Massachusetts.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. GROSS. When is it proposed to take up the State Department appropriation bill?

Mr. McCORMACK. On Tuesday.

Mr. GROSS. What is scheduled for Monday?

Mr. McCORMACK. There is the urgency deficiency appropriation bill; then there is the Consent Calendar and the Private Calendar on Tuesday.

Mr. GROSS. The State Department bill comes up on Tuesday. When are we supposed to get out of here in Easter recess?

Mr. McCORMACK. Thursday at the latest if the State Department bill is not disposed of by Wednesday. I am glad the gentleman asked that question.

Mr. GROSS. The gentleman understands, I am sure, that this State Department appropriation bill is a big one.

Mr. McCORMACK. The gentleman cannot argue with me. I am giving him information.

Mr. GROSS. We will have only 2 days for the consideration of the State Department appropriation bill?

Mr. McCORMACK. No; 3 days—Tuesday, Wednesday, and Thursday.

Mr. GROSS. I thought the gentleman said we would get out of here on Thursday.

Mr. McCORMACK. Of course, I assume consideration of the bill will be completed by Thursday. I think that is a reasonable assumption.

VISIT TO THE HOUSE BY THE PRESIDENT OF THE NATIONAL CONSULTATIVE ASSEMBLY OF MOROCCO

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, when we were recently in Morocco with the Vice President, the President of the National Consultative Assembly, Mr. Ben Barka, was exceedingly hospitable and kind. I am privileged to inform the House that Mr. Ben Barka is our guest today. He and the new Ambassador from Morocco, Dr. El-Mehdi Ben Aboud are in the diplomatic gallery and will lunch downstairs.

Our distinguished guests have conferred earlier today with the Speaker and the chairman of our committee. The members of the Subcommittee on the Near East and Africa are delighted to

have them as our luncheon guests and will be hosts at that luncheon.

I know that all Members join with me in extending a most cordial welcome to our distinguished visitors.

In Tangier, Morocco, we have had contact for well over 150 years. Our offices are in a building there which was given us by the then Sultan. Certainly the Moroccans showed their friendly feelings to us on every occasion during the visit of the Vice President. On my return to Tangier a few days later, I met with a warmth and a courtesy that I deeply appreciated.

Our long occupancy of our offices in Tangier has spelled a continuity the like of which we have nowhere else. It is one of our most friendly contacts which was certainly illustrated by the cordial reception and the hospitality tendered us in Rabat. It is an especial pleasure to me to welcome the President of the National Consultative Assembly, Mr. Ben Barka and the Ambassador of Morocco, Mr. El-Mehdi Ben Aboud to Washington.

LEGISLATIVE RESPONSIBILITY

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, the gentleman from Missouri [Mr. CANNON] yesterday made a most serious indictment of the Democratic Party when he attempted to pass blame for big expenditures and high taxes on the executive branch of Government. The people elected the head of the executive branch of our Government to do his job. Those same people elected the Congress of the United States to do its job. Congress alone can lower or raise taxes. Congress alone can cut appropriations or cut the budget. It is our privilege under the Constitution to levy taxes and spend money. It is likewise our responsibility under the Constitution to set the tax rate and to appropriate the money to run this Government.

If the gentleman from Missouri [Mr. CANNON] thinks he can pass the buck and escape that responsibility, thus fooling the people, he is making a most serious mistake. Every time the Republican Party has had control of this Congress since I have been a Member, we have reduced taxes and balanced the budget. I want to say to the gentleman from Missouri that his party is in control of the Congress. You on the Democrat side cannot pass the buck. You cannot escape the responsibility. Your party was elected to control the pursestrings. It is within your power to balance the budget and to reduce taxes. It is your responsibility. You must do it. The people are demanding it. I will give you my wholehearted support.

POSTMASTER GENERAL SUMMERFIELD

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, the completely unwarranted attack by a Member of the House on the Postmaster General based upon his request for adequate funds to continue the postal service for the next 3 months should not be condoned.

The charge that the Postmaster General has been a poor businessman is completely refuted by the facts. The reason the Postmaster General needs additional funds is because of an increased volume of mail and because of the requirement for extended city delivery service to new areas and new developments. The growth and housing construction which began several years ago has had an increasing cumulative effect on the postal service.

Eighty percent of the mail is sent by business. The fact that the United States has, and continues to enjoy, the highest business activity that it has ever had is one of the reasons for the large increase in the volume of mail. The major shift in use of funds of the postal service was in the month of December because of the largest Christmas mailings in our history. Certainly no one could have expected the Postmaster General to refuse to deliver Christmas packages.

It should be made clear that there is no relationship between revenues in the form of postage and appropriations; that while a large volume of mail means an increased revenue it does not mean there are increased appropriations made available to meet it.

Instead of attacking the Postmaster General, I think this House should take a closer look at the law with respect to the apportionment of expenditures for the purpose of determining whether or not it should be applied to the Post Office Department at all.

I am informed that the volume of mail handled by the postal service under Postmaster General Summerfield has increased by 15.4 percent while man-years, which is the major cost of the postal service, has increased only 4.1 percent. In other words there has been a sharp increase in the efficiency of the postal service.

In my opinion the deficiency appropriations should be approved forthwith.

ROY G. FITZGERALD

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a poem.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the older Members of the Congress will remember Roy G. Fitzgerald who represented the Dayton, Ohio, district for many years. He was a very capable lawyer and a very capable writer. In other words, he was a poet. He has been out of Congress for several years and is now back home in his native Dayton where he ranks at the top of the list of lawyers. But, he is still a poet.

Mr. Fitzgerald sent me a little poem entitled "Inflation Must Stop," which is very entrancing and reads as follows:

"The primrose path of Dalliance" allures
with lethal charm:
The thorny path of Honor's steep, but leads
away from Harm.

INFLATION MUST STOP

"Delenda est Carthago" cried Cato o'er and
o'er
And Rome may teach us lessons if we will
note the score.
Inflation is a cancer that's gnawing at our
state
It threatens now to bring us to a most
unhappy fate.
The road to ruin's pleasant, yet on a brink
we stand
We shun the climb back up the hill, refuse
to understand.
We trust the nation's currency, all flat
though it be
Ignore the day of reckoning, that we may
live to see.
Our faith's without foundation and thinking men must quail
While fools may be indifferent or careless,
jest and rail.
When currency we trust in, has lost all purchase power
There'll be no place of refuge; no ark, no
ivory tower.
With suicide on suicide, we'll face the
countless dead
When people come to realize their savings
all have fled.
Insurance, bonds, and pensions are worthless as the dust
And thousands then in horror will face
starvation's thrust.
No Communistic Russia's as dangerous as
this threat
That our beloved country'll fall from its
parapet.
The tocsin now is sounding, but shall we
heed its call?
Shall we reject the warning and let the
nation fall?

—*Roy G. Fitzgerald.*

You can see from this little poem that our friend and former colleague still has an active mind and knows what is going on. We send him our best wishes.

SENATOR WM. A. BLAKLEY, OF TEXAS

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, I take this time as chairman of the Texas delegation in Congress to invite the attention of the membership to the coming departure of a distinguished Texan. I refer to the Honorable WM. A. BLAKLEY, of Dallas, who has filled the place left vacant by the resignation of Hon. Price Daniel, who has since become our Governor.

Senator BLAKLEY came here to serve only until his successor could be elected and qualify. He has now been elected and presumably Senator BLAKLEY will shortly leave us.

I have seen Members of both Houses come and go over these past years, some

only briefly and some a long time. Each one has had an opportunity.

Senator BLAKLEY's record is made. It reflects the admirable performance of duty of an able, conscientious and dedicated public servant. That much will remain in the history of the Congress and of the Nation as long as there is a history.

There is something deeper and finer which BILL BLAKLEY has left in the hearts and minds of those who have known him best and who have worked with him closely. It is the recollection of a kindly and generous man whose greatest interest is in the well-being of his fellow man. We see him leave now with mixed feelings of regret that he is going and gratitude that we have had him here at all. The Congress is a better place because he has been here.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. Mr. Speaker, I am very happy to hear these remarks of my colleague from Texas with reference to the distinguished service rendered by Senator BLAKLEY. As a resident of a neighboring State, I know of his great civic achievements in the city of Dallas and I subscribe to the fine tribute that has been offered by my friend from Texas.

Mr. THOMPSON of Texas. I thank the gentleman.

Mr. PATMAN. Mr. Speaker, would the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, by choice, the term of Hon. WM. A. BLAKLEY, the United States Senator from Texas, who was appointed by Gov. Allan Shivers to fill out the unexpired term of Senator Price Daniel, will expire in a few days. Senator BLAKLEY has served the last few months with honor, distinction, and with credit to the people of Texas. In view of Senator BLAKLEY's enormous properties and various business interests which require his personal time and attention, he was not in a position to yield to the demands of the thousands of people in Texas who urged him to become a candidate to succeed himself.

It has been my privilege to know Senator BLAKLEY more than 20 years.

Never in the almost 30 years that I have had the privilege of remaining in Congress have I known a person to be accepted in the Congress of the United States in such a favorable and hospitable fashion. From the very beginning Senator BLAKLEY was recognized for what he is—a very able, sincere, genuine American citizen who believes that the rule of the people is right, proper, and lasting. The Golden Rule, emphasizing equality of opportunity, is foremost in his mind at all times. Although Senator BLAKLEY was born poor, like many of us, he has never forgotten poor people. He has always been for the underdog, the person who did not have pull, influence, or privilege. From the very beginning of his successful business career, he has devoted a lot of his time and attention to charitable and other worthwhile causes, and has been very liberal in making available to young men and young women educational opportunities in colleges and universities which they would not have enjoyed had it not been for the thoughtfulness, kindness, and generosity of this great man.

BILL BLAKLEY is a modest person, but he has successfully represented clients in State and Federal courts, including the Supreme Court of the United States, on matters of the greatest importance with much success. He is certainly neither shy nor modest when it comes to loyal, patriotic service to his country, or in trying to help solve a problem that is worrying or troubling the humblest citizen.

Senator BLAKLEY has been particularly thoughtful and rendered great service in connection with business, banking, insurance, rural problems, welfare of the wage earner, health and education, and similar constructive programs in the interest of all the people. Had it not been for Senator BLAKLEY we would likely have concentration of banking resources in Texas today. When monopoly reared its ugly head through the device of holding companies in banking in Texas a few years ago, it was BILL BLAKLEY, the humble, public-spirited lawyer in Dallas, who challenged the right of a few to control banking in our great State. It was by reason of his efforts, which involved the expenditure of considerable personal funds on his part, that this attempt to monopolize banking resources in Texas was stopped in its tracks. He alone is entitled to the greatest credit from which the people are benefiting now and will continue to benefit in the future, although few people know the fine work performed by him in this connection or the real, great value to our State that was performed.

BILL BLAKLEY is a real cowboy, not the drugstore type. When he was 12 years old and a barefooted boy in western Oklahoma, he did not hesitate to push himself into a herd of wild, unclaimed horses owned by no one, pick out the one he wanted, and ride the horse bareback out of the herd, claiming and keeping him as his own, according to the rule, custom, and tradition among frontiersmen in that great partially unsettled section of the United States at that time. BILL BLAKLEY owns huge ranches aggregating a third of a million acres and thousands of cattle. It is well known that he regards the most pleasant time of the year is when he spends 30 days on his ranch each year, living in the wide open spaces, riding horseback, dealing with cattle in every way that a cowboy comes in contact with them, and being close to nature and living with humble folks. Such fortunate environments doubtless create the fine feeling of friendship, fellowship, and patriotism that cause him to be such a great, true, genuine American.

His service in Congress has been short, but it has certainly been worth a lot to our great State of Texas. As Senator LYNDON JOHNSON, the majority leader, said yesterday on the Senate floor, he is a wonderful ambassador for our great State. It can be truly said that no one has ever served in the United States Congress during the lifetime of those of us who are now serving who has more friends, is more highly regarded, or is more greatly respected than BILL BLAKLEY. Doubtless, the Chief Executive of our Nation and other important people in our Government recognize the ability and greatness of Senator BLAKLEY and will doubtless give him opportunities to serve the public in other capacities to the limit of his time to do so.

A few days ago in the other body, Senator BLAKLEY closed his short farewell address by stating:

I shall go back to my boots and saddle, to ride toward the western sunset. As I do, I shall carry with me forever the cherished memory of my tenure here and the unfailing faith that so long as this great body shall endure the freedom of man will prevail. May the will of Providence be with you forever.

[From the Dallas Times Herald of April 4, 1957]

SENATOR BILL

Senator WILLIAM A. BLAKLEY, who will soon return to private life, has expressed hope that his friends will continue to call him "Bill" rather than "Senator," but the chances are that the new title he has acquired will stick for a long time.

Senator BLAKLEY says that he has thoroughly enjoyed his experience in Congress. He can be assured that the vast majority of his fellow Texans have enjoyed having him in the Senate. It has been generally conceded that ex-Gov. Allan Shivers in appointing him made a wise choice.

To a group of newspapermen the other day the Senator made this statement. "No one can serve in the Senate without becoming a better American." This is undoubtedly true, and it is especially true when the person is, like Senator BLAKLEY, already a good citizen devoted to the ideals of this Nation, and is willing to learn.

But almost everyone who goes to the Senate and takes on the heavy responsibility of helping to operate the Government of the world's greatest Nation is likely to have his patriotism strengthened. He may not become a wise, cautious, temperate, and constructive statesman, but this perspective will broaden to the extent that his natural capacity permits.

The obvious fitness of Senator BLAKLEY for duty in the upper House of Congress is evidence of the resources we have for the maintenance of orderly popular government. When we can draw upon these resources as ex-Governor Shivers did when he appointed WILLIAM A. BLAKLEY, we have little cause to worry about the future of this country.

SENATOR BLAKLEY BIDS GOODBYE TO SENATE

WASHINGTON, D. C.—WILLIAM BLAKLEY, who will be succeeded next week by Senator-elect RALPH YARBOROUGH, today made a brief speech of farewell to his Senate colleagues.

The retiring Senator was appointed by Allan Shivers a short time before he left the Governor's chair. Although he knew he was to serve but a short time, BLAKLEY has been a diligent and hard-working Senator and has won the esteem and admiration of his congressional colleagues.

Senator Majority Leader LYNDON JOHNSON, who arranged for BLAKLEY to address the Senate during the morning hour, paid tribute to his departing colleague. Referring to him as "our beloved citizen," JOHNSON emphasized BLAKLEY's "modesty and humility."

BLAKLEY expressed "thanks and gratitude for the attention shown me during my short stay in this great body. Without reservation," he added, "there is not a single Member who has not shown me more kindness and generosity than I deserve."

He paid special tribute to "the help I received from my friend and fellow Texan," LYNDON JOHNSON.

"The duty of this body," BLAKLEY told his Senate colleagues, "is to protect the rights and privileges of the people against the possibility of a dictatorship or a totalitarian form of government" that, he said, would take away such privileges as the right to trial by jury and the right to face one's accusers.

He emphasized, however, that "freedom does not mean the guaranty of a full stomach. Strength comes only from hard effort, not from idleness," he declared.

Attired in a black business suit, BLAKLEY wore his traditional black bow tie.

"I bid you farewell," he concluded. "I will soon go back to my boots and saddle and once more will ride into the western sunset. I will always carry with me cherished memories of my associations formed here. May God be with you forever."

The tall, distinguished looking Texan prefaced his remarks with a moving reference to "the sad and serious tragedy" that so recently has befallen Texas and "my beloved home city of Dallas."

Declaring the devastating tornadoes that recently struck the State to be "hard to understand," BLAKLEY added that "the Master of the universe is unwilling to reveal all of His secrets to mankind."

Knowing of BLAKLEY's intention to make a speech of farewell today, Members of the Senate from both sides of the aisle went over to greet him before taking their seats in the Senate Chamber.

Vice President RICHARD M. NIXON stopped to chat briefly with the retiring Senator, to shake hands with him, on his way to the rostrum.

SENATOR BLAKLEY CAN KEEP TITLE

(By Tex Easley)

WASHINGTON.—For the rest of his life, WILLIAM A. BLAKLEY, Dallas multimillionaire businessman and lawyer, rates the title of Senator.

But he says:

"I hope my friends will just keep on calling me Bill, and I expect them to."

Such a reaction is typical of the tall, quiet-speaking Texan whose trim figure, flashing dark eyes and dark hair belie his 56 years.

Although Senator BLAKLEY is a majority stockholder in Braniff Airways, owns vast cattle ranches in Texas and New Mexico and among other activities is building a $125 million shopping center in Dallas, he was surprisingly little known by the public until appointed to the Senate January 15.

DISCLAIMS DISTINCTION

He modestly disclaims any right to distinction on the basis of service in Congress.

"Having been appointed rather than elected," he mused, "I know better than anyone that I do not rate in the same category with those who were sent here by the will of the people.

"But I do take pride in the fact that Governor Shivers thought highly enough of me to make the appointment. And I will always treasure the experience. No one can serve in the Senate without being a better American."

Senator BLAKLEY was urged by many friends to be a candidate in the April 2 special election but turned down the suggestions with a statement thanking those with such confidence in him and saying he never had sought political office and was not interested in a political career.

Seated at the same big mahogany desk which Gov. Price Daniel, his immediate predecessor had occupied, Senator BLAKLEY talked of his few weeks as a Member of the world's greatest deliberative body. He spoke praise for the Senate and its role in democratic processes.

The fondness in his voice made one think he was perhaps wishing he might remain a Member.

MUST WEIGH WORDS

"The sense of responsibility grips you," he continued. "You must weigh your words and actions much more than you do when you speak to a friend standing on the curb."

Asked whether he would suggest any changes in procedures of the Senate, he replied it would be presumptive on his part even to think of such a thing in view of brief tenure. He went on to laud the wisdom of Founding Fathers who set up the tripartite American Government and to voice a hope that the legislative branch would never let the executive nor the judicial branch usurp any of its functions.

Even the long-winded speeches of some Senators, some of which last hours with only 3 or 4 other Senators in the Chamber, were defended by Senator BLAKLEY. Or, rather, the rules which permit such unlimited oratory.

"Sometimes the privileges Senators enjoy seem to be abused," he said, "but I would never want to curb such basic rights as free and unlimited debate."

He also defended the seniority system which gives the committee chairmanships to those who have served the longest on each committee, pointing out that a man who has won approval of the voters repeatedly and spent years on a particular committee is, generally speaking, well qualified for leadership. Any other system might make it easier for a conniving fellow to get control of such a position, Senator BLAKLEY added.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I want to join other Members in paying tribute to Senator BILL BLAKLEY. In my opinion he is one of the finest men I ever knew. He has risen from a poor boy to a very high place in business and civic affairs. He is one of the too few who has come up from humble circumstances in finance who still remembers when. He has not forgotten the rock from which he was hewn. He wants the plain people to have a fairer chance in a juster world. He is a real man; a patriot who loves his country and works for its betterment. Give us more Bill Blakleys.

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent that all Members who choose to do so may extend their remarks at this point in the RECORD regarding Senator BLAKLEY.

The SPEAKER. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. KILDAY. Mr. Speaker, I want to join with the others in paying my respects to Senator WM. A. BLAKLEY. It was fortunate for Texas that Senator BLAKLEY was appointed to serve as our Senator during the interim between the resignation of Senator Daniel and the election of his successor. He has served with credit to himself and the great State he has had the privilege of representing in the United States Senate. He has shown himself to be dedicated to our institutions and system of government with a heart attuned to the problems and needs of all the people. I wish for him and Mrs. Blakley happiness and good fortune in all the years to come.

Mr. KILGORE. Mr. Speaker, it is with considerable pride that I join the other members of the Texas delegation in expressing our sincere appreciation for the contribution Senator BLAKLEY has made to his State and Nation in the few months he has been a Member of the United States Senate.

It is difficult to imagine that a man, while sitting in the Senate so short a time, could become so beloved by his colleagues and effective as a Member of that great body.

I regret his leaving and sincerely appreciate his contribution while here. The service of Senator WM. A. BLAKLEY will not soon be forgotten by those of us who were privileged to have served with him.

We wish the utmost in health, happiness, and a continued fruitful life for him and would urge that, though he chose not to remain a Member of the Senate, he still make his wise counsel available for the benefit of his State and Nation.

Mr. FISHER. Mr. Speaker, I wish to associate myself with my colleagues who have paid tribute to the junior Senator from Texas, Mr. BLAKLEY. The Senator is a man of strong character and deep sincerity. He is honored and respected by all who know him. In politics he puts his country first and is motivated by his personal convictions and his devotion to the preservation of our institutions.

This country needs more men of the Bill Blakley type. That is the type that still believes in hard work and square dealing. Although he has served only briefly in the Senate, he has in that short time gained an enviable reputation for statesmanship and commonsense. I am delighted to join my colleagues in paying deserved tribute to this friend and fellow Texan. I extend to him and Mrs. Blakley my very best wishes for the future. May they enjoy happiness, health and prosperity for many, many years to come.

Mr. TEAGUE of Texas. Mr. Speaker, I wish to join with my colleagues of the Texas delegation in bidding farewell to Senator WILLIAM BLAKLEY. During his short tenure of office I have had occasion to visit with him socially and only regret that the opportunity did not arise wherein I could have worked closer with him on legislative matters. I feel that in his short stay as a Member of the Senate he made a deep impression on that body, as is evidenced by the remarks of his Senate colleagues following his farewell address.

I want to wish him the best of everything that life can hold, and hope that he will continue to take an active interest in public and national affairs.

Mr. THORNBERRY. Mr. Speaker, Senator BLAKLEY has rendered distinguished service to the people of Texas and the Nation during the time he has been a Member of the United States Senate.

Those of us who are members of the Texas delegation in Congress appreciate the privilege which has been ours to work with Senator BLAKLEY for the good of Texas. He has set a splendid example of public service for all of us. He has

reflected credit not only on our State but on the Honorable Allan Shivers who while he was Governor appointed him to the Senate.

As he and his lovely wife return to their home, Mrs. Thornberry and I extend to them our best wishes and express our appreciation for the kindness and friendship they have so kindly afforded us.

FILING INCOME-TAX RETURNS

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, one of the most terrible burdens forced upon the American people by the Federal Government is the filing of income-tax returns. The imposition of an income tax upon our people is in itself questionable. I understand that Karl Marx first advocated this form of taxation. This tax has reached the point in America where it is destroying initiative, frugality, thrift, and the normal desire to expand small business. It has become such a burden that it is causing our loyal taxpayers to seek relief by devious methods. It is undermining the moral character of our people. Add to the communistic, socialistic aspects of the income tax the method of filing and we do have a very serious threat to the well-being of our country.

As April 15 approaches, millions of our citizens are worried to a state of physical exhaustion to fill out and file these complicated returns. Many who can ill afford the prices are forced to hire legal advice to properly fill out the forms. Some have to seek the aid of tax experts and certified public accountants. Some of our people pay more income tax than they should through fear of prosecution. They live in constant fear and some spend sleepless nights as the deadline approaches.

As soon as April 15 passes, the people will start worrying about next year and will have to keep daily records for which they receive no reduction in tax. Lawyer's fees and CPA advice cannot be deducted from their taxes. The Founding Fathers of this country never intended that our citizens should be harassed and worried to the point of a nervous breakdown by the filing of a maze of blanks and forms.

The time has come when the Congress should come to the relief of the taxpayer and make his road a little easier. I personally believe there are more equitable means of taxation than the income tax; taxes which would raise as much money and still be simpler and more understandable; taxes which would encourage investments, expansion of business, and frugality. I believe, however, if we must have an income tax that it should be so written that even our humblest citizens could fill out the forms without legal aid. Our income-tax forms must be simplified. As it now stands, even a Philadelphia lawyer can become confused and unintentionally make mistakes.

I understand our great committee on Ways and Means of the House is presently making a study which might result in a simplification of income-tax returns. I commend this great committee for this undertaking and do hope that a way can be found to lessen this unnecessary burden on our taxpayers.

The American Revolution was fought over taxation without representation. A revolution is brewing at the grass roots of this country today against unnecessary Government regulations, redtape, and theoretical bureaucracy. Our people are becoming unwilling slaves to this Federal hierocracy. They are looking to this Congress for relief. We must and can give them tax forms that they themselves can fill out and understand with a minimum of worry and apprehension.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Anderson, Mont.	Eberharter	McIntosh
Aspinall	Elliott	Machrowicz
Barden	Engle	Magnuson
Barrett	Frazier	Miller, Calif.
Berry	Green, Pa.	Moulder
Betts	Gregory	Powell
Bitch	Gubser	Preston
Bowler	Healey	Rogers, Colo.
Brown, Mo.	Hillings	Scrivner
Chenoweth	Holifield	Sheppard
Cretella	Holtzman	Steed
Dawson, Ill.	Kearney	Van Pelt
Dies	Keating	Vursell
Doyle	Krueger	Walter
	McConnell	Wilson, Calif.

The SPEAKER. On this rollcall 384 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during general debate today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 225 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 73 to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. RABAUT] may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MUSICAL RECORDING: PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. RABAUT. Mr. Speaker, Members of this body will recall that last July the Congress approved House Concurrent Resolution 258, accepting from the American Society of Composers, Authors, and Publishers—ASCAP—without cost to the United States, copies of a musical recording of the Pledge of Allegiance to the Flag. The resolution further provided for the distribution of these recordings by Members of the House and the Senate first to radio and TV stations, and then to schools and other organizations. I am happy to report that the Clerk of the House has received the records, and that he will shortly furnish 50 copies to each Member of the House and 25 copies to each Member of the Senate.

It is a great satisfaction to me, and I am sure to all patriotic Americans, that since June 14, 1954, when President Dwight D. Eisenhower signed into law House Joint Resolution 243, the Pledge of Allegiance to the Flag by the law of our land now includes the compelling and meaningful words, "under God." This simple but significant phrase adds to the pledge a direct reference to the most important of the "four freedoms" cherished by every true American. Soon after the President signed the measure, I made the suggestion that the pledge as newly constituted be given a fresh musical setting, which was done by the famous songwriter, Irving Caesar, at my request. Mr. Caesar donated his composition to the Government as a public service, and the Congress accepted the musical setting from Mr. Caesar by terms of House Concurrent Resolution 161, and had the words and music attractively printed by the Public Printer as House Document 225, 84th Congress, 1st session. Congress also accepted approximately 24,500 copies of the composition, in the form of records, from the American Society of Composers, Authors and Publishers—ASCAP—of whose board of directors Mr. Caesar is a valued member by terms of House Concurrent Resolution 258. It was my privilege to introduce each of the resolutions cited above.

One side of this recording contains a rendition of the pledge by the United States Air Force Band, Capt. Robert L. Landers, leader, with the Singing Sergeants and M. Sgt. Ivan Genuchi, tenor soloist. The instrumental and vocal arrangements are by W. O. Fred Kepner. This arrangement was performed for the first time in the House of Representatives on Flag Day, June 14, 1955.

The other side contains a rendition by the United States Marine Band, Capt. Albert Schoepper, leader, with an inter-service chorus consisting of selected voices from each of the 5 defense forces, making a total of 40 voices. S. Sgt. William D. Jones, of the United States Marine Band, was soloist. The instrumental and vocal arrangements for this recording are by S. Sgt. Donald R. Hunsberger. This version was performed for the first time in the House of Representatives on Flag Day of the following year, June 14, 1956.

On behalf of my fellow Members of the Congress, I should like to express my heartfelt appreciation to Mr. Irving Caesar, who has freely donated his stirring composition to the Government, and who will receive no pecuniary compensation from its recordings or performances.

Also on behalf of my fellow Members, I wish to express the appreciation of this body to the American Society of Composers, Authors, and Publishers, which donated the substantial sum required to underwrite the cost of these recordings.

I feel sure that Members both of the House and the Senate will be more than anxious to do their part to distribute these recordings to radio and TV stations throughout the country, as well as to educational and other institutions which have reproducing and broadcasting facilities. Already, numerous inquiries have been received from State school superintendents and local educators and teachers, requesting copies of the recordings as soon as they are available. The records are individually wrapped for mailing, so that it will merely be necessary for the Members to address their allotment of records for shipment. I should like to make the suggestion that each State delegation agree among its various Members to which broadcasting stations, schools, and organizations the records shall be sent, in order to avoid duplication.

Mr. Speaker, I shall feel amply rewarded for my efforts over the past few years to have the religious aspect of the pledge to the flag officially recognized, and to have procured for it an appropriate musical setting, if during the ensuing months and years every radio and television station in the land periodically broadcasts the thrilling strains of the pledge, and if by means of its simple but majestic melody, its words become embedded in the hearts and minds of every schoolchild and parent in the land.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, while I voted in subcommittee and in the full committee against the resolution that is the subject of the pending rule, my votes on those occasions are not necessarily an index of how I shall vote on the resolution when it comes up for passage in the House.

Great Britain has been our ally in two wars. She has been and she is our ally in the long cold war that has taxed our resources. These are considerations that we cannot take lightly. The demands of friendship it is not in the character of the American people to run away from. Furthermore, our own security in a troubled world would be endangered by the collapse or less than the serious weakening of Great Britain.

But what we do should not, in the true interest of our own people and of those of Great Britain, be given the appearance of that which it is not. We will find in plain and honest talk the shortest path from the wilderness into which we have wandered in our international relations. We cannot make a spade an ornament of jewelry by calling it a diamond ring. There was a time when American diplomacy commanded the respect of the plain people of the world because our spokesmen never deviated from plain and honest talk. It is time that we got back to this.

Our present foreign policy lacks convincing force because it does not have the understanding and backing of the American people. The reason is that the American people are treated more or less as children who are not expected to understand the conversations of their elders. There is nothing so complex that it cannot be so simplified in language as to be understandable to persons of the smallest vocabularies. Regardless of the dimension of vocabularies people pretty generally in the same way apply the reasoning of common sense when once there is grasp of the fundamentals of a problem. In the end we will find the solution of our problems in the common sense of the American people. What this resolution does is to forgive as far as this generation is concerned $1,335,000,000 of Britain's debt to us, both the principal and interest. Perhaps it should be done. But, neither in our interest or that of Britain, should there be any sugar coating. The rule calls for only 2 hours of debate. I hope that every Member will be in the Chamber and I am sure that in the control of the time of the debate full and equal opportunity will be accorded for the presentation of every viewpoint.

Mr. MARTIN. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, this is not a complicated bill. It is a bill extending the provisions of an agreement which already is in effect and has been in effect for a number of years. It is revising the agreement reached in the last administration to meet the situation which exists today. Under terms of the agreement, which was made some years ago, there was a waiver reservation which under certain conditions could be put into effect. The British find themselves now in a position where they wish to avail themselves of the waiver features of the old agreement. There is doubt whether they could do so and instead of taking the case to the Monetary Commission they have reached an understanding with the United States. We could, of course, force long negotiations and long discussions with a valued ally whom we need on our side as we battle with the Communist forces. Happily an agreement was reached which upholds the very interest of the United States and at the same time gives Great Britain a chance to breathe a little easier. Let me remind you that while the agreement does grant Great Britain to temporarily postpone the interest charges on several years that they will continue to pay the sum every year that was agreed upon in the previous agreement.

We temporarily postpone our interest payments and through giving life to Great Britain we aid a valued ally get back on its feet and continue through her trade in keeping our economy on and upward ascendancy. And it does not cost us any new money. Secretary Humphrey is a good businessman and I believe he has made an agreement that is decidedly in the interest of our country. Actually renegotiation was of absolute necessity.

The whole world must be prosperous if we are to enjoy our full share of that prosperity, and this legislation will help a good ally and a valued customer.

This is a constructive step. It clarifies a misunderstand as to waiver. It is much better to reach a mutual understanding than long legal negotiations. The waiver was a part of the last Democratic administration, and we are simply amending it to meet contingencies the British believed were in the agreement but which was a bit doubtful in its interpretation.

I think it is good judgment not only to adopt the rule but also to ratify the agreement. It will bring better relations with Great Britain and will be the best action for us in collecting the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, it does not make a nickel's worth of difference how thick or thin you slice this piece of legislation, we still are not going to get our money out of Great Britain if they refuse to pay. I think we are all agreed that you can postpone it from now until eternity, but speaking in terms of payment, you are not going to get the money out of the British leeches who have been on our backs all too long.

With that statement I must ask a few questions in order to determine how I am going to vote on adoption of the rule.

I should like to know the reason for this bill. If the gentleman from Ohio, or the gentleman from Arkansas, can enlighten me, I would like enlightenment. Is it because the British are in financial difficulty today? Is that the reason for it?

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. GROSS. Just a minute; let me get an answer to that question if possible.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. VORYS. The British were in financial difficulty when this was proposed. They are in somewhat better shape today.

This particular amendment is to settle a controversy that has been going on for a couple of years. So the reason for the amendment to the original agreement goes back beyond the difficulties the British experienced last summer. They are still in financial difficulty.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman now yield?

Mr. GROSS. I yield.

Mr. ROONEY. I assume the gentleman is familiar with the news in this morning's papers to the effect that the British are cutting their taxes by $274 million.

Mr. GROSS. Yes. I do not know what the equivalent of that would be in terms of a similar cut in this country.

Mr. ROONEY. The British tax cut amounts to $274 million in American dollars, according to the newspapers. The cut is in the amount of 98 million English pounds.

Mr. GROSS. Yes; and they are withdrawing their forces from NATO and cutting conscription. By the time they get through they will have left NATO a military shell. But I want to get back to the resolution before us.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. O'NEILL. An article on the front page of yesterday's Wall Street Journal said that the British Government revenue in the fiscal year ending March 31 showed a balance over expenditures of $812 million.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY. I wonder if the gentleman would inform the House—he has been made covering the $3,750,000,000 budget—as to the exact status of President Eisenhower's budget at a time when we face legislation such as this.

Mr. GROSS. I thank the gentleman. I try to keep up with it and particularly try to find out when the President wants to cut and when he thinks it is fatuous for us to want to cut. I can tell you that I am going to vote for just about all the cuts as they come along.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FULTON. The problem before us is on a 1946 agreement that has already been made covering the $3,750 million loan to the United Kingdom. Unfortunately, under sections 5 and 6 of the original loan agreement, the waiver of interest provisions was tied in with British production for exports and imports, reserves, and and so forth. Conditions since the making of the loan have changed so nobody can definitely determine when the United Kingdom can cancel the payments of interest under the original agreement.

Mr. GROSS. The conditions in this country have changed, too.

Mr. FULTON. Therefore, the British can claim the right possibly to cancel all payments of interest in the future. George Humphrey, Secretary of the Treasury, says it is just a business proposition separate and apart from any United States foreign policy considerations.

Mr. GROSS. If I can get time, I will get around to Mr. Humphrey.

We have just been told the British are in financial difficulty, but let me read to you very briefly from the Washington Star of Monday of this week:

> The British Government has just bought another house in Washington, one around the corner from Dillons' house.

Who is Dillon? That is Douglas Dillon, Deputy Under Secretary of State for Economic Affairs. That is an awfully good place for the British to buy a house, just around the corner.

It states further:

> In fact, it is the Kalorama Road residence of the George McGhees. The asking price was $145,000.
>
> When realtors complain that money's tight and the markets slow, they must be talking about small houses.
>
> The British have bought the McGhee house as a residence for the chief of the British Joint Services Mission—at the moment Sir Michael Denny. He and Lady Denny will take possession of it in June.

Then we read further in the article and we find that during last week alone Jane Beggs sold the Bane House, the McGhee House, and the Gregory Smith's Georgetown house, the latter bought by the Dutch Ambassador's brother, Robert Van Roijen, which was also in the vicinity of $150,000.

We are doing pretty well by the British, are we not, when we provide the money that pays for a $145,000 house in Washington, D. C. I do not know whether they pay taxes on these residences or not.

The SPEAKER pro tempore (Mr. MILLS). The time of the gentleman from Iowa has expired.

Mr. MARTIN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. GROSS. Mr. Speaker, I do not know how much in the way of economic aid mutual defense aid and loans we are passing out to the Dutch. Of course, military aid amounts to economic aid. I do not know how much we are passing out to them, but they, too, seem to be able to buy pretty expensive residences here. I fail to see where the British are in such terrific financial trouble.

I also note an Associated Press dispatch from Paris which says that Queen Elizabeth's baggage, containing her wardrobe for her 4-day visit to Paris, had arrived Sunday. It weighed how much? Two tons.

I would like to ask another question: Has the British Parliament approved this agreement, does Parliament have to approve it; if we vote this thing through, and you can be assured I am not going to vote for it and tie it up with a blue ribbon, does the British Parliament take any action?

Mr. VORYS. Since the action of Britian's Government is by a parliamentary committee, the British Parliament does not approve this other than approval by the Prime Minister or the other officials, although the agreement provides that each country shall have approval of its legislative body. If Parliament disapproves the government falls.

Mr. GROSS. I have read these hearings backward and forward, and let me say in connection with these hearings that I have seen reports on bills which covered more pages than the hearings on this one. It was given the once-over-lightly treatment by the Foreign Affairs Committee.

Let me point out this about the British Parliament. On page 9 of the hearings, you will find that the distinguished gentleman from Wisconsin [Mr. ZABLOCKI] asked Mr. Humphrey this question:

> If this legislation is passed and if the British Parliament agrees with the negotiated settlement, would that prevent the British from claiming any cancellation of interest?
>
> Secretary HUMPHREY. That is right.

Now turn over to page 10 where the distinguished gentlewoman from Illinois [Mrs. CHURCH] asked this question:

> Has the Parliament accepted this?
>
> Secretary HUMPHREY. No. As a matter of fact, my understanding is that Parliament is not required to take action.

Then on page 11, the next page, Secretary Humphrey reading paragraph 3 of the agreement—now listen to this:

> This agreement shall become effective when the Government of the United States has notified the government of the United Kingdom that the agreement has been approved by the Congress and the government of the United Kingdom has notified the Government of the United States that the appropriate parliamentary action has been taken.

What is the meaning of that?

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. JUDD. Under the British system if no one in their Parliament offers a motion of non-confidence in the government when it presents an agreement it has made, that constitutes parliamentary approval of the agreement.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. HALEY. Did I not notice just a day or two ago in the newspapers throughout the country here that the British were reducing taxes to the extent of about $300 million?

Mr. GROSS. That point was made a moment ago.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. MASON. This legislation before us simply means, when boiled down, that we are agreeing to maintain the British government and the British royalty in the style to which they have been accustomed.

Mr. GROSS. Long been accustomed.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. To answer your question about procedure in the British Parliament, as a matter of fact, all that is required is a report to the British Parliament by the proper cabinet officer. On page 10, at the bottom of the hearings before our Subcommittee of the Committee on Foreign Affairs, that you refer to, Secretary Humphrey said:

> As a matter of fact, my understanding is that parliament is not required to take action, that all they do is to make a report to the parliament.

Mr. GROSS. The gentleman will agree with me, I am sure, that during the hearings Secretary Humphrey said one thing at one point and something else at another.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. ANDREWS. I was here in 1945 when the original bill was passed, and I voted against it. I recall that Mr. Jesse Jones left a sick bed and went before the committee to testify against the bill, and in his statement before the committee he said that the British Government at that time owned about $5 billion worth of American securities. Does the gentleman know anything about what became of those securities?

Mr. GROSS. No; I cannot tell the gentleman offhand what became of them.

Mr. ANDREWS. Does the gentleman think we can have a tax reduction in this country sooner by passing this resolution?

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. MARTIN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, will the gentleman from Virginia [Mr. SMITH] yield me 3 or 4 minutes?

Mr. SMITH of Virginia. How much time has the gentleman got?

Mr. HOFFMAN. Well, I have 5 minutes, and I wish to learn more about the bill.

Mr. SMITH of Virginia. I generally accommodate the gentleman, but go ahead with your 5 minutes. Maybe you can finish within that time. If not, I will see what I can do.

Mr. MARTIN. Mr. Speaker, if the gentleman will yield, does not the gentleman think we should adopt the rule and go into committee? Then he has 2 hours to debate it.

Mr. HOFFMAN. I know. That is all very well, I will say to the distinguished gentleman from Massachusetts, but some of us would like to know something about the bill before the rule is adopted. Some of us realize the opposition are trying to make political capital out of the situation.

Mr. MARTIN. Does the gentleman not think the House should consider this legislation?

Mr. HOFFMAN. I do not yield further.

Mr. Speaker, we all realize that what I might call the opposition wishes and intends to make political capital out of this situation. The whole thing started in 1946 when the Democrats were in power. The original loan was before the House on July 13, 1946, and the CONGRESSIONAL RECORD, volume 92, part 7, page 8760, shows that twice my vote was cast against making the loan. But, I would like to know something about this move, and I know of no one who can tell us more about it than our colleague, the gentlewoman from Illinois [Mrs. CHURCH].

I understand our colleague will speak when we proceed under the 5-minute rule, but it will be helpful to hear her now. If our colleague has no objection.

Mrs. CHURCH. Mr. Speaker, I thank the gentleman for the confidence he states he has in me. I wonder if the gentleman is going to yield me the remainder of his 5 minutes to explain this matter.

Mr. HOFFMAN. Certainly. I yield to the lady the balance of my time.

Mrs. CHURCH. I thank the gentleman.

Mr. HOFFMAN. Would the gentleman from Virginia [Mr. SMITH] yield me a few more minutes which I wish to yield to our colleague?

CALL OF THE HOUSE

Mr. WILLIAMS of Mississippi. Mr. Speaker, I make a point of order. I think the other Members of the House ought to be here so that they can find out what the situation is, too.

I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and sixty-nine Members are present, not a quorum.

Mr. SMITH of Virginia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Allen, Ill.	Doyle	Magnuson
Anderson, Mont.	Eberharter	Metcalf
Aspinall	Engle	Miller, Calif.
Barden	Frazier	Miller, N. Y.
Barrett	Green, Pa.	Moulder
Bentley	Gregory	Powell
Bitch	Healey	Preston
Bowler	Hillings	Reece, Tenn.
Brown, Mo.	Holifield	Rogers, Colo.
Chenoweth	Holtzman	Scrivner
Christopher	Kearney	Van Pelt
Cretella	Kesling	Walter
Dawson, Ill.	Krueger	Wilson, Calif.
Dies	Long	
	McIntosh	

The SPEAKER. On this rollcall 387 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENT OF ANGLO-AMERICAN FINANCIAL AGREEMENT

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] has the floor.

Mr. HOFFMAN. Mr. Speaker, I yield to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I would like to thank my colleague from Michigan for the confidence he has shown in me by asking the question.

May I say to the gentleman that there is a simple explanation, but I am not sure that I am necessarily the one to make it at this point. I might say in passing that this bill has been considered necessary because of a situation now arising due to certain terms amazingly written in the original agreement between the United States and Great Britain that was passed by the 79th Congress. Under these terms, in sections 5 and 6 of the agreement, this country agreed that the annual interest on the debt might be waived or forgiven under certain circumstances. I would say to the gentleman that the committee considered this bill with great seriousness. The Secretary of the Treasury made a very strong case for his point that it would be better to accept this form of agreement than to attempt to collect under the old agreement. I am not going into technicalities. I think briefly that the question before us is whether or not we can so better collect; whether the hope of eventually collecting would be greater under this bill; and whether in the minds of many, including myself, there is any justification for postponing the interest and principal payments at a time when Great Britain has indicated her ability to cut taxes for her own people by $274 million annually. This is actually almost double the $138.4 million now due annually in payment on their debt to us.

As always, I hold that the legislation must be considered on the basis of what action is to the best interests of this—our own—country.

Now, if I might stop at that point with the gentleman, I would like to indicate to him that the person who can most suitably, and most readily, answer his question is the chairman of the subcommittee, the gentleman from Arkansas [Mr. BROOKS HAYS]; and I ask that he take time to give the gentleman the detailed information which, as chairman, it is his privilege and his prerogative to give.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. I am grateful to the gentlewoman from Illinois.

Mr. Speaker, I think that we can regard this as a rather simple issue for us to decide. I do not mean that it is free from some involved technicalities, because it certainly is not. But, the question for the Congress to decide is whether or not the agreement that was made in good faith by our Government through the Secretary of the Treasury with representatives of the United Kingdom is in the interest of our own Government. The entire committee, with two exceptions, believes that it is. Now, I do not want to transgress on the gentleman's time.

Mr. SMITH of Virginia. I will be happy to yield additional time if the gentleman desires.

Mr. HOFFMAN. Did I understand the gentleman from Viriginia to say that he would give me a little more time?

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. HOFFMAN. I thank the gentleman, and I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. I am very grateful to the gentleman from Virginia and to the gentleman from Michigan and to the gentlewoman from Illinois.

I had planned to make my statement in Committee of the Whole, but if I can be helpful to the House, I shall certainly try to do so, as I judge from the gentlewoman's statement that is what she thought I might be able to do, since I was chairman of the subcommittee.

I was a member of the Banking Committee at the time the British loan was approved in 1946. You see, the discussions began in 1945, at the end of the Second World War. And, the British were in difficulties. They asked for more money than we were willing to loan them, but we finally concluded, on the basis of their requirement and with the obvious value of having a market for our surplus goods, that they could use a credit profitably of $3.75 billion. There was at the time a settlement of the lend-lease account, because there was not only a huge lend-lease flow of goods into the pipeline for British needs during the war; there was reverse lend-lease which supplied from British sources things that we required in the prosecution of the war. The balance of that was $622 million. And, when you add $622 million to $3.75 billion, you have the amount of the British loan.

As to repayment: It was similar to an FHA loan. It was a 50-year loan, and the interest and the principal payments were to be the same each year, with annual payments of $138.4 million. That, of course, would represent a different interest item each year and a different principal item, but the total would never vary, and it would be due December 31 of each year beginning in 1951.

The payments were not to begin until 1951 and they were to continue until the year 2000, which would be exactly 50 years. The British regularly made these payments until last year. There was no default at all in the interest. It might even be said that there has been no default even to this date in the interest payment, because the interest is now in a special account with the Federal Reserve Bank in New York, in the amount of $81 million and a fraction.

In 1953 the British began to negotiate with our Government to take advantage of a compassionate feature of the British loan agreement of 1946 which provided that under certain conditions, which are not necessary to mention at this point, the British might waive the interest; not the principal, but might waive, in any given year, when certain conditions existed, the entire interest payment. Waiver, in this instance, means forgiveness; it means writing off. It does not mean postponement, it means canceling out. So they came in 1953 with their first proposition to be relieved of that payment. They were still in economic difficulties, but they knew that it had to be negotiated. So they paid, and as I have said, they continued to pay.

Last year, when the payment date, December 31—or previous to that, when that payment fell due, they said, "We are withholding the interest. Here is the principal, but under the terms of sections 5 and 6 of the original agreement, we claim a waiver." Then, of course, the discussions reached a peak, they came to a climax, and this agreement which is now before the House for approval was executed I am sure in good faith believing, as Mr. Humphrey insists, that it is in the interest of the United States Government.

What does the new agreement do? If this is to replace a provision that gives the British the right to waive a payment of $81 million last year and a smaller amount in subsequent years—in other words, a varying amount—if this gives them the right to waive this interest payment then surely we stand to lose if that provision stands, if that is to continue to be the privilege of the British. That has nothing to do with the question, "Should it have been entered into?" I am not discussing the merits of the British loan.

The SPEAKER. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. MARTIN. Mr. Speaker, I yield the gentleman from Arkansas [Mr. HAYS] 5 minutes.

Mr. HAYS of Arkansas. The British said, "We are wanting to be good friends of the United States Government. We want to continue in a happy relationship." That was their representation. Having paid $391 million in interest and $424 million in principal since 1946, on the above date in 1956 they said, "We do not want to destroy our status as a good debtor, as a person with some credit, so we want a new agreement. We are ready to negotiate, instead of going through the International Monetary Fund to claim our right of waiver."

So instead of having this old agreement under section 5 and section 6 with a provision for a waiver, the Treasury Department agreed at the end of these negotiations to what is called a postponement as distinguished from a waiver. If Congress approves this agreement, you will have the British having the privilege in 7 years—any 7 they select, any 7 years of the 44 years remaining, the British will have the privilege of postponing the interest and principal payments until the year 2001. That means that if they postponed this year, they would pay that principal and interest installment of $138.4 million in the year 2001.

If they claim it again they would pay it in the year 2002. If they claim it again next year or some subsequent year, they would pay it in the year 2003. This would draw interest at 2 percent.

It is for the House to decide whether the Treasury was correct or not. I am giving you the statement. I voted for it because I think it is a reasonable position for the Secretary to take. I think it is in our interest. But I am talking about what it is you are really passing on. Our Government will draw interest on interest.

Under the new arrangement we do not lose anything that we do not stand to lose under the original agreement. We stand in this position: If the original plan stands and if this amendment is wiped out, if the Congress withholds approval, then, of course, the original plan does stand and we could conceivably, though this is somewhat theoretical, lose a total of $2 billion. There is no question about that. In all honesty, I do not know what the International Monetary Fund would decide if they were asked to determine whether or not the conditions prescribed in section 5 had been met, so that the British could technically come as a debtor with a firm written agreement to claim this under that arrangement. I do not know. I do know that they hold against us. If it became an issue before the World Court I do not know. The International Monetary Fund might hold on the basis of British representations that the conditions of an adverse exchange situation, with declining exports and with the level of foreign exchange declining, and with an adverse economic condition determined by these criteria, the International Monetary Fund might either hold on the basis of that involved formula that the British were entitled to this waiver or find it impossible to apply.

Mark you, the number of years in which the British can claim a waiver is not limited as this amendment is limited, to 7 years. The British may claim a waiver of the interest in every year if those conditions exist. So this draws the line at the number 7.

The question is asked, "Why 7?" We asked Mr. Humphrey that. He said, "There is nothing mysterious about it. It could have been 15. We thought it ought to be 3." He said, "I negotiated this pretty much as I would negotiate it as a banker. A debtor is in trouble and he comes and says, 'I want a new arrangement.'" He said, "With that understanding we just talked across the board until we came up with an agreement."

I have done my best, Mr. Speaker, to give the House a statement of the condition that confronted us. I know every person in this House wants to serve his own Nation first. He is not going to go against any proposal merely because it is said it is in the interest of another nation. It certainly is, we think, in the interest of our own Nation.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. MARTIN. Mr. Speaker, I yield 1 additional minute to the gentleman from Arkansas.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 additional minutes to the gentleman from Arkansas.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to commend the gentleman on the very clear statement he has made. Is not this a summary of it in ordinary terms: The United States Government has made a loan to a debtor who is shaky, and that makes the loan shaky? The question is, Is it not better to give that debtor an extension of time up to a maximum of 7 years in the hope of getting more of the loan back, or is it

better to refuse that extension of time and very possibly lose all of the interest for the whole 44 years? That is the sum and substance of it, is it not?

Mr. HAYS of Arkansas. The committee concluded so. I think that states the judgment of the committee. There were only two votes against this bill, which has already passed the Senate.

In order to be perfectly clear about it, though, let us go over that again. The old plan which provides a waiver, arbitrary and categorical, if certain conditions exist on the part of the British Government, is a waiver of forgiveness of an interest item.

Mr. JUDD. For 44 years.

Mr. HAYS of Arkansas. For 44 years conceivably. That is theoretical, but still in evaluating the problem you have to assume it. On the other hand, if the resolution is approved, we have not an unlimited but a 7-year claim, not a waiver but a postponement; but, of course, at the same time, it must be pointed out that the postponement includes not merely interest but principal and interest. That is the picture that we are presenting.

Mr. JUDD. One further point. The British agreed to pay interest on these deferred payments whether it is 1 year, 2 years, 5 years or whatever period it may be.

Mr. HAYS of Arkansas. I intended to bring that up. The interest bears interest.

Mr. JUDD. That is right. So the committee felt that there would be a better chance of our getting more money in the end under this new arrangement than there is of getting it under the present existing arrangement.

Mr. HAYS of Arkansas. That is it exactly. Of course, 2 percent interest is not as much as a banker dealing with commercial banks would claim since we are paying more than 2 percent for our money. But, you see, we are not relieved of that by holding to the old agreement because the loan was completed in 1946.

Mr. JACKSON. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JACKSON. Is it true under the conditions of the new agreement, as I interpret them, that the British will, in the instance of this moot question of the waiver, set that aside and that there will be no future question as to the right of the British to waive interest in the future?

Mr. HAYS of Arkansas. I am glad to have that reinforced and emphasized. I intended to bring that out. There is an obvious reason for it. At the time the conditions under which the waiver could be claimed were prescribed, it was not anticipated that you would have this involved economic situation that has developed. I think it may be explained by the devaluation of the pound as much as by anything else. It is impossible to determine the status of the British financial situation in relation to her sterling-area commonwealth of nations and in relation to us. It presents a real difficulty. I can read that language. And those who are interested in the technical aspects of it will find it on page 9 of the report. I can challenge the best financial mind in the Congress to tell us whether or not it can be applied to the present situation. I think such a person would admit that it is impossible of application to the existing international situation.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. VORYS. I merely wanted to say that the gentleman is making a brilliant explanation of this matter, but in a limited time. Let us remember that the issue before us right now is merely upon this rule as to whether we should spend 2 hours going more fully into this very short bill. That is the only issue at the present time.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. NICHOLSON. I would like to know whether or not England paid its principal and interest on the loans they made in 1917.

Mr. HAYS of Arkansas. Yes, England was in very good relation to us as a debtor nation between 1919 and 1933 when there was a collapse of the interallied debt structure. You will remember England not only owed us, but England was a creditor nation with many debts due her from those allied with us. I think as early as 1922, Britain proposed a cancellation of all those debts although she stood to lose more than she had to gain. England has been trade minded. She knew her survival depended on stimulating international trade. She thought that would be helpful so she proposed in return for the cancellation of her debt that we would cancel ours. But, we did not accept that and the other nations did not accept it. Britain continued with her payments until the debt collapse and the worldwide depression began in 1933—that is, on an international level.

Mr. NICHOLSON. And Great Britain has never paid since then on either principal or interest?

Mr. HAYS of Arkansas. I thought I brought out that whatever differences we may have with Great Britain we must respect what the ledger shows. Great Britain has not defaulted on this loan.

Mr. NICHOLSON. Great Britain has not defaulted on this loan?

Mr. HAYS of Arkansas. Not at all and she did not default on the other loans until there was a collapse of the interallied debt structure. You remember that in the early twenties Mr. Bryan was saying: "Let us sacrifice a worthless debt for a priceless peace." The debt was not worthless until Britain's debtors defaulted, and the depression became worldwide.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. HAYS of Arkansas. Mr. Speaker, I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. It is my understanding, although I may be entirely wrong, that the British Government never paid us principal or interest on the money they owed us after 1933. President Hoover asked for a moratorium but Congress did not give it. The matter then got into politics. But as I understand it, from 1932 on never a cent of interest or principal was paid by the British Government. If they did not pay it then the question now is, Will they ever pay it?

Mr. HAYS of Arkansas. Let me say in answer that I have asked for the figures. If the rule is approved I will have some figures to put in the RECORD that will bear on the gentleman's question, certainly a relevant question, although I think the history of the old debt should not determine the issues in this particular question.

Mr. NICHOLSON. I want to tell the gentleman that if we are under obligation and made a promise to the British Government, I do not see how anybody can vote not to do this because we must carry out our obligations.

Mr. HAYS of Arkansas. I appreciate the gentleman's observation. As to the old World War I debts, however, I am confident that what I have told the gentleman about the condition from the end of the First World War to 1933 is correct.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. VORYS. The hearings on pages 42 and 43 carry a statement on the World War I debt. It shows that $2,400,000,000 interest and principal was paid by the British; that $3,200,000,000 unmatured out of a $8 billion total remained. The full figures are shown on pages 42 and 43 of the hearings.

Mr. HAYS of Arkansas. I thank the gentleman.

I now yield to the gentleman from California.

Mr. HOSMER. Do I understand that under present circumstances the British can claim a waiver of interest but not of principal? They must pay the principal even though they claim a waiver of interest under present circumstances?

Mr. HAYS of Arkansas. The gentleman is talking about the original agreement?

Mr. HOSMER. Yes; as it stands now.

Mr. HAYS of Arkansas. The waiver applies only to interest.

Mr. HOSMER. But the proposed agreement would allow them to delay both interest and principal payments until the year starting 2001.

Mr. HAYS of Arkansas. They are allowed to postpone.

Mr. HOSMER. Can the gentleman tell me whether or not there was any testimony taken before the committee or consideration given of the apparent and continuous force of inflation that seems to be affecting the value of our dollar? In other words, I think perhaps it might be better to get a small principal payment under today's agreement than it would be to take a larger amount in the year 2001 when the worth of the dollar might be 50, 40, or 25 percent of what it is today. Has the gentleman anything to say on that?

Mr. HAYS of Arkansas. I know the gentleman is dealing with some imponderables. We cannot look into the future with any guaranties, of course. The Treasury Department thought not; they thought this was in the interest of the Government even in the light of great potentialities of loss in dollar value and the theoretical total; they thought the other would be better.

Mr. HOSMER. Was that matter brought up or discussed in the committee by the Department at all?

Mr. HAYS of Arkansas. Not fully, as I recall.

Mr. HOSMER. I think we all ought to do what is best for the country. Whether it is to get the immediate dollar value or take chances in the future is rather problematical.

Mr. HAYS of Arkansas. I believe we can throw some light on that in general debate. I do not want to end this phase of the discussion too quickly, but I did promise to yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. The gentleman from Arkansas will recall that it was the gentleman from Illinois who asked for an extension of his time in order that he may answer a very simple question of the gentleman from Illinois.

Mr. HAYS of Arkansas. I am sorry. There was so much going on.

Mr. O'HARA of Illinois. I trust the gentleman does not intend the House to be in confusion.

Mr. HAYS of Arkansas. I was the one in confusion as to yielding.

Mr. O'HARA of Illinois. The gentleman made reference to the waiver. I think anyone not acquainted with the facts would get from what the gentleman said that under that England could get a waiver of not only interest but the principal. As a matter of fact, under the present agreement, Britain is obligated to pay in the year 1957 all of the principal, is she not?

Mr. HAYS of Arkansas. Oh, yes.

Mr. O'HARA of Illinois. There is no question about that?

Mr. HAYS of Arkansas. That is right.

Mr. O'HARA of Illinois. If she has a waiver that could apply only to the interest?

Mr. HAYS of Arkansas. The gentleman is correct. If I said otherwise, I am sorry.

Mr. O'HARA of Illinois. Knowing the gentleman's sense of fairness and his desire not to get the House in confusion, I wanted to pinpoint that. Then, also, could the gentleman inform the House how he arrived at this figure of $2 billion that we would lose?

Mr. HAYS of Arkansas. Let me say on that point I believe I used the word "theoretical" and I think I took the remaining number of years, 44, is it, and multiplied that by the interest item. You see, you would get a variable. The gentleman knows from what I said that this would be comparable to an FHA level payment plan.

Mr. O'HARA of Illinois. The gentleman will recall that even the gentleman from Ohio [Mr. VORYS] corrected him. The gentleman will find that he will have to take out of that theoretical figure $455 million.

Mr. HAYS of Arkansas. I am using the figures of the gentleman from Ohio. If I am mistaken about the $2 billion, I will correct that. It is, at least, an enormous amount, I will say to the gentleman from Illinois. He would not disagree with that, would he? He and I have not been far apart in our views on this.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 2 minutes.

Mr. MARTIN. Mr. Speaker, I yield the gentleman 2 minutes.

Mr. O'HARA of Illinois. I think the gentleman from Arkansas will agree with me that the formula in the act of 1945 is unworkable?

Mr. HAYS of Arkansas. I do.

Mr. O'HARA of Illinois. We will agree on that?

Mr. HAYS of Arkansas. That is the heart of this question. It is entirely unworkable.

Mr. O'HARA of Illinois. He will also agree that because of the impossible terms it will be impossible for Britain to make out a case which she would have to make out in order to claim the waiver, is that not true?

Mr. HAYS of Arkansas. That is another way of stating it, yes, but it would be a cruel thing to stand on that technicality, and perhaps an unwise thing from the standpoint of conserving our monetary interests.

Mr. O'HARA of Illinois. If she could not make out a case how could she then claim the waiver?

Mr. HAYS of Arkansas. We must not assume that the International Monetary Fund would not try to resolve it. The International Monetary Fund might feel there were certain equitable principles pressuring them to come up with some kind of an answer. It would probably be a very liberal construction, I think perhaps an abused construction of those provisions if the conditions were held to support the claim of waiver but no one knows. This is in the interest of clarification so that regardless of the relative merits of the British position on this question and the American position as to the original plan, it is very much in the interest of good relations in the future to have it clarified. Whatever our differences may be as to the wisdom of the original plan, this amendment brings clarification, there is no question about that.

Mr. O'HARA of Illinois. Maybe it can be done on a plane of equity, but let us not maintain that there is any legal basis for it.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Ohio.

Mr. VORYS. Since my name was mentioned in connection with the $2 billion, I would like to refer the gentleman from Illinois to page 25 of the hearings, where I asked the question of Secretary Humphrey. He had given us a paper saying that the interest due on the loan from December 31, 1957, down to the year 2000 would amount to $2,064,700,000. Then I said:

> Now, I read section 5 of the original agreement: "Waiver of interest payment"—and it provides that in any year when a number of abstruse and complicated things happen, which I cannot figure out—"the United States will grant the waiver."
>
> Secretary HUMPHREY. If that happened in every year, you would waive $2 billion.

Again, on the next page, it is pointed out:

> With the lend-lease in, it could be about $2 billion if the conditions obtained.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has twice referred to this loan plan and compared it with the FHA. There is one very significant difference, is there not, that this provides for 2 percent interest. I do not know of anybody that can borrow money at 2 percent.

Mr. HAYS of Arkansas. The gentleman makes a point, but I am talking about the level of payment.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. What is the amount of principal that the United Kingdom would have to pay for the year 1957?

Mr. HAYS of Arkansas. It is the difference between $61 million and $138 million. There are some fractions there. If the staff has the answer on that, I will supply it.

Mr. FULTON. Mr. Speaker, if the gentleman will yield, $57.9 million.

Mr. O'NEILL. Then, we have an opportunity of getting $57.9 million at this particular time by waiving interest, or possibly we can get it with interest 45 years from now.

Mr. HAYS of Arkansas. Yes.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. As I remember, when we voted for this thing originally, there were some misgivings in the minds of a great many of us in the Congress as to whether Britain would be able to pay this loan, even under the terms that were made, at maturity. Now they come along, and this sort of fulfills our misgivings. It seems to me, therefore, that we are not placing ourselves in any worse position than we originally were placing ourselves in when we voted to enter into this type of an arrangement.

Mr. HAYS of Arkansas. I think that is a fair observation.

Mr. BROOKS of Louisiana. The gentleman has made a most excellent explanation.

The SPEAKER. The time of the gentleman from Arkansas has again expired.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the Senate resolution—Senate Joint Resolution 72—now under consideration is an amendment to section 1 of the act of July 15, 1946—volume 60, United States

Statutes, page 535; title 22, United States Code, section 286 (1). It approves the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, which amends the original act aforesaid.

On December 6, 1945, the Governments of the United States and the United Kingdom entered into a financial agreement whereby the United States loaned to the United Kingdom $3,750,000,000 to be repaid over the course of 50 years beginning in 1951. Concurrently a settlement was made of lend-lease and reciprocal aid, surplus war property, and claims. The amount of the latter was $622 million and was to be repaid under the same conditions as provided in the agreement for the loan. Payments under these agreements were to be made each year beginning in 1951 in the amount of $138,400,000, which would include both principal and interest in the event certain conditions were met.

The negotiators of the 1945 agreement recognized the uncertainties which confronted the postwar world as well as the fact that the British economy had been greatly strained during the war. In view of these conditions provision was made that the United Kingdom would be relieved of the payment of interest on the loan whenever it found itself in serious financial difficulties.

During the last 11 years intervening since the original agreement was entered into many changes have developed. It has become most difficult to determine whether the United Kingdom is entitled to a waiver of interest as provided for in the original agreement. It has resulted in long and unsatisfactory negotiations. This is the result of the formula originally adopted to determine when such waivers were available to the United Kingdom. Therefore, it was found necessary and appropriate to revise the formula and provide new conditions that would clarify and make easier of application the terms relating to interest charges and when waivers of interest might be made. It is to ratify this amendment of the original act that is provided for in this resolution. It has the recommendation of the President and our Secretary of the Treasury, and the Committee on Foreign Affairs.

It would seem from the testimony presented at the hearing that there is some justification of our entering into the amended agreement. However, the fact that Great Britain finds it possible to give to its people a $280 million tax relief at this time makes it difficult to understand how or why it can claim, or at least request, a waiver of the interest due this Nation on the basis that Britain has serious financial difficulties. The facts do not sustain this viewpoint if we base our judgment on its ability to reduce taxes. We have not been able to do so, but Britain does it while we wait to do so.

According to news reports appearing in our American newspapers, Britain's Chancellor of the Exchequer in his annual budget statement presented to the House of Commons on April 9, 1957, announced tax cuts that would reach aproximately $280 million per year.

The Wall Street Journal in its issue of April 10, 1957, informs us in part as follows:

BRITAIN GIVES $280 MILLION TAX RELIEF TO INDIVIDUALS AND SOME INDUSTRIES—FIRMS TRADING ABROAD WON'T BE TAXED ON PROFITS FROM THEIR OPERATIONS OVERSEAS

LONDON.—Tax relief to the tune of $280 million for individuals and some sectors of industry was handed out by Britain's Chancellor of the Exchequer, Peter Thorneycroft, in the annual budget statement presented to the House of Commons yesterday.

Mr. Thorneycroft's tax cutting, aimed at encouraging more investment and increased overseas trade, included the exemption of British companies trading overseas from income taxes and profits taxes on that part of their profits earned abroad. Dividends payable in Britain, however, will still be taxed.

* * * * *

EXPANSION MAY BE ENCOURAGED

This exemption of profits earned abroad is an important concession for British firms operating overseas. Until now, they have had to pay taxes on all their profits. It should encourage them to plow back more of their earnings and expand their foreign operations, a spokesman noted.

* * * * *

Individual tax relief measures announced by the Chancellor of Exchequer include raising the income level at which surtax payments start for married couples to the equivalent of $5,880 from $5,600, extending the tax-free earned income allowance of two-ninths of total earnings to incomes up to 4,000 pounds ($11,200) from incomes up to 2,000 pounds ($5,600), and the establishment of two special income tax exemptions for old folks.

These are exemptions of 250 pounds ($700) for single persons aged 65 or over and 400 pounds ($1,120) for married couples where either husband or wife is 65 years old or over.

RELIEF FOR FAMILIES

Further personal tax relief is given to the family man with children 12 years old and over. The present child allowance for income tax purposes of 100 pounds ($280) will be boosted to 125 pounds ($350), when a child reaches 12 years of age and will be further raised to 150 pounds ($420) when he turns 17.

In other actions, the Tory government raised the investment allowance for capital expenditure on the construction of new ships to 40 percent from 20 percent to help British shipping companies compete in world markets; abolished the 14-cents-a-gallon tax on gasoline and some oil products imposed last December at the start of gas rationing resulting from the Suez Canal crisis; and cut the sales tax on domestic kitchenware, furniture and other home furnishings to 15 percent from 30 percent.

The new budget, in addition, does away with an admissions tax on all forms of sports and theater, while movie houses were given admissions tax relief to the extent of about 6.5 million pounds ($18.2 million), in reduced budget revenue. Partly to offset this loss, the annual cost of television licenses to the individual will be hiked a pound ($3.80) to 4 pounds ($11.20).

Reviewing the Nation's financial position, Mr. Thorneycroft sketched an encouraging picture of progress made over the last 12 months in the Government's fight to combat inflationary pressures. Strict credit control and the maintenance of a high level of taxation, he stated, effectively cut back domestic consumption and switched more production into export markets. The chancellor declared:

"We bought fewer autos and household goods and saved steel. We bought more food and clothing. We built fewer houses but more factories and offices. We made more ships and machine tools. It is not a picture of industrial apathy but of a nation girding itself to greater effort. Inflationary pressures fell, the number of jobs and number of men seeking jobs came more closely into balance."

Summing up prospects, Chancellor Thorneycroft said: "I see some grounds for cheerfulness. The temperature of the economy was brought to a more normal level by our disinflationary policies to the last 18 months. It is reasonable to hope for further export gains.

"Expansion must be the theme, but we must do it at a pace and in a manner consistent with our responsibilities as a trading nation."

The chancellor warned, however, that the bank "squeeze" would go on. The banks, he said, have reaffirmed their intention of continuing to maintain a restrictive attitude toward making loans and would be particularly critical of advances to customers for nonessential purposes.

"I don't know how long this effort will be necessary," he stated.

In view of the above facts, what is our duty in the matter before us? I shall vote for the rule that brings the resolution before the House for consideration and decision. There may be reasons advanced during the debate on the bill, if the rule be adopted, that will justify approval of the amended agreement entered into by our Secretary of the Treasury. We know Mr. Humphrey to be an astute and capable banker. We know he is thoroughly patriotic and would not advise us to accept the amendment if he did not believe it was in our best interest as a nation to do so. I must admit, however, that it is no easy action to take when we consider that at the same time Great Britain makes its request for the waiver of an interest payment now due it is reducing taxes to its people. It would seem to me that good faith would require it to pay its honest debts before giving a tax reduction including its business interests. Our taxes continue to remain without any deduction. It is only the taxes paid by our people that enable our Government to be as generous and helpful to other nations as it has been. It seems to me that this fact is too often overlooked, particularly by the nations who have benefited the most.

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

OUR FOOLISH FOREIGN POLICY

Mr. CELLER. Mr. Speaker, the improvident efforts of this Eisenhower Administration to cause Britain and France to "cease fire" in the Suez conflict has caused much difficulty and embarassment and chagrin. If Britain and France had been able to work their will and had captured the Suez (and Nasser besides) much time, effort and money would have been spared for the United States, Britain, and the other Western democracies. Our action only gave comfort to Russia and the Arab-Asian Bloc. It was costly to Britain and France.

Britain was right. Dulles and Eisenhower were as wrong as a 2-foot yardstick.

Let us repair our egregious error, that so grievously hurt England, by passing this bill.

Let us make amends for our inane and unfortunate action.

Contemplate our practices and we see how mistaken we were. Those practices have been a sort of "rock and roll" policy.

We pursuaded Britain to get out of the Suez Canal Zone and remove her soldiers from that troubled area. We imposed no conditions upon Nasser. We literally threw away trump cards. We wasted them. Nasser accepted favors and gave naught in return. We never even won his good will.

Latterly we forced Britain and France to cease fire at the canal. At our insistence they withdrew all troops and planes and ships. Again we asked no "quid pro quo" from Nasser. More trump cards were wasted.

We then forced Israel to withdraw from Gaza and Sinai—again no conditions were imposed upon Nasser. Instead of winning his favor, we won his contempt. We thus wasted some more trumps.

The other day Dulles voluntarily said that no force or boycott would be used against Nasser to compel fair use of the canal. Thus we played and tossed away more trumps and aces with nothing in return.

Now our bargaining power is gone—completely gone.

All Eisenhower and Dulles have are sweet words of persuasion. Nasser lends a deaf ear. Where are we now? Somewhere up in the clouds, floundering around. What a fiasco Eisenhower and Dulles have been guilty of.

The President is indeed in a quandary. He seeks an out by proclaiming: "Let United Nations do it." That is like tossing the problem under the rug. It is really ducking policy. Premier Mendies of Australia yesterday complained of the lack of policy of President Eisenhower on the Middle East and his reference to the U. N. of the Middle East debacle. Mendies says the United States has no policy, and leaving the problem up to U. N. is just an excuse for no policy.

Indeed it might be worth while for us to forgive interest by this bill just to learn a genuine lesson in diplomacy in the Middle East from Britain.

Beyond that, Britain has been in great economic difficulties. She has had many strikes. She was deprived of oil, so essential to her industry, by our action. If left alone she and France could have maintained continuous passage through the canal for their tankers. Britain is really a stationary aircraft carrier for our bombs and missiles. We need her. We need a strong and prosperous Britain. Yes, she intends to cut, somewhat, her taxes. That would strengthen her industrially. She is entitled to use all means whereby she becomes a stronger ally.

The forgiveness of interest and other benefits this bill will bring her will make Britain even stronger as our debtor and ally.

Mr. McCARTHY. Mr. Speaker, the proposal before the House is clear. It deserves unqualified support. I am reminded of the situation in the period after World War I when the United States was asked to make concessions on interest on war debts. The reply of the President of the United States at that time is supposed to have been the short remark, "They hired the money, didn't they?" This at a time when economic and political and social conditions generally were disintegrating in Western Europe and England stood as a point of strength, and certainly today it is world conditions, rather than conditions in Western Europe alone, that are uncertain.

England remains our strongest and most certain friend and ally. This request before us today, even without consideration of the fact that the original loan was made to meet costs and losses resulting from common effort in World War II, is a modest one. We should remember our common interests, culture, and heritage, recalling the continuing applicability to relationship between the United States and Great Britain of the words of Edmund Burke:

> Men are not tied to one another by paper and seals. They are led to associate by resemblances, by conformities, by sympathies.
>
> It is with nations as with individuals. Nothing is so strong a tie or amity between nations as correspondence in laws, customs, manners, and habits of life. These obligations are written in the heart.

Mr. LAIRD. Mr. Speaker, I am opposed to the adoption of Senate Joint Resolution 72 for two specific reasons:

First, the original Anglo-American Financial Agreement of December 6, 1945, did not grant any authority for the postponement of yearly principal payments on the British loan. The new modifying agreement which Senate Joint Resolution 72 approves, gives authority to postpone 7 annual principal payments until after the year 2000, these 7 yearly principal payments to be selected at the discretion of the British Government. Once the United States agrees to the postponement of principal payments for these 7 years, there is no reason to assume that postponement of principal payments in addition to these seven will not be further negotiated by the British Government. The United States should not agree to this provision.

Secondly, it is admitted that the provisions as to the payment of interest were bad in the original Anglo-American Financial Agreement of December 6, 1945, as negotiated by the Truman administration. It is, however, not clearly established that the International Monetary Fund would waive the current interest payments on this loan or the 1956 interest payment. If we are to give the British the authority on their own to select the 7 years which they choose to postpone interest payments until after the year 2000, then the United States should certainly insist that the British Government pay the going rate of interest on these postponed interest payments. In the agreement we are asked to approve today, the United States will receive 2 percent on these postponed interest payments. This is not the going rate that United States taxpayers are required to pay on the debts of our Nation for money our Government is required to borrow at the present time. By allowing for a 2-percent interest rate on the postponed interest payments, we are, in fact, subsidizing the taxpayers of the United Kingdom at the expense of our own United States taxpayers.

This agreement should certainly be renegotiated to provide that no principal payments will be waived and that on any postponement of interest payments, the current rate of interest be charged on these postponed payments.

Mr. MARTIN. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, let us look at this problem very simply. The question is, regarding a national debtor who has paid all required payments on principal and interest owed on various obligations to the creditor from the year 1946 right up through December 1956. There is a dispute whether further interest payments are to be made under admittedly indefinite provisions or whether the debtor can cancel these interest payments under a waiver provision. Shall we get the interest payment provisions set definitely so that the United Kingdom agrees to pay annual installments of principal and interest, but with the possible postponement both of interest and principal of no more than seven annual installments?

Mr. GROSS. Mr. Speaker, will the gentleman yield for a correction?

Mr. FULTON. I yield.

Mr. GROSS. The gentleman said they started paying in 1946. They did not start paying until 1951.

Mr. FULTON. All the payments required from 1946 to 1955 and to date, on any obligation of the United Kingdom, on post-World War II credits, are paid to the United States, or are held in escrow for payment by our United States agreement.

Let us not get the idea that these United States foreign credits are all bad; do not think that. For example, we in the United States since World War II have authorized $14,918,000,000 foreign postwar credits, and by principal repayments the United States has already received $4,024,000,000. In addition, the United States has received interest payments of $1,698,000,000.

Let me show you the little bit of these postwar credits of the United States that are in default, at the present time. These nations have shown a good record of cooperation, and payment to the United States. For example, as of June 30, 1956, $75 million of principal and $23 million of interest are overdue 90 days on United States Government foreign loans (excluding World War I debts). That is only $98 million overdue over 90 days out of $14,918,000,000 originally loaned or converted to credits. About $66 million of the overdue principal and $16 million of the overdue interest pertain to loans and credits representing settlements of wartime operations. In addition, about $5 million of principal on United States Government foreign loans has been charged off as uncollectible.

A good many of us know Secretary of the Treasury George Humphrey. A good many of us have known him for a long time. Whatever George Humphrey does,

he is not going to be guilty of giving United States taxpayers' dollars away unnecessarily. This is no give-away program, but simply a compromise and postponement agreement concerning an already existing loan, on which the United States has received payments of $773 million in principal and interest to date.

Secretary Humphrey, before our committee, said this:

> You save up to $2 billion and postpone a billion dollars and get interest on it. I cannot see what this is all about. It looks to me like a cinch.

That was Secretary George Humphrey giving his business judgment on this proposal. He said that it was a business proposition, and in effect was to the financial advantage of the United States.

Mr. Speaker, as the Members know, unfortunately the British sometimes have a habit of doing the wrong thing at the wrong time, and I guess we in our country do our share, also. They reduce their forces in NATO and act as though they are not going along with NATO. Then they just announce that they are cutting their taxes. Yes, and they announced several days ago that they sentenced 5 more young men 18 to 23 years of age to death on Cyprus, who believe they are patriots fighting for freedom of the people of Cyprus. So now they have 10 young men 18 to 23 who have been sentenced to be hanged under emergency regulations. Of course, that is terrible and, of course, you have heard me speak many times. I am against such extreme measures that only provoke continued extreme retaliation against British young servicemen stationed on Cyprus.

But let me tell you this. I favor this extension of this 1946 British loan because we in the United States need the British as our friendly ally. Let us face it. We need the natural resources of the great British Empire and they need us and our natural resources. We need them as good customers, as they need us. We need them as partners in the North Atlantic Treaty Organization. We need them as free citizens with ourselves in the North Atlantic community. We need the mutual bases to use in conjunction with the British for our NATO and free-country navies around the world. We need the United Kingdom, and the free dominions. We cannot afford to let them fall. So when the United Kingdom comes to the United States and says that we will put in escrow the amount of payment that is in dispute, which is the 1956 interest payment, I must say that although I object strongly to what the British do on other matters, I think this is a pretty fair arrangement. Our own Secretary of the Treasury has made the agreement.

The question here is, Will you back our own United States Secretary of the Treasury when he says he has a good deal, that this is not a giveaway program and is not a matter of foreign policy? Or will this Congress let Secretary of the Treasury Humphrey down? Will this Congress permit this old contract of 1946 to stand? There is no lawyer in the House who can tell you what it means. We should take the advice of the President, the Secretary of State, and our Treasury Department, and approve the action of the Secretary of the Treasury, George Humphrey in signing the agreement dated March 6, 1957, clarifying the provisions of the Anglo-American Financial Agreement of December 6, 1945.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. MARTIN. Mr. Speaker, I yield myself the balance of the time on this side.

Mr. Speaker, I want to get the House back to what the real question is at this time. The question is whether we approve a rule that permits the House to debate a vital problem; a problem which means so much not only to America but to the rest of the world. We would vote for a rule to consider almost any other legislation, even if we finally rejected the legislation later. How can we fail to consider legislation asked by the President and the Secretary of the Treasury. Should we not give the great Committee on Foreign Affairs an opportunity to tell us why, with but two exceptions, they all voted for this proposed legislation?

We hold a responsible position in the world. Fate has decided that we must have world leadership. We must not toss away that great opportunity to lead the world toward peace and security. We must keep the freeworld in harmony and this resolution will help.

Mr. Speaker, do you think it a friendly act to tell the people of England that we will not even consider the proposal in a regular session of the House? I do not think you would do that. I hope that our good judgment will prevail over any prejudice that might exist. Let us adopt the rule. We will give this committee the opportunity to present their views, and then we will vote on it. I think if we vote the way the Secretary of the Treasury has reported, we will vote for the best interests of America.

I want to emphasize one more point. We are getting the principal, not only this year but next year and perhaps for all the years to come. As a man who very often has had to forego people who owed him money, to me that would be a very satisfactory arrangement.

I hope this rule will be adopted unanimously. We will consider the joint resolution for 2 hours, and then we will express our will on this legislation and its merits as they have been outlined by the members of the Committee on Foreign Affairs.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, the gentleman from Arkansas has made such a brilliant exposition of the true situation under this legislation that I think it has cleared out the cobwebs and has brought us down to a realization of what the real facts are about this proposed legislation.

I just want to reiterate what the gentleman from Massachusetts has just said, that when I move the previous question on this resolution the only thing before you is whether you are going to debate this thing for 2 hours and have a full explanation of everything about it, and pass the matter or defeat it on its merits. I do hope the House will promptly pass the resolution giving the opportunity for a full explanation of the joint resolution.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. WILLIAMS of Mississippi. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. O'KONSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and sixty Members are present, a quorum.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HAYS of Arkansas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 72) with Mr. BOGGS in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. HAYS] will be recognized for 1 hour, and the gentleman from Ohio [Mr. VORYS] will be recognized for 1 hour.

Mr. HAYS of Arkansas. Mr. Chairman, I yield myself such time as I may require.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman from Arkansas if it is really necessary to have this matter brought up in the House of Representatives because the Secretary of the Treasury under the 1946 agreement could agree to do this and we have made ample provision for it. Why is this a matter for the Congress to pass on when it is all written out as to what they can do when England finds itself not in a position to take care of the principal and interest payments. Is it not a matter than can be taken up by the executive department or the Treasury?

Mr. HAYS of Arkansas. Mr. Chairman, the Secretary of the Treasury thought not. Of course, he spoke on advise of his counsel and, I think, perhaps, I was the one in the hearings who asked that question or at least the question was raised. As I recall the testimony, the legal staff of the Treasury

Department held that congressional approval was either necessary or desirable.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. VORYS. If the gentleman will look at page 12 of the report, he will find the original agreement. Section 12 of that agreement provides, and I quote:

> Consultation on agreement: Either government shall be entitled to approach the other for a reconsideration of any of the provisions of this agreement, if in its opinion the prevailing conditions of international exchange justify such reconsideration, with a view to agreeing upon modifications for presentation to their respective legislatures.

Therefore, under section 12 of the original agreement, it provides that modifications must be presented to the respective Legislatures of the United Kingdom and of the United States.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. NICHOLSON. I understand, whether it is in the report or not, that the British Parliament did not act on this and does not have to act on it and that the Prime Minister of England, or someone he designates in any event, just has to sign his name and it does not go before the Parliament; is that not so?

Mr. HAYS of Arkansas. Yes, I think the gentleman is right. Of course, that is true only because of the difference between our form of government and the British form. The British have a parliamentary government.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JUDD. Is the situation not this, that under the British parliamentary system when England's Government enters into an agreement and presents it to the Legislature, unless there is an objection, then it is ratified. Whereas, under our system, it requires a positive act by the Legislature to make official such an agreement by our Executive. That is why this resolution is before us. The British Parliament ratified it when it raised no objection. We have to take a positive action to ratify it.

Mr. HAYS of Arkansas. Yes; I think that is a good statement. I would like to say further to the gentleman from Massachusetts that I have the feeling even if the question as to the necessity for referring this to the Congress were answered in the negative, I still believe it might be desirable, aside from the point which it seems to me the gentleman from Ohio disposes of, that section 12 does require congressional action. In matters of fundamental import where there is a policy decision that might represent a departure from previous action, it is right for Congress to take a look at it. I yield further.

Mr. NICHOLSON. I want to thank the gentleman for permitting me to interrupt him. There are duties that the Congress must perform and duties that the executive and judicial branches of the Government must perform. I object, and I think I am right in objecting to this procedure, because it puts the Members of Congress in the position that ought to be filled by some other people, because this matter was signed and sealed in 1946, and that agreement said that if the British Government finds they cannot pay this that they can have a waiver or something in parentheses, which is about the same thing. That is on the books. There is nothing for us to do. We have already given them the right to do it. England has now said, "We cannot stand this." Therefore, the proper authority should act on it, and I do not believe the Congress is the proper authority in this instance.

Mr. HAYS of Arkansas. I always respect the gentleman's opinion, and I was glad to yield to him for the statement.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. HAYS of Ohio. This question of British Parliament's ratifying or not ratifying this matter has been brought up at least two or three times thus far, and I think it ought to be made perfectly clear.

Under our form of government, we have three separate, distinct, and somewhat independent branches—the legislative, the executive, and the judicial—whereas England has not, as I think the gentleman has pointed out. In England the legislative branch is also the executive branch. The ministers are also members of Parliament. In presenting the British budget, for instance, the ministers, who are members of the majority party, bring in the budget, and they decide what it is going to be, and there is not even a vote on the various items as there is in this Congress. If somebody demands a vote, it then becomes a matter of a vote of no confidence in the Government. If members of the majority party vote against themselves, they vote themselves out of office and into an election.

So you have an entirely different system, and you just cannot say because the British Parliament did not formally take a vote that we should not. The British Parliament, as the gentleman from Minnesota [Mr. JUDD] has pointed out, assents by the minister assenting, and the question is not raised. It is the same as if they had a vote on it.

Mr. HAYS of Arkansas. I thank the gentleman from Ohio.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. GROSS. Can we not boil this situation down to size? I believe the gentleman has stated that this new agreement has already been signed by the Secretary of the Treasury and some authority for the British Government. In other words, it is signed, sealed, and ready for delivery if the House puts its stamp of approval on it, for this is a Senate resolution we are considering. In other words, the difference between the British Parliament and the House of Representatives of the United States is that the House, if it approves this resolution, will admit it is a rubber stamp, whereas the British Parliament does not have to admit it.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. BATES. I want to commend the gentleman for the fine statement he has made, but he and others have raised certain questions in my mind. It appears from what has been said that this is an exceptionally good bill from the point of view of the United States. This being so, I wonder why the British are so anxious to accept it.

Mr. HAYS of Arkansas. It is believed that the new arrangement is in the interest of both. If it is in our own interest it does not follow, of course, that it thereby conflicts with Britain's interest. I think in this instance it is fair to say—the committee was so convinced—that this is a very reasonable adjustment of a confused clause. Mr. Humphrey argued vigorously, and I think it was a reasonable position, that since it was in the interest of clarification it would establish a better relationship for future payments and less possibilities for difference of opinion. That is the story, I may say to the gentleman from Massachusetts.

Mr. BATES. I am certain that the relationship would be increased and bettered between the United States and Great Britain after the passage of this, but after these many statements which have been made here indicating the United States might gain some $2 billion as a consequence of the enactment of this proposal, the converse would appear to be true also, and that Great Britain would be harmed by it. I wonder why she would be so strongly in favor of it.

Mr. HAYS of Arkansas. It was the unpredictability of the rulings and construction of these two sections that led the United Kingdom to seek clarification.

Mr. GROSS. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and ten Members are present, a quorum.

Mr. HAYS of Arkansas. Mr. Chairman, I do not wish to take any further time right at this moment.

Mr. VORYS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I voted against the British loan in 1946 but I am for this bill.

Mr. GAVIN. Mr. Chairman, I make the point of order that a quorum is not present. The gentleman has a very important statement to make and he should be heard.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-one Members are present, a quorum.

Mr. VORYS. As I was saying, Mr. Chairman, I voted against approving the British loan in 1946, but I am for this bill. The British loan legislation did not originate in the Committee on Foreign Affairs in 1946, but due to a change of jurisdiction in the Legislative Reorganization Act this amendment came before our committee.

This is a very small bill dealing with a comparatively limited matter. This little bill approves a compromise amendment of sections 5 and 6 of the original agreement that were complicated and controversial and permitted a waiver, that is, forgiveness, nonpayment of interest, under certain circumstances. Now, I have done my best and tried to

understand sections 5 and 6, and if you study the explanation worked out by our staff on pages 3 to 5, maybe you will understand it. But, it had a number of abstruse, complicated formulas which were extremely difficult then and simply do not fit the facts of life now.

If, however, the British interpretation of present sections 5 and 6 is correct, then we might lose upward of $2 billion in future interest during the rest of the life of this agreement. Now, why does Britain want to change it? I think it can be said here that we would like to have a change in it that would not run the risk by waiver of losing $2 billion. Why does Britain want this change? They want to have the right to defer payments from time to time on this loan when they are strapped or hard up. Second, they want to keep their international credit in good standing. So, by this amendment, we let them defer or postpone annual payments up to seven times. They pay all the interest and they pay interest on any payments they defer. So, we have got a simple, satisfactory, agreed solution of a situation that was complicated and unsatisfactory and controversial.

Mr. SHEEHAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Illinois.

Mr. SHEEHAN. The gentleman talks about the British being able to defer. Is this a unilateral contract? Suppose they defer interest for the next 5 or 6 years or until the next century.

Mr. VORYS. They can defer 7 times out of the next 43 years, according to the amendment we have put in.

Mr. SHEEHAN. In other words, they can defer that payment until the next century, 44 years from now?

Mr. VORYS. The year A. D. 2001.

Mr. SHEEHAN. Then, suppose in 8 or 10 years from now Britain balances its budget, gets itself in the black, and has a lot of money to spend or to pay back loans. We have no way of going back on Britain until the year 2001 to get that money, even though they are literally loaded with money.

Mr. VORYS. No; we cannot force them to pay. But, since they owe interest and payment of interest on interest, they would, of course, want to pay up if they had the money, to save interest.

However, let me make this one thing clear.

Mr. SHEEHAN. In other words, the gentleman is agreeing that they can defer until the next century and do not have to pay unless they so desire?

Mr. VORYS. That is right. Whereas under the original agreement they had the right to waive; there was not any matter of asking us whether they could waive. They had the right to waive if certain abstruse, complicated facts developed.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Minnesota.

Mr. JUDD. And they did not waive until the next century, they could waive until eternity.

Mr. VORYS. That is correct. If they can waive, they never have to pay the interest.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I think there may be a little matter that is not quite clear. They could defer until the next century but only seven payments. They cannot defer everything until this next century.

Mr. VORYS. That is correct.

Mr. HAYS of Ohio. The way it would read in the RECORD, it sounded as though they could defer everything. I know that the gentleman did not mean that.

Mr. VORYS. The gentleman is correct.

Mr. HAYS of Ohio. They could defer 1 year's payment or up to 6 additional payments up to the year 2001, 2002, and so on, but they cannot defer all the payments between now and the year 2000 or 2001.

Mr. VORYS. The gentleman is correct. And when we talk about the next century, we mean a calendar century, but we do not mean that they can defer any part of it for 100 years.

Mr. GAVIN. Mr. Chairman, would the gentleman yield?

Mr. VORYS. I yield to the gentleman.

Mr. GAVIN. Does the gentleman feel that at the time the agreement was made they anticipated doing just what they are now doing? Because I believe there were elaborate provisions in the agreement for waiving interest payments. Evidently they thought at that time that they might come around to the point where they would not want to continue to pay interest. Why were these provisions waiving interest written into the agreement, an amendment to which is now before us?

Mr. VORYS. That is a good question and I want to take the time to tell why it was that I voted against the original British loan.

Mr. GAVIN. And so did I.

Mr. VORYS. I did it as a result of a talk that I had with Lord John Maynard KEYNES, who was over here explaining the British loan. I met with a group where he explained it one evening. He said, in effect, "This loan is too small to bail Britain out. The British need more money. But they asked for too little and you fellows have trimmed them down so they are getting too little. This loan will not be enough to get Britain out of their troubles."

I thought that if the loan was not good enough for Lord Keynes, it was not good enough for me. But what they had in mind, as you can see by the terms of these sections to which the gentleman has referred, was that with this loan, within a year, there was going to be convertibility of currencies; the British would not have a blocked exchange any more; they would have freedom of trade, and we were going to move promptly into a bright, new world. As a matter of fact, in 1947, the British tried to go back to convertibility; that is, eliminating any restrictions on exchange of the pound. And I think that during 1947 they used most of their loan in a general attempt to try to get back to a convertible pound.

As to the language that is in the original agreement as to waiver, I do not want to get into an attempt to explain what it meant. It was complicated language about waiver if something happened to the balance of payments and the balance of trade based on 5 postwar years, and so forth—that was Lord Keynes' kind of language, and since he has passed to his reward, we may say that he had a complicated way of going about things at times.

Mr. GAVIN. Would the gentleman yield to me?

Mr. VORYS. I yield to the gentleman.

Mr. GAVIN. The gentleman states that the loan had for its purpose the improvement of economic conditions in Britain at that time. But the gentleman will recall the social welfare plan for health, welfare, housing, and so forth—a radical departure at that time—and the tremendous cost that was involved in developing this program for the people of Great Britain. Most of the money went for that purpose, not to any economic aspects of the British commercial and industrial activity. Our health and welfare program comes to under $3 billion in our budget, the British health and welfare program in this year's budget is $4,300,000,000.

Mr. VORYS. I cannot yield further.

Mr. GAVIN. The only point I am trying to make to my good friend from Ohio is the fact that if they want all of these things then why ask us to continue to defer interest payments on the debt? It is time to give some relief to the American taxpayers to which they are entitled.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. VORYS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. WILLIAMS of Mississippi. In regard to the waiver of interest payments under the present agreement, in his colloquy with the gentleman from Illinois [Mr. O'HARA] a few minutes ago the gentleman from Arkansas stated that under the terms of the present agreement Britain had found it impossible to qualify for a waiver of the interest payments. Is that correct?

Mr. VORYS. We claimed Britain could not qualify. The British said, "We do qualify under sections 5 and 6 of the present agreement. We do not think we have to pay you interest." That was the controversy that, if it were between private parties, would go into a lawsuit. That is the situation.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Under the 1945 agreement, Britain not only had to find itself under certain conditions but the conditions under which she found herself would have to be certified by the International Monetary Fund. Is that not true?

Mr. VORYS. That is right.

Mr. ZABLOCKI. Is it not true that Great Britain did not choose to seek a decision from the International Monetary Fund whether such conditions existed which would make that country eligible for a waiver of interest payments?

Mr. VORYS. I do not know.

Mr. ZABLOCKI. Britain did not seek a decision from the International Monetary Fund.

Is it not true that the negotiated settlement which we are asked to vote for does not provide for either party, that is, the United States or Great Britain, to seek the decision of the International Monetary Fund as to the financial condition that Britain finds itself in, in order that that country may postpone payments?

Mr. VORYS. That is correct. From now on we have no abstruse questions. Britain has the right to defer a payment seven times when Britain wants to. That is the agreement which is here for approval.

Mr. ZABLOCKI. Would it not be preferable that a provision for the International Monetary Fund to act as a referee be included in this legislation?

Mr. VORYS. No; I do not think so. I think from past experience the fewer people you get into this the better. I think the deal George Humphrey made was a good deal from our standpoint and a good deal from their standpoint.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman has spoken about the fact that there was a difference between Britain and ourselves as to whether the interest payment was due. As a matter of fact, when that difference comes up each year it would come up for 43 successive years, so that we might have 43 successive lawsuits if we took it to the International Court of Justice at The Hague. Rather than have that, George Humphrey thought it was much better to have them pay all the interest, though it gives them the right to postpone.

Mr. VORYS. This is a compromise of a disputed provision.

Mr. GAVIN. Mr. Chairman, will the gentleman yield further?

Mr. VORYS. Briefly.

Mr. GAVIN. What concerns me is that the British made certain when the agreement was entered into that these provisions as to the interest payments were written in. Does the gentleman think they actually anticipated that they had no intentions to make these interest payments because they were certain that these provisions would be incorporated into the agreement?

Mr. VORYS. I think they wrote them in because they thought they might need them if all of these conditions came up, but it is perfectly obvious from President Truman's message when he sent this 1946 agreement to Congress that neither he nor the British at that time expected anything to happen except that this loan would put the British on their feet and they would never have any of these awful things happen. Since that time we have had the Marshall plan. We have had a lot of things go on. There is a balance of $2.7 billion, I think, of grant aid that has been extended to Britain. We have furnished military aid, the amount of which is classified. There are a number of unsettled questions that we have between ourselves and our British cousins. Britain still owes us on World War I debts. As Churchill once said about the British and the United States, "Our relations are like 'ole man river': we just keep rolling along." All we are trying to do here is to clear up one little muddy place in the stream, and I think that we should do it.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HAYS of Ohio. I wish the gentleman would take more time, if he needs it, because there is one point that ought to be clarified right now before we go any further, and that is this business that the British use our dollars domestically. The truth of the matter is that the British have plenty of pounds, and they can tax their people, and do tax them, for more. But they cannot pay this debt in pounds, and the thing that is bothersome to them and which is causing this thing to come up is at this particular moment they are embarrassed by a shortage of dollars, which is how they have to pay to repay this loan; is that not correct?

Mr. VORYS. That is correct. I am glad the gentleman made the point that they do not carry out these domestic programs with dollars. They do it with pounds.

Another point should be made. It has been said this is bailing out the British adventure in Suez. That is not true. The military phase of the Suez affair cost Britain $98 million in sterling, and oil cost $84 million. The British got $1,500,000,000 from the International Monetary Fund since the Suez affair and have used $561 million of it for various purposes. They got a line of credit, as we heard yesterday, from our own Export-Import Bank of $500 million, which they have not used at all because the pound has come back. The run on the pound which took place after the Suez adventure has now stopped. So that this is not connected with that deal. Now we do not control the timing of when the British Government decides to put its budget for next year before Parliament and the people. But, let me just mention this. After this British tax reduction which was announced this morning goes into effect, their tax rates will still be higher than ours. The part of their gross national product which is going into taxation will be higher than ours.

I think this proposal is a good idea. In the first place, I think the idea of having international agreements brought to the Congress for approval is a good idea. That, of course, is one thing that is involved in the Bricker amendment formula. I think this is in line with that and it is a good idea. Another thing that I think is a good idea is lending money rather than granting money to aid our friends and allies. As has already been brought out, and you can find the details on page 20 of our hearings, out of $14,900,000,000 that our Government has loaned since the end of World War II we have received $4,024,000,000 in principal and $1,698,000,000 in interest or a total of $5,722,000,000. "That ain't hay." And those who say, "Oh, a loan is just the same as a grant because you are never going to get the money"—they are mistaken, when you look at this postwar record. There are a lot of things we have to do where we are going to need the British and they are going to need us, and we will have plenty more squabbles and disagreements—but, if we can get along fairly well together and we avoid another world war, I think the chances of our being paid out in full are very good, just as good as they have been in the 11 years since the end of World War II.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. WILLIAMS of Mississippi. I wonder if the gentleman could tell us just what would happen if this resolution failed to go through the House and Senate, and we remained under the same agreement.

Mr. VORYS. I think the British would then refuse to pay the interest on the ground that they have the right under the existing agreement not to pay it, and it might be referred to arbitration or the World Court to be decided. That is my guess.

Mr. WILLIAMS of Mississippi. Of course, we do not know what the World Court might say about it. They might rule in our favor.

Mr. VORYS. That is right. That is possible.

Mr. WILLIAMS of Mississippi. In which case we would make a bad move in passing this legislation.

Mr. VORYS. I remember trying a lawsuit in which I was defending a wrongful death case, an automobile case. I represented the insurance company. We had a chance to settle that case during the trial for $7,500. I recommended it and the attorney for the plaintiff recommended it, but the insurance company would not go through with it. As a result we got stuck with a verdict for $30,000 that held in all the upper courts. So there are times when we, as lawyers, know it is safer and wiser to compromise a dispute than to ride it out and see who is going to win or lose in the end.

Mr. GAVIN. But we always have to do the compromising, we always have to give them the benefit.

Mr. VORYS. No. If the British could prove they did not owe this interest I think they would be giving us something too, by making this compromise.

Mr. Chairman, I yield such time as he may require to the distinguished ranking member of the Foreign Affairs Committee, the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, the original British loan which was signed on December 6, 1945, and became law on July 15, 1946, was the brain child of the Truman administration and was considered in the House by the Banking and Currency Committee of the House.

The Republican administration is now required to pick up the pieces and make the best out of a bad situation in an effort to protect the best interest of the United States.

It was not until the Legislative Reorganization Act that international loans unfortunately were thrown into the lap of the Foreign Affairs Committee. It is only for that reason we are required to present this bill.

When the original British loan was on the floor of the House I voted against it. I said then:

> I am convinced that from a financial and economic point of view it would be a bad bargain and a foolish venture. * * * It seems to me the proposed agreement is full of loopholes insofar as Britain's responsibility is concerned. We make positive commitments but we receive in exchange only evasive and ambiguous promises such as "unless in exceptional cases a later date is agreed upon after consultation." Again instead of using the words "the United Kingdom agrees" they use such weak language as "it is understood the United Kingdom will."

It would seem what I said at that time is now proving true—that there were loopholes in the agreement which gave Britain the right to waive interest under certain complex situations, and they are now contending they have such a right of waiver.

A new agreement has been negotiated and signed by the executive branch. It has been approved by the British Government. Formal action by the British Parliament is not required.

It would replace the waiver provisions of the original loan with a simple and clearly expressed authorization for the United Kingdom to postpone up to seven installments of the principal and interest at 2 percent under the financial agreement. Also interest would be paid annually on each deferred installment.

In other words the provision for forgiveness of interest under certain circumstances would be replaced by an arrangement under which the United States would be entitled to receive ultimate payment in full of both interest and principal on the loan. This is borne out by the following testimony of Secretary Humphrey in whom I have the greatest faith:

> Mr. VORYS. I would just like to get straight what is at stake here. You furnished us a paper in which you say that the interest due on the loan from December 31, 1957, down to the year 2000 would amount to $2,064,700,000. Now, I read section 5 of the original agreement; "Waiver of interest payments"—and it provides that in any year when a number of abstruse and complicated things happen, which I cannot figure out—"the United States will grant the waiver."
>
> Secretary HUMPHREY. If that happened in every year, you would waive $2 billion.
>
> Mr. VORYS. So what we are talking about is if we went to the World Court every year, and the World Court said, "Yes; Britain is right. This is when 5 (b) and 6 (iii), and so forth, come into effect," we would be out $2 billion of interest.
>
> Secretary HUMPHREY. If the conditions obtained we would lose $2 billion, which we would never get paid.

Since the agreement involves another government Congress can approve or reject it but cannot amend it. Failure to approve this resolution would leave the entire problem of the waiver of interest unresolved. It would not assure the payment of interest by the United Kingdom.

So we have a meager choice—approving the new formula which provides that the British give up all right to waive interest or leave it as it is, which conceivably could amount to a loss of as much as $2 billion to the United States.

If Britain lives up to this new agreement we would be assured of payment in full of principal and interest on this loan as the waiver loophole would be removed.

So in reality by approving this new agreement and postponing but not waiving interest payments we have everything to gain and nothing to lose. In view of England's recent action and statements concerning her intentions in both the military, economic, and foreign fields I am loath to vote for this measure but it seems to me we have only a Hobson's choice—no choice at all but to make a bad deal better. My decision is based solely on our own self-interest and no one else.

Mr. HAYS of Arkansas. Mr. Chairman, I yield such time as he may desire to the chairman of the Foreign Affairs Committee, the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Chairman, on March 6, 1957, the Secretary of the Treasury, Mr. Humphrey, signed an amendment to the Anglo-American Financial Agreement of December 6, 1945. Senate Joint Resolution 72 gives Congressional approval to the Secretary's action.

I heartily endorse this resolution because it is clearly in the interest of the United States. If we fail to approve it, the United States could conceivably lose as much as $2 billion in interest under the existing interest-cancellation provisions of the old agreement. Under these provisions the British could claim the right to cancel interest if certain complex conditions were met. The British claimed that right last year. In the meantime, discussions had been going on for 3 years trying to clarify those provisions. The new agreement resolves these disputes by eliminating the cancellation provisions and substituting a technique by which the British can postpone up to seven installments of principal and interest. I support the resolution.

Mr. HAYS of Arkansas. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I shall try to use the 10 minutes at my disposal to simplify the issues before us.

Under the existing agreement Britain is obligated to pay annually to the United States $119,336,250 a year. In 1951 she paid that and raised no question as to any right that she had to claim waiver. In 1952 she paid it, and that included both principal and interest, and no question or suggestion was made of any claim she had under section 5 of the present agreement. In 1953 she paid it. In 1954 she paid it.

Now, mind you, during all this time there was not any suggestion, not a whisper, from Britain that she had any claim to waiver of 1 cent of interest under section 5. So it came into the year 1955, and again she paid up and there was no suggestion that she had any rights of waiver under that section.

In 1956 there were some conversations, we are told, and you will find some reference to them in the hearings, in the testimony of the Secretary of the Treasury. Finally Britain paid the principal for 1956 but put in escrow the interest amount. The only explanation of why this was done, and why Britain for the first time brought section 5 into the picture, is in the testimony of Secretary Humphrey on page 25 of the hearings. I quote:

> Mr. ZABLOCKI. Did the British withhold the 1956 interest payment after they were given some assurance that the negotiated settlement confirmed by this legislation would be forthcoming?
>
> Secretary HUMPHREY. I told them if we could eliminate these cancellations and put them into postponements and if these postponements would bear interest and if the postponements were limited in number, that I would come to the Congress and ask them to approve it.
>
> Mr. ZABLOCKI. And they had already withheld the 1956 interest payments?
>
> Secretary HUMPHREY. We were negotiating at that time and when the time came they said, "If we pay it, what will we do, we will never get it back. What will we do about it?"
>
> They finally said, "We will not send it to you, we will put it in a special fund so it can be held pending the determination."
>
> And I agreed that could be done. I gave them my assurance that I would ask the Congress because I thought this was not only a right and fair deal, but an excellent deal for this country to make.

Please bear in mind that up to 1956 Britain had never claimed that under the terms of the agreement she was entitled to forgiveness of interest in whole or in part. But in the conversations of 1956 Secretary Humphrey, according to his statement to our committee, consented to the 1956 interest payment being put in escrow and gave his assurance that he would ask Congress, as I interpret his language, to give it back to Britain as part of what he described as an excellent deal for this country.

Now we are told that there is a serious legal question, apparently one that the usually astute British had overlooked up to the conversations of 1956, and that in some mysterious way the United States might lose $2 billion.

The $2-billion figure is something pulled out of the sky. The Secretary of the Treasury trifled with it as a fencing strategy, like when the Secretary of State is doodling. Later, when the gentleman from Arkansas [Mr. HAYS] repeated the $2-billion figure, the distinguished gentleman from Ohio [Mr. VORYS] said:

> No; it is not quite that. You have to take $450 million from it.

So, apparently, nobody knows very much about that figure of $2 billion.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. If I might have the attention of the gentleman from Ohio at that point, I would like to bring these statements into alinement.

I think there is no difference about what the testimony shows. As I recall, in the testimony that was later given by the Secretary of the Treasury, he altered his first statement and did insist it was possible to have a total if the waiver was claimed every year, and that was in the neighborhood of $2 billion. That is my recollection.

Mr. O'HARA of Illinois. I would suggest that the Members read the printed hearings. Our hearings did not last very long. As the chairman will remember, they lasted maybe three-quarters of an hour or an hour. Everything that was said there is in the printed hearings.

Mr. HAYS of Arkansas. It seems to me that the Secretary of the Treasury did make a statement later modifying that statement the gentleman from Illinois has just referred to. I think the hearings will reflect that he made a statement to the committee that the potential loss, assuming all of these conditions, would be in the neighborhood of $2 billion.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Ohio.

Mr. VORYS. I read from pages 25 and 26 of the hearings. The Secretary of the Treasury said, "$2 billion." I think he said something about $424 million. Mr. Scribner of the Treasury came back and said:

> With the lend-lease in, it could be about $2 billion, if the conditions obtained.

Secretary Humphrey's statement is on page 26, as follows:

> That is what I keep telling you. You save up to $2 billion and postpone a billion dollars and get interest on it. I cannot see what this is all about. It looks to me like a cinch.

There is the Secretary of the Treasury who said that three different times. It is in writing. If the gentleman does not understand it he should read it.

Mr. O'HARA of Illinois. And my colloquy with the Secretary of the Treasury is in writing and if the gentleman from Ohio does not understand why I regard this $2 billion talk as a phantom he should read that.

In substance I said: "Mr. Secretary, you say that there is a serious legal question here that involves a lot of money."

He said, "Yes." I said, "Now, you have some of the best lawyers in the world in the Treasury Department. Have you ever had an opinion from any one of those lawyers?" "No." I said, "Do you mean that in a public law office when there is some dispute on a legal question that affects the public interest you do not have your ablest brief writers prepare you a memorandum on it?" "No."

Then the gentleman from Ohio [Mr. VORYS] said: "Mr. O'HARA, you must remember that the Secretary of the Treasury is himself a great and distinguished lawyer," and to that I replied, "Of course, I know that, and that is why I am asking these questions."

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Florida.

Mr. HALEY. Is it not true that within the past fiscal year we have loaned England approximately $500 million?

Mr. O'HARA of Illinois. I am glad the gentleman asked me that because that was kept so hush-hush that I had never heard of it. Yesterday when on the floor of the House I asked the gentleman from Iowa [Mr. TALLE], the ranking Republican member of the Committee on Banking and Currency, and a well-informed, a very able, and a studious Congressman, if he knew about that. He said he had never heard of it. It came out that last December the Export-Import Bank, which was created for the purpose of advancing money to build up the economies of backward areas, without consulting the Congress, without consulting anybody, loaned England a half billion dollars. That is the first time that a loan of that nature was ever made in the history of the Export-Import Bank. I thought it raised a serious question as to the power of the Export-Import Bank, which up to this time has done a good work, to lend up to that amount of money to a foreign government for a use not within the purpose for which the bank was created and without consulting the Congress.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Florida.

Mr. HALEY. Has the Export-Import Bank any right to make a loan of this kind without coming to the Congress?

Mr. O'HARA of Illinois. Yes. I am informed that, under the present act, it has an unlimited authority, although up to the instance in last December it had never used its power except in furtherance of the purpose for which the bank was created. Yesterday, when we extended the life of the Export-Import Bank I thought that perhaps we should have some limitation. As it stands now, the bank can make a loan to any government within its borrowing power and for any purpose under the sun without consulting the Congress.

Mr. HALEY. Would it be fair to say that the committee, in the consideration of this bill, did not have that information before it at that time?

Mr. VORYS. Mr. Chairman, if the gentleman will yield, it is in our hearings.

Mr. O'HARA of Illinois. Yes. It came out in the hearings. And I do not want any of my remarks to be misunderstood. The gentleman from Arkansas is the chairman of that subcommittee, and there is not a more conscientious Member of this Congress than he, nor one of greater industry and ability. As a matter of fact, the hearing was brief, not over an hour, but no other witnesses asked to be heard, and the gentleman from Arkansas conducted the hearing with the utmost fairness. Now, it was during that hearing that the Secretary of the Treasury himself made mention of the fact that a loan had been made to Great Britain. That was the first information I had, and I think it was the first the American public had. Secretary Humphrey did not state the amount of the loan; that came out later. What he did say my colleagues can find on page 25 of the hearings. Perhaps I should read his words: "The Export-Import Bank made a secured loan to them. The British convinced them they should grant a loan."

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. On this Export-Import Bank thing, is it customary for the Export-Import Bank to come to Congress and consult before they make a loan? I am asking for information.

Mr. O'HARA of Illinois. The gentleman well knows, because during the time he was a member of the Committee on Banking and Currency there was no greater or more valued member except possibly the gentleman from Arkansas who preceded him on that committee, and therefore had the advantage of more seniority, and he knows that the Export-Import Bank does have the power to make a loan without consulting the Congress. But it never before had been exercised in a political zone for what would be regarded as a State Department purpose and not for the express purpose of the Export-Import Bank to finance on sound banking principles the point 4 program. I am finding no fault to the authorized $500 million loan to Britain at a time of grave crisis. Indeed, I think the Congress at that time would have given its approval, but I am pointing out the future danger of the Congress losing the control vested in the Congress by the Constitution and which our constituents expect us as their representatives to exercise. I hope that this incident will awaken us to the necessity of placing a limitation on the power of the Export-Import Bank. It should continue to have the power of negotiating loans in furtherance of the point 4 purposes of its creation. The power should go no further.

Mr. HAYS of Ohio. That may all be true, and I am sure it is, because the distinguished gentleman was a member of the Committee on Banking and Currency before I was and while I was, but I think the gentleman will agree that they may make a loan without coming in and discussing it with the Committee on Banking and Currency. Is that not true?

Mr. O'HARA of Illinois. All of their loans are made in their own discretion. I do think the Banking and Currency Committee has the responsibility under the Reorganization Act of keeping a constant vigilance.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Iowa.

Mr. GROSS. I was under exactly the same impression the gentleman was yesterday in response to the gentleman's question as to whether the Export-Import Bank had made a loan to Great Britain. I think the answer was that they had not made a loan to Great Britain. Is that not what the gentleman is saying?

Mr. O'HARA of Illinois. No. The gentleman from Iowa [Mr. TALLE] said that he did not know, and then the gentleman from New York [Mr. MULTER] said that it had been made; that is, the commitment had been made. Actually, Britain did not draw on it.

Mr. GROSS. The Export-Import Bank is 100 percent financed by the taxpayers of the United States; is that not correct?

Mr. O'HARA of Illinois. Yes, and it is authorized to borrow several billion dollars on the public credit.

Mr. GROSS. And the loans made by the Export-Import Bank are supposed to have good and sufficient collateral; is that not correct?

Mr. O'HARA of Illinois. Its loans are supposed to be made on sound banking principles, and generally they have been, to a fairly reasonable extent.

Mr. GROSS. Even though they have not drawn, they can draw at any time—the loan has been approved—but what collateral did the British Government put up to secure the loan?

Mr. VORYS. Does the gentleman want an answer to that?

Mr. GROSS. I would not ask if I did not seek an answer.

Mr. VORYS. The Chancellor of the Exchequer stated last December that the United Kingdom Government owned United States dollar securities to the value of seven hundred and fifty to one thousand million dollars. Collateral against the line of credit of $500 million which the Export-Import Bank established in December for the purchase of United States goods and services by the United Kingdom Government is being provided from these holdings.

Mr. GROSS. If they have that kind of collateral, why can they not pay their obligations to this country?

Mr. O'HARA of Illinois. If the gentleman will pardon me, I will proceed.

Mr. GROSS. I would like to ask the gentleman just one more question on the International Monetary Fund. We put up the bulk of the money for the International Monetary Fund, do we not?

Mr. O'HARA of Illinois. Yes.

Mr. GROSS. And we made a line of credit available last December—I believe it was last December—of $1 billion available to the British; is that not correct?

Mr. O'HARA of Illinois. I have not personal knowledge, but such is my understanding.

Mr. GROSS. In other words, we are financing the British backward and forward and now we are asked to fix it so they can go on into eternity refusing to pay their just obligations to this country.

Mr. O'HARA of Illinois. I am not saying that this resolution should be defeated. At this moment my mind is open. I voted against it in the subcommittee and in the committee because I wanted it to come before this body not as a routine matter. When a piece of proposed legislation comes from a committee by unanimous vote, the assumption on everybody's part is that it is a routine matter. This is not a routine matter.

What this agreement does is to put over the $119 million plus that Britain would pay us in 1957 to the year 2001. The $119 million plus that Britain would pay us in the year 1958 would be put over to the year 2002. For 7 years—they need not be 7 consecutive years, but they have the choice of any 7 years during this period, and I guess they will be consequent, they can get postponements, and the first payment would be in the year 2001 and the last payment in the year 2007.

The youngest Member of this body, I am told, is the gentleman from Michigan [Mr. DINGELL]. He is 31. If I went up to JOHN DINGELL and said, "John, I owe you $5. I do not want you to wipe it off your books, but I want you to know that you are going to get it, it is a good debt. I am 75. When I am 125 years old I will come and give you that $5." By that time JOHN DINGELL would be 81 years old.

Mr. HAYS of Ohio. Mr. Chairman, would the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman.

Mr. HAYS of Ohio. But the gentleman is overlooking the fact that under the present law the borrower of that $5 does not have to pay until he is 121 years old. So he is only asking to postpone it until he is 127 years old. If you ask me, if he wanted to borrow $5 from me until he was 121 and said he will pay it when he is 127, I would give him that option.

Mr. O'HARA of Illinois. The gentleman from Ohio [Mr. HAYS], with his keen brain, furnishes the facetious tone that I think this argument needs. That which begins with the fairy story of $2 billion owed to nobody for nothing that no one has ever heard of can end only in insanity or a laugh, and for the laugh we are forever indebted to the gentleman from Ohio. He never fails to put absurdity in its place.

Mr. GROSS. Mr. Chairman, would the gentleman yield for a correction?

Mr. O'HARA of Illinois. Briefly.

Mr. GROSS. The hearings show the last payment can be made in the year 2008, not 2007.

Mr. O'HARA of Illinois. No; let me tell you about the year 2008. We go along for 7 years taking care of the payments of principal and interest that should have been made in 1957, 1958, 1959, 1960, 1961, 1962, 1963. That takes us up to the end of the year 2007. Then we get to the year 2008. By that time JOHN DINGELL is probably thinking of retiring from Congress. He is getting pretty close to 90. In that year 2008, the British will pay us the interest money for the year 1956 which they have deposited in escrow. So this interest money we will not get until the year 2008.

At that time how many Prime Ministers of England will there have been? Do you think the present Government of England will last 5 years, 10 years, 50 years? How many people now living will be living in the year 2008? It may be all right to pass this joint resolution but do not deceive yourselves and do not deceive the people. You are forgiving this debt. Even the Secretary of the Treasury said that in place of cancellation this is postponement, and I took it that even the Secretary, by that language, meant to say that, of course, we will never get the money.

Who knows what our position will be 10 years from now, or what Britain's condition will be then, let alone 40 or 50 years from now? This is a forgiveness and we should so understand. If we vote for it we should be honest with our constituents and be honest with the American people and say, "We did this because England has been our ally. We have a common interest with her. We at this time cannot permit her to collapse economically. For reasons of security to our own country and to our own defense we have done it, but we have done it as a gracious act of forgiveness."

This is nothing else, and when anybody says, "Oh, yes; this is the settlement of a lawsuit, all to our advantage," well, I wish I had the time to read some of the testimony from these hearings, a little bit of it, where members of the subcommittee pinpointed this situation. At first they said that England gets no advantage out of this at all. Then we pressed them and they said, "Well, Britain is a good horse trader." We said, "You mean that you put it all over Britain?" Then they came out with it, "Of course, she gets the advantage. She does not have to pay the principal even under this until many, many years from now."

Do not think for a moment that Britain is a bad horse trader. She is a pretty good horse trader. We do not want to approach an understanding with one that has been our ally, that needs us, and we need her in this troubled world in which we are living, we do not want to approach one another as horse traders, and we do not want in this Congress to say we are passing this joint resolution because it is a good deal. We are doing it if we are doing it because we think it is the right thing to do.

We are not so blinded to morality that we act only at the command of one who says hurry up, it is a good deal. The $2 billion in interest money the spokesman for the administration says we may lose is a phantom. It is a strawman that even the British, who do have imagination or else we would never have had Robinson Crusoe and Sherlock Holmes, never dreamed of until Secretary Humphrey joined them in the conversations of 1956.

Mr. VORYS. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. JONAS], who has a good point to make that I do not think has been brought out.

Mr. JONAS. Mr. Chairman, I take this time to ask the chairman of the subcommittee if I am correct in assuming that, if the postponements of payments are granted, the 2-percent interest on amounts postponed will be payable to our Government annually?

Mr. HAYS of Arkansas. There is no question about that. We will receive interest until the day it is paid.

Mr. JONAS. We receive those interest payments annually. They are not deferred. Page 9 of the hearings makes that very clear, I think. The reason I asked for this time is to be sure.

Mr. HAYS of Arkansas. The answer is yes.

Mr. JONAS. We would give up these annual interest payments if Great Britain wins the waiver of agreement?

Mr. HAYS of Arkansas. The waiver is a forgiveness.

Mr. JONAS. I know, but if they have the right to the waiver, which they now claim, we would be giving up approximately $2 million a year in interest which we would otherwise receive year by year under the resolution now pending.

Mr. HAYS of Arkansas. The gentleman is correct.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield.

Mr. WILLIAMS of Mississippi. Even if under the present agreement we do not collect the interest, we still receive some $57 million on the principal that we would not be receiving during these 7 years; so actually under the present agreement, even if they do not pay the interest for the next 7 years we would still be realizing a $55 million increase over what this bill provides.

Mr. O'KONSKI. That is all you are ever going to get.

Mr. WILLIAMS of Mississippi. Sure; that is right, if we get that much, which I doubt.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, inasmuch as I spoke briefly on this bill and the time is so limited, I am not going to take the entire 5 minutes. As I sat here this afternoon, however, sitting in judgment upon the actions of a former Congress of which I was not a Member and considering with what degree of responsibility I was going to have to answer in the future when other Congresses sat in judgment on our actions here today, I wondered and am now asking whether anyone who was present in the 79th Congress could answer just this question: How did that Congress; how did the State Department; how did the Treasury Department at that time write into any agreement such sections as 5 and 6, over which there can be so much confusion and which work so greatly to our own detriment. These were terms which I cannot construe as anything but a bad bargain for this country. Can someone answer that question about the 79th Congress and the administration which was then in power?

Mr. JUDD. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield.

Mr. JUDD. I hesitate to say this, because I do not know how the sections mentioned came to be in the original agreement. But I know who the Under Secretary of the Treasury was at that time—Harry Dexter White—and I understand the Treasury Department negotiated these agreements and brought them before the Congress. There is a lot known about Harry Dexter White today which was not known then. It is wholly speculative to raise the possibility that he was involved—and one hates to speak about a man who is dead. But we know his record and we know what he did in other transactions and we know that the things he did consistently turned out to be in the interest of other forces than the well-being of the United States and the free world.

However, whatever mistakes may have been made then, the question today for us is: Which is the better course for our country now? Which gives us the better chance of getting this loan repaid?

I do not think this new arrangement shall be described as a good bargain. But I think it is a less bad bargain than we made in 1946, and we ought to approve the change.

Mrs. CHURCH. The gentleman is always generous—and optimistic.

Mr. JUDD. And in addition may I call attention to the fact that Mr. Hoover once recommended a moratorium on a debt owed us by the British. We did not grant a moratorium at that time. What did we get? We got nothing. Well, we could not do any worse than that if we were to grant a moratorium on this debt. I think we would have done better on that occasion had we granted a moratorium. I think we will have a better chance of getting our money back and of having happy relations in the world picture by granting this postponement. I cannot see how it is going to hurt us. I cannot see that it makes anything any worse than it is.

The gentleman from Mississippi a moment ago said that if we do not adopt this change in the terms of the loan, we will at least get the $56 million in principal. What makes him so certain? How are we going to collect it if they decide they cannot pay it?

Mr. GROSS. The same thing applies to the proposition that you have here.

Mrs. CHURCH. Mr. Chairman, I yield back the balance of my time.

Mr. O'KONSKI. And what happened to Hoover after he made that recommendation?

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I would like to have the attention of the gentleman from Minnesota, Dr. JUDD. I think it was irrelevant to raise the name of Harry Dexter White in this. But since the gentleman from Minnesota raised it, let me say that I was not in the Congress with the gentleman from Minnesota [Mr. JUDD] when Harry Dexter White was operating. But the gentlewoman's question was: "Why did the people in the 79th Congress vote for it?" The question occurs to me if the gentleman was so omniscient about Harry Dexter White, why, since he was here, did he not raise his voice at the time instead of waiting to drag him in at this point? I do not think it contributed anything to the discussion of the matter. I certainly am not going to call Secretary of the Treasury Humphrey any kind of name because he comes in now and tries to do something about a situation which has arisen over which he had no control.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. JUDD. I think, if the gentleman will read the transcript of what I said, he will find I said we know a great deal now about Harry Dexter White which was not known at that time. Did I not say that?

Mr. HAYS of Ohio. Yes.

Mr. JUDD. Then I was not suggesting any omniscience.

Mr. HAYS of Ohio. The implication that I got from your remarks was that there was some kind of ulterior motive to help the Communists in lending this money to Great Britain. That would be what you would get from your remarks, and I do not think there is anybody who would not get that from your remarks.

Mr. JUDD. I hope that was not the implication.

Mr. HAYS of Ohio. That is the implication that I read into it.

Mr. JUDD. What I think I said was that, looking back through the record of what Mr. White did in his high position, it consistently worked out to be not in the best interest of the free world but instead weakened the free world.

Mr. HAYS of Ohio. The point of the whole argument is that whoever negotiated this, the Congress decided on it, and the Congress presumably is going to decide on this. Let us not try to pass the buck to anybody else.

The point I would like to make, and I think this can be simplified by a little illustration, is this: I happen to be the chairman of the board of a discount committee of a bank. Suppose we have a man to whom we lent $4,000 and he comes in and says: "Look, I have made my payments for 5 years, but I find myself at the moment unable to repay any more, either on the principal or interest. I want to pay it; it is a just debt. I think I am going to get another job. I have lost my job. I will pay it if I can. Can you give me a little more time?"

If the bank has no collateral but the man's signature and he is on the verge of insolvency, the bank has two alternatives: The bank can either force him into bankruptcy, and take a chance on getting part of the loan, or they can take the risk and tell him that inasmuch as he has paid in the past we are willing to take a chance. If we do not, the bank will lose anyway.

That is about the situation as I see it in the case of this present agreement. I do not know whether the British are going to be around in the year 2001 or not; and I do not know whether we are going to be around in the year 2001. But let us not put too much emphasis on that today, because the present loan is not set for final payment until the year 2000. If we can take a chance that they are going to pay through the years 1994 to 2000 then I think we are not taking a very much bigger risk to figure that they will be around from the year 2000 to the year 2008. Frankly, I do not know of very many banks that make loans of 50 years duration, but we do have Veterans' Administration loans which are of 30 years duration, and I happen to know that some of them were made to people who at the time the loan was made were 55 years old or better, and their actuarial tables, for example, showed they would not be around when the final payment came due, or if they were, they had outlived the actuarial tables, and not many

people do that. Presumably those loans were made on good security; nevertheless they were made for a long period of time.

I again repeat that this loan as it is extended today does not finally mature for final payment until the year 2000, and I believe that the British, if circumstances warrant it, may not take advantage of all seven of these. I think they would just as soon take up the loan quicker rather than pay interest on interest.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield 4 additional minutes to the gentleman from Ohio.

Mr. HAYS of Ohio. Let us look at this thing a little. It seems to me it just boils down to a simple case of where you have a debtor who says he is in temporary difficulty and needs an extension. We should face the facts as they exist. It is too late now to start arguing about whether the loan should have been made in the first place; that is a step that has been taken. I was not here then. We must deal with the situation with which we are faced today, the situation that exists.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. VORYS. The gentleman has made a very good analogy and I want to point out that the Export-Import Bank has postponed payments of principal in the case of certain countries who found themselves in a similar situation just as the gentleman says his bank has done in the case of private borrowers.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. GAVIN. Do you think it was good timing on the part of the British to cut back their taxes by $260 million at the very time they come in here asking us to forgive the interest on this debt?

Mr. HAYS of Ohio. If I had been running the things from both sides of the Atlantic I must say I would have postponed that tax-reduction announcement.

But again I would like to make the point I made a moment ago, and this is a point a lot of people overlook: On the Marshall plan money, for instance, foreign aid, and so on, we did not give them dollars to be spent in their own country. They did not have dollars they needed to spend here. If we had had complete convertibility of all moneys the situation would have been different; and I will be very frank to tell you that I do not know why we do not and I cannot give you any answer about it, but we apparently do not have it. If we would take British pounds or if the British could have bought the things they needed in this country under the Marshall plan with pounds from Ford, Westinghouse, or from whomever they bought them, they would have had the pounds to do it, but those people would not take pounds.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HAYS of Ohio. Mr. Chairman, it is the shortage of dollars we are dealing with here. A lot of people back home who did sell these things profited from the fact that those countries were able to buy products in the United States with dollars and they could, therefore, get the dollars to meet their payroll.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. And now the chickens are coming home to roost. They set out to organize and did organize the sterling bloc. For what purpose? To punish us tradewise. So they are beginning to reap the harvest of the seeds they have been sowing.

Mr. HAYS of Ohio. I do not agree with that thesis. In the first place, I think they organized the sterling bloc so that they could try to do business with countries that could pay them in the currency they had. I happen to know, as far as Canada is concerned, and I am sure we did not organize this, that they discount our dollars. I was up there a little while ago and I found when I wanted to buy a Canadian dollar I could not get it for an American dollar. I had to pay $1.05 for it, $1.06 some places, and even $1.07. I did not like that, but that is the way this situation runs, and we did not have complete convertibility with Canada.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Minnesota.

Mr. JUDD. Should it not also be pointed out that when we are saying today that Britain has reduced her taxes 200 and some million dollars that actually she has not reduced taxes by dollars? She has reduced them in pounds.

Mr. HAYS of Ohio. Yes.

Mr. JUDD. If she had raised her taxes it would not have given her any greater ability to pay interest on this debt, would it?

Mr. HAYS of Ohio. That is the point I am trying to make. She has pounds, she can raise more pounds, but she cannot pay this debt in pounds. She has to pay it in dollars and at the moment their dollar exchange is in a deficit situation or dangerously near one and she just does not have the dollars.

Mr. HAYS of Arkansas. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I do this in the interest of clarification. I know the gentleman from Minnesota will accept what I am saying at its face value because he will recall that I was a member of the Committee on Banking and Currency at the time this legislation was passed upon and I give the House my assurance that Harry Dexter White was not one of the negotiators of the British loan.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, it seems to me that we are trying to get ourselves out of a situation that we could have avoided in the 79th Congress if we had been wise enough to have foreseen the situation that is facing us today. I was a member of the 79th Congress when the original British loan was before the Congress. I voted against the British loan because I did not at that time have confidence enough in the British Government to repay the loan or to assure us it would be paid.

I voted against it also because there was no security for the loan except the word of the Government of Great Britain. I recall on one occasion previous to the action of the Congress approving the loan that Lord Halifax came to a meeting of the Members of the 79th Congress. I asked him the question, as I recall, why we should not have some security for this loan and in a very austere manner, looking me square in the eyes, he asked: "Do you doubt the integrity of the British Empire?"

Now, they may be in a position where they cannot meet this situation at the present time, but in granting this postponement we are in effect saying that they do not have to pay the balance of this money because the time element is so far in the distant future that we do not know whether Great Britain will be able 44 years from now to pay this loan.

As far as we are concerned, we are increasing our own debt by granting this postponement. I received a letter from a British businessman during the debate on the loan in the 79th Congress informing me that he hoped the Congress of the United States would not approve the loan, and he ended his letter by saying that he guessed that they had to have governments to make mistakes for them, and this was evidently one of the mistakes of Great Britain and one of the mistakes of the United States, to have assumed that $3,750,000,000 over so many years would be paid and with a grant of waiver to the receiver of the loan that they would not have to pay the interest.

Now, a moment ago there was some debate or some question about the waiver of interest and that we would be able to collect interest on the deferred interest. Well, I do not know whether the original agreement provides for waiver of interest on interest, and it is very possible that that could be construed from the terms of the original loan. I frankly think that we should learn by the mistake we made in the 79th Congress; that we loaned money without any security. And, as I recall an amendment that was proposed at that time by Senator DIRKSEN, then a Member of the House, it was that there should be no loan granted without security, and a motion to recommit was had and it was defeated.

We have no security to force them to pay. As I recall the security that was discussed as legitimate security for this loan at the time was some of their islands off the Atlantic coast. Today we find ourselves with very little of the principal paid back, with no assurance that the interest will be paid, and with no security to rely upon to assure us that the loan will ever be paid.

I have nothing to contribute to this debate except to say I am glad I voted against the original British loan, and I shall vote against this postponement.

Mr. HAYS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Chairman, it just occurred to me in a conversation with one of the Members of the House here, the will of this Congress right now apparently appears to allow Great Britain to postpone for 50 years literally millions upon millions of dollars. On the other hand, we have a man in this country who a few years ago, with his two fists, did more for human relations than any other man. His name is Joe Louis, and he was the former heavyweight champion of the world. Joe owes some $1.2 million in income tax, and it keeps mounting day by day. You know, I believe, Britain is in a far better position to pay its bill today than Joe Louis, but I do not see any rising group in this Congress rushing forward to aid Joe Louis, who did a tremendous amount of good in this country in breaking the racial barrier. I do not see anybody running forth to help Joe. But, that is only in passing.

One of the most important events in the annals of world history during the last century is the collapse of the British Empire to a second-rate nation. There are perhaps many reasons for that; the fact that they have lost their colonies; they have lost Suez; the expenses of the wars. There are many reasons; that is not the question today; we have this bill before us today. I note the report says this:

> The Anglo-American Financial Agreement was signed December 6, 1945, and was approved by the Congress after full debate July 15, 1946.

On the next page:

> The financial agreement provided that the United Kingdom should receive a waiver, that is a forgiveness of the interest portion of any installment under certain conditions.

Then it lists two conditions.

Britain does feel that she wants a waiver at this time. We feel apparently she has not got the right of a waiver. So she has these alternatives. Britain has the right to go before the International Monetary Board for a ruling. If they rule in favor of Britain, then Britain must pay $57,900,000 and the interest of $80,500,000 is waived. But if they lose before the International Monetary Board they must pay both the principal and the interest, which is $138,400,000. So they come to us. They are not willing to go before the International Monetary Board at the present time. If their claim were decided in their favor they would save $80,500,000.

They do not want to take their chances there. So they come with this agreement, that they are willing to pay the $138,400,000 plus 2 percent interest if we will postpone it for 50 years.

By their own admission today Britain is a second-rate power. Under the White Paper of last week, she is scrapping half of her fleet and she is cutting her defenses in half.

Mr. Chairman, before this session of Congress is over, you will be asked to vote defense money for Britain because their defenses today are obsolete. She is going to rely on our missile program. We are going to pay for it. We are going to supply it.

What bothers me greatly about this postponement for 50 years is this. Yesterday's newspapers carried the following:

> The Government's revenue in the fiscal year ending March 31, balance above expenditures $812 million.

Their total budget was approximately $15 billion when translated from sterling into dollars. They had a surplus last year of $812 million. Yesterday, a minister in charge of the budget presented it to the Parliament and he recommended tax relief of approximately $260 million.

Every one of us today is getting mail constantly from people saying, "Chop the budget, chop the budget, chop the budget."

Here is an opportunity for us to do something. We do not know what is going to happen 50 years from now. We know that we are entitled to $138 million. They have an opportunity to go before the International Monetary Fund with their case. If they win, we will get $57,900,000; or we have the opportunity of postponing it for 50 years, plus the 2 percent interest.

To me, with the conditions as they are in this country today, with people clamoring for a tax cut themselves, with Britain giving a tax cut, with Britain having a balance of expenditure of $812 million, it seems to me it is about time we thought of the people of this country first. You are not going to do any harm at all to the pocketbooks of the taxpayers of this country if you vote down this joint resolution. Mr. Average Taxpayer needs relief; here is an opportunity.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, last week when we had the 7- or 8-day torture on the Health, Education, and Welfare Department appropriation bill, I told my good colleague from North Dakota, "I am sure that at the rate we are going this Congress is going to run out of gas when the big birds come along." That is exactly what has happened. Now that the big birds are coming—defense, foreign aid, the giveaways—the economy bloc of this Congress has run out of gas.

My colleague from Massachusetts explained the economic and financial condition of Britain. If you doubt my word, read what took place in Parliament yesterday and the day before. Their exact words were, "Our economic and financial condition is not half as bad as we thought it would be as we are taking a second look at it." They have over $500 million surplus in their treasury, which is the equivalent of about a $7 billion surplus in the Treasury of the United States.

The principal payment is not in default. Their interest payment is not in default. They wrote a check for it. The check is on deposit in the Federal Reserve Bank in New York. In spite of that eighty-some-odd-million-dollar check that they wrote out for this current interest they are talking about—they no longer have it in their treasury, the check is written out on it—on the basis of that check being written out for the interest and the principal payments being brought current, they still have an $800 million surplus. Yet, here we are asking the Congress of the United States of America to forgive, in spite of that healthy financial condition.

They have given the people of Great Britain 7 tax reductions since the war's end—7. We have not given our people anything except promises whenever we have had a political campaign.

What is the real nub of this thing? The real nub of this thing is this: They already have a provision in the loan whereby they get interest forgiveness, but that is not good enough for them and their friends. What they are trying to do is to get their foot in the door for the forgiveness on the principal. That is the nub in this new agreement over here. Under the present agreement, to keep the loan current, and to keep good faith internationally, they must make the principal payments, but that is the part that their friends and these people who are putting it on the basis of being a better deal for us to overlook. Can you imagine the British going for this deal and changing it if it were a better deal for us?

It reminds me of the fellow I sent to the bank some time ago. He wanted to borrow some money from me. I said, "I will put in a good word for you at the bank. You go over and see them." He went over and saw them, and he came back to me and said, "They talked so nice to me and were so good to me I am a little bit suspicious. I do not want their loan, I want to borrow it from you."

As I listen to these people here talk in favor of this joint resolution, it sounds so good I cannot for the life of me see why in the world the British, being the good horse traders they are, ever went for such a proposition as this, if it is so beneficial to us.

There is only one purpose behind this bill, to get the British foot in the door by way of principal forgiveness. If you keep the agreement as it is you are sure of at least collecting the principal, but if you change this you are going to give them a 7-year forgiveness of the principal payments.

As to paying it back in the year 2000, that is one good thing I will say about the members of the committee and the people who originated this bill. They saw to it that this all will be postponed so that they will no longer be around when the day comes to answer for it. That is in the year 2000 when there will not be a single one of us here, and not even the page boys will be here at that time to assume the responsibility on this thing. With the British condition as healthy as it is, with an $800 million surplus, and when we, in this Congress, cannot even find enough money to keep the mails going in our own country, and with the situation as it is right now that we cannot find enough money to assure the mails going through in our own country, here we are asking the Congress of the United States to approve an $82 million principal and interest forgiveness for money that is already in the bank and which the British no longer have. We would just give it back to them. That is all. They were not counting on it. The

British were not counting on it when they made the last $280 million tax reduction a few days ago. They were not counting on it when they said that they had over an $800 million surplus in their treasury. With that condition and with our inability to even give the Post Office Department enough money to keep our mails going, you are asking us to give them a gift of $82 million. Shame on the Congress of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. VORYS. Mr. Chairman, if the gentleman from Arkansas will defer for a moment, I yield myself sufficient time to make the following correction in the last speech. The gentleman from Wisconsin said that we had not had any tax reductions since the end of World War II. Under the Republican 80th Congress, we had a tax reduction of over $4 billion. And, under the Republican 83d Congress, we had a tax reduction of $7.4 billion.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio desire further time?

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I decline to yield.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. I want to thank the gentleman for yielding to me.

Mr. Chairman, plus the facts presented to you by the gentleman from Wisconsin [Mr. O'KONSKI] of the $800 million surplus and the $280 million tax relief which was presented to the Parliament yesterday, there was also another proposal which was offered in yesterday's program: "The British companies trading overseas are exempted from income and profits taxes made abroad."

I am sure that the money the British companies are going to make will remain over here and they are certainly going to be in a position to cut the prices of their exports and will be able to undersell our American manufacturers.

Mr. HAYS of Arkansas. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, when reports appeared in the press not long after the British invasion of Suez that the postponement of interest on the 1945 loan was being requested by the United Kingdom, I believe that many people felt the same reaction: That the United States was now being asked to finance the military operation to which we were opposed and that if we approved the British request, we would be giving some sort of endorsement to the British behavior at Suez.

Mr. Chairman, this reaction, which I confess I shared to some extent, made me think of a speech which I made in this House when the British loan was under consideration in July 1946. I began my remarks at that time with this statement:

> Mr. Chairman, the British loan is in my opinion the most grossly misunderstood issue which has come before this session of the Congress. An idea which carries such a potential wallop in determining human relationships in the atomic economy into which civilization is so fast slipping, in my humble judgment should be given cool, sane, and sincere study. Any discussion on this important subject which appeals largely to prejudice will add nothing but confusion to the issue. To play up and encourage prejudice is an easy thing to do. To play up and encourage prejudice does not require too much effort and does not draw very heavily on either ability or understanding; however, to play up and encourage prejudice does have its reward—that temporary reward of prompt and vigorous approval.

Mr. Chairman, it seems to me that these words are perhaps even more applicable today than they were then. Let us be sure that we understand the issues with which we are confronted.

In the first place, it is important to recognize that the original agreement with the British, entered into in 1945 and endorsed by the Congress in 1946, provided that the United Kingdom was to have the right to waive its payments of interest if it got into certain financial difficulty. A formula was included in the agreement for determining when this right to a waiver of interest payments should be exercised. The question before the House today is not whether the United Kingdom, having agreed to pay interest on the 1945 loan, should now be relieved of such payments. That question was decided in 1945 and 1946 when the original agreement was negotiated and ratified by the Congress.

The issue before the House this afternoon is merely whether the formula for determining when a waiver of interest payments should be granted to the United Kingdom should be replaced with a more workable and more equitable arrangement.

If the House should not approve the resolution which is before us, it does not mean that the United Kingdom will have to pay the interest which was due last December 31. The United Kingdom insists that under the terms of the 1945 agreement it is not required to make this interest payment. We realize that the terms of the 1945 agreement are difficult to apply today. While we may not concede that the conditions of the agreement have been met by the British, we do recognize that there is a justification for the British request for a waiver and would prefer to substitute a new formula about which there is not so much uncertainty as to its application.

If the pending resolution is not approved, the British can insist on their right to a waiver of interest, and the United States will be confronted with a lengthy and difficult negotiation to determine whether the old formula can really be applied to the present situation or not. During this negotiation it is quite clear that the British will not pay the interest, and it is equally clear that our relations with the United Kingdom will not be improved.

There is no escaping the fact but that the British Suez action has added to the financial problems of the United Kingdom.

Let me point out, however, that this amendment to the agreement was not made necessary because of the Suez invasion. Discussions have been carried on with the British concerning the inadequacy of the old formula for a period of 3 years. Furthermore, even if we do not like what the British did in Suez, I am convinced that we do not gain any advantage by giving renewed emphasis to our difficulties and disagreements.

I think it is clear that the United Kingdom faces a financial crisis. It is equally clear that the formula for granting the United Kingdom relief under the original financial agreement is no longer adequate. I am convinced that British and United States relations have been perplexed by recent actions in Suez. However, the best thing for us to do now is to reestablish a sound working relationship with the United Kingdom so that we may cooperate with each other effectively in dealing with the common danger which all of the free nations of the world face. I think we all recognize that the British are still our strongest and most dependable allies.

I urge the passage of the resolution.

Mr. GAVIN. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. HAYS of Arkansas. Mr. Chairman, I move that the Committee do now rise, and on that motion I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HAYS of Arkansas and Mr. VORYS.

The Committee proceeded to divide.

Mr. GAVIN (during the taking of the vote). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GAVIN. What proceedings are going on now?

The CHAIRMAN. We are in the process of taking a vote by tellers.

Mr. GAVIN. A further parliamentary inquiry, Mr. Chairman: How long will this go on?

The CHAIRMAN. As long as Members continue passing through the tellers.

The Committee concluded its division and the tellers reported that there were—ayes 2, noes 27.

So the motion was rejected.

Mr. GAVIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seventeen Members are present, a quorum.

The gentleman from Wisconsin [Mr. BYRNES] is recognized.

Mr. BYRNES of Wisconsin. Mr. Chairman, let me assure the Committee that the commotion that just occurred was none of my doing. I was personally content to speak to the limited number that were here.

Mr. Chairman, one of the big difficulties with this resolution and the subject matter of it is that it lends itself to an unusual amount of emotionalism. In order to really resolve the issue we must get down to fundamentals and see what the picture is that confronts us today. I voted against this loan when it was approved in the 79th Congress. I regret that it was made. If I am not mistaken the RECORD will show that some question was raised at that time with respect to

the very peculiar formula that was devised as far as determining when interest payments would be due and when interest would not be paid.

There is no particular point at this time, as I see it, to argue over spilled milk and whether we should have approved the loan when we did or whether we should not have approved it. The fact of the matter is the loan was approved; an agreement was signed; it contained certain conditions. Whether they are good or bad conditions, we can weep over them, but it is not going to change the situation one iota.

Now, there is another aspect. If we are to vote on this particular resolution on the assumption that Britain is not going to honor its obligation under that agreement, that it is not going to pay back interest or principal, that it is going to dishonor it, then, frankly, I do not see what difference it makes one way or the other what we do with this particular resolution. It is not going to add one more cent or detract one more cent from what Britain is going to pay, if you assume she is not going to pay it, anyway. So, I think we have got to assume for the purpose of acting on this resolution that it is an obligation that Britain is going to try to live up to.

Now, another matter. It is entirely beside the point, although it does make interesting speeches, to talk about certain domestic affairs in Britain, how she handles her pounds, what she does as far as taxes are concerned, for that again is not what is involved here. Here we are involved with the question of Britain's situation as far as her international exchange, her dollar exchange, and her gold situations are concerned. Those are the factors which will determine, under a very complicated formula, whether she can just say, "We do not owe any interest, because the agreement says under these conditions we just do not owe anything. There will be no payment to you now, tomorrow, or any other time." Let us therefore get down to the agreement that we have and recognize that we are parties to an agreement that has a condition in it that is troublesome to both parties to the agreement, namely, this very complicated formula to determine whether any interest is due and whether any interest at all is payable.

Now, in my book, as long as you have that very definite uncertainty, I am not so sure but what it is a pretty good proposition that is offered to us in this resolution. Instead of the agreement saying that no interest is due whatever, I think we should try and get that agreement changed so that the interest is due even though the date of payment may be postponed.

In my judgment, Mr. Chairman, we have here a situation where neither side was satisfied with the provision in the original agreement with respect to interest. Representatives of the two countries sat down to negotiate a change in this part of the agreement. Both sides have agreed on a revision. We are asked to approve the change agreed upon. Frankly, I think the original agreement was a bad deal for the United States. Under it we might never collect any interest on this loan. Under the new proposal interest will be due and payable regardless of the British exchange position, but the date of payment on 7 out of 44 installments may be postponed.

We must admit that the new agreement is not all that might be desirable from our standpoint, but let it be remembered that we started out in these negotiations with a condition that was unfavorable to us. It is unreasonable to expect that agreement would be reached which would be completely favorable to us. I will gamble that Secretary Humphrey got as good a deal as he could under the circumstances and that in the long run we will be better off. Under these circumstances, I am supporting this resolution. I think it would be against our own best interest to continue the present arrangement whereby all interest on this loan might be automatically canceled.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I just want to say that it is regrettable that those of us who sometimes are in opposition to these foreign aid programs and debt and interest deferments—who try to be heard in opposition—cannot get any time. I have been here now going on 15 years, and every year when these programs are before the House and we ask for time, they will—after persevering—give you but a few minutes of time. You cannot get a chance to offer your thinking in opposition. Now, you talk about this being a land of free speech, but you try to get some time when you are in opposition on these foreign-aid programs.

Mr. Chairman, this country owes $275 billion. We are paying interest on the debt every year—that is, the American taxpayer—in the amount of approximately $7 billion. I cannot understand the thinking of the House when these foreign aid and debt deferment programs and giveaways—and that is what they are—come before us. Why, you cannot collect the interest let alone the debt. If I recall correctly we wrote off the World War I debt and eventually, I presume, we will write off the British loan. Seemingly we are not interested in our own people and their problems and tax burdens. You are getting hundreds of letters from the folks back home asking for a reduction in taxes and some relief. Over a long period of years they have been generous and sympathetic to the unfortunate people of the world. They have willingly carried the load for the world, and now it comes to a time when we should be concerned about our finances, balancing the budget, reducing taxes, and giving some relief to our own people.

Last week, when the Health, Education, and Welfare program was before us, more amendments were offered to cut back on every branch of that Department of Government which reaches out into your own backyards, your own people. They wanted to cut down. Fourteen amendments voted in one day—a record, I believe. But here is a $138 million debt deferment proposal. Seemingly nobody is too much concerned about it. I suppose this resolution will pass, as have all foreign-aid programs of the past. But I am concerned about these matters and therefore, when we want an opportunity to express our opinion the committee should give us that opportunity and grant the same amount of time as given those in favor. Here is what I said back in 1946 on this matter of the British loan:

> Although I observe that many British citizens are reported to consider the terms harsh and exacting, for myself I consider them lax and unbusinesslike.

And that is being brought out here today.

> The interest rate is substantially less than our own Government has been paying on its own borrowings. There are elaborate provisions for waiving the interest.

That is right before us now. They had foresight to have those provisions written in. I continued:

> So far as concerns the present Government in Britain, which is the one that will likely spend the money, it is highly improbable that they will pay 1 cent in debt charges, either as interest or repayment on principal.
>
> As a business proposition, no one will assert that there is anything in the record of the British Government's handling of American loans in the past 25 years which justifies such optimistic provisions as these.

That is what I said 10 years ago.

> Far from being harsh, these terms are generous to the point of recklessness.

The recklessness is evident here today. Continuing:

> The amount involved is approximately $30 from the possessions of every man, woman, and child in America. This is to be turned over to a foreign government in a midst of experiments which have failed everywhere else they have been tried.

These are my statements 10 years ago.

> On a per capita basis, my own State of Pennsylvania would contribute $300 million of the loan. That is a sum which considerably exceeds the tax cost of running our State government each year. Actually, as an industrial State, Pennsylvania would have to carry a much larger share than I have indicated.
>
> But it has not been hinted that our Government will raise the money by economy in its own operations. There are only two sources under contemplation—one, to "borrow it from ourselves" and thereby add it to the mountain of debt which we are accumulating as our principal bequest to future generations—

That is what you are doing here today—

> or by simply printing the money on the backing of these innumerable evidences of debt.

Later on in my remarks I said this; and at that time the loan was for the purpose of grandiose schemes of the British Labor Party in their health and welfare programs which even today, even though we are a Nation of 170 million people and they a nation of only 51 million people—their program for health and welfare is greater than ours. Ours is less than $3 billion. Our health and welfare program is less than $3 billion, while the British health and welfare program is $4,300,000,000.

Back in those days when you passed that British loan of $3,750,000,000 I said:

> Grandiose schemes of extravagance are blinding the British people to financial realities.
>
> Once again the government plans to rebuild British houses—4½ million of them—they plan to pay the doctors' bills for all the nation's citizens, rich and poor alike. All financial hardships are to be insured against.
>
> Amid all this, the only sound mainspring for national solvency and prosperity, that of the profit incentive of free enterprise, is to be liquidated by the nationalizing of banking and basic industries.
>
> Under such circumstances, I am driven to the conclusion that the worst thing which could happen would be for Congress to ratify the British loan in its present form. Not the worst for us perhaps; for after all the money is only a drop in the bucket to what we already owe.
>
> But worst from the point of view of the British people themselves.
>
> Granting the loan would merely stave off the day of reckoning when the British must face the facts of economic life, when they learn that nations, like individuals, cannot take out more than they put in; that to acquire, one must earn; to have, one must save.
>
> Granting the loan would merely delude the British people into thinking something is working which never will—the economic fallacies to which their government is committed. It would blind them to the fact that plans upon which they are embarking are beyond the capacity of any economic structure, no matter how prosperous, to support.

That was 10 years ago, and the words that I said then are proving sound today here in the House. Now this proposal to grant them another $138 million deferment.

I have listened to this year after year, to these same arguments trying to decide us as to what would happen to us if we did not go along with these proposals. Why should the American taxpayers be compelled to pay taxes to support all of these programs? One day they will rebel. Now, as far as I am concerned, I have had enough and will vote against this resolution as I have done in the past. It is about time for us to give some concern to the American taxpayer, to give him some relief from this terrific burden that has been imposed on him over the past 20 years.

Mr. VORYS. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, on three occasions this afternoon I have heard proponents of this joint resolution mention the beautiful relationship of Great Britain as an ally of this country. I simply want to make this observation, if I may: I do not think any of the Members of this Congress are so naive as to believe the passage of this joint resolution is necessary to continuing that relationship, because certainly Britain knows that as long as its international bread is buttered with American dollars it will have no desire to lose us as an ally.

Mr. VORYS. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, certainly, in view of the difficulty of obtaining time, I am extremely grateful to my distinguished colleague, the gentleman from Ohio for this 3 minutes.

Mr. VORYS. Do not mention it.

Mr. HOFFMAN. My only purpose is to call the attention of the House to the remarks of the gentleman from Pennsylvania [Mr. GAVIN]. If we had followed his advice, which he gave us, and he has read some excerpts from the record, if we had followed that advice on July 13, 1946, we would not be in this—is it permissible to say "mess"—at this time? Twice on that day my vote was recorded against the loan. I hope hereafter when matters of such importance as this and involving so much money and so much of national policy come up the gentleman from Ohio [Mr. VORYS] will yield to my colleague from Pennsylvania [Mr. GAVIN] so that we may have an opportunity to learn his views and on occasion follow his advice.

Mr. GAVIN. Mr. Chairman, if the gentleman will yield?

Mr. HOFFMAN. Any time that remains I yield to my friend, the gentleman from Pennsylvania.

Mr. GAVIN. I just wanted to say to the gentleman from Michigan that anybody at any time, and I have been around here for a long, long time, who gets up in opposition to these things seems to be out of step. If you talk in behalf of the American people and the American taxpayers and about our national debt.

Mr. HOFFMAN. Just a moment, Mr. Chairman, I would like to know if the gentleman from Ohio [Mr. VORYS] is listening.

Mr. VORYS. Yes; I am listening.

Mr. GAVIN. And if anybody gets up and talks about our national debt on which we pay $7 billion a year, he seems to be out of step. Certainly, we do not relieve our people from any interest charges on any debts that they have. One hundred and thirty-eight million dollars is a lot of money. It would help toward reducing our national debt. But, the utter attitude of complete indifference on the part of people, the Members I mean, they do not seem to think this is anything at all. But, when it comes to cutting appropriations in their own backyards, some little amendment for $200,000 or $300,000.

Mr. HOFFMAN. I thank the gentleman.

Mr. GAVIN. If the gentleman will permit me to continue since his time has not expired. All I want to say is that the economy-minded bloc does not seem to be very much in evidence when these things come up.

Mr. HOFFMAN. Permit me to call attention to the fact that the gentleman from Pennsylvania and I are on friendly terms once more working toward economy.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I am not at all pleased with the proposed amendment to the Anglo-American Financial Agreement which would further implement the act of July 15, 1946.

I realize that the amendment before us is considered as an improvement of the 1945 agreement and that it clarifies and simplifies some of the provisions of that agreement.

Nevertheless, it seems to me that the legislation before us would do away with a very important provision of the 1945 agreement—a provision which provided for an impartial umpire, a third party, whenever there arose a question about England's ability to meet an installment due on the loan.

Under this original arrangement, our country has agreed to waive the payment of interest due on the loan whenever the International Monetary Fund would certify that the United Kingdom was confronted with a financial emergency and could not meet the interest payment. This provision was specifically included in the agreement because we realized that unusual developments could arise in the postwar world which would bring the United Kingdom to the brink of a financial crisis—and because as lenders we did not want to take advantage of our position should such an occasion arise.

The resolution before us would replace the above described provision of the 1945 agreement with a stipulation that Great Britain, if faced with a financial crisis, can delay the payment due on the interest and on the principal of the loan as often as seven times in the future. The point is that under this proposal there would be no third party, no impartial umpire, to decide when such a postponement should take place or whether a postponement is justified. In other words, the decision on this matter would be left entirely up to the Government of Great Britain.

Now, I realize that under the resolution before us the United Kingdom would have to pay the deferred payments on the principal and on interest due to the United States. As a matter of fact, they will even have to pay interest on such deferred payments. Nevertheless, I am not happy with the arrangement and I feel that we should have retained the provision which left the International Monetary Fund in a position to ascertain whether or not the United Kingdom was actually facing a financial crisis at a time when they asked for waiver or for a postponement of the payment due on the loan.

I am certain you will agree with me that it is only human nature to postpone the unpleasant to the latest possible moment. The 1945 loan agreement with England was very realistic in that respect. It provided that the interest payment could not be waived unless a third party certified that England was in financial distress. Even under those conditions, the payment on the principal had to be made.

The agreement renegotiated by the present administration, which is before us today for ratification, is much less realistic in that respect. It says, in effect, that the borrower, the debtor, will decide whether or not he should pay his just debt on time. By giving England a free hand in deciding when she wants to avail herself of the seven postponements, are we not, in effect, inviting her

not to make any payment either on the principal or on the interest for 7 years? And if this should prove to be the case, what assurance do we have that after Great Britain has availed herself of the seven postponements, the Congress will not be asked to authorize additional leniency?

Mr. Chairman, the approach embodied in the resolution before us is not very realistic. If one studies the renegotiated settlement closely, it becomes apparent that the new proposal is much less realistic than the 1945 agreement. I have grave doubts about the merit and the soundness of the measure before us.

Mr. HAYS of Arkansas. Mr. Chairman, I yield myself 1 minute.

I would like to say, Mr. Chairman, that we gain little help from arguing the merits of the original loan, particularly the merits of section 5 and section 6. I do not wish to go into those matters, but some things have been said which would, perhaps, justify my making this brief reference. The British loan legislation was not, as I recall it, a partisan matter. It probably had heavier support on our side of the aisle, but it had respectable support and outstanding and brilliant support from the other side of the aisle. As I recall, it had bipartisan support. Our former colleague from Michigan, Mr. Wolcott, our beloved friend from Michigan, was for the loan. The gentleman from Massachusetts [Mr. MARTIN], equally beloved, was for the loan. I could go on and enumerate others who supported it. But, what I am trying to say, Mr. Chairman, is I hope that we can confine our discussion to the merits of this new agreement under present conditions and judge it in that light. I will include in my remarks some figures which, I think, may be enlightening, and may make some Members feel better about it in the light of economic conditions.

Mr. GAVIN. If the gentleman will yield?

Mr. HAYS of Arkansas. I decline to yield at the moment.

Mr. GAVIN. I just want to say I will not feel any better about it.

Mr. HAYS of Arkansas. There has been a great deal of discussion as to why no security was required of the British when the original loan was made in 1946. I want to make it clear that it would have been impossible for the United States to have secured collateral in the United States to cover the entire loan. As of 1946 the total value of British-owned securities and direct investments in the United States amounted to only $1.475 billion. Of this amount $895 million was already pledged to secure other loans. Consequently, only $580 million would have been available as security to cover the original loan.

We have also heard considerable discussion here of the recent reductions in British taxes. Even after those reductions have been put into effect the British tax burden on the individual will be far heavier than the tax load in the United States. The following table gives a comparison between the tax burden on a British subject with two children and the tax burden on a similarly situated United States citizen:

Income tax

[Married man with 2 children, all income earned]

Income (after deductions but before personal and other exemptions)	Approximate United Kingdom tax before change	Approximate United Kingdom tax after change [1]	Approximate United States Federal tax
$5,000	$900	$900	[illegible]
$14,000	6,138	5,474	3,616
$28,000	16,798	15,423	7,441
$56,000	43,448	40,722	23,472

[1] Assuming 1 child aged under 12 and 1 child between 12 and 17.

Mr. VORYS. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we are met here today on a serious occasion, because while this Senate Joint Resolution 72 is small in amount of money and costs the United States Government nor the American people a dollar, it does have a very grave effect on the relationship of the countries that are in the North Atlantic Treaty Alliance.

If the Congress turns down this agreement that has been made to compose our differences with the United Kingdom we are saying that we are giving a vote of no confidence to the conservative Government of the United Kingdom to meet these proposed loan commitments.

Likewise, we may be upsetting the conservative Government of the United Kingdom if we in Congress vote no confidence, and I wish my friend from Pennsylvania would remember it. The present administration is a government that is stabilizing the finances of the United Kingdom and proposes to come out with a surplus in the 1957 fiscal year.

If the Congress turns down the extension of this credit, which is a mere postponement, we are then voting no confidence in one of the great Secretaries of the Treasury the United States Government has had, George Humphrey. He recommends it not as a foreign-policy matter but strictly as a matter of business. He states that it is to the interest of the United States people and to the United States Government that we go through with this compromise.

It must be remembered that there is a difference between cancellation and waiver of interest payments and postponement. Great Britain under the 1946 agreement has the right of application to the International Monetary Fund to get a certificate annually on very complicated provisions under section 5 and section 6 of the original agreement whereby the interest on the loan could be waived completely.

Secretary George Humphrey came before our committee and said that under the present uncertain terms there is some likelihood that Britain would be relieved of $2 billion interest payments between now and the year 2000. However, Mr. Humphrey recommends that if we postpone simply the payment by Britain of 7 annual interest and principal payments of the 43 yet to come and give her the right to pay them after the year 2000, that then Britain may not waive or cancel any interest payments and will agree to pay 2 percent interest on the interest payments postponed. That sounds to me like a pretty good compromise.

Here is the alternative, if we in Congress do not agree to get this obligation into the financial shape it should have been in originally with a straight obligation to pay principal and interest at 2 percent with the right of 7 annual postponements. Then the United States Government would, on each of the succeeding 43 years, have to go before the International Court of Justice at The Hague and submit its case saying that Britain owed the United States this interest. That court would then have to total up the exports and imports of Britain, its treasury balances for the previous 5 years, and come up with some sort of position whether Britain owed the interest money or did not.

Obviously, it is good business, as has been said here many times, to settle such a dispute. George Humphrey has said that if we go ahead with this compromise—

> I hope that you gentlemen will keep clear in your minds, that this is in no way an additional grant of aid or an additional grant of funds to Great Britain. It is not.

George Humphrey also says that this is strictly an adjustment of a contract provision that has nothing to do with foreign aid and nothing to do with foreign policy.

Likewise George Humphrey said that the proposition is a fair businesslike arrangement which comes as close to the spirit of the original agreement as is possible under present circumstances and that he urged that it be approved by our committee.

This compromise agreement has been approved by the Secretary of the Treasury and by the President of the United States. The President stated about this agreement in his message dated March 6, 1957, the following:

> The amendment to the agreement is a commonsense solution which attempts to carry out the spirit of the agreement in a way that is practical and fair to both parties.
>
> I recommend that the Congress enact legislation approving the action of the Secretary of the Treasury in signing the amendatory agreement on behalf of the United States.

I cannot understand some Republican Members on the floor of this House who are in the position of saying it is just the spenders, just the giveaway boys, just the ones who do not take care for our own country and United States citizens, who seem to favor this resolution. Why, it is the President of the United States of America, the head of our party, who favors this action. Secondly, it is the Secretary of the Treasury, Mr. George Humphrey, a Republican, who, I am sure, gives no money away to anybody and who is a good Secretary of the Treasury.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I would like to say that the gentleman is correct when he says this is a part of the program of President Eisenhower and Secretary Humphrey. It is very much an administration measure.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I would like to say that we ought to write it off, write off the interest and make it a part of the national debt. That is exactly what we are going to do anyway.

Write it off, put it on the national debt, and let those generations to come after assume the responsibility of paying it.

Mr. FULTON. I am sure that the gentleman from Pennsylvania and I, while we disagree on policy, are still good friends.

Mr. GAVIN. Very good friends indeed, except we disagree on our thinking on foreign-aid problems.

Mr. FULTON. I find myself in very good company. I agree with the heads of our Republican Party, and our minority Republican leader of the House [Mr. MARTIN] on this issue.

We must also realize that this proposed type of compromise has been passed on by the Canadian Government. The Canadian Government is agreeing to similar terms on the 1946 loan that they made to the United Kingdom, so that another government separate and apart from anybody who originally passed on it in our United States Government is likewise making this arrangement.

Mr. HAYS of Arkansas. Mr. Chairman, I yield the remainder of the time on this side to our distinguished Speaker, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, first I want to say that I think the explanation made of this resolution by the gentleman from Arkansas [Mr. HAYS] was one of the clearest, one of the best and one of the most convincing arguments I have heard in the House during this session of Congress. The remarks of the gentleman from Massachusetts [Mr. MARTIN] were also to me very persuasive.

Here we are, the greatest Nation upon the face of the earth. At least we like to boast that we are. The President is for this resolution, the Secretary of the Treasury of the United States states this is a good proposition. In the first place, I think it is a good business proposition. And, in the next place, I think from a diplomatic standpoint it is vitally necessary for our well-being that we pass this resolution. The President of the United States of America, it matters not who he is, is the voice of America, or America in international affairs has no voice. He has asked us to pass this resolution. I am pained to say that we have few enough friends in the world. I fear that we have fewer real friends in the world today than we have ever had in the history of this Government. Let us not throw away the ones we have.

Some people talk about England. Well, England took the shock. She was torn and bled before we ever arrived upon the scene. They showed a courage and a fortitude to stand for their rights and their liberties and the liberties of the world in a time and on an occasion that has been equaled few times in the history of the world that I have read. This is not forgiveness; this is simply a postponement. Do we want to say to those people, what was once the greatest power in the world and still one of the best and most useful friends we have in the world, when you are in troubled times, when your economy is not what you would like it to be, we will not help you over this bad situation by forgiving for a time the interest on the money that you owe us? It is inconceivable to me. Looking the world in the face, as we must, when we know that we live in a time of more danger to the things that we revere and that we love than at any time in the history of this country, do we not want to keep the friends we have and not kick them in the face when they are not in too good shape economically or politically, I might say. But, let us stay with the remainder of the friends we have in this world and vote for this resolution.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

> *Resolved, etc.*, That section 1 of the act of July 15, 1946 (60 Stat. 535; 22 U. S. C. 286i), is hereby amended by changing the period at the end thereof to a comma and adding the following "and the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, amending said agreement is hereby approved."

Mr. SHEEHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SHEEHAN: On page 1, line 8, after the period insert a comma and add the following: "with the exception that the 1956 interest payment due and held in a special account pending resolution of the waiver provisions, that this interest for 1956 must be paid into the United States Treasury."

Mr. VORYS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. The amendment is not germane to the bill. As I heard the amendment read, the amendment would attempt substantially to amend the provisions of the agreement, and neither under the law which is being amended nor under the present bill can the Congress act on the terms of the agreement. So that it is not germane.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. SHEEHAN. Yes, Mr. Chairman, I do. It simply adds language to language which is in the bill. The language on line 6 reads: "and the action of the Secretary of the Treasury in signing the agreement dated March 6, 1957, amending said agreement is hereby approved."

No agreement is approved up to this point until the Congress of the United States agrees to it. So, therefore, we can make any amendments or extensions or reductions in the agreement until such time as the Congress approves it.

The CHAIRMAN. The Chair is prepared to rule. It is difficult to tell what the effect would be but so far as the germaneness of the amendment is concerned, the Chair rules that the amendment offered by the gentleman from Illinois is germane, that it deals with the subject that is before us.

Mr. SHEEHAN. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mrs. GRIFFITHS. I object.

Mr. SHEEHAN. The purpose of my amendment is very simple. As I understand the bill $81.2 million for 1956 interest has been set aside in a special fund. It has already been paid into an escrow fund by Great Britain to the United States on the interest due for 1956. Under the provisions of this bill, if it passes, we will take this money which has already been paid by Great Britain, and has already been set aside, and return it to the British Government. That is my understanding of the 1956 interest escrow payment in present bill.

Where does that place us as citizens and as taxpayers? Yesterday the Government of Britain announced a $280 million tax reduction. Gasoline was reduced 14 cents a gallon. Admissions on movies were reduced. Families with smaller incomes and with dependent children and elderly people were given an additional exemption. Income-tax cuts have been given amounting to approximately 20 percent to families in the $5,000 to $10,000 yearly income bracket. This simply means that Britain is reducing taxes. We are then going to give more money to Britain to help them refund taxes to their own people.

Also bear in mind that the total amount of this reduction of $280 million approximates the savings that Great Britain made last week when she entered into a new nuclear defense program tied to the United States. In other words, we are going to contribute a good sum of money for nuclear defense of Great Britain, which she, in turn, is going to give to her people for tax relief.

We hear the argument about the British dollar reserves needing strengthening. Yesterday Peter Thorneycroft, the Chancellor of the Exchequer said dollar reserve in Great Britain have increased during the last 3 months without calling on "our International Monetary Fund standby or the Import-Export Bank line of credit."

In other words, Britain's dollar fund is increasing. They do not need our immediate help as some of the previous speakers would lead us to believe.

For the first time in 4 years the overall cost of government in Britain has been reduced. Why? Mainly because they have revamped their whole military setup. Within the next 5 years, they expect to reduce their military manpower by half, thus saving a great sum of tax money on their defense program.

Why do we have to refund money to Britain when she is going to refund that money to her taxpayers. Let us look at what is going to happen in Britain right now. If Britain gets back this

$81.2 million of interest she will otherwise have to pay, she will have that sum of money. Then she is contemplating, as I understand the situation, getting American foreign aid to the tune of $50 million for her domestic economy. Then I understand that Great Britain will get back from West Germany $140 million for the upkeep of British troops in Germany. You add those up: $81 million of interest which we will return to her as a gratuity from the American taxpayers, $50 million of contemplated American aid, and $140 million from West Germany. That is $271 million, which is nearly the sum that England is going to turn right back to her own people, which I do not blame her for, because looking at it from her standpoint, as Lord Thorneycroft so well said, "The answer to an overburdened economy is not to tax it but to relax it." Great Britain wants to relax her taxes and her economy and help her own citizens while we go about our merry way trying to give England more money and burdening our own taxpayers. I do not blame England for that. She is looking out for her own interests. As a Congressman I think I have to look out for the interests of my constituents and the interests of America.

I think if this resolution passes we certainly should not gratuitously refund the $81 million which England has already set aside for interest payments for 1956. They need no dollar balances at the present time to strengthen England's economy. For us to give back that money to Britain now would be giving her another outright grant or gift at the expense of the American taxpayers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Iowa.

Mr. GROSS. Is there any indication the British Government has cut back on the mail service to the people of Great Britain?

Mr. SHEEHAN. I think Great Britain brags about the fact she gives three deliveries of mail each day in her metropolitan centers.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SHEEHAN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. It certainly must be recognized that we have been considerate of the problems of the British people and the British Empire. We have contributed approximately $38 billion since World War I. That is a lot of money.

Mr. HAYS of Arkansas. Mr. Chairman, I wonder if we cannot reach an agreement to concluding debate on this joint resolution. Are there any other amendments at the desk?

The CHAIRMAN. There are no other amendments at the desk.

Mr. HAYS of Arkansas. Then, Mr. Chairman, I ask unanimous consent that all debate on the joint resolution and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved to the committee.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, does that cover a motion to strike out the enacting clause?

Mr. HAYS of Arkansas. No.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. I reserve my time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Did the gentleman from Minnesota reserve his time?

Mr. JUDD. I did.

The CHAIRMAN. The gentleman did.

Mr. GROSS. Mr. Chairman, I reserve my time.

The CHAIRMAN. If all Members reserve their time, the Chair will put the question on the amendment.

Mr. FULTON. Mr. Chairman, I seek recognition.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. There is one thing we should recognize about this loan. It has been a pretty good business deal for the United States so far because in September of 1949, the British devalued the pound sterling by 30 percent, devaluing the pound from $4.03 to $2.80. That meant that this loan went up in value in British pounds and that we can call on the British taxpayers to produce from the original $3,750,000,000 translated into pounds, the larger amount of $4,875,000,000 worth of pounds, as this United States loan increased in value in pounds sterling by 30 percent or $1,125,000,000 worth of pounds sterling. As a matter fo fact, when Britain devalued the pound sterling in 1949, she did get some concession because on debts owing to other foreign nations in pounds that amount of $12 billion loans was reduced by 30 percent in value. And on this $12 billion original amount of British foreign loans there was actually a $3 billion credit. But, the United States came up with a gain on this loan of $1,125,000,000 added value in pounds just through that action of Britain in devaluation of the pound in 1949.

The statement is made that Britain is paying less taxes. In 1956, the United Kingdom was paying 29.7 percent of her gross national product in taxes at all levels of government against the United States paying 26.1 percent of its gross national product. Likewise, you hear that gasoline taxes are being reduced in Britain. For example, that Britian's Chancellor of the Exchequer just took off the 28 cents per imperial gallon gasoline tax put on in December 1956, because of the Suez situation, but it was not stated that this action still leaves 35 cents a gallon tax on gasoline. Would you like to be paying high taxes like that as Federal taxes on gasoline in the United States? Of course not. So the citizens of Britain are still paying higher taxes than we are in the United States.

Britain certainly should not be criticized when their representative government plans to come up with a budgetary surplus reducing many necessary governmental services, because that is what many of us Republicans believe is good for our own country as well as Britain. That is what Secretary George Humphrey believes will continue in the future to make Britain a good credit risk.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. RIVERS. I have heard it said that they were the highest taxed people in the free world. Is that true?

Mr. FULTON. They are among the highest taxed people in the free world, but of course get many services in return that in other countries, are paid for by individuals personally. So that factor must be taken into account in each country when speaking of the tax level. As to taxes, we in this country are going to reduce taxes and Government expenditures, I hope. We in this House have already voted almost a billion dollars' worth of budget cuts to date in the 85th Congress. Possibly we in Congress can come up with a United States tax cut and it will help the whole free world and make our economy better. Rather than criticizing Britain for her tax cuts and balancing her budget and coming up with a surplus, I think she is to be congratulated. We in Congress should follow the same course of sound governmental fiscal policy.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, judging from the remarks we have heard here today, it would appear as though we have been rather indifferent to the problems and people of the world. Mr. Chairman, I cannot imagine any nation, at any time, at any place in the world, that has been more generous in their interest, help, and means to the unfortunate people of the world than this great Nation of ours. We have expended some $50 billion or more. Yet it has been indicated it was questionable how many friends we have in the world. Even though we have spent these tremendous sums of money, billions of dollars, we have but few friends. What have we contributed for the British?

In 1917 we gave the British as a World War I loan $8 billion.

In 1941 an RFC loan of $390 million.

In 1941 to 1945, on lend lease, $22 billion.

In 1946, postwar loans of $3,750 million.

In 1948 to 1950, Marshall-plan grants of $2,400 million.

In 1948 to 1950, Marshall-plan loans of $337 million.

In 1951 to 1956, defense-aid grants of $851 million.

Defense-aid loans of $48 million.

That makes a total from the United States to Britain of $37,776,000,000. These figures are from the U. S. News & World Report of March 22, 1957.

When these foreign-aid programs first came to our attention, you—not I—generously went along with them year after year. But today it would appear as though they are a part of our annual budget, the same as our Post Office Department, our Agriculture Department, our judiciary and every other branch of this Government.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. O'NEILL. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Pennsylvania.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MASON. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts [Mr. O'NEILL] is recognized.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. GAVIN. Now I am trying to point out that we have been supergenerous. We have been told that these programs would come to an end, but the giving goes on and on under various pretexts and reasons, and now there is talk of placing these programs on a 10-year basis or a regular part of our budget setup.

The folks back home—the taxpayers—have been writing asking for relief. Every time one of these programs, such as this debt deferment, comes up it appears that anyone in opposition is out of order. You are made to feel objectionable if you oppose any of these programs to effect any savings for the American people.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I cannot yield.

Mr. FULTON. I yielded to the gentleman.

The CHAIRMAN. The gentleman from Massachusetts has the floor. Does the gentleman from Massachusetts yield to the gentleman from Pennsylvania?

Mr. O'NEILL. The gentleman from Massachusetts does not yield.

Mr. GAVIN. When these various appropriations bills come before the House economy-minded people wanting to make a record back home offer amendments for cutting appropriations. But in the end they have been trivial. Do you remember that bill last week where the total amount cut out in committee was $65 million, yet when they got through with the bill in the House they had restored $50 million of the cuts? That is worth saving, however, when figured against the 71-thousand-million-dollar budget it is a small amount. This $138 million interest payment we are asked to defer is no small amount.

When you come in with the British loans, deferments of debt, and interest, we hear these masterful orations. For 10 years I have listened to them, and they go merily on. However, no relief is in sight or a tax cut for the American taxpayer, although the British just cut back taxes some $260 million.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORRIS] is recognized.

Mr. MORRIS. Mr. Chairman, it seems to me that the agreement entered into by the Secretary of the Treasury is at least very ambiguous.

Mr. GAVIN. Mr. Chairman, will the gentleman yield? I want to thank the gentleman.

Mr. MORRIS. I have only two minutes; I cannot yield.

Mr. GAVIN. I just want to thank the gentleman from Massachusetts.

Mr. MORRIS. May I read just one paragraph of this agreement. It says in part—now, this is the agreement that we are called upon by this resolution to approve, and it reads as follows:

> In addition the installment of interest in respect of the year 1956 is hereby deferred, in lieu of any right of waiver heretofore existing. This installment shall be paid on December 31st of the year following that in which the last of all other installments, including installments deferred under the preceding paragraph, is due.

The point I raise is this: Does that mean that there is a waiver as to the year 1956 or as to all years. Do you see the point? I think it is so ambiguous that the other contracting party, which is Great Britain, could come in and very easily assert that the only waiver they gave as to the payment of interest was the year 1956.

Now, if I am in error about that I would like to be corrected, but it seems to me that you are saying to this House that they have agreed to waive the right to disclaim the payment of all interest, whereas this agreement in fact indicates that they waive the right only to pay the interest for 1956.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, much has been said here in trying to make out a case about the friendship that we might make by this additional handout. Let us analyze that. How many friends are we going to make in Greece by giving another handout to Great Britain? How many friends are we going to make in the Island of Cyprus where the British are slaughtering 16- and 17-year-old Cypriote boys by this additional handout? How many friends are we going to make in Egypt at this critical hour with the fate of the Suez Canal being decided by paying for the British invasion of Egypt and the destruction of the Suez Canal and the bombing of innocent women and children in Egypt? How many friends are you going to make there?

There is something in the woodpile that is not being brought out. I will tell you what it is. The political situation in Great Britain is shaky as the result of the ill-advised invasion of Egypt. This bill is in the nature of a political bribe, just as the $200 million grant was made prior to the last election when the Tories were put into power. The Tories are on their last legs again. This is another political bribe with American money to bolster the Tories in power so that they will not have a vote of confidence or be compelled to call an election. For me, I do not care whether the Tories or the Laborites are in power in Great Britain and, what is more, I do not think it is any of our business. This is political interference of the worst kind.

What we are actually doing is bribing the people of England to maintain the Tory party in power, and that is all there is behind this bill, make no mistake about that.

We are beginning to interfere openly with bribes in the political and internal affairs of various nations. If you think you are making friends throughout the world with that kind of manipulation, you are just as mistaken as you can be.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, let me develop a little further on that point. You will recall in the last election, we did not know about it until it was all over in Great Britain, without any provocation, there was not any depression in Britain, there was not any financial crisis in Great Britain, our Government sent $200 million to Great Britain on the eve of an election so that the people could show they had a balance in their treasury and give the people of Britain additional tax cuts immediately before the election in order that they would go to the polls and vote for the Tories. That is what they did. This is just another foot in that direction.

You know and I know that before the invasion of the Suez Canal this matter was not even dreamed about. You know and I know before the question of whether or not the Tory government could survive, this matter of the loan was not thought of. Even after the invasion of the Suez Canal, that futile invasion, even after that this was not brought up, but when the question came up that the people of Great Britain in their anger might rise and throw the Tories out of power in the Government of Great Britain, then, immediately, the political manipulations of this Government got busy in the direction of offering another bribe, another political contribution to the Tories of Great Britain. That is what is behind this scheme.

We are actually adopting a policy now where the Government of the United States of America with financial handouts and bribes is going to start determining and dictating to the people of the various countries of the world what kind of government they shall have, what party shall be in power. If you think you are making friends in the world by interfering in the political affairs and the elections of the various countries throughout the world, Mr. Chairman, I repeat, if you think you are making friends, you have another guess coming. This is a most serious step we are taking.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I have heard a lot of curious analogies

in my times, but as the old saying goes, this gets curiouser and curiouser. Here is a charge that we are trying to bribe the British Government to keep the Tories in power, and the gentleman has charged that the administration that is doing this is the same administration, if you please, that practically forced, at the point of a gun, the British out of the Suez Canal in the first place and the same administration, if you please, which threatened the British with virtual extinction if they did not desist on the invasion when they tried to go back into the Suez Canal area and give the dictator, Nasser, what was coming to him. Now, the only argument that I have with the British and French about their invasion into the Suez is the fact that they did it in such a slow-motion way and that it was such an unsuccessful affair from the beginning to the end. Why, I am sure that some of the same people who are criticising the British now criticized Mr. Chamberlain when he went down to Munich with his bowler hat and his umbrella and bowed to the dictates of Hitler and tried to win friends by appeasement. Certainly we did not learn much by that. I did not know that this was all going to get into the argument of whether or not we should do business by appeasement, but if you are going to bring up such tenuous analogies as that, then I, for one, want to say that there is at least one Member of the House that is not for Dictator Nasser and who does not believe that you can achieve what the free world wants to achieve by appeasement. I have not heard the gentleman from Wisconsin get up and raise any voice about the contribution that we are making to clean out the Suez Canal. And, who sunk the ships in the Suez Canal? It was not the British. It was Mr. Nasser's troops on his orders who blocked the Suez Canal, and we are paying him to clean it out, or paying the biggest part of it, and we do not even have any word from Mr. Nasser that he will even let our ships go through if the chips are down and he decides he does not want us to. I wonder how the gentleman from Wisconsin [Mr. O'KONSKI] feels about that expenditure to make the Dictator Nasser a bigger and better dictator.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, we are going pretty far afield in this debate. We have been to Cyprus and to Egypt and to other points. No one in my district has any doubt as to where I stand on the matter of Cyprus. I believe with all my heart on the right of self-determination. Everyone in my district knows where I stand on Israel, which is our only hope in the Middle East. I am going to confine, however, my remarks to the amendment offered by my colleague, the gentleman from Illinois [Mr. SHEEHAN]. I do not think the payment of the interest due in 1956 should have been extended to year 2008. There is no justification for this, and I do think Secretary Humphrey should not so readily have assured the British that he could gain the consent of the Congress. But, unfortunately, the amendment offered by the gentleman from Illinois would strike the clause that waives on the part of Great Britain any rights she may have had under section 5. It states there that in addition, the installment with interest with respect to the year 1956 is hereby deferred in lieu of any right of waiver heretofore existing. In other words, from the condition of the new agreement, if Britain did have any rights under that section, that she waives them.

Mr. SHEEHAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Illinois.

Mr. SHEEHAN. The only purpose of my amendment is merely to make sure that the money Britain has already paid to us for interest remain in the United States and would not change any other part of the agreement, in my estimation.

Mr. FULTON. Britain has not paid the money. It is in the Federal Reserve Bank in New York in her own name.

Mr. O'HARA of Illinois. What I am afraid of, if you strike this, is that the consideration for any waiving of rights on the part of Great Britain has been stricken.

Mr. FULTON. The gentleman is right.

Mr. O'HARA of Illinois. Of course, I was concerned, and that is why I wish it might have been possible to have amended the agreement itself or have it rewritten. "The installment with interest with respect to the year 1956 is hereby deferred in lieu of any right of waiver heretofore existing." I doubt whether that includes the years prior to 1956. Nevertheless, I shall vote for the amendment of my colleague from Illinois because I think that payment of interest for 1956 should have been paid in 1956, as in previous years, and that such payment would have been made, as in former years, except for the conversations of 1956, which resulted in an assurance from Secretary Humphrey that Congress would agree to what he termed a bully fine settlement, postponing the payment of interest due in 1956 to the year 2008. That was the birthplace of the $2 billion myth.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, much of the debate today might give the impression that this agreement to change the terms of the British loan is all a one-way street; all giving by the United States and all getting by Britain. But if you examine the agreement, that is not true. Britain gets, but she also gives.

What does she get? Britain gets the right to waive the interest due last year which she has put in escrow in New York, and the right to defer both interest and principal repayments for 7 out of the next 44 years.

What does she give up? She gives up her right under the present agreement to waive interest payments every year for the whole 44 years of the agreement and never pay them at all. Furthermore she gives her pledge to pay ultimately all the postponed principal and interest and, in addition, interest on the postponed payments.

In her straitened circumstances, she unquestionably thinks that is necessary for her—otherwise she would not have signed it. It is much tougher than she originally proposed. But our side believed that overall it is good for us, too—otherwise our Secretary of the Treasury would not have signed it.

All the agreement does is to give a debtor that is in trouble an extension of time. Why? In part, because the alternative could be not just deferment of those payments, but loss of the whole loan.

The original agreement recognized that England's financial difficulties were such that she might require some relief. Those sections were put in with the idea that it might be necessary to modify her obligations. Now she is hard pressed in her foreign-exchange position. The formula to give her relief, as it was contemplated might become necessary, has proved unworkable. This resolution changes the formula, and that is all. It reduces certain obligations and increases others. It is completely in line with the spirit of the original agreement.

Are we more interested in heaping condemnation on Britain's head? Or in thinking about the American taxpayer? If the latter, we will vote for the resolution.

If the existing agreement was such a bad deal in 1946, as so many have said today, then, why are they determined to hang onto that bad deal? Why not accept this agreement and try to salvage all we can out of it?

I voted for it in 1946. Some think that was a mistake. But if it was, this resolution improves the situation. Why should we want to punish ourselves by rejecting it?

Is it not better to give a debtor in trouble merely an extension of time with no reduction of the amount due in the hope of collecting more of the loan, than to refuse to give him time and run the risk of getting much less or even nothing? Surely the former is the more sensible course from every standpoint.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, with reference to the Sheehan amendment, its purport is to amend the very terms of the new agreement entered into by our Government and the British Government. If we adopt that amendment we might as well not pass the resolution, because the whole agreement would have to be renegotiated, since the deferment of the 1956 payment, as shown on page 13 of our report, was part of the deal between the two Governments.

Mr. Chairman, just one other thing. I get tired of having aspersions cast on the patriotism, the good faith, and the good sense of the President, the Secretary of State, the Secretary of the Treasury, and the members of the Committee on Foreign Affairs every time a bill comes to this floor involving international relations. I want to assure my brethren that

the President of the United States, the members of his Cabinet, Secretary Humphrey, and members of our committee are just as patriotic as they are and are just as interested in our country and in our constituents when we deal with these matters involving international relations. What we have in mind all the time is what is best for the security and welfare of the United States of America and our constituents. Just because we do not go around here the way some of our brethren do parading our patriotism and pounding ourselves on the chests does not mean, and I hope everybody will remember it, that we are not just as patriotic as some of those who oppose these bills and who criticize us and the President and our whole Government every time one of these bills comes up.

Mr. LOSER. Mr. Chairman, I find myself in disagreement with a number of outstanding Members of the House. The resolution under consideration relieves the British of 7 annual payments of $138.4 million each for a period of 44 years. These annual payments of $138.4 million are installments on a loan of $3,750 million made in 1946.

The 7 annual installments to be postponed under the terms of the resolution are to be paid beginning in the year 2001. These annual installments are made up of both principal and interest.

It is of passing interest to note in the morning paper of this date that Britain's Conservative Government proposed in its 1957–58 budget a tax cut of $274,400,000.

It might be noted by American taxpayers that the tax cut proposed by the British is about 50 percent of the relief we propose to grant them under the resolution now under consideration.

If we forego these annual installments of $138.4 million the American taxpayer will in effect be paying 50 percent of the British tax cut proposed in their 1957–58 budget for at least a period of 7 years.

I am of the opinion that the resolution is not in the interest of the American people. I believe a tax cut is due American citizens before we grant relief to our British debtors.

I shall vote against the resolution.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS of Iowa moves that the Committee do now rise and report the joint resolution back to the House with the recommendation that the resolving clause be stricken out.

Mr. YATES. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. Is the motion in order, in view of the fact that the gentleman received time under the 5-minute rule?

The CHAIRMAN. The motion is in order.

Mr. GROSS. Mr. Chairman, I would say to the gentleman from Illinois that it was not the 5-minute rule; it was the 2-minute rule under which we often operate when a bill of this nature is before the House.

I had not intended to take any further time, but when the gentleman from Ohio [Mr. VORYS] raises the question of patriotism in matters dealing with international affairs and with loans to the British, it is time someone got up and informed him that he has no sinecure upon patriotism. I do not go around here pounding my breast, if the gentleman was alluding to me, but I have plenty of fault to find with foreign policy. I do not question the patriotism of the President of the United States, the Secretary of the Treasury, or anyone else who has had anything to do with this legislation. I do not question their patriotism but I do question their judgment just as I question the judgment of the gentleman from Ohio and he probably questions mine. There is a vast difference between questioning the patriotism and questioning the judgment of someone. That old saw has been used around here time after time and I for one am getting sick of it.

A few minutes ago the distinguished Speaker of the House took the floor and advised us that we might lose the friendship of the British, unless we approved this joint resolution. If our friendship, after all we have done for the British, the billions we have given them, hangs by the tenuous thread of a change in the formula for debt payment, if it hangs by that kind of a thread, we had better know it now.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Oklahoma.

Mr. MORRIS. As I understand it, the main argument being made as to why we should approve this joint resolution is that Great Britain will waive her right to disclaim paying interest. I call the gentleman's attention to this statement made in the agreement signed by the Secretary of the Treasury:

In addition, the installment of interest in respect of the year 1956 is hereby deferred, in lieu of any right of waiver hitherto existing.

Does that mean just as to the interest of 1956 or all interest, or is it an ambiguous statement that might mean anything?

Mr. GROSS. As far as I am concerned, this whole agreement is meaningless. We will get the money if the British want to pay it under the present agreement and we will get the money if they want to pay it under some other formula. If they do not want to pay; if they feel no moral obligation to pay their debts they will not pay. It is that simple. If you want to send an army over there to collect, and I do not advise such action, you can do that. But you will not collect unless the British want to pay, and I care not how many new formulas may be adopted.

I have no desire to prolong this debate, but I want to say just this, that we owe it to the people of the United States, to our constituents, to vote on the record on this proposal. I hope there will be enough Members standing to obtain a rollcall vote when this debate is ended.

The people of this country are entitled to know who among us votes to forget and forgive and put over to the year 2008 the principal and interest payments which the British owe us while the same British Government puts tax reductions into effect. The taxpayers of this country need relief, too, but they will never get it if Congress continues to yield to the siren song that friendship must be bought on the auction block with billions of dollars of American tax dollars.

This is in the nature of glorified blackmail and I refuse to have any part of it.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa.

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS] to close the debate.

Mr. HAYS of Arkansas. Mr. Chairman, I will try not to take the entire 5 minutes. The committee has been patient with me and I have done the best I could in presenting the bill.

Mr. Chairman, whether one takes the view that this ought to be approached in a bankerlike fashion or whether one feels it is a question of making a loan with some consideration for an old friend in difficulty, we come up with the same answer. The original loan undertook to base some concessions on a deteriorating situation. I would like to ask the committee to consider this point. Before you reach the language that sets out the terms that were embraced in the law—definite and clear at the time but very confused in the light of present conditions—before you reach that you have this clear statement of the attitude of the United States:

That the Government of the United States will grant the waiver if—

(a) The government of the United Kingdom finds that a waiver is necessary in view of the present and prospective conditions of international exchange and the level of its gold foreign exchange reserve.

That was the general principle upon which the waiver clause was based and it was because of that that the government of the United Kingdom came as early as 1953 and long before the Suez adventure to ask for a renegotiation of this clause. So this is not attributable historically to the unfortunate developments in that part of the world.

Now so much for that. Mr. Chairman, let me move quickly to this simple question about the amendment offered by my friend, the gentleman from Illinois [Mr. SHEEHAN]. The money to which he refers in his amendment, the interest installment, which is now in the Federal Reserve Bank in New York, is not under the control of our Government. It is a deposit in a special account. It cannot be turned into the Treasury of the United States without the consent of Great Britain. Because of that if one favors this amendment, in all honesty I must say he does not favor the resolution. A vote for the amendment is a vote against the resolution. If the amendment should prevail then there would have to be a renegotiation altogether of a new basis upon which payments might be made under the 1946 loan. For these reasons, I hope the amendment will not be agreed to.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. BONNER. I ask this question sincerely for purposes of information. Just how does the amendment affect the original resolution?

Mr. HAYS of Arkansas. You see the British did not intend to make this special account, this interest item of $81 million, an exception to this new agreement, or a new basis for claiming a favor or for claiming a postponement, and for that reason the adoption of any amendment which makes the approval of the Congress dependent upon the disposition of this special fund would, of course, mean the collapse of the agreement altogether.

Mr. BONNER. And the adoption of the amendment then would not defer for 1 year the effectiveness of the amendment and leave the amendment in effect?

Mr. HAYS of Arkansas. What does the gentleman mean by the amendment?

Mr. BONNER. Instead of the resolution becoming effective this year with respect to the moneys in the amendment, they would become effective next year. Is that not what the amendment would do? Is that not all that the amendment would do?

Mr. HAYS of Arkansas. No; if I may put it this way. If the amendment is adopted, the agreement would fall and it would all have to be renegotiated. There is no question about that.

Mr. O'NEILL. There is $138 million involved here. Why should there not be a renegotiation?

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Ohio.

Mr. VORYS. On page 13 of the committee report, you will find these words:

> In addition, the installment of interest in respect of the year 1956 is hereby deferred, in lieu of any right of waiver hitherto existing.

The Sheehan amendment strikes that part of the agreement out.

The CHAIRMAN. The time of the gentleman from Arkansas has expired, all time has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. SHEEHAN].

The question was taken and the Chair announced that the noes appeared to have it.

Mr. SHEEHAN. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. SHEEHAN and Mr. HAYS of Arkansas.

The Committee again divided and the tellers reported that there were—ayes 77, noes 136.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945, pursuant to House Resolution 225, he reported the Senate resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

Mr. VORYS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and ninety Members are present, a quorum.

The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the Senate joint resolution.

Mrs. CHURCH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 167, not voting 47, as follows:

[Roll No. 59]

YEAS—218

Abbitt	Forrester	May	Tuck
Addonizio	Fountain	Merrow	Ullman
Albert	Frelinghuysen	Metcalf	Vanik
Allen, Calif.	Friedel	Miller, Md.	Vorys
Arends	Fulton	Mills	Vursell
Ashley	Gary	Moore	Wainwright
Auchincloss	Gathings	Morano	Westland
Avery	Gordon	Morgan	Widnall
Ayres	Granahan	Morrison	Wigglesworth
Baldwin	Griffin	Moss	Wolverton
Bass, N. H.	Griffiths	Multer	
Bates	Hagen	Murray	
Beckworth	Hale	Neal	
Blatnik	Halleck	Norblad	
Boggs	Hardy	O'Brien, N. Y.	
Boland	Harris	O'Hara, Ill.	
Bolling	Harrison, Va.	Osmers	
Bolton	Haskell	Ostertag	
Bonner	Hays, Ark.	Passman	
Boykin	Hays, Ohio	Patman	
Boyle	Hesselton	Patten	
Breeding	Hiestand	Perkins	
Brooks, La.	Hill	Pfost	
Brooks, Tex.	Hillings	Pilcher	
Broyhill	Hoffman	Poage	
Burleson	Holifield	Poff	
Byrne, Pa.	Holland	Porter	
Byrnes, Wis.	Holmes	Powell	
Canfield	Holt	Price	
Cannon	Horan	Prouty	
Carnahan	Hosmer	Rabaut	
Celler	Huddleston	Radwan	
Chamberlain	Hull	Rains	
Chiperfield	Hyde	Ray	
Christopher	Ikard	Reece	
Chudoff	Jackson	Rhodes, Ariz.	
Clark	Jarman	Rhodes, Pa.	
Coad	Jones, Ala.	Riehlman	
Coffin	Jones, Mo.	Rivers	
Cole	Judd	Robeson, Va.	
Cooley	Karsten	Robsion, Ky.	
Corbett	Kean	Rodino	
Coudert	Kee	Rogers, Mass.	
Cramer	Kelley, Pa.	Rutherford	
Curtis, Mass.	Kelly, N. Y.	Sadlak	
Curtis, Mo.	Keogh	Santangelo	
Davis, Ga.	Kilburn	Saund	
Davis, Tenn.	Kilday	Scott, Pa.	
Dawson, Ill.	Kilgore	Scudder	
Delliay	King	Seely-Brown	
Dempsey	Kirwan	Selden	
Denton	Kitchin	Sieminski	
Devereux	Kluczynski	Sisk	
Dingell	Knutson	Smith, Miss.	
Dixon	Lanham	Smith, Va.	
Dollinger	Lankford	Spence	
Dooley	LeCompte	Stauffer	
Durham	Lesinski	Steed	
Dwyer	Long	Sullivan	
Edmondson	McCarthy	Taber	
Elliott	McCormack	Teague, Calif.	
Fallon	McFall	Teller	
Farbstein	McGovern	Tewes	
Fascell	McIntire	Thompson, N. J.	
Flood	Machrowicz	Thompson, Tex.	
Fogarty	Mahon	Thomson, Wyo.	
Forand	Mailliard	Thornberry	
Ford	Martin	Trimble	

NAYS—167

Abernethy	Feighan	Mumma
Adair	Fenton	Natcher
Alexander	Fisher	Nicholson
Alger	Flynt	Nimtz
Andersen, H. Carl	Garmatz	O'Brien, Ill.
Andresen, August, H.	Garsin	O'Hara, Minn.
Andrews	George	O'Konski
Ashmore	Grant	O'Neill
Bailey	Gray	Patterson
Baker	Gross	Philbin
Baring	Gwinn	Pillion
Bass, Tenn.	Haley	Polk
Bauhman	Harden	Reed
Beamer	Harrison, Nebr.	Rees, Kans.
Becker	Harvey	Riley
Belcher	Hébert	Roberts
Bennett, Fla.	Hemphill	Rogers, Fla.
Bennett, Mich.	Henderson	Rogers, Tex.
Berry	Herlong	Rooney
Betts	Hess	St. George
Boesch	Hoeven	Saylor
Bow	Jenkins	Schenck
Bray	Jennings	Scherer
Broomfield	Jensen	Schwengel
Brown, Ga.	Johansen	Scott, N. C.
Brown, Ohio	Johnson	Sheehan
Brownson	Jonas	Shelley
Budge	Kearns	Sheppard
Burdick	Keeney	Shuford
Bush	Knox	Sikes
Byrd	Laird	Siler
Byrne, Ill.	Landrum	Simpson, Ill.
Carrigg	Lane	Simpson, Pa.
Cederberg	Latham	Smith, Calif.
Chelf	Lennon	Smith, Kans.
Church	Lipscomb	Smith, Wis.
Clevenger	Loser	Springer
Collier	McConnell	Staggers
Colmer	McCulloch	Talle
Cooper	McDonough	Thomas
Cunningham, Iowa	McGregor	Thompson, La.
Cunningham, Nebr.	McMillan	Utt
Curtin	McVey	Van Zandt
Dague	Macdonald	Watts
Davis, Wis.	Mack, Ill.	Weaver
Delaney	Mack, Wash.	Wharton
Dennison	Madden	Whitener
Devereux	Marshall	Whitten
Donohue	Mason	Wier
Dorn, N. Y.	Matthews	Williams, Miss.
Dorn, S. C.	Meader	Williams, N. Y.
Dowdy	Michel	Willis
Evins	Miller, Nebr.	Wilson, Ind.
	Miller, N. Y.	Winstead
	Minshall	Withrow
	Morris	Young
		Zablocki

NOT VOTING—47

Allen, Ill.	Doyle	Miller, Calif.
Anderson, Mont.	Eberharter	Moulder
Anfuso	Engle	Norrell
Aspinall	Fino	Preston
Barden	Frazier	Reece, Tenn.
Barrett	Green, Oreg.	Rogers, Colo.
Bentley	Green, Pa.	Roosevelt
Blatch	Gregory	Scrivner
Bowler	Gubser	Taylor
Brown, Mo.	Healey	Teague, Tex.
Buckley	Holtzman	Tollefson
Chenoweth	Kearney	Udall
Cretella	Keating	Van Pelt
Dies	Krueger	Vinson
Diggs	McIntosh	Walter
	Magnuson	Wilson, Calif.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Dies against.

Mr. Reece of Tennessee for, with Mr. Taylor against.

Mr. Holtzman for, with Mr. Bowler against.

Mr. Keating for, with Mr. Bentley against.

Mr. Frazier for, with Mr. Fino against.

Mr. Aspinall for, with Mr. Krueger against.

Until further notice:

Mr. Rogers of Colorado with Mr. Allen of Illinois.

Mr. Anderson of Montana with Mr. Chenoweth.

Mr. Preston with Mr. McIntosh.

Mr. Anfuso with Mr. Scrivner.

Mr. Healey with Mr. Kearney.

Mr. Buckley with Mr. Wilson of California.

Mr. Engle with Mr. Tollefson.

Mr. Miller of California with Mr. Van Pelt.

Mr. Doyle with Mr. Gubser.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MERRIMACK RIVER FLOOD-CONTROL COMPACT

The SPEAKER. The Chair recognizes the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6092) granting the consent and approval of Congress to the Merrimack River flood-control compact, and for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent and approval of Congress is given to the Merrimack River flood-control compact between the States of Massachusetts and New Hampshire. Such compact reads as follows:

"Whereas the Federal Government exercises jurisdiction over the Nation's navigable rivers and their tributaries through passage of the Flood Control Act of 1936 and various other acts amendatory thereto; and

"Whereas these acts provide for construction by the United States of dams for flood control and, where feasible, in addition to flood control for storage of water to be used for irrigation, recreation, hydroelectric power, or for any of these purposes; and

"Whereas the Merrimack River is an interstate river and control of major floods on it can be obtained only by the construction of dams by the United States under authorization of the above-mentioned acts; and

"Whereas the Commonwealth of Massachusetts and the State of New Hampshire recognize that it is in the interest of their general welfare that the United States construct in the Merrimack River Valley a comprehensive system of local protection works and dams and reservoirs to control floods and prevent loss of life and property, the disruption of orderly processes and the impairment of commerce between the aforesaid States; and

"Whereas the United States has constructed dikes, flood walls and other local protection works at Nashua, in the State of New Hampshire, and at Haverhill, Lowell, and Fitchburg, in the Commonwealth of Massachusetts, and dams and reservoirs for the storage of floodwaters at Franklin Falls, Peterboro, and Webster, in the State of New Hampshire, and has prepared designs for dikes and flood walls and other local protection works at Lawrence and North Andover, in the Commonwealth of Massachusetts; and

"Whereas the Congress has at various times authorized construction by the United States of other dams and reservoirs for the storage of floodwaters in the State of New Hampshire and has more recently instructed the Corps of Engineers to determine what additional local protection works and dams and reservoirs are required for a comprehensive system to control floods in the Merrimack River and its tributaries; and

"Whereas it is believed that such a comprehensive flood-control system should include dams and reservoirs controlling flood runoff from approximately 30 percent of the total drainage area of the Merrimack River Basin and strategically located in reference to characteristics of tributaries and to damage centers; and

"Whereas dams and reservoirs to control 30 percent of flood runoff will be located in the State of New Hampshire and the major benefits from such dams and reservoirs will accrue to the Commonwealth of Massachusetts; and

"Whereas construction by the United States of additional dams and reservoirs in the State of New Hampshire, to complete such a comprehensive flood-control system, will remove from the tax rolls of local governments of the State of New Hampshire such property as is acquired by the United States and may work other hardships against the people of New Hampshire; and

"Whereas it is highly desirable that any flood-control dam and reservoir constructed by the United States in the Merrimack River Valley have the approval of the State of New Hampshire and the Commonwealth of Massachusetts and that the Commonwealth of Massachusetts benefiting from construction of such dam and reservoir make reimbursement for such loss of taxes and for such hardships; and

"Whereas a comprehensive system for the prevention of destructive floods and for water resources utilization in the Merrimack River Valley can best be accomplished by cooperation between the Commonwealth of Massachusetts and the State of New Hampshire and by and through a common and joint agency of said two States: Now, therefore

"The said Commonwealth of Massachusetts and State of New Hampshire do hereby enter into the following compact, to wit:

"ARTICLE I

"The principal purposes of this compact are: (a) To promote interstate comity among and between the signatory States; (b) to provide adequate storage capacity for impounding the waters of the Merrimack River and its tributaries for the protection of life and property from floods; (c) to provide a joint or common agency through which the signatory States, while promoting, protecting, and preserving to each the local interest and sovereignty of the respective signatory States, may more effectively cooperate in accomplishing the object of flood control and water resources utilization in the basin of the Merrimack River and its tributaries.

"ARTICLE II

"There is hereby created the Merrimack River Valley Flood Control Commission, hereinafter referred to as the commission, which shall consist of 6 members, 3 of whom shall be residents of the Commonwealth of Massachusetts, 1 of whom shall be a resident of the Merrimack Valley, and 3 of whom shall be residents of the State of New Hampshire.

"The members of the commission shall be chosen by their respective States in such manner and for such term as may be fixed and determined from time to time by the law of each of said States, respectively, by which they are appointed. A member of the commission may be removed or suspended from office as provided by the law of the State from which he shall be appointed, and any vacancy occurring in the commission shall be filled in accordance with the laws of the State wherein such vacancy exists.

"A majority of the members of each State shall constitute a quorum for the transaction of business, the exercise of any powers or the performance of any duties, but no action of the commission shall be binding unless at least two members from each State shall vote in favor thereof.

"The compensation of members of the commission shall be fixed, determined, and paid by the State which they respectively represent. All necessary expenses incurred in the performance of their duties shall be paid from the funds of the commission.

"The commission shall elect from its members a chairman, vice chairman, clerk, and treasurer. Such treasurer shall furnish to the commission, at its expense, a bond with corporate surety, to be approved by the commission; in such amount as the commission may determine, conditioned for the faithful performance of his duties.

"The commission shall adopt suitable by-laws and shall make such rules and regulations as it may deem advisable not inconsistent with laws of the United States, of the signatory States or with any rules or regulations lawfully promulgated thereunder.

"The commission shall make an annual report to the governor and legislature of each of the signatory States, setting forth in detail the operations and transactions conducted by it pursuant to this compact.

"The commission shall keep a record of all its meetings and proceedings, contracts and accounts, and shall maintain a suitable office, where its maps, plans, documents, records, and accounts shall be kept, subject to public inspection at such times and under such regulations as the commission shall determine.

"ARTICLE III

"The commission shall constitute a body, both corporate and politic, with full power and authority; (1) to sue and be sued; (2) to have a seal and alter the same at pleasure; (3) to appoint and employ such agents and employees as may be required in the proper performance of the duties hereby committed to it and to fix and determine their qualifications, duties, and compensation; (4) to enter into such contracts and agreements and to do and perform any and all other acts, matters and things as may be necessary and essential to the full and complete performance of the powers and duties hereby committed to and imposed upon it and as may be incidental thereto; (5) to have such additional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of either of said States, concurred in by the legislature of the other State and by the Congress of the United States.

"The commission shall make, or cause to be made, such studies as it may deem necessary, in cooperation with the corps of engineers and other Federal agencies, for the development of a comprehensive plan for flood control and for utilization of the water resources of the Merrimack River Valley.

"The commission shall not pledge the credit of the signatory States or either of them.

"ARTICLE IV

"The State of New Hampshire wherein is located the site of each of the following dams and reservoirs agrees to the construction by the United States of each such dam and reservoir in accordance with authorization by the Congress: (1) at West Hopkinton on the Contoocook River, controlling a drainage area of approximately 426 square miles, and near East Weare, on the north branch of the Piscataquog River, controlling a drainage area of approximately 64 square miles; and providing flood-control storage for approximately 6 inches of runoff over both

said drainage area; and (2) near Loudon on the Soucook River, controlling a drainage area of approximately 77 square miles and providing flood-control storage for approximately 6 inches of runoff over said drainage area.

"ARTICLE V

"The Commonwealth of Massachusetts agrees to reimburse the State of New Hampshire 70 percent of the amount of taxes lost to its political subdivisions by reason of acquisition and ownership by the United States of lands, rights or other property therein for the flood-control dams and reservoirs at Franklin Falls, Blackwater, and West Peterboro and for construction in the future of any flood-control dam and reservoir specified in article IV, and also for any other flood-control dam and reservoir hereafter constructed by the United States in the Merrimack River Valley.

"Annually, not later than November 1 of each year, the commission shall determine the loss of taxes resulting to political subdivisions of the State of New Hampshire by reason of acquisition and ownership therein by the United States of land, rights, or other property in connection with each flood-control dam and reservoir for which provision for tax reimbursement has been made in the preceding paragraph. Such losses of taxes as determined by the commission shall be based on the tax rate then current in each such political subdivision and on the average assessed valuation for a period of 5 years prior to the acquisition by the United States of such property; provided, that whenever a political subdivision wherein a flood-control dam and reservoir or portion thereof is located shall have made a general revaluation of property subject to the annual municipal taxes of such subdivision, the commission may use such revaluation for the purpose of determining the amount of taxes for which reimbursement shall be made in the paragraph next above. Using the percentage of payment agreed to in said paragraph, the commission shall then compute the sum, if any, due from the Commonwealth of Massachusetts to the State of New Hampshire and shall send notice to the treasurer of the Commonwealth of Massachusetts setting forth in detail the sums, if any, to be paid to the State of New Hampshire in reimbursement of tax losses.

"The Commonwealth of Massachusetts on receipt of formal notification from the commission of the sum which it is to pay in reimbursement for tax losses shall, not later than July 1 of the following year, make its payment for such tax losses to the State of New Hampshire, except that in case of the first annual payment for tax losses at any dam or reservoir such payment shall be made by the Commonwealth of Massachusetts not later than July 1 of the year in which the next regular session of its legislature is held.

"Payment by the Commonwealth of Massachusetts of its share of reimbursement for taxes in accordance with formal notification received from the commission shall be a complete and final discharge of all liability of the Commonwealth of Massachusetts to the State of New Hampshire for each flood-control dam and reservoir within the State of New Hampshire for the time specified in such formal notification. The State of New Hampshire shall have full responsibility for distributing or expending all such sums received and no agency or political subdivision shall have any claim against the Commonwealth of Massachusetts nor against the commission relative to tax losses covered by such payments.

"Whenever the Commonwealth of Massachusetts and the State of New Hampshire shall agree, through the commission, on a lump sum payment in lieu of annual payments and such lump sum payment has been made and received, the requirement that the commission annually shall determine the tax losses, compute sums due from the Commonwealth of Massachusetts and send notice thereof to the treasurer of the Commonwealth of Massachusetts, shall no longer apply to the aforesaid States with respect to any flood control dam and reservoir for which lump sum payment has been made and received.

"The Commonwealth of Massachusetts agrees to pay the State of New Hampshire its respective share in reimbursement, as determined by the commission under the procedure following, for economic losses and damages occurring by reason of ownership of property by the United States for construction and operation of a flood control dam and reservoir at any site specified in article IV, and for any other flood control dam and reservoir constructed hereafter by the United States in the Merrimack River Valley: *Provided, however*, That no reimbursement shall be made for speculative losses and damages or losses or damages for which the United States is liable.

"On receipt of information from the chief of engineers that request is to be made for funds for the purpose of preparing detailed plans and specifications for any flood-control dam and reservoir proposed to be constructed in the Merrimack River Valley, including those specified in article IV, the commission shall make an estimate of the amount of taxes which would be lost to and of economic losses and damages which would occur in political subdivisions of the State of New Hampshire wherein such dam and reservoir would be located, wholly or in part, by reason of acquisition and ownership by the United States of lands, rights or other property for the construction and operation of such flood control dam and reservoir and shall decide whether the flood control benefits to be derived in the signatory States from such flood control dam and reservoir, both by itself as a unit of a comprehensive flood control plan, justifies in the opinion of the commission, the assumption by a signatory State of the obligation to make reimbursement for loss of taxes and for economic losses and damages. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as the United States shall have acquired title to the site of such flood control dam, or plans for its construction are abandoned. The commission shall notify the governor, the Members of the United States Senate and the Members of the United States House of Representatives from each signatory State, and the chief of engineers as to the commission's decision and as to any change in such decision.

"On receipt of information from the Chief of Engineers that any flood-control dam and reservoir is to be constructed, reconstructed, altered or used for any purpose in addition to flood control, including those flood-control dams and reservoirs heretofore constructed and those specified in article IV, the commission shall make a separate estimate of the amount of taxes which would be lost to and of economic losses and damages which would occur in political subdivisions of the signatory State wherein such dam and reservoir would be located, wholly or in part, by reason of acquisition and ownership by the United States of lands, rights, or other property for the construction and operation of such dam and reservoir in excess of the estimated amount of taxes which would be lost and of the economic losses and damages which would occur if the dam were constructed and operated for flood control only, and the commission shall decide the extent to which, in its opinion, the signatory States would be justified in making reimbursement for loss of taxes and for economic losses and damages in addition to reimbursement for such dam and reservoir if constructed and used for flood control only. Such estimate and decision shall thereafter be reviewed by the commission at 5-year intervals until such time as such dam and reservoir shall be so constructed, reconstructed, altered or used, or plans for such construction, reconstruction, alteration or use are abandoned. The commission shall notify the governor, the Members of the United States Senate and the Members of the United States House of Representatives from each signatory State as to the commission's decision and as to any change in such decision.

"Within 30 days after acquisition by the United States of the site of any flood-control dam the commission shall proceed to make a final determination of economic losses and damages occasioned by such dam and reservoir. The commission shall not include in such determination either speculative losses and damages or losses and damages for which the United States is liable.

"The commission shall compute the share the Commonwealth of Massachusetts shall pay to the State of New Hampshire by multiplying the sum of such losses and damages, as previously determined, by the percentage of flood control benefits which the Commonwealth of Massachusetts receives of the flood control benefits resulting from the dam and reservoir.

"The commission shall send a notice to the treasurer of the Commonwealth of Massachusetts setting forth in detail the sum, if any, the Commonwealth of Massachusetts is to pay to the State of New Hampshire in reimbursement for economic losses and damages and shall also send such notice to the treasurer of the State of New Hampshire.

"The Commonwealth of Massachusetts on receipt of such formal notification by the commission shall pay its share of such economic losses or damages to the State of New Hampshire. Full payment by the Commonwealth of Massachusetts of the sum specified in such formal notification from the commission as to the amount of economic losses and damages for which the Commonwealth of Massachusetts is to make reimbursement shall be a complete and final discharge of all liability by the Commonwealth of Massachusetts to the State of New Hampshire for economic losses and damages for each flood control dam and reservoir within the said State designated in such formal notification. The State of New Hampshire shall have full responsibility for distributing or expending all such sums received and no agency, political subdivision, private person, partnership, firm, association, or corporation shall have any claim against the Commonwealth of Massachusetts nor against the commission relative to such economic losses and damages.

"The State of New Hampshire may, in agreement with the commission and the chief of engineers, acquire title or option to acquire title to any or all lands, rights or other property required for any flood control dam and reservoir within its boundaries and transfer such titles or options to the United States. Whenever the fair cost to said State for such titles or options, as determined by the commission, is greater than the amount received therefor from the United States, the Commonwealth of Massachusetts shall pay its share of such excess cost to said State of New Hampshire, such share to be determined by the commission in accordance with procedure herein contained for determining reimbursement for economic losses and damages.

"Whenever the commission shall not agree, within a reasonable time or within 60 days after a formal request from the governor of the State of New Hampshire or the Commonwealth of Massachusetts, concerning reimbursement for loss of taxes or for economic losses and damages at any flood control dam and reservoir heretofore or hereafter constructed by the United States in the Merrimack River valley, or concerning the extent, if any, to which reimbursement shall

be made for additional loss of taxes and for additional economic losses and damages caused by construction, reconstruction, alteration or use of any such dam for purposes other than flood control, the governor of each signatory State shall designate a person from his State as a member of a board of arbitration, hereinafter called the board, and the members so designated shall choose one additional member who shall be chairman of such board. Whenever the members appointed by the governors to such board shall not agree within 60 days on such additional member of the board, the governors of such signatory States shall jointly designate the additional member. The board shall by majority vote decide the question referred to it and shall do so in accordance with the provisions of this compact concerning such reimbursement. The decision of the board on each question referred to it concerning reimbursement for loss of taxes and for economic losses and damages shall be binding on the commission and on each signatory State, notwithstanding any other provision of this compact.

"ARTICLE VI

"Nothing contained in this compact shall be construed as a limitation upon the authority of the United States.

"ARTICLE VII

"The signatory states agree to appropriate for compensation of agents and employees of the commission for office, administrative, travel and other expenses on recommendation of the commission subject to limitations as follows: The Commonwealth of Massachusetts obligates itself to not more than $17,500 for the first year and to not more than $14,000 in any 1 year thereafter, the State of New Hampshire obligates itself to not more than $7,500 for the first year and to not more than $6,000 in any 1 year thereafter.

"ARTICLE VIII

"Should any part of this compact be held to be contrary to the constitution of either signatory State or of the United States, all other parts thereof shall continue to be in full force and effect.

"ARTICLE IX

"This compact shall become operative and effective when ratified by the Commonwealth of Massachusetts and the State of New Hampshire, and approved by the Congress of the United States. Notice of ratification shall be given by the governor of each State to the governor of the other State and to the President of the United States, and the President of the United States is requested to give notice to the governors of the Commonwealth of Massachusetts and the State of New Hampshire of approval by the Congress of the United States."

SEC. 2. The right to alter, amend, or repeal this act is expressly reserved.

Mr. BATES. Mr. Speaker, I welcome this opportunity to emphasize the urgency of this proposed legislation which would grant the consent and approval of Congress to the Merrimack River flood-control compact entered into between the States of Massachussetts and New Hampshire.

The Sixth Congressional District which includes Haverhill, Methuen, Newburyport, and smaller municipalities is vitally affected by this legislation, and many of the residents of my district have experienced the ravages of floodwaters in recent years. The city of Haverhill has been hard hit in the past, and the losses sustained by this great shoe manufacturing center have been tremendous. In the city of Newburyport, the water system has been threatened at various times, and the resulting health menace has been a very serious one.

The year 1955 is regarded as one of the worst natural disaster years in the history of our Nation. Hurricanes, floods, and tornadoes swept over large sectors of the country, causing loss of lives in the thousands and the destruction of billions of dollars of property.

We know that part of this tragic loss could have been averted by flood control. The lesson has been a costly one and it is imperative that we plan immediately for the future. I urge your prompt and favorable action on this measure, as a vital step in the adequate control of destructive floodwaters in the Merrimack River area. The harnessing of waters in that area will save human life, as well as property and contribute to the natural development of the valley.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. LANE. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MERRIMACK RIVER FLOOD-CONTROL COMPACT

The SPEAKER. Under the previous order of the House the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I merely wish to express my great pleasure that the Merrimack River flood-control compact bill reported out by the Committee on Public Works, introduced by the gentleman from Massachusetts [Mr. LANE] has just passed the House. I thank all concerned. I am grateful to my colleague the gentleman from Massachusetts [Mr. LANE] and to the chairman of the committee the gentleman from New Mexico [Mr. DEMPSEY] and all of his committee on both sides who unanimously reported the bill to the House. I have spoken a number of times of the great necessity to have this flood-control work go ahead in the Merrimack Valley. The authorization has been in effect for some time and they can go ahead immediately as soon as they get the money. They have $50,000 now for plans which may last until the end of the fiscal year June 30. They need some $600,000 in order to go ahead with the work after that. In the Merrimack Valley there are two rivers in Lowell, where I live, the Concord and the Merrimack. We have had a bad hurricane and several bad floods, so we must have flood protection. General Fleming, of the United States Army Engineers, says the Merrimack work is the most important in New England at the present time—that we are sitting on a buzz saw. The Concord flows into the Merrimack making the potential danger very great.

COMMITTEE ON APPROPRIATIONS

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the House Committee on Appropriations may have until midnight Friday to file 3 reports on 3 appropriation bills.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I reserve all points of order on these bills.

AMENDMENT OF NATURAL GAS ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, today the gentleman from Minnesota [Mr. O'HARA], a ranking minority member of our Committee on Interstate and Foreign Commerce, and I, are introducing companion bills to amend the Natural Gas Act of 1938.

This proposed bill is radically different from the bill which passed the Congress last year that would have freed producers of natural gas from Federal regulation which was vetoed by the President.

It, in fact, establishes necessary administrative procedure for the regulation and control of natural gas including producers' prices.

It is, in fact, a regulatory measure setting up methods, and a formula, by which the Federal Power Commission would administer the program.

When the Natural Gas Act of 1938 was passed there was no thought or intention of controlling producers of natural gas and therefore no method or procedure was included by which such controls would be effectuated. Notwithstanding this fact the Supreme Court in 1954 held, contrary to legislative history and the intent of Congress, that the prices paid to the producers for natural gas were subject to the act and thus Federal regulation.

Since this concept seems to be the national policy, it is essential and imperative that a practicable and workable plan for regulation be provided.

When the President vetoed H. R. 6645 on February 17, 1956, in the last Congress, he said that he "must make it quite clear that legislation conforming to the basic objectives of H. R. 6645 is needed. It is needed because the type of regulation of producers of natural gas which is required under present law will discourage individual initiative and incentive to explore for and develop new sources of supply."

He further said in the veto message that—

> In the long run this will limit supplies of gas which is contrary not only to the national interest but especially to the interest of consumers.

Then the President added this paragraph:

> I feel—

He said—

that any new legislation, in addition to furthering the long-term interest of consumers in plentiful supplies of gas, should include specific language protecting consumers in their right to fair prices.

On February 23, 1956, just a few days after the veto the President sent a personal letter to me, mentioning his reasons for the veto and advising that he concluded that the legislation should not be approved, and "most regretfully" because "I agree with you as to the need for legislation of this type."

In his budget message submitted to the Congress January 16, the President again said that such legislation was needed and so recommended to the Congress.

In this recommendation he emphasized five reasons why it was necessary. He said in recommending this type of legislation that it was needed because:

1. It is essential that consumers of natural gas be protected.
2. We must endeavor to make sure that there will be continued exploration and development of adequate supplies of gas.
3. That producers' sales prices are arrived at fairly and competitively.
4. Legislation freeing gas producers from public utility-type regulation is essential if the incentives to find and develop new supplies of gas are to be preserved.
5. Sales of gas to interstate markets are not to be discouraged to the detriment of both consumer and producers, as well as the national interest.

Then, just a few days ago, March 27, the President said in his weekly press conference in response to a question from a reporter, "that legislation in this field is absolutely essential."

Therefore, Mr. Speaker, pursuant to the recommendation of the President on these several occasions, my colleague [Mr. O'HARA] and I are presenting these bills to carry out his, the President's, stated objective. I am sure it is not altogether satisfactory to everyone, even in the industry, but it seems to be the best approach to a difficult problem under established policy.

Let me very briefly explain this new type legislation.

WHAT THE BILL DOES

The bill amends the Natural Gas Act to provide for a new method of regulating the prices at which producers sell natural gas to interstate gas pipeline companies—these companies are called natural gas companies in the Natural Gas Act—a method which is administratively workable and which, it is believed, will empower the FPC to control such prices in a manner which is fair and just to all segments of the industry, as well as the consuming public. Such prices would be regulated on the basis of a reasonable market price standard under which natural gas would be treated as a commodity, and the Natural Gas Act would not otherwise apply to producers.

Since the decision in the Phillips Petroleum Co. case in 1954, the FPC has had to labor under a staggering administrative burden in trying to regulate natural-gas sales by thousands of producers under provisions of law designed for the regulation of public utility companies. This, of course, has resulted also in the placing of heavy burdens on producers.

The purpose of this legislation is to lessen these burdens without weakening the essential protections intended to be afforded by the present law.

The bill has six sections, and the first section merely gives the bill a short title.

Sections 2, 3, and 4 make amendments to the Natural Gas Act.

Sections 5 and 6 do not amend the text of the act, but are provisions dealing with problems arising in connection with pending price-determination proceedings and the transition from the existing to the new method of controlling the rates at which producers sell to interstate pipeline companies.

There are several differences between this bill and the bill (H. R. 6645) vetoed by the President in the 84th Congress, the most important of which are explained below.

Except to a limited extent, H. R. 6645 did not provide for direct controls over the prices paid to producers by interstate pipeline companies.

The basic plan and theory of H. R. 6645 was to provide that an interstate pipeline company, for purposes of the rates it charged when it sold gas to the local distributing companies, could not expense the gas it bought from a producer at a price above a reasonable market price—even though it may have actually paid more to the producer. It was felt that this would operate to keep producer prices from rising too high, for the following reasons: To the extent that pipeline companies paid prices in excess of reasonable market prices, the excess could not be passed on to consumers; and therefore the pipeline companies could not afford to contract, and would not contract, to buy gas from producers at prices higher than reasonable market prices.

The new bill makes a more direct approach to the problem—one which not only will be more effective to insure protection of consumers from excessive prices but will be administratively more practicable.

Producers sell natural gas to interstate pipeline companies under contracts—and for the purposes of the new bill these contracts are treated as being of two classes, "new producer contracts" or "existing producer contracts," depending on whether they were entered into after or prior to enactment of the bill.

The bill provides that certain kinds of price escalator clauses—the ones which, as became evident during the hearings held in the 84th Congress, are generally regarded as objectionable—may not be included in new producer contracts.

It provides that every new producer contract must be filed with the FPC within 30 days after it is executed, and ample opportunity is given to interested persons and public authorities to secure an FPC hearing and determination as to whether the "definite pricing clause"—this term is defined to mean any provision in a producer contract stating specifically the price to be paid thereunder, including not only the initial price but also any "step-up" increases, stated in specific amounts, which are to occur later at specific times. The term also includes tax reimbursement clauses—of the contract is in excess of the "reasonable market price" of the gas being sold. If the price is found to be higher than the reasonable market price, the contract will be void.

Also, a new producer contract will be void if the FPC finds, after hearing, that it contains (a) an "escalator" clause of any of the "outlawed" types referred to above, (b) any type of "indefinite pricing clause"—this term is defined to mean any provision in a producer contract, other than a definite pricing clause, under which the price of gas sold under the contract may be determined or changed—which, in the judgment of the FPC, is contrary to the public interest, or (c) any provision which shortens the duration of a producer contract.

Special attention is called to clause (b) above. In making a new producer contract void on the ground therein specified, the bill goes much further than did H. R. 6645 in affording a means by which the FPC may keep the prices of sales by producers within reasonable bounds.

FPC jurisdiction will extend, under the bill, to all price increases which occur in the future as the result of the operation of "indefinite pricing clauses" in producer contracts—whether they are "new producer contracts" or "existing producer contracts." The bill provides prohibitions and procedures to prevent such price increases from going above the "reasonable market price" of the gas.

The bill gives no FPC jurisdiction over the prices provided for by "definite pricing clauses" in existing producer contracts—but it should be pointed out that any future amendment to an existing producer contract is a "new producer contract" under the bill.

The bill sets forth in detail, in a separate section, the principles which are to control in the determination under the bill of "reasonable market prices" of natural gas. It is made clear that such prices are not to be determined on the basis of a public utility rate base cost-of-service concept or formula.

POSTMASTER GENERAL SUMMERFIELD

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MAY. Mr. Speaker, I could not help being deeply impressed with the debate which occurred yesterday over the supplementary appropriation for the Post Office Department requested by Postmaster General Summerfield.

I believe, in essence, there are two very important factors involved in the situation with which the House must now come face to face. First, we must consider our responsibility to the American people in the light of what is proper and necessary in regard to the continuation of the operation of the postal service. It is the duty of the Congress to maintain this service at the highest possible level, and increase the facilities and service in

direct proportion to our rapidly expanding population and economy.

The second consideration is one that every Member of Congress is very much aware of today, and should be very much aware of, the great desire on the part of the American people for economy in the operation of the Federal Government. We must analyze the problem of the supplementary appropriation for the Post Office Department with respect to these two important considerations—service and economy.

Over the past 4 years, it has been my observation that Postmaster General Summerfield has effected many economies of operation, resulting in effective postal service to the people, plus the fact that during the last 2 fiscal years he was able to return substantial amounts to the Treasury. This has been a monumental task, because the Congress has not faced up to the need for sufficient revenues for this Department. He has now come before the Congress requesting a supplementary appropriation of $47 million. In the light of the rapidly increasing requirements for postal service, it is not too difficult to understand why this money is necessary.

Mr. Speaker, I do not pretend to be an expert on postal matters, but since my election to Congress, I have become increasingly aware not only of the need for maintaining efficient postal service, but of the very urgent need for increasing the service of the Post Office Department to the American people. In my district alone, the population is increasing rapidly; it now stands around 640,000. I have a number of towns crying for additional postal facilities.

Many of these rapidly growing towns, such as Hamardville, Conn., have practically no delivery of mail at all. The residents must often drive considerable distances to pick up their mail at a post office box.

For the Congress to consider taking action at this time to cause a curtailment of postal services would, in my mind, not be in the best interest of the country, and while it may effect economy for a very short period of time, the long-run effect would certainly be detrimental to the economy as a whole. There is no doubt that the Post Office Department and the service it performs is one of the most basic functions of the Federal Government. It is an economic function, because transmission of the ideas and problems of economic enterprise through the mails is of vast importance to our free enterprise economy. The facility with which the mails carry communication of the transaction of business is a great contributing factor to the economic development and growth of this country. We need to expand the postal service, not curtail it.

I am opposed to a cut in postal services. I believe that the Postmaster General has made his case quite clear, and has effectively demonstrated the need for the money. I do not believe that the gentleman from Missouri has the right to determine by himself the balance between economy and service. This is the right of all the members of the Congress. I urge very strongly, at this time, that the supplementary appropriation be immediately reported from the Appropriations Committee, so that all the Members of the House of Representatives have an opportunity to express their convictions as to whether or not we have a proper standard of postal service.

THE ARMY'S CASE AGAINST ITSELF

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, a series of somewhat sensational press releases, reprinted in most of the Washington papers on Monday, the 8th of April, called my attention to an article in the current Esquire magazine for May 1957. This article is entitled "The Army's Case Against Itself" and is sandwiched in between a sketch of Broadway's Hottest New Director and a photo essay, The Corset History, starring Tina Louise. The author of this critique of the Army is Garrett Underhill.

In spite of the tremendous buildup given Mr. Underhill in advertising plugging this exposé, and adjacent to the article itself, I have been unable to find his biography. He is not listed in Who's Who in America, volume 28, for 1954 and 1955, or volume 29, for 1956 and 1957, or any other source of impartial biographies available to me.

The glowing biography of the author which is furnished in connection with the Esquire article is as follows:

Garrett Underhill is a well-known military analyst, specialist in weapons, and one of the United States leading authorities on Soviet armed forces. He has seen service as a General Staff officer in both World War II and Korea. Both times he served as a military intelligence officer, becoming chief editor and doubling as manager of the Army handbook program on foreign forces during Korea. He has been a military correspondent for national magazines since before World War II, and is a frequent contributor to such semiofficial publications as Armor, Air Force, Marine Corps Gazette, and the National Guardsman. Mr. Underhill resides in Washington, where he maintains close personal liaison with top United States and foreign military men, and last spring served as special consultant to the coordination group of officers in the Office of the Army Chief of Staff, which was seeking ways to modernize the Army. Presently he is a weapons consultant to private industry. He has been described by several prominent military experts as one of the best-informed men on the Army, whether in or outside the military.

Beyond the information that Mr. Underhill holds the rank of major in the Army Reserves and was employed for 43 days a year or so ago on a writing project for the Army, I have not been able to establish the qualifications of the author.

Mr. Underhill charges that the shockingly weak condition of the United States Army is similar to that of the Army in Korea in 1949—its very weakness is an open invitation to Communist aggression and ensuing disaster.

Mr. Speaker, I take the floor today because the conclusions presented in this incendiary article are so different from those I was able to draw as a result of attending the 2-day demonstration at Fort Benning last weekend that I can hardly believe Mr. Underhill is completely informed on all the phases of military planning, personnel, instruction, operation, and materiel which he discusses so glibly and so profitably for Mr. Underhill.

In his article, Mr. Underhill states:

The Army's decay has caused many of our military leaders to start making radical plans for change. For example there are some top officers in the Air Force planning staff who sincerely feel that the Army is in such a bad state that it should either be abolished or merged with the Marine Corps, and they are working on ways and means to accomplish this. These plans call for the Army's functions to be reduced to guarding antiaircraft installations such as the Nike ground-to-air missiles, and providing a force that could be mobilized for civil defense in time of disaster. The Marine Corps with their three combat-ready divisions would provide the "fire department" force needed to put out brushfire wars.

At 8 o'clock on Friday morning, April 5, a group which included 2 Senators and about 22 House Members left Bolling Field for a 2-day demonstration at Fort Benning, Ga. The inspection party was accompanied by the Secretary of the Army Wilber M. Brucker; Assistant Secretary of the Army, Dewey Short; Assistant Secretary of the Army, Hugh M. Milton; and Maj. Gen. J. H. Michaelis, Chief of the Office of Legislative Liaison of the Army. What these Members of Congress saw at Fort Benning in 2 days of concentrated demonstrations by the United States Army Infantry School was quite different from what Mr. Underhill describes. What this group learned of the tactical doctrine of the Army as presented by representatives of the Continental Army Command in their classified presentation, the Army of the Future, indicates very clearly that in an effort to sell his article, Mr. Underhill has evidently overreached himself and gone somewhat beyond the basis of factual presentation. In other words, the Army as I saw it last Friday and Saturday at Fort Benning looked somewhat more formidable than does Mr. Underhill's sketchy case in the May Esquire.

Mr. Underhill's article is written without any regard for the overall limit on the amount of money which the United States finds it possible to spend in modernizing any one element of its defense. It is significant that early in his essay he makes the statement:

Last January the Army announced the Infantry ones (divisions) would be reorganized into "pentomic" (5-union) form, maybe this year, although the necessary light-armored transport and new artillery is totally lacking. The 4 armored divisions will remain the same except for different artillery organization. It's worth noting the British disagree thoroughly with the way in which United States forces will be reorganized; as for the Soviets, they reformed 65 of their divisions into "pentomic" tank and mechanized divisions in 1947–49.

It is also significant to notice that since Mr. Underhill wrote this article, the British Government has announced that it is plunging from one extreme to

another. It is rather obvious that by overextending herself militarily Great Britain has jeopardized her economic health and is now forced to undertake drastic defense cuts which may have a tendency to weaken NATO forces to a point of great danger for the rest of her allies. Certainly the announcement of the British Cabinet that they intend to abolish conscription 3 years from now places Great Britain's Army in a position where it obviously does not have the vigor and health of our own Military Establishment which has proceeded along more moderate lines commensurate with long-range planning for an unlimited cold-war situation. On the basis of his 43 days as special consultant to the coordination group, Mr. Underhill may feel qualified as an ordnance and weapons expert but his deficiencies as a long-range planner crop up frequently.

Those of us who attended the Benning demonstration were impressed time and time again by Army's frank presentation of the need of the Army for more modern Army weapons and equipment. We saw a demonstration of the modified 8½ pound Garand M-1 rifle and the Belgian Fabrique-National rifle, the FNT-48. This last rifle fires the NATO standardized ammunition which is of a different caliber than that used by the United States military rifles up to the present. At a time when vast sums of money are being skillfully placed in the research and development field for the perfecting of rockets, guided missiles, and other new battlefield weapons with atomic potential, it is difficult for me to see the sense behind Mr. Underhill's implied suggestion that we scrap every rifle we own now, dispose of the millions of rounds of ammunition available and spend billions to meet these new NATO standards. It is obviously easy for a nation with few arms and little ammunition to change its caliber of ammunition overnight with minimal loss. It is not so simple for us.

The congressional group visiting Fort Benning also saw demonstrations of machine guns and automatic rifles. Mr. Underhill says, and I quote:

> Theoretically, it is possible to build small arms of a revolutionary character—Buck Rogerish weapons that need no cartridge or ejection mechanism and propel bullets toward a target at fantastic velocity. The Department of Defense has denied the Army funds needed to explore this and other progressive concepts.

This may well be true, but I cannot help but note that Mr. Underhill does not discuss in any detail the combat capabilities of such weapons and whether these fantastic characteristics would have any actual value in a combat situation with the mission normally assigned such automatic weapons. In this paragraph Mr. Underhill clearly advocates that the Army spend money developing "Buck Rogerish" weapons. Later on in his case he takes exactly the opposite position when he criticizes the Army for refusing "to buy a proven weapon because a better one has arrived in the drawing board":

> The Russians haven't bothered to wait for any such jumps. In the last few years they've been reequipping their troops with a whole new family of infantry weapons—a new light rifle, a new "burp" gun, and a new light machinegun. All these fire a new lightweight cartridge.

This is the sole justification Maj. Garrett Underhill advances for scrapping a whole family of weapons now in existence and ready to again perform an adequate combat mission. Nothing I saw at Fort Benning indicated to me that our Army would make significant gains by a slavish copying of Soviet arms.

Mr. Underhill discusses the Army's artillery, which he describes as antiquated, and is inclined to regard other Army developments, particularly the wonder weapons like the atomic cannon, the Honest John rocket, and the guided missiles as less sensational than Army press agents would have the public believe. It is apparent that the Army can do little to please pamphlet-writing Mr. Underhill, self-appointed spokesman for the so-called colonel's revolt. If it is old, it is no good. The new is unproved.

Analysis of these weapons is a field in which a congressional observer is obviously unqualified to comment in detail without a great deal of careful research. I hope the authorities in the Pentagon will go over Mr. Underhill's article in great detail since an appraisal from an outsider, such as this, may have some elements of value in inventorying our military preparedness. While it would probably be a mistake to ignore this article entirely, it would be easier to extract useful and constructive suggestions were the author more objective and were his qualifications as a military observer detailed more accurately. Two paragraphs which I am inclined to believe may be a justifiable criticism of the Army system of developing weapons and vehicles are at the top of page 100. Mr. Underhill says:

> But a large part of the blame must be placed on the plain old Army system of developing weapons and vehicles. It is as obsolete as the longbow. In Air Force and Navy research and development private industry plays a dominant role. For example, Air Force planners inform aviation companies that they have a requirement for an airplane that will fly X-mile range at X speed and X altitude. The engineering staffs of these companies—the best technical brains in the United States—compete against one another. The company that produces the best aircraft design gets the Air Force contract.
>
> In the Army system the Ordnance Corps may be both a competitor and the judge of who wins the competition.
>
> It is unreasonable to ask men to sit as judge and jury on their own work and not expect even the best of them to favor their own products. After all, rank and pay both for the officers and civil servants depend on the size of staffs to supervise.

Those of us who attended the demonstration of the United States Army Infantry School and heard Maj. Gen. Herbert B. Powell, Commanding General of the United States Infantry Center, discuss the problem of training men for leadership in combat in a nuclear age can certainly agree that the Army is fully cognizant of the situation posed in the quotation Mr. Underhill makes from Panzer General Hasso von Manteuffel, the German military expert tutored by Rommel, who penetrated the Allied front with the Fifth Panzer Army in the Battle of the Bulge and lost most of his command in the debacle which followed. General Manteuffel said:

> These men must be of extraordinary ability, because the type of force they will lead will be like nothing known today.

I am convinced the men at Benning are receiving the type of training which would produce the leadership qualities demanded in the vastly different battlefield situation which will confront troops in an era of nuclear weapons. Time and again the congressional visitors heard emphasized the leadership responsibilities of corporals, sergeants, and company grade officers in dispersed warfare. I cannot help but wonder if Mr. Underhill, whose military background is not completely familiar to me, has had the opportunity given to Members of Congress for a briefing on the type of combat leadership training in use today in the Infantry School and the Infantry Center. I wonder if he has kept his commission as a major in the Army Reserves up to date by taking active duty each year to observe troops in maneuvers in the field or if he has observed from the Pentagon. Had he joined the congressional group last Friday and Saturday, he would be inclined to be somewhat less sensational in his approach to the problems of the Army. I believe were he better briefed in the overall economic problems confronting a free country arming for a long-range cold war he would be somewhat less demanding and more cognizant of the problems of combined military operations with an effective Army, an effective Air Force and an effective Navy all created from the same tax dollars.

I want to congratulate Major General Powell with whom I had the opportunity of serving in the closing days of World War II when he was Colonel Powell of the G-1 section of First Army. Brig. Gen. Robert L. Cook, Assistant Commandant, United States Army Infantry School and the officers and men of Fort Benning for a worthwhile demonstration which has renewed my consciousness of the progressive attitude of the Army in a time of military transition. More than ever this visit made me proud to be a veteran of the Army in World War II and a continuing member of the Active Reserves.

SWITCHBLADE KNIVES SHOULD BE BANNED FROM INTERSTATE COMMERCE

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. YATES] is recognized for 10 minutes.

Mr. YATES. Mr. Speaker, frequently—much too frequently—newspapers and magazines are filled with descriptions of gang fights, holdups and stabbings committed by teen-agers, and running through almost all such stories is the switchblade knife. This vicious instrument has become the symbol of the youthful gang. The zoot suit or the ducktail haircut go with the switchblade. The gruesome similarity in detail related by these stories is relieved only by the horror that each one reflects individually—the terror of the victim, the revulsion of the newspaper reader, and

the terrifying realization that the perpetrators of these crimes are still in their teens.

Some of you may be unfamiliar with the switchblade knife—and it is just as well, because the best way to establish contact with one, if indeed a contact must be made, is through this kind of discussion. This is exhibit A. This is a switchblade knife. I obtained this one and the others I have on this table before me from the Metropolitan Police Department. These are knives that they have confiscated under various circumstances, for it is illegal to possess such a knife in a public place. In order to obtain these knives from the police, I had to sign a receipt. As a matter of fact, if I were not a Member of Congress, I would have had to be deputized as a member of the police force. How do people who live in the District get these knives? The District does not want them. They are outlawed. But they are received in violation of the law or else they are shipped in via the mail or by some other carrier.

Because of the vicious, deadly nature of this instrument, I have introduced a bill to prevent its being shipped in interstate commerce and to prevent its being manufactured for shipment in interstate commerce. This is not the jackknife which we had when we were boys. This is not the type of knife that Boy Scouts use or that other boys use for mumbly peg. This is for strong arm purposes. The addition of the spring mechanism changes the character of the knife from any Dr. Jekyll pocket blade quality to the Mr. Hyde instrument of violence. Why should a deadly device of this type not be placed in the same category as submachine guns and revolvers? Of course they should be.

Today there is no legal barrier whatever to ordering a knife of this type through the mail or by other common carrier. As a matter of fact, we find them being advertised by mail order houses, in sports magazines, in outdoor magazines, even in comic books which are designed for consumption by 8-year-olds. Get a switchblade knife, the kids are importuned, and unfortunately their use is so frequently portrayed on television programs and in the movies that a youngster may find the advertising in such magazines the incentive he needs to send away for it.

An advertisement for a switchblade knife in a popular magazine states that its purpose is for "self defense" and for "hunting and fishing emergencies." For what reason would a youngster, or an adult for that matter, have to carry weapons for self defense? Our country is not a bloody battlefield. We do not condone gang warfare nor have we reached the point where we propose to arm our youth with weapons of this type so that they must resort to their own cunning or brute strength for protection, rather than relying upon the police. The police are and must continue to be our guardians, and invitations to our children such as appear in such advertisements, to meet violence with violence, are very harmful. They increase tremendously the work of the police departments.

And what sort of hunting and fishing emergencies could possibly require this kind of instrument? The usual hunting and fishing knife is contained in a sheath where it is in open view and readily accessible. Hunters do not meet emergencies with such knives.

It does not make sense to me to permit these deadly instruments to be so readily accessible. You cannot permit those who seek to corrupt our youth by inviting violence and crime to continue such activities. The purpose of the bill is to remove this weapon from the reach of our young people and from any adult criminal as well.

To obtain more basic information on the relationship of switchblade knives to juvenile delinquency, I caused a questionnaire to be sent to the police departments of the cities of Chicago, Los Angeles, Detroit, Cincinnati, Boston, New York, and Philadelphia. It contained the following questions:

> 1. How may juvenile delinquents had switchblade knives in their possession when arrested?
>
> 2. Would this legislation in your opinion assist in the reduction of juvenile delinquency? If so, in what way?
>
> 3. Has your city considered, or does it now ban the sale of such knives?
>
> 4. Have any studies on the subject been done by your department or city?
>
> 5. Do you feel that there is any legitimate need for such a knife?

Unfortunately, I discovered that, due to inadequate reporting methods and the wide range of laws under which juvenile delinquents are arrested, some important statistics were not available. However, the answers to my questionnaire brought forth interesting replies and points of view. Commenting on the uses of the knife itself, Police Commissioner Thomas F. Sullivan, of Boston, pointed out that—

> It would seem obvious to anyone who has had the opportunity to observe the mechanism of these knives that they are specifically devised as a vicious, insidious weapon of assault and can be devoted to no legitimate use in the everyday life of law-abiding citizens.

Commissioner Edward S. Piggins, of the Detroit Police Department, indicated his strong opinion on the subject with the comment:

> Primary use of a switchblade knife is as a dangerous weapon and therefore constitutes a hazard if readily available to youth. We know of no legitimate use for which this type of knife is so particularly suited that a more conventional type of knife could not be utilized.

Michael J. Delaney, director of the crime prevention division of the Chicago Police Department, stated:

> Legislation banning the interstate shipment of these knives would cause a reduction in juvenile delinquency, as many offenses committed by juveniles are done with the knowledge that he has a deadly weapon in his possession, which gives the juvenile the courage to perpetrate crimes.

The chief of police of Los Angeles, W. H. Parker, indicated complete approval of the bill in his statement:

> Most offenders are youthful, and in the past we have found that a great number of juveniles involved in gang activities favor this type of weapon. A complete prohibition on manufacturing, transporting, and sales should prove beneficial.

Returning to Commissioner Piggins of Detroit again, he brought out the difficulties encountered from purchases made out-of-State. He wrote:

> The * * * switchblade knife * * * constitutes a hazard. Prohibition of the manufacture and interstate shipment would prevent purchase in other States which is now possible and adds to the enforcement problem in our city.

Stanley R. Schrotel, chief of the Cincinnati Police Department, expressed his opinion in this way:

> (The) legislation as proposed would reduce the likelihood of some serious forms of delinquency, especially in group conflict or aggravated assault situations.

Clearly the switchblade knife is recognized by the police departments as a dangerous weapon. Hold a switchblade knife in your hand and press the release. The blade snaps out in a flash with a sickening click. This is not some toy for a young boy to play games or carve with. It is not a jackknife you may give to a boy, when he begins to grow up. This knife is in the same class as a bayonet—its use is limited to murder and mayhem. And yet we allow them to be sold to our children.

Educators, civic workers, and officials of the United States Department of Labor point out some facts which may become closely allied to the use of these dangerous weapons. The teen-age population is rising again, reflecting the upsurge in the birth rate of the early 1940's. The expected increase is one of the highest ever for any age classification—by 1965 the 14 to 17 age group is due to grow to 155 percent of its present size.

In my own city of Chicago, as in the District of Columbia, possession of such knives is outlawed, and I am informed that today Governor Stratton will sign the bill recently passed by the Illinois General Assembly which makes illegal the sale and manufacture of switchblade knives in the State of Illinois. Incidentally, the bill was passed unanimously in both Houses of the General Assembly.

In the State of Massachusetts, too, it is illegal to sell switchblade knives. In Ohio and New York, the weapon is outlawed. In New York, if you want to carry a switchblade knife, you must be licensed to do so, as for any other kind of deadly weapon and you must prove that your purpose is legitimate.

In many respects this legislation is comparable to the law passed a few years ago by the Congress which outlawed the shipment in interstate commerce of fireworks. We found at that time that many States which had outlawed the sale of fireworks had difficulty in enforcing such a law because there was no prohibition against the sale and shipment of fireworks in interstate commerce, and it was to close this loophole that the legislation was passed.

Now we have a similar situation with respect to switchblade knives. Many States and municipalities, knowing the dangers of the use of this terrible device,

and having made their possession illegal, are powerless to prevent them from coming in because such shipments are made from outside.

Such States and municipalities cannot protect themselves without the legislative action that is set forth in my bill. The original bill which I filed prohibited shipment of switchblade knives, or manufacture for shipment, in interstate commerce. However, it contained a loophole in that it permitted transportation of such knives through the mails. Accordingly, I propose to amend my bill by offering an appropriate provision which will place switchblade knives in the same category as other deadly weapons. Thus, their passage through the mails will be subject to the same regulations as the Postmaster General prescribes for other deadly weapons. I shall introduce into the RECORD at the conclusion of my remarks, a copy of the amendment I propose.

At the present time our postal laws prohibit the mailing of guns and other weapons capable of being concealed, except under certain circumstances. Had those who drafted the legislation foreseen the extensive use for violence to which these knives were going to be put, I am sure that they would have been included in the definition which restricts their shipment. The legislation was designed to bar the shipment of concealable weapons. Certainly one of the most attractive features to a potential attacker is the quality of concealment.

Another part of the amendment will permit the use of switchblades devised for valid purposes. It reflects the exceptions now made to the shipment of lethal weapons through the mail, as in the case of the Armed Forces for example. Moreover, they are sometimes used for medical purposes. Such exceptions are incorporated in the amendment which will be introduced in the RECORD.

Mr. Speaker, I say it is time that we put a halt to the peddling of violence and to the barter of tools of mayhem and murder. We must help the States in their efforts to reduce juvenile delinquency and teen-age gang warfare. We must take action now to place switchblade knives in the same category of deadly weapons as guns.

AMENDMENT TO H. R. 2849 PROPOSED BY MR. YATES

On page 2, line 18, strike out the period after "course of business" and replace with a semicolon, and insert the following: "nor shall it apply—

"(1) To civilian or Armed Forces supply or procurement officers and employees of the Federal Government ordering, procuring, or purchasing such knives in connection with the activities of the Federal Government;

"(2) To supply and procurement officers of the National Guard, the Air National Guard, or militia of a State, Territory, or the District of Columbia ordering, procuring, or purchasing such knives in connection with the activities of such organizations;

"(3) To supply or procurement officers or employees of the municipal government of the District of Columbia or of the government of any State or Territory, or any county, city, or other political subdivision of a State or Territory, ordering, procuring, or purchasing such knives in connection with the activities of such governments;

"(4) To manufacturers of such knives or bona fide dealers therein in customary trade shipments from one to the other, including articles for repairs or replacement of parts;

"(5) To licensed physicians, surgeons, or veterinarians;

"(6) To bona fide medical, technical, scientific, or veterinary schools, colleges, or institutions; and

"(7) To hospitals."

SEC. 5. Section 1716 of title 18 of the United States Code is amended by inserting immediately after the sixth paragraph thereof the following new paragraph:

"All knives having a blade which opens automatically by hand pressure applied to a button or other device in the handle of the knife are nonmailable and shall not be deposited in or carried by the mails or delivered by any postmaster, letter carrier, or other person in the postal service. Such knives may be conveyed in the mails, under such regulations as the Postmaster General shall prescribe—

"(1) To civilian or Armed Forces supply or procurement officers and employees of the Federal Government ordering, procuring, or purchasing such knives in connection with the activities of the Federal Government;

"(2) To supply or procurement officers of the National Guard, the Air National Guard, or militia of a State, Territory, or the District of Columbia ordering, procuring, or purchasing such knives in connection with the activities of such organizations;

"(3) To supply or procurement officers or employees of the municipal government of the District of Columbia or of the government of any State or Territory, or any county, city, or other political subdivision of a State or Territory, ordering, procuring, or purchasing such knives in connection with the activities of such governments;

"(4) To manufacturers of such knives or bona fide dealers therein in customary trade shipments from one to the other, including articles for repairs or replacement of parts;

"(5) To licensed physicians, surgeons, or veterinarians;

"(6) To bona fide medical, technical, scientific, or veterinary schools, colleges, or institutions; and

"(7) To hospitals."

On page 2, line 19, strike out "Sec. 5." and insert "Sec. 6.".

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says that knife came from Texas?

Mr. YATES. I am told it came from the Pachuco gang which used to operate around San Antonio, Tex.

Mr. GROSS. I did not know they had gangs in Texas.

Mr. YATES. I will yield to any of the Texans on the floor to defend the honor or lack of criminality in their city if they are so inclined. That is the information I have received.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. PATMAN. As a district attorney in Texas for 5 years and having dealt with cases involving knives and other things, I do not recognize that knife as coming from Texas. They used the James Bowie knife in Texas.

Mr. YATES. Would the gentleman say that the gangs, such as the Pachuco gang, use the James Bowie knife?

Mr. PATMAN. I am not familiar with that gang.

Mr. YATES. You can see how formidable this knife is. I do not know whether the James Bowie knife is more formidable than the device I hold in my hand or not, but both of them appeal to me as being extremely formidable instruments.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is the knife the gentleman exhibited manufactured in this country?

Mr. YATES. There are knives of this type manufactured in this country. The knife which I hold in my hand now happens to be manufactured in Italy.

Mrs. ROGERS of Massachusetts. So they are imported?

Mr. YATES. Yes.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Kansas.

Mr. REES of Kansas. What in the world is that knife made for?

Mr. YATES. Well, it is advertised as being made for hunting and fishing purposes. Its use is primarily, as far as I can make out, for gangs made up of teen-agers who use this as their principal weapon. I have six different knives of various sizes and shapes in this envelope which the Police Department confiscated from young people in the District of Columbia. The purpose of my bill is to prevent knives of this type getting into the hands of young people because obviously they are being used for nefarious purposes.

Mr. REES of Kansas. The gentleman's bill ought to be supported.

Mr. YATES. I thank the gentleman very much. I have asked the Committee on Interstate and Foreign Commerce to look into this matter.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, I compliment the gentleman on his statement. I think Congress should take action such as the gentleman has suggested.

Mr. YATES. I thank the gentleman.

Mr. GROSS. Has the gentleman made any exception in his bill for hunting knives as such?

Mr. YATES. I have, indeed. In my statement I discuss the exceptions that would be made in the bill for members of the Armed Forces, for example; for surgeons who have certain types of instruments that fall within the definition; for hunters, but with the provision that hunters who use knives of this type must register their use, and so forth.

Mr. GROSS. I thank the gentleman.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. FISHER. For information purposes, is it not a fact that most of the States now have State laws that make it a violation for a person to have possession of a knife of the character the gentleman has been describing?

Mr. YATES. Yes.

Mr. FISHER. I know that is true down in Texas.

Mr. YATES. I have not completed my study, but I know that is true in respect to many of the States.

Mr. FISHER. I think the gentleman is performing a very fine service in bringing this matter to the attention of the Congress and the country. Certainly it is dealing with a subject that needs to be dealt with. Since this is per se a deadly weapon, and is so recognized in most of the States, it seems to me it would be a fine thing to prohibit the movement of it in interstate commerce. As I understand, that is what the gentleman proposes.

Mr. YATES. That is the purpose of the bill. I thank the gentleman.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. HOSMER. I join those who have complimented the gentleman on his action today because I believe he has pointed the way for an act that is very much needed. The gentleman is to be congratulated for his work on it.

Mr. YATES. I thank the gentleman.

DEFERRED GRAZING PROGRAM

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2367) to establish a deferred grazing program as part of the relief available to drought-stricken areas under Public Law 875, 81st Congress, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That notwithstanding any other provision of law, in connection with any major disaster due to drought determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended, the President is authorized and directed as part of the assistance provided pursuant to such act to formulate and carry out, through the facilities of the Department of Agriculture, a deferred grazing program, which shall include nonuse or limited use, or any needed combination thereof, in any county affected by such disaster in which the Secretary of Agriculture determines grazing of native rangeland is a substantial factor in agricultural production, and finds that limited or deferred grazing is necessary and appropriate for the reestablishment or conservation of grass for grazing. Such program shall be applicable only to nonfederally owned land which is normally used for grazing. Within 30 days (1) after the date of enactment of this act, or (2) after any subsequent designation of any such area as a disaster area by the President, the Secretary shall designate the counties in any such area in which this program shall be available, and the program shall remain available in each such county for a period of not more than 5 years after the date of enactment of this act.

"SEC. 2. The program shall provide for payment for deferred grazing to farmers and ranchers at rates equal to the fair rental value of the land for the grazing use withheld under the program, as determined by the Secretary on the basis of the normal grazing capacity of the land during periods of adequate precipitation. No payment shall be made under the program if it is determined that a shift of livestock from the deferred areas to other land results in overgrazing nondeferred areas. Payment to any person for deferred grazing on land in any one county or land in more than one county operated as a single unit shall not exceed $5,000 for any 1 year.

"SEC. 3. The program authorized herein may include such terms and conditions, in addition to those specifically provided for herein, as are determined desirable to effectuate its purposes and to facilitate practical administration. The program authorized herein for any county shall be supplemental to the agricultural conservation program, and not in substitution of, other programs in such county authorized by any other law, except that no payment shall be made concurrently on the same land for deferred grazing under this and any other program.

"SEC. 4. There is hereby authorized to be appropriated, in addition to other funds authorized to be appropriated for the purposes of Public Law 875, 81st Congress, such funds as are necessary to carry out the program authorized herein."

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TWENTIETH ANNIVERSARY OF SENATOR LYNDON B. JOHNSON, OF TEXAS, IN CONGRESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

Mr. PATMAN. Mr. Speaker, 20 years ago today at a special election in the 10th Congressional District of Texas the Honorable LYNDON B. JOHNSON was elected to the House of Representatives.

During these years Senator JOHNSON has made for himself an outstanding record of achievement.

While Senator JOHNSON was serving in the House of Representatives he was elected to the United States Senate. A very unusual honor came to him during his first term. He was elected by his Democratic colleagues as minority leader in the United States Senate. At that time he was the youngest Member of that great body who had ever received this high honor. In addition, when the Democrats came into power in the 84th Congress he was elected by the Democrats as majority leader in the United States Senate. Another record was broken in that he was the youngest United States Senator to ever receive this great honor.

Senator JOHNSON has gotten along with his colleagues because of his fine basic virtues and good commonsense, that he has always possessed and used intelligently. Informed people marvel at the way he gets along in such a satisfactory and effective way with the most extreme liberals and the most reactionary conservatives. I personally believe it is due to the fact that he not only is an educated, cultured gentleman, who enjoyed and experienced the best environments as he grew to manhood, but also because he is a man of courage, sincerity, and honesty of purpose. He can disagree with a friend without offending his friend, even though his views are diametrically opposed. He expresses his views in such a sincere, forthright manner, with great respect to those who oppose him, that he is able to differ with those with whom he must agree without giving offense or becoming involved in a controversy.

It happens that I have known LYNDON JOHNSON all of his life. When I was serving in the Texas Legislature in 1921–24, I had the honor of being the deskmate of his distinguished father, who was recognized as a great and able statesman. I have known, of course, the other members of his fine family, including his wonderful mother, his charming wife, who is really my constituent, and his attractive daughters, so I know something about LYNDON JOHNSON and can speak from actual knowledge about his real worth, ability, and accomplishments.

Before he was a Member of the House, he was the director of the staff of Congressman Richard Kleberg of Texas. This experience was, doubtless, helpful to him as he was one of the most active secretaries on Capitol Hill. He immediately organized the first Secretaries' Club and became its first president.

The National Youth Administration was organized. President Franklin D. Roosevelt called Senator JOHNSON to his office and asked him to become the director of this great organization for the State of Texas. As the youngest director of this new movement, he set out to do a real job and all the people of Texas are proud of his pioneering accomplishments in that educational field. By reason of his intense activity, which led to disseminating information about the program, more young men and young women took advantage of the opportunities offered under the National Youth Administration in Texas, and, therefore, received greater benefits from it than the young men and women from any other State under comparable circumstances. Thousands of young people are indebted to him for making such an unusual success of such a forward and venturesome program.

After his election as a Member of the House, Senator JOHNSON became enthusiastically interested in rural electrification. At that time, only about 2 percent of the rural homes in Texas had the privilege of enjoying this great blessing of mankind. By reason of Senator JOHNSON'S efforts, the district he had the honor to represent was soon electrified almost 100 percent, including farms and ranches in remote sections.

It has often been said that the four greatest evils are poverty, ignorance, disease, and crime. I think another great evil is real close; it is drudgery. Rural electrification relieved the men and women of the farms and ranches of drudgery by having electricity perform their back-breaking duties. REA from a national standpoint has meant a lot to this country. It created a market for and actually caused the purchase of more than $15 billion in electrical equipment and appliances. This is a market

that manufacturers, retailers and others would not have enjoyed without REA. It is a continuing market, not only for manufacturers, wholesalers, retailers, but also for banks, finance companies, mechanics, electricians and many people in the different trades and professions. The program was fortunate in having such farsighted leaders with energy and enthusiasm as Senator JOHNSON to make the program a great success. Another great national leader, Speaker SAM RAYBURN, was the author and sponsor of the bill, which became law, creating the Rural Electrification Administration.

Another important program Senator JOHNSON has taken the lead in concerns water. Several years ago, he caused the Reclamation Department to make a comprehensive study of water resources in Texas. He is one public official who was able to see into the future and realize the great need for water conservation and more intelligent water use. Senator JOHNSON'S program has been to get at least one major dam started in Texas each year. I believe he has succeeded 100 percent; that means that there is one being finished each year. This year—1957—the Ferrell's Bridge Dam and Reservoir, near the birthplace of his helpful wife, will be completed. It will be a great addition to the resources of that fine section of the country. It is near Jefferson and Marshall, Tex.

I could say much more about Senator JOHNSON, but I just want to point out at this time these particularly important events in his life and his outstanding achievements that mean so much to all the people of our country. Here's hoping that he will have many, many more anniversaries in the United States Congress. All the people profit from the activities and accomplishments of such a great statesman as our majority leader of the United States Senate, about whom we cannot say too much in praise—the Honorable LYNDON B. JOHNSON.

UNRESTRICTED IMPORTATION OF RESIDUAL OIL AND CHEAPLY MANUFACTURED FOREIGN GOODS IS A MENACE TO AMERICAN INDUSTRY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, each year since residual oil imports began to get out of hand following World War II, there have been efforts in Congress to bring about restrictive measures, either by legislation or by directive to the executive department.

International oil companies have long protested that no laws are needed to prevent harmful practices on their part.

They insist that a voluntary program will take care of everything.

There has been a variety of approaches to the problem of excessive imports.

Several years ago we proposed an omnibus foreign trade measure that would have placed a 5 percent limitation on residual oil imports and at the same time would have offered various degrees of protection for other affected industries.

In the last Congress, I offered a bill to restrict residual oil imports to 10 percent of domestic demand.

What was hoped would be an acceptable substitute was the adoption by both Houses, with White House endorsement, of the recommendations of the Cabinet Committee on Energy Supplies and Resources Policy.

Now, after 2 years, we find that it is unworkable and that legislation is unquestionably the only solution to the imports problem.

In the interim, it has been established that any attempt to persuade the international oil group to conform voluntarily to suggested import levels is futile.

Our crusade in behalf of American industry and labor has been waged under great difficulties.

Attempting to set up tariff dikes as safeguards against mounting waves of foreign products devastating the United States economy would seem to be an impossible job as we must contend with the determined opposition of wealthy international trading companies.

Throughout the time that this pitched battle has been taking place, we have also been forced to carry out a vigorous campaign to prevent new breakdowns in the fortifications set up in the field of foreign commerce by our Founding Fathers more than a century and a half ago.

Despite the unfair competition for American producers and workers that has come out of the strange diplomatic maneuvering since Congress first relinquished some of its authority to the State Department, there are still persistent efforts in that Department to usurp additional Congressional power for the purpose of broadening our concessions in foreign commerce.

Thus far I have mentioned only the coal industry as a victim of an unwise foreign policy.

In the same category are the textile and leather goods industries, glass, pottery, ceramics, machine tools, electrical equipment, and dozens of other manufacturers whose talents have helped to bring America the world's highest standard of living.

I might also point out that under one plan which the State Department is pushing very vigorously, the American farmer would also stand to lose big shares of domestic markets to foreign producers.

That particular plan would take the United States of America into the Organization for Trade Cooperation, thus throwing our tariff-making power into an office composed predominantly of foreigners.

Today, I am introducing a bill to impose a tariff quota on imports that threaten the welfare and security of this country.

My bill offers a plan to which no one should object.

It is a plan that American industry and labor have every right to demand; it gives foreign producers who look to the United States for markets a fair share of our business and an opportunity to plan output in conformity with prearranged schedules.

Mr. Speaker, I have met with other Members of the House who are introducing similar legislative proposals, and we have come to the conclusion that my bill is one which should have a wide appeal in all sections of our country.

In the first place, it proposes to reassert Congressional authority in the field of international trade.

It puts the State Department on notice that the 85th Congress will no longer yield powers invested in it by the Constitution.

Actually, we could not take leave of a binding law even if this legislative body had a mind to do so.

Congress has always been responsible for policies dealing with international commerce, and these powers cannot be ceded without constitutional amendment.

The State Department has arrogated tariff-making functions over the past two decades or so.

During this period it has shown conclusively that it is incapable of conducting these affairs in a manner that would provide equitable treatment for the people of the United States.

No doubt foreign nations enjoy negotiating with a diplomat who is willing to surrender his country's markets to the rest of the world.

Does the State Department consider it protocol for our own working people to sit down to an empty table in order to satisfy demands of exporting nations?

Thousands of residents of the congressional district which I represent have experienced unemployment as a consequence of unwise tariff policies.

Our coal miners and railroad workers have been particularly hard hit through loss of coal markets to foreign residual oil.

The textile, glass, and pottery industries in our part of the country have felt the impact of foreign competition, and they stand to be hurt even more when the St. Lawrence Seaway is opened unless the bill which I am introducing is written into law.

The danger confronting textile workers who lack inadequate tariff protection is universally recognized.

I might add that, while the cigar-making industry in my part of the country would not be considered a big employer on a comparative scale, nevertheless there is no reason for it to be sacrificed to the competition of products made by poorly paid workers in lands abroad.

The bill which I am introducing today is designed to protect these and other groups who comprise the working segment of our population.

In addition to the foregoing bill to set up a tariff quota, I am also at this time introducing a bill to provide for a 10-percent quota limitation on residual oil imports.

It is identical to the bill which, as I mentioned previously, I introduced in the 84th Congress.

It was my original intention to incorporate this provision into my tariff quota bill, following discussions with colleagues equally concerned about excessive imports.

However, I have decided to offer the bills separately and hope that the Ways and Means Committee will see fit to include this provision into whatever tariff proposal is finally sent to the floor.

By way of explanation I should like to cite the reason why a specific quota limitation on oil imports is necessary.

We have learned from past experience that a tariff of even a dollar per barrel on residual oil imports is not an assured method of deterring international oil companies from their impact upon domestic oil markets.

Another reason why an absolute quota is necessary in this case is that the coal industry could not expect the Tariff Commission to place what would be considered a prohibitive tariff on residual oil imports due to the fact that the Commission decides its cases on a product-by-product basis.

Thus two different forms of fuel are not necessarily considered competitive by the Commission even though they may be used precisely for the same purposes by identical consumers.

Mr. Speaker, to emphasize the necessity for quick action on the bills which I now offer, let me point out that there is a movement afoot by the international trade groups to put across some form of the OTC during this session of Congress.

I believe that our tariff quota bill would be the best answer to these ambitions.

I also feel that our domestic fuels industries are at this time in perhaps the gravest danger since foreign oil began to deluge American markets not long after the conclusion of World War II.

There are literally swarms of tankers now engaged in carrying oil to Europe that are going to be free for other shipping activity once Suez traffic is returned to normal.

Despite a recent statement by an executive of one of the large international companies to the effect that shipping bottoms will not be in excess for at least a year, there is no question but that more tanker facilities are going to be available for stepping up the transportation of alien oil to the United States.

I recognize that the Office of Defense Mobilization is making every effort to prevent the devastating repercussions that lie ahead for the coal and railroad industries if the world oil group is permitted to impose its will in this manner.

Speaking for the thousands of workers in affected industries, as well as for the management which is charged with responsibility of keeping these industries in a healthy condition, I ask members of the House Ways and Means Committee to act quickly upon my recommendations so that we can bring the matter to the floor for a vote in the immediate future.

PHILIPPINE-AMERICAN FRIENDSHIP

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, 15 years ago yesterday the world saw Philippine-American friendship sealed in blood in Bataan. American and Filipino troops fought side by side against a common enemy. They fought as allies united by a common ideal. That they were of two different races was of no moment at all. They were bound by the ideal of freedom and they fought together to preserve the spiritual values paramount in the democratic way of life.

That Bataan fell before superior forces enhances rather than diminishes the significance of that determination of Philippine-American epic defense. The courage and the heroism shown in Bataan are a tribute to our men who fought to the end, knowing that they were outgunned, outplaned, outmanned 10 to 1. This showed moral and physical valor of the highest order and our two grateful nations turn our reverential thoughts to them today.

It is therefore fitting and proper that yesterday the President of the United States and the President of the Philippines should have commemorated the fall of Bataan with two significant statements printed in today's morning papers.

The President of the United States said:

> On behalf of the people of the United States, I send Bataan Day greetings to our friends in the Philippines. Bataan Day is a solemn day for both nations, for it is a time when we pause to remember the price, and consider the meaning of freedom.
>
> To try to recapture in words the deeds of the men of Bataan is not possible. By their action they expressed the true spirit of freedom better than words could ever do. That spirit is what we commemorate today.
>
> We also commemorate the comradeship which has bound our two nations together so strongly in the past, and which continues to be so vital in the anxious present.
>
> The dangers which now confront us are in a sense just as real as those that were faced on Bataan 15 years ago. So we continue to draw upon the spirit of devotion, of comradeship and of courage which is the noble legacy of Bataan.

The President of the Philippines said:

> On this April 9 we are commemorating the 15th anniversary of the fall of Bataan. On behalf of the people of the Philippines I send our best wishes to you and to the people of the United States.
>
> Bataan will always stand in our history as a symbol of a heart-rending struggle by the peoples of two nations fighting side by side for the common goal of liberty, freedom, and democracy.
>
> We are pledged that the spirit of Bataan shall not perish and that those gallant American and Filipino heroes who died for democracy shall not have died in vain.
>
> Today our two peoples are fighting the more subtle enemy, communism, which is trying to subvert the ideals we fought for on Bataan.
>
> The Filipino people know well the benefits of liberty and freedom and will continue to fight with the great spirit exemplified on Bataan to preserve those ideals.

In Washington, the Philippine Ambassador to the United States and representative on the U. N. Security Council, Gen. Carlos P. Romulo, who in Bataan was the aide-de-camp to General MacArthur and was therefore one of the active participants in that unequaled struggle, said:

> Those who fought in Bataan did not equivocate. They staked their lives for freedom. There was no neutralism in the murk and mire of the foxholes. There were no fence-sitters there. This is the moral of Bataan.

President Carlos P. Garcia, in saying that "the Filipino people know well the benefits of liberty and freedom and will continue to fight with the great spirit exemplified on Bataan to preserve those ideals," spoke as one who, during those eventful days, preferred to take to the hills and suffer all sorts of hardships and privations rather than collaborate with the enemy, thus showing the same moral courage exemplified by the heroes of Bataan. Like the late President Magsaysay who fought as a guerrilla and like thousands of Filipinos in the resistance movement, these men showed endurance, fortitude, and incorruptibility that we Americans recognize with admiration and will never forget.

Yesterday was a day of remembrance and gratitude.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. UTT from April 15 to April 18, 1957, inclusive, on account of official business.

Mr. VINSON for 10 days on account of important business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PASSMAN, for 15 minutes, on Tuesday next.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. YATES, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER and to include extraneous matter.

Mr. CELLER.

Mr. ANFUSO (at the request of Mr. CELLER) and to include extraneous matter.

Mr. DELLAY and to include extraneous matter.

Mr. BYRNE of Pennsylvania.

Mr. RHODES of Pennsylvania and include related matter.

Mr. DURHAM (at the request of Mr. McCORMACK) and include related matter.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Thursday, April 11, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

719. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1958 involving an increase in the amount of $523,685 for the legislative branch (H. Doc. No. 148); to the Committee on Appropriations and ordered to be printed.

720. A letter from the Director, Office of Defense Mobilization, Executive Office of the President, transmitting the report on borrowing authority for the quarter ending December 31, 1956, pursuant to section 304b of the Defense Production Act as amended; to the Committee on Banking and Currency.

721. A letter from the Comptroller General of the United States, transmitting a report on the administration of forest management activities by the Bureau of Indian Affairs, Portland, Oreg., area office, Department of the Interior, as of November 1956; to the Committee on Government Operations.

722. A letter from the Secretary of Defense, transmitting the semiannual report on the payment of claims arising from the correction of military or naval records for the period July 1, 1956, to December 31, 1956, pursuant to Public Law 220, 82d Congress; to the Committee on Armed Services.

723. A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation entitled "a bill to revise the laws relating to the handling of short paid and undeliverable mail, and for other purposes"; to the Committee on Post Office and Civil Service.

724. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases of certain aliens who have been found admissible into the United States, pursuant to section 212 (a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

725. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting additional material relative to the case of Pietro Lerario, A-3146807, involving suspension of deportation under the provisions of section 244 (a) (1) of the Immigration and Nationality Act of 1952, and requesting that it be returned to the jurisdiction of this Service; to the Committee on the Judiciary.

726. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "a bill to provide for the District of Columbia an appointed governor and lieutenant governor, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. House Joint Resolution 172. Joint resolution relating to the stockpile of extra-long staple cotton under the Strategic and Critical Materials Stockpiling Act; without amendment (Rept. No. 340). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 2486. A bill to authorize Commodity Credit Corporation to grant relief with respect to claims arising out of deliveries of eligible surplus feed grains on ineligible dates in connection with purchase orders under its emergency feed program; without amendment (Rept. No. 341). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. House Resolution 3077. A bill that the lake created by the Jim Woodruff Dam on the Apalachicola River located at the confluence of the Flint and Chattahoochee Rivers be known as Lake Seminole; without amendment (Rept. No. 342). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1488. A bill for the relief of Paul Bernstein; without amendment (Rept. No. 335). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2264. A bill for the relief of Donald F. Thompson; without amendment (Rept. No. 336). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 2678. A bill for the relief of Leona C. Nash; without amendment (Rept. No. 337). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3572. A bill for the relief of Mrs. Mary Jane Russell; without amendment (Rept. No. 338). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6050. A bill for the relief of Vito Magistrale; without amendment (Rept. No. 339). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 6784. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed or food on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. BARTLETT:

H. R. 6785. A bill to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (48 U. S. C. 381); to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H. R. 6786. A bill to provide fair procedures for rent adjustment on property secured by FHA loans; to the Committee on Banking and Currency.

H. R. 6787. A bill to amend section 57j of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 6788. A bill to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the law relating to the record on review or enforcement of such orders, and for other purposes; to the Committee on the Judiciary.

H. R. 6789. A bill to provide for reasonable notice of applications to the United States courts of appeals for interlocutory relief against the orders of certain administrative agencies; to the Committee on the Judiciary.

By Mr. HARRIS:

H. R. 6790. A bill to amend the Natural Gas Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA of Minnesota:

H. R. 6791. A bill to amend the Natural Gas Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COOLEY:

H. R. 6792. A bill to provide further protection against the dissemination of diseases of livestock or poultry, and for other purposes; to the Committee on Agriculture.

By Mr. DELLAY:

H. R. 6793. A bill to amend the Fair Labor Standards Act of 1938 to prohibit the discrimination in employment against individuals on account of their age; to the Committee on Education and Labor.

By Mr. GUBSER:

H. R. 6794. A bill to amend the Internal Revenue Code of 1954 to provide that the Secretary of the Treasury shall be bound by decisions of certain Federal courts; to the Committee on Ways and Means.

By Mr. MARSHALL:

H. R. 6795. A bill to establish standards of identity, sanitation standards, and sanitation practices for the production, processing, transportation, sale, and offering for sale of milk and milk products shipped in interstate commerce or which affects interstate commerce for consumption as milk and milk products in any State, county, or municipality of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H. R. 6796. A bill to amend section 9 (e) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. ROOSEVELT:

H. R. 6797. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in operations affecting commerce, and to provide procedure for the collection of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. ULLMAN:

H. R. 6798. A bill to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. BOW:

H. R. 6799. A bill to authorize cooperative associations of producers to bargain with purchasers singly or in groups and for other purposes; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 6800. A bill to provide for further research relating to new and improved uses which offer expanding markets for farm products, and for other purposes; to the Committee on Agriculture.

By Mr. DURHAM:

H. R. 6801. A bill to authorize the grades of major general and brigadier general in the Medical Service Corps of the Regular Army, and for other purposes; to the Committee on Armed Services.

By Mr. GUBSER:

H. R. 6802. A bill to provide for the placing of positions of United States citizen instructors in foreign languages at the Army Language School in the competitive civil service; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE of California:

H. R. 6803. A bill to provide for the placing of positions of United States citizen instructors in foreign languages at the Army Language school in the competitive civil service; to the Committee on Post Office and Civil Service.

By Mr. McGOVERN:

H. R. 6804. A bill to encourage expansion of teaching and research in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies; to the Committee on Education and Labor.

By Mr. VAN ZANDT:

H. R. 6805. A bill to establish quota limitations on imports of foreign residual fuel oil; to the Committee on Ways and Means.

H. R. 6806. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. WITHROW:

H. R. 6807. A bill to provide for the establishment of a fish hatchery in the State of Wisconsin; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYKIN:

H. R. 6808. A bill to amend the Shipping Act, 1916, to provide for licensing independent foreign freight forwarders, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ABERNETHY:

H. R. 6809. A bill to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925; to the Committee on the District of Columbia.

H. R. 6810. A bill to include in the Soil Bank Act a program to encourage the marketing or exporting of dairy heifers as a means of reducing milk producing potential; to the Committee on Agriculture.

H. R. 6811. A bill to amend the District of Columbia Public School Food Services Act; to the Committee on the District of Columbia.

By Mr. DORN of South Carolina:

H. R. 6812. A bill to regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes; to the Committee on Ways and Means.

By Mr. MACDONALD:

H. R. 6813. A bill to amend the Natural Gas Act, with respect to jurisdiction over sales of natural gas by independent producers; to the Committee on Interstate and Foreign Commerce.

By Mr. WATTS:

H. R. 6814. A bill to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products; to the Committee on Agriculture.

By Mr. DAWSON of Illinois:

H. Res. 229. Resolution authorizing the printing of additional copies of House Report No. 10, entitled "United States Aid Operations in Iran"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States requesting passage of area redevelopment programs which would provide aid and assistance to depressed areas through the development of natural resources; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHAMBERLAIN:

H. R. 6815. A bill for the relief of Anna Sekomar; to the Committee on the Judiciary.

By Mr. COLLIER (by request):

H. R. 6816. A bill for the relief of Anton Kivela; to the Committee on the Judiciary.

By Mr. DELLAY:

H. R. 6817. A bill for the relief of Bruno Gasparini; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 6818. A bill for the relief of Margarete Stark (Starke); to the Committee on the Judiciary.

H. R. 6819. A bill for the relief of Chew So Cheong and Chew Wing Cheong; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 6820. A bill for the relief of Damaso P. Peres and Mercedes Ruth Cobb Peres; to the Committee on the Judiciary.

By Mr. HILLINGS:

H. R. 6821. A bill for the relief of Frank Burstein; to the Committee on the Judiciary.

By Mr. LIPSCOMB (by request):

H. R. 6822. A bill for the relief of Salvador Madrigal-Cuevas; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 6823. A bill for the relief of Wang Kwie Ding; to the Committee on the Judiciary.

By Mr. SHUFORD:

H. R. 6824. A bill for the relief of the family of Joseph A. Morgan; to the Committee on the Judiciary.

By Mr. YOUNG:

H. R. 6825. A bill for the relief of Miss Irmgard Fraunhofer; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Case of the Postmaster General—Letter From Charles O. Porter, of Oregon, to Hon. John A. Blatnik, of Minnesota

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1957

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

APRIL 8, 1957.

The Honorable JOHN A. BLATNIK,
Chairman, Legal and Monetary Subcommittee, Government Operations Committee, House of Representatives, Washington, D. C.

DEAR JOHN: Because I am personally convinced that Postmaster General Summerfield has acted as a poor-business man and in bad faith in connection with his Department's $47 million deficiency appropriation request, I call for his immediate resignation and prosecution under the provisions of the Urgent Deficiencies Act, United States Code, title 31, section 665.

My judgment is based on my experience as a member of the Post Office and Civil Service Committee and upon reading the colloquy in the CONGRESSIONAL RECORD for April 5, beginning on page 5196.

In a matter of this importance and interest, however, and in the interests of fairness, I am now writing to you in your capacity as chairman of the Legal and Monetary Subcommittee of the Government Operations Committee to request that your subcommittee inquire, as soon as possible, into the circumstances and that Mr. Summerfield and Mr. Percival F. Brundage, Director of the Bureau of the Budget, be asked to explain their conduct.

The Postmaster General prides himself on being an efficient-business man, but the facts point in the other direction, to wit:

1. He asked for $3 billion in 1957 and received within about $16 million of that. Only $5 million was cut from what he asked for operations, with the operations total representing an increase of $74 million from 1956. Yet he comes to us now with a $47 million deficit, all the more amazing because so much of the expenditures are fixed costs.

2. His defense is that the volume of mail has increased beyond expectation. We all make miscalculations but this one is tremendous, particularly when you consider that in January of this year, at a time when he knew this $47 million deficiency existed, the Postmaster General estimated for fiscal 1957 that the Post Office would handle 58,024,000,000 pieces of mail, domestic and foreign, almost 300 million less than he had earlier estimated would be handled in 1957. In January, the volume of mail is decreasing—but in April it is the basis for the $47 million deficiency he knew about in January.

The law is very plain:

"(g) Administrative division of apportionment: Any appropriation which is apportioned or reapportioned pursuant to this section may be divided and subdivided administratively within the limits of such apportionments or reapportionments. The officer having administrative control of any such appropriation available to the legislative branch, the judiciary, or the District of Columbia, and the head of each agency, subject to the approval of the Director of the Bureau of the Budget, shall prescribe, by regulation, a system of administrative control (not inconsistent with any accounting procedures prescribed by or pursuant to law) which shall be designed to (A) restrict obligations or expenditures against each appropriation to the amount of apportionments or reapportionments made for each such appropriation, and (B) enable such officer or agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment.

"(h) Expenditures in excess of apportionment prohibited—penalties: No officer or employee of the United States shall authorize or create any obligation or make any expenditure (A) in excess of an apportionment or reapportionment, or (B) in excess of the amount permitted by regulations prescribed pursuant to subsection (g) of this section.

"(1) Administrative discipline; reports on violations: (1) In addition to any penalty or liability under other law, any officer or employee of the United States who shall violate subsections (a), (b), or (h) of this section shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty

without pay or removal from office; and any officer or employee of the United States who shall knowingly and willfully violate subsections (a), (b), or (h) of this section shall, upon conviction, be fined not more than $5,000 or imprisoned for not more than 2 years, or both."

Responsible leaders in the House have expressed concern over the violations of this law. Our colleagues, Mr. TABER and Mr. GARY, agree that the law has been violated. Mr. GARY well states the issue: "Are we going to continue to appropriate for the departments of Government or are we going to abdicate in their favor?"

Our distinguished colleague, Mr. CANNON, the chairman of the Appropriations Committee, has spoken his mind with his usual clarity and force. All his remarks in the April 5 RECORD are worthy of attention by your committee, but these go to the nub:

"Every department observed and obeyed the law until this year. The Post Office Department is the first to break over. Postmaster General Summerfield tells the press he is heartsick. He would not be heartsick if he had obeyed the law. But he took funds out of the fourth quarter and spent them in the second quarter. And he took money out of the fourth quarter and spent it in the third quarter. It was done deliberately and on notice. He had notice when Congress passed and the President signed the bill. He had notice again when he first started using the money at the beginning of the first quarter in July 1956. He went before the Bureau of the Budget and asked for a supplementary estimate. The budget told him Congress had given him $2,184,000 for operations and he had to live within it. They refused to recommend a deficiency appropriation. Again the first of January he again went before the Budget Bureau and asked for a supplementary estimate. And again the Budget Bureau told him he would have to live within the amount Congress had appropriated for the purpose. He waited until the last minute and finally bludgeoned the Budget Bureau into giving him a supplementary estimate and then calls in the newspapermen and tells them unless Congress surrenders he will stop delivering the mail. He lays down an ultimatum to Congress and arrogantly gives them 3 days in which to come across. Regardless of what the Constitution says, the Department is writing its own ticket and naming its own appropriation, and the taxpayers of the Nation and the men they send to Washington to represent them can go jump in the sea."

Essential postal services should not be abridged abruptly. Too much important activity depends on them. Decreases in service for the sake of economy can no doubt be made, but they should come as the result of careful study, not because the Postmaster General invokes them as reprisals on Congress for an illegal situation his own ineptness created.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

If Hungarian Refugees, Why Not Egyptian?

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1957

Mr. CELLER. Mr. Speaker, I am dismayed to learn that the administration sees fit to reject the entrance of Egyptian displaced Jews to the United States under the parole provisions of the McCarran-Walter Act. Yet, this is the very provision in the law which gave the administration authority to admit 32,000 Hungarian refugees. I note that Mr. Rogers, in replying for the Attorney General, stated that the decision to admit Hungarian refugees was taken in "a sudden unexpected emergency which arose while there was no Congress in session." This answer is completely illogical.

The authority to admit the Hungarian refugees was based on law and the law operates whether or not Congress is in session. It is heartless mockery to say that existing law is operable for one group of people and then inoperable for another group of people who are similarly situated. Whether or not Congress acts on the administration's proposals, is completely irrelevant. The law as it exists today, provides sufficient authority to admit the helpless deportees of Egypt.

Moreover, the administration has announced that it will continue to permit the entrance of additional Hungarian parolees. No one finds fault with that, but then what happens to the excuse given by Mr. Rogers that the administration will not act on Egyptian deportees while Congress is in session, pending action on the proposed legislation affecting parolees? The Hungarian refugees are still being admitted although Congress is in session and the pending legislation has not been acted upon.

There is more to this than meets the eye. What is the real basis for this discrimination? The Committee on the Judiciary, of which I am chairman, will put that question to Mr. Rogers.

Outstanding Infantry Training at Fort Benning

EXTENSION OF REMARKS
OF
HON. JAMES A. BYRNE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1957

Mr. BYRNE of Pennsylvania. Mr. Speaker, I request that the RECORD show the exemplary job being done in training ground forces at Fort Benning, Ga. Recently a group of Members of the House and the Senate had an opportunity to see this training at firsthand. It was a very fine thing to see not only the different types of training but also the imagination and spirit with which the Infantry goes about their tasks. All credit must be given to Maj. Gen. Herbert B. Powell and his fine staff who operate this gigantic Army Infantry center and school.

I say gigantic because this great Army post covers 284 square miles and has a present population of 39,000 people, military and civilian. During World War II, close to 100,000 persons was the average population. Today the Infantry center and school prepares Infantry officers and enlisted men for ground combat and as rangers and airborne troops. In addition, Fort Benning supports the Army Reserve and National Guard with active-duty training opportunities and with correspondence courses. It was a wonderful opportunity for me and my colleagues to see these young soldiers and officers go about their training in weapons, communications, counterfire operations, transportation, airborne work, ranger tactics, and developing new concepts using modern weapons, aircraft, and helicopters in an amazingly bold and effective style.

I might also note that Fort Benning lends great support to the training of our allied personnel. As Sir William Slim, who rose from lance corporal to become a field marshal and chief of the Imperial General Staff, once said, "There is only one thing worse than to have allies, and that's not to have any at all." Thus, it speaks well for the Army and for Fort Benning to be assisting in this program upon which I would like to elaborate.

This important aspect of the mutual defense assistance program of the United States Government, the training of military representatives from participating countries in American service schools, is designed to unify the defense of the free world and to teach the employment and maintenance of American military equipment furnished these countries under the program. Those receiving the training in the United States generally return home as instructors to pass on to others the knowledge which they have acquired here.

The United States Army Infantry school plays a major role in this effort, receiving and training approximately 700 to 800 allied students per year from about 35 different nations. Roughly 40 percent of these students are officers of the Republic of Korea and Republic of Vietnam Armies who attend special, separate, translated classes. The remainder of the students are in regularly scheduled classes with American students. In a year's time from 45 to 50 different classes have allied students enrolled. The courses represented vary in length from 4 weeks to 9 months and begin and end throughout the year.

Once again, my appreciation to Secretary Brucker and to the Infantry center and school for a most informative visit.

Cutting the Budget

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1957

Mr. ANFUSO. Mr. Speaker, the House of Representatives yesterday approved cutting some $218 million from the Commerce Department appropriation. Previously, nearly $800 million dollars were cut from other appropriations. Thus, Congress already reduced the Eisenhower budget, which is the

largest ever submitted in the country's peacetime history, by over $1 billion.

The Democratic-controlled Congress is determined to economize and is making sincere attempts to reduce the inflated budget for the coming fiscal year. From the current sentiment in Congress, it can be expected that further cuts will be made amounting to possibly three or four billion dollars.

If this is achieved, then Congress should follow it up with a reduction in income tax for all taxpayers.

I believe that considerable budget reduction is possible by efficient administration and the elimination of waste, duplication and extravagance. I further believe that such economy can be effected without jeopardizing the welfare of the American people, especially the aged people, the war veterans, small business, and certainly the health needs of the Nation.

Introduction of Bill To Prohibit the Discrimination in Employment on Account of Age

EXTENSION OF REMARKS
OF
HON. VINCENT J. DELLAY
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1957

Mr. DELLAY. Mr. Speaker, today I am introducing a bill, the purpose of which is to remove age as a barrier to employment of individuals who are well qualified, physically sound, mentally alert, and possessed of years of experience. Thousands of position seekers who are walking the streets in search for employment become frustrated and discouraged at the repeated rebuffs handed them for only one reason, namely, they are over 45 years of age. Unfortunately it is one of such cases that everyone knows, but no one can prove. However, peruse if you will, the great metropolitan newspapers advertising columns of "help wanted," inserted by employers, directly or through the medium of employment agencies, and you will find an astounding number of employment opportunities limiting applicants as to age. In many cases calling for an individual of 30 to 40 years of age having a background and experience only 50 to 60 year old applicants could possess.

The condition sought to be remedied does not greatly affect the so-called hourly rated workers, production workers, and manual laborers who are protected by seniority rights under union contracts. However, the condition is acute in the management field, such as executives, administrators, professional personnel, personnel directors, industrial and public relations men and so forth. In other words, unorganized white-collar workers, often referred to as our "middle-class citizens."

One may ask: "Why are such good men out of positions? Are they unemployed because of inefficiency or other causes of their own making?" Of course, there will always be some within such category. But, the great majority are on the streets by reason of mergers or company sales. The present trend of selling businesses is greatest in the area of small manufacturing plants who employ between 200 to 1,000 workers. Too many of such enterprises are being swallowed by so-called syndicates, often referred to as associates or some other such fancy name, whom I prefer to call industrial scavengers looking for a tax deal or a fast dollar. Upon such sale, acquisition or steal of such a business the syndicate or purchasers' administrative staff takes over and the executives and other key personnel in the sellers' employ are let out pronto, without regard to length of service, efficiency, capacity, loyalty, or industry. To my mind, Mr. Speaker, to permit such condition to exist and adding insult to injury by foreclosing such injured parties from obtaining other means of a livelihood solely because of age, tends to create a malignant cancer in our economic system which may soon plague us. Let's cure it, if possible, before it is too late. Strangely enough, the age limit of 45 is usually fixed by top management, the head of which is, by most cases, over 45 years of age himself, thereby labeling himself too old for the position he holds. We constantly hear that the supply of future executives is far short of the demand. Competition for the best of the college recruits is becoming sharper all the time. Recruiters detailed to college campuses are falling far below their requisitions and in some cases are offering students in their junior year funds for tuition and other types of inducements if such students sign up for service in their organization upon graduation. Yet, qualified executives or other administrative personnel are unwanted if over 45 years of age. A horrible waste of manpower warranting consideration on the national level. Congress, in its wisdom, expressed itself in regard to age limitation in Federal Government employment thus:

> No part of any appropriation hereafter contained in this or any other act shall be used to pay the compensation of any officers or employees who establish a requirement of maximum age for entrance into positions in the competitive civil service. (Independent Offices Appropriation Act, 1957, Public Law 854, 84th Cong., 70 Stat. 757.)

While limitation as to age is interdicted by the appropriation act, 1957, and while the President has expressed his concern in regard to the same subject matter, when he in his acceptance speech at San Francisco on August 23, 1956, said:

> Now, in all existing kinds of discrimination there is much to do. We must assure a fair chance to such people as mature workers who have trouble getting jobs.

I respectfully submit, Mr. Speaker, that when age becomes a major consideration in hiring an employee well qualified in all other respects, a "fair chance" no longer exists.

Mr. Speaker, I have said before that this unwholesome condition in private industry will soon plague us and agree with the statement made by Mr. Lyndall F. Urwick in his article entitled "Management Education in American Business," published by the American Management Association, 1954, on page 108, as follows:

> If what has been lacking in private enterprise is a sufficiently inspiring, a sufficiently human leadership, if the citizen, regarded as a producer, is not convinced that his daily job is worthwhile both morally and from a narrower standpoint of self-interest, he will seek an alternative system. That alternative may well be frustrating and disastrous; it may lead to communism or to some other form of autarchy in a belated effort to clear up the mess. Should this happen, it will be little comfort to those who believe in freedom—if any survive—to be able to say "I told you so."

Address by Hon. Alexander Wiley, of Wisconsin, Before Midwest Federation of College Young Republican Clubs

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Wednesday, April 10, 1957

Mr. WILEY. Mr. President, I have just returned from a visit to my State, during the course of which I addressed a wide number of organizations of all types.

One of my most memorable pleasures was the honor and privilege of addressing, on Saturday evening, April 6, in the capital city of my State, Madison, the Midwest Federation of College Young Republican Clubs, a group of Young Republicans representing 13 States and 40 colleges. I am very happy to say it was a good meeting.

I ask unanimous consent that the address delivered by me on that occasion be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR WILEY SAYS GOP MUST SHOW IT "IS A PARTY OF PROGRESS IN ATOMIC AGE, NOT PARTY OF REACTION OF HORSE AND BUGGY DAYS"; SAYS PARTY MUST FOR "AMERICA'S GOOD AND ITS OWN GOOD SPEARHEAD WORLD LEADERSHIP"

I am indeed happy to be with you tonight. It is a real pleasure to join with you in looking forward to the role of the Republican Party in the future.

It is most appropriate that you who are the leaders of tomorrow, should consider this vital question of the future of our party—your party and mine.

You Young Republicans have demonstrated that you are aware of your responsibilities as citizen-leaders in the dynamic period up ahead.

I cannot commend too highly your participation in YR Club activities.

REAL ASSETS OF YR MEMBERSHIP

As you well know, your membership provides a splendid opportunity to acquire a broader understanding of government, as well as enjoying an ideal training ground for future leadership.

Certainly, an active role in a Young Republican organization is a valuable supplement to any course of education, and an asset to you personally.

Your experience, I believe, provides each of you with a greater appreciation of our political process, and an understanding of techniques and tasks of a truly responsible political party.

All in all, your YR Club provides a "real-life" laboratory in which to acquire a better understanding of politics—theoretical, and especially, practical.

MY THEME TONIGHT—MODERN PROGRAM ESSENTIAL

My theme tonight is comparatively simple but it is composed of many elements.

My theme is this: America today is advancing in the jet-atomic age, advancing, as it must, irreversibly up the high road of leadership on the world scene. It is the GOP's task, the "Grand Young Party's" task to spearhead such leadership.

The American people will vote at the polls in November 1958 and in November 1960, for the party which provides a program geared to the needs of this age, geared to the needs of a shrunken globe.

The American people will vote for us if they believe that we are "the party of the future."

They will vote against us if they have the idea that we are a party of the past, the past when the Atlantic and Pacific Oceans represented barriers in space and time.

If however, in this age when space and time has been virtually annihilated by man's inventiveness, if we supply a modern program, tailored to the needs of a dynamic Nation of 170 million in the jet-atomic age, then we will win and retain America's support.

If, on the other hand, the American people believe that we are a party which only looks backward to "the dear old days," a party which is patterned after the McKinley era of the horse and buggy, then they will not vote with us.

The question is, therefore, what must be the elements in a modern program for a brighter future for all?

And, secondly, what are the techniques, what are the organizational methods by which we can get this program adopted?

Let us first take up the latter question. Why? Because I think that there will readily be almost universal agreement on this matter of new-type techniques.

Then let us frankly approach the latter challenge—the challenge of new programs.

At this time, let us look "right in the eye" at those issues on which there is and will be an honest difference of opinion.

THREE-QUARTERS AND SIXTY-FIVE-DAY CAMPAIGNING

First, we'll look at the matter of techniques.

I think that you Young Republicans have yourselves set a fine pattern for tomorrow's victories at the polls.

You have been showing what an enterprising campaign organization can do and must do. And I mean 12 months a year, not simply in the latter part of September and the entire month of October.

You Young Republicans have shown that there is a salesmanship job to be done 365 days a year; a literature distribution job in the wards and precincts; a TV and radio job; a doorbell-ringing and volunteer-registration job; and all the other types of grass-roots activities which must keep the Republican Party in the minds and eyes of the people.

ATTRACTING ALLEGIANCE OF STAY-AT-HOMES

You and I remember that, according to 1956 statistics, out of a potential vote of about 104 million, only about 62 million—or three-fifths of those eligible—voted.

Of this number, Ike received almost 36 million—a majority of votes cast—10 million more than his opponent.

However, this points up an important factor: There is a "political gold mine" of 42 million votes, either inactive or untapped.

To fully utilize our opportunities—for the benefit of our party, and the Nation—we must do two things:

1. First, this stay-at-home group must be persuaded to vote; and

2. Second, our programs—Republican programs—must be proven to so benefit the national interest as to attract these voters.

This cannot be a taken-for-granted task; for, as we know—even though the stay at homes are inactive—many of these are traditionally either independents or are Democratic inclined.

THE DIFFICULT CHALLENGES OF 1958 AND 1960

Now, let me ask, "How important is it that we do all these things?"

The answer is, "Very important, indeed."

In the first place, in November 1960, we face one of the most critical challenges in Republican history.

At that time we will be going to the polls without that great standard bearer, Dwight D. Eisenhower.

He will, we know, play an active part in the campaign. But his name will not head the ticket, and our party will not automatically have the benefit of his enormous personal prestige.

We should have, however, the same mass of independent voters whom Ike attracted and whom we definitely need to win. I repeat: We need the independent voters to win. We need the "swing" voters. That does not mean that we must forsake our Republican standbys, our loyal GOP adherents. But it does mean that we must broaden the base of our party and not run it as an exclusive social club.

HARD BATTLE FOR NEXT CONGRESS

In the second place, we face an even tougher challenge—much earlier—in November 1958.

The fact is we face difficult contests for control of the Senate and House, for many key governorships and other State and local offices.

You Young Republicans are more than familiar with the specific issues involved in many of the statewide contests which are coming up.

But, I can tell you that from a national standpoint—so far as the battle for the 86th Congress is concerned, we have rarely faced a tougher problem.

Of the Senate seats coming up—21 are for Republicans incumbents' seats, 11 for Democratic incumbents.

And half the Democratic seats are in the safe "solid South." By contrast, most of our Republican Senate seats are in the so-called marginal States of the country—which could pivot either way, including right here in our State of Wisconsin and elsewhere in the Midwest.

PARTY'S POOR RECORD SINCE 1933

Obviously, the House elections now, could likewise go either way.

But here is an overall fact to remember: Since 1933, we Republicans have been in majority in the Senate and House for but 4 years out of the 24.

When we attained control, I personally was privileged to serve as Chairman of the Senate Judiciary Committee in the 80th Congress and of the Senate Foreign Relations Committee in the 83d Congress.

I say: let us find out why we as a party have so repeatedly lost the Congress, even when we were winning the Presidency in November 1952 by such a landslide of electoral votes.

We must find out why it is, that in all this quarter century, (which represents the lifetime of virtually every member of this audience) the American people have selected a Republican Congress only twice.

I ask you ladies and gentlemen: "Why?"

Obviously, because we could not win the complete confidence of the voters in the 48 States.

Let us, then, come face to face with the issues. Doing so will spell, I believe, the difference between more possible defeats in the battle for the Congress and the Presidency, or new victories, such as we deserve to win.

WE MUST DISPEL A KEY ILLUSION

I say, that, to win America's confidence, we must dispel the illusion that the Republicans represent "special interests," especially the interests of so-called big business.

As we recognize, no political party can survive as a "pawn of any special interest" (neither yours, nor mine, nor anyone else's).

If it attempts to do so, one of two things will happen:

1. It will be defeated at the polls; or

2. If not, then it will exist, not as a servant of the people but as the pawn of the special interests.

In either case, it loses effectiveness as a political party.

We can only attain our political goals by successfully performing our general political responsibilities to the entire country.

WE WANT ALL GROUPS TO PROSPER

I say: "Our party must be identified with all America."

We can be proud of what we have accomplished for business (because of what business means to 170 million Americans). But so, too, we can and should be just as proud of what we have accomplished for labor, agriculture, consumers, and veterans.

But we should be proud of our record and we should advance that record—not because we are special pleaders for so-called big business, but because we want strong, healthy segments in a strong, healthy America. We want all groups to prosper and none to be "whipping boys."

And, parenthetically, I say that when so-called big business is mentioned, let us recall: The 8½ million stockholders who truly own America's corporations; the hundreds of thousands of small businesses who subcontract work for large enterprises; and the fact that, under our profit and loss system, we must not penalize groups simply because they have succeeded by superior initiative, organization, and resourcefulness.

THE HEART OF THE CHALLENGE TO THE UNITED STATES

And we come now to the nubbins of our being here tonight: The future role—the future program of our party.

In my judgment, as I have earlier indicated, the only factor in this role is the changed world in which we live.

It is a role symbolized by such up-to-the-minute facts as—a reported testing soon of America's first intercontinental guided missile; the flight last December of X B-52 bombers, nonstop, around the earth in 45 hours; the vulnerability of continental United States in this air age, both to air attack and, for example, to possible attack from missile-firing submarines off our coasts.

WILL THE GOP BACK UP OR ATTACK IKE'S LEADERSHIP?

All of these facts spell the need for United States leadership.

And that means, I say, Republican leadership, Republican statesmanship.

The GOP must not furnish, as it has in the past, misguided direction in the fight against America's leadership.

The GOP must back up Dwight D. Eisenhower instead of inadvertently undermining his leadership on the world stage.

Thus, here in the Midwest and elsewhere, one of the greatest challenges facing the Republican Party is acceptance of this modern fact: That the United States of America literally has no alternative but to be a leader

of and a partner with all the free nations of the world in combatting Communist aggression.

The American eagle cannot be and must not be turned into an American ostrich.

The entire world, yes, including the 900 million people behind the Iron Curtain, look to this country for leadership.

WHAT CAN HAPPEN IF WE DEFAULT

The alternative to American leadership would be American default. The result of American default could be (1) a Communist world and/or (2) world war III.

We intend neither of these terrible eventualities to come about.

There must be no war, and there must be no Communist world.

I know that I need hardly remind you young people who recognize that you have to bear the brunt of military training, that there really is no alternative to adequate preparedness. Yes, even though preparedness takes a good many years out of a good many lives.

But it is better to be alive with 18 months of training "under your belt" than it is to be dead amidst the radio-active ashes of a bombed-out American city, a city caught in a Pearl Harbor-like blitz.

As you may have noticed, I have referred thus far only to the international phase of our modern program.

DOMESTIC PART OF MODERN GOP PROGRAM

Now, there is a vast domestic phase as well.

Here on the home front, the atomic age requires these things:

1. A strengthened American education program. I mean higher education, and I mean improved elementary- and high-school education. We are in a life and death race with the Soviet Union for technical superiority. We cannot be second best in the quality of our scientific, industrial, and other manpower.

2. An expanding economy which will provide still more jobs. More and more jobs for the American people. Every year 400,000 of you young people enter the labor force. That means there must be 400,000 or more jobs awaiting you.

As a part of this challenge, more and more women are entering the labor force. A third of the 66 million employed Americans today are women.

The young men in my audience who have marriage in mind know that many of their future wives will want to continue to work. The American people are determined that there shall be sufficient jobs for all who want to work.

RESHAPING THE FACE OF AMERICA

3. A new look for America's very geography. A new look for the face of our countryside and our cities. I mean speeding up of the development of our 41,000-mile toll road system; improvement and expansion of our already overcrowded airports so as to be ready for the jet airliners which will soon be rolling off our assembly lines; aid to our cities for slum clearance and urban redevelopment. Remember, many sections of our cities are blighted with decaying areas which, in turn, are breeding grounds for vice and misery; a "shot in the arm" for lagging housing construction; acceleration of the application of atomic energy for peacetime purposes; speeding the dredging of the Great Lakes connecting channels so the full St. Lawrence Seaway will be open for 2,700 miles of deep-draft passage as soon as possible.

OTHER HOME FRONT GOALS

And, of course, there are many other elements as well in our domestic program. I refer, for example, to resolving the issues of our farm problem; strengthening America's social security (for your own mothers and dads who have worked a lifetime for our Nation); reforming our obsolete tax structure, as proposed by the Wiley bill for a Hoover-type National Tax Commission; enacting long-delayed civil-rights legislation; strengthening conservation of our natural resources; and there must be action on many other fronts, as well.

THE PROBLEMS OF THE COST OF THESE PROGRAMS

Naturally, some of the programs which I have outlined cost a considerable quantity of money. The mutual security program, which President Eisenhower is recommending to the Congress and the Nation, costs money; aid for airports costs money; aid for improved navigational aids for air traffic cost money; and so on, down the line.

CRASHES AVOIDABLE ABROAD AND AT HOME

But I ask you, my friend, which would you rather read, news that Congress has acted to approve mutual security legislation and airport and air-aid legislation, or would you rather read that because of our inaction, one of our allied countries has crashed—has fallen into the Communist orbit?

And would you prefer to read news right here in the United States of some new air collision, some new accident, in which a giant airplane has cracked up in one of our overly congested airports, or has collided headon with another plane in midair because of lack of traffic control?

(Remember, for example, that Civil Aeronautics Authority reports literally hundreds of almost disastrous near misses—of both civilian and military planes in the air, during a period of each few months.)

Do we want more near misses in domestic and foreign policy?

Do we want to be pennywise and pound foolish?

Do we want to risk more crashes?

I say that to provide for the needs of the modern age will cost a good deal. But not to provide for them will cost infinitely more.

A crash abroad, a crash at home—these will prove far costlier in the long run.

I AM A TRUSTEE IN TERMS OF CONSERVING FUNDS

You will understand, my friends, that I am not recommending the signing of any blank checks. I am not recommending that a dollar be wasted, or be casually spent, in an extravagant fashion.

I am a trustee of taxpayers' funds.

As a trustee, I believe in husbanding, in conserving. But I don't believe in "standpat-ism" or in looking backward.

So, I am recommending that we take the blinders off our eyes. I am suggesting that this country must prove itself further that it is a dynamic country in a dynamic world.

WE ALL NEED A YOUTHFUL APPROACH

And while we want to hold on to the landmarks of past times; while we want to be true to our traditions of the past, we want also to advance to the horizons of the future.

This is, I believe, the youthful approach which is so necessary.

It is the approach which is not limited to people like yourself who are young in number of years, but extend to all people who are young in mind—as I trust we all are.

CONCLUSION

It has been a great joy to be with you tonight.

Some of the things which I may have said have undoubtedly "struck sparks" with some of the members of this audience.

Others of my suggestions may be regarded favorably, perhaps quite unanimously.

I have spoken frankly, however, in order to provide food for thought for you because I know that you are anxious to come up with solutions to the problems such as I have enumerated—problems affecting the very life of this Republic and problems affecting the future of our party.

Thank you for your kind attention, and good luck to you all.

Labor-Management Legislation for Federal Employees Needed Now

EXTENSION OF REMARKS

OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1957

Mr. RHODES of Pennsylvania. Mr. Speaker, I am sure that many of my colleagues have been shocked, as I have been, at the implications of a legal brief filed today by the Department of Justice. This brief, is in answer to a test suit filed by a group of postal workers in the United States Court of Claims, seeking overtime payments for work which they are required to perform at home, after completion of their normal working day.

The Justice Department brief, apparently setting forth the administration position, makes the bold assertion that Federal workers are not entitled to the benefits of workers in private industry because of "economy and Government efficiency considerations." The brief states that "many advances made by the labor movement are not, as a general matter, incorporated into laws affecting Federal personnel." This, Mr. Speaker, is the precise reason why legislation is needed to provide modern machinery to govern labor-management relations in the Federal Government.

My bill, H. R. 6, of the 85th Congress, cosponsored by a number of Members of the House and Senate would modernize archaic labor-management concepts of Federal agencies and departments, so obviously stated in the brief to which I refer. A similar bill was favorably reported in the 84th Congress by the Senate Post Office and Civil Service Committee.

Indications of the awareness of the need for this type of legislation have come from recommendations of the first Hoover Commission, the Committee on Labor Relations of Governmental Employees of the American Bar Association, and most recently from the National Civil Service League, supported mainly by top industrialists and businessmen who have had first hand experience in labor-management relations. In its monthly publication the League declared:

> Union recognition is an area in which there has been practically no leadership from the executive branch of Government.
>
> All groups interested in public administration, including the unions themselves, recognize that public employment is different from private employment, and that all aspects of collective bargaining cannot be utilized in Government. However, a full examination of employee representation and communication policies and techniques is long overdue.
>
> A constructive program would not only provide democratic assistance to the employee, but would also develop a means for management responsibility which industry has long since learned to utilize but which Government still lacks.

Mr. Speaker, it is true that in recent years the great advancements of the

working men and women of America in bettering their economic position, their hours, and working conditions have not been shared by those Americans working for the Federal Government. But this was not always the case. The Federal Government was once the leader in establishing labor reforms for its employees, setting the example for private industry to follow.

For example, President Van Buren by Executive Order issued March 31, 1840, established a 10-hour day for Federal employees on public works projects, without any reduction in pay. In 1868 Congress passed legislation to establish an 8-hour day for laborers, workmen, and mechanics employed by or on behalf of the Federal Government. The Lloyd-La Follette Act of 1912 granting basic rights to employees of the Federal Government was many years ahead of Federal labor-management laws affecting private industry.

It gave recognition to the rights of Federal employees in three major areas. First, it provided that no person in the classified civil service could be removed except for cause, providing further that all notices of charges must be in writing, with a reasonable time for the employee to answer the charges. Secondly, it authorized employees of the Federal Government to organize to improve their conditions of employment, their wages, and hours of work; the right to strike was specifically prohibited. Workers in private industry did not receive legislative sanction for purposes of organization until more than 20 years later. Finally, the right of Federal employees to petition Congress, or any Members of Congress was guaranteed; the right to furnish information to either House of Congress, or a congressional committee or member thereof was also guaranteed.

Now, 45 years later, this is still the basic law affecting labor-management relations in the Federal service. In this interim period, significant advancements have been made in Federal laws affecting labor-management relations in private industry. These laws are well known—the Railway Labor Act, the Norris-La-Guardia Act, the Davis-Bacon Act, the Wagner Labor Relations Act, amended by the Taft-Hartley Act, the Walsh-Healey Act, and the Fair Labor Standards Act.

Mr. Speaker, the Federal Government has lagged far behind in the establishment of sound modern labor-management principles and policies. The provisions of H. R. 6, amending the Lloyd-La Follette Act of 1912, provide the basis for a uniform system of handling grievances, with fairness and dispatch, utilizing the services of the responsible employee unions in representing their members in such matters. This legislation is urgently needed to bring governmental policies in the labor-management area up to a level consistent with the proven practices of modern labor-management relations now generally in effect in private industry.

Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article by Mr. Joseph Young, in the Washington Evening Star of Wednesday, April 10, 1957:

JUSTICE BRIEF PUTS ECONOMY ABOVE BENEFITS—SAVINGS GET PRIORITY OVER GOVERNMENT WORK CONDITIONS

(By Joseph Young)

A Justice Department brief contends that benefits for Federal workers such as overtime, better pay, and improved working conditions "must either bow to or be balanced with considerations of economy and efficiency in Government."

For example, the brief said, Congress, in the interests of Government economy, would be justified in setting a 10-hour workday for Federal employees.

The Department's brief was filed in answer to a test suit by a group of postal workers in the United States Court of Claims seeking overtime payments for extra time involved in studying postal sorting schemes.

The Department's brief, which presumably represents the administration's view, did not state that the administration feels that the Government's 8-hour day should be increased to 10 hours at this time. But it emphasized that such an increase in working hours would be justified in the name of economy if it should become necessary.

LIKE BENEFITS CHALLENGED

The brief emphasized the view that Federal workers, because of economy and Government efficiency considerations, are not entitled to the benefits of workers in private industry.

Federal employee leaders have denounced the Justice Department's views as a throwback to the horse-and-buggy days.

The horse-and-buggy comment was made by Thomas G. Walters, operations director of the AFL-CIO Government Employees Council.

"This attitude is a striking example of the archaic labor policy that the Government adopts for its own employees," Mr. Walters declared. "It emphasizes the need for a management-labor relations law in Government."

Roy Hallbeck, legislative representative of the National Federation of Post Office Clerks, said "the Justice Department's view is the 19th-century version of employee rights." James A. Campbell, president of the American Federation of Government Employees, said "the Government's position is the most discouraging development to Federal employees in a long, long time; but it emphasizes the necessity of getting Congress to approve legislation officially recognizing the rights of Federal employees to better their working conditions."

HOME STUDY INVOLVED

The test case, which is being handled by the law firm here of Herbert S. Thatcher, involves postal workers who must study at home to memorize the routing of mail. The postal workers contend that industry in portal-to-portal agreements with labor unions now pays overtime for time spent by employees in preparation for their on-the-job duties or in traveling from one site to another in connection with a job.

The Justice Department's answer, in part, to these claims declares:

"Plaintiffs' [the postal clerks] complaint is that they are not, but should be, paid for the time they spend within the confines of their own homes learning and keeping up with their jobs. As they read the statutes designed to ameliorate working conditions and the case law growing out of those statutes, they should be compensated for what they term 'physical and mental exertion.' Such compensation, they argue, would be entirely in accord with the philosophy of present-day labor law. The philosophy, if such it can be called, may conceivably control in dealings between union and management.

"However, as between Federal employees and their employer, the United States, this philosophy must either bow to or be balanced with considerations of economy and efficiency in Government. The basic rights of labor—the right to strike and the right to bargain collectively—cannot be afforded Federal employees consistently with the Federal obligation to the taxpayer to operate the Federal administration economically and efficiently. [Government employee unions have never sought the right to strike and specifically forbid such strikes by its members in their constitutions.]

"As stated, Congress, alone charged with the function and duty of establishing the rates of pay and the criteria of payment for Government employees, has always been aware of the necessity of economy in Government and where it has acted to ameliorate the working conditions of Federal employees, it has always acted cautiously and in conformity with its desire for Government economy.

"For example, while the 8-hour day was assured for labor by the Fair Labor Standards Act of 1938, the Federal employee first obtained the right to work only an 8-hour day in 1945 and then only by implication. * * * True time and one-half for overtime has been standard for labor for many years. And yet, true time and one-half for overtime is still not available to the bulk of Federal employees. * * *"

DENIED OTHER GAINS

"These few examples illustrate that the many advances made by the labor movement are not, as a general matter, incorporated into the laws affecting Federal personnel. Clearly, the economical administration of Government precludes the immediate and total adoption by Congress of schemes such as automatic cost of living increases based on the consumer price index.

"If Congress desires that, insofar as it is possible, all workers in this country work only 8 hours a day, nevertheless Congress could, in its concern for Federal expenditures, require, and validly provide, that Federal employees work 10 hours a day.

"That Congress has chosen to limit the working day of most Federal employees to 8 hours a day, 7 years after it chose to limit the working day for most workers in this country, is no indication that Congress has also chosen to pay its employees industry or private management wages or, in this case, overtime compensation, sometimes described as 'penalty pay,' for study over which Government has no control and on which it cannot check.

"For the fact of the matter is, as we have shown, that Congress has not always accepted for Federal employees the theories or rights of the labor movement in their entirety."

Officer Grades, Army Medical Corps

EXTENSION OF REMARKS

OF

HON. CARL T. DURHAM

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1957

Mr. DURHAM. Mr. Speaker, I have today introduced a bill to authorize the grades of major general and brigadier general in the Medical Service Corps of the Regular Army, and for other purposes.

I would like to chronicle very briefly before this body the previously unheralded performance of a large group of

between 4,000 and 5,000 active-duty Army officers who, under present law, are denied the opportunity of attaining general officer rank, no matter how outstanding may be the performance of any individual of the corps. I specifically refer to the Medical Service Corps of the Army, which represents the consolidation of the former Medical Administrative Corps, the Sanitary Corps, and the Pharmacy Corps. I supported the Surgeon General of the Army, Maj. Gen. Norman Kirk, in 1947, in his recommendation for the establishment of a single corps which would provide administrative, scientific, and technical support to the Surgeon General and his physicians of the Army Medical Service in their mission of caring for the sick, injured, and wounded, and in maintaining the health of the Army. I did this in spite of the fact that it would abolish the Pharmacy Corps, which was established by a bill which I introduced in Congress in 1942, and which was signed by the President into law in 1943, after having received the unanimous vote of the Congress. At the same time, in 1947, a bill which had been passed by Congress establishing an Optometry Corps was vetoed by the President in order to incorporate this profession in the Medical Service Corps. The Medical Service Corps is a natural outgrowth of the Civil War Hospital and Ambulance Corps, which relieved the overburdened physician of much of the work of a nonprofessional nature; of the Sanitary Corps, whose establishment was recommended by General Gorgas, the Surgeon General in 1917, at a time when he faced the problem of not having enough medical officers to provide proper professional care to the large number of casualties that was anticipated; and of the Medical Administrative Corps, which was established by law in 1920 as the result of a recommendation by Surg. Gen. Merritt W. Ireland, who recommended at that early stage the establishment of a Medical Service Corps; and, finally, of the Pharmacy Corps, which gave recognition to highly trained and educated officers with backgrounds in practical sanitation, military medical supplies and equipment, and knowledge and experience in the chemical, bacteriological, serological, and X-ray fields. These latter three corps faced and met their responsibilities superbly during World War II in almost every type of duty except the actual practice of medicine, dentistry, and nursing.

The Medical Service Corps has increased tremendously in size, responsibilities, and areas of utilization in the past 10 years. It is composed of individuals who are dedicated to the highest principles of the Army Medical Service, the United States Army, and this great Nation of ours. The Medical Service Corps officer, in addition to being professionally qualified in his field, must be adept in the application and techniques of the combat arms as well. These officers served with honor during the Korean conflict when each infantry division was authorized 38 Medical Service Corps officers. As a matter of fact, next to the infantry and artillery, they outnumbered all other frontline corps, and their assignments ranged from that of the assistant battalion surgeon, who provided frontline emergency medical care, to that of the helicopter pilot, who flew the wounded back to the hospitals.

The Medical Service Corps consists of specialists in over 50 scientific, technical, and administrative specialties, including pharmacists, optometrists, sanitary engineers, podiatrists, clinical psychologists, bacteriologists, radiological laboratory officers, biochemists, physiologists, entomologists, social workers, immunologists, parasitologists, and in the broader fields, administrators, comptrollers, and executives trained in management, logistics, manpower, teaching, intelligence, staff and command, training, research and development, operations and planning, programing, financial management, industrial funding, and the biological and physical sciences. These officers serve also as consultants to physicians.

It is also interesting to note that almost 30 percent of all the Ph. D.'s in the Army are members of the Medical Service Corps. They belong to such outstanding organizations as the American Hospital Association, the American Pharmaceutical Association, the American Optometric Association, the American Association for the Advancement of Science, the American Chemical Society, the American Management Association, the Society of American Bacteriologists, the American Psychological Association, the American Public Health Association, the American Sociological Society, the National Association of Social Workers, the American Industrial Hygiene Association, the American Association of Clinical Pathologists, the American Entomological Society, the American Society of Immunologists, the New York Academy of Sciences, the Society of Experimental Biology and Medicine, the American Society of Experimental Pathology, the American Society of Tropical Medicine and Hygiene, the American Society of Parasitology, the American Mosquito Control Association, the Radiation Research Society, and the American Society of Hospital Pharmacists.

In any major conflict in the future, the services of physicians will be in an acutely short supply. The existence of the Medical Service Corps negates the universal complaint of our World War II Reserve physicians, who charged that their professional services were needlessly expended in nonprofessional duties. The corps distinguished itself in Korea as a member of that great Army medical team, which assured our Army of the lowest sickness and disease rate, and the best chance of survival after being wounded, of any army in history. The Medical Service Corps has now reached full maturity, and new opportunities have been opened up in the whole area of service support in such new fields as medical intelligence, military missions, and particularly in the logistics officer program. In mobilization these officers would be required to serve in 1 or 2 grades higher than now serving, and the responsibilities would even be greater than in World War II. However, in this era of unprecedented opportunities for college graduates in civilian pursuits, a military career is not going to be attractive to the highest type of personnel desired, when it is realized that in the Medical Service Corps our present laws preclude equality of opportunity to aspire to the higher ranks available in the military service. At the present time, the Medical Service Corps is the only male corps which has no general officers, and which does not and never has had the opportunity of competing for these higher positions in the Military Establishment. Other corps of the Army, much smaller in size than the Medical Service Corps, have several general officers. Equality of opportunity should not be denied to the Medical Service Corps, and if some of the gross inequities cannot be rectified under present legislation, I propose that legislation be enacted that would correct these injustices. To illustrate the inequality that exists I should like to enter on the record a listing of all the male corps of the Army establishment with their approximate present strength of officers, and the number of general officers in each of the Corps.

Corps	Approximate strength	Number of general officers
Armor	8,000	81
Artillery	26,200	191
Infantry	24,000	154
Adjutant General	5,300	6
Chemical	1,800	4
Chaplain	1,100	2
Engineer	8,400	29
Military Police	2,400	4
Finance	1,500	4
Judge Advocate General	1,100	3
Medical Service:		
Dental Corps	2,600	3
Medical Corps	4,300	17
Medical Services Corps	4,500	None
Veterinary Corps	475	1
Ordnance	7,100	22
Quartermaster	6,300	19
Signal	7,400	19
Transportation	6,400	14

The above data speak for themselves. I hold that any Corps of this size, which is composed of so many highly regarded professional personnel, and which has distinguished itself so admirably in combat, richly deserves the equality of opportunity afforded other male corps of the Army.

Address by Secretary of Agriculture Benson Before Central Valley Empire Association

EXTENSION OF REMARKS

OF

HON. THOMAS H. KUCHEL

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10, 1957

Mr. KUCHEL. Mr. President, on March 19 last the distinguished Secretary

of Agriculture, the Honorable Ezra Taft Benson, spoke before the Central Valley Empire Association in Fresno, Calif. He delivered an interesting and constructive speech, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE CENTRAL VALLEY EMPIRE ASSOCIATION, FRESNO, CALIF., MARCH 19, 1957

It is always a pleasure to come to California—our leading agricultural State and one of my adopted home States. And it is a special pleasure to come to Fresno, the foremost agricultural county in the Nation. Mrs. Benson and I are happy to be here.

Back in 1938, while working on a marketing study at the University of California, I traveled into every county in this State. Now, 19 years later, I still recall with a flood of happy memories those joyful busy days. I recall the delight I had out here in the Golden State in seeing your noble mountains and green valleys, your clear skies and blue sea, your bright sun and huge trees—and besides all this the most diverse agriculture in the United States.

These valleys are an inspiration to me and I love to see the progress you are making. Last summer I visited in Stockton where the Diamond walnut growers were dedicating their new processing plant. Today I gazed out over this great valley, this famous "fruit bowl" of California, this fabulous area in which you produce nearly every fruit from deciduous to subtropical, an unbelievable variety of vegetables, together with nuts, dry beans, rice, barley, sugarbeets, potatoes, cotton, alfalfa, and irrigated pasture—and besides all these, chickens, turkeys, dairy herds, beef cattle, sheep and goats. Truly, it is breathtaking. As I surveyed all this I could not help thinking how grateful we should be to the Almighty for the blessings He has visited upon our people here in California and throughout this choice land.

We are blessed by freedom and by the opportunity to use freedom as responsible citizens. We are blessed by prosperity—by plenty in a world wherein so many have so little.

And we are blessed by the possession of a basic philosophy of self-help—a philosophy that is the theme of this meeting of the Central Valley Empire Association.

I urge you—no, I challenge you—never to lose this fundamental philosophy. It was the spirit of the pioneers. It was the making of the West. It is the hope of the future.

And it has paid dividends to California agriculture.

The cash farm income of the farmers and ranchers of this State last year reached an all-time high—$2,796 million dollars. This was the highest cash farm income any State has ever had in a single year.

Moreover, your realized net income per farm was also an all-time high—more than 50 percent above the level of 1949 and 9 percent above the previous high of 1955.

I wish we could say the same for the Nation's agriculture as a whole.

I have been reporting certain facts about the agricultural situation to the American people. Some of our critics do not seem to want me to mention these facts. Apparently they feel that only these things should be mentioned that support their particular political point of view.

A few years ago surpluses were mounting rapidly and rigid price supports on the so-called basic crops were encouraging more and more production of crops already in surplus. We called attention to that situation, and our critics did not like it. Last year we pointed out that the surpluses cut farm income an estimated 20 percent, or $2 billion, and they were upset.

And now that we are pointing out some encouraging developments in the agricultural situation, our critics are, if anything, even more indignant than they were before. We have been reporting farm developments on a consistent basis. We will not be swayed by pressure to paint either a rosier or a darker picture than the facts justify.

Facts are facts, and the truth is that prices received by farmers in February were 3 percent above a year ago and 5 percent above the low of December 1955.

The truth is that on a nationwide basis, realized net farm income last year, as recently revised, was 4 percent above 1955—the first peacetime year, by the way, in which farm income has increased since 1947.

The truth is that exports on farm commodities are running at an all-time high.

And there is every indication that we have passed the peak of the storage problem and that Commodity Credit Corporation investments in price supports are declining. It is expected that the total CCC investment in farm commodities will be about $7.6 billion on June 30, 1957. This will be a net reduction of $700 million in a period of 12 months and a net reduction of approximately $1.3 billion below our peak holdings of February 1956.

These are the facts. I believe that the American people are entitled to know them.

We all know that, despite these more favorable developments, agriculture in general has been having some difficult times these past few years.

Many of these difficulties can be traced directly to policies which kept agriculture in a price-support straitjacket.

This dependence on rigid supports—on a form of guaranteed markets—on ever smaller allotments and quotas to fit shrinking demand—this was defeatism. This was submission to fear. This was following the path of least resistance.

We cannot make progress that way. That is the road to a Government-dominated agriculture, a socialized agriculture.

More than a century ago the French philosopher and historian De Tocqueville wrote: "Democracy and socialism have nothing in common except one word—equality. But notice the difference, while democracy seeks equality in liberty, socialism seeks equality in restraint."

Was that not the pattern—equality in restraint—being forced on agriculture under rigid supports?

The relative position of California agriculture provides a striking endorsement for the philosophy of self-help as opposed to dependence on Government. Last year your farm operators had a realized net income of $1.66½ billion—a record high for any State at any time.

Out here in the Central Valley where so large a proportion of our oranges, grapes, peaches, and dried fruits and tree nuts are grown, you believe in self-help through marketing agreements rather than in Government control through direct price support. You believe in farmer-owned and farmer-controlled cooperatives and you have many good ones. You have Federal marketing agreements and orders on raisins, prunes, figs, almonds, and walnuts—and you have, moreover, promotional efforts under State marketing orders on raisins, prunes, and figs.

You are firm believers in the value of research and education to increase efficiency, to improve quality, and to expand markets.

Of course you have your problems, too. Water is your great need here just as it is in many other areas. During November and December, I understand, you had near-record dry weather which held back planting and germination of grain crops and retarded growth of new grass in range areas. Despite some good rains, which relieved the worst immediate effects of the drought, your seasonal total precipitation has thus far been much below normal.

On the other hand, weather conditions have been favorable for getting work done.

But always there is this problem of water. I am told that February snowpacks for irrigation water were deficient and that ground-water levels are still dropping in pumping areas because of heavy usage.

As President Eisenhower said in establishing his Cabinet Committee on Water Resources in May 1954: "If we are to continue to advance agriculturally and industrially we must make the best use of every drop of water which falls on our soil, or which can be extracted from the oceans."

We must use more effectively the best storage we know about—the earth itself. Our soils and underground reservoirs constitute the greatest potential storage we have.

Here again the best programs are programs of self-help—programs initiated and developed by local people and managed by them, with the help of both State and Federal Governments where needed. Soil-conservation districts and the small watershed program are examples. The watershed program is a great step forward in our national efforts to conserve soil, water, range, timber, and wildlife resources. It supplements the efforts of the Bureau of Reclamation and the Corps of Engineers in seeking maximum utilization of available water supplies.

The small watershed approach recognizes that three kinds of management go hand in hand—soil management, water management, and local management. It is undeniably one of the great conservation developments of our time.

Our Soil Conservation Service is assisting in the investigation, planning, or conservation treatment of seven locally initiated California watershed projects under the Watershed Protection and Flood Prevention Act. We are helping in the development of land use and structural works of improvement in two pilot small watersheds and the Los Angeles and Santa Ynez flood-prevention projects. We recognize that larger projects are needed for the rapidly growing requirements of your State.

Water is now perhaps the greatest limiting resource factor in the further development of this Nation. We must deal with this problem promptly and effectively. I repeat, we must deal with it cooperatively—on a partnership basis.

In the easing of drought and other disasters, there is need for more State and local participation. As President Eisenhower recently said in a message to the Congress: "State and local governments should assume a greater part in alleviating human distress and hardships and in meeting other local needs in times of disaster, calling on the Federal Government only to supplement their own resources."

With this in mind, legislation has recently been offered requiring a minimum of 25 percent State contribution in certain future emergency agricultural programs for disaster relief.

This is in line with the philosophy that the proper function of the Department of Agriculture is to help farmers and local communities to help themselves. Government must not dominate—it must not dictate. Government is the instrument of the people to serve them and to work with them, while preserving the basic freedom of the people to make their own decisions.

Government should do for the people what they cannot do for themselves as individuals or as groups. It is a legitimate function of the Department of Agriculture, for example, to help farmers and ranchers work their way out of unbalanced supply-demand situations. But such help must be sound. It must not sow the seeds of Government domination—it must not lead to dependence on Government to take over the marketing of farm crops.

Last summer when you had an oversupply situation in plums, we announced a purchase program. Over a 2-week period 90 carloads of fresh plums were purchased. The program was announced on August 1 and buying began a week later. On only one day after announcement of the program did the daily average auction prices fall below $3. During the 10-day period prior to the announcement, the average market price was above $3 on only 2 days.

This is sound help—it is temporary. It does not pile up commodities in Government warehouses where the accumulated cost of storage mounts day by day and where the fruits of the good earth are subject to deterioration and spoilage.

Hand in hand with this philosophy of sound, temporary help as needed goes the philosophy of producer responsibility. Conscientious producers recognize that they must help prevent oversupply problems by commonsense plantings. Growers in California now produce most of the Nation's crop of tomatoes for processing—you grew 60 percent of the national total last year. Because of a record California crop of some 2¾ million tons, and greatly increased output elsewhere, the total supply of tomatoes for processing in the 1956 season was about 40 percent more than it was a year earlier. To prevent overproduction and depressed prices in the 1957–58 season, we have recommended acreage reductions which with normal yields would stabilize the situation in 1957.

These are all various aspects of self-help in agriculture—of the philosophy which you are saluting in this meeting.

But the most important and effective long-term program of self-help for agriculture has been, and remains, a program of research and education in more efficient production and marketing. The better crop varieties and the better breeds of livestock and poultry we now have, the improvement in the management of fields and animals, the new industrial uses for soybeans, corn, cotton, and many other commodities, the techniques that we now have for conserving and improving natural resources—all these are based in large part on research and education.

Some will say, of course, that it is all very well to talk about research and education as the best long-term ways of improving agriculture's position—but the hard fact is that research and education are too slow. The lag between finding a new fact in the laboratory and applying it on the farm is too great.

True, we cannot expect research and education to solve our immediate surplus problems. This situation had become so critical—because the wartime emergency policies were continued for nearly 10 years after the war ended—that drastic temporary expedients had to be adopted.

We have such temporary measures in the vast disposal programs now in operation and in the soil bank. These, together with flexibility in price support, are the major tools with which we are gradually cutting down the surpluses and increasing farm prices and income.

The cost is heavy. President Eisenhower has submitted the largest agricultural budget in history for fiscal 1958—$5.3 billion.

But there was no alternative—we had either to pay the heavy cost of these emergency programs now or face a loss to the Nation, caused by a depressed agriculture, that would have been far greater.

But not for a moment should we allow ourselves to lose sight of the fact that these programs are emergency—are temporary. We must make sure that they win their objectives.

The acreage reserve program of the soil bank must indeed be used to reduce production of crops in surplus. Our disposal operations must not simply empty Government warehouses so they can be filled again, or reduce inventories so they can be built up again.

In a terrific rainstorm it may be necessary to use buckets to catch the water from a leaky roof. But the permanent solution is to fix the roof.

The permanent and sound solutions to agriculture's difficulties are lowered costs, competitive prices, improved quality, and expanded markets—largely through research and education.

California has long been a leader in agricultural research—and in marketing cooperatives also. I know you do not need to be sold on the value of research extension and cooperation. We all recognize, however, that in the past fact using has lagged far behind fact finding. We are seeking remedies. We are now getting speedier and more thorough communication to farm people through the Extension Services and the other agencies of the Department.

It took about 10 years to put hybrid seed corn on farms. If a development of equal significance were introduced today, I wonder if a comparable job could not be done in one-third the time.

In the past, agricultural production research has outrun marketing research. We have set up in our Agricultural Marketing Service a research establishment whose exclusive interest is improving the marketing of farm products. In our Agricultural Research Service we are giving increased emphasis to the development of new uses for agricultural products. This work is now being administered separately under a deputy administrator for utilization research and development.

As you know, the President's Commission on Increased Industrial Use of Agricultural Products has been preparing recommendations for the wider use of agricultural raw materials. An interim report of this Commission will shortly be presented to the President and the Congress. Current industrial consumption takes the products from less than 7 percent of our farm acreage. This is undesirably small. We feel sure it can and will be enlarged.

I wish there were time enough to go into the fascinating story of the research in marketing and new uses now going on. I could tell you about new merchandising methods that they increased store sales of fruit as much as 75 percent. Studies of storage and transportation are producing facts that will result in big savings.

New methods of preventing insect infestations of dried fruit have been developed. In another study our researchers have found that temperature control can greatly increase the storage life of dates. For example, dates that have a storage life of 3 months at 60° F., can be kept for considerably longer than a year at zero degrees.

A study is now getting underway on the marketing costs of eggs in certain areas in California.

With the help of our technicians, plans for a complete modern wholesale food center in San Francisco have been prepared and preliminary surveys are underway of facilities in Oakland and Los Angeles. I might say, in this connection, that construction was begun last year on a new wholesale food market in Philadelphia which is expected to save more than $6 million annually in food handling costs.

In the field of new uses, we have developed an excellent whole-milk powder which, with water added, makes milk of good flavor. When we find out how to make the powder retain its good qualities in storage and how to produce it economically, it should go a long way toward bringing supply and demand of milk into balance.

The new fruit and vegetable powders may open entirely new markets.

Improvements in processing and handling of frozen foods will lead to a further tremendous expansion of this young industry.

New forms of dried eggs and greatly improved frozen poultry products will stimulate consumer demand.

The commercialization of potato granules, or instant potato, has moved ahead rapidly in the past few years. The mashed potatoes are indistinguishable from the product made with fresh potatoes. Several companies which have adopted our findings are now producing this form of dehydrated potato.

Who can say that the progress we have been making in marketing and new uses will not burst forth in a flood, just as the 20 years of production research, which had been damned up by the depression, suddenly broke forth during World War II? Who is to say that there is not at this moment in the fields and laboratories of our Federal and State research establishments a crop, perhaps more than one, which will do for the farmers of the West, the South, the Northwest, or the East, what the soybean has done for the farmers of the Middle West?

Who is to say that there is not now in the laboratories a development in the field of marketing which might rival the effect of the development of the frozen food industry?

Already we see the shadow of things to come—of amazing advances in the production and marketing of food and fiber.

Nowhere is the marketing outlook brighter than here in California. Your population growth continues to be astounding. California producers who used to look to the East for markets now find a vast and rapidly expanding market on their own doorstep. Despite the tremendous agriculture of this State—and I repeat it ranks first in the Nation—your sources of meat are moving eastward. You get hogs from Iowa and you buy beef in markets farther and farther East.

Besides the expanding Western market, your products are in demand throughout the country. And as more outlets open in Asia, you will have strategic advantages there also.

Let us move forward this exciting future through a return to the concept of full partnership between the Federal and State governments, on the one hand, and the people on the other.

There is fine cooperation between your State department of agriculture and the Federal Department—between your land-grant college and the USDA. I firmly believe that we need on the national level people who intimately know State problems. I have appointed several former Commissioners of Agriculture to my personal staff. They have been extremely valuable. We are making progress in our struggle to restore the concept that responsibility for farm programs resides in the people.

The drift toward centralization of power has been slowed down. Next we must halt the trend—then reverse it.

Here in your "Salute to Self-help in Agriculture" you are rendering a true service to the cause of responsible freedom.

I am most happy to join you in this reaffirmation of a vital American principle.

May God bless this tremendously important work.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 11, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, inspire us during this day with a faith that is vivid and victorious.

Grant that our faith, in its simplest motive and manifestation, may never be merely a formal creed and a ceremonial but a life of sanctity and service.

Fill us with an earnest desire to help mankind enjoy a free and fruitful life.

Deliver us from all cold and cynical tempers of mind and may we not be indifferent to the needs of others.

May we have Thy forgiveness for being so lacking in the spirit of charity and consideratenesa.

Bless us with the grace of sympathy and understanding, of friendship and kindness.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

ARMY SHAKES PUBLIC CONFIDENCE

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I wish to read from this morning's front page of the Washington Post and Times Herald the following: "Army Offers Congressmen Free Trip to Louisville on Weekend of Derby—No Race Tickets, Brucker 'Regrets.'"

The proposed trip is a minor thing, and I readily agree that all Members of Congress should be as well advised as possible in regard to defense operations. But the implications of the invitation are vastly different from that. I complain as a matter of principle.

During the hearings on the defense bill this year I have repeatedly warned our military and civilian leaders that every effort should be made to eliminate waste and run the defense program in a sound and economical way—in a way that would inspire the confidence of the Congress and the country.

I warned that the American people were getting more and more restive over high Government spending and that the defense budget might be slashed too deep for safety if there should be a recurrence of the revulsion against wasteful military management which swept the country after World War II and was largely responsible for bringing the defense program to the unsafe levels which existed just prior to the Korean war.

Apparently, my modest advice—my approach through friendly persuasion—has not caught on with the Army. This seductive Army bobble could possibly cost the Army $100 million in reduced appropriation; and a frequent repetition of this sort of bad taste, with aggravated incidents here and there, could cost the Defense Department billions and imperil over the long pull the security of the United States.

No doubt the Army considers this good public relations with Congress, but it is not. And it ought to be obvious to the most naive that it is mighty bad public relations with about 170 million plain Americans, most of whom are clamoring for economy and good management in the Government.

No, the Army has not committed a great sin. No doubt, the Army thought that this latest move was quite clever in courting Congressional support. I am afraid some of the nonelected officials of the Government have failed to gage the present mood and temper of about 170 million Americans, most of whom are on the warpath against waste and inefficiency in Government.

If the leaders of the Armed Forces are going to expect Members of Congress to handle effectively the arduous burdens incident to defense appropriations, they had better keep their houses in order. They should shun the very appearance of evil. They should have, and they should merit the confidence of the Congress and the country, and they should avoid doing those things which tend to inflame the Congress and the country at a time when we are in the serious business of trying to maintain an adequate defense program and reduce Government spending in every proper way.

I have the highest respect for our civilian and military leaders, and I make these comments in a spirit of helpfulness and good will.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that the Mack Subcommittee of the Committee on Interstate and Foreign Commerce may sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

YOUTH OF THE YEAR

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I am happy to announce to the House the selection of John Williams, Jr., a young constituent of mine and a senior in the Hyde Park High School in the district that I have the honor to represent, as "Youth of the Year" by the B'nai B'rith of Chicago. He rated top honor among 1,300 students entered from schools, park districts and churches. He was awarded a $500 scholarship and will enroll at the University of Illinois.

Mr. Williams is of the Negro race. He was entered in this important city-wide contest by vote of the entire student body of a great high school attended in about equal numbers by young men and women of both races. Hyde Park is proud of John Williams, Jr. I can assure Mr. Williams and the faculty and student body of Hyde Park that their Congressman is happy and proud to represent a district where the sole measure of people is that of worth and character.

STATE DEPARTMENT APPROPRIATION BILL

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, yesterday the majority leader announced that the State Department appropriation bill would be called up on Tuesday of next week. It is my understanding that no bill has been reported out of the committee, that the committee will meet on Friday for that purpose. In other words, Saturday will probably be the first opportunity the Members of the House will have to obtain a copy of the committee bill to study and determine whether they want to offer amendments, prepare amendments, and so forth.

I urge that the leadership on both sides of the aisle put off consideration of the State Department appropriation bill until after the Easter recess. If it is called up next week, consideration will be had on Tuesday, Wednesday, and perhaps Thursday of next week, and that could result in a postponement of the plans of many Members to get out of Washington for the Easter recess. I urge the leadership on both sides of the aisle to postpone consideration of that bill until after the Easter recess.

REPORT OF SPECIAL ASSISTANT FOR AVIATION FACILITIES PLANNING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 150)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Widespread attention has been drawn to the need for vigorous action to advance the safety and convenience of the public and military agencies engaged in air travel and air operations. On March 1, 1956, I appointed a Special Assistant for Aviation Facilities Planning, and directed him to develop comprehensive proposals for meeting the Nation's needs for air traffic control and air navigation facilities.

I transmit herewith an interim report prepared by my Special Assistant for Aviation Facilities Planning. This report sets forth the gravity of our present and anticipated air traffic problems. It also proposes the establishment of an Airways Modernization Board and explains the manner in which it will function.

The Director of the Bureau of the Budget is transmitting to the Congress draft legislation to establish the Airways Modernization Board. This measure will greatly expedite the improvement of air traffic control and air navigation and I therefore urge its early enactment.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 11, 1957.*

INTERIM REPORT OF SPECIAL ASSISTANT FOR AVIATION FACILITIES PLANNING, APRIL 1, 1957

Shortly after assuming the duties of Special Assistant for Aviation Facilities Planning last year, the facts on our air traffic in the United States began to pour into my office. The alarm which has been voiced in the past from many sources is, in fact, supported by evidence that our airways and terminals are subject to increasing congestion.

Over 65,000 aircraft hours are flown daily in the United States. We have counted, with the aid of radars, as many as 220 aircraft flying at one time in the vicinity of a major city. Many thousands of military jets mingle in the mixed traffic of our airways and serve to accept the dangers of "see and be seen" rules. The pilot needs assistance if he is to cope with the great increase in aircraft speed and if the danger of collisions is to be minimized.

The present situation is perhaps no more startling than the extraordinary growth in air traffic which the public desires and the economy will support in the future.

In 1946, only 6 billion passenger miles were flown in the United States by the airlines. In 1956, this had mushroomed to 20 billion passenger miles. My studies show that this figure will be approximately 70 billion in 1975. In addition, the present 61,000 private United States aircraft will exceed 100,000 in 1975.

Clearly, the safety and convenience of the public now and in the future require more sophisticated and energetic efforts to reduce the hazard and delay in the Nation's air traffic. The Federal Government must lead and support this effort. The present vigorous program of the Civil Aeronautics Administration to expand its existing facilities using known techniques is highly commendable and deserves our full support. Its full energies will be needed to accomplish this. The specific proposal of legislation attached to this report in no way affects the operational measures which the Civil Aeronautics Administration intends to carry out.

I have searched thoroughly for the basic causes of our airways problems and one in particular has emerged sharply: The military and civil agencies in the Federal Government which control and expedite air traffic are not provided systems acceptable to them with which to modernize their operations. Acceptability depends, in large part, on joint test and evaluation by civil and military pilots and ground controllers.

The Government can take steps to solve this problem now, and I respectfully attach a draft bill which proposes legislation to do it. Therefore, I wish to explain this problem and its solution, which is urgently needed. This is the purpose of the interim report.

A search was first made to determine why aggressive efforts have not been made in the past decade to modernize the systems and methods used to assist our air traffic. I found that there was no lack of scientific ideas. In fact, an overabundance of electronic systems have been developed in the laboratories to improve our terminal and en route operations. Most of these have been shelved and never used. The key to this dilemma may be found in the organizational arrangements in the executive branch which are intended to set the goals, to develop, and to select the systems and methods which will meet these goals.

The problem of modernizing the airways was clearly recognized in 1948 as one which required urgent action. The actions taken then have not been effective. The Government attempted to resolve the technical conflicts in air traffic control at that time by creating the Air Navigation Development Board. This Board was established by an interagency agreement between the Departments of Defense and Commerce. Many excellent men have bent their efforts toward making it work. However, the statutory authority of each of the two agencies and the clouding of the air traffic control problem by an understandable concentration on agency missions have made the Board far less effective than anticipated. There being just two voting members on it, all actions have required unanimous agreement. This Board of two members, without legal status and without control of its own funds, has been unable to bring sufficient authority, decision, or clear objectives to bear on air traffic problems.

In addition, there are several Government and industry committees which have deliberated constantly in the past 10 years on the goals and the techniques for air traffic control and air navigation. In spite of the usual difficulties of committee action, they have produced, in the past, some useful advice. However, there has been no one agency with specific authority and capability for them to advise.

The determination of our goals, and the selection of systems and methods for controlling our air traffic, has been dangerously slow. It cannot be expedited by committee and interagency coordination. This was not recognized 10 years ago, and today we find our air traffic system antiquated and understrength.

The rapid, continuing growth of aviation foretells future conditions which demand a new element of decision making now, a more modern organizational structure to evaluate and select our air traffic system of the future.

This shortcoming has been recognized and separated from many other organizational problems in aviation. The nature of its remedy and the urgency of need has prompted me to prepare a draft bill and clear it with the interested executive departments. This bill is intended for the use of Congress in creating an Airways Modernization Board. The Chairman would be appointed by the President, and would have no affiliations with existing Government agencies. The Departments of Commerce and Defense would each supply one member to the Board, in view of their basic interest in its activities.

The Airways Modernization Board, as an independent agency, would be responsible for developing and consolidating the requirements for future systems which are needed to provide the necessary communications, navigational aids, and control needed to accommodate the future air traffic in the United States. It would be responsible as well for the systems engineering, the evaluation, and the selection of such aids as will best serve the needs of aviation.

This bill recognizes that military and civil aviation share the same airspace. It recognizes that the selection of future systems and methods of control of air traffic is a public action in the broadest sense. The Board is authorized to assemble military as well as civil personnel to assist in conducting its affairs. The Board is likewise expected to arrange for satisfactory and equitable advice from the users of aircraft and the engineering talents of industry. In other words, the Board will conduct a joint analysis, test, and selection activity which recognizes that the national system must accommodate the civil and military air traffic in peace or war.

The overall system is an essential part of our national defense against air attack. It likewise must respond to the growing demands of public need. These apparently different requirements have not been subject to resolution by the committee conference methods which have been used. Therefore, the Board is expected to engage in extensive tests and experimentation in the field, where the intricate problems of procedure and equipment can be tried, and the pilots and traffic controllers can experiment together, bringing the skills of science to bear, and to resolve their problems. This Board, with an impartial chairman, will then be able to arrive at decisions and specify the most advantageous systems from an economic, operational, and technical point of view.

It is intended that this Board will specify new systems which will best serve the needs of all air navigation and traffic control to the interested military and civil agencies. It is not intended that the Board will have the authority to develop or procure the final ground or airborne equipments to be used in operations.

The Airways Modernization Board is proposed as an interim organization to establish a point of responsibility for system development and selection. At present, this kind of activity is scattered throughout the two principal agencies. This bill is proposed in order to consolidate this activity and to initiate the joint test and evaluation work which is so urgently needed if this country is to avoid an increase in delay and hazard to air traffic.

The functions which the Board will perform are entirely in consonance with the considerations being given to a broader change in Federal Government organization for aviation matters. In my final report, I intend to cover the broader plan. However, it is now clear that much more thorough examination needs to be undertaken in order to achieve a durable permanent organization. To recommend such in final form too quickly might result in improvisations which would complicate or delay the expected action necessary to accommodate the civil and military needs of aviation in the future.

Consequently, the Airways Modernization Board is proposed as the most expeditious and effective way to commence the long-range improvement of our air traffic systems. Its tenure of 3 years is proposed as sufficient to establish the permanent functions of joint test, evaluation, and selection of air-traffic systems. This period of time likewise will permit the executive branch to plan further organizational adjustments into which the functions of this new Board will logically fit.

Respectfully submitted.

EDWARD P. CURTIS.

DECLARING THAT AN UNSIGNED PAPER IS NOT A PROPER INSTRUMENT WITH WHICH NOTICE COULD BE GIVEN TO CONTEST THE SEAT OF THE RETURNED MEMBER FROM THE SIXTH CONGRESSIONAL DISTRICT OF THE STATE OF IOWA

Mr. ASHMORE. Mr. Speaker, by direction of the Committee on House Administration I call up a resolution in

connection with House Document No. 53 and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 230

Resolved, That it would be unwise and dangerous for the House of Representatives to recognize an unsigned paper as being a valid and proper instrument with which notice may be given to contest the seat of a returned Member.

2. That the unsigned paper by which attempt was made to give notice to contest the election of the returned Member from the Sixth Congressional District of the State of Iowa to the 85th Congress is not the notice required by the Revised Statutes of the United States, title II, chapter 5, section 105.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SYNOPSIS OF BENEFITS AVAILABLE TO VETERANS

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 199) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 60,000 additional copies of the Synopsis of Benefits Available to Veterans and Their Dependents prepared by the Committee on Veterans' Affairs during the 85th Congress, of which 30,000 copies shall be for the use of that committee and 30,000 copies shall be prorated to the Members of the House of Representatives for a period of 6 months, after which time the unused balance shall revert to the Committee on Veterans' Affairs.

With the following committee amendments:

Line 1, strike out after the word "printed."

Line 2, strike out through the word "fifty" and insert "sixty."

Line 4, strike out "that committee" and insert in lieu thereof "the Committee on Veterans' Affairs."

Line 8, after the word "Congress", insert semicolon and the following: "of which thirty thousand copies shall be for the use of that committee and thirty thousand copies shall be prorated to the Members of the House of Representatives for a period of 6 months, after which time the unused balance shall revert to the Committee on Veterans' Affairs."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANTITRUST AND MONOPOLY INVESTIGATION

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (S. Con. Res. 13) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on the Judiciary 2,000 additional copies of the hearings held by the Subcommittee on Antitrust and Monopoly on June 21, 26, 27, 29, 30, July 3 and 8, 1956, on bills to amend section 2 of the Clayton Act.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL MAILING CLERK

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 219) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That, effective April 1, 1957, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of one additional mail clerk, Office of the Postmaster, at the basic salary of $2,100 per annum.

Mr. MARTIN. Mr. Speaker, will the gentleman yield so that I can ask a question of the gentleman from Maryland?

Mr. BURLESON. I yield.

Mr. MARTIN. I understand this provides an extra postal clerk because of the increased post office business in the House; is that correct?

Mr. FRIEDEL. Yes.

Mr. MARTIN. The gentleman feels it is necessary to put on an additional carrier. Now, does the gentleman not believe that perhaps, in a way, this could justify the Postmaster General in also expanding his service to the people of the country.

Mr. FRIEDEL. Well, this does not have anything to do with Saturdays. This is Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, or any other day.

Mr. MARTIN. Do you mean for Saturday?

Mr. FRIEDEL. Well, Friday, then.

Mr. MARTIN. I am not going to object to this, because the House postmaster thinks it is necessary and it probably is, but I also think that the country at large is also forced into the situation where they need additional help and, of course, we must provide the cash if the services are to be maintained.

Mr. BOYLE. Well, I think it is a matter of timing. You probably feel it is about time.

Mr. HAYS of Ohio. Mr. Speaker, if the gentleman will yield, I would like to say to the gentleman, from testimony before the committee, we were led to believe that the reason for this was all this mail coming in asking to cut the President's budget.

Mr. MARTIN. That shows the interest of the country in economy and also shows the need for more money for the postal service.

Mr. BURLESON. Mr. Speaker, there seems to be a little confusion as to which resolution is before the House. The remarks made are pertinent to the resolution which will be offered subsequent to the one we are considering now. I trust that it will be placed in proper order. Those remarks would be applicable to the next resolution. I am sure the minority leader had some question about that.

Mr. MARTIN. Have we agreed on the post office carrier matter?

Mr. SPEAKER. That is what is up now.

Mr. MARTIN. I do not want to speak any further on this bill.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATIONS BY HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 191

Resolved, That House Resolution 183, 85th Congress, agreed to February 7, 1957, is hereby amended by striking "$100,000," and inserting "$350,000."

Mr. BURLESON. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, this is a privileged resolution, of course; and as such the gentleman from Texas [Mr. BURLESON] very properly has control of all the time and any amendment that would be offered would be at the direction or discretion of the gentleman from TEXAS.

I have had compiled some figures on the amount of money expended for investigations. The present resolution provides for an increase of $250,000 for the Committee on Interstate and Foreign Commerce. That committee on February 7 was given $100,000. It is now proposed to increase that to $350,000. Here is something that surely is of interest to all Members of the House. The House of the 85th Congress has already authorized expenditures of more than $2½ million for investigations. This Congress is only a little over 2 months old. Undoubtedly there will be considerable additional money requested for investigations. Probably by far the greater part of the money that will be needed has already been authorized, but it would be strange, indeed, if we did not have to have some additional money for some of the committees that are conducting investigations. This sum of $2,569,500 is somewhat more than all of the money that was expended for investigations in the 83d Congress. I do not have before me figures as to other previous Congresses, but prior to the 83d Congress I am certain that the amounts were substantially less.

In the 83d Congress there were special committees and special investigations on conditions in the Baltic States; investigation of tax-exempt foundations; investigation of campaign expenditures; and so forth. But the total amount then expended still is not as much as the amount that we have already authorized up to this time in the 85th Congress.

I submit to the membership of the House that it looks as though we are going pretty far in the matter of spending money for investigations.

I feel that we could give the Committee on Interstate and Foreign Commerce an added amount of perhaps $100,000 and if we find good use has been made of it and more is needed for needed investigations, we could consider another authorization from the contingent fund of the House.

Mr. BURLESON. Mr. Speaker, in that regard I think it should be pointed out that appropriations made to most of the standing committees of the House cover the 2 years of the 85th Congress. Certainly, it is contemplated that in the second session it will not be necessary to appropriate money to many, if any, of these committees.

Mr. LECOMPTE. That statement is manifestly true, but it would be surprising, indeed, if we did not have to provide additional money for some of the committees.

Mr. BURLESON. It might be inflation; inflation is taking hold of everything. Everything is more expensive. It would seem that these studies and investigations are also more expensive.

Mr. LECOMPTE. Mr. Speaker, I understand that all members of the Committee on Interstate and Foreign Commerce felt that this money was needed for investigations. I was in hopes that we might appropriate about half that much at this time, and, as they get along with their investigations, we could give them more money later on if it was needed. That was my feeling.

Mr. BURLESON. Mr. Speaker, the Committee on Interstate and Foreign Commerce, as I recall, with 29 out of 31 members present, voted unanimously to request the Committee on House Administration to provide these funds.

I think the term the committee has used is a "study" of the various agencies of Government referred to on the floor recently as created by actions of Congress. These include the Interstate Commerce Commission, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Securities and Exchange Commission, and others. I think the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS], has defined the scope of the study as clearly as it is possible to do at present. It is necessarily general at the time, but I am convinced that the sum they have requested, in view of the pattern of the operation they contemplate, is in reason and a modest sum for the undertaking, which necessarily must be done by experts in these various fields.

Mr. LECOMPTE. It is a difficult matter, of course, for the gentleman's committee to refuse funds when the House has voted for investigation and study. I only thought the funds were just a little more than necessary to begin with, inasmuch as the committee has already had $100,000.

Mr. BURLESON. I may say to the gentleman in that respect that it is always easy to stand up here and say that it is the duty of the Committee on House Administration to determine how much money is needed for these inquiries and investigations, since such studies have already been authorized by the House and gone through the Rules Committee. In this instance it is an amendment to the original request for $100,000. Therefore, I feel that we have an obligation to justify this operation as well as to show justification for funds to carry out its purpose.

Mr. LECOMPTE. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Iowa.

Mr. GROSS. Does the Committee on Government Operations not have these various departments, agencies, bureaus, and so on, under scrutiny?

Mr. BURLESON. That question was discussed thoroughly in the committee. There was a difference of opinion about it. The Committee on Government Operations, as the gentleman knows, assumes very broad jurisdiction. I shall not attempt to define or identify its authority but generally the Committee on Government Operations concerns itself with the physical operation of the various agencies of Government as to the expenditure of funds, how they are used, and for what, but, as I understand the intent of the Committee on Interstate and Foreign Commerce, they expect to inquire into the policy and the operation of these various commissions to determine whether or not as of today they are following the intent of the Congress. This would necessitate the committee's going back to the original laws to determine if these commissions, which are the creatures of the Congress, are by fiat superseding their authority, or creating law by their own orders and regulations.

Mr. GROSS. Can the gentleman tell me how much the Committee on Government Operations has been allowed so far this year?

Mr. BURLESON. As I recall, a little over half a million dollars; $575,000, I believe.

Mr. GROSS. Five hundred and seventy-five thousand dollars?

Mr. BURLESON. I believe that is correct.

Mr. GROSS. Does the gentleman not think there will be duplication of effort as between these two committees?

Mr. BURLESON. It is entirely possible there will be some duplication. At the same time, I certainly feel that we can trust our colleagues not to duplicate efforts in this or any other undertaking of this nature. It should simply be a matter of committee chairmen conferring and agreeing on a mutual goal. I think that will be done in this instance.

Mr. GROSS. Is the Committee on Interstate and Foreign Commerce going to investigate natural-gas rates and pipelines; is it going to have anything to do with that matter?

Mr. BURLESON. I think they intend to look into the operation of the Federal Power Commission. I have no knowledge of the specifics.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I am glad to yield to our Speaker.

Mr. RAYBURN. I might say this with reference to the question of overlapping. The Committee on Government Operations has done some wonderful work on some of these matters. But it does not feel that it is the proper function of that committee to go into it like the Committee on Interstate and Foreign Commerce would. The chairman of that committee has agreed to turn over all the facts and information that have been developed by his committee to the Committee on Interstate and Foreign Commerce. I might say, as I have said on the floor before, and I know Members have heard me say this—I served on the Committee on Interstate and Foreign Commerce when it worked on and developed practically all the laws that are proposed to be investigated. It goes back a good way. I have been here at the birth of every commission and every board in this Government except the Interstate Commerce Commission—that was in 1887. It goes back to the Wilson, Harding, and Coolidge administrations, and so forth, down to this very time. As I said on the floor a while ago, I do believe it will be truly in the interest of public service and in the interest of the people of the United States if this very capable committee, and it is one of the most capable in the House of Representatives, has the opportunity to go into these matters and see whether or not the laws have been faithfully executed and whether or not administratively some of these laws or the intent of some of these laws are being disregarded. I have heard such complaints many times. The Interstate Commerce Commission Act came out of this Committee on Interstate and Foreign Commerce. The Federal Power Act came out of that committee, the Federal Trade Act came out of the Committee on Interstate and Foreign Commerce, the Federal Communications Act came out of that great committee. The Securities and Exchange Commission Act came out of that committee. The Securities Act of 1933 and the Stock Exchange and Regulation Act of 1934 came out of that committee. The Utility Holding Company Act of 1935 came out of that committee. They all came out of this great committee. If there is a committee in the Congress, a committee capable as a result of the work they have been doing, capable of making a thorough investigation of these laws and the execution of the laws administratively, certainly it is the Committee on Interstate and Foreign Commerce.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Iowa.

Mr. GROSS. The distinguished Speaker is a persuasive speaker, as he demonstrated yesterday. He has just about convinced me that perhaps this appropriation ought to go through, but the amount of money certainly ought to be reduced.

Mr. RAYBURN. Mention has been made of the amount of money involved. Other committees of the House of Representatives have had equal or greater amounts. This is going to be a very technical matter. Under the leadership of such men as the gentleman from Arkansas [Mr. HARRIS] and the gentleman from New Jersey [Mr. WOLVERTON] who sat in

on that committee during most of my service on the committee and during all the years of my chairmanship, and who was one of the most helpful men on the committee to me in the enactment of these laws. These two men and the committee, in my opinion, will do a great job and it will be worth every dollar that this investigation is supposed to cost. I hope the resolution will pass and that this committee may move forward in a field which I think ought to be looked into.

Mr. BURLESON. I thank our distinguished Speaker.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I am happy to yield to the distinguished minority leader.

Mr. MARTIN. It is not my purpose to criticize the distinguished gentleman who heads the Committee on House Administration. I know he is a good, sound legislator, and is always striving to keep appropriations down. I would like to strengthen him in this purpose. Neither do I object to the committee that is designated to consider this resolution because I do believe we have a very able Committee on Interstate and Foreign Commerce and a good chairman. But, I do want to rise to sound a warning. There is, as some of you know, an economy drive in the country which, as the gentleman from Ohio has said, is indicated by the deluge of letters which requires an extra employee in our congressional post office here.

This increased mail indicates the people are really interested in economy. I was therefore rather dismayed to see that in the 84th Congress within 2 months we had authorized $2,569,500 in spending for legislative investigations, more than we spent during the whole of the 83d Republican Congress in both sessions.

Further, as I glance over some of these committee requests I know that the gentleman is going to be asked for much additional moneys either this year or at the next session. For instance the Committee on Government Operations during the last Congress got $975,000. This year they have only received $575,000. But I am sure they will be back in the next session asking for more, if not during the latter part of this session.

The thought I want to express is that if we are going to have any economy in this country we have got to practice a little of it ourselves in our own departments. We are probably, from what I hear, the greatest offenders of all the departments in increased spending over last year. We should correct this and then be in a far better position to ask other departments to cut down.

The other day the Army removed a small item of $200,000 for a commission to report to the President their views on an important subject which was of deep concern to the people. We apparently did not have $200,000 for that purpose, but here we find many, many thousands for our own spending on a project worthy enough but one which could well be delayed.

I realize that this resolution will go through. I oppose it but am reconciled to the inevitable. But I warn you it will be a devastating blow to the economy drive. Economy for others but not when it concerns ourselves.

Mr. BURLESON. Let me say that I hope this fund will prove to be a real investment in economy. I hope ways will be found to straighten out some of the ramifications of administrative procedures in these many bureaus, boards, and departments, reducing detail, commonly known as redtape, resulting in saving, both to individual citizens who use them, as well as expense to the Government itself.

Mr. MARTIN. I suppose that could be said of any resolution that might be proposed, that some good is hoped to come from it.

The question bothering the country at this time is, "Have we enough money to do all the good things we want to do this year?"

Are there ready requests for supplemental appropriations to be considered tomorrow?

Mr. BURLESON. None from my committee.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield on the matter of supplemental appropriations, I wonder if there is a complete meeting of the minds, for there is an urgency appropriation bill coming up Monday. Was the gentleman referring to any matter pending in that bill?

Mr. MARTIN. Are they of such nature as to require any House investigation funds at this time?

Mr. BURLESON. There are no requests now pending before the Committee on House Administration for funds, if I am clear on what the minority leader has in mind.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I am glad to yield to my colleague on the committee.

Mr. SCHENCK. My record on economy, I think, is very well known and established. Since I have been a Member of Congress I have consistently tried my best to make sure that all recommendations for the appropriation of funds for the operations of committees of the House made by the Committee on House Administration were well justified and within the framework of our policy of proper operations.

It is also my great privilege and high honor to be a member of the Committee on Interstate and Foreign Commerce. I shall not be, as far as I know, a member of this subcommittee to conduct these investigations, but our Committee on Interstate and Foreign Commerce has never in any situation done anything other than conduct objective type hearings, and it is my full expectation that the work done by this special subcommittee under this appropriation will be both entirely objective and very much worth while. It could mean the saving not only of a considerable amount of money in the operating expenses of these various Federal agencies but also by coordinating and clarifying the rules and regulations under which these various boards, commissions, and agencies operate. This could result in a great saving to the public in general. At the present time there are many instances when expensive specialists are required in order that the rights and privileges of citizens having business with these agencies are properly protected. It is my hope that, under the proposed investigations, the various procedures will be simplified.

I should also like to point out, Mr. Speaker, that these funds are being requested as the result of unanimous vote by the Members of both the majority and minority sides of the Committee on Interstate and Foreign Commerce in appearing before and in getting consideration of their condition and situation under these various public boards and bureaus activities under the general legislative jurisdiction of the Committee on Interstate and Foreign Commerce.

Mr. BURLESON. I appreciate the gentleman's remarks.

Mr. RAY. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from New York, member of the Committee on House Administration.

Mr. RAY. I do not question the authority of the committee nor do I question the wisdom of the Committee on Interstate and Foreign Commerce making a study of this kind or the need for some study in this particular field. I do think the request for funds is extravagant at a time when we need to be economical. I do not think that a well thought out plan for conducting these studies has been presented to our committee. I am opposed to this resolution.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is there any reason why the expenses incurred for these investigations should not be given to the public?

Mr. BURLESON. They are available to the public.

Mr. HOFFMAN. No; they are not. I have written the Committee on House Administration several times. I have asked the departments several times and they come back and say I cannot have it.

Mr. BURLESON. The gentleman has never been denied information from the House Administration Committee on expenses of other operating committees of the House of Representatives. The gentleman may have been unable to secure figures on some other matters relating to foreign travel or something of that sort.

Mr. HOFFMAN. That is what I have in mind.

Mr. BURLESON. That has nothing to do with the matter now in debate. The gentleman has never been denied information from the Committee on House Administration with reference to funds provided other committees of this House.

Mr. LeCOMPTE. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Iowa.

Mr. LeCOMPTE. We have frequently put in the RECORD tables showing the amount of money that has been expended by each of the several committees. I did that a time or two when I

was chairman and I think the gentleman has, too.

Mr. BURLESON. I believe we have done that every year.

Mr. LeCOMPTE. Here is a table that the gentleman from Michigan can have. It may be put in the RECORD if the gentleman cares to do it.

Mr. BURLESON. It will be in the RECORD after all committee appropriations for the session have been made.

Mr. LeCOMPTE. The gentleman's statement about not getting the information that the Committee on House Administration has is not altogether correct, because that information is available.

Mr. HOFFMAN. I am familiar with the paper that the gentleman has here and similar papers given out at other times. The law requires that. What I am talking about now is the cost of transportation of congressional committees and the individual members thereof.

Mr. BURLESON. I cannot give the gentleman that because I do not have it.

Mr. HOFFMAN. The Defense Department and MATS and the Air Force says it is over in your committee.

Mr. BURLESON. That is not true. That is a hot potato I did not want so far as the other committees and individuals are concerned. I did not want the information and I was not going to have it on just one department, and relating to a few individual Members of Congress, without having complete information from all sources and on everyone.

Mr. HOFFMAN. No. I wrote your committee. The gentleman happened to be out of the city on official business. But I was unable to get an answer.

Mr. BURLESON. There was never any intent on my part to furnish the gentleman any fragmentary information in my possession on that subject. But I repeat, he has never been denied the record on appropriation and expenditures of the committees of this House.

Mr. HOFFMAN. There you are.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Iowa.

Mr. GROSS. In line with the economy that some of us would like to have, I wonder if the gentleman would accept an amendment or would offer an amendment to cut this by $50,000?

Mr. BURLESON. No.

Mr. GROSS. If the gentleman will permit me to continue, that would leave the committee with $300,000. If it needs more money and if it can make a case, I am sure that the Congress will be willing to give it additional funds.

Mr. BURLESON. Well, I appreciate the gentleman's idea. I had the same idea in the beginning, and a number of members of the committee felt that perhaps we should make a lesser appropriation for this current session and wait until the second session and see what the needs might be. But then it was decided that to approach this thing in an overall plan, by securing a highly technical staff of people, it would be necessary for long-range planning and that the amount requested would be modest for the starting period. It may cost a great deal more. I do not know. I hope it does not. I know that the gentleman from Arkansas, the chairman of the Committee on Interstate and Foreign Commerce, hopes it will cost no more. I have every confidence that he will make all efforts to see that costs are held to a minimum.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I shall be glad to.

Mr. MARTIN. The gentleman remembers that I said I had every confidence in the chairman, and I want to say that that confidence has been strengthened when he passed the "hot potato" back.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry, if it is in order.

The SPEAKER. If the gentleman will yield for that purpose.

Mr. BURLESON. I yield.

Mr. GROSS. Is the parliamentary situation such that an amendment can be offered only by the committee or the chairman of the committee?

The SPEAKER. Unless the previous question were voted down.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BURLESON. I am glad to yield to the majority leader.

Mr. McCORMACK. As a matter of fact, this is an economy move, just the opposite to what some of my friends argue. This is a matter of great importance to countless millions of persons in the United States, looking into the policies of these various agencies. There are about 18 or 20 that will be surveyed, so that this is a very broad matter, not confined to one or two agencies but covers several large ones and a number of other agencies that are parts of departments. We have a bill pending to change our appropriation theory from an obligation to an accrued expenditure basis. If that bill goes through—and I am passing no opinion on the bill one way or the other now—in order for the Congress to perform its duties under that bill, we would have to create a legislative bureau of the budget in order to assist the Committee on Appropriations and the other committees and to assist the Members in ascertaining the full facts. So, this is an economy measure, and while it appropriates $250,000, the net result of it will be, in my opinion, a saving of countless millions of dollars to the taxpayers of our country.

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to include at this point a resolution passed by the Committee on Interstate and Foreign Commerce with reference to House Resolution 99.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution reads as follows:

Whereas section 136 of the Legislative Reorganization Act of 1946, and the Rules of the House, provide that to assist the Congress in appraising the administration of the laws each standing committee shall exercise continuous watchfulness of the execution of the laws by the agencies of the Government within the jurisdiction of the committee; and

Whereas House Resolution 99, 85th Congress, authorizes the Committee on Interstate and Foreign Commerce to investigate and study the administration and enforcement by departments and agencies of the Government of provisions of law relating to subjects which are within the jurisdiction of the committee; and

Whereas in the consideration of House Resolution 99 by the House at the time of its passage, Speaker RAYBURN, former chairman of the Committee on Interstate and Foreign Commerce, expressed his desire that under the authority of the resolution the committee would create a subcommittee to go into the administration of the laws to see whether or not the laws as intended by the Congress were being carried out or whether they were being repealed or revamped by those who administer them; and

Whereas, among others, the Speaker referred to the Interstate Commerce Commission, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, and the Securities and Exchange Commission, all of which administer laws within the legislative oversight of the Committee on Interstate and Foreign Commerce; and

Whereas in furtherance of its duties under the Reorganization Act, the Rules of the House, and House Resolution 99, the Committee on Interstate and Foreign Commerce on March 6, 1957, has created a subcommittee on Legislative Oversight to review, study, and examine the execution of the laws by the administrative and independent agencies of the Government within the jurisdiction of the committee; and

Whereas the proper discharge by the subcommittee of its responsibilities for achieving the objectives for which it has been created by the Committee on Interstate and Foreign Commerce necessitate the subcommittee having at its disposal funds adequate for the employment of staff suitable to assist in the review, study, and examination of the execution of the laws by the agencies of Government: Now be it

Resolved, That the Committee on Interstate and Foreign Commerce fully supports the request for additional funds in the amount of $250,000 contained in House Resolution 191 and authorizes and directs the chairman of the committee to initiate and pursue all appropriate steps to secure the authorization of such funds from the House.

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, it is not pleasant to find myself in disagreement with the leadership on this side of the aisle. However, I opposed this resolution in the Committee on House Administration and feel that I should vote against it at this time. I am not opposed to investigation of the Federal commissions, board, and bureaus, which in most instances have shown an utter disregard for the intent of Congress and have written regulations and issued rulings which have had the effect of amending or repealing laws approved by Congress. I am ready to vote for any law which will stop that practice. I am also of the opinion that we already have evidence which would support the enactment of such laws, but first Congress must make up its mind that it is opposed to legislation by regulation written by some commission or board.

I am voting against this resolution not because I am opposed to an investigation of any bureau or commission, but solely because I believe the resolution authorizes more funds than are necessary to do the job. I am not impressed with the argument that it is necessary to hire 7 staff experts at an annual salary of $14,000 and 5 assistants at an annual salary of $8,000 each, and with staffs that will be working for 18 months, at a total cost of $250,000, and without any assurance that this will get the job done.

I said in the committee and I repeat now, that we cannot correct these objectionable practices merely by appropriating and spending money for investigations. Rather, Congress could probably be more effective in correcting this situation by appropriating less money to those agencies guilty of the practices about which we complain.

With the staff that is proposed, the job suggested should be done in not more than 6 months if it can be done at all, and by the end of this year, the committee should have all the information necessary to draft legislation to rewrite the laws in a way that they can be understood, and not interpreted to suit the fancy of any group of appointed bureaucrats.

Another suggestion which I made in the committee and which I repeat here is that Congress might well consider the advisability of a prohibition against the practice for a period of years before any agency of any person who has served as a member of and been responsible for the adoption of rules or regulations affecting that agency.

We have too many former members of such commissions, boards, and bureaus, who are specializing in the practice of law before such agencies. It is true that in many cases the rules and regulations have grown to such proportions and become so complicated that the average lawyer is lost in this maze of confusion and more often than not is required to enlist the services of a former member of such agency to assist in the representation of his client. And I think no one would deny that the fees charged by such specialists are completely out of line with the services rendered.

Yes, Mr. Speaker, there are many things which can be done to correct the existing evil without the appropriation of another quarter of a million dollars, and that is why I cannot vote for this authorizing resolution.

Mr. BURLESON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HOFFMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 225, nays 143, not voting 64, as follows:

[Roll No. 60]

YEAS—225

Abbitt, Abernethy, Addonizio, Albert, Alexander, Alger, Andresen, August H., Andrews, Ashley, Auchincloss, Avery, Bailey, Baldwin, Barting, Barrett, Bass, Tenn., Beamer, Becker, Beckworth, Bennett, Fla., Bennett, Mich., Bilitch, Boggs, Boland, Bolling, Bonner, Bosch, Boykin, Breeding, Brooks, La., Brooks, Tex., Brown, Ga., Brown, Mo., Burdick, Burleson, Bush, Byrd, Byrne, Pa., Cannon, Carnahan, Carrigg, Chelf, Chenoweth, Christopher, Chudoff, Clark, Colmer, Cooley, Cooper, Dague, Davis, Tenn., Delaney, Denton, Derounian, Diggs, Dollinger, Donohue, Dorn, S. C., Durham, Edmondson, Elliott, Engle, Evins, Fallon, Farbstein, Fascell, Feighan, Fenton, Fisher, Flood, Flynt, Forand, Forrester, Fountain, Friedel, Fulton, Gary, Gathings, Gordon, Granahan, Grant, Hagen, Hale, Haley, Halleck, Hardy, Harris, Harrison, Va., Haskell, Hays, Ark., Hays, Ohio, Healey, Hemphill, Herlong, Heselton, Hollifield, Holland, Holmes, Holt, Horan, Huddleston, Hull, Ikard, James, Jarman, Jennings, Johnson, Jones, Ala., Judd, Karsten, Kee, Kelly, N. Y., Kilday, Kilgore, King, Kirwan, Kitchin, Kluczynski, Knutson, Laird, Lanham, Lankford, Latham, Lennon, Lesinski, Long, Lser, McCarthy, McCormack, McDonough, McGovern, McIntire, McMillan, Machrowicz, Mack, Ill., Madden, Mahon, Marshall, Matthews, Merrow, Metcalf, Miller, Calif., Miller, N. Y., Mills, Morgan, Morris, Morrison, Moss, Multer, Murray, Natcher, Neal, O'Hara, Ill., O'Hara, Minn., O'Konski, O'Neill, Norrell, O'Brien, Ill., Osmers, Passman, Patman, Perkins, Pfost, Philbin, Pilcher, Poage, Polk, Porter, Powell, Price, Rabaut, Radwan, Rains, Reuss, Rhodes, Pa., Riley, Rivers, Roberts, Robeson, Va., Rodino, Rogers, Colo., Rogers, Fla., Rogers, Tex., Rooney, Roosevelt, Rutherford, Saund, Schenck, Scott, N. C., Selden, Shuford, Sikes, Sisk, Smith, Miss., Smith, Va., Spence, Springer, Staggers, Steed, Sullivan, Teller, Thomas, Thompson, N. J., Thompson, Tex., Thornberry, Trimble, Tuck, Udall, Ullman, Vanik, Watts, Whitener, Whitten, Wier, Williams, Miss., Willis, Winstead, Withrow, Wright, Yates, Young, Younger, Zablocki, Zelenko

NAYS—143

Adair, Allen, Ill., Anderson, H. Carl, Arends, Ashmore, Ayres, Baker, Bass, N. H., Betts, Baumhart, Belcher, Berry, Betts, Bolton, Bow, Boyle, Bray, Broomfield, Brown, Ohio, Brownson, Broyhill, Budge, Byrne, Ill., Byrnes, Wis., Canfield, Cederberg, Chamberlain, Chiperfield, Church, Clevenger, Cole, Collier, Corbett, Cramer, Cretella, Cunningham, Iowa, Cunningham, Nebr., Curtin, Curtis, Mass., Curtis, Mo., Dawson, Utah, Dellay, Dixon, Dooley, Dorn, N. Y., Dwyer, Ford, Frelinghuysen, Gavin, George, Green, Oreg., Griffin, Grover, Gwinn, Harden, Harrison, Nebr., Harvey, Henderson, Hess, Hiestand, Hill, Hillings, Hoeven, Hoffman, Hosmer, Hyde, Jackson, Jenkins, Johansen, Jonas, Jones, Mo., Kean, Kearns, Keeney, Kilburn, Knox, Laird, LeCompte, Lipscomb, McCulloch, McGregor, McVey, Mack, Wash., Martin, Mason, May, Michel, Miller, Md., Miller, Nebr., Minshall, Moore, Morano, Mumma, Nicholson, Nimtz, Nordblad, Osterlag, Patterson, Pelly, Pillion, Poff, Prouty, Ray, Reed, Rees, Kans., Rhodes, Ariz., Riehlman, Robison, Ky., Rogers, Mass., Sadlak, St. George, Saylor, Scherer, Schwengel, Scrivner, Scudder, Seely-Brown, Simpson, Ill., Simpson, Pa., Smith, Calif., Smith, Kans., Smith, Wis., Stauffer, Taber, Teague, Calif., Tewes, Thomson, Wyo., Utt, Van Pelt, Van Zandt, Vorys, Vursell, Wainwright, Weaver, Westland, Wharton, Widnall, Wigglesworth, Williams, N. Y., Wilson, Ind.

NOT VOTING—64

Allen, Calif., Anderson, Mont., Anfuso, Aspinall, Barden, Bentley, Blatnik, Bowler, Buckley, Celler, Coad, Coffin, Coudert, Davis, Ga., Dawson, Ill., Dempsey, Dennison, Devereux, Dies, Doyle, Eberharter, Fino, Fogarty, Frazier, Garmatz, Gray, Green, Pa., Gregory, Griffiths, Guber, Hebert, Holtzman, Jensen, Kearney, Keating, Kelley, Pa., Keogh, Kreuger, McConnell, McFall, McIntosh, Macdonald, Magnuson, Mailliard, Meader, Moulder, O'Brien, N. Y., Preston, Reece, Tenn., Santangelo, Scott, Pa., Shelley, Sheppard, Siemiński, Taylor, Teague, Tex., Thompson, La., Tollefson, Vinson, Walter, Wilson, Calif., Wolverton

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Keating against.
Mr. Vinson for, with Mr. Reece of Tennessee against.
Mr. Preston for, with Mr. Taylor against.
Mr. Aspinall for, with Mr. Meader against.
Mr. Wolverton for, with Mr. Fino against.
Mr. Holtzman for, with Mr. Coudert against.
Mr. Keogh for, with Mr. McConnell against.
Mr. Anfuso for, with Mr. Kearney against.
Mr. Santangelo for, with Mr. Allen of California against.
Mr. Buckley for, with Mr. McIntosh against.
Mr. Garmatz for, with Mr. Krueger against.
Mr. Sheppard for, with Mr. Magnuson against.
Mr. Frazier for, with Mr. Scott of Pennsylvania against.
Mr. Celler for, with Mr. Wilson of California against.
Mr. Dies for, with Mr. Guber against.
Mr. Doyle for, with Mr. Devereux against.
Mr. Walter for, with Mr. Dennison against.
Mr. Magnuson for, with Mr. Tollefson against.
Mr. Green of Pennsylvania for, with Mr. Jensen against.
Mr. Kelley of Pennsylvania for, with Mr. Bentley against.

Mr. HOLIFIELD changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, may I inquire of the gentleman from Massachusetts if there is a program for tomorrow or will there be a session tomorrow?

Mr. McCORMACK. Mr. Speaker, if we dispose of the four bills that are scheduled for consideration this afternoon, I will ask unanimous consent that the House adjourn until Monday. Otherwise we will meet tomorrow to dispose of the four bills.

Monday is Pan American Day. Then there is the Consent Calendar, and following that the second urgent deficiency appropriation bill for 1957.

Mr. MARTIN. That will be taken up on Monday?

Mr. McCORMACK. Yes. On Tuesday we will have the call of the Private Calendar.

Tuesday, Wednesday, and Thursday there will be the State, Justice, and Judiciary appropriation bill for 1958. On account of the holy days of our Jewish brethren, any rollcalls on Monday or Tuesday will take place on Wednesday.

Any further program will be announced later and, of course, conference reports may be brought up at any time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman from Massachusetts, the distinguished majority leader, tell us when a copy of the State Department appropriation bill will be available?

Mr. ROONEY. I shall be glad to answer that, if the distinguished gentleman will yield.

Mr. MARTIN. I yield.

Mr. ROONEY. The printed hearings have been available since last week. The bill and report will be released to the membership and the press, following the action of the full committee tomorrow morning.

Mr. GROSS. So the bill and the report will not be available until Saturday; is that correct?

Mr. ROONEY. No. If we make our schedule tomorrow, you should have it before noon tomorrow, which is Friday.

Mr. McCORMACK. In other words, one can go to the Committee on Appropriations and get a copy.

Mr. GROSS. I want to say to the gentleman that this is a very short period of time in which to scrutinize a bill of the dimensions of the State Department and the USIA appropriations, and I want to again urge the majority leader to put this bill off until after the Easter recess.

Mr. McCORMACK. Of course, the gentleman from Massachusetts, who happens to be the majority leader, has no recollection of the gentleman urging that it be put off until after Easter. There was some little colloquy we had the other day. Now, for the benefit of my friend, so that there will be no misunderstanding, this bill is being reported out just the same as any other appropriation bill. So there is nothing strange about that. If the gentleman wants to change the procedure, it should be done against all appropriation bills. There is 3 days' notice. Under the procedure under which we are operating, the Members will have 3 days' notice in relation to the time when it is reported out of committee. The problem confronting the majority leader—and I think the same would apply to your side of the House even if my friend from Iowa were majority leader—is to give right-of-way to all appropriation bills because of the importance of them. And my policy has always been—and I am sure it was on your side when you were in control of the House—that when the chairman of the Committee on Appropriations stated to the majority leader that he would like to bring up an appropriation bill on such-and-such a date the majority leader always cooperated.

Mr. GROSS. Let me say to the gentleman that we disposed of an appropriation bill last week on which we spent 5 or 6 or 7 days.

Mr. McCORMACK. Eight days.

Mr. GROSS. All right; 8 days. Now an entirely different situation obtains in the consideration of this bill in that you are running right into the Easter recess. I have been here not too long, but I know what happens just prior to the Easter recess. The rush act is put on.

Mr. McCORMACK. No; there is no rush act put on at all. There will be plenty of time for deliberation. The membership has always been cooperative. We have never had any difficulty in arriving at an understanding, and the membership on both sides of the House has always been kind and generous to the leadership, and I want to publicly state that. And, when your party was in control, we cooperated in the same way.

Mr. GROSS. Let me say this to the gentleman, that I hope the pressure will not be put on next week, if the majority leader is going to insist upon bringing up this bill, because it is just possible that the Easter vacation plans would be slightly disturbed.

Mr. McCORMACK. Mr. Speaker, I am sure that the gentleman from Iowa [Mr. GROSS], who is very popular, will want to maintain that popularity.

Mr. ROONEY. Mr. Speaker, would the distinguished minority leader again yield?

Mr. MARTIN. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Speaker, I should like to inquire of the distinguished minority leader if it is not the fact that under the rules of the House this appropriation bill, to which the distinguished gentleman from Iowa referred, could be brought up on Monday next.

Mr. MARTIN. The rules require 3 days.

Mr. ROONEY. The 3-day rule which means 3 calendar days would have been complied with and the bill could be called up on Monday. So the gentleman from Iowa has an extra 24 hours to read the committee report. The bill and the report are comparatively brief documents. He has had the hearings, or was entitled to have the hearings, for the past week. It may very well be, I will say to the distinguished gentleman from Iowa, that when he finds out what the action of the full House Committee on Appropriations is on tomorrow, he will agree with that action and there may not need to be very much debate on this bill.

Mr. GAVIN. Mr. Speaker, would the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. As I understand it, the majority leader has indicated that no record votes will be taken before Wednesday; there will be none on Monday or Tuesday, or, if any are requested, they will be carried over until Wednesday?

Mr. McCORMACK. That is the understanding.

Mr. GAVIN. There was an agreement this week that record votes would be carried over until Tuesday, but we had one on Monday.

Mr. McCORMACK. There was no agreement with regard to this week.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. MARTIN] has expired.

FEDERAL PLANT PEST ACT

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 223 and ask for its immediate consideration.

The Clerk read, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3476) to facilitate the regulation, control, and eradication of plant pests. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 223 provides for the consideration of H. R. 3476, the Federal Plant Pest Act. The resolution provides for an open rule and 1 hour of general debate on the bill.

At the present time existing laws relating to the subject of plant pest control do not provide the authority to regulate the movement of plant diseases as such, or disease-bearing organisms, or certain plant pests which can injure or cause disease or damage in plants or their products. Title I of this bill will provide such authority and will also confer authority to make necessary inspections to carry out the provisions of the bill.

There is one major committee amendment which provides that a quarantine inspector must have a duly issued search warrant to search private premises and the amendment authorizes the issuance of such warrants.

Title II amends the list of insects and plant pests with respect to which the Department of Agriculture is authorized to conduct eradication and control campaigns. This will have the effect of permitting the Department to undertake eradication or control campaigns against pests related to those named without requiring, in each case, an amendment to the act.

H. R. 3476 was unanimously reported with several minor and the one major amendment by the Committee on Agriculture and the Department of Agriculture favors the enactment of this measure. It is not believed that the proposed legislation will necessitate any additional appropriations.

The committee report complies with the Ramseyer rule and I urge prompt action on House Resolution 223 so we may proceed to the consideration of this bill.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MILITARY PUBLIC LAND WITHDRAWALS

Mr. O'NEILL. Mr. Speaker, I call up House Resolution 217 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5538) to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may require.

Mr. Speaker, House Resolution 217, providing for the consideration of H. R. 5538, the so-called military public land withdrawals bill, provides for an open rule and 1 hour of general debate on the bill.

H. R. 5538, unanimously reported by the Committee on Interior and Insular Affairs is substantially the same as H. R. 12185 which passed the House in the last Congress, with the exception of a few language changes to clarify the scope and procedure to be followed. The Senate did not consider H. R. 12185, thus the bill died in the last Congress.

The main objectives of the bill are:

First, to require an act of Congress before defense land acquisitions exceeding 5,000 acres can take effect, including public lands of the United States, Alaska, Hawaii, the outer Continental Shelf lands and Federal lands and waters off the coast of Alaska and Hawaii.

Second, the bill would make applicable to all military reservations and facilities the hunting, fishing, and trapping laws of the State or Territory in which such installation is located.

Third, the bill would amend in two particulars the Federal Property and Administrative Services Act of 1949, as amended. One amendment would except from the real property-disposition provisions of the 1949 act, minerals in withdrawn or reserved public domain lands which the Secretary of the Interior determines are suitable for disposition under the public land mining and mineral leasing laws. The other amendment provides that only those withdrawn or reserved public domain lands surplus to the needs of the Federal agencies found by the Secretary of the Interior—with the concurrence of the Administrator of General Services—not suitable for restoration to public land status due to substantial improvements, would hereafter be subject to the real property disposition provisions of the amended 1949 act.

Finally, the bill would remove any questions concerning the laws which govern the disposal of and exploration for any and all minerals, including oil and gas, in public lands of the United States heretofore or hereafter withdrawn or reserved by the United States for the use of defense agencies.

The committee report complies with the Ramseyer rule and I urge the adoption of House Resolution 217 so the House may proceed to the consideration of H. R. 5538.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 224 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3377) to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and I yield myself such time as I may require.

Mr. Speaker, House Resolution 224 makes in order the consideration of H. R. 3377, the construction program for the National Advisory Committee for Aeronautics. The resolution provides for an open rule and 1 hour of general debate on the bill.

The purpose of the bill is to authorize construction, installation of equipment and the acquisition of land at three laboratories and the pilotless aircraft station of the National Advisory Committee for Aeronautics.

The work of this Committee falls into two principal categories. First, research to furnish new ideas and second, the application of new ideas to current military designs in cooperation with industry.

The program of the Committee, which has the approval of the Bureau of the Budget, calls for a total authorization of $44,700,000. Twenty million, nine hundred and sixty-five thousand dollars of this amount is for new facilities for hypersonic research; $5,655,000 for expansion of facilities for nuclear research; $10,936,000 for the modernization of research facilities for the solution of new problems in the subsonic, transonic, and supersonic speed ranges; $6,485,000 for modernization of supporting technical facilities and approximately $658,000 for general plant and utility improvements, including land acquisition.

I urge the adoption of House Resolution 224 so the House may proceed to the consideration of this bill.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SHERMAN, TEX., WATER UTILIZATION

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3998) to authorize the utilization of a limited amount of storage space in Lake Texoma for the purpose of water supply for the city of Sherman, Tex.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Chief of Engineers is hereby authorized to contract with the city of Sherman, Tex., upon such terms and for such period, not exceeding 50 years, as he may deem reasonable, for the use of not to exceed 41,000 acre-feet of storage space in Lake Texoma, for the purpose of providing

said city a regulated water supply in an amount not to exceed 25,000 acre-feet annually: *Provided*, That the project for Denison Dam authorized by the Flood Control Act of June 28, 1938, as modified by section 4 of the River and Harbor Act of October 17, 1940, is hereby further modified accordingly: *Provided further*, That all moneys received shall be deposited in the Treasury of the United States as miscellaneous receipts: *And provided further*, That nothing in this act shall affect water rights under State law.

With the following committee amendment:

On page 1, line 3, strike out "Chief of Engineers" and insert in lieu thereof "Secretary of the Army."

The committee amendment was agreed to.

Mr. ALLEN of Illinois. Mr. Speaker, I move to strike out the last word. Will the gentleman from Minnesota explain the bill?

Mr. BLATNIK. Mr. Speaker, the legislation is similar to legislation which was passed in the 84th Congress in the event of an emergency to authorize the Secretary of the Army to enter into a contract to allow municipalities to use a certain amount of water from established reservoirs. The Secretary does have the authority in cases where the reservoirs have what is determined to be a surplus of water to act in such cases. But there is not a surplus of water in this instance. It is an emergency situation. The municipality of Sherman is in a serious water-shortage area. The Secretary of the Army approves this bill, and the Bureau of the Budget has no objection. Reimbursement is to be made by the municipality of Sherman for any losses that may result for the full utilization of the original purpose of the project either for navigation or hydro power.

Mr. ALLEN of Illinois. Did this bill come out of the Committee on Public Works?

Mr. BLATNIK. Yes.

Mr. ALLEN of Illinois. Has the matter been discussed with the ranking minority member of the Committee on Public Works?

Mr. BLATNIK. The ranking minority member does approve of it, but he is not here this morning. There is another member of the minority present who can speak for them.

Mr. SCHERER. The bill was reported out of the committee unanimously the other day.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDING SMALL RECLAMATION PROJECTS ACT OF 1956

Mr. ENGLE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 2146, with Mr. HERLONG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. ENGLE] will be recognized for 30 minutes and the gentleman from Arizona [Mr. RHODES] will be recognized for 30 minutes.

Mr. ENGLE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the purpose of this bill is to amend the Small Reclamation Projects Act of 1956. Notwithstanding its title, it does not authorize any appropriation nor does it cost any money. It is for the purpose of correcting some language in the act which the President of the United States thought, when he signed the bill, transgressed the constitutional provisions involving the separation of powers. The Small Reclamation Projects Act of 1956 provided for the participation by State and local agencies in the construction of small irrigation projects. When the bill got down to the White House, the information came up to us that certain sections of the bill were objected to because they transgressed what the White House regarded as the separation of powers. In the discussion of the matter with the people at the White House, I told them, as chairman of our committee that we would correct the language; and I am sure the Member from the other body as chairman of the corresponding committee in the other body, assured the President that we would undertake to make a correction of the language to have it accord with the usual procedures.

In order to get the matter before you I will read a portion of the President's message. It appears on page 3 of the committee report. The President said:

> I have approved this bill only because the Congress is not in session to receive and act upon a veto message and because I have been assured that the committees which handled the bill in the Congress will take action to correct its deficiencies early in the next session. Specifically, a provision found in section 4 (c) is seriously faulty. The section provides that—
>
> "* * * no such contract shall be executed by the Secretary prior to 60 calendar days * * * from the date on which the project proposal has been submitted to both branches of the Congress for consideration by the appropriate committees thereof, and then only if neither such committee, by committee resolution and notification in writing to the Secretary, disapproves the project proposal within such period: *Provided*, That if both such committees, in the same manner and prior to the expiration of such period, approve the project proposal, then the Secretary may proceed to execute the contract: *Provided further*, That in the event either committee disapproves the project proposal, the Secretary shall not proceed further unless the Congress has approved the same."

The President then goes on to point out in his message, and I quote:

> This language would thus require, before a project negotiated under the act is allowed finality, a further act by the legislature. The action required can be viewed as either a legislative act or an executive act. However construed, constitutional defects are inherent. Viewed as requiring a further legislative act, the section is open to the objection that it involves an unlawful delegation by the Congress to its committees of a legislative function which the Constitution contemplates the Congress itself, as an entity, should exercise.
>
> If the further act is considered as not legislative in nature, then there is involved what appears to be an unconstitutional infringement of the separation of powers prescribed in articles I and II of the Constitution. I do not believe that the Congress can validly delegate to one of its committees the power to prevent Executive actions taken pursuant to law. To do so in this case would be to divide the responsibility for administering the program between the Secretary of the Interior and the designated committees.

He goes on to say:

> I am certain that there is little disagreement with this proposition and I have been assured that the purpose of the Congress in approving section 4 (c) was to facilitate legislative oversight of a new program. Fortunately, that objective can be attained through well-tested procedures fully compatible with our system of government; for example, the Congress may require the Secretary of the Interior to submit such reports as it may find of value in carrying on its legislative functions.
>
> Because of the general merit of this measure, I am approving it.

And, of course, this bill is, therefore, brought before you for the purpose of doing what I can do and what the committee can do in furtherance of the promise we made to the President at the time we said: "Go ahead and sign the bill, we will try to straighten out the language with regard to the separation of powers."

Without pursuing the point raised by the President as to whether the language in the act does or does not violate the separation of powers within the Government, the committee believes that proper legislative oversight of the program can be accomplished by establishing certain procedures within the legislative branch. Such procedures relate to the appropriation of funds for Federal financial participation in these small projects rather than to the approval or disapproval of a project proposal of the Secretary. Precedent for requiring procedures similar to those herein proposed may be found in at least two existing acts: Public Law 519, 83d Congress, relating to the lease-purchase program, and Public Law 1018, 84th Congress, amending the Watershed Protection and Flood Prevention Act.

So in changing the language of this legislation we have adopted language similar to that which has already been approved by the President in legislation which he signed, namely, in the small water-projects bill, and in the land lease-purchase program, which, of course, leads us to believe that he will in this instance approve this change in language and thereby eliminate the objection to it at the time when he sent the message up to us.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Iowa.

Mr. GROSS. Does the language proposed here validate any contracts or authorize projects? Is this language necessary to carry forward projects that have already been authorized?

Mr. ENGLE. None have been authorized. This program has not gone into effect as yet. There are applications pending under the public law to which this bill pertains, but this language does not approve anything. All it does is to get the question about this separation of powers, legislative and executive, straightened out.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Georgia.

Mr. LANHAM. Does the law make it possible to begin these projects without an appropriation? That is the thing that concerns me.

Mr. ENGLE. No.

Mr. LANHAM. Do you not in effect bypass the Appropriations Committee?

Mr. ENGLE. No, we specifically do not. That, of course, is the matter which concerned some members of the Appropriations Committee, of which I know the gentleman is a member. We sat down with the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON] and we got their uncertainty about this legislation clarified. The ranking minority member of the Committee on Appropriations, the gentleman from New York [Mr. TABER] has an amendment or two to offer which I think improves the legislation and for my own part I intend to accept the amendments.

Mr. LANHAM. If the gentleman from New York is satisfied, I am.

Mr. ENGLE. He is satisfied.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from New York.

Mr. TABER. I will be satisfied with the bill if the amendments I shall offer are adopted. It will prevent the execution of a contract until after an appropriation is available. It would be rather difficult to let the Commissioner go ahead and approve projects and execute contracts when the money was not available to pay with. It is a bad situation.

Mr. ENGLE. I am fully in agreement with the gentleman from New York. The amendments he intends to offer will be helpful to the legislation and, at the same time, they will not do anything other than we intended to do in the first place. So they will be very helpful and constructive.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to join with the chairman of our committee in support of this legislation which I believe is very definitely needed to get this program underway. As the chairman has said, the checks which are present on these projects will, if anything, be even more complete than they would if we simply required an appropriation without consideration by the committee of these individual projects.

Mr. ENGLE. The gentleman is correct and I appreciate his contribution.

Mr. RHODES of Arizona. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, the chairman of the full committee, the gentleman from California [Mr. ENGLE] has carefully explained the provisions of this proposed legislation. It is not new legislation. It does come from errors that occurred in the passage of the legislation last year. While the President signed it, he called our attention to some defects which should be corrected. The small projects legislation is not new. In the 83d Congress the House passed the bill, but that was in the closing days of that Congress. It had some difficulty in the other body and was not passed. I think it is a step forward in the field of small projects where local communities can participate and handle some of the problems that arise in developing these small projects.

The bill does not call for any new appropriation and it does not call for any drastic changes. It is merely corrective legislation on a bill that was passed and signed by the President last year and it clarifies the legislative and Executive authority. It extends a clear line of demarcation with reference to that authority.

The amendment to be offered by the gentleman from New York [Mr. TABER] improves the legislative language as far as appropriations are concerned.

The bill has the support of the majority of the members on the minority side of the committee. There was some little question about it, and quite properly so, but I want to join with the gentleman from California [Mr. ENGLE] and my other colleagues in supporting this legislation.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I urge that this committee and the Congress give its prompt approval to H. R. 2140, the bill now under consideration. On August 6, 1956, the President signed Public Law 984 of the 84th Congress. In my considered opinion, this was an eventful day, not only as far as the 17 Western States were concerned, but as concerns every State in the Union. If this legislation works as I think it will work, it will do much to stabilize and improve the economy of many areas, making them a stronger segment in the Nation's economy and dependable customers for other areas of the country.

Public Law 984 provides for a test operation. Before this test can be made, the enactment of this legislation is necessary. As you know, the President, in his approval of the legislation last August 6, objected to the provision requiring congressional approval of the contract before it could be executed by the Secretary of the Interior. As a result, he indicated that he was signing the bill because of the general merit of the legislation and so that there need be no delay in starting the program but that no projects would be submitted until the objection was removed. For this action the President is to be commended. Unless this amendment is promptly approved, there will be delay. This amendment removes the technical objections raised in the message of approval, but it does not in any way take away the reservations of authority which the Congress considered necessary in the adoption of the original legislation. No project can be initiated without funds.

Under the amendment, the hand of Congress is in a proper way in fact strengthened as far as overseeing this program is concerned. In the first place, under the amendment, the proposal must be submitted to the Interior and Insular Affairs Committees of both the House and the Senate. These committees must approve the proposal for the specific project. If they do not, no appropriation can be made for the project. The Appropriations Committee will then have an opportunity to consider the proposed project, and in fact, the Congress itself will have the same opportunity when it considers the appropriation bill. This procedure removes the objections raised by the President, but at the same time gives to the Congress adequate controls over the program within the proper sphere of the action of the Congress.

I say that we must act quickly on this for the very simple reason that in light of the time requirement set up in the bill, time is very rapidly running out if the program is to be initiated in the coming year.

Congress has previously given its approval to the overall legislation and that question should not be before us at this time. Nevertheless, because of the unwarranted apprehensions of some, it might be well to review a few facts.

By far the greatest portion of the irrigation in the West has been accomplished by private means. In the State of Wyoming, which I represent, more than 80 percent of the reclamation and irrigation of Wyoming's land has been accomplished by the people of Wyoming, backed by the investment of private capital and provided through their own efforts, without a cent of Federal assistance. The people of Wyoming themselves, financed by themselves, have constructed thousands of miles of canals and ditches and built dams and reservoirs to reclaim nearly 2,000 square miles, much of which had been previously only wasteland incapable of paying even local taxes. This has proved to be a sound investment for these individuals, and has paid off just as proposals under this legislation will pay out.

I do not mean to minimize the part the Federal Government has played through the Bureau of Reclamation in reclaiming the remaining one-fifth of Wyoming's irrigated lands. In some cases prosperous towns have risen from the sagebrush, nurtured almost wholly by these federally financed and federally constructed projects. Lying between what we in Wyoming can do for ourselves, and the programs that can be justified as Federal reclamation projects, there is a gap existing today that can be most satisfactorily and effectively filled by projects under the small projects legislation. These needed projects are too much for the individual or the State to undertake, but are not large enough to lend themselves to development on an economic basis by the Bureau of Reclamation.

In our present situation, the supplying of supplemental water should be

given first consideration. The only true solution to the drought problem which takes from our tax resources, both by way of appropriations and by lack of receipts, is an adequate supply of water. As you would expect, some of the private irrigation undertaken is not backed up by an adequate reserve of water. So far the projects considered in Wyoming for construction under this program are projects that would furnish to presently irrigated lands additional or supplementary water. The accomplishment of this would save to the Federal Government a great deal in the form of disaster relief. Of even greater importance is the fact that it would take the farmers and ranchers concerned and the business communities dependent upon them from the relief status and make them a healthy part of our economy.

The project given first priority in planning within our State is the Wheatland area project. This project was completely developed as a private project. It was commenced in May of 1883. Some 60,000 acres are under the project lying around the town of Wheatland, which has developed into one of the most important farming communities in the State. This project, though, is without an adequate water supply during drought periods. The land is excellent. In times of an adequate supply of water, the community has an economy among the stronger within the State. During periods of drought and inadequate water supply such as now, however, everything that has been built up during the good years is threatened. The economy is strained and costly, State and Federal assistance is required. With an adequate water supply, as is established by a history of almost 75 years, this area can maintain itself in a strong economic position, contributing regularly its taxes to the Federal Treasury and providing good customers for the products from all parts of the Nation. Unless this legislation amending the 1956 act is adopted, there will be no chance of getting an immediate program underway for these farmers and this community, and others similarly situated.

Naturally the Bureau of Reclamation should point itself to the large projects. In so pointing its efforts, it is only natural that its organization would be such as not to adapt itself readily to the construction of the smaller dams and reservoirs. The reclamation program is set up as self-supporting. If these smaller dams and reservoirs were to be undertaken by the Bureau, certain overhead stemming from Washington on down to the district level would necessarily have to be charged to the project. This tends to make the construction not feasible. Under this legislation, the most ecomonic construction can be obtained. This has already been demonstrated by projects which the State could undertake themselves and have undertaken. So we see that with the individuals and the States making all reasonable efforts to do for themselves and with the Federal Government doing that which it should properly do, there is an in-between area which can best be served under the provisions of the Small Projects Act.

This amendment should be promptly adopted. The prerogatives of Congress will be reserved by proper means. It is essential if the program is to get underway in the coming year.

Mr. RHODES of Arizona. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, there is nothing much left to be said about this that has not been said by the distinguished chairman and the distinguished ranking minority member of this committee. This is a bill to perfect legislation which passed the House overwhelmingly in the last session of the 84th Congress. The legislation, we feel, is necessary to allow this very worthwhile program to go into effect. I hope that the House will see fit to pass the bill.

Mr. Chairman, I have no further requests for time.

Mr. ENGLE. I have no further requests for time, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Small Reclamation Projects Act of 1956 (70 Stat. 1044) is amended as follows:

(a) Amend subsection (c) of section 4 to read:

"(c) At such time as a project is found by the Secretary and the Governor of the State in which it is located (or an appropriate State agency designated by him) to be financially feasible, is determined by the Secretary to constitute a reasonable risk under the provisions of this act, and is approved by the Secretary, such findings and approval shall be transmitted to the Congress. No appropriation shall be made for financial participation in such project until it has been approved by resolutions of the House and Senate Interior and Insular Affairs Committees. The Secretary, at the time of submitting the project proposal to Congress or at the time of his determination that the requested project constitutes a reasonable risk under the provisions of this act, may reserve from use or disposition inimical to the project any lands and interests in land owned by the United States which are within his administrative jurisdiction and subject to the disposition by him and which are required for use by the project. Any such reservation shall expire at the end of 2 years unless the contract provided for in section 5 of this act shall have been executed."

(b) Amend the introductory clause of section 5 to read:

"SEC. 5. Upon approval of any project proposal by the Secretary under the provisions of section 4 of this act, he may negotiate and execute a contract which shall set out, among other things—."

Mr. ENGLE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 4, after the period, strike out down to and including the period on line 7.

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 14, strike out "the."

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 18, insert:

"(b) Add a new subsection (d) to section 4 (the present subsection (d) being relettered (e)) reading as follows:

"'(d) Upon receipt of the Secretary's findings and approval with respect to any project not theretofore authorized for construction under the Federal reclamation laws, they shall be referred to the Committees on Appropriations and on Interior and Insular Affairs of the House of Representatives and the Senate. No appropriation shall be made for financial participation in any such project prior to 60 calendar days (which 60 days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than 3 calendar days to a day certain) from the date on which the Secretary's findings and approval are submitted to the Congress and then only if, within said 60 days, neither the House nor the Senate Interior and Insular Affairs Committee disapproves the project proposal by committee resolution and so notifies both Appropriations Committees in writing: *Provided*, That if, prior to the expiration of said 60 days, both the House and Senate Interior and Insular Affairs Committees approve the project proposal by resolution and so notify the Appropriations Committees in writing, appropriation of funds for the project may be made at any time. The provisions of this subsection (d) shall not be applicable to proposals made under section 6 of this act.'"

Mr. ENGLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE to the committee amendment: On page 2, line 20, strike out the first sentence of section (d).

The amendment to the committee amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER to the committee amendment: On page 3, line 10, after the word "resolution" add a period and strike out the rest of the sentence including the proviso ending with the word "time" in line 16.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The Clerk read as follows:

Committee amendment: Page 3, line 18, strike out "(b)" and insert "(c)."

The committee amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 3, line 22, after the word "negotiate" strike out the words "and execute."

The amendment was agreed to.

Mr. ENGLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE: Page 2, line 10, strike out "he" and insert "the."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair,

Mr. HERLONG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 2146) to amend the Small Reclamation Projects Act of 1956, pursuant to House Resolution 193, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H. R. 2146.

The SPEAKER. Without objection, it is so ordered.

MILITARY PUBLIC LAND WITHDRAWALS

Mr. ENGLE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5538) to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5538, with Mr. HERLONG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ENGLE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, as the title to this bill indicates, the purpose of the measure is to require that withdrawals, reservations, or restrictions, of more than 5,000 acres of public lands of the United States for military purposes shall not become effective until approved by act of Congress.

The background of this legislation is that in 1937 the military agencies of the United States controlled approximately 3 million acres of land. At the present time the Department of Defense controls over 30 million acres of land in the continental United States and Alaska. The land controlled, exclusive of lands held for civil functions of the Corps of Engineers by agencies of the Department of Defense today totals, in the 48 continental States alone, 27.6 million acres, or 43,138 square miles. That amounts to a strip of land 14¾ miles in width from New York to San Francisco.

If the area controlled and held by the military agencies today for their purposes were laid out in a strip it would be over 14 miles wide from New York to San Francisco; and if they get all the land they are asking for in addition, that strip of land would be over 17 miles wide.

It is an area larger than the entire State or Ohio or Kentucky or Tennessee. It is an area 21 times the size of Delaware, 8 times the size of Connecticut, and 5 times the size of Massachusetts, and 683 times the size of the District of Columbia.

The defense requests for additional public lands total a little more than 6 million acres in the six western States, California, Arizona, Idaho, Nevada, New Mexico, and Utah. As I said previously, if all of their requests are granted, then the strip of land would be more than 17 miles in width.

We were particularly concerned about the rate at which these acquisitions were going forward because, as I pointed out, in 1937 they owned some 3 million acres, in 1940 it was only slightly more than that, and in the interim it has increased 10 times. In the 18-month period preceding June 30, 1955, a period of 547 days, agencies of the Department of Defense acquired land at the rate of more than 5 acres per minute, every minute of the day and night. Had the applications totaling 8.7 million acres pending been approved between that date and January 1, 1957, the rate of defense agency public land acquisition alone would have been at the rate of 11 acres per minute.

I am talking about public land areas, not the acquisition of privately owned lands, which of course are taken over by condemnation.

As a result of that picture, our committee decided that we should do something about the matter of military land acquisitions.

In order to illustrate to you what the situation is, I want to take a moment to give you the legal background. The public lands of the United States amount to some 450 million acres. Those public lands are, under the Constitution of the United States, article IV, section 3, clause 2, made the particular responsibility of Congress. That section of the Constitution states that:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States.

The Supreme Court has held that that language in the Constitution gives the Congress of the United States power over the public land in the manner of a proprietor; that is, that this Congress has the power to dispose of and to deal with the public-land areas of the United States in the same way that an owner or a proprietor would. But over the years Congress has not exercised that power, and there grew up in the executive branch of the Government the practice of setting aside portions of the public lands of the United States for particular public uses. It was thought that if Uncle Sam owned the land, and a military installation needed some land, they should just simply parcel it out and make that land available, which, of course, when that power is used in moderation, is a sensible way to look at it. We certainly want the Defense Department to use public lands where they can rather than take land in the ownership of the people of the country.

As I say, the practice grew up, and as it grew up these various defense agencies, the Army, the Navy, and the Air Force, would simply make out a slip of paper in the nature of an application to the Interior Department asking for an area perhaps 100 miles long and 50 miles wide in the State of Nevada, and send it over to the Secretary of the Interior saying it was absolutely necessary to their operations, and that area was set aside for those military operations and put into what could be regarded as a legal icebox. By that I mean all activities inside that area stopped: The grazing of cattle, the exploration for and the development and mining of minerals and metals. Water conservation programs of all sorts, of course, would be barred in that area, and all sporting, fishing, and conservation activities. It was our concern over that problem that brought on this legislation.

The Supreme Court in looking over the situation with reference to some of these withdrawals made the statement that Congress by acquiescing in the actions taken by the Executive branch had, in effect, agreed to these procedures. It said in the case, for instance, of the Midwest Oil Co. that the Executive was acting as an agent of Congress to parcel out these lands, notwithstanding the fact that the Constitution very clearly makes that the responsibility and the obligation of Congress.

They went on to say:

> Its acquiescence all the more readily operated as an implied grant of power. In view of the fact that its exercise was not only useful to the public but did not interfere with the vested rights of any citizen. The silence of Congress after consideration of a practice by the Executive may be equivalent to acquiescence and consent that the practice be continued until the power is revoked.

We have undertaken in this legislation to revoke the implied delegation of power to the Executive branch whenever any of its departments try to take over 5,000 acres of more.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield.

Mr. BATES. What reference does this bill have to those lands which have been acquired, or on which restrictions presently exist?

Mr. ENGLE. It has no reference whatever to acquired lands. That is the field in which the gentleman's committee operates, and whenever the Defense Department desires to acquire land now under private ownership, the Defense Department comes to the gentleman's committee. If this bill goes through, if they want to acquire more than 5,000 acres of public domain lands, then they would come to a committee of the Congress; whether it be our committee or

some other committee, of course, I am not prepared to say—I do not know.

Mr. BATES. What is the situation with regard to the land which has heretofore been acquired from the public domain which they are presently using?

Mr. ENGLE. It does not affect that—with certain limitations which I want to take up in just a minute.

Mr. BATES. That is, with reference to the restrictions?

Mr. ENGLE. That is right.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield.

Mr. GROSS. I could not hear the question of the gentleman from Massachusetts [Mr. BATES]. I would like the gentleman to explain the language dealing with the outer Continental Shelf.

Mr. ENGLE. Yes, I will come to that.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield.

Mr. NICHOLSON. I was wondering what would happen if a State owned this place for national defense, would the Defense Department take it from the State or could they?

Mr. ENGLE. No; this bill does not affect any State-owned land. In fact, we have no authority or jurisdiction over State-owned land.

Mr. NICHOLSON. So that if the Defense Department took this land or paid for this land, it would not have to go to the Committee on Armed Services?

Mr. ENGLE. If the Department of Defense takes such lands, I would not be able to say where they would have to go. But, if they have to pay for them and I would assume they would have to go to the armed services and get an authorization to pay for them. It would depend on what the State wanted. If the State wanted money, I assume they would have to go to the Committee on Armed Services to get authorization.

What this bill does, in effect, is to repeal the implied grant of power under which the Department of Defense for a great many years has undertaken to slice out without any restraint or restriction whatever—and really on their own say-so because nobody in these other agencies ever argues or disputes a matter of military necessity—and restore that power to the Congress where it belongs and where it is vested by the Constitution of the United States.

The reason we limited this bill to 5,000 acres or more is because we do not want congressional committees or this House burdened with all of the small applications. For instance, in Alaska they want a small radar site. It may be 100, 200, 300, or 400 acres. But, it is when they get into the vast areas such as you can see marked on the map which is before you in the well of the House. There is another one in the Speaker's lobby which you can look at. They show these tremendous areas that are blocked off by 100 or 150 or 200 miles long. There is one in my district which when they are put together would be over 200 miles long. Not in every instance do they take the land area for particular ground or surface uses. What they are doing is shooting over these areas and running fast jets on aerial gunnery. The reason they have to block off the surface is because shells are coming down there—not only bullets, not only the bullets themselves but the shell casings.

Of course, if they drop on somebody's head they could be rather injurious, so they block out the whole area. It is not only because of firing ordnance and artillery into these areas, but the airspace itself is taken over, and when the airspace is taken over then the surface area has to be taken over also.

The bill does a little more than I have stated simply to be its purpose, that is, to restore to Congress the constitutional power, authority, and responsibility which we have; it does a little more than that as its subsidiary purposes.

It seeks to develop a system for the multiple use of these land areas where they must be taken over by the military. You will recognize the fact that we knew we have to have some areas in which the military can operate; national defense requires it. Certainly no committee of the House would fail to recognize that we have a responsibility in the defense of the Nation. We want to accomplish that, however, with the minimum deprivation of the multiple uses of those great areas, and for that purpose we have tried to develop a system here where, when consistent with military purposes, the land can be used for other purposes, that that be permitted.

We have provided in this legislation for a system of applications so that the military can accurately indicate what is to be done. For instance, in some areas it is entirely possible to graze cattle and sheep in these areas. There is a chance, of course, that one of them will get shot, or that a shell casing will drop on a cow, but it is not a serious matter and probably will not happen very often. So the livestock people are perfectly willing to take the chances and to go ahead and graze their livestock in those areas.

In some instances they do not always fire all the time, and we want to make it possible when they are not firing all the time for people to go into the area for other purposes. Mining exploration is very important in the West; and in northern Nevada, for instance, there is one of the most highly mineralized areas of the whole State of Nevada, and the lack of ability to prospect in these reserved areas is a great deprivation to the State in its resource development and should not occur. So we have provided that where consistent with military objectives these other multiple uses can go forward.

The second subsidiary purpose is the matter of fishing and hunting on military reservations. There has been a practice regarding some of these military reservations for some people to regard them as private military game preserves. We felt they should comply with State laws regulating fish and game. The fish and game really belong to the people of the State. No one has a title in it. The ducks fly in, and the ducks fly out. Wherever possible, local people ought to be able to shoot along with military people. These reservations should not be set aside exclusively for the use of the military high command as they have been in some instances.

This bill provides that the military must comply with the State laws. This bill also provides that after a certain period, 30 days, licenses shall be issued to military personnel enabling them to hunt and fish in compliance with State laws.

The bill further provides that consistent with military security which, again, of course, is a military decision, that State fish and game authorities shall be permitted to go into these vast reserved areas for the purpose of helping in the propagation and maintenance of fish and wildlife.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Do I understand that after the passage of this bill civilians will be able to use some of these reservations that are now reserved exclusively for the military?

Mr. ENGLE. That is correct.

Mrs. ST. GEORGE. After this bill is passed it will change the present setup?

Mr. ENGLE. In some instances they do it already.

Mrs. ST. GEORGE. There are many instances I happen to know of—that is why I am asking the question—where some of the land is reserved exclusively for the military. I just want to know if this bill will change that situation.

Mr. ENGLE. It will change that situation subject to this one limitation: In some instances military security will make it impossible to let civilians in. It is subject to that limitation.

Mrs. ST. GEORGE. Who will make that determination?

Mr. ENGLE. That will have to be a military decision, but if there is very much argument about it I suspect the committees will hear about it and that the local people will make themselves heard.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. ENGLE. There is a third subsidiary purpose. This bill makes it plain when these public lands taken over for military purposes are no longer needed for those military purposes they shall return to the status from which they were taken. Under the present law a good deal of this real property is peddled off through the General Services Administration as surplus. It becomes surplus, if you please. We admit where you have a great runway on a piece of land and all of its attendant facilities, the character of that land has been changed; therefore, that area should be dealt with differently, and the bill provides for the exception in that instance. Otherwise, where the general character of the land has not changed it goes back to the original status it had.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Massachusetts.

Mr. BATES. That would not preclude one military department from transferring it to another which might have use for it?

Mr. ENGLE. No; it would not. In fact, it would not become surplus under those circumstances.

I intended to deal with the hunting and fishing feature to some extent because that question has been raised. I dealt with it generally. If you will look at page 48 of the committee report you will see a particular item which illustrates how this can and will be changed.

Camp Hill, Va., is an Army installation aggregating in size nearly 77,000 acres rated as an outstanding hunting area for deer and small game and for fishing. A total of 182 personnel—10 officers, 87 enlisted men, and 85 Army civilian employees—are permanently assigned there. Training areas and quarters on the post are utilized for brief periods throughout the year by various groups from the area, including Regular and Reserve Army units, some Marine personnel, National Guard units, ROTC units, and Boy Scouts; all totaled, several thousands of individuals, on temporary assignment, use the area. In addition, for limited scheduled periods, the area is used by the Air Force for low-altitude bombing and strafing practice, and by Naval and Marine units for loft-bombing practice. During an approximately 9-week period, November 1956 to January 1957, a total of 6,250 persons hunted at Camp Hill during the deer season. The breakdown is as follows: Army, 2,417; Navy, 680; Air Force, 1,205; Marines, 203; and civilians, the portion coming from Army civilian employees as guests of military and from the public at large is not known, 1,745. In other words, during the deer season just ended at Camp Hill where only 97 Army personnel and 85 Army civilian personnel are permanently assigned, of a total of 6,250 persons permitted to hunt, 4,505 were military personnel, the balance civilians.

That is the kind of situation we are trying to correct.

A question was asked about the Continental Shelf area. Displayed on the easel here is a quarter of the national map. It has been selected because it illustrates somewhat the situation with reference to the Continental Shelf.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Iowa.

Mr. GROSS. My concern is whether it makes any more land available to the offshore oil people for their use. Under the terms of this bill, is additional offshore oil area made available?

Mr. ENGLE. The answer is, It does not do that specifically but it may do it indirectly because it would be necessary for the military to come to Congress to withdraw areas of 5,000 acres or more in the Continental Shelf area. They have a great deal there at the present time, as the gentleman will observe, either in use, applied for, or in warning areas of one type or another. So the Congress in balancing up the importance of the area from the standpoint of oil development, for instance, and for military operations, might say to the military, "Stay out of this area."

I will point out one here called area W-62. It is an area which would produce a quarter of a billion dollars in oil royalties alone. We have been trying to get the Navy to get off of it, but instead of getting off of it, they want more area there. Now, we think where you have a great natural resource that would produce a quarter of a billion dollars in royalties alone—and that is just the first payment; that is a bonus; that does not count the regular royalties that come along—that these Congressional committees would want to consider the matter of trying to get the military some place else that would serve their needs and make it possible to collect that money.

By the way, that $250 million which would be paid in bonus payments on this one little piece of land down there in the Continental Shelf area is over half as much money as we have taken in under the Mineral Leasing Act through all the years it has been in operation since, I think, 1920.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, if you are successful in getting the Navy off of it and it is withdrawn, it reverts back to the Government and must be thereafter disposed of by Congress; is that not correct?

Mr. ENGLE. Not by the Congress; no, sir.

Mr. GROSS. Well, with Congressional approval.

Mr. ENGLE. That is right. Now, under this bill, if they apply for more than 5,000 acres in this Continental Shelf area, they must come to the Congress and get approval. Now, if Congress turns it down, the land stays under the Mineral Leasing Act, and the Secretary of the Interior then can lease it for oil drilling, if he wants to, under the regular procedure.

Mr. GROSS. I still am not clear "trying to get the Navy off," and correct me if I am wrong, in trying to get the Navy off this land, which has such rich oil deposits; is that not correct? We are trying to get them out of there. Then what happens with that land if the Navy should be dislodged?

Mr. ENGLE. Then the Secretary of the Interior could lease it for oil development under contract to oil companies who would pay bonuses and, of course, added royalty.

Mr. GROSS. You do not mean, then, that the Navy would be dispossessed. The Secretary of the Navy would have control of the land; is that not correct?

Mr. ENGLE. Not necessarily.

Mr. GROSS. How can he lease something for which he did not have control?

Mr. ENGLE. Not the Secretary of the Navy. The Secretary of the Interior, under the Outer Continental Shelf Act, is given authority to conduct these leasing operations on the outer Continental Shelf, and this bill, in section 6, says that he shall have the authority to go ahead and do that.

Now, I want to deal a little with this Outer Continental Shelf area. Today there are 233 million acres off the gulf, Atlantic, and Pacific coasts overlaid by air warning areas created by Executive action. This long red part that you see out from the Gulf of Florida on the map displayed before you is the Patrick Air Force Base. That is that 5,000-mile range they use to shoot ballistic missiles. Well, of course, you cannot have anybody out there much of the time; they might all get killed. And, that is true of a great many of these other firing areas. And, as I say, there are some 233 million acres of land now withdrawn in those areas and they are asking for 140 million more.

Mr. CHUDOFF. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Pennsylvania.

Mr. CHUDOFF. As I understood the gentleman's explanation of section 6, you advised the House that under section 6 of the act control of the land would pass from the Navy to the Secretary of the Interior who would then be in a position to lease oil rights to private individuals.

Is there anything in section 6 of the act that provides for a procedure under which the Secretary of the Interior may act? Is it done by negotiation or under bids, or how does it operate?

Mr. ENGLE. As soon as the Secretary of the Interior has jurisdiction of the lands he may act. He has jurisdiction to do the leasing now under the Outer Continental Shelf Act which was passed, I believe, in 1953.

Mr. CHUDOFF. Does that act provide for a procedure for bids on leases, and so forth?

Mr. ENGLE. That is correct. It provides the procedure for leasing the outer Continental Shelf. The gentleman may recall that the outer Continental Shelf legislation was brought out of the Committee of the Judiciary of the House and asserted American jurisdiction to the minerals under the outer Continental Shelf running out to the 100-fathom line. Ordinarily we go out only 3 miles, and beyond that it is supposed to be international waters. But we, as a Congress and as a Nation, asserted ownership in all of that area in the outer Continental Shelf. For instance, in the Gulf of Mexico the waters go a long, long way beyond any 3 or even 21 miles and are very rich in these minerals, especially oil. We asserted the right of the American Government to explore and to take those. That is what is involved in the Outer Continental Shelf Act.

What we are trying to do is to prevent the military from stepping in and completely barring any other use of that area except for military purposes which, of course, would shut off everybody, including this tremendously valuable oil development.

SUMMARY: PRESENT DEFENSE HOLDINGS, PENDING REQUESTS

Present Defense agency real property holdings, Defense agency requests pending for withdrawal of additional public domain lands, present Defense agency offshore overwater air warning areas—pre-August 7, 1953—and Defense agency pending requests for approval by the President of Defense-designated overwater restricted areas under terms of the Outer Continental Shelf Lands Act—post-August 7, 1953—are summarized hereafter.

PRESENT DEFENSE HOLDINGS

Agencies of the Department of Defense controlled, as of June 30, 1956, a total of 27,564,867 acres of land within the 48 States, representing a cost (land and improvements) to the United States of more than $18.2 billion.

All three military departments—Army, Navy, and Air Force—control some land in each of the 48 States, with total Defense acreages ranging from a high of 5.4 million acres in California to a low of 1,878 Defense-controlled acres in Vermont. Smallest acreage held by a single military department in any one State is the 1 acre controlled by the Navy in Connecticut, while the largest single installation is the Air Force's 3.7 million acre—of which the Atomic Energy Commission now controls some 700,000 acres—Nellis-Tonapah range in Nevada.

Of the total acreage held, 16.9 million acres are withdrawn or reserved public domain lands.

Not shown in the tables above are the approximately 3.1 million acres of public domain lands controlled by Defense in Alaska, for which land and improvement cost figures were not tabulated, but which bring the 48 States-Alaska holdings of Defense to 30,664,887 acres.

STATISTICAL COMPARISON OF LANDS CONTROLLED

Land controlled—exclusive of lands held for civil functions of the Corps of Engineers—by agencies of the Department of Defense today, totaling in the 48 continental States alone 27.6 million acres, or 43,138 square miles, amounts to a strip of land 14.34 miles in width from New York to San Francisco; an area larger than the entire State of Ohio—41,222 square miles—or Kentucky—40,395 square miles—or Tennessee—42,244 square miles; or an area 21 times the size of Delaware—2,057 square miles—8 times the size of Connecticut—5,009 square miles—5 times the size of Massachusetts—8,257 square miles—or 683 times the size of the District of Columbia.

Put another way, Defense landholdings amount to in excess of six-tenths of an acre of real property for each of the estimated 47 million families in the United States.

These figures do not include the Connecticut-size Defense holdings in the Territory of Alaska, amounting to more than 3 million acres.

PENDING REQUESTS

After reconciling and adjusting figures presented by Defense and Interior in the 84th Congress, the committee determined that there were pending, as of June 30, 1956, Defense requests for additional public land withdrawals which total a little more than 6 million acres in 6 Western States—Arizona, California, Idaho, Nevada, New Mexico, and Utah.

In California alone, where defense agencies already control more than 5.4 million acres, 7 separate applications of the Navy would withdraw an additional 1,961,588 acres, while the Air Force is seeking an additional 7,546 acres. If these applications are approved, total Defense holdings in California would reach more than 7.3 million acres.

Alaska applications pending, which total 2,652,004 acres, bring the States-Alaska pending request total up to nearly 8.7 million acres.

TOTAL OF HOLDINGS AND REQUESTS

If present applications are approved without reduction or adjustment, and assuming no control-acquisition by other means, total Defense landholdings, States-Alaska, would amount to 39.3 million acres, of which 25.6 would be withdrawn or reserved public land.

RATE OF MILITARY LAND ACQUISITION

The basic reason for concern of the House Committee on Interior and Insular Affairs with respect to existing and proposed military land acquisitions can perhaps be best understood when reference is made to the rate of military land acquisition just prior to action being taken by the committee chairman.

During the 18-month period from January 1, 1954, to June 30, 1955, according to statistics compiled from Defense reports submitted to the committee during its hearings in the 84th Congress: the Army acquired control of 2,176,512 acres of land and the Air Force 3,775,725 acres, while the Navy reduced its total holdings by 1,781,616 acres. Thus, net acquisition figures for the 18-month period, for the 3 military departments, amounted to 4,170,621 acres.

Boiled down to 547 days, or 13,028 hours, or 781,680 minutes for that 18-month period this means that Defense agencies were adding to their landholdings at the rate of 7,622 acres per day, 317 acres per hour, or more than 5 acres per minute every minute of the night and day for 547 days.

Pending on June 30, 1955, were requests for 8.7 million acres additional in the States and Alaska. Assuming approval of those applications during the 18-month period between June 30, 1955, and January 1, 1957, the rate of Defense agency public land acquisition alone would have been in excess of 11 acres per minute for the 18-month period.

As a result of a requested freeze on applications—as indicated in the following section—acquisitions during the past 18 months through withdrawal of public domain, for all 3 military departments, have amounted to approximately 40,000 acres.

SUMMARY OF COMMITTEE ACTION AND FINDINGS

On the record made by this committee in a total of 28 hearing days and legislation markup sessions spanning the last session of the 84th Congress and the first 8 weeks of this Congress, the House Committee on Interior and Insular Affairs believes that the findings hereinafter set out are established.

1. DEFENSE HOLDINGS, PENDING REQUESTS

Twenty years ago—in 1937—Defense agencies of the United States controlled a total of 3 million acres of real property, for all defense purposes.

Today, the total is more than 30 million acres in the United States and Alaska; if all pending Defense applications for public lands had been approved, then Defense agencies would today control nearly 40 million acres of real property in the United States and Alaska, of which 25.6 million acres would represent withdrawn public lands.

2. RATE OF DEFENSE LAND ACQUISITION

In the 18-month period preceding June 30, 1955—a period of 547 days—agencies of the Department of Defense acquired land at the rate of more than 5 acres per minute every minute of the day and night. Had the applications totaling 8.7 million acres pending been approved between that date and January 1, 1957, the rate of Defense agency public-land acquisition alone would have been at a rate in excess of 11 acres per minute.

3. FREEZE ON EXECUTIVE WITHDRAWALS

In view of the sharp upturn in Defense Department land acquisitions, and in view of the fact that all such withdrawals were finalized within the executive departments by Executive action (Defense requests, Interior approved), the committee chairman, Representative Engle, on October 29, 1955, after consultation with ranking committee members on both sides, addressed a letter to the Acting Assistant Secretary of the Interior for Public Land Management requesting that further approvals be withheld until the committee could initiate an inquiry into policies and procedures governing Defense withdrawals.

Interior agreed to withhold approval of pending requests, and urged early committee study of the matter in the 84th Congress. Since October 29, 1955, less than 40,000 acres of public land have been withdrawn for defense purposes.

4. DEFENSE WITHDRAWAL CONTROL LEGISLATION

After extensive hearings during the 2d session of the 84th Congress, the committee developed legislation aimed at returning to the Congress direct control of future Defense agency withdrawals of public lands, with both Defense and Interior agreeing that except in cases of most urgent necessity, none of the pending applications would be approved until the control legislation had been disposed of by the Congress.

H. R. 12185, the bill reported in the 84th Congress, passed the House on July 26, 1956, without a dissenting vote and after receiving unprecedented support—from official State agencies of 39 States, from all major national conservation groups, from numerous regional and local groups, organizations, and individuals—and in very large measure the support of the Department of the Interior and the Department of Defense.

House Report No. 2856—84th Congress, 2d session—which accompanied H. R. 12185 to the House set out in detail the findings and conclusions which formed the basis for the unanimous recommendation of the House Interior and Insular Affairs Committee for early and favorable House action, which came too late for Senate consideration of the measure.

The bill also unanimously reported by the committee herewith is in all essentials the bill approved by the House in the 84th Congress, with some language changes made for greater clarification as to scope and procedure.

In addition to requiring an act of Congress before Defense land acquisitions exceeding 5,000 acres take effect—including public lands of the United States, Alaska and Hawaii, outer Continental Shelf lands and Federal lands and waters off the coasts of Alaska and Hawaii—the bill operates to make applicable to all military reservations and facilities the hunting, fishing, and trapping laws of the State or Territory in

which such installation is located; redefine the responsibility of the Secretary of the Interior with respect to Defense-held public lands found surplus to Defense needs; and to clarify the existing law with respect to disposition, management, and control of the mineral estate in Defense-held public lands.

The findings of the committee in the past 18 months underscore in the committee's view the urgent need for enactment of H. R. 5538.

5. DEFENSE AGENCY CONTROL PROCEDURES

The record made by the committee constitutes a severe indictment of central control procedures in the Military Establishment in nearly all phases of public-land acquisition, utilization, and management over a period spanning many years. It appears that the 800 percent jump—from 3 million to more than 25 million acres—in total military land holdings from the War Department days of 1937 to the creation of the Department of Defense in 1947 was made by independent actions of the military departments—the Army, Navy (for the Navy and Marine Corps) and Air Force—without benefit of centralized control procedures. Further, that until August 27, 1955, the record shows Defense had cleared without question applications for withdrawal of millions of acres of additional lands solely on the basis of an asserted need by the requesting military department. In turn, the Department of the Interior—responsible for finalizing all public land withdrawal orders—had for years approved application after application on the basis of Defense Department requests, since Interior was without authority or the technical data needed to challenge them.

The consequences of this procedure, until August 27, 1955, when Defense for the first time issued a departmentwide directive establishing a comprehensive periodic reports control procedure, are best indicated in the following sections.

6. TEMPORARY WITHDRAWALS BECOME PERMANENT

During the 6-year period 1939–45, more than 13 million acres of public lands were withdrawn or reserved by Executive action for the use of the military. By the terms of the orders which set aside these lands for the military, they were to automatically revert to public-land status 6 months after the unlimited national emergency; the unlimited national emergency terminated April 28, 1952, and the 6 months plus period expired October 28, 1952.

Yet, on February 20, 1956, a total of 49 of these temporary withdrawals made from 11 to 17 years earlier—embracing 11.9 million acres, and located in 10 States and Alaska, were still in effect.

7. DEFENSE AGENCY POSITION, JANUARY 1956

The testimony of the Departments of Defense, Army, Navy, and Air Force with respect to the more than 30 million acres held in the United States and Alaska as of January 1, 1956, and with respect to the 8.7 million acres worth of applications which had already been approved by them and by Defense was, in effect, this: All of the land held as of that date is needed and is being used under maximum multiple-purpose use, and all of the land under application is needed.

Defense Department witnesses did concede that the results of the August 1955 directive might modify these positions. The modification—in dollars, acres, resources, and deficiencies revealed—has been staggering.

8. IMPROVED PROPERTY FOUND EXCESS, 1956–57

After the January 1956 testimony of Defense the first of 2,153 reports on that number of Army, Navy, and Air Force installations began to flow into Defense under the 1955 utilization directive.

As of February 2, 1957, with approximately 66 percent of the reports in, but with only about one-third of the total to be received evaluated, Defense found that 1,056,083 acres of land, together with improvements costing $345.2 million, were excess to the requirements of the military department having custody and control. It should be emphasized that 18,200 acres which cost about $230 million represents industrial property recommended for disposal, subject to a national security recapture clause.

It will be seen that if the reports evaluated to date are representative, the ultimate finding of surplus improved property (industrial and nonindustrial) may reach 3 million acres with an initial cost of more than $1 billion. From the standpoint of this committee's particular interest, the significant figures are more than 1 million acres with improvements, but representing nonindustrial property which cost originally $125 million.

9. MILITARY DEPARTMENT CONTROLS

The committee's tentative conclusion in its 1956 report that serious deficiencies were indicated in defense agency control procedures, in retrospect, appears to have been fully justified, if unduly cautious.

The committee has pointed out that of the three military departments, Army, Navy, and Air Force, as of February 2, 1957, only the Department of the Air Force had submitted to Defense utilization reports on all of its properties—701 properties, 701 reports—while Navy had submitted about 30 percent—342 of 982—and Army about 90 percent—428 of 470. In turn, Defense had evaluated only about 30 percent of the total reports to be received.

It has also been noted that only the Department of the Air Force had, as of the close of the committee's hearing record, completed a detailed review of its range holdings, real-property policy, multiple-resource policy, and fishing-and-hunting policy. It has also been noted that the Air Force Board, under the chairmanship of Maj. Gen. Leland S. Stranathan, found that as of October 9, 1956:

(a) Instructions governing Air Force ranges were incomplete, obsolete, and complex.

(b) No valid criteria existed for determining range sizes.

(c) Regulations as to multiple use on Air Force ranges do not announce clear-cut policy with regard to the desirability of permitting or encouraging hunting, fishing, grazing, agricultural, and mining activities.

(d) Regulations governing hunting and fishing are divergent and complex.

(e) A total of 9 Air Force ranges in 8 States, and embracing 5.1 million acres of land had been without justification closed to general hunting and fishing.

(f) There is no policy guidance in regulations regarding the desirability or undesirability of leasing Air Force rangelands for grazing and agricultural purposes.

(g) A total of 12 Air Force ranges, embracing more than 6.7 million acres in 10 States, had been closed to grazing or agriculture without justification—as the committee noted, page 39, supra, applying nationwide Bureau of Land Management grazing averages, such an area would have a theoretical, potential carrying capacity for more than 67,000 cattle and more than 420,000 sheep per year.

(h) Finally, and of greatest import, the Board found, on October 9, 1957, that about 40 percent of the 14.4 million acres of land held by the Air Force and described 9 months earlier before the committee as fully utilized and needed for the foreseeable future—5.7 million acres—were, in fact, excess to current and long-range Air Force requirements as bombing and gunnery ranges: thus, an area equal in size to a strip of land 2.8 miles wide from New York to San Francisco, held but excess.

The committee has no basis for any conclusion as to whether the findings of the Stranathan Board with respect to Air Force holdings are representative of the situation throughout the military departments. It does here reiterate its unqualified conviction that no additional public land withdrawals should be finalized—except in cases of most urgent necessity, and then only subject to revocation thereafter if dictated by the results of studies not yet completed—until the Defense Department has reviewed the Stranathan Board findings, and until Defense has in turn insisted on development of similar internal reports on the part of the Departments of the Army and Navy to be followed by detailed scrutiny and evaluation of both at the Defense level.

10. "INCALCULABLE WASTEFULNESS"

The commendation of the Air Force Board in the body of this report for the Board's forthright and direct assault on Air Force internal control procedures, and the highly critical and constructive self-analysis resulting, will not, of course, obscure the clear message in the findings. The record of this one military department's analysis of its own operations is, in the committee's view, a recitation of incalculable wastefulness—of taxpayers' dollars, of resources within the reservations marked "closed" for so many years to public multiple use and enjoyment, and of unquestionable but immeasurable damaging effect to the local economies from which each unneeded or unused acre was carved.

11. LOST: 303,000 UTAH ACRES

Reference to one other finding should serve as an exclamation point to the committee's plea for early enactment of legislation which will provide a basis for review of military requests by the Congress.

For 15 years—from 1942 until at least last month—the Air Force has controlled, but admittedly had never used, an area of approximately 303,000 acres of land in western Utah, held in conjunction with Wendover Bombing Range. When pressed for an explanation as to why this 500-square-mile area—more than 7 times the size of the entire District of Columbia—had not been used, Air Force witnesses said that it could not have been used because it was traversed on the surface by a major railroad, highway, and pipelines, and overhead by a commercial airway.

In turn, when asked why it had not been released 15 years ago if not used and admittedly not usable, the Air Force witness made it clear that the Air Force did not know it controlled the area, with this explanation:

> I think there may be an explanation of that. I know when I first looked into it, it just did not occur to me that we would own land in a bombing and gunnery range under a commercial airway * * *. I think that is probably what beclouded the issue, that the airway was plotted across the map and one would not think of looking for land under it.

12. NAVY NEVADA LAND

The committee has, in the body of the report—pages 40–41, supra—brought up to date the developments on the request of the Navy for withdrawal of some 2.8 million acres of land in northern Nevada for use as a gunnery range, and the decision, after many months, that Navy would instead satisfy the bulk of its requirements by using the nearly 2 million acres in southern Nevada declared excess on March 1, 1956, by the Air Force.

It appears that by reason of this decision, to the northern Nevada economy there will be saved within the proposed area all or most of the inheld 35 ranches—ranging in size from 200 to 19,000 acres—22,400 cattle and 14,000 sheep grazing in the area; 142 patented mining claims, 1,609 unpatented mining claims, and several millions of dollars worth of operating mines, and a priceless wildlife habitat for antelope, mule deer, sage hens, and chukar partridges.

13. MILITARY HUNTING AND FISHING

The committee has noted the very substantial progress made in the matter of military-local relationships on hunting and fishing during the past year, with a number of specific accomplishments listed in the body of the report—pages 42–46, supra. It is clear, however, that there remains some validity in the assertion that exclusive military hunting preserves still exist.

There has been set out in the body of the report, in some detail, the views of the committee in opposition to the present practice of the "guest of the military" approach, as well as its views on the privileged status of retired military personnel, visiting military personnel, temporary-duty military personnel, and various classes of dignitaries—including Members of Congress—all or some of whom are listed as entitled to hunting and fishing privileges on all or some of the Army's installations. The committee believes that this principal remaining questionable practice should, and can be, reevaluated throughout the military departments where it prevails.

14. THE MILITARY AND PETROLEUM RESOURCES

The report of the committee has dealt, at several points, with the effect of the military overwater or offshore range policy on petroleum resources. Reference has been made specifically to the committee's position on San Nicolas Island, Calif.—pages 50–51, supra—and on the Navy's insistence on retaining intact the existing W–92 warning area in the Gulf of Mexico off Louisiana—pages 51–55, supra. It is believed section 6 of H. R. 5538 effectively lays to rest the San Nicolas matter.

The combination of intractability of the Navy in the matter of the W–92 withdrawal area with the unwillingness or inability of the Department of the Interior to act, and the failure of those responsible in the Executive Office of the President to settle a months-old Defense/Navy-Interior clash, is simply incomprehensible, for the reasons the committee noted in the body of the report on this subject.

This multiple inaction at the executive level does, however, afford an opportunity for early and decisive disposal by the Congress of the matter, in keeping with the basic objective of recapturing to the legislative branch its too long abandoned constitutional responsibility under the property clause.

The statistical effect of permitting Navy's use of 800,000 acres of the shelf lands overlayed by the W–92 Navy warning areas is this: The taxpayers of the United States are being asked to pay outright—through revenues not received from oil leasing—about $250 per surface acre of salt-water airspace over the Gulf of Mexico for asserted naval gunnery needs—when the same Navy controls more than 16,000 square miles—13.8 million acres—of other warning areas in the Gulf of Mexico and has had designated there an additional 10,000 square miles—8.8 million acres; further, that the Navy already controls, or has had designated, warning areas totaling 236,000 square miles—198.7 million acres—in surface area off the Atlantic and Pacific coasts.

The committee, failing action before House disposition of H. R. 5538, stands ready to propose an amendment aimed at resolving the W–92 matter.

15. "SUPER-RANGE" PLAN DISCARDED

From testimony of witnesses representing the Atomic Energy Commission, Air Force, and Navy in 1956, the committee had expressed concern at the proposal to carve out of public domain a new joint-use "super range" for ballistics-testing purposes in the vicinity of Albuquerque, N. Mex. From testimony last year it appeared this range might require as much as 10,000 square miles in one piece—an area 100 by 100 miles on its extreme axis—or, roughly, 6 million acres.

Decision of the Air Force to obtain use of the airspace and of nonfederally owned lands of lesser area within and over the Navaho Indian Reservation, and on terms satisfactory to the tribe, is applauded by the committee as an alternative to the original and tentative plan.

16. SUMMATION OF TODAY'S DEFENSE NEEDS: "CUBIC MILES"

The technological advances made in development of our modern utensils of war have outmoded traditional concepts of military land acquisition, management, and control, just as they have made obsolete, over the years, what were called at the height of World War II conventional-weapons concepts.

In an age of high-speed, high-altitude, and pilotless aircraft, of ground-to-ground, ground-to-air, air-to-ground, and air-to-air atomic and hydrogen projectiles and missiles, it appears that the United States Defense Establishment had concentrated so much—and so effectively—on the operations aspects of its collective missions that it had at the same time largely ignored updating the procedures and policies governing acquisition, management, utilization, and control of real property deemed necessary to carry out these missions. Put another way, while policies for carrying out the basic defense mission advanced to a supereffective point, policies for assuring vital domestic land and related resources were permitted to remain outmoded, wasteful, stifling to resource development, decentralized, and ineffective.

We have said that if all pending Defense applications were approved today, then defense agencies would control nearly 40 million acres of land surface area in the States and Alaska, and at the same time they would control inland and offshore airspace overlaying a surface area aggregating an astronomical 602,000 square miles—388.9 million acres. The answer to the 1956 plea of this committee that "Defense agencies should get out over water with their ranges" is clear: they're already there.

It is clear to this committee, then, that military use requirements today must be thought of in terms of both horizontal and vertical needs. While the concern and jurisdiction of this committee is limited to the former, and then only where public lands are involved, the committee believes that it is absolutely vital that continuing reevaluations be made of Federal legislation and administrative controls governing the assignment and use of airspace, which does involve the latter.

As reported above, the committee believes that very substantial progress has been recently made by defense agencies in the direction of vastly improved real property procedures, which involves horizontal needs; it is possible that similar studies of Defense airspace, or vertical needs, would achieve similar results. This is so because the record made in the 84th Congress and in this Congress makes it clear that, where we spoke of "military acres" pre-World War II, and "military square miles" by 1945, today those requirements can only be adequately described in terms of "cubic miles."

STRANATHAN BOARD REPORT

Mr. Chairman, so that the record might be complete and unmistakably clear, I desire to briefly enlarge upon the comments of my committee with regard to the work of the United States Air Force Weapons Range Board and its

very substantial contribution toward achievement of a sound military land acquisition and maximum multiple-use policy consonant with what the committee believes should prevail throughout the Defense Establishment.

As was noted in House Report No. 215, accompanying the bill under consideration today, the Chief of Staff of the Air Force on January 11, 1956, appointed what was designated as the United States Air Force Weapons Range Board for the purpose of "reviewing and determining the current and future United States Air Force bombing, gunnery, rocketry, and missile range requirements for training, testing, proficiency, and development purposes."

On October 9, 1956, the Board submitted its report. The contents of that report and the conclusions reached are dealt with at some length in the committee report on the pending legislation, and in a manner which may tend, on balance, to detract from the true value and scope of the Board's work. I take this opportunity to set the record straight on that score.

COMPOSITION OF THE BOARD

Because I believe those who brought the report into being deserve the highest commendation of this body, I take this opportunity to list those who brought it into being: Maj. Gen. Leland S. Stranathan, Chairman; Maj. Gen. Edward H. Underhill; Brig. Gens. Kurt M. Landon, William E. Rentz, Charles H. McCorkle, William E. Blanchard, Avelin P. Tacon, Jr., and Arthur C. Agan, Jr.; Col. Joseph F. Brannock; and Lt. Col. David F. MacGhee.

I am convinced—as I believe Members will be in examining the record made by our committee in its 2-year study of military land matters—that the Stranathan Board report is a milestone of progress in the field of Defense real property acquisition and use. The report demonstrates that at least one of the three great military departments can internally view its own workings, can do so objectively, and come up with blunt, candid—and highly constructive—self-criticism.

The report of the Air Force Board, we have said, will result in several millions of dollars of direct savings at the outset, and the procedures established within the Air Force as a result of the study hold promise of tens of millions of dollars in savings in future operations. If the same hardheaded self-analysis were to be applied throughout the Department of Defense, we would make a considerable dent in the lump-sum automatic defense appropriations for real property acquisition and administration.

Further, I believe that the Air Force Board has set a standard in its approach which offers a real and continuing challenge to the other military departments. I want to suggest, here and now, that about 1 cubic foot of space be reserved in the Air Museum of the Smithsonian Institution in the section where we keep our prototype exhibits—and, when it is declassified, they can put the Stranathan report in there as the first of its kind in its field, alongside our other prototypes.

REAL PROPERTY CONTROL

For nearly 15 years, I have been fighting in the Congress to get the military agencies to take a long, hard look at existing real property policies and procedures. Have they? Let us look at the record.

It should be noted that the Department of the Air Force was the first of the military departments to establish—in May of 1955, several months before the Department of Defense itself got around to the same action—basic internal real property reports control procedures.

The Department of Defense in August of 1955 issued a directive requiring a defensewide utilization study by each of the 3 military departments on the 2,153 separate installations or facilities controlled.

It should be noted that—as of the date our committee closed its hearing record—only the Department of the Air Force had submitted reports on all 701 of its installations and facilities. I believe it is significant that the Air Force had demonstrated its good faith by responding to that directive before it pressed for withdrawal of additional acreages.

The record should also show, I believe, that only one of the three military departments—again, the Air Force—has as of this date completed a detailed, and sometimes painful, internal study of its real property policies and procedures. As we have noted, this study resulted in a finding that more than 5.5 million acres held for bombing and gunnery range purposes were excess to current Air Force needs for such purposes. By way of contrast, the Department of the Navy—which is seeking more than 5 million acres of additional public lands in Nevada and California alone—has continued to press for those lands notwithstanding the fact Navy had submitted a scant 342 of her required 982 utilization reports the day we closed our hearing record.

MULTIPLE-USE CONCEPTS RECOGNIZED

The Stranathan Board report also stands, on the record, as proof that constructive and objective departmental self-analysis can result in conclusions reflecting the highest sense of responsibility for minimizing the impact on local economies dependent upon multiple public land and public land resources use.

We have noted that the Air Force-Fish and Wildlife Service joint agreement of December 17, 1956, for the development of fish and wildlife conservation programs throughout the Air Force stands as a landmark achievement in the field of military agency resources conservation. So, too, do the conclusions and recommendations of the Board with respect to compatibility of grazing, agricultural, and related uses by private citizens on millions of acres of Air Force lands.

During the hearings in the 84th Congress on the predecessor to the bill pending here today, and in its report of last Congress, the House Committee on Interior and Insular Affairs issued a challenge to the Department of Defense, and to Army, Navy, and Air Force. That challenge, in effect, was this: "Prove your good-faith intentions to reexamine your policies and procedures for acquisition and utilization of public lands for defense purposes."

One military department has responded, in very large measure, to that challenge. In so doing, it has supplied the Congress with proof that there are personnel in the Defense Establishment with know-how in public land and general real property matters. In the doing, also, Congress has been supplied with a yardstick to measure against present and future demands of other military departments.

SECTION-BY-SECTION ANALYSIS OF H. R. 5538

First. Section 1 of the reported measure deals with the withdrawal and reservation for, restriction of, and utilization by, the Department of Defense for defense purposes of the public lands of the United States.

This section declares that, not withstanding any other provisions of law—except in time of war or national emergency hereafter declared by the President or the Congress—the provisions of the act will take effect upon enactment. Lands and waters included within the scope of the bill include: public lands of the United States; public lands of the Territories of Alaska and Hawaii; Federal lands and waters of the outer Continental Shelf, as defined in section 2 of the Outer Continental Shelf Lands Act (67 Stat. 462); and Federal lands and waters off the coast of the Territory of Alaska and the Territory of Hawaii.

The committee, in employing the term "public lands," intends it to apply in its technical or legal sense, as distinguished from "reserved public lands" or "withdrawn public lands," and "acquired public lands." It should be noted that section 1 makes clear the application of the provisions to all public lands—as defined therein, and in this report—but does not preclude application of some of the provisions of the bill to other real property owned or controlled by the United States.

The term "Federal lands and waters off the coast" is employed to make clear the intention of the committee that the act's provisions apply to lands and waters lying seaward of the territorial limits of the Territories of Alaska and Hawaii.

Subparagraph (2) reflects the intent of the committee that the act not be deemed to apply to withdrawal or reservation of public lands specifically as naval petroleum, naval oil shale, or naval coal reserves.

Subparagraph (3) was approved by the committee in light of the committee's position that the establishment of existing—pre-August 7, 1953—over-water warning areas does not—in light of enactment of the Outer Continental Shelf Lands Act of August 7, 1953—operate to preclude mineral exploration and leasing activities under the 1953 act. The committee, with this understanding and position, did conclude that until pending Defense designations under the 1953 act have been processed and disposed of through the procedures established in the reported bill, the warning areas should be left undisturbed.

Subparagraph (4) of the first section excepts from the Congressional review

sections of the bill, for the reasons set out in the body of the report, five long-established military reservations subject to termination of the unlimited national emergency, and for which Interior on October 27, 1952, authorized continuing use, namely, Williams bomb range, Arizona; Camp Irwin, Calif.; Edwards Base, Calif.; Nellis rifle range, Nevada; and a portion of the Boardman bomb range, Oregon.

It will presently be seen that all or parts of section 4, section 5, and section 6 apply not only to public lands, but to certain other Federal real property as well.

Second. Section 2 contains the basic provision of the bill, which establishes a requirement that withdrawals, reservations, or restrictions of more than 5,000 acres in the aggregate for defense purposes may hereafter be made only by act of Congress.

The section contains language which would preclude the making of a number of cumulative withdrawals, each for less than 5,000 acres, where all would be used for any one defense project or facility of the Department of Defense.

Testimony of witnesses for the Department of the Interior made it clear that the great majority of individual applications for any one project or facility in fact involve lands of less than 5,000 acres, and as may be noted below, the Department of Defense in its report does not object to this section of the act. In testimony given subsequent to the receipt of the Defense Department report, witnesses for the Department of Defense directly negatived a question as to whether the 5,000-acre breaking point in the bill would unduly hamper or interfere with carrying out the defense mission.

Third. Section 3 would lay a more adequate base for fully determining at the local level and for congressional consideration the resource impact of proposed withdrawals.

Defense agencies would continue to file applications for withdrawal, reservation, or restriction of public lands with the appropriate local land office of the Bureau of Land Management or with the Department of the Interior, just as is done under present procedure. Continuance of this procedure would accomplish the same dual effect achieved by existing practices: First, the recordation of the application in the appropriate office has the effect of segregating temporarily the lands requested from all forms of entry under the lands laws, thus serves as a sound antispeculation measure; second, continuance of existing procedure would provide notice at the local and State level—through requisite Federal Register publication and/or press releases issued by Bureau of Land Management State supervisors—that the application had been made.

Thereafter, if the aggregate acreage of public lands included within the proposed withdrawal, reservation, or restriction falls within the requirements of H. R. 5538 as evidenced by the public lands records maintained by the Department of the Interior, the Department of the Interior would then develop, for transmission to the Congress, proposed legislation having as its purpose effecting the withdrawal requested, and containing such provisions for continued operation of the public lands laws within the area proposed to be withdrawn as may be determined to be compatible with the intended military use.

To achieve these objectives, section 3 would require applications to specify, in addition to the name of the requesting agency, using agency, location and description of boundaries of the area, and gross acreage involved: the purpose or purposes—unless classified for national security reasons—for which the area is proposed to be withdrawn; whether contamination will result, and if so, whether such contamination will be permament or temporary; the extent, if any, to which the proposed use will affect full operation of the public-land laws and Federal regulations relating to conservation, utilization, and development of mineral resources, timber, and other material resources, grazing resources, fish and wildlife resources, water resources, scenic, wilderness, recreational and other values; and, if the area to be withdrawn involves the use of water, the agency would be required to state whether, subject to existing rights under law, it has acquired or intends to acquire rights to the use of the water in conformity with State laws and procedures relating to the control, appropriation, use and distribution of water.

Relating of the requirements in the proposed bill to the findings of the committee, as set out hereinbefore, should make abundantly clear the reasons why they are included, and the results the committee believes will be achieved.

One observation needs to be made: the record made by the committee suggests that applicant defense agencies have tended to turn to the clause "if the purpose or purposes are classified for national security reasons" as a device to relieve them of the burden of making known the general purpose for which such areas are to be withdrawn. It does not appear that such generalized terms as "gunnery range," "bombing range," "missile range," and the like would seriously threaten the national security, particularly when the areas involved may range from 1,500 to 3,000 square miles in area, an area of such size that it simply cannot be subtly and deftly removed from the operation of the public lands laws without generating substantial local interest, and interest of the State or Territory affected.

Fourth. Section 4 has as its objective substantially reducing the areas of present and continuing conflict between State and Territorial officials and the commanding officers of military installations and facilities involving the management, conservation, and harvesting of fish and game resources, and the enforcement of fish and game laws of the State or Territory within military installations or facilities.

This section, as was noted in the comments on section 1, applies not only to reserved public land reservations, but to acquired lands as well; its broad purpose is to make State hunting, fishing, and trapping laws applicable as Federal laws on all military installations.

Section 4 (a) (1) would require that all hunting, trapping, and fishing on all military installations and facilities—including those falling presently within the exclusive Federal jurisdiction status—be in accordance with the fish and game laws of the State or Territory in which such lands are located. Section 4 (a) (2) would require that State or Territorial licenses be obtained for hunting, trapping, and fishing on any such areas if local law (i. e., State or Territorial law) authorizes license issuance to Armed Forces members on bona fide military duty for more than 30 days at such installation within the State or Territory involved, without regard to residence requirements, and open terms no less favorable than those upon which a license is issued to residents.

This subsection—(a) (2)—anticipates affirmative action being taken by some States before hunting, trapping, or fishing within such reservations must be licensed by State law; it does not anticipate that for such activities outside such reservations the same preferred treatment must be afforded military personnel. Since subparagraph (1) of section 4 (a) requires that all hunting, trapping, and fishing at the installation or facility be in accordance with the fish and game laws of the State or Territory in which it is located, the clear intent is that such activities can be conducted if at all, only in accordance with State law relating to season and bag limits, methods of taking, and so forth, even though the military personnel are not required to comply with State licensing requirements within the reservation because of the State's failure to establish preferential treatment with respect to residence.

In other words, hunting within all such reservations—with or without State provisions establishing preferred military treatment—can only be conducted after the effective date of the act, if in compliance with State fish and game laws, excepting licensing. The State may or may not provide for preferred treatment outside such reservations to be assured State licensing within such reservations, if the State has met the residence waiver requirements of this subparagraph.

Possible dual construction of the clause "for a period of more than 30 days" deserves clarifying comment: If an individual is actually assigned on bona fide military duty by orders providing for duty status at the installation involved, so that his orders require his presence at the installation for a minimum of 30 days, he would then be eligible for a license under the preferred status provisions when first physically present for duty on such orders.

Subsection 4 (a) (3) mandates the Secretary of Defense, in cooperation with the appropriate governor or his designee, and subject to safety and military security requirements, to develop procedures whereby State or Territorial fish and game or conservation officials may have full access thereto "to effect measures for the management, conservation, and havesting of fish and game resources."

The quoted language anticipates not only that the obvious results will be achieved, but the possibility that—in

areas where insufficient military personnel are present to adequately enforce fish and game laws, such as the case at Camp McCoy, Wis., referred to above—State game officials may be deputized as Federal marshals to assure adequate enforcement.

Subsection 4 (b) requires the Secretary of Defense to prescribe regulations to carry out the provisions of section 4, and reflects the committee's conclusion that only through such a provision will there be assurance that regulations are to be uniform at all Army, Navy, Marine, and Air Force installations.

Subsection 4 (c) provides that violations of the State and Territorial fish and game laws made applicable to military installations and facilities are violations of Federal law, and subject to like punishment as though committed or omitted within the State or Territorial jurisdiction.

Lastly, subsection 4 (d) specifically recites that rights granted by treaty or otherwise to any Indian tribe or members thereof are not modified by the provisos dealing with fishing, trapping, and hunting.

Special reference should be made to the applicability of this section to the Territory of Alaska, and military installations located therein. There is set out hereafter a letter (see p. 74) from the Alaska Game Commission, recommending amendments to make it clear that Alaska's present requirement that military personnel must actually be present in Alaska for a 12-month period before becoming entitled to a resident hunting license. The committee, for the reasons assigned by the Alaska Game Commission spokesman in his appearance before the committee, agrees that his licensing provision should not be changed at this time in Alaska; however, the committee has concluded that, without any amendment, the special 30-day provision would not be applicable in Alaska, since the law governing fishing and hunting in Alaska—incuding licensing provisions—is presently a Federal law, rather than the law of a State or Territory.

Fifth. Section 5 would amend in two particulars the Federal Property and Administrative Services Act of 1949—63d United States Statutes at Large, page 377—as amended.

It would except from the real property-disposition provisions of the 1949 act, minerals in withdrawn or reserved public domain lands which the Secretary of the Interior determines are suitable for disposition under the public land mining and mineral leasing laws.

Next, it amends the 1949 act to provide that only those withdrawn or reserved public domain lands surplus to the needs of Federal agencies found by the Secretary of the Interior—with the concurrence of the Administrator of General Services—not suitable for restoration to public land status by virtue of their having been substantially changed in character by improvements, or otherwise, would hereafter be subject to the real property disposition provisions of the amended 1949 act.

Both of these amendments would clarify the operation of existing law; one would make it clear that only when determined by the Secretary to be not suitable for mining or mineral leasing purposes would the mineral estate pass with the title to the surface estate being disposed of under surplus property provisions; the other would reverse the roles of the Secretary and the Administrator so as to provide that the Secretary would make an initial judgment of the nature with which his Department is most familiar—suitability of lands for public land uses, a traditional Interior function—and if the Adminstrator concurs in a finding of nonsuitability, the lands would be disposed of as surplus.

Sixth. Section 6: Finally, the reported measure provides, in section 6, that all minerals in withdrawn or reserved public lands—except lands withdrawn or reserved specifically as naval petroleum, naval oil shale, or naval coal reserves—are under the jurisdiction of the Secretary of the Interior, and that no disposition thereof shall be made except under "the applicable public land mining and mineral leasing laws."

Read together with the committee findings above respecting the Defense position on petroleum resources, the object and purpose of this section are clear. Until the presentation by Defense witnesses on petroleum reserves, and the effect of the prospective airspace withdrawal on pending applications for restriction of our Continental Shelf lands, committee members had believed there was universal agreement that responsibility for disposition of minerals in withdrawn or reserved public lands was exclusively vested in the Secretary of the Interior, but only if consistent with the defense use.

Enactment of this section into law actually constitutes a restatement of the law as it is today, in the view of the committee and the Department of the Interior. In short, as declared above, the provisions of section 6 of the reported bill will serve to remove whatever doubts may exist, if any, as to the laws which govern the disposal of or exploration for, any and all minerals, including oil and gas, in public lands of the United States heretofore or hereafter withdrawn or reserved by the United States for the use of defense agencies.

The CHAIRMAN. The time of the gentleman from California [Mr. ENGLE] has expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska, Mr. MILLER.

Mr. MILLER of Nebraska. Mr. Chairman, I join with my colleagues on the House Interior and Insular Affairs Committee and here on the floor in strongly endorsing this long-overdue legislation. While my own State of Nebraska is not the site of extensive Federal land holdings, I have sat too long on the House Interior Committee to not appreciate the real military impact on local economies—the exclusion of multiple-resource utilization, needlessly, on millions of acres of lands, particularly in the 11 Western States.

With my colleagues, I believe that whatever the Defense Establishment needs, it should have. I am sure this body will always do its part quickly and conscientiously in seeing that they get whatever real property is needed, wherever it is needed. But the record made in the 84th Congress and in the 1st session of this Congress underscores three major reasons for enactment of H. R. 5538 now, in my view:

First, enactment of H. R. 5538 pulls back to the Congress in an area of greatest single-purpose land use—military public-land area for bombing, gunnery, missile, and related range purposes—the congressional responsibility under property clause of the Constitution for "making all needful rules and regulations respecting the property belonging to the United States."

Second, enactment of this military land withdrawal control legislation now will go a long way toward restoring balance and perspective to maximum multiple-resource use policies in the matter of public lands and public-land resources—grazing, timber, and other materials, water, minerals, fish and wildlife values, and wilderness and scenic values.

Third, and perhaps most important, enactment of H. R. 5538 now—in a nonnational emergency period—will lay a base upon which the defense agencies will be required to develop procedures which will minimize public land and local economy impact in the event another national emergency should develop in the future. In short, we will not witness again the 800-percent military land increase which took place between 1940 and 1945, when military land holdings jumped from 3 million acres to more than 25 million acres.

I hope we can approve the measure unanimously, and for my own part, trust that before too many months have passed our committee can review in detail the past and present land-acquisition policies of our other major public-land users, such as the Forest Service, National Park Service, Fish and Wildlife Service, Corps of Engineers, and the Bureau of Reclamation. Those agencies too—and almost exclusively through executive action based in most instances on statutes, if any, placed on the books many, many years ago—have acquired millions of acres of lands which are, or are not, being held and used in conformity with sound maximum multiple-resource use policies. Congress should recapture its property-clause responsibilities straight across the boards.

H. R. 5538 is a good start on what I hope will be a pattern for future legislation.

Mr. SAYLOR. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Chairman, the greatest military machine the world has ever known now holds more than 43,000 square miles of American soil and is still enlarging its area of occupation.

Happily, that military machine is our own. I appreciate that upon its strength and upon the adequacy of its training rests our assurance that never will it be the armies of another nation which take over such a huge chunk of our country.

But I have long been concerned at the pace and capriciousness with which the

Department of Defense has been withdrawing vast areas from our public domain.

H. R. 5538, in behalf of which I speak, having introduced a like bill, would not deprive our military of any lands, public or private essential to national defense. But it would require that further sizable withdrawals of our public lands be made only after the proposed withdrawal had been justified to the Congress.

In other words, Mr. Chairman, this legislation would be our assurance that the military acquisition of our jealously guarded public lands was based upon actual need, not upon whim from some far-removed swivel chair.

One example, even if it were an isolated case, shows the need for this protective legislation. I refer to the "lost" 303,000 acres in my own State of Utah. Here, in conjunction with the Wendover Bombing Range, the Air Force for 15 years has held an area of 500 square miles which it not only has never used but only belatedly learned that it controls.

Or consider the case of the Nellis-Tonopah Air Force Range in southern Nevada, where the Air Force has released 1,800,000 acres of land—land so contaminated with unexploded ordnance that it now would require the expenditure of $10 an acre to make it safe for ordinary civilian use.

The Air Force's own Weapons Range Board reported last year that 6.7 million acres of land in 10 States had been closed to grazing or agriculture without justification.

At the end of last fiscal year the Defense Department's total holdings included more than 26,500 square miles—nearly 17 million acres—of the public domain. And at that time there were pending applications for another 6 million acres.

In a State like Utah, where nearly 3 acres out of every 4 lie within the public domain, we necessarily must be deeply concerned with the use to which these lands are put. They are, in large part, our stock ranges and the depositories of our natural resources.

Let me repeat that this bill would not deprive, nor would I want to deprive, the Department of Defense of a single acre of ground which it actually needs for national defense. We in Utah are proud of the military installations located within our State and the part they play in the defense of our country.

But when every acre taken away also takes something away from a sheepman, a cattleman, a prospector, or a miner, it is a matter of simple justice that they be protected against arbitrary decisions.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, I am not authorized to speak for the Committee on Armed Services. However, the staff of the Committee on Armed Services has been over the bill very carefully and has worked with some of the members of the Committee on Interior and Insular Affairs. We have come to some definite views and conclusions with reference to the bill. I would not be able to state that all of the military Department of Defense are perfectly happy about some of these provisions. However, with one exception which I will mention later, I hope this is a bill that the military can live with. I realize they would rather not have any limitation upon the right to apply for the withdrawal of land from the public domain. But the regulation that Congress shall pass upon the withdrawal of anything in excess of 5,000 acres is reasonable. The same would apply, of course, with reference to the question of hunting and fishing and the preservation of wild life and so on. I believe the provisions of the bill in that regard are reasonable.

In section 6 of the bill, there is a provision which would apply to lands heretofore withdrawn and assigned to the military as well as to lands hereafter to be withdrawn by the military for military purposes. As to the lands heretofore withdrawn, I believe rather than having the Secretary of the Interior join in determining whether the use of it for leasing for mining and minerals would interfere with the military uses is not quite reasonable. I believe the determination as to whether these activities would be inconsistent with the military purposes should be made by the Secretary of Defense after consultation with the Secretary of the Interior. So, at the proper time I propose to offer, and I hope the Committee will see fit to accept, an amendment which would strike out the present proviso appearing on page 8 starting line 14:

Strike out that proviso and insert: "*Provided*, That no disposition of, or exploration for, any minerals in such lands shall be made where the Secretary of Defense, after a consultation with the Secretary of the Interior, determines that such disposition or exploration is inconsistent with the military use of the lands so withdrawn or reserved."

I hope the committee will see fit to accept it. I believe, actually, it would improve the proviso which now appears in the bill by giving the authority to 1 member of the Cabinet rather than to have 2 members of the Cabinet being under the necessity of coming into agreement. At the proper time I propose to offer that amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SAYLOR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to commend the chairman of our committee for his diligence in working on this bill and bringing it to the floor of the House. This is a clean bill and is the result of hearings which extended over a long period during the last session of the Congress and for about 2 months during the present session of the Congress.

I would like to give credit to some of the other Members of the House who have introduced similar bills. The gentlemen from Utah [Mr. DAWSON], the gentleman from Wisconsin [Mr. JACKSON], the gentleman from Montana [Mr. METCALF], the gentleman from Wyoming [Mr. THOMSON], the gentleman from Arizona [Mr. UDALL], the gentleman from Nevada [Mr. BARING], the gentlewoman from Idaho [Mrs. PROST], the gentleman from Utah [Mr. DIXON], and the gentleman from Idaho [Mr. BUDGE] and myself.

This bill will go a long way toward making the various communities get along a little better with the armed services. One of the biggest complaints that appeared in the testimony before our committee was that when the military moved into an area and took large sections of the public domain they would do it without seeking any advice, assistance, or consultation with the local people.

As a result of this bill it will be necessary for the military to come to Congress, and the Members of Congress will have an opportunity to take it up with the people in their local communities who will be affected by any withdrawals, and I feel it will be a step forward in public relations as far as all branches of the military are concerned.

I wish to call your attention to an amendment I intend to offer. Believe it or not, many of these military reservations are regarded by their commanding generals and admirals as private hunting preserves and only those are allowed on them who meet with the approval of the commanding officer. I would like to read one of the regulations that was put out. It states:

The Commanding General of the United States Army Armor Section shall issue to Members of Congress, high Government officials, city officials of communities adjacent to Knox and Breckenridge, and prominent citizens who have demonstrated active interest in military affairs invitations to hunt and fish at Knox and Breckenridge.

I propose to offer an amendment which would provide that Members of Congress as well as these other privileged groups shall be admitted only when they comply with State law; that is, if you were invited to hunt you may go and hunt but you must buy a license, and if you are an out-of-State resident you will be required to buy an out-of-State license, and you will be required to comply with the game laws just as any other citizen would be if he were hunting in any other place in the State. This, I think, is only fair to allow the State to insist that the people who hunt on military reservations comply in all respects with the laws of the State.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. MILLER of Nebraska. I really believe that is taken care of in the bill, page 5, lines 16 to 19:

(1) Require that all hunting, fishing, and trapping at that installation or facility be in accordance with the fish and game laws of the State or Territory in which it is located.

Mr. SAYLOR. True, that is there, but this amendment merely puts in a little more detail to make sure that the high members of the military who have charge of the post do not feel they have any prerogative to maintain their right to hunt without any regard to State game laws and bag limits. Cases were brought to our attention where people were invited to military reservations to kill game out of season. Such instances do not make for good public relations, and I feel it is incumbent upon Congress

to take the responsibility in seeing to it that when the military come to them for requests for withdrawals that they shall also say to the military that hunting shall comply with the laws of the States.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SAYLOR. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. TEAGUE].

Mr. TEAGUE of California. Mr. Chairman, I take this time to go on record as favoring this legislation and to a case in support of my position. In my own district we have 9 or 10 of these military installations, some active and some inactive. In this latter category is where the trouble arises. The citizens in my district do not object to giving up land which is necessary for a good military purpose and which is being used for such purpose, but they do object when there are thousands and thousands of acres which are not being utilized and which, of course, are off the tax rolls. I think it is highly important that the military be subject to this additional check proposed by this legislation to be sure that everything is being done to see that land which is already owned is used wherever possible.

In my own experience, two of the top men in the Defense Department have been very helpful in trying to check this over expansion. They are former Assistant Secretary Franklin Floete and his successor, Floyd S. Bryant.

We did, however, have a problem last summer which I believe, had this legislation been in effect, would not have arisen.

It was announced rather suddenly one morning that the Navy intended to acquire a strip of land 20 to 30 miles wide and 150 miles long going through a national forest in my district. Incidentally, it would also have taken about 25 percent of the agricultural land in one of my counties. Had this additional check been required as it will be when this bill is passed I think that would not have come about. Fortunately the Navy found it could go elsewhere and do the job just as well.

I would like again to commend the chairman of the committee and to express the hope that this legislation will be adopted.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I know the gentleman has made a careful study of this bill. I would like to ask him a little bit in reference to the meaning of the term "public lands." I have a particular case in mind in reference to this definition of "public lands." The definition is a little hazy in a good many respects. Just exactly what is public land? For instance, I have in mind a case where my home city, Shreveport, La., gave to the United States for military purposes 23,000 acres of land. It occurs to me this provision which my colleague, the gentleman from Texas [Mr. KILDAY] referred to being retroactive to lands heretofore conveyed might in some way be construed for mineral purposes to cover lands of that sort.

Mr. TEAGUE of California. I am not a member of this committee. I should like to yield to the chairman of the committee to answer the question.

Mr. BROOKS of Louisiana. I will be very happy to hear from our distinguished friend the Chairman.

Mr. ENGLE. I would refer the gentleman to page 5 of the committee report. At that point is set forth the definition of "public lands, or public-domain lands." In order that it may be perfectly clear what we are talking about, the definition set forth there is as follows:

> Original public domain lands which have never left Federal ownership; also, lands in Federal ownership which were obtained by the Government in exchange for public lands or for timber on such lands; also, original public-domain lands which have reverted to Federal ownership through operation of the public-land laws. (Source: Department of the Interior, Bureau of Land Management, Glossary of Public-Lands Terms, 1949.)

That is the kind of land we are talking about. This bill does not affect acquired land.

Mr. BROOKS of Louisiana. Will the gentleman read the following paragraph? I read that particular paragraph, which is clear enough, but in the next paragraph of the report a clear situation may be beclouded by the language that follows.

Mr. ENGLE. I do not believe so. The next paragraph says:

> In its technical, legal, or statutory sense, however, the term "public lands" by itself—employed interchangeably with the term "public-domain lands"—is today used to embrace vacant, unappropriated, unreserved Federal real property.

That is exactly what we are talking about. We are not talking about lands acquired by condemnation, gift, or otherwise. We are talking about the public land areas of the United States.

Mr. BROOKS of Louisiana. Let me ask further. After the portion which the gentleman read, the report says:

> I. e., lands open to the public lands laws relating to settlement, entry, location, and sale, and authorizing entry for mining, mineral leasing, timber and other materials removal, local public purposes, recreation, homesteading, etc. Such lands are administered by the Bureau of Land Management, Department of the Interior.

I want the gentleman to clear up the point, because with us it is a very serious point.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I will be glad to yield to the chairman of the committee if he desires me to.

Mr. ENGLE. Since the gentleman has yielded to me, I will answer the gentleman with reference to his inquiry. It is our position that this bill applies only to the public-land areas and, as a consequence, it does not affect the other types of areas.

Mr. BROOKS of Louisiana. In other words, if this particular tract—Barksdale Air Force Base—which was given to the Government in about 1930, has oil and gas and minerals under that tract of land, this gives no authority to the Department of the Interior to authorize drilling in that particular tract other than the authority that they presently have, if any, before the passage of the bill?

Mr. ENGLE. This bill does not add to any authority that they already have in that respect. In other words, if they do not have the power now, this bill does not give it to them.

Mr. BROOKS of Louisiana. It was purely a gift for military purposes. There has been some drilling under an Executive order of the President which permits offset drilling. Now, this does not add to that authority, as I understand it.

Mr. ENGLE. No.

Mr. BROOKS of Louisiana. Nor does it extend the terms of any Executive order or regulation in that respect?

Mr. ENGLE. No; it does not. But, in order that the record may be clear, I want it understood that I do not know whether the Department of the Interior has the authority to do the drilling now; but, if they do not have the authority to do the drilling now, this bill does not give them the authority.

Mr. BROOKS of Louisiana. The gentleman has been generous in yielding time, and I thank him.

Mr. RHODES of Arizona. I would like to address a question to the chairman of the committee, if I may, in regard to subparagraph (a) (2) on page 5 and continuing on page 6. It appears from the wording of the bill that there might be some doubt as to the type of license which a State must give a member of the Armed Forces who has been stationed at an installation for 30 days. It was my understanding, as a member of the committee, that this license which must be given to a member within 30 days, would be such a license as to allow him to hunt only on the installation to which he is assigned and not allow him to hunt in all places within the State. Is that a correct assumption?

Mr. ENGLE. That is a correct statement.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. Chairman, I would like to add my word of compliment to the chairman of this committee and to the members of the committee who have worked very hard and very long on this bill. It became apparent in the 84th Congress—and I think before that time—that some regulation was needed as to the withdrawal of public lands for military use. A good many times in this country—too often, I might say—the public lands have been regarded as an asset which will never be dissipated. However, it is fast becoming apparent to a lot of us that our land, one of our great remaining natural assets of the country, must be conserved, much more systematically than we have in the past. In fact, I might say that in the future we will be very glad to have all of these lands, even

those regarded by some as worthless. It may be that the population of the United States will increase to such an extent that this land will be needed not only for the sightseers who desire to enjoy its natural beauty but also for the subsistence and support of the population. I am sure it is wise that this committee of this Congress has taken cognisance of this situation and has brought this bill out which will do so much to provide a means of safeguarding and conserving these public lands for the future. I hope this committee will be equally vigilant and equally zealous in providing even more means for further conservation of our public lands. I have in mind particularly the fact that we have much public land which is not even inventoried. In other words, the highest and best use of certain public lands has not been determined. There is also the fact that in many of our Western States there is more land in the public domain than there is on the tax rolls. That is a matter which some day must be considered by this Government. As a representative of the West I cannot urge too strongly that these various problems be considered and solved as soon as possible.

Mr. JOHNSON. Mr. Speaker, I hope the land withdrawal bill before us today will draw the close attention of all who are interested in maintaining and preserving our shrinking wilderness areas for the use of future generations.

Much of the discussion of this bill centers on its restriction upon the military agencies' appetite for the public domain. I am wholeheartedly in favor of establishing the limits set forth in this bill and requiring congressional approval beyond that limit.

There is another aspect of the bill which appeals to all real sportsmen. It should not be objectionable to anybody else because it is reasonable and just. I refer to the provision which requires that sportsmen on military reservations be required to recognize and abide by the game laws and regulations of the State or Territory in which the reservation is located. I have heard some high-powered stories about military men using helicopters to spot game or employing bazookas in the hunt. I cannot verify these. But I do know of some cases which happened on Camp McCoy, an Army reservation in Wisconsin bordering my home county, and these are just as disgusting in the eyes of honest outdoorsmen.

I had a firsthand opportunity to become acquainted with offenses of this nature while serving as district attorney in Jackson County where I was well acquainted with the area game wardens. Upon checking the observations of wardens around Camp McCoy I learned that hunters can and do use any method of hunting that suits their whim of the moment. Deer are shot by shining, shot from cars and pickup trucks, and hunters carry loaded guns in vehicles in utter disregard for State laws. Actions such as these are particularly irksome when they happen in islands of disregard surrounded by a State which prides itself on an alert, conscientious, honest force of conservation wardens dedicated to their duty. Such a double standard must be especially difficult to understand for impressionable young people just beginning to know and love the outdoors.

I have reports that the doe and fawn kill was heavy during forked horn buck seasons. In 1955, for instance, 6 arrests were made when wardens detected illegal deer leaving the Camp McCoy area. Since the reservation has some 61,000 acres and the enforcement force is small it is understandable that this figure probably represents only a small part of the illegal kill that year.

Military officials gave us some excellent assistance in checking on the situation at Camp McCoy but all the conscientious people in the world will not be able to bring order out of this mess without legislation such as H. R. 5538. Members of the House saw fit to pass a very similar bill during the last session only to watch it die in a logjam of other legislation on the other side of the Capitol. H. R. 5538 is worthy of as much or even more support and I recommend it for your approval.

Mr. SAYLOR. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, the working out of this bill was no mean task. It took a great deal of effort on the part of the chairman and other members of the committee, as well as the committee staff, as has been mentioned. I commend the chairman and everybody involved who have devoted themselves to this end.

As has also been mentioned, I introduced a similar bill and I certainly support this proposed legislation. We in Wyoming have enjoyed a very pleasant relationship with the military since territorial days. That is certainly true at the present time with the very fine military commander that we have at the Warren Air Force Base at Cheyenne, Wyo. I am sure that relationship will continue, and for my part I intend to do everything I can to see that it does.

All of us, I know, join in wanting to see the military services have all of the facilities they need, including land, for the adequate defense of this country. But the members of this committee can appreciate the importance of this bill to those of us in the western areas, when you stop to realize that in the State of Wyoming over 50 percent of the land is public land within the definition of the bill. In some other States it is a much larger percentage. So far we have had no large taking of land, such as has been experienced in some other States. But the threat is there, and for that reason this legislation is particularly important to us. One of the fundamentals of a free country is the private ownership and use of lands. I think that our private ownership of land has had a lot to do with the strength of this country.

I am sure all can see that the danger is very great that the Federal Government, which is the largest landowner in the world at the present time, except for Russia, may stretch out its land holdings. The authority to determine extensions of over 5,000 acres should be vested in Congress. For that reason I think this bill is particularly important. It is particularly important to see that lands which are no longer needed for military purposes are returned to their most beneficial use, for recreation, forest purposes, grazing, mineral development, and other uses.

I sincerely hope that the committee will pass favorably upon this legislation. In addition to the reasons I have already mentioned, I think enactment of this legislation will fix the area of responsibility and authority as to control of fish and game activities so as to solve present problems in some areas and to prevent future problems and misunderstandings from developing. So far we have worked those things out well in our State, where we have very difficult problems due to the big game and fishing found in Wyoming. In the session of the legislature which adjourned last February special legislation for sale of resident licenses to military personnel assigned to duty within the State was enacted. Enactment of the legislation we are now considering will insure a continuing good relationship because it provides certainty and restricts the possible zone of disagreement.

I hope that this committee will approve the bill.

Mr. SAYLOR. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I am pleased to associate myself with those who have supported this bill. I also desire to compliment the committee on its good work.

The following are a few of the reasons why I am in favor of the bill. In the State of Utah there are 57,700,000 acres of land. The Federal Government owns 37,918,000 acres of this land, or 72 percent—3 acres out of every 4 in our State. Two million of these acres are military preserves already. That is why we want the consent of Congress before any areas exceeding 5,000 acres can be taken again into military preserves.

It is also important that all fishing, trapping, and hunting be in accordance with the fish and game laws of the State in which the reservation is located. The hearings conducted by the committee abound in examples where military commanders in some of the installations have exercised hunting privileges as though they were on baronial estates. I think these regulations should apply to Congressmen as well as military people. The committee reports in too many instances that such areas have taken on all the aspects of exclusive military hunting preserves. While there have been no such objectionable activities reported in my State, we are particularly interested in this present situation being rectified, as the Army, Navy, Air Force, and Atomic Energy Commission control 2 million acres of our land.

I do not think we should give our military people the idea that we are severe on them or unappreciative of their efforts. I think they might have some justification from foregoing statements for feeling that way. We appreciate these wonderful men. They are loyal. Many

of them are working at half what they could get in industry. We want to do everything we can to make it pleasant for them on these military preserves. However, I am sure they will admit that abuses by a few of their number have reached an extent to which the public must call a halt.

The bill does go this far in their favor. It gives them authority to buy fishing and hunting licenses at resident fees, so that they do not have to pay high nonresident fees. I think there is justice in that provision.

The CHAIRMAN. The time of the gentleman from Utah has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That, notwithstanding any other provisions of law, except in time of war or national emergency hereafter declared by the President or the Congress, on and after the date of enactment of this act the provisions hereof shall apply to the withdrawal and reservation for, restriction of, and utilization by, the Department of Defense for defense purposes of the public lands of the United States, including public lands in the Territories of Alaska and Hawaii: *Provided*, That—

(1) for the purposes of this act, the term "public lands" shall be deemed to include, without limiting the meaning thereof, Federal lands and waters of the outer Continental Shelf, as defined in section 2 of the Outer Continental Shelf Lands Act (67 Stat. 462), and Federal lands and waters off the coast of the Territories of Alaska and Hawaii;

(2) nothing in this act shall be deemed to be applicable to the withdrawal or reservation of public lands specifically as naval petroleum, naval oil shale, or naval coal reserves;

(3) nothing in this act shall be deemed to be applicable to the warning areas in the Federal lands and waters of the outer Continental Shelf and Federal lands and waters off the coast of the Territory of Alaska set aside by the military departments prior to the enactment of the Outer Continental Shelf Lands Act (67 Stat. 462); and

(4) nothing in this act shall be deemed to be applicable to those reservations or withdrawals which expired due to the ending of the unlimited national emergency and which subsequent to such expiration have been and are now used by the military departments with the concurrence of the Department of the Interior.

Sec. 2. No public land, water, or land and water area shall, except by act of Congress, hereafter be (1) withdrawn from settlement, location, sale, or entry for the use of the Department of Defense for defense purposes; (2) reserved for such use; or (3) restricted from operation of the mineral-leasing provisions of the Outer Continental Shelf Lands Act (67 Stat. 462), if such withdrawal, reservation, or restriction would result in the withdrawal, reservation, or restriction of more than 5,000 acres in aggregate for any one defense project or facility of the Department of Defense since the date of enactment of this act or since the last previous act of Congress which withdrew, reserved, or restricted public land, water, or land and water area for that project or facility, whichever is later.

Sec. 3. Any application hereafter filed for a withdrawal, reservation, or restriction, the approval of which will, under section 2 of this act, require an act of Congress, shall specify—

(1) the name of the requesting agency and intended using agency;

(2) location of the area involved, to include a detailed description of the exterior boundaries and excepted areas, if any, within such proposed withdrawal, reservation, or restriction;

(3) gross land and water acreage within the exterior boundaries of the requested withdrawal, reservation, or restriction, and net public land, water, or public land and water acreage covered by the application;

(4) the purpose or purposes for which the area is proposed to be withdrawn, reserved, or restricted, or if the purpose or purposes are classified for national security reasons, a statement to that effect;

(5) whether the proposed use will result in contamination of any or all of the requested withdrawal, reservation, or restriction area, and if so, whether such contamination will be permanent or temporary;

(6) the period during which the proposed withdrawal, reservation, or restriction will continue in effect;

(7) whether, and if so to what extent, the proposed use will affect continuing full operation of the public land laws and Federal regulations relating to conservation, utilization, and development of mineral resources, timber and other material resources, grazing resources, fish and wildlife resources, water resources, and scenic, wilderness, and recreation and other values; and

(8) if effecting the purpose for which the area is proposed to be withdrawn, reserved, or restricted, will involve the use of water in any State, whether, subject to existing rights under law, the intended using agency has acquired, or proposes to acquire, rights to the use thereof in conformity with State laws and procedures relating to the control, appropriation, use, and distribution of water.

Sec. 4. Chapter 159 of title 10, United States Code, is amended as follows:

(1) By adding the following new section at the end:

"Sec. 2671. Military reservations and facilities: hunting, fishing, and trapping

"(a) The Secretary of Defense shall, with respect to each military installation or facility under the jurisdiction of any military department in a State or Territory—

"(1) require that all hunting, fishing, and trapping at that installation or facility be in accordance with the fish and game laws of the State or Territory in which it is located;

"(2) require that an appropriate license for hunting, fishing, or trapping on that installation or facility be obtained, except that with respect to members of the Armed Forces, such a license may be required only if the State or Territory authorizes the issuance of a license to a member on active duty for a period of more than 30 days at an installation or facility within that State or Territory, without regard to residence requirements, and upon terms otherwise not less favorable than the terms upon which such a license is issued to residents of that State or Territory; and

"(3) develop, subject to safety requirements and military security, and in cooperation with the governor (or his designee) of the State or Territory in which the installation or facility is located, procedures under which designated fish and game or conservation officials of that State or Territory may, at such time and under such conditions as may be agreed upon, have full access to that installation or facility to effect measures for the management, conservation, and harvesting of fish and game resources.

"(b) The Secretary of Defense shall prescribe regulations to carry out this section.

"(c) Whoever is guilty of an act or omission which violates a requirement prescribed under subsection (a) (1) or (2), which act or omission would be punishable if committed or omitted within the jurisdiction of the State or Territory in which the installation or facility is located, by the laws thereof in effect at the time of that act or omission, is guilty of a like offense and is subject to a like punishment.

"(d) This section does not modify any rights granted by treaty or otherwise to any Indian tribe or to the members thereof."

(2) By adding the following new item at the end of the analysis:

"2671. Military reservations and facilities: hunting, fishing, and trapping."

Sec. 5. The Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, is hereby further amended by revising section 3 (d) to read as follows:

"(d) The term 'property' means any interest in property except (1) the public domain; lands reserved or dedicated for national forest or national park purposes; minerals in lands or portions of lands withdrawn or reserved from the public domain which the Secretary of the Interior determines are suitable for disposition under the public-land mining and mineral leasing laws; and lands withdrawn or reserved from the public domain except lands or portions of lands so withdrawn or reserved which the Secretary of the Interior, with the concurrence of the Administrator, determines are not suitable for return to the public domain for disposition under the general public-land laws because such lands are substantially changed in character by improvements or otherwise; (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines; and (3) records of the Federal Government."

Sec. 6. All withdrawals or reservations of public lands for the use of any agency of the Department of Defense, except lands withdrawn or reserved specifically as naval petroleum, naval oil shale, or naval coal reserves, heretofore or hereafter made by the United States, shall be deemed to be subject to the condition that all minerals, including oil and gas, in the lands so withdrawn or reserved are under the jurisdiction of the Secretary of the Interior and there shall be no disposition of, or exploration for, any minerals in such lands except under the applicable public-land mining and mineral leasing laws: *Provided*, That no disposition of, or exploration for, any minerals in such lands shall be made where the Secretaries of Defense and Interior determine that such disposition or exploration is inconsistent with the military use of the lands so withdrawn or reserved.

Mr. ENGLE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to clear up one point that is not exactly clear in my mind, and that is the interpretation of what is really meant by the term "public lands." The bill refers to withdrawals or reservations of "public lands." As my distinguished friend, the chairman of the committee, has said, on page 5 of the report we are referred to a definition taken from the Department of the Interior, Bureau of Land Management, Glossary of Public Land Terms, of 1949, as the definition of "public lands," but then following that there are given additional definitions of public lands. This is confusing.

In my district of Louisiana the Air Force has a military base called the Barksdale Military Base. It was created by the gift of the people of the city of Shreveport to the United States, a gift of 23,000 acres of land which the city itself acquired and then gave to the United States for military purposes. There was a State constitutional amendment that permitted the city to give this land to the United States for military purposes only. The United States accepted it for military purposes. Since then a good deal of mineral development has occurred in this area.

Some of that land, 2,000 acres, is now being drilled by the Department of the Interior in spite of the fact that the land was given to the United States for military purposes only and paid for by the city of Shreveport. What I want to ask the distinguished chairman of the committee is this: Is there anything in this bill which would give the Department of the Interior any authority to drill that particular tract of land? In section 6, there is something referring to lands "heretofore or hereafter" made reservations or withdrawals of land from the United States public lands. I would be very happy if the gentleman would clear that up for me.

Mr. ENGLE. The answer to the gentleman's question is "No." This bill would not add to any authority that the Department of the Interior now has. Our committee has been a recognized committee of the House for 108 years. It has jurisdiction over the public lands of the United States. Public lands are the vacant, unappropriated, unreserved, federally owned real property. The military purposes which the gentleman refers to does not render the land vacant. It is not unappropriated. It is a reserved piece of Federal property.

Mr. BROOKS of Louisiana. A portion of it may be considered vacant.

Mr. ENGLE. It is not vacant in the legal sense. It is being actively taken over and operated.

Mr. BROOKS of Louisiana. May I ask the gentleman this question: There is nothing in the terms of this bill, is there, to permit any further exploration for oil, gas, or minerals in that kind of case than now exists on the statute books?

Mr. ENGLE. That is correct.

Mr. BROOKS of Louisiana. I thank the gentleman very much for his help.

Mr. KILDAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDAY: On page 6, strike out the proviso beginning on line 14 and insert in lieu thereof the following language: "*Provided*, That no disposition of, or exploration for, any minerals in such lands shall be made where the Secretary of Defense, after consultation with the Secretary of the Interior, determines that such disposition or exploration is inconsistent with the military use of the lands so withdrawn or reserved."

Mr. KILDAY. Mr. Chairman, this is the amendment I spoke of in general debate.

Mr. ENGLE. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. Mr. Chairman, I yield to the gentleman from California.

Mr. ENGLE. Mr. Chairman, the present language of the bill provides that the Secretaries of Defense and Interior shall make a determination. The trouble, of course, with that language is that we have a double-headed proposition. If one of them says "Yes" and the other says "No," they are at an impasse and presumably the case would have to move on up the line somewhere. Some members of our committee felt that the Secretary of Defense should be tied down a little harder. For my own part, it seems to me the question of whether or not these other activities, in this instance the drilling or mining for minerals and oil, can go forward is a military decision and it has to be that way. If the area is set aside for military purposes, it is simply necessary to exclude all uses that are wholly inconsistent with that purpose. Sometimes it is possible, as I explained earlier, to do both. But, in any case it seems to me it has to be a military decision. For that reason, I do not intend to oppose, and I am willing to accept the amendment offered by the gentleman from Texas.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. SAYLOR. I am perfectly willing to accept the amendment offered by the gentleman. I think it is in the interest of good legislation. I supported the amendment in the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. GROSS. Is this tied down strictly to mineral development and grazing or one or the other or both?

Mr. KILDAY. This has to do with mineral development. It only changes the provision of the bill as it was brought in by the committee from the joint approval by two Secretaries to the approval by one Secretary, after consultation with the other.

Mr. GROSS. Now the determination will be vested in the Secretary of Defense?

Mr. KILDAY. After consultation with the Secretary of the Interior. That is correct.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to support the amendment for the reasons I have just mentioned, because this amendment will help in cases of the type I mentioned where land is given to the United States for military purposes and subsequently that land develops into land valuable for oil and gas purposes. The Secretary of Defense would be the only official who in that case would have authority to pass judgment upon the need of property for military purposes or to make a certification.

I am very much in favor of the amendment. I think it helps very much in the instance I have in mind, and I hope it is adopted.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment, and do so only to ask the chairman of the committee a question: What difficulties have you had in the past under the language contained in the present bill?

Mr. ENGLE. In just what way?

Mr. GROSS. Where there is dual responsibility vested in the Secretary of Defense and the Secretary of the Interior.

Mr. ENGLE. Yes; we have had difficulty. The Navy contends that it has authority to drill for oil and gas on any area set aside for naval purposes, whether or not that area has been set aside as a naval petroleum reserve.

Mr. GROSS. But the question I am asking is: What was the experience in the past when a controversy was presented to the Secretaries of Defense and Interior for a determination? Did they have difficulty?

Mr. ENGLE. The gentleman is confused, because it does not come to the Secretary of the Interior. What happened was that the Navy had a naval reserve, not a petroleum reserve, just an ordinary naval reserve such as it has on San Nicolas Island off the coast of California. If the gentleman will look at the report he will find there an extended discussion of that matter relating to San Nicolas.

We want to make it plain that in these military reservations they do not give the right to control oil and gas. The area is set aside for the purpose of doing some bombing or gunnery. That in such cases oil and gas development should be carried forward in the instance of the Continental Shelf under the Outer Continental Shelf Act, and in the interior of the United States under the regular mining and mineral leasing laws.

On pages 50 to 55 of the committee report we wanted to dispel the question about that proposition, and I call the gentleman's attention to the fact that we very carefully said that this bill has no effect with reference to established naval petroleum reserves. That is in the very first sections of the bill. Wherever they have been set up, and they are set up under Presidential order, then the Navy goes right on, does its drilling or whatever other exploration they have in mind.

But, in general, we do not want the military people out in the West, for instance, where they have a piece of land, say, 25 miles wide and 150 miles long, to be able to do mining and oil development on it.

Section 6 applies to mining as well as to the development for oil. When it occurs we claim it should occur under the established laws passed by Congress for that purpose on public-land areas.

So the purpose of the section is to decide clearly that the Navy is wrong in the interpretation they personally put on the law. The Navy itself, I think, had some doubt about it, but the intent and purpose of this bill should be very clear and plain.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Is the gentleman certain it will stop the Navy? Last year on that

particular project to which the gentleman referred, San Nicolas Island, a request came for more appropriations to carry on explorations for drilling on San Nicolas Island. The appropriation was denied. Does the gentleman know whether or not the Navy is again seeking an appropriation in this year's budget to carry on such explorations on San Nicolas Island?

Mr. ENGLE. I would have to look that up. The gentleman asks whether we have got the Navy stopped. We have locked the front door, the back door, we have locked the windows, and then they came down the chimney, so now we have got the chimney blocked, I think.

Mr. GAVIN. I think the gentleman is going to have a pretty tough time on that. They seemed determined to carry on this project out there. They are also interested in the conversion of shale into oil in Colorado. They are trying desperately to get into that situation.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GAVIN. Mr. Chairman, I move to strike out the requisite number of words.

Here is what I am interested in: Does the gentleman think this legislation is going to stop the Department of Defense carrying on any of these exploration projects anywhere they desire for minerals?

Mr. ENGLE. Yes; we think it does. We think it takes care of the situation. I may say to the gentleman that the argument over the San Nicolas Island brought the position of the Navy right up against the General Counsel of the Department of Defense. In other words, their legal claim with reference to what they can do moved up the line finally to the Department of Defense. Their people appeared before our committee and testified. They said they did not want to express an opinion at this time but that this language would absolutely decide the issue. I can assure the gentleman they are very glad to have that issue decided.

Mr. GAVIN. I want to be certain this language will decide the issue because you will recall several years ago up at Barrows Point we expended about $45 million for the exploration of oil up at that particular reserve in Alaska.

Mr. ENGLE. Here is what the General Counsel for the Department said on page 51 of the report:

It is our feeling that, with reference to the bill now pending before the committee, section 6 of the bill would preclude, by statutory language, exploration by the Navy for petroleum in areas reserved for naval purposes as distinguished from areas set aside for naval petroleum reserves.

Then he goes on to say:

The Defense Department's position on the bill does not take issue with what this section would do with respect to exploration, namely, preclude it.

In other words, they are not opposed to what we have here in section 6. They do say it effectively and completely answers the question.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I want to say to the gentleman that I personally have been interested in the amendment because I think the amendment does have the effect of strengthening the authority of the Secretary of Defense over lands already in use actively and being developed for military purposes. Where you have a base like I have in mind, which was given to the United States for military purposes, I think the Defense Department should have control of its use for military purposes and that the Interior Department should not be permitted contrary to the views of the Secretary of Defense to go in and seek to develop that particular land given for military purposes to the United States. I thank the gentleman very much for yielding me this time.

Mr. GAVIN. I want to compliment the committee. They have a very good bill here. It is legislation that has long been needed. I am pleased to have the opportunity to support it and I trust it will pass overwhelmingly.

Mr. DEVEREUX. Mr. Chairman, I move to strike out the last word simply for the purpose of asking the chairman of the committee a question. Unfortunately, I have not been able to follow this presentation too closely. Will this legislation in any way affect the experimental work that is now going on at Rifle, Colo., with respect to the recovery of shale oil?

Mr. ENGLE. No, it will not. In fact, the oil shale reserves as well as the Navy petroleum reserves are specifically exempt from the operation of this law.

Mr. DEVEREUX. I was not certain in my own mind whether this particular project was within the oil shale or petroleum reserve.

Mr. ENGLE. Yes, it is, and if the gentleman will look on page 2, line 10, he will find the specific subsection which exempts oil shale operation.

Mr. DEVEREUX. Well, if it is in the reserves, it would be covered.

Mr. ENGLE. That is right.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. ENGLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE: On page 2, line 22, strike out the word "those" and insert in lieu thereof the words "the following" and

On page 3, line 2, strike out the period, insert a colon, and add the following:

"Luke-Williams Air Force Range, Ariz.; Camp Irwin, Calif.; Edwards Air Force Base, Calif.; Nellis Rifle and Pistol Range Annex, Nev.; and Boardman Precision Bombing Range, Oreg."

Mr. ENGLE. Mr. Chairman, the purpose of this amendment is to make plain in the bill what the committee intended to do. The language is general, and we have added the names of the particular Air Force bases, Army camps, such as Camp Irwin, and so forth, to make it plain exactly what we intended to exempt from the operation of this act.

There are certain of these installations such, for instance, as Luke-Williams, that have been in the Air Force for years, and yet when we look around, they have not a vestige of authorization; they have no land withdrawal; they are just sitting there without any authority under the law to be there. Their importance to the Nation and to the defense effort make it obvious that it would be perfectly ridiculous to require them to come back in on separate legislation to get authorization because all of them, I think, exceed the 5,000 acres.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Is it the position of the gentleman that the reservations which have been enumerated in the gentleman's amendment actually are legally within the public lands and are not withdrawn at this particular time and that in effect the military are trespassers on these particular lands?

Mr. ENGLE. What happened is they got a temporary withdrawal under the act of 1910. The gentleman will recall that the Congress in trying to patch up this matter of the implied delegation of authority which I referred to in my opening remarks passed an act in 1910 that gave the President the right to make temporary withdrawals. The solicitor came along in his opinion and said it was merely a confirmation of the broader powers that the President already had and therefore, under the solicitor's opinion, nullified the act. But under that act they did make some temporary withdrawals during national emergencies. Then the national emergency expired and the withdrawals lapsed. But these fellows are still sitting on the land, which technically reverted to the public land area. The purpose of this amendment is to obviate the necessity of coming back with special legislation, which this bill would require, because they comprise over 5,000 acres.

Mr. RHODES of Arizona. Mr. Chairman, if the gentleman would yield further, does the gentleman feel that by taking these particular reservations out from under all the provisions of this bill, they are left in a status of limbo insofar as the effect of the provisions of the act as to hunting and fishing and other provisions are concerned, not necessarily going with the ownership of the land? In other words, if we adopt the amendment of the gentleman saying that nothing in this act applies to these lands, then can the State of Arizona, for instance, have any legal brief for regulating the harvesting and conserving of fish and wildlife on, say, the Luke-Williams Air Force Base?

Mr. ENGLE. This does not affect the application of the balance of the bill, because the balance is applicable to military bases on all withdrawn public lands. So all we are doing here is making it unnecessary for your air bases out in Arizona—and they are important, Luke-Williams is an excellent example—to come in for special legislation. In other respects, this legislation would be applicable to them, because it is applicable to all bases on public land areas.

Mr. RHODES of Arizona. Mr. Chairman, if the gentleman would yield further, certainly it is my purpose and my desire to protect the Air Force in its

use of the Luke-Williams Gunnery Ranges, but I do want to make it absolutely crystal clear that taking those bases and those gunnery ranges from under the provisions of the act for this purpose does not take them out from under the provisions of the act for any other purpose.

Mr. ENGLE. That is certainly our intention.

Mr. RHODES of Arizona. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ENGLE].

The amendment was agreed to.

Mr. ENGLE. Mr. Chairman, I offer a further clarifying amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGLE, of California: On page 2, line 15, strike out the word "in" and insert the word "over" and on page 2, line 17 and 18, strike the words "set aside by", and insert in lieu thereof the words "reserved for use of."

The CHAIRMAN. The question is on the clarifying amendment offered by the gentleman from California [Mr. ENGLE].

The amendment was agreed to.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR, of Pennsylvania: On page 6, redesignate subsection (b) on line 7, subsection (c) on line 19, and on page 7, subsection (d) on line 1, as subsections "(c)" "(d)," and "(e)," respectively, and insert the following new subsection (b):

"(b) No hunting, fishing, or trapping by any individual shall be permitted by the commanding officer of any military installation or facility in a State or Territory and under the jurisdiction of the Department of Defense unless such individual is—

"(1) a member of the Armed Forces who has, for a period of more than 30 days, been assigned to the installation or facility at which such individual proposes to hunt, fish, or trap, and who has, in a State or Territory where the operation of this section requires that a State or Territorial license be obtained, secured such a license;

"(2) a dependent of a member of the Armed Forces qualifying under subparagraph (1) of this subsection, if such dependent has, in those States or Territories where the operation of this section requires that a State or Territorial license be obtained, secured such a license; or

"(3) any other individual, including other members of the Armed Forces and their dependents, qualifying and licensed to hunt, fish, or trap under the fish and game laws of the State or Territory in which such installation or facility is located only when the State or Territorial agency having licensing authority therein has entered into a cooperative agreement with the military department having jurisdiction at the installation at which it is proposed to hunt, fish, or trap, which cooperative agreement shall set out the terms and conditions under which any and all individuals not qualifying under subparagraphs (1) and (2) of this subsection shall be permitted to engage in hunting, fishing, or trapping."

Mr. SAYLOR (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of this amendment be disposed of.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Chairman, the purpose of this amendment is to clarify just what the committee intends with regard to hunting and fishing on military reservations.

I will give you an example that was brought to the attention of the committee by the gentleman from Montana in regard to an instance which occurred in his State. Several members of one of the branches of the armed services got themselves a temporary order and flew to Montana. They went there only to hunt, even though their orders assigned them to a base. They were arrested for failure to have a license, and the military tried to defend them because they had orders assigning them to the base.

All this amendment does is to say that unless you are actually assigned, bona fide, to a base for at least 30 days you cannot go onto a military reservation and hunt and fish.

The second section provides that Members of Congress or others that are in the privileged class that has been referred to as VIP's must comply in all respects with the laws of a State when they hunt on military reservations.

This is just explaining in a little more detail what is in section (a).

Mr. ENGLE. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. ENGLE. Does the amendment not require the inclusion of a cooperative agreement between the State or Territorial agency having the licensing authority and the particular base?

Mr. SAYLOR. Only with regard to the so-called VIP's who have been going onto these military reservations.

Mr. ENGLE. I have the language of the gentleman's amendment before me. It requires such a cooperative agreement before any other individual can qualify except members of the armed services or their dependents.

Mr. SAYLOR. That is correct. The only ones we have found are those examples that have been pointed out, such as the regulation which I read stating that anybody the commanding general decided had expressed an interest in the affairs of the Department of Defense was specially privileged and allowed to go onto a reservation and hunt.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Washington.

Mr. WESTLAND. I have tried to follow the amendment the gentleman from Pennsylvania has offered, and I know he has the best intentions. I am sure the gentleman will recall that in committee we discussed this matter at considerable length, trying to come out with a just solution to this problem. I have tried to follow exactly what the gentleman has said in describing what this amendment would do, but I have this question: Would the gentleman's amendment prevent a GI, let us say, who lives in Maryland from hunting on a Military Establishment in Virginia if he had a license to hunt in the State of Virginia. It sounded as though it would.

Mr. SAYLOR. No; it will not prevent him from hunting if he has a license from the State of Virginia and has orders there.

Mr. WESTLAND. That is something else now. The gentleman is qualifying it again. In other words, this GI who lives in Maryland and may be assigned to a base in Maryland could not hunt on a military reservation in Virginia unless he was also assigned to that base, even though he had a State license to hunt any place in the State of Virginia.

Mr. SAYLOR. No; because if he has a license to hunt in the State of Virginia then he has a nonresident license.

The reason this amendment is offered is that practically every State in the Union, I think every State in the Union, has taken precautions to see to it that the members of the armed services that are actually assigned to bases in a State are given the same rights and privileges as citizens of that State, and do not have to get an out-of-State license. Those are the people that would be protected by this amendment. If a man is assigned to a base in Maryland and goes down to Virginia and has a State license, he can hunt there.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I may have the attention of the gentleman from Pennsylvania, as I understand this amendment, it might have this effect. Suppose an enlisted man was stationed at the Pentagon. As I understand the gentleman's amendment, if the enlisted man wanted to hunt, he would not be able to hunt anywhere in the State of Virginia except at the Pentagon; is that not more or less correct? And there are not many ducks flying over the Pentagon.

Mr. SAYLOR. If he has an out-of-State license, he can. He can hunt anywhere in the State of Virginia.

Mr. RHODES of Arizona. That is the whole point. In other words, anybody who might be stationed here in Washington, D. C., in order to hunt would have to have an out-of-State license wherever he would go.

Mr. SAYLOR. That is correct.

Mr. RHODES of Arizona. So actually does the gentleman not feel this unduly discriminates against military personnel stationed here? Or is it not punishment enough that he is stationed at the Pentagon and has to be here anyway.

Mr. SAYLOR. No, I would not go along with that. If the gentleman would talk to some of the military, he would be surprised at the number of members of the armed services who try to get assigned here to the Pentagon. I do not know why, but they do.

Mr. RHODES of Arizona. But, not so they can give up their hunting privileges.

Mr. SAYLOR. They do not come here for hunting with guns.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. KNOX. I should like to ask the gentleman relative to an area that has been designated as a closed area as far as hunting and fishing are concerned as to whether or not the personnel that have been assigned to the base have fishing and hunting privileges within the closed

area but the general public would be denied the right to hunt and fish in that particular area.

Mr. RHODES of Arizona. I yield to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. If it is a closed area in a military reservation, then the matter is entirely within the jurisdiction of the commanding officer as to who may hunt.

Mr. KNOX. If it is a closed area, prohibited to the general public from entering the area for fishing and hunting, then it would be permissible for the commanding officer to permit the personnel on the base or the civilian employees on the base to fish and hunt in the area.

Mr. SAYLOR. Only if they comply with the State game laws as far as licensing, bag limit, and season are concerned.

Mr. KNOX. Does the gentleman think there is any justification for permitting the personnel on the base or other civilian employees on the base to have a special concession awarded to them because they are on the base, which is denied to the general public of the State whether they have a license or not?

Mr. SAYLOR. I might say we ran into many instances in our committee where that condition does exist. We are only trying to correct it to see to it that the people on the base comply with the laws of the State. Some of the complaints that our committee received came from the gentleman's State. They said that the members of the game commission out there were not even allowed to protest or arrest members of the military because they had violated the game laws of the State of Michigan. This amendment will see to it that those who do hunt on military reservations will comply with the State game laws.

Mr. KNOX. My opposition to permitting the personnel on the base or the civilian employees on the base to hunt and fish on that property, if it is a closed area, is based on the fact that in many cases some of the very finest of our streams flow through the particular base so that this becomes somewhat of a reservation for only those who live within the area, and the general public are prohibited from coming into the area even though they have a license.

Mr. SAYLOR. That is correct. But, up until now, unless this amendment is adopted, they will continue to do that and they will not comply with the laws of the State. There is not anybody until today, until this committee took hold of it, who tried to prevent that.

Mr. KNOX. Does the gentleman not think that a closed area should be a closed area—period.

Mr. SAYLOR. No.

Mr. KNOX. You do not?

Mr. SAYLOR. No, I do not. In other words, because military reservations from their very nature are such that it is up to the commanding officer who is in charge of it to determine who shall hunt and fish.

Mr. RHODES of Arizona. If I may have the gentleman's attention. On page 5, section 4, the first subparagraph says that:

The Secretary of Defense shall regulate all hunting and fishing and trapping at that installation or facility in accordance with the fish and game laws of the State or Territory in which it is located.

I wonder if that does not cover the situation which the gentleman has in mind? In other words, in order to hunt and fish there, does not any individual, whether he is a member of the military personnel or not, have to comply with the law of the State?

Mr. SAYLOR. The answer under this section is "Yes," but I do not think this section goes far enough. My amendment spells it out a little more in detail.

Mr. ENGLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I applaud the purpose of my friend from Pennsylvania, Mr. SAYLOR, who is a great conservationist, but we should not get carried away and try to do too much in this legislation, and this amendment undertakes to do that in this particular: The amendment states that there shall be three classes of people who can hunt—members of the armed services who have been on the base for more than 30 days; second, a dependent of a qualified member of the armed services. That would be a son, daughter, or member of the family; and then, third, any other individual qualified and licensed to hunt, provided that a cooperative agreement with the military department having jurisdiction at the installation has been entered into by the State authorities having the authority to handle hunting and fishing.

There are at least 5,000 installations in the country. What this amendment will actually do is to cut people out, because they will never get all the agreements executed, and if they do execute the agreements, in all probability they will make some provision, I assume, for visiting brass from Washington and other so-called notables; and therefore they will still be in the picture.

The thing about this amendment that alarms me is the requirement for the cooperative agreement, and until such agreement is executed nobody could hunt down there in Virginia, or over here in Maryland, or any place else; and the military will then do all the hunting and fishing. Rather than open up the area to the public generally, they will be very slow and gumfooted about getting these agreements enacted and executed.

This amendment, notwithstanding the good purpose of its author, goes precisely in the opposite direction from which we want to go. It may be that we can work out language some time somewhere that would limit these VIP's. We considered this amendment in committee. This amendment was offered in committee, and it was turned down for the very reasons that I am giving you now, and that is that it would in all probability limit the fishing and hunting on these military installations rather than facilitate getting equal treatment for civilians with the military personnel on the bases. For that reason I am against this amendment. I think it goes in the wrong direction. I think the language has not been worked out sufficiently carefully. Some time, perhaps, we can originate some kind of scheme and maybe we can get the thing ironed out equitably. But this amendment will not do it.

I hope the amendment will be defeated.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield for a question?

Mr. ENGLE. I yield.

Mr. DEVEREUX. On page 6, line 2, as the bill is now written there is a provision requiring that a person be stationed at one of these installations or facilities for 30 days or more before he would have the privilege of hunting or fishing. In my judgment that is not necessarily the proposition that we are trying to take care of, nor these VIP's or the VIPI's—very important people indeed. For instance, a man will be transferred to a new installation. Under the language of this bill he would not be able to hunt for 30 days. Is that right?

Mr. ENGLE. As I understand it, yes.

Mr. DEVEREUX. It appears to me that we should substitute some other language such as "extended active duty," "permanent change of station," or something like that. That would qualify him for hunting privileges. Would not the gentleman agree that is the general intent?

Mr. ENGLE. That is what we intended to do. We could not think of any way to work it out other than to put the 30-day requirement in there.

Mr. DEVEREUX. Would the gentleman accept an amendment that would clarify it by saying "for extended duty"?

Mr. ENGLE. If it is extended duty would that not be 30 days?

Mr. DEVEREUX. It might be. My point is this: An officer could be transferred to a new installation and he would be restricted from hunting or fishing until he had been at the installation 30 days.

Mr. ENGLE. No, provided his orders were of a permanent nature, as I understand it.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent (at the request of Mr. ENGLE) he was allowed to proceed for 5 additional minutes.)

Mr. DEVEREUX. If his orders were of a permanent nature he would be permitted to hunt and fish the day after his assignment to this new installation?

Mr. ENGLE. I would have to give that a little study. It is my impression that if his orders are of a nature that puts him on the base for more than 30 days he is entitled to apply immediately for a license although the 30 days have not transpired. The purpose of this is to take care of people who are there permanently and to stop the business of people moving in to hunt for a weekend, then moving out.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. As I understand it, the State laws of practically all the States require for all individuals at least 30 days of residence before they can obtain a license within that State. So this is merely putting the armed services personnel on the same footing as all other people in the State in obtaining a license.

Mr. DEVEREUX. I disagree with that provision, because an individual in the armed services is not the master of his

own destiny. He has to go here, there, or anywhere else, wherever he is ordered, whereas the ordinary residents of a State are in an entirely different category.

Mr. EDMONDSON. All I am pointing out is that this is not penalizing the individual under the law any more than the citizens of all the States are presently restricted to a law in obtaining a license.

Mr. ENGLE. Let me say to the gentleman that he has failed to read the section—I am referring the the gentleman from Oklahoma—on page 6, line 3, as follows: "Without regard to residence requirements." In other words, what we are trying to do is to take care of the armed services personnel permanently assigned to an area and we regard anything over 30 days for the purposes of this act as sufficiently permanent to warrant their right to hunt and fish.

Mr. DEVEREUX. If he is ordered there for 30 days or more?

Mr. ENGLE. That is correct.

Mr. DEVEREUX. Not necessarily that he has to be in residence for that time?

Mr. ENGLE. That is correct. That was our intention. Let me say to the gentleman that if on closer examination we have not written in language precisely what we intended, we will try to do it over in the other body.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from California.

Mr. SISK. I just want to clarify a portion of the discussion with reference to this language. It is to eliminate the so-called weekend boys, these boys who go on temporary duty for 3 days over the weekend to do some hunting and fishing. If they have orders which call for more or less permanent service there, they would immediately qualify for a hunting license. The language at the top of page 6 in the report straightens that out. If the chairman would like to read it, it says:

Possible dual construction of the clause "for a period of more than 30 days" deserves clarifying comment: If an individual is actually assigned on bona fide military duty by orders providing for duty status at the installation involved, so that his orders require his presence at the installation for a minimum of 30 days, he would then be eligible for a license under the preferred status provisions when first physically present for duty on such orders.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from Montana.

Mr. METCALF. Mr. Chairman, I want to say that this 30-day provision is a special concession that is granted to the servicemen by most of the States, anyway. Most States require 6 months or a year, and some even 2 years, residence before they can get a residential fishing or hunting license, and we have provided that unless the State law makes this special concession to the military personnel permanently assigned by permitting them to acquire residential licenses after 30 days, the license provision will not apply. So, already by the provisions of this law special concessions are granted to personnel stationed and permanently assigned to the military reservation.

Mr. ENGLE. Mr. Chairman, before we got off on this angle, I was directing my comments to the amendment presently pending by the gentleman from Pennsylvania [Mr. SAYLOR], in which he undertakes to require these cooperative agreements, a great number of which will never be executed and which I contend will actually prevent civilians getting access to these very lush hunting areas.

Mr. METCALF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of this amendment. I have taken this time to ask a question of the gentleman from Pennsylvania, who is the author of the amendment. As I understand, this amendment only provides that if the military reservation is going to be opened for nonstationed personnel or their dependents, then it has to be opened on all bases after a cooperative agreement with the State fish and game commission.

Mr. SAYLOR. That is correct.

Mr. METCALF. If a situation arises, such as was suggested by the gentlewoman from New York, where security reasons required that civilians or nonmilitary personnel be barred from the reservation, then no one can fish except stationed personnel and their dependents?

Mr. SAYLOR. That is correct.

Mr. METCALF. And it would be impossible for civilians who are not permanently stationed to come in and hunt or fish on a military reservation unless all civilians were treated on an equal basis?

Mr. SAYLOR. That is correct.

Mr. METCALF. I support the gentleman's amendment.

Mr. ENGLE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I take this time to ask the chairman of the committee relative to the language on page 5, line 13, where it says:

"(a) The Secretary of Defense shall, with respect to each military installation or facility under the jurisdiction of any military department in a State or Territory—

"(1) require that all hunting, fishing, and trapping at that installation or facility be in accordance with the fish and game laws of the State or Territory in which it is located.

Now, that provides that anyone who is going to hunt or fish on this reservation shall have a license in connection with the State law, but in case it is a closed area, as far as civilian population is concerned, I want to know what the status of that reservation is, as far as military personnel or civilian personnel that are employed on the reservation are concerned.

Mr. ENGLE. Well, the answer is that all people who hunt and fish and trap have to have a license.

In some cases it will not be possible for outside civilians to get on because of the security requirements of the base; but the civilian personnel on the base who are qualified to be on the base, and the military personnel on the base nonetheless will be required to have a license in accordance with State law.

Mr. KNOX. There would be a concession made to the military personnel and the civilian personnel on the base?

Mr. ENGLE. That is right. In other words, there is no use shutting off the area completely to hunting if there are people on the base who can hunt, but they have to have a license.

Mr. KNOX. In other words, it is not restricted, as far as they are concerned, but it is restricted, as far as the civilian population of the State is concerned.

Mr. ENGLE. That is because of the nature of a military base. We simply cannot say that you have to let everybody on because the security considerations will not permit it.

Mr. KNOX. I agree that the security considerations should prevail, but I know of no reason why the civilian personnel working on that base should be granted any concession that the civilian personnel working outside of the base are not granted.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. KNOX] has expired.

The Chair recognizes the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I rise in opposition to the amendment. I have been trying to follow it very carefully. It seems to me it has created some misunderstanding; at least a certain amount of vagueness as to what the amendment would accomplish. It appears that the committee has considered this amendment before this, did not accept it and they are the ones who have studied this matter thoroughly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

Mr. BARTLETT. Mr. Chairman, H. R. 5538 proposes legislation which, in my opinion, is in the public interest. It will, if enacted into law, subject to congressional scrutiny public domain withdrawals in excess of 5,000 acres by the Department of Defense. There can be no doubt that Congress will grant whatever areas are essential for defense purposes; at the same time, any disposition which may exist to make withdrawals excessively large will be checked.

For my part, I should be pleased if H. R. 5538 applied to every department of the Federal Government. Vast as Alaska is, much of it has already been reserved by the National Government. Of the total acreage of 365 million, already 92,310,000 have been reserved for one purpose or another. Military and Naval reserves as such amount to 2,420,000 acres. Additionally in the Arctic there is Naval Petroleum Reserve No. 4 which with adjacent lands reserved from entry during World War II amounts to 48,800,000 acres.

I desire to commend the distinguished Chairman of the Interior and Insular

Affairs Committee, Mr. ENGLE, for the splendid job he has performed in bringing this bill to the House. He and the gentleman from Pennsylvania, Mr. SAYLOR, and those associated with them worked hard in perfecting H. R. 5538. It is a good bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERLONG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5538) to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes pursuant to House Resolution 217, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that I may extend my remarks on the bill just passed and to include extraneous matter, and that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

Mr. KNOX. Mr. Speaker I ask unanimous consent to revise and extend the remarks which I made previously.

The SPEAKER. Without objection, it is so ordered.

WHAT PRICE CANADIAN GAS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, the March 26, 1957, issue of the CONGRESSIONAL RECORD contains an editorial from the St. Paul Pioneer Press entitled "FPC Should Act." It is an appeal for the Federal Power Commission to approve applications for extending natural gas pipelines from the producing fields of the Dominion of Canada into midwestern markets of the United States. The editorial points out that both Senator THYE and Senator HUMPHREY are in favor of immediate approval of this project by the FPC.

Here, Mr. Speaker, is a case of bipartisan benightedness that has come about because the full story of the pipeline project has been withheld from the public by the international speculators and promoters behind it. Understandably, Senators THYE and HUMPHREY—and, in all probability, most elected representatives and public officials from Minnesota and adjoining States—are convinced that it would be advantageous to the general welfare if this new source of energy were to be admitted into the fuels markets of the Midwest. The pipeliners have presented an attractive proposition; they have withheld publication of those facts which might serve to jeopardize their case.

With the permission of the House, I propose at this time to reveal some of the principal objections to permitting Canadian gas to enter United States markets on a wholesale basis. I believe that it is particularly important for Members of Congress to become fully acquainted with this situation so that the Federal Power Commission will not be subjected to further undue criticism for taking the time that is necessary to examine carefully all of the public interest considerations inherent in the Canadian gas proposals.

At the start I wish to explain that, as a Member of Congress from a coal-producing area, I have a very definite personal interest in this case. Families in both bituminous and anthracite coal regions stand to lose heavily if the pipeline promoters are granted their application. Furthermore, that personal interest extends into the Midwest itself, for any matter that threatens the national security is—or should be—close to all of us, regardless of where we may live.

The economic impact of any proposal to admit a foreign commodity at the expense of United States industry and labor poses a public issue that has been debated as long as our Nation has been in existence. The question: Should government-encouraged, or sponsored, projects or policies permit the jobs of American workingmen to be sacrificed on the altar of foreign trade? For my own part, I feel that the Congress and the executive branch have been entirely too considerate of foreign powers and too indifferent to the needs of our own. I have heard representatives of our Government answer complaints about damage from excessive imports with the comment that low tariff barriers are necessary to diplomatic progress. I contend that no reasonable nation would expect us to accept goods that create economic hardship. The record shows that no foreign nation is so shortsighted about its own welfare and interests. There will of course be diplomatic pressure on our representatives to gain whatever advantage is possible, yet no one could honestly object to our insisting that the job rights of our own people be protected.

Canadian gas imports would bring wholesale unemployment to various industries in this country. This displacement would begin at mines which ship coal into markets along the proposed pipelines. The railroader is the next American worker whose job would become excess under the plan of the international gas exploiters. When coal traffic is down, men who operate trains and maintain rolling stock and other equipment are of necessity laid off. Now, follow these railroad lines from the mines right into distribution centers and on down to where the coal is consumed; you will realize that any unfair foreign competition which affects the coal industry has its repercussions in every shipping center—in homes, churches, and business houses.

Nor would economic tragedy have its terminus in these areas. By admitting natural gas from Canada into the markets proposed in applications to the FPC, the Government would in effect abolish hundreds of jobs on the docks of Great Lakes ports. Add to this list the truck-drivers and fuelyard operators whose businesses would be dissolved and you get some idea of the economic threat contained in the pipeliners' proposal.

Even if he is willing to disregard the economic impact, every American should study the projected pipeline from a security standpoint before advocating reliance upon a foreign source for fuel. The development of military items for the Department of Defense is being carried out on a nationwide basis. Weapons of offense and defense and/or their components are being manufactured in almost every area of the United States. The Midwest is no exception. A dependable source of energy is thus a prerequisite to national security.

Have the prospective consumers who will rely on the pipeline project been advised as to what to expect in an emergency period? If we are to assume that a permit is to be granted for construction of an across-the-border line, and cities in Minnesota and adjoining States switch from coal and oil to foreign gas, a vital part of America's defense efforts will have been placed in the position of dependency on a foreign power. The fact is that, if hostilities erupt between Russia and the West, Canadian industries will require a step-up in power requirements and fuel supply. One answer to the problem would be to cut off exports to America, a decision that would leave United States consumers of Canadian gas without any fuel whatsoever, inasmuch as the ability to deliver coal or oil would have been seriously impaired or destroyed by their relegation to a standby status. Moreover, the possibility of a shortage of natural gas is not limited to the occurrence of emergency conditions. I can think of no more strategic method of attracting industries to the Dominion than by perpetrating—or by threatening—a shortage in the supply of the gas upon which American industry in the Midwest would have come to rely. If you say that such a possibility is out of the question, then please hear this explanation of the Canadian Government's longstanding policy of refusing to permit electricity exports to this country by C. D. Howe, Trade Minister:

> If the Americans want our power, let 'em build their plants in Canada.

The editorial in the Pioneer Press presents another problem which potential

consumers should consider rather than be too hasty about switching to a foreign fuel. I quote the following paragraph from that editorial:

> This indecision on the part of the FPC may result in higher prices for natural-gas consumers in Minnesota, North Dakota, Wisconsin, Michigan, and elsewhere. American distributing companies hold tentative contracts with Trans-Canada Pipelines for purchase of Canadian gas at specified rates. But some of these contracts run out later this year if not made permanent, through approval by the FPC. If new contracts have to be negotiated later on, the Canadian wholesale price probably will go up. This would mean higher retail prices eventually.

If a moment's thought is given to this proposition, even the uninitiated reader will begin to have qualms about the whole business. Here is a reminder that the pricing of the product going into the pipeline would be in the hands of gas people on the other side of the border. Whether or not new contracts must be negotiated later on is of no serious consequence, for even after these negotiations have been consummated, the American consumer would be in eternal danger of higher and higher prices. Thus we find the price-threat technique already being used to influence action. If this strategy is being used before the line is authorized and installed, even more disastrous use of the price weapon could be made after dependence upon it becomes an established fact.

The gas producers, the pipeline company, the Canadian Government—all would have a hand in setting price rates for American consumers. Nor is "price," as such, the only avenue of leverage on American consumers. The Canadian Government might find it necessary to raise revenue by taxing the gas it sends to the United States. Does anyone think for one minute that the Canadian Government would overlook the lucrative possibilities of a heavy tax on exported natural gas if the occasion required? What recourse would be available to the plant operator or homeowner in Minnesota and other consuming States?

This particular factor raises another question which leaves a good many gas-import supporters in a contradictory position. Without going back to the vote on the Harris-Fulbright bill last year, I can tell you that some of the more articulate spokesmen for Canadian gas were the first to demand that Federal Power Commission authority over pricing at the wellhead be retained. Where is the consistency in a group which, on the one hand cries for consumer protection through price control in the producing fields of the United States, and on the other hand is willing to expose another segment of the consuming public to a situation over which the Government would be completely without authority in the matter of production, pricing, and early transmission of the fuel?

Mr. Speaker, I am certain that the Federal Power Commission will take these objectionable factors into consideration when the showdown comes. As a matter of fact, I do not believe that our friends on the other side of the Capitol who have been quoted as spokesmen for the import plan would have been willing to associate themselves with this campaign had they been given an opportunity to study this side of the issue.

I have not set out here today to document fully the case against Canadian gas imports. I have merely pointed out the danger signs that immediately present themselves. Some of these warning signals merit more detailed inspection. From time to time I shall take the floor of this House to elucidate on those particular points if I find efforts to stampede the Federal Power Commission into an unwise decision are continued. I trust that such a course of action will not be necessary, but in conclusion I should like to reiterate:

First. Canadian gas poses a serious threat to domestic fuel producers in this country, and to businesses which depend upon these industries for their own survival.

Second. It is unwise to place dependence upon a foreign source of power, particularly at times of world unrest.

Third. Midwest consumers who have been approached by the international gas speculators should think seriously before agreeing to switch to this foreign fuel, for—once the change is made—these consumers will be at the complete mercy of alien forces.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS CONSTRUCTION PROGRAM

Mr. DURHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3377) to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3377, with Mr. HERLONG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DURHAM. Mr. Chairman, I yield myself such time as I may need.

The Committee on Armed Services has, after hearings and due consideration, unanimously reported H. R. 3377, the bill before us. It is an important bill in that it calls for the authorization of $44,700,000 for the construction of new research facilities, and the modernization of existing equipment at laboratories of the National Advisory Committee for Aeronautics.

But aeronautical research is never finished. Every major discovery or breakthrough by NACA merely opens a new frontier that must be explored and breeds a new family of problems that must be solved if we are to be second to none in aeronautics. I need not, I am sure, belabor the importance of our superiority in the air and today it is more important than ever that NACA should be authorized the tools necessary to simulate the fantastic environment encountered and the forces generated by ever greater high-speed flight. This sound investment in security will enable the American people to continue to look toward NACA with confidence on its continuing aggressive and skillful attack on the aeronautical problems of the future.

Our national security depends on an adequate number of airplanes and missiles of superior performance. Numbers alone are insufficient unless their performance is at least equal to those that our airmen may be called upon to oppose. Aeronautical laboratories provide the new ideas necessary to insure superior performance and at the same time prove in advance the soundness of the design as a whole. NACA's work is in two principal categories: First, research to furnish new ideas; and, second, the application of new ideas to current military design in cooperation with industry.

To advance the frontiers of speed, altitude, and range, special research facilities are required. H. R. 3377 reflects NACA's need for additional facilities for research in the hypersonic speed range and the continuing need for modernizing existing facilities for the solution of new problems in all speed ranges.

The sum of $44,700,000 will be primarily used for additional research facilities in the hypersonic speed range and for the modernization of existing facilities, as follows:

New facilities for hypersonic research	$20,965,000
Expansion for facilities for nuclear research	5,655,000
Expansion and modernization of research facilities	10,936,400
Expansion and modernization of supporting facilities	4,485,300
General plant and utility improvements	657,900

In the report of the committee there is a full breakdown of all these items, but I should like to summarize the new facilities for hypersonic research included in this program for a fuller understanding of this bill and why I consider it so vital in these days when our national security depends on airplanes and missiles of superior performance to those of any potential adversary.

Research at hypersonic speeds, that is, in excess of five times the speed of sound, is relatively new. The reproduction of the conditions of high speed and temperature experienced in hypersonic flight is necessary for the development of ballistic missiles and satellite vehicles.

The construction of a 3.5 foot hypersonic tunnel at the Ames Aeronautical Laboratory is proposed to investigate the aerodynamics of aircraft capable of steady level flight at hypersonic speeds. This facility will be capable of duplicating the full scale conditions of flights up to 7,000 miles per hour at steady level flight and stagnation temperatures up to 2,000 degrees Fahrenheit. The tunnel will accommodate models large enough to permit the scaled duplication of aircraft structural components so that detailed studies can be made of aerodynamic heating on the aerodynamic characteristics of hypersonic aircraft as they occur in flight.

Aerodynamic heating is one of the foremost problems encountered in flight at hypersonic speeds. The success or failure of a hypersonic aircraft may well depend on how it reacts to the temperatures and heating rates encountered in flight. At present, the design of such vehicles would have to proceed without detailed knowledge of their aerodynamic characteristics since much of the needed design information is not available. This proposed tunnel is designed to provide detailed and integrated studies of all required aerodynamic characteristics under conditions comparable to those that would be encountered in flight.

The proposed tunnel will also be used to study the overall aspects of convective heating for a complete configuration. In this connection, an analysis has been made which demonstrates that a wind tunnel can simulate the heating histories of vehicles in level flight in essentially the same manner that the atmospheric-entry simulator, which we authorized for NACA last year, reproduces the heating histories of ballistic-type vehicles.

In summary, the designer of hypersonic aircraft is confronted with the difficult problems in the fields of aerodynamic heating, stability, control, and performance which can be solved only with the aid of detailed and accurate data from tests which duplicate actual flight conditions. Much of the required data could be obtained in the proposed tunnel.

The second facility authorized in this bill for basic hypersonic research is a helium blowdown tunnel at a cost of $796,600. The need for this facility is that our experimental rocket-propelled vehicles are attaining speeds in excess of those which can be studied in existing research facilities. There are no wind tunnels available for testing at speeds exceeding 10 times that of sound, and the likelihood of an air tunnel achieving those speeds is remote because of the extreme pressures and temperature required for air. Helium on the other hand has been shown to be highly suitable for hypersonic research at speeds for earth satellites and long-range missiles. The proposed hypersonic blowdown tunnel will use helium as a test medium and will be capable of operating at from 10 to 25 times the speed of sound.

The increasing application of rocket powerplants and the use of new propellants has brought new and pressing problems in controls, pumping, and the interferences caused by close coupling of multiple-engine systems. In long-range ballistic missiles, these problems are greatly accentuated. Making sure that the missile is directionally on its proper course—that is, points in the right direction—is only part of the problem; in addition, you have to make sure that the missile is traveling at precisely the right speed when the rocket motor burns out. Otherwise, of course, the target will be overshot or undershot. Single rocket engines, each with thrusts much greater than that of present turbojet engines, must be operated together. The rocket motor of the V-2 burned for about 70 seconds. Purely for illustration, and it is emphasized that this is not any missile engine, let's say the burning time of one concept of an ICBM might be about 3 times that, some 200 seconds. During that time—3½ minutes—the fuel and oxidant might be pumped into the combustion chamber at the rate of about a ton a second.

Calculations indicate that if the missile is going to destroy a priority target the rocket motor must operate with a degree of precision which has not been used before in devices of this size or complexity. In 5 minutes a missile must reach an altitude of 500,000 to 1 million feet, traveling at a velocity of 18,000 miles per hour. If the velocity is 18,005 miles per hour, it misses the target by 5 miles. Likewise, if 1 percent of the propellant is not used, the miss may be measured in hundreds of miles.

So that the control on the consumption of fuel and getting the whole thing burned in the exact amount of time is a tremendously difficult technical problem. If we are going after really high accuracy in ballistic missiles, we have to solve problems of a difficulty that has not been experienced so far.

Pumps for rocket propellants must operate under severe conditions, such as with surging inlet pressure due to boiling of the fluids being handled. Turbines and their gas generators for driving the pumps must be adapted to use the same propellants as the main rocket combustion chamber to avoid the need for separate tanks and flow systems. The proposed facility will then be equipped to handle inert fluids such as water and liquid nitrogen for research on flow fundamentals, as well as liquid rocket propellants.

The design of the bearings and seals used in the liquefied gas pumps require studies in a new field involving unfamiliar phenomena that have not been significant in usual bearing applications. Among these phenomena are extreme dangers from leaks in bearings and seals, handling fluids hostile to lubricants and lubrication, and lubrication at temperatures as low as that of boiling hydrogen, −424° F.

This will be accomplished by the Rocket Systems Research Facility project at the Lewis Flight Propulsion Laboratory which proposes the construction of two new buildings and the alteration of an existing building at a cost of $5,700,000.

The difficult problem in materials research at high temperatures will be facilitated by the proposed hypersonic physics test area at the Langley Laboratory for which an authorization of $1,987,000 is in this bill. Research on materials, structures, and aerodynamics at elevated temperatures requires the investigation of problems at all points along the Mach number and temperature scales up to 20 times the speed of sound or more. This proposed facility is designed to facilitate progress in the general area of equipment and technique development in the higher temperature ranges while at the same time providing safe and integrated means for conducting research at these temperatures. The facilities proposed for this test area include chemical jets providing temperatures up to nearly 11,000° F., and hypervelocity guns to conduct research relating to problems of missile countermeasures and meteor impact problems.

Also included in this bill is an authorization of $750,000 for the construction of a high-speed leg to an existing Langley laboratory tunnel. This project covers construction of 2 fixed nozzles to cover the speed range of between 10 and 12 times the speed of sound.

H. R. 3377 also includes provision for the modification and extension of the component research facility for nuclear propulsion which we authorized 2 years ago and is under construction at present. This research facility, as you will recall, is for research on components for use in nuclear-powered aircraft under realistic conditions of radiation, temperature, and pressure. The design studies of the reactor show that it will provide an excellent source for high-level radiations.

In concluding, let me emphasize my conviction that there is no better money spent on national defense and security than in the modest sums which for over 40 years we have appropriated for NACA and which have and will continue to put us in our strong position in the aeronautical field.

Mr. HESS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I am a member of the subcommittee which considered H. R. 3377. The bill was reported unanimously from the subcommittee and unanimously from the full committee.

I want to join the chairman of the subcommittee, the gentleman from North Carolina, and other Members who will speak on this bill in urging the wholehearted and nonpartisan support that a bill of this kind should receive. When there is a question of providing basic aeronautical research facilities for our aircraft program there is no difference of opinion between the two sides of the aisle. We all have one thought and that is to provide this country with the best airpower in the world. The excellence of our airpower today is due to the service performed by the National Advisory Committee for Aeronautics.

Before this program came to us it had been thoroughly reviewed and analyzed. Top scientific experts in their fields in the laboratories of NACA recommended the facilities we are considering today. They are the people doing the research and are ably qualified to know what additional research tools are needed to continue their effective work. Next, the program was reviewed and screened by top scientific experts at NACA headquarters including NACA's able director, Dr. Hugh L. Dryden, who has devoted himself to aeronautical research for our Government for some 38 years. After this review, the program was submitted to the NACA panel on research facilities which was chaired by Dr. James "Jimmy" Doolittle, a member of NACA for 8½ years. Also serving on this panel were Preston Bassett, former vice president, Sperry Rand Corp.; Arthur Raymond, vice president, engineering, Douglas Aircraft Co.; Vice Adm. Thomas S. Combs, Deputy Chief of Naval Operations for Air; and Lt. Gen. Donald L. Putt, Air Force Deputy Chief of Staff, development. After the panel's approval, the program was submitted to

and approved by the National Advisory Committee for Aeronautics.

At present the members of the committee are:

Dr. James H. Doolittle, vice president, Shell Oil Co., chairman, elected in October of last year.

Dr. Leonard Carmichael, secretary, Smithsonian Institution, Vice Chairman.

Dr. Allen V. Astin, Director, National Bureau of Standards.

Mr. Preston R. Bassett, formerly vice president, Sperry Rand Corp., now retired.

Dr. Detlev W. Bronk, National Academy of Sciences, and president Rockefeller Institute for Medical Research.

Dr. Frederick C. Crawford, chairman of the board, Thompson Products, Inc.

Vice Adm. William V. Davis, Jr., Deputy Chief of Naval Operations, Air.

Dr. Jerome C. Hunsaker of Massachusetts Institute of Technology, formerly chairman for 15 years.

Mr. Charles J. McCarthy, chairman of the board, Chance Vought Aircraft, Inc.

Rear Adm. Carl J. Pfingstag, Assistant Chief for Field Activities, Navy Bureau of Aeronautics.

Lt. Gen. Donald L. Putt, Air Force Deputy Chief of Staff, Development.

James T. Pyle, Administrator of Civil Aeronautics.

Dr. Francis W. Reichelderfer, Chief, United States Weather Bureau.

Capt. E. V. Rickenbacker, chairman of the board, Eastern Air Lines, Inc.

Louis S. Rothschild, Under Secretary of Commerce for Transportation.

Gen. Nathan F. Twining, Air Force Chief of Staff, and recently named to head the Joint Chiefs of Staff.

These members all serve without compensation, and are appointed solely on the basis of their knowledge of the needs of aeronautical science.

As is very evident, the request made by NACA was not conceived on impulse. Much work and thought went into it.

H. R. 3377 reflects NACA's urgent need for additional facilities for research in the hypersonic speed range and the continuing need for modernizing existing facilities for the solution of new problems in the subsonic, transonic, and supersonic speed ranges.

The proposed research facilities have already been discussed. I would like to direct myself to the modernization phases of the program.

In the sum of appropriations, we have invested in NACA some $325 million. Reproduction cost is probably closer to $500 million. As many of you know, it is a very complex plant. It includes motors that produce up to 250,000 horsepower in a single tunnel, air-drying equipment, heating equipment, and all of the mechanical devices necessary to do research in this complex technological field. It takes a certain sum to keep things current with the advances in the art.

It is proposed to expand the existing propulsion systems facility at the Lewis Laboratory by the installation of facilities to investigate the performances of engines up to 4½ times the speed of sound. These facilities will also permit the more extensive use of high-energy fuels in large full-scale engine tests.

Through the years we have given NACA the funds to continually keep the capacity of the propulsion systems laboratory in step with developments in the size and speeds of engines. This project will keep the propulsion system laboratory capable of meeting the problems of the engines that are now being designed.

Another item is a bypass system for the Ames Laboratory unitary plan tunnel which will substantially improve the usefulness and value of the 9- by 7-foot supersonic circuit of this tunnel by eliminating surging of the flow through the compressor which drives air through the two supersonic circuits of the tunnel which is encountered under some conditions, and by reducing power losses in the diffuser, resulting in some increase in maximum Mach and Reynolds numbers.

What this means is that the process of starting up this 200,000-horsepower compressor has to be done very carefully to avoid getting into conditions which would cause the flow to surge through the compressor.

It is possible by a modification of the tunnel circuit to eliminate this condition, and to greatly reduce the time required to bring the tunnel up to speed and to shut it down again.

You do not turn a 200,000-horsepower motor on and off by flicking a switch like a light switch. It has to be brought up to speed slowly. It is somewhat comparable to bringing up to speed the propulsion system on a battleship.

Furthermore, it is proposed that auxiliary suction be applied to the slotted test section of the Ames Laboratory 14-foot transonic tunnel for boundary layer removal. Since the design of the 14-foot transonic tunnel was completed, important advances have been made in transonic-tunnel design. The application of auxiliary suction to the plenum chamber surrounding the test section has proven to be the most beneficial of recent improvements to transonic tunnels. This improvement should be applied to the 14-foot transonic tunnel without further delay. A plenum chamber by the way is an enlarged chamber in an airflow system where the air moves at relatively low speed, similar to a settling basin in a waterflow system.

In his testimony before our committee, Dr. Dryden stated that for a long time it was not known how to make a wind tunnel that would operate at the speed of sound. As a result of an invention by one of NACA's scientists, for which he and his associates received the Collier trophy, the transonic wind tunnel was invented. Over the course of several years NACA made this modification to several wind tunnels so that they could be run at the speed of sound. The transonic throat is a section of the tunnel that has holes or slots in its walls and which is surrounded by a closed tank. At the speed of sound, an ordinary closed wind tunnel blocks, or chokes. With the transonic throat the air has an opportunity to go out through the holes of the wall into the external tanks and then flow in again and thus to adjust to the model making it possible to reach the speed of sound. Now, if you suck the air out of the tanks, and put it into the tunnel farther downstream, it is possible to obtain a considerable improvement both in the quality of the flow and in the speed which can be attained. This project covers such a modification.

The addition of the boundary-layer removal system will permit the tunnel's effective model size to be doubled, will increase the Mach number limit from 1.2 to 1.4, and will reduce the need for overload operation of the main drive motors over most of the tunnel's speed range.

It is proposed to improve the airflow in the 11-foot transonic tunnel circuit of the Ames unitary plan tunnel. The acquisition of new knowledge on the characteristics of transonic test sections indicates that significant improvements in the quality of the airflow can be achieved by altering the method of venting the test section and by redesigning the bypassed air reentry region at the downstream end of the test section. The proposed modernization offers the possibility of a decrease in the Mach number variations in the test section and an improvement in the airflow at the diffuser entrance of sufficient magnitude to result in a decrease in the required tunnel drive power.

It is proposed to modify the Langley Laboratory 26-inch transonic blowdown tunnel by installing an alternate 20-inch square test section to extend the maximum attainable Mach number of the facility from about 1.4 to about 4.0. This tunnel is used primarily for flutter investigations. The nature of the flutter problem at the higher Mach numbers is relatively unexplored and is urgently in need of investigation.

In addition to modernizing the research facilities just discussed, it is also necessary to modernize three of NACA's supporting technical facilities.

The capabilities of the research vehicles used in the conduct of aeronautical research at the pilotless aircraft station at Wallops Island have exceeded the ability of the ground instrumentation to provide full coverage of a research flight. It is essential that modern instrumentation be provided to obtain urgently needed data in the hypersonic speed range. The project covers two tracking radars, telemeter, receiving equipment, an increased range Doppler system, and auxiliary equipment. A Doppler system is a type of radar for measuring the speed of a body moving away or toward the radar. The effect achieved is similar to that heard at a locomotive grade crossing. The locomotive's whistle increases as the locomotive approaches and decreases as it moves away.

A data-reduction center is required for the expansion and improvement of the automatic data-processing facilities at the Langley Aeronautical Laboratory. The complex problems involved in research at increased flight speeds and altitudes and on new aircraft configurations required for supersonic flight have greatly increased the amount of required data reduction and analysis. This new facility will centralize existing data-processing operations, improve efficiency, and provide on-line data-processing service for three major wind tunnels.

The increasing need for structures research at high temperature has made marginal an existing central compressor system at the Langley Aeronautical Laboratory which supplies air to several research facilities. An improved air supply for the internal flow laboratory will permit the installation of the necessary additional compressor capacity.

Mr. Chairman, we must maintain our air supremacy in order to survive. Probably no other single action can assure us of staying out in front than providing NACA with the tools it needs to make the airplane of tomorrow stay far ahead of any that any enemy can plan.

I join the other members in urging the approval of the bill before us.

Mr. DURHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, these days the newspapers and technical press are full of accounts about how fast we are going to shoot our missiles; and how fast we hope to fly in the days ahead.

Around the first of this month NACA announced that it had shot skyward from its Wallops Island station the first five-stage rocket-propelled research model. All that can be said at present is that it attained a greater speed than NACA's four-stage rocket previously fired, which attained a maximum speed of nearly 7,000 miles per hour, and a height of nearly 200 miles. The five-stage rocket's speed mark was achieved by firing the last three stages in sequence after the vehicle went "over the top" into the downward course. The first stage was an Honest John missile motor; the second stage, a Nike motor was fired on the upward course; and the other three stages, Nike, Recruit, and a commercial T-55 were fired after reaching the top and in sequence after burn-out to simulate reentry into the earth's atmosphere. NACA uses rockets like this as a means of obtaining valuable information about aerodynamic heating and other problems of high speed flight.

The Bell X-2 research airplane has been flown faster and higher than man has ever ventured before. The press has widely reported—without confirmation or denial—that the X-2 surpassed 2,100 miles per hour and reached 126,000 feet altitude.

How fast we are progressing in the world of aeronautics is a fascinating subject. The achievements were not come by easily or cheaply. A host of problems first had to be solved. Another host of problems clogs the road ahead. I wish to comment briefly on the significance of high speed on problems affecting materials.

We are little past the beginning of the study of the awesome problems posed by the determination to project missiles at speeds of 15,000 miles per hour or faster along a ballistic trajectory over intercontinental distances. We have only recently learned how to design the tools we need in order to investigate the baffling problems of speeds above the low supersonic. Hypersonic flight which is flight faster than five times the speed of sound, or faster than 3,000 miles per hour, will generate enormously high temperatures by friction of the air upon the body moving through it.

At such speeds, air temperatures reach thousands of degrees Fahrenheit, and the problems of dealing with this heat are both pressing and complex. If people are to fly at such speeds, we have not only the problem of cooling the aircraft, the weapons system, fuel and electronic gear, but of cooling for the man or men inside. You know what can happen to metals in these circumstances.

At a Mach number of only 3, or 2,000 miles per hour, this rise is about 660° F. At a Mach number of 20, or 13,000 miles per hour, the rise would exceed 20,000°. That is hotter than the sun's surface.

At these speeds, then, the problem is what to do about heat, how to get rid of it. What kind of materials we shall use in the structures of our missiles and airplanes is an important aspect of the total problem.

The proposed NACA facilities we are considering here today will aid in dealing with such problems.

The research results of NACA are the foundation for the military, civil, and industrial development of superior aircraft and missiles. The rate at which NACA is able to attack and solve fundamental scientific problems limits the rate of progress in the development of aircraft and missiles in the United States. A strong NACA is essential to our national security.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERLONG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 3377, to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, pursuant to House Resolution 224, he reported the same back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

CONTROL OF PLANT PESTS

Mr. ABERNETHY. Mr. Speaker, I call up the bill (H. R. 3476) to facilitate the regulation, control, and eradication of plant pests, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

TITLE I. FEDERAL PLANT PEST ACT

SEC. 101. This title may be cited as the "Federal Plant Pest Act."

SEC. 102. As used in this act, except where the context otherwise requires:

(a) "Secretary" means the Secretary of Agriculture of the United States or any other person to whom authority may be delegated to act in his stead.

(b) "Properly identified employee of the Department of Agriculture" means an employee of that Department authorized to enforce the provisions of the Plant Quarantine Act, and wearing a suitable badge for identification, or otherwise properly identified.

(c) "Plant pest" means any living stage of: Any insects, mites, nematodes, slugs, snails, protozoa, or other invertebrate animals, bacteria, fungi, other parasitic plants or reproductive parts thereof, viruses, or any organisms similar to or allied with any of the foregoing, or any infectious substances, which can directly or indirectly injure or cause disease or damage in any plants or parts thereof, or any processed, manufactured, or other products of plants.

(d) "Living stage" includes the egg, pupal, and larval stages as well as any other living stage.

(e) "United States" means any of the States, Territories, or Districts (including possessions and the District of Columbia) of the United States.

(f) "Interstate" means from one State, Territory, or District (including possessions and the District of Columbia) of the United States into or through any other such State, Territory, or District.

(g) "Move" means ship, deposit for transmission in the mail, otherwise offer for shipment, offer for entry, import, receive for transportation, carry, or otherwise transport, or move, or allow to be moved, by mail or otherwise.

(h) "Plant Quarantine Act" means the act of August 20, 1912 (37 Stat. 315), as from time to time amended (7 U. S. C. 151 and the following).

(i) "Mexican Border Act" means the act of January 31, 1942 (56 Stat. 40), as from time to time amended (7 U. S. C. 149).

SEC. 103. (a) No person shall knowingly move any plant pest from a foreign country into or through the United States, or interstate, or knowingly accept delivery of any plant pest moving from any foreign country into or through the United States, or interstate, unless such movement is authorized under general or specific permit from the Secretary and is made in accordance with such conditions as the Secretary may prescribe in the permit and in such regulations as he may promulgate under this section to prevent the dissemination into the United States, or interstate, of plant pests.

(b) The Secretary may refuse to issue a permit for the movement of any plant pest when, in his opinion, such movement would involved a danger of dissemination of such pests. The Secretary may permit the movement of boat materials otherwise barred under the Plant Quarantine Act when they must necessarily accompany the plant pest to be moved.

SEC. 104. (a) Any letter, parcel, box, or other package containing any plant pest, whether sealed as letter-rate postal matter or not, is hereby declared to be nonmailable, and will not knowingly be conveyed in the mail or delivered from any post office or by any mail carrier, except when accompanied by a copy of a permit issued under this act.

(b) Nothing in this act shall authorize any person to open any letter or other sealed

matter except in accordance with the postal laws and regulations.

(c) The prohibitions of this act shall not apply to any employee of the United States in the performance of his duties in handling mail.

SEC. 105. (a) Except as provided in paragraph (c), the Secretary may, whenever he deems it necessary as an emergency measure in order to prevent the dissemination of any plant pest new to or not theretofore known to be widely prevalent or distributed within and throughout the United States, seize, quarantine, treat, apply other remedial measures to, destroy, or otherwise dispose of, in such manner as he deems appropriate, any product or article of any character whatsoever, or means of conveyance, which is moving into or through the United States, or interstate, and which he has reason to believe is infested or infected by or contains any such plant pest, or which has moved into the United States, or interstate, and which he has reason to believe was infested or infected by or contained any such plant pest at the time of such movement; and any plant pest, product, article, or means of conveyance which is moving into or through the United States, or interstate, or has moved into the United States, or interstate, in violation of this act or any regulation thereunder: *Provided*, That this paragraph shall not authorize such action with respect to any product, article, means of conveyance, or plant pest subject, at the time of the proposed action, to disposal under the Plant Quarantine Act.

(b) Except as provided in paragraph (c), the Secretary may order the owner of any product, article, means of conveyance, or plant pest subject to disposal under paragraph (a), or his agent, to treat, apply other remedial measures to, destroy, or make other disposal of such product, article, means of conveyance, or plant pest, without cost to the Federal Government and in such manner as the Secretary deems appropriate. The Secretary may apply to the United States district court, or to the United States court of any Territory or possession, for the judicial district in which such person resides or transacts business or in which the product, article, means of conveyance, or plant pest is found, for enforcement of such order by injunction, mandatory or otherwise. Process in any such case may be served in any judicial district wherein the defendant resides or transacts business or may be found, and subpena for witnesses who are required to attend a court in any judicial district in such a case may run into any other judicial district.

(c) No product, article, means of conveyance, or plant pest shall be destroyed, exported, or returned to shipping point of origin, or ordered to be destroyed, exported, or so returned under this section, unless in the opinion of the Secretary there is no less drastic action which would be adequate to prevent the dissemination of plant pests new to or not theretofore known to be widely prevalent or distributed within and throughout the United States.

(d) The owner of any product, article, means of conveyance, or plant pest destroyed, or otherwise disposed of by the Secretary under this section, may bring an action against the United States in the United States Court for the District of Columbia, within 1 year after such destruction or disposal, and recover just compensation for such destruction or disposal of such product, article, means of conveyance, or plant pest (not including compensation for loss due to delays incident to determining eligibility for movement into or through the United States or for interstate movement) if the owner establishes that neither this section nor the Plant Quarantine Act authorized such destruction or disposal. Any judgment rendered in favor of such owner shall be paid out of the money in the Treasury appropriated for plant disease and pest control activities of the Department of Agriculture.

SEC. 106. The Secretary may promulgate such regulations requiring inspection of products and articles of any character whatsoever and means of conveyance, specified in the regulations, as a condition of their movement into or through the United States, or interstate, and imposing other conditions upon such movement, as he deems necessary to prevent the dissemination into the United States, or interstate, of plant pests, in any situation in which such regulations are not authorized under the Plant Quarantine Act.

SEC. 107. Any properly identified employee of the Department of Agriculture shall have authority to stop and inspect, without a warrant, any persons or means of conveyance moving into the United States, and any plant pests and any products and articles of any character whatsoever carried thereby, to determine whether such persons or means of conveyance are carrying any plant pest contrary to this act and whether any such means of conveyance, products, or articles are infested or infected by or contains any plant pest or are moving in violation of any regulation under this act; to stop and inspect, without a warrant, any person or means of conveyance moving interstate, and any plant pests and any products and articles of any character whatsoever carried thereby, upon probable cause to believe that such means of conveyance, products, or articles are infested or infected by or contains any plant pest or are moving subject to any regulation under this act, or that such persons or means of conveyance are carrying any plant pest subject to this act; and to enter, without a warrant, any premises, other than places subject to entry under section 15 of the Plant Quarantine Act, and other than dwelling houses, in the United States to make any inspections and seizures authorized under this act, upon probable cause to believe that there are on such premises any products, articles, means of conveyance, or plant pests regulated or subject to disposal under this act.

SEC. 108. Any person who violates section 103 of this act, or any regulation promulgated under this act, or who forges, counterfeits, or without authority from the Secretary uses, alters, or defaces any permit or other document provided for by this act or the regulations thereunder, shall be guilty of a misdemeanor and shall be punished by a fine not exceeding $500, or by imprisonment not exceeding 1 year, or both.

SEC. 109. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 110. The act entitled "An act to provide for regulating, inspecting, cleaning, and, when necessary, disinfecting railway cars, other vehicles, and other materials entering the United States from Mexico," approved January 31, 1942 (56 Stat. 40; 7 U. S. C. 149) is hereby amended by deleting the provision that "the cleaning and disinfection of vehicles or materials necessary to accomplish the purpose shall be carried out by and under the direction of authorized inspectors of the Department of Agriculture," and by substituting therefor the following: "the cleaning and disinfection of vehicles or materials necessary to accomplish the purpose shall be carried out by or under the direction of authorized inspectors of the Department of Agriculture."

SEC. 111. The authority conferred by this act shall be in addition to authority conferred by other statutes not specifically repealed hereby. Nothing in this act shall amend or repeal any of the provisions of the Plant Quarantine Act. The act entitled "An act to prohibit importation or interstate transportation of insect pests, and the use of the United States mails for that purpose," approved March 3, 1905 (33 Stat. 1269; 7 U. S. C. 141–144), and the act entitled "An act to prevent the entry of certain mollusks into the United States," approved September 22, 1951 (65 Stat. 335; 7 U. S. C. 441), are hereby repealed. However, all acts amended or repealed hereby shall be deemed to continue in full force and effect for the purpose of sustaining any action or other proceeding with respect to any right that accrued, liability that was incurred, or violation that occurred prior to the effective date of this act. Nothing contained in this act shall affect the validity of any findings, regulations, or other orders, permits, or certificates, which were issued under any of the acts cited in this section prior to the effective date of this act and which are in effect on said date, but such findings, regulations, other orders, permits, and certificates shall remain in effect unless and until modified in accordance with this act.

TITLE II. ERADICATION AND CONTROL OF INSECT PESTS, PLANT DISEASES, AND NEMATODES

SEC. 201. Subsection (a) of section 102 of the Department of Agriculture Organic Act of 1994, as amended (7 U. S. C. 147a), is hereby further amended by adding after the phrase "or to prevent or retard the spread of" the words "insect pests, plant diseases, and nematodes, such as imported fire ant, soybean cyst nematode, witchweed."

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read the committee amendments as follows:

Page 3, line 19, strike out "involved" and insert "involve."

Page 7, line 20, strike out "contains" and insert "contain."

Page 7, line 22, strike out "person" and insert "persons."

Page 8, line 2, strike out "contains" and insert "contain."

Page 8, beginning on line 5, strike out all after the semicolon through the period on line 12 and insert "and to enter, with a warrant, any premises in the United States, other than places which may be entered under section 15 of the Plant Quarantine Act, to make any inspections and seizures necessary under this act. Any judge of the United States or of a court of record of any State, Territory, or possession, or any United States commissioner, may, within his respective jurisdiction, upon proper oath or affirmation showing probable cause to believe that there are on certain premises any products, articles, means of conveyance, or plant pests regulated or subject to disposal under this act, issue warrants for the entry of such premises to make any inspections or seizures under this act. Such warrants may be executed by any authorized employee of the Department of Agriculture."

Page 10, line 4, strike out "defective" and insert "effective."

Page 10, line 20, strike out the quotation marks and period and insert "spotted alfalfa aphid,"."

The committee amendments were agreed to.

Mr. ABERNETHY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the purpose of H. R. 3476 is: First, to redefine plant pests to include any living stage of such things as mites, nematodes, parasitic plants, and viruses, many of which were not recognized or fully covered in the Insect Pest Act of 1905 or the Plant Quarantine Act of 1912; second, to clarify and strengthen existing authority for preventing the

entry into the United States and the interstate spread of plant pests; third, to provide authority not now available to the Department to take emergency action when necessary to safely dispose of such pests and the host plants or carriers that may be associated with them when intercepted at port of entry; and fourth, to authorize the Department to cooperate with States in preventing the spread of such pests across State lines.

The proposed legislation in no way changes the general intent of existing legislation; however, there have been advances in scientific knowledge and a tremendous increase in the volume of importations since existing legislation was enacted, which has focused attention on the need for strengthening certain provisions of the authority under which inspectors of the Department carry out their work. If the Department finds that some article moving in commerce or carried by passengers entering the United States is infested with a destructive pest not now widely distributed in this country, the authority in this bill would permit the Department to take such action as may be necessary to intercept such articles and to dispose of them in such a way as to give maximum protection to American agriculture.

In discharging these responsibilities the Department now relies on authority contained in the so-called Insect Pest Act which was passed in 1905; Plant Quarantine Act of 1912, as amended; Mollusk Act of 1951; and Mexican Border Act of 1942. In administering these laws the Department has been handicapped by certain statutory deficiencies, which have become increasingly apparent as the volume of imports has pyramided and airplanes arrive from remote parts of the world in a matter of hours. The bill under consideration provides the authority needed to meet these deficiencies.

Existing legislation does not provide authority to regulate the movement into or through the United States of insects or plant diseases that are not known to be notoriously injurious to cultivated crops. For example, mites, nematodes, parasitic plants, and viruses, which in recent years have been found to do extensive damage to plants or plant products, are not now covered. Likewise, existing legislation does not provide the authority that is needed to regulate the importation and interstate distribution of cultures of bacteria, fungi, and viruses that may be imported for research purposes. In recent years the international exchange of such materials has been steadily increasing. Research of this type is conducted not only by Federal and State experiment stations, colleges, and universities, but by industrial, private, and semiprivate firms that may be engaged in the production of antibiotics or chemical controls. The proposed legislation would require that such importations be made under permit, and only after the Department is satisfied that no risk to American agriculture is involved.

There is need for additional authority for the Department to take emergency action with respect to destructive pests that may reach our ports as stowaways in ships, airplanes, or by other means when such pests are not associated with host plants or commodities now subject to quarantine.

Many of the most destructive insects and plant diseases that the farmers of this country must combat each year in order to produce a crop have been introduced from a foreign land at some time in the past. The boll weevil, the corn borer, the gypsy moth, the golden nematode of potato, and the khapra beetle are examples of some that have cost the farmers of this country millions of dollars annually, even though the Congress has appropriated millions of dollars to investigate ways and means of dealing with them.

The purpose of title I of this legislation is to provide the additional authority that is needed to give maximum protection against plant pests of all kinds that are not now established or widely distributed in this country, in this way reducing to the minimum the likelihood of further introductions similar to those I have named.

A few examples will serve to illustrate the magnitude of the job confronting the inspectors of the Department in meeting their responsibility. During the past year a shipment of India peanuts arriving at the port of New York was found to be infested with the khapra beetle, which is recognized the world over as one of the most destructive pests of stored grains and similar products.

Automobiles driven in Europe and then shipped back to this country have brought with them cysts of the golden nematode in the mud or soil adhering to the wheels and fenders. There is now no specific authority for preventing the entry of soil as such which the Department now knows may contain cysts of the nematode or seed of parasitic plants which, once established in this country, would be extremely destructive and costly to control. Without specific authority to take action the Department is now enlisting the voluntary cooperation of importers in preventing the entry or careless handling of cultures of viruses, bacteria, and fungi that cause destructive plant diseases, and similar organisms.

To summarize, this legislation is designed to strengthen the authority available to the Department to deal with problems about which there was little knowledge when existing legislation was enacted. It clarifies the intent of such legislation and corrects the inadequacies that experience has shown to exist.

Title II amends subsection (a) of section 102 of the Department of Agriculture Organic Act of 1944, as amended, to permit the Department to cooperate with the States in the eradication, suppression or control of the fire ant, the soybean cyst nematode, the witchweed, and similar pests not now named in the act. This added authority would authorize the Department to act promptly when a newly introduced insect or disease becomes established in a limited area and threatens to spread throughout the country.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill has the approval of the Department of Agriculture. It was reported unanimously by the Committee on Agriculture after hearings. The bill will not cost any more money than that which is already authorized or will be provided in the future by the Appropriations Committee. I trust that this legislation will be passed today in the House of Representatives.

Mr. DIXON. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the Department of Agriculture lacks authority to regulate and control importation and movement of plant diseases and disease-bearing organisms.

It does not have authority under existing law to control mites, nemotodes, protozoa bacteria, fungi, parasitic plants, or viruses which can injure plants.

It does not have authority to control imported fire ants, which are so destructive in Alabama, Mississippi, and Louisiana, and beginning to invade North Carolina and Texas.

These ants are especially destructive to seed, young plants, and attacks unprotected young animals and young poultry. They are even dangerous to babies and very small children. Their painful sting drives livestock out of the best pastures into the hills. Their mounds in many places are so numerous and so high that they seriously interrupt harvesting machinery in its proper functioning.

Another extremely destructive pest which USDA has no legal right to control is the spotted alfalfa aphis, which since 1954 has made serious inroads in Arkansas, Missouri, Kansas, Nebraska, Oklahoma, and Utah.

Again the USDA has no authority over the woodborers found in green poles from Belgium, over a new type of South American termites, or over a leafhopper coming into Hawaii by plane from the Far East.

Present laws are too restrictive. No one can predict just which new pests, bacteria, viruses, and so forth, can slip into this country, and certainly we cannot wait to pass laws giving USDA authority to cope with each particular pest. H. R. 3476 liberalizes present law to meet such emergencies.

The committee amendment to the bill gives USDA authority to enter with a warrant any premises in the United States to make inspections. The Department may, under the provisions, make inspections and seizures in transportation vehicles as well.

The United States Department of Agriculture favors the enactment of H. R. 3476. Their letter is in the committee report, page 9.

COST

The committee report states:

It is not believed that title I of this bill will necessitate any additional appropriations.

This is a quotation from the Secretary's letter.

The report also states:

There will not necessarily be any immediate need for additional appropriations in connection with amendments made under title II. A high degree of State and individual farmer participation is expected. In the case of fire ants it is believed the major cost of eradication on private lands should be the major responsibility of the owner of the property.

Federal responsibility should be largely that.

Mr. HOEVEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, this is one bill coming from the Committee on Agriculture which all Members of the House can support wholeheartedly. It is a bill requested by the Department of Agriculture. It calls for no additional appropriation and is in the interest of the public health.

Mr. BROOKS of Louisiana. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I wish to commend the committee members on both sides of the aisle for bringing in this measure. As has been well said, it cost no additional money but it is very vital.

I have received several appeals recently from the State authorities in Louisiana for assistance in reference to combatting the fire ant and other pests, but especially the fire ant which is very destructive in the southern part of the State and this part of the State is now under such great development in a mineral way and in other ways. I think it is most timely and I am very much in favor of the bill and commend the committee for its action in bringing the measure up for consideration at this time.

Mr. ELLIOTT. Mr. Speaker, in support of H. R. 3476 now before the House, I wish to confine my remarks to title II of the bill. This is the section that authorizes the Secretary of Agriculture to carry out operations or measures to eradicate, suppress, control, or to prevent or retard the spread of four new specific plant pests which includes imported fire ants. This section of H. R. 3476 is similar to a bill I introduced earlier, H. R. 5931.

The fire ant is now found in over 50 of Alabama's 67 counties, and it continues to spread rapidly. Only last week fire ants were found for the first time in 2 counties of the Seventh Congressional District of Alabama, which district I have the honor to represent.

The presence of the fire ant on our farms has great economic significance. Already the pest has done an estimated $25 million in damages to Alabama farmers. It attacks germinating seed and young tender plants; it builds mounds that damage farm machinery; it interferes with harvesting of crops; and its sting causes extreme irritation and pain to human beings.

The Alabama Polytechnic Institute Agricultural Experiment Station, the State extension service, officials of the State department of agriculture, and individual farmers have enlisted in the fight to get fire ants out of our fields, pastures, yards, and off landowners' backs.

However, Mr. Speaker, the job is too big for them to do alone. In spite of all the efforts expended by these groups, the pest has continued to spread, and the assistance of the United States Department of Agriculture is urgently needed.

I support the legislation now before the House of Representatives, and I urge its enactment.

Mr. SELDEN. Mr. Speaker, in the State of Alabama and in other States throughout the Southeast, the imported fire ant is spreading at an alarming rate. This insect was first observed in Alabama near the port of Mobile in 1918 and for many years apparently did very little damage. We are told by entomologists that a considerable length of time was necessary for this insect to adjust to our climate and environment before it began to multiply rapidly. It has now spread from eastern Texas to North Carolina, and approximately 23 million acres of land are badly infested.

These ants range in length from one-eighth inch to one-fourth inch, and their mounds vary in height from approximately 6 inches to nearly 2 feet. Their damage is fourfold:

First. They frequently attack germinating seed and young plants and newborn animals.

Second. They build unsightly mounds that can damage farm machinery.

Third. They interfere with the harvest of crops.

Fourth. Their sting causes extreme irritation and may result in death.

According to the Department of Agriculture, the imported fire ant is now reported to be in 48 counties in the State of Alabama. The infestation ranges from the southern part of the State to four counties in the northernmost part that have recently reported a few mounds. The total infested acreage in Alabama is over 13 million acres.

Almost one-third of the acreage infested by the fire ant in Alabama is located in the eight counties of the Sixth Congressional District which I have the privilege to represent. As of March 1957, the affected part of my district totals 3,450,928 acres. A county-by-county breakdown on this infested acreage is included in the following statistical table:

Status of imported fire ant, 6th Congressional District of Alabama [1]

County	Approximate initial date of discovery	Moderate damage first observed	Heavy damage first observed	Acreage as of March 1957
Sumter	December 1953	1954	1955	384,960
Greene	August 1955	(2)	(2)	467,744
Tuscaloosa	1953	1954	1957	844,600
Perry	1949	1951	1957	450,080
Bibb	1953	1956	1957	891,000
Shelby	1955	1956	Not yet severe	14,100
Chilton	1953	1956	1957	347,624
Hale	1954	1956	1957	412,220
Total				3,450,928

[1] Information secured from county agricultural agents of respective counties, Mar. 15, 1957.
[2] Agricultural agent of this county would not make an estimate of damage but said that in 1956 fire ants had become a nuisance to a moderate extent and by 1957 had become an extreme nuisance.

Classification of type of land affected in Congressional District 6, Alabama

	Acres
Cultivated	629,350
Open pasture	590,290
Wooded pasture	426,868
Woodland	1,780,970
City home premises	11,750
Farm home premises	11,700
Total	3,450,928

(Road rights-of-way charged to type of land adjoining.)

Assistant Secretary of Agriculture E. L. Peterson pointed out in a letter to me dated February 20, 1957, that efforts of individual property owners to control the fire ant have not been successful. "The imported fire ant," he said, "has spread to new areas and is rapidly becoming a major pest of pasture, cultivated crops, poultry, and livestock."

Since it had become increasingly apparent that the United States Department of Agriculture must participate in any effective eradication program, I introduced on March 6, 1957, a measure (H. R. 5689) that would give to the Agriculture Department the authority necessary to eliminate or control pests such as the imported fire ant. The measure now under consideration (H. R. 3476) contains a similar provision, and I therefore urge its immediate adoption.

It should be pointed out at this time, however, that the passage of H. R. 3476 alone will not eliminate or control the imported fire ant. Additional legislation as well as the appropriation of funds will undoubtedly be necessary for the control and final elimination of this dangerous pest.

Mr. ROBERTS. Mr. Speaker, I wish to commend the distinguished gentleman from Mississippi [Mr. ABERNETHY] and the Committee on Agriculture for bringing to the House the bill now before us. I introduced a companion bill, H. R. 5948. The bill now before us simply fills the gap which has existed for a number of years in the authority of the Department of Agriculture to protect American agriculture against invasion by foreign plant pest and disease.

I shall not discuss the main portions of the bill and will direct my remarks to section 201 which adds the imported fire ant as an additional pest and provides authority to carry out certain measures by Department of Agriculture in cooperation with the States and farmers in controlling the imported fire ant.

I cannot overemphasize the importance of this bill which is before the House; however, I must say that I do not believe this bill goes far enough or will be the answer for controlling the fire ant in the 11 Southern States where it is found today. The Fourth District of Alabama, as well as many other counties in the State of Alabama, is heavily infested with this pest which is now a major threat to agriculture in many of the States of the South. I think that it might be well to give the House some of the facts about the imported fire ant which emphasize the importance of taking every method possible to control this growing threat.

The fire ant originated in the southern tip of Argentina and, according to the best information available, entered the port of Mobile between 1920 and 1925, possibly in a shipment of fruit coming into the port. This ant was not identified as an imported pest or as anything more than a nuisance until several years later when, in 1949, it had spread over 20 counties in 3 States, being the States of Alabama, Florida, and Mississippi. The infestation is now found in over 100 counties in 10 States, and Alabama has the largest infestation with more than 13 million acres out of a total land area of 32 million acres. The fire ant is of economic importance because: First, it attacks germinating seeds and young tender plants, including cabbage, collards, broccoli, seed corn, and plant roots; second, it builds unsightly mounds which damage and interfere with power mowers and other machinery such as combines, harvesters, and so forth; third, it interferes with harvest of crops; and fourth, its sting causes extreme irritation and may result in death, and fifth, cattle will not graze near the mounds and these ants attack calves, pigs, quail, and all ground nesting birds. Farm labor in many cases will refuse to harvest crops such as strawberries and potatoes because of the vicious bite and poisonous sting. The imported fire ant has spread from Florida to Tennessee and from Texas to Virginia and will, unless a concentrated effort is made, cause untold economic damage to the entire Nation. It was demonstrated in the hearings held before the Abernethy subcommittee that this pest may well live and travel to all parts of the United States. It was brought out that it comes from the southern tip of Argentina which has practically the same weather conditions and temperatures as are found in the United States. Because of its ability to dig holes, extending 4 or 5 feet in the ground, covered with a mound from 1 to 3 feet high, this pest is undoubtedly one of the worst which has ever been faced by the farmer and cattleman in many years.

Three types of poison have been found effective in the control of this insect; namely, chlordane, as a 10-percent dust or 2½-percent emulsion spray; dieldrin and heptachlor. By applying 4 pounds of actual chlordane or 2 pounds of dieldrin or heptachlor per acre, effective control can be obtained for from 2 to 3 years. It is generally agreed that on Alabama pasturelands a minimum of 5 acres is required for a brood cow and calf. The average cost per acre of these poisons, according to a study made by the A. P. I., at Auburn, Ala., runs from $3 to $7 per acre; thus, it is seen that the cost per calf will run from a minimum of $15 to $35 per acre. Certainly it can be seen that the cost to the individual cattleman or farmer will be prohibitive, and these costs will sooner or later be reflected in the price to the consumer. Certainly in areas of the West which require around 40 acres for grazing per calf, the cost to the rancher and cattleman could well be hard to estimate.

The seriousness of this problem has been recognized by the Alabama delegation in Congress, and an effort to find ways and means of combatting this problem were discussed at a fire-ant conference called by me on March 12, 1957. A report of this meeting is as follows:

IMPORTED FIRE ANT CONFERENCE CALLED BY CONGRESSMAN KENNETH A. ROBERTS OF ALABAMA, MARCH 12, 1957

Members of Congress or their staff representatives from a number of midsouth States in which the imported fire ant has become a very destructive pest of raw crops, pastures, woodlands, lawns, and in households met with representatives of the Agricultural Research Service of the Department of Agriculture on the problem.

Information was developed that this is an introduced pest which slipped into the country and became established in the vicinity of Mobile, Ala. It was so well established by 1930 as to lead to the belief it had been in the area since at least 1925. The seriousness of the pest was recognized many years ago and the United States Department of Agriculture and State experiment stations of Alabama, Mississippi, and Louisiana have conducted considerable research to learn how to deal with this pest. For many years adequate chemicals were not available to use in an effective overall campaign. However, for a number of years the property owners were able to cope with the problem sufficiently to avoid extreme losses.

In recent months there has been an increasing number of requests for assistance as the imported fire ant has increased in density in old areas of infestation and in addition it has spread rather rapidly in the past 3 years. Reports indicate spread occurs by the ants flying from established colonies to establish new ones nearby, by drifting downstream on logs, by traveling aboard trucks, railroad cars, and by being transported in soil or nursery stock. In September of 1949 the fire ant was known to infest 9 counties in Alabama; 36 counties by 1953 and 51 counties by March 1957. Comparable spread has occurred in Mississippi, Louisiana, and western Florida. It appears to be firmly established in southeast Texas.

Infestations have been reported in Georgia, North Carolina, South Carolina, Tennessee, and Arkansas. With only partial surveys it is estimated there are over 20 million acres currently infested with this pest. The greater portion of this acreage is located in Alabama, Mississippi, and Louisiana, but other States are evidently fast losing the battle to control this destructive imported fire ant. It is apparent the imported fire ant is capable of readily becoming established as far north as southern Kentucky and Virginia. Due to the fact the species is relatively inactive during the winter months, spending much of that time in the mounds which in addition to being built from 6 inches to 2 feet above ground, also extend a couple of feet underground, it is possible it may be able to become acclimated in areas still farther north.

The imported fire ant has a painful sting by sinking its powerful jaws into the flesh, then driving in its stinger and injecting an irritating fluid into the wound. There are authentic reports of serious injury to new-born calves and pigs, newly hatched quail, and other wildlife. Serious damage is caused to okra, collards, cabbage, eggplant, Irish potatoes, germinating seed corn, and root crops.

A very destructive characteristic of the species is its habit of building the hard, crusted mounds above ground as well as cells below ground. The feeding in the vicinity of the mounds seriously damages pasture lands or young, tender raw crops and clogs or damages machinery used on cultivated crops or in mowing pastures.

After receiving this technical information on the habits of the imported fire ant the southern delegation was desirous of determining what could be done to alleviate this serious situation. It was developed that currently the Department of Agriculture does not have adequate statutory authority to participate in any activity against this pest except to conduct research. Some of those present indicated they had introduced legislation to correct that phase of the matter. It was brought out that some 9 years ago the plant pest regulatory and control officials of the 11 Southern States had gone on record to the effect that the imported fire ant should be handled as the direct responsibility of the property owner with guidance from the Agricultural Extension Service. However, the recognized failure of that approach had resulted in these officials meeting in Mobile, Ala., on March 11 and 12, 1957, to reconsider the problem in the light of developments. It was indicated that a proposed plan of meeting the situation would very likely be drawn up in Mobile. Representatives of the Department were present at Mobile for rendering whatever assistance possible as were State research authorities who have been working on the problem. The conference in Washington on March 12 brought to light the fact that the United States Department of Agriculture does not have any funds for use in meeting any of the costs of bringing this very serious pest under control.

I join with the Agriculture Committee in support of the Abernethy bill; however, I am confident that the passage of this bill is only one of the steps that must be taken in controlling this threat to agriculture and the cattle industry of Alabama and the Nation.

I urge the House to pass this legislation without further delay. The farmers and cattlemen need help and need it now.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONTROL OF PLANT PESTS

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That subsection (a) of section 102 of the Department of Agriculture Organic Act of 1944, as amended (7 U. S. C. 147b), is hereby further amended by adding after the phrase "or to prevent or retard the spread of" the words "insect pests, plant diseases, and nematodes, such as imported fire ant, soybean cyst nematode, witchweed."

Mr. ABERNETHY. Mr. Speaker, I offer an amendment to strike out all after the enacting clause and to substitute the

language of the bill, H. R. 3476, as just passed by the House.

The Clerk read as follows:

Strike out all after the enacting clause and insert the provisions of H. R. 3476 as agreed to.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

A similar House bill (H. R. 3476) was laid on the table.

A motion to reconsider was laid on the table.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests, with a House amendment thereto, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, AUGUST H. ANDRESEN, HILL, HOEVEN, and ABERNETHY.

PASSOVER

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, in the spirit of interfaith brotherhood, we honor the sacred season of Passover, which is one of the most important religious holidays in the lives of our Jewish friends.

This year, Passover extends from sundown of April 15 to sundown of April 23. By a timely coincidence, it covers the period during which the Christian world celebrates the joyous festival of Easter.

Passover is one of the oldest of religious observances, tracing its origin to the book of Exodus in the Old Testament.

It recalls the hardships suffered by the Jews during their bondage.

The faith that sustained them during this ancient adversity, and during the persecutions they have suffered since at the hands of the ignorant, developed the patience, wisdom, and humanitarian outlook that we admire in the Jewish people today.

It is that same faith that has provided a sanctuary for their oppressed brethren in the young Republic of Israel which is the most progressive nation in the Middle East.

In extending greetings to the Jewish people on this reverent occasion, we compliment them upon the reestablishment of their homeland.

As Passover is celebrated in commemoration of the deliverance of the Jews from Egypt, thousands of years ago, we are reminded that history sometimes repeats itself.

In 1957, the Republic of Israel, asking only for the peace in which it will have freedom to build a happy and prosperous community for its people, finds itself beset by harassment from one envious neighbor in particular.

On this Passover, our hearts go out to our Jewish friends, praying with them for the deliverance of the Jews from Egypt.

The Republic of Israel is here to stay, and the sooner that Egypt realizes this, the sooner she will improve the lot of her own people, and go forward in common progress with her neighbor, Israel.

LUDLOW MASSACRE OF 1914

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, Saturday, April 20, will mark the 43d anniversary of a tragic episode in American labor struggles, the Ludlow massacre of 1914.

At a time when some persons are condemning the entire labor movement because of one unethical personality, it is fitting that we recall this episode which symbolizes the sacrifices of courageous men and women who fought for the dignity and freedom of labor that we enjoy today.

Several years ago as a graduate student at Northwestern University I completed a doctoral dissertation covering the great Colorado coal strike of 1913–14. This was the bitter struggle between the miners of southern Colorado and the coal-mine operators that culminated in what has been known from that day to the present as the Ludlow massacre. It was my careful examination of all the aspects of this heartrending chapter in our industrial development that first convinced me of the vital relationship between a strong, healthy labor movement and effective political democracy. There is no doubt in my mind that the high degree of organization of management in our industrial society makes it imperative that working men and women be well organized if either economic or political freedom is to survive in this land.

As stated in 1916 by the United States Commission on Industrial Relations following its study of conditions leading up to the Colorado strike: "Political freedom can exist only where there is industrial freedom."

This is the costly lesson of Ludlow and it is a lesson that has its counterpart in scores of similar industrial struggles.

The surface story of "The Ludlow Massacre" is that 11 children and 2 young mothers died in the burning of the strikers' tent colony at Ludlow, Colo., when the tents were burned during an all day gun battle between the strikers and the State militia. But the real significance of Ludlow is far deeper than this cruel fact.

The coal strike which culminated in the affair at Ludlow was vastly more than the usual effort to win improved working conditions. It was an all-out attempt by some 10,000 miners and their families to break the despotic grip of a handful of coal corporations over every phase of economic, political and social life in the southern Colorado coal towns. The miners and their leaders had come to the firm conclusion that they could not achieve even elementary American freedoms except through recognition of their union by the coal operators. This was an objective which the operators fought with every resource at their command including an army of private armed guards, detectives, barbed wire barricades, armored cars, labor spies, strikebreakers and pliable jurists, public officials, editors and publicists.

When the Governor sought to restore order between the striking miners and the armed guards of the operators, his efforts were frustrated as the militia came to be identified more and more with the operators. Over a period of months the militia ranks were gradually infiltrated with men spoiling for a showdown with the miners.

That showdown came on April 20, 1914, when a large tent encampment of miners and their families located near Ludlow came under attack by the militia. No one knows who was responsible for starting the battle, but it was a war to the death that resulted in tragic losses on both sides. Only the intervention of well disciplined Federal troops acting under instructions of President Woodrow Wilson ended the violence.

It was the shocking discovery of the bodies of 13 women and children in a pit under one of the striker's tents following this episode that centered the attention of the entire country on the pathetic conditions confronting the miners of Colorado. They had crawled into the pit to escape the militia gunfire and were suffocated when the tents were fired.

It is not too much to say that the Ludlow affair was one of several turning points in the American labor story that awakened the American people to the serious consequences of irresponsible industrial management. It demonstrated in graphic form the limits to which selfish industrialists would go rather than surrender a measure of their power over the men who daily risked their lives in the dangerous occupation of digging coal.

As we approach the anniversary of Ludlow, I would like to salute the brave men and women, and the innocent boys and girls who died there in a struggle that has contributed significantly to the standards of dignity and decency that now characterize American industrial relations. I think it is peculiarly appropriate that this labor anniversary comes in the meaningful period between Good Friday and Easter Sunday.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SCHWENGEL. Mr. Speaker, I rise to object at this point and to inquire about the possibility of getting legislation on the deficiency appropriation for the Post Office Department and thus avoid the necessity of curtailing Post Office services this coming Saturday and to inquire from Members of the other

side of the aisle as to the present status of this appropriation bill.

The SPEAKER. That bill has not been reported from the committee, I will say to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, it may be reported from the committee; is that right?

The SPEAKER. Under the rule it has to lie over for 3 days, if anybody objects to taking it up immediately.

Mr. SCHWENGEL. We could take it up by unanimous consent, could we not?

The SPEAKER. We can do almost anything by unanimous consent, but sometimes it is very improbable that we would get unanimous consent.

Mr. SCHWENGEL. Mr. Speaker, I think we ought to leave the door open so that we can act. I think everybody wants the Post Office Department to function.

Mr. McCORMACK. Mr. Speaker, there are some statements the gentleman has made on some other occasions that I would gladly argue, but it would not do any good to do that in this case. I might say to the gentleman that he may object, if he wishes, and we can meet tomorrow, and if any Member wanted to make any speech, I would see that he is protected. But then I would have to move to adjourn. There is no legislative business for tomorrow. The full Committee on Appropriations meets tomorrow, and the earliest we can get that bill up would be Monday.

There are some Members on this side who are trying to cooperate in this matter, looking at it from the viewpoint of the general public. Some of us can discuss what the Postmaster General has done, whether he spent money too quickly or not; but that is not going to do any good now. Some other time it would be in order. The question that many of us do have in mind is the service to the general public.

Let me say to the gentleman that he is not doing any good to object to this request at this time. Of course, I am not going to ask him not to object, because I am not going to put myself in a position of pleading with him. But the matter cannot be brought up before Monday; that is all there is to that. The gentleman may do anything he pleases.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. JENSEN. Mr. Speaker, reserving the right to object, is it not possible to agree unanimously here today that we shall meet tomorrow and that the first order of business shall be the consideration of the deficiency appropriation which the Postmaster General, Mr. Summerfield, has requested? Would not that be in order?

The SPEAKER. The Chair could not entertain a request like that for the simple reason that the chairman of the full committee and the chairman of the subcommittee are not here. Very few members of the Committee on Appropriations are present at this moment.

Mr. JENSEN. Mr. Speaker, I am sorry that that situation prevails. We had a discussion yesterday or the day before for an hour or so regarding this request of the Postmaster General. It was thoroughly discussed at the time. I thought it was the understanding that we were to have a session tomorrow and that that would be the first order of business.

The SPEAKER. There has not been any such understanding with the leadership on this side, and I doubt that there has been with the leadership on the gentleman's side.

Mr. SCHWENGEL. Mr. Speaker, may I address one other question to the gentleman from Massachusetts?

Mr. McCORMACK. I shall be happy to hear the gentleman's question.

Mr. SCHWENGEL. May I have the gentleman's assurance that there will be some objection under any circumstances tomorrow to taking up the Post Office appropriation deficiency?

Mr. McCORMACK. I can give the gentleman no assurance. The gentleman asks me to assure him that there would be an objection raised tomorrow. I could not guarantee that and I would not. I certainly could not permit any such unanimous request at this time when most of the Members have left the floor and when the legislative business of the day has been completed. If the gentleman objects and we meet tomorrow, and if anyone is recognized to submit that unanimous-consent request, then I do not know what will happen tomorrow. I want to be frank with the gentleman.

Mr. SCHWENGEL. May I direct this question to the gentleman from Iowa, a member of that committee. In the gentleman's opinion, would the committee act favorably upon this request?

Mr. JENSEN. I can answer that question only by saying I am sure a great majority of the members of the Appropriations Committee understood at least by reading the newspapers that this matter was going to be disposed of on Friday, and the general public understood that.

Mr. McCORMACK. There was no such impression.

Mr. JENSEN. Whether the leadership has so committed itself, I do not know.

Mr. McCORMACK. I stated yesterday that if we disposed of the legislative business today we would go over until Monday if unanimous consent for that was obtained. The gentleman is making a statement in good faith, but I can assure him it is upon entirely erroneous premises.

Mr. JENSEN. I was not here when the gentleman made the statement. I was in the committee hearing.

Mr. McCORMACK. I am not accusing my friend of making an incorrect statement. I say the gentleman made the statement in good faith but on incorrect premises, because there was never any statement made about Friday except that if we disposed of the legislative business on the agenda for today we would then go over until Monday.

Mr. JENSEN. The Post Office Department is in a quandary.

Mr. McCORMACK. I think if the Postmaster General gets enough money there will not be much difficulty. Do not disturb too much.

Mr. JENSEN. I do not want to disturb at all.

Mr. McCORMACK. I did not say the gentleman was disturbing, I said do not disturb too much.

Mr. MARTIN. Mr. Speaker, will the gentleman yield that I may make an effort to clarify the situation?

Mr. SCHWENGEL. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I think if the gentleman from Iowa were informed that he would be unable to get that permission anyway, that at least one Member on the other side would object to the consideration of the legislation, his conscience would probably be met and he would not insist on it.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that when the House adjourns today it adjourn to meet on Monday next?

Mr. SCHWENGEL. I would like to have some assurance there would be an objection.

The SPEAKER. The Chair can assure the gentleman there would be an objection tomorrow.

Mr. SCHWENGEL. Then I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, on the 4th of February the Members of the other body acted upon the confirmation of a great American, Arthur Summerfield, the man who has served his country with distinction, who has made more progress and exemplified a finer leadership than almost anyone who has ever served in the office of Postmaster General of the United States.

The RECORD shows that he was unanimously approved by the Senate. Rarely has anyone who has served in this capacity or any Cabinet office received so many genuine plaudits and praise for a job well done as this distinguished American received from Americans who have reason to have great interest in the welfare of their Government.

Mr. Speaker, here are some statements from eminent citizens, Democrats and Republicans, taken at random from the press and publications of our country:

I have known General Summerfield only since he came to Washington as a member of the Cabinet. He has been diligent in his work. He has been pleasant in his relationships. He has been fair in his dealings. It has been my observation that he has lived up to his responsibilities as a public servant.

Another quote:

In the past 4 years, the Post Office Department has made for than 80 major improvements and simplications for the users of the mails, making it easier and more economical for them to use the Department's services.

Another:

I predict that in the next 4 years our Post Office Department under Arthur E. Summerfield's dynamic leadership, will constantly improve the mail service to the American people; will make vast strides in modernizing its old-fashioned physical plant to keep pace with this growing Nation; and will contribute its share to balancing the Federal budget so essential to the economic well-being and security of the American people.

Further quote from a great American:

Today, when we must practice economy in Government, because of the great demands made on our Government for reasons very well understood by the people of the Nation, the time has come when every possible economy must be exercised in the postal service. The Postmaster General has done that exceptionally well, and I think has even added to the efficiency of that important Department of our Government. It is a real pleasure to support the renomination of Arthur Summerfield as Postmaster General.

Another quote, Mr. Speaker, from a great American follows:

I think one of the important achievements during the past 4 years has been the installation of a modern pay structure, which became effective on December 3, 1956. This new compensation structure fully ascribed and allocated to their proper level 520,000 field positions. This represented probably the largest installation of a completely new compensation system ever successfully completed anywhere.

Many more quotes could be taken from the press, radio, and other means of communication and with a study of the entire area of communications you would find practically no opposition or criticism.

Mr. Speaker, this is the same man who on 2 different occasions has returned a total of over $150 million to the Treasury—almost an unheard thing by the various departments of the Government these days. And this is the same man who now is asking for $47 million to carry on the important functions of the Post Office that past Congresses have established and approved as essential services for the public. Because of his past complete candor and honesty, I believe him when he says that unless we act immediately, Saturday service must be eliminated. I believe him when he says there must be a reduction in business deliveries on Monday through Friday. That the important area of third-class mail must be cut to a minimum.

Mr. Speaker, I represent a district that has in it 11 daily newspapers. A large percentage of the customers of these newspapers are farmers who depend on these papers for market and weather reports and for many other services normally extended by the newspapers, and if rural route mail delivery is curtailed, thousands of people in my district will be adversely affected. If Saturday delivery is eliminated, the same people would not get their Friday and Saturday daily papers until Monday. This, Mr. Speaker, boarders on the restriction of the freedom of the press.

And so, Mr. Speaker, I call upon and ernestly plea that the chairman of the Appropriation Committee immediately call together the members of his committee to consider this problem and bring the question to the House so that the will of the people may be heard.

POSTPONEMENT OF ROLLCALLS UNTIL WEDNESDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that in connection with the consideration of any legislation on Monday and Tuesday of next week, if there should be occasion for any rollcalls on such legislation, or any amendments thereto, further consideration of such legislation be postponed until the following Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NEW APPROACH TO THE PROBLEM OF HIGH FEDERAL TAXES

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, on March 28 I introduced H. R. 6452, calling for a basic new approach to the problem of continuing high Federal taxes resulting from ever-increasing Government spending. This new approach provides tax relief for all income-tax payers, personal and corporate, in a series of five annual reductions, but only if Federal spending is brought under control so that the scheduled reductions would not result in an unbalanced budget. Under the terms of this bill our citizens could look forward to regular tax reductions if they are willing to forego new programs calling for more Federal spending.

I am gratified at the public interest in my bill, as evidenced by the increased volume of mail, which is due, at least in part, to the fact that this is the time for filing final Federal tax returns, plus the growing concern on the part of our people with the $71.8 billion budget submitted this year.

The following are typical of the comments I have received in the mail from taxpayers in various parts of the country:

Believe your gradual tax-cutting bill, H. R. 6452, an excellent one. It is flexible enough for the Government to work under, yet clearly sets the pattern for reduction in spending.

In the minds of the voting public, H. R. 6452 should be the most popular bill that has been put in the hopper in many years.

Nothing could be more constructive toward the sound development of our domestic economy than the measure you propose, and trust that you will find unanimous support in the House and that the Senate will carry on in support of this constructive legislation.

I am sure you are well aware of the growing concern over Government expenditures and I commend you for this businesslike program of bringing the income-tax structure down to reasonable levels.

We are certainly in agreement with your thoughts that there is something fundamentally wrong with a tax structure which penalizes hard work, risk taking and achievement.

I have read with much interest your release on the bill you have introduced in respect to gradual reduction of all taxes. I am very glad that someone has done this and I believe your timing is good. I was particularly impressed with your paragraph on calling upon the Ways and Means Committee to accept this responsibility and balancing it against just seeking new ways to raise revenue.

H. R. 6452 provides adequate safeguards against a return to budget deficits by means of postponement procedures which authorize the Executive and/or the Congress to postpone any of the scheduled reductions for not more than 1 year and not more than once, if budget imbalance were threatened. Thus, the full reductions, resulting in an eventual top rate of 42 percent for both individuals and corporations, could be spread over a period of 9 rather than the scheduled 5 years if the postponements were fully applied.

My bill would permit a clear choice as to whether our citizens want tax reductions or more spending. I am convinced that as taxpayers become aware they can have such a choice and also become aware of how they would benefit, the general communications on taxes and spending now flooding the Congress will be translated into solid endorsement of the principle of forward-scheduled tax cuts coupled with effective control of Federal spending.

INADEQUACY OF PRESENT TRANSPORTATION SYSTEMS

Mr. MAILLIARD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAILLIARD. Mr. Speaker, we are all aware of the tremendous strain that has been placed on our transportation systems throughout the United States. Probably without exception, every metropolitan area is alarmed over the inadequacy of present-day situations. When we think of the projected growth of our urban areas, we can, without using much imagination, anticipate chaotic conditions unless appropriate corrective action is started soon.

For some time now, I have been consulting with transportation experts and city planners on the problem. All of our conversations and correspondence have pointed to the probability of piecemeal attempts at solution when the real need is for more militant and comprehensive action.

A Brookings Institution report of last year on a private survey of this situation states:

American cities have become increasingly difficult to live in and to work in largely because they are difficult to move around in. Inability to overcome congestion and to remove obstacles to mobility threaten to make a big city an economic liability rather than an asset.

The crisis in transportation is largely the result of the growing concentration of population and economic activity. More than 100 million people are now living in the

side of the aisle as to the present status of this appropriation bill.

The SPEAKER. That bill has not been reported from the committee, I will say to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, it may be reported from the committee; is that right?

The SPEAKER. Under the rule it has to lie over for 3 days, if anybody objects to taking it up immediately.

Mr. SCHWENGEL. We could take it up by unanimous consent, could we not?

The SPEAKER. We can do almost anything by unanimous consent, but sometimes it is very improbable that we would get unanimous consent.

Mr. SCHWENGEL. Mr. Speaker, I think we ought to leave the door open so that we can act. I think everybody wants the Post Office Department to function.

Mr. McCORMACK. Mr. Speaker, there are some statements the gentleman has made on some other occasions that I would gladly argue, but it would not do any good to do that in this case. I might say to the gentleman that he may object, if he wishes, and we can meet tomorrow, and if any Member wanted to make any speech, I would see that he is protected. But then I would have to move to adjourn. There is no legislative business for tomorrow. The full Committee on Appropriations meets tomorrow, and the earliest we can get that bill up would be Monday.

There are some Members on this side who are trying to cooperate in this matter, looking at it from the viewpoint of the general public. Some of us can discuss what the Postmaster General has done, whether he spent money too quickly or not; but that is not going to do any good now. Some other time it would be in order. The question that many of us do have in mind is the service to the general public.

Let me say to the gentleman that he is not doing any good to object to this request at this time. Of course, I am not going to ask him not to object, because I am not going to put myself in a position of pleading with him. But the matter cannot be brought up before Monday; that is all there is to that. The gentleman may do anything he pleases.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. JENSEN. Mr. Speaker, reserving the right to object, is it not possible to agree unanimously here today that we shall meet tomorrow and that the first order of business shall be the consideration of the deficiency appropriation which the Postmaster General, Mr. Summerfield, has requested? Would not that be in order?

The SPEAKER. The Chair could not entertain a request like that for the simple reason that the chairman of the full committee and the chairman of the subcommittee are not here. Very few members of the Committee on Appropriations are present at this moment.

Mr. JENSEN. Mr. Speaker, I am sorry that that situation prevails. We had a discussion yesterday or the day before for an hour or so regarding this request of the Postmaster General. It was thoroughly discussed at the time. I thought it was the understanding that we were to have a session tomorrow and that that would be the first order of business.

The SPEAKER. There has not been any such understanding with the leadership on this side, and I doubt that there has been with the leadership on the gentleman's side.

Mr. SCHWENGEL. Mr. Speaker, may I address one other question to the gentleman from Massachusetts?

Mr. McCORMACK. I shall be happy to hear the gentleman's question.

Mr. SCHWENGEL. May I have the gentleman's assurance that there will be some objection under any circumstances tomorrow to taking up the Post Office appropriation deficiency?

Mr. McCORMACK. I can give the gentleman no assurance. The gentleman asks me to assure him that there would be an objection raised tomorrow. I could not guarantee that and I would not. I certainly could not permit any such unanimous request at this time when most of the Members have left the floor and when the legislative business of the day has been completed. If the gentleman objects and we meet tomorrow, and if anyone is recognized to submit that unanimous-consent request, then I do not know what will happen tomorrow. I want to be frank with the gentleman.

Mr. SCHWENGEL. May I direct this question to the gentleman from Iowa, a member of that committee. In the gentleman's opinion, would the committee act favorably upon this request?

Mr. JENSEN. I can answer that question only by saying I am sure a great majority of the members of the Appropriations Committee understood at least by reading the newspapers that this matter was going to be disposed of on Friday, and the general public understood that.

Mr. McCORMACK. There was no such impression.

Mr. JENSEN. Whether the leadership has so committed itself, I do not know.

Mr. McCORMACK. I stated yesterday that if we disposed of the legislative business today we would go over until Monday if unanimous consent for that was obtained. The gentleman is making a statement in good faith, but I can assure him it is upon entirely erroneous premises.

Mr. JENSEN. I was not here when the gentleman made the statement. I was in the committee hearing.

Mr. McCORMACK. I am not accusing my friend of making an incorrect statement. I say the gentleman made the statement in good faith but on incorrect premises, because there was never any statement made about Friday except that if we disposed of the legislative business on the agenda for today we would then go over until Monday.

Mr. JENSEN. The Post Office Department is in a quandary.

Mr. McCORMACK. I think if the Postmaster General gets enough money there will not be much difficulty. Do not disturb too much.

Mr. JENSEN. I do not want to disturb at all.

Mr. McCORMACK. I did not say the gentleman was disturbing, I said do not disturb too much.

Mr. MARTIN. Mr. Speaker, will the gentleman yield that I may make an effort to clarify the situation?

Mr. SCHWENGEL. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I think if the gentleman from Iowa were informed that he would be unable to get that permission anyway, that at least one Member on the other side would object to the consideration of the legislation, his conscience would probably be met and he would not insist on it.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that when the House adjourns today it adjourn to meet on Monday next?

Mr. SCHWENGEL. I would like to have some assurance there would be an objection.

The SPEAKER. The Chair can assure the gentleman there would be an objection tomorrow.

Mr. SCHWENGEL. Then I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

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And so, Mr. Speaker, I call upon and ernestly plea that the chairman of the Appropriation Committee immediately call together the members of his committee to consider this problem and bring the question to the House so that the will of the people may be heard.

POSTPONEMENT OF ROLLCALLS UNTIL WEDNESDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that in connection with the consideration of any legislation on Monday and Tuesday of next week, if there should be occasion for any rollcalls on such legislation, or any amendments thereto, further consideration of such legislation be postponed until the following Wednesday.

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There was no objection.

NEW APPROACH TO THE PROBLEM OF HIGH FEDERAL TAXES

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, on March 28 I introduced H. R. 6452, calling for a basic new approach to the problem of continuing high Federal taxes resulting from ever-increasing Government spending. This new approach provides tax relief for all income-tax payers, personal and corporate, in a series of five annual reductions, but only if Federal spending is brought under control so that the scheduled reductions would not result in an unbalanced budget. Under the terms of this bill our citizens could look forward to regular tax reductions if they are willing to forego new programs calling for more Federal spending.

I am gratified at the public interest in my bill, as evidenced by the increased volume of mail, which is due, at least in part, to the fact that this is the time for filing final Federal tax returns, plus the growing concern on the part of our people with the $71.8 billion budget submitted this year.

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> I am sure you are well aware of the growing concern over Government expenditures and I commend you for this businesslike program of bringing the income-tax structure down to reasonable levels.

> We are certainly in agreement with your thoughts that there is something fundamentally wrong with a tax structure which penalizes hard work, risk taking and achievement.

> I have read with much interest your release on the bill you have introduced in respect to gradual reduction of all taxes. I am very glad that someone has done this and I believe your timing is good. I was particularly impressed with your paragraph on calling upon the Ways and Means Committee to accept this responsibility and balancing it against just seeking new ways to raise revenue.

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My bill would permit a clear choice as to whether our citizens want tax reductions or more spending. I am convinced that as taxpayers become aware they can have such a choice and also become aware of how they would benefit, the general communications on taxes and spending now flooding the Congress will be translated into solid endorsement of the principle of forward-scheduled tax cuts coupled with effective control of Federal spending.

INADEQUACY OF PRESENT TRANSPORTATION SYSTEMS

Mr. MAILLIARD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAILLIARD. Mr. Speaker, we are all aware of the tremendous strain that has been placed on our transportation systems throughout the United States. Probably without exception, every metropolitan area is alarmed over the inadequacy of present-day situations. When we think of the projected growth of our urban areas, we can, without using much imagination, anticipate chaotic conditions unless appropriate corrective action is started soon.

For some time now, I have been consulting with transportation experts and city planners on the problem. All of our conversations and correspondence have pointed to the probability of piecemeal attempts at solution when the real need is for more militant and comprehensive action.

A Brookings Institution report of last year on a private survey of this situation states:

> American cities have become increasingly difficult to live in and to work in largely because they are difficult to move around in. Inability to overcome congestion and to remove obstacles to mobility threaten to make a big city an economic liability rather than an asset.

The crisis in transportation is largely the result of the growing concentration of population and economic activity. More than 100 million people are now living in the

cities and suburbs of the United States. Each year urban America is spreading at the rate of a million acres—an area as large as the State of Rhode Island.

This concentration of people and resources in urban areas would have been impossible without the mobility and supply lines afforded by transportation. The capacity of the transport system and low cost and dependability of transport services have enabled an increasing number of people to seek the economic, social, and cultural opportunities that urban living ideally provides. But paradoxically, metropolitan cities have now grown to the point where they threaten to strangle the transportation that made them possible.

With the technical ability to solve its transportation problems well in hand, the modern city is confronted by a transportation problem more complex than ever before. Despite all the methods of movement, the problem in cities is how to move. One reason for this dilemma is the fact that urban areas have been unable to adjust to the changing conditions brought about so rapidly by the technological revolution in transportation. The older urban centers, with physical characteristics that were fixed in less mobile times, have been staggered by the impacts of recent innovation. And the newer suburbs have compounded the transportation problem by duplicating the errors of downtown and by creating problems of public administration and finance that traditional governmental organization was not designed to meet.

I am today introducing legislation which I believe to be a move in the right direction toward ameliorating the transportation difficulties experienced throughout our Nation.

My House resolution would create a select committee to conduct a full and complete investigation and study of the mass transportation problems in the large metropolitan areas. The committee would, in addition to any other appropriate action, undertake to:

First. Determine which metropolitan areas have or will have mass transportation problems.

Second. Determine what progress is presently being made by local authorities toward solving these problems and if progress is not being made, what the impediments are to such progress.

Third. Determine whether Federal technical assistance and coordination of mass transportation studies would be of value, and if so, the form such Federal action should take.

Fourth. Determine what, if any, Federal financial aid is necessary to assist in solving these problems and the purposes for which, and the form in which, this aid shall be given.

I ask my colleagues to give this matter their earnest consideration.

VACCINATION ASSISTANCE ACT

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, I have introduced in the House today a bill to extend the Poliomyelitis Vaccination Assistance Act of 1955. This act is due to expire on June 30, 1957. My bill will extend this act until June 30, 1958.

Under the Poliomyelitis Vaccination Assistance Act of 1955, $53.6 million has been made available to the States for the provision of Salk vaccine to persons under 20 years of age and to expectant mothers. As of March 15, 1957, all but $9 million had been expended, and it is expected that substantially all the remaining funds will be used by June 30.

The amount of money which has been authorized under this act was estimated to be sufficient to provide vaccine for only about 38 percent of the persons in eligible groups. The percentage varied from State to State since the formula used provided a higher percentage of funds for States with lower per capita incomes.

Many States had used all of the Federal funds available by March 15. At least two-thirds of the States had used 80 percent or more of the Federal funds available. In my own State of Alabama, for example, out of the total of $1,763,274 allotted under this act, $1,442,422, or 82 percent, had been used by March 15.

The Surgeon General has estimated that as of March 15 almost one-third of the 66 million persons in the group under 20 years old and in the expectant-mother group had received no Salk vaccine shots and that only 11 million had received the full 3-shot series.

On March 21, the Public Health Service advised our Subcommittee on Intergovernmental Relations of the Committee on Government Operations that it did not plan to ask for an extension of the present act beyond the present June 30, 1957, expiration date or to request additional funds for polio vaccine. Mr. Speaker, we cannot afford to let this most useful and protective program lapse before it has achieved its mission. Why should we permit this greatly needed program to fold up before we are reasonably immunized against that devastating and crippling disease—poliomyelitis?

By amending the Poliomyelitis Vaccination Assistance Act of 1955, my bill would authorize sufficient funds to provide vaccine to the States for all unvaccinated persons in the eligible groups. In addition, the bill would authorize allocation of an amount equal to 10 percent of the cost of the vaccine for administrative expenses and for the promotion of public agency vaccination programs.

Mr. Speaker, the intention of Congress in passing the Poliomyelitis Vaccination Assistance Act was to assist the States in vaccinating persons in the eligible groups. The act specified that in polio vaccination programs carried out by public agencies there should be no means test or other discrimination based on financial ability of the individuals concerned. However, the funds made available were sufficient to provide vaccine for only 38 percent of the eligible persons. Congress cannot, in justice and in fairness, provide vaccine for one child and arbitrarily deny it to an equally deserving youngster. My bill will make the benefits of the Poliomyelitis Vaccination Assistance Act available to all of our children—not simply to a fortunate 38 percent.

My bill becomes effective upon the date of enactment. The reason for such action is that my bill, if it becomes law, will prevent any slowdown or stoppage of this program of assistance to the States between now and June 30, 1957, which is the date of expiration of the present act. As I have already pointed out, some States have already exhausted all of the funds available for vaccine, and unless something is done by the Congress to meet this situation promptly, the immunization effort may come to a standstill in a number of States. This is the season of the year in which immunization efforts should be underway. We can save many lives and prevent the spread of this dread disease if we act now and guarantee the continuation of this vaccination program without slowdown or interruption.

Mr. Speaker, I sincerely appeal to the House for favorable and prompt consideration of this bill which I have introduced today, to continue the polio vaccination assistance program until June 30, 1958. Let us take effective action here and now to complete this immunization job that is so badly needed throughout the country.

CONSTITUTION AND THE SUPREME COURT

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 10 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, at the close of this legislative day I am taking the time of the House to read a Senate joint resolution passed by the General Assembly of the State of Illinois, a copy of which has just reached me. I regard this resolution as of sufficient importance to justify its reading in this Chamber, where on other occasions some Members from other States have criticized the Supreme Court of the United States and advanced the theory of interposition. I wish to put in the permanent RECORD of the 85th Congress, an official statement of the position of my own State of Illinois, the State that gave to the Nation and the world, Abraham Lincoln, the Great Emancipator.

It will be conceded that a resolution passed by both Senate and House in the General Assembly of Illinois must reflect the popular sentiment among the people of Illinois.

The resolution that I am about to read was introduced by four Democratic members of the Illinois State Senate, including the Honorable Marshall Korshak, who outstandingly represents a senatorial district within the congressional district that I have the honor to represent. No one in the history of Illinois has ever fought harder and more effectively for the common people than has Senator Korshak, and he is a champion among champions in the fight against discrimination in all its ugly manifestations.

Joining with Senator Korshak as the sponsors of the resolution that I am about to read were Senators Fred J. Smith, of the 11th senatorial district, William J. Lynch, of the 9th district, and

Roland Victor Libonati, of the 7th district, all from Chicago.

This is the resolution:

Senate Joint Resolution 6

Whereas the United States Supreme Court and various Federal courts have been subjected to severe criticism as a result of the decisions and decrees in the school-segregation and related cases which declare that segregation and discrimination because of race, color, religion, or national origin in public schools and facilities violate the principles of the Constitution of the United States; and

Whereas these decisions and decrees of the United States Supreme Court and various Federal courts have been condemned as a usurpation of and encroachment on the reserved powers of the States by the Supreme Court and Central Government of the United States; and

Whereas the decisions and decrees of the United States Supreme Court and various Federal courts are being condemned, disregarded, and evaded both directly and indirectly by State legislation, procrastination in complying with said decisions and decrees, coercion and intimidation, all under the theory that any State has a right to interpose its sovereignty in opposition to an exercise of power by the Federal Government which that State determines has not been granted by the several States to the Federal Government; and

Whereas all the States of the United States are bound by the Constitution and laws of the United States, including judicial interpretation of said Constitution and laws, until later changed through constitutional processes; and

Whereas the Constitution of the United States provides the manner in which said Constitution and laws of the United States are to be enacted, amended, or repealed; and

Whereas the Constitution of the United States does not permit any State to act in total disregard of any Federal law, court decision, or decree when the State has through an assumption of unconstitutional powers declared that any said law, decree, or decision is unconstitutional; and

Whereas to permit each State to decide of itself by which provision of the United States Constitution, law, judicial decree, or decision it shall be bound would eventually result in the destruction of the Federal system of government: Be it therefore

Resolved by the Senate of the 70th General Assembly of the State of Illinois (the House of Representatives concurring herein), That the United States of America is founded upon the principle that everyone is entitled to equal privileges, opportunities, rights, duties, and immunities regardless of race, color, religion, or national origin, and any public facility which segregates or discriminates against any person because of race, color, religion, or national origin is contrary to said principles; and be it further

Resolved, That segregation and discrimination because of race, color, religion, or national origin in public schools and facilities is prohibited by the Constitution of the United States, and no State has the right to maintain at its own expense racially separate public schools or facilities; and be it further

Resolved, That this 70th general assembly go on record as approving and supporting the decision of the United States Supreme Court in the school-segregation cases; and be it further

Resolved, That the Supreme Court of the United States is the final arbiter on questions of constitutionality, and any disagreement or dissatisfaction this State may have with any decision or decree of said Court should be resolved through the processes provided by the Constitution and laws of the United States; and be it further

Resolved, That the theory of interposition, whereby the authority of the Government of the United States is disregarded when any State decides it shall interpose its sovereignty in disobedience to that authority, is hereby condemned as a dangerous threat to the Constitution and Federal system of government of the United States; and be it also

Resolved, That a copy of this resolution be sent by the secretary of state to the President of the United States, to each of the Houses of Congress, to Illinois' Representatives and Senators in Congress, to the governor and legislature of each of the other States, and to the Supreme Court of the United States.

Adopted by the senate March 5, 1957.

JOHN WM. CHAPMAN,
President of the Senate.
EDWARD E. FERNANDES,
Secretary of the Senate.

Concurred in by the house of representatives March 28, 1957.

WARREN L. WOOD,
Speaker of House of Representatives.
FRED W. RUEGG,
Clerk of House of Representatives.

WIDESPREAD PUBLIC SUPPORT FOR REASONABLE CONTROL OF BILLBOARDS ON NEW HIGHWAY SYSTEM

Mr. REUSS. Mr. Speaker, 2 months ago I introduced H. R. 4593, a bill to provide Federal assistance to the States in controlling the erection of billboards along the new Interstate Highway System. Under H. R. 4593, the Federal Government would meet 90 percent of the cost of purchasing advertising rights within 500 feet of the new highways for those States which wished to control advertising billboards in order to preserve roadside scenic beauty. H. R. 4593 does not ban billboards, nor does it require any State to do so. It simply makes available the same percentage of Federal funds for billboard control as are presently available for procuring right-of-way and for construction.

When I introduced H. R. 4593, I anticipated a large measure of public interest in the proposal. But I must confess that I did not envisage the enormous volume of mail which has come into my office during these past 2 months from citizens all over the United States who feel deeply on this subject.

The extent of this public interest was revealed in the recently completed hearings held by the Public Roads Subcommittee of the Senate Public Works Committee on S. 963, an identical bill introduced by the Senator from Oregon [Mr. NEUBERGER]. At these hearings the spokesmen for many national organizations testified. Many of these national organizations have written to me as well. But to an unusual degree I have been hearing, too, from many individual voters and local organizations.

WIDESPREAD SUPPORT FOR H. R. 4593

From Concordia, Kans., for instance, an insuranceman writes me:

BAYS-PICKARD INSURANCE AGENCY,
Concordia, Kans., March 9, 1957.

Representative HENRY REUSS,
House of Representatives,
Washington, D. C.

DEAR SIR: Please accept my thanks for your efforts in trying to keep billboards off the new Federal Highway System, any hope you will be successful in this matter.

I have had pleasant trips into your State, and it was to see the beauties of the scenery, and found plenty of billboards on the present roads to obscure the views.

So please do what you can to keep these new highways free from the billboards.

Yours very truly,

R. M. BAYS.

Another correspondent, from York, Pa., argues even more vigorously:

YORK, PA., *March 9, 1957.*

Hon. HENRY REUSS,
House of Representatives,
Washington, D. C.

MY DEAR MR. REUSS: Today I read that you are working "to protect the new Federal highway program from unsightly outdoor advertising," to quote Mr. Pearson. More power to you is all I can say.

I speak most feelingly, having just returned from a motor trip to Florida, where billboards lining routes 301 and 1 were most tiresome and exhausting. All I can remember of our trip were these wretched billboards lining the roads on each side. I couldn't tell you now what a single one of them was about, nor what they were advertising. A sad waste of time and money, and particularly of ruining the landscape.

Yours truly,

P. S. WHITLEY
Mrs. Geo. H. Whiteley.

A Georgian writes me to compare American highways with European highways:

MOUNT BERRY, GA., *March 25, 1957.*

The Honorable HENRY REUSS,
House of Representatives,
Washington, D. C.

MY DEAR MR. REUSS: I have been reading about the billboard lobby and its efforts to stop legislation for the protection of our new Federal highways against outdoor advertising.

A large segment of the American public is all for such protection, and I am writing this to tell you that we want you to push your bill to the utmost. I have already written to my Georgia Representative and Senators urging support.

You and Senator NEUBERGER are so right—Americans do prefer to see nature in this country as nature made it. Why do people rave about the scenery in Europe? Because they are not reading an advertising section when they tour there.

Please keep up your fight.

Sincerely,

CONSTANCE OHLINGER.

The contrast between controlled and uncontrolled billboards abroad was noted by another correspondent:

MILWAUKEE, WIS., *February 19, 1957.*

The Honorable HENRY S. REUSS,
The House of Representatives,
Washington, D. C.

DEAR HENRY: From the papers we note that you are introducing a bill in Congress to keep our newly constructed Federal highways free from billboards.

We are much pleased that you are taking up this project particularly now when the Government contemplates the expenditure of huge sums on highways throughout the Nation.

During the past summer my sister and I visited Europe. We noted that there was quite effective control over billboards in Germany and Austria. However, upon going over the Brenner Pass into Italy, we were immediately met by the billboard in a most offensive manifestation—a veritable billboard alley with the same large board repeated many times successively at short distances. This continued through otherwise beautiful sunny Italy.

As an old civic worker I wondered how a civic group might eliminate this evil in Italy. The difficulty would be appalling.

It would appear to be easier to prevent the billboard evil on our new highways than to try to eliminate it once a vested interest has developed.

May we encourage you in your endeavor.

Very sincerely yours,

LEO TIEFENTHALER.

Many of those who have written me would go even further than H. R. 4593 and favor outright prohibition of billboards. For example:

MILWAUKEE, WIS., *March 4, 1957.*

Hon. HENRY S. REUSS,
House of Representatives,
Washington, D. C.:

In the best interests of the general public, I strongly urge and beg you to promote or support legislation which will prohibit billboards and advertising within 500 feet of any interstate highway.

Since the Interstate System is of national importance such wholehearted public-spirited action should be executed by the Federal Government for countless reasons which need not be enumerated.

Sincerely yours,

VENCIL F. DEMESHAR.

MILWAUKEE, WIS., *March 21, 1957.*

Hon. HENRY S. REUSS,
Washington, D. C.

DEAR HENRY: I have just read your report from Washington and have noted with interest that you have introduced a bill to control but not ban billboards along the new road network. I would certainly prefer controlled rather than uncontrolled billboards but I would like to register my opinion that I think they should be banned entirely.

Please don't trouble to answer this. You claim you want the opinions of your constituents so I am sending you mine for what it is worth.

Yours sincerely,

ALICE M. CHESTER.

A thoughtful student of the problem argues that the Federal Government itself rather than the States should exercise control under its police powers. Extracts from his letter follow:

NEW YORK CITY, N. Y., *April 3, 1957.*

Hon. HENRY S. REUSS,
House Office Building,
Washington, D. C.

DEAR SIR: I have a copy of your bill to control outdoor advertising along the National System of Interstate and Defense Highways, H. R. 4593.

Please allow me to say that excellent as is the purpose of the bill, this form of the bill is objectionable in a number of particulars to those who are familiar with the subject.

1. The Federal Government should exercise its own power with respect to the entire length of the new Interstate and National Defense Highway, instead of adopting a policy and asking the States to please be kind enough to put the national policy into effect.

This so-called States rights point was originally introduced into the subject 2 years ago by a southern Senator who was more interested in States rights than in the appearance of our national highways.

The Federal Government has complete power to protect its own new highway from bedevilment by outdoor advertising and to protect highway traffic signs from confusion with or subordination to commercial advertising along the highway. The Federal Government should exercise its own power and protect its own project. The billboard industry would love to see this protection deflected to the States and the power to protect divided up among a score or more States.

2. Section 4 of your bill providing that the right to control signs along the new highway shall "be considered an interest in land which may be acquired" suggests that prohibition of advertising signs along the new highway and within a given distance therefrom must be paid for and is a matter to be dealt with under eminent domain rather than the police power. This is a false assumption.

The billboard industry would live to see the policy adopted that prohibition of advertising signs within a given distance of highways must be paid for rather than controlled under the police power.

Respectfully yours,

ALBERT S. BARD.

Among the most enthusiastic supporters of H. R. 4593 are the garden clubs, all over the Nation and particularly in my own State of Wisconsin. Here are some of their letters:

GARDEN CLUB OF VIRGINIA,
HIGHWAY PLANNING AND ZONING,
Norfolk, Va., February 21, 1957.

Representative HENRY S. REUSS,
Washington, D. C.

MY DEAR MR. REUSS: May I commend you upon the introduction of H. R. 4593.

The Garden Club of Virginia is prepared to do extensive work for the passage of this bill. We hope to throw individual support to it from the Virginia delegation, however, if you can point out any weaknesses to us we will appreciate it and go to work on it. On our delegation, that is.

With kindest personal regards.

Sincerely,

KATHERINE DARDEN LINDSAY,
Chairman.

COLBY, WIS., *March 23, 1957.*

Mr. HENRY S. REUSS,
Congressman, of the Fifth District,
Washington, D. C.

DEAR CONGRESSMAN: * * * The club stands 100 percent behind your bill and expressed themselves freely in favor of each phase of it, and we hope it passes.

Sincerely,

MRS. ANTHONY L. SCHEMMER,
President of the Blue Sky Garden Club.

DE PERE, WIS., *March 19, 1957.*

Mr. HENRY S. REUSS,
Member of Congress,
Washington, D. C.

DEAR MR. REUSS: Your sponsorship of the billboard-control bill is greatly appreciated. Anyone interested in the preservation of the natural beauty of our country, as are all Garden Club members, is most anxious to have such legislation enacted.

The clubs in the Fox River Valley District are asking their legislators to support the H. R. 4593 bill.

Sincerely,

IRENE S. RIECE,
President, Fox River Valley Garden Clubs.

DE PERE, WIS., *March 19, 1957.*

The Honorable HENRY REUSS,
House of Representatives,
Washington, D. C.

MY DEAR MR. REUSS: * * * We would like to take this opportunity to compliment you for your efforts. This bill is an answer to many of our efforts as Garden Club members to beautify the highways by eliminating the billboards from all highways. This at least will prevent them on the highways you mention. We most heartily do endorse this bill and will do what we can to see that it is passed.

Sincerely,

MRS. ALFRED E. KAYSER,
President, Garden Club.

FOND DU LAC, WIS., *March 19, 1957.*

Hon. HENRY S. REUSS,
Member of Congress,
Washington, D. C.

DEAR MR. REUSS: * * * We will write our Congressman concerning your bill H. R. 4593 and will ask for support of it or one with like content introduced by some other Representative. In other words, we want some action against the clutter of billboards on our highways.

Thank you for introducing bill H. R. 4593.

Sincerely,

MRS. RAYMOND HARDGROVE,
President, Fond du Lac Community Garden Club.

FOND DU LAC, WIS., *April 4, 1957.*

Hon. HENRY S. REUSS,
Member of Congress, Fifth District, Wisconsin.

DEAR MR. REUSS: * * * I am herewith enclosing a list of the members who are for your bill as it now stands. Several expressed the hope that billboard advertising could be done away with completely, eventually. Let us view the natural beauty of our country.

Sincerely,

GREEN THUMB GARDEN CLUB.
MRS. C. J. WIESINK, *Secretary.*

MADISON, WIS., *March 18, 1975.*

DEAR MR. REUSS: As president of our Madison District of Federated Garden Clubs, I represent nearly 600 women who would vote for your bill. Every magazine, every paper, radio, and television blares forth these same advertisers that we see along the highway. It certainly would be wonderful to drive along our highways looking at our countryside rather than seeing these same names plastered on billboards. They are a nuisance, an eyesore, and we certainly hope your bill passes.

Sincerely,

MRS. R. J. BRODHEAD,
President, Madison District.

MADISON, WIS., *March 26, 1957.*

The Honorable HENRY REUSS,
House of Representatives,
Washington, D. C.

MY DEAR MR. REUSS: I wish to express my support for your bill H. R. 4593 restricting billboards along Federal highways. It is a real pleasure to enjoy the beauties of our country while driving, without having them constantly blocked by signs of large dimensions.

Even though you are not a representative of my district, it is reassuring to have a man of your ability and caliber from our State. You have already done a great deal in behalf of democratic government.

Sincerely yours,

MRS. LEONARD MONTIE.

MADISON, WIS., *March 28, 1957.*

Mr. HENRY S. REUSS,
House of Representatives,
Washington, D. C.

DEAR MR. REUSS: Sunset Garden Club of Madison, Wis., heartily endorses your bill for control of billboards along the new interstate highways.

We are for it 100 percent and wish to thank you for helping to preserve the beauty of nature which we all enjoy so much and especially on our vacation trips.

Respectfully,

MRS. E. B. NARUM,
Secretary, Sunset Garden Club.

MADISON, WIS., *April 8, 1957.*

The Honorable HENRY S. REUSS,
House Office Building,
Washington, D. C.

DEAR MR. REUSS: The Madison Garden Club at a meeting, April 2, unanimously endorsed

your bill, H. R. 4593, for the control of advertising on federally owned or controlled land adjacent to the National System of Interstate and Defense Highways.

We earnestly hope that this bill may be passed and appreciate your efforts for some definite action in this matter. It is certainly deplorable the way our scenic highways have been defaced by signs.

Sincerely,

FRANCES FOST,
President, the Madison Garden Club.

MIDDLETON, WIS., *March 15, 1957.*

Hon. HENRY S. REUSS,
Washington, D. C.

DEAR MR. REUSS: Thank you for sending me a copy of your bill to regulate billboards along our highways. I am absolutely for such regulation, even more strictly regulated than your bill states. But, in this day of high-powered big business, stiffer regulations could hardly pass either the House or the Senate, I suppose.

If I had received your letter a day sooner, I would certainly have brought this matter before our garden club meeting last evening. But I am dead sure the whole club membership is just as emphatic as I on the need of regulating the billboard nuisance.

Very sincerely,

MRS. HAWS SCOTT,
President, Middleton Garden Club.

MILWAUKEE, WIS., *March 20, 1957.*

The Honorable HENRY S. REUSS,
House of Representatives,
Washington, D. C.

DEAR SIR: * * * For many years the National Council of State Garden Clubs has been working to make the public conscious of the detrimental effect on our American scene of ugly, sprawling billboards. And certainly if there is an opportunity to regulate the construction of these billboards on a new highway system we will all be quick to support such legislation.

We are very proud that our Representative from Wisconsin is the author of this bill which will be a source of satisfaction to every one of the 400,000 garden club members in the Nation.

The Fox Point Federated Garden Club voted unanimously to assure you of our support and we shall watch the progress of this bill with interest.

Sincerely,

MARION B. WESSON,
President.

MOUNT HOREB, WIS., *March 25, 1957.*

The Honorable HENRY S. REUSS,
House of Representatives,
Washington, D. C.

DEAR MR. REUSS: As president of the Mound Vue Garden Club I should like to register the endorsement of the members to your bill H. R. 4593, which is to control billboards on the new Interstate Highway System.

Sincerely,

EDNA THORESEN.

RACINE, WIS., *April 8, 1957.*

Congressman HENRY S. REUSS,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN REUSS: The members of the Racine Garden Club consider it a privilege to send this letter of endorsement of your bill, H. R. 4593, limiting advertising along the National System of Interstate and Defense Highways. Please let us know what we can do to give you the backing necessary to have this bill become law.

The freeways in many of the Eastern States are a fine example of how beautiful our highways can be when they are not cluttered with signs and billboards. We agree with you that it will be much easier to prohibit advertising along these national highways right from the start than it would be to abolish it once it has been established.

We wish to take this opportunity to express our appreciation of your interest and forethought in bringing this matter to the attention of Congress for action.

Very truly yours,

GRACE E. MILLER,
President.

SUPERIOR, WIS.

Hon. HENRY S. REUSS,
Congress of the United States, House of Representatives, Washington, D. C.

DEAR SIR: We have received a copy of your bill, H. R. 4593, controlling billboards along highways and would like to go on record as fully endorsing it and hoping it will be passed.

Sincerely,

ROCKMONT GARDEN CLUB,
LAURA KOBEL, *Secretary.*

WAUSAU, WIS., *April 3, 1957.*

Regarding bill H. R. 4593.

Mr. HENRY S. REUSS,
Fifth District, Wisconsin.

DEAR MR. REUSS: I was very happy about your bill which would control the number of advertising signs along the proposed new highways.

Our club is and has been very interested and active in trying to bring this curtailment about.

I think we all have experienced driving on a brand new highway and wondered why it seemed especially beautiful. Then in thinking about this feeling we discovered that there were no big roadsigns along this new highway to obscure its beauty and give one the feeling of clutter. Just driving along such a beautifully uncluttered road is relaxing. And why shouldn't we have highways that give our rides such a feeling?

I am sure I speak for all our garden club members when I say you are to be commended for your positive action in trying to keep our highways uncluttered of advertising signs. Please do all you can on this bill.

Sincerely yours,

WAUSAU FEDERATED GARDEN CLUB,
MRS. OTTO EGGERSCHT, *President.*

WISCONSIN RAPIDS, WIS., *April 6, 1957.*

DEAR MR. REUSS: Our Horticulture Club of Wisconsin Rapids, Wis., is for having this new bill passed not to have billboards along the highways. We all think it's wonderful.

Sincerely,

MRS. ALEX WOELUND,
Secretary.

In addition to the garden clubs, many other Wisconsin organizations have also endorsed H. R. 4593, including the Wisconsin Division of the American Automobile Association. In Milwaukee, the bill has received the unanimous backing of the Milwaukee County Conservation Alliance and of the Committee on City Planning of the City Club of Milwaukee, who sent me the following resolution:

The committee on city planning of the City Club of Milwaukee expresses its support of your measure for billboard control, H. R. 4593.

We believe that now is the time to enact this legislation when the Federal Government is prepared to spend $50 billion in a Federal highway aid program to construct 41,000 miles of new limited access highways and before a vested interest has been acquired in billboards along these highways. Once such an interest has been acquired, it will be exceedingly difficult to secure legislation for any measure of control.

We realize so fully the billboard evil that, in our opinion, the bill is very moderate.

We wish to lend our support to the movement the country over to eliminate the billboard blight on the landscape along our highways that hawks its wares with continuing and insistent reiteration.

One can escape from similar appeals in the newspapers, over the radio and television, but from these appeals along the highways there is no escape. There they intrude and force themselves on one's consciousness with irritating insistency, detracting from what might otherwise be a pleasing and quieting prospect.

We trust you will be successful in limiting this roadside harassment.

ARGUMENTS OPPOSING H. R. 4593

Of course, Mr. Speaker, there are also those who have written me in opposition to H. R. 4593.

A WEDGE FOR COMMUNISM?

For instance, an outdoor advertising firm in Dassel, Minn., suggests that billboard control is an opening wedge for nothing less than communism itself:

DASSEL, MINN., *March 28, 1957.*

Hon. HENRY S. REUSS,
House of Representatives.

Dear Mr. REUSS: There are some bills in the Legislature at the present time to govern the control of outdoor advertising on our Federal highways.

We certainly wish to solicit your cooperation and help in the defeat of these unconstitutional and semicommunistic measures.

Undoubtedly, if a bill like this could be passed, the next move for certain groups and interests would be to control advertising in newspapers, magazines, radio, etc., and there could only be one end, and that would be an absolute controlled economy commercially. Obviously this is just a first step in the direction of—let's be very, very blunt and say communism.

We have quite a number of signs in your great State and would certainly like to solicit your help and cooperation in defeating these measures. We have contacted the many landowners and advertisers that we do business with in your State also and have asked them to do everything they can to control and vote on these particular measures which certainly are an infringement upon their personal rights.

We shall certainly appreciate anything you can do to help defeat this matter and shall watch with great interest the outcome of this matter.

D. DAHL,
Auto See Ads, Inc.

A MATTER FOR THE STATES

The Milwaukee County Industrial Council, the central CIO body in my hometown, is opposed to H. R. 4593 as an infringement on States rights. Its resolution, adopted March 20, 1957, reads:

Whereas there are presently bills before Congress which would ban or control outdoor advertising on Federal highways; and

Whereas these bills, H. R. 3977, H. R. 4593, and S. 968, are discriminatory and would have a depressing effect on labor, and on our overall economy; and

Whereas Milwaukee industry would suffer, especially the graphic arts industry, and

Whereas the allied industries of beer, automobiles, gas, oil, paper, chemical, machinery, and trucking would all be affected; and

Whereas scenic areas, national parks, shrines, and public safety can be safeguarded without Federal control of outdoor advertising; and

Whereas it is national AFL–CIO policy that if there is to be regulation of dissemination of information by billboards on highways, it be not on a Federal level but rather that

standards be originated and promulgated by government at the State and local level: Be it

Resolved, That the Milwaukee County Industrial Union Council, AFL-CIO, join the national AFL-CIO in opposing such legislation.

Another lady writes me intimating that some people in Wisconsin must in some way profit from this legislation:

ERIE, PA., *March 12, 1957*.

DEAR SIR: Feel it is my duty to write you of a menace on the highway far greater than billboards, strung side by side, clear across the country: The drunken driver. Every taxpayer pays you a salary to work in the interests of all of us, not just a few. Far more unpleasant to see on the highway are human beings dying, unconscious, or dead. Ned Dearborn, National Safety Council, would willingly give you statistics that would convince you of the desperate need.

My sister, who worked her way up with an outdoor advertising company, stands to lose her job if you are successful. She is now 50 years old. Where would she, or thousands like her, get jobs that would pay as well, or jobs at all? How many people in Wisconsin profit from your efforts, eliminating billboards?

Hungarians of doubtful background can come here, guaranteed good jobs for 5 years, get housing and food, college educations, no taxes, while our own people who foot the bill get no consideration whatever. Get hep, mister.

MRS. W. R. DAVIS.

BILLBOARDS A SAFETY FACTOR

I am told also that advertising signs are a factor in promoting highway safety:

MILWAUKEE, WIS., *February 13, 1957*.

Hon. HENRY REUSS,
House of Representatives,
Washington, D. C.

DEAR SIR: It has been brought to my attention that two bills, one H. R. 3977 and the other S. 963, are now pending in both Houses. This local has voiced its disapproval of such legislation by adopting a resolution, copy of which is enclosed.

The attitude that all outdoor advertising is bad is a ruthless discrimination against an industry that employs many of our members. Police and sheriffs' departments all over the country, I am sure will testify that good billboard advertising has served to prevent road hypnosis that sometimes occurs on long and straight highways.

Sincerely yours,

NORMAN SIMON,
President, Local No. 7, Amalgamated Lithographers of America.

BILLBOARDS A WELCOME RELIEF FROM MONOTONY OF GREAT OUTDOORS

One correspondent argues further that highway signs are positively attractive:

MILWAUKEE, WIS., *February 26, 1957*.

Congressman HENRY REUSS,
Washington, D. C.

DEAR SIR: Why such a hubbub about signs on highways? Surely there must be something more urgent than that to take up your time.

I am just one of the road-riding public. I want to express my views as to how these signs affect me. First there is a definite safety factor in favor of signs. It has been proven that having your eyes glued to the road causes fatigue and boredom. I, for one, welcome the road signs that appear. They are never in bad taste—the advertisers have more sense than to offend their customers—and mostly they are humorous or colorful and oftentimes religious. They are a welcome, very welcome relief from all the green and from the positive monotony of a long trip.

Signs on a highway are no worse than railroad tracks, or sloppy farmyards, or junk yards or other unsightly areas. In fact, they are all designed by top flight artists and are good to look at.

In a city, I would prefer signs anytime to slums or factories or used car lots.

So, why all the hubbub?

Very truly yours,

MRS. WILLARD SCHROEDER.

My own feeling is that those who oppose H. R. 4593 do so out of a mistaken impression that this bill would outlaw all billboards on the new highway system. I personally have never favored any such drastic approach. The following exchange of correspondence with Mr. Addison Mueller, president of the Mid-City Lumber Co., Milwaukee, Wis., explains my position.

On March 21, Mr. Mueller wrote me as follows:

DEAR REPRESENTATIVE REUSS: We, as a Wisconsin business organization, are writing to ask you not to support legislation designed to ban absolutely all billboard advertising along Federal highways. Not only is this form of advertising important to us and to businessmen like us, but the billboard and general advertising industry depending on this medium is an important part of our State's commercial pattern.

There is certainly room for regulation of billboard advertising, and we will not dispute the fact that indiscriminate hodgepodges of billboards along the highways are both unattractive and annoying. On the other hand, well-designed and well-constructed billboards properly placed along our highways provide both interest and information to travelers on such roads.

May we call your attention to a recent editorial in Life magazine entitled "Green Tunnel versus Billboard Jungle"? The point made in that editorial is that a highway completely without billboards and buildings is not only uninteresting but also dangerous in that its monotony tends to make drivers sleepy and inattentive. We ask that you give careful consideration to this point of view.

Very truly yours,

A. MUELLER.

To this letter I replied:

DEAR MR. MUELLER: I thoroughly agree with you that an absolute ban on billboard advertising along Federal highways is unnecessary, and I have opposed such a ban. At the same time, I do think that some control of billboards in the interest of scenic beauty is necessary, and my bill, H. R. 4593, is aimed to accomplish just this result. The enclosed description of my bill spells out exactly what it does.

Sincerely,

HENRY S. REUSS,
Member of Congress.

On March 28 Mr. Mueller acknowledged my letter as follows:

DEAR MR. REUSS: Thank you for responding with something other than doubletalk to my recent letter expressing my opposition to legislation designed to ban all billboard advertising along Federal highways. Your bill (H. R. 4593) providing for regulation without destruction of this important element of modern business operation strikes me as the sensible solution to the problem.

Very truly yours,

A. MUELLER.

Mr. Speaker, I am completely convinced that outdoor advertising can and does serve a useful function in our economy. I am equally convinced, however, that the preservation of the natural beauty of the American countryside is of the utmost importance to the health and happiness of all of us. Today's outdoor advertising needs reasonable regulation in the public interest lest the time come when Carl Sandburg's words in The People, Yes—1936—become prophetically true:

Desecrate the landscape with your billboards, gentlemen,
Let no green valleys meet the beholder's eye without
Your announcements of gas, oil, beans, soup, whisky, beer,
Your proclamations of shaving cream, toothpaste, pills, tonics,
On the rocks and rugged hills, along clear streams and pastures.
Set up your billboard brag and swagger, your raucous yells.
Desecrate the landscape, gentlemen, go to it, hit 'em in the eye.
Sell 'em. Make 'em eat it. Sell 'em the names, the idea, the habit.
If a rock stands proud and grand anywhere sling your signs up on it.

H. R. 4593, it seems to me, is a sound and sensible approach to a system of regulation which will both permit advertising in those areas where it does not interfere with the enjoyment of natural beauty, and also will preserve unspoiled for all to see our God-given heritage of fields, forests, streams, and mountains.

THE LATE HONORABLE SEYMOUR H. PERSON

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I rise to inform the House of the death of one of my predecessors, a distinguished lawyer and citizen, a commendable public servant, and a personal friend, former Representative from the Sixth Congressional District of Michigan, the late Honorable Seymour H. Person.

Mr. Person served in the 72d Congress during the event years, 1931 and 1932. His life and career spanned two of the most momentous generations of our Nation's history.

Mr. Person was born in Howell Township of Michigan's Livingston County in 1879. After studying law at the University of Michigan, he began practice in the city of Lansing in the year 1901.

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Though he served only one term in Congress, Mr. Person's interest in public affairs did not slacken. He remained active, even continuing his legal practice until just last month.

Mr. Speaker, I will long remember Mr. Person's kindness to me at a time when I was just beginning the practice of law. It happens that my law firm now occupies the offices which he vacated just a few years ago. As an attorney, as a citizen of Lansing and Michigan, and as a Member of this Congress, I find the distinguished career of the late Honorable Seymour H. Person has made a lasting impression far beyond the limits of the community where he lived.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. CHAMBERLAIN. I yield.

Mr. MARTIN. I would like to join with the gentleman from Michigan in expressing my deep sorrow at the death of Mr. Person. He was a man who made a deep impression upon all of us in the 2 years of his service here—a lawyer of outstanding ability; a great American who had but one objective, to serve his country well.

Mr. CHAMBERLAIN. I thank the gentleman from Massachusetts for his kind remarks.

Mr. MARTIN. His State and the Nation are poorer for his having passed away.

WALL STREET PROPOSALS FOR SMALL BUSINESS FINANCING

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

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Mr. PATMAN. Mr. Speaker, occasionally, some Wall Streeter comes forward with a proposal which we have reason to applaud. Such proposal was made yesterday by Mr. Edward T. McCormick, who is president of the American Stock Exchange.

In a speech here yesterday, Mr. McCormick pointed to small businesses' chronic and difficult problem of obtaining financing; and he made a proposal whereby Wall Street bankers can help in solving this problem. He pointed out—and quite correctly—that:

The problem is not new but appears to be even more pressing now.

Then he added:

While the Federal Government has given long and serious consideration to it, leaders of the securities business also have a serious responsibility to seek some practical answers.

Mr. McCormick's proposal is that the leading investment banking houses in Wall Street organize a special committee to study the problem of small business financing, and to set up a group of experienced men to advise small companies on specific financing problems. This will lead, as he sees it, to a greater participation by the investment houses in supplying equity capital for small firms. Furthermore, Mr. McCormick declared that his exchange, which as I have said is the American Stock Exchange, stands ready to assist such a program in every way.

SMALL BUSINESS COMMITTEE IS READY TO HELP

I believe that most of the Members already know that, as for my part, I do not have too much sympathy for Wall Street bankers. Their proposals are too often bad for the public interest than good for the public interest. But believing in the principle of giving the Devil his due, I must say that this is a constructive proposal and a step in the right direction.

Your Small Business Committee is sharing in the concern that most Members of the House have felt over the small business financing problem. And, as the Members know, the Small Business Committee is devoting its primary attention to a study of this problem, in the hope that we can find some new and acceptable proposals which will help to solve this problem. I believe that as chairman of the Small Business Committee, I can speak for the committee in saying that the House Small Business Committee also stands ready to assist in any way in such a program as Mr. McCormick proposes.

FINANCING STUDY PROPOSED

This is just the kind of thing that we have been hoping for. When I described to the House Administration Committee, on February 5, the small business financing study which we proposed to undertake, I particularly emphasized the point that the study would be directed toward friendly cooperation with the private financial institutions. In my statement to the House Administration Committee I said:

What we want to do is find out just what the problem is, and see if we can't make some constructive suggestions. We want to get the cooperation of the banks and insurance companies. It may be that with this kind of approach the leaders in the banking and insurance fields will come forward with some new suggestions which will solve the problem.

BOTH CREDIT AND EQUITY CAPITAL ARE NEEDED

Mr. McCormick's proposal is concerned solely with equity capital for small business, as contrasted to credit.

He said:

When I say funds I mean equity and not debt, for debt could prove to be the death knell of many of these companies in the event of an unforeseen recession in their business. What these companies need is equity partners to share not only their risks of loss, but also the prospects of gain and their ambitious plans for the future should materialize.

This gentleman is correct in emphasizing the need for equity capital, although I would prefer a somewhat different phrasing of this statement. Certainly, the kind of capital small business finds most difficult to obtain is equity capital. As we all know, the gap in equity capital for small business is even greater than the credit gap. But there is a credit gap too. I would prefer then to state the matter this way: there is a tremendous gap between small businesses' legitimate need for credit and the credit available for small business, but there is an even greater gap in the equity funds available for small business.

Consequently, I hope that our committee's study will help stimulate thinking on the part of private credit institutions and perhaps cause them to come forward with some new and more adequate mechanism for providing small business credit as well as more adequate equity financing. Business institutions and business methods are not, of course, frozen into any rigid and permanent pattern. On the contrary, these are always taking new forms, with new forms of business and new methods of business adapting themselves to the needs and profit opportunities of the times. Surely, there is a large need and a large legitimate profit opportunity in supplying more private credit to small business. And adequate private credit for small industrial and commercial firms is, of course, the only final and permanent solution to the problem.

CHANGES IN FEDERAL POLICY HAVE ADDED TO THE PROBLEM

Furthermore, we have a special obligation to try to help speed up the development of new, private financing services for small business. The recent changes in Federal policy toward assisting small business financing have created much of the present gap, and have rendered the problems of small business most acute. As I pointed out when we debated the extension bill for the Export-Import Bank, on April 9, Federal

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standards be originated and promulgated by government at the State and local level:

Be it

Resolved, That the Milwaukee County Industrial Union Council, AFL–CIO, join the national AFL–CIO in opposing such legislation.

Another lady writes me intimating that some people in Wisconsin must in some way profit from this legislation:

ERIE, PA., *March 12, 1957*.

DEAR SIR: Feel it is my duty to write you of a menace on the highway far greater than billboards, strung side by side, clear across the country: The drunken driver. Every taxpayer pays you a salary to work in the interests of all of us, not just a few. Far more unpleasant to see on the highway are human beings dying, unconscious, or dead. Ned Dearborn, National Safety Council, would willingly give you statistics that would convince you of the desperate need.

My sister, who worked her way up with an outdoor advertising company, stands to lose her job if you are successful. She is now 50 years old. Where would she, or thousands like her, get jobs that would pay as well, or jobs at all? How many people in Wisconsin profit from your efforts, eliminating billboards?

Hungarians of doubtful background can come here, guaranteed good jobs for 5 years, get housing and food, college educations, no taxes, while our own people who foot the bill get no consideration whatever. Get hep, mister.

MRS. W. R. DAVIS.

BILLBOARDS A SAFETY FACTOR

I am told also that advertising signs are a factor in promoting highway safety:

MILWAUKEE, WIS., *February 13, 1957*.

Hon. HENRY REUSS,
House of Representatives,
Washington, D. C.

DEAR SIR: It has been brought to my attention that two bills, one H. R. 3977 and the other S. 963, are now pending in both Houses. This local has voiced its disapproval of such legislation by adopting a resolution, copy of which is enclosed.

The attitude that all outdoor advertising is bad is a ruthless discrimination against an industry that employs many of our members. Police and sheriffs' departments all over the country, I am sure will testify that good billboard advertising has served to prevent road hypnosis that sometimes occurs on long and straight highways.

Sincerely yours,

NORMAN SIMON,
President, Local No. 7, Amalgamated Lithographers of America.

BILLBOARDS A WELCOME RELIEF FROM MONOTONY OF GREAT OUTDOORS

One correspondent argues further that highway signs are positively attractive:

MILWAUKEE, WIS., *February 26, 1957*.

Congressman HENRY REUSS,
Washington, D. C.

DEAR SIR: Why such a hubbub about signs on highways? Surely there must be something more urgent than that to take up your time.

I am just one of the road-riding public. I want to express my views as to how these signs affect me. First there is a definite safety factor in favor of signs. It has been proven that having your eyes glued to the road causes fatigue and boredom. I, for one, welcome the road signs that appear. They are never in bad taste—the advertisers have more sense than to offend their customers—and mostly they are humorous or colorful and oftentimes religious. They are a welcome, very welcome relief from all the green and from the positive monotony of a long trip.

Signs on a highway are no worse than railroad tracks, or sloppy farmyards, or junk yards or other unsightly areas. In fact, they are all designed by top flight artists and are good to look at.

In a city, I would prefer signs anytime to slums or factories or used car lots.

So, why all the hubbub?

Very truly yours,

MRS. WILLARD SCHROEDER.

My own feeling is that those who oppose H. R. 4593 do so out of a mistaken impression that this bill would outlaw all billboards on the new highway system. I personally have never favored any such drastic approach. The following exchange of correspondence with Mr. Addison Mueller, president of the Mid-City Lumber Co., Milwaukee, Wis., explains my position.

On March 21, Mr. Mueller wrote me as follows:

DEAR REPRESENTATIVE REUSS: We, as a Wisconsin business organization, are writing to ask you not to support legislation designed to ban absolutely all billboard advertising along Federal highways. Not only is this form of advertising important to us and to businessmen like us, but the billboard and general advertising industry depending on this medium is an important part of our State's commercial pattern.

There is certainly room for regulation of billboard advertising, and we will not dispute the fact that indiscriminate hodgepodges of billboards along the highways are both unattractive and annoying. On the other hand, well-designed and well-constructed billboards properly placed along our highways provide both interest and information to travelers on such roads.

May we call your attention to a recent editorial in Life magazine entitled "Green Tunnel versus Billboard Jungle"? The point made in that editorial is that a highway completely without billboards and buildings is not only uninteresting but also dangerous in that its monotony tends to make drivers sleepy and inattentive. We ask that you give careful consideration to this point of view.

Very truly yours,

A. MUELLER.

To this letter I replied:

DEAR MR. MUELLER: I thoroughly agree with you that an absolute ban on billboard advertising along Federal highways is unnecessary, and I have opposed such a ban. At the same time, I do think that some control of billboards in the interest of scenic beauty is necessary, and my bill, H. R. 4593, is aimed to accomplish just this result. The enclosed description of my bill spells out exactly what it does.

Sincerely,

HENRY S. REUSS,
Member of Congress.

On March 28 Mr. Mueller acknowledged my letter as follows:

DEAR MR. REUSS: Thank you for responding with something other than doubletalk to my recent letter expressing my opposition to legislation designed to ban all billboard advertising along Federal highways. Your bill (H. R. 4593) providing for regulation without destruction of this important element of modern business operation strikes me as the sensible solution to the problem.

Very truly yours,

A. MUELLER.

Mr. Speaker, I am completely convinced that outdoor advertising can and does serve a useful function in our economy. I am equally convinced, however, that the preservation of the natural beauty of the American countryside is of the utmost importance to the health and happiness of all of us. Today's outdoor advertising needs reasonable regulation in the public interest lest the time come when Carl Sandburg's words in The People, Yes—1936—become prophetically true:

Desecrate the landscape with your billboards, gentlemen,
Let no green valleys meet the beholder's eye without
Your announcements of gas, oil, beans, soup, whisky, beer,
Your proclamations of shaving cream, toothpaste, pills, tonics,
On the rocks and rugged hills, along clear streams and pastures.
Set up your billboard brag and swagger, your raucous yells.
Desecrate the landscape, gentlemen, go to it, hit 'em in the eye.
Sell 'em. Make 'em eat it. Sell 'em the names, the idea, the habit.
If a rock stands proud and grand anywhere sling your signs up on it.

H. R. 4593, it seems to me, is a sound and sensible approach to a system of regulation which will both permit advertising in those areas where it does not interfere with the enjoyment of natural beauty, and also will preserve unspoiled for all to see our God-given heritage of fields, forests, streams, and mountains.

THE LATE HONORABLE SEYMOUR H. PERSON

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I rise to inform the House of the death of one of my predecessors, a distinguished lawyer and citizen, a commendable public servant, and a personal friend, former Representative from the Sixth Congressional District of Michigan, the late Honorable Seymour H. Person.

Mr. Person served in the 72d Congress during the event years, 1931 and 1932. His life and career spanned two of the most momentous generations of our Nation's history.

Mr. Person was born in Howell Township of Michigan's Livingston County in 1879. After studying law at the University of Michigan, he began practice in the city of Lansing in the year 1901.

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CHANGES IN FEDERAL POLICY HAVE ADDED TO THE PROBLEM

Furthermore, we have a special obligation to try to help speed up the development of new, private financing services for small business. The recent changes in Federal policy toward assisting small business financing have created much of the present gap, and have rendered the problems of small business most acute. As I pointed out when we debated the extension bill for the Export-Import Bank, on April 9, Federal

lending to foreign governments, and to nationals of foreign governments, has been greatly enlarged over the past 3 or 4 years. For making loans abroad, we now have the World Bank, the International Finance Corporation, and the Export-Import Bank. The lending activities of these agencies are, furthermore, in addition to the activities of the International Cooperation Administration, which makes gifts of money abroad.

To take only one example of how foreign lending has been expanded, I might remind the Members that in August of 1954, on the recommendation of the administration, Congress passed Public Law 570, which increased the Export-Import Bank's lending authority by tenfold. This bank, which is financed entirely with Federal funds, had its lending authority increased from $500 million to a total of $5 billion.

MISTAKE TO ABOLISH RFC

Yet during the same period when foreign lending has been expanding, the only Federal agency for lending to small and independent business in the United States was eliminated. The RFC, which had supplied a very large part of the otherwise unmet credit needs of small and independent business firms, was abolished in 1953. And in place of this beacon light, small business has been given the merest candle flame, the Small Business Administration. In more than 3 years of operations, through December 31 of last year, the SBA had approved business loans committing only $236 million of Federal funds. The RFC lent more than this to small and independent business firms each year in the last 7 years of its operations.

As compared to Federal lending abroad, furthermore, SBA has lent about one-twentieth as much as the Export-Import Bank has lent and about one-sixteenth as much as the World Bank has lent, in the same period of operations.

NO HOPE FOR FEDERAL ASSISTANCE

Certainly the amount of SBA's lending to small business firms has been almost invisible. This is not, I think, because Congress would have been unwilling to appropriate adequate funds. Rather, it is because the administration has been unwilling to assist small business. The SBA requests for funds have been inadequate. More than that, the SBA has consistently waited until its available loan funds were exhausted, before asking for more funds, knowing full well that its lending activities would be suspended during the time Congress is considering and acting on a new appropriation bill.

Behind all this, there appears to be a determined belief in the administration that there are no legitimate credit needs which small business cannot satisfy from private sources. In July of 1955, Secretary of the Treasury Humphrey was before the House Banking Committee, proposing another new agency for lending abroad, the International Finance Corporation, which we approved. I asked him then about credit assistance for small business, and he made it plain that he sees no need for such assistance. He said—and I quote:

> There is plenty of money available in this country for any project with the right kind of management (House Committee on Banking and Currency: Hearings on H. R. 6228, p. 10, 84th Cong., 1st sess., July 11 and 15, 1955).

I tried to reason with him about this and show him where he was wrong, and again he said—and I quote:

> I personally think that there isn't any place in this country where, if there is a legitimate opportunity to do business and make money at it, with good management, that you can't get money together to go into that place and do business (same hearings, p. 12).

Thus it seems clear that we cannot hope for any real Federal assistance to small business. The RFC was greatly disliked by big business. And the reasons are simple. The RFC lent to small and independent businesses in the United States, and these created competition for the big corporations. As our population increased, and our productivity increased, and the markets became larger, these new small firms grew and shared in the larger markets. This was displeasing to the big corporations. They wanted less competition and they wanted to control larger and larger shares of the market. And they wanted a greater stranglehold on the means of production.

Loans made abroad stand in a different light. These loans are made for the purchase of industrial goods and equipment which big corporations manufacture. If you will examine the kinds of equipment being purchased in this country as a result of the World Bank, the Export-Import Bank, and the IFC loans, you will find that this equipment is being supplied by the big corporations. In short, these loans abroad simply expand the big corporations' sales, and aside from foreign nationals who benefit from the loans, it is the big United States corporations who are the principal beneficiaries.

In pointing out these matters, I am not, of course, arguing for the elimination of the World Bank, the Export-Import Bank, or the International Finance Corporation. I am simply pointing out the reasons for the sharp contrast in the Federal policies toward lending abroad and toward small business in the United States. And in pointing out these reasons, I believe I support the conclusion that the work of the committee's economists, toward helping small business, must be directed at encouraging the creation of new, private, and voluntary organizations to finance small business.

SMALL BUSINESS FINANCE STUDY NEEDS COOPERATION OF FINANCIAL INSTITUTIONS

The Export-Import Bank has already engaged in a program to stimulate private participation in foreign lending. On March 19, the Honorable Samuel C. Waugh, who is President and Chairman of the Board of Directors of the Export-Import Bank, described this program to the House Banking Committee. He said that during 1956 the bank's directors and staff members visited most of the 12 Federal Reserve districts, to educate private banks and exporters in the program. And he further said that the Federal Reserve System had lent full assistance in arranging the meetings and had extended use of the facilities of the system for this purpose. In addition, Mr. Waugh explained that the Export-Import Bank is now "exploring the life insurance investment area as a potential source of investment capital, as well as the opportunities which may exist to secure private participation from pension and endowment funds and other private sources of capital."

We are hoping, of course, that the Federal Reserve System will be equally as cooperative and helpful to the Small Business Committee in its investigation of small business financing problems. We are hoping also that the insurance companies and the other financial institutions will also actively participate in the committee's study. I believe that if we can get the facts on just what the problems are, and make these available for the consideration of everyone concerned, then constructive proposals for solving the problems will be forthcoming, and private, voluntary actions to solve these problems will follow.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. KEATING for the period from April 8 to 19, inclusive, on account of official business as delegate to Intergovernmental Committee on European Migration meeting at Geneva, Switzerland.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. O'HARA of Illinois for 10 minutes today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FORRESTER.
Mr. O'BRIEN of New York.
Mr. SILER.
Mr. PATTERSON
Mr. JOHANSEN (at the request of Mr. TEAGUE of California) and to include extraneous matter.
Mr. McCORMACK and to include extraneous matter.
Mr. SANTANGELO and to include extraneous matter.

Mr. MILLER of California.
Mr. SCOTT of Pennsylvania.
Mr. FARBSTEIN.

ADJOURNMENT

Mr. O'HARA of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 32 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, April 15, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

727. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1958 involving a reduction in the amount of $254 million for the Department of Agriculture (H. Doc. No. 149); to the Committee on Appropriations and ordered to be printed.

728. A letter from the Acting Secretary of the Interior, transmitting the Annual Report of the Activities of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year January 1 through December 31, 1956, pursuant to the Federal Coal Mine Safety Act (66 Stat. 692; 30 U. S. C., secs. 451–463); to the Committee on Education and Labor.

729. A letter from the Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

730. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend the provisions of the Public Health Service Act relating to grants for construction of research facilities so as to increase their duration from 3 to 5 years and to authorize grants for medical and dental teaching facilities"; to the Committee on Interstate and Foreign Commerce.

731. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to fix the fees payable to the Patent Office, and for other purposes"; to the Committee on the Judiciary.

732. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to extend the unemployment compensation program to Puerto Rico, and for other purposes"; to the Committee on Ways and Means.

733. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

734. A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to extend and improve the unemployment compensation program"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASHMORE: Committee on House Administration. House Resolution 230. Resolution declaring that an unsigned paper is not a proper instrument with which notice could be given to contest the seat of the returned Member from the Sixth Congressional District of the State of Iowa to the 85th Congress as required by the Revised Statutes of the United States, title II, chapter 8, section 105; without amendment (Rept. No. 343). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Resolution 199. Resolution authorizing the printing of additional copies of the Synopsis of Benefits Available to Veterans and Their Dependents for use of the Committee on Veterans' Affairs; with amendment (Rept. No. 344). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. Senate Concurrent Resolution 13. Concurrent resolution to provide for the printing of additional copies of hearings held by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary; without amendment (Rept. No. 345). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 219. Resolution authorizing the employment of one additional mail clerk, Office of the Postmaster of the House; without amendment (Rept. No. 346). Ordered to be printed.

Mr. BURLESON: Committee on House Administration. House Rerolution 191. Resolution to amend House Resolution 152, 85th Congress, agreed to February 7, 1957; without amendment (Rept. No. 347). Ordered to be printed.

Mr. BLATNIK: Committee on Public Works. H. R. 3996. A bill to authorize the utilization of a limited amount of storage space in Lake Texoma for the purpose of water supply for the city of Sherman, Tex.; with amendment (Rept. No. 348). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 4193. A bill to amend section 1716 of title 18, United States Code, so as to conform to the act of July 14, 1956 (70 Stat. 538–540); without amendment (Rept. No. 349). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H. R. 6826. A bill to provide that certain lands shall be held in trust for the Rosebud Sioux Tribe in South Dakota; to the Committee on Interior and Insular Affairs.

H. R. 6827. A bill to provide that certain lands shall be held in trust for the Standing Rock Sioux Tribe in North Dakota and South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. CARRIGG:

H. R. 6828. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H. R. 6829. A bill granting to persons in the classified (competitive) civil service the right to a hearing before removal or suspension, and the right to a judicial review of a removal or suspension; to the Committee on Post Office and Civil Service.

By Mr. FRELINGHUYSEN:

H. R. 6830. A bill to establish a commission to study problems arising in connection with the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H. R. 6831. A bill to amend the public-assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Ways and Means.

H. R. 6832. A bill to provide for Government contribution toward personal health service benefits for civilian officers and employees in the United States service and their dependents, to authorize payroll deductions for participants, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H. R. 6833. A bill to authorize loans for the construction of hospitals and other facilities under title VI of the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDDLESTON:

H. R. 6834. A bill to amend section 42 (a) of title 18, United States Code, to prohibit the importation into the United States of the piranha fish and certain other birds and animals designated by the Secretary of the Interior; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H. R. 6835. A bill to extend the Poliomyelitis Vaccination Assistance Act of 1955 until June 30, 1958, with certain amendments; to the Committee on Interstate and Foreign Commerce.

By Mr. JUDD:

H. R. 6836. A bill to amend the Internal Revenue Code of 1954 to provide that the tax on admissions shall not apply in the case of admissions to an athletic game or exhibition if the proceeds therefrom inure exclusively to the benefit of a charitable organization of institution; to the Committee on Ways and Means.

H. R. 6837. A bill relating to the computation of income for purposes of non-service-connected pension benefits payable to certain veterans; to the Committee on Veterans' Affairs.

By Mr. KILDAY:

H. R. 6838. A bill to increase the number of Regular officers of the Navy who may be appointed for limited duty only, and for other purposes; to the Committee on Armed Services.

By Mrs. KNUTSON:

H. R. 6839. A bill to establish a program of loans and technical assistance to farmer owned and controlled marketing, processing and storing business concerns, and for other purposes; to the Committee on Agriculture.

H. R. 6840. A bill to provide a special supplemental program of direct assistance of primary benefits to extremely low income family farms, and for other purposes; to the Committee on Agriculture.

H. R. 6841. A bill to provide full parity family farm income protection and price supports and for other purposes; to the Committee on Agriculture.

By Mr. McGOVERN:

H. R. 6842. A bill to provide for financial aid in industrialization of underdeveloped areas, and for other purposes; to the Committee on Banking and Currency.

H. R. 6843. A bill to amend the Internal Revenue Code of 1954 so as to permit certain corporations to elect to be taxed as partnerships; to the Committee on Ways and Means.

H. R. 6844. A bill to amend the Internal Revenue Code of 1954 so as to impose a graduated tax on the taxable income of corporations; to the Committee on Ways and Means.

H. R. 6845. A bill to amend the Internal Revenue Code of 1954 so as to permit the

payment of the estate tax in installments; to the Committee on Ways and Means.

H. R. 6846. A bill to amend the Internal Revenue Code of 1954 so as to permit the proprietor of an unincorporated business to be treated as an employee under a qualified pension, profit-sharing, or stock bonus plan; to the Committee on Ways and Means.

H. R. 6847. A bill to amend section 167 of the Internal Revenue Code of 1954 so as to permit the use of certain methods and rates of depreciation for used property acquired after 1954; to the Committee on Ways and Means.

By Mr. MORANO:

H. R. 6848. A bill to provide for the admission into the United States of 50,000 Hungarian escapees; to the Committee on the Judiciary.

By Mr. PORTER:

H. R. 6849. A bill to amend the Internal Revenue Code of 1954 to provide that no documentary stamp tax shall be imposed with respect to conveyances to which a State or political subdivision thereof is a party; to the Committee on Ways and Means.

By Mr. SISK:

H. R. 6850. A bill to adjust the tax rates on light sparkling wines in relation to those imposed on other wines; to the Committee on Ways and Means.

By Mr. TELLER:

H. R. 6851. A bill to amend title II of the Social Security Act to eliminate the provisions which would reduce an individual's disability insurance benefits (or child's insurance benefits based on disability) because of other periodic benefits to which he is entitled; to the Committee on Ways and Means.

By Mr. ABERNETHY:

H. R. 6852. A bill to extend the death benefits of the Federal Employees' Compensation Act to the dependents of certain Reserve members of the Navy, Marine Corps, and Coast Guard; to the Committee on Education and Labor.

By Mr. BURNS of Hawaii:

H. R. 6853. A bill to provide and adjust certain allowances, expenses, and other fringe employment benefits for certain Government employees stationed overseas, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRETELLA:

H. R. 6854. A bill to amend the Federal Firearms Act; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 6855. A bill to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEAN:

H. R. 6856. A bill to extend and improve the unemployment compensation program; to the Committee on Ways and Means.

By Mr. OSMERS:

H. R. 6857. A bill to amend the Labor Management Relations Act, 1947, as amended; to the Committee on Education and Labor.

By Mr. SANTANGELO:

H. R. 6858. A bill to amend the United States Housing Act of 1937 to provide relocation payments to individuals, families, and business concerns displaced by low-rent housing projects; to the Committee on Banking and Currency.

By Mr. SIMPSON of Pennsylvania:

H. R. 6859. A bill to reduce individual and corporate income taxes by 5 percent, to reduce the alternative tax on net long-term capital gains to 12½ percent, and to increase from $600 to $650 the personal income-tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. McGOVERN:

H. Con. Res. 160. Concurrent resolution relative to raising the standard of living of the American Indian; to the Committee on Interior and Insular Affairs.

By Mr. WIER:

H. Con. Res. 161. Concurrent resolution relative to a definition of the phrase "peace-loving state," in the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. HIESTAND:

H. Con. Res. 162. Concurrent resolution establishing a joint committee to investigate and study the advisability of making labor organizations subject to the antitrust laws; to the Committee on Rules.

By Mr. MAILLIARD:

H. Res. 231. Resolution to create a select committee to conduct an investigation and study of the existing and probable future mass transportation problems in the large metropolitan areas of the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. PRICE: Memorial of the State of Illinois 70th General Assembly that the Senate and House of Representatives of the United States give favorable consideration to the passage of area redevelopment programs which would provide aid and assistance to depressed areas through the development of natural resources; to the Committee on Banking and Currency.

By Mr. MARSHALL: Memorial of the Senate of the State of Minnesota urging legislation to improve economic conditions for family-sized, owner-operated farms; to the Committee on Agriculture.

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States relative to family farms and agriculture; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALGER:

H. R. 6860. A bill for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. R. 6861. A bill for the relief of Graziella Spadini Nasca; to the Committee on the Judiciary.

By Mr. BRAY:

H. R. 6862. A bill for the relief of Nikki Dorothea Hashimoto Godsey and Juliet Lynn Matsuda Godsey; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H. R. 6863. A bill for the relief of Alvin Ergin (Ahmet Hamdi Ergin); to the Committee on the Judiciary.

By Mr. BYRNE of Illinois:

H. R. 6864. A bill for the relief of Rufus Benjamin Campbell; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H. R. 6865. A bill for the relief of Barbara T. B. Kucsek; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H. R. 6866. A bill for the relief of Mrs. Catherine I. Goughan; to the Committee on the Judiciary.

By Mr. McFALL:

H. R. 6867. A bill for the relief of Claudio Dias Torres; to the Committee on the Judiciary.

By Mr. PILCHER:

H. R. 6868. A bill for the relief of Agnes Moulton Cannon; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6869. A bill for the relief of Roberto Garcia-Marquez; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Fort Benning, Ga.

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. MILLER of California. Mr. Speaker, it was my good fortune, and that of many of my colleagues in the House and the Senate, to be guests of the Army at Fort Benning, Ga., on April 5 and 6. I wish to express my appreciation for the invitation to the Honorable Wilber Brucker, able Secretary of the Army, and to his legislative liaison chief, Maj. Gen. J. H. Michaelis.

I would also acknowledge the commendable leadership displayed at this vast infantry center and school which the Army has entrusted to the command of Maj. Gen. Herbert B. Powell, the commandant, and his assistants, Brig. Gen. R. L. Cook and Brig. Gen. J. V. Thompson. It is noteworthy that the inspiring example set by these senior officers has obviously made its mark on the junior officers and noncommissioned officers of the Infantry at Fort Benning.

As many of us know, the Infantry's traditional motto is "Follow me," that is to say, follow the leader up front. This one thought, development of leaders whom men will follow in ground and airborne combat, is the constant overriding theme of every action at Fort Benning. You see it everywhere you turn. Emblazoned on insignia, signs, literature is the call to "Follow me." In a world of shifting standards, the Infantry tells the world that it has this one unvarying rule today as it has had from time immemorial.

The weapons and machines of modern warfare, although wondrous to see, are as nothing compared to the display of leadership at all levels of Infantry organization. The Infantry leaders realize all too well the sacrifices that the Queen of Battles makes upon our youth in ground combat. There is no other time when personal courage, example, and determination are at the premium

required in an infantry attack, or if necessary, to stand and fight in the defense. Our young soldiers and paratroopers constantly look to their leaders, along side them in battle and sharing it all, and the old cry comes back clear and strong, "Follow me."

We Members of Congress saw leadership again at its best at Fort Benning last week. For those of us who may have forgotten, we were reminded of this indispensable quality. Let none tamper with it. For it is the infantryman with his bayonet who is given the task of making the final decisive blow, the defeat of the enemy in battle. The infantryman pays the greatest price in casualties and fights under the most incredibly severe conditions of weather and emotional strain. The infantryman has the place of honor. The infantryman leads while he others follow. He deserves to be well led.

As General Powell so well told us there at the old home of all Infantry everywhere:

It is this man, the infantryman, and this man alone, as a most important member of our military team, who ultimately determines the final outcome of war. Upon his courage, determination, leadership, and training rests the future of the United States. In the age of the airplane and atomic weapons, the infantryman has countered every development by devising new tactics and techniques to meet the changing methods of warfare. The infantryman has maintained his decisive position in war by creative and progressive thinking, and this has never been more true than it is today.

The Nice Guy Club

EXTENSION OF REMARKS

OF

HON. LEO W. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. O'BRIEN of New York. Mr. Speaker, recently I attended a dinner in my district which could well serve as a pattern for other parts of the Nation. It was in honor of a group of considerate people or what might be described in the vernacular as "nice guys."

Thirteen years ago, an Albany attorney, Mr. Hyman Rosenblum, looked about him and noted that at every school graduation prizes are handed out to the learned among the young graduates. While applauding such awards, he thought it would be a good idea to have a prize for the young man or woman who was most considerate of the feelings and property of others. He has given such an award annually, to young people in the graduating classes of three area schools.

Mr. Rosenblum does more than that. He gives an annual dinner, to be continued after his death under terms of his will, at which tribute is made to each of the past winners of the "nice guy" awards.

There were many distinguished persons at the recent dinner, including the State commissioner of education. It was a heartwarming experience to learn that sheer goodness is sometimes applauded in this era of conflict and tensions.

I believe we should do more than pay isolated honor to the nice people among us. I think we should make greater use of their warmth and talents in such important spheres as our foreign service and government generally.

Mr. Rosenblum deserves great credit for what he has undertaken, but I am sure he would be more than rewarded if his worthy idea was followed throughout the Nation.

Leadership Under Truman and Ike

EXTENSION OF REMARKS

OF

HON. EUGENE SILER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. SILER. Mr. Speaker, we have noticed in recent press reports statements of former President Harry S Truman that forces of communism have been advancing in the Middle East and Far East and that free nations have been beset by differences and doubts. Then he went on to place the blame for this so-called advancing communism and alleged doubt among free nations on what he termed a "lack of leadership in the State Department and the White House." He further stated that our Government had lost both confidence and respect among the people of the world.

Now, Mr. Truman did not back up his bold and baseless assertions with any facts and figures, so far as I know. He merely told the Kansas Democratic Club, which, of course, wanted to hear such nonsense, that here are some of my partisan conclusions and you may start your Fair Deal applause when you get all set and ready to begin.

But there are some real honest-to-goodness facts, as recorded in history, for us to examine and then remember after all the tumult and the shouting has faded out and left only the everlasting truth to be our shield and buckler.

ROOSEVELT-ACHESON-TRUMAN REGIME

In this late lamented regime, communism did its great and notorious advancing both at home and abroad. In every conference that was held it seems that we got a piece of paper and the Communists got a piece of territory. The Yalta Conference, for instance, was a catastrophe for our country and the free world. Alger Hiss, the convicted Communist who was upheld by Secretary Acheson, even as the dark shadows of guilt overwhelmed his integrity and patriotism, had access to the secret briefing papers used by our side during that conference. The decisions at Yalta paved the way for communizing Poland and for the Communist conquest of China. The Yalta deal contributed in two ways to the Communist victory in China, for it turned over to the Russians the all-important Manchurian Railway and the warm-water ports and recognized Outer Mongolia as a satellite state. And so, Communist China emerged and Nationalist China and Chiang Kai-shek became only symbols of a free China after the Yalta Conference.

It should also be remembered that the Harry Dexter White incident emerged out of publication of those Yalta papers. He, you recall, wanted our country to loan Russia four billions more than even Stalin himself wanted and this same White wanted the interest rate to be only 2 percent, although Russia had offered to pay 2¾ percent, and the same White wanted the loan to run 35 years, although Russia only wanted 30 years for repayment.

What a leadership, Mr. Truman, under Harry Dexter White and Alger Hiss.

What a communistic bonanza, Mr. Truman, with assists for communism in Poland and China and that extra $4 billion offered Russia but not even asked by Stalin himself during the Roosevelt-Acheson-Truman regime.

EISENHOWER-DULLES REGIME

Now in this present Eisenhower-Dulles regime, we have clearly seen a termination of communism's advance in Korea and in other places of the Far East. And we have seen a positive deterioration of Russian influence in Poland, Hungary, and the Middle East, the free people of the world having had our continual and effective encouragement every single day of the present administration.

Over 2,000 people with bad-risk files against them have been turned out of Government jobs and stopped from receiving tax-paid salaries during this present regime.

Vice President NIXON, before ascending to that office, conducted the investigation on Alger Hiss and he went to jail.

And so, for more than 4 years we have been running along pretty smoothly sans Hiss, sans White, sans 2,000 security risks, and the forces of communism have been stopped or deterred on every front and all along the line throughout the earth.

The truth shall be our shield and buckler.

Mr. Truman, what do you say about the facts? How about the Roosevelt-Acheson-Truman leadership against the communistic forces you mentioned? And how about the Eisenhower-Dulles leadership against the same evil?

The truth shall be our shield and buckler.

Forced Relocation Compensated

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. SANTANGELO. Mr. Speaker, I have this day introduced a bill to provide that business concerns which are displaced by low-rent housing projects shall be compensated for the cost of relocation, together with a percentage of the loss of good will caused by their forced relocation.

It has been brought to my attention that many small businesses have been completely destroyed and uprooted by the construction of public housing projects. Inadequate provision had been made for their relocation in the area and no provision has been made for the loss of businesses which have endured for many years. Communities have been changed and people thrown to the winds.

Recent editorials have demonstrated the impact of housing projects on small-business concerns and the hardships which small owners have been compelled to undergo because of forced evictions. Urban relocation programs provide for compensation to these small-business men who have been displaced involuntarily. A decent respect for the problems of the small-business man compels reimbursement in part to these people who through no desire or voluntary conduct on their part have been uprooted and cast aside.

My bill provides that in addition to the direct property losses sustained by small-business men that these uprooted businesses shall be compensated for their moving expenses and 1 percent of the average of the past 2 years' gross business. In this wise, the hardships will be softened and justice will be done.

The Patriotic Spirit of Naugatuck's Crusader Post, No. 1946, VFW

EXTENSION OF REMARKS

OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. PATTERSON. Mr. Speaker and distinguished colleagues, I wish to pay tribute to Crusader Post, No. 1946, of the Veterans of Foreign Wars of Naugatuck, Conn., for its organization of a Sea Scout Ship. This post, under the leadership of Chief James J. Owens, is organizing Naugatuck Valley youth between the ages of 14 and 18 into a group of Sea Scouts who will receive training in navigation, instruction in small arms, and marlinspike seamanship. These young men will also visit naval installations, yacht clubs, and take cruises on naval vessels in addition to other activities. Moreover, under the guidance of Chief Owens and other outstanding Naugatuck citizens, these future leaders of our Nation will be better prepared to assume leadership and responsibility in the future.

Mr. Speaker, the Crusader Post plan will play a prominent role in developing better citizens, and I wish that veterans' organizations of other communities in the Nation would use the Crusader Post plan as a model. Those of us who serve on the House Armed Services Committee know that Boy Scout training during an individual's youth days enables the individual to become a better military man in later years.

Mr. Speaker, I commend the Naugatuck Crusader Post for its patriotic spirit in organizing this Sea Scout post. The post has taken the lead in a new crusade to mold better citizens, and at the same time prepare young men to become better members of the Armed Forces in the future.

Economy Drive Lags

EXTENSION OF REMARKS

OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. JOHANSEN. Mr. Speaker, under leave to revise and extend my remarks in the CONGRESSIONAL RECORD, I wish to insert the following congressional bulletin sent out by my colleague from Michigan, ALVIN M. BENTLEY, to his constituents:

The week before last, the House completed action on the 1958 appropriations for the Departments of Health, Education, and Welfare, and Labor. The Appropriations Committee had already cut $119 million out of the budget request of nearly $3 billion. During debate on the bill, further cuts of some $68 million were approved.

But when the time came for recorded rollcall voting, the Congressmen were only willing to approve $15 million of the $68 million cuts. In other words, they put $53 million back into the bill. Specifically, increases were voted for the Bureau of Veterans' Reemployment Rights, the Women's Bureau, the Food and Drug Administration, the Office of Education and grants for waste treatment works construction.

Out of 14 rollcall votes on April 4, I voted for a cut in every single case as I had previously promised to do. I did this in spite of the fact I had received telegrams from several organizations in Michigan asking me to vote for the higher figures. I should point out that in every single case the cut was merely to restore the amount spent in the present fiscal year. Nowhere did we try to cut below 1957 appropriations.

What all this means is that in spite of the high-sounding promises about economy in government and about budget-cutting, the House failed to practice real economy in this opportunity. The combined budgets for these two departments is only $34 million less than they got a year ago and most of the various offices, agencies, bureaus, etc. were increased. It means that it is one thing to talk economy and another thing to practice it. It means that the people who want real economy in government and real tax relief are going to have to create pressure on Congress that will outweigh the pressure from organizations which have a natural desire to protect their own projects from any cuts at all.

It is interesting to know that, of the 14 rollcall votes, 6 Michigan Republican Congressmen had a solid vote for cuts on all rollcalls. In addition to myself, these were Congressman MEADER, Congressman JOHANSEN, Congressman HOFFMAN, Congressman CHAMBERLAIN, and Congressman CRIESSINGER. It is also interesting to know that, among Michigan's 6 Democratic Congressmen, 1 of them voted for a cut—on 1 vote only.

The Michigan Office of Civil Defense has released a report showing funds made available to all Michigan counties from 1950 through 1956 for the purchase of equipment and supplies for civil defense. Clinton County put up $2,320.93 and received a matching Federal share for a total of $4,641.87. Gratiot County put up $1,174.40, got $274.90 from the State and $1,449.30 from the Federal Government for a total of $2,898.60. Ionia County put up $2,532.18 and that was matched by the Federal Government for a total of $5,064.36. Montcalm County's $1,765.38 was also federally matched for a total of $3,530.76. Saginaw County put up $3,590.94, got $3,081.94 from the State and $5,793.04 from the Federal Government for a total of $12,474.92. Shiawassee County put up $2,821.25 and that was matched by the Federal Government for a total of $5,642.50. We see, therefore, that during those 6 years the 6 counties of the eighth district only received a total of $16,642.08 for civil defense from Federal sources. Compare this with $2 million plus which was spent by Washington in the State of Michigan as a whole. However, certain municipalities, such as Ionia, Belding, Portland, Alma, St. Johns, and others received matching grants which are not included in the above figures.

On March 28 the Rural Electrification Administration approved a loan of more than $3 million to the Wolverine Electric Cooperative of Big Rapids which involves the possible use of nuclear energy for the generation of power. Wolverine's three member cooperatives, located at Portland, Newaygo, and Hart, serve more than 20,000 farmers and other rural consumers in west central Michigan.

A House subcommittee has just approved a 5-year, $2 billion school-construction program. This bill calls for maximum Federal spending of $400 million annually for the next 5 years as well as a $750 million program to let the Government purchase school-district bonds. There is also a $150 million authorization for the Government to service and guarantee State school-bond issues.

Annual Convention of the National Society, Daughters of the Union

EXTENSION OF REMARKS

OF

HON. E. L. FORRESTER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. FORRESTER. Mr. Speaker, this past weekend, the National Society, Daughters of the Union, held its annual convention in Fitzgerald, Ga., a wonderful little city in the district which I have the honor to represent. This is the first time that the society has held a meeting in the Deep South, and there is much significance in the fact that they chose Fitzgerald, Ga., as the location.

Fitzgerald is unique in its history, and a living memorial to the brave men of both Blue and Gray who engaged in the terrible War Between the States. Nowhere in our Nation is there a better example of the brotherhood and love that came to exist between the people of the North and South in that era, and I think my colleagues might be interested in hearing a little about Fitzgerald.

Both Unionists and Confederates founded and settled in Fitzgerald, on about a 50–50 basis. The names "Blue-Gray Park," "Lee-Grant Hotel," "Sherman Street," and "Lee Street," sound a bit incongruous, but they were chosen with care by people of the North and South who built this city of unity, as a tribute to one another and the brave leaders of both sides.

Fitzgerald is built in a square extending 1¼ miles from the center in each

direction. All streets east of the main thoroughfare are named after northern generals such as Grant and Sherman, while streets lying to the west bear the names of southern generals—Lee, Gordon, Jackson, and so forth. There are four drives around the city and two of them are named for northern ships, two after ships which sailed for the South. Many people in Fitzgerald find that their ancestors were among those who first settled the town, and many find that their southern grandmothers or grandfathers married northerners, and lived the balance of their lives in peace and harmony, together and amongst their northern and southern neighbors.

We can learn a great lesson from the city of Fitzgerald, Ga. If good people of both sides could get together at that time, when bitterness and animosity were at their peak, and settle a town together, intermarry, and live side by side with love and respect for each other, then certainly now, in 1957, there is no basis for any ill feeling between our different sections of the country. Yankees and southerners learned to like each other then, and they like each other now.

The American flag was prominent in the ceremonies conducted at the convention of the National Society, Daughters of the Union. A miniature flag was placed on each and every grave in the famous Evergreen Cemetery, where hundreds of veterans, both Union and Confederate, of the War Between the States are buried. To all of the people of Fitzgerald and our section, that flag is not a northern flag or a southern flag. It is the flag of a united country and people. No wonder our people in Fitzgerald and our district love that flag, and have no patience with any group or individual who would change our way of life.

Speech of Hon. Hugh Scott, of Pennsylvania, at 19th Annual Midwest Convention of the American Jewish Congress, April 7, 1957

EXTENSION OF REMARKS

OF

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. SCOTT of Pennsylvania. Mr. Speaker, under leave to extend my remarks, I am inserting excerpts from a speech made at the 19th Annual Midwest Convention of the American Jewish Congress in Chicago on April 7, 1957:

The compliance of Israel and the noncompliance of Egypt with resolutions of the United Nations stand in stark contrast.

Peace in the Middle East can never be achieved by appeasement of defiant dictators.

The refusal of Egypt to permit passage of Israeli ships through the Suez Canal and Egyptian threats to deny the right of innocent passage through the Straits of Tiran are in direct contravention of the established United Nations position. United States policy affirmatively supports the right of Israeli shipping to use both waterways.

This is clearly stated in the letter to me of March 27, 1957, from Under Secretary of State Herter:

"We believe that Israel-bound shipping should enjoy the right of free and innocent passage through the Straits of Tiran. We also believe that Israeli shipping should enjoy the right of passage through the Suez Canal. We have made our position on these points clear, both in public and in our relationships with the States concerned."

It is my opinion that the United Nations General Assembly should be convened to consider the implementation of the rights of all nations to waterways that are legally free under international law. Nasser's defiance of the United Nations ought to be disposed of now by that body. The United Nations should be no less prompt to act now to preserve the peace than it was last November.

If the United Nations will not act, by appropriate resolutions, to be followed (in the event of Egyptian defiance) by resort to United Nations forces or by sanctions against Egypt, then those nations which sincerely desire to avoid war in the area must consider what they will do to bring Nasser to his senses. This includes the United States.

Timely concert of action by the Western nations is much to be preferred to the alternative that Israel, in desperation, may resort to the international law doctrine of self-help.

To begin with, Nasser's bluff can and should be called. He has already played roulette with Russian chips and Marshal Zhukov has seen them disastrously expended across Sinai. It is unlikely that the Soviet will repeat such a bad gamble as to provide so bad a risk with a new stack of costly blue chips.

Moreover, Nasser cannot be sure of his other former friends. His only sure ally is Communist-infiltrated Syria. His reach for dominance of the Arab world has lost millions in oil revenues to his increasingly skeptical Arab neighbors.

Nasser's terms for one-man rule of the Suez Canal are those of a blackmailer and extortioner. His proposals would leave the area in a situation worse than the conditions prevailing prior to the intervention of the United Nations. But the United States is committed to the position stated by Ambassador Lodge that a return to the status quo would be most unsatisfactory to the United States.

Therefore, in default of effective United Nations action, the United States should adopt measures of economic pressure against a dictator who will not listen to reason, but who might be compelled to react to strong economic pressures, resolutely applied.

Therefore, all United States aid in any form whatsoever should continue to be denied to Egypt. At the same time, loans and technical assistance should be made immediately available to Israel. This includes restoration of the grant to Israel proposed October 2, 1956, of $25 million of MSA funds and it includes necessity for early departure of the United States mission to confer on the need for a $75 million United States Export-Import Bank loan.

The surplus food distribution program to Israel should be resumed, and there is good reason to believe that this will shortly take place. Israel will accept approximately 100,000 refugees this year from Hungary, Egypt, and other Iron Curtain type countries. This food program is therefore critical.

There are other economic pressures available against Nasser. There is the right to bypass American shipping (as well as British and French shipping) until the loss of canal revenues squeezes the Egyptian Government into economic grief.

There is the increasing likelihood of the use of larger and faster tankers, some of which are now being constructed and others are in the planning stage.

Offering prospects of quicker relief from oil shortages are new pipelines bypassing the Canal, and wherever feasible, bypassing certain of the more volatile Arab States.

Some of these measures are expensive, but it is questionable whether the pursuit of means to make the Western World free of Nasser's dangerous tactics could possibly be as expensive as would be a surrender to the tyranny of a tinpot dictator, acting from a heart regardless of international consequences and evilly bent on mischief.

However costly the application of courageous tactics now may prove to be, they are certainly infinitely less costly to the United States than for us to be pitched into a war involvement through failure to act promptly and wisely to avert the consequences of the scheming folly of a power-crazed and irresponsible Arab dictator with a powder keg in one hand and a match in the other.

Congressional Subcommittee Denounces Bureaucratic Secrecy

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include a splendid and informative article "Congressional Subcommittee Denounces Bureaucratic Secrecy," written by our distinguished colleague from California, Mr. JOHN E. MOSS, chairman of the Subcommittee on Government Information of the House Committee on Government Operations, and appearing in the Harvard Law Record of March 7, 1957.

There is no one more competent to discuss the subject matter of the within article than the gentleman from California [Mr. MOSS]. In connection with the subject matter of this article, the gentleman from California [Mr. MOSS], and the members of his subcommittee, have done outstanding work. The character of the work done by the subcommittee of which the gentleman from California [Mr. MOSS] is chairman is not only painstaking, but penetrating and objective, and the results that will flow from it will be in the best interests of our country.

The article follows:

CONGRESSIONAL SUBCOMMITTEE DENOUNCES BUREAUCRATIC SECRECY

(By Hon. JOHN E. MOSS, of California, chairman, House Government Information Subcommittee)

A massive accumulation of restrictive regulation challenges the people's basic right to oversee the workings of their Federal Government.

The pattern of restriction is documented in the 25th intermediate report of the House Committee on Government Operations, and in the volumes of hearings that lie behind this report. Case after case is described in which Congressmen and citizens were denied information without good cause. The effect, in every instance, has been harmful to our country's political traditions.

The report summarizes the first year's work of the Special Subcommittee on Government Information, chartered in June

1955, by Congressman WILLIAM L. DAWSON, of Illinois, chairman of the Government Operations Committee.

The subcommittee, exploring present law, already has documented the need for new legislation broadening public access to official records. It is equally concerned, however, with the deeper problem of the administrators' attitudes toward present law. Many Federal agencies apparently have twisted grievously their delegations of authority in an attempt to find justification for their restrictions on information.

As in any area of law, two necessities compete. No official denies, in principle, the public's right to inspect Government actions and policies. Neither does anyone—least of all the members of the subcommittee—question the need to keep secret such classes of information as military security data.

It is the subcommittee's purpose, nonetheless, to see that the indispensable security systems protect only that information for which the need for secrecy has been demonstrated.

THE BURDEN OF PROOF

The public and Congress now bear the burden of proving their right to look at papers held by Federal agencies. Instead, it should be up to the agency to demonstrate—to the satisfaction of Congress, the courts and the public—the overriding necessity to withhold information.

Congress often has stated explicitly that certain specific records shall be restricted to agency use. Such clauses stand in more than 50 statutes, their subjects ranging from military codes to postal savings deposits. In a much smaller number of statutes, the agency is ordered to make public other specific records.

These orders from Congress to the agencies may deserve review later, but the subcommittee has begun its study with an exploration of the far wider area where no statute specifically commands either publication or restriction of information. Because a free flow of information about this vast Government and its works is essential to the survival of democracy itself, the study is of great importance to the Nation. This responsibility made it necessary to reject the advice, tendered from the sidelines to every new inquiry, to start work with a flare of sensation.

There is sound reason to avoid building issues out of personalities or specific instances of restriction. The subcommittee wishes to convey the point that the restrictions which it is studying concern all the Government as an institution, and a whole body of administrative law.

A legislative inquiry has three interests. It must examine the delegation of authority by Congress or the President to an agency. It then must look at the manner in which the agency uses that delegated authority. Finally, the inquiry must find a way to measure the effect—or lack of effect—that the agency's operations have upon our national life. The ultimate reality of law and politics clearly lies here.

SETTING THE FACTS

The first step in the subcommittee's study was to circulate a questionnaire to the 63 departments and agencies of the Federal Government. They were asked to describe in detail their information policies, defining specifically the types of data not available to the public and the Congress. They were asked to cite the legal authorities upon which they based these policies.

The answers to this questionnaire now provide a solid background against which a balanced inquiry can proceed—an anvil against which the subcommittee can hammer out individual cases of unwarranted restriction. The questionnaire performed a useful service, incidentally, in forcing many an agency to go through a tangle of unrelated rules and begin to develop, for the first time, a coherent and consistent policy on the availability of information.

The agencies' answers show exactly what delegations of authority are claimed in Government information restrictions. It appears there are four of prime importance: two statutes, a Presidential letter and an Executive order.

AUTHORIZED SECRECY

Executive Order 10-501 establishes the Nation's security system for protecting information affecting the national defense. The order represents an entirely suitable exercise of the President's power.

The President's letter of May 17, 1954, on the other hand, appears to represent the agencies' tendency to assume authority where the delegation is unclear. The letter authorized the Secretary of Defense to deny a single Congressional investigating group specific information during the Army-McCarthy controversy. No fewer than 18 other departments and agencies are now citing this letter as grounds for denying data generally to Congressional committees. The subcommittee believes this to be totally unwarranted, and draws support from an explanatory letter written by the President's special counsel declaring that the President was exercising a right which is his, and his alone.

The two statutes are title 5, United States Code, section 22, and title 5, United States Code, section 1002. The first, with a history going back to 1789, is the most widely used of all the authorities. Designed as a housekeeping statute, it gives department heads the power to write regulations providing for the custody, use, and preservation of their records. This innocuous language has given rise to a jungle of rules restricting Congressional and public access to a vast variety of papers.

In drafting the second statute, title 5, United States Code, section 1002, its authors ordered the agencies to inform the public of their doings, but they created broadly phrased categories of exceptions to the rule. These exceptions have been expanded by usage to cover nearly any piece of paper an administrator might wish to shield from public view.

The subcommittee consequently concludes that delegations of authority to the agencies have been widely misused and inflated.

To carry its point further, the subcommittee asked the counsels of many departments and agencies to define the powers delegated by the four authorities. The appalling variety of the answers demonstrated the subcommittee's contention that the agencies were, in effect, making up their own law individually as they needed it.

The subcommittee has used two other devices to follow the legal arguments down to final reality—the law's effect on our national life.

Panels of specialists have been enlisted from the fields most immediately affected by Federal information restrictions. Groups of newspapermen and scientists have testified, and interested businessmen may be asked to do so shortly. A somewhat different panel was recruited among lawyers experienced in the field of Government information. Their opinions have added great weight to the subcommittee's legal findings.

These specialists are kept informed of the subcommittee's progress, and are regularly asked for further advice and opinion. They are able to show where inequitable information rules work their worst damage, and what implications lie in proposed changes. In this fashion, these expert advisers bring into perspective the concrete cases of unwarranted information restriction.

About 300 cases have been reported so far to the subcommittee by Congressmen and Congressional committees, newspapermen, trade associations and even the agencies themselves. In each of these cases, someone has felt himself unjustly barred from information.

THE CASE METHOD

Generally they are referred to the agency involved, with requests for verification of the facts and for the legal justification. When the answering letter appears incomplete, or where the matter is too complicated to be covered by mail, hearings are called. The agency is asked to reconcile the concrete case of information suppression with its policy as stated in answer to the questionnaire.

It very often happens that this request results in the rewriting of agency rules. This happy solution is not always accomplished, however, and the subcommittee feels that changes must be made in the language of some of the original Congressional delegations of power to the agencies, to clarify their proper purpose.

An amendment designed to return title 5, United States Code, section 22, to its original housekeeping role has been submitted to Congress. Proposals to improve title 5, United States Code, section 1002, are being contemplated, and freedom of information clauses are beginning to appear in other bills.

Amendments will be useful, but the real source of the problem lies deeper. It concerns the spirit with which the agencies read the statutes, and the attitude taken by administrators toward the public's right to supervise the Federal Government.

Interview Between Congressman Farbstein and Robert Spevak, New York Post, for Broadcast Over WMCA, New York, April 7, 1957

EXTENSION OF REMARKS

OF

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1957

Mr. FARBSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following interview which took place between Mr. Robert Spevak, of the New York Post, and myself on April 7, 1957:

Mr. SPEVAK. Reporters, I know, are supposed to be hard boiled men and indifferent to peoples' feelings; but I can tell you from my own experience that it is never pleasant to report from the Capital of the United States about duplicity and double standards of political morality where they involve Government officials. We all know that it exists to some extent but this past week we've been treated to such a large dose of it from persons in high office that it just can't go by unnoticed.

Secretary of State Dulles was asked to explain comments by a friendly biographer that he deliberately provoked the Aswan Dam crisis in order to call Russia's bluff on economic aid to Egypt. Dulles said in reply, "I think that question could be answered in the negative," but he did not answer it in the negative. In his own fashion Secretary Dulles left the story substantially unchallenged. At his weekly press conference the President was twice asked what this country plans to do about Dictator Nasser's continual flouting of the U. N., and failure to permit Israel to pass through the Suez Canal. The President gave what I

consider a disjointed answer which added up to exactly nothing.

David Ben-Gurion, it seems, never informed the President in their correspondence that Suez was in any way involved. So it seems we are not prepared to do anything about Nasser on this score either. I have asked Congressman LEONARD FARBSTEIN, of Manhattan, here today to discuss another example of high moral pronouncements by United States officials and the failure of this Government to do anything about them, namely, the forced exodus of thousands of Jews from Egypt.

Congressman FARBSTEIN. I understand you have a bill in on this subject. Just what are you proposing?

Mr. FARBSTEIN. Well, Mr. Spevak, I might say that it is singularly appropriate that this question is raised now, just prior to the beginning of the Passover period commemorating the exodus of the Jews from Egypt thousands of years ago. I introduced in the Congress a resolution to the effect that it is the sense of the Congress that the treatment of the Jews in Egypt recently constitutes persecution because of race, religious beliefs, or political opinion. Further, it violates the human-rights sections of the United Nations Charter. I feel that this resolution should be passed by the Congress; and I feel that the United States should publicly do what it can toward ameliorating this situation. I feel further that the United Nations should pass a resolution calling upon Egypt and Nasser to discontinue their acts.

Mr. SPEVAK. Well, Congressman FARBSTEIN, in discussing this matter I think probably both of us would agree that it is important to keep several facts in mind, sort of background matter.

No. 1 of these facts is that the Israeli Army entered the Sinai Peninsula on October 29, 1956.

No. 2 is this. On November 1, 1956, 72 hours later, the Egyptian Government promulgated a series of decrees and among them were the denationalization of certain Egyptian citizens, mostly Jews.

No. 3. Within 5 days the U. N. cease-fire was accepted by the belligerent parties.

No. 4, and what I think is most important, Egypt kept these decrees in effect and in fact I believe has them in effect right up to the present time. Yet by the middle of last November it was already evident that Egypt intended to exploit the brief hostilities to despoil and ultimately destroy its Jewish community.

Now Congressman FARBSTEIN, you're a member of the House Foreign Affairs Committee, a great distinction, I might add, for a freshman Member of Congress.

Mr. FARBSTEIN. Thank you.

Mr. SPEVAK. Now can you tell us, Congressman FARBSTEIN, how you feel about this question? Some people think that the Jews brought this matter all on themselves.

Mr. FARBSTEIN. Well, frankly, Bob, I can't understand how anyone with any degree of intelligence could possibly say any such thing because anyone who is knowledgeable in the least would know that Nasser has constantly been declaring the fact that he is at war with Israel. He has been actively blockading Israel both in the Suez and the Gulf of Aqaba. Now, a blockade itself is an act of war, and preventing Israel from using the Gulf of Aqaba for innocent passage of ships was such an act of war. Proclaiming its rights of belligerency and preventing Israel's use of the Suez, these are all acts of war. How could Israel, therefore, justifiably be called an aggressor? Must a man wait until he and his family are annihilated by gangsters who have continually threatened his life and that of his family and are purchasing weapons to carry out their threats in full view of his proposed victim? Or should he do what any prudent man would do?—Move against his adversary before he is destroyed? That is all Israel did. Israel moved before Nasser had an opportunity to build up enough hardware to annihilate her people and to drive them into the sea as he and the other Arab people had been saying.

Mr. SPEVAK. Well, Congressman FARBSTEIN, you use the word gangsters. Now do you think that there are any parallels, or do you find any parallels, between the techniques used by Hitler against the Jews. You remember his so-called Aryanization program and what Nasser calls his Egyptianization program.

Mr. FARBSTEIN. It's very obvious that Nasser learned from Hitler. He has gone even further than Hitler went. Hitler started this thing anew. It is my belief that Nasser with the benefit of people in his employ, who are former Nazis like Otto Remer, and Voneers, had this thing prepared long, long before the adventure into the Sinai. As a matter of fact these decrees, as you suggested earlier, were promulgated within 2 or 3 days after Israel, to protect itself, ventured into the Sinai.

Mr. SPEVAK. Do you think they expected this?

Mr. FARBSTEIN. Well, of course, they were only looking for some means whereby they could oust the Jews out of Egypt just the same way they had prepared for the nationalization of the Suez.

Mr. SPEVAK. You don't think the invasion took them by surprise?

Mr. FARBSTEIN. Of course it did, yet this was all planned. They were only looking for a pretext, as you just mentioned, to come in and start acting against the Jews to drive them out, to pauperize them, to denationalize them, and the various other things that were done against the Jews and are still being done.

Mr. SPEVAK. Now as you noted a moment ago, it is very close to the Passover season. Ironically we find a new exodus from Egypt thousands of years after the original exodus. But I just wonder if there isn't one difference here or at least one similarity with nazism. I've seen reports that Nasser has seized Jewish hostages from many of the families that he has ordered deported. In other words he is holding some back, I presume, for blackmail purposes or in order that people who leave the country don't talk too much about what is going on in there. Now does that jibe with the information that you have?

Mr. FARBSTEIN. Oh, yes; there is no question about it, as a matter of fact, not only information that has come to me but which has appeared in the public press. One of the reporters who works for your own newspaper wrote quite an article on that. It appeared in the Times. I believe it is common knowledge, not only the knowledge that I may have personally.

Mr. SPEVAK. Now I want to ask you one thing, getting back to this matter of whether Israeli Jews are responsible for the plight of Egyptian Jews. Have Egypt's Jews been active in Zionist causes?

Mr. FARBSTEIN. Why that's ridiculous. Families that are being persecuted by Nasser today are amongst families that have lived in Egypt for almost 2,000 years. These families that have lived there for generations are being persecuted just the same as stateless Jews. All this is a pretext. As a matter of fact the Jews that were in Egypt were particularly careful to see to it that they in no way could be connected with Israel or with sionism because they knew that the only method that they could have of retaining their livelihoods and their very lives was by keeping away and steering clear of any semblance of friendship for Israel or for sionism.

Mr. SPEVAK. Well, that jibes with information that we have too. Of course, you probably run into this, that Nasser claims he is not against Jews but acting only against Zionists. I've run into that with other Arab spokesmen too. Now there are some people who regard this as a not too clever semantic maneuver. But from what all we have been able to gather is that the 50,000 Egyptian Jews were not active in the Zionist cause although they were very close to Israel in the physical sense. I noticed in a little booklet put out by the American Jewish Congress called The Black Record: Nasser's Persecution of the Egyptian Jewry, that this point is stressed quite emphatically. Now what other ways do you know of that the Egyptian Government is persecuting Jews—I mean that have come to your attention?

Mr. FARBSTEIN. Well, of course, what they are doing is they are depriving those who are remaining in Egypt of their livelihood. They are telling firms that if they retain Jewish employees they won't allow them any export or import licenses. They are denationalizing the firms that are doing business in Israel, making it impossible for the survival of the people who live there. As a matter of fact what they are doing is they are expelling people who live in Egypt, making use of hostages so that others, as you suggested, of their families won't advise the world of what's going on. The things that they are doing are very similar, as a matter of fact, even worse, as I said before, than those things that were done by Hitler. And I think it is an outrage.

Mr. SPEVAK. Now Congressman FARBSTEIN, it's always very nice for Congress to pass resolutions expressing sympathy with the Egyptian Jews or with any other persecuted people. But what else do you think might be done for them and also what do you think, in general at least, needs to be done so far as future relations with Israel are concerned?

Mr. FARBSTEIN. Aside from the fact that there should be a public expression by the President and also a resolution passed by the United Nations calling upon Mr. Nasser to discontinue his depredations, I feel that in a broader sense what this country should do is in its mutual security law make a token grant-in-aid toward the building of a 16-inch pipeline from Elath to the Mediterranean. That will make evident that this country doesn't intend to remain at the mercy of Nasser insofar as the use of the Suez Canal is concerned, so that oil transshipment will not again be interfered with—to show this country intends to stand by its moral commitment to Israel. And also so that the countries in the area whose leaders fear the street mobs under Nasser's influence may clearly understand that it is our desire, our sincere desire, for them to make peace with Israel. And when these street mobs and the people who control the various other governments that surround the Arab Governments that surround Israel realize that this country is truly behind Israel, I think that a better attitude will be taken by them and that there will be a greater opportunity for peace.

Mr. SPEVAK. Well, if I may then summarize what we have heard from Congressman FARBSTEIN is this: The physical survival of one of the oldest and most peaceful religious communities of the world is at stake. But strangely the Eisenhower doctrine doesn't seem to cover the subject. The President said at his Wednesday press conference that he will not speculate upon the character and reliability of Dictator Nasser.

So the question I guess remains what it has been here in recent weeks, where to drift from this point on? It's not a very pretty picture it seems to me that we painted here but it's one that does command immediate attention.

This is Bob Spevak in Washington returning you to our studios.

SENATE

FRIDAY, APRIL 12, 1957

Rev. Robert W. Olewiler, minister, Grace Reformed Church, Washington, D. C., offered the following prayer:

Most gracious God, in whom we live and move and have our being, once again we remember with gratitude the many blessings Thou hast placed upon us as a nation striving for peace and justice. We thank Thee for the legislative leadership of our United States Senate and for the sacrificial support of loyal Americans everywhere.

Wilt Thou look with favor upon the Members of this body and grant them the compelling grace to love mercy, do justly, and walk humbly with Thee. Fill them with the spirit of wisdom, goodness, and truth; and so rule their hearts and bless their endeavors that law and order, justice and peace, may everywhere prevail.

Preserve us, O Lord, from national sins and corruption. Increase our love of righteousness, our reverence in the use of freedom, and our generosity in the service of all, so that everything we do and everything we are will be to the advancement of Thy glory and to the safety, honor, and welfare of all Thy people, through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. SMATHERS, and by unanimous consent, the Journal of the proceedings of Wednesday, April 10, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

INTERIM REPORT ON AVIATION FACILITIES PLANNING—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 150)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, transmitting an interim report of the Special Assistant for Aviation Facilities Planning, and calls the matter to the attention of the acting majority leader.

Mr. SMATHERS. Mr. President, as I understand, that is the message which was printed in the RECORD yesterday.

The PRESIDENT pro tempore. The Senator is correct.

Mr. SMATHERS. I ask unanimous consent that the message be referred to the appropriate committee without being printed in the RECORD.

There being no objection, the message from the President, together with the interim report, were referred to the Committee on Interstate and Foreign Commerce.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 1442) to facilitate the regulation, control, and eradication of plant pests, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GRANT, Mr. ABERNETHY, Mr. AUGUST H. ANDRESEN, Mr. HILL, and Mr. HOEVEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed, without amendment, the joint resolution (S. J. Res. 72) to implement further the act of July 15, 1946, by approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 13) to provide for the printing of additional copies of hearings held by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2367) to establish a deferred grazing program as part of the relief available to drought-stricken areas under Public Law 875, 81st Congress, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2146. An act to amend the Small Reclamation Projects Act of 1956;

H. R. 3377. An act to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research;

H. R. 3996. An act to authorize the utilization of a limited amount of storage space in Lake Texoma for the purpose of water supply for the city of Sherman, Tex.;

H. R. 5536. An act to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by Act of Congress, and for other purposes; and

H. R. 6092. An act granting the consent and approval of Congress to the Merrimack River Flood Control Compact.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as follows:

H. R. 2146. An act to amend the Small Reclamation Projects Act of 1956; and

H. R. 5536. An act to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the United States for certain purposes shall not become effective until approved by act of Congress, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 3377. An act to promote the national defense by authorizing the construction of aeronautical research facilities and the acquisition of land by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; to the Committee on Armed Services.

H. R. 3996. An act to authorize the utilization of a limited amount of storage space in Lake Texoma for the purpose of water supply for the city of Sherman, Tex.; to the Committee on Public Works.

H. R. 6092. An act granting the consent and approval of Congress to the Merrimack River Flood Control Compact; placed on the calendar.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. SMATHERS, and by unanimous consent, the Permanent Subcommittee on Investigations was authorized to meet during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. SMATHERS. Mr. President, since the Senate meets today following an adjournment under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. In connection therewith, I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

LIST OF PRINCIPAL AND ALTERNATE CANDIDATES FOR 1957 REGULAR NROTC PROGRAM

A letter from the Chief of Naval Personnel, Washington, D. C., transmitting, pursuant to law, a list of principal and alternate candidates selected for the 1957 regular NROTC program (with accompanying papers); to the Committee on Armed Services.

REPORT OF FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Chairman, Federal Deposit Insurance Corporation, Washington, D. C., transmitting, pursuant to law, a report of that Corporation, for the calendar year 1956 (with an accompanying report); to the Committee on Banking and Currency.

HOME RULE FOR THE DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for the District of Columbia an appointed governor and lieutenant governor, and an elected legislative assembly and nonvoting delegate to the House of Representatives, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

AUDIT REPORT ON ADMINISTRATION OF FOREST MANAGEMENT ACTIVITIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the administration of forest management activities by the Bureau of Indian Affairs, Portland, Oreg., area office, Department of the Interior, dated November 1956 (with an accompanying report); to the Committee on Government Operations.

UNIFORM PROCEDURES RELATING TO ACQUISITION OF NON-FEDERAL LAND FOR PURPOSES OF NATIONAL PARK SYSTEM

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to establish uniform procedures relating to the acquisition of non-Federal land for purposes of the national park system, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON ACTIVITIES OF DIVISION OF COAL MINE INSPECTION

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of the activities of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year 1956 (with an accompanying report); to the Committee on Interior and Insular Affairs.

FEES PAYABLE TO PATENT OFFICE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to fix the fees payable to the Patent Office and for other purposes (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Pietro Lerario from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on July 16, 1956; to the Committee on the Judiciary.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT, RELATING TO CONSTRUCTION OF MEDICAL AND DENTAL TEACHING FACILITIES

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the provisions of the Public Health Service Act relating to grants for construction of research facilities so as to increase their duration from 3 to 5 years and to authorize grants for medical and dental teaching facilities (with accompanying papers); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Oregon; to the committee on Appropriations:

"Senate Joint Memorial 4

"To the Honorable Senate and the House of Representatives of the United States of America, in Congress Assembled:

"We, your memorialists, the senate and the house of representatives of the State of Oregon, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas the continued welfare and proper economic growth and development of the State of Oregon depends on the unimpeded movement of water-borne commerce along the Columbia River, and particularly upon a ship channel and navigation locks which are adequate for the movement of loaded deep-draft vessels; and

"Whereas the Federal Government recognizes that the benefits of trade, commerce and industry to all of its citizens and the vital national defense features inherent in a system of adequately developed waterways throughout the United States requires it to maintain through the Corps of Engineers of the Department of the Army a channel 35 feet deep and 500 feet wide from Vancouver, Wash., to The Dalles, Oreg., as evidenced by prior congressional authorization and approval of such channel; and

"Whereas the present ship channel has been permitted to silt in and has not been properly maintained at the depth previously authorized and previously maintained and is at present of insufficient width and depth to allow safe, proper or unimpeded navigation by deep-draft vessels; and

"Whereas the present inadequacy of the said channel limits the movement and size of vessels and cargo and is a continuous threat to the safety of navigation and results in an adverse effect upon the welfare of all Columbia River ports: Now, therefore, be it

"Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be, and it hereby is, urged to take immediate action to improve and implement the present channel from Vancouver, Wash., to The Dalles, Oreg., by appropriating funds with which said channel can be immediately dredged to the authorized depth and width to alleviate the present serious and hazardous condition of navigation in the Columbia River and its detrimental effect upon trade, commerce, industry and the general welfare; be it further

"Resolved, That the Congress of the United States be, and it hereby is, urged to authorize immediate modification of the navigation locks at Bonneville Dam to increase the width to 86 feet and length to 650 feet and to remove existing channel obstructions above said navigation locks before the restricting and hazardous nature of the existing channel effects an even greater and more disastrous effect upon the welfare of the citizens of the Columbia River area, the residents of Oregon and Washington, and of the Pacific Northwest and the citizens of the United States; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Secretary of Defense, the Secretary of the Army, the Chief of the Corps of Engineers of the Department of the Army and to all members of the Oregon congressional delegation.

"Adopted by senate March 18, 1957.

"ZYLPHA ZELL BURNS,
"Chief Clerk of Senate.
"BOYD E. OVERHULSE,
"President of Senate.

"Adopted by house March 27, 1957.

"PAT DOOLEY,
"Speaker of House."

A joint resolution of the Legislature of the State of Illinois; to the Committee on the Judiciary:

"Senate Joint Resolution 6

"Whereas the United States Supreme Court and various Federal courts have been subjected to severe criticism as a result of the decisions and decrees in the school segregation and related cases which declare that segregation and discrimination because of race, color, religion, or national origin in public schools and facilities violate the principles of the Constitution of the United States; and

"Whereas these decisions and decrees of the United States Supreme Court and various Federal courts have been condemned as a usurpation of and encroachment on the reserved powers of the States by the Supreme Court and Central Government of the United States; and

"Whereas the decisions and decrees of the United States Supreme Court and various Federal courts are being condemned, disregarded, and evaded both directly and indirectly by State legislation, procrastination in complying with said decisions and decrees, coercion, and intimidation, all under the theory that any State has a right to interpose its sovereignty in opposition to an exercise of power by the Federal Government which that State determines has not been granted by the several States to the Federal Government; and

"Whereas all the States of the United States are bound by the Constitution and laws of the United States, including judicial interpretation of said Constitution and laws, until later changed through constitutional processes; and

"Whereas the Constitution of the United States provides the manner in which said Constitution and laws of the United States are to be enacted, amended, or repealed; and

"Whereas the Constitution of the United States does not permit any State to act in total disregard of any Federal law, court decision or decree when the State has through an assumption of unconstitutional powers declared that any said law, decree or decision is unconstitutional; and

"Whereas to permit each State to decide of itself by which provision of the United States Constitution, law, judicial decree or decision it shall be bound would eventually result in the destruction of the Federal system of government; Be it therefore

"Resolved by the Senate of the 70th General Assembly of the State of Illinois (the House of Representatives concurring herein), That the United States of America is founded upon the principle that everyone is entitled to equal privileges, opportunities, rights, duties, and immunities regardless of race, color, religion, or national origin, and any public facility which segregates or discriminates against any person because of race, color, religion, or national origin is contrary to said principle; and be it further

"Resolved, That segregation and discrimination because of race, color, religion, or national origin in public schools and facilities

is prohibited by the Constitution of the

placed on a self-regulating and self-financ-

broader tax base, eventually resulting in

is prohibited by the Constitution of the United States, and no State has the right to maintain at its own expense racially separate public schools or facilities; and be it further

"*Resolved*, That this 70th general assembly go on record as approving and supporting the decision of the United States Supreme Court in the school segregation cases; and be it further

"*Resolved*, That the Supreme Court of the United States is the final arbiter on questions of constitutionality, and any disagreement or dissatisfaction this State may have with any decision or decree of said Court should be resolved through the processes provided by the Constitution and laws of the United States; and be it further

"*Resolved*, That the theory of interposition, whereby the authority of the Government of the United States is disregarded when any State decides it shall interpose its sovereignty in disobedience to that authority, is hereby condemned as a dangerous threat to the Constitution and Federal system of Government of the United States; and be it also

"*Resolved*, That a copy of this resolution be sent by the secretary of state to the President of the United States, to each of the Houses of Congress, to Illinois Representatives and Senators in Congress, to the Governor and legislature of each of the other States, and to the Supreme Court of the United States.

"Adopted by the senate March 5, 1957.

"JOHN WM. CHAPMAN,
"*President of the Senate.*
"EDWARD E. FERNANDES,
"*Secretary of the Senate.*

"Concurred in by the house of representatives, March 20, 1957.

"WARREN L. WOOD,
"*Speaker of House of Representatives.*
"FRED W. RUHOO,
"*Clerk of House of Representatives.*"

A resolution of the senate of the State of Minnesota; to the Committee on Agriculture and Forestry:

"Senate resolution relating to family farms and agriculture

"Whereas it is recognized by all that the time-proven family farm unit must continue as the basic social and economic unit of agriculture and that accordingly, farm policy must assist such farms in achieving standards of farm living equal to those enjoyed by other Americans; and

"Whereas agricultural policy in this country has sought to foster family-sized, owner-operated farms, which has proved to be a sound and wise policy, since it has developed an efficient agriculture unparalleled in the entire world; and

"Whereas present farm price levels are inadequate because they tend to increase the disparity between farm income and farm operating costs; and

"Whereas this disparity in farm purchasing power if permitted to continue, reflects itself not only in economic distress for farmers, but in reduced retail sales, employment, and industrial activity; and

"Whereas the present unfavorable economic conditions in agriculture make it extremely difficult for young people to establish themselves in farming as their life's work: Now, therefore, be it

"*Resolved by the Senate of the State of Minnesota that we favor legislation to accomplish the following purposes:*

"1. Providing supports to assure favorable prices and income to producers of major farm commodities, using whatever methods may be most practical, such as loan and purchase programs, incentive payments, surplus removal measures, promotion of exports, or a combination of these measures. As far as possible, farm support programs should be placed on a self-regulating and self-financing basis.

"2. Continuing, expanding, and improving the soil-bank program as a soil-conservation measure and as a supplement to price programs, by including the feed grains and other major field crops in the acreage reserve; by requiring soil-conservation practices upon acres placed into the acreage reserve; and by requiring participation in the soil bank as a condition to eligibility for price support.

"3. Establishing a specific national policy regarding the size of food reserves which should be maintained in the national interest.

"4. Providing for greatly expanded research programs to study agricultural marketing and price problems and to develop new uses and new markets for farm products.

"5. Providing price protection on the perishable farm products such as milk, meat, butter, poultry, and eggs, which are so important in our diversified farming economy, wherever purchase and storage measures are effective as a support measure.

"6. Providing the initiative, both with leadership and funds, in carrying on effective farm credit, soil conservation, crop insurance, REA programs, and programs to promote the consumption of a proper diet among our aged, our schoolchildren, our low-income groups, and those in institutions; and be it further

"*Resolved*, That the administration of farm programs at the county and community level be fostered in every way by legislative and administrative policy, specifically safeguarding the right of farmers to elect their own committees, and to operate the county offices and programs in a manner consistent with law and regulations; and be it further

"*Resolved*, That the Congress of the United States give the farmers some relief from the high cost of operation by repealing the 3 percent excise transportation tax immediately; and be it further

"*Resolved*, That the secretary of the senate be directed to forward a copy of this resolution to the chief officer of the House of Representatives and the Senate of the United States Congress; and be it further

"*Resolved*, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from the State of Minnesota.

"Adopted by the Senate of the State of Minnesota April 8, 1957.

"H. Y. TOZZEY,
"*Secretary of the Senate.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Finance:

"House Joint Memorial 20

"In the Legislature of the Territory of Alaska, 23d session

"*To the President of the United States, Congress of the United States, the Secretary of the Interior, and the Delegate to Congress From Alaska:*

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully submits:

"Whereas Alaska is lacking in basic industry, which is essential for the establishment of a sound tax base; and

"Whereas Alaska is known to have important natural-resource potentials in timber, fish, and minerals, including oil and gas; and

"Whereas it has been proven in other areas that when industrial tax incentives have been offered to new industries for a reasonable period of time such a policy has in no way reduced tax revenues, but has created a much broader tax base, eventually resulting in greatly increased revenues; and

"Whereas in an attractive economic atmosphere every 24 hours 40 million of American investment capital are being poured into the development of Canadian resources, as compared with a like amount in Alaska, each year; and

"Whereas the 23d session of the Alaska Legislature, by its action in passing H. B. 186 (an industrial tax incentives measure patterned after the Puerto Rico Industrial Incentives Act of 1954), has acknowledged the need for inducements to attract investment capital to Alaska; and

"Whereas like incentives in the form of exemption from Federal taxes for similar limited periods of time for new industrial enterprises are essential to create a favorable economic environment in which new industries may grow: Now, therefore,

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully requests and petitions Congress to extend exemptions from Federal income taxation for like periods of time to those new industrial enterprises qualifying under the Alaska Act.

"And your memorialist will ever pray.

"Passed by the house March 18, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Passed by the senate March 28, 1957.

"VICTOR C. RIVERS,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"Approved by the Acting Governor.

"Certified true, full, and correct.

"DOLORES D. GOAD.

"I certify that the above is a true, full, and correct copy of House Joint Memorial 20.

"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*"

A joint resolution of the Legislature of the Territory of Alaska; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 21

"In the Legislature of the Territory of Alaska, 23d session

"*To the President of the United States, Congress of the United States, the Secretary of the Interior, and the Delegate to Congress From Alaska:*

"Your memorialist, the Legislature of the Territory of Alaska in 23d session assembled, respectfully submits:

"Whereas municipal corporations, public utility districts and school districts in the Territory of Alaska are authorized under the provisions of acts of Congress (48 U. S. C. 44a and 48 U. S. C. 315) to issue general obligation bonds in an amount not exceeding 10 percent of the aggregate taxable value of the real and personal property within the corporate limits of such political subdivisions of Alaska for the purpose of acquiring and constructing public works; and

"Whereas under the provisions of the Alaska Public Works Act (48 U. S. C. 486 to 486j, inclusive), such political subdivisions are authorized to incur indebtedness to the United States for public works constructed under the Alaska public works program and to issue general obligation bonds as evidence of such indebtedness without regard to the 10 percent limitation above mentioned; and

"Whereas a large number of said political subdivisions are unable to issue any general obligation bonds except under the Alaska Public Works Act because the aggregate of the bonds issued, both exclusive and inclusive of those issued under the Alaska Public Works Act, exceed such 10 percent limitation as appears by the opinions of eminent legal counsel: Now, therefore,

"Your memorialist, the Legislature of the Territory of Alaska, in 23d session assembled, respectfully requests and petitions Congress to amend the laws limiting the authority of such political subdivisions to issue general obligation bonds so that they may issue such bonds to a limit of 10 percent of the aggregate taxable value of the real and personal property within their corporate limits without including the indebtedness incurred and the bonds issued under the Alaska Public Works Act in computing such authorized maximum.

"And your memorialist will ever pray.

"Passed by the house March 27, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Passed by the senate March 28, 1957.

"VICTOR C. RIVERS,
"*President of the Senate.*

"Attest:

"KATHERINE T. ALEXANDER,
"*Secretary of the Senate.*

"I certify that the above is a true, full and correct copy of House Joint Memorial 21.

"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*

"Certified full, true and correct.

"DOLORES D. GOAD,
"*Chief Clerk of the House.*"

A resolution of the House of Representatives of the Territory of Alaska; to the Committee on Interstate and Foreign Commerce:

"House Resolution 12

"A resolution to state the policy of the Territory of Alaska concerning the participation of residents of the continental United States in the Alaska fishery

"*Be it resolved by the House of Representatives of the Territory of Alaska:*

"Whereas the members of the Alaska Legislature have been informed that a statement is being widely circulated among members of Congress that the Territorial legislature has indicated a desire to see legislation enacted excluding residents of the continental United States from participating in the Alaska fishery; and

"Whereas such statement is wholly false, and the Territorial legislature has never, by any act, resolve, petition, or statement evidenced a desire to exclude residents of the continental United States from participating in the Alaska fishery; and

"Whereas although one house of the 1949 legislature evidenced a natural interest in full and fair employment for qualified Alaskan residents, this interest has never been directed toward denial of employment to nonresidents and cannot be construed as evidence of the attitude of the full 1949 legislature or of more recent legislatures; and

"Whereas later expressions of Alaska residents, and especially the recent constitutional convention, are a clear and manifest denial of the charge that the Alaska Legislature or the Alaskan people have any desire to exclude residents of the continental United States from participating in the Alaska fishery: Now, therefore, be it

"*Resolved*, That the House of Representatives of the Territory of Alaska denies the false and misleading charge that the Legislature of Alaska has a desire to exclude residents of the continental United States from participation in the Alaska fishery; be it further

"*Resolved*, That a copy of this resolution be submitted to the Senate and the House of Representatives of the United States of America, to the honorable members of the Senate Committee on Territorial and Insular Affairs, to the honorable members of the House Committee on Territorial and Insular Affairs, to the Honorable E. L. BARTLETT, Delegate to Congress from Alaska, to the Honorable William Egan and the Honorable Ernest Gruening, Tennessee plan Senators from Alaska, and to the Honorable Ralph Rivers, Tennessee plan representative from Alaska.

"Passed by the house March 26, 1957.

"RICHARD J. GREUEL,
"*Speaker of the House.*

"Attest:

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"Approved by the Acting Governor.

"Certified true, full, and correct.

"DOLORES D. GOAD,
"*Chief Clerk of the House.*

"I certify that the above is a true, full, and correct copy of House Resolution No. 12.

"WAINO E. HENDRICKSON,
"*Secretary of Alaska.*"

The petition of Thomas Schroeder, of Chicago, Ill., relating to reforestation and droughts (with accompanying papers); to the Committee on Agriculture and Forestry.

Resolutions adopted by the executive committee of the American Legion, Department of Michigan, at Detroit, Mich., relating to the foreign-aid program, and the ratification of treaties with foreign countries who discriminate against American citizens because of religious principles; to the Committee on Foreign Relations.

A letter in the nature of a memorial from the Toledo, Ohio, Chamber of Commerce, signed by Arthur C. Kochendorfer, executive manager, remonstrating against the enactment of the House bill 430, and Senate bill 76, relating to the National Labor Relations Act, and the Taft-Hartley Act; to the Committee on Labor and Public Welfare.

The memorial of E. A. Blumenstine, of Harrisburg, Pa., remonstrating against so-called junk mail (with accompanying papers); to the Committee on Post Office and Civil Service.

CONCURRENT RESOLUTION OF SOUTH CAROLINA GENERAL ASSEMBLY

Mr. THURMOND. Mr. President, on behalf of myself, and my colleague, the senior Senator from South Carolina [Mr. JOHNSTON], I present a concurrent resolution passed by the South Carolina General Assembly April 10, 1957, and I ask that it be printed in the RECORD and referred to the appropriate committee.

There being no objection, the concurrent resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing the United States Senators and Members of the Congress of the United States from the States of South Carolina, Georgia, Florida, and Alabama to vigorously oppose any further curtailment by the United States Department of Agriculture of tobacco production

Whereas the United States Department of Agriculture has cut the acreage allotted to the tobacco farmer for this year by 20 percent; and

Whereas the Federal Government, through the Department of Agriculture during the past 10 years, has cut the acreage allotted to the tobacco farmer by 40 percent; and

Whereas the United States Department of Agriculture has further cut the production of the tobacco farmer by at least 1,000 pounds per acre by dictating the variety of tobacco that the farmer is allowed to plant; and

Whereas Senator W. KERR SCOTT, Democratic Senator in the United States Senate from North Carolina, proposes an additional cut to the tobacco farmer by limiting the acreage poundage so as to limit leaf production; and

Whereas the position of Senator SCOTT may be understandable in view of the fact that the State of North Carolina has a greater tobacco allotment than any of the States of South Carolina, Georgia, Florida, and Alabama; and

Whereas the State of South Carolina cannot concede the right or the justice of such a position in view of the cuts and reductions that the tobacco farmer of this State has already suffered; and

Whereas it is believed that any further curtailment of the production of the tobacco farmer will be ruinous financially to this all-important segment of the agricultural life of the State: Now, therefore, be it

Resolved by the House of Representatives of the State of South Carolina (the Senate concurring), That each United States Senator and each Member of the House of Representatives in the Congress of the United States from South Carolina, and each United States Senator and each Member of the House of Representatives in the Congress from the States of Georgia, Alabama, and Florida be memorialized to vigorously oppose any further curtailment by the United States Department of Agriculture of any type of tobacco production by the tobacco farmer; and be it further

Resolved, That a copy of this resolution be forwarded to each Senator and Congressman referred to herein.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the South Carolina house of representatives and concurred in by the senate.

INEZ WATSON,
Clerk of the House.

THE PRICE OF GOLD—PETITIONS

Mr. GOLDWATER. Mr. President, on October 8, 1943, the War Production Board issued Order L-208, which called for a cessation of nonessential mining operations. This order was the death knell of the gold-mining industry in this country, which previously had been crippled by the Gold Reserve Act of 1934, which set the price of newly mined gold at $35 a fine ounce. The $35 an ounce price has remained unchanged until the present time, and has resulted in virtual stoppage of gold mining in the United States, except as gold is found as a by-product of other metals.

Mr. President, the citizens of Arizona are vitally interested in the price of gold.

I ask unanimous consent that there be printed at this point in the body of the RECORD, as a part of my remarks, petitions, together with the signatures thereto, which I have received on this subject in the last few days.

There being no objection, the petitions were referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, with the signatures attached, as follows:

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and

raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Donald Clark, Fidel Abril, Billy Elia, E. W. Randall, E. W. Alford, C. Richie, E. H. Triefenbach, H. Small, Manuel M. Amoya, Hollis D. Richards, Clifford E. Nancollas, Charles B. Richards, H. W. Anderson, Albert S. Wood, C. D. Scott, Pat Orlando, Edward K. De Ryke, N. L. Lyman, H. V. Hill, Mildred R. Walmsley, Ada Docker, Cora Savoy, Rupert J. Loza, Phoenix, Ariz.; H. W. Fritsche, Barbara Goldman, Goodyear, Ariz.; Earl J. Campbell, E. E. Minitz, Everett V. Cohoe, Patrick Ballengee, Kathryn Ballengee, Frank A. Cunningham, Walter F. King, Elmer F. Morrell, Ray Smith, Roy Windle, Daniel H. Twitchell, Frank Alvarez, Malvin Billinghurst, Lyle Banks, Carl H. Peters, Clarence H. Grimm, W. L. Clements, Ruby Jamison, Dean Shields, Mildred S. Kiefer Frank Raymond, Ralph E. Hess, J. A. Shelley, Gertrude R. James, Esther Strauss, May Yee, Jeanne Borthwick, Lucille Francies, A. W. Spangehl, Phoenix, Ariz.

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

A. C. Haigler, Violet M. Haigler, Joseph C. Kosteinik, Yolanda M. Kosteinik, Seid Waddell, Ethel Kunz, W. R. Murhamer, Glen F. Blair, C. J. Lunemschloss, Ted O. McCullaough, Lorraine H. Kelly, Phoenix, Ariz.; Ralph Richut, Scottsdale, Ariz.; Joseph W. Carter, Charles Grissler, Agnes Grissler, S. H. Ammerman, Reamy C. Fitch, Hugh Perry, H. F. Beckman, R. Wick, W. Elston, Hazel Gray, Leona Hulsh, Jewell Nealy, Paul Adams, Freddie Lewis, John Elliott, Josephine M. Riesgo, William Mehan, Eleanor G. Bookman, Martha Marie Halcomb, F. A. Miller, James T. Young, C. E. Young, Ernie Fox, Agnes Fox, Charles Murray, Phoenix, Ariz.

D. W. Kempton, Vernon Stokes, Burl E. Merrill, Russell DeWitt, Leroy Bentley, Ben Pablos, Arthur H. Gitsmann, V. B. Snyder, Marian Murheimern, John McGrath, Albert M. Reguly, Paul M. Yeager, Muri R. Fulk, M. D., George Harlan, Phoenix, Ariz.; Howard C. Harlan, Glendale, Ariz.; Elmer W. Gift, Mildred Caragan, Aubri J. Russell, W. H. Stevens, Eloise Nassoty, Albert MacKenzie, O. K. Benjamin, Venus H. Angle, Vera D. Cole, Dean S. Davidson, Helen Mitchell, Rebecca Brown, Kenneth Sadrick, C. C. Huskison, Cecil E. Gilliam, Earl E. Haver, Alfred L. Martin, Bryan Routh, J. H. Mouer, E. S. Stringham, Phoenix, Ariz.

W. W. Grace, Earl Grace, Joe G. Strahan, Earle Sleyder, Charles M. Morgan, Mary E. Smith, M. H. Baskin, L. C. Boles, Phoenix, Ariz.; Lee E. Shepard, Glendale, Ariz.; Sam L. Renis, Geo. A. Sadler, A. Wetzler, Phoenix, Ariz.; Frank J. Suter, Thelma Suter, Scottsdale, Ariz.; Ellen McGrath, Ethel Massey, Betty Henderson, Marion S. Murhamer, Joseph T. Rich, Gottfried Stettler, John M. Levy, Richard Brubaker, R. E. Mullane, A. Homan, J. H. Waters, J. B. Schroeder, A. J. Schlister, J. O. Pinnick, Ethel A. Pinnick, John Parr, Ch. Kirschstein, H. Kirschstein, Phoenix, Ariz.

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Telle E. Glock, club trustee; Amy C. Neal, club trustee; June Bond, club trustee; Georgia H. Brandenburg, president; Angeline Rathbone, first vice president; Bernice Richardson, second vice president; Meta Seuz, treasurer; Olga Joy, secretary; Thelma S. Duke, north district welfare chairman; Elsie Wallace, safety chairman; Catharine M. Johnston, parliamentarian; Mrs. Paul Wallace, publicity chairman; Mrs. John Hokanson; Mrs. Lillian Sweetland; Mrs. C. C. Bollinger; Mrs. Nancy D. Owen; Mrs. Lloyd Clinkenbeard; Thelma M. Duntra; Louise Kuykendall; Alice E. Claire; Inez Ridenour; Mabel Harrison; Mary Jane Wienke; Evelyn Dyer; Jay M. Gates; Marion E. Watson; Viola Waetje; Fanny L. Woodward; Elsa M. Snuney; Clara B. Pahland; Pauline McLendon; Cordie L. Moser; Mrs. Frank Kesler; Mrs. Mabel E. King; Mrs. Ethel Robinett; Kingman, Ariz.

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Dorothy V. Smith, Goldie Briggs, Glenna C. Auld, Anna Mellion, Estelle Chapman, Nell B. Hand, Ruby E. Warren, Alice Plummer, Nadine Hubbs, Doris Borham, Mae Henderson, Donna Sader, Helen Johnson, Mrs. W. A. Kesler, Elizabeth Malloy, Mrs. Cyrus P. Weeks, Mrs. J. H. Bathrick, Louise Stackpoole, Vida Robinson, Kingman, Ariz.; Mrs. Vera L. Bradley, Lilian Copeland, Los Angeles, Calif.; W. G. Coffman, Kingman, Ariz.; Clyde Hinson, Phoenix, Ariz.; L. W. Bodill, Whittier, Calif.; Tex Hall, Chino, Calif.; Nelson G. Harshberger, Cindy Delgado, Dolly Alger, A. L. Alger, Kingman, Ariz.; Francis L. Worthley, Oatman, Ariz.; E. E. Duntoe, Mrs. Peggy Dunton, Seattle, Wash.; O. L. Worthley, Davenport, Wash.; Albert M. Worthley, Oatman, Ariz.; William A. Johnston, Kingman, Ariz.; Frank W. Cole, Santa Barbara, Calif.

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W. E. Hittson, president, Oatman Gold Roads Chamber of Commerce, Frances Hittson, J. C. Brendenburg, Elizabeth G. Fand, Oatman, Ariz.; E. W. Web, Kingman, Ariz.; James H. McCready, Mining, Oatman, Ariz.; Edward L. Bumgardner, Tucson, Ariz.; Lew Russell, Beulah Russell, Portland, Oreg.; Effel Rud, Fenriser, Calif.; Gilbert Phillips, Horace G. Fuller, Anna M. Hidenour, Minnie I. Fuller, Oatman, Ariz.; T. Peterson, J. M. Menefee, Kingman, Ariz.; Helene Lee, Van C. Lee, county committeeman, Lucille E. Bean, postmaster, Oatman, Ariz.; Paul A. Kunkel, Mining, Ariz.; Dorothy Phillips, Ruth Kunkel, R. H. Baldwin, Rae Baldwin, Earl C. Stefa, Josephine Steffa, Oatman, Ariz.; O. B. Joy, Vernetta Broking, D. A. Broking, Thomas W. Coughlin, Kingman, Ariz.; M. C. Brucker, Glendale, Calif.; G. M. Caulfield, Lucille A. Caulfield, Brownsville, Tex.; Flora Gauldin, O. Lee Gauldin, Downey, Calif.; Esther Sowash, Big Gear Lake, Calif.; Alice M. Beatty, Escondido, Calif.

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M. N. West, Jane West, Quincy, Calif.; Julian M. Ager, civil engineer, Klamath Falls, Oreg.; Charles A. Krucey, Phlonde, Ariz.; Bryon Carlin, Kingman, Ariz.; Jerry Stahl, Yucca, Ariz.; Todd Long, Harold Barlin, Donald E. Short, Donald R. Fergan, Phil Keller, Alvia H. Todtt, Kingman, Ariz.; Paree J. Killejaedr, Needles, Calif.; Enga Harts, Jennie Gruninger, Ora Gruninger, Nettie Ritchie, Proniss Zeolnge, Erwin W. Crager, Harriet S. Crager, Floyd Spidell, Hazel Lopinski, Kay Atherton, Kathryn C. Stahl, G. H. Johnson, Helen Johnson, Kingman, Ariz.; Mary Lee Lownes, San Diego, Calif.; Della E. Lund, Eugene Lund, Wilmington, Calif.; Carnie Bowman, McFarland, Calif.; B. Parsons, Escondito, Calif.; Mrs. Odessa L. Bowman, McFarland, Calif.; Marian White, Ventura, Calif.; P. K. Sowash, Big Bear Lake, Calif.; Ernest Wilson, Winslow, Ariz.; Frances D. Kokes, Van Nuys, Calif.; Mathilda R. McCaig, Sepulveda, Calif.

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Dorothy C. Craig, Los Angeles, Calif.; Gertrude Saling, Manhattan Beach, Calif.; Alfred G. Wynekar, Lennox, Calif.; Leoh Bullis, Inglewood, Calif.; Sally Westerman, Inglewood, Calif.; Honora Costigan, Los Angeles, Calif.; Hilda K. Davison, Palos Verdes, Calif.; Robert T. Curtis, John Rauber, E. M. McGough, Lennox, Calif.; Raymond R. Roe, Hawthorne, Calif.; Edward J. Pia, Torrance, Calif.; L. Copeland, Los Angeles, Calif.; Robert Quillen, Harbor City, Calif.; Everett L. Lomboldt, Gardena, Calif.; William E. Hess, Manhattan Beach, Calif.; Jacale Balian, Leo Balian, Inglewood, Calif.; James M. Baucr, Earogua, Calif.; Leonard D. McGinnis, Hawthorne, Calif.; Ruth F. Bunneak, South Gate, Calif.; Ralph A. Lauso, Inglewood, Calif.; Norris F. Blodgett, Howard A. Speaks, Los Angeles, Calif.; Mary M. Gray, Inglewood, Calif.; Edna M. Coelko, Gardena, Calif.; Rudolph J. Lisa, Los Angeles, Calif.; J. E. Vance, Manhattan Beach, Calif.; Cordelia Anderson, Los Angeles, Calif.; David S. Foryth, Lennox, Calif.; G. Evans, Inglewood, Calif.; Myrtle L. Scranton, Harold L. Sudenstucke, Hawthorne, Calif.; Chester L. Ripley, Gardena, Calif.; F. K. Olson, Inglewood, Calif.; Adolph Singermann, Los Angeles, Calif.

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Neal M. Sprague, Earl B. Mott, J. E. Andes, Geffio F. Dinelli, Benjamin H. Phillips, W. E. McCoudreun, Joel W. Frazier, E. J. Pickens, Addie Dale, Needles, Calif.; Ray Frei, Norwalk, Calif.; J. S. MacDonald, Needles, Calif.; D. V. Nimrick, Carter, Okla.; John MacLeod, Templeton Sims, Lester Barnum,

G. S. McDaniel, Dollie C. Stewart, R. L. West, R. N. McCutchen, Clay Hubbard, J. F. Blankenship, Paul B. Pryor, M. E. Johnson, E. H. Peely, Al Williams, John T. Williams, H. B. Burress, Mrs. Doris B. Sprague, Herman A. Clark, Bob Lannom, Clinton Bremer, Joe C. Tapscott, Jackson L. Sen, Bryan Botts, Quincy Crain, C. S. Zimmerman, E. G. Green, W. L. McGill, E. E. Smith, P. O. Brockheuser, R. W. Andrews, J. R. Hendon, Owen A. Kester, C. B. Howell, W. L. Hughes, F. M. Potter, Needles, Calif.; J. D. Purdy, Winslow, Ariz.; E. G. Farley, H. C. Johnson, G. I. Albrecht, Needles, Calif.; J. L. Bissell, H. A. Garnett, J. W. Lund, Beny McGill, Needles, Calif.; Leo R. Quinn, Beaver Bay, Minn.; Clarence O. Trubey, Stephen Vissokay, Needles, Calif.; L. F. Chatham, Mader, Calif.; R. Rodriguez, Carroll Albertson, James A. Barnes, George Wm. Stewart, Huey Moon Lee, Athleen Walton, Jack Connor, Rodney R. Reid, M. L. Fredrickson, Frank G. Farrall, H. E. Fleming, R. J. McConnell, Needles, Calif.

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Mrs. Earl S. Bruce, Stanley V. Clark, LaVerne Ming, Olive Bond, Donald Hacker, Lucille A. Cisnug, Grover E. Keller, Betty L. Grounds, Peggy B. Smith, Louis L. Wallace, Marion G. Hilty, James R. Pascoe, E. V. Talin, J. L. Carrow, F. J. Warlick, Mary L. Cannon, Fred Willis, Luther C. Dancer, Paul Geel, Ellis Rucker, A. C. Dunn, Peter Barkmans, E. Ross Householder, Carl F. Froning, A. J. Muller, C. W. Burcham, Elmer Gilman, Lida Mae Hickan, Pauline McLendon, Guy Rutherford, J. H. Beauchamp, A. W. Smith, Feltx H. Winsted, Jack C. Dudley, Mrs. W. A. Kesler, Kingman, Ariz.

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J. E. Hood, Rubye Haelborn, Agnes Duey, Jean Steele, Olive C. Hood, Retha Williams, Bill Burton, O. Ackerman, Ruby Irene Stockbridge, Sadie Pearl Duncan, C. W. Stockbridge, Mrs. R. E. Hood, Jen Hunter, N. T. Gaylor, Paul S. Little, Bob Williams, B. R. Lambert, Grin H. Lambert, Rover B. Auld, Elmer Rushing, Ola B. Rushing, Mrs. A. Hodges, L. Johnson, S. B. Campbell, Clarence Culver, Elsie Smith, James W. Patterson, Blanche W. Peterson, Edna A. Roe, P. A. Chadwick, Edgar Chase, Fern Lord, Marietta Gibbens, Roy Gibbens, Don McCraley, Kingman, Ariz.

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Clifford Blacksmith, W. J. Boucke, Ken Larkin, R. L. Rickerby, C. V. Brandenburg, Wm. S. Hayes, Alfred H. Olsen, Fred Belcher, William T. Jordan, M. G. Gilbert, Paul Anderson, John C. Hirsch, Russell A. Hiril, Floyd J. Rodobaugh, William J. Dunn, Jake Crus, Dan Thomson, Ernie Frye, Peter Rasmussen,

Rawlins, Wyo.; Joe Satia, Sinclair, Wyo.; Eugene J. McAllister, Frank McNellis, L. P. Turner, H. A. Swanson, Jack Teers, Robert Richard, Ed LaBre, B. E. La Brie, W. A. Johnson, Dominick Francis, Herman Rius, Elois Bommerschein, H. O. Hesson, Joe Oswell, John C. Lucus, Rawlins, Wyo.

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John A. Kemp, Glendale, Calif.; John W. Rizey, Thelma P. Rizey, Sunland, Calif.; Calmer Res, Van Nuys, Calif.; Fred Echwald, Hollywood, Calif.; Sidney W. Hock, Montrose, Calif.; Robert W. Lane, Burbank, Calif.; Wm. K. Kirkwood, North Hollywood, Calif.; Clarence P. Kelley, Hollywood, Calif.; Wm. F. Pratt, Los Angeles, Calif.; Martin M. Cuesta, Anna H. Cuesta, Kingman, Ariz.; Martha Reck, Joseph Reck, Hayden Lake, Idaho; Frederick S. Foord, Willets, Calif.; Jess W. Carson, Susan G. Carson, McCarthy Station, Fort Bragg, Calif.; Hesper C. Foord, Willits, Calif.; R. T. Wade, Rosie M. Wade, S. Ukiah, Calif.; Mrs. Darlene A. Richardson, George Carlson, Mrs. A. Fuller, Arthur F. Fuller, Fred Messer, Hannah R. Messer, Jas. S. Hampton, Alice E. Hampton, Kingman, Ariz.; Margret C. Leskesh, Oatman, Ariz.; Margaret Oswood, Bullhead City, Ariz.; Leta Glancy, Barbara I. Bake, Kingman, Ariz.; Ora L. Grant, Mrs. Iva Risner, Kenneth E. Brown, Nancy J. Brown, Oatman, Ariz.

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Mrs. Maurice Hedderman, Maurice Hedderman, Glen Heath, B. E. Gilbert, Pete G. Aguire, Sells, Ariz.; Patricia Boone Campbell, G. F. Delgado, S. J. French, Richard J. Moroney, Ramon N. Saludo, Binnie Watts, P. T. McMurray, A. B. Trant, Vivian John Trant, Marie Lang, Sylvia Keller, Gordon D. Perrine, Morris J. Smith, Gerald L. Doyle, D. J. Line, Robert H. Isaac, James R. Stowers, John S. Marins, Wayne Quiiros, C. M. Sickmon, James K. Ellis, Clyde Overs, Rudolph C. Cordova, Tucson, Ariz.; F. Richard Rouse, D. C., Fort Wayne, Ind.; Ralph C. Weber, Richard G. Commert, Sells, Ariz.; Bob Barrett, Tucson, Ariz.; Howard H. Fields, Nogales, Ariz.; V. P. Stewart, Benjamin P. Jacobs, Howard A. Wolfe, Tucson, Ariz.

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Raymond V. Edwards, E. R. Stapleton, Los Angeles, Calif.; R. Wiland, Norco, Calif.; Robert E. Patterson, Glendale, Calif.; Edward L. Hoffman, George R. Micuta, Richard S. Glickman, Fred Hounshell, William Howard Myers, Los Angeles, Calif.; Thomas J. Tietz, Inglewood, Calif.; E. A. Kawy, Herbert Gerisch, Tad Stoddard, Los Angeles, Calif.; Michael Herd, North Hollywood, Calif.; John L. Parman, Helen Parman, Stockton, Calif; John R. Dunegan, George Mann, Los Angeles, Calif.; Roger Johnson, Gardena, Calif.; William F. Lyon, Los Angeles, Calif.; W. J. Vezie, Topanga, Calif.; Mrs. Millard Linville, Los Angeles, Calif.; Donald E. Bofdston, Reseda, Calif.; D. E. Nesbitt, Pomona, Calif.; Florence E. Cravetz, Jules Ross Cravetz, Monrovia, Calif.; Travis C. Roth, Los Angeles, Calif.; Vall Gleason, Venice, Calif.; Dr. L. E. Penprase, Los Angeles, Calif.; Clifford E. Stager, Inglewood, Calif.; Marie Stager, Los Angeles, Calif.; Celia E. Webb, Earl R. Webb, Alhambra, Calif.; Robert E. Anderson, Violet E. Anderson, Inglewood, Calif.

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Mrs. Dick Hart, Mrs. Virgil Vandece, Frank Sanderson, Amy Sanderson, Yucca, Ariz.; Walter H. Black, E. E. Wishon, Ervin L. McBrayer, Mrs. Viola Waetze, Ralph E. Watson, Jr., G. E. Weir, E. R. Smith, Ray E. Peterson, Tom Gerbol Heimer, Roman Wegscheid, Vic Childs, Kingman, Ariz.; Dale C. Brittain, Tucson, Ariz.; C. Luther Wendriskson, Oracle, Ariz.; Abe Yarbrough, Ruby Yarbrough, James Yarbrough, Bertha T. Yarbrough, Nina Yarbrough, James Griffith, Ardie Griffith, Leland E. Thurston, Sheldon Heath, E. W. Tate, Evelyn L. Tate, Wm. B. Smith, Yucca, Ariz.; Charles E. Howell, Kingman, Ariz.; J. B. Bingham, Yucca, Ariz.; Preston B. Moon, Kingman, Ariz.; A. H. Orinette, Richard Brumeister, Juan Rodeguez, Wm. Carmody, A. Arnold, Yucca, Calif.

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W. K. Bean, Oatman, Ariz.; A. V. Searle, Lewiston, Mont.; Kathryn M. Garr, Glenn E. Gaver, Margaret M. Oliver, Glen T. Oliver, H. A. Crow, Dorothy E. Crow, George F. Burke, Minnie Burke, Robert B. Walker, Marjorie Christian, Kelly Christian, Maria A. Paz, Jack Marshall, Maxine Marshall, James F. Milton, John F. Milton, Beatrice Greenleaf, Russell S. Smith, Yuma, Ariz.; Julius H. Brannan, Jr., Phoenix, Ariz.; Constance M. Davis, Yuma, Ariz.; Louis S. Gonzales, Glen White, Mary Garr, Yuma, Ariz.; John Hann, North Hollywood, Calif.; Thomas L. Davis, Esther H. Walker, Charles E. Shill, Vina T. Shill, Harry N. Mortiman, Mrs. Clarissia Winsor, Yuma, Ariz.; Ralph Pana, Jr., Ralph Pana, Juanita Pana, Peoria, Ariz.

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Raymond Rush, Alex R. Lindquist, Jean L. Anderson, Kingman, Ariz.; Grace Bieti, E. C. Bieti, Wickenburg, Ariz.; L. L. Edgerton, J. W. Richardson, Margaret H. Fay, J. F. Kincaid, H. D. Kreft, Leslie Bonser, Wallace E. Stone, Elmer Graves, Helen Graves, Al Lindquist, Oral D. Stowell, Kingman, Ariz.;

Ralph J. Harmer, Las Vegas, Nev.; Mabel Grace Kern, Wm. L. Kern, V. L. Potter, Vernon R. Carter, Kingman, Ariz.; Jack L. Maberry, Chloride, Ariz.; Clifford L. Purcell, Pete Pancher, J. W. Shull, A. C. Cotton, W. J. Howard, F. A. H. Lanyon, Mrs. A. W. Smith, Darlene Mitchell, Clay A. Cornwall, A. W. Smith, Kingman, Ariz.; J. O. Christensen, Las Vegas, Nev.; Woodrow W. Worthley, Oatman, Ariz.

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Mrs. Ray Anderson, Marie L. Strough, C. E. Wilson, Mrs. Bessie Fellows, Mrs. Wm. Brown, Lincoln, Nebr.; Don J. Hamlow, Waverly, Nebr.; Mrs. W. M. Samuelson, Mr. W. M. Samuelson, Arloeen Hamlow, Zelma A. Sundberg, I. D. Sundberg, Lincoln, Nebr.; Mrs. Wilma Rogers, Ashland, Nebr.; A. Weigandt, D. Thurman, Mrs. D. Thurman, Mrs. Albert Weigandt, Geo. A. Whiting, Perry R. Sheldon, G. L. Sundberg, C. A. Wymore, Norma Hood, Gerald Hood, Lincoln, Nebr.; Selma Sundberg, Albert Sundberg, Dean Sundberg, Stromsburg, Nebr.; Irene Bennett, Walter Bennett, Milford, Nebr.; Mrs. Joan Christensen, Jim Christensen, Omaha, Nebr.; Ray McKnight, Lois McKnight, Beulah, Colo.; W. H. Morton, El Cajon, Calif.; Vera A. Morton, Darby, Mont.; John C. Davis, Los Angeles, Calif.; Joseph R. Lowner, San Diego, Calif.; Otto M. Conley, Detroit, Mich.; Earle D. Rittenhouse, Santa Barbara, Calif.

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T. W. Allen, E. W. Sawyer, Jr., Louise Safarik, J. C. Langer, Art Tanya, Joseph S. Hook, Los Angeles, Calif.; Carl W. Faucett, Frances E. Davison, E. W. Sawyer, H. C. Barker, Los Angeles, Calif.; Richard Terrin, Doris H. Spafford, Edgar E. Pepiton, K. Wienke, Alma G. Coffman, Annungie Delia Gustrin, Gertrude E. Coughlin, F. L. Coughlin, James Revin, Jean Jones, Veena V. Bianco, W. R. Mounts, Beryl Begley, Donald Russell, Elizabeth A. Wiley, Leona Peterson, Clarence L. Smitt, Irene Lewis, Virginia M. Nichols, Lillian Kause, Dorothy Hall Elmer, Bernice B. Hulet, Ernst E. Leichsening, Jr., Mary Murphy, B. E. Porter, Kingman, Ariz.

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Marion C. Hilty, Mayme Harris, Marjorie Van Morten, W. D. Lowe, Marjorie F. Wheeler, J. Guis, Irene Handley, George C. Ricos, George A. Prentice, Paul Van Morten, C. C. Bollman, Joe R. Miller, Patricia Casson, Claudene Cox, Mabel Bailey, Bernice B. Hulet, Bertha M. Taylor, Dorothy E. Osterman, Sadie Pearl Duncan, Ethel M. McCraley, Richard S. Brock, Nita N. Tucker, Amy W. Casey, Lillian Sumner, Alex Thomson, Richard D. Greene, Josephine Dennis, Lois Pemberton, Mrs. Alma Ayers, Mrs. Fred Botts, Theta L. Cudney, Carl P. Frank, Dolores Carrillo, Jeanne Berger, John A. Warren, Kingman, Ariz.

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Mary Leichseuring, Arthur L. Finch, Jr., William A. Frank, J. M. Long, Mrs. W. H. Snedden, Ennis Vaughn, Emil M. Berger, Elmer Harrison, O. Ellis Everett, Grace D. Everett, L. M. Barrow, Marcheta Brown, Robert Schesling, Albert H. Vanz, Bert Lee, Marjorie Lee, Lee Searls, Helyn Searls, Robert E. Christy, Mrs. Caroline Potter, Clara Osterman, Frank L. Porter, Gerald E. Cudney, Robert Pete Nob, Ed Housman, Vernon C. Rousey, Arlene M. Rousey, H. T. Mayers, George B. Mock, Eusebio L. Torres, Kathryn Moon, Robert Q. Amos, G. E. Sumner, Jeraldine Devlin, Kingman, Ariz.

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Warren K. Lee, Mary L. Lee, Carmichael, Calif.; Betty Radford, P. E. Radford, D. F. Erskine, Julia Erskine, Barbara Slayton, Richard A. La San, Jewel L. La San, Henry Fischer, Mrs. Henry Fischer, Walter A. Smith, Clara Roberts, R. E. Rutler, Katherine Rutler, Roseville, Calif.; Myrtle Rutler, H. R. Rutler, Eureka, Calif.; L. F. Bedunt, Hay A. Weller, M. F. Maher, Elizabeth Freeman, Stanley Willeford, Jack Rue, Dick Parvin, M. R. Kubernon, D. W. Mason, Kathleen K. Ford, W. Lowry, M. S. Crow, M. Worley, Lulu Purcell, Ernest R. DeFerrari, Johnie L. Roberts, Mary H. Lee, W. R. Brooks, Roseville, Calif.

PETITION

To the Congress of the United States:

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Carroll S. Farley, A. L. Jagerson, Robert B. Hampton, Donald George, Cleo E. Reed, Vernie Fink, T. W. Hendrick, John H. Ware, Jr., Dorothy Jagerson, A. Gibbs, Maxiner Gibbs, Beatrice Hendrick, C. C. Arnold, J. Pickwich, H. M. Smith, C. R. Jones, J. W. Brown, C. C. Carpenter, W. H. Hunt, Oliver W. Dial, S. J. Neeley, Joe O'Keefe, Charles L. Stoke, Bonale Long, Jesse W. Davenport, Reginald A. Hansom, Louise DeLong, Per. Manson, Stanley F. Tipton, Larry Ross, Ruth Ann Jones, Ida B. Nogüllor, Harold Saunders, George B. Miller, Paul A. Raymond, Kingman, Ariz.

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George O. Albert, C. W. Carroll, Virginia Carroll, J. W. Southern, T. H. Raiche, Dell Kunts, Stanislaus, Calif.; Clement D. Fry, Murphys, Calif.; Harry E. Weston, Sonora, Calif.; C. E. Hall, Vallecito, Calif.; Mrs. H. D. Rose, R. N., Sonora, Calif.; Mrs. Richard Martinez, Standard, Calif.; Cleta W. Marsh, R. N., M. G. Marsh, Reta Lee, R. N., Lavenda Thelma Lee, Cora May Harris, Mrs. Roberta E. Griffiths, Sonora, Calif., Thelma M. Martin, Mi-Wuk Village, Calif.; Margie E. Ghiorso, Mrs. Gail M. Gee, Mrs. Betty McCollach, Sonora, Calif.; Elizabeth K. Fernandes, Sonora, Calif.; Mrs. Irene T. Hatcher, Jamestown, Calif.; Edna L. Veghensoni, R. N., Dorothy B. Lorber, Columbia, Calif.; Claire Martin, Tuolumne, Calif.; Linnea Rhinehart, R. N., Twain Harte, Calif.; Ethel L. Phillips, Calumb, Calif.; Barbara A. Berry, R. N., Kathy E. Felix, Sonora, Calif.; George O. Garretta, Tuolumne, Calif.; Selig Miller, J. F. Ducker, O. E. Bingham, Vendor B. Lee, Sonora, Calif.

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S. A. Goodson, James O. Otero, Laura B. Mylim, Frank A. Mylim, Mae Barksdale, Kingman, Ariz.; George K. Rockwood, Needles, Calif.; W. H. McCann, Bakersfield, Calif.; M. G. Hoffman, Needles, Calif.; J. J. Healy, Lee Garman, John Holder, Nina Holder, A. Gibbs, Corrine Rebbein, R. H. Williams, Milt Dodge, Rix Chastain, Ruth Chastain, Cora Otero, Pedro Badilla, Fred H. Thomas, W. J. Calson, H. M. Hansen, Albert Badillo, Tom

Oresley, George Archambeault, Robert Mosser, Kingman, Ariz.; W. P. Baird, Chloride, Ariz.; W. M. Spaw, Howard C. Torr, Howard S. Walker, Harry W. Quamtance, Anna Casertano, Cora M. Casteel, Kingman, Ariz.; Marlyn H. Lynch, Robert Lynch, Seleghman, Ariz.

Eva Mae Coon, Helen Barcus, Allen J. Andersen, Harold R. Smith, Lester E. McFadden, Kay Curtis, Candy Goodwin, Kingman, Ariz.; W. J. Wootin, Chloride, Ariz.; Shorty O'Haver, Eugene W. Blair, John J. Putnam, Joe V. Bowling, Robert L. Wells, George Potter, Charles O. Foss, Howard I. Tyler, H. T. Hopkins, H. R. Courtney, Scott Newman, E. K. Martin, Kingman, Ariz.; Emery Blivins, Wikieup, Ariz.; Robert W. Pitsin, Kingman, Ariz.; Paul Gallevan, Mucca, Ariz.; Amos Shaeffer, David A. Marsh, Roy Wattason, Alene Babcock, G. C. Thomasson, Firmin Padilla, Kingman, Ariz.

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To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Richard A. LaSan, Lyle R. Darling, C. W. Neptune, Roseville, Calif.; G. W. Taylor, Orangevale, Calif.; H. O. Jordan, Roseville, Calif.; Viola E. Mayes, Citrus Heights, Calif.; Frank G. Mohney, North Highlands, Calif.; Don Torres, Roseville, Calif.; S. A. Snyder, J. E. Laddy, Sacramento, Calif.; Robert E. Wingo, Gerber, Calif.; Arthur W. Roberson, Tehoma, Calif.; S. O. Patterson, Cecil Huse, Gerber, Calif.; Lloyd E. Keile, Comig, Calif.; P. W. McKenna, Gerber, Calif.; W. C. Roman, V. F. Gau, Roseville, Calif.; W. J. Plummer, E. D. Beaumont, Sacti, Calif.; G. H. Stout, Citrus Heights, Calif.; Ernest E. Nunn, Roseville, Calif.; L. G. Forsell, Citrus Heights, Calif.; E. N. Rodell, Tracy, Calif.; A. N. Sisson, Rocklin, Calif.; I. D. Thompson, James T. Ross, Fred A. Lunn, Roseville, Calif.; Philip L. Hardison, Sr., Orangevale, Calif.; Wm. J. McNeil, Jr., Joseph Shuper, C. N. Wagner, Roseville, Calif.; Geo. F. Conley, Jr., D. H. Swain, W. R. Landis, Roseville, Calif.

L. M. Smaltz, C. R. Dillner, Gerber, Calif.; J. C. Padovan, Sacramento, Calif.; William G. Hendley, Oakland, Calif.; John R. Walsh, Sacramento, Calif.; Geo A. Robbin, Red Bluff, Calif.; E. E. Karr, North Sacramento, Calif.; E. F. Ahlbone, B. C. Baggett, Roseville, Calif.; J. V. Vinton, Fair Oaks, Calif.; J. E. Teske, Orangeville, Calif.; R. L. Dixon, W. L. Pratt, M. E. Barnett, Roseville, Calif.; G. D. Swanson, North Highlands, Calif.; Theodore J. Miller, Gilbert S. Kister, Leo J. Washburn, Al Wakefield, Leonard R. Wood, Arthur Chsolz, Roseville, Calif.; E. Nassi, Loomis, Calif.; Arch J. Palaffing, O. R. Ferguson, M. G. Robinson, Roseville, Calif.; J. H. Ulrich, A. H. Vidonon, Jr., Sacramento, Calif.; F. Howe, Roseville, Calif.; P. M. Derania, Sacramento, Calif.

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Charles P. Elmer, Francis X. Gordon, Jr., Myrl Brooks, Muriel Phalan, Kingman, Ariz.; Mrs. H. L. Frazier, Valentine, Ariz.; Mrs. George Bivens, Frank M. Nolen, Sr., Virginia Belding, Ruby Stayner, Eugenia Wiseley, Sally Neilson, Ida Zumwalt, Alice Chasteen, Elizabeth Humphries, Lillian Hafley, Dick Taylor, Jerry Libertini, Veronica Humphries, Cherry Magner, Kingman, Ariz.; Jessie Isham, Topeka, Kans.; Billie Brown, Mary B. Davier, Vic Cheitz, A. L. Woodhouse, R. G. Dayling, Emma A. Bale, Amelia Lloyd, Kingman, Ariz.

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Carl Linden, O. K. Lewis, Mrs. Rowan Wegescheid, Barbara Blais, Norman Barnes, Mary Barnes, Ruth Teague, Marie Richey, Mrs. E. L. Leevan, Mrs. W. E. Smith, W. K. Lentz, Mrs. Vel. Swartz, Mr. I. W. Swartz, Elwood Moffitt, Elva Burch, H. F. Schmidt, Mrs. H. F. Schmidt, B. F. Golding, Nell Golding, Mrs. H. V. Clinton, Mr. J. F. McGowan, George T. Gross, Eliza Fass, Ignacio Fass, George Fass, Kingman, Ariz.; Dorothy Noble, Bullhead City, Ariz.; Lyda M. Archer, Long Beach, Calif.

PETITION

To the Congress of the United States:

The undersigned, being citizens of the United States, respectfully petition the Congress to restore our country to the gold standard, putting same on the free market and raising the price of gold, hereby endorsing the action of the Women's Club of Kingman, Ariz., to accomplish same.

Wesley Britt, Charles P. Weakatt, Robert E. Morrow, Mary A. Coursey, Audrey Corington, Kingman, Ariz.; Katherine Lorig, Chloride, Ariz.; Mrs. Geo. Carlson, Kingman, Ariz.; May M. Griffin, Phoenix, Ariz.; Al Jagerschon, Chloride, Ariz.; Doris Fiscel, Kingman, Ariz.

REDEVELOPMENT OF SUBSTANDARD AREAS—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Buffalo Federation of Women's Clubs, of Buffalo, N. Y., relating to the redevelopment of substandard areas.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

BUFFALO FEDERATION OF WOMEN'S CLUBS,
Kenmore, N. Y., April 4, 1957.

Senator JACOB K. JAVITS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JAVITS: At the annual convention, March 27, 1957, of the Buffalo Federation of Women's Clubs, the resolution below was adopted. We are asking for your powerful support of this resolution.

Sincerely yours,

ESTELLA S. GALLIVAN,
Chairman, Resolutions Committee.

REDEVELOPMENT OF SUBSTANDARD AREAS

Whereas there are Federal funds available for redevelopment of substandard areas in the city of Buffalo: Therefore be it

Resolved, That the Buffalo Federation of Women's Clubs hereby urges that the proper agencies make possible the use of these funds, as quickly as is consistent with efficiency and good planning; and be it further

Resolved, That a copy of this resolution be sent to the mayor, the president of the common council, the chairman of the board of redevelopment, Senators Irving M. Ives and Jacob K. Javits, Representatives William E. Miller, Edmund P. Radwan, and John R. Pillion, and the Hon. Albert M. Cole of the Housing and Home Finance Administration, Washington, D. C.

Adopted March 27, 1957.

WISCONSIN FEDERATION OF LABOR URGES RESTORATION OF FUNDS SLASHED BY HOUSE IN BUREAU OF EMPLOYMENT SECURITY—TELEGRAM

Mr. WILEY. Mr. President, I have received from the Wisconsin State Federation of Labor an important telegram stressing the need for restoring funds which the House of Representatives has reduced in the Bureau of Employment Security.

I believe President George Haberman makes an excellent point on the advisability of the Senate acting in conformance with the administration's request, both as regards funds and the language of the original draft of the bill.

I present the telegram, and ask unanimous consent that it be printed in the RECORD, and thereafter be appropriately referred to the Committee on Appropriations.

There being no objection, the telegram was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Over 100,000 Wisconsin workers and their families, and millions of citizens nationwide, are affected by Federal and State employment security operations each year. Wisconsin labor urgently requests your help on employment security items in Labor Department appropriation bill, now being heard by Senate committee, affecting Federal Bureau of Employment Security and grants to all States. Bureau amounts, badly slashed by House, should be raised to Presidential request figures to avoid breakdown of important Federal functions. For grants to States, Senate should at least restore vital contingency language and amount, omitted by House solely on technical point of order.

GEORGE A. HABERMAN,
President.

GEORGE W. HALL,
Secretary-Treasurer, Wisconsin State Federation of Labor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 71. An act to prohibit the payment of pensions to persons confined in penal institutions for periods longer than 60 days (Rept. No. 225);

H. R. 3035. An act to provide a temporary extension of certain special provisions relating the State plans for aid to the blind (Rept. No. 226);

H. R. 4686. An act to continue until the close of June 30, 1958, the suspension of duties and import taxes on metal scrap, and for other purposes (Rept. No. 227);

H. R. 4803. An act to permit articles imported from foreign countries for the purpose of exhibition at the Chicagoland Commerce and Industry Exposition, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes (Rept. No. 228); and

H. J. Res. 126. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Sixth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes (Rept. No. 230).

By Mr. BYRD, from the Committee on Finance, with amendments:

H. R. 6304. An act to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes (Rept. No. 229).

REPORT OF COMMITTEE ON BANKING AND CURRENCY ENTITLED "REVIEW OF MILITARY HOUSING PROGRAMS" (S. REPT. NO. 231)

Mr. SPARKMAN, from the Committee on Banking and Currency, submitted a report entitled "Review of Military Housing Programs," which was ordered to be printed.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BARRETT, from the Committee on Armed Services:

Louis C. Friedersdorff, and sundry other persons, for reappointment to the active list of the Regular Army of the United States.

By Mr. SALTONSTALL, from the Committee on Armed Services:

William B. Franke, of New York, to be Under Secretary of the Navy, vice Thomas Sovereign Gates, Jr.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLANDERS:

S. 1854. A bill to amend the Employment Act of 1946 as amended so as to establish a National Development Priorities Council; to the Committee on Banking and Currency.

(See the remarks of Mr. FLANDERS when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 1855. A bill to amend the Tennessee Valley Authority Act of 1933, in order to authorize the Tennessee Valley Authority to undertake certain financing activities and to require certain payments to the United States, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (for himself, Mr. BRICKER, and Mr. SCHOEPPEL):

S. 1856. A bill to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SALTONSTALL:

S. 1857. A bill to authorize the incorporation of the Congressional Medal of Honor Society of the United States of America; to the Committee on the Judiciary.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 1858. A bill for the relief of Eventhia K. Perdaris; to the Committee on the Judiciary.

By Mr. POTTER:

S. 1859. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the "Gold Rush '57" Jamboree of the Boy Scouts of America, and for other purposes; to the Committee on Armed Services.

By Mr. BYRD (for himself and Mr. MARTIN of Pennsylvania) (by request):

S. 1860. A bill to amend certain provisions of the Anti-Dumping Act of 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes; to the Committee on Finance.

By Mr. JAVITS:

S. 1861. A bill for the relief of Angelos Karydis and his wife, Maria Karydis; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself and Mr. WILEY):

S. 1862. A bill to establish the Patent Office as an independent agency in the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

S. 1863. A bill to limit the life of a patent to a term commencing with the date of the application; and

S. 1864. A bill to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. O'MAHONEY when he introduced the above bills, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 1865. A bill conferring jurisdiction upon the United States District Court for the Northern District of Illinois to hear, determine, and render judgment upon the claim of Richard DeYoung; to the Committee on the Judiciary.

By Mrs. SMITH of Maine (for herself and Mr. PAYNE):

S. 1866. A bill to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mrs. SMITH of Maine when she introduced the above bill, which appear under a separate heading.)

By Mr. KERR:

S. 1867. A bill for the relief of Hiroko Miyasaki; to the Committee on the Judiciary.

S. 1868. A bill to authorize the issuance of a special series of stamps commemorative of the 200th anniversary of the birth of Maj. Jean Pierre Chouteau; to the Committee on Post Office and Civil Service.

By Mr. KERR (for himself, Mr. HILL, Mr. GORE, Mr. KEFAUVER, Mr. STENNIS, Mr. EASTLAND, and Mr. SPARKMAN):

S. 1869. A bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. O'MAHONEY (for himself, Mr. KEFAUVER, Mr. HUMPHREY, Mr. NEELY, Mr. LANGER, Mr. PAYNE, and Mr. MORSE):

S. 1870. A bill to amend section 1 (e) of title 17 of the United States Code with regard to the rendition of musical compositions on coin-operated machines; to the Committee on the Judiciary.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

Mr. CASE of New Jersey:

S. 1871. A bill for the relief of the estate of Katharine Flower Runyon, deceased; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 1872. A bill for the relief of Mrs. Reuben G. Woodworth; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1873. A bill to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (by request):

S. 1874. A bill to require owners of radio towers which have ceased being used for radio purposes to maintain the painting and/or illumination prescribed by the Federal Communications Commission for air navigation safety; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. CARROLL:

S. 1875. A bill for the relief of Christos Athanase Bellairs; to the Committee on the Judiciary.

AMENDMENT OF RULE RELATING TO CODE OF FAIR PROCEDURE FOR SENATE INVESTIGATING COMMITTEES

Mr. JAVITS. Mr. President, I am today submitting a resolution to establish Senate rules of procedure for its investigating committees. I send the resolution to the desk and ask that it be appropriately referred.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 123) amending Rule XXV by establishing rules of procedure for Senate committees, was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That rule XXV of the Standing Rules of the Senate is amended by inserting at the end thereof the following:

"5. The following shall be a portion of the rules of the standing committees of the Senate and subcommittees thereof, and the term 'committee' as used in this subsection means any such committee or subcommittee and shall apply to any investigation initiated by such committee or subcommittee:

"RULES OF PROCEDURE

"(a) No major investigation shall be initiated without approval of a majority of the committee. Preliminary inquiries may be initiated by the committee staff with the approval of the chairman of the committee.

"(b) The subject of any investigation in connection with which witnesses are summoned shall be clearly stated before the commencement of any hearings, and the evidence sought to be elicited shall be relevant and germane to the subject as so stated.

"(c) All witnesses at public or executive hearings who testify as to matters of fact shall be sworn.

"(d) Executive hearings shall be held only with the approval of a majority of the members of the committee present and voting. All other hearings shall be public.

"(e) Attendance at executive sessions shall be limited to members of the committee and its staff and other persons whose presence is requested or consented to by the committee.

"(f) All testimony taken in executive session shall be kept secret and shall not be released or used in public session without the prior approval of a majority of the committee.

"(g) Any witness summoned at a public session and, unless the committee by a majority vote determines otherwise, any witness before an executive session, shall have the right to be accompanied by counsel, who shall be permitted to advise the witness of his rights while on the witness stand.

"(h) Every witness shall have an opportunity, at the conclusion of the examination by the committee, to supplement the testimony which he has given, by making a brief written or oral statement, which shall be made part of the record; but such testimony shall be confined to matters with regard to which he has previously been examined. In the event of dispute, a majority of the committee shall determine the relevancy of the material contained in such written or oral statement.

"(i) An accurate stenographic record shall be kept of the testimony of each witness, whether in public or in executive session. In either case, the record of his testimony shall be made available for inspection by the witness or his counsel; and, if given in public session, he shall be furnished with a copy thereof at his expense if he so requests; and, if given in executive session, he shall be furnished upon request with a copy thereof, at his expense, in case his testimony is subsequently used or referred to in a public session.

"(j) Any person who is identified by name in a public session before the committee or in executive testimony subsequently made public and who has reasonable grounds to believe that testimony or other evidence given in such session, or comment made by any member of the committee or its counsel, tends to affect his reputation adversely, shall be afforded the following privileges:

"1. To file with the committee a sworn statement, of reasonable length, concerning such testimony, evidence, or comment, which shall be made a part of the record of such hearing.

"2. To appear personally before the committee and testify in his own behalf, unless the committee by a majority vote shall determine otherwise.

"3. Unless the committee by a majority vote shall determine otherwise, to have the committee secure the appearance of witnesses whose testimony adversely affected him, and to submit to the committee written questions to be propounded by the committee or its counsel to such witnesses. Such questions must be proper in form and material and relevant to the matters alleged to have adversely affected the person claiming this privilege. The committee reserves the right to determine the length of such questioning; and no photographs, moving pictures, television, or radio broadcasting of the proceedings shall be permitted while such person or such witness is testifying without the consent of such person or witness unless the committee by majority vote specifically determines otherwise.

"4. To have the committee call a reasonable number of witnesses in his behalf, if the committee by a majority vote determines that justice requires such action.

"(k) At least 2 days prior to making public testimony received in executive sessions which would reasonably tend to adversely affect the reputation or character of an official or diplomatic representative of a foreign nation or where the committee may have reason to believe that the testimony to be made public will materially affect the foreign relations of this country, the Committee on Foreign Relations shall be notified of the content of such testimony.

"(l) Any witness desiring to make a prepared or written statement in executive or public sessions shall be required to file a copy of such statement with the counsel or chairman of the committee at least 24 hours in advance of the hearing at which the statement is to be presented.

"(m) No report shall be made or released to the public without the prior approval of a majority of the committee.

"(n) No summary of a committee report or statement of the contents of such report shall be released by any member of the committee or its staff prior to the issuance of the report of the committee without prior approval of a majority of the committee.

"(o) No committee shall circulate on its letterhead or over the signature of its members or its employees charges against individuals or organizations except as the committee by a majority vote shall so determine."

Mr. JAVITS. There is a feeling that the rules under which we have previously worked in various committees of this body could very well profit from standardization. The various committees of this body could very well profit from having a uniform set of rules for all Senate committees.

When I was a Member of the other body, I worked for the adoption of rules for investigating committees, and they were finally adopted in 1955, after I had left the House. Now this body has made me a member of its Committee on Rules and Administration, and I feel that I can be of service by proposing the idea here.

I think we are moved to give consideration rather promptly to this subject by the Norman case, which has raised a vital question for the United States Senate. The question involves not less than the responsibility of the Senate. We feel strongly that in the conduct of our own affairs we wish to be as solicitous as is the Executive of the good name of the United States and of the effective conduct of its foreign relations, in which the Senate has special authority.

The President can take action on policy as an individual. We have to act as a body. A body can best meet future contingencies by rules to take care of them. The lesson to be learned from the Norman case is that the Senate should have rules for Senate or congressional investigating committees uniform in character and vesting final authority and responsibility in the Senate itself.

The fact that the Internal Security Subcommittee of the Senate Judiciary Committee has rules itself—as it does—and a good record for following them; the very difficulty of fixing responsibility for what occurred in the Norman case; the fact that the Internal Security Subcommittee has been treated and referred to in the press and in official statements as if it were a body independent of the Senate—all this adds up to the need for the Senate to assume responsibility coincident with its authority.

We can best meet future contingencies by rules to take care of them. I have sought modestly to suggest a rule which might deal with such a situation if we should encounter it again.

As a new Member, I wish to add that I have submitted this resolution in the hope that it will crystallize into action on rules, and with the observation that the rules which I have advocated are suggestions only. The important point is to focus attention on the subject and to initiate committee action to deal with it. A measure providing uniform rules for Senate investigations was reported from the Committee on Rules and Administration by the Senator from Indiana [Mr. JENNER] on January 10, 1955. I refer to Senate Resolution 17. This resolution was recommitted to the committee on motion of the majority leader, and without opposition, on April 12, 1956. I respectfully urge that this subject deserves our immediate attention.

NATIONAL DEVELOPMENT PRIORITIES COUNCIL

Mr. FLANDERS. Mr. President, I am about to introduce a bill entitled "A bill to amend the Employment Act of 1946, as amended, so as to establish a National Development Priorities Council." The bill is to the same purpose and effect as three other bills which already have been introduced and referred to the Senate Committee on Banking and Currency, for the purpose of area development by the improvement of conditions of depressed areas and depressed populations.

The bill is, I believe, unique, in that it carries no authorization for expenditure and carries no provision for increased expenditure. It first establishes a congressional policy of directing existing functions and existing appropriations, so far as may be appropriate, into the improvement of the areas and populations referred to. It vests authority in the Secretary of Labor, the Secretary of Commerce, and the Secretary of Agriculture to determine policies by which the presently authorized Government agencies and expenditures shall be directed.

Mr. President, I introduce the bill, and request its appropriate reference.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1854) to amend the Employment Act of 1946 as amended so as to establish a National Development Priorities Council, introduced by Mr. FLANDERS, was received, read twice by its title, and referred to the Committee on Banking and Currency.

AUTHORITY FOR TENNESSEE VALLEY AUTHORITY TO ISSUE BONDS TO FINANCE CONSTRUCTION OF NEW GENERATING CAPACITY

Mr. COOPER. Mr. President, I introduce, for appropriate reference, a bill to

provide the Tennessee Valley Authority with the power to issue bonds to finance the construction of new generating capacity to meet future increases in the power demand within its present service area.

Mr. President, I desire to make a statement regarding the bill; and in that connection I ask unanimous consent that I may exceed the 3-minute limitation previously ordered in connection with morning business.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Kentucky may proceed.

Mr. COOPER. Mr. President, the bill endeavors to give the Tennessee Valley Authority the flexibility it requires in order to maintain an integrated power system and to grow with the demand of the region it serves. The bill endeavors further to continue the agency's responsibility for repayment of the Federal investment in its power facilities, to provide a reasonable rate of interest on the portion of this investment that remains unpaid, and to make the TVA self-sufficient as a Government corporation.

The TVA has too long been allowed to stand as a rallying point for both sides in the power controversy, and has too long been treated with emotion, rather than with the constructive scrutiny which must be accorded a project which has become so considerable and complex in scope and so vital to the region where it operates. The TVA issue has been drawn so often and in so many contexts that it might be well for me, in introducing this measure, to attempt to set some of its history in focus.

The TVA Act was passed in 1933, for the major purposes of creating an entity to operate the Wilson Dam at Muscle Shoals, which was built in World War I, and of harnessing the remainder of the Tennessee River to control floodwaters, improve navigation, and aid agricultural and industrial development.

Within 7 years, the Authority had become the sole supplier of electricity in the valley, and had assumed responsibility for meeting the power demand of a vast growing group of municipal and REA cooperative distributors.

In 1940, when the new Johnsonville steam plant was approved, the TVA already owned 8 steam plants with a total capacity of 464,750 kilowatts. Seven of these were purchased in the thirties from the private utilities in the valley; and one, that at Watts Bar, was constructed in 1940 with appropriated funds.

At that time, 89 percent of the TVA power came from its own hydro sources on the Tennessee River, from the Alcoa dams on the tributaries, and from Army engineer projects on the Cumberland River. Only 20 percent of the total capacity was provided by steam plants.

The hydro development had then reached its virtual ultimate, and the Authority has been obliged to look to steam generation to meet all the vast increases in power demand of the past 8 years. It should be noted in connection with this demand that a large share of it resulted from the requirements of Federal installations in the area, and that over one-half of the agency's total capacity even now is earmarked for sale to agencies of the National Government.

When the construction now under way is in place, the hydro resources of the Tennessee and Cumberland Valleys will account for roughly one-third of the TVA's generating capacity. The rest will come from steam.

At this point I should like to say that at the end of 1956 it is estimated the total capacity of both hydro and steam power will amount to 10,541,985 kilowatts.

In the light of these circumstances, and of the prospect that the TVA's annual requirement for new plant would be substantial through the foreseeable future, Congress started to manifest in 1950 and the following years a decreasing willingness to make the necessary appropriations for these expenditures. This reluctance was intensified by the feeling of other regions that the valley States had been lifted from their unequal economic status of the thirties to a level of well-being, which suggested their ability to assume a burden that had until then been carried by Federal appropriations.

In 1955, when alternate methods of providing steam capacity for the valley were under consideration—I refer to the Dixon-Yates proposal—I proposed in the Senate that neither of the programs which were advanced by Members of the Senate or the Dixon-Yates plan should be adopted.

I proposed that legislation be enacted to give the TVA the right to sell bonds to the public in order to provide capital to build the needed units. The agency had demonstrated its ability to operate efficiently, its responsiveness to its service area, and its commercial experience in the marketing of power. It had demonstrated further its ability to repay to the Treasury the Federal investment in its power facilities on a 40-year basis, as prescribed by the 1948 Independent Agencies and Corporation Act. It had shown over the years an average net return on investment of 4 percent, a margin sufficient to permit the assumption of the interest burden that would come with the sale of bonds. These factors, plus the 20-year commitments under which the distributing agencies in the 80,000-square-mile service area had contracted to purchase the TVA output, affirmed the marketability of the bonds, if they were offered.

In 1955 the TVA and the Budget Bureau presented separate proposals to Congress for the enactment of a self-financing plan. In the hearings which ensued before the Subcommittee on Flood Control of the Senate Public Works Committee, the differences in these proposals were brought to the fore and examined by the subcommittee in a series of executive sessions. The failure to resolve these differences made it impossible for the subcommittee to report a bill in the last session.

The TVA reacted to the impasse by proceeding to finance its construction from corporate revenues, a source sufficient to bridge the immediate gap between supply and demand anticipated for the winter of 1959–60, but insufficient by half to meet the requirements of the long term. These requirements, as estimated by the TVA and endorsed by the Bureau of the Budget, involved new construction of 750,000 kilowatts capacity a year for the next 5 years, or a total expenditure of $750 million.

President Eisenhower recommended, for the second time, in his budget message last January, that Congress enact a self-financing statute for the agency, and I undertook to find some solution of the differences which had stalled the proposal. The bill which I am introducing is the best result I have been able to develop. I have had consultations with members of the staffs of TVA, the Bureau of the Budget, and the Treasury. I cannot say that the bill I am introducing represents the views of any of these, but I believe it does provide a basis upon which progress can be made toward the resolution of the differences which thus far have prevented the enactment of needed legislation.

The bill would establish a limit of $750 million worth of bonds which could be issued, an amount estimated to be sufficient for the first 5 years of the self-financing program. The TVA would be able to come back to Congress and request, on the basis of its performance with the first authorization, further authority for the future. Any tighter limitation, either in time or in dollars, would severely inhibit the agency's capacity for planning, but the requirement for new authority at the end of approximately 5 years would give Congress the opportunity to examine the results of the program.

The bill would also limit the geographical extent of the agency's expansion to the territory that was being served on a regular basis as of this past February. It would limit the use of the proceeds of the bonds.

There are many power distributors on the periphery of the TVA territory who would prefer that no geographical border be set, so that they might have the eventual alternative of buying power from the TVA. Many of these distributors are in my own State, and while I am reluctant to propose legislation against their expressed desires, I believe that a limitation is necessary at this time in order to make it clear to Congress that the TVA is planning to expand its power operations only within a specific service area. The bill would allow for later additions to the territory if they were approved in separate legislation by Congress. Included in the service area, of course, would be all cooperatives and distributors who have exchange power arrangements.

I might say at this point, to outline the area more specifically, it is declared in the original act, in section 11:

> It is hereby declared to be the policy of the Government so far as practical to distribute and sell the surplus power generated at Muscle Shoals equitably among the States, counties, and municipalities within transmission distances.

So perhaps in committee this question of the area might be modified even beyond what I have proposed in the bill.

In order to provide coordination of the issuance of Government securities, the bill would require the TVA to consult with the Treasury Department before making a bond offering, and would give the Treasury Department the right to control the dates of issuance, recall, and maturity within a 90-day period. The Treasury could not, however, delay any issuance or date of maturity more than 90 days, a period which I believe to be sufficient to avert conflict between Government offerings.

The bill would continue the 40-year repayment provision, which was instituted in the 1948 Independent Agencies and Corporations Act and has proven generally successful. It provides, however, that these repayments shall not retire the Federal investment in the TVA below the level of $750 million. This figure will be subject to review by Congress either when the TVA makes its second request for bond-issuing authority or when the Federal investment is reduced to the point of $750 million.

The bill would require the TVA to commence payment of interest on that portion of the Federal investment which has not been repaid, at the rate of the average interest costs payable by the Treasury on its total marketable public obligations as of the beginning of each fiscal year.

Some maintain that this requirement of interest would reduce the Federal equity in the agency to the level of a secondary lien and give the bondholders first claim on its assets. I maintain that the point is not pertinent in light of the fact that TVA and the Federal Government are legally one and the same.

I have prepared a chart showing the major differences between the bill which I have introduced and the bill which was introduced last year by representatives of the TVA, and the bill which was introduced, I think, as proposed by the Bureau of the Budget. I ask unanimous consent that the chart may be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

(See exhibit 1.)

Mr. COOPER. As I have stated, I hope the bill will receive serious consideration. I point out that unless the Congress takes some action during this session, the needs of this area will not be met in the winter of 1959–1960. It is necessary for both those who claim to be strong advocates and friends of the TVA and those who may not be so strongly in favor of the TVA to find a method to preserve the value of this institution for the country as a whole.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1855) to amend the Tennessee Valley Authority Act of 1933, in order to authorize the Tennessee Valley Authority to undertake certain financing activities and to require certain payments to the United States, and for other purposes, introduced by Mr. COOPER, was received, read twice by its title, and referred to the Committee on Public Works.

EXHIBIT 1

Investment in TVA power program

Investment	1955 actual	1956 actual
Lands, structures, and equipment:		
Completed fixed assets	$1,378,831	$1,598,464
Less accumulated depreciation	166,212	204,027
Net completed fixed assets	1,210,619	1,394,437
Construction in progress	256,534	106,396
Investigations in progress	447	571
Inventories	78,330	94,875
Funds held for future use	42,619	59,261
Total power program assets	1,588,589	1,675,500
DERIVATION		
Appropriations	1,298,081	1,345,193
Transfers of property	16,303	19,365
Bonds	65,072	65,073
Subtotal	1,382,519	1,429,631
Less repayments of bonds and payments to Treasury	151,132	210,132
Net Treasury investment		1,219,499

TVA bill	Budget bill	Cooper bill
Interest paid to Treasury on outstanding appropriation investment at average interest rate on Treasury's obligations each year.	Interest paid to Treasury on outstanding appropriation investment at average interest rate on Treasury's long-term obligations each year.	Interest paid to Treasury on outstanding appropriation investment at average interest rate on Treasury's obligations each year. (Same as TVA bill.)
No apportionment of bond issue proceeds by Bureau of the Budget.	Apportionment of bond issue proceeds by Bureau of the Budget.	No apportionment of bond issue proceeds by Bureau of the Budget. (Same as TVA bill.)
Treasury may buy TVA bonds.	Treasury may not buy TVA bonds.	Treasury may not buy TVA bonds. (Same as budget bill.)
TVA granted authority to perform engineering and construction work and other services.	TVA not granted authority to perform engineering and construction work and other services.	TVA not granted authority to perform engineering and construction work and other services. (Same as budget bill.)
TVA may sell bonds by negotiation.	TVA may not sell bonds by negotiation.	TVA may sell bonds by negotiation if Treasury approves.
Authorizes TVA to issue bonds without limitation and to use proceeds in any area embraced by original TVA Act.	Authorized TVA to issue bonds up to $750,000,000 as specifically empowered each year by Congress, and to spend proceeds for purposes defined in annual Congressional authorization.	Authorizes TVA to issue bonds up to $750,000,000, and to use proceeds in area presently served by TVA, or outside present service area if Congress approves.
Details of bonds and time of issue not subject to Treasury control.	Details of bonds and time of issue subject to Treasury control.	Details of bonds subject of Treasury consultation; times of issue, recall, and maturity subject to Treasury control with Treasury not empowered to delay over 90 days.
No provision requiring repayment of appropriation investment.	TVA required to repay to extent of annual depreciation investment, stopping when appropriation investment paid down to $250,000,000.	TVA required to continue repayments established by 1948 Independent Agencies and Corporations Act, the 40-year plan, stopping when appropriation investment paid down to $750,000,000.

INCORPORATION OF CONGRESSIONAL MEDAL OF HONOR SOCIETY

Mr. SALTONSTALL. Mr. President, I introduce for appropriate reference a bill to provide for the granting of a charter by the Congress to the Congressional Medal of Honor Society of the United States of America, Inc.

This society is a relatively new one. Its first national convention was held in Lakeland, Fla., last November, and at that convention there was substantial opinion favoring a petition to Congress requesting a charter. The committee established by the convention met on January 20, 1957, in Washington and voted to petition Congress for a charter. A corporation already formed within the State of New York will be dissolved before the Congressional charter is approved.

Membership in this association is open to those who hold the Congressional Medal of Honor. The officers of the society believe that there are about 335 living recipients of the medal at the present time. Of these, 227 already belong to the society.

The members of the society feel a close tie with the Congress by virtue of holding their country's highest military award which is given in the name of the Congress. Certainly this tie would be strengthened if their association were chartered under an act of Congress.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1857) to authorize the incorporation of the Congressional Medal of Honor Society of the United States of America, introduced by Mr. SALTONSTALL, was received, read twice by its title and referred to the Committee on the Judiciary.

THE PATENT SYSTEM

Mr. O'MAHONEY. Mr. President, at the direction of the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, I introduce, in the names of the senior Senator from Wisconsin [Mr. WILEY] and myself, three bills dealing with the patent system. I ask that they be appropriately referred.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. O'MAHONEY (for himself and Mr. WILEY), were received, read twice by their titles, and referred as indicated.

To the Committee on Government Operations:

S. 1862. A bill to establish the Patent Office as an independent agency in the executive branch of the Government, and for other purposes.

To the Committee on the Judiciary:

S. 1863. A bill to limit the life of a patent to a term commencing with the date of the application; and

S. 1864. A bill to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement in explanation of the several bills which I have introduced.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'MAHONEY

Based upon the subcommittee's study of the patent system and the integral part played by the Patent Office in the operation of that system, we have come to the following conclusions:

1. Everyone agrees on the importance to the United States of maintaining military and industrial technological superiority in the race with the communistic countries. One of the principal sources of our economic and military strength is the inventiveness and technical skills of the people of the United States. The patent system is designed to encourage and stimulate the application of this inventiveness and technical ingenuity to new developments with respect to industrial and military problems. Thus, the technological advancement in the United States is dependent, to a large degree, on how well the patent system works in practice.

2. Since the Patent Office, which has the duty and responsibility of determining the patentability of new technological advancements, plays a key role in the operation of the patent system, we wish to give legislative support to the efforts of the Patent Office in acquiring and maintaining qualified personnel and in the elimination of costly and time-consuming delays in the processing of patent applications. Accordingly, we have agreed to join our efforts toward aiding the Patent Office discharge its important duties and responsibilities.

3. The benefits to the economy and well being of the United States, particularly in the present cold war, which will flow from recruiting a most efficient Patent Office staff indicate the desirability of speedy action on the legislation Senator WILEY and I have introduced today.

Each bill is intended to strengthen the Patent Office by increasing the salaries of the Commissioner and others in the Patent Office in order that qualified personnel may be attracted and retained for the performance of the duties with which the Office deals. Another objective is to reduce the time lag in processing patent applications by increasing the membership of the Board of Appeals of the Patent Office, which is presently overwhelmed with work, from 9 members to not more than 15 members. Still another objective would be the establishment of the Patent Office as a separate and independent agency in the executive branch of the Government.

In addition, we will cosponsor the reintroduction of the so-called 20-year bill which I originally introduced in the last session of Congress. This bill is directed to eliminating stalling tactics indulged in by some applicants by limiting the period of life of a patent to a maximum term of 20 years from the date the application was filed or 17 years from the date of issuance, whichever is shorter. We seek to achieve the objective of having all patent applications processed in an orderly, efficient and expeditious manner.

We solicit the comments and views of the patent bar and all interested persons with respect to these bills.

RULES AND REGULATIONS FOR INSPECTION AND CERTIFICATION OF CERTAIN PASSENGER-CARRYING VESSELS

Mrs. SMITH of Maine. Mr. President, on behalf of myself, and my colleague, the junior Senator from Maine [Mr. PAYNE], I introduce, for appropriate reference, a bill to provide for adequate time to consider rules and regulations to be prescribed with respect to vessels carrying passengers. The purpose of this bill is to give some relief to the operators of small boats on the coast of Maine without impairing the safety measures and precautions for the passengers on such boats. I believe that we can be confident that the operators of these small boats are fully alert to the safety needs of their passengers and do not seek to inject risk into the operation of their boats. Yet they feel that the current regulations impose unnecessary and unduly burdensome restrictions on them which could impair their means of livelihood.

Their case has been thoroughly stated by Capt. Charles H. Wade, of Boothbay, Maine, president of the Maine Association of Passenger Boat Owners. I trust this matter will be given full and prompt consideration by the Committee on Interstate and Foreign Commerce when the bill is assigned to it.

I ask unanimous consent that the bill and Captain Wade's letter be printed in the RECORD at this point.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1866) to amend the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, in order to provide adequate time for the formulation and consideration of rules and regulations to be prescribed under such act, introduced by Mrs. SMITH of Maine (for herself and Mr. PAYNE), was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 8 of the act entitled "An act to require the inspection and certification of certain vessels carrying passengers," approved May 10, 1956, is amended by striking out "January 1, 1957" and inserting in lieu thereof "January 1, 1959."

The letter presented by Mrs. SMITH of Maine is as follows:

MAINE ASSOCIATION OF PASSENGER BOAT OWNERS,
Boothbay, Maine, April 8, 1957.

Senator MARGARET CHASE SMITH,
United States Senate,
Washington, D. C.

DEAR SENATOR SMITH: The purpose of this letter is to furnish food for thought and to try to impress upon you, our representatives in Congress, the extreme seriousness of the situation Public Law 519 has created on all passenger-boat owners throughout the country. Our organization, as spokesmen representing all boatowners in Maine, are requesting immediate consideration of our problem by the Maine Congressional representatives.

A few days after the October 16, 1956, hearings by the Merchant Marine Council on CG-249, the Coast Guard announced there would be a delay of the enactment of the law until January 1, 1958, to give them time to study and assimilate the material of the hearings and of the amassed objections sent through the mails. A greater part of 5 months has been used by the Merchant Marine Council in compiling a revised draft of CG-249.

In view of the fact that it has taken 5 months to make a redraft, and that the Coast Guard now allows a comparable few weeks for industry to digest, compare, and prepare objections, it seems the boating industry is allowed far too short a time to object to the proposed regulations. Furthermore, the industry does not have time to meet on a common ground to form objections or exchange ideas with other associations along the east, west, and gulf coasts. It should be realized that every boatowner in the country should now be heard because of the fact that short and inadequate notice was originally given the October 16 hearings. The boating industry was not fairly warned then, nor is it now.

At this time, when every boatowner in Maine is working long days to get his boat ready for summer business, the owners hardly have time to even think of regulations, let alone prepare a sizable list of objections. Furthermore, boatowners look askance at a second opportunity to present objections, inasmuch as very little consideration was made by the Merchant Marine Council in the revised draft of CG-249, considering the magnitude of the October 16 objections.

We are, therefore, asking at least a 1-year delay before the regulations be entered in the Federal Register.

One source of irritation to boatowners is that a civilian enterprise is being brought under the complete power of a military branch of the Government, the Coast Guard. We feel strongly that Congress in Public Law 519 has abrogated its responsibility to its citizens when it allows the military to make the rules, gives the military the right of mandatory interpretation of these rules, and then acts as judge, prosecuting attorney, and jury. Unlimited interpretation and authority is given the officer in charge, marine inspection. While boatowners are given the right to appeal to the commandant, his word, which is final, is still military.

While Public Law 519 has merit, and boatowners agree there is a need for regulations, we believe it was the intention of the sponsors of the law, and the intent of Congress, that regulations be reasonable. There was no intent that the pendulum swing the other way to compound, complex, burdensome, and highly discriminatory regulations.

The following are a few commonsense ideas that could well be applied to boats operating in Maine waters:

1. A just and fair passenger limit be made on excursion, sightseeing, and fishing boats. The passenger limit be determined by hull design, seaworthiness, and seating capacity. Due consideration should be made of the waters in which the vessel operates.

2. An inspection of the bottom for soundness of hull for all boats under 65 feet in length every 3 years. Also inspection of stuffing box, shaft, propeller, rudder, outboard connections, and so forth. No vessel can possibly deteriorate to such an extent that inspections are required as often as the Coast Guard now proposes.

3. Too many interpretations on the part of the Coast Guard marine inspectors are placed on the laws already on the books. Interpretations vary from individual to individual, district to district. As a result boatowners are severely handicapped because of a lack of unified judgment. When one inspector orders one thing, according to his interpretation, and another inspector orders another, it is exasperating and costly to the boatman. A unified interpretation of the law is an urgent necessity.

4. Boat captains do not appreciate the officers of marine inspectors putting on their demonstrations of going over boats at public docks or landings. In the eyes of the public, opinion is formed that a vessel being inspected is under suspicion for some grave crime. Inspections are made a public showcase at intervals far too short. Therefore, vessels should not be inspected during the tourist season or at public landings.

5. Adequate portable fire extinguishers, rather than fixed systems, should be required on boats under 15 gross tons. Practically all these boats are of the open-cockpit type. Fixed systems would be an unnecessary expense and would not fill the requirement or versatility of portable systems.

6. No fire pumps and resulting complications should be required on boats under 15 gross tons since these boats have so little available extra space. The delay in hooking up the equipment can be expedited by a hand pail dipped over the side.

7. Throughout the years there has been no problem with bilge pumps. We feel no one would object to installing a power pump to meet any reasonable demand.

8. Ventilation is obtained far better without interference of bulkheads on small boats of less than 15 gross tons. No blanket law can sensibly be written on this subject.

9. No lifeboats, floats, or rafts should be carried on boats under 65 feet in length on inland waters during the summer months. You were personally instrumental in helping Captain Wade win a long fight with the Coast Guard whereby lifeboats and rafts were removed. They were considered unusable should the need for them arise since they are almost impossible to handle in heavy weather.

10. Public Law 519 should be amended to include one or more passengers instead of six or more. We feel this situation is discriminatory inasmuch as the boat hauling six or less passengers for hire does not come under regulations.

11. Toilet facilities are a convenience of the passengers and their number and location should be left to the discretion of the owner of the boat, depending on the length of the trip and the route. Toilets are not a safety factor in the operation of a boat.

12. Buoyant apparatus should not be required on vessels under 15 gross tons, wholly operated on inland waters during the summer months, in lieu of bulkheads.

13. All machinery and electrical installations on existing vessels should not be subjected to radical changes as long as they are safe and kept in good repair.

14. The Coast Guard does not sanction or approve of drains in the bottom of fuel tanks. However, condensation is always prevalent. No other adequate means is available to keep fuel tanks free of water.

15. The regulation which classifies any vessel as a new vessel, when converted to a passenger boat, is unjust. A conversion should be treated as an existing vessel. When a converted vessel is considered a new vessel it places an added burden on a man trying to start a business, it is costly to an established man who needs to replace his older vessel, and it hampers free enterprise.

16. The draft for proposals on new vessels should be entirely rewritten. Current proposals, as far as requirements are concerned, force builders to construct vessels for the Government rather than for the individual. Enterprise is hampered and new business curtailed, with no justification. No one is going to put up with redtape, discrimination, undue expense, and delay, and be subjected to the whims of the military, to start a new business, or to continue an existing business when the time comes when a new vessel is necessary.

17. Far too much authority is vested in the officer in charge, marine inspection. No one man should have unlimited power over a civilian industry or be able to make his own interpretations of the laws, or any section thereof, in the regulation of small boats.

18. The boating industry does not like to be penalized for a crime it has not committed. Legislation for Public Law 519 was spurred on by a few isolated cases like the Chesapeake Bay *Marvel* incident and Long Island's *Pelican* and *Jack*. These were cases where human judgment was entirely to blame. As a result of error on the part of a very few, all passenger boat owners face stiff penalty.

Had these boats every piece of equipment required in CG-249 and CG-249 revised draft, these accidents would have still happened. Neither Public Law 519, nor any other law passed by Congress, can regulate or control intelligence or good judgment.

19. We are of the opinion, along with the rest of boating interests of all coasts, that our industry is adequately mature and qualified to assist our representatives in Congress to prepare legislation for the just regulation of excursion, sightseeing, and fishing boats.

Inasmuch as the Coast Guard, through the Merchant Marine Council, has made two attempts to write a set of proposals, which are still unacceptable to the boating industry, we would like to see to it that our industry, with the aid of Congress, sit down and discuss, and then write a new set of acceptable proposals.

Furthermore, due to the pressure of time, the Maine Association of Passenger Boat Owners would appreciate if one of the members of the Maine delegation would introduce a bill to stay CG-249 until January 1, 1959, so the law can be fairly written in an unhurried and orderly manner.

Respectfully yours,

CHARLES H. WADE, *President.*

Copies to: Senator FREDERICK PAYNE, Representative ROBERT HALE, Representative FRANK COFFIN, Representative CLIFFORD McINTIRE.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933, AS AMENDED

Mr. KERR. Mr. President, on behalf of myself, the senior Senator from Alabama [Mr. HILL], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the junior Senator from Mississippi [Mr. STENNIS], and the junior Senator from Alabama [Mr. SPARKMAN], I introduce, for appropriate reference, a bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes. I ask unanimous consent that the bill may lie on the desk throughout the session Monday for the addition of the names of such Senators as care to join as cosponsors, including the distinguished senior Senator from Mississippi [Mr. EASTLAND].

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk as requested by the Senator from Oklahoma.

The bill (S. 1869) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, introduced by Mr. KERR (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

AMENDMENT OF CODE, RELATING TO RENDITION OF MUSICAL COMPOSITIONS ON COIN-OPERATED MACHINES

Mr. O'MAHONEY. Mr. President, on behalf of the Senator from Tennessee [Mr. KEFAUVER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from West Virginia [Mr. NEELY], the Senator from North Dakota [Mr. LANGER], the Senator from Maine [Mr. PAYNE], the Senator from Oregon [Mr. MORSE], and myself, I introduce, for appropriate reference, a bill to amend section 1 (e) of title 17 of the United States Code with regard to the rendition of musical compositions on coin-operated machines.

Mr. President, I may say that during the last Congress there was introduced by all the Senators just mentioned and some others a bill to deal with the playing of jukeboxes, as they are commonly called. The measure is very controversial. During the last session I held hearings on behalf of the Subcommittee on Patents, Trademarks, and Copyrights, of the Senate Committee on the Judiciary. At the hearings an opportunity was granted to the attorneys for all concerned to take part in a round-table discussion. The hope was that it might result in a settlement of the controversy and in the enactment of legislation which would be helpful to those who write the songs which are sung, those who sing the songs, those who make the records, those who make and who own the jukeboxes, and those in whose establishment the jukeboxes are operated. The hearing was published last year as a Senate document (No. 155, 84th Cong., 2d sess.).

The bill which I now introduce is an outgrowth of that document. Of course, hearings will be held upon the bill. I hope it may prove to be fruitful of a solution.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1870) to amend section 1 (e) of title 17 of the United States Code with regard to the rendition of musical compositions on coin-operated machines, introduced by Mr. O'MAHONEY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

PAINTING AND ILLUMINATION OF UNUSED RADIO TOWERS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to require owners of radio towers which have ceased being used for radio purposes to maintain the painting and/or illumination prescribed by the Federal Communications Commission for air navigation safety. I ask unanimous consent that a letter from the Chairman of the Federal Communications Commission, requesting this proposed legislation, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1874) to require owners of radio towers which have ceased being used for radio purposes to maintain the painting and/or illumination prescribed by the Federal Communications Commission for air navigation safety, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., March 22, 1957.

The VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Commission wishes to recommend at this time for the consideration of the Senate the enactment of legislation amending the Communications Act of 1934, as amended, to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used pursuant to license issued by the Federal Communications Commission.

Concern has been expressed by aviation interests, both Government and non-Government, and by the general public, over the steadily increasing number of tall antenna towers, particularly those over 1,000 feet, which, if left unmarked and standing at any future time, would present a serious hazard to safety in the field of aviation. The current trend toward many high radio-antenna towers presents a much more acute problem than that which has existed in the past, due to the much greater speeds attained by modern aircraft and due to the fact that towers built in the past are, as a general rule, of much less height than those currently being constructed. Furthermore, radio towers, being of latticed construction, are inherently less visible than solid structures such as buildings, water towers, smokestacks, and the like.

This concern about the present and potential hazard to aviation safety prompted the Air Coordinating Committee to establish a Joint Industry-Government Tall Structures Committee (JIGTSC) to investigate the problems raised in the joint use of airspace by the aviation and broadcast industries, and to recommend appropriate action establishing the position of the Federal Government in this matter. One of JIGTSC's recommendations was that "the FCC require the removal or appropriate lighting and marking of unused or abandoned towers if it has such authority, and if such authority does not exist, * * * that the FCC seek appropriate legislation to obtain this objective."

This Commission, after study and consideration of this JIGTSC recommendation concluded that it would be of public benefit to require the removal or appropriate lighting and marking of radio towers, both during and subsequent to their use for radio transmitting purposes.

Section 303 (q) of the Communications Act currently provides:

"SEC. 303. Except as otherwise provided in this Act, the Commission from time to time, as public convenience, interest, or necessity requires shall—

"(q) Have authority to require the painting and/or illumination of radio towers if and when in its judgment such towers constitute, or there is a reasonable possibility that they may constitute, a menace to air navigation."

The criteria which have been adopted pursuant to this authority against which aeronautical hazard is gaged in particular cases, are set forth in part 17 of the Rules of this Commission, "Concerning the Construction, Marking, and Lighting of Antenna Towers and Supporting Structures." In general, these criteria provide that radio towers exceeding 170 feet in height require obstruction marking irrespective of location and under these criteria, the number of radio towers that can be approved without obstruction marking greatly exceeds those requiring such marking. The painting and lighting specifications imposed under Part 17, as amended from time to time, provide an adequate vehicle for the protection of aviation interests and otherwise meet the Commission's responsibilities under present law; however, these criteria are applicable at this point only to towers used in connection with authorized radio station operation. Accordingly, these criteria would not be applicable under present law and regulations to towers which have at one time been licensed for use in connection with the transmission of radio communications but which become no longer licensed for that purpose. These towers in this sense become abandoned towers, and create the particular problem now sought to be remedied.

Abandonment can occur by voluntary act of the licensee, as when the license is permitted to expire or is submitted for cancellation, or when the licensee fails to contest an order to show cause, in consequence of which the license is revoked. Involuntary abandonment normally results from bankruptcy, death, or other legal disability affecting the licensee. Since the events leading to abandonment normally coincide with expiration, cancellation or revocation of the station license, the Commission is at that juncture powerless to compel continued obstruction marking by invoking the administrative sanctions normally available to it except in those cases where other radio licenses are outstanding in the name of the same person.

Further, section 303 (q) of the Communications Act appears to be the primary effective law, at the Federal level, requiring the marking of obstructions to air navigation. The CAB may prescribe minimum safe altitudes for aircraft in flight, but beyond this, lacks definitive authority to completely deal with aeronautical hazards. Tacit recognition of this deficiency appears in the ACC Civil Air Policy Report dated May 1, 1954, wherein further strengthening of Federal airspace legislation is advocated. The Civil Aeronautics Act of 1938, as amended, invests the CAB with authority only to require that persons proposing the construction of potentially hazardous structures along or near civil airways give adequate notice thereof in the form and manner prescribed by the Board (49 U. S. C. A. 671). Additionally, the CAB has limited powers of condemnation in areas adjacent to civil airports operated by the United States Government, of which there is only one in the continental United States (49 U. S. C. A. 463 (c)). Neither the CAB nor the CAA has the power to enjoin the erection of objectionable structures in the vicinity of nonfederally operated airports or statutory authority providing for such injunctive relief through court action. Situations of this type are presently dealt with by local airport authorities through suits to enjoin construction of airport hazards. In addition, the CAA has authority to require the maintenance of true lights as an aid to navigation. This clearly is not an adequate answer to the problem at hand and there is serious question whether it is at all applicable to tower lighting.

It is, therefore, recommended that the Communications Act be amended as follows:

Section 303: Except as otherwise provided in this act, the Commission from time to time, as public convenience, interest, or necessity requires shall:

(q) have authority to require the painting and/or illumination of radio towers if and when in its judgment such towers constitute, or there is a reasonable possibility that they may constitute, a menace to air navigation. "The permittee or licensee shall maintain the painting and/or illumination of the tower as prescribed by the Commission pursuant to this section. In the event that the tower ceases to be licensed by the Commission for the transmission of energy, the owner of the tower shall maintain the prescribed painting and/or illumination of such tower until it is dismantled." (Quoted matter denotes proposed language to be added to present section 303 (q) of the Communications Act.)

The Commission considers the enactment of this legislation, which has been coordinated with the Air Coordinating Committee and its member agencies, of the utmost importance for facilitating a solution to the problems raised by the joint use of airspace by the aviation and broadcast industries so as to minimize the hazards to aviation safety. It is therefore hoped that this proposal will receive early and favorable consideration by the Senate. The Commission will be glad to furnish any additional information that may be desired by the Senate or by any committee to which this proposal is referred. The Bureau of the Budget has advised the Commission that it has no objection to the submission of this letter.

By direction of the Commission.

GEORGE C. MCCONNAUGHEY, *Chairman.*

HOME RULE FOR THE DISTRICT OF COLUMBIA—EXTENSION OF TIME FOR BILL TO LIE ON THE DESK

Mr. KNOWLAND. Mr. President, at the request of the Senator from Maryland [Mr. BEALL], I ask unanimous consent that Senate bill 1846 remain at the desk until the close of business on April 16, for the addition of the names of cosponsors. The bill deals with home rule for the District of Columbia.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address recently delivered by him before representatives of the S. C. Johnson Co., of Racine, Wis., on the subject of sanctity of contracts, together with an amplifying statement and an article by Bernardo Estes, editor of Sindicato de Prensa Latino Americano.

By Mr. COOPER:

Address delivered by him on March 6, 1957, at Town Hall in New York City, on the occasion of the independence of the new nation of Ghana.

By Mr. MUNDT:

Press release regarding his appearance as a guest on the Reporters' Roundup radio program of Monday, April 8, 1957, by Senator MUNDT.

NOTICE OF CONSIDERATION OF A NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the nomination of Henry J. Taylor, of Virginia, to be Ambassador of the United States to Switzerland, vice Miss Frances E. Willis, reassigned.

Notice is given that the nomination will be eligible for consideration by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

NOTICE OF HEARING ON SENATE JOINT RESOLUTION 73

Mr. GREEN. Mr. President, the Committee on Foreign Relations will hold a public hearing Tuesday, April 16, on Senate Joint Resolution 73, a joint resolution to increase the ceiling on United States contributions to the International Labor Organization from $1,750,000 to $3 million a year. The hearing will be held in the Foreign Relations Committee Room in the Capitol at 10:30 a. m. on that date.

The administration witnesses will be Assistant Secretary of State Francis O. Wilcox and Assistant Secretary of Labor J. Ernest Wilkins. Other persons desiring to present views on this resolution should contact the committee as soon as convenient so that arrangements may be made for a further hearing at a later date.

PUBLIC OPINION SURVEY RELATING TO FOREIGN POLICY

Mr. BENNETT. Mr. President, a number of civic groups in Salt Lake City are making a survey of public opinion in the field of foreign policy. These groups include the Junior Chamber of Commerce, the University of Utah Extension Division, and the Foreign Policy Association, in cooperation with the Deseret News and Salt Lake Telegram.

I believe the members of the Senate and the House will find the results of this survey an interesting index of public opinion on a number of important questions, and therefore I ask unanimous consent that the findings of the first study be printed at this point in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

WHAT'S YOUR OPINION?

Here is the result of the first Deseret News public-opinion ballot on foreign policy. Figures represent the percentage of total respondents who chose each policy as one the United States should follow. Readers voted for all policies they favored, not a single best choice.

1. As Russian industry expands, the United States should (check all statements you agree with or add your own):

(a) Bring the leaders of industry into voluntary planning with Government for rapid, well-planned industrial growth. Use Federal funds and powers only when essential: 88 percent.

(b) Let Washington plan the growth of United States industry, set production goals, control raw materials; ration oil, steel, even what the consumer can buy, if necessary. Use subsidies and/or tax benefits to speed the process: 8 percent.

(c) Compete for new overseas markets; use Government funds to give United States products a head start over all other nations. (More United States goods would be sold; United States industry could expand to meet new demands.): 4 percent.

(d) Plan closely with western allies (Britain, France, Germany, etc.) to avoid damaging competition and to make sure our free world partners also have strong economies: 68 percent.

2. To handle the need for trained scientists and engineers in the future, the United States should:

(a) Leave these problems to private industry and the schools and colleges, without Government interference: 20 percent.

(b) Set up new schools at Federal expense to train teachers as well as students in engineering and the sciences. Provide as many Government scholarships as necessary: 16 percent.

(c) Encourage industry to work closely with educators and help pay for more and better technical education. Use Government funds where necessary: 72 percent.

(d) Borrow teachers for public schools from private industry for 1 or 2 years of temporary teaching, with Government paying part of the costs: 12 percent.

3. In our policy toward the Communist satellites, the United States should:

(a) Use broadcasting, etc., to keep memories of freedom alive: 76 percent.

(b) With other nations in the U. N., focus world attention on what the Soviets are doing. Bring U. N. pressure on Russia: 89 percent.

(c) Offer United States economic aid to all satellites: 0 percent.

(d) Offer United States economic aid to any satellite which tries to be independent from Russia: 56 percent.

(e) Secretly provide arms and money to underground movements; encourage revolutions: 0 percent.

(f) Send in United States troops to help with liberation: 0 percent.

(g) Call on the U. N. to send troops: 28 percent.

4. In the face of Russian economic competition in the world, the United States should:

(a) Lead the way in Western cooperation to keep weaker nations from becoming economic colonies of Russia: 81 percent.

(b) Help non-Communist (especially underdeveloped) countries build profitable business with the West. Open United States markets; discourage trade with Russia: 56 percent.

(c) Shape a bold new aid program to build up underdeveloped countries: 32 percent.

(d) Offer to trade freely with Russia, and the Communist countries: 17 percent.

(e) Cut off all United States trade and aid to countries that do business with the Communist world: 25 percent.

5. In the crisis of 1957, the United States should choose his road to peace and security:

(a) Meet with Russia (in another summit meeting, for example); try to reach agreement on the world problems which threaten the peace: 41 percent.

(b) Swiftly strengthen our own Armed Forces and NATO's; armed power is the argument the Russians understand best. Make no compromise; the Russians will see these as signs of weakness: 48 percent.

(c) Strengthen United States and NATO armed forces—then negotiate with the Russians; they respect strength and may be ready to compromise. From strength, meet them half way: 45 percent.

(d) Make an all-out effort to reach agreement with Russia on disarmament. Soviet-United States competition would be safer in a world less heavily armed: 40 percent.

(e) Make an atomic attack on Russia, hoping to wipe out its power of massive retaliation: 0 percent.

(f) Avoid direct competition with Russia; it does not threaten continental United States: 20 percent.

(g) Build a strong U. N. and back it with our money, arms and prestige. A strong U. N. can stop Russian expansion: 68 percent.

(h) Serve notice on Russia that, if the U. N. does not act, the United States will meet force with force: 49 percent.

Mr. BENNETT. Mr. President, the response to this survey indicates overwhelming support for close planning with our western allies to avoid damaging competition, and to make sure that our free-world partners also have strong economies. It indicates public approval of our policy of maintaining American leadership in the free world, and of continuing our efforts through the United Nations to focus world attention on what the Soviets are doing. In general, I think the survey indicates that in the West, at least, people favor a policy of firm, vigorous action in the continuing struggle with the Soviet Union.

A PROGRAM FOR MODERATE-INCOME HOUSING—ADDITIONAL COSPONSOR

Mr. CLARK. Mr. President, I ask unanimous consent that the distinguished junior Senator from New York [Mr. JAVITS] be added as a cosponsor to S.1694, a bill introduced by me, to provide moderate-income housing.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I appreciate the courtesy of the junior Senator from Pennsylvania in yielding to me so that I may set forth the reasons why I have asked to join him and the other distinguished Senators as cosponsor of Senate bill 1694, establishing a program for moderate income housing.

Such housing is vital to national well-being, and I am deeply concerned by the alarming reduction in residential housing starts generally. However, I cannot agree fully with the statement made by the able junior Senator from Pennsylvania when he introduced the bill March 25.

The Senator from Pennsylvania said that "the Federal Government provides a wide range of housing assistance for higher income families—who actually need it least." The term "higher income," just as "middle income" or "lower income," is strictly relative, meaning different things to different people. By dividing the income of urban families into population thirds, we find that in 1955 the median income was $4,754, with the middle third of the families having a total income of between $3,814 and $6,090. The all important question, it seems to me, is whether or not families in this bracket were substantially helped by VA and FHA programs. I think they were.

Under the VA program—which has been responsible for the majority of the new nonfarm housing starts in the Government program since 1954—54 percent of the families helped in 1955 had a total income of between $3,600 and $5,988 annually, with a median income of $5,716. About 75 percent of the VA-helped families made under $7,000 annually.

Examining the FHA program in 1955, we find that nearly 60 percent of the families aided had a total annual income of between $3,300 and $6,598, with a median income of about $6,000. Let me make it clear that I mean total family income, and not effective income—the figure generally used in FHA breakdowns, which is sometimes 10 percent lower, since it does not include temporary income from young working mothers, excessive overtime, and so forth. About 75 percent of the FHA families helped made less than $7,500 annually.

I do not believe that either this or the preceding administration discriminated in favor of housing for strictly upper-income families, and I think a careful examination of VA and FHA figures will prove that statement to be true.

The real problem today is a lack of mortgage money at low interest rates available for VA and FHA guaranteed or insured mortgages. Since moderate income housing is heavily based on low interest rates in order to allow for monthly payments within the reach of the moderate income family, we must make our contribution more directly than through VA or FHA to bring this about. I firmly believe that this objective is helped by the bill of the junior Senator from Pennsylvania and others. Accordingly, I wish to join as a sponsor of it for that reason.

Mr. CLARK. I ask unanimous consent that I be allowed to speak 3 minutes in reply to the junior Senator from New York [Mr. JAVITS].

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania? There being no objection, the Chair recognizes the Senator from Pennsylvania for 3 minutes.

Mr. CLARK. Mr. President, let me make it perfectly clear for the record that I did not suggest that this administration or any previous administration had deliberately discriminated against moderate and lower income groups or in favor of higher income groups in the administration of the FHA and VA housing programs. I believe my previous statement was quite clear on that point. What I did say was that the programs in their actual operation had resulted in the assistance going predominantly to the higher income groups, and the figures submitted by my distinguished and able colleague the junior Senator from New York bear out my point.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article appearing in the New York Times of today, April 12, 1957, entitled "Eight-Year Low Hit in Housing Starts," in which it is said that the decline in housing starts has now reached the lowest point since 1949, and in which it is pointed out that the decline in new housing starts has been somewhat ameliorated because the home-building industry is moving toward larger and more expensive houses.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EIGHT-YEAR LOW HIT IN HOUSING STARTS—MARCH RATE DOWN 16 PERCENT FROM 1956—OTHER CONSTRUCTION AT RECORD FOR MONTH

WASHINGTON, April 11.—Starts in home building last month were down 16 percent from March of 1956, the Labor Department reported today.

The starts in March, at an annual rate of 880,000, were the lowest for the month since 1949. Starts for all last year were 1,118,000.

Actual housing starts in March were 83,000, according to the report. The total was up 28 percent from February, but this rise was less than would be expected seasonally. George S. Goodyear, president of the National Association of Homebuilders, urged the administration and Congress to "stop gambling with the welfare of the American people."

Despite the decline in new housing starts, figures issued yesterday by the Commerce and Labor Departments revealed that total new construction activity in March was at a high for the month. Furthermore, these figures showed that residential building was down much less than the figures on housing starts indicated.

BIGGER HOMES UNDER WAY

The reason is that homebuilding is moving toward larger and more expensive houses. Total spending on residential construction for March was down only 9 percent from 1956.

Most other forms of construction activity increased in March, raising spending on construction to a record total of $3,172,000,000, up 3 percent from March of 1956.

Nonetheless, the continued decline in housing starts appeared certain to add strength to a Democratic drive in Congress to pump more Government funds into the mortgage market over administration objections.

The House Banking Committee already has approved measures aimed at adding more than $2 billion to mortgage funds. These provisions are assured of heavy opposition from Republicans and some Democrats when the catch-all housing bill reaches the floor.

The annual rate of private starts, adjusted seasonally, was 1,020,000 in January, 910,000 in February and 880,000 in March. This indicates a total for the year, no matter what Congress still may do, of fewer than 1 million starts for the first time since before the Korean war.

Mr. Goodyear said the administration's overall tight money policy, which particularly has affected mortgage money, has kept the homebuilding industry tottering on the brink of disaster.

"This economic brinkmanship," he said, "is a dangerous game that the country no longer can afford to play."

Today's report also contained final figures for last year's housing starts. The total was down 10 percent from 1955.

The report said the sharpest cutbacks were in metropolitan areas, where starts fell 20 percent.

Mr. CLARK. Mr. President, the figures quoted by my good friend, the Senator from New York [Mr. JAVITS], indicate that the median annual income of the families assisted by FHA insurance in 1955 was slightly below $6,000. This is a downward revision of earlier FHA figures, on which my statement was based, but it is still well above median family income—which was $4,854. It is still true that barely half of the new FHA-financed homes were sold to people in the lower two-thirds of the income scale. Thus, by far the major share of FHA's assistance clearly goes to families above that middle of the income scale—and this is even more true since 1955.

I submit that these are still the essential facts in the matter.

But even though we may disagree on the interpretation of certain facts, I heartily welcome the support of the junior Senator from New York for our moderate-income housing program. I know that his support will be valuable and effective, and I feel strongly that our efforts for better housing for all our people should be a bipartisan effort, as it was when the Wagner-Ellender-Taft Act was written. So I look forward to collaborating on housing matters with my colleague from New York, and, I hope, with many other Senators on the opposite side of the aisle.

I welcome the assistance of the distinguished junior Senator from New York as a cosponsor of the bill. I am sure the Senator will persuade many of his friends on the other side of the aisle to vote for the proposed legislation, which I believe is so important.

AMENDMENT OF ROBINSON-PATMAN ACT, RELATING TO EQUALITY OF OPPORTUNITY

Mr. DIRKSEN. Mr. President, I submit a brief statement regarding the bill (S. 11) to amend the Robinson-Patman Act with reference to equality of opportunity, introduced by the Senator from Tennessee [Mr. KEFAUVER], for himself and other Senators, on January 7, 1957. I ask unanimous consent that the statement may be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

The Senate Antitrust and Monopoly Subcommittee hearings on S. 11 and S. 1211 are now closed. It is interesting to observe the intense interest that has developed this year pertaining to S. 11 in contrast to what was termed as noncontroversial legislation when S. 11 and H. R. 11 hearings were held in the Senate and House subcommittee in 1956.

As the Members of Congress know, S. 11 and H. R. 11 are in the nature of an amendment to the Robinson-Patman Act which amendment will alter the effect of the Supreme Court decision in the case of the *Federal Power Commission v. The Standard Oil Company of Indiana*, decided in 1951. In the instant case, the Supreme Court stated:

"The amendments made by the Robinson-Patman Act restricted the scope of the defense now provided by section 2 (b) to a price reduction made to meet in good faith a lawful and equally low price of a competitor; but they did not deprive this defense of its character as an absolute defense nor condition it upon the absence of any resulting injury to competition.

"Congress did not seek by the Robinson-Patman Act either to abolish competition or so radically to curtail it that a seller would have no substantial right or self-defense against a price raid by a competitor."

The intense interest in S. 11 is best reflected by the large number of organizations and persons who appeared and submitted testimony or filed statements in opposition to S. 11.

There follows a list of some of the individuals and organizations who expressed opposition to or support for S. 11:

Senator HOMER CAPEHART (offered amendment).

Congressman ROBERT HARRISON, Third District of Nebraska.

Chairman John W. Gwynne, Federal Trade Commission.

Department of Justice.

Department of Commerce.

Shell Oil Co.

Socony Mobil Oil Co.

Esso Standard Oil Co.

Standard Oil Co. of Indiana.

Standard Oil Co. of California.

Conference of State Manufacturers Association.

American Paper and Pulp Association.

Fairmont Aluminum Co.

Illinois Petroleum Marketers Association.

South Carolina Jobbers Association.

Virginia Petroleum Jobbers Association.

Colorado Petroleum Jobbers Association.

Michigan Petroleum Jobbers Association.

Charleston Oil Co. of South Carolina.

Iowa Independent Oil Jobbers Association.

North Carolina Oil Jobbers Association.

Pennsylvania Petroleum Association.

Rubber Manufacturers Association.

Arkansas Independent Oil Marketers Association.

Manufacturers Chemists Association, August Eustis (engineer).

Indiana Independent Petroleum Association.

Independent Oil Jobbers Association of South Dakota.

Georgia Oil Jobbers Association.

Alabama Petroleum Jobbers Association.

Independent Oilmen's Association of New England.

Oklahoma Oil Jobbers Association.

Independent Oilmen's Association of New England.

Florida Petroleum Marketers Association.

Commerce and Industry Association of New York.

Jobbers Division, Kentucky Petroleum Marketers Association.

Mississippi Oil Jobbers Association.

Tennessee Oilmen's Association.

Wisconsin Petroleum Association.

Missouri Petroleum Association.

Glen Falls Portland Cement Co.

National Oil Jobbers Council.

American Farm Bureau Federation.

Association of Farmers of California, Inc.

National Plant Food Institute.

Northwestern Lumberman's Association.

Associated Equipment Distributors.

National Retail Tea-Coffee Merchants Association.

Sprinkler Irrigation Association.

Southern Coal Producers.

National Sand and Gravel Association.

National Ready Mixed Concrete Association.

National Association of Manufacturers.

Association of Bar of New York City.

American Bar Association.

Chicago Bar Association.

General Supply Co., of Easton, Pa.

David G. Grant, Idaho oil jobber.

E. M. Stone, refinery, Wisconsin and Colorado.

Organizations and persons appearing in support of S. 11 are as follows:

Senator JOHN J. SPARKMAN, of Alabama.

Congressman WRIGHT PATMAN, of Texas.

National Federation of Independent Businesses.

National Congress of Petroleum Retailers.

Virginia Retailers Association.

Gasoline Retailers of Greater Chicago.

Oklahoma Gas Retailers Association.

Texas Service Stations Associated.

National Food Brokers Association.

Motor and Equipment Wholesalers.

National Association of Retail Grocers.

National Farmers Union.

National Tire Dealers and Retreaders Association.

National Candy Wholesalers Association.

National Association of Retail Druggists.

Cooperative League of the United States of America.

Arizona Gas Retailers Association.

Federal Trade Commission (3 to 1).

DEVELOPMENT OF NEW COAL MARKET

Mr. MORTON. Mr. President, the principal industry in my State of Kentucky is coal. We, along with our neighbors of the Appalachian coalfields, always seek new markets for our product. During the last several months I have been privileged to work with representatives of the coal industry, Florida utilities and the railroads concerning the possible use of coal as an energy fuel in Florida.

If this program can be worked out the Florida consumer as well as the utilities concerned, the railroad and transportation interests and our coal miners and operators all will benefit. And, of course, when Kentucky mining people benefit, Kentucky benefits.

A preliminary meeting with representatives of all interests concerned was held in my office in Washington on February 26, 1957.

Representatives of the industries most vitally concerned with achieving a coal market in Florida met again this week in Washington as a follow-up to the meeting held February 26, 1957.

At that time Joseph E. Moody, president of Southern Coal Producers' Association and I acted upon news stories of a telegram sent by Mr. McGregor Smith, chairman of the Florida Light & Power Co., to President Eisenhower protesting the increase of oil prices. These increases in turn became a part of the Senate investigation into the oil crisis in Europe, which was a consequence of the Suez Canal situation.

I met with representatives of the coal industry and the railroads interested in coal transportation to Florida at their meeting this week.

The business of the meeting was an engineering report on the feasibility of conversion of the Florida electric plants to coal by Mr. Herbert Lammers, chief engineer of Appalachian Coals, Inc., who was sent to Florida to make the study, by Mr. Julien T. Tobey, president of Appalachian Coals, Inc. The study was made on behalf of all members of the informal committee. In the words of Mr. Lammers "the purpose of the survey was to develop facts and general information as to the competitive fuel situation in Florida and the probable cost of conversion to coal of the various power stations."

The report indicated that the cooperation of the Florida utilities and others had been generous and that the interest in coal in that area was most genuine. While the report was a preliminary one still it was concluded that the feasibility and interest of all parties was so clear that further work should by all means be done.

From the utilities viewpoint the tight money situation and the high fixed charges on added investments are very compelling considerations.

Freight rates on the other hand are clearly one of the big problems faced by coal producers in seeking entry into this market. Coastwise shipment will obviously be an important phase of the completed study as well.

Fuel requirements in the State of Florida are expected to double in the present 5-year period. At the same time the load growth for these utilities is so rapid that plans, designs, and purchasing of equipment is necessary 3 to 5 years in advance of demand.

Preliminary conclusions reached in this study indicate that coal can achieve a competitive position in relation to oil in this market and though serious competition will come from gas, this competition can probably be overcome.

On a slightly discouraging note it now appears that there are certain limitations to the possibilities of return shipment of phosphate and other cargo from that area. Much of the phosphate, for example, is coming out now in dried form using covered hoppers.

Water shipment to both the oceanside and the gulf ports presented for the most part an encouraging picture.

Fuel requirements in the Florida utility picture indicate a coal equivalent of some 7 million tons annually in the immediate future and approaching 9 million tons by 1961.

General agreement at the meeting was that there was every reason to continue the study of this picture. Coal has, in the words of some of the representatives, defaulted in too many markets already, and while this is by no means going to be an easy venture it is an encouraging prospect. Thus, agreement was reached that the study would be carried forward and Appalachian Coals, Inc., will complete the project. More technical help was volunteered and accepted and another meeting will be called in early May, to discuss the completed report and formulate conclusions to be discussed with the Florida utility companies.

There is still a long way to go but this venture is proceeding full speed ahead and I have high hopes for its eventual successful conclusion.

SUPPLEMENTAL APPROPRIATION BILL — OLD AGE ASSISTANCE FUNDS

Mr. HUMPHREY. Mr. President, I noticed in the press recently that the Senate and House Conference Committee on the Supplemental appropriation bill had agreed that old age assistance payments under our social security program will have to be withheld for the month of May unless Congress acts by April 20 on an emergency appropriation for a number of Government agencies covered by that particular bill.

I plead with my colleagues on the Conference Committee to come to an agreement before April 20, lest deserving citizens who are recipients of old age assistance be denied the very limited amount of income which is theirs in order to provide for the necessities of life.

It is one thing to limit the activities of an agency of Government which does not directly affect the lives of people; but I suggest most respectfully that denial to people of the funds necessary for their very livelihood, the moneys which make possible bread and butter, rent, and clothes, is a matter of grave consequence.

It ought to be known by every Member of Congress that unless funds are made available by April 20, literally hundreds of thousands of people in America 65 years of age and over will be without any income in the month of May. I mean no cash income whatsoever. Let us hope that the conferees will be able to agree. I implore them to try to submerge their differences and to make possible the continuance of the very worthy program of old age assistance.

Mr. President, I wish now to refer to another subject.

The PRESIDING OFFICER (Mr. BENNETT in the chair). The Senator from Minnesota has the floor.

TAX RELIEF FOR SMALL BUSINESS

Mr. HUMPHREY. Mr. President, I regret to report that the Senate rejected proposals to give sorely needed tax relief to small business. During consideration of a bill to extend for another 15 months the present corporate and excise tax rates, amendments were offered which would have been of great benefit to small firms which find the going so difficult due to excessively high taxes. The key test came on an amendment offered by Senator Fulbright, which I was proud to co-sponsor, to reduce taxes on small corporations by $400 million a year and offset this revenue loss by raising the rates on larger corporations by 1 percent. On the rollcall vote this amendment was defeated 52 to 33; 28 Democrats supported it while all but 5 Republicans voted against it.

While the President himself remained silent, key administration leaders including Secretary of the Treasury George Humphrey vigorously opposed the Fulbright proposal. Heavy pressure was brought to bear upon Republican Senators to vote against any small business tax relief.

The administration's position has changed considerably since last fall when the election campaign was in full force. The President's Cabinet Committee on Small Business, which is made up of top administration leaders recommended last August "that the taxes imposed on business corporations be modified by reducing the tax rate from 30 percent to 20 percent on incomes up to $25,000." This proposal would have resulted in tax revenue loss of $500 million while the Fulbright amendment would have entailed no revenue loss whatsoever.

The President remained silent last week on the subject of small-business tax relief, but he was very anxious during the 1956 campaign to let small-business men know he was their friend.

In a 1956 telegram to an upstate New York group called Small Businessmen for Ike, the President stated that he was moving ahead with legislative proposals which among other things would "cut to 20 percent from the present 30 percent the Federal tax on a corporation's first $25,000 of income."

On October 1, 1956, in a campaign speech at Lexington, Ky., he said:

> I shall call for further help to small business with some dozen specific recommendations for action—including special tax measures.

On October 22, 1956, only 2 weeks before the election the President stated that he "planned to ask Congress next year to give small-business men about $600 million tax relief."

For some strange reason, however, since the election the administration's fervor on behalf of small business has cooled off. This change in attitude reminded the Senator from Illinois [Mr. DOUGLAS] of Elvis Presley's famous song "Love Me Tender." During the campaign the Republicans sang "I need you! I want you! I love you." Afterward they switched to "See you later, alligator."

In addition to the Fulbright amendment, five other amendments were offered by the Senator from Alabama [Mr. SPARKMAN], chairman of the Senate Small Business Committee. I was proud to cosponsor these proposals which would grant small business more liberal depreciation allowances for purchases of used equipment; permit small corporations to be taxed as partnerships; permit proprietors of unincorporated businesses to be treated as employees under qualified pension, profit-sharing and stock bonus plans; permit payment of estate taxes in up to 20 annual installments; and impose graduated corporate taxes. One of these amendments was voted down on a voice vote and the other 4 were withdrawn because they were destined for defeat because of Republican opposition.

In rupporting these proposals to grant small-business tax relief, I summed up my position by stating to the Senate:

> We have talked about small-business tax relief for a generation, but we have not provided any. We have not accomplished a single thing in this field. I suggest that this is an area where the Congress of the United States has a responsibility second to none. There are investigations in this Congress relating to monopoly. There are investigations in this Congress relating to the application of the Robinson-Patman Act. The Senate can investigate and investigate, but until there is an adjustment of the tax laws so that an industrious individual can accumulate capital to compete in the market place monopoly is going to grow stronger and stronger. I happen to believe that the best regulator in a free-enterprise system is competition, and the best way to assure competition is to have a set of tax laws which permits the small individual, the small concern, or the small corporation to compete on equitable terms, by accumulating capital so that the concern may stand the test of competition with the industrial giants. I hope the Senate Committee on Finance in the not too distant future will see fit to consider every one of the proposals which have been advanced here today by Senators on both sides of the aisle, and concentrate on small-business tax relief as an adjustment measure. Such committee action is needed.

I wish to assure small-business men that I shall continue to exert my efforts on their behalf in this all-important and crucial field of taxation. Last week's defeat in the Senate was definitely a setback, but the fight for such tax deduction shall continue. That I promise.

PAN-AMERICAN DAY

Mr. SMATHERS. Mr. President, on Sunday, April 14, Pan-American Day will be celebrated throughout this Hemisphere. It is the 67th anniversary of the inter-American system—a system which can take much credit for the progress made in further promoting and improving better relations with our good neighbors to the South.

On April 14, 1890, 18 of the then 19 existing American Republics took the first step in a long climb that was to lead to the present-day Organization of American States. On that date, the nations agreed to establish a permanent Commercial Bureau to facilitate commerce among them.

It was only a modest nucleus for cooperation. The distinguished representatives who gathered in Washington for the first broad American conference were imbued with Bolivar's concept that inter-American collaboration could bring peace and prosperity to the New World. But some held sincere doubts as to the possibility of achieving permanent cooperation. In the first place, nothing in history afforded them encouragement. Several earlier attempts to form a Latin American league had failed. Besides, since independence, almost every section of the continent had been troubled by serious boundary disputes. Some of these had erupted into armed conflict. The smaller states distrusted the more powerful and all jealously guarded their sovereignty. None were ready for an international organization which they believed might deprive them of their sovereign rights. As a result, the Commercial Bureau was but a cautious step toward international cooperation in the Americas. Yet it was that vital first step after which others could follow.

Two-thirds of a century have passed since that memorable birthday of inter-American cooperation. The ensuing years brought many disturbing world events. These years saw the world rocked by two devastating wars; they brought the rise and demise of the League of Nations upon which the world had pinned a hope for peace; they brought a disastrous depression that shook the economic foundations of nations in every part of the globe, and they brought the era of Communist subversion and cold war.

During these years of uncertainty and tension, the American Republics drew closer together. Several generations of idealistic Americans, north and south of the Rio Grande, worked assiduously to eliminate the sore spots that hampered the realization of the Pan American ideal. In a series of inter-American conferences, the views of the participants were frankly, sometimes bitterly, exchanged. But in the process, the Pan American representatives forged new norms of American conduct and a number of innovations in international thought. The American nations recognized the juridical equality of states. They banned intervention by one nation in the affairs of another. They established machinery for the peaceful settlement of disputes between themselves, and they agreed that an attack on any one of them would be considered an attack on all. In 1954 they recognized that the intervention of international communism in the Western Hemisphere was as much a threat to the peace and security of the Americas as was a military attack, and they declared their intention to take effective measures, individually and collectively, to combat it.

The Organization of American States as it stands today is truly a unique experiment in international relations. Hammered out in an evolutionary process of trial and error, it grew to fit the felt needs and aspirations of the community of American nations. We can be grateful for its existence and proud of its achievements.

In the field of maintaining peace, the OAS machinery has had notable success. Frictions and tensions among dynamic, growing nations must be expected. The central question is how they can be resolved without resort to force. OAS action has restored peace on several occasions when events in the Caribbean were taking ugly turns. The Rio Pact, and the Bogotá Charter, the Peace Committee, and other inter-American agreements are potent instruments for promoting peaceful settlement of disputes. But no matter how cogent and precise the procedures sound on paper, in the last analysis, it is the determination and the will of the American Republics that makes the machinery function.

In this matter of the spirit of cooperation, the American Republics have been especially successful. We have come to accept the concept that in every field of endeavor, friendly cooperation and collaboration among the 21 Republics will redound to the benefit of all. In a variety of fields—public health, agriculture, transportation, highway construction, finance, trade, the arts—we are constantly working together to better conditions in the Americas. We have, in a sense, strengthened our peacekeeping machinery by reinforcing our bonds of unity and understanding on other fronts as well.

We cannot rest self-satisfied with our handiwork to date. President Eisenhower, at the historic meeting of chiefs of state in Panama last July, recognized that the Organization of American States has not reached its full stature. At Panama President Eisenhower proposed that his colleagues each name a special representative to join in preparing recommendations for making the OAS a more effective instrument in the fields of cooperative effort that affect the welfare of the individual. Last September, and again in January, the presidential representatives met in Washington. Their third and last session is scheduled for the end of this month. It is expected that they will propose some innovations in the area of economic cooperation, and especially in the peaceful uses of atomic energy.

Since its birth the inter-American system of cooperation has endured and prospered. The past two-thirds of a century have witnessed a job well done in the Western Hemisphere. The future holds the seeds of tremendous promise in atomic discoveries which can accrue to the benefit of mankind. We must therefore be prepared to enter upon bold, new paths in inter-American cooperation with the same American spirit of enterprise and courageous experimentation with which the Organization of American States was constructed. Let us strive to make the next third of a century an even greater record of progress in the continued growth and improvement of our relations with our friends to the south. By so doing we can contribute immeasurably toward the welfare of our own national security and future economic well-being.

EXTENSION OF LIFE OF DISTRICT OF COLUMBIA AUDITORIUM COMMISSION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4813) to extend the life of the District of Columbia Auditorium Commission, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMATHERS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MORSE, Mr. CLARK, and Mr. CASE of New Jersey conferees on the part of the Senate.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I ask that the Senate proceed with the call of the calendar for the consideration of unobjected-to measures.

The PRESIDING OFFICER. The Senate will proceed with the call of the calendar.

Mr. SMATHERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first measure on the calendar.

RESOLUTIONS AND BILLS PASSED OVER

The concurrent resolution (S. Con. Res. 2) to create a joint Congressional committee to make a full and complete study and investigation of all matters connected with the election, succession, and duties of the President and Vice President was announced as first in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

The resolution (S. Res. 24) to amend

The resolution (S. Res. 24) to amend rule XIV of the Standing Rules of the Senate was announced as next in order.

Mr. TALMADGE. Over, Mr. President.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 913) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4815) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

ELIAS YOUSSEF MIKHAEL

The bill (S. 161) for the relief of Elias Youssef Mikhael (Ellis Joseph Michael) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Elias Youssef Mikhael (Ellis Joseph Michael) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HERTA KUBEILE SHIELDS

The bill (S. 243) for the relief of Herta Kubeile Shields was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Herta Kubeile Shields may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

PAUL ER (EAR) CHEN AND LYDIA CHEN, NEE SHIH MING CHUNG

The bill (S. 438) for the relief of Paul Er (Ear) Chen and Lydia Chen, nee Shih Ming Chung, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Paul Er (Ear) Chen and Lydia Chen, nee Shih Ming Chung, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

REBECCA ERRIETE MUSTACCHI

The bill (S. 771) for the relief of Rebecca Erriete Mustacchi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rebecca Erriete Mustacchi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HARRY SIEGBERT SCHMIDT

The bill (S. 1171) for the relief of Harry Siegbert Schmidt was announced as next in order.

Mr. CLARK. Mr. President, it is my understanding that the committee wishes to have an amendment to the bill returned considered. I ask that the bill go over.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. JAVITS. I should like to suggest that the amendment, which I know about, is acceptable. I hope it can be considered at this time, because the bill is a matter of urgency, for the benefit of an American serviceman.

Mr. CLARK. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CLARK. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (1) of the Immigration and Nationality Act, Harry Siegbert Schmidt may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act; and *Provided further*, That if the said Harry Siegbert Schmidt is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill was ordered to be engrossed for the third reading, read the third time, and passed.

IRMA B. POELLMANN

The bill (S. 1192) for the relief of Irma B. Poellmann was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Irma B. Poellmann, the fiancée of Jerome C. Oman, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months, if the administrative authorities find (1) that the said Irma B. Poellmann is coming to the United States with a bona fide intention of being married to the said Jerome C. Oman and (2) that she is otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Irma B. Poellmann, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Irma B. Poellmann, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Irma B. Poellmann as of the date of the payment by her of the required visa fee. The provisions of this act shall apply only to grounds for exclusion under section 212 (a) (9) of the Immigration and Nationality Act known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

LYDIA ANNE FOOTE

The bill (S. 1203) for the relief of Lydia Anne Foote was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any period of time in which Lydia Anne Foote may reside in France within 5 years after the date of enactment of this act shall not be deemed to be residence in a foreign state within the meaning of section 352 (a) (1) of the Immigration and Nationality Act.

JANE BAILEY (NEE JANE DZUN MA)

The bill (S. 1346) for the relief of Jane Bailey (nee Jane Dzun Ma) was considered, ordered to be engrossed for a third

reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jane Bailey (nee Jane Dzun Ma) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

NICOLA MARCELLO—BILL PASSED OVER

The bill (H. R. 1757) for the relief of Nicola Marcello was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

MRS. MARION HUGGINS—BILL RECOMMITTED

The bill (S. 294) for the relief of Mrs. Marion Huggins was announced as next in order.

Mr. TALMADGE. Mr. President, on March 25, 1957, the bill S. 294 was reported favorably by the Committee on the Judiciary and was placed on the calendar. Subsequent to this action, information was received which requires further investigation by the committee.

I ask unanimous consent that the bill S. 294 be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, the bill will be recommitted to the Committee on the Judiciary.

NICOLAOS PAPATHANASIOU

The Senate proceeded to consider the bill (S. 528) for the relief of Nicolaos Papathanasiou, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the word "of", to strike out "October 1, 1951, the date he was inducted into the Armed Forces of the United States" and insert "the date of the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Nicolaos Papathanasiou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LEONARDO FINELLI

The Senate proceeded to consider the bill (S. 987) for the relief of Leonardo Finelli, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Leonardo Finelli. From and after the date of enactment of this act, the said Leonardo Finelli shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. THEODORE (NICOLE ZANTHO) ROUSSEAU—BILL RECOMMITTED

The bill (H. R. 1359) for the relief of Mrs. Theodore (Nicole Zantho) Rousseau was announced as next in order.

Mr. CLARK. Mr. President, on March 25, 1957, the bill (H. R. 1359) was reported favorably by the Committee on the Judiciary and was placed on the calendar. Subsequent to this action, information was received which requires further investigation by the committee.

I ask unanimous consent that the bill (H. R. 1359) be recommitted to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, the bill will be recommitted to the Committee on the Judiciary.

EDITH ELISABETH WAGNER

The Senate proceeded to consider the bill (S. 251) for the relief of Edith Elisabeth Wagner, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 5, after "Eugene", to strike out "A." and insert "H.", and in line 11, after "Eugene", to strike out "A." and insert "H.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Edith Elisabeth Wagner, the fiancée of Eugene H. Achenbach, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Edith Elisabeth Wagner is coming to the United States with a bona fide intention of being married to the said Eugene H. Achenbach, that she is found otherwise admissible under the immigration laws: *And provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Edith Elisabeth Wagner, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Edith Elisabeth Wagner, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Edith Elisabeth Wagner as of the date of the payment by her of the required visa fee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1034) to authorize and direct the Secretary of Agriculture to convey to the University of Missouri for agricultural purposes, certain real property in Callaway County, Mo., was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 495) to authorize the acquisition of the remaining property in square 725 in the District of Columbia and the construction thereon of additional facilities for the United States Senate was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 728) to authorize the acquisition of the remaining property in squares 725 and 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

ALEC ERNEST SALES

The Senate proceeded to consider the bill (S. 560) for the relief of Alec Ernest Sales, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Alec Ernest Sales. From and after the date of enactment of this act, the said Alec Ernest Sales shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSEF MICHAEL ADOLF

The bill (S. 253) for the relief of Josef Michael Adolf was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Josef Michael Adolf, shall be held and considered to be the natural-born alien child of Emmett William Lavey, a citizen of the United States.

sand five hundred", so as to make the

petition the United States District Court for

at this point in the RECORD a statement

THEODORA HEGEMAN

The Senate proceeded to consider the bill (S. 249) for the relief of Theodora Hegeman, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 10, after the word "Act", to insert a colon and "*Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Theodora Hegeman may be granted a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PETRONELLA ELISABETH DEIMBECK MAJOR

The Senate proceeded to consider the bill (S. 257) for the relief of Petronella Elisabeth Deimbeck Major, which had been reported from the Committee on the Judiciary with an amendment, in line 5, after the word "be", to insert "issued a visa and be", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Petronella Elisabeth Deimbeck Major may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSE MEDINA-CHAVEZ (JOE MEDINA)

The Senate proceeded to consider the bill (S. 368) for the relief of Jose Medina-Chaves (Joe Medina), which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Jose Medina-Chaves (Joe Medina). From and after the date of enactment of this act, the said Jose Medina-Chaves (Joe Medina) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have issued.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JEANNINE THERRIAUD GRANTHAM

The Senate proceeded to consider the bill (S. 570) for the relief of Jeannine Therriaud Grantham, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Jeannine Therriaud Grantham may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LJUBISCHA NIKOLICH

The Senate proceeded to consider the bill (S. 126) for the relief of Ljubischa Nikolich, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the word "Act," to insert a comma and "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose," and, on page 2, line 3, after the word "Act," to insert a colon and "*And provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act, Ljubischa Nikolich may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking approved by the Attorney General be deposited as prescribed by section 213 of the said act: *And provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAYMENT OF GRATUITY TO NELLIE M. ROSENGARTH

The resolution (S. Res. 119) to pay a gratuity to Nellie M. Rosengarth was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Nellie M. Rosengarth, widow of Ernest P. Rosengarth, an employee of the Office of the Architect of the Capitol at the time of his death, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 22) to print, for the use of the Senate Committee on the Judiciary, additional copies of the Internal Security Annual Report for 1956, was announced as next in order.

Mr. CLARK. Let the concurrent resolution go over.

The PRESIDING OFFICER (Mr. BENNETT in the chair). The concurrent resolution will be passed over.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 139 ENTITLED "TECHNICAL ASSISTANCE"

The concurrent resolution (S. Con. Res. 24) authorizing the printing of additional copies of Senate Report No. 139 entitled "Technical Assistance" was considered and agreed to, as follows:

Resolved, etc., That there be printed for the use of the Committee on Foreign Relations 2,500 additional copies of Senate Report No. 139, current Congress, entitled "Technical Assistance."

PRINTING OF ADDITIONAL REPORTS

The resolution (S. Res. 109), for printing additional reports, was announced as next in order.

Mr. GOLDWATER. Mr. President, reserving the right to object, I should like to ascertain what the additional reports are to be.

Mr. KEFAUVER. Mr. President, the resolution provides additional copies of the report of the Subcommittee on Juvenile Delinquency, of which the Senator from Missouri [Mr. HENNINGS] is now chairman. There has been a large demand from juvenile court judges, State officers who are interested in this problem.

Mr. GOLDWATER. I thank the distinguished Senator from Tennessee.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 109), which had been reported from the Committee on Rules and Administration with an amendment in line 2, after the word "Judiciary", to strike out "five thousand" and insert "four thousand five hundred", so as to make the resolution read:

Resolved, That there be printed for the use of the Committee on the Judiciary 4,500 additional copies of Senate Report 130, 85th Congress, 1st session.

The amendment was agreed to.

The resolution, as amended, was agreed to.

PROCUREMENT OF OIL PORTRAIT AND MARBLE BUST OF THE LATE CHIEF JUSTICE FRED M. VINSON

The joint resolution (H. J. Res. 279) authorizing the procurement of an oil portrait and marble bust of the late Chief Justice Fred M. Vinson was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS TO LOCAL GOVERNMENTS

The bill (S. 998) to amend the act of August 4, 1953 (67 Stat. 41), and for other purposes, was announced as next in order.

Mr. KNOWLAND. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation is requested.

Mr. CLARK. Mr. President, the bill amends the act of June 4, 1953, which authorized the Secretary of the Interior to convey lands and improvements, formerly used for Federal Indian school purposes, to local governments, when the lands and improvements are no longer needed for Indian school purposes.

Under the 1953 act, the Secretary could declare a forfeiture of such conveyance if (a) the consent of the beneficial owners, the Indians, had not been obtained; or if (b) the property was not used for public purposes; or if (c) it was not made available to Indians on a nondiscriminatory basis; and if any one of these conditions had been breached for at least a year.

This amendment would grant the Indians the right to go into Federal court to demand forfeiture themselves, if the above conditions have been breached for at least a year. In effect, the amendment provides a more complete protection of Indian interests.

The Department of the Interior approves the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 998), which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 1, line 3, after the word "of", to strike out "August" and insert "June", so as to make the bill read:

Be it enacted, etc., That the act of June 4, 1953 (67 Stat. 41) is amended by adding at the end thereof the following sentence: "If the grantee of such land fails for a period of one year to observe the provisions of the transfer agreement and the Secretary of the Interior fails to declare a forfeiture of the conveyance, the former beneficial owner, if an individual Indian or an Indian tribe, may petition the United States District Court for the district where the land is located to declare a forfeiture of the conveyance and to vest the title in the United States, in the same trust status as previously existed."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend the act of June 4, 1953 (67 Stat. 41), and for other purposes."

MERRIMACK RIVER FLOOD-CONTROL COMPACT

The bill (S. 1682) granting the consent and approval of Congress to the Merrimack River flood-control compact was announced as next in order.

Mr. PURTELL. Mr. President, reserving the right to object—although I shall not object—at this time I should like to read into the RECORD a statement by the senior Senator from Massachusetts [Mr. SALTONSTALL], who wished to be present at this time, but who has been called elsewhere.

The statement by the Senator from Massachusetts is as follows:

STATEMENT BY SENATOR SALTONSTALL

I am happy to join with my colleagues from New Hampshire [Mr. BRIDGES and Mr. COTTON], and the junior Senator from Massachusetts [Mr. KENNEDY], in support of this bill to give the consent and approval of Congress to the Merrimack River flood control compact.

For many years, the Merrimack Valley in New Hampshire and Massachusetts has been subjected to heavy and tragic losses of life and property caused by floods. This is a very heavily populated part of the country, including as it does such cities as Lowell, Lawrence, Haverhill, and Newburyport in Massachusetts, and Manchester and Nashua in New Hampshire, as well as many large towns. The valley is also very heavily industrialized and vital to the economy and well-being of both States.

It has been recognized that the question of providing relief from the serious flood dangers in the Merrimack Valley is one which calls for the close cooperation of the two States and the Federal Government. Tentative plans have been drawn by the Army Corps of Engineers for the construction of dams and reservoirs in addition to those already completed.

This compact is the means of effectuating this necessary program. Under it, Massachusetts concedes the greater benefit to her downstream communities and agrees to bear a fair share of the tax losses and economic losses to New Hampshire municipalities where projects will be located, and for some of those already completed.

The compact was approved by the General Court of Massachusetts and by the Governor of that State in 1956, and the Legislature and Governor of New Hampshire have approved it this year.

I hope that the bill will pass.

The Senator from Massachusetts expresses the hope that the bill will pass.

Of course, Mr. President, I have no objection whatsoever.

Mr. COTTON. Mr. President, unless a further explanation of the bill is requested, I shall not take the time of the Senate to explain the bill. Instead, I ask unanimous consent to have printed at this point in the RECORD a statement by myself in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COTTON

I hope the Senate will pass S. 1682 which I introduced on behalf of Senators BRIDGES, SALTONSTALL, KENNEDY, and myself. The bill grants the consent and approval of Congress to the Merrimack River flood-control compact. Perhaps I should emphasize that this bill is sponsored by all 4 Senators of the 2 States involved.

1. The sources of the Merrimack River rise in the White Mountains of New Hampshire. The main river flows through the beautiful New England countryside of New Hampshire and Massachusetts for 116 miles before entering the Atlantic Ocean near Newburyport, Mass. The report of the New England-New York Inter-Agency Committee includes a full review of the Merrimack River Basin and since that report is now pending before the Congress, there is no need for me to go into any detail with respect to the topography, economy, or any other characteristics of the basin. Likewise, its flood history is well known. The 1936 floods on the Connecticut and Merrimack Rivers were responsible in large measure for the development of our current flood-control program.

2. Negotiation of the pending compact was authorized by section 4 of the Flood Control Act of 1936, Public Law 738 of the 74th Congress.

3. The Merrimack River flood-control compact was developed at the time the Connecticut River compact was written. The work was done by a committee of 12 representing the 4 Connecticut Valley States, Connecticut, Massachusetts, Vermont, and New Hampshire, over a period of 4 years. The Connecticut River flood-control compact was approved by Congress in 1953, by Public Law 52, 83d Congress.

4. The Merrimack River compact is almost identical to the Connecticut one, differing only because it involved 2 States instead of 4 and a different river valley.

5. The Merrimack River compact was approved by the Massachusetts Legislature last year and the bill signed by Governor Herter, August 6, 1956.

6. The New Hampshire Legislature approved the compact bill this year and it was signed into law by Governor Dwinell, March 14, 1957. In the New Hampshire Legislature, the compact received the unanimous approval of the Resources, Recreation, and Development Committee and the Appropriations Committee of the House, and passed by a vote of 286 to 11. It was approved by comparable committees and by the Senate itself by voice vote without announced opposition.

7. There has been opposition in New Hampshire. The opposition has not been directed against the compact, although obviously most of the benefits from the dams to be constructed in New Hampshire accrue in Massachusetts so interest in the latter State would be greater. What opposition there is is against one of the projects mentioned in it—the Hopkinton-Everett Dam and Reservoir. Those who will lose their homes and farms as a result of construction of the project are understandably opposed to it. Repeated surveys, however, have satisfied the New Hampshire Legislature that effective protection by any other combination of projects would involve the taking of more property, a larger number of homes and farms, and at a greater cost resulting in the ratification in that body by an overwhelming vote. I am not aware of any substantial opposition to the compact, or any projects mentioned in it, in Massachusetts.

8. The compact recognizes that most of the benefits accrue to Massachusetts rather than to New Hampshire. Therefore, the compact provides that Massachusetts will reimburse New Hampshire for 70 percent of the amount of taxes lost by reason of the acquisition and ownership by the United States of lands and rights for flood-control dams and reservoirs in the valley. Present estimates indicate that will involve payment by Massachusetts of about $14,000 annually for the three projects already constructed.

The compact sets up a joint, six-man agency to cooperate in the control of floods and utilization of the water resources of the river. This agency also administers the financial aspects of the compact.

9. Let me make it clear that approval of the compact by Congress does not commit the Federal Government to anything. The compact merely provides a means by which two States can cooperate effectively between themselves, and with the Federal Government, for purposes of flood control and water conservation and utilization in the Merrimack River Basin.

10. At the time the Connecticut River compact was ratified by Congress, it was cleared with the various Federal agencies, such as the Federal Power Commission, the Secretary of the Army, and others. Because this compact is identical in its pertinent provisions, it is not considered necessary to formally submit it to these agencies again.

The PRESIDING OFFICER. The Senate has received from the House of Representatives, House bill 6092, which is identical in every respect with Senate bill 1682.

Without objection, the Senate will proceed to the consideration of the House bill, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 6092) granting the consent and approval of Congress to the Merrimack River flood control compact.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 6092?

There being no objection, the Senate proceeded to consider the bill (H. R. 6092) granting the consent and approval of Congress to the Merrimack River flood control compact.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 6092) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1682 is indefinitely postponed.

RETURN OF CERTAIN MINERAL INTERESTS IN LAND TO FORMER OWNERS

The bill (S. 268) to provide that the Secretary of the Army shall return certain mineral interests in land acquired by him for flood-control purposes to the former owners of such land was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed, when he determines that the exploration for or exploitation of any mineral interests underlying lands within and for the purpose of reservoir projects of the Yazoo Basin headwater project in the State of Mississippi will not be incompatible with the development, maintenance, and operation of the reservoir projects and that the reconveyance of any such aforementioned interests to the former owners thereof will be in the public interest, to convey such interests to the former owners thereof, or in the case of any such owner who is deceased, to his legal heirs, if any, upon (1) application made within 3 years from the date of enactment of this act, and (2) payment to the United States of an amount which shall be determined to be the equivalent of the fair market value thereof.

SEC. 2. Each conveyance of mineral interests under this act shall contain such reservations, restrictions, terms and conditions as the Secretary determines are necessary for the development, maintenance, and operation of the reservoir projects.

COL. BENJAMIN AXELROAD—BILL PASSED OVER

The bill (S. 1008) for the relief of Col. Benjamin Axelroad was announced as next in order.

Mr. PURTELL. By request, I ask that the bill go over.

Mr. KEFAUVER. Mr. President, I wonder whether the Senator from Connecticut will withhold the objection, and will allow the bill to be placed at the foot of the calendar, so that during the further call of the calendar I may have an opportunity to confer with him about the bill.

Mr. PURTELL. Mr. President, the objection has been made at the request of another Senator. Of course I must consult with him before I can agree to the taking of any action on the bill, other than to have it passed over.

Mr. KEFAUVER. Will the Senator from Connecticut withhold his objection and let the bill go to the foot of the calendar? If he will agree to that course, and if he still objects when the end of the calendar is reached, after he has been in consultation with the Senator who has requested that objection be made in his behalf——

Mr. PURTELL. Mr. President, let me say that the Senator who objects is out of the city today; therefore, I cannot pursue any course other than the one I have already taken, inasmuch as the objection was made at the request of that Senator.

The PRESIDING OFFICER. Objection having been made, the bill will be passed over.

DELEGATE FROM ALASKA TO BE MEMBER OF THE ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

The bill (H. R. 4271) to provide that the Delegate from Alaska in the House of Representatives of the United States may be a member of the Alaska International Rail and Highway Commission was considered, ordered to a third reading, read the third time, and passed.

PROPOSED MEMBERSHIP OF SPAIN IN NATO

The concurrent resolution (H. Con. Res. 115) expressing the sense of the Congress that efforts should be made to invite Spain to membership in the North Atlantic Treaty Organization was considered and agreed to.

The preamble was agreed to.

TRAINING OF FEDERAL EMPLOYEES—BILL PASSED OVER

The bill (S. 385) to authorize the training of Federal employees at public or private facilities, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, I should like to have a statement made regarding how much the proposed general authorization for training will increase the cost of the Government.

Mr. CLARK. Mr. President, I am happy to advise the distinguished Senator from Georgia that the Bureau of the Budget, which has endorsed the bill——

Mr. RUSSELL. Mr. President, I must say that fact is not very persuasive to me.

Mr. CLARK. I am not suggesting that it is, Mr. President; I am merely endeavoring to supply the information the Senator from Georgia desires to have.

I was saying that the Bureau of the Budget, which has endorsed the bill, has indicated that the cost of the training can be absorbed by current appropriations. However, it is estimated that over a period of time the cost of the bill will run from $800,000 to $900,000.

Let me point out to my good friend, the Senator from Georgia, that the method by which the bill will operate will be as follows: From time to time, members of the civil service will be sent to various training programs, which will be conducted perhaps for a few weeks in some instances and in other instances to perhaps as much as 9 or 10 months. Their places will not be filled while they are away, taking the training; instead, the remainder of the staff will absorb their work. When they return, they will be far better able to conduct the activities of the Government with which they are entrusted, than they were before they went away.

The bill has, among its many supporters, distinguished representatives of private industry, including the vice president in charge of training, of the Bell Telephone Company of Pennsylvania, who testified that similar procedures have been in effect in most of the large corporations of the United States for many a long year, and that the bill is merely for the purpose of modernizing the Government's procedures for the training of governmental employees, so as to enable them to keep up with the many technical and difficult problems which constantly confront them in this changing, modern world.

Mr. RUSSELL. It may be a highly desirable bill. Of course, it is interesting that the remainder of the staff of an agency will be able to absorb the work and carry on at a time a man is away from his job to acquire training. It would seem that the agency was overstaffed, if the staff was able to do the work while he was away being trained

to do the work more efficiently and the same group were retained after he returned.

However, what concerns me is that the bill eliminates the limitations on the amount some of the agencies may expend for this purpose. We have had bills in the Senate from time to time to provide training, for example, for personnel in the Civil Aeronautics Administration. That training was very valuable, but there was a limitation on the amount which could be spent for that purpose. I have forgotten the exact amount. I think the amount the agency could spend for that purpose was $100,000 or $50,000. The same limitation was applied to other agencies that were permitted to participate in a training program. There was a limitation on the amount they could spend in any one year. This bill removes that limitation and leaves it to the discretion of the head of the agency. It is bound to result in increased spending.

Mr. CLARK. If the Senator will yield, it is understanding—and I trust the Senator from Georgia will correct me if I am wrong—that the training which is permitted by the bill has long been afforded to members of the Armed Forces, with which the Senator from Georgia, I am sure, is familiar, as he is chairman of the Committee on Armed Services. The bill will give to the civilian force of the United States Government the same privileges that are extended to the Armed Forces, as to which there is no limitation, as I understand. If I am wrong, I am willing to be corrected.

Mr. RUSSELL. I do not think there is any definite limitation on the amount to be expended to train a radar operator, for example, in the Armed Forces, or one who would operate a tank. However, I think there is some slight difference between such an operation and the blanket authorization here proposed for agencies to engage in training programs and to broaden and expand them.

It may be a desirable bill. We have a great many things in Government that are desirable but not necessary. I am somewhat dubious about taking away all of the limitation on the various agencies as to the amounts they may expend for this purpose.

We all talk about the $72 billion budget and complain about it. I say we all complain about it; I do not suppose we all do, but there have been some complaints about it. The budget is composed of literally millions of small items. Everytime we remove restraints and limitations on spending, we are simply inviting agencies to increase their expenditures by a few thousand dollars here and a few thousand dollars there. It is the sum total of all those items that makes up the $72 billion budget.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I was going to inquire whether training civil-service employees in private institutions will result in the reduction of personnel in Federal agencies. The reason I ask that question is that in times past Congress has said how fine it would be if private industry could take over some of the work being done by Government employees, do the work in a shorter time and have it over with, and we would not have to have so many Federal employees. We tried following that principle in some departments, but I am sorry to say that where work has been contracted for by private concerns it has not been accompanied with a corresponding reduction in Federal personnel. In some cases Federal personnel seemed to exercise so much unnecessary supervision over the private contractors that not only are some of the private contractors becoming reluctant to take on such work, but we have an added expense, that is, the amount which is paid to the private institution for carrying on the work without an accompanying reduction in Federal personnel.

The reasons for that are too complicated to go into at this time, but we ought to have some assurance that when work is transferred to private contractors it will be accompanied by a reduction of costs in the Federal agency involved.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. May I ask the Senator from Vermont whether the comments he has just made indicate that he has an objection to this particular bill, which, of course, has nothing to do with contracts with private industry for the doing of work which the Government would otherwise do itself?

Mr. AIKEN. I am not familiar with the provisions of the bill. I just came to it on the calendar. I have not studied the bill. I was simply remarking on the general situation that when we transfer work from the Federal Departments to private industry we ought to make sure that there will be a corresponding decrease in the payroll of the Federal department involved. I think there would be a great deal of merit in doing that.

I have particular reference to testimony which has been received in the Committee on Foreign Relations with regard to work done in foreign countries, in connection with some of our colleges and universities that have contracted to carry on some of our economic and technical assistance programs. There is much grumbling that the work of the contracting agency is supervised and directed by Federal employees, to such an extent that, since they are there, anyway, they might as well do the work and save additional expense. In other words, we have two sets of people doing the work, and they do not get along very well.

Mr. CLARK. I should like to assure the Senator from Vermont that the pending bill, in my judgment, does not hit the situation which he seems to have in mind. The bill would merely permit the Federal Government to give the same training to its employees, in technical schools, universities, and elsewhere, which is the current personnel practice in, I think I am safe in saying, the overwhelming majority of all of the large corporations of the United States, which feel, without dissent, that this type of training is in the interest of their efficiency and profit-making opportunities and that the spending is justified.

Mr. AIKEN. I am not sufficiently familiar with the details of the bill to object to it at this time, but the calling of the bill on the calendar seemed to afford me a proper vehicle to express myself on another matter relating to Government employees, which I think ought to be called to the attention of the Congress and which the Congress ought to look into.

Mr. RUSSELL. I am reluctant to object to a bill which claims to promote more efficiency in Government. However, after some years of service in this body, I have become exceedingly wary of bills claiming to reduce the cost of Government by promoting efficiency in operation. If all of the bills we have supported that were supposed to decrease costs by promoting efficiency in operation had achieved the objectives which were claimed by their sponsors, in my opinion, the budget would be in the neighborhood of about $60 billion, instead of being $72 billion or $73 billion. We must have to hire a great many new people who have nothing to do except to chronicle and record the greatly increased efficiency of those already on the rolls, if those bills have really effectuated efficiency. The more legislation we pass to increase efficiency, the higher the total number of employees on the payroll.

I see in this bill the seed of a program that, by eliminating all the limitations which are in the existing law on the amount that can be spent, will be reflected in the budget in years to come by increased cost to the American taxpayer.

Mr. PURTELL. Mr. President, I think the colloquy on the floor points up what the minority calendar committee had decided, namely, that a measure such as this ought not to be passed on the Consent Calendar. Personally, I have no objection to the bill. It has the recommendation of two Hoover Commissions. It is a recommendation that will require the expenditure of eight or nine hundred thousand dollars. I think the bill should go over because I do not believe it is proper Consent Calendar business, and not because I object personally to the bill's being passed.

Mr. CLARK. Mr. President, will the Senator yield for a moment?

Mr. PURTELL. I am happy to yield.

Mr. CLARK. I ask the Senator to yield to permit me to state for the RECORD that the bill is not only sponsored by the administration, but that it received the unanimous approval of the majority and minority members of the Post Office and Civil Service Committee. I should like to have that fact made a matter of record.

Mr. PURTELL. Mr. President, I should like the RECORD to show a repetition of my statement that I have no objection to the bill. I am in favor of it; but I feel the bill ought not pass on the Consent Calendar.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF PERFORMANCE RATING ACT OF 1950

The bill (S. 1412) to amend section 2 (b) of the Performance Rating Act of 1950, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 (b) of the Performance Rating Act of 1950, as amended (5 U. S. C. 2061), is further amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following:

"(13) Civilian officers and members of crews of vessels operated by the Department of the Army and the Department of the Navy."

Mr. PURTELL. Mr. President, I think it is worth while to note that the enactment of this bill will, in fact, save $75,000 per annum for the Government.

EXEMPTION OF PERSONS APPOINTED TO STUDENT-TRAINEE POSITIONS FROM PROVISIONS OF SECTION 9 OF THE CIVIL SERVICE ACT

The bill (S. 1521) to exempt persons appointed to student-trainee positions from the provisions of section 9 of the Civil Service Act prohibiting the employment in the classified service of more than 2 members of the same family was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KNOWLAND. Mr. President, reserving the right to object, my attention was diverted a moment ago by some conversations, as I started to explain the reason for my rising at this time on this particular bill.

The bill itself, so far as I know and have been able to determine by going over it, is a satisfactory and constructive amendment to the law. I wish, however, to invite the attention of the Senate to page 2 of Senate Report No. 215, relating to Calendar No. 216, where, under the heading "Agency Views," the following statement is made:

It is not possible to obtain the official views of the Civil Service Commission because of there being only one member of the Commission at the present time. Following is a letter expressing the personal views of Commissioner F. J. Lawton.

Mr. President, nominations of two Civil Service Commissioners, submitted by the President of the United States, and awaiting confirmation are still pending before the Post Office and Civil Service Committee.

The Civil Service Commission has only one member, so there can be no majority of the Commission. We are now faced with a situation where the views of the Commission on this particular bill could not be received because there is not a working Commission in being.

I hope the distinguished chairman of the Committee on Post Office and Civil Service will very promptly act on the nominations of the President of the United States, so that the Civil Service Commission will again be fully constituted for the conduct of the public business.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CLARK. I should like to advise my good friend, the Senator from California, in the absence of the chairman of the Committee on Post Office and Civil Service, a committee on which I happen to serve, that hearings are being conducted on the nominations to places on the Civil Service Commission, and that it is anticipated the hearings will be concluded next week. It is hoped that the recommendations of the committee can be brought before the Senate very shortly thereafter.

Mr. KNOWLAND. I thank the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 9 of the act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, as amended (5 U. S. C. 641), is amended by adding at the end thereof a new sentence as follows: "This section shall not apply to persons appointed to student trainee positions."

TRANSFER OF RIGHT-OF-WAY FOR YELLOWTAIL DAM AND RESERVOIR — JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, over by request.

The PRESIDING OFFICER. The joint resolution will be passed over.

FINANCIAL ASSISTANCE TO DESERT-LAND ENTRYMEN

The bill (S. 1002) to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of the act entitled "An act to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes," approved October 19, 1949 (63 Stat. 883), is amended (1) by striking out "homestead entry" and inserting in lieu thereof "homestead or desert-land entry"; and (2) by striking out "homestead and" and inserting in lieu thereof "homestead, desert-land, and."

FROSSO SPILIOTOU

The bill (S. 130) for the relief of Frosso Spiliotou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Frosso Spiliotou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

YUN WHA YOON HOLSMAN

The bill (S. 973) for the relief of Yun Wha Yoon Holsman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Yun Wha Yoon Holsman shall be held and considered to be the natural-born alien child of Noel and Helen Holsman, citizens of the United States.

ARSENE KAVOUKDJIAN (ARSENE KAVOOKJIAN)

The bill (S. 1202) for the relief of Arsene Kavoukdjian (Arsene Kavookjian) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Arsene Kavoukdjian (Arsene Kavookjian) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

EVANGELOS DEMETRE XARGIOTIS

The bill (S. 1212) for the relief of Evangelos Demetre Kargiotis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Evangelos Demetre Kargiotis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MRS. GERALDINE ELAINE SIM

The Senate proceeded to consider the bill (S. 1360) for the relief of Mrs. Geraldine Elaine Sim, which had been reported from the Committee on the Judiciary, with an amendment to strike

out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Mrs. Geraldine Elaine Sim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPOINTMENT OF ADDITIONAL ASSISTANT SECRETARY OF STATE

The bill (S. 1832) to authorize the appointment of one additional Assistant Secretary of State was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act of May 26, 1949, as amended (5 U. S. C. 151a), is amended by striking out "10" and inserting in lieu thereof "11."

Sec. 2. Section 106 (a) (17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(10)" and inserting in lieu there "(11)."

Mr. GREEN subsequently said: Mr. President, the purpose of S. 1832 is to authorize the appointment of one additional Assistant Secretary of State who will be designated as the Assistant Secretary of State for African Affairs. The bill does not itself give the proposed new Assistant Secretary this title, because the present law does not specify geographic or other titles for any of the Assistant Secretaries of State. S. 1832 increases the number of Assistant Secretaries of State from 10 to 11, and it is the intention of the Department of State to use the proposed new position for the appointment of an Assistant Secretary to direct a proposed Bureau of African Affairs.

The increasing importance of the continent of Africa is well known to all of us. Africa is important to the United States for political, military, and economic reasons. I shall not attempt to develop the facts in detail. It may not be generally known, however, that at the present time one Assistant Secretary of State has charge not only of African affairs, but Near Eastern affairs and south Asian affairs as well. There is an urgent need for an additional Assistant Secretary who can devote full time to African affairs.

The Committee on Foreign Relations strongly recommends that the Senate approve, by passing this bill, the creation of an additional Assistant Secretary post in the Department of State in order that the problems of United States relations with Africa can be given attention commensurate with the importance to the United States of that area.

BILL PASSED OVER

The bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds was announced as next in order.

Mr. TALMADGE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

That completes the call of the calendar.

THE BUDGET OF THE POST OFFICE DEPARTMENT

Mr. McNAMARA. Mr. President, on Tuesday, January 10, 1956, the present Postmaster General appeared before the House Appropriations Committee in support of the budget for his Department for the 1957 fiscal year. This was the fourth annual budget presented by General Summerfield. This background is important only for the purpose of establishing that he was not a novice or inexperienced in budget matters.

Mr. Summerfield presented himself and his associates to the Appropriations Subcommittee on that occasion as follows:

Our appearance here today marks the fourth time we have had the opportunity to discuss the problems and plans of the Post Office Department with the subcommittee.

We are happy to be able to do so. We believe this interchange of ideas in the course of these budget hearings will ultimately be reflected, as it has in the past, in our mutual objective to provide the American people with an even better mail service at the lowest possible cost.

I would like to emphasize at the outset that tried and proven concepts of business management have been introduced into every phase of the Post Office Department's activities during the past 3 years as rapidly as practicable.

Note carefully the general's phrase:

To provide the American people with an even better mail service.

And also his statement:

That tried and proven concepts of business management have been introduced into every phase of the Post Office Department's activities.

These are startling statements in the light of subsequent developments, as I shall proceed to show.

Mr. President, on January 10, 1956, the Post Office Department presented a budget for the 1957 fiscal year in the amount of $3 billion. I have not rounded out the Department's request, but their budget request was for exactly $3 billion with which to operate from July 1, 1956, to June 30, 1957.

After hearings in the House and in the Senate, the Department was given $2,984,340,000. In other words, the request of the Department was reduced by $15,660,000. Think of it, if you will, Mr. President, a cut of $15,660,000 in a $3-billion budget. That represents a cut of less than one-half of 1 percent. A cut of that proportion should be as noticeable as the removal of a cup of water from Lake Michigan or the death of a mosquito in a Georgia swamp. But to General Summerfield it looms as large as the Atlantic to a fisherman lost in a rowboat and as important as a school girl's first date.

Mr. Summerfield's $3-billion budget request for the current fiscal year was based on an estimated workload of 58,300,000,000 pieces of mail. That was his estimate back in January of last year. In commenting on this, he states:

This would be an increase of about 2.6 percent over our present estimate of the volume in fiscal 1956.

To quote further, he added this clincher:

And there is some danger that we may again be underestimating.

Now, what are the facts? In January of this year Mr. Summerfield, in his fifth annual budget appearance before the House Appropriations Committee, submitted a revised estimate for the 1957 fiscal year. His most recent estimate is that the Department will handle 276 million fewer pieces of mail during the year than was anticipated at the time of his budget submission.

In these circumstances, one would expect the Post Office Department, that is using, to quote Mr. Summerfield, "tried and proven concepts of business management," to have a surplus in operating funds at the end of the current fiscal year. Is that the case? No, indeed, it is not. To the contrary, the country is faced with the disturbing and sorry spectacle of the Postmaster General threatening to curtail certain services unless he is given additional money to carry him through the last quarter of the fiscal year. What a comedown from the lofty position—"to provide the American people with an even better mail service at the lowest possible cost"—he assumed at the time his present budget was submitted.

The facts are worthy of repetition. When Mr. Summerfield came to Congress in January of last year to ask for operating funds for the Post Office Department for the current fiscal year, he asked for $3 billion to handle 58,300,000,000 pieces of mail. Congress gave him within less than one-half of 1 percent of what he requested and accepted without question his estimate of the amount of mail he would handle. Now, as the year nears an end, we learn that he needs more money to handle less mail.

Mr. President, someone is responsible for the current fiasco in the Post Office Department. Someone is to blame for the threatened collapse of the mail service.

Is it Congress? I do not think so. Congress gave Summerfield enough money to run the Post Office Department a full year and not merely a portion of a year.

I think the public should be advised of certain facts so it might better understand the situation. The facts are these:

There has been an antideficiency law for many years.

In 1950 the law was amended to make it more effective.

The purpose of the law, as amended, is to require the apportionment of agency funds in quarterly allotments, so there will be no shortage during the closing months of the year.

In accordance with the antideficiency law the funds for the Post Office Department for the current year were allotted proportionately to each quarter.

After the quarterly allotments had been made, the Post Office Department was authorized by the Bureau of the Budget to spend in excess of its allotment during each of the second and third quarters of the year.

On March 12 of this year, the Bureau of the Budget sent to the Congress a request for additional funds for the Post Office Department for use during the fourth quarter of the current fiscal year.

The result is exactly what the antideficiency law, as amended, was designed to prevent. The Department is holding a loaded gun in front of Congress and is saying, "Give us $47 million additional or we close up shop."

No, Congress is not to blame, but the Postmaster General would make Congress and the public the scapegoats.

Is the public to blame? Of course not. Yet, who is it that would now suffer as a result of the debacle. Why, the public, of course. The Postmaster General says, "Unless you give me the money, I will cut out the handling of certain mail and curtail service in other respects."

If neither the Congress nor the public is to blame, then who is the culprit?

The Postmaster General proclaims loudly that he has not broken any law and infers quietly that it is merely a procedural problem to be handled by the Bureau of the Budget.

The poor Bureau of the Budget, by reason of finding itself at the end of the line, so to speak, has not yet been able to point the finger of guilt in another direction. However, both the Postmaster General and the Bureau of the Budget appear to agree that if Congress will but fork up an additional $47 million quickly, all will be forgiven and forgotten.

I find it difficult to be that charitable since the public welfare and money are involved. The whole sorry situation raises a number of serious questions in my mind that I think should be answered.

First, the responsibility for flouting the law should be fixed and those guilty should be held accountable.

Second, it should be determined whether the administration, through the Bureau of the Budget and the Post Office Department, presented last year's budget with the general election coming up in November in mind. The question is: Was last year's budget deliberately and falsely compressed so as to enable the administration to present a balanced budget to the voting public?

Third, if last year's budget was properly shaped then the overspending that has occurred must indicate irresponsible management by the Postmaster General. Has he overspent in stuffing his regional, district, and area offices with political appointees? Has his overgrown and overly active and ambitious publicity program eaten up funds that should have been reserved for operating purposes? Has his spending of money on public opinion polls drained off funds that should be available for the delivery of mail? What other excesses has he enjoyed at the expense of the Post Office Department and the public?

Fourth, what steps can and should be taken to strengthen or enforce the antideficiency law to prevent a reoccurrence of situations of this kind in the future.

The foregoing questions and others should be answered promptly and clearly. The public has a right to know all the facts in this situation.

Mr. President, the present budgetary difficulty of the Post Office Department should not be confused with the question of postal rates. There is no connection whatsoever between the two problems, and the separate issues involved should not be allowed to become clouded one by the other.

Insofar as the separate issue of rates is concerned, my position is clear. I think an increase in rates is justified and long overdue. However, when and if increases are made, I think each class of mail should be required to carry its proper share of the load. I do not subscribe to the Postmaster General's theory that mail of the first class should be saddled with the loss resulting from the low rates applicable to mail of the second class. In other words, I do not believe it fair or just that large and powerful publications, such as Time, Life, and the Saturday Evening Post, should enjoy a preferential rate—a subsidy, if you please—provided at the expense of a mother writing to her son in the armed services.

I am quite confident that if Mr. Summerfield would come to Congress with a rate bill that would require each class of mail to pay its way—only that and nothing more, but certainly nothing less—he would gain approval of a new rate bill within a matter of days.

Unfortunately, he has not done that. Instead, he has asked Congress to increase rates on first class mail to a point that such mail would show a handling profit of more than $200 million a year to be used as a subsidy for other classes of mail such as the large and rich publications referred to earlier.

Mr. President, I have seen the chairman of the Post Office and Civil Service Committee, the distinguished senior Senator from South Carolina [Mr. JOHNSTON] stand before this body and raise his voice in protest against actions taken or contemplated by the Postmaster General. Except for Senator JOHNSTON's alertness, fidelity to duty and abiding interest in the postal service, the welfare of our postal employees and the general public, there is little doubt but what Congress would have been confronted long before this with the undesirable results of Summerfield's arrogant and dictatorial method of running the Post Office Department.

Notwithstanding Senator JOHNSTON's valiant and unstinting service in the past, I call on him and the committee he heads to perform still another public service. I should like to see that the Post Office and Civil Service Committee conduct public hearings for the purpose of ferreting out and bringing to public attention the loose management practices, the unauthorized or unnecessary programs and the other capricious actions of Postmaster General Summerfield which resulted in the Post Office Department spending public funds at a rate in excess of the amount authorized during the first three-quarters of the current year; thereby resulting in the request for additional funds with which to operate during the remainder of the year.

Also, I wish to invite the attention of the distinguished chairman of the Appropriations Committee, the senior Senator from Arizona [Mr. HAYDEN] to the fact that involved in this situation is a clear-cut violation of the antideficiency law enacted many years ago, and amended in 1950, to prevent just such a situation as this from occurring.

Responsible leaders in the House agree that the law has been violated. Mr. CANNON, the distinguished chairman of the Appropriations Committee, spoke to this point as follows:

> Every department observed and obeyed the law until this year. The Post Office Department is the first to break over. Postmaster General Summerfield tells the press he is "heartsick." He would not be heartsick if he had obeyed the law. But he took funds out of the fourth quarter and spent them in the second quarter. And he took money out of the fourth quarter and spent it in the third quarter. It was done deliberately and on notice. He had notice when Congress passed and the President signed the bill. He had notice again when he first started using the money at the beginning of the first quarter in July 1956. He went before the Bureau of the Budget and asked for a supplementary estimate. The budget told him Congress had given him $2,984,000,000 for operations and he had to live within it. They refused to recommend a deficiency appropriation. Again the 1st of January he again went before the Budget Bureau and asked for a supplementary estimate. And again the Budget Bureau told him he would have to live within the amount Congress had appropriated for the purpose. He waited until the last minute and finally bludgeoned the Budget Bureau into giving him a supplementary estimate and then calls in the newspapermen and tells them unless Congress surrenders he will stop delivering the mail. He lays down an ultimatum to Congress and arrogantly gives them 3 days in which to come across. Regardless of what the Constitution say, the Department is writing its own ticket and naming its own appropriation, and the taxpayers of the Nation and the men they send to Washington to represent them can go jump in the sea.

Mr. President, the issues involved here are much too important to let go unresolved. The public—indeed, Congress itself—has much at stake in this matter. It is for this reason that I call upon both the Post Office and Civil Service Committee and the Appropriations Committee to move with vigor and dispatch to the end that this intolerable mess be cleaned up and not covered over.

Mr. DIRKSEN subsequently said: Mr. President, I listened with interest to the observations by the distinguished Senator from Michigan [Mr. MCNAMARA]. I would be rather remiss in my duty if I did not indicate how much misinformation there is on this entire question of

the controversy between the Postmaster General and the House of Representatives.

In brief—and I speak with some authority, having been on the subcommittee which handled the appropriation for the Department in 1957—$17 million of the reported deficit came about by reason of the Classification Act passed last year. At that time it was impossible to determine precisely how much money would be involved. The House was notified on January 15 that there would be a deficit. The deficit message came to the Congress the 12th of March.

The other $30 million involved in the $47 million request relates to operations.

The Senator from Virginia [Mr. ROBERTSON] and I were both active in the matter. We held at least three or four conferences with Members of the House. We tried to advise them that there would be an increase in mail volume. However, we were under very polite pressure. We simply had to have the appropriation. So we started with a $10 million deficit. Then, of course, the mail volume increased very substantially in 1956, which accounted for the remainder of the sum.

There is nothing dictatorial about the Postmaster General. There is no effort on his part to threaten the Congress. He has done an efficient job in operating the sprawling agency known as the Post Office Department, which involves 500,000 employees and every post road in the United States.

For my part, I think he is on solid ground; and I say so advisedly, because I think I know what the score is, after all the hearings and informal consultations which were held on the subject.

INCREASE OF INTEREST RATE ON UNITED STATES SAVINGS BONDS

Mr. BYRD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 225, House bill 5520.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. KNOWLAND. As I understand, the Senator is seeking to have the bill made the unfinished business for consideration on Monday next.

Mr. BYRD. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment, on page 1, line 9, after the word "of," to strike out "3½" and insert "3.26."

INVESTIGATION OF THE FINANCIAL CONDITION OF THE UNITED STATES

Mr. BYRD. Mr. President, I desire to advise the Senate that this morning the Senate Committee on Finance adopted a resolution with regard to an investigation of the financial condition of the United States. The resolution reads as follows:

> The committee shall examine, investigate, and make a complete study of the financial condition of the United States, including (1) the revenues, bonded indebtedness, and interest rates on all public obligations including contingent liabilities, (2) policies and procedures employed in the management of the public debt and the effect thereof upon credit, interest rates, and the Nation's economy and welfare, and (3) factors which influence the availability and distribution of credit and the interest rates thereon as they may apply to public and private debt.

The Senate Finance Committee is about to investigate a very important subject. The committee will dedicate itself to this work for the next 2 months.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MARTIN of Pennsylvania. As I understand, it is the purpose of the entire committee to hold hearings on this important subject.

Mr. BYRD. The Senator is correct. He is one of the most valuable members of the committee. The entire membership of the committee will sit in the hearings. The resolution was adopted unanimously.

Mr. MARTIN of Pennsylvania. I thank the Senator from Virginia for his statement.

TRIAL BY JURY—OR BY INJUNCTION?

Mr. BYRD. Mr. President, we seem to be at another crossroads of our jurisprudence—a crossroads which during our history has been encountered on numerous occasions.

Most often we have taken the right road—sadly at times the wrong road.

One road is a government by laws—the other a government by men.

It can be said in many ways, but the result and choice are the same. Shall our liberty of person be decided by the law with a jury trial, or shall one man, a Federal judge, however competent he may be, decide for us freedom or imprisonment?

The President, through the Attorney General, has submitted to Congress his civil-rights program in a novel and dangerous style. It is represented by the Keating bill in the House, and S. 83 in the Senate.

Among other things, this legislation seeks the right of Government injunctions relative to certain existing civil-rights statutes on the books including, but not limited to, the right to vote.

It becomes a tragic error and a travesty of justice to attempt the protection of civil rights for any one group through a process which denies a liberty equally precious—that of trial by jury. The administration's civil-rights proposal will simply do just this.

These proposals eliminate trial by jury by making the United States Government a party to private suits brought under present civil-rights statutes and substituting a remedy, the injunction, for common-law proceedings.

The evils of government by injunction have become well known—and it is not primarily these evils I wish to discuss today, but rather the very imminent danger that equity is fast substituting its summary processes and preemptory punishments for the common-law proceedings of indictment by grand jury and trial by petit jury.

This encroachment of the equity process into the enforcement of our criminal laws and the usurpation of the State's police powers has been gradual for many years, but lately the pace has accelerated at an alarming rate.

The most frightening aspect of the civil-rights proposals is the power of the court to punish disobedience to the injunction by summary proceedings for contempt, without jury trial. Under present Federal laws, when an individual is subject to contempt proceedings, for acts allegedly in violation of State or Federal laws, he has the right to jury trial on request.

This guaranty arose out of labor's experience with injunctions and judges. But it does not apply to injunction cases wherein the United States is a party to the suit.

The administration asks that the United States Government become a party to private suits under civil-rights statutes, thus negating completely trial by jury except upon election of a judge and empowering a single judge to issue the injunction, make its initial interpretation, determine who has violated it, and punish him for contempt.

The injunction and contempt process subjects an individual to the same jeopardy he suffers in criminal proceedings. Two men can be cellmates in the same jail for committing identical acts. One was convicted by a jury, the other remanded by a judge for violating a court decree. Where is our equal justice before equal laws if, because of doubt on the facts, the jury above released the defendant, and the judge jailed his defendant?

Where, I ask, will this lead us?

There is not one particle less liberty involved in punishment for contempt and in punishment for violation of a State or Federal law.

The real difference is that under common law proceedings, an accused's guilt or innocence and his liability to damages, are determined by a jury, while in contempt proceedings his fate rests with a single judge. One held in contempt, whether it be criminal or civil contempt, is subject to fine or imprisonment.

It was with dismay and sadness that I have watched the Department of Justice handle this entire matter as the hearings and press comments drew forth the issue. Instead of a willingness to amend the bills and provide the safeguards of our very heritage, the Department has remained adamant demanding

preemptory punishments in the interest of speed at a sacrifice of safeguards which, it is claimed, take too long.

I joined with the senior Senator from Mississippi [Mr. EASTLAND] and the junior Senator from South Carolina [Mr. THURMOND] in introducing S. 1735, a bill to amend title 18, United States Code, relating to criminal contempts.

This bill simply guarantees the right of trial by jury in criminal contempt cases except, of course, when the contempt is committed in the presence of the court or so near thereto as to interfere directly with the administration of justice. It gives to all the same right to jury trial in criminal contempts as is presently granted by the Code in labor disputes.

Our bill has been castigated by the Department of Justice as an attempt "to emasculate" the President's program by "deceptive appeals for the protection of the right to jury trial." Regardless of the intentions of Senator EASTLAND, Senator THURMOND and myself, it is charged—and I might add the innuendo is that our intention is subtle, devious, and evil—this is a dangerously deceptive proposal. It is said to be a clever device to nullify the proposed civil rights legislation.

On Friday, April 5 last, Mr. Warren Olney III, Assistant Attorney General of the United States, addressed the ninth annual conference of the National Civil Liberties Clearing House at the Statler Hotel, in Washington, D. C., the subject of which, it seems, was mainly a criticism of our bill, and the reasons why he did not want or like jury trials, and why the Republican civil rights program was so much superior to others.

The address was a collection of generalities. I do not wish to impute any motivations to Mr. Olney, but generalities are dangerous and in a field of such importance as this should be tempered against the specifics of the case.

His opening sentence states that enactment of the President's program would give to the Government, for the first time, the authority necessary for effectual enforcement of federally guaranteed civil rights. How, why, and when, he does not say.

Mr. Olney believes that the existing legal tools available do not permit the Department effective action. Time and again the Department's attention has been called to the numerous existing civil-rights statutes on the books, both civil and criminal, of the existence of which the Department is well aware. Yet, these extraordinary, equitable remedies are demanded, without the safeguards in the Bill of Rights. The truth of the matter is this. As to the criminal statutes, the Department will have none of them because they are placed under the burden of proving their cases in conformance with proper criminal processes. Proof is too hard, they claim. As to the civil statutes, the aggrieved party must sue and apparently there is a paucity of aggrieved parties or the Department is foreclosed, not qualifying as a proper party plaintiff under the statute. The Department wants quick convictions, not juries which have always and historically stood between the prosecutor and defendant.

Speed is the order of the day, with no accountability.

Mr. Olney complains that juries do not convict, and that there are too many acquittals. What has happened to our great maxim of innocent until proved guilty?

The advocates of these civil-rights measures say that the injunction provides a quick, tailormade remedy in this area. It is true that constitutional safeguards provided in jury trials make the punishment of an act as a crime a slower process.

Constitutional guaranties do render action in the democratic process slower, more cumbersome than actions by totalitarian states. Yet, should any constitutional guaranty be surrendered for the sake of quickness and ease?

We should remember that the Founding Fathers established constitutional guaranties because they loathed bureaucratic and judicial tyranny.

The proponents of these measures also say that the injunctive remedy will be free of prejudice and bias, sometimes shown by local juries. But, they fail to take into account the situation and possible prejudice of the Federal judge.

Mr. Olney makes a great showing that the right to trial by jury as granted by the Constitution does not cover these injunction contempt cases where one goes to jail on the judge's order.

Jury trial was not created, it grew out of the usages of the immemorial past. We find it in the Roman Empire shortly after the death of Christ. We find it in the reign of Alfred the Great—871–901. We find its essence in the Magna Carta. We see it abused and abrogated in the English star chamber, and the extension of the admiralty courts by the British Crown against the Colonies of America. We see it listed as an abuse by the Crown in the Declaration of Independence, and it seems to stand out with a vengeance in the United States Constitution:

> The trial of all crimes, except in case of impeachment, shall be by jury.
>
> No person shall be held to answer for a capital or other infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger.
>
> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury.
>
> In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved.

At the time of the drafting of the Constitution equity was in its true, pure historical context. Chancery or equity professed to act as a court only when the other courts could give no relief or inadequate relief, and when property or property rights must be in question. Knowing the jurisdiction of equity, the framers and Founding Fathers knew of no need to protect the people by jury trial in contempt cases arising out of injunctions.

But the modern writ of injunction is used for purposes which bear no resemblance to the uses of the ancient writ of that name. Formerly it was used to conserve the property in dispute between private litigants, but in modern times it has taken the place of the police powers of the State and Nation. It enforces and restrains with equal facility the criminal laws of the State and Nation.

With it the judge not only restrains and punishes the commission of crimes defined by statute, but he proceeds to frame a criminal code of his own, as extended as he sees proper, by which various acts, innocent in law and morals, are made criminal; such as standing, walking, or marching on the public highway, or talking, speaking, or preaching, and other like acts.

In proceedings for contempt for an alleged violation of the injunction, the judge is the lawmaker, the injured party, the prosecutor, the judge, and the jury. It is not surprising that uniting in himself all these characters he is commonly able to obtain a conviction.

A distrust of the jury is a distrust of the people, and a distrust of the people means the overthrow of the Government our fathers founded.

Against the exercise of this jurisdiction the Constitution of the United States interposes an insurmountable barrier. In that masterly statement of the grievances of our forefathers against the government of King George, and which they esteemed sufficient to justify armed revolution, are these:

> He has combined with others to subject us to a jurisdiction foreign to our Constitution and unacknowledged by our laws.
>
> And—
>
> For depriving us in many cases of the benefit of trial by jury.

Smarting under these grievances, the people of the United States, under the lead of Mr. Jefferson, were extremely careful to place it beyond the power of any department of the Government to subject any citizen "to a jurisdiction foreign to our Constitution and unacknowledged by our laws," or to deprive any citizen "of the benefit of trial by jury."

This was accomplished by inserting in the Constitution of the United States these plain and unambiguous provisions.

Now the officers whose positions were created by and through the operation of that same Constitution come forward and tell us that that is all fine and good, but it does not apply to contempt cases arising out of injunctions, and that in those types of cases they want quick and certain punishment or imprisonment.

Notwithstanding, the Constitution expressly enumerates the only exceptions to the right of trial by jury, and positively limits those exceptions to the cases mentioned. Those who favor government by injunction propose to engraft upon that instrument numerous other exceptions which would deprive the great body of the citizens of the Republic of their constitutional right of trial by jury.

Undoubtedly it is the right of the people to alter or abolish their existing government, "and," in the language of the Declaration of Independence, "to institute a new government, laying its foundations on such principles, and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness." It is competent for the people of this country to abolish trial by jury, and to confer the entire police powers of the State and the Nation on Federal judges, to be administered through the agency of injunctions and punishment for contempts; but the power to do this resides with the whole people, and it is to be exercised in the mode provided by the Constitution. It cannot be done by the insidious encroachments of any department of the Government. Our ancestors, admonished by the lessons taught by English history, saw plainly that the right of trial by jury was absolutely essential to preserve the rights and liberties of the people, and it was the knowledge of this fact that caused them to insert in the Constitution the peremptory and mandatory provisions on the subject which we have quoted. English history is replete with examples showing that the king and his dependent and servile judges would have subverted the rights and liberties of the English people, but for the good sense and patriotism of English juries. It is to the verdicts of the juries, and not to the opinions of the judges, that the English people are chiefly indebted for some of their most precious rights and liberties.

Such legislation, you can see, would be a vehicle to usurp completely all State and local functions in favor of the Federal Government. The State citizenry and political subdivisions of counties and cities would personally, and through their personnel, be cowed completely. State government, as we know it today, would be destroyed.

Mr. President, I have repeated the evils inherent in equitable contempt process, perhaps overrepeated them. But the ramifications of the use of injunctions are so all-powerful and pervading that the question needs repeating to point up its very extensiveness. By approaching it from different angles I have attempted to illustrate the effect and result of government by injunction, or call it government by men or individual fiat.

In concluding, I point out that it has long been recognized by students of law and government that the power to make law and the power to enforce law should be separated as a protection against tyranny.

It is amazing to realise that in the last 50 years there has developed in the American courts the practice of writing a special law to fit the individual case by judges in issuing injunctions; and that thereupon the judge who himself wrote the law has undertaken to prescribe the penalty for its violation and to punish the violator without permitting the accused to enjoy a trial by jury or even to insist upon a trial before another judge.

It is difficult to see how any civilized people could indefinitely submit to such tyrannical procedure.

Mr. SMATHERS. Mr. President, I commend the able Senator from Virginia for the remarks he has just concluded. I think it is most impressive that a man of his well-recognized ability, objectivity, and impartiality should be so concerned with what he considers, as we all do, a threat to our liberties that he should come before the Senate and deliver such a very thought-provoking speech. I congratulate him upon it, and I hope every Member of the Senate will take occasion to read it. I hope, also, that the speech will be given widespread publication throughout the United States, because undoubtedly, from what has been proposed already, there is a threat to our liberty.

Mr. THURMOND. Mr. President, I wish to congratulate the distinguished Senator from Virginia upon the magnificent address he has just delivered on the subject of the right of trial by jury. There is no question before the American people today which is more fundamentally concerned with our form of government or which is more important to the American people than the preservation of the right of trial by jury.

The distinguished Senator from Virginia comes from a State which has played as large a part as that played by any other State in the Nation in the forming of our Government. Virginia has been ably represented in the Halls of Congress and in the other branches of our Government since its inception. In fact, the Senator comes from a State two of whose representatives to the Constitutional Convention, held in Philadelphia in 1787, refused to sign the Constitution because it did not contain a Bill of Rights. John Randolph and George Mason, the latter the author of the Bill of Rights, together with Elbridge Gerry, of Massachusetts, refused to sign the Constitution because it did not contain the provisions for the right of trial by jury and the other rights which are now contained in the Bill of Rights.

I commend the able Senator from Virginia for the splendid address he has made in bringing this matter so forcefully to the attention of the American people.

EFFECT OF CURTAILMENT OF POSTAL SERVICE ON FILING OF INCOME TAX RETURNS

Mr. SMATHERS. Mr. President, I am very grateful that the chairman of the Committee on Finance, the distinguished Senator from Virginia [Mr. BYRD], is on the floor. All of us have read the statement by Postmaster General Summerfield to the effect that there will be a curtailment of post office service, particularly with respect to mail deliveries on Saturdays, beginning tomorrow.

The income tax regulations require that most income tax returns be filed or at least postmarked by April 15, which this year will be next Monday. In view of the fact that there will be no postal service on Saturday, tomorrow, would the able Senator from Virginia agree with me that persons who might be technically delinquent in the filing of their income-tax returns because of the failure of the postal service to function on Saturday should not be penalized by the Commissioner of Internal Revenue by having fines assessed against them?

Mr. BYRD. I entirely agree with the Senator from Florida that such a situation may undoubtedly occur.

Mr. SMATHERS. I thank the Senator from Virginia. I hope the Commissioner of Internal Revenue will read what the chairman of the Committee on Finance has said and will be lenient with the American taxpayers in this instance, because whatever delinquency may result from the failure of the postal service to function tomorrow, Saturday, obviously will not be the fault of the taxpayers.

SIZE OF THE LEGISLATIVE ESTABLISHMENT

Mr. ALLOTT. Mr. President, the other day the figure "22,000" was included in certain newspaper accounts in reference to the number of employees of Congress. Such articles and similar references over both the radio and television and by word of mouth occasionally need the attention of the Members of this body, in my opinion. Persons unfamiliar with the facts may receive the impression that Congress has an unusually large establishment. In many respects it is large—I grant that; it is large in taking care of the people's business.

The correct figure for the size of the legislative establishment is considerably smaller, as will be understood when the facts are analyzed. In that connection, I wish to submit for the RECORD a breakdown or analysis of the Congressional employees, as follows:

Congress	6,264
Government Printing Office	4,526
General Accounting Office	5,355
Library of Congress	2,519
Architect of the Capitol	1,088
Commission on Government Security	79
Botanic Gardens	47
Total	21,888

Of course the Government Printing Office does considerable work for all governmental agencies.

Although the work of the General Accounting Office is done at the direction of Congress, it is for the welfare of the taxpayers of the Nation, and is not directly related to the legislative establishment.

The Library of Congress serves all the Government, as well as scholars and other libraries all over the nation. It is also the official copyright depository of the United States.

The force under the direction of the Architect of the Capitol includes 245 charwomen who work only 3 hours in the evening. It also includes a substantial number of technical and engineering employees whose work benefits several buildings which are completely separate from the Capitol and the Senate Office Building and the House Office Buildings. The Architect also supervises 23 employees who are stationed at the Supreme Court building.

Mr. President, it seems to me that the general public should have this information. We who serve in Congress perhaps would be the first to admit that we may

not run this establishment perfectly; but I believe it is run with a great deal less overstaffing, and is perhaps more understaffed, than most of the other branches of the Government.

In view of the recent statement and the recent publicity in the newspapers and elsewhere in regard to the figure 22,000, it seemed to me that it might be a service to the country to give this breakdown.

REPORT OF THE SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GORE. Mr. President, it was Oliver Wendell Holmes who said:

> Truth is tough; it will not break, like a bubble at a touch; nay, you may kick it about all day like a football, and it will be round and full at evening.

I was reminded of this sage observation as I read, in the CONGRESSIONAL RECORD of March 29, the twenty-odd pages consumed in the printing of the remarks of the distinguished chairman of the National Republican Senatorial Committee, the senior Senator from Kansas [Mr. SCHOEPPEL], concerning the recent report of the Senate Subcommittee on Privileges and Elections.

As chairman of that subcommittee, when it prepared and published this report on January 31, I am somewhat shocked at the excesses to which the distinguished Senator from Kansas has gone in a plainly partisan effort to discredit the report and the able and competent members of the staff who labored so steadfastly and conscientiously in its preparation. However, the fact remains that, notwithstanding his herculean faultfinding effort of 2 months duration, characterized by the distinguished Senator as spot checking, the findings and conclusions therein stated remain unshaken and unaffected.

Without restating here all of the conclusions and observations expressed in the report by the majority members of the subcommittee, I shall mention a few which particularly aroused our attention and concern:

First. There are heavy campaign expenditures, on the one hand, by persons affiliated with big business and large vested interests, and by wealthy individuals; and, on the other hand, by organized labor—the former being preponderantly to Republican committees and candidates, and the latter almost entirely to Democratic committees and candidates.

Second. There are significant geographical concentrations of political contributions and, in senatorial campaigns, a disturbing proportion of contributions which unduly restrict the exercise of the prerogative of the people of a sovereign State to elect representatives of their own choosing, without undue interference from without.

Third. Large individual contributions make a mockery of the provisions of existing law, which on the surface would appear to limit individual contributions to the sum of $5,000 per year. These large individual contributions are made to both parties, but a vastly greater proportion of such individual contributions is made to Republican candidates and committees.

Fourth. There are no effective reporting requirements under existing law, and there is no system of administration or enforcement even with respect to such inadequate reports as are required by existing law. There are deficiencies and discrepancies even in the reports filed with the subcommittee by individuals and political committees, which, it is hoped, will receive the attention of the subcommittee and of the Department of Justice.

Fifth. The activities of both corporations and labor unions in the political area are extensive and far reaching, notwithstanding the existing provisions of law which attempt to restrict such activities. This is a subject which requires specialized and intensive study, the careful assimilation of much more factual information than is presently at hand, and a thorough analysis of all the constitutional questions involved.

Sixth. There is an imperative need for a thorough overhauling of Federal election statutes in order to clear away the archaic and unrealistic limitations upon campaign spending, to provide an effective system of public disclosure, and to encourage greater participation on the part of the electorate in the necessary costs of political campaigns.

I shall presently refer specifically to certain of the alleged flaws which the distinguished chairman of the National Republican Senatorial Committee claimed to exist in this document. But at this point I pause to say that I can find no logical excuse for this unwarranted attack except that it is a smokescreen, calculated to obscure from the view of the American people the defects of existing law and their tendency to pollute the streams of political life, and designed to discourage at this session of the Congress the enactment of any legislation in this field. I say, further, that we may take notice of the fact that there is now an unfilled demand for several thousand copies of the report of the subcommittee, and we may well question whether or not the secondary motive is to discourage a reprinting to satisfy these thousands of requests.

Mr. President, the study which preceded the publication of this report was for the period September 1 to November 30, 1956. The distinguished Senator from Kansas, with the staff of the Republican Senatorial Campaign Committee, has had almost as much time to examine it with a fine tooth comb as the committee itself had in its preparation. I regard it as a high tribute to the report that so few substantive matters of either omission or inclusion have been discovered in the microscopic treatment to which it has been exposed. May I say, also, that I view with some regret and disappointment certain of the accusations of my distinguished colleague, because so many of the apparent inconsistencies to which he referred could have been readily clarified by an inquiry of the subcommittee, or merely by an examination of the report itself.

I refer particularly to the heavily emphasized charge, indeed the burden of the entire complaint, that certain information with respect to individual contributions is contained in the individual listings of contributors produced by the IBM machines and reproduced by photographic process in the latter section of the report, which is not included in the summaries, and exhibits in the forepart of the report. Mr. President, I invite the attention of the distinguished Senator to the fact that the report took pains to state that this is precisely the case. The reason, as is clearly stated in the report, was that reports from political committees containing the identities of contributors of $500 and over were received by the staff up to the date of final printing. In the interests of complete disclosure, there was a continuous process of machine listings of these individual contributions right up to the time of going to press with the report.

Within the time limitations necessarily confronting the subcommittee, the same process of supplementation was not physically possible in the preparation of the earlier exhibits which analyzed the contributors according to various affiliations and groupings. For this reason the preface to each of the machine-produced lists of contributors (exhibit Nos. 26–28, inclusive) clearly states:

> Lists of contributions from several hundred people totaling approximately one-half million dollars were received in time to be included in this exhibit, as well as in exhibits 27 and 28, but too late to be included in other exhibits which show individual contributions.

Similarly, every exhibit listing individual contributions in the amount of $500 and over which appears in the first section of the report contains a specific disclaimer of completeness, for the reason above stated and for other appropriate and substantial reasons. For example, exhibit 13, which lists "1956 political contributions of $500 and over by officials of labor organizations," describes the sources from which the names of such contributors were derived and then states:

> A master list showing all such contributions known to the subcommittee appears in exhibit 26. (A few of the contributions listed there may not have been known at the time the present exhibit was prepared. And in a few cases contributions as low as $100 may be included in the amounts shown for individuals whose total contributions exceeded $5,000.)

I am confident that the distinguished Senator is relieved to find that what appeared to him as a disturbing inconsistency between the two sets of exhibits is here so readily explained. It is a bit surprising that he did not examine the report more carefully and objectively before making such blatant and insupportable charges. Had the explanatory statements in these exhibits been really examined, it would not have been necessary to belabor the subcommittee and its staff for the omission from some of the earlier exhibits of such names as C. R. Smith and Warren Lee Pierson, the reports of some of whose contributions were received too late for inclusion in the earlier exhibits, but which were reported to the Senate accurately by name and amount of contribution, together

with identification of the recipients of the contributions.

The impression with which I am left, after reading this so-called spot checking of the report, is that the distinguished Senator just does not like it. Disclosure of facts is sometimes painful, but the subcommittee resolutely reported the facts as reported to it, letting the chips fall as they would.

Many of the disclosures contained in the report are unpalatable to the distinguished chairman of the Republican Senatorial Committee. The Senator seems to take great delight, on the other hand, from another disclosure, very prominently made by the committee in the introduction to the report itself, that the largest single contributor was Mr. Lansdell K. Christie, who gave, during the calendar year 1956, a total of $70,564 to various Democratic candidates and committees.

But even here the chairman of the Republican Senatorial Campaign Committee manages to make a complaint. It is charged that the staff adopted "flexible ground rules" in omitting the name of Mr. Christie from exhibit 25, where the names of the officials of the Republic Steel Corp. are shown. To support this charge, it is pointed out that Mr. Alvin Thalheimer is included with officials of Standard Oil Co.—Indiana—in exhibit 19, which listed officials of the 100 largest military prime contractors, although Mr. Thalheimer is a director of American Oil Co., a subsidiary of Standard of Indiana, and is not a director of the parent company; and that Mr. Christie's company is a subsidiary of a subsidiary of the Republic Steel Corp.

The list of the 100 largest defense contractors was obtained by the subcommittee from the Department of Defense. It includes, and quite properly so, subsidiary firms which have direct defense contracts. The American Oil Co. was accordingly listed by the Department of Defense under Standard of Indiana, and Mr. Thalheimer's contribution was credited to him in that connection in this exhibit only. The same procedure was followed in another case not noted by the Senator from Kansas, that of Mr. Bruce K. Brown, president and director of Pan-Am Southern Corp., another Standard of Indiana subsidiary reported by the Department of Defense. These two gentlemen, however, do not appear under the Standard of Indiana officials in exhibits 18 and 25, where the subcommittee was listing officials of oil companies and industrial companies, using only the parent companies and not the subsidiaries. The same procedure was followed in the cases of other officers of subsidiaries in exhibit 19.

Now, with respect to Mr. Christie, the Liberia Mining Co., Ltd., of which he is president and director, was not on the Defense Department list of 100 military prime contractors, nor, indeed, did it appear in the corporation section of Poor's Register, nor in the index to Moody's Industrial Manual, the standard reference books used by the subcommittee staff. The distinguished Senator says that he obtained a special report from Dun & Bradstreet on this affluent contributor to the Democratic Party. Such special reports on all of the many thousands of contributors might reveal a wealth of information. Indeed, such action would very probably buttress and further support the conclusions of the subcommittee. The staff of the subcommittee used standard publications and public records for reference.

In summary, the listing of individual officers and directors of corporate subsidiaries was made only in exhibit 19, and there only because the Defense Department itself listed the subsidiaries. Even had it been known that Mr. Christie's corporation was a lineal descendant of the Republic Steel Corp., his name would not and should not have been included in exhibit 25.

Mr. President, I do not propose to discuss item by item all of the alleged errors to which the Senator from Kansas refers. I shall comment on a few more of them in order to illustrate the extremes to which he has gone in his effort to attribute bias and prejudice to the subcommittee and its staff.

The Senator from Kansas, in his remarks concerning exhibit 11, which includes the contributions of members of prominent families, took the subcommittee to task for failing to include a contribution to the Democratic Party by Barbara Rockefeller. Significantly, the distinguished Senator himself likewise omits this contribution from his exhibit which purports to "correct" the subcommittee's exhibit 11. The Senator from Kansas possibly omitted Barbara Rockefeller's name from his exhibit for the very same reason that the subcommittee did not include it. It happens that Barbara Rockefeller was divorced from a member of the Rockefeller family several years ago, and it is conceivable that this is the reason a representative of the Rockefeller family, who provided information to the subcommittee, did not consider her to be a present member of the family.

The Senator from Kansas is unhappy because the subcommittee report did not include Mrs. Albert B. Lasker's contributions among those listed for officials and partners of the advertising agencies in exhibit 17. The distinguished Senator very carefully does not say that Mrs. Lasker was associated with the advertising industry in 1956, or that she has at any time been associated with that industry. The basis of this criticism appears to be that Mr. Lasker, her late husband, was a successful advertising executive with the firm of Lord & Thomas. It might be of interest to the distinguished Senator to learn that the Lord & Thomas organization ceased activity in 1942.

Similarly, the Senator from Kansas complains because the subcommittee did not list the contributions of Mrs. Charles Ulrick Bay in exhibit 16, which lists the contributions by officials of underwriting and investment bond firms. In the standard reference work used by the subcommittee, Mrs. Bay is indeed listed as a partner in the firm of A. M. Kidder & Co. She is listed in this reference, however, under the name of Josephine P. Bay, and no home address is given. The subcommittee staff found it difficult in many cases to associate women who use their own first names in their business or profession with contributions reported to the subcommittee in their married names. The Senator from Kansas apparently experienced the same difficulty, except that he was not so reluctant to make doubtful determinations without investigation. For example, in his exhibit 3, on page 4777 of the CONGRESSIONAL RECORD, the Senator from Kansas insists that the subcommittee erred in failing to include Mr. and Mrs. Harold (Jennie) Zellerbach in the subcommittee's exhibit 12 which lists persons who contributed more than $5,000.

According to the exhibit prepared by the Senator from Kansas, such a listing should have been included because the contributions of Mrs. Jennie B. Zellerbach, when added to those of her "husband," Harold, total more than $5,000. It just so happens, Mr. President, that Mr. Harold Zellerbach's wife is named Doris. It is my understanding that Mrs. Jennie B. Zellerbach is his mother. She is also the mother of Mr. James David Zellerbach, the present Ambassador to Italy. Surely, the Senator from Kansas should have known the family relationship in this prominent Republican family.

This list could continue, Mr. President, but I will mention only one other point at this time. The subcommittee is criticized for the omission of the contributions of Mr. J. Carroll Cone from exhibit 15, which lists the contributions of officials of 17 certificated airline companies. He avers that Mr. Cone is a vice president of Pan American World Airways. If he investigates I believe he will find that Mr. Cone is actually an assistant vice president. His name does not appear in Poor's Register of Directors and Executives, nor in Moody's Transportation Manual, the standard reference texts which were used by the staff. If these listings are in error it is a matter which should be brought to the attention of Pan American World Airways.

The Senator from Kansas heaps abuse upon the subcommittee and its staff because of certain other allegedly grievous errors.

For example, he points with scorn to a recorded contribution in the exhibits produced by the IBM machines showing a contribution by Mrs. Joseph A. Moore of San Francisco in the amount of "T3T00." These machines produce letters as well as numerals and in this single instance of more than 700 pages of machine-produced listings, one such error occurred in the mechanical process. For the edification of the Senator, I wish to point out that this error was immediately noted by us and it was verified that the actual contribution was $3,000. The sheets on which this contribution appeared were rerun by the IBM machines early in February, and the recapitulation sheets at the end of the exhibits were also rerun, so that appropriate corrections are available at such time as the document may be reprinted.

Another amazing blunder on the part of the staff to which the Senator points

in the erroneous appearance of a caption for the Chrysler Corp. on page 82 of the report. The staff is also criticized for the appearance of a blank table on page 85 of the report. These are, of course, editorial slips, which frequently and unavoidably occur in many literary works and Congressional documents. I cannot believe that the Senator is really serious about this criticism.

Mr. President, I have stated these as examples of the alleged errors which our distinguished colleague found in the course of his spot-checking. Now, I have not had much time to examine the accuracy of the distinguished Senator's comments and the numerous exhibits which he placed in the RECORD on March 29. He availed himself of 2 months in the preparation of this attack upon our report. I assume it was carefully done, and that it was subject to checking and rechecking. Notwithstanding that, however, I can cite to him a few errors committed by himself and those who assisted him, and I do so with no carping intent.

In exhibit 12 prepared by the Senator from Kansas, appearing on page 4786 of the CONGRESSIONAL RECORD he himself has made an arithmetical error of $2,500 in the case of the contributions of Mr. Reese H. Taylor. This was a simple error of adding the two listings and subtracting the gross total rather than the amount duplicated, which it was his avowed purpose to correct.

There are even errors in spelling in the exhibits proposed by the Senator from Kansas. I am not, however, appalled to note that he spelled the name of one of the very prominent members of the du Pont family as Irenne rather than Irénée. He also speaks of another prominent American industrialist as B. J. Fairless rather than B. F. Fairless.

There are also certain errors of omission in the distinguished Senator's exhibits. In his exhibits 4, 5, 7, 8, and 9, appearing on pages 4773–4784 of the CONGRESSIONAL RECORD under the column headed "Exhibit 26," contributions of the following are omitted: Mr. Henry Ford II, Mr. George Whitney, Mr. Donaldson Brown, Mr. Roger Firestone, together with the names of several other Republican contributors, though there are included in the exhibit 26 column the contributions of various other Democrats and Republicans.

Mr. President, the stated purpose of the Senator's exhibits was to show differences between the amounts shown for these persons in the various subcommittee exhibits, differences which I have already explained. Therefore, it can only be assumed that his failure to include some contributions in the exhibit 26 column was the result of clerical error.

Mr. President, I do not intend to occupy myself with the minutiae of the distinguished Senator's other criticisms. Enough has been shown to demonstrate that this entire effort to discredit the subcommittee report is really intended to obscure the basic facts which it reveals.

Let me specifically invite attention to exhibit 25, listing contributions of $500 and over, by the officers and directors of the 225 largest corporations in the United States. Page 29 of this exhibit shows net contributions, after deductions for duplication, to Republican committees and candidates in the amount of $1,816,597, and to Democratic committees and candidates, the sum of $103,725.

The implications of these unchallenged and unchallengeable facts cannot be weakened by the type of criticism directed at the report by our distinguished colleague. This exhibit contains almost 1,200 separate listings of names, of which 329 appear more than once, and the duplicates have been eliminated in arriving at the totals. In addition, there are 149 contributions attributed to husband and wife, or the wife alone. The net result is that this exhibit shows contributions of approximately 780 individuals, the majority of whom, of course, contributed to Republican candidates and committees, and more than 300 of them have multiple directorships in the largest corporations in the United States. Of this total number of 780 individuals, the distinguished Senator from Kansas has been able to find but four instances of error, which alter the net total figures by no more than $6,500. Mr. President, I ask unanimous consent that exhibit 25, as it appeared in the subcommittee report, be inserted in the record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the exhibit may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. GORE. Some of the other exhibits showing affiliations are attacked by the Senator from Kansas because of the fact that the name of a single individual may appear more than one time in a single exhibit. If the same individual happens to be an officer of more than one corporation within a particular category, surely it cannot be suggested that this person's affiliation should be shown for only one of the companies concerned. Obviously each of his relevant corporate affiliations should be shown. With reference to five of these exhibits, however, the Senator from Kansas does have a valid point. In these five exhibits wherein an individual's name appears more than once, the duplication was not eliminated in arriving at the total contributions. It was not intended that these totals contain such duplications, and indeed one of these exhibits states that the duplications had, in fact, been removed; but it was not done as it had been done in exhibit 25.

A great deal has also been said about subcommittee exhibit 11, which lists the contributions of members of prominent American families. In disclosing this information there was, of course, no intention to subject these families nor any of the individual members of them to censure or embarrassment. The only complaint about this exhibit is from the distinguished chairman of the National Republican Senatorial Committee. He finds these disclosures objectionable and has resorted to a needless defense of these persons.

He goes on to find certain differences between the subcommittee's exhibit 11 and our machine-produced exhibit 26. I frankly admit that the contributions of certain of the members of these families were not noted in the preparation of exhibit 11, and I am pleased and pleasantly surprised that three members of the Du Pont family, whose family connections we had not noted, contributed a total of $10,250 to the Democrats. I wish to point out, however, that even on the basis of these revelations the Du Pont contributions are in excess of $250,000 to the Republican Party, as compared with their contributions of $10,250 to the Democrats.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the subcommittee summary from exhibit 11, as it appeared in the subcommittee report on page 65.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Family	Total	Republican	Democratic	Miscellaneous
Du Pont	$248,425	$245,425		
Field	23,500	7,500	$23,000	$3,000
Ford	36,800	36,800		
Harriman	38,620	34,120	4,500	
Lehman	38,500	14,000	23,500	2,000
Mellon	109,150	109,150		
Olin	53,550	53,550		
Pew	216,800	216,800		
Reynolds	48,500		39,500	
Rockefeller	152,604	152,604		
Vanderbilt	62,400	54,900	6,500	1,100
Whitney	121,450	121,450		
Total	1,153,724	1,040,328	107,100	6,100

Mr. GORE. Somewhat intrigued by the research of our distinguished colleague, I have reconstructed our summary of exhibit 11 and the results show that the "corrections" made by the distinguished Senator from Kansas increase the Republican contributions in the amount of $24,360 and Democratic contributions in the sum of $22,916. It would appear that this painful process of correcting and criticizing our report reveals only that no matter how far we delve into it, the pattern remains the same.

At this point I ask unanimous consent to insert in the RECORD my exhibit A, entitled, "Summary Table of Exhibit 11, 1956 Contributions of 12 Selected Families," as it would be changed by Senator SCHOEPPEL's exhibit No. 2 and the accompanying remarks.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT A

Summary table of exhibit 11, 1956 contributions of 12 selected families, as it would be changed by exhibit 2 and accompanying remarks of the Senator from Kansas

Family	Total	Republican	Democratic	Miscellaneous
Du Pont	$261,975	$251,725	$10,250	
Field	23,500	7,500	23,000	$3,000
Ford	36,800	36,800		
Harriman	38,620	34,120	4,500	
Lehman	41,500	36,000	39,500	3,000
Mellon	109,150	109,150		
Olin	56,050	56,050		
Pew	219,300	219,300		
Reynolds	63,375		63,375	
Rockefeller	156,654	156,654		
Vanderbilt	63,400	55,800	6,500	1,100
Whitney	121,450	121,450		
Total	1,304,003	1,064,579	139,025	4,100

Mr. GORE. In this connection, Mr. President, the basic information on campaign spending acquired during the course of our study and presented in exhibit 1 of the subcommittee report, has not been challenged. This exhibit shows direct expenditures, as distinguished from transfers of funds, made by the Republican Party, in the amount of $20,685,387, and by the Democratic Party in the amount of $10,977,790. My distinguished colleague apparently found it unnecessary to discuss this disparity between the expenditures by the two major parties.

This exhibit is brief and it is in summary form. The exhibit which immediately follows it, exhibit 1A, contains detailed information with respect to receipts. I ask unanimous consent for the inclusion in the record at this point of exhibits Nos. 1 and 1A.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

NINETEEN HUNDRED AND FIFTY-SIX GENERAL ELECTION SUMMARY OF INFORMATION ON DIRECT EXPENDITURES BY CAMPAIGN COMMITTEES

Summarized in the table below is the information about direct campaign expenditures in 1956 that has been available to the subcommittee. The information has come from reports filed with the subcommittee and with the Clerk of the United States House of Representatives.

Direct expenditures include only funds spent by a campaign committee itself. Because direct expenditures do not include funds transferred to other organizations or to individuals, there are no duplications in the amounts reported.

For a description of the sources and completeness of this information, see pages 29–36 above.

For a detailed breakdown of this information, see exhibits 2 and 4 below.

	Republican	Democratic	Labor	Miscellaneous	Total
Jan. 1 to Dec. 31, congressional [1]	$2,271,135	$841,291			$3,112,426
Jan. 1 to Aug. 31, other national [2]	2,013,219	813,385	$123,381	$319,611	3,270,600
Sept. 1 to Nov. 30, other national [3]	3,381,977	3,250,985	407,350	260,060	7,300,372
Subtotal	7,666,331	4,105,661	540,733	579,671	12,893,398
State	6,965,727	3,135,292	161,555	701	10,261,305
Local	3,854,779	2,415,190	238,980	615	6,509,564
Senatorial [4]	1,014,763	1,272,016			2,286,769
Special cases [5]	[6] 1,165,797	49,631			1,215,428
Grand total	20,685,387	10,977,790	941,271	581,277	33,185,725

[1] This is information for the Republican and Democratic congressional campaign committees, derived from reports filed with the Clerk of the U. S. House of Representatives.
[2] This information is derived from reports filed with the Clerk of the U. S. House of Representatives.
[3] Information for this period was derived from reports filed with the subcommittee.
[4] This is information for committees supporting senatorial candidates and does not include information reported by candidates themselves. See exhibit 6.
[5] Reports were received from 4 committees as this exhibit was going to the printer. Another committee provided partial information. For none of these cases is a detailed breakdown included in subsequent exhibits.
[6] This figure may include some transfers of funds.

EXHIBIT 1–A

NINETEEN HUNDRED AND FIFTY-SIX GENERAL ELECTION SUMMARY OF INFORMATION ON RECEIPTS BY CAMPAIGN COMMITTEES

Summarized in the table below is the information about total campaign receipts in 1956 that has been available to the subcommittee. The information has come from reports filed with the subcommittee and with the Clerk of the United States House of Representatives.

The receipts include transfers of funds from other campaign committees, as well as receipts from individual contributions and other sources. The same money may be transferred several times, showing up in each transaction as a receipt by one organization and as a disbursement by the other. Consequently, when the total receipts of a number of campaign committees are added together, some of the same money is counted more than once. The total receipts reported in this table are therefore not an accurate reflection of the financial resources of the parties and other groups. The best index is the summary of direct expenditures reported in exhibit 1.

For a description of the sources and completeness of the information summarized in this exhibit, see pages 29–36 above.

For a detailed breakdown of this information, see exhibits 3 and 4 below.

	Republican	Democratic	Labor	Miscellaneous	Total
Jan. 1 to Dec. 31, congressional [1]	$2,870,987	$250,315			$3,121,302
Jan. 1 to Aug. 31, other national [2]	3,162,922	976,202	$997,235	$363,284	5,479,643
Sept. 1 to Nov. 30, other national [3]	3,121,553	3,564,179	955,765	691,787	7,333,284
Subtotal	9,155,472	4,790,696	1,952,990	675,271	16,554,329
State	14,905,881	4,046,520	368,553	527	19,341,791
Local	8,449,056	2,565,910	276,638	1,342	11,293,346
Senatorial [4]	1,033,494	1,226,315			2,259,809
Special cases [5]	886,594	122,700			1,009,294
Grand total	33,430,487	12,751,141	2,578,181	677,140	48,577,049

[1] This is information for the Republican and Democratic congressional campaign committees, derived from reports filed with the Clerk of the U. S. House of Representatives.
[2] This information is derived from reports filed with the Clerk of the U. S. House of Representatives.
[3] Information for this period was derived from reports filed with the subcommittee.
[4] This is information for committees supporting senatorial candidates and does not include information reported by candidates themselves. See exhibit 6.
[5] Reports were received from 4 committees as this exhibit was going to the printer. Another committee provided partial information. For none of these cases is a detailed breakdown included in subsequent exhibits.

Mr. GORE. Mr. President.

Before concluding, Mr. President, I should like to take sharp issue with the distinguished Senator from Kansas for his remarks impugning the motives, and casting aspersions upon the competency of the subcommittee staff. I understand that the report of the subcommittee is the most voluminous report ever printed by the Government Printing Office. I have never been associated with any committee staff more devoted to duty, nor one which worked longer hours and displayed more initiative and ability, in undertaking so gigantic a task under such trying conditions, within such a limited period of time. This includes each and every member of the staff, including the very able minority counsel designated by the distinguished minority member of the committee. Every possible effort was made to conduct the work of the subcommittee on a nonpartisan basis, and extreme care was used to avoid even the appearance of partisanship during the course of last year's election. Every action taken by the subcommittee up to the issuance of its report, was based upon the unanimous vote of its members.

In conclusion, may I say that this report is, in my considered judgment, a challenge to this body and to our colleagues in the House of Representatives. Our library shelves are laden with reports and recommendations of House and Senate committees over the past two decades which echo and re-echo the need for remedial legislation in the field of Federal elections. I humbly submit that this report provides factual documentation for prior reports and recommendations. The real issue before the Congress, and before the country, cannot be blurred or obfuscated by the kind of criticism which our work has received from our distinguished colleague. There are at least two pending measures directed at this issue—a bill introduced by the distinguished senior Senator from Missouri, the chairman of the Committee on Rules and Administration, and a measure introduced by myself on March 1, 1957. The time to act on these measures is even now almost overdue. I urge upon this body the views expressed in the introduction to our report that: "Few, if any, reforms are more direly needed in our democratic society." We cannot wait until another national campaign is upon us. The time to act is at this session in order that, prior to the biennial election of 1958, we may have on the statute books a Federal elections law that is both meaningful and effective.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KEFAUVER. I wish to compliment my colleague for his presentation, and to say that I thoroughly agree with him that the main issue is not whether an unavoidable typographical error was made in the report. Everyone who knows my colleague knows that he always tries to be conscientiously fair, and that he was conscientiously fair in the presentation of the report and in the gathering of the facts upon which he based the report.

The main issue is the passage of legislation, and toward that end my colleague has introduced a bill, as have other Senators also. The main issue is whether we will try to correct some of the practices, and change some of the laws, which many of us know are antiquated and which need to be brought up to date, in the interest of clean elections.

Mr. GORE. I thank my able colleague. As I have tried to show, the basic facts presented by the subcommittee's report are unchallenged, and the conclusions stand unaffected. In any compilation of nearly a thousand pages I doubt that it would be humanly possible to avoid typographical errors or misspellings or an occasional mistake in arithmetic. Such mistakes do not change the essential meaning of the report. I doubt if there is even an issue of the CONGRESSIONAL RECORD in which some slight typographical error cannot be found. Indeed, that applies even to the remarks of the distinguished senior Senator from Kansas [Mr. SCHOEPPEL].

Mr. KEFAUVER. It was my understanding that, as to the findings and the voluminous report, there was no partisanship involved, and that there was a substantially unanimous recommendation for legislation, based on the findings of the subcommittee, from both Republican and Democratic members of the subcommittee.

Mr. GORE. The subcommittee did not present legislation. By the time the report was made, I had been fortunate to gain assignment to the Committee on Finance, and was no longer a member of the subcommittee. The bill I introduced was presented on my own behalf. I think it is fair to say that. It was not taken up with the subcommittee.

Mr. President, I yield the floor.

EXHIBIT 1

NINETEEN HUNDRED AND FIFTY-SIX POLITICAL CONTRIBUTIONS OF $500 AND OVER BY OFFICIALS OF THE 225 LARGEST CORPORATIONS, JANUARY 1–NOVEMBER 30

This exhibit identifies contributions of $500 and over made by individuals who are officials of America's largest corporations. The contributions of $500 and over used in compiling this exhibit were drawn from reports filed by organizations and individuals with the Clerk of the United States House of Representatives (generally for the period prior to September 1), with the Secretary of the Senate, and with the subcommittee (generally for the period September 1–November 30). A master list showing all such contributions known to the subcommittee appears in exhibit 26.

In July 1956, Fortune magazine published a list of America's largest corporations. In the preparation of this exhibit, a selection of 225 of these corporations was made, as follows:

1. The 100 largest industrial corporations (as measured by 1955 sales);
2. The 25 largest commercial banks (as measured by 1955 assets);
3. The 25 largest merchandising firms (as measured by 1955 sales);
4. The 25 largest transportation companies (as measured by 1955 operating revenues);
5. The 25 largest life-insurance companies (as measured by 1955 assets); and
6. The 25 largest utilities (as measured by 1955 assets).

The officials of these companies, as shown in Poor's Register of Directors and Executives, 1956, were checked against the subcommittee's list of individuals contributing $500 and over (exhibit 26).

In this exhibit are listed alphabetically those corporations whose officials were found to have made such contributions. Before the name of each official is indicated the classification of his corporation: Industrials by the letter "I," banks by "B," merchandise firms by "M," transportation companies by "T," life-insurance companies by "L," and utilities by "U." Immediately following the letter "I" appears a number such as "1" which indicates that the corporation ranks first on Fortune's list of industrials, which is, of course, General Motors. Similarly, if the letter be "B," "M," "T," "L," or "U" the number following the letter will tell the rank of the corporation on Fortune's list.

If the official is a director, the letter "D" precedes his name and if he is an officer an "O." If he is both an officer and director, that is indicated by an asterisk.

Party designation of contributions is shown by the letters "R," "D," and "M," signifying Republican, Democratic, and miscellaneous or other. These letters follow the State abbreviation in the address of the contributor.

Where it has been reasonably certain that a contribution was made by the wife of an official, the contribution has been attributed to her and indicated by a "W" preceding the dollar amount. Where the contribution has been by the husband alone or jointly with his wife, it has been attributed to him.

When a person is an official of more than one corporation, the amount he contributed has been listed after his name under each corporation with which he is connected. An asterisk following the amount by an individual's name indicates that this sum is duplicated elsewhere in the exhibit. Such sums are included in the company subtotals, but are deducted from the gross totals at the end of each group of companies, and in the recapitulation at the end of the exhibit.

After completion of this exhibit, reports from political committees were received that revealed additional contributions of $500 and over. For this reason, this exhibit may not show all names and amounts that appear in other exhibits, especially exhibits 12, 26, 27, and 28.

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors

MANUFACTURING CORPORATIONS

			Republican	Democratic	Other
I 55		ALLIED CHEMICAL & DYE			
I 55	D	Meyer, Eugene, New York, N. Y. (R)	$1,000		
I 55	D	Meyer, Eugene, New York, N. Y. (D W)		$5,000	
I 55	D	Nichols, C. W., New York, N. Y. (R)	1,000		
I 55	D	Schmidlapp, Carl J., New York, N. Y. (R W)	*500		
I 55	D	Weldon, Samuel A., New York, N. Y. (R)	*1,000		
		Total	3,500	5,000	
I 65		ALLIS-CHALMERS			
I 65	D	Mahler, Ernst, Chicago, Ill. (R)	1,500		
I 65	D	Mahler, Ernst, Chicago, Ill. (R W)	500		
I 65	*	Stevenson, Robert S., Milwaukee, Wis. (R)	500		
I 65	D	Bohan, Fred, Des Moines, Iowa (R)	1,000		
I 65	D	Comer, Hugh M., Birmingham, Ala. (R)	*500		
		Total	4,000		
I 32		ALUMINUM CO. OF AMERICA			
I 32	O	Anderson, M. M., Pittsburgh, Pa. (R)	500		
I 32	O	Davies, E. V., Pittsburgh, Pa. (R)	500		
I 32	*	Davis, Arthur V., Pittsburgh, Pa. (R)	2,000		
I 32	O	Hall, Arthur P., Pittsburgh, Pa. (R)	500		
I 32	*	Hickman, Leon E., Pittsburgh, Pa. (R)	500		
I 32	*	Hunt, Roy A., Pittsburgh, Pa. (R)	2,500		
I 32	D	Mellon, Richard K., Pittsburgh, Pa. (R)	*22,000		
I 32	*	Wilson, Irving W., Pittsburgh, Pa. (R)	1,000		
		Total	40,000		
I 20		AMERICAN CAN			
I 20	D	Auchincloss, Charles C., New York, N. Y. (R)	$1,000		
I 20	D	Choate, Arthur O., New York, N. Y. (R)	1,000		
I 20	D	Coff, S. Sloan, New York, N. Y. (R)	*1,500		
I 20	D	Ewing, William, New York, N. Y. (R)	4,000		
I 20	D	Moore, Paul, New York, N. Y. (R)	3,500		
I 20	D	Moore, Wm. H., New York, N. Y. (R)	500		
I 20	D	Peale, Mundy I., Farmingdale, N. Y. (R)	500		
		Total	13,000		
I 79		AMERICAN CYANAMID			
I 79	D	Allen, G. G., New York, N. Y. (R)	1,000		
I 79	D	Perkins, T. L., New York, N. Y. (R)	4,000		
I 79	D	Wattles, G. W., New York, N. Y. (R)	500		
		Total	5,500		
I 49	D	AMERICAN METAL			
I 49	D	Bunker, Arthur H., New York, N. Y. (R)	500		
I 49	D	Burden, William A. M., New York, N. Y. (R)	*10,000		
I 49	D	Burden, William A. M., New York, N. Y. (R W)	*750		
I 49	D	Dean, Arthur H., New York, N. Y. (R)	1,000		
I 49	*	Hochschild, Harold K., New York, N. Y. (D)		$36,000	
I 49	*	Hochschild, Walter, New York, N. Y. (R)	1,000		
I 49	*	Hochschild, Walter, New York, N. Y. (D)		3,000	
I 49	D	Marion, Paul D., New York, N. Y. (R)	1,000		
		Total	14,250	39,000	

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
I 61		BORG-WARNER			
I 61	D	Forgan, J. Russell, New York, N. Y. (R)	$500		
I 61	*	Ingersoll, Roy C., Chicago, Ill. (R)	*500		
I 61	*	Ramsey, E. S., Chicago, Ill. (R)	500		
I 61	*	Shallberg, G. A., Chicago, Ill (R)	500		
		Total	2,000		
I 70		BURLINGTON INDUSTRIES			
I 70	D	Folger, John C., Washington, D. C. (R)	*$,000		
I 70	D	Folger, John C., Washington, D. C. (RW)	*A,500		
I 70	D	Gimbel, Bernard F., Greensboro, N. C. (R)	2,750		
I 70	D	Gimbel, Bernard F., Greensboro, N. C. (RW)	500		
I 70	D	Gordon, Albert H., New York, N. Y. (R)	500		
I 70	*	Greer, Walter E., Jr., Greensboro, N. C. (R)	750		
I 70	*	Kaiser, Herbert M., Greensboro, N. C. (R)	1,000		
I 70	*	Myers, Charles F., Jr., Greensboro, N. C. (R)	500		
I 70	*	Ruhm, Herman D., Jr., Greensboro, N. C. (R)	250		
I 70	D	Zane, E. E., Greensboro, N. C. (R)	1,000		
		Total	10,250		
I 80		CAMPBELL SOUP			
I 80	*	Dorrance, John T., Jr., Camden, N. J. (R)	*2,000		
I 80	D	Green, Edward H., Camden N. J. (R)	*3,100		
I 80	D	McCabe, Thomas B., Camden, N. J. (R)	19,500		
I 80	*	Swanson, W. Clarke, Camden, N. J. (R)	500		
		Total	27,100		
I 66		CATERPILLAR TRACTOR			
I 66	O	Blackie, W., Peoria, Ill. (R)	1,000		
I 66	D	Davies, Paul L., Peoria, Ill. (R)	*1,000		
I 66	D	Lipman, E. C., Peoria, Ill. (R)	500		
		Total	2,500		
I 5		CHRYSLER			
I 5	D	Brady, James C., Detroit, Mich. (R W)	*500		
I 5	*	Colbert, L. L., Detroit, Mich. (R)	1,000		
I 5	D	Foy, Byron C., Detroit, Mich. (R)	500		
I 5	D	Foy, Byron C., Detroit, Mich. (R W)	1,000		
I 5	D	Jones, W. Alton, Detroit, Mich. (R W)	3,000		
I 5	D	Van Somel, L. A., Detroit, Mich. (R)	*1,000		
		Total	7,000		
I 29		CITIES SERVICE			
I 29	*	Christian, Erle G., New York, N. Y. (R)	1,000		
I 29	D	Frame, A. P., New York, N. Y. (R)	1,000		
I 29	D	Hill, George H., Jr., New York, N. Y. (R)	1,000		
I 29	*	Jones, W. Alton, New York, N. Y. (R W)	*2,000		
I 29	D	Mitchell, Charles S., New York, N. Y. (R)	1,000		
I 29	*	O'Brien, Henry L., New York, N. Y. (R)	1,000		
I 29	D	Shaw, George H., New York, N. Y. (R)	1,000		
		Total	8,000		
I 47		CONTINENTAL CAN			
I 47	D	Bechtel, Stephen D., San Francisco, Calif. (R)	*12,650		
I 47	D	Bechtel, Stephen D., San Francisco, Calif. (R W)	*3,800		
I 47	D	Cabot, Paul C., Boston, Mass. (R)	3,000		
I 47	D	Chase, Arthur G., Fayetteville, N. Y. (R)	500		
I 47	*	Clay, Lucius D., New York, N. Y. (R)	*1,500		
I 47	*	Clay, Lucius D., New York, N. Y. (R W)	*3,000		
I 47	D	Edmonds, George P., Wilmington, Del. (R)	1,000		
I 47	*	Eggers, Hans A., New York, N. Y. (R)	500		
I 47	*	Fogarty, T. G., New York, N. Y. (R)	2,500		
I 47	D	Franklin, John M., New York, N. Y. (R)	2,000		
I 47	D	Morgan, Junius S., New York, N. Y. (R)	3,000		
I 47	D	Weinberg, Sidney J., New York, N. Y. (R)	*2,500		
		Total	34,150		
I 67		CONTINENTAL OIL			
I 67	D	Douglas, Lewis W., New York, N. Y. (R)	*2,000		
I 67	D	Page, A. W., New York, N. Y. (R)	1,000		
I 67	D	Whitney, George, New York, N. Y. (R)	*5,000		
I 67	D	Whitney, George, New York, N. Y. (R W)	*3,500		
		Total	12,500		
I 83		CROWN-ZELLERBACH			
I 83	D	Blyth, Charles R., San Francisco, Calif. (R)	1,000		
I 83	D	Collins, Truman W., San Francisco, Calif. (R)	2,000		
I 83	*	Zellerbach, H. L., San Francisco, Calif. (R)	4,700		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
		CROWN-ZELLERBACH—continued			
I 83	*	Zellerbach, J. D., San Francisco, Calif. (R)	$9,300		
		Total	14,200		
I 73		**CURTISS-WRIGHT**			
I 73	D	Reinecke, E. J., New York, N. Y. (R)	3,000		
I 73	D	Cowdin, J. Cheever, New York, N. Y. (R W)	2,000		
I 73	O	Coyne, Thomas C., New York, N. Y. (R)	500		
I 73	D	Crandall, L. R., New York, N. Y. (R)	2,000		
I 73	D	Dana, Charles A., New York, N. Y. (R)	*1,000		
I 73	*	Hill, George R., New York, N. Y. (R)	500		
I 73	*	Hurley, Roy T., New York, N. Y. (R)	500		
I 73	O	Irwin, S. D., New York, N. Y. (R)	500		
I 73	O	Kursine, Stanley B., Jr., New York, N. Y. (R)	500		
I 73	O	Lake, William T., New York, N. Y. (R)	500		
I 73	O	Miccio, Joseph V., New York, N. Y. (R)	500		
I 73	D	Smith, Lloyd H., Houston, Tex. (R)	4,600		
		Total	15,100		
I		**DEERE**			
I	O	Hewitt, William A., Moline, Ill. (R)	*500		
I	*	Peek, Burton F., Moline, Ill. (R)	1,500		
		Total	2,000		
I 31		**DOUGLAS AIRCRAFT**			
I 31	D	Bekins, Milo W., Santa Monica, Calif. (R)	500		
I 31	D	Jones, Chas. S., Santa Monica, Calif. (R)	500		
I 31	D	McLaughlin, Edward H., Santa Monica, Calif. (R)	1,000		
I 31	*	Paschall, Nat, Santa Monica, Calif. (R)	1,000		
I 31	D	Whiting, Dwight, Santa Monica, Calif. (R)	500		
		Total	3,500		
I 77		**DOW CHEMICAL**			
I 77		None			
I 10		**DU PONT, E. I., DE NEMOURS**			
I 10	*	Beadle, Walter J., Wilmington, Del. (R)	500		
I 10	D	Brown, Donaldson, New York, N. Y. (R)	*11,000		
I 10	D	Brown, Donaldson, New York, N. Y. (R W)	*8,750		
I 10	*	Carpenter, W. S., Jr., Wilmington, Del. (R)	11,800		
I 10	*	Carpenter, W. S., Jr., Wilmington, Del. (R W)	500		
I 10	*	Copeland, L. Dup., Wilmington, Del. (R)	*2,450		
I 10	D	Du Pont, Emile F., Wilmington, Del. (R)	*1,000		
I 10	D	Du Pont, Eugene E., Wilmington, Del. (R)	3,000		
I 10	*	Du Pont, Henry B., Wilmington, Del. (R)	4,000		
I 10	*	Du Pont, Henry B., Wilmington, Del. (R W)	1,000		
I 10	D	Du Pont, H. F., Wilmington, Del. (R W)	2,000		
I 10	*	Du Pont, Irenee, Wilmington, Del. (R)	26,295		
I 10	*	Du Pont, P. S., 3d, Wilmington, Del. (R)	7,200		
I 10	*	Du Pont, P. S., 3d, Wilmington, Del. (R W)	2,000		
I 10	D	Du Pont, Wm., Jr., Wilmington, Del. (R)	3,000		
I 10	*	Greenewalt, C. H., Wilmington, Del. (R)	4,300		
I 10	*	Greenewalt, C. H., Wilmington, Del. (R W)	2,000		
I 10	D	Harrington, W. F., Wilmington, Del. (R)	3,000		
I 10	D	Peyton, Bernard, Wilmington, Del. (R)	8,500		
I 10	D	Sharp, Hugh R., Jr., Wilmington, Del. (R)	5,250		
I 10	D	Sloan, A. P., Jr., New York, N. Y. (R)	25,000		
		Total	138,545		
I 40		**EASTMAN KODAK**			
I 40	O	Curtis, Edward F., Rochester, N. Y. (R)	500		
I 40	D	Price, G. A. Pittsburgh, Pa. (R)	1,500		
		Total	2,000		
I 24		**FIRESTONE TIRE & RUBBER**			
I 24	D	Firestone, Leonard K., Los Angeles, Calif. (R)	10,000		
I 24	D	Firestone, Leonard K., Los Angeles, Calif. (R W)	1,000		
I 24	D	Firestone, Roger S., Pottstown, Pa. (R)	5,500		
I 24	D	Firestone, Roger S., Pottstown, Pa. (R W)	1,000		
I 24	O	Taylor, Harold M., Akron, Ohio (R)	750		
		Total	18,250		
I 3		**FORD MOTOR**			
I 3	*	Breech, Ernest R., Dearborn, Mich. (R)	$2,000		
I 3	*	Bugas, John S., Dearborn, Mich. (R)	5,000		
I 3	*	Ford, Benson, Dearborn, Mich. (R)	3,000		
I 3	*	Ford, Henry 2, Dearborn, Mich. (R)	16,000		
I 3	*	Ford, Henry 2, Dearborn, Mich. (R W)	2,500		
I 3	*	Ford, William C., Dearborn, Mich. (R)	6,000		
I 3	*	Gossett, William T., Dearborn, Mich. (R)	1,000		
I 3	O	Moore, C. F., Jr., Dearborn, Mich. (R)	500		
I 3	O	Wright, J. O., Dearborn, Mich. (R)	1,000		
		Total	34,000		
I 86		**FOREMOST DAIRIES**			
I 86	*	Turnbow, Grover D., Jacksonville 5, Fla. (R)	1,000		
		Total	1,000		
I 45		**GENERAL DYNAMICS**			
I 45	D	Alvord, Ellsworth C., New York 22, N. Y. (R)	1,000		
I 45	*	Dean, Gordon, New York 22, N. Y. (D)		$1,000	
I 45	D	Hines, Joseph H., New York 22, N. Y. (R)	1,000		
I 45	*	Hopkins, John Jay, New York 22, N. Y. (R W)	2,000		
I 45	*	Pace, Frank, Jr., New York 22, N. Y. (D)		2,000	
I 45	D	Windfohr, Robert F., New York 22, N. Y. (R)	4,000		
I 45	D	Windfohr, Robert F., New York 22, N. Y. (R W)	3,000		
		Total	10,000	3,000	
I 6		**GENERAL ELECTRIC**			
I 6	O	Benlware, Lemuel R., New York, N. Y. (R)	1,000		
I 6	D	Colt, S. Sloan, Schenectady 5, N. Y. (R)	1,500		
I 6	*	Cordiner, Ralph J., New York, N. Y. (R)	1,500		
I 6	D	Dickey, Charles D., New York, N. Y. (R)	*3,000		
I 6	D	Humphrey, Gilbert W., Schenectady 5, N. Y. (R)	500		
I 4	O	Lapierre, Cramer W., New York, N. Y. (R)	500		
I 6	O	Lockton, John D., New York, N. Y. (R)	500		
I 6	O	Love, George H., Pittsburgh, Pa. (R)	*5,200		
I 6	D	McCabe, Thomas B., Chester, Pa. (R)	*10,500		
I 6	D	Morgan, Henry S., New York City, N. Y. (R)	5,500		
I 6	*	Reed, Philip D., New York City, N. Y. (R)	*3,500		
I 6	D	Weinberg, Sidney J., New York City, N. Y. (R)	2,500		
I 6	D	Woodruff, Robert W., Atlanta, Ga. (R)	*2,450		
I 6	D	Woodruff, Robert W., Atlanta, Ga. (R W)	*3,000		
		Total	51,950		
I 34		**GENERAL FOODS**			
I 34	*	Chester, Colby M., White Plains, N. Y. (R)	*500		
I 34	D	Coit, S. Sloan, New York City, N. Y. (R)	*1,500		
I 34	D	Francis, Clarence, New York City, N. Y. (R)	1,000		
I 34	D	Gray, William S., New York City, N. Y. (R)	*1,000		
I 34	D	Lehman, Robert, New York City, N. Y. (R)	*13,000		
I 34	D	Lehman, Robert, New York City, N. Y. (R W)	*1,000		
I 34	D	Post, Marjorie M., Washington 5, D. C. (R)	7,000		
I 34	D	Robbins, William M., White Plains, N. Y. (R)	500		
I 34	D	Schmidlapp, Carl J., New York City 18, N. Y. (R W)	500		
I 34	D	Weinberg, Sidney J., New York City, N. Y. (R)	*2,500		
		Total	28,500		
I 71		**GENERAL MILLS**			
I 71	*	Bullis, Harry A., Minneapolis 1, Minn. (R)	500		
		Total	500		
I 1		**GENERAL MOTORS**			
I 1	O	Anderson, Harry W., Detroit 2, Mich. (R)	500		
I 1	*	Bradley, Albert, Detroit 2, Mich (R)	13,000		
I 1	*	Bradley, Albert, Detroit 2, Mich. (R W)	9,100		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
		GENERAL MOTORS—continued			
I 1	D	Brown, Donaldson, Port Deposit, Md. (R)	*$11,000		
I 1	D	Brown, Donaldson, Port Deposit, Md. (R W)	*8,750		
I 1	D	Carpenter, Walter S. Jr., Wilmington 98, Del. (R)	*11,800		
I 1	D	Carpenter, Walter S. Jr., Wilmington 98, Del. (R W)	*500		
I 1	O	Chayne, Charles A., Detroit 2, Mich. (R)	1,000		
I 1	D	Clay, Lucius D., New York City, N. Y. (R)	*1,500		
I 1	D	Clay, Lucius D., New York City, N. Y. (R W)	*3,000		
I 1	D	Copeland, Lammot Du P., Wilmington 98, Del. (R)	*8,650		
I 1	O	Cronin, John J., Detroit 2, Mich. (R)	500		
I 1	*	Curtice, Harlow H., Detroit 2, Mich. (R)	*2,000		
I 1	*	Downer, Frederic G., Detroit 2, Mich. (R)	500		
I 1	D	Douglas, Lewis W., Phoenix, Ariz. (R)	*2,000		
I 1	D	Du Pont, Emile F., Wilmington, Del. (R)	1,000		
I 1	D	Du Pont, Henry B., Wilmington 98, Del. (R)	*4,000		
I 1	D	Du Pont, Henry B., Wilmington 98, Del. (R W)	*1,000		
I 1	O	Earl, Marley J., Detroit 2, Mich (R)	500		
I 1	D	Fisher, Edward F., Detroit, Mich (R)	1,500		
I 1	D	Fisher, Lawrence P., Detroit 2, Mich. (R)	1,500		
I 1	O	Garrett, Paul, Detroit 2, Mich. (R)	500		
I 1	*	Goad, Louis C., Detroit 2, Mich (R)	1,000		
I 1	O	Goodman, James E., Detroit 2, Mich. (R)	500		
I 1	*	Gordon, John F., Detroit 2, Mich (R)	1,000		
I 1	O	Halstad, Lawrence R., Detroit 2, Mich. (R)	500		
I 1	O	Horan, Henry M., Detroit 2, Mich. (R)	500		
I 1	O	Hulstader, William F., Detroit 2, Mich. (R)	1,000		
I 1	D	Hunt, Ormond E., Bloomfield Hills Mich. (R)	500		
I 1	D	Johnson, Earle F., Detroit 14, Mich. (R)	1,000		
I 1	*	Keating, Thomas H., Detroit 2, Mich. (R)	500		
I 1	*	Kindl, Carl H., Detroit 2, Mich. (R)	500		
I 1	*	Kyes, Roger M., Detroit 2, Mich. (R)	1,000		
I 1	D	Mellon, Richard K., Pittsburgh, Pa. (R)	*23,000		
I 1	*	Osborn, Cyrus R., Detroit 2, Mich. (R)	1,000		
I 1	D	Pratt, John L., Fredericksburg, Va. (R)	500		
I 1	O	Rey, Edward, Detroit 2, Mich. (R)	750		
I 1	O	Russell, George, Detroit 2, Mich. (R)	3,000		
I 1	*	Skinner, Sherrod E., Detroit 2, Mich. (R)	1,000		
I 1	*	Sloan, Alfred P., Jr., New York City 20, N. Y. (R)	*21,000		
I 1	O	Stanley, Clarence, Detroit 2, Mich. (R)	1,000		
I 1	D	Whitney, George, New York City 5, N. Y. (R)	6,000		
I 1	D	Whitney, George, New York City 5, N. Y. (R W)	5,500		
		Total	162,650		
I 38		**GOODRICH, B. F.**			
I 38	D	Cabot, Paul C., Boston, Mass. (R)	*3,000		
I 38	*	Collyer, John Lyon, Akron 18, Ohio (R)	*1,000		
I 38	D	Leithead, Barry T., New York City, N. Y. (R)	*1,800		
I 38	D	Leithead, Barry T., New York City, N. Y. (R W)	*1,500		
I 38	D	Weinberg, Sidney J., New York City N. Y. (R)	*2,500		
I 38	D	Williams, Langbourne M., New York City, N. Y. (R)	1,000		
I 38	D	Williams, Langbourne M., New York N. Y. (R W)	3,000		
		Total	13,800		
I 18		**GOODYEAR TIRE & RUBBER**			
I 18	*	De Young, R., Akron, 16, Ohio (R)	2,000		
I 18	D	Greene, Edward B., Cleveland, Ohio (R W)	1,500		
I 18	*	Leroy, P. E. H., Akron 16, Ohio (R)	500		
I 18	*	Litchfield, P. W., Akron 16, Ohio (R)	2,000		
I 18	D	Spencer, Kenneth A., Akron 16, Ohio (R)	10,400		
I 18	*	Thomas, E. J., Akron 16, Ohio (R)	500		
I 18	*	Wilson, R. S., Akron 16, Ohio (R)	1,750		
		Total	18,650		
I 82		**GRACE, W. R.**			
I 82	*	Grace, J. Peter, New York 5, N. Y. (R)	$1,000		
I 82	*	Griswold, John C., New York 5, N. Y. (R)	1,000		
I 82	O	Moore, John D. J., New York 5, N. Y. (R)	500		
I 82	*	Wilson, C. E., New York 5, N. Y. (R)	1,500		
		Total	4,000		
I 11		**GULF OIL**			
I 11	D	Brown, Donaldson, Port Deposit, Md. (R)	11,000		
I 11	D	Brown, Donaldson, Port Deposit, Md. (R W)	8,750		
I 11	D	Mellon, Richard K., Pittsburgh 30, Pa. (R)	*33,000		
I 11	*	Proctor, David, Pittsburgh 30, Pa. (R)	500		
I 11	D	Scaife, Alan M., Pittsburgh 30, Pa. (R)	*29,500		
I 11	*	Swensrud, Sydney A., Pittsburgh 30, Pa. (R)	1,000		
I 11	D	Walton, John F., Jr., Pittsburgh 30, Pa. (R)	2,500		
I 11	*	Whiteford, W. K., Pittsburgh 30, Pa. (R)	1,000		
		Total	87,550		
I 50		**INLAND STEEL**			
I 50	D	Ryerson, A. M., Chicago 3, Ill. (R)	650		
I 50	*	Ryerson, Edward L., Chicago 3, Ill. (R)	*2,000		
I 50	*	Ryerson, Edward L., Chicago 3, Ill. (R W)	*500		
		Total	3,150		
I 59		**INTERNATIONAL BUSINESS MACHINES**			
I 59	D	Booth, Willis H., New York City, N. Y. (R)	500		
I 59	D	Buckner, Walker G., New York City, N. Y. (R)	2,000		
I 59	D	Fairchild, Sherman M., New York City N. Y. (R)	*3,000		
I 59	D	Folger, John C., Washington, D. C. (R)	6,000		
I 59	D	Folger, John C., Washington, D. C. (R W)	5,500		
I 59	D	Scribner, Gilbert H., Chicago, Ill. (R)	*500		
I 59	*	Watson, Thomas J., Jr., New York 22, N. Y. (R)	7,000		
I 59	*	Watson, Thomas J., Jr., New York 22, N. Y. (R W)	2,000		
		Total	27,500		
I 23		**INTERNATIONAL HARVESTER**			
I 23	D	McCormick, Fowler, Chicago, 11, Ill. (R)	7,200		
I 23	D	Ryerson, Edward L., Chicago 3, Ill. (R)	*2,000		
I 23	D	Ryerson, Edward L., Chicago 3, Ill. (R W)	*500		
I 23	D	Spencer, Kenneth A., Kansas City 6, Mo. (R)	*10,600		
I 23	D	Stuart, John, Chicago 54, Ill. (R)	1,000		
I 23	D	Wilson, John P., Chicago 3, Ill. (R)	1,500		
		Total	22,900		
I 37		**INTERNATIONAL PAPER**			
I 37	D	Boeschenstein, Harold, Toledo, Ohio (R)	5,000		
I 37	D	Chace, Malcolm G., Jr., Providence, R. I. (R W)	500		
I 37	D	Colgate, Henry A., New York City, N. Y. (R)	500		
I 37	*	Hinman, John H., New York 17, N. Y. (R)	500		
I 37	D	Phipps, Ogden, New York City, N. Y. (R)	1,000		
I 37	D	Phipps, Ogden, New York City, N. Y. (R W)	2,000		
		Total	12,500		
I 80		**INTERNATIONAL TELEPHONE & TELEGRAPH**			
I 80	D	Dunlap, Charles E., New York City, N. Y. (R)	*500		
I 80	D	Edison, Charles, New York City, N. Y. (R)	500		
I 80	D	Edison, Charles, New York City, N. Y. (M)			$12,300
I 80	D	Hill, Arthur M., Washington 6, D. C. (R)	10,962		
I 80	D	Hill, Arthur M., Washington 6, D. C. (R W)	2,500		
I 80	D	McKinney, Robert, Santa Fe, N. Mex. (D)		*$625	
		Total	23,462	625	12,300
I 42		**JONES & LAUGHLIN STEEL**			
I 42	D	Denton, Frank R., Pittsburgh 30, Pa. (R)	*1,500		
I 42	D	Edison, Charles, Orange, N. J. (R)	*500		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
		JONES & LAUGHLIN STEEL—continued			
I 42	D	Edison, Charles, Orange, N. J. (M)			*$12,500
I 42	*	Jones, Benjamin F., 34, Pittsburgh 30, Pa. (R)	$3,000		
I 42	*	Marcell, Ben, Pittsburgh 30, Pa. (R)	500		
I 42	D	Robinson, William C., Pittsburgh 22, Pa. (R)	*500		
I 42	D	Whiteford, William K., Pittsburgh, Pa. (R)	*1,000		
		Total	7,100		12,300
I 62		**KENNECOTT COPPER**			
I 62	*	Cox, C. B., New York 17, N. Y. (R)	2,000		
I 62	D	Dickey, Charles D., New York City, N. Y. (R)	*2,000		
I 62	D	Guggenheim, E. A., New York 17, N. Y. (R)	1,000		
I 62	D	Page, Arthur W., New York City 5, N. Y. (R)	*1,000		
I 62	D	Sloan, Alfred P., Jr., New York City 20, N. Y. (R)	*21,000		
I 62	D	Stone, Robert G., Boston, Mass. (R)	500		
I 62	D	Whitney, George, New York City 8, N. Y. (R)	*6,000		
I 62	D	Whitney, George, New York City 8, N. Y. (R W)	*3,500		
		Total	37,000		
I 46		**LOCKHEED AIRCRAFT**			
I 46	*	Barker, C. A., Jr., Burbank, Calif. (R)	500		
I 46	*	Chappellet, Cyril, Burbank, Calif. (R)	500		
I 46	D	Dulin, E. S., Los Angeles, Calif. (R)	1,500		
I 46	*	Gross, Courtlandt S., Burbank, Calif. (R)	1,125		
I 46	*	Gross, Robert E., Burbank, Calif. (R)	625		
I 46	*	Gross, Robert E., Burbank, Calif. (D)		$500	
I 46	*	Hibbard, Hall L., Burbank, Calif. (R)	500		
I 46	D	Keith, Willard W., Los Angeles, Calif. (R)	3,000		
I 46	O	Monesmith, Burt C., Burbank, Calif. (R)	500		
		Total	8,250	500	
I 68		**MERRITT-CHAPMAN & SCOTT**			
I 68	D	Savin, A. L., New York, N. Y. (R)	500		
		Total	500		
I 69		**MONSANTO CHEMICAL**			
I 69	*	Queeny, Edgar M., St. Louis 4, Mo. (R)	*1,000		
		Total	1,000		
I 85		**NATIONAL BISCUIT**			
I 85	D	Auchincloss, Charles C., New York City, N. Y. (R)	*1,000		
I 85	D	Mitchell, Don. G., New York City, N. Y. (R)	500		
I 85	*	Moore, Edward S., Jr., New York 14, N. Y. (R)	*1,500		
I 85	D	Moore, Paul, New York 14, N. Y. (R)	*2,500		
		Total	5,500		
I 20		**NATIONAL DAIRY PRODUCTS**			
I 20	D	Breyer, Henry W., Jr., Philadelphia 4, Pa. (R)	1,000		
I 20	D	Bruce, James, New York 16, N. Y. (D)		*500	
I 20	D	Cabot, Paul C., Boston, Mass. (R)	*3,000		
I 20	D	Rodgers, William S. S., New York City 17, N. Y. (R)	*1,000		
I 20	*	Stewart, E. E., New York 16, N. Y. (R)	2,000		
I 20	*	Van Somel, L. A., New York 16, N. Y. (R)	*1,000		
I 20	D	Weinberg, Sidney J., New York City 5, N. Y. (R)	*2,500		
		Total	10,500	500	
I 66		**NATIONAL LEAD**			
I 66	*	Drowes, Alfred H., New York 6, N. Y. (R)	5,000		
I 66	*	Martino, Joseph A., New York 6, N. Y. (R)	*4,500		
I 66	*	Merson, David A., New York 6, N. Y. (R)	5,000		
I 66	*	Merson, David A., New York 6, N. Y. (D)		500	
I 66	*	Reid, Joseph H., New York 6, N. Y. (R)	5,000		
I 66	*	Warshow, Herman T., New York 6, N. Y. (R)	5,000		
I 66	*	Welch, William J., New York 6, N. Y. (R)	5,000		
I 66	*	Wildner, Harry C., New York 6, N. Y. (R)	5,000		
		Total	29,500	500	
I 54		**NATIONAL STEEL CORP.**			
I 54	D	Carnahan, Paul, Detroit 29, Mich. (R)	$2,000		
I 54	D	Falk, Leon Jr., Pittsburgh, Pa. (R)	1,500		
I 54	D	Harts, Richard, Parkersburg, W. Va. (R)	*500		
I 54	D	Harts, Richard, Parkersburg, W. Va. (R W)	*500		
I 54	D	Ireland, R. L., Cleveland 14, Ohio (R W)	1,000		
I 54	D	Kanter, Charles A., Detroit, Mich. (R)	500		
I 54	D	Love, George H., Pittsburgh, Pa. (R)	*5,208		
I 54	*	Millsop, Thomas E., Weirton, W. Va. (R)	4,250		
I 54	*	Millsop, Thomas E., Weirton, W. Va. (R W)	2,500		
I 54	D	Reed, Earl F., Pittsburgh 19, Pa. (R)	2,750		
I 54	O	Shrouds, Paul E., Pittsburgh 19, Pa. (R)	3,000		
I 54	D	Thompson, Joseph H., Pittsburgh 19, Pa. (R)	500		
I 54	O	Tourney, Charles G., Pittsburgh 19, Pa. (R)	1,000		
I 54	O	Ubinger, John D., Pittsburgh 19, Pa. (R)	1,000		
I 54	*	Weir, Ernest T., Pittsburgh 19, Pa. (R)	11,000		
		Total	37,208		
I 35		**NORTH AMERICAN AVIATION**			
I 35		None			
I 60		**OLIN MATHIESON CHEMICAL**			
I 60	O	Castael, Russell R., East Alton, Ill. (R)	500		
I 60	D	Chace, Arnold B., Providence 3, R. I. (R)	500		
I 60	*	Hanes, J. W., New York 22, N. Y. (R)	7,200		
I 60	*	Hanes, J. W., New York 22, N. Y. (R W)	2,000		
I 60	*	Nichols, Thomas S., Baltimore 3, Md. (R)	12,450		
I 60	*	Nichols, Thomas S., Baltimore 3, Md. (D)		$4,000	
I 60	*	Nichols, Thomas S., Baltimore 3, Md. (R W)	500		
I 60	*	Olin, John M., New York 22, N. Y. (R)	*11,950		
I 60	*	Olin, John M., New York 22, N. Y. (R W)	*2,000		
I 60	D	Olin, Spencer T., Alton, Ill. (R)	34,900		
I 60	D	Palmer, Carleton H., New York City 13, N. Y. (R)	1,000		
I 60	D	Quesada, E. R., Bel Air, Calif. (R)	500		
I 60	D	Rockefeller, Laurance S., New York 22, N. Y. (R)	*22,150		
I 60	D	Rockefeller, Laurance S., New York 22, N. Y. (R W)	*3,200		
I 60	D	Stone, Robert G., Boston 10, Mass. (R)	*500		
		Total	100,750	5,000	
I 91		**OWENS-ILLINOIS GLASS**			
I 91	O	Burch, O. G., Toledo 1, Ohio (R)	500		
I 91	*	Laughlin, Hugh C., Toledo 1, Ohio (D)		500	
I 91	*	Levis, J. P., Toledo 1, Ohio (R)	500		
I 91	D	Levis, W. E., Toledo, Ohio (R)	2,000		
		Total	3,000	500	
I 95		**PHELPS DODGE**			
I 95	*	Cates, Louis S., New York 22, N. Y. (R)	*3,000		
I 95	D	Gray, William S., New York City 15, N. Y. (R)	*1,000		
I 95	D	Ireland, R. Livingston, Cleveland 14, Ohio (R W)	*1,000		
I 95	D	Lamont, Thomas S., New York City 5, N. Y. (R)	*7,250		
I 95	D	Manice, William DeF., New York City, N. Y. (R)	*500		
I 95	D	Rea, James C., Pittsburgh, Pa. (R)	1,000		
I 95	D	Smith, H. Dewitt, New York City 5, N. Y. (R)	1,000		
		Total	14,750		
I 90		**PHILCO**			
I 90	*	Baldwinson, William, Philadelphia 34, Pa. (R)	2,000		
I 90	D	Buckley, James T., Philadelphia 34, Pa. (R)	1,000		
I 90	*	Butler, Harold W., Philadelphia 34, Pa. (R)	500		
I 90	D	Gubb, Larry E., Philadelphia 34, Pa. (R)	1,000		
I 90	*	Heberling, Russell L., Philadelphia 34, Pa. (R)	500		
I 90	O	Skinner, James M., Jr., Philadelphia 34, Pa. (R)	2,000		
I 90	O	Wilson, William R., Philadelphia 34, Pa. (R)	500		
		Total	8,500		
I 30		**PHILLIPS PETROLEUM**			
I 30	*	Adams, K. S., Bartlesville, Okla. (R)	1,000		
I 30	D	Adelman, H. M., Bartlesville, Okla. (R)	1,000		
I 30	*	Endacott, Paul, Bartlesville, Okla. (R)	500		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
		PHILLIPS PETROLEUM—continued			
I 30	O	Jopling, R. C., Bartlesville, Okla. (R)	$1,000		
I 30	*	Keeler, W. W., Bartlesville, Okla. (R)	500		
I 30	*	Learned, Stanley, Bartlesville, Okla. (R)	500		
I 30	*	Musgrave, C. K., Bartlesville, Okla. (R)	500		
I 30	D	Phillips, Philip R., Bartlesville, Okla. (R)	1,000		
I 30	*	Stradley, B. F., Bartlesville, Okla. (R)	1,000		
I 30	*	Thomas, R. W., Bartlesville, Okla. (R)	500		
		Total	7,500		
I 97		**PILLSBURY MILLS**			
I 97	D	Morton, Rogers C. B., Minneapolis 2, Minn. (R)	1,000		
I 97	D	Pillsbury, John S., Minneapolis 2, Minn. (R)	500		
		Total	1,500		
I 57		**PITTSBURGH PLATE GLASS**			
I 57	*	Asplundh, Edwin T., Pittsburgh 22, Pa. (R)	1,000		
I 57	*	Brown, Clarence M., Philadelphia, Pa. (R)	*3,000		
I 57	O	Burnham, Donald C., Pittsburgh 22, Pa. (R)	*2,500		
I 57	O	Fay, C. Robert, Pittsburgh 22, Pa. (R)	1,000		
I 57	*	Hazard, Leland, Pittsburgh 22, Pa. (R)	600		
I 57	*	Higgins, Harry B., Pittsburgh 22, Pa. (R)	*2,000		
I 57	*	Hill, David G., Pittsburgh 22, Pa. (R)	1,250		
I 57	D	Mellon, Richard K., Pittsburgh, Pa. (R)	*23,000		
I 57	D	Pitcairn, Harold F., Philadelphia 3, Pa. (R)	7,450		
I 57	D	Pitcairn, Raymond, Philadelphia 3, Pa. (R)	750		
I 57	D	Pitcairn, Raymond, Philadelphia 3, Pa. (R W)	1,700		
I 57	*	Tucker, Richard B., Pittsburgh 22, Pa. (R)	2,000		
		Total	55,050		
I 27		**PROCTER & GAMBLE**			
I 27	D	Coombe, Harry E., Cincinnati 2, Ohio (R)	1,000		
I 27	*	Deupree, Richard R., Cincinnati 2, Ohio (R)	*500		
I 27	D	Geier, Frederick V., Cincinnati, Ohio (R)	*3,500		
I 27	D	Thomas, Edwin J., Cincinnati, Ohio (R)	*500		
I 27	D	Whiteford, William K., Cincinnati, Ohio (R)	*1,000		
		Total	6,500		
I 74		**PURE OIL**			
I 74	D	Armour, Lester, Chicago 1, Ill. (R)	1,750		
I 74	D	Armour, Lester, Chicago 1, Ill. (R W)	500		
I 74	D	Avery, Sewell L., Chicago 1, Ill. (R)	6,000		
I 74	D	Dixon, Wesley M., Chicago 1, Ill. (R)	1,500		
I 74	D	Dixon, Wesley M., Chicago 1, Ill. (R W)	500		
		Total	10,250		
I 26		**RADIO CORPORATION OF AMERICA**			
I 26	D	Haggerty, Harry C., New York 20, N. Y. (R)	*500		
I 26	D	Robinson, William E., New York 17, N. Y. (R)	3,000		
		Total	3,500		
I 87		**RALSTON PURINA**			
I 87	*	Danforth, Donald, St. Louis 2, Mo. (R)	*1,000		
		Total	1,000		
I 63		**REPUBLIC AVIATION**			
I 63	*	Bain, Walter G., Farmingdale, Long Island, N. Y. (R)	500		
I 63	D	Clarkson, Robert L., New York, N. Y. (R)	*1,000		
I 63	D	Clarkson, Robert L., New York, N. Y. (R W)	*1,000		
I 63	D	Moore, Edward S., Jr., New York, N. Y. (R)	1,500		
I 63	D	Moore, Paul, New York, N. Y. (R)	*2,500		
I 63	D	Moore, William H., New York, N. Y. (R)	*500		
I 63	*	Peale, Mundy I., Farmingdale, Long Island, N. Y. (R)	*500		
		Total	8,500		
I 21		**REPUBLIC STEEL**			
I 21	D	Allen, George E., Washington 6, D. C. (R)	500		
I 21	D	Bruce, James, New York 16, N. Y. (D)		*$500	
I 21	O	Johnson, Ernest R., Cleveland 1, Ohio (R)	500		
I 21	O	Lumb, H. C., Cleveland 1, Ohio (R)	1,000		
		REPUBLIC STEEL—continued			
I 21	D	Mercer, Henry D., New York, N. Y. (R)	$1,500		
I 21	*	Patton, I. F., Cleveland 1, Ohio (R)	700		
I 21	O	Robertson, Peter, Cleveland 1, Ohio (R)	750		
I 21	*	White, Charles M., Cleveland 1, Ohio (R)	*11,350		
		Total	16,300	$500	
I 88		**REYNOLDS METALS**			
I 88	O	Coghill, C. E., Richmond 18, Va. (D)		600	
I 88	O	Krey, John H., Richmond 18, Va. (D)		500	
I 88	*	McConnell, Joseph H., Richmond 18, Va. (R)	*1,800		
I 88	*	Reynolds, D. P., Louisville, Ky (D)		4,000	
I 88	*	Reynolds, J. Louis, Richmond 18, Va. (D)		6,000	
I 88	*	Reynolds, R. S., Jr., Richmond 18, Va. (D)		3,000	
I 88	*	Reynolds, W. G., Louisville, Ky. (D)		2,000	
		Total	1,500	16,100	
I 78		**REYNOLDS, R. J., TOBACCO**			
I 78	*	Gray, Bowman, Winston-Salem, N. C. (R)	1,000		
		Total	1,000		
I 16		**SHELL OIL**			
I 16	D	Dominick, Gayer G., New York 5, N. Y. (R)		500	
		Total		500	
I 25		**SINCLAIR OIL**			
I 25	D	Clarkson, R. L., New York 20, N. Y. (R)	1,000		
I 25	D	Clarkson, R. L., New York 20, N. Y. (R W)	1,000		
I 25	*	Dyer, J. E., New York 20, N. Y. (R)	600		
I 25	*	Gomez, M. L., New York 20, N. Y. (R)	1,500		
I 25	*	Spencer, P. C., New York 20, N. Y. (R)	2,000		
		Total	6,100		
I 94		**SINGER MANUFACTURING**			
I 94	D	Clark, Stephen C., New York City 6, N. Y. (R)	4,000		
I 94	D	Clark, Stephen C., New York City 6, N. Y. (R W)	1,000		
		Total	5,000		
I 13		**SOCONY MOBIL OIL**			
I 13	*	Jennings, B. Brewster, New York 4, N. Y. (R)	*3,000		
I 13	*	Jennings, B. Brewster, New York 4, N. Y. (R W)	*500		
		Total	3,500		
I 44		**SPERRY RAND**			
I 44	D	Harvey, I. J. Jr., New York City 20, N. Y. (R)	*2,000		
I 44	*	Rand, James H., New York 20, N. Y. (R)	4,000		
I 44	*	Vickers, Harry F., New York 20, N. Y. (R)	1,000		
		Total	7,000		
I 84		**STANDARD BRANDS**			
I 84	D	Clark, John B., New York City, N. Y. (R)	3,000		
I 84	D	Gund, George, Cleveland, Ohio (R)	*2,000		
		Total	5,000		
I 19		**STANDARD OIL OF CALIFORNIA**			
I 19	D	Call, Asa V., San Francisco 20, Calif. (R)	3,250		
I 19	D	Collier, H. D., San Francisco 20, Calif. (R)	2,000		
I 19	D	McBean, Atholl, San Francisco, Calif. (R)	500		
I 19	*	Peterson, T. S., San Francisco 20, Calif. (R)	1,000		
		Total	6,750		
I 14		**STANDARD OIL OF INDIANA**			
I 14	D	Blaustein, Jacob, Chicago 80, Ill. (D)		5,300	
I 14	D	Blaustein, Jacob, Chicago 80, Ill. (D W)		8,850	
I 14	*	Graham, David, Chicago 80, Ill. (R)	1,000		
I 14	*	Prior, Frank O., Chicago 80, Ill. (R)	1,000		
		Total	2,000	14,150	
I 2		**STANDARD OIL OF NEW JERSEY**			
I 2	*	Crane, J. E., New York 20, N. Y. (R)	500		
I 2	*	Holman, Eugene, New York 20, N. Y. (R)	3,500		
I 2	D	Lamont, P. T., New York 20, N. Y. (R)	500		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
		STANDARD OIL OF NEW JERSEY—Cont.			
I 9	D	Prendergast, Arthur T., New York 20, N. Y. (R)	$500		
I 9	*	Smith, Chester F., New York 20, N. Y. (R)	500		
I 9	*	Soubry, E. E., New York 20, N. Y. (R)	500		
I 9	D	Welch, Leo D., New York 20, N. Y. (R)	500		
		Total	6,500		
I 96		STANDARD OIL OF OHIO			
I 96	D	Manoe, James J., Detroit 32, Mich. (R)	750		
I 96	D	Patten, Thomas F., Cleveland 13, Ohio (R)	*700		
		Total	1,450		
I 75		STUDEBAKER-PACKARD			
I 75	D	Anthony, Earle C., Los Angeles 13, Calif. (R)	1,000		
I 75	D	Forgan, J. Russell, New York 6, N. Y. (R)	*500		
I 75	*	Hoffman, Paul G., South Bend 27, Ind. (R)	*500		
I 75	D	Manheim, Frank J., New York 4, N. Y. (R)	500		
I 75	D	Moore, Maurice T., New York 5, N. Y. (R)	5,500		
I 75	*	Nance, James J., Detroit 32, Mich. (R)	*750		
		Total	8,250		
I 48		SUN OIL			
I 48	*	Dunlop, Robert G., Philadelphia 3, Pa. (R)	1,000		
I 48	D	Eckert, Samuel B., Philadelphia 3, Pa. (R)	1,100		
I 48	D	Pew, Arthur E., Jr., Philadelphia 3, Pa. (R)	5,000		
I 48	D	Pew, J. Howard, Philadelphia 3, Pa. (R)	68,125		
I 48	D	Pew, J. Howard, Philadelphia 3, Pa. (R W)	3,000		
I 48	*	Pew, Jno. G., Philadelphia 3, Pa. (R)	500		
I 48	*	Pew, Joseph N., Jr., Philadelphia 3, Pa. (R)	31,425		
I 48	D	Pew, Walter C., Philadelphia 3, Pa. (R)	1,500		
I 48	*	Thayer, Clarence H., Philadelphia 3, Pa. (R)	500		
		Total	112,050		
I 7		SWIFT			
I 7	D	Swift, T. Philip, Chicago, Ill. (R)	*500		
I 15		TEXAS CO.			
I 15	D	Gray, W. S., New York, N. Y. (R)	1,000		
I 15	D	McCune, Charles L., Pittsburgh, Pa. (R)	2,000		
I 15	D	Mitchell, W. H., Chicago, Ill. (R)	847		
I 15	D	Rodgers, W. S. S., New York 17, N. Y. (R)	1,000		
		Total	4,847		
I 76		TIDE WATER ASSOCIATED OIL			
I 76	D	Hopkins, John Jay, Washington 6, D. C. (R W)	*2,000		
I 76	O	Jackson, H. A., New York City 4, N. Y. (R)	2,000		
I 76	O	Jackson, H. A., New York City 4, N. Y. (R W)	500		
I 76	D	Schiff, John M., New York City, N. Y. (R)	15,500		
I 76	D	Schiff, John M., New York City, N. Y. (R W)	3,000		
I 76	*	Staples, D. T., San Francisco 20, Calif (R)	750		
I 76	D	Thomas, Joseph A., San Francisco 20, Calif. (R)	2,000		
I 76	D	Wellborn, Olin 3, Los Angeles 15, Calif. (R)	1,000		
I 76	*	Williams, Fero, San Francisco 20, Calif (R)	800		
		Total	27,300		
I 22		UNION CARBIDE & CARBON			
I 22	*	Dial, Morse G., New York 17, N. Y. (R)	*1,000		
I 22	D	Gray, William S., New York City, N. Y. (R)	*1,000		
I 22	D	Love, George H., New York 17, N. Y. (R)	*5,200		
		Total	7,200		
I 93		UNION OIL			
I 93	D	Battson, Leigh M., Los Angeles 17, Calif. (R W)	2,000		
I 93	D	Brandt, Frederic H., New York City 5, N. Y. (R)	500		
I 93	D	Doheny, William H., Los Angeles, Calif. (R)	1,000		
I 93	O	Kingman, K. E., Los Angeles 17, Calif. (R)	1,000		
I 93	*	Rubel, A. C., Los Angeles 17, Calif. (R)	2,000		
		UNION OIL—continued			
I 93	*	Stewart, A. C., Los Angeles 17, Calif. (R)	$1,000		
I 93	*	Stewart, W. L., Jr., Los Angeles 17, Calif (R W)	2,000		
I 93	*	Stewart, W. L., Jr., Los Angeles 17, Calif. (R W)	1,000		
I 93	*	Taylor, Reese H., Los Angeles 17, Calif. (R)	2,500		
I 93	D	Whiting, Dwight, Los Angeles 17, Calif. (R)	*200		
		Total	15,000		
I 41		UNITED AIRCRAFT CORP.			
I 41	*	Harper, H. Mansfield, Hartford 6, Conn. (R)	*1,000		
I 41	*	Robinson, William R., Hartford 6, Conn. (R)	500		
I 41	D	Stoddard, Harry G., Worcester 8, Mass. (R)	2,000		
		Total	3,500		
I 36		UNITED MERCHANTS & MANUFACTURERS			
I 36	D	Brittingham, Thomas E., Jr., New York, N. Y. (R)	6,840		
I 28		U. S. RUBBER			
I 28	O	Caskey, John E., New York 20, N. Y. (R)	500		
I 28	D	Edmonds, George P., Wilmington, Del. (R)	*1,000		
I 28	*	Humphreys, H. E., Jr., New York 20, N. Y. (R)	*1,000		
		Total	2,500		
I 4		UNITED STATES STEEL			
I 4	D	Anderson, Arthur M., New York 5, N. Y. (R)	*1,250		
I 4	D	Austin, David F., New York 6, N. Y. (R)	1,000		
I 4	D	Avery, Sewell L., Chicago 7, Ill. (R)	*6,000		
I 4	*	Blough, Roger M., New York 6, N. Y. (R)	500		
I 4	O	Cooper, E. Conrad, New York 6, N. Y. (R)	750		
I 4	D	Davison, Harry P., New York 5, N. Y. (R)	*1,000		
I 4	D	Fairless, Benjamin F., Pittsburgh, Pa. (R)	*4,500		
I 4	*	Hood, Clifford F., New York 6, N. Y. (R)	4,500		
I 4	D	Ingersoll, C. Jared, Philadelphia, Pa. (D)		*$500	
I 4	O	Jordan, Harvey B., New York 6, N. Y. (R)	1,500		
I 4	D	Olds, Irving S., New York 5, N. Y. (R)	1,000		
I 4	O	Reed, Malcolm W., New York 6, N. Y. (R)	500		
I 4	D	Spangler, Joseph P. Jr., Boston 6, Mass. (R)	1,000		
I 4	O	Stephens, John A., New York 6, N. Y. (R)	500		
I 4	*	Tyson, Robert C., New York 6, N. Y. (R)	500		
I 4	*	Voorhees, Enders M., New York 6, N. Y. (R)	1,500		
		Total	26,500	500	
I 12		WESTERN ELECTRIC			
I 12		None.			
I 17		WESTINGHOUSE ELECTRIC			
I 17	D	Bechell, Edward O., Pittsburgh 22, Pa. (R)	500		
I 17	O	Burnham, D. C., Pittsburgh 30, Pa. (R)	2,500		
I 17	D	Denton, Frank R., Pittsburgh 22, Pa. (R)	*1,500		
I 17	O	Fort, Tomlinson, Pittsburgh 30, Pa. (R)	1,000		
I 17	O	Headlee, C. E., Pittsburgh 30, Pa. (R)	500		
I 17	D	Higgins, H. B., Pittsburgh 22, Pa. (R)	2,000		
I 17	D	Hopkinson, Edward, Jr., Philadelphia, Pa. (R)	1,000		
I 17	O	Hutcheson, J. A., Pittsburgh 30, Pa. (R)	700		
I 17	O	Jewell, J. H., Pittsburgh 30, Pa. (R)	700		
I 17	O	Lynde, Leslie E., Pittsburgh 30, Pa. (R)	1,000		
I 17	O	Main, George G., Pittsburgh 30, Pa. (R)	1,000		
I 17	O	McCully, L. B., Pittsburgh, Pa. (R)	700		
I 17	O	Myers, John F., Pittsburgh 30, Pa. (R)	500		
I 17	D	Page, Arthur W., New York 5, N. Y. (R)	*1,000		
I 17	D	Patterson, William A., Chicago 38, Ill. (R)	*1,500		
I 17	*	Price, Gwilym A., Pittsburgh 30, Pa. (R)	*1,500		
I 17	D	Robertson, A. W., Pittsburgh 30, Pa. (R)	5,500		
I 17	D	Robinson, William C., Pittsburgh, Pa. (R)	*500		
I 17	D	Schiff, John M., New York 5, N. Y. (R)	*15,500		
I 17	D	Schiff, John M., New York 5, N. Y. (R W)	*3,000		
I 17	O	Weber, C. S., Washington, D. C. (R)	1,000		
		Total	45,750		
I 81		WILSON & CO.			
I 81	D	Kletts, William L., New York, N. Y. (R)	*500		
I 81	D	Peyser, Frederick M., New York, N. Y. (R)	500		
I 81	*	Wilson, Edward Foss, Chicago 9, Ill. (R)	500		
		Total	1,500		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

MANUFACTURING CORPORATIONS—continued

			Republican	Democratic	Other
I 55		YOUNGSTOWN SHEET & TUBE			
I 55	D	Beachly, Leon A., Youngstown 1, Ohio (R)	$1,000		
I 55	O	Bennett, James E., Youngstown 1, Ohio (R)	1,000		
I 55	D	Ford, Judge John W., Youngstown 5, Ohio (R)	500		
I 55	D	Ford, Judge John W., Youngstown 5, Ohio (R W)	500		
I 55	O	Fowler, William E., Youngstown 1, Ohio (R)	500		
I 55	*	Gleckbrenner, A. G., Youngstown 1, Ohio (R)	500		
I 55	*	Moothe, J. L., Youngstown 1, Ohio (R)	1,000		
		YOUNGSTOWN SHEET & TUBE—continued			
I 55	O	McCuskey, George, Youngstown 1, Ohio (R)	$500		
I 55	O	McDonald, William N., Youngstown 1, Ohio (R)	500		
I 55	O	Watkins, Myron H., Youngstown 1, Ohio (R)	500		
		Total	6,500		
		Grow total	1,759,067	$76,275	$24,600
		Deductions for duplication	708,900	2,525	12,300
		Net grand total	1,050,167	73,750	12,300

COMMERCIAL BANKS

			Republican	Democratic	Other
B 16		AMERICAN TRUST, SAN FRANCISCO			
B 16	D	Bechtel, Kenneth K., San Francisco, Calif. (R)	$3,500		
B 16	D	Davies, Paul L., San Jose, Calif. (R)	1,000		
B 16	D	Keedy, William L., San Francisco, Calif. (R)	1,000		
B 16	D	Kuhland, Daniel E., San Francisco, Calif. (R)	750		
		Total	6,250		
B 20		ANGLO CALIFORNIA NATIONAL BANK, SAN FRANCISCO			
B 20	D	Ackerman, Fred W., San Francisco 5, Calif. (R)	1,000		
B 20	D	Brand, Clyde H., Sacramento 14, Calif. (R)	500		
B 20	D	Collier, Harry D., San Francisco, Calif. (R)	*2,000		
B 20	D	Haas, Walter A., Sr., San Francisco, Calif. (R)	*2,250		
B 20	D	Johnson, Otis R., San Francisco 4, Calif. (R)	500		
B 20	*	Kelly, Paul B., San Francisco 20, Calif. (R W)	600		
		Total	6,850		
B 1		BANK OF AMERICA, SAN FRANCISCO			
B 1	D	Johnston, Eric A., Oakland, Calif. (R)	*5,500		
B 1	D	Mein, Wm. Wallace, Woodside, Calif. (R)	500		
B 1	*	Tapp, Jesse W., San Francisco 20, Calif. (D)		$1,000	
B 1	D	Tognazzini, Roland, San Francisco, Calif. (R)	500		
		Total	6,500	1,000	
B 8		BANKERS TRUST, NEW YORK			
B 8	D	Brady, James C., New York City 5, N. Y. (R W)	500		
B 8	*	Colt, S. Sloan, New York City 15, N. Y. (R)	*1,500		
B 8	D	Hanes, John W., New York City 22, N. Y. (R)	*7,200		
B 8	D	Hanes, John W., New York City 22, N. Y. (R W)	*2,000		
B 8	D	Melville, Ward, New York City 18, N. Y. (R)	*4,000		
B 8	D	Moore, Paul, New York City 5, N. Y. (R)	*5,500		
B 8	O	Moore, William H., New York City 15, N. Y. (R)	*500		
B 8	D	Moses, Henry L., New York City 4, N. Y. (R)	1,000		
B 8	D	Moses, Henry L., New York City 4, N. Y. (R W)	500		
B 8	D	Olin, John M., East Alton, Ill. (R)	11,950		
B 8	D	Olin, John M., East Alton, Ill. (R W)	2,000		
B 8	D	Pomeroy, Daniel E., Englewood, N. J. (R)	1,000		
B 8	D	Puckett, R. Earl, New York City 10, N. Y. (R)	*500		
B 8	D	Reed, Philip D., New York City 22, N. Y. (R)	*5,500		
B 8	O	Shields, Richard, New York City 15, N. Y. (R)	1,000		
B 8	D	Watson, Thomas J., Jr., New York City 22, N. Y. (R)	*7,000		
B 8	D	Watson, Thomas J., Jr., New York City 22, N. Y. (R W)	*2,000		
		Total	54,650		
B 2		CHASE MANHATTAN BANK, NEW YORK			
B 2	D	Bayne, Howard, New York City 5, N. Y. (R)	500		
B 2	D	De Butts, Harry A., New York City 5, N. Y. (R)	*1,000		
		CHASE MANHATTAN BANK, NEW YORK—Cont.			
B 2	D	Iglehart, Austin S., New York City 5, N. Y. (R)	$500		
B 2	D	Lee, James T., New York City 5, N. Y. (R)	1,500		
B 2	D	Lincoln, Leroy A., New York City 5, N. Y. (R)	*500		
B 2	D	Martino, Joseph A., New York City 5, N. Y. (R)	4,800		
B 2	D	Milbank, Jeremiah, New York City 5, N. Y. (R)	*4,900		
B 2	D	Milbank, Jeremiah, New York City 5, N. Y. (R W)	*2,000		
B 2	D	Page, Arthur W., New York 5, N. Y. (R)	*1,000		
B 2	D	Robertson, Andrew W., New York 5, N. Y. (R)	*2,500		
B 2	O	Rockefeller, David, New York 5, N. Y. (R)	10,000		
B 2	O	Rockefeller, David, New York 5, N. Y. (R W)	1,450		
B 2	D	Rockefeller, Laurance S., New York 5, N. Y. (R)	*23,350		
B 2	D	Rockefeller, Laurance S., New York 5, N. Y. (R W)	*2,300		
B 2	D	Selden, Lynde, New York 5, N. Y. (R)	1,000		
B 2	D	Smith, C. R., New York 5, N. Y. (R)	*1,000		
		Total	54,250		
B 6		CHEMICAL CORN EXCHANGE BANK N. Y.			
B 6	D	Bruce, James, New York City 16, N. Y. (D)		$500	
B 6	D	Goelet, Robert G., New York City 19, N. Y. (R)	5,000		
B 6	D	Humphreys, H. E., Jr., New York City 20, N. Y. (R)	*1,000		
B 6	D	Moore, Maurice T., New York City, N. Y. (R)	*3,200		
B 6	D	Nichols, C. Walter, New York City, N. Y., (R)	*1,000		
B 6	O	Richter, Charles, New York 15, N. Y. (D)		500	
		Total	10,300	1,000	
B 17		THE CLEVELAND TRUST			
B 17	D	Bryant, George A., Cleveland 1, Ohio (R)	1,000		
B 17	D	Burton, Courtney, Cleveland 1, Ohio (R)	500		
B 17	D	Evans, Raymond F., Cleveland 1, Ohio (R)	2,000		
B 17	D	Gale, R. L., Jr., Cleveland 1, Ohio (R)	500		
B 17	D	Greene, Edward B., Cleveland 1, Ohio (R W)	*1,500		
B 17	*	Gund, George, Cleveland 1, Ohio (R)	*2,000		
B 17	D	Murphy, John P., Cleveland 1, Ohio (R)	500		
B 17	D	White, C. M., Cleveland 1, Ohio (R)	11,350		
		Total	19,350		
B 9		CONTINENTAL ILLINOIS NATIONAL BANK, CHICAGO			
B 9	*	Birdsall, Carl A., Chicago 90, Ill. (R)	*500		
B 9	D	Carry, Champ, Chicago 3, Ill. (R)	500		
B 9	D	Cudahy, Edward A., Chicago 1, Ill. (R)	1,500		
B 9	D	Fisher, Lawrence P., Detroit 2, Mich. (R)	*1,500		
B 9	D	Hewitt, William A., Chicago 90, Ill. (R)	*500		
B 9	D	Mitchell, William H., Chicago 4, Ill. (R)	*847		
B 9	D	Morse, Robert H. Jr., Chicago 5, Ill. (R)	1,500		
B 9	O	Swift, T. Philip, Chicago 90, Ill. (R)	500		
B 9	D	Waldeck, Herman, Chicago 4, Ill. (R)	1,000		
		Total	8,347		
B 14		FIRST NATIONAL BANK OF BOSTON			
B 14	D	Coolidge, T. Jefferson, Boston, Mass. (M)			*$500
B 14	D	Dennett, Carl P., Boston, Mass. (R W)	*1,000		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

COMMERCIAL BANKS—continued

			Republican	Democratic	Other
		FIRST NATIONAL BANK OF BOSTON—con.			
B 14	D	Semenenko, Serge, Boston 6, Mass. (R)	$6,000		
B 14	D	Spang, Joseph P., Jr., Boston, Mass. (R)	*1,500		
B 14	D	Stoddard, Robert W., Worcester, Mass. (R)	500		
		Total	8,000		$500
B 7		FIRST NATIONAL BANK OF CHICAGO			
B 7	D	Field, Marshall, Jr., Chicago 90, Ill. (R)	4,000		
B 7	D	Field, Marshall, Jr., Chicago 90, Ill. (R W)	500		
B 7	D	Isham, Henry P., Chicago 90, Ill. (R)	1,000		
B 7	D	Prince, William Wood, Chicago, Ill. (R)	2,000		
B 7	D	Scribner, Gilbert H., Chicago, Ill. (R)	*500		
B 7	D	Stuart, R. Douglas, Chicago, Ill. (R)	*2,500		
B 7	D	Stuart, R. Douglas, Chicago, Ill. (R W)	*1,000		
B 7	D	Wilson, John P., Chicago, Ill. (R)	*1,500		
B 7	D	Wood, Robert E., Chicago, Ill. (R)	*2,500		
B 7	D	Wood, Robert E., Chicago, Ill. (M)			*2,725
		Total	15,500		2,725
B 3		FIRST NATIONAL CITY BANK NEW YORK			
B 3	D	Allyn, Stanley C., Dayton 9, Ohio (R)	*2,000		
B 3	D	Green, Joseph P., Jr., New York 4, N. Y. (R)	3,000		
B 3	D	Hagerty, Harry C., New York, N. Y. (R)	500		
B 3	D	Houghton, Amory, Corning, N. Y. (R)	*2,000		
B 3	D	Keehn, Grant, New York 15, N. Y. (R)	*500		
B 3	D	McHugh, Keith S., New York, N. Y. (R)	1,000		
B 3	D	Farlin, Charles C., New York 15, N. Y. (R)	1,000		
		Total	17,000		
B 22		FIRST NATIONAL BANK OF PORTLAND OREGON			
B 22	D	Belgrano, Frank N., Jr., Portland 4, Oreg. (R)	500		
B 22	D	Bingham, Mason L., Portland, Oreg. (R)	500		
B 22	D	Cabell, H. F., Portland 3, Oreg. (R)	4,000		
B 22	D	Neils, Paul, Portland, Oreg. (R)	1,000		
B 22	D	Williams, Ralph E., Jr., Portland, Oreg. (R)	500		
		Total	6,500		
B 15		FIRST PENNSYLVANIA BANKING & TRUST, PHILADELPHIA			
B 15	D	Berwind, Charles G., Philadelphia 1, Pa. (R)	500		
B 15	D	Colket, Robert H., Philadelphia 1, Pa. (R)	*1,000		
B 15	D	Greene, Lionel Y., Philadelphia 1, Pa. (R)	500		
B 15	*	Kelly, William F., Philadelphia 1, Pa. (R)	500		
B 15	D	Nesbit, Albert J., Philadelphia 1, Pa. (R)	500		
B 15	D	Pew, Arthur E., Jr. Philadelphia 1, Pa. (R)	*5,000		
B 15	D	Tyson, Charles R., Philadelphia 1, Pa. (R)	*500		
B 15	D	Wolf, Morris, Philadelphia 1, Pa. (R)	500		
		Total	10,000		
B 23		FIRST WESTERN BANK & TRUST, SAN FRANCISCO			
B 23	D	Dollar, R. Stanley, San Francisco 4, Calif. (R)	3,500		
B 23	D	Hope, Mervyn, San Francisco 4, Calif. (R)	1,000		
B 23	D	Royce, Stephen W., Pasadena, Calif. (R)	500		
B 23	D	Turnbow, Grover D., San Francisco 4, Calif. (R)	*1,000		
		Total	6,000		
B 5		GUARANTY TRUST OF NEW YORK			
B 5	D	Allen, George G., New York 15, N. Y. (R)	*1,000		
B 5	D	Baker, Walter C., New York 15, N. Y. (R)	500		
B 5	*	Cleveland, J. Luther, New York 15, N. Y. (R)	*500		
B 5	D	Conway, W. Palen, New York 15, N. Y. (R)	500		
B 5	D	Crane, Winthrop M., Jr., Dalton, Mass. (R)	500		
B 5	D	Crocker, Stuart M., New York 17, N. Y. (R)	1,000		
B 5	D	Dorrance, John T., Jr., Camden, N. J. (R)	2,000		
B 5	D	Dunlap, Charles R., New York 4, N. Y. (R)	*500		
B 5	D	Jenes, W. Alton, New York 5, N. Y. (R W)	*2,000		
B 5	D	Kelley, Cornelius F., New York 4, N. Y. (R)	1,000		
		GUARANTY TRUST OF NEW YORK—con.			
B 5	*	Kletz, William L., New York 15, N. Y. (R)	$500		
B 5	D	Munson, Charles S., New York City 17, N. Y. (R)	500		
B 5	D	Potter, William C., New York City, N. Y. (R)	2,500		
B 5	D	Wilson, Charles E., New York City 22, N. Y. (R)	*1,500		
B 5	D	Woodruff, Robert W., Atlanta 1, Ga. (R)	*2,500		
B 5	D	Woodruff, Robert W., Atlanta 1, Ga. (R W)	*2,000		
		Total	20,250		
B 13		THE HANOVER BANK OF NEW YORK			
B 13	D	Burden, W. A. M., New York City, N. Y. (R)	10,000		
B 13	D	Burden, W. A. M., New York City, N. Y. (R W)	750		
B 13	D	Cates, Louis S., New York City, N. Y. (R)	5,000		
B 13	D	Chester, Colby M., New York City, N. Y. (R)	500		
B 13	D	Clark, John S., New York City, N. Y. (R)	*1,000		
B 13	D	Dial, Morse G., New York City, N. Y. (R)	1,000		
B 13	*	Gray, William S., New York 15, N. Y. (R)	*1,000		
B 13	D	Ingersoll, C. Jared, Philadelphia, Pa. (D)		$500	
B 13	D	McConnell, Joseph H., New York City, N. Y. (R)	1,000		
B 13	D	Frost, Augusta G., New York City, N. Y. (R)	1,000		
B 13	D	Price, Gwilym A., Pittsburgh 30, Pa. (R)	*1,500		
B 13	D	Stevens, John P., Jr., New York City, N. Y. (R)	1,000		
B 13	D	Stevens, John P., Jr., New York City, N. Y. (R W)	1,000		
B 13	D	Woodward, William, Jr., New York City, N. Y. (R W)	1,500		
		Total	27,750	500	
B 15		IRVING TRUST, NEW YORK			
B 15	D	Bristol, Henry P., New York, N. Y. (R)	1,000		
B 15	*	Enstrom, William N., New York, N. Y. (R)	1,500		
B 15	D	Harvey, I. J., Jr., New York, N. Y. (R)	2,000		
B 15	D	Lake, David L., Jr., New York, N. Y. (R)	1,000		
B 15	D	Mitchell, Dan G., New York, N. Y. (R)	*500		
B 15	D	Paine, Peter S., New York, N. Y. (R)	500		
B 15	D	Stewart, E. E., New York, N. Y. (R)	*2,000		
		Total	8,500		
B 4		MANUFACTURERS TRUST, NEW YORK			
B 4	D	Balaban, Barney, New York 15, N. Y. (R)	2,000		
B 4	D	Reinecke, Edwin J., New York, N. Y. (R)	*3,000		
B 4	D	Crandall, Lee R., New York, N. Y. (R)	*2,000		
B 4	D	Dana, Charles A., New York, N. Y. (R)	1,000		
B 4	*	Flanigan, Horace C., New York 15, N. Y. (R)	*5,950		
B 4	*	Flanigan, Horace C., New York 15, N. Y. (R W)	*1,000		
B 4	D	Franklin, John M., New York, N. Y. (R)	*2,500		
B 4	D	Johnston, Oswald L., New York, N. Y. (R)	1,000		
B 4	D	Leithead, Barry T., New York, N. Y. (R)	1,500		
B 4	D	Leithead, Barry T., New York, N. Y. (R W)	1,500		
B 4	G	Maddox, Edmund W., New York 15, N. Y. (D)		500	
B 4	D	Maguire, John P., New York, N. Y. (R)	500		
B 4	D	McLaughlin, George V., New York, N. Y. (D)		*500	
B 4	*	Rabe, William G., New York 15, N. Y. (D)		1,000	
B 4	G	Remmell, Paul A., New York 15, N. Y. (D)		500	
B 4	D	Smith, Harold V., New York, N. Y. (R)	3,000		
B 4	D	Van Bomel, L. A., New York, N. Y. (R)	1,000		
		Total	25,950	2,500	
B 12		MELLON NATIONAL BANK, PITTSBURGH			
B 12	D	Davis, Arthur V., Pittsburgh 30, Pa. (R)	*2,000		
B 12	*	Denton, Frank E., Pittsburgh 30, Pa. (R)	1,500		
B 12	*	Euler, Ralph S., Pittsburgh 30, Pa. (R)	500		
B 12	D	Evans, Raymond F., Pittsburgh 30, Pa. (R)	*3,000		
B 12	D	Fairless, Benjamin F., Pittsburgh 30, Pa. (R)	4,000		
B 12	D	Frick, Childs, Pittsburgh 30, Pa. (R)	3,500		
B 12	D	Heinz, Henry J., 2, Pittsburgh 30, Pa. (R)	7,500		
B 12	D	Higgins, Harry B., Pittsburgh 30, Pa. (R)	*2,000		
B 12	D	Hunt, Roy A., Pittsburgh 30, Pa. (R)	*3,500		
B 12	D	Jones, Benjamin F. 3d, Pittsburgh 30, Pa. (R)	*3,000		
B 12	D	Lockhart, Charles, Pittsburgh, 30 Pa. (R)	3,000		
B 12	D	Love, George H., Pittsburgh 41, Pa. (R)	4,500		
B 12	G	McClintic, Stewart, Pittsburgh, 30 Pa. (R)	1,000		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

COMMERCIAL BANKS—continued

			Republican	Democratic	Other
		MELLON NATIONAL BANK, PITTSBURGH—con.			
B 12	*	Mellon, Richard K., Pittsburgh 30, Pa. (R)	*$33,000		
B 12	D	Price, Gwilym A., Pittsburgh 30, Pa. (R)	*1,500		
B 12	D	Robinson, William C., Pittsburgh 30, Pa. (R)	500		
B 12	D	Scaife, Alan M., Pittsburgh 30, Pa. (R)	20,500		
B 12	D	Smith, William Watson, Pittsburgh 30, Pa. (R)	3,025		
B 12	D	Snyder, William P., Jr., Pittsburgh 30, Pa. (R)	3,750		
		Total	107,575		
B 21		J. P. MORGAN & CO., NEW YORK			
B 21	D	Anderson, A. M., New York, N. Y. (R)	1,500		
B 21	D	Bechtel, Stephen D., San Francisco, Calif. (R)	*12,650		
B 21	D	Bechtel, Stephen D., San Francisco, Calif. (R W)	*3,500		
B 21	D	Cabot, Paul C., Boston, Mass. (R)	*3,000		
B 21	D	Carter, Bernard S., Paris, France (R)	500		
B 21	D	Collyer, John L., Akron, Ohio (R)	1,000		
B 21	*	Davison, H. P., New York 6, N. Y. (R)	1,000		
B 21	D	Deupree, Richard R., Cincinnati, Ohio (R)	*500		
B 21	*	Dickey, Charles D., New York 6, N. Y. (R)	*2,000		
B 21	D	Jay, N. D., Paris, France (R)	500		
B 21	*	Lamont, Thomas S., New York 6, N. Y. (R)	*7,250		
B 21	D	Leffingwell, R. C., New York 6, N. Y. (R)	500		
B 21	D	Morgan, Junius S., New York 6, N. Y. (R)	*2,000		
B 21	D	Sloan, Alfred P., Jr., New York, N. Y. (R)	*21,000		
B 21	D	Whitney, George, New York 6, N. Y. (R)	*4,000		
B 21	D	Whitney, George, New York 6, N. Y. (R W)	*3,500		
		Total	65,400		
B 11		NATIONAL BANK OF DETROIT			
B 11	D	Brown, Prentiss M., Detroit 26, Mich. (D)		$500	
B 11	D	Curtice, Harlow H., Detroit, Mich. (R)	2,000		
B 11	D	Fisher, Charles T., Detroit 2, Mich. (R)	1,000		
B 11	D	Ford, John B., Detroit 26, Mich. (R)	3,000		
		Total	6,500	500	
B 24		NEW YORK TRUST			
B 24	D	Clark, Stephen C., New York City 6, N. Y. (R)	*4,000		
		NEW YORK TRUST—continued			
B 24	D	Clark, Stephen C., New Yo City 6, N. Y. (R W)	*$1,000		
B 24	D	Douglas, Percy L., New York City 1, N. Y. (R)	500		
B 24	D	Havemeyer, Horace, Jr., New York City 5, N. Y. (R)	1,000		
B 24	D	Jennings, B. Brewster, New York City 4, N. Y. (R)	3,000		
B 24	D	Jennings, Brewster, New York City 4, N. Y. (R W)	500		
		Total	10,100		
B 19		THE PHILADELPHIA NATIONAL BANK			
B 19	D	Beasley, Walter J., Philadelphia 2, Pa. (R)	*$500		
B 19	D	Cooke, Jay, Philadelphia 2, Pa. (R)	5,500		
B 19	D	Cooke, Jay, Philadelphia 2, Pa. (R W)	500		
B 19	D	Littleton, Arthur, Philadelphia 2, Pa. (R)	500		
B 19	D	Mason, William Clarke, Philadelphia 3, Pa. (R)	1,500		
B 19	D	Reichel, Frank H., Philadelphia 3, Pa. (R)	*500		
B 19	D	Starr, Floyd T., Philadelphia 2, Pa. (R)	*750		
		Total	11,050		
B 25		REPUBLIC NATIONAL BANK OF DALLAS			
B 25	D	Carpenter, John W., Dallas, Tex. (D)		$500	
B 25	D	Karcher, J. C., Dallas, Tex. (R)	500		
		Total	500	500	
B 10		SECURITY-FIRST NATIONAL BANK OF LOS ANGELES			
B 10	D	Gross, Robert E., Burbank, Calif. (R)	*625		
B 10	D	Gross, Robert E., Burbank, Calif. (D)		*500	
B 10	*	Shelton, James E., Los Angeles 54, Calif. (R)	500		
B 10	D	Valentine, Edward R., Los Angeles, Calif. (R)	3,500		
B 10	D	Valentine, Edward R., Los Angeles, Calif. (R W)	1,000		
		Total	6,625	500	
		Gross total	536,397	6,500	$3,225
		Deductions for duplication	282,622	1,000	3,225
		Net grand total	253,775	5,500	

TRANSPORTATION COMPANIES

			Republican	Democratic	Other
T 12		AMERICAN AIRLINES			
T 12	G	Bone, A. R., Jr., New York 17, N. Y. (R)	$1,000		
T 12	D	Bruce, James, New York City, N. Y. (D)		*$500	
T 12	D	Hogan, W. J., New York 17, N. Y. (R)	500		
T 12	G	Jacob, C. W., New York 17, N. Y. (R)	500		
T 12	G	Kayser, Paul W., New York 17, N. Y. (R)	1,500		
T 12	D	Queeny, Edgar M., St. Louis, Mo. (R)	1,000		
T 12	*	Smith, C. R., New York 17, N. Y. (R)	1,000		
T 12	G	Spears, C. R., New York 17, N. R. (R)	500		
		Total	6,000	500	
T 4		ATCHISON, TOPEKA & SANTA FE			
T 4	D	Cleveland, J. Luther, New York City 15, N. Y. (R)	500		
T 4	D	Getz, George F., Jr., Chicago 11, Ill. (R)	1,000		
T 4	*	Gurley, Fred G., Chicago 6, Ill. (R)	500		
T 4	D	Lamont, Thomas S., New York City 5, N. Y. (R)	7,250		
T 4	D	Ryerson, Edward L., Chicago 3, Ill. (R)	2,000		
T 4	D	Ryerson, Edward L., Chicago 3, Ill. (R W)	500		
		Total	11,750		
T 6		BALTIMORE & OHIO			
T 6	D	Biggers, John D., Toledo 3, Ohio (R)	3,000		
T 6	D	Bruce, Howard, Baltimore 2, Md. (R)	1,000		
T 6	D	Deupree, Richard R., Cincinnati 1, Ohio (R)	500		
T 6	D	Harte, Richard, Parkersburg, W. Va. (R)	500		
T 6	D	Harte, Richard, Parkersburg, W. Va. (R W)	500		
T 6	D	Traphagen, John C., New York City 16, N. Y. (R)	1,000		
T 6	D	Young, Howard L., St. Louis 1, Mo. (R)	4,000		
		Total	10,500		
T 7		CHESAPEAKE & OHIO			
T 7	G	Cronk, M., Cleveland 1, Ohio (R)	$1,500		
T 7	D	Eaton, Cyrus S., Jr., Cleveland 1, Ohio (R)	1,300		
T 7	G	Rusk, John E., Cleveland 1, Ohio (R)	1,700		
T 7	D	Lefevre, Fay A., Shaker Heights 22, Ohio (R)	500		
		Total	5,000		
T 13		CHICAGO, BURLINGTON & QUINCY			
T 13	D	Budd, John M., St. Paul 1, Minn. (R)	1,000		
T 13	D	Budd, John M., St. Paul 1, Minn. (D)		$1,000	
T 13	D	Stuart, R. Douglas, Chicago, Ill. (R)	9,500		
T 13	D	Stuart, R. Douglas, Chicago, Ill. (R W)	1,000		
		Total	11,500	1,000	
T 14		CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC			
T 14	D	Green, Joshua, Seattle, Wash. (R)	500		
T 14	D	Marony, R. J., New York City, N. Y. (D)		500	
T 14	D	Rich, Elmer, Chicago 16, Ill. (R)	1,000		
T 14	D	Sinek, William J., Chicago, Ill. (R)	1,000		
		Total	2,500	500	
T 20		CHICAGO & NORTH WESTERN			
T 20	D	Banks, John L., Superior, Wis. (R)	400		
T 20	D	Warvig, Chester C., Milwaukee 12, Wis. (R)	2,500		
T 20	D	Warvig, Chester C., Milwaukee 12, Wis. (R W)	500		
T 20	D	Weinrose, Morton, Chicago, Ill. (D)		1,250	
		Total	3,400	1,250	

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

TRANSPORTATION COMPANIES—continued

			Republican	Democratic	Other
T 22		CHICAGO, ROCK ISLAND & PACIFIC			
T 22	D	Bohen, Fred, Des Moines, Iowa (R)	*21,500		
T 22	D	Brown, Mark A., Chicago 90, Ill. (R)	*500		
T 22	D	Crown, Henry, Chicago, Ill. (R)	5,500		
T 22	D	Crown, Henry, Chicago, Ill. (D)		$600	
T 22	D	Darby, Harry, Kansas City, Kans. (R)	3,000		
T 22	D	Hewitt, William A., Chicago 5, Ill. (R)	500		
T 22	D	Ingersoll, Roy C., Chicago, Ill. (R)	500		
T 22	D	McKinsey, Robert, Santa Fe, N. Mex. (D)		625	
		Total	14,000	1,225	
T 21		EASTERN AIR LINES			
T 21	D	Rockefeller, Laurance S., New York City, N. Y. (R)	23,500		
T 21	D	Rockefeller, Laurance S., New York City, N. Y. (R W)	2,200		
		Total	25,700		
T 11		GREAT NORTHERN			
T 11	*	Budd, John M., St. Paul 1, Minn. (R)	*1,000		
T 11	*	Budd, John M., St. Paul 1, Minn. (D)		*1,000	
T 11	D	Heffelfinger, F. P., Minneapolis, Minn. (R)	500		
T 11	D	Keelin, Grant, New York City, N. Y. (R)	500		
T 11	D	McKnight, Wm. L., St. Paul, Minn. (R)	500		
T 11	D	Weyerhaeuser, F. K., St. Paul, Minn. (R)	2,000		
		Total	4,500	1,000	
T 17		GREYHOUND			
T 17	*	Bogan, Ralph A. L., Chicago 4, Ill. (R)	500		
T 17	*	Driscoll, Robert, Chicago 4, Ill. (R)	1,500		
T 17	D	Hill, Arthur M., Washington 6, D. C. (R)	*10,962		
T 17	D	Hill, Arthur M., Washington 6, D. C. (R W)	*2,500		
T 17	D	Schultz, C. G., Jacksonville 3, Fla. (R)	1,500		
T 17	D	Wellington, H. G., New York City, N. Y. (R)	13,000		
T 17	D	Wellington, H. G., New York City, N. Y. (R W)	3,000		
		Total	32,962		
T 9		ILLINOIS CENTRAL			
T 9	D	Comer, Hugh M., Sylacauga, Ala. (R)	500		
T 9	D	Rath, Howard H., Waterloo, Iowa (R)	500		
T 9	D	Spiesel, Edwin J., St. Louis 2, Mo. (R)	1,000		
T 9	D	Sunderland, Edwin S. S., New York City 5, N. Y. (R)	500		
T 9	D	Sunderland, Edwin S. S., New York City 5, N. Y. (R W)	500		
T 9	D	Turman, Solon B., New Orleans 11, La. (D)		500	
T 9	D	Wilson, Thomas E., Chicago 5, Ill. (R)	500		
T 9	D	Wood, Robert E., Chicago 24, Ill. (R)	*2,500		
T 9	D	Wood, Robert E., Chicago 24, Ill. (M)			*22,750
		Total	6,000	500	22,750
T 24		LOUISVILLE & NASHVILLE			
T 24	D	Davis, C. McD., Wilmington, N. C. (R)	1,000		
T 24	D	Duncan, Alexander E., Baltimore, Md. (R)	1,500		
T 24	D	Redmond, Roland L., New York, N. Y. (R)	500		
T 24	D	Redmond, Roland L., New York, N. Y. (R W)	1,000		
T 24	D	Scott, Buford, Richmond, Va. (R)	500		
		Total	3,500		
T 8		MISSOURI PACIFIC			
T 8	D	Barton, Thomas H., El Dorado, Ark. (R)	5,000		
T 8	D	Blumeyer, Arthur, St. Louis 3, Mo. (R)	1,000		
T 8	*	Davis, T. C., New York, N. Y. (D)		1,000	
T 8	D	Huston, Stewart, Coatesville, Pa. (R)	2,000		
		Total	8,000	1,000	
T 3		NEW YORK CENTRAL			
T 3	O	Dewey, Thomas J., Jr., New York 17, N. Y. (R)	500		
T 3	D	Lewishon, Frederick, New York, N. Y. (R)	500		
T 3	D	Moss, Richard M., New York City, N. Y. (R)	2,000		
T 3	D	Smith, Earl E. T., New York, N. Y. (R)	3,000		
T 3	D	Wallace, Lila Bell A., Pleasantville, N. Y. (R)	2,000		
		NEW YORK CENTRAL—continued			
T 3	D	Wallace, Lila Bell A., Pleasantville, N. Y. (R H)	14,500		
		Total	14,900		
T 25		NEW YORK, CHICAGO & ST. LOUIS			
T 25	D	Grace, O. R., New York 4, N. Y. (R)	500		
T 25	D	O'Shaughnessy, I. A., Hollywood, Fla. (R)	500		
		Total	1,000		
T 19		NORFOLK & WESTERN			
T 19		None.			
T 23		NORTHERN PACIFIC			
T 23	D	Anderson, Arthur M., New York 8, N. Y. (R)	*1,500		
T 23	D	Francis, Clarence, New York 17, N. Y. (R)	*1,000		
T 23	D	Jewett, George F., Spokane, Wash. (R)	11,700		
T 23	D	Jewett, George F., Spokane, Wash. (R W)	5,300		
T 23	D	Weldon, Samuel A., New York 8, N. Y. (R)	1,000		
		Total	20,500		
T 15		PAN AMERICAN WORLD AIRWAYS			
T 15	D	Fairchild, S. M., New York, N. Y. (R)	5,000		
T 15	*	Gledhill, Franklin, New York 17, N. Y. (R W)	500		
T 15	D	Lehman, Robert, New York, N. Y. (R)	13,000		
T 15	D	Lehman, Robert, New York, N. Y. (R W)	1,000		
T 15	*	Leslie, John C., New York 17, N. Y. (R)	500		
T 15	*	Pryor, Samuel F., New York 17, N. Y. (R)	5,000		
T 15	*	Pryor, Samuel F., New York 17, N. Y. (R W)	5,000		
T 15	D	Taylor, Vernon F., San Antonio, Tex. (R)	1,000		
		Total	27,000		
T 1		PENNSYLVANIA RAILROAD			
T 1	D	Copeland, L. Dup., Wilmington, Del. (R)	5,000		
T 1	D	Danforth, Donald, St. Louis, Mo. (R)	1,000		
T 1	D	Desmond, John A., Philadelphia, Pa. (R)	1,000		
T 1	D	Higins, Harry B., Pittsburgh, Pa. (R)	*2,500		
T 1	D	Ingersoll, C. Jared, Philadelphia 3, Pa. (D)		*$500	
T 1	D	Mellon, Richard K., Pittsburgh 22, Pa. (R)	33,000		
		Total	42,500	500	
T 10		SOUTHERN			
T 10	*	DeButts, Harry A., Washington, D. C. (R)	1,000		
T 10	D	Milbank, Jeremiah, New York, N. Y. (R)	*4,000		
T 10	D	Milbank, Jeremiah, New York, N. Y. (R W)	*2,000		
T 10	D	Woodruff, Robert W., Atlanta, Ga. (R)	2,450		
T 10	D	Woodruff, Robert W., Atlanta, Ga. (R W)	2,000		
T 10	D	Woolley, Knight, New York, N. Y. (R)	500		
		Total	13,950		
T 3		SOUTHERN PACIFIC			
T 3	D	Bechtel, S. D., San Francisco, Calif. (R)	12,000		
T 3	D	Bechtel, S. D., San Francisco, Calif. (R W)	2,500		
T 3	D	Corbett, Henry L., Portland 4, Oreg. (R)	1,500		
T 3	D	Crocker, William W., San Francisco 20, Calif. (R)	*3,200		
T 3	D	Manley, Wm. DeForest, New York 21, N. Y. (R)	500		
T 3	D	Mudd, Henry T., Los Angeles 14, Calif. (R)	2,000		
T 3	D	Mudd, Henry T., Los Angeles 14, Calif. (R W)	2,000		
T 3	D	Thorne, Landon K., New York 5, N. Y. (R)	1,500		
		Total	21,400		
T 12		TRANS WORLD AIRLINES			
T 12	D	Bierwirth, John E., New York, N. Y. (R)	500		
T 12	D	Eisenhower, Arthur E., Kansas City, Mo. (R)	500		
T 12	D	Wright, Loyd, Los Angeles, Calif. (R)	1,000		
		Total	2,000		
T 5		UNION PACIFIC			
T 5	D	Clark, W. Dale, Omaha, Nebr. (R)	500		
T 5	*	Harriman, E. Roland, New York 5, N. Y. (R)	34,350		
T 5	D	Lincoln, Leroy A., New York 10, N. Y. (R)	500		
		Total	35,350		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

TRANSPORTATION COMPANIES—continued

			Republican	Democratic	Other
T 16		UNITED AIR LINES			
T 16	D	Brown, H. Templeton, Chicago, Ill. (R)	$500		
T 16	D	Cowles, Gardner, New York, N. Y. (R)	3,000		
T 16	D	Dart, Justin W., Los Angeles, Calif. (R)	2,000		
T 16	D	Hoffman, Paul G., Los Angeles, Calif. (R)	500		
T 16	D	Johnston, Eric A., Washington, D. C. (R)	5,500		
T 16	D	Nielsen, Aksel, Chicago, Ill. (R)	500		
T 16	*	Patterson, William A., Chicago 38, Ill. (R)	1,500		
T 16	D	Stouffer, Vernon, Chicago, Ill. (R)	$1,600		
		Total	14,600		
		Gross total	260,962	$3,425	$2,725
		Deductions for duplication	45,062	2,000	2,725
		Net grand total	215,900	1,425	

LIFE INSURANCE COMPANIES

			Republican	Democratic	Other
L 7		ÆTNA LIFE			
L 7	D	Deeds, C. W., Hartford, Conn. (R W)	$1,500		
L 24		AMERICAN NATIONAL			
L 24		None.			
L 17		BANKERS			
L 17	D	Cowles, Gardner, Des Moines, Iowa (R)	*3,000		
L 14		CONNECTICUT GENERAL			
L 14		None.			
L 15		CONNECTICUT MUTUAL			
L 15		None.			
L 25		EQUITABLE OF IOWA			
L 25	D	Birdsall, Carl A., Chicago, Ill. (R)	500		
L 25	D	Maytag, Fred L. 3, Newton, Iowa (R)	1,000		
		Total	1,500		
L 3		EQUITABLE LIFE ASSURANCE			
L 3	D	Debutts, Harry A., Washington, D. C. (R)	*1,000		
L 3	D	McLaughlin, George V., New York, N. Y. (D)		$500	
L 3	D	Morton, Sterling, Chicago, Ill. (R)	3,000		
L 3	D	Morton, Sterling, Chicago, Ill. (M)		$1,000	
L 3	D	Morton, Sterling, Chicago, Ill. (R W)	1,000		
L 3	*	Murphy, Ray D., New York, N. Y. (R)	1,000		
L 3	D	Shea, Edward L., New York, N. Y. (R)	500		
L 3	D	Weldon, Samuel A., New York, N. Y. (R)	*1,000		
		Total	6,500	500	1,000
L 5		JOHN HANCOCK			
L 5	O	Dennett, Carl P., Boston, Mass. (R W)	1,000		
L 16		LINCOLN NATIONAL			
L 16	D	Gund, George, Cleveland, Ohio (R)	2,000		
L 10		MASSACHUSETTS MUTUAL			
L 10	D	Johnston, Eric A., Washington, D. C. (R)	*5,500		
L 1		METROPOLITAN			
L 1	D	Clay, Lucius D., New York City 17, N. Y. (R)	1,500		
L 1	D	Clay, Lucius D., New York City 17, N. Y. (R W)	3,000		
L 1	D	Crocker, W. W., San Francisco 4, Calif. (R)	9,200		
L 1	*	Ecker, Frederick H., New York 10, N. Y. (R)	*500		
L 1	*	Ecker, Frederick W., New York 10, N. Y. (R)	500		
L 1	D	Funston, G. Keith, New York City 5, N. Y. (R W)	500		
L 1	*	Hagerty, Harry C., New York 10, N. Y. (R)	*500		
L 1	D	Houghton, Amory, Corning, N. Y. (R)	9,000		
L 1	D	Johnston, Gale F., St. Louis 1, Mo. (D)		2,000	
L 1	*	Lincoln, Leroy A., New York 10, N. Y. (R)	*500		
L 1	D	Marvin, Langdon P., New York City 2, N. Y. (D)		500	
L 1	D	Milbank, Jeremiah, New York, N. Y. (R)	4,900		
L 1	D	Milbank, Jeremiah, New York, N. Y. (R W)	3,000		
L 1	D	Reed, Philip D., New York City 22, N. Y. (R)	1,000		
L 1	D	Woodruff, Robert W., Atlanta, Ga. (R)	*2,450		
L 1	D	Woodruff, Robert W., Atlanta, Ga. (R W)	*2,000		
		Total	38,750	2,500	
L 12		MUTUAL BENEFIT LIFE			
L 12		None.			
L 9		MUTUAL OF NEW YORK			
L 9	D	Beals, David T., Kansas City 41, Mo. (R)	$1,500		
L 9	D	Davison, F. Trubee, Locust Valley, N. Y. (R)	3,000		
L 9	D	Davidson, F. Trubee, Locust Valley, N. Y. (R W)	500		
L 9	*	Douglas, Lewis W., New York 19, N. Y. (R)	2,500		
L 9	D	Dunlap, Charles E., New York City 4, N. Y. (R)	500		
L 9	D	Francis, Clarence, New York City 17, N. Y. (R)	*1,000		
L 9	D	Hanes, John W., New York City, N. Y. (R)	*7,200		
L 9	D	Hanes, John W., New York City, N. Y. (R W)	*2,000		
L 9	D	Harriman, E. Roland, New York City 5, N. Y. (R)	*34,350		
L 9	D	Humphreys, H. E., Jr., New York City 20, N. Y. (R)	1,000		
L 9	D	Root, Elihu, Jr., New York City 5, N. Y. (R)	*1,000		
L 9	D	Scribner, Gilbert H., Chicago 3, Ill. (R)	500		
L 9	D	Sloane, John, New York City 26, N. Y. (R)	500		
L 9	D	Watson, Thomas J., Jr., New York City 22, N. Y. (R)	*7,000		
L 9	D	Watson, Thomas J., Jr., New York City 22, N. Y. (R W)	*2,000		
		Total	68,050		
L 23		NATIONAL LIFE & ACCIDENT			
L 23	D	White, Newton H., Nashville 3, Tenn. (R)	$50		
L 22		NATIONAL LIFE INSURANCE			
L 33	D	Smith, Geoffrey S., Philadelphia, Pa. (R)	1,525		
L 11		NEW ENGLAND MUTUAL			
L 11	D	Coolidge, T. Jefferson, Boston 17, Mass. (M)			$500
L 11	D	Stone, Robert G., Boston 17, Mass. (R)	*500		
		Total	500		500
L 4		NEW YORK LIFE			
L 4	D	Dickey, Charles D., New York 10, N. Y. (R)	2,000		
L 4	D	Hoffman, Paul G., New York 10, N. Y. (R)	*500		
L 4	D	Rockefeller, John D. 3, New York 10, N. Y. (R)	13,000		
L 4	D	Rockefeller, John D. 3, New York 10, N. Y. (R W)	1,250		
L 4	D	Stevens, John P., Jr., New York 10, N. Y. (R)	*1,500		
L 4	D	Stevens, John P., Jr., New York 10, N. Y. (R W)	*1,500		
L 4	D	Straus, Roger W., New York 10, N. Y. (R)	5,000		
L 4	D	Straus, Roger W., New York 10, N. Y. (R W)	2,000		
		Total	25,750		
L 6		NORTHWESTERN MUTUAL			
L 6	D	Allyn, S. C., Dayton, Ohio (R)	*2,000		
L 6	*	Fitzgerald, Edmund, Milwaukee 2, Wis. (R)	1,000		
L 6	*	Fitzgerald, Edmund, Milwaukee 2, Wis. (R W)	500		
L 6	D	Jacobs, Carl N., Stevens Point, Wis. (R)	500		
L 6	D	Jacobs, Carl N., Stevens Point, Wis. (R W)	500		
L 6	D	Montague, Theodore G., New York City 17, N. Y. (R)	2,000		
L 6	D	Sammons, Edward C., Portland, Oreg. (R)	2,500		
L 6	D	Stratton, H. M., Milwaukee 2, Wis. (R)	1,000		
L 6	D	Vogel, Charles F., Milwaukee 2, Wis. (R)	2,000		
		Total	12,000		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

LIFE INSURANCE COMPANIES—continued

		Republican	Democratic	Other
L 13	PENN MUTUAL			
L 13 D	Allen, George E., Washington, D. C. (R)	*$500		
L 13 D	Gross, Robert E., Burbank, Calif. (R)	*500		
L 13 D	Gross, Robert E., Burbank, Calif. (D)		*$500	
L 13 D	Johnson, Robert L., Philadelphia, Pa. (R)	*1,000		
L 13 D	Johnson, Robert L., Philadelphia, Pa. (D)		1,000	
L 13 D	Smith, Harold V., New York City, N. Y. (R)	*2,000		
L 13 O	Starr, Floyd T., Philadelphia, Pa. (R)	750		
L 13 D	Tyson, Charles R., Trenton, N. J. (R)	500		
	Total	5,375	1,500	
L 20	PHOENIX MUTUAL			
L 20	None.			
L 28	PROVIDENT MUTUAL OF PHILADELPHIA			
L 28 D	Reinhel, Frank H., Philadelphia, Pa. (R)	500		
L 2	PRUDENTIAL			
L 2 D	Cheatham, Owen R., New York, N. Y. (R)	4,000		
L 2 D	Cheatham, Owen R., New York, N. Y. (R W)	3,000		
L 2 D	Dini, Morse G., New York, N. Y. (R)	*1,000		
	Total	8,000		
L 8	TRAVELERS INSURANCE			
L 8 D	Horner, H. M., Hartford, Conn. (R)	$1,000		
L 19	UNION CENTRAL			
L 19 D	Geier, Frederick V., Cincinnati, Ohio (R)	3,000		
L 19 D	Hoy, Carson, Cincinnati, Ohio (R)	500		
L 19 D	Sebald, W. W., Cincinnati, Ohio (R)	1,000		
	Total	4,500		
L 21	WESTERN & SOUTHERN			
L 21 D	Vorys, Webb L., Cincinnati, Ohio (R)	500		
	Gross total	195,250	$4,500	$1,500
	Deductions for duplication	$4,125	500	
	Net grand totals	103,125	4,000	1,500

PUBLIC UTILITIES

		Republican	Democratic	Other
U 16	AMERICAN & FOREIGN POWER			
U 16	None.			
U 8	AMERICAN GAS & ELECTRIC			
U 8	None.			
U 23	AMERICAN NATURAL GAS			
U 23	None.			
U 1	AMERICAN TELEPHONE & TELEGRAPH			
U 1 D	Page, Arthur W., New York, N. Y. (R)	*$1,000		
U 1 D	Root, Elihu, Jr., New York, N. Y. (R)	1,000		
U 1 D	Welldon, Samuel A., New York, N. Y. (R)	*1,000		
	Total	3,000		
U 13	COLUMBIA GAS SYSTEM			
U 13 *	Crocker, Stuart M., New York, N. Y. (R)	*1,000		
U 13 D	Evans, Ray M., Charleston, W. Va. (R)	500		
U 13 D	Pinney, Edward S., New York, N. Y. (R)	500		
U 13 *	Young, George S., New York, N. Y. (R)	500		
	Total	2,500		
U 4	COMMONWEALTH EDISON			
U 4 D	Field, Stanley, Chicago, Ill. (R)	2,000		
	Total	2,000		
U 3	CONSOLIDATED EDISON OF NEW YORK			
U 3 O	Bauer, Harry J., New York, N. Y. (R)	1,000		
U 3 D	Ecker, Frederick H., New York, N. Y. (R)	500		
U 3 D	McLaughlin, George V., New York, N. Y. (D)		*$500	
U 3 D	Munson, Charles S., New York, N. Y. (R)	*500		
U 3 D	Whitney, George, New York, N. Y. (R)	*3,000		
U 3 D	Whitney, George, New York, N. Y. (R W)	*3,500		
	Total	11,500	500	
U 17	CONSUMERS POWER			
U 17	None.			
U 11	THE DETROIT EDISON			
U 11 D	Brown, Prentiss M., St. Ignace, Mich. (D)		*500	
U 11 D	Burr, George L., New York City 22, N. Y. (R)	1,000		
U 11 O	Scott, Eldred H., Detroit 26, Mich. (R)	500		
	Total	1,500	500	
U 18	EL PASO NATURAL GAS			
U 18 *	Kayser, Paul, Houston, Tex. (R)	2,000		
U 15	GENERAL PUBLIC UTILITIES			
U 15 D	Chinlund, Edwin F., New York, N. Y. (R)	*$3,000		
U 15 D	Henderson, Donald A., New York, N. Y. (R)	750		
	Total	3,750		
U 14	GENERAL TELEPHONE			
U 14 D	Chinlund, Edwin F., New York, N. Y. (R)	*3,000		
U 14 D	Stearns, Russell B., Boston, Mass. (R)	*3,000		
	Total	6,000		
U 20	MIDDLE SOUTH UTILITIES			
U 20 *	Dixon, Edgar H., New York, N. Y. (R)	500		
U 20 D	Haspel, Joseph, New Orleans, La. (R)	500		
	Total	1,000		
U 12	NIAGARA MOHAWK POWER			
U 12 D	Machold, H. Edmund, Ellisburg, N. Y. (R)	500		
U 2	PACIFIC GAS & ELECTRIC			
U 2 D	Crocker, William W., San Francisco, Calif. (R)	*9,200		
U 2 D	Haas, Walter A., San Francisco, Calif. (R)	2,250		
U 2 D	Nichols, Henry D., San Francisco, Calif. (R)	1,000		
U 2 D	Sesnon, Porter, San Francisco, Calif. (R)	750		
U 2 D	Sullivan, Walter H., San Francisco, Calif. (R)	750		
	Total	13,950		
U 25	PACIFIC LIGHTING			
U 25 D	Crocker, William W., San Francisco, Calif. (R)	*9,200		
U 25 *	Ford, Bernard W., San Francisco, Calif. (R)	500		
	Total	9,700		
U 22	PENNSYLVANIA POWER & LIGHT			
U 22	None.			
U 10	PHILADELPHIA ELECTRIC			
U 10 D	Diamond, John A., Philadelphia, Pa. (R)	*1,000		
U 10 *	Liversidge, H. P., Philadelphia, Pa. (R)	1,000		
U 10 O	Ramsey, H. N., Philadelphia, Pa. (R)	500		
U 10 D	Redding, C. S., Philadelphia, Pa. (R)	500		
U 10 D	Schutt, Harold S., Wilmington, Del. (R)	1,000		
U 10 D	Sharpies, Philip T., Philadelphia, Pa. (R)	1,000		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

PUBLIC UTILITIES—continued

		Republican	Democratic	Other
	PHILADELPHIA ELECTRIC—continued			
U 10 D	Sharpies, Philip T., Philadelphia, Pa. (R W)	$500		
	Total	6,000		
U 5	PUBLIC SERVICE ELECTRIC & GAS			
U 5 D	Hanau, Kenneth J., Newark, N. J. (R)	500		
U 6	THE SOUTHERN CO.			
U 6	None.			
U 9	SOUTHERN CALIFORNIA EDISON			
U 9 *	Baner, Harry J., Los Angeles, Calif. (R)	*1,000		
U 9 D	Mudd, Henry T., Los Angeles, Calif. (R)	*2,000		
U 9 D	Mudd, Henry T., Los Angeles, Calif. (R W)	*2,000		
U 9 D	Shelton, James E., Los Angeles, Calif. (R)	*500		
	Total	5,500		
U 7	TENNESSEE GAS TRANSMISSION			
U 7 D	Young, Marshall R., Fort Worth, Tex. (R)	$500		
U 24	TEXAS EASTERN TRANSMISSION			
U 24 D	Butler, George A., Houston, Tex. (D)		$500	
U 24 D	Smith, William A., Houston, Tex. (R)	2,000		
	Total	2,000	500	
U 21	TEXAS UTILITIES			
U 21	None.			
U 19	UNITED GAS CORP.			
U 19	None.			
	Gross total	71,200	1,500	
	Deductions for duplication	43,900	1,000	
	Net grand total	25,300	500	

TRADE CORPORATIONS

		Republican	Democratic	Other
M 10	ALLIED STORES			
M 10 D	Flanigan, Horace C., New York, N. Y. (R)	$6,950		
M 10 D	Flanigan, Horace C., New York, N. Y. (R W)	1,000		
M 10 *	Puckett, B. Earl, New York, N. Y. (R)	500		
	Total	8,450		
M 9	AMERICAN STORES			
M 9	None.			
M 8	ANDERSON, CLAYTON			
M 8 *	McAshan, S. Maurice, Jr., Houston, Tex. (D W)		$1,000	
M 8 *	Whittington, Harmon, Houston, Tex. (R)	2,000		
M 8 *	Whittington, Harmon, Houston, Tex. (R W)	2,500		
	Total	5,000	1,000	
M 18	COLONIAL STORES			
M 18 D	Noyes, Jansen, New York, N. Y. (R)	2,500		
M 18 D	Noyes, Jansen, New York, N. Y. (R W)	1,500		
M 18 *	Seitz, Joseph, East Point, Ga. (R)	500		
M 18 D	Slater, Ellis D., New York, N. Y. (R)	2,500		
M 18 *	Stearns, Russel B., East Point, Ga. (R)	2,000		
	Total	9,000		
M 13	FEDERATED DEPARTMENT STORES			
M 12 *	Lazarus, Fred, Jr., Cincinnati, Ohio (R)	500		
M 12 *	Lazarus, Robert, Cincinnati, Ohio (R)	1,500		
M 12 *	Rothschild, Walter N., Brooklyn, N. Y. (R)	500		
	Total	2,500		
M 15	FIRST NATIONAL STORES			
M 15	None.			
M 17	FOOD FAIR STORES			
M 17 O	Cohen, Arnold D., Philadelphia, Pa. (R)	500		
M 17 O	Cohen, Arnold D., Philadelphia, Pa. (D)		500	
M 17 *	Friedland, Samuel, Philadelphia, Pa (D)		2,500	
M 17 *	Gordon, Myer M., Philadelphia, Pa. (R)	500		
M 17 O	Lieber, B. F., Philadelphia, Pa. (R)	500		
M 17 *	Rosenberg, Arthur, Philadelphia, Pa. (R)	1,000		
M 17 O	Schwartz, J. S., Philadelphia, Pa. (R)	500		
M 17 *	Stein, Louis, Philadelphia, Pa. (R)	1,000		
	Total	4,000	3,000	
M 23	GIMBEL BROS.			
M 23 *	Gimbel, Bernard F., New York, N. Y. (R)	*2,750		
M 23 *	Gimbel, Bernard F., New York, N. Y. (R W)	*500		
M 23 D	Lehman, Robert, New York, N. Y. (R)	*13,000		
M 23 D	Lehman, Robert, New York, N. Y. (R W)	1,000		
M 23 D	Sachs, Howard J., New York, N. Y. (R)	1,000		
	Total	18,250		
M 25	THE GRAND UNION			
M 25 D	Shanahan, Thomas J., New York, N. Y. (D)		$1,000	
M 22	W. T. GRANT			
M 22 *	Grant, William T., New York, N. Y. (R)	$5,000		
M 22 D	Melville, Ward, New York, N. Y. (R)	4,000		
	Total	9,000		
M 16	GRAYBAR ELECTRIC			
M 16	None.			
M 1	GREAT ATLANTIC & PACIFIC TEA			
M 1	None.			
M 24	JEWEL TEA			
M 24	None.			
M 21	S. S. KRESGE			
M 21 *	Kresge, Stanley S., Detroit, Mich. (R)	1,500		
M 5	KROGER			
M 5 *	Davis, Jacob E., Cincinnati, Ohio (R)	500		
M 5 *	Hall, Joseph B., Cincinnati, Ohio (R)	1,000		
M 5 D	Rike, David L., Dayton, Ohio (R)	1,250		
	Total	2,750		
M 19	R. H. MACY			
M 19 D	Brownlee, James F., New York, N. Y. (R)	500		
M 19 D	Brownlee, James F., New York, N. Y. (R W)	5,000		
M 19 *	Chinlund, Edwin F., New York, N. Y. (R)	3,000		
M 19 D	Cowles, Gardner, New York, N. Y. (R)	*2,000		
M 19 D	Dowling, Robert W., New York, N. Y. (D)		2,500	
M 19 D	Dowling, Robert W., New York, N. Y. (D W)		2,500	
M 19 D	Montgomery, Robert, New York, N. Y. (R)	3,000		
M 19 D	Montgomery, Robert, New York, N. Y. (R W)	3,000		
M 19 *	Straus, Jack I., New York, N. Y. (R)	2,000		
M 19 D	Straus, Ralph L., New York, N. Y. (R)	1,500		
	Total	21,000	5,000	
M 13	THE MAY DEPARTMENT STORES			
M 13 D	Lehman, Robert, New York, N. Y. (R)	*12,000		
M 13 D	Lehman, Robert, New York, N Y. (R W)	*1,000		
M 13 *	May, Tom, Los Angeles, Calif. (R)	500		
	Total	14,500		
M 14	M'KESSON & ROBBINS			
M 14 *	Doerr, Charles D., New York, N. Y. (R)	500		
M 14 *	Nolen, Herman C., New York, N. Y. (R)	2,100		
M 14 D	Weinberg, Sidney J., New York, N. Y. (R)	*2,500		
	Total	5,100		

List of contributors of $500 and over, for the period Jan. 1 to Nov. 30, 1956, arranged by listing of 225 largest corporations with which contributors are connected as officers and directors—Continued

TRADE CORPORATIONS—continued

			Republican	Democratic	Other
M	6	MONTGOMERY WARD			
M	6	D Avery, Sewell L., Chicago, Ill. (R)	*$6,000		
M	6	D Eckhart, Percy B., Chicago, Ill. (R)	1,000		
		Total	7,000		
M	11	NATIONAL TEA			
M	11	None.			
M	4	J. C. PENNEY			
M	4	None.			
M	3	SAFEWAY STORES			
M	3	None.			
M	2	SEARS, ROEBUCK			
M	2	D Crandall, Lou R., New York, N. Y. (R)	*2,000		
M	2	D Stearns, Russell B., Boston, Mass. (R)	*2,000		
M	2	D Stern, Edgar B., New Orleans, La. (D)		$1,000	
		SEARS, ROEBUCK—continued			
M	2	D Stern, Edgar B., New Orleans, La. (D W)		$1,500	
M	2	D Wood, Robert E., Chicago, Ill. (R)	$3,500		
M	2	D Wood, Robert E., Chicago, Ill. (M)			$3,725
		Total	6,500	3,500	3,725
M	20	WINN-DIXIE STORES			
M	20	* Davis, Artemus D., Jacksonville, Fla. (D)		1,000	
M	20	* Davis, James E., Jacksonville, Fla. (D)		1,000	
		Total		2,000	
M	7	F. W. WOOLWORTH			
M	7	D Knox, Seymour H., Buffalo, N. Y. (R)	1,500		
		Gross total	116,050	14,500	3,725
		Deductions for duplication	46,750		
		Net grand total	69,300	14,500	3,725

RECAPITULATION FOR EXHIBIT 28

	Republican	Democratic	Other
Gross totals	$3,029,956	$110,876	$36,775
Deductions for duplication	1,213,359	7,123	18,250
Net grand totals	1,816,597	103,725	18,525

TRAINING OF FEDERAL EMPLOYEES

Mr. CLARK. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar 214, S. 385.

The PRESIDING OFFICER (Mr. CotTON in the chair). The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 385) to authorize the training of Federal employees at public or private facilities, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the committee amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert:

That the President of the United States may authorize the heads of Federal agencies to obtain training at non-Federal facilities for civilian officers and employees of their agencies, when they find that such training will be in the interests of the Government and not inconsistent with the interests of national security and will contribute to the more effective functioning of their agencies.

SEC. 2. For the purposes of this act—

(a) The term "Federal agency" means (1) any department or independent establishment in the executive branch of the Government, including any Government owned or controlled corporation subject to title I or title II of the Government Corporation Control Act (but not including any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests), except the Central Intelligence Agency, the Atomic Energy Commission, the Tennessee Valley Authority, the Bureau of Medicine and Surgery of the Veterans' Administration, and the Foreign Service of the State Department, (2) the municipal government of the District of Columbia, (3) the Library of Congress, (4) the Government Printing Office, and (5) the General Accounting Office.

(b) The term "training" means the provision of opportunities to acquire skill or knowledge related to the work of the respective Federal agencies.

(c) The term "non-Federal facilities" includes State, county, local, or foreign governments, interstate or international organizations, or instrumentalities thereof; institutions of learning or individual instructors; laboratories; trade, labor, agricultural, or scientific associations; foundations; industrial or commercial organizations; or other appropriate organizations and facilities, foreign or domestic.

(d) The term "employee" means any officer or employee of a Federal agency, as defined above, except those subject to the Career Compensation Act of 1949, as amended.

SEC. 3. Training of employees of one Federal agency by another; loan of training facilities among Federal agencies; training activities on a joint basis among Federal agencies; and training by Federal agencies of their own employees are also authorized.

SEC. 4. Appropriations or other funds available to Federal agencies for salaries or expenses shall be available for the purposes of this act. Tuition, fees, and related training expenses may be paid to the training facility or to the trainee: *Provided*, That no part of any appropriation, or of the funds available for expenditure by any corporation, or other funds, shall be available to pay for training at any facility that teaches or advocates the overthrow of the Government of the United States by force or violence.

SEC. 5. No training in a non-Federal facility shall be provided under this act for any employee unless such training is authorized by the head of the agency or by another official of such agency designated for that purpose by the head thereof.

SEC. 6. Regulations issued under authority of the President pursuant to this act shall set forth the obligations to which employees who accept training in non-Federal facilities shall be required to agree, including an agreement in writing to remain in the Government service, unless voluntarily separated therefrom, for a period equal to three times the length of any period of time off with pay granted such employee without charge to annual leave for the purpose of such training. Any such trainee who fails to fulfill such obligations or agreement shall be required to reimburse the Government for whatever portion of the travel, subsistence, tuition, fees, and related training expenses the head of the agency concerned or official thereof designated under section 5 determines, in accordance with criteria established by such regulations, to be equitable.

SEC. 7. This act shall become effective upon its passage. After 90 days from the date of its enactment, no training in non-Federal facilities shall be obtained for an employee by a Federal agency except as provided by this act: *Provided, however*, That such training begun or specifically approved by the appropriate authorizing official prior to the enactment of this act or within 90 days thereafter may be completed in accordance with the authorities upon which they were based, and without regard to the provisions of this act.

SEC. 8. To the extent authorized by regulations of the President under the authority of this act, contributions may be made by private sources and accepted by employees receiving training in non-Federal facilities without regard to the provisions of section 1914 of title 18 of the United States Code.

SEC. 9. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency, and such repeal shall include but shall not be limited to the following laws and parts of laws:

(a) Section 307 (b) of the Civil Aeronautics Act of 1938, as amended by Public Law 670, 81st Congress (64 Stat. 417).

(b) The last sentence of section 201 (e) of the Merchant Marine Act of 1936, as amended.

(c) Clause (8) of section 803 of the Civil Aeronautics Act of 1938, as amended by Public Law 691, 79th Congress (60 Stat. 945). Clause (7) of the same section is amended by inserting the word "and" at the beginning, immediately following the number "(7)" and immediately preceding the word "promote", striking out the word "and" at the end following the semicolon, and changing the semicolon to a period.

(d) Section 16 of the Defense Highway Act of 1941 (55 Stat. 770), as amended.

(e) Public Law 472, 81st Congress (64 Stat. 43), as amended.

(f) That part of section 23 of the World War Veterans Act (44 Stat. 793) which follows the words "and may detail employees to attend the same"; and that part of the first sentence of section 9 of part VII, Veterans Regulation Numbered 1 (a), as amended by Public Law 16, 78th Congress (57 Stat. 45), which reads "and may detail any such personnel to attend courses conducted by other than Veterans' Administration agencies, including private organizations, and such employees in addition to their salaries shall be entitled to the payment of expenses incident to such detail, including transportation and tuition, as the administrator by rules and regulations shall provide".

SEC. 10. The head of each agency any employees of which are provided training in non-Federal facilities shall report annually to the Congress the name of each employee receiving such training during the period covered by the report, the length of his total service as an employee of the Government, the grade, title, and primary functions of his position and the length of his service in such position, the non-Federal facility at which his training was received, the nature, length, and cost of such training, and the relationship of the training to the employee's position.

Mr. CLARK. Mr. President, the bill, which was sponsored by the administration, and was introduced by the chairman of the Committee on Post Office and Civil Service, provides, briefly, that the President of the United States may authorize the heads of Federal agencies to obtain at non-Federal facilities training for civilian officers and employees of their agencies when they find that such training will be in the interest of the Government and not inconsistent with the interest of national security, and will contribute to the more effective functioning of their agencies.

The remainder of the bill merely defines its terms; authorizes the President to make appropriate regulations for carrying out the provisions of the bill; provides that the appropriations or other funds available to other agencies for salaries or expenses shall be available for the purpose of the bill; and provides that there shall be no training unless the head of the agency or another official designated by him for that purpose shall so direct.

In general, the purpose of the bill is to make available to employees in the Federal service the same opportunities for training which are now available to members of the armed services of the United States.

Two days of hearings were held on the bill by a subcommittee of the Committee on Post Office and Civil Service of which I had the honor to be the chairman.

Testimony in support of the bill was adduced from the Federal Bureau of the Budget, the Civil Service Commission, the Department of Defense, a number of civic agencies, a number of employee groups, and a large number of educators from educational institutions throughout the country.

No opposition was offered to the bill, which was reported by the Committee on Post Office and Civil Service, by the unanimous vote of both the majority and the minority members.

The bill, if enacted, will enable the executive arm of the Federal Government to provide the same kind of training for its employees, whether it be 2 or 3 weeks in a technical school or 8 or 9 months at an institution of higher learning, as it is almost the unanimous practice of private industry, among the larger corporations, to make available to their employees. I suggest that the large corporations which are interested in making a profit, meeting payrolls, and paying dividends to the stockholders have adopted such programs because they know that better training of personnel makes for the more efficient, economical carrying on of their business.

I trust that the bill will be approved by my colleagues.

Mr. President, I offer an amendment to the committee amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, line 14, after the word "Agency", it is proposed to insert "the Federal Bureau of Investigation."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK] to the committee amendment.

Mr. CLARK. Mr. President, I wish to state the reasons for the amendment. In section 2 of the bill a number of Federal agencies are listed, among them the Central Intelligence Agency, the Atomic Energy Commission, the Tennessee Valley Authority, and others, which are exempted from the terms of the bill because those agencies already have in effect training programs which are satisfactory, and they do not need the general protection provided by the bill.

Subsequent to the hearings, the Federal Bureau of Investigation communicated with me and requested that it be added as an exempt agency. I think all Senators are familiar with the splendid training program of the Federal Bureau of Investigation. I am happy, at its request, to include that agency among the exempted agencies.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASE OF INTEREST RATE ON UNITED STATES SAVINGS BONDS

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5520) to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on United States savings bonds.

TENSION BETWEEN THE UNITED STATES AND CANADA

Mr. NEUBERGER. Mr. President, it is my intention to discuss comparatively briefly the very unfortunate and distressing tension which has arisen between the United States and our closest ally in war and in peace—Canada. I shall explain why I have taken what might be called a somewhat special interest in the case.

I have a very warm personal feeling and a great admiration for the people of Canada and for the Canadian Government. During World War II, I served much of the time in the Yukon Territory with the American troops whose mission it was to construct the 1,500-mile Alaska Military Highway, linking continental United States with our great bastion in the north, Alaska. For a part of that time I was assigned as aide-de-camp to a very fine and brave American officer, the late Gen. James A. O'Connor, of the Corps of Army Engineers. General O'Connor was in charge of building the Alaska Highway.

I may say that General O'Connor, during his lifetime, was a constituent of the distinguished senior Senator from California [Mr. KNOWLAND] who is now on the Senate floor. General O'Connor was a resident of Los Angeles, and his widow and family still live in Los Angeles.

Because of the duties which were mine in the service, I had many associations with the people of Canada, and some slight association with the Government of Canada.

I have hanging on my wall a cherished photograph of General O'Connor, the late Canadian Prime Minister W. L. Mackenzie King, and myself looking at a map of the Arctic areas, where we showed Mr. Mackenzie King the realm in his own country in which American troops had been allowed, through the good-will and friendship of the people of Canada, to build the great lifeline to Alaska which we know today as the Alaska Highway. I might add that that lifeline is paralleled by a great series of airways, by which Alaska and the Aleutions were supplied during World War II.

Every year since the end of my service in the Army and until the time of my

election to the Senate, Mrs. Neuberger and I returned to Canada, where we wrote books and magazine articles about events in that country. One such book was about Canada's very effective and thorough method of law enforcement and was entitled "The Royal Canadian Mounted Police." I acquired a great respect and admiration for the discipline, the sense of fairness, and the relentless quest for justice with which Canada's famous and justifiably celebrated police force pursues wrongdoing in all its phases.

If I were asked to name a country in which law and order and respect for loyalty and patriotism are certainly carried to a very high degree, I would name—among other countries—the Dominion of Canada. Mr. President, perhaps I should state, by way of correction, that Canada no longer is a dominion, but, instead, is a full partner in the British Empire. However, I have used the word "Dominion" as a matter of habit.

Mr. President, the references I have made thus far to Canada have been voiced in order to give an indication of my long-standing interest in the relationships between Canada and the United States. I am not a member of the Foreign Relations Committee, which I think is peculiarly and appropriately concerned with what has happened; but I feel a great sense of alarm. When I was in Canada, there were constantly brought home to me the truly close ties which exist between the two countries. Along with other United States soldiers and officers, I slept in barracks and in pyramidal tents with Canadian soldiers. We shared chow lines in the North Country. We traveled together—by airplane, by boat, by truck, and on several rather dramatic occasions even by dog team. After associating with people under such circumstances, one inevitably comes to know something about them. One either decides that they are the right kind of people, or he decides that they are the wrong kind of people. In my opinion, all members of the United States Armed Forces who were in service with the Canadians in the area in which I served, share my own opinion of the Canadians. That opinion is—and I am sure it will continue to be such—that the people of Canada are just as greatly dedicated as are we to the defense of the continent of North America against any alien philosophy, against any foreign foe, and against any dictatorship or tyranny, whether of the right or of the left.

Unhappily, Mr. President, in recent weeks our steadfast friendship with the people of Canada has been shattered, at least temporarily. We certainly hope and trust it is only temporary.

Prior to coming to the floor, I have been reading editorials from leading newspapers published in Canada. I may say that some of the statements in the editorials are so strong, so bitter, and so indignant that if I were to request unanimous consent that their full text be printed in the CONGRESSIONAL RECORD, I believe consent might be denied to me, under the Senate rule, because the criticism is so strong and so severe. I mention this point because obviously these newspapers speak for a substantial segment of public opinion in Canada, if indeed they are not influential in shaping a large segment of Canadian thought.

Mr. President, whether we like it or not, we of the United States are inseparably tied to the people and the Government of Canada, for better or for worse. There is nothing that we in the Senate or those in the White House or those in the State Department or those in the House of Representatives can do about geography; geography exists. We and Canada are, to all intents and purposes, one nation, insofar as the safety of North America is concerned. If I am not mistaken, I believe that our two great radar defense lines—the Pine Tree line and the DEW line—are on the soil of Canada. They were built by us, with our funds, on Canadian soil. Much of them, if not all of them, was built with Canadian labor; and I understand that a part of the force manning them is composed of Canadian soldiers and technicians.

On Canadian soil are 1,250 miles of the Alaska Highway; and also on Canadian soil are the great airfields leading to Alaska.

Canada and the United States are not separated by over 3,000 miles of boundary; instead, they are joined by 3,000 miles of boundary, because in all of those 3,000 miles there is not one fortification worthy of the name. No passports are required for the movement of persons back and forth across the international frontier. It is not much more difficult to go from the United States to Canada than it is to cross a State line. Such inspection as exists is, as all of us realize, purely perfunctory.

I say all this because I wish to emphasize to the Members of the Senate that if we cannot trust the Government of Canada, then we have come to a sorry pass on the continent of North America. If we cannot trust the Government of the country with which we share the great heartland of North America, and with which we share so many vital defense installations, then the picture is very grim, indeed.

Personally, I think we can trust that government. I have great admiration for the Canadian Government, and I have faith in the Canadian Government and in its people.

Mr. President, with that explanation of my own attitude toward our great continental ally, I should like to pose a suggestion to the Senate. With every day's news, the actual sequence of events in the Norman case, which led up to the present unfortunate situation, appears to have been more complex and more controversial. I do not believe the Senate will have fully discharged its responsibilities in this international incident, which has arisen from the action taken by one of our committees, until the Senate acts to clarify the sequence of events which led up to it, and to prevent a recurrence.

As early as Friday, April 5, the day after the suicide of the Canadian Ambassador Norman, I suggested that the leaders of both parties in the Senate might join in appointing a special committee of Senators to look into this matter. Personally, I do not care whether this method or some other appropriate method is adopted for following through on the case. Perhaps the Foreign Relations Committee will wish to act on it, since our relations with Canada, which have been so unfortunately strained, are clearly within its jurisdiction. This matter also involves the United States-Canadian interchange of confidential information, which has been so seriously endangered, as shown by the note sent to the State Department. Perhaps members of that committee wish to ask questions about the manner in which security information is handled between the State Department and the Internal Security Subcommittee when the present top security official of the Department comes before the committee soon for confirmation in a new assignment, or when his replacement is nominated.

I am not a member of the Foreign Relations Committee, and I do not mean to suggest to that committee a course of action. However, my concern about our continued close relationships with Canada, in which I have been interested for many years, is such that I, as only one United States Senator, feel strongly the obligation of the Senate to act in some manner in this unfortunate episode, for which a Senate committee has been largely—although not exclusively—responsible.

The leaders of the Senate, on both sides of the aisle, may feel that, because further public discussion might exacerbate, rather than allay, the tensions between the United States and Canada, or because security arrangements of a delicate or confidential nature might possibly be involved, or because we are concerned with a matter of the procedures and actions of the Senate itself, committee hearings or public debate in the Senate would not be the most desirable means of dealing with this case, insofar as it relates to a problem of the Senate itself. In that event, Mr. President, I suggest that the Senate leaders discuss among themselves the possible desirability of scheduling an executive session of the Senate on same day before the Senate takes its Easter recess. At such an executive session, Senators will be able in privacy to obtain a full presentation of the course of events which led to the publication by the Internal Security Subcommittee of the transcript which reportedly contained charges against Ambassador Norman, and to discuss whatever steps may be appropriate and necessary in order to prevent the occurrence of similar events, which can so unnecessarily and dangerously damage the relationships between our Nation and our close friends and allies, such as Canada.

Mr. President, as a relatively new Member of the Senate, I do not wish to suggest that this or any other means of Senate consideration of the problem is the correct one. I merely wish to make this suggestion to the leaders of the Senate, in the hope that they will consider it. I believe the Senate should not let the matter drop completely before some clarifying or corrective action has

been taken, either by an appropriate Senate committee or by the Senate as a whole.

What can be more important at this moment than the present disrepair of relations between the United States and her closest ally?

Mr. President, at this point I ask unanimous consent to have printed in the RECORD—so that all Members of the Senate may have some idea of the true gravity of the situation with which we are confronted—the letter delivered to the Acting Secretary of State of the United States by the Canadian Ambassador to Washington, on April 10. I also ask unanimous consent to have printed in the RECORD the text of the statement made in the Canadian House of Commons, in Ottawa, on April 10, by Mr. Lester Pearson, the Canadian Minister of External Affairs, in the cabinet of Canada's Prime Minister.

I also ask unanimous consent to have printed excerpts from an article by Mr. Raymond Daniell, Ottawa correspondent of the New York Times, which appeared in that newspaper of April 10, under the title "Canada Reviews United States Security Link." The story from the Times is quite significant, it seems to me, and it goes into detail with respect to the very close and highly advantageous arrangement by which Canada and the United States have been so closely allied in the exchange of confidential information.

I also ask unanimous consent to have printed in the RECORD a statement prepared by me for release on April 11 regarding this matter.

The PRESIDING OFFICER. Has the Senator concluded the request for insertions in the RECORD?

Mr. NEUBERGER. I have concluded my request.

The PRESIDING OFFICER. Is there objection?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LETTER DELIVERED TO THE ACTING SECRETARY OF STATE BY THE CANADIAN AMBASSADOR, APRIL 10

The Honorable CHRISTIAN A. HERTER,
Acting Secretary of State,
Washington, D. C.

SIR: I am instructed by my government to take up as a matter of urgency with the United States Government, the question of the procedures which have been followed intermittently by the Internal Security Subcommittee of the Senate Committee on the Judiciary in releasing the names of Canadians who have been mentioned in proceedings of that subcommittee, particularly in executive session.

The Canadian Government has more than once complained of the methods employed by that subcommittee in releasing the names of Canadians and has stated that if the names of Canadian officials appear in evidence before investigating committees in Washington, those names should be sent in confidence to the Canadian Government so that the allegations can be investigated and dealt with in Canada.

In our view, it is essential that this procedure requested by the Canadian Government should be followed and that references made in proceedings of the subcommittee to individual Canadians should not first be made known to the Canadian Government through the press.

As the United States Government knows, the Canadian Government finds the procedures actually adopted by the subcommittee with respect to Canadians difficult to understand, unfair, and indeed intolerable. The Canadian Government therefore requests again these procedures be altered insofar as Canadians are concerned along the lines indicated above.

The Canadian Government has a duty to protect Canadian citizens by all means legally at its disposal from unwarranted interference by any foreign government. There is little that the Canadian Government can do, however, to make this protection effective for those Canadian citizens whose names are made public by congressional committees, unless it is able to secure the cooperation of the United States Government.

The United States Government is aware that the appropriate security agencies of the two governments have in the past exchanged security information on a reciprocal basis when such information formed part of an investigation important to the security of either country. This reciprocal exchange of information has assisted substantially in maintaining the security of our two countries, and the Canadian Government is not suggesting that it has been improperly used by the security agencies in the United States with which this exchange takes place.

Nevertheless the Canadian Government must take every precaution which lies within its power to protect Canadian citizens from the danger of this information falling into the hands of persons who might use it without any sense of responsibility or fairness, or regard for the rights of Canadian citizens, within the jurisdiction of Canada.

In view of the conduct of congressional investigations affecting Canadians, and because of its responsibility for taking every precaution in its power to protect Canadian citizens, the Canadian Government requests that, in the reciprocal exchange of security information, the United States Government give its assurance that none of its agencies or departments will pass such information to any committee, body, or organization in the United States over which the executive branch of the United States Government has no executive control, without the express consent of the Canadian Government in each case. The Canadian Government for its part assures the United States Government that any security information on United States citizens supplied by United States agencies to the security agency of the Canadian Government, will be given similar protection in Canada to that now requested with respect to security information about Canadians from the United States Government.

Unless such an assurance can be given, I am instructed by my Government to inform you that the Canadian Government must reserve the right in future not to supply security information concerning Canadian citizens to any United States Government agency.

Accept, sir, the renewed assurances of my highest consideration.

AMBASSADOR.

TEXT OF MR. LESTER PEARSON'S STATEMENT MADE IN THE CANADIAN HOUSE OF COMMONS, APRIL 10, 1957

As I have previously informed the House, we have already protested, formally and strongly, to the United States Government, in the only way open to us, in regard to the action of certain members of the United States Senate Subcommittee on Security in making public again years after their first appearance—slanderous insinuations against the loyalty of a high Canadian official, and which helped to bring about tragic results that have so shocked and saddened us. We have followed this up, pending a reply to our protest, by oral communications through our Embassy in Washington, and through the United States Embassy here. Our views on this matter have reached the very highest authorities in the Government of the United States, who have understood our feelings and our position, and have tried to be helpful in this matter. In making this statement, I venture to express the hope that the action in question, which has aroused resentment and even bitterness in Canada, can be kept in proportion insofar as our relations with the United States are concerned. This action was taken by only 1 or 2 members of a legislative subcommittee, and by one of its employees, it has been attacked by other Americans and deeply regretted by more. May I mention, for instance, the sincere letter sent to our Ambassador in Washington by the chairman of the Senate Foreign Relations Committee, which included the following words: "It was with the deepest sorrow that I learned of the death of Mr. E. Herbert Norman, your Ambassador to Egypt. Indication that his death may have been attributable to unfortunate publicity arising from activities in connection with the work of the Senate lead me to express my deep regret to the Canadian Government and to the Norman family. Please convey this message to them."

I have myself received a great number of communications from, and read many editorials and articles by Americans, which express the same kind of indignation that we feel. May I quote one paragraph from a letter sent me by a man in a small town in Maryland:

"I sincerely believe that the vast majority of the people of the United States have the warmest regard and admiration for your great country and its people and regret exceedingly the action of the subcommittee.

"Please don't direct your ire at the people of our country or our Government for I truly believe that in this case a handful of men have cast a bad reflection on over 160 million people."

I hope, therefore, that we will not permit our strong feelings in this matter to be directed against the American people or Government as a whole. They remain our close friends and we must do everything possible to maintain and strengthen that friendship, which has meant so much to both countries and may mean more in trying and dangerous days ahead. To indict the whole United States because of our just resentment regarding the acts of 2 or 3 individuals—even though in high legislative positions—would be indulging in that "guilt by association" which we so rightly condemn in others as a dangerous and disintegrating threat to freedom and order in our society today. The issue before us, however, is not only the tragedy of one man, victimized by slanderous procedures in another country and unable to defend himself against them. There is a broader question of principle involved—the right, to say nothing of the propriety, of an agency of a foreign government to intervene in our affairs in such a way as to harass one of our citizens who held a responsible and important position in the service of our Government. Such intervention is intolerable and should not take place. It is this Government's own responsibility to deal with accusations against its citizens, within its own jurisdiction, in matters concerning security, as in other matters. It is not the responsibility of any subcommittee of the legislature of another country. We accept our responsibility in this regard and will discharge it to the best of our ability; having regard not only to the security of our own country, but also to that of a friendly neighbor, and to the danger to free institutions generally, from the international Communist conspiracy. I hope that we will also act, however, in these matters in accordance with principles of justice and fair play which do not include the making public of charges made in secret sessions of a committee and which concern officials of a friendly foreign state.

If we fail in the discharge of our security responsibilities as a government, we are answerable to our own people, and not to a subcommittee of any foreign legislature. While this Government cannot control, of course, in any way, and has no desire to try, the practices of any governmental agency of another country, we have also a duty to refrain from any action which might assist or facilitate those practices to the prejudice of our own citizens. We have, therefore, with this purpose in mind, examined our procedures regarding the exchange of security information with the United States. I recognize that nothing we could have done would have prevented the action taken against Mr. Norman by the United States Senate Subcommittee on Security because the information which they gave out, covering allegations going back years and dealt with by this Government years ago, was secured from other than Canadian sources. Nevertheless, this experience has emphasized that we should now take steps to insure that information received from us on these matters could not possibly be used for wrong purposes against Canadians in the future. With this end in view, our Ambassador in Washington has this morning delivered the following communication to the United States Secretary of State.

[From the New York Times of April 10, 1957]

CANADA REVIEWS UNITED STATES SECURITY LINK—HINTS MADE THAT NORMAN CASE MAY JEOPARDIZE EXCHANGE—PEARSON DEFERS STAND

(By Raymond Daniell)

OTTAWA, April 9.—The suicide of E. Herbert Norman, Canadian Ambassador to Egypt, may jeopardize the free exchange of security information between Canada and the United States.

* * * * *

PRESENT EXCHANGE IS BROAD

At present there is an almost complete exchange of classified security information between Canada and the United States. The Federal Bureau of Investigation has an agent here and the Royal Canadian Mounted Police have a representative in Washington.

What is more important to the United States is that the full force of the mounted police is available to prevent the infiltration of subversive agents into the United States from Canada.

In the view of the Canadian Government, however, recent events have made it advisable to "look very carefully" into the implications of the exchange of classified information. It may be desirable to limit such an exchange to information of common value to both countries, it is felt here.

The question before the Canadian Cabinet is whether there is danger that information exchanged confidentially between agencies of the two Governments may leak out publicly through congressional committees.

The agencies of Canada involved in the exchange of security information are the mounted police and the Departments of National Defense, Defense Production and External Affairs.

No hard decisions have been reached as yet. It is recognized that such drastic action, if it were decided upon as necessary to protect Canadian citizens from what has been called "assassination by slander," would be "bad news" for both countries.

MERCHANT TO RETURN TO UNITED STATES

Shortly after Mr. Pearson's statement was made, it was learned that Livingston Merchant, United States Ambassador, who attended memorial services for Mr. Norman during the afternoon, would leave for Washington tomorrow morning for consultations at the State Department in connection with the issue that has arisen over the Ambassador's tragic death. Earlier in the day it was understood that Tyler Thompson, United States Minister here, would go to Washington on a similar mission.

Meanwhile it was believed here that the reason for the long delay by the State Department in answering the Canadian note of protest was that the department was seeking an assurance from the Eastland committee that it would refrain from publishing the names of foreign nationals involved in its investigations.

The subcommittee is being urged to agree that instead it will provide the State Department with the names of such individuals. The State Department would then transmit these names through diplomatic channels to the governments concerned.

Apparently the State Department has encountered difficulty in getting such assurances. Arnold Heeney, Canadian Ambassador to Washington, called at the State Department yesterday, apparently to press for an answer to the Canadian note of mid-March but late this afternoon no reply had been received.

Parliament is expected to be prorogued at the end of this week in anticipation of a June election and for political reasons the Government wishes to put its protest on record along with the United States reply. The assurances it is seeking would help it limit United States-Canadian relations as an issue in the coming general election.

The memorial service for Mr. Norman was attended by about 300 persons. Among them were Prime Minister Louis St. Laurent, Mr. Pearson, most other members of the Cabinet, members of Parliament, and diplomats. They heard a United Church minister denounce the "destructive forces, many of them evil and downright demoniacal" that had caused the Ambassador's suicide.

STATEMENT OF SENATOR NEUBERGER, THURSDAY, APRIL 11, 1957

The demand made yesterday by the Canadian Government, for protection of the secrecy of security information which may be exchanged between Canadian and United States security agencies, further points up the need for the Senate to come to grips with the procedures followed by its committees in this field.

We cannot afford a breakdown of the close United States-Canadian cooperation in the field of national security over the Norman incident. On Canada's soil have been built most of our radar installations protecting us from surprise air attack, as well as our land route to Alaska. Canada shares with us sea and air patrols of the vast Arctic frontier. Any rift in the mutual confidence upon which this vital cooperation with our closest ally is founded would have grave significance; yet this is threatened by the indignation in Canada over the handling in this country of security information involving Canadian citizens.

I believe the Senate has an obligation to assume its responsibility, as a body, for the operation of its committees and to inquire, in this instance, how the ancient charges concerning the Canadian diplomat came to be revived in hearings published by the Internal Security Subcommittee. Such an inquiry would also involve how consent to the publication was given by an official of the State Department itself, and how such information is handled between the subcommittee and one branch of the Department apparently without clearance by other branches of the Department directly responsible for our international relations. These questions cannot be passed off simply as inevitable under our constitutional separation of powers, or as matters of inadvertence. The executive agencies involved also owe a clearer explanation than the weak ones which have so far been given of their role in the review and the clearance of the published information involving the late Canadian Ambassador Norman, and what they intend to do in the future to avoid the threatened breakdown of crucial United States-Canadian cooperation in the exchange of security information.

Mr. NEUBERGER. I shall continue with a discussion of this material. The story in the New York Times pointed out what I regard as a very beneficial arrangement, by which a capable official of the Federal Bureau of Investigation is constantly on duty at Royal Canadian Mounted Police Headquarters in Ottawa, while a correspondingly able and responsible officer of the Royal Canadian Mounted Police is constantly on duty at our own Federal Bureau of Investigation in Washington, D. C. In this manner the two great Federal law-enforcement agencies of the two nations are able to exchange, in the closest of relationship, this type of information which deals with the defense of our country, both against military aggressors and against those who might sabotage us from within.

Mr. President, I have noted that two of the distinguished members of the Senate Internal Security Subcommittee are present on the floor. It was my suggestion that they be notified by attachés of the Senate that I was to make this relatively brief discussion on the floor today. I am extremely pleased that they are here, because I feel they should be here. There are several questions which occur to me, both as a Senator and as a citizen, which I am sure have occurred to many others. One of those questions is this: Let us suppose that everything which was claimed about the late Ambassador Norman was true. I certainly do not claim that, because I am not in a position, of course, to pass upon the reliability of the charges and accusations made against the late Ambassador Norman. But what puzzles me and what perplexes me is this: Why was this information not relayed to the Government of Canada rather than released to the general public? What was possibly to be gained by releasing it to the public, other than to antagonize the Government of our closest ally in the world?

I want to say I have noticed the distinguished and very beloved chairman of the Foreign Relations Committee [Mr. GREEN] has arrived on the floor. I was extremely pleased to note recently that the Senator from Rhode Island [Mr. GREEN] took it upon himself to send a very splendid statement to the Government of Canada, in which he expressed great regret and deepest sorrow, on behalf of himself and the Foreign Relations Committee, over the death of Ambassador Norman. It seems to me appropriate, inasmuch as the distinguished senior Senator from Rhode Island has arrived on the Senate floor, that a story from the New York Times of April 9, headed "Senator Regrets Norman's Death," detailing the full statement made by the distinguished Senator from Rhode Island, appear at this point in the RECORD, and I ask unanimous consent therefor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR REGRETS NORMAN'S DEATH—GREEN EXPRESSES HIS DEEPEST SORROW IN NOTE TO CANADA—INVESTIGATION IS URGED

WASHINGTON, April 8.—Senator THEODORE FRANCIS GREEN, chairman of the Senate Foreign Relations Committee, expressed to the Canadian Government today his deepest sorrow and regret over the death of E. Herbert Norman, Canadian Ambassador to Egypt.

Mr. Norman committed suicide in Cairo last Thursday in a plunge from a nine-story building. His suicide was attributed in Canada largely to despondency over the revival by the Senate Internal Security Subcommittee of charges that Mr. Norman had been a Communist.

Senator GREEN expressed his regret in a letter today to the Canadian Ambassador, A. D. P. Heeney. In the letter Senator GREEN said:

"Indications that his [Mr. Norman's] death may have been attributable to unfortunate publicity arising from activities in connection with the work of the Senate lead me to express my deep regret to the Canadian Government and to the Norman family."

In a hearing last March 12, Robert Morris, chief counsel of the Internal Security Subcommittee, referred to "quite a few security reports which have a great deal of information to the effect that he [Mr. Norman] is a Communist."

In 1951 Karl August Wittfogel, a Columbia University professor, told the subcommittee that Mr. Norman had been a member of a Communist study group in Provincetown in 1928.

The subcommittee immediately made public the charges revived in the March 12 hearing. According to subcommittee members and Mr. Morris, the publication had first been cleared with Robert Cartwright, Acting Security Chief of the State Department.

On March 15, Lester B. Pearson, Canadian Secretary of State for External Affairs, told the Canadian House of Commons that the charges against Mr. Norman had been thoroughly explored in 1951, and that Mr. Norman had been fully cleared.

Mr. Pearson angrily said the revival of the charges by the Senate subcommittee headed by JAMES O. EASTLAND, Democrat, of Mississippi, would be "treated with the contempt they deserve."

Thereupon the State Department issued a statement expressing complete confidence in Canadian representatives abroad.

There were two other developments on the Norman case today.

First, Senator RICHARD L. NEUBERGER, Democrat of Oregon, renewed a proposal made last Friday for a special bipartisan committee to investigate the circumstances of the release of material made available to the State Department by the Federal Bureau of Investigation.

Second, Robert B. Nathan, national chairman of Americans for Democratic Action, released identical letters to LYNDON B. JOHNSON, majority leader, and WILLIAM F. KNOWLAND, minority leader, urging action to bring about the dismissal of Mr. Morris.

PEARSON DECLINES COMMENT

MONTREAL, April 8.—Mr. Pearson declined to comment tonight on reports that he might be next to be mentioned by the Senate subcommittee. If the question were raised in the Commons, Mr. Pearson said, he would try to give an adequate answer.

MEMORIAL SERVICE TODAY

OTTAWA, April 8.—Mr. Pearson said today that he hoped to make a further statement tomorrow regarding Mr. Norman's death.

A memorial service for the Ambassador will be held here tomorrow afternoon. The service will be conducted by the Reverend A. Leonard Griffith, pastor of Chalmers United Church.

Mr. NEUBERGER. Again, Mr. President, I want to reiterate my question: Why would it not have been the proper and effective thing to do, if the Senate Internal Security Subcommittee had these fears about Ambassador Norman, to transmit them privately and quietly, through appropriate channels, to the Government of Canada? I for one certainly would have every confidence that the Canadian Government was equipped and ready to deal with such charges properly.

As I said earlier, if we cannot trust the Government of Canada, then we truly have to revise every single attitude and concept which we must take toward our position in the world. If we can trust the Government of Canada, it seems to me it would have been perfectly adequate and thoroughly ample to have provided the Government of Canada, in private, with whatever information or fears the subcommittee had about the late Ambassador Norman.

One other matter troubles me, and about this I must confess to a good deal of confusion. I have very carefully read in the press everything that I could possibly find about this matter in recent weeks. I have read the stories in the New York Times and in the three newspapers that are published each day in Washington. I have followed the ticker reports of the Associated Press and the United Press which are outside in the Senate cloakroom. I have tried to learn all I could about developments in this case. I have followed what the President of the United States said at his press conference, and I should like to add at this point that I am extremely gratified the President reiterated his own very strong feelings about the enduring ties of friendship between Canada and the United States. For that we are all grateful; but following what the President said, what the State Department said, and what the Internal Subcommittee said, I still do not know who was responsible for the release to the public of the material about the late Ambassador Norman.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. NEUBERGER. Yes.

Mr. EASTLAND. I will tell the distinguished Senator the facts about that. There were two hearings held. They were not investigations of Ambassador Norman, but were investigations of personnel in our own State Department, one of whom was stationed in the Middle East. The name of Ambassador Norman came into the hearings incidentally. The first hearing, on the 12th of March, was conducted by the distinguished Senator from Indiana [Mr. JENNER] and the distinguished Senator from Utah [Mr. WATKINS]. I am chairman of the subcommittee.

The staff of the subcommittee came to me and requested the release of the testimony. I told them that I was not present at the hearings, knew nothing about it, and that we would have to rely on the judgment of the Senators who conducted the hearings. I told them further that we would have to have, in addition, the unanimous vote of the subcommittee; that it must be the unanimous judgment of the membership of the subcommittee.

The subcommittee consists of 9 members, 8 of whom signed the authorization. One Senator was sick in the hospital and was not contacted.

I told them that we had to go one step further: That we had to secure clearance for publication from the State Department of the United States. I was informed by the staff that such clearance had been granted. Let me say that there is no question in my mind that the clearance was in fact granted.

An official of the State Department who had accompanied the American who testified was asked to clear with the Department that record for publication. He telephoned back to the counsel of the committee that it had been cleared. Now, that is one clearance.

On the 5th day of April, the distinguished Senator from Utah made a statement to the press. The Senator from Utah [Mr. WATKINS] was present and helped conduct the first hearing, and the Senator from Utah conducted the second hearing. Here is what the Senator said:

The next day I was advised that the State Department had given clearance—

To the making of the record public—

before signing approval of the release as a member of the committee—and, incidentally, I was the last one to sign—I called the State Department to assure myself that the Department had given clearance for the publication of the hearing record. A State Department official confirmed that fact—

That publication had been approved—

and thereupon I signed the approval.

That is a press release issued by the distinguished Senator from Utah. I do not think any Senator in this body is held in higher esteem than is the Senator from Utah.

Thereafter, the person who had testified informed the subcommittee that there were some errors in his testimony, and that he desired to appear again to correct the errors. He was given that opportunity.

I think that hearing was on the 17th day of March. I could be mistaken. The Senator from Utah [Mr. WATKINS] conducted that hearing.

Mr. JENNER. It was the 21st day of March, I believe.

Mr. EASTLAND. The 21st of March; I am in error.

I received a letter from the Acting Secretary of State in which he requested that the subsequent testimony relative to Ambassador Norman be not published. I have conferred with the Senator from Utah, and I think his position was very, very sound. The position was that the first record which had been released was in error, that the United States Senate could not rest on a false record, and therefore the entire testimony should be released.

Now I shall read a further excerpt from the press release which the Senator from Utah issued, which is accurate:

The additional hearing held on March 21, which was held at the request of the State Department witness who had previously given testimony, was for the purpose of allowing him to amplify his testimony with respect to certain matters. The release of this second hearing record, I am advised, was objected to by the Canadian Government.

That is correct. I continue to quote:

However, this fact was unknown to me, but since the committee had already released the first hearing record, I felt it was only just to the witness and to Dr. Norman that

the second hearing record should be also made public, because on the whole, the testimony at the second hearing was very favorable to the witness and to Dr. Norman.

I submit that a reading of the testimony of the second hearing does indicate it was very favorable to him. That hearing record was released with the authorization of eight Members of the Senate. I think that they have just as high regard for their country—they love their country just as much—and they are just as patriotic as anyone else.

I thoroughly agree with what was done at those two hearings. To have not released the second record of testimony would have put us in the position of having a public record which the man who testified said was erroneous.

Now, to show how matters are lifted out of context, the State Department yesterday stated that I had personally refused to suppress that evidence, and they quoted from only one sentence in the letter.

I think that the testimony of the Senator from Utah [Mr. WATKINS], who conducted the hearing, should determine that issue. I know he felt it was to the interest of Mr. Emmerson and Dr. Norman that it be published.

I should like to make this statement: I requested the subcommittee to do one more thing. We do not have access to the records of a security agency. The State Department does. The request was made of the State Department that they check with the security agencies and ascertain for themselves the correctness of the information relative to Dr. Norman.

Mr. NEUBERGER. I should like to ask the distinguished Senator——

Mr. EASTLAND. Wait a minute. I am going to come to what I think the Senator has in mind.

At that meeting those representatives told the staff of the subcommittee that they had already checked with the FBI, and knew that the committee information was accurate because they had received similar information.

The day before yesterday there was a conference in my office. In regard to that conference I should like to ask the distinguished Senator from Indiana [Mr. JENNER] if he was present.

Mr. JENNER. I was present.

Mr. EASTLAND. I ask the Senator, were these matters discussed?

Mr. JENNER. They were.

Mr. EASTLAND. Were officials of the State Department there?

Mr. JENNER. Three of them.

Mr. EASTLAND. Did they deny the accuracy of the information?

Mr. JENNER. They not only did not deny it, but they confirmed it.

Mr. EASTLAND. Did they confirm what I have said in this Chamber?

Mr. JENNER. They did.

Mr. NEUBERGER. I am sure the distinguished Senator from Mississippi——

Mr. EASTLAND. I see a statement here, taken from the news ticker.

Mr. NEUBERGER. That is what I desired to refer to.

Mr. EASTLAND. It says:

The FBI said today it did not give any data concerning Canadian Diplomat E. H. Norman to the Senate Internal Security Subcommittee. In response to inquiries, FBI Director J. Edgar Hoover issued this statement:

"The FBI has not made available to the Senate Internal Security Subcommittee any reports or files or information pertaining to the late Dr. Egerton Herbert Norman."

I will say that the Internal Security Subcommittee has never at any time requested such information from the FBI. We have never at any time made any statement that the FBI has ever given us such information.

Mr. JENNER. Or the State Department, in regard to that bulletin.

Mr. EASTLAND. I believe that statements or implications that we had requested such information from the FBI are issued for the purpose of misleading people. There has never been an issue with respect to the question as to whether or not the subcommittee has requested any information about Dr. Norman from the FBI. If such request has been made, I do not know it, and I certainly did not authorize it. I have never received any information from the FBI. What was requested was that the State Department check with the FBI to verify the information. At the same meeting, so the staff informs me, State Department representatives stated that they had already checked, and that the information was accurate. As the Senator from Indiana [Mr. JENNER] has so well stated, three of the State Department officials did not deny that statement to us day before yesterday, but confirmed it. Is that correct?

Mr. JENNER. That is correct.

Mr. EASTLAND. I dislike to enter into a name-calling contest with Government agencies. Let me tell the distinguished Senator that I do not believe any committee has taken more abuse than we have taken in the past few days. I have said nothing. We have taken it because we did not desire to be a party to anything which might add to the tension between our country and the great country to the north. We have not investigated Dr. Norman. However, the cold facts are that from 1951 until this time his name has continued to crop up in connection with investigations which we have conducted. The hearing was not about him, but involved other employees of our own country, and not of Canada.

The distinguished Senator asks me why this information was not submitted through channels to Canada. There are certain facts on the record which I could go into, but it is not my intention to do so at this time. There are also facts off the record which I would not divulge on this floor. But there was a sound reason for the action which was taken.

Canada has a very fine and efficient government. Canada has at all times been zealous to protect herself against Communist conspiracies. I have nothing but admiration for the great Canadian people. We are not reflecting on any Canadians or anyone else when we say that there was a very sound reason for what was done.

As chairman, I know that I must take a great deal of abuse and suffer a great deal of misrepresentation. I must endure a great many challenges of my motives. I think the entire membership of the subcommittee acted from the very highest motives. The testimony which concerned Ambassador Norman, taken recently at two hearings, was not a much different circumstance from what was released in the public hearing in 1951, when the Institute of Pacific Relations was under consideration. I shall not say anything about a man who has passed on; but that record speaks for itself.

Mr. NEUBERGER. Mr. President, first I should like to say to the distinguished Senator that he need not in any way defend the patriotism or motives of himself and his colleagues. I realize that they are fully as good as mine, and fully as valid. Never was it my purpose in any way to question them.

However, I did question—and I still do, in all candor—the judgment involved in releasing to the public the material about Ambassador Norman. But there was never any thought in my mind of adding to what the chairman of the subcommittee has described as the abuse which he has endured.

Mr. EASTLAND. I think if the distinguished Senator knew the facts, any doubt on that score would be removed. This case has not been handled in a haphazard manner.

Mr. NEUBERGER. Let me ask the distinguished chairman of the subcommittee a further question.

At the time the original accusations against Ambassador Norman were released to the public, was the subcommittee aware that one—and perhaps two, if I am not mistaken—security check or checks were said to have been made of Ambassador Norman by the security division of the Royal Canadian Mounted Police?

Mr. EASTLAND. I will answer that question in this way: To begin with, I do not think this discussion is helping relations with our neighbors to the north. What happened with respect to the Royal Canadian Mounted Police, I do not know. I know that a few years ago a college professor testified that Norman was a member of a Communist cell, and further, that in the investigation in Canada he had never been contacted. That is all I have to say.

Mr. NEUBERGER. I thank the distinguished Senator for his observations.

Mr. EASTLAND. I do not think these questions are helpful. I think they can hurt our relations with Canada.

We have a right, when investigating Americans, and when investigating what has happened within the borders of our own country, to get all the facts; and that is what we have tried to do.

Mr. NEUBERGER. I should like to ask the distinguished Senator one further question. It is not my intent to pursue this inquiry further, because the distinguished Senator of the subcommittee has said that delicate matters are involved. I think I stated earlier in my remarks that I recognize there might be issues involved which should not be further aired in public. But does not the entire position which the able chairman of the subcommittee has taken perhaps indicate that an executive session of the Senate on this question, a session behind closed doors, which would be held in private, with everyone except Senators and the immediate staff of the Senate excluded, would be helpful in clearing the entire issue?

Mr. EASTLAND. There would be 96 different versions in the newspapers of the country.

Mr. NEUBERGER. I thank the distinguished Senator for his observations.

Let me say in conclusion that the Senator from Mississippi recently stated that further discussion of this question was not helpful to relationships with Canada. Whether he is correct or incorrect in that statement I do not know. I think he must recognize that it is not the people who have expressed concern and alarm over this issue who have created tension with Canada. The presentations by the Canadian Government, the vast number of editorials in Canadian newspapers, and many other indications of indignation north of the border rose over this case prior to the time anyone in the United States expressed concern about it, whether it was the President of the United States, the distinguished Senator from Rhode Island, the junior Senator from Oregon, or anyone else. I hope the Senator from Mississippi understands that.

Mr. EASTLAND. Certainly the Senator from Mississippi understands it. I can well understand the state of public opinion in the Dominion of Canada. A person's opinion is formed on the basis of the knowledge he has.

Mr. NEUBERGER. I thank the able Senator from Mississippi.

Mr. EASTLAND. Unless I am driven to it, I do not propose to say anything else. I would not have said anything at all if the Senator from Oregon had not addressed his questions to me.

Much has been said in the press that the ranking minority member of the subcommittee, the Senator from Indiana [Mr. JENNER], and the Senator from Mississippi issued a statement and then recalled it. The truth about it is that we wrote a statement outlining the facts about the release and clearance by the State Department, as I have outlined the situation this afternoon. Then we read the report of the press conference of the President of the United States, in which he was quoted as having said that he thought the matter should be dropped. Therefore, we recalled the statement, in line with the President's suggestion.

A clerical employee picked it up and delivered it to the press. We knew about it within 5 minutes, and attempted to recall it. Nevertheless we have been abused and vilified as saying that we gave out something and then changed our minds, and that we had made an on-again-off-again statement, when we were merely complying with the request of the President of the United States at his press conference.

Mr. NEUBERGER. I thank the Senator for his observation. In conclusion I wish to say I am sure that the goal of every Member of the Senate is to restore, as quickly as possible and as completely as possible, the previous friendly and close ties of solidarity which have existed for so many years between the United States and her closest ally and neighbor, Canada.

Mr. President, I yield the floor.

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a press release recently issued by the Senator from Utah [Mr. WATKINS].

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

HERBERT NORMAN CASE

On March 12, last, I participated in an executive hearing conducted by the Internal Security Subcommittee of the Senate Judiciary Committee, in which certain testimony was received from John Emmerson, an officer of the State Department. In the course of that hearing the name of Dr. Herbert Norman, Canadian Ambassador to Egypt, was mentioned.

Immediately following the hearing, a suggestion was made by a staff officer that the hearing record be released to the public. I said at the time that the committee had a legal right to make the release if it desired to do so, but I thought there should be full cooperation with the State Department and we should, as a matter of comity, get its approval before the release.

The next day I was advised that the State Department had given clearance. Before signing approval of the release as a member of the committee—and, incidentally, I was the last one to sign—I called the State Department to assure myself that the Department had given clearance for the publication of the hearing record. A State Department official confirmed that fact, and thereupon I signed the approval. Later I have been advised that only the security officers of the State Department had passed on the approval, and it was only after a review of the record in the light of the protest from the Canadian Government that it was realized that the diplomatic section of the Department should have also passed on the matter.

The additional hearing held on March 21, which was held at the request of the State Department witness who had previously given testimony, was for the purpose of allowing him to amplify his testimony with respect to certain matters. The release of this second hearing record, I am advised, was objected to by the Canadian Government. However, this fact was unknown to me, but since the committee had already released the first hearing record, I felt it was only just to the witness and to Dr. Norman that the second hearing record should be also made public, because on the whole, the testimony at the second hearing was very favorable to the witness and to Dr. Norman.

Personally, I deeply regret the tragedy which occurred at Cairo, and the Canadian people and the members of the family of Dr. Norman have my sincere sympathy. I did have serious misgivings with respect to the release of these records, but my reluctance was overcome to a large extent by the fact that the State Department, which is concerned with matters of international relations, had cleared, at least, the first and most important record for publication.

ORDER FOR RECESS UNTIL MONDAY

Mr. SMATHERS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER (Mr. CORTON in the chair). Without objection, it is so ordered.

SOME IMPLICATIONS FOR THE UNITED STATES OF DEFICIENCIES IN SKILLED MANPOWER

Mr. HUMPHREY. Mr. President, during the past year we have become acutely aware of the shortage of scientists, engineers, and skilled technicians in the United States. As our understanding of this problem has deepened, it has become evident that this shortage actually reflects and highlights deficiencies in nearly all areas of professional and highly skilled manpower. Any careful study of these deficiencies leads us to the conclusion that a principal underlying cause of this problem rests with inadequacies in our secondary and higher educational systems.

My own concern about deficiencies in skilled manpower dates back nearly 2 years. Originally the matter came to my attention primarily as it relates to the shortage of scientists and engineers. As long ago as October 1955 I wrote President Eisenhower urging that he establish a Presidential commission to give this critical problem the attention it deserves. As the letter sums up the effects of the problem, I should like to read it to my colleagues:

DEAR MR. PRESIDENT: Many of us have been concerned for some time about the shortage of scientists and engineers in the United States. Not enough of them are being trained each year to meet our national requirements. As a result, the research and development programs of our industries and Armed Forces have been curtailed. The shortage of research scientists, especially, is not only one of quantity but also of quality. It is not overstating the gravity of the situation to say that technological progress is being held back in the United States by the lack of sufficient skilled scientists and engineers. This lag in technical achievement affects every aspect of our lives and should be a matter of concern to the entire Nation.

Recently the shortage has been brought most forcefully to our attention by announcements that the Soviet Union is educating scientists and engineers at a faster rate than the United States. This competitive factor adds a note of urgency to our need for serious consideration of the problem. But we should not have to have an international technological race to alert us to the shortage of scientists and engineers. The fact that our own progress is being retarded is compelling enough cause for concern.

In response to this challenge, may I respectfully urge that you give consideration to appointing a commission to study the whole problem of the shortage of scientists and engineers. Such a Presidential commission could bring together representatives of education, science, industry, Government, and the military. Such a concentration of the diverse groups concerned is needed for a thorough study of the complexities of this problem.

Many private groups of educators and scientists are doing admirable work in attempting to cope with the problem. Private funds and the program of the National Science Foundation are helping to alleviate the shortage of scientists and engineers being educated each year.

But the problem is a continuing and growing one, and I think it requires the kind of overall study and recommendations that a Presidential commission can provide.

Sincerely,

HUBERT H. HUMPHREY.

It was gratifying that 6 months later the President appointed such a commission, the National Committee for the Development of Scientists and Engineers.

During that same period, I carried on my own study of the problem. As I have indicated, while my concern originally was about the shortage of scientists and engineers, gradually I became aware that professional manpower needs extended throughout many areas. My preliminary study of this matter also led me to the conclusion that a more thorough study was necessary, so in October of 1956 I made such a request of the Legislative Reference Service of the Library of Congress. I ask unanimous consent, Mr. President, that my letter of request of October 23, 1956, to the Legislative Reference Service be made a part of the RECORD at this point in my remarks:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 23, 1956.

Dr. ERNEST S. GRIFFITH,
Director, Legislative Reference Service, Library of Congress, Washington, D. C.

DEAR DR. GRIFFITH: As you may know, my staff has been in touch with the Legislative Reference Service in connection with my interest in offering an omnibus youth bill during the next session of Congress. My legislative counsel, Mr. Thomas Hughes, has had an extensive conference with Dr. Charles A. Quattlebaum, who has been most helpful to us on the educational aspects of this program.

During the past year I have also had members of my staff working rather extensively on the question of the shortage of scientific, engineering, and other professional personnel. While increasing amounts of material have come to my attention on this subject, this is an aspect of the situation which I should like to develop in greater detail.

Hence, I would like to request that a comprehensive report be prepared in the Legislative Reference Service on the whole question of the development of scientific, engineering, and other professional manpower. I think this issue merits a high priority for national attention and certainly will be a subject of acute interest in the 85th Congress. Consequently, I would like this report prepared with a view to its being printed for extensive use and dissemination upon its completion.

I realize this is a large order but I am hopeful that in the remaining weeks before the 85th Congress convenes, it will be possible to make real progress on such a report. I will not presume to set a target date for completion except to say that the report will be most useful to me if I could have access to it early next session. During my absence from Washington in the next 2 weeks, my legislative counsel, Mr. Hughes, will be delighted to discuss this matter with you or anyone you nominate.

Best wishes and thanks,

Sincerely,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, the requested study is now nearing completion in the Legislative Reference Service, and the report will soon be available—I hope next week. In anticipation of that comprehensive report I wish to make available to those concerned with this problem some of the material which I developed as part of my preliminary study of the shortage of scientists and engineers.

Mr. President, I should like to add that I made available to the experts in the Library of Congress the materials which my own personal staff had gathered on this important subject of the shortage of skilled manpower. That material has been made available to the persons in the Library of Congress who are making the study.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SMATHERS. Mr. President, I should like to say to the able Senator from Minnesota that I congratulate him on the speech he is making. I know the great interest the Senator from Minnesota has in seeing to it that the United States does not fall behind in the matter of developing scientists, engineers, and skilled technicians trained in the field of science.

I should like to invite the Senator's attention to the fact, as it has been invited on previous occasions, to a bill which I introduced, S. 727, which would take some of the money the Government acquired as a result of World War II, which money is held by the Alien Property Custodian and not being used, and invest such money for the purpose of providing scholarships to young people in the field of engineering and science and other allied technical fields.

I hope the Senator will study that measure and, in line with what he is saying, will be willing to give to the measure his full and enthusiastic support, because with him behind it I have no doubt that we can pass the bill.

Mr. HUMPHREY. As my distinguished friend from Florida knows, the need for scholarships and the need for impetus from the Federal Government for this kind of program is very great. The Senator is to be commended for his interest in promoting the education of scientists and engineers and technicians. Surely he is to be commended for taking the initiative in this field. I shall study his proposal very carefully indeed. As the Senator no doubt recalls, I had printed in the RECORD some time ago a very favorable editorial comment on the subject from a splendid newspaper in the Middle West. Incidentally, the editor and publisher of that newspaper was in Washington about 10 days ago, when it was impossible for the Senator from Florida to meet with him, because he was tied up at a committee hearing. I had contacted the Senator's office. The editor, a man by the name of Mr. Kennedy, was very much interested in the proposal which the Senator has made. He is the editor of the Daily Argus Leader, of Sioux Falls, S. Dak. I am certain the Senator will be hearing more from him and more from other persons in support of his work for scholarships in the field of education.

Mr. President, I wish to discuss today some of the implications that deficiencies in our professional manpower—especially shortages of scientists and engineers—could have for the United States and the free world.

First I shall state some of the effects which the shortage of skilled manpower has on our domestic economy. Then I shall analyze the significance of this problem for our international relations, especially as it relates to the Soviet Union and our struggle against communism. Finally, I shall note a number of principles we must consider in seeking a solution to the problem.

EFFECTS ON DOMESTIC ECONOMY

I am sure we have all been struck by the unusual extravagance of the advertisements that appear in our daily newspapers seeking scientists and engineers. Each weekend the Sunday newspapers contain from 4 to 6 to 10 pages of advertisements, searching and seeking for scientists. The increasing gravity of this problem for industry could probably be traced by measuring the size of those ads each year and noting the ever-more extravagant claims the various companies make of their own virtues and advantages as employers. Any day we can expect to see an offer of the moon; that is, when one of the rocket or missiles industries feels it has that long-sought object nearly within its grasp.

Behind these tempting advertisements lies a real sense of urgency. I sought to probe the nature of the problem in January 1956 by sending a number of letters of inquiry to heads of industry. My letters went to some of the smaller industries as well as to many of the largest corporations in the country likely to be affected by the need for more scientists, engineers, and technicians.

In their replies, many stated that they had been forced to stop or indefinitely postpone research or development projects because of the lack of sufficient trained personnel. They also told how they had sought to overcome this problem by upgrading technical personnel to do more highly skilled work for which they were not properly trained. There can be no question that progress is being retarded on every front—research for defense as well as for those conveniences that make up the dream of tomorrow. A subcommittee of the Joint Committee on the Economic Report recognized this as one of its conclusions in a report on automation and technological change made as long ago as November 1955.

The replies I received from many leaders of industry in early 1956 contributed greatly to my understanding and knowledge of this problem. I shall not burden the RECORD with the extensive correspondence I had on this subject, worth while as it is, for much of the same material was brought out during the excellent hearings held last April and May by the Subcommittee on Research and Development of the Joint Committee on Atomic Energy. However, the material has been made available to those who are studying the problem. Also, I have made the material available for the preparation of the study soon to be completed by the Legislative Reference Service, as my letter indicated.

From studying the shortage of scientists and engineers, I concluded that the shortage actually reflected deficiencies in almost all areas of our professional manpower. I am convinced that a broad, long-range solution must be sought. This conclusion in part underlay the development of the youth opportunity program, which I introduced on January 25, at this session of Congress. My remarks at that time were in part directed to the problem of the inadequacies of educating our young people and of providing an opportunity for all of those who have the ability to benefit from higher education and so to make a contribution to our national life.

I said at that time, and I say again, that it is a great waste of one of the most valuable resources of our Nation to permit our young people with outstanding mental ability to be deprived of a college education because of financial difficulties or for other reasons. Not only does it deny the individual the fulfillment of his own potentialities which should be part of his heritage in this land of opportunity, but it denies the Nation the talents that we are coming to realize are so badly needed for our fulfillment as a nation.

The six bills which I introduced as youth opportunity program are offered in the spirit which I have just expressed, namely, of providing the fullest opportunity for the realization of each individual's abilities. At the same time such a program could benefit all of us by developing our Nation's richest and most precious resource—brainpower.

FOREIGN POLICY IMPLICATIONS OF SKILLED MANPOWER SHORTAGES

Let me turn now, Mr. President, to the significance of this problem for our position in the world, especially as it relates to the Soviet Union and the struggle of the free world against communism.

Much has already been said about the large numbers of scientists and engineers which the Soviet educational system has been turning out in recent years. The Director of the Central Intelligence Agency and the Chairman of the Atomic Energy Commission, among others, have warned us repeatedly that the Soviet Union is outpacing us, at least in numbers, in the race for scientists and engineers. An excellent study prepared by Nicholas DeWitt for the National Science Foundation documents this fact with an array of persuasive statistics. Reports from our own scientists returning from the Soviet Union have warned us that it is not in numbers alone that the U. S. S. R. is making giant strides in science, but also the quality of Soviet science must not be underrated. It should be said that the Russians lack the broad base of highly skilled technicians we have, and that some of their second-string personnel might not be consistently of the same caliber as scientists and engineers in the United States. Such a situation prevails at the present time. We cannot assume we will long enjoy even this lead. The Soviet Union is engaged in a determined drive to overcome its technological handicap. It is closing the gap and is preparing to move out in front.

I ask my colleagues to study in particular the report of Nicholas DeWitt, of the National Science Foundation. Then, once they have got over the chill of the shock which will hit them, let them settle down to the task, which is ours, of doing something by way of legislation to forward a program of advancement in the field of education.

Why should the acceleration of science and technology in the Soviet Union pose a threat to us? Ordinarily we might be gratified that the people making up such a large area of the world were achieving success in education and science. I do not need to inform my colleagues that when that large area of the world is the Soviet Union such achievement can mean a threat and a challenge rather than provide cause for rejoicing. We have little reason to believe that this success in scientific endeavor will be dedicated to the betterment of the people of the Soviet Union or of the world, though that is what the twistings of Communist ideology claim.

The nature of the threat is both immediate and long range; immediately we are confronted with the possibility that the fountainhead of the aggressive world Communist movement might surpass us in the race for modern weapons and their means of delivery. The long-range threat is more subtle—the significance for the cause of freedom if the totalitarian system of Soviet communism can industrialize a previously underdeveloped country at a more rapid accelerating rate of growth than that of our own free Western economic system.

I underscore the long range threat. I assure my colleagues that it is the observation of ambassador after ambassador from the Asian and the African areas, with whom I have spoken, that the impact of Soviet industrialization upon the minds of the Asians and the Africans is really somewhat frightening. New nations wish to see their lands industrialized in a hurry; and they have witnessed in Communist Russia and in Red China the fulfillment of industrial programs in short order. Therefore, our task is one of competing not only in terms of quantity but also in quality in the time period.

To speak first of the military threat that is immediately and constantly with us: We are apt to feel secure in the knowledge that our gross national product is about three times that of the Soviet Union. This fact is misleading, however, unless we keep in mind that the Soviet Union is concentrating its production on heavy industry with emphasis on armaments and the modern weapons of war. Some travelers have returned from Soviet Russia with the reassuring news that the Soviet economy is 20 or 30 years behind our own. They describe the plumbing and housing facilities and the antiquated factories to prove their point. But scientists have returned to say there is nothing antiquated about Soviet research laboratories.

We have already had to reevaluate our estimates of Soviet scientific capabilities a number of times. The Russians startled us—worried us, in fact—by achieving both the atomic and hydrogen bombs earlier than we had expected. Their ability to cut down the lead-time in production of aircraft disconcerted our military planners. Apparently their naval cruisers and submarines, as well as their other military technological developments, have often amazed our military men and scientists.

So we must not blithely equate our total production with the Soviet's and be complacent. It is a nice proposition to state the number of 1957 model United States automobiles having chrome bumpers and enormous tail fins equal one Soviet Tupelov-4 jet bomber, but it is not one from which a sense of security can be derived. A large part of our national economic effort goes into soft goods and services, while a large part of Soviet productivity is turning out Migs, and snorkle submarines, and perhaps even intermediate range ballistic missiles.

One of the most serious implications of this concentration of their best scientific talent on technology for war is the ever-constant threat that the Soviet Union might achieve a technological breakthrough. Military experts warn us that such a breakthrough could result in a sudden imbalance in the power we can exert to inhibit the Communists from embarking on further aggression. A nearly impregnable defense against our strategic bombers, for example, could neutralize the deterrent effect of our nuclear retaliatory striking force and would leave us open to new aggressive moves by the Soviet Union.

While much can be said about our own effort to maintain military superiority over the Soviet Union, I shall confine my remarks to the effect on this effort of the shortage of scientists and engineers. In an attempt to learn something about this problem as it effects our research and development of new weapons, I wrote, at the beginning of last year, to the chiefs of each of our military research and development sections. Although some aspects of the problem may have changed slightly since last year, many of the fundamental points made by the service research chiefs are still valid. For that reason I wish to make their replies available in connection with the study soon to be completed by the Legislative Reference Service.

The Deputy Assistant Secretary of Defense for Research and Development replied to me in January 1956 in part:

> Our defense research and development programs have not, to date, been seriously affected although the shortage of personnel has increased the cost of research and development because of competition for qualified personnel. Government laboratories are in a particularly disadvantageous position in this competition.

Mr. President, I request unanimous consent that at this point in my remarks there be printed the entire letter of January 25, 1956, from Mr. J. B. Macaulay, Deputy Assistant Secretary of Defense for Research and Development.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., January 25, 1956.

Hon. HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: Thank you for your letter of January 10, 1956, in which you requested comment about the shortage of scientists and engineers in the United States. It is my personal opinion that this shortage is really serious but not critical. Our defense research and development programs have not, to date, been seriously affected

although the shortage of personnel has increased the cost of research and development because of competition for qualified personnel. Government laboratories are in a particularly disadvantageous position in this competition.

The situation could very well become critical and I believe that there is need for an increase in the number of scientists, engineers and technicans. I am of the firm conviction that the future security and growth of this country is dependent to an important degree upon continuing progress in science and engineering, not only for defense research and development but for maintaining and enlarging the technical base of our civilian economy. I have been gratified that there has been recently an increasing awareness of the problem. Within the past year, sizable scholarship programs for promising high-school graduates have been announced by an increasing number of private industries and foundations. Many of these organizations have also been willing to finance advanced training for teachers, to offer summer employment to teachers, and to take many other affirmative steps.

I am certain that much more needs to be done on a wide front. The problem is an extremely complex one and I do not believe it is likely to be solved by any one approach. For example, I believe that many actions need to be taken to provide motivation to high-school students to continue their education in science and technical fields. One such action would be to provide more training in mathematics and the sciences at the high-school level. This would interest students in science and technical fields and prepare them for college-level training. A prerequisite for such a program, however, is a greatly increased number of high-school teachers qualified in mathematics and science.

There is also a need for technicians trained in modern sciences such as electronics and chemistry. Such technicans could be perhaps trained in the high shools in courses similar to those now given in auto mechanics, woodworking, metalworking, etc. These people would be of great assistance in relieving engineers and scientists of routine work thus making them available for more creative endeavors.

A Cabinet level committee has made a report to the President which reviews the problem of shortage of scientific and technical personnel and which proposes a number of actions. It is anticipated that the President will, in the near future, act upon the recommendations made by this committee.

I am pleased to know that you are concerned about this problem since it is one which demands consideration from as many points of view as possible. Although I do not at this time have any ideas about legislation which might further a solution of the problem, I would be glad to discuss it with you or provide any further information you may feel is desirable.

Sincerely yours,

J. B. MACAULEY,
Deputy Assistant Secretary.

Mr. HUMPHREY. Mr. President, subsequently I asked Mr. Macauley for information concerning his observation that the cost of research and development had been increased by competition for qualified personnel, and also that Government laboratories are in a particularly disadvantageous position in this competition. In my second letter to him I inquired whether any consideration was oeing given to an incentive pay system which would place the research and development activities of our vital defense effort on a more equal competitive footing with private industry.

Mr. Macauley in his reply pointed out that most scientific and technical personnel hired away from the Defense Department were hired to work on Government contract, which means that the Government has to pay more money anyway for the services of the scientists competitively hired away from it. He indicated that the Defense Department was not at that time considering an incentive pay system. We must remember that the exchange of letters was in January and February of last year. He noted, however, that they do have authority to hire engineers at a pay rate higher than the minimum level in a pay grade.

I note that the report by the Defense Advisory Committee on Professional and Technical Compensation, the so-called Cordiner committee, contains recommendations in that report including incentive pay to deal with this problem.

I also request, Mr. President, that Mr. Macauley's second letter, dated February 29, 1956, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D. C., February 29, 1956.

The Honorable HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: Thank you for your letter of February 10, 1956. I am glad to provide the further information you request, as I believe that means must be found to relieve the shortage of qualified scientific and technical personnel.

My comment that the shortage of personnel has increased the cost of research and development because of competition for qualified personnel, and that Government laboratories are in a particularly disadvantageous position in this competition, was based on the well-known fact that industry can and does pay higher salaries than Government laboratories. I believe that most of those scientific and technical personnel taken from our laboratories are hired specifically for work on Government contracts where the cost is paid by the Government. This means that the man's services are costing the Government more money. Government pay scales are not competitive with the industrial pay scales which attract these people.

I do not mean to infer that the work being done in industrial activities is not important or that the pay scales in industry are excessive. It does present a problem, however, to our laboratories. Government laboratories can be assisted in attracting and retaining qualified personnel by making available additional high-level positions which will provide more comparable pay in Government. To do this, we are supporting H. R. 9350, which will provide for additional scientific and technical positions of the type now authorized in the act of August 1, 1947 (61 Stat. 715, Public Law 312, 80th Cong.). A draft bill identical to H. R. 9350 was transmitted on February 10, 1956, to the Vice President by the Civil Service Commission but has not yet been introduced in the Senate.

In addition to seeking more high-level positions we are supporting higher salaries for top-level scientific and professional personnel as provided in S. 2628, the executive pay bill.

We are not considering an incentive-pay system now. We do, however, have authority to hire engineers at a pay rate higher than the minimum level in a pay grade. This has been helpful, especially in the lower grades.

A more complete story regarding the desirability of having an increased number of scientific and technical personnel authorized, as would be provided in H. R. 9350, can be found in the testimony of the Deputy Secretary of Defense in hearings on H. R. 9350 before the House Post Office and Civil Service Committee on February 21, 1956.

I appreciate your interest in this problem and would be glad to provide any further information that might be of assistance.

Sincerely yours,

J. B. MACAULAY,
Deputy Assistant Secretary.

Mr. HUMPHREY. Mr. President, I wish to emphasize that, while I am concerned that our defense research and development activities not be curtailed for lack of sufficient scientists and engineers, we cannot take a limited view of this problem. In asking Mr. Macauley whether consideration was being given to incentive pay to place the Defense Department on a more competitive footing with private industry, I was not unmindful of the fact that this is no solution at all to the fundamental problem created by the ever-growing shortage of scientists and engineers.

Quite probably the research being carried on by the armed services is of greater importance to the immediate security of our Nation than is much of the research being done by private industry. It may be necessary in the immediate situation to give priority to our defense research and development. The Soviet Union is doing so. From the fact that private industry is able to hire scientists and engineers away from the Government—although this may often be for defense contract work—it would appear that in dealing with this problem, we lack the sense of urgency which the situation demands.

Let me stress that in the long run, though, we must be concerned with the overall problem created by the shortage of scientists and engineers. The ultimate effect upon every aspect of our economy can be just as serious as the immediate effect on defense research and development.

To move on to another branch of the Defense Establishment, while I made my inquiry of the Assistant Secretary of the Air Force for Research and Development, the reply came from the Secretary, Mr. Quarles. As the former head of Research and Development for the Department of Defense, Secretary Quarles is well acquainted with this problem and its importance for our defense effort.

In his reply to me, Secretary Quarles spoke of "that small portion of the scientific and engineering community which provides the bulk of original ideas and creative activity," and went on to say:

> This type of person will always be in short supply, since it is patently impossible to have too many of them. Though it is not possible to assess the loss to this country of ideas not born and inventions not invented, such are the effects of a shortage of engineers and scientists in this category * * * there is no question but that they are of the gravest import. Technological breakthrough comparable to radar, the turbojet, and the atomic bomb are very rare indeed.

Secretary Quarles also discussed the disadvantage at which the armed services find themselves in research and development in competing with private industry for the services of highly skilled personnel. I ask unanimous consent, Mr. President, that the letter of Secretary Quarles of February 27, 1956, be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, February 27, 1956.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: I appreciate the concern expressed in your January 10 letter to Mr. Gardner, regarding the shortage of scientists and engineers. This is a grave national problem which shows no immediate prospect of significant improvement. The accelerating rate of progress of Soviet technology and the present Soviet capacity for training scientists and engineers in very large numbers makes this a problem of truly critical importance. In 1956, the U. S. S. R. will award bachelor degrees to almost twice the number of engineers and scientists which this country will produce. The doctorate will go to approximately the same number in each country. Trends in both categories strongly favor the Soviets for at least the next few years. Furthermore, only one-fourth of American high school graduates are currently exposed to as much as a year of physics and only one-third will have had a year of chemistry. But 1 in 7 of our high school students are exposed to any mathematics beyond elementary algebra and simple plane geometry. On the other hand, in the U. S. S. R each student has 5 years of physics, 1 year of astronomy, 4 years of chemistry, 5 years of biology, and 10 years of mathematics, including advanced algebra, geometry and trigonometry.

In regard to the effect of the engineering and scientific shortage on our own research and development operation, I would like to consider this question in two parts:

The first of these concerns that small portion of the scientific and engineering community which produces the bulk of original ideas and creative activity. This type of person will always be in short supply since it is patently impossible to have too many of them. Though it is not possible to assess the loss to this country of ideas not born and inventions not invented, such are the effects of a shortage of engineers and scientists in this category. Analyses indicate that less than one-half of our most intelligent high school graduates continue through college and, of course, but 10 to 20 percent of these become scientists or engineers. We, therefore, secure but a small fraction of the best thinking which could be applied to technological progress. Although the effects of this loss cannot be measured directly, there is no question but that they are of the gravest import. Technological breakthroughs comparable to radar, the turbo-jet, and the atomic bomb are very rare indeed.

Turning now to that larger body of scientists and engineers who are engaged in implementing and augmenting the more original and creative activity, we find a somewhat different situation. Here it is more a question of simply acquiring enough qualified people to man projects being initiated or already underway. Competition for the services of technical people has caused a considerable increase in mobility of the engineering and scientific professions. While this has had some beneficial effects, it is also true that much experience has been lost and much effort has been expended in adaptation to new jobs. Apart from these effects within the industrial complex there are others which more directly influence our own employees. The civil service and military pay scales for technical personnel have not kept pace with the industrial salaries which have developed from the competition for engineers and scientists engendered by the national shortage. This makes it very difficult for us to attract or retain within the Air Force structure an adequate cadre of high-quality technical officers and civilians to plan and direct our research and development effort. For much the same reasons, university faculties are losing some of their best people, which, in turn, adversely affects the quality of training received by oncoming classes.

As you have noted, the factors underlying the shortage are extremely complex. They embrace at least the following considerations:

(a) Adequate basic preparation in the elementary and high schools.

(b) Cost in time and money of graduate and postgraduate training.

(c) The relative prestige and financial attractiveness of occupations not requiring the rigors of advanced technical training.

(d) The need for positive incentives and motivations to embark on, and remain in, careers in technology and the teaching of technology.

In addition, I would like to commend to you a number of recent publications which afford detailed background information on this problem. These are listed in the attachment. In case you have not already done so, I would suggest you query the National Science Foundation for their suggestions on this subject.

Sincerely yours,

DONALD A. QUARLES.

PUBLICATIONS RELATING TO THE SUPPLY OF ENGINEERS AND SCIENTISTS

Soviet Professional Manpower, Nicholas DeWitt, National Science Foundation (1955), United States Government Printing Office.

America's Resources of Specialized Talent; the report of the Commission * * * prepared by Dael Wolfle, director, New York: Harper & Bros. (1954).

Scientific Personnel Resources, National Science Foundation (1955), United States Government Printing Office.

Mr. HUMPHREY. Mr. President, the publications which Secretary Quarles recommended in his letter included the study of Soviet Professional Manpower by Nicholas DeWitt, to which I have already referred; America's Resources of Specialized Talent, prepared by Dael Wolfle; and the study by the National Science Foundation entitled "Scientific Personnel Resources." These might be called the basic texts on this subject, and I am sure they are known to everyone working in this field. I found them to be of great significance and most educational. As I have previously said, they really are somewhat startling, in the case of the statistical evidence made available and the conclusions drawn.

The reply I received to my inquiry of the Department of the Army also stressed the problem of competing with the salaries which private industry is able to offer scientists and engineers. The point was made, as well, that an additional difficulty is created by the statutory restrictions on the number of high level, scientific, and professional positions available to the Army. I am sure that these are problems with which my colleagues on the appropriate committees are familiar, and I trust that consideration is being given to alleviating the handicap placed upon defense research and development by them.

At this point in my remarks, Mr. President, I request unanimous consent that the letter to me from the Department of the Army, of February 20, 1956, be printed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., February 20, 1956.

Hon. HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: Your letter of January 10, 1956, to Mr. Frank H. Higgins, Assistant Secretary of the Army, in which you have expressed an interest in the shortage of scientists and engineers, has been referred to me for reply.

I have been advised that the Department of the Army experiences some difficulty in securing a sufficient number of scientists and engineers for three reasons:

1. The apparent shortage of supply of such personnel.

2. The inflexible salary system which the Federal Government employs.

3. Legal restrictions on the number of high level, scientific, and professional positions available to the Army.

In regard to the first of these reasons, little can be done by the Department or Congress except to encourage more young men and women to enter these fields and to stimulate our colleges and universities to offer opportunities for study to a greater number of students.

It would appear that the Congress could be of greatest help in surmounting the second reason for the inability to secure sufficient scientists and engineers. Many instances may be found where the inability to compete favorably with outside industrial salaries has either hindered the Department of the Army from attracting top flight people or has caused the Department to lose people as a result of better offers from industry. A method should be developed to permit more easily the adjustment of higher level salaries paid to Government employees when competitors are offering such advantages. The increased inhiring rate provision of the Fringe Benefits Act of 1954 has helped in this regard to a small extent but is, at best, a stop gap measure. The ultimate solution, it would appear, is to develop a system of Federal pay which would permit the keeping of rates for Government jobs more closely alined with the pay for similar work in private industry.

With regard to the third part of the problem, the Office of the Secretary of Defense is preparing a schedule of needed positions in the scientific, professional, and executive fields, for presentation to Congress in the immediate future.

Any effort you may make in this direction would certainly be justified in view of the need for congressional action. This office will be happy to assist you further in the developing of any needed information.

Sincerely,

C. J. HAUCK, Jr.,
Brigadier General, GS.
Chief of Legislative Liaison.

Mr. HUMPHREY. Mr. President, the response from the Office of Naval Research also raised the problem of competition with industry's higher salaries. Included, however, was a naval directive pointing out some of the benefits which the Navy can offer those working on research projects which helps to offset private industry's advantages. Another informative publication sent to me by the Chief of Naval Research is a report of an interdepartmental committee on scientific research and development

which gives the views of scientists on the Government as an employer. I ask unanimous consent, Mr. President, that the letter of January 30 from the Chief of Naval Research, with its accompanying material, be made a part of the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF NAVAL RESEARCH,
Washington, D. C., January 30, 1956.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: Your letter of January 10, 1956, addressed to my predecessor, Admiral Furth, concerning the shortage of scientists and engineers, and how the shortage might be affecting the research and development activities of this Office, relates to matters of constant concern to the Navy. As we prepare ourselves to thwart a foe whose scientific potential increases daily, we find we can increase our potential but little until many attitudes toward scientific research and scientists in our land change.

Many aspects of the problem concerning the shortage of scientists are social. Far better analysts than I have written on these. In essence we must, by every means possible, increase the supply to meet the demand for trained minds and hands. In the Navy, we must achieve a better competitive position to secure our share of the Nation's scientific talent.

Industrial offers today are literally draining the Navy of its research and development engineers and scientists. More money, often at salaries two times greater than we can offer, cause our people to leave. However, this is but one cause. An equally serious reason is the respectability of Government service. Public spirited employees find it hard sometimes to stand for the innuendoes raised as to the quality of their work, not from fellow scientists but from fellow citizens.

Illustrative of our concern and effort, you will find an attached instruction which reminds Navy officials of the liberal policies regarding in-service training. This had its origin in discussions before our Naval Research Advisory Committee which recommended its issuance. Similarly the advice of our Council of Senator Scientists of the Naval Laboratories, a wholly civilian group, has resulted in formation of policies to improve our position. By way of illustration, there is also enclosed an instruction on organization and administration of Navy research and development facilities which had its origin in this group.

We are at present debating pros and cons of a Naval scientific service to establish a career environment for our scientific civil servants. The special needs of the Navy for scientists who may be required to undertake duty at sea also might be assisted in this way. As a step in this direction, there is maintained in this Office a central roster of naval scientific personnel which daily becomes more useful in coordinating our Navy's research and development work.

These means push to the limit our efforts to enhance the attractiveness of civil service employment of scientists within the confines of the regulations. The problem faced by our research and development programs is generally twofold; first, attracting young scientists and engineers at bachelor's through doctor's levels at the entrance grade with a sufficiently competitive salary; second, holding on to experienced scientists and engineers at the higher grade levels due to opportunities existing outside the Government at considerably higher compensation.

An illustration of the problem faced at the entrance level for engineers and scientists with a BS degree is illustrated by comparing the present entrance rate for the Government for GS-5 engineers and scientists of $4,345 a year, which breaks down to approximately $362 a month, compared with salaries of $375 to $400 a month being offered by 46 percent of 157 companies recently surveyed by the Midwest College Placement Association and presented at their annual conference in Chicago in September of 1955. This same survey showed that, in addition, 7 percent of the companies were offering salaries of $400 to $425 per month to persons with a bachelor's degree in science or engineering. Many of these industrial companies, in addition to offering a very favorable differential in comparison to Government salaries, pay for the transportation of the household goods and dependents of the appointee. Consequently, the Government offer frequently seems very unattractive. Many private companies also have a recruiting advantage through the practice of inviting applicants to their laboratories or places of work for personal interviews at company expense and thereby creating interest in possible employment. Government activities presently do not have authority for this same kind of positive recruitment method.

A third comparative difficulty is the ability of private industry to offer a higher pay to those scientists and engineers who, through top standing in their classes or other evidence of unusual creative ability, appear to warrant a premium pay. Governmental activities are limited to offer the same rate of compensation to all scientists and engineers with recently acquired degrees as their only basis for consideration for employment, regardless of the quality of the applicant's training, experience, and promise.

An overall advantage possessed by industry and prohibited among Federal agencies is the use of paid advertising to publicise vacancies, professional opportunities, and other characteristics of the working situation that might help to make scientific activities attractive to scientists and engineers.

It would appear, therefore, that legislation that would accomplish the following would help us to improve our competitive position, particularly at the entrance levels: (a) A compensation system based upon prevailing wages on a national scale that can be constantly appraised and adjusted by the central personnel agency of the Federal Government, the Civil Service Commission; (b) enabling legislation permitting payment of transportation of household goods and dependents for new appointees in scientific and engineering positions; (c) enabling legislation permitting payment of transportation and subsistence for scientists and engineers invited to appear at the place of work for an interview with prospective employer; (d) authority for Government agencies to use paid advertising in publicizing scientific and professional vacancies.

For the second major problem area, retention of experienced, creative, and competent personnel, salary benefits seem to be a major factor in solution to this problem. The current administration of the classification law with its rigid emphasis on duties and responsibilities tends to hold scientists and engineers at pay levels prescribed exclusively by duties and responsibilities independent of the quality of performance and achievement demonstrated by the individual. This frequently permits such positions to lag behind competitive salaries paid to persons in private industry capable of comparable scientific and engineering achievement.

In addition, the insufficient number of opportunities at top pay levels, particularly at the supergrade and Public Law 313 range, makes it increasingly difficult to retain top level scientists and engineers who see a very limited opportunity to advance. Within the past year, several key Navy scientists have resigned to accept positions in industry at much greater compensation. There are compensation problems even at the Public Law 313 and supergrade levels, essentially due to the present statutory limit of $15,000 per annum. Inability to meet top industrial salaries will obviously always be a legitimate problem of governmental activities. However, legislative action to increase substantially the number of supergrade and Public Law 313 positions and also to raise the present ceiling above its current statutory limit of $15,000 per annum would be a significant contribution to our ability to retain key personnel.

These proposals are not unique. The Interdepartmental Committee on Scientific Research and Development, of which I am the Navy member, has also given considerable attention to this issue and has made recommendations to the Civil Service Commission along these lines. The third enclosure is a committee report on the problem.

I hope that these frank statements will be of value to you. I have tried to show that we are making every effort possible to increase our scientific strength within the rules but feel that the solution is to recognize that we can obtain and retain scientific personnel primarily by improving our competitive position.

Sincerely yours,

H. BENNETT,
Rear Admiral, United States Navy,
Chief of Naval Research.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, April 21, 1955.

SECNAV INSTRUCTION 5450.3

From: Secretary of the Navy.
To: Chiefs, Bureaus and Offices, Navy Department Commandant of the Marine Corps.
Subject: Organization and administration of Navy research and development facilities.

1. Purpose: The purpose of this instruction is to state the policy of the Department of the Navy concerning organization and administration of facilities engaged principally in research and development.

2. Background: Effective research and development toward the Navy's objectives require qualified Navy command and direction of the purpose of the work, and direction by qualified scientists or engineers in the technical content of the work. The military and civilian personnel must work together as a team so that their respective special abilities are fully utilized to develop new techniques, materials, and equipments for the Navy.

3. Policy: The following policies shall govern the organization and administration of Navy research and development facilities:

(a) Responsibility: The commanding officer will be responsible for the activity, its direction and administration, and all of its work. Direction of the technical program along sound technical lines will be insured by making the senior scientist or engineer (technical director) directly responsible to the commanding officer for the conduct and effectiveness of the technical program, with direct authority and responsibility for the technical work. The responsibilities of the technical director at each facility should be defined in writing.

(b) Service departments: The primary function of the service departments is to aid the technical staff and to supply its needs for accomplishing the work specified.

(c) Area of activity of facility: The area of activity of each research and development facility should be defined in sufficient detail to serve as an effective guide to the facility and its parent bureau or office in the assignment of tasks or projects. The definition and subsequent assignments should be directed toward achieving coherent programs which the staff can perform at a reasonable rate. The facility and the parent bureau or office should mutually and jointly decide the

nature and content of the workload, keeping in mind the need for flexibility. The program should be broad enough to permit a reasonable exploitation of important new ideas on its fringes. The work program should be reviewed periodically by the facility with the parent bureau or office. In addition to the assigned work program the facility should be given control of a portion of its research capacity for the exploitation of new ideas which it has generated and which it considers valuable in meeting the Navy's requirements in its assigned area of activity. Projects established for this purpose should be subject to review by the parent bureau or office, and their prosecution must now be allowed to delay the accomplishment of the assigned program.

(d) Personnel policy: Commanding officers and technical directors should exploit every reasonable means for enhancing the attractiveness of employment in their establishments to creative, energetic, and conscientious scientific and technical people; for utilizing scientific and technical personnel productively and on work that will further develop their technical abilities; and for meeting other special needs of their professional careers. The recruitment, development, and utilization of the technical staff should be a continuing responsibility of both the commanding officer and the technical director and should be promoted by imaginative development of sources of recruitment, by suitable employee development programs and in advanced science and technology, by training in administrative and executive techniques, by encouragement of appropriate participation in the activities of the professional societies, by recognition of scientific achievements, and by such other means as will increase the effectiveness and productivity of the technical staff.

4. Implementation: The chiefs of the bureaus and offices having cognizance over research and development facilities shall insure that the foregoing policies are implemented.

J. H. SMITH,
Assistant Secretary of the Navy (A).

SECNAV INSTRUCTION 12230

From: Secretary of the Navy.
To: All naval activities employing civilians.
Subject: Fostering professional development of civilian scientific and engineering personnel; available means for.
Reference: (a) Authority contained in current appropriation act for payment of tuition, cited in NCPI 230; (b) NCPI 230.6; (c) FPM Zi-239, section 6.101; (d) NCPI 35.4-1; (e) NCPI 240.3.

1. Purpose: This instruction brings together and interprets the Navy policy on encouraging the professional development of civilian scientific and engineering personnel. It directs addressees to review their current training programs and to make full use of available means for developing scientific, engineering, and supporting personnel.

2. Background: Emphasis has been placed by progressive scientific organizations of the civilian economy on constantly improving their engineering and scientific personnel. This has been shown by recent studies of congressional committees and the Hoover Commission report. This instruction describes existing methods by which naval activities employing scientific and engineering personnel may offer a variety of professional development programs that compare favorably and exceed in some respects those offered by leading private companies. All cognizant personnel are therefore requested to make full use of these means which are within the established Navy training policy framework set forth in NCPI 230 to increase the professional skills of present complement, to enhance the recruitment of promising scientists and engineers, and, most important, to increase the scientific and engineering capability of the Naval Establishment.

3. Navy payment of tuition and other expenses for professional development of scientific, technical, and engineering personnel. Reference (a) is the authority for assigning civilian personnel to instructional programs requiring tuition payment where such instructional courses are needed to carry out the mission of the activity or primarily for direct benefit toward the accomplishment of the individual's assignment in the Navy. Such courses may include summer session refresher and briefing programs in new developments in science and engineering, such as those offered at Massachusetts Institute of Technology; advanced courses of scientific and engineering study; and participation in institutes designed to increase managerial or scientific and technical effectiveness. When such programs are approved, as prescribed in reference (b), tuition, per diem, travel, and incidental costs such as books, and registration fees may be covered.

4. Arrangement with accredited educational institutions for sponsorship of programs to meet needs of scientific and professional employees of the naval activity: Many naval activities have successfully negotiated arrangements with leading educational institutions in adjacent locations for offering accredited courses, given both on and off the campus, leading to higher degrees. Generally, participation in such courses is the financial obligation of the employee desiring the degree credit or the information made available in the courses. However, in view of the standard requirement among universities that a minimum number of students is required before a course may be offered, it may be possible through use of reference (a) for the naval activity to subsidize the difference between the tuition paid by the students and the actual cost to the institution. Such arrangements permitting off-campus credit courses and degree-awarding programs are particularly desirable, in those naval activities where, due to location, accessibility of graduate on-campus courses to engineers and other technical personnel is not available.

The details of such arrangements between naval activities and educational institutions may include offering of courses either after regular hours or partly on official time, depending upon the extent of management's interest in encouraging their employees to enroll in such programs. Where justification for tuition subsidy is required, the information presented by activity concerned, as described in reference (b), should clearly show that the content of these courses directly benefits and helps accomplish the assigned mission of the naval activity. The justification should also clearly state the minimum condition under which the educational institution is willing to offer necessary courses.

5. Competition for fellowships and other awards: Naval activities should encourage participation among their employees in competition for such national awards as the Sloan fellowship program at Massachusetts Institute of Technology, the Rockefeller fellowships sponsored by the Rockefeller Institute in conjunction with Princeton University, and other such programs. These programs not only offer an excellent opportunity for professional development but they also achieve public recognition for outstanding employees frequently at a national level. Determination as to the degree of financial support in respect to salary, per diem, subsistence, and incidental expenses should be based upon the direct value of the program to the naval activity. Where payment of the salary and other expenses involved in the fellowship or award may not be justified for Navy support, employees concerned should be encouraged to use annual leave and/or leave without pay.

5. Administrative permission to employees to attend university courses on official work time: When participation in certain courses offered by educational institutions is of direct benefit to the Navy and the employee is willing to pay the tuition cost, particularly where such courses are part of an employee professional development plan, administrative permission may be given to permit such attendance on official time. In general, such permission should not exceed a maximum of 4 hours official working time per week.

6. Assignment for temporary duty to an educational institution or industrial organization: Scientific, technical, or engineering personnel may be assigned temporary or travel status to institutions or industrial organizations for short-term visits to gain information concerning research and development techniques, use of special technical equipment, or other processes directly related to the official work assignment of the employee concerned or the mission of the activity. Consideration may also be given toward establishing a temporary duty station at the institution or industrial organization concerned or described in reference (8).

7. Use of eminent scientist and other professional personnel for seminars, lectures, and short tours of duty: References (b), (c), and (4) permit utilization of outstanding scientists, engineers and other professional personnel for lectures, seminars, and institute programs and also for limited tours of duty as consultants. Such arrangements may benefit Navy scientists and engineers, not only in furnishing new information but in stimulating greater creativity.

8. Utilization of special duty stations for training and development of scientific and engineering personnel: Due to the shortages existing for certain kinds of specialized scientists, engineers, and technical personnel required by the naval establishment or to permit employees to gain information about new technological advances, it may be desirable to select, under reference (a), qualified scientists and engineers with promise and assign them on a full-time detail to appropriate institutions for further study and development. The Bureau of Ships annually sends 1 to 8 employees for a year's study to the Oak Ridge Reactor School; Naval Air Development Center annually sends 1 to 8 employees for a year to Ordnance Armament Course at MIT. At the University of California, advance study programs in hydrodynamics and naval architecture have been made possible through the naval support of research studies in these fields. As described in reference (e), the Navy pays salary, tuition costs, travel, and incidental expenses for the employees selected.

10. Action: Addressees are requested to study their current training and professional development programs for application of this instruction wherever appropriate. Chief of Naval Research (code 700) and Chief of Industrial Relations (code 300) will provide guidance and information as required on matters relating to this instruction.

SCIENTISTS' VIEWS OF THE GOVERNMENT AS AN EMPLOYER, SEPTEMBER 1955

Interdepartmental Committee on Scientific Research and Development

Introduction

Of all our resources, trained scientific manpower is easily one of the scarcest and most valuable. We do not have, and we will not be able to produce within the foreseeable future, nearly enough scientists to meet our requirements. The limited supply that is available must be shared by industry, the universities, and Government. Proper use of this limited supply, by each of these groups, ranks among the most critical problems facing our Nation.

How, then, can the Federal Government attract and hold an appropriate share of

entrance level for engineers and scientists resigned to accept positions in industry at office should mutually and jointly decide the

superior scientific talent? How can it insure that its scientists spend their time as productively as possible?

The answers to these questions will determine the ultimate success of Government's scientific programs and are therefore of crucial importance to responsible officials of Government. They are of special concern to heads of scientific laboratories and agencies and to those responsible for Federal personnel policy.

In practice, the law of supply and demand operates in the scientific manpower field just as it does elsewhere. In the face of a demand which far exceeds the supply, Government—like industry—must take special, positive measures to attract competent scientists; to increase the effectiveness with which they use their scientific skill; and to create conditions which will encourage maximum job satisfaction and productivity.

With this thought in mind, the Subcommittee on Scientific Personnel of the Interdepartmental Committee on Scientific Research and Development recently made an informal survey of Federal scientists' attitudes toward Government employment, as one part of its work on a more comprehensive project. With the help of the panel on policy, questionnaires were sent to a selected number of scientists in Government agencies whose long experience and whose positions of leadership seemed to make their testimony significant. Fifty-five of these scientists in seven different agencies employing substantial numbers of scientists, answered these questions:

1. What are the major attractions that bring scientists into the public service today?
2. Can we improve our pulling power? How?
3. Are qualified scientists leaving the service? Why?
4. What keeps good scientists in the service?
5. How can we improve our holding power?
6. How can we create a situation in which Federal scientists can work most productively?
7. What features of the present system would you particularly want to protect?
8. Which would you most like to change? How?

This report consolidates the replies of the 55 scientists. Practically all of those responding had both administrative and research experience of considerable length in Government agencies, and ranked as section chief or project leader or above (GS-13 to GS-17). They were engaged in public health, forestry, naval ordnance, civil and military aeronautics, and physical and chemical research and technology. The lists of questions were given to persons who were known by panel members to be interested in the subject matter. Even though the group was small, we feel that the opinions voiced are fairly representative of those of many other scientists. In the belief that the comments are worthy of careful study in Government agencies, the Interdepartmental Committee on Scientific Research and Development is making them available to Government officers having responsibility in the field of research and development.

THE CHALLENGE OF THE PROBLEM

In reply to the first question: "What are the major attractions that bring scientists into public service today," one of the 55 scientists replied: "* * * the same as the attraction of any other organization—the desire to work on the research of his choice."

Another put it this way: "Many of the newest tasks in science are being prosecuted under Government sponsorship. * * * An opportunity to work on the largest, most recent, and most challenging (technically) projects appears to be possible. This, I feel, is the most commanding drive."

Still another said: "The recognition that the Government must from now on support (extensively) science has made the scientist determined to see that the program is administered from the scientists' vantage point."

Others describe Government's recruiting attractions in such terms as these:

"Opportunity to do creative research on a wide variety of problems rather than to concentrate on the problems applying to one concern."

"Opportunity for technical work promoting continuing technical advancement and personal accomplishment."

"Work that is interesting, enjoyable, and challenging."

"Opportunity to do fundamental research as opposed to production type of work."

More frequently than any other item, the respondents listed the work to be done as Government's major recruiting attraction and also listed the work itself as the Government's major holding power:

"Infatuation with the technical problems."

"Love for job."

"The personal satisfaction of doing a job that is important and worth while."

One reported: "Those persons who are tempted to consider leaving, but at this time do not, have developed a mature attitude toward research and fully appreciate its significance. It is an inspirational occupation to deal with the unknown, solve difficult problems, and lay cornerstones of knowledge along the way."

THE LUXURY OF INTEGRITY

Many Federal scientists believe that another of Government's great attractions for research workers is what one of them aptly terms, "the luxury of integrity."

Despite the fact that much Government research is necessarily of the so-called target type, freedom of research in Government apparently falls somewhere on the scale between the greater freedom of universities and the lesser freedom of industry. Federal scientists prize highly:

The "freedom from pressure to distort findings for commercial purposes" in Government.

"The opportunity for performing fundamental research without the necessity for compromising the work for the sake of speed or profit."

"Freedom in finding the truth and publishing the truth without pressure to do a commercial job of development."

"Opportunity to do fundamental or basic research without pressure for immediate application."

THE DRAG OF ADMINISTRATIVE REDTAPE

While Government does quite well in preserving basic scientific freedom and integrity of research for its scientists, it apparently does not do so well in freeing them of what they regard as excessive administrative controls. The reporting group cited "the drag of administrative redtape" more frequently than any other item except salary as a major reason talented scientists leave Government:

"Professional administrators drive them out."

"Dissatisfaction with redtape, with slowness of advancement, with travel arrangements, and with security handling."

"[To gain] freedom from petty annoyances by administrative staff."

"Fed up with redtape and gobbledygook."

"Desire to less redtape, regimentation, and restrictions erroneously considered a Government monopoly."

A typical summary of a very general attitude read: "I believe that dissatisfaction with Government service arises from the cumulative effects of many small things. Chief of these is lack of privacy: Space planners who move his office from here to there, file coordinators who want an inventory of his papers, librarians who demand a semi-annual survey of classified material and published books; position description review who insist on continuing accuracy; bookkeepers who want to know how many hours are spent each day on each task."

Improved administrative support and services were mentioned more frequently than any other item as a suggested method of increasing scientific productivity. Some of the comments here were:

"Fewer administrators and less 'administration.'"

"Stop bothering the scientists with management problems. Treat the scientists like mature grownups who have as much integrity in daily affairs as in scientific reporting. Give scientists more service help."

"Institute the development of administrative attitudes which will be based on the assumption that the individual scientist is honest, hard working, and anxious to do his best as a public servant. This to replace the attitude, undoubtedly forced on administrators from other sources, that some scientists are liars and cheats and therefore regulations must be set up which while harmful to the productivity of all must be set up to screen out these few."

Characteristic of good research workers is their need and demand for broad discretion in operation. The superior research worker is, by personality, by training, and by the nature of his profession, highly individualistic. To suppress this individualism is to stifle his creative talent and destroy his scientific productivity. Yet, management exists for the purpose of integrating and directing various activities and projects toward the accomplishment of a mission; this necessarily places certain curbs on the individualism of the scientist as well as that of other employees. The problem is to find and maintain a proper balance between these two goals.

Achievement of the basic purpose for which scientific agencies do exist—the creation of new scientific knowledge and the development of applications of this knowledge—is peculiarly dependent upon freeing the creative talents of the scientist for those scientific activities of which he alone is capable.

Resolution of this problem challenges the best of scientific and administrative thinking and good will.

THE BUDGET DILEMMA

The adequacy of research funds and the very excellent research equipment and facilities of the Government are strong attractions to the scientist. They were mentioned by 26 of the 55 reporting scientists as adding greatly to Government's recruiting power. However, the fluctuating level of financial support presents very real problems which significantly lower the scientific productivity of Federal activities.

Fourteen of the reporting scientists listed frustrations due to research financing (delays; uncertainty; indifferent or fluctuating support) as a major factor in Government's loss of its qualified scientists. The toll in reduced efficiency of those who remain is undoubtedly even heavier.

Few, if any, Federal research programs can be completed, much less evaluated, in 1 year. Most are 2-, 3-, or 5-year, or even longer range activities. The Government in many cases assures outside agencies receiving Federal research grants and contracts of financial support through the expected duration of the project. This practice is based on a recognition that these outside sources cannot afford to build up research staffs and facilities that may be disbanded at the end of 1 year, before the job is finished. It is equally unrealistic and uneconomical to require research activities within Government to operate under such a handicap.

The timing of appropriations also causes significant difficulties. Appropriations are ordinarily made for a 1-year period beginning July 1. Frequently they are voted so

late in the fiscal year that Federal agencies cannot make firm job offers to outstanding students in advance of their graduation; such students naturally go elsewhere, to employers who can and do make such offers early in the spring. Some research activities require fieldwork that can be done only during the summer months. The fact that the fiscal year begins July 1 prevents good planning and efficient conduct of such activities.

PROBLEMS WITH THE PERSONNEL SYSTEM

Scientists, being human, are just as subjective about their working conditions as any other kind of worker. Repeatedly the group surveyed expressed considerable concern about:

Salary

"Fair pay; comparable if not competitive salaries," especially at the beginning and upper levels; the need for more flexible starting rates; the low ceiling of Federal salaries; "industry offers more money"; "better pay elsewhere for the same level of work"; "the 10-year man can command up to $1,200–$1,500 more salary per year doing the same or less qualified work."

On the "what's wrong" side, low salary is named most frequently (41 times) as the reason for qualified scientists leaving Government.

"Raise salary scales," particularly at the entrance and the top levels, appears more often than any other suggestion for improving pulling power (36 mentions) and for improving holding power (37 mentions).

Salary is also mentioned second most frequently (after civil-service hiring, firing, rating, and promotion practices) as that feature of the present system most in need of change.

Promotions

A major dissatisfaction closely related to salary concerns opportunities for advancement. The bases and the mechanism for promotion appear to be matters of major concern, frustration, and irritation to almost all Federal scientists. As a group they believe strongly in "advancement on the basis of scientific accomplishment" and are sharply critical of "the necessity to assume administrative duties in order to advance." Sixteen of the 55 listed this dissatisfaction as a major reason qualified scientists leave Government.

Regarding advancement, the scientists surveyed suggest:

"Promotions of persons in scientific positions should be based on their scientific achievements rather than their time in grade, administrative competence, or merely the requirements of the position they happen to hold."

"Raise the potential level, and increase the opportunity for advancement (financially and professionally) through actual scientific endeavor"; adopt a career ladder for scientists which does not force them to become administrators to reach the top grades."

"Give more recognition to scientific skills by providing ready promotion based upon scientific accomplishments."

"[Provide for] advancement with technical growth rather than strictly according to prescribed organizational pigeonholes."

One, pointing to the need for "recognizing relative proficiency in a job, and that two individuals can be engaged in doing the same work, whether typing or pathology, and that one will have a superior output," concluded that "the present system encourages mediocrity, since advancement often depends on stepping into a new job, rather than improving in the one now held."

Job security (tenure)

Scientists of some agencies feel that Government decreasingly offers the advantage of reasonable job security. They believe that there should be more assurance of permanence for employees who continue to produce, that the stability of employment should be increased, and that the prevailing atmosphere of "general uncertainty, insecurity, gradual whittling away of benefits" must be counteracted. Some are disturbed by what appear to be inconsistencies or discrepancies in action, as compared with words, on this problem.

Retirement benefits

The present civil-service retirement system is very attractive, especially to those scientists who rely on it to compensate for differences between the salaries they receive in Government and those they could obtain in industry. Many express the hope that these retirement benefits will not be impaired.

Leave provisions

Scientists, like other Federal employees, are concerned and in some cases disillusioned by recent reductions in amount of leave earned and especially by restrictions in accumulation of leave. Some point out that loss of these benefits deprives many Federal scientists of the only practicable method they have of approximating the sabbatical leave of the university research workers.

Professional recognition and growth

Both the opportunity to attain recognition and establish a reputation in his chosen field and the opportunity to continue his professional growth are exceedingly important—even necessary—to the scientist. The extent to which Federal agencies meet this need varies considerably, particularly with respect to employees working on secret projects.

MOST WANTED CHANGES IN PERSONNEL PROCEDURE

Features they most want to change are civil-service hiring, firing, rating, and promotion practices (20 mentions). Pertinent comments on this problem included these:

"I would like to see a separate branch for scientific civil service, divorced from the 2.5 x 10⁶ other Government employees, separately administered from a professional point of view, revised hiring procedures, qualification methods and pay scales. Present hiring, for example, is inefficient and too slow to be competitive. Also a system of sabbatical leaves should be considered."

"Performance ratings—abolish. Veterans' preference—abolish. Much more emphasis on 'getting job done,' 'most competence and ability,' etc.; less emphasis on 'years of service' (perhaps mediocre), 'job rights.'"

"Those regulations that restrict or handicap the demotion, transfer, or hiring of incompetent personnel. Reduction in force procedures, for example, should be on the basis of the employee's work performance and value to the Government rather than seniority."

"Less hampering rules and regulations on employment and promotions, by revising civil-service procedures. 'Classification idea no good.'"

"Permit research agencies to select personnel independently of civil-service registers."

"I would like to eliminate the classification of professional employees. The concept that a classification man can come into a research group and establish whether a scientist should be promoted or not is basically wrong. A competent supervisory line can determine the performance of scientists in other groups. It is reasonable to have guidelines as to what maximum salary should be paid for various levels of work, but the supervisory line should determine a man's worth to the organization and not a classification man. Possibly the concept of classification is a good one for stockroom clerks, but it is wrong for scientists."

"The method for establishing civil-service registers should be changed. The present system allows a disabled veteran who barely got through college and who has no research aptitude whatsoever to be at the top of a scientific register. Government scientists should be employed on the basis of ability and potential worth to the organization and there should be no other considerations."

"In order to judge our scientists more fairly and enable administration to make better comparisons, the work performance rating should be changed. The present system is worthless. An outstanding man under the present system is a superman, while the great majority are classified as satisfactory. 'Satisfactory' includes everyone above those that should be separated to those just short of supermen. I would like to see a change in attitude on salaries and advancement recognizing the value of high-grade research men."

PRESTIGE, REPUTATION OF GOVERNMENT

Federal scientists, like other Federal employees and responsible public-spirited citizens outside Government, are profoundly disturbed by the deteriorating prestige and reputation of the Federal Government employees arising from irresponsible statements that create bad public feeling.

They say that public attacks by "sensation seekers" have made Government employment distasteful and stress the need for restoring the "climate of opinion * * * to its former status, when Government employees were regarded as honest, God-fearing, hard-working, public-spirited citizens." Their feelings are reflected in such statements as these:

"Government employees have been pilloried in the press. They have become the favorite targets of irresponsible politicians and demagogues of all kinds. We need to start a backfire and halt this campaign in its tracks. Because of continual attacks on governmental employees, the tendency to label them all as 'bureaucrats,' and the widely held belief that they represent a group of citizens who either are unable or are too lazy to make a living in private employment, it seems certain that our pulling power is considerably less than it once was."

"It is difficult to convince a prospective employee that he can work for the Government and still be self-respecting. It is also very demoralizing to present employees to have their neighbors consider them to obviously be lazy and dishonest because they work for the Government."

"Some [scientists] are staying on [in Government] with the hope that the self-respect essential in a public servant which has been lost during the past few feverish years may be recovered to some extent."

Loss of prestige of Government employment was listed by 12 of those reporting as a major reason for loss of qualified scientists from Government. Restoration of this lost prestige was mentioned more often (19 times) than any other item except higher salaries as essential to improved recruiting. It was also mentioned by 11 scientists as essential to improved holding power. Typical suggestions:

"An effective information program which will convince the general public that all public servants are not tax-eating bureaucrats and that the results of public service in general and of research in particular have contributed much to our American way of life."

"Work out a system to publicize the efforts of career scientists, devotion to duty, etc., in nationwide papers and magazines. Wage an active campaign against the careless belief of the general public that all Government workers are looking for a soft spot to loaf and are wasting public funds."

"To many of the general public, a typical civil-service employee is one who spends too much of his time loafing on the job, who manufactures nonessential jobs for himself, and holds his job by seniority rather than by ability. It would be of great service to all Government employees and a considerable benefit to the Government if the true story

could be told of the able, devoted, and hard-working employees of the Government and the importance of the work they are doing."

"Sell to the public by good public relations the accomplishments of Federal scientists. Do it by radio, television, lectures, and movies. This should not be done by the scientists themselves, but by a skillful public relations staff. Make the people at least as proud of the United States scientist as they are of J. Edgar Hoover and the FBI. Young boys join the Marine Corps because it has a reputation. Government scientists have accomplished enough to have a good reputation too, but it has never been advertised adequately."

"Somehow achieve greater recognition of the contributions made by scientists to the welfare of the country. It should come about rather by a more widespread but quiet recognition by Congress and by Government administrators and executives of the importance of scientists in the whole business of government, and by recognition that scientists are just as good citizens, just as loyal, honest, conscientious, and hard working as the businessmen in administrative and executive positions. Scientists wish to be treated as scholars and gentlemen, and to have their devotion to a search for truth recognized as a good and desirable quality."

Mr. HUMPHREY. Mr. President, I have discussed the immediate threat that confronts us in the Soviet concentration of its scientific and engineering abundance on the development of instruments of war. There is another, more long-range danger from the Soviet Union's achievement in educating large numbers of scientists and engineers. We should be concerned that the Soviet Union now has technicians available for export.[1]

The Soviets have educated such large numbers of scientists and engineers that they can start competing with us in offers of technical assistance to underdeveloped nations. This would not be a matter of such great concern, if we could believe that the Soviet Union's sole motivation in this is a humanitarian desire to uplift other peoples. We suspect that ideological strings are always attached to their offers of technical aid.

As our former colleague, Senator William Benton, of Connecticut, has written:

> The Soviet policy * * * is manifestly designed to utilize youth and manpower so that its sum-total productivity will bring maximum benefits to the state. This policy, in my judgment, as it increases in effectiveness, poses a most serious threat to the West, dangerous in war because of its efficiency, and ominous in any form of competitive coexistence we can envisage. The victory in such competition between the U. S. S. R. and the West in Asia and Africa may well go to the largest battalions of technologists trained for export.

Our concern over the dispersion of Soviet technicians throughout the underdeveloped areas of the world grows in part from a knowledge of the kind of education the young scientists and engineers of Russia receive. If they were given excellent training only in science or engineering, we might not have so much to fear from these invasions. But the indoctrination they received as part of their Communist education makes them more than just technical experts. They become political propagandists and Communist Party organizers in many instances.

Let us turn now to the long-range threat that confronts us in the international sphere as a result of the gap between the growing number of scientists and engineers being turned out in the Soviet Union and diminishing numbers our own technical schools and colleges are graduating. The United States and the free world could suffer a nonviolent defeat if the Soviet Union and the Communist sphere close the economic gap and come to surpass us in industrial productivity.

I do not know how one can say this with sufficient emphasis to impress the American people with the truth of that statement. We in this country have a propensity for being able to ignore the hard facts of life until the roof falls in on us. Then we immediately bend every effort, at great cost and great waste, to do something to redeem ourselves and protect ourselves from ultimate destruction. It seems I have been sort of a voice in the wilderness, trying to shout to my fellow Americans that there is a possibility the United States and the free world could suffer a nonviolent defeat through a war of attrition and through competition with the Soviet Union and Soviet bloc if their technology closed the economic gap and ultimately surpassed us in economic productivity. The Communists would not have to defeat us in war to gain superiority. They could alter the balance of power in the world by accelerating the growth of their economy at a greater rate than that of our own. Our shortage and their abundance of scientists and engineers could be the unknown factor that tips the scales.

The possibility that the Soviet Union may be exceeding the United States in output of engineers and scientists by as much as 50 percent is all the more startling when one recalls that the Russian economy is probably one-third the size of that of the United States, so that, presumably, the demand for engineers in the U. S. S. R. should be less than in our own country.

An excellent study was published in March last year by the Subcommittee on Research and Development of the Joint Committee on Atomic Energy. It gives us the facts on comparative training of engineers and scientists in the United States, Western Europe, and the Soviet Union. As I have already mentioned, the subcommittee has since held a series of hearings that have added greatly to our knowledge of this subject, and further information will be brought together in the study now being made by the Legislative Reference Service.

I suggest that we should take the study, Engineering and Scientific Manpower in the United States, Western Europe, and the U. S. S. R., and read it in conjunction with the earlier study of the Joint Committee on the Economic Report, Trends in Economic Growth, a comparison of the Western Powers and the Soviet bloc. I understand the latter study will be brought up to date in the very near future. This is more than just an interesting exercise. It serves as a warning of what the possible consequences might be for our relative strength with the Communist world if the United States and other nations in the Western World do not act promptly to increase our output of technical personnel.

The original comparative study of Soviet and Western economic growth is more than 2 years old now. I am sure the supplement soon to be published will be most useful in bringing us up to date on this problem. I believe, however, that the original conclusions are still quite valid. Actually, that report gives us some grounds for assurance. One conclusion, for example, states that:

> In the period 1928-53, as a whole, the national product of the United States increased about three times as rapidly as that of independent Europe, and almost twice as rapidly as that of the Soviet Union. To a substantial degree, this difference reflects the varying effects of World War II. Between 1949 and 1953, the national product of the United States grew not quite 30 percent faster than that of independent Europe and only two-thirds as fast as that of the Soviet Union.

And another conclusion of the report on comparative Soviet-United States economic growth states:

> An examination of the various factors of production (growth of labor input, agriculture, housing, etc.) in the United States and in the Soviet Union today gives strong grounds for expecting that the absolute gap in the size of the two economies will widen over the next two decades, although the rate of growth in the Soviet Union might be somewhat higher than the rate of growth in the United States.

This means, as I understand it, that though the rate of growth of the Soviet Union may be greater than that of the United States economy, it is a percentage based upon a smaller national product, so that actually the United States economy is growing proportionately larger than is the Soviet economy. Given this conclusion, we might assume that we can be complacent and expect to win "going away."

Some people might advance reservations about this, however, and express a concern that, unless we can expand the free economic market to include a much larger area of the non-Communist world, the American economy will at some point reach a plateau of production when consumer demand will not keep expanding at a rate within the United States sufficient to absorb the productive rate of increase. I am not at all sure that this will happen throughout the United States economy, though we have seen something of that sort overtake automobile production and sales.

It does, however, give renewed emphasis to the need for a fully developed foreign economic policy for the United States. Such an economic policy cannot be based on antiquated ideas, segmented and compartmentalized along the lines of trade, aid, and what have you, nor can it be hamstrung by a lack of awareness of the interdependency of our economic well-being with the continued growth of the economies of the other nations of the non-Communist world. It also emphasizes the need for leadership that appreciates the urgency of integrating our foreign economic policy as part of our foreign policy, if the Soviet economic offensive is to be challenged and successfully countered.

The Soviet Union is certainly in no danger of reaching such an economic plateau in the near future. The demand of the Soviet peoples and other people of the captive Communist nations for consumer goods would take many years to fulfill. There was some slight indication that the Soviet leaders might seek to satisfy the long repressed desire of the Russian people for some of the comforts of life, doubtless to assuage somewhat the resentment of a people long promised much and granted little. Now, however, following Hungary, they may fear that relaxing their iron rule over the Soviet peoples is dangerous. The Soviet leaders may again feel that the liberalization process could get out of control. As I have already indicated, there is little to suggest that the Soviet Union has given up its overriding priority of plowing back into production, for war purposes, the bulk of its most precious resources and intensive production efforts.

To return to the question of whether there is any room for complacency in the conclusion that the absolute gap between the United States economy and the Soviet economy will widen to the advantage of the United States over the next two decades, I suggest that we should be extremely cautious about overconfidence on this point. The race is not yet won. I am not disagreeing with the estimate of the study of the Joint Committee on the Economic Report made 2 years ago. In fact the conclusions of that study were advanced with such warnings as:

> The important fact is that past trends, by themselves, are poor guides to the future. Forecasts, if attempted, should be based upon concrete structural analysis.

The study of comparative Soviet-United States economic growth contained this additional conclusion:

> It is important that the Western countries intensify their efforts in the field of education. The more immediate need is to train adequate numbers of scientists, engineers, and technicians. In the longer run, it is essential to keep raising the level of general education.

The study completed more recently by the Joint Committee on Atomic Energy indicates that the shortage of scientists and engineers in the United States relative to the abundant supply in the U. S. S. R. may require a reevaluation of the future comparative rate of growth of the Soviet and United States economies. The rate of growth of the Soviet economy might be stepped up beyond anything we have anticipated, as it becomes infused with the added vigor supplied by the growing numbers of scientific and technical personnel.

This point was made most forcefully in a speech on February 26 by an American industrialist, Mr. Elisha Gray II, president of the Whirlpool-Seeger Corp. Mr. Gray warned that during the period 1948–56 our overall economic growth was at a rate of only 3 percent—a figure he termed "frightening in the light of what the Soviet Union is accomplishing." Mr. Gray made what I believe is an excellent recommendation. He suggested that we stop moving ahead with our eyes turned backward toward the post-depression goal of "full employment" and pursue, instead, the objective of "full economic growth and development." He proposed that nothing short of a 5-percent rate of growth for our economy would be sufficient for this goal.

I request, Mr. President, that a portion of Mr. Gray's address of February 26, 1957, to the Advertising Club of Washington be printed in the RECORD as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

IS THE UNITED STATES ECONOMY GROWING FAST ENOUGH TO ENABLE US TO SURVIVE AS A MAJOR INDUSTRIAL POWER?

(An address by Elisha Gray II, president, Whirlpool-Seeger Corp., St. Joseph, Mich., before the Advertising Club of Washington, February 26, 1957, Willard Hotel, Washington, D. C.)

On today's international stage, power is industrial power—the power of science, technology and production. It is this complex which makes possible military strength. It is this industrial base which gives foreign policy its muscle. It is the magnet of attraction for that part of the world which we are pleased to call underdeveloped.

Today, the balance of world power is weighted in favor of the West because we still hold the edge over the Soviet Union in industrial power. But the balance is poised precariously.

It is quite possible that this 20th century may be known not only as the age when the atom was first split and man discovered the secret for his own annihilation, but also as the time when the Soviet Union and China surpassed the industrial power of the United States and Europe. Were this to happen, it would inevitably alter the whole course of world history and the world balance of economic power in which the United States now occupies the pivotal position.

Perhaps the outstanding event of our time is the emergence of the Soviet Union as a technological society capable of challenging—and, if you please, of overtaking and even surpassing—the technical supremacy of the West.

The Soviet Union has accomplished this prodigious achievement through enormous sacrifices, at a frightful cost in human lives and under the most primitive living standards of any industrial nation. The method used for this accomplishment is no secret: it was done with the whip, by sweating its people, by depriving them of virtually every consumer comfort, and by using investment primarily to build up heavy industry and military production.

Now to Western eyes this new, Soviet technical society may appear as misshapen and as grotesque as the baggy, bell-bottom trousers of the typical Russian diplomat. But the stark fact remains that 28 years of forced-draft industrial growth has made the U. S. S. R. the second industrial and military power of the world. You laugh that one off, it seems to me, at your peril.

Downgrading the Russians, scoffing at their technical capabilities and underestimating their economic accomplishments has become something of an American pastime.

You will recall—as I do—when it was fashionable to scoff at the Russians' capability for producing the bomb. Well, they have both of them.

You will recall—as I do—when it was something of a joke that the Russians could excel us in airpower. Our air specialists now tell us that in certain categories of combat aircraft the Russians may have out-distanced us. We are informed by our air technicians that they have certainly excelled us in the lead time for aircraft production—a specialty, need I remind you, that was supposed to be uniquely American.

While we fill the Sunday papers with page after page of advertisements for engineers and raid each other's plants to obtain them, the Soviets have been graduating nearly three times the number of engineers as are coming out of our technical schools.

American and British scientists who have had the opportunity during the past 2 years to meet with their Russian counterparts have come away with a healthy respect for their technical attainments. Indeed, in the theoretical fields Soviet scientists are said to be as good as any in the world.

Soviet science, technology, and industrial production are progressing at a rate which exceeds that of any country, including our own.

Soviet gross national product is growing at a rate which is about twice that of ours.

As Prof. Gregory Grossman, of the Russian Research Center of Harvard University, points out, "even a few additional percentage points per year in the rate of growth of Soviet industrial output and gross national product may shift decisively the balance of world economic power a decade or so hence."

Undoubtedly, there are a number of factors which will tend to slow up the rate of Soviet economic growth as the interactions between population, resources, and technology begin more nearly to resemble our own. But that time has not yet arrived.

True, there appear to be deep stresses and strains within the Communist system which may be developing into critical weaknesses. The violent convulsion among the Soviet satellites will undoubtedly add a further drain on the Soviet economy. Nevertheless, it would be well to give heed to the old proverb that the bear is most dangerous when he is wounded.

My point is simply this: How much longer can we afford to ignore, disregard, or underestimate these formidable Soviet trends and developments without risking the supreme error in human judgment—national destruction? Hasn't the time come when we'd better start "running scared," to borrow a political phrase?

It seems to me that the first place where we ought to start mending our economic fences, so to speak, is our attitude toward the benchmarks we use for measuring economic progress—gross national product.

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[1] Since mid-1955 the (Sino-Soviet) bloc has been sending increasing numbers of technicians to the underdeveloped countries both in connection with its participation in the United Nations technical assistance program as well as the various development projects it is undertaking on a bilateral basis. Largest numbers of bloc technical personnel have gone to Egypt and Syria in the Middle East and India and Afghanistan in South Asia. Information is not available as to their exact numbers. They range from high-level scientific and professional advisers to construction technicians. The bulk of the technicians have been supplied by the U. S. S. R. and Czechoslovakia.

The size and quality of the bloc's technical manpower pool varies widely from country to country. The U. S. S. R. pool of professional and technical personnel in the applied sciences compares favorably with that of the United States. While the U. S. S. R. has only about one-third as many living graduates or schools of higher education as the United States, it has many or even more graduates in applied scientific fields as this country. Certainly in the highly specialized fields Soviet training is as good as in the United States. On the other hand, there is every indication of severe shortages of most types of technical manpower in Communist China. (International Cooperation Administration statement to Senate Foreign Relations Committee, May 23, 1956, hearings on Mutual Security Act of 1956, p. 60.)

Somehow these staggering annual figures of gross national product—$200 billion, $300 billion, $400 billion—have become tranquilizers—happy pills—which businessmen, economists, and Government officials begin swallowing with regularity after each new year.

Last year's gross national product of $412 billion has set off the same chorus of hosannas and has been accompanied by the same back pummeling and hand thumping as in other years.

We are mesmerizing ourselves into thinking we've done a superlative job, when, in reality, it's been mediocre. A $412 billion gross national product represents a growth rate of only 3 percent for the 8 years 1948–56, after adjustment for price increases. That's frightening in the light of what the Soviet Union is accomplishing.

Keep in mind, if you will, that during this same 8-year period of 1948–56 the population increase was 1.75 percent per annum. With an overall economic growth rate of only 3 percent you have a margin of only 1¼ percent to cover the increases in living standards and whatever else we need for the implementation of foreign policy—a margin which could be easily wiped out if we are forced by international tensions to devote a larger percentage of output to national defense.

I venture to say that if we can't do anything better than to produce a 3-percent economy, and if it is our national ambition to continue to jog along at this sedate 3-percent rate the competition for primacy in industrial power will be forfeited to the Communist world.

In my judgment, the time has come when we must set our sights on nothing short of a 5-percent-growth economy. That rate of annual growth would mean a GNP of $640 billion by 1965 instead of the potential $535-billion GNP which seems to be the boldest officially projected goal to date.

May I, in this same context, respectfully suggest for the consideration of the Joint Committee on the President's Economic Report that we ought to drop our preoccupation with "full employment" as an objective of national economic policy and substitute therefor the goal of "economic growth and development."

The concept of full employment is a hangover of the great depression. Full employment is not the Nation's major economic problem. As a national objective, full employment puts the emphasis in the wrong place—on what we did last year instead of what we need to do over the next 10 years.

As a measuring gage of economic progress, the concern with full employment falls short of reaching the jugular of the problem of growth in a technological society; for instance, it ignores the role of research as the key industry of our economy, as the generating force behind our economic progress, as the source of new industries, new jobs, and a new way of living. Similarly, looking at a statistical scoreboard of last year's records doesn't help us businessmen to grasp the most important single problem which confronts each of us in our own businesses—the hard fact that one of the major consequences of our explosive population growth makes increased productivity a dominant need of the American economy for the years which lie ahead. Just to hold our competitive positions, we shall need to produce considerably more than we do today, with less people and with fewer hours of work. Plainly, in order to achieve an expanded economy, we're going to have to step up productivity considerably over any current conceptions of an acceptable annual rate.

Our preoccupation with full employment causes us to concentrate exclusively on short-range considerations, whereas the dynamics of our own technological society and the deepening shadow of the Soviet economy call for bold, imaginative national economic policies—policies which could serve as beacon lights for business, for labor, for agriculture, and for government itself, for the next decade and more.

Parenthetically, may I point out that since the end of World War II progressive corporate managements have increasingly placed their capital-investment programs on a long-term basis.

In our kind of economy, where research and development has become perhaps the most important single factor in economic growth, the large corporation can no longer function effectively or successfully in the absence of long-range research, marketing, manpower, and capital-investment programs.

What I have been endeavoring to say to you is simply this: There appears to be a lag between the "how did we do yesterday" statistics of those who are preoccupied with the essentially static concept of full employment and the industrial planning and capital-investment programing of our progressive corporate managements (whose operations are largely geared to the dynamic long-range needs and opportunities of the future).

It seems to me that business and Government—at least on this subject—should be thinking alike and should be talking the same (long-range economic) language.

In soberest truth, I can think of nothing more important and urgent for our national well-being. It is my earnest hope that the Joint Committee on the President's Economic Report will lend their great understanding and assistance to this endeavor which I have been urging.

I should like now to turn for a brief discussion to some of the specific problems which confront us—problems of an expanded economy which require planning and programing in 1957 rather than 1967 when it will be too late for effective action.

First, there is the overriding and explosive fact of an estimated population of 200 million by 1966. For the businessman that is the most important single figure in the statistical workshop. It colors all of our thinking. It is the foundation for all of our planning. For that statistic equates into customers. Translated into economic realities this population statistic means food, shelter, water, transportation, highways, schools, hospitals. And it also means new industrial plants, more raw materials, and energy.

Second, by 1975 there is every probability that in domestic raw materials and energy sources we shall be numbered among the major have-not nations of the world. Just how do you provide for this vast increase in population if you don't have on hand the raw materials and cheap energy to fuel your industrial plant? Either we must through scientific innovations obtain substitutes for our dwindling, domestic raw materials; or we must obtain them through more effective and imaginative social and political innovations in our dealings with the underdeveloped countries. Here, too, our very survival may depend upon our capacity to invent either or both of these solutions to our increasing raw material impoverishment. Moreover, it needs to be remembered that it is in this very area—whether it be in the Middle East, Africa, or Asia—that we are thrown into direct and immediate competitive conflict with the Soviet Union.

Mr. HUMPHREY. Mr. President, I should like to have the RECORD note that the rate of growth of the American economy in the first quarter of 1957 is under 3 percent. That is the characteristic rate of growth for the fourth quarter of 1956. The rate of growth is going down rather than up. At the same time, the rate of growth and expansion of the Soviets has been rising rapidly.

There is a good possibility that Soviet awareness of the threat of annihilation inherent in nuclear war may deter them from acts that would lead to general war. I think they proceeded with a caution that reflected this, both in the Middle East crisis and even in Hungary, however violent their action ultimately was in that unfortunate country. At the same time, though the Communists may seek to avoid all-out war, they have made it amply clear that they intend to pursue their goal of world domination through an economic offensive as well as by subversion and diplomatic means. Rather than precipitating a general war which could blow the world into bits, the Soviet seems to pursue a course of taking over the world, bit by bit.

The uncommitted nations of the world remain uncommitted for a number of reasons. But one interpretation that has been made of their unwillingness to take sides between the Communist world and the West is the possibility that they are waiting to see who will come out ahead, not necessarily in the contest of arms but in the contest of industrial production. The underdeveloped nations are bent upon industrializing themselves, and must decide who is right about the quickest way to achieve success in this process—what a witness before the Subcommittee on Disarmament recently described as the cruel choice between the forced way and the free way.

The Soviet Union, and now Communist China, are embarked upon a ruthless course of rapid industrialization which sacrifices the individual so as to attain quickly the industrial stage we have reached after more than a century. It is our own good fortune to be far beyond the initial stage of industrialization. We can afford what may appear to some unindustrialized nations as the luxury of subordinating the industrial process to the individual. For us, the economy functions for the benefit of the people who run it; they are not ground up in it, as is cruelly the case under the forced industrialization process of the Communist nations.

If we assume that some of the uncommitted nations are following a "wait and see" course, we perceive the dangers of allowing the Communist nations to overtake us in the industrialization process. I am speaking now not of the immediate years ahead, but in terms of 10, 20, or 30 years. Should the Communist sphere gradually draw ahead of us in productivity we might suffer a disastrous, though nonviolent, defeat in the world. Those nations who are "waiting to see" might decide that the Soviet method is the quickest way for an underdeveloped country to industrialize. However ruthless the Stalinization process may be upon the unfortunate individuals caught up in this accelerated industrialization, some nations might choose to follow that deplorable course. Many people have not known freedom or the consideration for the individual that is fundamental to our Western society. What they have not known they cannot miss or regret. They will look only to results—though we now can hope the lesson of Hungary is not lost on them. If the Soviet succeeds in its forced method of

becoming a modern industrial nation, we may have to sit by and watch another third of the world slip away, as China did.

These are the dangers against which we must weigh the rate of our own economic growth and the implication for it which our present shortage of scientists and engineers and other skilled manpower may have. It is the sort of long-range consideration spelled out so fully in the study made by the Subcommittee on Technical Assistance Programs of the Foreign Relations Committee titled "Economic Development in India and Communist China." As the study states:

> In the attainment of their economic goals the methods of the two countries are conditioned by divergent political, economic, and social philosophies. On the one hand, India is proceeding with a view to preserving and enhancing free institutions; in contrast, China is employing the totalitarian methods and control devices of Communist dictatorship. As these two massive countries progress in their economic development, many peoples, particularly in Asia, may be viewing that development as a test of the comparative merits of the two political systems. In a political sense, therefore, the implications of the economic race extend beyond the actual economic development of the two countries.

To offset the weight of the rapidly expanding industrial power of Russia and later China, the United States will not be able to count on its own economic strength alone, however great that may be. It is essential that we give every assistance to the other non-Communist nations of the world in their efforts at economic improvement. It is important to this end that we take those measures I have already spoken of, to conceive of our foreign economic policy as an integral part of our foreign policy. It means that we in Congress have to recognize our responsibilities in this regard. No longer can we take the short-run view that all is right with the world so long as all is right with our own economy.

When it comes to the matter of scientists and engineers, I wish to emphasize especially that we cannot conceive of our own need for scientists without considering the other nations of the free world. There have been complaints—entirely justified complaints, I might add—from some of our allies that American industry is hiring away from them some of their best scientists. This is done privately by American companies who place ads in European newspapers and conduct talent searches in other countries. Also, our military research and development effort is seeking to utilize the scientific and technical talent of Western Europe, much of it in areas of basic research. I do not mean to be critical of this effort, as I am sure it has a beneficial effect in both directions. Certainly those in our Military Establishment who are seeking to add to our own basic research effort in this way are to be commended. I only wish to emphasize that in turning to other nations to solve our own technical manpower deficiencies we must be careful not to cause inflation in the European market of scientific personnel, and solve our own problems by shifting them over onto our allies. The president of the Association of University Teachers in Britain was reported as complaining that the United States is making serious inroads into Britain's scientific manpower.

> Unless we are careful—
>
> He warned his own nation—
>
> a large amount of the cream will be skimmed off and deposited in the United States.

The study, Engineering and Scientific Manpower in the United States, Western Europe, and Soviet Russia, prepared for the Joint Committee on Atomic Energy, showed that our own shortages in skilled manpower are shared by the countries of Western Europe. In seeking to overcome our own deficiencies we should seek solutions that do not deprive our allies of the North Atlantic community of their own sorely needed scientists, engineers, technicians, and other skilled personnel. Here is an area, for example, in which the activities of NATO could be supplemented in the direction of the social and economic cooperation we have often heard discussed.

There was a glimmer of hope along these lines in President Eisenhower's address at Baylor University last May. He said at that time:

> The whole free world would be stronger if there existed adequate institutions of modern techniques and sciences in areas of the world where the hunger for knowledge and the ability to use knowledge are unsatisfied because educational facilities are often not equal to the need.
>
> Do we not find here a worthy challenge to America's universities and to their graduates? I firmly believe that if some or all of our great universities, strongly supported by private foundations that exist in number throughout our land, sparked by the zeal and fire of educated Americans, would devote themselves to this task, the prospects for a peaceful and prosperous world would be mightily enhanced.

This is a fine sentiment, but something more than verbal gestures is needed here. And something more should be done by our Government than merely tossing the ball to our universities and their graduates. The President should know, as a former president of a university, that our Nation's colleges and universities are beset with overwhelming financial difficulties that promise to grow far worse in future years. As the distinguished Senator from Arkansas [Mr. FULBRIGHT] and I pointed out at the time President Eisenhower made this address, the administration has not given adequate support to the educational-exchange programs we already have with other nations. What is needed is Presidential leadership, not a passing of the challenge along to the general assembly of educational problems, "America's universities and their graduates."

Closely related to this matter and to the attitude of which I have just spoken is the shortsighted policy the Department of State has followed in withdrawing science attachés from American Embassies. I invited the attention of the Senate to this matter during the previous session, but upon checking with the Department of State I find that nothing has been done to improve upon this situation.

I wish to commend the American press for having commented repeatedly upon this weakening of our general diplomatic organization. The State Department is not filling the posts for scientific attachés, and thereby is literally losing the effectiveness of the cultural-exchange program.

At this point in my remarks, Mr. President, I ask permission that an editorial entitled "Science at State," from the Washington Post and Times Herald of June 4, 1956, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SCIENCE AT STATE

The science adviser's office in the State Department is now down to one man, the Acting Director, who is an able economist. The 10 science attachés who were assigned to American Embassies overseas have all come home, and none has been replaced. This deterioration in the Department's scientific effort has taken place at a time when the Soviet Union and many other countries have been strengthening their scientific representation abroad. Britain, Canada, Australia, and India have science attachés in their Washington Embassies. Sweden, Norway, France, Germany, Austria, Japan, Belgium, Holland, Denmark, Israel, Egypt, South Africa, and Yugoslavia are among the countries with scientific observers of some kind in Washington.

American scientists strongly recommended the inauguration of the State Department's science program in 1949. Those in a position to know have said that the program which was put into operation was useful and successful. At its recent annual meeting, the National Academy of Sciences urged the Department to revive the program that had been started with so much hope. But the Department has ignored the scientists since Secretary Dulles took office, and at the present time it is studying the question in some high-level office that no one seems to know anything about.

Senator HUMPHREY told the Senate a few days ago that "at a time when we are deeply concerned about the scientific progress of the Soviet Union and the vast amounts of money which are hidden away in the Soviet Union's budget for science the presence of scientific attachés in our Embassies in the major capitals of the world might be very desirable." He properly pointed out that they could do much to seek cooperation among scientists of the free nations and to correlate some of the more important scientific work that has been done and that needs to be done. It seems to us elemental in a scientific age that the State Department should take the lead in the collection and dissemination of scientific information. Those able scientist-diplomats, Benjamin Franklin and Thomas Jefferson, understood the relationship between science and diplomacy. Now many other nations recognize the importance of science representatives broad, but the United States adopts an ostrich-in-the-sand attitude.

"The time has come," says John Lear, science editor of the Saturday Review, "for the Department of State to grant recognition to a global brotherhood. * * * There is no need to organize a vast new and expensive bureaucracy. All that is required is understanding and a sympathetic relationship with thousands of existing sources of discovery. A handful of respected elder statesmen of science could transform our position in the world, if only they might serve as ambassadors of knowledge. Francis Bacon would have called them merchants of light."

Mr. HUMPHREY. This editorial states the case again for adequate scientific attachés in our Foreign Service.

PRINCIPLES FOR A SOLUTION

There is no simple solution for the problem of shortages of skilled manpower. As I stated at the outset, it is now generally agreed that shortages in professional manpower extend through all skills, not solely scientists and engineers are in short supply.

It is generally recognized that the fundamental problem goes back to inadequacies in our secondary and higher educational systems; Inadequate pay for teachers, and as a result an insufficient number of teachers; many of the best teachers especially in mathematics and the sciences, wooed away from teaching by higher salaries elsewhere; a failure to provide sufficient means for all of our youth of intellect and talent to receive educational opportunities commensurate with their abilities.

It has been my purpose in presenting to the Congress the legislation contained in my youth-opportunity program to meet the challenge presented by these failings in our educational system.

I wish to speak further today concerning the principles that should guide us in seeking a solution to the overall problem of deficiencies in our highly skilled professional manpower. Some of these have already been suggested in the course of my remarks.

First, as has now been widely recognized, in our concern over the pressing problem of insufficient numbers of well trained and sufficiently talented scientists and engineers, we must not concentrate on this aspect of the problem alone. We must recognize that the inadequacies extend throughout our professional manpower supply. Solutions to the deficiencies in the training of scientists and engineers should not be sought to the detriment of training skilled personnel in other fields. Scholarships and fellowships should not be made available solely to correct the present deficiencies in science and engineering, if, in so doing, students turn away from other fields in which their interest and talents are needed equally. Perhaps most of all, and least obvious, it is important that in our concern to keep up in the technological race that we not step up education in the sciences in such a way that the products of our educational system do not receive the education in the humanities and social sciences needed to make them all-round citizens of our society.

Second, there is similarly a danger that the urgency of the problem leads to piecemeal solutions. I think this has already been illustrated in some of the instances I mentioned, in which the military and private industry are competing with each other for trained talent; private industry and the military in our own Nation are making efforts to woo scientists and technical personnel from other countries; technicians are upgraded to do jobs for which they are not really qualified, and gaps are left at the technical level which are equally difficult to fill. All of these are symptoms of the affliction, they are evidences of administrators with a job to do, sorely pressed, casting about for immediate solutions to their immediate problems. What is needed are long-range solutions for the basic causes of our shortages of skilled manpower. I hope that the National Committee for the Development of Scientists and Engineers as well as the President's Committee for Education beyond the high school will come up with proposals for such long-term solutions, and that we will not see once again a Commission used as a device for inaction.

Third, while I have stressed the importance of recognizing the universality of our manpower shortages and also of seeking overall, long-term solutions, I think that we must not ignore the short-term need for scientists and engineers. The immediate need for more trained scientists, engineers, and technicians is not mutually exclusive of the long-term need for more skilled manpower in every field. There have been warnings that we might endanger the long-term effort to correct this situation if we concentrate on the short-term problem. I do not think that this is the case. Quite the contrary.

We must stress the competition we are in with the Communist world both militarily and economically over the long haul. Militarily we are faced with such shocking warning as Gen. Curtis LeMay's testimony before the Airpower Subcommittee, that, because of a critical maintenance crew shortage, in the event of an attack, 200 of the Nation's B-47 bombers would be unable to get off the ground to defend the Republic. The attraction of better paying civilian jobs is such that most trained technicians leave at the end of the first enlistment.

Unless something is done—

General LeMay stated—

we will face the very critical situation of not being able to man the aircraft we have.

As modern warfare comes to demand more and more armed forces consisting of technicians and highly skilled specialists, this situation will grow even worse. According to the testimony before the Airpower Subcommittee, since 1951, when the Strategic Air Command had a higher percentage of experienced officers and men, the technical proficiency of bomber and ground crews has steadily declined. Meanwhile the skill of the Russian air force has been improving, so that today the Red airmen represent a "more professional" group than the United States Air Force, according to the same testimony. With such a trend, even our immediate security is imperiled.

Such considerations make me wary of warnings that we must be cautious about seeking immediate solutions for the problem of the shortage of skilled manpower. I think it is possible to be fully aware of the need for long-term solutions and not at the same time despair of correcting the present urgent deficiencies. Most of the efforts undertaken in recent years to improve upon this situation will not begin to make their effects felt for as long as 5 to 8 years. I suggest that the problem is more pressing than that. What has developed is a rising demand for more highly trained personnel with the extraordinary acceleration of scientific progress at a time when a major source of supply of trained personnel has trickled off. We are apt to overlook the quite unusual infusion into our industrial life made by the service programs of World War II, the postwar GI bill of rights, and the many excellent technical schools run by the military services during both World War II and the Korean war. That flow of trained manpower has now been reduced to a trickle, and, of course, even the trickle is a drain upon our Military Establishment as we have seen in the case of SAC.

We must give serious consideration to a crash program that would supply us within a few years with the scientists and engineers we need right now and are going to need even more desperately in the near future. Some of the methods of training scientists, engineers, and technicians in our wartime programs should be adopted to meet our present pressing needs. That does not mean that the training schools or the equivalent of the V-12 or A-12 programs of the war years should be administered by the Armed Forces. But additional facilities and laboratories must be provided and some courses can be accelerated in regular university programs. A suggestion has already been made by General Sarnoff for a National Educational Reserve, to utilize the services of retired scientists and scientists and engineers on loan from private industry to augment existing faculties.

If we recognize the nature of the competition we face with the Communists and if we realize that one of the main sources of our trained personnel has been lost to us, the need for this kind of crash program becomes evident. It is needed to tide us over until the long-range programs can begin to make themselves felt. In turn, such a crash program will itself supply additional scientists and teachers that will contribute to the long-term solution.

Certainly in such a crash program, Federal funds are needed. Precisely because it is a crash program intended for only a short duration many of the objections to the use of Federal funds for education are not applicable. The use of Federal funds for this purpose would no more influence or control the subject matter taught in the schools or extend Federal control into educational institutions in other ways than was the ultimate effect of the wartime programs or the GI bill of rights. Once their job was done, no vestiges of Federal influence was left behind.

What I wish to stress in proposing that serious consideration be given an emergency program, is that we seek a solution with greater sense of urgency than is presently the case, at least on the governmental level. I commend those groups such as the Engineering Manpower Commission and the Scientific Manpower Commission, the National Science Teachers Association, and those in private industry that have done and are doing so much in working toward a solution of this problem. Much of the solution must come and is coming from private initiative.

When one studies the magnitude of the problem, however, and considers its importance for our national security and continued economic growth and well-being, it is clear that at some point the

Federal Government must enter the picture. We already have National Science Foundation fellowships—this program should be augmented. Further, as the report of the subcommittee of the Joint Atomic Energy Committee recommended, Federal funds should be used to supplement scholarships offered by private organizations.

Once it is recognized that Federal funds are needed, I believe that a short-run injection of funds on a fairly large scale to stimulate the training of scientists, engineers, and technicians—especially to encourage the training of teachers—presents a method of providing both an immediate source of badly needed professional manpower and also an initial impetus to the long-range program for training large numbers of students for engineering and science.

Finally, we must endeavor to deal with the problem of the shortage of skilled manpower within the needs of the whole free world as much as possible. For the reasons I have indicated, the long-term competitive contest in economic growth between the Communist bloc of nations and the Western bloc of nations, with its crucial repercussions upon the noncommitted nations of the world, requires us to insure that the industrial growth of our allies as well as ourselves is accelerated at a faster rate than that of the Soviet Union and Communist China.

We should not forget that we are not only exporters when it comes to science. We import as well. Our most momentous technological achievement could not have been brought about without the contributions of Albert Einstein and Enrico Fermi, both of whom came to us from Europe. In science, other nations have as much to contribute to us as we have to them, especially in theoretical science and basic research.

We should seek in myriad ways to promote mutually the development of the scientific community throughout the free world. There is firm basis for this promotion of science universally rather than merely within individual countries, for scientists themselves are accustomed to cooperating without regard to frontiers.

I urge the President to call an international conference of scientists and educators to consider ways in which the nations of the free world may educate scientists and engineers to the benefit of all. Here is a way in which the President might move on from the thought expressed in his speech at Baylor University into the realm of action. The conference held at Geneva in 1955 on the Peaceful Uses of the Atom was most successful, according to those in attendance, and did much to promote an exchange of ideas on the subject. I am not sure whether the shortages in other skilled manpower, in addition to scientists and engineers, can be dealt with in this same way, on an international basis, but careful consideration should be given to this as well.

There are recent indications that NATO is making moves toward common action in training atomic scientists, and toward a broader pooling of information about ways and means of training scientists, among the member nations. These are important developments. They need amplification. They must be crystallized in a formal effort. Very frankly, this can be brought about only through vigorous American leadership.

In conclusion, Mr. President, let me say that while we presently must be gravely concerned with deficiencies in our skilled professional manpower, there is some cause for gratification in the fact that these very shortages are a sign of our success. As has been pointed out, our need for more highly skilled people in nearly every field is an indication of the degree to which our technology and economy have accelerated beyond anyone's wildest dreams. If we rise to meet the new challenge, there is little reason why we should not go on to new and even greater successes tomorrow.

I hope, Mr. President, that when the report from the Library of Congress is made available to those of us who have requested it, the report will be studied methodically and attentively by the committees of Congress in which the subject matter of scientific manpower has been given consideration on other occasions.

RECESS TO MONDAY

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 43 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, April 15, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 12, 1957:

DIPLOMATIC AND FOREIGN SERVICE

Henry J. Taylor, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

UNITED STATES TARIFF COMMISSION

William E. Dowling, of Michigan, to be a member of the United States Tariff Commission for the term expiring June 16, 1963. (Reappointment.)

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Andrew Parker, of the District of Columbia, to be a member of the District of Columbia Redevelopment Land Agency for the term expiring March 3, 1962. (Reappointment.)

UNITED STATES ATTORNEYS

Francis Everett Van Alstine, of Iowa, to be United States attorney for the northern district of Iowa for a term of 4 years. He is now serving in this office under an appointment which expires May 21, 1957.

Roy L. Stephenson, of Iowa, to be United States attorney for the southern district of Iowa for a term of 4 years. He is now serving in this office under an appointment which expires May 21, 1957.

Harold K. Wood, of Pennsylvania, to be United States attorney for the eastern district of Pennsylvania for the term of 4 years, vice W. Wilson White, resigned.

John F. Raper, Jr., of Wyoming, to be United States attorney for the district of Wyoming for a term of 4 years. He is now serving in this office under an appointment which expires April 16, 1957.

UNITED STATES MARSHALS

Roland A. Walter, of Iowa, to be United States marshal for the southern district of Iowa for a term of 4 years. He is now serving in this office under an appointment which expires May 21, 1957.

C. Enard Erickson, of Minnesota, to be United States marshal for the district of Minnesota for a term of 4 years. He is now serving in this office under an appointment which expired March 19, 1957.

IN THE AIR FORCE

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8294 of title 10, United States Code, as modified by section 1 of the act of April 30, 1956, chapter 223 (70 Stat. 119), with a view to designation, under section 8067 of title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

TO BE MAJORS, UNITED STATES AIR FORCE (MEDICAL)

Quincy E. Fortier, AO3002193.
Hugh B. Mitchell, Jr.

TO BE CAPTAINS, UNITED STATES AIR FORCE (MEDICAL)

Elliot F. Ellis, AO3041706.
Carl T. Evans, AO3042451.
Thomas M. Haslund.
James R. Kent, AO2081998.
Edward C. Parker, Jr., AO3000296.

TO BE CAPTAINS, UNITED STATES AIR FORCE (DENTAL)

Albert A. Bange, AO2261831.
Berton L. Dubois, AO3059672.
Robert H. Haynes, AO2361945.

TO BE FIRST LIEUTENANTS, UNITED STATES AIR FORCE (MEDICAL)

William A. Beck.
William H. Cherry, Jr., AO3074723.
Daniel A. Chester, AO3074780.
William B. Harer, Jr.
Brian S. Harrold.
Karl G. Klinges.
Arthur F. Krieg, AO3076459.
William J. McKenzie, Jr.
Joseph B. Pecot, Jr.
Ralph E. Peterson, AO3045965.
John C. Rhoads.
Roger H. Shannon.
Robert C. Tarter, AO2248307.

TO BE FIRST LIEUTENANT, UNITED STATES AIR FORCE (DENTAL)

Joseph T. Ruff.

The following-named persons for appointment in the Regular Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956):

TO BE FIRST LIEUTENANTS

Maurice R. Abney, AO3016765.
Paul A. Abolila, Jr., AO3007057.
William F. Acker, AO2245854.
James L. Adams, Jr., AO2245609.
Reginald W. Adams, Jr., AO2225575.
William T. Adams, AO3002842.
Vernal E. Addington, AO3019699.
Gerald J. Adler, AO3015750.
Aharon Aharonian, AO2224250.
Edward D. Aitken, AO3021609.
William J. Akitt, AO3013579.
Bobby G. Albritton, AO3003395.
Britt L. Albritton, Jr., AO2245208.
John J. Alder, AO3009928.
Edward M. Alderete, AO3005683.
John P. Aldrich, AO3003021.
Gerald F. Alexander, AO2220717.
John R. Alexander, Jr., AO3013218.
Robert W. Alexander, AO2225747.
Everett H. Alford, AO3013644.
Dan C. Allen, AO2254711.

John W. Allen, AO2246487.
Neyland F. Allen, Jr., AO3014064.
Douglas W. Allgood, AO2247780.
Alan H. Allison, AO3018119.
Cecil L. Allison, AO3017634.
James M. Allison, AO2247605.
William M. Altman, AO2251151.
Louis W. Amos, AO3022026.
William H. Amos, AO3006715.
Howard H. Anderson, AO2249471.
Jack K. Anderson, AO2251512.
Richard S. Anderson, AO3006720.
Robert L. Anderson, AO3021814.
William E. Anderson, AO3006707.
Frank J. Apel, Jr., AO3022401.
Melvin A. Appel, AO2226422.
Robert V. Arbuckle, AO3004526.
Robert G. Archer, AO3010373.
Elmer D. Arkle, AO3012323.
Harry V. Armani, AO3013135.
James R. Arthur, AO3023380.
Paul E. Ash, Jr., AO3015003.
Thomas E. Assalone, AO3005825.
Frederick B. Augsburg, AO2247753.
Kenneth F. Aurand, AO3007903.
Robert C. Autry, Jr., AO3023407.
Robert C. Axtell, AO2251318.
William J. Babcock, AO2246289.
George N. Backus, AO2220923.
Benjamin H. Bailey, Jr., AO2248738.
Franklin E. Bailey, AO3005807.
Wilfred C. Bain, AO3002501.
Leslie G. Baird, AO3006731.
Charles C. Baker, AO2254831.
John L. Baker, Jr., AO2245138.
Morley W. Baker, Jr., AO2252811.
Paul R. Balcom, AO2255796.
Roy E. Ballies, AO3022712.
DuWayne E. Ball, AO2224446.
William T. Ballard, AO2220930.
Walter A. Ballinger, AO3003352.
Merle E. Banaszak, AO2246492.
Richard W. Banks, AO2230453.
Ralph E. Barbour, AO2246208.
Thomas H. Barker, Jr., AO3005125.
Gene A. Barkley, AO2236700.
Robert B. Barkus, AO3016169.
Robert W. Barnett, AO3016157.
John C. Baron, AO2225697.
James L. Barr, AO2220435.
Lis S. Barrett, Jr., AO3006239.
Lowell A. Barrett, AO3025492.
Robert B. Barton, AO2227757.
David J. Basinet, AO2227450.
Seymour R. Bass, AO3005865.
Charles A. Bassett II, AO3023070.
Kent S. Bates, AO3015049.
Dean L. Beach, AO2226751.
William H. Beardsley, AO3021630.
James L. Beason, AO2227599.
Jean P. Beaudoin, AO3005262.
Charles R. Beaver, AO2225908.
Richard B. Becker, AO2250636.
William F. Beeler, AO3020085.
Tommy I. Bell, AO2228119.
Waddie L. Belton, Jr., AO3007255.
Eugene W. Bendel, AO3007780.
Jeff D. Bennett, AO3013306.
Walter R. Bennett, AO3032947.
Jack L. Benton, AO2244568.
Kenneth E. Bergmann, AO2237973.
George E. Bergquist, Jr., AO2228120.
Vernon M. Bergstrom, AO2227935.
Jerome J. Berning, AO3022788.
Bobby J. Berry, AO3013464.
Allen E. Berte AO2114530.
George O. Bertram, AO2237229.
Gerald B. Betbeze, AO3006400.
Thomas R. Bevivino, AO3012838.
Andrew P. Biancardi, AO3022227.
Ralph V. Binder, AO2249850.
Harold W. Bingaman, AO3005126.
Joe D. Bishop, AO3013465.
Charles S. Bivona, AO3025563.
Robert B. Black, AO3004392.
Jacky C. Blair, AO3007787.
James T. Blakey, AO2247876.
Dale H. Blanchard, AO2226754.
Russell H. Blanchard, AO2228532.
James R. Blankenship, AO2251093.
Thomas E. Blevins, AO3009729.
Merton B. Boesewetter, AO 2220045.
Edwin D. Boggis, AO3006757.
Charles L. Bohannon, AO3007791.
Leroy P. Bohrer, AO3002623.
Arthur J. Bonifer, Sr., AO3006758.
Donald E. Born, AO3007793.
Hy Bosch, AO3006163.
Richard C. Bouley, AO3013809.
William C. Bourland, AO3012913.
Lee R. Bovinett, AO2231537.
John E. Bowen, AO3018492.
Melvin C. Bowers, Jr., AO2245856.
Ralph H. Bowersox, AO3005840.
Lamar D. Bowles, AO2248953.
George E. Bowling, AO3022472.
Richard H. Boyce, AO3003556.
Charles A. Boyle, AO3003761.
Walter J. Boyne, AO2226432.
James H. Bradley, AO3014762.
Carl W. Brage, AO3023736.
James D. Bramlett, Jr. AO3009847.
Raymond A. Brandt, AO3023203.
Richard J. Braun, AO3017489.
Malcolm H. Breazeale, AO2251137.
Frederick L. Breitinger, AO3005461.
Patrick J. Breitling, AO2251178.
Harold J. Brennecke, AO3013052.
Edwin W. Brenner, AO2246498.
Richard Brinkman, Jr., AO2228687.
Earl E. Brinsfield, AO3006035.
Theodore D. Broadwater, AO2248257.
Robert F. Brockmann, AO2228053.
Joseph E. A. Brodeur, AO3004593.
James F. Brolin, AO2251040.
Rodger L. Brooks, AO3016861.
Vern H. Brooks, AO3004936.
Duane R. Brown, AO3010911.
French C. Brown, Jr., AO2251806.
Ivan D. Brown, AO3019085.
Jerrold C. Brown, AO3004987.
Lawton C. Brown, AO3021716.
Peter W. Brown, AO2228283.
Ralph E. Brown, AO2247907.
Ray L. Brown, AO3015263.
Richard N. Brown, AO2228317.
Robert E. Brown, AO3011518.
Thomas B. Brown, AO3002544.
Thomas D. Brown, AO3006770.
Gordon C. Bruner, AO2245539.
Charles R. Brunson, AO2225063.
Bryan W. Brunsell, Jr., AO1861279.
Austin R. Bryan, AO2225156.
Lucius G. Bryant, Jr., AO2245263.
Theodore R. Buck, AO3025441.
Donald R. Burch, AO2226988.
Joseph D. Burch, AO3009484.
Franklin D. Burdette, AO2236506.
Gerald G. Burg, AO3018469.
Lyle P. Burgess, AO2250692.
William B. Burkitt, AO3007811.
John S. Burklund, AO2230385.
Albert E. Burks, AO3004922.
George D. Burney, AO2229976.
Bernard J. Burns, Jr., AO2220985.
Edward M. Burns, AO3012504.
Robert C. Burns, AO3004395.
Roland J. Burns, AO2238455.
Eugene F. Buschmann, AO3005096.
Henry Buttelmann, AO2224542.
Lewis E. Buttrick, AO3016316.
Howard W. Byars, AO3018594.
Jimmie H. Byram, AO3007292.
Charles T. Cale, AO2249066.
Harry P. Calhoun, AO2227167.
John B. Camealy, AO3004451.
Herbert G. Campbell, AO3018309.
Robert L. Carey, AO2234336.
Charles A. Carlson, AO3004457.
James O. Carpenter, AO2247297.
John A. Carpenter, AO2249991.
John D. Carrington, AO2227260.
Theodore J. Carry, AO2228285.
James M. Carson, AO3016767.
John C. Carson III, AO2249068.
Francis W. Carter, Jr., AO3022021.
George B. Carter, AO3007297.
Stephen Carter, AO3005462.
Steve F. Carter, AO2236423.
John F. Cary, AO3006530.
Robert O. Case, AO2237071.
Ted K. Case, AO2220476.
Thomas W. Castaldo, AO2230255.
Robert E. Chamberlen, AO2228254.
Alfred V. Chapin, Jr., AO2228018.
George P. Chapin, AO3017817.
Richard G. Chappell, AO3004918.
Joseph S. Christian, AO2249188.
Richard J. Christoffersen, AO2230370.
James V. Cinotto, Jr., AO2231492.
William J. Clement, AO2246810.
Thomas C. Cleveland, AO2226098.
Charles R. Clipson, Jr., AO3013222.
Morgan G. Closs, Jr., AO3024720.
Darrel W. Cobb, AO3024683.
Robert B. Coburn, AO3004576.
John R. Cochran, AO2238027.
Vincent Colastomno, AO2227889.
Robert D. Colclasier, AO3019920.
William M. Coleman, AO2237868.
Robert A. Coloney, AO3010667.
Frederick L. Comstock, Jr., AO2253112.
Thomas W. Comstock III, AO2244621.
Richard E. Conaway, AO3007827.
Dudley J. Connolly, Jr., AO3009802.
Douglas J. Cook, AO2229377.
Mark D. Cook, AO2237453.
Charles A. Cooke, AO2226795.
Ernest V. Cooke, Jr., AO2232846.
Robert G. Cooke, AO2224546.
Brent A. Cool, AO3007829.
Billy R. Cooper, AO3007831.
Edwin B. Cooper, AO3006801.
Larry T. Cooper, AO3016823.
Vernon E. Cooper, AO2226571.
William L. Cooper, Jr., AO2224549.
Lloyd C. Corder, AO3013738.
William E. Cornelius, Jr., AO3014629.
Bobby D. Cornell, AO2238463.
Donald M. Cornell, Jr., AO3007311.
Gerald C. Couch, AO3004989.
James E. Cowan, AO3016589.
Dennis J. Cox, AO3005586.
William R. Cox, AO3005612.
Charles S. Cramer, AO2225232.
William P. Cramer, AO2249112.
Joseph W. Craver, Jr., AO3004094.
Roy L. Crawford, AO3008214.
James S. Creedon, AO3018026.
Charles M. Cribbs, AO3004398.
Jerry A. Crist, AO3015964.
William J. Crooke, AO3012456.
Leo O. Cross, AO3008215.
Roger W. Cross, AO3012137.
Robert F. Crowe, AO3024911.
Winton W. Culbreth, AO3021531.
Duane R. Cummings, AO2248084.
George L. Cummings, AO3003912.
Thomas A. Cunningham, AO3003433.
Earl E. Cureton, AO3022876.
John D. Curran, AO3011413.
Fred G. Curtis, AO2253327.
Harry S. Cutlip, AO2247302.
James M. Daily, AO3004005.
Michael F. Daly, AO2251224.
Anthony P. D'Angelo, AO3015833.
James E. Daniel, Jr., AO3006332.
Jerry J. Darden, AO2221040.
Charles E. Daube, AO3016596.
Bernard R. Daugherty, AO3023456.
Lewis S. Daugherty, AO2234490.
William H. Davidson, AO2247553.
Donald J. Davis, AO3024132.
Richard L. Davis, AO3019436.
Jay H. Day, AO2227114.
Sidney N. Dean, AO2230205.
Donald O. Dees, AO3003146.
Keith E. de Francesco, AO2226104.
Dennis L. Dellinger, AO3016395.
John H. DeLony, AO3021908.
Jack DeMedicis, AO2221047.
William M. Demint, AO2224069.
James F. De Moor, AO3012341.
George F. De Neve, AO3024399.
Carl L. Denney, Jr., AO3025451.
Remo J. Deregibus, AO2226264.
Billy J. DeWeese, AO2226442.
Donald R. Dewing, AO3012648.
Charles N. Didine, AO3005914.
Frank R. Dillingham, AO3005569.
Wallace J. Dillingham, AO2228001.
Billy G. Dillow, AO3006830.
Don L. Dinger, AO3007948.
Willard L. Dix, AO3010824.
Robert E. Dixon, AO2227308.
Robert M. Dobson, AO2249212.

Charles R. Doks, AO2238923.
Daniel M. Donegan, AO2238953.
Paul G. Donner, AO3004919.
Donald A. Doran, AO3012609.
Van C. Doubleday, AO2245921.
John J. Dozzo, AO3024767.
Robert L. Drake, AO3013237.
Charles D. Duckworth, AO3006837.
Richard P. Duggan, AO3012247.
Carl W. Duncan, Jr., AO3002251.
Harmon A. Dungan, Jr., AO2226177.
James W. Dunmyer, AO2238368.
James M. Dunn, Jr., AO2228341.
Norwood G. Duplechain, AO2227810.
Rudolph F. D'Urbano, AO3022516.
Douglas D. Durham, AO3025363.
William R. Durr, Jr., AO3013819.
Robert C. Duval, AO2226596.
Francis C. Dyer, Jr., AO3022269.
James A. Earl III, AO3015066.
Charles R. Eckerman, AO3022181.
Kent H. Eckhart, AO3021855.
Murray Edwards, AO3023385.
William M. Edwards, AO3006847.
Rowland K. Egger, AO2216373.
Eugene J. Egnot, AO3006140.
Melvin C. Eisaman, AO3012960.
Ralph C. Elliott, AO2251799.
George M. Elwinger, AO3005698.
Herbert L. Emanuel, AO2247493.
Charles F. Emmons, AO3006126.
Glen T. Emmons, AO2217337.
Edwin H. Engelking, AO3009422.
Gerard J. Ennis, AO2246911.
Samuel M. Eppley, AO2214976.
Raymond Erkeneff, Jr., AO3006853.
Charles R. Erlinger, AO2237798.
Charles A. Ernce, AO3004168.
Ira K. Espe, AO3016211.
Roger W. Estep, AO2227404.
James E. Eunice, AO3024064.
Eugene A. Evoniuk, AO3006857.
Desmond R. Eyncuf, AO3006379.
William R. Eyre, AO3006856.
Henry L. Ezelle, Jr., AO2220540.
Thomas L. Fagan, AO3007364.
Edward O. Fallis, Jr., AO2247658.
Benjamin R. Farmer, Jr., AO3011004.
William J. Fasenbaker, AO2247696.
Arthur J. Fehrenbach, AO3004888.
Forrest B. Fenn, AO3023476.
Leonard D. Fenner, AO3008223.
Charles R. Ferguson, AO2236897.
Clyde R. Files, AO2227603.
Allen E. Fine, AO3022478.
Charles C. Finlay, Jr., AO2227537.
Robert W. Finley, Jr., AO2239641.
Joseph C. Fiorelli, Jr., AO2247494.
Richard E. Fiscus, AO3007878.
Oliver P. Fisher, Jr., AO3004596.
Franklin D. Fite, AO3022580.
Evan L. Fitzsimmons, AO3021783.
Clarence E. Fleek, AO3008225.
Jack W. Fletcher, AO3012431.
William Flick, AO3020170.
Gustave A. Flickinger, Jr., AO3015299.
George S. Florklewicz, AO3006869.
Dennis M. Flynn, AO2224927.
Edwin Ford, AO3009292.
Virgil C. Fordham, AO3006874.
Limon E. Fortner, Jr., AO1863677.
Cornelius S. Fossum, AO3024779.
Robert T. Foster, AO3006875.
Benjamin S. Fox, AO3014584.
James K. Fox, AO2227485.
Frank E. Fravel, AO3022731.
Robert E. Freaney, AO3023898.
Raymond L. Fredrick, AO2227194.
Fred H. Freeman, Jr., AO2236956.
Ralph D. Freeman, AO3004346.
Richard M. Freeman, AO3006843.
Leon F. Frick, AO3006878.
Patrick J. Frickleton, AO3006303.
Howard E. Fridley, Jr., AO2250228.
Homer L. Friemann, AO3023003.
John H. Frisby, AO3022496.
Thomas H. Frondorf, AO2227649.
Kenneth W. Fry, AO3023307.
James D. Fuhrmann, AO2230898.
Clifford M. Fujimoto, AO2236659.
Robert C. Fuller, AO2225141.
Donald K. Funal, AO3019866.
Arthur W. Fyffe, AO3006882.
Donald C. Gaby, AO2254978.
Ronald B. Galin, AO3015052.
Frank G. Gallo, AO3015305.
Johnny J. Garrity, Jr., AO3013474.
Arthur F. Garvey, AO2227874.
Herbert G. Gates, AO3022623.
James M. Gehrig, Jr., AO2224516.
Ronald E. George, AO2226760.
Thomas E. George, AO3006888.
Thomas R. George, AO3025667.
Richard D. Georgeson, AO2220143.
Donald Gerlinger, AO3019447.
Frank D. Giaquinto, AO3010608.
James A. Gibson, Jr., AO3016894.
Phillip F. Gilbert, AO3006230.
David N. Giles, AO2245509.
Oliver C. Gill, AO3024572.
John Gillic, Jr., AO3022957.
Melvin P. Gillis, AO2221107.
Joseph H. R. Girard, AO3022581.
Paul D. Glanville, AO2247929.
Nathan S. Goldberg, AO3009844.
Elden W. Golden, AO1856151.
David M. Goode, Jr., AO3007895.
James Goodman, AO3017618.
Kenneth G. Gordhamer, AO3006893.
Carl L. Gordon, AO3022159.
Bernard J. Goss, AO2225377.
Francis E. Gotch, AO2250992.
Darrell G. Gott, AO3024382.
Judd H. Grace, AO3006464.
Michael J. Grady, Jr., AO2227314.
Kenneth A. Grant, AO3010533.
Theodore M. Grasser, AO3023021.
William L. Green, AO3006898.
Richard W. Greenlee, AO3005965.
Robert L. Greenwood, AO3022958.
Jack I. Gregory, AO3011132.
Earl W. Grensebach, Jr., AO3013586.
Robert J. Greuel, AO2250844.
Orville L. Greynolds, AO2250551.
John W. Griffith, AO3021761.
Winfred E. Grimes, Jr., AO3015181.
Cyrus S. Grimshaw, Jr., AO3016881.
Xavier A. Guerra, AO3004603.
Clovis C. Haddock, AO3007407.
John J. Haley, AO3003468.
Harry A. Hall, AO2252855.
John A. Hall, AO2227866.
Richard M. Hall, AO3016659.
Albert P. Halloran, AO2227984.
William E. Halterlein, AO2247563.
Richard J. Hamel, AO3013834.
Richard J. Hamilton, AO3023540.
Paul E. Hammer, AO2247235.
William N. Hammond, AO2238457.
John I. Hammonds, Jr., AO1851289.
Donald R. Hance, AO3007909.
Henry L. Hand, AO2227040.
Wilfred F. Handel, Jr., AO2220161.
Ronald L. Handy, AO2226196.
Delmar G. Hanner, AO2225087.
John J. Hannigan, AO2247020.
William R. Hannold, AO3015856.
Robert H. Hansen, AO3011993.
Henry J. Hansman, AO3011698.
James T. Hardin, AO3005917.
Howard R. Hardt, AO2226460.
Clyte K. Harlan, AO3014349.
Billy W. Harless, AO2237286.
Jack H. Harper, Jr., AO2246233.
Don G. Harris, AO3005635.
Ernest J. Harris, AO2226128.
Price H. Harris, AO3017866.
Robert L. Harris, AO2227679.
Robert R. Harris, AO3014321.
Everett V. Harrison, AO3012386.
Clarence D. Hartley, AO2227269.
Jackie L. Harvey, AO3022237.
Emmett E. Hatch, Jr., AO2225838.
James E. Hatfield, AO2228361.
Albert C. Hauff, AO2245714.
Paul L. Haugland, AO3014827.
Edward A. Hauss, AO2230588.
Arthur D. Hawksworth, AO3015559.
Harold E. Hayes, AO2247709.
Robert K. Hayes, AO2225939.
Sterling D. Hays, AO2237152.
Laurence H. Hebert, AO2236339.
James N. Heggarty, AO2228220.
Leon C. Heinle, AO2220592.
William M. Henderson, AO3022707.
Paul E. Henning, AO3021762.
Charles W. Henninger, Jr., AO2228262.
James L. Henningsen, AO2227791.
Kenneth L. Herndon, AO3008238.
Peter L. Hershey, AO3024644.
Norman B. Hess, AO2220601.
Herbert O. Hester, AO3016961.
William H. Hestir, AO2246034.
Albert G. Hewitt, Jr., AO2249190.
Charles E. Hicks, AO2227505.
Frank M. Hilbish, AO3005747.
Richard N. Hill, AO3023545.
Delmar S. Hilliard, AO2244669.
Joyce E. Himes, AO3006508.
Thomas Hirsch, AO3018395.
Roy P. Hockett, AO3011543.
Robert M. Hodes, AO3015672.
James F. Hodgdon, Jr., AO3013836.
Frederick R. Hoisington III, AO3004258.
Leland D. Holcomb, AO2244943.
Rex R. Hollis, AO3006935.
James D. Holloway II, AO3012633.
Philip J. Holmes, AO2247710.
Richard E. Holmes, AO2225556.
Harold A. Homan, AO3005918.
James E. Hooten, AO2228394.
Charles J. Hoover, AO2228223.
Frank B. Hoover III, AO3022586.
Charles Hope, AO2247820.
Alton S. Horn, AO1865662.
Guenther O. Horn, AO3006941.
Richard W. Horn, AO3007435.
George R. Horner, AO2234529.
Thomas E. Hotman, AO3012311.
Dallas N. House, AO2248670.
Harry E. House, AO2221160.
Alfred G. Houston, AO3005074.
Richard A. Howell, AO2225475.
Garrald H. Howland, AO2231162.
Norman C. C. Hu, AO2245682.
William M. Hubbell, AO3012835.
Fritz F. Hugger, Jr., AO3006411.
Kenneth R. Hughey, AO3024574.
Edward E. Huling, Jr., AO2225539.
Thomas J. Humphrey, AO2226559.
Robert D. Hunter, AO2230312.
John F. Hupperts, AO3025516.
Robert L. Hurst, AO2227985.
James W. Hurt, Jr., AO2228294.
Samuel Huser, AO3005831.
Tommy L. Huskey, AO2220617.
Robert K. Hutchison, AO2230123.
Joseph L. Hutto, AO3021615.
Jack L. Hyslop, AO2226466.
Polly Ibatuan, Jr., AO2225380.
John G. Ignarski, AO2247823.
Joseph F. Ingenloff, AO2226155.
Harald W. Ingholt, AO3007444.
Roger D. Ingvalson, AO2226537.
Charles C. Irions, AO3007939.
Charles R. Irvine, AO3004977.
Robert M. Iten, AO3003599.
Floyd E. Jack, AO2238260.
Billy M. Jackson, AO2245561.
Charles F. Jackson, AO3015837.
Lloyd Jacobs, Jr., AO2248169.
Adolph D. Jacobson, AO3006718.
Tadeus L. Jakubowski, AO3007940.
Frank W. Janssen, AO3018466.
Worthy L. Jenkins, AO2220628.
James W. Jennings, AO2253049.
Ronald E. Jensen, AO2225609.
Thorwald F. Jensen, AO3006955.
Walter E. Jensen, AO3005771.
Malcolm R. Jinks, AO3022290.
William M. Johannsen, AO2227911.
Chandois H. Johnson, AO2248363.
David W. Johnson, AO2245048.
Donald D. Johnson, Jr., AO2230365.
Elliott L. Johnson, AO2251241.
Ivan L. Johnson, AO2253770.
William W. Johnson, AO3023295.
James W. Joiner, AO3004112.
Samuel B. Jolly, Jr., AO2245665.
Bernard S. Jones, AO3022501.
Charles L. Jones, Jr., AO3009065.
Howell E. Jones, AO3011137.
James B. Jones, AO3023269.
John W. Jones, Jr., AO2244595.
Orie O. Jones, Jr., AO3007458.
Paul G. Jones, AO3007946.

Robert L. Jones, AO1852387.
Robert J. Juneman, AO3008247.
Lyle D. Kaapke, AO3022082.
Kenneth L. Kaisler, AO3022035.
Walter Kalwick, AO3022243.
Frank Kamahele, AO3018095.
Arnold R. Kane, AO2234536.
Raymond L. Kay, AO2229558.
James L. Keating, AO1864954.
Russell A. Kee, Jr., AO3006147.
James M. Keel, Jr., AO3014725.
James W. Keeling, AO3015192.
John J. Keller, AO2227509.
William R. Kellogg, AO3006972.
Carmon C. Kelly, AO2224444.
John J. Kelly, Jr., AO3006804.
Joe F. Kendall, AO2226136.
Thomas F. Kennan, Jr., AO3025465.
Paul J. Kennedy, AO2250049.
George A. Kerr, AO2228400.
Robert J. Keyes, AO3022726.
Andrus Kibodeaux, AO2243508.
Lyman M. Kidder, AO3003629.
Theodore D. Kients, AO2227966.
Alvin C. Kilmury, AO3021375.
John E. Kilty, AO2247423.
Francis P. Kimball, Jr., AO3007952.
Elmer R. King, Jr., AO3017031.
Charles W. Kinney, AO3019064.
Edward C. Kinzer, AO3005617.
Frank J. Kisner, AO3005221.
Forrest E. Kissinger, AO3006336.
Lowell B. Kisting, AO2221196.
Kenneth E. Kittleson, AO1861016.
James J. Kleckner, AO2228147.
Robert R. Kling, AO3006980.
Irvin L. Klingenberg, Jr., AO2250053.
David G. Klingenberger, AO2250969.
Harold G. Kloberdans, AO3004356.
Gordon S. Knowles, AO3008312.
Paul H. Knox, AO3011999.
William D. Knox, AO3013761.
William H. Knutson, AO2225786.
Robert E. Koepnick, AO3015355.
Robert B. Koleser, AO2252829.
Rolf S. Kolflat, AO3011835.
Donald L. Kope, AO2227881.
Einard C. Koski, Jr., AO3024254.
Kenneth F. Kostenbader, AO3007958.
Ronald D. Kovar, AO2229501.
Benjamin N. Kraljev, Jr., AO2226692.
Abraham F. Kramer, AO1863455.
Andrew J. Kramer, AO2229948.
Marvin L. Kramer, AO2253035.
Charles P. Krantz, AO3024713.
Clifford L. Kreiser, AO2248368.
Ronald F. Krissak, AO3013068.
Henry K. Kroft, AO3010561.
Lambert L. Kroone, AO2225707.
James A. Krosley, AO3007478.
William A. Krouse, AO2228402.
Richard J. Kubach, AO3002548.
Edward T. Kubik, AO2225143.
Raymond L. Kuhlman, AO3018872.
Clifford C. Kunkel, AO3004782.
Myer Kuritzky, AO3015958.
David T. LaFollette, AO3005254.
George A. Lagarde, Jr., AO3009455.
Charles A. Lancaster, AO3023627.
Richard B. Lance, AO3005642.
James R. Landry, AO2244990.
Paul L. Landry, AO2220658.
Francis R. Lane, AO2253767.
Robert D. Lane, AO2227916.
John C. Langen, AO2216601.
Glenn D. Larson, AO3004736.
John Larson, Jr., AO3010536.
Carl G. Lassen, AO3006480.
Paul G. Lauzier, AO3021618.
Robert Leal, AO3023797.
James E. Leatherman, AO2249316.
Richard D. LeDoux, AO2245182.
Maurice R. Lee, AO2251292.
Richard F. Legesse, AO3014262.
Clewis M. Leggitt, Jr., AO2215763.
Frank C. Lenahan, AO3017007.
Leland J. Lenehan, AO3021913.
William D. Leng, AO3014390.
Albert J. Lenski, AO2237669.
Alan H. Leonard, AO2225418.
Kenneth L. Leonard, AO2249107.
Theodore Leskanich, AO3023169.

Gene M. Leupp, AO3002918.
William H. Lewis, AO2237096.
William J. Lewis, AO3015804.
Richard D. Lichtwardt, AO2221226.
Robert J. Lieurance, AO3022730.
Dwight A. Lindley, AO3009226.
Ira H. Lindsey, Jr., AO3007499.
Turnage B. Lindsey, AO3007004.
James M. Locke, AO3006051.
John D. Loesch, AO3017509.
Joseph C. Lombardo, AO3009456.
Arthur C. Longmire, AO2250553.
Billy D. Looney, AO2245462.
James A. Looney, AO2249601.
John H. Lord, Jr., AO2248640.
Loren L. Lorensen, AO2237871.
Jere W. Lottner, AO3010452.
Richard R. Louges, AO3024386.
Howard J. Love, Jr., AO2254688.
Jerry B. Love, AO2227173.
Jessie A. Lovell, AO3004423.
James K. Lowman, AO2245768.
James J. Lucas, AO3023029.
Robert L. Ludwick, AO2228000.
Robert L. Lulkart, AO3014568.
Chester C. Lukasiewicz, AO3010625.
Clifford R. Lunde, AO3008251.
John M. Lusk, AO3008299.
Gerald C. Lutterman, AO2228263.
Henry R. Lytle, Jr., AO3007012.
Robert M. MacCallum, AO2250067.
James A. MacDougald, AO3004568.
Henry L. Macklen, Jr., AO2225191.
Carroll L. Magee, AO3022276.
Leopold J. Magers, AO2247857.
Philip E. Maggart, AO3010538.
William L. Mahan, AO3022840.
James A. Mahony, AO2228464.
Stephen Mallner, Jr., AO3005031.
William J. Malloy, AO3023421.
Robert W. Malone, AO3022421.
William R. Malone, AO2244953.
James J. Manion, AO3014135.
Vincent L. Manno, AO2226377.
Angelo P. Marini, AO3007015.
John P. Markey, AO3009435.
William J. Marr, AO3009452.
Paul F. Marsh, AO3004306.
Darrell G. Martin, AO3017111.
Douglas W. Martin, AO3012679.
Victor E. Martin, AO3022060.
William K. Martin, AO3023787.
Dwayne R. Mason, AO2225864.
John E. Mason, AO3021537.
Robert G. Mathias, AO2225619.
Richard G. Matthews, AO3015383.
Richard T. Mattison, AO1905769.
Charles G. Maule, AO3007523.
Joseph H. Maurer, AO2226183.
Richard D. Maurer, AO3007022.
Robins E. May, AO3009720.
Richard W. McBride, AO2237008.
John T. McCambridge, AO2227427.
Lawrence McCarthy, AO3022462.
Charles E. McCartney, Jr., AO3007036.
Herbert C. McClammy, AO3004116.
Warren B. McCormick, AO2227327.
William J. McCrante III, AO3022709.
Ernest R. McCreedy, AO2226478.
John H. McDade, AO3019289.
James A. McDonnell, Jr., AO3007530.
Louis O. McFeron, AO1915557.
Robert McGinn, AO2229465.
Joseph W. McGovern, AO2218474.
Ralph E. McGrew, AO3010703.
Cornelius H. McGuinness, Jr., AO2252704
Gerald E. McIlmoyle, AO2227014.
Charles M. McKay, AO3006012.
Lenox T. McKimmey, Jr., AO2246725.
Henry G. McMahon, Jr., AO2245517.
Grover S. McMakin, AO3005754.
William T. McMullen, AO2229701.
Michael F. McNamara, AO3017832.
Robert R. McPherson, AO3004897.
Clarence G. Meadows, Jr., AO3019321.
Joseph M. Meceeji, Jr., AO2224709.
John W. Meek, AO3025062.
Joseph A. Mello, AO3012680.
Michael J. Mendelsohn, AO2220711.
Robert R. Mendonca, AO3023368.
Lee F. Merriam, AO2224450.
Richard L. Merrill, AO3004213.

Robert E. Mertens, AO3009428.
Gage M. Mersereau, AO3017093.
Dean L. Methfessel, AO2225954.
James H. Metz, AO3022599.
Rufus W. Mewborn, AO3025470.
Carl W. Meyer, AO3004216.
Ernest H. Meyer, AO3022167.
John A. Meyer, AO2247576.
William G. Meyer, AO3011104.
Walter D. Miakinkoff, AO3022322.
James S. Michaels, AO3004583.
Joseph H. C. Michaud, AO3021502.
Charles E. Michigan, AO3011362.
Earl E. Michler, AO3010515.
Andrew E. Migala, AO3012973.
James E. Milan, Jr., AO3009247.
Charles E. C. Miller, AO3015746.
Cyrus C. Miller, Jr., AO2225796.
George H. Miller, AO3006054.
John F. Miller, AO1861298.
Phillip A. Miller, AO2226061.
Robert Miller, AO2224674.
Ronald M. Miller, AO3009256.
Eugene E. Mitchell, AO3007047.
Joseph C. Mitsil, AO3004507.
Kenneth E. Moeller, AO3022555.
Russell E. Mohney, AO2225301.
Virgil M. Money, AO3008029.
Billy G. Moon, AO2245466.
Dwight G. Moore, AO2249243.
John D. Moore AO3023607.
Robert E. Moore, AO3007545.
William R. Moore, AO2244736.
William E. Moorhead, AO3021561.
John G. Moran, AO2252920.
Carl A. Morgan, AO3007051.
Eugene T. Morgan, AO3008034.
John A. Morgan, Jr., AO3016308.
Joseph S. Morison, AO3014735.
Ted A. Morris, AO3007550.
Daniel D. Morrison, AO3021968.
John A. Morrison, AO3024292.
Omer K. Morrow, AO3004363.
David E. Morse, AO3007561.
Loren K. Morse, AO3013644.
Norman E. Mortimer, AO2221229.
Thomas P. Moseley, AO3023840.
William F. Moses, Jr., AO2236872.
Robert O. Mosher, AO3005946.
Edward C. Moulton, Jr., AO3024000.
Donald F. Mowery, AO2221291.
Joseph R. Muiarski, AO3006085.
David B. Mullan, AO3006037.
Norman E. Muller, AO2252940.
James E. Mullins, Jr., AO3022094.
DeLacy H. Mullis, AO3005803.
James W. Munday, AO3025471.
Thomas A. Munnerlyn, AO2244739.
Homer C. Munson, Jr., AO3002474.
Paul L. Munson, Jr., AO2220278.
Charles E. Murray, AO3007559.
Edmund F. Murray, AO3004728.
Donald S. Myers, AO3005285.
Charles H. Naginey, AO2248379.
John G. Nash, AO3007060.
Albert M. Navas, AO2249688.
Burnett Neal, Jr., AO2236468.
Ruel J. Neeley, AO2246052.
Dale G. Nelson, AO3005879.
Harold B. Nelson, AO3004364.
Lyle S. Nelson, AO3008043.
Robert M. Nelson, AO3023552.
Ronald E. Nelsen, AO2238439.
William L. Nelson, AO3006414.
Joseph R. Nevers, AO2228061.
James M. Newberg, AO2226905.
Minton O. Newman, AO2248633.
Laurie O. Newsome, Jr., AO2225801.
Henry C. Nicolay, Jr., AO3002861.
Norman E. Niederman, AO2249619.
Mayo H. Nielsen, AO2230173.
Robert Nielsen, AO2227282.
Albert S. Nolan, AO3013599.
Charles F. Noles, AO2227634.
Perry R. Nuhn, AO3028830.
Charles C. Nunnery, AO2226906.
James G. Nutsch, AO2238500.
Gordon T. O'Brien, AO3006051.
William J. O'Connell, AO3022214.
John P. O'Donnell, AO3011967.
Vernal C. Ogden, AO3015070.
Frederic E. Ogle, Jr., AO2227743.

James J. O'Heron, AO3011709.
Richard A. Oldham, AO2226273.
David N. Oliver, AO1861063.
Kenneth D. Oliver, AO3016107.
Roy Olivier, AO2220287.
Reed J. Olsen, AO1861441.
Donald E. Opperman, AO3018768.
Kenneth B. Orr, AO3018130.
Robert E. Ottaviano, AO3004768.
Marvin G. Ottinger, AO3003161.
Andrew J. Overturf, Jr., AO2221311.
John J. Owens, Jr., AO2252903.
Edmond E. Pace, AO3007584.
Don S. Packnett, AO3004080.
Franklin J. Pagel, AO3017043.
Richard P. Palmer, AO3011197.
William F. Palmer, AO3023515.
Rudolf C. Paltauf, AO2247171.
Christopher Paolucci, Jr., AO2253093.
Arnold L. Paparaso, AO3015624.
Clarence L. Paradis, AO3008059.
Robert L. Paradis, AO2228084.
Henry J. Parent, AO2251179.
Joe E. Parker, AO3003881.
Louran D. Parriott, Jr., AO3024492.
Donald J. Parrish, AO3008266.
Harold C. Parrish, AO2224456.
Victor Passiglia, Jr., AO2226069.
Charles W. Patrick, AO3007080.
Richard A. Patrick, AO3014051.
Robert E. Patterson, Jr., AO3024628.
Jerry K. Payne, AO3006420.
Roger L. Payne, AO3015403.
George W. Peckham, AO2228491.
Attilio Pedroli, AO3005775.
James M. Peerson, Jr., AO3012756.
Eugene W. Peirce, Jr., AO3018308.
Edward O. Pennal, AO3024493.
Roger S. Penney, AO3004630.
Richard W. Pennington, AO3005180.
James C. Perialas, AO3011859.
Glenn A. Perkins, AO2237072.
Roger C. Perkins, AO2221323.
Sam A. Perrine, AO2245828.
Stewart S. Perry, AO3006057.
Omar W. Peters, Jr., AO3016376.
Robert D. Petersen, AO3008065.
William P. Petersen, AO3008066.
Sidney M. Peterson, AO3008271.
Walter H. Petrie, AO3006509.
Max L. Pettijohn, AO2250614.
Harry D. Pettus, AO3021596.
Russell R. Petty, Jr., AO2226408.
Jack A. Pevey, AO2226493.
Richard W. Phares, AO3010543.
Robert D. Phelan, Jr., AO3008272.
David E. Phelps, AO3003291.
Jerry A. Phelps, AO2225355.
Neal H. Phelps, Jr., AO2228971.
Hugh Phillips, AO3004961.
Robert Picht, AO3023487.
Alfred A. Picinich, AO2226381.
Patrick E. Pickett, AO3004444.
Warren M. Pierce, AO2244756.
Charley C. Pinson, AO3008070.
Edward D. Pitkus, AO3016772.
Robert I. Platenberg, AO3002581.
Aubry D. Pope, AO3002774.
John P. Portasik, AO2249692.
J Golden Poulson, AO3015073.
William I. Powell, Jr., AO3014643.
Jack A. Powers, AO3005289.
George G. Prendergast, AO3011710.
Bobby W. Presley, AO2249247.
Frank B. Preston, AO2225356.
Charles R. Price, AO3007610.
Henry W. Price, Jr., AO3003586.
Joseph D. Price, AO945999.
Gerard E. Pritchard, AO2221337.
Jack D. Prollock, AO3006421.
Roland J. Quinn, AO3005001.
Thomas A. Quinn, Jr., AO3005948.
Eugene C. Raabe, AO2249149.
Gerald E. Racht, AO3022736.
John Q. Rahn, AO3025474.
James A. Rainwater, Jr., AO3003994.
Donald B. Ralph, AO2253277.
Charles J. Ramires, AO3011092.
Robert F. Ramsey, AO3010718.
Francis M. Rast, AO3014645.
Walter B. Ratliff, AO2235259.
Gerald D. Ray, AO2224901.

John P. Raymer, Jr., AO2248506.
Charles J. Raysich, AO2247581.
Mackey J. Real, Jr., AO3018589.
Donald E. Reaves, AO3004019.
Charles W. Redfearn, AO3003760.
Kenneth M. Reed, AO3005570.
Frank D. Reeder, AO3014299.
Donald M. Reeve, AO2227028.
Charles W. Reeves, Jr., AO3021898.
John J. Render, AO3007625.
James J. Reynolds, AO3021641.
Charles C. Rhymes, Jr., AO2224956.
Charles A. Rice III, AO3006674.
Robert D. Rice, AO2248390.
Ramon K. Richardson, AO2227438.
James A. Ridgeway, AO3022256.
Gilbert J. Rimbaud, AO3005393.
Edmond R. Ringman, AO2226497.
Robert E. Ritchie, AO2226764.
Walter E. Robbins, AO2226973.
James P. Roberts, AO2221358.
Vincent B. Roberts, AO2225256.
John L. Robertson, AO3003606.
Charles E. Robinson, AO3023401.
George W. Robinson, AO2230321.
Gerald J. Robinson, AO2228546.
James M. Robinson, AO3007630.
James F. Rodefer, AO2221364.
Charles A. Rodgers, AO2226766.
Dale G. Rogers, AO2251811.
Dale A. Rook, AO2230008.
Jack H. Rose, AO3009356.
Robert E. Roseen, AO3018309.
William C. Rosenbaum, Jr., AO3008100.
Galen J. Rosenow, AO3014445.
Delmus E. Ross, AO3007635.
Joseph L. Ross, AO1854465.
Robert E. Ross, AO2230481.
Richard F. Rosser, AO2249925.
Paul H. Roth, AO3010720.
Saul L. Rothchild, AO3015815.
John R. Rowland, AO3005424.
Robert J. Rubin, AO3007637.
Erastus Ruga, AO3008103.
Hugh P. Ruhsam, AO2249697.
Arthur B. Rupert, AO3014686.
William W. Ruscher, AO3012105.
John W. Rushfeldt, AO3023140.
Robert H. Russell, AO2230011.
Robert N. Russell, AO3002638.
William H. Rutledge, Jr., AO1865279.
William T. Ryan, Jr., AO1865659.
Robert C. Sabin, AO2251161.
Ralph E. Sallade, AO2224120.
Charles D. Salmon, AO2248069.
John P. Salvucci, AO3024344.
Joseph D. Salvucci, AO3022818.
Roy E. Salziger, AO2249150.
William H. Sample, AO2245728.
Dorrence O. Sandfort, AO3018417.
Joe S. Saueressig, AO2227563.
Frank P. Scalfano, AO3023587.
Gregory Scandalis, AO3006607.
Thomas E. Schaefer, AO3014410.
Richard Scheele, AO2221379.
Samuel G. Schenk, AO2246586.
George O. Schmidt, AO2255870.
Robert H. Schmidt, AO3004823.
Raymond C. Schnable, AO3004532.
George J. Schneider, AO3023557.
William J. Schneider, AO2253758.
Edward F. Schroeder, AO3004533.
Kenneth A. Schuppe, AO2225313.
Warren B. Schwartz, AO3005538.
Francis J. Sciples, AO3015919.
Donald E. Scott, AO3022260.
Raymon C. Scott. AO2221390.
Donald J. Scully, AO2237591.
Earl L. Seagrave, AO3024653.
Robert F. Seaton, AO3023235.
Louis E. Seminare, Jr., AO3007653.
Gary O. Sessions, AO2230320.
Joseph G. Sestak, AO2238303.
George A. Sexton, AO3015544.
Gennaro E. Sferra, AO2246681.
Sahid C. Shamsie, AO2224617.
Wayne E. Sharp, AO3023518.
Thomas R. Shaughnessy, AO2225884.
Kirk B. Sheirich, AO3016528.
John R. Shipe, AO3021642.
Warder L. Shires, AO3020040.

Perry W. Shirk, AO3024412.
Raymond E. Shore, Jr., AO2225333.
James E. Short, AO2224831.
Calvin D. Shorter, AO3004948.
Richard E. Shubert, AO3012215.
Paul N. Shull, AO3008283.
Homer A. Shumate, Jr., AO2225358.
Maxwell R. Sidner, Jr., AO3015437.
Howard L. Simmons, AO3010288.
Thomas R. Singleton, AO2248720.
Werner C. Sitz, AO2246881.
Dan R. Skinner, AO3016379.
Gouverneur B. Skinner, AO3006022.
Paul E. Skinner, AO2249937.
James R. Slagle, AO2227293.
Drew C. Sleeper, AO2226874.
Ford H. Smart, AO2246883.
Gordon E. Smart, AO3013876.
Arthur E. Smith, Jr., AO3003296.
Dennis C. Smith, AO3009833.
Everet E. Smith, AO3011554.
George L. Smith, AO2224534.
Gerald H. Smith, AO2234268.
Harry E. Smith, AO2221420.
James A. Smith, AO3025549.
John H. Smith, Jr., AO2229715.
Leo E. Smith, AO3004646.
Pierce L. Smith, AO3007156.
Roy C. Smith, AO3021997.
Stanley O. Smith, AO3023633.
Thomas C. Smith, AO2224726.
Thomas E. Smith, AO2226348.
Warren H. Smith, Jr., AO3008131.
Ray C. Smithers, AO2227896.
Sam L. Smutz, AO2225500.
Douglas T. Sneed, AO3009283.
John W. Snider, AO3024654.
Edwin H. Snyder, AO2253669.
Donovan R. Sparhawk, AO3007163.
Richard J. Sparks, AO2226080.
Alfred P. Spence, AO3007676.
Jack C. Spillers, AO3019373.
Stanley G. Sprague, AO3022353.
James A. Stafford, AO2228230.
William L. Stagg, AO2248985.
Billy J. Stahl, AO3016031.
Albert I. Stancliff, AO3014528.
John F. Stanhagen, Jr., AO3018103.
Hubert G. Stanton, Jr., AO3006143.
Laurel L. Statham, AO3015567.
Charles D. Stearns, AO3023588.
William A. Steele, Jr., AO3025482.
Wycliffe E. Steele, Jr., AO3024597.
Stephen Stefanou, Jr., AO2230349.
Theodore T. Stein, Jr., AO2226768.
William A. Steinmetz, AO2247362.
Donald L. Stensrud, AO2221440.
Martin S. Sternberg, AO2229451.
James C. Stevens, AO2238896.
Merrill D. Stevens, AO2236352.
Wilbur M. Stevenson, Jr., AO3025385.
Charles L. Stewart, AO3024784.
James E. Stewart, AO2252978.
John G. Stewart, AO3005763.
John R. Stewart, Jr., AO2226506.
Leo J. Stewart, Jr., AO3021946.
Orvel W. Stewart, AO3007167.
Richard E. Stewart, AO3007680.
Wesley C. Stidnick, Jr., AO2249945.
John H. Storrie, AO3017055.
Douglas G. Story, AO3005763.
William L. Strand, AO3023634.
John F. Streit, Jr., AO3022189.
Donald R. Strobaugh, AO3007173.
Robert H. Stuart, AO3002515.
Robert C. Stullich, AO3006290.
Robert E. Stumpff, AO3007174.
Richard H. Sullivan, AO3010495.
Meredith S. Sutton, AO2228309.
Allan J. Swanson, AO3021644.
Raymond W. Swanson, AO2229655.
George E. Swick, AO3007176.
Paul C. Swift, AO3022783.
David N. Sylvester, AO3007177.
Anthony J. Szurek, Jr., AO3012705.
Frank J. Tansley, AO2247643.
Billy E. Tarpley, AO3016650.
Gladwin W. Tatem, AO2250303.
Max O. Taylor, AO2228232.
Robert C. Taylor, AO3021919.
Thomas C. Taylor, AO2227097.
Eugene R. Ternes, AO2249263.

Bryce H. Terrell, AO3009724.
Billy W. Terry, AO2248502.
Austin K. Thomas, AO2210366.
Everett L. Thomas, Jr., AO2225974.
Michael D. Thomas, AO2240922.
Tyler Thomas, AO2225506.
Alastair W. Thompson, AO3024526.
James S. Thompson, Jr., AO2225890.
Ralph T. Thompson, AO2225365.
Stanley L. Thompson, AO3011558.
Richard W. Thornber, AO2253082.
Eugene P. Ticknor, AO3008162.
Henry G. Tinsley, Jr., AO3010576.
Chester M. Tobey, AO3007697.
John J. Tobin, AO2226414.
Robert A. Todd, AO3024775.
Joseph R. Tollefson, AO3004650.
Oscar F. Tomlinson, AO2224482.
James E. Toomey, AO3005085.
Karl J. Toth, AO2226921.
William K. Townsend, AO3021482.
Donald F. Trentman, AO3009289.
Claude A. Trombly, AO3024656.
Willard G. Truskett, AO3012405.
Joseph E. Tucker, AO3008167.
Leon R. Tucker, AO2247989.
Robert E. Turnbaugh, AO3022803.
Gerald L. Turner, AO3023729.
James A. Turner, Jr., AO3022283.
James R. Turpen, AO2222875.
Joseph M. Valenti, AO3022285.
Adam C. Vallejo, AO2228643.
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Duane E. Vandenberg, AO2248739.
Charles E. A. VanDuren, AO2227804.
Charles B. Van Pelt, AO3007707.
James E. Varnadoe, AO3021834.
Howard R. Vazina, AO3022120.
Glede W. Vaughn, AO3013137.
James H. Veghte, AO2220867.
George J. Vehrs, AO3004233.
Maurice G. Vincent, AO2220671.
Raymond M. Viscarra, AO2226532.
Anthony M. Vitale, AO3014752.
William Y. Voegtli, AO3022860.
James W. Vorhies, AO3005206.
Michael S. Vredenburgh, AO3009540.
Jack P. Wachtel, AO2224493.
Bernard Wachter, AO3022030.
Donald A. Walbrecht, AO3004214.
Aaron O. Walden, AO3029278.
Robert E. Walker, AO3024482.
Donald R. Walsh, AO3007720.
Harry G. Walters, Jr., AO3006300.
James R. Walters, Sr., AO3008279.
Robert O. Walters, AO2226739.
Roscoe E. Walters, Jr., AO3025487.
Eugene Walthall, Jr., AO2249304.
Joseph M. Ware, AO3022768.
Gerald B. Warton, AO3007209.
Gardner M. Watkins, AO2228443.
Jack L. Watking, AO2262944.
Norman F. Watson, AO2226881.
William T. Watson, AO2246097.
James G. Waugh, AO2227033.
Gerald L. Webb, AO3017406.
Marion S. Webb, Jr., AO2215869.
Roger M. Weeks, AO3016353.
Arthur F. Weickhardt, AO3018218.
Raymond V. Weigle, AO2225273.
Edwin M. Watsler, AO3005880.
Jerome G. Welkom, AO2224500.
John A. Wells, AO3009584.
Patrick G. Wells, AO2237908.
Frank E. Wencel, AO3025707.
Jack H. Wenning, AO3005332.
Bobby P. West, AO3011665.
Herman G. West, AO2228477.
John W. Westberg, AO3023222.
Luther Westerfield, Jr., AO3008189.
Curtis D. Westphal, AO2228108.
Harold E. Weston, AO2253037.
Lyman E. Wheeler, AO3016548.
Philip J. White, AO2228109.
James A. Whitener, AO2252701.
Charles R. Whitham, AO3011208.
Robert A. Wicklund, AO2253775.
Billy J. Wilcoxson, AO3023042.
Ramon C. Wilkins, AO2251121.
Charles T. Wilkinson, AO3025114.
James A. Wilkinson, Jr., AO2254991.
Bruce R. Williams, AO2250703.
David R. Williams, AO2225083.
Durell E. Williams, AO3015534.
Leslie B. Williams, Jr., AO3008301.
Nolan P. Williams, AO2229583.
Wayne E. Williams, AO2221495.
Robert Q. Williams, AO3014621.
William P. Williams, AO3007221.
James R. Willis, AO3024612.
Glen R. Wilson, AO2226360.
Kenneth E. Wilson, AO2220403.
Philip G. Wilson, AO3005631.
William K. Wilson, AO3008308.
Richard L. Winner, AO3014755.
Dean D. Wiseman, AO3015037.
Donald M. Wittevrongel, AO2228091.
Edward R. Wolfe, AO3024705.
James L. Womack, Jr., AO3002495.
Ansel L. Wood, AO2224915.
John L. Wood, AO2225572.
John B. Woodbury, AO3015047.
George W. Wooddy, AO3011667.
George M. Worsham, AO3023638.
Royce M. Wray, AO3019467.
Charles R. Wright, AO3023766.
Dwayne P. Wright, AO3015148.
John L. Wright, AO3024295.
Merle L. Wright, AO3007754.
Alvin L. Yanke, AO3004443.
Earnie A. Yates, AO3012420.
Elmer L. Yates, Jr., AO2227670.
Tommy J. Yoder, AO3012318.
Robert L. York, Jr., AO3007756.
James F. Young, AO2227449.
Irwin R. Ziff, AO3022747.
Paul G. Zilluca, AO2248253.
Robert W. Ziskovsky, AO2238047.

TO BE SECOND LIEUTENANTS

William B. Aldrich, AO3037980.
David M. Alexander, AO2205571.
David H. Allen, AO3008616.
William D. Allfrey, AO3039098.
David C. Alm, AO3008525.
Ariel Alvarez, AO2209687.
Milton W. Anderson, AO3038962.
Richard E. Anderson, AO3028474.
William G. Anderson, AO3008668.
Paul F. Arata III, AO3030425.
Thomas J. Arenas, AO3008673.
Vincent Arias, Jr., AO3037315.
Rowland R. Atkinson, Jr., AO3039361.
Jax A. Baker, AO2208526.
Arthur T. Ballard, Jr., AO3040819.
Raoul S. Barker, AO3039558.
Wesley J. Barlow, AO3032997.
Edward G. Barnes, AO3038561.
John L. Barrett, Jr., AO3037041.
David B. Bartholomew, AO2211401.
Reid Bartlett, Jr., AO3028741.
Gilbert Bartman, AO3008906.
Gerard S. Barton, AO3040666.
Thomas H. Bayless, AO3038345.
Blair R. Behringer, AO3041076.
John T. Belcher, AO3032304.
Bruce W. Bennett, Jr., AO2211113.
Elmer R. Biersack, AO3036916.
William E. Billion, AO2205913.
Walter B. Bills, AO3037783.
DeVaughn Bird, AO3008566.
John M. Birmingham, AO2208713.
James O. Bloodworth III, AO3030958.
Warren W. Boden, AO3037891.
Ernest A. Boehler, Jr., AO3056882.
John W. Bolin, Jr., AO3008777.
Richard B. Bolles, AO3037042.
Alphonse G. Bonadies, AO3037821.
Jack G. Borland, AO3033054.
Paul M. Boseman, AO3032949.
Robert H. Boulware, AO3038131.
Leonard W. Bowden, AO2209683.
Kenneth R. Bowen, AO3032629.
Wayne R. Bratcher, AO3037364.
Eugene D. Braunstein, AO3039606.
William F. Brennan, AO3041062.
Curtiss E. Brown, AO3008566.
Harris S. Brown, AO3040822.
Larry H. Brown, AO2208281.
Charles S. Bruckner, AO3040524.
Thomas C. Bryce, AO2210461.
Thomas K. Burgess, AO2208610.
Walter J. Burke, Jr., AO3037290.
Walter M. Burkett, AO3057310.
Chester E. Burnett, AO3037556.
Lindo L. Burns, AO3039565.
Samuel T. Burns III, AO3045778.
Richard A. Burpee, AO3038900.
John W. Burris, AO3037232.
David N. Burt, AO2205688.
George H. Bush, AO3031626.
Troy L. Caldwell, AO2205279.
Raymond Camacho, AO3037331.
William A. Camp, AO3008569.
Lloyd J. Cannon, Jr., AO3036704.
Mervyn M. Cannon, AO3056809.
Dennis L. Capper, AO3039811.
Fredric J. Carlson, AO3026797.
William M. Carlton, Jr., AO2209959.
William H. Carr, AO2208132.
Stephen C. Carrier, AO3040824.
Colven R. Caudell, Jr., AO3037124.
James L. Champlin, AO2211081.
John W. Chancey, AO3040073.
Kenneth K. C. Chang, AO3032989.
Kieran O. Chapel, AO2208394.
Richard G. Chappell, AO3037872.
James E. Clarke, AO3008672.
Curtis D. Cleveland, AO3049076.
Frederick H. Cleveland, AO3039189.
Kenny D. Cobb, AO3038866.
Thomas N. Colbath, AO3008570.
Earle H. Comfort, AO3039641.
Dennis J. Comolli, AO2207524.
Thomas L. Connelly, AO3036367.
Charles T. Cooney, Jr., AO3037757.
Samuel S. Cottrell, AO3011791.
Herschel E. Coulter, Jr., AO3038158.
William R. Coupland, AO3047962.
Gene A. Cox, AO3038499.
Francis S. Coyle III, AO3028937.
Jesse C. Craver, Jr., AO3032660.
Van L. Crawford, Jr., AO3032459.
Charles J. Cunningham, Jr., AO3037390.
Lewis G. Curtis, AO3029484.
Theodore E. Dahlfors, AO3015516.
Lamont R. Dahlquist, AO2237111.
Russell A. Dalton, AO3037127.
Edward R. Damon, AO3030047.
James W. Davis, AO3033219.
Jerry G. Davis, AO3032321.
William F. Davis, Jr., AO3017756.
Thomas F. Debnam, Jr., AO2205833.
Anthony J. DeCarlo, AO3057553.
Donald W. Degnan, AO3039192.
Richard E. Derridinger, AO3037788.
William R. Desmond, AO3056866.
Eugene N. DiBartolo, AO2206494.
Clay Dietrich, Jr., AO3031570.
James R. Dillard, AO3038307.
James M. Donlon, Jr., AO3039633.
Ralph Dorsett, AO3008576.
Robert E. Drawbaugh, AO2206336.
Richard K. Dutton, AO3008935.
Donald K. Duval, AO3033439.
Thomas J. Dyer III, AO3040663.
Robert D. Edgren, AO3008807.
Harry N. Edwards, AO3029354.
Charles B. Egbertson, AO3039054.
John D. Egrleston, AO3040176.
Ronald C. Eisele, AO3037130.
Dean A. Elmer, AO3040993.
David M. Ericson, Jr., AO3033140.
Joseph L. Fallettl, AO2210226.
Francis R. Fanning, AO3036940.
Fredrick H. Faulkner, AO3040609.
Rodney H. Fauser, AO3038449.
Manuel L. Fernandez, AO3009134.
Carl C. Fletcher, Jr., AO3038911.
Richard A. Forster, AO3008581.
Henry A. Fraser, AO2208551.
Erwin C. Frisbie, Jr., AO3040216.
Donald L. Fuchs, AO3021413.
Benjamin R. Fuller III, AO3029358.
John T. Gaffney, AO3036996.
Melvin S. Gardner, AO3030018.
Mark S. Garner, Jr., AO3056816.
Robert J. Gaucher, AO4038234.
George M. Gear, AO3031802.
Robert A. Geralds, AO3008594.
Irv R. Gerrow, AO3037045.
Richard H. Gibbs, AO3032338.
Charley P. Gillespie, AO3030860.
Jack E. Gilliland, Jr., AO3027744.
James E. Gilliland, AO2210130.
Robert M. Girard, AO3040354.

Dwight P. Glen, AO3038115.
Richard S. Goldstein, AO3036945.
Donald R. Gowing, AO3036726.
Gary G. Graham, AO3038339.
John T. Grange, AO3038996.
Eugene T. Gray, AO3033131.
Billy L. Green, AO3040725.
Wade L. Green, AO2210509.
Warren G. Green, AO3038655.
Owen L. Greenblatt, AO3039829.
Dean R. Grewell, Jr., AO3051986.
John D. Griffiths, AO2210206.
John M. Guiling, AO3036745.
Gregory S. Guinn, AO3027123.
Charles J. Gustafson, AO3057482.
Richard W. Haffner, AO3014486.
Lindell M. Hagood, AO3038340.
Allen C. Haile, AO3039122.
Richard C. Hale, AO3036638.
Gene F. Hall, AO3056904.
John L. Hall, AO3032976.
Harold E. Hamblen, AO3030466.
Robert B. Handcock, AO3037730.
John B. Haney, AO3030468.
James R. Haning, AO3039060.
Paul J. Hansen, Jr., AO2210405.
John J. Hargreaves, AO3038041.
Milton H. Harpster, AO3038341.
Gerald D. Harrison, AO2211579.
Donald K. Hars, AO2211007.
James D. Hawkes, AO2208409.
Donald J. Hazelwood, AO3032486.
Frank A. Hegwer, AO3008825.
Theodore C. Heine, Jr., AO2204689.
Herbert W. Hemmila, AO2205058.
Lynwood B. Hendry, AO3040142.
Robert C. Hess, AO3038827.
William H. Hesseltine, Jr., AO3031466.
William H. Hilbun III, AO3039210.
Ernest C. Hill, Jr., AO2208108.
Martin A. Hinote, AO3040361.
Leon S. Hirsh, Jr., AO3032260.
Carroll G. Hogeman, AO3033363.
Herbert R. Hogue, AO3008964.
Richard L. Hoover, AO3032946.
Reginald S. Horrell, AO3037432.
Stuart B. Hosman, AO2208864.
Fred S. Hudson, AO2206910.
George G. Hull, AO3034450.
William C. Humphreys, AO3019168.
Harold M. Hunter, AO3036955.
Donald H. Hutchinson, AO3008599.
William C. Hutchinson, AO3038863.
Harold S. Hutton, AO3008600.
Ralph W. Ingram, AO3008702.
Thomas W. Jackman, AO3039348.
George W. Jameson, AO3008836.
Robert A. Jandt, AO3028142.
William R. Jeffries III, AO2211498.
Jamie I. Jemison, AO3038048.
Robert D. Johnson, AO3031927.
William D. Johnson, AO3032047.
Stanton I. Jones, AO3029758.
George T. Jost, AO2210491.
George R. Justeson, AO3037733.
Arthur L. Kaplan, AO2209377.
Patrick Keith, AO3008973.
Robert S. Keith, AO3008604.
Robert L. Kelley, AO3039003.
Fred E. Kelly, AO2204663.
James S. Kelly, AO3039702.
Vernon B. Kelly, Jr., AO3038600.
Erban W. Kennedy, Jr., AO3013443.
David G. Kestner, AO3014727.
Merl D. Kimball, Jr., AO3036748.
Thomas L. Kincaid, Jr., AO3039704.
Cliff A. King, Jr., AO3046518.
J Robert King, AO2211694.
Robert R. King, AO3037437.
Rubert H. Kingsley, Jr., AO3010443.
Charles H. Kinkel, AO3038352.
Francis H. Koski, AO3039840.
Albert S. Krauser, Jr., AO3030479.
Robert J. Kreider, AO2204547.
Guy W. Kreiser, AO3036574.
Ludolf R. Kuhnell III, AO2210692.
Thomas A. Kustelski, AO3031372.
Paul E. Lavoie, AO3036671.
Larry L. Lein, AO3038116.
Pierre G. LeMieux, AO2209734.
William E. Lennon, Jr., AO3008710.
Frank W. Lewis, Jr., AO3037300.
Paul E. Light, Jr., AO3037856.
Gordon R. Links, AO2204842.
John D. Linton, Jr., AO3020734.
William L. Lively, AO3032778.
William W. Lund, AO3038408.
David A. Lundquist, AO3037261.
John E. Lyon, AO3030486.
James S. MacKenzie, Jr., AO2206778.
George F. Mahoney, AO2204931.
Lee E. Main, AO3008609.
Albert Malinverni, AO2206483.
Dean K. Mandeville, AO3012614.
Harold D. Manfredi, AO3037745.
Philip J. Mannino, AO3036729.
James J. Mannion, AO2206355.
Donald F. Manthei, AO2209258.
William R. Marlowe, Jr., AO2204365.
Herman T. Marshall, AO1908209.
Walter E. McAlister, AO3037012.
Robert R. McCartney, AO2206352.
George W. McCollam, AO2205291.
Eugene L. McCormack, Jr., AO3039907.
John J. McCormick, AO3031439.
Michael E. McCormick, AO2210992.
Gerald D. McCright, AO3008716.
Donal P. L. McGael, AO3031396.
John M. McGarry, AO3031688.
Richard L. McGuire, AO2251214.
Joseph A. McHugh, AO3008985.
Jimmie A. McKenzie, AO3008614.
Gordon E. McLeod, AO2204966.
Dale E. McNeil, AO2204707.
James T. Medley, AO3008615.
Helmut P. M. Meinig, AO3039762.
Lester R. Mellott, Jr., AO3008722.
Richard E. Merkel, AO3037209.
John Merritt, AO2205369.
Louis T. Miller, AO2205751.
Ralf M. Miller, AO1931408.
Cyril W. Minett, AO3037595.
Thomas F. Mohler, AO3027895.
John W. Monahan, AO2210154.
Thomas L. Moore, AO3040159.
George F. Moraveck, AO3008618.
LeRoy R. Muich, AO3039076.
John T. Mullennex, AO3028645.
Joseph V. Munna, AO3031038.
Stuart T. Murphy, AO2209617.
Victor H. Musick, AO3036973.
Allen L. Myers, Jr., AO3037836.
Franklin W. Myers, AO3033144.
Irvin H. Myers, AO3019000.
Raymond Nasypany, AO3038726.
Merle A. Nelson, AO2251466.
Charles B. Newcombe, AO3036313.
Jack L. Newell, AO3056861.
David L. Nichols, AO3057403.
Richard F. Noone, AO3009123.
Jurl V. Nou, AO3008989.
Glenn A. O'Banion, AO3039409.
Thomas H. O'Brien, AO2208522.
Robert S. Odland, AO2210155.
Chester G. Oehme, Jr., AO3037437.
Joseph D. Oglesby, AO3027384.
Roger L. Owens, AO3032222.
Frederick D. Paige, AO3039231.
Herbert T. Pallisch, AO2209446.
Richard B. Paschal, AO3039533.
Orin C. Patton, AO2207011.
Norman T. Paxson, AO3038314.
Samuel P. Pearis IV, AO3037544.
Bert E. Pekarek, AO3039332.
Gerald J. Perren, AO3008736.
Edward W. Peters, Jr., AO3036815.
Delbert R. Peterson, AO3031604.
Kenneth L. Peterson, AO3038846.
Milton R. Peterson, AO3026626.
Jimmy C. Pettyjohn, AO3039278.
Joseph C. Pfeiffer, Jr., AO3008626.
John B. Phillips, AO3040099.
Theodore R. Pillman, Jr., AO2207244.
Nicholas A. Pishvanov, AO3037601.
Newton C. Plaisance, Jr., AO3033233.
Richard E. Plumb, AO3040251.
Robert B. Prince, AO3040858.
Robert W. Propst, AO2204624.
William E. Puckett, AO2210803.
William S. Purdy, Jr., AO3037359.
Dean L. Purves, AO2204939.
Robert C. Pyatt, AO3038683.
Lawerance H. Quinn, AO3040900.
Charles F. Radcliff, Jr., AO3039764.
Ralph E. Ragland, AO3056936.
Robert E. Randall, AO3008629.
Theodore A. Rardin, AO3032796.
Lester C. Raymer, AO3030406.
John R. Reading, Jr., AO2206624.
Guy A. Reed, Jr., AO2209635.
Lester W. Reed, Jr., AO3038434.
Jerry W. Reese, AO3026702.
James F. Rentschler, AO3036665.
Jerre B. Richardson, AO3008633.
John C. Ries, Jr., AO3011575.
Melvin E. Riggert, AO3037338.
John C. Roberts, AO3036772.
Darwin L. Robison, AO3032504.
Donald E. Robson AO2209714.
Robert G. Rousseau, AO2207338.
Raymond A. Russell, AO3057459.
Alfred E. Ruth, Jr., AO2211914.
Donald W. Ruthrauff, AO3037499.
John R. Sacher, AO3036679.
Robert E. Sager, AO3040036.
Lester E. Sandoval, AO3009003.
Nicholas Sargologos, Jr., AO3039054.
William W. Saunders, AO2210712.
Stanley E. Savage, AO3050571.
Kenneth W. Saylor, Jr., AO3031054.
Max R. Schmaling, AO3056864.
Scott M. Schoolfield, AO3038291.
Rudolf H. Schorsch, AO3008933.
Herbert L. Schulman, AO2210479.
Harold Schwartz, AO3030351.
James R. Schwartz, AO3037486.
James A. Schweitzer, AO3030850.
Richard M. Secanti, AO2210640.
Jack R. Sevison, AO3036899.
Paul Z. Sevoian, AO3011376.
John E. Shaeffer, AO3038144.
Richard S. Shannon, AO3020192.
Hubert W. Sharp, AO3040105.
Thomas G. Shepherd, AO3037141.
Richard J. Sherrier, AO3039482.
Robert A. Shiver, AO3056834.
Tom M. Shook, AO3028000.
Donald L. Short, AO3038366.
Frederick R. Siegmund, Jr., AO3056789.
Joseph H. Slider, AO3047281.
George H. Sloan, AO3035867.
Dale H. Smith, AO2210496.
Gilbert D. Smith III, AO2204764.
Melvin R. Smith, AO3038370.
Richard P. Smith, AO3039921.
Robert A. Smith, AO3032895.
Robert N. Smith, AO3031959.
Roger M. Smith, AO3038689.
Thomas D. Smith III, AO3039032.
Thomas H. Smith, AO3040060.
Warren P. Smith, Jr., AO3039552.
William D. Smith, AO3031607.
Joel J. Snyder, AO2211025.
Randall L. Sohn, AO3040317.
Richard L. Somers, AO3032477.
Theodore Springston, Jr., AO3008759.
Jesse E. Stanford, AO3032482.
Joe R. Steen, AO3039034.
Francis E. Stewart, AO3037074.
Harry J. Stoll, AO3008761.
Robert B. Strain, AO3038857.
John F. Stubbs, AO3037143.
Floyd A. Sullivan, AO3008649.
Lawrence H. Sverdrup, AO2209933.
James O. Swanson, AO3039038.
Charles D. Thomas, Jr., AO3038736.
Richard M. Thompson, AO3037511.
William D. Thompson, AO3032793.
William J. Thornhill, AO3040587.
William L. Thornton, AO3032896.
Marion F. Tidwell, AO3038016.
Tommy A. Tilley, AO2209852.
James H. Tillotson, Sr., AO3015224.
Lloyd S. Timmons, Jr., AO3037221.
Charles M. Timpko, Jr., AO2209812.
Byron W. Trachte, AO3031970.
Alfred A. Trudell, AO3009016.
Ronald D. Trudell, AO2209462.
Joseph R. Tyler, AO3030774.
Manuel de J. Valle, AO3028680.
Thomas R. Vandenack, AO3037283.
John W. Varnum, AO3041034.
Luster A. Vickrey, Jr., AO2206959.
Alexander A. Vivona, Jr., AO2210192.
Robert G. Voelker, AO3038946.
Austin R. Wade, AO3033225.

James S. Walbridge, AO3056999.
Stuart D. Walker, AO3029708.
William A. Wareham, AO3027489.
George B. Waring, AO3039962.
John A. Wathen, AO3039963.
Paul W. Watson, Jr., AO3037005.
James A. Weaver, Jr., AO3031187.
Ralph W. Weaver, Jr., AO2203549.
Arthur C. Weiner, AO3057145.
John F. Welch, AO3034301.
Clark Weymouth, Jr., AO3031981.
Larry V. Whitehouse, AO2211067.
Jack H. Whiteside, AO3057087.
Jon W. Wiedenrapen, AO3056803.
Robert E. Willingham, AO3016695.
Glen H. Wilson, AO3038147.
Gordon H. Winbery, AO3033036.
Donald C. Windrath, AO3037607.
Edgar J. Winters, AO3037076.
Richard A. Winters, AO3037331.
Willis G. Womack, AO3038005.
Joe L. Woodring, AO3008656.
Samuel A. Woodworth, AO2211950.
Wayne F. Wootton, AO3038593.
John T. Wotring, AO3036328.
Clifton D. Wright, Jr., AO2211523.
Gordon L. Wright, AO3036857.
Donald E. Yager, AO3039622.
Raymond C. Yancy, AO3039023.
Mannifred Yates, AO3040185.
James R. Younts, AO3039953.
Robert D. Zarr, AO3040062.

The following-named distinguished graduates for appointment in the Regular Air Force, in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of title II, Public Law 737, 84th Congress (Armed Forces Regular Officer Augmentation Act of 1956):

DISTINGUISHED MILITARY GRADUATE, AFROTC

William E. Bradkin, AO3068172.

DISTINGUISHED OFFICER CANDIDATE GRADUATES

Robert H. Farris, AO3056500.
Richard W. Gallop, AO3056502.
Carrol W. Killen, AO3056524.
Jack E. McDonald, AO3056537.

DISTINGUISHED AVIATION CADET GRADUATES

Calvin B. Adolph, AO3065340.
Charles F. Allen II, AO3064974.
Donald J. Auch, AO3064976.
Norman M. Barikmo, AO3064601.
Robert B. Berrigan, AO3065854.
Bobby L. Berry, AO3065876.
Pat L. Blackwell, AO3065145.
Daniel W. Buehler, AO3064469.
Robert M. Clark, AO3065514.
Richard B. Corbin, Jr., AO3065879.
James E. Cruson, AO3065474.
Donald A. Culver, AO3065557.
Roger W. Dainley, AO3065805.
Albert M. Davis, AO3065224.
Thomas L. Doutt, AO3065766.
Robert T. Duffy, AO3065984.
Donald L. Eversole, AO3065630.
Walter S. Faris, AO3065965.
John E. Fiscus, AO3066117.
Donald B. Foisy, AO3065769.
Jack L. Francisco, AO3065476.
Bruce A. Green, AO3066118.
Wiley E. Greene, AO3066259.
Ronald K. Hall, AO3065821.
George T. E. Hicks, AO3065487.
Keith F. Illes, AO3065651.
James H. Johnson, AO3065968.
Eugene C. Kennedy, AO3066022.
Ronald R. Lahann, AO3065152.
John A. Marshall, Jr., AO3066675.
Charles E. Mason, AO3065552.
Frederick W. McNeill, AO3066234.
Raymond L. Ogluktan, AO3065777.
Charles M. Parker, AO3066051.
George R. Partridge, AO3065498.
Richard M. Peacoe, AO3065664.
Norman D. Pfeifer, AO3065125.
Joe C. Robinson, AO3065503.
Wendell L. Schuler, AO3065894.
John K. Seevers, AO3065359.
Roger W. Shaw, AO3065832.
James H. Shelton, Jr., AO3066008.
Robert N. Spanbauer, AO3065022.
John R. Steves, Jr., AO3066069.
Richard W. Wheeler, AO3065009.
Raymond W. Wiley, AO3065850.
James F. Willingham, Jr., AO3065668.
Robert E. Witts, AO3066010.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Claude W. Hughes, Piedmont, Ala., in place of H. C. Sharpe, deceased.
Grady J. Taylor, Spruce Pine, Ala., in place of R. H. Blackledge, transferred.

ARKANSAS

Rex H. Jeffery, Calico Rock, Ark., in place of E. T. Estes, retired.
Ralph Wayland Ruff, Center Ridge, Ark., in place of O. L. Stobaugh, resigned.
Celestine B. Finnell, Grubbs, Ark., in place of Hendrix Williams, retired.
Clarton Steed, Gurdon, Ark., in place of H. E. Powell, retired.

CALIFORNIA

Eugene E. Timmons, Highgrove, Calif., in place of E. C. McCright, resigned.
Robert A. Best, Olive View, Calif., in place of Erdman Petz, removed.
Thearis J. Bohling, Portola, Calif., in place of A. H. Stookey, resigned.
Ruth E. Pratt, Santa Ynez, Calif., in place of M. A. Hauser, removed.
Charles W. Leffingwell, Solano Beach, Calif., in place of I. C. Witmer, retired.
Harry S. Clifton, Stateline, Calif., in place of S. G. Anderson, resigned.
Ernest D. Gibson, Van Nuys, Calif., in place of G. S. Simpson, deceased.

COLORADO

Lloyd W. Anderson, Otis, Colo., in place of J. M. Rush, deceased.

CONNECTICUT

David C. Hollister, South Glastonbury, Conn., in place of M. B. Foster, resigned.

FLORIDA

Ida W. Norris, Branford, Fla., in place of C. H. Fletcher, deceased.

GEORGIA

Thomas B. Williams, Rossville, Ga., in place of J. C. McDaniel, retired.

ILLINOIS

Laura Z. Coppock, Bloomingdale, Ill., in place of A. B. Hjelte, retired.
Ines F. Smith, Brookport, Ill., in place of L. V. McCandless, removed.
William M. Toland, Browning, Ill., in place of M. E. Bader, resigned.
Marion C. Palmer, Glen Ellyn, Ill., in place of C. M. Sullivan, resigned.
Arthur W. Latham, Hebron, Ill., in place of M. R. Begun, transferred.
Carroll D. Barnes, Mount Auburn, Ill., in place of H. E. Hohenstein, removed.
Lawrence F. Koelling, Naperville, Ill., in place of T. I. Myers, retired.
Homer F. Mounger, Pocahontas, Ill., in place of H. C. Carson, deceased.
William Henry Fey, Staunton, Ill., in place of Walter Beinke, deceased.
George W. Cross, Woodland, Ill., in place of B. O. Dyer, retired.

INDIANA

Evelyn R. Howard, Montmorenci, Ind., in place of M. F. Pride, removed.
Ines T. Kasler, Zanesville, Ind., in place of W. F. Shepler, resigned.

IOWA

Reynolds K. Henrickson, Inwood, Iowa, in place of L. B. Sutton, retired.
Kenneth F. McFarlan, What Cheer, Iowa, in place of M. R. Neumann, resigned.

KANSAS

Violet I. Halfren, Hamilton, Kans., in place of R. W. Sanderson, deceased.
Herbert H. Chittenden, Hays, Kans., in place of M. A. Feagall, retired.
Audrey L. Purcell, Leavenworth, Kans., in place of F. J. McAuliffe, retired.
Calvin A. Borror, Westphalia, Kans., in place of O. P. Young, retired.

KENTUCKY

Robert S. Smallwood, Beattyville, Ky., in place of C. P. Ball, resigned.
Velma A. Houchin, Brownsville, Ky., in place of Bertha Webb, resigned.
David Combs, Bulan, Ky., in place of Estill Hurt, retired.
Clara G. Kelly, Combs, Ky., in place of Emanuel Combs, resigned.
Clark N. Scott, Crab Orchard, Ky., in place of W. H. Pettus, resigned.
Robert H. Eckler, Dry Ridge, Ky., in place of F. E. Thomas, resigned.
Velma L. Lane, Flatwoods, Ky., in place of Nancy Clark, retired.
Roy C. Lutes, Florence, Ky., in place of L. L. Aylor, deceased.
Ina Jean Burnett, Freeburn, Ky., in place of L. B. Wiley, resigned.
Joseph S. Rhodes, Jr., Franchburg, Ky., in place of C. M. Swim, retired.
Orville Edwards, Gravel Switch, Ky., in place of R. O. Harmon, retired.
John T. Durham, Greensburg, Ky., in place of R. E. Vaughn, retired.
Frank L. Coldiron, Greenup, Ky., in place of R. B. Forsythe, resigned.
Lillian F. Lowe, Harold, Ky., in place of E. K. Sturgill, retired.
James R. Rash, Jr., Henderson, Ky., in place of Claud Brown, retired.
John C. Hicks, Hindman, Ky., in place of O. M. Sturgill, removed.
Nora L. Keyes, Hitchins, Ky., in place of Eunice Vincent, resigned.
Elmer A. Elliott, Hustonville, Ky., in place of Lester Jeter, deceased.
William H. Cecil, Lexington, Ky., in place of R. F. Williams, deceased.
Ida P. Kitchen, McAndrews, Ky., in place of G. C. Ramey, resigned.
Alva H. Kelley, Madisonville, Ky., in place of J. D. Shain, retired.
Carl H. Billiter, Majestic, Ky., in place of J. A. Vaughan, retired.
Acton R. Anderson, Mayfield, Ky., in place of P. R. Brown, deceased.
James O. Smith, Mount Vernon, Ky., in place of Katie Mullins, removed.
James E. Morris, Neon, Ky., in place of J. M. Caudill, resigned.
Clarence R. Johnson, New Haven, Ky., in place of M. C. Hagan, retired.
Grant Phillips, Jr., Pikeville, Ky., in place of Milton Tackett, deceased.
Paul D. Fowler, Saint Mary, Ky., in place of W. R. Logsdon, retired.
Charles M. Carter, Jr., Scottsville, Ky., in place of J. P. Dodson, deceased.
Arnold D. Sprague, Jr., Sturgis, Ky., in place of L. D. Rose, retired.
Norma L. Rich, Uniontown, Ky., in place of M. C. Greenwell, retired.
Mervyn E. Allen, Vine Grove, Ky., in place of J. A. Gross, retired.
Eugene Sammons, Worthington, Ky., in place of L. M. Oney, retired.

MAINE

Lewis H. Burr, Kennebunk, Maine, in place of C. C. Tuttle, retired.
Milton A. Lisbernese, Oquossoc, Maine, in place of E. M. Quimby, deceased.

MARYLAND

Lillian B. Noll, Woodstock, Md., in place of E. F. Cavey, retired.

MICHIGAN

William A. Burgess, East Lansing, Mich., reestablished February 1, 1955.
Walter L. Parrott, Jr., Kingston, Mich., in place of Rhea Henderson, deceased.
Denver D. Young, Lambertville, Mich., in place of H. W. Capman, retired.

Bob Lee Baker, Mendon, Mich., in place of M. C. Travis, removed.
Guy R. Van Hortwick, Pentwater, Mich., in place of P. N. O'Brien, removed.
Benedict A. Hunsanger, Ruth, Mich., in place of A. Zinger, retired.
Clifton J. Demerest, West Branch, Mich., in place of R. M. Gillies, retired.

MINNESOTA

James M. Hugues, Collegeville, Minn., in place of M. B. Diekmann, resigned.
Arthur L. Erickson, Hastings, Minn., in place of L. B. Matsch, retired.
Leo W. McDonough, Kellogg, Minn., in place of C. G. T. Lydon, retired.

MISSOURI

Virginia L. Ward, Bonne Terre, Mo., in place of W. H. Ward, retired.
John C. Ferguson, Willow Springs, Mo., in place of J. W. Brown, Jr., resigned.

NEBRASKA

Naomi A. McConkey, Blue Hill, Nebr., in place of F. L. Peisiger, resigned.
John Boyd Page, Fairbury, Nebr., in place of H. S. Yeakle, retired.

NEW HAMPSHIRE

Warren F. Metcalf, Tilton, N. H., in place of F. M. Boynton, retired.

NEW JERSEY

Robert W. Sanders, Middlesex, N. J., in place of F. H. Moran, retired.
John D. Rocas, Ramsey, N. J., in place of V. J. McCall, deceased.
John Stothers, Rutherford, N. J., in place of S. D. Ely, retired.

NEW YORK

Katherine C. Bittner, Shelter Island Heights, N. Y., in place of M. P. McGayhey, retired.
Bruno Gatti, Amawalk, N. Y., in place of Antoinette Rieger, resigned.
David Samuel Farmer, Cornwall-on-the-Hudson, N. Y., in place of L. A. Fanning, resigned.
Oscar V. Newkirk, Kingston, N. Y., in place of W. R. Kraft, deceased.
Leslie Duncan Olmsted, Pleasantville, N. Y., in place of J. J. Moroney, removed.
Frederick Burton Fisher, Whiteface, N. Y., in place of H. W. Haynes, retired.
Justin J. Martin, Willard, N. Y., in place of W. D. Gallagher, deceased.

NORTH CAROLINA

Jay T. Baker, Dallas, N. C., in place of G. L. Friday, resigned.
William R. Burleson, Marion, N. C., in place of J. A. Finley, deceased.

NORTH DAKOTA

Isaac J. Iverson, Fairdale, N. Dak., in place of Edward Lian, retired.

OHIO

Floyd C. Smothers, Fostoria, Ohio, in place of L. B. Anderson, retired.
Harold R. Sherk, Genoa, Ohio, in place of B. J. Chambers, retired.
Hazel C. Kelly, Navarre, Ohio, in place of M. G. Swaller, retired.

OKLAHOMA

Carl R. Junghanns, Medford, Okla., in place of I. E. Armstrong, deceased.

PENNSYLVANIA

Georgia A. Oplinger, Adamsburg, Pa., in place of K. L. Kline, deceased.
Rita C. Steigerwalt, Andreas, Pa., in place of I. L. German, deceased.
Henry J. Fabry, Carrolltown, Pa., in place of O. P. Stolz, retired.
Henry Ralph Graber, Collegeville, Pa., in place of C. W. Scheuren, retired.
Frank L. Bender, Enola, Pa., in place of G. W. Fordney, resigned.
George A. Wildauer, Falls Creek, Pa., in place of J. H. Sinclair, transferred.
Edith M. Isakson, Greenock, Pa., in place of J. E. Haidle, deceased.
Gregg L. Johnson, Lewisburg, Pa., in place of C. F. Dunkle, retired.
Walter J. Gardner, Rockwood, Pa., in place of E. L. Leaphart, retired.
Earl C. Glottfelty, Salisbury, Pa., in place of D. H. Broadwater, resigned.

PUERTO RICO

Pablo Pedraza, Barranquitas, P. R., in place of Ricardo Pagan, retired.

SOUTH DAKOTA

Merrill G. Peterson, Alpena, S. Dak., in place of L. E. Smith, retired.
Milton A. Williams, Lead, S. Dak., in place of E. J. Green, deceased.
Howard J. Wood, Sioux Falls, S. Dak., in place of J. A. Crowley, deceased.

TENNESSEE

Frank Melson, Lutts, Tenn., in place of M. I. Lindsay, transferred.
Mary N. Montgomery, Seymour, Tenn., in place of B. L. Sharp, retired.

TEXAS

Benjamin W. Pearce, Center, Tex., in place of S. E. Burns, deceased.
James D. Wheeler, Jr., Garland, Tex., in place of F. B. Crush, resigned.
Roland W. Davis, Grand Prairie, Tex., in place of E. L. Kerr, deceased.
John C. Sumner, Itasca, Tex., in place of J. G. Martin, retired.
Clarence W. Wagner, Round Top, Tex., in place of M. L. M. Smith, resigned.

UTAH

Dean L. Adams, Loa, Utah, in place of N. M. Ekker, resigned.

VERMONT

Gordon F. W. Eaves, Danby, Vt., in place of E. P. Kelley, deceased.

VIRGINIA

William E. Ewers, Woodberry Forest, Va., in place of G. W. Marchant, resigned.
Thomas C. Wilkins, Wytheville, Va., in place of G. B. Cassell, retired.

WASHINGTON

George E. Anderson, Kirkland, Wash., in place of Harvey Lewis, retired.
Grace G. Kallenberger, Marlin, Wash., in place of Hans Christoffersen, deceased.
Harlan M. Shepardson, Toledo, Wash., in place of D. M. McDowell, retired.

WEST VIRGINIA

Anna Jean Duncan, Cannelton, W. Va., in place of Roy Palmer, resigned.
Charles Manning Smith, Charles Town, W. Va., in place of T. T. Perry, Jr., retired.
Alva O. Bailes, Clay, W. Va., in place of Marion Reed, removed.
Fred L. Byrnside, Danville, W. Va., in place of M. C. Ballard, retired.
Jesse J. Martin, Ethel, W. Va., in place of C. T. Lee, removed.
Kenneth B. Crockett, Matewan, W. Va., in place of C. W. Overstreet, retired.
Dorothy L. Forterfield, Shenandoah Junction, W. Va., in place of W. H. Dean, resigned.
Erma J. Compton, Volga, W. Va., in place of A. C. Lambert, deceased.

WISCONSIN

Charles C. Robb, Arena, Wis., in place of J. L. Quigley, deceased.
Robert T. Burns, Hollandale, Wis., in place of L. E. DeMuth, retired.
Robert Addison Hotchkiss, Independence, Wis., in place of Simon Skroch, retired.
George M. Hetherington, La Crosse, Wis., in place of O. P. Paulson, retired.
Roger A. Shanks, Merrimac, Wis., in place of Grace A. Johnson, retired.
Keith G. Cairns, Mount Hope, Wis., in place of E. B. Morse, deceased.

EXTENSIONS OF REMARKS

Strengthening of Principle of Sanctity of Contracts

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, April 12, 1957

Mr. WILEY. Mr. President, the other night I had the privilege of addressing one of the great business organizations of my State.

In Racine, I spoke before the S. C. Johnson Co.—famous for its product, Johnson WAX. The company had brought in 65 of its representatives from 30 countries all over the world.

I spoke on a theme basic to this shrunken globe of ours.

I spoke on fair treatment of business at home and abroad—fair and equal treatment under the law.

I presented what I called an economic bill of rights for the protection of foreign capital against confiscation, for example.

I ask unanimous consent that the address delivered by me before the S. C. Johnson Co. banquet be printed in the CONGRESSIONAL RECORD.

I ask that it be preceded by two items: First, the text of an amplifying statement which I have prepared on the subject. In it, I have referred to a related issue, namely, the principle of arbitration and conciliation in the instance of economic and other disputes; and second, I ask that an article by Bernardo Estes, editor of Sindicato de Prensa Latino Americano, describing the S. C. Johnson conference be likewise printed. The company has done a great job in Latin America, and our good neighbors to the south have likewise been friendly hosts and customers to this great company.

There being no objection, the address, statement, and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Soon, Congress will be taking up the 1958 mutual security bill.

Every study—the Fairless Commission, the Eric Johnston report—which has been made in advance of this bill—emphasize this fact:

"The world needs more investment of private—I emphasize private—capital. Private enterprise should do the job of building up underdeveloped economies especially, rather than expecting simply government-to-government aid."

SENATOR WILEY'S EFFORTS TO PROMOTE FAVORABLE ECONOMIC CLIMATE

And so, I have sought throughout the postwar era to encourage private enterprise to do this investment job.

I have sought to help contribute to a favorable economic climate throughout the world—favorable to private enterprises' operation.

DANGER IN EGYPTIAN NATIONALIZATION

We cannot have such a climate if let us say, a government arbitrarily confiscates private property—foreign or domestic.

Recent Egyptian nationalization of British and French and other property is a case in point—an illustration of harmful tendencies at work—harmful to investors' confidence throughout the world.

A FINISHING IN 35 YEARS OF LAW EXPERIENCE

Mr. President, having been a practicing attorney for more than 35 years before coming to the Senate, I have stressed throughout a lifetime this fact: The strength of America is the rule of law.

Yes, the strength of America is its respect of the sanctity of a private contract, the sanctity of private property. And that, of course, includes the sanctity of the right of appeal against alleged unfair treatment.

Unfortunately, too many countries, these days, have the notion that a contract can be broken by one side—completely arbitrarily.

But the great Anglo-Saxon tradition holds that a man's word must be as good as his bond, and his written contract, particularly, must be faithfully kept—in letter and in spirit.

LET WORLD SEE WISDOM OF ANGLO-SAXON CONCEPT

And so, I told the representatives of the S. C. Johnson Co., that I hope that the various foreign countries in which they are established, will come to recognize the wisdom of this Anglo-Saxon concept.

Too many countries are toying with confiscation of private property. Too many countries have gotten the concept that men should rule, rather than the law.

LEADING FRENCH PAPER CRITICIZED UNITED STATES

What brought this situation to mind especially was this fact:

The New York Times of Monday, April 8, carried a significant report from the French press about one particular case in which is charged that it is the United States which is at fault in possibly undermining sound economic relations among the nations.

This Times report relates two widely separated problems:

(a) The long-litigated and complex dispute as regards the title to shares of the General Aniline & Film Corp. (the Interhandel case), and

(b) Trying to resolve the problem of Egyptian nationalization.

These cases—Interhandel and Egypt—obviously differ from one another tremendously.

SHOULD DISPUTES LIKE THIS BE ARBITRATED?

But there is at least one common thread between them, as noted by some French and United States observers. It is the common thread:

"Should not governments adjudicate disputes of this nature, if necessary before an international tribunal?"

Thus, the Times referred to a widely reported article entitled "A Regrettable Refusal of International Arbitration." It was printed in the leading journal of finance in Paris, L' Information. The New York Times write-up states the author criticized "the American interpretation of the Washington accord." The author is quoted as declaring that at stake in the Interhandel dispute "was the question of good faith among the nations. By refusing to arbitrate as requested by the Swiss Government, the United States makes itself the sole judge of right and wrong."

Earlier, the Times article, by George H. Morison, reported:

"Owing to the confiscation on a vast scale of French private property in Egypt the Interhandel case had become a subject of fierce controversy in the Paris press."

I AM NOT PASSING JUDGMENT ON CASES, ONLY POINTING OUT SIDE EFFECTS

Now, let me state that:

1. I am not in the slightest passing judgment on the Interhandel case itself. The case is too involved; besides, it has been handled, and is being handled basically by the executive and judicial branches.

2. I am simply pointing out how a side effect of one case may significantly involve very different cases, e. g., Egyptian nationalization. The side effect is possible discouragement of many future arbitration efforts.

3. I personally have a dual responsibility. In the first place, I am senior Republican on the Judiciary Committee which is handling the complex question of alien property.

In the second place, I am Senior Republican on the Senate Foreign Relations Committee which concerns itself with mutual security, worldwide economic relations, friendship among the nations, etc. It is our Foreign Relations Committee which reviews all treaties. It is our committee which approved the treaty of February 16, 1931, under which every dispute arising between the contracting parties shall, when ordinary diplomatic proceedings have failed, be submitted to arbitration or conciliation, as the contracting parties may, at the time decide.

ARE 31 UNITED STATES ARBITRATION TREATIES TO BE DEAD LETTERS?

I ask now: "Is the 1931 Arbitration Treaty to be relegated to a dead letter?"

I point out that, all too regrettably, the historical facts are these: a recent column on the editorial page of the New York Times factually pointed out that, unfortunately, dozens of arbitration and conciliation treaties, solemnly signed by the United States have likewise not been utilized in the slightest.

Is this unwholesome trend of ignoring 31 or more treaties to be continued now? Do not I, as former Chairman of the Foreign Relations Committee, have the responsibility to raise this issue now so that it is carefully considered in all its implications?

I believe I do have this responsibility.

I HAVE COME TO NO DECISION YET ON ANY PROPERTY RETURN

Let this further fact be understood very clearly: I am not commenting now at all on the issue of any possible return of alien property. That is a vast, complex issue in itself. I am commenting today and simply raising questions about the general need for arbitration in today's world where business confidence has far too often been shattered.

So far as any possible alien property return is concerned, I feel that I am still in a quasi-judicial position on the Senate Judiciary Committee. I am now studying the record of the hearings.

I have been asked repeatedly by newspaper reporters about my position on this or that alien property bill. I have told them the facts: I have not made and would not consider making any commitment whatsoever, as regards the various forms of the pending legislation.

I AM CONCERNED SOLELY WITH PUBLIC INTEREST

I have stated that I want to study the record—and only thereafter will I come to a decision for or against this or that bill.

Obviously, on the alien property return issue, a great many private interests are at work—in competition with one another.

I am not concerned with these private interests in any way, shape, or form, neither German nor Swiss nor American private interests.

I am concerned with but one interest—one interest above all, and that is, the interest of the United States Government—the interest of 170 million Americans.

I am concerned with the respect in which we are held by the peoples of the world. We are the beacon. We are the lighthouse, and we must remain so. Fair play must still be our creed and our deed if the world is to continue to respect us.

MY QUERIES TO THE EXECUTIVE BRANCH

And so, I should like to state one simple proposition: I state it, however, respectfully in the form of an open question to our Secretary of State and to our Attorney General.

I ask: "Would not the United States Government be on firmer overall grounds—in terms of restoring the vitality of arbitration treaties—if it were to agree to arbitration and conciliation of this Interhandel dispute?"

The Swiss Government has asked for arbitration. The State Department, for what it deems good and proper legal reasons, has turned the Swiss Government down.

This case has, of course, been fought up and down through the United States courts.

So far as I am concerned, the United States courts may be completely right in what they have repeatedly held. I do not dispute their decisions in the slightest. I have the highest regard for our judicial branch.

SHOULD WE NOT ADVANCE WORLD RELATIONS BY ARBITRATION?

But I ask this question: Would it not be a sound contribution to international relations if the United States Government were graciously to say, in effect, "Gentlemen of Switzerland, we Americans may believe our courts have held 100 percent soundly. But we believe so much in the rule of law; we believe so much in the principle of adjudication of disputes between nations, that we are willing to see the process of conciliation and arbitration followed."

In my judgment, if the United States were to do so, and to do so expeditiously (because I certainly do not want unreasonable delay), then America might make a most significant contribution to international law.

I am commenting in this manner because I feel that the principle of arbitration can and should be applied in a great many pending disputes throughout the world.

HOW TO DEFINE "DOMESTIC JURISDICTION"

Of course, as the State Department has noted, we rightly exclude from our arbitration treaties any obligation to conciliate or arbitrate a matter within "domestic jurisdiction."

But obviously, if "domestic jurisdiction" is interpreted very broadly by ourselves and other powers, then probably no dispute whatsoever will ever be arbitrated. Why? Because everything might be regarded as "domestic."

THE BIG ISSUE: AMERICA'S INTEREST

Here I leave the case except for one additional point:

Some individuals may argue that "to arbitrate this Interhandel dispute would help Private Interest A, or harm Interest B, or help Interest C."

But that is not the question.

I am urging a principle, not any private interest.

I represent no interest. I speak for no interest. I am interested in no interest except—if you can call it that—the interest of the American Government and the American people—leaders of the world in this atomic age.

I say, let my Government weigh this Interhandel question carefully once again in the light of the Egyptian and other dangerous situations.

Let our Government decide not simply on the legal technicalities, as important as they obviously are, but on the many possible side effects and on the psychological impact throughout the world—the impact of whatever we may finally decide.

EACH SOVEREIGN BRANCH MUST CAREFULLY DECIDE

I do not in any way tell another sovereign branch of Government what to do. But I do urge the State Department to think this question through once again—with the broadest public interest in mind—not any private interest—but solely this public interest—a sounder, more stable world—a world in which private enterprise will be protected through due process of law.

There follows now the text of my address as it was prepared for delivery in Racine.

SENATOR WILEY SAYS ECONOMIC BILL OF RIGHTS SHOULD BE PROCLAIMED AND OBSERVED BY FOREIGN LANDS SO AS TO ATTRACT UNITED STATES CAPITAL AND IMPROVE STANDARDS OF LIVING

(Address by Hon. ALEXANDER WILEY, Republican, of Wisconsin, senior Republican, Foreign Relations Committee, at S. C. Johnson Co. banquet, Racine, Wis., April 4, 1957)

I am delighted to join in this the first international conference sponsored by your outstanding company.

I can well appreciate the tremendous amount of arranging and preparation that went into this event.

I know that I speak for representatives of your overseas subsidiaries and distributors, as well as for our attending State and Foreign dignitaries, in thanking you for bringing this conference to its rightful home—Racine. This is but another indication of your forward-moving and civic-minded spirit.

As alert businessmen seeking expanded sales abroad of top products, you are understandably concerned over what lies ahead for international business?

May I say, at the outset, that in my judgment, you look out on a mighty bright horizon.

Let's take a look at the evidence—abundant evidence—for optimism.

AMERICA'S TOP GOALS

But let's first ask, as we go into the midway mark of 1957, what aims are we working for? What does our businessman look for? What is our administration working toward? In essence, the goals are the same:

1. First of all, we want peace and prosperity for America.

2. Secondly, we want peace and prosperity for our fellow men everywhere.

These are fundamental aims, and seemingly simple. However, when we take a real look at world events today, we see it's a long, hard road to peace and prosperity. And it is composed of many avenues.

FOUR AVENUES TO A BRIGHTER TOMORROW

In the course of these remarks, tonight I shall mention but one such avenue in detail:

That of sound international investment.

But there are other avenues—all of which converge on the highroad to peace and prosperity.

Here they are:

1. First of all, invincible American strength—diplomatic, military, economic, spiritual strength—for we are the guardians, the trustees of the greatest values of the human race.

PERILS OF THE AIR-ATOMIC AGE

And we dare not be anything but invincible in this air-atomic age. I mean this age of the shrunken globe; this age of promise and yet of peril, fantastic peaceful developments, and almost equally fantastic developments in nuclear warfare, in jet propulsion, in chemical and biological warfare; this age of danger of a Pearl Harbor-like blitz attack.

2. Secondly, we need to continue to use the avenue of a strong system of alliances. Our purpose is to further the unity and well-being of the free world. Your United States is now the moving force in a sound interlocking system of pacts and agreements with 45 other nations. I refer to the Rio Pact, Anzus Pact, NATO Pact, SEATO Pact, United States-Nationalist China Pact, United States-Korean Treaty, and so forth.

3. Expansion of the free world's scientific and technical horizons.

By this avenue, I mean more sound technical aid, making available the peaceful fruits of atomic energy, more experiments in harnessing the energy of the sun, and other scientific advances.

4. Expansion of the free world's business and commercial horizons.

That means more trade, beneficial, on a two-way street; no dumping, but sound, mutually helpful trade.

And I mean investment. It means more pouring forth of American capital, risk capital, into foreign manufacturing, foreign distribution outlets, foreign advertising (to help increase consumption and increase familiarity with quality-name brands), foreign mineral development, sound foreign equities—stocks and bonds.

I emphasize risk capital—investors' capital willing to take chances in return for the possibility of a fair return on its investment.

S. C. JOHNSON CO. DEMONSTRATES SOUND BUILDING OF MARKETS

And I emphasize the concept "sound." Why? Because an unsound approach to foreign investment can be proven utterly self-defeating.

I'm delighted to say that the S. C. Johnson Co. is one of our most inspiring examples of sound, step-by-step building of foreign markets.

I congratulate you gentlemen on your many achievements to date.

In serving your own well-being, in serving the private good, you have simultaneously served the public good.

Your efforts have well supplemented the economic efforts of your United States Government: efforts to further world prosperity and higher standards of living.

UNITED STATES HAS THREE INTERESTS IN TRADE EXPANSION

Of course, some people may ask: What does the United States get out of trade expansion? She gets, as you well know, three major benefits:

First of all, increased trade is steadily giving us access to raw materials and the other products that we need.

And who would dispute our growing needs for raw materials as our industrial activity reaches capacity limits—

A gross national product of $430 billion.

Personal income over $330 billion.

Employment up to 66 million people.

These facts show higher industrialization levels. And this in turn means greater imports of primary goods. What would we do without outside sources of iron-ore concentrates, nonferrous metals, uranium, and many other items?

Secondly, increased trade means new markets for our own finished goods. New foreign demands are created for American-produced products from our farms, mines, and factories. Again, our workers are further assured of full employment.

Our export activity over the past year is an indicator for the future: 1956 merchandise exports totaled almost $3 billion greater than in 1955. Machinery exports rose about 24 percent, with iron and steel products and chemicals making up about one-third of the $3 billion increase.

But these figures are only a drop in the bucket compared to what the free world really needs from us.

It will bring infinitely vaster quantities, provided it can generate enough of its own purchasing power. That means, of course, through the sale of its own goods to others and to ourselves.

Thirdly, increased world trade helps to make foreign lands far less vulnerable, than they might otherwise be, to Communist penetration.

Yes, prosperous foreign economics mean more stability, less unrest, less yearning among underprivileged masses for a radical change. I mean a change such as the Reds offer—with their phony cure-alls for economic ills—cure-alls which are far worse than the economic illness, itself.

THIRTY BILLIONS OVERSEAS CAN BE INCREASED

The other day, I commented on the Senate floor regarding the very considerable amount of American investment already overseas.

All told, around $30 billion of American money is now invested throughout the world—in plants and refineries and mines and stores, and yes, in stock and bond portfolios.

In 1956 $3 billion more were added.

That is a huge sum. But I say that it could have been larger still, if more American investors were satisfied that the fruits of foreign investment compensate for the considerable risks of foreign investment.

OBSTACLES TO FOREIGN INVESTMENT

I need not tell you in detail, my friends, who work abroad, that in many lands, private enterprise does not exist, as we know it. There are a variety of historical, cultural, economic and political facts which account for that condition, but it is a plain fact.

I need not tell you that even where private enterprise is nominally free, there tend to be all sorts of governmental restrictions on foreign investment.

I need not remind you that widespread inflation of currencies is one of the most serious problems faced, in this respect. An American may trade his goods, expecting to get a rate of, say, 20 units of a foreign currency to the dollar. The American may find, however, that by the time, the transaction is completed, he is indeed getting 20 units for the dollar, but the currency has so seriously lost its purchasing power, that the real value of the currency is now only 50 to the dollar.

Such inflation most often is not planned that way; it just happens as a consequence of a variety of regrettable conditions.

In any event, foreign governments have a right, within limits, to do as they please within their own borders. We Americans do not propose to try to dictate to anybody how they should proceed.

OUR FRANK ADVICE TO FOREIGN FRIENDS

But we do say, in friendship and in frankness to our friendly neighborlands, "If you will provide a favorable climate for American investment, for American manufacturing and distribution and advertising and sales, we believe that you will profit handsomely. We believe that if you will give us anything like a fair opportunity to earn reasonably on our money, that it is you who will benefit even more than we.

"Because, after all, the greatest market in the world is back home, in America itself. There are almost unlimited opportunities for investment in the United States. It may not pay us to go abroad, therefore, unless we are assured a fair break."

You and I know that, very frankly, in many foreign lands the peoples do not enjoy the same sort of political freedoms that we do.

But again, we definitely do not propose to dictate to any foreign land what it should do inside its own territory. We are good neighbors, not meddlers, not "know-it-alls."

ECONOMIC BILL OF RIGHTS FOR FOREIGNERS

If, however, a foreign government may not believe in a political bill of rights for its people, then at least we ask, let there be an economic bill of rights for foreign investment. And let that economic bill of rights be observed in letter and spirit.

What does that mean? It means—

(a) A generally fair break for the foreigner under the law, and in the law courts of the foreign lands.

(b) It means a strong effort to maintain the purchasing value of a sound currency, rather than to indulge in loose fiscal practices.

(c) It means a minimum of exchange restrictions (to the extent that fiscal conditions will permit).

(d) It means no expropriation of foreign private property. (Or, if the very worst comes to the worst, fair and prompt compensation for such expropriation.)

(e) It means freedom from excessive taxation, from harassing Government restrictions and Government interference.

(f) It means minimal limitations as regards reasonable return of foreign earnings to the United States, return of interest and dividends. (And, in stages, return of at least part of the principal of the original investment.)

These, then, are a few points in a foreign economic bill of rights.

Now, my friends, let me say this—in all fairness: I am fully aware that many foreign economies are in comparatively weak condition.

I am fully aware that many foreign lands may not be able to permit the remittance of as much foreign earnings as we would like, or of the original principal as fast as we might desire for investment. And so, I think that reasonable compromises can and should be worked out.

WE MUST NOT BE OVERCRITICAL

We Americans are blessed. We have such great wealth, that it is often hard for some of us who have not been outside our borders to realize how meager are the financial resources of many foreign lands, especially one-crop lands or one-mineral lands. Most of such countries are trying to diversify, but it is not a quick or easy task.

I want us to be sympathetic, therefore. I want us to be understanding. I definitely don't want us to be overcritical of any foreign government or economy. I want us to put ourselves in the other person's shoes.

ACCOMMODATION NECESSARY, ADAPTATION HELPFUL

The S. C. Johnson Co. has shown how it can accommodate to many different conditions in many foreign lands.

It has proven its ability to adapt, to work out reasonable formulas, so that both the company can prosper, and the foreign government and people will rightly feel that they, too, are benefiting.

This is the sort of action which we need in this world.

We can't and won't and don't believe in making over the world in America's own image.

Each people is entitled to its own destiny, its own self-chosen way of life.

We like ours, but we won't try to force it on others. Soviet Russia's way—dictation—is not our way.

THREE STEPS TO ADAPT TO THORNY TARIFF PROBLEM

Instead, we are doing our part to accommodate and adapt, as a nation, to meet foreign needs and our own.

Nowhere is that better illustrated than in the tariff question. This problem is invariably one of the thorniest, most controversial, which we of the Congress face.

In the few moments remaining to me, I won't attempt to get into it in detail.

I will only say this:

While reserving the right to stand up for the livelihood of a hard-hit American industry on a tariff issue, the United States has wisely initiated positive measures to improve its economic ties with other nations.

Let's note three means:

The Trade Agreements Extension Act of 1955 instituted a "staged reduction" of tariffs in accord with other nations. And subsequently in 1956, we concluded reciprocal-trade agreements with 21 other countries designed to bring us economically closer to nations of the free world.

Secondly, the Customs Simplification Act of 1956 was enacted to help reduce inexcusable delays and inefficiency in handling imports.

On a third front, we are participating in several major institutions designed to augment trade, promote the sound economic development of member nations, and stimulate private investment.

Most of you are familiar with the activities of the Export-Import Bank, International Bank for Reconstruction and Development, International Monetary Fund, International Finance Corporation.

I shall not go into further detail on the major problems of our foreign-trade system. I am sure that Herb Prochnow, as a banker and as former Deputy Under Secretary for Economic Affairs, can do a much better job in analyzing the ins and outs of tariffs, quotas, and other restrictions which you no doubt face in your own operations.

CONCLUSION

In conclusion, may I say, my friends, that the future of mankind does depend on the answer to this question.

"Will we effectively fulfill the responsibilities for preserving world peace and prosperity that our strength and position have delegated to us"

The answer must be "Yes." I have faith it will be "Yes."

America can look toward new international horizons, horizons signaling greater economic benefits for our own children and those of our foreign brethren. And only then will international peace and security become, as they must, a lasting reality.

FOLLOWING THE GOLDEN RULE

Then follows the text of the Latin American press writeup to which I have earlier referred.

This article makes the good point that American businesses should act in Latin America on the same high level that we would expect a foreign business to operate in the United States.

The point is well taken.

So, too, however, I say, in all friendship to our good neighbors, this fact: Our Latin American neighbor lands should seek to follow the same high law standards in their countries that they would want us to follow toward their operations in the United States. Let them treat our capital fairly. Let us treat their capital, or any other foreign capital, fairly.

Let each nation's laws be respected.

Let each nation seek to elevate its laws to the highest possible level, including faithful observance and enforcement of those laws.

Let us, in effect, follow the golden rule—to do unto others as we would ask them to do unto us.

JOHNSON WAX CO. IS ANOTHER EXAMPLE OF UNITED STATES BUSINESS MAKING FRIENDS AND CUSTOMERS IN LATIN AMERICA

(By Bernardo Estes, editor, Dindicato de Prensa Latinoamericano)

RACINE, WIS., April 12.—It is significant that the S. C. Johnson & Son Co., of this city, should end the second week of their first international conference during the same time that Pan American Week is being celebrated in the Americas. For this company, which is best known for its wax products in Latin America, has done much to make friends for itself and United States businessmen, in general, in the countries where they maintain operations.

While the Ambassadors of 19 Latin American countries were touring the State of California under the auspices of the Organization of American States, here in the State of Wisconsin the Johnson people were holding their first international conference.

At this conference were some 65 of the company's representatives from the 30 countries of the world where Johnson operates. Of importance to this writer was the fact that the company is represented in Argentina, Cuba, Ecuador, Mexico, Panama, Peru, Puerto Rico, and in Venezuela.

In talking with the men who run the Johnson operations in each of these Latin American countries it was a delight to hear that here was another big United States business that was conducting itself and its business in the republics south of the United States border in the same manner that the people of the United States would expect the Latin American businesses and businessmen to conduct themselves in the United States.

It was wonderful to hear that already the company was doing as much of its business buying and manufacturing in the Latin American countries as they found their markets increasing. A plant has been in operation in Mexico for some time now, another plant is being built in Venezuela. While he is waiting for his own plant in Venezuela to be completed, the manager of the Venezuela branch told me that he is buying his products for sale in Venezuela from the company's branch in Mexico.

When questioned separately, the managers in each country revealed that they employed only local help, bought everything they could locally such as cartons, labels, other packaging and operative requirements. They used the local newspapers, plus radio and television where it was available and were doing everything possible to become a part of the community and country in which they operated.

The Johnson Co. has found that their good conduct and manners in the countries where they manufactured, packaged, and sold their products has paid off in good business for their enterprise. This is a lesson that a few other United States businesses in Latin America could do well to learn and practice.

For over 10 years now, this writer has been commenting on the fact that if United States businessmen and tourists would practice the same good manners in Latin American countries as they do in their own communities the reactions they receive would be surprisingly different in warmth and reception. What most fail to realize is that in the names of North America, Central America, and South America there always appears the one big important word—America. The peoples of Latin America think of themselves as Americans too.

When a company like Johnson & Son make it a policy to operate on this understanding their conduct just does not benefit their own business interests or the interests of the local people who participate in their activity—they are rendering a great service to countries in which they operate and the United States by cementing the friendship and good will of all the great peoples in all the Americas.

The Honorable ALEXANDER WILEY, Senator in Washington representing the State of Wisconsin and ranking member of the Foreign Relations Committee of the United States Senate was the speaker of the evening during the banquet that highlighted the Johnson conference said in part of his speech, "I am delighted to say that S. C. Johnson Co. is one of our most inspiring examples of sound, step-by-step building of foreign markets. In serving your own well-being, in serving your private good, you have also served the public good."

These few words from this important speech shows how clear thinking and far-sighted United States statesmen feel about the proper conduct of United States business interests in countries outside the United States. It is hoped that the people of Latin America understand that a herd of goats should not be judged by the few animals who do not measure up to standards.

Address by Hon. John Sherman Cooper, of Kentucky, on Celebration of the Foundation of Ghana

EXTENSION OF REMARKS

OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, April 12, 1957

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the address I delivered at the Town Hall in New York City on the occasion of the independence of the new nation of Ghana, on March 6, 1957.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are here this evening to mark and to celebrate an event of truly historical significance. Today, the people of a former colony, the Gold Coast, became the new nation of Ghana.

During the past 12 years, many peoples have joined the family of nations—moved by the powerful forces of freedom which have swept across Asia, through the Middle East, and into Africa.

But the establishment of Ghana has new significance in this development, and will undoubtedly strengthen the movement toward independence in Africa. For the people of Ghana are the first in Equatorial Africa to complete the transition from colonial status to full independence and sovereignty.

For this transition, we must not fail to pay tribute to Great Britain and to her enlightened statesmen. Quietly, but faithfully, Great Britain is carrying out a policy of assistance in the development and independence of many of its formerly subject peoples. In a narrow sense, this has been described as the breakup of a great empire. But historically, it is the development of a greater system of world collaboration, based on freedom and justice.

The new nation of Ghana bears the impression of England at her finest. And we are glad that Ghana has become the ninth link in the British Commonwealth, comprised of independent and democratic nations, united voluntarily in free association, and truly devoted to peace.

Tonight, I do not want to subordinate the fact of Ghana's independence, and the struggle of her people for independence and freedom, to the world problems with which our country and the older free nations must deal.

Yet it is a fact that this day of independence takes on added world significance when we contrast it with the fates of older nations in other parts of the world.

In the nearly 12 years since World War II, the world has watched two main attitudes toward colonialism. One has penetrated the belt of the world's colonial areas in Asia and Africa, liberating hundreds of millions of people, and opening for those who have known little opportunity, new horizons of freedom and development. The other, radiating from the Soviet Union, has penetrated by force, ancient civilizations to the west and to the east which had long known independence, and had long contributed to humanity the fruits of their ancient cultures.

The evolution of Ghana as a country fully free must forever stand in strong contrast to the revolution in Hungary 4 months earlier, which saw a great people once more subjected to domination and slavery.

No matter how symbolic, no matter how representative Ghana may be in the long struggle of man to be free, Ghana stands at the commencement of the difficult task of building a new nation. It must be considered, not as a model or as an ideal alone, but as a concrete instance of nearly 5 million people assuming the rights, and also the obligations and problems, of independence.

The tasks faced by the newly independent countries of Asia and Africa is immense. With a small body of trained civil servants, they must take over their governments and maintain political stability—and often in the face of bitter harassment of anti-democratic parties, whether Communist or extreme rightwing groups.

Poverty, illiteracy and malnutrition are other forces against which the newly independent peoples will have to fight for a long time.

Ghana's future has not been guaranteed success. Its problems, political, economic and social, are many. They will challenge the new Government and citizens of Ghana with unusual demands of patience, ingenuity, self-restraint, and mutual cooperation. But it is fortunate that in its political and economic resources, Ghana enters independence under favorable auspices.

Due to the wisdom and restraint of its leader, a great leader, as well as the understanding of Great Britain, it has enjoyed for years a continuous, orderly, and peaceful development of parliamentary experience and constitutional processes.

We are glad to read that Mr. Nkrumah, the first Prime Minister, has noted the rich agricultural, mineral, and power resources of his country, which unite to produce a per capita annual income of $140 for its nearly 5 million people—high for an African nation, and exceeding the combined per capita incomes of India, Pakistan, and Ceylon.

Ghana presents also a challenge to her friends in the community of free nations—to offer sympathetic interest and assistance. Just as we, as a young and weak United States of America, looked to our friends in Europe, so let us now stand ready to lend assistance to our newest and youngest neighbor.

It is a real challenge to our wisdom and understanding. For if our interest and friendship are to be valued by Ghana, we must accept, without question, that Ghana is an equal in the family of nations—free to develop its own democratic forms, institutions, and policies.

This is sometimes difficult for us to do. We must remember that newly independent countries, having won statehood, are jealous of independence. They want first to keep it, to strengthen it, to make it secure. It is difficult for them to agree that decisions affecting their country shall be predetermined by stronger powers. And they desire to achieve some measure of economic self-sufficience—a freedom, as they see it, from economic as well as political colonialism.

This policy is fundamentally one of self-interest, based on the need for internal stability and peace over a period of years. It is similar to the policies that guided the United States in the early years of our independence.

I am sure that governmental statements on independence and freedom have little meaning for millions of people throughout the world if those statements ignore the issue of colonialism.

The fight against colonialism is an integral policy of every Asian and African country. Only yesterday the new Prime Minister of Ghana told the final session of the Gold Coast Assembly that his Government would seek to help all African peoples in their pursuit of freedom and social progress.

It always comes as a shock to us when our attitude toward colonialism is questioned.

The United States has declared again and again its commitment to the principle that all peoples should be free, and I believe that our history—immediate, as well as distant—shows that sustained purpose.

The United States is one of the few large powers which has no colonies—and it seeks none. In those cases in which the full power to make a decision lay in our hands, the decision was made for independence. This is true with respect to Cuba, the Philippines, and Puerto Rico, which refused full independence.

We spoke and acted with others for Indian and Indonesian independence. And surely the world knows our great sacrifice for Korean independence.

Since World War II, we have been deeply, sometimes violently, involved in a world struggle between two great centers of power. The goals of this struggle have been the peace and freedom of all mankind—nothing less.

I believe it is only fair to admit that this issue has influenced our relationship with our allies—some of whom are colonial powers—and that we have been required to direct our immediate efforts to what we have believed was an attack on our security and the very concept of world freedom.

I would point out also that it may well be that the resolution of our own country and other free nations has guaranteed for many newly independent countries an opportunity for peaceful development.

One of the major criticisms directed against the United States is that it does not put sufficient pressure on its allies to relinquish their colonies.

It is true philosophically as Gandhi said, "There is no such thing as slow freedom" and that "all birth takes place in a moment."

Nevertheless, the United Nations, including former colonial peoples in the United Nations, recognized that in some cases independence is an evolutionary process—as it set up a trusteeship council for the non-self-governing territories. The record will show that our country has adhered to this spirit in the United Nations. Ghana itself is an example of this process.

Despite our record, however, the United States is faced with the continuing problem of convincing the Asian and African peoples of our genuine support.

I would suggest that we apply to this evolutionary policy, called gradualism—wherever it is employed—a condition for our support. This test resides in whether it is being used to promote independence, step by step, or whether it is employed as a cloak to prolong colonial domination and deny the advance of freedom.

To our friends in Asia and Africa, we must point out that a true test of a great power's attitude toward independence and freedom is whether it strives to cooperate, and to aid new countries to hold their newly won independence, or like Soviet Russia, fasten on them a new control and domination.

There is a final point which bears deeply upon the attainment of understanding and sympathy between our country and Ghana and indeed on our influence for world freedom.

It is the issue of racial discrimination.

I see here, as I know you must see, a parallel between the international issue of colonialism and racism—and the work of full civil rights and desegregation going on here. There is a grave obligation on our Government, and the people of this country, who subscribe to the principle of freedom and constitutional processes to see that the positive, effective steps are taken without delay to remove discrimination and to assure the full freedom of all our people.

This is true as a matter of justice and humanity at home. It is also necessary if we are to be able to communicate real meaning to our leadership in the world. We must have faith in the full practice of freedom at home if we are to have influence in its growth in other countries. That is the reason that I emphasized at the beginning of this speech, the challenge of freedom.

The announced objective of our foreign policy is not peace alone but peace with justice and freedom. We distinguish our policy from that of the Soviet Union, upon the ground that ours is based on some first principle—some ethical standards. If at times these standards do not seem to prevail, we believe it is nevertheless their formulation and the continuing effort to make them effective, that holds peaceful nations together, makes the world more civilized, and gives a gleaming hope of peace. Surely we cannot compromise our world standards by the failure to assure full freedom and justice at home to our own people.

I am glad that the President of the United States has sent to Ghana as his representative the Vice President of the United States, to express the friendship of our country to the people and Government of the new state.

It is an honor to meet with you tonight. While none of us here speak in an official capacity, we believe that we represent our country's tradition of freedom and express the sentiment of the people of the United States as we join you this evening to hail Ghana's independence. Unfortunately, freedom is not inevitable, or its spirit constantly irresistible. President Eisenhower, in a recent address, recalled the wise observation of the great Justice Oliver Wendell Holmes, "the irresistible comes to pass, through effort."

This then is the thought upon which I end—that we in the United States must practice freedom at home to encourage this exercise everywhere and help those countries and those people who genuinely demonstrate our desire to be free.

Through effort—our effort—joining with that of millions and hundreds of millions throughout the world, freedom can prevail.

Reporters' Roundup

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, April 12, 1957

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the transcript of the proceedings before a radio panel entitled "Reporters' Roundup," on April 8, 1957, on which I appeared.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATOR KARL E. MUNDT, REPUBLICAN, OF SOUTH DAKOTA, IS GUEST ON REPORTERS' ROUNDUP RADIO PROGRAM FOR MONDAY, APRIL 8, 1957

Senator MUNDT is questioned on numerous newsmaking topics, including "What new legislation is needed to deal with abuses of power by labor union leaders?" "How can American labor unions protect themselves against rackets and racketeers?" "What evidence will the Senate Rackets Committee produce against AFL-CIO Vice President Reuther?" "Do you feel that most labor unions are run in an honest manner?" "When will the Senate investigate improper activities in management as well as labor fields?" "Is Postmaster Summerfield trying to blackmail Congress for postal funds?" "Have United States foreign-aid dollars been spent wisely for the future of American peace and prosperity?" "Should the administration barter surplus United States products for strategic goods from Russian satellites?" "Do you think there still are Communists employed in governmental agencies?"

Senator MUNDT is questioned by well-known newsmen of the Washington press corps: Mr. Bill McGaffin, Washington correspondent of the Chicago Daily News; and Mr. Donald O'Connor, Washington correspondent of the Detroit Times. This panel program is moderated by Robert F. Hurleigh, commentator and director of Mutual's News and Special Events Operations.

Attached is a complete transcript of Reporters' Roundup radio, a weekly nationwide feature of the Mutual Broadcasting System. This program is heard on some 584 Mutual affiliates from coast to coast, 9:30 p. m. eastern standard time, on the Mutual network.

REPORTERS' ROUNDUP

(Guest: United States Senator KARL E. MUNDT, Republican, of South Dakota. Moderator: Robert F. Hurleigh. Panel: Bill McGaffin, Chicago Daily News; Donald O'Connor, Detroit Times.)

ANNOUNCER. Reporters' Roundup, where bylines make headlines. In a moment hear United States Senator KARL E. MUNDT, Republican, of South Dakota, answer questions fired at him by a panel of veteran reporters.

Mr. HURLEIGH. "What new legislation is needed to deal with abuses of power by labor union leaders?"

Mr. O'CONNOR. "How can American labor unions protect themselves against rackets and racketeers?"

Mr. McGAFFIN. "Do you feel that most labor unions are run in an honest manner?"

Mr. HURLEIGH. The Senate's current investigating committee is doing an important job for the American people by exposing improper activities in labor and management fields. The Senate select committee's open investigation of labor racketeering has turned up a distressing situation which appears to be the beginning of extensive public hearings concerning corruption and maladministration with labor and management. And, as the Senate select committee prepares to hold new hearings in Washington next week, AFL-CIO leadership is committed to its own drive to purge labor of undesirables holding positions of influence in member unions. Reporters' Roundup guest tonight is a well-known member of the Senate Select Committee on Improper Activities in the Labor and Management Fields. He is United States Senator KARL E. MUNDT, Republican of South Dakota. Senator MUNDT is one of the ranking Republican members of the Senate's powerful Committee on Government Operations. He also serves as a member of the Senate Appropriations and Agriculture and Forestry Committees. Senator MUNDT continues to rally nationwide public opinion on such vital public affairs issues as created by the current investigations conducted by the Senate Select Committee on Improper Activities in Labor and Management—on which Senator MUNDT serves. Senator MUNDT received a master's degree from Columbia University in 1927. He served in the United States House of Representatives for 10 years before he was elected to the Senate in 1948. Senator MUNDT was reelected to the Senate in 1954. And now, our guest is ready.

ANNOUNCER. Reporters' Roundup, which comes to you transcribed from the Senate Radio Gallery in your Nation's Capitol, is presented by the Mutual Broadcasting System as part of its public service programing to stimulate interest in current public affairs issues. Reporters' Roundup is devoted to encouraging a desire in all Americans to listen, read, and think more about public affairs. When the American people inform themselves from sources of their own choosing, they make wise decisions. May the opinions you will now hear expressed by our guest prompt you to further thought. Our guest is United States Senator KARL E. MUNDT, Republican, of South Dakota. Senator MUNDT is prepared to answer the challenging questions of this panel of well-known and able reporters: Mr. Bill McGaffin, Washington correspondent of the Chicago Daily News; and Mr. Donald O'Connor, Washington correspondent of the Detroit Times. Your moderator, Robert F. Hurleigh, commentator and director of Mutual's News and Special Events.

Mr. HURLEIGH. And now, Mr. McGaffin, let's have the first question for Senator MUNDT.

Mr. McGAFFIN. Senator MUNDT, there has been quite a sharp exchange between Senator McCARTHY and Walter Reuther, the union leader. You recall that Senator McCARTHY said a few days ago that the Senate Rackets Committee investigation of Reuther would produce information that would make Beck, and I quote, "smell like the attar of roses." Mr. Reuther, in reply to that, accused Senator McCARTHY of "trying to run interference" for teamsters' boss, Dave Beck. What do you think of that exchange, sir?

Senator MUNDT. Well, I've been reading about it, and it seems like it's acrimonious enough to attract a lot of interest. I don't know anything about the merits of the pros and cons of the running debate which is going on between Reuther and McCARTHY. McCARTHY did announce one day in the committee that he had done some independent investigating of some of the unions headed by Walter Reuther and asked the Chair to call an executive committee meeting to present his evidence, which the Chair has agreed to do. The meeting has not yet been held so I know nothing about what facts Senator McCARTHY may have in that area.

Mr. McGAFFIN. Well, Senator, on today's news ticker there was a story out of Atlantic City quoting Mr. Reuther as saying that he had been advised by Mr. McCLELLAN that the committee had found no basis for investigation of the UAW. Do you know anything about that?

Senator MUNDT. I think that dealt with one particular facet, Mr. McGaffin, of the investigation which had to do with the man who had been buying all the clothes, furniture, etc., for Dave Beck, and Mr. Shefferman had answered a question asked by some member of the committee as to whether he had done that for other labor unions and in that connection Mr. Reuther's name was brought in. I interpreted Senator McCLELLAN's statement to be that they found nothing in that particular transaction improperly involving Mr. Reuther.

Mr. O'CONNOR. You have no personal knowledge then, Senator, of any information the committee might have against the UAW?

Senator MUNDT. None except that there is before the committee a considerable and growing body of evidence in connection with the so-called Kohler strike out in Wisconsin, which I believe does involve one of Mr. Reuther's unions.

Mr. O'CONNOR. Senator, do you think that labor has taken the findings of the committee to date seriously enough to the extent that it has shown a willingness to clean its own house where corruption does exist?

Senator MUNDT. Yes; I think that willingness has been manifest in a majority of the labor unions. I would not want to say that universally they have agreed to clean their own house nor am I at all certain that union members have the capacity to clean their own house without the helping hand of the Government enacting some new legislation, but, in the main, I would say, American unionism has demonstrated a desire to cooperate with appropriate steps to clean its house.

Mr. O'CONNOR. Do you think that is a direct result of the committee investigation, sir?

Senator MUNDT. Yes. I think that its expression certainly—it, referring to the labor union movement—that its expressions in this connection have grown out of the hearings and the investigations. It is also true that within the labor union, such as this bakery union ruckus right here locally, there have been some indications that some officers within the union were desiring to clean it up but I am certain that there has been a great momentum given this whole movement by the committee hearings.

Mr. McGAFFIN. Senator, what is going to happen to Dave Beck, in your opinion?

Senator MUNDT. At the moment, Mr. McGaffin, I think the major difficulties confronting Dave Beck are outside of our committee room and are in two fields; one of them very definitely involving his troubles with the Internal Revenue Service, and I think they are going to bring into the purview of their authority his financial transactions, his income-tax reports, and, of course, that will be adjudicated in conformity with justice before the courts, but he is certainly in trouble in that area. The other area of difficulty with which he finds himself surrounded now I think is within the American trade union movement itself, where his associates in other unions and some of his associates in the teamsters union have frowned very disapprovingly upon his repetitious use of the fifth amendment and his failure to make disclosures when he appeared before our committee. Now those two areas of difficulty are immediate and urgent and are on Mr. Beck's doorstep right now. Our committee, of course, is also continuing its investigations of his activities and it is entirely possible that some time later we'll have Mr. Beck before us again.

Mr. McGAFFIN. To get back to Reuther for a minute. Mr. Reuther, according to the news dispatches, said that if the committee didn't call him he would insist on coming to testify before it. Do you know whether there are any plans to call Walter Reuther any time soon?

Senator MUNDT. Well, as I said in connection with the Kohler matter, I presume that Mr. Reuther will be a witness in that area when, as, and if we actually get it into the stage of an open hearing, and certainly if Mr. Reuther or any other well-known labor-union leader makes the request to appear before our committee our response will be affirmative.

Mr. O'CONNOR. Senator MUNDT, Dave Beck's Washington attorney, Arthur Condon, who appeared with him at the hearings, claims that Leonard Hall, the former chairman of the Republican Party, solicited Beck's assistance in the 1956 presidential election. Do you know, sir, whether this is true?

Senator MUNDT. No; I do not. I have read that exchange of opinion on the part of Mr. Condon and Mr. Hall; one says "Yes" and one says "No." I know nothing about it whatsoever. I can say only that as far as my relationship with the two campaigns go and in 1952 I was serving as director of the Republican speaking program for Eisenhower-Nixon, and in 1956 heading the truth squad, that as far as my personal knowledge goes, no requests were made by Mr. Hall of Mr. Beck, but I don't know all of the facts that may have developed in the course of the campaign.

Mr. O'CONNOR. Well, Mr. Hall, of course, today denied that he had ever solicited Mr. Beck's financial assistance. He admitted that he had talked to Condon and that they probably had talked about politics. Do you think, however, that this exchange, which is in the newspapers, will affect Mr. Hall's future? He has been rumored as a candidate for Governor of New York.

Senator MUNDT. No, I do not; because I think it's quite logical that any national chairman in the course of a campaign is solicitous to secure whatever support he can and if it were true—and Mr. Hall says it is not true—but if Mr. Hall had requested Mr. Condon, as a friend to Mr. Beck, to support the Republican candidacy, at that time none of the evidence which is now before us was before him, so I see nothing improper about such a request, had it been made.

Mr. McGAFFIN. Well, Senator, there was another matter that came out toward the close of the campaign. You recall the Brooks subcommittee, which was investigating the Government nickel plant in Nicaro, Cuba, and the construction of an addition to that plant. And, testimony was given before that subcommittee to the effect that Mr. Hall had—I believe the charge was that he had indulged in a shakedown of a contractor to get him to contribute to the Republican campaign, and one of the Congressmen, after listening to this testimony, said, "Well, if this testimony is true, Len Hall should be in jail," and we've wondered what you think about the charge and whether you think that might have something to do with the fact that Mr. Hall didn't get a spot in the Cabinet as many people thought he would.

Senator MUNDT. I remember the charge which came during the latter days of the campaign which I interpreted at the time as one of these last-minute political roarbacks which sometimes come. I remember what Mr. Hall said in response. He said, "It's a lot of poppycock; there's no truth to it; I'll be happy to come down and appear before the committee if they will call me after the campaign is over. If this is a ruse simply to make me immobile during the campaign, I'm not going to fall for that political trickery." He offered to appear before the committee afterward. I think it speaks very eloquently that the subcommittee has not called him since the election. I am sure it had nothing to do with Mr. Hall's not getting an appointment from the White House because I know Mr. Hall pretty well personally and he has told me that he has never been an applicant for any such appointment and knows of no appointment in the Federal Government that he, at the moment, would be willing to accept.

Mr. O'CONNOR. Senator, you have held 5 or 6 weeks of hearings, I believe, on the teamsters union. Where do we go from here?

Senator MUNDT. Scranton, Pa., starting next week, except we don't go to Scranton. Scranton comes to Washington. The hearings deal with the situation in Scranton.

Mr. O'CONNOR. What specifically in Scranton are you going to investigate?

Senator MUNDT. It is going to involve the general area of the construction industry and perhaps indirectly again the teamsters, but the whole area of improper activities in the construction industry in the area of Scranton, Pa.

Mr. O'CONNOR. You were quoted today, Senator, as having said that the labor rackets committee will soon investigate dishonest management and dishonest labor unions in the construction industry in New York.

Senator MUNDT. That is correct. That is going to follow the rather brief hearings we're having in connection with the Scranton situation which I don't believe will carry us much beyond 10 or 15 witnesses and we should be able and we hope to be able to conclude before the Easter recess. After the Easter recess, then we come to the New York-Manhattan Island situation.

Mr. O'CONNOR. We have heard a lot about dishonest labor leaders so far, Senator. What type of dishonesty do you expect to find among management connected with labor?

Senator MUNDT. We know what we're going to find in the New York City-Manhattan area because before the select committee was created our regular Senate investigating subcommittee, which Senator McCLELLAN also heads and on which I serve, had a number of witnesses from the New York City-Manhattan area involving the construction industry, and the kind of dishonest practice we discovered there was this. That dishonest contractors would make special under-the-table deals with dishonest labor leaders, so that in the competitive bidding for a housing project, for example, they could always underbid their competitor because the dishonest union leader would say, "If you'll underbid him and slip me a little money, we'll eliminate the welfare fund payment or some other fringe benefit payment," so that the man who got gypped, of course, was the workingman who didn't get all the benefits he expected to get. The man who profited primarily was the dishonest contractor who got the job because he had an advantage in the bidding and the dishonest union leader got the benefit of whatever bribe was paid him by the dishonest management.

Mr. McGAFFIN. Senator, is it possible that another phase of management that you might investigate is the unwarranted use of expense accounts for entertainment employed by management?

Senator MUNDT. Yes; I think that is certainly possible. We have had within the last 2 weeks the interesting beginnings of some evidence which would lead us in the direction of believing that in certain managerial groups, certain corporations—probably not the great gigantic corporations—but in smaller corporations that there has been a tendency to misuse stockholders' money and stockholders' funds, much in the same manner that the evidence leads us to believe Dave Beck misused the dues paid by the union members. Since we are authorized by the act to study improper practices in labor and management or labor or management, it is certainly within the realm of possibility that this kind of evidence will be firmed up sufficiently to justify some investigation in that area. There is this important difference which I should point out, because our responsibility essentially is in the direction of the public interest. In the field of the union, you have a situation where a man, in order to get a job to support his family, must join a union. Then, to belong to the union he has to pay compulsory fees and dues for the various kinds of fringe advantages he gets, so he has no choice but to belong to the union or not support his family. A stockholder in a corporation has a lot more independence. He can buy stock or sell it. He doesn't have to stay in the corporation if he believes something dishonest is going along. So, while we would be interested in correcting those dishonest practices either place, our major public responsibility obviously is in the field of compulsory unionism, where a

man has to belong to a union, has to subject himself to the improper practices in order to have a job to support his family.

Mr. McGAFFIN. Well, what other field of management, Senator, do you think you might investigate? You mentioned the example of dishonest contractors.

Senator MUNDT. Yes. Well, we're not prepared, of course, to list the whole series of areas in which we might go, but the contracting industry seems to lend itself especially to that kind of investigation. There's another area which deals with such things as garbage collection, places where unions or associations of garbage collectors or whatever you call them make some kind of a contract to get an exclusive right or privilege to do a certain thing in the city, and then management, call it if you will city management, or politicians at the local level—there's a great opportunity for graft and corruption in that area.

Mr. O'CONNOR. Senator, if I may change the subject for a minute here, it is reported that the United States has threatened to cut off the Hungarian escapee program, that is, bringing the Hungarians into this country, which supposedly is causing a lot of suicides and frustration among the Hungarians awaiting entry here from Austria. Do you think the escapee program should be continued and will Congress do anything about it?

Senator MUNDT. Well, I don't think the escapee program should be continued indefinitely and without limit, if that is your question. Whether we should cut it off on a particular day or at any particular number I would want to see a lot of evidence to know what answers I would consider appropriate for that. But if the question is, should we go on with an unlimited program, my answer is, I don't think so.

Mr. O'CONNOR. No, sir, that isn't the intent of my question. It's, should we cut it off now.

Mr. McGAFFIN. Senator, there are about—if I may cut in here, Don—there are about, I believe, 30,000 refugees who have made it out of Hungary and are sitting in camps in Europe, and that is where the wave of suicides started at the report from here that no more were going to be admitted to the United States. Those people are sitting out there on a limb in a very bad spot. Also, I think many thousands of the refugees who came into this country on a payroll status have had no assurance from Congress that their status will be regularized, and they are getting——

Senator MUNDT. Yes, well, that, of course, gets into two different areas. I am confident that those who are here now and who are legitimately here and appropriately here and justify their being here because they are honest political refugees, that they will be given continuous haven in this country. Now, from the standpoint of those who are still over there and wanting to get here, I think we will insist on our original understanding, and that was that the United States would take its share, not all of them, but its share. I'm sure we'll make exceptions in that direction from the standpoint of the importance of reuniting families where you have people over there whose wives may be here, whose parents may be here, or whose intimate members of the family are already here, I'm sure we will adjust things so that they can continue to come.

Mr. McGAFFIN. Well, what would you regard as a fair share for the United States?

Senator MUNDT. Well, of course, that is a pretty difficult thing to put down in mathematical terms. It's a question of surveying what has been done by the other recipient countries, the other countries which are able to absorb refugees, which have the same disposition toward communism that we have, and I think it is something which, on balance, you have to study very carefully, and I wouldn't be able to give you an off-the-cuff answer as to the exact number of refugees I would consider to be fair.

Mr. O'CONNOR. Senator, a quick question before we go off. Do you think Postmaster General Summerfield is trying to blackjack Congress into giving him more money by threatening to cut the mail services?

Senator MUNDT. I prefer to use the word "nudge." I think he's trying to nudge Congress in that direction and that probably if Congress does not make the funds available he will have to carry out his program of reducing some of the postal service.

Mr. HURLEIGH. I'm sorry, gentlemen, but I am going to have to cut in here. Our board of judges has selected the prize-winning question submitted by our listeners for this broadcast. In a moment, Senator MUNDT is going to answer these questions. Stand by for the names of the winners.

And now, Senator MUNDT, here are those prize-winning questions from our listeners.

ANNOUNCER. Mrs. Belle L. Crawford, of Phoenix, Ariz.

Mr. HURLEIGH. "Do you think there are still Communists employed in governmental agencies?"

Senator MUNDT. Yes; I am sure that there must be in the almost 2 million civilian employees here and there some Communist who has not yet been discovered and disclosed, but I am equally confident that they have been reduced to a very small minimum and that everything that the FBI and that internal security can do is being done to eradicate them, so I would not think that they are in important places today or having any great impact in the formation of public policy.

ANNOUNCER. Mrs. Sidney Armstrong, of St. Louis, Mo.

Mr. HURLEIGH. "Have United States foreign aid dollars been spent wisely for the future of American peace and prosperity?"

Senator MUNDT. I would say some of them have and some of them have not. Certainly we have not thrown away all of our foreign aid; a lot of it has been used judiciously and wisely and constructively and inevitably in developing the great kind of bureaucracy that has to distribute these dollars abroad much of it has also been used wastefully, and as a member of the Senate Committee on Appropriations, I'm one of those who this year proposes to squeeze out as much of that waste and eliminate as much of the useless expenditure as is possible.

ANNOUNCER. Miss Mary Philips, of Tulsa, Okla.

Mr. HURLEIGH. "Should the administration barter surplus United States products for strategic goods from Russian satellites?"

Senator MUNDT. I don't think I could answer that one categorically yes or no. My disposition is to look with pretty much of a jaundiced eye on any such barter arrangements with satellite countries, but I would not be prepared to say I want to slam the door entirely against consideration of such conceivable exchanges. In my opinion we would have to balance each transaction in relation to how it answers this criterion: Does such an exchange benefit the free world? Is it serving the self-interest of the United States? Will it do more to preserve freedom than to promote Communism? If those answers could be given so as to benefit the American side, I would say such exchanges might be justified, but if in any remote respect they tended to strengthen the other side rather than our side, I think we should stay completely away from them.

Mr. HURLEIGH. I want to thank United States Senator KARL E. MUNDT, Republican, of South Dakota, for being our guest on Reporters' Roundup, which came to you transcribed from the Senate Radio Gallery in your Nation's Capitol. And, my thanks, too, to the reporters on our panel: To Mr. Bill McGaffin, Washington correspondent of the Chicago Daily News, and Mr. Donald O'Connor, Washington correspondent of the Detroit Times.

ANNOUNCER. This broadcast of Reporters' Roundup will make news because its guest, United States Senator KARL E. MUNDT, Republican, of South Dakota, faced questions which are asked by most Americans. Next week, and each week thereafter, Reporters' Roundup will seek out the top news and the man who makes it. You'll get the story behind the headlines as our guest answers the questions of Robert F. Hurleigh and a panel of veteran reporters. This is Jaffray Ford speaking.